



Q3 and 9M FY2019-20 Results

17 February 2020



Record breaking Q3 for SIA Group

Strong passenger demand drives five new record highs

1 Record quarterly available seat-km – 45,506 million

2 Record quarterly revenue passenger-km – 38,972 million

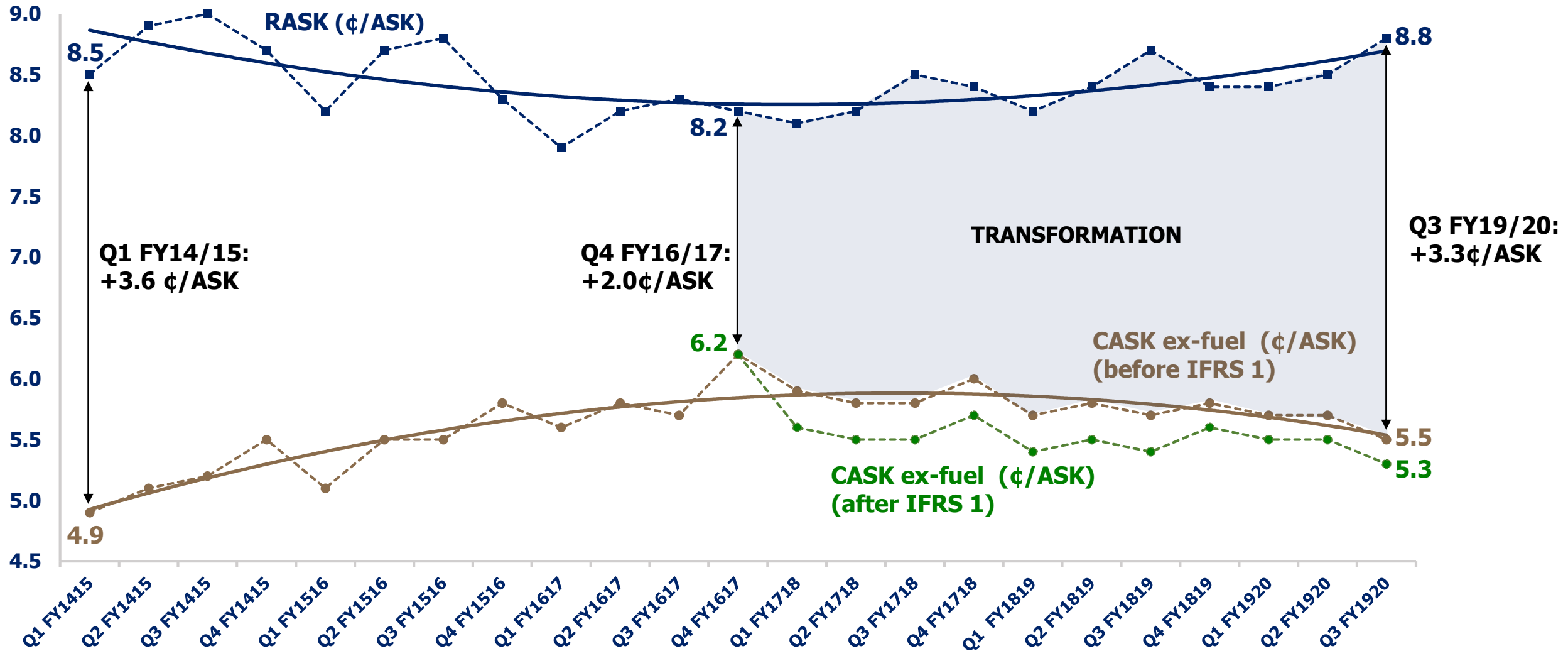
3 Record passenger load factor for any Q3 – 85.6%

4 Record quarterly passenger uplift – 10.1 million passengers

5 Record quarterly total revenue – \$4,470.6 million

Transformation

SIA RASK and CASK ex-fuel margins moving towards the right trajectory



COVID-19 outbreak poses challenges to SIA Group

Demand for travel will be adversely affected

- **Safety and well-being of passengers and staff is highest priority**
- **Stepped up cleaning and disinfection of cabins and company premises**
- **In-flight service modified**
- **Suspended crew layovers in China**
- **Social distancing measures:**
 - Segregation plans implemented
 - Postponement of training and gatherings that can be deferred
- **Demand for travel to and from China significantly impacted. Travel sentiment worldwide expected to be weaker**
 - Flights to Mainland China represent approx. 11% of SIA Group's passenger capacity in Q3 FY19/20, though a higher share of Scoot's capacity
- **Reduction in flight capacity to Mainland China, Hong Kong and Macau in February to March 2020.**
 - SIA and SilkAir continue to maintain minimum connectivity to key cities (Beijing, Shanghai, Guangzhou and Chongqing)
 - SIA reduces flights to Hong Kong. SQ001/SQ002 will operate as non-stop services between Singapore and San Francisco; the Hong Kong stop will be temporarily removed
 - Scoot suspends flights to Mainland China from 8 February and operates on reduced frequencies to Hong Kong and Macau
- **SIA Group will continue to make appropriate network adjustments, and to manage costs tightly**



Group Financial Results

Group Financial Results

Key Takeaways – Q3 FY19/20 Results

Strong load factor and improved RASK performance for all passenger airlines

- SIA Pax: Captured strong demand, outstripping capacity growth to achieve record y-o-y passenger load factor of 85.6%. RASK improved 1.1%.
- SilkAir: Capacity declined 8.2%, due to route transfers to Scoot and grounding of the 737 MAX. As traffic fell by a smaller extent, passenger load factor improved 4.4% points. RASK increased 3.5%.
- Scoot: Robust passenger revenue growth driven by higher traffic. RASK was up 4.1%, on the back of an increase in passenger load factor of 3.7% points.

Cargo yield and load factor declined due to weaker cargo demand amid trade uncertainties and an export manufacturing slowdown in Europe and Asia.

Net fuel cost fell, primarily due to lower fuel prices.

Higher ex-fuel cost was mainly attributable to both an increase in capacity as well as higher traffic.

SIAEC associates and joint ventures contributed an increase of \$20 million to net profit.

Operating and net profit both improved year on year.





Group Financial Results

Double-digit rates of increase in operating profit and net profit for the quarter

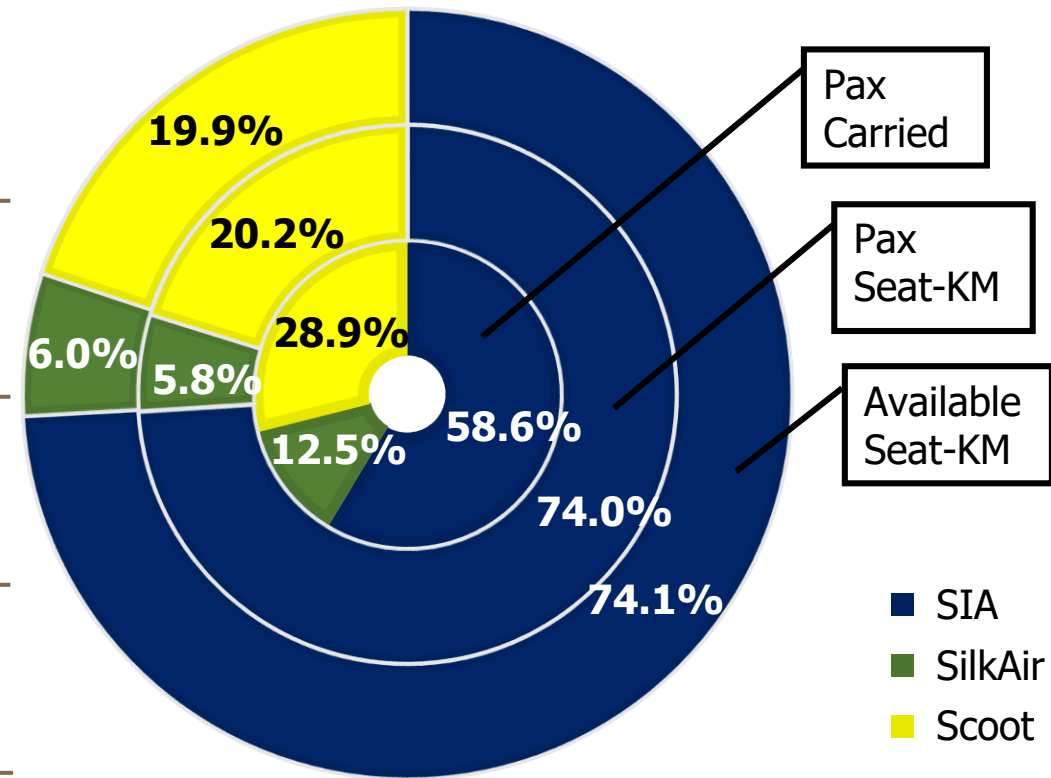
	Q3 FY19/20 (\$'m)	Q3 FY18/19 (\$'m)	Better/ (Worse) (%)	9M FY19/20 (\$'m)	9M FY18/19 (\$'m)	Better/ (Worse) (%)
Total Revenue	4,470.6	4,341.5	3.0	12,795.1	12,248.1	4.5
Total Expenditure	4,022.1	3,953.9	(1.7)	11,933.5	11,434.5	(4.4)
-- <i>Net Fuel Cost</i>	<i>1,207.0</i>	<i>1,252.0</i>	<i>3.6</i>	<i>3,555.9</i>	<i>3,487.5</i>	<i>(2.0)</i>
<i>Fuel cost</i>	<i>1,198.7</i>	<i>1,353.9</i>	<i>11.5</i>	<i>3,623.9</i>	<i>3,873.3</i>	<i>6.4</i>
<i>Fuel hedging loss/(gain)</i>	<i>8.3</i>	<i>(101.9)</i>	<i>n.m.</i>	<i>(68.0)</i>	<i>(385.8)</i>	<i>(82.4)</i>
-- <i>Non-fuel expenditure</i>	<i>2,815.1</i>	<i>2,701.9</i>	<i>(4.2)</i>	<i>8,377.6</i>	<i>7,947.0</i>	<i>(5.4)</i>
Operating Profit	448.5	387.6	15.7	861.6	813.6	5.9
Operating Profit Margin (%)	10.0	8.9	1.1 pts	6.7	6.6	0.1 pt
Group Profit Attributable to Owners of the Parent	314.8	284.1	10.8	520.4	480.1	8.4
-- <i>Basic Earnings Per Share (¢)</i>	<i>26.6</i>	<i>24.0</i>	<i>10.8</i>	<i>43.9</i>	<i>40.6</i>	<i>8.1</i>

