

First Quarter 2017 Financial Results

20 April 2017

The logo for Keppel Corporation, featuring the word "Keppel" in white text inside a grey rectangular box, followed by the word "Corporation" in red text.

Scope of Briefing

- **Address by CEO**
- **Group Financial Highlights by CFO**

Address by CEO

Tapping Growth in Sustainable Urbanisation



Rising demand for:

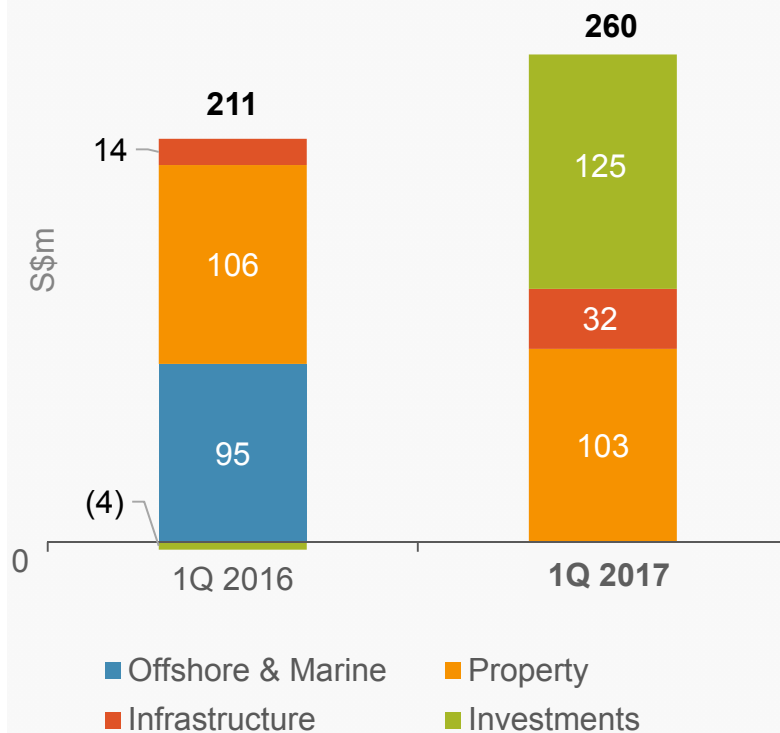
- Energy
- Infrastructure
- Clean Environments
- Homes, Offices & Retail Properties
- Connectivity

Source: World Urbanization Prospects 2014, United Nations

Financial Performance

1Q 2017 net profit

S\$260m, up 23% yoy

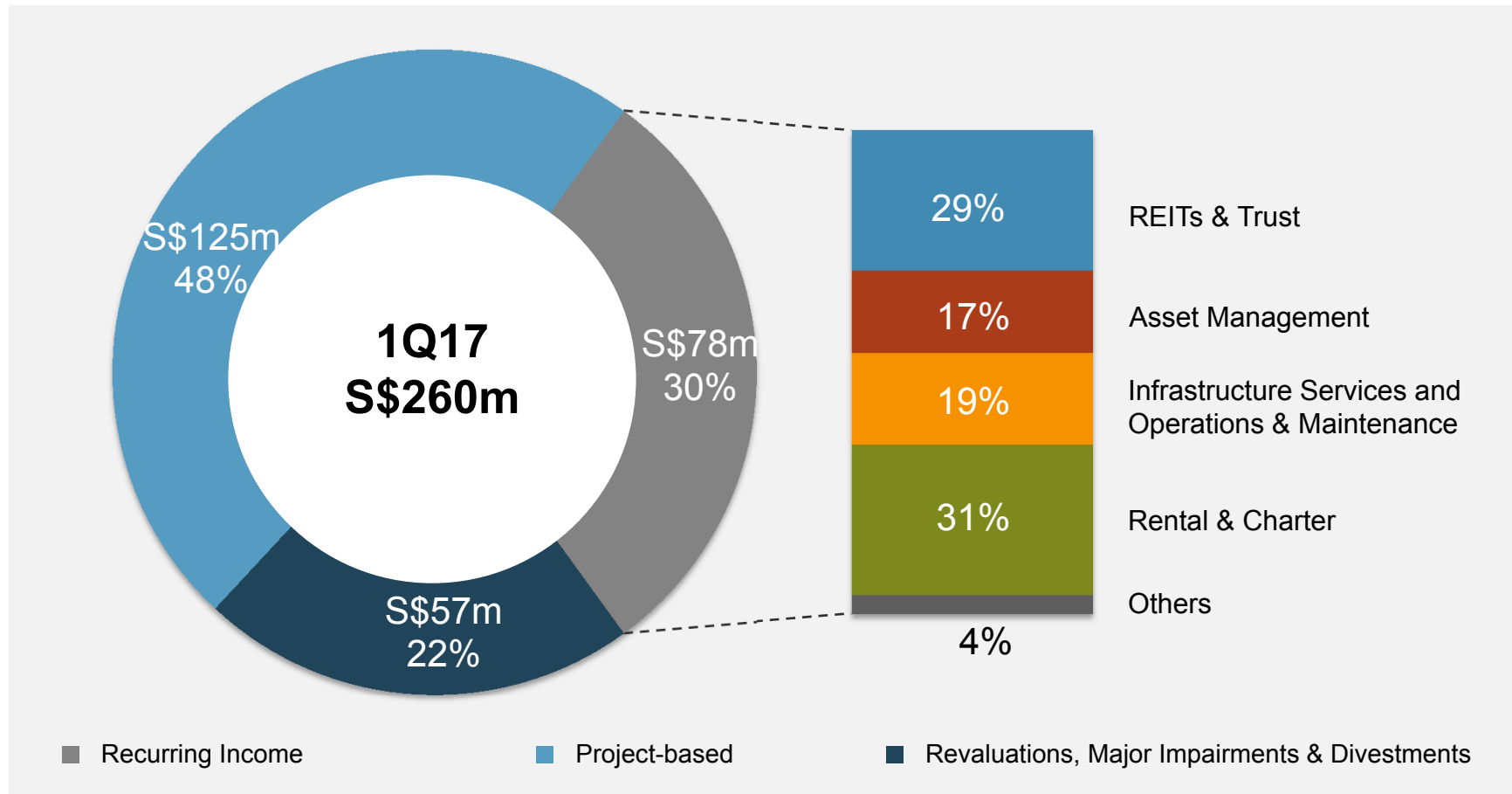


Key Highlights

- Net profit was S\$260m
- EVA was S\$23m
- Annualised ROE was 7.6%
- Free cash outflow of S\$80m in 1Q 2017, compared to S\$306m in 1Q 2016
- Net gearing was 0.57x as at end-Mar 2017, compared to 0.56x as at end-Dec 2016

