# 1Q2021 Market Updates

12 May 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.

# Key Discussion Points

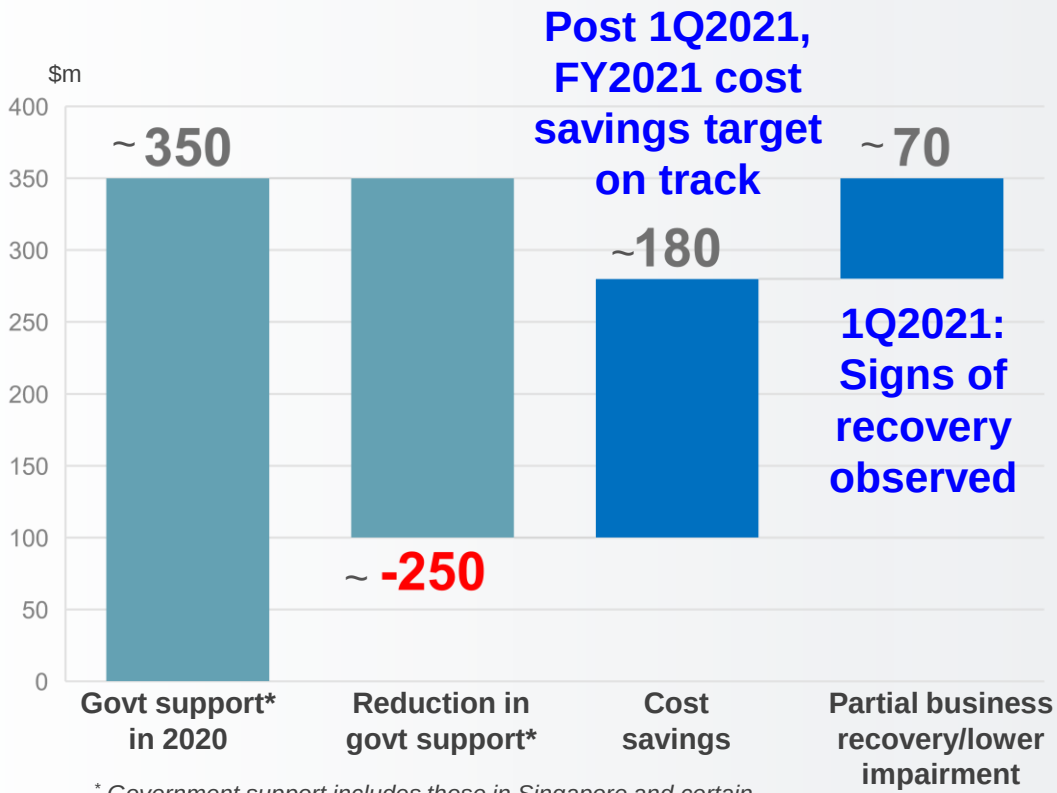
## 1. Group Highlights

- Cost savings target
- 1Q2021 contract wins
- 1Q2021 order book

## 2. Business Updates

- Commercial Aerospace

## 3. Urban Solutions Overview




* *Government support includes those in Singapore and certain other countries where we have locally incorporated businesses*

- Cost savings and productivity initiatives tracking well
- Signs of business recovery observed for commercial businesses, albeit from a low base
- Commercial Aerospace subdued as expected

