

INVESTOR DAY 2021

Funding Capacity for Growth

Cedric Foo

Group Chief Financial Officer

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Disclaimer

Amounts stated in this presentation are denominated in Singapore Dollars unless stated otherwise.

The forward-looking statements in this presentation reflect the Company's current intentions, plans, expectations, assumptions and beliefs about future events. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions especially given the evolving COVID-19 situation and its impact globally. Representative examples of these factors include (without limitation) travel and border restrictions, governmental orders on business closures, lock-down and movement restrictions, quarantines, disruption to global supply chains, general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, and governmental and public policy changes, as well as natural disasters which may negatively impact business activities of the ST Engineering Group.

You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.

Recap

2018 Investor Day Focus Growth Areas

Strengthen core businesses



Aerospace



Marine



Electronics



Land Systems

Pursue growth opportunities



International
Defence Business



Smart City

Underpinned by strong capabilities



People
& Culture



Customers
& Marketing

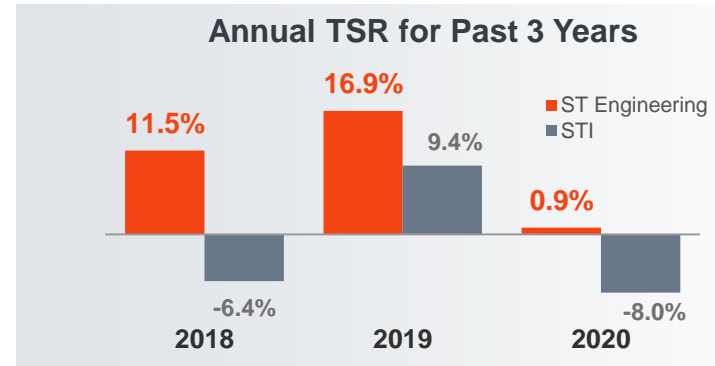
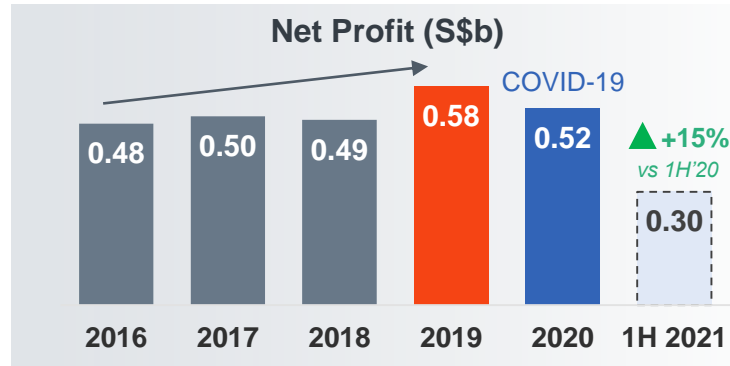
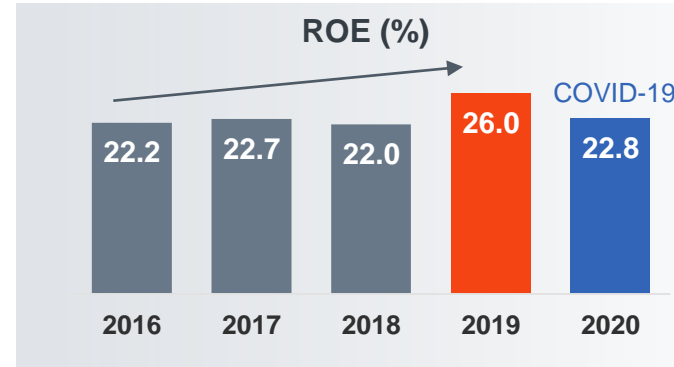
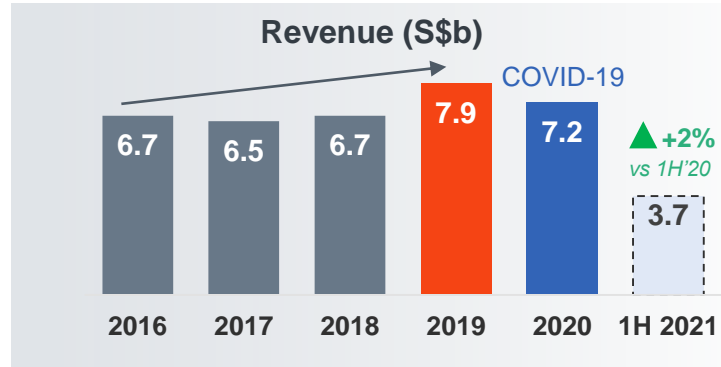


Technology
& Innovation



Capacity
for Growth

Performing on track in 2019 before COVID-19 hit



Update on 2018 Investor Day Ambitions

Our 2022 Ambitions

Achievement timeline

Two-thirds of our revenue growth will be from global markets



On Target
(By 2022)

