

# 24th Annual General Meeting

Presentation by Vincent Chong

Group President & CEO

22 April 2021

Our Aspiration

# To be a Global Technology, Defence and Engineering Powerhouse

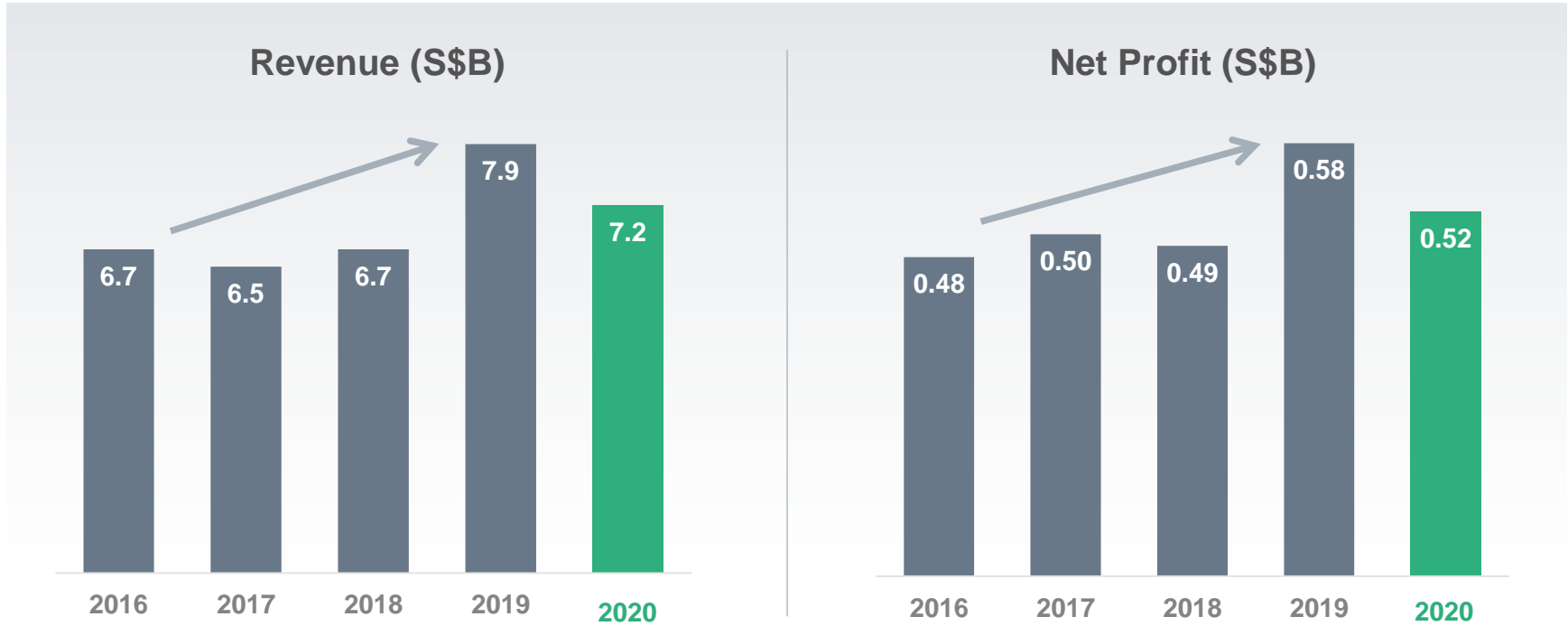
## Strengthen Core Businesses

## Pursue Growth Opportunities

- Smart City
- International Defence Business

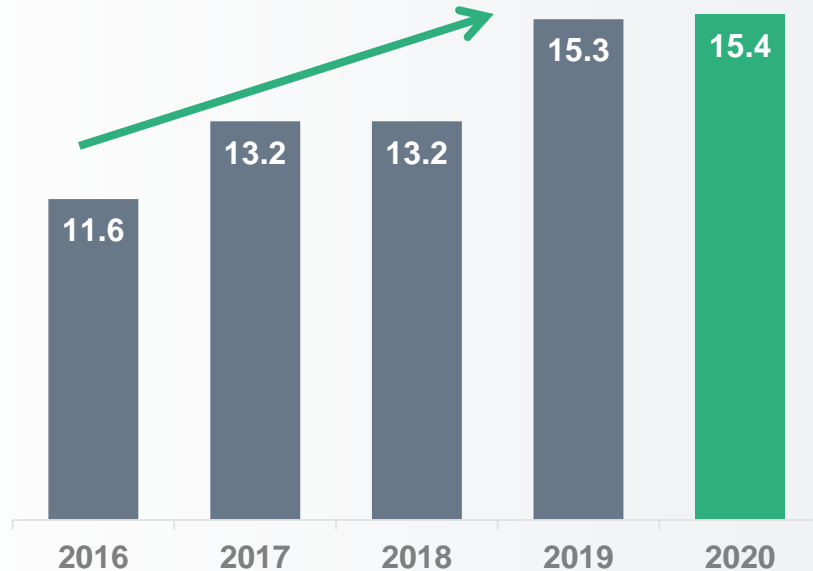
At ST Engineering, we leverage technology and innovation to solve real-world problems and enable a more sustainable world

