

SIA ANNUAL GENERAL MEETING

**Presentation by CEO
26 July 2022**



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**Emerging More Resilient, Innovative,
and Agile**

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Continued Strengthening of the SIA Core

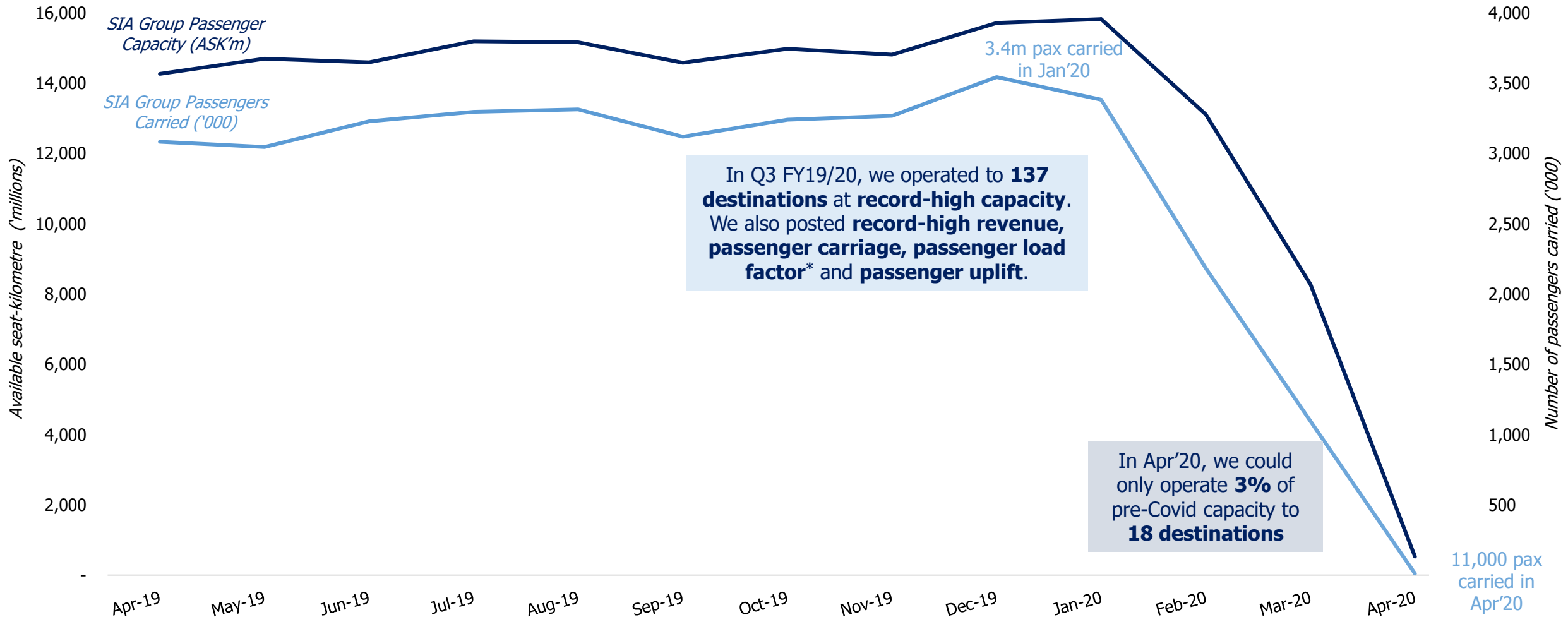
Emerging More Resilient, Innovative, and Agile

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Emerging More Resilient, Innovative, and Agile

