

3Q 2020 Operational Updates

21 October 2020

Operational Performance



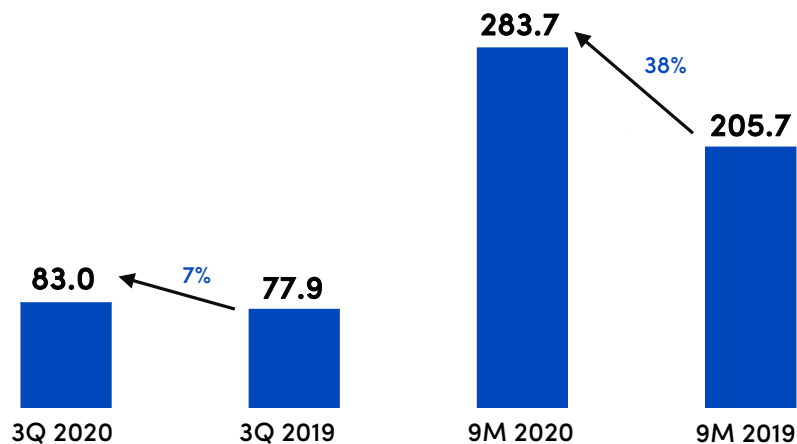
Resilient year-to-date performance

Resilient Group EBITDA performance supported by strong operational execution, productivity improvements and prudent cost management, in particular for Ixom and City Gas

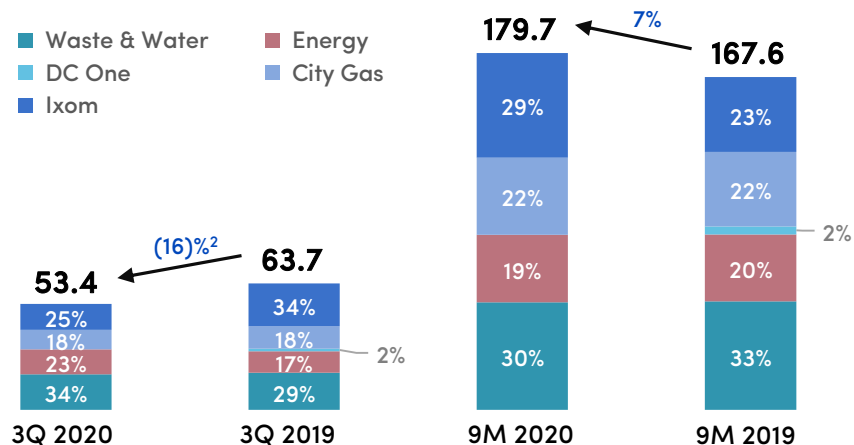
All businesses and assets are classified as essential services

No operational disruptions year-to-date; and the health & safety of staff remains top priority. Highly resilient and robust operations, positioning KIT well for long term growth

Group EBITDA (\$m)



Operational Cash Flows (\$m)¹



1. Excludes Trust expenses and distribution paid/payable to perpetual securities holders, management fees and financing costs. Refer to slide 9 for the full breakdown of KIT Group's distributable cash flows

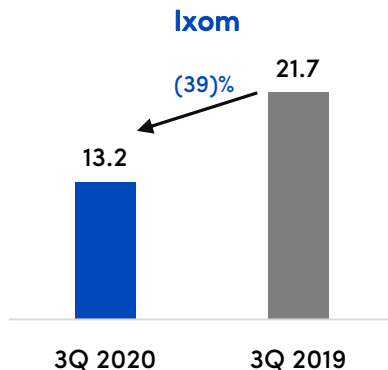
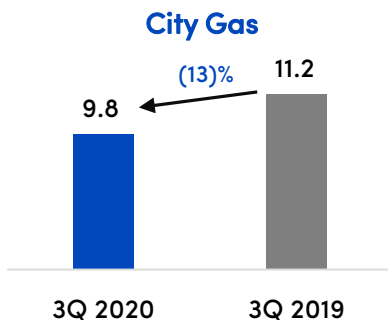
2. Lower 3Q 2020 operational cash flows were mainly due to budgeted capital expenditure that was deferred from 1H 2020 due to COVID-19

Note: 3Q 2020 and 9M 2020 EBITDA and Operational Cash Flows are unaudited

3Q 2020 Business Updates - Distribution & Network



Operational Cash Flows (\$m)



City Gas

- Customer base grew 0.9% YoY to 864,000 as at end-Sep 2020
- Continued improvement in town gas demand from Commercial & Industrial customers after Singapore entered Phase 2 of re-opening
- Lower DCF for 3Q 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

