

Urban Strategy

August 6, 2024



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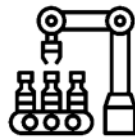
Lee Ark Boon

CEO, Urban

Sembcorp Urban at a Glance



Operating across 3 countries -
Vietnam, Indonesia & China



>1,000 industrial companies
located in our industrial parks



Created more than
>370,000 jobs



Attracted **>US\$50 billion**
in investments

Primary Income Streams



Land sales

- 21 large-scale developments
- Land area of ~14,000ha comprising industrial, commercial and residential land



Leasing of industrial properties

- ~130,000 sqm are majority-owned under Sembcorp Infra Services (SIS) in Vietnam
- >850,000 sqm owned under joint ventures

Present in Large & Growing Markets



Vietnam

- Key beneficiary of supply chain diversification
- Manufacturing sector to contribute 30% to GDP by 2030, from 24% in 2023
- Vietnam 2021 – 2030 Master Plan: Achieve average annual GDP growth of 7%
- Pledge to achieve net zero carbon emissions by 2050

Indonesia

- Largest economy in Southeast Asia
- World's fourth most populous nation and 10th largest economy in terms of purchasing power parity
- Target for manufacturing to contribute 30% of GDP by 2045, from 19% in 2023

China

- Large and diverse market with strong manufacturing ecosystem
- Developed infrastructure and supply chain
- Established policies to further drive state-led investment in technology and manufacturing

Sources: World Economic Forum, World Bank, Economist Intelligence (EIU) Viewpoint

Well-positioned as Asia's Leading Low-carbon Industrial Park Developer

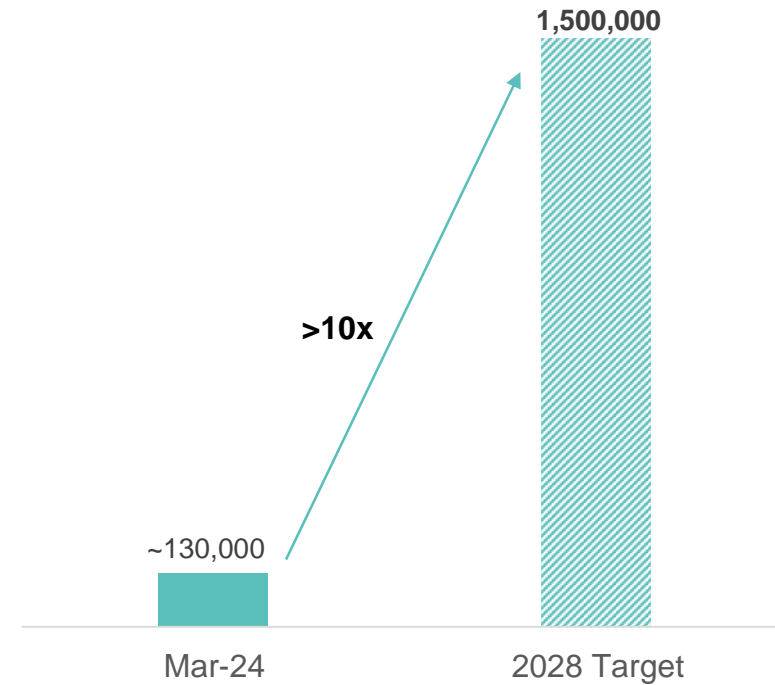
2028 Target: Land for Development
18,000 ha

2028 Target: Industrial Properties¹
Gross Floor Area: 1.5 million sqm

Land Area
hectares



Industrial Properties
GFA, sqm



GEM - Our Strategic Priorities

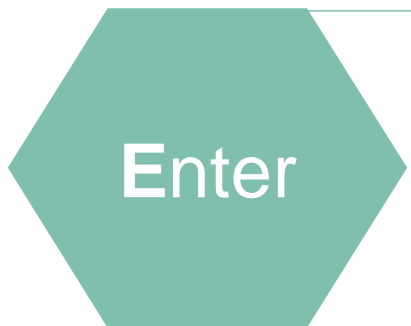


Vietnam

- Strengthen No.1¹ position & reputation
- Grow recurring income through Sembcorp majority-owned industrial properties
- Opportunistic residential development

Indonesia

- Capture growth window from manufacturing diversification
- Build on success of Kendal Industrial Park's No.1² position
- Opportunistic recurring income through industrial properties



New Markets

- Replicate success in new market, place-to-be for manufacturing
- Focus on domestic consumption supplemented by export manufacturing
- Opportunity to leverage strength of Sembcorp renewables business



