

# Keppel Infrastructure Trust

## 4Q FY2017 and Full Year 2017 Financial Results

22 January 2018



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# Key Highlights for 4Q 2017



## Distribution per Unit

**0.93 cents**

Steady DPU of 0.93 cents for 4Q 2017 bringing total DPU to 3.72 cents for FY 2017



## Distribution Yield

**6.5%<sup>(1)</sup>**

As at 31 December 2017



## Distributable Cash Flows

**S\$30.8 million**

Distributable cash flows of S\$30.8 million for 4Q 2017 and S\$144.2 million for FY 2017



## Net Asset Value

**29.9 cents**

As at 31 December 2017



## Gearing

**39.9%**

As at 31 December 2017



## Hedged Loans

**~91%**

As at 31 December 2017

<sup>(1)</sup> Distribution yield was lower compared to FY 2016 due to the increase in KIT's unit price in 2017, while distributions remained the same.

# Business Updates

## City Gas

- Customer base grew by 3.8% from 783,300 as of 4Q 2016 to 813,300 as of 4Q 2017
- Achieved 800,000 customer milestone in 2017
- Achieved 100% availability in 4Q 2017

## Concessions

- Consist of Senoko WTE, Tuas WTE, SingSpring Desalination and Ulu Pandan NEWater plants in Singapore
- Fulfilled all contractual obligations in 4Q 2017

## KMC

- Fulfilled all contractual obligations in 4Q 2017

## DC One

- Fulfilled all contractual obligations in 4Q 2017

## Basslink

- Returned to service on 13 June 2016
- Repair costs as well as revenue loss during the outage are covered by insurance, subject to the relevant terms of the insurance policy
- On 5 December 2016, Basslink announced the completion of its investigations into the cause of the outage. Cause of fault is “cause unknown”
- Hydro Tasmania disagrees that the outage is a force majeure event and on 20 and 22 December 2017, has issued media releases stating that their experts have completed their investigations and alleged that the probable cause of the cable fault incident was because Basslink operated the cable beyond its design limit.
- Based on current circumstances and professional advice, Basslink stands by the independent investigation undertaken by CCI and maintains that the outage is a force majeure event
- Discussions have been ongoing with the banking syndicate on the subsisting defaults under the project financing. Notwithstanding the default, Basslink remains current on the debt and all outstanding payments under the project financing have been fulfilled
- CRSM was -6.2% in 4Q 2017 (-1.9% in 2017)

# 4Q 2017 Distributable Cash Flows

Delivered distributable cash flows of **S\$30.8 million** in **4Q 2017**

	4Q FY17 S\$'000	4Q FY16 S\$'000	Remarks
City Gas	6,254	4,274	<ul style="list-style-type: none"> <li>Due to time lag in the adjustment of gas tariffs to reflect actual fuel cost and lower operating expenses</li> </ul>
Concessions	15,529	17,746	<ul style="list-style-type: none"> <li>All plants fulfilled contractual obligations</li> <li>One-off maintenance costs for Ulu Pandan NEWater plant in 2017</li> </ul>
KMC	11,769	11,568	<ul style="list-style-type: none"> <li>Met contractual obligations</li> </ul>
DC One	1,165	885	<ul style="list-style-type: none"> <li>Stepped up in core rent in 2Q 2017</li> <li>Met contractual obligations</li> </ul>
Others	(3,958)	(2,523)	<ul style="list-style-type: none"> <li>No management fees from CityNet upon cessation as Trustee-Manager of NetLink Trust on 13 April 2017</li> </ul>
<b>Total Distributable Cash Flows</b>	<b>30,759</b>	<b>31,950</b>	

# FY 2017 Distributable Cash Flows

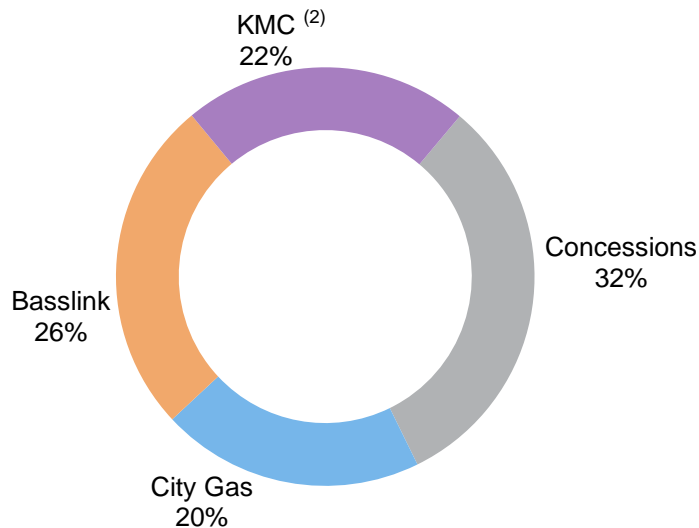
Delivered distributable cash flows for **FY 2017** was **S\$144.2 million**

	FY2017 S\$'000	FY2016 S\$'000	Remarks
City Gas	40,669	40,558	<ul style="list-style-type: none"> <li>Volume growth mitigated by time lag in the adjustment of gas tariffs to reflect actual fuel cost</li> </ul>
Concessions	68,448	70,170	<ul style="list-style-type: none"> <li>All plants fulfilled contractual obligations</li> <li>One-off maintenance costs for Ulu Pandan NEWater plant in 2017</li> </ul>
KMC	45,717	44,580	<ul style="list-style-type: none"> <li>Higher due to an extended maintenance for one of its turbines in 1Q 2016 resulting in reduction in capacity fee</li> <li>Met contractual obligations for FY 2017</li> </ul>
DC One	3,872	2,654	<ul style="list-style-type: none"> <li>Higher due to 12 months contributions in 2017 versus 8.5 months in 2016 upon completion of the construction of the data centre on 12 April 2016</li> <li>Stepped up in core rent in 2Q 2017</li> </ul>
Others	(14,477)	(8,469)	<ul style="list-style-type: none"> <li>Due mainly to abortive expenses incurred in connection with a potential acquisition and lower fees from CityNet upon cessation as Trustee-Manager of NetLink Trust on 13 April 2017</li> </ul>
<b>Total Distributable Cash Flows</b>	<b>144,229</b>	<b>149,493</b>	

