



**SIA ENGINEERING  
COMPANY**

## FY2013/14 Performance Review





**SIA ENGINEERING  
COMPANY**

## Financial Review



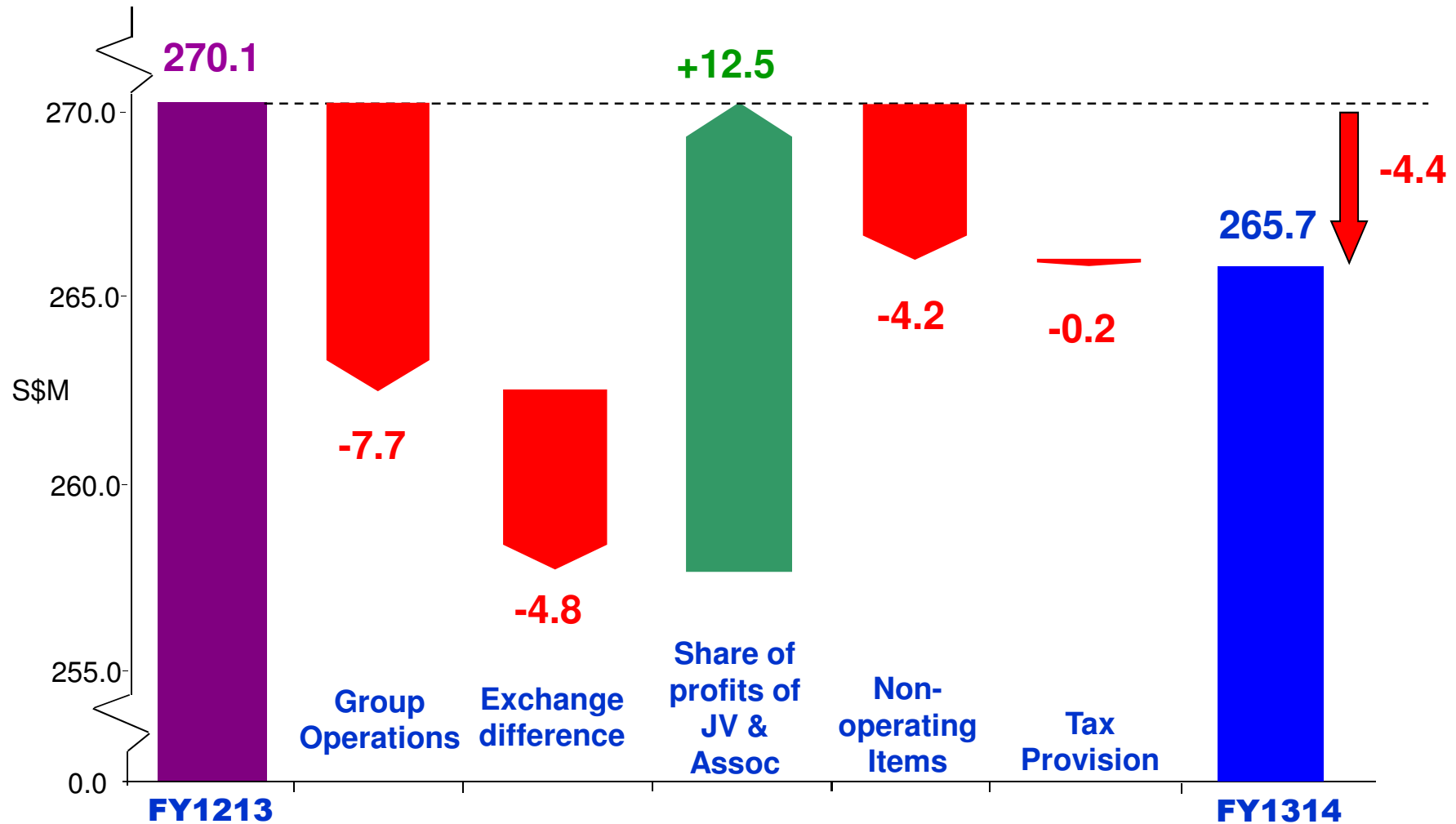
# Summary of Group Results

## FY1314

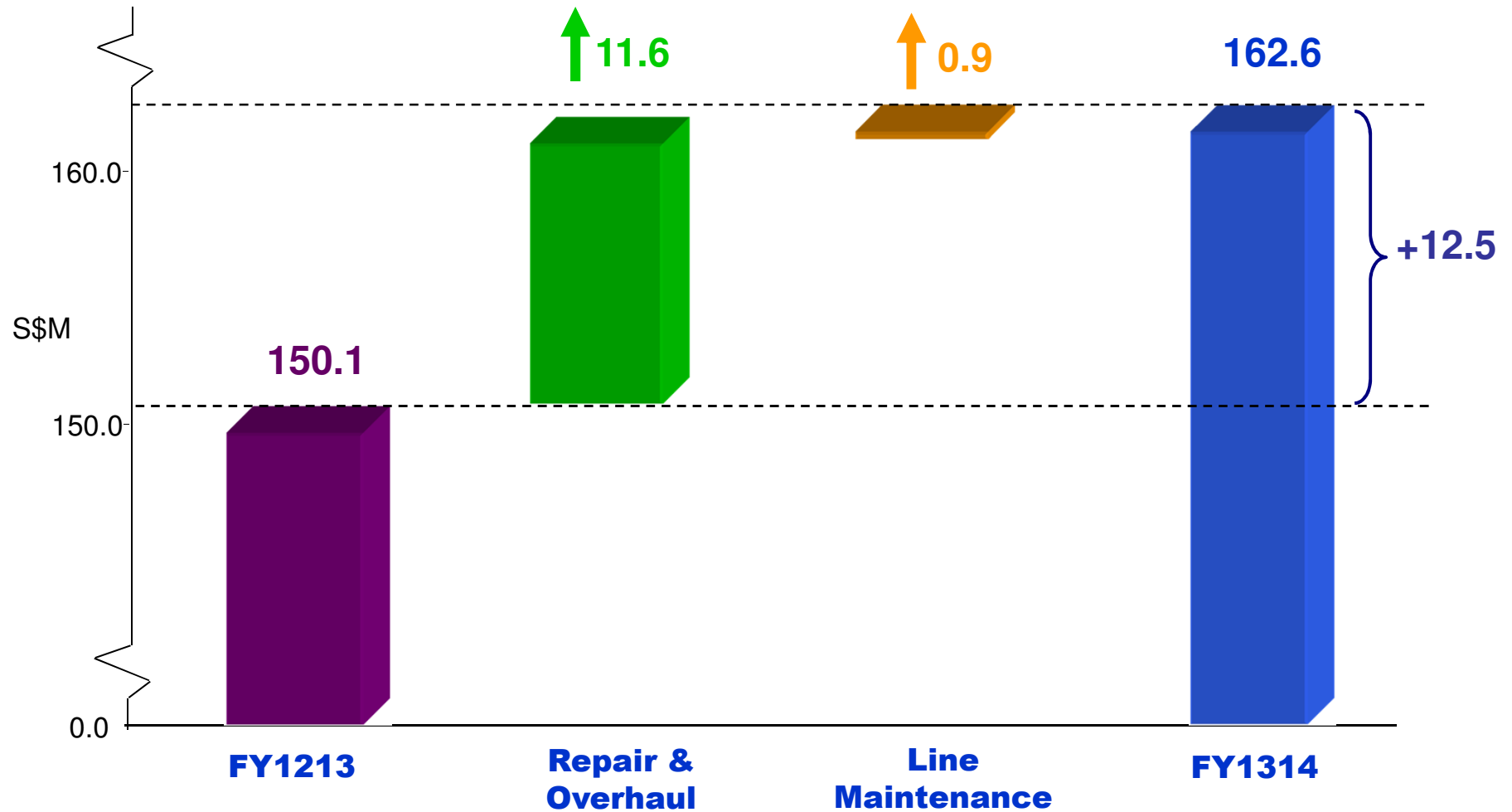
	FY1314	FY1213	Variance
	\$M	\$M	%
Revenue	1,178.2	1,146.7	+ 2.7
Expenditure	1,062.6	1,018.6	+ 4.3
Operating profit	115.6	128.1	- 9.8
Share of results of Assoc/JVs, net of tax	162.6	150.1	+ 8.3
Profit before tax	294.0	297.0	- 1.0
Net profit	265.7	270.1	- 1.6
Net profit margin (%)	22.6	23.6	- 1.0 ppt



# Group Profit for FY1314



# Share of results of Assoc/JVs, net of tax



# Joint Venture and Associated Companies

## FY1314

	FY1314 \$M	FY1213 \$M	Variance %
<b><u>Share of profits after tax</u></b>			
<b>Repair and Overhaul</b>			
- Engine Repair & Overhaul Centres	125.0	112.6	+ 11.0
- Others	34.9	35.7	- 2.2
	<b>159.9</b>	<b>148.3</b>	<b>+ 7.8</b>
<b>Line Maintenance</b>	<b>2.7</b>	<b>1.8</b>	<b>+ 50.0</b>
	<b>162.6</b>	<b>150.1</b>	<b>+ 8.3</b>