Gaining resilience in the face of an unprecedented crisis

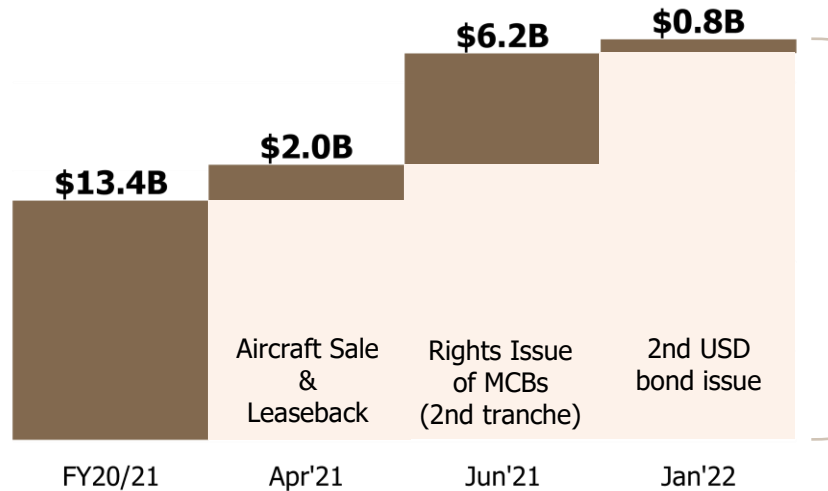


* Highest PLF record achieved in previous quarter Q2 FY19/20 at 85.7%. Q3 FY19/20 PLF was 85.6%.

Emerging More Resilient, Innovative, and Agile

Gaining resilience in the face of an unprecedented crisis

Decisive actions to build a strong financial position



\$22.4B
raised in
additional
liquidity since
1 Apr 2020

Mar'20: Strict reduction on **discretionary expenditure**

Mar'20: Introduced **staff measures**

Sep'20: **Reduced 20% of staff positions**

Feb'21: Complete **renegotiation of aircraft contracts to defer deliveries & >\$4b of near-term capex**

Feb'22: **Swapped passenger aircraft orders for A350F freighter orders to manage capex**

Expenditure remains closely monitored

Various staff measures to preserve core aviation capabilities

- **Pay cuts** across staff groups
- >20% of SIA Group staff took varying days of **no-pay leave**
- >2,100 SIA Group staff re-deployed on **short-term employment**

- **Minimized involuntary departures**
- **Supported national effort against Covid-19**

Retained core aviation capabilities for a quick and strong recovery

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Emerging More Resilient, Innovative, and Agile

Innovating to retain world-class leadership

Swiftly re-designing the customer experience



Extensive customer surveys

- Regular surveys from May'20 to identify customers' value drivers during the pandemic
- **'Health Safety'** and **'Seamless Experience'** as new key value drivers



Digital solutions for safe and seamless travel

- **Leveraged technology** to reduce frictions (e.g., digital health verification solutions, automated travel advisories)
- **Rolled out digital solutions** to maintain safe distances (e.g., digital inflight menus)



New policies to provide customers flexibility

- **Introduced** flight credits and complimentary rebooking policy within weeks of the pandemic



Engaging customers in new and creative ways

Created 'Discover Your SIA' experiences when borders were mostly closed

- 15 sold-out **Restaurant A380 @Changi** sessions
- ~2,000 **'Inside Singapore Airlines'** tour participants
- >2,500 **SIA@Home** packages sold on KrisShop



Developed a holistic sensory experience for customers

- *Sight*: iconic SIA batik motif, world-renowned cabin crew
- *Touch*: personal welcomes from crew, comfortable cabin products
- *Taste*: nourishing meals on-board and at our lounges
- *Scents*: **new signature scent Batik Flora**
- *Sound*: **new sonic signature boarding & landing music**



Singapore Airlines tops YouGov's 2021 Best Brand Rankings in Singapore

Singapore Airlines ranked top global carrier, leading Asian firm in Fortune's Most Admired list

Emerging More Resilient, Innovative, and Agile

Innovating to retain world-class leadership

Improving our products and services

New Economy Class dining concept



- Launched **spill-free** bento boxes in Dec'20 for **better heat retention** and **meal variety**
- Reduces weight by **up to 60%** and eliminates almost all **single-use plastics**
- Leftover waste is sent to an **eco-digester** to be converted into fuel pellets as an alternative energy source

New Customer Insights Portal



CIP

Customer Insights Portal

- Launched new in-house portal in Sep'20 for real-time customer insights
- Leverages **in-house machine-learning** and **sentiment analysis** capabilities
- Used by >400 staff from SIA and key service partners to improve their processes

Advancing our digital blueprint



Corporate Laboratories

- Launched 2 labs with **NUS** and **A*Star** to co-create innovative technologies
- Covers **7 diverse work packages** from operations optimisation to revenue management

Staff-led Innovation

- Launched **GROOM Trailblazer Programme**, a week-long innovation training program
- **Cabin crew digital ecosystem**
 - Awarded 'Best Adoption – Enterprise' in 2021 Techblazer Awards
 - Saved ~1.4m staff hours and reduced ~2.8m paper sheets
 - E.g. **AI-based crew training system** to improve announcement-making and conversational language skills



