



1H FY2023/24 REVIEW

3 NOVEMBER 2023



OPERATIONAL REVIEW

CORE BUSINESS

Line Maintenance



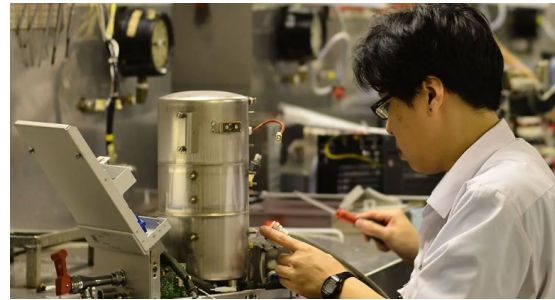
- 36 airports in 8 countries

Base Maintenance



- 6 hangars in Singapore
- 3 hangars in Philippines

Component Services



- 104 aircraft from 8 airlines under Inventory Technical Management
- 6 component support shops

Engine Services



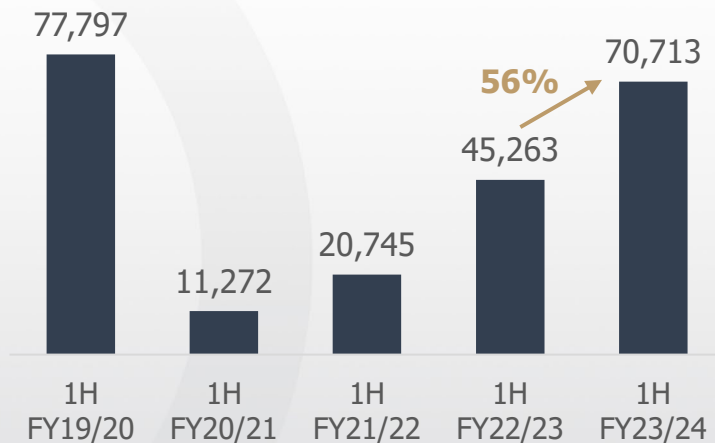
- CFM LEAP Quick Turn (QT) and Rolls-Royce On-Wing Services
- Engine test cell facility

LINE MAINTENANCE

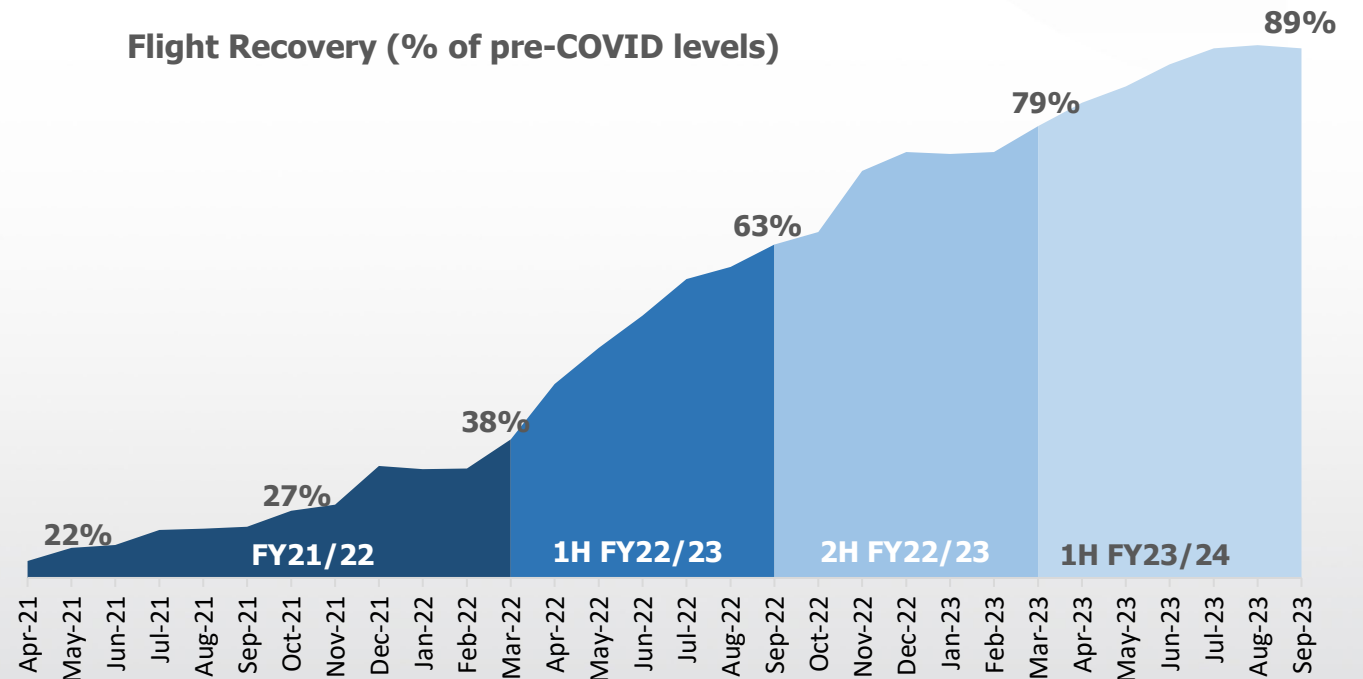
Steady and Measured Improvement in Flight Activities

- Number of flights handled in 1H FY23/24 increased 56% compared to a year ago
- Flight recovery at the end of 1H FY23/24 was at 89%, an improvement of 10 percentage points over the half-year period
- Strengthening LMI network globally
 - Completed acquisition of 49% stake in Pos Aviation Engineering Services for line maintenance operations in Malaysia
 - Signed JVA for 51%-owned JV with Cambodia Airport Investment Co., Ltd at the new Techo Takhmao International Airport in Phnom Penh

Flights Handled at Changi Airport (Number)



