

# FY18/19 Results Briefing



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# FY18/19 Financial Review



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# FY18/19 Financial Highlights

- The Group recorded a net profit of \$160.9 million for FY18/19.
- Operating profit at \$56.8 million was \$22.0 million or 27.9% lower.
- Share of profits of associated and joint venture companies increased \$4.1 million or 3.7% to \$113.9 million.
- Share of profits impacted by one-time tax charge and upward revision in tax provision by certain associated companies.
- Profit last year included a \$15.0 million gain on the divestment of ACTS.

# Summary of Group Results

## FY18/19

<b>Group</b>	<b>FY18/19 \$M</b>	<b>FY17/18 \$M</b>	<b>Variance %</b>
Revenue	1,020.9	1,094.9	- 6.8
Expenditure	964.1	1,016.1	- 5.1
Operating profit	56.8	78.8	- 27.9
Share of profits of JVs & Assoc	113.9	109.8	+ 3.7
Provision for taxation	18.1	21.5	- 15.8
Net profit	160.9	186.8	- 13.9

The Group posted a net profit of \$160.9M for the FY2018-19, \$25.9M or 13.9% lower than last year.

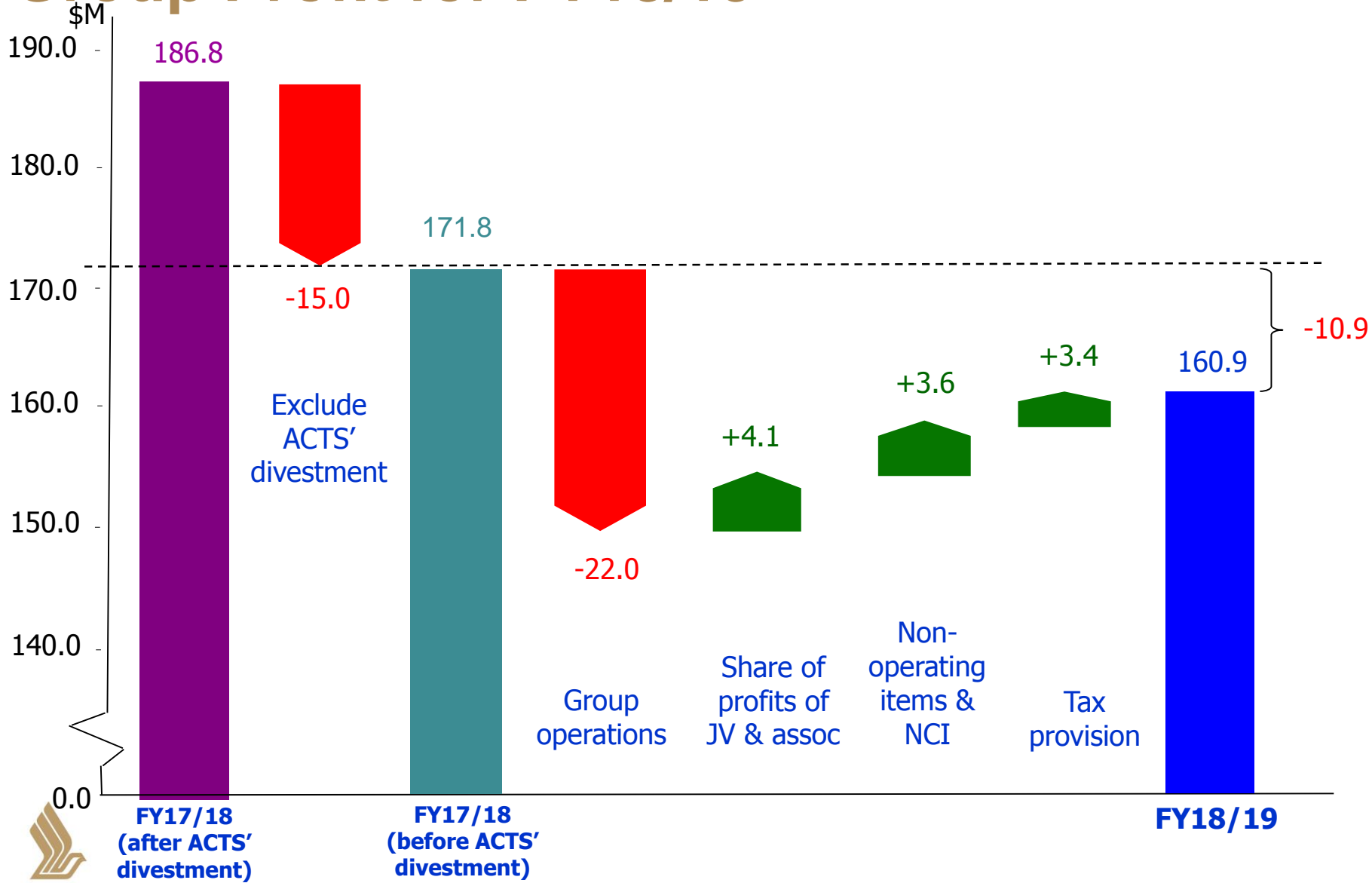
# Summary of Group Results

## 4Q18/19

<b>Group</b>	<b>4Q18/19 \$M</b>	<b>4Q17/18 \$M</b>	<b>Variance %</b>
Revenue	256.0	276.4	- 7.4
Expenditure	236.6	255.2	- 7.3
Operating profit	19.4	21.2	- 8.5
Share of profits of JVs & Assoc	32.3	25.0	+ 29.2
Provision for taxation	5.1	6.4	- 20.3
Net profit	49.3	56.2	- 12.3

The Group posted a net profit of \$49.3M for the fourth quarter of FY2018-19, \$6.9M or 12.3% lower than the same quarter last year.

# Group Profit for FY18/19



# Joint Venture and Associated Companies FY18/19

Share of Profit After Tax	FY18/19 \$M	FY17/18 \$M	Variance %
