

## Media Release 21 February 2024

# SAESL EXPANDS INTO NEW FACILITIES TO CAPTURE MRO GROWTH WITH ADVANCED TECHNOLOGIES

- US\$180 million investment will increase SAESL's capacity by 40%
- Memoranda of Understanding signed with the Singapore Economic Development Board,
  JTC Corporation, Employment and Employability Institute and NTUC LearningHub
- 500 high-skilled professionals to be hired over the next five years

Singapore Aero Engine Services Private Limited (SAESL), one of the world's largest Rolls-Royce Trent engine maintenance, repair and overhaul (MRO) organisations, announces its expansion with new facilities and advanced technologies to capture rising engine MRO demand and cement its position as a global leader in engine MRO.

SAESL is a joint venture between Rolls-Royce and SIA Engineering Company Limited (SIAEC) incorporated in 1999 as an ongoing collaborative partnership.

With the aerospace sector rebounding post-pandemic, demand for MRO services is expected to grow significantly over the coming years. In 2024 alone, the Asia-Pacific region is forecasted to account for one-third of total global demand, which is expected to grow by 2-3% to US\$657.23 billion<sup>1</sup>.

The US\$180 million investment for the expansion will increase SAESL's capacity by 40%. It will enable SAESL to expand its engine strip-and-build module repair and component repair capacity. It will also help SAESL to drive transformation through technology by developing new MRO processes, core digital technology and Industry 4.0 capabilities.

### Building new facilities; integrating advanced technologies

The expansion involves the addition of new facilities with a combined footprint of over 50,000m<sup>2</sup>. This comprises building a new 26,000m<sup>2</sup> facility at JTC's Loyang estate, adjacent to the current SAESL campus at Calshot Road; and SAESL's expansion into the Rolls-Royce campus in JTC's Seletar Aerospace Park. The current facilities, across five buildings in Calshot and Loyang Road, will undergo major transformation and be reconfigured to meet the expected increase in production capacity.

<sup>&</sup>lt;sup>1</sup> MRO Forecast for 2024 (mrobusinesstoday.com)

The new facility to be built at Calshot Road will focus on engine inductions, and utilise state-of-the-art logistics solutions to optimise engine parts management. The operations in the Seletar Campus will focus on large component repair, several commodity centres of excellence, and low-pressure turbine repair. SAESL will establish an Advanced Repair Cell (ARC) that will focus on industrialising three core technologies – additive remanufacturing, adaptive machining and non-contact measurement systems. The ARC will be an agile and novel process-led cell; highly automated, harnessing the latest adaptive machining, 3D scanning, additive and digital technologies tuned to the modern generation of gas turbine engines. With the anticipated portfolio of new repair capabilities for certain Rolls-Royce's high value engine components, SAESL is set to become the focal point for Rolls-Royce's global MRO network in industrialising additive and adaptive repairs.

SAESL's expansion programme is planned to be progressively completed from 2026 onwards.

#### MOUs signed with leading agencies and partners

To solidify its support of Singapore as an aviation hub and ecosystem, SAESL will also be signing Memoranda of Understanding (MOUs) with several agencies and partners over two days at the Singapore Airshow.

- On 21 February 2024, SAESL will sign MoUs with the (1) Singapore Economic Development Board (EDB) and (2) JTC Corporation to enter into discussions to facilitate SAESL's expansion of its MRO operations in Singapore.
- On 22 February 2024, SAESL will sign MoUs with the Employment and Employability Institute (e2i) and NTUC LearningHub (NTUC LHUB) to embark on initiatives to promote and generate awareness about 500 new engineering career opportunities. These positions are required to be filled by 2028 to support SAESL's expansion plan to grow its capacity by 40%. The partnerships will focus on encouraging upgrading of skillsets, supporting transformative growth in advanced repair, additive remanufacturing, non-contact measurement, automation and digital technology and facilitating career advancement for individuals seeking to join the dynamic field of aerospace engineering. Beyond training the new hires to fill the positions, NTUC LHUB will also be appointed as the preferred training partner of SAESL.

"SAESL is excited to embark on this expansion journey which underscores our commitment to innovation and growth in order to bring unparalleled value to our customers. We also see the importance in building up a workforce ready for tomorrow and nurturing the next generation. We would like to express our deep gratitude to our partners, EDB, JTC, e2i and NTUC LHUB, for their support," said Simon Middlebrough, CEO, SAESL.

"This investment undertaken by SAESL signifies the support of both shareholders, Rolls-Royce and SIAEC, to take SAESL's growth to the next level, and further strengthens our partnership. SAESL's investment will place it at the forefront of technology and innovation, and enhance Singapore's aerospace ecosystem," said Mr Wong Yue Jeen, Senior Vice President Partnership Management and Business Development, SIAEC.

"Rolls-Royce congratulates SAESL on its expansion, which is testament to the effectiveness of its operations. We are pleased to continue providing our product expertise to support SAESL's growth and working collaboratively to industrialise next generation repair capability in the advanced repair cell," said Paul Keenan, Director, Commercial Aviation Aftermarket Operations, Rolls-Royce.

"EDB welcomes the investment by SAESL to expand its engine Maintenance, Repair and Overhaul (MRO) capacity as well as introduce new capabilities to drive the industrialisation of advanced repair technologies. These activities will strengthen Singapore's position as a global node for aerospace MRO and create exciting job opportunities for Singaporeans. We also look forward to the deepening of partnerships between SAESL and our ecosystem in upskilling our workforce and progressing innovation," said Lim Tse Yong, Senior Vice President & Head, Mobility and Industrials, EDB.

#### **Smart Manufacturing Joint Lab partnership with A\*STAR**

With SAESL's expansion, productivity improvements continue to be a key focus. The Smart Manufacturing Joint Lab, part of SAESL's tripartite partnership with Rolls-Royce and the Agency for Science, Technology and Research (A\*STAR) will continue to support this.

The projects in SMJL which include developing core capability in machine learning, automation and visual recognition, are currently industrialising and driving productivity improvements in SAESL.

The substantial investment will drive transformation through technology, driving a step change in productivity, job skill development, ambitious Industry 4.0 transformation agenda and most importantly, investing in talent. It will furthermore elevate Singapore's status as a global aerospace hub by progressing new innovations and spearheading talent development for the wider industry.

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## **About Singapore Aero Engine Services Private Limited (SAESL)**

Singapore Aero Engine Services Private Limited (SAESL) is a joint venture company between Rolls-Royce and SIA Engineering Company Limited (SIAEC). The company first started operations in 2001 and has since become a market leader for both engine overhaul and component repair services. As a result of the sustained business growth, SAESL has continued to expand its facilities and develop new capabilities for both its engine overhaul and component repair businesses. The Engine Overhaul business has the capability to service all products in the Trent engine family, this includes: Trent 700, Trent 800, Trent 900, Trent 1000, Trent 7000 and Trent XWB; SAESL is the only Trent engine MRO that can support all product variants. The Engine Overhaul business has the capacity to repair and overhaul over 300 Trent engines per year and it is equipped with a state-of-the-art Engine Test Facility that supports our best in class engine turnaround times.

For more information on SAESL, please visit https://www.saesl.com.sg/.