

14th February 2025

SIA ENGINEERING GROUP BUSINESS UPDATES FOR 3rd QUARTER FY2024-25

BUSINESS UPDATES

For the third quarter of FY2024-25, SIA Engineering Company (“SIAEC”) handled 8.4% more flights in Singapore year-on-year, with the number of flights handled in December 2024 exceeding the December 2019 (pre-pandemic) level.

In Base Maintenance, fewer aircraft checks were completed in the quarter compared to the same period last year as there was a higher proportion of checks with heavier work content. These checks required longer hangar stays, and the duration of some checks were extended due to supply chain issues.

While supply chain disruptions continued to impact the operations of the Group, with continued efforts to mitigate supply chain constraints, our network of engine and component shops were able to generate higher engine and component repair and overhaul output.

On the strategic investment front, following an initial Memorandum of Understanding signed in 2023, SIAEC entered a non-binding framework agreement with Xiamen Iport Group (“IPORT Group”) in November 2024 to explore investing in Arport Aircraft Maintenance & Engineering (Fujian). The latter is a subsidiary of IPORT Group that provides line maintenance and ground services at four airports in Fujian, China.

OUTLOOK

While MRO demand has stayed healthy, the MRO industry continues to navigate supply chain challenges, rising costs and tight labour market.

The progressive implementation of our new Enterprise Operating System, with improved and redesigned MRO processes, is expected to strengthen our planning and operational resilience, and better address supply chain challenges.

At the same time, we are continuing to invest to expand in terms of capacity, capabilities and geographical reach to position the Group for long-term growth and profitability.

GROUP FINANCIAL PERFORMANCE

The Group's revenue grew 11.3% year-on-year to \$324.8 million in the third quarter of FY2024-25. Group expenditure increased at a lower rate of 8.5% to \$320.1 million. The increase was mainly due to higher manpower costs and repair costs.

Consequently, the Group's operating performance in the third quarter turned around from an operating loss of \$3.4 million in the same period last year, to an operating profit of \$4.7 million.

Share of profits of associated and joint venture companies for the quarter was \$32.2 million, an \$8.4 million improvement year-on-year. The Engine and Component segment recorded an improvement of \$7.8 million, mainly due to the increase in workload and work content, while profits of the Airframe and Line Maintenance segment rose \$0.6 million from the increase in the number of flights handled.

The Group recorded a net profit of \$38.2 million for the quarter ended 31 December 2024, an improvement of \$11.3 million year-on-year.

As of 31 December 2024, equity attributable to owners of the parent was \$1,701.4 million, an increase of \$14.3 million (+0.8%) from 31 March 2024, mainly due to profits earned during the period, partially offset by dividend payments made.

Total assets as of 31 December 2024 stood at \$2,089.1 million, \$0.8 million higher than 31 March 2024, with the Group's cash balance at \$486.8 million.

Basic earnings per share in the third quarter of FY2024-25 was 3.42 cents. The net asset value per share as at 31 December 2024 was 152.0 cents.

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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

	3Q24/25 (\$'M)	3Q23/24 (\$'M)	9M24/25 (\$'M)	9M23/24 (\$'M)
Financial Results				
Revenue	324.8	291.7	901.0	805.7
Operating profit/(loss)	4.7	(3.4)	8.1	(3.3)
Share of profits of associated and joint venture companies, net of tax	32.2	23.8	90.8	73.8
Net profit	38.2	26.9	107.0	86.2
Per Share Data				
Earnings after tax (cents) - basic ^{R1}	3.42	2.40	9.55	7.68
- diluted ^{R2}	3.40	2.39	9.51	7.64
	As at 31 Dec 2024	As at 31 Mar 2024		
	(\$'M)	(\$'M)		
Financial Position				
Share capital	420.0	420.0		
Treasury shares	(12.0)	(4.5)		
Capital reserve	(0.1)	(0.4)		
Share-based compensation reserve	5.6	7.5		
Foreign currency translation reserve	(16.4)	(24.1)		
Fair value reserve	(2.8)	(1.3)		
Equity transaction reserve	(2.2)	(2.2)		
General reserve	1,309.3	1,292.1		
Equity attributable to owners of the parent	1,701.4	1,687.1		
Cash and bank balances	486.8	646.0		
Receivables ^{R3}	331.1	272.3		
Total assets	2,089.1	2,088.3		
Total liabilities	369.9	385.0		
Net asset value per share (cents) ^{R4}	152.0	150.3		
Return on equity holders' funds (%) ^{R5}	7.0	5.8		

COMPANY OPERATING STATISTICS AT SINGAPORE BASE

	3Q24/25	3Q23/24	9M24/25	9M23/24
Flights handled at Changi Airport by line maintenance	40,262	37,154	117,544	107,867
Number of heavy checks performed at Singapore base	20	24	53	69
Number of light checks performed at Singapore base	156	199	503	584
Fleet size managed by inventory technical management business	186	92	186	92

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.