# Breakdown of Group Revenue

## FY1314

	FY1314 \$M	FY1213 \$M	Variance %
Airframe & Component Overhaul	579.1	551.7	+ 5.0
Fleet Management	164.5	173.6	- 5.2
Repair & Overhaul	743.6	725.3	+ 2.5
Line Maintenance	434.6	421.4	+ 3.1
	<b>1,178.2</b>	<b>1,146.7</b>	<b>+ 2.7</b>



# Group Expenditure

## FY1314

	<b>FY1314</b> <b>\$M</b>	<b>FY1213</b> <b>\$M</b>	<b>Variance</b> <b>%</b>	
<b>Staff costs</b>	<b>508.4</b>	<b>498.2</b>	<b>+</b>	<b>2.0</b>
<b>Materials</b>	<b>223.1</b>	<b>214.2</b>	<b>+</b>	<b>4.2</b>
<b>Subcontract costs</b>	<b>145.7</b>	<b>136.7</b>	<b>+</b>	<b>6.6</b>
<b>Overheads</b>	<b>185.4</b>	<b>169.5</b>	<b>+</b>	<b>9.4</b>
<b>Expenditure</b>	<b>1,062.6</b>	<b>1,018.6</b>	<b>+</b>	<b>4.3</b>





# Group Operating Profit by Segment

## FY1314

	<b>FY1314</b> <b>\$M</b>	<b>FY1213</b> <b>\$M</b>	<b>Variance</b> <b>%</b>
<b>Repair &amp; Overhaul</b>	<b>32.5</b>	<b>39.7</b>	<b>- 18.1</b>
<b>Line Maintenance</b>	<b>83.1</b>	<b>88.4</b>	<b>- 6.0</b>
	<b>115.6</b>	<b>128.1</b>	<b>- 9.8</b>



# SIA vs Non-SIA Revenue

## FY1314

	SIA \$M	Non-SIA \$M	Total \$M
<b>SIAEC</b>	<b>654.6</b>	<b>408.6</b>	<b>1,063.2</b>
<i>% of non-SIA work</i>		<b>38%</b>	
<b>Subsidiary Cos</b>	<b>61.8</b>	<b>99.9</b>	<b>161.7</b>
<i>% of non-SIA work</i>		<b>62%</b>	
<b>JV &amp; Associated Cos</b>			
- Engine Overhaul and Component	1,034.3	2,601.0	3,635.3
- Others	55.5	289.5	345.0
	<b>1,089.8</b>	<b>2,890.5</b>	<b>3,980.3</b>
<i>% of non-SIA work</i>		<b>73%</b>	
<b>Combined revenue</b>	<b>1,806.2</b>	<b>3,399.0</b>	<b>5,205.2</b>
<i>% of non-SIA work</i>		<b>65%</b>	



# Summary of Group Results

## 4Q1314

	4Q1314 \$M	4Q1213 \$M	Variance %
Revenue	311.1	283.5	+ 9.7
Expenditure	276.9	252.6	+ 9.6
Operating profit	34.2	30.9	+ 10.7
Share of results of Assoc/JVs, net of tax	36.1	38.0	- 5.0
Profit before tax	73.2	73.2	-
Net profit	65.2	65.9	- 1.1
Net profit margin (%)	21.0	23.2	- 2.2 ppt



# Breakdown of Group Revenue

## 4Q1314

	4Q1314 \$M	4Q1213 \$M	Variance %
Airframe & Component Overhaul	155.6	135.1	+ 15.2
Fleet Management	44.7	40.0	+ 11.8
Repair & Overhaul	200.3	175.1	+ 14.4
Line Maintenance	110.8	108.4	+ 2.2
	311.1	283.5	+ 9.7



# Group Expenditure

## 4Q1314

	<b>4Q1314</b> <b>\$M</b>	<b>4Q1213</b> <b>\$M</b>	<b>Variance</b> <b>%</b>
<b>Staff costs</b>	<b>124.6</b>	<b>129.6</b>	<b>- 3.9</b>
<b>Materials</b>	<b>60.1</b>	<b>51.8</b>	<b>+ 16.0</b>
<b>Subcontract costs</b>	<b>43.4</b>	<b>35.5</b>	<b>+ 22.3</b>
<b>Overheads</b>	<b>48.8</b>	<b>35.7</b>	<b>+ 36.7</b>
<b>Expenditure</b>	<b>276.9</b>	<b>252.6</b>	<b>+ 9.6</b>



