



# 21<sup>st</sup> Annual General Meeting

Vincent Chong  
President & CEO

20 APRIL 2018

# 2017: Higher Profits...



Revenue

**S\$6.6b**



Group PBT (S\$623m)  
& Net Profit (S\$512m)

**+6%**



Order Book

**S\$13.2b**

# ...doing well commercially...

## 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**

Singapore's 1<sup>st</sup> Synthetic Aperture Radar-based imaging satellite



### Acquired 51%

Network of fibre optic infrastructure



### Launched industry 1<sup>st</sup> cyber security product

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 3<sup>rd</sup> and 4<sup>th</sup>  
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

# Strengthen Core Businesses

## | Aerospace

Strengthen and grow engineering and MRO



Invest in new growth areas

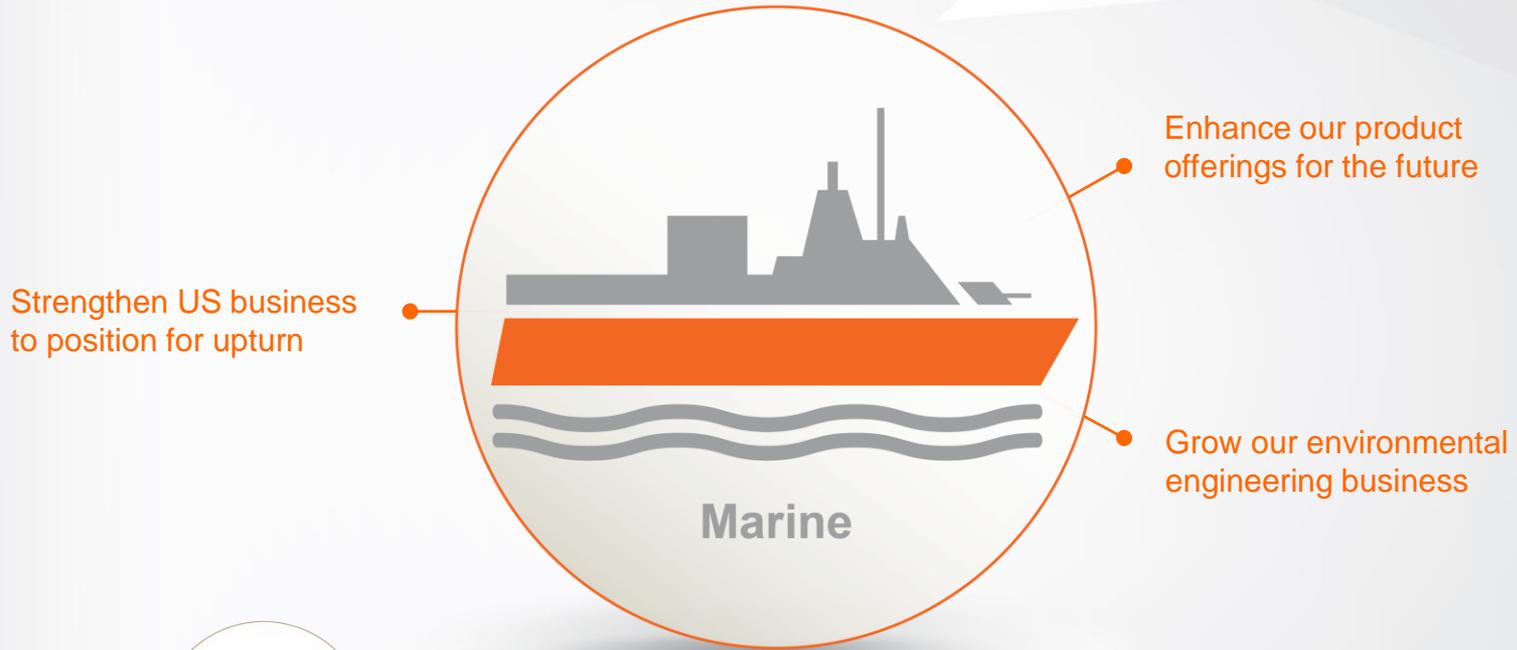
Seed the future with unmanned technologies



By 2022, we expect steady state revenue of more than **S\$400m** per annum from our Passenger-to-Freighter business