China

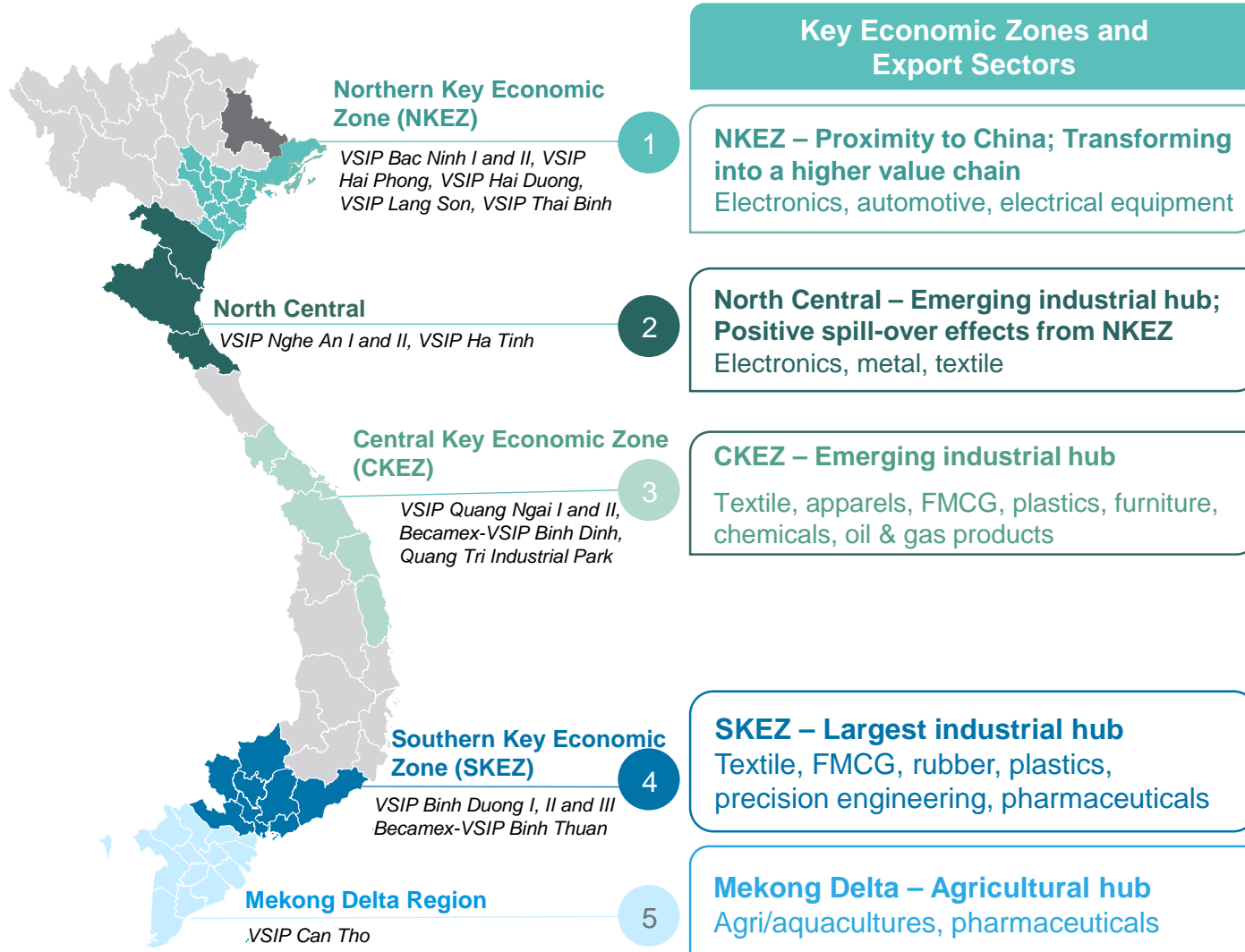
- Optimise returns through focus on China-for-China
- Manage existing portfolio for value

¹VSIP was named the Best Industrial / Warehouse Developer in Vietnam by UK's Euromoney Liquid Real Estate Awards in the following years: 2008, 2013, 2014, 2017, 2018, 2019, 2022 and 2023

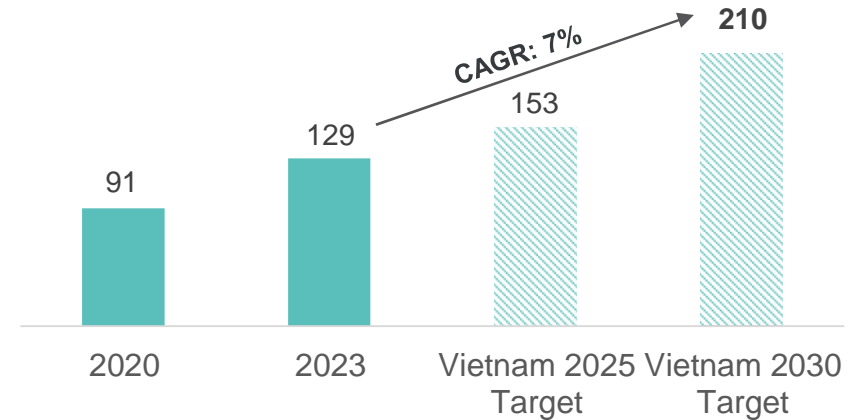
²Indonesia's National Council for Special Economic Zones under the Co-ordinating Ministry of Economic Affairs placed PT Kawasan Industri Kendal (Kendal Industrial Park) as the top performing special economic zone, out of 20 SEZs, in Indonesia for 2022-23

