



SIA ENGINEERING GROUP BUSINESS UPDATES FOR 1st QUARTER FY2024-25

BUSINESS UPDATES

Demand for maintenance, repair and overhaul services (“MRO”) remained healthy for 1st quarter FY2024-25. The number of flights handled by Line Maintenance in Singapore increased by 11.5% year-on-year. Flight recovery at the end of June 2024 was approximately 95% of pre-pandemic levels, compared to 84% a year ago.

At Base Maintenance, fewer aircraft checks were completed during the quarter as there were more checks for older generation aircraft that had heavier work content, thus necessitating longer hangar time. In addition, longer lead times to secure spare parts due to supply chain constraints also stretched the duration of certain checks. In May 2024, SIAEC was appointed by Air India as its strategic partner for the development of its Base Maintenance facilities in Bangalore, India. We will be involved in the planning, construction, development and operationalisation of this facility, which is expected to be ready in 2026.

Eaton Aerospace Component Services Asia, our component joint venture (“JV”) company in Malaysia with Eaton, was incorporated on 7 June 2024. The JV will perform MRO work on Eaton-manufactured aircraft components installed on airframe and engine fuel systems and hydraulic systems. SIAEC holds a 49% stake in the company, with Eaton holding the remaining 51%. This new JV increased SIAEC’s portfolio of strategic partnerships to 24 subsidiaries and JVs across eight countries.

OUTLOOK

Demand for MRO services continues to look healthy as the level of flight activity remains on an upward trajectory. On the other hand, concerns over a tight labour market, supply chain issues and elevated costs still persist in the industry.

To capitalise on the demand recovery and manage the challenges, we remain committed to driving operational efficiency through our Continuous Improvement programme, maintaining cost discipline, and expanding our capabilities and geographical presence.

GROUP FINANCIAL PERFORMANCE

The Group reported revenue of \$268.7 million for 1st quarter FY2024-25, which was 2.6% higher year-on-year. Group expenditure rose at a slightly slower rate of 2.4% to \$267.7 million, primarily driven by higher material and manpower costs.

As revenue growth outpaced the rise in expenditure, the Group recorded an operating profit of \$1.0 million, which was \$0.6 million higher than the same period last year.

Share of profits from associated and joint venture companies also improved, by \$6.1 million, to \$28.0 million for the quarter. Share of profits from both the Engine and Component segment and the Airframe and Line Maintenance segment increased year-on-year, by \$5.7 million and \$0.4 million, respectively.

The Group posted a net profit of \$33.2 million for the quarter ended 30 June 2024, an improvement of \$6.2 million year-on-year.

As of 30 June 2024, equity attributable to owners of the parent was \$1,722.8 million, an increase of \$35.7 million (+2.1%) from 31 March 2024, mainly due to profits earned in the first quarter of the financial year.

Total assets as of 30 June 2024 stood at \$2,138.6 million, \$50.3 million (+2.4%) higher than 31 March 2024.

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GROUP FINANCIAL STATISTICS

	1Q24/25 (\$'M)	1Q23/24 (\$'M)
Financial Results		
Revenue	268.7	261.9
Operating profit	1.0	0.4
Share of profits of associated and joint venture companies, net of tax	28.0	21.9
Net profit	33.2	27.0
Per Share Data		
Earnings after tax (cents) - basic ^{R1}	2.96	2.41
- diluted ^{R2}	2.95	2.40
	As at 30 Jun 2024	As at 31 Mar 2024
	(\$'M)	(\$'M)
Financial Position		
Share capital	420.0	420.0
Treasury shares	(6.4)	(4.5)
Capital reserve	(0.4)	(0.4)
Share-based compensation reserve	8.7	7.5
Foreign currency translation reserve	(20.0)	(24.1)
Fair value reserve	(2.2)	(1.3)
Equity transaction reserve	(2.2)	(2.2)
General reserve	1,325.3	1,292.1
Equity attributable to owners of the parent	<u>1,722.8</u>	<u>1,687.1</u>
Cash and bank balances	628.8	646.0
Receivables ^{R3}	298.8	272.3
Total assets	2,138.6	2,088.3
Total liabilities	399.1	385.0
Net asset value per share (cents) ^{R4}	153.6	150.3
Return on equity holders' funds (%) ^{R5}	6.0	5.8

COMPANY OPERATING STATISTICS AT SINGAPORE BASE

	1Q24/25	1Q23/24
Flights handled at Changi Airport by line maintenance	38,119	34,173
Number of heavy checks performed at Singapore base	18	23
Number of light checks performed at Singapore base	171	173
Fleet size managed by inventory technical management business	187	114

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.