



SIA ANNUAL GENERAL MEETING PRESENTATION SLIDES

27 July 2020





COVID-19: AN UNPRECEDENTED CHALLENGE



COVID-19: An Unprecedented Challenge

Industry Experts and Bodies Warn of Severe Impact of COVID-19



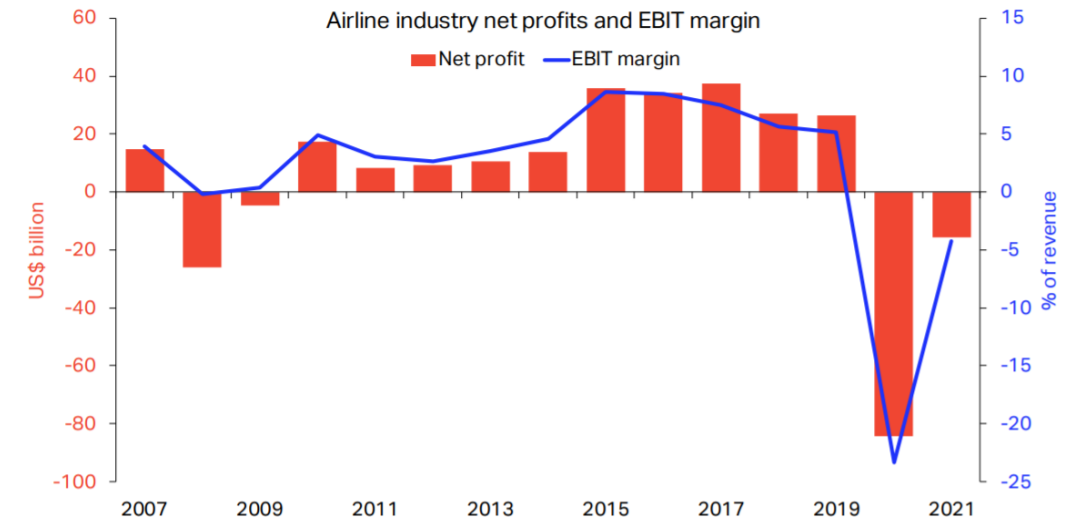
2020 will be the worst year in history for airlines*

- Global GDP contraction forecasted at 5.0%
- Industry net loss forecasted at US\$ 84.3 billion



Multiple airlines have been heavily affected by COVID-19

- Airlines in all regions are expected to record negative operating income in 2020*




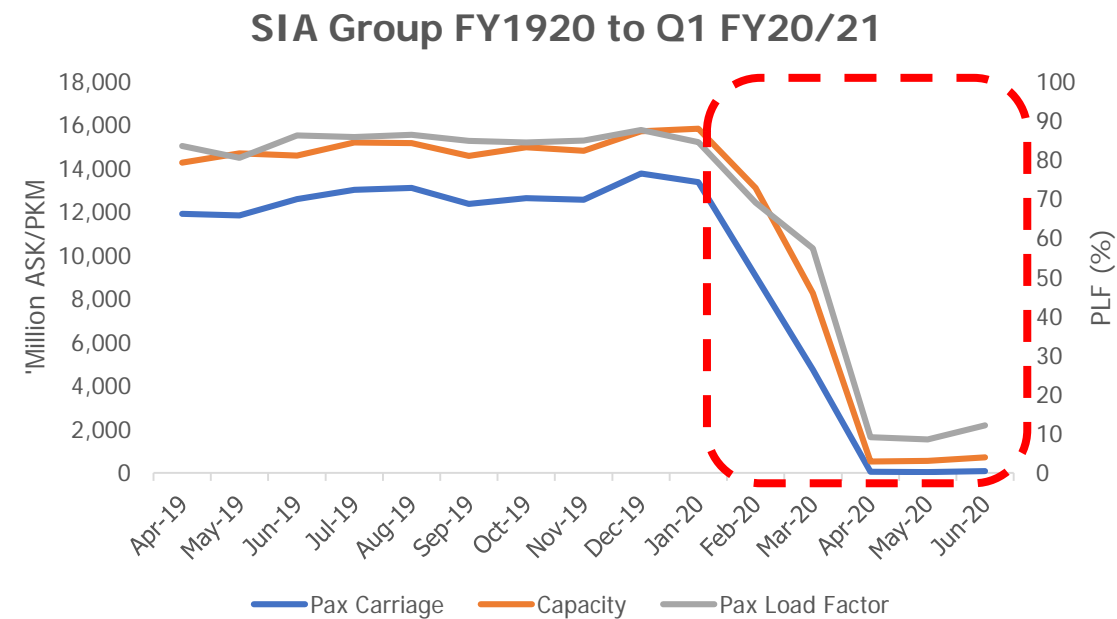
*Source: IATA Economics Economic Performance of the Airline Industry, Mid-Year 2020

