

# **Financial Year 2024 Results**

27 February 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.

# Agenda

## ➤ **FY 2024 Financial Highlights**

- Group Highlights
- Business Discussions
  - Commercial Aerospace (CA)
  - Defence & Public Security (DPS)
  - Urban Solutions (URS) & Satcom (USS)
- Productivity
- Debt Profile
- Contract Wins and Order Book
- Investing for the Future
- Dividends
- Outlook
- Segment Highlights

## ➤ **Question & Answer session**

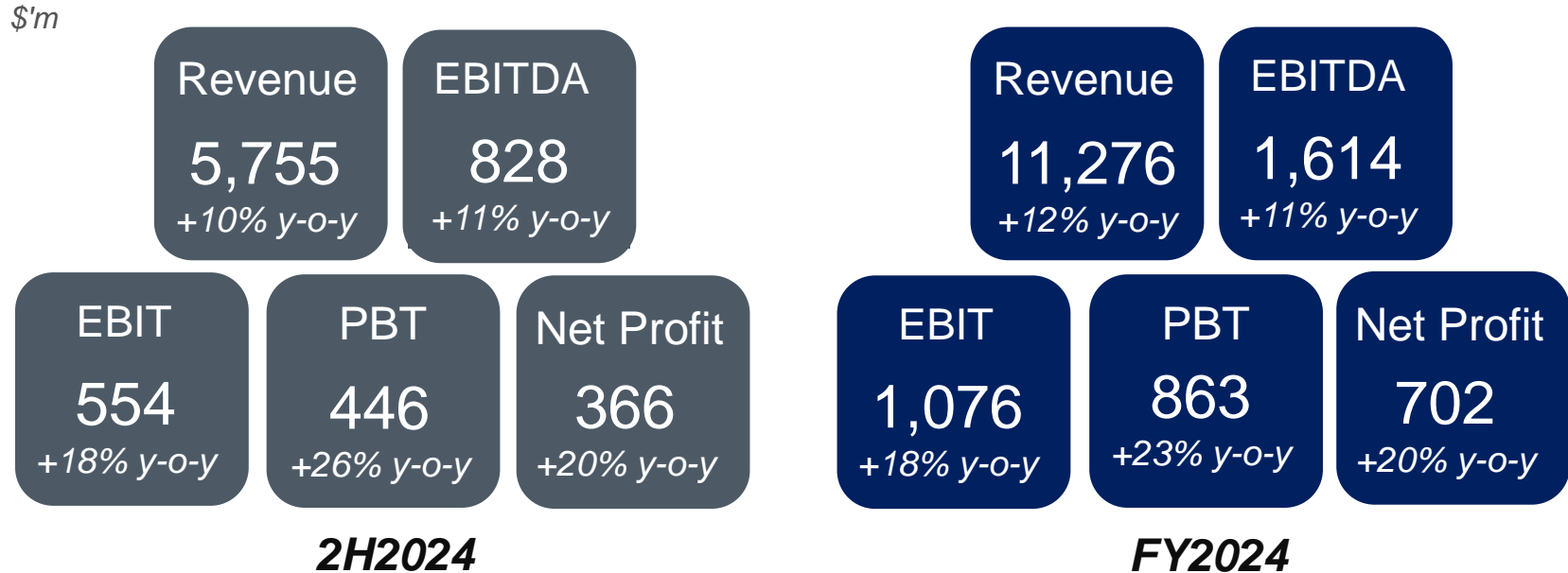
### Notes:

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

# **Group Highlights**

# Group Highlights

- Group Revenue, EBITDA, EBIT, PBT, Net Profit at new levels

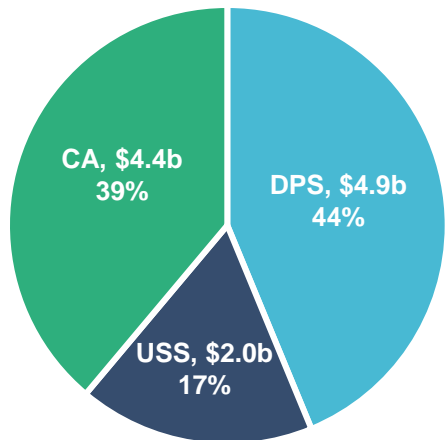


Order book as at 31 Dec 2024: **\$28.5b**;  
about **\$8.8b** to be delivered in 2025

