



## 9M2017 Results Announcement

November 2, 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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## 9M2017 Performance Round-up

**Turnover at S\$6.2 billion, up 6%**

**Profit from Operations at S\$685.5 million, up 11%**

**Net Profit at S\$208.0 million, down 16%**

**EPS at 9.9 cents**

**ROE (annualised) at 4.0%**

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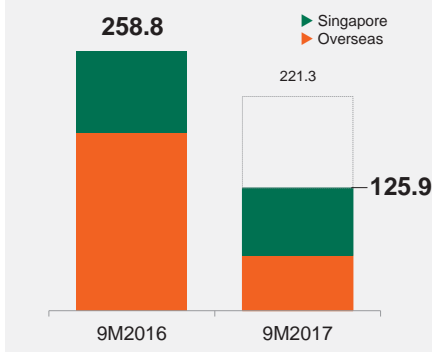


Sembcorp Green Infra's wind power assets in Madhya Pradesh, India

**Strengthening base, positioning for the future**

**Net Profit**  
**S\$125.9 million**      ↓51%

- Underlying net profit (before exceptional items of S\$95.4 million) at S\$221.3 million
- Exceptional items relate mainly to refinancing costs and non-cash impairment charges
- Underlying profit from operations (PFO) at S\$622.2 million, up 18%



Exceptional items comprise S\$39.1 million in SGPL refinancing cost and S\$56.3 million of impairment charges mainly relating to Singapore's assets and investments.

**Business Updates**

**SINGAPORE**

- **Singapore operations performed well, underpinned by centralised utilities and gas businesses**
- **New agreements signed with ExxonMobil**  
*Includes the sale of utilities assets in Banyan currently serving assets sold by Jurong Aromatics Corporation (JAC) to ExxonMobil Asia Pacific*
  - Agreement signed for the sale of boilers, cooling tower and associated assets for US\$113 million. The transaction is planned to be completed between 2H2019 and 1H2020
  - Entered into utilities services agreements for the continued sale and supply of utilities
  - Additional contracts signed for the supply of power and natural gas. A service corridor contract is under finalisation and signing is planned for 4Q2017
- **Growing solar power capabilities**
  - Secured 4 rooftop solar power projects with combined capacity of 10MW
  - Reinforces commitment to greener energy for Singapore as the country moves towards an open electricity market

**INDIA**

- **Strengthening position with a balanced energy portfolio**
  - Entered into agreement to increase stake in Sembcorp Green Infra to 100% to drive growth
  - Secured 250MW in India's first national wind power tender and successfully bid for another 250MW in the latest tender- reflects depth of renewable energy capabilities
- **Executing initiatives to drive asset performance and cost reductions**
  - SGPC PAF and PLF at 91% and 81% respectively
    - TPCIL PAF: 95%; PLF: 87% in 9M2017
    - SGPL PAF: 87%; PLF: 74% in 9M2017

MW: megawatts; PAF: plant availability factor; PLF: plant load factor

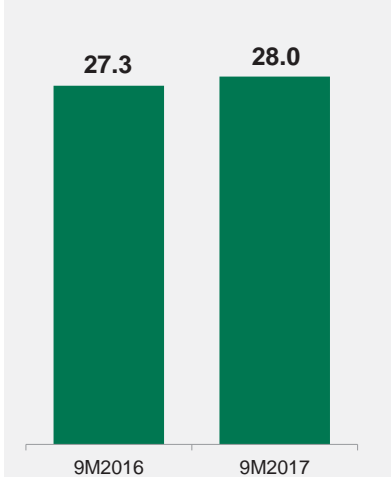


Sembcorp Marine Tuas Boulevard Yard, Singapore

## Marine

### Rigs sale improves liquidity position

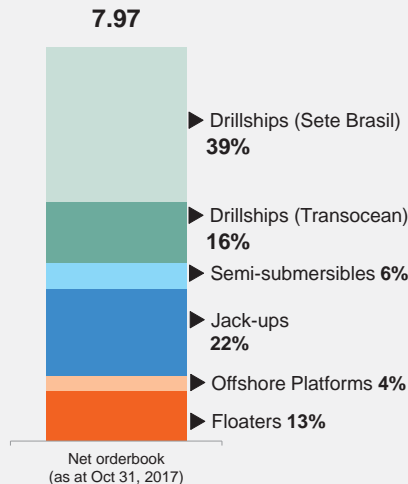
Net Profit\*  
**S\$28.0 million**    ↑ 3%



