Higher Revenue and Net Profit for 1Q2018 vs 1Q2017
Agenda

► Financial Highlights (1Q2018 vs 1Q2017)
► President & CEO’s Message
► Appendix
  ► Aerospace
  ► Electronics
  ► Land Systems
  ► Marine
## Financial Highlights for the first quarter ended 31 March 2018

<table>
<thead>
<tr>
<th>$'m</th>
<th>1Q2018</th>
<th>1Q2017</th>
<th>Change</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(Restated) *</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>1,647</td>
<td>1,511</td>
<td>▲ 136</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Earnings before interest &amp; tax (EBIT)</strong></td>
<td>122.1</td>
<td>112.6</td>
<td>▲ 9.5</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Other income, net</strong></td>
<td>8.7</td>
<td>11.7</td>
<td>▼ 3</td>
<td>26%</td>
</tr>
<tr>
<td><strong>Finance costs, net</strong></td>
<td>(2.2)</td>
<td>(5.4)</td>
<td>▲ 3.2</td>
<td>59%</td>
</tr>
<tr>
<td><strong>Profit before tax (PBT)</strong></td>
<td>144.0</td>
<td>132.7</td>
<td>▲ 11.3</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Profit attributable to shareholders (Net Profit)</strong></td>
<td>117.7</td>
<td>99.9</td>
<td>▲ 17.8</td>
<td>18%</td>
</tr>
</tbody>
</table>

*Comparative figures were restated on adoption of Singapore Financial Reporting Standards (International) (SFRS(I)) with effect from 1 January 2018.
Financial Highlights
for the first quarter ended 31 March 2018

► $13.4b strong order book; about $3.2b to be delivered in remaining months of 2018 (end Dec 2017*: $13.4b)

► Commercial sales and defence sales constituted 63% or $1.0b and 37% or $0.6b respectively (1Q2017*commercial and defence sales: 67% and 33%)

► EBITDA of $179.3m (1Q2017*: $164.6m) and EBIT of $122.1m (1Q2017: $112.6m) were higher by 9% and 8% respectively.

► CCE including funds under management of $1.6b (end Dec 2017: $1.3b)

*Comparative figures were restated on adoption of Singapore Financial Reporting Standards (International) (SFRS(I)) with effect from 1 January 2018.
# Group Revenue by sector

Higher Revenue by $136m or 9%

<table>
<thead>
<tr>
<th>Sector</th>
<th>1Q2018 $'m</th>
<th>%</th>
<th>1Q2017 (Restated) $'m</th>
<th>%</th>
<th>Change $'m</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace</td>
<td>599</td>
<td>36</td>
<td>548</td>
<td>36</td>
<td>▲ 51</td>
<td>9%</td>
</tr>
<tr>
<td>Electronics</td>
<td>605</td>
<td>37</td>
<td>496</td>
<td>33</td>
<td>▲ 109</td>
<td>22%</td>
</tr>
<tr>
<td>Land Systems</td>
<td>281</td>
<td>17</td>
<td>273</td>
<td>18</td>
<td>▲ 8</td>
<td>3%</td>
</tr>
<tr>
<td>Marine</td>
<td>150</td>
<td>9</td>
<td>179</td>
<td>12</td>
<td>▼ 29</td>
<td>16%</td>
</tr>
<tr>
<td>Others</td>
<td>12</td>
<td>1</td>
<td>15</td>
<td>1</td>
<td>▼ 3</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td><strong>1,647</strong></td>
<td><strong>100</strong></td>
<td><strong>1,511</strong></td>
<td><strong>100</strong></td>
<td>▲ <strong>136</strong></td>
<td><strong>9%</strong></td>
</tr>
</tbody>
</table>
Group Revenue
by geography (by location of customers)

1Q2017 (Restated)  
$1,511m, 100%  
$87m, 6%  
$148m, 10%  
$348m, 23%  
$928m, 61%

