

# **First-Half 2025 Results**

14 August 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 economic conditions, interest rate trends, inflationary pressure, shifts in customer demand, regulatory 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.

# Agenda

## ➤ 1H2025 Financial Highlights

- Group Highlights
- Business Discussions
  - Commercial Aerospace (CA)
  - Defence & Public Security (DPS)
  - Urban Solutions (URS) & Satcom (USS)
- Contract Wins and Order Book
- Debt Management
- Portfolio Management
- Dividends
- Outlook
- Segment Highlights

## ➤ Question & Answer Session

### Notes:

- All amounts in millions of Singapore dollars unless otherwise stated
- Amounts may not add to totals shown due to rounding

# **Group Highlights**

## Group Highlights

**1H2025 Strong Profit Growth Ahead of Revenue Growth Y-o-Y  
(\$'m)**

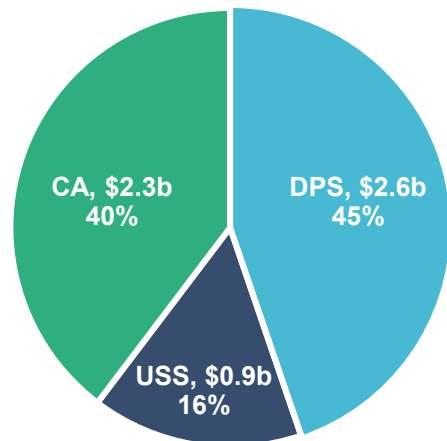
| Revenue             | EBIT                 | PBT                  | Net Profit           |
|---------------------|----------------------|----------------------|----------------------|
| <b>5,916</b>        | <b>602</b>           | <b>500</b>           | <b>403</b>           |
| <b>+7%</b><br>y-o-y | <b>+15%</b><br>y-o-y | <b>+20%</b><br>y-o-y | <b>+20%</b><br>y-o-y |

## Group Highlights

# Group 1H2025 Revenue Breakdown

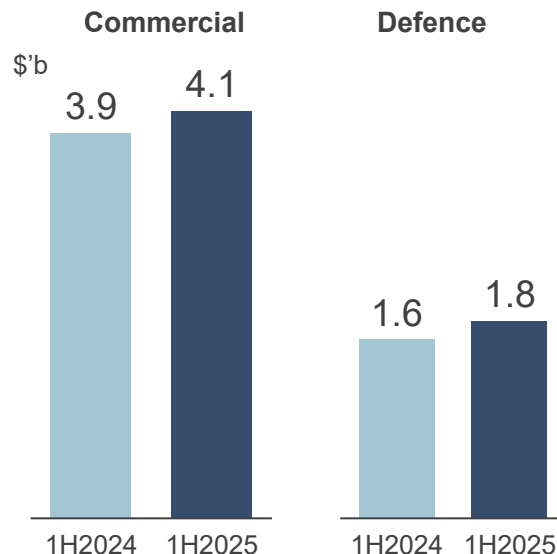
### 1H2025 Revenue by segment

\$5.9b



### 1H2025 Revenue by type

\$5.9b



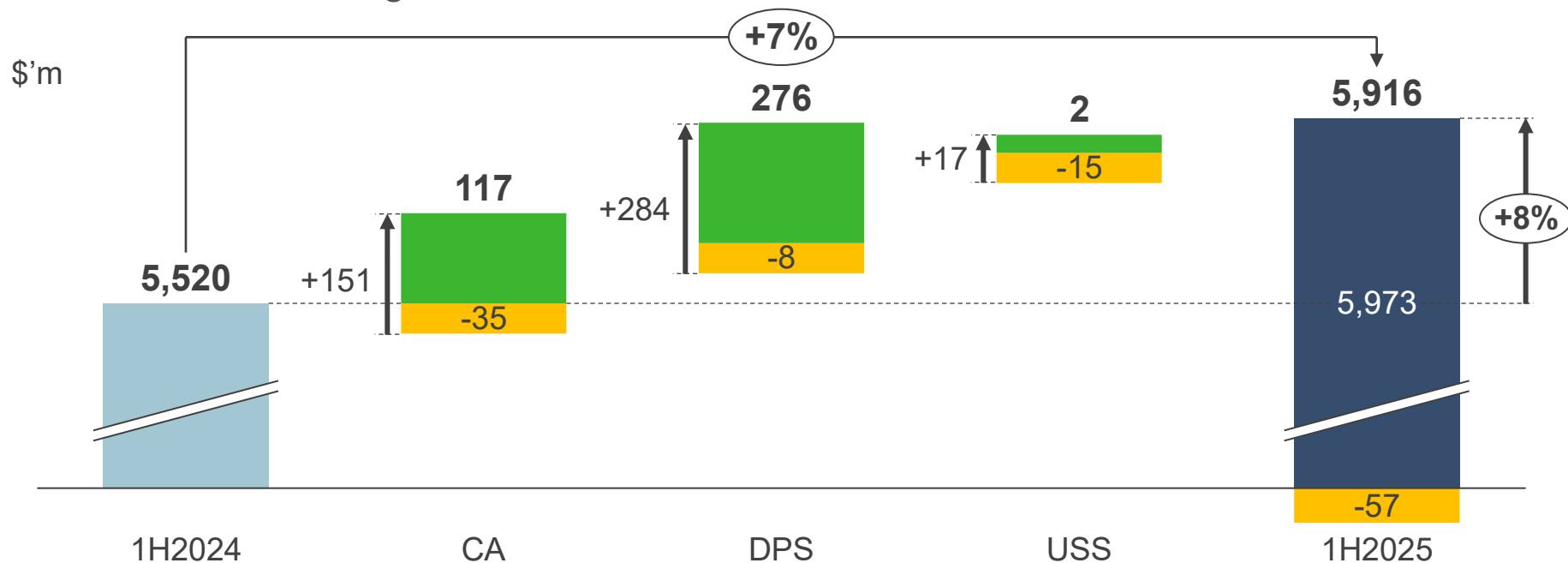
### 1H2025 Revenue by location of customers