Developing new business models

KRISSHOP



Pivoted to e-Commerce at KrisShop

- **Exceeded** FY19/20 pre-Covid sales with e-Commerce in FY21/22, despite the loss of travel retail
- **Traffic** to KrisShop.com has **tripled** pre-Covid levels; **average transaction value** has **doubled** pre-Covid levels

SINGAPORE AIRLINES
ACADEMY

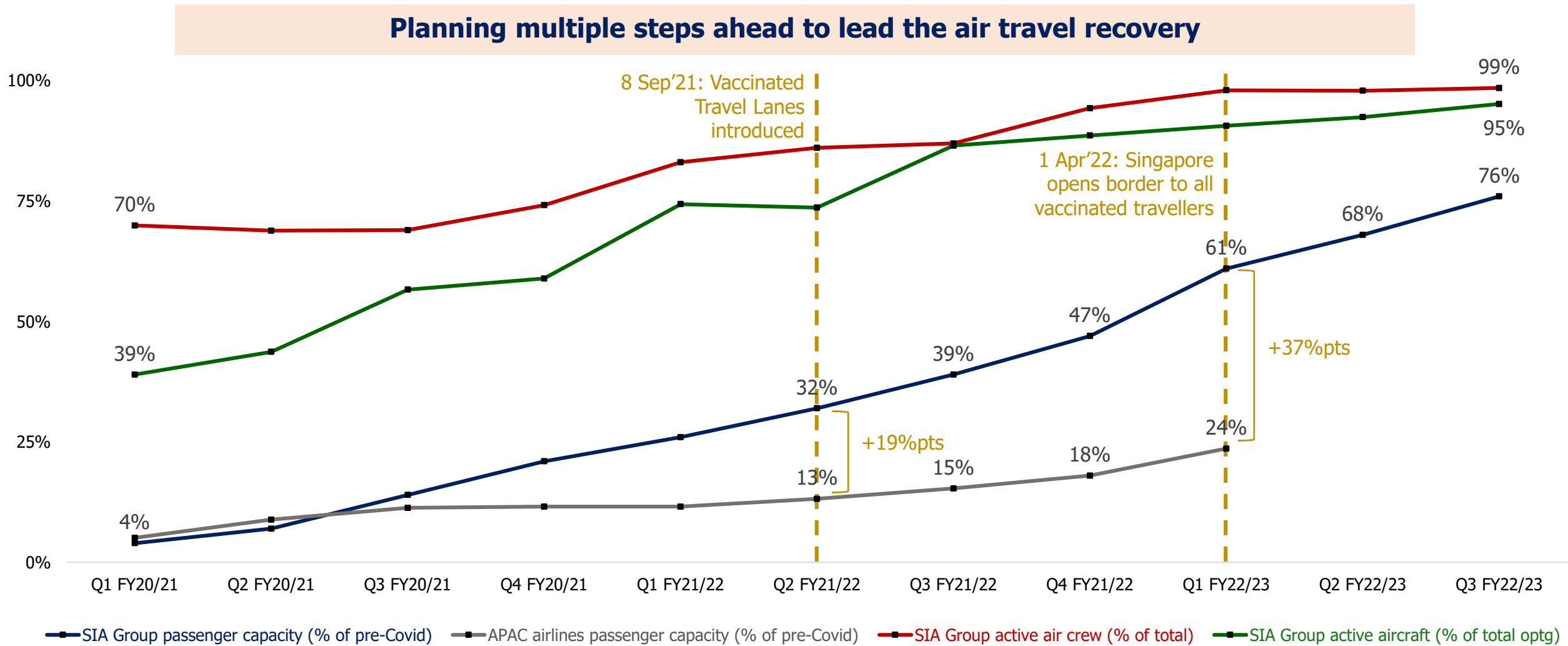


Growing the SIA Academy

- Within 1st year of operations, Academy has trained **>1,500 course participants** with classes confirmed into 2023
- Positive feedback with **>93% satisfaction score** achieved
- Plans to expand in SG and key overseas markets

