



# SGX-Korea Investment & Securities Virtual Conference

18 November 2021

# Outline

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## Constituent of:

**MSCI** 

MSCI Singapore  
Small Cap Index



FTSE ST Large  
& Mid-Cap Index

## Awards and Accreditations:



# Overview of KIT



Ixom

# KIT: Largest Singapore-listed Diversified Business Trust



- The largest diversified Business Trust listed in Singapore with a portfolio of **strategic businesses and assets** that **provide essential products and services**
- **Long-term growth** and **sustainable cash flows** supported by defensive evergreen businesses, as well as AAA Singapore Government-linked off-takers, creditworthy counterparties and a large well-diversified customer base
- All businesses and assets are **essential services** and continued to operate throughout the COVID-19 pandemic with **no operational disruptions**

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

# Geographical Presence



## SINGAPORE

### DISTRIBUTION & NETWORK

- City Gas

### ENERGY

- Keppel Merlimau Cogen Plant

### WASTE & WATER

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

**Assets under Management**  
as at 30 Sep 2021

**S\$4.2b\***

● Distribution & Network ● Energy ● Waste & Water

## THE PHILIPPINES

### DISTRIBUTION & NETWORK

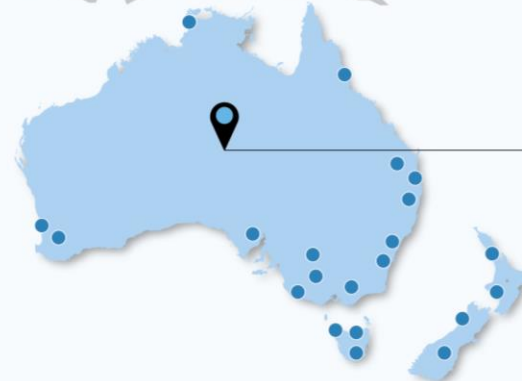
- Philippine Coastal Storage & Pipeline Corporation



## AUSTRALIA & NEW ZEALAND

### DISTRIBUTION & NETWORK

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

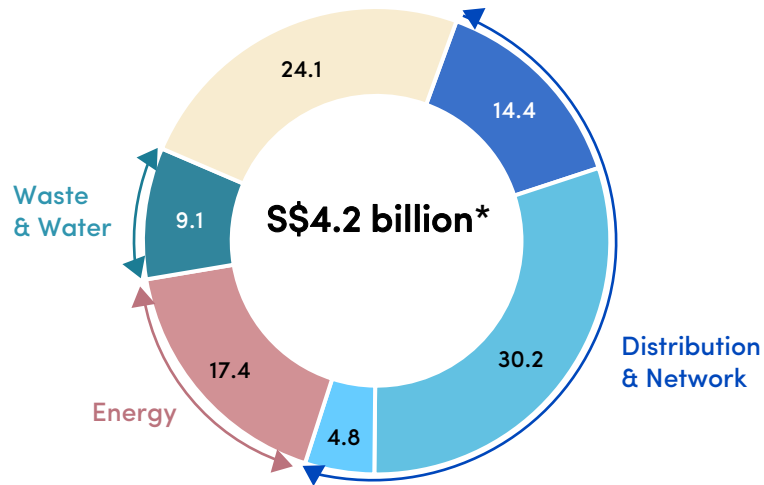


\* Excludes Basslink, which is in voluntary administration

# Portfolio Breakdown

## By Businesses and Assets (%)

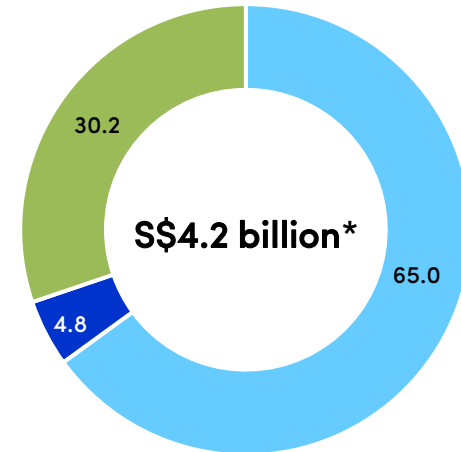
As at 30 Sep 2021



- City Gas
- Philippine Coastal
- Waste & Water
- Ixom
- KMC
- Trust assets and non-controlling interest

