



# 27<sup>th</sup> Annual General Meeting

Vincent Chong  
Group President & Chief Executive Officer

26 April 2024

# Our Aspiration and Corporate Purpose

## Our Aspiration

Global technology, defence and engineering powerhouse

## Our Corporate Purpose

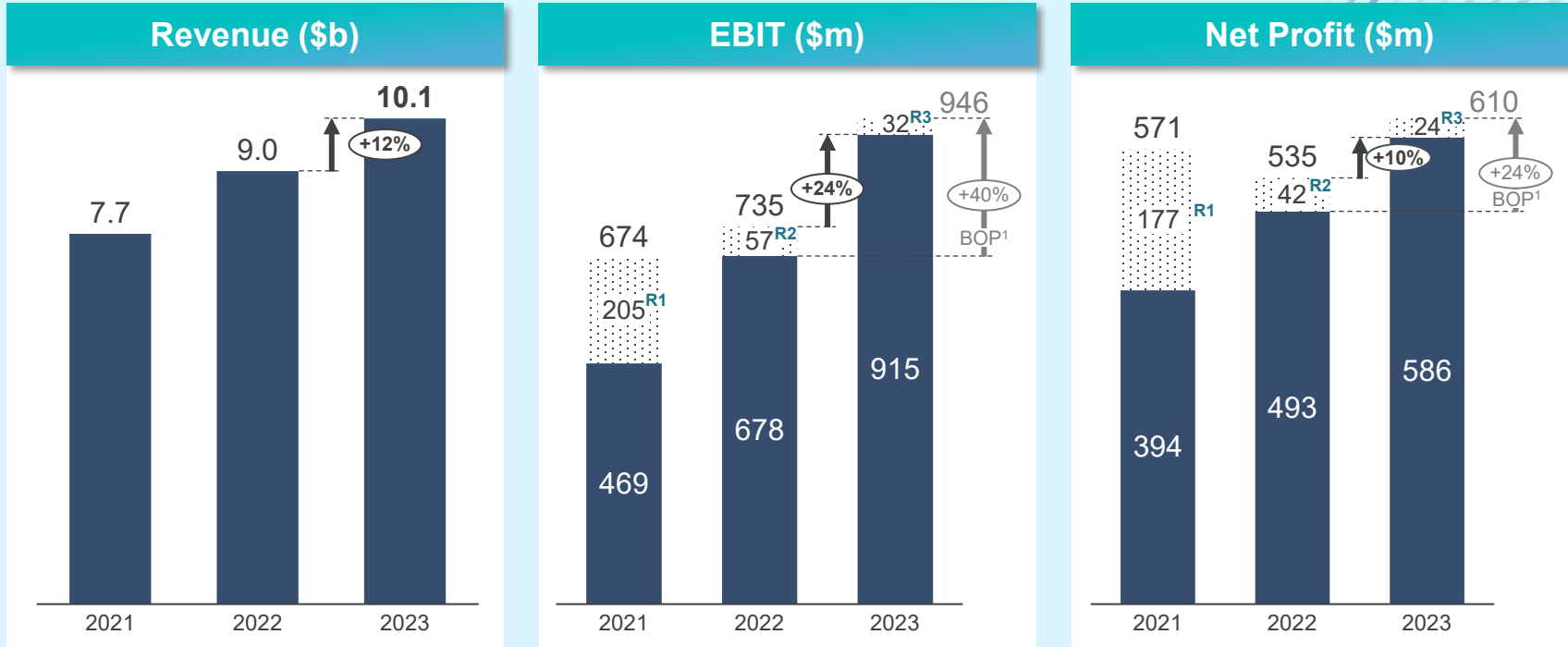
Harness technology and innovation to enable a more secure and sustainable world