Multiple Earnings Streams

- Recurring income was S\$78m or 30% of net profit for 1Q 2017

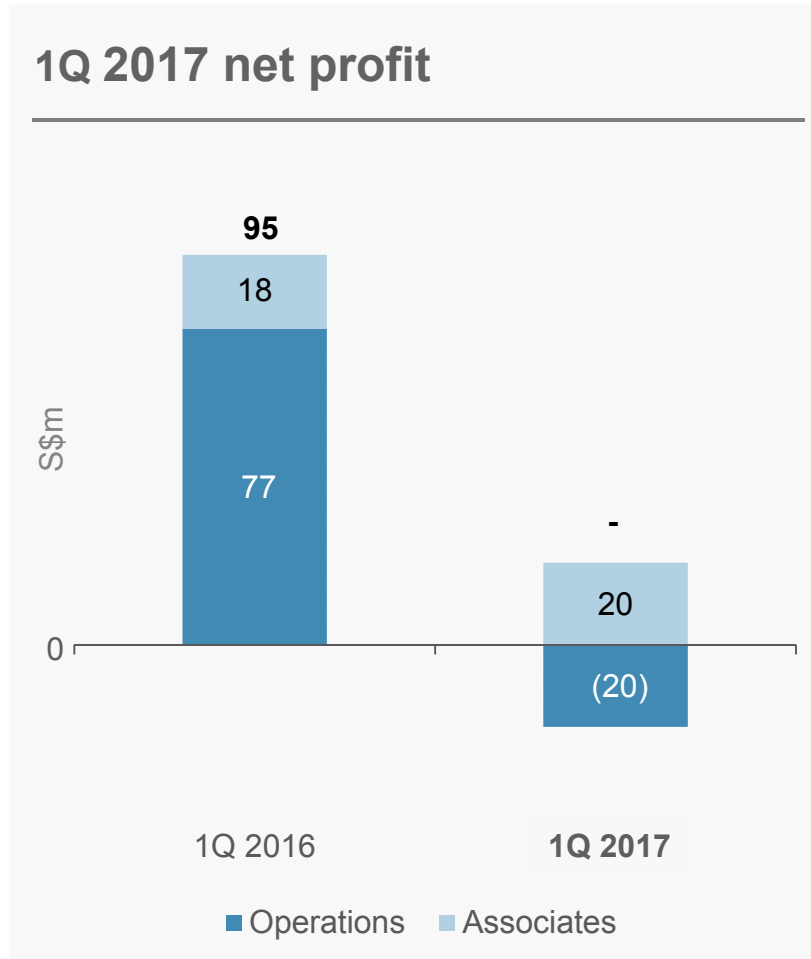




Transocean's 5 jackup rigs, under construction at Keppel FELS, will be novated to Borr Drilling

Offshore & Marine

Offshore & Marine

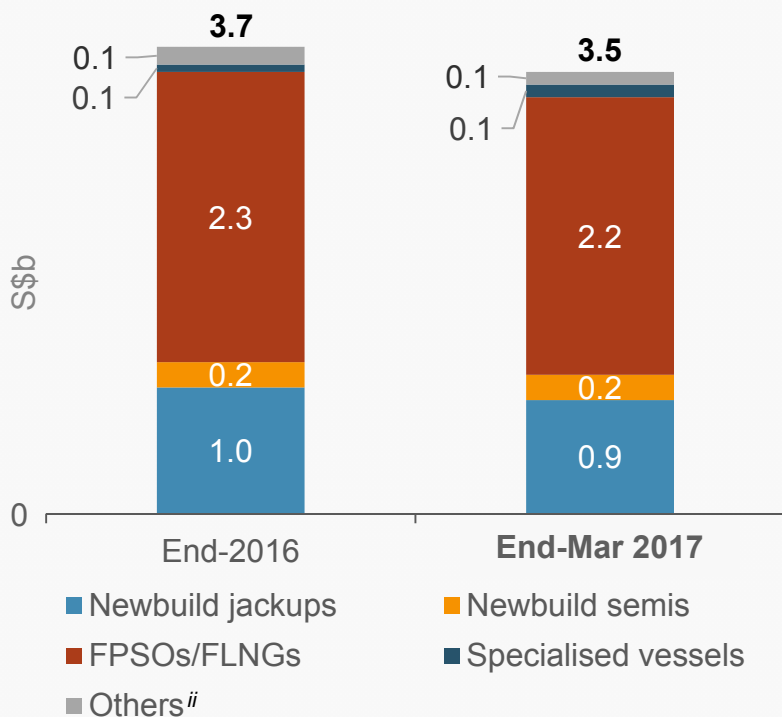


- Operating profit of S\$4m in 1Q 2017, mainly due to lower volume of work
- Continued rightsizing at Keppel O&M
 - Ceased operations in one of three supporting yards in Singapore slated for closure in 2017
 - Announced plans to divest shipyard in Rotterdam
 - Lowered global direct workforce by about 1,250 or 6% qoq

