

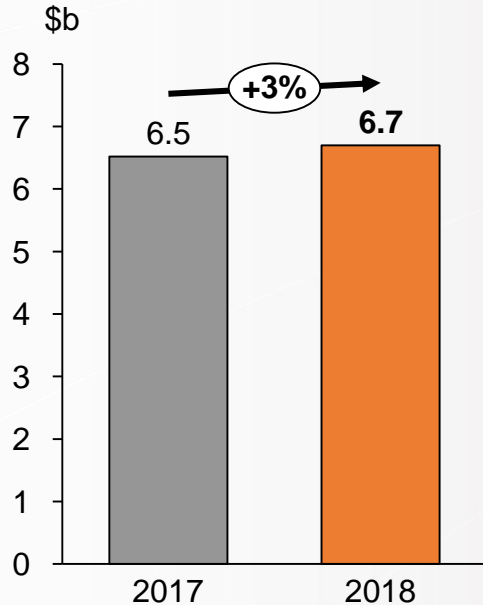
22nd Annual General Meeting

18 April 2019

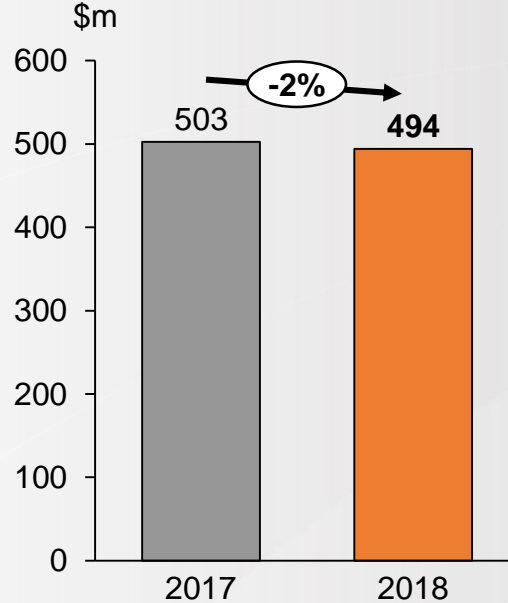


Resilient 2018 results, impacted by one-offs

Revenue (S\$b)

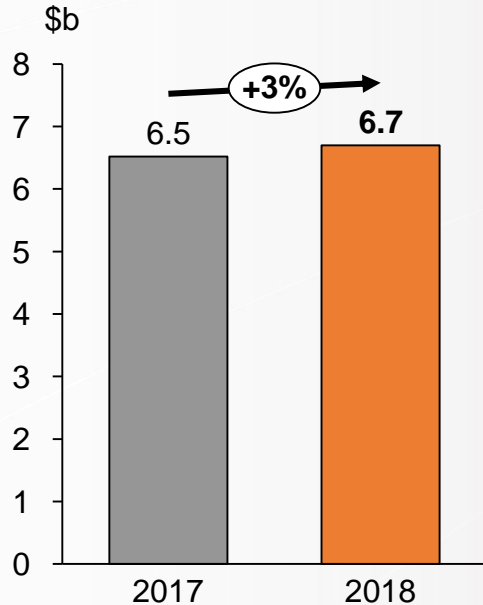


Net Profit (S\$m)

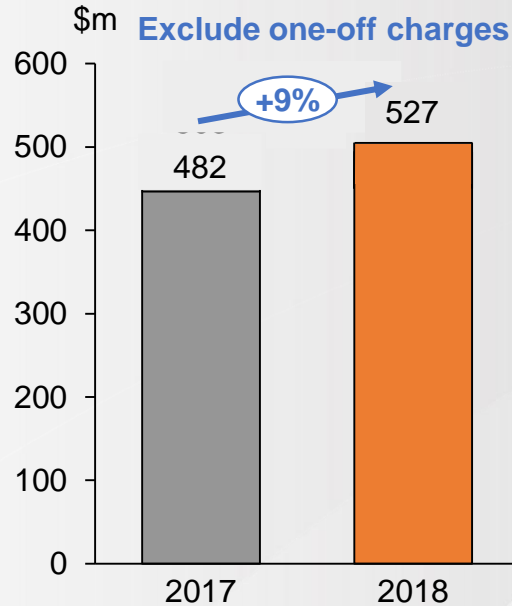


Resilient 2018 results, impacted by one-offs

Revenue (S\$b)



