

Embracing Change, Enabling the Future



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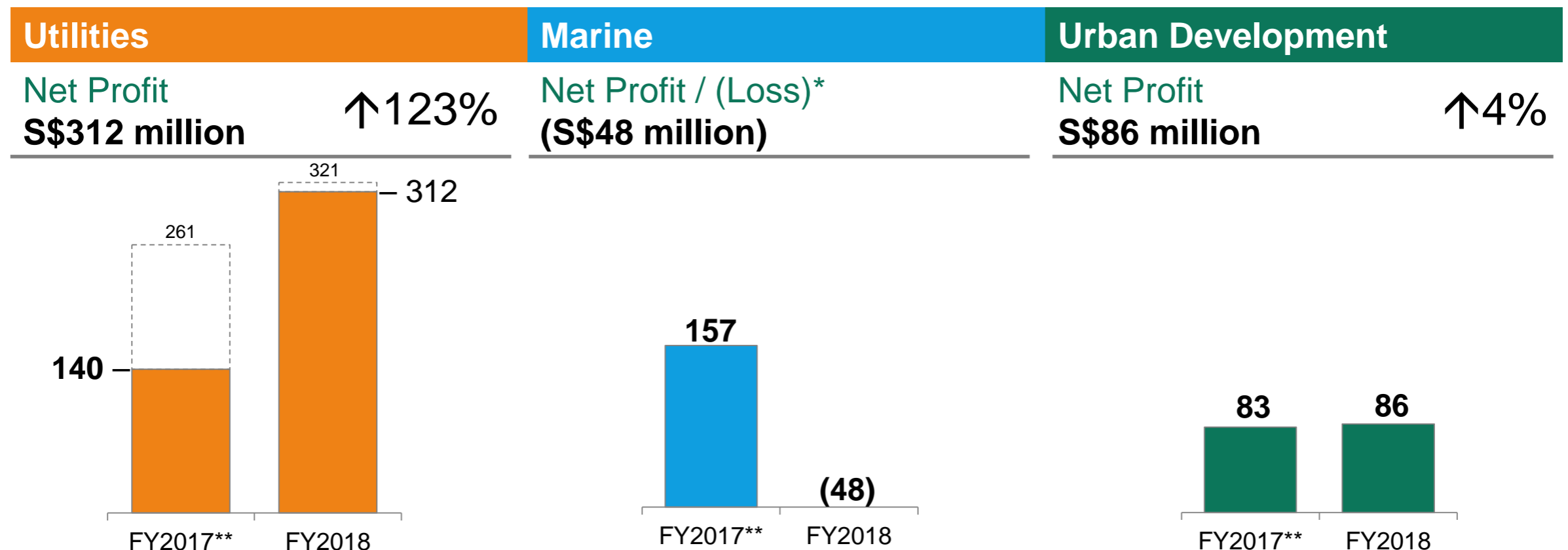
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FY2018 Group Performance Round-up



Financial Highlights

- Turnover at S\$11,689 million, up 30%
- Profit from Operations at S\$841 million, down 22%
- Net Profit at S\$347 million, down 9%
- EPS at 17.0 cents
- ROE at 5.1%



Proposing final dividend of 2.0 cents per share, bringing total dividend for FY2018 to 4.0 cents per share

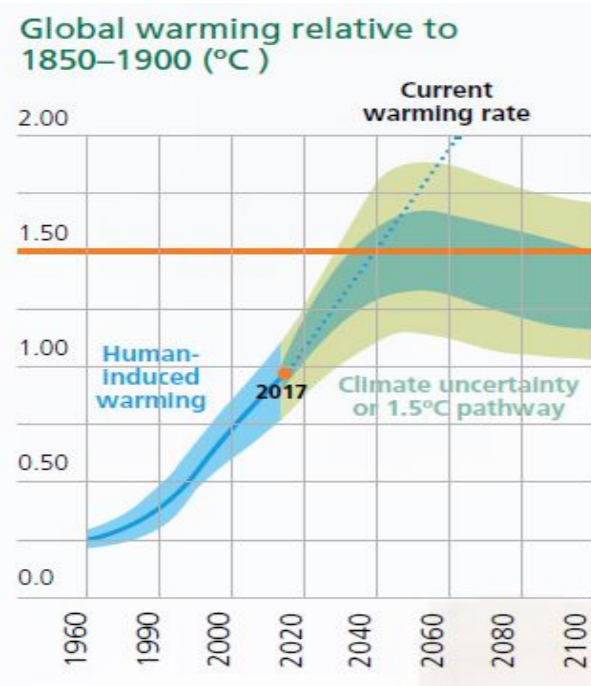
* Sembcorp's share of Marine's net profit / (loss)