Offshore & Marine

Net orderbookⁱ

S\$3.5b as at end-Mar 2017



ⁱ Excludes semis for Sete

ⁱⁱ Includes modification, upgrading, fabrication and rig repairs

- Continued focus on the execution of existing orderbook
 - Delivery of an FPSO vessel to Yinson
 - Sailaway of the FPSO P-66 for final topside integration
 - Golar Hilli FLNG vessel, FPSO BW Catcher and a semi for SOCAR are on track for delivery
- 3 jackup deferrals in 1Q 2017
- Transocean's five jackup rigs to be novated to Borr Drilling



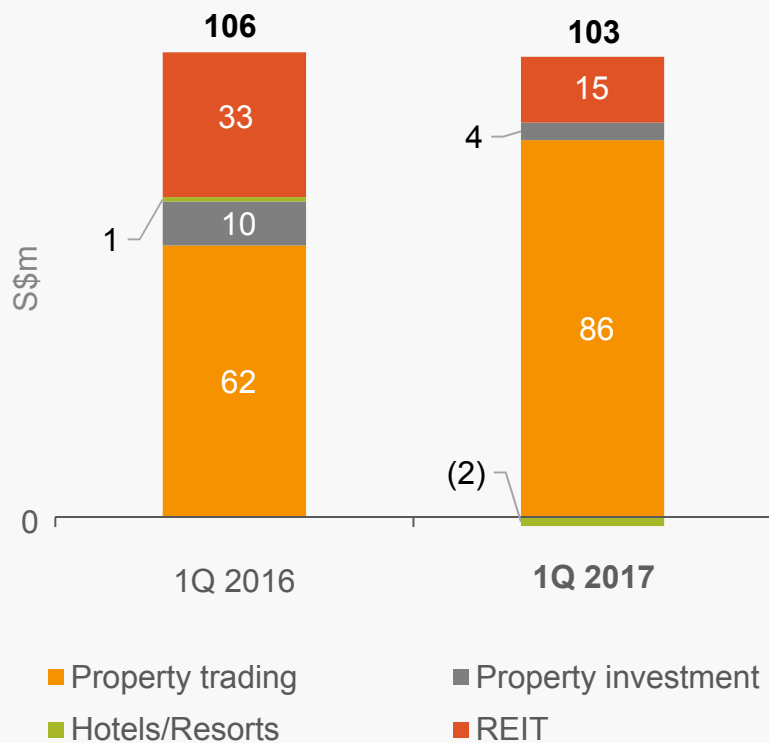
Saigon Centre retail mall, Ho Chi Minh City

Property

Property

1Q 2017 net profit

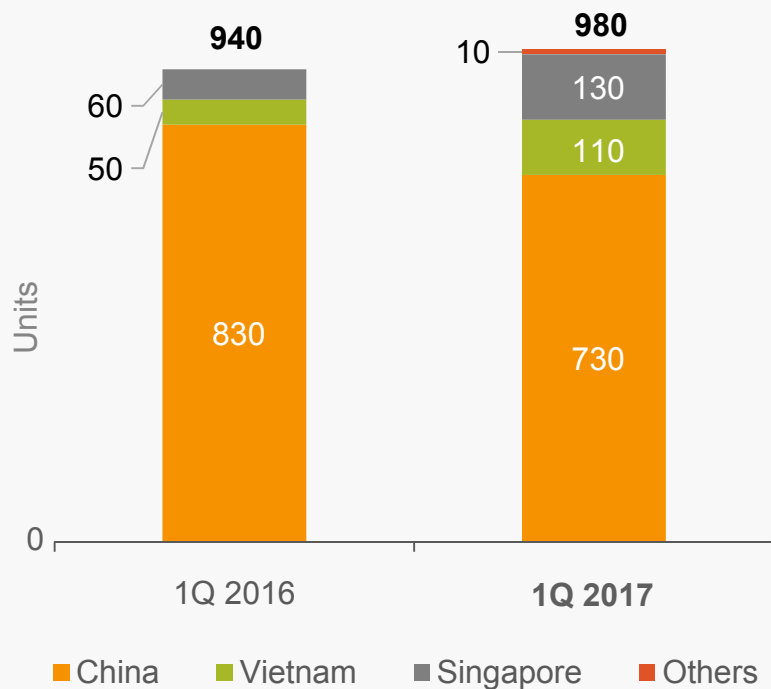
S\$103m, down 3% yoy



- Property Division net profit of S\$103m for 1Q 2017
- Deepened presence in regional markets
 - Increased stake in the Saigon Centre development, Ho Chi Minh City
 - Opened the 23-storey Grade A office tower in Junction City Phase One, Yangon
- Divested stake in Surabaya property company

Property

Home sales



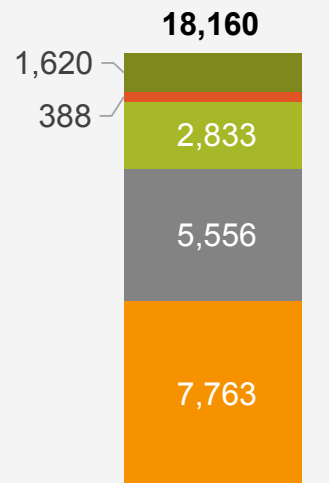
- Sold 980 units in 1Q 2017, with total sales value of about S\$530m
- Overall sales volume grew about 4% yoy, bolstered by:
 - 730 units sold in China
 - 110 units sold in Vietnam, more than double yoy
 - 130 units sold in Singapore, more than double yoy

Property Portfolio

- Residential landbank of over 64,000 homes in total
- Commercial portfolio of over one million sm of GFA under development

Residential

Launch-Ready Homes (units)

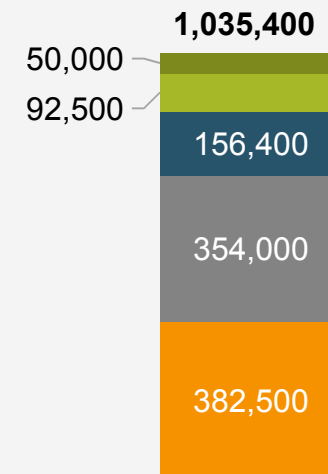


(2Q 2017 - 2019)

