



1Q2018 Results Announcement

May 3, 2018

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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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1Q2018 Performance Round-up

Turnover at S\$2.8 billion, up 30%

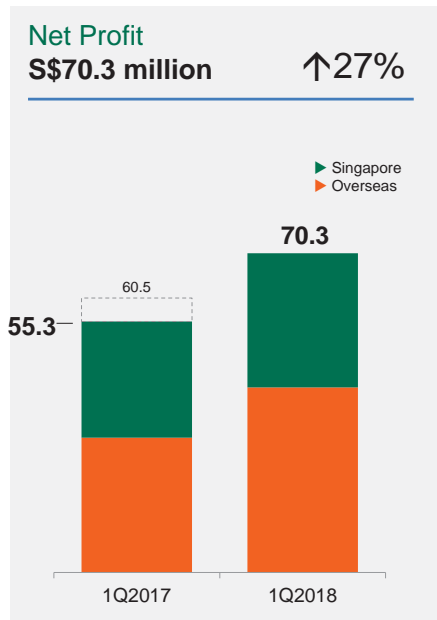
Profit from Operations at S\$213.1 million, down 21%

Net Profit at S\$76.6 million, down 34%

EPS at 3.6 cents

ROE (annualised) at 4.3%

Improved performance



□ Exceptional item: SGPL refinancing cost

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Business Updates

Systematic capital recycling

- Proposed Initial Public Offering of the India energy business: filed draft red herring prospectus with the Securities and Exchange Board of India
- Conditional sales & purchase agreement for the sale of municipal water operations in South Africa

Growing renewables portfolio

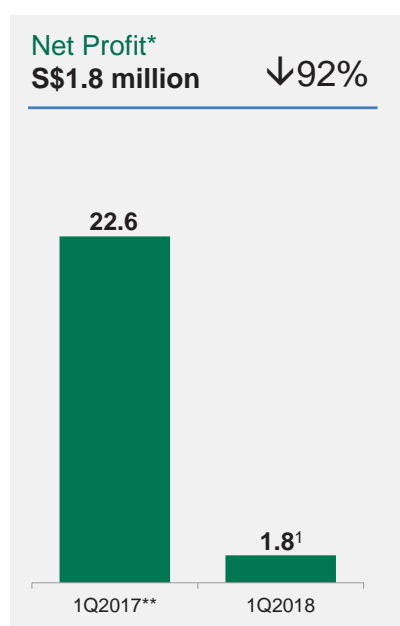
- 300MW of new capacity secured in 1Q2018, bringing total global gross renewable capacity to over 2,400MW, comprising wind and solar assets
 - Awarded an additional 300MW of wind power capacity in India's Feb 2018 national wind power auction, winning a total capacity of 800MW in the recent three wind power auctions
 - Gaining momentum in achieving SCI's climate change strategy target of doubling renewable capacity to ~4,000MW by 2022

Continuing to deepen presence in Singapore

- Positioned to grow the retail power business with the soft launch of Singapore's Open Electricity Market in Apr 2018
- Energy-from-Waste facility (140tph of steam) on Jurong Island commenced operations in Apr 2018

MW: megawatts; tph: tonnes per hour

Overall industry outlook remains challenging



*Sembcorp's share of Marine's net profit

**Restated in accordance with Singapore Financial Reporting Standards (International) (SFRS(I))

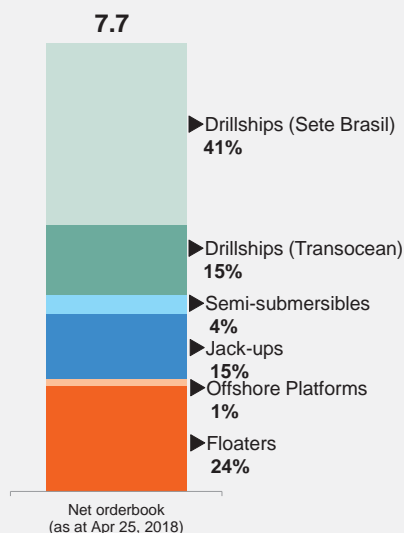
¹ Excluding the effects of the adoption of SFRS(I) 15, for 1Q2018, net loss would have been S\$21.6 million

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Total Net Orderbook (as at Apr 25, 2018)

