

1Q2023 Market Updates

15 May 2023

Disclaimer

The forward-looking statements in this presentation reflect the Company's current intentions, plans, expectations, assumptions and beliefs about future events as at the date of this presentation. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Some examples of these risk factors include disruption to global supply chains, general economic conditions, interest rate trends, inflationary pressure, shifts in customer demand, regulatory changes and natural disasters which may negatively impact business activities of the ST Engineering Group.

No assurance can be given that future events will occur, or that assumptions are correct. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.

Agenda

➤ Financial Highlights

- Group Revenue
- Business Segments Highlights
- 1Q2023 Contract Wins & Order Book
- Update on Group's Borrowing Profile
- 1Q2023 Key Milestones
- Summary

➤ Question & Answer Session

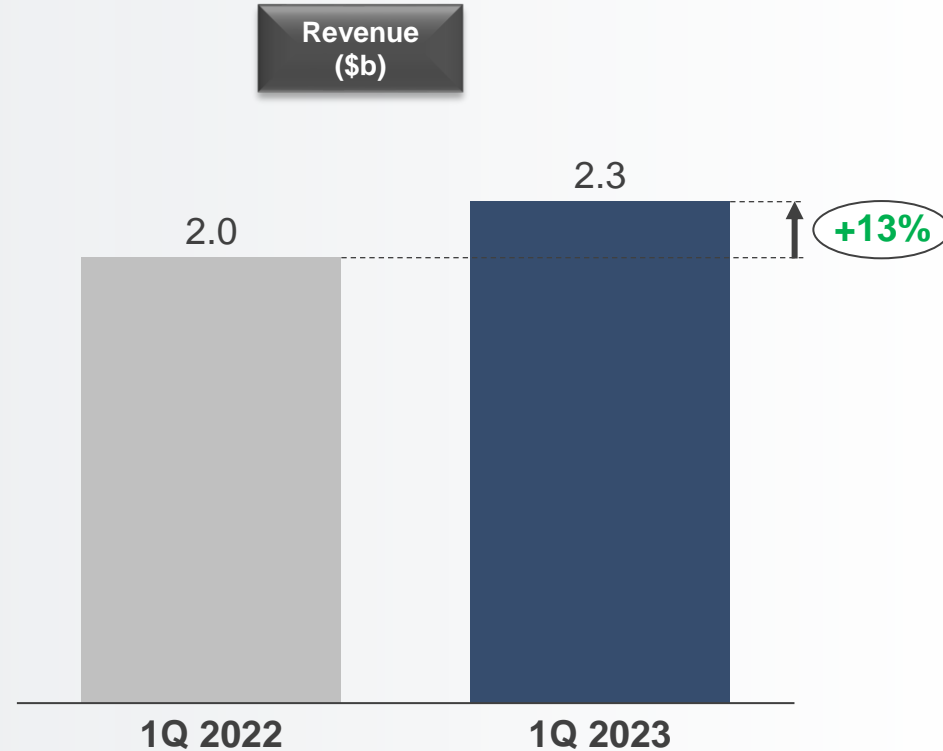
Notes:

- All amounts in Singapore dollars unless otherwise stated
- Amounts may not add to totals shown due to rounding

Group Revenue

Higher y-o-y Revenue

- 13% y-o-y revenue increase
- Base business growth and contribution from TransCore

