

SINGAPORE
AIRLINES



SIA GROUP

1H FY2019-20 Results
5 November 2019





Group Financial Results

Group Financial Results

Key Takeaways – 1H FY19/20 Results

Passenger traffic growth continues to support revenue improvements

- SIA Pax: Captured strong demand, outstripping capacity growth to achieve record passenger load factor of 84.6% for the first half. RASK improved 2.4%.
- SilkAir: Notwithstanding a capacity reduction from route transfers to Scoot and the 737 MAX 8 grounding, passenger revenue increased. RASK was higher by 1.2%.
- Scoot: Capacity expansion matched by passenger traffic growth, resulting in higher passenger revenue. However, RASK contracted 2.1% on weaker yields, and unit costs rose on lower utilisation.
- Cargo: Cargo traffic and revenue declined due to weak cargo demand amid trade uncertainties and manufacturing slowdown in key export economies.

Net fuel cost rose, primarily contributed by an increase in fuel volume consumed on capacity growth.

Higher ex-fuel cost was mainly attributable to an expansion in operations.

Amongst non-operating items, higher finance charges were offset by improved performance of associates and JVs.





Group Financial Results

Q2 & 1H FY19/20

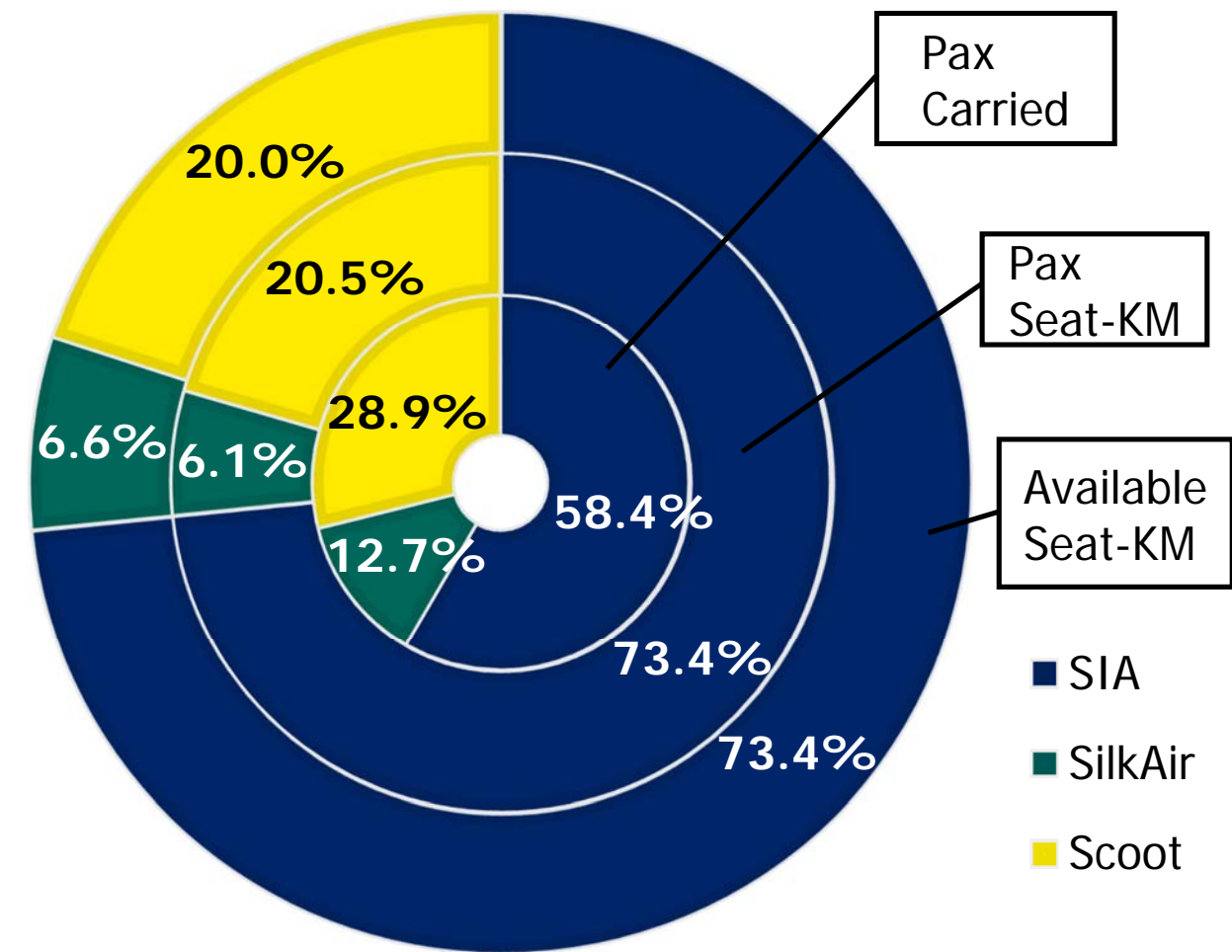
	Q2 FY19/20 (\$'m)	Q2 FY18/19 (\$'m)	Better/ (Worse) (%)	1H FY19/20 (\$'m)	1H FY18/19 (\$'m)	Better/ (Worse) (%)
Total Revenue	4,222.3	4,062.1	3.9	8,324.5	7,906.6	5.3
Total Expenditure	4,009.2	3,829.2	(4.7)	7,911.4	7,480.6	(5.8)
-- <i>Net Fuel Cost</i>	<i>1,176.2</i>	<i>1,156.1</i>	<i>(1.7)</i>	<i>2,348.9</i>	<i>2,235.5</i>	<i>(5.1)</i>
<i>Fuel cost</i>	<i>1,195.4</i>	<i>1,307.8</i>	<i>8.6</i>	<i>2,425.2</i>	<i>2,519.4</i>	<i>3.7</i>
<i>Fuel hedging gain</i>	<i>(19.2)</i>	<i>(151.7)</i>	<i>(87.3)</i>	<i>(76.3)</i>	<i>(283.9)</i>	<i>(73.1)</i>
-- <i>Non-fuel expenditure</i>	<i>2,833.0</i>	<i>2,673.1</i>	<i>(6.0)</i>	<i>5,562.5</i>	<i>5,245.1</i>	<i>(6.1)</i>
Operating Profit	213.1	232.9	(8.5)	413.1	426.0	(3.0)
Operating Profit Margin (%)	5.0	5.7	(0.7) pt	5.0	5.4	(0.4) pt
Group Profit Attributable to Owners of the Parent	94.5	56.4	67.6	205.6	196.0	4.9
-- <i>Basic Earnings Per Share (¢)</i>	<i>8.0</i>	<i>4.8</i>	<i>66.7</i>	<i>17.4</i>	<i>16.6</i>	<i>4.8</i>