# Financial Year 2023 Highlights

**Achieved strong revenue and net profit**



# Significant financial milestones despite challenging business environment

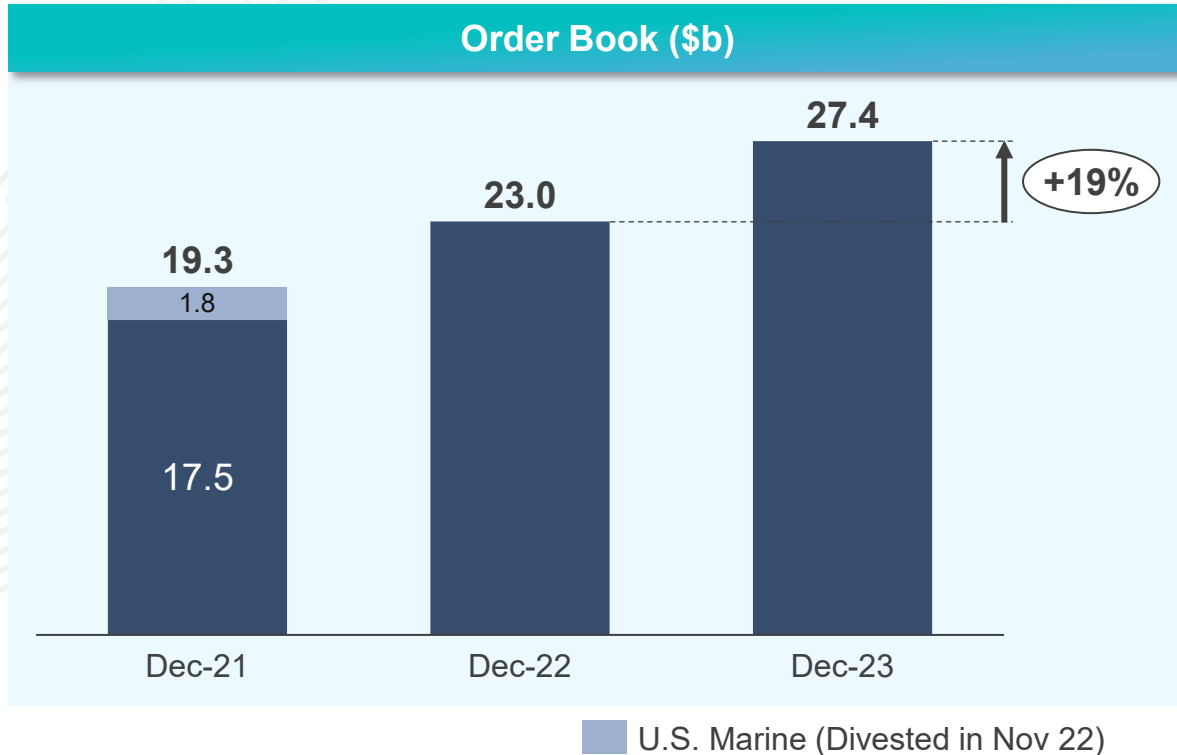


**R1** COVID-19 related Govt Support

**R2** Pension restructuring gain & TransCore transaction & integration

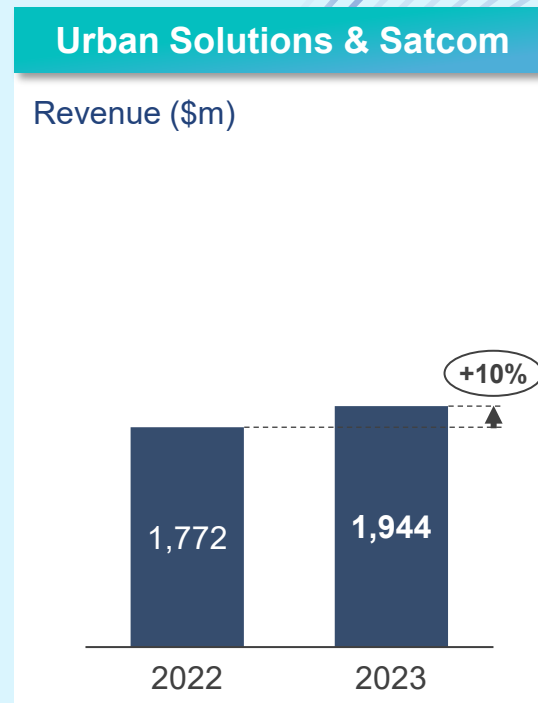
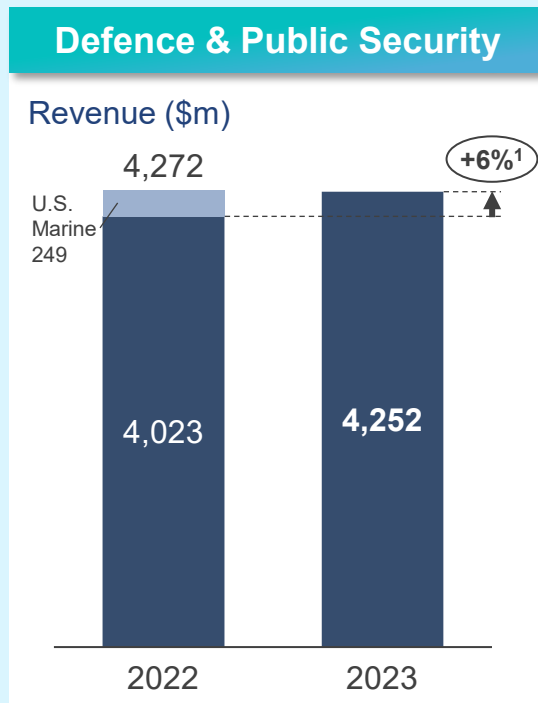
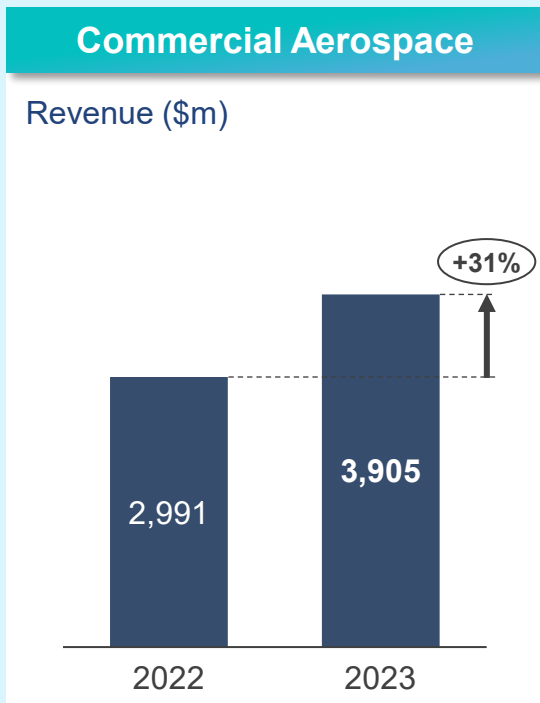
**R3** SatixFy divestment loss & Satcom severance costs