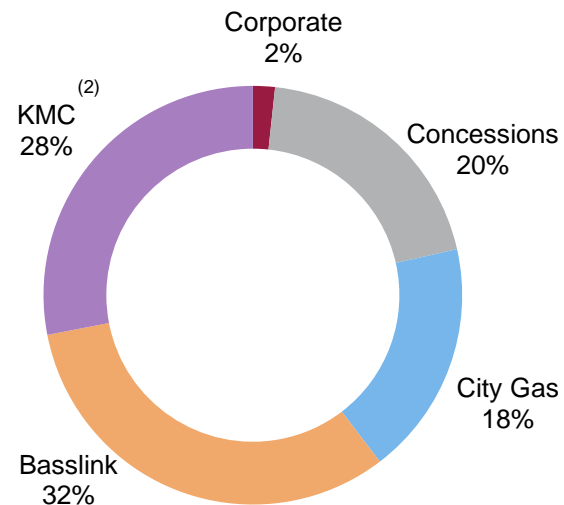
# Diversified Portfolio of Core Infrastructure Assets

- Long-term, regular and predictable cash flows generated from a diversified portfolio ranging from Utilities, Power and Telecommunications infrastructure assets

## FY2017 Adjusted EBITDA <sup>(1)</sup>



## Total Assets as at 31 Dec 2017



### Notes:

(1) Adjusted EBITDA includes reduction in concession receivables and excludes Trust/corporate expenses

(2) Based on KIT's 51% stake in KMC

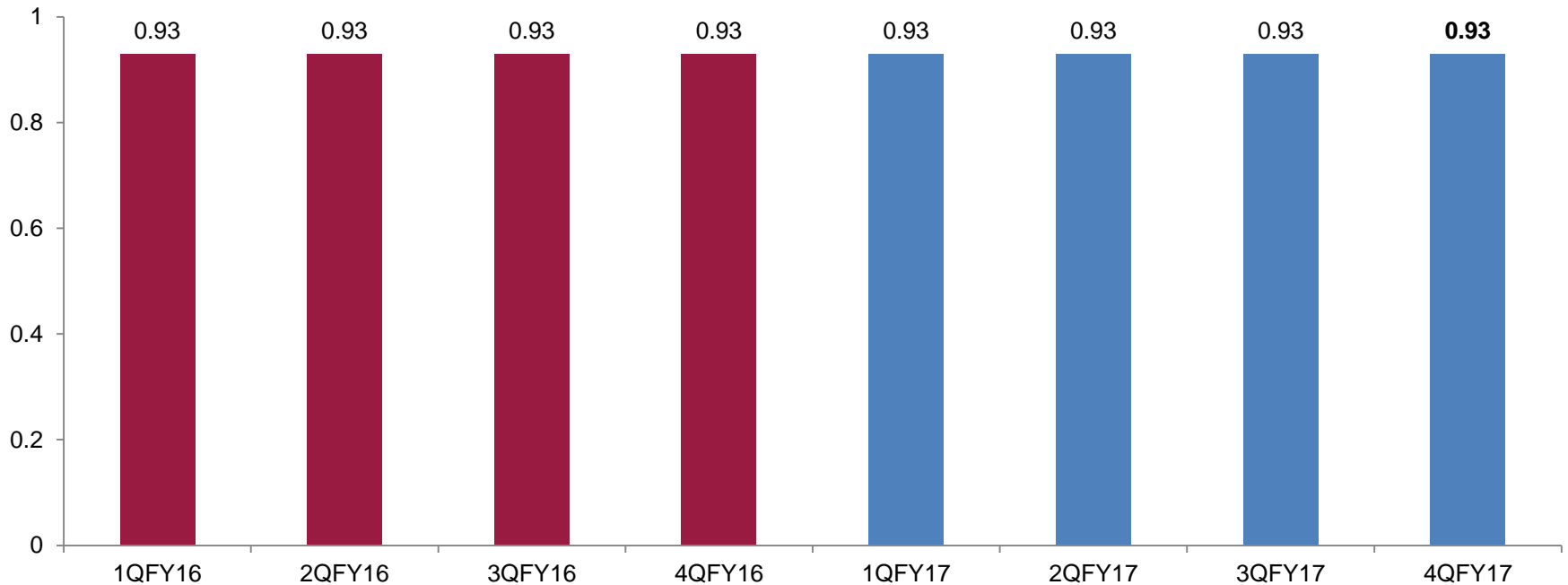
# Regular and Stable Returns

DPU (S cents)

