

# **3Q2021 Market Updates**

10 November 2021

## 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 situation and its impact globally. 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.

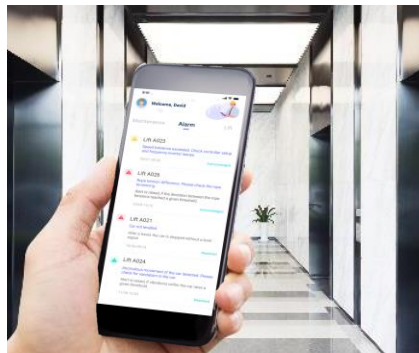
# Agenda

- **Group Highlights**
  - 3Q2021 contract wins
  - 3Q2021 order book
  - Balance sheet strength
- **Commercial Aerospace business updates**
- **Summary**

## Notable contract wins in 3Q2021



P2F: Order of 18 units of A320/A321 P2F from BBAM, an aircraft lessor



IoT: AGIL Smart Lift Monitoring Solution contract to digitalise scheduled and preventive lift maintenance



Rail solutions: A renewal programme to modernise comms systems for Singapore's North-South and East-West rail lines and Bukit Panjang LRT



Credit: [Royal New Zealand Navy](#)

Naval ship repair: Refurbish and deep level maintenance contract of HMNZS Canterbury for Royal New Zealand Navy in Singapore

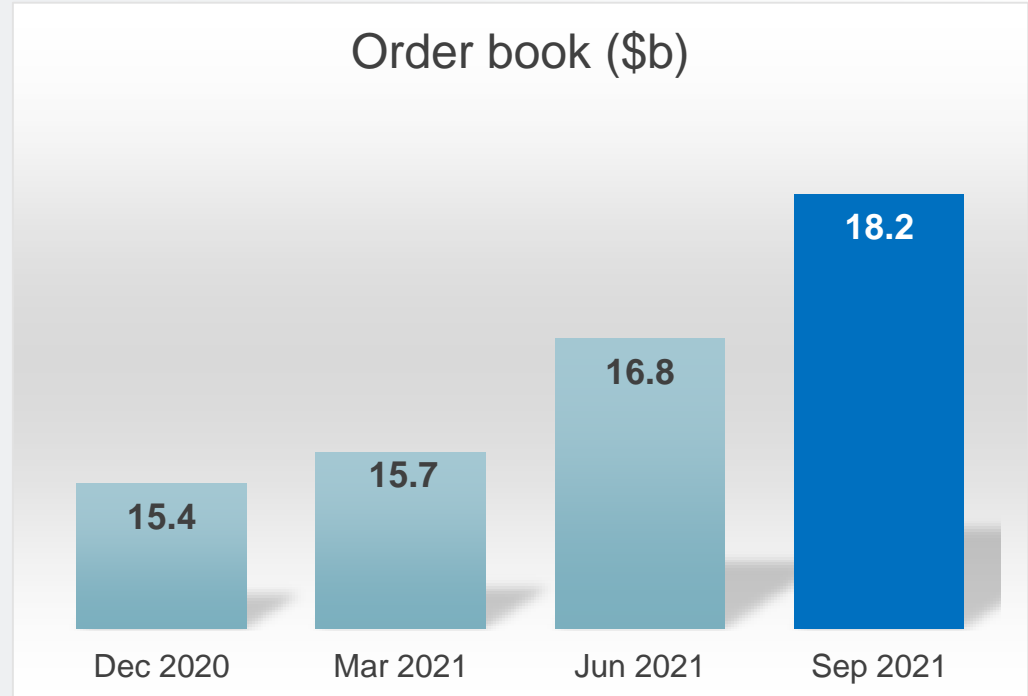
## &gt;\$1.82b new contracts secured in 3Q2021

