

25th Annual General Meeting

Presentation by Vincent Chong

Group President & CEO

21 April 2022

Recap

Our Aspiration and Corporate Purpose

Our Aspiration

To become a global technology, defence and engineering powerhouse

Our Corporate Purpose

Harness technology and innovation to enable a more secure and sustainable world

Build global scale and success



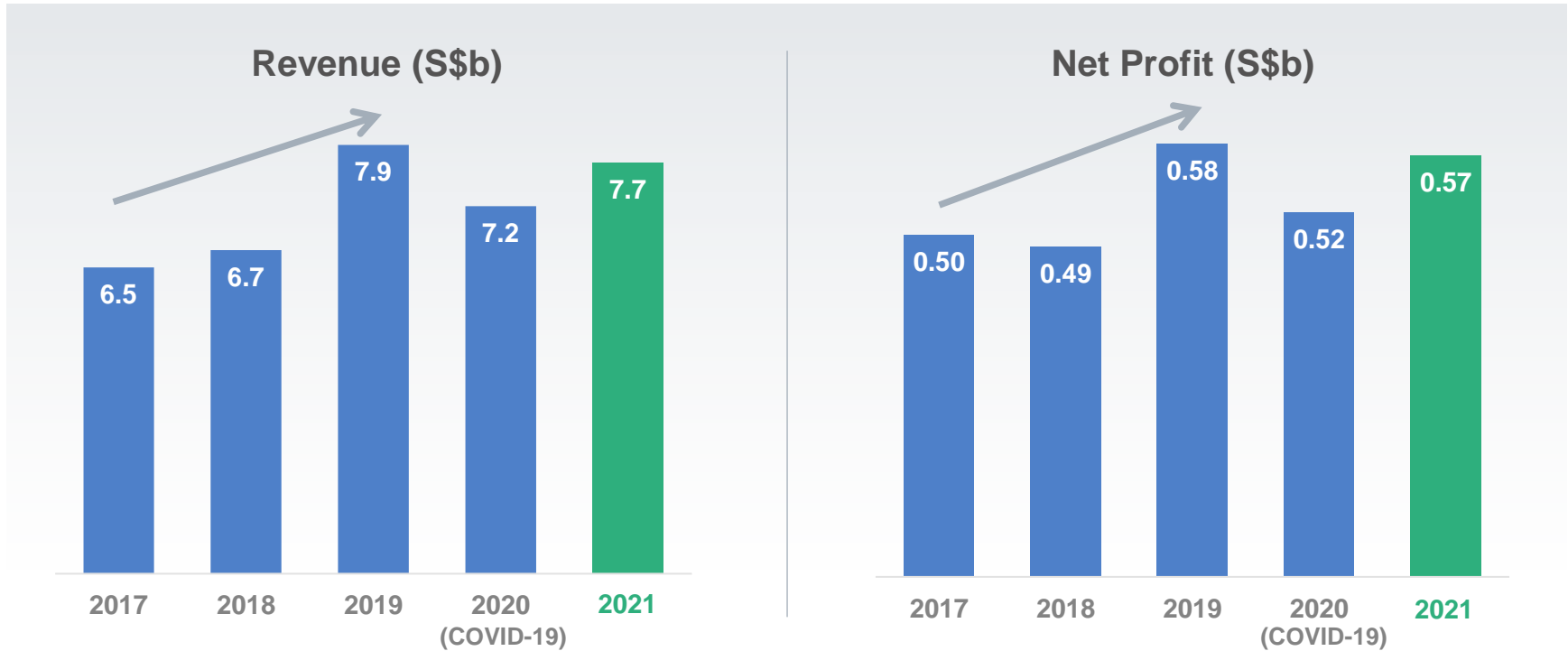
Strengthen Core Businesses



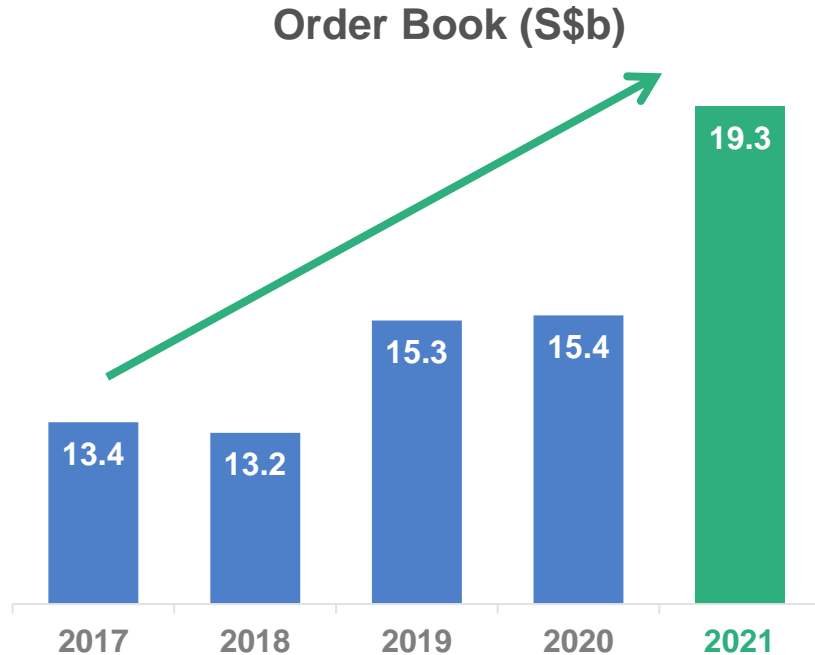
Pursue Growth Opportunities

- Smart City
- International Defence

Balanced Results Despite Pandemic Challenges



Strong Order Book Provides Revenue Visibility



- **\$11.7b new contract** wins despite COVID-19 challenges
- **Order book of \$19.3b** as at 31 Dec 2021