\*Sembcorp's share of Marine's net profit

### Total Net Orderbook (as at Oct 31, 2017) **S\$7.97 billion**

- Excluding the Sete Brasil drillships, net orderbook at S\$4.85 billion
- Contracts secured to-date at S\$2.04 billion



### Business Updates

#### Nine jackup drilling rigs sold for approximately US\$1.3 billion (S\$1.77 billion)

- Borr Drilling to take delivery of the rigs progressively from 4Q2017 to 1Q2019
- Upfront down payment of about US\$500 million, with balance and corresponding interest payable within 5 years of the delivery dates of the rigs
- The 9 rigs include all 6 rigs PPL Shipyard had earlier terminated with its original customers and 3 rigs under construction

#### Estaleiro Jurong Aracruz secured hull carry over works worth US\$145 million

- Additional scope on top of the current contract scope for the FPSO P-68

#### Letter of Intent signed with SeaOne Caribbean

- Design and construction of at least two large compressed gas liquid (CGL) carriers





VSIP Hai Phong, Vietnam

## Urban Development

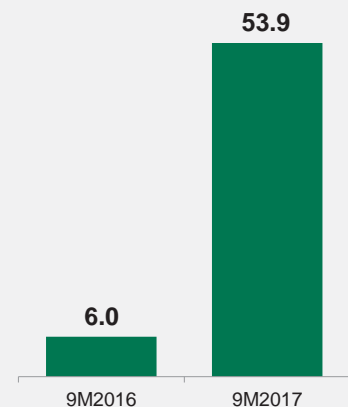
### Vietnam delivers strong land sales in 3Q2017

#### Net Profit

**S\$53.9 million**

↑8x

- Higher profits from all regions Vietnam, China and Indonesia

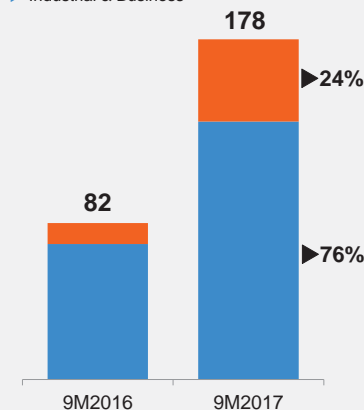


#### Total Land Sales

**178 hectares**

- Continued interest in Vietnam industrial land
- 9M2017 performance boosted by Nanjing's 42.6-hectare C&R land sale

Commercial & Residential  
Industrial & Business

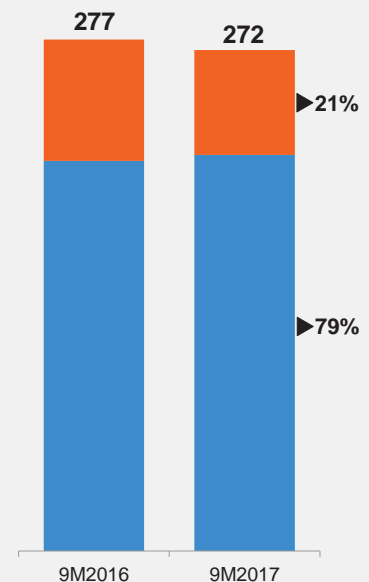


#### Total Net Orderbook

**272 hectares**

- Strong orderbook for Vietnam

Commercial & Residential  
Industrial & Business



# Financial Review

**Koh Chiap Khiong**  
Group CFO

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## Group Profit & Loss

<b>(S\$M)</b>	<b>9M17</b>	<b>9M16</b>	<b>Δ%</b>
Turnover	6,222	5,881	6
EBITDA*	1,052	925	14
Profit from Operations	686	617	11
EBIT	567	540	5
Share of results: Associates & JVs	119	77	54
Net Finance Cost	(374)	(245)	(52)
Finance costs	(400)	(268)	(49)
Finance income	26	23	15
PBT	312	372	(16)
Tax	(75)	(88)	15
Non-Controlling Interests	(29)	(37)	21
Net Profit	208	247	(16)
EPS (cents)	9.9	12.2	(19)