Group Operating Statistics

Pax traffic growth across all airlines; record Q2 and 1H PLF for the Group

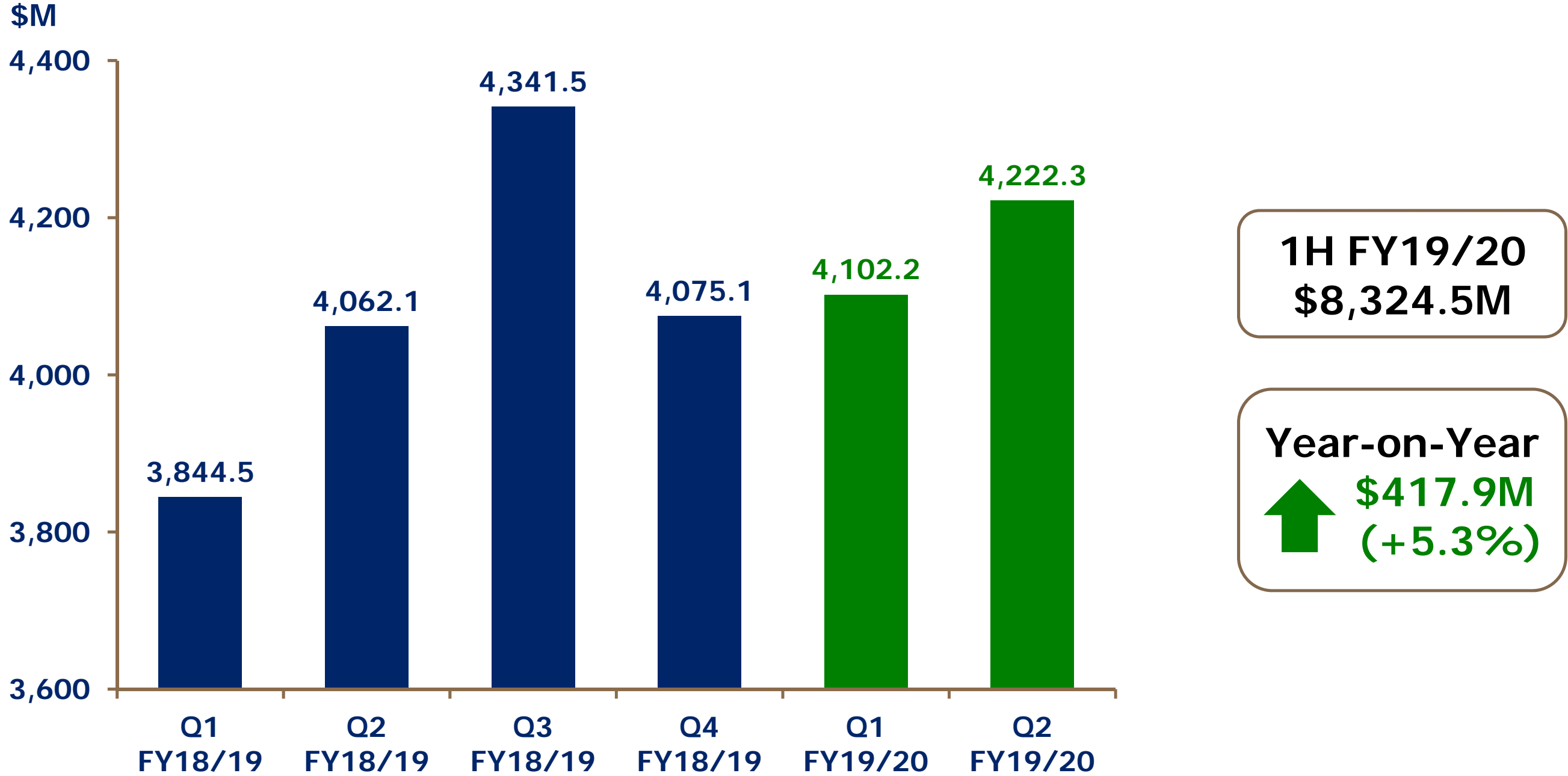
		Q2 FY19/20	Change (%)	1H FY19/20	Change (%)
	Pax carriage (PKM 'm)	28,314.9	8.2	54,943.2	8.6
	Capacity (ASK 'm)	32,972.9	7.3	64,975.6	7.4
	Pax load factor (%)	85.9	0.7 pt	84.6	1.0 pt
	Pax carriage (PKM 'm)	2,283.0	3.1	4,585.1	2.8
	Capacity (ASK 'm)	2,870.0	(0.6)	5,819.5	(1.1)
	Pax load factor (%)	79.5	2.8 pts	78.8	3.0 pts
	Pax carriage (PKM 'm)	7,901.5	5.0	15,311.8	5.8
	Capacity (ASK 'm)	9,091.5	4.7	17,698.5	5.6
	Pax load factor (%)	86.9	0.3 pt	86.5	0.1 pt
	Cargo load (LTK 'm)	1,619.9	(8.5)	3,265.3	(6.5)
	Capacity (CTK 'm)	2,782.6	(0.3)	5,587.7	(0.1)
	Cargo load factor (%)	58.2	(5.3) pts	58.4	(4.1) pts

CAPACITY, CARRIAGE, AND PAX CARRIED DISTRIBUTION (1H FY19/20)



Group Revenue 1H FY19/20

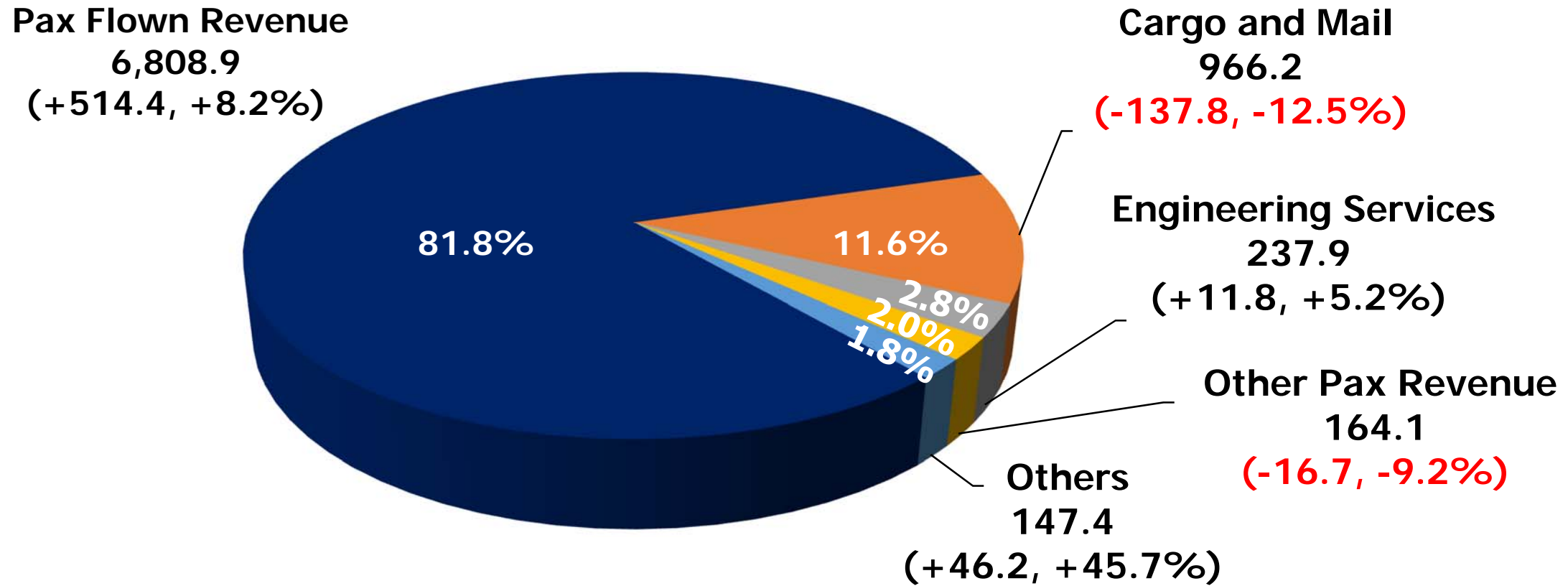
Improvement led by strong pax flown revenue