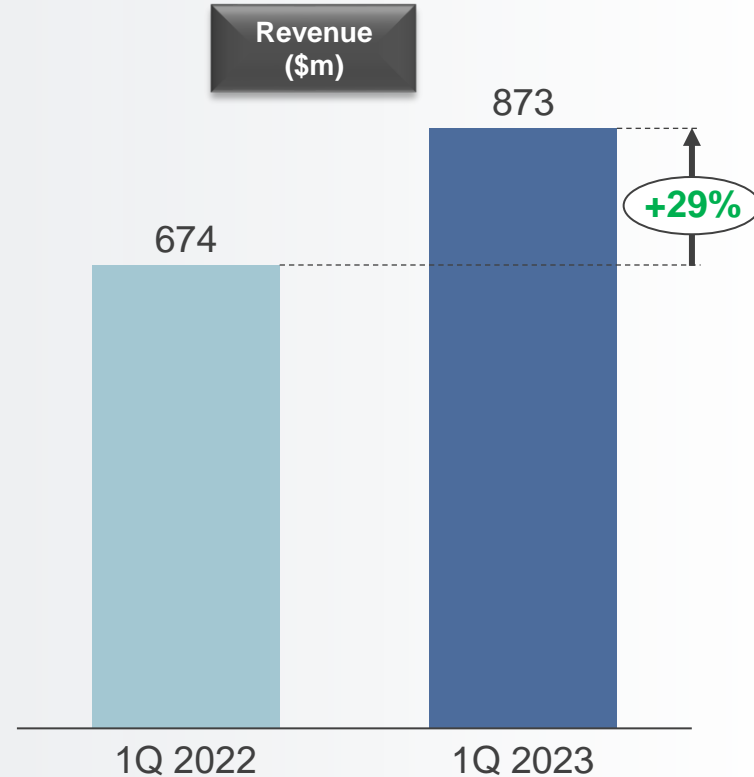


Group Revenue: Growth in all Segments

\$m	1Q2023	1Q2022	Change
Commercial Aerospace (CA)	873	674	▲ 29%
Urban Solutions & Satcom (USS)	434	297	▲ 46%
Defence & Public Security (DPS)	982	1,062	▼ 8% ▲ 1% excl. US Marine in 1Q22
Group	2,289	2,034	▲ 13%

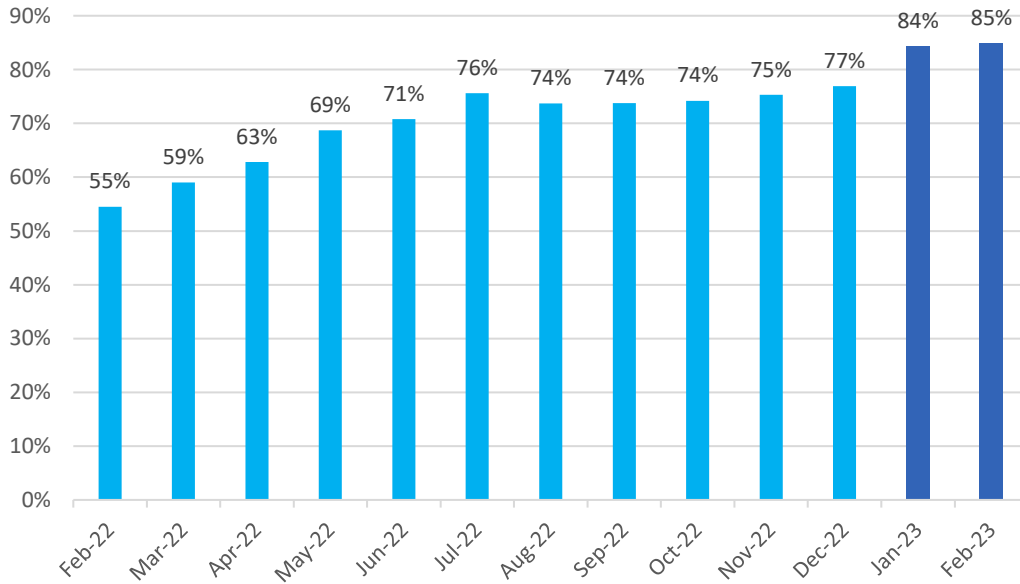
Commercial Aerospace

- **Strong 29% y-o-y revenue increase**
 - 1Q2023 revenue was higher than 1Q2020 pre-Covid period
- **Secured \$0.7b of new contracts in 1Q2023**
- **P2F¹ programme “learning curve” improving**



