



1Q2017 Results Announcement

May 3, 2017

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Scope of Presentation



- CEO's Report
- Financial Review
- Group Outlook

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CEO's Report

Neil McGregor

Group President & CEO

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1Q2017 Performance Round-up

Turnover at S\$2.1 billion, up 13%

Profit from Operations at S\$275.1 million, up 16%

Net Profit at S\$119.1 million, up 11%

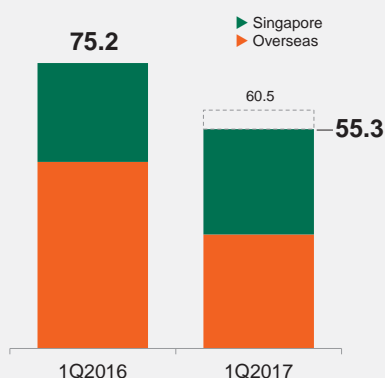
EPS at 6.1 cents

ROE (annualised) at 7.2%

Weak performance from India

Net Profit
S\$55.3 million ↓27%

- Excluding SGPL's refinancing cost, 1Q2017 net profit at S\$60.5 million, down 20%



□ Exceptional item: SGPL refinancing cost

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Business Updates

Singapore

- Improved performance despite continued intense competition in the power market

India

- SGPL commenced full commercial operations in February 2017**
 - Focusing on stabilising plant operations
 - Weak spot and short-term power tariffs adversely affecting financial performance. Seeking to secure value-enhancing long-term power purchase agreements
- Credible operating performance by TPCIL**
 - Despite annual maintenance shutdown for Unit 1 (from end-December to mid-January), average PLF at 83% in 1Q2017 with 2,359 million units generated
- SGL wins bid for a new ~250MW wind power project**
 - To be located in Tamil Nadu and fully commissioned by 1Q2019
 - 25-year power purchase agreement with Power Trading Corporation

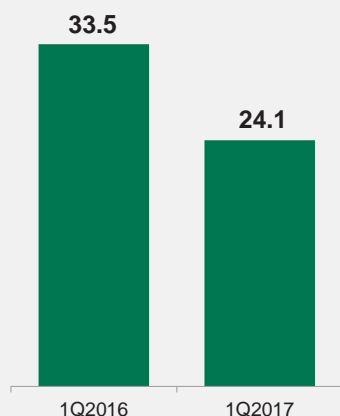
China

- 1,320MW Chongqing Songzao commenced full commercial operations in January 2017
- Steady performance from existing businesses

MW: megawatts; PLF: plant load factor

Challenging offshore & marine industry

Net Profit*
S\$24.1 million ↓28%

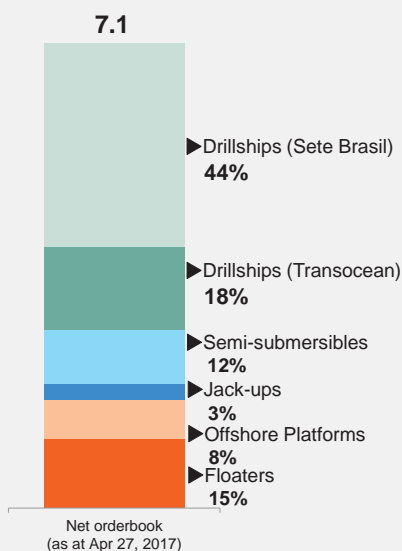


*Sembcorp's share of Marine's net profit

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Total Net Orderbook (as at Apr 27, 2017)
S\$7.1 billion

- Excluding the Sete Brasil drillships, net orderbook at S\$4.0 billion



Business Updates

S\$46.8 million gain recognised from the sale of interest in Cosco Shipyard Group

- Proceeds of S\$220 million expected to be received in 2Q2017 and will be used to support business growth

Successful conversion and delivery of FPSO *Pioneiro de Libra*

- The FPSO will be deployed in the Libra field development in Brazil's Santos Basin