|        |        |
|--------|--------|
| Asia   | U.S.   |
| 54%    | 20%    |
| Europe | Others |
| 20%    | 6%     |

## Group Highlights

# 1H2025 Revenue

□ Growth in all segments



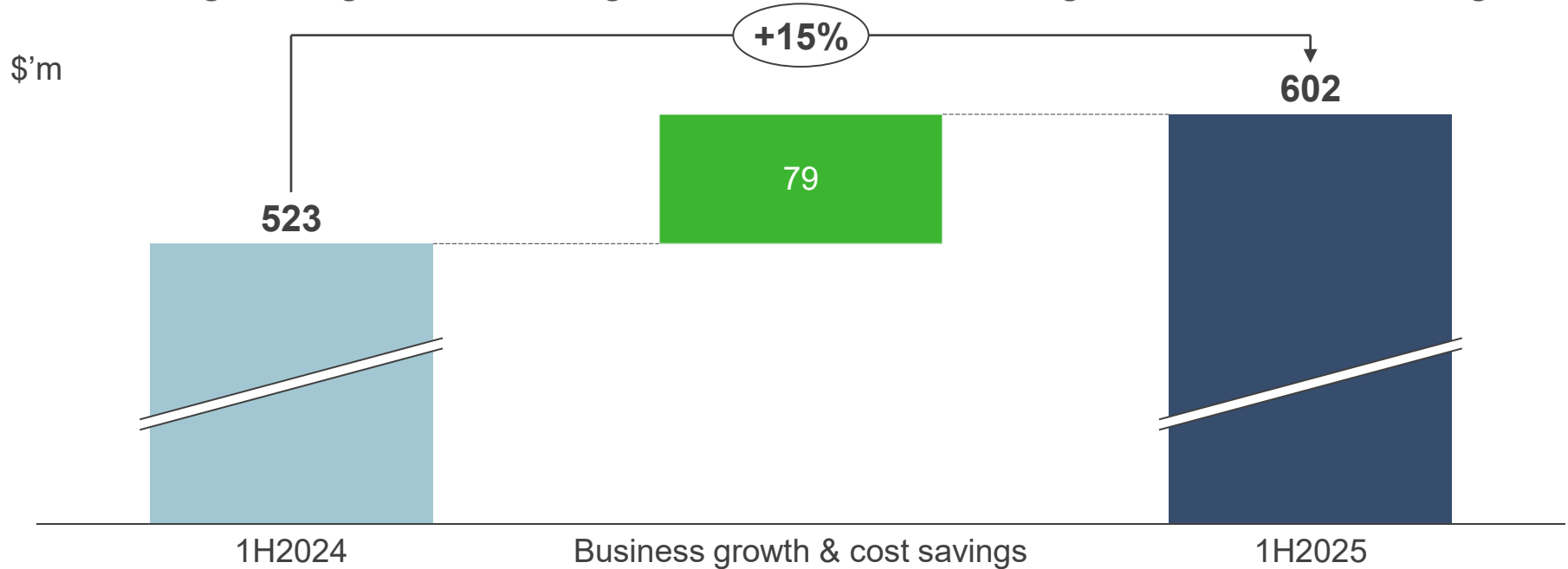
7 | Note: FX (USD) translation impact of \$57m, due to lower USD/SGD average rate in 1H2025 vs 1H2024

