

SIA Group
Business Update
Q3 FY21/22

(ended 31 December 2021)

25 February 2022

GROUP FINANCIAL RESULTS

Group Financial Results

Key Takeaways – Q3 FY21/22 Results

SIA Group posted first quarterly net profit of \$85 million since onset of Covid-19 pandemic

Q3 FY21/22 operating profit came in at \$76 million driven by improvement in passenger and cargo revenues

Significant growth in passenger numbers as vaccinated travel lanes unlock pent-up demand for air travel during year-end holiday season

Record cargo revenues surpassing the \$1 billion mark for the first time, as robust demand and tight capacity support loads and yields

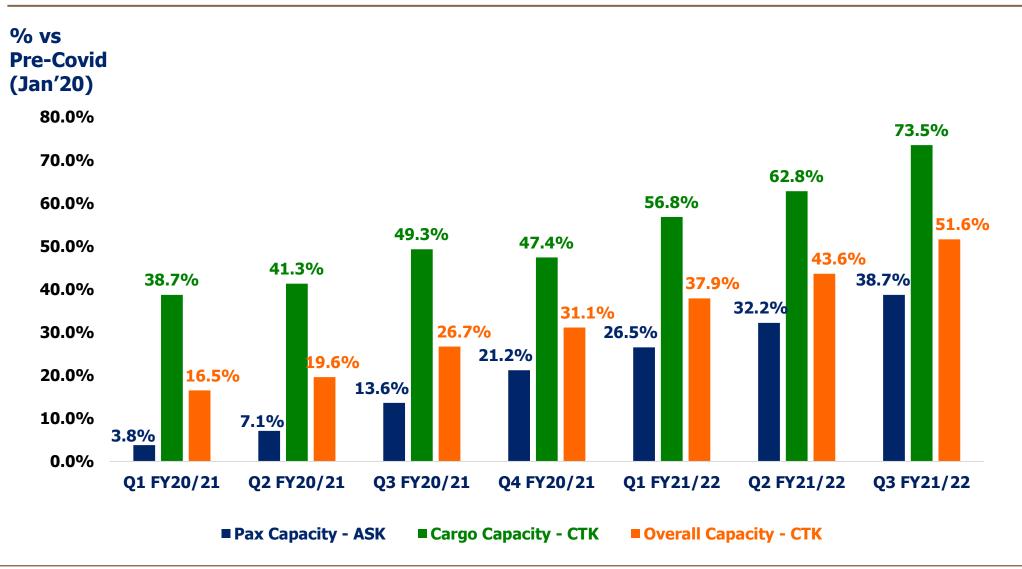
Operating cash surplus of \$322 million achieved for the first nine months of FY21/22

Continued investment in transformation positions SIA Group for future growth



Group Operating Statistics

Calibrated capacity recovery continues



ASK Q3 YoY +183.8% 9M YoY +296.1%

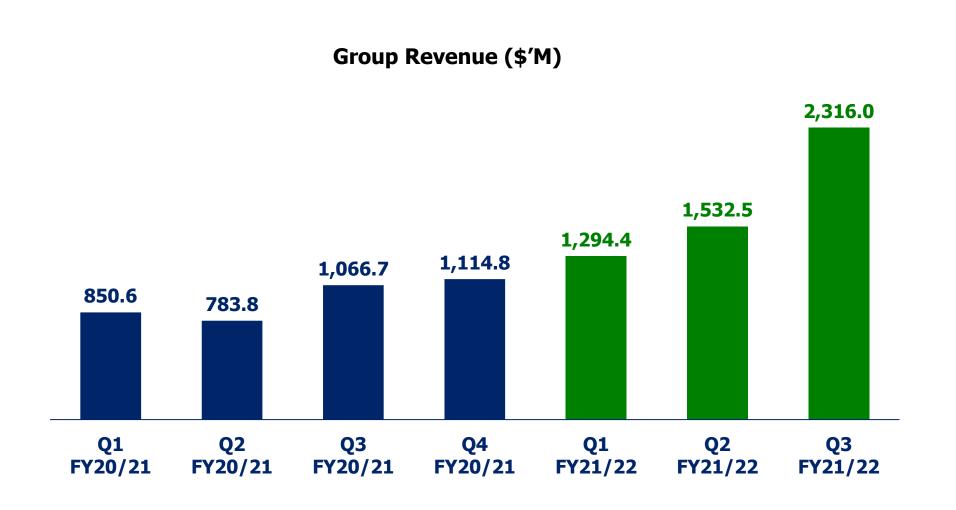
Overall CTK
Q3 YoY
+93.5%
9M YoY
+112.1%

