SINGAPORE AIRLINES

SIA GROUP

FY2018-19 Results

17 May 2019

SIA Group – FY18/19 Key Takeaways

- **Achieved highest Group revenue on record (previous high was in FY08/09)**
  - SIA Pax: Captured strong demand, outstripping growth in capacity. RASK higher, helped by premium cabins.
  - MI: Traffic growth healthy, largely offset by yields. RASK 1.2% lower.
  - Scoot: Traffic growth slightly behind (significant) capacity injection. RASK declined 2.0%.
  - Cargo: Momentum waned in 2H due to weaker economic conditions in some markets, and trade tensions.
- **$1.0 billion headwind from increase in fuel costs (partly mitigated by hedges).**
- **Performance also dampened by absence of last year's non-recurring revenue.**

THE PARENT AIRLINE Q4 AND FY18/19 RESULTS

Parent Airline Company Operating Results

	Q4 FY18/19 ($M)	Q4 FY17/18* ($M)	Better/ (Worse) (%)	FY18/19 ($M)	FY17/18* ($M)	Better/ (Worse) (%)
Total Revenue	**3,253.6**	**3,210.3**	**1.3**	**13,144.2**	**12,807.5**	**2.6**
Total Expenditure	**3,050.0**	**2,927.4**	**(4.2)**	**12,153.7**	**11,469.4**	**(6.0)**
-- Net fuel cost	903.1	829.5	(8.9)	3,763.1	3,227.9	(16.6)
Fuel cost	*924.0*	*898.2*	*(2.9)*	*4,094.6*	*3,306.2*	*(23.8)*
Fuel hedging gain	*(20.9)*	*(68.7)*	*(69.6)*	*(331.5)*	*(78.3)*	*n.m.*
-- Non-fuel expenditure	2,146.9	2,097.9	(2.3)	8,390.6	8,241.5	(1.8)
Operating Profit	**203.6**	**282.9**	**(28.0)**	**990.5**	**1,338.1**	**(26.0)**
Operating Profit Margin (%)	**6.3**	**8.8**	**(2.5) pts**	**7.5**	**10.4**	**(2.9) pts**

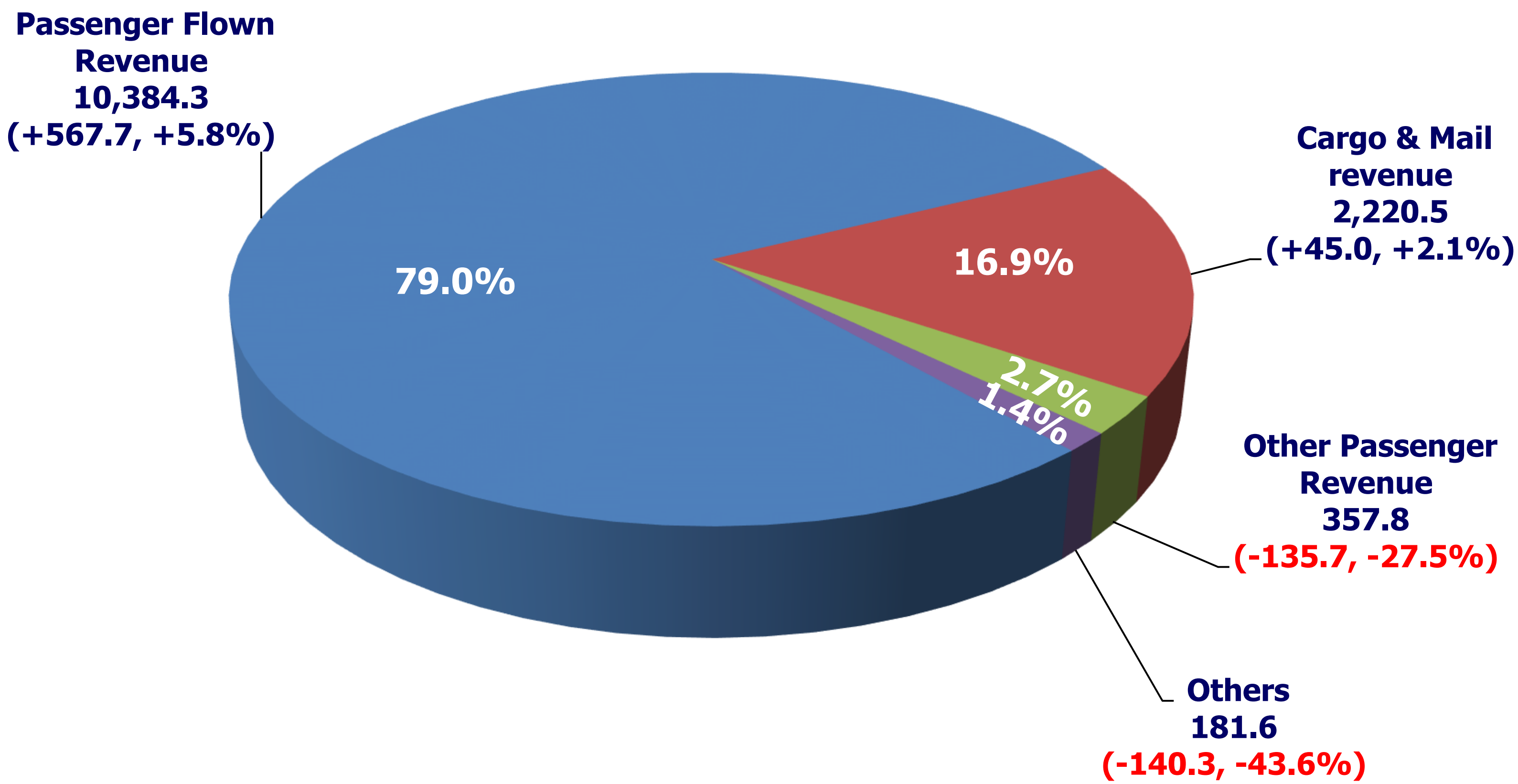
***Restated due to IFRS1, and adjusted prior year's comparatives to take into account of SIA Cargo integration within the Parent Airline Company**

Gains in pax flown revenue supported by robust traffic growth; higher RASK with record PLF

Parent Airline Company (Pax)	Q4 FY18/19	Change %	FY18/19	Change %
Revenue Passenger-KM (M)	25,666.7	8.8	102,571.9	7.0
Available Seat-KM (M)	31,428.7	8.1	123,486.2	4.5
Passenger Load Factor (%)	81.7	0.6 pt	83.1	2.0 pts
Pax Yield (¢/pkm)	10.2	(1.0)	10.1	(1.0)
RASK (¢/ask)	8.4	-	8.4	1.2
Pax Unit Cost (CASK) (¢/ask)	8.3	(1.2)	8.3	2.5
Pax Unit Cost (CASK) Ex-Fuel (¢/ask)	5.6	(1.8)	5.5	(1.8)

Strong growth in pax flown revenue partially offset by absence of non-recurring revenue last year

Parent Airline Company
FY18/19 Revenue Breakdown ($M)



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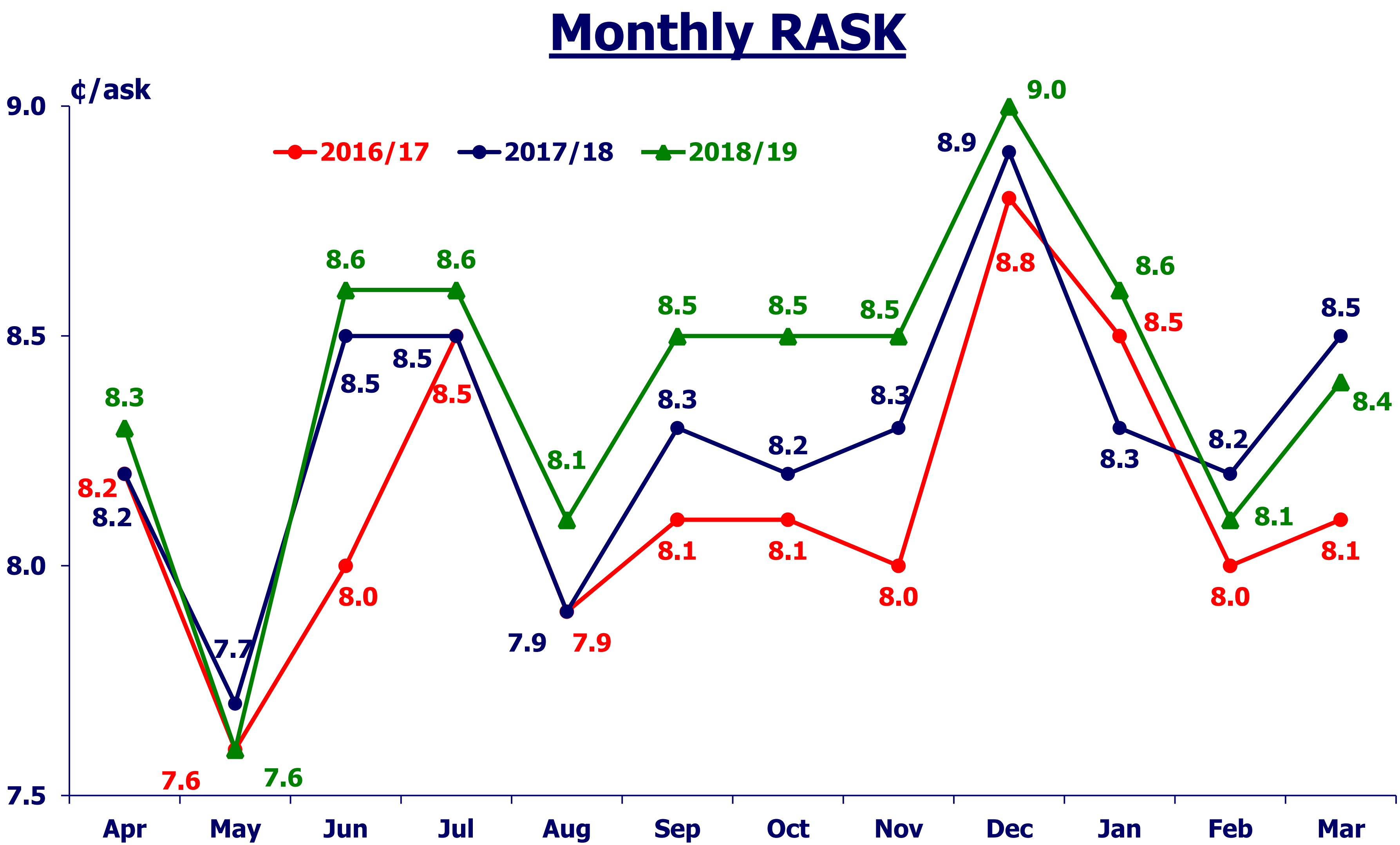
Overall improvement in RASK over the last two financial years



