SIA ENGINEERING COMPANY





ANNUAL GENERAL MEETING

Presentation by CEO

20 July 2023

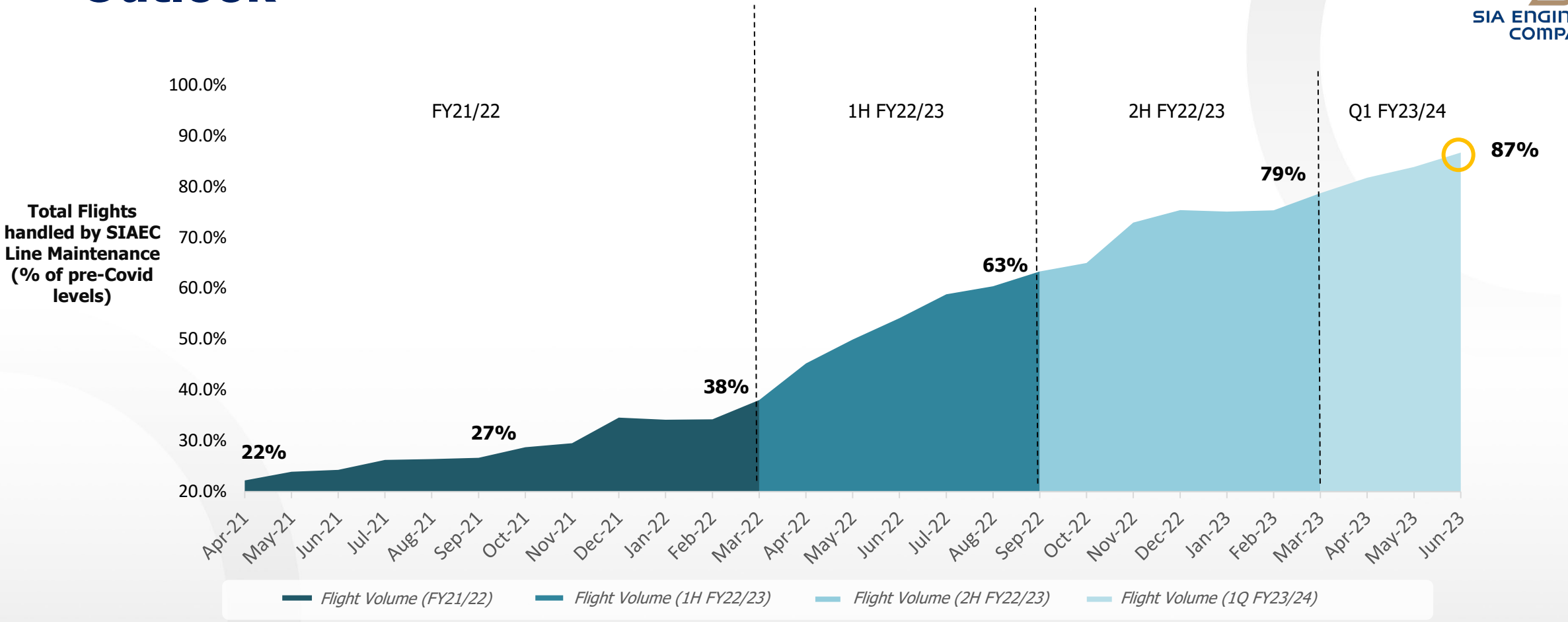
FY22/23 At a Glance

	FY21/22	FY22/23	Variance	
Revenue ($M)	566.1	**796**	229.9	(41%)
Excluding wage support and tax write-back				
GPAT ($M)	-47.4	**55.2**	102.6	
Profit Margin	-8.4%	**6.9%**	15.3	ppts
Return on Equity	-3.0%	**3.4%**	6.4	ppts
DIVIDENDS (2022/23)*	5.5 cents per share			

**Subject to the approval of shareholders, to be paid on 11 Aug 2023*

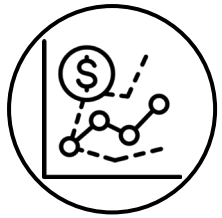
- **Turnaround in GPAT**
  - Improvement of ~$102 M
  - Worst of the pandemic behind us
- **Revenue growth achieved across all business segments**
- **Dividend payout of 5.5¢ per share**

