

# 29<sup>th</sup> Annual General Meeting

**Vincent Chong**

Group President & Chief Executive Officer

23 April 2026



## 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.



Aspiration

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**Become a Global Technology, Defence and Engineering  
Powerhouse**

Corporate Purpose

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**Harness Technology and Innovation to enable a more  
secure and sustainable world**

# Financial Year 2025 Highlights

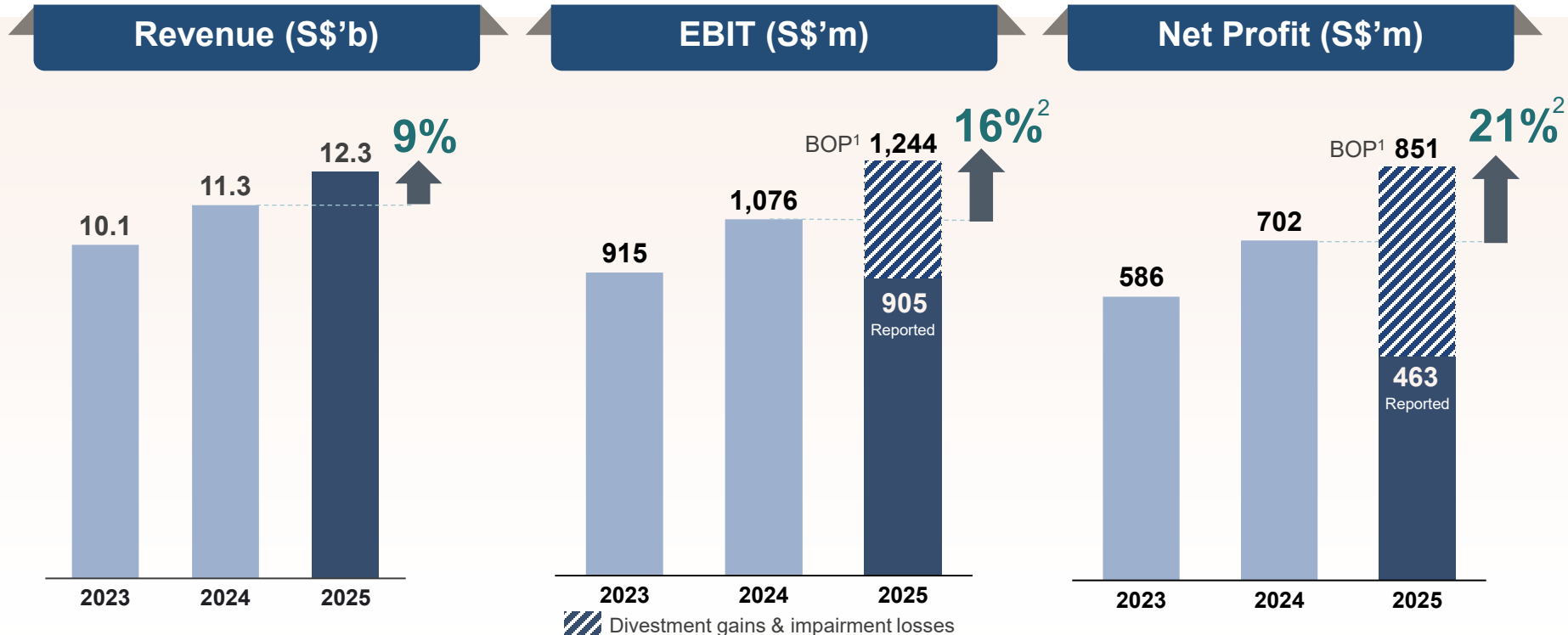
“

*In 2025, the Group continued its consistent delivery of strong underlying performance, reflecting its solid foundation and resilience.*

”