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

## Group Turnover



(S\$M)	9M17	9M16	Δ%
Utilities	4,279	2,988	43
Marine	1,732	2,714	(35)
Urban Development*	5	4	27
Other Businesses	206	175	18
<b>TOTAL TURNOVER</b>	<b>6,222</b>	<b>5,881</b>	<b>6</b>

\*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)



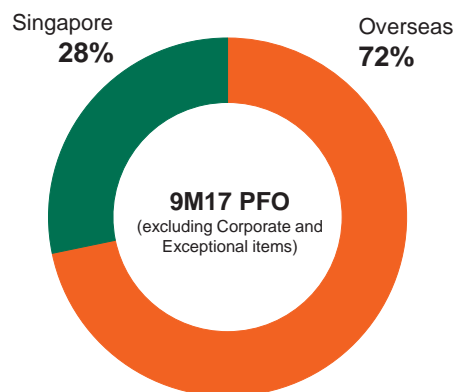
(S\$M)	9M17	9M16	Δ%
Utilities	529.9	528.9	-
Marine	101.1	125.3	(19)
Urban Development	59.7	9.2	547
Other Businesses	15.4	18.0	(14)
Corporate*	(20.6)	(64.3)	68
<b>TOTAL PFO</b>	<b>685.5</b>	<b>617.1</b>	<b>11</b>

\*9M2016 corporate costs include a fair value loss of S\$51.9 million due to the decline in the share price of Gallant Venture, which is classified as an available-for-sale financial asset. Excluding this, Corporate costs in 9M2016 corporate costs would have been S\$12.4 million.

## Utilities Profit from Operations (PFO)



By Geography (\$M)	9M17	9M16	Δ%
Singapore*	176.8	138.6	28
China	51.0	96.2	(47)
India	291.7	213.5	37
Rest of Asia	36.8	18.7	97
Middle East & Africa	48.7	46.3	5
UK & the Americas	20.9	37.0	(44)
Corporate	(3.7)	(21.4)	83
<b>Net Profit before exceptional items</b>	<b>622.2</b>	<b>528.9</b>	<b>18</b>
Exceptional items**	(92.3)	-	NM
<b>TOTAL NET PROFIT</b>	<b>529.9</b>	<b>528.9</b>	<b>-</b>



*Singapore: PFO breakdown	9M17	9M16	Δ%
Energy	97.0	65.8	47
Water	37.2	29.0	28
On-site Logistics & Solid Waste Management	42.6	43.8	(3)

\*\*Exceptional items comprise S\$36.0 million in SGPL refinancing cost and S\$56.3 million of impairment charges mainly relating to Singapore's assets and investments.

## Group Net Profit



(\$M)	9M17	9M16	Δ%
Utilities	125.9	258.8	(51)
Marine	28.0	27.3	3
Urban Development	53.9	6.0	798
Other Businesses	20.1	19.3	4
Corporate*	(19.9)	(64.0)	69
<b>TOTAL NET PROFIT</b>	<b>208.0</b>	<b>247.4</b>	<b>(16)</b>

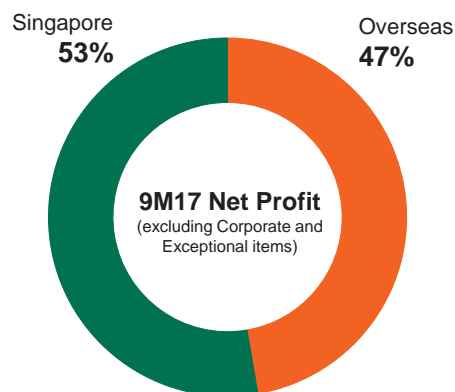
\*9M2016 corporate costs include a fair value loss of S\$51.9 million due to the decline in the share price of Gallant Venture, which is classified as an available-for-sale financial asset. Excluding this, Corporate costs in 9M2016 corporate costs would have been S\$12.1 million.



