



**SIA Group**  
**Q1 FY2019-20 Results**  
**1 August 2019**



# SIA Group – Q1 FY19/20

## Key Takeaways

---

- **Passenger traffic growth drove improvements in overall RASK and revenue**
  - SIA Pax: Captured strong demand, outstripping growth in capacity to achieve record passenger load factor. RASK improved 2.4%.
  - MI: Performance significantly impacted by 737 MAX 8 grounding
  - Scoot: Capacity growth matched by passenger traffic improvement. RASK declined 2.1%, on lower yields.
  - Cargo: Cargo flown revenue declined due to weaker demand amid trade uncertainties.
- **Grounding of 737 MAX 8 fleet slows expansion**
- **Net fuel cost rose, led by an increase in volume uplifted on capacity expansion and a stronger US dollar. Benefitted from fuel hedging gains.**

# SIA Group Financial Results

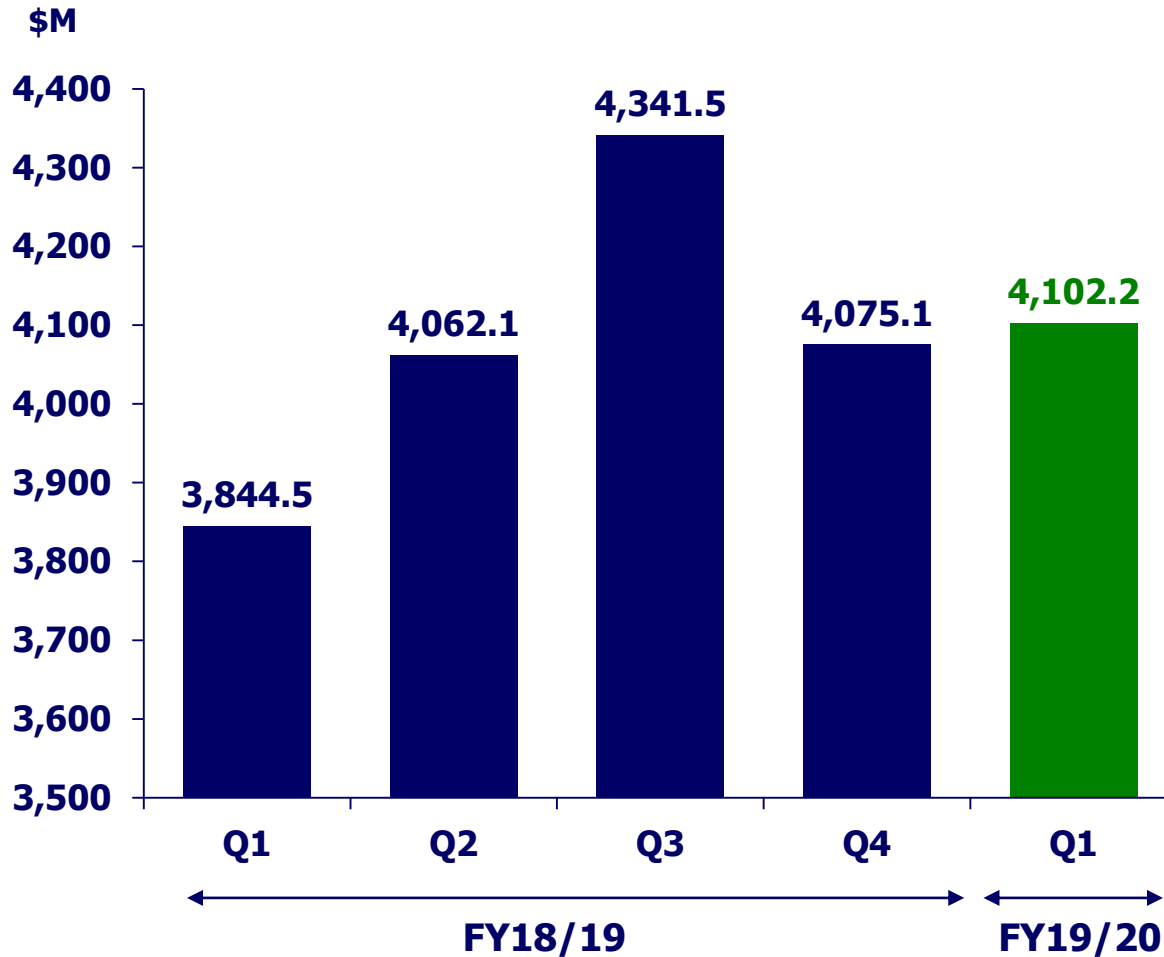
|  | Q1 FY19/20<br>(\$'M) | Q1 FY18/19<br>(\$'M) | Better/<br>(Worse) (%) |
|--|----------------------|----------------------|------------------------|
| <b>Total Revenue</b>                                     | <b>4,102.2</b>       | <b>3,844.5</b>       | <b>6.7</b>             |
| <b>Total Expenditure</b>                                 | <b>3,902.2</b>       | <b>3,651.4</b>       | <b>(6.9)</b>           |
| - Net Fuel Cost  | 1,172.7              | 1,079.4              | (8.6)                  |
| <i>Fuel cost</i>   | 1,229.8              | 1,211.6              | (1.5)                  |
| <i>Fuel hedging gain</i>                                 | (57.1)               | (132.2)              | (56.8)                 |
| - Non-fuel expenditure                                   | 2,729.5              | 2,572.0              | (6.1)                  |
| <b>Operating Profit</b>                                  | <b>200.0</b>         | <b>193.1</b>         | <b>3.6</b>             |
| - <i>Operating Profit Margin</i>                         | 4.9                  | 5.0                  | (0.1) pt               |
| <b>Group Profit Attributable to Owners of the Parent</b> | <b>111.1</b>         | <b>139.6</b>         | <b>(20.4)</b>          |
| - <i>Basic Earnings Per Share</i>                        | 9.4                  | 11.8                 | (20.3)                 |

