

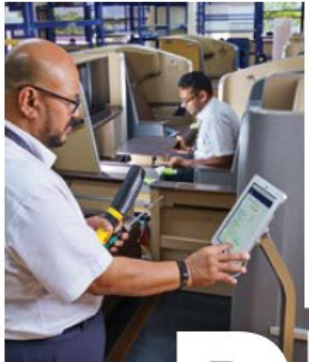
# DRIVING PERFORMANCE



SIA ENGINEERING  
COMPANY

## 1H FY2024/25 REVIEW

6 NOVEMBER 2024



# DRIVING PERFORMANCE



SIA ENGINEERING  
COMPANY

## OPERATIONAL REVIEW



# CORE BUSINESS

## Line Maintenance



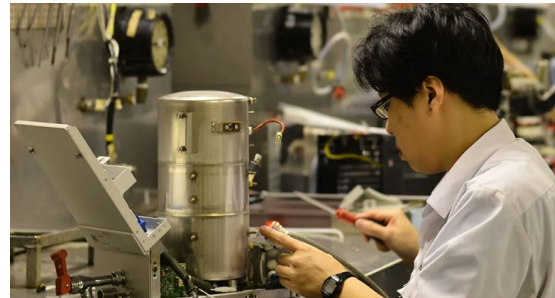
- 34 airports in 8 countries

## Base Maintenance



- 6 hangars in Singapore
- 3 hangars in the Philippines
- 2 hangars in Malaysia to be operationally ready in 2H 2025

## Component Services



- 188 aircraft from 9 customers under Inventory Technical Management
- 6 component support shops

## Engine Services



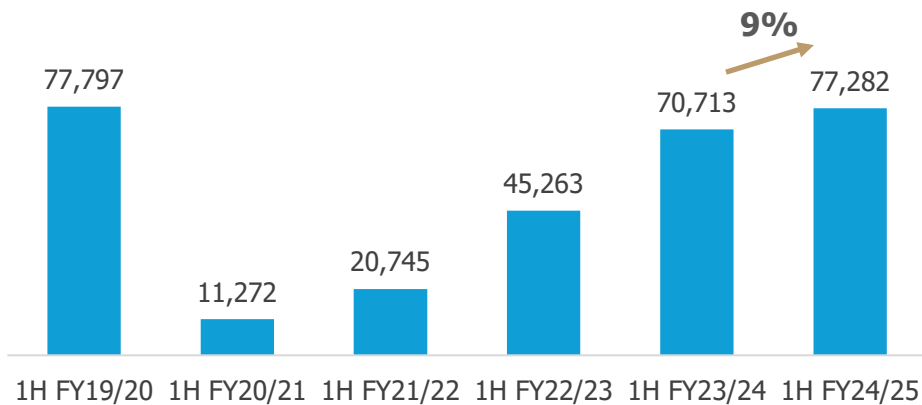
- CFM LEAP Quick Turn (QT) and Rolls-Royce On-Wing Services
- Engine test cell facility

# LINE MAINTENANCE

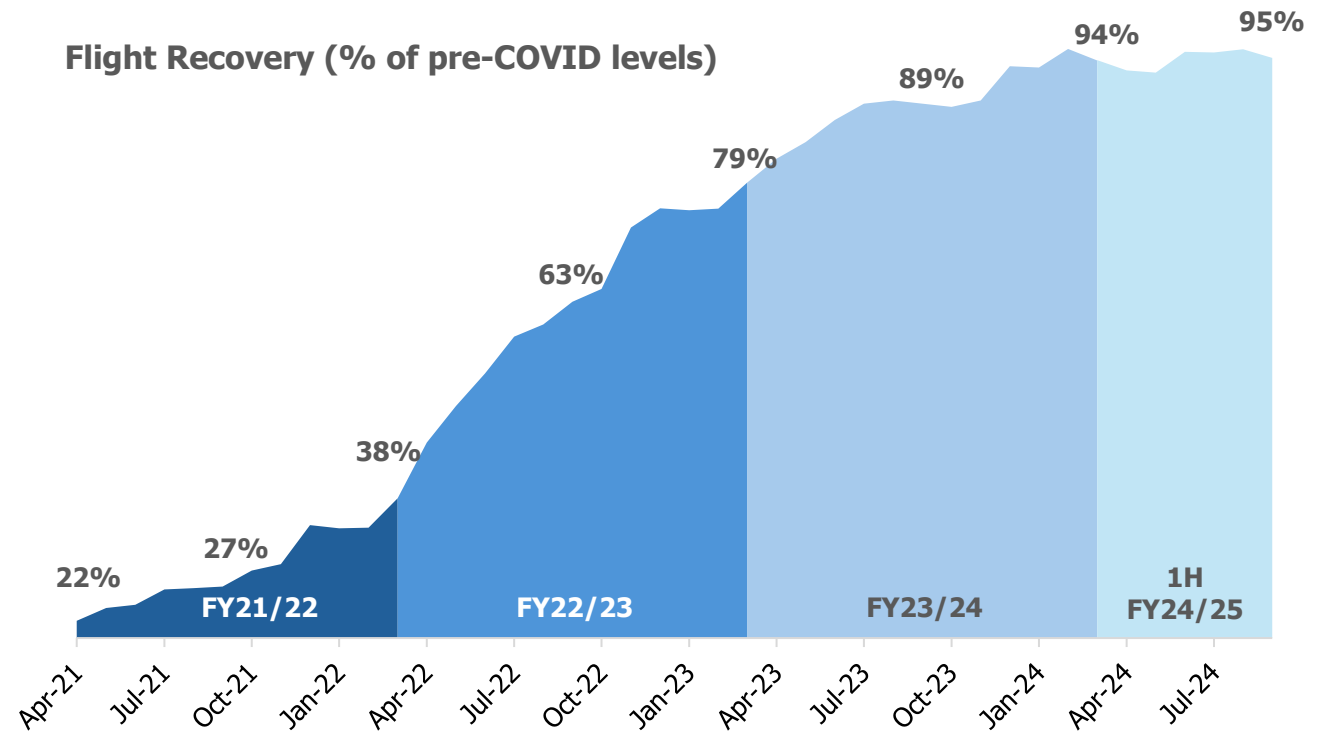
## Stable performance as flight recovery nears pre-pandemic levels