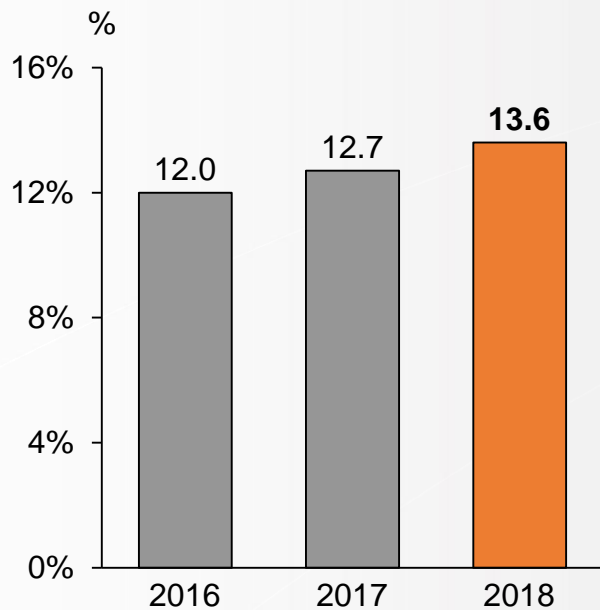
Net Profit (S\$m)



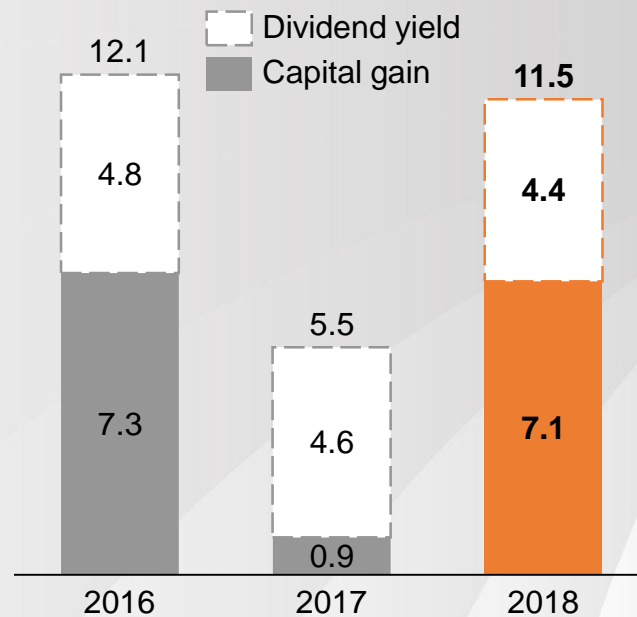
- Strong underlying operating performance
- One-off charges to rationalise portfolio
- Investments in growth initiatives and capabilities

Value creation

Return on capital employed (%)



Total shareholder return (%)



Initiatives since 2016

Positioning for growth

Strategy

- ▲ *Group strategy office*
- ▲ *Aligned M&A with Group strategy*
- ▲ *Formed Management Committee*
- ▲ *Rationalised subsidiary Boards*
- ▲ *Set up Strategy & Finance Committee*

Synergies

- ▲ *Shared Services*
- ▲ *Treasury Centre*
- ▲ *Legal Entity Rationalisation*
- ▲ *Strengthened Group Marketing*
- ▲ *Brand Harmonisation*
- ▲ *Setting up Group Risk & Assurance*

Portfolio mgt

- ▲ *Divested China Speciality Vehicles biz*
- ▲ *Divested India Road Const Eqm biz*
- ▲ *Rationalised Brazil Road Const Eqm and Automotive MRO biz*
- ▲ *Divested US Pilot Training biz*
- ▲ *Acquisition of MRAS and Newtec*