## Balanced Results Despite Covid-19 Impact



## Maintained Strong Order Book of \$15.4B

Order Book (\$B)



**\$5.7b new contracts** from Aerospace and Electronics sectors despite Covid-19 challenges

- \$5.3B to be delivered in 2021

2020 In Review – Aerospace

## Diverse Portfolio Provides Resilience

### Multi-year MRO Contracts



Awarded **2020 Frost & Sullivan Best Practices Award**



**10Y exclusive APAC license** for Honeywell components on LEAP-series engines

### Passenger to Freighter Conversion

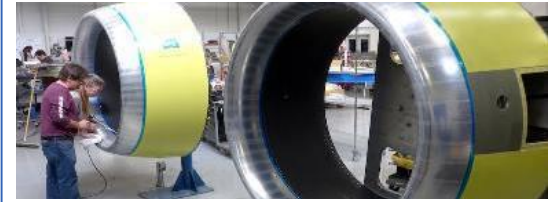


Redelivered “head of version” A321P2F to Vallair / Qantas



**New customers for A330 PTF** - CDB Aviation, MNG Airlines & Stratos

### Engine Nacelle



Added capability for CFM56-7B and V2500 engine nacelle MRO

### Innovations amid pandemic

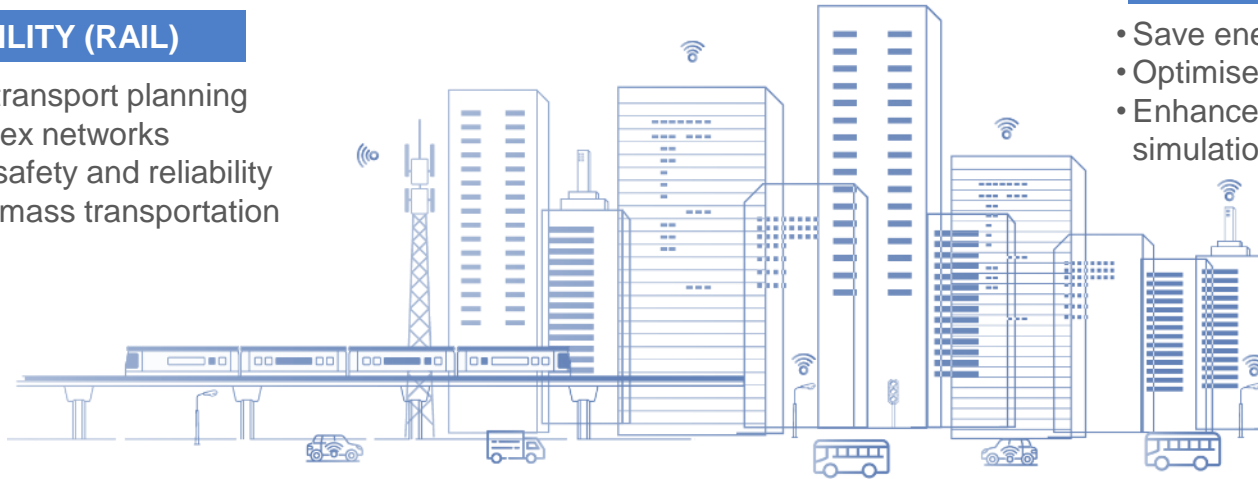


**EASA approved anti-microbial coating solution** for use in cabin

# Our Smart City Solutions enable more Sustainable Cities

## MOBILITY (RAIL)

- Improve transport planning for complex networks
- Improve safety and reliability
- Effective mass transportation means



## IOT & ANALYTICS

- Save energy with smart lighting
- Optimise scarce water resources
- Enhance operations via simulations

## ADVANCED TRAFFIC MANAGEMENT

- Reduce incident management time
- Enable real-time traffic awareness
- Minimise congestion, thus lower fuel burn

## INTELLIGENT FLEET MANAGEMENT

- Improve passenger fulfilment rate
- Reduce waiting time
- Streamline operations