- Number of flights handled in 1H FY24/25 increased 9% year-on-year
- Flight recovery at the end of 1H FY24/25 was 95%, an improvement of 6 percentage points year-on-year

Flights Handled at Changi Airport  
(Number)



Flight Recovery (% of pre-COVID levels)



# BASE MAINTENANCE

## Healthy MRO demand

### Singapore Base

(Number)	1H FY24/25	1H FY23/24	
Light Checks*	347	385	<ul style="list-style-type: none"> <li>Higher mix of legacy aircraft checks with heavier work content as well as cabin refurbishments</li> </ul>
Heavy Checks	33	45	

\* Including 'A' checks performed by Line Maintenance at the apron

### Clark Base (The Philippines)

(Number)	1HFY24/25	1H FY23/24	
Heavy Checks	25	12	<ul style="list-style-type: none"> <li>First Embraer Authored Service Centre in Asia-Pacific to provide MRO services for the Embraer E-Jets E2 aircraft</li> </ul>

### Subang Base (Malaysia)

- Operational in 2H 2025
- Agreement with ADMAL Aviation College (ADMAL) and APR-Aviation Training Centre (APR) to recruit and train graduates
- Collaboration with Universiti Kuala Lumpur to develop industrial training programmes to expand aviation talent pool in Malaysia and support the region's growing aviation industry



*SIA Engineering (Philippines) Corporation becomes the first Embraer Authorised Service Centre for E2 Jets in Asia-Pacific.*



*Air India breaks ground on new Bengaluru Base Maintenance facility*



# COMPONENT SERVICES

Increase in work volume from higher flight activities

- Eaton Aero Services to be fully operational by early 2026



Groundbreaking of new facility in Shah Alam, Selangor, Malaysia (23 Sep 2024) and new logo unveiling (25 Sep 2024)

## Component MRO Services



- Broaden component repair and overhaul capabilities through network of workshops and component MRO JVs, such as APACS with capabilities for more than 700 part numbers

## Inventory Technical Management

Number of Aircraft	1H FY24/25	1H FY23/24
A320	152	68
Boeing 737	23	23
Boeing 747	7	7
A330	6	6
<b>Total</b>	<b>188</b>	<b>104</b>



# ENGINE SERVICES

## Increasing output on sustained recovery in flights

- Aircraft Engine Services delivered its 50th LEAP-1A Quick Turn engine since the start of operations in April 2022
- Over 60% year-on-year increase in output for 1HFY23/24 and Work-in-Progress (WIP) levels stabilising despite supply chain challenges
- Appointed primary service provider for Safran's Reverse Bleed System campaign in the Asia Pacific region and supporting on or near-wing retrofits for LEAP-1A and -1B engines
- Doubled engine test capacity through introduction of 2<sup>nd</sup> shift at Engine Test Facility



# KEY CUSTOMER CONTRACTS

Growth in third-party customers

## Line Maintenance

New



Renewed



## Line Maintenance International

New



## Base Maintenance

New



Extension of service



## Engine Services

New





# STRATEGIC PARTNERSHIP PORTFOLIO

24 subsidiaries and joint ventures across 8 countries with total revenue of S\$3.7B in 1H FY24/25

- Singapore Aero Engine Services commenced executing facility expansion plan
- Eagle Services Asia attained full functionality at newly expanded GTF engine overhaul facility

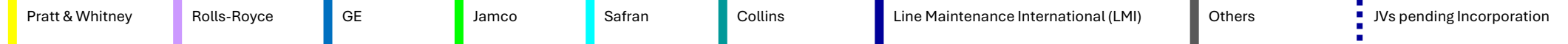
## Airframe and Line Maintenance

<b>SIA Engineering (USA) (SEUS)</b> United States 100%	<b>SIA Engineering Japan (SIAEJ)</b> Japan 100%	<b>PT JAS Aero-Engineering Services (PT JAES)</b> Indonesia 49%	<b>Line Maintenance Partnership (Korea)</b> Korea 51%
<b>Pan Asia Pacific Aviation Services (PAPAS)</b> Hong Kong 40%	<b>Southern Airports Aircraft Maintenance Services (SAAM)</b> Vietnam 49%	<b>Pos Aviation Engineering Services (PAES)</b> Malaysia 49%	<b>Line Maintenance Partnership (Cambodia)</b> Cambodia 51%
<b>SIA Engineering (Philippines) (SIAEP)</b> Philippines 100%	<b>Singapore Aero Support Services (SASS)</b> Singapore 100%	<b>Base Maintenance Malaysia (BMM)</b> Malaysia 100%	<b>JADE Engineering (JADE)</b> Singapore 55%

