

# 1Q2024 Market Updates

13 May 2024

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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 Segment Highlights
  - Commercial Aerospace (CA)
  - Defence & Public Security (DPS)
  - Urban Solutions & Satcom (USS)
- Contract Wins & Order Book
- Summary

## ➤ **Business Overview: Digital Business**

## ➤ **Question & Answer Session**

Notes:

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

## Group Revenue

# Strong Revenue Growth Driven by CA and DPS



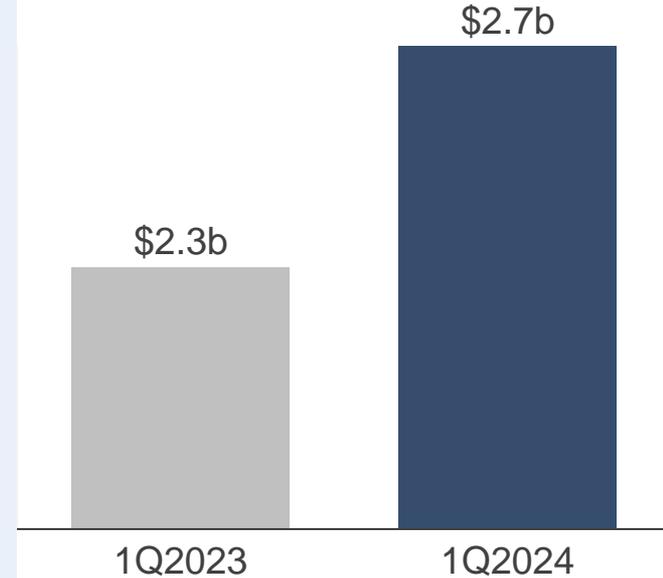
1Q2024 revenue

**\$2.7b**

**18% higher y-o-y**

- CA and DPS recorded double-digit % y-o-y growth in revenue

Revenue



## Group Revenue: Growth in CA and DPS Segments

\$m	1Q2024	1Q2023	Change
Commercial Aerospace	1,152	873	▲ 32%
Defence & Public Security	1,123	982	▲ 14%
Urban Solutions & Satcom	429	434	▼ 1%
<b>Group</b>	<b>2,703</b>	<b>2,289</b>	<b>▲ 18%</b>