China Vietnam Indonesia Singapore Others

Commercial

GFA Under Developmentⁱ (sm)



China Vietnam Philippines
Indonesia Myanmar

ⁱ As at 31 Mar 2017

DBOO Project for Marina East Desalination Plant Water Purchase Agreement Signing Ceremony

20 January 2017

Keppel Infrastructure

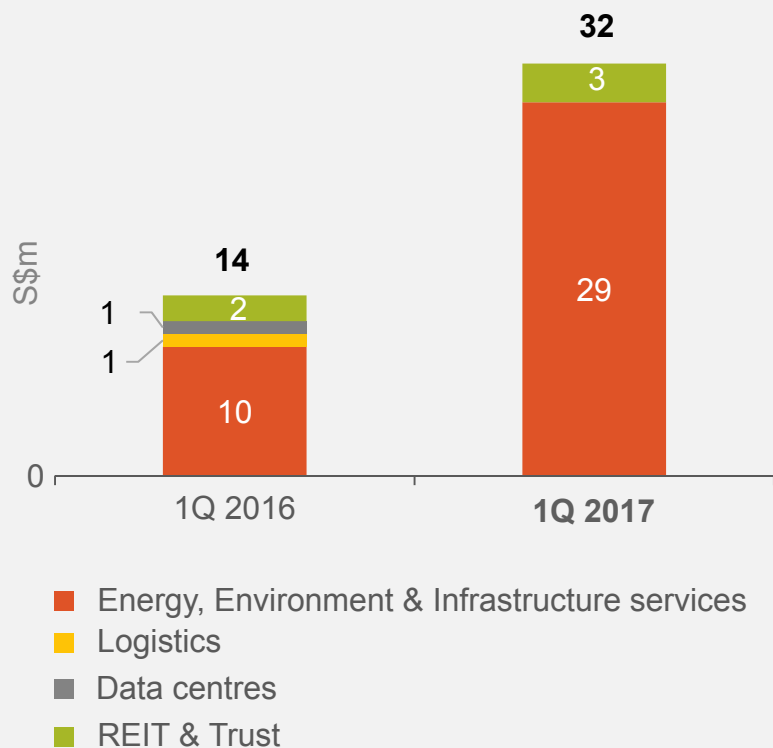
PUB SINGAPORE'S
NATIONAL
WATER AGENCY

Keppel Infrastructure signed a 25-year Water Purchase Agreement in January 2017

Infrastructure

Infrastructure

1Q 2017 net profit S\$32m, up 129% yoy



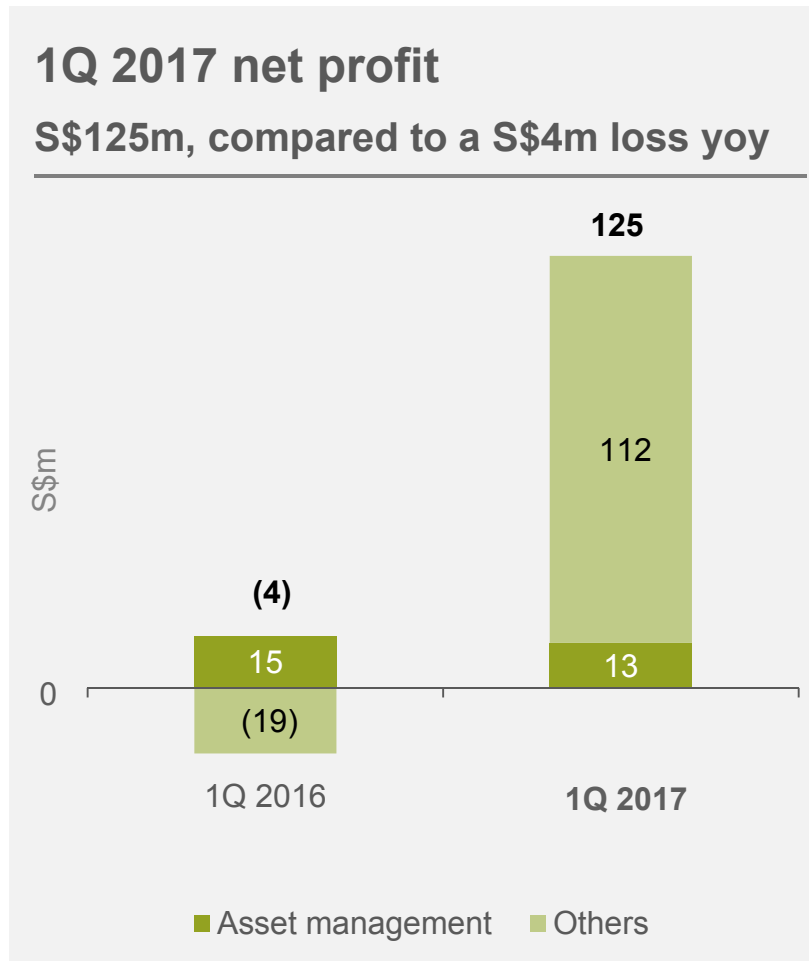
- Keppel Infrastructure net profit of S\$30m for 1Q 2017, up from S\$10m yoy
- Signed 25-year Water Purchase Agreement for desalination plant
- Completed capacity upgrade of the Ulu Pandan NEWater Plant
- Signed agreement with EDB to develop, own and operate a gasification facility, an important step in preparation for FID
- Launched the PCCW Global-Keppel International Carrier Exchange in Hong Kong



Ocean Financial Centre, Singapore

Investments

Investments



- Asset management business continued to be active in 1Q 2017
 - Alpha's funds divested four assets in Singapore, Japan and Korea
- Stronger contribution from Sino-Singapore Tianjin Eco-City