## Order book remains robust; provides revenue visibility



- \$14.8b new contract wins
- Order book of \$27.4b as at 31 Dec 2023
- \$7.9b expected to be delivered in 2024

## Revenue growth from all Segments



# Delivered on 2023 Focus Areas

## Business

- Achieved strong performance
- Secured significant contract wins & robust order book
- Continued to invest for the future



## Innovation

- Invested in technology, innovation and digitalisation
- Continued sustainability focus



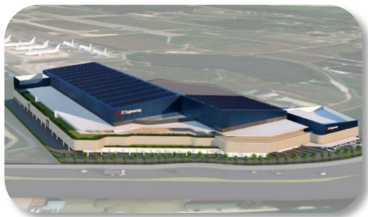
## People

- Enhanced DEI<sup>1</sup> initiatives & talent pipeline
- Strengthened community outreach



2023 Review

## Commercial Aerospace: Revenue increased 31% y-o-y



- **Invested during COVID downturn, emerged stronger with higher MRO capacity** – new hangars in Pensacola, US & Changi Creek, SG
- **Grew MRAS nacelle business in line with A320neo deliveries**
- **Expanded portfolio** – LEAP-1A/1B<sup>1</sup> engines MRO and AirFish family of Wing-in-Ground (WIG) craft
- **Boosted P2F<sup>2</sup> conversion capacity** with 3<sup>rd</sup> party modification sites in Istanbul, Turkey & Tianjin and Chengdu, China
- **Increased Aviation Assets Under Management (AUM)** to >US\$2b



2023 Review

## Urban Solutions: TransCore investment achieved earnings accretion



- **Achieved earnings accretion** ahead of plan for investment in TransCore, and secured **multiple wins** for **All Electronic Tolling Systems**
- **Advanced Smart Mobility leadership position**
  - Higher market share in Kaohsiung MRT segment (cumulative 2022 – 2023 contract value ~\$1.8b<sup>1</sup>)
  - Other notable wins in Sydney, Toronto, Chennai, Bangkok, Abu Dhabi
- **Secured first international airport security win** - Dhoho Kediri International Airport in Indonesia

# Satcom: Transformation for growth and be future-ready

- **Near term headwinds:** Weakness in Satcom business performance
- **Organisation right-sizing in 2023** resulting in lower cost base
- **Next generation platform** (NGP) with multi-orbit compatibility & cloud virtualisation on track in line with **product convergence strategy**; brand unveiled in Mar 2024
- **Service innovation:** Successful POC<sup>1</sup> on inter-operability & cloud deployments and expansion into adjacent markets

