

1Q2022 Market Updates

13 May 2022

Disclaimer

The forward-looking statements in this presentation 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 especially given the evolving COVID-19, Ukraine-Russia conflict, inflation and supply chain challenges. Representative examples of these factors include (without limitation) travel and border restrictions, governmental orders on business closures, lock-down and movement restrictions, quarantines, disruption to global supply chains, 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 the current view of management on future events.

Agenda

➤ **Financial Highlights**

- Group Financial Highlights
- Business Segments Highlights
- Global Events
- 1Q2022 Contract Wins & Order Book
- TransCore Financing Update
- Highlights Summary

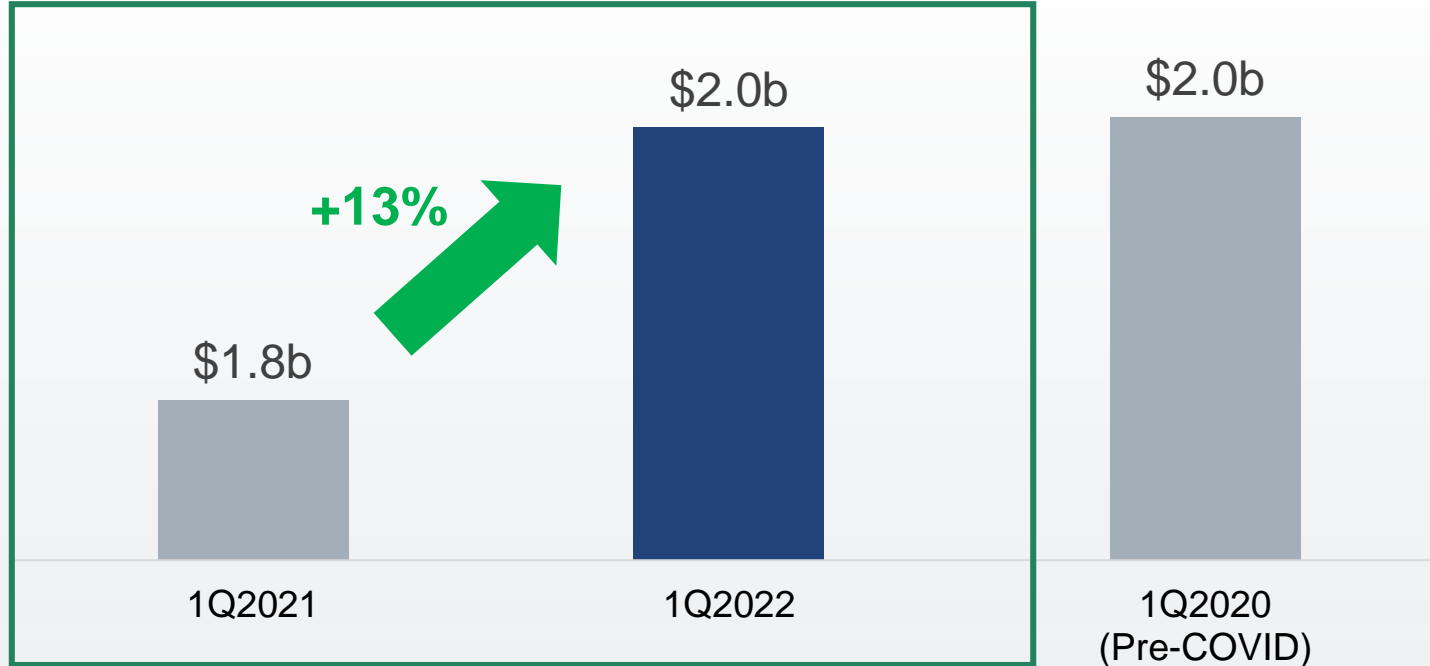
➤ **Business Overview: Digital Business**

➤ **Question & Answer session**

Notes:

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

Group Financial Highlights

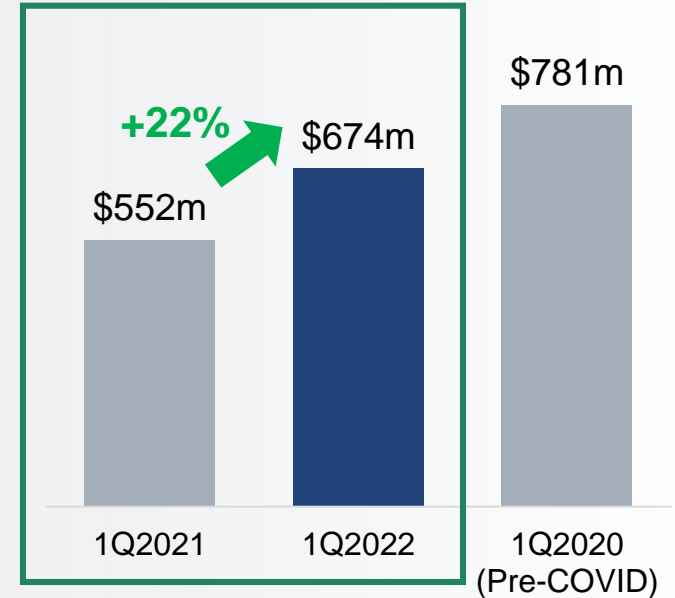
Group Revenue: 13% Y-o-Y Growth

Segment Revenue: Growth in All Segments

\$m	1Q2022	1Q2021	Change
Commercial Aerospace	674	552	+22%
Urban Solutions & Satcom	297	264	+12%
Defence & Public Security	1,062	976	+9%
Group	2,034	1,792	+13%

Commercial Aerospace Revenue: 22% Y-o-Y Growth

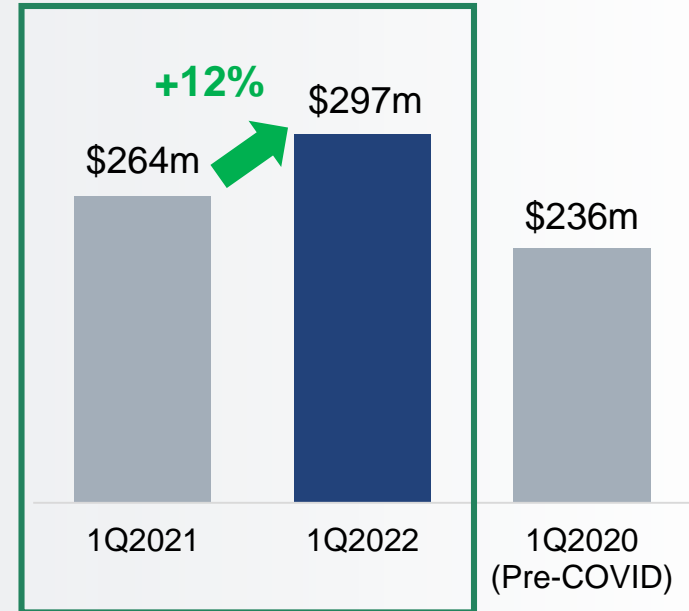
- **22% y-o-y revenue increase**
 - Gradual opening of borders
 - Strong PTF demand
 - Healthy orders for nacelles
 - Gradual recovery in MRO demand
- **A320/A321P2F and A330P2F**
 - Booked through 2025 and 2026 respectively
- **Continued MRO recovery expected with reopening of borders**
- **Ukraine-Russia conflict:** no material impact but monitoring development
- **Secured \$0.9b of new contracts in 1Q2022**



Business Segment Highlights

Urban Solutions & Satcom Revenue: 12% Y-o-Y Growth

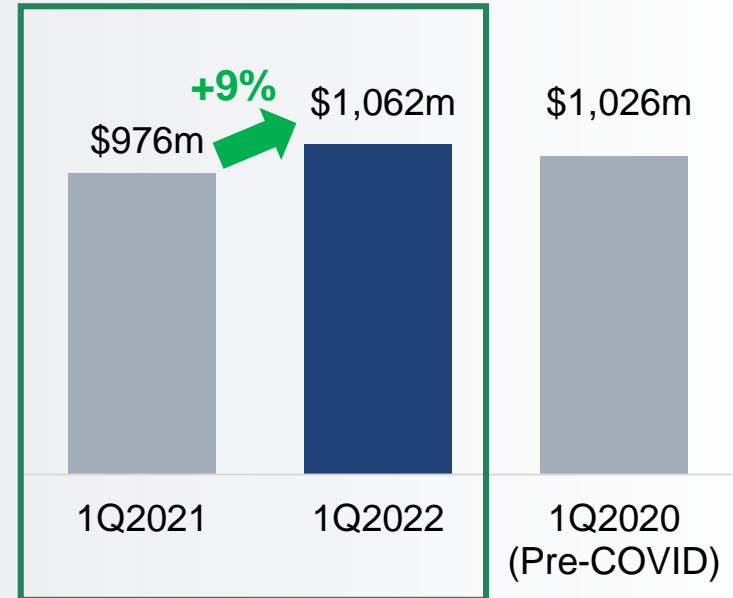
- **12% y-o-y revenue increase**
 - Higher Smart City project deliveries
- **Completed acquisition of TransCore on 17 Mar 2022**
- **Mitigation for global chip shortages**
 - Product redesign, supply chain diversification and price adjustment
- **Secured \$0.2b of new contracts in 1Q2022**