# Notable Smart Cities Wins and Projects



**Satellite modem platforms** to power SES's Medium Earth Orbit (MEO) communications system



**Rail electronics** projects in China, India and Thailand



**Jurong Region Line Integrated Supervisory Control and Communications Systems**



**Next generation Perimeter Intrusion Detection System** in a US airport



**Smart lighting** installed in Singapore public housing estates

**Street light control and water advanced metering infrastructure** solutions deployed in various global cities



**Integrated Waste Management Facility** for NEA

# Strong Defence Business Provides Stability

## Hunter Armoured Fighting Vehicle (AFV)



New contract for additional units of Hunter AFV by Singapore's **Ministry of Defence**

## Weapons & Munitions



New contracts from customers in **South America, North Africa and Middle East**

## U.S. Army's Cold Weather All-Terrain Vehicle (CATV)



Partnered Oshkosh Defense to participate in the prototype phase for the **U.S. Army's CATV**, using Bronco 3. The team has since been *selected in April 2021*.

## Auxiliary Personnel Lighter–Small (APLS)



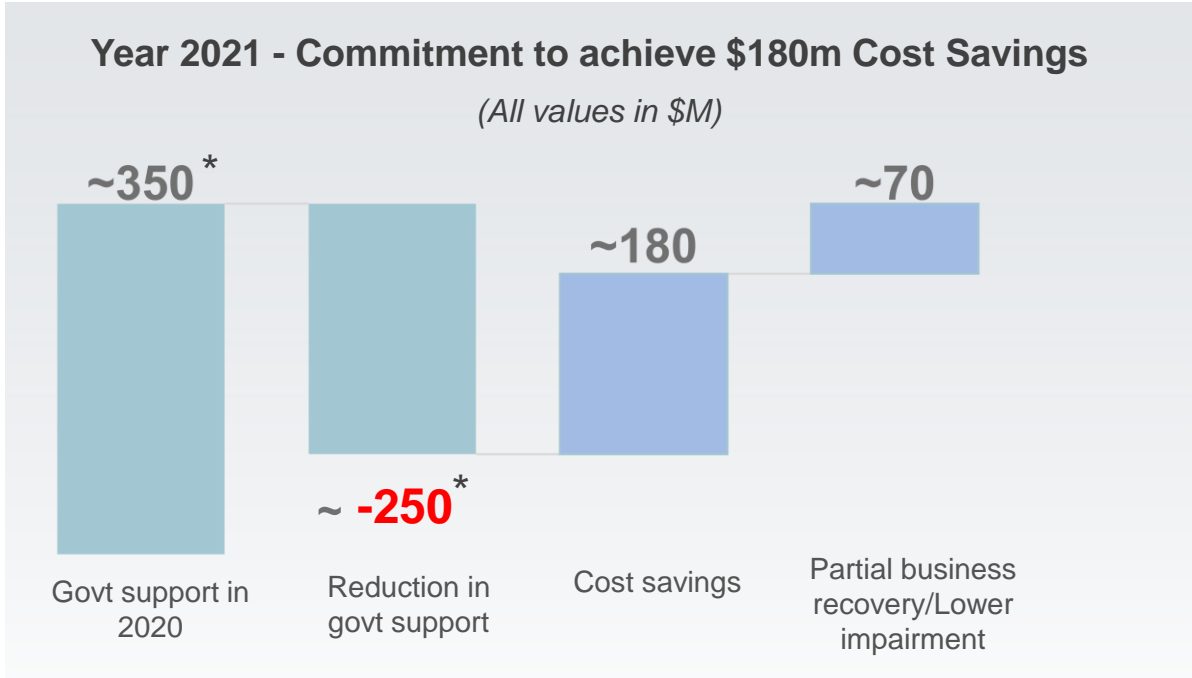
Halter Marine awarded 4th APLS by the **U.S. Navy**

## 2020 IES PRESTIGIOUS ENGINEERING ACHIEVEMENT AWARD

In recognition of the Hunter AFV and its engineering achievements



# Prudent Cost Management Mitigates COVID-19 Impact



Significant cost management initiatives

Reduction of outsource / contract manpower

Reduction of discretionary capital expenditure & tighten operating expenditures

***Cost savings to be reinvested if growth recovery is stronger than projected***

2020 In Review – Mask Production

# Our Technology Helps Fight the Pandemic

Set-up first medical grade mask factory in SG



Strengthened Manufacturing Capabilities

Manufacture raw material (meltblown polypropylene)



