



FY2023/24 REVIEW

13 MAY 2024



OPERATIONAL REVIEW

CORE BUSINESS

Line Maintenance



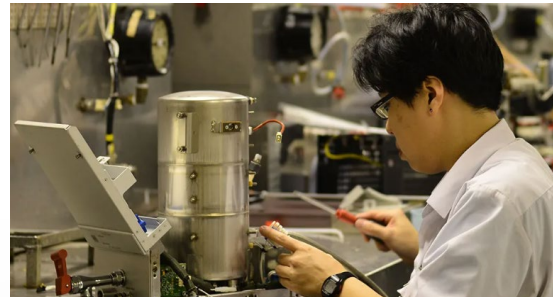
- 33 airports in 8 countries

Base Maintenance



- 6 hangars in Singapore
- 3 hangars in Philippines
- 2 hangars in Malaysia (operationally ready in 2H 2025)

Component Services



- 186 aircraft from 9 customers under Inventory Technical Management
- 6 component support shops

Engine Services



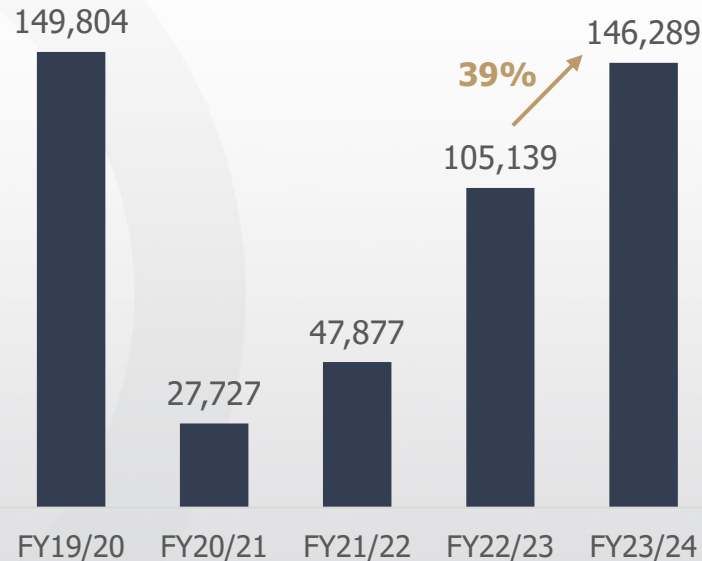
- CFM LEAP Quick Turn (QT) and Rolls-Royce On-Wing Services
- Engine test cell facility

LINE MAINTENANCE

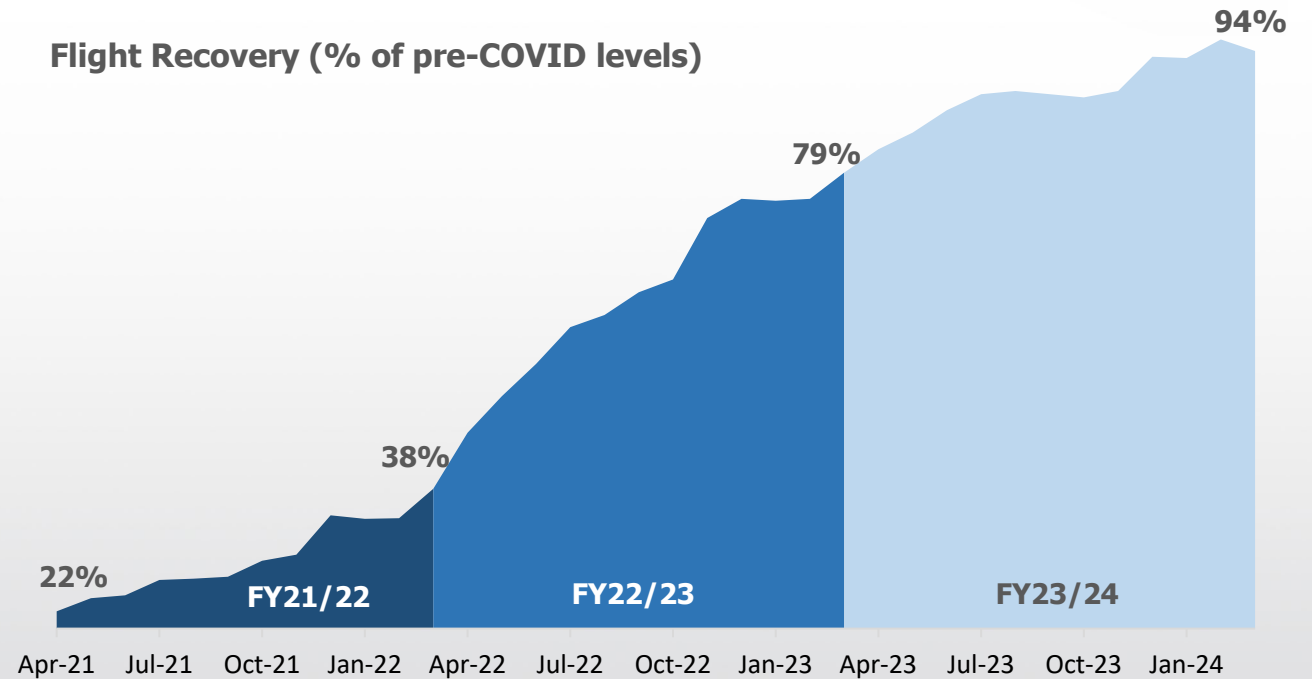
Steady Improvement in Flight Activities

- Number of flights handled in FY23/24 increased 39% compared to a year ago
- Flight recovery at the end of FY23/24 was 94%, an improvement of 15 percentage points over 79% from a year ago
- Expanded scope of Services agreement with Scoot to include new Embraer E190-E2 fleet (from 1 April 2024), worth an estimated \$52 million in revenue over 58 months
- Strengthening LMI network globally with addition of Pos Aviation Engineering Services in Malaysia and JV in Cambodia

Flights Handled at Changi Airport
(Number)



Flight Recovery (% of pre-COVID levels)