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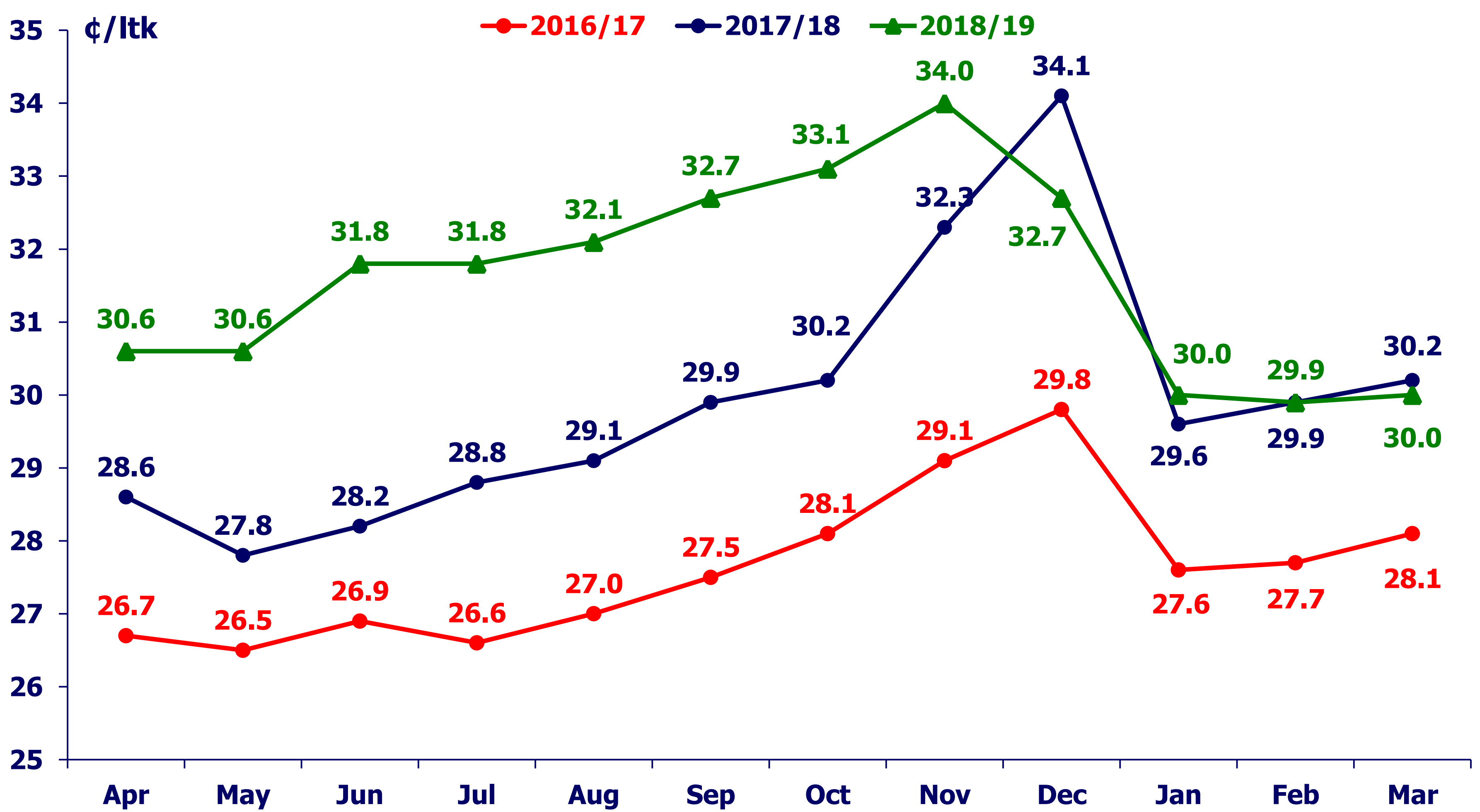
Cargo flown revenue improved as stronger yields mitigated lower loads carried for the year

Parent Airline Company (Cargo)	Q4 FY18/19	Change %	FY18/19	Change %
Cargo Load Tonne-KM (M)	1,607.6	(6.8)	7,006.5	(3.5)
Cargo Capacity Tonne-KM (M)	2,732.3	(0.3)	11,210.4	0.8
Cargo Load Factor (%)	58.8	(4.1) pts	62.5	(2.8) pts
Cargo Yield (¢/ltk)	30.0	0.3	31.7	5.7
Cargo Unit Cost (¢/ctk)	15.7	(0.6)	16.5	1.9

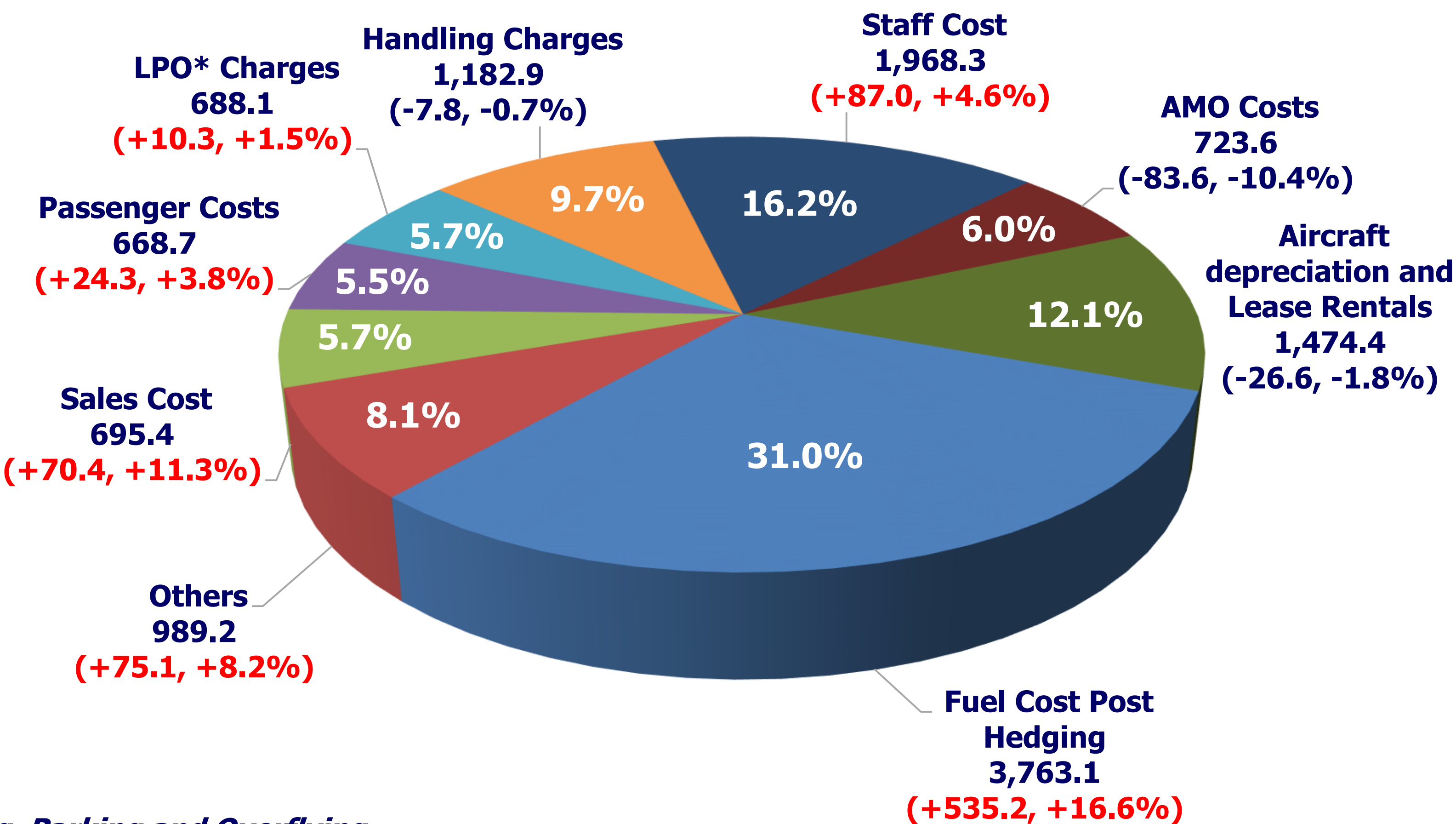
Cargo yields held up well over last two years; downward pressure seen in recent months