2025 in review

# Delivered strong underlying performance



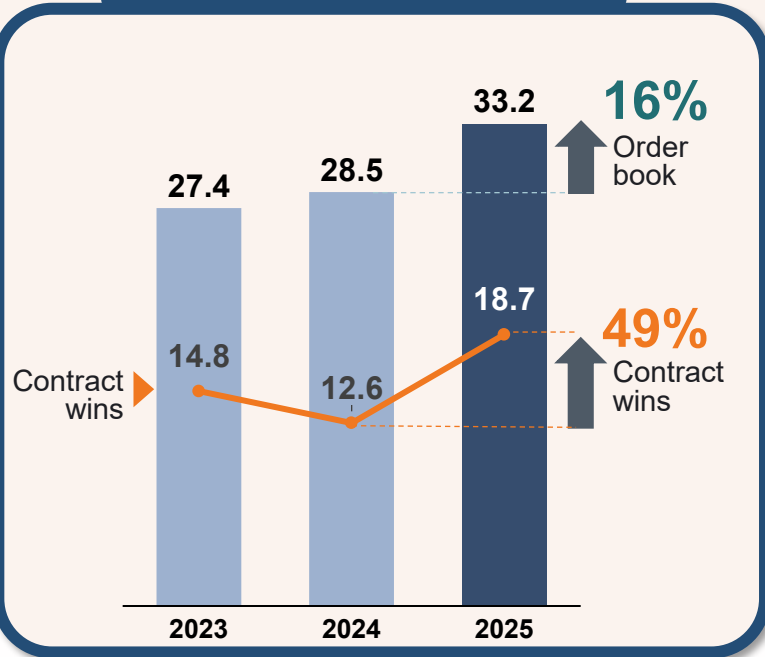
5 | <sup>1</sup> Base Operating Performance (BOP) reflects underlying performance whereas reported profits contain several one-off items (impairment losses/ divestment gains)

<sup>2</sup> Excluding the EBIT and Net Profit of LeeBoy and share of Citycab for both 2024 and 2025, the rebased BOP EBIT grew 18% y-o-y and Net Profit grew 24% y-o-y

2025 in review

# Strong contract wins and order book

## Order Book (S\$'b)



## Highlights



15-years LEAP-1A Engines MRO Contract – Asian airline



First Tolling Contract in Australia – Sydney's New Western Harbour Tunnel



Next gen Infantry Fighting Vehicles – Singapore



SAR Satellite - UAE



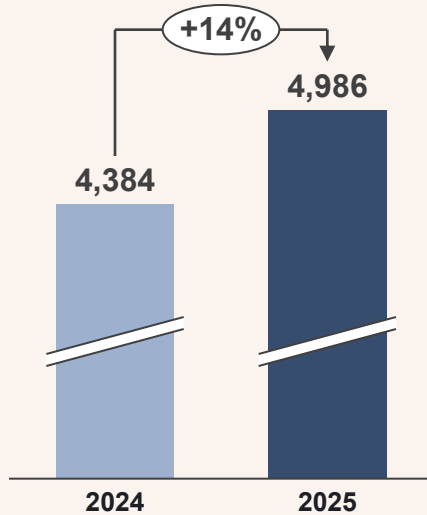
Taichung MRT Blue Line (Turnkey Rail Contract)

2025 in review

## Revenue growth from all Segments

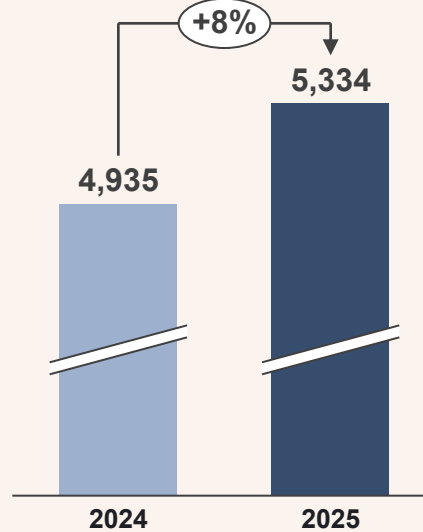
### Commercial Aerospace

Revenue (\$'m)



