

PRESS RELEASE

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Sembcorp Industries 1H2022 Results**SEMBCORP DELIVERS STRONG 1H2022 PERFORMANCE**

- **1H2022 net profit before exceptional items up 94% at S\$490 million**
- **Significant growth achieved in renewables portfolio**

Singapore, August 5, 2022 – For the first half of 2022 (1H2022), Sembcorp Industries recorded a turnover of S\$4.8 billion, up 45% from S\$3.3 billion in 1H2021. Group net profit before exceptional items increased 94% to S\$490 million, with higher contributions from the Renewables and Conventional Energy segments.

Net profit for the Renewables segment increased to S\$76 million from S\$24 million in 1H2021. The stronger performance was driven by contributions from SDIC New Energy and Shenzhen Huiyang New Energy in China, post completion of these acquisitions in January 2022 and June 2022 respectively. Wind assets in India and solar operations in Singapore also performed better. Including the 0.9GW of renewables projects secured in 1H2022, gross renewables capacity (installed and under development) totalled 7.1GW. Net profit before exceptional items from the Integrated Urban Solutions segment remained steady at S\$62 million, compared to S\$63 million in 1H2021.

The Conventional Energy segment posted a net profit of S\$397 million, an increase of 115% from net profit before exceptional item of S\$185 million in 1H2021. The higher contribution was mainly due to higher electricity price in Singapore and India, as well as realised gains from favourable gas hedges entered into in 2021.

Quote from Wong Kim Yin, Group President & CEO of Sembcorp Industries:

“Our Conventional Energy segment delivered a strong performance, driven by higher electricity price in Singapore and India, as well as realised gains from favourable gas hedges in Singapore. The Renewables segment has gained good traction since we announced our transformation strategy. Sembcorp’s gross renewables capacity installed and under development globally now stands at 7.1GW, bringing us closer to our target of 10GW of gross installed renewables capacity by 2025. We remain focused on the execution of our brown to green transformation strategy, to deliver lasting value and growth to our stakeholders.”

FINANCIAL SUMMARY

S\$ million	1H2022	1H2021	Δ%
Turnover	4,755	3,290	45
<u>Net Profit before Exceptional Items</u>			
Renewables	76	24	217
Integrated Urban Solutions	62	63	(2)
Sustainable Solutions	138	87	59
Conventional Energy	397	185	115
Other Businesses	10	13	(23)
Corporate	(55)	(33)	(67)
Net Profit before Exceptional Items	490	252	94
Exceptional Items ¹	*	(206)	NM
Net Profit after Exceptional Items	490	46	NM

¹ 1H22 exceptional items (EI) comprised gain on disposal of Subic Water & Sewerage and write-back of impairment upon disposal of Biowater Technology. 1H21 EIs comprised S\$6 million gain in the Integrated Urban Solutions segment and S\$212 million impairment of Chongqing Songzao power plant in the Conventional Energy segment

* Denotes amount less than S\$1 million

INTERIM DIVIDEND

In view of the strong underlying performance, the board of directors announces an interim dividend of 4.0 cents per ordinary share, which will be paid on August 23, 2022.

GROUP OUTLOOK

The Group performed well in the first half of 2022 (1H2022), mainly driven by the Conventional Energy segment due to higher electricity price in Singapore and India, as well as realised gains from favourable gas hedges in Singapore.

Underlying earnings for the Conventional Energy segment in the second half of the year (2H2022) are expected to remain strong, if market conditions seen in 1H2022 remain. Performance of the Renewables segment in 2H2022 will be underpinned by a full half-year contribution from the China renewables portfolio acquired in 1H2022.

Corporate costs are expected to increase due to rising interest rates and higher borrowing costs arising from the acquisitions of SDIC New Energy and Shenzhen Huiyang New Energy.

Full year results for the Group are expected to be significantly higher than 2021.

Notwithstanding the strong performance, the global economic outlook continues to be uncertain. Significant volatility in the commodity markets and supply chain risks caused by the ongoing geopolitical tensions, as well as tighter monetary policy to control inflation have increased the risk of a global recession, which could negatively impact performance.

The Group will continue to focus on the transformation of its portfolio from brown to green and the achievement of its 2025 targets.

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ABOUT SEMBCORP INDUSTRIES

Sembcorp Industries (Sembcorp) is a leading energy and urban solutions provider, driven by its purpose to do good and play its part in building a sustainable future.

Headquartered in Singapore, Sembcorp leverages its sector expertise and global track record to deliver innovative solutions that support the energy transition and sustainable development. By focusing on growing its Renewables and Integrated Urban Solutions businesses, it aims to transform its portfolio towards a greener future and be a leading provider of sustainable solutions.

Sembcorp has a balanced energy portfolio of 16.6GW, with 7.1GW of renewable energy capacity comprising solar, wind and energy storage globally. The company also has a proven track record of transforming raw land into sustainable urban developments, with a project portfolio spanning over 13,000 hectares across Asia.

Sembcorp is listed on the main board of the Singapore Exchange. It is a constituent stock of the Straits Times Index and sustainability indices including the FTSE4Good Index and the iEdge SG ESG indices. For more information, please visit www.sembcorp.com.