Monthly Cargo Yields



Expenditure rose due to higher net fuel cost; ex-fuel costs up on expansion in operations and higher staff strength

Parent Airline Company Cost Composition FY18/19 ($M)



**Landing, Parking and Overflying*

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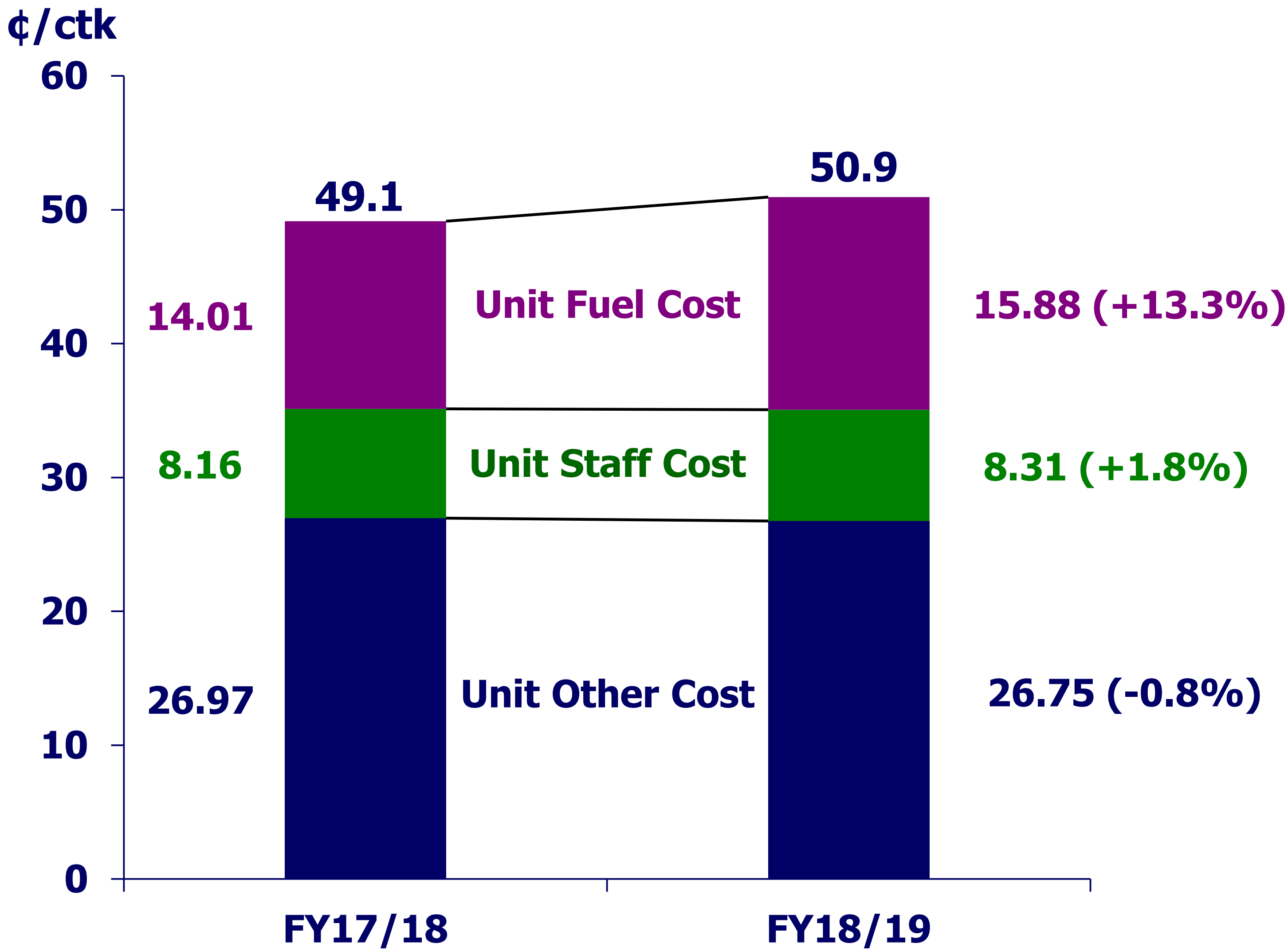
Overall unit cost ex-fuel remained stable

Overall Unit Cost Analysis (FY18/19)



SIA GROUP
Q4 & FY18/19

SIA Group Operating Results

	Q4 FY18/19 ($M)	Q4 FY17/18* ($M)	Better/ (Worse) (%)	FY18/19 ($M)	FY17/18* ($M)	Better/ (Worse) (%)
Total Revenue	**4,075.1**	**4,017.3**	**1.4**	**16,323.2**	**15,806.1**	**3.3**
Total Expenditure	**3,821.6**	**3,683.9**	**(3.7)**	**15,256.1**	**14,257.3**	**(7.0)**
-- Net fuel cost	1,099.6	1,018.5	(8.0)	4,587.1	3,899.3	(17.6)
Fuel cost	*1,127.1*	*1,102.6*	*(2.2)*	*5,000.4*	*3,998.5*	*(25.1)*
Fuel hedging gain	*(27.5)*	*(84.1)*	*(67.3)*	*(413.3)*	*(99.2)*	*n.m.*
-- Non-fuel expenditure	2,722.0	2,665.4	(2.1)	10,669.0	10,358.0	(3.0)
Operating Profit	**253.5**	**333.4**	**(24.0)**	**1,067.1**	**1,548.8**	**(31.1)**
Operating Profit Margin (%)	**6.2**	**8.3**	**(2.1) pts**	**6.5**	**9.8**	**(3.3) pts**

