Agenda

• Group Highlights
• Outlook
• Appendix
  • Aerospace
  • Electronics
  • Land Systems
  • Marine
Group Highlights
Group Highlights

All figures are denominated in S$m unless indicated otherwise

1H2020

Revenue: 3,572 (+2% y-o-y)
EBIT: 299.2 (-3% y-o-y)
PBT: 286.4 (-13% y-o-y)
Net Profit: 257.4 (-4% y-o-y)
1H2020 Revenue & Net Profit

All figures are denominated in S$m unless indicated otherwise

Revenue

<table>
<thead>
<tr>
<th>Segment</th>
<th>1H2019</th>
<th>1H2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace &amp; Electronics, excluding New Growth</td>
<td>3511</td>
<td>(-8 pp)</td>
</tr>
<tr>
<td>Land Systems &amp; Marine</td>
<td>-291</td>
<td>(+2 pp)</td>
</tr>
<tr>
<td>New Growth &amp; Others</td>
<td>58</td>
<td>284</td>
</tr>
</tbody>
</table>

Net Profit

<table>
<thead>
<tr>
<th>Category</th>
<th>1H2019</th>
<th>1H2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shipbuilding</td>
<td>269</td>
<td>(-9 pp)</td>
</tr>
<tr>
<td>Impairments &amp; Fair Value Changes of Associates</td>
<td></td>
<td>-24</td>
</tr>
<tr>
<td>Net impact, including COVID-19, Govt Support &amp; Cost Reduction</td>
<td></td>
<td>(+8 pp)</td>
</tr>
</tbody>
</table>

Note: amounts may not add due to rounding

* COVID-19: Arising from customer demand reduction, supply chain challenges and workforce disruptions
Group Revenue Breakdown

1H2020 Revenue

- Aerospace 41%
- Electronics 30%
- Land Systems 18%
- Marine 11%

1H2020 Revenue by type

<table>
<thead>
<tr>
<th>Type</th>
<th>1H2018</th>
<th>1H2019</th>
<th>1H2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td>2.2</td>
<td>2.5</td>
<td>2.4</td>
</tr>
<tr>
<td>Defence</td>
<td>1.1</td>
<td>1.0</td>
<td>1.2</td>
</tr>
</tbody>
</table>

1H2020 Revenue by location of customers

<table>
<thead>
<tr>
<th>Region</th>
<th>1H2018</th>
<th>1H2019</th>
<th>1H2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASIA</td>
<td>51%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S.</td>
<td></td>
<td>24%</td>
<td></td>
</tr>
<tr>
<td>EUROPE</td>
<td>19%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OTHERS</td>
<td></td>
<td>6%</td>
<td></td>
</tr>
</tbody>
</table>

All figures are denominated in S$m unless indicated otherwise.
New Contracts & Order Book

New Contracts

- Aerospace and Electronics sectors collectively secured about $1.1b worth of new contracts in 2Q2020, bringing their total contract wins to about $2.7b in 1H2020
- These values exclude new contracts secured by Land Systems and Marine sectors

Order Book

- Order book as at 30 Jun 2020: $15.9b; about $3.2b to be delivered in 2H2020

Note: amounts may not add due to rounding.
With effect from 1 January 2020, Miltope was re-organised from Others into Electronics sector and all comparatives were restated in conformance with current year classification.

<table>
<thead>
<tr>
<th>Sector</th>
<th>1H2020</th>
<th>1H2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace</td>
<td>1,470</td>
<td>1,458</td>
<td>+1%</td>
</tr>
<tr>
<td>Electronics</td>
<td>1,069</td>
<td>1,088</td>
<td>-2%</td>
</tr>
<tr>
<td>Land Systems</td>
<td>644</td>
<td>673</td>
<td>-4%</td>
</tr>
<tr>
<td>Marine</td>
<td>385</td>
<td>288</td>
<td>+34%</td>
</tr>
<tr>
<td>Others</td>
<td>4</td>
<td>4</td>
<td>-</td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td>3,572</td>
<td>3,511</td>
<td>+2%</td>
</tr>
</tbody>
</table>
## Group Net Profit