Group Financial Results

| | Q3 FY21/22 (\$'M) | Q3 FY20/21 (\$'M) | Better/ (Worse) (\$'M) | Better/ (Worse) (%) | 9M FY21/22 (\$'M) | 9M FY20/21 (\$'M) | Better/ (Worse) (\$'M) | Better/ (Worse) (%) |
|---|-------------------------|-------------------------|------------------------------|---------------------------|-------------------------|-------------------------|------------------------------|---------------------------|
| Total Revenue | 2,316.0 | 1,066.7 | 1,249.3 | 117.1% | 5,142.9 | 2,701.1 | 2,441.8 | 90.4% |
| Total Expenditure | 2,239.7 | 1,397.5 | (842.2) | (60.3)% | 5,686.0 | 4,894.8 | (791.2) | (16.2)% |
| Net fuel cost | 633.4 | 273.5 | (359.9) | (131.6)% | 1,443.6 | 649.5 | (794.1) | (122.3)% |
| Fuel cost (before hedging) | 689.2 | 185.9 | (503.3) | n.m. | 1,551.2 | 404.3 | (1,146.9) | n.m. |
| Fuel hedging (gain)/loss | (55.8) | 87.6 | 143.4 | n.m. | (107.6) | 245.2 | <i>352.8</i> | n.m. |
| Fuel hedging ineffectiveness | - | 35.5 | 35.5 | 100.0% | - | 497.3 | 497.3 | 100.0% |
| Fair value loss/(gain) on fuel derivatives | 0.8 | (186.5) | (187.3) | n.m. | (78.0) | (84.7) | (6.7) | (7.9)% |
| Non-fuel expenditure | 1,605.5 | 1,275.0 | (330.5) | (25.9)% | 4,320.4 | 3,832.7 | (487.7) | (12.7)% |
| Operating Profit/(Loss) | 76.3 | (330.8) | 407.1 | n.m. | (543.1) | (2,193.7) | 1,650.6 | 75.2% |
| Net Profit/(Loss) | 84.7 | (141.8) | 226.5 | n.m. | (752.1) | (3,608.8) | 2,856.7 | 79.2% |

Group Revenue Q3 FY21/22

Revenue driven by pent-up passenger demand from VTL during year-end holiday season and strong cargo demand

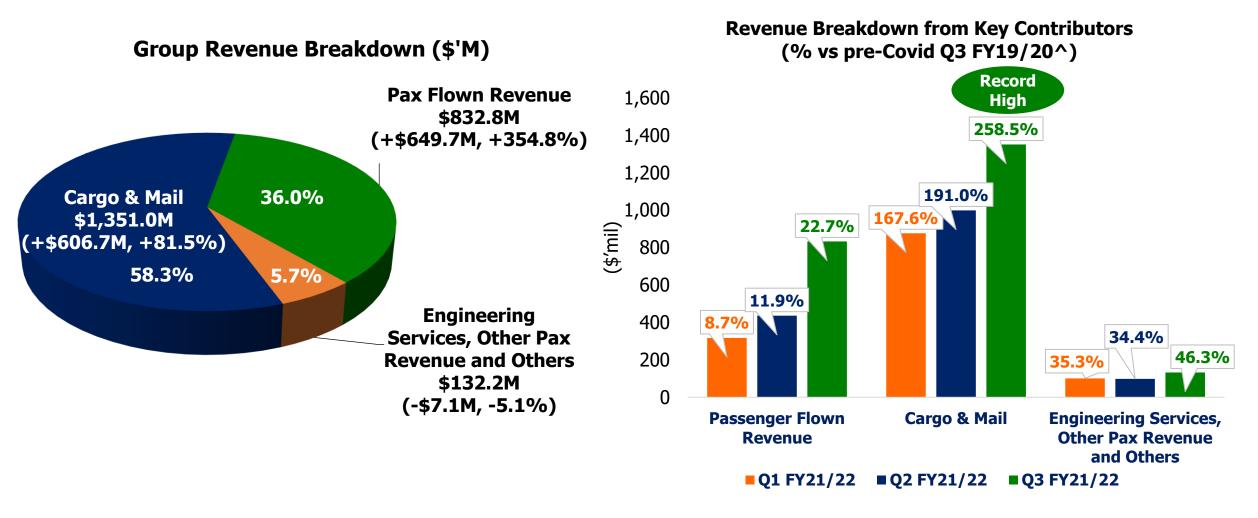


Q3 FY21/22 \$2,316.0M YoY \$1,249.3M (+117.1%)



Group Revenue Q3 FY21/22

Revenue driven by pent-up passenger demand from VTL during year-end holiday season and strong cargo demand