***Restated due to the adoption of IFRS 1, reducing prior year's depreciation by $118.9M (Q4) and $491.5M (FY)**

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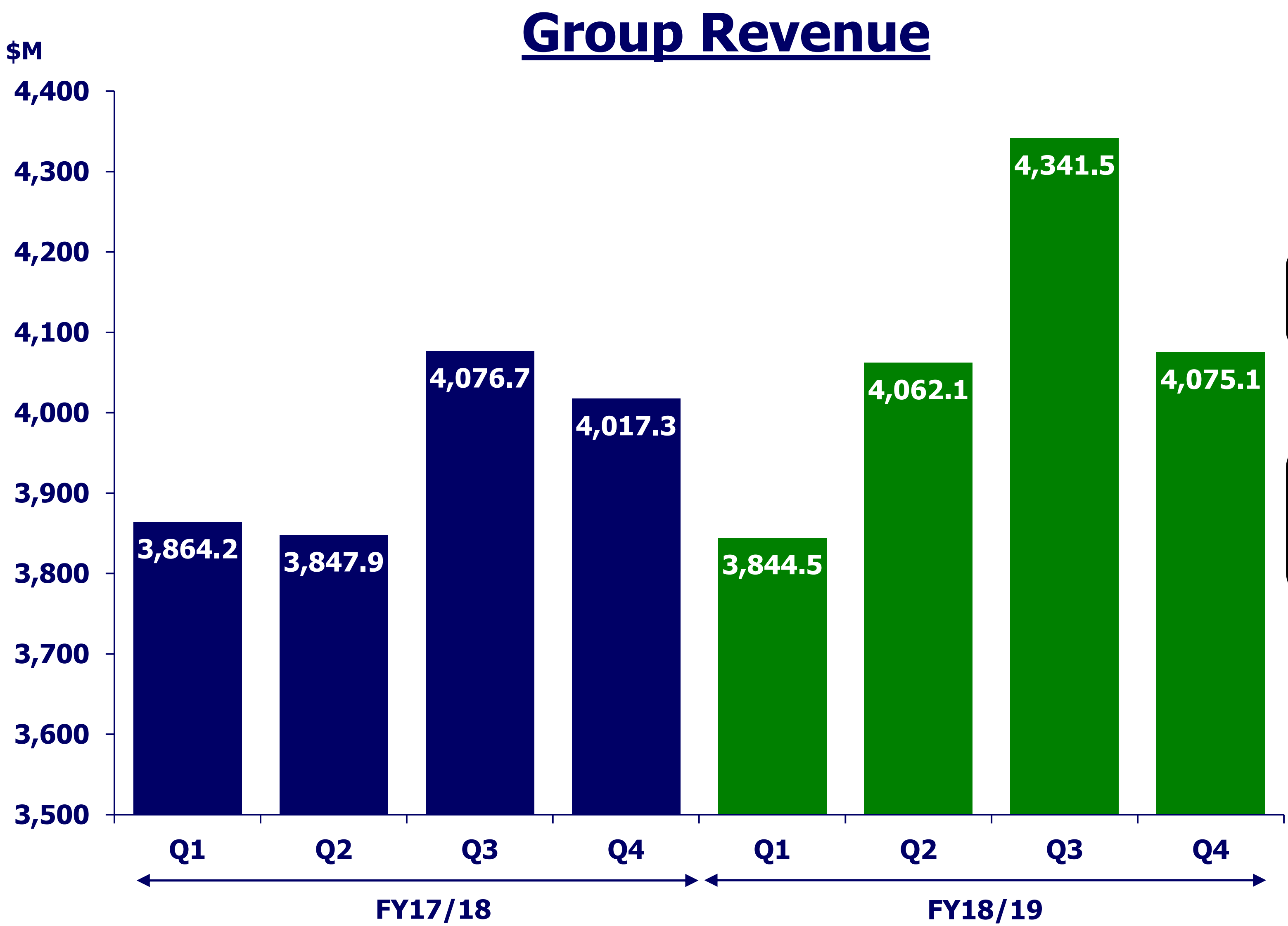
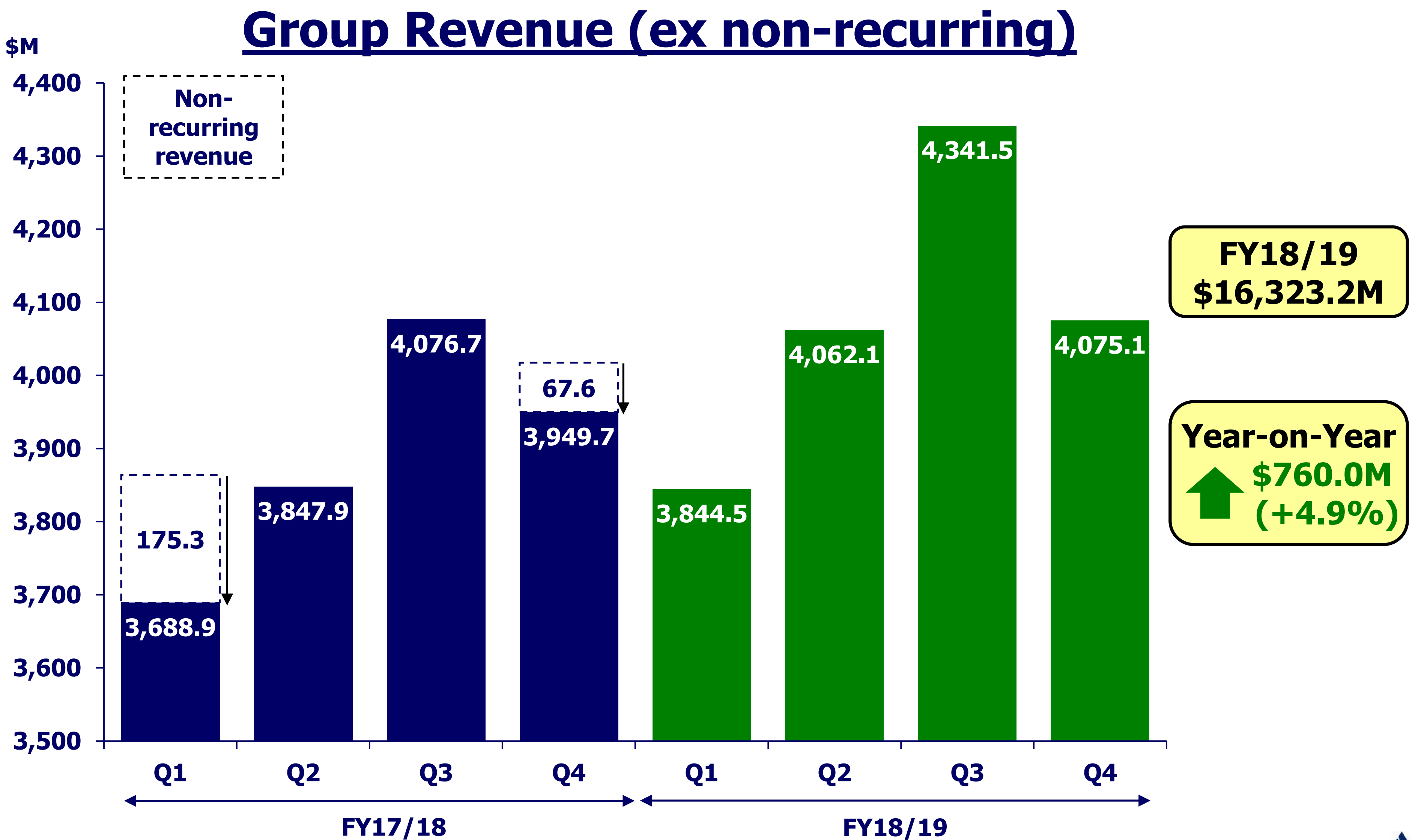
Group revenue improved led by strong pax flown revenue



FY18/19
$16,323.2M

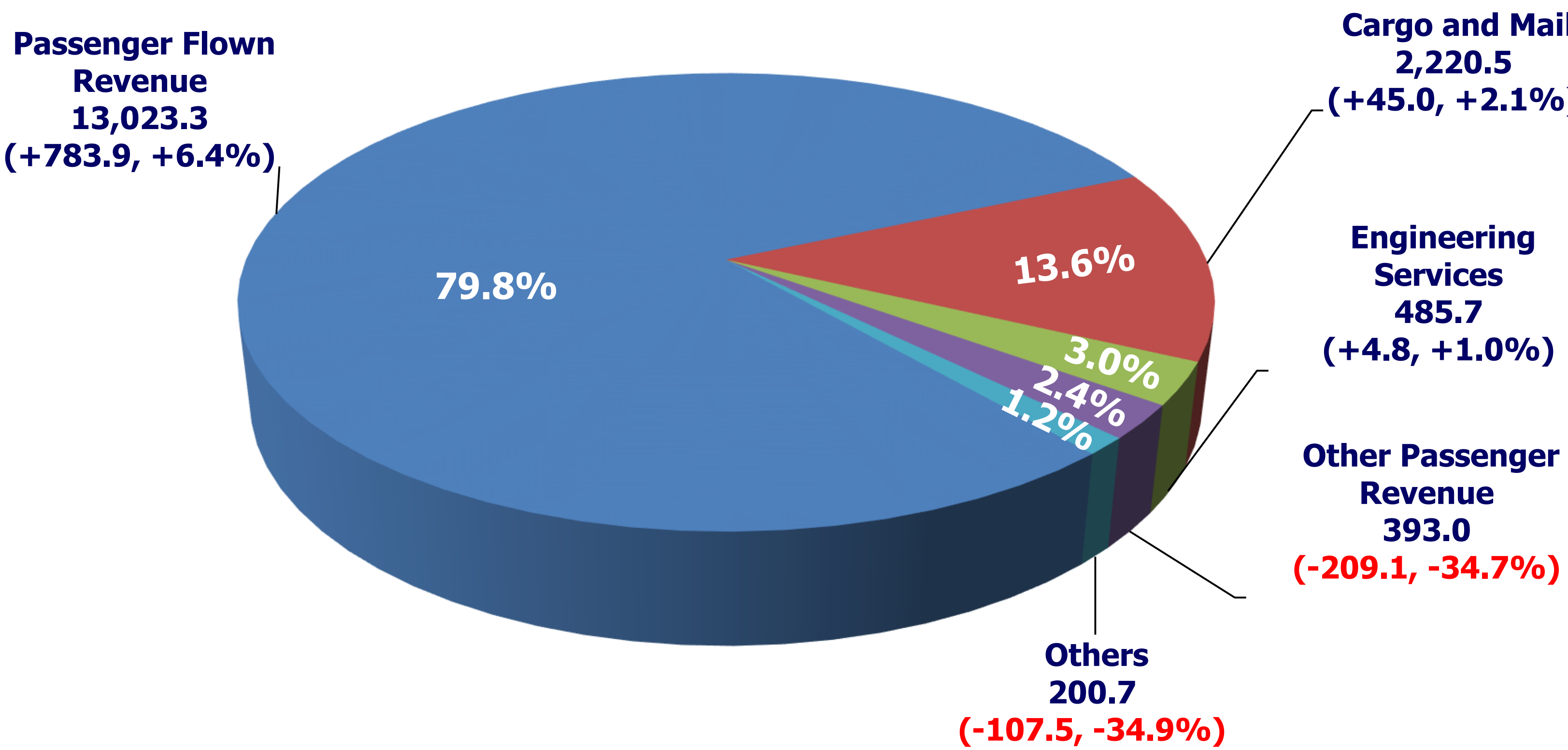
Year-on-Year
$517.1M
(+3.3%)

Excluding non-recurring revenue last year, Group revenue would have reported a larger improvement



Strong growth in pax flown revenue supported by robust traffic growth

FY18/19 Group Revenue Breakdown ($M)