<b>Engine and component</b>			
Engine centers	76.3	69.3	+ 10.1
Component centers	39.1	40.6	- 3.7
	<b>115.4</b>	<b>109.9</b>	<b>+ 5.0</b>
<b>Airframe and line maintenance</b>	(1.5)	(0.1)	n.m.
	<b>113.9</b>	<b>109.8</b>	<b>+ 3.7</b>

Contributions from the engine and component centres at \$115.4M were higher by \$5.5M or 5.0%, with higher share of profits from ESA.

# Breakdown of Group Revenue FY18/19

<b>Group Revenue</b>	<b>FY18/19 \$M</b>	<b>FY17/18 \$M</b>	<b>Variance %</b>
<b>Airframe and line maintenance</b>			
Airframe overhaul and line maintenance	891.2	942.5	- 5.4
Fleet management programme	100.2	124.7	- 19.6
	<b>991.4</b>	<b>1,067.2</b>	<b>- 7.1</b>
<b>Engine and component</b>	29.5	27.7	+ 6.5
	<b>1,020.9</b>	<b>1,094.9</b>	<b>- 6.8</b>

Revenue decreased by \$74.0M or 6.8% , mainly due to lower airframe and fleet management revenue.



# Group Expenditure FY18/19

<b>Group Expenditure</b>	<b>FY18/19 \$M</b>	<b>FY17/18 \$M</b>	<b>Variance %</b>
Staff costs	488.7	494.3	- 1.1
Material costs	145.2	186.5	- 22.1
Subcontract costs	118.3	133.9	- 11.7
Overheads	211.9	201.4	+ 5.2
	<b>964.1</b>	<b>1,016.1</b>	<b>- 5.1</b>

Expenditure was lower by \$52.0M or 5.1%, mainly from lower material and subcontract costs in line with the lower workload.

# Group Operating Profit by Segment FY18/19

<b>Group Operating Profit</b>	<b>FY18/19 \$M</b>	<b>FY17/18 \$M</b>	<b>Variance %</b>
Airframe and line maintenance	59.8	81.9	- 27.0
Engine and component	(3.0)	(3.1)	+ 3.2
	<b>56.8</b>	<b>78.8</b>	<b>- 27.9</b>

Group's operating profit in FY18/19 of \$56.8M was \$22.0M or 27.9% lower.