## Engine and Component

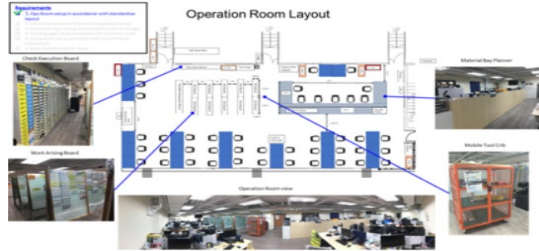
<b>Singapore Aero Engine Services (SAESL)</b> Singapore 50%	<b>Eagle Services Asia (ESA)</b> Singapore 49%	<b>Component Aerospace Singapore (CAS)</b> Singapore 46.4%
<b>GE Aviation, Overhaul Services – Singapore (GEOSS)</b> Singapore 49%	<b>Turbine Coating Services (TCS)</b> Singapore 24.5%	<b>Asia Pacific Aircraft Component Services (APACS)</b> Malaysia 75%
<b>Goodrich Aerostructures Service Center-Asia (GASCA)</b> Singapore 40%	<b>Fuel Accessory Service Technologies (FAST)</b> Singapore 49%	<b>Aerospace Component Engineering Services (ACES)</b> Singapore 51%
<b>Safran Landing Systems Services Singapore (SLSSS)</b> Singapore 40%	<b>Safran Electronics &amp; Defense Services Asia (SEA)</b> Singapore 40%	<b>Moog Aircraft Services Asia (MASA)</b> Singapore 49%
<b>Eaton Aero Services (EAS)</b> Malaysia 49%	<b>Panasonic Avionics Services Singapore (PACSS)</b> Singapore 42.5%	

JV Partners:



# CONTINUOUS IMPROVEMENT

## Commitment to Key Objectives



### Operational Excellence

- Enhancing MRO processes and standards of excellence in our Enterprise Operating System
- High utilisation through digitalisation and optimisation
- Consistent adherence and improvement against standard manhours through Lean, digitalisation and technology adoption



### Innovation in Service Delivery

- Development of new capabilities to broaden service offering, and improving staff and customer experience
- Improvement of assistive tools to reduce manual labour and optimise operations



### Customer Intimacy

- Time saved for customers through digital connections, unified platform, intuitive self-service applications and data-enabled automation & alerts
- Proactive innovation to develop unique solutions & recommendations tailored to customers' requirements



### Total Employee Experience

- Reduction of laborious tasks through digital and technology enablement
- Opportunities for professional growth
- Promoting a "test & learn" mindset, providing a conducive environment for staff to innovate and collaborate

# SUSTAINABILITY



## Continue electrification

- Electric tow tractors rolled out in hangars



## Increase utilisation of renewable energy

- Ongoing expansion of solar panel coverage



## Energy-efficiency

- Replacement of chillers in three Hangars to more energy-efficient equipment in progress

TCFD

## Adoption of TCFD recommendations

- On track to fully meet the Task Force on Climate-related Financial Disclosures (TCFD) recommendations by **FY24/25**.

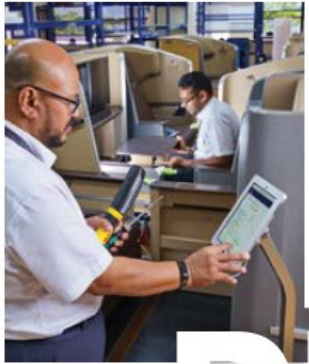


ISSB

## Transition towards new ISSB Standards

- Commenced preparation for adoption of International Sustainability Standards Board (ISSB) standards by **FY25/26**.





# DRIVING PERFORMANCE



SIA ENGINEERING  
COMPANY

## FINANCIAL REVIEW

# KEY HIGHLIGHTS

- Demand for MRO services remained healthy in the first half of the financial year ended 30 September 2024.
- Group recorded a net profit of \$68.8 million in 1H FY24/25, an improvement of 16% year-on-year.
- The Company has declared an interim dividend of 2.0 cents per share.

# SUMMARY OF 1H FY24/25 GROUP RESULTS

Revenue increased 12.1%; Group profit improved 16.0%

	1H FY24/25	1H FY23/24	Variance	
	\$'M	\$'M	\$'M	%
Group Revenue	576.2	514.0	▲ 62.2	▲ 12.1
Group Expenditure	572.8	513.9	▲ 58.9	▲ 11.5
Group Operating profit	3.4	0.1	▲ 3.3	n.m.
Share of profits of JVs & Assoc	58.6	50.0	▲ 8.6	▲ 17.2
Other non-operating items and taxation	6.8	9.2	▼ 2.4	▼ 26.1
<b>Group profit after tax</b>	<b>68.8</b>	<b>59.3</b>	<b>▲ 9.5</b>	<b>▲ 16.0</b>

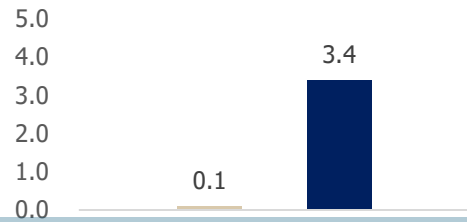


# BREAKDOWN BY QUARTERS

Performance improved quarter-on-quarter

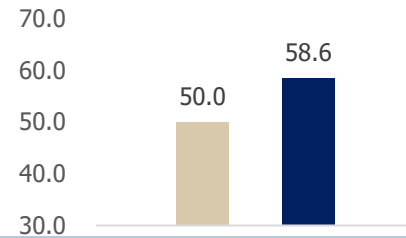
■ 1H FY23/24 ■ 1H FY24/25

**Group Operating Profit (\$'M)**



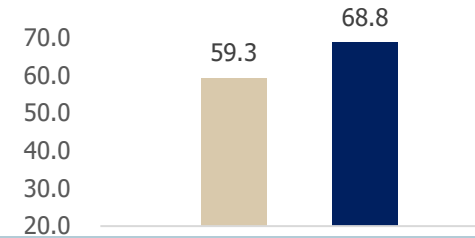
**Change y-o-y**  
**+3.3**  
 ▲ n.m. y-o-y