1Q2018  
$1,647m, 100%  
$88m, 5%  
$175m, 11%  
$308m, 19%  
$1,076m, 65%

ST Engineering
# Group PBT by sector

<table>
<thead>
<tr>
<th>$'m</th>
<th>1Q2018</th>
<th>%</th>
<th>1Q2017 (Restated)</th>
<th>%</th>
<th>Change</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace</td>
<td>76.3</td>
<td>53</td>
<td>78.2</td>
<td>59</td>
<td>▼</td>
<td>1.9</td>
</tr>
<tr>
<td>Electronics</td>
<td>48.3</td>
<td>34</td>
<td>37.3</td>
<td>28</td>
<td>▲</td>
<td>11.0</td>
</tr>
<tr>
<td>Land Systems</td>
<td>17.0</td>
<td>12</td>
<td>16.2</td>
<td>12</td>
<td>▲</td>
<td>0.8</td>
</tr>
<tr>
<td>Marine</td>
<td>9.2</td>
<td>6</td>
<td>9.0</td>
<td>7</td>
<td>▲</td>
<td>0.2</td>
</tr>
<tr>
<td>Others</td>
<td>(6.8)</td>
<td>(5)</td>
<td>(8.0)</td>
<td>(6)</td>
<td>▲</td>
<td>1.2</td>
</tr>
<tr>
<td>Group</td>
<td>144.0</td>
<td>100</td>
<td>132.7</td>
<td>100</td>
<td>▲</td>
<td>11.3</td>
</tr>
</tbody>
</table>

NM: Not Meaningful
# PBT Margin by sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>1Q2018</th>
<th>1Q2017 (Restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace</td>
<td>13%</td>
<td>14%</td>
</tr>
<tr>
<td>Electronics</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>Land Systems</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Marine</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td><strong>9%</strong></td>
<td><strong>9%</strong></td>
</tr>
</tbody>
</table>
### Group Net Profit by sector

#### Higher Net Profit by $17.8m or 18%

<table>
<thead>
<tr>
<th>$'m</th>
<th>1Q2018</th>
<th>%</th>
<th>1Q2017 (Restated)</th>
<th>%</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace</td>
<td>59.2</td>
<td>50</td>
<td>56.1</td>
<td>56</td>
<td>▲ 3.1</td>
</tr>
<tr>
<td>Electronics</td>
<td>40.3</td>
<td>34</td>
<td>32.8</td>
<td>33</td>
<td>▲ 7.5</td>
</tr>
<tr>
<td>Land Systems</td>
<td>15.6</td>
<td>13</td>
<td>11.6</td>
<td>12</td>
<td>▲ 4.0</td>
</tr>
<tr>
<td>Marine</td>
<td>8.7</td>
<td>7</td>
<td>8.1</td>
<td>8</td>
<td>▲ 0.6</td>
</tr>
<tr>
<td>Others</td>
<td>(6.1)</td>
<td>(4)</td>
<td>(8.7)</td>
<td>(9)</td>
<td>▲ 2.6</td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td><strong>117.7</strong></td>
<td><strong>100</strong></td>
<td><strong>99.9</strong></td>
<td><strong>100</strong></td>
<td>▲ <strong>17.8</strong></td>
</tr>
</tbody>
</table>

NM: Not Meaningful
Aerospace

1Q2018 vs 1Q2017 (Restated)

<table>
<thead>
<tr>
<th>Revenue</th>
<th>$599m</th>
<th>$51m or 9%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>▲</td>
<td></td>
</tr>
</tbody>
</table>

- Higher revenue from all business groups

<table>
<thead>
<tr>
<th>Net Profit</th>
<th>$59.2m</th>
<th>$3.1m or 6%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>▲</td>
<td></td>
</tr>
</tbody>
</table>

- Higher gross profit in line with higher revenue
- Lower share of profits to non-controlling interest
- Partially offset by
  - Realised foreign currency translation loss from Dalfort liquidation
Electronics

