



KEPPEL INFRASTRUCTURE FUND MANAGEMENT Pte Ltd
(as Trustee-Manager of Keppel Infrastructure Trust)
(Co Reg No. 200803959H)

1 HarbourFront Avenue Tel: (65) 6803 1818
Level 2 Keppel Bay Tower Fax: (65) 6803 1717
Singapore 098632
www.kepinfratrust.com

MEDIA RELEASE

Keppel Infrastructure Trust Unaudited Results for the Second Quarter and Half Year ended 30 June 2020

22 July 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 second quarter and half year ended 30 June 2020.

For more information, please contact:

Media

Ms Ariel Tee
Senior Executive, Group Corporate Communications
Tel: (65) 6413 6424
Email: ariel.tee@kepcorp.com

Investor Relations

Mr Bryan Sim
Deputy Manager, Investor Relations
Tel: (65) 6803 1851
Email: bryan.sim@kepcapital.com

**Healthy operational performance drives strong YoY growth of 20.3%
for KIT's 1H 2020 distributable cash flow**

Results Highlights

- Distributable cash flow (DCF) for the second quarter of 2020 (2Q 2020) was \$62.2 million¹, bringing DCF for the first half of 2020 (1H 2020) to 113.3 million¹, a 35.8% and 20.3% year-on-year (YoY) increase over the corresponding periods in 2019 respectively.
- The resilient performance was supported by healthy operational performance across Keppel Infrastructure Trust's (KIT) portfolio of businesses and assets that saw minimal impact from COVID-19.
- Declared distribution per Unit (DPU) of 0.93 cents for 2Q 2020, bringing total DPU for 1H 2020 to 1.86 cents, which translated to an annualised distribution yield of 6.9% as at 30 June 2020².
- KIT and Keppel Energy Pte. Ltd. (KE) secured a seven-year \$700 million sustainability-linked loan for Keppel Merlimau Cogen Plant. The loan is one of the largest sustainability-linked loans in Singapore and the first in the energy sector to-date.

Resilient Performance

KIT delivered DCF of \$62.2 million¹ in 2Q 2020, bringing 1H 2020 DCF to \$113.3 million¹, a 35.8% and 20.3% YoY increase compared to the corresponding periods in 2019 respectively. KIT's businesses and assets are classified as essential services, and continue to operate through the pandemic.

A segmental breakdown of KIT's DCF is tabled below and excludes cash flows from Basslink¹.

Segmental Performance	Distributable Cash Flow					
	2Q 2020 \$ '000	2Q 2019 \$ '000	Change (%)	1H 2020 \$ '000	1H 2019 \$ '000	Change (%)
Distribution & Network ¹	40,230	21,889	83.8	68,437	44,950	52.3
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
Others ³	(6,541)	(5,487)	(19.2)	(12,945)	(9,694)	(33.5)
Total	62,175	45,769	35.8	113,318	94,199	20.3

The Trustee-Manager has declared DPU of 0.93 cents for 2Q 2020, bringing total DPU for 1H 2020 to 1.86 cents. This translates to an annualised distribution yield of 6.9%².

On 24 June 2020, KIT and Keppel Energy Pte. Ltd. (KE) secured a seven-year \$700 million sustainability-linked loan for its jointly-owned Keppel Merlimau Cogen Plant. The loan is one of the largest sustainability-linked loans in Singapore and the first in the energy sector to-date. The loan is linked to carbon emission targets for the Keppel Merlimau Cogen Plant, including benchmarking of the plant's carbon emissions intensity against national indices, as well as demonstrating continuous improvement in the plant's carbon emissions intensity. If these pre-set targets are met, the interest rate on the facility will be subsequently reduced on a tiered basis.

The transaction is a testament to KIT's commitment towards sustainability across its operations, financing and overall strategy of the Trust. Following the transaction, the aggregate weighted average term to maturity for KIT's loans to 3.2 years, from 1.7 years as at 31 March 2020.

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 30 June 2020

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

Meanwhile, KIT's gearing level as at 30 June 2020 was 33.6%, providing the Trust with a comfortable debt headroom to pursue growth opportunities. At the same time, to mitigate against fluctuating interest rates, close to 81% of KIT's total loans have been hedged as at end-June 2020. This excludes the sustainability-linked loan for Keppel Merlimau Cogen plant, which is in the process of being fully hedged.

Operational Performance

Ixom continued to deliver healthy and sustained performance in 2Q 2020 amid the COVID-19 pandemic, supported by its well-diversified business and large customer base. During the quarter, Ixom saw stronger performance from its life science segment due to increased demand for cleaning and hygiene products, which offset weaker demand from the pulp & paper and metals & mining segments. The dairy segment also saw a pick-up in volumes due to the improving drought conditions in New Zealand.

The chemicals that Ixom manufacture and distribute are key components in the production value-chain of its customers and Ixom will continue to ensure that these supplies are readily available for key industries and essential services that support the economies and communities in Australia and New Zealand.

In 2Q 2020, City Gas continued to experience reduced town gas supply to its Commercial & Industrial (C&I) customers due mainly to the circuit breaker in Singapore between 7 April and 1 June 2020. The reduced volume was partially offset by higher usage from residential customers. As Singapore gradually reopens its economy, town gas supply to the C&I customers has started to recover. City Gas recorded higher DCF during the quarter mainly as a result of a timing difference inherent in the fuel price pass through gas tariff mechanism. The gas tariff adjustments mechanism is designed to ensure that City Gas has no exposure to fuel price risk over time. In the short run, City Gas's financial performance can result in over- and under-recovery of the fuel component due to a timing lag in the adjustment to the gas tariffs in response to changes in underlying fuel cost.

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, which is expected to conclude by the end of 2020. Meanwhile, KIT and Basslink continue to work with HT and the State in relation to the operation at the Basslink interconnector.

In the Energy segment, KMC contractual availability during the quarter was 97.9%. In the Waste & Water segment, operations at the Senoko Waste-to-Energy (WTE), Keppel Seghers Tuas WTE, Keppel Seghers Ulu Pandan NEWater and SingSpring Desalination plants remained stable, and met all their contractual performance requirements in 2Q 2020.

Looking Ahead

The COVID-19 pandemic continues to create headwinds and uncertainties for the global economy. The Trustee-Manager will continue to monitor the situation closely as countries start to slowly regain their footing.

KIT's well-diversified and highly-defensive portfolio of businesses and assets, providing essential products and services, is well-positioned to weather this unprecedented period of uncertainty and continue to deliver long-term sustainable distributions and returns to Unitholders. At the same time, supported by its healthy balance sheet and available debt headroom, the Trustee-Manager continues to review a pipeline of potential acquisition opportunities that will further strengthen KIT's long term income stream.

Adoption of Half-Yearly Reporting of Financial Results and Distributions

As announced in March 2020, with effect from the second half of 2020, KIT will adopt half-yearly announcement of financial statements as well as half-yearly distributions. In lieu of announcing the quarterly financial statements, the Manager will seek to provide interim business updates to engage investors and other stakeholders on the performance of KIT.

- End -

About Keppel Infrastructure Trust (www.kepinfratrust.com)

Keppel Infrastructure Trust (KIT) is a diversified business trust listed on the Singapore Exchange with approximately \$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, distribution of critical and essential chemicals, as well as telecoms and electricity transmission. 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 comprise 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.

IMPORTANT NOTICE

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, the Trustee-Manager or any of its affiliates. 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 the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units. The past performance of KIT is not necessarily indicative of the future performance of KIT. This announcement may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of 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 other developments or companies, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Trustee-Manager's current view on future events.