Commercial Aerospace Revenue Continues to Grow as Aviation Sector Recovers

Recovery as % of 2019 levels



More growth expected

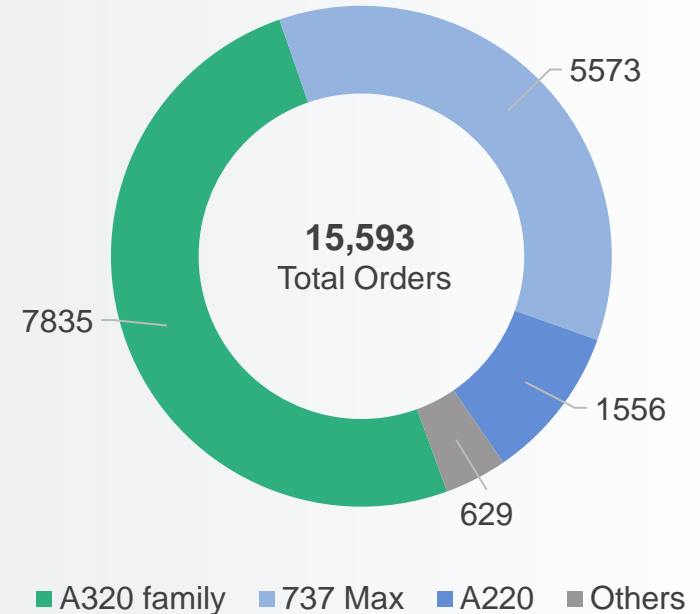
- Air travel recovered to >80% of pre-Covid level in Jan and Feb 2023
- Domestic travel near full recovery at 97% and international travel lags at 78%
- APAC international air travel at 58%¹
- Re-opening of China is an opportunity

¹ RPK of Asia Pacific based airlines is at 58% of pre-Covid level
Source: IATA Air Passenger Market Analysis Feb 2023
(dated 4 Apr 2023)

MRAS Nacelle Business Benefiting from A320neo Fleet Growth

- Narrowbody production expected to be strong over next 10 years
- A320 family commands the largest share¹
- LEAP-1A engine estimated to account for 53%² of the two engines types for the A320neo platform
- MRAS as single-source nacelle provider for LEAP-1A³ will continue to benefit from A320neo/LEAP-1A growth

Projected deliveries¹ of narrowbody aircraft by platform (2023-2032)



¹ Oliver Wyman Global Fleet and MRO Market Forecast 2023-2033

² Aviation Week's 2023 Fleet & MRO Forecast

³ In partnership with Safran Nacelle

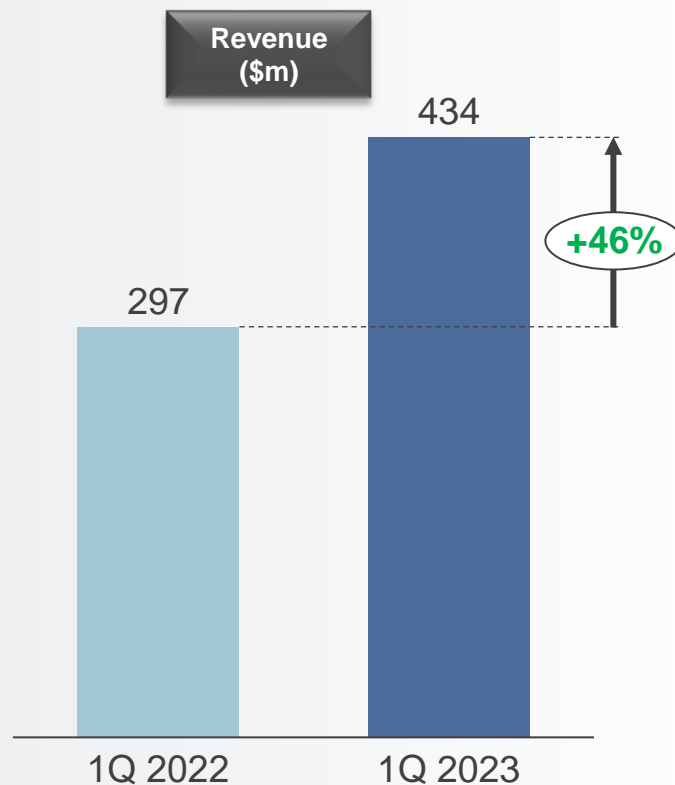
Urban Solutions & Satcom

- **46% y-o-y revenue increase**
 - Contributed by TransCore
 - Satcom 1Q2023 revenue affected by supply chain disruptions and project delays
- **Secured \$0.8b of new contracts in 1Q2023**
- **TransCore**
 - Key projects deliveries weighted in 2H2023
 - New York Congestion Pricing (NYCP) project: MTA¹ received initial approval² from FHWA³
 - A 30-day public review period follows