Flight Recovery (% of pre-COVID levels)



BASE MAINTENANCE

Strong Demand Met by Capacity Creation through Lean Practices

Maintenance Checks at Singapore Base

	1H FY23/24	1H FY22/23
Light Checks*	385	258
Heavy Checks	45	42



- Continued strong demand for hangar checks with the increase in flight activities and recovery of most international airlines
- Adoption of Lean practices generating additional capacity to capture the increase in demand
- Pursuing growth with the incorporation of a wholly-owned subsidiary, Base Maintenance Malaysia, to perform MRO services in Malaysia

Maintenance Checks at Clark Base

	1H FY23/24	1H FY22/23
Heavy Checks	12	18



- Secured A321neo maintenance agreement with Hawaiian Airlines Inc.
- Signed non-binding MOU with Embraer to explore further partnership to include base maintenance services for Embraers' E-Jets E2 family of aircraft

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

COMPONENT SERVICES

Sustained Increase in Work Volume from Higher Flight Activities

- Asia Pacific Aircraft Component Services (APACS) secured licensing rights from Honeywell for repair activities on Airbus Air Data Inertial Reference Unit (ADIRU) and Pre-Cooler Control Valve (PCCV) products
- Signed agreement for a 49%-owned component MRO JV with Eaton in Malaysia to perform maintenance on Eaton-manufactured aircraft components installed on airframe and engine fuel systems and hydraulics systems

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 750 part numbers



Inventory Technical Management

Number of Aircraft	1H FY23/24	1H FY22/23
A320	68	62
Boeing 737	23	24
Boeing 747	7	7
A330	6	6
Total	104	99



ENGINE SERVICES

Steady Growth and Capability Expansion from Higher Flight Activities

- Expanded On-Wing Services capabilities
 - Trent XWB Fan Track Liner Repair
 - Rolls-Royce External Gearbox replacement
- Continued ramp up at Aircraft Engine Services facility
- Expanded Engine Test Facility capabilities to include LEAP-1B engine test



KEY CUSTOMER CONTRACTS

Growth in Third-party Customers in 1H FY23/24

Line Maintenance

New



Renewed



Line Maintenance International

New



AeroLogic

ASIANA AIRLINES ⁷

HKexpress



Base Maintenance

New



Extension of service



STRATEGIC PARTNERSHIPS PORTFOLIO

24 Subsidiaries and Joint Ventures Across 8 Countries with Total Revenue of S\$3.7B in 1H FY23/24



- Line maintenance JV with Cambodia Airport Investment Co., Ltd at Techo Takhmao International Airport in Phnom Penh, Cambodia
- Component MRO JV with Eaton in Malaysia
- Completed acquisition of additional 10% stake in JADE (total 55%)
- Completed acquisition of 49% stake in PAES
- Incorporated a wholly-owned subsidiary in Malaysia (BMM)

Airframe and Line Maintenance

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

JV Partners:

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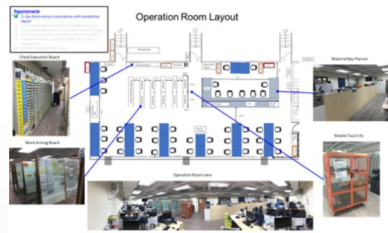
Engine and Component

Singapore Aero Engine Services (SAESL) Singapore 50%	Eagle Services Asia (ESA) Singapore 49%	Component Aerospace Singapore (CAS) Singapore 46.4%
GE Aviation, Overhaul Services – Singapore (GEOSS) Singapore 49%	JAMCO Aero Design & Engineering (JADE) Singapore 55%	Turbine Coating Services (TCS) Singapore 24.5%
Goodrich Aerostructures Service Center-Asia (GASCA) Singapore 40%	Fuel Accessory Service Technologies (FAST) Singapore 49%	Panasonic Avionics Services Singapore (PACSS) Singapore 42.5%
Safran Landing Systems Services Singapore (SLSSS) Singapore 40%	Safran Electronics & Defense Services Asia (SEA) Singapore 40%	Additive Flight Solutions (AFS) Singapore 60%
Moog Aircraft Services Asia (MASA) Singapore 49%	Aerospace Component Engineering Services (ACES) Singapore 51%	Asia Pacific Aircraft Component Services Malaysia 75%
Component MRO Partnership with Eaton Malaysia 49%		

Transitioning from Transformation to Continuous Improvement



Key Outcomes



Operational Excellence

- 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 and improvement of existing tools to broaden service offering, improving staff and customer experience
- Smart and green initiatives to optimise asset utilisation, improve productivity and sustainability index

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

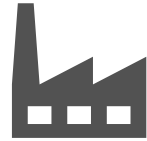
- Reduction of laborious tasks through digital and technology enablement
- Opportunities for professional growth
- Promoting a “test & learn” mindset, providing a conducive environment for staff to innovate and collaborate

SUSTAINABILITY

2030 Sustainability Targets

SIAEC has set targets to achieve in key sustainability areas by 2030, serving to guide development and initiatives in this decade.