COVID-19: An Unprecedented Challenge

COVID-19 Pandemic Continues to Have a Severe Impact on International Air Travel

SIA Group passenger operations remain heavily curtailed

 Recovery trajectory would be slower than initially projected, with scheduled passenger capacity of SIA Group reduced by 96% for Q1 FY20/21 (versus pre-COVID levels)



38,000

Passengers Carried

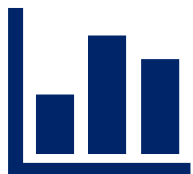
 **-99.6%** from Q1 FY19/20



1,800 million

Capacity (seat-km)

 **-95.9%** from Q1 FY19/20



10.2%

Passenger Load Factor

 **-73.2ppt** from Q1 FY19/20



59

Weekly Frequencies (Jun'20)

 **-96.6%** from Jun'19

COVID-19: An Unprecedented Challenge

Industry Experts and Bodies Forecast a Slow Recovery in International Air Travel



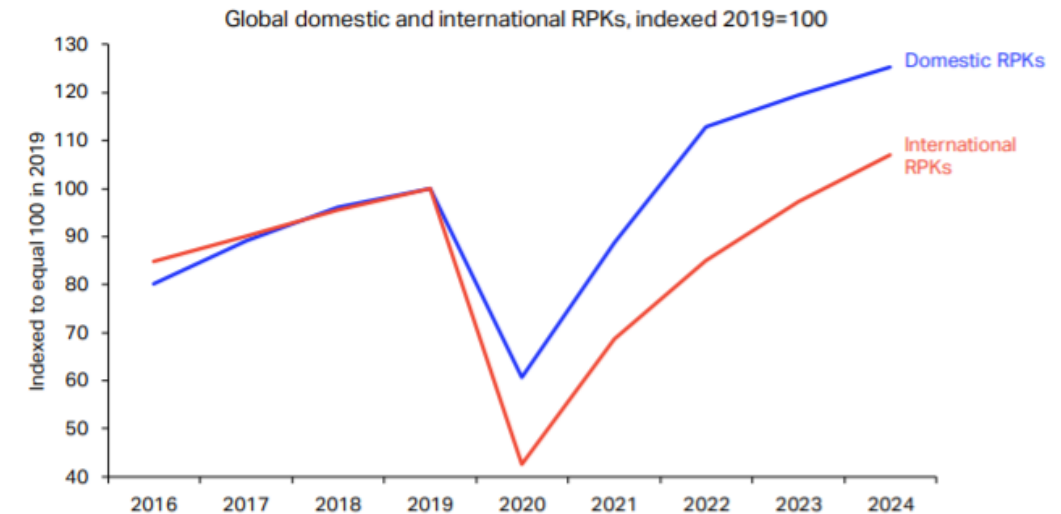
Downward revision in recovery projections of global passenger traffic

- Slower opening of economies and relaxation of travel restrictions
- Air travel recovery expected to be further delayed



Current forecasts expect 2-4 years for passenger traffic numbers to return to pre-pandemic levels