The copyright in this material is owned by Singapore Airlines Ltd. This material may not be modified, reproduced, distributed, republished or transmitted in whole or in part in any manner or by any means without prior permission of Singapore Airlines Ltd.

Group Revenue Breakdown 1H FY19/20

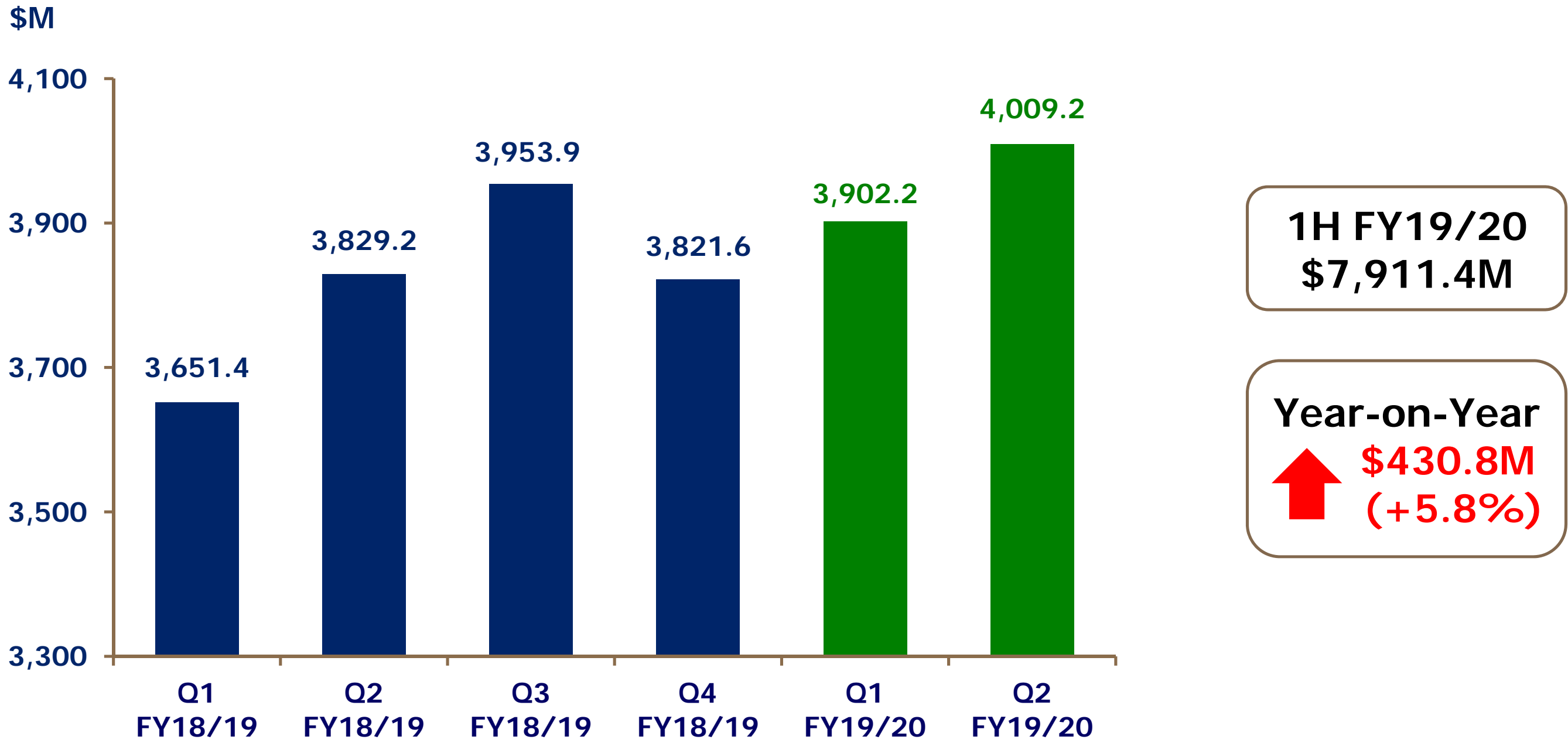
Strong pax traffic growth drove improvements in RASK and revenue



1H FY19/20	Flown Revenue y-o-y (\$'m)	RASK y-o-y (%)	Yields y-o-y (%)	Carriage/Load y-o-y (%)	Capacity y-o-y (%)
SIA (Pax)	+480.8	+2.4	+1.0	+8.6	+7.4
SilkAir	+4.5	+1.2	-1.9	+2.8	-1.1
Scoot	+28.8	-2.1	-1.8	+5.8	+5.6
SIA (Cargo)	-137.8	n.a.	-6.3	-6.5	-0.1