2030 Targets



Halve Scope 1 & 2 Emissions
(Against FY19/20 baseline)



15% reduction in water intensity
(Against FY17/18 – FY19/20 average)



30% Recycling Rate

Key Highlights (1H FY23/24)



Phased implementation of Task Force on Climate-Related Financial Disclosures (TCFD)



Investing in energy-efficient equipment



Engagement with key vendors and JVs



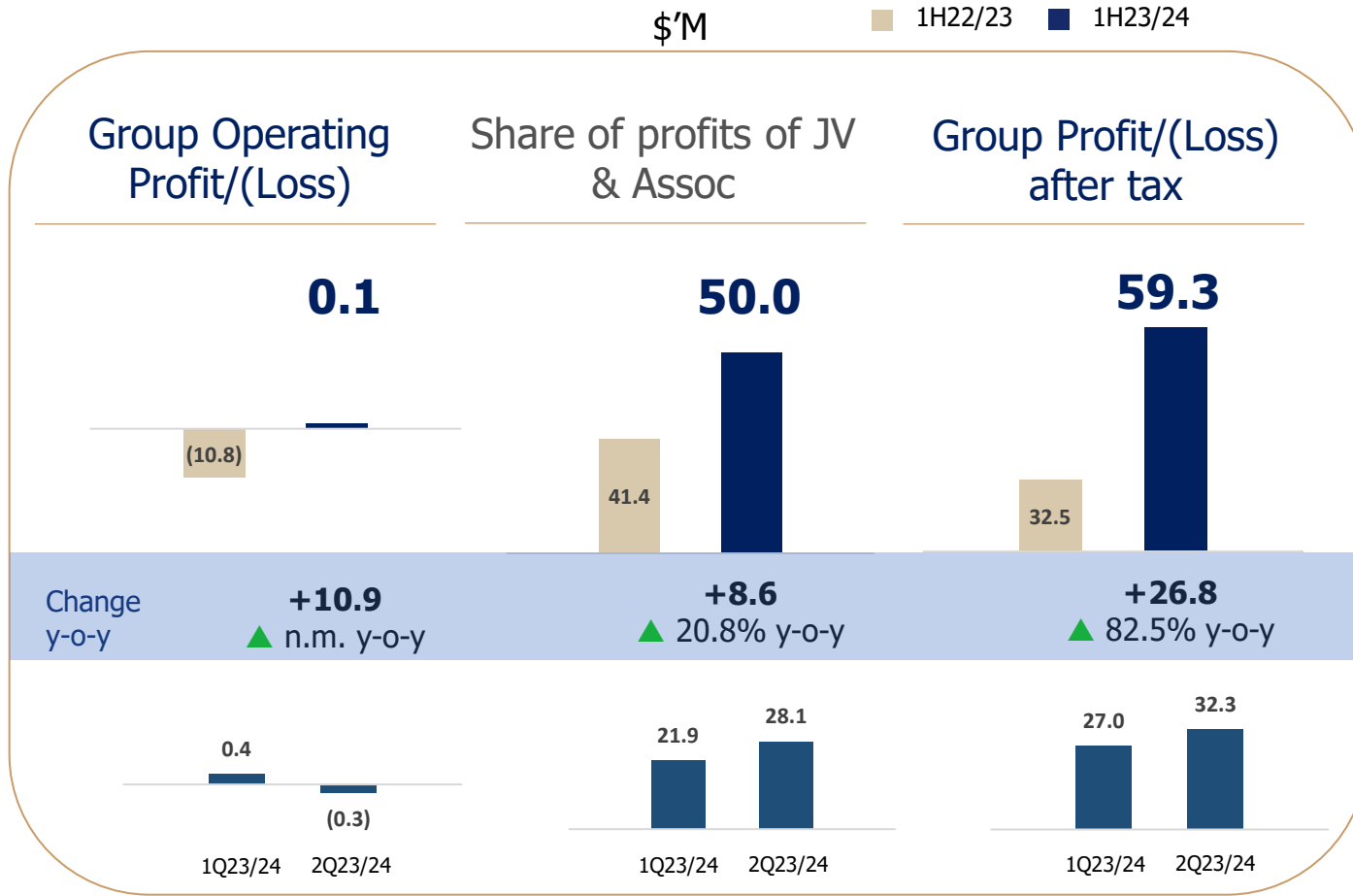
FINANCIAL REVIEW

Key Highlights

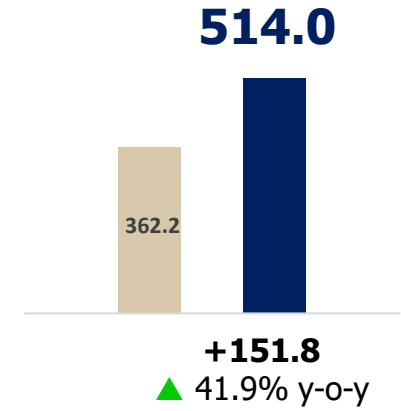


- Increase in MRO demand supported by recovery in flight activities during the period.
- Group recorded a net profit of \$59.3 million in 1H23/24, an improvement from net profit of \$32.5 million in 1H22/23.
- Operating performance returned to profit since pandemic; flights handled during the period represented about 87% of pre-pandemic volume.
- Higher share of profits as work inputs increased with further recovery of flight activities.
- The Company has declared an interim dividend of 2.0 cents per share.