4Q FY17 DPU: **0.93 Singapore cents**

Book closure date: 30 January 2018

Distribution Payment date: 23 February 2018

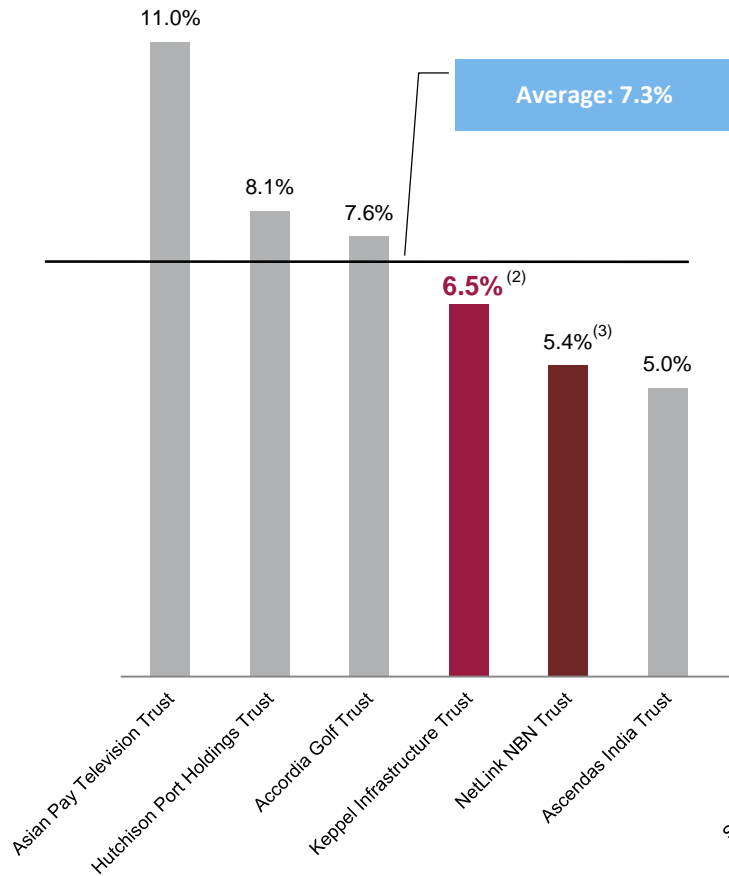




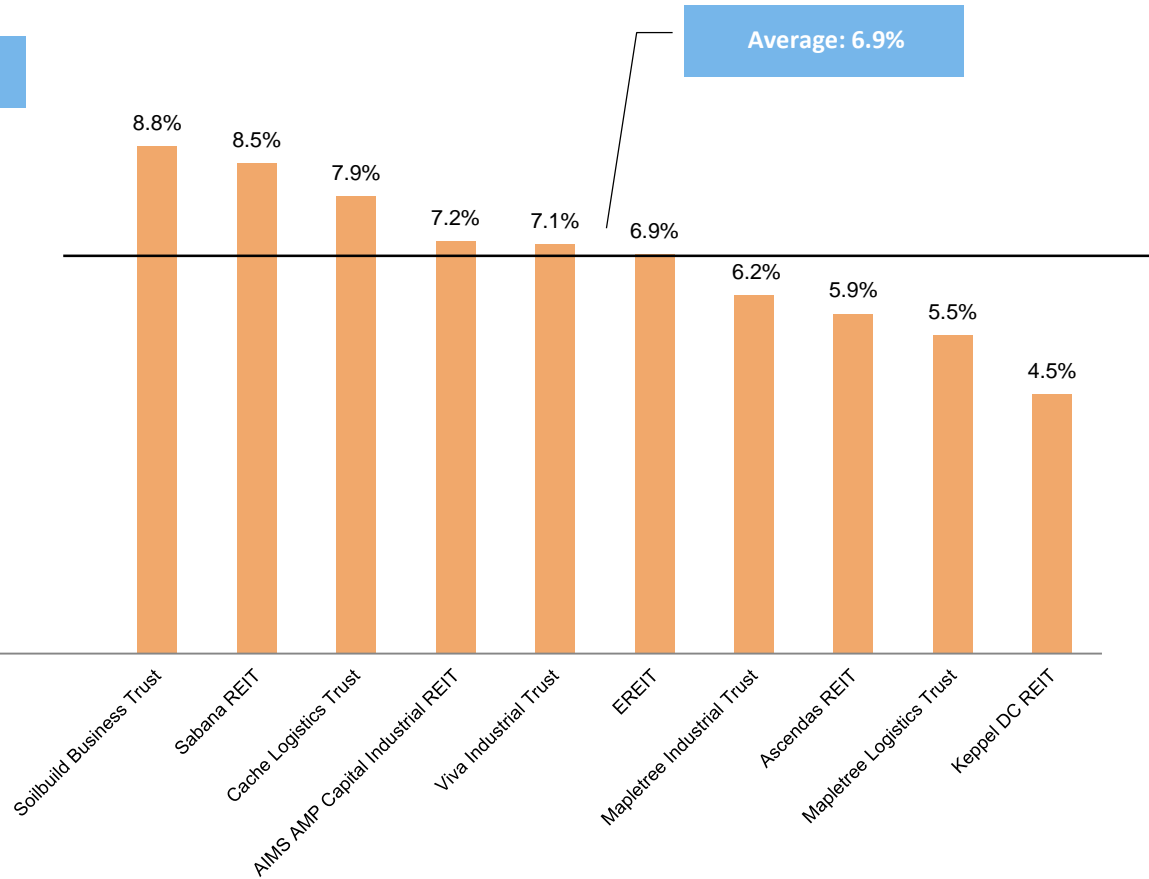
# Regular and Stable Returns

## Distribution Yield (1)

### Infrastructure Trusts



### Singapore Industrial REITs



(1) Source: Bloomberg's dividend yield data as at 31 December 2017

(2) Based on market closing price of S\$0.575 as at 31 December 2017

(3) Based on forecast dividend yield disclosed in NetLink NBN Trust's Prospectus dated 10 July 2017

# Strong Balance Sheet

S\$m	As at 31 December 2017	
	Total	Excluding Basslink
Cash	214	162
Borrowings	1,794	1,082
Net debt	1,580	920
Total assets	3,956	2,961
Total liabilities	2,645	1,194
EBITDA	240	176
Net gearing	39.9%	31.1%
Net debt / EBITDA	6.6X	5.2X

