23rd Annual General Meeting
Presentation by
Vincent Chong, President & CEO

15 May 2020
AGM 2020 – Appendix 2
Our Aspiration – To be a Global Technology, Defence and Engineering Powerhouse

Strengthen Core Businesses

Pursue Growth Opportunities

- Smart City
- International Defence Business

Underpinned by strong technological capabilities

- 2/3 of workforce are engineering and technical talents
- Strong R&D initiatives
- Strategic Technology Centres
- Corporate Venture Capital
Strong 2019 Financial Performance

**Revenue (S$B)**
- 2018: 6.7
- 2019: 7.9
- Growth: 17%

**Net Profit (S$B)**
- 2018: 0.5
- 2019: 0.6
- Growth: 17%

**Order Book (S$B)**
- 2018: 13.2
- 2019: 15.3
- Growth: 16%

**Strong set** of financial results in 2019

**Record revenue and profit** in last 5 years

**Double-digit growth** in both top and bottom lines
## Growing our global champions

### Airframe MRO

**Global #1 in Airframe MRO**
- Facilities expansion in US, Germany & China
- Establish presence in Vietnam via MRO JV with VAECO

**US$630m Acquisition**
- Move upstream to OEM space
- Sole-source for multiple platforms
- Synergies with MRO & AMM biz

### Enterprise VSAT Systems

**Global #1 in Satcom Ground Segment**
- Leading positions in Broadcast, Aviation, Shipping and others
- Solidified leadership with two key acquisitions

**€250m & US$20m Acquisitions**
- Gain ultra-high throughput & anti-jamming capabilities
- Establish strong Europe presence
- Complementary IP & Technology

![Aircraft Engine Nacelle Systems](image)

![Satcom ground eqpt. & anti-jam](image)
Strengthening our Smart City track record

700 Projects Across 130 Cities

Legend
- Smart Security
- Smart Environment
- Smart Mobility
- Businesses across Verticals
Smart City – Notable wins

Rail Electronics Solutions
Taiwan: Taoyuan MRT Green Line

Next-Generation Mobilising System
Asia: Emergency response management system for a public safety agency

Bus Management & Passenger Information Systems
Philippines: SEA Games 2019

Automated Guided Vehicles (AGV)
Singapore: Provision of 80 AGVs to PSA’s next generation port in Tuas

Automating Logistics
Singapore: Provision of 21 autonomous robots to Woodlands Health Campus
Enabling more Sustainable Cities with our solutions

**MOBILITY (RAIL)**
- Improve transport planning for complex networks
- Improve safety and reliability
- Effective mass transportation means

**IOT & ANALYTICS**
- Save energy with smart lighting
- Optimise scarce water resources
- Enhance operations via simulations

**ADVANCED TRAFFIC MANAGEMENT**
- Reduce incident management time
- Enable real-time traffic awareness
- Minimise congestion, thus lower fuel burn

**INTELLIGENT FLEET MANAGEMENT**
- Improve passenger fulfilment rate
- Reduce waiting time
- Streamline operations
Maintaining strong financial position

- Actively manage our portfolio of businesses
  - Efficient use of capital

- Strong Balance Sheet
  - S&P rating AAA/stable, updated on 18 Mar 2020
  - Moody’s rating Aaa/stable, updated on 9 Apr 2020

- Diverse Funding Sources
  - U.S. Commercial Paper,
  - US$750m 1.50% 5-year notes in Apr 2020,
  - Banking Facilities
Delivering steady shareholder returns

TSR per Annum as at 31 Dec 2019 (with dividends reinvested)

- 10-Year: 6.4%
- 5-Year: 7.5%
- 1-Year: 17.3%

YTD Stock Performance as at 14 May 2020

- ST Engineering: -17.5%
- STI: -22.5%
- Avg of 4 selected large industrials: -22.9%

Source: Bloomberg
Ensuring operational resilience amid COVID-19

- Essential Services Provider
- Business Continuity Plans
- Focus on Health & Safety
- Heightened Cyber Awareness
- Enhanced network infrastructure
- Support & Solidarity
## Mitigating factors for COVID-19 impact

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<tr>
<th>Impact of COVID-19</th>
<th>Reduction in Customer Demand</th>
<th>Supply Chain disruption</th>
<th>Workforce disruption</th>
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<td><strong>Mitigated by</strong></td>
<td><strong>Diversified revenue streams:</strong> business sectors, defence and commercial customer split &amp; geographies</td>
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<td><strong>Efficiency &amp; cost reduction initiatives</strong></td>
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<td><strong>Support from various government aids and stimulus packages</strong></td>
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<td><strong>Robust order book</strong></td>
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Supporting local eco-systems
Using technology and innovation to solve real world problems

Surveillance & Monitoring
- Infrared Fever Screening System
- Security Robot
- Integrated Surveillance Systems @ Community Care Facility (Expo Hall 1-10)

Command, Control and Communications (C3) Systems
- Hospital Operations Centre

Public Safety & Health
- TUG autonomous robots @ Community Care Facility (Airshow Site)
- N95 and surgical mask production

Contact Tracing Solutions
- Stay Home Notice Tagging
- AGIL™ Trace - Contact Tracing Software Embedded with Data Analytics
Supporting local eco-systems
Giving back to the community

ST Engineering May Day Fundraising Campaign for IMDA Digital Access Programme

Employee campaign to raise $1 million including a dollar-for-dollar matching by the company

Programme ensures that vulnerable segments of the community have access to digital devices and broadband for their daily tasks, telecommuting or home-based learning.

Project #BYOBclean, an initiative by Stay Prepared and Temasek Foundation

More than 200 employees participated in the #BYOBclean project. Distributed over 4,000 bottles of hand sanitisers from 28 Mar to 5 Apr.

Donation of surgical masks and hand sanitisers

Donated surgical masks and hand sanitisers to the communities and partners in need of them.
Thank You