## Utilities Net Profit



By Geography (S\$M)	9M17	9M16	Δ%
Singapore*	127.2	92.4	38
China	41.1	85.9	(52)
India	(22.5)	21.0	NM
Rest of Asia	36.8	17.9	105
Middle East & Africa	44.6	43.2	3
UK & the Americas	14.2	32.6	(56)
Corporate	(20.1)	(34.2)	41
<b>Net Profit before exceptional items</b>	<b>221.3</b>	<b>258.8</b>	<b>(14)</b>
Exceptional items**	(95.4)	-	NM
<b>TOTAL NET PROFIT</b>	<b>125.9</b>	<b>258.8</b>	<b>(51)</b>



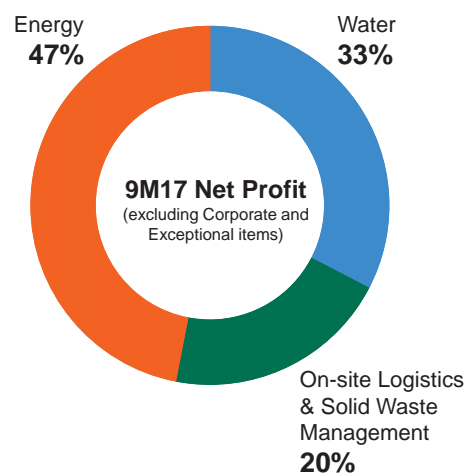
*Singapore: Net Profit breakdown	9M17	9M16	Δ%
Energy	62.3	34.3	81
Water	29.9	22.2	35
On-site Logistics & Solid Waste Management	35.0	35.9	(2)

\*\*Exceptional items comprise S\$39.1 million in SGPL refinancing cost and S\$56.3 million of impairment charges mainly relating to Singapore's assets and investments.

## Utilities Net Profit



By Product Segment (S\$M)	9M17	9M16	Δ%
Energy	113.3	170.9	(34)
Water	78.8	75.6	4
On-site Logistics & Solid Waste Management	49.3	46.5	6
Corporate	(20.1)	(34.2)	41
<b>Net Profit before exceptional items</b>	<b>221.3</b>	<b>258.8</b>	<b>(14)</b>
Exceptional items*	(95.4)	-	NM
<b>TOTAL NET PROFIT</b>	<b>125.9</b>	<b>258.8</b>	<b>(51)</b>



\*Exceptional items comprise S\$39.1 million in SGPL refinancing cost and S\$56.3 million of impairment charges mainly relating to Singapore's assets and investments.

## Group Capex and Equity Investment



(S\$M)	9M17	9M16
<b>Capital Expenditure</b>		
– Utilities	360.8	349.9
– Marine	149.0	268.5
– Urban Development / Other Businesses	12.0	10.7
	<b>521.8</b>	<b>629.1</b>
<b>Equity Investment</b>		
– Utilities	0.4	72.6
– Marine	-	81.4
– Urban Development	13.7	9.6
	<b>14.1</b>	<b>163.6</b>

## Group Free Cash Flow



(S\$M)	9M17	9M16
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
- before changes in working capital	1,012	931
- changes in working capital	(1,043)*	214
- tax paid	(60)	(62)
	<b>(91)</b>	<b>1,083</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
- divestments, dividend and interest income	444	128
- investments, capex and non-trade balances**	(638)	(794)
	<b>(194)</b>	<b>(666)</b>
- Add back: expansion capex	478	697
<b>FREE CASH FLOW</b>	<b>193</b>	<b>1,114</b>

\*Includes increase in service concession receivables, recognised in accordance with INT FRS 112 accounting guideline, amounting to S\$352 million from the Myingyan and Sirajganj Unit 4 power projects. The receivables will be collected over the period of the concession contract from the time the power plants commence commercial operations.