Outlook



Increase in Flight Activities

Outlook



Pace of recovery remains uncertain
- Slower rate of recovery expected in FY23/24
- Airlines remain constrained by crew shortages and aircraft delivery delays
- OEM supply chain issues impeding production rates



Macroeconomic factors
- Geopolitical tensions and supply chain disruptions
- High inflation and increased costs
- Rising interest rates
- Risk of global recession



Wage Pressures
- Increased cost of living and wage pressures

Near Term Priorities



Remaining vigilant and prudent in managing increase in costs



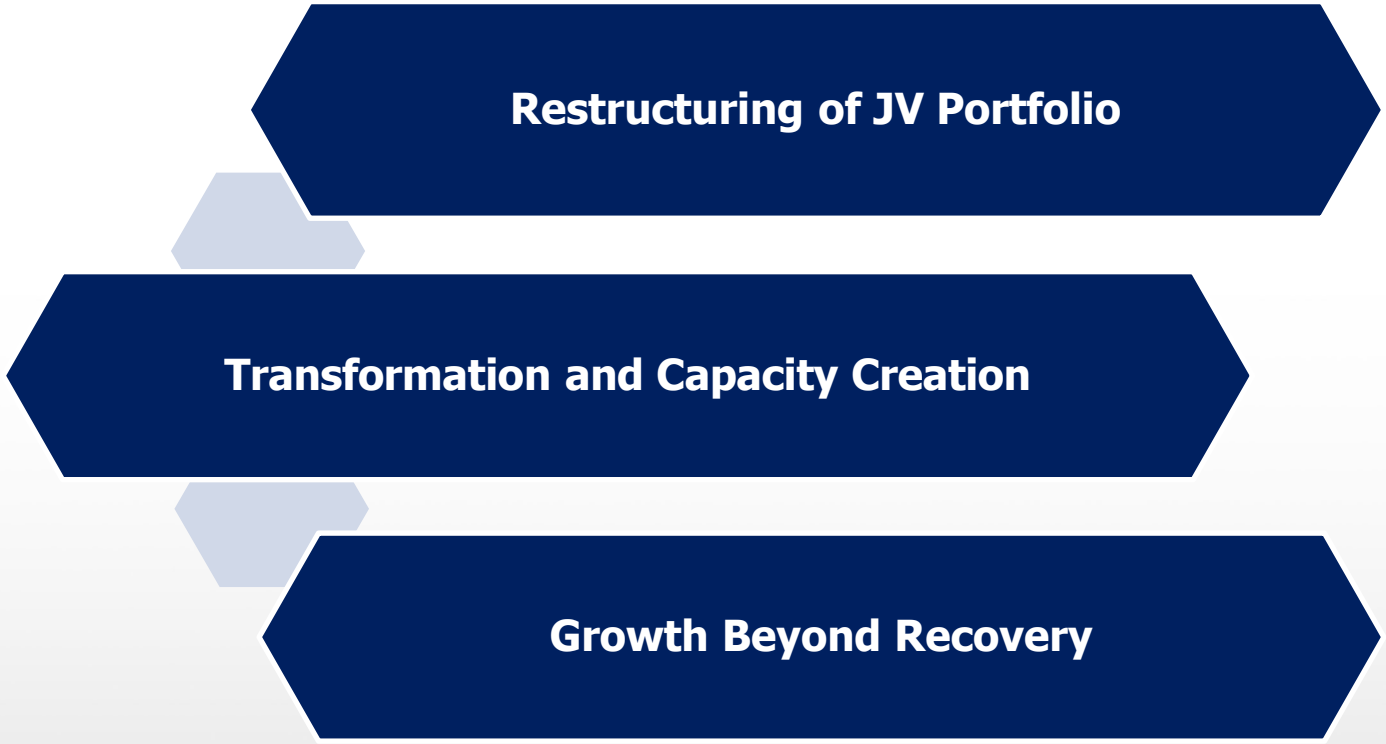
Stepping up from Transformation to Continuous Improvement



