# Maybank

## ST Engineering (STE SP)

# Sustained earnings growth

## Inline 1H, stretched multiples; Downgrade to HOLD

STE reported 1H PATMI of SGD403m, +10% HoH/+20% YoY, with annualised run-rate 4% below MIBG's FY25E. Key items were in line with expectation with top line growing 7% YoY while cost savings and better margin mix improved bottom-line growth. Focus is on exiting non-core business and recycling capital. While STE has visible earnings growth from a record order book, risk-reward is unfavourable from its stretched valuation (31x '25e PE vs. historical mean 19x) and tariff-related risks. Downgrade to HOLD on a slightly higher SOTP-based TP of SGD8.40 on lower debt cost.

## Robust operations; limited tariff impact so far

1H revenue of SGD5.9b grew 10% YoY. Growth was underpinned by commercial aerospace (+5% YoY) and Defence and Public Security segment (+12% YoY) while urban solutions and SATCOM were flat. Growth in CA business was led by engine MRO and Nacelles while DPS saw broad-based growth. SATCOM continue to drag down USS performance. Group EBIT grew 15% on back of better product margin mix and cost savings. EBIT margin rose to 10.2% vs. 9.5% in 1H last year (though was similar if adjusted for other income in 1H this year). Further, with 4% lower finance expense, PATMI rose 20%. Group gross debt was lower at SGD5.5b (vs. SGD6.1b in June 2024) and debt to EBITDA contracted to 3.2x (4.0x in June 2024). Mgmt. noted SGD34m deferred revenue for engine MRO business in China over 2.5 months in 2Q versus prior guide of less than SGD40m per month.

## Record order book; focus on portfolio rationalisation

STE's order book was SGD31.2b, +12% YoY. Growth was across all three segments. Order visibility remains from ongoing increase in global defence spending. However, order lead-time for SATCOM is more extended. In the quarter, STE divested LeeBoy and SPTel with net cash proceeds of SGD450m and a one-off divestment gain of SGD180m.

### Stretched valuation: Downgrade to HOLD

1H results are in line with estimates and we leave our forecasts unchanged. We input a lower WACC, resulting in a higher TP of SGD8.4. While STE has visible earnings growth and good execution, stretched valuation and looming tariff-related uncertainty makes its risk-reward ratio unfavourable, in our view.

FYE Dec (SGD m)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue	10,101	11,276	11,946	13,158	14,572
EBITDA	1,456	1,614	1,856	2,172	2,474
Core net profit	586	702	841	979	1,114
Core EPS (cts)	18.8	22.5	26.9	31.4	35.7
Core EPS growth (%)	9.6	19.7	19.7	16.4	13.8
Net DPS (cts)	16.0	17.0	18.0	19.3	20.7
Core P/E (x)	20.7	20.7	30.2	26.0	22.8
P/BV (x)	4.4	4.9	7.8	6.9	5.9
Net dividend yield (%)	4.1	3.6	2.2	2.4	2.5
ROAE (%)	24.1	27.4	29.9	31.0	30.6
ROAA (%)	4.0	4.6	5.0	5.4	6.1
EV/EBITDA (x)	12.5	12.5	16.2	13.7	12.3
Net gearing (%) (incl perps)	209.1	182.7	131.6	109.6	108.2
Consensus net profit	-	-	883	961	na
MIBG vs. Consensus (%)	-	-	(4.7)	1.8	na

Krishna Guha krishna.guha@maybank.com (65) 6231 5842

# **HOLD**

[Prior:BUY]

Share Price SGD 8.14

12m Price Target SGD 8.40 (+3%)

Previous Price Target SGD 8.30

#### **Company Description**

STE is an engineering conglomerate with business in commercial aerospace, urban solutions & SATCOM and defence & public security.

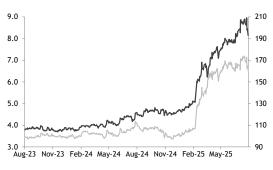
#### Statistics

52w high/low (SGD)	8.96/4.40
3m avg turnover (USDm)	34.5
Free float (%)	48.1
Issued shares (m)	3,122
Market capitalisation	SGD25.4B
	USD19.8B

#### Major shareholders:

Temasek Holdings Pte Ltd. (Investment Co	49.89
Capital Research & Management Co. (Globa	2.09
The Vanguard Group, Inc.	1.79

#### Price Performance



ST Engineering - (LHS, SGD) ——ST Engineering / Straits Times Index - (RHS, %)

	-1M	-3M	-12M
Absolute (%)	(3)	10	79
Relative to index (%)	(4)	1	41

Source: FactSet

#### Abbreviations explained

CA - Commercial Aerospace

DPS - Defence and Public Security

USS - Urban Solutions and SATCOM

MRO - Maintenance, Repair and Overhaul

PTF - Passenger to freighter

DCF - Discounted cash flow



## 1. 1H results

Fig 1: 1HFY25 highlights

SGDm.	1H24	2H24	1H25	%НоН	%YoY	Comments	%FY25e
Segment Revenue							
						Engine MRO and Nacelles growth offset largely by	
- Commercial Aerospace	2,231	2,153	2,347	9	5	lower PTF revenue, 7%yoy adj. for FX translation	52
						impact and revenue from aircraft sales	
- Defence & Public Security	2,372	2,563	2,648	3	12	Growth in all sub-segments	49
- Urban Solutions & SATCOM	918	1,039	921	(11)	0	Growth in Urban Solutions offset by Satcom, +2% YoY adj. for FX translation	42
Total revenue	5,520	5,756	5,916	3	7		50
Gross Profit	1,053	1,122	1,126	0	7		49
Operating profit	485	521	563	8	16		46
EBIT	523	554	602	9	15		51
EBITDA	786	828	871	5	11		
Finance costs, net	(106)	(107)	(102)	(5)	(4)		
PBT	416	447	500	12	20		49
PAT	348	381	414	9	19		
PATMI	337	366	403	10	20		48
Segment EBIT	1H24	2H24	1H25	%НоН	%YoY		
- Commercial Aerospace	190	210	224	6	18	Better margin mix, cost savings	
- Defence & Public Security	324	312	367	18	13	Cost savings	
- Urban Solutions & SATCOM	9	31	12	(63)	32	Better margin mix, cost savings	
Total EBIT	523	553	602	9	15		
EBIT Margin, %							
- Commercial Aerospace	8.5	9.8	9.5				
- Defence & Public Security	13.7	12.2	13.9				
- Urban Solutions & SATCOM	1.0	3.0	1.3				
Group EBIT Margin	9.5	9.6	10.2				

