

# **3Q2024 Market Updates**

18 November 2024

## Disclaimer

The forward-looking statements in this presentation reflect the Company's current intentions, plans, expectations, assumptions and beliefs about future events as at the date of this presentation. 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. Some examples of these risk factors include disruption to global supply chains, general economic conditions, interest rate trends, inflationary pressure, shifts in customer demand, regulatory changes and natural disasters which may negatively impact business activities of the ST Engineering Group.

No assurance can be given that future events will occur, or that assumptions are correct. 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

## ➤ **Financial Highlights**

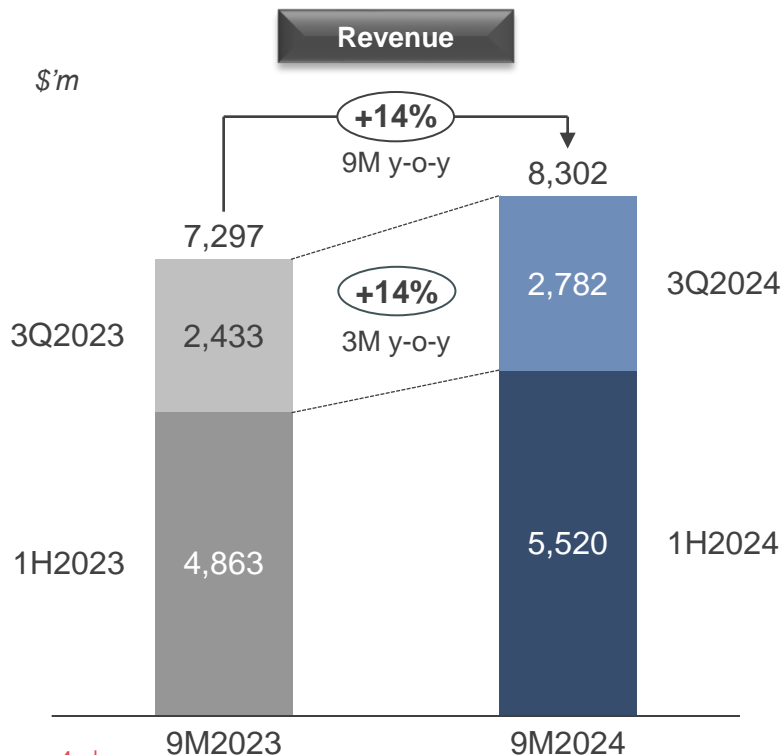
- Group Revenue
- Business Segment Highlights
  - Defence & Public Security (DPS)
  - Commercial Aerospace (CA)
  - Urban Solutions & Satcom (USS)
- Contract Wins & Order Book
- Summary

## ➤ **Question & Answer Session**

Notes:

- All amounts in Singapore dollars unless otherwise stated
- Amounts may not add to totals shown due to rounding

# Strong Revenue Growth Driven by DPS and CA



9M2024 revenue

**\$8.3b** ▲ 14% y-o-y

- DPS: 9M2024 recorded strong growth with a significant 3Q2024
- CA: 9M2024 & 3Q2024 also recorded good y-o-y growth
- \$8.3b of new contracts in 9M2024
  - \$2.2b in 3Q2024



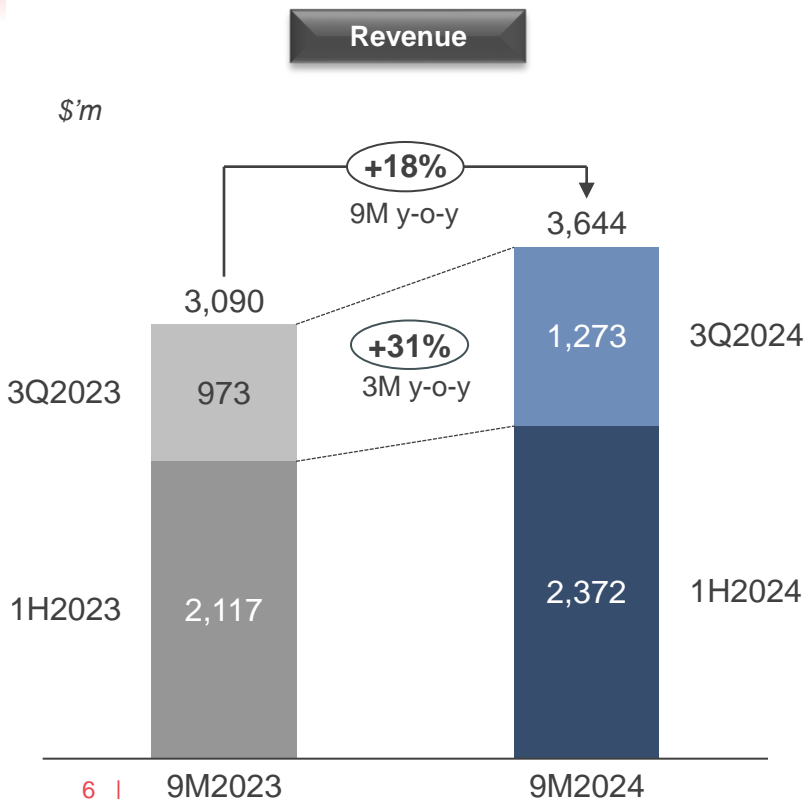
## Group Revenue: Growth in DPS and CA Segments

