



2025 INVESTOR DAY

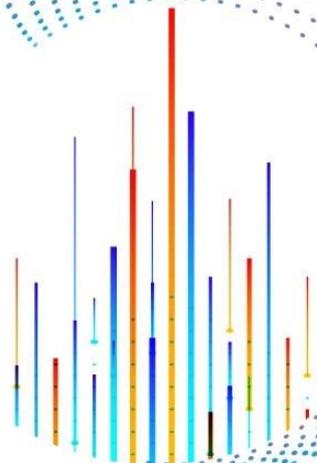
# Journey to Growth

## Robust Returns

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Group President & Chief Executive Officer

18 March 2025



# Disclaimer

The forward-looking statements in this presentation reflect the Company's current intentions, plans, expectations, assumptions and beliefs about future events as at the date of this presentation. 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. Some examples of these risk factors include disruption to global supply chains, general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies, inflationary pressure, shifts in customer demand, governmental and public policy changes and natural disasters which may negatively impact business activities of the ST Engineering Group.

No assurance can be given that future events will occur, or that assumptions are correct. 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.

Targets exclude M&As and divestments.

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

# 2021 Investor Day Recap

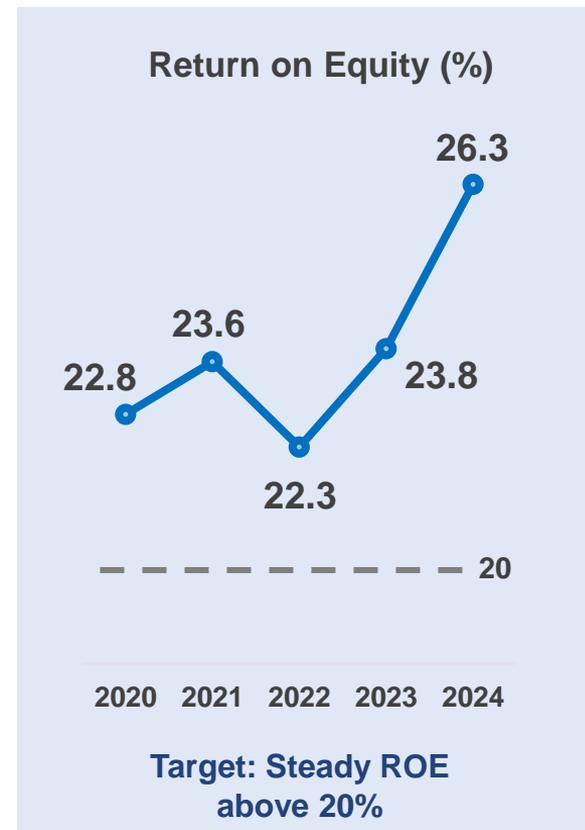
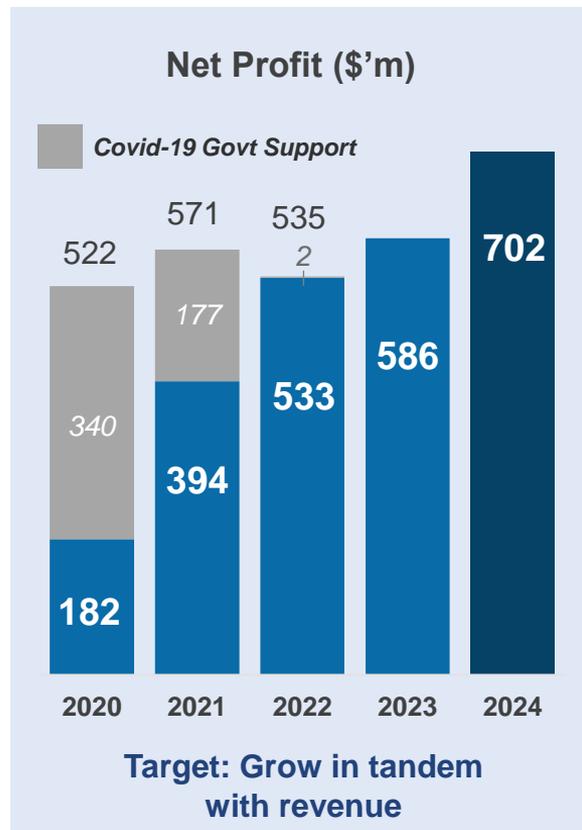
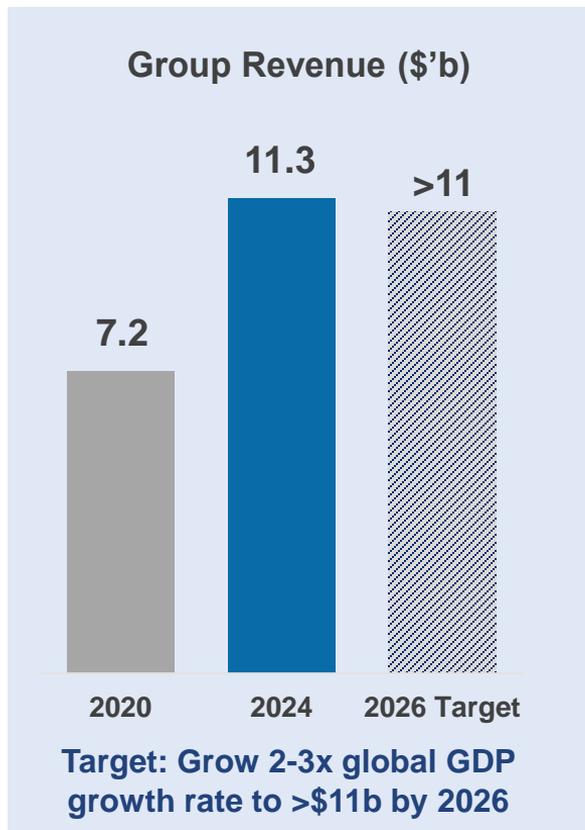
**2026**  
targets