\*\*Payables for capital works / fixed assets

## Group Borrowings



(\$M)	Sep 30,17	D/C ratio*	Dec 31,16	D/C ratio*
<b>Gross Debt</b>				
Corporate debt	2,459	0.14	1,697	0.10
Project finance debt	3,149	0.17	3,369	0.19
Sembcorp Marine debt	4,410	0.24	4,155	0.24
	<b>10,018</b>	<b>0.55</b>	<b>9,221</b>	<b>0.53</b>
Less: Cash and cash equivalents	(2,114)		(1,883)	
<b>Net debt</b>	<b>7,904</b>	<b>0.43</b>	<b>7,338</b>	<b>0.42</b>

\*Total Debt-to-Capitalisation ratio

## Financial Indicators



	9M17	9M16	FY16
EPS (cents)	13.2*	16.3*	19.9
ROE (%)	4.0*	5.2*	6.2
ROTA (%)	4.0*	3.5*	4.0
Interest Cover (times)	2.6	3.4	3.3
<b>Per Share</b>			
NAV (S\$)	3.86	3.58	3.75

\*Annualised

### Utilities

Utilities underlying operations are performing well. However, net profit contribution from the business is expected to be lower than 2016.

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 India, Sembcorp has two thermal power plants and renewable energy assets totalling over 3,800MW. Its renewable energy business and its first thermal power plant, TPCIL, are performing well but are not expected to fully mitigate the expected losses from its second thermal power plant SGPL.

In Singapore, the centralised utilities, gas and solid waste management businesses are expected to continue to do well. The power business continues to face intense competition.

### Marine

Global exploration and production spending continues to show signs of improvement. Enquiries for non-drilling solutions continue to be encouraging. Sembcorp Marine has been actively responding to more enquiries and tenders for developing engineering solutions for the production segment.

Good progress has been made in the development and commercialisation of Sembcorp Marine's Gravifloat technology for near-shore gas infrastructure solutions.

For repairs and upgrades, niche markets in LNG carriers and cruise ships continue to underpin performance. Sembcorp Marine expects this trend to continue.

Sembcorp Marine continues to strengthen its balance sheet and prudently manage its financial resources. The company remains focused on the pursuit of operational excellence: investing in new capabilities, technological innovation, active customer engagement and business development.

### 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, the Group is strengthening its balance sheet and repositioning the business for the future.



**Vital Partners. Essential Solutions.**



This presentation may contain certain forward-looking statements that are not statements of historical fact. Investors can identify some of these statements by forward-looking terms such as 'expect', 'believe', 'plan', 'intend', 'estimate', 'anticipate', 'may', 'will', 'would', and 'could' or similar words. However, please note that these words are not the exclusive means of identifying forward-looking statements.

If at all, there are any forward-looking statements, they are based on current expectations, projections and assumptions about future events. Although Sembcorp Industries believe that these expectations, projections and assumptions are reasonable and there is basis for the statements to be made, these forward-looking statements are subject to the risks (whether known or unknown), uncertainties and assumptions about Sembcorp Industries and its business operations. Some of the key factors that could cause such differences are, among others, the general industry economic and business conditions, currency fluctuations between the Singapore dollar and other currencies, governmental, statutory, regulatory or administrative initiative affecting our business industry trends, future levels and composition of our assets and liabilities, future profitability of our operations, competitive landscape, changes in Singapore tax or similar laws or regulations, and changes in, or the failure to comply with governmental regulations, including exchange control regulations, if any. Given these risks, uncertainties and assumptions, the forward-looking events referred to in this presentation may not occur and actual results may differ materially from those expressly or impliedly contemplated in these forward-looking statements. Investors are cautioned not to place undue reliance or dependency on these forward-looking statements.

Sembcorp Industries has no present obligation whatsoever to update or revise any forward-looking statement, whether as a result of new information, changes in business dynamics, future events or otherwise, except as strictly required by law or a court order.

