3Q2022 Market Updates

28 Nov 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

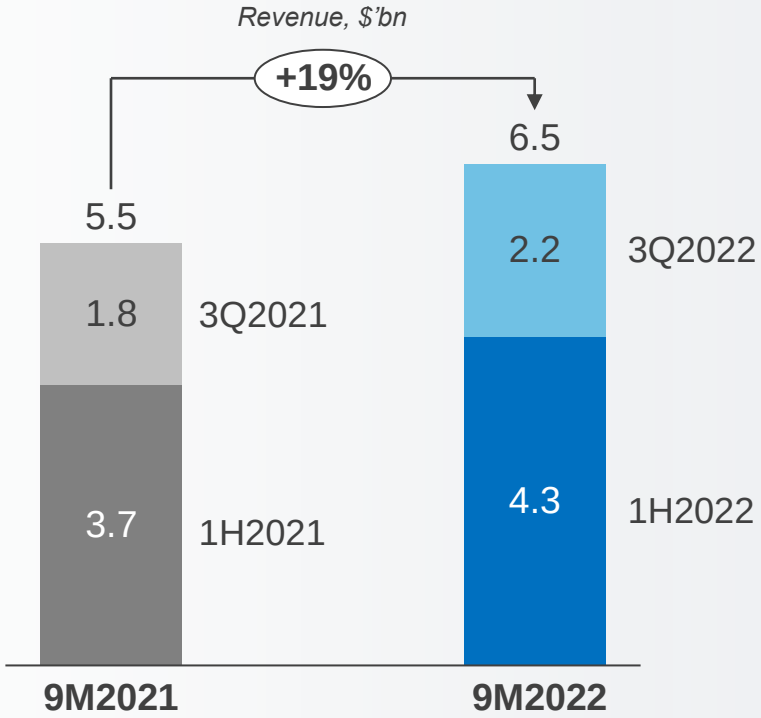
1. Financial Highlights

- Group Revenue
- Business Segments Revenue
- 3Q2022 Contract Wins & Order Book
- Interest Rate Debt Profile
- Management of Capital Employed
- Investor Day 5-Year Plan
- Summary

2. TransCore Acquisition Update

3. Q&A Session

Higher Revenue From Organic Growth and Acquisition



- **19% y-o-y revenue increase**
  - Higher contributions across all business segments

- *Singapore dollars unless otherwise stated*
- *Amounts may not add to totals shown due to rounding*

Group Revenue: Growth in all Segments

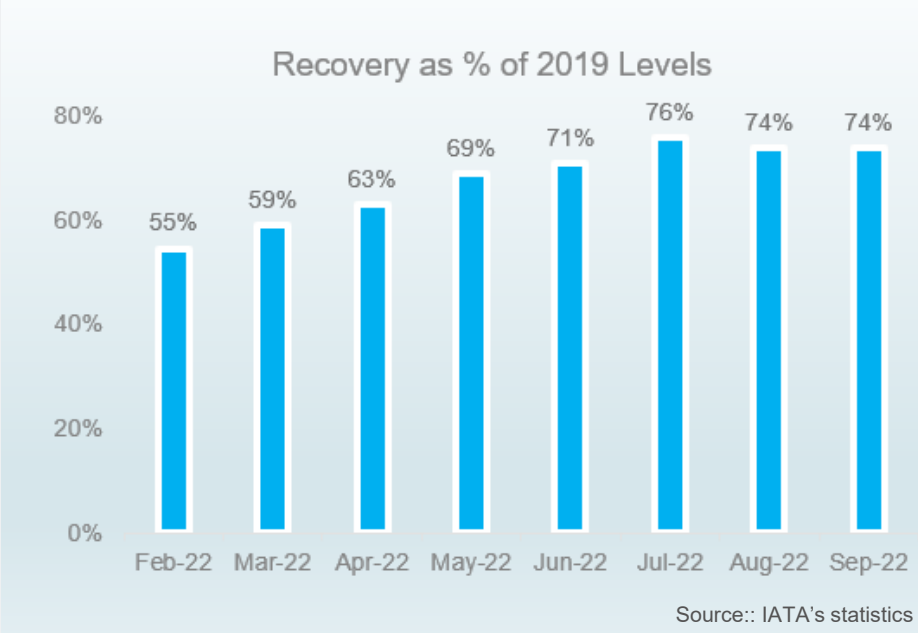
$m	9M2022	9M2021	Change
Commercial Aerospace	2,181	1,743	*+25%*
Urban Solutions & Satcom (USS)	1,209	787	*+54%*
Defence & Public Security	3,118	2,952	*+6%*
Group	**6,508**	**5,482**	*+19%*