**Share of profits of JV & Assoc (\$'M)**

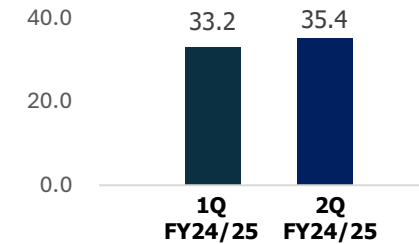
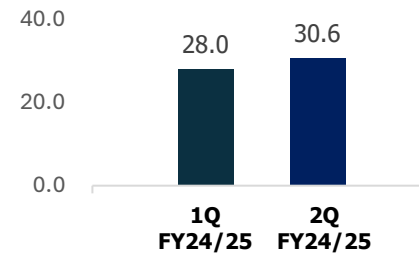
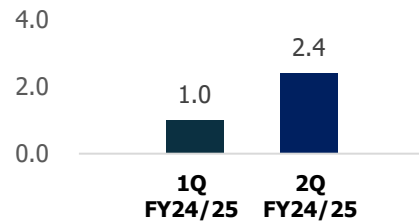


**+8.6**  
 ▲ 17.2% y-o-y

**Group Profit after tax (\$'M)**



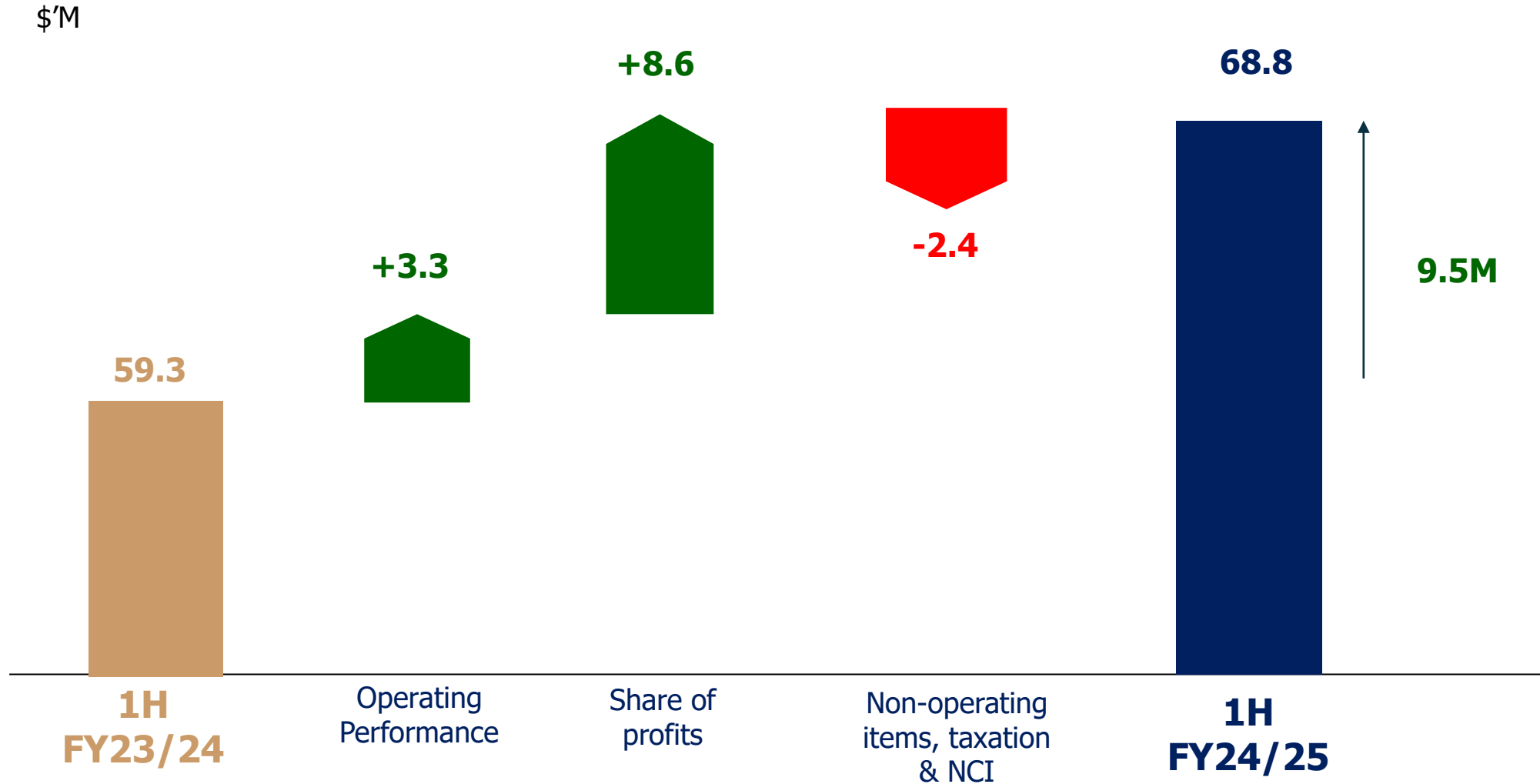
**+9.5**  
 ▲ 16.0% y-o-y



#n.m - not meaningful

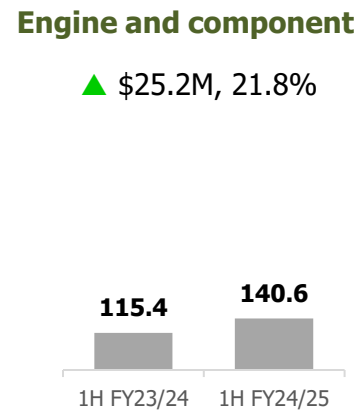
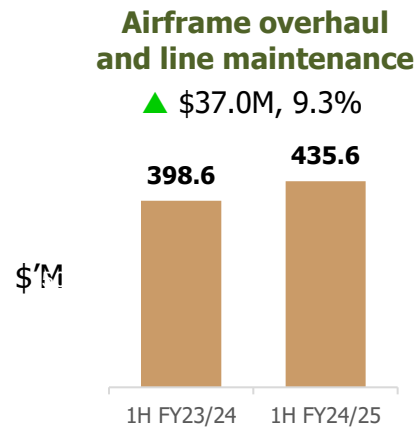
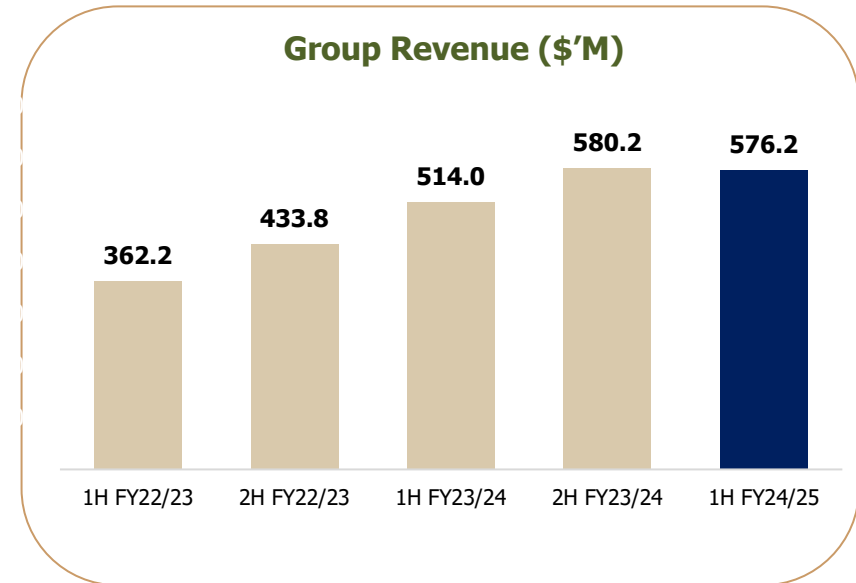
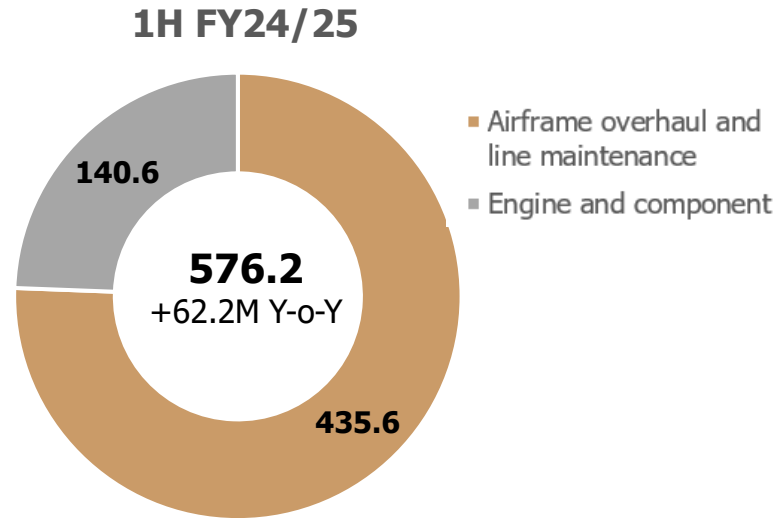
# ANALYSIS OF 1H FY24/25 GROUP PROFIT

Improvement in operating performance and higher share of profits



