

# **Extraordinary General Meeting:**Proposed acquisition of SPH through scheme of arrangement

9 December 2021

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# Rare opportunity to acquire synergistic platform aligned to Vision 2030

Financially attractive, enhances returns and earnings profile

1 Pro-forma EPS accretion

Earnings accretive on pro-forma basis<sup>1,2</sup>

Pro-forma recurring income contribution<sup>1,3</sup>

+18%

Growth in recurring PATMI 3

56%

Recurring PATMI 3

Maintain net gearing⁴ headroom

<1.0x

Net gearing

Deleveraging in the near term through asset monetisation programme<sup>5</sup>

- Increased scale in focus areas
  - (1) Potential Increased AUM<sup>6</sup>

c.S\$47b





**Growth sectors** 



Purpose Built Student Accommodation ("PBSA")





**Established REIT platform** 



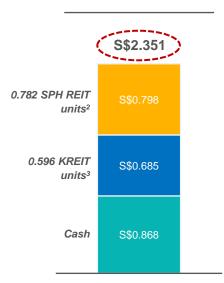
Natural fit with existing businesses and Vision 2030 with many opportunities to harness synergies

### Attractive portfolio aligned with Keppel's asset-light business model and supports recurring income growth

Note: ¹ This statement on growth in earnings per share ("EPS") and recurring income contribution is not intended as a profit forecast and should not be construed as such. This statement should not be interpreted to mean that its value in any future financial period will necessarily be greater than those for the relevant preceding financial period. In computing the financial impact of the Proposed Transaction on pro forma EPS, financial statements for different financial year ends and different financial year ends and different financial year ends were used (being 30 Jun 2021 for the Group and 28 Feb 2021 for the SPH Group). In computing the financial type on and 28 Feb 2021 for the SPH Group); ² Based on (a) Keppel's audited consolidated results for the financial year ended 31 Dec 2020, (b) the SPH FY2021 Results (for the financial year ended 31 Aug 2021) and (c) pro-forma financial effects of the DIS on selected financial measures of SPH set out in Appendix B to the Circular, yielding a decrease in loss per share of 3.9 Singapore centre sexcluding one-off effects due to gains anising from the change in interest in Keppel REIT held by Keppel and excluding restructuring adjustments which include the effect of the assumption of certain liabilities, costs and expenses arising from the change in interest in Keppel REIT held by the Group and finance costs to be incurred due to cash consideration used to fund the transaction, "4 Net to determine the decrease of the property value of Seletar Mall, GDV of Woodleigh Mall and Genting Lane Data Centre as at 31 Aug 2020, based on SPH REIT and PBSA, carrying value of Seletar Mall, GDV of Woodleigh Mall and Genting Lane Data Centre as at 31 Aug 2020, based on SPH REIT and PBSA, carrying value of or 70% portfolio valuation of 70% portfolio valuation of 10% portfol

# A win-win proposition for Keppel and SPH shareholders





Final Consideration<sup>1</sup>



### **Additional upside**

Receive KREIT units at 10% discount to NAV8

### SPH shareholders will receive additional cash consideration of S\$0.200/share

# Compelling acquisition for Keppel

## Proposed acquisition remains attractive to Keppel even at Final Consideration

- ✓ Increase in cash consideration of S\$0.200/share underpinned by strengthening global economic conditions, recent improvement in SPH performance and growing synergies identified
- ✓ Continue to see significant value in SPH portfolio
- ✓ Keppel will remain disciplined and increased consideration is final and would not be further increased.
- ✓ Offer structure **remains part scrip part cash**, in line with Keppel's initial plans, but with additional cash
- ✓ Proposed acquisition remains earnings accretive on a pro forma basis¹
- ✓ Higher cash consideration expected to increase Keppel's pro forma net gearing post-transaction by only
   0.03x², with pro forma net gearing expected to remain <1x, leaving adequate capacity to pursue other Vision</li>
   2030 growth opportunities and reward shareholders





# **Indicative transaction milestones**

Date	Milestone
9 Nov 2021	■ Announcement of Keppel Pegasus' Final Consideration
24 Nov 2021	■ Despatch of Chapter 10 Circular by Keppel
To be announced	■ Despatch of Composite Document including Offeror's Letter by SPH
9 Dec 2021	■ Keppel EGM
To be announced	SPH scheme meeting and EGM for Keppel Pegasus' final offer
To be announced	■ Effective date of the implementation of the scheme
To be announced	■ Payment of consideration to SPH shareholders

**Keppel Corporation**