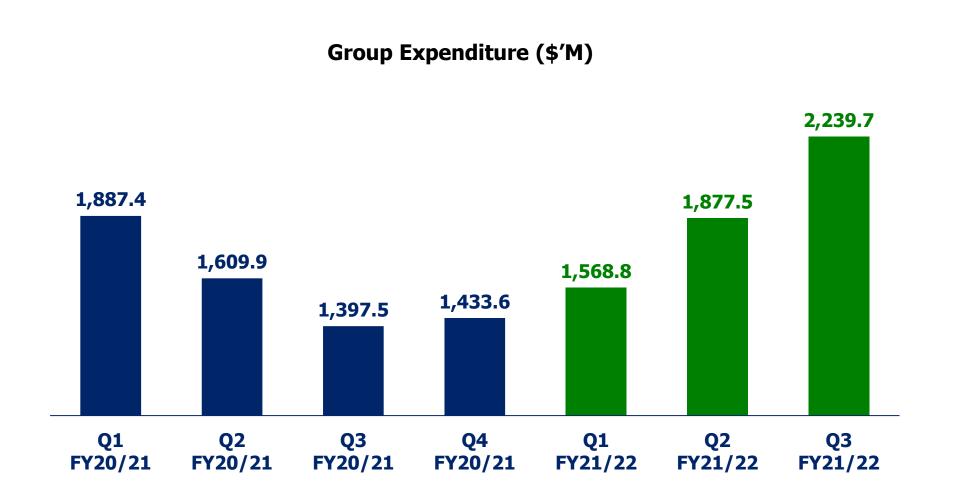


^ Q3 FY19/20 was the last full quarter prior to the onset of Covid-19



Group Expenditure Q3 FY21/22

Group expenditure grew on expansion of operations



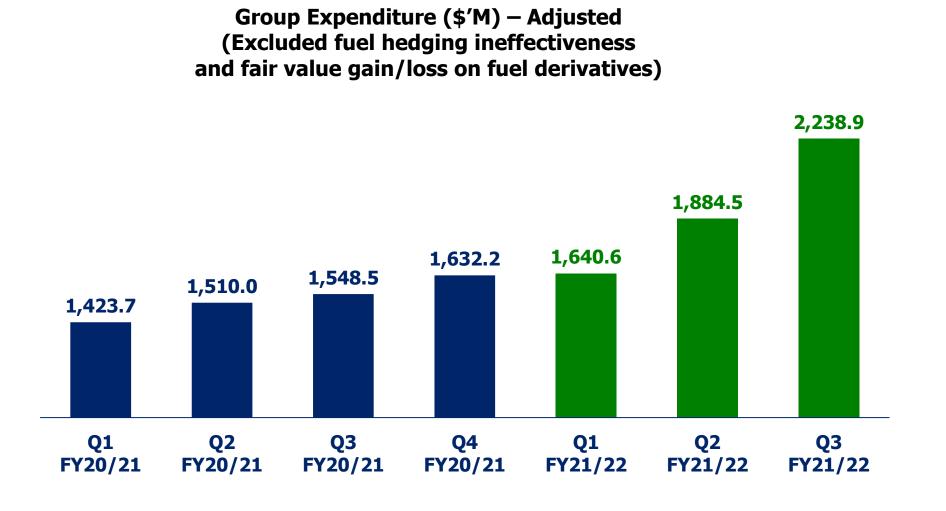
Q3 FY21/22 \$2,239.7M YoY \$842.2M (+60.3%)

9M FY21/22 \$5,686.0M YoY \$791.2M (+16.2%)



Group Expenditure Q3 FY21/22

On adjusted basis, Group expenditure grew on expansion of operations

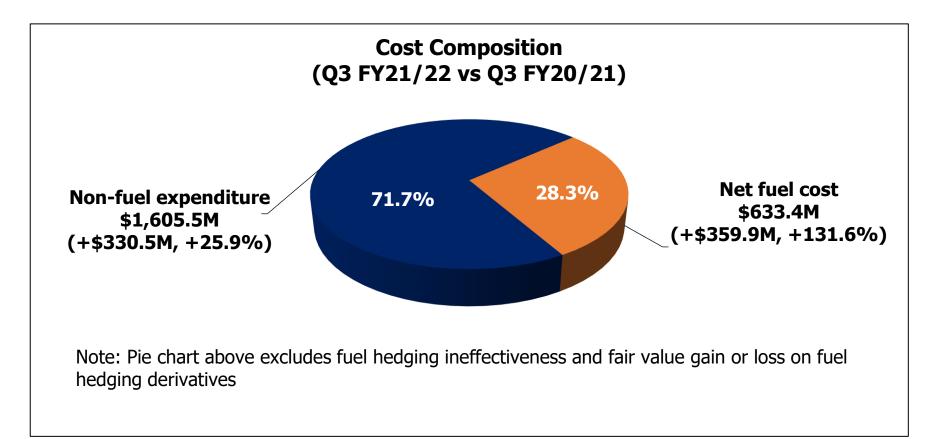


Q3 FY21/22 \$2,238.9M YoY \$690.4M (+44.6%)