# ANALYSIS OF 1H FY24/25 GROUP REVENUE

Revenue increased 12.1% from healthy MRO demand remained



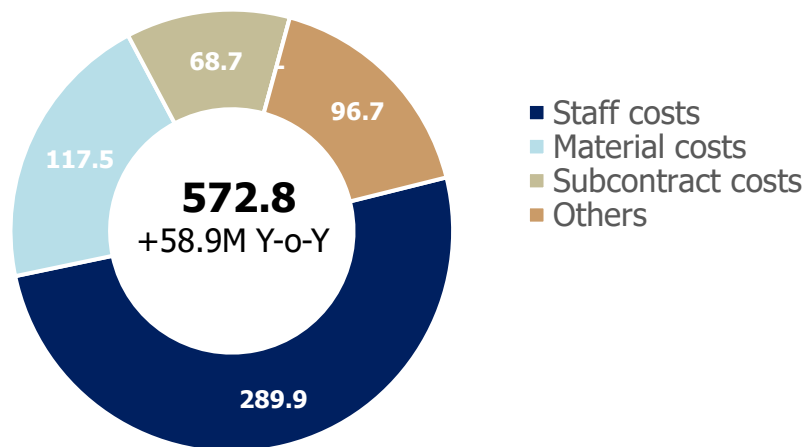
- Lower revenue half-on-half due to revenue mix; lower material revenue.



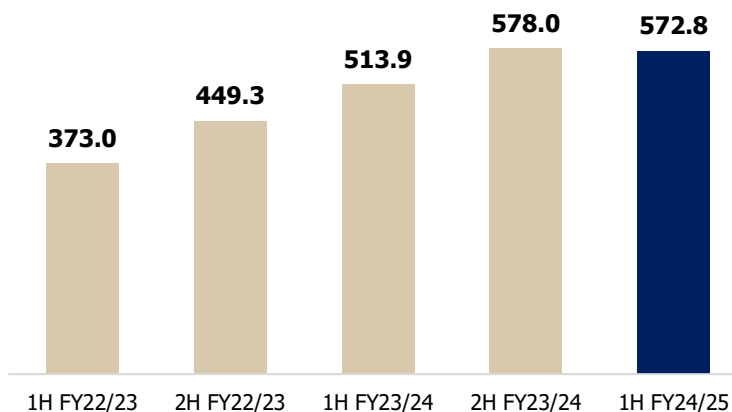
# ANALYSIS OF 1H FY24/25 GROUP EXPENDITURE

Expenditure increased 11.5% mainly due to material, manpower and outsource repair costs. Included startup costs of new base maintenance subsidiary in Malaysia with no corresponding revenue.