\$m	9M2024	9M2023	Change
Defence & Public Security	3,644	3,090	▲ 18%
Commercial Aerospace	3,285	2,838	▲ 16%
Urban Solutions & Satcom	1,373	1,369	▲ 0.3%
<b>Group</b>	<b>8,302</b>	<b>7,297</b>	<b>▲ 14%</b>

# Defence & Public Security

## Revenue

\$'m



9M2024 revenue

**\$3.6b** ▲ 18% y-o-y

- Strong growth in all sub-segments
- \$3.6b of new contracts in 9M2024
  - \$0.9b in 3Q2024



# Commercial Aerospace

## Market Dynamics

Aerospace OEMs production bottlenecks

Extended use of existing aircraft/engines

- PTF aircraft feedstock constraints
- + Stronger demand for Airframe and Engine MRO existing fleet
- + Increasing CFM heavy maintenance shop visits

## Commercial Aerospace Positioning for Success

Expanding hangar capacity by 30%<sup>1</sup> from 2026

Building capabilities to be LEAP 1A/1B<sup>2</sup> full shop visits ready from early 2025

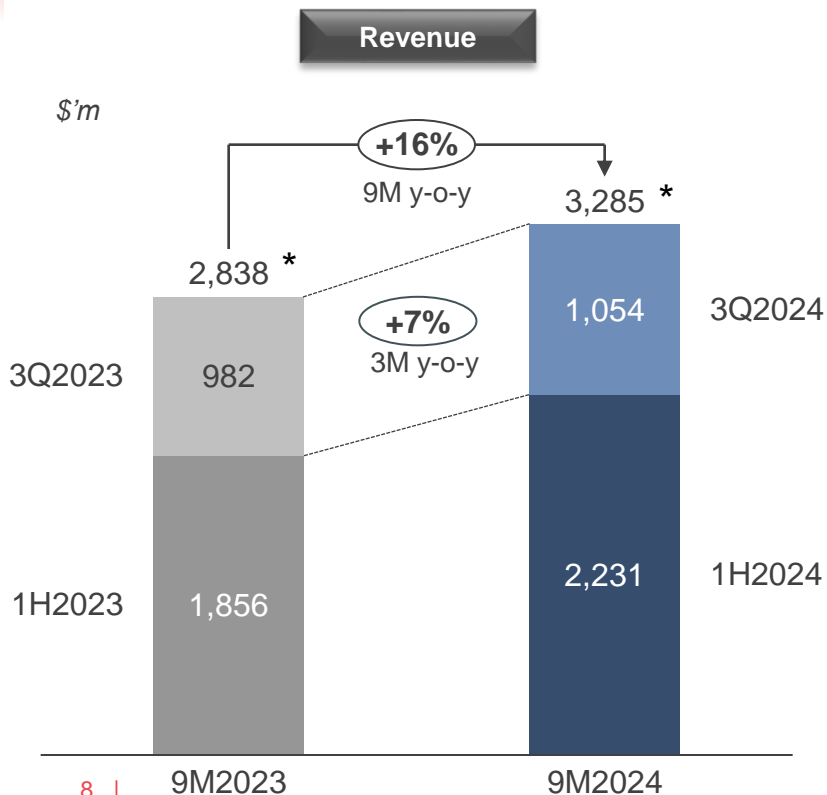
Positioning for LEAP-1A nacelle increased production in line with A320neo / LEAP-1A delivery rate

Re-allocating hangar capacity from PTF to MRO business

<sup>1</sup> compared to 2019 (Pre-Covid)

<sup>2</sup> First in Asia to become a Premier MRO provider for CFM Leap engines (previously known as CBSA)