## 2024 Focus:

- Continuing **cost optimisation** and **process improvements**
- Improving **revenue quality** through pricing and contract management



**INTUITION**  
AT EVERY STEP

2023 Review

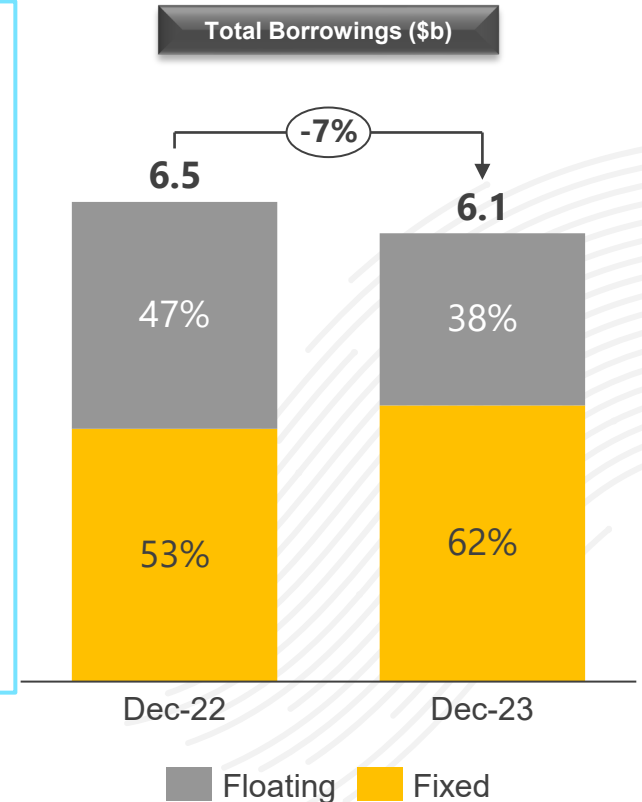
## Defence & Public Security: International business growth gained momentum

- **Strong international contract wins (\$950m)** in digital, land & naval platform, munitions, simulation and MRO solutions
- Awarded **Multi-Role Combat Vessels** and **Frigate mid-life upgrade** contracts in Singapore
- **Digital business** (Cloud, AI Analytics & Cyber) recorded **20% y-o-y growth**
- **Forged new partnerships** within global defence ecosystems



## Strong balance sheet and balanced debt profile

- **Borrowings reduced 7% to \$6.1b**
- **EBITDA increased 16% to \$1.5b**
- **Debt / EBITDA** leverage ratios **improved** from 5.2x in 2022 to **4.2x** in 2023
- **Investment** in capex & capabilities (2023: >\$500m) to **support future growth**
- **Balanced** fixed-vs-floating interest rate ratio
- Group weighted average borrowing cost for **FY2023 – 3.3%**<sup>1</sup>
- **Strong credit ratings** of Aaa/stable by Moody's<sup>2</sup> and AA+/stable by S&P<sup>2</sup>



<sup>1</sup> Net of t-lock and interest rate swap

<sup>2</sup> Moody's - 21 Apr 2023 press release; S&P - 14 Jun 2023 published report

# Technology & innovation

## Strong Technology, Engineering & Innovation Community



### Deepen Capability Building

- Business-driven Product Development
- Core Engineering Capabilities
- Strategic Technology Centres



### Drive Innovation Culture

- Internal Innovation Programmes



### Broaden Outreach to Leverage External Capabilities

- Research Translation @ ST Engineering
- Corporate Ventures

In 2023, spent **\$411m** on R&D, translating to a **R&D intensity of 4.1%**

# Sustainability focus

Journey towards net zero



Global sustainability focus



Internal carbon pricing



Enabling  
Our Customers



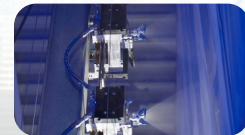
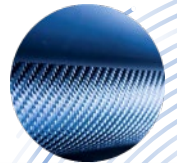
Doing Our Part