- Demand from the life science and dairy segment remains healthy and business sentiment has progressively improved in Australia and New Zealand, supporting strong operational performance
- Robust year-to-date performance was driven by strong operational execution, working capital optimisation, as well as cost and productivity improvements
- Lower operational cash flows for 3Q 2020 was mainly due to budgeted capital expenditure that was deferred from 1H 2020 due to COVID-19 lockdowns

Basslink¹

- The Commercial Risk Sharing Mechanism was +2.5% for 9M 2020
- Arbitration is expected to conclude by end-2020

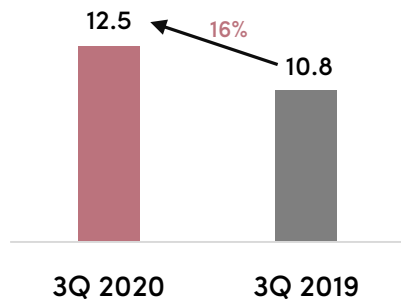
1. KIT is not dependent on Basslink cash flows for distributions

3Q 2020 Business Updates - Energy and Waste & Water



Operational Cash Flows (\$m)

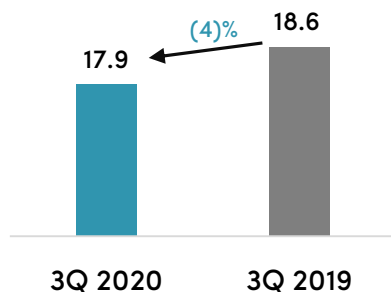
Energy



Keppel Merlimau Cogen Plant

- Achieved 100% contracted availability
- Cash flows were lower in 3Q 2019 due to unplanned maintenance expense
- 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 and Tuas WTE Plants, Ulu Pandan NEWater Plant and SingSpring Desalination Plant

- Fulfilled all contractual obligations and operations remained stable

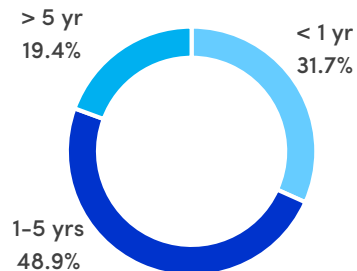
Balance Sheet and Capital Management



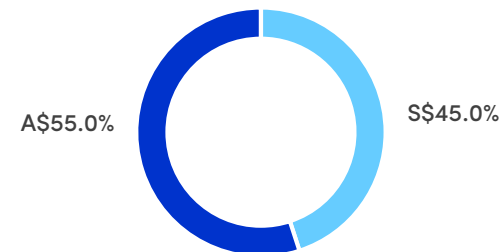
| Balance Sheet | As at 30 Sep 2020 (\$m) |
|--------------------------------|----------------------------|
| Cash | 532 |
| Borrowings | 2,239 |
| Net debt | 1,707 |
| Total assets | 5,070 |
| Total liabilities | 3,486 |
| Annualised EBITDA ¹ | 379 |
| Net gearing | 33.7% |
| Net debt / EBITDA | 4.5x |

- Hedged ~81% of total loans²
- Stable interest rate of 4-5%
- Weighted average term to maturity was 2.9 years³
- Perpetual securities of S\$300m issued classified as equity

Debt Repayment Profile



Debt Breakdown by Currency



| Loan Profile | Amount (\$m) | Maturity/Call Date | Repayment |
|--------------|--------------|--------------------|-------------|
| Basslink | A\$650.2 | Nov 2020 | Amortising* |
| KIT | S\$100.0 | Feb 2022 | Bullet* |
| City Gas | S\$178.0 | Feb 2024 | Bullet* |
| Ixom | A\$587.4 | Feb 2024 | Bullet* |
| SingSpring | S\$34.8 | Dec 2024 | Amortising |
| KMC | S\$700.0 | Jun 2027 | Amortising* |

1. Annualised based on 9M 2020 EBITDA performance

2. Excludes the sustainability-linked loan for KMC, which is in the process of being fully hedged

3. Excluding the Basslink loan, weighted average term to maturity would be 4.0 years

* To be refinanced upon maturity

Three-pronged Growth Strategy



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

Connect with us on: 

Constituent of:

MSCI 

MSCI Singapore
Small Cap Index

**FTSE
Russell**

FTSE ST Large
& Mid-Cap Index

City Gas

KIT | KEPPEL
INFRASTRUCTURE
TRUST

The image shows a complex industrial facility, likely a desalination plant. It features a dense network of silver-colored metal pipes and large, circular membrane modules. Some pipes are painted green. The background shows a large, open industrial space with a high ceiling and structural beams. A large, semi-transparent blue arrow points from the left towards the center of the image, overlaid with the text 'Additional Information'.