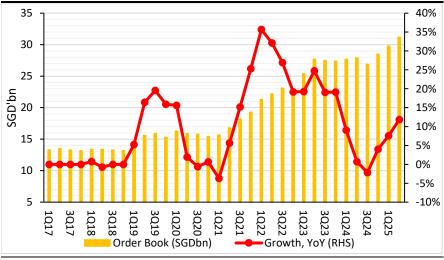
Source: Maybank IBG Research

Fig 2: Order book and new contracts

SGD b.	2Q24	1Q25	2Q25
Order book	27.9	29.8	31.2
Expected delivery thru rest of FY	4.9	7.3	5.0
New contracts for the qtr.	3.1	4.4	4.7
- Commercial Aerospace	1.3	1.3	1.5
- Defence & Public Security	1.0	2.7	1.5
- Urban Solutions & SATCOM	0.9	0.5	1.7
Order executed during the qtr., estimated	2.9	3.1	3.3
Revenue for the qtr., reported	2.8	2.9	3.0

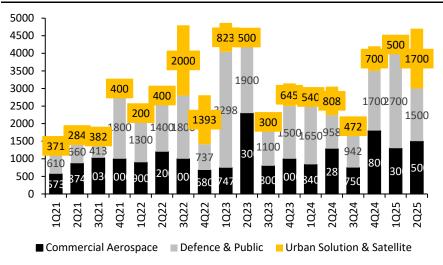
Source: Maybank IBG Research

Fig 3: Order book and YoY growth



Source: Maybank IBG Research

Fig 4: Quarterly order wins, SGDm.



Source: Maybank IBG Research

## 2. Valuation

We value STE on a sum-of-the-parts basis. Based on lower cost of equity and debt, we lower our WACC and raise our target price to SGD8.40. 1H financial performance was in line with our full-year estimates. Valuations at 29x 12m forward earnings (avg. 19.5x since 2015) and 18x forward EBITDA continues to trade on the richer side. While the stock has earnings visibility and growth of c.17% YoY for the forecast period from the record high order book, current valuation may leave risk-reward unfavourable if the headwinds related to tariffs materialise for its commercial aerospace division. The commercial aerospace division contributes about 40% of group revenue and EBIT and any order cancellation can weigh on group revenue and EBIT margin. As such, given the unfavourable risk-reward, we downgrade the stock to HOLD.

Fig 5: 12m forward PE multiple



Source: Maybank IBG Research

## 3. Risks

Slowdown in orders from domestic sources, moderation of growth and margins in the commercial aerospace, slower-than-expected turnaround of urban solutions and SATCOM business, dilutive M&As and integration challenges. Any impairments in TransCore from lack of order wins in congestion pricing.

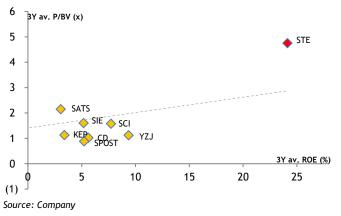
ST Engineering

## Maybank

## **Value Proposition**

- STE has a 50-year history as Singapore's primary defence contractor. In recent decades it has successfully evolved its operations to tap the commercial marketplace and presently the split between commercial and defence derived revenues is roughly 55:45.
- STE's operating segments are aligned by the commercial aerospace, urban solution & satellite communication and defence & public security sectors.
- The value proposition it offers customers is the ability to leverage a deep pool of engineering expertise across multiple sectors to deliver tailored solutions.
- STE is also one of the largest and non-airline affiliated aviation MRO providers in the world.

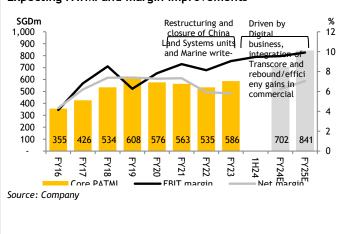
### Singapore large-cap industrials - historical P/BV vs ROE



## **Financial Metrics**

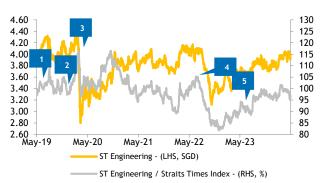
- Key factors driving our expectation of a blended margin recovery in FY23-FY25E: higher EBITDA margin from aerospace, growth of digital business and monetisation from inorganic growth.
- Aside from improving margins, robust aerospace and defence order books with relatively stable smart city initiatives underpin our 15% core PATMI CAGR forecast.
- We expect ROE to rebound from 24% in FY23 to 27% by FY26E.

## **Expecting PATMI and margin improvements**



## **Price Drivers**

## Historical share price trend



Source: Company, Maybank IBG Research

- 1. Multiple stock rating upgrades from the street.
- 2. Large contract win of SGD1b with options up to SGD2.6b for US marine subsidiary VT Halter Marine after a prolonged dry spell of material contract awards.
- 3. Global pandemic strikes causing huge disruption to aviation industry.
- 4. Singapore Technologies Engineering is marking its largest acquisition to date with the USD2.68b (SGD3.64b) all-cash offer for a group of entities under Roper Technologies focused on transport management systems.
- 5. Gradual rebound in MRO business, demand for PTF business and growth in Digital business within Defence and Public Security business.

