

# Presentation to Investors

New York

5-9 May 2016

**Keppel** Corporation

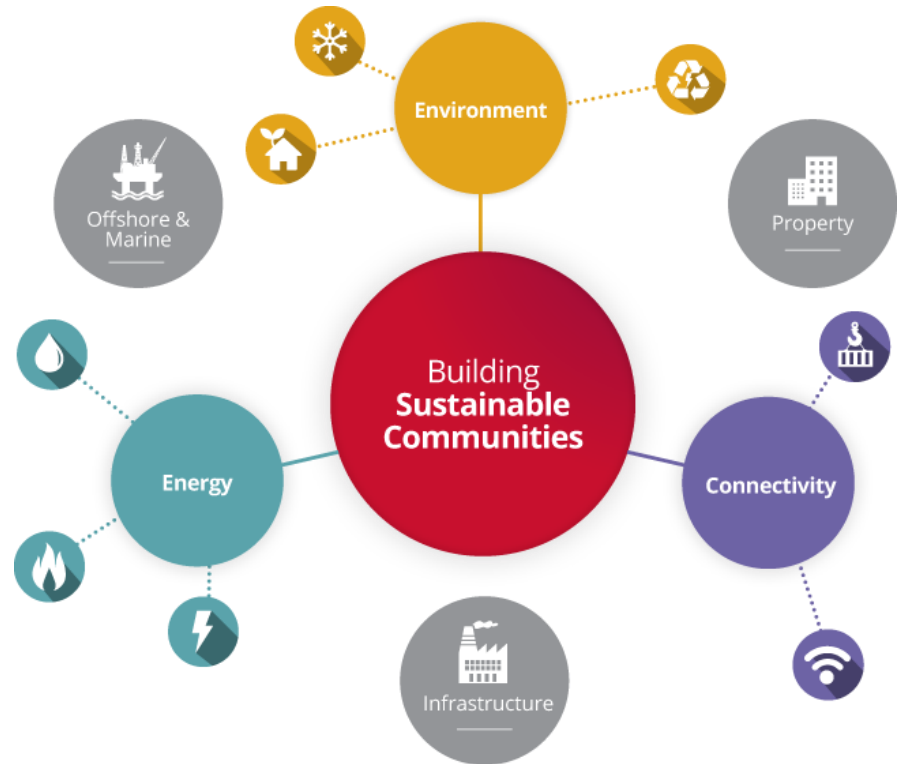
# Disclaimer

*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.*

# Solutions for Sustainable Urbanisation

**Our vision** is to be a global company at the forefront of our chosen industries, shaping the future for the benefit of all our stakeholders.

Keppel meets the world's sustainable urbanisation needs through key businesses in Offshore & Marine, Property, Infrastructure and Investments.



# Keppel's Vision 2020

## Financial

- Net profit target
- Sustainable ROE
- PE ratio target
- Higher recurring income
- Institutional quality balance sheet

## People

- Strong succession pipeline
- Tapping global talent pool
- High employee satisfaction

## Stakeholders

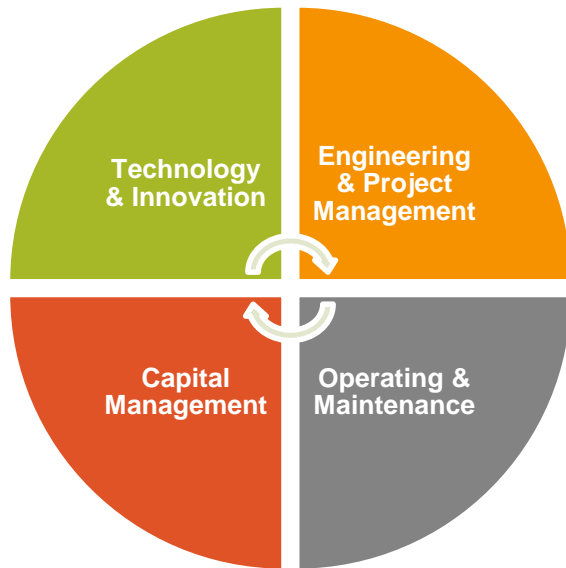
- Develop & grow new markets, products & customers
- Focus approach in CSR

## Process

- Zero fatalities, zero audit failures
- Higher productivity
- Strong risk-management to support enterprise & innovation

# Harnessing Strengths

Core Strengths:



Building Strong Verticals + Collaboration:



# Scaling the Value Chain *(moving to the right)*

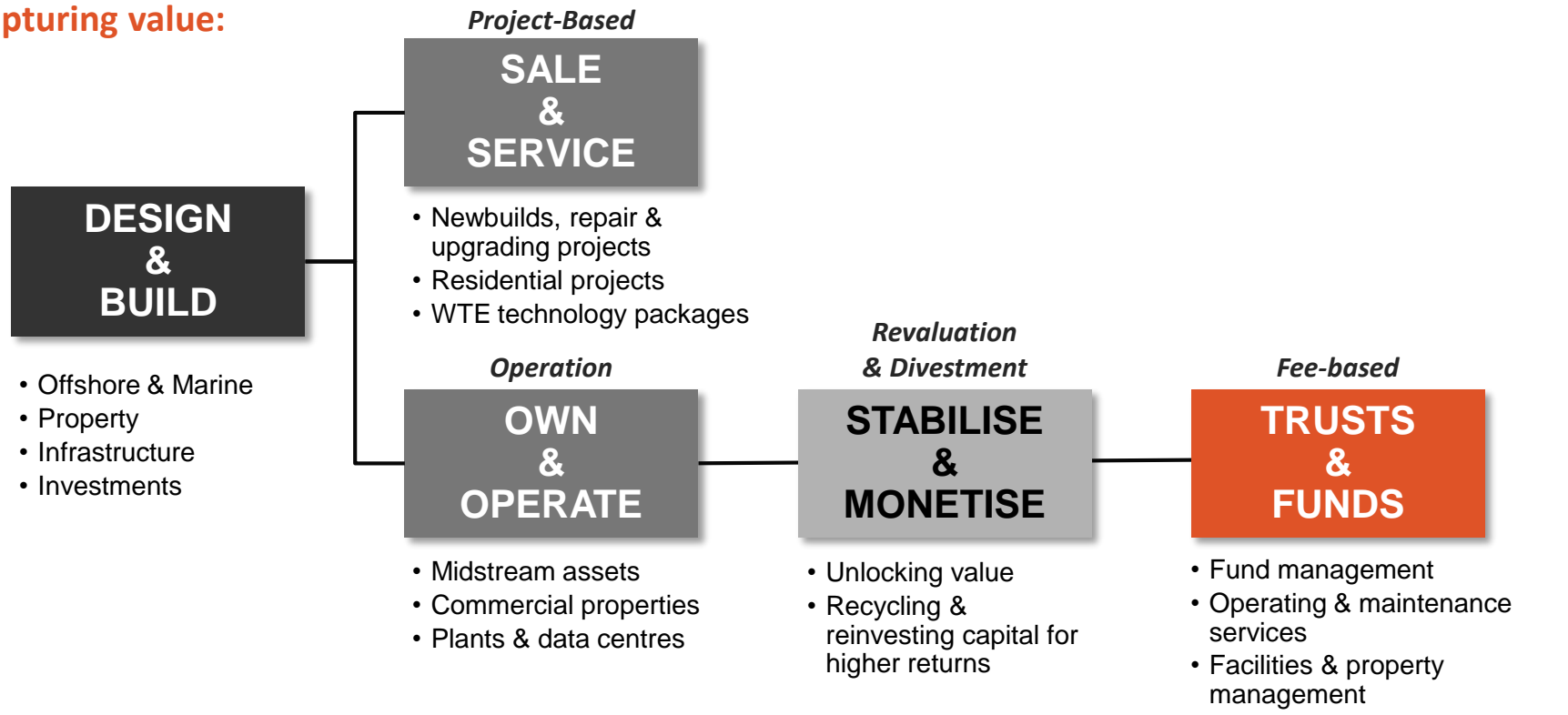
- The world is changing; business models must also evolve from asset heavy to asset light and high value adding businesses.

