

PRESS RELEASE

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Sembcorp Industries FY2023 Results**SEMBCORP DELIVERS STRONG FY2023 PERFORMANCE**

- **Net profit before exceptional items increased 38% to S\$1.0 billion**
- **Strong momentum in renewables growth with 4.0GW secured since end-2022**

Singapore, February 20, 2024 – Sembcorp Industries (Sembcorp) posted a strong performance for the full year of 2023 (FY2023). Turnover was S\$7.0 billion compared to S\$7.8 billion in FY2022. Group net profit before exceptional items (EI) grew 38% year-on-year to S\$1.0 billion from S\$739 million in FY2022, with higher contributions from the Gas and Related Services and Renewables segments. Group net profit after EI and loss from discontinued operation was S\$942 million, 11% higher than S\$848 million in FY2022.

Net profit before EI for the Gas and Related Services segment increased 30% to S\$809 million in FY2023 from S\$622 million in FY2022. The better performance was mainly driven by higher power prices in Singapore. During the year, we successfully secured multiple long-term power purchase agreements (PPAs) for our Singapore generation assets, ensuring a strong and stable stream of operating cash flow and earnings certainty for the segment.

Net profit before EI for the Renewables segment grew 42% to S\$200 million, from S\$141 million in FY2022, driven by contributions from acquisitions in China and India, as well as higher contributions from energy storage and solar operations in Singapore. Since end-2022, we have secured 4.0GW of gross renewables capacity through acquisitions and organic growth across key markets, bringing the Group's renewables capacity to 13.8GW¹.

¹ As at February 20, 2024, including an acquisition pending completion

Net profit before EI from the Integrated Urban Solutions segment was S\$121 million compared to S\$150 million in FY2022, mainly due to lower commercial and residential land sales in the Vietnam Urban business and the cessation of a public cleaning contract in the waste business.

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

“2023 was marked by strong growth momentum in the Renewables business. The signing of multiple long-term PPAs creates strong recurring income for our Gas and Related Services business, providing earnings certainty to fund our renewables growth. We are encouraged by our strong performance in 2023 and will focus on the execution of our 2024 – 2028 strategy, to transform our portfolio from brown to green and drive energy transition.”

FINANCIAL SUMMARY

S\$ million	2H2023	2H2022	Δ%	FY2023	FY2022	Δ%
Turnover	3,384	3,924	(14)	7,042	7,825	(10)
<u>Net Profit before Exceptional Items</u>						
Gas and Related Services	374	326	15	809	622	30
Renewables	81	65	25	200	141	42
Integrated Urban Solutions	72	87	(17)	121	150	(19)
Decarbonisation Solutions	(10)	(2)	NM	(13)	(3)	NM
Other Businesses	16	13	23	31	23	35
Corporate	(128)	(139)	8	(263)	(194)	(36)
Deferred Payment Note Income	11	-	NM	133	-	NM
Net Profit before Exceptional Items	416	350	19	1,018	739	38
Exceptional Items ¹	(4)	(35)	89	2	(35)	NM
Net (Loss) / Profit from Discontinued Operation ²	-	43	NM	(78)	144	NM
Total Net Profit	412	358	15	942	848	11

¹ FY2023 exceptional items (EI) totalling S\$2 million comprised divestment gains of S\$5 million from the sale of its water businesses in Indonesia, a S\$1 million recognition of negative goodwill arising from the acquisition of a 49% joint venture in the solar business in Vietnam offset by a S\$4 million restructuring expense incurred for China operations.

FY2022 EIs totalling negative S\$35 million comprised a S\$19 million impairment mainly for a woodchip boiler and other facilities in Singapore, an S\$8 million write-off of an investment in Vietnam for project expenses incurred by the company and impairments totalling S\$8 million for a water asset in China following changes in water tariffs, an investment in the UK for project expenses incurred by the company, and Urban’s share of lower market valuations of underlying property assets in China.

² The contribution from Sembcorp Energy India Limited (SEIL) was reported as a discontinued operation post approval of its sale in November 2022. The sale of SEIL was completed on January 19, 2023. FY2023 loss from discontinued operation referred to the loss on disposal of SEIL after the realisation of an accumulated currency translation loss recognised in the foreign currency translation reserve and a gain in capital reserve and other reserves.

FINAL DIVIDEND

In view of the strong performance, the Board of Directors proposes a final dividend of 8.0 cents, subject to shareholders' approval. Together with the interim dividend of 5.0 cents per ordinary share paid in August 2023, this brings the Group's total dividend for the year to 13.0 cents per ordinary share.

GROUP OUTLOOK

The Group performed well in 2023, underpinned by the strong contribution of the Gas and Related Services segment, on the back of better performance in the Singapore power market and earnings growth in the Renewables segment.

Earnings of the Gas and Related Services segment are expected to remain robust, underpinned by our significantly contracted position. Gas and Related Services contribution will be offset by a planned major maintenance in Singapore to ensure continued efficiency and high reliability of our asset. Income contribution from the Phu My 3 power plant in Vietnam will also cease in end-February.

The Renewables segment is expected to perform well as more greenfield projects are commissioned and brownfield acquisitions are completed progressively, in the course of the year.

Outlook of the Integrated Urban Solutions segment is expected to remain stable.

Macroeconomic uncertainty remains and potential policy changes could affect the global economies while risks such as further escalations in geopolitical tensions could impact business performance.

The Group is well-positioned to navigate the path of energy transition and grow its renewables portfolio. It will continue to focus on the execution of its 2024 – 2028 strategy to transform its portfolio from brown to green.

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**ABOUT SEMBCORP INDUSTRIES
(Company registration: 199802418D)**

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 business, it aims to transform its portfolio towards a greener future.

Sembcorp has a balanced energy portfolio of 21.3GW, with 13.8GW of gross renewable energy capacity comprising solar, wind, hydro 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 14,000 hectares across Asia.

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

* Total gross capacity assumes 100% ownership of assets, including projects secured and under construction, and an acquisition pending completion.