SIA ENGINEERING COMPANY

23rd July 2026

SIA ENGINEERING GROUP BUSINESS UPDATES FOR 1st QUARTER FY2026/27

BUSINESS UPDATES

Maintenance, Repair and Overhaul ("MRO") demand remained stable in the first quarter of FY2026/27. Line Maintenance operations recorded improved flight volumes, with 2.9% more flights handled in Singapore during the quarter compared to a year ago. This was despite flight cancellations from some airline customers arising from the Middle East conflict.

Base Maintenance Malaysia ("BMM"), which performed its first heavy check at its first hangar in November 2025, celebrated its official opening in May 2026. Its second hangar is on track to be operational in the second half of FY2026/27. This will bring BMM's total capacity to six concurrent aircraft checks, providing additional capacity to supplement our hangars in Singapore and the Philippines.

At our engine and component joint venture ("JV") companies, work volumes have risen year-on-year, with some areas benefitting from higher margin work and new capabilities driving revenue growth.

In June 2026, we signed a JV agreement with Safran Aircraft Engines ("SAE") to establish a full-fledged CFM LEAP ("LEAP") engine MRO shop in Singapore. Our current Quick Turn maintenance services for SAE will be integrated into the JV, forming the foundation for a future state-of-the-art engine MRO facility in Singapore. This new facility will expand the engine shop visit capacity and offer more comprehensive support for both LEAP-1A and LEAP-1B engines as the global LEAP fleet grows. Safran Aircraft Engines will hold a 51% equity stake in the JV, with SIAEC holding the remaining 49%.

Subsequent to the quarter, on 3 July 2026, we signed a legally non-binding Memorandum of Understanding with Air India Limited to explore MRO collaboration opportunities that could potentially include the formation of an MRO JV in India, serving the increasing needs of the Indian and regional aviation markets.

OUTLOOK

Demand for MRO services remains resilient amid ongoing geopolitical tensions, supply chain constraints and inflationary pressures. Despite earlier hopes of progress towards the resolution of the military conflict in the Middle East, the situation remains fluid. Given the dynamic operating environment, we continue to focus on operational nimbleness, driving productivity and maintaining rigorous cost discipline across our business units.

We remain confident in the fundamentals of the Asia-Pacific MRO market, supported by rising passenger traffic and continued fleet expansion. We will continue to execute our strategic priorities by sensibly expanding our footprint across the Asia-Pacific region, scaling our capacity and enhancing our capabilities for next-generation aircraft, and strengthening our operational core to support sustainable long-term growth and deliver greater value to our shareholders.

GROUP FINANCIAL PERFORMANCE

Group revenue for the first quarter of FY2026/27 of $327.6 million was 8.6% lower year-on-year due to lower revenue from materials, with a commensurate reduction in the cost of materials. Excluding materials, revenue was 4.2% higher year-on-year. Group expenditure declined at a higher rate of 11.0% to $314.4 million, due to lower material and repair costs. Consequently, the Group recorded an operating profit of $13.2 million, an improvement of $8.1 million year-on-year.

Share of profits from associated and JV companies for the quarter was $31.0 million, a reduction of $6.8 million (-18.0%) year-on-year. Share of profits from the Engine and Component segment fell by $7.0 million (-19.2%) due to investment costs incurred for capacity and capability expansion, which was partially offset by higher engine shipments. Share of profits from the Airframe and Line Maintenance segment was $0.2 million (+14.3%) higher due to growth in flight handling volume.

The Group net profit after tax for the first quarter of FY2026/27 was $40.3 million, $2.6 million (-6.1%) lower year-on-year.

As of 30 June 2026, equity attributable to owners of the parent was $1,797.3 million, an increase of $41.9 million (+2.4%) from 31 March 2026, due to profits earned during the period.

Total assets as of 30 June 2026 stood at $2,311.7 million, $40.9 million (+1.8%) higher than 31 March 2026.

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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

	1Q26/27 ($'M)	1Q25/26 ($'M)
Financial Results		
Revenue	327.6	358.4
Operating profit	13.2	5.1
Share of profits of associated and joint venture companies, net of tax	31.0	37.8
Net profit	40.3	42.9
Per Share Data		
Earnings after tax (cents) - basic R1	3.60	3.84
- diluted R2	3.59	3.82

	As at 30 Jun 2026 ($'M)	As at 31 Mar 2026 ($'M)
Financial Position		
Share capital	420.0	420.0
Treasury shares	(12.7)	(12.6)
Capital reserve	0.2	0.2
Share-based compensation reserve	9.8	8.1
Foreign currency translation reserve	(58.2)	(59.6)
Fair value reserve	(3.1)	(1.6)
Equity transaction reserve	(2.2)	(2.2)
General reserve	1,443.5	1,403.1
Equity attributable to owners of the parent	1,797.3	1,755.4
Cash and bank balances	627.7	564.8
Receivables R3	280.7	317.9
Total assets	2,311.7	2,270.8
Total liabilities	491.1	492.9
Net asset value per share (cents) R4	160.6	156.9
Return on equity holders' funds (%) R5	9.4	9.7

COMPANY OPERATING STATISTICS AT SINGAPORE BASE

	1Q26/27	1Q25/26
Flights handled at Changi Airport by line maintenance	40,615	39,458
Number of heavy checks performed at Singapore base	20	23
Number of light checks performed at Singapore base	147	147
Fleet size managed by inventory technical management business R6	151	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 on 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.