

ST Engineering: Continued growth despite slip in FY2022 earnings

DIGITAL ENGAGEMENT TEAM

01 MARCH 2023

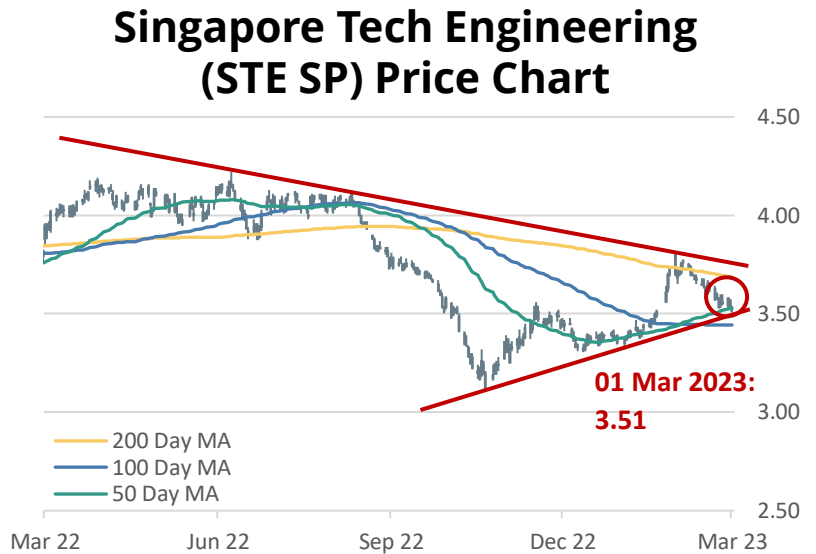
TRADING MATTERS SERIES: STOCK HIGHLIGHT

Features a single stock and zooms in on its performance in the market

KEY METRICS	
Current Price	3.51
Latest Dividend	0.04
Dividend Ex-Date	25/4/2023
Indicated Dividend Yield	4.56%
14 Day RSI	40.69
Analysts 12M Target Price	4.07

REFINITIV STOCKREPORTS+ AVERAGE SCORE
5/10 As of 01 Mar 2023

Refer to page 3 for indicator components

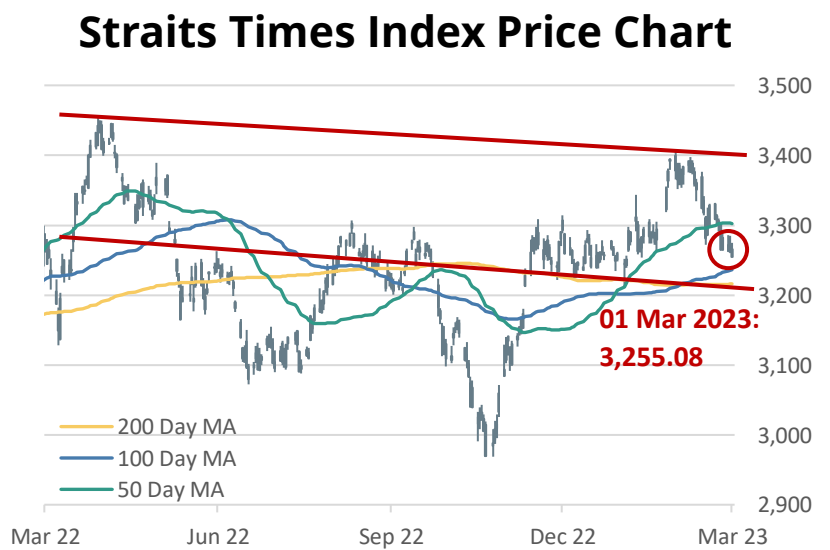


Any red lines drawn on the price charts are trendlines, which are visual representations of support & resistance levels. They are drawn by connecting a series of prices together to help indicate the data's best fit or the presence of any trend over a time frame, and are for illustration purposes only.

As of 01 Mar 2023 closing

KEY MARKET EVENTS

- 09 Mar** China CPI Release (Feb)
- 10 Mar** US Nonfarm Payrolls (Feb)
- 14 Mar** US CPI Release (Feb)
- 17 Mar** US Industrial Production (Feb)
- 23 Mar** US Fed Interest Rate Decision