1Q2018 vs 1Q2017 (Restated)

Revenue: $605m ▲ $109m or 22%
- Higher revenue from all business groups

Net Profit: $40.3m ▲ $7.5m or 23%
- Higher gross profit in line with higher revenue
Land Systems

1Q2018 vs 1Q2017 (Restated)

Revenue $281m ▲ $8m or 3%
• Higher revenue from Auto business group

Net Profit $15.6m ▲ $4.0m or 34%
• Higher gross profit in line with higher revenue and favourable product mix
Marine

1Q2018 vs 1Q2017 (Restated)

Revenue  $150m  ▼  $29m or 16%
- Lower revenue mainly from Shipbuilding business group

Net Profit  $8.7m  ▲  $0.6m or 7%
- Absence of doubtful debt provided in 1Q2017
  Partially offset by
- Weak industry conditions and US operations
## Statement of Cash Flows

<table>
<thead>
<tr>
<th></th>
<th>1Q2018</th>
<th>1Q2017 (Restated)</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>431</td>
<td>400</td>
</tr>
<tr>
<td>Investing activities</td>
<td>(44)</td>
<td>(15)</td>
</tr>
<tr>
<td>Financing activities</td>
<td>(78)</td>
<td>(3)</td>
</tr>
<tr>
<td>**Net increase in CCE ***</td>
<td>309</td>
<td>382</td>
</tr>
<tr>
<td><strong>CCE at beginning of the period</strong></td>
<td>998</td>
<td>904</td>
</tr>
<tr>
<td><strong>Exchange difference</strong></td>
<td>(4)</td>
<td>(14)</td>
</tr>
<tr>
<td><strong>CCE at end of the period</strong></td>
<td>1,303</td>
<td>1,272</td>
</tr>
<tr>
<td><strong>Add: Funds under management</strong></td>
<td>334</td>
<td>467</td>
</tr>
<tr>
<td><strong>Total CCE &amp; Funds under management</strong></td>
<td>1,637</td>
<td>1,739</td>
</tr>
</tbody>
</table>

* CCE – Cash & Cash Equivalents
### Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>31-Mar-18</th>
<th>31-Dec-2017 (Restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>1,700</td>
<td>1,719</td>
</tr>
<tr>
<td>Associates &amp; joint ventures</td>
<td>460</td>
<td>448</td>
</tr>
<tr>
<td>Investments</td>
<td>343</td>
<td>360</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>1,081</td>
<td>1,087</td>
</tr>
<tr>
<td>Long-term receivables</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>Amount due from related parties</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>37</td>
<td>33</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>65</td>
<td>74</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td>3,713</td>
<td>3,748</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td>4,546</td>
<td>4,276</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>8,259</td>
<td>8,024</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td>3,682</td>
<td>3,587</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td>1,965</td>
<td>1,941</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>5,647</td>
<td>5,528</td>
</tr>
<tr>
<td><strong>Share capital and reserves</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Assets: $2.6b</td>
<td>2,327</td>
<td>2,215</td>
</tr>
<tr>
<td><strong>Non-controlling interests</strong></td>
<td>285</td>
<td>281</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td>8,259</td>
<td>8,024</td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td>864</td>
<td>689</td>
</tr>
</tbody>
</table>
Agenda

► Financial Highlights (1Q2018 vs 1Q2017)
► President & CEO’s Message
► Appendix
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  ► Electronics
  ► Land Systems
  ► Marine
President & CEO’s Message

“We started the year with healthy revenue growth and net profit. We also secured numerous contracts including Smart City projects in the past quarter. With a strong order book, the Group remains on track for steady growth.”