BASE MAINTENANCE

Healthy Demand Met by Capacity Creation through Lean Practices

Maintenance Checks at Singapore Base

	FY23/24	FY22/23
Light Checks*	773	568
Heavy Checks	89	94

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



- Healthy 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

Maintenance Checks at Clark Base

	FY23/24	FY22/23
Heavy Checks	25	32



- Completed multiple maintenance checks for Hawaiian Airlines Inc. following the signing of A321neo maintenance agreement
- Signed a non-binding MOU with Embraer to explore further partnership to include base maintenance services for Embraer's E-Jets E2 family of aircraft

Subang Base



- Third base maintenance hub in APAC region
- Signed lease agreement of two hangars at Sultan Abdul Aziz Airport, Selangor, Malaysia in December 2023 for period of 15 years (with option for further 15 years renewal)
- Combined capacity for six simultaneous aircraft checks

COMPONENT SERVICES

Sustained Increase in Work Volume from Higher Flight Activities

- 12-year Inventory Technical Management (“ITM”) agreement with Air India Group to provide component support coverage for Air India Group’s current fleet of Airbus A320 family aircraft; commenced early March 2024
- Non-binding MOU with Thales Solutions Asia to collaborate and potentially expand SIAEC’s component capabilities network and service offerings to airline customers for Thales’ components
- Expanded Asia Pacific Aircraft Component Services’ (APACS) repair capabilities for Honeywell’s Airbus Air Data Inertial Reference Unit (ADIRU) and Pre-Cooler Control Valve (PCCV) products
- Component MRO JV in Malaysia for 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 700 part numbers



Inventory Technical Management

Number of Aircraft	FY23/24	FY22/23
A320	150	71
Boeing 737	23	25
Boeing 747	7	7
A330	6	6
Total	186	109



ENGINE SERVICES

Steady Growth from Higher Flight Activities

- Aircraft Engine Services increased its Work-In-Progress capacity by 67%, from 12 to 20 engines
- Expanded Engine Test Facility capabilities to include LEAP-1A engine test
- Significant operational performance improvements from Value Stream Mapping activities and awarded twice by Safran Aircraft Engines for delivering “Engine of the Month”
- Continue to develop new engine capabilities for:
 - LEAP-1A and LEAP-1B
 - PW1900 (to support the entry-into-service of Scoot’s Embraer fleet of aircraft)
- Continuing the Lean journey after attaining Lean Bronze Accreditation



Successfully LEAP-1A Test Delivery



Safran “Engine of the Month” Award



LEAN Accreditation recipients

KEY CUSTOMER CONTRACTS

Growth in Third-party Customers in FY23/24

Line Maintenance

New



Renewed



Line Maintenance International

New



Component Services

New



Base Maintenance

New



Extension of service



STRATEGIC PARTNERSHIPS PORTFOLIO

23 Subsidiaries and Joint Ventures Across 8 Countries with Total Revenue of S\$7.0B in FY23/24



- Divested 60% shareholding in Additive Flight Solutions (AFS)
- 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%	Line Maintenance Partnership (Korea) Korea 51%
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 (Cambodia) Cambodia 51%
SIA Engineering (Philippines) (SIAEP) Philippines 100%	Singapore Aero Support Services (SASS) Singapore 100%	Base Maintenance Malaysia (BMM) Malaysia 100%	JADE Engineering (JADE) Singapore 55%

JV Partners:

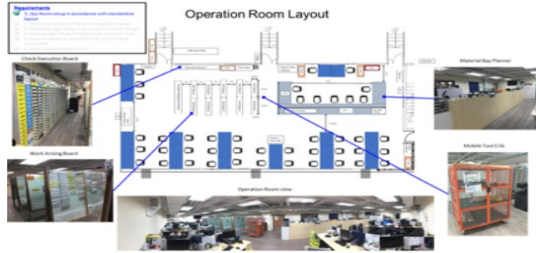
■ Pratt & Whitney
 ■ Rolls-Royce
 ■ GE
 ■ Jamco
 ■ Safran
 ■ Collins
 ■ Line Maintenance International (LMI)
 ■ Others
 ⋮ ⋮ JVs pending Incorporation

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%	Turbine Coating Services (TCS) Singapore 24.5%	Asia Pacific Aircraft Component Services (APACS) Malaysia 75%
Goodrich Aerostructures Service Center-Asia (GASCA) Singapore 40%	Fuel Accessory Service Technologies (FAST) Singapore 49%	Aerospace Component Engineering Services (ACES) Singapore 51%
Safran Landing Systems Services Singapore (SLSSS) Singapore 40%	Safran Electronics & Defense Services Asia (SEA) Singapore 40%	Moog Aircraft Services Asia (MASA) Singapore 49%
	Component MRO Partnership with Eaton Malaysia 49%	Panasonic Avionics Services Singapore (PACSS) Singapore 42.5%

CONTINUOUS IMPROVEMENT

Key Objectives



Operational Excellence

- High utilisation through digitalisation and optimization
- 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



Sustainable Air hub

- CAAS unveiled Sustainable Air Hub Blueprint which outlines 12 Sustainability initiatives and 5 enablers
- SIAEC contributes to initiatives such as tapping into renewable energy, electrification, etc. to support decarbonisation of the sector

SIAEC's Initiatives



Increased Utilisation of Renewable Energy

- Further expansion of solar panels in Singapore and Philippines



Electrification

- Electrifying ground equipment

TCFD & ISSB

Implementation of TCFD & Transitioning to ISSB Standards

- Progressing towards full adoption of TCFD, which facilitates subsequent transitioning to ISSB-aligned climate disclosures



