News Release

# ST Engineering Reorganises for Global Growth and Success

***Singapore, 17 November 2020*** – ST Engineering today announced organisational changes that will position the Group for its next phase of growth, and propel it towards its aspiration to become a global technology, defence and engineering powerhouse.

Effective 1 January 2021, ST Engineering will be reorganised as **Commercial** and **Defence & Public Security** clusters, replacing the sector-structure of Aerospace, Electronics, Land Systems and Marine.

**New Structure Aligns to Global Growth Strategy and Strengthens Customer Focus**

The new organisation structure is designed to enable better execution of the Group's global growth strategy of strengthening its core businesses, and pursuing growth in smart city and international defence businesses. It is also designed for customer-centricity, enabling the business clusters to build deeper and more strategic customer partnerships. This change provides greater effectiveness in resource allocation, and also helps accelerate the development of deeper domain expertise to further enhance the performance of its businesses.

The Commercial cluster will fuel the Group's international growth through areas in **Commercial Aerospace**, **Urban Solutions** and **Satellite Communications** domains, to be known as Global Business Areas (or GBAs) to reflect the Group's desire to build global champions. The Commercial Aerospace GBA will continue to drive long-term growth of the aerospace businesses in Aerostructures and Systems, MRO and Aviation Asset Management. Similarly, Urban Solutions and Satellite Communications teams will drive the Group's smart city business growth. This cluster combines the Group's smart city technologies and capabilities, which now reside in the four sectors, into one integral unit.

The Defence & Public Security cluster will integrate capabilities to be organised as a single cluster comprising Defence Business Areas or DBAs, namely **Digital Systems and Cyber, Land Systems**, **Marine** and **Defence Aerospace**. The design of this cluster is aligned to the

integrated approach for defence technology development and deployment as well as customer engagement. This cluster will focus on serving the evolving needs of its customers in defence and public security as well as critical infrastructure segments. It will also continue to pursue growth in international defence, and public safety and security businesses.

“In the last three years, we were focused on delivering results by executing our strategy of strengthening our core businesses, and pursuing growth in smart city and international defence businesses,” said Vincent Chong, President & CEO of ST Engineering. “The environment today is one where technological advancements and shifting customer demands are catalysing disruptive business models and rapidly transforming the competitive landscape. The time is now right for us to create a sharper and more agile organisation that will be highly attuned and responsive to our customers’ needs in the new world.”

“The impetus for this reorganisation was our desire to achieve global success, but COVID-19 has reinforced the need for change with fresh urgency. Even as we keep the Group on an even keel amid challenges presented by COVID-19, we are proactively undertaking this organisation redesign to better position ST Engineering for global growth in the years ahead,” added Vincent.

**Leverage Group Scale, Deepen Technology and Engineering Core**

As the Group transitions into the new organisation structure, it will continue to leverage its strong fundamentals as well as group scale and resources in shared management services.

It will also further deepen its technology and engineering core. In the last few years, the Group has been intensively investing in areas such as data analytics and cybersecurity technologies as key business enablers through its Group Technology Office. It will now establish a Group Engineering Centre that will work closely with this Technology Office to drive advanced technology and engineering applications for both defence and commercial businesses.

The Group Engineering Centre will focus on continuous innovation, translating immediate to near-term technologies into products and solutions. The centre will have engineering teams in select areas, formed by pooling resources across the Group to provide support to business units. The teams in the Group Technology Office and the Group Engineering Centre will augment business-specific engineering teams that remain with the business units.

These two functions will also accelerate ST Engineering's digitalisation push, especially in leveraging the Group's technology competencies to embed digital innovation into its products and solutions for added differentiation and competitive edge. The domains that the Group will focus on at the initial stage include Autonomous System-of-Systems, Cybersecurity, Smart Enterprise Platform (including data analytics), Smart MRO and Video Analytics.

In the shift to the new structure, the corporate purpose of using technology and innovation to solve real-world problems and improve lives remains the driving force of the Group. Sustainability is a priority and the Group will continue to integrate ESG initiatives into its businesses and operations.

**New Leadership Structure with Broader Bench Strength**

As part of the change, ST Engineering has created a new leadership structure to deliver long-term sustainable growth and value creation to its shareholders and stakeholders.

The Group will be led by a Group Executive Committee comprising:

- Vincent Chong, Group President & CEO
- Cedric Foo, Group Chief Financial Officer
- Lim Serh Ghee, Group Chief Operating Officer, Operations Excellence and Chief Commercial Officer
- Ravinder Singh, Group Chief Operating Officer, Technology & Innovation and President/Head of Defence & Public Security

The creation of the chief operating officer roles reinforces the Group's resolve to enhance its global competitiveness by achieving excellence in operations, and strengthening its technology and engineering core that is built on a strong innovation culture.

The Group Executive Committee will be supported by a Group Senior Business Council and a Group Senior Management Team, composing of select business leaders and corporate function heads.

**New Financial Reporting Framework**

From 2021, the Group's financial reporting will be based on new operating segments, and will be reflected in its financial results for first half-year ending 30 June 2021. Information on the new segmental reporting framework will be shared in February 2021 when the Group releases its financial results for the year ending 31 December 2020.

As the Group transitions into the new organisation structure, it will maintain focus and priority on its employees, customers and businesses.

This reorganisation is not expected to have any material impact on the consolidated net tangible assets per share and earnings per share of ST Engineering for the current financial year.

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**ST Engineering** is a global technology, defence and engineering group specialising in the aerospace, electronics, land systems and marine sectors. The Group employs about 23,000 people across offices in Asia, Europe, the Middle East and the U.S., serving customers in the defence, government and commercial segments in more than 100 countries. With more than 700 smart city projects across 130 cities in its track record, the Group continues to help transform cities through its suite of Smart Mobility, Smart Security and Smart Environment solutions. Headquartered in Singapore, ST Engineering reported revenue of $7.9b in FY2019 and it ranks among the largest companies listed on the Singapore Exchange. It is a component stock of the FTSE Straits Times Index, MSCI Singapore, iEdge SG ESG Transparency Index and iEdge SG ESG Leaders Index. For more information, please visit www.stengg.com.

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