~ Vincent Chong, President & CEO, ST Engineering
Agenda

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Aerospace
Aerospace Revenue and Net Profit

1Q2017 (Restated) 1Q2018

Revenue ($m) Net Profit ($m)

554 600
56.1 59.2

Note: Revenue includes inter-segment sales
Aerospace Revenue by geography (by location of customers)

1Q2017 (Restated)
- $251m, 46%
- $118m, 25%
- $141m, 21%
- $44m, 8%

1Q2018
- $265m, 44%
- $155m, 26%
- $146m, 24%
- $34m, 6%

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

**AMM**

- **Revenue ($m)**: 238 (1Q2017) → 251 (1Q2018)
- **Net Profit ($m)**: 30.0 (1Q2017) → 28.1 (1Q2018)

**CERO**

- **Revenue ($m)**: 123 (1Q2017) → 153 (1Q2018)
- **Net Profit ($m)**: 6.2 (1Q2017) → 15.2 (1Q2018)

**EMS**

- **Revenue ($m)**: 193 (1Q2017) → 196 (1Q2018)
- **Net Profit ($m)**: 19.9 (1Q2017) → 15.9 (1Q2018)

Note: Revenue includes inter-segment sales.
Aerospace – 1Q2018 in Review

- Secured $510m worth of new contracts, including:
  - A 5-year exclusive maintenance support contract from Lufthansa Cargo that made us the sole service provider for the airline’s light and heavy checks for MD-11 starting from 2019
  - An interior reconfiguration contract for Air Canada’s Boeing 787 aircraft
  - Airframe heavy maintenance contracts for North American operators’ Boeing 757 and 767 fleet
  - Contract extensions for EcoPower® engine wash solutions that have expanded to include the new LEAP engines
Aerospace – 1Q2018 in Review

► Building MRO capabilities:
  ► Expanded support to include nacelle systems for A320 aircraft
  ► Entered into collaboration agreement with Moog Inc. to explore and develop industry’s first: Blockchain and 3D printing-enabled total digital supply chain solution
  ► Achieved new milestones for airframe maintenance business: Attained AS9110 Quality Management System certification from International Aerospace Quality Group and received the prestigious Federal Aviation Administration Aviation Maintenance Technician Diamond Award of Excellence

► Developing unmanned solution:
  ► Signed MOU with Civil Aviation Authority of Singapore on enabling Beyond Visual Line of Sight Unmanned Aircraft System applications in maritime, aviation, construction, security and public safety sectors in Singapore
Aerospace – Outlook for 1H2018

► Secure launch customer for A320 passenger-to-freighter conversion
► Develop UAV programme and set up DroNet demonstration in phases
► Grow aircraft leasing fleet, focusing on mid- to end-life aircraft
► Enhance capacity in strategic aviation hubs, e.g. addition of a new facility in Pensacola, US
Electronics
Electronics Revenue and Net Profit

<table>
<thead>
<tr>
<th></th>
<th>1Q2017 (Restated)</th>
<th>1Q2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue ($m)</td>
<td>505</td>
<td>609</td>
</tr>
<tr>
<td>Net Profit ($m)</td>
<td>32.8</td>
<td>40.3</td>
</tr>
</tbody>
</table>

Note: Revenue includes inter-segment sales
Electronics Revenue
by geography (by location of customers)

1Q2017 (Restated)  
$426m, 85%

1Q2018  
$526m, 87%

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

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**LSG**

- 1Q2017 (Restated): $135m, Net Profit: $12.7m
- 1Q2018: $145m, Net Profit: $14.9m

**CSG**

- 1Q2017 (Restated): $252m, Net Profit: $6.8m
- 1Q2018: $289m, Net Profit: $5.4m

**SSG**

- 1Q2017 (Restated): $118m, Net Profit: $13.3m
- 1Q2018: $175m, Net Profit: $20.0m