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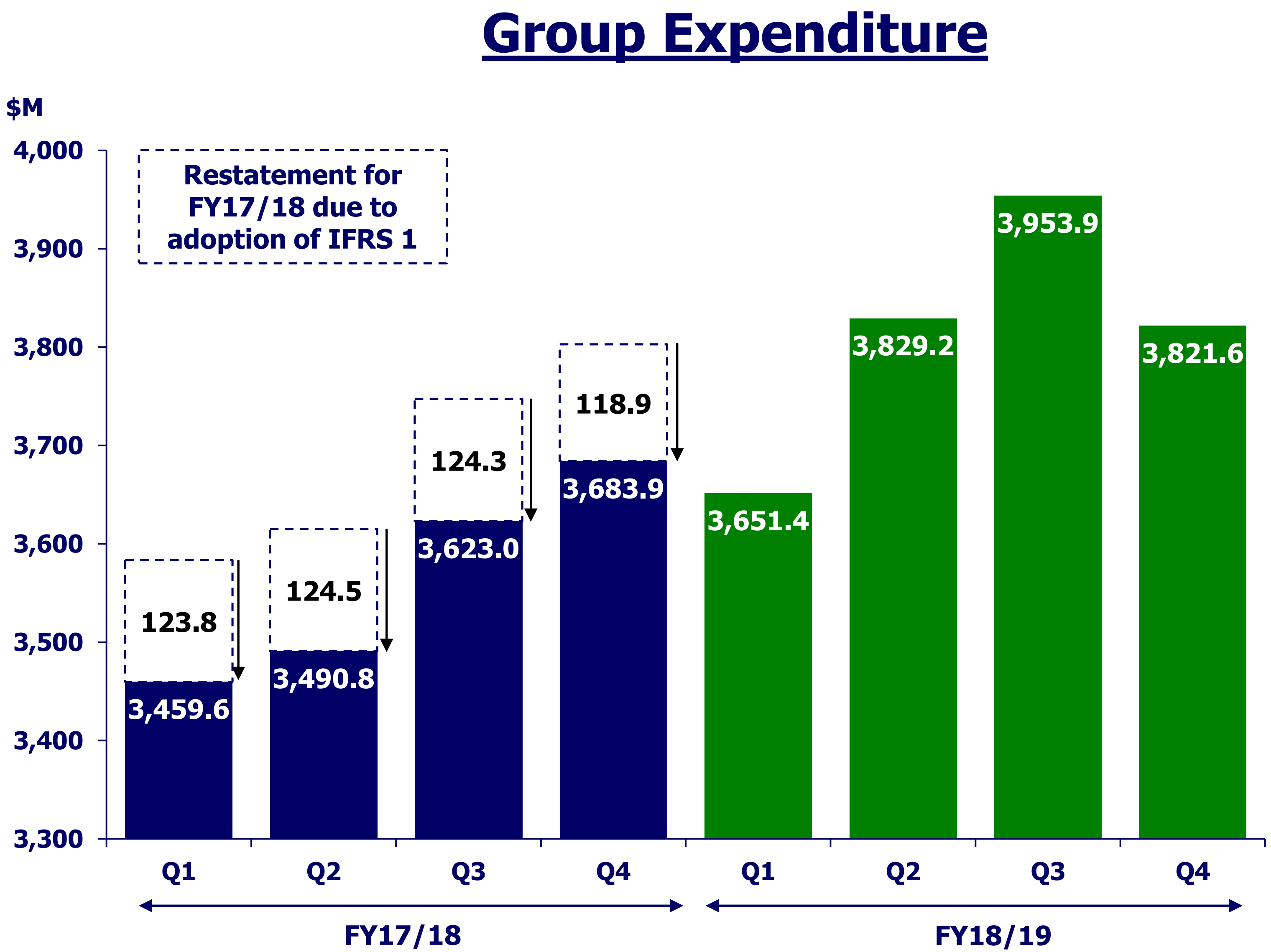
Breakdown of change in flown revenue and statistics

	Flown Revenue against last year $M	RASK against last year %	Yields against last year %	Carriage/Load against last year %	Capacity against last year %
SIA (Pax)	+ 567.7	+ 1.2	- 1.0	+ 7.0	+ 4.5
SilkAir	+ 20.2	- 1.2	- 5.2	+ 7.2	+ 3.2
Scoot	+ 191.1	- 2.0	- 1.7	+ 14.6	+ 15.1
SIA (Cargo)	+ 45.0	n.a.	+ 5.7	- 3.5	+ 0.8

Higher net fuel cost contributed two thirds of the increase in Group expenditure

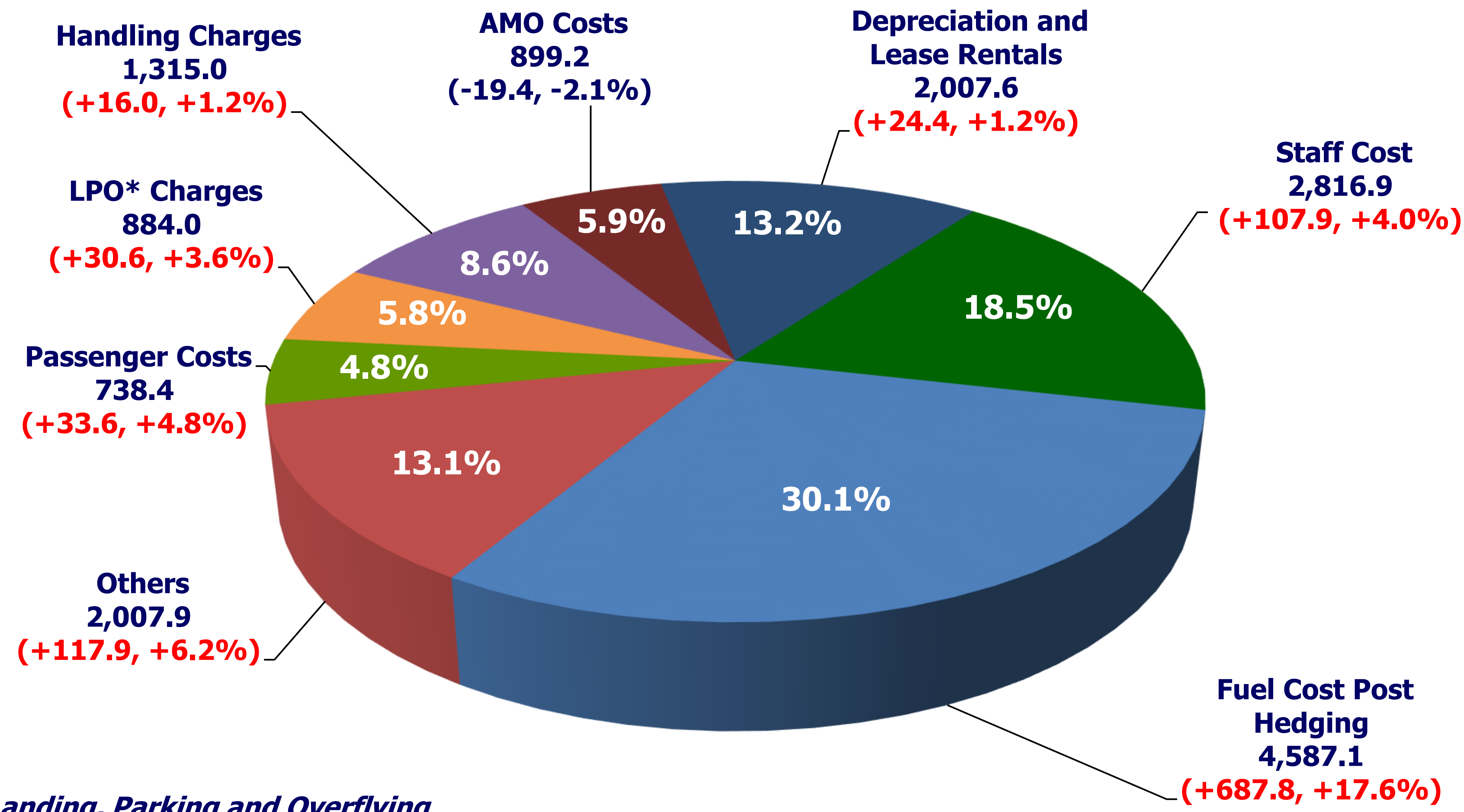


FY18/19
$15,256.1M

Year-on-Year
$998.8M
(+7.0%)

