

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

CATHAY PACIFIC AIRWAYS LIMITED

國泰航空有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 293)

October 2022 Traffic Figures

The appended press release contains traffic figures for October 2022 for Cathay Pacific Airways Limited (“**Cathay Pacific**”). The information in the press release may be price sensitive. This announcement containing the press release is accordingly being issued pursuant to Part XIVA of the Securities and Futures Ordinance. The information in the press release has been prepared on the basis of internal management records. It has not been audited or reviewed by external auditors.

This announcement is issued by Cathay Pacific pursuant to Part XIVA of the Securities and Futures Ordinance.

The information in this announcement has been prepared on the basis of internal management records. It has not been audited or reviewed by external auditors.

Investors are advised to exercise caution in dealing in shares of Cathay Pacific.

As at the date of this announcement, the Directors of Cathay Pacific are:

Executive Directors: Patrick Healy (Chairman), Gregory Hughes, Ronald Lam, Rebecca Sharpe, Augustus Tang;

Non-Executive Directors: Guy Bradley, Ma Chongxian, Sun Yuquan, Merlin Swire, Samuel Swire, Xiao Feng, Zhang Zhuo Ping;

Independent Non-Executive Directors: Bernard Chan, John Harrison, Christoph Mueller and Andrew Tung.

By Order of the Board

Cathay Pacific Airways Limited

Joanna Lai

Company Secretary

Hong Kong, 18th November 2022

18 November 2022

CATHAY PACIFIC RELEASES TRAFFIC FIGURES FOR OCTOBER 2022

Cathay Pacific today released its traffic figures for October 2022, which continued to reflect the positive impact of further adjustments to the Hong Kong Special Administrative Region Government's travel restrictions and quarantine requirements.

Cathay Pacific carried a total of 400,909 passengers last month, an increase of 424.5% compared with October 2021, but an 85.4% decrease compared with the pre-pandemic level in October 2019. The month's revenue passenger kilometres (RPKs) increased 416.6% year-on-year, but were down 80.1% versus October 2019. Passenger load factor increased by 44 percentage points to 73.6%, while capacity, measured in available seat kilometres (ASKs), increased by 108% year-on-year, but decreased by 79% compared with October 2019 levels. In the first 10 months of 2022, the number of passengers carried increased by 166% against a 20.4% increase in capacity and a 167.8% increase in RPKs, as compared with the same period for 2021.

The airline carried 109,425 tonnes of cargo last month, a decrease of 20.1% compared with October 2021, and a 40.2% decrease compared with the same period in 2019. The month's cargo revenue tonne kilometres (RFTKs) decreased 25% year-on-year, and were down 36.2% compared with October 2019. The cargo load factor decreased by 13.9 percentage points to 69%, while capacity, measured in available cargo tonne kilometres (AFTKs), was down by 9.9% year-on-year, and was down by 37.2% versus October 2019. In the first 10 months of 2022, the tonnage decreased by 11.1% against a 21.9% decrease in capacity and a 30.9% decrease in RFTKs, as compared with the same period for 2021.

Travel

Chief Customer and Commercial Officer Ronald Lam said: "Following the Hong Kong SAR Government's lifting of quarantine requirements for arrivals entering Hong Kong at the end of September, travel sentiment out of Hong Kong improved significantly in October. Demand for the first half of October mainly stemmed from flights to Bangkok, Singapore and Seoul. We then saw a surge in demand for travel to Japan when its quarantine requirements for arrivals were relaxed on 11 October.

“We increased our regional flight frequencies, in particular to destinations in Japan, in October. We also resumed services to Madrid, Milan, Bengaluru, Dubai and Kathmandu last month. More destinations and increased flight frequencies meant more choices and better connectivity for our customers at the Hong Kong aviation hub.

“Overall in October, passenger flight capacity increased 32% compared with September and we operated 21% of our pre-pandemic passenger flight capacity levels. Passenger numbers increased to nearly 13,000 per day, up from over 8,800 in September, and load factor reached about 74%.

Cargo

“In terms of cargo, global economic headwinds and anti-pandemic measures on the Chinese Mainland continue to impact trade flows and production. While our tonnage carried fell in October year-on-year compared with the high base of 2021, it saw a 5% increase over September. We operated about 10% less cargo capacity compared with the same time last year as we flew fewer cargo-only passenger services. Overall, we operated about 63% of our pre-pandemic cargo flight capacity last month.

“Our expanded network in Europe was a bright spot with double-digit month-on-month growth in October as we resumed more of our passenger services. This provided our cargo customers with more options, especially for specialised shipments such as pharmaceuticals.”

Outlook

Looking ahead at the remainder of 2022, Mr. Lam said: “The Group has already announced the addition of about 3,000 passenger flight sectors from October until the end of December this year and is on track to achieve its target of operating up to one-third of pre-pandemic passenger flight capacity levels by the end of 2022. Travel demand for the rest of 2022 continues to improve and is promising for the Christmas holiday period.