FINANCIAL REVIEW

Key Highlights



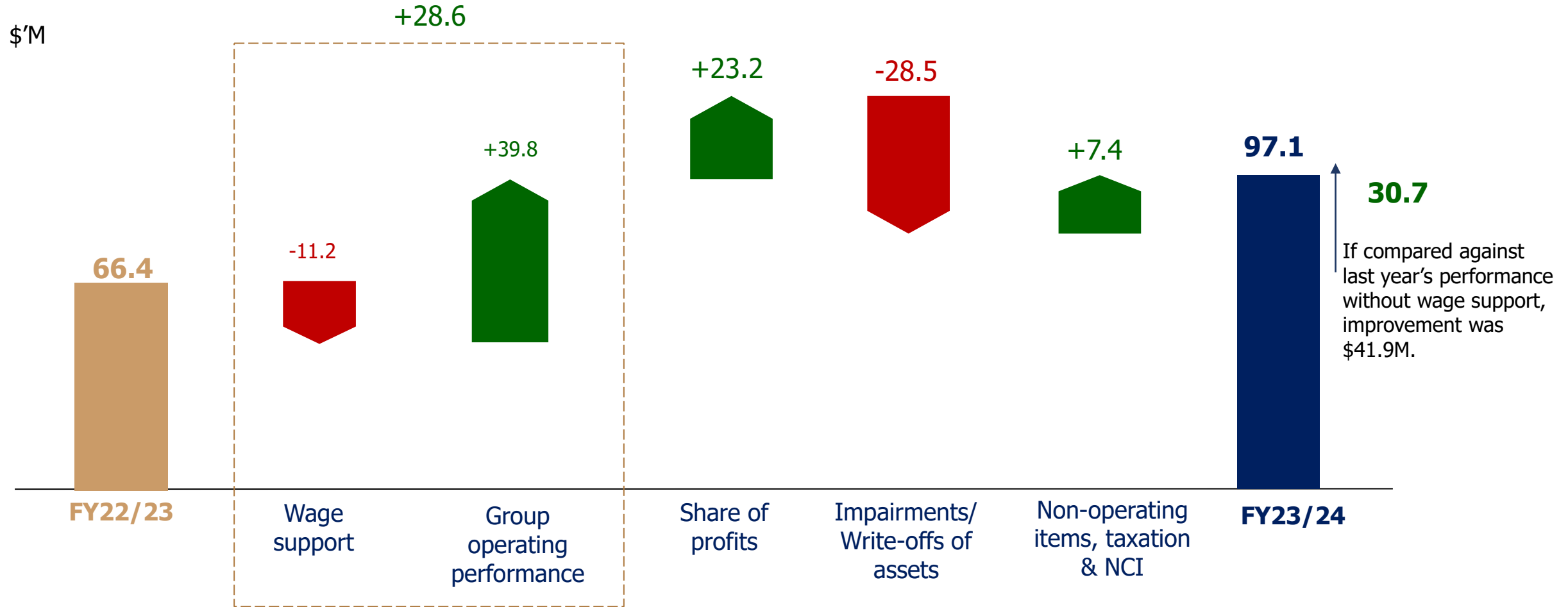
- Increase in MRO demand supported by recovery in flight activities during the year. The number of flights handled in Singapore airport during the year was 90% of pre-pandemic volume.
- Group recorded a **net profit of \$97.1 million** in FY23/24, an improvement from net profit of \$66.4 million in FY22/23.
- Results included a one-time write-off of \$25.1 million net assets associated with the Group's 1% share in the PW1500G engine Risk-Revenue Sharing Programme ("RRSP"). The Group exited the programme after careful deliberation and with PW's agreement, following notice that the RRSP requires further capital injection. This will allow the Group to deploy capital, which would otherwise have been used to support the funding of the RRSP, to other areas that are better aligned with its growth strategy.
- Proposed **final dividend of 6.0 cents** for FY23/24.

Summary of FY23/24 Group Financial Performance

	FY23/24	FY22/23	Variance		<i>2H</i>	<i>1H</i>	<i>Variance</i>	
	\$M	\$M	\$M	%	<i>\$M</i>	<i>\$M</i>	<i>\$M</i>	<i>%</i>
Group Revenue	1,094.2	796.0	▲ 298.2	▲ 37.5	580.2	514.0	+66.2	+12.9
Group Expenditure	1,091.9	822.3	▲ 269.6	▲ 32.8	578.0	513.9	+64.1	+12.5
Group Operating profit/(loss)	2.3	(26.3)	▲ 28.6	n.m.	2.2	0.1	+2.1	n.m.
Share of profits of JVs & Assoc	101.0	77.8	▲ 23.2	▲ 29.8	51.0	50.0	+1.0	+2.0
Impairments/Write-offs of assets	(26.8)	1.7	▼ 28.5	n.m.	(26.8)	-	-26.8	n.m.
Other non-operating items and taxation	20.6	13.2	▲ 7.4	▲ 56.1	11.4	9.2	+2.2	+23.9
Group profit after tax	97.1	66.4	▲ 30.7	▲ 46.2	<i>37.8</i>	<i>59.3</i>	<i>-21.5</i>	<i>-36.3</i>

