

# Stratech Systems on target as it takes iFerret, Super BullsEye II global

| BY ELLEN LOKAJAYA |

Whenever a passenger plane takes off or lands at Changi International Airport, it does so under the watchful eye of Stratech Systems' iFerret system day or night, rain or shine, fog or haze.

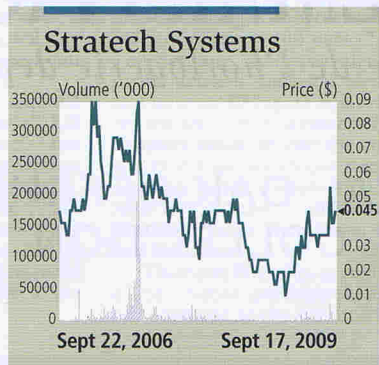
Designed and developed by the homegrown Mainboard-listed technology systems solutions provider, iFerret is an "intelligent vision system" that helps detect foreign objects & debris (FOD) on the runway to prevent planes from hitting them.

Soon, iFerret could be on 24/7 FOD detection duty on runways in civilian and military airports across the world — at least that's what Stratech hopes. The company has also developed three other "intelligent vision" products based on iFerret's intelligent vision technology. Meanwhile, Stratech will continue with the development of e-systems such as the online COE (Certificate of Entitlement) open bidding system.

"We are getting an absolutely tremendous amount of enquiries on the iFerret," says Stratech's executive chairman Dr David Chew. Currently, Chew says the company is working with the US Centre of Excellence in Airport Technology, a unit of the Federal Aviation Administration, on a pilot trial for the FOD detector on one of the seven runways at Chicago's O'Hare International Airport.

With more than 3,800 International Air Transport Association (Iata)-listed airports around the world and each having at least two runways, Chew believes the potential market for iFerret is simply huge. Last July, Stratech spun off iFerret as a separate business segment under Stratech Aerospace to focus on the market.

Last February, Stratech secured its first \$12-million, 10-year iFerret



contract from the Civil Aviation Authority of Singapore (CAAS) after an 18-month pilot trial. This June, iFerret was commissioned into service at Changi Airport.

## Defence applications

Besides civilian airports, iFerret can also be deployed in military airports and on aircraft carriers. Chew says Stratech has received a number of enquiries from overseas air forces. "The irony is that, when we first designed the system in the early 2000s, it was for the military airbases. It was for what we called battle damage assessment [BDA] and rapid runway repair [RRR]," he explains. As such, iFerret is now a dual-purpose system that can double as a BDA/RRR system for detecting bomb craters and unexploded ammunitions during wartime.

What made Stratech, whose core speciality is in e-systems, diversify into the design and development of intelligent vision systems in the late 1990s? "We realised that the market in Singapore was too small, so we needed products and capabilities that would enable us to go global," says Chew. "That's why we built our intelligent vision technologies, which are today among the best globally."

Stratech's business is divided into two segments: intelligent vision and e-systems. There are two product groups under the intelligent-vision segment: aerospace, which is spear-



iFerret in service at Changi. The FOD detector is on pilot trial at Chicago's O'Hare International Airport.

headed by iFerret; and homeland security, which develops products such as the intelligent vehicle access control system, which detects whether a car or its undercarriage has been modified, and the vessel identification and positioning system, which helps those involved in maritime surveillance like the coast guard identify vessels by determining its height, shape and speed.

## Super BullsEye II

In 1996, Stratech rolled out its first intelligent vision system called the Super BullsEye, a weapons scoring system designed to train combat pilots. Thirteen years later, Super BullsEye has found service with a few regional air forces, says Chew.

Last month, Stratech secured a \$5.9 million sub-contract to design, co-develop and implement a TV Ordnance Scoring System, which has a Super BullsEye II engine, for the Republic of Korea Air Force (Rokaf). In April, the company won a €3.4 million (\$7.1 million) contract to supply two Super BullsEye II systems to another air force in the region.

At present, Stratech's original business of developing e-systems generates some \$10 million in revenue, mainly from government contracts. And Singaporeans would probably have unknowingly used some of these e-systems developed by Stratech. They include the Online Certificate of Entitlement (OCOE) Open Bidding System, the Vehicle Entry Permit System used at both the Woodlands and Tuas checkpoints, as well as the Singapore Parliamentary Reporting System, where it helps archive and search recordings and transcripts of speeches.

In July, it completed a \$30-million project to develop a second-generation OCOE bidding system for the Singapore Land Transport Authority. Under the deal, Stratech



Chew: Because we have our products and fundamentals in place, I would say we have become resilient [in] the downturn

will operate and maintain the system for five years, with an option for another five years.

Despite the financial crisis last year, revenue rose 26% y-o-y to \$15.2 million and earnings increased 50% to \$1.2 million in FY2009 ended March 31. Stratech's intelligent vision products contributed 61% of total revenue and its e-systems segment contributed 39%. International sales grew 35% in FY2009 compared with 11% in FY2008.

In 1QFY2010 ended June 30, Stratech also saw revenue climb 54% y-o-y to \$3.28 million and earnings rise to \$130,000, from \$60,000. The company has an order book of \$43 million, of which \$27.5 million is expected to be recognised over the next five years.

"Because we have our products and fundamentals in place, I would say we have become resilient [in] the downturn," explains Chew. "How-

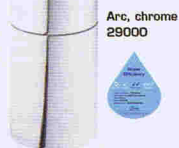
ever, the recession did slow down what could have been exponential growth as a result of our cutting-edge products and capabilities."

Although Stratech has found success with its intelligent vision products, Chew says he has no plans to sell off his e-systems business. Rather it's the intelligent vision division that could be put up for sale or listed separately. "Because of the tremendous potential of our intelligent vision products, we even feel that very soon they will be able to stand on their own two feet, and maybe even list separately on other stock exchanges or become so successful that they attract a trade sale," says Chew.

Meanwhile, he adds, Stratech plans to work with strategic partners to put its products on the world map and stay on the cutting edge of innovation and technology to develop its next killer app. ■



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