



9M2018 Results Announcement

November 2, 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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9M2018 Performance Round-up

Turnover at S\$9.1 billion, up 38%

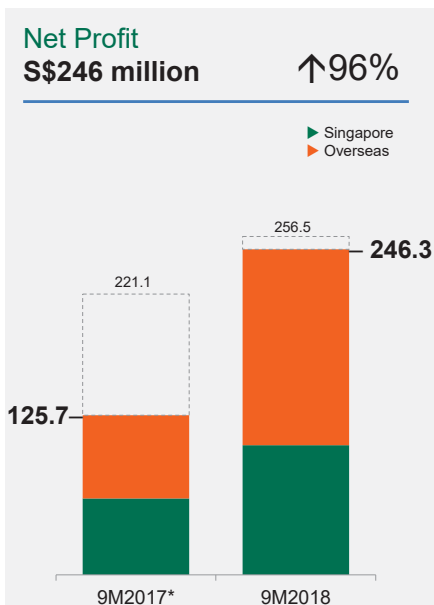
Profit from Operations at S\$621.7 million, down 21%

Net Profit at S\$240.9 million, down 9%

EPS at 11.6 cents

ROE (annualised) at 4.6%

Improved performance



9M2017 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
9M2018 exceptional items comprise S\$14.8 million gain from divestment of medical waste business offset by S\$25m provision for potential fines and claims at an overseas water business

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

**The divestment gain will be recognised upon full completion of the divestment of the South African municipal water operations (including Sembcorp Silulumanzi)

Business Updates

Earnings growth: Improved 9M2018 performance underpinned by India turnaround to profitability

Strengthening position in key markets

- **Singapore:** Secured a 20-year renewable energy deal with Facebook to support its new data centre and other operations in the country
- **India**
 - SGPL won tender to supply 250MW of power to Bangladesh over 15 years
 - Commenced operations of 250MW SECI 1 wind power project, first to be delivered under India's nationwide wind power tenders
 - Shutdown of SEIL unit 1 in 4Q2018 for equipment inspection
- **UK:** Construction of 120MW battery storage underway, representing one of Europe's largest battery-based energy storage projects

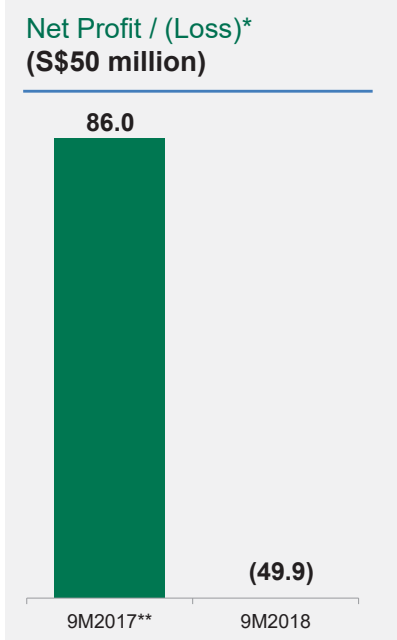
Project pipeline completion

- **Myanmar:** Sembcorp Myingyan Independent Power Plant commenced full commercial operations
- **Bangladesh:** Sirajganj Unit 4 power project achieved first phase open-cycle operations. Targeting full commercial operations in 1H2019

Unlocking value through capital recycling

- Completed divestment of Sembcorp Tay Paper, medical waste treatment business and Sembcorp Siza Water**
- On track to complete divestment of Sembcorp Silulumanzi and Wuxi Residential Property by end 2018

Overall industry outlook remains challenging



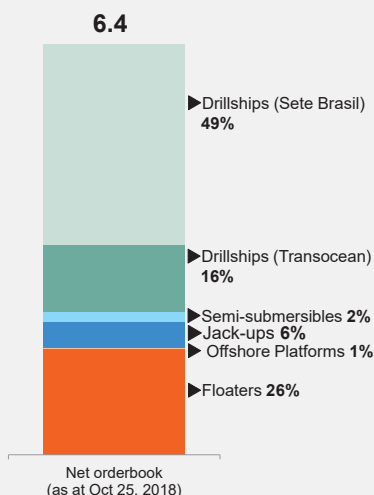
*Sembcorp's share of Marine's net profit / (loss)

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

Total Net Orderbook (as at Oct 25, 2018)

S\$6.4 billion

- Excluding the Sete Brasil drillships, net orderbook at S\$3.3 billion



Business Updates

Secured new orders worth S\$730m in 9M2018

- EPC of a newbuild FPSO hull, living quarters and topside modules for TechnipFMC
- Construction and integration of hull, topsides and living quarters for Shell's Vito semi-submersible FPU