## By Geography (%)

As at 30 Sep 2021



- Singapore
- Philippines
- Australia, New Zealand and other countries

\* Excludes Basslink, which is in voluntary administration



# Operational Updates



lxom

**KIT** | KEPPEL  
INFRASTRUCTURE  
TRUST

# Operational Highlights

## Stable performance for 3Q and 9M 2021

- Operations remained stable at Ixom and City Gas
- Increased utilisation rate at Philippine Coastal with commencement of new contracts
- KMC and concession assets fulfilled contractual obligations

## Ongoing strategic review to drive performance and growth, as well as enhance focus on sustainability

## Companies in the Basslink group have entered voluntary administration on 12 Nov 2021<sup>3</sup>

9M EBITDA

**S\$239.7m<sup>1,2</sup>**

Compared to S\$243.8m<sup>1</sup>  
in 9M 2020

9M FCFE

**S\$145.4m**

8.3% lower than S\$158.5m  
in 9M 2020

Low gearing

**22.7%<sup>1</sup>**

Comfortable debt  
headroom to pursue  
growth opportunities



Continued strong performance at Ixom with healthy demand across various segments



Acquisition of the remaining 30% stake in the SingSpring Desalination Plant expected to be completed in 4Q 2021

1. Excludes Basslink, which entered into voluntary administration on 12 Nov 2021

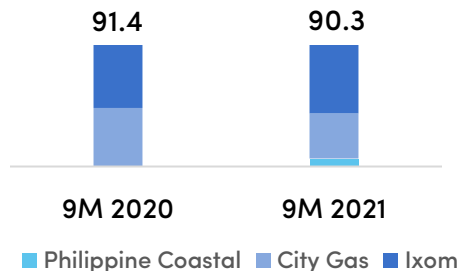
2. Excludes one-off acquisition related cost for Ixom's acquisition of ABP (S\$4.7m) and the impairment loss on Ixom's assets in relation to the cessation of operations of a long-term customer (S\$19.3m).

3. Further to KIT's announcement on 27 October 2021 in relation to the expiry of the standstill agreement between an indirect wholly-owned subsidiary of KIT, Basslink Pty Ltd, State of Tasmania and Hydro Tasmania, Keppel Infrastructure Fund Management Pte. Ltd, as trustee-manager of KIT, announced that companies in the Basslink group have entered voluntary administration, with the directors of the respective Basslink companies appointing Adam Nikitins, Stewart McCallum and Colby O'Brien from Ernst & Young as voluntary administrators.



# Distribution & Network

## Operational Cash Flows (OCF) (\$\$m)\*



Philippine Coastal



City Gas

### City Gas

- Customer base grew 1% YoY to 873,000 as at end-Sep 2021
- Residential consumption of town gas remains healthy while Commercial & Industrial consumption remains below pre COVID-19 levels
- Tariff under-recovery due to rising oil prices

### Ixom

- Continued strong performance: Healthy demand from the construction, mining, dairy, as well as the water treatment segments
- Continues to explore bolt on acquisitions to achieve growth

### Philippine Coastal

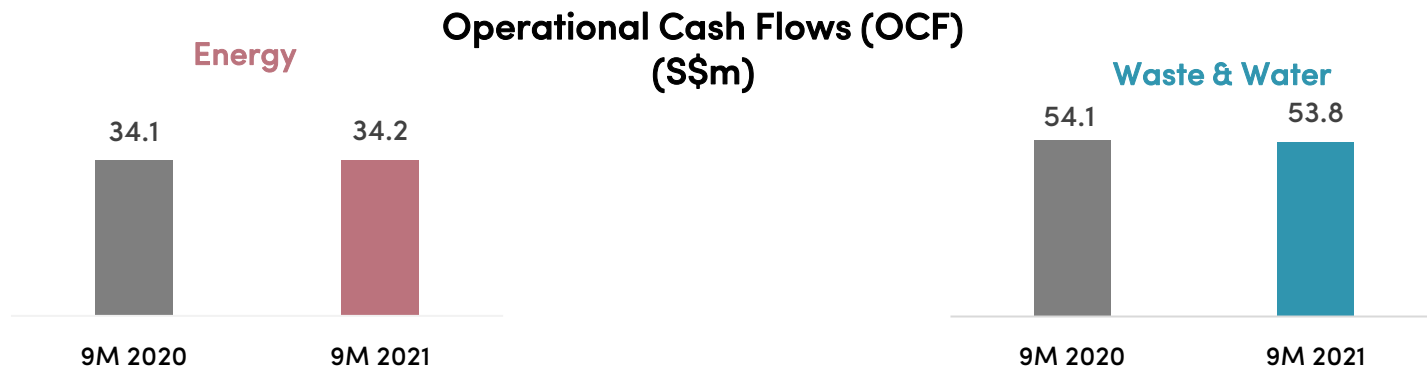
- Utilisation rate improved from 66.4% as at end-Jun 2021 to 75.4% as at end-Sep 2021 with the commencement of two new contracts
- Demand expected to improve as the Philippines economy recovers gradually from COVID-19