1H FY24/25



Group Expenditure (\$'M)



Staff costs

▲ \$10.3M

Material costs

▲ \$34.6M

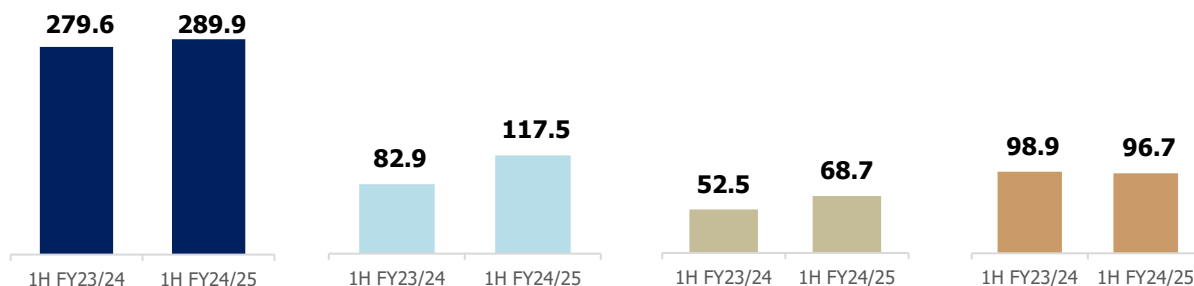
Subcontract costs

▲ \$16.2M

Others

▼ \$2.2M

\$'M

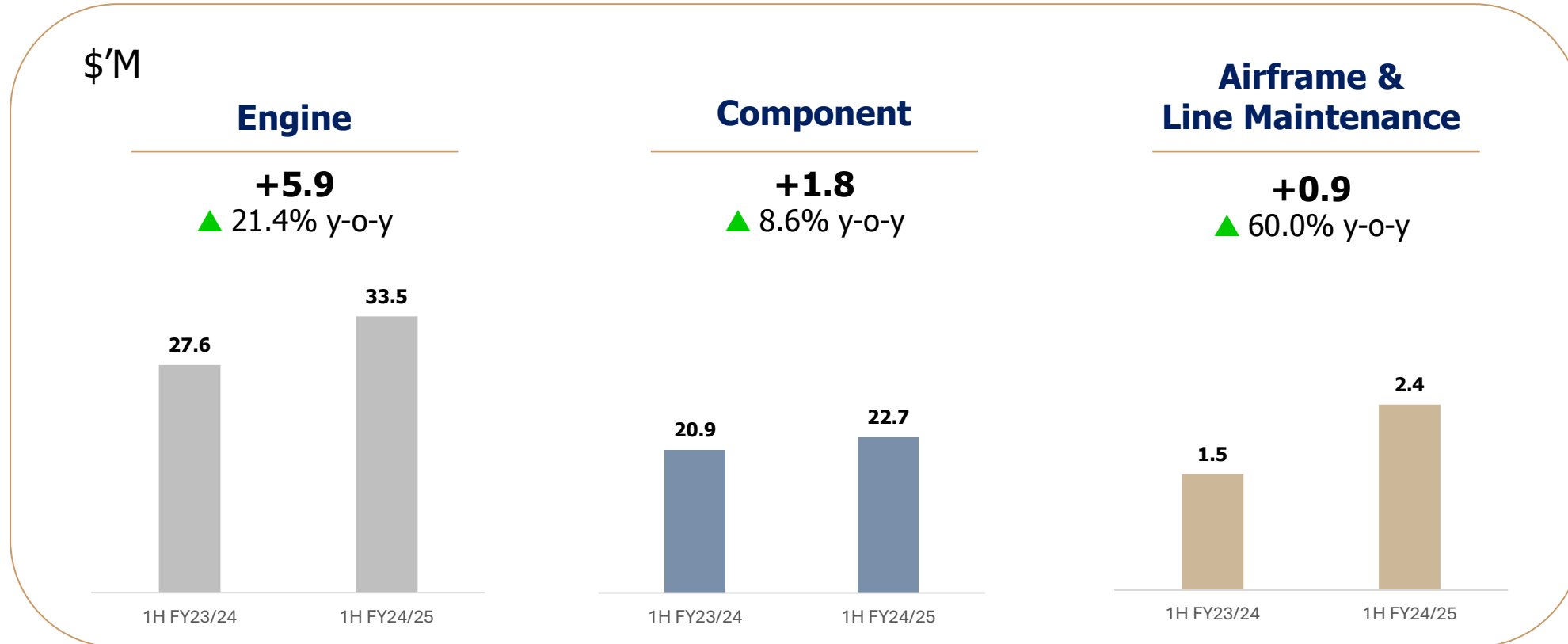


- Lower expenditure half-on-half mainly due to lower material costs.

