



No. 01/24

20 February 2024

SIA GROUP POSTS STRONG THIRD QUARTER NET PROFIT OF \$659 MILLION WITH PASSENGER CAPACITY CLOSE TO PRE-PANDEMIC LEVELS

- Robust passenger demand drives record quarterly revenue of \$5,082 million
- Record operating and net profits for nine months to December 2023
- Passenger yields under pressure as global capacity restoration leads to heightened competition
- Geopolitical and macroeconomic concerns, inflationary pressures, and supply chain constraints may pose headwinds to airline industry

SIA GROUP FINANCIAL PERFORMANCE

Third Quarter FY2023/24 – Profit and Loss

The Singapore Airlines (SIA) Group financial performance for the third quarter of FY2023/24 is summarised as follows:

| Group Financial Results | 3 rd Quarter FY2023/24 (\$ million) | 3 rd Quarter FY2022/23 (\$ million) | Better/ (Worse) (%) | 9 Months FY2023/24 (\$ million) | 9 Months FY2022/23 (\$ million) | Better/ (Worse) (%) |
|-----------------------------------|--|--|---------------------------|---------------------------------------|---------------------------------------|---------------------------|
| Total Revenue | 5,082 | 4,846 | 4.9 | 14,244 | 13,263 | 7.4 |
| Total Expenditure | 4,473 | 4,091 | (9.3) | 12,082 | 11,274 | (7.2) |
| Net Fuel Cost | 1,454 | 1,333 | (9.1) | 3,737 | 4,029 | 7.2 |
| <i>Fuel Cost (before hedging)</i> | <i>1,540</i> | <i>1,529</i> | <i>(0.7)</i> | <i>4,068</i> | <i>4,642</i> | <i>12.4</i> |
| <i>Fuel Hedging Gain</i> | <i>(87)</i> | <i>(196)</i> | <i>(55.6)</i> | <i>(331)</i> | <i>(613)</i> | <i>(46.0)</i> |
| Non-fuel Expenditure | 3,019 | 2,758 | (9.5) | 8,345 | 7,245 | (15.2) |
| Operating Profit | 609 | 755 | (19.3) | 2,163 | 1,989 | 8.7 |
| Net Profit | 659 | 628 | 4.9 | 2,100 | 1,555 | 35.0 |

The SIA Group's unaudited financial results for the third quarter ended 31 December 2023 were announced on 20 February 2024. A summary of the financial and operating statistics is shown in Annex A. All monetary figures are in Singapore Dollars. The Company refers to Singapore Airlines, the Parent Airline Company. The Group comprises the Company and its subsidiary, joint venture, and associated companies.

The figures in the table may not sum up to the stated totals because of rounding.

The demand for air travel remained robust in the three months to 31 December 2023, led by a rebound in North Asia as China, Hong Kong SAR, Japan, and Taiwan fully reopened. SIA and Scoot carried 9.5 million passengers, up 29.4% year-on-year. Passenger traffic grew 19.1%, outpacing the capacity expansion of 17.9%. As a result, the Group passenger load factor (PLF) improved by 0.8 percentage points to 88.2%.

Revenue rose \$236 million (+4.9% year-on-year) to a quarterly record of \$5,082 million, going past the \$5,000 million mark for the first time in the Group's history. Passenger flown revenue rose by \$398 million (+10.6%) to \$4,165 million, despite a 7.4% decline in passenger yields. Cargo flown revenue fell \$303 million (-35.1%) to \$559 million. While cargo loads increased by 3.9% due to strong year-end demand from the e-commerce segment, cargo yields were 37.4% lower year-on-year. Nevertheless, yields remained 32.1% above pre-pandemic levels¹.

Expenditure increased by \$382 million (+9.3%) to \$4,473 million. This comprised a \$261 million increase (+9.5%) in non-fuel expenditure, and a \$121 million increase (+9.1%) in net fuel cost. The rise in net fuel cost was mainly due to the higher volume uplifted (+\$176 million) and a lower fuel hedging gain (+\$109 million), partially offset by a 6.6% decrease in fuel prices (-\$114 million). The increase in non-fuel expenditure was in line with the 11.1% increase in overall passenger and cargo capacity.

As a result, the Group recorded a third quarter operating profit of \$609 million, a decrease of \$146 million (-19.3%) from the previous year.