## **Swing Factors**

## Upside

- Higher-than-expected passenger to freighter work from airlines upgrading their passenger fleets with cargo growth supportive.
- Better-than-expected margins if aircraft OEMs slow down their aftermarket expansion (as order books are full).
- The recent Polar Vessel contract win aside, a broader recovery in marine orders from a demand rebound for oilfield services vessels and specialised ship repair.
- Order book growth from US defence and infrastructure project wins, an area that STE has been pursuing but where large contracts have been few and far in-between.

## **Downside**

- Ongoing rise in inflation could see a supply crunch in aircraft materials and equipment.
- Structural threat from aircraft OEMs like Boeing and Airbus becoming more aggressive in expanding in the aftermarket-MRO space.
- Major disruption in airborne cargo growth due to the aftermath of a US-China trade war could hurt aircraft PTF conversion demand.

krishna.guha@maybank.com



ST Engineering





Krishna.guha@maybank.com

Risk Rating & Score <sup>1</sup>	30.9		
Score Momentum <sup>2</sup>	-0.1		
Last Updated	19 Nov 2021		
Controversy Score <sup>3</sup> (Updated: 07 Jun 2022)	2- Customer Incident		

## **Business Model & Industry Issues**

- Given the nature of the aviation engineering industry, which accounts for about 2% of direct CO2 global emissions, this number is expected to increase given the projected expansion of air travel. STE's greenhouse gas emissions reduction programme is strong. Furthermore, its carbon intensity trend is observed to have moderately declined over the past three years.
- The aerospace & defence industry is exposed to bribery and corruption risks through its close business relationship with government officials and bodies, and the competition for a limited number of high-value contracts. STE has a policy of zero tolerance in fraud and corruption practices. There were no reported cases of bribery and corruption in 2022.
- Being the largest government contractors, the group is entrusted with managing, storing and processing highly confidential information. Cyberattacks could result in data breaches and leaks of confidential documents, which can have serious consequences on national security matters, and impact companies' costs and operations. The company has average preparedness measures to address data privacy and security issues and has been implicated in minor controversies related to the issue.

## Material E issues

- In FY22, STE achieved a 30% absolute GHG emissions reduction as compared to FY21. This translated to a 37% reduction in GHG emissions intensity, which is on track to achieve the Group's target of a 50% reduction by FY30E.
- The Group designed eco-engine wash services EcoPower which has significant environmental benefits. It washes more than 9,000 aircraft engines annually using innovative and environmentally-friendly processes. These result in fuel savings, which translate to an estimated emissions avoidance of 500,000 tonnes CO2e annually as well as the recovery and reuse of around 2m litres of water.
- In FY22, STE's Singapore operations recycled 75% of 5,900 tonnes of waste generated. The recyclables included wood, metal, batteries and paper products.

## Material S issues

- Total Group economic contribution of SGD8.7b, which includes: (i) bought in material and services; (ii) employee wages, salaries and benefits; and (iii) dividends and others.
- As at end Dec 2021, 78% of the workforce is male while 22% is female with 14% turnover rate. Among them, about 14% of female and 15% of male employees are managers.
- In FY22, accident frequency (+37.5% YoY) and severity rate (-5% YoY) per million manhours has been on the uptrend. One of the key factors that contributed to the increase is human error in complying with safety procedures. Key mitigating measures have been imposed through cross sharing of best practices within the global operations.
- Positioning employees for the future of work through workforce transformation programmes including upskilling and reskilling initiatives. Average training of 22.5 hours per employee.

## Key G metrics and issues

- STE's board comprises 13 directors and an alternate director. The current board composition has: 9 independent & non-executive directors, 3 nonindependent & non-executive director and 1 executive director/ group president & CEO. There are 2 women directors and 11 men directors on the board.
- The nomination, audit, investment and remuneration committees are chaired by independent and non-executive directors.
- The board consists of members with established track record in various industries. The company has a majority standard for election of directors and the company has a resignation policy for directors failing to receive a majority of votes.
- As of March 2022, STE principal shareholders, with stake sizes in percentage of ordinary shares were as follows: Temasek Holdings (49.8%), Capital Research & Management (3.3%) and BlackRock Fund Advisors (1.4%).
- To date, STE has never received or been the subject of any legal action in relation to anti-competitive behaviour and violations of anti-trust and monopoly legislation. There were no reported cases of bribery and corruption in 2021.

<u>Risk Rating & Score</u> - derived by Sustainalytics and assesses the company's exposure to unmanaged ESG risks. Scores range between 0 - 50 in order of increasing severity with low/high scores & ratings representing negligible/significant risk to the company's enterprise value, respectively, from ESG-driven financial impacts. <u>2Score Momentum</u> - indicates changes to the company's score since the last update - a <u>negative</u> integer indicates a company's improving risk score; a <u>positive</u> integer indicates a deterioration. <u>3Controversy Score</u> - reported periodically by Sustainalytics in the event of material ESG-related incident(s), with the impact severity scores of these events ranging from Category 0-5 (0 - no reports; 1 - negligible risks; ...; 5 - poses serious risks & indicative of potential structural deficiencies at the company).

