



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

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## **MEDIA RELEASE**

### **Keppel Infrastructure Trust Unaudited Results for the Nine Months ended 30 September 2023**

**2 November 2023**

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 nine months ended 30 September 2023.

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**KIT announced special distribution of 2.33 cents per Unit on successful value creation;  
Total 9M 2023 DPU increased by 82.5% year-on-year to 5.23 cents**

**Results Highlights**

- KIT recorded a significant 93.2% increase in Distributable Income for 9M 2023, supported by new acquisitions and successful value creation strategy
- Crystallised part of the value created, generating capital optimisation of \$273m driven by higher EBITDA from Ixom and City Energy
- KIT announced special distribution of 2.33 cents per Unit to Unitholders, bringing total 9M 2023 DPU to 5.23 cents per Unit, up 82.5% from 2.865 cents<sup>1</sup> for 9M 2022
- Continue to replicate value creation strategy to support DPU growth: Dedicated portfolio management and optimisation team to focus on improving asset performance
- KIT in a position of strength and resilience:
  - Well-capitalised for growth: 36.8% net gearing level provides \$825m in debt headroom<sup>2</sup>
  - Well-insulated from inflation: More than 90% of portfolio with either cost pass through mechanisms, CPI-linked escalations, or businesses with leading position and price-setting capabilities

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**Financial Performance**

Keppel Infrastructure Trust (KIT) delivered another strong set of performance, reporting Distributable Income of \$266.1 million for 9M 2023, a significant 93.2% year-on-year (y-o-y) increase.

Special distribution supported by successful value creation strategy

The Trust delivered \$273m in capital optimisation from Ixom and City Energy, driven by higher EBITDA and business growth achieved over time, of which \$142 million (52%) were utilised to partially fund FY 2022 acquisitions, and the remaining \$131 million (48%) to be paid out as special distribution to Unitholders.

KIT announced a special distribution of 2.33 cents per Unit to Unitholders, bringing the total 9M 2023 DPU to 5.23 cents per Unit, up 82.5% compared to 2.865 cents for 9M 2022. Without the special distributions, KIT's DPU would increase by 1.2% to 0.97 cents, totalling 2.90 cents for 9M 2023.

KIT will continue to replicate its value creation strategy to support DPU growth and has a dedicated portfolio management and optimisation team that will focus on improving asset performance, business optimisation and realising greater synergies.

Segmental Performance

The KIT portfolio delivered a 14.7% y-o-y growth in Asset Distributable Income from its ongoing business operations to \$210.3 million for 9M 2023. This is supported by higher contributions from City Energy and the new acquisitions completed in FY 2022, which contributed \$67 million or 31.9% of Asset Distributable Income for 9M 2023. A segmental breakdown of KIT's financial performance is tabled below:

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<sup>1</sup> 9M 2022 DPU of 2.865 cents per Unit derived by prorating FY 2022's total DPU of 3.82 cents per Unit.

<sup>2</sup> Up to 45% (internal cap) gearing level; Unlike REITs, there are no restrictions on gearing for Business Trusts.

Segmental Performance	Distributable Income		
	9M 2023 \$ '000	9M 2022 \$ '000	Change (%)
Energy Transition	106,998	65,245	64.0
Environmental Services	57,661	55,955	3.0
Distribution & Storage	45,614	62,130	(26.6)
<b>Asset Subtotal</b>	<b>210,273</b>	<b>183,330</b>	<b>14.7</b>
Corporate <sup>3</sup>	(75,367)	(45,648)	65.1
Capital Optimisation <sup>4</sup>	131,164	-	N/M
<b>Distributable Income</b>	<b>266,070</b>	<b>137,682</b>	<b>93.2</b>

### Operational Performance

In 9M 2023, KIT continued to deliver high availability and strong operational performance across its businesses and assets. The Trust is largely insulated from higher energy prices and inflation with the cost passed through mechanism and availability-based model.

#### Energy Transition

In October 2023, City Energy completed the acquisition of Tan Soon Huah's (TSH) Liquefied Petroleum Gas (LPG) business. As the second largest LPG cylinder distributor in Singapore, the acquisition of TSH will allow City Energy to expand its consumer network.

To accelerate the adoption of clean hydrogen as a viable energy source, City Energy and Gentari signed a joint feasibility study agreement to construct a pipeline from Malaysia to Singapore for the import of hydrogen into the Republic. Hydrogen is the largest component in town gas produced at City Energy's Senoko Gasworks plant, making City Energy one of the largest last-mile distributors of hydrogen in Singapore. Any pipeline to be established by both parties will supply hydrogen into the Senoko Gasworks plant, providing sustainable energy to households and businesses in support of Singapore's efforts to reduce emissions and address climate change. City Energy has also launched its solar solutions to promote greener living and expand its products offerings. In terms of operations, City Energy achieved 100% plant availability in 9M 2023 and continues to maintain a sizeable customer base of more than 897,000, supported by the continued recovery of the Commercial and Industrial sector.