Note: 1. 2020 Base Year; TransCore closed in 1Q2022

# Progress since 2021 Investor Day

## Strong performance



# Well on-track to meet 2026 targets

## 2026 Targets (2020 base year)

|                                                                               | Achievement (as of 2024)                                                                     |
|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| <b>01</b> Annual revenue to grow at 2x to 3x global GDP growth rate to >\$11b |  Achieved |
| <b>02</b> Commercial Aerospace to achieve >\$3.5b in revenue                  |  Achieved |
| <b>03</b> Smart City revenue to more than double to \$3.5b                    |  On Track |
| <b>04</b> Digital Businesses in Cloud, AI Analytics, Cyber to be >\$500m      |  Achieved |
| <b>05</b> Sustainability-linked revenue to grow to >\$3b                      |  On Track |
| <b>06</b> Net profits to grow in tandem with revenue                          |  On Track |

# Sound strategy, strong execution



Strengthened core businesses  
Pursuing growth opportunities



Operationalised customer-centric  
organisation structure



Accelerated growth and capability building  
through acquisitions

*TRANSCORE* **D'CRYPT**

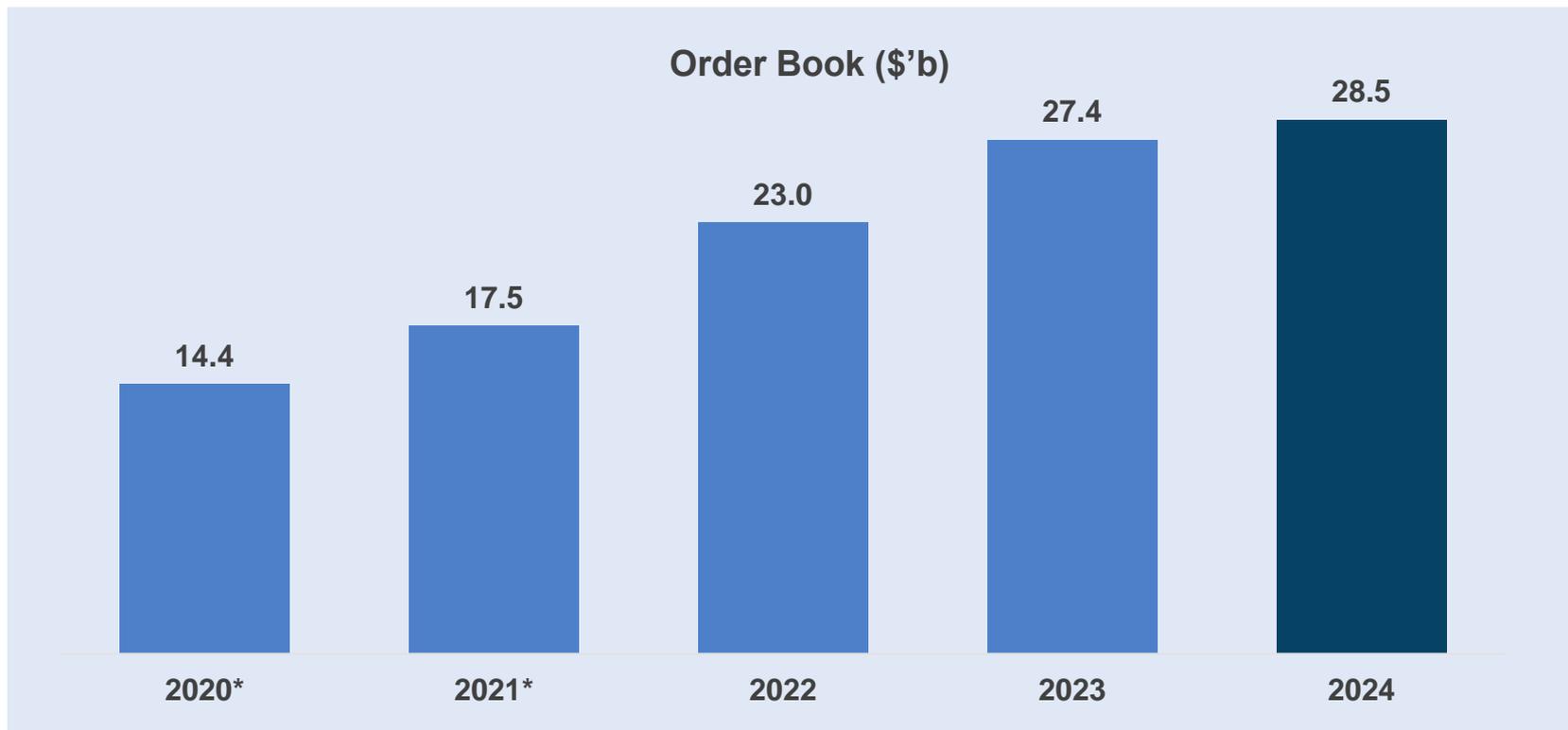


Continued to capture synergies  
and efficiencies

Strong foundation for growth



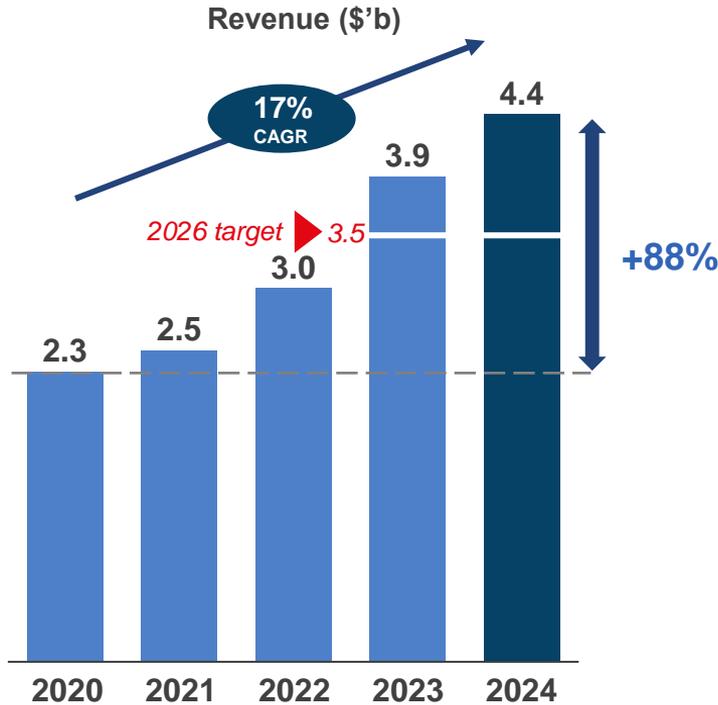
## Robust order book, leading indicator of revenue growth



# 1

Strengthened core

## Commercial Aerospace



Exceeded  
2026 targets

Expanding  
hangar capacity

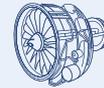
Continue to  
streamline & optimise

Well positioned  
for further  
growth

### Key Wins



Exclusive OEM Airbus Freighter conversion solutions - A320 (on top of existing A330 & A321)