### Basslink

- Further to KIT's announcement on 27 Oct 2021 in relation to the expiry of the standstill agreement, companies in the Basslink group have entered voluntary administration

\* Excludes Basslink, which is in voluntary administration. KIT is not dependent on Basslink's cash flows for distributions.

# Energy and Waste & Water



## Keppel Merlimau Cogen Plant

- Achieved 99.9% contracted availability in 9M 2021 compared to 98.8% in 9M 2020
- KMC has no tariff exposure to the Singapore wholesale electricity market and has no exposure to fluctuations in fuel oil prices
- Benefit from lower interest rates, following the achievement of pre-set carbon emission targets as part of the 7-year S\$700 million sustainability-linked loan

## Senoko and Tuas WTE Plants, Ulu Pandan NEWater Plant and SingSpring Desalination Plant

- Fulfilled contractual obligations and operations remained stable
- Acquisition of the remaining 30% stake in the SingSpring Desalination Plant: Pending regulatory approval and is expected to be completed in 4Q 2021

# Free Cash Flow to Equity

	3Q 2021 S\$'000	3Q 2020 S\$'000	+/(-) %	9M 2021 S\$'000	9M 2020 S\$'000	+/(-) %
<b>Distribution &amp; Network</b>	<b>28,124</b>	<b>22,982</b>	<b>22.4</b>	<b>90,332</b>	<b>91,419</b>	<b>(1.2)</b>
City Gas	10,321	9,826	5.0	30,044	38,837	(22.6)
Ixom	16,340	13,156	24.2	55,063	52,582	4.7
Philippine Coastal	1,463	-	>100.0	5,225	-	>100.0
<b>Energy</b>	<b>10,819</b>	<b>12,502</b>	<b>(13.5)</b>	<b>34,186</b>	<b>34,109</b>	<b>0.2</b>
<b>Waste &amp; Water</b>	<b>17,817</b>	<b>17,903</b>	<b>(0.5)</b>	<b>53,762</b>	<b>54,122</b>	<b>(0.7)</b>
<b>Operational Cash Flows</b>	<b>56,760</b>	<b>53,387</b>	<b>6.3</b>	<b>178,280</b>	<b>179,650</b>	<b>(0.8)</b>
<b>KIT and Holdco<sup>1</sup></b>	<b>(12,052)</b>	<b>(8,189)</b>	<b>(47.2)</b>	<b>(32,924)</b>	<b>(21,134)</b>	<b>(55.8)</b>
<b>Free Cash Flow to Equity</b>	<b>44,708</b>	<b>45,198</b>	<b>(1.1)</b>	<b>145,356</b>	<b>158,516</b>	<b>(8.3)</b>

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

# Balance Sheet

Balance Sheet (\$'m)	As at 30 Sep 2021		As at 31 Dec 2020
	Total	Excl. Basslink	
Cash	599	561	581
Borrowings	2,139	1,523	2,161
Net debt	1,540	962	1,580
Total assets	5,077	4,237	4,930
Total liabilities	3,407	2,505	3,435
Annualised Group EBITDA	394 <sup>1,2</sup>	320	376 <sup>3</sup>
Net gearing	30.3%	22.7%	32.1%
Net debt / EBITDA	3.9x	3x	4.2x

1. Excludes one-off acquisition related cost for Ixom's acquisition of ABP (\$\$4.7m), Basslink's arbitration provision (\$\$22.8m) and the impairment loss on Ixom's assets in relation to the cessation of operations of a long-term customer (\$\$19.3m). Annualised Group EBITDA is \$\$347.2m without the adjustments.

2. Includes annualized share of profits from Philippine Coastal, based on equity accounting

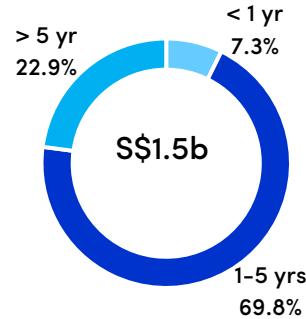
3. Excludes one-off acquisition related cost incurred for Ixom's acquisition of Medora (\$\$0.8m), Ixom divestment of Latin America and China Life Science businesses (\$\$16.7m) and Basslink's arbitration provision (\$\$76.2m). Group EBITDA is \$\$282.3m without the adjustments.



