



SGX-MKE Singapore Corporate Day 2020

18 August 2020





1	Overview	3
2	2Q & 1H 2020 Business and Operational Updates	9
3	Additional Information	18









Overview

ixom



- The largest diversified Business Trust listed in Singapore with a portfolio of **strategic businesses and assets** that **provide essential products and services**
- Assets under Management of \$5.0b as at 30 June 2020
- **Long-term sustainable cash flows** supported by AAA Singapore Government-linked off-takers, creditworthy counterparties and a large well-diversified customer base
- **Stable distributions** of 3.72 cents every year since FY 2016

Difference between Business Trusts and REITs

		Business Trusts	REITs
Asset Class		<ul style="list-style-type: none"> • No restriction 	<ul style="list-style-type: none"> • Real estate
Depreciation/Revaluation		<ul style="list-style-type: none"> • No impact on distribution payout 	<ul style="list-style-type: none"> • No impact on distribution payout
Gearing Limit		<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • 50%
Taxation		<ul style="list-style-type: none"> • Subject to income tax • Exemption for income from Qualifying Project Debt Securities (QPDS) 	<ul style="list-style-type: none"> • Tax transparent



Portfolio of strategic businesses and assets across a broad range of **highly defensive industries** that delivers **long-term sustainable cash flows to Unitholders**

Distribution & Network

- City Gas
- Ixom
- Basslink



Strategic businesses and assets with potential for long-term growth supported by favourable demand dynamics

Energy

- Keppel Merlimau Cogen



Stable and resilient infrastructure assets anchored by concession contracts that are backed by government and government-linked corporations

Waste & Water

- Senoko Waste-to-Energy Plant
- Tuas Waste-to-Energy Plant
- Ulu Pandan NEWater Plant
- SingSpring Desalination Plant



All business and assets are **classified as essential services** by governments in Singapore, Australia and New Zealand.

No impact to operations during the COVID-19 pandemic.

Geographical Presence

- Distribution & Network
- Energy
- Waste & Water



SINGAPORE

Distribution & Network

- City Gas

Energy

- Keppel Merlimau Cogen

Waste & Water

- Senoko WTE Plant
- Keppel Seghers Tuas WTE Plant
- Keppel Seghers Ulu Pandan NEWater Plant
- SingSpring Desalination Plant



AUSTRALIA & NEW ZEALAND

Distribution & Network

- Ixom
 - New South Wales
 - New Territories
 - Queensland
 - South Australia
 - Victoria
 - Western Australia
- North Island
- South Island
- Basslink
 - Tasmania
 - Victoria



Well-Diversified Customer Base and Reputable Off-takers

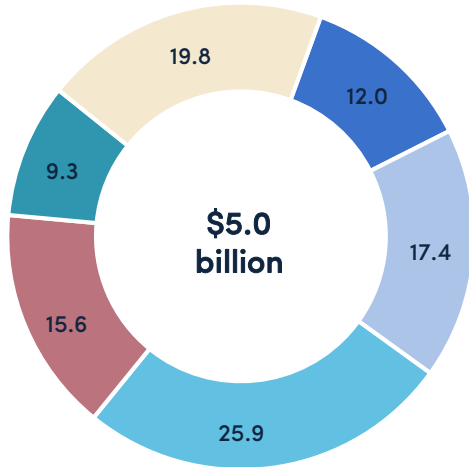


	Customers & Off-takers	Highlights
City Gas 	<p>More than 860,000 residential, commercial and industrial customers</p>	<ul style="list-style-type: none"> ✓ Sole producer and retailer of town gas in Singapore
Ixom 	<p>>8,000 customers, including blue chip companies and municipalities</p>	<ul style="list-style-type: none"> ✓ Sole manufacturer and provider of liquefied chlorine in Australia, as well as a leading provider of manufactured caustic soda and a wide range of essential chemicals ✓ Market leading position supported by an extensive network strategically located across Australia and New Zealand
Basslink 	<p>Hydro Tasmania</p>	<ul style="list-style-type: none"> ✓ Only electricity interconnector between Tasmania and mainland Australia ✓ Off-taker is owned by the Australian state of Tasmania
KMC 	<p>Keppel Electric</p>	<ul style="list-style-type: none"> ✓ A competitive gas-fired power plant in Singapore ✓ Off-take supported by availability and capacity payments from Keppel Electric ✓ Keppel Electric is owned by Keppel Corporation
Waste & Water 	<p>National Environment Agency (NEA) and Public Utilities Board (PUB) of Singapore</p>	<ul style="list-style-type: none"> ✓ Responsible for meeting water demand and waste treatment requirements in Singapore ✓ NEA and PUB are statutory bodies under the Government of Singapore