Seizing Opportunities in Sustainable Urbanisation

Offshore & Marine

Gas value chain

- Liquefaction & regasification
- Transportation & bunkering

Specialised vessels

Re-purposing offshore technology

- Floating infrastructure assets



Infrastructure

Energy & environmental infrastructure

- Power and gas
- WTE, desalination & wastewater treatment
- District cooling and energy efficiency management

Connectivity

- Data centre development and management
- Urban logistics, e-commerce fulfilment



Property

Rising home-ownership aspirations in Asia

- Residential pipeline of >64,000 homes

Prime commercial portfolio

- >1 million sm of commercial GA under development



Investments

Integrated asset management

- Assets management solutions for real assets across Property, Infrastructure, and even O&M sectors

Master developer of urban developments

- Sino-Singapore Tianjin Eco-City
- Jinan Smart City



Group Financial Highlights by CFO

Financial Performance

Net Profit ↑ 23% to S\$260m

EPS ↑ 24% to 14.3cts

Annualised ROE ↑ from 7.1% to 7.6%

EVA ↑ from S\$2m to S\$23m

Free Cash Outflow ↓ from S\$306m to S\$80m

Net Gearing ↑ from 0.56x to 0.57x

Financial Highlights

S\$m	<u>1Q 2017</u>	<u>1Q 2016</u>	<u>% Change</u>
Revenue	1,248	1,743	(28)
EBITDA	243	334	(27)
Operating Profit	187	278	(33)
Profit Before Tax	346	278	24
Net Profit	260	211	23
EPS (cents)	14.3	11.6	24

Revenue by Segments

S\$m	<u>1Q 2017</u>	<u>%</u>	<u>1Q 2016</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	483	39	818	47	(41)
Property	262	21	503	29	(48)
Infrastructure	467	37	390	22	20
Investments	36	3	32	2	13
Total	1,248	100	1,743	100	(28)

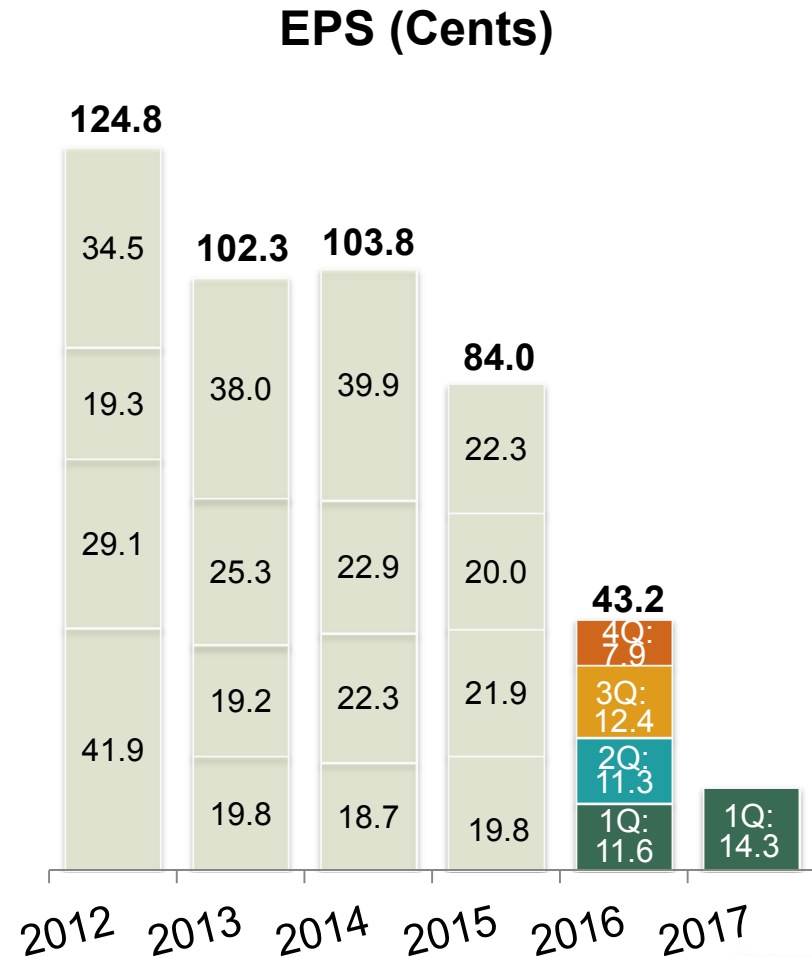
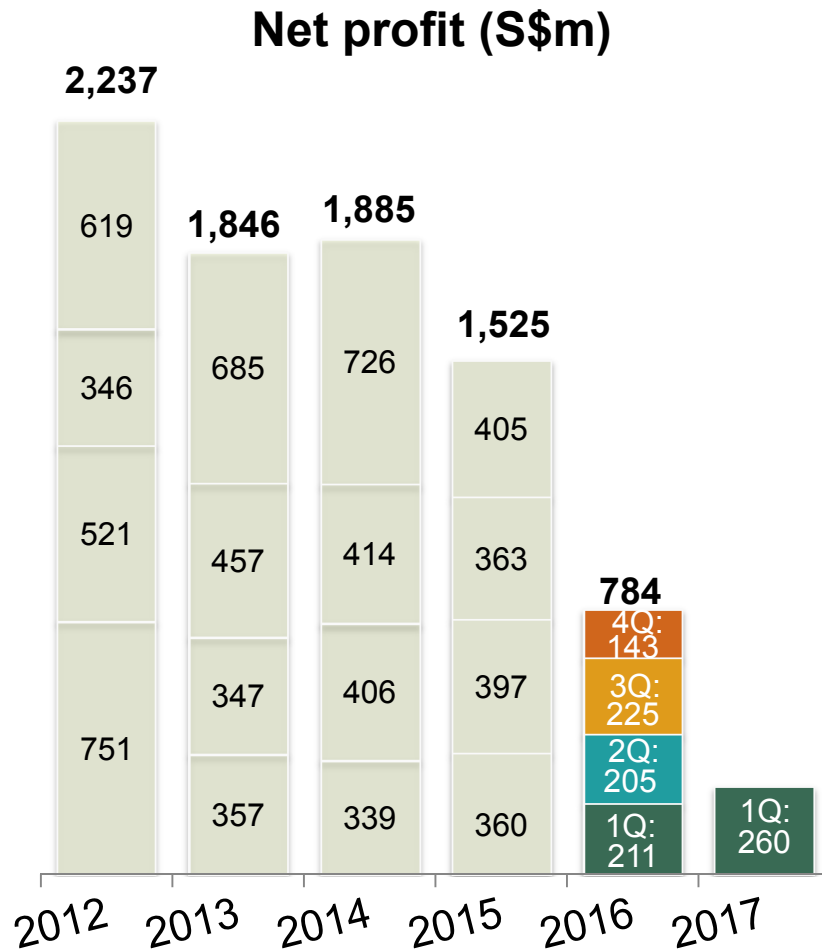
Pre-tax Profit by Segments