Sustainable gearing backed by

- / Long term contracts expiring between 2024 and 2046
- / Creditworthy customers and City Gas' large and stable customer base
- / Recurring and stable revenue streams

# Prudent Capital Management

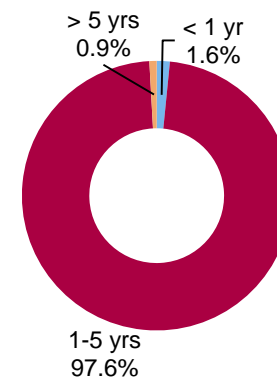
## Debt Overview

- / Hedged ~91% of total loans
- / Other than KIT corporate loan, rest of the loans are non-recourse
- / Maintain stable interest rate of 4-5%
  - Singapore average: 3-4%
  - Australian average: 6-7%
- / Weighted average term to expiry of ~2.2 years
  - ~100% of loans due in 2019 and beyond
- / S\$717.4m (A\$703.3m)<sup>(1)</sup> Basslink loan
  - Interest rate substantially hedged
  - Natural currency hedge for A\$ cash flows
  - All residual cash flows used for debt service
  - No dependence on Basslink's cash flows for distribution
  - No cash flow exposure to near term A\$ forex movement

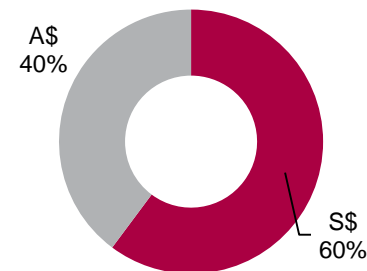
<sup>(1)</sup> Based on exchange rate of A\$1.00 = S\$1.020