Signed agreement with Varg LLC for EPC works related to modification, repair and extension of Petrojarl Varg FPSO. Contract estimated to be worth US\$166m

Secured 2 new contracts in renewable energy engineering solutions worth over S\$200m

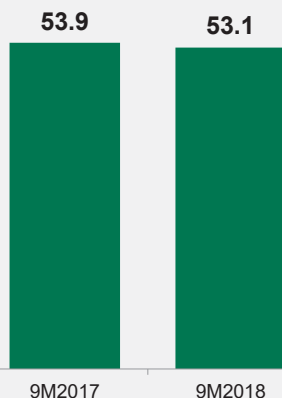
- EPC, hook-up and commissioning works on two topsides for Ørsted Wind Power
- Design and construction of three battery-powered ropax ferries for Norled AS

Completed acquisition of Sevan Marine's intellectual property rights

Healthy orderbook

Net Profit S\$53 million

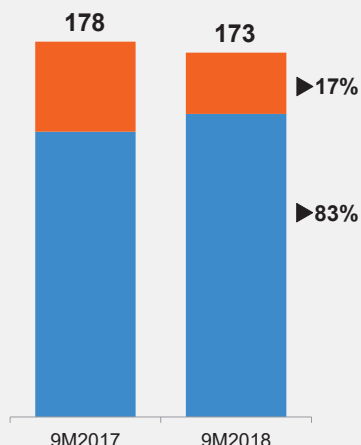
- Strong profit contributions from Vietnam and China
- 9M2017 profit included the sale of a large C&R land plot in Nanjing



Total Land Sales 173 hectares

- Vietnam maintained its strong industrial land sales momentum

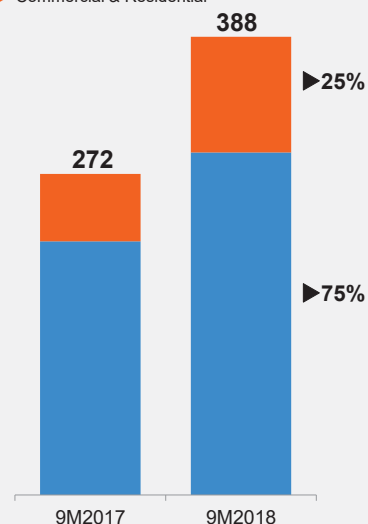
▶ Industrial & Business
▶ Commercial & Residential



Total Net Orderbook 388 hectares

- Strong orderbook for land in Vietnam
- Nanjing Riverside Grandeur launched in 4Q18, recognition in 2019

▶ Industrial & Business
▶ Commercial & Residential



C&R: commercial & residential

Financial Review

Graham Cockroft
Group CFO

Group Profit & Loss



(S\$M)	9M18	9M17	Δ%
		Restated* As previously reported	
Turnover	9,123	6,621 6,222	38
EBITDA**	854	1,170 1,052	(27)
Profit from Operations	622	792 686	(21)
EBIT	487	673 567	(28)
Share of results: Associates & JVs	135	119 119	13
Net Finance Cost	(298)	(366) (374)	(19)
Finance costs	(356)	(401) (400)	(11)
Finance income	58	35 26	66
PBT	324	426 312	(24)
Tax	(101)	(94) (75)	8
Non-controlling Interests	18	(67) (29)	NM
Net Profit	241	265 208	(9)
EPS (cents)	11.6	13.1 9.9	(11)

*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)	9M18	9M17	Δ%
		Restated*	
Utilities	4,955	4,298	15
Marine	3,975	2,123	87
Urban Development**	3	5	(52)
Other Businesses	190	195	(2)
TOTAL TURNOVER	9,123	6,621	38

*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 Net Profit



(S\$M)	9M18	9M17	Δ%
		Restated* As previously reported	
Utilities	246.3	125.7 125.9	96
Marine	(49.9)	86.0 28.0	NM
Urban Development	53.1	53.9 53.9	(1)
Other Businesses	9.0	19.6 20.1	(54)
Corporate	(17.6)	(19.9) (19.9)	(12)
TOTAL NET PROFIT	240.9	265.3 208.0	(9)

Changes in accounting policies

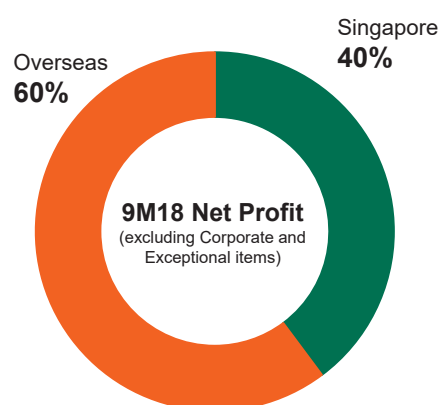
- The restatement of the 2017 income statement is attributed mainly to the Marine business due to the application of SFRS(I) 15.
- The adoption of SFRS(I) 15 leads to differences in timing of revenue and related cost of sales recognition for certain contracts. In the Marine division, there was a reversal 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))