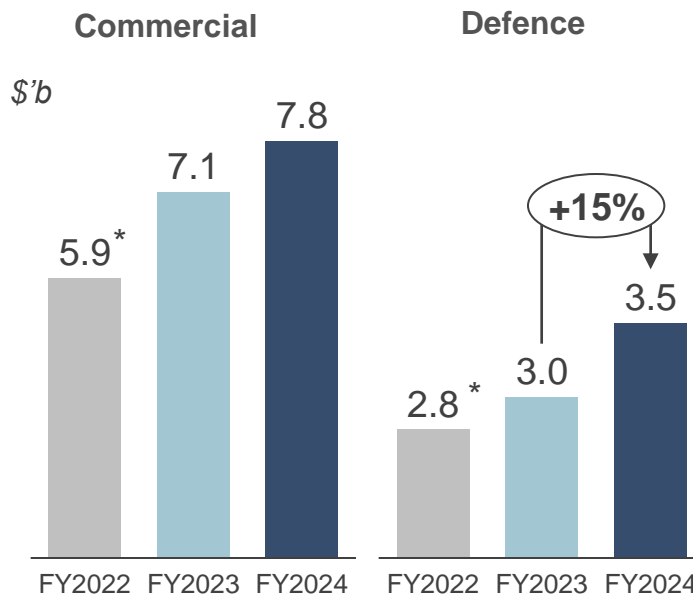
Group Highlights

# Group FY2024 Revenue Breakdown

**FY2024 Revenue by segment**  
\$11.3b



**FY2024 Revenue by type**  
\$11.3b



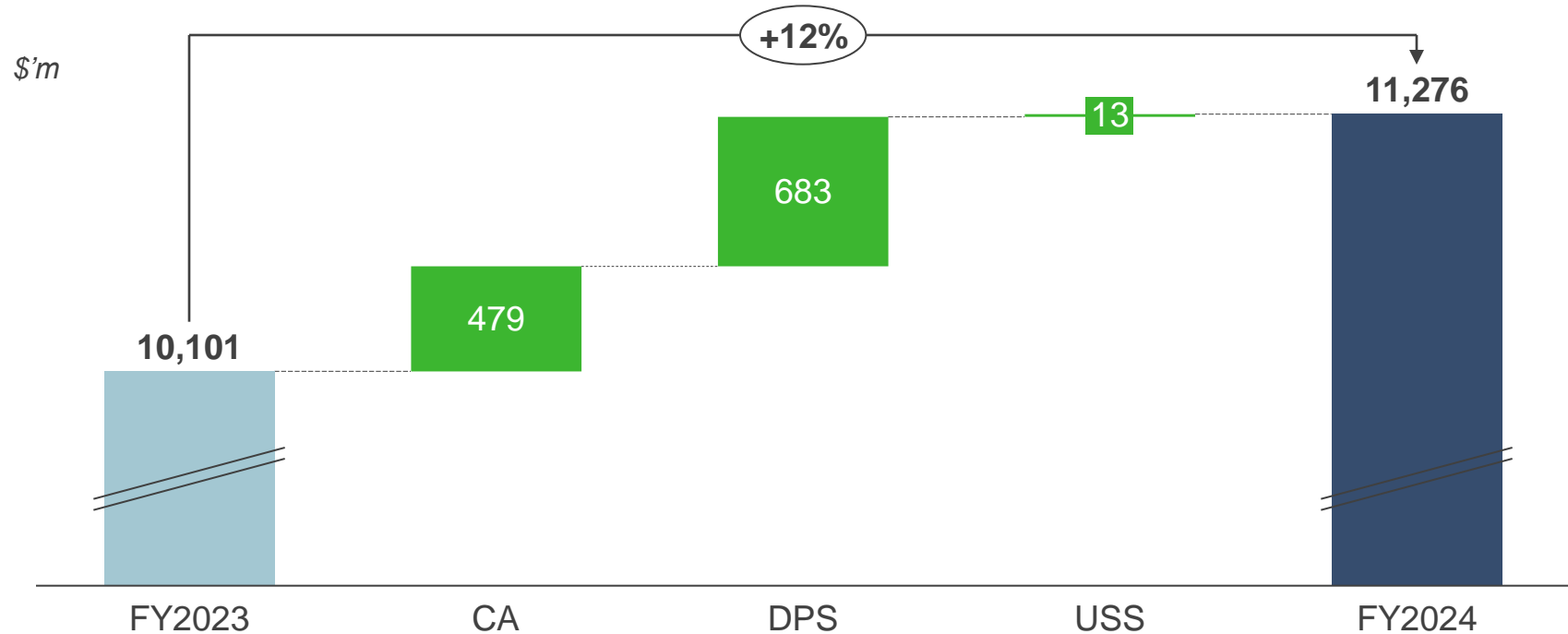
**FY2024 Revenue by location of customers**

