

1H2021 Results Announcement

August 6, 2021



CEO's Report

Wong Kim Yin

Group President & CEO

1H2021 Group Performance Round-up

1H2021 vs 1H2020

Turnover

S\$3,290 million

↑ 26%

EBITDA¹

S\$640 million

↑ 20%

Adjusted EBITDA²

S\$744 million

↑ 14%

Net Profit before Exceptional Items (EI)

S\$252 million

↑ 69%

Net Profit

S\$46 million

NM

Earnings Per Share

2.6 cents (EPS before EI: **14.1** cents)

Group ROE (annualised)³

8.5%

The Board announces an interim dividend of **2.0 cents per ordinary share**, to be paid on August 24, 2021

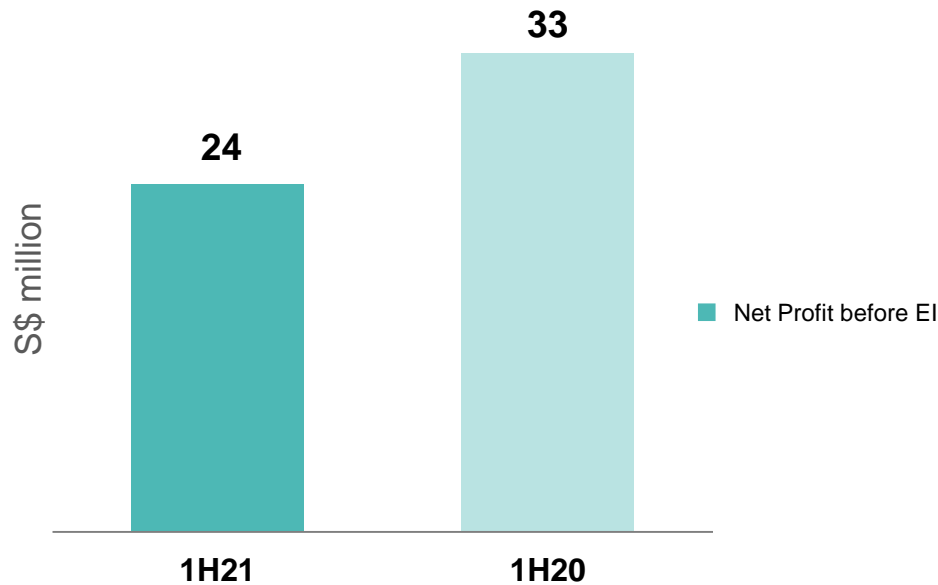
¹ EBITDA excludes major non-cash items such as the effects of fair value adjustments, re-measurements, impairments and write-offs

² Adjusted EBITDA = reported EBITDA + share of result from associates and JVs, net of tax

³ Group ROE (annualised) is calculated as annualised 1H21 net profit before EI, less EI divided by average shareholder fund including the annualised profit

Renewables

	1H21	Δ%
Net profit		
Net profit before EI	S\$24 million	↓27%
Exceptional items	-	-



1H21 performance

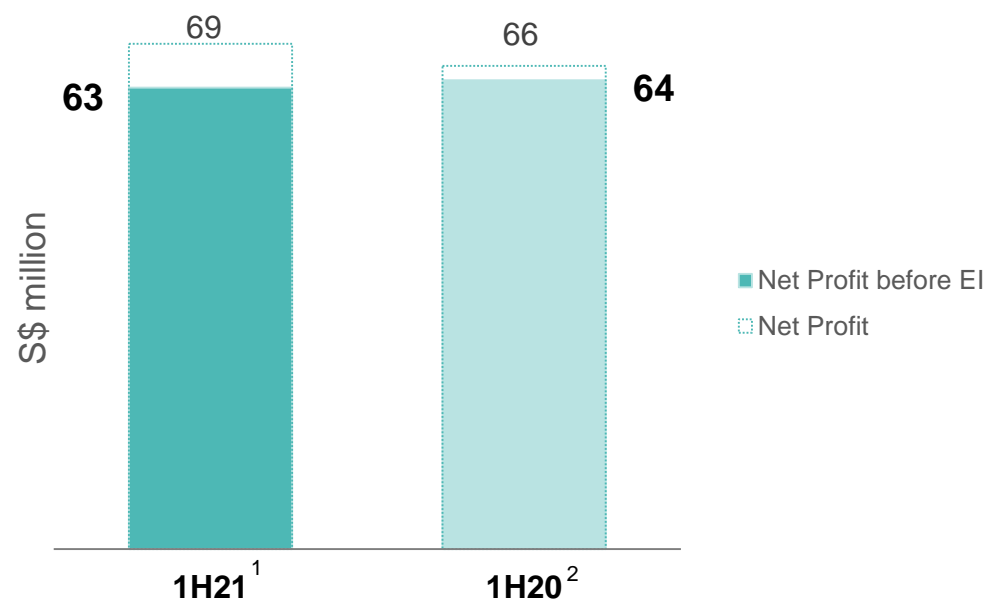
- Decline in contribution from India due to low wind resource, steady performance from China
- Positive contribution from energy storage portfolio in UK