Group Expenditure 1H FY19/20

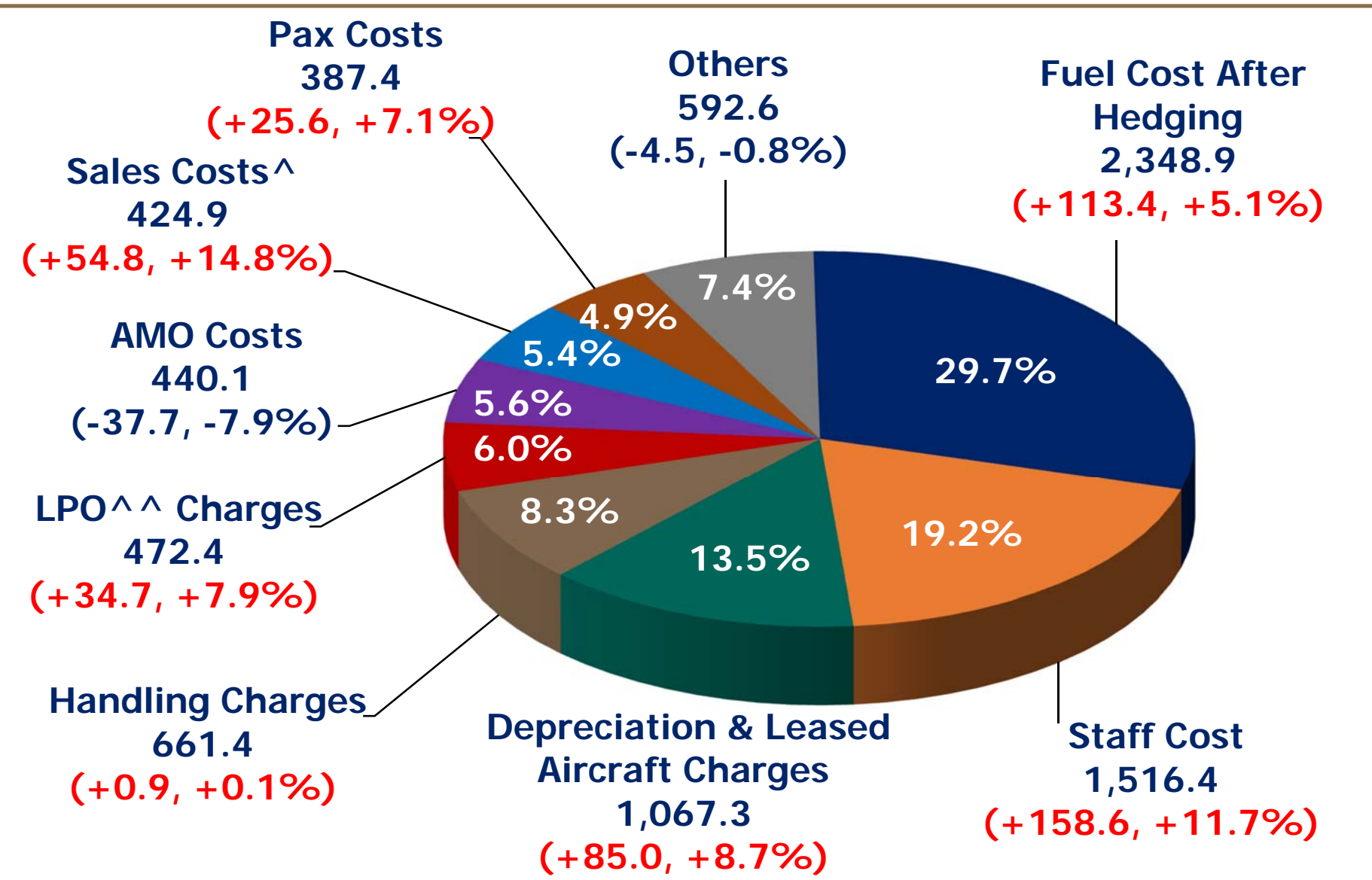
Higher group cost due to expansion in operations



The copyright in this material is owned by Singapore Airlines Ltd. This material may not be modified, reproduced, distributed, republished or transmitted in whole or in part in any manner or by any means without prior permission of Singapore Airlines Ltd.

Group Expenditure Breakdown 1H FY19/20

Ex-fuel costs rose largely from expansion in operations



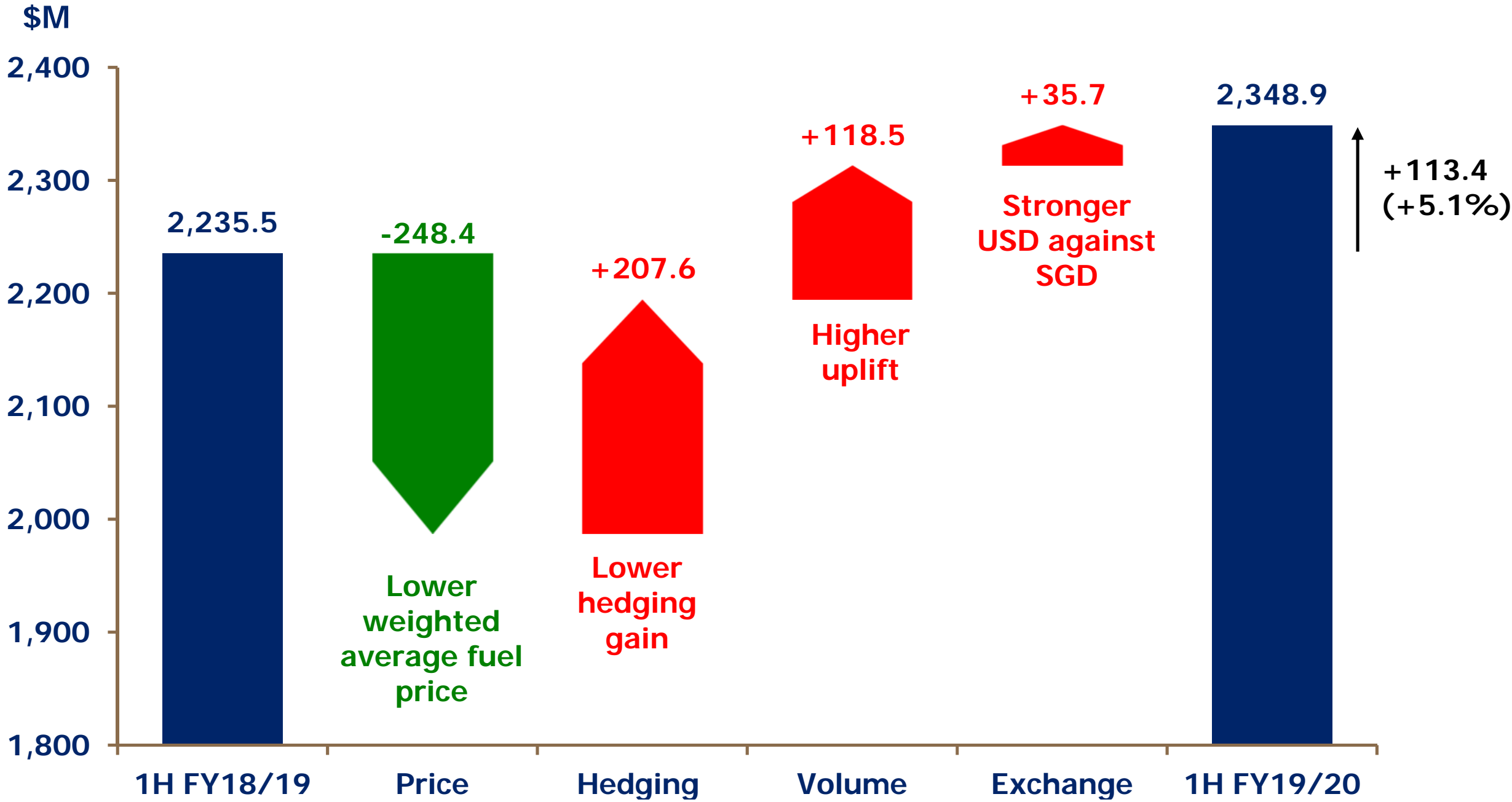
1H FY19/20	CASK y-o-y (%)	CASK ex-fuel y-o-y (%)
SIA (Pax)	+1.2	+1.9
SilkAir	+2.4	+3.2
Scoot	+3.9	+5.9

