ST Engineering

2025 INVESTOR DAY

Journey to Growth

Enhancing Shareholder Value

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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 industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies, inflationary pressure, shifts in customer demand, governmental and public policy 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.

Targets exclude M&As and divestments.

Amounts stated in this presentation are denominated in Singapore Dollars unless otherwise stated.

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Well on-track to meet 2026 targets

2026 Targets (2020 base year)	Achievement (as of 2024)
01 Annual revenue to grow at 2x to 3x global GDP growth rate to **>$11b**	Achieved
02 Commercial Aerospace to achieve **>$3.5b** in revenue	Achieved
03 Smart City revenue to more than double to **$3.5b**	On Track
04 Digital Businesses in Cloud, AI Analytics, Cyber to be **>$500m**	Achieved
05 Sustainability-linked revenue to grow to **>$3b**	On Track
06 Net profits to grow in tandem with revenue	On Track

As of 2024 a) Smart City revenue at $2.7b b) Sustainability-linked revenue at $2.6b

2025 Investor Day: Five-year Targets (2025-2029)

(Base year 2024)

Strengthen Core Business | Pursue Growth Opportunities

Group Revenue to grow >2.5x global GDP growth rate[1] to $17b

Group Net Profit CAGR to exceed Group Revenue CAGR [2] by up to 5 percentage points

Dividend per share to increase in tandem with profit [3]

Technology & Innovation at Our Core

Commercial Aerospace
Revenue to grow by 2x aerospace industry growth rate [4] to **$6.0b**

Defence & Public Security
Revenue to **>$7.5b**

Smart City
Revenue to grow by 3.5x global GDP growth rate to **$4.5b**

Targets exclude M&As and divestments

Notes:
1. Average GDP growth rate over next 5 years as per IMF projection ~3.15%
2. CAGR: Compound Annual Growth Rate
3. Refer to dividend policy announced on 18 March 2025
4. Next 5-year CAGR of global aerospace MRO & OE markets

Group Revenue growth path

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$11.3b
(FY2024)

Grow Core Business

- Geopolitical tensions
  - tailwind for defence business
- Delivery of aircraft / engines
- Urbanisation and digitalisation

Key Growth Drivers

- Defence
- Digital Business
- Premier MRO Engines
- Smart Mobility

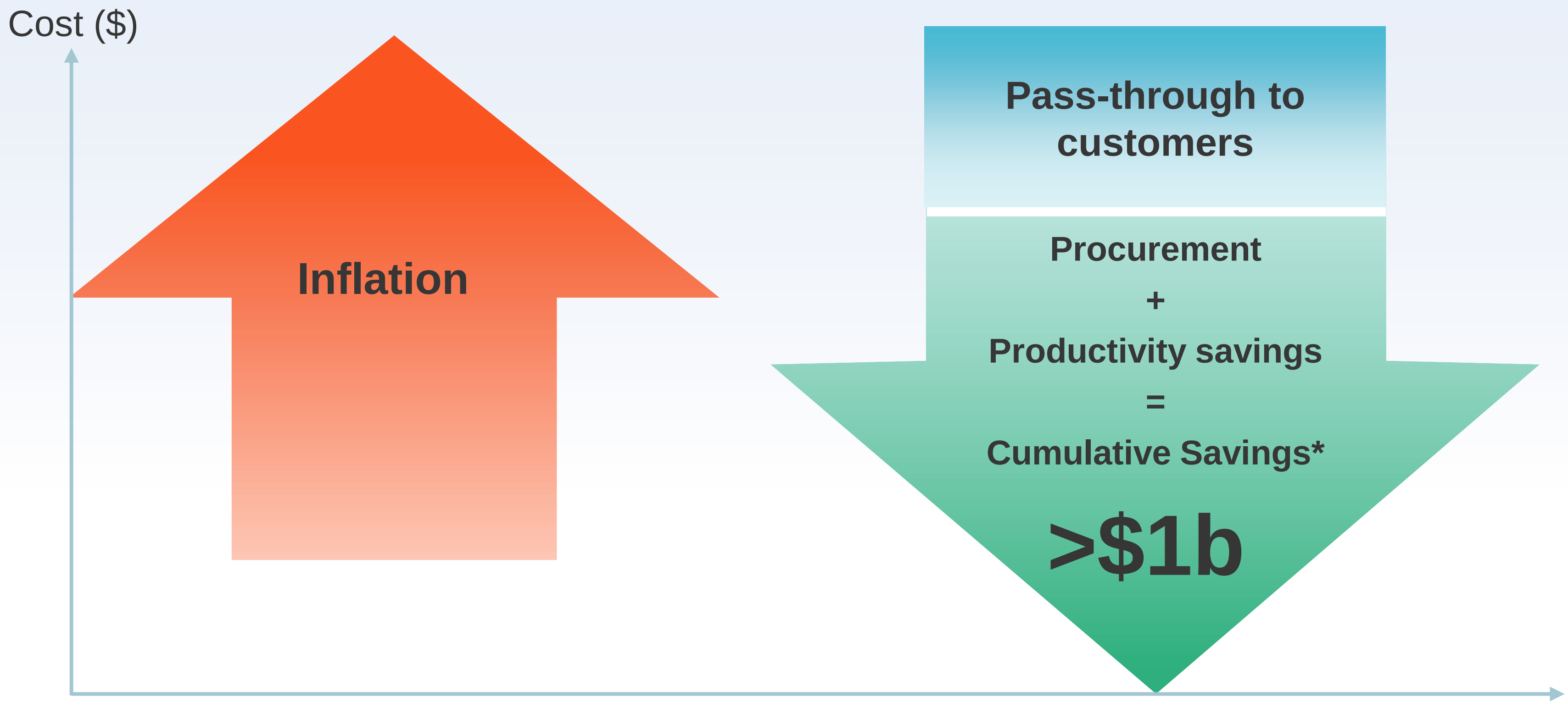
$17b
(FY2029)