 - ~\$6.6b to be delivered in 2022

2021 In Review – Key Initiatives

Resilient Against COVID-19 Impact



Set 2026 Strategic Goals

Focused on Sustainability

Strengthened Technology & Innovation

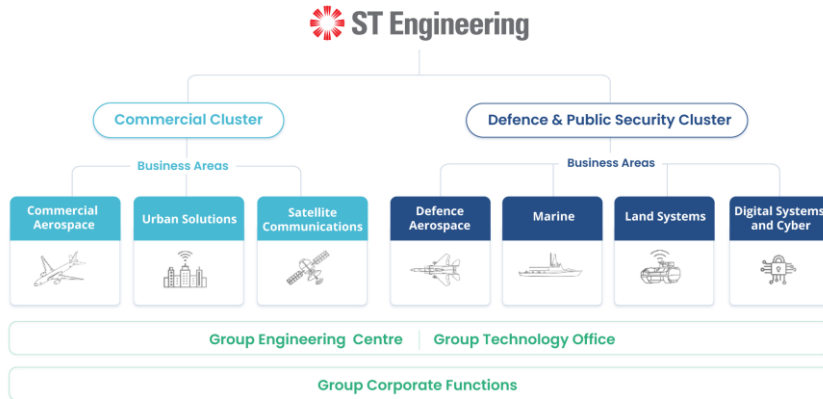
Maintained Disciplined Cost Management

Operationalised New Organisation Structure

2021 In Review

Strengthened Core Enablers

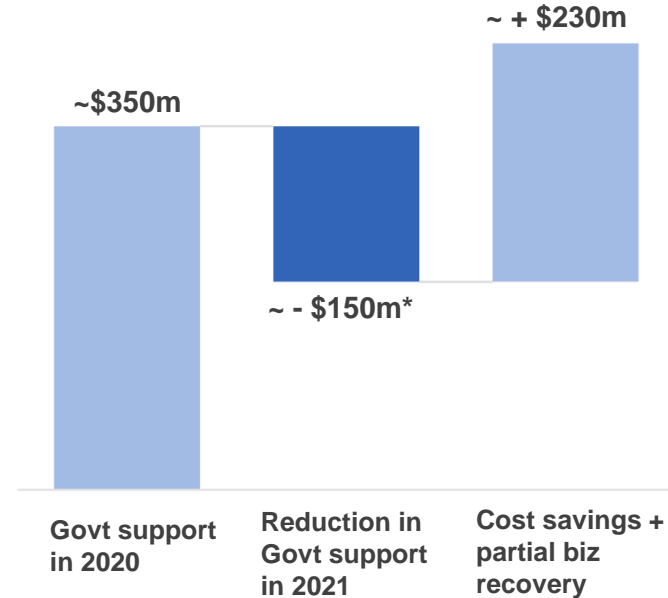
Operationalised new organisation structure



Strengthened leadership bench



Maintained disciplined cost management



Notes:

Above figures denote impact before tax

Cost savings and partial business recovery are net of investment to fund future growth areas

*FY2021 government support: \$205m.