Vietnam – Seizing Continued Growth Momentum

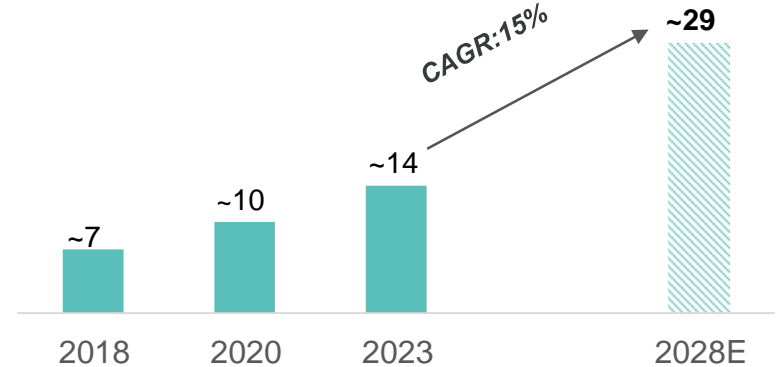
Established Presence Provides Opportunities to Capture Market Demand



Growth in Industrial Land under Vietnam National Masterplan ('000 ha)



Industrial Properties Market Supply¹
(GFA mil sqm - Cumulative)



Source: Vietnam National Masterplan to 2030, vision to 2050 as approved by National Assembly in 2021; Industry research and management forecasts

¹ Industrial Properties refer to ready-built facilities such as ready-built factories and ready-built warehouses

Indonesia – Expanding Presence

Strategic Priorities

- Leverage strong presence in Central Java to capture opportunities in key economic centres
- Emerging opportunities in high-value manufacturing industry due to local natural resources



World's Largest Nickel reserves
(21 tonnes - 22% of Global reserves)



5th Largest Bauxite reserves globally
(1.2 bn tonnes)

Established Presence

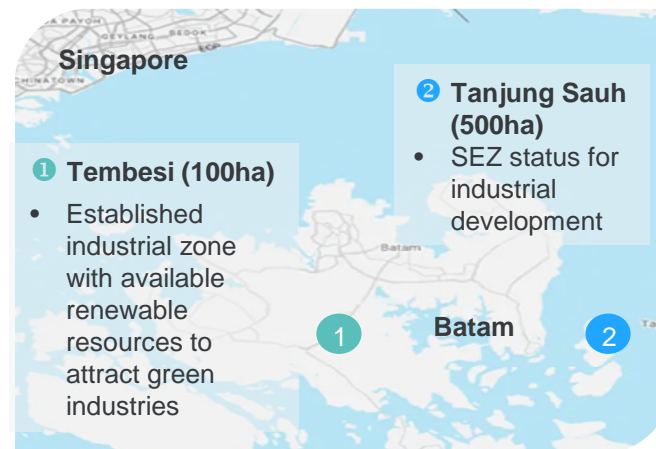
860-ha Kendal Industrial Park in Semarang, Central Java



- Over 100 tenants with US\$4.2b invested and > 44,000 jobs created
- Attracting tenants in the renewables and battery space

Pursue Growth

Collaboration with Panbil Group to develop **low-carbon industrial parks** in Batam



1 Tembesi (100ha)

- Established industrial zone with available renewable resources to attract green industries

2 Tanjung Sauh (500ha)

- SEZ status for industrial development



Singapore-Batam twinning model



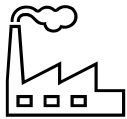
Cost-competitive labour and utilities



Relocation of Singapore-based manufacturers

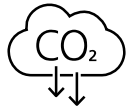
How: Harnessing Portfolio Synergies in Low-carbon Transition

Global Trends



Country-level commitments

Governments face immediate need to decarbonise its industrial sector to meet climate change targets



Company-level commitments

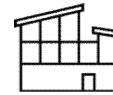
Acceleration in corporate sustainability commitments. For MNCs, decarbonisation targets are cascaded to local subsidiaries, exerting pressure on the entire supply chain



Ability to offer low-carbon solutions to customers



Land development for low-carbon industrial park



Green ready-built facilities for lease



Owner of internal energy grid in VSIP



Renewable energy:
- Rooftop solar, solar farms
- Battery Energy Storage System



Experience in Direct Power Purchase Agreement (DPPA) / Virtual PPA



Digital & decarbonisation solutions including RECs/carbon credits



How: Serving Rising Demand for Low-carbon Solutions

Press Release

THE LEGO GROUP BREAKS GROUND ON NEW USD 1 BILLION VIETNAM FACTORY

Billund, November 3, 2022: The LEGO Group today celebrated breaking ground at its new US \$1 billion factory in the Binh Duong Province in Vietnam, bordering Ho Chi Minh City to the South. This is the largest investment by any Danish company in Vietnam and part of the company's strategy to expand its supply chain network to support long-term growth and locate production facilities close to its major markets.