1<sup>st</sup> Asia Premier MRO Provider for CFM LEAP Engines



Multiple long-term LEAP contract wins



Nacelle Systems Provider for major aerospace OEMs



More than doubled Aviation Assets under Management to US\$2.3b

# 1

Soaring higher

## Commercial Aerospace

Revenue to grow at 2x industry growth rate<sup>1</sup> to reach **\$6.0b** by 2029

- **Aerospace MRO**
- **Aerostructures & Systems**
- **Aviation Asset Management**

### Next Bound Growth



**Expand global business in MRO**



**Leverage new engine MRO capability**



**Deliver new-gen Nacelle products**



**Aviation Fund Structure**



**Efficiency & optimisation**  
*(Automation & digitalisation)*

# 2 Scaling Smart City Smart City

Revenue to grow by 3.5x global GDP growth rate to **\$4.5b<sup>1</sup> by 2029**

## Our Smart City Business



Smart  
Mobility



Smart  
Environment



Smart  
Security



Digital  
Business &  
Connectivity

- Leading Smart Mobility provider
- Integrated end-to-end capabilities
- Global footprint with synergies

## Next Bound Growth



Expand go-to-market in  
**Middle East & Asia-Pacific**



Leverage growth trends in **cloud, data centre, AI, cybersecurity**



Integrated approach, **modular products, scalable systems**

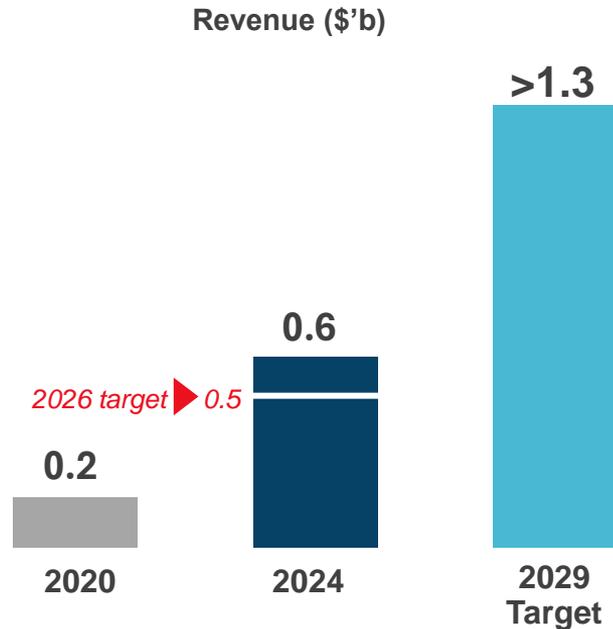


New **innovations in smart mobility, security, environment and in digital**

# 2 Scaling Smart City Smart City – Digital Business

Digital Business revenue to more than double by 2029

## Growth Drivers | Key Partners



Cloud & Data Centre



AI Analytics



Cybersecurity

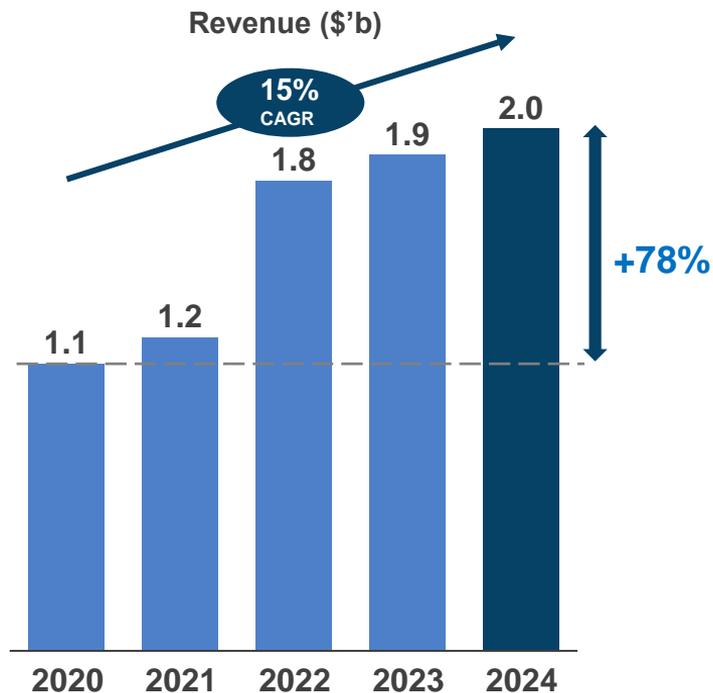


# 2 Strengthened core Smart City – Urban Solutions & Satcom



>70% revenues  
outside of Singapore

Moved up value  
chain – Mobility Rail



Launched next-gen Satcom multi-orbit,  
virtualised software-defined platform

## Key Wins



Mobility Rail  
(Tier 1 Prime)  
Kaohsiung, Taiwan



Toll Collection  
New Jersey, U.S.