# Pax traffic growth across all airlines; record Q1 PLF for SIA

|                 |                             | Q1<br>FY19/20 | Change (%) |
|-----------------|-----------------------------|---------------|------------|
| SIA (Passenger) | Revenue Passenger-KM (M)    | 26,628.3      | 9.0        |
|                 | Available Seat-KM (M)       | 32,002.7      | 7.4        |
|                 | Passenger Load Factor (%)   | 83.2          | 1.2 pts    |
| SilkAir         | Revenue Passenger-KM (M)    | 2,302.1       | 2.4        |
|                 | Available Seat-KM (M)       | 2,949.5       | (1.6)      |
|                 | Passenger Load Factor (%)   | 78.1          | 3.1 pts    |
| Scoot           | Revenue Passenger-KM (M)    | 7,410.3       | 6.5        |
|                 | Available Seat-KM (M)       | 8,607.0       | 6.5        |
|                 | Passenger Load Factor (%)   | 86.1          | -          |
| SIA (Cargo)     | Cargo Load Tonne-KM (M)     | 1,645.4       | (4.4)      |
|                 | Cargo Capacity Tonne-KM (M) | 2,805.1       | 0.1        |
|                 | Cargo Load Factor (%)       | 58.7          | (2.7) pts  |

# Group revenue improvement led by strong pax flown revenue

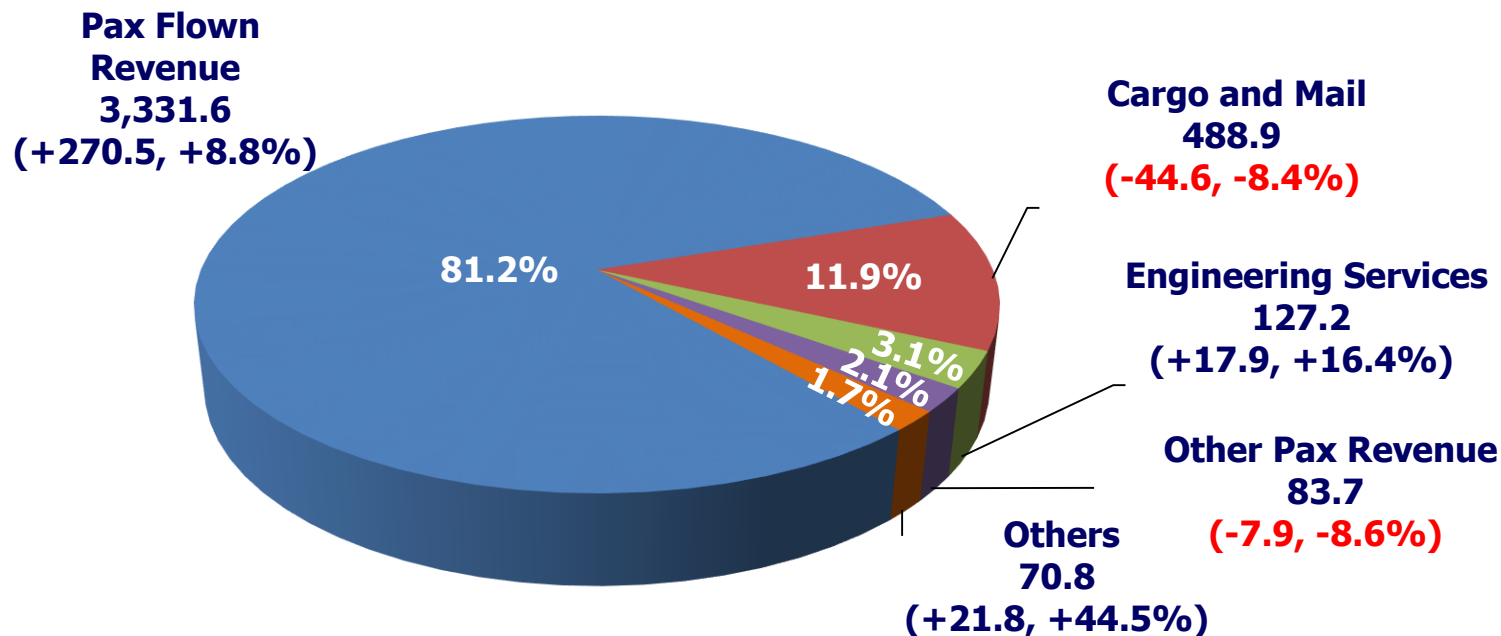
## Group Revenue



**Q1 FY19/20**  
**\$4,102.2M**

**Year-on-Year**  
**↑ \$257.7M**  
**(+6.7%)**

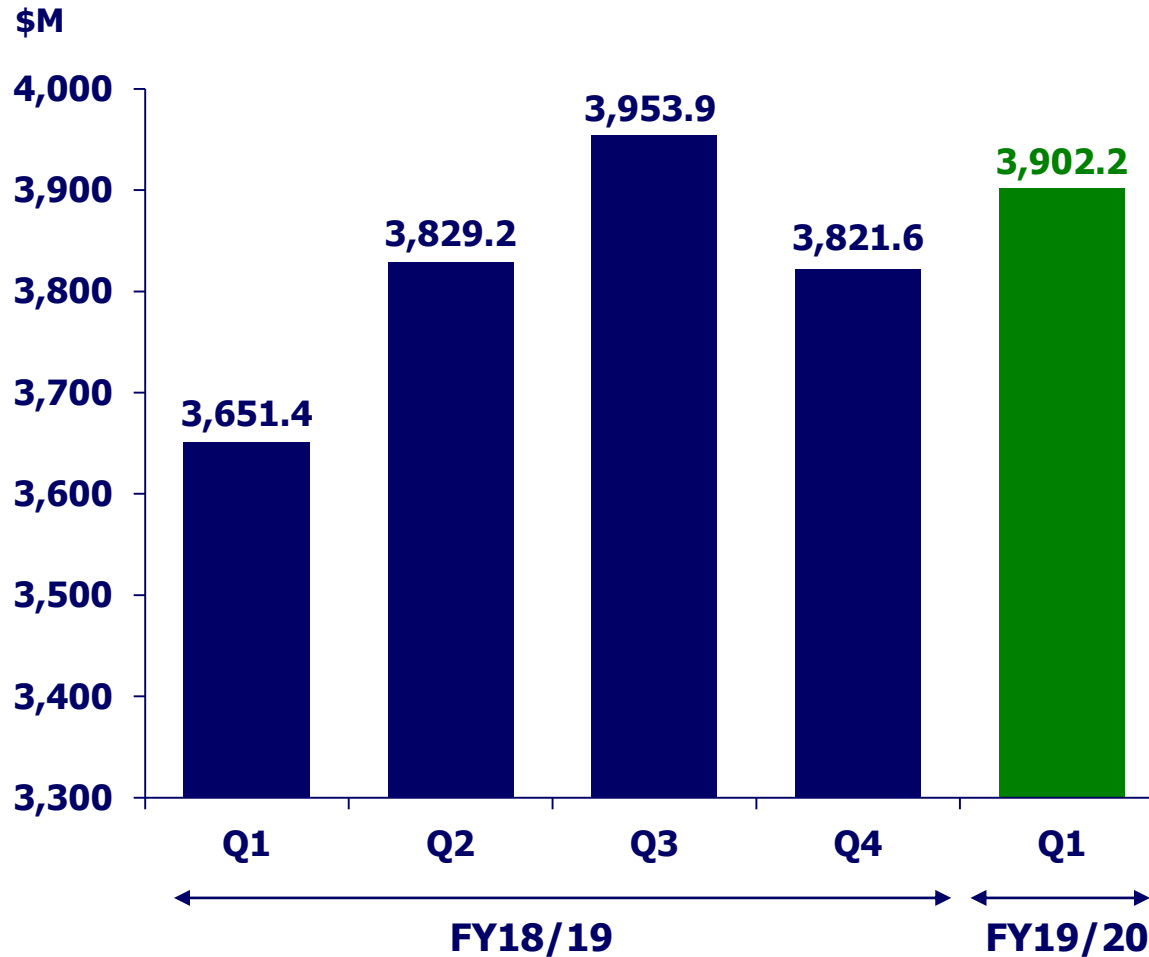
# Strong pax traffic growth drove improvements in RASK and revenue