- Company's sixth factory globally and second in Asia will support growth in the region.
- Facility is designed to be the company's **most sustainable to date**.

*Niels B. Christiansen, CEO of the LEGO Group said: "Today marks a significant milestone for us as we celebrate breaking ground at what will be our sixth factory globally and **first carbon-neutral run facility**."*

*We are grateful for all the support we have received to realise our manufacturing ambitions and look forward to working with authorities and partners to build our factory and have a **positive impact on the local economy and community**."*

The facility will run on **100% renewable energy** and will be constructed in accordance with LEED Gold standards, a leading green building certification. This will contribute to Pandora's **sustainability goals of halving carbon emissions across its full supply chain by 2030 and achieving net zero by 2040**.

*"The new factory will be a great success story of Denmark's global export and embodiment of our **partnership with Vietnam in the green transition and fight against climate change**. By engaging in cutting-edge technology and sustainable production practices, as what Pandora is going to invest in this crafting facility, we are happy to contribute to **Vietnam's sustainable economic growth and development of the local skilled workforce**," said H.E. Mr. Jacob Jensen, Danish Minister for Food, Agriculture and Fisheries*

Press Release

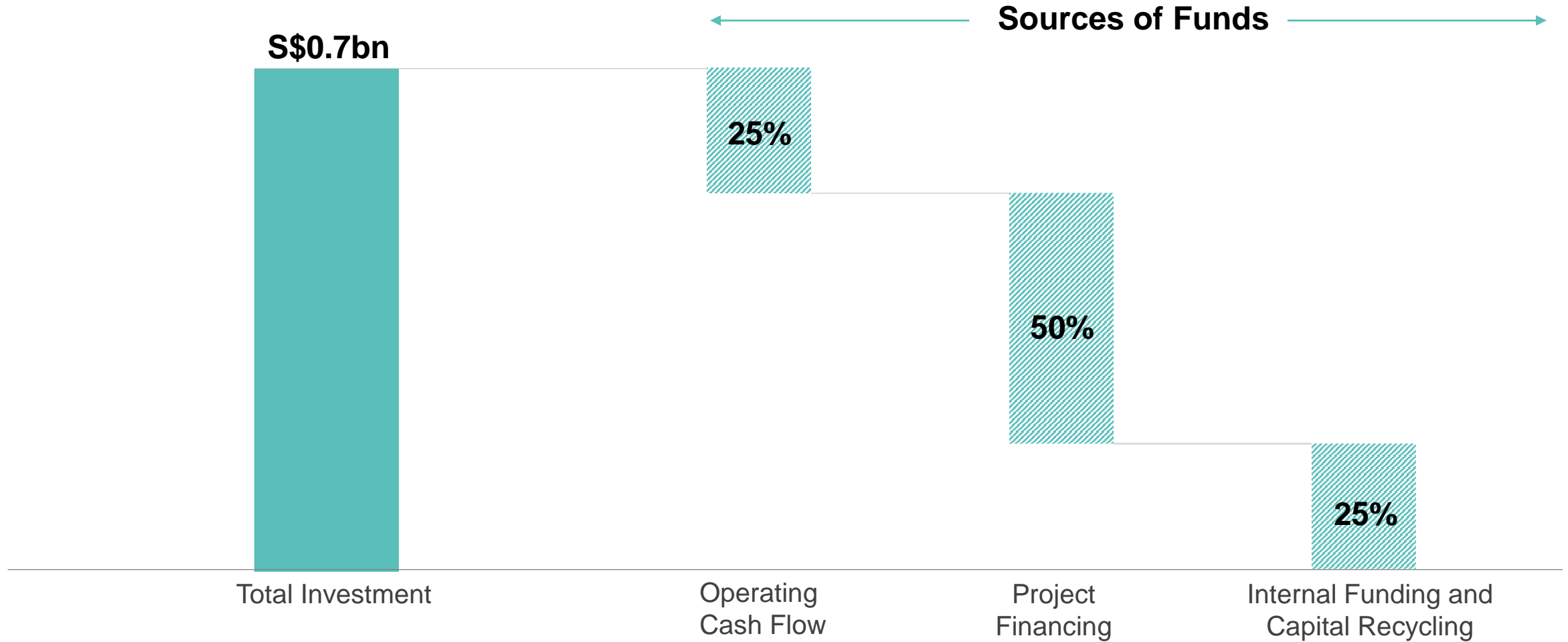
PANDORA BREAKS GROUND ON NEW CRAFTING FACILITY IN VIETNAM

05-16-2024: The investment of more than USD 150 million will support the company's long-term growth and create 7,000 jobs. It will operate on 100% renewable energy and only use recycled silver and gold.