Commercial Aerospace Revenue Continues to Grow as Aviation Sector Recovers

- Air travel has recovered to 74% of pre-Covid level
- International lags at 70%, while domestic air travel growth leads at 81%
- APAC international air travel yet to recover (International RPK of Asia Pacific based airlines is at 42% pre-Covid level)

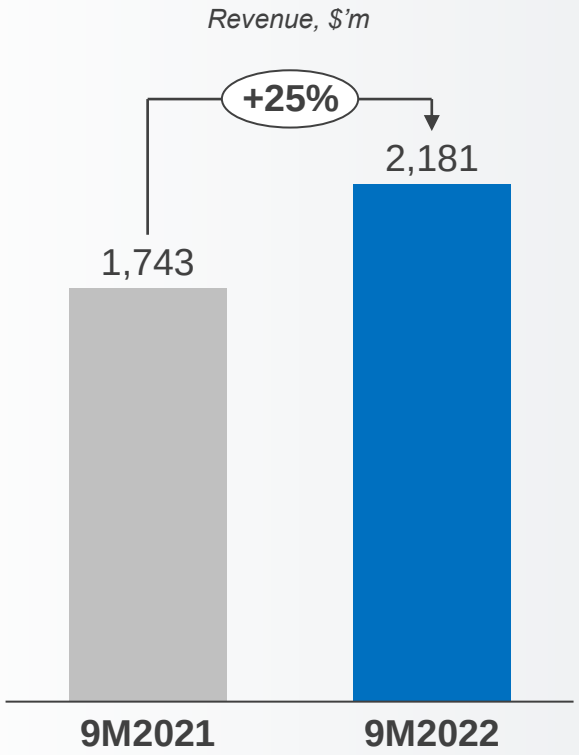
Air travel recovery 74% as at Sep 2022

- International – 70%
- Domestic – 81%



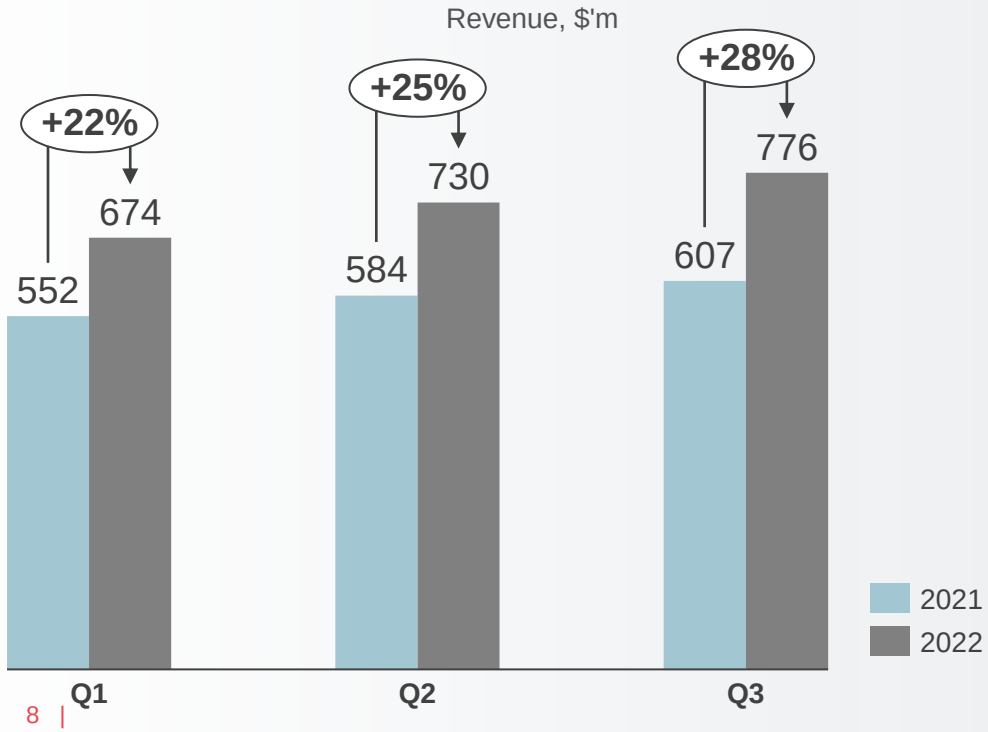
Source: IATA's Air travel monthly analysis (for Sep 2022) - issued in Nov 2022