9M FY21/22 \$5,764.0M YoY \$1,281.8M (+28.6%)

Group Expenditure Q3 FY21/22

Higher net fuel cost and non-fuel expenditure with increased flying activities

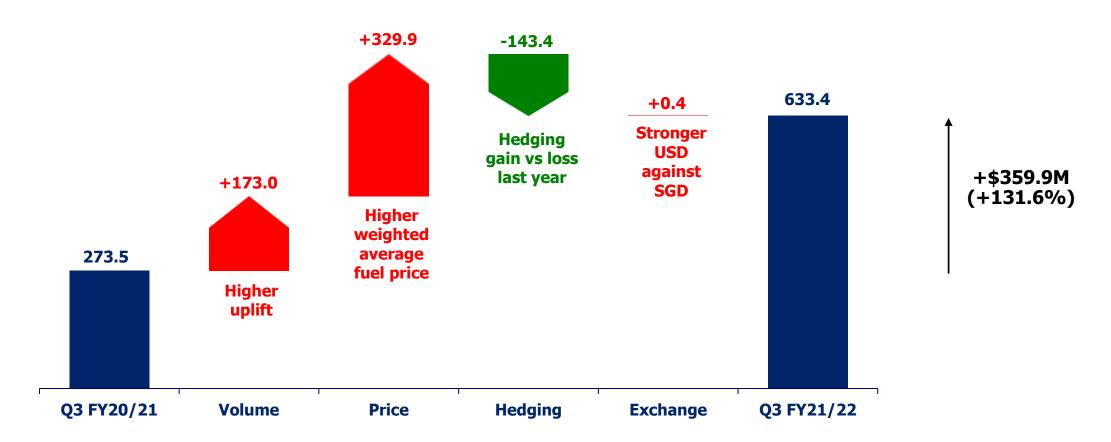


- Net fuel cost rose 131.6% (+\$359.9M) mainly on higher fuel prices (+\$329.9M) and an increase in volume uplifted (+\$173.0M), partially offset by a swing from a fuel hedging loss to a gain (-\$143.4M)
- The 25.9% increase in non-fuel expenditure (or +\$330.5M) was well within the 183.8% increase in passenger capacity and the 49.2% increase in cargo capacity.

Net Fuel Cost Q3 FY21/22

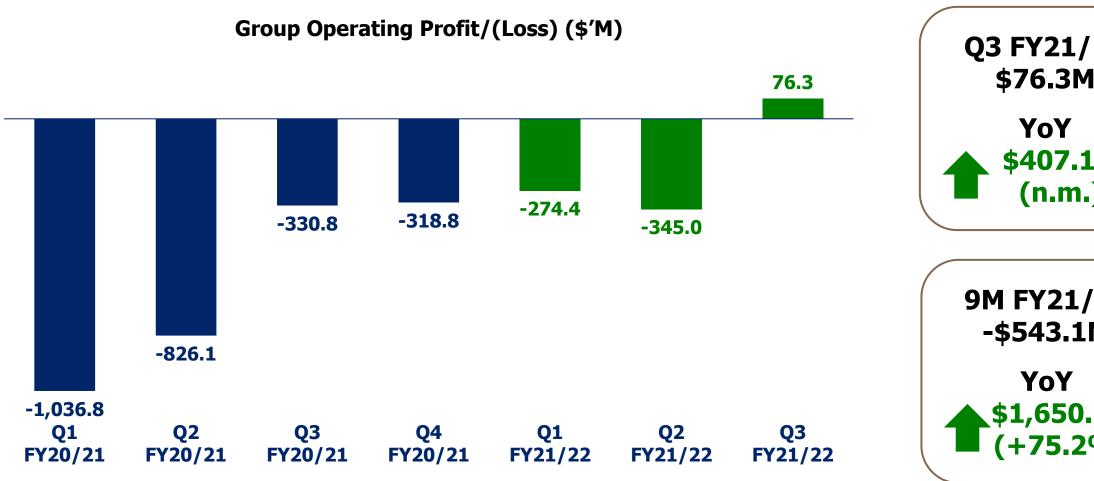
Net fuel cost up due to higher fuel prices and volume uplifted, partially mitigated by hedging gain vs loss last year

