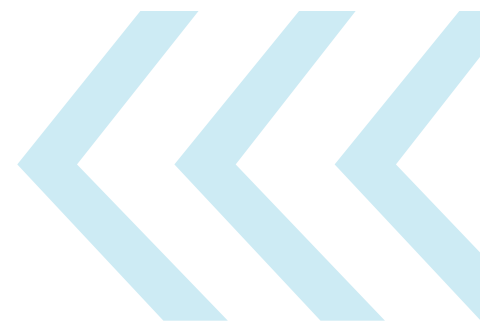


# 2Q 2020 and 1H 2020 Financial Results

22 July 2020



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# Results Highlights



lxom

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# Key Results 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



# Business Updates

City Gas

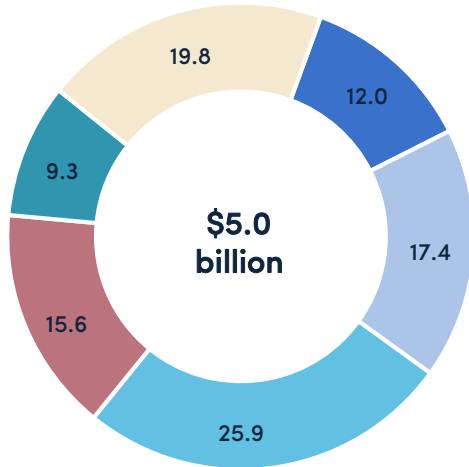
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TRUST



## By Businesses and Assets (%)

As at 30 June 2020

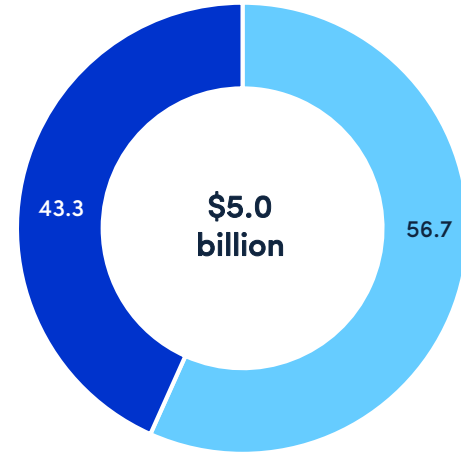


- City Gas
- Ixom
- Waste & Water

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

## By Geography (%)

As at 30 June 2020



- Singapore
- Australia, New Zealand and other countries



## 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

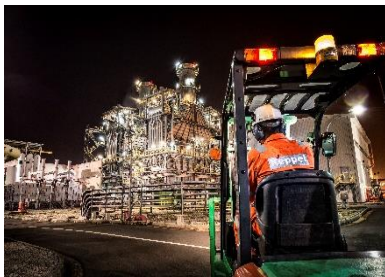
### Basslink

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



## Energy

- Keppel Merlimau Cogen (KMC)



- Contractual availability of 97.9%, due to unplanned maintenance that was promptly rectified
- Secured a \$700 million sustainability-linked loan, one of the largest such loans in Singapore and the first in the energy sector to-date
- KMC has no tariff exposure to the Singapore wholesale electricity market and has no exposure to fluctuations in fuel oil prices. KMC receives a fee for delivering the availability of the plant to Keppel Electric

## Waste & Water

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



- Fulfilled all contractual obligations and operations remained stable



# Finance and Capital Management

SingSpring Desalination Plant

# Resilient Distributable Cash Flows



	2Q 2020 S\$'000	2Q 2019 S\$'000	+/(-) %	1H 2020 S\$'000	1H 2019 S\$'000	+/(-) %
<b>Distribution &amp; Network</b>	<b>40,230</b>	21,889	83.8	<b>68,437</b>	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 <sup>1</sup>	-	1,312	n.m.	-	2,654	n.m.
<b>Energy</b>	<b>10,405</b>	11,234	(7.4)	<b>21,607</b>	22,950	(5.9)
<b>Waste &amp; Water</b>	<b>18,081</b>	18,133	(0.3)	<b>36,219</b>	35,993	0.6
<b>Others<sup>2</sup></b>	<b>(6,541)</b>	(5,487)	(19.2)	<b>(12,945)</b>	(9,694)	(33.5)
<b>Distributable Cash Flows</b>	<b>62,175</b>	<b>45,769</b>	<b>35.8</b>	<b>113,318</b>	<b>94,199</b>	<b>20.3</b>