Emerging More Resilient, Innovative, and Agile

Moving with agility to steer recovery from a position of strength

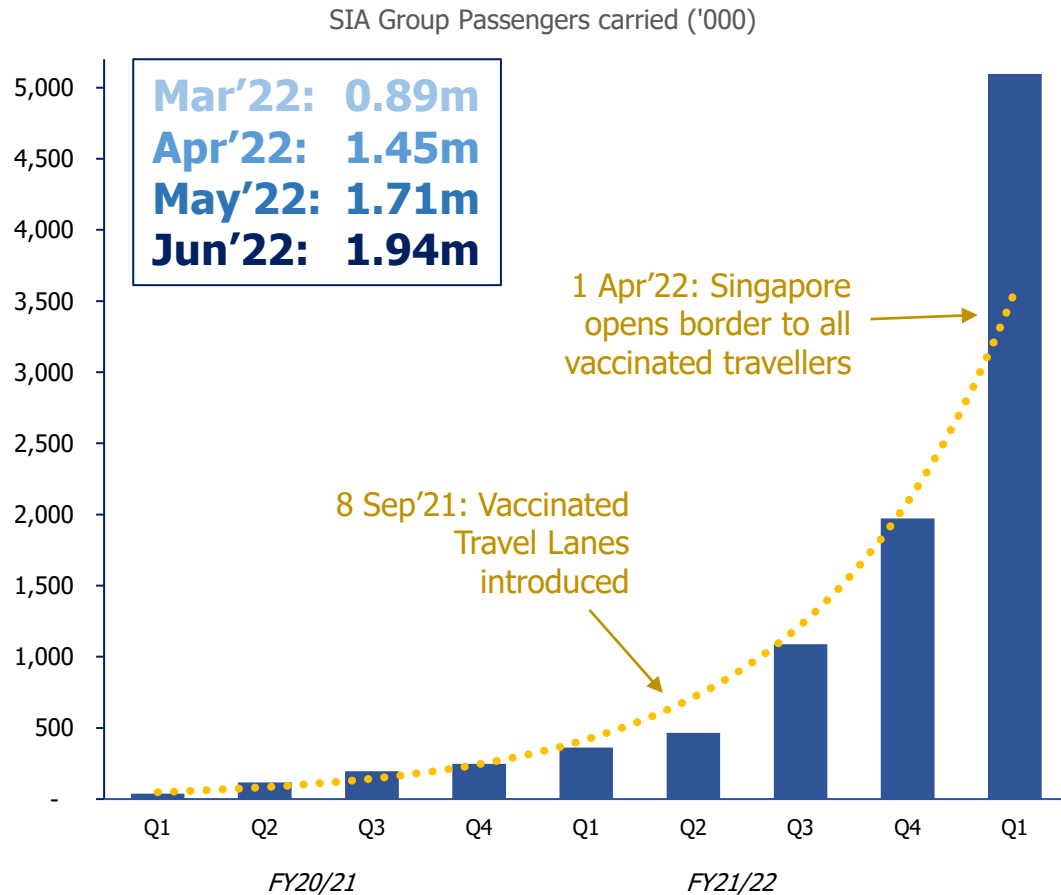


Pre-Covid refers to Jan'20. APAC Airlines data from AAPA Asia Pacific traffic results. Active crew refers to crew who are rostered for flight duties at least once a month. Active aircraft refers to the aircraft deployed on passenger and cargo-only services, including to support operational requirements.