Group Fuel Cost Analysis (\$'M)



Group Operating Profit Q3 FY21/22

Turnaround from operating loss to operating profit driven by recovery of pax demand and strong cargo performance

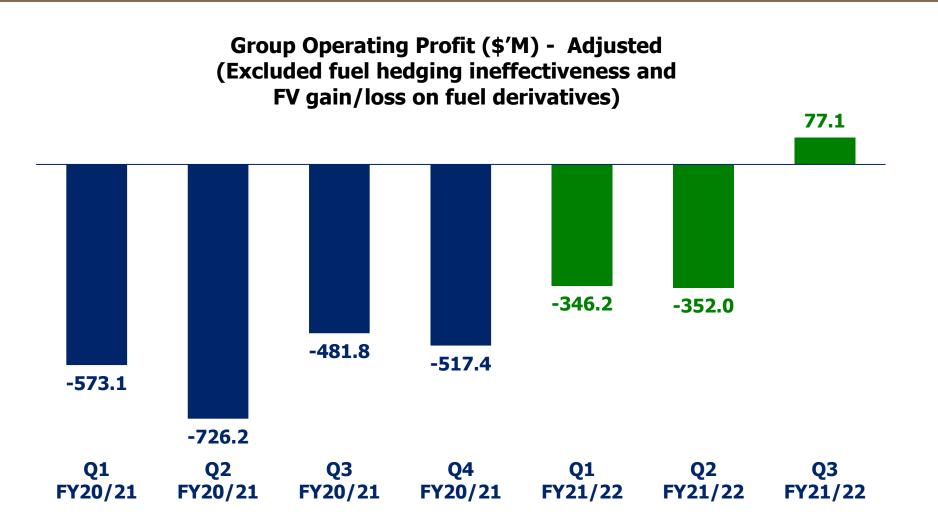


Q3 FY21/22 \$76.3M \$407.1M (n.m.)

9M FY21/22 -\$543.1M \$1,650.6M

Group Operating Profit Q3 FY21/22 - Adjusted

Turnaround from operating loss to operating profit driven by recovery of pax demand and strong cargo performance



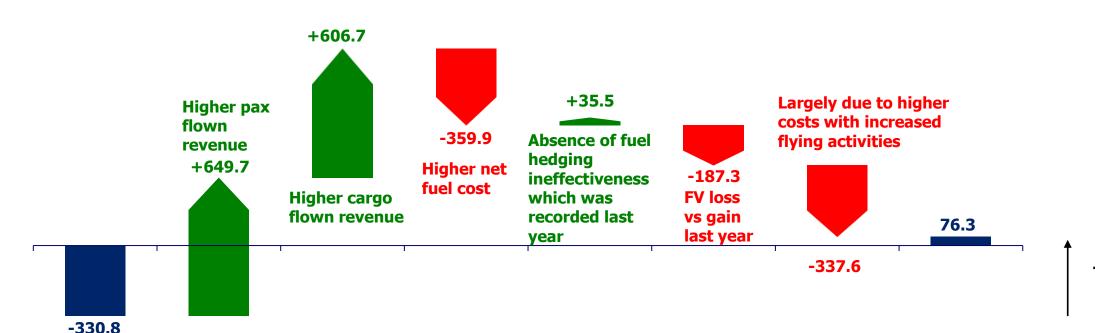
Q3 FY21/22 \$77.1M YoY \$558.9M (n.m.)



Group Operating Profit Q3 FY21/22

Turnaround in Group operating performance from operating loss to operating profit

Group Operating Performance Y-o-Y (\$'M)