	3Q2021	Highlights
<b>Commercial Aerospace</b>	\$1.03b	<ul style="list-style-type: none"> <li>• 5-year component MBH™ contracts from Japan Airlines</li> <li>• 5-year CFM56-7B engine MRO contract from Alaska Airlines</li> <li>• 4-year airframe maintenance contract for Asia LCC; and 3-year airframe heavy maintenance contract to support an Australia-based airline</li> <li>• Order of 18 units of A320/A321 P2F from BBAM, an aircraft lessor</li> </ul>
<b>Urban Solutions &amp; Satcom</b>	\$382m	<ul style="list-style-type: none"> <li>• Rail electronics contracts including Platform Screen Door solutions and Passenger Information Systems for international customers; and renewal of Communications Systems for Singapore's North-South and East-West Lines and the Bukit Panjang LRT (as part of Siemens Mobility consortium)</li> <li>• Smart Utilities contracts including smart lift monitoring solution for lifts in Singapore and Smart Security solutions for customers in Singapore</li> <li>• Satcom ground infrastructure for the land mobility, government and defence, and broadcast markets including a contract with USSI Global to modernise satellite programmers' distribution uplinks to power sports distribution systems in the U.S. as part of C-Band transition</li> </ul>
<b>Defence &amp; Public Security</b>	\$413m	<ul style="list-style-type: none"> <li>• Broadband communication, cybersecurity, autonomous products and solutions</li> <li>• Mission critical &amp; data analytics systems and cloud managed services for government agencies and enterprise customers</li> <li>• Munitions for various international customers</li> <li>• Various shipbuilding and ship repair contracts in Singapore and the U.S. yards</li> <li>• Naval vessel repair contract for Royal NZ Navy</li> </ul>
<b>Total</b>	<b>\$1.82b</b> <i>(exclude wins due to customer confidentiality reasons)</i>	

## Group Highlights

### Robust order book

- Order book exceeded \$18b
- \$1.9b expected to be delivered in the remaining months of 2021



## Group Highlights

### Balance sheet remains strong



#### Credit rating

*post-TransCore announcement*

- Moody's: Aaa (outlook negative)<sup>1</sup>
- S&P: AAA (credit watch negative)<sup>1</sup>

### Diverse funding sources



**US\$1.5b**

*U.S. Commercial  
Paper programme*

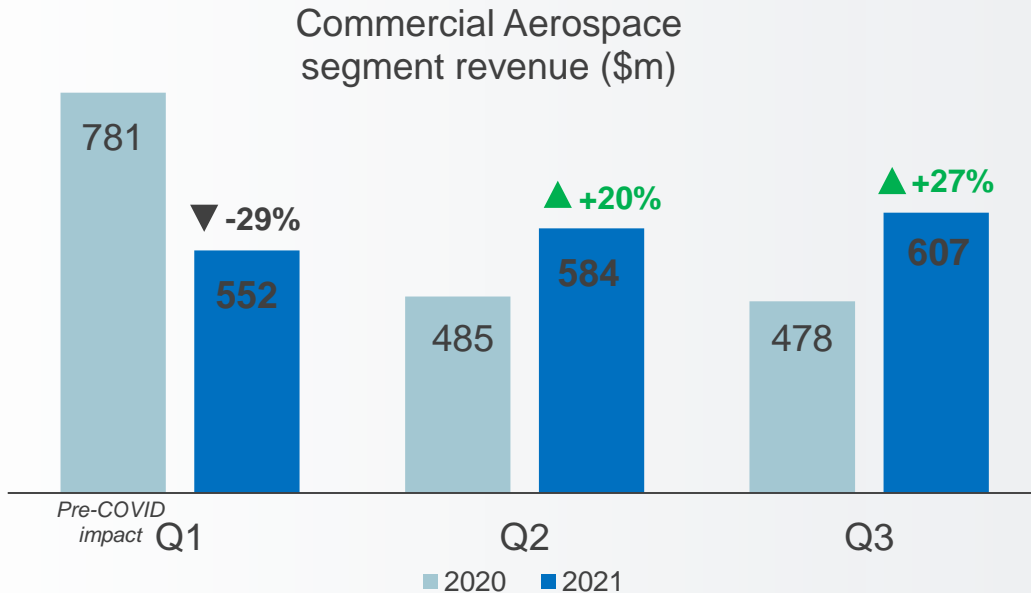


**S\$5b**

*Multicurrency Medium  
Term Note programme*

## Commercial Aerospace Business Updates

## Recovery in Commercial Aerospace business



- International flights to help drive greater MRO recovery
- Capacity utilisation rate at 80% in 3Q2021 vs two-thirds in 1H2021
- Demand for P2F continues to be strong
  - A330P2F slots booked through mid-2025
  - A320/A321 slots fully booked through mid-2024



# Summary

- Strong contract win momentum: \$1.82b<sup>1</sup> in 3Q2021; >\$5.19b<sup>1</sup> in 9M2021
- Robust order book at \$18.2b
- Business updates:
  - PTF capacity expansion to more sites in progress
  - Chip shortage impacted IoT, satcom and specialty vehicle LOBs
  - Defence and public security projects on track
- On target to achieve \$180m cost savings for FY2021; to be partially reinvested in growth areas
- Regulatory reviews for TransCore acquisition in progress

# **Thank you**