## Appendix

## Group Profit & Loss



(S\$M)	3Q17	3Q16	Δ%
Turnover	1,808	2,140	(16)
EBITDA*	378	326	16
Profit from Operations	188	171	9
EBIT	161	168	(4)
Share of results: Associates & JVs	27	3	670
Net Finance Cost	(117)	(83)	(41)
Finance costs	(126)	(90)	(40)
Finance income	9	7	26
PBT	71	88	(19)
Tax	(28)	(30)	6
Non-Controlling Interests	(9)	(4)	(93)
Net Profit	34	54	(38)
EPS (cents)	1.2	2.5	(50)

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

## Group Turnover



(S\$M)	3Q17	3Q16	Δ%
Utilities	1,402	1,199	17
Marine	317	888	(64)
Urban Development*	1	1	(6)
Other Businesses	88	52	70
<b>TOTAL TURNOVER</b>	<b>1,808</b>	<b>2,140</b>	<b>(16)</b>

\*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)	3Q17	3Q16	Δ%
Utilities	163.7	211.9	(23)
Marine	18.8	1.2	1,473
Urban Development	9.9	(0.5)	NM
Other Businesses	5.5	6.3	(14)
Corporate	(10.2)	(47.4)	78
<b>TOTAL PFO</b>	<b>187.7</b>	<b>171.5</b>	<b>9</b>

## Group Net Profit



(S\$M)	3Q17	3Q16	Δ%
Utilities	27.6	108.9	(75)
Marine	0.6	(13.3)	NM
Urban Development	8.2	(1.4)	NM
Other Businesses	6.8	6.8	-
Corporate	(9.6)	(47.1)	80
<b>TOTAL NET PROFIT</b>	<b>33.6</b>	<b>53.9</b>	<b>(38)</b>

## Utilities Turnover



By Geography (S\$M)	9M17	9M16	Δ%
Singapore	2,228.1	1,707.0	31
China	94.4	124.0	(24)
India	1,259.6	683.2	84
Rest of Asia	378.6	179.7	111
Middle East & Africa	80.2	71.9	12
UK & the Americas	260.2	237.7	9
Corporate	0.2	0.4	(50)
<b>TOTAL TURNOVER</b>	<b>4,301.3</b>	<b>3,003.9</b>	<b>43</b>

	3Q17	3Q16	Δ%
Singapore	725.6	617.6	17
China	32.4	44.9	(28)
India	442.4	261.4	69
Rest of Asia	94.3	179.7	(48)
Middle East & Africa	27.9	24.6	13
UK & the Americas	86.3	76.2	13
Corporate	0.2	(0.2)	NM
<b>TOTAL TURNOVER</b>	<b>1,409.1</b>	<b>1,204.2</b>	<b>17</b>

Note: Figures are stated before intercompany eliminations

## Utilities Profit From Operations (PFO)



By Geography (S\$M)	9M17	9M16	Δ%
Singapore	176.8	138.6	28
China	51.0	96.2	(47)
India	291.7	213.5	37
Rest of Asia	36.8	18.7	97
Middle East & Africa	48.7	46.3	5
UK & the Americas	20.9	37.0	(44)
Corporate	(3.7)	(21.4)	83
<b>PFO before exceptional items</b>	<b>622.2</b>	<b>528.9</b>	<b>18</b>
Exceptional items*	(92.3)	-	NM
<b>TOTAL PFO</b>	<b>529.9</b>	<b>528.9</b>	<b>-</b>

	3Q17	3Q16	Δ%
Singapore	66.9	49.7	35
China	13.2	38.3	(65)
India	105.0	92.1	14
Rest of Asia	12.4	7.8	62
Middle East & Africa	18.1	16.4	10
UK & the Americas	4.7	14.7	(68)
Corporate	(0.3)	(7.1)	95
<b>PFO before exceptional items</b>	<b>220.0</b>	<b>211.9</b>	<b>4</b>
Exceptional items	(56.3)	-	NM
<b>TOTAL PFO</b>	<b>163.7</b>	<b>211.9</b>	<b>(23)</b>

\*Exceptional items comprise S\$36.0 million in SGPL refinancing cost and S\$56.3 million of impairment charges mainly relating to Singapore's assets and investments.