S\$m	<u>1Q 2017</u>	<u>%</u>	<u>1Q 2016</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	1	-	122	44	(99)
Property	127	37	142	51	(11)
Infrastructure	37	11	18	6	106
Investments	181	52	(4)	(1)	NM
Total	346	100	278	100	24

Net Profit by Segments

S\$m	<u>1Q 2017</u>	<u>%</u>	<u>1Q 2016</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	-	-	95	45	(100)
Property	103	40	106	50	(3)
Infrastructure	32	12	14	7	129
Investments	125	48	(4)	(2)	NM
Total	260	100	211	100	23

Net Profit & EPS



Free Cash Flow

	<u>1Q 2017</u>	<u>1Q 2016</u>
	S\$m	S\$m
Operating profit	187	278
Depreciation & other non-cash items	(69)	64
	<hr/> 118	<hr/> 342
Working capital changes	(61)	(635)
Interest & tax paid	(66)	(42)
Net cash used in operating activities	<hr/> (9)	<hr/> (335)
Investments & capex	(117)	(63)
Divestments & dividend income	46	92
Net cash (used in)/from investing activities	<hr/> (71)	<hr/> 29
Cash outflow	<hr/> (80)	<hr/> (306)

Free cash flow excludes expansionary acquisitions and capex, and major divestments.

1Q 2017 Results

Q&A

Additional Information

Revenue by Geography

	1Q 2017		
	<u>Total</u>	<u>Overseas</u>	<u>Singapore</u>
	<u>S\$m</u>	<u>Customers</u>	<u>Customers</u>
		%	%
Offshore & Marine	483	83	17
Property	262	60	40
Infrastructure	467	14	86
Investments	36	1	99
Total	1,248		

50% of total revenue came from overseas customers

EBITDA by Segments

S\$m	<u>1Q 2017</u>	<u>%</u>	<u>1Q 2016</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	40	17	150	45	(73)
Property	80	33	115	34	(30)
Infrastructure	37	15	25	8	48
Investments	86	35	44	13	96
Total	243	100	334	100	(27)

Capital/Gearing/ROE

S\$m	<u>31 Mar 2017</u>	<u>31 Dec 2016</u>
Shareholders' Funds	11,784	11,659
Total Equity	12,421	12,334
Net Debt	7,081	6,966
Net Gearing Ratio	0.57x	0.56x
ROE	7.6%	6.9%

OFFSHORE & MARINE

Financial Highlights – Offshore & Marine

S\$m	<u>1Q 2017</u>	<u>1Q 2016</u>	<u>% Change</u>
Revenue	483	818	(41)
EBITDA	40	150	(73)
Operating Profit	4	111	(96)
Profit Before Tax	1	122	(99)
Net Profit	-	95	(100)

Offshore & Marine Orderbook

	Contract Value		Client
	Gross	Net	
	S\$m	S\$m	
<u>For delivery in 2017</u>			
7 JUs/1 Semi/1 FLNG Conversion/ 2 FPSO Modules Fab. & Integration/ 1 FPSO Topsides Installation & Integration/1 FPSO Turret Fabrication/1 RORO Vessel Engine Conversion/1 Subsea Construction Vessel/1 Ice-class Multi- Purpose Vessel	5,382	525	Grupo R/TS Offshore/Clearwater/ Falcon Energy/Golar/Petrobras/ Modec/BW Offshore/SOFEC/Totem Ocean/ Baku Shipyard/New Orient Marine
<u>For delivery in 2018</u>			
1 JU/1 Liftboat/1 FPSO Modification & Upgrade/ 2 Dredgers/ 2 Dual Fuel Tugs	576	221	Ensco/Crystal Heights/ Woodside/Jan De Nul/KST/Maju
<u>For delivery in 2019</u>			
4 JUs/2 Semis*/1 FPSO Modules Fab. & Integration/ 1 Dredger	2,069	492	BOT Lease Co/Fecon/*Name withheld/ Petrobras/Jan De Nul
<u>For delivery in 2020-2021</u>			
5 JUs ⁱ /2 FLNG Conversions	3,304	2,573	Transocean ⁱ /Golar
Total as at 31 Mar 2017 (excl. semis for Sete Brasil)	11,331	3,536	

ⁱ The transaction for the novation of five jackup rigs from Transocean to Borr Drilling is expected to be completed before end-May 2017.

