

## **MEDIA RELEASE**

### **Keppel Infrastructure Trust's Unaudited Results for the Second Half and Full Year ended 31 December 2023**

**31 January 2024**

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 half and full year ended 31 December 2023.

#### **For more information, please contact:**

##### **Media**

Mr Ang Lai Lee  
Director  
Corporate Communications  
Tel: (65) 6413 6427  
Email: lailee.ang@keppel.com

##### **Investor Relations**

Ms Emmulin Wee  
Senior Manager  
Investor Relations and Sustainability  
Tel: (65) 6803 1857  
Email: emmulin.wee@keppel.com

**Record Distributable Income of \$316.8 million for FY 2023**  
supported by strong portfolio performance driven by growth and value creation

### Results Highlights

- Delivered record EBITDA of \$447.6 million (up 11.3% y-o-y) and Distributable Income of \$316.8 million (up 42.4% y-o-y) for FY 2023, supported by strong portfolio performance driven by growth and value creation
- DPU boost with special distribution of 2.33 cents in November 2023, bringing FY 2023 DPU to 6.19 cents, up 62% y-o-y
- Acquisition of a German Solar Portfolio, marking KIT's expansion to the solar energy sector, growing its renewable exposure beyond wind farm assets
- Continued portfolio growth: AUM of \$8.1 billion<sup>1</sup> as at 2 January 2024 supported by new acquisitions and higher valuation of existing portfolio

### Financial Performance

Keppel Infrastructure Trust (KIT) delivered another set of record performance for the year. Distributable Income increased 42.4% year-on-year (y-o-y) to \$316.8 million for FY 2023, supported by strong portfolio performance as well as the crystallisation of \$131.2 million in capital optimisation at Ixom, which was distributed to Unitholders as special distributions in November 2023.

Including the special distribution of 2.33 cents per Unit, total DPU for FY 2023 saw a significant 62% increase to 6.19 cents, up from FY 2022's 3.82 cents. Excluding the special distribution, KIT's DPU would see a steady increase of 1% to 3.86 cents for the year.

### Segmental Performance

In FY 2023, KIT achieved record EBITDA for City Energy, Ixom and Philippine Coastal.

The KIT portfolio delivered a 9% y-o-y growth in Asset Distributable Income to \$304.5 million for FY 2023, supported by strong contributions from the Energy Transition and Environmental Services segments. A segmental breakdown of KIT's financial performance is tabled below:

Segmental Performance	Distributable Income					
	2H 2023 \$ '000	2H 2022 \$ '000	Change (%)	FY 2023 \$ '000	FY 2022 \$ '000	Change (%)
Energy Transition	50,034	78,916	(36.6)	147,706	115,667	27.7
Environmental Services	44,861	32,827	36.7	83,728	70,291	19.1
Distribution & Storage	31,521	58,980	(46.6)	73,092	102,610	(28.8)
<b>Asset Subtotal</b>	<b>126,416</b>	<b>170,723</b>	<b>(26.0)</b>	<b>304,526</b>	<b>288,568</b>	<b>5.5</b>
Corporate <sup>2</sup>	(73,713)	(35,798)	>100.0	(118,932)	(66,075)	80.0
Ixom Capital Optimisation <sup>3</sup>	131,164	-	NM	131,164	-	NM
<b>Distributable Income</b>	<b>183,867</b>	<b>134,925</b>	<b>36.3</b>	<b>316,758</b>	<b>222,493</b>	<b>42.4</b>

### Portfolio Performance

In FY 2023, the Trustee-Manager remained focused on growth and value creation. The Trust's assets under management (AUM) grew by 11%, from \$7.3 billion for FY 2022 to \$8.1 billion as at 2 January 2024, following

<sup>1</sup> Based on independent valuation conducted by Ernst & Young (except the German Solar Portfolio). Represents KIT's equity stake in the enterprise value of its investments plus cash held at the Trust. Excluding first phase of German Solar Portfolio acquisition, AUM would be \$7.4b as at 31 December 2023.