Ex-fuel costs rose largely from expansion of operations

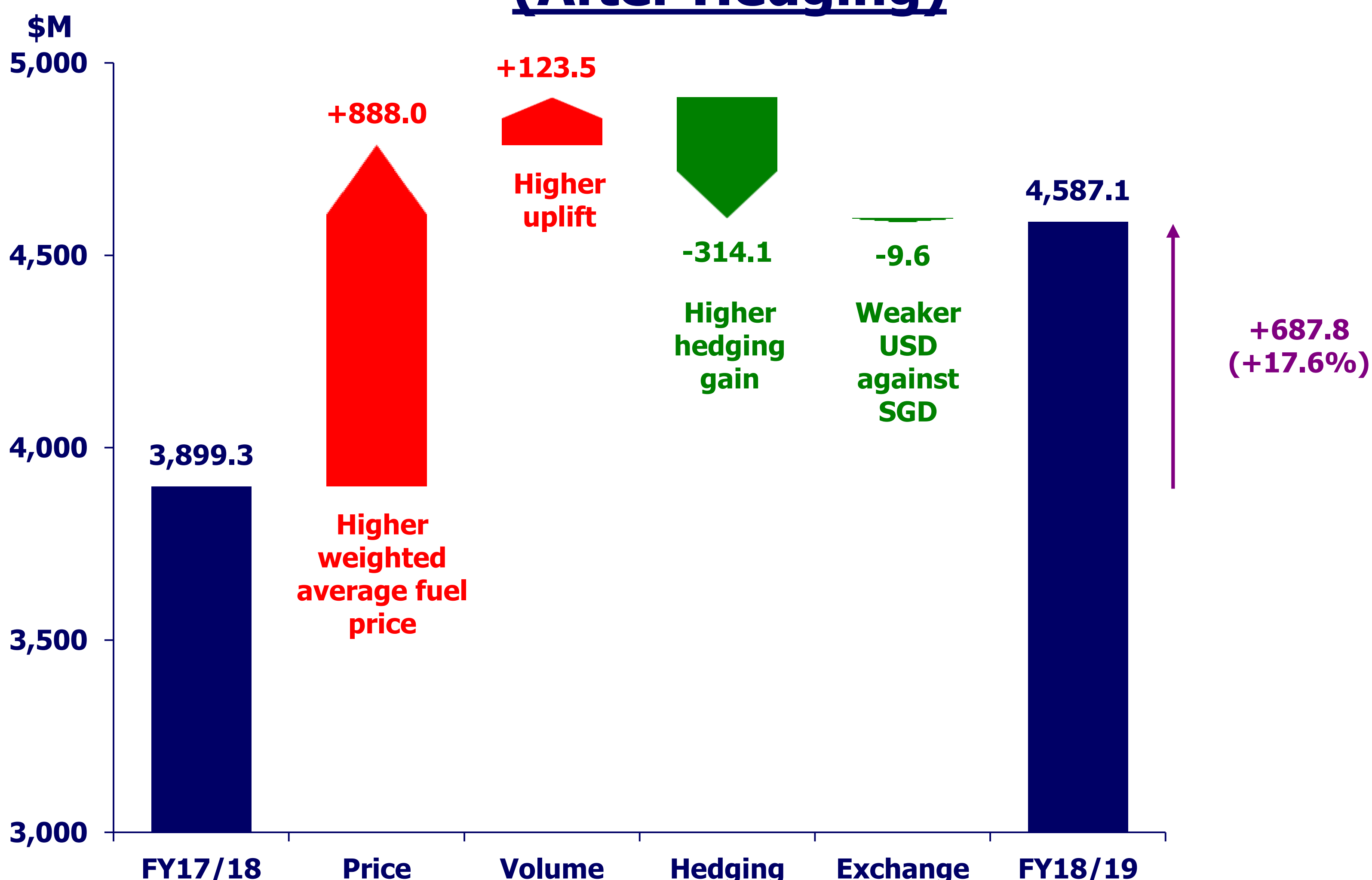
Group Cost Composition ($M)



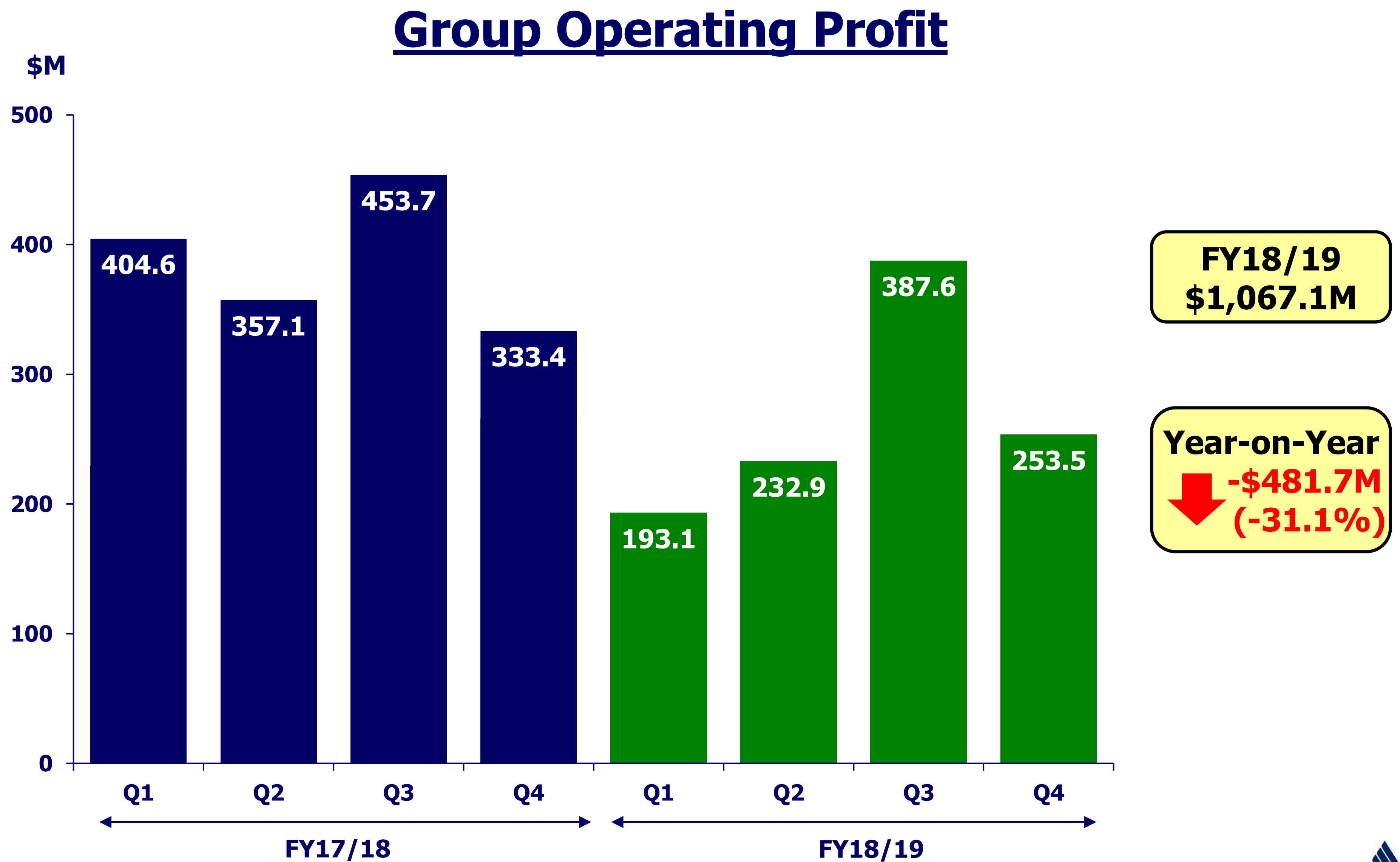
**Landing, Parking and Overflying*

Group fuel cost before hedging rose $1B, partially alleviated by larger hedging gain YoY

Composition of Increase in Group Fuel Cost (After Hedging)

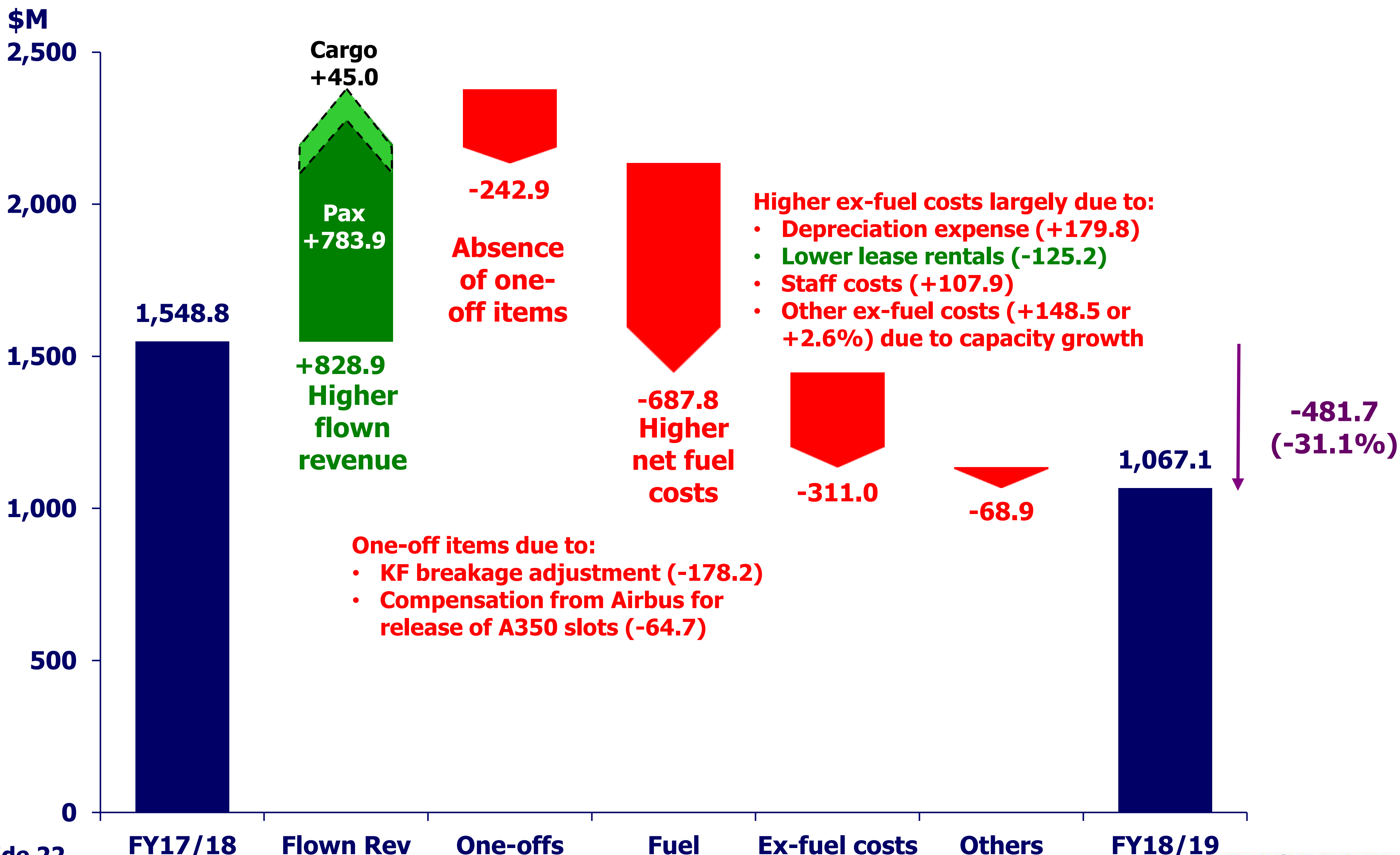


Full year operating profit tops $1B



Strong growth in pax flown revenue negated by steep rise in fuel cost and absence of one-off revenue items