FX (USD) Impact

## Group Highlights

# 1H2025 EBIT

❑ Strong EBIT growth from higher revenue, better margin mix and cost savings

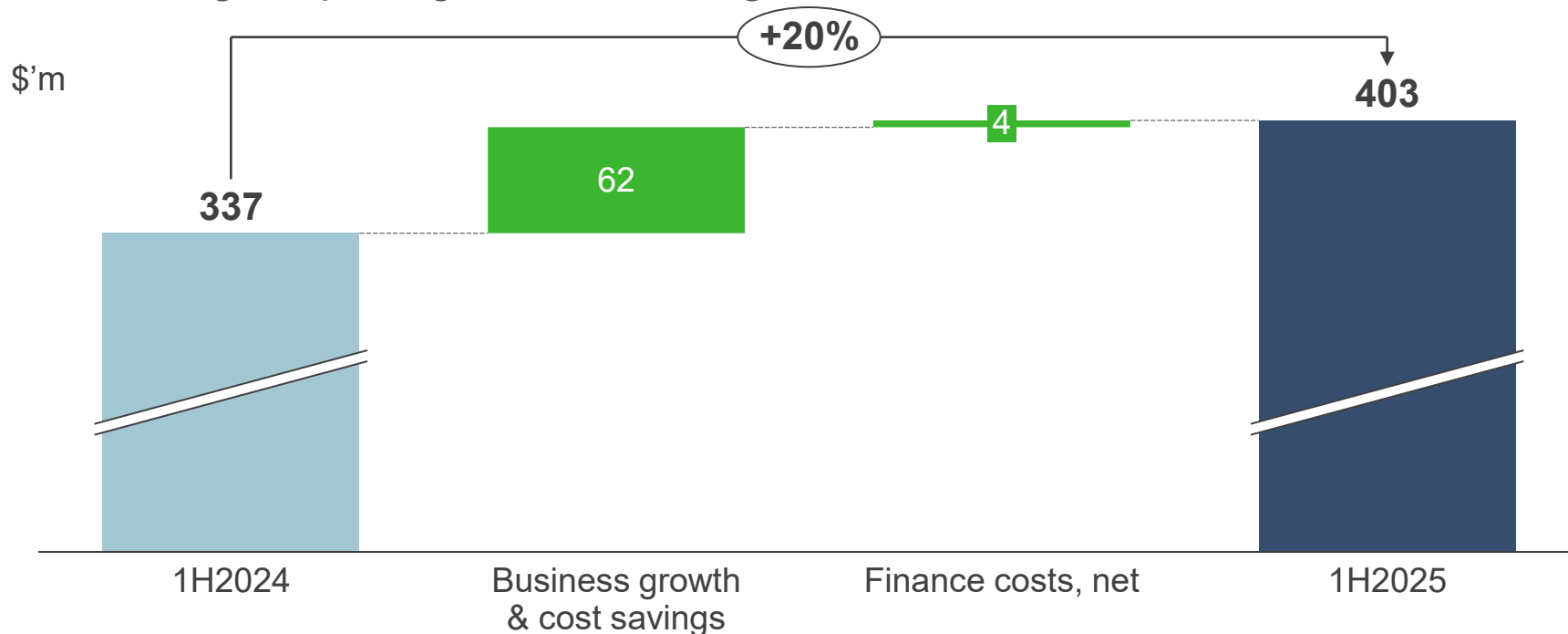




## Group Highlights

# 1H2025 Net Profit

❑ Strong net profit growth due to higher EBIT and lower finance costs



# Current Assessment on Impact of Tariffs

Immaterial financial impact; monitoring evolving situation

## Impact

### 1<sup>st</sup> Order

#### Supplier Impact

- Limited direct impact
- Engine MRO China: deferred revenue of \$34m over 2.5 months in 2Q2025; lower than previously expected

### 2<sup>nd</sup> Order

#### Supplier Impact

- No plan to absorb suppliers' tariff costs unless pass-through is possible
- Not competitively disadvantaged

### Other Global Impact

- Potential recession and inflation risks
  - Diverse Group business portfolio provides resilience

### Key Mitigating Actions (where applicable)

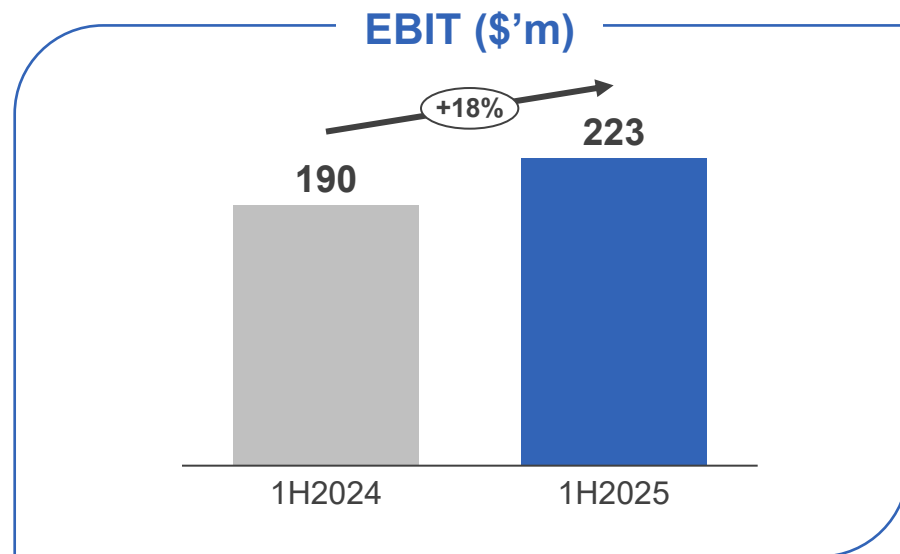
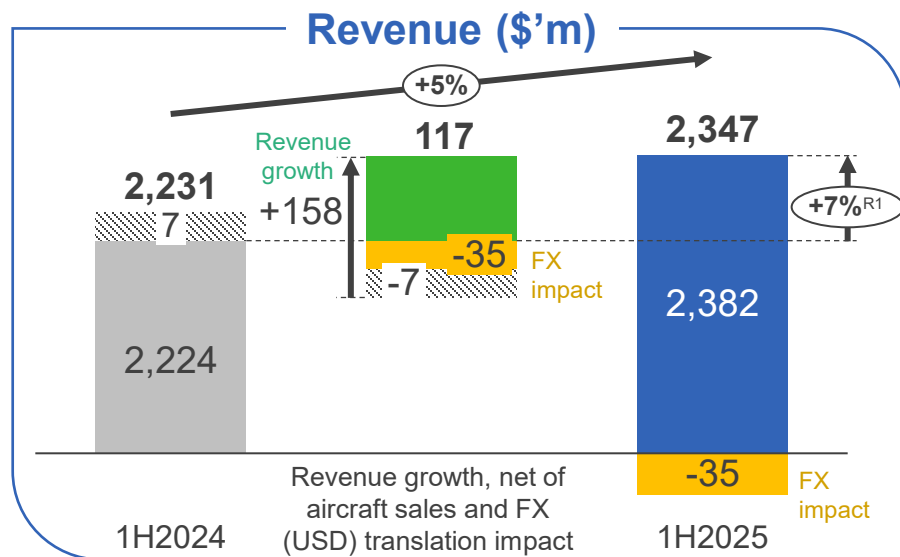
- Re-negotiate customer agreements
- Diversify supplier network
- Deliver service at alternate sites
- Stockpile inventory

