

PRESS RELEASE

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Sembcorp Industries 1H2018 Results**SEMBCORP SEES UTILITIES NET PROFIT UP 58%, TRANSFORMATION UNDERWAY**

Singapore, August 3, 2018 - Sembcorp Industries (Sembcorp) delivered a credible first half 2018 (1H2018) result, offsetting a weak performance from its Marine business with improved and stable results from its Utilities and Urban Development businesses respectively. The Group posted a turnover of S\$6.1 billion and a corresponding net profit of S\$158.6 million in 1H2018, compared to S\$4.4 billion and S\$172.1 million in 1H2017. The Group's net profit excluding the Marine business was S\$190.5 million, up 30% year-on-year.

Quote from Neil McGregor, Group President & CEO of Sembcorp Industries:

“Our focus remains on lifting performance, supporting Marine as it moves up the value chain and repositioning Sembcorp Industries during an unprecedented period of technological and market disruption. Utilities, our integrated energy business, delivered a 58% profit growth in the first half of 2018 with India returning to profitability. Our Urban Development business also performed well, reflecting the strength and resilience we have as a Group.

“In the first half of this year, we made progress in our strategy to reposition the Utilities business and build integrated energy platforms. We consolidated our thermal and renewable energy businesses in India to position for an IPO. We acquired the UK's largest flexible distributed energy player, and entered the Australian renewables market. We also deepened our presence in Singapore by building a major position in the solar market, and extended our gas business with LNG importation.

“At the same time, we are augmenting capabilities, building our bench strength and reshaping our organisation. While it is early days in our transformation, and there is still much to be done, I am confident that the actions we are taking will make for a more valuable, stronger and more sustainable Sembcorp for the future.”

BUSINESS UPDATES

- **The Utilities business delivered a 58% profit growth in 1H2018**, posting a net profit of S\$155.3 million.
 - Turnaround to profitability achieved in India. Key markets Singapore and China performing well
 - Momentum in repositioning itself for the global energy transition, growing renewables portfolio with 394 megawatts of new capacity secured in 1H2018
 - Driving growth in the merchant energy sector with acquisition of UK Power Reserve
 - Deepening presence in Singapore. Building a major position in the solar market and extending the gas business with LNG importation

- **The Urban Development business continued to perform well.** It delivered a steady net profit of S\$45.0 million in 1H2018, backed mainly by land sales in Vietnam and China.

- **The Marine business continued to face a challenging environment.** Transformation efforts to move up the value chain have resulted in new business opportunities but they require significant time and effort in project co-development with potential customers before orders are secured. The business recorded a loss of S\$31.9 million in 1H2018, due to lower overall business activities and loss recognised from the sale of a semi-submersible rig.

FINANCIAL SUMMARY

S\$ million	2Q2018	2Q2017*	Δ%	1H2018	1H2017*	Δ%
Turnover	3,343.9	2,281.5	47	6,101.5	4,403.1	39
Profit from Operations**	192.1	219.3	(13)	405.2	488.0	(17)
<u>Net Profit</u>						
Utilities	85.0	43.0	98	155.3	98.2	58
Urban Development	35.4	8.5	314	45.0	45.7	(2)
Other Businesses	0.3	6.9	(96)	(0.6)	12.8	NM
Corporate	(5.1)	(5.6)	(8)	(9.2)	(10.2)	(10)
Net Profit (excluding Marine)	115.6	52.8	119	190.5	146.5	30
Marine	(33.7)	3.0	NM	(31.9)	25.6	NM
Net Profit	81.9	55.8	47	158.6	172.1	(8)
EPS (cents)	3.9	2.6	53	7.6	8.5	(11)

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

**Profit from Operations = Earnings before Interest and Tax + Share of Associates and JVs' results (net of tax)

INTERIM DIVIDEND

The board of directors announces an interim dividend of 2.0 cents per ordinary share, which will be paid on August 31, 2018.

GROUP OUTLOOK

The market environment is expected to remain challenging in 2018. While a broader-based global recovery is underway, rising trade and geopolitical challenges could potentially increase volatility and dampen global growth. The Group is confident that it has the right strategies and capabilities for the future.

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ABOUT SEMBCORP INDUSTRIES

Sembcorp Industries is a leading utilities, marine and urban development group, operating across multiple markets worldwide.

As an integrated energy player, Sembcorp is poised to benefit from the global energy transition. With a strong track record in developing and developed markets, it provides solutions across the energy and utilities value chain, with a focus on the *Gas & Power*, *Renewables & Environment*, and *Merchant & Retail* sectors. It has a balanced energy portfolio of over 12,000 megawatts, including thermal power plants, renewable wind and solar power assets, as well as biomass and energy-from-waste facilities. In addition, Sembcorp is a world leader in offshore and marine engineering, as well as an established brand name in urban development.



Sembcorp Industries has total assets of over S\$22 billion and over 7,000 employees. Listed on the main board of the Singapore Exchange, it is a component stock of the Straits Times Index, several MSCI and FTSE indices, as well as the SGX Sustainability Leaders Index and the Dow Jones Sustainability Asia Pacific Index.

Note to Editors: Please refer to the company as “**Sembcorp**” (with “**S**” in upper case and “**c**” in lower case), or “Sembcorp Industries” in full. Please also note that “Sembcorp” is not an abbreviation of “Sembawang Corporation” but a brand name in itself, and it is therefore incorrect to refer to our company as “Sembawang”, “Sembawang Corporation” or similar.