# SIA vs Non-SIA Revenue FY18/19

	SIA \$M	Non-SIA \$M
<b>SIA Engineering (SIAEC)</b>	<b>519.9</b>	<b>352.4</b>
<i>% of non-SIA work</i>		<b>40%</b>
<b>Subsidiary companies</b>	<b>69.8</b>	<b>133.3</b>
<i>% of non-SIA work</i>		<b>66%</b>
<b>Joint venture &amp; associated companies</b>		
- Engine and component	834.2	3,455.7
- Airframe and line Maintenance	90.0	40.0
	<b>924.2</b>	<b>3,495.7</b>
<i>% of non-SIA work</i>		<b>79%</b>
<b>Combined Group revenue</b>	<b>1,513.9</b>	<b>3,981.4</b>
<i>% of non-SIA work</i>		<b>72%</b>

% of non-SIA revenue increased by 6ppt from 66% in FY17/18 to 72% in FY18/19.

# Group Balance Sheet

	<b>Mar-19</b> <b>\$M</b>	<b>Mar-18</b> <b>\$M</b>
Equity attributable to owners of the parent	1,528.6	1,483.7
Non-controlling interests	35.4	31.3
<b>Total equity</b>	<b>1,564.0</b>	<b>1,515.0</b>
<b>Non-current liabilities</b>	<b>35.7</b>	<b>41.5</b>
	<b>1,599.7</b>	<b>1,556.5</b>
<u>Represented by:</u>		
<b>Non-current assets</b>	<b>880.2</b>	<b>899.7</b>
Cash	521.6	499.7
Other current assets	443.4	404.5
<b>Current assets</b>	<b>965.0</b>	<b>904.2</b>
<b>Current liabilities</b>	<b>(245.5)</b>	<b>(247.4)</b>
<b>Net current assets</b>	<b>719.5</b>	<b>656.8</b>
	<b>1,599.7</b>	<b>1,556.5</b>

# Financial Statistics

<b>Financial Statistics</b>	<b>FY18/19</b>	<b>FY17/18</b>	<b>Variance</b>	
Return on shareholders' funds (%)	10.7	12.4	- 1.7	ppt
Basic earnings per share (cents)	14.38	16.70	- 13.9	%
	<b>Mar-19</b>	<b>Mar-18</b>	<b>Variance</b>	
Net asset value per share (cents)	136.6	132.7	+ 2.9	%

# Final Dividend

<b>Proposed Dividend</b>	<b>FY18/19</b>	<b>FY17/18</b>	<b>Variance</b>
<u>Ordinary</u> (in cents per share)			<b>%</b>
Interim	3.0	4.0	- 25.0
Final	8.0	9.0	- 11.1