Augmented our Foundation

Strengthened technology and innovation



Launch of
**Research Translation
@ ST Engineering**
28 October 2021

Guest-of-Honour
Mr Heng Swee Keat
Deputy Prime Minister and
Coordinating Minister for Economic Policies

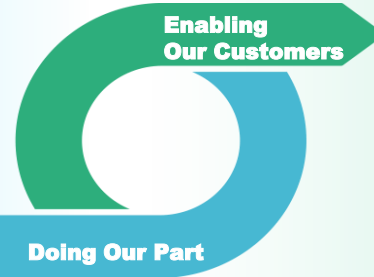


Focused on sustainability



ST Engineering Eco-Initiatives
Because we care

Growing Partnerships & Seizing Opportunities



TCFD

↓ 50% GHG 2030

Doing Our Part

Building Credibility & Managing Risk

2021 In Review

Set 2026 Strategic Goals

Sharpened focus areas

Our Ambitions

2026 targets

- Annual revenue to grow at 2 to 3 times global GDP growth rate to >\$11b¹
- Net profits to grow in tandem with revenue

Commercial Aerospace to achieve >\$3.5b in revenue²

Smart City revenue to more than double to \$3.5b¹

Other Core Businesses

Sustainability-linked revenue to grow to >\$3b

Grow Digital Business – Cloud, AI Analytics, Cyber

Driving the Next Bound of Growth

Managing our environmental footprint and build trust with our community

Urban Solutions

Urbanisation, Digitalisation and Sustainability trends

- Capture Smart Mobility and Smart Environment opportunities
- Expand sustainability-enabled solutions

Satcom

Convergence of Satcom-SG, Cloud and IoT

- Develop Next Generation Satcom-SG and cloud-enabled virtualised platforms

Environment

2010 (Baseline) 164 kCO₂e

2020 (Current) 117 kCO₂e

2030 (Target) 82 kCO₂e

↓ 50% GHG

Social

Stakeholders Partners Community

Governance

TCFD

Ecosystem with real-world impact

R&D collaborations with universities, research institutes, government agencies and start-ups

New research collaboration model for effective translation of research outcomes for commercialisation

Core engineering platforms build strong capabilities across the Group

Notes: 1. 2020 Base Year: TransCore closes in 1Q2022. 2. Assume Aerospace recovery as per Commercial Aerospace slide 11

Continued to Invest - Build Capacity and Capture Value

Passenger-to-Freighter conversions



A320/A321 and A330P2F slots fully booked through mid-2024 and 2025 respectively



JV with Temasek – converted freighter aircraft leasing

MRO – long-term contracts



Secured multi-year contracts from new and existing customers

Innovations amid pandemic



Received AML-STC from the FAA to install Aviation Clean Air's cabin air purification solution on A320/A321

Expanding capacity



Commenced construction of MRO facility in Pensacola, U.S.



Set up new freighter conversion site in San Antonio, U.S.

Expanded Smart Mobility Business through US\$2.68b TransCore Acquisition



U.S. market leader in Electronic Toll Collection (ETC) solutions and Intelligent Transportation Systems

Combined portfolio positions us as a Smart Mobility market leader

- Comprehensive suite of Smart Mobility products
- Strengthen **commitment to sustainability** – reduce traffic congestion and lower vehicle emissions
- **Synergies** through cross-selling **complementary products and solutions**
- Entry into **North American ETC** and **congestion pricing market**

Key Wins



Mobility Rail contracts in Taiwan, Australia, Egypt and Romania



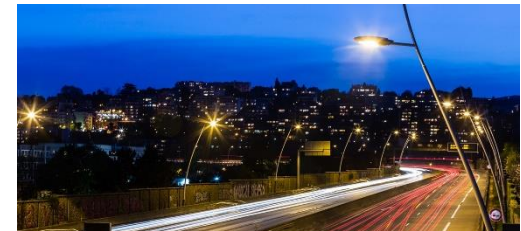
Delivered 1st batch of 20 **fast-charging electric buses** to LTA