Utilities Net Profit



By Geography (S\$M)	9M18	9M17	Δ%
		Restated*	
Singapore	125.0	127.0	(2)
China	69.6	41.1	69
India	52.7	(22.5)	NM
Rest of Asia**	21.2	36.8	(43)
Middle East & Africa	40.4	44.6	(9)
UK & the Americas	5.3	14.2	(63)
Corporate	(57.7)	(20.1)	187
Net Profit before exceptional items	256.5	221.1	16
Exceptional items [^]	(10.2)	(95.4)	(89)
TOTAL NET PROFIT	246.3	125.7	96



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

**Includes Australia

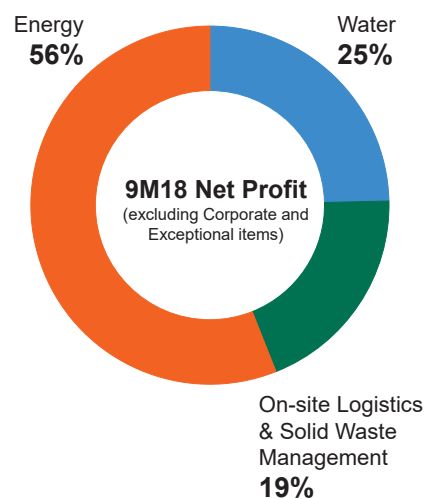
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9M18 exceptional items comprise S\$14.8 million gain from divestment of medical waste business offset by S\$25m provision for potential fines and claims at an overseas water business

Utilities Net Profit



By Product Segment (\$M)	9M18	9M17	Δ%
	Restated*		
Energy	176.0	113.1	56
Water	77.4	78.8	(2)
On-site Logistics & Solid Waste Management	60.8	49.3	23
Corporate	(57.7)	(20.1)	187
Net Profit before exceptional items	256.5	221.1	16
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Group Capex and Equity Investment



(\$M)	9M18	9M17
Capital Expenditure		
- Utilities	558.0	360.8
- Marine	270.1	149.0
- Urban Development / Other Businesses	3.9	12.0
	832.0	521.8
Equity Investment		
- Utilities	701.7	0.8
- Marine	3.5	-
- Urban Development	1.8	13.7
	707.0	14.5

Group Free Cash Flow



(S\$M)	9M18	9M17
		Restated*
CASH FLOW FROM OPERATING ACTIVITIES		
- before changes in working capital	915	1,119
- changes in working capital	(461)	(1,149)
- tax paid	(78)	(60)
	376	(90)
CASH FLOW FROM INVESTING ACTIVITIES		
- divestments, dividend and interest income	418	444
- investments, capex and non-trade balances**	(1,488)	(638)
	(1,070)	(194)
- Add back: expansion capex	1,445	478
FREE CASH FLOW	751	194

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

**Payables for capital works / fixed assets

Group Borrowings



(S\$M)	Sep 30,18	D/C ratio*	Dec 31,17	D/C ratio*
				Restated**
Gross Debt				
Corporate debt	2,495	0.14	2,484	0.14
Project finance debt	3,747	0.21	3,264	0.18
Sembcorp Marine debt	3,943	0.22	4,100	0.23
	10,185	0.56	9,848	0.55
Less: Cash and cash equivalents	(1,343)		(2,687)	
Net debt	8,842	0.49	7,161	0.40

*Total Debt-to-Capitalisation ratio

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

Financial Indicators



	9M18	9M17 Restated*	FY17 Restated*
EPS (cents)	15.4**	17.5**	19.1
ROE (%)	4.6**	5.4**	5.8
ROTA (%)	3.3**	4.3**	4.4
Interest Cover (times)	2.4	2.9	2.9
Per Share			
NAV (S\$)	3.83	3.80	3.88

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

**Annualised

Group Outlook



Utilities

The Utilities business is on track to deliver a better performance in 2018. Its India energy business is expected to be profitable for 2018, despite a weaker upcoming fourth quarter.

The business continues to focus on lifting performance, investing in capabilities and strengthening governance and risk management as it repositions for the global energy transition.

Marine

CAPEX spend on global exploration and production (E&P) is expected to continue to improve with firmer oil prices seen in the nine months of 2018. Challenges in the offshore and marine sector persist, notwithstanding the improved industry outlook.