August 19, 2025 6

FYE 31 Dec	FY23A	FY24A	FY25E	FY26E	FY27E
Key Metrics					
P/E (reported) (x)	19.7	18.9	30.2	26.0	22.8
Core P/E (x)	20.7	20.7	30.2	26.0	22.8
P/BV (x)	4.4	4.9	7.8	6.9	5.9
P/NTA (x)	(5.5)	(8.7)	(19.7)	(50.8)	(80.5)
Net dividend yield (%)	4.1	3.6	2.2	2.4	2.5
FCF yield (%)	nm	nm	0.7	nm	nm
EV/EBITDA (x)	12.5	12.5	16.2	13.7	12.3
EV/EBIT (x)	19.9	18.8	25.3	22.6	20.5
INCOME STATEMENT (SGD m)					
Revenue	10,101.0	11,275.7	11,945.9	13,158.1	14,572.3
EBITDA	1,456.1	1,614.3	1,856.4	2,172.0	2,474.0
Depreciation	(340.9)	(355.9)	(427.9)	(462.6)	(498.0)
Amortisation	(200.6)	(181.9)	(200.6)	(200.6)	(200.6)
EBIT	914.7	1,076.5	1,184.1	1,320.3	1,485.3
Net interest income /(exp)	(210.4)	(213.8)	(234.6)	(207.7)	(214.3)
Associates & JV	58.1	71.0	66.5	68.2	69.8
Exceptionals	0.0	0.0	0.0	0.0	0.0
Other pretax income	16.5	(0.1)	4.8	2.7	1.6
Pretax profit	704.2	862.7	1,020.8	1,183.4	1,342.5
Income tax	(99.8)	(133.5)	(153.1)	(177.5)	(201.4)
Minorities	(18.0)	(26.9)	(26.9)	(26.9)	(26.9)
Perpetual securities	0.0	0.0	0.0	0.0	1.0
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	586.5	702.3	840.7	979.0	1,114.2
Core net profit	586.5	702.3	840.7	979.0	1,114.2
Preferred Dividends	0.0	0.0	0.0	0.0	1.0
BALANCE SHEET (SGD m)					
Cash & Short Term Investments	353.3	430.6	1,224.4	1,209.9	341.2
Accounts receivable	2,139.1	2,264.4	2,302.5	2,536.1	2,808.7
	4,137.4	4,628.7	5,002.9	5,510.6	6,102.9
Inventory	•	•	•	-	0.0
Reinsurance assets	0.0	0.0	0.0	0.0	
Property, Plant & Equip (net)	2,076.2	2,114.6	3,179.8	3,351.0	3,497.6
Intangible assets	4,958.2	4,989.8	4,789.2	4,588.6	4,388.0
Investment in Associates & JVs	567.4	621.5	623.8	626.2	628.6
Other assets	496.2	566.7	566.7	566.7	566.7
Total assets	14,727.8	15,616.1	17,689.3	18,389.1	18,333.7
ST interest bearing debt	2,563.7	2,945.1	2,650.6	2,385.5	2,147.0
Accounts payable	3,205.2	3,537.3	4,111.5	4,402.0	4,752.4
LT interest bearing debt	3,544.4	2,876.4	2,858.9	2,881.7	2,824.1
Other liabilities	3,313.0	3,548.0	4,568.0	4,631.0	4,538.0
Total Liabilities	12,626.6	12,906.7	14,188.8	14,300.5	14,261.5
Shareholders Equity	2,459.3	2,670.4	2,949.1	3,366.0	3,918.1
Minority Interest	293.0	280.5	307.4	334.4	361.3
Total shareholder equity	2,752.3	2,950.8	3,256.5	3,700.3	4,279.4
Total liabilities and equity	14,727.8	15,616.1	17,689.3	18,389.1	18,333.7
CASH FLOW (SGD m)					
Pretax profit	704.2	862.7	1,020.8	1,183.4	1,342.5
Depreciation & amortisation	541.4		628.5	663.2	
•		537.8			698.6
Adj net interest (income)/exp	210.4	213.8	234.6	207.7	214.3
Change in working capital	(100.8)	(103.9)	776.4	(286.2)	(315.8)
Cash taxes paid	(91.6)	(125.3)	(144.9)	(169.3)	(193.2)
Other operating cash flow	(2.0)	(2.5)	(2.3)	(2.4)	(2.5)
Cash flow from operations	1,261.4	1,382.4	2,512.8	1,596.2	1,743.7
Capex	(200.8)	(613.1)	(623.3)	(633.8)	(644.6)
Free cash flow	913.4	1,077.2	1,902.5	997.5	203.9
THE Cash How	(499.6)	(499.6)	(562.1)	(562.1)	(562.1)
	(477.0)				
Dividends paid	0.0	0.0	0.0	0.0	0.0
Dividends paid Equity raised / (purchased)		0.0		0.0 (242.2)	
Dividends paid Equity raised / (purchased) Change in Debt	0.0 (426.4)	0.0 (286.6)	(312.0)	(242.2)	(296.2)
Dividends paid Equity raised / (purchased) Change in Debt Other invest/financing cash flow Effect of exch rate changes	0.0	0.0			0.0 (296.2) (1,109.5) 0.0

August 19, 2025 7

FYE 31 Dec	FY23A	FY24A	FY25E	FY26E	FY27E
Key Ratios					
Growth ratios (%)					
Revenue growth	11.8	11.6	5.9	10.1	10.7
EBITDA growth	16.3	10.9	15.0	17.0	13.9
EBIT growth	24.4	17.7	10.0	11.5	12.5
Pretax growth	17.9	22.5	18.3	15.9	13.4
Reported net profit growth	9.6	19.7	19.7	16.4	13.8
Core net profit growth	9.6	19.7	19.7	16.4	13.8
Profitability ratios (%)					
EBITDA margin	14.4	14.3	15.5	16.5	17.0
EBIT margin	9.1	9.5	9.9	10.0	10.2
Pretax profit margin	7.0	7.7	8.5	9.0	9.2
Payout ratio	85.2	75.6	66.9	61.6	58.0
DuPont analysis					
Net profit margin (%)	5.8	6.2	7.0	7.4	7.6
Revenue/Assets (x)	0.7	0.7	0.7	0.7	0.8
Assets/Equity (x)	6.0	5.8	6.0	5.5	4.7
ROAE (%)	24.1	27.4	29.9	31.0	30.6
ROAA (%)	4.0	4.6	5.0	5.4	6.1
Liquidity & Efficiency					
Cash conversion cycle	107.5	108.1	103.5	98.8	103.1
Days receivable outstanding	69.2	70.3	68.8	66.2	66.0
Days inventory outstanding	164.5	163.7	168.7	171.5	174.9
Days payables outstanding	126.1	125.9	134.0	138.9	137.9
Dividend cover (x)	1.2	1.3	1.5	1.6	1.7
Current ratio (x)	0.9	0.9	0.9	1.0	1.0
Leverage & Expense Analysis					
Asset/Liability (x)	1.2	1.2	1.2	1.3	1.3
Net gearing (%) (incl perps)	209.1	182.7	131.6	109.6	108.2
Net gearing (%) (excl. perps)	209.1	182.7	131.6	109.6	108.2
Net interest cover (x)	4.3	5.0	5.0	6.4	6.9
Debt/EBITDA (x)	4.2	3.6	3.0	2.4	2.0
Capex/revenue (%)	2.0	5.4	5.2	4.8	4.4
Net debt/ (net cash)	5,754.8	5,390.9	4,285.1	4,057.4	4,629.8