Additional Information

SingSpring Desalination Plant

KIT

KEPPEL
INFRASTRUCTURE
TRUST

Resilient Distributable Cash Flows



| | 3Q 2020 S\$'000 | 3Q 2019 S\$'000 | + / (-) % | 9M 2020 S\$'000 | 9M 2019 S\$'000 | + / (-) % |
|-----------------------------------|--------------------|--------------------|--------------|--------------------|--------------------|--------------|
| Distribution & Network | 22,982 | 34,244 | (32.9) | 91,419 | 79,194 | 15.4 |
| City Gas | 9,826 | 11,234 | (12.5) | 38,837 | 37,496 | 3.6 |
| Ixom | 13,156 | 21,683 | (39.3) | 52,582 | 37,717 | 39.4 |
| DC One ¹ | - | 1,327 | (100.0) | - | 3,981 | (100.0) |
| Energy | 12,502 | 10,802 | 15.7 | 34,109 | 33,752 | 1.1 |
| Waste & Water | 17,903 | 18,619 | (3.8) | 54,122 | 54,610 | (0.9) |
| Others² | (8,189) | (8,013) | (2.2) | (21,134) | (17,705) | (19.4) |
| Distributable Cash Flows | 45,198 | 55,652 | (18.8) | 158,516 | 149,851 | 5.8 |

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



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



Portfolio Overview



| | | | Description | Customer and contract terms | Primary source of cash flows |
|------------------------|--|---|--|---|---|
| Distribution & Network | City Gas Singapore |  | 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 |
| | Ixom Australia |  | 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. |
| | Basslink Australia |  | 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 | Keppel Merlimau Cogen Singapore |  | 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 | Senoko WTE Plant Singapore |  | 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 |
| | Tuas WTE Plant Singapore |  | 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 |
| | Ulu Pandan NEWater Plant Singapore |  | One of Singapore's largest NEWater plants, capable of producing 148,000m ³ /day ⁽¹⁾ | PUB, Singapore government agency - concession until 2027 | Fixed payments for the provision of NEWater production capacity |
| | SingSpring Desalination Plant Singapore |  | Singapore's first large-scale seawater desalination plant, capable of producing 136,380m ³ /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 162,800m³/day, of which 14,800m³/day is undertaken by Keppel Seghers Engineering Singapore

Important Notice



The information contained in this presentation is for information purposes only and does not constitute or form part of, and should not be construed as, any offer or invitation to sell or issue or any solicitation of any offer or invitation to purchase or subscribe for any units ("Units") in Keppel Infrastructure Trust ("KIT") or rights to purchase Units in Singapore, the United States or any other jurisdiction. This presentation is strictly confidential to the recipient, may not be reproduced, retransmitted or further distributed to the press or any other person, may not be reproduced in any form and may not be published, in whole or in part, for any purpose to any other person with the prior written consent of the Trustee-Manager (as defined hereinafter). This presentation should not, nor should anything contained in it, form the basis of, or be relied upon in any connection with any offer, contract, commitment or investment decision whatsoever and it does not constitute a recommendation regarding the Units.

The past performance of KIT is not necessarily indicative of its future performance. Certain statements made in this presentation may not be based on historical information or facts and may be "forward-looking" statements due to 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 similar businesses and governmental and public policy changes, and the continued availability of financing in the amounts and terms necessary to support future business. Such forward-looking statements speak only as of the date on which they are made and KIT does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking statements.

Prospective investors and unitholders of KIT ("Unitholders") are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of Keppel Infrastructure Fund Management Pte. Ltd. (as trustee-manager of KIT) ("Trustee-Manager") on future events. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information, or opinions contained in this presentation. The information is subject to change without notice, its accuracy is not guaranteed, has not been independently verified and may not contain all material information concerning KIT. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. 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, KIT, the Trustee-Manager or any of its affiliates and/or subsidiaries. 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 Singapore Exchange Securities Trading Limited ("SGX-ST"). Listing of the Units on SGX-ST does not guarantee a liquid market for the Units.

The information contained in this presentation is not for release, publication or distribution outside of Singapore (including to persons in the United States) and should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of applicable securities laws or regulations.

This presentation is not for distribution, directly or indirectly, in or into the United States. No Units are being, or will be, registered under the U.S. Securities Act of 1933, as amended ("Securities Act"), or the securities laws of any state of the U.S. or other jurisdiction and no such securities may be offered or sold in the U.S. except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state or local securities laws. No public offering of securities is being or will be made in the U.S. or any other jurisdiction.