9th May 2025

SIA ENGINEERING GROUP
FULL YEAR RESULTS FOR FY2024-25

- **The Group recorded a 44% year-on-year improvement in net profit to $139.6M**
- **Proposed final dividend of 7 cents per share**

HIGHLIGHTS OF THE GROUP'S PERFORMANCE

	Full Year FY2024-25	Year-on-Year Change		2nd Half FY2024-25	Year-on-Year Change	
	$'M	$'M	%	$'M	$'M	%
Revenue	1,245.1	+150.9	+13.8	668.9	+88.7	+15.3
Operating profit	14.6	+12.3	n.m.	11.1	+8.9	n.m.
Share of profits of associated and joint venture companies, net of tax	118.6	+17.6	+17.4	60.0	+9.0	+17.6
Profit attributable to owners of the parent	139.6	+42.5	+43.8	70.8	+33.0	+87.3
Basic earnings per share (cents)	12.46	+3.81	+44.0	6.33	+2.96	+87.8

GROUP EARNINGS

Financial Year 2024-25

Supported by stable growth in the demand for aircraft maintenance, repair and overhaul ("MRO") services, the Group posted 13.8% year-on-year increase in revenue to $1,245.1 million for the financial year ended 31 March 2025. Group expenditure also rose, but at a lower rate of 12.7%, with the increase mainly from higher manpower costs and material usage.

With revenue growth surpassing the increase in expenditure, the Group's operating performance improved $12.3 million year-on-year, from an operating profit of $2.3 million in the last financial year to an operating profit of $14.6 million in this financial year.

The Group's associated and joint venture companies also saw similar trend of increase in demand and returned 17.4% year-on-year increase in share of profits to $118.6 million. Profits from the engine and component segment rose 15.8% to $113.1 million, while profits from the airframe and line maintenance segment increased 66.7% to $5.5 million.

In the last financial year, the Group exited from the Pratt & Whitney PW1500G engine Risk-Revenue Sharing Programme ("RRSP") and made a one-time write-off of $25.1 million in net assets.

Note 1: The SIAEC Group's audited financial results for the financial year ended 31 March 2025 were announced on 9 May 2025. 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.

Including other non-operating items, the Group posted a net profit of $139.6 million for the financial year ended 31 March 2025, $42.5 million higher year-on-year.

Basic earnings per share was 12.46 cents for the financial year, 44.0% higher year-on-year.

Second Half FY2024-25

The Group recorded an operating profit of $11.1 million in the second half of the financial year. This was an improvement of $8.9 million over the same period last year and $7.6 million higher than the first half of the financial year. Revenue grew 15.3% year-on-year while expenditure increased at a slower pace of 13.8%.

Share of profits of associated and joint venture companies rose $9.0 million year-on-year, to $60.0 million. Of this, $56.9 million came from the engine and component segment and $3.1 million from the airframe and line maintenance segment.

The Group net profit for the second half ended 31 March 2025 was $70.8 million, 87.3% higher than the same period last year.

Basic earnings per share for the period was 6.33 cents.

GROUP FINANCIAL POSITION

As of 31 March 2025, equity attributable to owners of the parent was $1,720.4 million, an increase of $33.3 million (+2.0%) from 31 March 2024, mainly due to profits earned during the year, partially offset by dividend paid.

Total assets stood at $2,141.4 million as of 31 March 2025, an increase of $53.1 million (+2.5%) from 31 March 2024. The Group's cash balance was $663.4 million.

Net asset value per share as at 31 March 2025 was 153.9 cents.

DIVIDEND

The Board is recommending a final ordinary dividend of 7.0 cents per share for FY2024-25.

Payment of the final dividend, which amounts to approximately $78 million, is subject to shareholders' approval at the Annual General Meeting on 22 July 2025. The dividend will be paid on 12 August 2025.

Together with the interim dividend of 2.0 cents per share paid earlier, the total dividend payout for FY2024-25 will be 9.0 cents per share. For FY2023-24, the dividend payout was 8.0 cents per share.

BUSINESS UPDATES

Throughout the year, healthy air travel demand fuelled the growth in demand for line maintenance services across the Group's network. In Singapore, 8% more flights were handled compared to the previous year, with flight handling volumes in the fourth quarter approaching pre-COVID levels and continuing their upward trend.