# Commercial Aerospace



9M2024 revenue

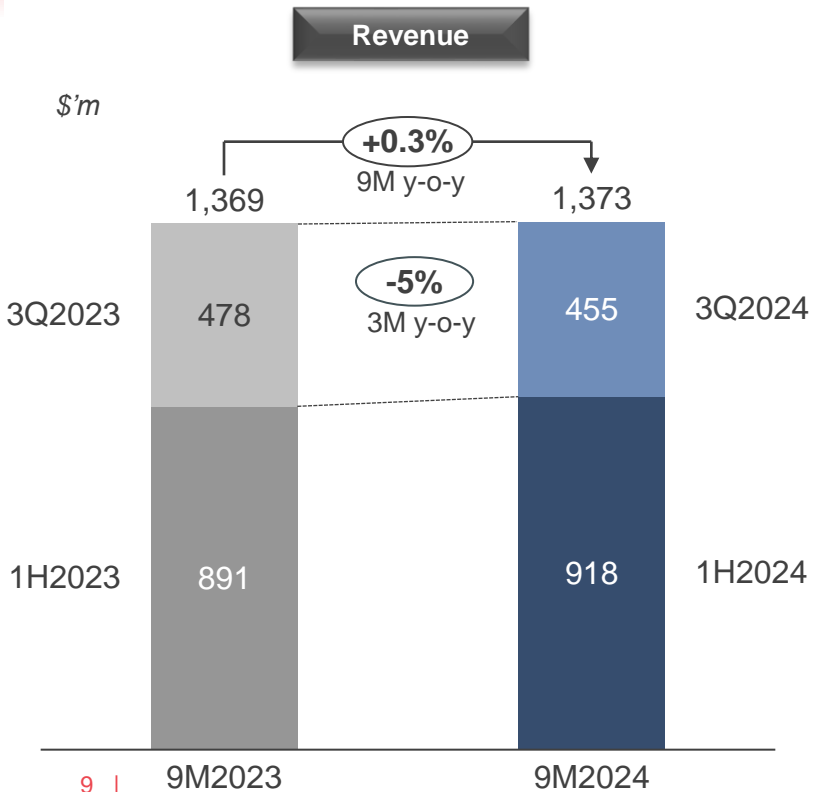
**\$3.3b** ▲ 16% y-o-y

- Strong Engine MRO Growth
- PTF affected by feedstock challenges; mitigated by Airframe MRO
- \$2.9b of new contracts in 9M2024
  - \$0.8b in 3Q2024





# Urban Solutions & Satcom



9M2024 revenue

**\$1.4b** ▲ 0.3% y-o-y

- URS growth offset by lower Satcom revenue
- Satcom – focusing on sales capture; Intuition 1.0 launched in Sep-24 as planned
- \$1.8b of new contracts in 9M2024
  - \$0.5b in 3Q2024



# New Contract Wins and Strong Order Book

## Contract Wins

# \$8.3b

New contracts for 9M2024



Defence &  
Public Security

## \$3.6b



Commercial  
Aerospace

## \$2.9b



Urban Solutions  
& Satcom

## \$1.8b

## Order Book

# \$26.9b

as at 30 Sep 2024

## \$2.6b

Expected to be delivered  
for rest of the year

## \$2.2b New Contract Wins for 3Q2024

	3Q2024	Highlights
<b>Defence &amp; Public Security</b>	\$942m	<ul style="list-style-type: none"> <li>• Digital solutions and services in Cloud, Training &amp; Simulation, and satellite technologies</li> <li>• AI-enabled Mission Critical Command and Control systems</li> <li>• Cybersecurity products and services</li> <li>• International orders for unmanned aerial system, 40mm ammunition and weapon systems, as well as a weapon MRO contract from a customer in the Middle East</li> <li>• Shipbuilding, repair and maintenance contracts</li> </ul>
<b>Commercial Aerospace</b>	\$750m	<ul style="list-style-type: none"> <li>• 5-year exclusive nacelle contract for pool and repair &amp; overhaul services from a European airline</li> <li>• Multi-year CFM LEAP-1A engine maintenance contract from Chinese airline Lucky Air</li> <li>• Orders for both its Airbus widebody and narrowbody programmes from leasing companies</li> <li>• Nacelle orders for Airbus A320neo platforms</li> </ul>
<b>Urban Solutions &amp; Satcom</b>	\$472m	<ul style="list-style-type: none"> <li>• Smart metro contracts for a new MRT line in Southeast Asia, Cross Island Line and Jurong Region Line in Singapore</li> <li>• Contracts for tolling O&amp;M, back office solutions and RFID products, including ground transportation management system upgrade for Denver International Airport in the U.S.</li> <li>• Contracts for Smart City Operating System in Qatar, smart water solution in Brazil and healthcare ICT solution in Hong Kong</li> <li>• Satcom ground infrastructure contracts for the aviation, enterprise, defence and government segments in Asia and Europe.</li> </ul>
<b>Total</b>	<b>\$2,164m</b>	

## Summary – 9M2024

- 1 • Strong Group revenue performance in first 9 months driven by DPS & CA; URS growth offset by Satcom

- 2 • Orderbook remains strong

- 3 • 3Q2024 interim dividend of 4 cents per share



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