In active discussions with potential customers for Gravifloat LNG solutions

- Hopeful of new orders in 2017 from this new business segment

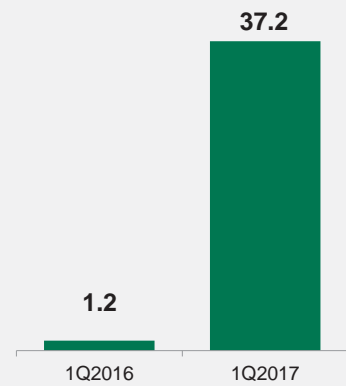
Workforce optimisation continues

Exercising financial discipline and prudence in cash flow management

Strong 1Q2017 performance

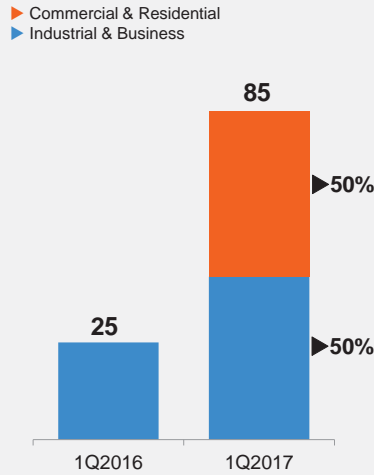
Net Profit
S\$37.2 million ↑30x

- Strong performance driven by Nanjing. Profit recognised for 42.6-hectare C&R land sold in December 2016



Total Land Sales
85 hectares

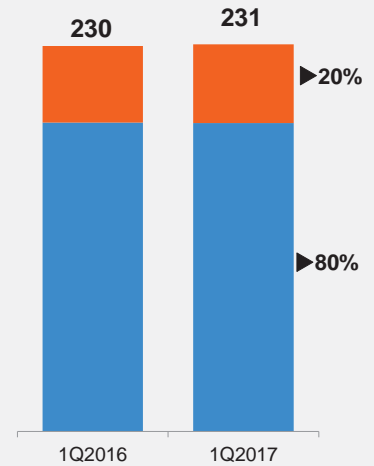
- Nanjing 42.6-hectare C&R plot boosts 1Q2017 land sales
- Land sales in all markets exceeded 1Q2016 performance



Total Net Orderbook
231 hectares

- Strong orderbook for industrial land in Vietnam

- Commercial & Residential
- Industrial & Business



C&R: commercial & residential

Financial Review

Koh Chiap Khiong
 Group CFO

Group Profit & Loss



(S\$M)	1Q17	1Q16	Δ%
Turnover	2,140	1,895	13
EBITDA*	352	313	13
Profit from Operations	275	238	16
EBIT	218	202	8
Share of results: Associates & JVs	57	36	61
Net Finance Cost	(125)	(77)	(63)
Finance costs	(129)	(86)	(50)
Finance income	4	9	(56)
PBT	150	161	(7)
Tax	(15)	(30)	50
Non-Controlling Interests	(16)	(24)	32
Net Profit	119	107	11
EPS (cents)	6.1	5.5	13

* EBITDA excludes major non-cash items such as the effects of fair value adjustments, re-measurements, impairments and write-offs

Group Turnover



(S\$M)	1Q17	1Q16	Δ%
Utilities	1,316	895	47
Marine	760	918	(17)
Urban Development*	2	1	49
Other Businesses	62	81	(23)
TOTAL TURNOVER	2,140	1,895	13

* Urban Development businesses comprise mainly associates or joint ventures which are accounted for under the equity method. The turnover reflected was derived from providing services to these associates or joint ventures

Group Profit from Operations (PFO)



(S\$M)	1Q17	1Q16	Δ%
Utilities	175.1	154.7	13
Marine	59.5	83.7	(29)
Urban Development	39.2	2.3	NM
Other Businesses	6.1	8.9	(32)
Corporate	(4.8)	(12.1)	60
TOTAL PFO	275.1	237.5	16