^ Includes commissions & incentives, and advertising and sales cost

^^ Landing, Parking and Overflying

Group Expenditure – Fuel Cost 1H FY19/20

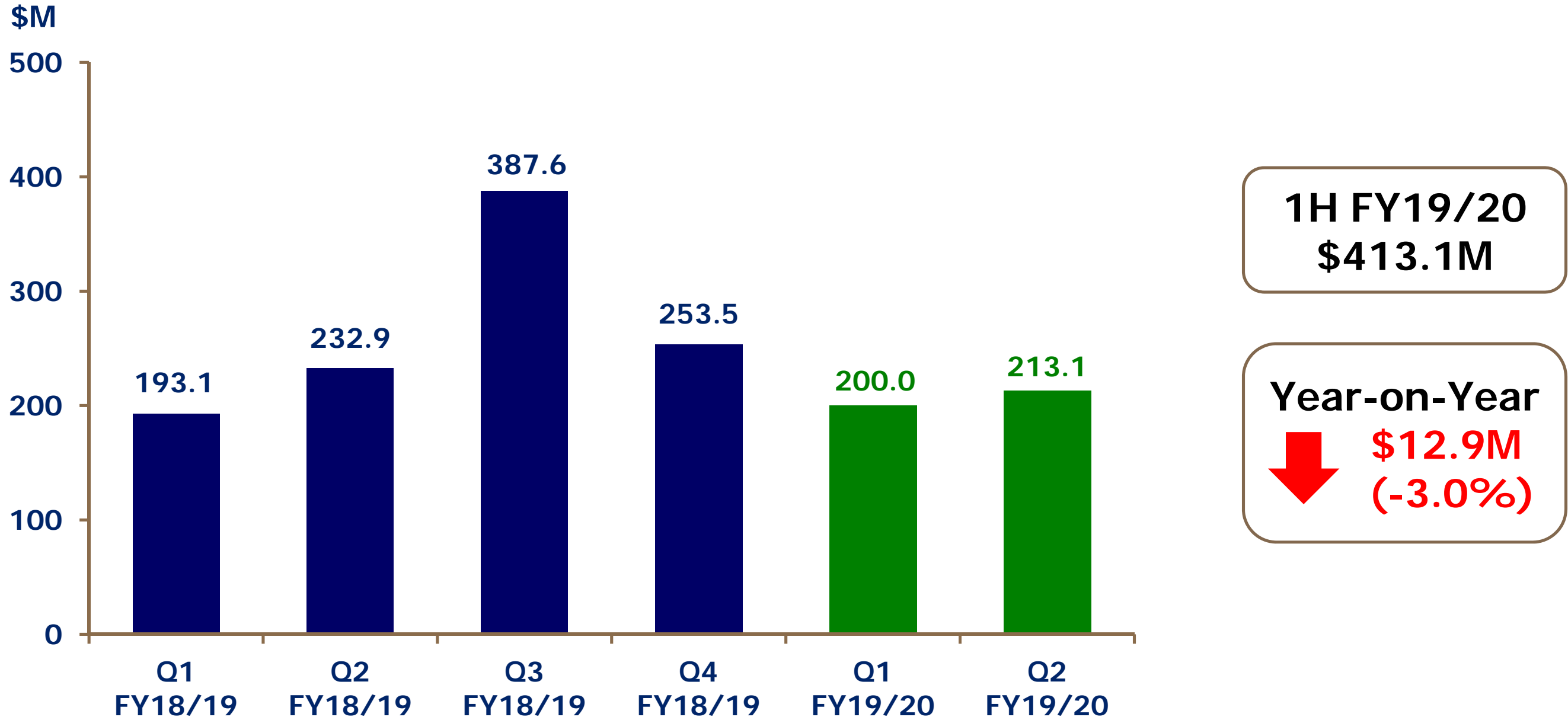
Net fuel cost rose, primarily contributed by an increase in fuel volume consumed on capacity growth



The copyright in this material is owned by Singapore Airlines Ltd. This material may not be modified, reproduced, distributed, republished or transmitted in whole or in part in any manner or by any means without prior permission of Singapore Airlines Ltd.

Group Operating Profit 1H FY19/20

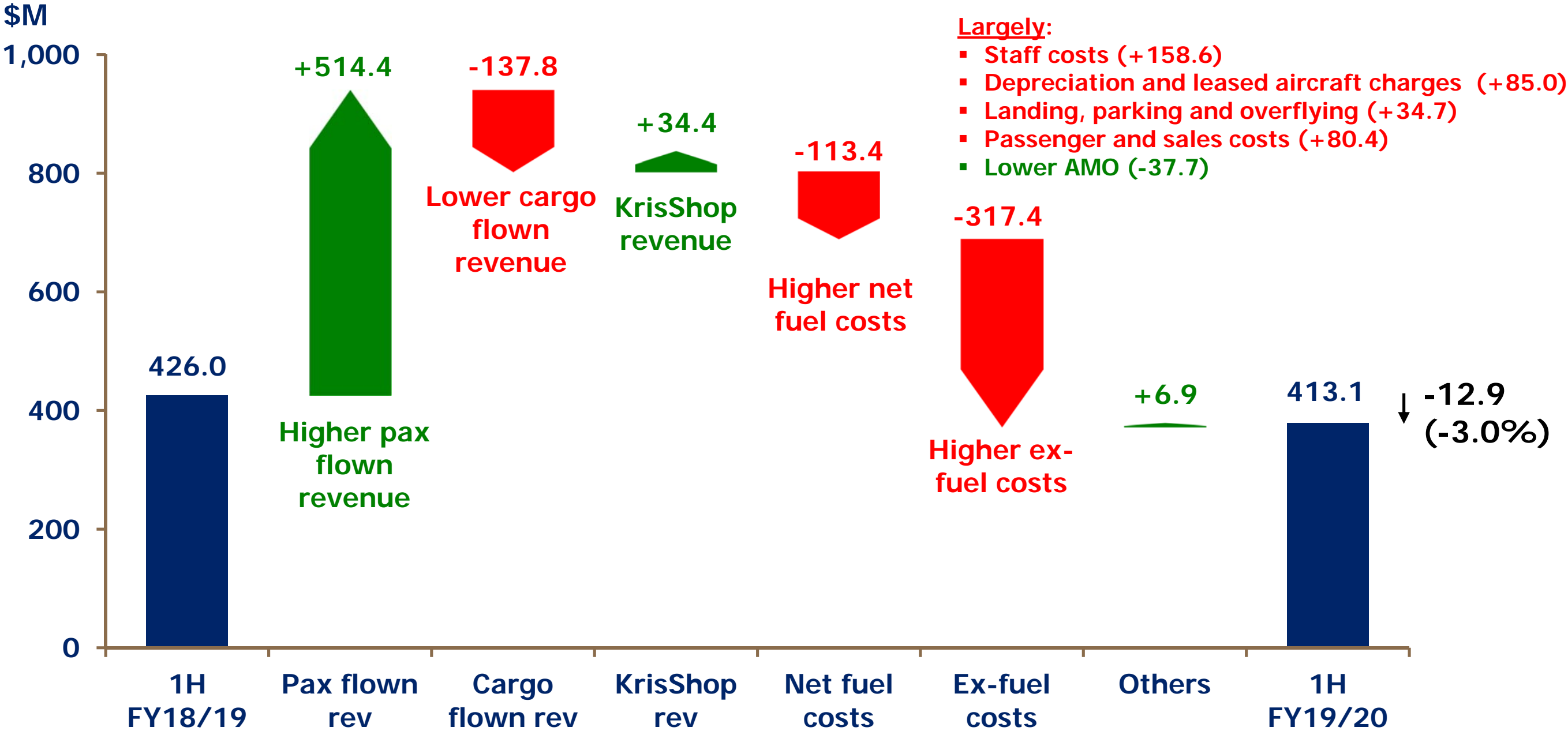
Gains from capacity and passenger traffic growth partially offset by weaker cargo revenue