<table>
<thead>
<tr>
<th>S$'m</th>
<th>1H2020</th>
<th>1H2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace</td>
<td>105.0</td>
<td>127.0</td>
<td>-17%</td>
</tr>
<tr>
<td>Electronics</td>
<td>87.6</td>
<td>81.6</td>
<td>+7%</td>
</tr>
<tr>
<td>Land Systems</td>
<td>41.8</td>
<td>35.6</td>
<td>+17%</td>
</tr>
<tr>
<td>Marine</td>
<td>21.4</td>
<td>26.3</td>
<td>-19%</td>
</tr>
<tr>
<td>Others</td>
<td>1.6</td>
<td>(1.2)</td>
<td>NM</td>
</tr>
<tr>
<td>Group</td>
<td>257.4</td>
<td>269.3</td>
<td>-4%</td>
</tr>
</tbody>
</table>
Group Margins

PBT Margin

<table>
<thead>
<tr>
<th></th>
<th>1H2020</th>
<th>1H2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group</td>
<td>8%</td>
<td>9%</td>
</tr>
<tr>
<td>Aerospace</td>
<td>8%</td>
<td>9%</td>
</tr>
<tr>
<td>Electronics</td>
<td>9%</td>
<td>7%</td>
</tr>
<tr>
<td>Land Systems</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Marine</td>
<td>11%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Net Profit Margin

<table>
<thead>
<tr>
<th></th>
<th>1H2020</th>
<th>1H2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group</td>
<td>7%</td>
<td>8%</td>
</tr>
<tr>
<td>Aerospace</td>
<td>7%</td>
<td>9%</td>
</tr>
<tr>
<td>Electronics</td>
<td>8%</td>
<td>7%</td>
</tr>
<tr>
<td>Land Systems</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>Marine</td>
<td>6%</td>
<td>9%</td>
</tr>
<tr>
<td>S$'m</td>
<td>30 Jun 2020</td>
<td>31 Dec 2019</td>
</tr>
<tr>
<td>--------------------------</td>
<td>-------------</td>
<td>-------------</td>
</tr>
<tr>
<td>Property, plant &amp; equipment</td>
<td>1,793</td>
<td>1,805</td>
</tr>
<tr>
<td>Right-of-use assets</td>
<td>498</td>
<td>484</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>2,036</td>
<td>1,980</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>625</td>
<td>613</td>
</tr>
<tr>
<td>Current assets</td>
<td>4,490</td>
<td>4,639</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>9,442</strong></td>
<td><strong>9,521</strong></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>3,849</td>
<td>5,446</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>3,094</td>
<td>1,584</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>6,943</strong></td>
<td><strong>7,030</strong></td>
</tr>
<tr>
<td>Share capital and reserves</td>
<td>2,230</td>
<td>2,222</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>269</td>
<td>269</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td><strong>9,442</strong></td>
<td><strong>9,521</strong></td>
</tr>
</tbody>
</table>
## Statement of Cash Flows

<table>
<thead>
<tr>
<th>S$m</th>
<th>1H2020</th>
<th>1H2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net cash from/(used in)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating activities</td>
<td>1,017</td>
<td>423</td>
</tr>
<tr>
<td>Investing activities</td>
<td>(151)</td>
<td>(823)</td>
</tr>
<tr>
<td>Financing activities</td>
<td>(984)</td>
<td>308</td>
</tr>
<tr>
<td>**Net decrease in CCE ***</td>
<td>(118)</td>
<td>(92)</td>
</tr>
<tr>
<td><strong>CCE at beginning of the period</strong></td>
<td>452</td>
<td>414</td>
</tr>
<tr>
<td>Exchange difference</td>
<td>8</td>
<td>(1)</td>
</tr>
<tr>
<td><strong>CCE at end of the period</strong></td>
<td>342</td>
<td>321</td>
</tr>
</tbody>
</table>

* CCE - Cash & Cash Equivalents
1H2020 Interim Dividend of 5.0 Cents per Share

- Board approved interim dividend of 5.0 cents per ordinary share, payable on 2 Sep 2020

- 1H2020 interim dividend is consistent with previous years

- Retained earnings was $1,390m or 44.5 cents per share as at year-end 2019 at group level

- FY2020 dividends can be adequately funded out of past years’ retained earnings
Outlook
President & CEO’s Message

“We entered the COVID-19 pandemic from a position of strength. Our technology and engineering foundation built up over the years, our strong balance sheet, our diverse business mix and robust order book helped us weather the impact of COVID-19 and maintain even-keel for our first half results.