# **Business Discussions**

## Business Discussions

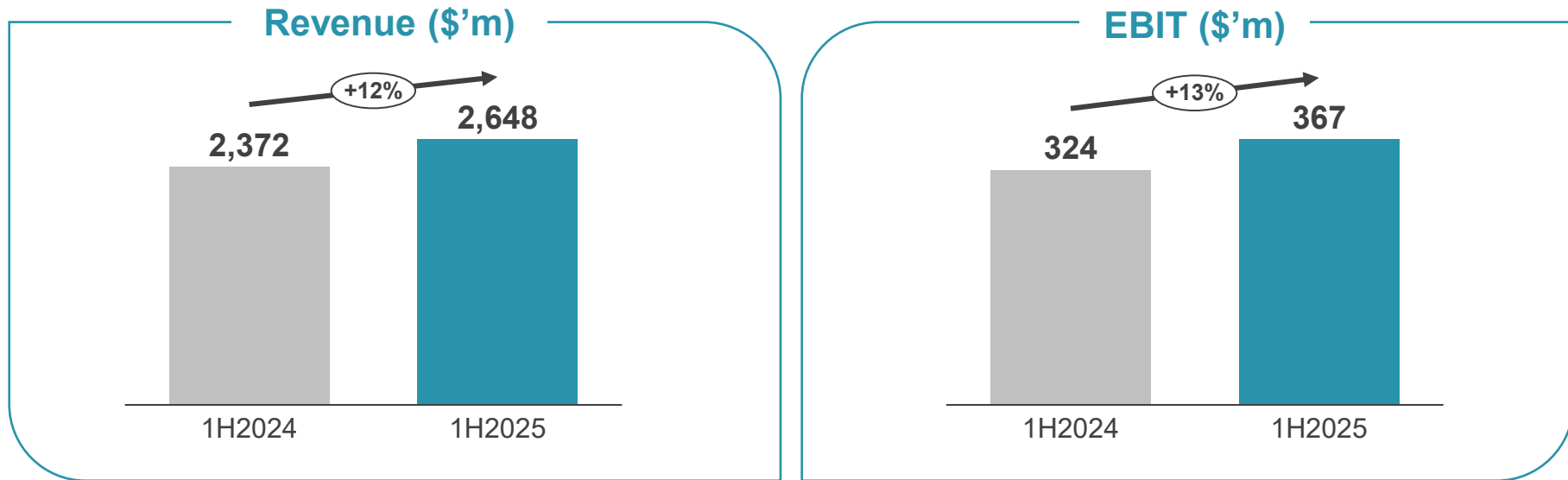
# CA – Steady Revenue and Strong EBIT Growth

- Revenue:** +5% y-o-y growth due to stronger Engine MRO and Nacelles, partially offset by lower PTF revenue
- EBIT:** +18% y-o-y growth due to higher revenue, better margin mix and cost savings



