



# **INVESTOR DAY**

22 MARCH 2018

# DISCLAIMER

These forward-looking statements reflect the Company's current intentions, plans, expectations, assumptions and beliefs about future events. 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. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, and governmental and public policy changes, as well as natural disasters which may negatively impact business activities of the ST Engineering Group. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events. The Company does not undertake to update these forward-looking statements to reflect events or circumstances which arise after publication.

# STRATEGIC OVERVIEW

VINCENT CHONG  
*PRESIDENT & CEO*

# Build Upon Our Position of Strength

Strong returns since  
formation in 1997...



Revenue  
**S\$6.6b**  
2017



Net Profit  
**S\$512m**  
2017



Market  
Capitalisation  
**S\$11.0b\***  
\* As at 16 Mar 2018



Total Shareholder  
Returns\*\*  
**10%pa\***  
\* Source: Bloomberg  
as at 16 Mar 2018  
\*\* Dividends reinvested

...provides solid foundations  
for next stage of growth

# Focus Areas for Growth

## Strengthen core businesses



Aerospace



Marine



Electronics

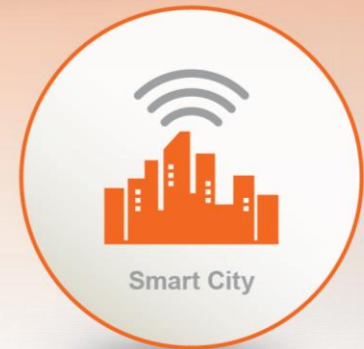


Land Systems

## 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



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

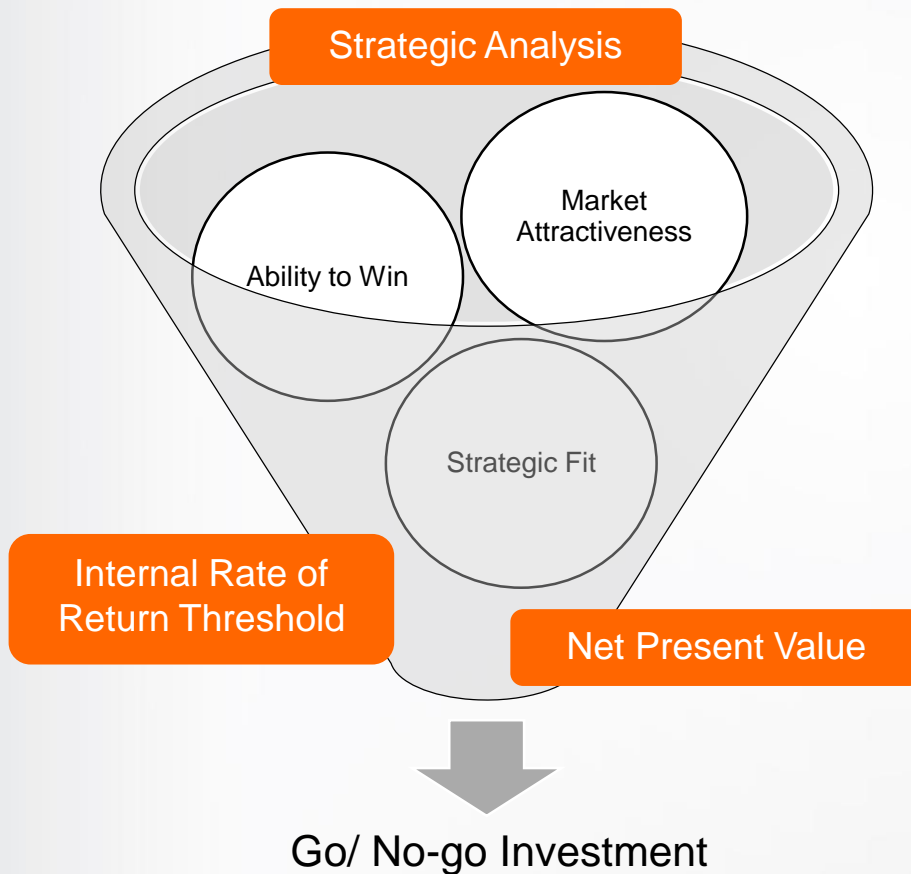




Robotics

# Develop Businesses through New Enterprises and Ventures

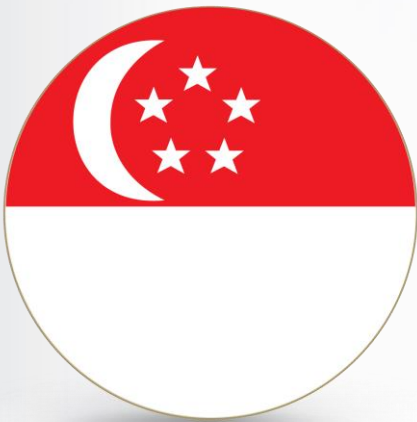
Judicious evaluation  
of growth opportunities

