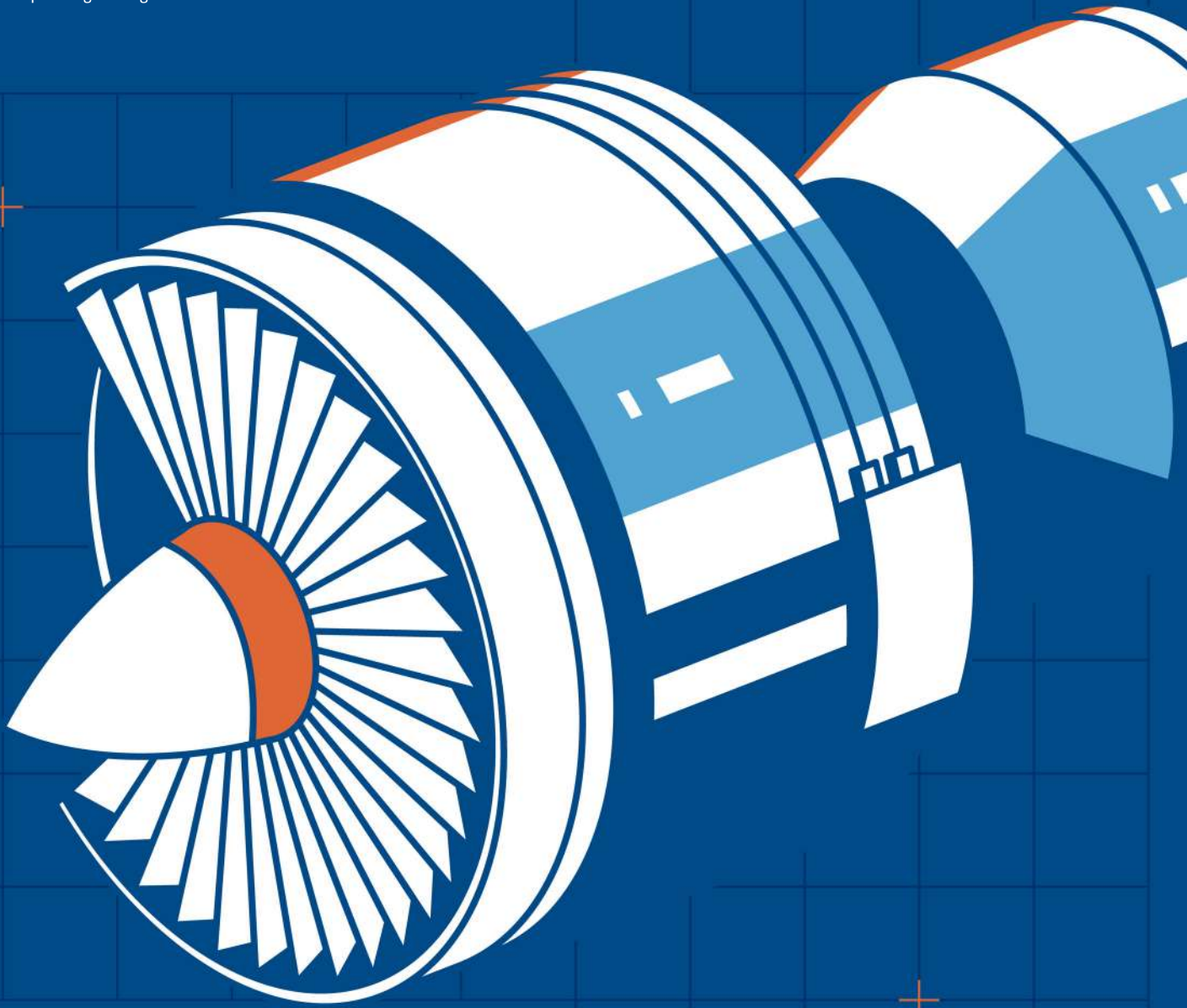




السعودية لهندسة وصناعة الطيران
Saudia Aerospace Engineering Industries **saei**



2022

**Year End
Report**

Table of Contents

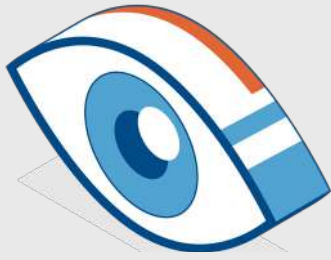
Introduction	04
2022 Year End Letter	04
SAEI Timeline	06
SAEI Overview	07
SAEI Transformation	09
SAEI 2022 Transformational Journey	10
SAEI Values	11
Strategic Stages	12
Strategy Foundation	13
10bn in 10 Years	14
MRO Village Overview	15
Corporate Governance	16
SAEI Governance	17
Committee Activities	18
Digitalization & Technology	20
Digitalization and Technology to Leap Forward	21

SAEI Environmental, Culture, and Organizational Health	24
Workplace Culture Transformation	25
Improving and renovating the company's facilities and work environments	27
Organizational Health	28
Sustainability	29
Safety at SAEI	30
Certification & Accreditation	31
Business Development & Operational Efficiency	39
Enriching the Local Content	33
Sector Synergies	35
Selected Strategic Partnerships	36
Business Development and Growth	37
Operational Efficiency	39
Re-establishing SAEI Market Presence	42
Key Figures	44
SAEI Financial Performance	45
Strategic Financial Projects Resulting in SAR 529 M Cost Saving	46
Operational Performance	47
Safety and Quality Performance	49
Human Resources Performance	50
Contracts and Cybersecurity Performance	51

2022 Year End Letter

Welcome to 2023

2022 was a remarkable year at SAEI as we embarked on the first stage in our three-year Strategic Roadmap. SAEI has united as a company to seize the once-in-lifetime opportunity created by the Kingdom's incredible state of rapid positive change and growth, the upheaval in the status quo across the aviation sector and our vision for SAEI's future.



VISION

The partner of choice

SAEI strives to be a partner of choice, and a catalyst for the success of aviation both regionally and globally.



MISSION

Meticulous Safety and Quality Across the Spectrum

At SAEI, our mission is meticulous safety and quality across the spectrum of maintenance, repair and overhaul, and the achievement of excellence.

2024

Future Growth & Sustainability

2023

Predictive Maintenance

2022

Getting the Basics Right

Getting The Basics Right

Now, 12 months on, where has the Strategic Roadmap taken us? The first of its three stages 'Getting the Basics Right' was the focus of the past year, and we have built a strong foundation for future success. The number of active and thriving projects is a testament to the effort, commitment, and talent within SAEI. And while the numbers are amazing, behind them are the individual stories of remarkable accomplishment, such as the reverse engineering and in-house manufacturing of the 'front bezel', which can proudly bear the stamp "Made in Saudi" and has saved SAR 81M.

As we accelerate into 2023 and ascend to the second stage of the strategy, Predictive Maintenance, I would like to share one more statistic. If we achieve our vision for SAEI, our capacity to have a beneficial 'ripple' effect on the Kingdom is enormous; SAEI will create 8,000 to 12,000 jobs and have an economic impact of SAR 45-35BN by 2032.

Thank you for your support and collaboration.



Fahd H. Cynndy

Chief Executive Officer
Saudia Aerospace Engineering
Industries (SAEI)

17

Work culture and environment change initiatives

SAEI **Employee Engagement** improved to become the highest within the Saudia Group

13

Operational performance and technology-enablement initiatives

We improved **financial performance by 60%**, **productivity by 20%** and made SAEI a cloud-based organization

05

Safety and quality initiatives

SAEI is a safer place to work, with a **44% decrease** in employee injuries

09

New agreements and partnerships

SAEI expanded its collaboration with customers and companies to seize new opportunities.

SAEI Timeline

1975

Saudi Arabian Airlines started sending Saudis to the USA to obtain A&P and Avionics diplomas.

1984

Saudi Arabian Airlines self-manned and managed its fleet maintenance. The Jet Propulsion Center (JPC) was launched and the first engine overhaul was performed. The General Authority of Civil Aviation (GACA) Part 145 certificate AMO01- was obtained.

2001

The ISO 9001:2000 certificate QMS 01 - 140610 was obtained.

2007

The Saudi Accreditation Committee Certificate (SAC) 14N - 1425 was obtained.

2013

SAEI overhauled Saudi Arabian Airlines first CFM5-56B engine. SAEI overhauled Saudi Arabian Airlines first Honeywell GTCP - 500 - 331 APU.

2022

SAEI was appointed the first authorized Honeywell service center in the Middle East. SAEI launched its Future Lab, powered by Thales.

1959

Saudi Arabian Airlines established the first aircraft maintenance center in Jeddah known as Technical Services Division (TSV).

1982

Technical Services Division (TSV) performed the first aircraft overhaul.

1985

The US Federal Aviation Administration (FAA) part 145 certificate SAFY977H was obtained.

2004

European Union Aviation Safety Agency (EASA) Part 145 certificate 145.0125 was obtained.

The General Authority of Civil Aviation (GACA) certificate AMTS01- for the first certified GACA school was obtained.

2009

The Technical Services Business Strategic Unit (TSV) was officially registered as a Limited Liability Company officially named Saudia Aerospace Engineering Industries (SAEI) wholly owned by Saudi Arabian Airlines Holding.