# BREAKDOWN OF SHARE OF PROFITS AFTER TAX

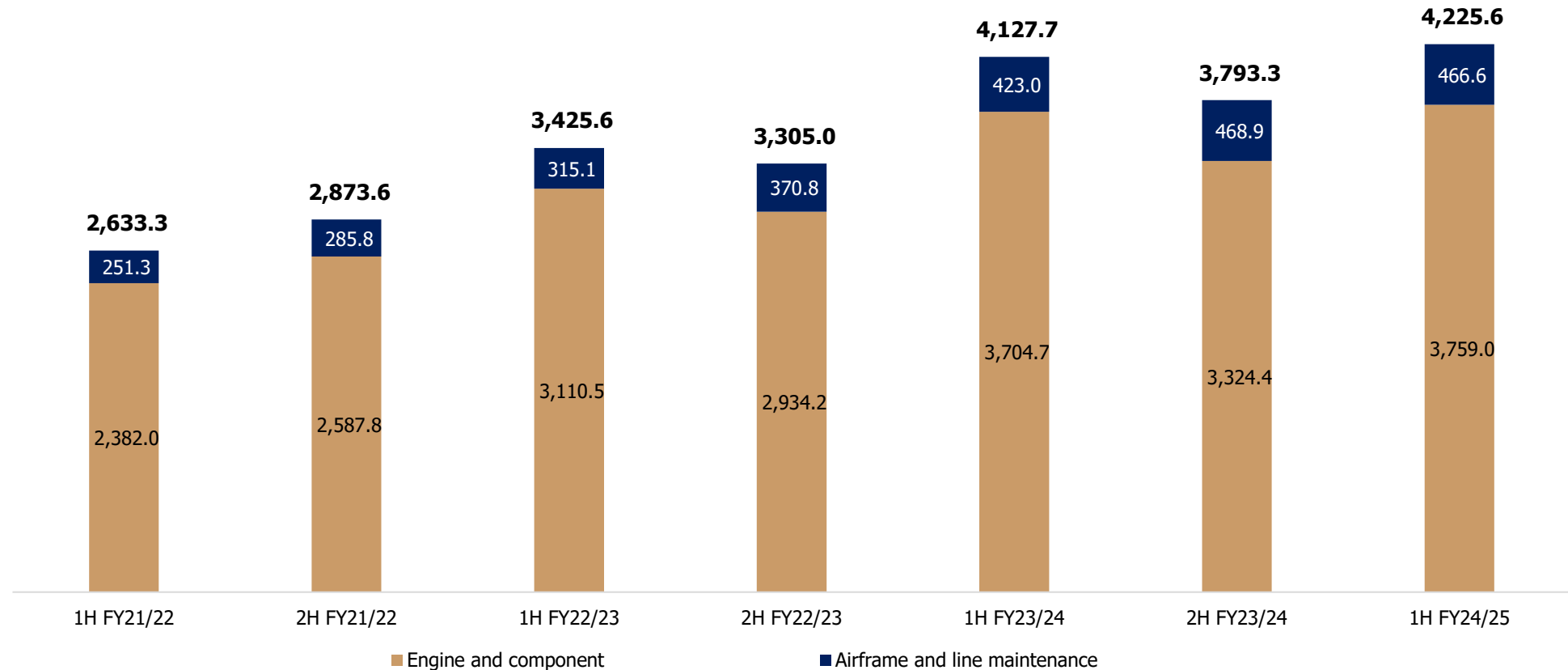
Contribution increase from all segments

## Joint Venture and Associated Companies



# AGGREGATE REVENUE OF SIAEC, SUBSIDIARIES, JV AND ASSOCIATED COMPANIES

SIAEC, Subsidiaries, JV and Associated Companies Revenue \$'M



\* Revenue of associated and joint venture companies are not consolidated in the Group's Income Statement as they are equity accounted.



# BALANCE SHEET

Reduction in shareholders' funds mainly due to dividend payment and reduction in foreign currency translation reserve, partially offset by profits earned during the reporting period.

	Sep-24 \$'M	Mar-24 \$'M	Variance	
			\$'M	%
Total equity	1647.4	1687.1	-39.7	-2.4
Cash and bank balances	493.2	646.0	-152.8	-23.7
Receivables <sup>1</sup>	307.5	272.3	+35.2	+12.9
Total assets	2,014.1	2,088.3	-74.2	-3.6
Total liabilities	350.1	385.0	-34.9	-9.1
Net asset value per share (cents)	147.0	150.3	-2.2%	
Return on shareholders' funds (%)	6.4	5.8	+0.6ppt	

- Lower cash balance mainly due to outflows from payment of dividends, capital expenditure and repayment of lease liabilities exceeding net operating cash inflow.

<sup>1</sup> Receivables comprises trade debtors, contract assets, amount owing by immediate holding company and amounts owing by related parties.

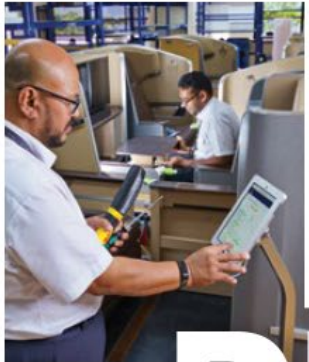
# EARNINGS PER SHARE AND INTERIM DIVIDEND

Earnings per share improved 16.1%



	1H FY24/25	1H FY23/24
<b>Basic earnings per share</b>	6.13	5.28
<b>Interim Dividend</b>		
Ordinary (in cents per share)	2.0	2.0

- Interim dividend will be paid on 29 November 2024



# DRIVING PERFORMANCE



SIA ENGINEERING  
COMPANY

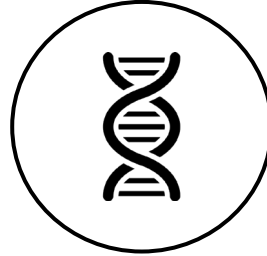
**OUTLOOK**

# 1H FY24/25 AT A GLANCE



## **9% Increase in Flights Handled Against 1H FY23/24**

- Flight recovery at 95% of pre-Covid levels as at Sep-24



## **Strengthening our Core**

- Maintaining cost discipline as we navigate elevated costs
- Accelerating productivity gains with data, digital, technology, lean and continuous improvement

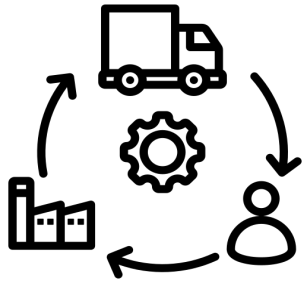


## **Expanding Capabilities & Geographical Presence**

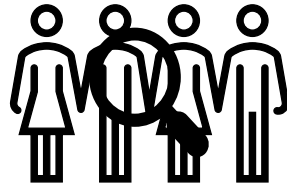
- Collaborating with OEMs and industry partners to increase our presence in new markets
- Expanding capabilities in-house and across the JV network