Business updates

- Secured 105MW of renewables projects in Singapore and Vietnam
- Commenced operations of 60MWp Sembcorp Tengeh Floating Solar Farm, one of the world's largest inland floating solar photovoltaic systems

Integrated Urban Solutions

	1H21	Δ%
Net profit		
Net profit before EI	S\$63 million	↓2%
Exceptional items	S\$6 million	↑200%



1H21 performance

- Urban: Lower contribution from China C&R sales
- Higher contribution from waste business

Business updates

- Urban business secured investment licence to develop a 481-hectare new industrial park in Vietnam's Quang Tri Province
- Launch of Singapore's first solar-powered EV charging hub by SembWaste, to open for public use by 2022

¹ 1H21 EI of S\$6 million relates to gain from divestment of Sembcorp Jingmen Water Co

² 1H20 exceptional item (EI) of S\$2 million relates to positive S\$6 million preliminary negative goodwill recognised upon completion of acquisition of Veolia offset by impairment of S\$4 million due to change in net asset value of held-for-sale investment pending completion of Chile water business divestment

Conventional Energy

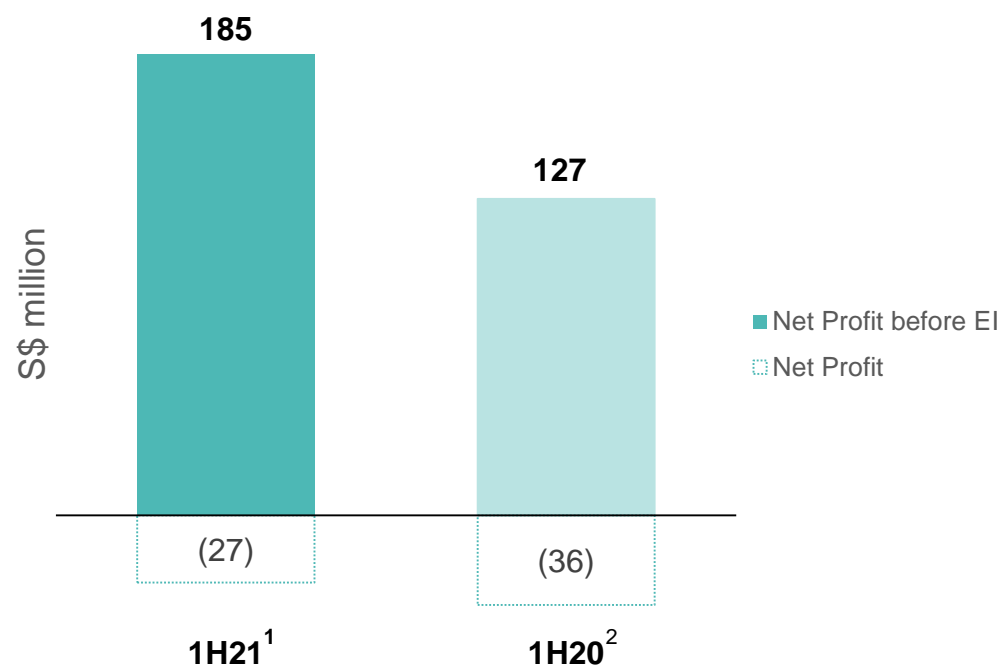
	1H21	Δ%
Net profit		
Net profit before EI	S\$185 million	↑46%
Exceptional items	(S\$212 million)	↓30%