Group Operating Statistics

Overall passenger traffic growth; record Q3 PLF for the Group

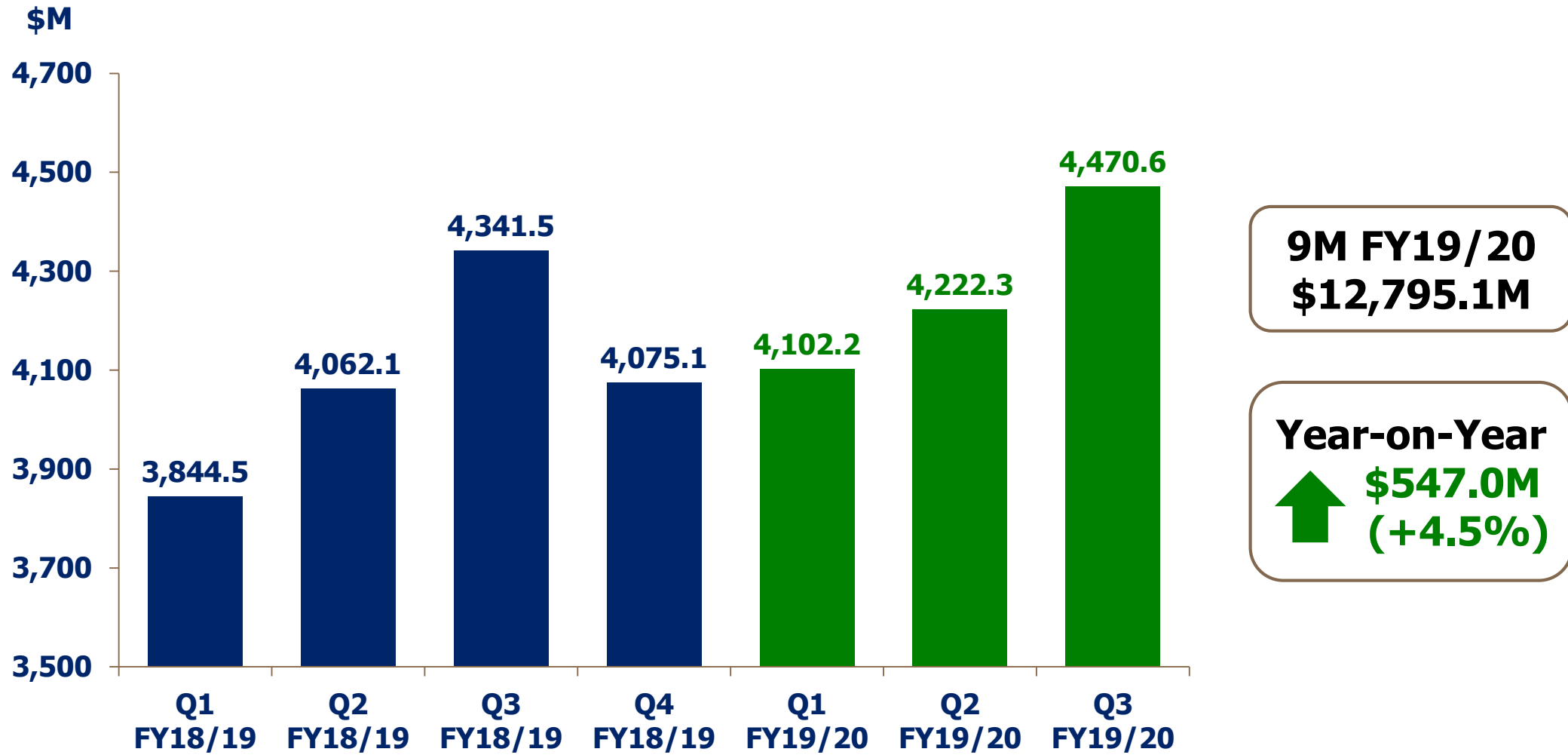
		Q3 FY19/20	Change (%)	9M FY19/20	Change (%)
	Pax carriage (PKM `m)	28,851.8	9.7	83,795.0	9.0
	Capacity (ASK `m)	33,708.9	6.9	98,684.5	7.2
	Pax load factor (%)	85.6	2.2 pts	84.9	1.4 pts
	Pax carriage (PKM `m)	2,240.1	(2.9)	6,825.2	0.8
	Capacity (ASK `m)	2,749.5	(8.2)	8,569.0	(3.5)
	Pax load factor (%)	81.5	4.4 pts	79.6	3.4 pts
	Pax carriage (PKM `m)	7,879.8	6.8	23,191.6	6.1
	Capacity (ASK `m)	9,047.8	2.3	26,746.3	4.5
	Pax load factor (%)	87.1	3.7 pts	86.7	1.3 pts
	Cargo load (LTK `m)	1,732.1	(9.1)	4,997.4	(7.4)
	Capacity (CTK `m)	2,823.3	(2.2)	8,411.0	(0.8)
	Cargo load factor (%)	61.4	(4.6) pts	59.4	(4.3) pts

CAPACITY, CARRIAGE, AND PAX CARRIED DISTRIBUTION (Q3 FY19/20)