Final dividend to be paid on 8 August 2019

# FY18/19 Operational Review



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# Core Business



## Line Maintenance

- 34 airports in 7 countries



## Aircraft & Component Services

- 6 hangars in Singapore
- 3 hangars in Philippines



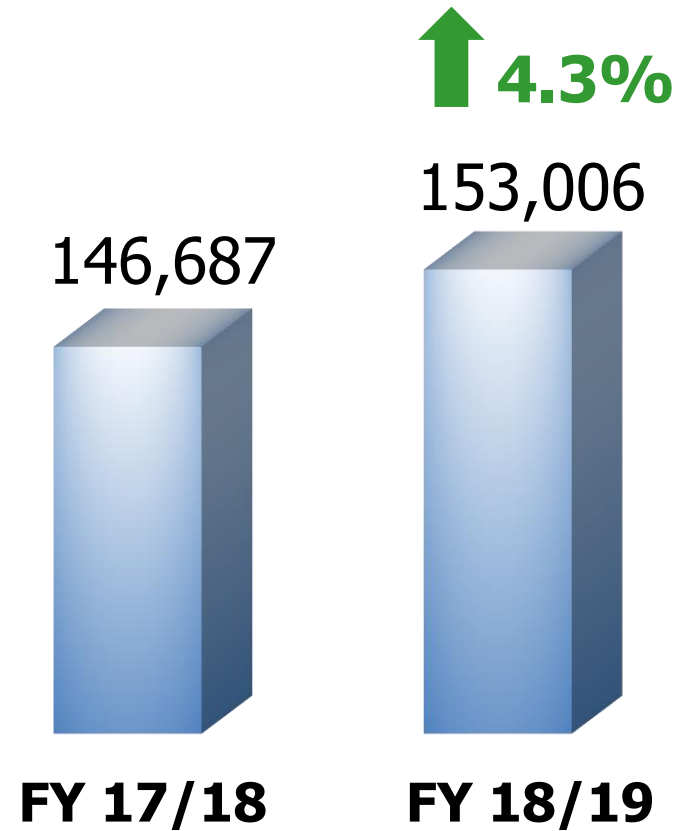
## Fleet Management

- 82 aircraft from 8 airlines



# Line Maintenance

## Flights handled at Changi Airport



# Line Maintenance

5  
New  
Contracts



22  
Renewed  
Contracts



# Aircraft & Component Services

13

New/Renewed  
Contracts at  
Singapore  
base



# Aircraft & Component Services



## Maintenance Checks at Singapore Base

	FY18/19	FY17/18
'A' Checks*	466	455
'C' Checks	71	87

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



## Maintenance Checks at Clark Base

	FY18/19	FY17/18
'C' Checks	54	56

6 cabin retrofit programs were also completed in FY1819 at Clark

# Fleet Management

**A320**

**22  
aircraft**



**777**

**5  
aircraft**



**737**

**26  
aircraft**



**747**

**10  
aircraft**



**A330**

**19  
aircraft**



# Fleet Management

FMP Fleet

82  
aircraft

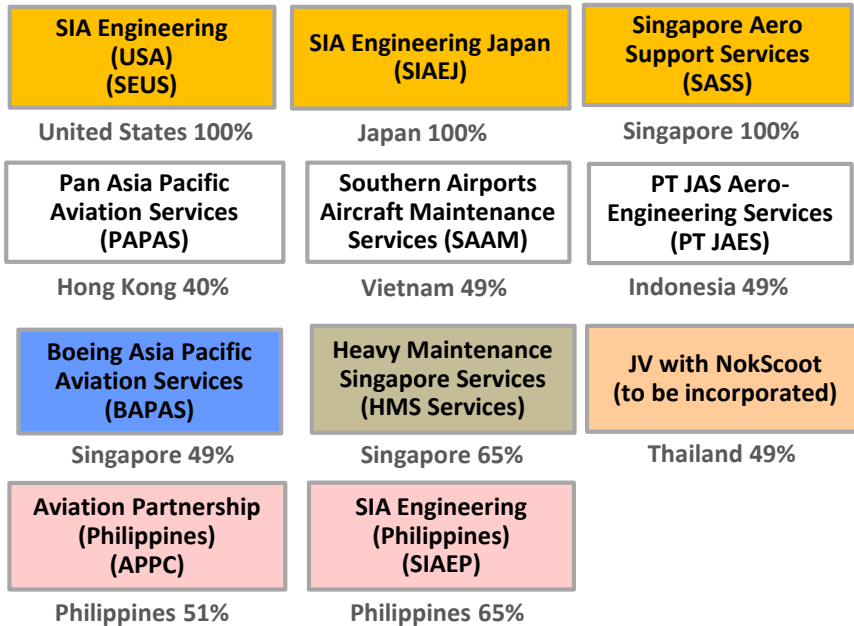


nok scoot

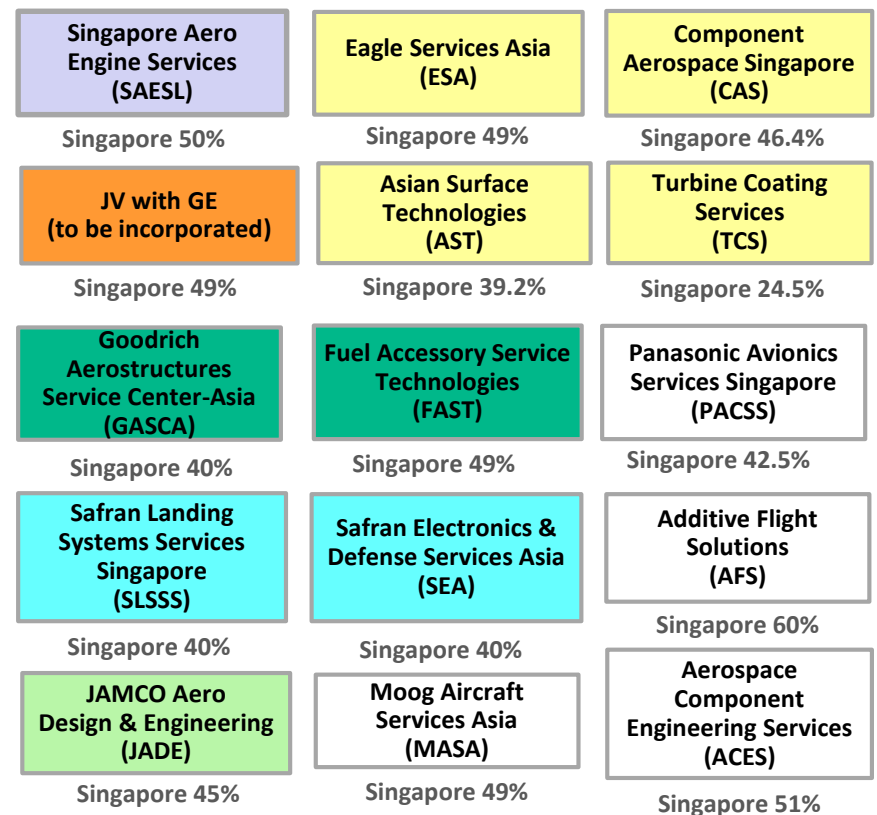


# 24 JVs Across 7 Countries

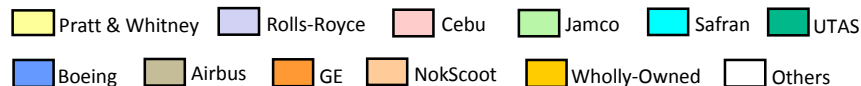
## Airframe and Line Maintenance



## Engine and Component



### JV Partners



# Key Developments

## Rationalising line maintenance international (LMI) operations

### **Divested 100% stake in Aircraft Maintenance Services Australia Pty Ltd for A\$4.5M in cash**

- Gain of approximately S\$0.3M
- 

### **49/51 partnership with NokScoot Airlines Co., Ltd for a line maintenance JV in Thailand**

- Operations at Don Mueang International Airport
  - Increases LMI network to 34 airports in 7 countries ex-Singapore
- 

## Growing aircraft and cabin maintenance business

### **Incorporation Of Additive Flight Solutions**

- Leverage additive manufacturing technology to produce plastic aircraft cabin interior parts and tooling for MRO providers
  - Commenced operations in 2018
- 

### **Acquired remaining 20% stake in Singapore Aero Support Services Pte Ltd\* for S\$4.7M in cash**

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# Key Developments