We are cognisant of the ‘tail wind’ afforded us through the various government support schemes (especially the Singapore government’s JSS) for 2020. We do not expect such support beyond this year. We are working to position the Group to come out of the pandemic stronger and more competitive. This means focusing on cost reduction, productivity and talent acquisition, organising for growth and serving our customers better. We are also alert to opportunities that have emerged or been accentuated as a result of COVID-19. We are well positioned to benefit from areas like Passenger-to-Freighter conversion and smart city solutions, including safe access control management.

We are maintaining our guidance for FY2020 revenue to come in between 5% and 15% lower versus FY2019.”

~ Vincent Chong, President & CEO, ST Engineering
Appendix
Group
### Group Profit before Tax (PBT)

<table>
<thead>
<tr>
<th>S$'m</th>
<th>1H2020</th>
<th>1H2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace</td>
<td>120.3</td>
<td>158.5</td>
<td>-24%</td>
</tr>
<tr>
<td>Electronics</td>
<td>96.6</td>
<td>98.4</td>
<td>-2%</td>
</tr>
<tr>
<td>Land Systems</td>
<td>49.2</td>
<td>42.2</td>
<td>+17%</td>
</tr>
<tr>
<td>Marine</td>
<td>22.1</td>
<td>31.5</td>
<td>-30%</td>
</tr>
<tr>
<td>Others</td>
<td>(1.8)</td>
<td>(1.0)</td>
<td>NM</td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td><strong>286.4</strong></td>
<td><strong>329.6</strong></td>
<td><strong>-13%</strong></td>
</tr>
</tbody>
</table>
Aerospace
Aerospace Revenue by geography (by location of customers)

Europe
1H2020: $538m
37%

U.S.
1H2020: $376m
26%

Asia
1H2020: $476m
32%

Others
1H2020: $81m
5%

Note: Revenue includes inter-segment sales
Aerospace Revenue, PBT and Net Profit by business group

Legend:
Bar: Revenue ($m)
Line: Net Profit ($m)
Note: Revenue includes inter-segment sales
## Aerospace

### 1H2020 vs 1H2019

<table>
<thead>
<tr>
<th>Category</th>
<th>2020</th>
<th>Change</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$1,470m</td>
<td>$12m</td>
<td>1%</td>
</tr>
<tr>
<td>PBT</td>
<td>$120.3m</td>
<td>-$38.2m</td>
<td>-24%</td>
</tr>
<tr>
<td>Net Profit</td>
<td>$105.0m</td>
<td>-$22.0m</td>
<td>-17%</td>
</tr>
</tbody>
</table>

- **Revenue**
  - Full six months' contribution from MRAS compared to two-and-a-half months in prior year
  - Partially offset by lower revenue from AMM and CERO business groups due to reduced activities arising from COVID-19

- **PBT**
  - Impairments and lower activities
  - Share of lower profits from associates and joint ventures
  - Partially offset by full six months' contribution from MRAS
  - Government support

- **Net Profit**
  - In line with lower PBT
  - Partially offset by lower tax expense
  - Share of losses by NCI

**Revenue** $1,470m ▲ $12m or 1%  
**PBT** $120.3m ▼ $38.2m or 24%  
**Net Profit** $105.0m ▼ $22.0m or 17%
Aerospace – 1H2020 in Review

• Secured about $1.4b worth of new contracts, including:
  • Multi-year engine and component MRO contracts to support T’way Air’s Boeing 737 fleet
  • A 5-year nacelle maintenance contract to support Qantas’ Boeing 737-800 and A330 fleet
  • A 3-year heavy maintenance contract for Alaska Airlines’ A320 fleet
  • Passenger-to-freighter (P2F) conversion orders for two A321 units from BBAM and conversion and leasing of a A321P2F unit for Qantas
  • A 2-year exclusive heavy maintenance contract for up to 40 CFM56-7B engines for an Asian air carrier
  • A multi-year heavy maintenance contract to support a Chinese cargo airline’s Boeing 767 fleet

Note: amounts may not add due to rounding.
Aerospace – 1H2020 in Review

• Entered into agreements for the sale of 30 aircraft engines through engine leasing JV into a securitisation structure