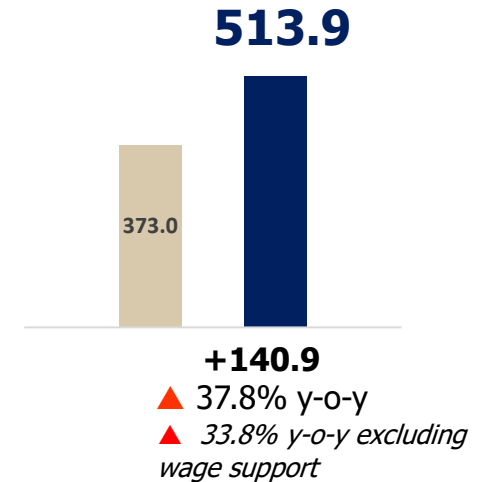
Summary of 1H23/24 Group Results



Group Revenue

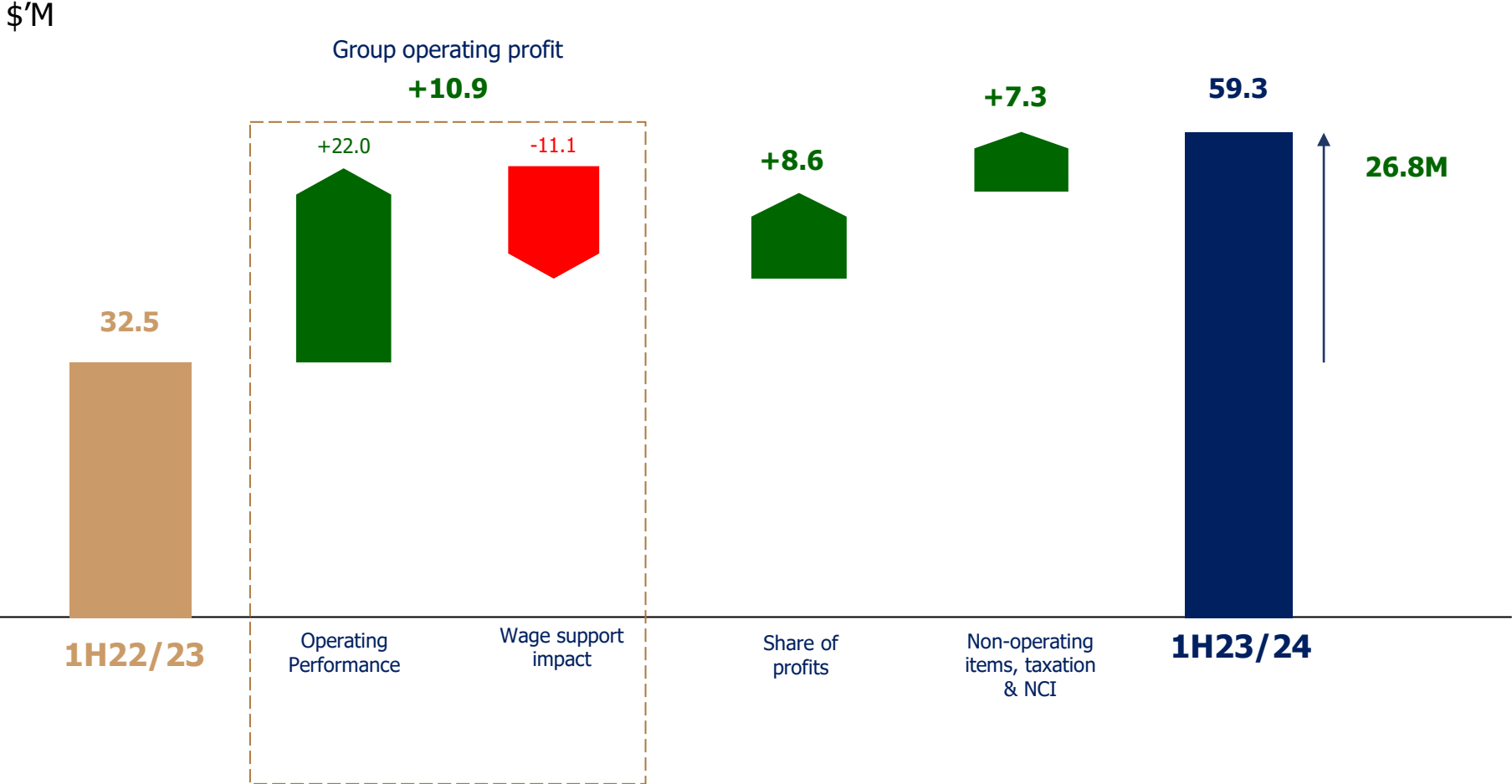


Group Expenditure

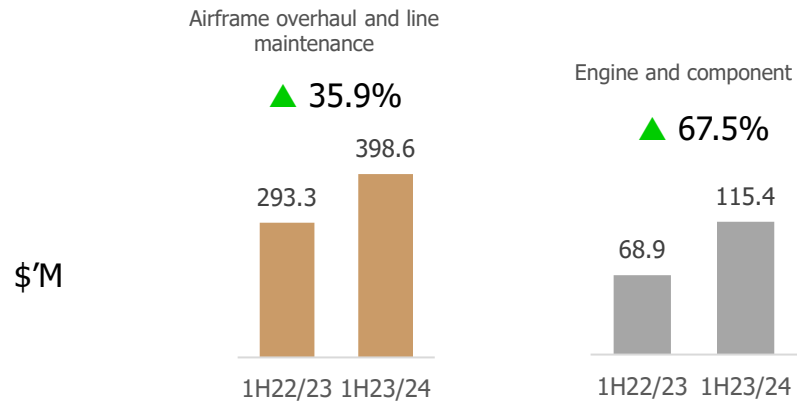
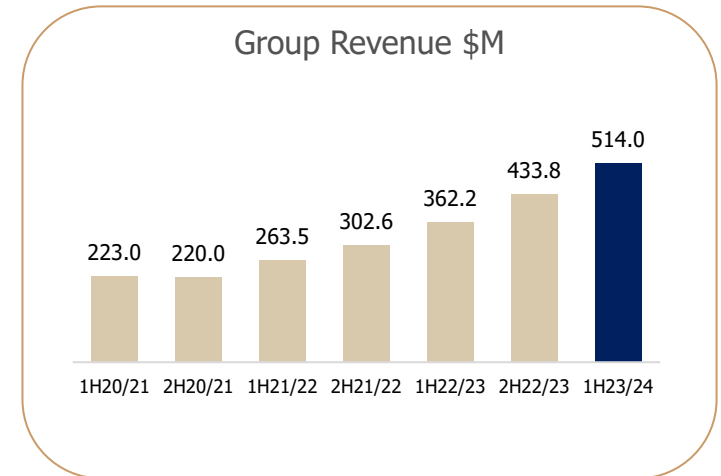