Cellular backhaul wins to connect remote communities



Delivered **fully electric Automated Guided Vehicles (AGV)** and **automated chargers** to PSA Corporation for the new Tuas Mega Port



> 300k **Smart Street Lighting Solution** in Rio de Janeiro

Successes in the Global Market

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



Partnered Oshkosh Defense to participate in the **CATV programme** using Bronco 3 - successfully completed prototype testing, moved on to bidding for production

Offshore Patrol Vessels (OPV) for UAE Navy

Awarded sub-contract by Abu Dhabi Ship Building for 4 **Falaj 3-class OPV** for UAE Navy



2nd Polar Security Cutter (PSC) for U.S. Coast Guard

Awarded the 2nd **PSC contract** by the U.S. Coast Guard



Weapons & Munitions



New contracts from customers in **MENA, North America and APAC**

Giving Back to Society

ST Engineering MOVEment



3,301 employees
367,476km clocked
\$398,000 donated

Straits Times School Pocket Money Fund



Toys for Tots MRAS/ Halter Marine



Upcycled Digital Gifts



#StayMasked

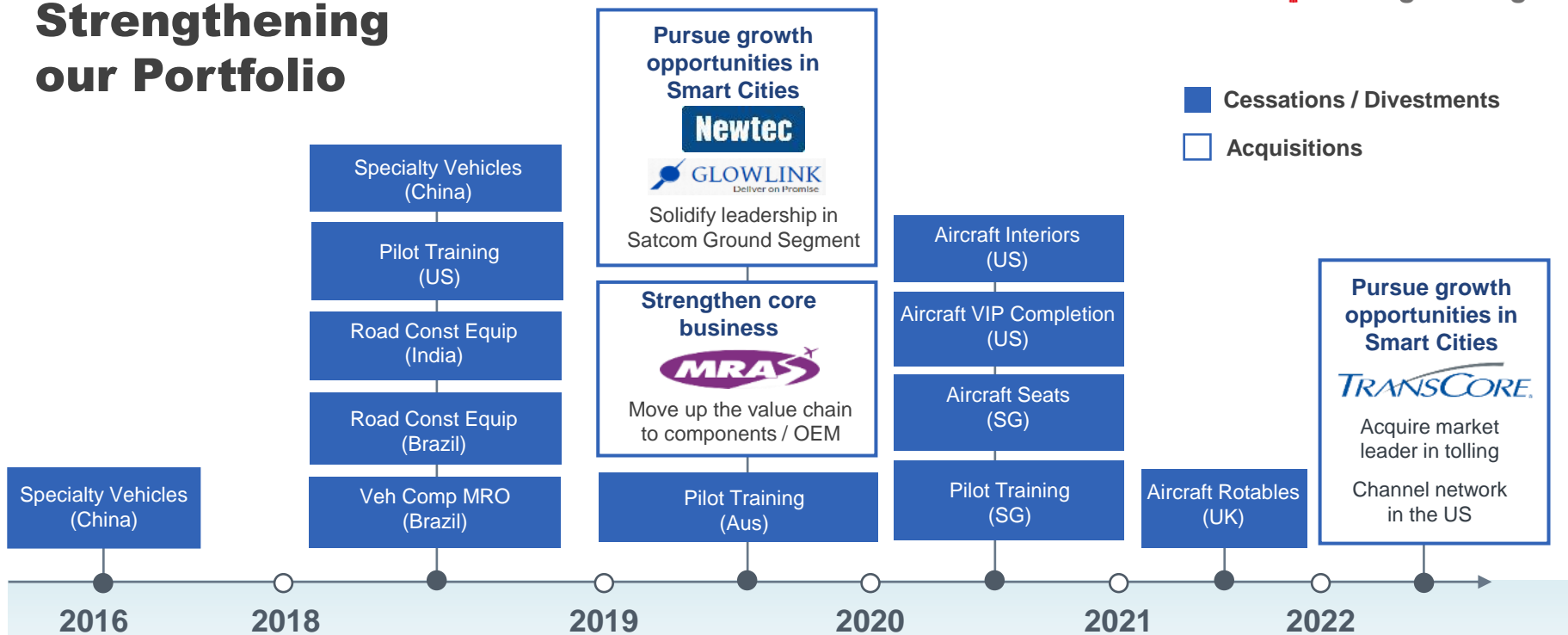


Homes in Need STEA San Antonio



Strengthening our Portfolio

