



Keppel Infrastructure Trust

Extraordinary General Meeting

12 February 2019



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Keppel Infrastructure Trust

1. Proposed Acquisition of Ixom

Proposed DPU Yield Accretive Acquisition of Ixom



Alignment with KIT's investment strategy:

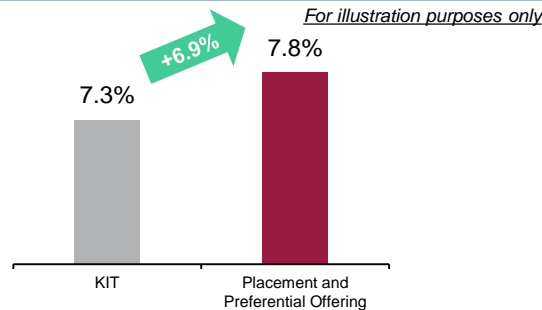
- ✓ Long-term stable cash flows with potential growth
- ✓ Provides key products and fundamental services
- ✓ Strong and stable business sectors
- ✓ Significant scale with large infrastructure network

Acquisition Summary

Enterprise Value (EV) & Proposed Funding

- EV: A\$1,100 million (approx. S\$1,072 million⁽¹⁾)
- Funded by mix of debt and equity⁽²⁾
- Equity Fund Raising by way of (i) Preferential Offering, (ii) Preferential Offering & Placement, or (iii) Rights Issue
- Sponsor, Keppel Infrastructure Holdings Pte. Ltd., intends to maintain its *pro rata* unitholding

Expected to be DPU Yield Accretive⁽³⁾



Merits of the Proposed Acquisition

1

A Strong and Stable Infrastructure Business

Supported by a large network of well-positioned infrastructure assets

2

A Business with Growth Potential

Amongst the leading businesses in the provision of key chemicals for fundamental industries with favourable long-term industry growth trends

3

Stable and Resilient Cash Flows

Large and diversified customer base, as well as long-term customer relationships

4

Complementary Business Driving Sustainable Growth for KIT

DPU yield accretive acquisition that strengthens KIT's portfolio mix and overall value proposition



Ixom: A Defensive Industrial Infrastructure Business



~80%⁽¹⁾ EBITDA
backed by
infrastructure assets



SOLE
Manufacturer and provider of
liquefied chlorine in AUS⁽²⁾



~A\$900M⁽²⁾
Asset Replacement Value
is underpinned by core assets



LEADER
Amongst the leading industrial
infrastructure businesses in
ANZ⁽²⁾



A\$1,225M
Revenue⁽³⁾



LEADER
Leading provider of
manufactured caustic soda⁽²⁾



A\$134M
EBITDA⁽⁴⁾



LARGE SCALE⁽²⁾
— Over **8,000** customers
— Over **1,000** employees
— Over **70** infrastructure assets





(1) Source: Ixom Group's audited financial statements for the financial year ended 30 September 2018. Represents earnings that are linked to the Ixom Group's infrastructure assets such as manufacturing and distribution facilities that are owned or operated under long term leases
(2) Source: Ixom Group's management's estimates as at date of announcement dated 15 November 2018 made by the Trustee-Manager in relation to the Acquisition and the Equity Fund Raising (the "Announcement")
(3) Source: Ixom Group's audited financial statements for the financial year ended 30 September 2018
(4) Ixom Group's management's normalised Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") based on the Ixom Group's audited financial statements for the financial year ended 30 September 2018



Keppel Infrastructure Trust

2. Merits of the Proposed Acquisition

1. A Strong and Stable Infrastructure Business

Characteristics	Ixom's Operations
 <p>a) Solid asset base</p>	<ul style="list-style-type: none"> ▪ Scale and well-positioned locations give Ixom a leading market position ▪ Network of over 70 infrastructure assets with a replacement value of approx. A\$900m⁽¹⁾ ▪ Long regulatory licensing and asset build time required
 <p>b) Provision of key chemicals</p>	<ul style="list-style-type: none"> ▪ Fundamental to the production process of a range of essential items ▪ Uneconomic for customers to import certain products such as liquefied chlorine ▪ Most substitutes are either not as efficient at producing potable water and/or require large capital investment
 <p>c) Reliability of supply</p>	<ul style="list-style-type: none"> ▪ Well-positioned locations enhances reliability of supply to production critical end markets ▪ Storage facilities located in close proximity to key ports and customers ensure lower transport costs and timely distribution of products
 <p>d) Stable and diversified customer base</p>	<ul style="list-style-type: none"> ▪ Ixom has a strong brand built on reliability and certainty of supply ▪ Provision of customised solutions ▪ Strong long-term customer relationships