- Global RPKs forecast to be 32-41% below expected levels in 2021*
- International travel recovery expected to lag domestic air travel markets



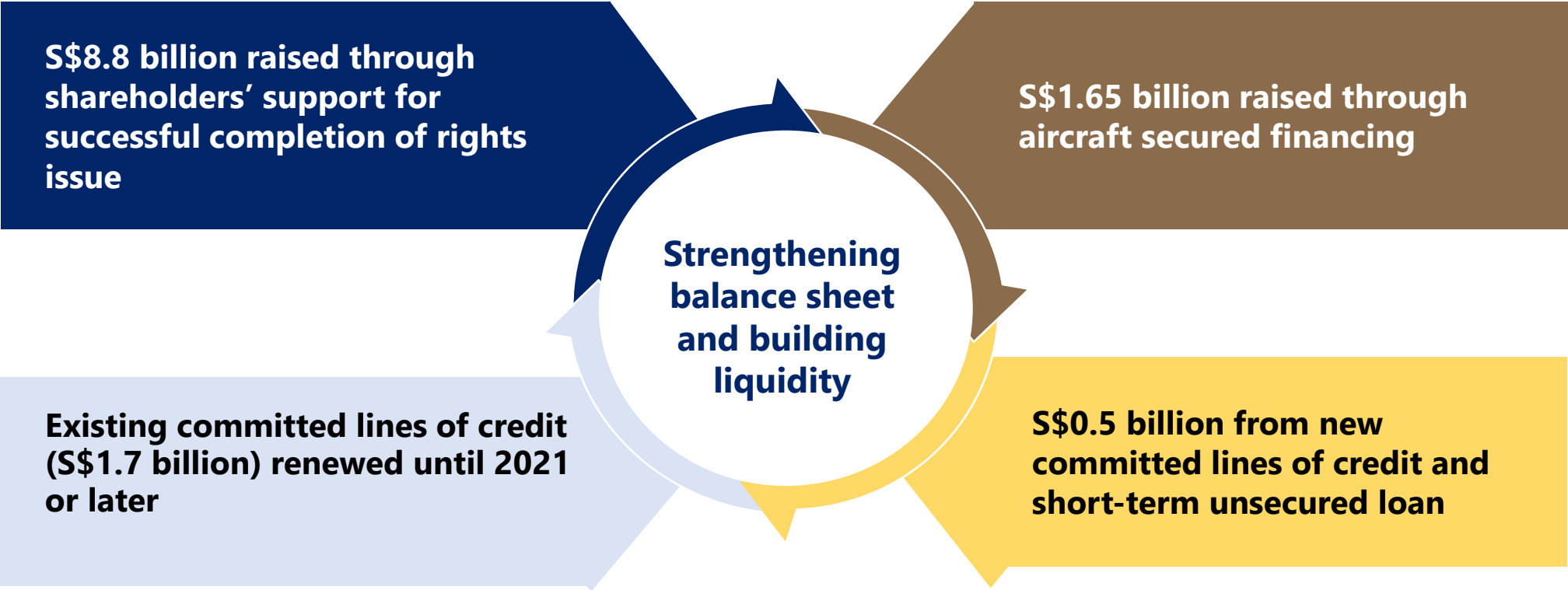
*Source: IATA /Tourism Economics, Air Passenger Forecasts, April 2020

STRENGTHENING SIA GROUP'S FINANCIAL POSITION

Strengthening SIA Group's Financial Position

\$S11 Billion in Fresh Liquidity Puts SIA on a Strong Footing to Tackle COVID-19 Challenges