## Debt Breakdown

### Debt Repayment Profile

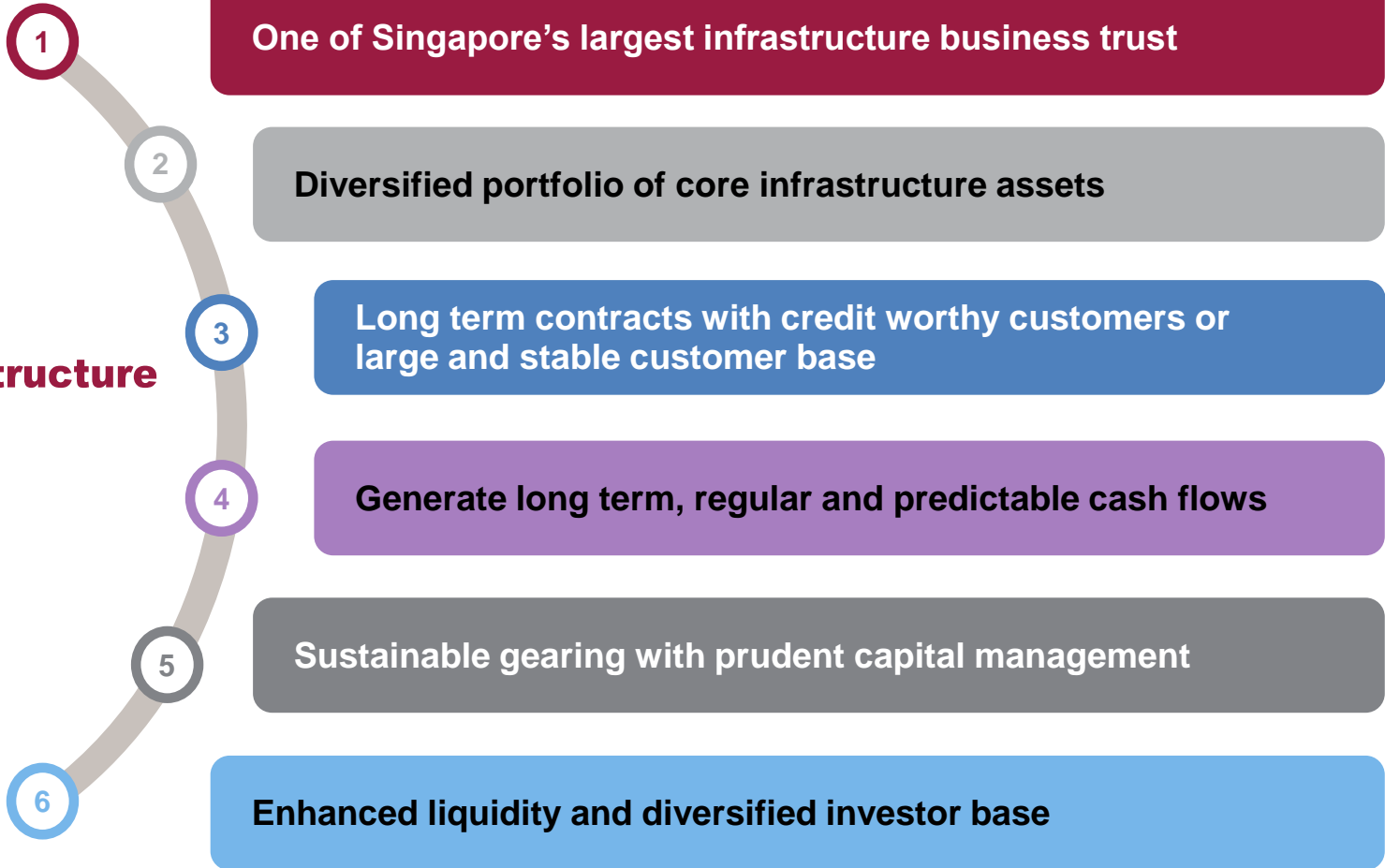


### Debt Breakdown by Currency



# Well-Positioned to Deliver Long-term Value and Growth

**Keppel Infrastructure Trust**



# Appendix I: Additional Information

# 4Q 2017 Results: City Gas

	4Q FY17 S\$'000	4Q FY16 S\$'000	Change %	FY2017 S\$'000	FY2016 S\$'000	Change %
<b>Revenue</b>	81,194	74,936	8.4	320,372	287,982	11.2
<b>Other income</b>	453	396	14.4	1,600	1,616	(1.0)
<b>Other (losses)/gains - net</b>	(407)	910	N/M	(1,302)	1,119	N/M
<b>Expenses</b>						
Fuel and electricity costs	(31,145)	(26,167)	19.0	(115,234)	(86,841)	32.7
Gas transportation costs	(23,237)	(23,354)	(0.5)	(93,109)	(90,670)	2.7
Depreciation and amortisation	(690)	(2,495)	(72.3)	(3,477)	(12,598)	(72.4)
Operation and maintenance costs	(3,044)	(3,462)	(12.1)	(9,784)	(10,171)	(3.8)
Staff costs	(6,266)	(6,421)	(2.4)	(23,754)	(22,954)	3.5
Finance costs <sup>(1)</sup>	(7,699)	(7,529)	2.3	(30,313)	(30,318)	(0.0)
Other operating expenses	(8,691)	(9,360)	(7.1)	(28,908)	(27,498)	5.1
<b>Profit/(Loss) before tax</b>	468	(2,546)	N/M	16,091	9,667	66.5
Income tax credit/(expense)	7	50	(86.0)	(2,773)	(2,164)	28.1
<b>Net profit/(loss) after tax</b>	475	(2,496)	N/M	13,318	7,503	77.5
<b>Funds from operations<sup>(2)</sup> attributable to KIT</b>	<b>6,254</b>	<b>4,274</b>	<b>46.3</b>	<b>40,669</b>	<b>40,558</b>	<b>0.3</b>

<sup>(1)</sup> Includes QPDS interest payable to KIT

<sup>(2)</sup> Funds from Operations ("FFO") is defined as profit after tax adjusted for reduction in concession/lease receivables, transaction costs, non-cash interest and current cash tax, maintenance capex, non-cash adjustments and non-controlling interests adjustments

# 4Q 2017 Results: Concessions

	4Q FY17 S\$'000	4Q FY16 S\$'000	Change %	FY2017 S\$'000	FY2016 S\$'000	Change %
<b>Revenue</b>	23,801	24,696	(3.6)	95,597	113,303	(15.6)
<b>Other income</b>	140	108	29.6	492	581	(15.3)
<b>Expenses</b>						
Fuel and electricity costs	(2,590)	(2,896)	(10.6)	(10,478)	(10,695)	(2.0)
Depreciation and amortisation	(1,762)	(1,763)	(0.1)	(7,052)	(7,050)	0.0
Operation and maintenance costs	(12,148)	(11,763)	3.3	(48,684)	(61,782)	(21.2)
Finance costs <sup>(1)</sup>	(5,968)	(5,864)	1.8	(23,657)	(23,510)	0.6
Other operating expenses	(1,301)	(1,332)	(2.3)	(5,274)	(5,375)	(1.9)
<b>Profit before tax</b>	172	1,186	(85.5)	944	5,472	(82.7)
Income tax expense	(27)	(174)	(84.5)	(434)	(906)	(52.1)
<b>Net profit after tax</b>	145	1,012	(85.7)	510	4,566	(88.8)
<b>Funds from operations attributable to KIT</b>	<b>17,357</b>	<b>19,574</b>	<b>(11.3)</b>	<b>75,758</b>	<b>77,480</b>	<b>(2.2)</b>

<sup>(1)</sup> Includes QPDS interest payable to KIT and non-controlling interest

# 4Q 2017 Results: Basslink

	4Q FY17 A\$'000	4Q FY16 A\$'000	Change %	FY2017 A\$'000	FY2016 A\$'000	Change %
<b>Revenue</b>	19,613	17,816	10.1	80,478	45,836	75.6
<b>Other income</b>	239	4,715	(94.9)	895	23,774	(96.2)
<b>Other losses - net</b>	(2,999)	(5,918)	(49.3)	(7,080)	(9,989)	(29.1)
<b>Expenses</b>						
Fuel and electricity costs	(70)	(67)	4.5	(280)	(232)	20.7
Depreciation and amortisation	(4,431)	(4,482)	(1.1)	(17,759)	(17,947)	(1.0)
Staff costs	(754)	(720)	4.7	(2,792)	(2,943)	(5.1)
Operation and maintenance costs	(989)	(1,188)	(16.8)	(4,518)	(4,761)	(5.1)
Finance costs	(11,770)	(12,001)	(1.9)	(47,289)	(41,365)	14.3
Other operating expenses	(1,079)	(893)	20.8	(3,556)	(3,392)	4.8
<b>Loss before tax</b>	(2,240)	(2,738)	(18.2)	(1,901)	(11,019)	(82.7)
Income tax	-	-	-	-	-	-
<b>Net loss after tax</b>	(2,240)	(2,738)	(18.2)	(1,901)	(11,019)	(82.7)
<b>Funds from operations attributable to KIT</b>	<b>3,173</b>	<b>8,375</b>	<b>(62.1)</b>	<b>22,627</b>	<b>19,671</b>	<b>15.0</b>