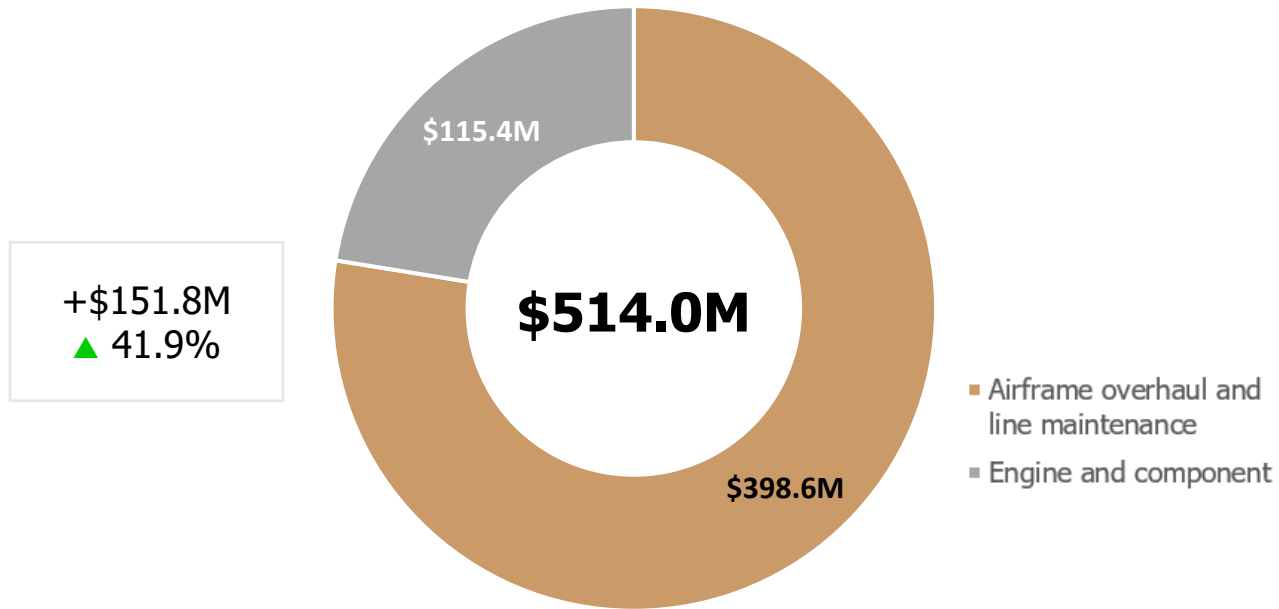


- Improved performance driven by recovery of MRO demand

Analysis of 1H23/24 Group Profit

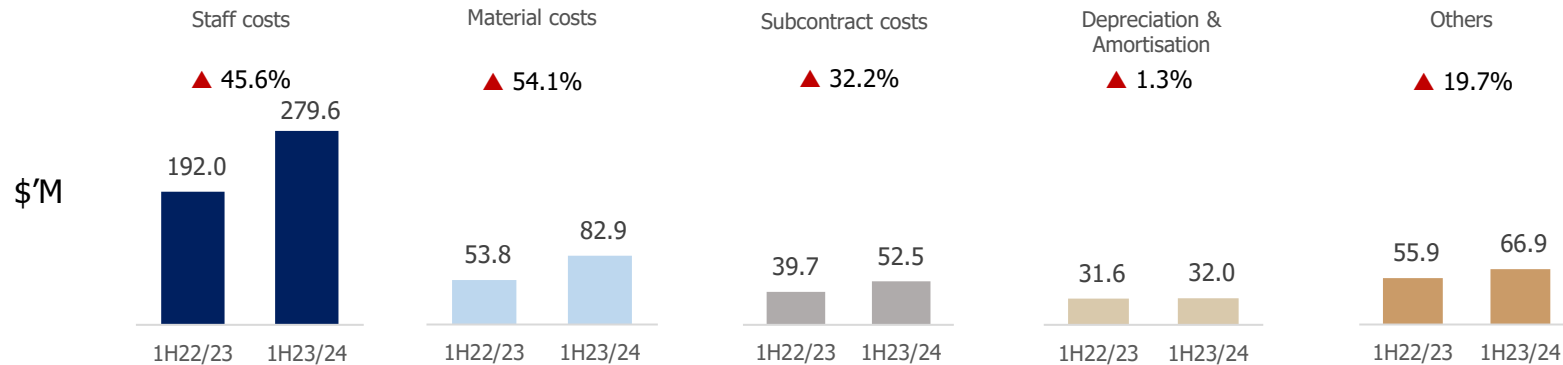
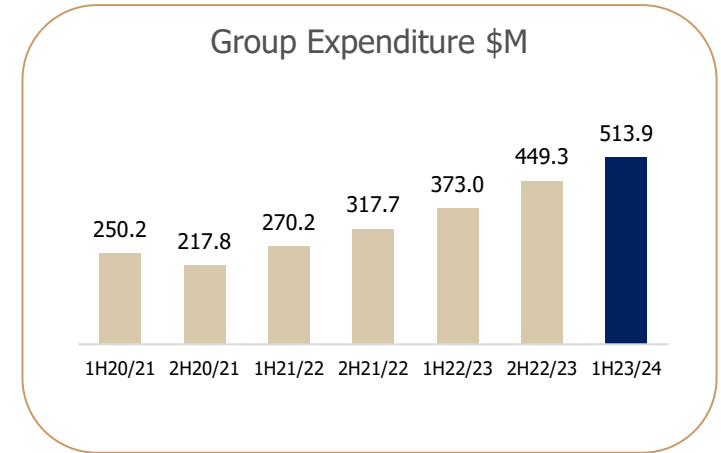
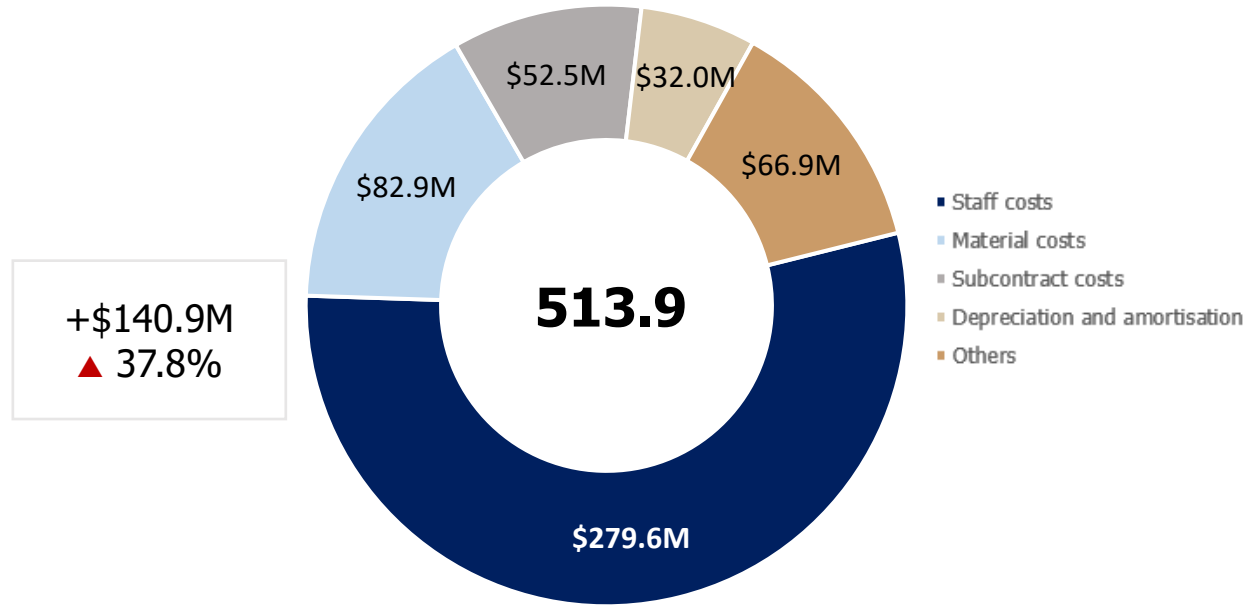