** Restated in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)) and International Financial Reporting Standards (IFRS) frameworks and the new accounting standards. All references to SFRS(I)s and IFRSs are subsequently referred to as SFRS(I)s unless otherwise specified

Fundamental Shifts in the Global Energy Landscape

Climate Change

Climate change is becoming a more pressing issue and urgent action is needed to combat its impact



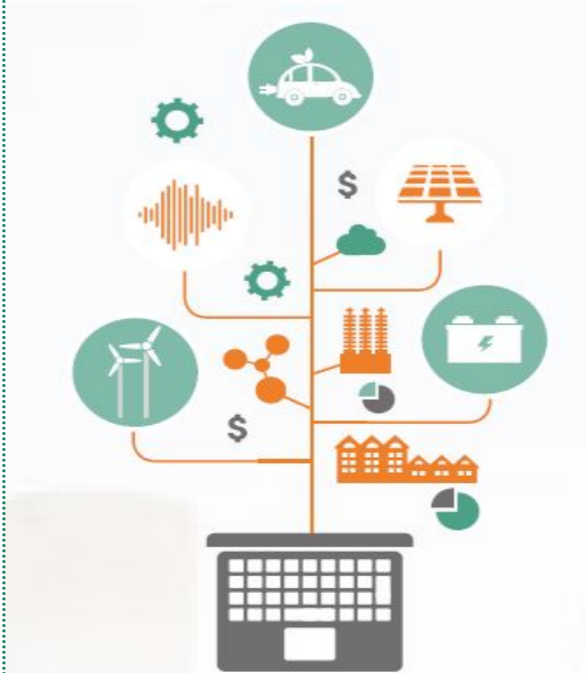
Sustainable Development

Growing recognition of the reality of climate change and increasing pressure on finite resources has underscored the importance of sustainable development



Market Disruption

Fast-changing trends, advances in technology and new business challenges are creating disruptions and opportunities in the market



Technological Advancement

Digitalisation and technological advancement are disrupting and transforming almost every sector and fundamentally changing the way we live, work and operate



Repositioning Sembcorp

Making progress on our strategy



PERFORMANCE			
OUR PRIORITIES	OUR PROGRESS		
	Utilities	Marine	Urban Development
Lifting Performance and Returns	<ul style="list-style-type: none"> Net profit growth of 123% from 2017, up 23% excluding EI India turnaround to profitability 	<ul style="list-style-type: none"> Net loss of S\$48 million. Work volume significantly below peak levels and competition remained intense 	<ul style="list-style-type: none"> Net profit up 4% from 2017, second year of record earnings Record net orderbook secured, up 69% from 2017
Reshaping Portfolio	<p>Deepening presence in key markets</p> <ul style="list-style-type: none"> Singapore and South East Asia <ul style="list-style-type: none"> Extended gas business to include LNG importation Entered Singapore Open Electricity Market as a power retailer Grew solar capacity to over 120MW in Singapore Completed the 230MW Sembcorp Myingyan Independent Power Plant in Myanmar India <ul style="list-style-type: none"> Consolidated thermal and renewable energy businesses under single entity SEIL Grew renewables portfolio by 300MW UK <ul style="list-style-type: none"> Firm foothold in flexible distributed generation and energy storage with acquisition of UK Power Reserve 	<p>Moving up the value chain</p> <ul style="list-style-type: none"> Positioning for the future with state-of-the-art Tuas Boulevard Yard Successfully moved into renewable energy engineering solutions with contract wins 	<p>Supporting urbanisation</p> <ul style="list-style-type: none"> Pursuing adjacencies and offering new business models such as specialised business hubs and smart developments Launched and sold first residential development in China
Strengthening Balance Sheet	Unlocking value – Cash proceeds of over S\$200 million* from divestments since the beginning of 2018		