As of 01 Mar 2023 closing

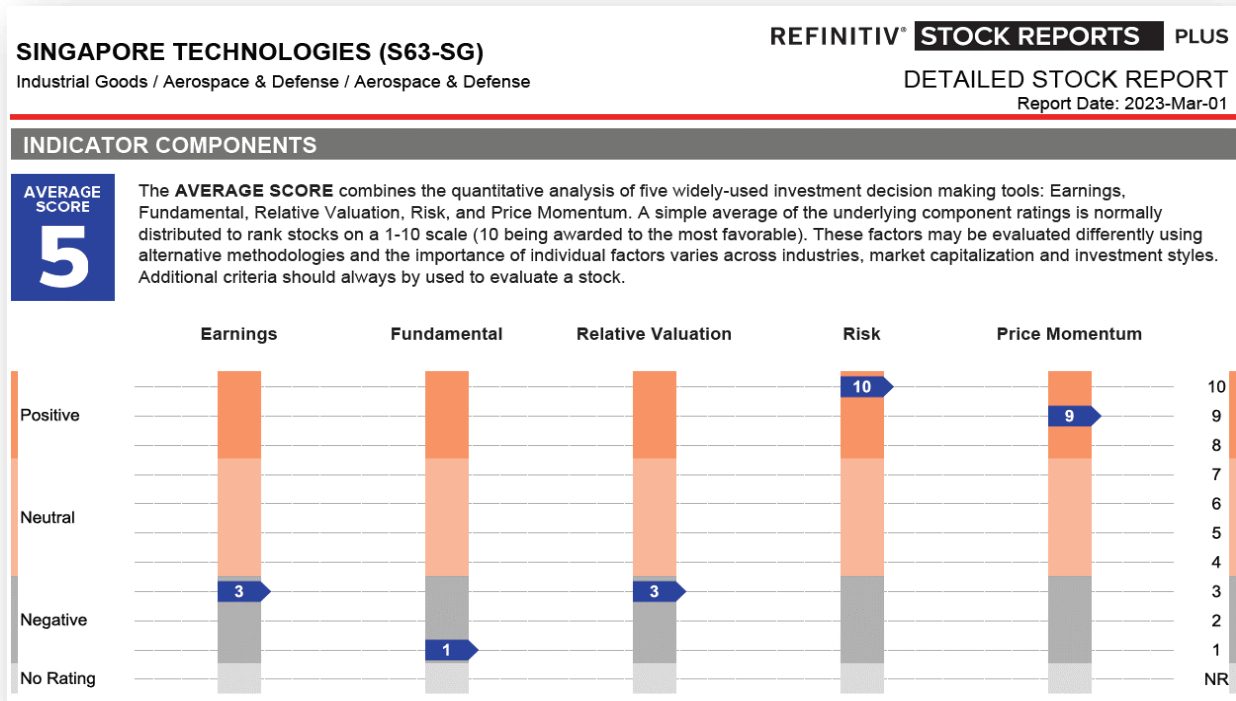
Headline News & Information

- ST Engineering Ltd is a global technology, defence, and engineering group. The company uses technology and innovation to solve problems and improve lives through its diverse portfolio of businesses across the aerospace, smart city, defence, and public security segments. ST Engineering serves clients worldwide (Bloomberg)
- ST Engineering set for continued growth in and beyond FY2023 as air travel begins full recovery (28 Feb 2023, The Edge)
 - Analysts are remaining positive on Singapore Technologies Engineering as a recovery play despite the company's slip in FY2022 earnings
 - With continued investments in research and development and strategic acquisitions, they believe the company's key focus will be on the strong ramp-up in Airbus Passenger to Freighter conversions, continued traction in the smart city space, such as smart mobility, smart environment and smart security, the expansion in digital businesses including cloud, artificial intelligence (AI) analytics and cybersecurity, and international defence contract wins
- Singapore Technologies Engineering Ltd Announces Board Changes (23 Feb 2023, S&P Capital IQ)
 - Singapore Technologies Engineering announced that Mr. Kwa Chong Seng will step down as Chairman of the Board and Independent Director on 21 Apr 2023 as part of the Board renewal process
 - He will be succeeded by Teo Ming Kian, who was appointed to the board as an independent Director on 1 Aug 2021 and has been the Group's Deputy Chairman since 21 Apr 2022

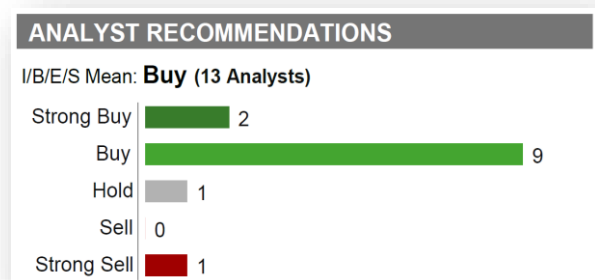
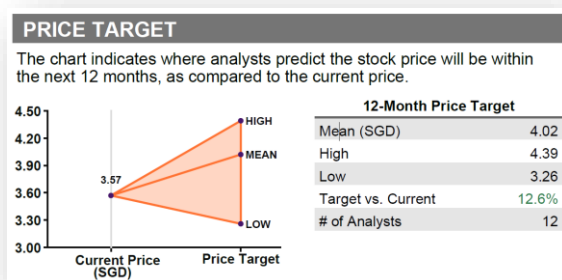
TRADING FLOWS	RESISTANCE LEVELS	SUPPORT LEVELS
<ul style="list-style-type: none"> • Shares fell 0.6% in the past 5 days and are down 5.4% in the past 30 days 	<ul style="list-style-type: none"> • 3.69 (100 Day MA) • 3.80 (Jan 2023) • 4.10 (Aug 2022) 	<ul style="list-style-type: none"> • 3.44 (50 Day MA) • 3.30 (Dec 2022) • 3.20 (Oct 2022)