Asia <b>51%</b>	U.S. <b>23%</b>
Europe <b>19%</b>	Others <b>7%</b>

\* Excluding U.S. Marine divested in FY2022

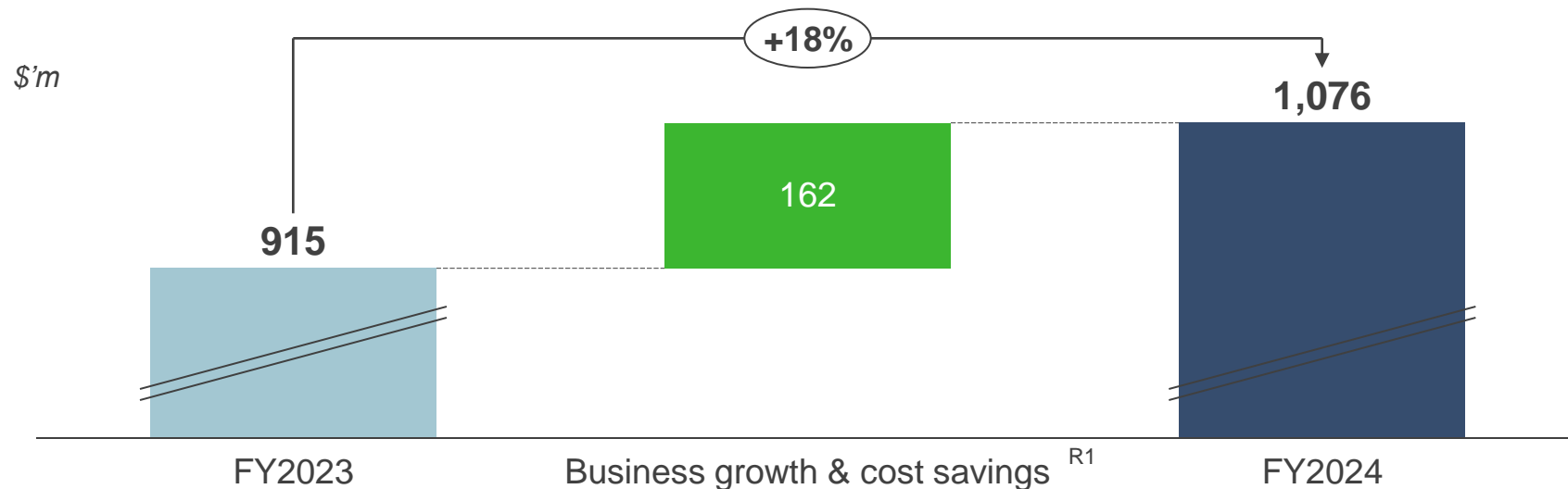
# FY2024 Revenue

☐ Strong growth



# FY2024 Earnings Before Interest and Tax (EBIT)

☐ Strong growth

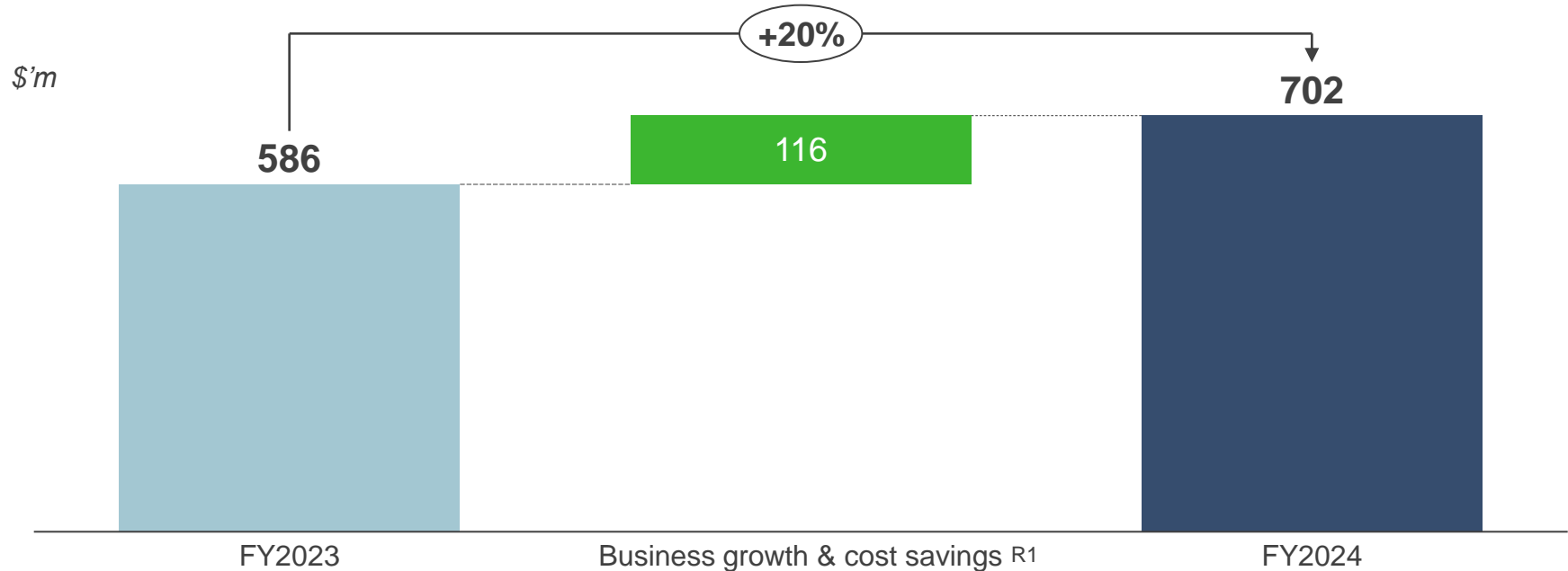


<sup>R1</sup> FY2023 included SatixFy divestment loss of \$24m and higher Satcom severance costs of \$4m, partially offset by U.S. Marine post-sale completion gain of \$16m. This resulted in a net negative impact of \$11m in FY2023, which is absent in FY2024. Hence, on a base operating performance (BOP) basis, FY2024 EBIT increase would be 16% y-o-y.



# FY2024 Net Profit

☐ Strong growth



R1 FY2023 included SatixFy divestment loss of \$18m and higher Satcom severance costs of \$3m, partially offset by U.S. Marine post-sale completion gain of \$12m. This resulted in a net negative impact of \$8m in FY2023, which is absent in FY2024. Hence, on a base operating performance (BOP) basis, FY2024 Net Profit increase would be 18% y-o-y.

Note: all figures are stated net of tax

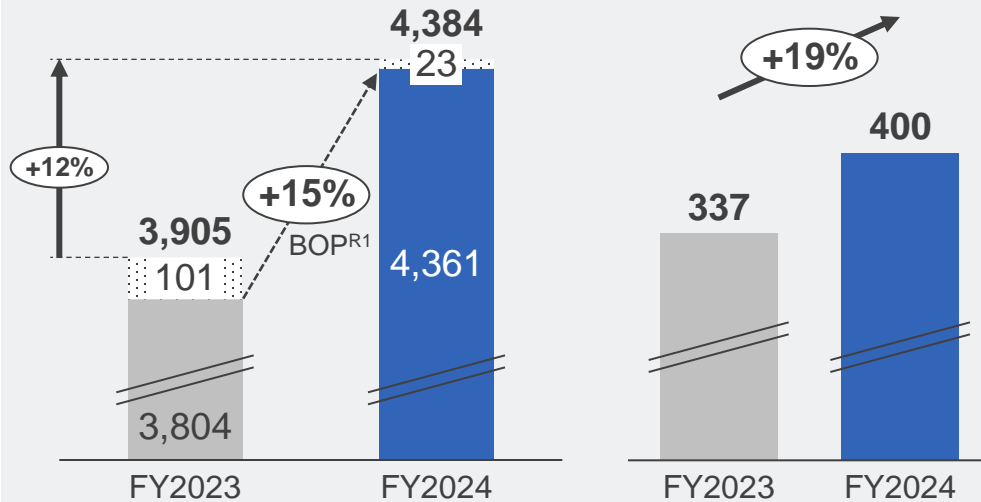
# **Business Discussions**

# Strong CA Revenue and EBIT margin

## Financials (\$'m)

### Revenue

### EBIT



R1 Excluding aircraft sales of \$23m in FY2024 (2023: \$101m)

## Business Updates

### Revenue

- Stronger Engine MRO, Nacelles, PTF and Composite Panels sales

### EBIT

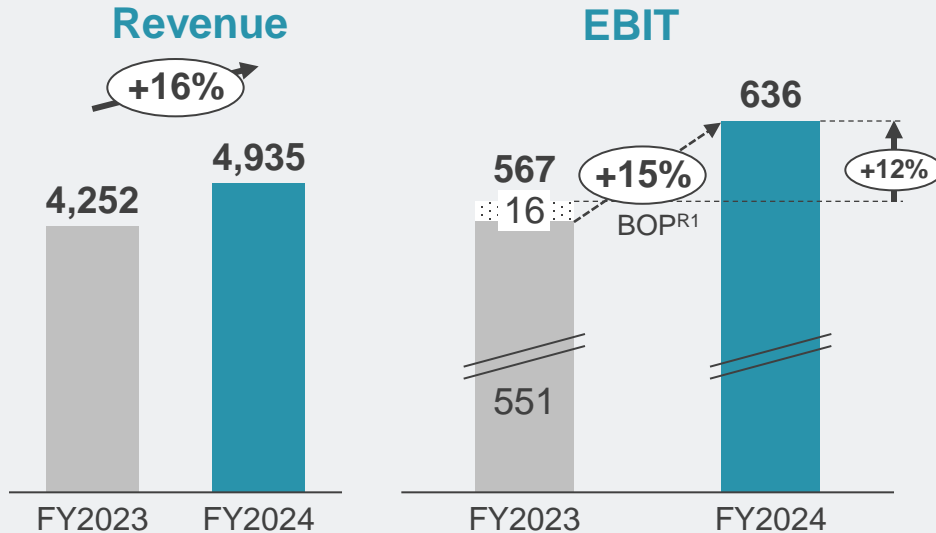
- Stronger revenue and margin
- PTF margin achieved mid-single digit %
- Continuing network optimisation for greater efficiency