## Utilities Net Profit



By Geography (S\$M)	9M17	9M16	Δ%
Singapore	127.2	92.4	38
China	41.1	85.9	(52)
India	(22.5)	21.0	NM
Rest of Asia	36.8	17.9	105
Middle East & Africa	44.6	43.2	3
UK & the Americas	14.2	32.6	(56)
Corporate	(20.1)	(34.2)	41
<b>Net Profit before exceptional items</b>	<b>221.3</b>	<b>258.8</b>	<b>(14)</b>
Exceptional items*	(95.4)	-	NM
<b>TOTAL NET PROFIT</b>	<b>125.9</b>	<b>258.8</b>	<b>(51)</b>

	3Q17	3Q16	Δ%
Singapore	51.3	33.9	51
China	9.9	34.5	(71)
India	(2.7)	18.2	NM
Rest of Asia	12.4	6.9	81
Middle East & Africa	16.4	15.3	7
UK & the Americas	2.3	12.6	(82)
Corporate	(5.7)	(12.5)	54
<b>Net Profit before exceptional items</b>	<b>83.9</b>	<b>108.9</b>	<b>(23)</b>
Exceptional items	(56.3)	-	NM
<b>TOTAL NET PROFIT</b>	<b>27.6</b>	<b>108.9</b>	<b>(75)</b>

\*Exceptional items comprise S\$39.1 million in SGPL refinancing cost and S\$56.3 million of impairment charges mainly relating to Singapore's assets and investments.

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## Utilities Turnover



By Product Segment (S\$M)	9M17	9M16	Δ%
Energy	3,796.3	2,513.3	51
Water	264.4	248.1	7
On-site Logistics & Solid Waste Management	240.4	242.1	(1)
Corporate	0.2	0.4	(50)
<b>TOTAL TURNOVER</b>	<b>4,301.3</b>	<b>3,003.9</b>	<b>43</b>

	3Q17	3Q16	Δ%
Energy	1,240.1	1,038.9	19
Water	89.6	86.3	4
On-site Logistics & Solid Waste Management	79.2	79.2	-
Corporate	0.2	(0.2)	NM
<b>TOTAL TURNOVER</b>	<b>1,409.1</b>	<b>1,204.2</b>	<b>17</b>

Note: Figures are stated before intercompany eliminations



## Utilities Profit from Operations (PFO)



By Product Segment (S\$M)	9M17	9M16	Δ%
Energy	464.6	396.0	17
Water	101.4	98.1	3
On-site Logistics & Solid Waste Management	59.9	56.2	7
Corporate	(3.7)	(21.4)	83
<b>PFO before exceptional items</b>	<b>622.2</b>	<b>528.9</b>	<b>18</b>
Exceptional items*	(92.3)	-	NM
<b>TOTAL PFO</b>	<b>529.9</b>	<b>528.9</b>	-

	3Q17	3Q16	Δ%
Energy	169.0	159.3	6
Water	32.8	41.9	(22)
On-site Logistics & Solid Waste Management	18.5	17.8	4
Corporate	(0.3)	(7.1)	95
<b>PFO before exceptional items</b>	<b>220.0</b>	<b>211.9</b>	<b>4</b>
Exceptional items	(56.3)	-	NM
<b>TOTAL PFO</b>	<b>163.7</b>	<b>211.9</b>	<b>(23)</b>

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## Utilities Net Profit



By Product Segment (S\$M)	9M17	9M16	Δ%
Energy	113.3	170.9	(34)
Water*	78.8	75.6	4
On-site Logistics & Solid Waste Management	49.3	46.5	6
Corporate	(20.1)	(34.2)	41
<b>Net Profit before exceptional items</b>	<b>221.3</b>	<b>258.8</b>	<b>(14)</b>
Exceptional items*	(95.4)	-	NM
<b>TOTAL NET PROFIT</b>	<b>125.9</b>	<b>258.8</b>	<b>(51)</b>

	3Q17	3Q16	Δ%
Energy	49.2	73.8	(33)
Water	24.8	32.8	(24)
On-site Logistics & Solid Waste Management	15.7	14.8	6
Corporate	(5.8)	(12.5)	54
<b>Net Profit before exceptional items</b>	<b>83.9</b>	<b>108.9</b>	<b>(23)</b>
Exceptional items	(56.3)	-	NM
<b>TOTAL NET PROFIT</b>	<b>27.6</b>	<b>108.9</b>	<b>(75)</b>

\*Exceptional items comprise S\$39.1 million in SGPL refinancing cost and S\$56.3 million of impairment charges mainly relating to Singapore's assets and investments.

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