Source: Company; Maybank IBG Research

## **Research Offices**

#### **ECONOMICS**

Suhaimi ILIAS Chief Economist Malaysia | Philippines | Global (603) 2297 8682 suhaimi\_ilias@maybank-ib.com

CHUA Hak Bin

Regional Thematic Macroeconomist (65) 6231 5830 chuahb@maybank.com

Erica TAY China | Thailand (65) 6231 5844 erica.tay@maybank.com

Brian LEE Shun Rong Indonesia | Singapore | Vietnam (65) 6231 5846 brian.lee1@maybank.com

Malaysia | Philippines | Global (603) 2082 6818 azril.rosli@maybank-ib.com

Luong Thu Huong (65) 6231 8467 hana.thuhuong@maybank.com

(65) 6231 5843 jiayu.lee@maybank.com

#### FX

Saktiandi SUPAAT Head of FX Research (65) 6320 1379 saktiandi@maybank.com

(65) 6320 1374 fionalim@maybank.com

Alan LAU, CFA (65) 6320 1378 alanlau@maybank.com

Shaun LIM (65) 6320 1371 shaunlim@maybank.com

#### STRATEGY

#### Anand PATHMAKANTHAN

(603) 2297 8783 anand.pathmakanthan@maybank-ib.com

#### FIXED INCOME

Winson PHOON, FCA Head of Fixed Income (65) 6231 5831

#### PORTFOLIO STRATEGY

ONG Seng Yeow (65) 6231 5839 ongsengyeow@maybank.com

(603) 2297 8888 lim.tzekhang@maybank.com

#### MIBG SUSTAINABILITY RESEARCH

Jigar SHAH Head of Sustainability Research (91) 22 4223 2632 jigars@maybank.com

Neerav DALAL (91) 22 4223 2606 neerav@maybank.com

#### **REGIONAL EQUITIES**

Anand PATHMAKANTHAN Head of Regional Equity Research (603) 2297 8783 anand.pathmakanthan@maybank-ib.com

WONG Chew Hann, CA Head of ASEAN Equity Research (603) 2297 8686 wchewh@maybank-ib.com

#### ΜΑΙ ΔΥSΙΔ

LIM Sue Lin, Head of Research (603) 2297 8612 suelin.lim@maybank-ib.com Equity Strategy

WONG Chew Hann, CA (603) 2297 8686

wchewh@mavbank-ib.com

Non-Bank Financials (stock exchange)
 Construction & Infrastructure

Desmond CH'NG, BFP, FCA (603) 2297 8680 desmond.chng@maybank-ib.com

Banking & Finance • Insurance

ONG Chee Ting, CA (603) 2297 8678 ct.ong@maybank-ib.com
• Plantations - Regional

YIN Shao Yang, CPA (603) 2297 8916

TAN Chi Wei, CFA

samuel.y@maybank-ib.com Gaming - Regional • Construction
 Aviation • Non-Bank Financials

(603) 2297 8690 chiwei.t@maybank-ib.com • Utilities • Telcos

WONG Wei Sum, CFA (603) 2297 8679 weisum@maybank-ib.com • Property • Glove

Jade TAM (603) 2297 8687 jade.tam@maybank-ib.com
• Consumer Staples & Discretionary

Nur Farah SYIFAA (603) 2297 8675 (003) 2297 6073 nurfarahsyifaa.mohamadfuad@maybank-ib.com • Renewable Energy • REITs

LOH Yan Jin (603) 2297 8687

lohyanjin.loh@maybank-ib.com
• Ports • Automotive Jeremie YAP

(603) 2297 8688 jeremie.yap@maybank-ib.com
• Oil & Gas • Petrochemicals

Nur Natasha ARIZA (603) 2297 8691 natashaariza.aizarizal@mavbank-ib.com

• Healthcare • Media (603) 2082 6824 lucas.sim@mavbank-ib.com

TEE Sze Chiah Head of Retail Research (603) 2082 6858 szechiah.t@maybank-ib.com • Retail Research

· Retail Research

Amirah AZMI (603) 2082 8769 amirah.azmi@maybank-ib.com

Δςρεία 7ΔΗΔΒΙ (603) 2082 8767

aseela.za@maybank-ib.com Retail Research

Amirul RUSYDY, CMT (603) 2297 8694 rusydy.azizi@maybank-ib.com

#### SINGAPORE

Thilan WICKRAMASINGHE Head of Research (65) 6231 5840 thilanw@maybank.com
• Strategy • Consumer
• Banking & Finance - Regional

Eric ONG (65) 6231 5849

ericong@maybank.com
• Healthcare • Transport • SMIDs

Jarick SEET (65) 6231 5848 jarick.seet@maybank.com • Technology • SMIDs

Krishna GUHA (65) 6231 5842 krishna.guha@maybank.com • REITs • Industrials

(65) 6231 5837 hussaini.saifee@maybank.com
• Telcos • Internet • Consumer

#### PHILIPPINES

Kervin Laurence SISAYAN Head of Research (63) 2 5322 5005 kervin.sisayan@maybank.com • Strategy • Banking & Finance • Telcos