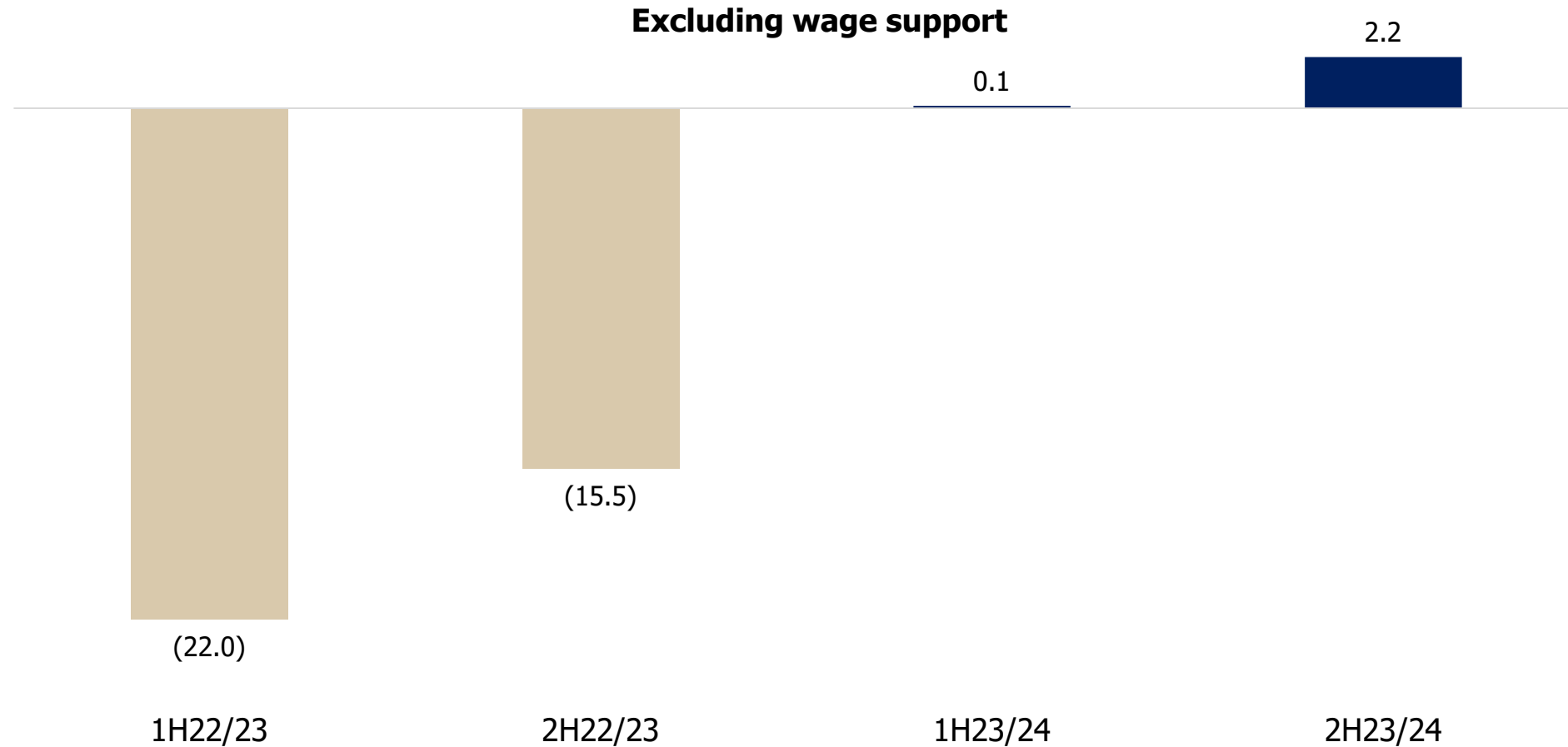
Analysis of Group Profit – FY23/24

Healthy recovery of MRO demand led to improvement in operating performance and share of profits



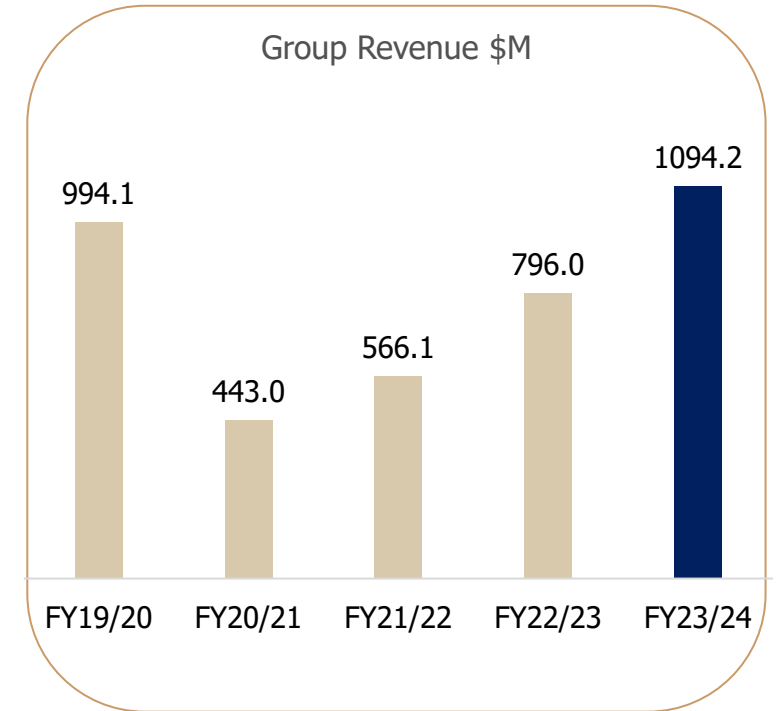
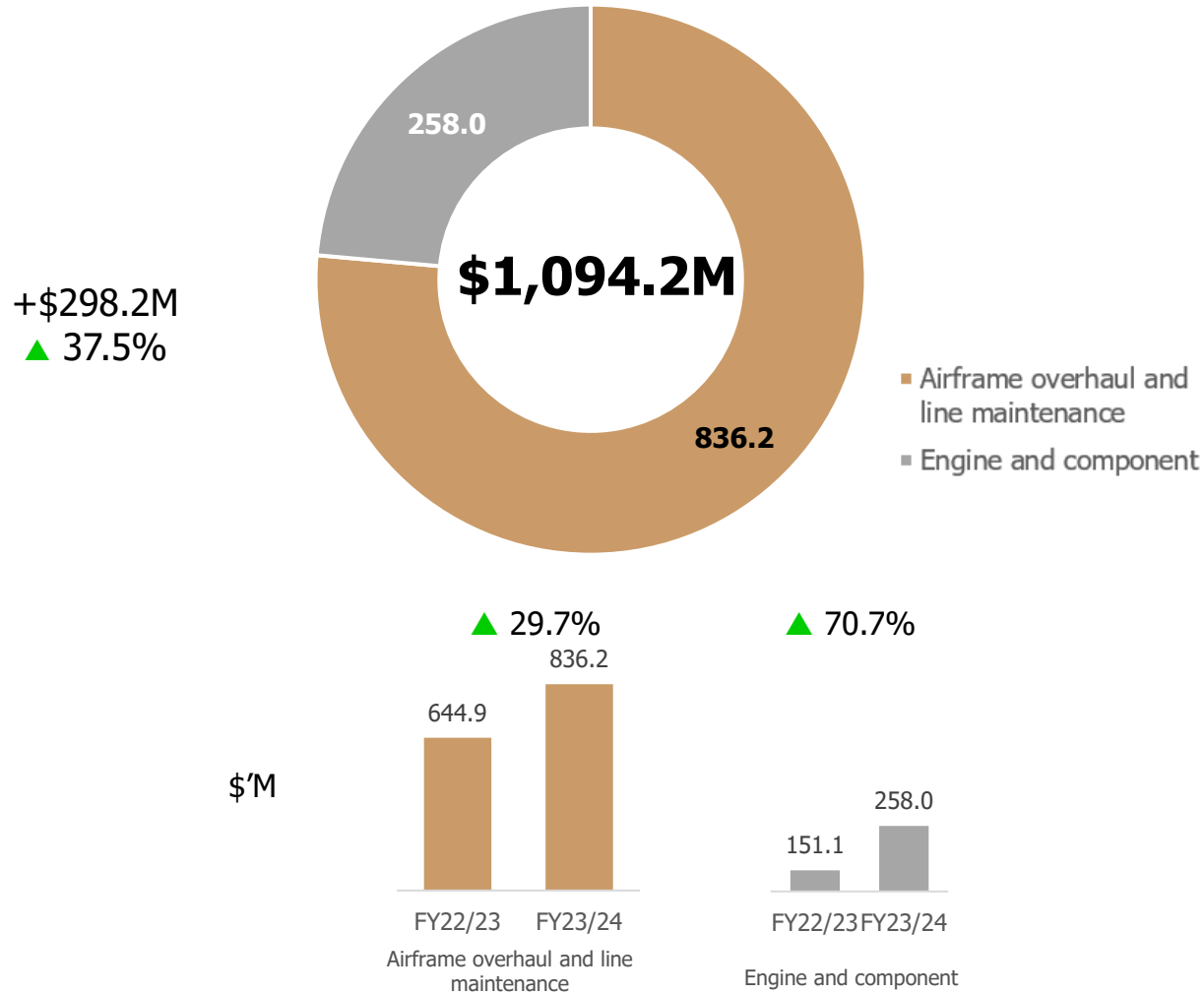
Group Operating Performance Trend

