



FY2015/16 Performance Review





SIA ENGINEERING
COMPANY

Financial Review



Summary of Group Results

FY1516

	FY1516 \$M	FY1415 \$M	Variance %
Revenue	1,112.7	1,120.6	- 0.7
Expenditure	1,008.3	1,036.6	- 2.7
Operating profit	104.4	84.0	+ 24.3
Surplus on disposal of a subsi company	-	5.8	n.m.
Surplus on partial disposal of an assoc company	2.8	-	n.m.
Loss on liquidation of an assoc company	(4.3)	-	n.m.
Prov for impairment in an assoc company	(2.5)	-	n.m.
Share of results of Assoc/JVs, net of tax	94.2	106.3	- 11.4
Profit before tax	202.0	205.4	- 1.7
Net profit	176.6	183.3	- 3.7
Net profit margin (%)	15.9	16.4	- 0.5 ppt



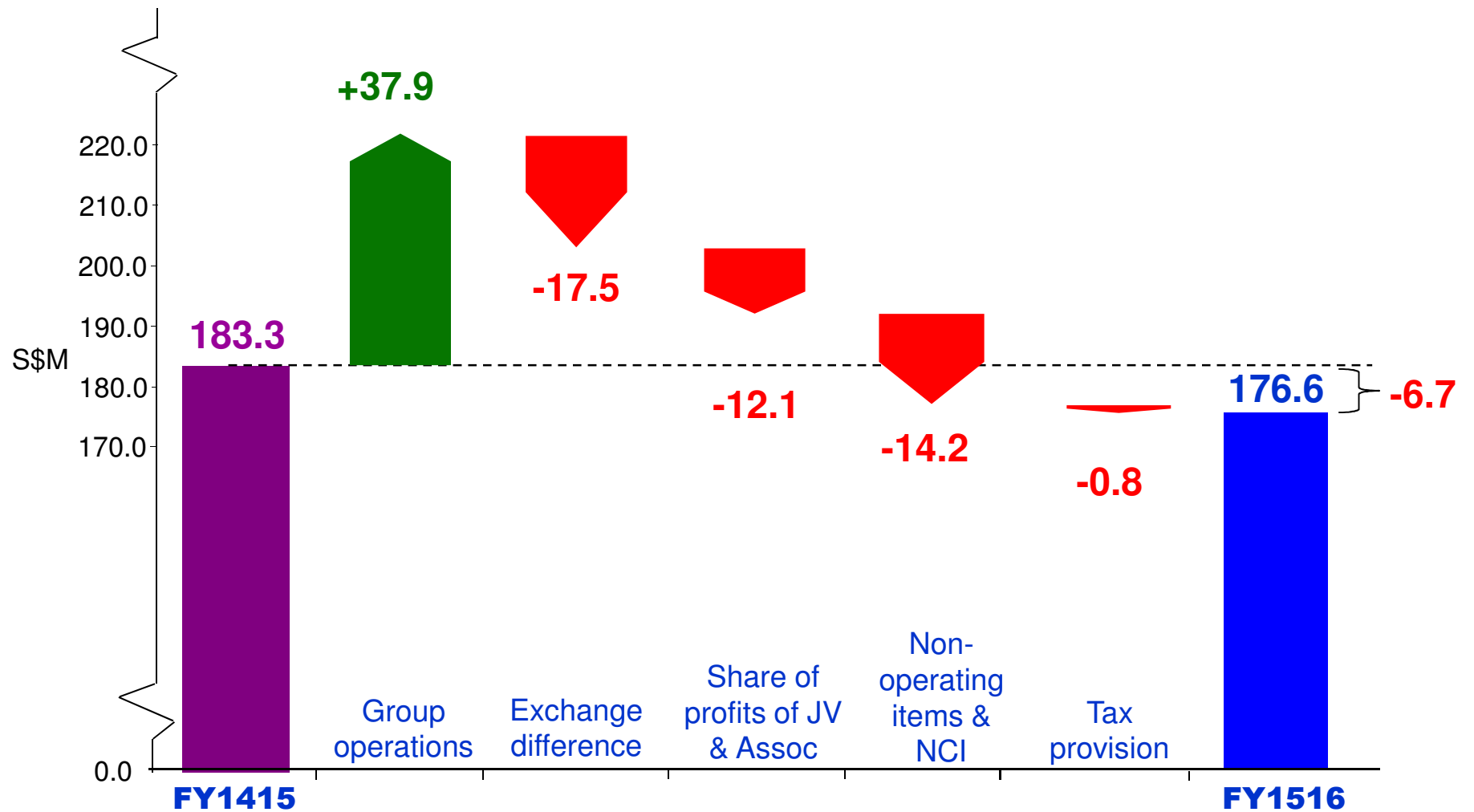
Summary of Group Results

4Q FY1516

	4QFY1516	4QFY1415	Variance
	\$M	\$M	%
Revenue	294.2	276.0	+ 6.6
Expenditure	266.7	252.9	+ 5.5
Operating profit	27.5	23.1	+ 19.0
Share of results of Assoc/JVs, net of tax	18.3	21.3	- 14.1
Profit before tax	47.8	46.6	+ 2.6
Net profit	41.4	41.4	-
Net profit margin (%)	14.1	15.0	- 0.9 ppt



Group Profit for FY2015/16



Joint Venture and Associated Companies

FY1516

	FY1516 \$M	FY1415 \$M	Variance %
<u>Share of profits after tax</u>			
Repair and Overhaul			
- Engine Repair & Overhaul Centres	50.7	67.6	- 25.0
- Others	40.6	35.8	+ 13.4
	91.3	103.4	- 11.7
Line Maintenance	2.9	2.9	-
	94.2	106.3	- 11.4



Breakdown of Group Revenue

FY1516

	FY1516 \$M	FY1415 \$M	Variance	
				%
Airframe & Component Overhaul	450.9	490.3	-	8.0
Fleet Management	201.7	188.1	+	7.2
Repair & Overhaul	652.6	678.4	-	3.8
Line Maintenance	460.1	442.2	+	4.0
	1,112.7	1,120.6	-	0.7



Group Expenditure

FY1516

	FY1516 \$M	FY1415 \$M	Variance	
				%
Staff costs	462.9	476.7	-	2.9
Materials	188.8	176.7	+	6.8