There was a steady stream of base maintenance checks in FY2024/25 but these checks required longer hangar stays, on average, compared to the previous year due to a higher proportion of legacy aircraft requiring more extensive work scopes, and in some cases, the delayed completion of the maintenance checks resulting from supply chain issues that impacted the availability of aircraft spare parts. Our engine and component shops achieved higher repair and overhaul output during the year. To meet growing demand, we doubled our engine test capacity by streamlining our rosters to enable extended work shifts and remain on track to expand engine test capabilities for the CFM LEAP-1B engine.

Aligned with the Group's ongoing strategy to drive sustainable long-term growth and financial performance, we remain focused on investing in three key areas: (i) expanding our geographical footprint across the Asia-Pacific region; (ii) scaling our capacity and continuously developing MRO capabilities for new-generation aircraft; and (iii) strengthening our core business to deliver greater value and becoming the MRO service provider of choice to our customers.

Expanding Geographical Presence

Our line maintenance network continues to expand with new stations in Indonesia and Japan. In February 2025, together with our joint venture partner, we incorporated TIA Engineering Services Company Limited to provide line maintenance services at Cambodia's new Techo International Airport. Operations are currently expected to commence in July 2025, extending our line maintenance network to 36 airports in 9 countries.

We are also working on strengthening our presence in India and China, which are two key growth markets. During the year, we were appointed as Air India's strategic partner for the development of its base maintenance facilities located in Bangalore, India. In China, we signed a non-binding framework agreement with Xiamen Iport Group to explore an investment in its subsidiary, Arport Aircraft Maintenance & Engineering, which provides line maintenance services.

Growing Capacity and MRO Capabilities for New-Generation Aircraft

In Malaysia, preparations are on track for the operational launch of the Eaton Aero Services facility by mid-2025, as well as Base Maintenance Malaysia's Subang hangars in the second half of 2025. Our subsidiary, SIA Engineering Philippines, achieved another major milestone by being appointed the first Embraer Authorised Service Centre in Asia-Pacific to service Embraer E-Jets E2 aircraft.

These developments will significantly boost our base maintenance and component MRO capabilities and capacity in the region.

Amongst our joint venture companies, the two key engine MROs, namely Singapore Aero Engine Services Private Limited ("SAESL") and Eagle Services Asia ("ESA"), are investing in significant capacity expansion. ESA expanded its facility in February 2024 to create two-thirds more capacity to meet the rising demand in Pratt & Whitney GTF engine MRO services. SAESL broke ground on its new state-of-the-art facility in Loyang in January 2025. The new cutting-edge facility, integrating advanced supply chain solutions and Industry 4.0 standards, is a key piece in the plan to increase SAESL's MRO capacity for the latest Rolls-Royce engines by 40% by 2028.

<u>Strengthening the Core</u>

Strengthening our core business, and staying agile and ahead of the competition, are essential to ensuring a strong foundation for sustainable growth.

We are continuing the phased rollout of our new Enterprise Operating System ("EOS") across the organisation. Through Lean, digitalisation and technology adoption, we are improving and redesigning MRO processes in all our business units to enhance our planning capabilities and operations management.

Efforts to deepen the integration of digital solutions to support data-enabled situation awareness, optimisation, prediction and decision support, continue to drive efficiency and productivity. Enhancements to our eLITE digital suite will further bolster the operational efficiency of, and support for, our expanding line maintenance operations. Our ETask digital platform is being progressively rolled out at our base maintenance and engine services operations, while our new digitalised hangar bay slot planning system, eSlot, has just been implemented.

We are collaborating with technology partners to leverage Artificial Intelligence ("AI") and Gen AI for advanced optimisation and to support aircraft and component inspection, as well as defect management, through assistive robotics and machine vision. The automation of processes will enhance productivity and efficiency, and further streamline our maintenance operations.

<u>Industry Recognition</u>

Our eLITE digital suite won the "Digital – Aviation" award at the Singapore Business Review Technology Excellence Awards 2024. We were honoured to receive the "Aftermarket Service Provider of the Year" Award for delivering exceptional service and support to our customers, as well as the "Marketing Campaign of the Year" award, at Aviation Week Network's MRO Asia Pacific Awards 2024. Being recognised with the "Excellence in Learning, Development, Coaching & Mentoring" award and "Excellence in Talent Management & Acquisition" award at the Singapore HR Awards 2024 is also a testament to our commitment to developing talent and nurturing a vibrant workplace culture.