Today, Pandora, the world's largest jewellery brand, hosted the ground-breaking ceremony for its new USD 150 million crafting facility in Binh Duong Province, about 40 km north of Ho Chi Minh City, Vietnam.

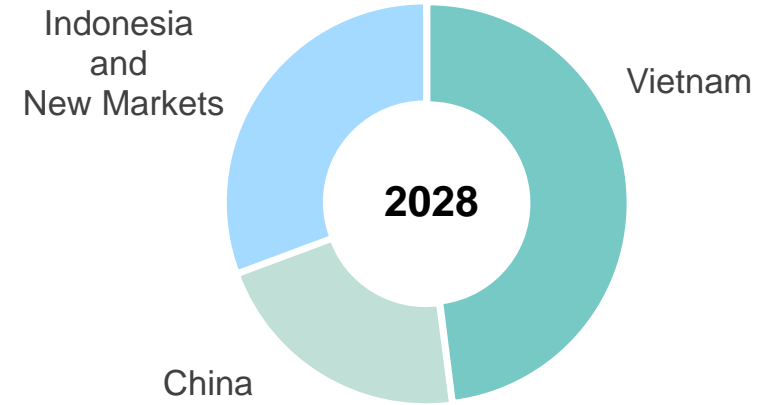
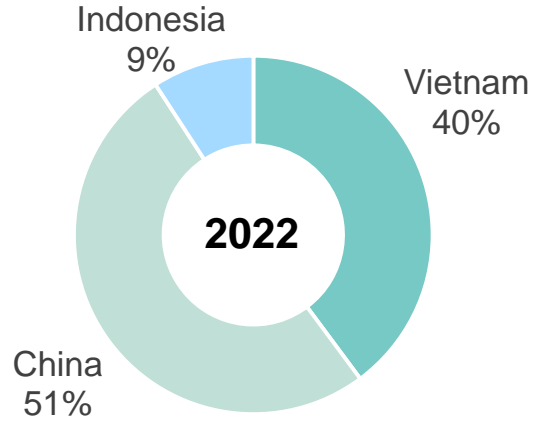
Sources: News releases from [Lego.com](https://www.lego.com), [pandoragroup.com](https://www.pandoragroup.com)