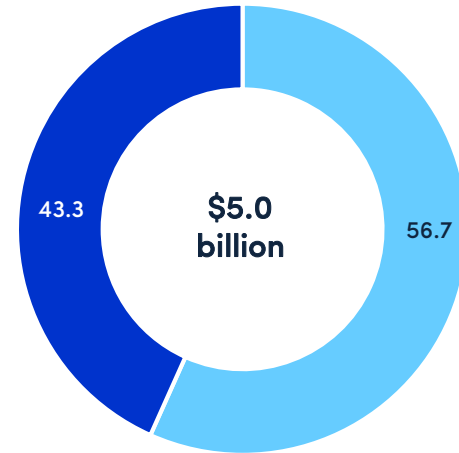
By Businesses and Assets (%)

As at 30 June 2020



By Geography (%)

As at 30 June 2020



- City Gas
- Ixom
- Waste & Water

- Basslink
- KMC
- Trust assets and non-controlling interest

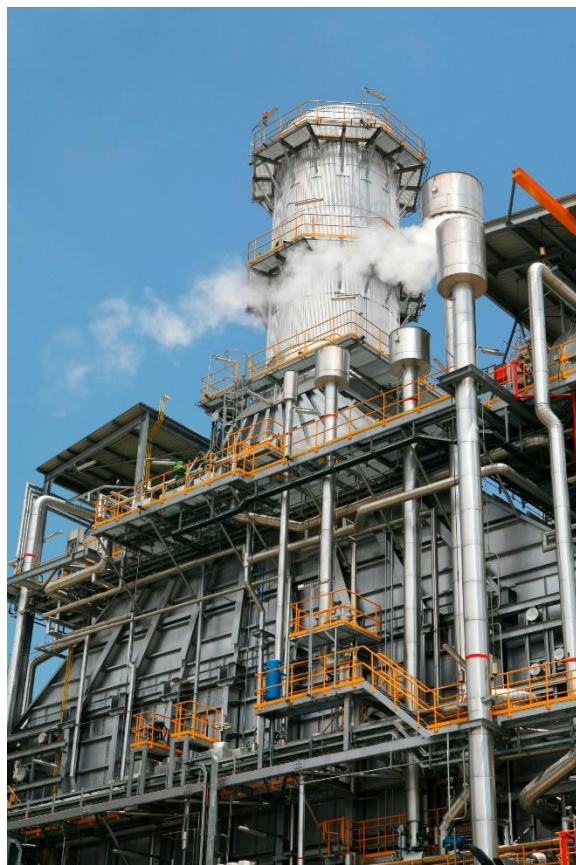
- Singapore
- Australia, New Zealand and other countries



2Q & 1H 2020 Key Business and Operational Updates

City Gas

Key Highlights



All businesses and assets are classified as essential services

No operational disruption throughout lockdowns; business continuity measures were implemented to ensure health & safety of staff



Resilient Distributable Cash Flows

\$62.2m

2Q 2020 DCF of \$62.2m, bringing 1H 2020 DCF to \$113.3m, a 20.3% YoY increase over 1H 2019



Stable DPU

1.86 cents

Defensive cash flows from a diversified portfolio of businesses and assets saw 2Q 2020 DPU of 0.93 cents, bringing 1H 2020 DPU to 1.86 cents



Weighted Average Term to Maturity

3.2 years

KMC secured a \$700 sustainability-linked loan that improved WATM to 3.2 years



Low Gearing

33.6%

Comfortable debt headroom to pursue growth opportunities



Distribution & Network

- City Gas
- Ixom
- Basslink



City Gas

- Customer base grew 1.2% YoY to 862,000 as at end-June 2020
- Achieved 100% availability
- Town gas demand from Commercial & Industrial customers was lower in 2Q 2020 during the circuit breaker, partially offset by higher usage from residential customers
- Higher DCF for 2Q 2020 was a result of a timing difference inherent in the fuel price pass through gas tariff mechanism
- City Gas has no exposure to fuel price risk over time

Ixom

- Continued to deliver healthy and sustained performance in 2Q 2020, supported by its diversified business
- Life science segment delivered a strong performance from increased demand for cleaning and hygiene products, offsetting weaker demand from the pulp & paper and metals & mining segments
- Dairy segment saw pick-up in volumes due to improving drought conditions in New Zealand
- Continue to ensure supplies of essential chemicals are readily available for key industries and essential services that support the economies and communities in Australia and New Zealand

