SIA ENGINEERING COMPANY

3 November 2026

SIA ENGINEERING GROUP POSTS PROFIT OF $81.9M IN 1st HALF FY2026-27

- **Group delivered a strong recovery in operating performance, with operating profit doubling to $25.7 million in 1H FY2026–27**
- **Declared interim dividend of 2.5 cents per share**

HIGHLIGHTS OF THE GROUP'S PERFORMANCE

	1st half FY2026-27			2nd Quarter FY2026-27		
	Apr – Sep 2026	Year-on-Year Change		Jul - Sep 2026	Year-on-Year Change	
	$'M	$'M	%	$'M	$'M	%
• Revenue	658.6	-70.4	-9.7	331.0	-39.6	-10.7
• Operating profit	25.7	+12.7	+97.7	12.5	+4.6	+58.2
• Share of profits of associated and joint venture companies, net of tax	63.7	-7.6	-10.7	32.7	-0.8	-2.4
• Profit attributable to owners of the parent	81.9	-1.4	-1.7	41.6	+1.2	+3.0
• Basic earnings per share (cents)	7.32	-0.13	-1.7	3.72	+0.11	+3.0

GROUP EARNINGS

First Half FY2026-27

Group revenue for the first half of FY2026-27 dropped by 9.7% year-on-year to $658.6 million due to lower revenue from materials, with a commensurate reduction in the cost of materials. Excluding materials, revenue was 1.6% higher year-on-year. Group expenditure declined at a higher rate of 11.6% to $632.9 million due to lower material and repair costs and the absence of an impairment provision that was recorded last year. As a result, Group operating profit doubled year-on-year to $25.7 million (+97.7%) on the back of healthy maintenance, repair and overhaul ("MRO") demand and lower gestation losses at startup subsidiaries.

Share of profits of associated and joint venture companies decreased by $7.6 million (-10.7%) year-on-year to $63.7 million due to higher costs incurred for capacity and capability expansion at an engine joint venture, which were partially offset by the higher output and profit margins of other associated companies. Such expansion costs are expected to start tapering off from FY2027-28, with the facility development work projected to be completed by the end of that financial year. The breakdown of the $63.7 million share of profits by segment is as follows:

- $60.6 million (-$8.0 million) from the engine and component segment, and
- $3.1 million (+$0.4 million) from the airframe and line maintenance segment.

Note 1: The SIAEC Group's unaudited financial results for the half year ended 30 September 2026 were announced on 3 November 2026. A summary of the financial statistics is shown in Annex A. All monetary figures are in Singapore Dollars. The Group comprises the Company and its subsidiary, associated and joint venture companies.

The $12.7 million increase in operating profit was offset by the $7.6 million drop in share of profits of associated and joint venture companies, coupled with lower interest income, higher finance charges and a higher tax provision, which collectively contributed to a $6.5 million year-on-year impact. Owing to these reasons, the Group's net profit dipped by $1.4 million year-on-year to $81.9 million.

Basic earnings per share for the first half of the financial year ended 30 September 2026 was 7.32 cents.

Second Quarter FY2026-27

In the second quarter, the Group's operating profit was $12.5 million, an improvement of $4.6 million year-on-year as the decline in expenditure of 12.2% outpaced the 10.7% decline in revenue, primarily due to lower subcontract services and a one-off impairment provision recorded last year.

Share of profits of associated and joint venture companies for the quarter was $32.7 million, a decrease of $0.8 million (-2.4%) year-on-year. The breakdown of the contribution by segment is as follows:
- $31.2 million (-$0.9 million) from the engine and component segment, and
- $1.5 million (+$0.1 million) from the airframe and line maintenance segment.

The Group's net profit for the quarter ended 30 September 2026 of $41.6 million was $1.2 million higher year-on-year.

Basic earnings per share for the second quarter was 3.72 cents.

GROUP FINANCIAL POSITION

As of 30 September 2026, equity attributable to owners of the parent was $1,728.6 million. This was $26.8 million (-1.5%) lower than the position as of 31 March 2026, mainly due to the payment of the final dividend for the last financial year and a decrease in the foreign currency translation reserve, partially offset by profits earned during the period.

Total assets, which included a cash balance of $494.4 million, stood at $2,193.6 million as of 30 September 2026. The decrease of $77.2 million (-3.4%) from the position as of 31 March 2026 was mainly due to lower cash balances and lower trade receivables, partially offset by an increase in investment in associated companies.

Net asset value per share as at 30 September 2026 was 154.4 cents.

INTERIM DIVIDEND

The Company has declared an interim dividend of 2.5 cents per share. Books and Register of Members of the Company will be closed on 13 November 2026 for the purpose of determining shareholders' entitlements to the interim dividend that will be paid on 27 November 2026.

BUSINESS UPDATES

Demand for MRO services remained healthy in the half-year ended 30 September 2026. Line Maintenance in Singapore handled 3.3% more flights compared to the same period last year, reflecting increased flight activity.

Our wholly-owned subsidiary, Base Maintenance Malaysia ("BMM"), officially opened its facility and first hangar in May 2026. Since completing its inaugural maintenance check in November 2025, BMM has been ramping up its operations and, in July 2026, finished its first A350 maintenance check for Air India, marking a key milestone in its efforts to broaden its customer base.

In August 2026, we completed the acquisition of a 30% equity stake in Arport Aircraft Maintenance & Engineering (Fujian) Co., Ltd ("Arport AME"). Through this investment, we will expand our presence in China, with Arport AME providing line maintenance and ground services at airports in Xiamen, Fuzhou, Wuyishan and Longyan. Arport AME will also provide line and base maintenance services at the new Xiamen Xiang'an International Airport, which is scheduled to commence operations in December 2026.