¹ Metropolitan Transportation Authority

² For release of the Final Environmental Assessment and draft Findings of No Significant Impact (FONSI)

³ Federal Highway Administration

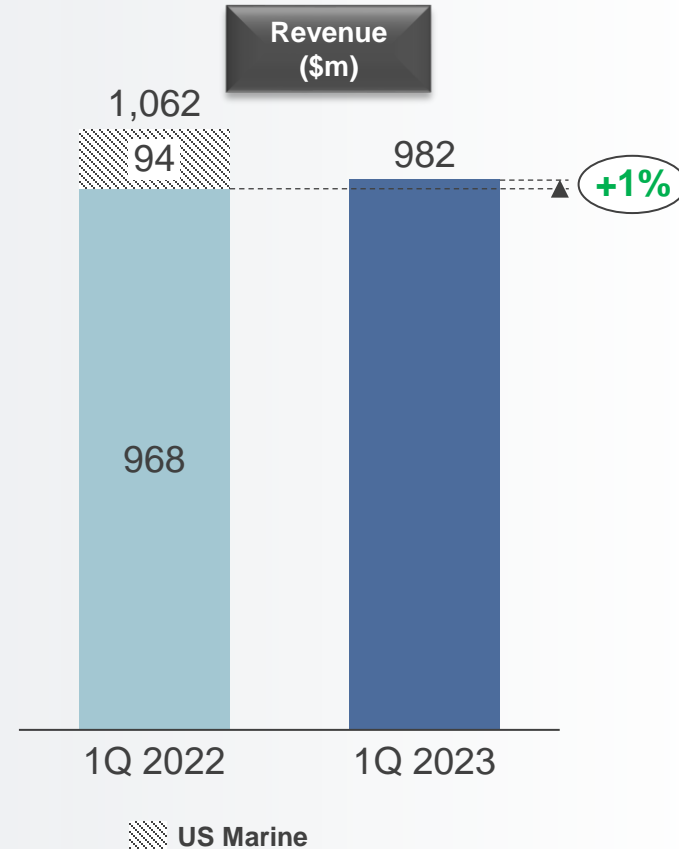


Satcom Business Undergoing Transformation

- **Industry fast evolving; new use cases are emerging**
 - LEO & VHT¹ satellites
 - Satellite operator consolidation
 - Cloud & virtualisation
 - 5G network convergence
- **Near-term headwinds for Satcom**
 - Weakness in Satcom business performance
 - Continued R&D investments required
 - Internal transformation to be future-ready: go-to-market, engineering, and product development
- **Positive on long-term growth opportunities**

Defence & Public Security

- **1% y-o-y revenue increase**
 - Excluding U.S. Marine's revenue in 1Q2022
- **Secured \$3.3b of new contracts in 1Q2023**
- **Revenue expected to pick up in next few quarters**



~\$4.9b New Contracts Secured in 1Q2023

	1Q2023	Highlights
Commercial Aerospace	\$747m	<ul style="list-style-type: none"> • A330P2F orders from a Japanese lessor • CFM56-7B engine maintenance contracts from Asian airlines • Heavy maintenance for American airlines
Urban Solutions & Satcom	\$823m	<ul style="list-style-type: none"> • Turnkey rail services for Kaohsiung MRT Red Line South Extension • Toll systems: design, installation and maintenance; back-office O&M and RFID product sales • Satcom ground infrastructure solutions in enterprise, broadcasting, government and defence segments
Defence & Public Security	\$3,298m	<ul style="list-style-type: none"> • Contract for six Multi-Role Combat Vessels for the Republic of Singapore Navy • Digital solutions and services in Cloud, Data Centre and Training & Simulation • AI-enabled Mission Critical Command and Control systems (including cybersecurity products and services) • Ship repair and maintenance contracts in Singapore
Total	\$4,868m	