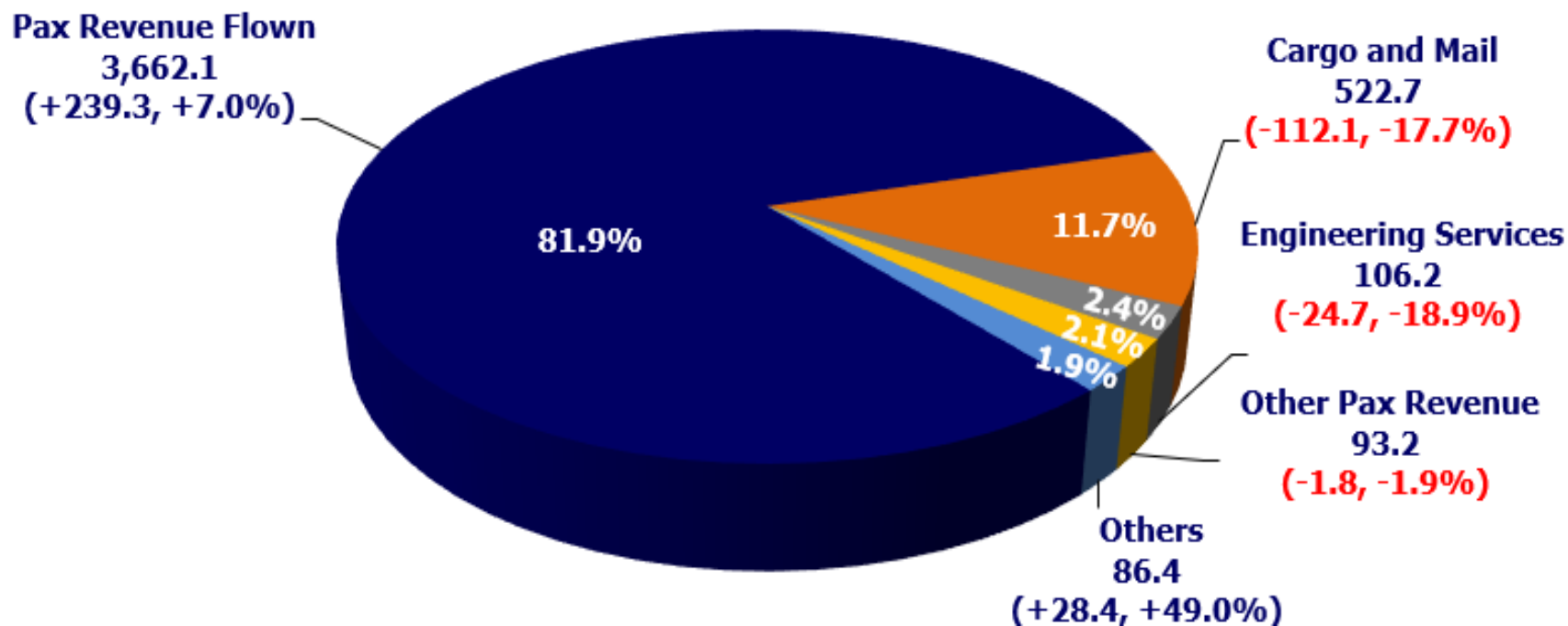
Group Revenue Q3 & 9M FY19/20

Improvement led by strong pax flown revenue, and partially offset by lower cargo revenue



Group Revenue Breakdown Q3 FY19/20

Strong pax traffic growth drove improvements in RASK and revenue



Q3 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)	+224.9	+1.1	-1.0	+9.7	+6.9
SilkAir	-11.6	+3.5	-1.8	-2.9	-8.2
Scoot	+26.0	+4.1	-1.7	+6.8	+2.3
SIA (Cargo)	-112.1	n.a.	-9.3	-9.1	-2.2

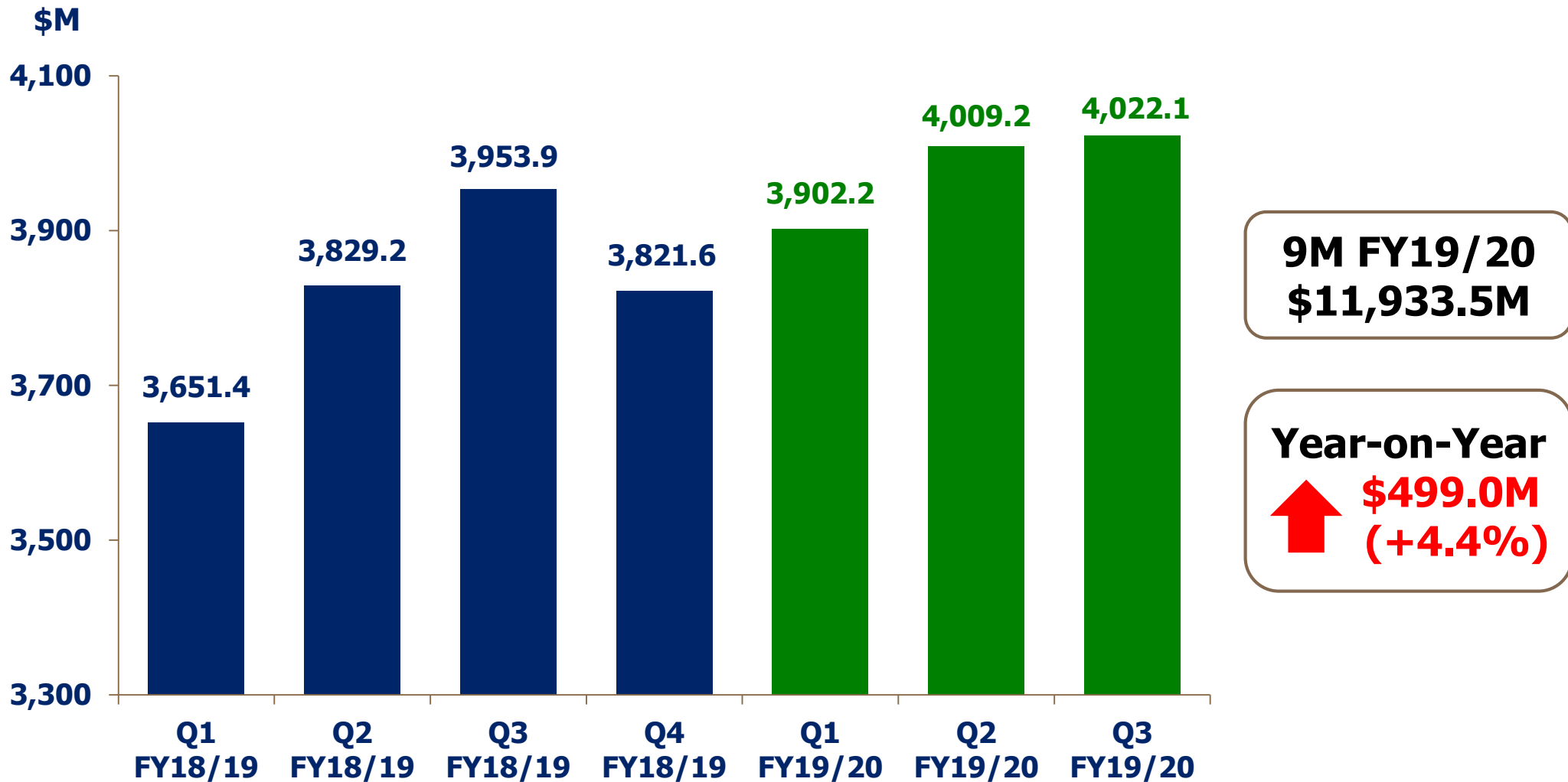
SIA Group – Q3 FY19/20

Breakdown of Change in Yield & RASK ex-FX

	RASK against last year %		RASK (ex-FX) against last year %		Yields against last year %		Yields (ex-FX) against last year %	
SIA (Pax)	+	1.1	+	2.2	-	1.0	-	0.2
SilkAir	+	3.5	+	3.7	-	1.8	-	2.2
Scoot	+	4.1	+	3.9	-	1.7	-	0.8
SIA (Cargo)		n.a.		n.a.	-	9.3	-	8.1