Group Net Profit

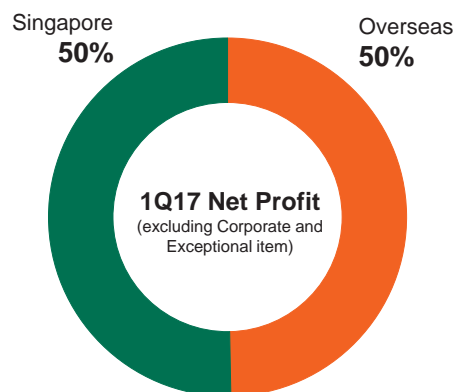


(S\$M)	1Q17	1Q16	Δ%
Utilities	55.3	75.2	(27)
Marine	24.1	33.5	(28)
Urban Development	37.2	1.2	NM
Other Businesses	7.2	9.1	(20)
Corporate	(4.7)	(12.0)	61
TOTAL NET PROFIT	119.1	107.0	11

Utilities Net Profit



By Geography (\$M)	1Q17	1Q16	Δ%
Singapore*	34.2	29.8	15
China	22.1	25.6	(14)
India	(16.6)	(1.3)	NM
Rest of Asia	8.7	5.7	53
Middle East & Africa	9.5	12.4	(23)
UK & the Americas	10.0	13.8	(28)
Corporate	(7.4)	(10.8)	32
Net Profit before exceptional item	60.5	75.2	(20)
Exceptional item**	(5.2)	-	NM
TOTAL NET PROFIT	55.3	75.2	(27)



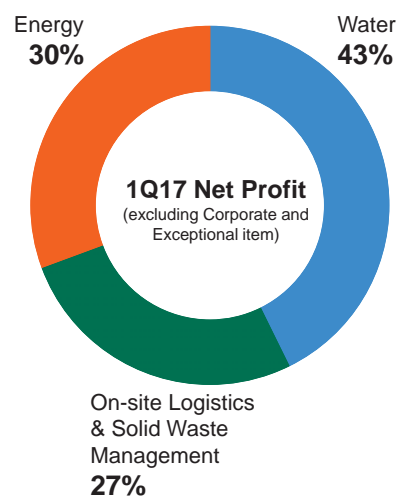
* Singapore: Net Profit breakdown	1Q17	1Q16	Δ%
Energy	13.0	8.9	46
Water	9.8	7.5	31
On-site Logistics & Solid Waste Management	11.4	13.4	(15)

**SGPL refinancing cost

Utilities Net Profit



By Product Segment (\$M)	1Q17	1Q16	Δ%
Energy	20.8	47.0	(56)
Water	29.0	22.5	29
On-site Logistics & Solid Waste Management	18.1	16.5	10
Corporate	(7.4)	(10.8)	32
Net Profit before exceptional item	60.5	75.2	(20)
Exceptional item*	(5.2)	-	NM
TOTAL NET PROFIT	55.3	75.2	(27)



*SGPL refinancing cost

Group Capex and Equity Investment



(S\$M)	1Q17	1Q16
Capital Expenditure		
– Utilities	282.0	88.3
– Marine	50.2	101.3
– Urban Development / Other Businesses	2.9	2.2
	335.1	191.8
Equity Investment		
– Utilities	-	72.6
– Marine	-	52.5
– Urban Development	6.7	2.5
	6.7	127.6

Group Free Cash Flow



(S\$M)	1Q17	1Q16
CASH FLOW FROM OPERATING ACTIVITIES		
- before changes in working capital	304	291
- changes in working capital	(177)	(213)
- tax paid	(9)	(10)
	118	68
CASH FLOW FROM INVESTING ACTIVITIES		
- divestments, dividend and interest income	73	22
- investments, capex and non-trade balances*	(396)	(240)
	(323)	(218)
- Add back: expansion capex	291	298
FREE CASH FLOW	86	148

* Payables for capital works / fixed assets

Group Borrowings



(\$M)	Mar 31,17	D/C ratio*	Dec 31,16	D/C ratio*
Gross Debt				
Corporate debt	1,995	0.11	1,697	0.10
Project finance debt	3,240	0.18	3,369	0.19
Sembcorp Marine debt	4,345	0.24	4,155	0.24
	9,580	0.54	9,221	0.53
Less: Cash and cash equivalents	(1,853)		(1,883)	
Net debt	7,727	0.43	7,338	0.42

*Total Debt-to-Capitalisation ratio

Financial Indicators



	1Q17	1Q16	FY16
EPS (cents)	24.5*	21.8*	19.9
ROE (%)	7.2*	6.7*	6.2
ROTA (%)	4.7*	4.2*	4.0
Interest Cover (times)	2.7	3.6	3.3
Per Share			
NAV (S\$)	3.78	3.60	3.75

* Annualised

Utilities

The performance of Utilities' China operations in 2017 is expected to be lower than 2016 due to the expiry of the Yangcheng cooperative joint venture agreement in 2016.