# Strengthen Core Businesses

## | Marine



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



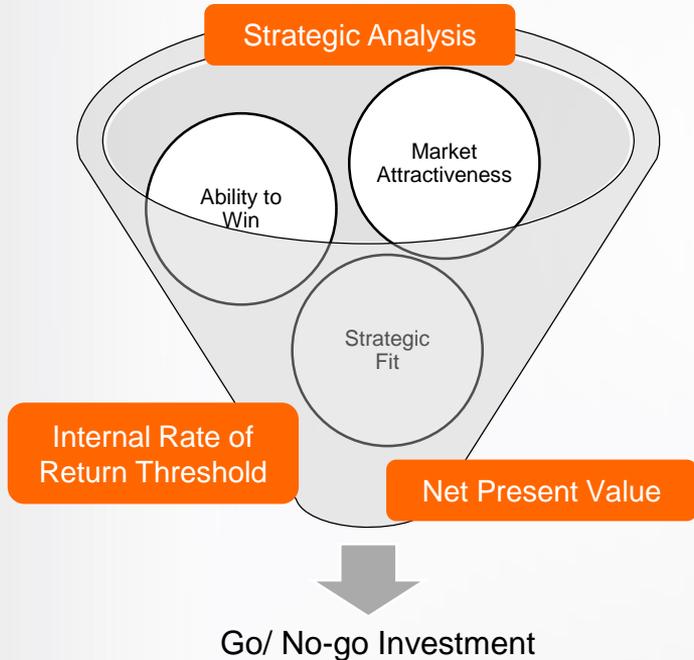
Digital  
Connectivity



Robotics

# Develop Businesses through New Enterprises and Ventures

Judicious evaluation  
of growth opportunities



New growth  
opportunities

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

# 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 are our strengths

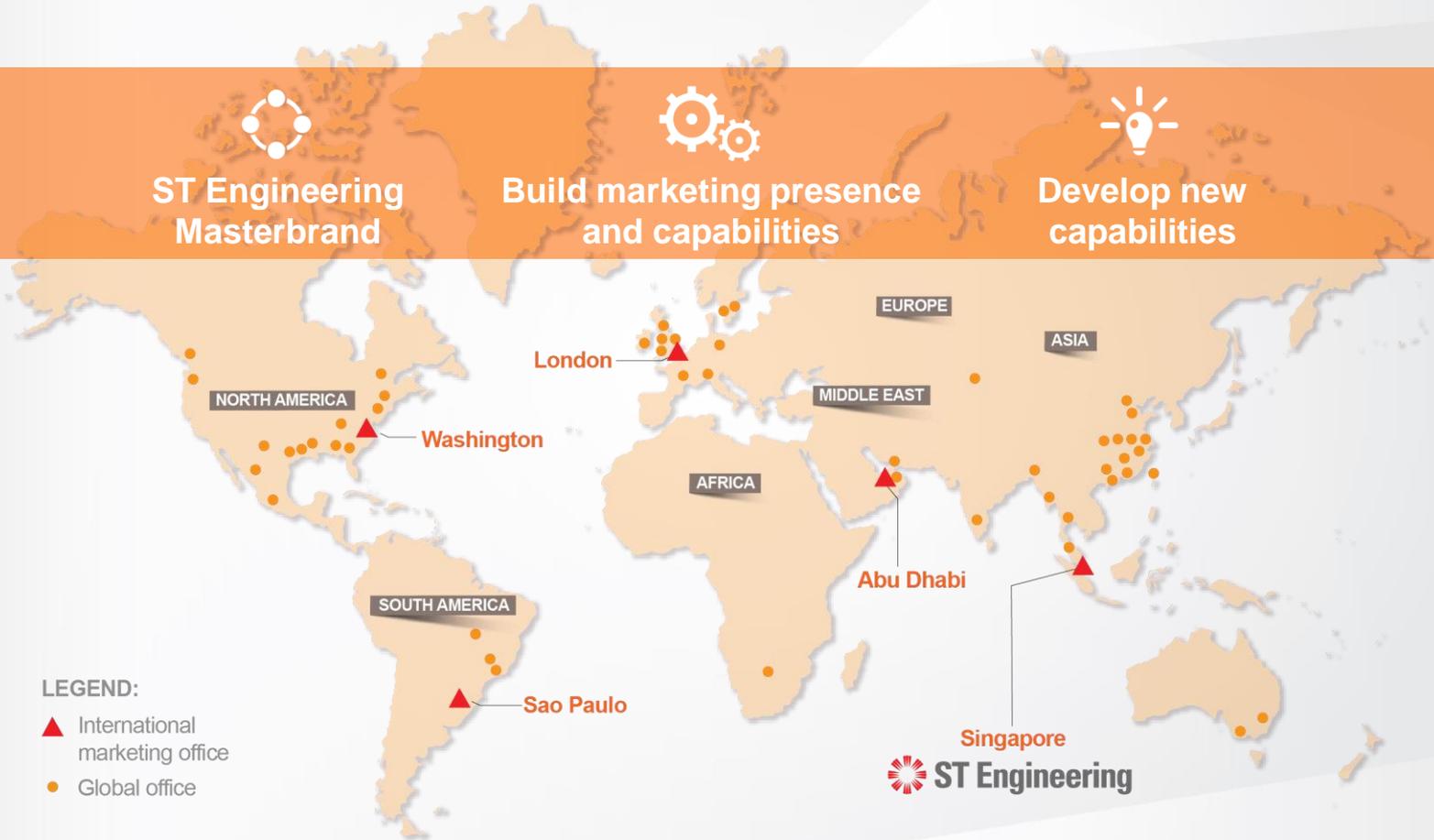
- Build strong sense of purpose and belonging
- Strengthen capacity and capability for growth