Enhanced Supply Chain Resilience

Develop reusable N95 mask

**REUSABLE MASK**

PROVEN PROTECTION FOR EVERYDAY USE

**Anti-Microbial**  
Medical-grade effectiveness against bacteria and viruses

**Anti-Haze**  
Filters more than 95% of PM2.5 and harmful particles

Available in **M** **L** Sizes



**ACTIVE PROTECTION LASTING UP TO 30 WASHES**



**ULTRA-PLUSH NOSE CUSHION**



**ADJUSTABLE EAR LOOPS**

Sustainable Option that Provides Proven Protection

# Our Community Outreach Efforts Create Social Impact

## Surveillance & Monitoring

Security Robot



Infrared Fever Screening Systems



## C3 Systems

Hospital Operations Centre



## Local Community

Project #BYOBclean



IMDA Digital Access Programme



- \$1 million raised
- Dollar-for-dollar match by the company

Halter Marine donates to charity and community



## Public Health & Safety

N95 and surgical Masks Production



Mobile swab stations



Monitoring system and Tug @ Community Care Facilities



MRAS innovates face shields for Maryland healthcare workers



Looking Ahead - Accomplish Global Scale and Success

# New Organisation Structure Helps Drive Global Scale and Success

**Deepen customer engagement and domain expertise**

*- more customer focused and industry facing organisation*

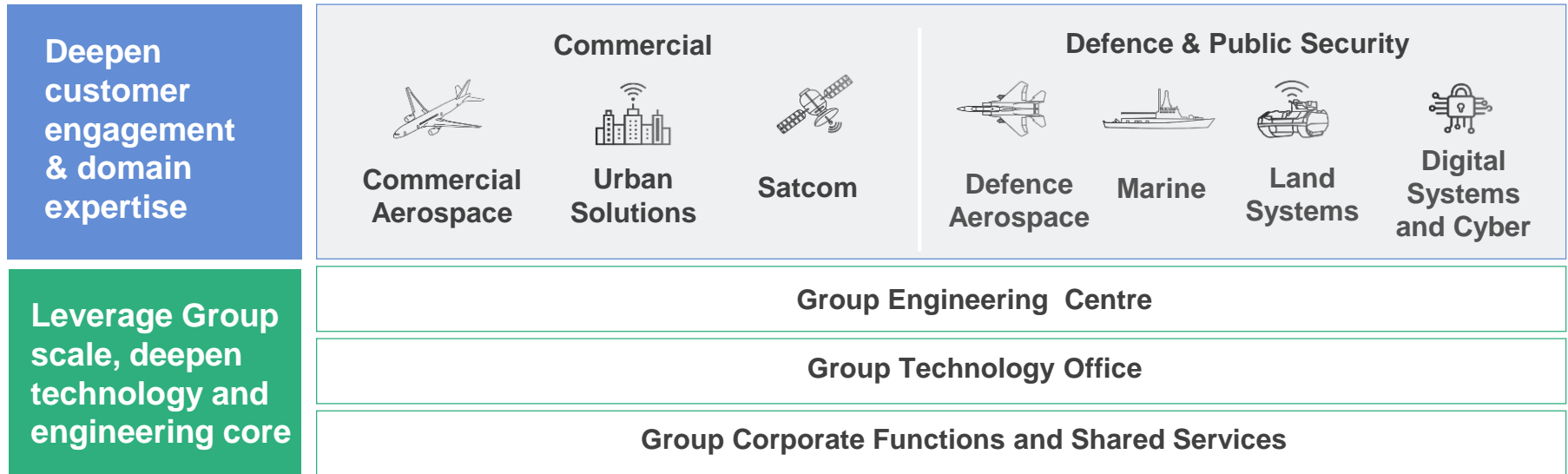
**Continue to leverage Group scale; strengthen technology and engineering core**

**Enhance leadership structure; broaden bench strength**

Looking Ahead – Key Focus Areas

# New Organisation Structure Supports Growth Strategy

Two Clusters of diverse portfolio across the aerospace, smart city, defence and public security segments, supported by the Group’s technology and engineering core



Looking Ahead – Key Focus Areas

## Strengthening Portfolio

### Steadfast and Disciplined in Seeking Growth

Continue to pursue base business growth and M&A opportunities consistent with strategy



Aircraft Engine Nacelle  
Systems

**US\$630m Acquisition**  
(Year 2019)

 Newtec logo with the word 'Newtec' in white on a dark blue rectangular background.