Subcontract costs	161.3	178.5	-	9.6
Overheads	195.3	204.7	-	4.6
Expenditure	1,008.3	1,036.6	-	2.7



Group Operating Profit by Segment

FY1516

	FY1516 \$M	FY1415 \$M	Variance %
Repair & Overhaul	(3.4)	(14.3)	+ 76.2
Line Maintenance	107.8	98.3	+ 9.7
	104.4	84.0	+ 24.3



SIA vs Non-SIA Revenue

FY1516

	SIA \$M	Non-SIA \$M	Total \$M
SIAEC	706.0	318.8	1,024.8
<i>% of non-SIA work</i>		<i>31%</i>	
Subsidiary Cos	61.0	76.1	137.1
<i>% of non-SIA work</i>		<i>56%</i>	
JV & Associated Cos			
- Repair & Overhaul	583.8	2,203.2	2,787.0
- Line Maintenance	14.7	26.9	41.6
	598.5	2,230.1	2,828.6
<i>% of non-SIA work</i>		<i>79%</i>	
Combined revenue	1,365.5	2,625.0	3,990.5
<i>% of non-SIA work</i>		<i>66%</i>	

Group Balance Sheet

	31 Mar 2016 \$M	31 Mar 2015 \$M
Equity attributable to owners of the parent	1,485.5*	1,324.9
Non-controlling interests	26.4	24.7
Total equity	1,511.9	1,349.6
Non-current liabilities	54.0	50.5
	1,565.9	1,400.1
<u>Represented by:</u>		
Non-current assets	895.8	884.1
Cash	393.9	463.7
Non-current asset held for sale	156.5	-
Other current assets	375.9	308.8
	926.3	772.5
Less: Current liabilities	(256.2)	(256.5)
Net current assets	670.1	516.0
	1,565.9	1,400.1

* Includes fair value uplift of HAESL amounting to S\$141.9M



Financial Statistics

	FY1516	FY1415	Variance
Basic earnings per share (cents)	15.74	16.36	- 3.8 %
Return on average shareholders' funds (%)	12.6	13.6	- 1.0 ppt

	Mar 16	Mar 15	Variance
Net asset value per share (cents)	132.4	118.1	+ 12.1 %



Final Dividend

	FY1516	FY1415
<u>Final Dividend</u> <u>(in cents per share)</u>		
Ordinary	8.0	8.5
Total Dividend	14.0*	14.5

* Inclusive of interim dividend of 6 cents per share paid on 24 November 2015.