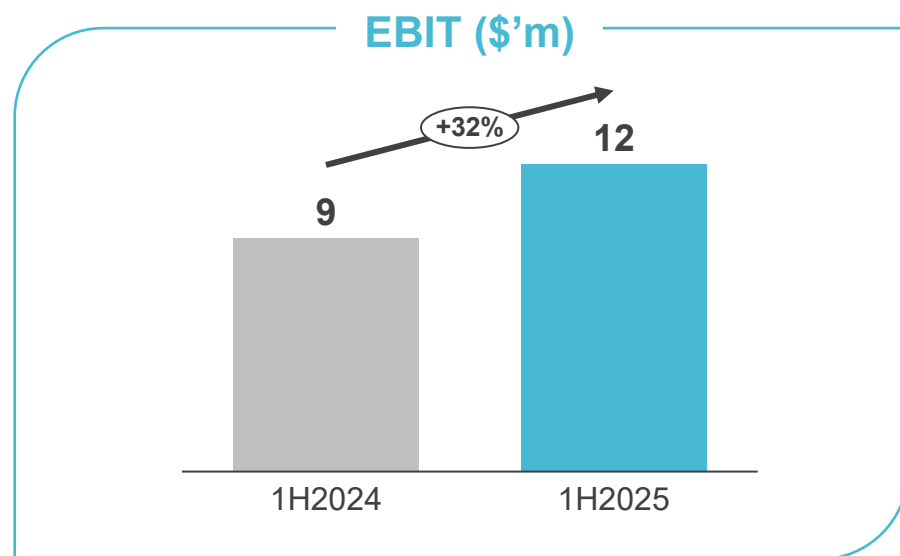
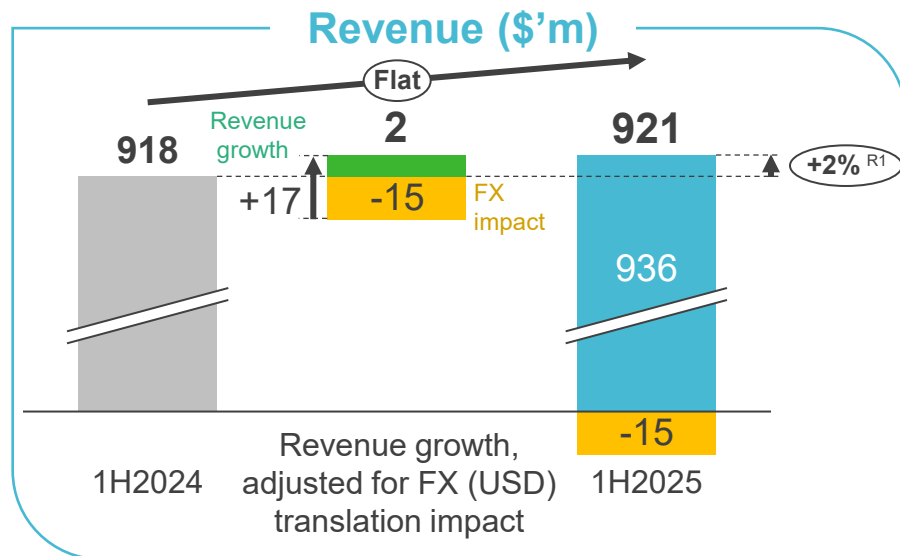
## Strong DPS Revenue and EBIT Growth

- **Revenue:** +12% y-o-y growth contributed by all sub-segments
- **EBIT:** +13% y-o-y growth driven by higher revenue and cost savings



# USS – Revenue and EBIT

- **Revenue:** Flat growth, with higher revenue from URS offset by lower Satcom revenue
- **EBIT:** +32% y-o-y growth due to better margin mix and cost savings



## Satcom: Transformation Journey Continues



- Vertically integrated non-GEO satellite operators continue to disrupt the market
- INTUITION general release on track for end Sep 2025 to deliver features such as standards, cloud, multi-orbit and virtualisation
  - INTUITION gaining traction, albeit customer platform transition taking longer than expected

# **Order Book**



## Strong Contract Wins and Order Book

### Contract Wins

**\$9.1b**

for 1H2025

(1Q2025: \$4.4b; 2Q2025: \$4.7b)