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



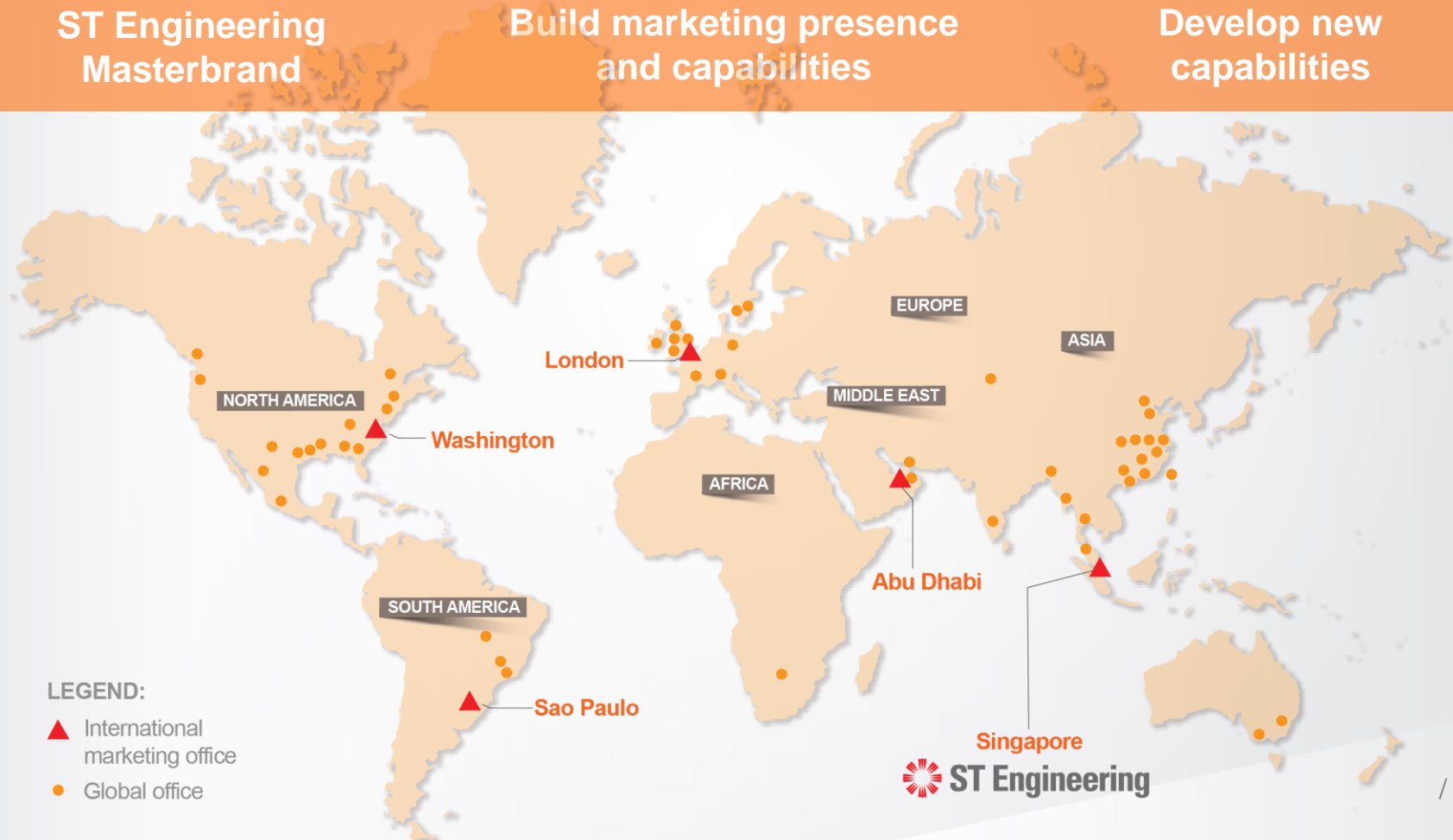
**ST Engineering  
Masterbrand**



**Build marketing presence  
and capabilities**



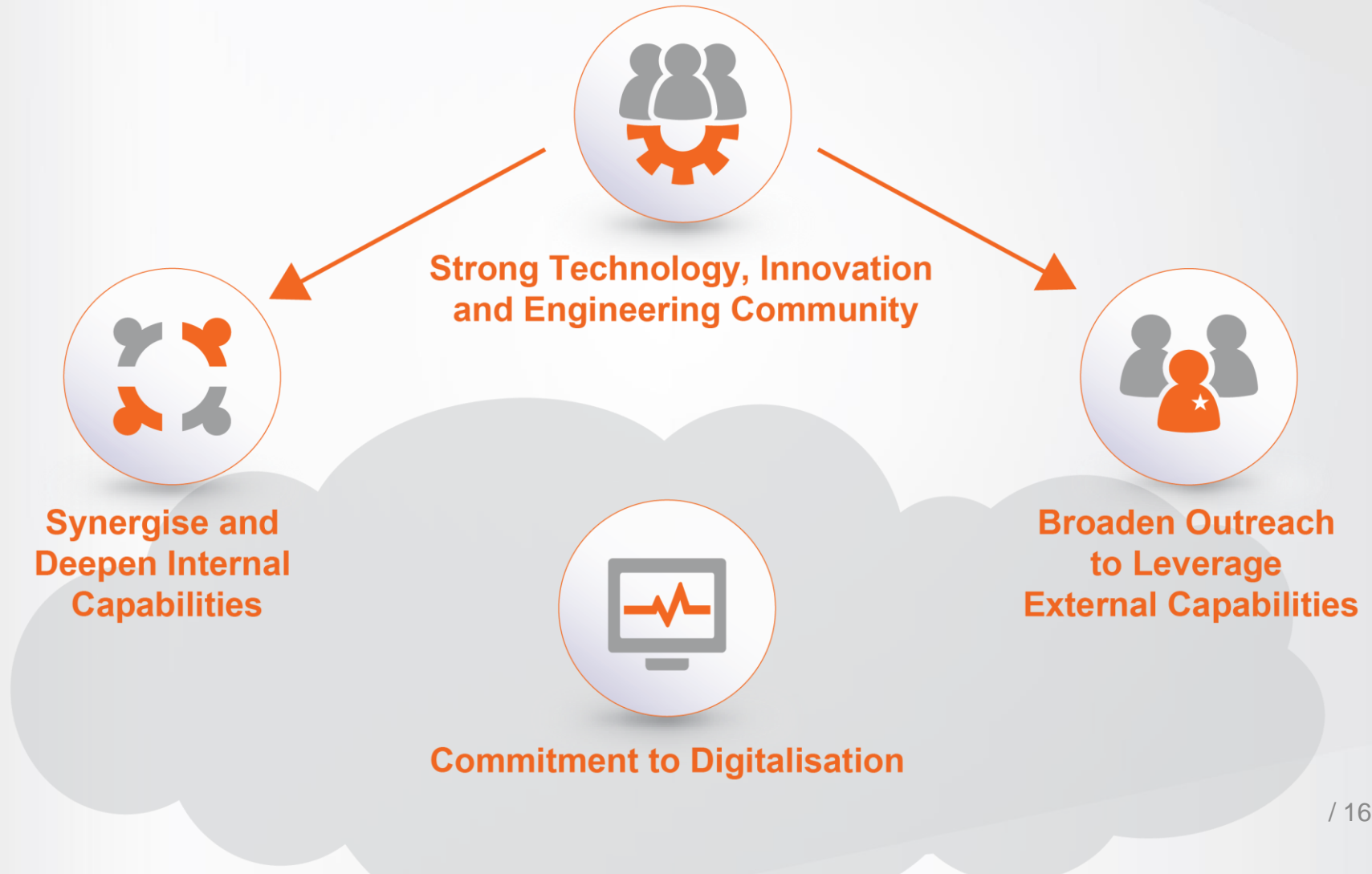
**Develop new  
capabilities**





# Technology & Innovation

Build, partner and acquire  
to develop technology capabilities



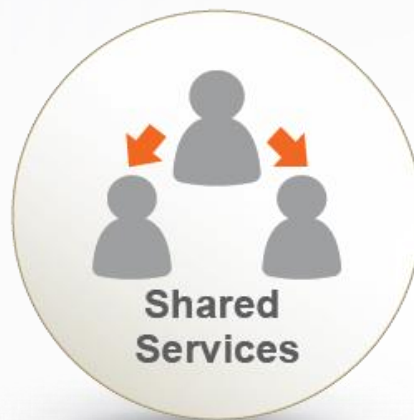
# Capacity For Growth

## 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

\* versus business-as-usual

# Strong Order Book





## 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**

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