*Cash proceeds from divestments of waste paper recycling, medical waste operations and Sembcorp EOSM in Singapore, Sembcorp Xinmin Water Co and Hongshan Mansion held under Wuxi Singapore Property Investment Co in China, Centralised Utilities Company in Oman and municipal water operations in South Africa

Repositioning Sembcorp

Making progress on our strategy



SUSTAINABILITY

OUR PRIORITIES	OUR PROGRESS
Established Climate Change Strategy	Targets to reduce GHG emission intensity to 0.42 tCO ₂ e/MWh by 2022 and <0.40 tCO ₂ e/MWh by 2030 and increase renewables capacity to ~4,000MW by 2022
Growing Renewables and Other Green Solutions	<ul style="list-style-type: none"> Renewable energy capacity now 2,600MW, up ~20% from end-2017 Entry into battery storage with construction of UKPR's 120MW battery storage portfolio underway <ul style="list-style-type: none"> A leading solar player in Singapore with over 120MW peak <ul style="list-style-type: none"> More than 1,700MW of renewable energy capacity in India First to commission 250MW SECI 1 project, India's first nationwide wind power tender
Embedding Sustainability in the Organisation	New KPI Framework incorporates Environmental, Social and Governance (ESG) components

DYNAMIC ORGANISATION

OUR PRIORITIES	OUR PROGRESS					
Building and Deepening Capabilities	Building leadership bench strength					
	Augmenting capabilities					
Digitalising and Entrenching Innovation	Merchant & Retail					
	<table border="1"> <tr> <td>Establishing a strong and secure IT foundation</td> <td>Digital & Technology</td> <td>Risk Management & Compliance</td> </tr> <tr> <td></td> <td>Digitising the business to improve efficiency, productivity and customer experience</td> <td>Embedding innovation in our business by developing differentiated solutions</td> </tr> </table>	Establishing a strong and secure IT foundation	Digital & Technology	Risk Management & Compliance		Digitising the business to improve efficiency, productivity and customer experience
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Repositioning Sembcorp

Sembcorp Power



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Utilities – Steady Performance in 2019



Singapore

- Competition in power market remains intense. Phasing out of vesting contracts
- One of the top retailers in the Open Electricity Market, which will be extended nationwide by May 2019
- Opportunity for renewables growth as a leading solar rooftop player
- Sale completion of utilities assets formerly serving Jurong Aromatics Corporation to ExxonMobil expected by early 2020



India

- SEIL Project 2 making progress in firming up long-term power sales
 - Long-term PPA for the supply of 250MW to Bangladesh for 15 years commenced in Feb 2019
 - Received Letter of Award, subject to regulatory approval, to supply 500MW of power to Andhra Pradesh for 8 years in Feb 2019
- Additional 550MW of renewables to come onstream in 2019
- Moving towards self O&M for tighter operational control
- Continue to monitor market conditions for potential IPO
- Long-term outlook for power market remains positive. Current situation of peak surplus expected to reverse by Fiscal Year 2020 according to independent research house CRISIL
- Potential volatility with India elections



UK

- Full-year contribution from UK Power Reserve
 - Seasonal merchant operations dependent on volatility in the power market
 - Capacity market remains suspended
 - Exploring options to enhance recurring income through other markets that require flexibility
- Political and regulatory uncertainty with Brexit
- Long term outlook remains positive for the power market and flexible generation assets