*An example from the data centre industry:*



# Creating & Capturing Sustainable Value

## Capturing value:



## Earnings streams:

Development profit

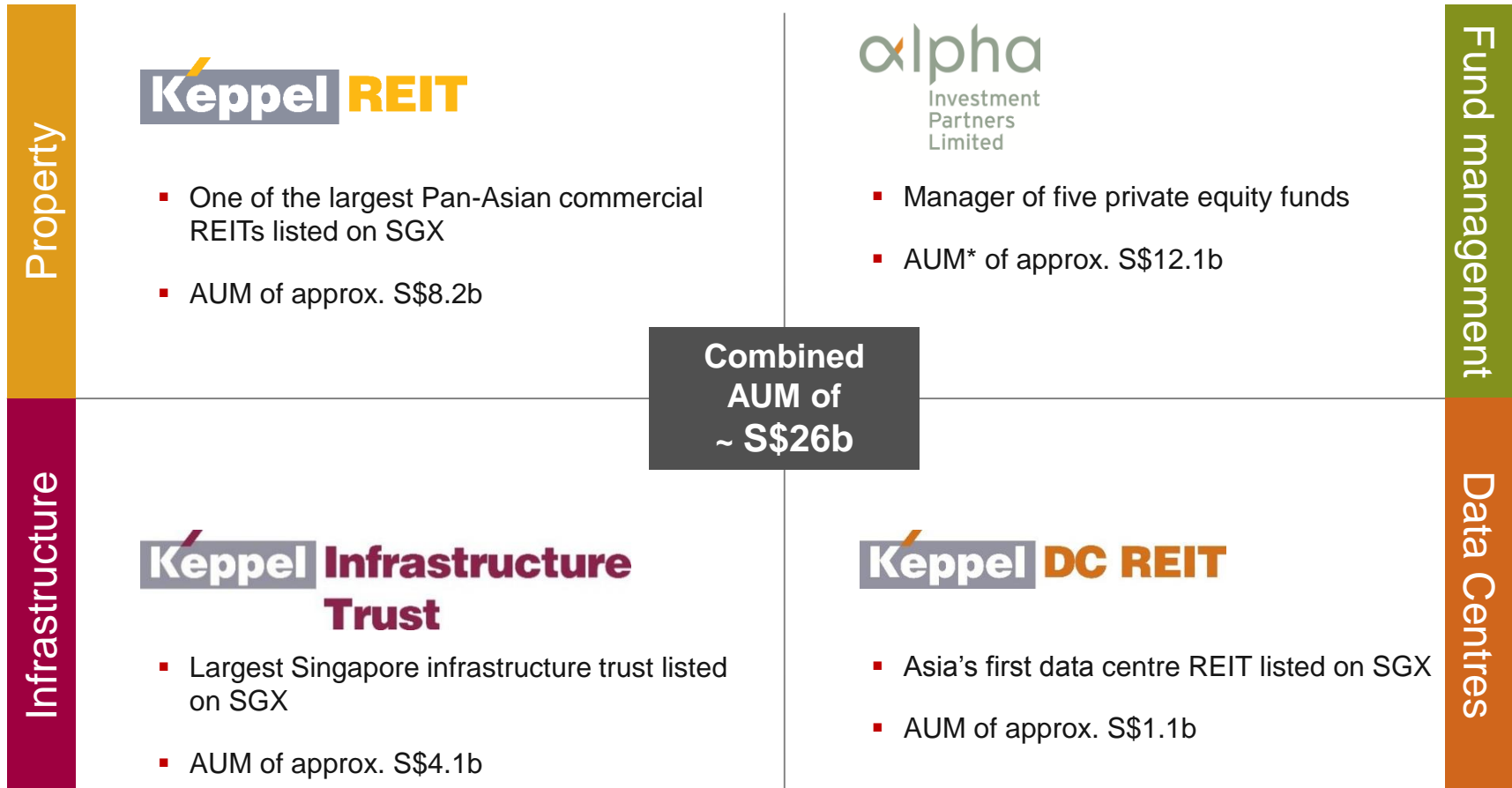
Operating income  
 Operations fee  
 Property mgt fee  
 Facility mgt fee  
 Repair/service fee