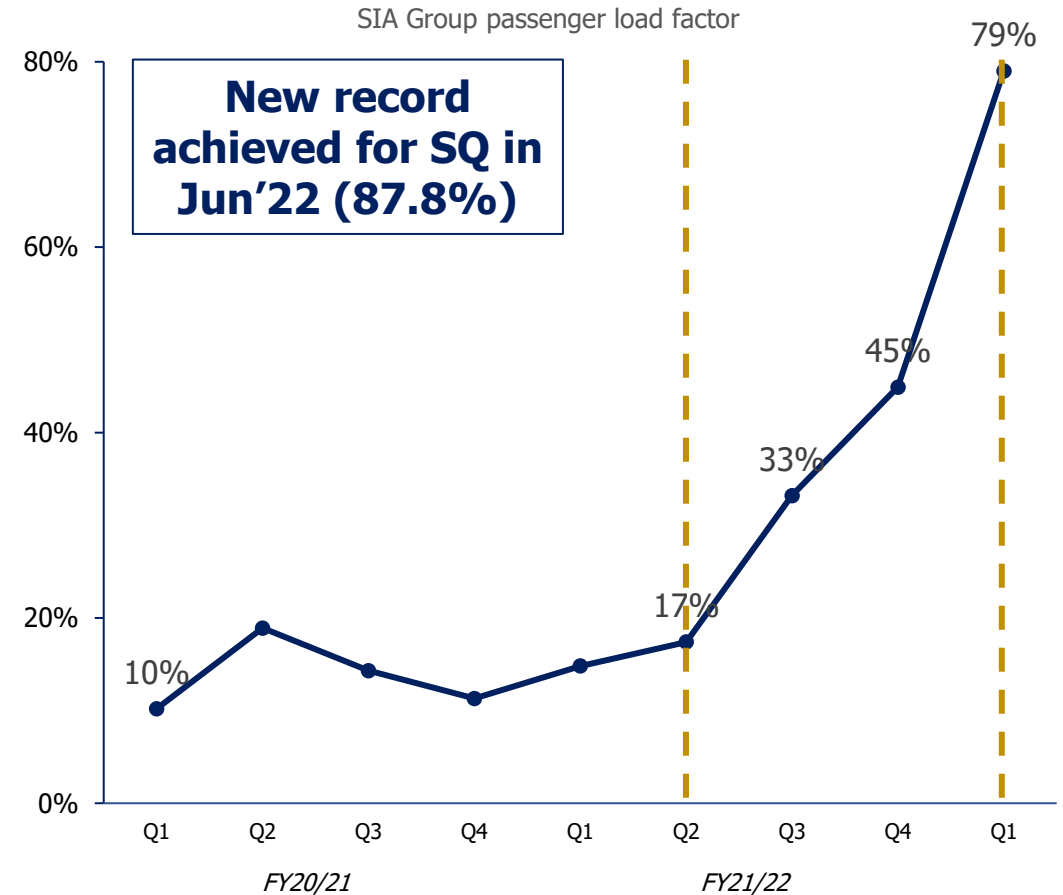
Emerging More Resilient, Innovative, and Agile

Our recovery is due to the work we have put in over the last two years

Passengers carried more than doubled Q-o-Q in Q1 FY22/23



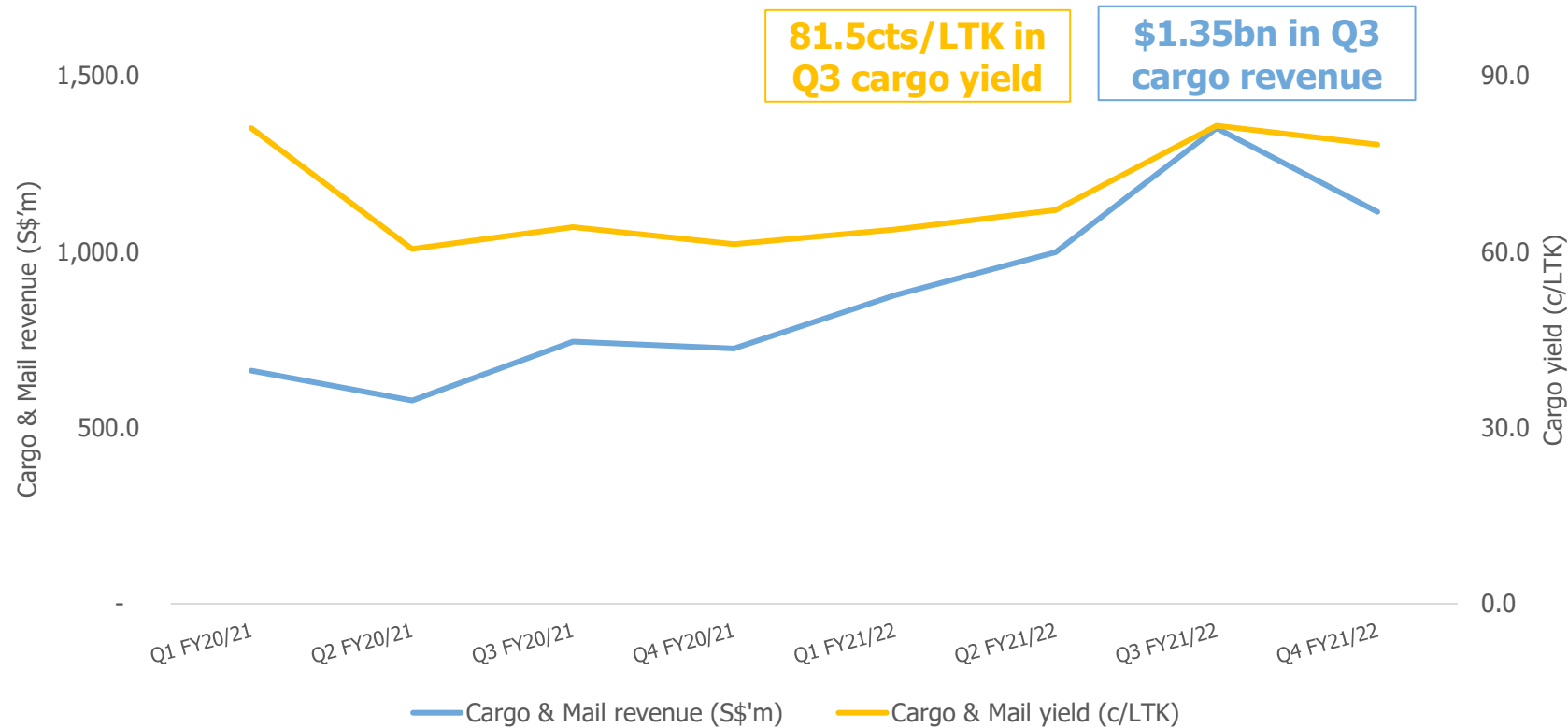
Massive pick-up in passenger load factor