The copyright in this material is owned by Singapore Airlines Ltd. This material may not be modified, reproduced, distributed, republished or transmitted in whole or in part in any manner or by any means without prior permission of Singapore Airlines Ltd.





Group Operating Profit 1H FY19/20

Gains from capacity and passenger traffic growth partially offset by weaker cargo revenue



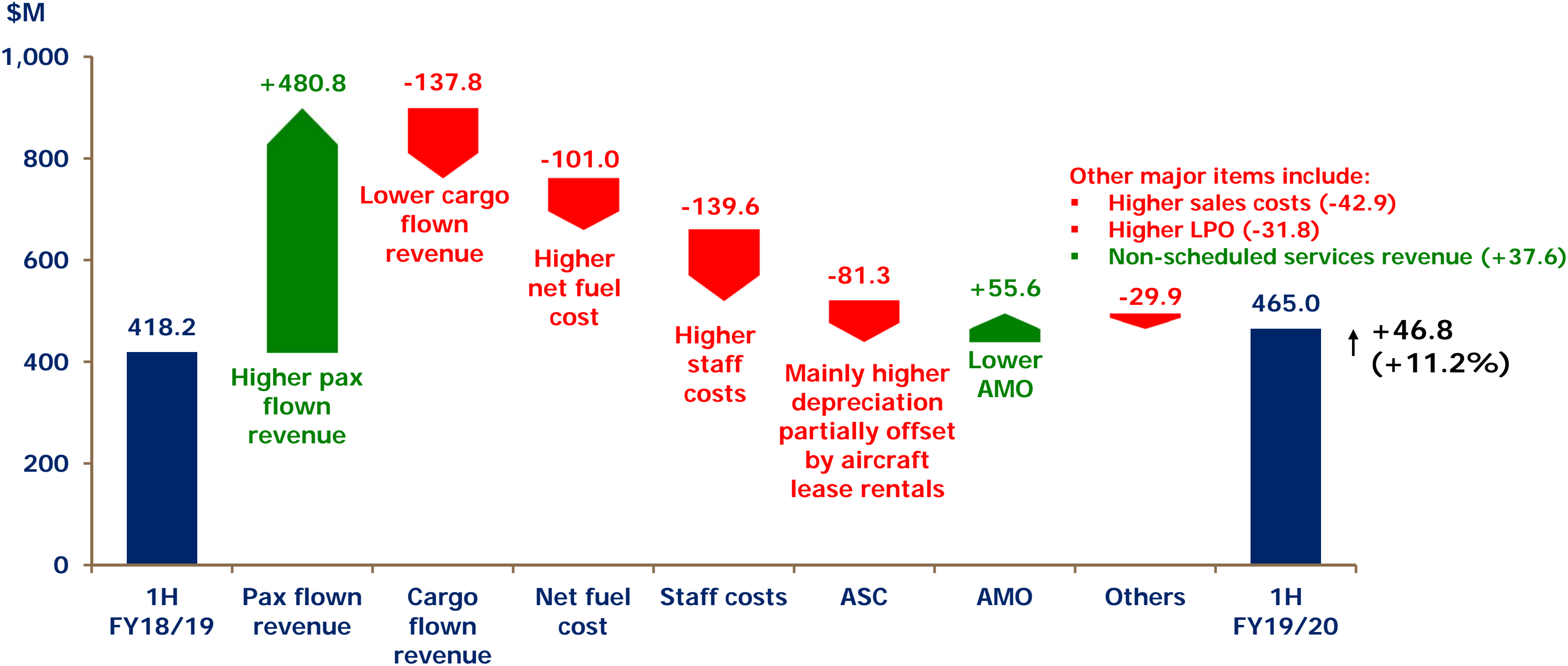
Note: KrisShop became a subsidiary of the Group in Nov'18

Operating Results for the Main Companies in the Group 1H FY19/20

Operating Profit / (Loss)		1H FY19/20 (\$'m)	1H FY18/19 (\$'m)	Better/ (Worse) (%)
	SIA (Parent Airline Company)	465.0	418.2	+11.2
	SilkAir	(19.1)	(2.8)	n.m.
	Scoot	(76.9)	(10.0)	n.m.
	SIAEC Group	37.3	21.5	+73.5

Composition of Change in SIA (Parent Airline Company)'s Operating Results 1H FY19/20