Net Profit growth path

- Higher revenue; Scale effects
- Improved product and project mix
- Procurement and productivity savings
- Reduced interest expense
- Reduced amortisation of intangibles

Group Net Profit CAGR to exceed Group Revenue CAGR by up to 5 percentage points

Inflation vs Procurement and productivity savings



* 2025 to 2029

2029 Targets

Highlights of cost savings initiatives

Inventory/ Warehousing

- Inventory right sizing, DIO
- Warehouse management optimisation

Enterprise Resource Planning

- “Single source of truth”
- AI-enabled integrated platform

Offshore Competency Center

- New source of talent pool
- Lower costs

Global Procurement

- Strategic suppliers
- Supply chain resilience

Continual portfolio management
- Improve focus and quality of earnings

Divestments / Cessations
16 divestments since 2016

Acquisitions
5 acquisitions since 2016

2016 → **2024** ***2025 & Beyond***

Aviation Fund Structure

- New capital sources to grow AUM to US$3.5b by 2029 and capture synergies

On balance sheet capital

- Asset-heavy
- High initial capital outlay
- Less scalable
- Long investment cycle time

Achieving asset-light AUM growth with agility

- **Regulated fund management platform to widen investor reach**

New

Aviation Fund Structure

- Asset-light
- Low initial capital outlay
- More scalable
- Short investment cycle

- Franchise development
- Fund management fees

Source and Use of Capital

- Maximising sources and optimising use of capital

Source of Capital

Operating Cashflow

- Higher revenue & EBITDA
- Net working capital improvement

Portfolio Management

- Capital recycling

Aviation Fund Structure (AFS)

- Access to new capital sources

Use of Capital

Operations

- Interest expenses
- Replacement Capex

Dividends

- Dividend per share to increase in tandem with net profit

Capital Deployment Options

- New investment or
- Debt repayment

Dividend Plan for FY2025

- For **FY2024**, proposed total dividend is 17.0 cents per share. Includes final dividend of 5.0 cents per share, subject to shareholder approval at the 2025 AGM on 24 April 2025.

- For **FY2025**, given current robust retained earnings and a strong five-year outlook, the Company plans to propose an increase in the total dividend to 18.0 cents per share, comprising:
  - Interim dividend of 4.0 cents per share for each of the first three quarters;
  - Final dividend of 6.0 cents per share, subject to shareholder approval at the 2026 AGM.