2019

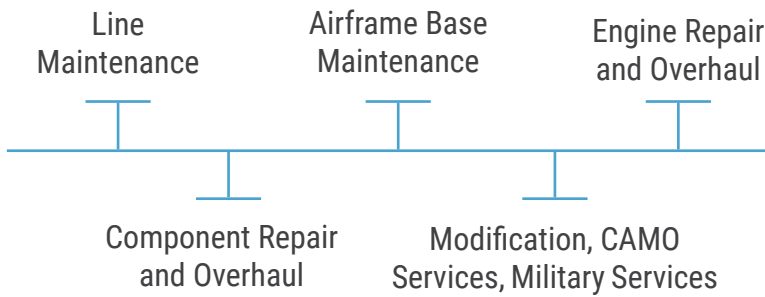
SAEI established the largest mobile hangar for aircraft maintenance in the world.

SAEI Overview

Overview

<p>3,175 Employees</p> <p>68% Technicians</p> <p>84% Saudization</p>	<p>03 Hangars for C-check</p> <p>01 Hangar for Unplanned Maintenance</p>	 <p>456 Number of Components</p>  <p>798 Number of Components</p> <p>67 Number of Certified Technicians</p>  <p>2,618 Number of Components</p> <p>2,686 Number of Certified Technicians</p>
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Key MRO Offering



Aircraft

A320	G450
A330	G550
B777	400xp
B747	Falcon 7X
B787	

Geographic Footprint



27 KSA Stations



25 Intl. Stations

Key Clients

Key OEM Partnerships



2022

Transformational Journey

Getting the Basics Right

SAEI 2022 Transformational Journey

SAEI strategy is designed to support the achievement of the National Aviation Strategy and Vision 2030

SAEI strategy was developed in 2021 as a united effort. The organization’s wider leadership team engaged in a robust analysis of the current state followed by an intensive phase of solution-based planning in order to build a clear roadmap to achieve our ambitious goals. The tripartite strategy is comprised of stages. Each stage creates the necessary conditions for the success of the subsequent stage, while sustaining and reinforcing the positive change achieved in the previous stage. The three stages: **1) Getting the Basics Right**, **2) Predictive Maintenance** and **3) Future Growth & Sustainability** will drive our forward momentum. The three consecutive stages are underpinned by three dimensions of continuous focus: **Seamless; Technical; Organization**. These areas of focus address SAEI activities which necessitate our constant vigilance and sustained commitment.

The successful implementation of stage one, **Getting the Basics Right** clearly signals that our strategy is delivering transformative change at SAEI. For example, the A320 C-Check Turn-Around Time (TAT) project. Over the course of 2022, the team reduced the TAT from 29 days to 23 days, which will enable an additional six C-Checks to be completed per year, capturing potential additional revenue of **SAR 20M**. These outcomes prove that the **Strategic Roadmap** can navigate us to success.

SHINE

SAUDIA Holding Group launched the ‘SHINE’ strategy aligned with the National Aviation Strategy and Vision 2030. SHINE includes multiple initiatives for across all Strategic Business Units.

SAEI 2022 SHINE achievements include:

37 SAEI executed projects

929M The cumulative SHINE projects value at completion

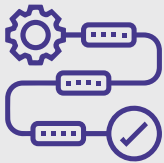


SAEI Values



Safety

Our commitment to safety never falters. We take action to make our workplace, ourselves, and those around us safer.



Accountability

We strive to perform every task to the highest standard. We listen to the needs of our customers. We actively seek feedback from colleagues and customers and thoughtfully act on their input.



Excellence

We maintain a continuous cycle of enhancement through the acquisition of new knowledge and skills. We are united in our efforts to meet our goals and accelerate progress.



Ingenuity

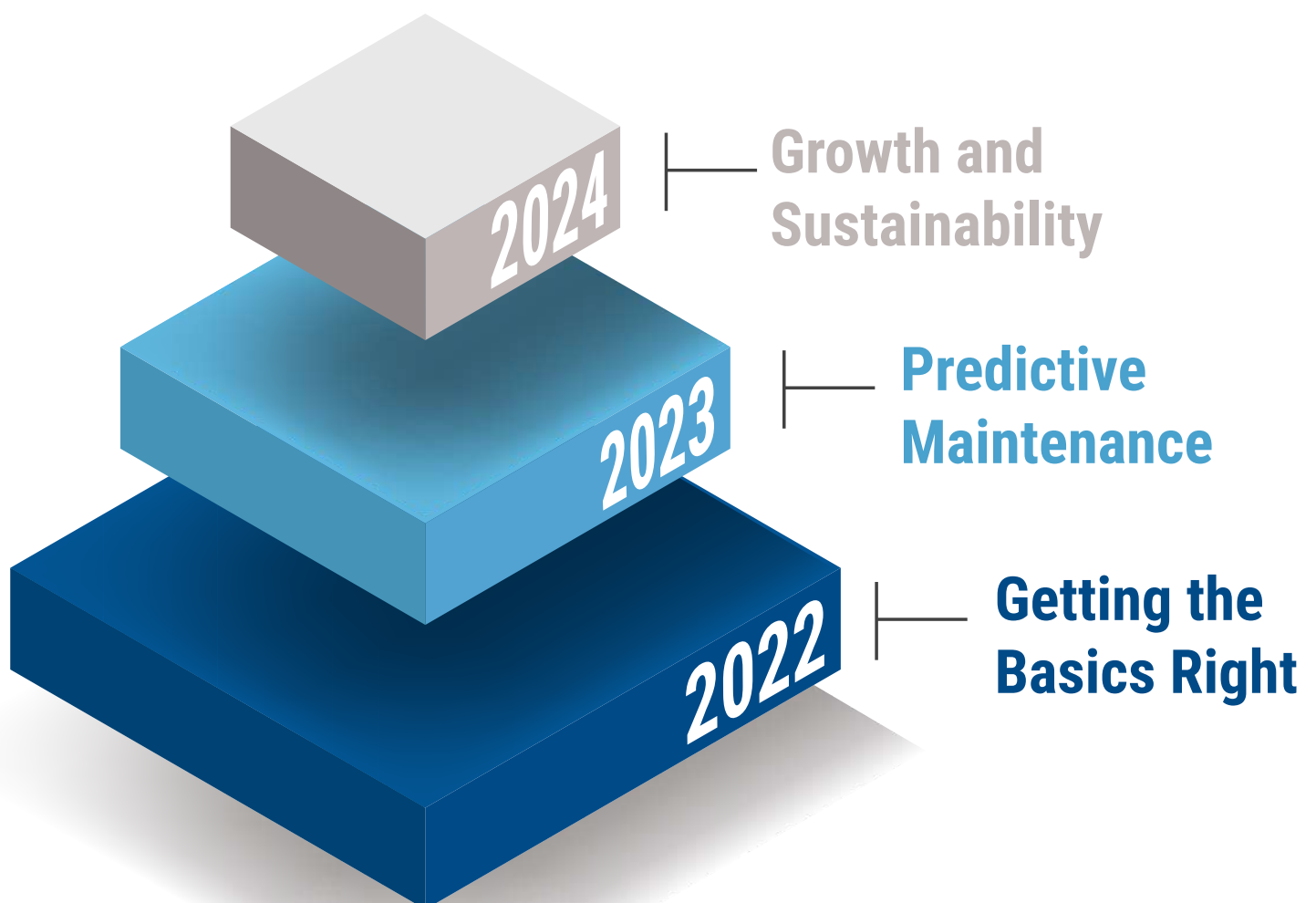
We innovate to achieve the best possible outcome, sharing ideas and communicating across all levels. We use solution-based thinking to build our organization's capacity for growth and success.

SAEI is pursuing a strategy that aligns with its role as Saudi Arabia's national champion and supports the growth of aviation in the region as a whole.

SAEI Strategic Roadmap

In 2023 SAEI will ascend to the next stage in their strategy, Predictive Maintenance. This encompasses the new horizon of automation and introducing AI to SAEI. Following the successful the 'Smart Hangar' pilot in 2022, the Jeddah-based hangars will make a technological leap forward to become Fully-Integrated Digitized Productivity Hangars. SAEI will build precise real-time digital-twins of the hangars, enabling continuous and automated measurement of real-world task activity. This will shine a light on hangar operations in a completely new way, empowering SAEI to increase productivity, optimize safety, reduce inefficiencies, and significantly improve forecasting and planning accuracy.

Central to intelligent, optimized operations is our redeployment of AMOS, as we transition to the MRO specific platform, this began in 2022 and will continue through 2024 with our dedicated AMOS Swiss Air team. In 2023, we will activate new processes that reflect the best industry standards and take maximum advantage of AMOS's capabilities to achieve maximum efficiency.