Q3 FY20/21 **Op Loss**

Pax flown rev

Cargo flown rev

Net fuel cost Fuel hedging FV loss on fuel ineffectiveness derivatives

Others

Q3 FY21/22 **Op Profit**

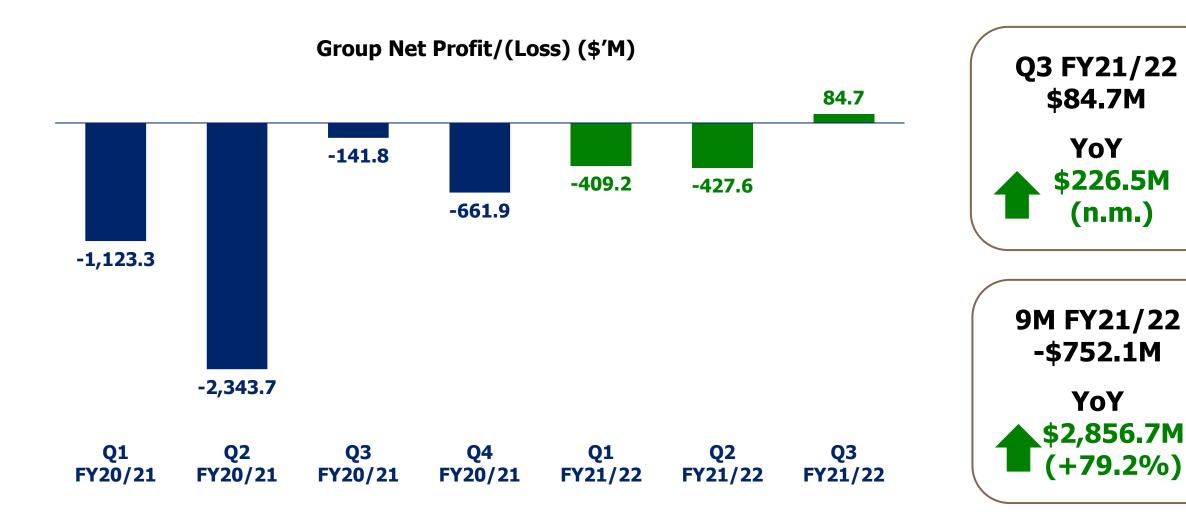


Operating Results for the Main Companies of the Group

| | Q3 FY21/22 (\$'M) | Q3 FY20/21 (\$'M) | Better/ (Worse) \$M | Better/ (Worse) (%) | 9M FY21/22 (\$'M) | 9M FY20/21 (\$'M) | Better/ (Worse) \$M | Better/ (Worse) (%) |
|------------------------|-------------------------|-------------------------|---------------------------|---------------------------|-------------------------|-------------------------|---------------------------|---------------------------|
| Full-service carrier | 190.0 | (225.9) | 415.9 | n.m. | (196.5) | (1,661.3) | 1,464.8 | 88.2 |
| scoot Low-cost carrier | (102.1) | (99.3) | (2.8) | (2.8) | (319.1) | (513.0) | 193.9 | 37.8 |
| SIAEC Group | (7.9) | (3.1) | (4.8) | (154.8) | (14.6) | (27.7) | 13.1 | 47.3 |

Group Net Profit Q3 FY21/22

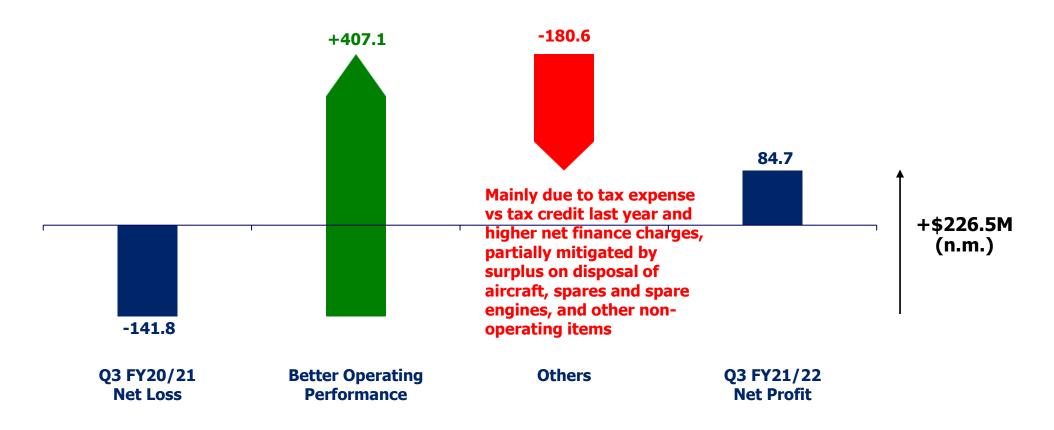
SIA Group posts first quarterly net profit since onset of Covid-19 pandemic



Group Net Profit Q3 FY21/22

SIA Group posts first quarterly net profit since onset of Covid-19 pandemic

Group Net Performance Y-o-Y (\$'M)



Group Financial Results

| | Q3 FY21/22 | Q3 FY20/21 |
|-----------------------------------|------------|---------------------|
| Earnings/(Loss) per share (cents) | | |
| - Basic R1 | 1.3 | (2.9) ^{R2} |
| - Adjusted Basic R3 | 2.9 | (4.2) |
| - Diluted R4 | 1.3 | (2.9) ^{R2} |
| EBITDA (\$ million) R5 | 684.7 | 137.8 |
| EBITDA margin (%) R6 | 29.6 | 12.9 |

R1 Earnings/(Loss) per share (basic) is computed by dividing profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue less treasury shares, assuming the conversion of all mandatory convertible bonds in accordance with IAS 33 Earnings Per Share.