S\$7.7 billion

- Excluding the Sete Brasil drillships, net orderbook at S\$4.6 billion



Business Updates

Secured new orders worth S\$476m in 1Q18

- Contract from TechnipFMC for EPC of newbuild FPSO's hull and living quarters as well as topsides fabrication and integration

Progress on LOIs

- Letter of Intent (LOI) with Shell for the construction of the hull and topside as well as integration works for the Vito FPU: Shell announced decision to proceed with deepwater Vito development in the US Gulf of Mexico
- LOI with SeaOne Caribbean: FEED studies in progress

Focused on actively managing balance sheet and maintaining a healthy financial position

FEED: Front-end engineering design

Urban Development



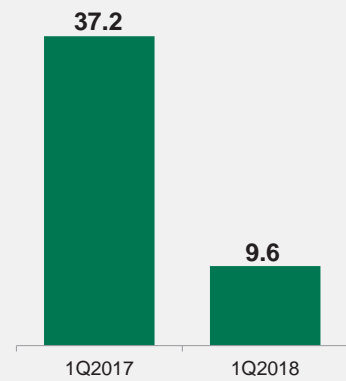
Healthy orderbook

Net Profit

S\$9.6 million

↓74%

- 1Q2017 profit included the sale of a 42.6-hectare C&R land plot in Nanjing

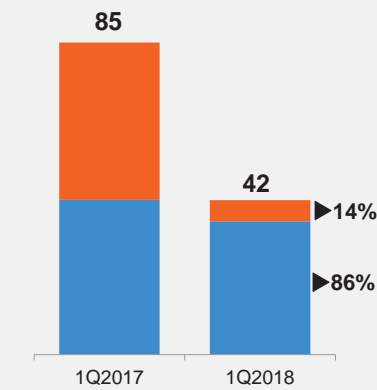


Total Land Sales

42 hectares

- Nanjing 42.6-hectare C&R plot boosted 1Q2017 land sales
- Vietnam industrial land sales continue to be robust

▶ Commercial & Residential
▶ Industrial & Business

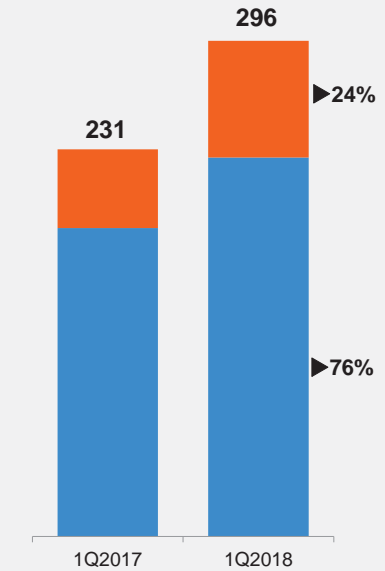


Total Net Orderbook

296 hectares

- Strong orderbook for Vietnam industrial land
- Keen interest in Chengdu C&R land

▶ Commercial & Residential
▶ Industrial & Business



C&R: commercial & residential



Financial Review

Koh Chiap Khiong

Group CFO

Group Profit & Loss



(S\$M)	1Q18	1Q17	Δ%
		Restated*	
Turnover	2,758	2,122	30
EBITDA**	286	346	(17)
Profit from Operations	213	269	(21)
EBIT	171	211	(19)
Share of results: Associates & JVs	42	58	(27)
Net Finance Cost	(97)	(124)	22
Finance costs	(114)	(129)	12
Finance income	17	5	190
PBT	116	145	(20)
Tax	(38)	(14)	(161)
Non-controlling Interests	(1)	(15)	87
Net Profit	77	116	(34)
EPS (cents)	3.6	6.0	(39)

*Restated in accordance with Singapore Financial Reporting Standards (International) (SFRS(I))

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

Group Profit & Loss



(S\$M)	1Q18	1Q17	Δ%
		Restated* As previously reported	
Turnover	2,758	2,122 2,140	30
EBITDA**	286	346 352	(17)
Profit from Operations	213	269 275	(21)
EBIT	171	211 217	(19)
Share of results: Associates & JVs	42	58 58	(27)
Net Finance Cost	(97)	(124) (125)	22
Finance costs	(114)	(129) (129)	12
Finance income	17	5 4	190
PBT	116	145 150	(20)
Tax	(38)	(14) (15)	(161)
Non-controlling Interests	(1)	(15) (16)	87
Net Profit	77	116 119	(34)
EPS (cents)	3.6	6.0 6.1	(39)