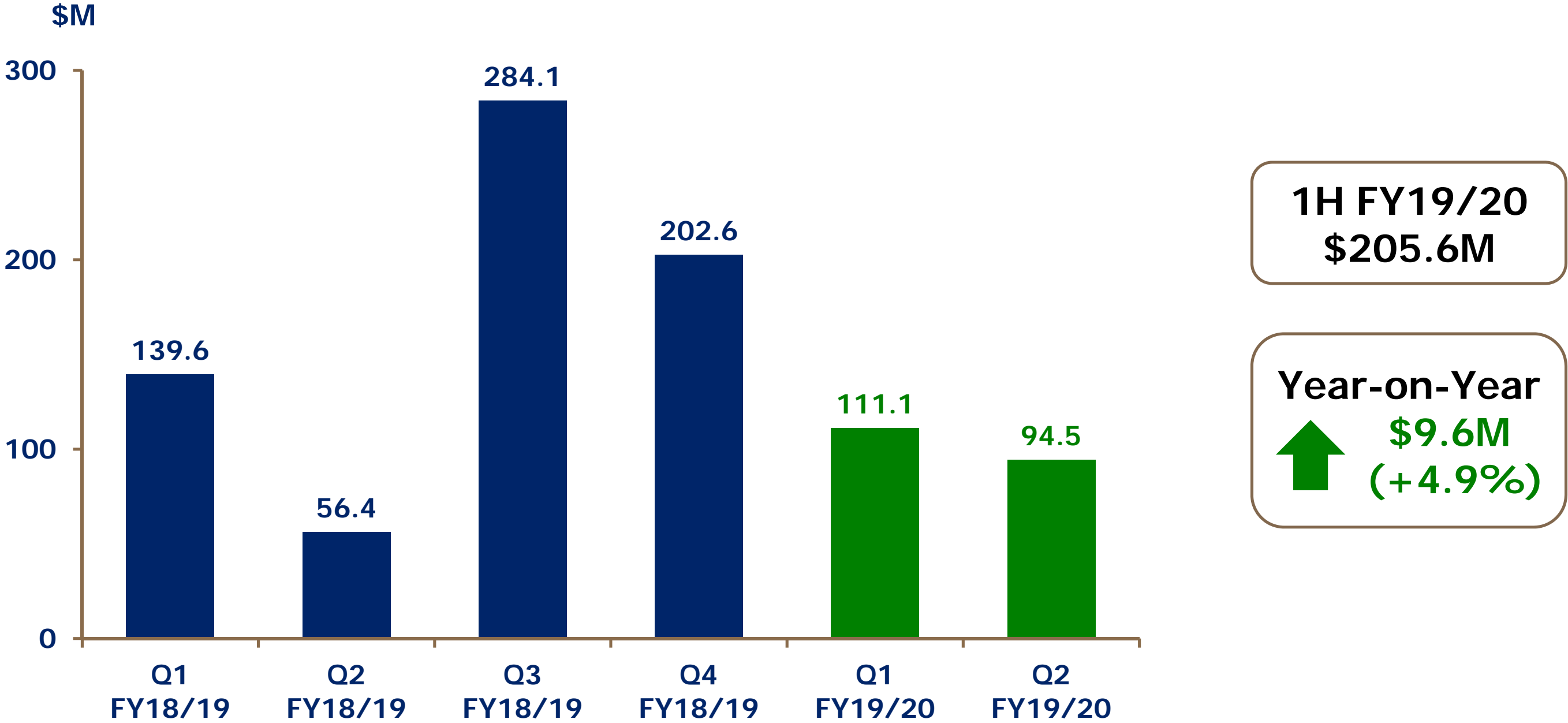
Operating profit improved on strong revenue growth



The copyright in this material is owned by Singapore Airlines Ltd. This material may not be modified, reproduced, distributed, republished or transmitted in whole or in part in any manner or by any means without prior permission of Singapore Airlines Ltd.

Group Profit Attributable to Owners of the Parent 1H FY19/20

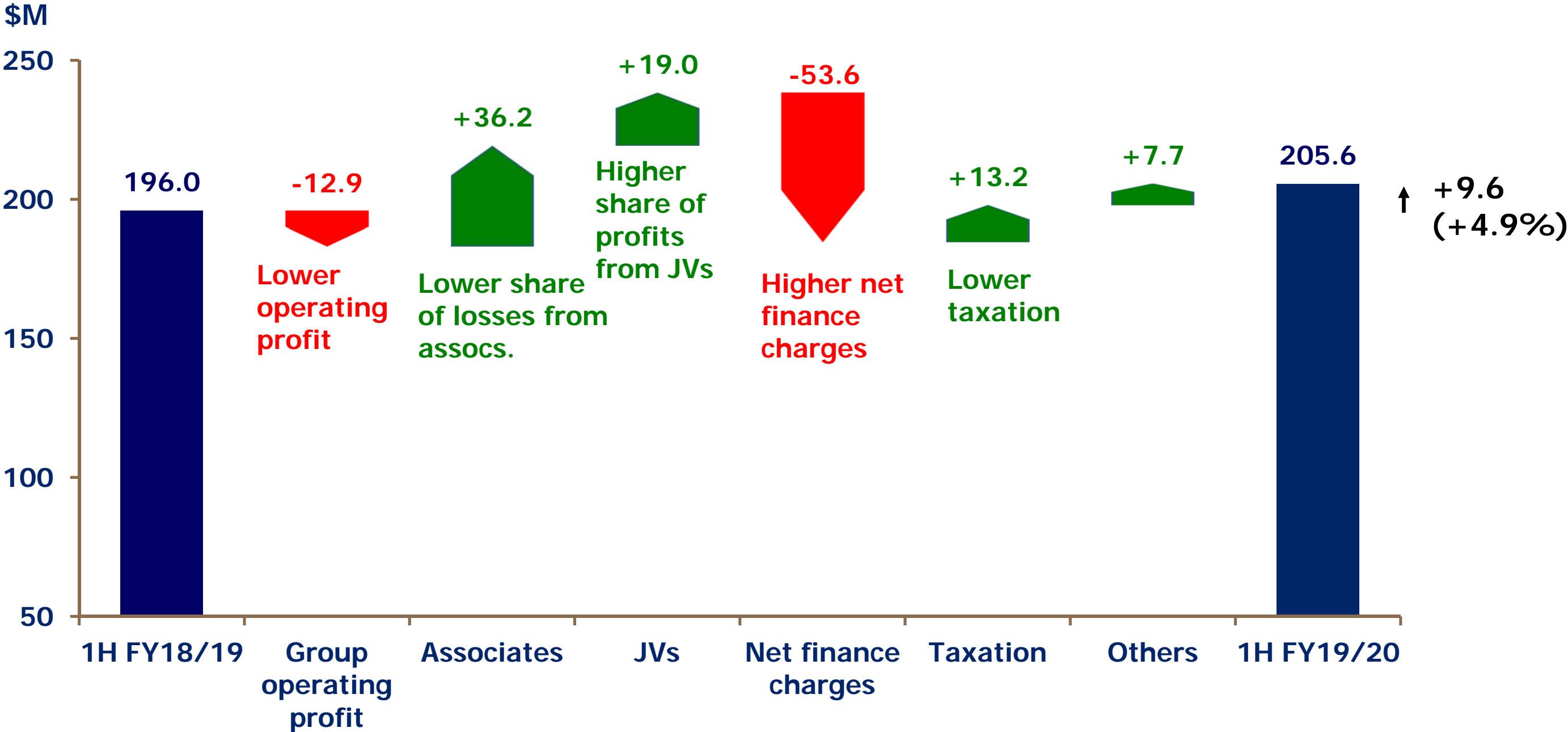
Improvement in First Half net profit



The copyright in this material is owned by Singapore Airlines Ltd. This material may not be modified, reproduced, distributed, republished or transmitted in whole or in part in any manner or by any means without prior permission of Singapore Airlines Ltd.

Group Profit Attributable to Owners of the Parent 1H FY19/20

Improved results from associates and JVs, partially offset by lower operating profit and higher net finance charges



The copyright in this material is owned by Singapore Airlines Ltd. This material may not be modified, reproduced, distributed, republished or transmitted in whole or in part in any manner or by any means without prior permission of Singapore Airlines Ltd.