Note: Revenue includes inter-segment sales
Electronics – 1Q2018 In Review

- Secured $635m worth of new contracts, including:
  - Turnkey rail electronics project for Sanying MRT line in New Taipei City and rail electronics solution for Bangkok BTS SkyTrain, Bangkok Blue Line Extension, Guangzhou Metro Line 3, Taoyuan Airport MRT line and Taipei MRT line
  - Smart sensor networks for automatic water reading and smart street lighting solutions for cities in New Zealand, the UK, Canada, Israel and the US
  - Integrated public safety and security, and cybersecurity solutions for commercial and defence customers
  - Various contracts to supply satellite communication products and Cloud solutions
Industry collaborations on Smart Technologies with:

- Azendian Holdings to enhance existing smart data analytics platform and to gain access to a wider pool of data analytics expertise
- SatixFy UK to develop a state-of-the-art satellite antenna system that delivers enhanced in-flight connectivity for commercial aviation
- Ghalam LLP to develop next-generation ground technologies to tackle digital divide issues in Kazakhstan and to provide connectivity to the populace in a cost-effective manner
- Surbana Jurong and Changi Airport Planners and Engineers to develop next-generation smart airport solutions for participation in overseas airport development projects
Electronics – Outlook for 1H2018

► Deliver smart transportation, satellite communications and software system related contracts on schedule
► Pursue smart city related contracts in and outside of Singapore
Land Systems
Land Systems Revenue and Net Profit

Note: Revenue includes inter-segment sales
Land Systems Revenue by geography (by location of customers)

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

### Auto

- **Revenue ($m)**
  - 1Q2017 (Restated): 204
  - 1Q2018: 216

- **Net Profit ($m)**
  - 1Q2017 (Restated): 1.7
  - 1Q2018: 7.2

### M&W

- **Revenue ($m)**
  - 1Q2017 (Restated): 27
  - 1Q2018: 25

- **Net Profit ($m)**
  - 1Q2017 (Restated): 0
  - 1Q2018: (1.6)

### S&T

- **Revenue ($m)**
  - 1Q2017 (Restated): 47
  - 1Q2018: 45

- **Net Profit ($m)**
  - 1Q2017 (Restated): 9.9
  - 1Q2018: 10.0

Note: Revenue includes inter-segment sales.
Land Systems – 1Q2018 in Review

- Secured orders for weapons and ammunition as well as supply contracts for road construction equipment and specialty vehicles from customers in North America, Latin America and Asia

- Industry collaboration on robotics with:
  - PBA Group to pursue and undertake new robotics and automation projects in industrial and logistics sectors in Singapore and Southeast Asia
Land Systems – Outlook for 1H2018

▸ Pursue and secure key defence and commercial programmes locally and overseas
Marine
Marine Revenue and Net Profit

1Q2017 (Restated)  
- Revenue: $179m  
- Net Profit: $8.1m

1Q2018  
- Revenue: $150m  
- Net Profit: $8.7m

Note: Revenue includes inter-segment sales
Marine Revenue by geography (by location of customers)

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

**Shipbuilding**
- 1Q2017 (Restated): 108
- 1Q2018: 81

**Shiprepair**
- 1Q2017 (Restated): 60
- 1Q2018: 57

**Engineering**
- 1Q2017 (Restated): 11
- 1Q2018: 12

Note: Revenue includes inter-segment sales

ST Engineering
Marine – 1Q2018 in Review

► Naval shipbuilding programme on track:
  ► Launched 6th of eight Littoral Mission Vessels (LMVs) for Republic of Singapore Navy (RSN)

► Completed numerous shiprepair projects, several rig repair and upgrade works and rig decommissioning projects
Marine – Outlook for 1H2018

► Scheduled launch:
  ► Heavy Fire Vessel for Singapore’s Ministry of Home Affairs
  ► Vehicle & passenger ferry for the Commonwealth of Virginia, Department of Transportation

► Expected delivery:
  ► 5th of eight LMVs to RSN
  ► 1st of two Container Roll-on/Roll-offs for Crowley Maritime

► Complete heavy polar icebreaker design studies and analysis to US Coast Guards

► Start Engineering, Procurement and Construction aspects for Jurong Island Desalination Plant
Thank You