

Annual General Meeting

23rd July 2021



SIA ENGINEERING
COMPANY

Recap of FY20/21

Toughest year since listing due to impact of COVID-19



- **Flights handled at Changi hit a historical low**



- **Work volume at our hangars and Joint Ventures dropped significantly**

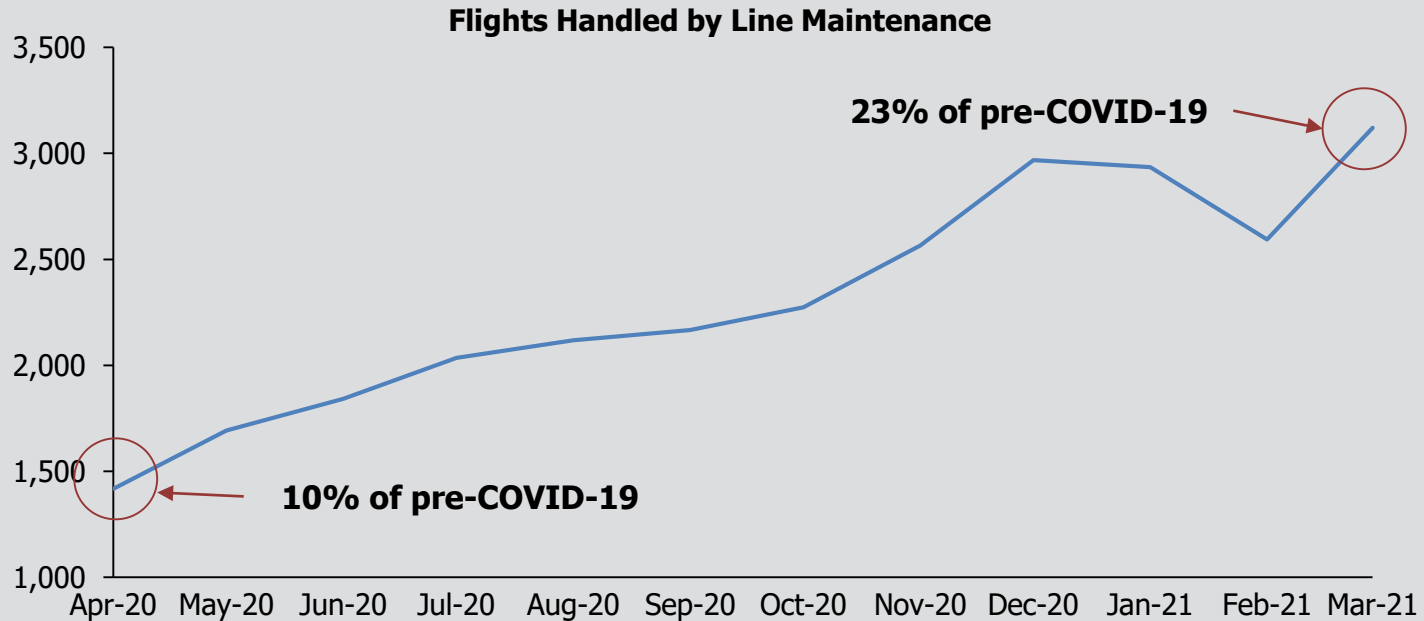


- **Considerable reduction in expenditure could not fully offset revenue loss**



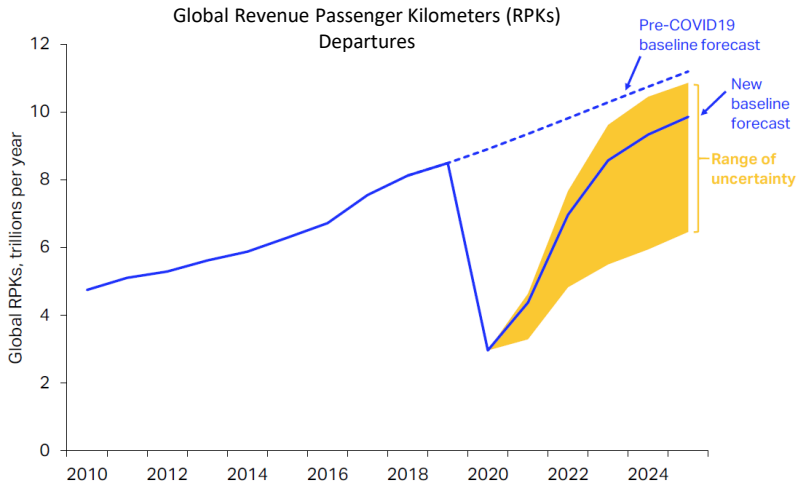
Looking Ahead

The worst of the aviation industry's COVID-19 downturn may be behind us



Outlook

Recovery amidst uncertainty



Source: IATA/Tourism Economics 'Air Passenger Forecasts' January 2021

- COVID-19 **vaccination gathering pace**
- **Increase in vaccine** manufacturing capacity and supply
- Restart of international air travel through **travel bubbles**



- **Stark gap** in vaccination levels between different countries
- **More transmissible** variants of COVID-19
- **Uncertainty** over the reopening of international borders impeding rebound in global air travel

