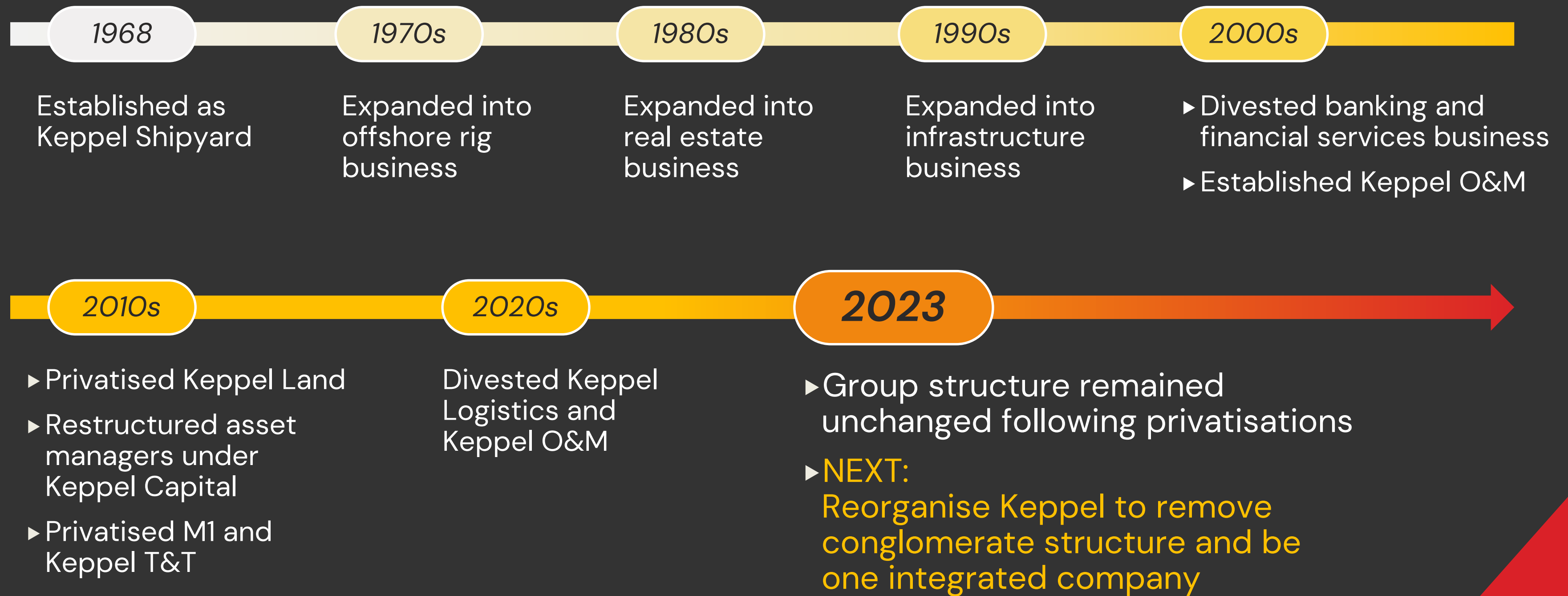


# Accelerating Transformation

From conglomerate to differentiated  
global alternative real asset manager  
& operator

Media and Analyst Briefing  
3 May 2023

# Transformation is not new to Keppel



Keppel is accelerating its transformation to become...

## A GLOBAL ASSET MANAGER & OPERATOR

Comprising three platforms:

1

Fund  
Management  
Platform

2

Investment  
Platform

3

Operating  
Platform

with deep operating capabilities in **infrastructure**,  
**real estate** and **connectivity**.