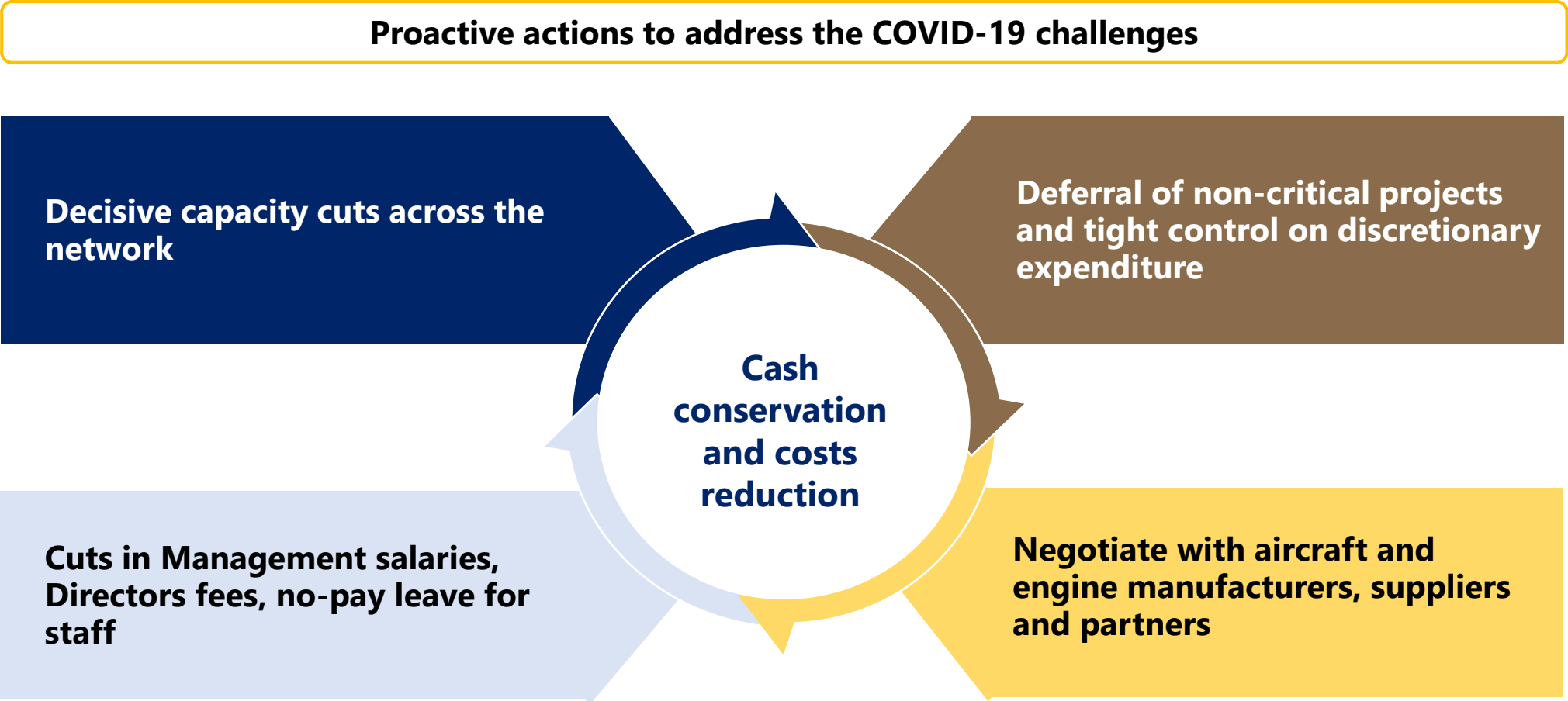
Completion of the rights issue strengthened SIA Group's financial position by reducing its financial gearing and increasing its liquidity