• Strengthened core capabilities
  • Entered into an agreement with Vietnam Airlines to explore setting up airframe MRO JV in Vietnam
  • Became a licensed service centre for LEAP-1B engines
  • Attained EASA Supplement Type Certification for A321P2F conversion
  • Received first-ever authorisation from CAAS to perform aircraft inspection using drones
  • Entered into collaboration with Wilhelmsen Ships Service to develop solutions to enable Beyond Visual Line of Sight Unmanned Aircraft Systems operations for shore-to-ship parcel deliveries
Aerospace – Outlook for 2H2020

• Redeliver A321P2F prototype and pursue new P2F contracts
• Ramp up component MRO operations
• Develop solutions to enhance cabin hygiene and safety
• Accelerate implementation of smart solutions to enhance productivity and cost efficiency
• Continue to market UAV solutions and advance commercial applications of these solutions
Electronics
Electronics Revenue by geography (by location of customers)

- **Asia**: 73%
  - 1H2020: $792m
- **U.S.**: 11%
  - 1H2020: $125m
- **Europe**: 10%
  - 1H2020: $104m
- **Others**: 6%
  - 1H2020: $61m

Note: Revenue includes inter-segment sales
Electronics Revenue, PBT and Net Profit by business group

Legend:
Bar: Revenue ($m)
Line: Net Profit ($m)
Note: Revenue includes inter-segment sales

LSG

<table>
<thead>
<tr>
<th></th>
<th>1H2019</th>
<th>1H2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>PBT</td>
<td>$39.7m</td>
<td>$42.9m</td>
</tr>
<tr>
<td>$32.4</td>
<td>$36.2</td>
<td></td>
</tr>
</tbody>
</table>

CSG

<table>
<thead>
<tr>
<th></th>
<th>1H2019</th>
<th>1H2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>PBT</td>
<td>$21.6m</td>
<td>(0.7m)</td>
</tr>
<tr>
<td>$18.6</td>
<td>$3.5</td>
<td></td>
</tr>
</tbody>
</table>

SSG

<table>
<thead>
<tr>
<th></th>
<th>1H2019</th>
<th>1H2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>PBT</td>
<td>$37.1m</td>
<td>$54.4m</td>
</tr>
<tr>
<td>$30.6</td>
<td>$47.9</td>
<td></td>
</tr>
</tbody>
</table>
## Electronics

### 1H2020 vs 1H2019

<table>
<thead>
<tr>
<th>Category</th>
<th>1H2020</th>
<th>Change</th>
<th>% Change</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$1,069m</td>
<td>▼ $19m</td>
<td>-2%</td>
<td>Lower revenue from CSG business group, impacted by COVID-19</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Partially offset by</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Higher revenue from LSG and SSG business groups</td>
</tr>
<tr>
<td>PBT</td>
<td>$96.6m</td>
<td>▼ $1.8m</td>
<td>-2%</td>
<td>In line with lower revenue</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Unfavourable sales mix</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Partially offset by</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Government support</td>
</tr>
<tr>
<td>Net Profit</td>
<td>$87.6m</td>
<td>▲ $6.0m</td>
<td>7%</td>
<td>Lower tax expense</td>
</tr>
</tbody>
</table>
Electronics – 1H2020 in Review

- Secured over $1.3b worth of new contracts, including:
  - Rail electronics projects in China, India and Thailand
  - Public safety and security projects
    - Next-generation Perimeter Intrusion Detection System in a U.S. airport
    - Provision of Security Operations Centres and cybersecurity related services
    - Support for customers in government, defence, critical infrastructure and enterprise sectors
  - First-of-its-kind Container Lashing Warning System on three shipping vessels to enable remote on-condition monitoring of cargo securing
  - Development of an aviation management and maintenance system for a leading airport authority’s Southeast Asian operations
  - Enhancement and maintenance of Singapore’s National Water Agency, PUB’s Intelligent Water Management System
  - Several training and simulation solutions to support experiential learning needs

Note: amounts may not add due to rounding.
Electronics – 1H2020 in Review

• Deployed integrated command, control and communications (C3) systems, integrated surveillance systems, contact tracing solutions to support Singapore’s COVID-19 efforts