| Q1 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)   | +258.4                     | +2.4           | +1.0             | +9.0                    | +7.4               |
| SilkAir     | -1.5                       | +1.3           | -2.9             | +2.4                    | -1.6               |
| Scoot       | +14.0                      | -2.1           | -1.8             | +6.5                    | +6.5               |
| SIA (Cargo) | -44.6                      | n.a.           | -4.2             | -4.4                    | +0.1               |

# Group expenditure increased on expansion

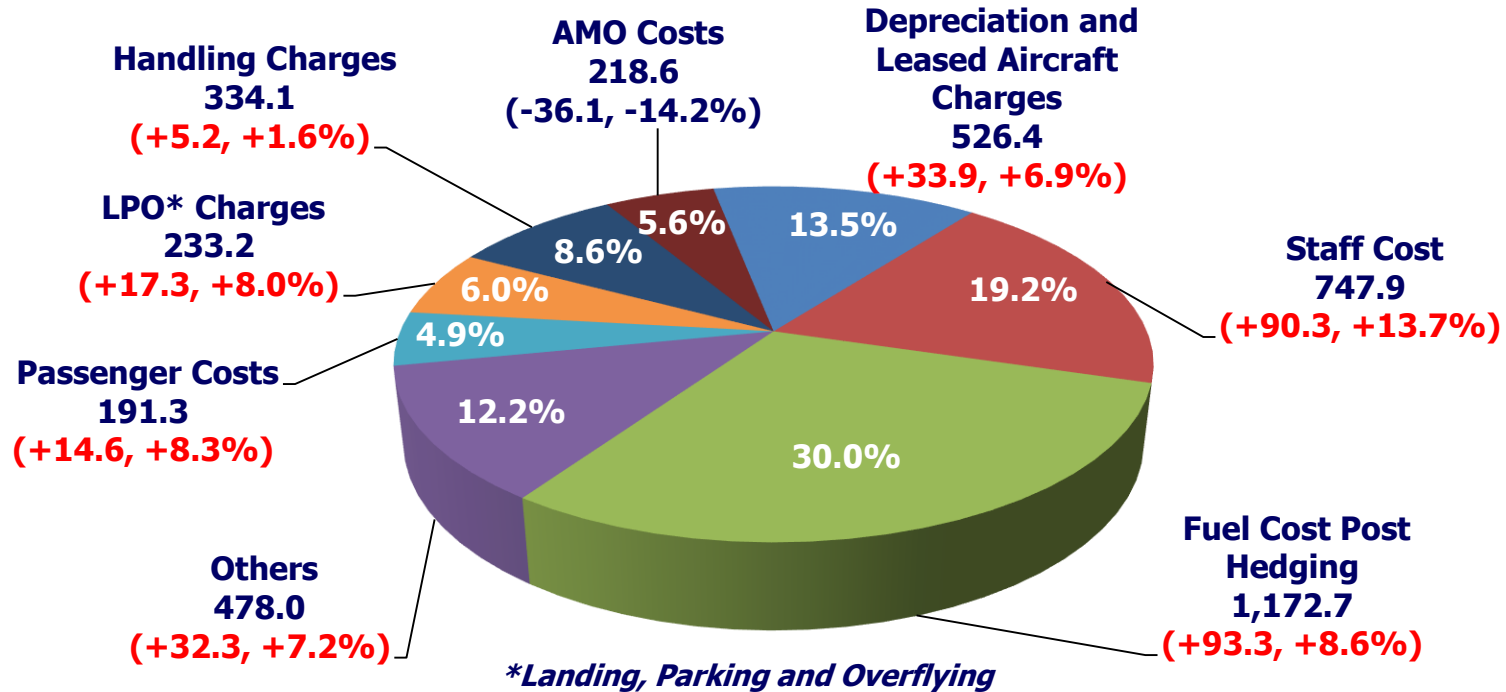
## Group Expenditure



**Q1 FY19/20**  
**\$3,902.2M**

**Year-on-Year**  
**↑ \$250.8M**  
**(+6.9%)**

# Ex-fuel costs rose largely from expansion of operations

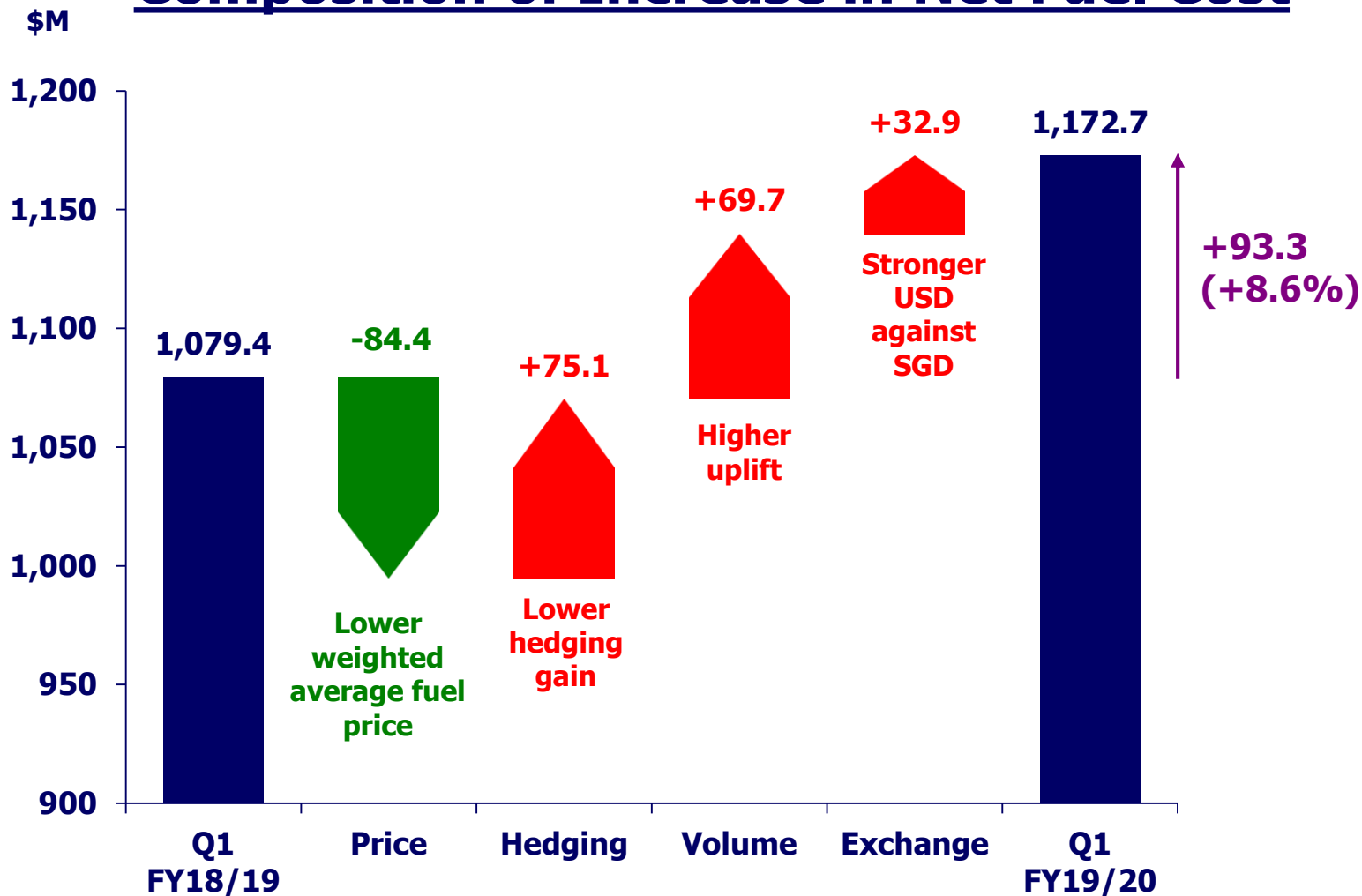


