

## News Release

### **ST Engineering Reports a Non-cash Impairment of iDirect Group and Explores Strategic Options**

**Singapore, 12 November 2025** – Singapore Technologies Engineering Ltd (ST Engineering or the Group) announced today that it has assessed the Value in Use (VIU) of the iDirect group<sup>1</sup>, and determined it to be \$170m as at 30 September 2025. Hence, the carrying amount for the iDirect group of \$837m was impaired by \$667m.

#### **Reasons for impairment**

- **Fast-evolving and weakening operating environment**

In 2025, Non-geostationary Satellite Orbit (NGSO) operators have expanded rapidly with Starlink deploying over 2,600 satellites<sup>2</sup> and Kuiper launching over 150 satellites<sup>3</sup> to date. In contrast, Geostationary Earth Orbit (GEO) satellite operators have launched far fewer satellites. Major NGSO operators are also deploying proprietary, closed and vertically integrated ground systems, eliminating the need to procure ground segment equipment from providers like iDirect group. At the same time, NGSO operators are increasingly winning contracts from traditional customers of GEO operators in sectors such as aviation<sup>4</sup> by offering lower latency, higher bandwidth and greater service flexibility. Given these conditions, GEO operators are consolidating as evidenced by the SES-Intelsat merger. According to an industry report<sup>5</sup>, NGSO revenue market share is expected to increase from ~24% in 2024 to ~75% in 2032.

- **Customer adoption of Intuition taking longer than expected**

iDirect group's next-generation platform, Intuition, with its advanced features is designed to help customers seamlessly leverage multi-orbit satellite networks. However, customer adoption is taking longer than expected given the delayed and limited launches by GEO operators.

- **Continued revenue and EBITDA decline**

In the first nine months of 2025, iDirect group's year-on-year revenue and EBITDA declined by 9% and 22% respectively. For FY2024, its EBIT loss was \$89m. This financial performance fell below the Group's expectations.

- **Deteriorating near-term business outlook**

The Group has been striving to turn around iDirect group's business over the past years – to strengthen its competitiveness and financial performance. Actions taken at iDirect group included strengthening its management team, rightsizing the organisation and investing in the next-gen multi-orbit platform. However, these efforts have not been sufficient to turn around the business in the near-term as headwinds intensify and the business outlook continues to deteriorate.

In view of the above factors and while efforts are continuing to improve the business outlook, the Group has assessed the VIU of the iDirect group to be \$170m as at 30 September 2025. This has led to a \$667m impairment of the iDirect group.

**The impairment will be partially offset by the Group's recent divestment gains**

The non-cash impairment of \$667m is partially offset by gains from recent divestments<sup>6</sup> of \$258m. Those divestments generated total cash proceeds of about \$594m.

**The Group is exploring strategic options for iDirect group**

The Group remains positive on the long-term prospects of the satcom industry. However, the near-term operating environment and iDirect group's continued losses mean that the turnaround will take longer than expected. Accordingly, the Group is evaluating strategic options with the objective of mitigating risks and financial exposures to ST Engineering, as well as strengthening the iDirect group's ability to better support its customers.

This has led to ongoing active discussions on strategic options for the iDirect group. However, no definitive agreement has been reached with any party, and there is no certainty that any strategic transaction will take place.

## Impact on Full Year 2025 Results

The Group's base operating performance has been strong and expects to report a positive net profit for FY2025. Impact on 2H2025 result is being assessed, and an update will be provided in due course.

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**ST Engineering** is a global technology, defence and engineering group with a diverse portfolio of businesses across the aerospace, smart city, defence and public security segments. The Group harnesses technology and innovation to solve real-world problems, enabling a more secure and sustainable world. Headquartered in Singapore, it has operations spanning Asia, Europe, the Middle East and the U.S., serving customers in more than 100 countries. ST Engineering reported revenue of over \$11b in FY2024 and ranks among the largest companies listed on the Singapore Exchange. It is a component stock of MSCI Singapore, FTSE Straits Times Index and Dow Jones Best-in-Class Asia Pacific Index.

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<sup>1</sup> Comprising STE iDirect, Inc, ST Engineering iDirect (Europe) NV and ST Engineering iDirect (APAC) Pte Ltd, together with their respective subsidiaries

<sup>2</sup> <https://planet4589.org/space/con/star/stats.html>

<sup>3</sup> <https://www.aboutamazon.com/news/innovation-at-amazon/project-kuiper-satellite-rocket-launch-progress-updates>

<sup>4</sup> <https://www.gatechecked.com/which-airlines-offer-starlink-wi-fi-internet-10093>

<sup>5</sup> Novaspace, Satellite Connectivity and Video Market, 2025

<sup>6</sup> Divestments of CityCab, LeeBoy and SPTel have all been completed as at the date of this announcement