Commercial Aerospace



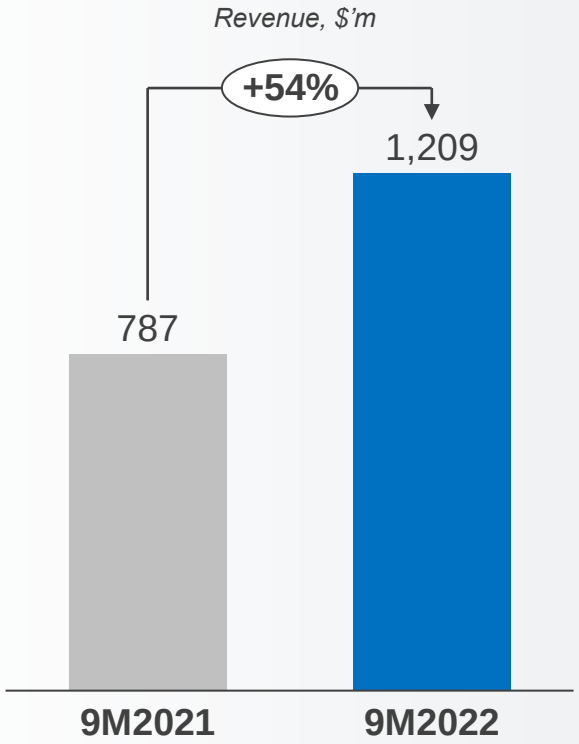
- **25% y-o-y revenue increase; contributed by all sub-segments**
  - Nacelle and MRO (incl. component/engine) demand
  - Strong PTF demand - booked through 2025/2026. Conversion lines still going through learning curve
- **New contract wins of $1.0b in 3Q2022, totaling $3.0b for 9M2022**

Recovery in Commercial Aerospace business



- **28% growth for 3Q2022 vs 3Q2021**
  - >20% y-o-y growth for all three quarters in 2022
  - Yet to recover fully to pre-Covid level

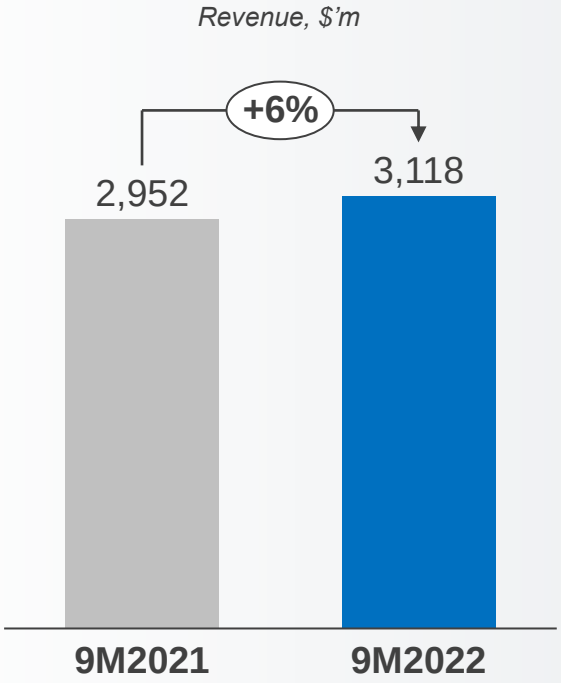
Urban Solutions & Satcom



- **54% y-o-y revenue increase**
  - Contribution from TransCore
  - Higher Smart City project milestones recognition
- **New contract wins of $2.0b in 3Q2022, totaling $2.7b for 9M2022**
  - $1.4b Turnkey rail contract for Kaohsiung MRT Yellow Line
- **Global chip shortages continue to impact this segment**