Emerging More Resilient, Innovative, and Agile

Our recovery is due to the work we have put in over the last two years

Record-high cargo financial performance in FY21/22



- **Record-high quarterly cargo yield and revenue achieved in Q3 FY21/22**
- **Record-high \$4.3bn full-year cargo revenue achieved in FY21/22, +60% vs FY20/21 (+122% vs FY19/20)**

Aggressively restoring cargo capacity to seize momentum



- **Operated cargo-only pax flights** to supplement fall in bellyhold capacity
- **Removed passenger seats from aircraft to create modified freighters**

Operating high-value charters

- SIA Group operated **>220** passenger charters and **>1,530** cargo charters in FY20/21-FY21/22

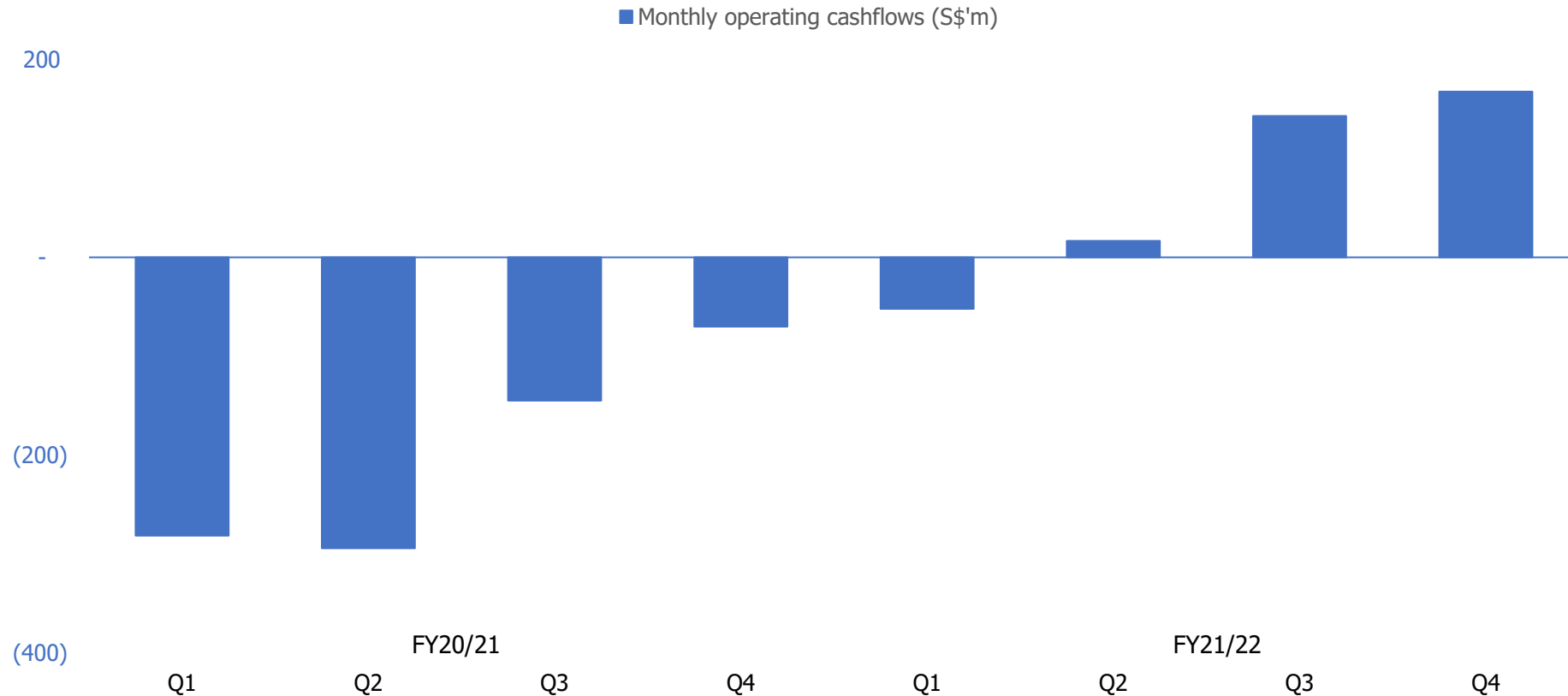
Focusing on time- and temperature-sensitive cargo