# INDUSTRY CHALLENGES



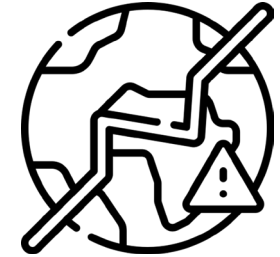
**Supply Chain  
Constraints**



**Tight Labour  
Market**



**Elevated  
Costs**



**Escalating Geopolitical  
Tensions**

# GROWTH AVENUES



Building Capabilities



Increasing Presence Abroad



Expanding Capacity



## Line Maintenance



## Base Maintenance



## Component Services



## Engine Services



Line Maintenance JV with Cambodia Airport Investment Co., Ltd in Cambodia



Base Maintenance Malaysia (BMM) to be operational in 2H 2025



JV with Eaton to be fully operational in Shah Alam, Selangor, Malaysia by early 2026



Expansion of SAESL's facility to increase capacity for Rolls Royce's Trent engines



Expansion of the scope of the services agreement with Scot to include the Embraer E190-E2 Fleet



SIAEP becomes the first Embraer Authorised Service Centre in Asia-Pacific to provide MRO services for Embraer E-Jets E2 aircraft



APACS awarded repair licenses for Honeywell's Air Data Inertial Reference Unit (ADIRU) and Pre-Cooler Control Valve (PCCV)



Expansion of Eagle Services Asia's facility to increase capacity for Pratt & Whitney's GTF engines



Acquisition of 49% of Pos Aviation Engineering Services Sdn Bhd



Acquisition of additional stake in JAMCO aero design & engineering (JADE)



MOU with Thales to explore business development opportunities in APAC

- **Business expansion initiatives position us for long-term growth**
- **Associated start-up and development costs over the next two to three years are expected to temper the Group's financial performance during that period**

# AWARDS AND ACCOLADES



**MRO Asia-Pacific Awards 2024**  
"Aftermarket Service Provider of the Year"  
"Marketing Campaign of the Year"



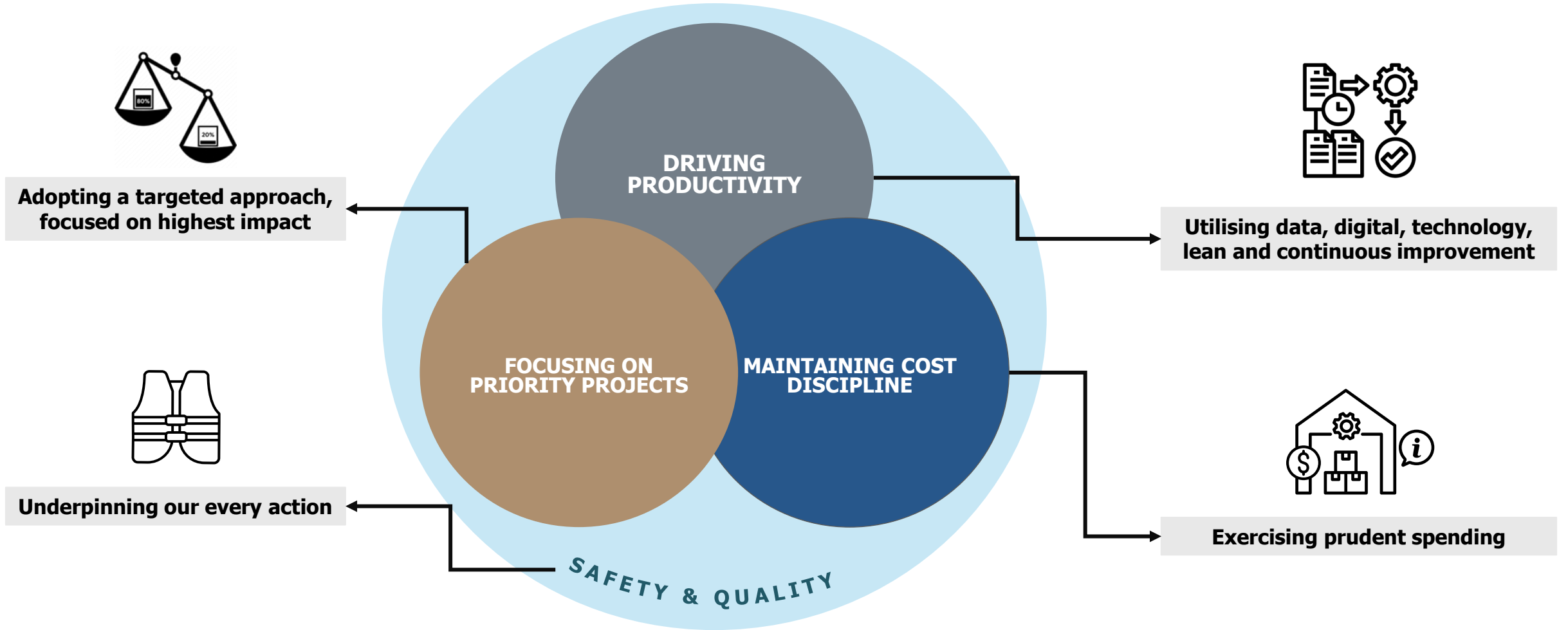
**Singapore HR Awards 2024**  
"Gold Standard for Excellence in Talent  
Management & Acquisition"

"Gold standard for Excellence in Learning  
& Development, Coaching & Mentoring"



**SkillsFuture Employer Awards 2024**  
"SkillsFuture Work Study Programme  
Employer Appreciation Award"

# PRIORITIES AHEAD





**Thank you**

