22nd Annual General Meeting
18 April 2019
Resilient 2018 results, impacted by one-offs

Revenue (S$bn)

- 2017: 6.5
- 2018: 6.7
- Increase: +3%

Net Profit (S$m)

- 2017: 503
- 2018: 494
- Decrease: -2%
Resilient 2018 results, impacted by one-offs

- **Revenue (S$bn)**: 6.5 in 2017, 6.7 in 2018 (+3%)
- **Net Profit (S$m)**: 482 in 2017, 527 in 2018 (+9%)

Excluding one-off charges:

- **Net Profit (S$m)**: 482 in 2017, 527 in 2018 (+9%)

**Key Points**:

- Strong underlying operating performance
- One-off charges to rationalise portfolio
- Investments in growth initiatives and capabilities
Value creation

**Return on capital employed (%)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>12.0</td>
<td>12.7</td>
<td>13.6</td>
</tr>
</tbody>
</table>

**Total shareholder return (%)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>12.1</td>
<td>7.3</td>
<td>11.5</td>
</tr>
<tr>
<td>Dividend yield</td>
<td>4.8</td>
<td>5.5</td>
<td></td>
</tr>
<tr>
<td>Capital gain</td>
<td>7.3</td>
<td>4.6</td>
<td>7.1</td>
</tr>
</tbody>
</table>

4 | Co-confidential
Initiatives since 2016
Positioning for growth

**Strategy**
- Group strategy office
- Aligned M&A with Group strategy
- Formed Management Committee
- Rationalised subsidiary Boards
- Set up Strategy & Finance Committee

**Synergies**
- Shared Services
- Treasury Centre
- Legal Entity Rationalisation
- Strengthened Group Marketing
- Brand Harmonisation
- Setting up Group Risk & Assurance

**Portfolio mgt**
- Divested China Speciality Vehicles biz
- Divested India Road Const Eqm biz
- Rationalised Brazil Road Const Eqm and Automotive MRO biz
- Divested US Pilot Training biz
- Acquisition of MRAS and Newtec

**Invest for growth**
- Strengthened Talent Development Framework
- Corporate Venture Capital
- Open Lab: Innosparks
- Group Digital Office
- Strategic Tech Centres
- Restructured ST Dynamics to Future Tech Centre
- New Enterprises & Ventures
Good progress with early wins

1. Strengthen core businesses
   - Aerospace
   - Marine
   - Electronics
   - Land Systems

2. Pursue growth opportunities
   - Int’l Defence Biz
   - Smart City
Strengthen core: Acquired MRAS

- Largest acquisition for the Group
- Focused strategy to upscale capabilities
- Well received by market

“Strategic acquisition for the group which will reap benefits in the long term, besides being earnings accretive”

OCBC Investment Research
Strengthen core: Building order books

Order Book
Yr End 2018 $13.2b

~$4.9b expected to be delivered in 2019

Marine 2013-2018 Order Book

2013 2014 2015 2016 2017 2018

-49%

~$750m
New orders in 2H 2018

Order Book End 2018 $13.2b

$4.9b expected to be delivered in 2019
1. Strengthen core: New Investments

Expansion of MRO complex, Pensacola, Florida, USA

- Total investment: US$210m
- Our share of investment: US$35m

2nd Composite panel mfg. plant, Kodersdorf, Saxony, Germany

- Total investment: EUR 38m
- 20% external funding
Pursue growth: Smart City achievements

**AI powered Traffic Management System in Middle East**

**First Smart Street Lighting Foray into USA**

**Launch**ed **Logistics Robots**

**Rollout EV buses in Singapore**

**CES 2019 Award Honoree in Las Vegas Ultra-Slim 2FA Encryption**

**Predictive Maintenance 99.2% Accuracy Accruing predicting Train Door Failure**

**Breakthrough New Markets & Endorsements**

**Rail products in 45 cities**
Pursue growth: Acquiring Newtec

About Newtec

- Leading Satcom equipment provider
- Designs, manufactures and sells Satcom equipment
- Owns IPs & patents for key Satcom technologies
Acquiring Newtec to reinforce Satcom business

**Key Satcom capabilities**

- Maritime
- Aeronautical
- Land
- Enterprise
- Cell Backhaul
- Consumer
- Broadcast

**Ground segment**

- Antennas, Professional Equip
- Hubs & Line cards
- Network Mgt. System
- Remotes
- Reference Design, Licensing

**End-users**

- Aeronautical
- Maritime
- Land
- Enterprise

**Newtec’s value proposition**

- Differentiated and complementary IP
- Strong position for future growth
- Revenue and cost synergies
- Earnings accretion expected from Year 2

**Strategic partnerships**

- CONSTELLATIONS
  - SATELLITE MANUFACTURERS
  - LEO
  - MEO
  - GEO

**ST Engineering**
Pursue growth: Int’l Defence Business
Attractive market but competition intense

World class products; Enhance delivery to global markets

Secured new orders; Building pipeline

TERREX 2

Next-Generation Armoured Fighting Vehicle

Auxiliary Personnel Lighters

Logistic Support Vessels

Medium Unmanned Surface Vessel

Land Platforms
Priorities for 2019

1. Strengthen Core
2. Pursue Growth
3. Integrate Acquisitions
4. Nurture Capabilities
5. Develop new Businesses
New Enterprises & Ventures

Formulate strategy

1. Adopt global mind-set and context
2. Apply engineering expertise in healthcare settings
3. Collaborate with Singapore ecosystem
4. Invest to operate

Build capability to execute

- Enhanced domain and functional expertise
- Established HealthTech network
- Active business development

Pursue our aspiration

Build & Operate A Global HealthTech Business
Current participation in HealthTech business

Healthcare IT
- Hospital C2 Command Centre
- Integrated Security Management

Robotics
- Delivery Robots
- Medical Robots*

Medical Devices & Diagnostics
- Soldiers Vital Signs Analytics
- AI Wound Analytics*

Emergency / Safety
- Emergency Response System
- Infrared Fever Scanner Solution

* Through investment in HealthTech startups
Our 5-Year Plan (2018 – 2022)

- Smart City revenue (S$1b) to more than double
- Group net profits grow in tandem with revenues
- Core and other businesses grow at 2 – 3x global GDP growth rate
- 2/3 of Group revenue growth from global markets
Thank You