1H21 performance

- Higher energy demand and margins in Singapore and India
- Good performance for UK flexible generation assets

Business updates

- Appointed by the Energy Market Authority in Singapore as a new term liquefied natural gas (LNG) importer to import and sell regasified LNG
- Termination of utilities service agreement from Eastman Chemical Singapore, with effect from April 2021



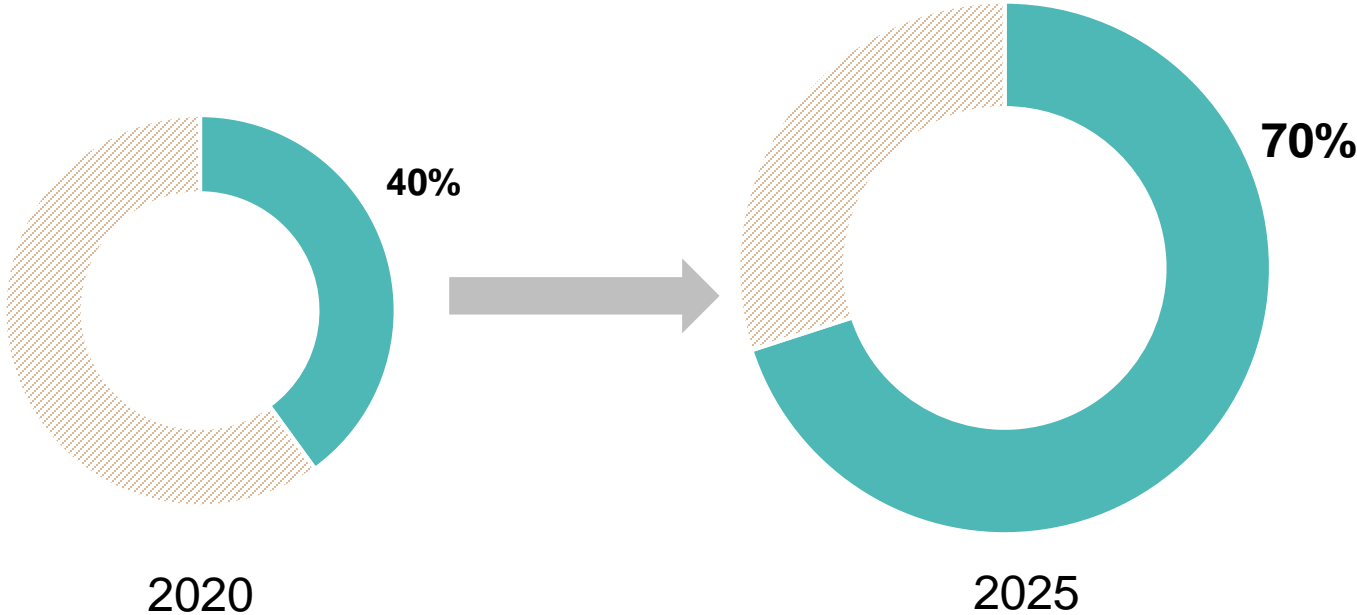
¹ 1H21 EI of negative S\$212 million relates to impairment of Chongqing Songzao power plant

² 1H20 EI of negative S\$163 million relates to S\$82 million write-down of inventory of gasoil reserves to net realisable value and write-off of inventory due to uncertainty on recoverability of the gasoil inventory stored at Hin Leong Trading and S\$81 million impairment of investment in Sembcorp Salah Power and Water Company

Transforming our Portfolio from Brown to Green

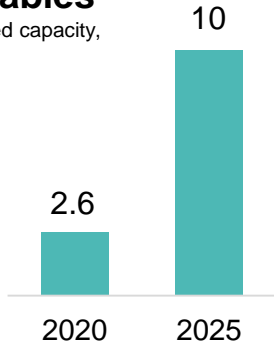
MORE Sustainable

■ % Share of Net Profit from Sustainable Solutions¹



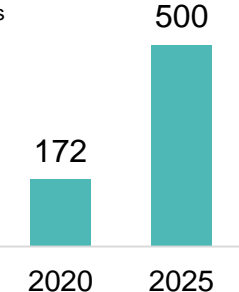
MORE Renewables

Gross installed capacity, gigawatts



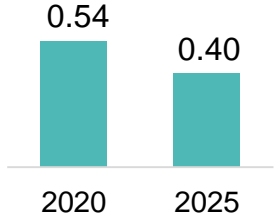
MORE Sustainable Urban Developments

Land sales, hectares



LOWER Carbon Emissions

Emissions intensity, tCO₂e/MWh



We are committed to:
Halving GHG emissions by 2030
 (from 2010 baseline)
and delivering net-zero emissions by 2050