Composition of Decrease in Group Operating Profit



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Operating results for main operating companies in the Group

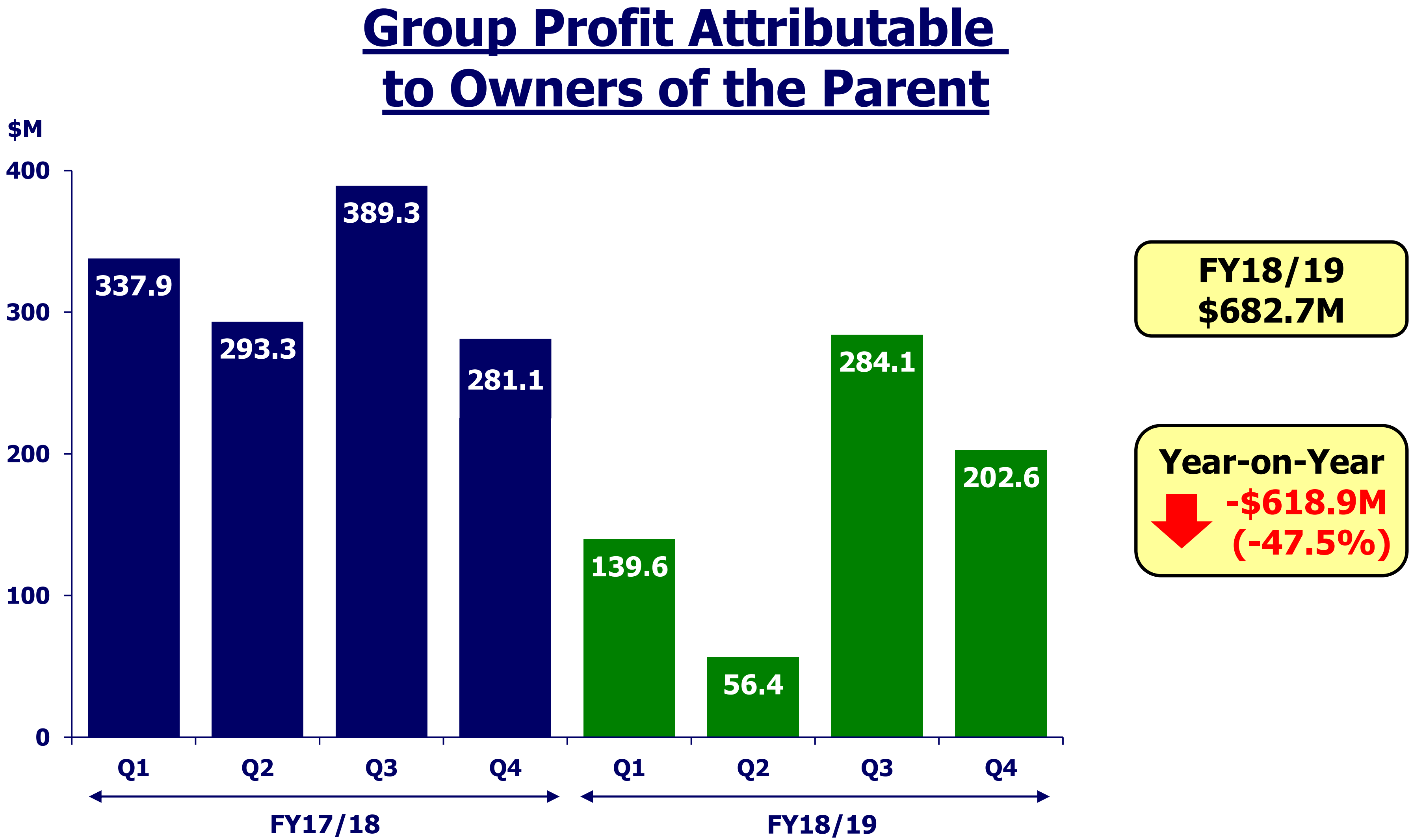
Group Operating Profit/(Loss)

	FY18/19 ($M)	FY17/18[R1] ($M)	Better/ (Worse) ($M)	Better/ (Worse) (%)
SIA[R2]	991	1,338	(347)	(25.9)
SilkAir	15	44	(29)	(65.9)
Scoot	(15)	78	(93)	n.m.
SIAEC Group	57	79	(22)	(27.8)

[R1] Restated depreciation for prior year due to the adoption of IFRS 1

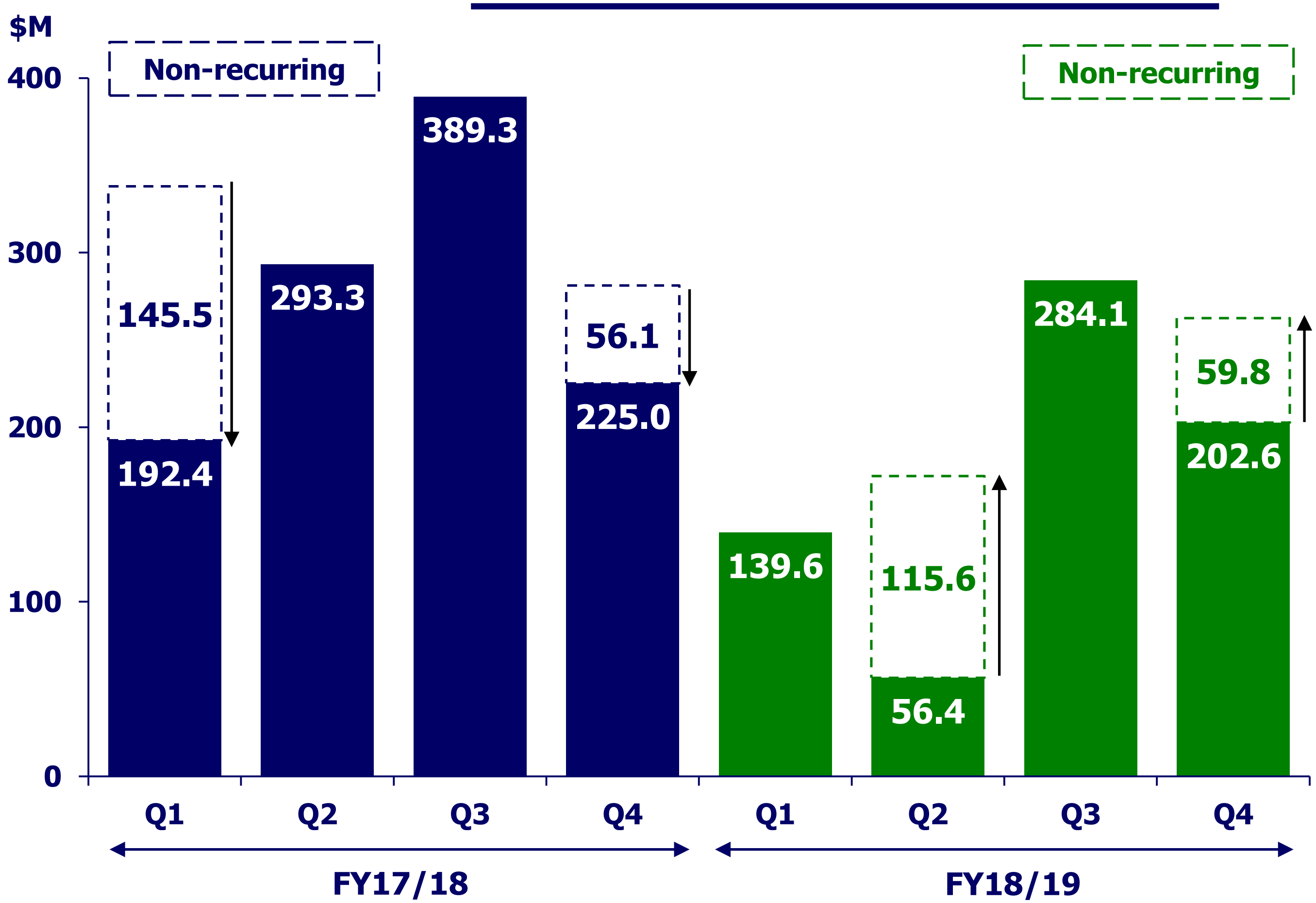
[R2] Adjusted prior year comparatives to take into account SIA Cargo integration within the Parent Airline Company

Group net profit was $683M



Excluding one-off items and SilkAir related costs, Group net profit would have been higher