| Q1 FY19/20 | CASK y-o-y (%) | CASK ex-fuel y-o-y (%) |
|------------|----------------|------------------------|
| SIA (Pax)  | +1.2           | +1.9                   |
| SilkAir    | +6.1           | +4.8                   |
| Scoot      | +3.9           | +5.9                   |



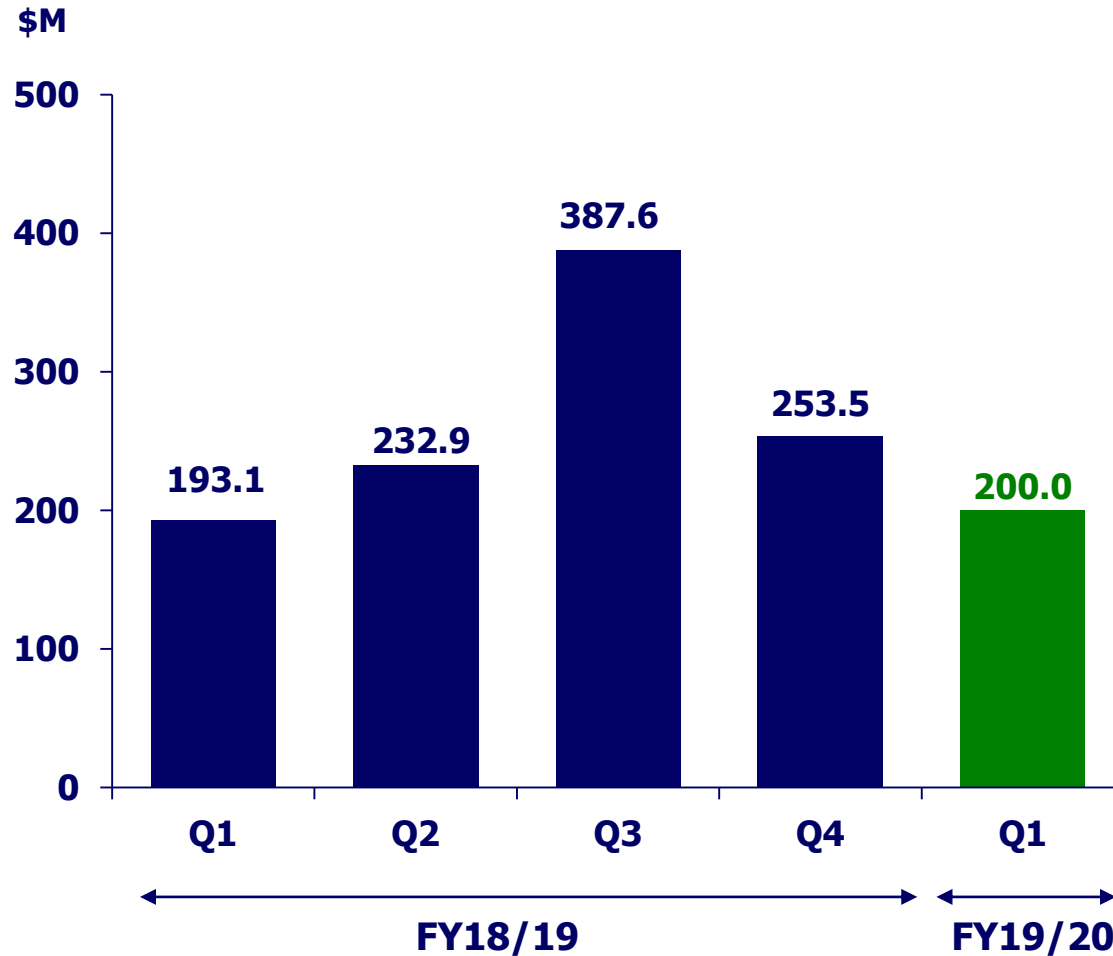
# Higher group fuel cost led by increase in volume uplifted on capacity expansion and stronger USD; benefited from fuel hedging gains