### Contract Wins

- \$4.7b of new contracts in FY2024
  - \$1.8b in 4Q2024

# Strong DPS Revenue and EBIT growth

## Financials (\$'m)



 R1 Excluding U.S. Marine post-sale completion gain of \$16m in 2023

## Business Updates

### Revenue

- Contributed by all sub-segments
- Digital Business achieved \$645m revenue

### EBIT

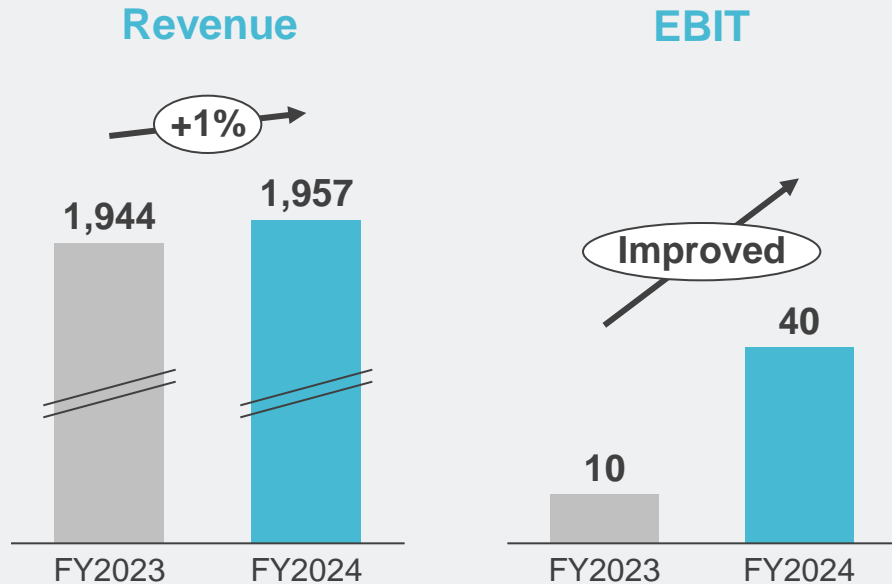
- Growth driven by higher revenue

### Contract Wins

- \$5.3b of new contracts in FY2024
  - \$1.7b in 4Q2024

# USS Revenue and EBIT

## Financials (\$'m)



## Business Updates

### Revenue

- Contributed by URS, partially offset by Satcom

### EBIT

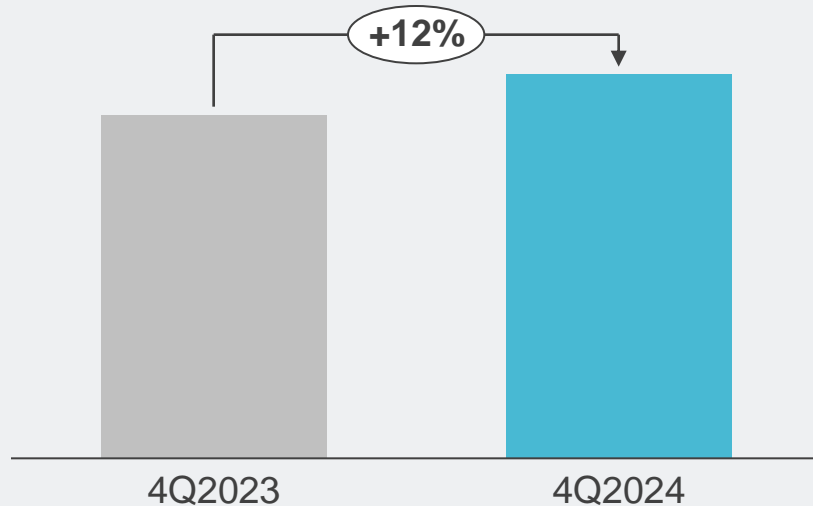
- Improved EBIT
- Absence of SatixFy divestment loss
- Lower Satcom severance costs

### Contract Wins

- \$2.6b of new contracts in FY2024
  - \$0.7b in 4Q2024
  - First TransCore tolling solution win in Southeast Asia

# Satcom: Transformation Journey Continues

Revenue (\$'m)



## Stronger 4Q2024 performance

- 4Q2024 - 12% higher y-o-y
- 4Q2024 - Marginally positive operating EBIT
- Keeping focus on continuous improvements