PROPERTY

Financial Highlights - Property

S\$m	<u>1Q 2017</u>	<u>1Q 2016</u>	<u>% Change</u>
Revenue	262	503	(48)
EBITDA	80	115	(30)
Operating Profit	71	110	(36)
Profit Before Tax	127	142	(11)
Net Profit	103	106	(3)

Sales Achieved - Overseas

Key Projects	Location	Units Sold in 1Q 2017	Sales Value in 1Q 2017	Latest Avg. Selling Price
China			(RMB'm)	(RMB'psm)
Park Avenue Heights	Chengdu	63	186.1	~21,800
V City		398	470.1	~11,300
Serenity Villas	Tianjin	34	96.5	~12,900
Seasons Garden, Tianjin Eco-City Ph 2		130	277.2	~18,000
Seasons Heights, Tianjin Eco-City Ph 4		50	67.5	~14,600
Waterfront Residences		29	126.2	~24,000
Total		704	1,224	
Vietnam			(US\$m)	(US\$'psm)
Riviera Cove	Dist. 9	2	1.1	~1,600
Riviera Point	Dist. 7			
Ph 1A		20	3.5	~1,800
The View		29	5.7	~1,700
Palm City	Dist. 2			
Palm Heights		59	8.8	~1,600
Total		110	19.1	

Residential Landbank - Singapore

Singapore	Stake	Tenure	Total GFA (sf)	Total Units	Units Launched	Units Sold	Remaining Units	Remaining Area For Sales (sf)
Launched Projects								
The Glades	70%	99-yr	549,081	726	726	684	42	48,804
Corals at Keppel Bay	100%	99-yr	509,998	366	250	235	131	217,476
Reflections at Keppel Bay	100%	99-yr	2,081,738	1,129	950	929	47*	161,826
Highline Residences	100%	99-yr	473,218	500	400	332	168	177,412
Upcoming Projects								
Keppel Bay Plot 4	39%	99-yr	344,448	234^	-	-	234	344,448
Keppel Bay Plot 6	100%	99-yr	226,044	86^	-	-	86	226,044
Total			4,184,527	3,041	2,326	2,180	708	1,176,010

* Excludes about 150 units set aside for corporate residences

^ Estimated no. of units

As of end-Mar 2017

Residential Landbank - China

China	Location	Stake	Total GFA (sm)	Total Units	Units Launched	Units Sold	Remaining Units For Sale	Remaining Area For Sale (sm)
8 Park Avenue	Shanghai	99%	133,393	918	918	881	37	10,396
Seasons Residences		99.9%	128,918	1,102	1,028	1,012	90	11,419
Sheshan Riviera		100%	83,174	217	47	3	214	82,237*
Waterfront Residences	Nantong	100%	189,437	1,199	111	58	1,141	173,248
Park Avenue Heights	Chengdu	100%	200,200	1,535	1,392	1,282	253	33,234
Hill Crest Villas		100%	163,147	274	0	0	274	163,147
Serenity Villas		100%	233,862	573	0	0	573	233,862
V City		35%	560,963	5,617	3,245	2,992	2,625	292,510*
Waterfront Residences	Wuxi	100%	306,607	1,481	62	54	1,427	283,504*
Park Avenue Heights		100%	165,308	1,048	0	0	1,048	165,308*
Serenity Villas	Tianjin	100%	80,000	340	340	195	145	41,480
Mixed-use Devt		100%	1,358,202	11,299	-	-	11,299	1,358,202
Tianjin Eco-City		100%	625,292	4,294	2,582	2,510	1,784	359,594*
Waterfront Residences		100%	61,417	341	315	308	33	6,581
Stamford City	Jiangyin	99.4%	299,991	1,478	1,125	1,038	440	97,501
The Seasons	Shenyang	100%	365,186	2,794	420	295	2,499	337,030
Hunnan Township Devt		99.8%	756,580	7,026	-	-	7,026	756,580
Keppel Cove	Zhongshan	80%	460,000	1,647	0	0	1,647	460,000
Hill Crest Residences (Ph 1)	Kunming	68.8%	20,193	133	133	113	20	4,295
Hill Crest Residences (Ph 2)		68.8%	24,428	130	33	9	121	24,637
La Quinta II		68.8%	10,928	62	62	55	7	1,250
Total			6,227,226	43,508	11,813	10,805	32,703	4,896,015

*Includes commercial area

As of end-Mar 2017

Residential Landbank - Other Overseas

	Location	Stake	Total GFA (sm)	Total Units	Units Launched	Units Sold	Remaining Units For Sale	Remaining Area for Sale (sm)
Vietnam								
Estella Heights	Dist. 2	98%	123,618	872	872	778	94	13,108
Saigon Sports City		90%	783,302	3,887	-	-	3,887	458,892
Palm City (South Rach Chiec)		42%	874,044	6,084	951	868	5,216	529,003
Empire City		40%	408,600	2,813	510	417	2,396	274,426
Riviera Point	Dist. 7	75%	437,944	2,400	894	698	1,702	209,261
Riviera Cove	Dist. 9	100%	34,711	96	96	85	11	7,411
Villa Devt	Saigon South	50%	58,800	168	-	-	168	55,186
Dong Nai Waterfront City	Dong Nai	50%	2,046,955	7,850	-	-	7,850	1,293,500
Sub-Total:			4,767,974	24,170	3,323	2,846	21,324	2,840,787
Indonesia								
West Vista at Puri	West Jakarta	100%	153,464*	2,855	300	155	2,700	110,078
Daan Mogot		100%	226,800	4,523	-	-	4,523	226,800
MetLand Puri		50%	72,340	442	-	-	442	72,340
Sub-Total:			452,604	7,820	300	155	7,665	409,218
India								
Elita Horizon	Bangalore	51%	167,226	2,049	-	-	2,049	167,226
USA								
The Residences at 200 East 59	New York	86%	18,170*	68	68	1	67	8,865
Total			5,405,974	34,107	3,691	3,002	31,105	3,426,096