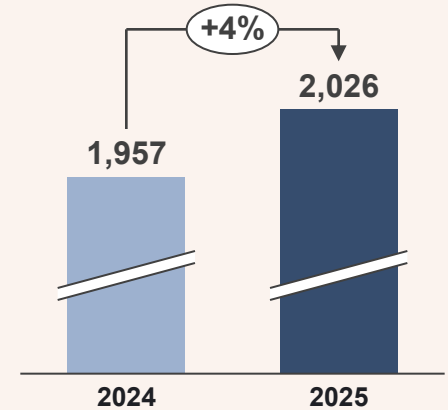
### Defence & Public Security

Revenue (\$'m)



### Urban Solution & Satcom

Revenue (\$'m)



2025 in review

## Portfolio Management – Divestments

	LeeBoy	CityCab	SPTel	STARCO	Total
Effective Date of Divestment	Sep 2025	Sep 2025	Nov 2025	Dec 2025	
Net Cash Proceeds (after tax)	\$329m	\$115m	\$146m	\$115m	~\$705m
Divestment Gains (after tax)	\$97m <sup>1</sup>	\$77m	\$79m	\$48m <sup>1</sup>	\$301m <sup>2</sup>

- 2026 EBIT reduction y-o-y due to these divested entities is expected to be offset by savings in interest and tax expenses with the net cash proceeds applied to reduce group debt

8 | <sup>1</sup> Divestment gains before tax for LeeBoy and STARCO were \$139m and \$56m respectively

<sup>2</sup> Total divestment gains before tax of the above divestments were \$351m

2025 in review

## Satcom: iDirect group Turnaround & Outlook

### Revenue Outlook

- ✓ Secured commercial and defence orders in key markets including Europe and Saudi Arabia to deliver y-o-y revenue growth in 1Q26
- ✓ INTUITION, next generation platform, gaining good traction e.g. Verizon, AiTelecom
- ✓ iDirect Gov qualified under the U.S. MDA SHIELD contract
- ✓ Targeting stronger y-o-y first half 2026 revenue

### Cost Outlook

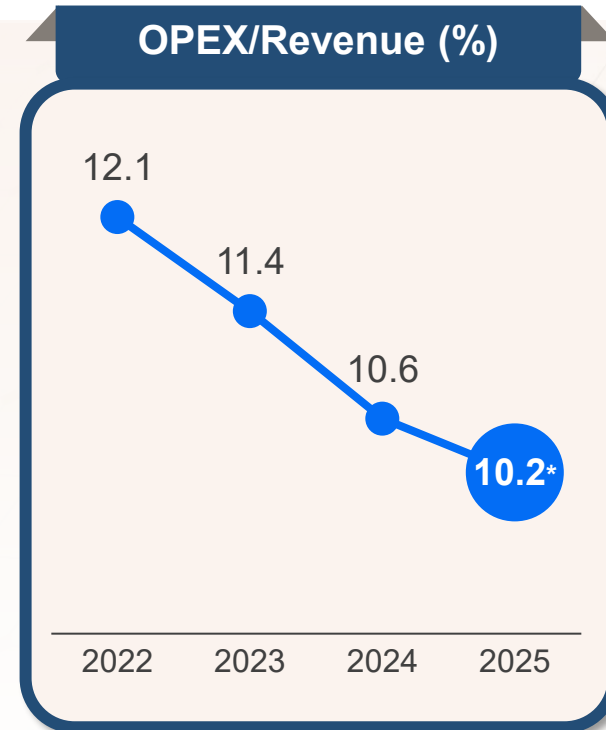
- ✓ Cost actions of ~\$43m annualised savings achieved in 4Q25/1Q26, savings accruing
- 🎯 Planned cost savings initiatives aimed at delivering \$20m annualised savings targeted to be achieved by 2Q26

**Evaluation of strategic options ongoing, with continued focus to support customers and turnaround business**

2025 in review

## OPEX/Revenue continues to improve

- Productivity and Continuous Improvement Programmes contributed to lower OPEX/revenue ratio of 10.2%



