

Group Financial Review

Financial Highlights

	2024	2023	Change (%)
For the year (\$ million)			
Turnover	6,417	7,042	(9)
Gas and Related Services	4,637	5,457	(15)
Renewables	746	703	6
Integrated Urban Solutions	431	418	3
Decarbonisation Solutions	53	16	231
Other Businesses and Corporate	550	448	23
Earnings before interest, tax, depreciation and amortisation (EBITDA) ¹	1,734	1,789	(3)
Share of results:			
Associates and joint ventures, net of tax	317	264	20
Adjusted EBITDA	2,051	2,053	*
Profit before tax	1,251	1,230	2
Net profit before exceptional items	1,019	1,018	*
Gas and Related Services	727	809	(10)
Renewables	183	200	(9)
Integrated Urban Solutions	169	121	40
Decarbonisation Solutions	(20)	(13)	(54)
Other Businesses and Corporate	(40)	(99)	60
Exceptional items	1	2	(50)
Net profit from continuing operations	1,020	1,020	–
Net loss from discontinued operation	(9)	(78)	88
Net profit	1,011	942	7
Capital position (\$ million)			
Owners' funds	5,361	4,588	17
Total assets	18,178	15,497	17
Net debt	7,800	6,487	20
Operating cash flow	1,412	1,481	(5)
Free cash flow	1,790	1,962	(9)
Capital expenditure and equity investment	1,991	1,566	27
Shareholder returns			
Net assets per share (\$)	3.01	2.58	17
Earnings per share (cents)	56.72	52.83	7
Earnings per share			
– continuing operations (cents)	57.23	57.21	*
Dividends per share (cents)	23.00	13.00	77
Last traded share price ² (\$)	5.52	5.31	4
Total shareholder return (%)	7	62	(89)

* Denotes amount of less than 1%

¹ EBITDA excludes major non-cash items such as effects of fair value adjustments, re-measurements, impairments, and write-offs

² As at December 31 of the respective years

Overview

The Group delivered strong financial performance in 2024, driven by resilient earnings and robust cash flow. Group net profit before exceptional items (EI) and discontinued operation was S\$1.02 billion, comparable to 2023, despite a planned major maintenance of a cogeneration plant in Singapore in the first half of 2024. Group net profit after EI and discontinued operation was S\$1.01 billion, 7% higher than S\$942 million in 2023.

Turnover

In 2024, the Group turnover declined by 9%, to S\$6.4 billion, down from S\$7.0 billion in the previous year.

Turnover in the Gas and Related Services segment was S\$4.6 billion in 2024, 15% lower year-on-year. The decrease in turnover was primarily attributed to lower generation resulting from the planned major maintenance of a cogeneration plant, reduced pool prices, lower gas offtake and gas prices in Singapore. There was also a lack of scarcity events in the UK, as well as lower power prices.

Turnover from the Renewables segment increased by 6% to S\$746 million, from S\$703 million in 2023. The increase in turnover was attributable to acquisitions in India and Vietnam as well as higher operational capacity.

The Integrated Urban Solutions segment recorded a turnover of S\$431 million, 3% higher than turnover of S\$418 million in 2023, primarily driven by its waste management business in Singapore.

The Decarbonisation Solutions segment reported a turnover of S\$53 million, S\$37 million higher compared to S\$16 million in 2023, driven by the Group's carbon management business in Singapore.

The Other Businesses and Corporate segment reported a turnover of S\$550 million, 23% higher compared to 2023, from increased activities in the specialised construction business.

Net profit

Net profit from continuing operations before EI of S\$1.02 billion was in line with 2023. The better performance in the Integrated Urban Solutions and Other Businesses and Corporate (from specialised construction business and deferred payment note (DPN) income) segments, was offset by the lower performance in the Gas and Related Services and Renewables segments. DPN income was higher due to foreign exchange gain of S\$10 million in 2024 compared to a loss of S\$46 million in 2023.

Including the discontinued operation, net profit after EI in 2024 was S\$1.01 billion, 7% higher than S\$942 million in 2023.

Net profit before EI for the Gas and Related Services segment in 2024 was resilient at S\$727 million, despite the planned major maintenance of a cogeneration plant in Singapore and a 34% decline in Singapore wholesale electricity prices during the year. The Group continued to secure long-term contracts for its Singapore portfolio, enhancing certainty and growing earnings visibility. As of end 2024, 98% of the Group's gas-fired power

portfolio was underpinned by offtake contracts, with more than 60% of capacity locked in for over five years. Through a proactive contracting strategy, the Gas and Related Services segment is now an anchor of the Group's earnings.