# Why change?



Remove conglomerate structure and be **one integrated company**



Harness unique strengths of Keppel as **asset manager** with **strong operating capabilities**



Empower Group to **grow at speed and scale** in a nimble manner, leveraging **asset-light model**



Enhance efficiency through **capturing synergies** and tapping technology



Comprehensive exercise looking at multiple aspects of how Keppel is organised, including legal structure, internal processes, how data is shared, management incentives and support functions

# We are in **the right space, at the right time,** seizing opportunities amidst macro trends



**1** Investors increasing allocation to real assets



**2** Energy transition & climate change

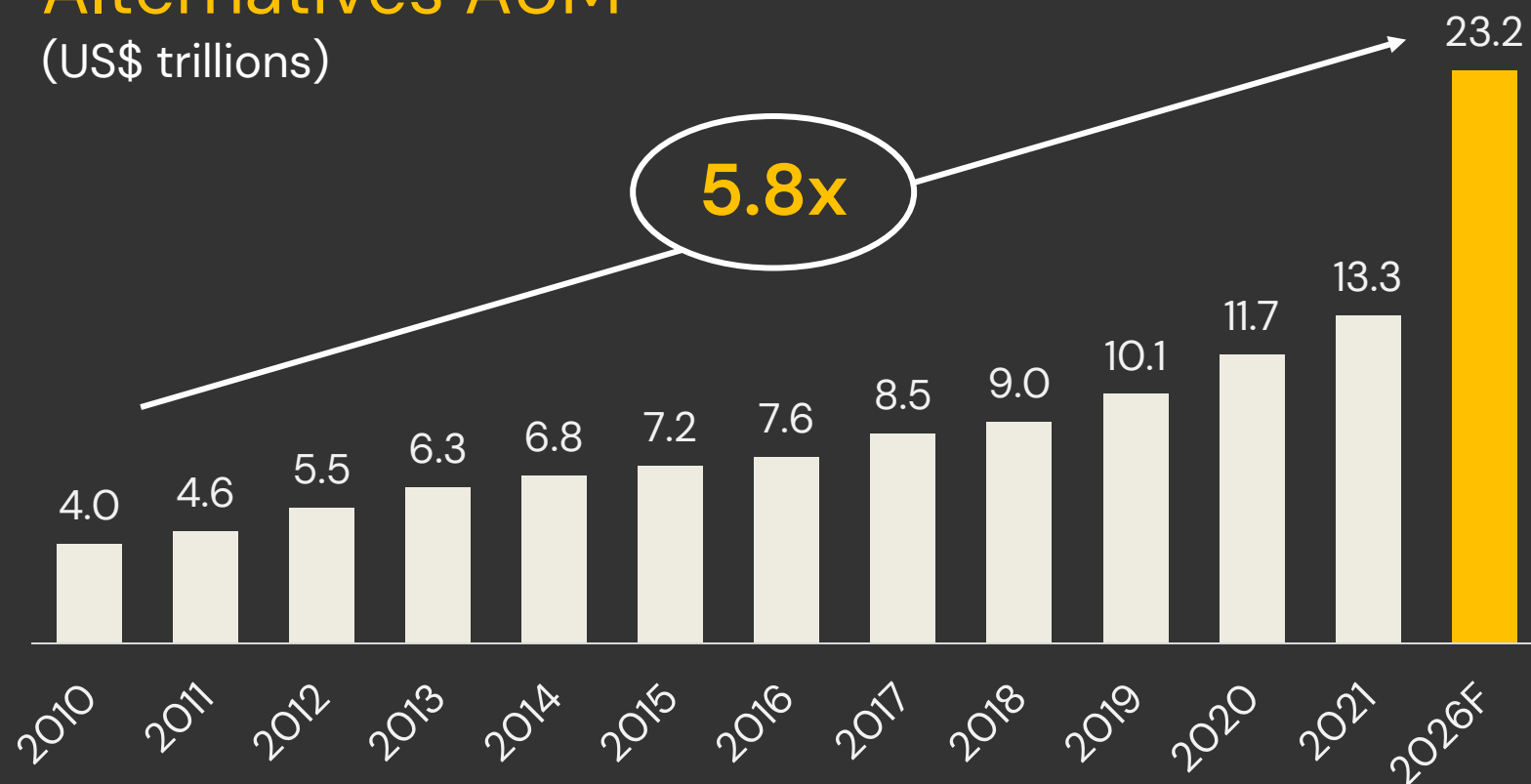


**3** Rapid urbanisation & ageing populations



**4** Digitalisation

**Alternatives AUM**  
(US\$ trillions)



Source: Preqin

# The Keppel Difference

I Established asset manager with over 20 years of track record, seasoned management team and established LP network