Evaluating other  
sustainability-linked  
businesses



Hydrogen

Sustainable  
composites



Robotics  
solutions



# Enhanced DEI<sup>1</sup> initiatives & talent pipeline

## Strengthened commitment to DEI

### DEI Management Workshop



### Launched Women@Work in US



## Talent development to support growth

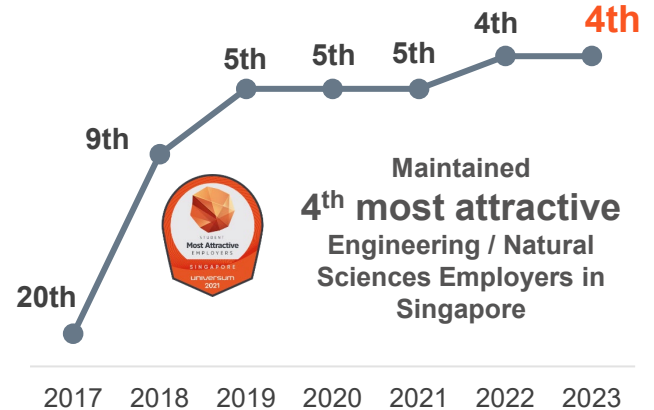
### MOU with Pensacola State College to set up Training Academy



### Skilled Trades Apprenticeship



## Employer of choice



 **Best Places to Work – for 5<sup>th</sup> year**

2023 Review

## Strengthened community outreach

Our community outreach efforts are guided by three focus areas:



Improving lives through charitable gifts



ST Engineering MOVEment



Enriching lives through education



Science Fun Day



Transforming lives through tech & innovation



World Solar Challenge

In 2023, contributed **\$2.3m** to the community



## Capturing opportunities amidst challenging operating environment

### Opportunities



Acceleration of  
**AI & digital  
adoption**

Increased **defence &  
security** spending

Recovery in  
**air travel**

**Sustainability &  
green energy**  
transition

### Challenges



Continued **supply  
chain** disruptions

**Mixed** economic  
outlook

**Interest rates**  
remain elevated

**Geopolitical  
tensions** persist

## Key milestones in 1Q2024



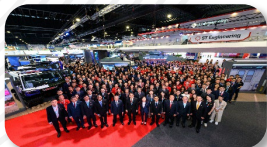
### **Synergistic win by TransCore**

Integrated tech from US & SG for Dubai Mall smart parking solution



### **D'Crypt acquisition completion**

Bolstered talent pool in cryptography and cybersecurity



### **Singapore Airshow 2024**

Showcased cutting-edge products & innovations



### **C295 MRO (with Airbus)**

Expanded MRO solutions to C295, tactical transport

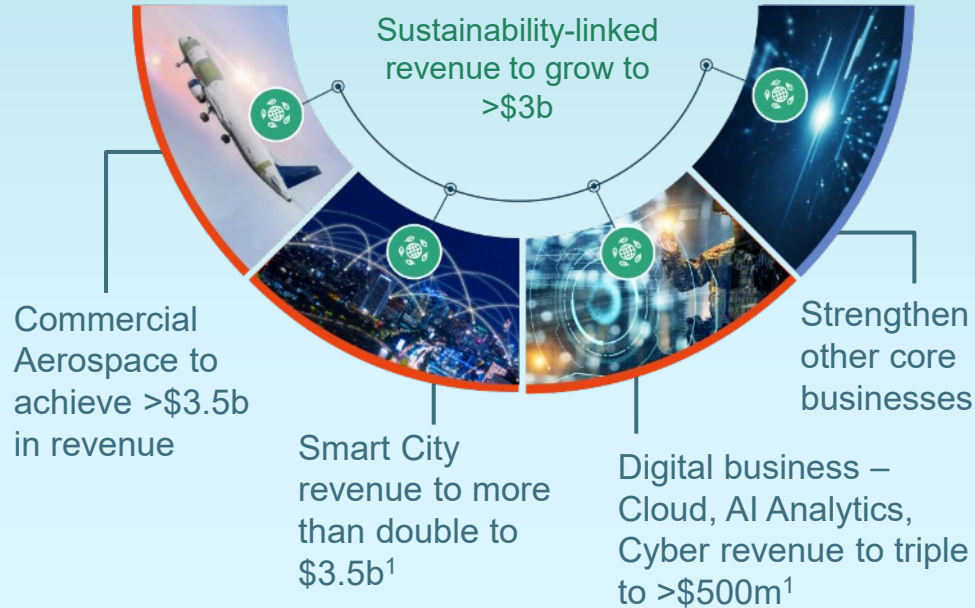


### **Next Generation Platform brand for Satcom**

Unveiled Intuition brand – an advanced satellite networking ground system

## On track to achieve 2026 targets

Annual revenue to grow at 2 to 3 times  
global GDP growth rate to >\$11b<sup>1</sup>



Net profits to grow in tandem with revenue