Capital gains

Asset mgt fee  
 Operations fee  
 Property mgt fee  
 Facility mgt fee

# Growing the Asset Management Business

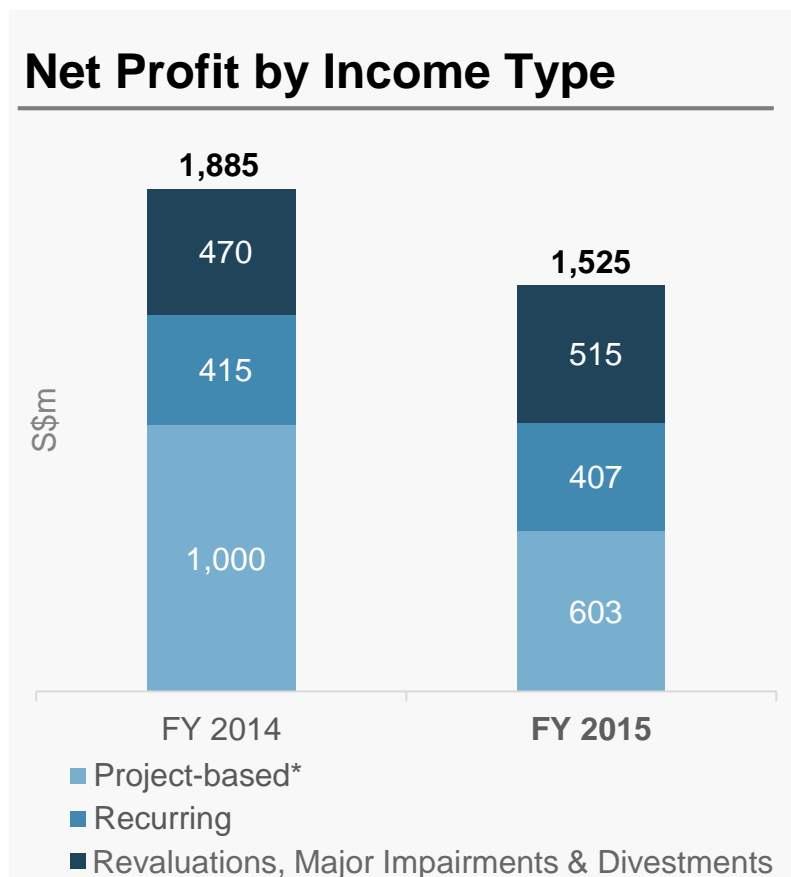
*Keppel Capital will cull synergies by bringing together the strengths of four asset managers and enlarging the capital base with like-minded co-investors.*



\* When fully invested and leveraged.