¹ Percentage based on Net Profit excluding corporate costs and exceptional items. Sustainable Solutions include Renewables (wind, solar and energy storage) and Integrated Urban Solutions (urban, water, waste and waste-to-resource)

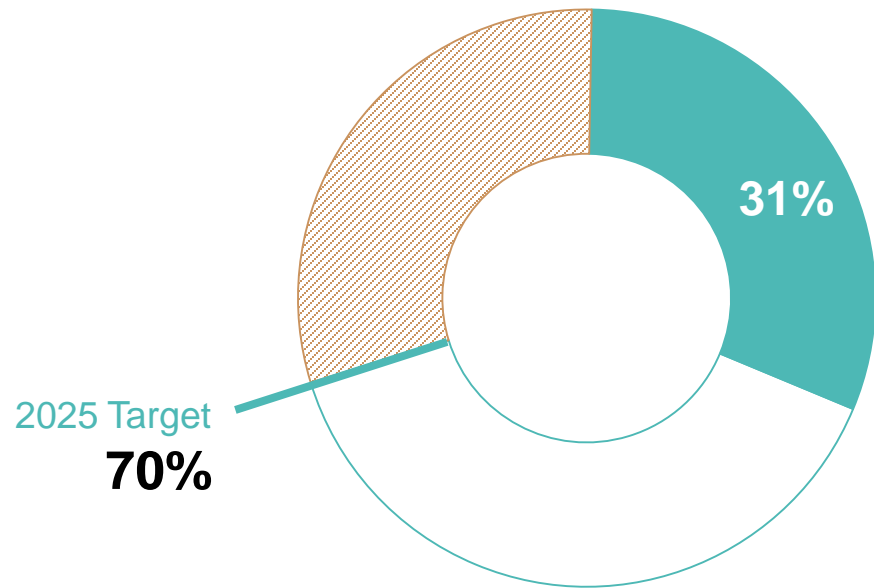


Transforming our Portfolio from Brown to Green

As at 1H2021

MORE Sustainable

% Share of Net Profit¹ from Sustainable Solutions



MORE

Renewables

Gross installed capacity



MORE

Sustainable Urban Developments

Land sales



LOWER

Carbon Emissions

Emissions intensity



Financial Review

Eugene Cheng
Group CFO

Highlights

- Turnover increase driven mainly by Conventional Energy segment with improvement in power demand
- Growth of Adjusted EBITDA in line with turnover growth, mitigated by lower contribution from Urban business and share of losses from Chongqing Songzao power plant (China)
- Net Profit before EI grew 69%, driven by higher contribution from Conventional Energy segment
- EI of negative S\$206 million comprise an impairment of S\$212 million of Chongqing Songzao power plant and S\$6 million gain from divestment of Sembcorp Jingmen Water Co

Key Financials

S\$ million	1H21	1H20 [#]	Δ%
Turnover	3,290	2,617	26
EBITDA ¹	640	533	20
Share of Results: Associates & JVs, Net of Tax	104	118	(12)
Adjusted EBITDA ²	744	651	14
Net Profit before Exceptional Items (EI)	252	149	69
Exceptional Items	(206)	(191)	(8)
Net Profit – Continuing Operations	46	(42)	NM
Discontinued Operation	-	(89)	NM
Net Profit	46	(131)	NM
EPS before EI (cents) – Continuing Operations	14.1	7.4	91
EPS (cents) – Continuing Operations	2.6	(3.3)	NM
ROE* (%)	8.5	1.9	

[#] Following the completion of the distribution in specie of ordinary shares in the capital of Sembcorp Marine Limited to Sembcorp Industries shareholders, the performance of the Marine business for the period from January 1, 2020 to June 30, 2020 is reported under discontinued operation

¹ EBITDA excludes major non-cash items such as the effects of fair value adjustments, re-measurements, impairments and write-offs