*Restated in accordance with Singapore Financial Reporting Standards (International) (SFRS(I))

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

Group Turnover



(S\$M)	1Q18	1Q17	Δ%
		Restated*	
Utilities	1,510	1,322	14
Marine	1,180	746	58
Urban Development**	1	2	(64)
Other Businesses	67	52	29
TOTAL TURNOVER	2,758	2,122	30

*Restated in accordance with Singapore Financial Reporting Standards (International) (SFRS(I))

**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)	1Q18	1Q17	Δ%
		Restated*	
Utilities	190.3	175.3	9
Marine	18.3	54.8	(67)
Urban Development	11.4	39.2	(71)
Other Businesses	(2.5)	4.1	NM
Corporate	(4.4)	(4.8)	9
TOTAL PFO	213.1	268.6	(21)

*Restated in accordance with Singapore Financial Reporting Standards (International) (SFRS(I))

Group Net Profit



(S\$M)	1Q18	1Q17	Δ%
		Restated* As previously reported	
Utilities	70.3	55.3 55.3	27
Marine	1.8	22.6 24.1	(92)
Urban Development	9.6	37.2 37.2	(74)
Other Businesses	(0.9)	5.9 7.2	NM
Corporate	(4.2)	(4.7) (4.7)	12
TOTAL NET PROFIT	76.6	116.3 119.1	(34)

Changes in accounting policies

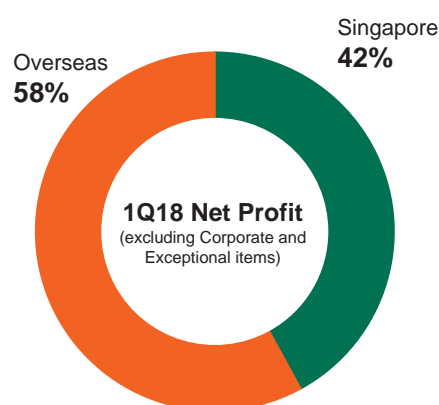
- The restatement of the 2017 income statement is attributed mainly to the Marine business due to the application of SFRS(I) 15.
- The adoption of SFRS(I) 15 leads to differences in timing of revenue and related cost of sales recognition for certain contracts. In the Marine division, there was a reversal of revenue and related cost of sales for certain contracts pre-2018, now to be recognised upon the transfer of legal title to customers. In FY2017 when some of these contracts were terminated and new contracts entered into, revenue and cost of sales were recognised.

*Restated in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)). For more details, please refer to slides 30-32

Utilities Net Profit



By Geography (S\$M)	1Q18	1Q17	Δ%
		Restated*	
Singapore	35.2	34.2	3
China	32.7	22.1	48
India	(15.6)	(16.6)	6
Rest of Asia	6.4	8.7	(27)
Middle East & Africa	12.6	9.5	32
UK & the Americas	12.4	10.0	24
Corporate	(13.4)	(7.4)	(82)
Net Profit before exceptional item	70.3	60.5	16
Exceptional item**	-	(5.2)	NM
TOTAL NET PROFIT	70.3	55.3	27



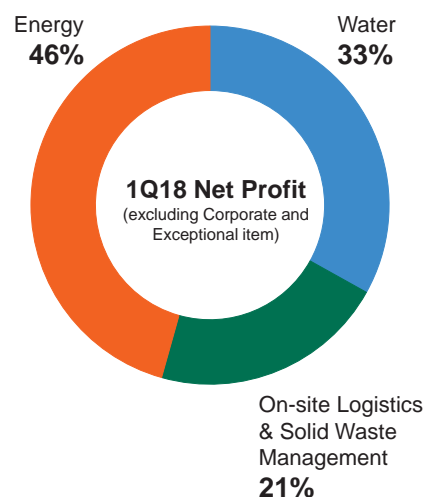
*Restated in accordance with Singapore Financial Reporting Standards (International) (SFRS(I))

**SGPL refinancing cost

Utilities Net Profit



By Product Segment (\$M)	1Q18	1Q17	Δ%
	Restated*		
Energy	38.2	20.8	83
Water	27.7	29.0	(4)
On-site Logistics & Solid Waste Management	17.8	18.1	(2)
Corporate	(13.4)	(7.4)	(82)
Net Profit before exceptional item	70.3	60.5	16
Exceptional item**	-	(5.2)	NM
TOTAL NET PROFIT	70.3	55.3	27