# Fortifying Robust Earnings Streams

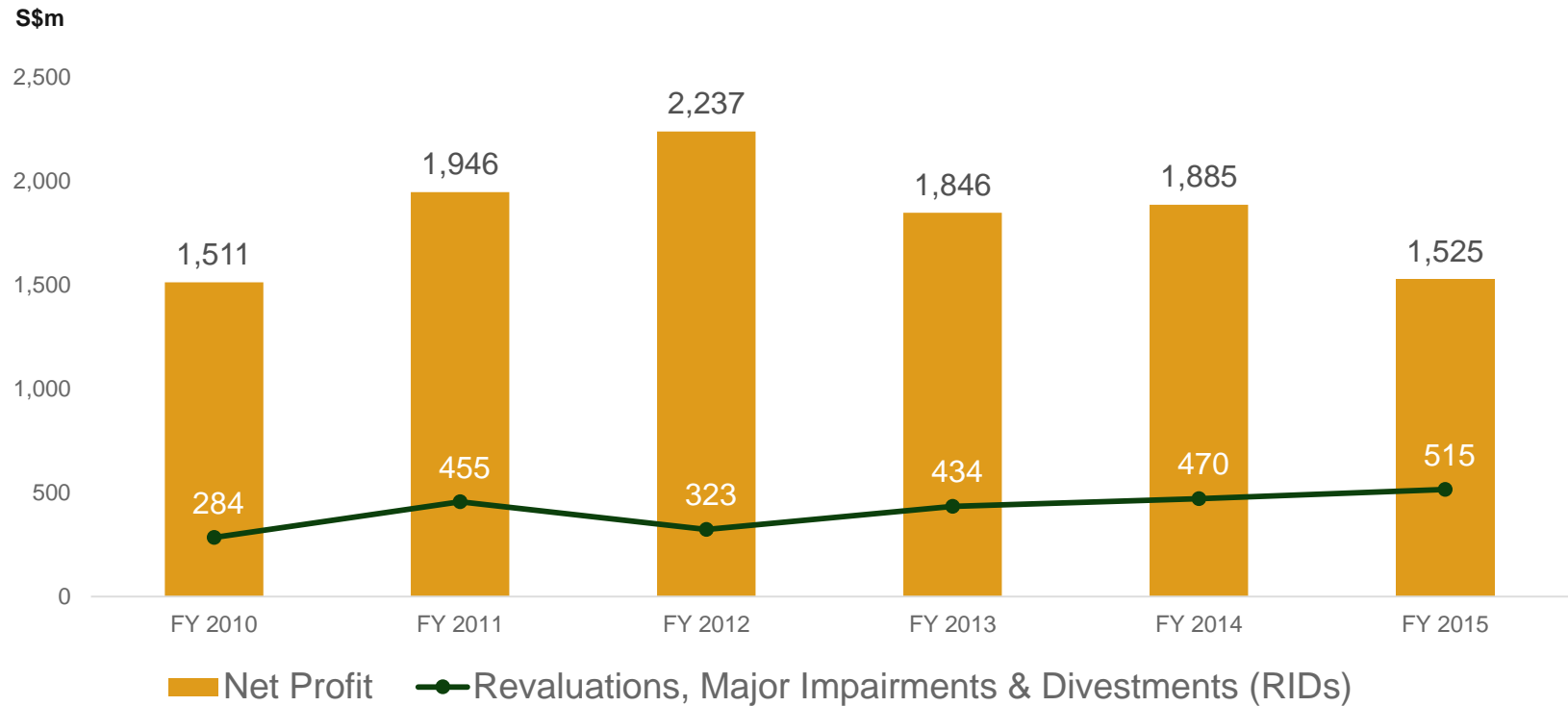


- Strong underlying operations, underpinned by rightsizing efforts and prudent investments in new capabilities.
- RIDs to remain a consistent contributor to the bottom line
- Focus on growing stable, recurring income for the long term

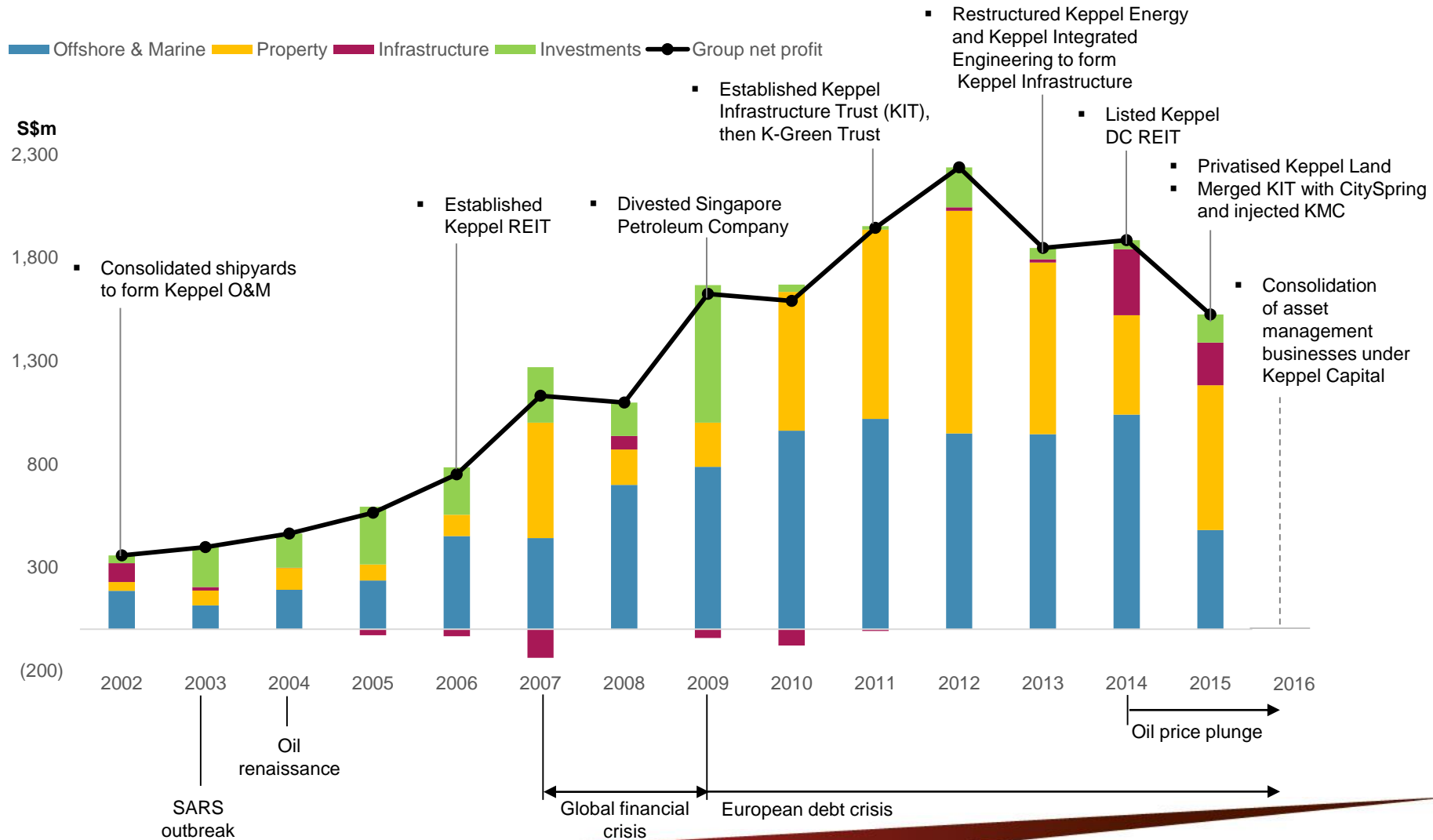
\* Project-based earnings include income from rig building, specialised shipbuilding, property development and EPC projects.