In India, Sembcorp has two thermal power plants and renewable energy assets totalling over 3,800MW. The second thermal power plant, SGPL, commenced commercial operations in February 2017 but has yet to secure long-term power purchase agreements. As the spot and short-term power tariffs remain weak, its performance is expected to be adversely affected.

In Singapore, the centralised utilities, gas and solid waste management businesses are expected to remain steady. However, the power business continues to face intense competition.

Operating performance in the other regions is expected to be stable.

The Utilities business remains focused on operational excellence and the consolidation of its market position.

Marine

Global exploration and production spending is expected to increase in 2017, compared to the last two years. Enquiries for non-drilling solutions continue to be encouraging. Sembcorp Marine is cautiously optimistic of new orders for production facilities in the next few years.

Customer interest in Sembcorp Marine's broad-based LNG solutions and capabilities remains strong, as global demand for gas is on the rise. Sembcorp Marine is making steady progress in the development and commercialisation of its GraviFloat technology for near-shore gas infrastructure solutions. However, it will take time for such efforts to translate into orders.

Sembcorp Marine's strategy and focus remain anchored on strengthening and optimising its talent pool; pursuing operational excellence in executing its projects; investing in new capabilities, products and technological innovation to help grow its orderbook; and prudently managing its financial resources to preserve financial flexibility and ensure overall sustainability of its business.

Urban Development

The Urban Development business is expected to deliver a better performance in 2017, underpinned by land sales in its urban developments in Vietnam, China and Indonesia.

Group

The market environment is expected to remain challenging in 2017. With strong capabilities and resilient businesses, Sembcorp continues to position itself well for the future.



Vital Partners. Essential Solutions.

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Appendix

Utilities Turnover



By Geography (\$M)	1Q17	1Q16	Δ%
Singapore	750.3	534.1	41
China	30.7	39.3	(22)
India	362.5	213.2	70
Rest of Asia	58.9	-	NM
Middle East & Africa	25.7	24.7	4
UK & the Americas	94.5	88.9	6
TOTAL TURNOVER	1,322.6	900.2	47

Note: Figures are stated before intercompany eliminations

Utilities Profit From Operations (PFO)



By Geography (\$M)	1Q17	1Q16	Δ%
Singapore	50.1	45.5	10
China	25.4	28.3	(10)
India	76.6	53.4	43
Rest of Asia	8.8	5.7	55
Middle East & Africa	10.8	13.4	(19)
UK & the Americas	13.0	15.9	(18)
Corporate	(3.7)	(7.5)	51
PFO before exceptional item	181.0	154.7	17
Exceptional item*	(5.9)	-	NM
TOTAL PFO	175.1	154.7	13

*SGPL refinancing cost

Utilities Turnover



By Product Segment (S\$M)	1Q17	1Q16	Δ%
Energy	1,152.9	737.1	56
Water	87.8	81.1	8
On-site Logistics & Solid Waste Management	81.9	82.0	-
TOTAL TURNOVER	1,322.6	900.2	47

Note: Figures are stated before intercompany eliminations

Utilities Profit From Operations (PFO)



By Product Segment (S\$M)	1Q17	1Q16	Δ%
Energy	126.2	112.8	12
Water	36.2	29.3	24
On-site Logistics & Solid Waste Management	22.3	20.1	11
Corporate	(3.7)	(7.5)	51
PFO before exceptional item	181.0	154.7	17
Exceptional item*	(5.9)	-	NM
TOTAL PFO	175.1	154.7	13

*SGPL refinancing cost