The Group's net profit improved by \$31 million (+4.9%) to \$659 million. This was mainly due to a lower tax expense (+\$124 million)², a share of profits versus a share of losses of associated companies the previous year (+\$35 million), a surplus on disposal of aircraft, spares, and spare engines versus a loss the year before (+\$21 million), a higher net interest income (+\$11 million), and partially offset by the lower operating profit (-\$146 million).

April to December 2023 – Profit and Loss

Group revenue for the nine months to December 2023 rose by \$981 million (+7.4%) to a record \$14,244 million. This was driven by a \$1,969 million (+20.2%) increase in passenger flown revenue, and partially offset by a \$1,342 million (-45.3%) drop in cargo flown revenue. Expenditure grew \$808 million (+7.2%), consisting of a \$1,100 million increase (+15.2%) in non-fuel expenditure and a \$292 million drop (-7.2%) in net fuel cost. Net fuel cost fell to \$3,737 million, mainly due to a 22.0% drop in fuel prices (-\$1,186 million) that was partially offset by the higher volume uplifted (+\$734 million) and a lower fuel hedging gain (+\$282 million).

The Group operating profit rose \$174 million (+8.7%) year-on-year to a record \$2,163 million.

Note 1: Based on cargo yield of 30.5 cents per load tonne-kilometre in FY2019/20.

Note 2: The Group recorded a tax credit on previously unrecognised tax losses upon finalisation of the Group's tax position following the filing of YA2023 tax returns.

The Group net profit for the nine months rose \$545 million (+35.0%) year-on-year to a record \$2,100 million, surpassing the \$2,000 million mark for the first time. This was mainly due to the better operating performance (+\$174 million), a net interest income versus net finance charges (+\$233 million), and a share of profits versus a share of losses from associated companies the previous year (+\$122 million).

Balance Sheet

As of 31 December 2023, the Group shareholders' equity was \$15.6 billion, down \$4.3 billion from 31 March 2023. This was due to the partial redemption in June and December 2023 of the June 2021 Mandatory Convertible Bonds (MCBs) for \$5.1 billion, including accrued yield. Following the redemptions, 25% of the MCBs issued in June 2021 remain outstanding. Total debt balances decreased by \$1.6 billion to \$13.7 billion, mainly due to the repayment of borrowings. As a result, the Group's debt-equity ratio increased from 0.77 times to 0.88 times.

Cash and bank balances decreased by \$5.8 billion to \$10.5 billion, arising from the redemption of the MCBs, repayment of borrowings, and payment of dividends. This was partially mitigated by the \$3.7 billion of net cash generated from operations, which included proceeds from forward sales. In addition to the cash on hand, the Group has access to \$2.8 billion of committed lines of credit, all of which remain untapped at present.

FLEET AND NETWORK DEVELOPMENT

As of 31 December 2023, the Group's operating fleet comprised 202 passenger and freighter aircraft with an average age of seven years and one month. SIA added three Boeing 787-10s to its fleet in the third quarter, bringing its operating fleet to 143 passenger aircraft³ and seven freighters. Scoot operated 52 passenger aircraft⁴, and will take delivery of its first Embraer E190-E2 aircraft in April 2024. The Group has 92 aircraft on order⁵.

During the third quarter, SIA reinstated services to Chongqing and Xiamen, while Scoot resumed flights to Kunming. With this, the Group operates to 23 destinations in China, compared to 25 points pre-pandemic⁶. Scoot also resumed operations to Chennai, and restructured its direct flights to Athens and Berlin by operating three-times weekly Singapore-Athens-Berlin services.

Note 3: SIA's 143-passenger aircraft fleet comprised 23 777-300ERs, 12 A380s, 63 A350s, 22 787-10s, seven 737-800s, and 16 737-8s.

Note 4: Scoot's 52-passenger aircraft fleet comprised 11 787-8s, 10 787-9s, 16 A320neos, six A321neos, and nine A321XLRs.

Note 5: This comprises 27 Airbus aircraft (two A350s, 12 A320neos, six A321neos, seven A350Fs), 56 Boeing aircraft (31 777-9s, 12 787s, 13 737-8s), and nine Embraer E190-E2 aircraft.

Note 6: SIA operates to seven destinations (Beijing, Chengdu, Chongqing, Guangzhou, Shanghai, Shenzhen, and Xiamen) while Scoot operates to 17 destinations (Changsha, Fuzhou, Guangzhou, Haikou, Hangzhou, Jinan, Kunming, Nanchang, Nanjing, Nanning, Ningbo, Qingdao, Shenyang, Tianjin, Wuhan, Xi'an, and Zhengzhou).