² Adjusted EBITDA = reported EBITDA + share of result from associates and JVs, net of tax

* Group ROE (annualised) is calculated as annualised 1H21 net profit before EI, less EI divided by average shareholder fund including the annualised profit

Highlights

- Increase in Renewables turnover driven by higher contribution from solar and energy storage businesses
- Increase in Integrated Urban Solutions turnover due to increase in contribution from the Waste business
- Increase in Conventional Energy turnover due to higher turnover in Singapore and India driven by higher energy demand and margins
- Higher turnover from Sembcorp Specialised Construction in Other Businesses

Group Turnover

S\$ million	1H21	1H20 [#]	Δ%
Renewables	146	137	7
Integrated Urban Solutions	218	197	11
Sustainable Solutions	364	334	9
Conventional Energy	2,756	2,213	25
Other Businesses	170	70	143
TOTAL TURNOVER	3,290	2,617	26

[#] 1H2020 figures exclude performance of discontinued operation

Highlights

- Lower Renewables profit due to lower wind resource in India and start-up costs of solar business in Vietnam
- Integrated Urban Solutions profit was lower due to lower contribution from land sales in the Urban business, offset by higher contribution from the Waste business
- Improvement in Conventional Energy segment due to better performance in Singapore and India
- Higher profit from Other Businesses due to higher contribution from Sembcorp Specialised Construction, which was impacted by COVID-19 in 1H20

Group Net Profit

S\$ million	1H21	1H20#	Δ%
Renewables	24	33	(27)
Integrated Urban Solutions	63	64	(2)
Sustainable Solutions	87	97	(10)
Conventional Energy	185	127	46
Other Businesses	13	(1)	NM
Corporate	(33)	(74)	55
NET PROFIT before Exceptional Items	252	149	69
Exceptional Items	(206)	(191)	(8)
Renewables	24	33	(27)
Integrated Urban Solutions	69	66	5
Sustainable Solutions	93	99	(6)
Conventional Energy	(27)	(36)	25
Other Businesses	13	(31)	NM
Corporate	(33)	(74)	55
TOTAL NET PROFIT	46	(42)	NM

1H2020 figures exclude performance of discontinued operation

1H21 vs 1H20

Sustainable Solutions

- **Renewables:** Performance in 1H21 impacted by low wind resource in India
- **Integrated Urban Solutions:** Lower net profit due to timing of land sales for Urban business. 1H21 includes contribution from Waste business which was acquired from Veolia in June 2020