Daphne SZE (63) 2 5322 5008 daphne.sze@maybank.com Consumer

Raffy MENDOZA (63) 2 5322 5010 joserafael.mendoza@maybank.com
• Property • REITs • Gaming

Germaine GUINTO (63) 2 5322 5006 germaine.guinto@maybank.com
• Utilities

Ronalyn Joyce LALIMO (63) 2 5322 5009 rona.lalimo@maybank.com SMIDs

### VIETNAM

Quan Trong Thanh Head of Research (84 28) 44 555 888 ext 8184 thanh.quan@maybank.com • Strategy • Banks

Hoang Huy, CFA (84 28) 44 555 888 ext 8181 hoanghuy@maybank.com
• Strategy • Technology

Le Nguyen Nhat Chuyen (84 28) 44 555 888 ext 8082 chuyen.le@maybank.com • Oil & Gas • Logistics

Nguyen Thi Sony Tra Mi (84 28) 44 555 888 ext 8084 trami.nguyen@maybank.com
Consumer Discretionary

Tran Thi Thanh Nhan (84 28) 44 555 888 ext 8088 nhan.tran@maybank.com
• Consumer Staples

Nguyen Le Tuan Loi (84 28) 44 555 888 ext 8182 loi.nguyen@maybank.com
• Property

Nguven Thanh Hai (84 28) 44 555 888 ext 8081 thanhhai.nguyen@maybank.com • Industrials

Nguyen Thanh Lam (84 28) 44 555 888 ext 8086 thanhlam.nguyen@maybank.com
• Retail Research INDONESIA

Jeffrosenberg CHENLIM Head of Research (62) 21 8066 8680 jeffrosenberg.lim@maybank.com • Strategy • Banking & Finance • Property

Willy GOUTAMA (62) 21 8066 8688 willy.goutama@maybank.com • Consumer

Etta Rusdiana PUTRA (62) 21 8066 8683 etta.putra@maybank.com
• Telcos • Internet • Construction

Paulina MARGARFTA (62) 21 8066 8690 paulina.tjoa@maybank.com • Autos • Healthcare

Jocelyn SANTOSO (62) 21 8066 8689 iocelvn.santoso@mavbank.com Consumer

an BARAKWAN (62) 21 8066 2694

hasan.barakwan@maybank.com Metals & Mining • Oil & Gas

Faiq ASAD (62) 21 8066 8692 faiq.asad@maybank.com • Banking & Finance

Kevin HALIM (62) 21 8066 2687 kevin.halim@maybank.com • Property • Cement

Satriawan HARYONO, CEWA, CTA (62) 21 8066 8682 satriawan@maybank.com Chartist

#### **THAILAND**

Chak REUNGSINPINYA Head of Research (66) 2658 5000 ext 1399 chak.reungsinpinya@maybank.com
• Strategy • Energy

Jesada TECHAHUSDIN, CFA (66) 2658 5000 ext 1395 jesada.t@maybank.com • Banking & Finance

Wasu MATTANAPOTCHANART

(66) 2658 5000 ext 1392 wasu.m@maybank.com

• Telcos • Technology (Software) • REITs • Property • Consumer Discretionary

Suttatip PEERASUB (66) 2658 5000 ext 1430 suttatip.p@maybank.com • Consumer Staples & Discretionary

Natchaphon RODJANAROWAN (66) 2658 5000 ext 1393 natchaphon.rodjanarowan@maybank.com • Utilities • Property

Boonyakorn AMORNSANK (66) 2658 5000 ext 1394 boonyakorn.amornsank@maybank.com · Services (Hotels, Transport)

Nontapat SAHAKITPINYO (66) 2658 5000 ext 2352 nontapat.sahakitpinyo@maybank.com
• Healthcare • Construction • Insurance

Yugi TAKESHIMA (66) 2658 5000 ext 1530 yugi.takeshima@maybank.com
• Technology (EMS & Semicon)

Tanida JIRAPORNKASEMSUK (66) 2658 5000 ext 1396 tanida.jirapornkasemsuk@maybank.com · Food & Beverage

#### APPENDIX I: TERMS FOR PROVISION OF REPORT, DISCLAIMERS AND DISCLOSURES

#### **DISCLAIMERS**

This research report is prepared for general circulation and for information purposes only and under no circumstances should it be considered or intended as an offer to sell or a solicitation of an offer to buy the securities referred to herein. Investors should note that values of such securities, if any, may fluctuate and that each security's price or value may rise or fall. Opinions or recommendations contained herein are in form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from the relevant jurisdiction's stock exchange in the equity analysis. Accordingly, investors' returns may be less than the original sum invested. Past performance is not necessarily a guide to future performance. This report is not intended to provide personal investment advice and does not take into account the specific investment objectives, the financial situation and the particular needs of persons who may receive or read this report. Investors should therefore seek financial, legal and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

The information contained herein has been obtained from sources believed to be reliable but such sources have not been independently verified by Maybank Investment Bank Berhad, its subsidiary and affiliates (collectively, "Maybank IBG") and consequently no representation is made as to the accuracy or completeness of this report by Maybank IBG and it should not be relied upon as such. Accordingly, Maybank IBG and its officers, directors, associates, connected parties and/or employees (collectively, "Representatives") shall not be liable for any direct, indirect or consequential losses or damages that may arise from the use or reliance of this report. Any information, opinions or recommendations contained herein are subject to change at any time, without prior notice.