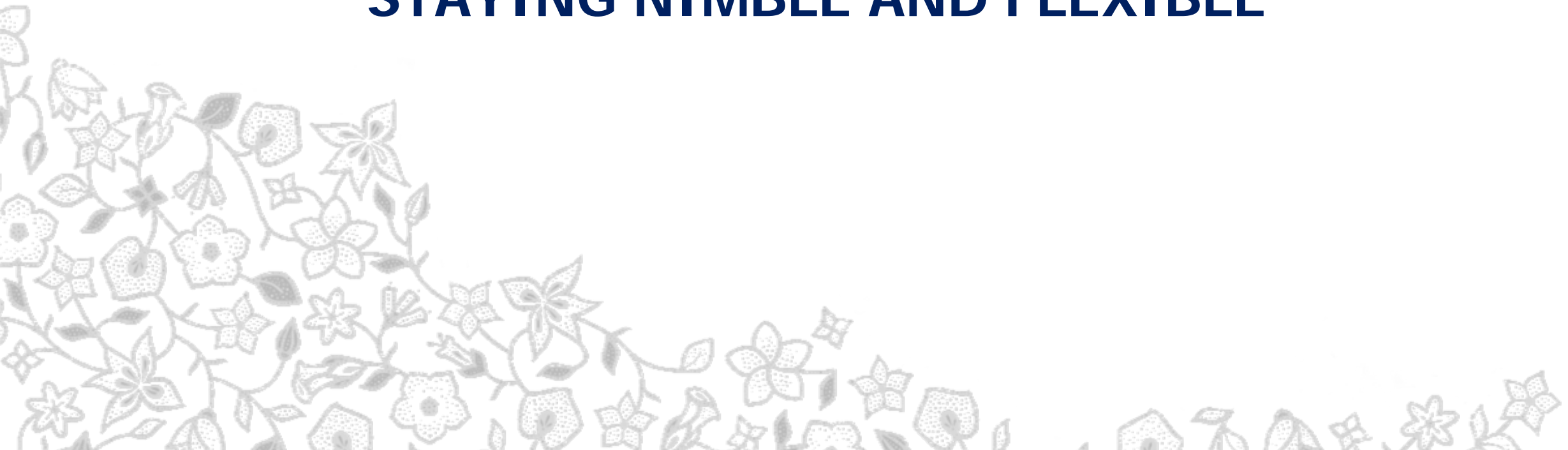
SIA retains the option to raise another \$S6.2 billion in additional mandatory convertible bonds

Strengthening SIA Group's Financial Position

Steps Taken to Conserve Cash and Reduce Costs



RESTARTING OPERATIONS - STAYING NIMBLE AND FLEXIBLE



Restarting Operations – Staying Nimble and Flexible

Staying Nimble and Flexible Where Pace of Recovery is Uncertain

Factors affecting pace of recovery



Border Controls



Regulatory Travel and Entry Restrictions



Consumer Confidence in Air Travel

Immediate priorities



Addressing health & safety concerns



Reducing friction for customers



Proactive pursuit of revenue opportunities

Restarting Operations – Staying Nimble and Flexible

Addressing Health and Safety Concerns across Entire Customer Journey

Robust measures in place to ensure the health and safety of our customers...

Modified in-flight service and procedures

Enhanced cleaning and disinfection of aircraft and lounges

Customer Health & Safety

Safe distancing in line with regulations

Leveraging on digital and technology



... across the entire customer journey

AIA
On the Ground

- **Hand sanitiser** available at multiple locations
- **Deeper and more frequent cleaning** of lounges using approved disinfectants
- **Safe distancing markings** during check-in, with staff in masks

In the Air

- **High Efficiency Particulate Air (HEPA)** filters remove 99.9% of airborne microbes
- **Customers receive care kit** with masks, wipes and hand sanitiser
- **Increased frequency of cleaning** of high-touch surfaces

Restarting Operations – Staying Nimble and Flexible

Reducing Friction for Customers

Customer servicing and handling



Service automation through webform developed in Agile manner to address surge in customer contact volumes



Flexible travel waiver policy offering full refunds, bonus flight credits, flexibility to rebook until 31 Dec'21

A seamless customer travel journey enabled by digital technology



Even more digital initiatives underway

Restarting Operations – Staying Nimble and Flexible

Proactive Pursuit of Revenue Opportunities

We continue to work closely with industry groups and regulators to advocate and support the safe opening of borders

Slower-than-expected progress toward global lifting of border controls and travel restrictions