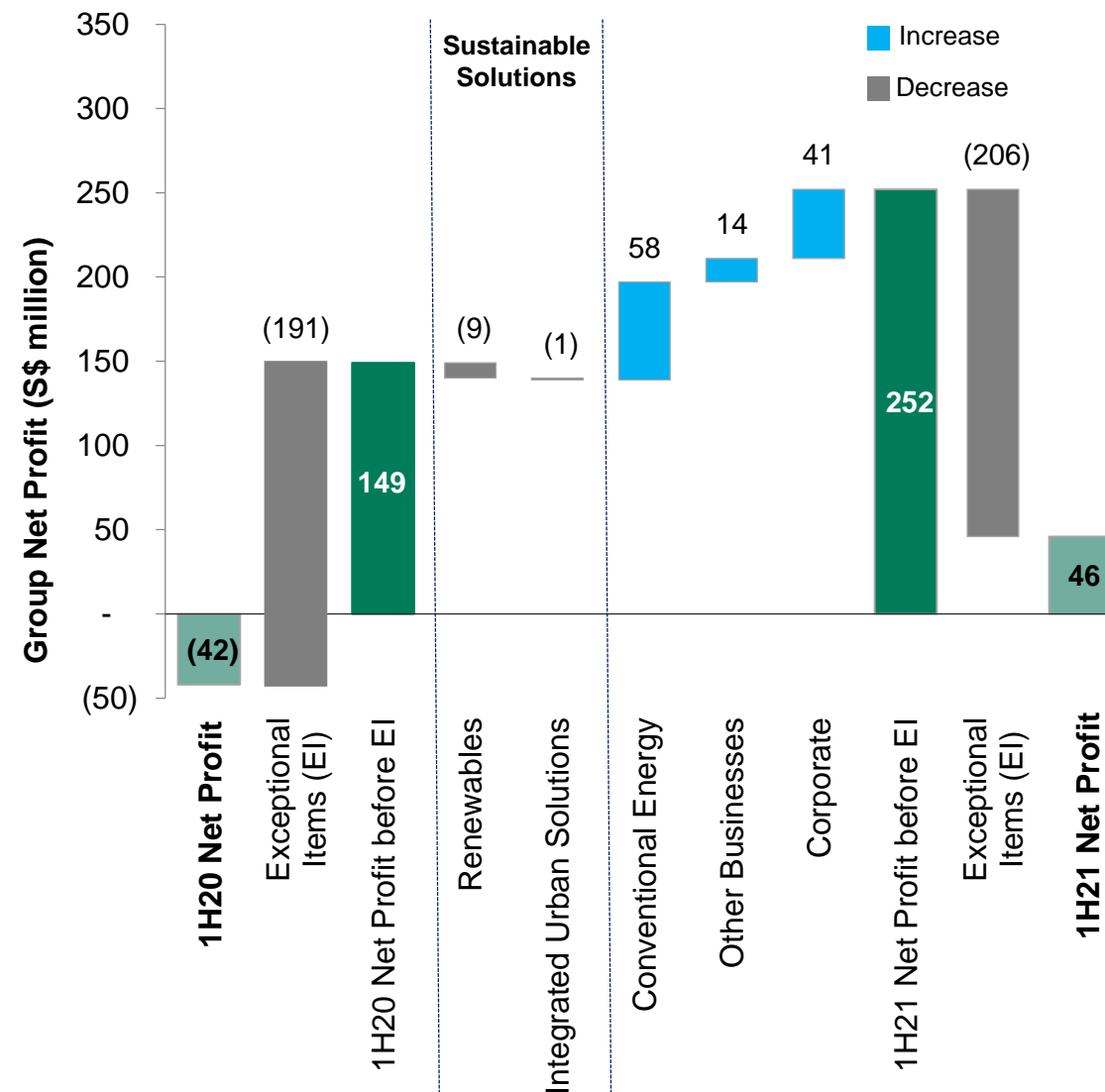
Conventional Energy: Stronger performance from Singapore, India and UK flexible generation assets as a result of higher demand and margins, offset by Chongqing Songzao power plant turning in losses (1H20: S\$10 million net profit). In Singapore, there was a S\$13 million fair value gain. The gain will unwind in the P&L in the subsequent periods upon the delivery / sale of the underlying hedge item. In India, prior period recoveries net of allowance for expected credit loss amounted to S\$27 million

Other Businesses: Resumption of business activity for Sembcorp Specialised Construction, which was impacted by COVID-19 in 1H20

Corporate: Lower interest cost arising from refinancing of S\$1.5 billion bond with revolving credit facility and tightened cost control

Exceptional Items: 1H21 exceptional items of negative S\$206 million comprise an impairment of S\$212 million of Chongqing Songzao power plant and S\$6 million gain from divestment of Sembcorp Jingmen Water Co

Group Net Profit



Highlights

- Capital expenditure incurred was mostly for new solar projects in Singapore and the UK battery facilities
- Equity investment of S\$4 million in Renewables related to additional investment in joint venture Vietnam-Singapore Smart Energy Solutions

Group Capital Expenditure and Equity Investment

S\$ million	1H21	1H20 [#]
Capital Expenditure		
Renewables	131	62
Integrated Urban Solutions	14	12
Conventional Energy	29	26
Other Businesses	2	9
	176	109
Equity Investment		
Renewables	4	-
Integrated Urban Solutions	-	1
Conventional Energy	-	-
Other Businesses	-	-
	4	1

[#] 1H2020 figures exclude capex and equity investment of discontinued operation

Highlights

- Cash flow from operating activities increased from S\$206 million to S\$480 million
- Changes in working capital in 1H21 included cash outflow for India coal inventory and fulfilment of work for Sembcorp Specialised Construction customers
- Net cash used in investing activities was S\$57 million, mainly for the purchase of property, plant and equipment, partially offset by sales proceeds from the divestment of Shenzhen Chiwan Sembawang Engineering Co and Sembcorp Jingmen Water Co