Business Segments Revenue

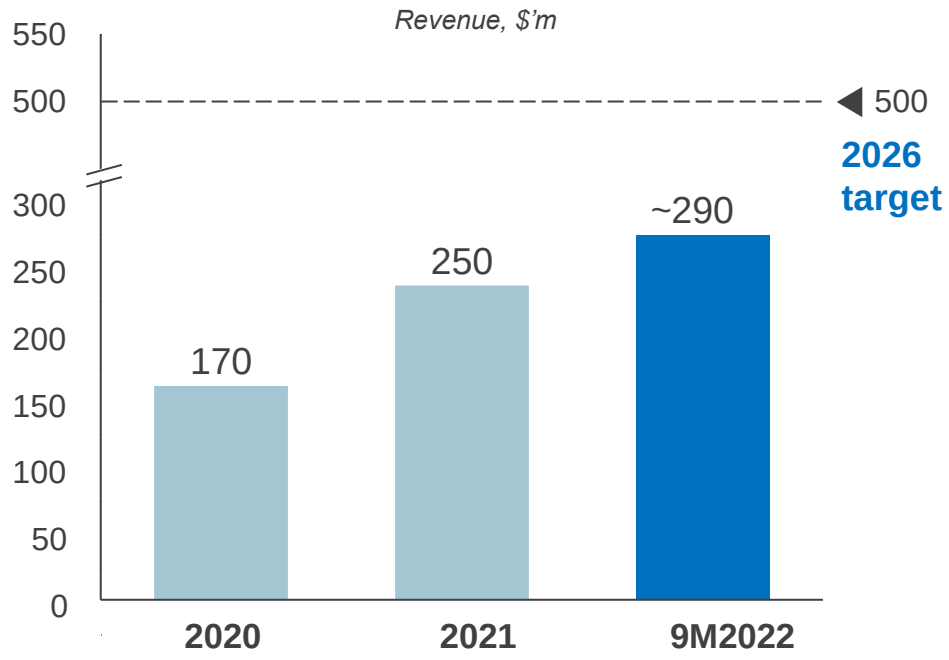
Defence & Public Security



- **6% y-o-y revenue increase**
  - Growth from all sub-segments
- **New contract wins of $1.8b in 3Q2022, totaling $4.5b for 9M2022**
  - Significant international defence contract wins (>$300m) in the Middle East

Business Segments Revenue

Strong momentum in Digital Business



Digital Business:
Cloud, AI Analytics & Cyber

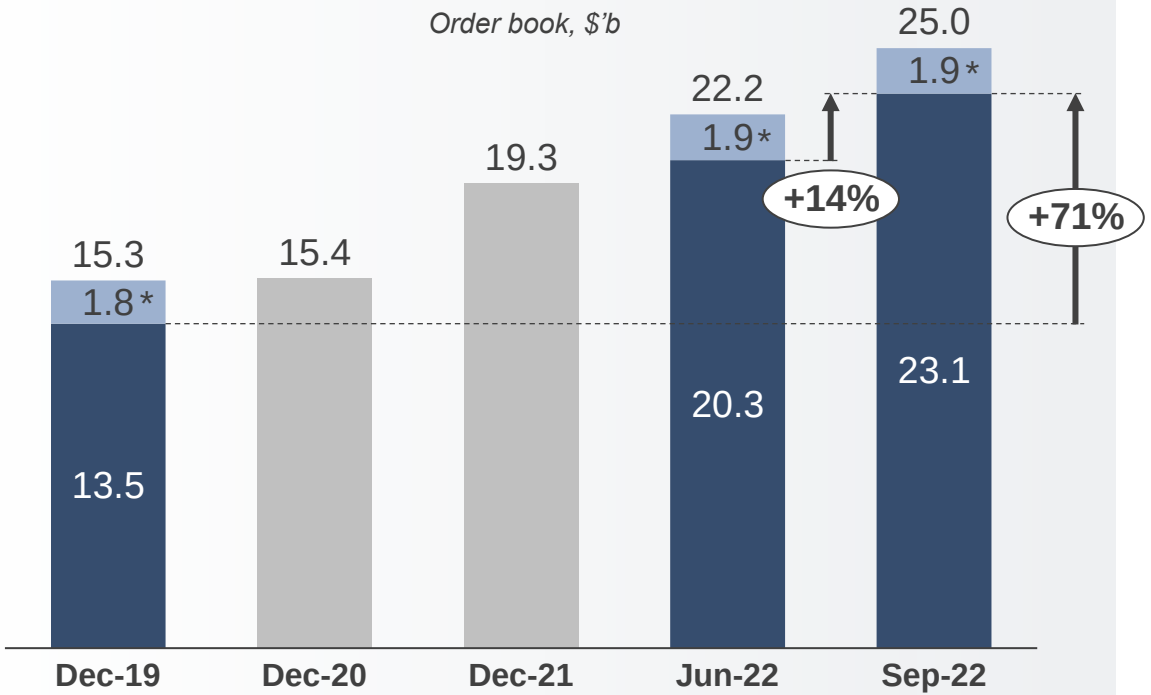
- Ride on digitalisation trends and opportunities
- Leverage strong capabilities with end-to-end solutions
- Continue to invest in tech and innovation
- Tap partnerships to scale up and differentiate
- On track to meet 2026 target