Overall business volume and activity for the Marine business is expected to remain relatively low for the immediate quarters. The trend of negative operating profit is expected to continue for the foreseeable quarter. Sembcorp Marine's cash resources remain sufficient. It will continue to prudently manage costs and cash flows to align with business volume and potential opportunities.

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 for the rest of the year.

Group

The market environment is expected to remain challenging for the rest of the year. While a broader-based global recovery is underway, downside risks to global growth have risen amidst rising trade and geopolitical challenges. The Group remains confident that it has the right strategies and capabilities for the future.



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Appendix

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Group Profit & Loss

(\$M)	3Q18	3Q17 Restated*	Δ%
Turnover	3,022	2,218	36
EBITDA**	300	494	(39)
Profit from Operations	217	304	(29)
EBIT	180	277	(35)
Share of results: Associates & JVs	37	27	38
Net Finance Cost	(98)	(114)	(14)
Finance costs	(121)	(127)	(5)
Finance income	23	13	76
PBT	119	190	(37)
Tax	(39)	(48)	(19)
Non-controlling Interests	2	(49)	NM
Net Profit	82	93	(12)
EPS (cents)	4.0	4.6	(13)

*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)	3Q18	3Q17	Δ%
		Restated*	
Utilities	1,783	1,407	27
Marine	1,167	729	60
Urban Development**	1	1	(15)
Other Businesses	71	81	(12)
TOTAL TURNOVER	3,022	2,218	36

*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 Net Profit



(S\$M)	3Q18	3Q17	Δ%
		Restated* As previously reported	
Utilities	91.0	27.5 27.6	231
Marine	(17.9)	60.4 0.6	NM
Urban Development	8.1	8.2 8.2	(1)
Other Businesses	9.6	6.6 6.8	45
Corporate	(8.5)	(9.6) (9.6)	(12)
TOTAL NET PROFIT	82.3	93.1 33.6	(12)

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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Utilities Turnover



By Geography (S\$M)	9M18	9M17	Δ%
		Restated*	
Singapore	2,820.0	2,246.4	26
China	160.1	94.4	70
India	1,406.8	1,259.6	12
Rest of Asia**	142.7	378.6	(62)
Middle East & Africa	82.9	80.2	3
UK & the Americas	364.6	260.3	40
Corporate	-	0.2	NM
TOTAL TURNOVER	4,977.1	4,319.7	15
	3Q18	3Q17	Δ%
		Restated*	
Singapore	1,057.3	731.1	45
China	56.8	32.4	75
India	482.5	442.4	9
Rest of Asia**	19.9	94.3	(79)
Middle East & Africa	29.0	27.9	4
UK & the Americas	144.8	86.2	68
Corporate	-	0.2	NM
TOTAL TURNOVER	1,790.3	1,414.5	27

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

**Includes Australia

Note: Figures are stated before intercompany eliminations

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Utilities Net Profit



By Geography (S\$M)	9M18	9M17	Δ%
		Restated*	
Singapore	125.0	127.0	(2)
China	69.6	41.1	69
India	52.7	(22.5)	NM
Rest of Asia**	21.2	36.8	(43)
Middle East & Africa	40.4	44.6	(9)
UK & the Americas	5.3	14.2	(63)
Corporate	(57.7)	(20.1)	187
Net profit before exceptional items	256.5	221.1	16
Exceptional items [^]	(10.2)	(95.4)	(89)
TOTAL NET PROFIT	246.3	125.7	96
	3Q18	3Q17	Δ%
		Restated*	
Singapore	46.5	51.2	(9)
China	21.9	9.9	121
India	28.9	(2.7)	NM
Rest of Asia**	9.6	12.4	(23)
Middle East & Africa	13.4	16.4	(18)
UK & the Americas	(3.2)	2.3	NM
Corporate	(15.9)	(5.7)	179
Net profit before exceptional items	101.2	83.8	21
Exceptional items [^]	(10.2)	(56.3)	(82)
TOTAL NET PROFIT	91.0	27.5	231

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Utilities Turnover



By Product Segment (\$M)	9M18	9M17	Δ%
		Restated*	
Energy	4,382.0	3,796.5	15
Water	335.9	282.8	19
On-site Logistics & Solid Waste Management	259.2	240.4	8
TOTAL TURNOVER	4,977.1	4,319.7	15
	3Q18	3Q17	Δ%
		Restated*	
Energy	1,592.9	1,240.1	28
Water	116.8	95.2	23
On-site Logistics & Solid Waste Management	80.6	79.2	2
TOTAL TURNOVER	1,790.3	1,414.5	27

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Utilities Net Profit



By Product Segment (\$M)	9M18	9M17	Δ%
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