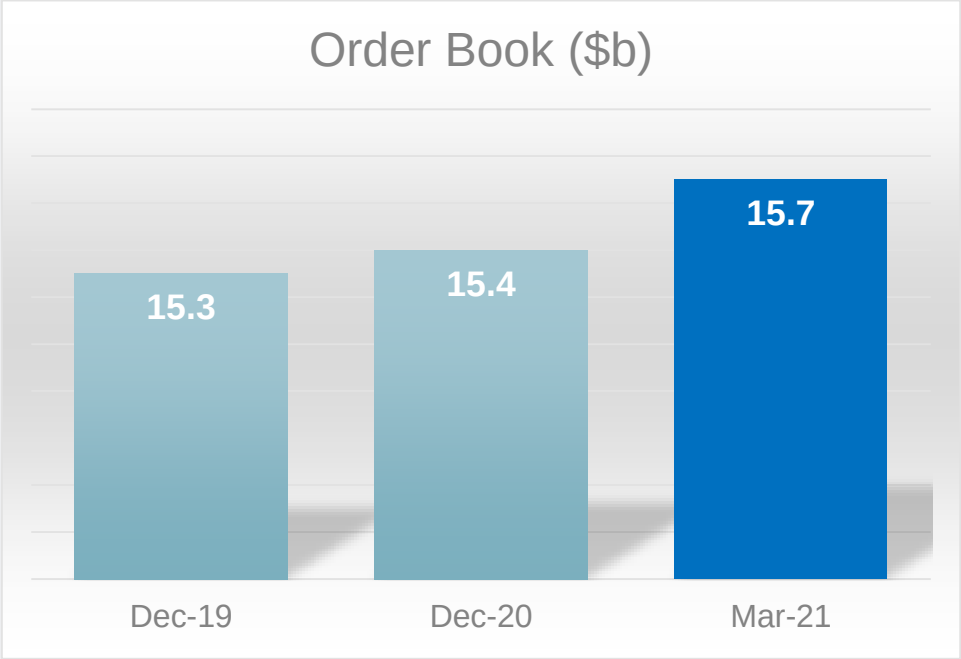
Group Highlights

# >$1.55b worth of new contracts secured in 1Q2021

| | 1Q2021 | Highlights |
|---|---|---|
| **Commercial Aerospace** | $573m | • 5-year contract to support a North American airlines in airframe heavy maintenance<br>• 3-year component MBH contract to support a South Korean airline<br>• 4 units of A321P2F for GTLK Europe DAC, an European leasing company |
| **Urban Solutions & Satellite Communications** | $371m | • Rail electronics in Australia, Thailand, Singapore including Platform Screen Door solutions for Queensland's Cross River Rail<br>• Bus fleet management system enhancement in Singapore<br>• Satcom ground infrastructure across key market verticals, including with a tier-1 mobile network operator to expand cellular backhaul network across Brazil |
| **Defence & Public Security** (exclude wins with customer confidentiality reasons) | $610m | • Cybersecurity products, solutions and services<br>• Mission critical & data analytics systems and cloud managed services<br>• One Auxiliary Personnel Lighter-Small (APL(s)) 67 Class berthing barge for the U.S. Navy, and other international defence contracts |
| **Total** | **$1,554m** | |

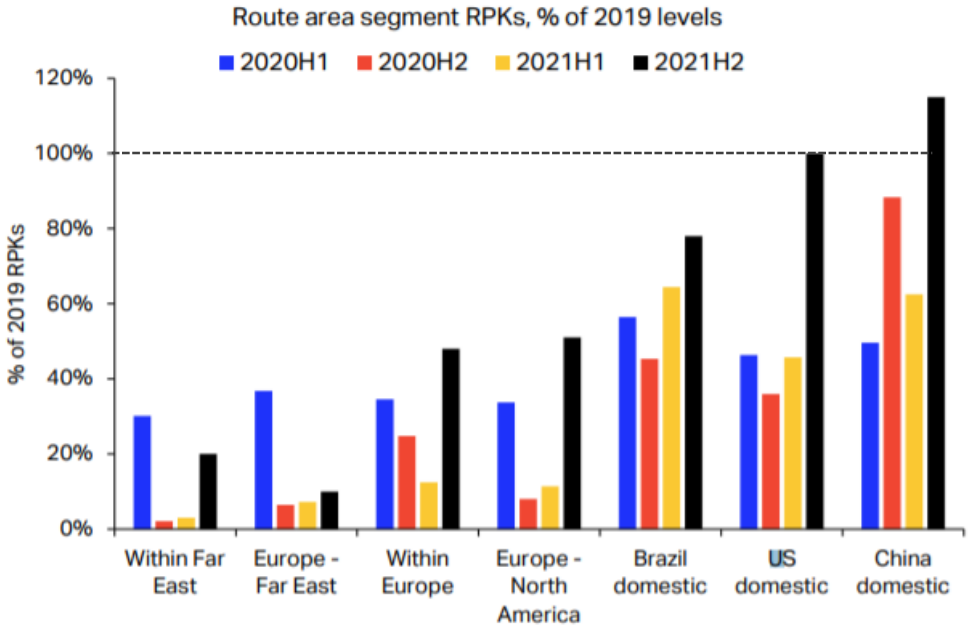
# Order book remains robust

- Order book level higher than pre-COVID, contributed by all Business Areas
- $4.6b expected to be delivered in the remaining months of 2021



# Domestic travel (narrowbody) and air cargo (freighters) leading recovery

- Maintain focus on narrowbody MRO works
- Expect airframe MRO to lead recovery from higher freighter volume; engine and component MRO remain subdued
- Leverage international network of facilities