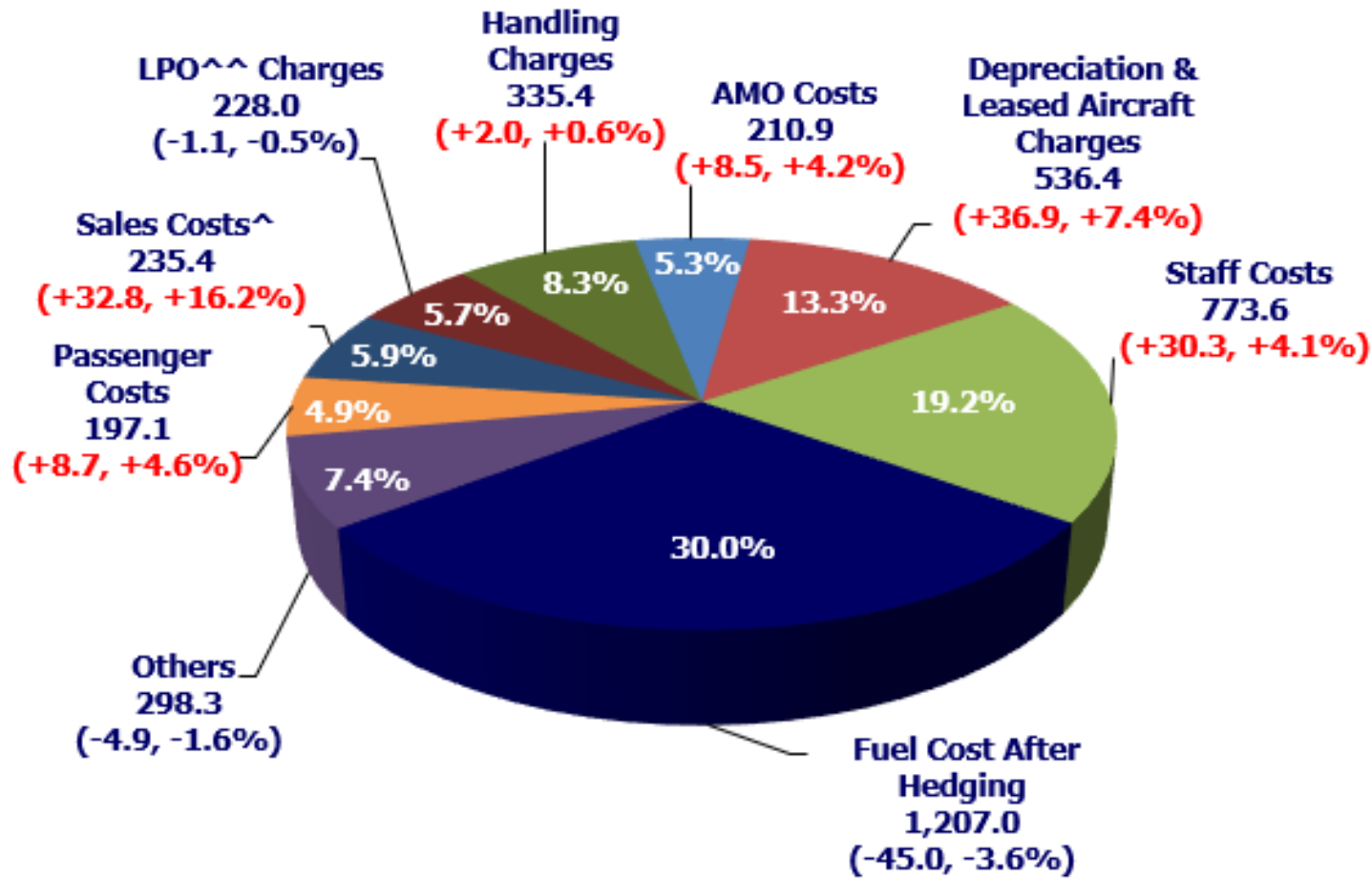
Group Expenditure Q3 & 9M FY19/20

Higher group cost due to expansion in operations



Group Expenditure Breakdown Q3 FY19/20

Lower net fuel cost; higher ex-fuel cost mainly attributable to increase in capacity as well as higher traffic



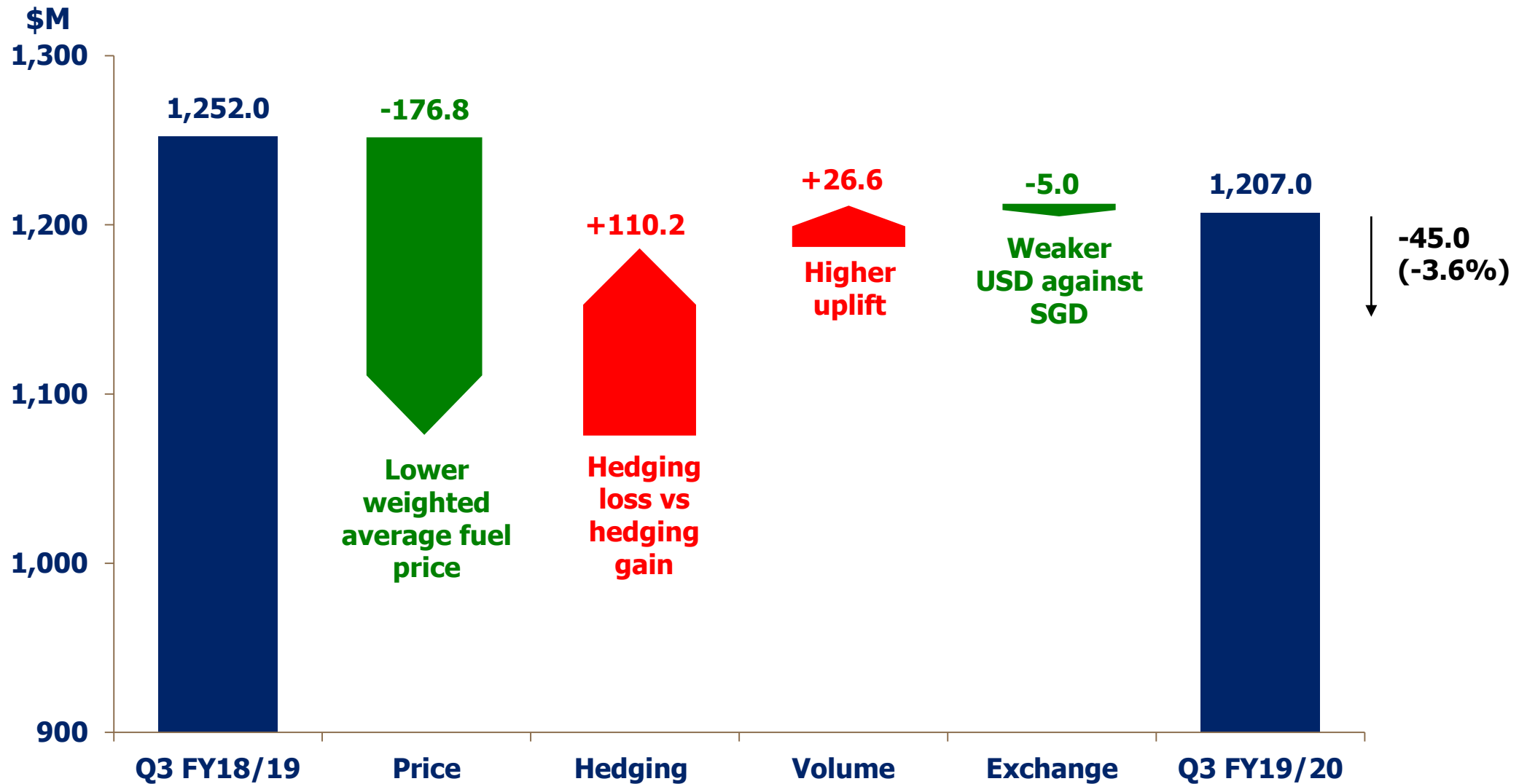
Q3 FY19/20	CASK y-o-y (%)	CASK ex-fuel y-o-y (%)
SIA (Pax)	-3.6	-1.9
SilkAir	+3.5	+6.3
Scot	+1.9	+2.9

^ Includes commissions & incentives, and advertising & sales cost

^^ Landing, Parking & Overflying

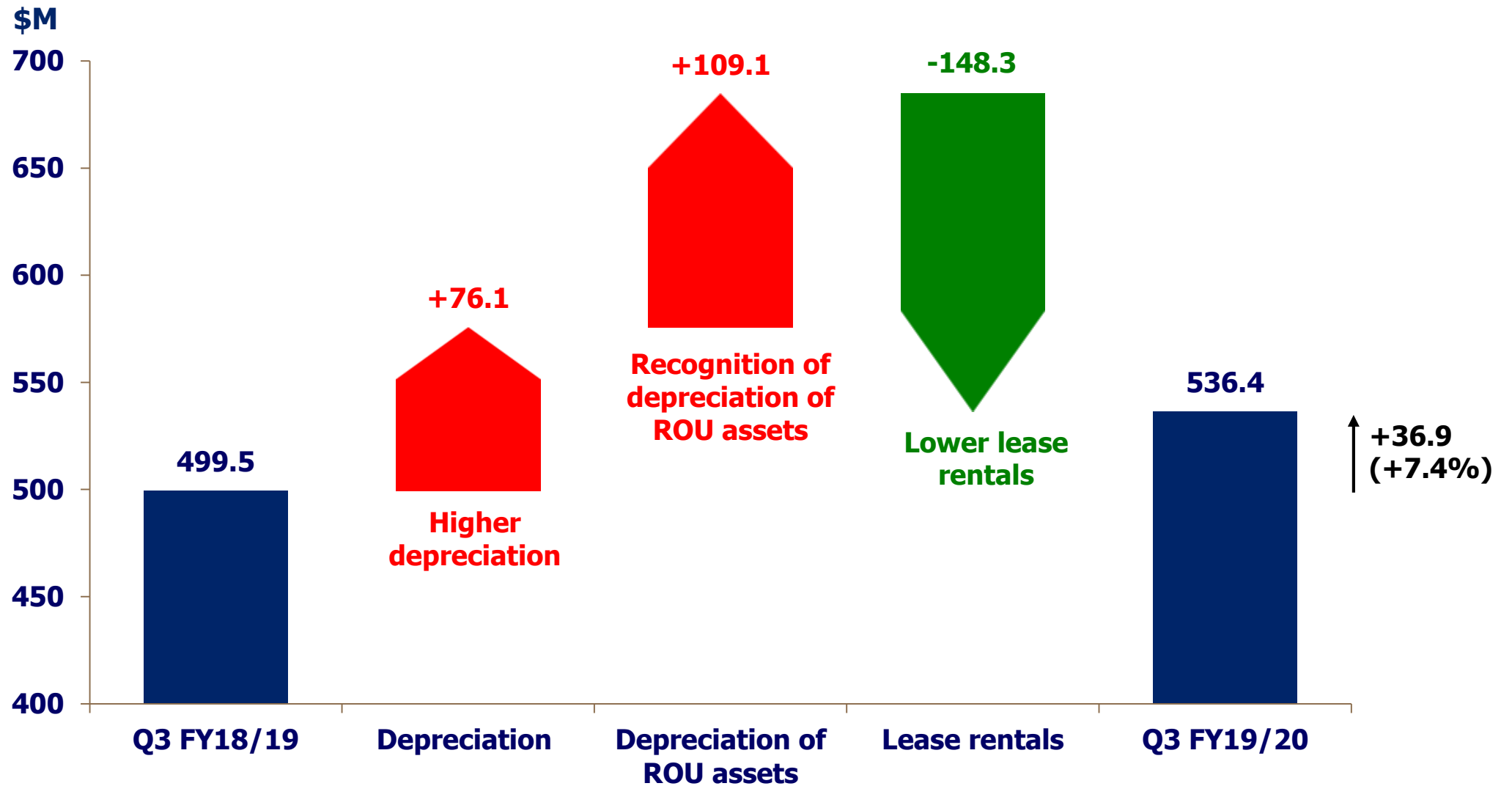
Group Expenditure – Fuel Cost Q3 FY19/20