# 4Q 2017 Results: KMC

	4Q FY17 S\$'000	4Q FY16 S\$'000	Change %	FY2017 S\$'000	FY2016 S\$'000	Change %
<b>Revenue</b>	32,494	33,089	(1.8)	129,949	128,714	1.0
<b>Other income</b>	24	435	(94.5)	580	3,062	(81.1)
<b>Other losses - net</b>	1	(1)	N/M	5	(494)	N/M
<b>Expenses</b>						
Depreciation and amortisation	(18,920)	(18,909)	0.1	(75,598)	(75,668)	(0.1)
Operation and maintenance costs	(4,215)	(4,760)	(11.4)	(18,760)	(19,014)	(1.3)
Finance costs <sup>(1)</sup>	(27,078)	(27,075)	0.0	(107,589)	(107,872)	(0.3)
Other operating expenses	(1,111)	(1,440)	(22.8)	(5,294)	(5,700)	(7.1)
<b>Loss before tax</b>	(18,805)	(18,661)	0.8	(76,707)	(76,972)	(0.3)
Income tax credit	2,785	3,067	(9.2)	3,036	3,067	(1.0)
<b>Net loss after tax</b>	(16,020)	(15,594)	2.7	(73,671)	(73,905)	(0.3)
<b>Funds from operations attributable to KIT</b>	<b>11,769</b>	<b>11,568</b>	<b>1.7</b>	<b>45,717</b>	<b>44,580</b>	<b>2.6</b>

<sup>(1)</sup> Includes QPDS interest payable to KIT and non-controlling interest

# 4Q 2017: Distributable Cash Flows

S\$'000	City Gas	Concessions	Basslink	KMC	Others	Group
<b>Profit/(loss) after tax</b>	475	145	(2,397)	(16,020)	20,171	2,374
<b>Add/(less)</b>						
Reduction in concessions/lease receivables	-	13,392	-	-	-	13,392
Non-cash finance cost	99	5	(1,416)	159	20	(1,133)
Other non-cash items	368	(1,420)	2,551	747	(858)	1,388
Adjustment for cash tax paid/deferred tax	(364)	(72)	-	(2,785)	(673)	(3,894)
Depreciation and amortisation	690	1,762	4,661	18,920	-	26,033
QPDS interest	6,408	5,208	-	22,055	(22,618)	11,053
Maintenance capital expenditure incurred	(1,143)	-	(92)	-	-	(1,235)
FFO from joint venture	-	-	-	-	1,705	1,705
<b>Sub-total</b>	6,533	19,020	3,307	23,076	(2,253)	49,683
Less: FFO attributable to non-controlling interests	(279)	(1,663)	-	(11,307)	-	(13,249)
<b>Funds from operations</b>	6,254	17,357 <sup>(1)</sup>	3,307	11,769	(2,253)	36,434
Mandatory debt repayment	-	(1,828)	N/A	-	(540)	-
<b>Distributable cash flows</b>	6,254	15,529	- <sup>(2)</sup>	11,769	(2,793)	30,759 <sup>(3)</sup>

<sup>(1)</sup> 70% of SingSpring debt repayment

<sup>(2)</sup> Not dependent on Basslink's cash flows for distribution

<sup>(3)</sup> Excludes Basslink

# 4Q 2016: Distributable Cash Flows

S\$'000	City Gas	Concessions	Basslink	KMC	Others	Group
<b>Profit/(loss) after tax</b>	(2,496)	1,012	(2,866)	(15,594)	20,235	291
<b>Add/(less)</b>						
Reduction in concessions/lease receivables	-	13,068	-	-	-	13,068
Non-cash finance cost	97	6	1,302	156	28	1,589
Other non-cash items	(812)	85	5,532	382	(152)	5,035
Adjustment for cash tax paid/deferred tax	(1,170)	95	2	(3,067)	(15)	(4,155)
Depreciation and amortisation	2,495	1,763	4,702	18,909	-	27,869
QPDS interest	6,409	5,207	-	22,055	(22,619)	11,052
Maintenance capital expenditure incurred	(305)	(27)	-	(1)	-	(333)
FFO from joint venture	-	-	-	-	1,147	1,147
<b>Sub-total</b>	4,218	21,209	8,672	22,840	(1,376)	55,563
Less: FFO attributable to non-controlling interests	56	(1,635)	-	(11,272)	-	(12,851)
<b>Funds from operations</b>	4,274	19,574	8,672	11,568	(1,376)	42,712
Mandatory debt repayment	-	(1,828) <sup>(1)</sup>	(853)	-	(262)	
<b>Distributable cash flows</b>	4,274	17,746	N/A <sup>(2)</sup>	11,568	(1,638)	31,950 <sup>(3)</sup>

<sup>(1)</sup> 70% of SingSpring debt repayment

<sup>(2)</sup> Not dependent on Basslink's cash flows for distribution

<sup>(3)</sup> Excludes Basslink

# FY 2017: Distributable Cash Flows

S\$'000	City Gas	Concessions	Basslink	KMC	Others	Group
<b>Profit/(loss) after tax</b>	13,318	510	(2,032)	(73,671)	75,651	13,776
<b>Add/(less)</b>						
Reduction in concessions/lease receivables	-	53,353	-	-	-	53,353
Non-cash finance cost	390	24	2,437	634	2,812	6,297
Other non-cash items	986	623	5,163	2,617	(2,558)	6,831
Adjustment for cash tax paid/deferred tax	(800)	35	-	(3,036)	(649)	(4,450)
Depreciation and amortisation	3,477	7,052	18,842	75,598	-	104,969
QPDS interest	25,424	20,659	-	87,500	(89,733)	43,850
Maintenance capital expenditure incurred	(1,313)	(3)	(411)	-	-	(1,727)
FFO from joint venture	-	-	-	-	6,006	6,006
<b>Sub-total</b>	41,482	82,253	23,999	89,642	(8,471)	228,905
Less: FFO attributable to non-controlling interests	(813)	(6,495)	-	(43,925)	-	(51,233)
<b>Funds from operations</b>	40,669	75,758 <sup>(1)</sup>	23,999	45,717	(8,471)	177,672
Mandatory debt repayment	-	(7,310)	N/A	-	(2,134)	
<b>Distributable cash flows</b>	40,669	68,448	- <sup>(2)</sup>	45,717	(10,605)	144,229 <sup>(3)</sup>