- Cessations / Divestments
- Acquisitions



Continuous Portfolio Review

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

Our Ambitions

2026
targets

Annual revenue to grow at 2 to 3 times
global GDP growth rate to >\$11b¹

Sustainability-
linked revenue to
grow to >\$3b

Commercial
Aerospace to
achieve >\$3.5b
in revenue

Smart City revenue to more
than double to \$3.5b¹

Other Core
Businesses

Digital Business – Cloud, AI Analytics, Cyber revenue to triple to >\$500m

Net profits to grow in
tandem with revenue



Strong Balance Sheet Provides Capacity for Growth, Supplemented by Diverse Funding Sources

Balance sheet remains strong

Credit rating

post-TransCore transaction

- Moody's: Aaa (negative outlook)
- S&P: AA+/ Stable

Diverse funding sources

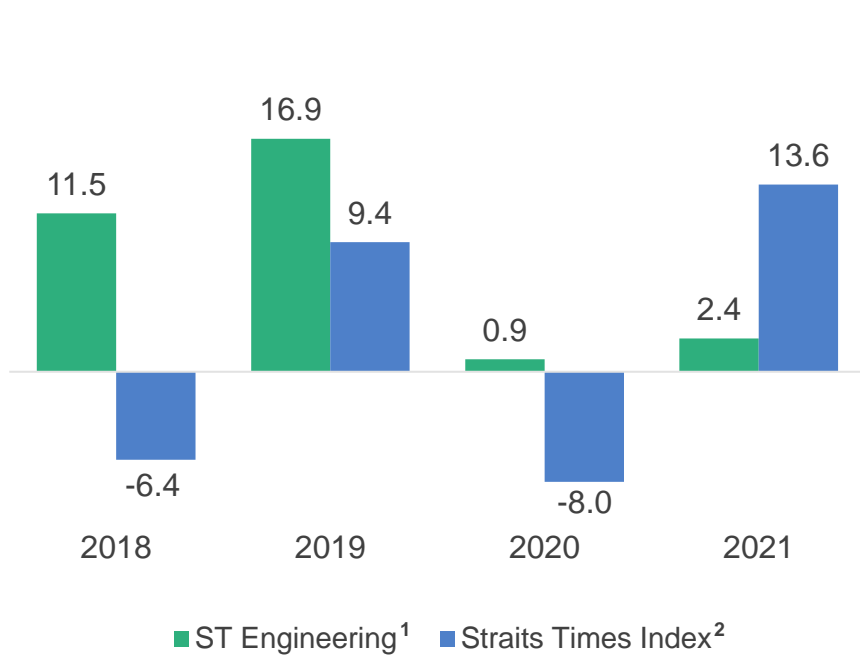
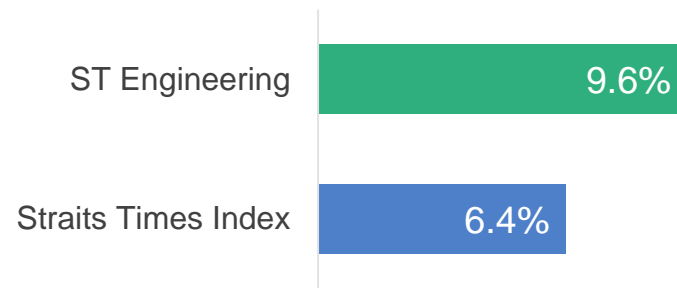
US\$3b

*U.S. Commercial
Paper programme*

S\$5b

*Multicurrency Medium
Term Note programme*

Long-term Sustainable Value Creation for Shareholders

Annual TSR (%)

YTD Stock Performance as at 20 Apr 2022


New dividend policy:

- **Quarterly dividends** from FY2022 onwards
- **Planned 16cps** for FY2022, 4cps per quarter

Thank you