Lower net fuel costs mainly due to decrease in average jet fuel price post-hedging



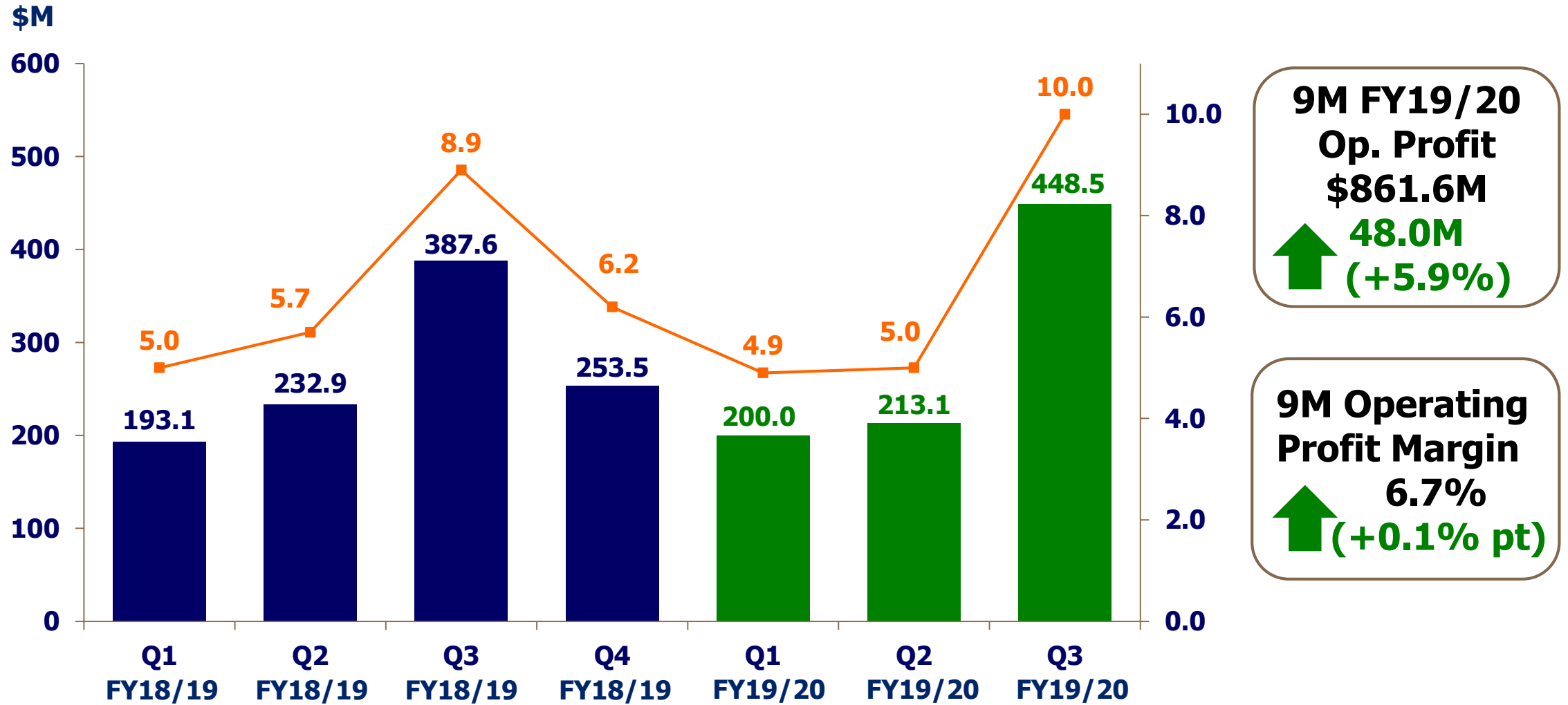
SIA Group – Q3 FY19/20

Depreciation and Leased Aircraft Charges



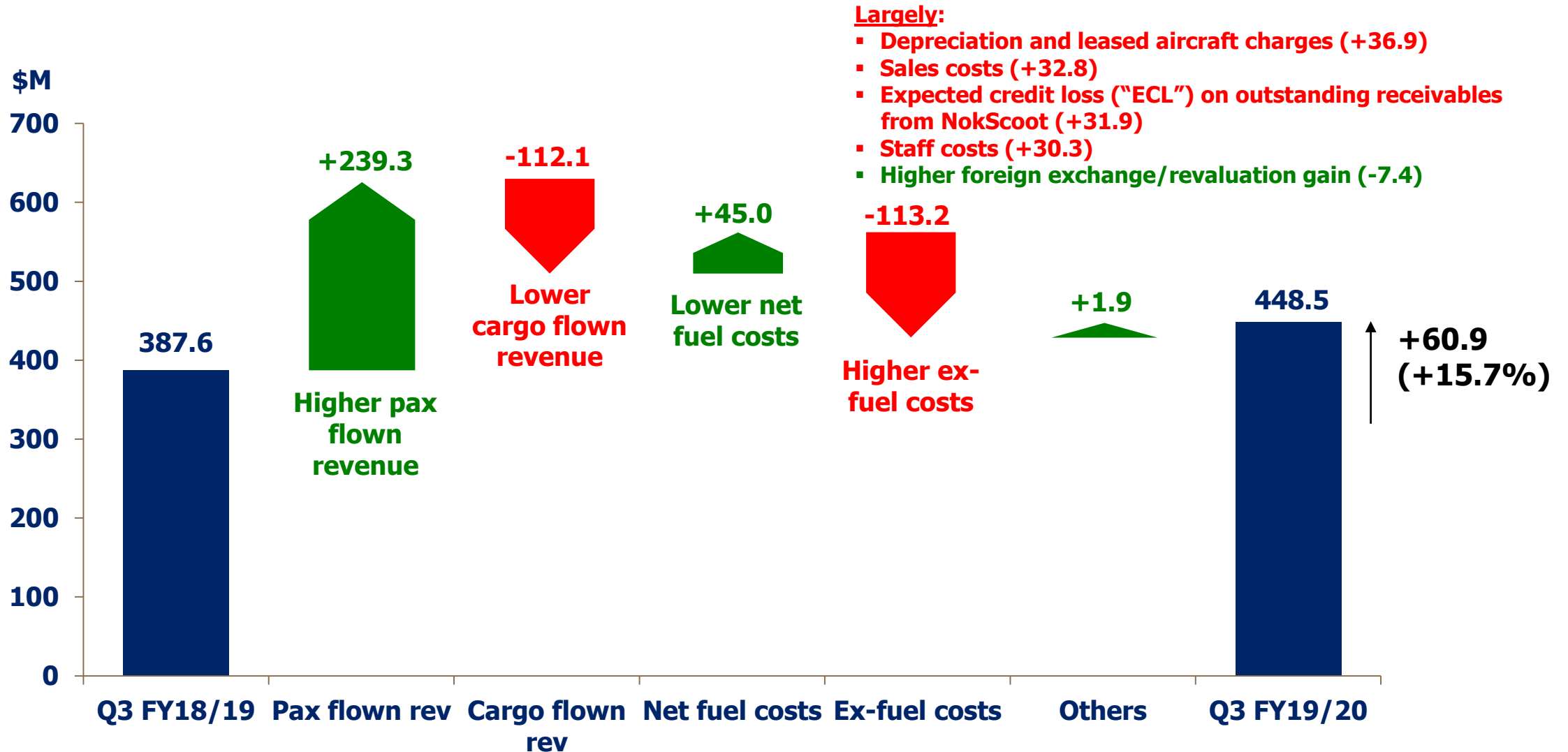
Group Operating Profit Q3 & 9M FY19/20

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







Group Operating Profit Q3 FY19/20

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

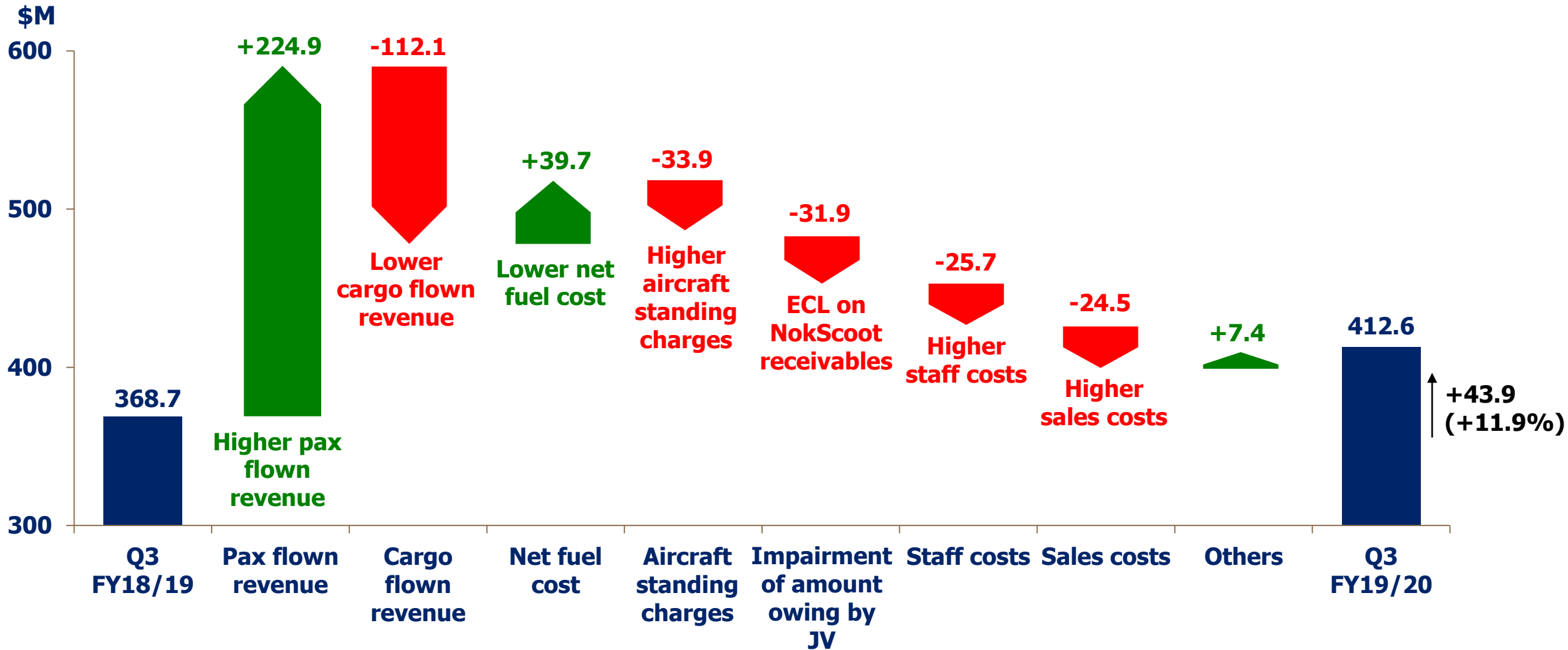