<sup>(1)</sup> 70% of SingSpring debt repayment

<sup>(2)</sup> Not dependent on Basslink's cash flows for distribution

<sup>(3)</sup> Excludes Basslink

# FY 2016: Distributable Cash Flows

S\$'000	City Gas	Concessions	Basslink	KMC	Others	Group
<b>Profit/(loss) after tax</b>	7,503	4,566	(11,288)	(73,905)	79,245	6,121
<b>Add/(less)</b>						
Reduction in concessions/lease receivables	-	51,252	-	-	-	51,252
Non-cash finance cost	385	28	5,045	622	1,677	7,757
Other non-cash items	(1,040)	(69)	8,007	756	690	8,344
Adjustment for cash tax paid/deferred tax	(3,460)	443	-	(3,067)	(102)	(6,186)
Depreciation and amortisation	12,598	7,050	18,396	75,668	-	113,712
QPDS interest	25,494	20,715	-	87,742	(89,979)	43,972
Maintenance capital expenditure incurred	(912)	(27)	-	(8)	-	(947)
FFO from joint venture	-	-	-	-	2,916	2,916
<b>Sub-total</b>	40,568	83,958	20,160	87,808	(5,553)	226,941
Less: FFO attributable to non-controlling interests	(10)	(6,478)	-	(43,228)	-	(49,716)
<b>Funds from operations</b>	40,558	77,480	20,160	44,580	(5,553)	177,225
Mandatory debt repayment	-	(7,310) <sup>(1)</sup>	N/A	-	(262)	
<b>Distributable cash flows</b>	40,558	70,170	- <sup>(2)</sup>	44,580	(5,815)	149,493 <sup>(3)</sup>

<sup>(1)</sup> 70% of SingSpring debt repayment

<sup>(2)</sup> Not dependent on Basslink's cash flows for distribution

<sup>(3)</sup> Excludes Basslink

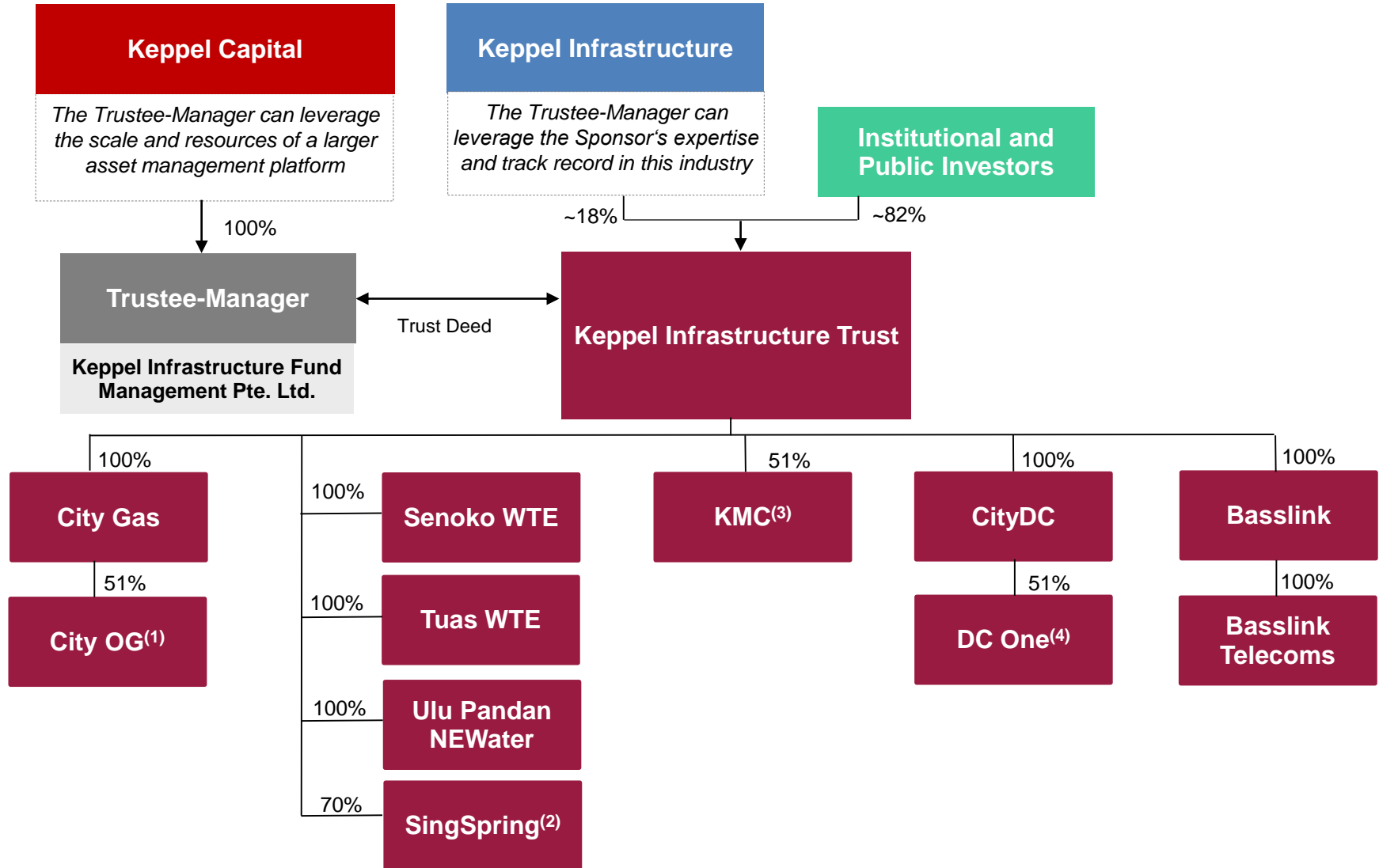
# Loan Profile

Entity	Amount (S\$m)	Loan Maturity	Repayment
City Gas	178.0	Feb 2019	Bullet*
SingSpring	60.6	Dec 2024	Amortising
Basslink	717.4 (A\$703.3m)	Nov 2019	Amortising*
KMC	700.0	Jun 2020	Bullet*
KIT	145.6	Feb 2019	Bullet*