Funds raised

**S\$9.5b**

Capital raised over 3 years (2020-2022)

Capital deployed

**S\$17.6b**

Investments completed over 3 years (2020-2022)

Returns achieved

**17% IRR / 1.8x equity multiple**  
average deal returns since 2002

AUM

**S\$50b**

AUM at end-2022

**S\$3.6b**

from Keppel's balance sheet

II Deep capabilities in engineering, developing, owning and operating specialised real assets as part of Keppel's DNA



Infrastructure



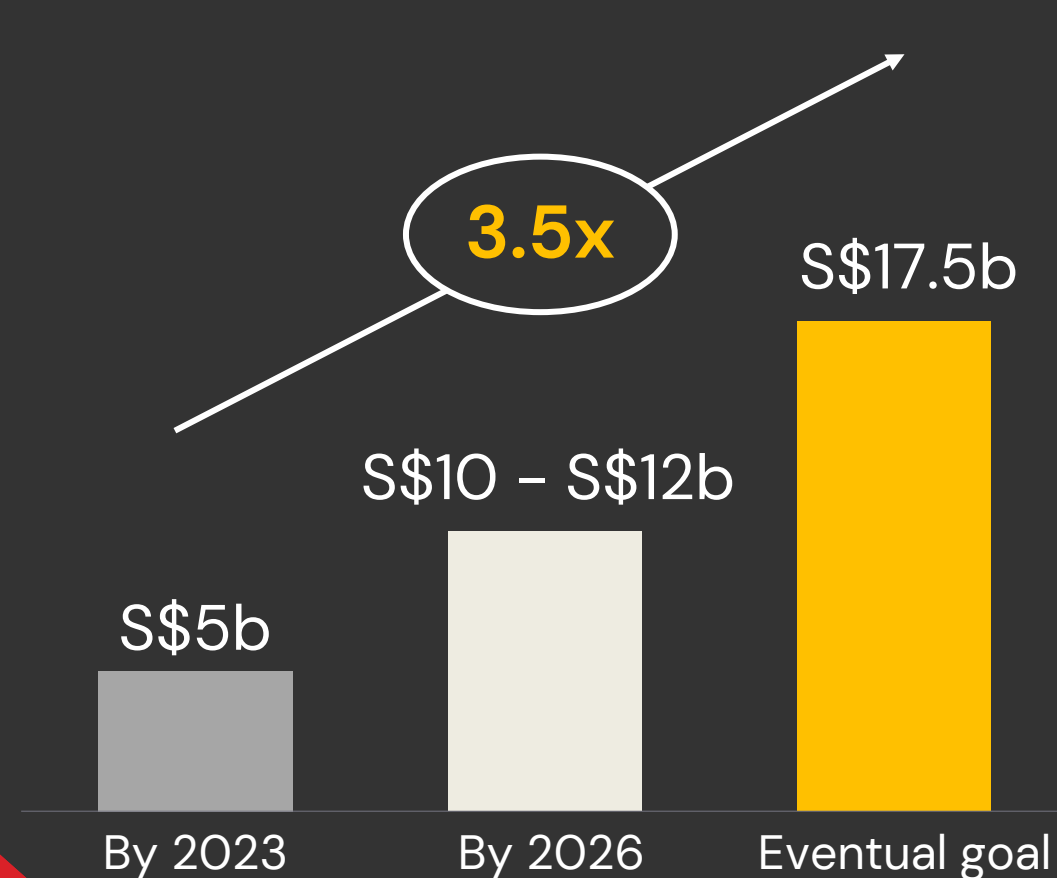
Real estate



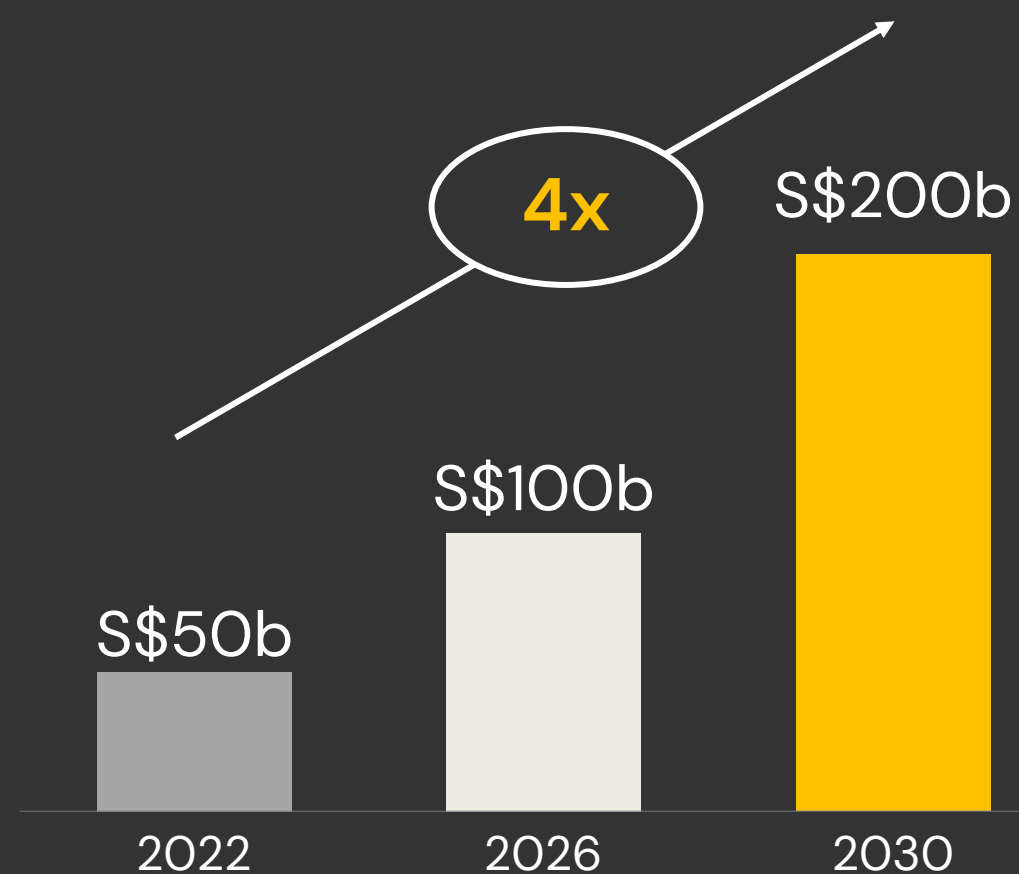
Connectivity

# We are accelerating achievement of Vision 2030 goals by setting ambitious targets across **asset monetisation**, **AUM growth** and **synergy capture**.