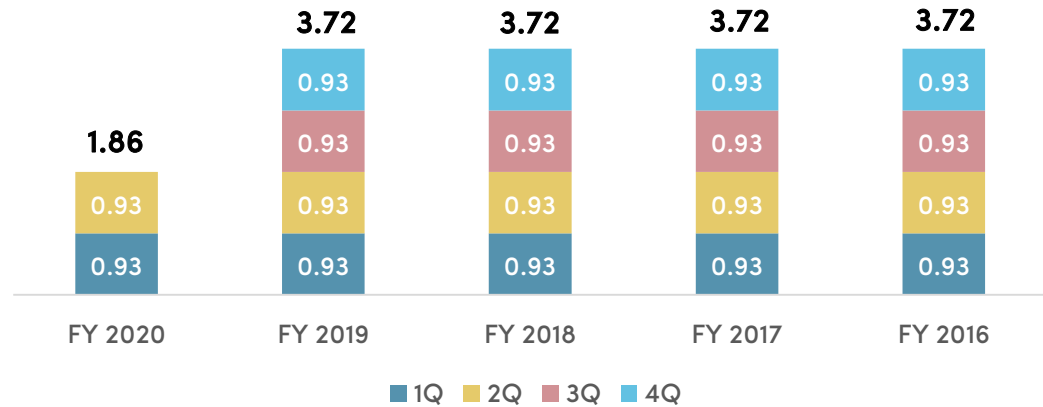
1. KIT's divested its 51% stake in DC One on 31 October 2019

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

# Regular and Stable Distributions



## Distribution History (cents)

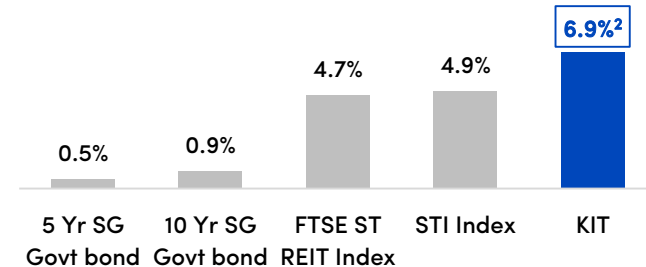


## DPU for 2Q 2020

DPU: 0.93 Singapore cents

- Record date: 30 July 2020
- Payment date: 14 August 2020

## Comparative Yields<sup>1</sup>



1. Sources: Bloomberg and Monetary Authority of Singapore. Comparative yield based on preceding 12-month data as at 30 June 2020

2. Based on the market price per Unit of \$0.54 as at 30 June 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 <sup>1</sup>	401
Net gearing	33.6%
Net debt / EBITDA	4.2x

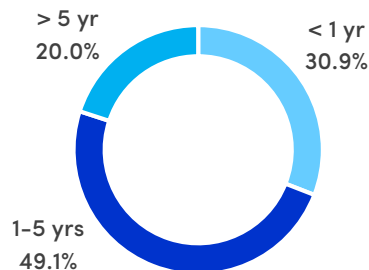
1. Annualised based on 1H 2020 EBITDA performance



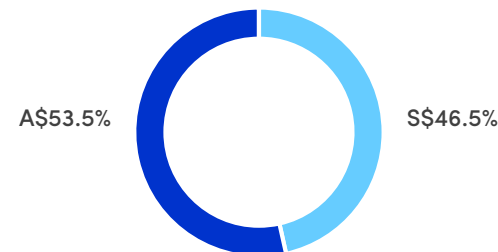
## Overview:

- 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 efforts<sup>1</sup>
  - Repurchased and cancelled 4,750,000 Units as at 3 April 2020
- S\$615.2m (A\$654.4m)<sup>2</sup> 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