This report may contain forward looking statements which are often but not always identified by the use of words such as "anticipate", "believe", "estimate", "intend", "plan", "expect", "forecast", "predict" and "project" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. Such forward looking statements are based on assumptions made and information currently available to us and are subject to certain risks and uncertainties that could cause the actual results to differ materially from those expressed in any forward looking statements. Readers are cautioned not to place undue relevance on these forward-looking statements. Maybank IBG expressly disclaims any obligation to update or revise any such forward looking statements to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

Maybank IBG and its officers, directors and employees, including persons involved in the preparation or issuance of this report, may, to the extent permitted by law, from time to time participate or invest in financing transactions with the issuer(s) of the securities mentioned in this report, perform services for or solicit business from such issuers, and/or have a position or holding, or other material interest, or effect transactions, in such securities or options thereon, or other investments related thereto. In addition, it may make markets in the securities mentioned in the material presented in this report. One or more directors, officers and/or employees of Maybank IBG may be a director of the issuers of the securities mentioned in this report to the extent permitted by law.

This report is prepared for the use of Maybank IBG's clients and may not be reproduced, altered in any way, transmitted to, copied or distributed to any other party in whole or in part in any form or manner without the prior express written consent of Maybank IBG and Maybank IBG and its Representatives accepts no liability whatsoever for the actions of third parties in this respect.

This report is not directed to or intended for distribution to or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for distribution only under such circumstances as may be permitted by applicable law. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Without prejudice to the foregoing, the reader is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this report.

#### Malaysia

Opinions or recommendations contained herein are in the form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from Bursa Malaysia Securities Berhad in the equity analysis.

## Singapore

This report has been produced as of the date hereof and the information herein may be subject to change. Maybank Research Pte. Ltd. ("MRPL") in Singapore has no obligation to update such information for any recipient. For distribution in Singapore, recipients of this report are to contact MRPL in Singapore in respect of any matters arising from, or in connection with, this report. If the recipient of this report is not an accredited investor, expert investor or institutional investor (as defined under Section 4A of the Singapore Securities and Futures Act 2001), MRPL shall be legally liable for the contents of this report.

#### Thailand

Except as specifically permitted, no part of this presentation may be reproduced or distributed in any manner without the prior written permission of Maybank Securities (Thailand) Public Company Limited. ("MST") accepts no liability whatsoever for the actions of third parties in this respect.

If you are an authorised recipient, you hereby tacitly acknowledge that the research reports from MST Research are first produced in Thai and there is a time lag in the release of the translated English version.

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey may be changed after that date. MST does not confirm nor certify the accuracy of such survey result.

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, MST does not confirm, verify, or certify the accuracy and completeness of the assessment result.

#### US

This third-party research report is distributed in the United States ("US") to Major US Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended) only by Wedbush Securities Inc. ("Wedbush"), a broker-dealer registered in the US (registered under Section 15 of the Securities Exchange Act of 1934, as amended). All responsibility for the distribution of this report by Wedbush in the US shall be borne by Wedbush. This report is not directed at you if Wedbush is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. You should satisfy yourself before reading it that Wedbush is permitted to provide research material concerning investments to you under relevant legislation and regulations. All U.S. persons receiving and/or accessing this report and wishing to effect transactions in any security mentioned within must do so with: Wedbush Securities Inc. 1000 Wilshire Blvd, Los Angeles, California 90017, +1 (646) 604-4232 and not with the issuer of this report.



#### UK

This document is being distributed by Maybank Securities (London) Ltd ("MSUK") which is authorized and regulated, by the Financial Conduct Authority and is for Informational Purposes only. This document is not intended for distribution to anyone defined as a Retail Client under the Financial Services and Markets Act 2000 within the UK. Any inclusion of a third party link is for the recipients convenience only, and that the firm does not take any responsibility for its comments or accuracy, and that access to such links is at the individuals own risk. Nothing in this report should be considered as constituting legal, accounting or tax advice, and that for accurate guidance recipients should consult with their own independent tax advisers.

#### **DISCLOSURES**

#### **Legal Entities Disclosures**

Malaysia: This report is issued and distributed in Malaysia by Maybank Investment Bank Berhad (15938- H) which is a Participating Organization of Bursa Malaysia Berhad and a holder of Capital Markets and Services License issued by the Securities Commission in Malaysia. Singapore: This report is distributed in Singapore by MRPL (Co. Reg No 198700034E) which is regulated by the Monetary Authority of Singapore. Indonesia: PT Maybank Sekuritas Indonesia ("PTMSI") (Reg. No. KEP-251/PM/1992) is a member of the Indonesia Stock Exchange and is regulated by the Financial Services Authority (Indonesia). Thailand: MST (Reg. No.0107545000314) is a member of the Stock Exchange of Thailand and is regulated by the Ministry of Finance and the Securities and Exchange Commission. Philippines: Maybank Securities Inc (Reg. No.01-2004-00019) is a member of the Philippines Stock Exchange and is regulated by the Securities and Exchange Commission. Vietnam: Maybank Securities Limited (License Number: 117/GP-UBCK) is licensed under the State Securities Commission of Vietnam. Hong Kong: MIB Securities (Hong Kong) Limited (Central Entity No AAD284) is regulated by the Securities and Futures Commission. India: MIB Securities India Private Limited ("MIBSI") is a participant of the National Stock Exchange of India Limited and the Bombay Stock Exchange and is regulated by Securities and Exchange Board of India ("SEBI") (Reg. No. INZ000010538). MIBSI is also registered with SEBI as Category 1 Merchant Banker (Reg. No. INM 000011708) and as Research Analyst (Reg No: INH000000057). UK: Maybank Securities (London) Ltd (Reg No 2377538) is authorized and regulated by the Financial Conduct Authority.

#### Disclosure of Interest

Malaysia: Maybank IBG and its Representatives may from time to time have positions or be materially interested in the securities referred to herein and may further act as market maker or may have assumed an underwriting commitment or deal with such securities and may also perform or seek to perform investment banking services, advisory and other services for or relating to those companies.

