

Sembcorp (U96.SI)

‘vital partners, essential solutions’



Brian Challberg

Utilities



Industrial Park



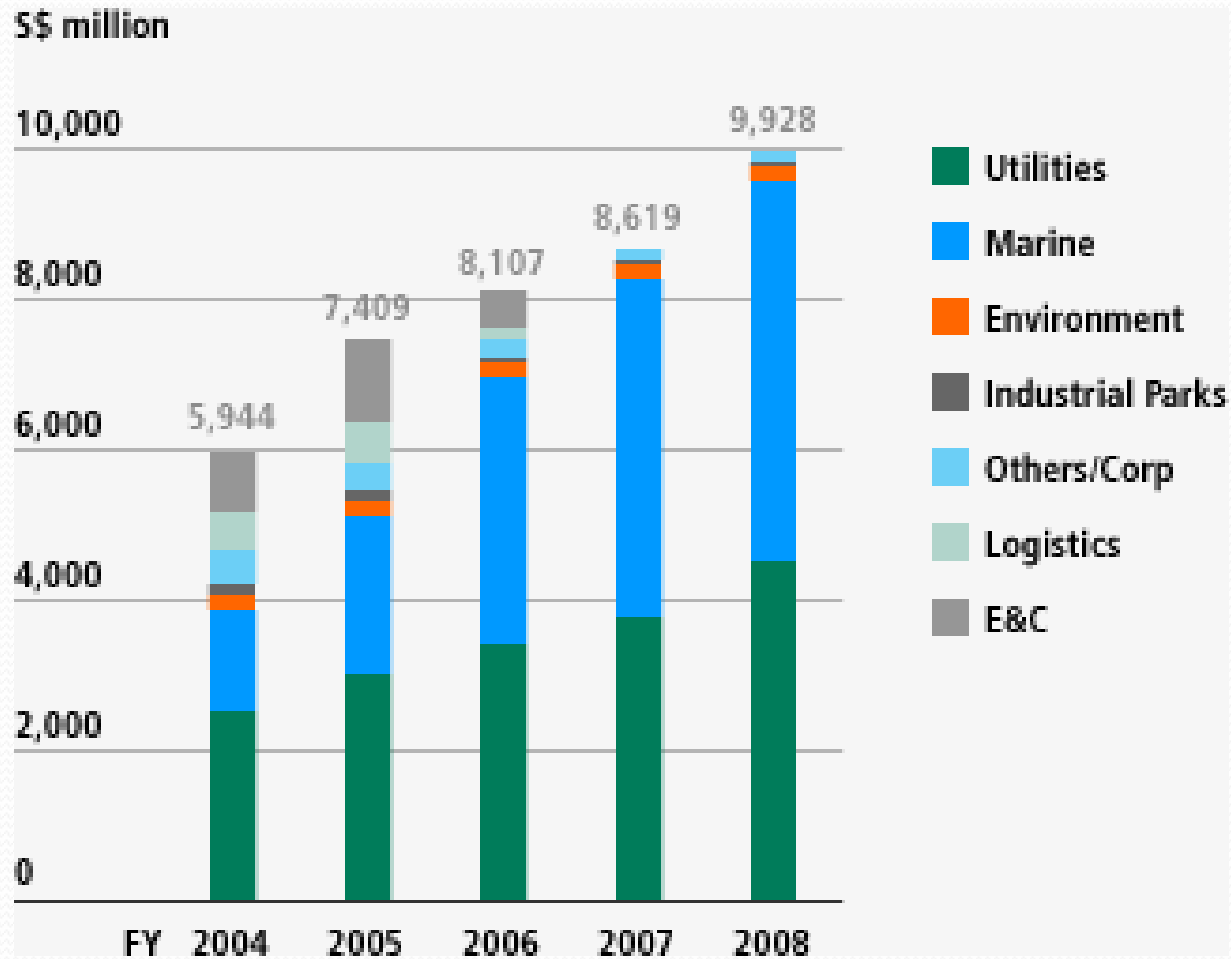
Environment



Marine



Group: Yearly



MAJOR PRODUCTS AND SERVICES

- Sembcorp Industries (Sembcorp) is engaged in providing services in utilities, marine, environment, and industrial parks segments. The company's key products and services include the following:

Utilities:

- Energy supply
- Steam supply
- Industrial water and wastewater treatment
- Industrial water supply
- Natural gas supply
- Associated industrial site services
- Electricity retailing

Marine and offshore engineering:

- Repair, building, and conversion of ships and rigs
- Offshore engineering services

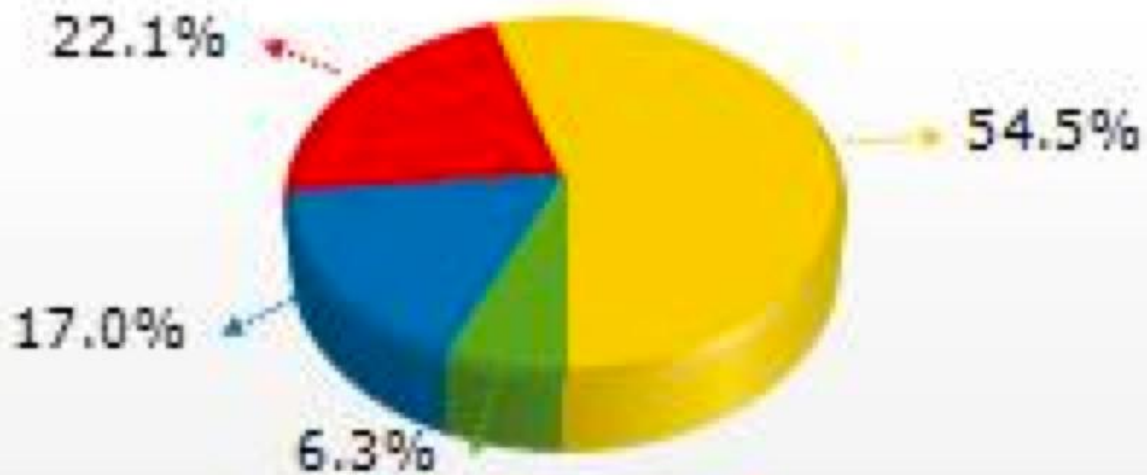
Industrial parks:

- Technical and marketing services to industrial parks
- International marketing
- Planning and development
- Technical consultancy and support
- Estate management and quality care

Others:

- Minting
- Design and construction activities

Total Revenue



Others

Europe

Rest of Asia

Singapore

Group PATMI before EI (S\$m)

FY07, FY08

- Utilities 230.2, 200.3
- Marine 220.1, 290.6
- Environment 13.6, 2.1
- Industrial Parks 34.0, 31.5
- Other Businesses and Corporate 59.3, 9.5
- **TOTAL 557.2, 534.0**

What Differentiates Semcorp?

- Diversification
- Synergy
- Build on strengths
- Expansion

FY2008 Highlights:

Utilities

- Sembcorp NEWater Plant, Singapore
- Beachhead in Shenyang, China
- Sembcorp Gas supplies 40% of natural gas requirements

Industrial Park

- Progress in development of integrated township and industrial park concept

Environment

- Continued focus on waste-to-resource

Marine: Schedule of Deliveries and Completions

	Jack-Up Rigs	Semi-Submersible Rigs	Ship conversion & offshore
2009	4	2	5
2010	6	3	4
2011	2	3	1
2012	-	1	-
Total	12	9	10

Orderbook Visibility until 2012:

-Net orderbook as at April 2009: S\$9.4 bn

-Record orders secured in 2008:S\$5.7 bn

SWOT:

Strength:

- Strong market position
- Broad service portfolio
- Diversified geographic presence

Weakness:

- Declining performance of industrial parks segment

Opportunities:

- New contracts
- International expansions
- Growing demand for more efficient waste and water management systems

Threats:

- Government regulations and environmental issues
- Intense Competition
- Decline in Eurozone

Top Competitors

- Toa Corporation
- Keppel Corporation
- Hyundai Engineering & Construction
- Hanjin Heavy Industries & Construction Co. Ltd.
- China State Construction Engineering Corporation
- IHI Corporation
- Lum Chang Holdings Ltd.
- Penta-Ocean Construction Co., Ltd.

Valuation

Recommendation: HOLD

DCF methodology:

- Current price: S\$3.19
- Target price: S\$3.26
 - DCF methodology, Beta 0.50, WACC 8.5% , terminal growth rate of 2%

Positioning for the Future

- **A challenging global environment**
- Global recession, financial crisis and credit squeeze
- **Focused on managing existing businesses well**
- Cost management
- Operational excellence
- Healthy balance sheet and strong operating cash flow
- **Capitalizing on opportunities**
- Establishing and growing beachheads
- Selective M&As incl. the acquisition of distressed assets

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Thank you!