Fundamental Viewpoint

An Extract from STOCKREPORTS+



Analyst Price Target and Recommendations



Source: REFINITIV STOCKREPORTS+, extracted 01 Mar 2023

SG Peer Analysis (STOCKREPORTS+)

PEER ANALYSIS													Currency in SGD	
Average Score	Ticker	PRICE MOMENTUM					VALUATION		FUNDAMENTAL		ANALYSTS			
		Price (2023-02-28)	1-Mo Return	3-Mo Return	1-Yr Return	Market Cap	Trailing PE	Forward PE	Dividend Yield	Net Margin	LTG Forecast	I/B/E/S Mean	# of Analysts	
5	S63	3.57	-3.0%	4.1%	-6.5%	11.1B	20.9	18.3	4.5%	5.9%	10.7%	Buy	13	
9	BS6	1.29	0.00%	-9.8%	79.9%	5.2B	10.0	9.2	3.9%	13.6%	-5.8%	Buy	8	
3	S51	0.13	-10.6%	-5.9%	49.4%	4.0B	--	--	--	-13.4%	--	Hold	7	
9	8AZ	0.83	-4.6%	2.5%	-10.8%	662M	9.2	6.1	5.4%	8.2%	--	Strong Buy	4	
4	E28	1.03	-12.0%	0.98%	-36.0%	491M	7.5	8.8	3.5%	6.6%	--	Buy	5	
6	G20	0.63	1.6%	1.6%	4.1%	328M	8.6	--	4.8%	3.4%	--	--	--	
2	5GD	0.36	0.00%	41.2%	-20.0%	290M	10.5	--	--	6.9%	--	--	--	
6	I07	0.49	-19.8%	21.3%	-24.8%	257M	8.4	10.8	9.7%	3.9%	--	Buy	1	
5	NO4	0.19	-4.1%	1.1%	103.3%	201M	14.7	--	--	4.5%	--	--	--	
8	500	0.41	2.5%	5.1%	7.9%	188M	8.6	--	5.7%	5.9%	--	--	--	
3	JLB	0.53	-7.8%	6.0%	-47.5%	178M	13.6	12.9	1.1%	10.2%	--	Buy	2	
5.5	Average	0.86	-5.3%	6.2%	9.0%	2.1B	11.2	11.0	4.8%	5.1%	2.4%	Buy	5.7	

PEER COMPANIES			
500	Tai Sin Electric	G20	GP Industries
5GD	Sunpower Group	I07	ISDN Holdings
8AZ	Aztech Global	JLB	Grand Venture Technology
BS6	Yangzijiang Shipbuilding	NO4	Dyna-Mac Holdings
E28	Frencken Group	S51	Sembcorp Marine

Source: REFINITIV STOCKREPORTS+, extracted 01 Mar 2023

Global Peer Analysis (Bloomberg)

Ticker	Name	Mkt Cap (USD) (Millions)	Last Px	P/E	P/E 5Yr Avg	P/B	P/B 5Yr Avg	Indicated Yield (%)
Average		36,990	8125.41	39.45	33.47	3.79	3.50	2.01
STE SP	SINGAPORE TECH ENGINEERING	8,142	3.51	20.43	21.46	4.56	5.03	4.56
CW US	CURTISS-WRIGHT CORP	6,690	174.79	22.49	20.32	3.36	2.96	0.43
RTX US	RAYTHEON TECHNOLOGIES	143,697	98.09	20.55	19.98	1.98	1.91	2.24
079550 KS	LIG NEX1 CO LTD	1,258	74,700	13.24	12.83	1.71	1.87	2.01
LMT US	LOCKHEED MARTIN	121,077	474.26	18.92	14.96	13.00	10.57	2.53
600316 CH	JIANGXI HONGDU AVIATION-A	2,851	27.35	196.14	170.12	3.76	4.30	0.24
AM FP	DASSAULT AVIATION	14,439	162.50	28.26	20.07	2.36	1.72	1.53
272210 KS	HANWHA SYSTEMS	1,789	12,370	N/A	N/A	1.05	1.27	2.02
GD US	GENERAL DYNAMICS	62,545	227.91	18.68	19.15	3.37	3.50	2.21
BA/ LN	BAE SYSTEMS PLC	33,131	898.00	17.55	13.45	2.50	2.78	3.01
RHM GR	RHEINMETALL AG	11,270	243.10	38.26	22.32	4.05	2.61	1.36

Source: Bloomberg, extracted 01 Mar 2023 closing

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