## Strengthen leadership bench

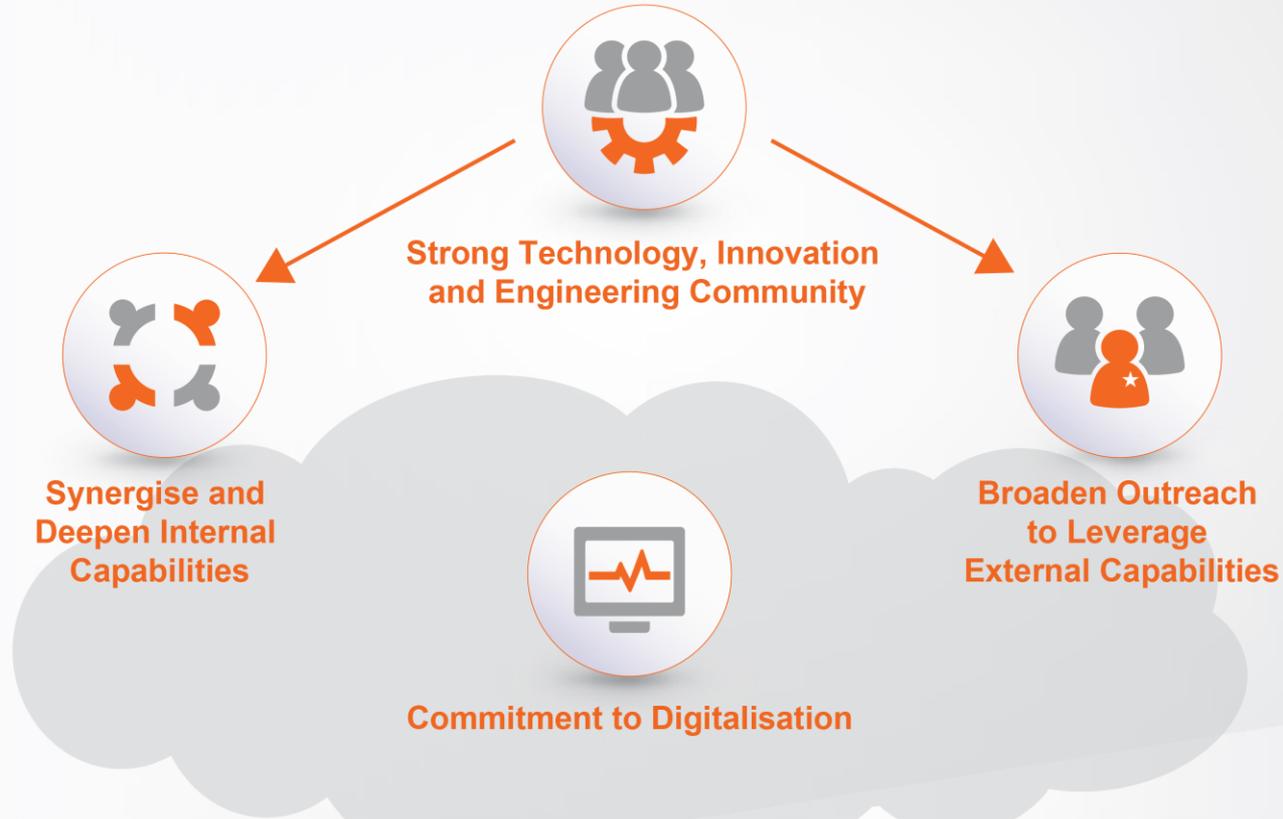
- Drive key focus areas
  - Shared Services
  - Digitalisation
  - New lines of businesses

# Customers & Marketing



# Technology & Innovation

Build, partner and acquire  
to develop technology 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



### Singapore and Overseas Start-Ups

### Innosparks

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

# 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



## 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**