

Keppel Infrastructure Trust is a business trust that provides investors with the opportunity to invest in a large and well-diversified portfolio of assets and businesses that provide or produce essential products and services.

The Trust aims to deliver long-term, regular and sustainable distributions to its Unitholders.

Investment merits

Stable distributions are supported by:

Predictable cash flows from highly defensive assets and businesses

Fixed availability payments regardless of the actual amount of water or electricity produced, or waste incinerated

Contracts with government/reputable counterparties, or in the case of City Gas and Ixom, a large and diversified customer base



Key figures

as at 31 March 2019

Assets under management \$5.2b

Distribution yield¹ 8.0%

DPU (1Q 2019) 0.93 cents

¹ Based on Unit closing price of \$0.465 as at 31 March 2019

Stock Information

SGX stock code A7RU

Bloomberg ticker KIT:SP

A portfolio of highly strategic industrial infrastructure assets:

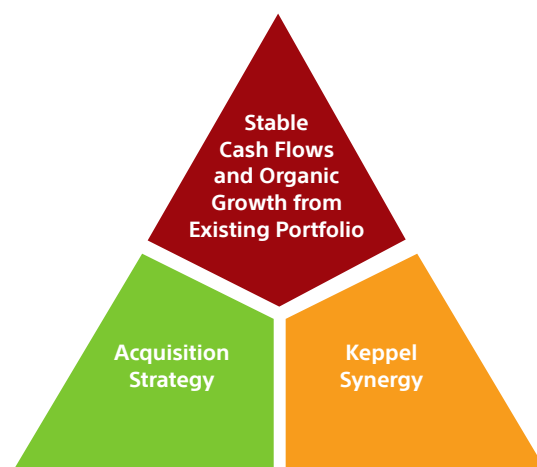
	Asset	Description	Customer and Contract Terms	Primary Source of Cash Flows
Distribution and Network	IXOM Australia	Industrial infrastructure business in Australia and New Zealand, supplying and distributing key water treatment chemicals, as well as industrial and specialty chemicals	Over 8,000 customers comprising municipals and blue-chip companies	Payments from customers for delivery of products and provision of services based on agreed terms
	City Gas Singapore	Sole producer and retailer of piped town gas	Over 840,000 commercial and residential customers	Fixed margin per unit of gas sold, with fuel and electricity costs passed through to consumer
	Basslink Australia	Basslink subsea interconnector that transmits electricity and telecoms between Victoria and Tasmania in Australia	Service agreement with Hydro Tasmania (<i>owned by Tasmania state government</i>) until 2031, with option for 15-year extension	Fixed payments for availability of Basslink subsea cable for power transmission
	DataCentre One Singapore	Data centre	Lease agreement with 1-Net (100% subsidiary of MediaCorp) until 2036, with option for 8-year extension	Contractual lease revenue
Energy	Keppel Merlimau Cogen (KMC) Singapore	1,300 MW combined cycle gas turbine power plant	Capacity Tolling Agreement with Keppel Electric until 2030, with option for 10-year extension (<i>underlying land lease till 2035, with 30-year extension</i>)	Fixed payments for meeting availability targets
Waste and 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
	Keppel Seghers 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
	Keppel Seghers Ulu Pandan NEWater Plant Singapore	One of Singapore's largest NEWater plants, capable of producing 148,000 m ³ /day ²	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 136,380 m ³ /day of potable water	PUB, Singapore government agency – concession until 2025 (<i>underlying land lease till 2033</i>)	Fixed payments for availability of output capacity

² Ulu Pandan has an overall capacity of 162,800m³/day, of which 14,800m³/day is undertaken by Keppel Seghers Engineering Singapore.

All information as at 31 March 2019

Keppel Infrastructure Trust's objective is to deliver sustainable returns to its Unitholders, by investing in, and proactively managing, infrastructure businesses that support long-term stable distributions and capital growth.

The Trustee-Manager will harness the synergies of our three-pronged growth strategy to deliver on its goal towards long-term value creation



Stable Cash Flows and Organic Growth from Existing Portfolio



The Trustee-Manager actively manages its existing portfolio to drive operational and capital efficiencies, and achieve organic growth. The Trustee-Manager's approach encompasses the following:

- Optimise operational performance and efficiencies, fulfill contractual requirements, and uphold safety and environmental standards;
- Leverage organic growth opportunities and potential upsides for businesses such as City Gas and Ixom, whose growth is underpinned by favourable long-term demand trends; and
- Optimise capital structure while maintaining prudent financial leverage and sufficient financial flexibility for KIT's underlying businesses.

Keppel Synergy



The Trustee-Manager, as part of the Keppel Group, is able to draw upon the broader relationships, networks, origination capabilities, and technical and operational expertise of the Group, including:

- Leveraging the Keppel Group's network in deal origination, including sourcing, and having rights of first refusal (on its Sponsor, Keppel Infrastructure's assets), depending on their suitability and fit with the investment objectives of KIT;
- Capitalising on synergies with other businesses of Keppel Group who are better positioned to take development and construction risk, where KIT would evaluate those investment opportunities once they are operational;
- Tapping into the operational and technical excellence of the Keppel Group, including that of KIT's Sponsor in creating value from businesses in KIT's portfolio as well as in evaluating new investment opportunities;
- Accessing the larger investor base of Keppel Capital in further diversifying the sources of financing for KIT and its underlying businesses, including for co-investments, bridge financing, and other types of senior and mezzanine financing; and
- Sharing of best practices and enhancing talent recruitment and retention.

Acquisition Strategy



The Trustee-Manager acquires and invests in good quality infrastructure businesses that generate long-term stable cash flows with potential for growth. The investments that the Trustee-Manager targets have one or more of the following characteristics:

- Credit-worthy off-takers or a large and stable customer case;
- Long-term contracts or concessions;
- Inflation and/or GDP-linked revenues;
- Mature and defensive cash flows;
- High barriers to entry;
- Dominant or leading market position;
- Provider of essential products or services; and
- Infrastructure-like risk profile.

Further, the Trustee-Manager will selectively consider investments in greenfield infrastructure opportunities with experienced operators and limited construction exposure, as well as customised sale and leaseback and hybrid transaction structures.

Distributable Cash Flows (%)



• Distribution and Network	44
• Energy	22
• Waste & Water	34
Total	100

Total Assets (%)¹



• Distribution and Network	68
• Energy	20
• Waste & Water	12
Total	100

¹ Refers to KIT's share in the respective assets.