$4.8b New Contracts Secured in 3Q2022

	3Q2022	Highlights
Commercial Aerospace	$1.0b	• Multi-year line maintenance contract from an Asian airline. • Multi-year component MBH™ contracts from Nok Air and Turkish Technic. • P2F including 15 A321P2F conversions by a major leasing company.
Urban Solutions & Satcom	$2.0b	• Prime contractor for Kaohsiung MRT Yellow Line, contracts for Singapore Cross Island Line and Sengkang-Punggol LRT depot expansion. • Tolling projects (TransCore) in Pennsylvania and Dubai. • Water metering solutions in the U.S, Smart Lighting contracts in Singapore, and a Perimeter Intrusion Detection System contract for an airport. • Satcom contracts across key verticals including with Türksat for services in the Middle East and Africa.
Defence & Public Security	$1.8b	• Training & simulation solutions to several international customers. • International defence contracts in the Middle East. • Ship repair and maintenance contracts in Singapore.
Total	**$4.8b**	

Group Order Book

Robust Order book as at 30 Sep 2022

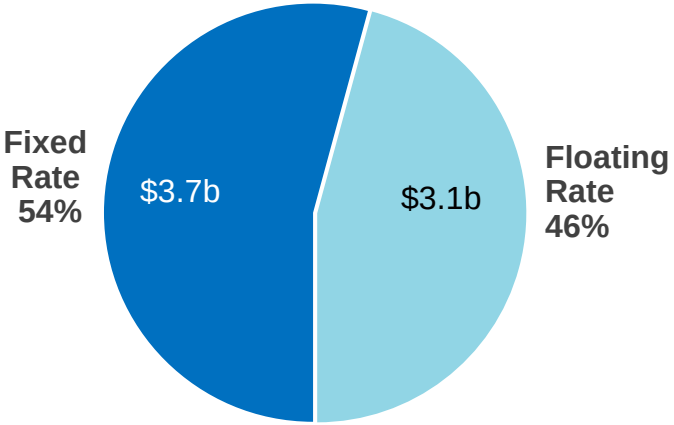


* *U.S. Marine Orderbook; divested on 14 Nov 2022*

- $25.0b as at 30 Sep 2022
  - $2.5b expected to be delivered in 4Q2022
- Total **4Q2022** new contracts (incl. ~$1.5b toll systems for New Jersey) will more than offset $1.9b U.S. Marine order book divested

Interest Rate Debt Profile

Balanced Fixed vs Floating Interest Rate Debt Profile



$6.8b Borrowings as at 30 Sep 2022

- Fixed vs floating interest rate ratio of 54%:46% – balanced and in accordance with interest rate hedging policy[1]
- Plan to term out between US$500m and US$700m through new fixed coupon bonds or loans
- US$32m of T-lock gains in hedging reserves will reduce interest rate for next bond issuance or loans

[1] 2021 Annual Report, page 201

Capital Employed Optimisation

Continue to optimise net working capital

Divest non-core businesses



Target to securitise aviation leasing assets

Investor Day 5-Year Plan on Track

Annual revenue to grow at 2 to 3 times global GDP growth rate to >$11b*

Net profits* to grow in tandem with revenue



Core Business

- Divested U.S. Marine to high-grade Group portfolio
- Continued recovery of Commercial Aerospace

International Defence Business

- Significant defence contract wins in the Middle East

Smart City

- Acquired TransCore and secured large-scale mobility contracts in the U.S. and Taiwan