Analysis of 1H23/24 Group Revenue



Revenue increase with recovery of flight activities.

Analysis of 1H23/24 Group Expenditure

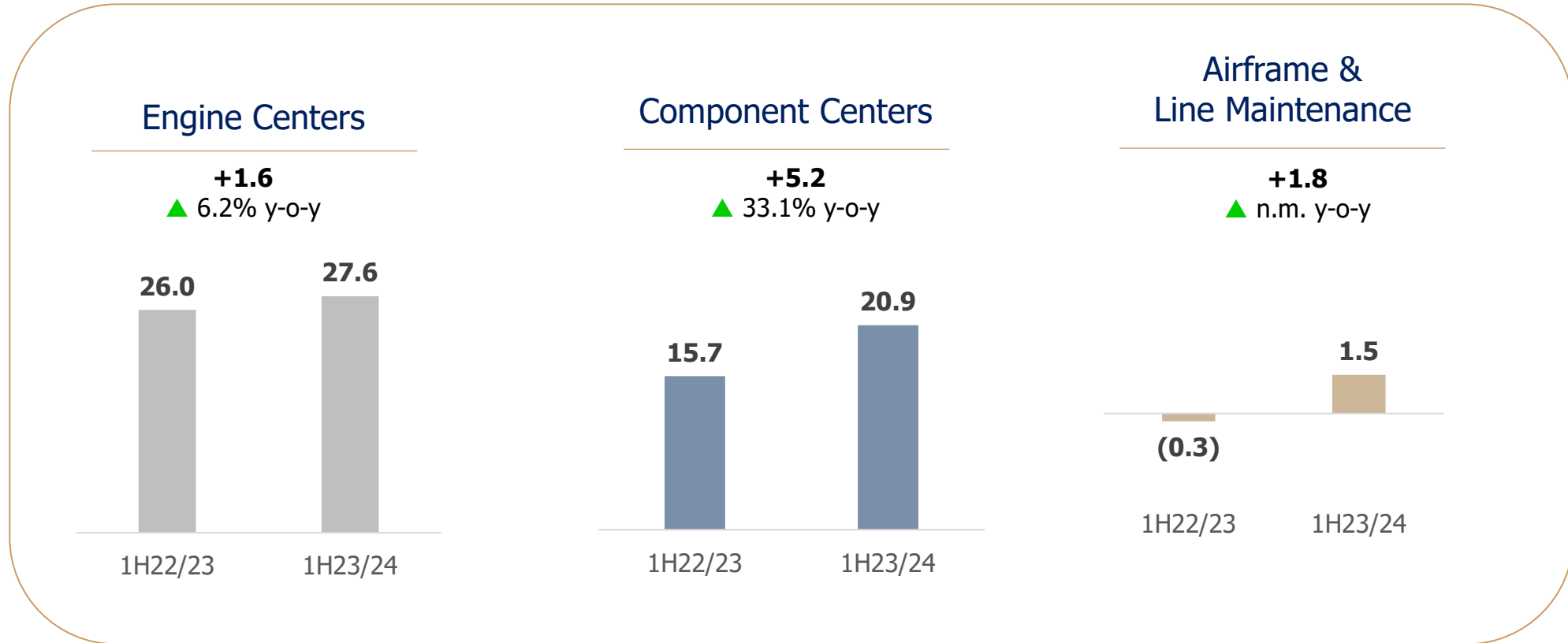


- Excluding wage support, staff cost was 37.7% higher year-on-year.
- Expenditure increase mainly due to higher manpower costs incurred to support increase in business activities.