\* To be refinanced upon maturity

## Appendix II: Overview of KIT




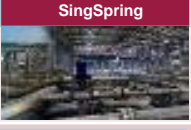




# Keppel Infrastructure Trust Structure



- (1) Osaka Gas Singapore Pte. Ltd. holds the remaining 49% equity interest in City OG.
- (2) Hyflux Ltd holds the remaining 30% equity interest in SingSpring.
- (3) Keppel Energy holds the remaining 49% equity interest in KMC.
- (4) WDC Development Pte. Ltd. holds the remaining 49% equity interest in DC One.



# Portfolio Overview

	Asset	Business	Customer	Contract Terms	Cash Flows
SINGAPORE	 <p>Senoko WTE Plant</p>	2,310 tonnes/day waste incineration concession	NEA, Singapore government agency	2024	Principally fixed availability payment
	 <p>Tuas WTE Plant</p>	800 tonnes/day waste incineration concession	NEA, Singapore government agency	2034	Principally fixed availability payment
	 <p>Ulu Pandan NEWater</p>	148,000 m <sup>3</sup> /day <sup>1</sup> NEWater concession	PUB, Singapore government agency	2027	Approximately half fixed, and half variable payments
	 <p>SingSpring</p>	136,380 m <sup>3</sup> /day seawater desalination concession	PUB, Singapore government agency	2025 <i>(Underlying land lease till 2033)</i>	Principally fixed availability payment
	 <p>City Gas</p>	Sole producer and retailer of piped town gas	Over 800,000 commercial and residential customers	n.a.	Stable fees with fuel and electricity costs passed through to consumer
	 <p>KMC</p>	1,300MW Combine Cycle Gas Turbine power plant capacity tolling agreement	Keppel Electric	2030, with option for 10-year extension <i>(Underlying land lease till 2035, with 30-year extension)</i>	Principally fixed availability payment
	 <p>DataCentre One</p>	Data centre	One-Net, 100% subsidiary of MediaCorp, SG national broadcaster	2036, with option for 8-year extension	Contractual lease revenue
AUST	 <p>Basslink</p>	Owner and operator of the Basslink Interconnector between the States of Victoria and Tasmania	Hydro Tasmania <i>(Owned by Tasmania state government)</i>	2031, with option for 15-year extension	87.5% availability payments, 65% indexed to Australia CPI






<sup>1</sup> Ulu Pandan has an overall capacity of 162,800m<sup>3</sup> of which, 14,800m<sup>3</sup> is undertaken by Keppel Seghers.

# KIT Investment Criteria

## KIT Investment Criteria

- KIT aims to provide Unitholders with **long-term, regular and predictable distributions** by pursuing investments that exhibit the characteristics listed below

## Portfolio of highly strategic assets

Utilities Infra		Power Infra		Telecoms Infra
City Gas	Singapore Concessions	KMC	Basslink	DataCentre One
				

<b>1</b>	Long-term, regular and/or predictable cash flows	✓	✓	✓	✓	✓
<b>2</b>	Long-term contracts or concessions / customer stability	✓ <sup>(1)</sup>	✓	✓	✓	✓
<b>3</b>	Creditworthy or reputable off-takers	✓ <sup>(2)</sup>	✓	✓	✓	✓
<b>4</b>	Diversification of asset class risks	✓	✓	✓	✓	✓
<b>5</b>	Jurisdictions with well-developed legal framework	✓	✓	✓	✓	✓

(1) City Gas is the sole producer and retailer of town gas in Singapore and has been in operation for over 100 years.  
 (2) City Gas has a large, diversified customer base and is not reliant on any single customer.

# Three-pronged Growth Strategy

## 1 Organic Growth from Existing Portfolio

### Solid Stable Base

- Stable cash flows
- Scale and liquidity
- Strong balance sheet

### Potential Upsides

- Organic growth of City Gas
  - Higher penetration of gas water heaters
  - Over 100,000 new units expected over 2017 – 2019
- Stable positive contributions from DataCentre One, with option for 2 more floors to be fitted out
- Basslink
  - Use all cash flows to repay debt
- Potential adjustment in KMC tolling fees after initial 15-year period

## 2 Keppel Synergy

### Keppel Capital

- Co-investment, bridge financing and incubation opportunities
- Non-energy and non-environmental space asset management

### Keppel Infrastructure

- Keppel Group's energy and environmental infrastructure arm
- Operation and maintenance, as well as development and industry expertise
- ROFRs for 49% of KMC, as well as other assets owned and developed by Sponsor
- Co-investment and incubation opportunities

## 3 Acquisition Strategy

### KIT New Investments

- Assets that generate long term stable cash flows with some growth
- Singapore and other developed markets in Asia or Europe
- Co-invest with likeminded partners to reduce ticket size/risk and gain diversification
- Transaction types:
  - Availability based assets (utilities, transmission, storage and pipelines)
  - Customised sale and leaseback transaction
  - Inflation + assets (transportation and telecoms)
- Selected greenfield investments with experienced operators, limited construction exposures and equity cheque funded entirely by debt

# Thank You

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