The Renewables segment recorded net profit before EI of S\$183 million, 9% lower compared to S\$200 million in 2023. The lower net profit was mainly due to curtailment in China during the year as well as a S\$19 million provision made for receivables in China and lower wind speeds in India.

Net profit before EI from the Integrated Urban Solutions segment was S\$169 million compared to S\$121 million in 2023. The higher net profit was contributed by higher land sales from the Urban business in Vietnam and Indonesia, as well as better performance in the energy-from-waste business in Singapore.

Cash flow and liquidity

As at December 31, 2024, the Group's cash and cash equivalents in the cash flow statement stood at S\$850 million. Net cash from operating activities stood at S\$1.4 billion, compared to S\$1.5 billion in 2023.

Net cash used in investing activities was S\$1.4 billion, compared to S\$878 million in 2023, mainly for the purchase of fixed assets for the renewables business, acquisitions of subsidiaries and investments in joint ventures and associates, partially offset by the DPN receipts.

Net cash from financing activities was S\$154 million, primarily due to the

proceeds from borrowings, net of interest payments and repayment of loans amounting to S\$604 million, offset by dividend payments to owners of the Company of S\$250 million.

Financial position

Group shareholders' funds increased to S\$5.4 billion as at December 31, 2024, from S\$4.6 billion as at December 31, 2023. The increase was mainly due to profit for the year offset by dividends to shareholders.

The net increase in total assets was mainly attributable to the consolidation of the property, plant and equipment (PPE) of the newly acquired subsidiaries, as well as share of results from associates and joint ventures for the year. The increase was also due to higher PPE (including right-of-use (ROU) assets) which includes additions to fulfil the renewables projects in Singapore, India and Oman, as well as development of a new multi-utilities centre on Jurong Island. The total increase in ROU assets of S\$514 million included the leasing of JTC land and rooftops for solar deployment in Singapore and land lease for India's renewables and hydrogen projects.

Net debt

Gross debt was S\$8.7 billion as at December 31, 2024, compared to S\$7.3 billion in 2023. Net debt was S\$7.8 billion as at December 31, 2024, compared to S\$6.5 billion in 2023. The S\$1.3 billion increase in net debt was mainly for the financing of acquisitions made, capital expenditures incurred during the year and the consolidation of underlying borrowings from the acquired subsidiaries.

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Shareholder returns

In 2024, the return on equity of the Group's continuing operations was 20.5% and earnings per share of the Group's continuing operations was 57.2 cents. Subject to approval by shareholders at the next annual

general meeting, a final dividend of 17.0 cents per ordinary share has been proposed. Together with the interim dividend of 6.0 cents per ordinary share paid in August 2024, this brings the Group's total dividend for the financial year ended

December 31, 2024, to 23.0 cents per ordinary share, an increase from 13.0 cents per ordinary share in 2023. The increase in dividend in 2024 reflects management's confidence in the Group's future performance and ability to generate sustainable returns.

Five-year Financial Performance

	2024	2023	2022 ¹	2021	2020 ²
For the year (\$ million)					
Turnover	6,417	7,042	7,825	7,795	5,447
Earnings before interest, tax, depreciation and amortisation (EBITDA) ³	1,734	1,789	1,308	1,288	1,184
Share of results: Associates and joint ventures, net of tax	317	264	248	206	233
Adjusted EBITDA	2,051	2,053	1,556	1,494	1,417
Profit before tax	1,251	1,230	865	423	211
Net profit from continuing operations	1,020	1,020	704	279	157
Discontinued operation (including loss on the Distribution)	(9)	(78)	144	–	(1,154) ⁴
Net profit	1,011	942	848	279	(997)
At year end (\$ million)					
Property, plant and equipment, and investment properties	8,511	6,618	5,438	7,232	7,339
Other non-current assets	6,305	6,173	4,074	3,230	3,219
Net current assets / (liabilities)	451	(770)	1,687	1,028	877
Non-current liabilities	(9,608)	(7,149)	(6,983)	(7,572)	(7,959)
Net assets	5,659	4,872	4,216	3,918	3,476
Share capital and reserves	5,361	4,588	3,977	3,767	3,339
Non-controlling interests	298	284	239	151	137
Total equity	5,659	4,872	4,216	3,918	3,476
Per share					
Earnings (cents)	56.72	52.83	47.59	15.64	(56.81)
Net assets (\$)	3.01	2.58	2.24	2.12	1.87
Dividends (cents)	23.0	13.0	12.0	5.0	4.0