We concluded a joint venture agreement with Safran Aircraft Engines in June 2026, to establish a full-fledged CFM LEAP ("LEAP") engine MRO shop in Singapore. Our current LEAP Quick Turn maintenance capabilities and operations will be integrated into the joint venture, which will eventually operate from a future state-of-the-art engine MRO facility.

Safran Landing Systems Services Singapore launched the opening of its additional MRO facility in Loyang in September 2026, raising its capacity by 40%. The new site is expected to be fully operational by December 2026.

In July 2026, we signed a legally non-binding Memorandum of Understanding with Air India to explore MRO collaboration opportunities to support the growing needs of the Indian and regional aviation markets, which could potentially include the formation of an MRO joint venture in India.

SIA Engineering Company continued to receive industry recognition. We were named "Asia MRO of the Year - Line Maintenance" at Aviation Week's MRO Asia-Pacific Awards 2026. At the Singapore HR Awards 2026 organised by the Singapore Human Resources Institute, we received the Gold award for Excellence in Talent Strategy and the Silver award for Excellence in People Development. We also received the Bronze award for Excellence in In-house Talent Pipeline Strategy at Human Resources Online's Human Resource Excellence Awards 2026.

OUTLOOK

Demand for the Group's MRO services continues to be underpinned by air travel growth, particularly in the Asia-Pacific region, coupled with the deferred retirement of legacy aircraft amid delays in new aircraft deliveries.

Amid the ongoing Middle East conflict which has driven up energy and freight costs, as well as continued supply chain bottlenecks for selected aircraft parts, the Group remains focused on driving productivity improvements, increasing operational resilience and maintaining cost discipline, while staying nimble to capture business opportunities.

The Group remains confident in the fundamentals of the Asia-Pacific MRO market and will continue to expand its footprint across the region, scale capacity and enhance capabilities for next-generation aircraft, and strengthen its operational core, to deliver sustainable long-term growth and shareholder value.

------End ------

(For the complete first half FY2026-27 financial statements, please refer to the Interim Financial Statements released together with this announcement or the Investor Relations page on our website at www.siaec.com.sg.)

For more information, please contact:
Tan May Lyn
Manager Corporate
SIA Engineering Company Limited
Tel: (65) 6548 1157
E-mail: maylyn_tan@singaporeair.com.sg

Company Registration No: 198201025C

GROUP FINANCIAL STATISTICS

	1H26/27 ($'M)	1H25/26 ($'M)
Financial Results		
Revenue	658.6	729.0
Operating profit	25.7	13.0
Share of profits of associated and joint venture companies, net of tax	63.7	71.3
Net profit	81.9	83.3
Per Share Data		
Earnings after tax (cents) - basic [R1]	7.32	7.45
- diluted [R2]	7.29	7.41

	1Q26/27 ($'M)	2Q26/27 ($'M)	2Q25/26 ($'M)
Financial Results			
Revenue	327.6	331.0	370.6
Operating profit	13.2	12.5	7.9
Share of profits of associated and joint venture companies, net of tax	31.0	32.7	33.5
Net profit	40.3	41.6	40.4
Per Share Data			
Earnings after tax (cents) - basic [R1]	3.60	3.72	3.61
- diluted [R2]	3.59	3.70	3.59

	As at 30 Sep 2026 ($'M)	As at 31 Mar 2026 ($'M)
Financial Position		
Share capital	420.0	420.0
Treasury shares	(11.9)	(12.6)
Capital reserve	0.1	0.2
Share-based compensation reserve	5.3	8.1
Foreign currency translation reserve	(71.7)	(59.6)
Fair value reserve	(0.7)	(1.6)
Equity transaction reserve	(2.2)	(2.2)
General reserve	1,389.7	1,403.1
Equity attributable to owners of the parent	1,728.6	1,755.4
Cash and bank balances	494.4	564.8
Receivables [R3]	265.2	317.9
Total assets	2,193.6	2,270.8
Total liabilities	442.5	492.9
Net asset value per share (cents) [R4]	154.4	156.9
Return on equity holders' funds (%) [R5]	9.8	9.7

COMPANY OPERATING STATISTICS AT SINGAPORE BASE

	1H26/27	1H25/26
Flights handled at Changi Airport by line maintenance	81,874	79,254
Number of heavy checks performed at Singapore base	37	44
Number of light checks performed at Singapore base	293	284
Fleet size managed by fleet management business [R6]	137	166

	1Q26/27	2Q26/27	2Q25/26
Flights handled at Changi Airport by line maintenance	40,615	41,259	39,796
Number of heavy checks performed at Singapore base	20	17	21
Number of light checks performed at Singapore base	147	146	137
Fleet size managed by fleet management business [R6]	151	137	166

R1 Earnings after tax per share (basic) is computed by dividing profit attributable to owners of the parent by the weighted average number of ordinary shares in issue less treasury shares.

R2 Earnings after tax per share (diluted) is computed by dividing profit attributable to owners of the parent by the weighted average number of ordinary shares in issue less treasury shares, after adjusting for the dilutive effect on the vesting of all outstanding performance shares, restricted shares and deferred shares granted to employees.

R3 Receivables comprises trade debtors, contract assets and amount owing by related parties.

R4 Net asset value per share is computed by dividing equity attributable to owners of the parent by the number of ordinary shares in issue less treasury shares.

R5 Return of equity holders' funds is profit attributable to the Company expressed as a percentage of the average equity holders' funds.

R6 Fleet size as at end of reporting period.