*Restated in accordance with Singapore Financial Reporting Standards (International) (SFRS(I))

**SGPL refinancing cost

Group Capex and Equity Investment



(\$M)	1Q18	1Q17
Capital Expenditure		
- Utilities	124.9	282.0
- Marine	42.1	50.2
- Urban Development / Other Businesses	1.2	2.9
	168.2	335.1
Equity Investment		
- Utilities	291.6	-
- Marine	-	-
- Urban Development	1.2	6.7
	292.8	6.7

Group Free Cash Flow



(\$M)	1Q18	1Q17
		<i>Restated*</i>
CASH FLOW FROM OPERATING ACTIVITIES		
- before changes in working capital	302	298
- changes in working capital	(91)	(171)
- tax paid	(20)	(9)
	191	118
CASH FLOW FROM INVESTING ACTIVITIES		
- divestments, dividend and interest income	114	73
- investments, capex and non-trade balances**	(114)	(396)
	-	(323)
- Add back: expansion capex	155	291
FREE CASH FLOW	346	86

*Restated in accordance with Singapore Financial Reporting Standards (International) (SFRS(I))

**Payables for capital works / fixed assets

Group Borrowings



(\$M)	Mar 31,18	D/C ratio*	Dec 31,17	D/C ratio*
				<i>Restated**</i>
Gross Debt				
Corporate debt	2,667	0.15	2,484	0.14
Project finance debt	3,052	0.17	3,264	0.18
Sembcorp Marine debt	3,809	0.22	4,100	0.23
	9,528	0.54	9,848	0.55
Less: Cash and cash equivalents	(2,238)		(2,687)	
Net debt	7,290	0.41	7,161	0.40

*Total Debt-to-Capitalisation ratio

**Restated in accordance with Singapore Financial Reporting Standards (International) (SFRS(I))

Financial Indicators



	1Q18	1Q17	FY17
		Restated*	Restated*
EPS (cents)	14.6**	23.9**	19.1
ROE (%)	4.3**	7.2**	5.9
ROTA (%)	3.3**	4.6**	4.4
Interest Cover (times)	2.5	2.7	2.9
Per Share			
NAV (S\$)	3.90	3.68	3.88

*Restated in accordance with Singapore Financial Reporting Standards (International) (SFRS(I))

**Annualised

Group Outlook



Utilities

The global energy transition continues as the industry adjusts to the impact of a changing global fuel mix, increasing demand for renewables, the proliferation of distributed energy resources and declining power prices. The share of electricity as a proportion of total energy demand is also increasing in part due to the electrification of the heating and transport sectors.

To benefit from the global energy transition, the Utilities business will focus on long-term growth along its three business lines of Gas & Power, Renewables & Environment and Merchant & Retail.

The Utilities business is expected to deliver a better performance in 2018 underpinned by an expected turnaround to profitability for its India energy operations.

Marine

Global exploration and production (E&P) spending trend continues to improve due to firmer oil prices in the first quarter of 2018. However, the overall industry outlook remains challenging. Despite improvement in E&P CAPEX spending outlook, it will take some time for this to translate into new orders. Margins remain compressed with intensifying competition. Based on existing orders, overall business volume and activity is expected to remain low, and the trend of negative operating profit may continue. Sembcorp Marine continues to manage its costs to align with business volume and its cash flows.

Urban Development

The Urban Development business has a healthy orderbook. It expects income contribution from the sale of its property developments in China and Vietnam. The business is expected to continue to perform well in 2018.

Group

The market environment is expected to remain challenging in 2018. A broader-based global recovery is underway, aided by a rebound in investment and trade. As the Group repositions its businesses for the future, it is confident that it is well-placed to benefit from the market's recovery.