### Cumulative asset monetisation<sup>1</sup>



### AUM growth

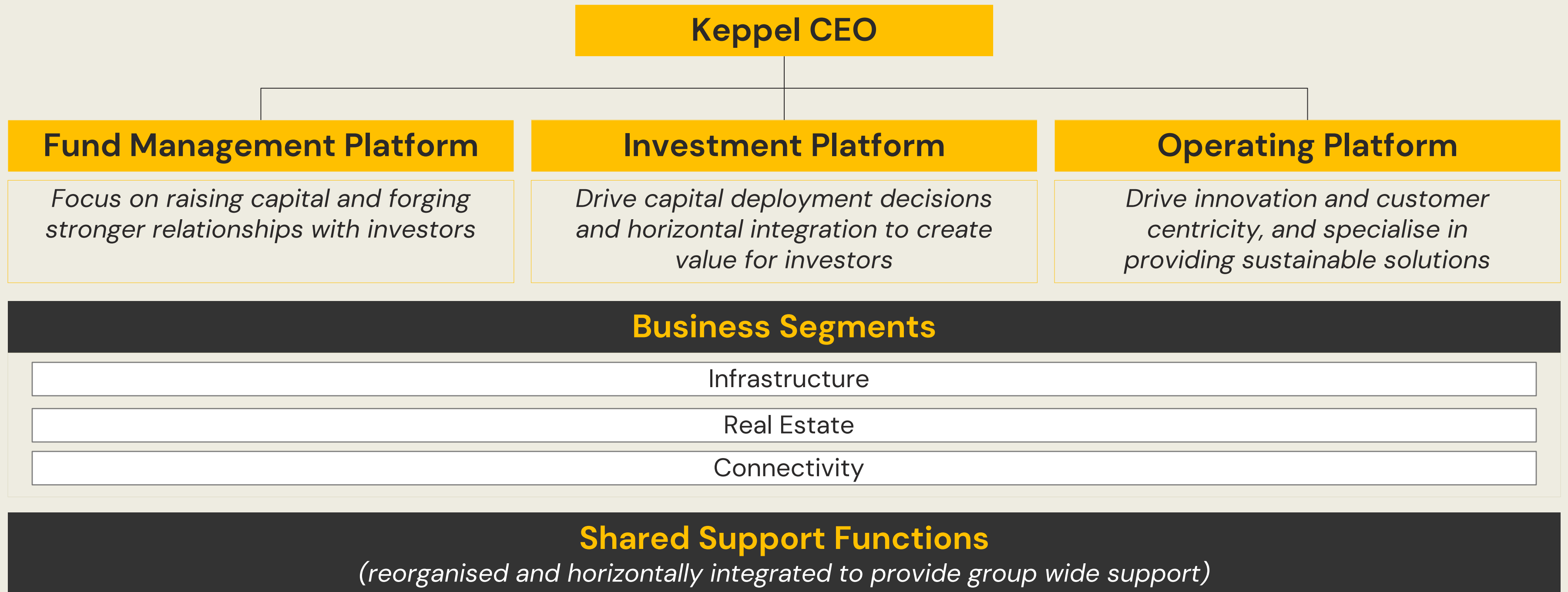


### Synergy capture

**S\$60–70m**

Annual savings expected by 2026 from synergy capture, including through centralising and optimising support functions