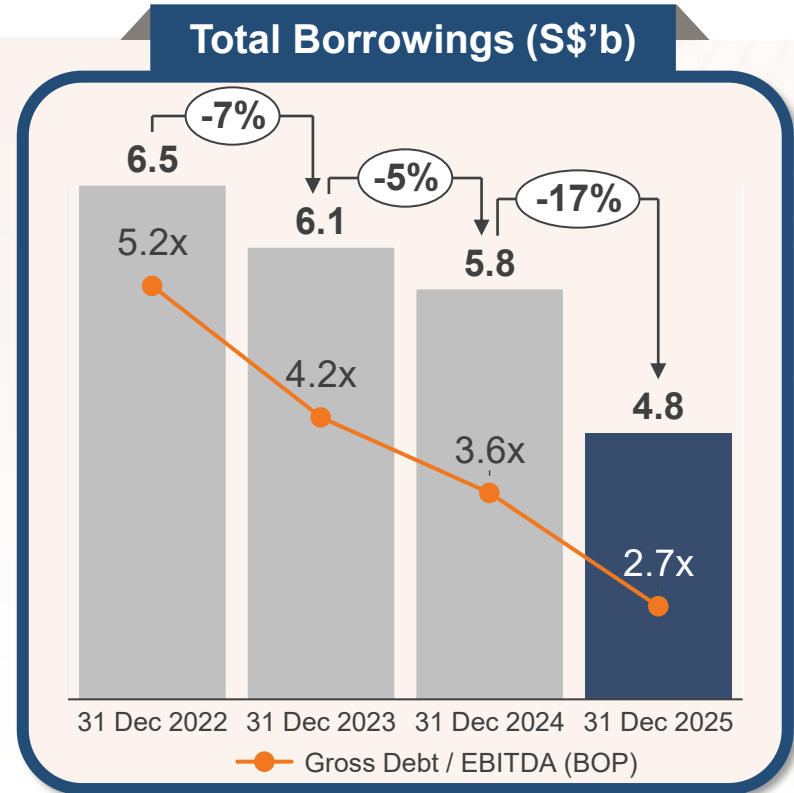
\*Note: Excl. one-off iDirect impairment loss

2025 in review

## Improved credit metrics

- Total borrowings dropped by 17% YoY to \$4.8b as at 31 Dec 2025
- Gross Debt/EBITDA (BOP) ratio reduced to 2.7x in 2025
- Strong credit rating of Aaa/stable by Moody's<sup>1</sup> and AA+/stable by S&P<sup>1</sup>

<sup>1</sup>Moody's – 18 Mar 2026 published report; S&P – 12 Jun 2025 published report



2025 in review

# Strengthening employer branding & continuous community outreach



Rated **Top 5 most attractive** employer in Singapore by Engineering / Natural Sciences Students



Improving lives through charitable gifts



ST Engineering MOVEment 2025



Empowering lives through education



Hosted SG100 Innovation Workshop



Transforming lives through Tech & Innovation



Gold Sponsor of Ruby for Good's Hackathon

# **Look forward – 2026 Highlights**

Look forward - 2026

## Challenges and opportunities ahead



### Geopolitics



### Increased tensions

- Supply chain disruptions
- Inflation
- International defence opportunities



### Technological Advances



### Accelerated tech cycles

- AI-embedded products
- AI-enabled productivity

Look forward - 2026

## Impact of Middle East (ME) Conflict

- ❑ **1st Order: Immaterial financial impact based on current assessment**
- ❑ **2nd Order: Evolving situation**
- ❑ **Continuing to monitor first and second order impacts**

### 1st Order: Direct impact<sup>1</sup>

- FY25 ME revenue <3% of Group
- Projects ongoing with minimal delays
- Limited supply chain disruptions
- Energy cost management
  - Pass-throughs
  - Hedged

### 2nd Order: Indirect impact

- Inflationary pressures
- Economic downturns
- Further supply chain disruptions
- Global air travel

- **Group's diverse portfolio provides resilience**
- **Not competitively disadvantaged**