- As and when the Board declares an interim dividend for the first three quarters of FY2025, the Company will announce the relevant record date and payment date on SGXNet. The final dividend, which is scheduled for payment in May 2026, is subject to shareholder approval at the 2026 AGM scheduled to be held in April 2026. The record date and payment date for this final dividend will be announced in conjunction with the release of the Group's full year results for FY2025.

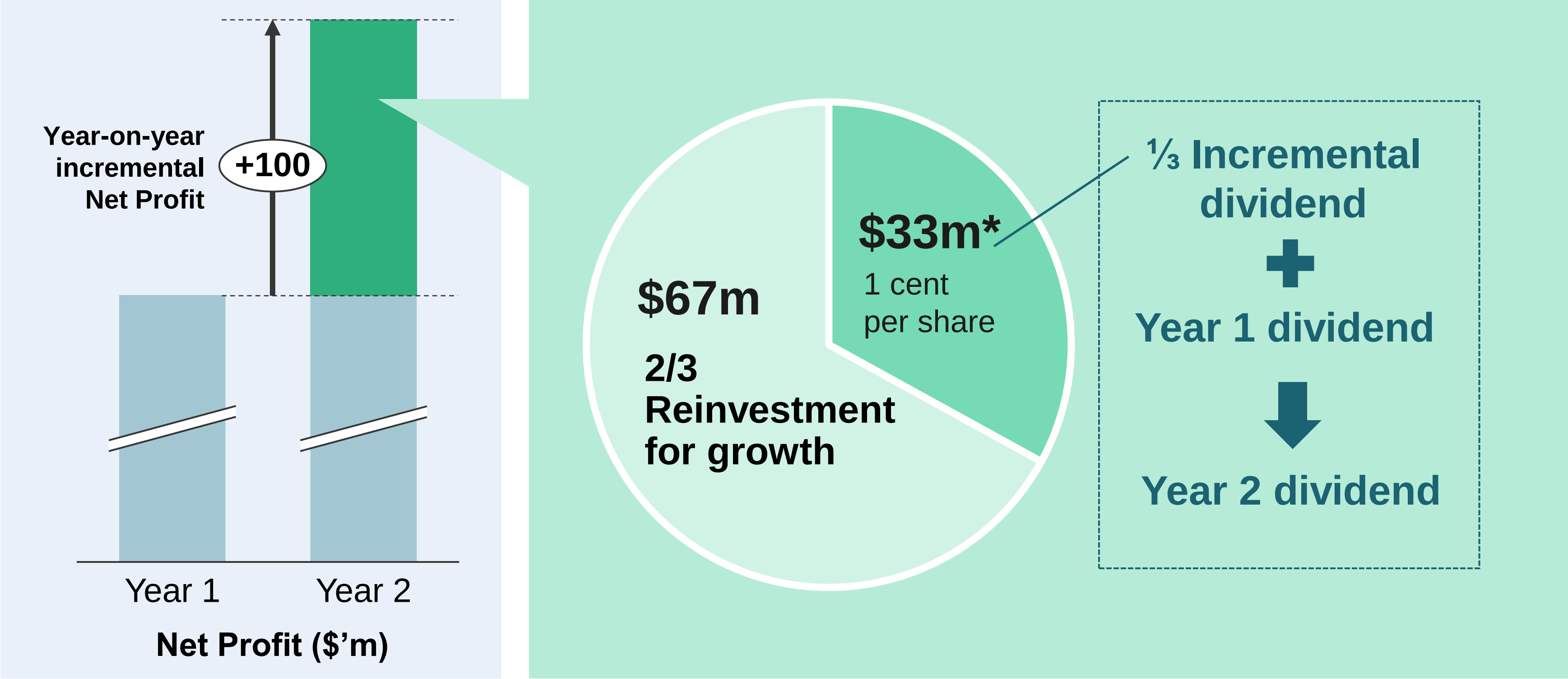
Dividend Policy – Effective for FY2026 and onwards

The Company is targeting further growth in revenue, operating cash flow and net profit with an objective to improve total shareholders' return (TSR). It intends to re-invest for growth while rewarding shareholders with dividends as described below.