Progressive improvement in operating performance with recovery of MRO demand



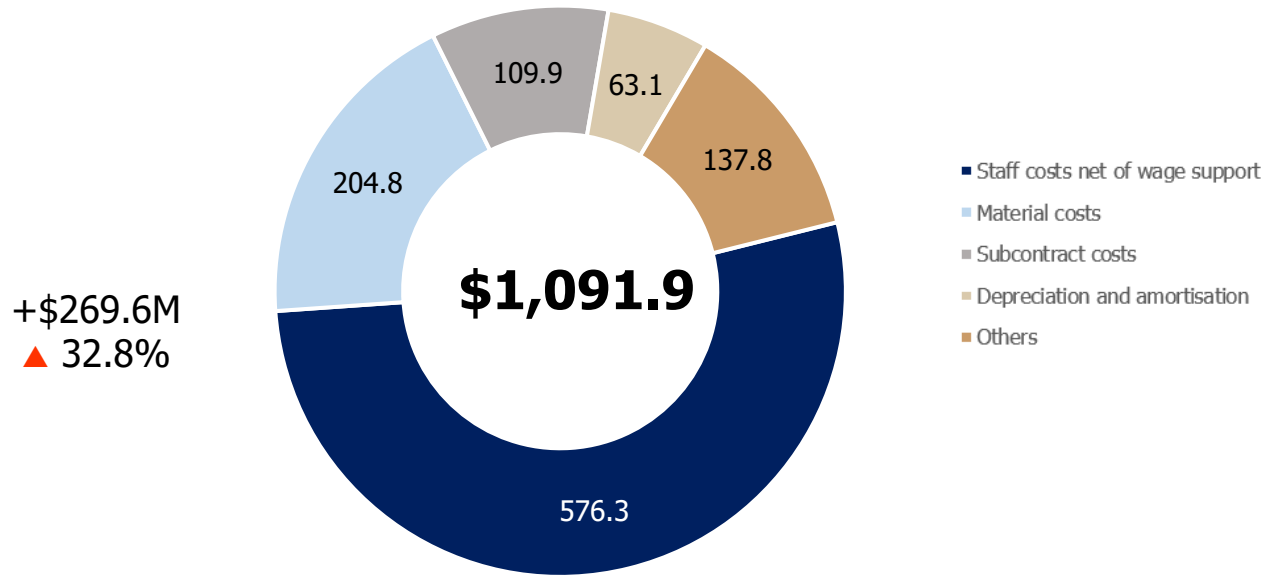
Analysis of FY23/24 Group Revenue

Revenue growth across both segments

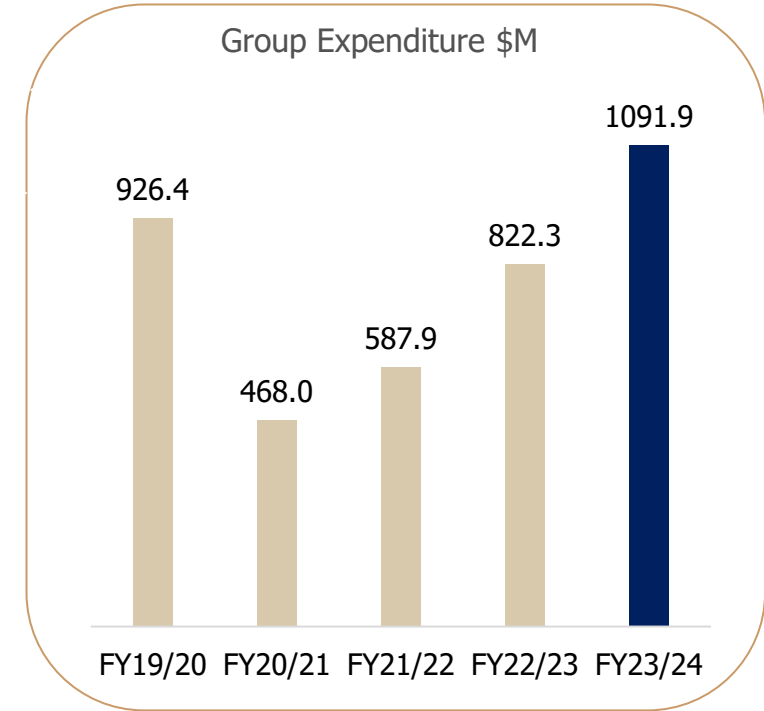