Capital Investment through Diversified Funding Sources

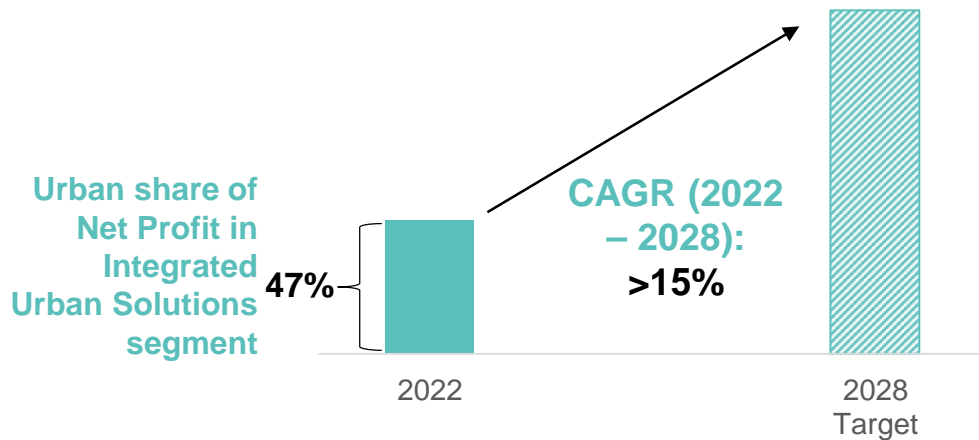


Focused Capital Allocation to Drive Returns

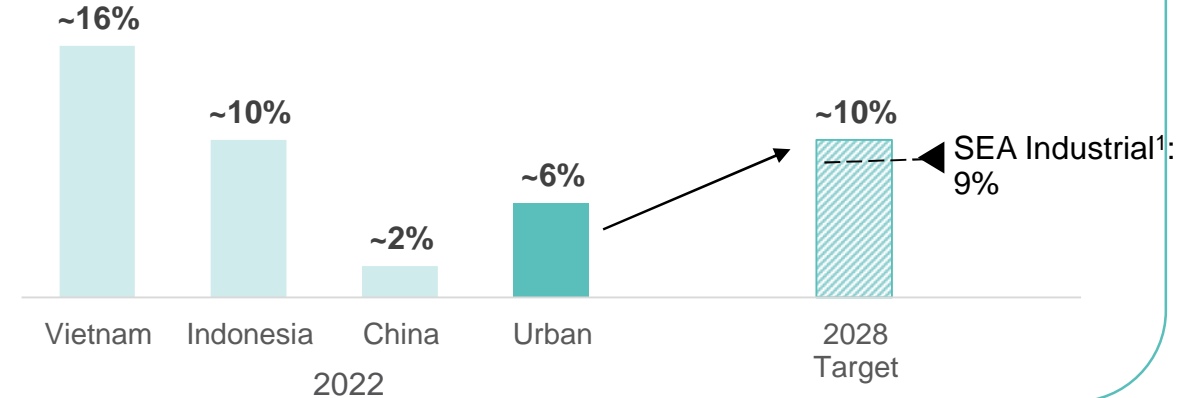
Equity Investment (By Country)



Urban Net Profit (S\$ million)



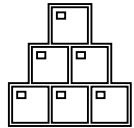
ROE (%)

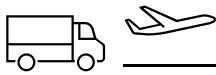



Well-positioned as Asia’s Leading Low-carbon Industrial Park Developer

WHY

Positive Macro Trends

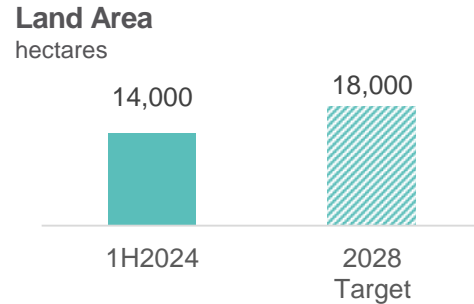
Robust manufacturing growth and growing domestic consumption 

 Supply chain diversification

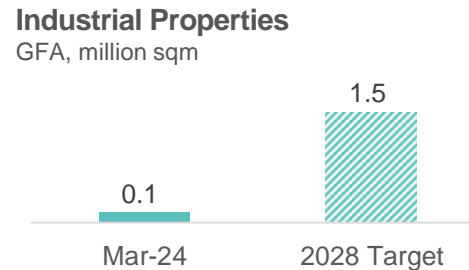
Growing commitment for sustainable supply chain 