## 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

# Thank You

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

**Keppel**  
Creating New Sources of Water

Ulu Pandan NEWater Plant

**KIT** | KEPPEL  
INFRASTRUCTURE  
TRUST

# Additional Information

Tuas WTE Plant







**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

# 2Q 2020: Distributable Cash Flows



S\$'000	City Gas	Basslink	Ixom	KMC	Waste & Water	Others	Group
<b>Profit/(loss) attributable to unitholders</b>	9,566	711	9,603	(9,634)	(553)	16,546	26,239
<b>Adjustments for non-cash items:</b>							
Depreciation and amortisation	911	3,918	17,386	9,852	1,564	-	33,631
Income tax expense	2,087	-	1,002	(11)	39	19	3,136
Other non-cash items	(562)	2,809 <sup>1</sup>	(5,562)	337	163	(735)	(3,550)
<b>Profit attributable to unitholders adjusted for non-cash items</b>	12,002	7,438	22,429	544	1,213	15,830	59,456
<b>Add/(less):</b>							
Reduction in concession / lease receivables	10	-	-	-	13,780	-	13,790
Payment of upfront fee and legal fees	-	-	-	(1,249)	-	-	(1,249)
Tax (paid) / refund	(1,166)	-	116	-	(336)	-	(1,386)
QPDS interest expenses to KIT	6,338	-	-	11,125	4,908	(22,371)	-
Transaction costs in relation to acquisition	-	-	662	-	-	-	662
Maintenance capex	(30)	(2,394)	(131)	(15)	-	-	(2,570)
Funds from operations	17,154	5,044	23,076	10,405	19,565	(6,541)	68,703
Less: Basslink's FFO	-	(5,044) <sup>2</sup>	-	-	-	-	(5,044)
Less: Mandatory debt repayment	-	-	-	-	(1,484) <sup>3</sup>	-	(1,484)
<b>Distributable cash flows</b>	<b>17,154</b>	<b>-</b>	<b>23,076</b>	<b>10,405</b>	<b>18,081</b>	<b>(6,541)</b>	<b>62,175</b>

1. Due to fair value movements on long term interest rate hedge

2. Not dependent on Basslink's cash flows for distribution

3. 70% of SingSpring debt repayment

# 2Q 2019: Distributable Cash Flows



S\$'000	City Gas	Basslink	Ixom	KMC	Waste & Water	Others	Group
<b>Profit/(loss) attributable to unitholders</b>	3,428	(112)	5,570	(9,853)	(42)	16,969	15,960
<b>Adjustments for non-cash items:</b>							
Depreciation and amortisation	989	4,289	9,926	9,603	1,489	-	26,296
Income tax expense	779	-	2,026	(9)	65	5	2,866
Other non-cash items	(417)	3,529 <sup>1</sup>	1,364	367	118	(81)	4,880
<b>Profit attributable to unitholders adjusted for non-cash items</b>	4,779	7,706	18,886	108	1,630	16,893	50,002
<b>Add/(less):</b>							
Reduction in concession / lease receivables	-	-	-	-	13,388	-	13,388
Tax paid	(692)	-	(4,850)	-	(307)	(8)	(5,857)
QPDS interest expenses to KIT	6,339	-	-	11,126	4,907	(22,372)	-
Maintenance capex	(5)	(1,772)	(3,880)	-	(2)	-	(5,659)
FFO from joint venture	-	-	-	-	-	1,880	1,880
<b>Funds from operations</b>	10,421	5,934	10,156	11,234	19,616	(3,607)	53,754
Less: Basslink's FFO	-	(5,934) <sup>2</sup>	-	-	-	-	(5,934)
Less: Mandatory debt repayment	-	-	-	-	(1,483) <sup>3</sup>	(568)	(2,051)
<b>Distributable cash flows</b>	10,421	-	10,156	11,234	18,133	(4,175)	45,769