Seeking investment opportunities for growth development

Emerging Stronger

Strategies that have strengthened SIAEC



Strategic Partnerships – JV Portfolio

Reshaping and strengthening JV portfolio in alignment with growth strategies

Exiting JVs
- Line Maintenance Partnership (Thailand) (LMPT)
- Heavy Maintenance Singapore Services (HMSS)
- Aviation Partnership (Philippines) Corporation (APPC)
- Asian Surface Technologies (AST)
- Boeing Asia Pacific Aviation Services (BAPAS)

New Subsidiaries and JVs
- Asia Pacific Aircraft Component Services (APACS) – Malaysia 75%
- Line Maintenance JV with Cambodia Airport Investment Co., Ltd – Cambodia 51%
- Component MRO JV with Eaton – Malaysia 49%
- Pos Aviation Engineering Services (PAES)* – Malaysia 49%
- Line Maintenance JV with Aero-K** – South Korea 51%

Changes in Shareholding
- Acquisition of additional 35% of SIA Engineering Philippines (SIAEP), resulting in full ownership
- Acquisition of additional 10% in Jamco Aero Design and Engineering (JADE), increasing SIAEC's shareholding to 55%

Overview
- 22 JVs Across 8 Countries
- Total Revenue in FY22/23 : S$6B

**Pending completion of transaction ** Pending incorporation*

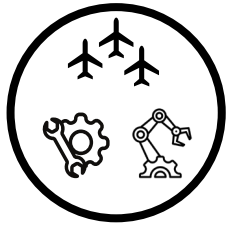
Transformation Dividends

Fruits of our labour



Boost Competitiveness

- 15 – 20% improvement in aircraft check turnaround time
- Productivity improvement
- Increase in long-term customers
- Accolades at MRO awards



Create Value for Customer and Staff

- Increased aircraft availability for airlines
- Reduction of waste and improvement of safety performance
- Safer and less strenuous work enabled by automation and assistive tooling



Strengthen Organisational Capabilities

- Enhanced Lean and Digital operating systems
- Active innovation from ground-up initiatives
- Experimentation in AI, machine vision and optimisation tools

Enabled us to generate additional capacity and capture demand

Gearing Up for Growth

Capturing growth beyond recovery

Line Maintenance



- Expansion of Line Maintenance International (LMI) network worldwide
  - Newark and Chicago
  - Fukuoka and Chitose
  - JV agreement with PAES for line operations in Malaysia
  - JV agreement with Cambodia Airport Investment Co., Ltd

Base Maintenance



- Expanding Base Maintenance footprint overseas with the potential lease of two wide-body aircraft hangars in Subang, Malaysia
- Acquired full ownership of SIA Engineering Philippines
- Increasing long-term 3rd party customers
  - Hawaiian Airlines
  - United Airlines
  - Air India

Component Services



- Acquired 75% stake in Asia Pacific Aircraft Component Services and gained repair capabilities for over 600 part numbers
- JV agreement with Eaton to form component MRO JV

Engine Services



- Opened our engine Quick Turn and Testing facilities for LEAP engines
- Established On-Wing Services for Rolls-Royce Trent engines

Sustainability

- Medium-term target of halving Scope 1 and 2 carbon emissions by 2030
- Long-term target of achieving net zero carbon emission by 2050

Investing in energy-efficient equipment and cleaner vehicles

- Progressive upgrade of air compressors in hangars
- Scale up adoption of electric tractors

Expanding use of renewable energy

- Installation of additional solar panels to fulfil SIAEC's electricity needs (beyond current 18% in FY22/23)

PUB Water Efficient Building (WEB) certification for Hangars 4, 5, 6 and Engine Test Facility

- All SIAEC-owned buildings are WEB certified

ESG focus

- Decarbonise operations, deepen engagement with stakeholder and Enhance Sustainability Disclosures

Improved Scores from Sustainability Rating Agencies

Rating Agency#	2021	2022
Sustainalytics	▲ Medium (20.9)	▲ **Low (17.9)**
S&P Global	▲ 37/100	▲ **45/100**

 # Sustainalytics rating improves with lower score; S&P rating improves with higher score

Thank you


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