WHAT & WHEN

Grow Development Land





Grow recurring income




HOW

Leverage track record and Group’s Expertise

 Recognised industrial park player with three decades of track record

 Ability to offer one-stop solutions to tenants

 Supporting customers with low-carbon solutions

WHERE

GROW

- Vietnam
- Indonesia

ENTER

- New markets

MANAGE

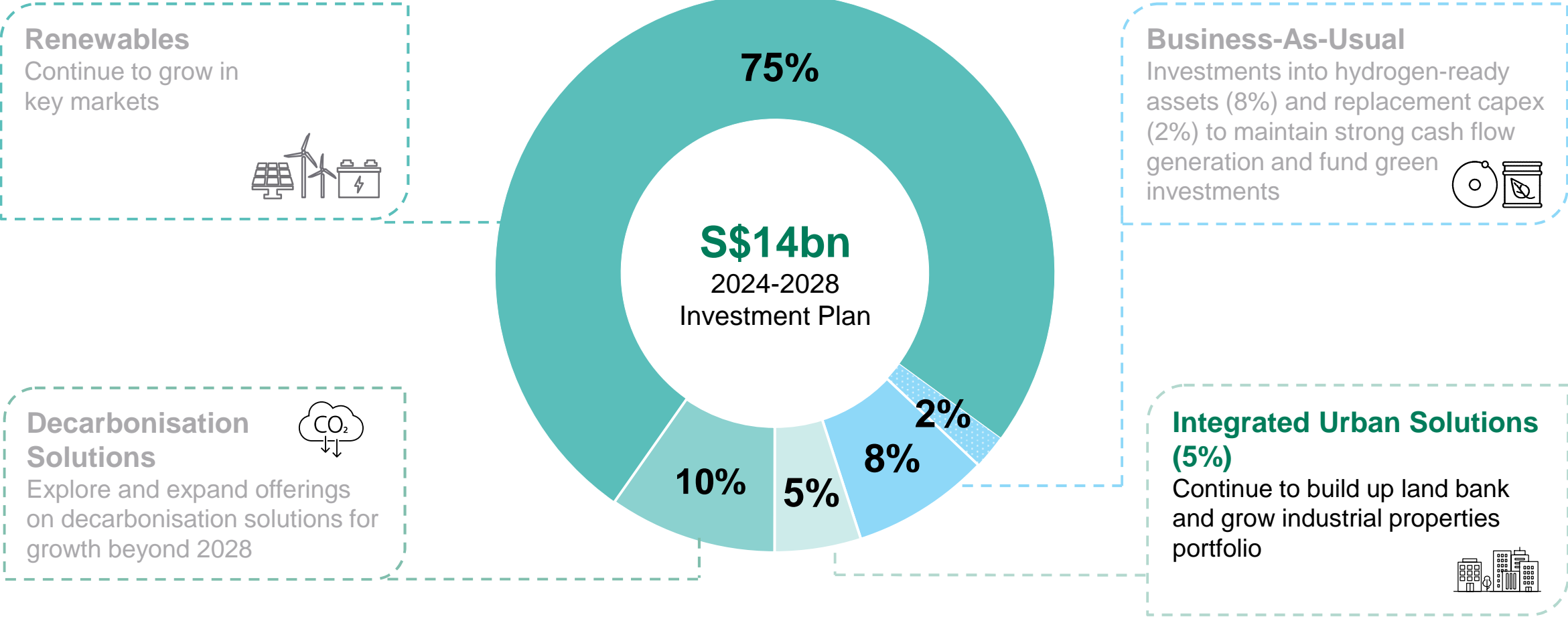
- China

Update to Financials

Eugene Cheng
Group CFO

2024-2028 Capital Allocation Plan

Capturing opportunities in Asia's transition to a sustainable and low-carbon future



Ensuring Sustainable Returns to Drive Energy Transition



Gas and Related Services

Net Profit¹ 6-year CAGR
(2022-2028)

-2%

Expected Investment
(2024-2028)

S\$1 billion

2028 Estimated ROE

15%



Renewables

+25%

S\$11 billion

10%

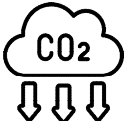


Integrated Urban Solutions

+9%

S\$0.7 billion

10%



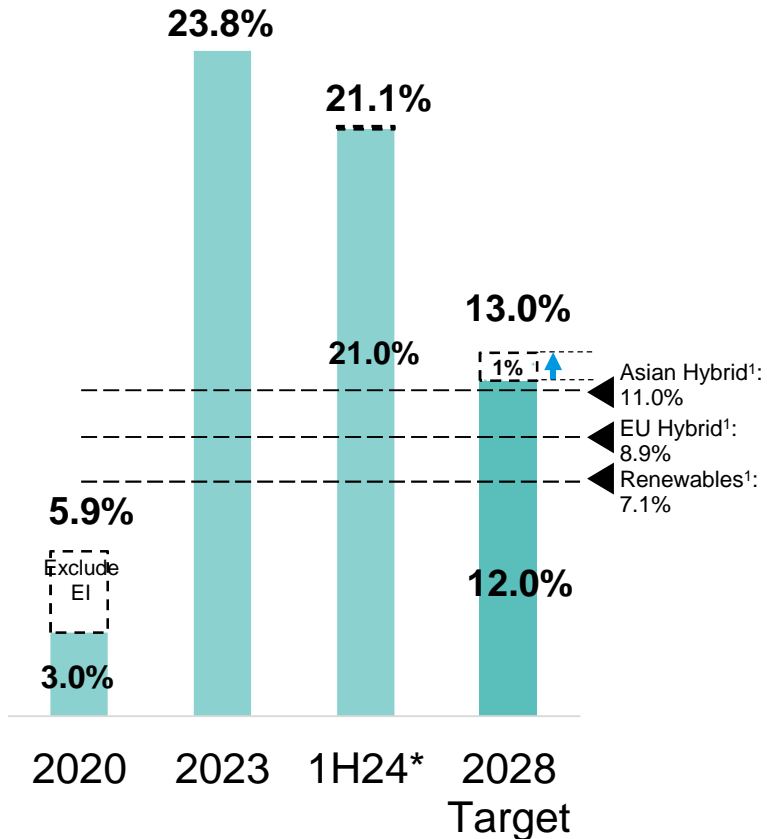
Decarbonisation Solutions

- Capitalise on existing expertise to drive energy transition beyond 2028
- Positive earnings by 2027 / 2028 with accelerating growth beyond 2028