Operational Review



Core Businesses



**Line
Maintenance**

35 airports in 7 countries



**Aircraft &
Component
Services**

**6 hangars in Singapore
3 hangars in the Philippines**



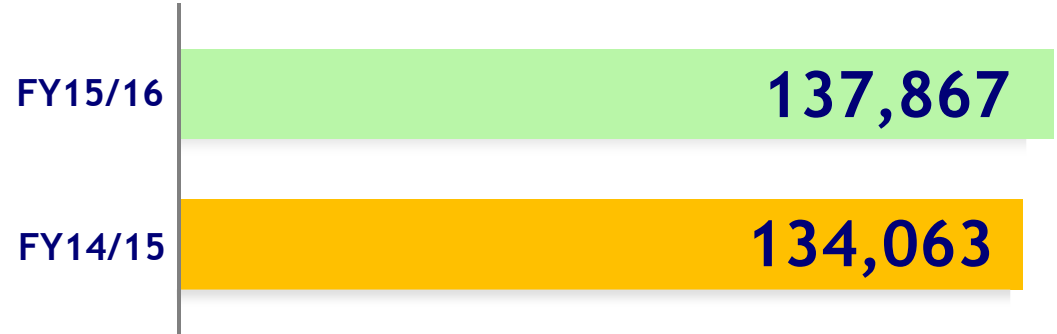
**Fleet
Management**

Fleet size: 156 aircraft



Line Maintenance

+2.8%
Flights handled at
Changi Airport



7 New Contracts



9 Renewed Contracts



Thai AirAsia Indonesia AirAsia



SIA ENGINEERING COMPANY



Aircraft & Component Services

15 New/Renewed Contracts at Singapore base



Maintenance checks at Singapore base:

	FY15/16	FY14/15
'A' checks	373	376
'C' checks	74	68
'D' checks	16	17

Maintenance checks at Clark base:

	FY15/16	FY14/15
'A' checks	24	9
'C' checks	25	18



Fleet Management



90 aircraft



29 aircraft



17 aircraft



12 aircraft



8 aircraft

As at 31 Mar 2016

FMP Fleet Size: 156 aircraft



SIA ENGINEERING COMPANY

Strategic Partnerships

BOEING ASIA PACIFIC AVIATION SERVICES

Incorporated on 5 Oct 2015



49%



**Fleet Management Services
for Boeing 737, 747, 777 & 787**



Strategic Partnerships



Airframe Maintenance Joint Venture



65%



35%

**Airbus Centre of Excellence
in Asia for A380 and A350**



Strategic Partnerships



SIAEC appointed as On-Wing Services Provider
for Trent Family of Roll-Royce Engines



Strategic Partnerships



SIAEC appointed as On-site Support Provider
for CFM LEAP-1A and -1B Engines
in Asia Pacific



Strategic Partnerships

MOOG



MOU to establish Joint Venture



49%

MOOG 51%

**Moog Centre of Excellence
in Asia Pacific for Moog's products
on new-generation aircraft
such as Boeing 787 and A350**



Strategic Partnerships



Innovation & Technology Initiatives

Investment of up to \$50M

EDB Support

Development of new innovations and solutions to serve future MRO needs of airline customers



Outlook

- Operating environment remains challenging.
- Continue to invest in new competencies and capabilities to meet changing technological demands.
- Measures to strengthen competitiveness, gain market share and manage costs will remain key priorities.
- Recent joint ventures with Boeing and Airbus are significant strategic moves, important to the Group's continued and long-term growth. While they may not be accretive in the initial years, they will leverage on the combined strengths to access a larger market.
- With a strong balance sheet, we will continue to pursue strategic investments and partnerships.



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