# RIDs: Contributing Consistently

*RIDs have contributed an average of 23% to Keppel's profits each year.*



# Staying Resilient Through Cycles



**We** are staying the course on our multi-business strategy, driving collaboration across our verticals for synergy to create and capture higher value from all parts of Keppel.

# ADDITIONAL SLIDES: FINANCIAL HIGHLIGHTS

# Key Figures

S\$m	FY15	FY14	% Chg	1Q16	1Q15	% Chg
Revenue	<b>10,296</b>	13,283	(22)	<b>1,743</b>	2,814	(38)
Operating Profit	<b>1,514</b>	2,373	(36)	<b>278</b>	398	(30)
Net Profit	<b>1,525</b>	1,885	(19)	<b>211</b>	360	(41)
EPS	<b>84.0cts</b>	103.8cts	(19)	<b>11.6cts</b>	19.8cts	(41)
EVA	<b>648</b>	1,778	(64)	<b>2</b>	122	(98)
Free Cash Flow	<b>(694)</b>	729	<i>n.m</i>	<b>(306)</b>	226	<i>n.m.</i>
Annualised ROE	<b>14.2%</b>	18.8%	<i>Reduction of 460bps</i>	<b>7.1%</b>	12.9%	<i>Reduction of 580bps</i>
Net Gearing	<b>0.53x</b>	0.11x	<i>Increase of 0.42x</i>	<b>0.56x</b>	0.37x	<i>Increase of 0.19x</i>