# Group Operating Profit by Segment

## 4Q1314

	4Q1314 \$M	4Q1213 \$M	Variance %
Repair & Overhaul	11.7	9.3	+ 25.8
Line Maintenance	22.5	21.6	+ 4.2
	34.2	30.9	+ 10.7



# Statement of Cash Flows

<b>\$M</b>	<b>FY1314</b>	<b>FY1213</b>
Cash flow generated from / (used in) :		
- Operating activities	113.0	133.6
- Investing activities	101.4	110.5
- Financing activities	(201.6)	(219.0)
Net cash inflow	<b>12.8</b>	<b>25.1</b>
Cash & cash equivalents at beginning of year	<b>522.9</b>	<b>497.9</b>
Effect of exchange rate changes	*	(0.1)
Cash & cash equivalents at end of year	<b>535.7</b>	<b>522.9</b>

\* Amount less than \$0.1M.



# Group Balance Sheet

	31 Mar 2014 \$M	31 Mar 2013 \$M
Equity attributable to owners of the parent	1,360.9	1,301.9
Non-controlling interests	29.6	27.3
<b>Total equity</b>	<b>1,390.5</b>	<b>1,329.2</b>
<b>Non-current liabilities</b>	<b>40.4</b>	<b>25.3</b>
	<b>1,430.9</b>	<b>1,354.5</b>
<u>Represented by:</u>		
<b>Non-current assets</b>	<b>842.0</b>	<b>796.1</b>
Cash	535.7	522.9
Other current assets	329.4	313.7
	<b>865.1</b>	<b>836.6</b>
Less: Current liabilities	(276.2)	(278.2)
<b>Net current assets</b>	<b>588.9</b>	<b>558.4</b>
	<b>1,430.9</b>	<b>1,354.5</b>





# Financial Statistics

	<b>FY1314</b>	<b>FY1213</b>	<b>Variance</b>
<b>Basic earnings per share (cents)</b>	<b>23.9</b>	<b>24.5</b>	<b>- 2.6 %</b>
<b>Return on average shareholders' funds (%)</b>	<b>20.0</b>	<b>21.1</b>	<b>- 1.1 ppt</b>

	<b>31 Mar 14</b>	<b>31 Mar 13</b>	<b>Variance</b>
<b>Net asset value per share (cents)</b>	<b>122.0</b>	<b>117.7</b>	<b>+ 3.7 %</b>



# Final Dividend

	<b>FY1314</b>	<b>FY1213</b>
<b><u>Final Dividend</u></b> <b><u>(in cents per share)</u></b>		
<b>Ordinary</b>	<b>13.0</b>	<b>15.0</b>
<b>Special</b>	<b>5.0</b>	<b>-</b>
<b>Total Dividend</b>	<b>25.0 *</b>	<b>22.0</b>

\* Inclusive of interim dividend of 7 cents per share paid on 28 November 2013.





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# Operations Review



# Core Business



**Line  
Maintenance**

**34 airports in 7 countries**



**Aircraft &  
Component  
Services**

**6 hangars in Singapore  
2 hangars in the Philippines**



**Fleet  
Management**

**Fleet size of 170 aircraft  
from 12 airlines**



# Line Maintenance

**+18.2%**  
Flights handled at  
Changi Airport

FY13/14

135,366

FY12/13

114,523

## 12 New Contracts



## 11 Renewed Contracts





# Aircraft & Component Services

## SINGAPORE



**Hangar 1**  
**May 1982**  
3 bays: widebody aircraft



**Hangar 2**  
**Jun 1992**  
2 bays: Airbus aircraft



**Hangar 3**  
**Oct 2001**  
1 bay: B777



**Hangar 4**  
**May 2005**  
1-bay: B747-400 PTF capability



**Hangar 5**  
**Dec 2004**  
1 bay: specialised painting capability



**Hangar 6**  
**Apr 2010**  
1 bay: A380 & B777-300ER



# Aircraft & Component Services

## PHILIPPINES

SIA ENGINEERING (PHILIPPINES)