Singapore: As of 19 August 2025, Maybank Research Pte. Ltd. and the covering analyst do not have any interest in any companies recommended in this research report.

**Thailand:** MST may have a business relationship with or may possibly be an issuer of derivative warrants on the securities /companies mentioned in the research report. Therefore, Investors should exercise their own judgment before making any investment decisions. MST, its associates, directors, connected parties and/or employees may from time to time have interests and/or underwriting commitments in the securities mentioned in this report.

Hong Kong: As of 19 August 2025, MIB Securities (Hong Kong) Limited and the authoring analyst do not have any interest in any companies recommended in this research report.

India: As of 19 August 2025, and at the end of the month immediately preceding the date of publication of the research report, MIBSI, authoring analyst or their associate / relative does not hold any financial interest or any actual or beneficial ownership in any shares or having any conflict of interest in the subject companies except as otherwise disclosed in the research report. In the past twelve months MIBSI and authoring analyst or their associate did not receive any compensation or other benefits from the subject companies or third party in connection with the research report on any account what so ever except as otherwise disclosed in the research report.

Maybank IBG may have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned in this report or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment and may receive compensation for the services provided from the companies covered in this report.

#### **OTHERS**

#### Analyst Certification of Independence

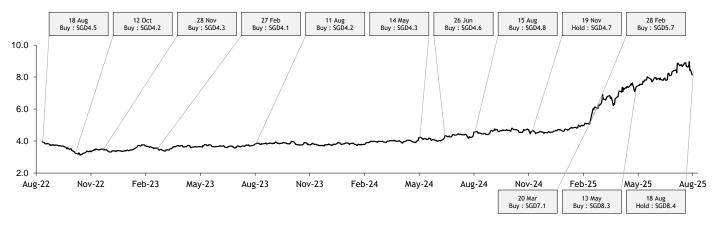
The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

### Reminder

Structured securities are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. The market value of any structured security may be affected by changes in economic, financial and political factors (including, but not limited to, spot and forward interest and exchange rates), time to maturity, market conditions and volatility and the credit quality of any issuer or reference issuer. Any investor interested in purchasing a structured product should conduct its own analysis of the product and consult with its own professional advisers as to the risks involved in making such a purchase.

No part of this material may be copied, photocopied or duplicated in any form by any means or redistributed without the prior consent of Maybank IBG.

#### Historical recommendations and target price: ST Engineering (STE SP)



ST Engineering

### **Definition of Ratings**

Maybank IBG Research uses the following rating system

BUY Return is expected to be above 10% in the next 12 months (including dividends)

HOLD Return is expected to be between 0% to 10% in the next 12 months (including dividends)

SELL Return is expected to be below 0% in the next 12 months (including dividends)

### **Applicability of Ratings**

The respective analyst maintains a coverage universe of stocks, the list of which may be adjusted according to needs. Investment ratings are only applicable to the stocks which form part of the coverage universe. Reports on companies which are not part of the coverage do not carry investment ratings as we do not actively follow developments in these companies.

## Malaysia

Maybank Investment Bank Berhad (A Participating Organisation of Bursa Malaysia Securities Berhad) 33rd Floor, Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur

Tel: (603) 2059 1888; Fax: (603) 2078 4194

Stockbroking Business: Level 8, Tower C, Dataran Maybank,

No.1, Jalan Maarof 59000 Kuala Lumpur Tel: (603) 2297 8888

Fax: (603) 2282 5136

## Singapore

Maybank Securities Pte Ltd Maybank Research Pte Ltd 50 North Canal Road Singapore 059304

Tel: (65) 6336 9090

## Indonesia

PT Maybank Sekuritas Indonesia Sentral Senayan III, 22nd Floor Jl. Asia Afrika No. 8 Gelora Bung Karno, Senayan Jakarta 10270, Indonesia

Tel: (62) 21 2557 1188 Fax: (62) 21 2557 1189

### Thailand

Maybank Securities (Thailand) PCL 999/9 The Offices at Central World, 20th - 21st Floor, Rama 1 Road Pathumwan. Bangkok 10330, Thailand

Tel: (66) 2 658 6817 (sales) Tel: (66) 2 658 6801 (research)

## Sales Trading

Indonesia Helen Widjaja helen.widjaja@maybank.com Tel: (62) 21 2557 1188

Philippines Keith Roy keith\_roy@maybank.com Tel: (63) 2 5322 3184 London

**Greg Smith** gsmith@maybank.com Tel: (44) 207 332 0221

Sanjay Makhija sanjaymakhija@maybank.com Tel: (91) 22 6623 2629

## London

Maybank Securities (London) Ltd PNB House 77 Queen Victoria Street London EC4V 4AY, UK

Tel: (44) 20 7332 0221 Fax: (44) 20 7332 0302

## India

MIB Securities India Pte Ltd 1101, 11th floor, A Wing, Kanakia Wall Street, Chakala, Andheri -Kurla Road, Andheri East, Mumbai City - 400 093, India

Tel: (91) 22 6623 2600 Fax: (91) 22 6623 2604

## Vietnam

Maybank Securities Limited Floor 10, Pearl 5 Tower, 5 Le Quy Don Street, Vo Thi Sau Ward, District 3 Ho Chi Minh City, Vietnam

Tel: (84) 28 44 555 888 Fax: (84) 28 38 271 030

## Hong Kong

MIB Securities (Hong Kong) Limited 28/F, Lee Garden Three, 1 Sunning Road, Causeway Bay, Hong Kong

Tel: (852) 2268 0800 Fax: (852) 2877 0104

## Philippines

Maybank Securities Inc 17/F, Tower One & Exchange Plaza Ayala Triangle, Ayala Avenue Makati City, Philippines 1200

Tel: (63) 2 8849 8888 Fax: (63) 2 8848 5738

www.maybank.com/investment-banking www.maybank-keresearch.com