## Business Segment Highlights

# Commercial Aerospace



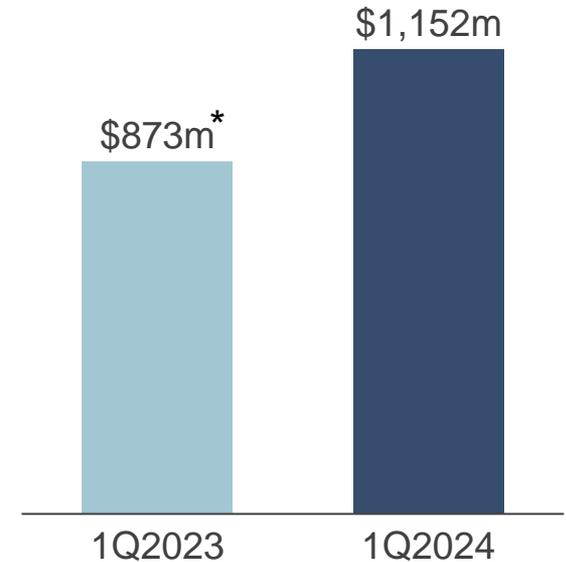
1Q2024 revenue

**\$1.2b**

**32% higher y-o-y**

- Broad-based growth
- Strong growth in Engine MRO

Revenue

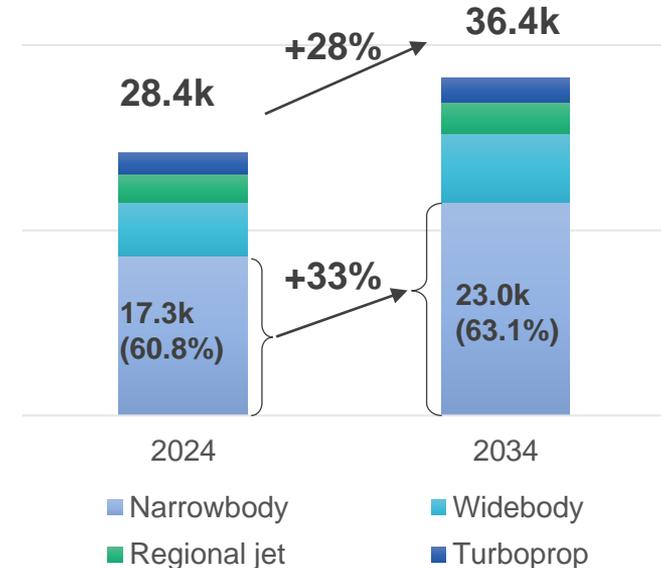


\* Includes aircraft sales of \$35m in 1Q2023

# MRAS Nacelle Business Benefiting from Popularity of A320neo and Leap 1A

- Narrowbody production expected to be strong over next 10 years
- By 2034, narrowbody aircraft will make up 63% of global fleet <sup>1</sup> - A320 family has the largest share
- LEAP-1A engine estimated to account for 59%<sup>2</sup> of A320neo platform by 2033
- MRAS is the single-source nacelle provider for LEAP-1A<sup>3</sup>

Global Fleet Forecast, 2024-2034<sup>1</sup>

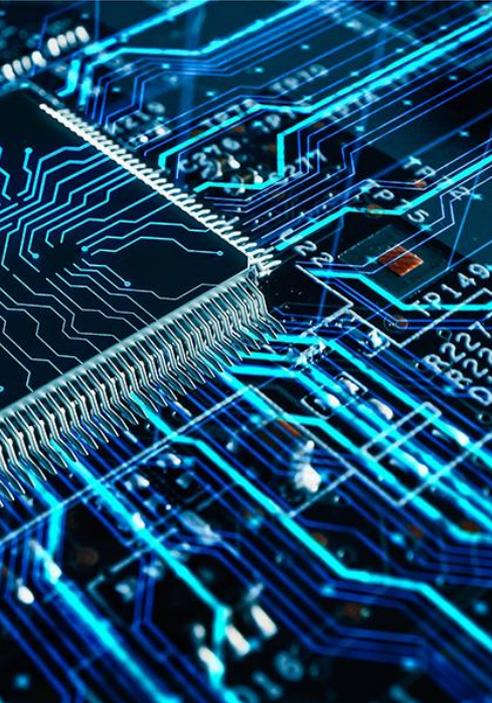


<sup>1</sup> Oliver Wyman Global Fleet and MRO Market Forecast 2024-2034

<sup>2</sup> Aviation Week's May 2024 Fleet & MRO Forecast

<sup>3</sup> In partnership with Safran Nacelle

## Defence & Public Security



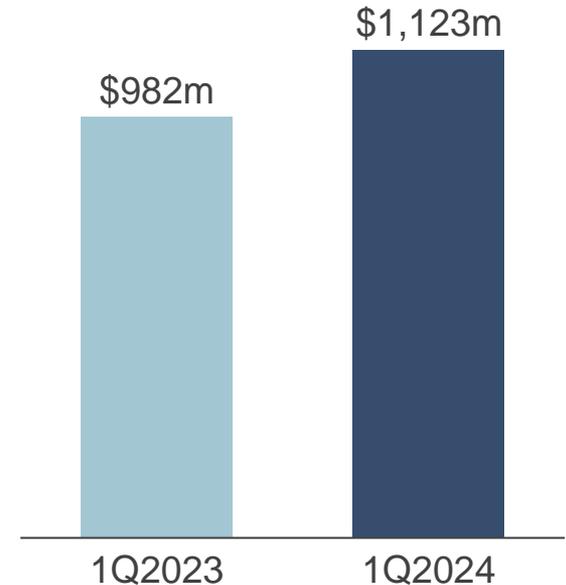
1Q2024 revenue

**\$1.1b**

**14% higher y-o-y**

- Growth in all sub-segments
- Digital Business (Cloud, AI Analytics, Cyber) poised to well exceed 2026 revenue target