Basslink

- The Commercial Risk Sharing Mechanism was neutral in 2Q 2020 (+6.3% for 1H 2020)

Resilient Distributable Cash Flows



	2Q 2020 S\$'000	2Q 2019 S\$'000	+/(-) %	1H 2020 S\$'000	1H 2019 S\$'000	+/(-) %
Distribution & Network	40,230	21,889	83.8	68,437	44,950	52.3
City Gas	17,154	10,421	64.6	29,011	26,262	10.5
Ixom	23,076	10,156	>100.0	39,426	16,034	>100.0
DC One ¹	-	1,312	n.m.	-	2,654	n.m.
Energy	10,405	11,234	(7.4)	21,607	22,950	(5.9)
Waste & Water	18,081	18,133	(0.3)	36,219	35,993	0.6
Others²	(6,541)	(5,487)	(19.2)	(12,945)	(9,694)	(33.5)
Distributable Cash Flows	62,175	45,769	35.8	113,318	94,199	20.3

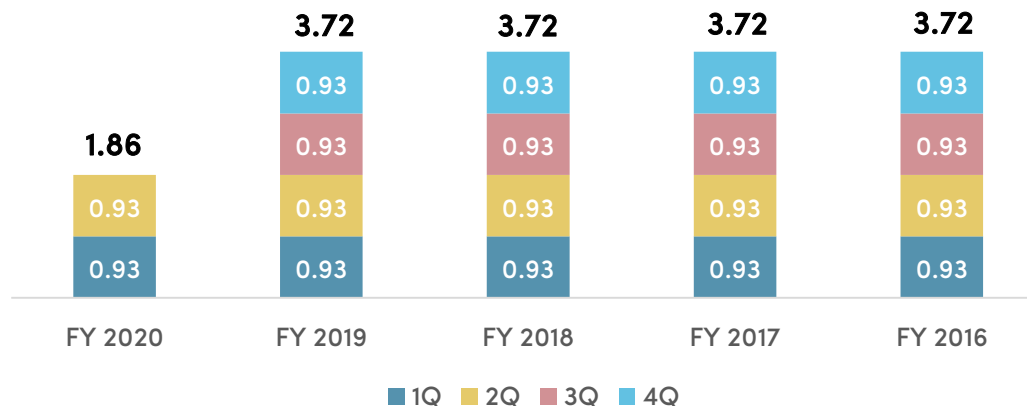
1. KIT's divested its 51% stake in DC One on 31 October 2019

2. Comprises Trust expenses and distribution paid/payable to perpetual securities holders, management fees and financing costs

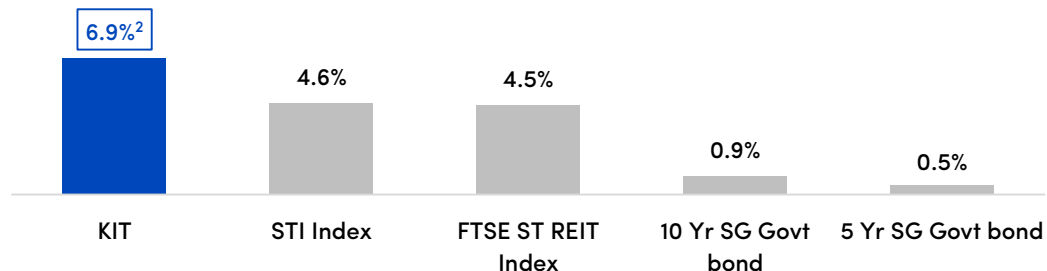
Regular and Stable Distributions



Stable Distribution (cents)



Comparative Yields¹



1. Sources: Bloomberg and Monetary Authority of Singapore. Comparative yield based on preceding 12-month data as at 14 August 2020

2. Based on the market price per Unit of \$0.540 as at 14 August 2020



Sustainable gearing supported by:

- Long term concession contracts expiring between 2024 and 2034
- Creditworthy off-takers backed by government and government-linked corporations
- City Gas' and Ixom's large and well-diversified customer base
- Recurring and resilient revenue streams
- Basslink borrowing is non-recourse

As at 30 June 2020 (S\$'m)

	Total
Cash	499
Borrowings	2,169
Net debt	1,670
Total assets	4,965
Total liabilities	3,355
Annualised EBITDA ¹	401
Net gearing	33.6%
Net debt / EBITDA	4.2x

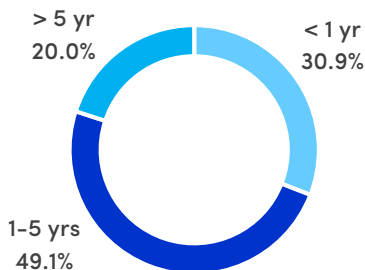
1. Annualised based on 1H 2020 EBITDA performance