OUTLOOK

The MRO industry continues to see sustained demand. The impact from higher tariffs on our business, if any, is currently limited. There could be potential second-order, indirect effects, which are now difficult to assess but measures are already being put in place to mitigate the potential impact of higher tariffs. We are closely monitoring geopolitical developments, changes in trade policies and industry trends, including air travel demand and aircraft fleet utilisation, to look out for emerging risks and opportunities.

Given the uncertainties in the operating environment, our strategy and our existing businesses will be nimble to navigate the complexities of our operating environment. We remain open to new opportunities that may arise and are committed to pursuing investments that further bolster our growth, underpinned by a continual strengthening of our core businesses.

Some of our initiatives will lead to enhanced operational resilience and performance in the near term, while some will have a longer investment phase or require a longer gestation period for operations to scale up and generate returns. For example, the expansion of SAESL's and ESA's capacity will enable future growth in MRO contributions from new-generation aircraft engines, but higher costs will be incurred during the expansion phase, which will weigh on their financial performance in the near to medium term.

Through the implementation of our new EOS for enhanced resilience, upgrading our digital capabilities by leveraging technological advancements such as Gen AI and machine vision, and fostering a culture of continuous improvement throughout the organisation, we are ensuring that we have a strong foundation to bolster our resilience amid the heightened risk landscape and, together with our strategic investments, deliver sustainable growth.

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(For the complete FY2024-25 financial statements, please refer to our SGXNET filing or the Investor Relations page of our website at www.siaec.com.sg.)

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GROUP FINANCIAL STATISTICS

	FY24/25 ($'M)	FY23/24 ($'M)
Financial Results		
Revenue	1,245.1	1,094.2
Operating profit	14.6	2.3
Share of profits of associated and joint venture companies, net of tax	118.6	101.0
Net profit	**139.6**	**97.1**
Per Share Data		
Earnings after tax (cents) - basic [R1]	12.46	8.65
- diluted [R2]	12.40	8.61

	4Q24/25 ($'M)	4Q23/24 ($'M)	2H24/25 ($'M)	2H23/24 ($'M)
Financial Results				
Revenue	344.1	288.5	668.9	580.2
Operating profit	6.5	5.6	11.1	2.2
Share of profits of associated and joint venture companies, net of tax	27.8	27.2	60.0	51.0
Net profit	**32.6**	**10.9**	**70.8**	**37.8**
Per Share Data				
Earnings after tax (cents) - basic [R1]	2.91	0.97	6.33	3.37
- diluted [R2]	2.90	0.97	6.31	3.35

	As at 31 Mar 2025 ($'M)	As at 31 Mar 2024 ($'M)
Financial Position		
Share capital	420.0	420.0
Treasury shares	(14.9)	(4.5)
Capital reserve	(0.1)	(0.4)
Share-based compensation reserve	6.9	7.5
Foreign currency translation reserve	(29.2)	(24.1)
Fair value reserve	(2.0)	(1.3)
Equity transaction reserve	(2.2)	(2.2)
General reserve	1,341.9	1,292.1
Equity attributable to owners of the parent	1,720.4	1,687.1
Cash and bank balances	663.4	646.0
Receivables [R3]	227.9	272.3
Total assets	2,141.4	2,088.3
Total liabilities	399.9	385.0
Net asset value per share (cents) [R4]	153.9	150.3
Return on equity holders' funds (%) [R5]	8.2	5.8

COMPANY OPERATING STATISTICS AT SINGAPORE BASE

	FY24/25	FY23/24
Flights handled at Changi Airport by line maintenance	157,358	146,289
Number of heavy checks performed at Singapore base	75	89
Number of light checks performed at Singapore base	656	773
Fleet size managed by fleet management business [R6]	187	186

	4Q24/25	4Q23/24	2H24/25	2H23/24
Flights handled at Changi Airport by line maintenance	39,814	38,422	80,076	75,576
Number of heavy checks performed at Singapore base	22	20	42	44
Number of light checks performed at Singapore base	153	189	309	388
Fleet size managed by fleet management business [R6]	187	186	187	186

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, amount owing by immediate holding company and amounts 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.