Invest for growth

- ▲ *Strengthened Talent Development Framework*
- ▲ *Corporate Venture Capital*
- ▲ *Open Lab: Innosparks*
- ▲ *Group Digital Office*
- ▲ *Strategic Tech Centres*
- ▲ *Restructured ST Dynamics to Future Tech Centre*
- ▲ *New Enterprises & Ventures*

Good progress with early wins

1

**Strengthen
core businesses**



Aerospace



Marine



Electronics



Land Systems

2

**Pursue
growth opportunities**



Int'l Defence Biz

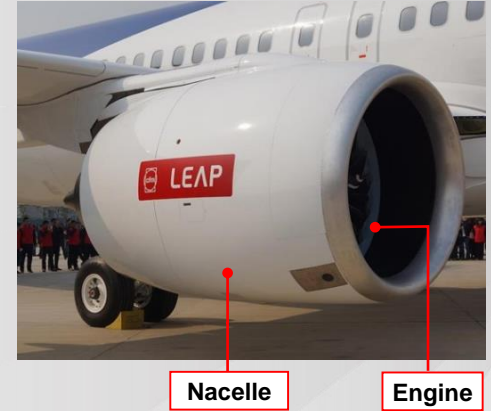
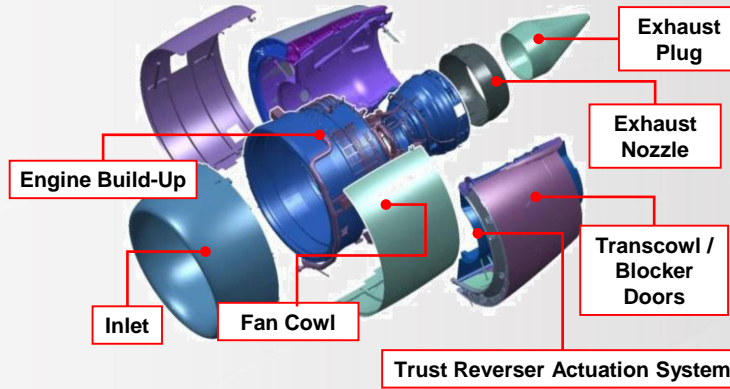


Smart City

1 Strengthen core: Acquired MRAS

- Largest acquisition for the Group
- Focused strategy to upscale capabilities
- Well received by market

Major nacelle components



“Strategic acquisition for the group which will reap benefits in the long term, besides being earnings accretive”