For the Northern Summer 2024 operating season (31 March 2024 to 26 October 2024), SIA will ramp up services to Fukuoka and Nagoya from five-times weekly to daily. SIA will serve Milan with four-times weekly direct flights instead of the current twice-weekly operations. SIA will also launch five-times weekly direct flights between Singapore and London (Gatwick) in June 2024, subject to regulatory approvals.

The Group expects to return to pre-pandemic capacity levels within FY2024/25.

STRATEGIC INITIATIVES

The proposed merger of Air India and Vistara is in progress, pending foreign direct investment and other regulatory approvals. When completed, it will give SIA a 25.1% stake in an enlarged Air India Group with a significant presence in all key Indian airline market segments. This will bolster SIA's presence in India, strengthen its multi-hub strategy, and allow it to continue participating directly in this large and fast-growing aviation market.

In November 2023, SIA and Scoot announced a target of replacing 5% of their total fuel requirements with sustainable aviation fuels by 2030. This is an important milestone in the Group's sustainability journey, and reaffirms the Group's commitment towards reaching net zero carbon emissions by 2050.

OUTLOOK

The demand for air travel remains healthy in the last quarter of FY2023/24 and the first quarter of FY2024/25. Forward sales continue to be robust, in line with capacity increases in most markets, supported by the demand for leisure travel through the school holidays and Easter peak in March and April 2024.

Nonetheless, passenger yields continue to come under pressure from increased competition as capacity restoration continues across the industry. Heightened geopolitical tensions and economic uncertainty could also weigh on business sentiment and the demand for air travel. High fuel prices and inflationary pressures, as well as supply chain constraints, also present a more challenging operating cost environment globally for airlines.

Air freight volume is expected to soften in the seasonally weaker January to March quarter, with continued pressure on yields as passenger aircraft bellyhold capacity continues to grow.

The SIA Group will navigate these headwinds by being nimble in matching capacity to demand, remaining alert to revenue and growth opportunities, and maintaining cost discipline. Its portfolio strategy, with two distinct industry-leading airline brands, gives it flexibility to deploy the right vehicles to the right markets, offering customers more choice and value. The Group will continue to invest in its network, as well as its product and service offerings. It will also leverage digital technologies to enhance revenue generation, and improve operational efficiencies and productivity.

* * *

About Singapore Airlines

The Singapore Airlines (SIA) Group's history dates to 1947 with the maiden flight of Malayan Airways. The airline was later renamed Malaysian Airways and then Malaysia-Singapore Airlines (MSA). In 1972, MSA split into Singapore Airlines and Malaysian Airline System. Initially operating a modest fleet of 10 aircraft to 22 destinations in 18 countries, SIA has since grown to be a world-class international airline group that is committed to the constant enhancement of the three main pillars of its brand promise: Service Excellence, Product Leadership, and Network Connectivity.

SIA is the world's most awarded airline. In 2024, SIA was again named in Fortune Magazine's list of the 50 most admired companies in the world. SIA is the only Singapore-based brand in the list. In February 2023, SIA was named *Airline of the Year* in the Air Transport World Airline Industry Awards. This accolade recognised SIA's outstanding performance, innovation, and superior service within the airline industry. In June 2023, SIA was named *World's Best Airline* in the 2023 Skytrax World Airline Awards, the fifth time it has won this prestigious accolade. For more information, please visit www.singaporeair.com.

Media Contacts:

Public Affairs Department
Tel: (65) 6541-5880 (office hours)
Tel: (65) 9753-2126 (after office hours)
Email: Public_Affairs@singaporeair.com.sg
URL: singaporeair.com

Investor Contacts:

Investor Relations
Tel: (65) 6541-4885 (office hours)
Email: Investor_Relations@singaporeair.com.sg