# Reorganised for growth as a leading asset manager and operator with simplified structure comprising 3 platforms.



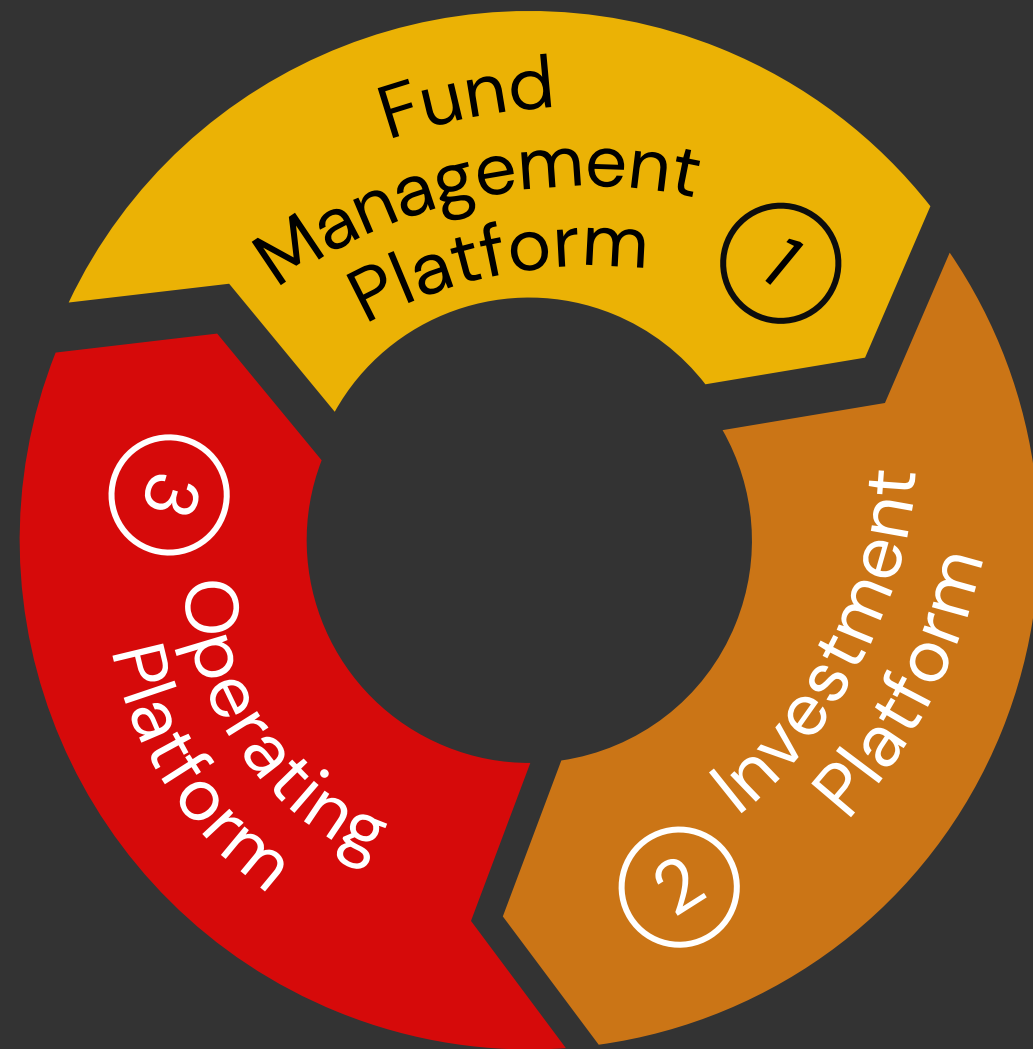




# Driving **operational efficiency** and **business excellence**

- ▶ Removes conglomerate structure to realise synergies from integration
- ▶ Horizontally integrated to create a nimble, efficient and tech-enabled company
- ▶ Centralised and optimised support functions to bolster cost-efficient AUM growth

# Creating a virtuous investment cycle to achieve S\$200b AUM target



- 1 { Raising funds and gathering assets  
Managing and optimising portfolio
- 2 { Creating deal flow funnel and building quality pipeline  
Converting deals into quality investments with attractive risk-adjusted returns
- 3 { Adding value with operating expertise  
Driving superior asset performance and investment outcomes.



- 1 These will in turn boost fund raising and asset gathering at speed and scale towards AUM target.

# Enablers to strengthen delivery ecosystem and drive results

## Tech-enabled Processes

Simplified, standardised and tech-enabled processes drive faster decision making and greater productivity



## Agile Organisation


Cost efficient, resilient and agile corporate functions promote scalability and cost-efficient AUM growth



## Aligned Interests

- Management incentives tied to financial outcomes and fund performance
- Co-investments by Keppel and employees
- Incentives aligned with interests of investors and shareholders





We are well-positioned to achieve our ambitions, creating higher value for investors and shareholders.