Smart Metro  
Solutions  
Bangkok, Thailand



Smart Carpark System  
Dubai, UAE

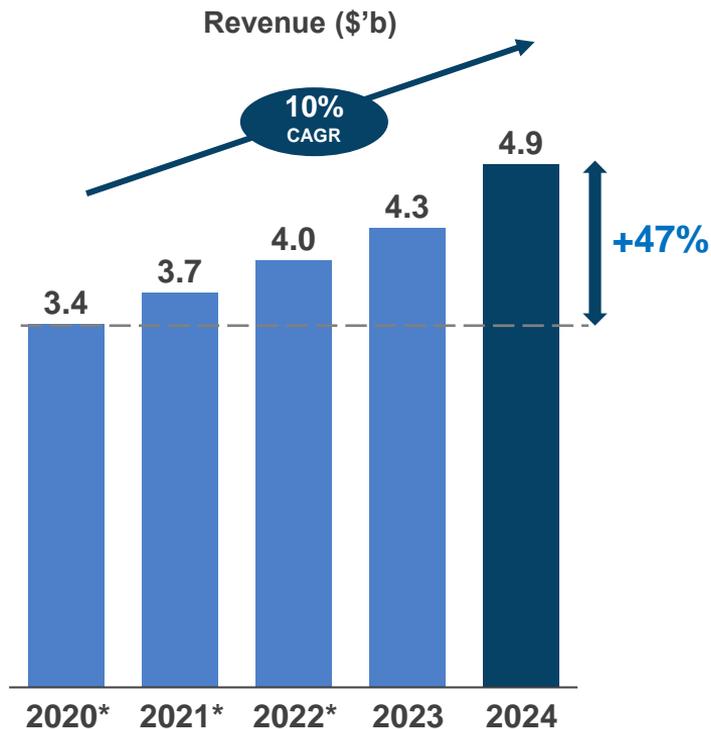


Toll Collection  
Southeast Asia



Smart City OS  
Lusail City, Qatar

# 3 Strengthened core Defence & Public Security



\*Excludes U.S. Marine business divested in 2022

## Organised for success

### Strengthened Singapore core

#### Key Wins



Design and construction of **RSN Multi-Role Combat Vessel**



USV for **homeland security**



AI-enabled Systems & GPU Infrastructure for **government agencies**

### Grew international market presence & partnerships

>\$2.2b

New International Defence Orders (2021-2024)

#### Key Wins



155mm NATO-grade Ammo **Europe**

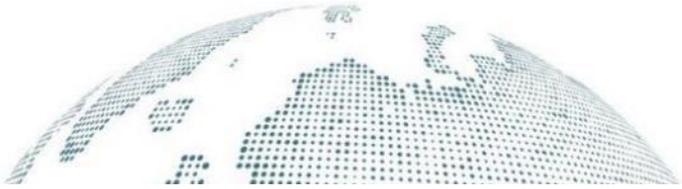


Terrex 8x8 Infantry Fighting Vehicle (IFV) **Kazakhstan**



C-130 Upgrade & MRO **Asia-Pacific, MENA**

# 3 Capturing new opportunities Defence & Public Security



Addressable  
International Defence Market

**>US\$11b**

Over next 5 years



## Opportunities



Accelerated adoption of technology with short cycle tech capabilities



Increased defence spending due to heightened geopolitical tensions



Greater demand for collaboration and localisation

# 4 Incubating new ventures

## New growth areas



### Construction Robotics

(Painting & others)



### Hydrogen

- Decentralised hydrogen production (Hydrogen-in-a-Box)