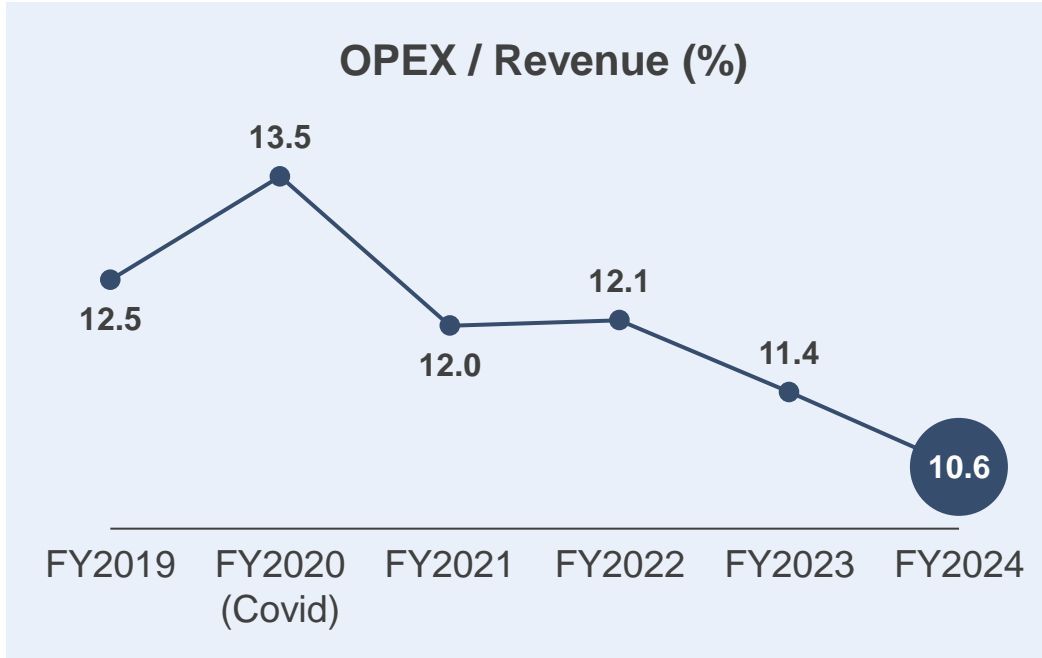
## Key wins and developments

- Indonesia's Satria-1 satellite network
- Brazil's energy connectivity project with Viasat

# **Productivity**

## Productivity

## Operating expenses / revenue continue to improve



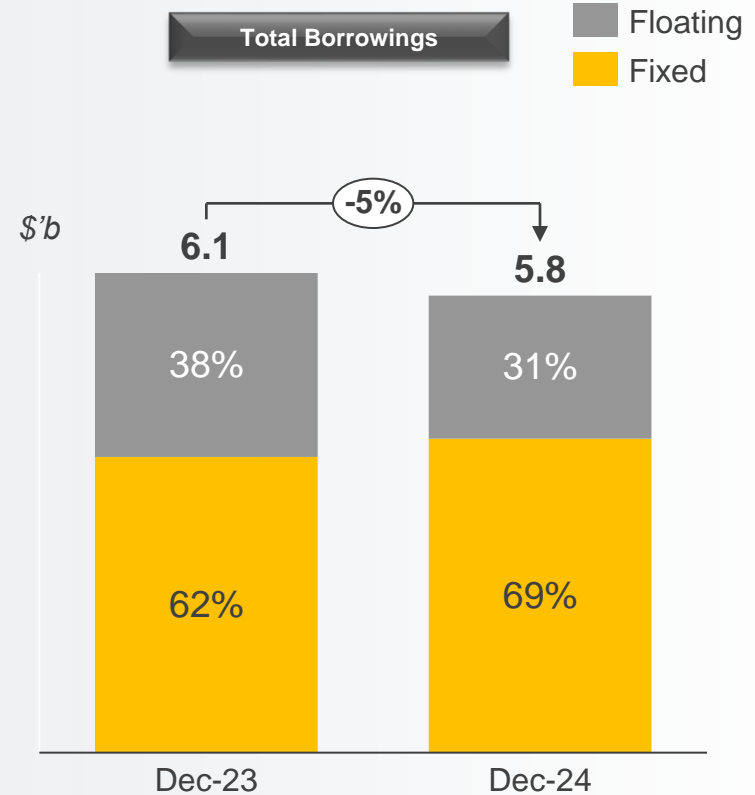
- Achieved lowest OPEX / Revenue
- Continuous improvement, productivity gain and cost management to mitigate inflation



# Debt Profile

## Balanced Debt Profile

- Borrowings reduced from \$6.1b to \$5.8b, despite 3% stronger USD/SGD.
- EBITDA increased 11% to \$1.6b.
- Gross Debt/EBITDA leverage ratio reduced from 4.2x in 2023 to 3.6x in 2024.
- Fixed-vs-floating interest rate ratio of 69%:31%.
- Group weighted average borrowing cost for FY2024 was 3.6%.
- Group weighted average borrowing cost for FY2025 expected to remain at mid 3%.
- Continued strong credit ratings of Aaa/stable by Moody's and AA+/stable by S&P.



# Contract Wins and Order Book

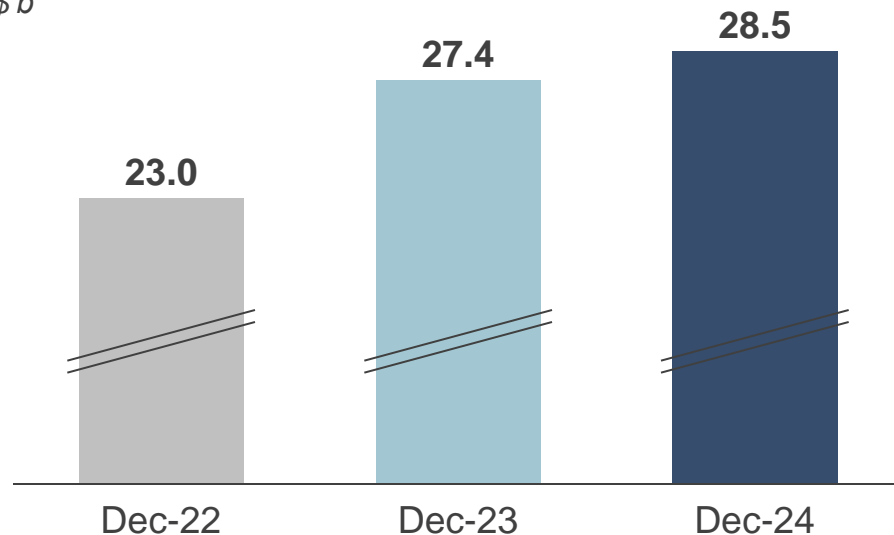
# \$12.6b New Contracts for FY2024, incl. \$4.3b for 4Q2024