OCBC Investment Research

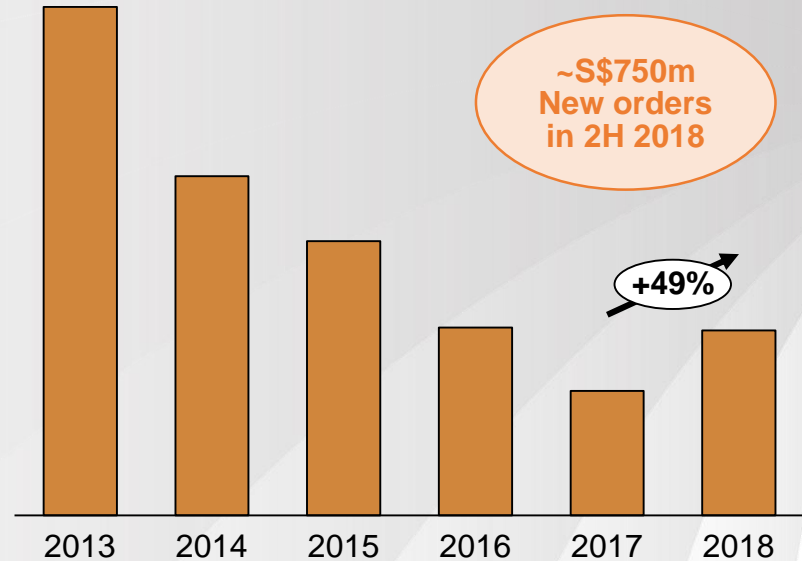
1 Strengthen core: Building order books

Order Book
Yr End 2018 **\$13.2b**

~\$4.9b expected to be
delivered in 2019



Marine 2013-2018 Order Book



1 Strengthen core: New Investments



**Expansion of MRO complex,
Pensacola, Florida, USA**

Total investment: US\$210m

Our share of investment: US\$35m



**2nd Composite panel mfg. plant,
Kodersdorf, Saxony, Germany**

Total investment: EUR 38m

20% external funding

2 Pursue growth: Smart City achievements

AI powered
Traffic Management
System
in Middle East



Rail products
in **45 cities**



First Smart Street Lighting
Foray into USA



CES 2019
Award Honoree
in Las Vegas
Ultra-Slim
2FA Encryption



Breakthrough

New Markets & Endorsements



Launched
Logistics Robots



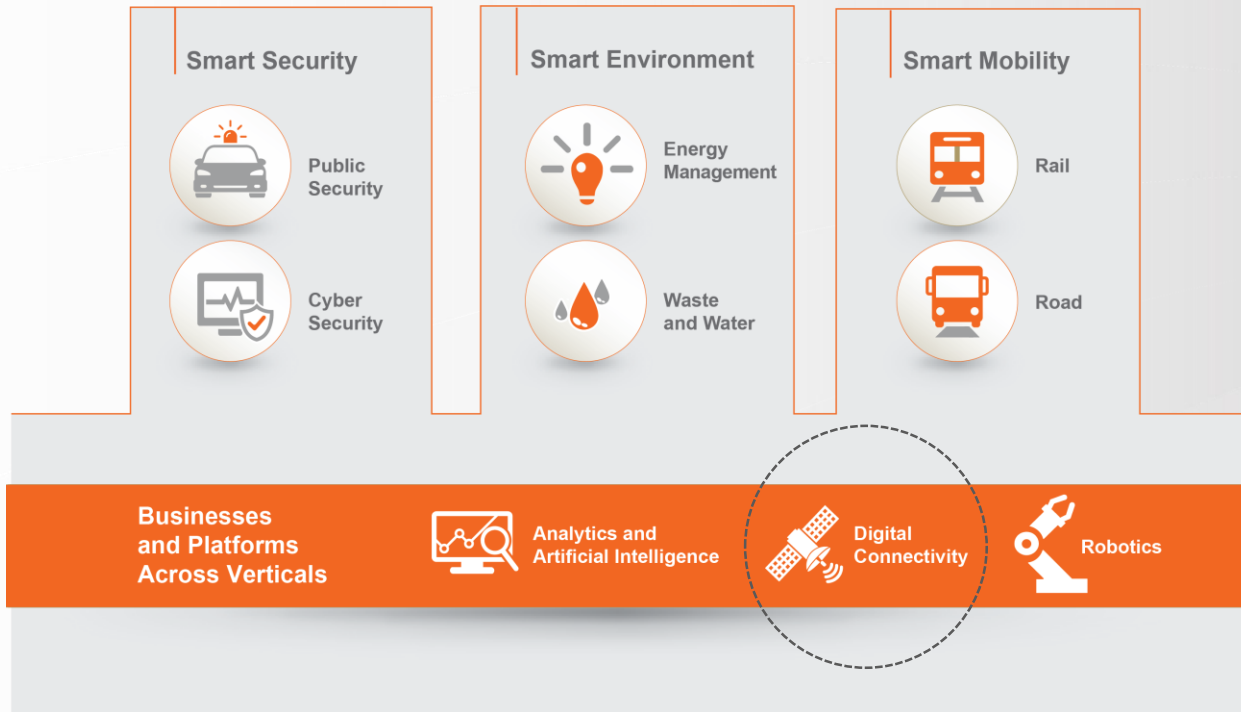
Predictive
Maintenance
99.2% Accuracy
Accuracy predicting
Train Door Failure