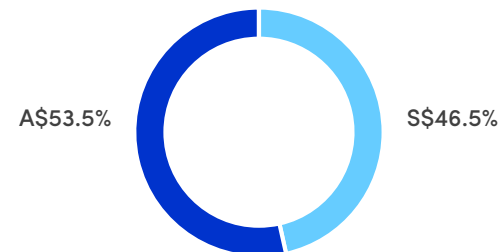
Overview:

- Hedged ~81% of total loans (excludes the sustainability-linked loan for KMC, which is in the process of being fully hedged)
- Stable interest rate of 4-5%
 - Singapore average: 1-4%
 - Australia average: 2-7%
- S\$700.0m KMC loan due in June 2020 successfully refinanced with a 7-year sustainability linked loan
- Weighted average term to maturity improved to 3.2 years
 - Excluding the Basslink loan, weighted average term to maturity would be 4.3 years
- Initiated Unit buybacks in 1H 2020 as part of proactive capital management efforts¹
 - Repurchased and cancelled 4,750,000 Units as at 3 April 2020
- S\$615.2m (A\$654.4m)² Basslink loan
 - Interest rate substantially hedged
 - Natural currency hedge for A\$ cash flows
 - All residual cash flows used for debt service
 - Not dependent on Basslink's cash flows for distribution

Debt Repayment Profile



Debt Breakdown by Currency



Loan Profile	Amount (\$'m)	Maturity/ Call Date	Repayment
Basslink	A\$654.4m	November 2020	Amortising*
KIT	S\$100.0m	February 2022	Bullet*
City Gas	S\$178.0m	February 2024	Bullet*
Ixom	A\$587.4m	February 2024	Bullet*
SingSpring	S\$36.9m	December 2024	Amortising
KMC	S\$700.0m	June 2027	Amortising*

1. Pursuant to the mandate obtained at KIT's Annual General Meeting in April 2019

2. Based on exchange rate of A\$1.00 = S\$0.9402

* To be refinanced upon maturity



The Trustee-Manager will harness the synergies of its **three-pronged growth strategy** to achieve its goal of **long-term value creation**

Value Creation

- Generate sustainable cash flows from the Trust's well-diversified portfolio of businesses and assets
- Drive organic growth from existing going concern businesses, including City Gas and Ixom that are supported by long-term favourable demand trends
- Drive strong operational performance and efficiencies, as well as fulfil all contractual requirements to ensure stable cash flows

Operational Excellence

- Achieve operational excellence and asset optimisation to extract further value
- Maintain an optimal capital structure to support growth initiatives, and maximise returns for Unitholders
- Implement sustainable practices, where feasible, to support a sustainable future for KIT and its stakeholders
- Achieve strong regulatory compliance and excellent safety record

Focused Acquisition

- Seek leading businesses and assets with the following investment characteristics:
 - ✓ Generate defensive cash flows and revenues that are inflation-linked and/or GDP-linked with potential for growth
 - ✓ Possess high barriers to entry
 - ✓ Are key providers of essential products and services
- Potential bolt-on acquisitions at City Gas and Ixom
- Undertake co-investment and incubation opportunities with Keppel Capital and/or the Sponsor
- Partner with experienced operators on greenfield investments with limited construction exposure

A photograph of the Keppel Merlimau Cogen Plant at night. The central feature is a tall, cylindrical cooling tower illuminated from within, with a complex steel structure of walkways and platforms around it. To the right, a large industrial building with a corrugated metal roof is also lit up. The sky is a deep blue with some clouds. In the foreground, there are streetlights and some industrial equipment. A large, stylized blue and white geometric graphic is overlaid on the right side of the image.

Thank You

www.kepinfratrust.com

Connect with us on: 

Keppel Merlimau Cogen Plant

KIT

KEPPEL
INFRASTRUCTURE
TRUST

Additional Information

Tuas WTE Plant

KIT | KEPPEL
INFRASTRUCTURE
TRUST





KIT's strategic goal is to deliver sustainable returns to its Unitholders, through a combination of recurring distributions and capital growth over the long term

Anchored

By a growing portfolio of strategic businesses and assets across a broad range of highly defensive industries