• Enhanced Smart City offerings
  • Smart lighting provided to Singapore’s Housing & Development Board was the winner of the Smart Buildings/Smart Tech Parks category at the IDC Smart City Asia Pacific Awards 2020
  • Launched GEOEARTH, a cloud-based geospatial analytics platform to drive higher efficiencies and enable better business decisions
  • Launched BIOS-SHIELD™, Asia’s first cloud, firmware endpoint security solution with Janus Technologies
  • Entered into collaboration agreement with National University of Singapore to use quantum technology to develop network encryption solutions
  • Signed an agreement to collaborate with Singapore’s Urban Redevelopment Authority to develop and commercialise digitalisation tools to aid city planning and management
Electronics – Outlook for 2H2020

• Explore business opportunities arisen from new demand trends, e.g. safe access control management, data centres, cybersecurity and secured digital solutions
• Deliver smart mobility, satellite communications and software system related contracts on schedule
• Focus on integration of iDirect Europe (formerly known as Newtec) and Glowlink Communications
• Pursue Smart City related contracts in and outside of Singapore
Land Systems
Land Systems Revenue by geography (by location of customers)

- **Asia**: 72% (1H2020: $478m)
- **U.S.**: 21% (1H2020: $139m)
- **Europe**: 0% (1H2020: $2m)
- **Others**: 7% (1H2020: $43m)

Note: Revenue includes inter-segment sales.
Land Systems Revenue, PBT and Net Profit by business group

**Legend:**
- **Bar:** Revenue ($m)
- **Line:** Net Profit ($m)
- **Note:** Revenue includes inter-segment sales

**Auto**
- **PBT**
  - **1H2019:** $11.7m
  - **1H2020:** $20.6m
  - **Revenue:** 504
  - **Net Profit:** 9.7
  - **PBT:** 17.8

**M&W**
- **PBT**
  - **1H2019:** $4.8m
  - **1H2020:** $7.3m
  - **Revenue:** 84
  - **Net Profit:** 4.1
  - **PBT:** 6.4

**S&T**
- **PBT**
  - **1H2019:** $25.7m
  - **1H2020:** $21.3m
  - **Revenue:** 100
  - **Net Profit:** 21.8
  - **PBT:** 17.6
# Land Systems

## 1H2020 vs 1H2019

<table>
<thead>
<tr>
<th></th>
<th>1H2020</th>
<th>Change</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$644m</td>
<td>▼ $29m</td>
<td>▼ 4%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Lower revenue from Auto business group, with lower US specialty vehicles and MAN bus sales Partially offset by • Stronger defence revenue</td>
</tr>
<tr>
<td>PBT</td>
<td>$49.2m</td>
<td>▲ $7.0m</td>
<td>▲ 17%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Government support • Lower operating expenses Partially offset by • Unfavourable sales mix • Impairments and weaker performance from associates</td>
</tr>
<tr>
<td>Net Profit</td>
<td>$41.8m</td>
<td>▲ $6.2m</td>
<td>▲ 17%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• In line with higher PBT</td>
</tr>
</tbody>
</table>
Land Systems – 1H2020 in Review

- Secured new contracts, including:
  - Phase 2 contract for Hunter Armoured Fighting Vehicle from Singapore Ministry of Defence
  - Weapons & munitions from customers in South America, North Africa and Middle East
  - Road construction equipment and specialty vehicles from customers in North America
- On-demand autonomous buses provided to Singapore’s Ministry of Transport and Sentosa Development Corporation was the winner of Transportation category at IDC Smart City Asia Pacific Awards 2020
- Deployed mobile swab stations, TUG autonomous mobile robots as well as security and disinfecting robots to support Singapore’s COVID-19 efforts
Land Systems – Outlook for 2H2020

• Focus on execution and delivery of ongoing defence programmes, as well as ongoing autonomous vehicle trials
• Pursue and secure key defence and commercial programmes locally and overseas
• Develop and strengthen capabilities to be a leading contributor of the AV ecosystem in Singapore, supporting the nation’s Land Transport Master Plan
Marine
Marine Revenue by geography (by location of customers)

- **Europe**: 55% of revenue (1H2020: $25m)
- **U.S.**: 33% of revenue (1H2020: $212m)
- **Asia**: 6% of revenue (1H2020: $123m)
- **Others**: 6% of revenue (1H2020: $25m)

Note: Revenue includes inter-segment sales
Marine Revenue, PBT and Net Profit by business group