★ CLARK



**Hangar 1**  
**July 2009**  
1 bay: A320



**Hangar 2**  
**Apr 2013**  
1 bay: narrow-body aircraft



**Hangar 3**  
**2014 (under construction)**  
1 bay: widebody aircraft



# Aircraft & Component Services



## Maintenance checks at Singapore base:

	FY13/14	FY12/13
'D' checks	37	46
'C' checks	88	72
'A'* checks	384	395

\* Include 'A' checks done at Line Maintenance

## 15 New Contracts @Singapore Base

## Maintenance checks at Clark base:

	FY13/14	FY12/13
'C' checks	29	27
'A' & 'E' checks	30	40
Release & Ad-hoc	32	15





# Fleet Management



122 aircraft



26 aircraft



2 aircraft



13 aircraft



7 aircraft

**FMP fleet: 170 aircraft**

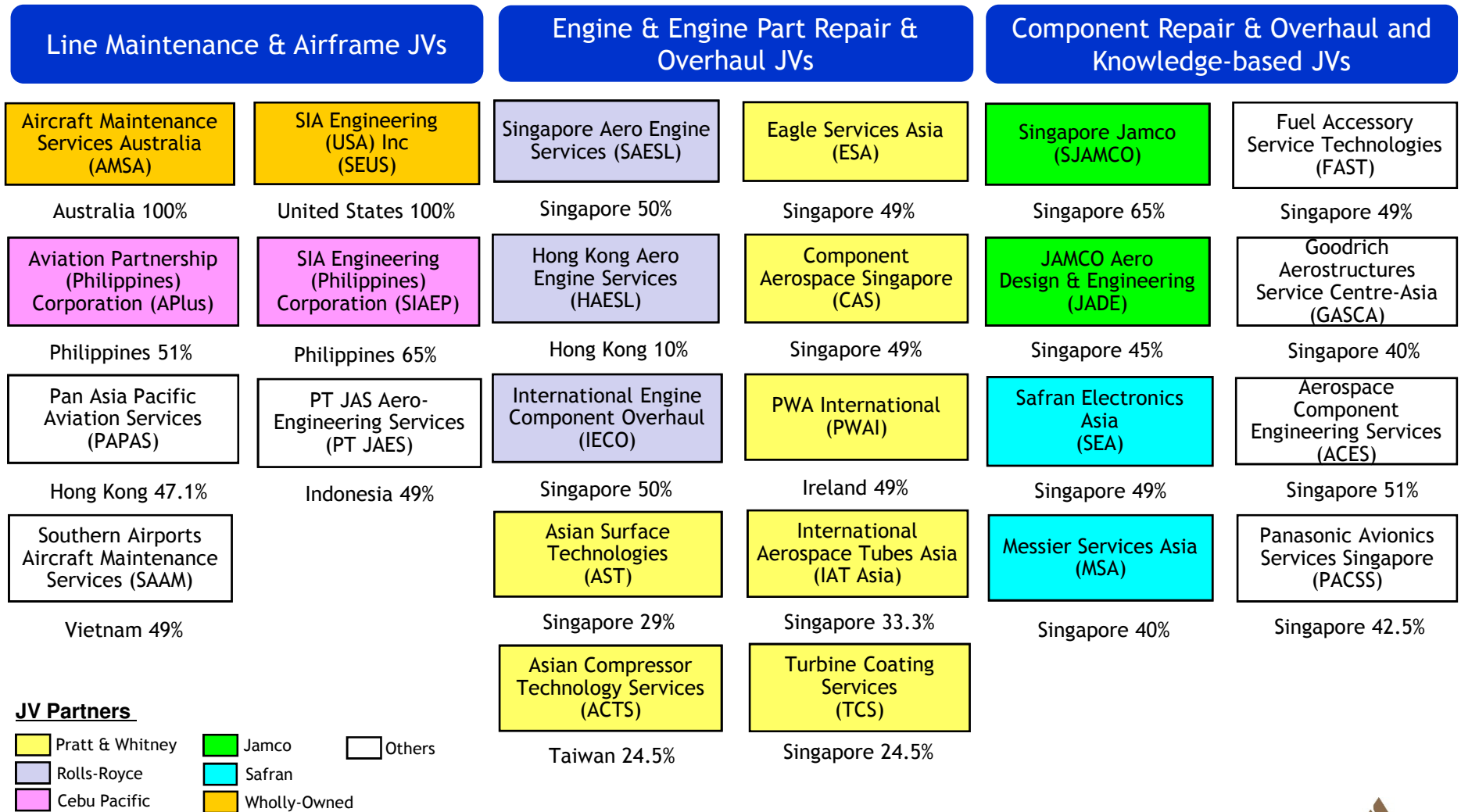
ONE OF THE WORLD'S LARGEST FLEET MANAGEMENT SERVICE PROVIDERS



SIA ENGINEERING COMPANY



# SIAEC Group: 25 JVs in 9 countries



# Outlook

- Asian airlines continue to grow, generating demand for MRO services.
- Aviation industry faces competitive challenges, exerting pressure on MRO rates.
- Group focusing on initiatives to improve productivity & efficiency, to enhance competitiveness.
- Performance of Group is expected to remain stable.





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