Benchmarks

✓
Long-term, mature and defensive cash flows

✓
Creditworthy off-takers and/or a large, diversified and stable customer base

✓
Jurisdictions with well-developed legal frameworks









✓
High barriers to entry with a dominant or leading market position

✓
Provider of essential products or services with potential for long-term growth

✓
Strong regulatory compliance and excellent safety record

Portfolio Overview



		Description	Customers and contract terms	Primary source of cash flows
Distribution & Network	<p>City Gas Singapore</p> 	Sole producer and retailer of piped town gas	Over 860,000 commercial and residential customers	Fixed margin per unit of gas sold, with fuel and electricity costs passed through to consumer
	<p>Ixom Australia</p> 	Industrial infrastructure business in Australia and New Zealand, supplying and distributing key water treatment chemicals, as well as industrial and specialty chemicals	Over 8,000 customers comprising municipals and blue-chip companies	Payments from customers for delivery of products and provision of services based on agreed terms.
	<p>Basslink Australia</p> 	Basslink subsea interconnector that transmits electricity and telecoms between Victoria and Tasmania in Australia	Service agreement with Hydro Tasmania (owned by Tasmania state government) until 2031, with option for 15-year extension	Fixed payments for availability of Basslink subsea cable for power transmission
Energy	<p>Keppel Merlimau Cogen Singapore</p> 	1,300MW combined cycle gas turbine power plant	Capacity Tolling Agreement with Keppel Electric until 2030 with option for 10-year extension (land lease till 2035, with 30-year extension)	Fixed payments for meeting availability targets
Waste & Water	<p>Senoko WTE Plant Singapore</p> 	Waste-to-energy plant with 2,310 tonnes/day waste incineration concession	NEA, Singapore government agency - concession until 2024	Fixed payments for availability of incineration capacity
	<p>Tuas WTE Plant Singapore</p> 	Waste-to-energy plant with 800 tonnes/day waste incineration concession	NEA, Singapore government agency - concession until 2034	Fixed payments for availability of incineration capacity
	<p>Ulu Pandan NEWater Plant Singapore</p> 	One of Singapore's largest NEWater plants, capable of producing 148,000m ³ /day ⁽¹⁾	PUB, Singapore government agency - concession until 2027	Fixed payments for the provision of NEWater production capacity
	<p>SingSpring Desalination Plant Singapore</p> 	Singapore's first large-scale seawater desalination plant, capable of producing 136,380m ³ /day of potable water	PUB, Singapore government agency - concession until 2025 (land lease till 2033)	Fixed payments for availability of output capacity

1. Keppel Seghers Ulu Pandan has an overall capacity of 162,800m³/day, of which 14,800m³/day is undertaken by Keppel Seghers Engineering Singapore.

Important Notice



The information contained in this presentation is for information purposes only and does not constitute or form part of, and should not be construed as, any offer or invitation to sell or issue or any solicitation of any offer or invitation to purchase or subscribe for any units ("Units") in Keppel Infrastructure Trust ("KIT") or rights to purchase Units in Singapore, the United States or any other jurisdiction. This presentation is strictly confidential to the recipient, may not be reproduced, retransmitted or further distributed to the press or any other person, may not be reproduced in any form and may not be published, in whole or in part, for any purpose to any other person with the prior written consent of the Trustee-Manager (as defined hereinafter). This presentation should not, nor should anything contained in it, form the basis of, or be relied upon in any connection with any offer, contract, commitment or investment decision whatsoever and it does not constitute a recommendation regarding the Units.

The past performance of KIT is not necessarily indicative of its future performance. Certain statements made in this presentation may not be based on historical information or facts and may be "forward-looking" statements due to a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar businesses and governmental and public policy changes, and the continued availability of financing in the amounts and terms necessary to support future business. Such forward-looking statements speak only as of the date on which they are made and KIT does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking statements.

Prospective investors and unitholders of KIT ("Unitholders") are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of Keppel Infrastructure Fund Management Pte. Ltd. (as trustee-manager of KIT) ("Trustee-Manager") on future events. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information, or opinions contained in this presentation. The information is subject to change without notice, its accuracy is not guaranteed, has not been independently verified and may not contain all material information concerning KIT. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, KIT, the Trustee-Manager or any of its affiliates and/or subsidiaries. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Trustee-Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited ("SGX-ST"). Listing of the Units on SGX-ST does not guarantee a liquid market for the Units.

The information contained in this presentation is not for release, publication or distribution outside of Singapore (including to persons in the United States) and should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of applicable securities laws or regulations.

This presentation is not for distribution, directly or indirectly, in or into the United States. No Units are being, or will be, registered under the U.S. Securities Act of 1933, as amended ("Securities Act"), or the securities laws of any state of the U.S. or other jurisdiction and no such securities may be offered or sold in the U.S. except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state or local securities laws. No public offering of securities is being or will be made in the U.S. or any other jurisdiction.