¹ Following the shareholders' approval of the sale of Sembcorp Energy India Limited (SEIL) on November 8, 2022, the performance of SEIL for the period was reported under discontinued operation

² Following the completion of the distribution *in specie* of ordinary shares in the capital of Sembcorp Marine to Sembcorp Industries shareholders, the performance of the Marine business for the period from January 1, 2020, to September 11, 2020, was reported as a discontinued operation

³ EBITDA excludes major non-cash items such as the effects of fair value adjustments, re-measurements, impairments, and write-offs

⁴ Loss from discontinued operation included fair value loss of S\$970 million on distribution *in specie* of ordinary shares in the capital of Sembcorp Marine

Value Added and Productivity Data

In 2024, the Group's total value added was S\$2.7 billion. This was absorbed by employees in wages, salaries and benefits of S\$541 million, by governments in income and other taxes of S\$258 million and by providers of capital in interest, dividends and distribution of S\$622 million, leaving a balance of S\$1.3 billion retained in business.

Value added statement (\$ million)

	2024	2023	2022	2021	2020
Value added from					
Turnover	6,417	7,042	7,825	7,795	5,447
Less: Bought-in materials and services	(4,278)	(4,886)	(6,100)	(6,115)	(4,075)
Gross value added	2,139	2,156	1,725	1,680	1,372
Investment, interest and other income	318	305	299	216	228
Share of results: Associates and joint ventures, net of tax	317	264	248	206	233
Other non-operating expenses	(35)	(77)	(96)	(67)	(88)
	2,739	2,648	2,176	2,035	1,745
Distribution					
To employees in wages, salaries and benefits	541	509	485	494	396
To government in income and other taxes	258	187	116	62	37
To provider of capital in:					
Interest on borrowings	372	410	309	423	461
Dividends to owners	250	232	124	107	2,615 ¹
Profit attributable to perpetual securities holders	–	–	–	–	17
	1,421	1,338	1,034	1,086	3,526
Retained in business					
Depreciation and amortisation	450	454	372	457	444
Deferred tax expense / (credit)	55	14	36	63	(25)
Retained profits	770	788	580	172	(2,443)
Non-controlling interests	25	28	23	21	22
	1,300	1,284	1,011	713	(2,002)
Other non-operating expenses	18	26	131	236	221
	1,318	1,310	1,142	949	(1,781)
Total distribution	2,739	2,648	2,176	2,035	1,745
Productivity data					
Average staff strength	5,283	5,099	4,981	5,740	5,426
Employment costs (\$ million)	541	509	485	494	396
Profit after tax per employee (\$'000)	193	206	146	52	33
Value added (\$ million)	2,139	2,156	1,725	1,680	1,372
Value added per employee (\$'000)	405	423	347	293	253
Value added per dollar employment costs (\$'000)	3.95	4.24	3.56	3.40	3.46
Value added per dollar investment in property, plant and equipment (\$)	0.26	0.22	0.21	0.16	0.13
Value added per dollar sales (\$)	0.33	0.31	0.22	0.22	0.25

The value added statement is for continuing operations for the reporting period. Comparative information is not re-presented

¹ The amount included the Group's carrying value of Sembcorp Marine shares at the date of the distribution of S\$2,561 million

Group Financial Review

Treasury Management

Sembcorp Financial Services (SFS), our wholly-owned treasury arm, plays a pivotal role in ensuring the Group's financial health. Based in Singapore, SFS manages financing and treasury activities locally and collaborates with respective finance and treasury teams across other markets to align strategies and optimise resources. Funds borrowed by SFS are on-lent to businesses within the Group, where appropriate.

SFS employs an efficient cash management approach, recycling surplus cash from businesses within the Group to support areas with greater funding needs. Debt is managed through careful review of refinancing requirements to optimise capital allocation. Through cash pooling structures established in various countries, we maximise the use of available resources, channelling surplus funds from businesses to those with funding needs. This proactive approach ensures efficient and cost-effective cash management to meet the Group's funding requirements effectively.

Facilities

As at December 31, 2024, the Group had secured total credit facilities of S\$18.6 billion (2023: S\$17.0 billion), which included its Multicurrency Debt Issuance Programmes and Euro Medium Term Note (EMTN) Programme. This comprised S\$16.8 billion (2023: S\$15.5 billion) in borrowing facilities, as well as S\$1.8 billion (2023: S\$1.5 billion) in trade-related facilities. The latter covers instruments such as bank guarantees, letters of credit, bid bonds and performance bonds.