Digital Business

- Strong growth momentum

* On track

Summary

1. Group 9M2022 revenue at $6.5b, 19% higher y-o-y.
2. Strong contract wins of $10.3b in 9M2022, including $4.8b secured in 3Q2022.
3. Robust order book of $25.0b as at 30 Sept 2022. Total 4Q2022 new contracts (incl. ~$1.5b toll systems for New Jersey) will more than offset $1.9b U.S. Marine order book divested.
4. Balanced fixed vs floating interest rate debt profile.
5. Optimisation of capital employed.
6. 3Q2022 interim dividend of 4.0 cents per share.

TransCore: Post Acquisition Update

- Transition status
- New Jersey Contracts Secured
- End-to-end Technology
- New York MTA Congestion Pricing Project Status

Smooth Transition

- Strong leadership team continuing to drive growth
- Customer relationships strengthening
- ~US$1.5b contract wins (incl. ~US$1.1b toll systems for New Jersey) since completion of acquisition



New Jersey Statewide All Electronic Tolling (AET) Implementation

New Jersey Lane System

Coverage

New Jersey Turnpike: 130 miles

Garden State: 150 miles

Contract

- Design, Installation & O&M – 10 years
- Value: US$914m



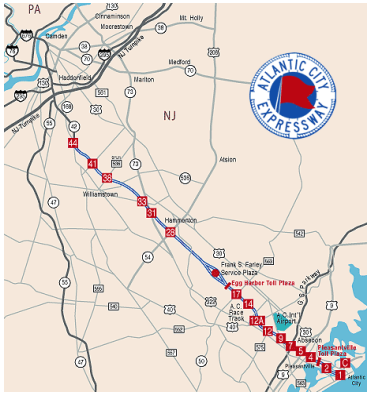
South Jersey Lane System

Coverage

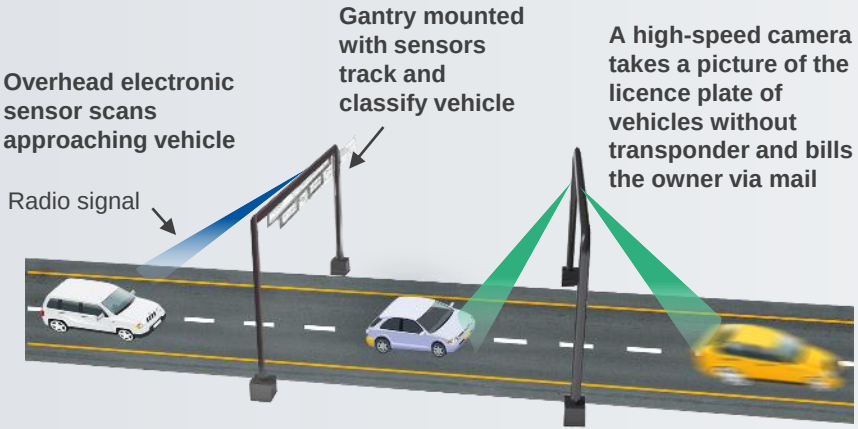
Atlantic City Expressway: 45 miles

Contract

- Design, Installation & O&M – 12 years
- Value: US$159m



TransCore's Differentiation: End-to-end Tolling System Capabilities and Strong Track Record







Detect & Classify (Tolling Solutions)	Identification & Enforcement (Tolling Solutions)	Transaction Management (Back Office)	Vehicle Owner Interface / Customer Service (Back Office)

Backed by Strong, Long-standing Customer Relationships, Excellent Project Execution, Customer Retention and Renewal

Customers



High recurring[1] / re-occurring[2] business
> 50%

High contract renewal rate
95%

[1] Operations & Maintenance business
[2] Repeat RFID product sales to customers

New York Congestion Pricing Project (CBDTP)

New York City is the first in North America to have a Central Business District Tolling Program (CBDTP)



Contract value:

~US$500m

Scope:

Design, build, operate and maintain tolling system equipment and infrastructure

Duration:

8 years (estimated 2 years for design & installation and 6 years for O&M)

Progress:

10 August 2022 – Environmental Assessment released for public comment.

23 September 2022 – Public comment period closed.

Status – Awaiting Decision Document to be issued by Federal Highway Administration.

Thank you