Operating Results for the Main Companies in the Group Q3 & 9M FY19/20

Operating Profit /(Loss)		Q3 FY19/20 (\$'m)	Q3 FY18/19 (\$'m)	Better/ (Worse) (%)	9M FY19/20 (\$'m)	9M FY18/19 (\$'m)	Better/ (Worse) (%)
	SIA (Parent Airline Company)	412.6	368.7	+11.9	877.6	786.9	+11.5
	SilkAir	6.9	7.4	(6.8)	(12.2)	4.6	n.m.
	Scoot	4.1	0.7	n.m.	(72.8)	(9.3)	n.m.
	SIAEC Group	16.1	15.9	+1.3	53.4	37.4	+42.8

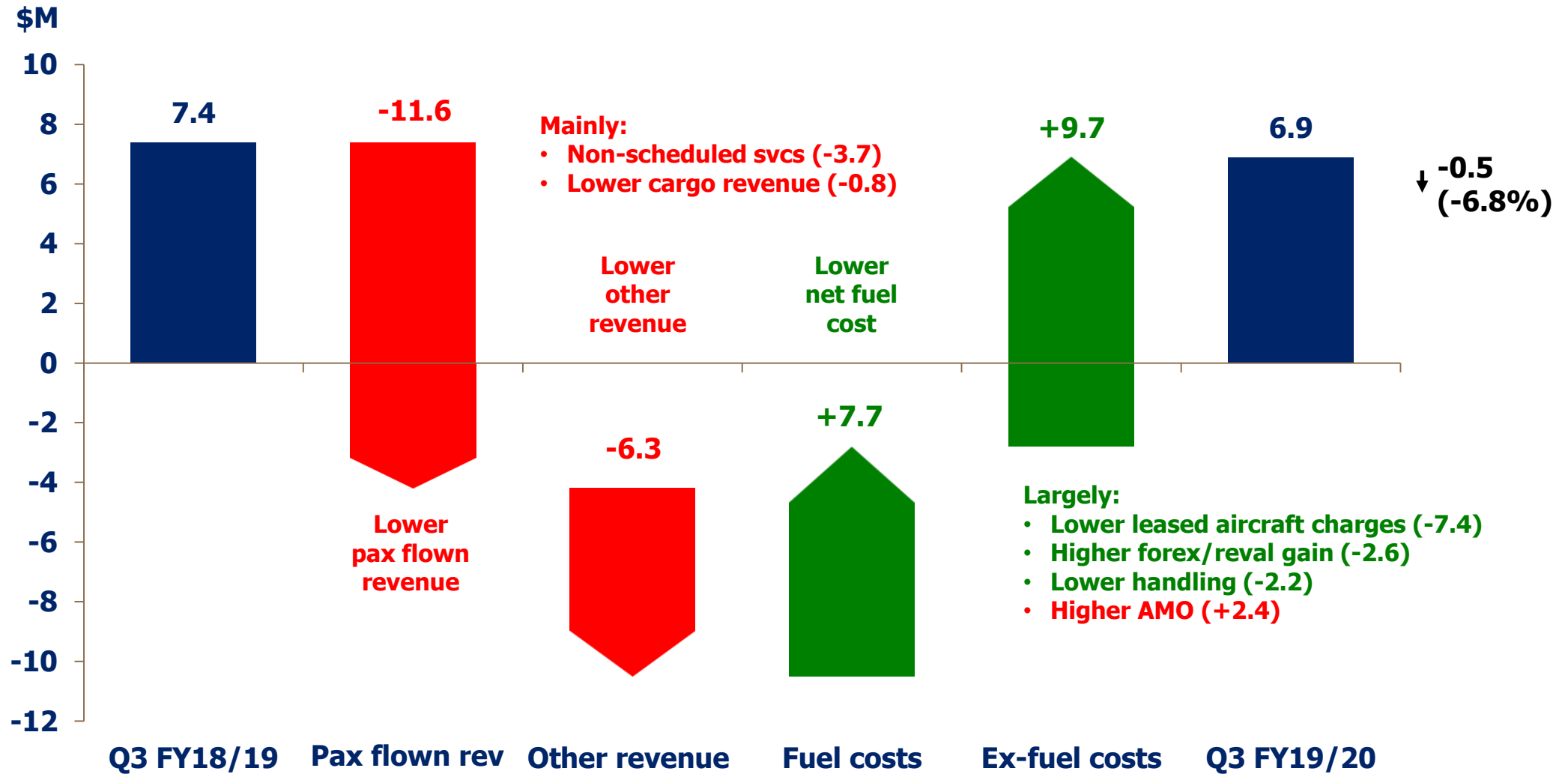
Composition of Change in SIA (Parent Airline Company)'s Operating Results Q3 FY19/20