Barring unforeseen circumstances, as the Company achieves progressively higher full-year net profit, it will pay out about ⅓ of its *year-on-year increase* in net profit as *incremental* dividends. The Company will pay dividends on a quarterly basis.

Illustration of new Dividend Policy

(As an example of year-on-year net profit increase)



* As part of final dividend for Year 2

Risk Management and Governance

- Effective strategies to manage key risks

Global Risk Management Framework highlights

Cybersecurity
- Cyber business capabilities
- Cyber resilience
- Multi-layered cybersecurity

Geopolitics
- Real-time monitoring
- Rapid response

Supply Chain
- Comprehensive risk monitoring
- Supply chain resilience

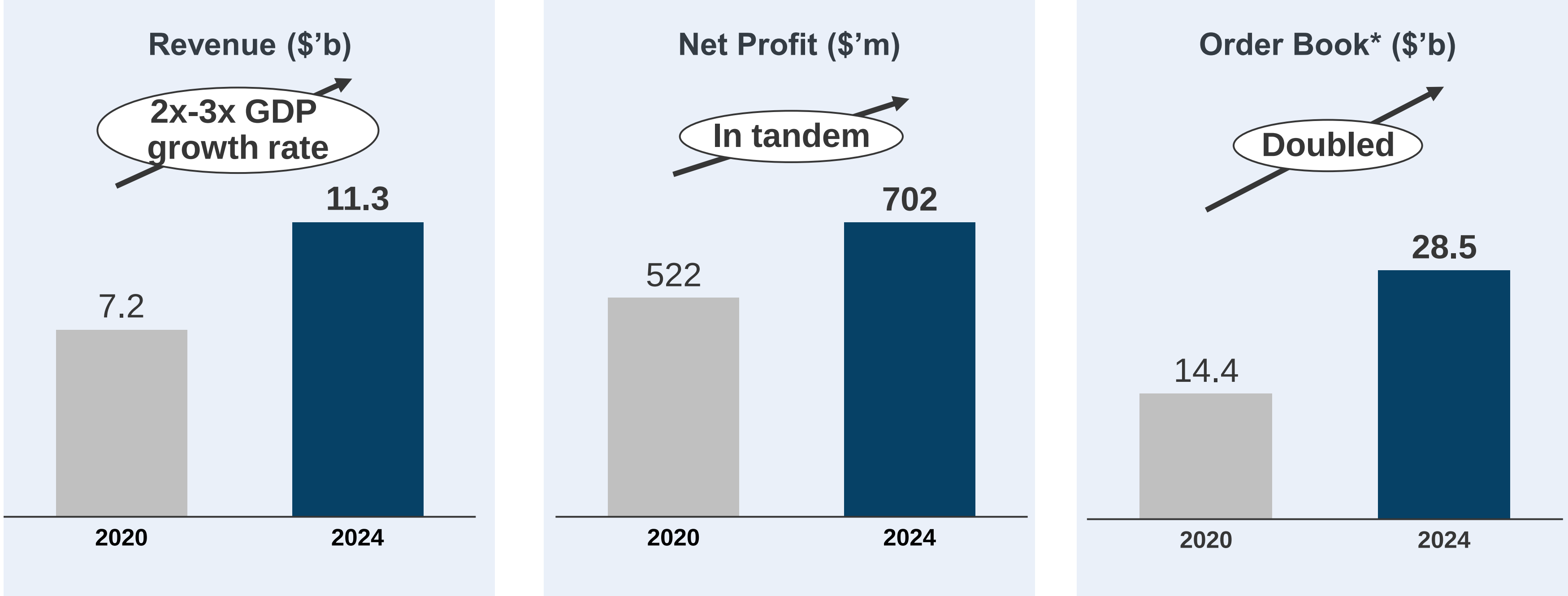
Financial
- Capital Structure optimisation
- Strong credit rating
- Balanced fixed-floating debt profile
- Effective hedging (FX, interest rates)

Robust Risk Management and Governance Culture

Summary

Strong foundation – Off to a good start

Track record of performance | Robust order book → Future revenue visibility



** Excludes U.S. Marine business divested in 2022*

Journey to yield cum growth

Yield stock

Yield cum growth stock

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Thank you