- Invested in **specialised capabilities** to handle perishables and pharmaceuticals, which helped us deliver vaccines
- Added new container type to **boost our THRU-COOL capabilities**

Emerging More Resilient, Innovative, and Agile

Our recovery is due to the work we have put in over the last two years

Operating cash surplus in FY21/22



- **Positive operating cashflows in 2H FY21/22**, with \$824M operating cash surplus recorded in FY21/22

* Operating cashflows includes net cash provided by operating activities and repayment of lease liabilities, and excludes proceeds from forward sales.

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Continued Strengthening of the SIA Core

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Continued Strengthening of the SIA Core

Transformation programme to help us emerge stronger and fitter

LEAD THE NEW WORLD

Leadership in Products & Services



Key Awards

won for our Products and Services

Flexible and quick to rebuild our network



>75% of pre-Covid destinations restored by Q3 FY22/23 with the right vehicles for the right markets

Financial Sustainability



>250 initiatives to achieve a competitive cost base and stronger revenue generating capabilities

Build a dynamic & resilient workforce



+41% increase in total training hours in FY21/22

UPLIFT 70%

of staff have completed the new UPLIFT programme ¹

Digital Transformation

↑ Speed



47% increase in speed of development cycle time

↑ Quality

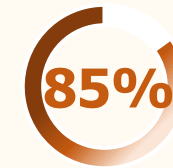


100% reduction in coding defect density

Improve productivity and organisational agility



>600,000 staff hours saved from Business Process Reviews & digital initiatives since FY20/21



feel engaged²



are proud² to work for SIA

(1) Completed at least 1 module on change management and 1 module on digital innovation; (2) based on the 2022 Organisational Climate Survey

Continued Strengthening of the SIA Core

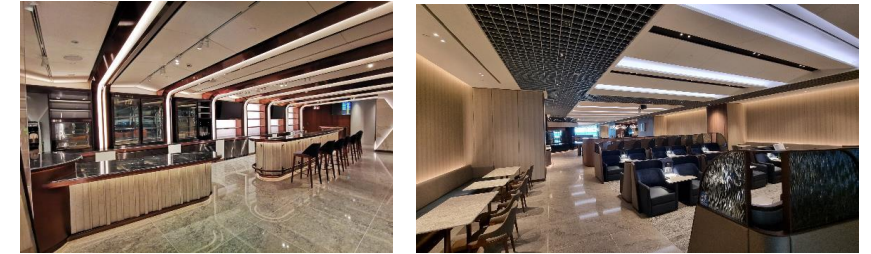
Strengthening key pillars for growth beyond the pandemic

Modern cabin products



- All operating **A380s** are fitted with latest cabin products
- Launched **new narrow-body product**
 - **Full lie-flat bed** on Business; personal high-definition touch-screen **seatback IFE monitors** on all classes
- Investment in **industry-leading product** on 777-9 aircraft

Revamped lounge facilities



- ~\$50m invested to **upgrade our flagship T3 SilverKris Lounges**, with thoughtfully designed spaces and carefully curated products;
- **Officially opened on 31 May'22**