Defence &  
Public Security

**\$4.2b**

Commercial  
Aerospace

**\$2.8b**

Urban Solutions  
& Satcom

**\$2.2b**

### Order Book

**\$31.2b**

as at 30 Jun 2025

**\$5.0b**

Expected to be delivered  
for rest of the year

## Contract Wins and Order Book

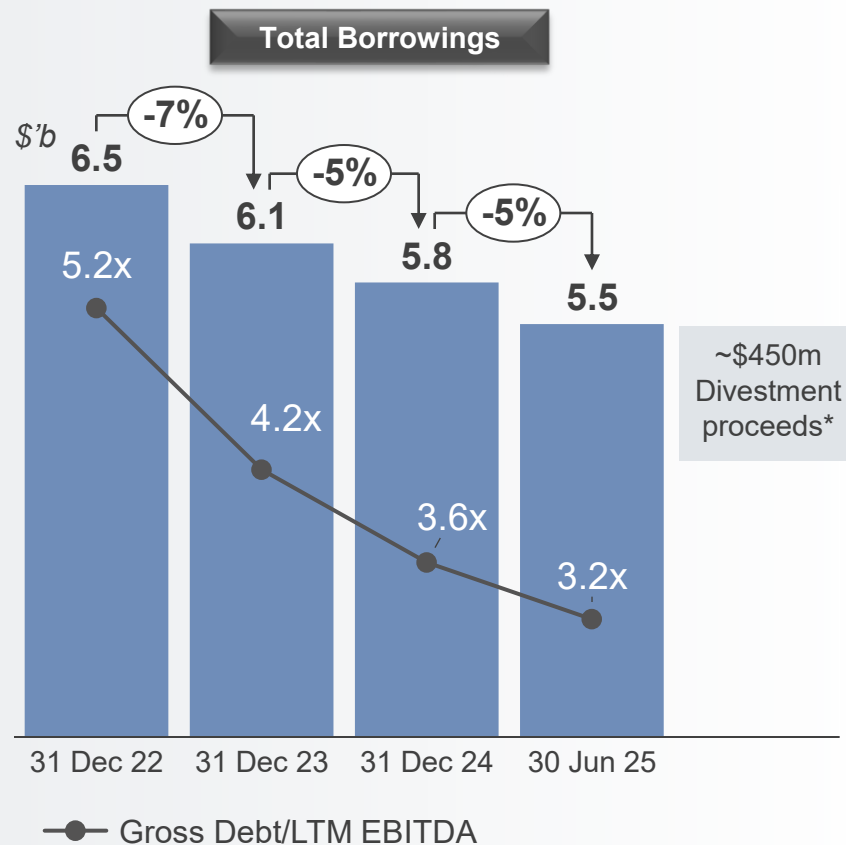
# \$4.7b New Contracts for 2Q2025

|                           | 2Q2025        | Highlights  |
|---------------------------|---------------|---|
| Commercial Aerospace      | \$1.5b        | <ul style="list-style-type: none"> <li>CFM56-5B/7B MRO offload agreement with a major engine OEM</li> <li>Five-year LEAP-1A engine MRO agreement with Air Cairo</li> <li>CFM56-7B heavy maintenance agreements with North Asian airlines</li> <li>Boeing 737NG component services agreement with a Southeast Asian airline</li> <li>Multi-aircraft A330P2F order from Confty Capital Partners</li> </ul>  |
| Defence & Public Security | \$1.5b        | <ul style="list-style-type: none"> <li>High performance GPU data centre infrastructure, AI-enabled command &amp; control systems, training &amp; simulation solutions</li> <li>International orders for 40mm and 155mm ammunition and defence platform electronics</li> <li>Cybersecurity products and solutions</li> <li>MRO contracts for military aircraft, commercial and naval ships</li> </ul>  |
| Urban Solutions & Satcom  | \$1.7b        | <ul style="list-style-type: none"> <li>Turnkey rail services for Taichung MRT Blue Line, as well as platform screen door solution for Chennai Metro Phase 2 Corridor 4 project and Xidong Line in New Taipei City</li> <li>Tolling, maintenance and intelligent transportation systems contracts in the U.S.</li> <li>Integrated smart security management projects in Singapore</li> <li>Satcom ground infrastructure contracts from government, defence and enterprise segments in the U.S., Europe and the Middle East including a contract with <i>solutions by stc</i> for ground network upgrade and expansion in Saudi Arabia</li> </ul> |
| <b>Total</b>              | <b>\$4.7b</b> |   |

# Debt Management

## Debt Management

- Borrowings progressively reduced from \$6.5b as at 31 Dec 22 to \$5.5b as at 30 Jun 25
- 1H2025 EBITDA increased 11% y-o-y to \$871m
- Gross Debt/LTM EBITDA ratio has been reducing y-o-y since 2022. This ratio was 3.2x as at 30 Jun 25
- Fixed-vs-floating interest rate ratio of 71%:29%
- Group weighted average borrowing cost for FY2025 estimated to be mid 3%
- Strong credit rating of Aaa/stable by Moody's and AA+/stable by S&P



\* Subject to regulatory approvals and customary closing conditions of transactions expected in 4Q2025

# **Portfolio Management**

## Continual Portfolio Rationalisation: LeeBoy and SPTel

**Net Cash Proceeds\*:**  
~\$450m

### Repay borrowings or reinvest

- Group annual interest expense savings of ~\$15m

**One-off Divestment Gain\*:**  
~\$180m

### EV/EBITDA multiples

- LeeBoy: 9.3x
- SPTel: 21.4x

**Proforma 2024 Financials  
for Divested Entities**

### Per annum


- LeeBoy revenue and EBIT: \$326m and \$37m
- SPTel share of net loss@ : – \$2m

# **Dividends**

## Dividends

# Consistent Returns to Shareholders

- ✓ **1Q2025 interim dividend: 4.0 cents**  
Payment date: 3 Jun 2025
- ✓ **2Q2025 interim dividend: 4.0 cents**  
Payment date: 5 Sept 2025
- ✓ **Total dividend for 1H2025 will be 8.0 cents**



**2Q2025  
Interim Dividend**  
**4.0 cents**  
per ordinary share



# Outlook

## Group President & CEO's Message



We delivered a robust set of results in first-half 2025. In executing our growth strategy, we continue to be agile in navigating the evolving global landscape.

Our recent divestments are in line with our portfolio rationalisation strategy to exit non-core business and recycle capital. We remain steadfast in strengthening our core businesses. Our strong order book continues to provide revenue visibility for the Group.”

**Vincent Chong, Group President & CEO**

# Segment Highlights

## Segment Highlights

# Group Revenue

| \$'m                      | 1H2025       | 1H2024       | Change      |
|---------------------------|--------------|--------------|-------------|
| Commercial Aerospace      | 2,347        | 2,231        | ▲ 5%        |
| Defence & Public Security | 2,648        | 2,372        | ▲ 12%       |
| Urban Solutions & Satcom  | 921          | 918          | ▲ 0.3%      |
| <b>Group</b>              | <b>5,916</b> | <b>5,520</b> | <b>▲ 7%</b> |

## Segment Highlights

# Group EBIT

| \$'m                      | 1H2025     | 1H2024     | Change       |
|---------------------------|------------|------------|--------------|
| Commercial Aerospace      | 223        | 190        | ▲ 18%        |
| Defence & Public Security | 367        | 324        | ▲ 13%        |
| Urban Solutions & Satcom  | 12         | 9          | ▲ 32%        |
| <b>Group</b>              | <b>602</b> | <b>523</b> | <b>▲ 15%</b> |