“Regarding cargo, while the peak season this year will be subdued when compared to the unprecedented peak last year, we still expect to see increased tonnage driven by seasonal e-commerce events as well as the start of the perishables season in the Southern Hemisphere. As the belly capacity provided by our passenger flights increases over the months ahead, we are extending the reach of our network and increasing the choice of schedules for our air cargo customers.

“Earlier this year, we said that we were targeting to be operating cash generative from August onwards. Since then, further adjustments to travel restrictions and quarantine requirements have come into effect in Hong Kong. As such, it is now our expectation that the second half of 2022 will be operating cash generative overall.

“At the same time, our second-half 2022 results for our airlines and subsidiaries are expected to see a marked improvement over our first-half 2022 results, although still a loss overall for the full year of 2022. However, the results from associates, the majority of which are recognised three months in arrears, and which in some cases have already been announced, will include significant losses. As a result, a substantial loss for the Group, including airlines, subsidiaries and associates, is expected for the full year of 2022.”

Looking further ahead, Mr Lam said: “Earlier this week, the Group – comprising passenger airlines Cathay Pacific and HK Express – announced that it anticipates it will be operating around 70% of pre-pandemic passenger flight capacity by the end of 2023, with an aim to return to pre-pandemic levels by the end of 2024, ahead of the Asia-Pacific traffic forecast issued by the International Air Transport Association (IATA). We look forward to being a positive driving force behind the revival of Hong Kong’s international aviation hub status.”

The full October figures and glossary are on the following pages.

CATHAY PACIFIC TRAFFIC	OCT 2022	% Change VS OCT 2021	Cumulative OCT 2022	% Change YTD
RPK (000)				
- Chinese Mainland	45,555	36.3%	375,705	47.5%
- North East Asia	134,651	2,121.6%	232,844	291.5%
- South East Asia	197,555	652.5%	564,522	219.4%
- South Asia, Middle East & Africa	106,416	1,392.9%	231,500	648.4%
- South West Pacific	333,689	1,900.9%	1,024,435	639.2%
- North America	714,975	438.5%	3,460,872	121.3%
- Europe	584,352	211.7%	2,553,587	175.1%
RPK Total (000)	2,117,193	416.6%	8,443,465	167.8%
Passengers carried	400,909	424.5%	1,475,869	166.0%
Cargo revenue tonne km (000)	648,535	-25.0%	4,508,561	-30.9%
Cargo carried (000kg)	109,425	-20.1%	944,923	-11.1%
Number of flights	1,878	-8.0%	14,762	6.7%

CATHAY PACIFIC CAPACITY	OCT 2022	% Change VS OCT 2021	Cumulative OCT 2022	% Change YTD
ASK (000)				
- Chinese Mainland	121,059	54.9%	957,963	50.4%
- North East Asia	224,614	418.8%	555,305	24.2%
- South East Asia	334,403	235.0%	1,025,073	21.9%
- South Asia, Middle East & Africa	167,439	1,019.5%	433,351	295.5%
- South West Pacific	435,576	4.6%	1,547,726	-31.8%
- North America	939,573	193.7%	4,776,496	21.6%
- Europe	654,490	59.4%	2,977,487	52.1%
ASK Total (000)	2,877,154	108.0%	12,273,401	20.4%
Passenger load factor	73.6%	44.0%pt	68.8%	37.9%pt
Available cargo tonne km (000)	940,044	-9.9%	6,296,186	-21.9%
Cargo load factor	69.0%	-13.9%pt	71.6%	-9.3%pt
ATK (000)	1,215,027	3.4%	7,472,020	-17.3%

Glossary

Terms:

Available seat kilometres (“ASK”)

Passenger seat capacity, measured in seats available for the carriage of passengers on each sector multiplied by the sector distance.

Available tonne kilometres (“ATK”)

Overall capacity measured in tonnes available for the carriage of passengers, excess baggage, cargo on each sector multiplied by the sector distance.

Available cargo tonne kilometres (“AFTK”)

Cargo capacity measured in tonnes available for the carriage of freight on each sector multiplied by the sector distance.

Revenue passenger kilometres (“RPK”)

Number of passengers carried on each sector multiplied by the sector distance.

Cargo revenue tonne kilometres (“RFTK”)

Amount of cargo, measured in tonnes, carried on each sector multiplied by the sector distance.

Operating cash burn / generation

Operating cash burn / generation includes aircraft loan and lease repayments, fuel hedging settlements, but excludes unsecured loan repayment or refinancing, capital expenditure and related new funding and one-off restructuring costs.

Ratio:

$$\text{Passenger/Cargo load factor} = \frac{\text{Revenue passenger kilometres/} \\ \text{Cargo revenue tonne kilometres}}{\text{Available seat kilometres/} \\ \text{Available cargo tonne kilometres}}$$

Media Enquiries



+852 2747 5393



press@cathaypacific.com



www.cathaypacific.com