Freighter fleet renewal



- **Firm order of 7 A350F aircraft** to replace current 747-400F fleet
 - The A350F will offer **greater flexibility in freighter deployment with improved range**, and burns **up to 40% less fuel***
 - SIA has the option to purchase 5 more A350Fs
- Swapped with 15 A320neo and two A350-900 passenger aircraft
- A350F deliveries to begin in Q4 CY2025, with SIA expected to be the **first carrier to operate the type**

New cargo operating model



- Entered into a **Crew and Maintenance Agreement** with DHL Express in Mar'22
- Supports SIA's presence in the **fast-growing e-commerce segment** and provides a foundation for future partnerships with DHLE
- Strengthens Singapore's position as a **key air cargo and e-commerce logistics hub**

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* On similar missions, compared to the aircraft it replaces

Continued Strengthening of the SIA Core

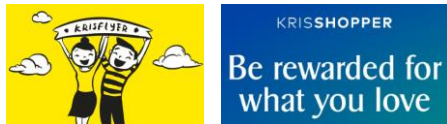
Strengthening key pillars for growth beyond the pandemic

Strategic transformation of KrisFlyer to SIA Group's rewards programme

➤ Strengthened KrisFlyer during the pandemic

KrisFlyer membership **+15%** vs. pre-Covid levels ¹

➤ KrisFlyer to anchor SIA Group's loyalty rewards and drive synergies



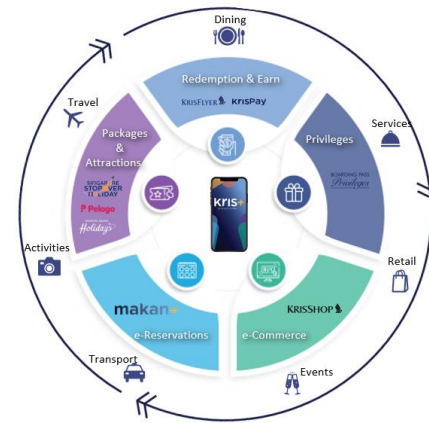
When travelling on Scoot

- All KF members now earn both KF and Elite miles when flying on Scoot
- PPS Club & KF Elite members enjoy additional benefits, such as complimentary standard seat selection and priority boarding

When shopping on KrisShop

- KF members can sign up for KrisShopper, to earn up to 4mpd
- KrisShoppers gain access to exclusive promotions and deals

➤ Kris+ to anchor SIA Group's customer assets & merchant partners for continuous engagement



Product feature development

- Rolled out critical product features in FY21/22
- In-app payment, partner vouchers, in-app gamification, KrisShop on Kris+, and 'Makan+' dining reservations feature

Offering more options

- KrisFlyer & Kris+ onboarded >420 merchants across 5 verticals in 15 countries in FY21/22

User acquisition in key markets

- 3x active users YoY in FY21/22
- 4x total downloads YoY in FY21/22

(1) Jun'22 vs Jan'20.

Continued Strengthening of the SIA Core

We continue to progress on our sustainability journey

Long-term commitment to new-gen aircraft



15 yrs 6 mths

Global fleet age (at Jul'22) ¹

6 yrs 3 mths

SIA Group fleet age (at Jul'22)

104

New-gen aircraft on firm order to be delivered

Advancing the use of Sustainable Aviation Fuels with our partners



2021

Completed a SIN SAF supply chain feasibility study with ecosystem partners



2022-

Piloting use of SAF at Changi Airport

- Joint Pilot with CAAS and Temasek
- SIA will purchase **1.25m litres of neat SAF**, which is being uplifted onto SIA and Scoot flights since 7 July 2022.
- Pilot will **test logistical and infrastructural capabilities**, and **explore potential market solutions** for cost recovery
- Key opportunity to learn how to scale SAF deployment in Singapore



Engaging our communities

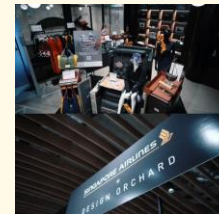


CSR

- Partnered 7 organisations to organise **>470 volunteering opportunities for staff** in FY21/22
- >1350 staff participated in the organised activities
- Implemented **CSR Day – 1 day volunteerism leave**

The Upcycling Project

- Parts from retired aircraft upcycled to create **unique retail products and art pieces**, to support educational institutions, artists, and persons with disabilities
- Pop up store ongoing at Design Orchard, Singapore till 18 Aug'22



(1) CAPA



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Thank You