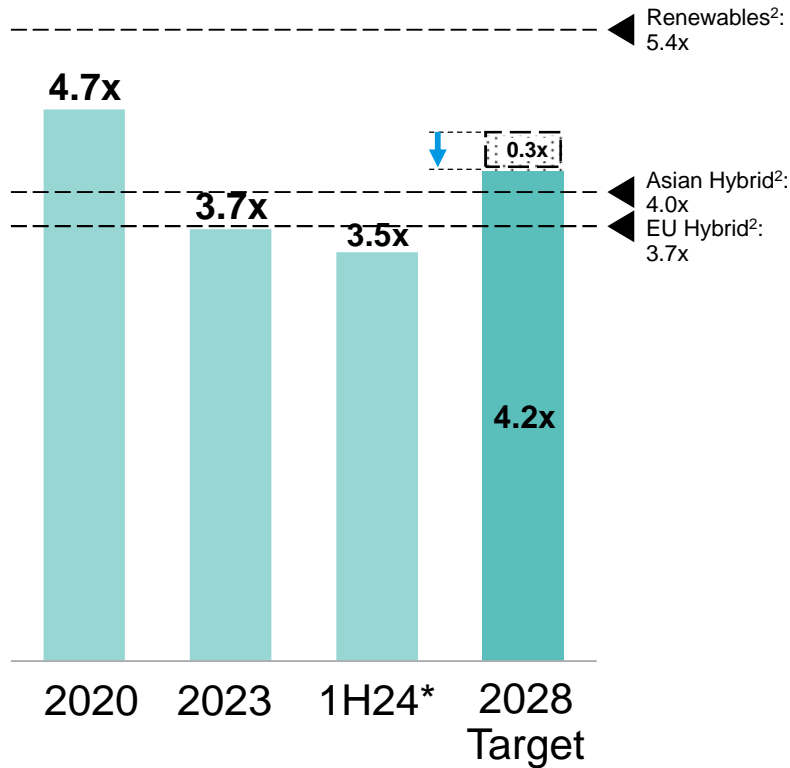
¹ Net profit from continuing operations, before exceptional items
 Note: The above aspirations are management’s strategic plans for the next five years based on potential investments, divestments, expiry of contracts / concessions as well as the efforts to secure new projects and contracts. There is no assurance that any of such actions may materialise, nor as to the terms and mode of such action

Sembcorp's 2028 Strategic Metrics Update

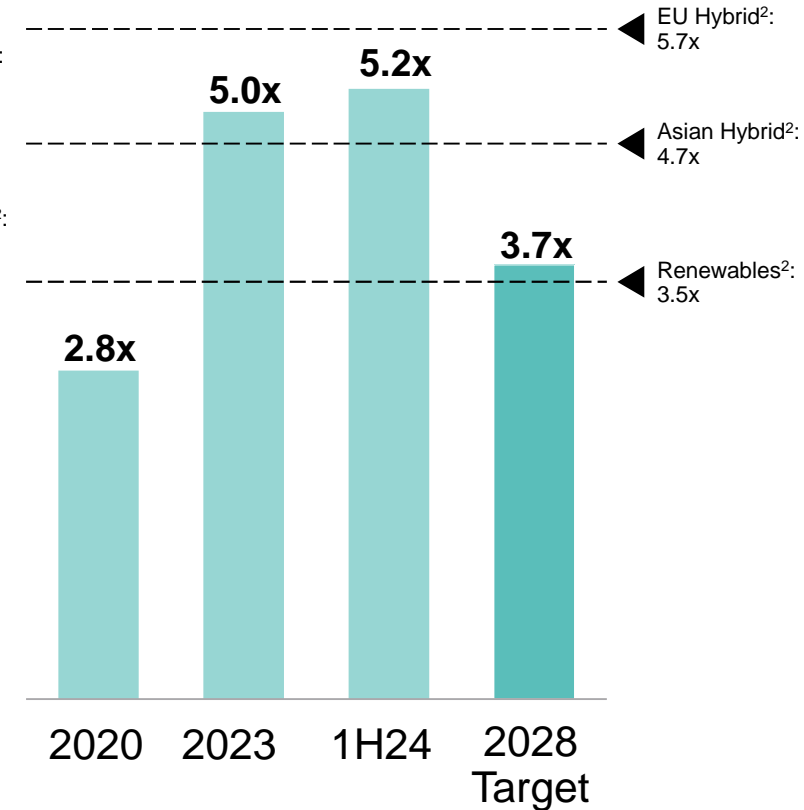
ROE (%)



Net Debt / Adj. EBITDA



Adj. EBITDA / Interest



Source: Internal Analysis, Capital IQ

* Annualised

¹ Median of peers' LTM ROE (continuing operations before NCI and exceptional item) as at Sep 30, 2023

² Median of peers' LTM Net Debt / Adjusted EBITDA and Adjusted EBITDA / Interest Expense as at Sep 30, 2023. Adjusted EBITDA = reported EBITDA + share of result from associates and JVs

Note: The above aspirations are management's strategic plans for the next five years based on potential investments, divestments, expiry of contracts / concessions as well as the efforts to secure new projects and contracts. There is no assurance that any of such actions may materialise, nor as to the terms and mode of such actions

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