- Green lane arrangement has been established with selected cities in China in Jun'20
- Some restrictions lifted on transit through Singapore

Work continues with industry groups and regulators on bilateral/multilateral agreements

- Singapore and Malaysia have agreed to implement "Reciprocal Green Lane"
- Singapore and Europe aviation authorities to harmonise aviation health safety measures between Singapore and Europe



SIA/SilkAir: 72x weekly

Scoot: 13x weekly

As of 1 Aug

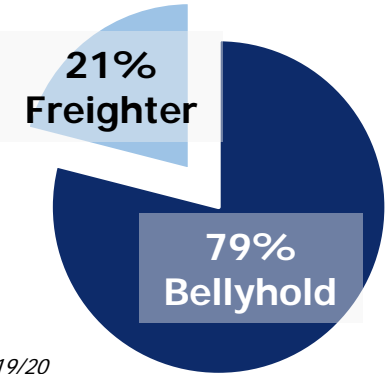
The SIA Group remains nimble and ready to scale up capacity to match demand

Restarting Operations – Staying Nimble and Flexible

Proactive Pursuit of Revenue Opportunities

Measures to increase cargo capacity

Prior to COVID-19:



FY19/20

~40% of original cargo capacity maintained through:

- Maximising use of freighter fleet
- Scheduled cargo-only passenger flight network
- Ad-hoc charter flights where opportunities exist

Cargo-only passenger flights provide incremental cargo capacity and network reach to ensure the **continuous flow of essential goods** and cater to global supply chain needs



Combined cargo network*: 52 cities in 28 countries

Regulatory approval for in-house loading and strapping procedure to carry cargo in passenger cabin

* Includes freighter, passenger and cargo-only passenger networks

New revenue streams that leverage on brand, data and competencies



Loyalty programme for the entire SIA Group

- Value and benefits to our loyal customers
- Steady revenue growth
- Quality membership base



Omni-channel lifestyle travel retail brand

- Leverage brand and customer base
- Tap into growing global travel retail
- Enhanced shopping experience

CUSTOMER, STAFF AND COMMUNITY ENGAGEMENT



Customer, Staff and Community Engagement

Proactive and Continuous Engagement of Customers



Recognition of Loyalty

- 1-year extension of memberships
- Proactive tier upgrades for eligible members
- Extension of various rewards / benefits for greater flexibility



Understanding Customers' Preferences

- Regular surveys to understand and keep pulse on
 - concerns regarding air travel
 - how SIA can alleviate these concerns
 - how SIA can meet customers' needs post COVID-19



Proactive Communication With Customers

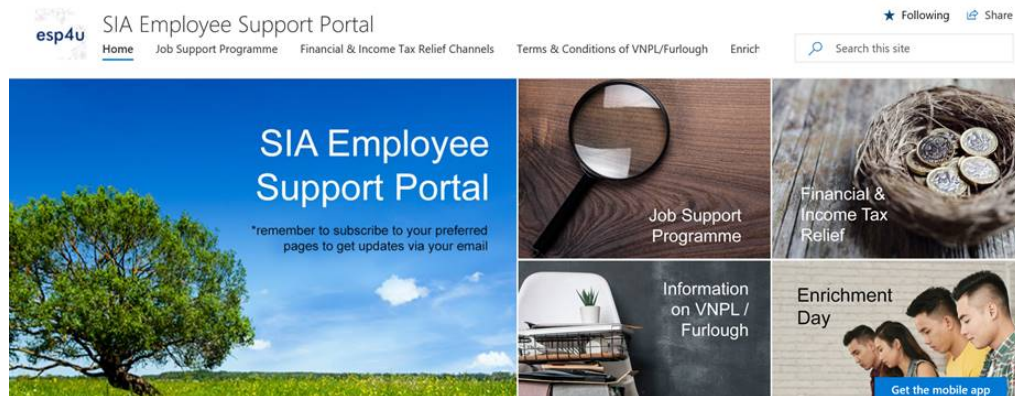
- Regular email updates directly to KrisFlyer members
- Using social media platforms to provide information and engage customers