In 9M 2023, the wind farms in Europe continued to deliver stable distributions. In Norway and Sweden, maintenance works were done in 3Q 2023 at the Lista and Högaliden wind farms in anticipation of the high wind season in winter. Wind availability at Borkum Riffgrund 2, the German offshore wind farm, remained strong. BKR2 was granted additional grid capacity of 26 MW, increasing to 491 MW, and is evaluating equipment upgrade plans to optimise its power capacity. The proposed investment in Fäbodliden II, an onshore wind farm in Sweden, is on track for completion in 4Q 2023, and was funded by internally generated cash.

KIT's investment in the Aramco Gas Pipelines Company delivered stable distributions, supported by continued gas demand which is driven by the Kingdom of Saudi Arabia's economic and population growth. In Singapore, the Keppel Merlimau Cogen plant achieved 100% contractual availability.

<sup>3</sup> Comprises Trust expenses and distribution paid/payable to perpetual securities holders, management fees and financing costs. The higher costs were due to higher management fees from the capital optimisation of \$131.2m in the Group's 9M 2023 Distributable Income, the issuance of the Series 4 Medium Term Notes on 5 May 2022 and draw down of equity bridge loans to fund the acquisitions of EMK and BKR2 in 2H 2022.

<sup>4</sup> From Ixom; out of the \$273m capital optimisation proceeds.

### Environmental Services

In the Environmental Services segment, operations at the Senoko Waste-to-Energy (WTE) Plant, Keppel Seghers Tuas WTE Plant, Keppel Seghers Ulu Pandan NEWater Plant and SingSpring Desalination Plant remained stable and fulfilled their contractual obligations in 9M 2023.

Eco Management Korea (EMK) maintained full utilisation of its incineration business and secured new contracts for its landfill business. As part of its growth plans following the completion of the EMK acquisition in October 2022, the Trustee-Manager continues to seek growth opportunities through accretive bolt-on acquisitions and ways to optimise the EMK business for scale and greater efficiency.

### Distribution & Storage

Ixom saw strong demand from its manufactured chemicals business due to higher coagulant and chlorine volumes in Australia. Ixom also saw higher volume from its New Zealand business with good weather conditions contributing to a strong dairy season.

Philippine Coastal Storage and Pipeline Corporation (Philippine Coastal) saw higher fuel storage utilisation rate of 93.4% as at end-September 2023, a significant increase from the 66% utilisation rate when KIT acquired the business in January 2021. Philippine Coastal's construction of new tanks as part of its capacity expansion plans is underway.

### **Capital Management**

As at end-September 2023, KIT has repaid and completed refinancing of all its loans due in 2023. The Trustee-Manager received strong interest in the Ixom refinancing exercise, securing an upsize in facilities to A\$1 billion at competitive rates to support KIT and Ixom's growth. City Energy has also secured a \$400m sustainability-linked loan. The capital optimisation of \$273m at Ixom and City Energy are supported by higher valuations on strong asset performance and growth achieved over time, demonstrating the Trustee-Manager's successful value creation strategy to deliver higher returns to Unitholders.

The Trust's net gearing stood at a healthy 36.8% level as at 30 September 2023, which provides approximately \$825 million in debt headroom to support KIT's growth ambitions, up to a 45% net gearing level. The Trustee-Manager continues to monitor risk exposures and safeguards against evolving market conditions. To mitigate against rising interest rates, approximately 78.8% of KIT's total loans are fixed and hedged as at 30 September 2023.

### **Commitment to ESG Excellence**

Anchored by a portfolio of critical infrastructure businesses and assets, the Trust sees sustainability management as imperative to its continued success and ability to create value.

In aligning its ESG ambitions with growth plans, the Trustee-Manager established the KIT Responsible Investment Policy, which is in line with the United Nations-supported Principles for Responsible Investment, of which Keppel Capital, the shareholder of the Trustee-Manager, is a signatory.

The Trustee-Manager will continue to actively manage the Trust's portfolio and create value to achieve sustainable growth for Unitholders.

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## About Keppel Infrastructure Trust ([www.keppinfratrust.com](http://www.keppinfratrust.com))

Keppel Infrastructure Trust (KIT) is a diversified business trust listed on the Singapore Exchange with approximately \$7.3 billion in assets under management for FY 2022. Its goal is to deliver sustainable and growing returns to Unitholders, through a combination of recurring distributions and capital growth.

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.

The Trustee-Manager of KIT is Keppel Infrastructure Fund Management. KIT is sponsored by Keppel, a global asset manager and operator with strong expertise in sustainability-related solutions spanning the areas of infrastructure, real estate and connectivity.

### **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.*