Global asset manager and operator with goal to scale AUM to S\$200b by 2030 and deliver 15% ROE

Strong investment track record

Over 20 years track record in managing private funds with seasoned management team

Differentiated value proposition for investors

Global alternative real asset manager with strong operating capabilities, creating solutions for a sustainable future

Capturing growth from long-term secular trends

Well positioned to seize opportunities from energy transition, urbanisation and digitalisation

Optimised structure for growth

Three platforms to drive value creation across horizontally-integrated infrastructure, real estate and connectivity segments

# Enabling market to better value Keppel as asset manager and operator

FY22 net profit depicted via horizontal reporting

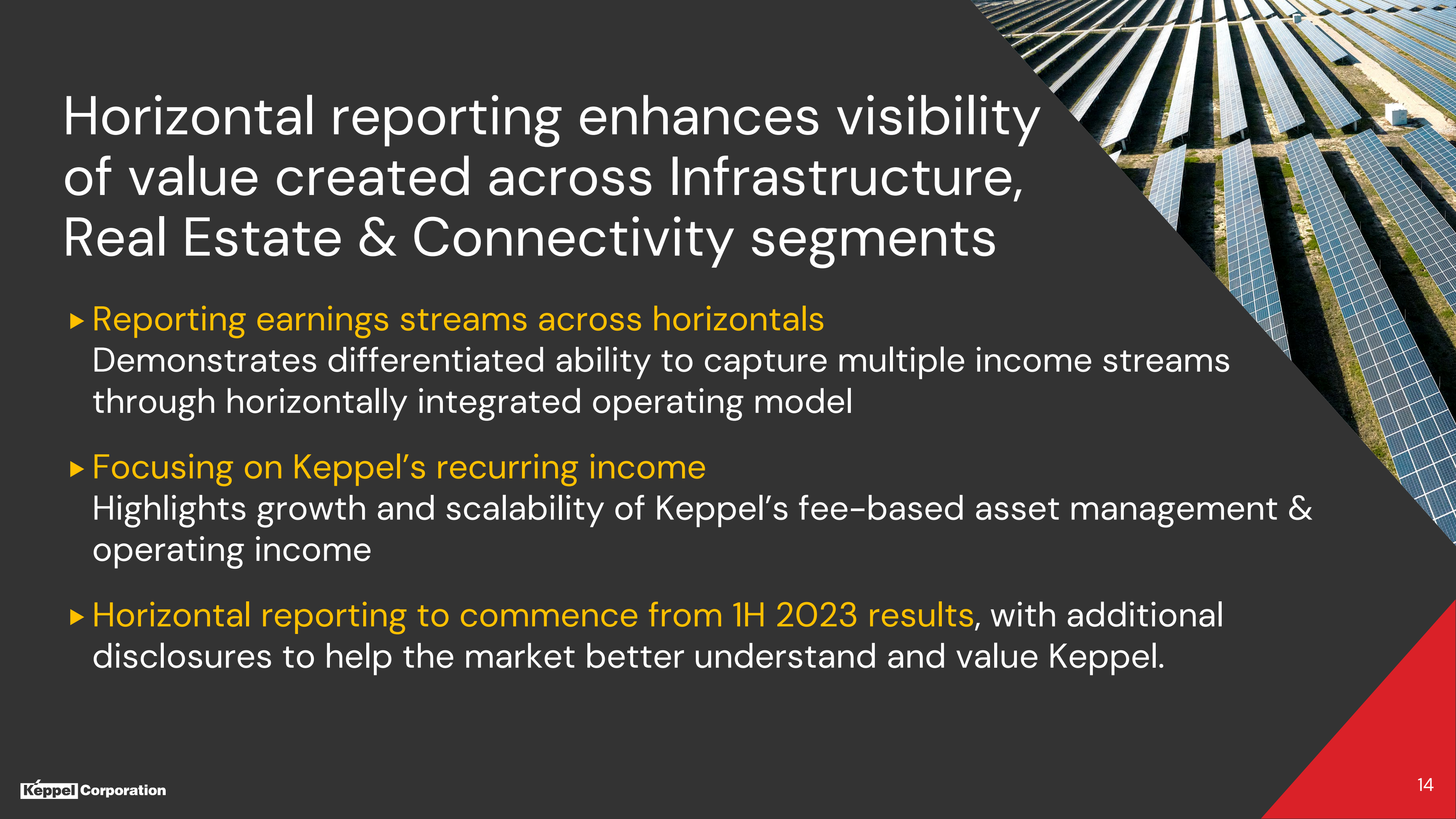
(\$'m)