Dimensions of Continuous Focus

The three consecutive strategy stages are underpinned by three dimensions of continuous focus:

Seamless

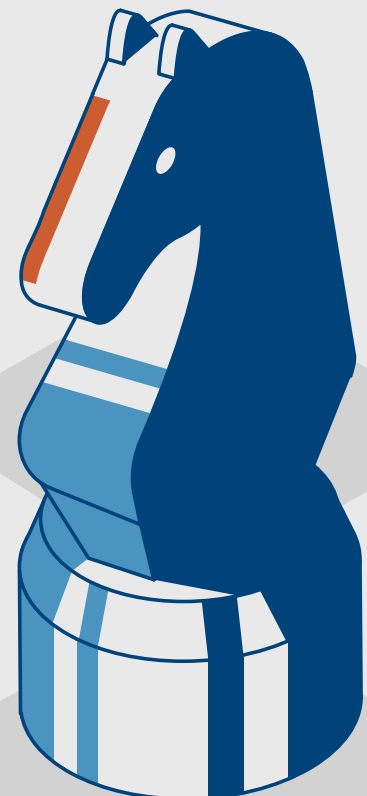
- Focus on planned vs unplanned maintenance
- Utilize SAEI's long-term relationships with leading OEMs to become the service supplier for the region
- Build a deep and holistic understanding of SAEI's customers and their needs
- Expand into aligned business lines and grow SAEI's capacity

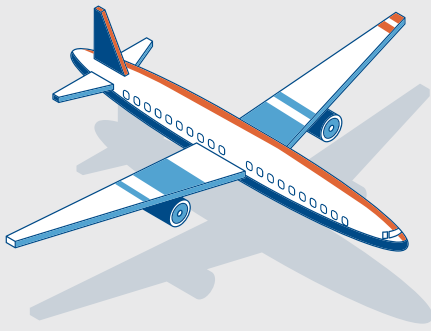
Technical

- Reinforce SAEI's foundations in the areas of **safety**, quality and security
- Bring the full power of technology to everything SAEI does
- Grow and maintain in-house technical mastery in all things FUTURE
- Nurture innovation and **ingenuity** within our organization

Organization

- Upskill the workforce and develop SAEI human capital
- Commit to **excellence**, create a stark contrast between everything substandard and the universe of SAEI
- Build the right rapport between every manager and their employees and grow ownership and **accountability** as key traits in our organization



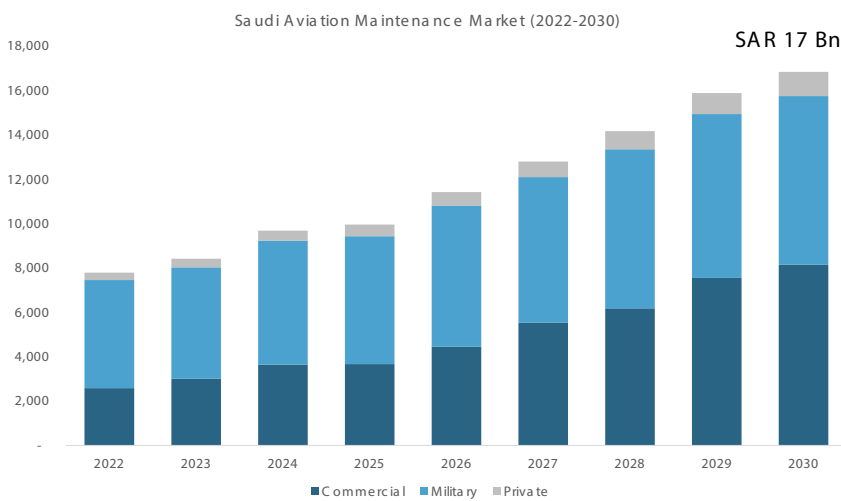


SAEI 2030 Target

10 billion SAR in 10 years

Aviation Market Size

The Saudi aviation maintenance market is expected to reach SAR 17 Bn by 2030



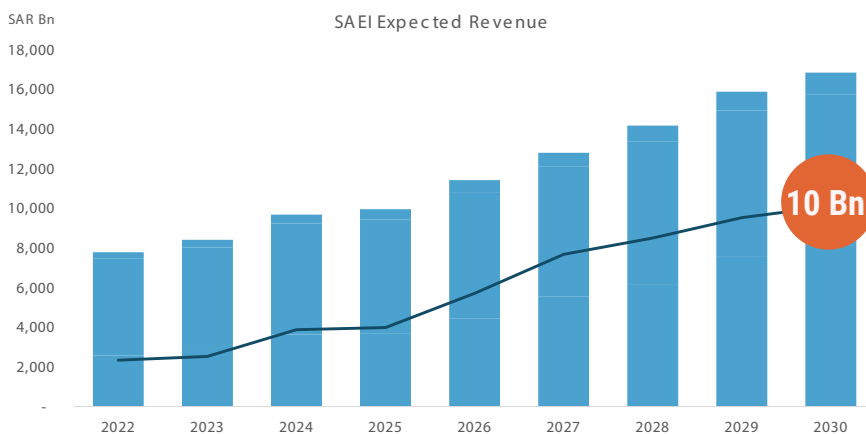
Market share in 2030 by segment

6%
Private market segment

45%
Military market segment

48%
Commercial market segment

Based on the Aviation Market Size and SAEI Strategy the Targeted SAEI Market Share in 2030 is:



80%
Of the Commercial market segment SAR 6.5 Bn

35%
Of the Military market segment SAR 2.7 Bn

60%
Of the Private market segment SAR 0.6 Bn

MRO Village Overview

The MRO Village and JPC is being built to meet the needs of the broader KSA aviation eco-system and to unlock profitability through scale and operational efficiency.



904,000 m²

Project Area



26 Shops

Engine & Components



21,000 m²

Consolidated HQ



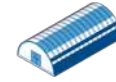
152,347 m²

Supply Chain equivalent to
28 football fields



2025

Completion date



11

Hangar Buildings

Houses one-of-a-kind
Aerospace mall

Growing engineering talent to
harness future growth

Jet Propulsion International
Center of Excellence

One of the largest Test-Cells
in the world

Up to 31 aircraft
accommodated at one time

Direct workforce
8,000 to 12,000 jobs

The Future of MRO

The MRO Village will unlock adjacent value segments, strengthen existing partnerships, build new ones.





Corporate Governance

SAEI Governance

SAEI has 11 permanent committees to empower decision-making at the right level, supported by oversight and consistency.

Additionally, a joint committee was formed in partnership with Saudia Airlines, the **Technical Services Senior Steering Committee** is an active entity tasked with removing barriers to operational efficiency in aircraft management.

Committees

Group On Time Performance Committee	Executive Management Committee	Reward and Recognition Committee
Cybersecurity Committee	Price Setting and Strategy Committee	Business Continuity and Crisis Mangement Committee
Human Capital Governance Committee	Contract Procurement and Review Committee	Innovation and Creativity Committee
Safety and Compliance Committee	Business Ethics Committee	

11

Permanent SAEI Committees

03

2022, additional groups for oversight

100%

Percentage of executive team members active on SAEI committees



Committee Activities

Group On-Time Performance (OTP) Committee

- Point of focus
- Clarified, and optimized several processes to elevate efficiency
- Ensure all OTP actions and initiatives are sustainable

Price Setting and Strategy Committee

- Standardized pricing process
- Clear timeline for each requested service

Business Ethics Committee

- Establishing and enforcing ethical business practices
- Ensuring the company policies and ethical framework are intact to support improving the culture
- Ensure compliance with professional and ethical standards

Cybersecurity Committee

- Reviewed and approved sixteen policies and standards.
- Reviewed and approved cybersecurity roadmap.
- Reviewed and approved the cybersecurity strategy.
- Conducted risk assessment to the maturity level of the cybersecurity and align it with National Cybersecurity Authority

Contract Procurement and Review Committee

- Reviewed 95 project contracts, worth over SAR 500 M
- New contracts procurement policy and procedures aligned with the holding policy
- Some landmark projects:
 - New Jet Propulsion Center
 - Innovation Center
 - Boeing's Maintenance Training for B787
 - GE Digital Records Keeping
 - Thales Repair Shop

Business Continuity and Crisis Mangement Committee

- Prepare the safety & quality department in the event of disruption to critical, technical functions
- Conduct continuous risk assessment and provide recommendations and mitigation plans
- Evaluated the Russian-Ukrainian situation and the effect of parts supply on SAEI.

Committee Activities

Human Capital Governance Committee

- Reviewed and evaluate recruitment criteria
- Updated the contract for outsourced staff
- Reviewed and approved new program for technical assessment
- O.O.K stations leadership program
- Working from home policy
- Develop a new policy for harassment in the workplace
- Included the outsourced employees in the food allowance.

Executive Management Committee

- Consolidate critical decisions by top level management

Innovation and Creativity Committee

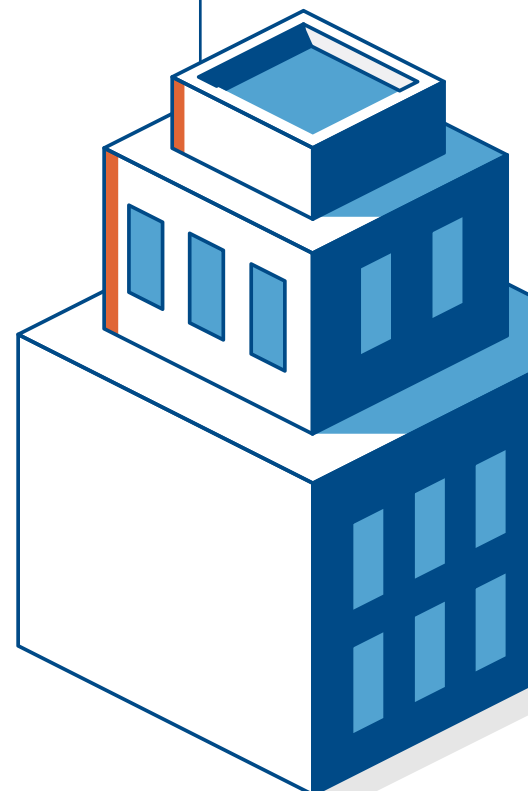
- The purpose is to plan, execute, monitor and improve innovative projects to expedite the evolution within SAEI and to ensure delivery of business and technical initiatives in line with cost, quality and time targets.