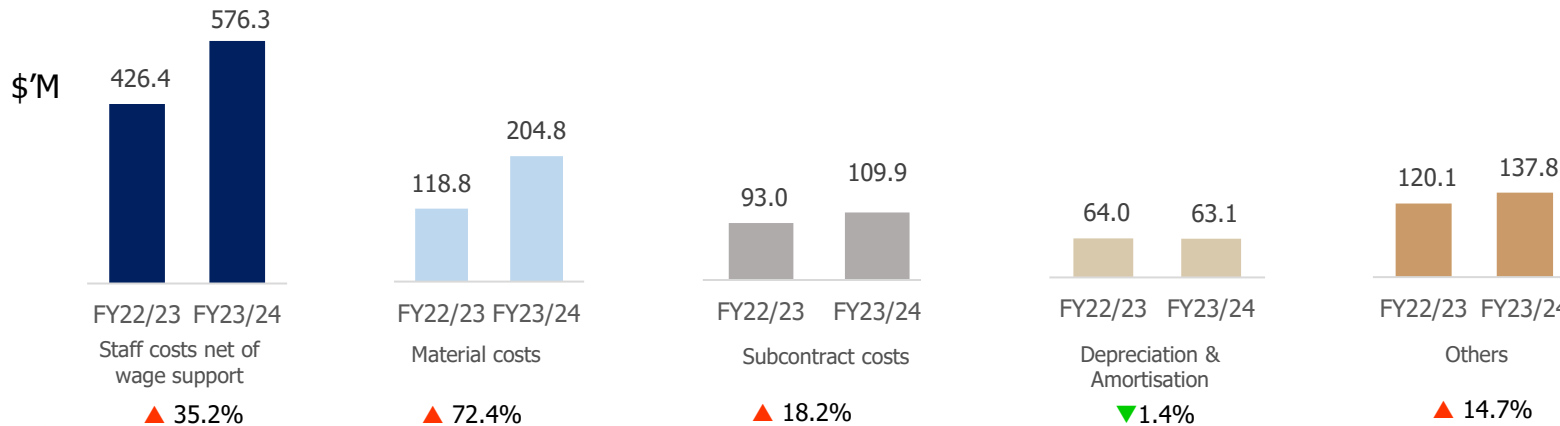


Analysis of FY23/24 Group Expenditure

Increase mainly in manpower costs and material costs



+\$269.6M
▲ 32.8%



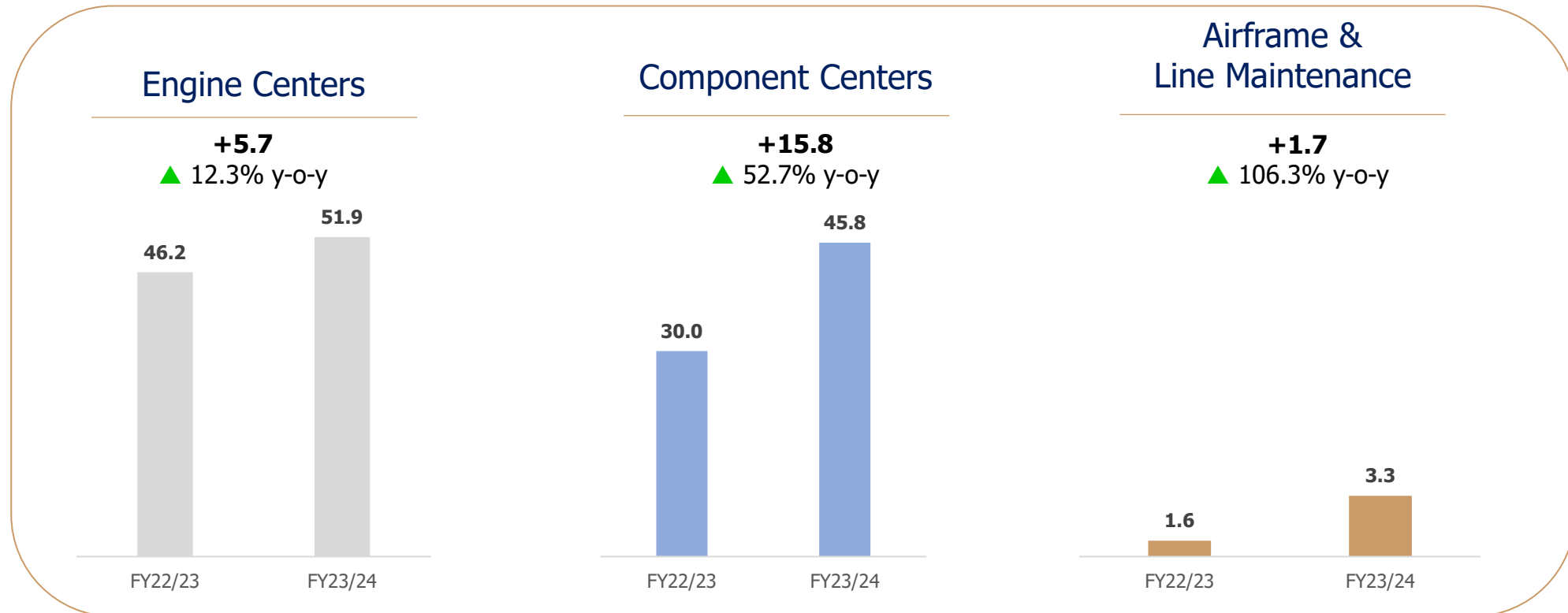
Excluding wage support, staff costs was 31.7% higher year-on-year.