R2 With the completion of the mandatory convertible bonds on 24 June 2021, prior year comparatives for loss per share were restated per IAS 33 through retrospective application of a bonus factor to the average weighted number of shares. The bonus factor is derived from the division of fair value per share immediately before the exercise of rights by the theoretical ex-rights fair value.

R3 Earnings/(Loss) per share (adjusted basic) is computed by dividing profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue less treasury shares, assuming the redemption of all mandatory convertible bonds. The prior year comparatives have been restated through the application of a bonus factor as described above.

R4 Earnings/(Loss) per share (diluted) is computed by dividing profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue less treasury shares, adjusted for the dilutive effect of the vesting of all outstanding share-based incentive awards granted, in accordance with IAS 33.

R5 EBITDA denotes earnings before interest, taxes, depreciation, and amortisation.

R6 EBITDA margin is computed by dividing EBITDA by the total revenue.

Group Financial Position

| | As at 31 December 2021 | As at 31 March 2021 |
|---|------------------------|---------------------|
| Total assets (\$'M) | 45,011.2 | 37,581.3 |
| Total debt (\$'M) | 14,880.4 | 14,336.9 |
| Total cash and bank balances (\$'M) | 12,143.8 | 7,783.0 |
| Total liabilities (\$'M) | 22,505.3 | 21,303.2 |
| Equity attributable to Owners of the Company (\$'M) | 22,119.0 | 15,905.9 |
| Debt : Equity ratio (times) ^{R1} | 0.67 | 0.90 |
| Net Asset Value Per Share (\$)R2 | 7.45 | 5.36 |
| Adjusted Net Asset Value Per Share (\$)R3 | 3.35 | 3.60 |

R1 Total debt: equity ratio is total debt divided by equity attributable to owners of the Company.

R3 Adjusted net asset value per share is computed by dividing equity attributable to owners of the Company by the number of ordinary shares in issue less treasury shares, assuming the conversion of all mandatory convertible bonds and convertible bonds.



R2 Net asset value per share is computed by dividing equity attributable to owners of the Company by the number of ordinary shares in issue less treasury shares.

PAVING THE WAY AHEAD

Managing an Unprecedented Crisis

Strong liquidity strengthens the Group's financial foundation

| Additional | | | | |
|------------------|--|--|--|--|
| liquidity raised | | | | |
| since | | | | |
| 1 Apr 2020 | | | | |

S\$22.4B

| S\$15.0B | Issue of shares and MCBs |
|----------|---|
| S\$2.1B | Aircraft secured financing |
| S\$2.0B | Sale-and-leaseback of 11 aircraft |
| S\$2.8B | Issuance of convertible bonds and notes |
| S\$0.5B | New committed lines of credit* and unsecured loan |

From shareholders, through Rights

Committed LOCs (untapped)

S\$2.1B

S\$1.7B Renewed existing committed lines of credit

S\$0.4B New committed lines of credit*

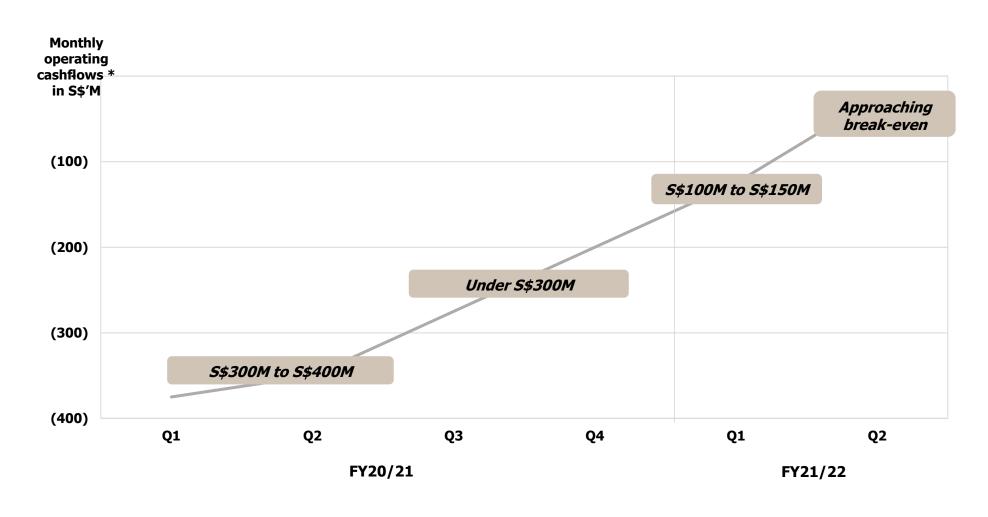
Successfully raised a seven-year US\$600 million (~S\$810 million) bond in January 2022