1. Supported by an Extensive Network of Infrastructure Assets

1

Well-positioned locations

enhances reliability of supply

2

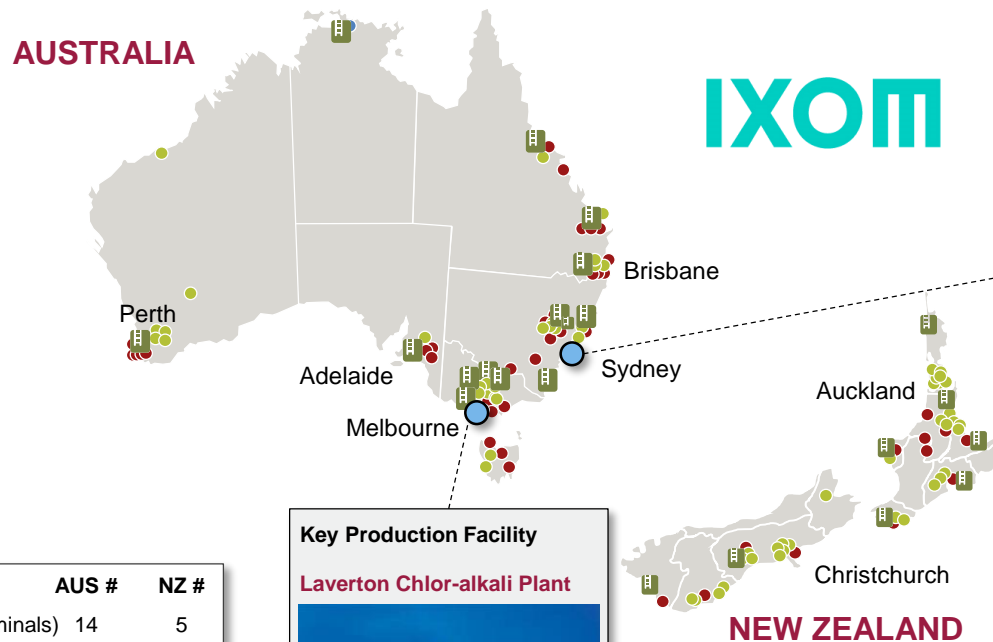
Strong and stable business

due to scale and positioning of infrastructure network

3

Large network of infrastructure assets

across key regions in Australia and New Zealand



Key Production Facility

Botany Chlor-alkali Plant



Key Production Facility

Laverton Chlor-alkali Plant



New Zealand

- Several tank sites and terminals within close proximity of the Lyttelton port and Auckland port


Key assets/facilities	AUS #	NZ #
Bulk liquids storage facilities (terminals)	14	5
Bulk storage tank sites (others)	38	16
Chlor-alkali manufacturing facilities	2	-
Total	54	21
Other assets		
Value-added distribution facilities	39	33

