

PRESS RELEASE

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Sembcorp Industries 1Q2019 Results

SEMBCORP 1Q2019 NET PROFIT UP 20%

Singapore, May 15, 2019 – Sembcorp Industries (Sembcorp) posted a net profit of S\$93 million for the first quarter of 2019 (1Q2019), up from S\$77 million in 1Q2018, on improved performance from the Energy business. Turnover was S\$2.5 billion compared to S\$2.8 billion in 1Q2018.

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

“In 1Q2019, our Energy business continued to perform well with improved contributions from India and the UK. We also grew our energy portfolio, with the completion of the 427-megawatt Sirajganj Unit 4 power plant in Bangladesh in April 2019. We now have a global energy portfolio of over 12,400 megawatts, with 11,800 megawatts in operation and 650 megawatts of renewables under development.

“Orderbook for the Urban business remains healthy while the Marine business faces a challenging market environment. The Group continues to make progress on the execution of our strategy and capital recycling plans.”

BUSINESS UPDATES

- **The Energy business’ net profit increased by 21% to S\$85 million in 1Q2019 compared to S\$70 million in 1Q2018, mainly driven by improved performance from India and recognition of peak winter availability payments for UK Power Reserve.**
 - **Growing thermal portfolio**
 - We officially opened the 230-megawatt Sembcorp Myingyan Independent Power Plant, the first competitively-tendered Independent Power Plant in Myanmar in March 2019 and completed the 427-megawatt Sirajganj Unit 4 combined cycle gas turbine power plant in Bangladesh in April 2019.

- **Strengthening renewables portfolio**
 - The business has signed contracts for over 10 megawatt peak of rooftop solar to date and completed a 2.8 megawatt peak rooftop solar farm atop YCH Group's flagship facility, Supply Chain City, in Singapore.
- **Capital recycling efforts continued**
 - We divested Xinmin municipal water asset in China for a total consideration of RMB99 million (S\$20 million), bringing total Group divestment proceeds to S\$220 million since the beginning of 2018.
- **The Urban business posted a net profit of S\$7 million**, with stable contribution from Vietnam but lower contribution from China.
- **Competition for the Marine business remained intense.** Net profit for 1Q2019 was lower due to continued lower overall business volume which impacted the absorption of overhead costs, offset by margin recognition from newly secured production floater projects and the delivery of a rig.

FINANCIAL SUMMARY

S\$ million	1Q2019	1Q2018	Δ%
Turnover	2,480	2,758	(10)
Profit from Operations¹	223	214	4
<u>Net Profit</u>			
Energy ²	85	70	21
Urban ²	7	10	(30)
Other Businesses	7	(1)	NM
Group Corporate	(6)	(4)	50
Net Profit (excluding Marine)	93	75	24
Marine	*	2	NM
Net Profit	93	77	21
EPS (cents)	4.7	3.6	31

¹ Profit from Operations = Earnings before Interest and Tax + Share of Associates and JVs' results (net of tax)

² 'Energy' and 'Urban' refer to the business segments previously known as 'Utilities' and 'Urban Development' respectively

* Denotes amount of less than S\$1 million

GROUP OUTLOOK

The Energy and Urban businesses continue to underpin the Group's performance. However, the market environment continues to be challenging in 2019, especially for the offshore and marine sector. Global economic growth is projected to ease as markets face escalating risks including rising trade tensions and tightening financial conditions.

The Group remains focused on executing strategy, improving performance as well as strengthening its balance sheet, and is on track to deliver on its divestment programme.

- End -

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ABOUT SEMBCORP INDUSTRIES

Sembcorp Industries is a leading energy, 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, we provide solutions across the energy and utilities value chain, with a focus on the Gas & Power, Renewables & Environment, and Merchant & Retail sectors. We have a balanced energy portfolio of over 12,400 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\$23 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.