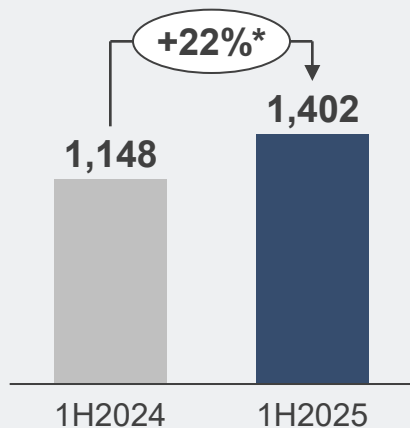
# Commercial Aerospace

## Segment Highlights

# Commercial Aerospace Sub-segment Highlights

### Aerospace MRO

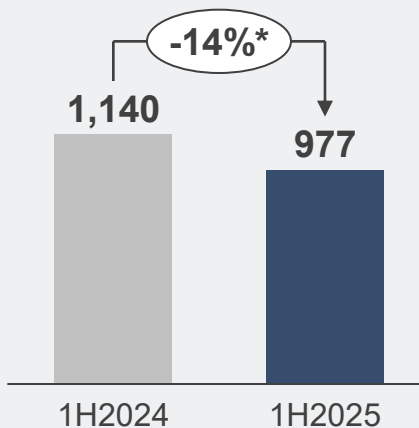
Revenue, \$'m



\*Adjusted for FX (USD) translation impact, improvement in revenue would have been 24%

### Aerostructures & Systems

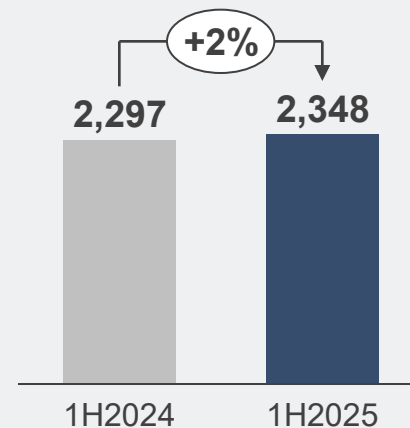
Revenue, \$'m



\*Adjusted for FX (USD) translation impact, reduction in revenue would have been 13%

### Aviation Asset Management

AUM<sup>R1</sup>, USD\$m



Notes:

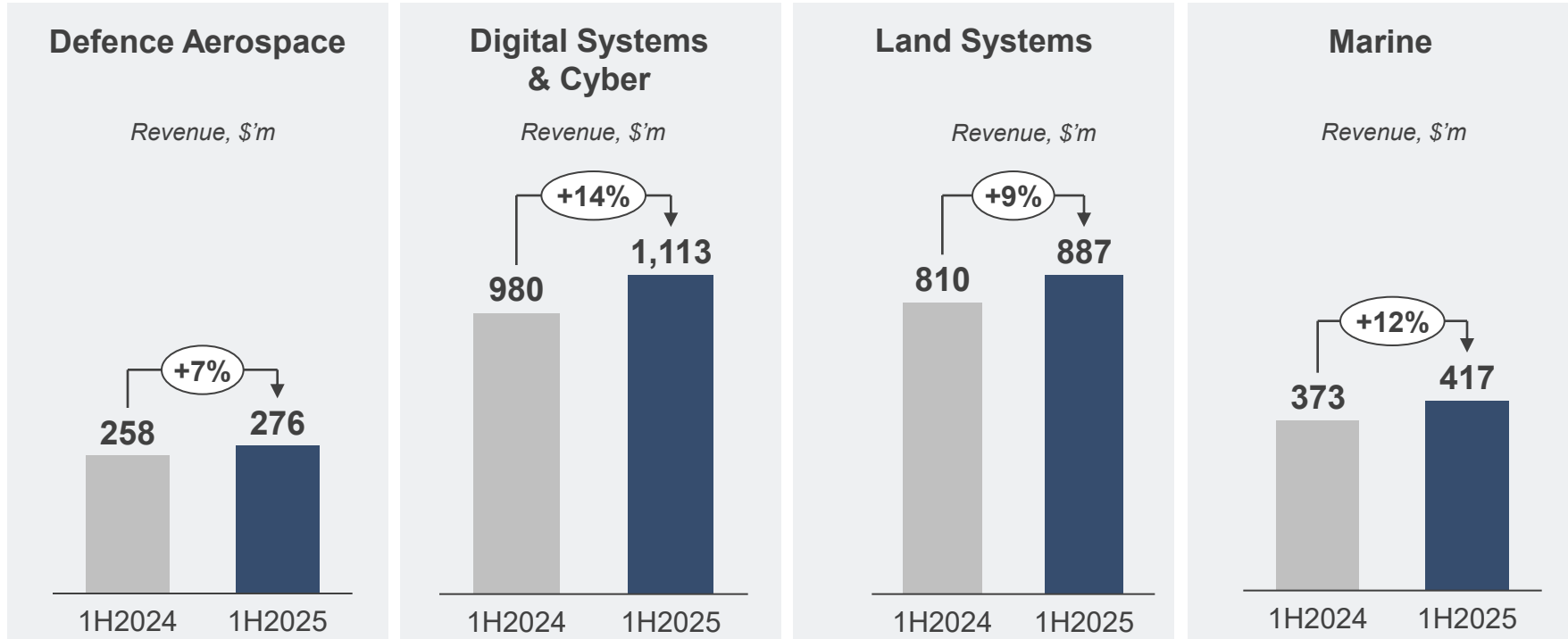
- <sup>R1</sup> AUM refers to Asset Under Management, including owned, partly owned and managed assets
- Revenue includes inter-segment and inter-subsegment sales