* Includes commercial area

As of end-Mar 2017

Residential Launch Readiness – China

Project	Location	Units Ready to Launch*		
		2017	2018	2019
8 Park Avenue	Shanghai	17	20	-
Seasons Residences		90	-	-
Sheshan Riviera		52	55	52
Waterfront Residences	Nantong	11	22	20
Park Avenue Heights	Chengdu	253	-	-
Hill Crest Villas^		-	24	36
Serenity Villas^		-	18	24
V City		464	1,079	782
Waterfront Residences	Wuxi	379	499	284
Park Avenue Heights^		500	548	-
Serenity Villas	Tianjin	55	21	22
Tianjin Eco-City		676	620	346
Waterfront Residences		33	-	-
Stamford City	Jiangyin	27	144	193
The Seasons	Shenyang	40	82	93
Keppel Cove^	Zhongshan	28	36	48
Hill Crest Residences	Kunming	5	25	33
La Quinta II		3	4	-
Total		2,633	3,197	1,933

* Units Ready to Launch for 2017 excludes those sold in 1Q 2017

^ New launches

Residential Launch Readiness – Other Overseas

Project	Location	Units Ready to Launch ⁱ		
		2017	2018	2019
Indonesia				
West Vista at Puri	West Jakarta	491	950	950
MetLand Puri		221	221	-
Vietnam				
Estella Heights	HCMC	54	40	-
Riviera Cove*		6	5	-
Saigon Sports City		200	400	403
Riviera Point^				
Ph 1A		5	-	-
The View		364	-	-
Riviera Point (Subsequent phases)		-	300	300
Palm City				
Palm Heights		83	-	-
Palm City (Subsequent phases)		500	745	749
Empire City				
Linden Residences		93	-	-
Empire City Ph2		330	111	-
Empire City (Subsequent phases)		150	358	360
India				
Elita Horizon	Bangalore	700	460	460
Total		3,197	3,590	3,222

ⁱ Units Ready to Launch for 2017 excludes those sold in 1Q 2017

* District 9, ^ District 7, the other projects in Vietnam are in District 2

Expected Completion for Launched Projects

Projects/Phases launched	Total Units	Units Launched as at end-Mar 2017	Units Sold as at end-Mar 2017	Units Remaining as at end-Mar 2017	Expected Completion
China					
Waterfront Residences, Tianjin	180	155	150	30	2H17
Sheshan Riviera, Shanghai	112	47	3	109	2H17
Park Avenue Heights, Chengdu	280	137	29	251	2H17
V City (Ph 2), Chengdu	1,495	1,495	1,383	112	1H18
Seasons Garden (Plot 9), Tianjin	356	306	245	111	2H18
V City (Ph 3), Chengdu	1,517	316	176	1,341	1H19
Seasons Heights, Tianjin	372	124	114	258	2H19
Indonesia					
West Vista at Puri	2,855	300	155	2,700	2H20
Vietnam					
Estella Heights (Ph 1)	496	496	484	12	2H17
Palm Residence	135	135	135	-	2H17
Estella Heights (Ph 2)	376	376	294	82	2H18
The View	518	345	154	364	2H19
Palm Heights	816	816	733	83	2H19
Linden Residences	510	510	417	93	1H20
Total	10,018	5,558	4,472	5,546	

Expected Completion for Upcoming Projects

Projects/Phases to be launched	Location	No. of Units Expected to be Completed		
		2017	2018	2019
China				
Sheshan Riviera	Shanghai	-	105	-
Waterfront Residences	Wuxi	83	554	542
Park Avenue Heights		328	348	372
Seasons Garden (Plot 8)	Tianjin	-	-	354
Seasons Residences		-	-	572
Keppel Cove	Zhongshan	-	18	30
Hill Crest Residences	Kunming	-	-	97
Total		411	1,025	1,967

Commercial Projects Overseas

Commercial Projects under Development	GFA (sm)	Development Cost ⁽¹⁾	Completion
China			
Beijing Commercial (51% stake)	104,800	RMB2.7b	2019
Park Avenue Central, Shanghai (99% stake)	115,900	RMB2.9b	2021
Seasons City, Tianjin (100% stake)	161,800	RMB2.6b	2019 (Ph 1)
Indonesia			
IFC Jakarta Tower 1 (100% stake)	92,500	S\$270m	2022
Vietnam			
Saigon Centre Ph 2, HCMC (53.5% stake)	55,000 (Retail - Completed) 44,000 (Office) 20,600 (Serviced apt)	US\$220m	2017 (Office)
Estella Heights (98% stake)	37,000 (Retail)	US\$50m	2018
Empire City, HCMC (40% stake)	86,400 (Office) 106,000 (Retail) 35,000 (Hotel) 25,000 (Service Apt)	US\$580m	2024
Myanmar			
Junction City Office Tower, Yangon (40% stake)	53,100 (Office – Completed)	US\$47m ⁽²⁾	2017
Junction City Phase 2, Yangon (40% stake)	50,000	US\$48.6m ⁽²⁾	2021
Philippines			
SM-KL Project Ph 2, Manila (24.2% stake)	46,300 (Retail) 110,100 (Office)	S\$333m	2017 (Retail) 2019 (Office)

(1) Excluding land cost (2) Investment cost for 40% stake

INFRASTRUCTURE

Financial Highlights - Infrastructure

S\$m	<u>1Q 2017</u>	<u>1Q 2016</u>	<u>% Change</u>
Revenue	467	390	20
EBITDA	37	25	48
Operating Profit	26	15	73
Profit Before Tax	37	18	106
Net Profit	32	14	129

INVESTMENTS

Financial Highlights - Investments

S\$m	<u>1Q 2017</u>	<u>1Q 2016</u>	<u>% Change</u>
Revenue	36	32	13
EBITDA	86	44	96
Operating Profit	86	42	105
Profit Before Tax	181	(4)	NM
Net Profit	125	(4)	NM

This release may contain forward-looking statements which are subject to risks and uncertainties that could cause actual results to differ materially from such statements. Such risks and uncertainties include industry and economic conditions, competition, and legal, governmental and regulatory changes. The forward-looking statements reflect the current views of Management on future trends and developments.