Revenue



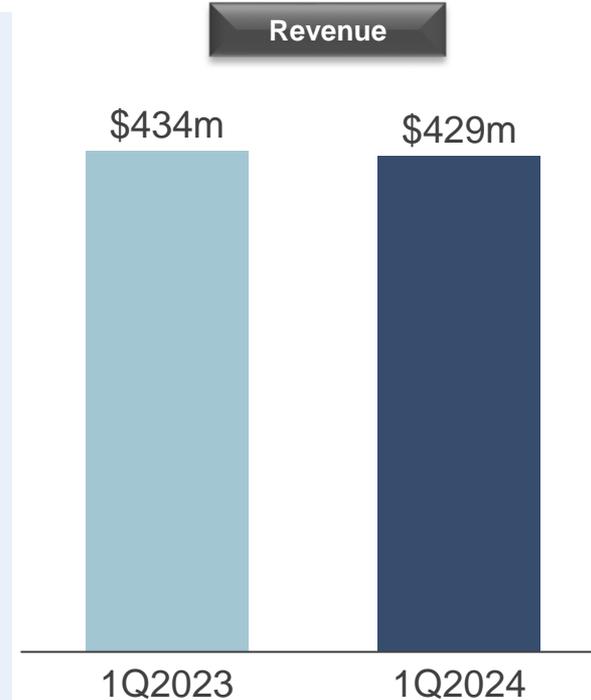
## Business Segment Highlights

**Urban Solutions & Satcom**

1Q2024 revenue

**\$429m****1% lower y-o-y**

- TransCore revenue grew >10% y-o-y
- URS base business revenue - 2H weighted
- Satcom transformation well in progress
  - Multi-orbit NGP development on track; “Intuition” brand unveiled in Mar’24



# New Contract Wins and Strong Order Book

## Contract Wins

# \$3.0b

New contracts for 1Q2024



**Commercial  
Aerospace**

## \$0.84b



**Defence &  
Public Security**

## \$1.65b



**Urban Solutions  
& Satcom**

## \$0.54b

## Order Book

# \$27.7b

as at 31 Mar 2024

## \$6.5b

Expected to be delivered  
for rest of the year

## ~\$3.0b New Contract Wins Secured in 1Q2024

	1Q2024	Highlights
<b>Commercial Aerospace</b>	\$839m	<ul style="list-style-type: none"> <li>• Five-year CFM56-7B engine maintenance contract extension with PT Lion Group</li> <li>• Three-year heavy maintenance contract extension with a Japanese airline</li> <li>• Heavy maintenance for several U.S. cargo airlines</li> </ul>
<b>Defence &amp; Public Security</b>	\$1,654m	<ul style="list-style-type: none"> <li>• Digital solutions and services in Cloud, Data Centre and Training &amp; Simulation</li> <li>• AI-enabled Mission Critical Command and Control systems, and Cybersecurity</li> <li>• International orders for 40mm ammunition</li> </ul>
<b>Urban Solutions &amp; Satcom</b>	\$542m	<ul style="list-style-type: none"> <li>• Contracts to modernise Singapore's public bus fleet and operations for ~5,800 buses</li> <li>• Contracts for electronic toll collection systems, ITS, O&amp;M and RFID sales in U.S. and Middle East, as well as smart car park solution for Dubai Mall in UAE</li> <li>• Smart utility solutions and integrated smart security management solutions in Singapore, and healthcare ICT solution in Hong Kong</li> <li>• Satcom ground infrastructure contracts for aviation, enterprise and government segments in Europe and Middle East</li> </ul>
<b>Total</b>	<b>\$3,035m</b>	

## Summary - 1Q2024

- 1 Strong revenue performance
- 2 Poised to well exceed Digital Business' revenue target of \$500m by 2026
- 3 Satcom - lower cost base; transformation well underway
- 4 Delivering on strong order book
- 5 1Q2024 interim dividend of 4 cents per share

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