Singapore Company Registration Number: 197200078R

A STAR ALLIANCE MEMBER 

GROUP FINANCIAL STATISTICS

| | 3 rd Quarter 2023/24 | 3 rd Quarter 2022/23 | 9 Months 2023/24 | 9 Months 2022/23 |
|---|------------------------------------|------------------------------------|---------------------|---------------------|
| Financial Results (\$ million) | | | | |
| Total revenue | 5,081.9 | 4,846.4 | 14,244.3 | 13,262.9 |
| Total expenditure | 4,472.9 | 4,091.4 | 12,081.5 | 11,273.5 |
| Operating profit | 609.0 | 755.0 | 2,162.8 | 1,989.4 |
| Profit attributable to Owners of the Company | 658.7 | 628.0 | 2,099.8 | 1,554.9 |
| Earnings per share (cents) | | | | |
| - Basic ^{R1} | 16.0 | 10.3 | 47.2 | 24.5 |
| - Adjusted Basic ^{R2} | 22.1 | 21.1 | 70.6 | 52.4 |
| - Diluted ^{R3} | 15.6 | 10.1 | 45.9 | 24.2 |
| EBITDA (\$ million) ^{R4} | 1,371.9 | 1,439.7 | 4,381.5 | 3,755.6 |
| EBITDA margin (%) ^{R5} | 27.0 | 29.7 | 30.8 | 28.3 |
| | As at 31 Dec 2023 | As at 31 Mar 2023 | | |
| Financial Position (\$ million) | | | | |
| Total assets | 43,333.9 | 49,101.2 | | |
| Total debt | 13,747.5 | 15,339.3 | | |
| Total cash and bank balances | 10,503.3 | 16,327.6 | | |
| Total liabilities | 27,358.2 | 28,851.4 | | |
| Equity attributable to Owners of the Company | 15,580.3 | 19,858.3 | | |
| Debt : equity ratio (times) ^{R6} | 0.88 | 0.77 | | |
| Net asset value per share (\$) ^{R7} | 5.24 | 6.68 | | |
| Adjusted net asset value per share (\$) ^{R8} | 4.18 | 3.72 | | |

^{R1} Earnings per share (basic) is computed by dividing profit 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} Earnings per share (adjusted basic) is computed by dividing profit 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.

^{R3} Earnings per share (diluted) is computed by dividing profit 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.

^{R4} EBITDA denotes earnings before interest, taxes, depreciation, and amortisation.

^{R5} EBITDA margin is computed by dividing EBITDA by the total revenue.

^{R6} Debt : equity ratio is total debt divided by equity attributable to owners of the Company.

^{R7} 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.

^{R8} 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.