Share of Profits after tax for FY23/24

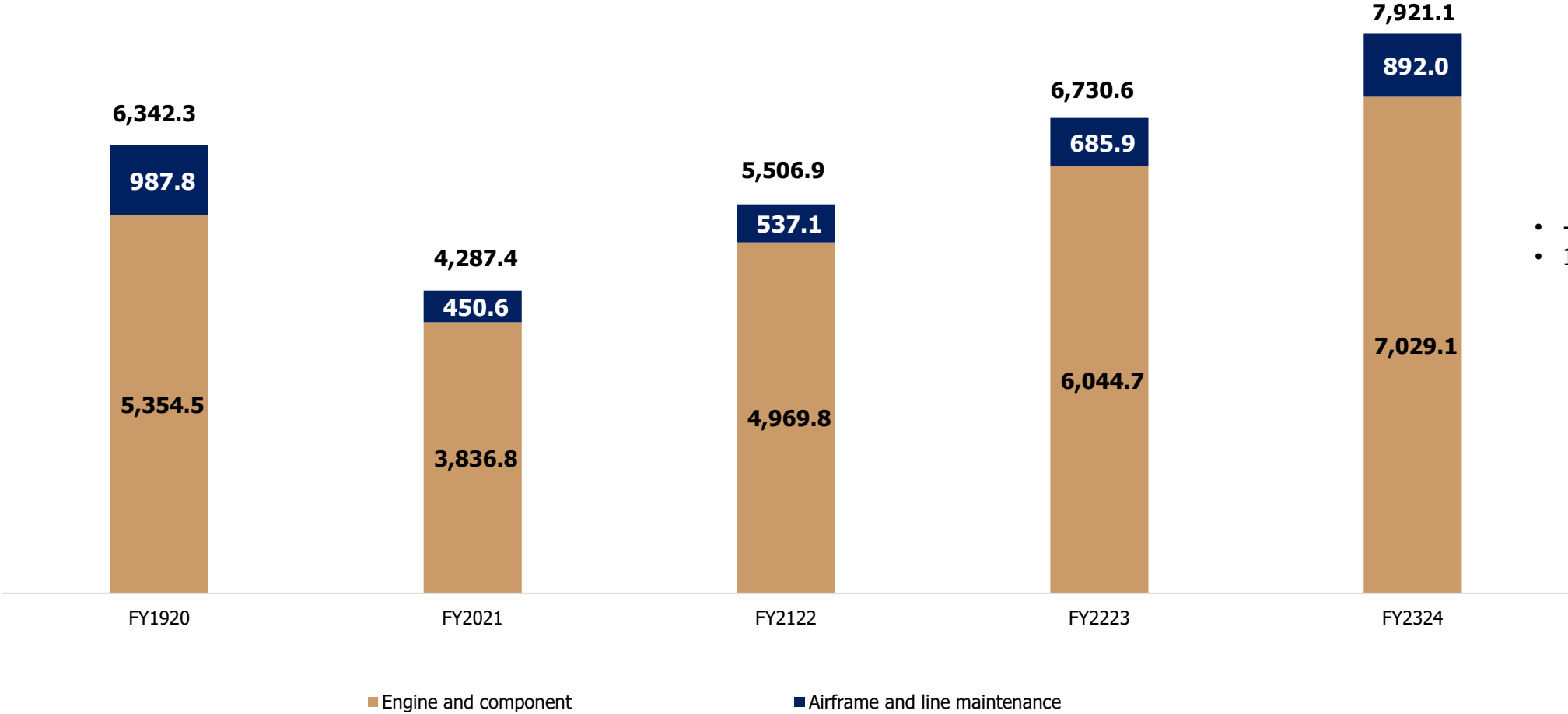
Improvement recorded in all segments

Joint Venture and Associated Companies

\$'M



Aggregate Revenue of SIAEC, Subsidiaries, JV and Associated Companies



- +17.7% YoY
- 125% of FY19/20

* 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

	Mar-24 \$M	Mar-23 \$M	Variance	
			\$M	%
Total equity	1,703.3	1,676.7	+ 26.6	+ 1.6
Non-current liabilities	83.2	91.1	- 7.9	- 8.7
Current liabilities	301.8	215.4	+ 86.4	+ 40.1
Non-current assets	1,087.4	1,031.1	+ 56.3	+ 5.5
Cash	646.0	633.0	+ 13.0	+ 2.1
Other current assets	354.9	319.1	+ 35.8	+ 11.2
Net asset value per share (cents)	150.3	148.5	+ 1.2	%

	FY23/24	FY22/23	Variance	
Return on shareholders' funds (%)	5.8	4.1	+ 1.7	ppts
Basic earnings per share (cents)	8.65	5.91	+ 46.4	%

- Increase in shareholders' funds was mainly due to profits earned during the year and gain in foreign currency translation with the strengthening of USD, partially offset by dividend payment.
- Increase in non-current assets mainly due to increase in carrying value of joint venture and associated companies.

Dividend for FY23/24

Proposed final dividend of 6.0 cents per share

	FY23/24	FY22/23
Interim Dividend (per share)	2.0 cents	-
Final Dividend (per share)	<i>Proposed</i> 6.0 cents	5.5 cents
Total Dividend (per share)	8.0 cents	5.5 cents
Dividend payout ratio	93.0%	93.0%

- The proposed final dividend payout amounts to approximately \$67 million. Subject to shareholders' approval at the Annual General Meeting on 19 July 2024, the proposed final dividend will be paid on 14 August 2024.