Breakdown of 1H23/24 Share of Profits after tax

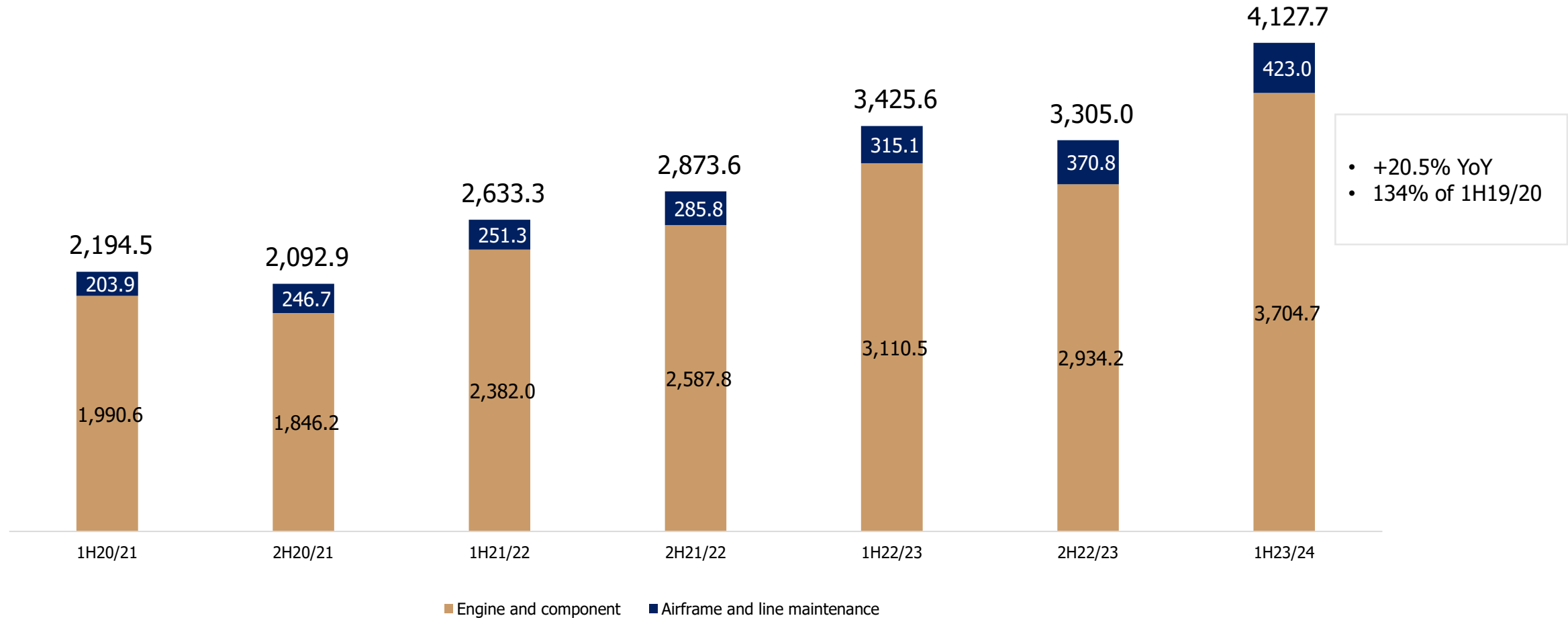
Joint Venture and Associated Companies

\$'M



Share of profits from all segments registered improvement.

Aggregate Revenue of SIAEC, Subsidiaries, JV and Associated Companies for 1H23/24



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

Group Balance Sheet and Financial Statistics

	Sep-23 \$M	Mar-23 \$M	Variance	
			\$M	%
Total equity	1,689.5	1,676.7	+ 12.8	+ 0.8
Non-current liabilities	87.9	91.1	- 3.2	- 3.5
Current liabilities	243.5	215.4	+ 28.1	+ 13.0
Non-current assets	1,081.2	1,031.1	+ 50.1	+ 4.9
Cash	593.7	633.0	- 39.3	- 6.2
Other current assets	346.0	319.1	+ 26.9	+ 8.4
Net asset value per share (cents)	149.5	148.5	+ 0.7	%

	1H23/24	1H22/23	Variance
Return on shareholders' funds (%)	5.5	4.6	+ 0.9 pts
Basic earnings per share (cents)	5.28	2.89	+ 82.7 %

- Increase in shareholders' funds was mainly due to profits earned and gain in foreign currency translation reserve with the strengthening of USD, partially offset by dividend payout during the period.
- Reduction in cash balance is mainly due to outflow from payment of dividends, capital expenditure and repayment of lease liabilities exceeding net operating cash inflow.

Interim Dividend

	1H23/24	1H22/23	Variance
Interim Dividend			
Ordinary (in cents per share)	2.0	-	+ 100 %