Satcom Ground  
Equipment

**€250m Acquisition**  
(Year 2019)

### Ongoing Portfolio Review

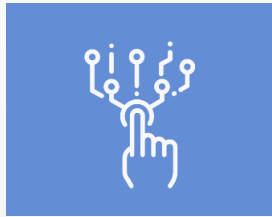
Divest and liquidate businesses that are non-core or no longer fit into strategic goals

# Strengthen Technology & Innovation while enhancing Operational Excellence

## Technology & Innovation



Develop best-in-class technologies across Group



Ensure robust technology planning and road-mapping

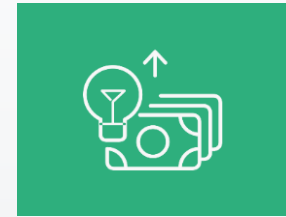


Drive business innovation

## Operational Excellence



Drive continuous improvement programmes



Achieve operational and cost efficiencies

Looking Ahead – Well Positioned for Growth

## Strong balance sheet provides capacity for growth



**AAA/stable**  
rated by S&P  
and Moody's



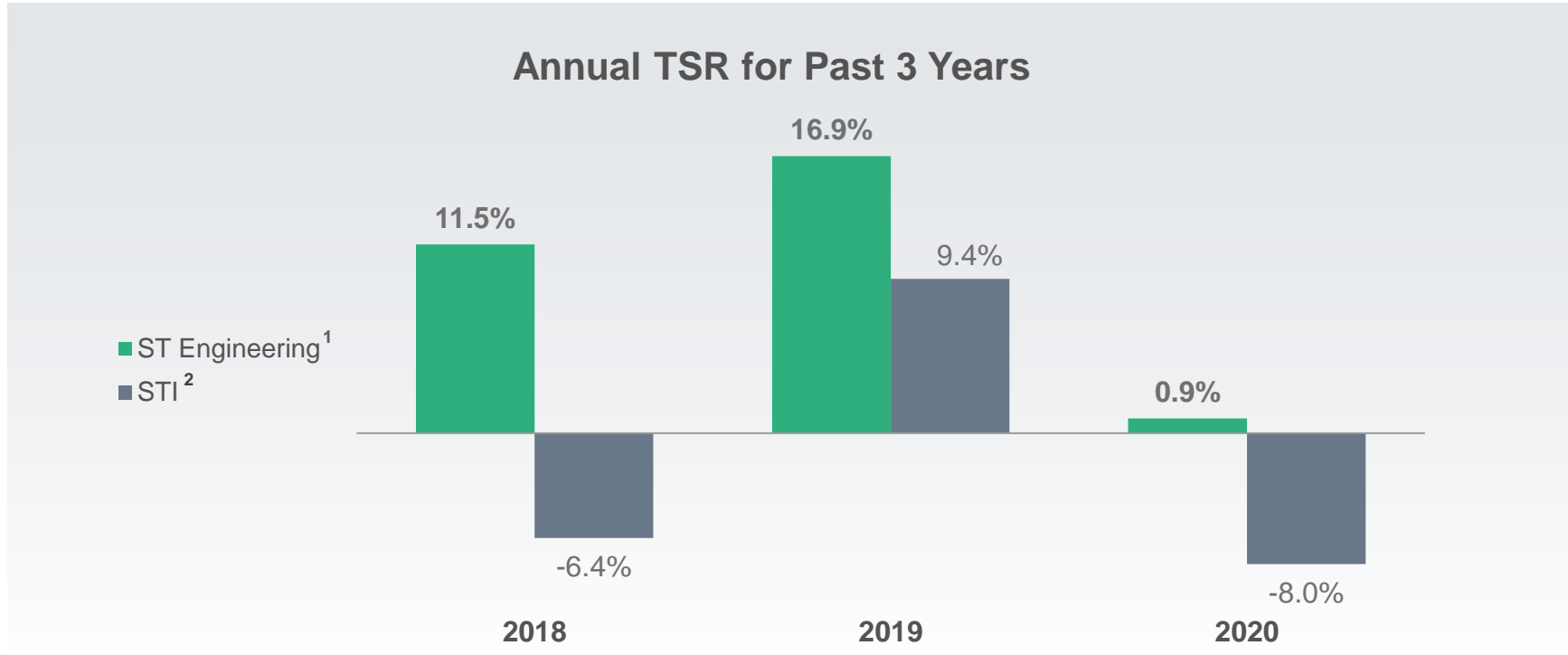
**\$729m** cash  
and cash  
equivalents\*



**0.5x** Net  
Debt/Equity ratio  
and 11.2x interest  
cover ratio\*



# Committed to Long-Term Sustainable Value Creation



# Thank You