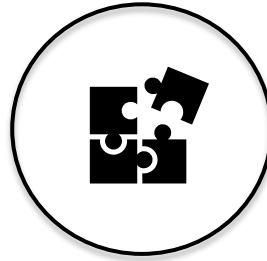
OUTLOOK

FY23/24 At a Glance



39% Increase in Flights Handled Against FY22/23

- Flight recovery at 94% of pre-Covid levels as at Mar-24



Executing our Core Strategies

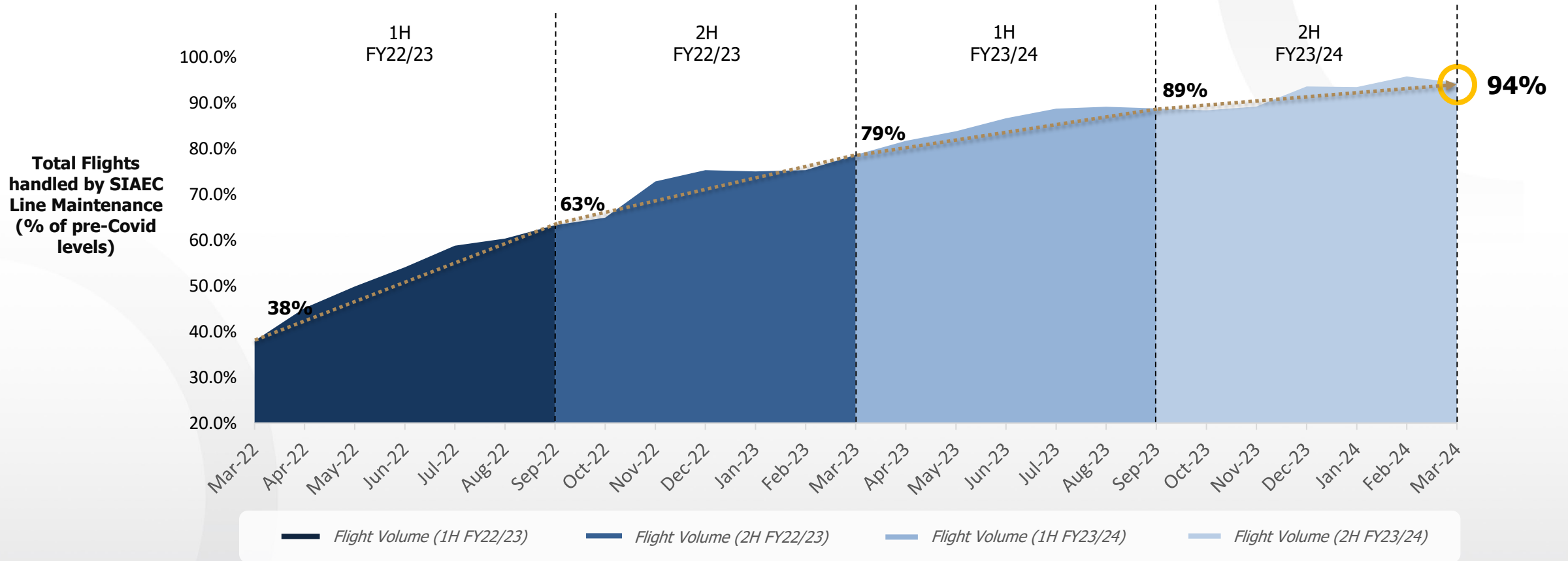
- Growing in-house capabilities
- Partnering with OEMs and industry peers to expand our scope of services
- Growing overseas to leverage lower cost base



Strengthening our Core

- Ramping up manpower to bolster operational resilience
- Integrating Lean and digital solutions into our operating system
- Continuing our pursuit of Continuous Improvement

Flight Activity



Approaching Full Recovery

Challenges Ahead



Inflationary Pressures

- Driving up staff wages and operating cost base



Supply Chain Hurdles

- Supply chain disruptions persist, exacerbated by labour shortages and the rising costs of raw materials



Tight Labour Market

- Competition from regional and global MROs for engineers and technicians
 - Larger talent pipeline required to drive key initiatives

Growth Opportunities

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

Develop **new capabilities**

Increase synergies with OEMs and Joint Ventures (JVs)

Gearing Up for Growth

- **Establish hangars regionally** and **expand LMI network**
- Set up component capabilities in **lower operating cost environment**
- Invest in **new capabilities and services** through new or existing partnerships to strengthen our MRO services eco-system
- Leverage **close airline ties** to further **partnerships with OEMs**
- Continually refine our portfolio in alignment with **growth strategies**
- Address **industry trends** to demonstrate **value proposition** to OEMs

Strategic Partnerships – JV Portfolio

Reshaping and strengthening JV portfolio in alignment with growth strategies



Exit from JVs

- Exited From PW1500G Engine Risk-Revenue Sharing Programme
- Divested 60% stake in Additive Flight Solutions Pte Ltd

Changes in Shareholding

- Acquired additional 10% stake in Jamco Aero Design and Engineering Pte Ltd (JADE), increasing SIAEC's shareholding to 55%

New Subsidiaries and JVs

- Line Maintenance JV with Cambodia Airport Investment Co., Ltd – Cambodia
- Line Maintenance JV with Pos Aviation Engineering Services (PAES) – Malaysia
- Component MRO JV with Eaton – Malaysia
- Wholly-owned Subsidiary in Malaysia – Base Maintenance Malaysia Sdn. Bhd

Potential Partnerships

- MOU signed with Thales for component MRO collaboration opportunities in Asia-Pacific region
- MOU signed with Xiamen Iport Group for MRO opportunities in Fujian, China
- Appointed as Base Maintenance strategic partner by Air India Limited for the development of Air India's hangar facilities in Bangalore, India

Awards & Accolades



Digital - Aviation
SIA Engineering Company



Singapore Business Review (SBR) Technology Excellence Awards 2024

Digital – Aviation award for eLITE* Platform for Aircraft Maintenance Operations

- This award recognizes the technological innovations of companies leading the technological revolution and digital journeys within their respective industries in Singapore
- *eLITE, short for Electronic Line Maintenance Integrated Technology Ecosystem, is an inhouse development of a unified digital platform that enhances our operational efficiency and provide better support for our expanding operations

FY24/25 and Beyond



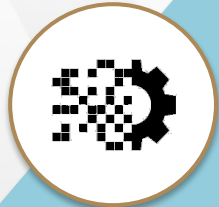
Develop and Bolster our Talent Pipeline

- Continue collaborating with Institutes of Higher Learning (IHLs) and government agencies to establish **diverse pipelines** of skilled professionals
- Support the continuous **upskilling and reskilling** of our workforce to meet the rapidly changing business landscapes



Sharpen our Focus

- **Prioritise vital projects** that can deliver the highest impact and **defer non-essential projects** to optimise resource allocation, without compromising the strategic pathways for growth
- **Scale up** these vital initiatives to realise **sustained benefits and value**
- Improve **productivity**, margin profile and competitiveness



Press Ahead with Innovation, Technology and Continuous Improvement

- Ramp up preparations for Project Lodestar: our migration to SAP S/4 HANA platform
- Enterprise Operating System (EOS) – Institutionalise an 'EOS Playbook' to **standardise key processes** across various business units and **improve production planning efficiency**



Prudent Cost Management

- Step up **vigilance** and **discipline** in the management of costs
- Leverage **data** and **digital tools** to improve cost efficiency

Thank you