Interim dividend will be paid on 29 November 2023



OUTLOOK

1H FY23/24 At a Glance



56% Increase in Flights Handled Against 1H FY22/23

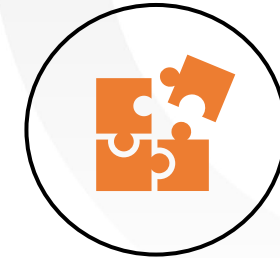
Flight recovery at 89%
as at Sep-23



Pressing Ahead with Continuous Improvement

Strengthening our core
businesses by improving our
competitiveness and margins

Continuing our pursuit of
Continuous Improvement Culture



Executing our Core Strategies

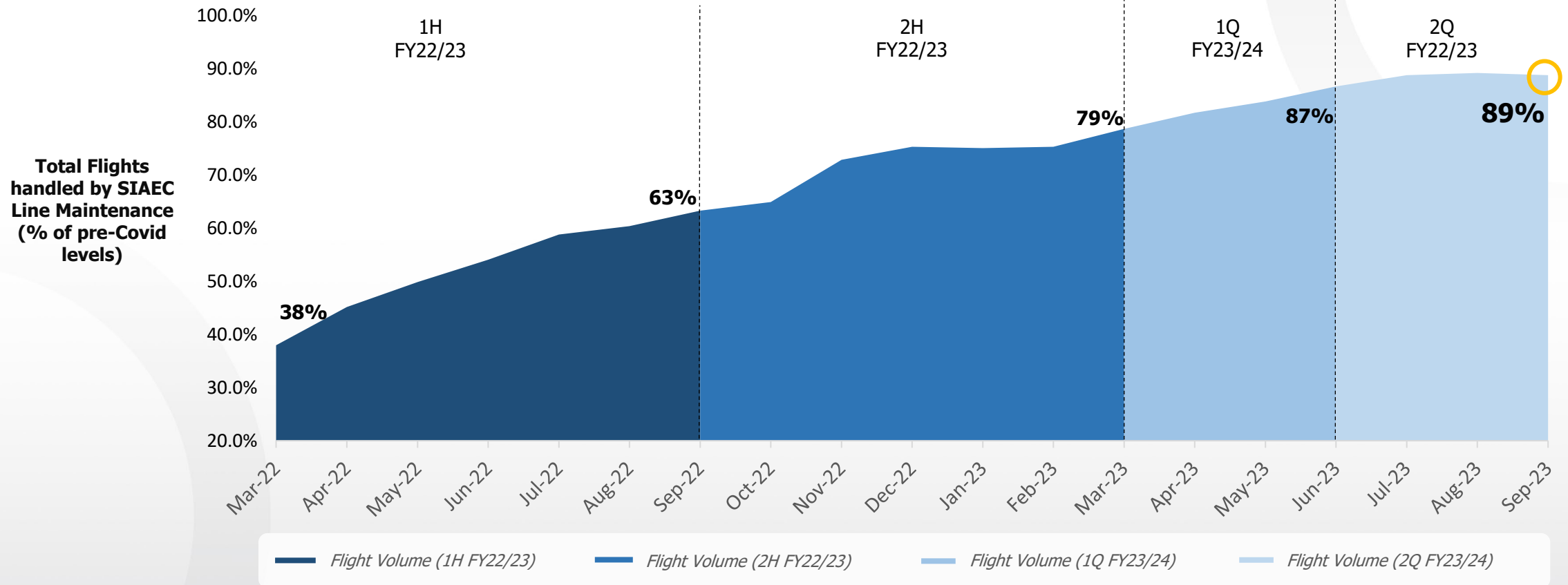
Further expansion overseas
and increasing our
presence in new markets

Growing our 3rd party
business

Acquiring and developing
new capabilities

Flight Activity

Approaching Full Recovery



On track to reaching full recovery

Challenges



Macroeconomic factors

- Geopolitical tensions and supply chain disruptions
- Inflation and increased costs
- High interest rates
- Continued risk of global recession



Wage pressures

- Escalating cost of living putting upward pressure on wages



Resource Constraints

- Competition from regional and global MROs for engineers and technicians
- Airlines remain constrained by aircraft delivery delays and crew shortages

Priorities

Our immediate needs



Remaining vigilant and prudent in managing increase in costs



Ramp up recruitment in preparation for growth beyond recovery



Seeking investment opportunities for growth development

Strategic Pathways for Growth



Expand **overseas** and increase presence in **new markets**



Invest in **new capabilities** on new generation aircraft platforms



Grow **3rd Party Business**

Gearing Up for Growth

- **Establish hangars regionally** and **expand LMI network**
- Set up component capabilities in **lower operating cost environment**
- **Deepen Collaboration** with SIA Group airlines to secure OEM partnership opportunities
- **Develop and Acquire new capabilities** across the group and JV network, through continued investments and partnerships with OEMs
- Strengthen marketing and sales to **grow long-term customer base** and **develop regional partnerships**
- **Diversify** customer portfolio for operational resilience

Growth Opportunities

Executing our strategies

Line Maintenance

- Expand scope of services beyond transit handling
 - A-check contracts with Qantas and Jetstar
- Expand Line Maintenance International network worldwide
 - Commenced operations in Fukuoka
 - Acquired 49% stake in Pos Aviation Engineering Services in Malaysia
 - JV agreement with Cambodia Airport Investment Co Ltd

Base Maintenance

- Expand Base Maintenance footprint overseas with the potential lease of two wide-body aircraft hangars in Subang, Malaysia
- Develop the structure and processes for Base Maintenance International network
- Increase long-term 3rd party customers
 - Hawaiian Airlines
 - United Airlines
 - Air India

Component Services

- JV agreement with Eaton to form component MRO JV in Malaysia
- Expand Inventory Technical Management customer baseload:
 - Cambodia Airways
- Deepen partnerships with OEMs
 - Honeywell repair licenses awarded to APACs for Airbus ADIRU and PCCV products

Engine Services

- Commenced LEAP-1A engines testing at Engine Test Facility
- Grow LEAP Quick-Turn, testing, and component and module repair capabilities
- Grow On-Wing Care capabilities for Rolls Royce Trent engines

Awards & Accolades



- **MRO Asia-Pacific Awards 2023** "Innovation of the Year" by Aviation Week Network
- Recognition by industry peers and professionals of SIAEC's adaption of new technology and the benefits to the business

- **SkillsFuture Employer Awards 2023 (Silver)** by SkillsFuture SG
- Presented by the President of the Republic of Singapore to exemplary organisations that champion employees' skills development and build a lifelong learning culture at the workplace.

- **Talent Management (Silver) and Learning and Development with Coaching and Mentoring (Silver)** by Singapore Human Resource Institute
- These awards serve as a regional benchmark for advancing HR practices and recognise companies that set the standard for industry best-practices

Thank you