Marine – Outlook Remains Challenging



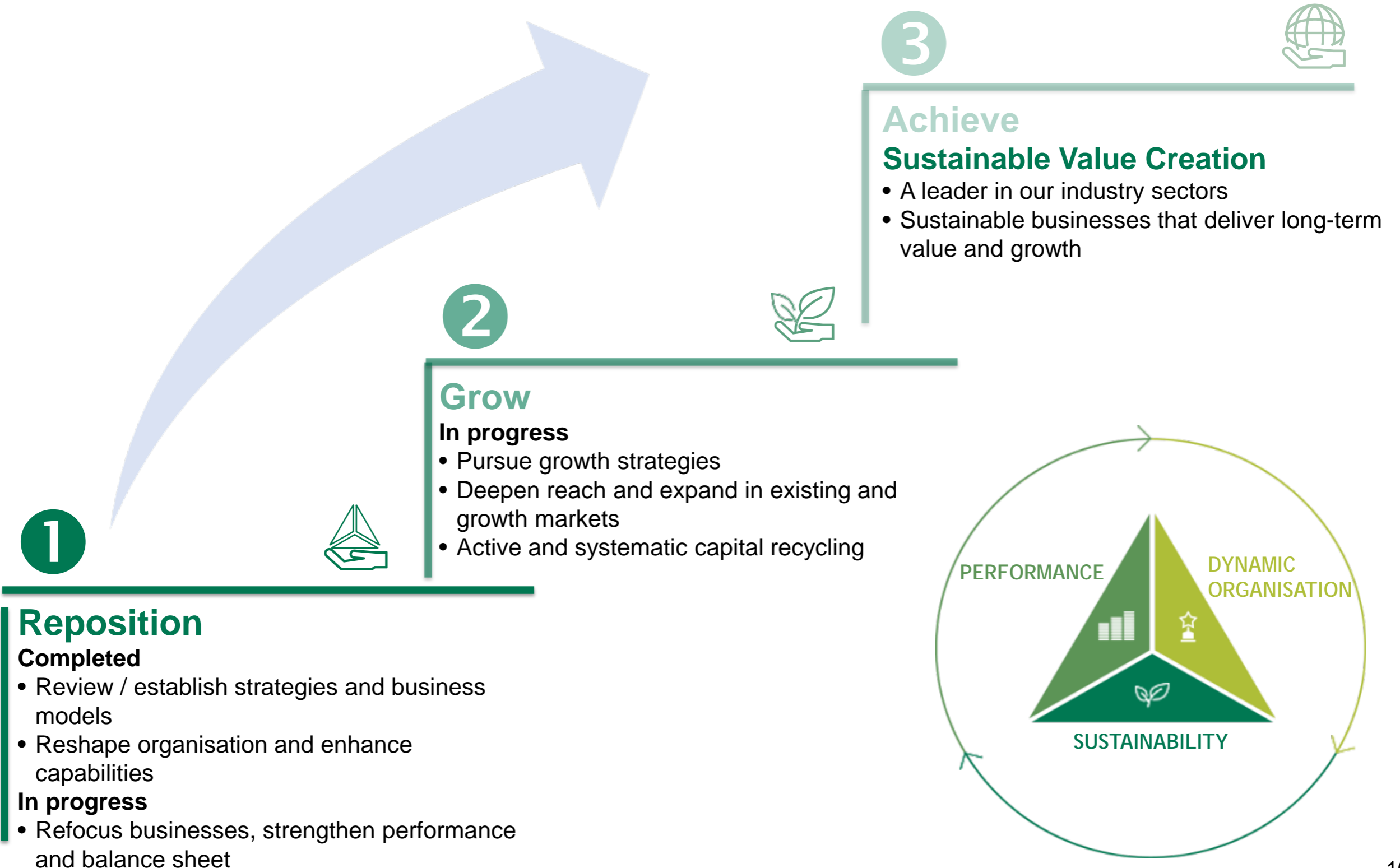
- Overall business volume and activity, while stabilising, is expected to remain relatively low
- While offshore drilling activities have increased, offshore rig orders will take some time to recover as the market remains over-supplied. Offshore production units are expected to dominate potential orders
- Future new orders may have increased working capital needs as the industry continues to adjust to changing business models and constrained capital availability
- Taking steps to manage costs, cashflows and gearing to address the balance sheet and to capitalise on new business opportunities

Urban Development – Earnings Growth Expected to Continue



- Recognition of income from the sale of Riverside Grandeur residential development in China. Progressive handover expected in 2019
- International Water Hub commercial development expected to be completed late 2019
- Record net orderbook of 425ha to be recognised as land sales over 2-3 years
- Leveraging synergies with energy business to provide sustainable solutions

Sustainable Value Creation





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