Safety and Compliance Committee

- The Committee ensures SAEI operates with the highest degree of safety, and security, with oversight for the wellbeing of SAEI employees and customers.

Reward and Recognition Committee

- Redesigned the reward and recognition program
- The new program consists of two important elements:
 - Monetary: based on KPIs
 - Non- Monetary: based on SAEI core values
- The committee has honored 286 employees for their outstanding performance at the SAEI Star Awards



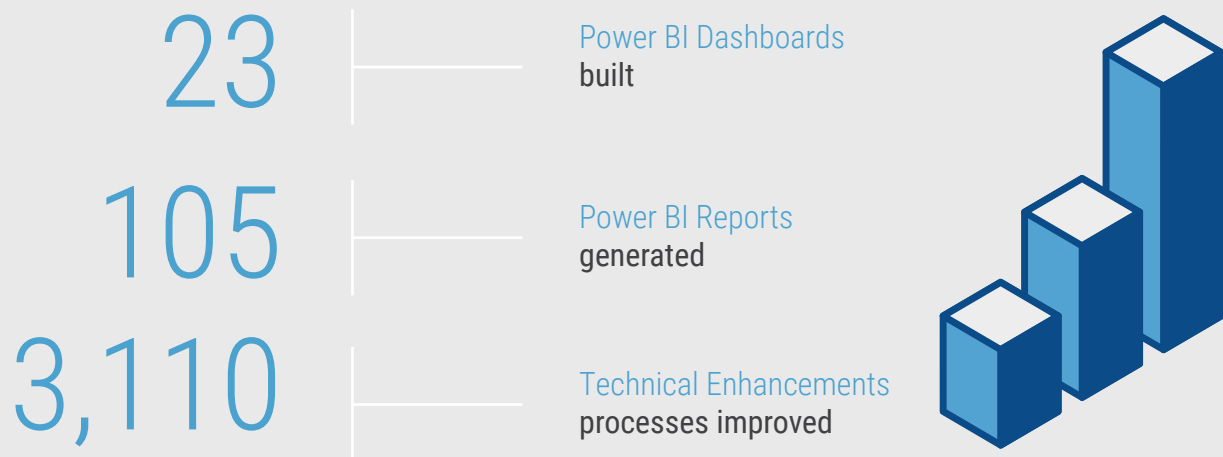


**Digitalization &
Technology**

Digitalization and Technology to Leap Forward

Focusing on digital transformation to improve quality, streamline and enhance processes. SAEI has focused on digitalization, digitization, and implementing new technology to improve infrastructure.

Outcomes



1. Establishing Digital Interfaces with Strategic Partners

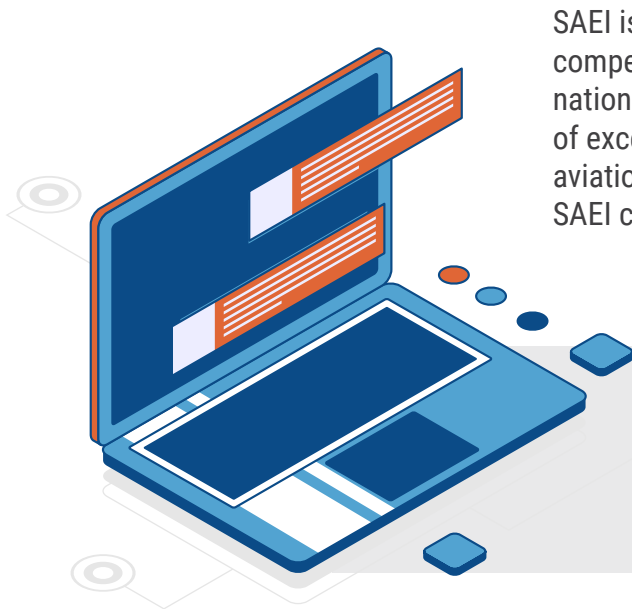
SAEI has built and activated secure data interfaces with three essential partners. This will facilitate enhanced visibility of maintenance activities and performance measurement.



2. Digital Signature to Expedite the Signature Process and Improve Information Security at SAEI

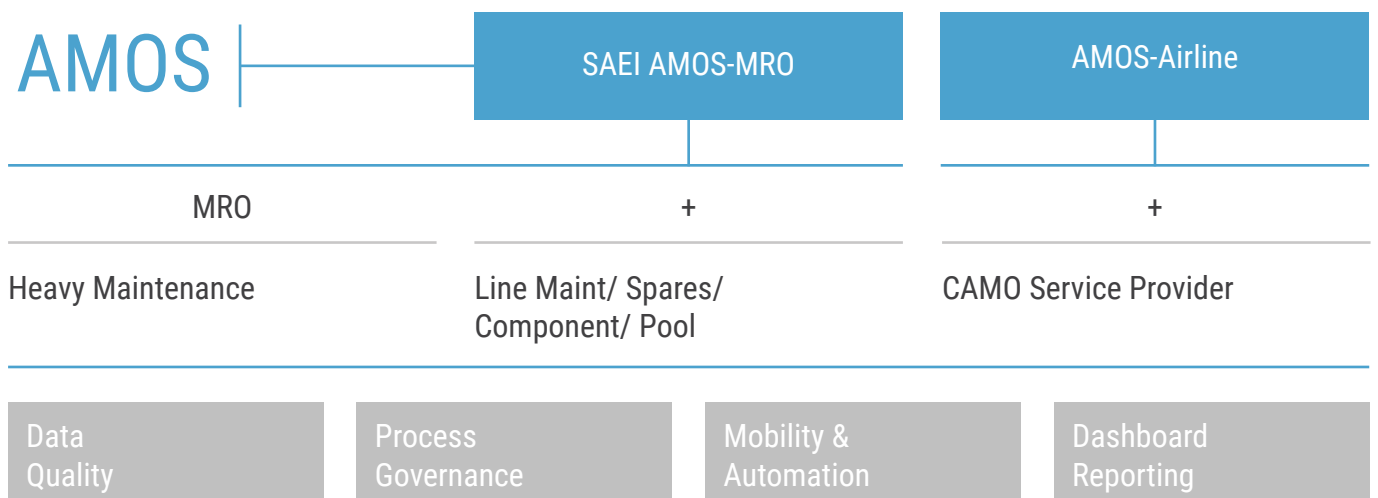
Adopting the digital signature application improves the security of SAEI information, documents, and transactions (all signatures are dated and stamped). The solution's cloud services are hosted in Saudi Arabia and are fully compliant with the National Cybersecurity Authority (NCA) and GACA requirements, as well as the Saudi e-Transaction Act and Design Act.

3. SAEI AMOS-MRO Project, to Transform SAEI into a Technology-Enabled MRO



SAEI is developing the competencies to become a national and regional center of excellence supporting the aviation ecosystem. Therefore, SAEI collaborated with AMOS to

elevate the current system. This should enhance the data quality of SAEI and improve visibility and transparency to engage in increasing levels of proactive and predictive maintenance.

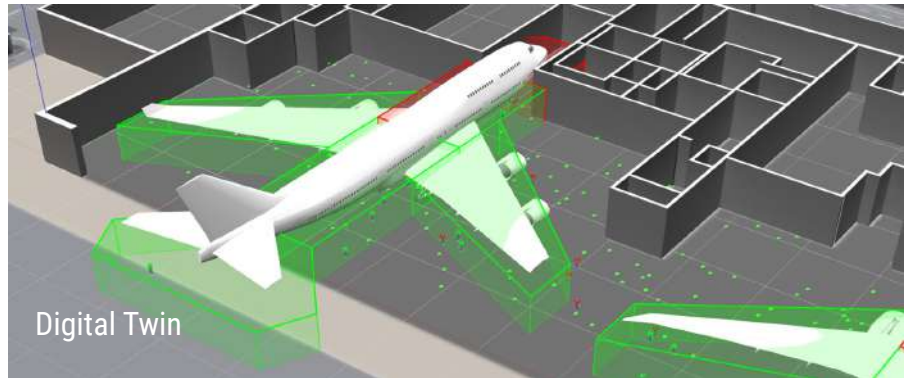


4. Building on an Accurate Data Foundation, SAEI Partners with Ubisense to Deploy Digital-Twin Technologies to Ensure Optimum Productivity

In 2022, Ubisense, the Cambridge UK-based leading Location Intelligence platform provider, and SAEI executed a highly successful innovative digitalization pilot. The narrow-body hangar pilot was proof of concept for the creation of a precise real-time digital-twin of hangar operations. In 2023, the Ubisense SmartSpace® platform will be applied to create fully integrated digitalized hangars at SAEI.

SAEI hangars will be equipped with Ubisense Dimension4 ultra-wideband sensors that monitor the precise three-dimensional location and movement of tags assigned to all personnel and moving assets working within the hangar. Spatial zones are defined in the digital-twin within which the movement and dwell times of operators, tools, and equipment are continuously measured, recorded and compared to the task plan.

The continuous and automated



measurement of real-world task activity will shine a light on hangar operations in a completely new way, enabling SAEI to

increase productivity, optimize safety, reduce inefficiencies, and significantly improve forecasting and planning accuracy.