Business Segment Highlights

Defence & Public Security Revenue: 9% Y-o-Y Growth

- **9% y-o-y revenue increase**
 - Strong growth from Digital Systems & Cyber business
- **Continue to leverage:**
 - Trend in hybrid and secure cloud migration among enterprises
 - Accelerated adoption of OT cybersecurity solutions driven by OT/IT convergence
- **Secured \$1.3b of new contracts in 1Q2022**



Global Events

Major Global Events

Ukraine-Russia
conflict

COVID-19
situation

Implications

Inflationary
pressures

Energy
prices

Labour
availability

Supply chain risk
- incl. semiconductor chips

Logistics
lead time

Mitigating Factors



Product
redesign



Supply chain
diversification



Price
adjustment



Productivity
& operating
efficiencies

Current assessment

Not material at
Group level -
monitoring situation

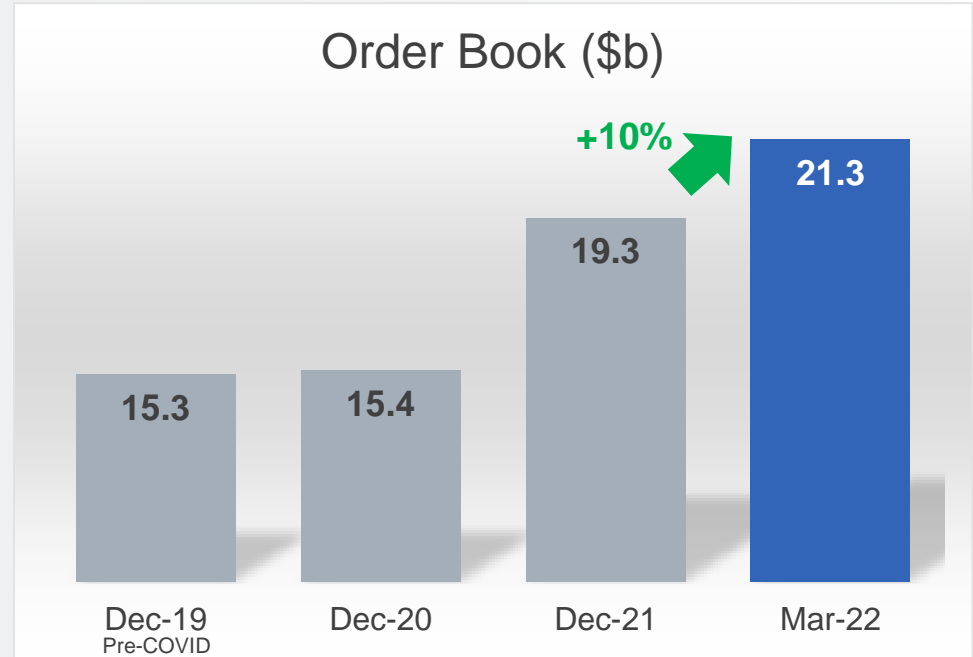
\$2.4b Total New Contracts Secured in 1Q2022

	1Q2022	Highlights
Commercial Aerospace	\$0.9b	<ul style="list-style-type: none"> • Comprehensive component MBH™ contract with Vietjet • Landing gear contract with an Asian low-cost carrier • A330P2F orders by DHL and CDB Aviation
Urban Solutions & Satcom	\$0.2b	<ul style="list-style-type: none"> • Rail electronics contracts for the Downtown Line in Singapore and an Enterprise Asset Management System for Wuxi Metro in China • Smart lighting solution for various housing estates in Singapore • Smart street light solution in the city of Birmingham, Alabama • Integrated security management solutions for customers in Singapore • Satcom ground infrastructure products/solutions for the maritime, government, oil & gas, broadcast and broadband segments
Defence & Public Security	\$1.3b	<ul style="list-style-type: none"> • AI-enabled mission-critical command and control systems (including cybersecurity products and services) • Digital solutions and services in areas of cloud, data centre and training & simulation • Munitions for international customers • Ship repair and maintenance contracts in Singapore and in the U.S.
Total	\$2.4b	