Operating profit improved on strong pax revenue growth



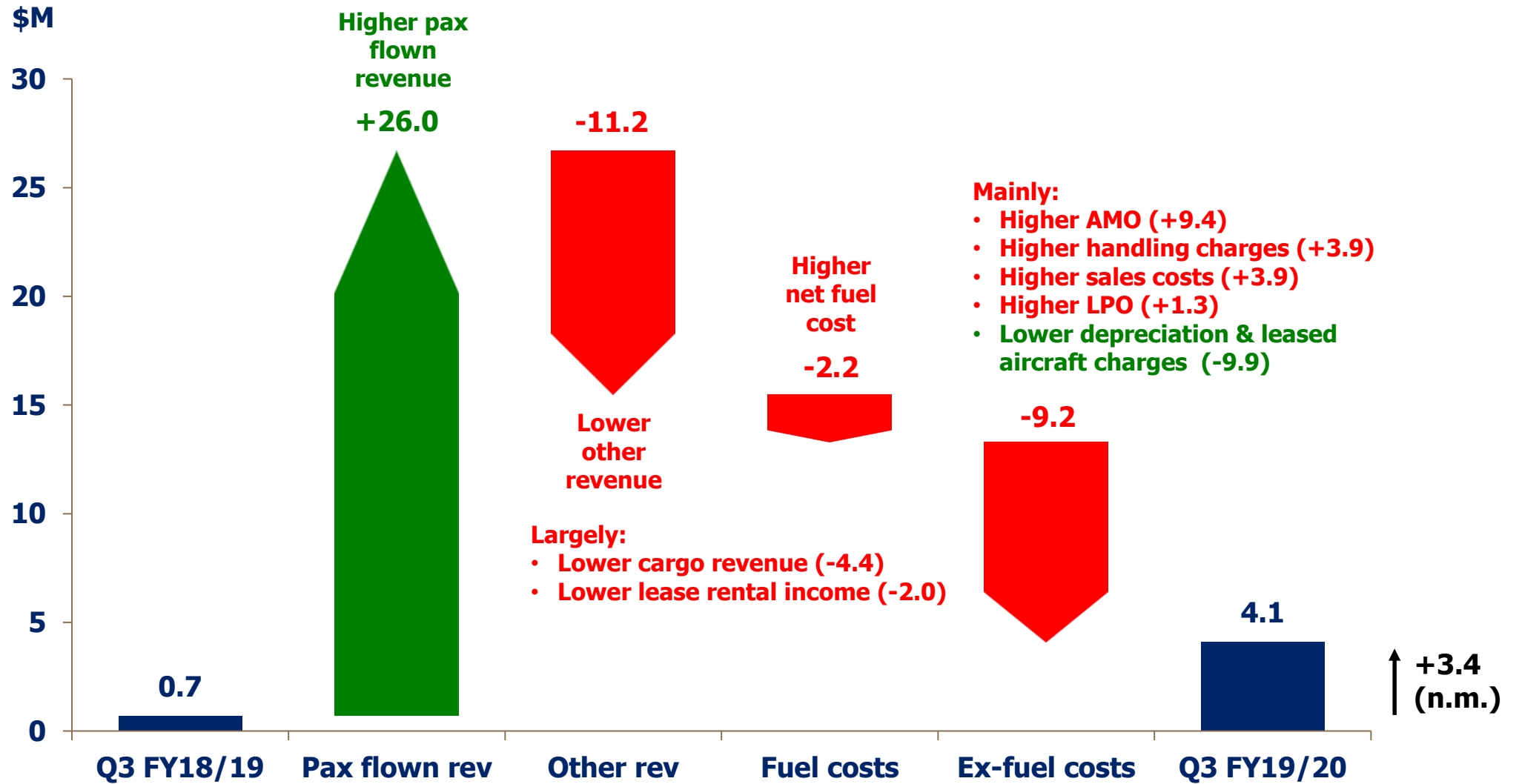
SIA Group – Q3 FY19/20

SilkAir: Composition of Decrease in Operating Performance



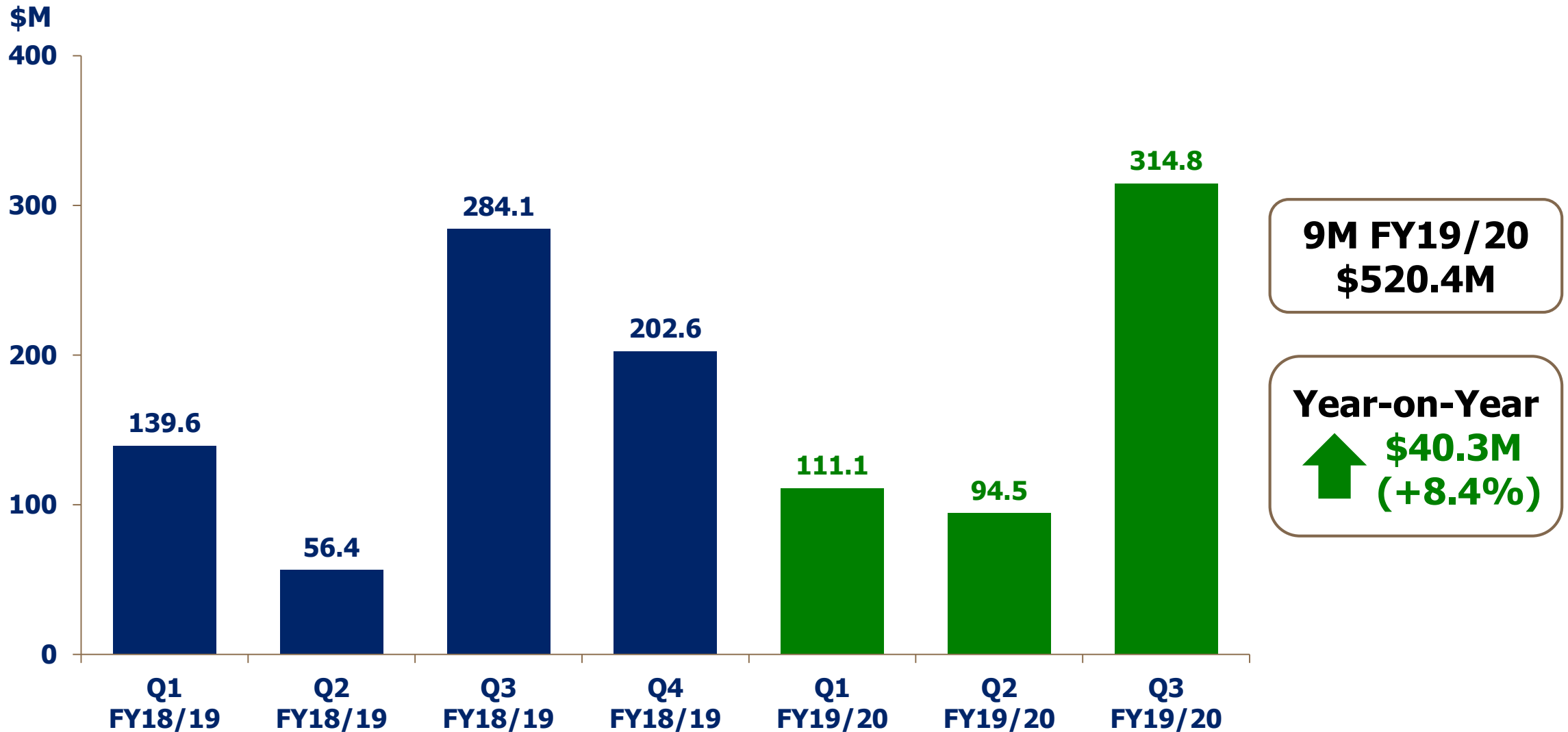
SIA Group – Q3 FY19/20

Scoot: Composition of Increase in Operating Performance



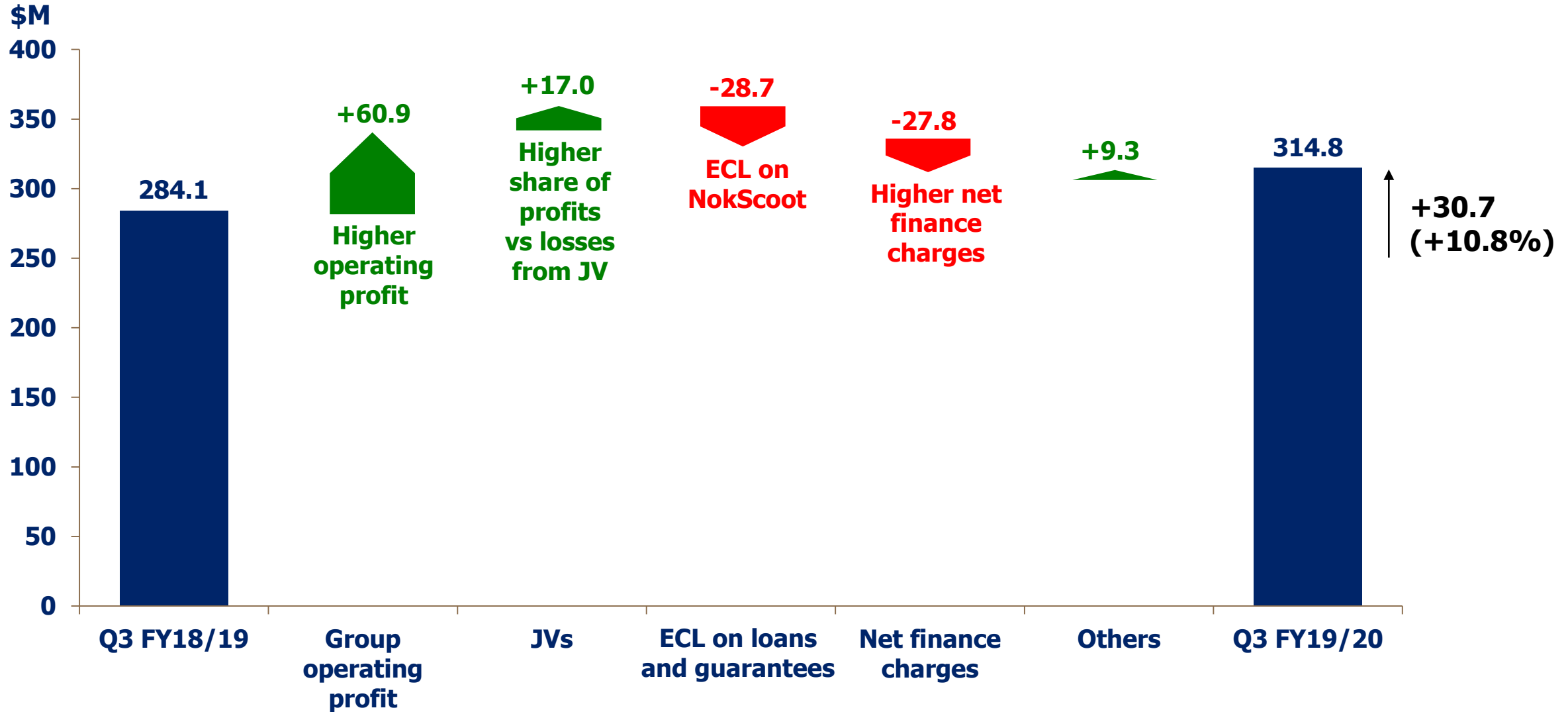
Group Profit Attributable to Owners of the Parent Q3 & 9M FY19/20

Improvement in Q3 & 9M net profit



Group Profit Attributable to Owners of the Parent Q3 FY19/20

Higher group operating profit and improved results from JVs, partially offset by ECL on NokScoot and higher net finance charges



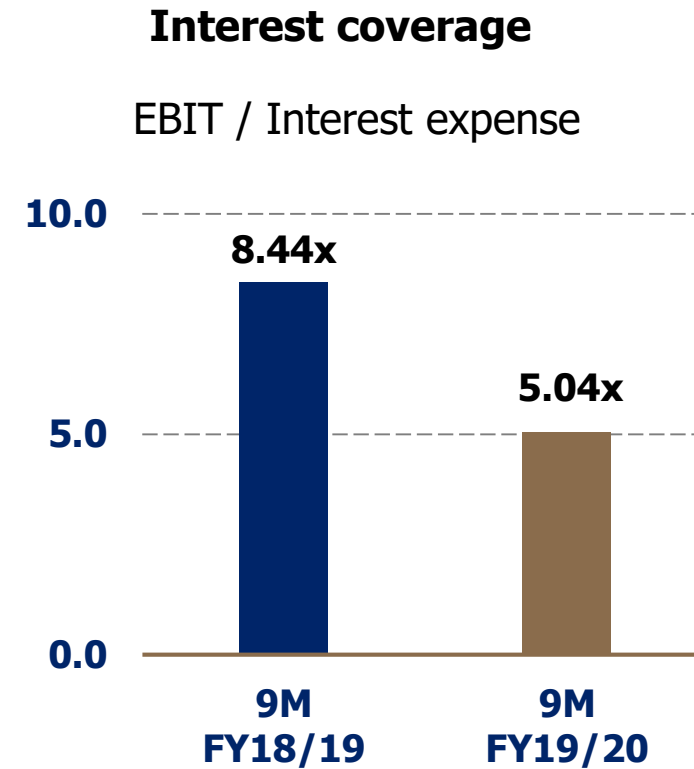
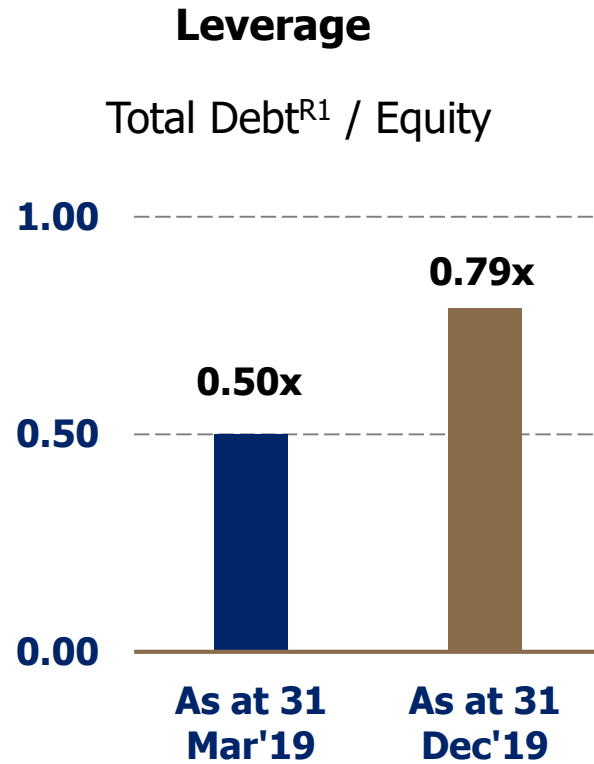
SIA Group Per Share Data

	9M FY19/20	9M FY18/19
EBITDA per share (\$)	2.04	1.49
Basic earnings per share (¢)	43.9	40.6

	As at 31 Dec'19	As at 31 Mar'19
