2017: Higher Profits…

Revenue
S$6.6b

Group PBT (S$623m)
& Net Profit (S$512m)
+6%

Order Book
S$13.2b
Aerospace

Continued MRO leadership

By Airframe Maintenance Man-hours (12.5m in 2016)
Aviation Week

2017 Overall MRO of the Year
Aviation 100 MRO Global Awards

Secured additional orders for A330-300 Passenger-to-freighter conversions and redelivered the first freighter.
...doing well commercially...

Electronics

Commenced development
TeLEOS 2

Acquired 51%

Launched industry 1st
cyber security product

Singapore’s 1st Synthetic
Aperture Radar-based
imaging satellite

Network of
fibre optic
infrastructure

Enables safe access
to networks from a
single device
...doing well commercially...

Land Systems

Completed delivery of 16 Terrex 2 vehicles to the US Marine Corps

Awarded contract for the Next Generation Armoured Fighting Vehicle

Acquired Aethon, a leading provider of autonomous mobile robots, strengthening our robotics business
...doing well commercially...

Marine

Awarded contract to build America’s first offshore LNG Articulated Tug & Barge

Delivered 3rd and 4th Littoral Mission Vessels to the Republic of Singapore Navy
...and doing good in our Golden Jubilee year

Set out to do 50 Good Deeds to celebrate our Golden Jubilee and surpassed our goal

62 Good Deeds
2,982 staff
9,450 volunteering hours
Focus Areas for Next Growth Phase

Strengthen core businesses

- Aerospace
- Marine
- Electronics
- Land Systems

Pursue growth opportunities

- Defence Export
- Smart City

Underpinned by strong capabilities

- People & Culture
- Customers & Marketing
- Technology & Innovation
- Capacity for Growth
By 2022, we expect steady state revenue of more than S$400m per annum from our Passenger-to-Freighter business.
Strengthen Core Businesses

Marine

- Enhance our product offerings for the future
- Strengthen US business to position for upturn
- Grow our environmental engineering business

By 2022, we expect Marine sector revenue to recover to 2013 to 2014 levels, subject to the business cycle.
Pursue Growth Opportunities

| Defence Export |

- Leverage proven successes in defence capabilities and export wins
- Focus on developing targeted products and solutions
- Focus on specific markets
Pursue Growth Opportunities

| Smart City |

Significant and growing market opportunity

Build upon core competencies and end-to-end capabilities

Leverage Singapore track record; positioned for overseas success

Expect Smart City revenue of **S$1b in 2017** to more than double by 2022
Our Smart City Offerings and Track Records Match Needs of Smart Cities

- **Smart Security**
  - Public Security
  - Cyber Security

- **Smart Environment**
  - Energy Management
  - Waste and Water

- **Smart Mobility**
  - Rail
  - Road

Businesses and Platforms Across Verticals

Analytics and Artificial Intelligence

Digital Connectivity

Robotics
Develop Businesses through New Enterprises and Ventures

Judicious evaluation of growth opportunities

New growth opportunities

1. Health Tech
2. Digital
3. ...
4. ...

Strategic Analysis
- Ability to Win
- Market Attractiveness
- Strategic Fit
- Internal Rate of Return Threshold
- Net Present Value

Go/ No-go Investment
Recognise Challenges and New Realities as We Pursue Growth

- Singapore as important reference market
- Future growth largely from global markets
- Leverage strength of integrated approach
- New go-to-market models and M&A focus
Aspiration: Global Technology, Defence & Engineering Powerhouse
People & Culture

People are our strengths

- Build strong sense of purpose and belonging
- Strengthen capacity and capability for growth

Strengthen leadership bench

- Drive key focus areas
  - Shared Services
  - Digitalisation
  - New lines of businesses
Customers & Marketing

ST Engineering Masterbrand
Build marketing presence and capabilities
Develop new capabilities

LEGEND:

▲ International marketing office
● Global office
Technology & Innovation

Build, partner and acquire to develop technology capabilities

- Synergise and Deepen Internal Capabilities
- Commitment to Digitalisation
- Strong Technology, Innovation and Engineering Community
- Broaden Outreach to Leverage External Capabilities
Technology & Innovation
Broaden Outreach to Leverage External Capabilities

- Alliances with Research Institutions
  - Extend Alliances with research institutions
    - Corporate Labs
      - Robotics - NTU
      - Cyber Security - SUTD

- ST Engineering Ventures
  - Collaborate With and Invest In
    - Technology Start-Ups

- Innosparks
  - Innovate and Co(Create
    via Innovation Exchanges / Open Lab platforms

- Singapore and Overseas Start-Ups
Capacity For Growth

Financial Strength

• Strong balance sheet provides capacity to grow and sustain dividends

Efficiency & Scalability

• Cost optimisation through Shared Services
• Cumulative net savings of ~S$150m over next 5 years*

Portfolio Management

• Diversified portfolio
• Unlock value and recycle capital

Disciplined Growth

• Disciplined approach to go-to-market models and M&A

* versus business-as-usual
Strong Order Book

NEAR TERM
Strong order book of S$13.2b provides stability and visibility on near-term revenue and cash flows
Committed to long-term sustainable value creation

Our 2022 target

- Smart City revenue of S$1b to more than double by 2022
- Core and other businesses CAGR 2 to 3 times global GDP growth rate over the next 5 years
- Two-thirds of our revenue growth will be from global markets
- Net profits to grow in tandem with revenues
THANK YOU