Our Response

Emerging stronger and more resilient



Tighten Cost Measures

- Cuts in Management salaries and Directors fees
- Release of contract staff
- Imposed tight controls on non-essential expenditure



Workforce Safety & Upskilling

- Lean and digital training
- Rostered Routine Testing for frontline staff
- Safe management measures at the workplace
- 92% of staff vaccinated



Reshape Our Portfolio

- Acquired full ownership of Heavy Maintenance Singapore Services and SIA Engineering Philippines



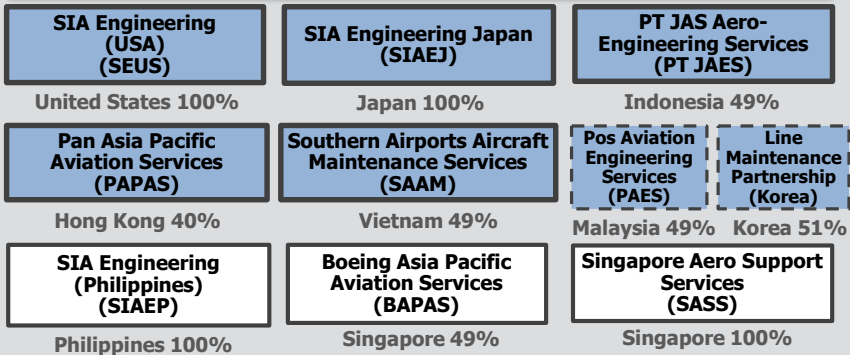
Pursue New Opportunities

- Set up new Engine Services Division to tap growth in the engine services market
- Potential acquisition of SR Technics Malaysia







Strategic Partnerships – JV Portfolio




23 JVs Across 7 Countries (Total Revenue in FY20/21: S\$4B)

Airframe and Line Maintenance

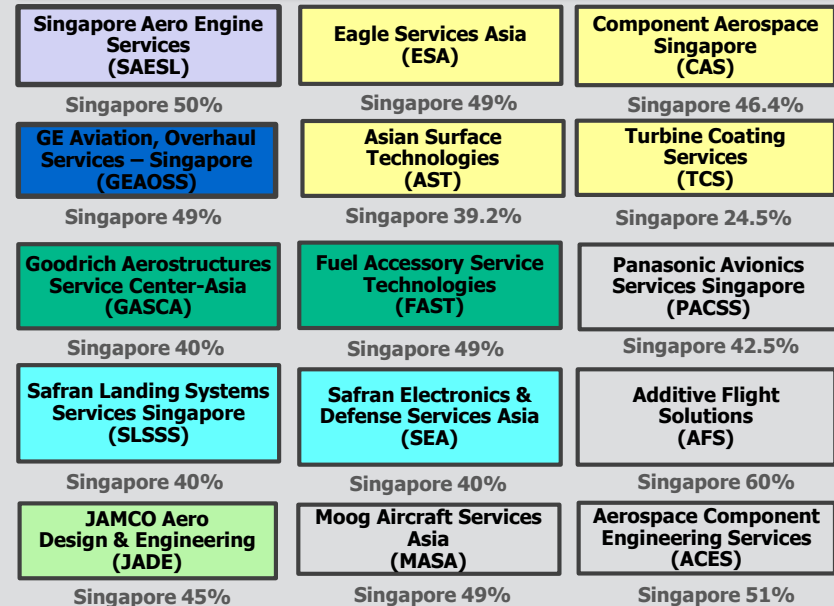


- Divested 51% stake in Aviation Partnership (Philippines) Corporation to Cebu Air
- Line Maintenance JV with NokScoot Airlines in Thailand in the process of dissolution

JV Partners:  Pratt & Whitney  Rolls-Royce  GE  Jamco  Safran  Collins

 Line Maintenance International (LMI)  LMI (pending)  Others

Engine and Component



Accelerating Pace of Transformation

Transformation Phase 2

Power Up with Lean



- More than 20% improvement in turnaround time
- Scale up to over 20 projects
- Enterprise wide implementation
- Launch Lean Academy

Adding value to Customers

- Time saved for customers through data-sharing and process re-engineering
- Deepen synergy

Planned
investments of

\$40M

in Lean and Digital
Product
Development



Power Up with Digital and Technology

- Launch core digital applications
- Progress on major platform transitions
- Roll out data analytics solutions

Adding value to Staff

- 125,000 hours time saved for staff through Lean & Digital enablement



Engineering a Sustainable Future

Responsible business practices to drive positive change in the community



Installed **solar photovoltaic system**

- ❖ *To provide up to 20% of electrical energy needs*
- ❖ *Expected to reduce 2,594 tonnes of CO₂e annually*

Green building

- ❖ *Hangar 2 achieved BCA Green Mark Platinum rating and Super Low Energy Building status, and attained PUB Water Efficient Building certification*

Expanded **recycling programme**

- ❖ *58% reduction in paper consumption*
- ❖ *67 tonnes of non-hazardous waste recycled in FY20/21*

Corporate Social Responsibility (CSR) efforts

- ❖ *Continual engagement with charity organisations*

Thank You