	4Q2024	Highlights
<b>Commercial Aerospace</b>	\$1.8b	<ul style="list-style-type: none"> <li>15-year exclusive LEAP-1B contract with Akasa Air</li> <li>CFM56-7B engine MRO contract with an Asian airline</li> <li>Six-year airframe heavy maintenance contract with a Canadian airline</li> <li>Five-year exclusive LEAP-1A engine nacelle MRO agreement with a European airline</li> </ul>
<b>Defence &amp; Public Security</b>	\$1.7b	<ul style="list-style-type: none"> <li>Contract with Kazakhstan Paramount Engineering to provide expertise for a new 8x8 armoured vehicle and international sales of 155mm ammunition</li> <li>High Performance Cloud Infrastructure for AI processing, AI enabled command &amp; control systems and training &amp; simulation solutions</li> <li>Cybersecurity products and services</li> <li>Shipbuilding contract for a Walk-to-Work vessel and repair and maintenance contracts for commercial and naval ships</li> </ul>
<b>Urban Solutions &amp; Satcom</b>	\$0.7b	<ul style="list-style-type: none"> <li>Smart metro solutions for Bangkok's Blue and Orange Lines, Kaohsiung Red Line Extension, Singapore's North-South and East-West Lines</li> <li>Tolling and O&amp;M contracts including first tolling contract for a Southeast Asian city</li> <li>Building structural health monitoring project and integrated smart security management solutions in Singapore</li> <li>Satcom ground infrastructure contracts for aviation, government and enterprise segments in Asia, Middle East and Europe</li> </ul>
<b>Total</b>	<b>\$4.3b</b>	

## Order Book Remains Robust

Order Book

\$'b



- \$28.5b as at 31 Dec 2024
- \$8.8b expected to be delivered in 2025

# **Investing for the future**

# Investing for Growth

1

## Capacity & Capability Building

- Airframe MRO facilities
- Gul shipyard
- 4<sup>th</sup> Data Centre
- AI and Cyber
- Satcom next-gen platform

2

## Market Expansion

- 155mm ammunition exports to Europe
- 8x8 Armoured Vehicle partnership in Kazakhstan
- Smart City platform in Lusail City, Qatar
- First TransCore tolling solution win in Southeast Asia

3

## Operation Improvement

- Harnessing AI
- Procurement savings
- Offshore Competency Center

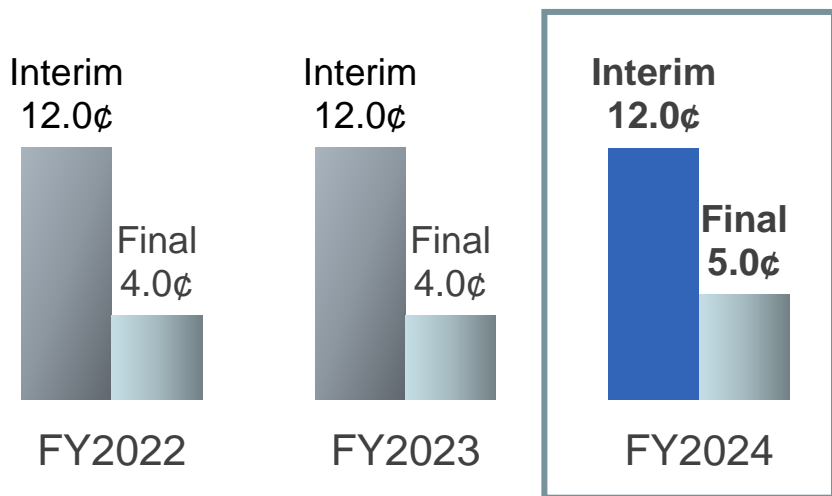
**Continual portfolio and network optimisation**

# Dividends



# FY2024 Final Dividend of 5.0 Cents per Share

Dividend per Ordinary Share



- Final dividend of 5.0 cents per ordinary share for FY2024, subject to shareholder approval at upcoming AGM on 24 April 2025
- If approved, the total dividend for FY2024 will be 17.0 cents per ordinary share including interim dividends of 12.0 cents per ordinary share
- Increase of 1.0 cent per ordinary share compared with FY2023

# Outlook

## Group President & CEO's Message



We delivered a very strong set of results in 2024 despite an uncertain and challenging environment. We are confident that our strong fundamentals will continue to position us well, even as we confront a fast-changing landscape.

We have a robust order book and a competitive market position which will underpin our continuing revenue growth and performance.”

***Vincent Chong, Group President & CEO***

# **Segment Highlights**

Segment Highlights

## Segment Revenue

\$'m	2H2024	2H2023	Change	FY2024	FY2023	Change
Commercial Aerospace	2,154	2,050	+5%	4,384	3,905	+12% <i>+15% excl. aircraft sales</i>
Defence & Public Security	2,563	2,135	+20%	4,935	4,252	+16%
Urban Solutions & Satcom	1,038	1,053	-1%	1,957	1,944	+1%
<b>Group</b>	<b>5,755</b>	<b>5,238</b>	<b>+10%</b>	<b>11,276</b>	<b>10,101</b>	<b>+12%</b>