Borrowings and bond issuance

The Group aims to closely align its debt structure and maturity profile with the commercial profile of its core assets, while maintaining adequate liquidity to support its businesses. Strong banking relationships remain critical to securing funding on competitive terms, enabling the Group to seize commercially viable and strategically attractive opportunities. SFS continues to explore and diversify funding options to meet the Group's financing objectives effectively.

In 2024, SFS collaborated with Sembcorp Energy (Shanghai) Holding Co., Ltd. (SESH), a wholly-owned subsidiary of the Group, to secure a dual currency denominated revolving credit facility (RCF) of CNH400 million or its equivalent in Hong Kong Dollars. This facility provides SESH with an alternative offshore funding source. Drawdowns from the RCF will support general corporate purposes, including refinancing, capital expenditure, working capital, equity investments,

and funding mergers and acquisitions in China.

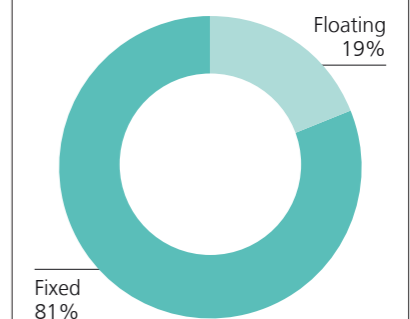
On October 23, 2024, SFS issued a 12-year S\$350 million green bond at an annual interest rate of 3.65% under the S\$5.0 billion EMTN Programme. The net proceeds of the green bond will finance or refinance Eligible Green Projects in accordance with Sembcorp Green Financing Framework (2024).

As at December 31, 2024, the Group's gross borrowings stood at S\$8.7 billion

(2023: S\$7.3 billion). The Group remains committed to maintaining a diversified and optimised funding base while upholding prudent financial ratios.

The overall debt portfolio in 2024 comprised 81% fixed-rate debt (2023: 72%) and 19% floating rate debt (2023: 28%). The Group will continue to proactively monitor and manage its debt portfolio mix in response to the prevailing interest rate environment.

Hedging Profile



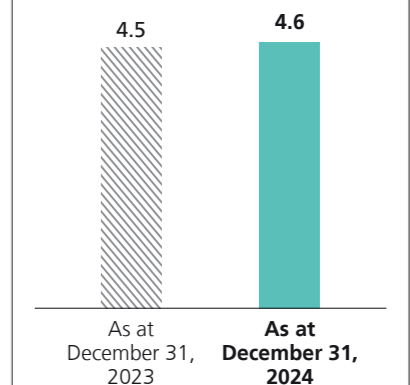
Financing and treasury highlights (S\$ million)

	2024	2023
Source of funding		
Cash and cash equivalents	871	767
Borrowing facilities (including Multicurrency Debt Issuance Programmes and EMTN Programme)		
Committed borrowing facilities	11,136	9,662
Less: Amount drawn down	(8,567)	(7,205)
Unutilised committed borrowing facilities	2,569	2,457
Uncommitted borrowing facilities	5,640	5,850
Less: Amount drawn down	(104)	(49)
Unutilised uncommitted borrowing facilities	5,536	5,801
Total unutilised borrowing facilities	8,105	8,258
Trade-related facilities		
Facilities available	1,842	1,498
Less: Amount used	(640)	(550)
Unutilised trade-related facilities	1,202	948
Funding profile		
Maturity profile		
Due within one year	671	1,281
Due between one to five years	4,073	3,180
Due after five years	3,927	2,793
	8,671	7,254
Debt mix		
Fixed rate debt	7,024	5,234
Floating rate debt	1,647	2,020
	8,671	7,254

	2024	2023
Group debt financial ratios		
Interest cover ratio		
Earnings before interest, tax, depreciation and amortisation (EBITDA)	1,734	1,789
Adjusted EBITDA ¹	2,051	2,053
Finance costs	372	409
EBITDA / Finance costs	4.7	4.4
Adjusted EBITDA ¹ / Finance costs	5.5	5.0
Debt ratios		
Net debt / EBITDA	4.5	3.6
Net debt / Adjusted EBITDA ¹	3.8	3.2

¹ Adjusted EBITDA = reported EBITDA + share of results of associates and joint ventures, net of tax

Weighted Average Cost of Debt (%)



Weighted Average Debt Maturity (years)