# Revenue by Segments

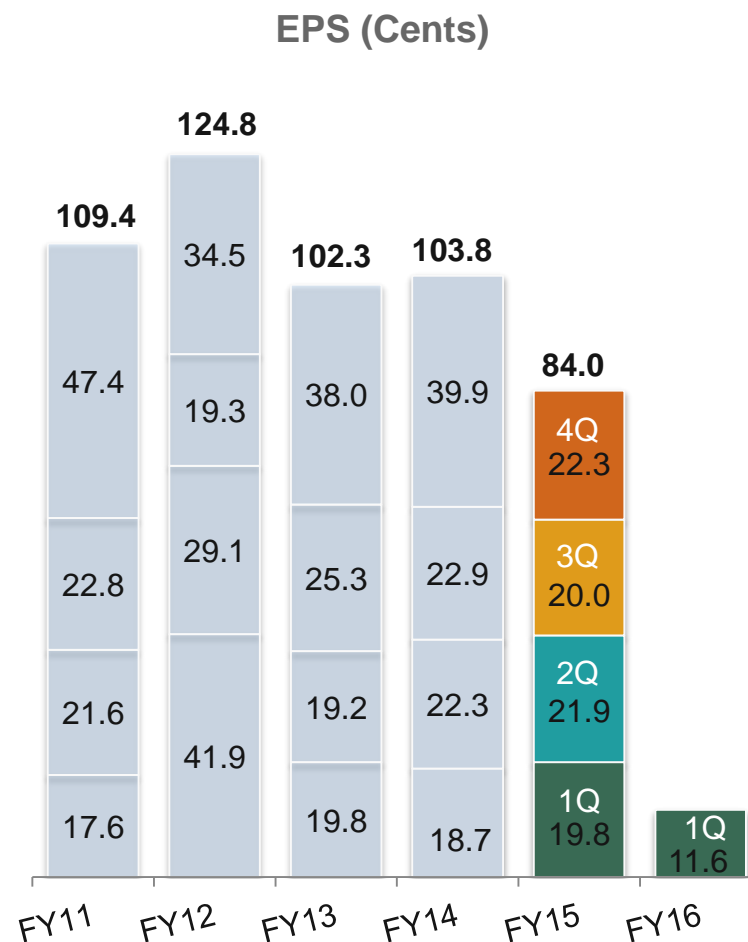
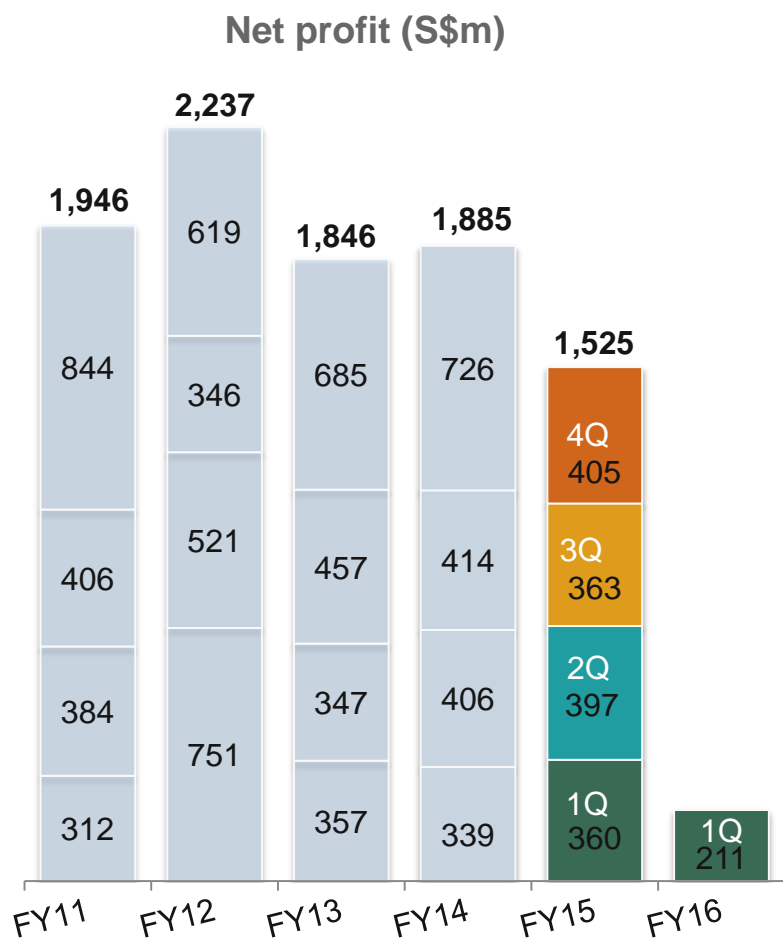
S\$m	FY15	%	FY14	%	1Q16	%	1Q15	%
Offshore & Marine	<b>6,241</b>	<b>61</b>	8,556	64	<b>818</b>	<b>47</b>	1,927	68
Property	<b>1,926</b>	<b>19</b>	1,729	13	<b>503</b>	<b>29</b>	303	11
Infrastructure	<b>2,058</b>	<b>20</b>	2,934	22	<b>390</b>	<b>22</b>	506	18
Investments	<b>71</b>	<b>-</b>	64	1	<b>32</b>	<b>2</b>	78	3
<b>Total</b>	<b>10,296</b>	<b>100</b>	13,283	100	<b>1,743</b>	<b>100</b>	2,814	100

# Net Profit by Segments

S\$m	FY15	%	FY14	%	1Q16	%	1Q15	%
Offshore & Marine	481	32	1,040	55	95	45	203	56
Property	701	46	482	26	100	47	60	17
Infrastructure	207	14	320	17	14	7	22	6
Investments	136	8	43	2	2	1	75	21
<b>Total</b>	<b>1,525</b>	<b>100</b>	<b>1,885</b>	<b>100</b>	<b>211</b>	<b>100</b>	<b>360</b>	<b>100</b>



# Net Profit & EPS



# ROE & Dividend

Annual dividend payout stayed at above 40% of net profit over the past 13 years.

ROE (%) & Dividend (Cents)