Smart City revenue of **S\$1b** to more than double by 2022



~1 year delay

Core and other businesses CAGR **2 to 3 times** global GDP growth rate over the next 5 years



~1 year delay

Net profits to grow in tandem with revenues



~1-2 year delay

Our Journey



Investments

- Portfolio management
 - Acquisitions
 - Cessation of business / divestments



Operations

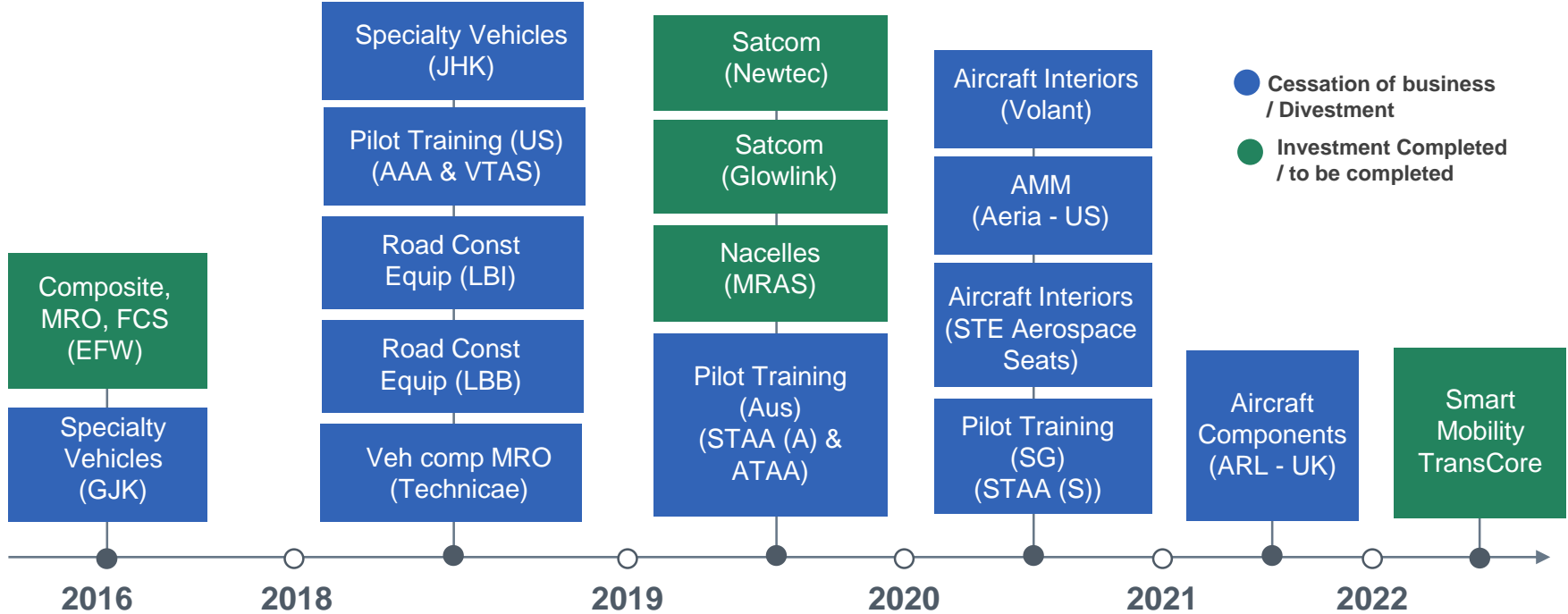
- Continuous improvement and innovation
 - Shared services
 - Joint procurement



Financial Capacity

- Strong underlying performance
- Innovative financing solutions
- Resilient balance sheet
- Strong capacity for dividend payout

Portfolio Rationalised



- Cessation of business / Divestment
- Investment Completed / to be completed

Business units:

AAA – Aviation Academy of America	GJK – Guizhou Zhongyang Kinetics	STAA (A) – ST Aerospace Academy (Aus)
ARL-UK – Airline Rotables (UK Holdings) Limited	JHK - Jiangsu Hutong	STAA (S) – ST Aerospace Academy (Sg)
ATAA – Aviation Training Academy Australia	LBB – LeeBoy Brazil	STS – Singapore Test Services
EFW – Elbe Flugzeugwerke GmbH (became subsidiary in 2016)	LBI – LeeBoy India	VTAS – VT Aviation Services