# Defence & Public Security



## Segment Highlights

# Defence & Public Security Sub-segment Highlights



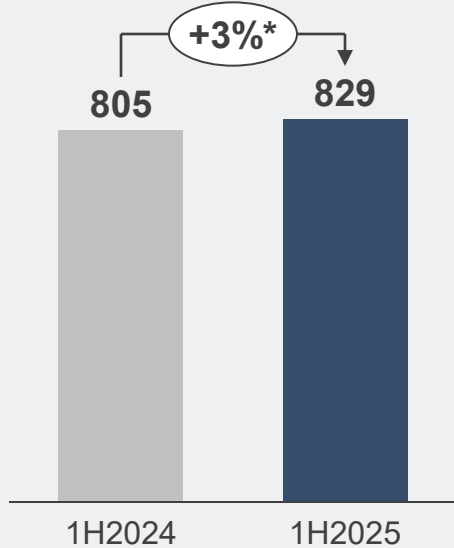
# Urban Solutions & Satcom

## Segment Highlights

# Urban Solutions & Satcom Sub-segment Highlights

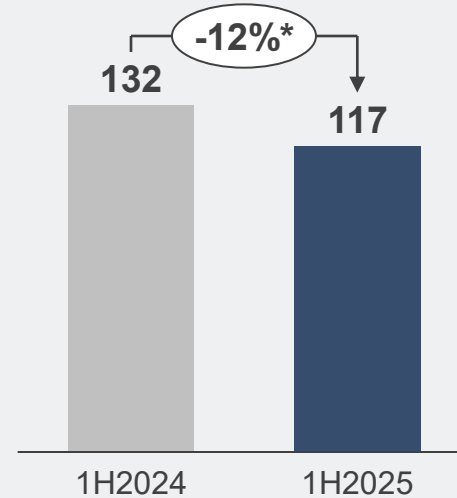
## Urban Solutions

Revenue, \$'m



## Satcom

Revenue, \$'m



\*Adjusted for FX (USD) translation impact, improvement in revenue would have been 4%

Note: Revenue includes inter-segment and inter-subsegment sales

\*Adjusted for FX (USD) translation impact, reduction in revenue would have been 10%

# Appendix

## Appendix

# Income Statement

| \$'m   | 1H2025       | 1H2024 |
|--|--------------|--------|
| <b>Revenue</b>   | <b>5,916</b> | 5,520  |
| <b>Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)</b> | <b>871</b>   | 786    |
| <b>Earnings Before Interest and Tax</b>                                      | <b>602</b>   | 523    |
| Finance Costs, Net   | (102)        | (106)  |
| <b>Profit Before Taxation</b>  | <b>500</b>   | 416    |
| <b>Profit attributable to Shareholders (Net Profit)</b>                      | <b>403</b>   | 337    |
| <b>Earnings per Share (cents)</b>  | <b>12.93</b> | 10.80  |

## Appendix

# Balance Sheet

| \$'m                                | 30 Jun 2025   | 31 Dec 2024   |
|-------------------------------------|---------------|---------------|
| Property, plant and equipment       | 2,144         | 2,115         |
| Right-of-use assets                 | 707           | 605           |
| Intangible assets                   | 4,514         | 4,990         |
| Other non-current assets            | 1,167         | 1,188         |
| Current assets*                     | 7,380         | 7,324         |
| <b>Total assets</b>                 | <b>15,912</b> | <b>16,221</b> |
| Current liabilities*                | 7,486         | 8,239         |
| Non-current liabilities             | 5,385         | 5,032         |
| <b>Total liabilities</b>            | <b>12,871</b> | <b>13,270</b> |
| Share capital and reserves          | 2,715         | 2,670         |
| Non-controlling interests           | 327           | 280           |
| <b>Total equity and liabilities</b> | <b>15,912</b> | <b>16,221</b> |

\* Includes assets of \$315m and liabilities of \$68m, held for sale in relation to ST Engineering LeeBoy, Inc.

### Note:

Notwithstanding the Group's net current liabilities position of \$107 million as at 30 June 2025, it has available financial resources to meet its obligations as and when they fall due. To ensure that the Group is not exposed to short-term liquidity risk, its outstanding United States Commercial Papers (USCP) of \$1.6 billion are backstopped by a committed revolving credit facility (RCF) of \$1.9 billion. The RCF remained undrawn as at 30 June 2025 and was more than enough to refinance all the outstanding USCP, if needed, and to cover the Group's net current liabilities position. The Group has very strong credit ratings (Aaa by Moody's and AA+ by S&P) which provide it ready access to refinancing of existing borrowings or additional borrowings as necessary. The Group's MTN, USCP and committed credit facilities do not have any financial covenants.

## Appendix

# Statement of Cash Flows

| \$'m  | 1H2025      | 1H2024     |
|---|-------------|------------|
| Net cash from/(used in)   |             |            |
| Operating activities  | 761         | 809        |
| Investing activities  | (245)       | (196)      |
| Financing activities  | (545)       | (537)      |
| <b>Net change in CCE, including cash classified within assets held for sale</b> | <b>(30)</b> | <b>76</b>  |
| Less: Cash classified within assets held for sale                               | (45)        | -          |
| <b>Net change in CCE</b>  | <b>(75)</b> | <b>76</b>  |
| CCE at beginning of the period  | 430         | 353        |
| Exchange difference   | (1)         | 1          |
| <b>CCE at the end of the period</b>   | <b>354</b>  | <b>430</b> |

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