- SIA's second US dollar-denominated bond issue
- Strong financial position enables the Group to make strategic investments to secure its industry-leading position

*Refers to the same newly committed LOCs

Managing an Unprecedented Crisis

Stronger operating performance for the third quarter led to an operating cash surplus for 9M FY21/22



Operating Cash Surplus 9M FY21/22

\$322M



^{*}Operating cashflows includes net cash provided by operating activities and repayment of lease liabilities, and excludes proceeds from forward sales. Line is best-fit for illustration purposes only.

Moving Nimbly to Seize Opportunities

We work closely with all the relevant authorities to re-start travel in a safe and calibrated manner



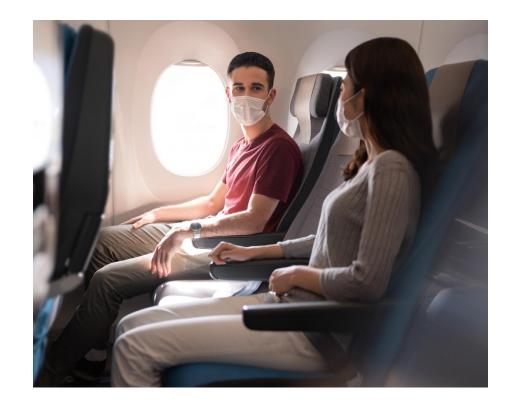
Vaccinated Travel Lanes (VTL)

Quarantine-free travel for vaccinated travellers

SIA Group's VTL network will progressively expand to include 49 cities in 25 countries

Australia, Brunei, Cambodia, Canada, China (Hong Kong), Denmark, France, Germany, India, Indonesia, Italy, Malaysia, the Maldives, the Netherlands, the Philippines, Saudi Arabia, Spain, South Korea, Sri Lanka, Switzerland, Thailand, Turkey, UAE, UK, USA

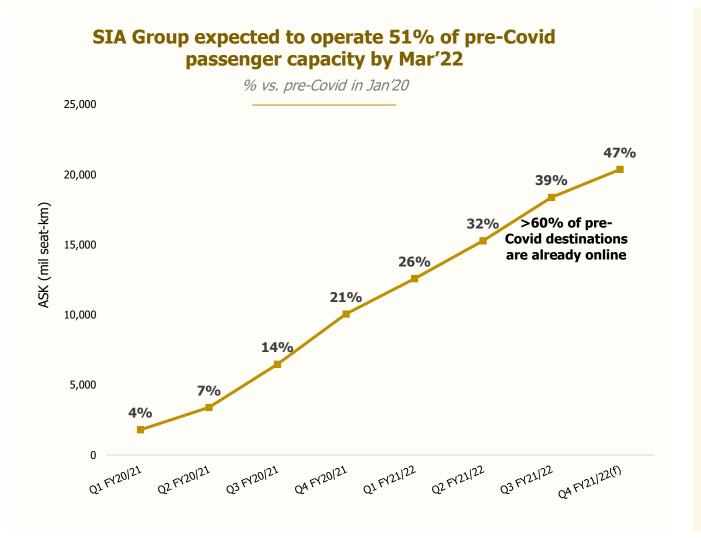
- Expansion of VTL destinations represents a meaningful restart of travel
- Strong booking demand observed, especially in **premium cabins**
- SIA and Scoot will also step-up frequencies on flights between Singapore and several existing VTL destinations





Moving Nimbly to Seize Opportunities

We will continue to proactively capture revenue opportunities



By March 2022

~ 51% of pre-Covid passenger capacity

over 70% of total pre-Covid points



Preparing to Emerge Stronger

Aggressively capturing cargo momentum to tap on strong cargo demand

Operated cargo-only passenger flights to supplement fall in bellyhold capacity



74% restored in Q3
FY21/22

76% restored in Jan'22

Record-high cargo revenue achieved in Q3 FY21/22

Removed aircraft seats to load cargo in cabin



Continued operations of 2x SIA 773ER and 2x Scoot A320neos as converted freighters to capture ad-hoc charter opportunities

Launched new products to capture new verticals



1st airline in Southeast Asia to obtain IATA CEIV Fresh certification



Launched new service to transport **time- and temperature- sensitive perishables** with speed and reliability



Joins THRUCOOL, a cold chain airfreight service launched in 2018 that transports high value, time-sensitive and temperature-controlled pharmaceuticals

(1) pre-Covid refers to Jan'20



Thank You