Our Journey

Portfolio Management

Major Acquisitions

2018/19



Move up the
value chain



2019



Solidify
leadership



Newtec



2021/22

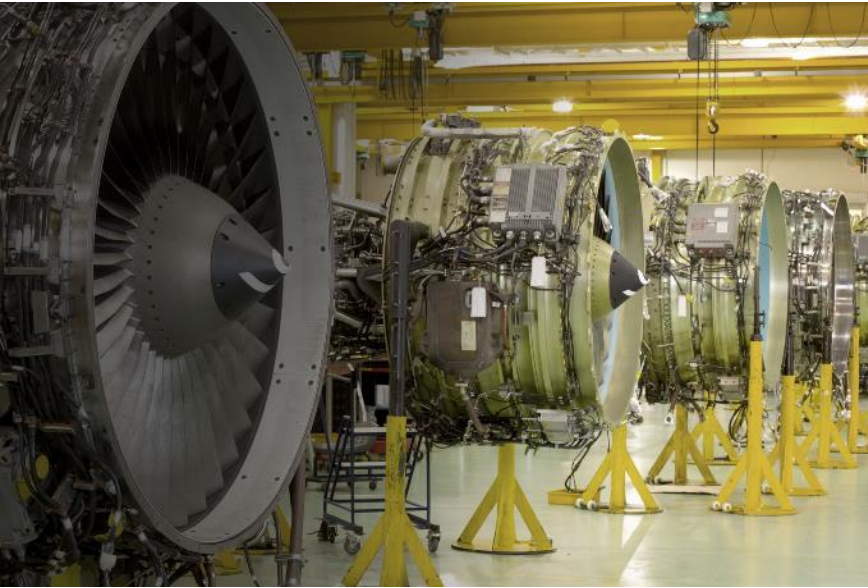
Acquire market
leader in tolling
Extensive channel
network in US



Our Journey

Divestment

Asset Backed Securitisation



Unlock value



First Aircraft Engine Lease securitisation originated by lessor headquartered in Asia



Capital recycling

Scale up management and MRO fees with minimal capital employed

Our Journey

Continuous Improvement and Innovation



Shared services centre



Maintaining focus on procurement savings

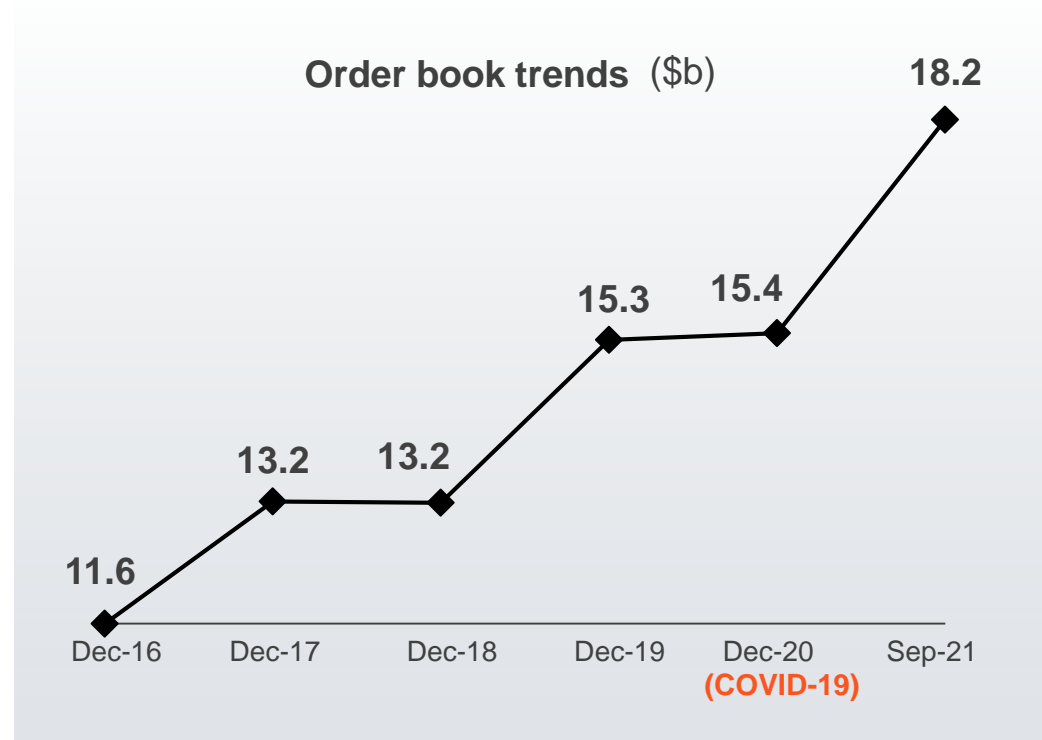


Other productivity and process improvement

Our Journey

Strong Underlying Performance

Robust Order Book



Our Journey

Innovative Financing Solution

U.S. Commercial Paper Programme



1st non-bank issuer in Singapore

Way Forward

Resilient Balance Sheet



Credit rating post COVID-19 / TransCore announcement

- AAA (credit watch negative) by S&P¹
- Aaa (outlook negative) by Moody's¹

¹As of reports dated 6 Oct 2021 for Moody's and 7 Oct 2021 for S&P

Way Forward

Strong Capacity for Dividend Payout



- **High retained earnings**
- **Strong cashflow**
- **Resilient balance sheet**

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 revenue²

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

Other Core
Businesses

 Grow Digital Business – Cloud, AI Analytics, Cyber

Net profits to grow in
tandem with revenue



Thank you