Customer, Staff and Community Engagement

Supporting Staff through this Challenging Period

Employee Support Portal

- External job placement opportunities for operating crew and ground staff on furlough/VNPL
- Links to financial relief channels and other government agency support schemes
- Enrichment activities in learning and volunteer work.
- More than 500 staff have found temporary job placements



Using the downtime to upskill staff

- Virtual classroom courses; online learning on SKIES & LinkedIn Learning
- Staff encouraged to sign up for courses or volunteering activities
- Benefit from enhanced government training support for SIN-based staff to drive up-skilling and re-skilling

Enrichment Day Learning Suite



Customer, Staff and Community Engagement

Playing Our Part to Support The Community

SIA Group Ambassadors Programme

Many staff volunteered to support nationwide efforts as

- Care Ambassadors
- Transport Ambassadors
- Contact Tracing Ambassadors
- Social Service Officers



Credit: Khoo Teck Puat Hospital



Credit: SMRT



Delivering essential supplies to points of need



KrisPay-It- Forward



Miles of Good

- Working with various government agencies to keep airfreight supply lines for essential goods open.
- Includes medical supplies, personal protective equipment (PPE), pharmaceuticals and fresh foods
- Over 60,000 treats will be distributed to essential workers and unsung heroes
- Provides a platform for KrisFlyer members to show their support and give local businesses a boost at the same time
- Aims to raise 100 million KrisFlyer miles for selected frontline and essential workers
- To show appreciation to those who have been working on the frontlines through this period

TRANSFORMING TO LEAD THE NEW WORLD



Transforming to Lead the New World

Transformation Programme Enabled Us To Be On The Right Trajectory

Strong operating track record and historical financial position prior to COVID-19

- Unbroken track record of profitability through past cyclical and unexpected downturns (9/11, SARS, GFC, etc)
- Transformation programme resulted in financial and operational resilience
 - Five record-highs achieved in 3Q FY19/20
 - ✓ Available seat-km (ASK)
 - ✓ Revenue passenger-km (RPK)
 - ✓ Revenue
 - ✓ Passenger load factor
 - ✓ Passenger uplift

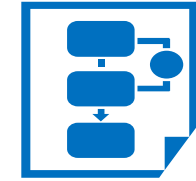


S\$9.2 cents/km

Passenger Yield⁽¹⁾



flat from 9M FY18/19



S\$12.8 Billion

Revenue



4.5% from 9M FY18/19



S\$862 Million

Operating Profit



5.9% from 9M FY18/19



S\$520 Million

Net Profit



8.3% from 9M FY18/19

(1) Based on 9M FY19/20 operating statistics reported for Passenger Airlines segment

Transforming to Lead the New World

Transformation Programme Enabled Us To Be On The Right Trajectory

Successful mobilisation of our organisation to drive tangible results (3-year)



Transforming to Lead the New World

Positioning the Group to Emerge Stronger in the Post-COVID World

Positioning the Group to Capture Future Growth Opportunities



**Strong and
Trusted Brand**



**Strong
Balance Sheet**



**Talented and
Highly Skilled Workforce**



**Strong
Digital Capabilities**

Emerging Stronger in the Post-COVID World

PREPARE FOR THE NEW WORLD

- ✓ Flexible and agile network recovery plan
- ✓ Continuously ensuring operational readiness
- ✓ Deliver end-to-end travel experience in new normal
- ✓ Engagement with governments and industry partners for a coordinated recovery response
- ✓ Ensure supply chain resilience

LEAD THE NEW WORLD

- ✓ Comprehensive review of product and services offerings against new customer value drivers
- ✓ Capitalise new revenue and business opportunities
- ✓ Boost organisation productivity and effectiveness
- ✓ Enhance human capital through upskilling the workforce



Thank You