Rollout
EV buses
in Singapore



2 Pursue growth: Acquiring Newtec



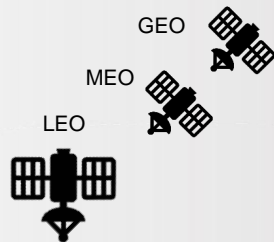
About Newtec

- Leading Satcom equipment provider
- Designs, manufactures and sells Satcom equipment
- Owns IPs & patents for key Satcom technologies

Acquiring Newtec to reinforce Satcom business

Strategic partnerships

CONSTELLATIONS
SATELLITE MANUFACTURERS



Newtec's value proposition

- Differentiated and complementary IP

Key Satcom capabilities

GROUND SEGMENT

Antennas, Professional Equip



Hubs & Line cards



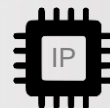
Network Mgt. System



Remotes



Reference Design, Licensing



- Strong position for future growth

Key customer segments

END-USERS

 ST Engineering

Aeronautical



Maritime



Land



Enterprise





Cell Backhaul



Consumer



Broadcast



- Revenue and cost synergies

- Earnings accretion expected from Year 2

2 Pursue growth: Int'l Defence Business

Attractive market but competition intense

World class products;
Enhance delivery to global markets



TERREX 2



Next-Generation
Armoured Fighting
Vehicle

Secured new orders;
Building pipeline



Auxiliary Personnel
Lighters



Logistic Support
Vessels

Secured



Medium Unmanned
Surface Vessel



Land Platforms

Priorities for 2019

The image displays five vertical cards, each representing a strategic priority for 2019. Each card features a white icon on an orange square background, a white number in an orange circle, and a white text label on an orange rectangular background at the bottom. The cards are arranged horizontally from left to right.

- 1 Strengthen Core**: Icon of a network of five nodes connected by lines.
- 2 Pursue Growth**: Icon of a bar chart with an upward-pointing arrow.
- 3 Integrate Acquisitions**: Icon of two interlocking rings.
- 4 Nurture Capabilities**: Icon of a stylized tree with many leaves.
- 5 Develop new Businesses**: Icon of a bar chart with a star above the tallest bar.

New Enterprises & Ventures

Formulate strategy

1

Adopt global mind-set and context

2

Apply engineering expertise in healthcare settings

3

Collaborate with Singapore ecosystem

4

Invest to operate

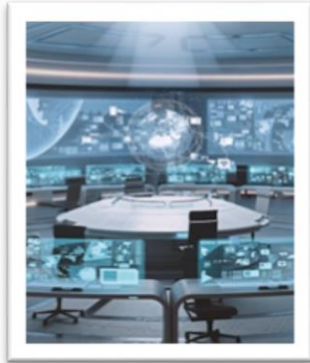
Build capability to execute

- Enhanced domain and functional expertise
- Established HealthTech network
- Active business development

Pursue our aspiration

**Build & Operate
A Global
HealthTech
Business**

Current participation in HealthTech business



Healthcare IT

- Hospital C2 Command Centre
- Integrated Security Management



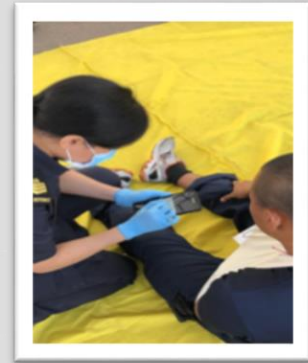
Robotics

- Delivery Robots
- Medical Robots*



Medical Devices & Diagnostics

- Soldiers Vital Signs Analytics
- AI Wound Analytics*



Emergency / Safety

- Emergency Response System
- Infrared Fever Scanner Solution

Our 5-Year Plan (2018 – 2022)



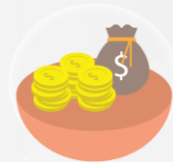
**Smart City
revenue (S\$1b) to
more than double**



**Core and other businesses
grow at 2 – 3x global GDP
growth rate**



**Group net profits
grow in tandem
with revenues**



**2/3 of Group revenue growth
from global markets**



Thank You