Look forward - 2026

# AI, Technology & Innovation

Investing  
**~4 to 5%**  
of Group  
Revenue  
annually in R&D



Composite materials



Agentic AI SOC



CityAI



Advanced Manufacturing



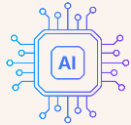
Manned-Unmanned Teaming (MUMT)



Smart Mobility

Look forward - 2026

# AI plays to our strength



## AI Centre of Excellence & Translation

**Build-up Plan**  
(upskill & new hires)



**1,000 AI Developers**



**4,000 AI Engineers**

### AI-embedded Products

Smart City Ops



C2 Ops Hub



Autonomous Sys. & Robotics



Platforms



Security Ops Centre



### AI-enabled Productivity

MRO

Manufacturing

Corporate Functions

Coding

Look forward - 2026

# Pursuing opportunities in new ventures



## Next Gen Aero Components



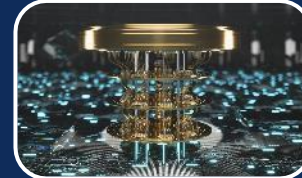
## Marine Renewables (Ammonia)



## Hydrogen Painting Robots



## Explore new tech opportunities



Look forward – Recap Targets

# Continuing our Yield-cum-Growth Journey

## 2029 Targets

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

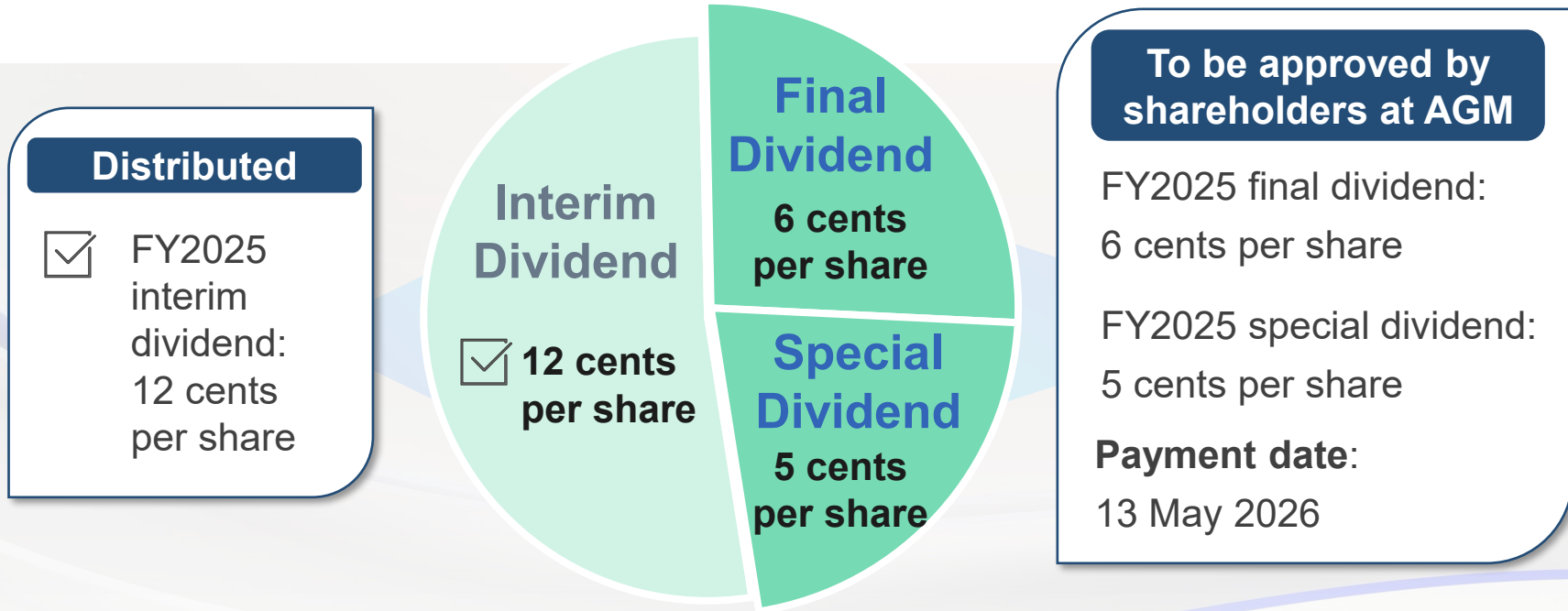
Notes:  
 1. Average GDP growth rate over next 5 years as per IMF projection ~3.15%  
 2. CAGR: Compound Annual Growth Rate  
 3. Refer to dividend policy announced on 18 March 2025  
 4. Next 5-year CAGR of global aerospace MRO & OE markets

