

Keppel Infrastructure Trust

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MEDIA RELEASE

Keppel Infrastructure Trust Unaudited Results for the Fourth Quarter and Full Year Ended 31 December 2019

20 January 2020

The Directors of Keppel Infrastructure Fund Management Pte. Ltd., as Trustee-Manager of Keppel Infrastructure Trust, advise the following results of Keppel Infrastructure Trust for the fourth quarter and full year ended 31 December 2019.

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Keppel Infrastructure Trust achieves a 33.7% YoY increase in distributable cash flow for FY 2019

Results Highlights

- Distributable cash flow (DCF) for the full year ended 2019 (FY 2019) was \$188.7 million¹, a 33.7% year-on-year (YoY) increase from FY 2018
- Distribution per Unit (DPU) for FY 2019 was 3.72 cents, translating to a distribution yield of 6.9%²
- Completed the divestment of Keppel Infrastructure Trust (KIT)'s 51% stake in DataCentre One in October 2019

Financial Performance

Keppel Infrastructure Fund Management Pte. Ltd. (KIFM), as Trustee-Manager of KIT, has achieved a DCF of \$38.9 million for the fourth quarter of 2019 (4Q 2019), bringing DCF for FY 2019 to \$188.7 million. This was 13.7% and 33.7% higher than the corresponding periods in 2018 respectively. The stronger performance for FY 2019 was driven mainly by the contribution from Ixom HoldCo Pty Ltd (Ixom), whose acquisition was completed in February 2019.

A segmental breakdown of KIT's DCF is tabled below, and excludes cash flows from Basslink. KIT currently does not depend on Basslink's cash flows for distribution.

Segmental Performance	Distributable Cash Flow					
	4Q 2019 \$ '000	4Q 2018 \$ '000	Change (%)	FY 2019 \$ '000	FY 2018 \$ '000	Change (%)
Distribution & Network ¹	20,747	8,985	>100.0	99,941	40,468	>100.0
Energy	7,947	11,538	(31.1)	41,699	45,141	(7.6)
Waste & Water	18,398	18,075	1.8	73,010	71,343	2.3
Others ³	(8,239)	(4,423)	(86.3)	(25,946)	(15,762)	(64.6)
Total	38,853	34,175	13.7	188,704	141,190	33.7

The Trustee-Manager has declared DPU of 0.93 cents for 4Q 2019, bringing DPU for FY 2019 to 3.72 cents. This translates to a distribution yield of 6.9%, based on the market closing price per Unit of \$0.540 as at 31 December 2019.

Operational Performance

Stronger contributions from the Distribution & Network segment was driven mainly by the strategic addition of Ixom. Ixom delivered on its targets in 2019, supported by continued operational excellence, working capital and cost optimisation, as well as ongoing productivity improvements. Ixom is well

¹ Excludes Basslink as KIT does not depend on Basslink's cash flows for distribution

² Based on the market closing price per Unit of \$0.540 as at 31 December 2019

³ Comprises mainly Trust expenses and distribution paid/payable to perpetual securities holders, management fees and financing costs

positioned to pursue long-term growth opportunities, leveraging its established track record and expertise in the manufacturing and distribution of industrial chemicals for a broad range of industries.

As a provider of essential services of town gas, City Gas continued to deliver steady growth, expanding its reach of retail and commercial customers to 859,000 as at end-2019, a 2.0% growth from 2018.

On 27 November 2019, Basslink Pty Ltd announced a 12-month extension of the maturity date of the financing arrangements in place for the Basslink Interconnector and the waiver by the lending syndicate of all breaches and events of default that had arisen under the financing arrangements then. As updated previously, the ongoing disputes between Basslink with Hydro Tasmania (HT) and the State of Tasmania (State) arising from the December 2015 outage have been referred to arbitration. KIT and Basslink continue to work with HT and the State in relation to the Basslink interconnector.

Currently, Ixom and Basslink's operations are not affected by the bushfire in Australia. All of Ixom and Basslink's sites are also not within any fire warning zones. The management teams are monitoring the bushfire risk closely and there are business continuity plans as well as insurance in place should any sites get affected.

In the Energy segment, the Keppel Merlimau Cogen plant (KMC) achieved contracted availability of 96% in 2019. Assets in the Waste & Water sectors continued to fulfill all contractual obligations in the quarter and for the whole of 2019.

Meanwhile, KIT continues to monitor the operational performance of the SingSpring Desalination plant, in which it owns a 70% interest, to ensure that the plant's obligations under the Water Purchase Agreement are satisfactorily discharged. Operations at the plant remain stable, and the plant has fulfilled all contractual requirements as at 31 December 2019.

On 31 October 2019, KIT completed the divestment of its 51% stake in DataCentre One. Proceeds from the divestment are expected to be redeployed into quality acquisitions that will strengthen KIT's portfolio, as well as for refinancing purposes and working capital needs.

Looking Ahead

Investments into infrastructure is expected to remain a key driver of economic growth, as cities look to uplift communities through the provision of essential products and services that will support commercial activities, improve connectivity, as well as drive the use of clean and renewable energy, among others. Supporting this drive for economic progression, infrastructure, as an asset class, is expected to remain resilient through economic cycles given its highly defensive and strategic nature.

Anchored by its well-diversified portfolio of quality infrastructure businesses and assets, KIT is well positioned to deliver sustainable value to Unitholders. At the same time, the Trustee-Manager will continue to grow KIT through acquisitions that will create greater value for the Trust and Unitholders through stable recurring returns and steady long-term capital appreciation.

- End -

About Keppel Infrastructure Trust (www.kepinfratrust.com)

Keppel Infrastructure Trust (KIT) is a diversified business trust listed on the Singapore Exchange with over \$5 billion in assets under management. Its goal is to deliver sustainable returns to Unitholders, through a combination of recurring distributions and capital growth over the long term.

KIT's portfolio of strategic infrastructure businesses and assets provide essential products and services to a wide array of customers including government agencies, multinational corporations, commercial and industrial enterprises as well as retail consumers. Its assets are segmented into the three core sectors of Distribution & Network, Energy and Waste & Water.

Businesses and assets in the Distribution & Network segment provide essential products and services in the areas of gas production, telecoms and electricity transmission as well as manufacturing and distribution of critical and essential chemicals. These assets are well-positioned to deliver resilient cash flows with potential for growth that is supported by favourable market dynamics and demand over the long term.

The Energy and Waste & Water segments comprises assets that are integral to the provision of power, waste treatment and water purification. The contract terms for these assets are backed by recurring fixed capacity or availability payments, providing KIT with stable cash flows.

The Trustee-Manager for KIT is Keppel Infrastructure Fund Management, a wholly-owned subsidiary of Keppel Capital Holdings Pte. Ltd., a premier asset manager in Asia. KIT is sponsored by Keppel Infrastructure Holdings Pte. Ltd., which invests in, owns and operates competitive energy and infrastructure solutions and services.