Group Free Cash Flow

S\$ million

Cash Flow From Operating Activities

	1H21	1H20
- Before Changes in Working Capital	645	516
- Changes in Working Capital	(137)	(254)
- Tax Paid	(28)	(56)
	480	206

Cash Flow From Investing Activities

- Divestments, Dividends and Interest Income	207	243
- Net Investments and Capex	(264)	(297)
	(57)	(54)
- Add Back: Expansion Capex and Equity Investment	139	115
FREE CASH FLOW	562	267

Highlights

- Borrowings remained steady, as decrease in long-term borrowings due to loan repayment was offset by the issuance of green bonds
- Launch of inaugural S\$400 million green bond offering in June 2021, first certified green bond under the Climate Bond Standards by a Singapore-based energy company

Group Borrowings

S\$ million Jun 30, 2021 Dec 31, 2020

Gross Debt	7,715	7,728
Total Equity	3,548	3,476
Total Capital	11,263	11,204

Corporate Debt	4,902	4,721
Project Finance Debt	2,813	3,007
Gross Debt	7,715	7,728
Less: Cash and Cash Equivalents	(1,159)	(1,032)
Net Debt	6,556	6,696

Debt / EBITDA*	6.0	6.5
Debt / Adjusted EBITDA*	5.2	5.5
EBITDA / Interest	3.0	2.4
Adjusted EBITDA / Interest	3.5	2.8

* Annualised

Group Debt Profile

Maturity Profile

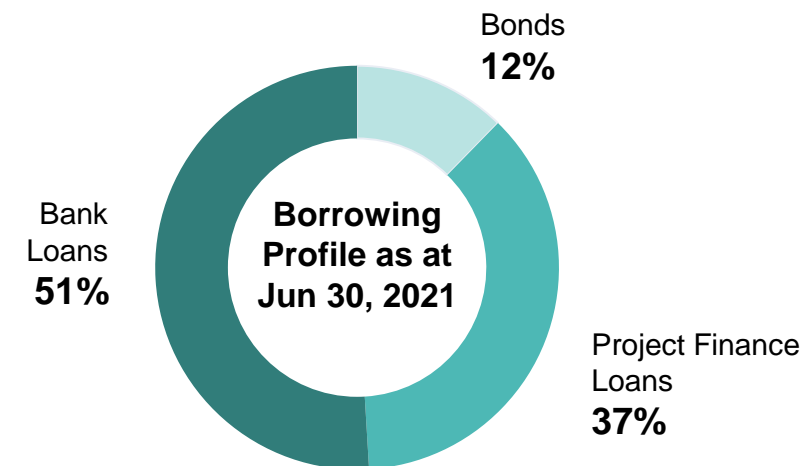
S\$ million

As at Jun 30, 2021	Within 1 year	1 - 2 Years	2 - 3 Years	3 - 4 Years	4 - 5 Years	After 5 years	Total
Corporate	569	656	2,026	617	124	910	4,902
Project Finance	330	341	306	180	164	1,492	2,813
Total	899	997	2,332	797	288	2,402	7,715
%	12%	13%	30%	10%	4%	31%	100%

Weighted average maturity: 4.5 years

Weighted average cost of borrowings: 5.1%

As at Dec 31, 2020	Within 1 year	1 - 2 Years	2 - 3 Years	3 - 4 Years	4 - 5 Years	After 5 years	Total
Corporate	149	523	1,659	1,458	422	510	4,721
Project Finance	444	162	470	160	183	1,588	3,007
Total	593	685	2,129	1,618	605	2,098	7,728
%	8%	9%	27%	21%	8%	27%	100%



Highlights

- Green bond of S\$400 million issued out of S\$3 billion Multicurrency Debt Issuance programme thereby increasing committed facilities and reducing uncommitted borrowing facilities

Group Liquidity

S\$ million Jun 30, 2021 Dec 31, 2020

Cash and Cash Equivalents	1,159	1,032
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Borrowing Facilities

Committed Facilities	8,619	8,298
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Less: Amount Drawn Down	(7,396)	(7,451)
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Unutilised Committed Facilities	1,223	847
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Uncommitted Borrowing Facilities	4,016	4,421
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Less: Amount Drawn Down	(319)	(277)
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Unutilised Uncommitted Facilities	3,697	4,144
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Total Unutilised Borrowing Facilities	4,920	4,991
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Trade-related Facilities