**Focusing on core competencies**

## **Services Agreement with SilkAir for B737 Max aircraft**

- 12 years + option to renew for 5 years
  - Expected revenue of \$484M over 12-year term
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## **Agreement with Thales**

- In-Flight Entertainment and Connectivity Agreement to maintain Singapore Airlines' A350 XWB aircraft fitted with Thales' AVANT IFE system
  - 10-year term
- 

## **Services Agreement with Singapore Airlines**

- 2 years from 1 April 2019 + option to renew for 2 years
  - Expected labour revenue of \$1.3-1.4B over the 4-year term
- 

## **Sold our 20% stake in Jamco Singapore Pte Ltd for \$3.97M in cash**

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# Outlook

**The MRO operating environment remains challenging. Added to that, revenue will be impacted by the unforeseen grounding of customers' aircraft.**

**Our Transformation journey is gaining traction with some initiatives generating productivity gains and creating capacity for growth. More of such initiatives will be progressively implemented over the next 3 years. We will also continue with our efforts to innovate and adopt technologies to complement these initiatives.**

**During the year, we had strengthened and expanded our network of strategic partnerships. Our associated company, Eagle Services Asia Pte Ltd, commenced maintenance for the PW1100G engines, which is one of the engines that power the new-generation A320neo aircraft. Joint venture companies ("JVs") formed previously, namely Heavy Maintenance Singapore Services Pte Ltd, Moog Aircraft Services Asia Pte Ltd and Additive Flight Solutions Pte Ltd, have commenced operations during the year. These JVs are in their gestation period and are not expected to be accretive in the near term. We also recently announced the plan to extend our line maintenance network to Thailand, in partnership with NokScoot Airlines Co., Ltd.**

**We will leverage our portfolio of JVs with strategic partners, diversified service offerings and strong balance sheet to pursue suitable opportunities for sustainable growth.**

# End of Performance Review



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