	Asset Mgmt. fees	Operating income <sup>1</sup>	Valuation items	EPC/ Development	Capital recycling	Net profit
	<ul style="list-style-type: none"> <li>▶ Mgmt fees</li> <li>▶ Performance fees</li> <li>▶ Transaction fees (acquisition &amp; divestment)</li> </ul>	<ul style="list-style-type: none"> <li>▶ Sale of gas, electricity, utilities</li> <li>▶ Leasing inc.</li> <li>▶ Operations &amp; maintenance</li> <li>▶ Facility mgmt.</li> <li>▶ Property mgmt.</li> <li>▶ Investment inc.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Property revaluation</li> <li>▶ MTM gains/loss</li> </ul>	<ul style="list-style-type: none"> <li>▶ EPC</li> <li>▶ Development profits</li> </ul>	<ul style="list-style-type: none"> <li>▶ Disposal gains/loss</li> <li>▶ Gains from en-bloc sales</li> </ul>	
<b>OneInfra</b>	32 (3%)	335 (36%)	-9 (-1%)	-21 (-2%)	-40 (-4%)	297 (32%)
<b>OneRE</b>	41 (5%)	3 (0%)	227 (24%)	177 (19%)	16 (2%)	464 (50%)
<b>OneConn.</b>	18 (2%)	74 (8%)	7 (1%)	-	-1 (0%)	98 (11%)
Discontinued operations						88 (9%)
Corporate activities <sup>2</sup>						-20 (-2%)
<b>Total</b>	<b>91 (10%)</b>	<b>412 (44%)</b>	<b>225 (24%)</b>	<b>156 (17%)</b>	<b>-25 (-2%)</b>	<b>927 (100%)</b>

(1) Includes stakes in listed and private funds – OneInfrastructure [S\$35m from listed funds and -S\$1m from private funds]; OneReal Estate [S\$53m from listed funds and S\$2m from private funds], and OneConnectivity [S\$28m from listed funds and -S\$4m from private funds]

(2) Includes contributions from investments held at corporate level, and overheads and financing costs which have not been attributed to segments. Corporate activities also include an S\$83m net gain from MTM and other investments.

\*Additional horizontal reporting disclosures – M1's operating income was S\$74m. Other investments (excl. Floatel/DynaMac) have a carrying value of S\$566m. Floatel and DynaMac carrying values amount to S\$300m.



# Horizontal reporting enhances visibility of value created across Infrastructure, Real Estate & Connectivity segments

- ▶ **Reporting earnings streams across horizontals**

Demonstrates differentiated ability to capture multiple income streams through horizontally integrated operating model

- ▶ **Focusing on Keppel's recurring income**

Highlights growth and scalability of Keppel's fee-based asset management & operating income

- ▶ **Horizontal reporting to commence from 1H 2023 results**, with additional disclosures to help the market better understand and value Keppel.

Keppel's accelerated transformation will empower us to become a leading global alternative real asset manager and operator, achieving our AUM target and creating stronger value for all stakeholders.



Deliver innovative, sustainable solutions to customers

- Contributing to sustainable development and helping them on their journeys to net zero



Drive performance of various funds to meet investors' goals

- Adding value throughout investment process using Keppel's deep domain knowledge and operating capabilities



Create value for our shareholders

- Accelerating growth and improving earnings quality that lead to higher Total Shareholder Returns



Strengthen sense of purpose for employees

- Playing a part in creating a sustainable future and investing for the next generation



Benefit the wider community

- Making positive impact through our solutions, contributing to a greener and more connected world

# Q&A



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