2. Business with Growth Potential

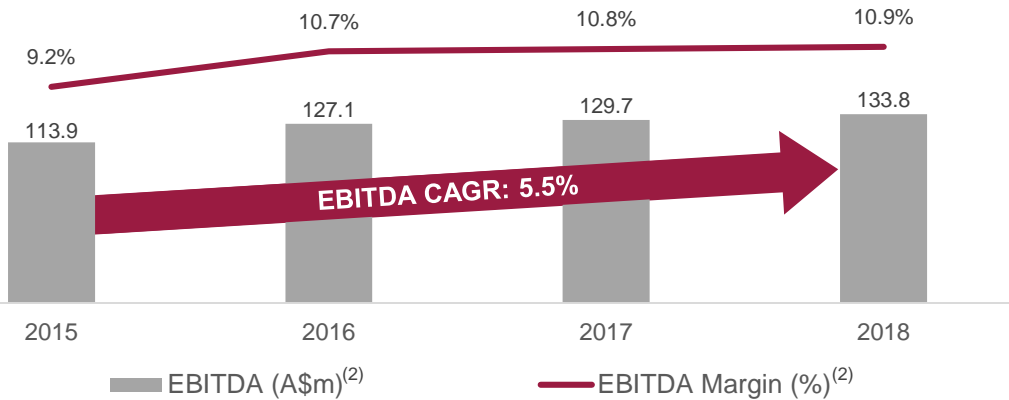
Stable cash flows

- **Stable and resilient cash flows** as approximately 80% of EBITDA is backed by infrastructure assets⁽¹⁾
- Ixom's chemicals are vital to customers' operations
- Supported by favourable **long-term industry growth trends**


Global milk demand is forecast to **increase by >35%** in 2030⁽³⁾




Stable EBITDA & EBITDA margins with growth potential



Australian population is expected to **almost double by 2060**, with a CAGR of **1.5%**⁽³⁾



Projected annual GDP growth for AU and ANZ **close to 3%** from 2018 to 2023, **higher** than other major advanced economies⁽³⁾



3. Stable and Resilient Cashflow

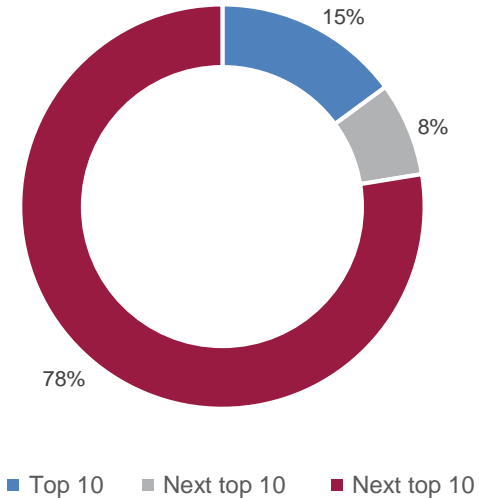
Diversified customer base

Ixom has a **diversified customer base**, comprising many **blue-chip companies and municipalities**, supporting stable and resilient cashflow

- 1 Key infrastructure assets are **well-positioned**
- 2 Production of key chemicals that are **vital** to operations of customers
- 3 **Key nature** of business leads to preference of customers for:
 - local suppliers due to certainty of supply, and
 - reliable contracts and relationships

Supported by diverse customer base

Concentration of customers⁽¹⁾



No single customer constitutes >6% of revenue⁽¹⁾

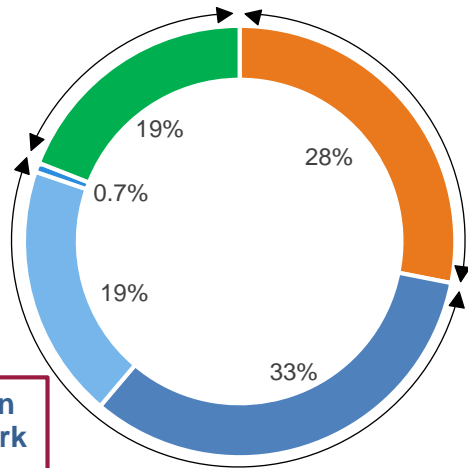
4. Strengthen KIT's Portfolio Mix and Overall Value Proposition