**Shipbuilding**
- PBT 1H2019: $4.1m
- PBT 1H2020: ($10.6m)
- 2019 Net Profit: $3.9m
- 2020 Net Profit: ($6.3m)

**Shiprepair**
- PBT 1H2019: $23.8m
- PBT 1H2020: $29.2m
- 2019 Net Profit: 19.8
- 2020 Net Profit: 24.7

**Engineering**
- PBT 1H2019: $3.6m
- PBT 1H2020: $3.5m
- 2019 Net Profit: 2.6
- 2020 Net Profit: 3.0

Legend:
- Bar: Revenue ($m)
- Line: Net Profit ($m)

Note: Revenue includes inter-segment sales
## Marine

**Revenue**  
- **$385m**, ▲ **$97m** or **34%**  
  - Higher revenue from Shipbuilding business group  
  - Partially offset by:  
    - Lower revenue from Shiprepair and Engineering business groups

**PBT**  
- **$22.1m**, ▼ **$9.4m** or **30%**  
  - Weaker U.S. shipbuilding performance  
  - Partially offset by:  
    - Government support

**Net Profit**  
- **$21.4m**, ▼ **$4.9m** or **19%**  
  - In line with lower PBT  
  - Partially offset by:  
    - Lower tax expenses
Marine – 1H2020 in Review

• Secured new contracts, including:
  • Firm order for one Auxiliary Personnel Lighter-Small (APL(S)) 67 Class berthing barge for the U.S. Navy, bringing total orders to four units
  • Engineering, Procurement and Construction contract with consortium partners, Keppel Seghers and China Harbour, for a Waste-to-Energy facility and a Materials Recovery at the new Tuas Nexus IWMF in Singapore

• Completed numerous shiprepair projects, rig repair and related fabrication works

• U.S. yard was among the recipients of the prestigious 2019 Safety Award from the America Equity Underwriters
Marine – Outlook for 2H2020

- R&D plan including design performance specifications for Polar Security Cutter
- Deliver first two units of APL(S) berthing barge to U.S. Navy
- Progressive launches/deliveries of 5GPT to Singapore Police Coast Guard
- Pursue and secure defence and commercial newbuild programmes in and outside Singapore
Aerospace Business Updates
COVID-19’s Impact and Opportunities
Y2020 - An Unprecedented Year for Aviation
Aviation Traffic Plunge Precipitates Major Aviation Market Crisis

1. Air travel hits a record low in April 2020

2. Airlines rationalise fleets, global in-service aircraft reduced

3. OEMs reduced aircraft production rates and adjust workforce
   - Airbus: 15,000 job cuts by summer 2021
   - Boeing: ~ 16,000 job cuts, 10% of workforce

4. Reduced in-service fleet restricts MRO spend
   - Y2020 MRO spend to reduce by 45% to US$50.3b

### Aircraft Production Rate Reductions (aircraft per month)

<table>
<thead>
<tr>
<th>Aircraft Type</th>
<th>Previous Target</th>
<th>Revised Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>B787</td>
<td>14</td>
<td>10 in Y2020 (-29%), 6 by Y2021 (-57%)</td>
</tr>
<tr>
<td>B777/777X</td>
<td>5</td>
<td>2 in Y2021 (-60%)</td>
</tr>
<tr>
<td>B747</td>
<td>0.5</td>
<td>Ceasing production in Y2022</td>
</tr>
<tr>
<td>A320</td>
<td>60</td>
<td>40 (-33%)</td>
</tr>
<tr>
<td>A330</td>
<td>3.25</td>
<td>2 (-38%)</td>
</tr>
<tr>
<td>A350</td>
<td>10</td>
<td>5 (-50%)</td>
</tr>
</tbody>
</table>

Source: IATA
Source: Aviation Week
Source: Oliver Wyman
Longer-Term & Strategic Priorities
Strengthen Fundamentals and Capitalise on COVID-19’s Opportunities

**Improve Cost Structure & Operations**
- Align supply & demand
- Accelerate digitisation and automation

**Rationalisation**
- Exit businesses that see permanent adverse impact from COVID-19

**Position for Growth**
- Strategic partnerships
- M&A investments
- Sustainability focus
- Engage China options

**Freighter Business**
- Grow PTF opportunities
- Strengthen supply chain
- Offer integrated leasing and MRO options
Diverse Portfolio Across Business Segments & Markets