This will Enhance:



Visibility

Give managers and operators process visibility to augment effective and timely decision-making



Control

Tracking and analysis of manpower and materials in real time to drive MRO process innovation and optimization.



Audit

Measure and record hangar operations at a granular level, creating a searchable digital record



SAEI

**Organizational Health,
Culture, and Environment**

Workplace Culture Transformation

Embedding a forward-focused and positive work culture at SAEI



Expanded visual and environmental communication of SAEI Mission, Vision and Values



Introduced SAEI Star Awards, redesigning and launching the reward and recognition program in its new form



Demonstrating how employees are valued. The new hangar conference room was inaugurated as The Michel Chahine Conference Room.



Established a weekly employee e-Newsletter, **SAEI in a Week**

SAEI Star Award Ceremonies



Outcomes



286

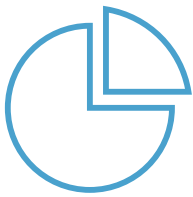
Rewarded and recognized employees for their outstanding performance in 2022

13M

Total incentives in SAR for eligible employees

100%

Completed SAEI Performance Management System



71%

Employees participated in the Organizational Health Index (OHI) survey compared to 46% in 2019

99%

Decreased legal cases from 1,508 in 2019 to 14 in 2022

84%

Saudization, at the Platinum level (as per HRSD), highest in SAUDIA Group



200

Placements in the 2 year program at Prince Sultan Aviation Academy. This number is 525% higher than last year (32 trainees)

960

Non-technical training at Prince Sultan Aviation Academy

225

Non-technical training and development in leading institutes

Improving and Renovating the Company's Facilities and Work Environments



Renovated office space
6,678 m²

Solar lighting

Safe shaded pass

Parking shades



Reactivated defunct AC units and improved the existing AC system

Unifying the layout and design for all offices

Organizational Health

Initiatives to improve the work environment, enhance gender diversity, training and development, and improve employee engagement



AskSAEI Portal redesign and user-experience enhancement.



65 Students joined SAEI's Summer Training Program



Monthly employee meal allowance of **SAR 150**



Outreach to frontline employees including ice cream delivery



1,750 hot weather relief packs for front-line employees



JPC Medical Clinic re-opened after a multi-year closure



Regular CEO/employee lunches



Automated promotion workflow



Weekly updates on SAEI seven essential KPIs



Created three Ladies Lounges for the comfort of the expanded female workforce



Captured direct individual input from **50%** of employees for the uniform redesign project

Sustainability

In 2022, SAEI focused on encouraging environmental friendly culture by finding solutions that enable the production and use of renewable and sustainable sources of energy and waste management to minimize the environmental impact of the operation and throughout the entire supply chain.



Saudi Recycling Investment Company

This year SAEI also began a partnership with the Saudi Recycling Investment Company (SIRC) to advancing the national Maintenance, Repair, and Overhaul (MRO) industry’s agenda to elevate sustainability, value capture, and environmental stewardship. This partnership will look for sustainable solutions to divert valuable resources from landfills by developing, owning, and operating an integrated waste management cluster driven by source segregation.



Saudi Aramco Power Company

At the Future Aviation Forum, SAEI signed with the Saudi Aramco Power Company (SAPCO) to identify a renewable energy solution that will provide 20% of the power needed to operate SAEI’s MRO Village. This venture actively supports the sustainability objectives of Vision 2030, the Aviation Strategy, and the Saudi Green Initiative.



Safety at SAEI

In 2022 SAEI expanded its safety infrastructure to build a stronger and more resilient safety culture.

This includes consistent and clear awareness materials, active, frequent and purposeful communications to promote safety, Lessons Learned and a Just Culture.

Safety & Quality Assurance إدارة السلامة وتأكيد الجودة

Foreign Object Damage

- Clean as you go.
- Only take the amount of hardware and consumables needed for the task.
- Only take the tools required to perform the task.
- Only use approved containers and packaging for parts.



Safety & Quality Assurance إدارة السلامة والجودة

Lesson Learned: Employee Injured When Connecting GSE to Truck



The Event:

A GSE Support Agent was assigned to relocate (Juniper) equipment from the GSE workshop to the Wide-body Hangar area.

The GSE agent **did not** ask for assistance and tried to connect the GSE towing adapter to the truck hook alone.



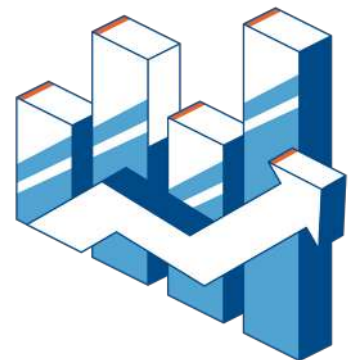
Outcomes

59%

Increase
Safety Audit from 2021

193%

Increase
Safety Reporting from 2021



44%

Decrease
Safety Injuries from 2021



Certification & Accreditation

5 Added Certifications & Ratings

In 2022, SAEI succeeded in adding five new certification and ratings.

Certification Provider	Customer	Aircraft / Engine	Location
 الطيران المدني Civil Aviation دولة الكويت - State of Kuwait	Jazeera Airways	A320, CFM56- and A320 Leap1-A	ELQ, HAS, AHB and MED line stations
 الهيئة العامة للطيران المدني General Authority of Civil Aviation	Flynas	A320, CFM56- and A320 Leap1-A	MED, HAS, ELQ, and EAM line stations
 الهيئة العامة للطيران المدني General Authority of Civil Aviation	Flyadeal	A251-320N	HOF line station
 الهيئة العامة للطيران المدني GENERAL CIVIL AVIATION AUTHORITY	Air Arabia airlines	A320	ELQ line station
	Certified on limited Landing Gear Components		

7 Renewed Certifications

SAEI has complied with all requirements and aspects of seven local and international certifications. As a result, these certification were renewed and granted by the concerned authorities.



3 Labs Granted Certifications



Three labs were successfully accredited from the largest accreditation body in the world. These labs were the nondestructive testing lab, the metrology lab, and the fluid lab



**Business Development
& Operational Efficiency**



Localization

SAEI is championing the expansion and diversification of aviation capabilities in-Kingdom to drive localization.

Quality, timeliness, safety and a comprehensive range of services are essential to capture MRO spend.

Localize Expertise

Investing in our workforce and next generation talent. SAEI will unlock the potential of thousands of Saudi nationals through the establishment of a training academy and an array of development programs.

Engaging Global Partners Localization

To accelerate growth and to benefit from tested best-practice, SAEI is leveraging strategic relationships with trusted partners.



2

Roles have been assessed for localization. These roles are in tailoring and cabin inspection. As a result of the localization 90 jobs for Saudi females will be created.



12

Leading international entities engaged in agreements or active dialogue in 2022.



8-12K

Additional jobs to be created within the MRO Village and JPC by 2030.