Adjusted Group Profit Attributable to Owners of the Parent

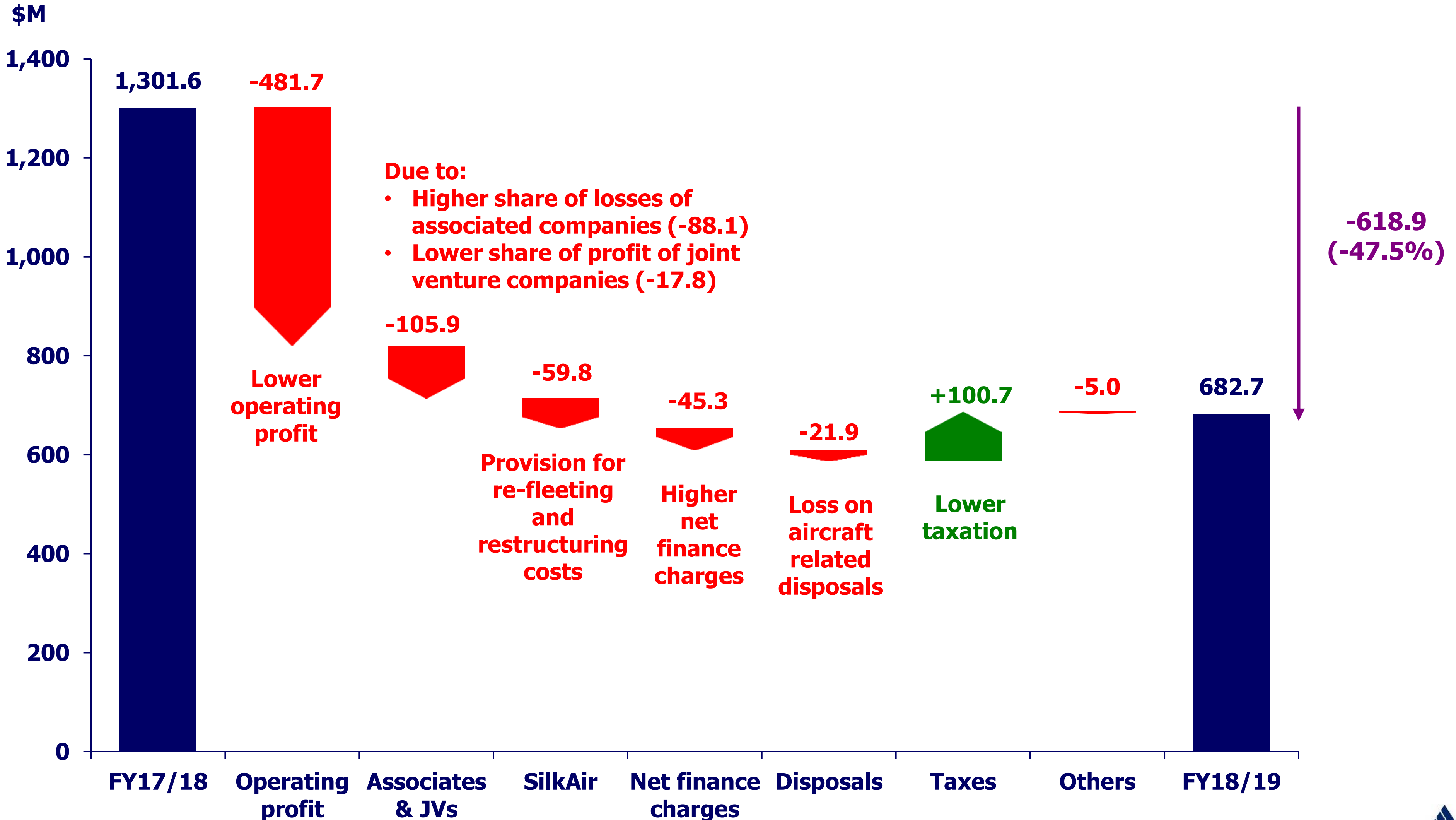


FY18/19
$858.1M

Year-on-Year
-$241.9M
(-22.0%)

Group net profit was impacted by lower operating profit and higher non-operating costs

Group Profit Attributable to Owners of the Parent



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Total dividend amounts to 30¢ per share

	FY18/19	FY17/18
Earnings Per Share (¢)	57.7	75.5^
Interim Dividend Per Share (¢)	8.0	10.0
Proposed Final Dividend Per Share (¢)	22.0	30.0
Total Dividend Per Share (¢)	30.0	40.0

^ Based on FY17/18 reported figures

Group fleet development

	Operating Fleet	As at 31 Mar'19	In	Out	As at 31 Mar'20
Singapore Airlines	777-200	7	+1	-7	1
	777-200ER	5		-4	1
	777-300	5			5
	777-300ER	27			27
	A380-800	19			19
	A330-300	17	+1	-10	8
	A350-900 XWB	32	+16		48
	787-10	9	+6		15
	747-400F	7			7
	Total	128	+24	-21	131
SilkAir	A319	2			2
	A320	8		-1	7
	737-800	17			17
	Total	27		-1	26
Scoot	787-8	10			10
	787-9	8	+2		10
	A319	1		-1	-
	A320	26			26
	A320neo	2	+2		4
	Total	47	+4	-1	50
GROUP TOTAL		202	+28	-23	207

Note:

- Excluded 737 MAX 8 in SilkAir's operating fleet due to grounding
- SIA re-instated one 777-200 and one A330-300 into operating fleet to support fleet requirements due to grounding issues

External events moderate growth in capacity

- SIA Group passenger operations is expected to grow approx. 6% in FY19/20
  - Grounding of Boeing 737 MAX 8 aircraft and Rolls-Royce Trent 1000 TEN engine issues moderate capacity growth
  - Extension of aircraft leases to support capacity shortfall
  - Boeing 737-800 transfer plans from SilkAir to Scoot suspended pending clarity on Boeing 737 MAX 8 grounding situation

	Projected Change in Capacity (FY19/20 vs FY18/19)
SIA	+7%
SilkAir	-3%
Scoot	+7%
Group Passenger Operations	+6%

- Cargo operations are expected to grow 2-3% in FY19/20

Capital expenditure to support fleet renewal and capacity growth

($'M)	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24
Aircraft	5,700	5,400	5,000	3,900	3,300
Others	400	400	500	400	300
Total	6,100	5,800	5,500	4,300	3,600

Group fuel hedging position

Q1 FY19/20	Jet Fuel	Brent
Percentage hedged (%)	80	-
Average hedged price (USD/bbl)	75	-

FY19/20	Jet Fuel	Brent
Percentage hedged (%)	64	5
Average hedged price (USD/bbl)	76	53

FY20/21 to FY24/25	Jet Fuel	Brent
Percentage hedged (%)	Up to 14%	Up to 46%
Average hedged price (USD/bbl)	77	58-63

Note: Fuel hedging position as at 2 May 2019

ADOPTION OF IFRS 16

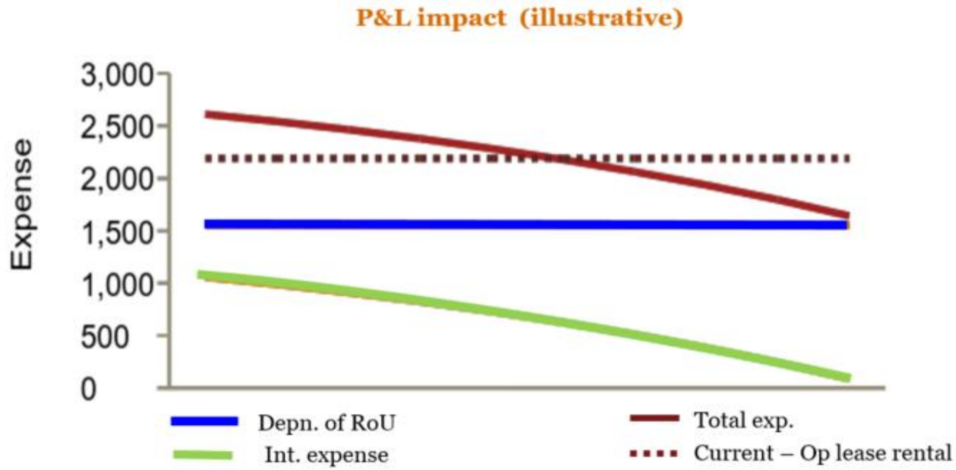
Adoption of IFRS 16 – Balance Sheet

- With effect from 1 April 2019, SIA Group is required to recognise right-of-use assets and lease liabilities arising from the capitalisation of the present value of future lease payments for all leases
- Main changes to the Group's balance sheet as of 1 April 2019 are:
  - Inclusion of right-of-use assets
  - Recognition of interest-bearing lease liabilities
- Estimated impact on Group's balance sheet as follows:

As at 1 April 2019	Assets ($'M)	Liabilities and Equity ($'M)
Right-of-use assets	1,712	-
Lease liabilities	-	2,192
General reserve	-	(446)
Others	(31)	(65)
Total	1,681	1,681

Adoption of IFRS 16 – Net Profit After Tax

- **The Group's cost of leasing will be represented by:**
  - **increase in depreciation expense**
  - **increase in finance charges**
  - **the above increases will replace the lease rental expense recognized hitherto**



- **Estimated increase in Group's net profit after tax for the next three financial years as follows (based on existing leases as at 31 March 2019):**

FY19/20 ($'M)	FY20/21 ($'M)	FY21/22 ($'M)
42	68	56

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THANK YOU