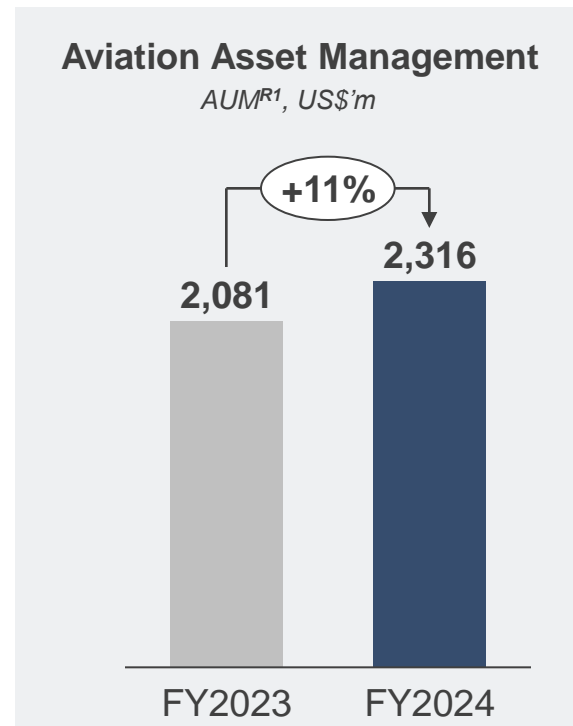
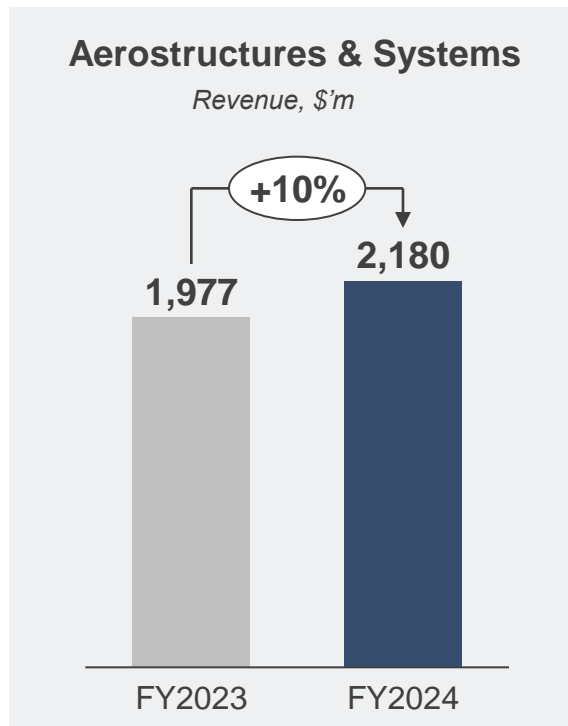
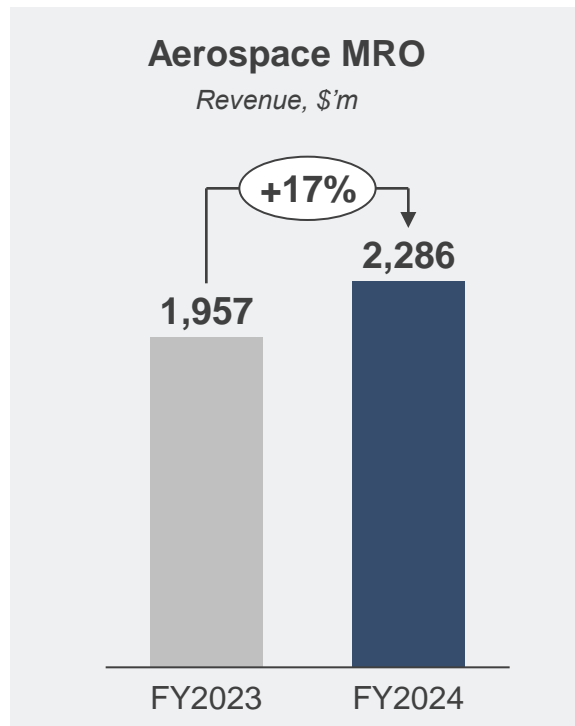
Segment Highlights

## Segment EBIT

\$'m	2H2024	2H2023	Change	FY2024	FY2023	Change
Commercial Aerospace	210	160	+32%	400	337	+19%
Defence & Public Security	312	267	+17%	636	567	+12%
						<i>+15% excl U.S. Marine post-sale completion gain in 2023</i>
Urban Solutions & Satcom	31	44	-29%	40	10	+299%
<b>Group</b>	<b>554</b>	<b>470</b>	<b>+18%</b>	<b>1,076</b>	<b>915</b>	<b>+18%</b>

Segment Highlights

# Commercial Aerospace Sub-segment Highlights

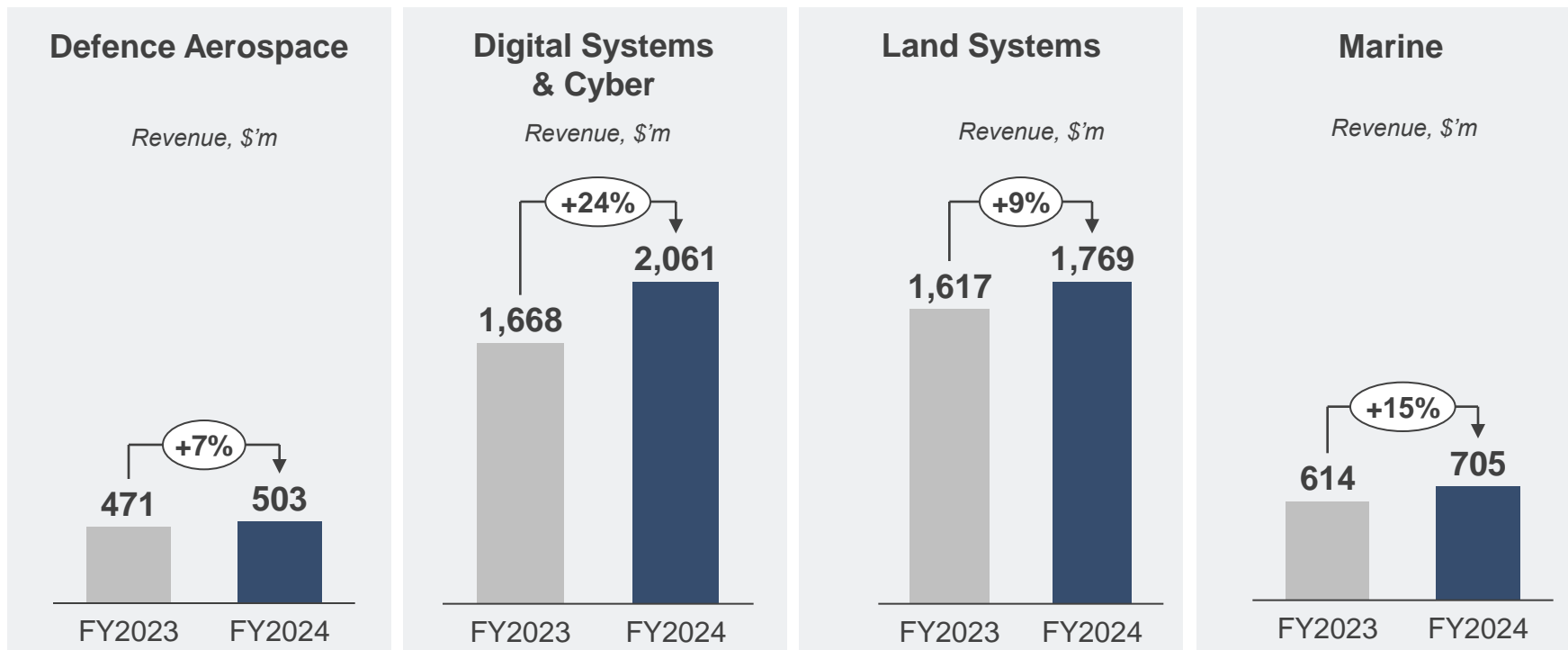


Notes:

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

Segment Highlights

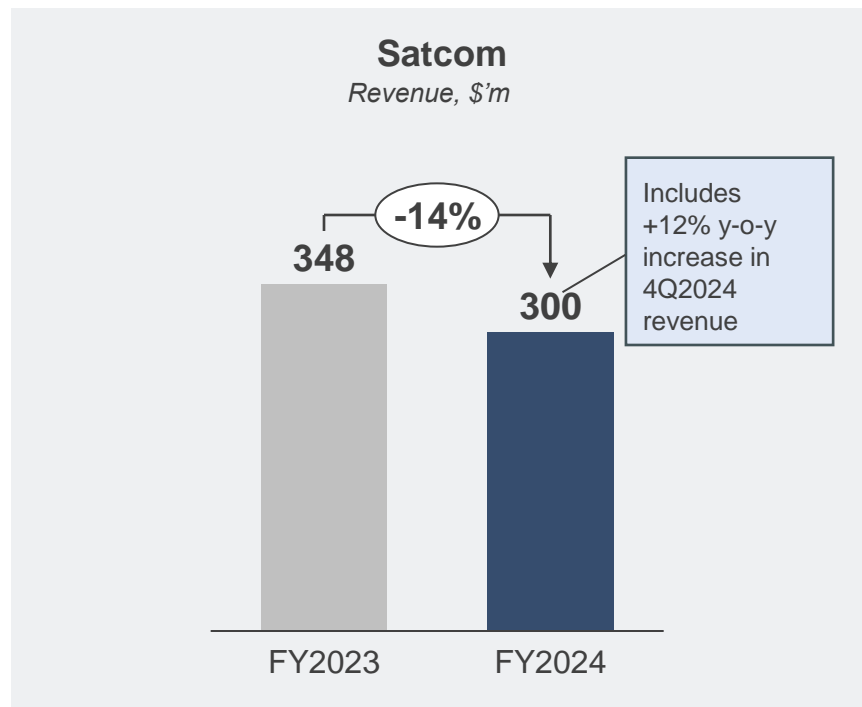
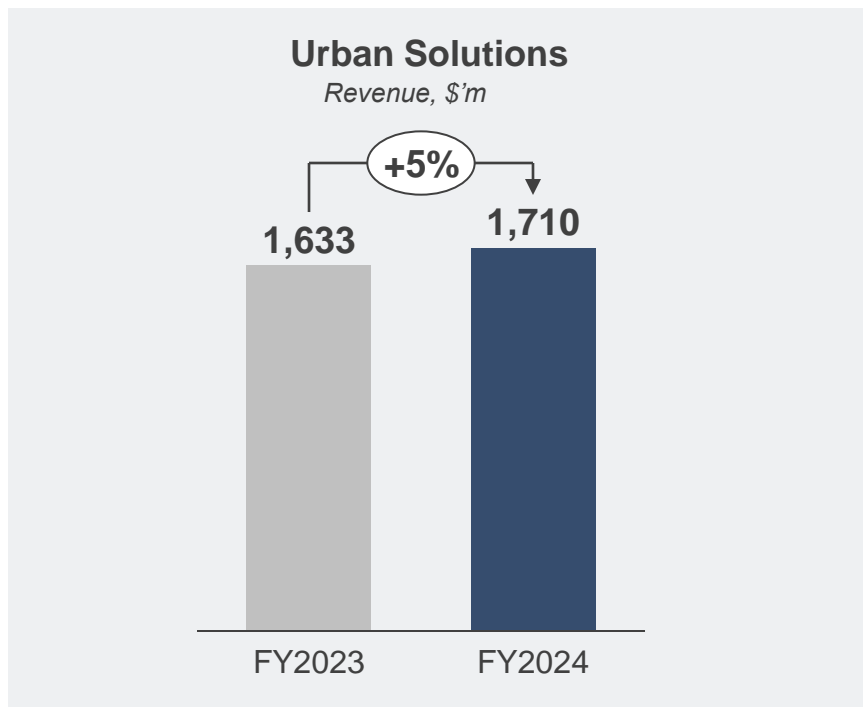
# Defence & Public Security Sub-segment Highlights





Segment Highlights

# Urban Solutions & Satcom Sub-segment Highlights



# **Appendix**

## Statement of Financial Position

<b>\$'m</b>	<b>31 Dec 2024</b>	<b>31 Dec 2023</b>
Property, plant and equipment	2,115	2,076
Right-of-use assets	605	651
Intangible assets	4,990	4,958
Other non-current assets	1,188	1,064
Current assets	7,324	6,630
<b>Total assets</b>	<b>16,221</b>	<b>15,379</b>
Current liabilities	8,239	7,322
Non-current liabilities	5,032	5,304
<b>Total liabilities</b>	<b>13,270</b>	<b>12,627</b>
Share capital and reserves	2,670	2,459
Non-controlling interests	280	293
<b>Total equity and liabilities</b>	<b>16,221</b>	<b>15,379</b>

Note:

Notwithstanding the Group's net current liabilities position of \$915 million as at 31 December 2024, 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 \$1.8 billion are backstopped by a committed revolving credit facility (RCF) of \$2.0 billion. The RCF remained undrawn as at 31 December 2024 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 Standard & Poor's) which provide it ready access to additional borrowings as necessary. The Group's medium-term note, USCP and committed credit facilities do not have any financial covenants.

Appendix

## Statement of Cash Flows

\$'m	FY2024	FY2023
Net cash from / (used in):		
Operating activities	1,718	1,179
Investing activities	(414)	(201)
Financing activities	(1,222)	(1,226)
Net change in CCE*	<b>82</b>	<b>(248)</b>
CCE at beginning of the year	<b>353</b>	<b>602</b>
Exchange difference	<b>(5)</b>	-
CCE at end of the year	<b>430</b>	<b>353</b>

\* CCE – Cash & Cash Equivalents

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