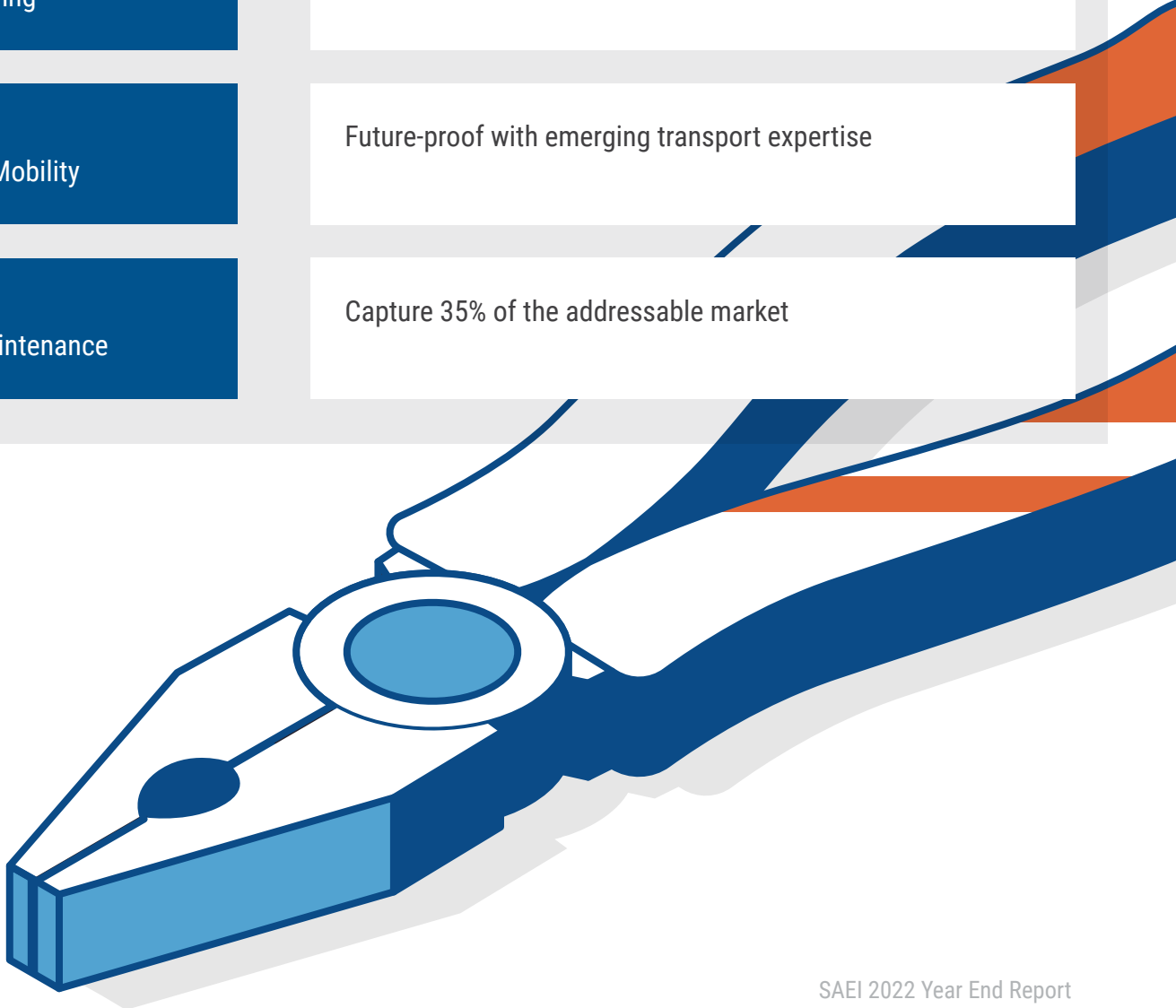
SAR 81M

Cost saving achieved in 2022 by the localized, in-house reverse engineering and manufacture of IFE components.

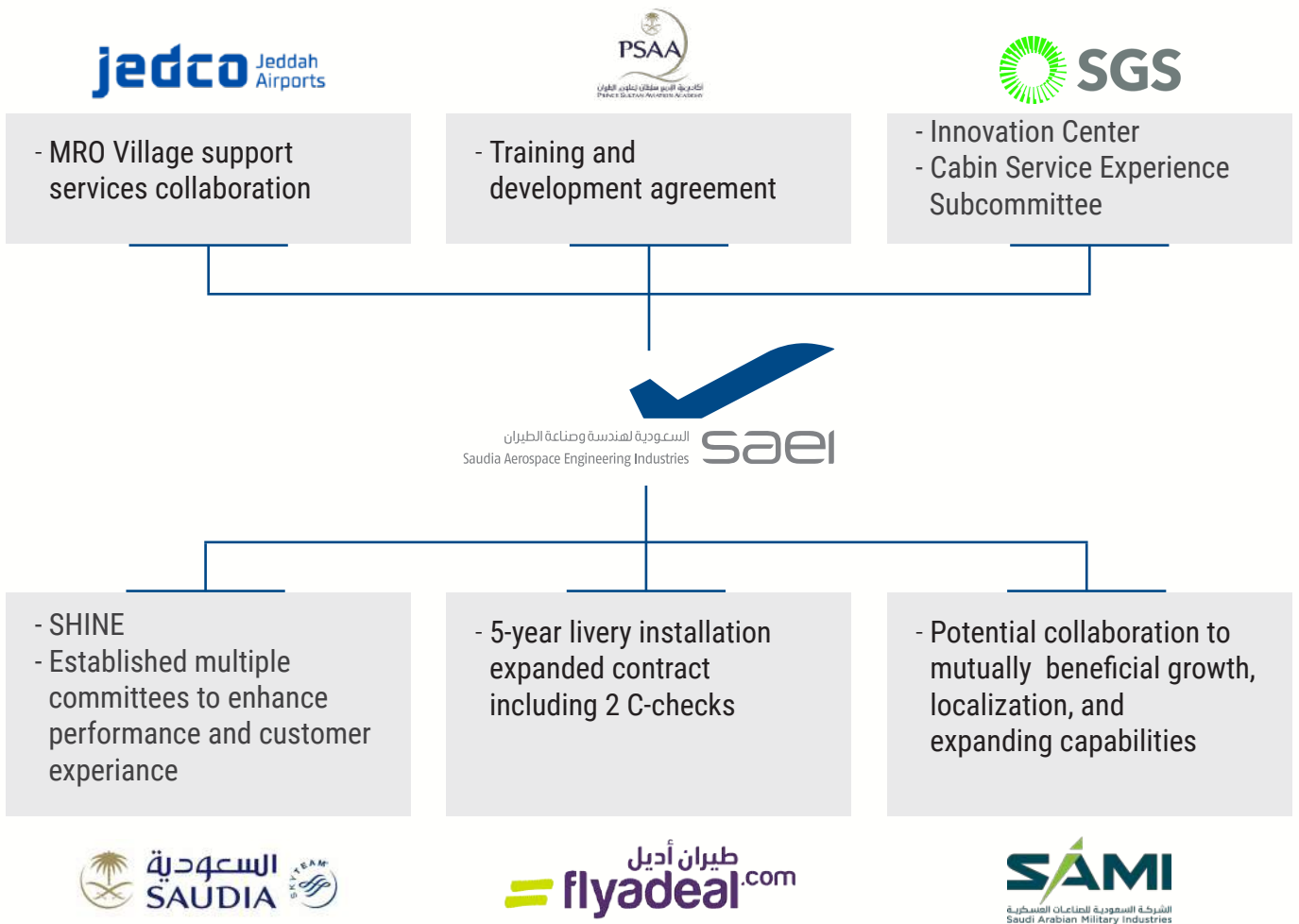
Enriching the Local Content

Expanding Capabilities to Capture Opportunities

Rotorcraft Maintenance	Growth market in civil, emergency, fire fighting, military and hydrocarbons
Advanced Paint Shop	Gap in the regional market
150k lbs. of Thrust Test Cell Capability	Capable of testing the most powerful turbines
Piece-parts/Cabin Manufacturing	Creating a market for 3D printing feedstock
Urban Advanced Mobility	Future-proof with emerging transport expertise
Military Aircraft Maintenance	Capture 35% of the addressable market



Sector Synergies



International Strategic Partnerships



Selected Strategic Partnerships - Snapshot



SAEI and SAMI leadership are engaged in exploring potential for mutually beneficial growth, localization and expanding capabilities. The jointly-decided next steps will be developed through a series of workshops to deep-dive into areas suitable for collaboration.



In the fourth quarter of 2021, Honeywell appointed SAEI as the first authorized Honeywell service center in the Middle East. The appointment includes a global license for the 9-131 auxiliary power unit (APU) installed on Boeing 737NG and Airbus A320 aircraft.



SAEI will enter a qualification process to be recognized as a Leonardo Authorized Service Center in the country for the bestselling AW139 model and will deliver basic maintenance for the type.



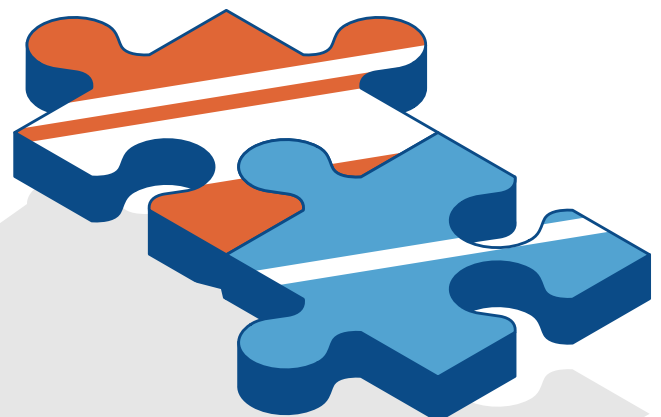
The signing of a new General Terms Agreement, in Q1 2022, joined SAEI to Liebherr's network for heat exchanger services. SAEI will have the in-house capabilities to handle heat exchanger tests or cleaning on behalf of Liebherr-Aerospace for all equipment operated in the Middle East region.



SAEI and The Helicopter Company (THC) signed an agreement to perform heavy maintenance for THC's fleet of Airbus and Leonardo Helicopters. This would include new dedicated resources.



SAEI conducted a broad discussion with Rhinestahl, an approved GE tools manufacturer, for future localization projects to execute tool maintenance activities. An NDA was signed for this purpose to freely share the information to localize those services.



Selected Strategic Partnerships - Case Study

SAEI Future Lab Powered by Thales



THALES

In the final months of 2022, the decades old SAEI avionics shop underwent an intensive -60day in-house physical transformation, followed by the installation of advanced technology to create SAEI Future Lab, powered by Thales.

Infrastructure

- A 310 m² refurbishment within the footprint of the existing Avionics Shop
- Autocrib Industrial Tool/Part Vending Machine providing optimized, timely provision

- and tracking for parts and tools.
- Automated 'bot' for delivery of parts directly to the bench when requested, forming an intelligent link between the technician at the workbench and the warehouse team.
- Ergonomic workstations

Outcomes

- Production increased from 500 to +1000 units per month
- The work mix includes third-party customers from the Thales-network

- Re-energized and engaged SAEI technicians
- Embedded Thales team members, including data specialist
- Instilling best-in-class work processes and Lean methodologies through cross-pollination as SAEI technicians rotate through international Thales avionics shops, and Thales technicians rotate through SAEI Future Lab.

Business Development and Growth

+500 M SAR

SAEI has engaged with the national customer base executing multi-year agreements.

Growth



SAEI and flyadeal have executed an A320 Fleet Maintenance Agreement. Through this agreement both companies leverage their strengths by capturing out of Kingdom spend and economies of scale.