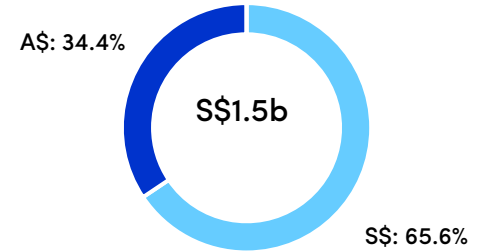
# Capital Management

- Issued S\$600m perpetual securities (classified as equity) as part of the S\$2b Multicurrency Debt Issuance Programme to refinance borrowings, fund potential acquisitions and asset enhancement works
- Proactively manage interest rate exposure: ~93%<sup>1</sup> of loans hedged
- Mitigate impact of currency fluctuations: 87.5% of foreign distributions hedged
- Weighted average interest rate: 2.4%<sup>1</sup>
- Weighted average term to maturity: 3.4 years<sup>1</sup>

Debt Repayment Profile<sup>1</sup>



Debt Breakdown by Currency<sup>1</sup>



Loan Profile	Amount (\$m)	Maturity/ Call Date	Repayment
KIT	S\$100.0	Feb 2022	Bullet <sup>2</sup>
Ixom	A\$535.9	Feb 2024	Bullet <sup>2</sup>
SingSpring	S\$26.3	Dec 2024	Amortising
City Gas	S\$178.0	Feb 2026	Bullet <sup>2</sup>
KMC	S\$700.0	Jun 2027	Amortising <sup>2</sup>

1. Excludes Basslink, which is in voluntary administration.  
2. To be refinanced upon maturity

A photograph of an industrial facility, likely a desalination plant, featuring a complex network of silver and green pipes, valves, and machinery. The scene is brightly lit, and a large, semi-transparent blue arrow graphic points from the left towards the center of the image.

# Commitment to ESG Excellence

SingSpring Desalination Plant

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INFRASTRUCTURE  
TRUST

# Sustainability Framework

## Environmental Stewardship

We will do our part to combat climate change, and are committed to improving resources efficiency and reducing environmental impact

## People and Community

People are the cornerstone of our business. We are committed to providing a safe and healthy workforce, investing in training and developing our people to help them reach their full potential, as well as uplifting communities whenever we operate



## Responsible Business

The long-term sustainability of our business is driven at the highest level of the organization through a strong and effective board, good corporate governance and prudent risk management.



Through Keppel Capital, the Trustee-Manager supports the United Nations (UN) Global Compact as a signatory and adopts the Compact's 10 universal principles, which include human rights, labour, environment and anti-corruption.



Align sustainability approach with nine out of 17 Sustainable Development Goals to ensure that KIT's ESG efforts help address the most crucial sustainability issues globally.

# Commitment to ESG Excellence

## Environmental Stewardship



Owns two WTE plants with a combined capacity to treat approx. 40% of Singapore's incinerable waste, and diverting waste from landfill



Capable of processing up to 19% of desalinated water and 36% of NEWater supply in Singapore



Utilised 359,471 GJ of **renewable energy** in 2020, equivalent to 4.5% of total energy consumption

## Responsible Business

### Board Gender Diversity



Suppliers undergo rigorous screening criteria which include reputation, track record of service quality, safety and sustainability



Zero tolerance for corruption

## People and Community



Provide a fair and inclusive work environment that drive innovation and business value



Implement fair and equal human resource best practices, as well as adopt a zero-tolerance discrimination policy



Engage with local communities to promote environmental stewardship





# Thank You

[www.kepinfratrust.com](http://www.kepinfratrust.com)

Connect with us on: 

City Gas

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# Additional Information

Tuas WTE Plant



# Driving Sustainable Growth

**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**





# Portfolio Overview

		Description	Customer 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>Philippine Coastal Philippines</p> 	The largest petroleum products storage facility in the Philippines, located in the tax-friendly Subic Bay Freeport Zone	Blue-chip customers	USD-denominated "take-or-pay" contracts with no direct exposure to petroleum price and volume risk
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 <sup>3</sup> /day <sup>(1)</sup>	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 <sup>3</sup> /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 162,800m<sup>3</sup>/day, of which 14,800m<sup>3</sup>/day is undertaken by Keppel Seghers Engineering Singapore.



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