* *Source: IATA Economics Airline Industry Financial Forecast update, Apr 2021*

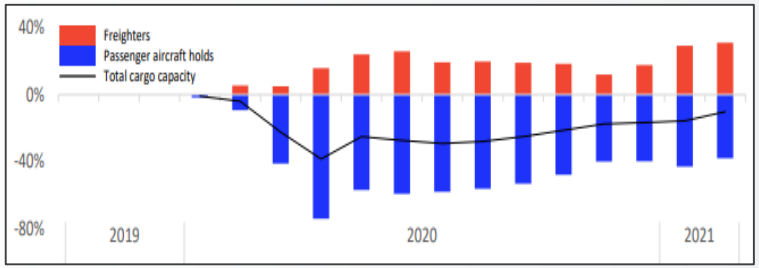
# Our manufacturing to keep pace with OEM production rates

| Monthly Rate | A320 | A330 | A350 |
|---|---|---|---|
| Pre-Crisis | 60 | 3.25 | 10 |
| 2H2020 | 40 | 2 | 5 |
| 2021 Update | 43 in 3Q21<br>45 in 4Q21 | 2 | 5 |

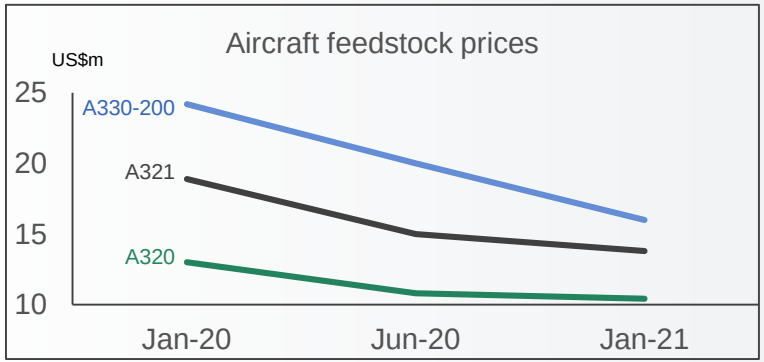
**Increase in nacelle and floor panel production as demand picks up**

*Source: Airbus, Jan 2021*

# Strong demand for dedicated freighters




*Source: IATA, Apr 2021*




*Source: Ishka Transaction Situation Report, Jun 2020 and Jan 2021*

- Set up a new JV with Temasek to capture growing demand for air cargo and dedicated freighters
- Target to build a portfolio valued at about US$600m (S$800m)
- Aircraft feedstock available at prices 20%-34% lower y-o-y
- Value-adding through asset management, MRO and PTF solutions
- Intend to securitise in mid- to long-term to unlock capital

# Urban Solutions well-positioned to pursue growth in Smart City business

## Smart Mobility



Mobility (Rail & Road)

Mobility Services

## Smart Utilities & Infrastructure



Smart Security and Automation

IoT and Utilities

Digital Facility Services

## Emerging Businesses



Urban Environment Solutions

SPTel (JV)

# Smart mobility solutions deployed in 48 cities worldwide

## Mobility Rail



SMART Metro Control Centre



Command, Control & Communication



Enterprise Asset Management System



Platform Screen Door



Automatic Fare Collection System



Passenger Information System

## Mobility Road



Urban Traffic Management Solutions



Smart Junction Solutions



Fleet Management Systems (Bus, Taxi, AVs)



Parking Solutions (e-Payment and e-Mobility)



Toll Solutions

## Mobility Services

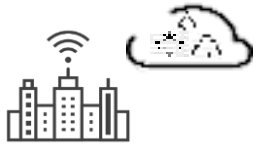


Vehicular Fleets (including EV)



MRO & Technology

# Smart Utilities & Infrastructure solutions help create a smarter, safer and sustainable living environment

| | | |
|---|---|---|
| **Smart Security & Automation** |  | • Integrated Security Management System<br>• Access Control / ID Management System<br>• Area Surveillance Intrusion Detection System<br>• Video Analytics Platform |
| **IoT & Utilities** |  | • Water AMI<br>• Smart Lighting / Smart Lamp Post<br>• Smart Building and Estates IoT<br>• IoT and Smart City Platforms |
| **Digital Facility Services** |  | • Digital Security and Facility Management Services<br>• Integrated Workplace Management<br>• Digital O&S and Maintenance Services<br>• Master System-Integrator Services |



# Emerging Businesses drives innovative technologies that advances urban liveability

## Urban Environment Solutions



Respiratory Protection



Filtration Technologies



Infrastructure Cooling

## SPTEL (JV)

sptel
Reliability with an Edge

Digital Connectivity

Software-Defined Network Services

Digital Services

# Thank you