Aircraft in service:

	2023	2024	2025
A320	30	40	50

This gradual increase in fleet size demonstrate SAEI’s ability to follow airline customer through fleet growth.

Fleet Development



SAEI is a partner for fleet development and aircraft type introduction. SAEI has supported flynas in its introduction of the Airbus A330-300 aircraft. Leveraging its technical competency and knowledge of the type through the SAUDIA fleet. SAEI provides

Aircraft in service:

	2023	2024	2025
A330	2	4	4

the necessary support to flynas to perform all required inspections and validations with GACA. This agreement builds a multi-year relationship with flynas providing maintenance services for the A330-300 in-Kingdom.

World Class Services



SAEI and Alphastar have executed a multi-year Aviation Maintenance Agreement (AMA) supporting maintenance, material and manpower requirements. This is a foundation agreement between Alphastar


Aircraft types in the fleet:


+A320	+A330	+A319	+A377
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and SAEI, with the potential for growth to include heavy maintenance services. With Alphastar, SAEI will perfect its knowledge of private operators service the most discerning clients globally.

Operational Efficiency

1. Adopting multiple projects, initiatives and training programs to enhance productivity and efficiency

 **65%** Reduction in the end-to-end process time

 Wing-to-ship (Engine, APU, TPR) process redesigning

JPC customized Lean training program for quality and process optimization

The GE technical experts embedded in the JPC conducted their first Lean training program to enhance planning, and processes and to eliminate redundancies related to shipping GE engines to avoid unnecessary delays.



2. 2022 Hajj Outbound Readiness Plan

SAEI developed a full operational preparedness plan to ensure smooth operations during the Hajj season. Which resulted in:


 **100%** OTP




3. SAEI Joined the Independent Aircraft Modifier Alliance (IAMA) to Expand and Uplift Current Capabilities by Establishing a Design Office

SAEI joined the independent aircraft modifier alliance (IAMA) to enhance operations. Being a member of the IAMA alliance will provide many benefits to SAEI.

 Guidance

 Knowledge transfer through expertise

 Access to critical educational resources

4. Implementing a New Strategy for SAEI Ground Service Equipment (GSE), to Enhance Operations, and Reduce Cost

SAEI launched a strategy that focuses on enhancing and improving the management of GSE. Currently, all GSE is fully owned by SAEI, this equipment requires planning, budgeting, tracking, and securing the required certificates and permits. Extensive workshops, benchmarking, and reaching out to several subject matter experts took place to ensure an optimal GSE management strategy. Correspondingly, 64 GSE items were leased from different contractors based on the lowest monthly rate. As a result, the cost has dropped down by 92% compared to the previous lease.

New monthly lease
SAR 750K

Previous monthly lease
SAR 10M

Operational Efficiency

5. SAEI Succeeded in Implementing Reverse Engineering for Three Parts in the Aircraft Cabin Resulting in a SAR 81M Cost Saving



15000 Cables

SAEI implemented reverse engineering for Thales 15000 cables for 24 aircraft. This reflects improvement in the following:



Part reliability



Passenger convenience



Cost reduction



System improvement



SAR +38M
Cost saving



Front Bezel Reverse Engineering

SAEI implemented reverse engineering for the front bezel for 56 aircraft. Additionally, it has been upgraded with PMA certification by HEICO Company.



Part reliability



Passenger convenience



SAR +35M
Cost saving



300-777Z Saudia First Class Suite Wood Case

SAEI implemented reverse engineering for the Saudia first class wood parts for 10 aircraft. Additionally, it has achieved GACA acceptance by the Seat Air System Company.



Part reliability



Passenger convenience



SAR +8M
Cost saving

Operational Efficiency

6. SAEI Collaborated with Boeing to Improve Reliability



SAEI hosted an expert Boeing team, to conduct an “As-Is” workshop to improve reliability. The outcomes included:



Document the current processes



Enhanced integration in Engineering Services



Identify possible improvements



Reliability Enhancement action plan

7. Developed Multiple Dashboards to Enhance Visibility, Make Data-Driven Decisions, and Gain a Single Source of Truth



Strategic corporate dashboard linking SAEI KPIs to the holding



10 departmental dashboards to enhance visibility



Operational dashboard



Material parts movement and maintenance unavailability dashboard



2022 FIFA World Cup - OTP dashboard



Re-establishing SAEI Market Presence

By leveraging media relations, online activity and industry events, SAEI has strengthened and heightened visibility to better connect with our stakeholders

1. Media relations for reputation management

Content creation with industry outlets.



Forbes



Active engagement with leading industry news outlets to share SAEI vision and claim a thought leadership role.

2. A strong presence at outreach events including:

- Dubai Airshow
- MRO Dubai
- Future Aviation Forum, Riyadh
- World Defense Show, Riyadh
- Local Content Forum, Riyadh
- Global Aviation Summit, Abu Dhabi
- MEBAA Dubai Airshow

3. SAEI Landing page developed in-house: www.mro.saei.aero



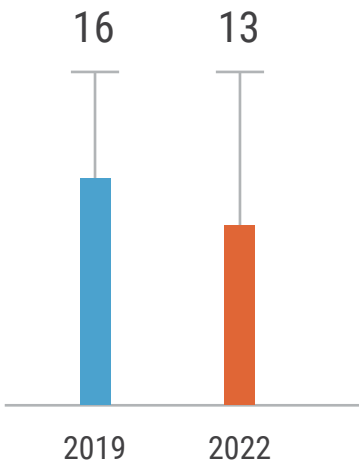




Strategic Key Performance Indicators

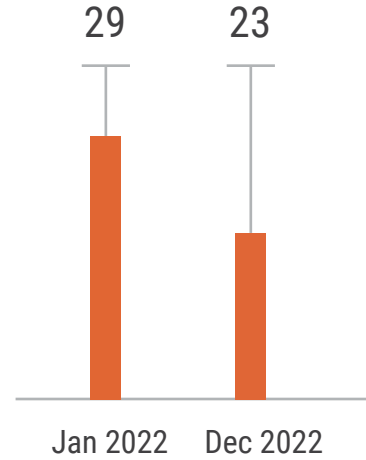
Strategic Key Performance Indicators

Operational Performance



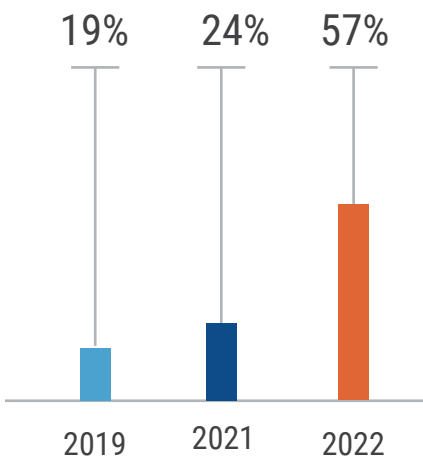
C2-Check Turn-Around Time (TAT) in Days

The turn-around time for C2-Checks improved by 19% in 2022 to meet the benchmark turn-around time of 13 days. This resulted in reducing man-hours needed to perform a C2-Check by 35% which helped in optimizing resource allocation and achieving the man-hours benchmark, from 3,533 to 2,313



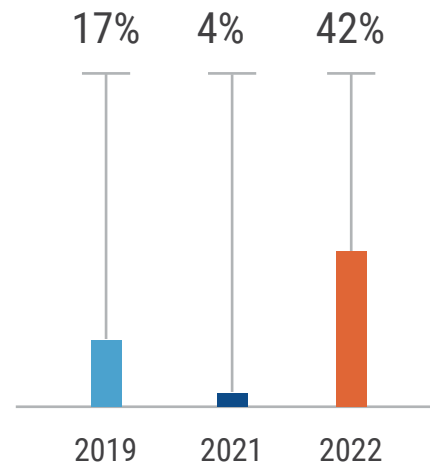
6-Yr C3-Check Turn-Around Time (TAT) in Days

The engineering and planning department launched an initiative aimed to increase hangar manpower productivity and to reduce C3-Check turn-around time. As a result, the 6-year C3-check turn-around time for the A320 aircraft was reduced by 21% compared to January 2022



% SV Workload Captured for C-Checks

SAEI performed 150% more C-Checks in 2022 (28 checks) than in 2019 (11 Checks). The reason for this increase in C-Checks is because of initiatives implemented in 2022 aimed to reduce C-check TAT and utilize manpower in the hangar.