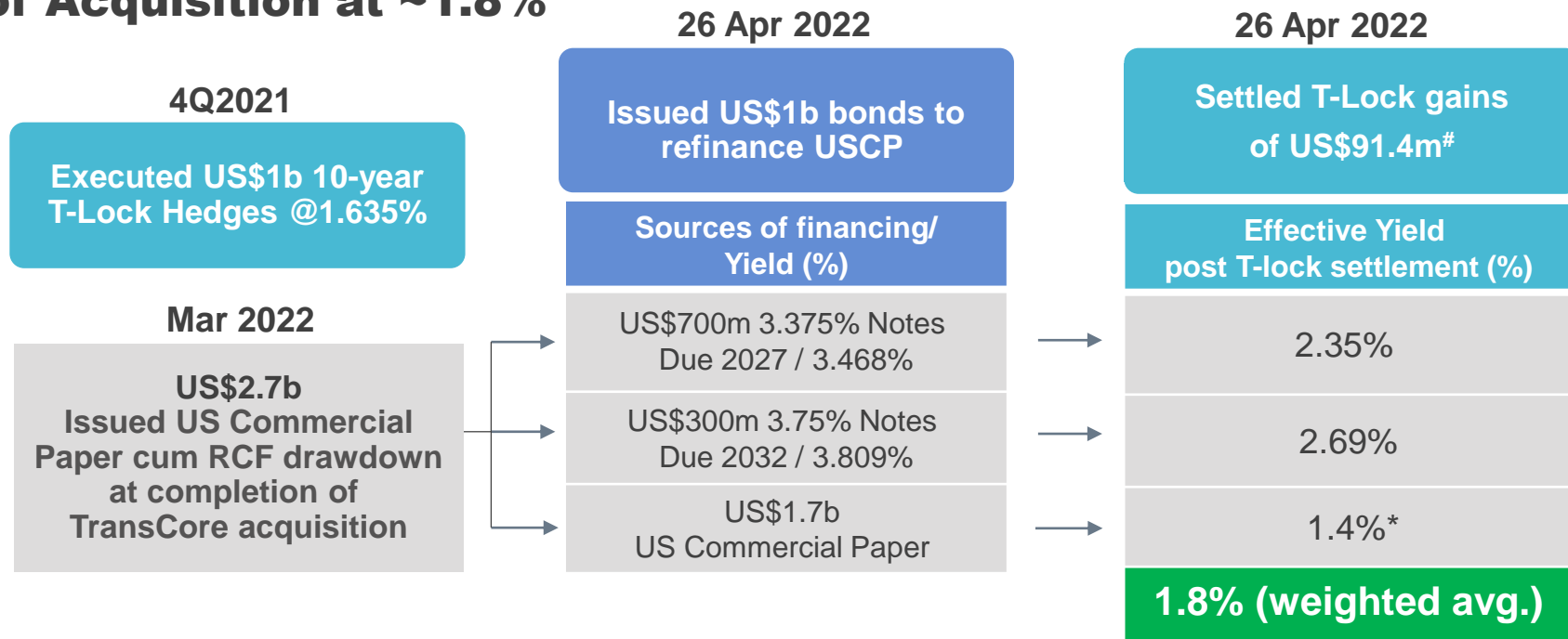
Group Order Book

Order Book: Remains Robust

- \$21.3b as at 31 Mar 2022, incl. \$1.6b from TransCore
- \$5.8b expected to be delivered in the remaining months of 2022



Estimated Weighted Avg. Financing Cost for 1st Year of Acquisition at ~1.8%



[#] In addition, US\$32m from US\$91.4m T-lock gains to be held in balance sheet reserves to reduce yield for future bond issuance

Highlights Summary

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- 1 Group 1Q2022 revenue at \$2.0b, 13% higher y-o-y. All business segments saw growth.
- 2 Strong contract wins of \$2.4b in 1Q2022.
- 3 Robust order book of \$21.3b as at end March 2022.
- 4 Weighted average financing costs of TransCore acquisition at 1.8%, with a US\$32m reserve to reduce yields from future bond issues.
- 5 Board approved 1Q2022 interim dividend of 4.0 cents per share.

Thank you