Facilities Available	1,592	1,584
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Less: Amount Used	(712)	(894)
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Unutilised Trade-related Facilities	880	690
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Outlook

- **Significant challenges remain for economies around the world. Uncertainties continue to persist with regard to the COVID-19 pandemic with the potential resurgence of infections globally**
- **Underlying performance of the Group will also be negatively impacted by changes in customer profile in the United Kingdom and Singapore, as well as loss of income from divested assets in Panama and Chile. There are potential downside risks in the Conventional Energy segment across markets due to higher market volatility as well as higher fuel costs. In addition, there will be planned maintenance shutdowns in Singapore, Myanmar and India in 2H2021**
- **The Group is continuing to transform its portfolio to focus on sustainable solutions that support the global energy transition and sustainable development. In 1H2021, 78MW of renewable energy capacity was installed. Approximately 87MW of renewable energy capacity is expected to come onstream by end 2021**

Developments to note:

- Performance in 2H2021 expected to be impacted by planned maintenance shutdowns for the Singapore energy-from-waste plant, Sembcorp Myingyan Power plant in Myanmar and India SEIL Project 1 and Project 2 power plants
- Impact on earnings in Singapore and Vietnam as the natural gas contracts in Singapore approach expiry in 2028, and as Phu My 3 power plant in Vietnam faces reducing tariffs as its power purchase agreement approaches expiry in 2024

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Appendix

Highlights

- Net decrease in Renewables Adjusted EBITDA was mainly attributable to low wind resource in India, higher operating costs with the addition of new capacity and start-up costs of solar business in Vietnam. The decrease was offset by higher margins for the energy storage portfolio
- Higher Adjusted EBITDA in Integrated Urban Solutions as higher contribution from the Waste business offset lower net profit from the Urban business
- Stronger performance from Singapore and India thermal plants mitigated losses for Chongqing Songzao power plant (China)

Group EBITDA and Adjusted EBITDA

S\$ million	1H21	1H20 [#]	Δ%
Renewables	104	110	(5)
Integrated Urban Solutions	70	59	19
Sustainable Solutions	174	169	3
Conventional Energy	480	413	16
Other Businesses and Corporate	(14)	(49)	71
TOTAL EBITDA¹	640	533	20
Renewables	125	133	(6)
Integrated Urban Solutions	107	100	7
Sustainable Solutions	232	233	(0)
Conventional Energy	525	467	12
Other Businesses and Corporate	(13)	(49)	73
TOTAL ADJUSTED EBITDA²	744	651	14

1H2020 excludes performance of discontinued operation

¹ EBITDA excludes major non-cash items such as the effects of fair value adjustments, re-measurements, impairments and write-offs

² Adjusted EBITDA = reported EBITDA + share of result from associates and JVs, net of tax

Group Borrowings

S\$ million

	Amount Drawn	Fixed / Floating Rate*	Year of Maturity
Corporate debt	4,902		
Medium Term Notes (<i>issued 2010</i>)	100	4.25%	2025
Medium Term Notes (<i>issued 2013</i>)	200	3.64%	2024
Medium Term Notes (<i>issued 2014</i>)	100	2.94%	2021
Medium Term Notes (<i>issued 2014</i>)	150	3.59%	2026
Medium Term Notes (<i>issued 2021</i>)	400	2.45%	2031
Term Loans & Revolving Credit Facilities	3,952	Fixed & Floating	2021 - 2026
Project Finance debt	2,813		
Sembcorp Tianjin Lingang Water Co., Ltd	3	Floating	2022
Sembcorp Zhangjiagang Free Trade Zone	4	Floating	2023
Sembcorp Qidong Water Co., Ltd	5	Floating	2024
Sembcorp Energy India Ltd	1,345	Floating	2036
Sembcorp Green Infra Ltd	827	Fixed & Floating	2021 - 2039
Sembcorp Myingyan Power Ltd	287	Fixed & Floating	2036
Sembcorp North-West Power Company Ltd	342	Fixed & Floating	2030

* The classification of fixed or floating rate is based on the stated terms of the loan agreement. For floating rate loans, the Group may subsequently utilise interest rate swaps and cross currency swaps to hedge the variability in cash flows