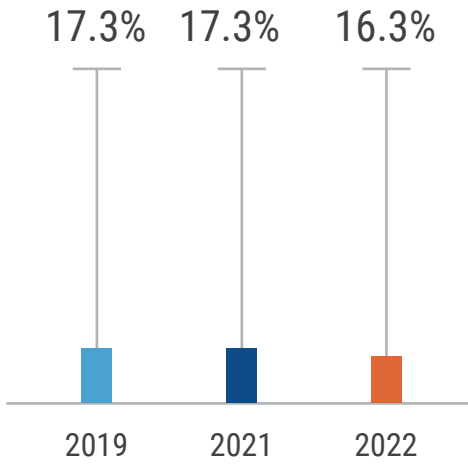


% On-Time Performed Checks

The increase in on-time performed checks is due to implementing an initiative aiming to increase efficiency by reviewing all current processes and implementing the concept of a project manager for every check

Strategic Key Performance Indicators

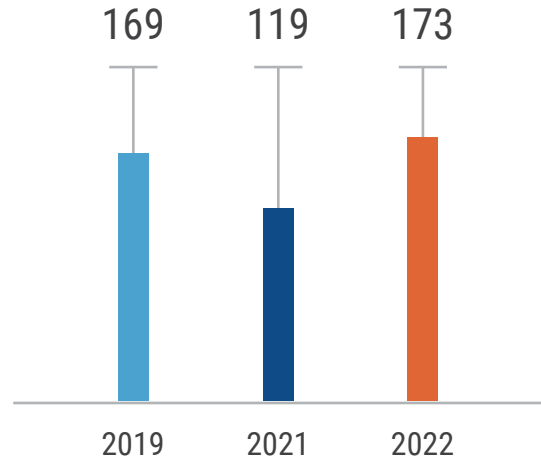
Operational Performance



% Aircraft Unavailability

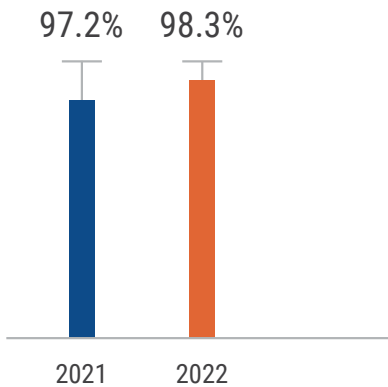
Aircraft Unavailability was reduced by 1% since 2019, due to multiple initiatives that focus on:

- Improving the preparation for tools and material
- Performing induction meetings prior to the induction dates
- Reducing C-Check turn-around time



Average Open MELs

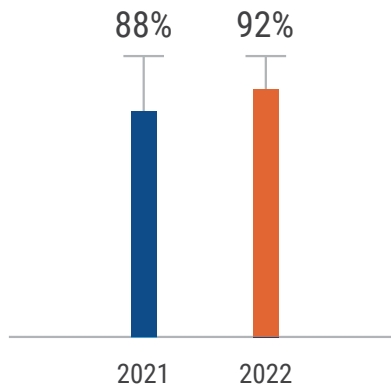
- 2022 year end average MELs is higher than 2019 due to a global shortage in part supply
- 2021 year end average MELs has the lowest number as it was post covid and there were fewer flights



% IFE Availability

IFE availability increased due to the enhancement of the

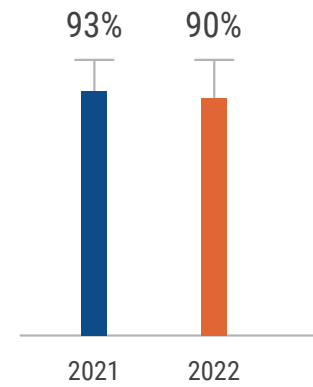
- Cabin Critical Check
- Daily Cabin Check
- Maintenance Walkaround task
- AVANT B/C modification.



% Connectivity

Connectivity increased by 4% compared to 2021, mainly due to the enhancement of

- Cabin Critical Check
- Daily Cabin Check
- Maintenance Walkaround task
- Software enhancements

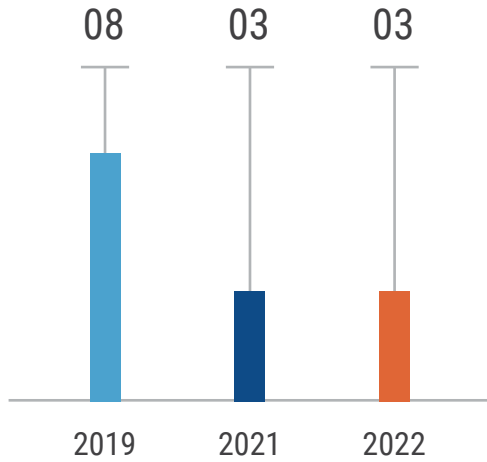


% Hangar Utilization

Due to LONGERON MOD visits on B777-300 that were postponed to 2023 workload because of the new revision issued by Boeing

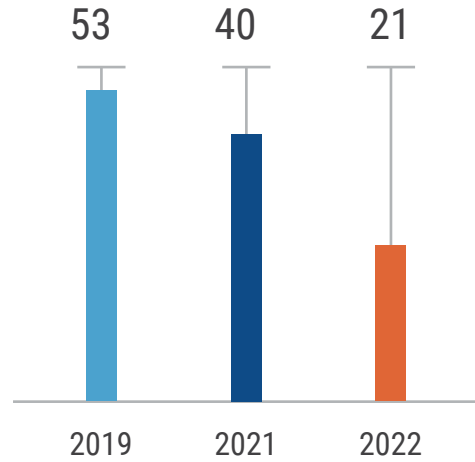
Strategic Key Performance Indicators

Safety and Quality



Aircraft Damaged

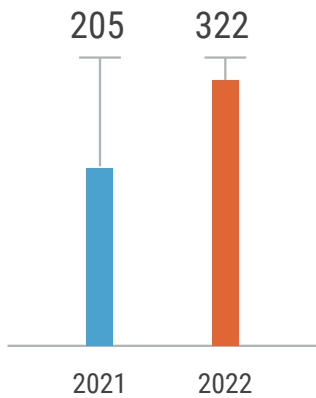
Aircraft damage decreased by 63% in 2021 and 2022 compared to 2019. This decrease is a result of an action plan developed in 2021 and maintained in 2022 that focused on intensive safety promotions and removing scrapped equipment from the congested area of the aircraft bay.



Industrial Injuries

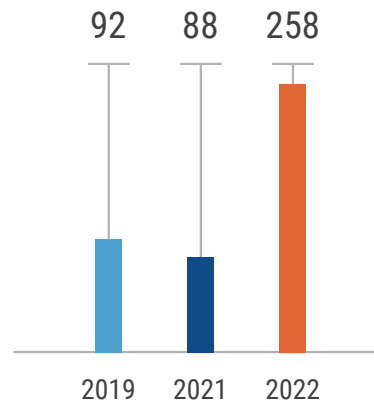
A reduction by 44% mainly due to three factors:

- Implemented 5 safety and quality initiatives.
- Performed root cause analysis of previous injuries and took the necessary actions.
- Employees were encouraged to report safety concerns.



Awareness Sessions

322 safety awareness sessions were conducted throughout 2022 which is 59% more than the awareness sessions conducted in 2021

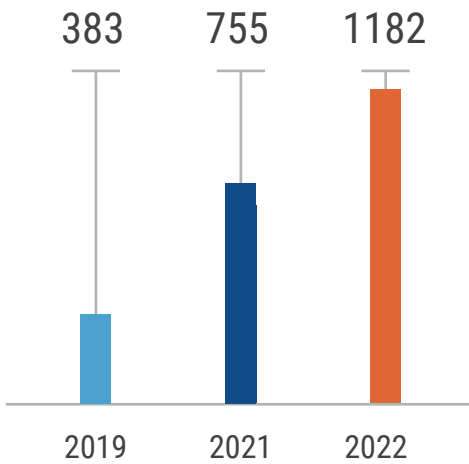


Safety Concern Reporting

As part of the SAEI focus on building a Just Culture a safety reporting campaign was conducted to encourage employees to report. As a result, employees reported 193% more safety concerns than in 2021.

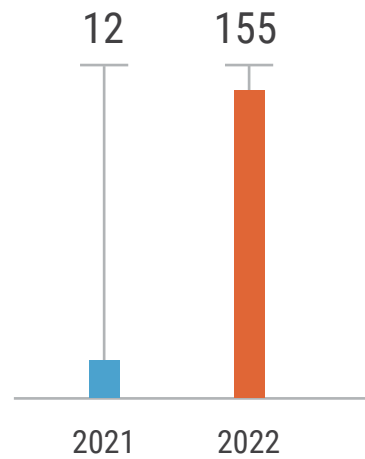
Strategic Key Performance Indicators

Human Resources Performance



Non-Technical Training & Development Courses

SAEI focused on training and developing all employees. Training was provided in world class institutions and via specialized workshops to enrich and elevate their knowledge and skills.



% of Female Employees

Over the past year, SAEI has taken action on gender diversity hiring. Currently, there are 155 females in leadership, administrative, operational, and technical positions.

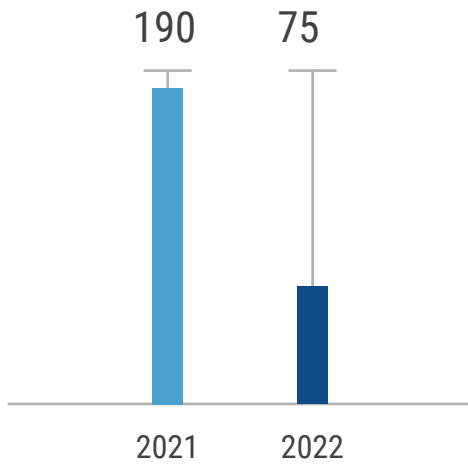


% Fill Rate for Key Positions

Seven positions of Director and Vice President were identified in the fiscal year of 2022 and were filled successfully within the given timeframe.

Strategic Key Performance Indicators

Contracts Performance



Contract Bidding Lifecycle (Days)

The contract bidding lifecycle was shortened by 115 days mainly due to the following:

- Assigned specialists as account managers for departments
- Included terms and conditions with the RFP to shorten the negotiation time
- Created legal templates that make the process shorter