Strategy remains sound

Results tracking targets

Source: 2025 Investor Day Presentation

## Dividends for FY2025



**The total dividend<sup>1</sup> for FY2025 will be 23 cents per share**

## Dividends for FY2026

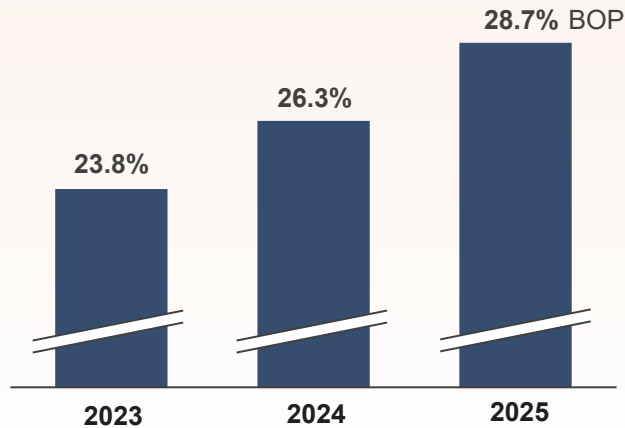
FY2026 total dividend will be determined by the sum of

- i) 18 cents per share (FY2025 base ordinary dividend<sup>1</sup>), and
- ii) One-third of year-on-year incremental net profit per share (FY2025 BOP Net Profit of \$851m as a base)

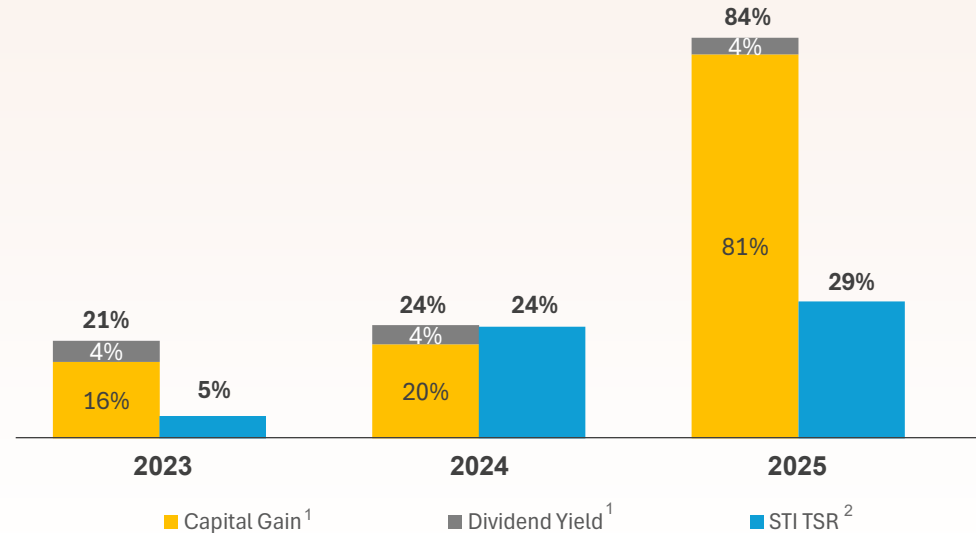
The computation of the year-on-year incremental net profit shall exclude one-off effects of major divestments and impairments

# Creating Value for Shareholders

### Return on Equity (%)



### Total Shareholder Return (TSR%)



Source:

1. ST Engineering Annual Reports
2. Bloomberg Straits Times Index – Total Return Analysis



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