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Appendix

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Utilities Turnover

By Geography (\$M)	1Q18	1Q17	Δ%
		Restated*	
Singapore	826.2	749.9	10
China	51.1	30.7	66
India	441.1	362.5	22
Rest of Asia	55.6	59.0	(6)
Middle East & Africa	27.2	25.7	6
UK & the Americas	108.4	94.4	15
TOTAL TURNOVER	1,509.6	1,322.2	14

*Restated in accordance with Singapore Financial Reporting Standards (International) (SFRS(I))

Note: Figures are stated before intercompany eliminations

Utilities Profit From Operations (PFO)



By Geography (\$M)	1Q18	1Q17	Δ%
		Restated*	
Singapore	51.5	50.2	3
China	36.5	25.4	44
India	67.5	76.6	(12)
Rest of Asia	6.7	8.8	(24)
Middle East & Africa	14.2	10.8	31
UK & the Americas	17.2	13.0	32
Corporate	(3.3)	(3.6)	7
PFO before exceptional item	190.3	181.2	5
Exceptional item**	-	(5.9)	NM
TOTAL PFO	190.3	175.3	9

*Restated in accordance with Singapore Financial Reporting Standards (International) (SFRS(I))

**SGPL refinancing cost

Utilities Turnover



By Product Segment (\$M)	1Q18	1Q17	Δ%
		Restated*	
Energy	1,312.8	1,146.6	14
Water	110.0	94.2	17
On-site Logistics & Solid Waste Management	86.8	81.4	7
TOTAL TURNOVER	1,509.6	1,322.2	14

*Restated in accordance with Singapore Financial Reporting Standards (International) (SFRS(I))

Note: Figures are stated before intercompany eliminations

Utilities Profit From Operations (PFO)



By Product Segment (\$M)	1Q18	1Q17	Δ%
		Restated*	
Energy	135.4	126.3	7
Water	37.4	36.2	3
On-site Logistics & Solid Waste Management	20.8	22.3	(7)
Corporate	(3.3)	(3.6)	6
PFO before exceptional item	190.3	181.2	5
Exceptional item**	-	(5.9)	NM
TOTAL PFO	190.3	175.3	9

*Restated in accordance with Singapore Financial Reporting Standards (International) (SFRS(I))

**SGPL refinancing cost

Group Profit & Loss



1Q2017 reconciliation due to impact on application of SFRS(I) 15

(\$M)	1Q17	1Q17	Effects of SFRS(I) 15
	Restated*	As previously reported	
Turnover	2,122	2,140	(18)
EBITDA**	346	352	(6)
Profit from Operations	269	275	(6)
EBIT	211	217	(6)
Share of results: Associates & JVs	58	58	-
Net Finance Cost	(124)	(125)	1
Finance costs	(129)	(129)	-
Finance income	5	4	1
PBT	145	150	(5)
Tax	(14)	(15)	1
Non-controlling Interests	(15)	(16)	1
Net Profit	116	119	(3)
EPS (cents)	6.0	6.1	(0.1)

*Restated in accordance with Singapore Financial Report Standards (International) (SFRS(I))

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

Group Profit & Loss

2017 reconciliation due to impact on application of SFRS(I) 15



(S\$M)	2017	2017	Effects of SFRS(I) 15
	Restated*	As previously reported	
Turnover	9,004	8,346	658
Cost of Sales	(7,769)	(7,400)	(369)
Gross Profit	1,235	946	289
Other Operating Income	87	76	11
Net Finance Costs	(526)	(526)	-
Others	(184)	(184)	-
PBT	612	312	300
Tax	(118)	(67)	(51)
Non-controlling Interests	(110)	(14)	(96)
Net Profit	384	231	153

*Restated in accordance with Singapore Financial Report Standards (International) (SFRS(I))

For more details, please refer to Sembcorp Industries Annual Report 2017, Notes to the Financial Statements (Note 43)

Group Net Profit

2017 reconciliation due to impact on application of SFRS(I) 15



(S\$M)	2017	2017	Effects of SFRS(I) 15
	Restated*	As previously reported	
Net Profit	384	231	153
Utilities	140	140	-
Marine	157	7	150
Urban Development	83	83	-
Other Businesses / Corporate	4	1	3

Changes in accounting policies

- The restatement of the 2017 income statement is attributed mainly to the Marine business due to the application of SFRS(I) 15.
- The adoption of SFRS(I) 15 leads to differences in timing of revenue and related cost of sales recognition for certain contracts. In the Marine division, there was a reversal of revenue and related cost of sales for certain contracts pre-2018, now to be recognised upon the transfer of legal title to customers. In FY2017 when some of these contracts were terminated and new contracts entered into, revenue and cost of sales were recognised.

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