OPERATING STATISTICS

| | 3 rd Quarter 2023/24 | 3 rd Quarter 2022/23 | Change % | 9 Months 2023/24 | 9 Months 2022/23 | Change % |
|---|---------------------------------------|---------------------------------------|-------------|------------------------|------------------------|-------------|
| Singapore Airlines | | | | | | |
| Passengers carried (thousand) | 6,272 | 4,924 | + 27.4 | 17,449 | 13,153 | + 32.7 |
| Revenue passenger-km (million) | 28,491.2 | 24,504.0 | + 16.3 | 81,561.8 | 66,523.5 | + 22.6 |
| Available seat-km (million) | 32,533.8 | 28,070.6 | + 15.9 | 92,851.6 | 77,720.3 | + 19.5 |
| Passenger load factor (%) | 87.6 | 87.3 | + 0.3 pts | 87.8 | 85.6 | + 2.2 pts |
| Passenger yield (cents/pkm) | 12.5 | 13.1 | - 4.6 | 12.2 | 12.8 | - 4.7 |
| Revenue per available seat-km (cents/ask) | 10.9 | 11.4 | - 4.4 | 10.7 | 10.9 | - 1.8 |
| Passenger unit cost (cents/ask) | 9.4 | 9.6 | - 2.1 | 9.0 | 10.0 | - 10.0 |
| Passenger unit cost ex-fuel (cents/ask) | 5.8 | 6.0 | - 3.3 | 5.8 | 6.0 | - 3.3 |
| Passenger breakeven load factor (%) | 75.2 | 73.3 | + 1.9 pts | 73.8 | 78.1 | - 4.3 pts |
| Scoot | | | | | | |
| Passengers carried (thousand) | 3,255 | 2,441 | + 33.3 | 9,430 | 5,609 | + 68.1 |
| Revenue passenger-km (million) | 8,602.2 | 6,649.9 | + 29.4 | 25,271.4 | 15,179.0 | + 66.5 |
| Available seat-km (million) | 9,508.7 | 7,578.0 | + 25.5 | 27,762.0 | 18,823.3 | + 47.5 |
| Passenger load factor (%) | 90.5 | 87.8 | + 2.7 pts | 91.0 | 80.6 | + 10.4 pts |
| Passenger yield (cents/pkm) | 7.2 | 8.5 | - 15.3 | 6.9 | 8.3 | - 16.9 |
| Revenue per available seat-km (cents/ask) | 6.5 | 7.4 | - 12.2 | 6.3 | 6.7 | - 6.0 |
| Passenger unit cost (cents/ask) | 6.4 | 6.2 | + 3.2 | 6.1 | 6.4 | - 4.7 |
| Passenger unit cost ex-fuel (cents/ask) | 4.2 | 4.1 | + 2.4 | 4.2 | 4.2 | - |
| Passenger breakeven load factor (%) | 88.9 | 72.9 | + 16.0 pts | 88.4 | 77.1 | + 11.3 pts |
| Group Airlines (Passenger) | | | | | | |
| Passengers carried (thousand) | 9,527 | 7,365 | + 29.4 | 26,879 | 18,762 | + 43.3 |
| Revenue passenger-km (million) | 37,093.4 | 31,153.9 | + 19.1 | 106,833.2 | 81,702.5 | + 30.8 |
| Available seat-km (million) | 42,042.5 | 35,648.6 | + 17.9 | 120,613.6 | 96,543.6 | + 24.9 |
| Passenger load factor (%) | 88.2 | 87.4 | + 0.8 pts | 88.6 | 84.6 | + 4.0 pts |
| Passenger yield (cents/pkm) | 11.2 | 12.1 | - 7.4 | 11.0 | 11.9 | - 7.6 |
| Revenue per available seat-km (cents/ask) | 9.9 | 10.6 | - 6.6 | 9.7 | 10.1 | - 4.0 |
| Group Airlines (Cargo) | | | | | | |
| Cargo and mail carried (million kg) | 248.8 | 233.8 | + 6.4 | 698.7 | 708.3 | - 1.4 |
| Cargo load (million tonne-km) | 1,389.5 | 1,337.7 | + 3.9 | 3,928.9 | 4,038.4 | - 2.7 |
| Gross capacity (million tonne-km) | 2,503.6 | 2,463.1 | + 1.6 | 7,320.5 | 6,886.5 | + 6.3 |
| Cargo load factor (%) | 55.5 | 54.3 | + 1.2 pts | 53.7 | 58.6 | - 4.9 pts |
| Cargo yield (cents/ltk) | 40.3 | 64.4 | - 37.4 | 41.2 | 73.3 | - 43.8 |
| Cargo unit cost (cents/ctk) | 22.3 | 24.3 | - 8.2 | 21.1 | 25.9 | - 18.5 |
| Cargo breakeven load factor (%) | 55.3 | 37.7 | + 17.6 pts | 51.2 | 35.3 | + 15.9 pts |

GLOSSARY

| | | |
|---------------------------------|---|---|
| Revenue passenger-km | = | Number of passengers carried x distance flown (in km) |
| Available seat-km | = | Number of available seats x distance flown (in km) |
| Passenger load factor | = | Revenue passenger-km expressed as a percentage of available seat-km |
| Passenger yield | = | Passenger revenue from scheduled services divided by revenue passenger-km |
| Revenue per available seat-km | = | Passenger revenue from scheduled services divided by available seat-km |
| Passenger unit cost | = | Passenger operating expenditure divided by available seat-km |
| Passenger unit cost ex-fuel | = | Passenger operating expenditure less fuel cost, divided by available seat-km |
| Passenger breakeven load factor | = | Passenger unit cost expressed as a percentage of passenger yield. This is the theoretical load factor at which passenger revenue equates to the operating expenditure of passenger operations |
| | | |
| Cargo load | = | Cargo and mail load carried (in tonnes) x distance flown (in km) |
| Gross capacity | = | Cargo capacity production (in tonnes) x distance flown (in km) |
| Cargo load factor | = | Cargo and mail load (in tonne-km) expressed as a percentage of gross capacity (in tonne-km) |
| Cargo yield | = | Cargo and mail revenue from scheduled services divided by cargo load (in tonne-km) |
| Cargo unit cost | = | Cargo operating expenditure divided by gross capacity (in tonne-km) |
| Cargo breakeven load factor | = | Cargo unit cost expressed as a percentage of cargo yield. This is the theoretical load factor at which cargo revenue equates to the operating expenditure of cargo operations |