Group Order Book

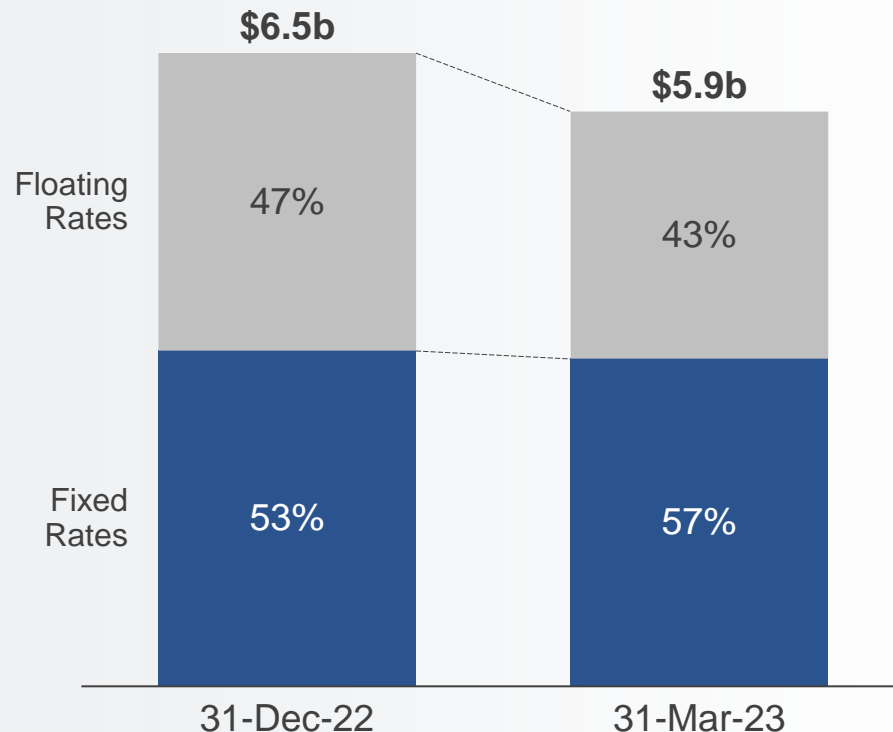
Order Book: Remains Robust

- **\$25.4b** as of 31 Mar 2023
- **\$5.8b** expected to be delivered in the remaining months of 2023



Balanced Debt Profile

- Borrowings reduced from **\$6.5b** to **\$5.9b** as at 31 Mar 2023
- Percentage of **fixed rate borrowings** increased to **57%**
- Plan to issue US\$500m of fixed rate debt
- **FY2023** weighted average borrowing cost estimated to be **low 3%**¹
- Strong credit rating of Aaa by Moody's and AA+ by S&P; Moody's updated outlook from "negative" to "stable"²



1Q2023 Key Milestones

Key Milestones in 1Q2023

1st provider in Asia to join the LEAP MRO network under a CBSA¹ agreement



Operationalised 2nd airframe hangar in Pensacola, U.S.



Airframe MRO JV in Hubei with SF Airlines



Kaohsiung MRT Red Line rail contract worth > \$430m



MRCV² contract by MINDEF



¹CBSA = CFM Branded Service Agreement
²MRCV = Multi-Role Combat Vessels

Summary

- 1 Revenue growth by all segments¹
- 2 Key projects deliveries expected to be weighted in 2H2023
- 3 Transforming Satcom to be future-ready
- 4 Robust orderbook
- 5 Balanced debt profile and reduced borrowings
Weighted average cost of borrowings for 2023 expected to be low 3 percent
- 6 1Q2023 interim dividend of 4 cents per share

Thank you