### Marine Renewables

- Offshore wind support vessels
- Alternative energy powered vessels



### Explore new opportunities

- Technology opportunities that complement existing portfolio

Moving towards a more sustainable world

# Sustainability is core to our business



## Doing Our Part

Integrate ESG  
into operations

Reduce GHG  
emissions

Decarbonise  
supply chain

## Enabling Our Customers

Energy  
Transition

Advanced  
Materials

Additive  
Manufacturing

Smart Energy  
Building

Competitive advantage

## Group Synergies

# Capturing Synergies



**Cross-selling & product synergies**



**Reusable & dual-use technology modules**



**Shared resources & shared services**

# Technology & Innovation

## Products & Solutions Empowering customers

AI for Critical Operations



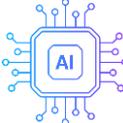
Next-gen AI-enabled  
Platforms



Autonomous Systems



Intelligent Solutions



AI Centre of  
Excellence &  
Translation

## Productivity Tools Driving efficiency

AI-assisted Operations



AI-assisted Coding



AI-assisted Corporate  
Function Processes



# Efficiency & Productivity

Total accumulated cost savings  
of >\$900m from 2020-2024

OPEX / Revenue (%)



2020 2021 2022 2023 2024

Strong cost controls –  
continuous improvement  
& productivity initiatives

Centralised  
procurement & supply  
chain management

Shared services

>\$1b

Cumulative  
Savings  
(2025-2029)

## Dividend Policy

### Dividend Plan for FY2025

- For **FY2024**, proposed total dividend is 17.0 cents per share. Includes final dividend of 5.0 cents per share, subject to shareholder approval at the 2025 AGM on 24 April 2025.
- For **FY2025**, given current robust retained earnings and a strong five-year outlook, the Company plans to propose an increase in the total dividend to 18.0 cents per share, comprising:
  - Interim dividend of 4.0 cents per share for each of the first three quarters;
  - Final dividend of 6.0 cents per share, subject to shareholder approval at the 2026 AGM.
- As and when the Board declares an interim dividend for the first three quarters of FY2025, the Company will announce the relevant record date and payment date on SGXNet. The final dividend, which is scheduled for payment in May 2026, is subject to shareholder approval at the 2026 AGM scheduled to be held in April 2026. The record date and payment date for this final dividend will be announced in conjunction with the release of the Group's full year results for FY2025.

### Dividend Policy Effective for FY2026 and onwards

The Company is targeting further growth in revenue, operating cash flow and net profit with an objective to improve total shareholders' return (TSR). It intends to re-invest for growth while rewarding shareholders with dividends as described below.

Barring unforeseen circumstances, as the Company achieves progressively higher full-year net profit, it will pay out about  $\frac{1}{3}$  of its year-on-year increase in net profit as incremental dividends. The Company will pay dividends on a quarterly basis.

# Navigating uncertainties and challenges



## Strategy Execution

- Focused strategy execution and risk mitigation
- Continual portfolio management

*16 businesses divested/ceased since 2016; 5 since 2021*



## Supply Chain

- Enhance supply chain resilience



## Geopolitical Tensions

- Agile response to changes in operating environment

# Journey to yield cum growth



## 2025 Investor Day: Five-year Targets (2025-2029)

(Base year 2024)

### Strengthen Core Business | Pursue Growth Opportunities

**Group Revenue  
to grow >2.5x  
global GDP  
growth rate<sup>1</sup> to \$17b**

**Group Net Profit  
CAGR to exceed  
Group Revenue  
CAGR<sup>2</sup> by up to 5  
percentage points**

**Dividend per  
share to increase  
in tandem with  
profit<sup>3</sup>**

***Targets exclude M&As and divestments***

Notes:

1. Average GDP growth rate over next 5 years as per IMF projection ~3.15%

2. CAGR: Compound Annual Growth Rate

3. Refer to dividend policy announced on 18 March 2025

# 2025 Investor Day: Five-year Targets (2025-2029)

(Base year 2024)



## Strengthen Core Business | Pursue Growth Opportunities

**Group Revenue to grow >2.5x global GDP growth rate<sup>1</sup> to \$17b**

**Group Net Profit CAGR to exceed Group Revenue CAGR<sup>2</sup> by up to 5 percentage points**

**Dividend per share to increase in tandem with profit<sup>3</sup>**

### Technology & Innovation at Our Core



**Targets exclude M&As and divestments**

Notes:

1. Average GDP growth rate over next 5 years as per IMF projection ~3.15%
2. CAGR: Compound Annual Growth Rate
3. Refer to dividend policy announced on 18 March 2025

4. Next 5-year CAGR of global aerospace MRO & OE markets

# Thank you