Increases exposure to the 'Distribution & Network' segment for greater stability

Asset Breakdown (KIT)⁽¹⁾

Water and Waste Treatment (concessions)
19%

Energy
28%



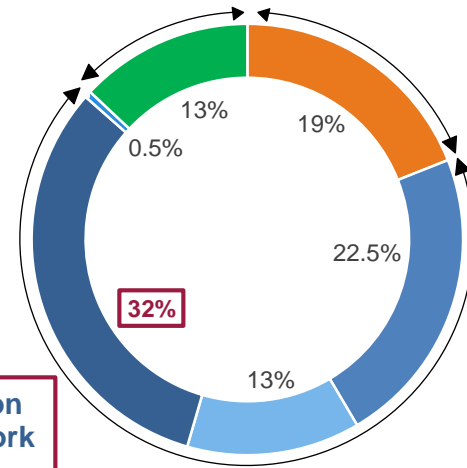
Distribution and Network
53%

- Keppel Merlimau Cogen
- City Gas
- Concessions⁽²⁾
- Basslink
- DataCentre One

Asset Breakdown (with Ixom)⁽¹⁾

Water and Waste Treatment (concessions)
13%

Energy
19%



Distribution and Network
68%

- Keppel Merlimau Cogen
- City Gas
- Concessions⁽²⁾
- Basslink
- DataCentre One
- Ixom

(1) Based on KIT's unaudited financial information for FY2018, the Ixom Group's audited financial statements for the financial year ended 30 September 2018 and KIT's stakes in the respective assets
 (2) Concessions include SingSpring Desalination Plant, Keppel Seghers Ulu Pandan NEWater Plant, Senoko Waste-To-Energy Plant, and Keppel Seghers Tuas Waste-To-Energy Plant

Pro Forma Financial Effects

This information is for illustration purposes only

(S\$ cents)	As at 31 December 2018					
	Preferential Offering and the Placement ⁽¹⁾			Rights Issue ^{(2),(3)}		
	KIT	KIT (with Ixom)	Change	KIT (with Ixom)	Change	
Cash Flows						
Funds from operations (S\$m)	161	221	↑ +37.3%	221	↑ +37.3%	
Funds from operations per Unit	4.18	4.34	↑ +3.8%	3.92	↓ -6.2%	
Distributions ⁽⁴⁾ (S\$m)	144	190	↑ +31.9%	201	↑ +39.6%	
DPU ⁽⁵⁾	3.72	3.72	-	3.55	↓ -4.6%	
DPU Yield ⁽⁵⁾ (%)	7.3	7.8	↑ +6.8%	7.9	↑ +8.2%	
Balance Sheet						
Number of Units in Issue (mn)	3,858.3	5,101.0	↑ +32.2%	5,650.6	↑ +46.5%	
NAV per Unit	27.3	31.0	↑ +13.6%	27.9	↑ +2.2%	
Gearing (%)	40.6	40.8	↑ +20bps	40.8	↑ +20bps	

(1) The scenario where the Equity Fund Raising comprises the Preferential Offering and the Placement at an illustrative issue price of S\$0.48 per New Unit (calculated based on the weighted average price of the Units of S\$0.51 as at the Latest Practicable Date) to raise gross proceeds of approximately S\$600 million to fully or partially repay the Bridge Facility

(2) The scenario where the Equity Fund Raising comprises the Rights Issue at an illustrative theoretical ex-rights price of S\$0.45 per Unit (calculated based on the weighted average price of the Units of S\$0.51 as at the Latest Practicable Date) and an illustrative issue price of S\$0.33 per Rights Issue Unit to raise gross proceeds of approximately S\$600 million to fully or partially repay the Bridge Facility

(3) As at the Latest Practicable Date, KIT may issue up to 1,929,008,533 New Units pursuant to the General Mandate on a pro rata basis

(4) Calculated by multiplying DPU by the total number of Units

(5) The DPU and DPU yield set out herein should not be interpreted as being representative of the future DPU or DPU yield. The DPU set out herein takes into account recurring interest expense. One-off upfront fees relating to the Term Loan and the Equity Fund Raising will be funded through the proceeds from the Equity Fund Raising. KIT DPU was calculated based on an illustrative price of S\$0.51 per Unit, being the closing price per Unit on the Latest Practicable Date. Scenario A DPU was calculated based on an illustrative issue price of S\$0.48 per New Unit. Scenario B DPU was calculated based on an illustrative theoretical ex-rights price of S\$0.45 per Unit.



**Keppel Infrastructure
Trust**

3. Summary

The Institutional Shareholder Services (ISS)⁽¹⁾ has recommended a vote FOR ALL 3 Resolutions

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4 Complementary Business Driving Sustainable Growth for KIT

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Thank You
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