Net Asset Value per share (\$)	10.25	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 Fleet Development

Operating Fleet	As at 30 Sep'19	In	Out	As at 31 Dec '19
 SINGAPORE AIRLINES	777-200	4		3
	777-200ER	4		4
	777-300	5		5
	777-300ER	27		27
	A380-800	19		19
 SINGAPORE AIRLINES CARGO	A330-300	12		9
	A350-900	41	+4	45
	787-10	14	+1	15
	747-400F	7		7
SIA Total	133	+5	-4	134
 SILKAIR	A319	2		2
	A320	7		7
	737-800	17		17
SilkAir Total	26	-	-	26
 scoot	787-8	10		10
	787-9	10		10
	A320ceo	26		26
	A320neo	2		2
Scoot Total	48	-	-	48
Group Total	207	+5	-4	208

Group Fuel Hedging Position

As at 30 January 2020

Q4 FY19/20	Jet Fuel	Brent
Percentage hedged	79%	-
Average hedged price (USD/BBL)	76	-

FY20/21	Jet Fuel	Brent
Percentage hedged	51%	22%
Average hedged price (USD/BBL)	74	58

FY21/22 – FY24/25	Jet Fuel	Brent
Percentage hedged	up to 7%	up to 52%
Average hedged price (USD/BBL)	71	58 – 62

Thank you