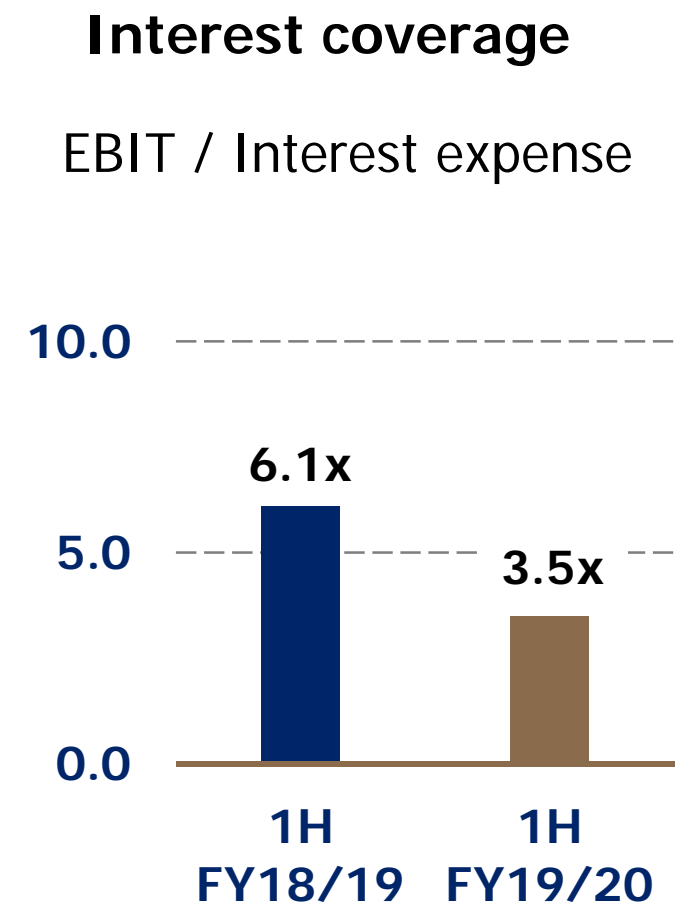
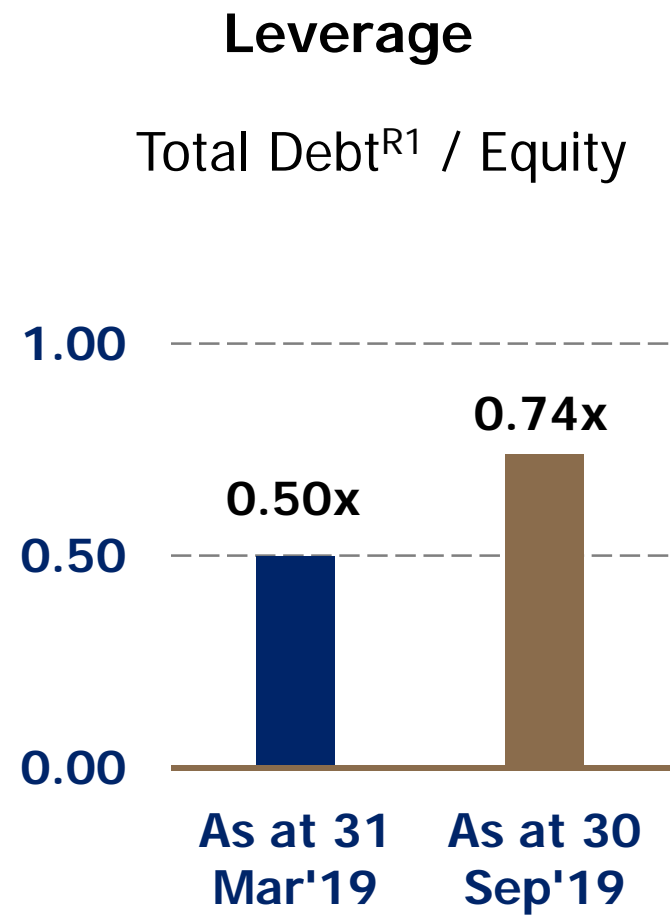
SIA Group Per Share Data

	1H FY19/20	1H FY18/19
EBITDA per share (\$)	1.21	0.85
Basic earnings per share (¢)	17.4	16.6
Interim Dividend per share (¢)	8.0	8.0

	As at 30 Sep'19	As at 31 Mar'19
Net Asset Value per share (\$)	9.96	11.22

Key Coverage Ratios

Ratios affected by the adoption of IFRS 16 *Leases* from 1 Apr'19



^{R1} Total debt: Borrowings + Lease Liabilities arising from the adoption of IFRS 16 *Leases*



Additional Updates

Group Capacity Growth

External events moderate growth in capacity for FY19/20

Projected Capacity (FY19/20 vs FY18/19)

SIA	+7%
SilkAir	-4%
Scoot	+6%
Group Pax Operations	+6%

Cargo Operations	-1%
-------------------------	------------





SIA Group passenger operations will grow at approx. 6% in FY19/20

- SIA's capacity growth driven by:
 - Ultra long-haul operations to US
 - Cabin densification from fleet renewal
 - New services (eg. Seattle and Busan)
 - Frequency additions (eg. additional tranches to Osaka and Johannesburg)
- SilkAir: Route transfers to Scoot and withdrawal of 737 MAX 8 from service resulted in reduction in capacity
- Scoot: Suspension of 737-800 transfer plans from SilkAir and lower utilisation of aircraft to improve operational resilience

Cargo capacity is expected to contract by 1% for FY19/20 as freighter capacity is adjusted to better match the softer air cargo demand environment amid challenging trade conditions

Group Fleet Development

SIA Group to operate 208 aircraft by end of FY19/20

	Operating Fleet	As at 30 Sep'19	In	Out	As at 31 Mar'20
	777-200	4		-3	1
	777-200ER	4		-1	3
	777-300	5			5
	777-300ER	27			27
	A380-800	19			19
	A330-330	12		-4	8
	A350-900	41	+7		48
	787-10	14	+1		15
	747-400F	7			7
	SIA Total	133	+8	-8	133
	A319	2			2
	A320	7		-1	6
	737-800	17			17
	SilkAir Total	26	-	-1	25
	787-8	10			10
	787-9	10			10
	A320ceo	26			26
	A320neo	2	+2		4
	Scoot Total	48	+2	-	50
	Group Total	207	+10	-9	208

The copyright in this material is owned by Singapore Airlines Ltd. This material may not be modified, reproduced, distributed, republished or transmitted in whole or in part in any manner or by any means without prior permission of Singapore Airlines Ltd.

Group Capital Expenditure

Elevated capital expenditure to support fleet renewal and capacity growth

Projected Capital Expenditure (\$'m)	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25
Aircraft	5,400	5,600	5,400	4,500	3,800	3,700
Others	300	400	400	300	200	200
Total	5,700	6,000	5,800	4,800	4,000	3,900

Group Fuel Hedging Position

As at 22 October 2019

2H FY19/20	Jet Fuel	Brent
Percentage hedged (%)	75	3
Average hedged price (USD/BBL)	76	54

FY20/21	Jet Fuel	Brent
Percentage hedged (%)	29	35
Average hedged price (USD/BBL)	77	58

FY21/22 – FY24/25	Jet Fuel	Brent
Percentage hedged (%)	-	up to 50%
Average hedged price (USD/BBL)	-	58 - 62

Thank you