<sup>2</sup> Comprises Trust expenses and distributions 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 2H 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>3</sup> Including capital optimisation at City Energy, total value creation proceeds will be \$273m.

the first phase completion of the German Solar Portfolio. Excluding this acquisition, KIT's existing portfolio saw a 1% increase in AUM to \$7.4 billion as at 31 December 2023, supported by higher valuation from its existing portfolio, a key testament of the Trustee-Manager's value creation efforts.

The KIT portfolio continues to deliver strong operational performance across its businesses and assets, and is largely insulated from higher energy prices and inflation due to cost pass through mechanisms and availability-based models.

#### Energy Transition

KIT announced the acquisition of a 45% interest in a residential solar portfolio in Germany, the Trust's first acquisition in the solar energy sector. Comprising over 60,000 bundled solar photovoltaic (PV) systems with a combined generation capacity of approximately 585 MW, the solar assets are leased to households under 20-year agreements, providing highly predictable cash flows to the Trust. KIT has completed the acquisition of 53,500 installed solar panel systems following its first closing in January 2024, with the remaining 6,500 systems to be acquired by end-June 2024 in phases. KIT also completed the acquisition of Fäbodliden II, a 17 MW Swedish onshore wind farm, in December 2023.

In Singapore, City Energy completed the acquisition of Tan Soon Huah's (TSH) Liquefied Petroleum Gas (LPG) business in October 2023. As the second largest LPG cylinder distributor in Singapore, the acquisition of TSH will allow City Energy to grow into a new market. In terms of operations, City Energy achieved 100% plant availability in FY 2023 and continues to maintain a sizeable customer base of more than 900,000, supported by the continued recovery in demand from the Commercial and Industrial sector.

The Keppel Merlimau Cogen (KMC) plant, which resumed operations in December 2023, saw lower availability of 95.8% due to an unplanned outage in 4Q 2023. The plant resumed operations in December 2023.

#### Environmental Services

Operations at the Senoko WTE Plant, Keppel Seghers Tuas WTE Plant, Keppel Seghers Ulu Pandan NEWater Plant and SingSpring Desalination Plant remained stable and the plants fulfilled their contractual obligations in FY 2023. The Trustee-Manager has secured an extension for the concession of the Senoko Waste-to-Energy (WTE) Plant with Singapore's National Environment Agency (NEA) for three years with an option to further extend by another year.

Eco Management Korea (EMK) maintained full utilisation of its incineration capacity 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 volume from its manufactured chemicals business due to higher coagulant and chlorine volumes in Australia. Ixom also saw higher volume in its industrial and dairy segments in the New Zealand business with good weather conditions contributing to a strong dairy season.

Philippine Coastal Storage and Pipeline Corporation (Philippine Coastal) saw record tank utilisation rate of almost 100% as at end-December 2023, underpinned by increased demand and robust outlook. This is a significant increase from the 66% utilisation rate when KIT acquired the business in 2021. Earlier this week, Philippine Coastal secured a contract renewal with a major customer at an attractive price for four years with an option to extend for another five years. Philippine Coastal's construction of new tanks to support greater storage demand is on track for completion by 2H 2024.

## Capital Management

As at end-December 2023, the Trust's net gearing stood at 39.9%, which provides approximately \$549 million in debt headroom to support KIT's growth ambitions, up to a 45% net gearing level<sup>4</sup>.

The Trustee-Manager continues to monitor risk exposures and safeguard against evolving market conditions. To mitigate against rising interest rates, approximately 83% of KIT's total loans are fixed and hedged as at 31 December 2023.

## Commitment to Sustainability

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

KIT saw a reduction in its carbon emission intensity by 36% YoY to approximately 6,900 tCO<sub>2</sub>e/\$m, supported by its record financial performance. The addition of the German Solar Portfolio would also increase KIT's exposure to renewables from 10% of AUM as at 31 December 2022 to 19% of AUM as at 2 January 2024, a significant step towards the Trust's 25% AUM target by 2030.

KIT and its businesses continue to champion innovative green energy solutions. 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. Any pipeline to be established by both parties will potentially 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.

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

Keppel Infrastructure Trust (KIT) is a diversified Business Trust listed on the Singapore Exchange with approximately \$8.1 billion in assets under management as at 2 January 2024. 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.

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<sup>4</sup> Based on internal cap. Unlike REITs, there are no restrictions on gearing for Business Trusts.

**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.*