Broad Business Exposure & Diverse Portfolio Reduce Single Segment Risks

1. Increased demand for cargo aircraft

2. PTF feedstock at lower cost

3. Demand for automation & safer travel

**Clean Cabin Solutions**

- **UVC Cabin System**
- **ECS Bipolar Ionisation System**

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**Table 1: PTF feedstock at lower cost**

<table>
<thead>
<tr>
<th>Model</th>
<th>HLCMV - 3Y</th>
<th>HLCMV - 6Y</th>
<th>HLCMV - 12Y</th>
<th>Typical Value Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>A319-100</td>
<td>$25.33 m</td>
<td>$20.23 m</td>
<td>$11.93 m</td>
<td>-5% to -22%</td>
</tr>
<tr>
<td>A320-200</td>
<td>$22.18 m</td>
<td>$25.49 m</td>
<td>$15.63 m</td>
<td>-10% to -16%</td>
</tr>
<tr>
<td>A321-200</td>
<td>$34.97 m</td>
<td>$28.11 m</td>
<td>$18.83 m</td>
<td>-9% to -17%</td>
</tr>
<tr>
<td>737-700</td>
<td>$26.69 m</td>
<td>$21.31 m</td>
<td>$12.51 m</td>
<td>-9% to -26%</td>
</tr>
<tr>
<td>737-800</td>
<td>$34.24 m</td>
<td>$27.39 m</td>
<td>$18.12 m</td>
<td>-9% to -26%</td>
</tr>
<tr>
<td>737-900ER</td>
<td>$34.66 m</td>
<td>$27.29 m</td>
<td>$17.65 m</td>
<td>-5% to -16%</td>
</tr>
</tbody>
</table>

**Table 2: Demand for automation & safer travel**

<table>
<thead>
<tr>
<th>Model</th>
<th>HLCMV - 3Y</th>
<th>HLCMV - 6Y</th>
<th>HLCMV - 12Y</th>
<th>Typical Value Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>A330-200</td>
<td>$53.26 m</td>
<td>$39.37 m</td>
<td>$23.25 m</td>
<td>-7% to -26%</td>
</tr>
<tr>
<td>A340-500</td>
<td>$58.68 m</td>
<td>$43.21 m</td>
<td>$25.16 m</td>
<td>-7% to -24%</td>
</tr>
<tr>
<td>A380-800</td>
<td>$125.44 m</td>
<td>$85.41 m</td>
<td>$39.43 m</td>
<td>-11% to -34%</td>
</tr>
<tr>
<td>777-300ER</td>
<td>$158.42 m</td>
<td>$83.85 m</td>
<td>$42.97 m</td>
<td>-8% to -19%</td>
</tr>
<tr>
<td>777-200LR</td>
<td>-</td>
<td>$31.48 m</td>
<td>$24.07 m</td>
<td>-33% to -51%</td>
</tr>
</tbody>
</table>

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**Source:** IBA

**Source:** IATA

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**ACTK:** Available cargo tonne-kilometers
Intensifying Innovation Efforts
Accelerate Innovation and Capitalise on COVID-19’s Opportunities

Strengthen Engineering and MRO | Leverage on Smart Technology

Creating value through:
- Workforce Efficiency
- Customer-Focused Solution
- Enhancing Quality & Improving Turn time

Shore-to Ship Delivery System
- Key areas of development:
  - Long range non "Line of Sight" dedicated, autonomous precision landing in metallic environment, delivery authentication system
- Benefits:
  - Improve efficiency of Singapore anchorages operations
  - Reduce carbon emissions

Expandable PRM Lavatory

40% More SPACE
No Compromise to Seat Pitch

New Cabin Solutions
To reduce COVID-19 Risks

New Cabin Products
- Antimicrobial Coating (Qualification for aircraft in Sep 2020)
- Continuous Cabin Air Cleaning (EASA STC in Oct 2020)
- Safe Seating Solution (Prototypes for airlines in Aug 2020, minor modification in Sep 2020)

EFW Cabin Cargo Box
Reversible & flexible storage to boost main cabin cargo capacity

- Efficient loading/unloading with wheels up to 200kg per box, adding nearly 18t of cargo capacity for an A330-200
- Universal compatibility with all narrow/ widebody aircraft through PAX door loading
- Safe and quick installation with designed latches
Thank You