1. Due to fair value movements on long term interest rate hedge

2. Not dependent on Basslink's cash flows for distribution

3. 70% of SingSpring debt repayment

# 1H 2020: Distributable Cash Flows



S\$'000	City Gas	Basslink	Ixom	KMC	Waste & Water	Others	Group
<b>Profit/(loss) attributable to unitholders</b>	13,735	4,316	15,343	(19,551)	(908)	32,245	45,180
<b>Adjustments for non-cash items:</b>							
Depreciation and amortisation	1,888	7,976	35,452	19,704	3,127	-	68,147
Income tax expense	3,036	-	5,309	(19)	45	42	8,413
Other non-cash items	(146)	2,163 <sup>1</sup>	(7,403)	675	166	(488)	(5,033)
<b>Profit attributable to unitholders adjusted for non-cash items</b>	18,513	14,455	48,701	809	2,430	31,799	116,707
<b>Add/(less):</b>							
Reduction in concession / lease receivables	19	-	-	-	27,562	-	27,581
Payment of upfront fee and legal fees	-	-	-	(1,249)	-	-	(1,249)
Tax (paid) / refund	(1,966)	-	(4,722)	-	(621)	(1)	(7,310)
QPDS interest expenses to KIT	12,677	-	-	22,251	9,815	(44,743)	-
Transaction costs in relation to acquisition	-	-	662	-	-	-	662
Maintenance capex	(232)	(3,326)	(5,215)	(204)	-	-	(8,977)
Funds from operations	29,011	11,129	39,426	21,607	39,186	(12,945)	127,414
Less: Basslink's FFO	-	(11,129) <sup>2</sup>	-	-	-	-	(11,129)
Less: Mandatory debt repayment	-	-	-	-	(2,967) <sup>3</sup>	-	(2,967)
<b>Distributable cash flows</b>	<b>29,011</b>	<b>-</b>	<b>39,426</b>	<b>21,607</b>	<b>36,219</b>	<b>(12,945)</b>	<b>113,318</b>

1. Due to fair value movements on long term interest rate hedge
2. Not dependent on Basslink's cash flows for distribution
3. 70% of SingSpring debt repayment

# 1H 2019: Distributable Cash Flows











S\$'000	City Gas	Basslink	Ixom	KMC	Waste & Water	Others	Group
<b>Profit/(loss) attributable to unitholders</b>	11,104	(3,419)	(5,406) <sup>1</sup>	(19,503)	159	16,814	(251)
<b>Adjustments for non-cash items:</b>							
Depreciation and amortisation	1,967	8,617	14,474	19,674	2,978	-	47,710
Income tax expense	2,360	-	4,975	(18)	131	8	7,456
Other non-cash items	(380)	11,610 <sup>2</sup>	1,772	668	58	(805)	12,923
<b>Profit attributable to unitholders adjusted for non-cash items</b>	15,051	16,808	15,815	821	3,326	16,017	67,838
<b>Add/(less):</b>							
Reduction in concession / lease receivables	-	-	-	-	26,740	-	26,740
Payment of upfront fee and legal fees	(445)	-	-	-	-	(300)	(745)
Tax paid	(943)	-	(11,172)	-	(522)	(11)	(12,648)
QPDS interest expenses to KIT	12,608	-	-	22,129	9,761	(44,498)	-
Transaction costs in relation to acquisition <sup>1</sup>	-	-	17,496	-	-	19,098	36,594
Maintenance capex	(9)	(2,608)	(6,105)	-	(2)	-	(8,724)
FFO from joint venture	-	-	-	-	-	3,786	3,786
Funds from operations	26,262	14,200	16,034	22,950	39,303	(5,908)	112,841
Less: Basslink's FFO	-	(14,200) <sup>3</sup>	-	-	-	-	(14,200)
Less: Mandatory debt repayment	-	-	-	-	(3,310) <sup>4</sup>	(1,132)	(4,442)
<b>Distributable cash flows</b>	<b>26,262</b>	<b>-</b>	<b>16,034</b>	<b>22,950</b>	<b>35,993</b>	<b>(7,040)</b>	<b>94,199</b>

1. Due to one-off acquisition related cost incurred which are reversed through "Transaction costs in relation to acquisition" to reflect actual funds from operations at Ixom for the period from acquisition date
2. Due to fair value movements on long term interest rate hedge
3. Not dependent on Basslink's cash flows for distribution
4. 70% of SingSpring debt repayment

# Portfolio Overview



		Description	Customer and contract terms	Primary source of cash flows
Distribution & Network	<p><i>City Gas</i> <i>Singapore</i></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><i>Ixom</i> <i>Australia</i></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><i>Basslink</i> <i>Australia</i></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><i>Keppel Merlimau Cogen</i> <i>Singapore</i></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><i>Senoko WTE Plant</i> <i>Singapore</i></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><i>Tuas WTE Plant</i> <i>Singapore</i></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><i>Ulu Pandan NEWater Plant</i> <i>Singapore</i></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><i>SingSpring Desalination Plant</i> <i>Singapore</i></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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