## Composition of Increase in Net Fuel Cost



# Group operating profit improved against last year

## Group Operating Profit

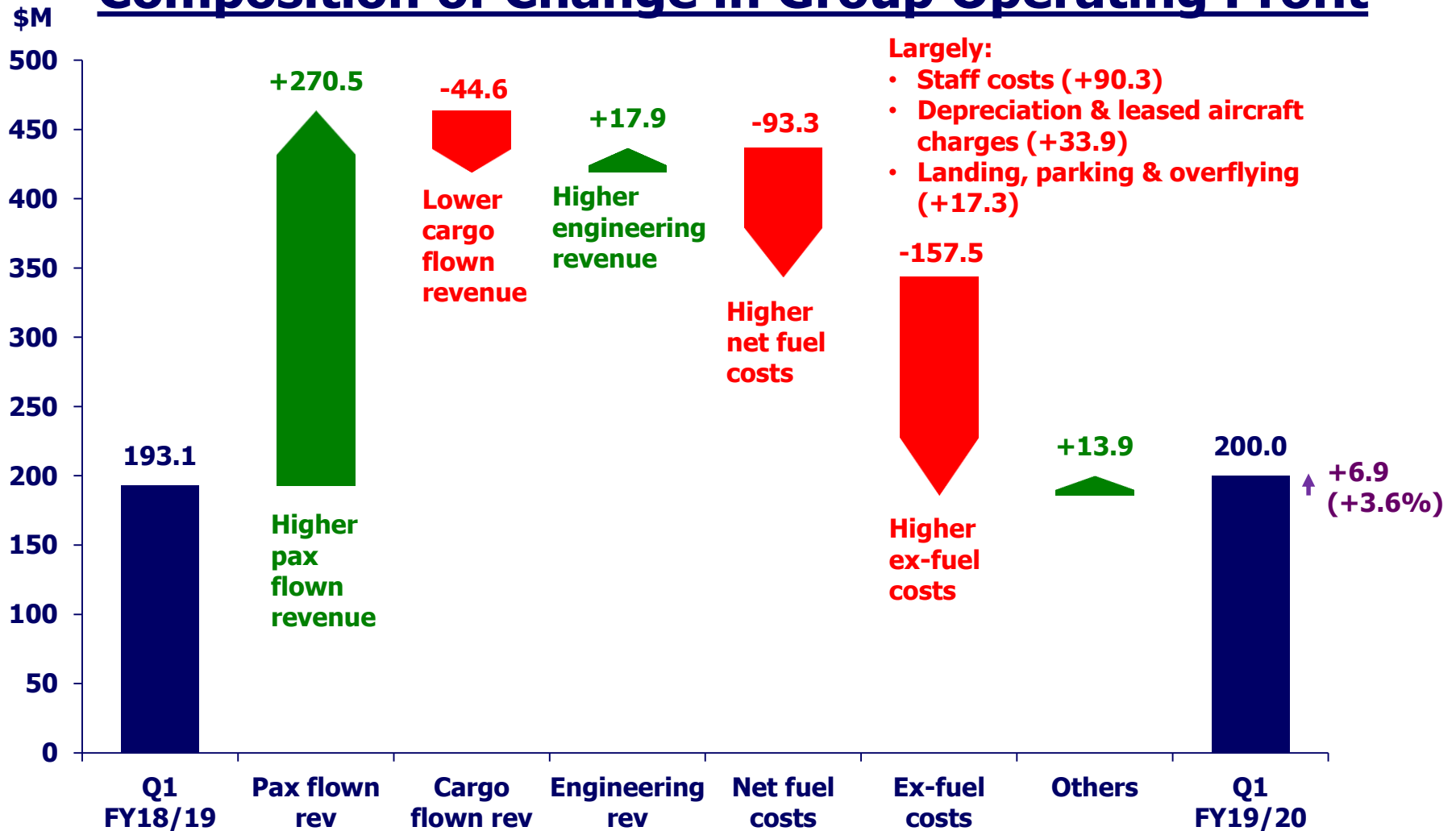


**Q1 FY19/20**  
**\$200.0M**

**Year-on-Year**  
**↑ \$6.9M**  
**(+3.6%)**

# Strong revenue growth outpaced expenditure increase

## Composition of Change in Group Operating Profit

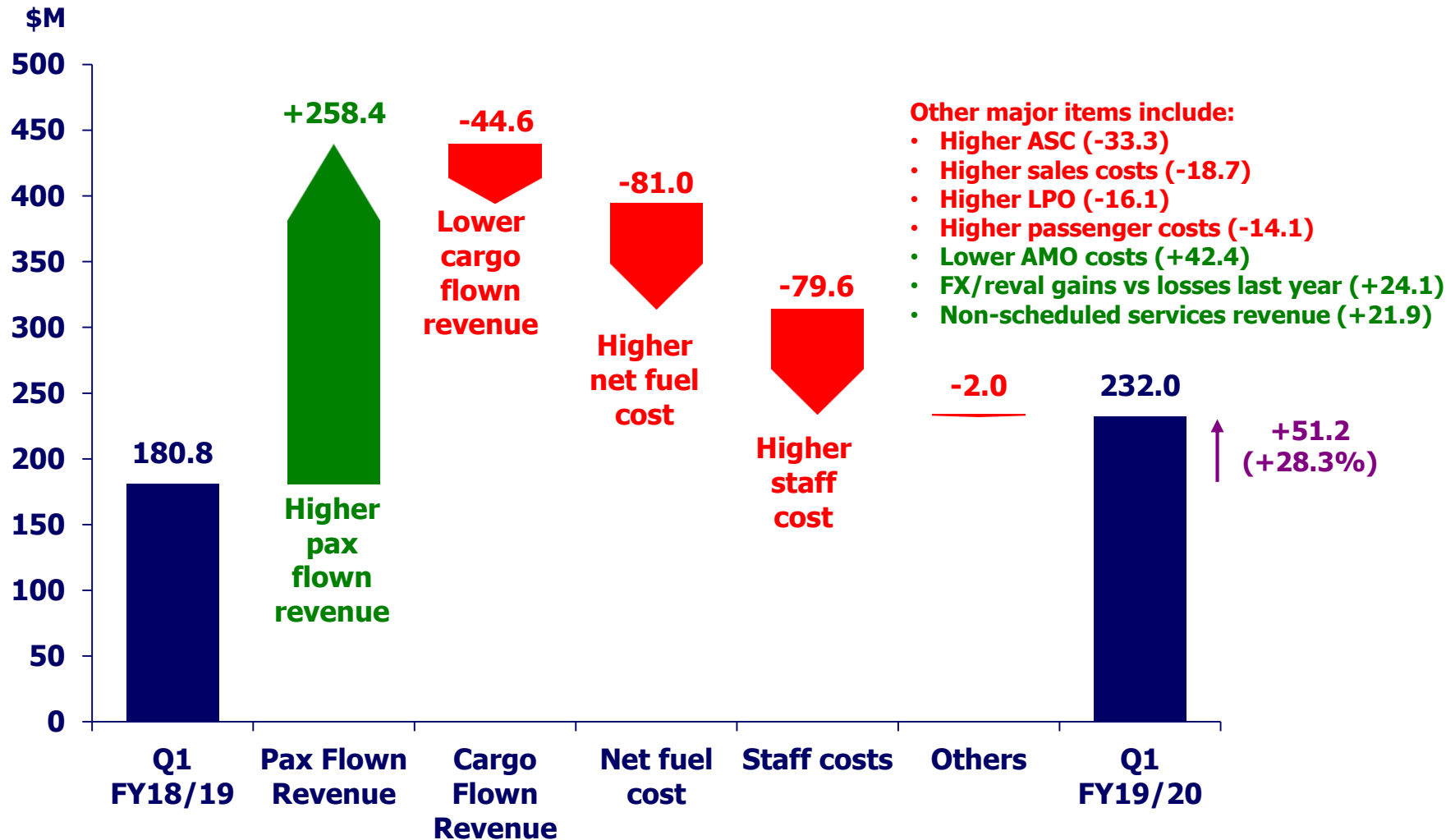


# Operating results for main companies in the Group

|   | Q1 FY19/20<br>(\$'M) | Q1 FY18/19<br>(\$'M) | Better/<br>(Worse)<br>(\$'M) | Better/<br>(Worse)<br>(%) |
|---|----------------------|----------------------|------------------------------|---------------------------|
| <b>SIA<br/>(Parent Airline Company)</b> | <b>232.0</b>         | <b>180.8</b>         | <b>51.2</b>                  | <b>28.3</b>               |
| <b>SilkAir</b>                          | <b>(15.9)</b>        | <b>0.2</b>           | <b>(16.1)</b>                | <b>n.m.</b>               |
| <b>Scoot</b>                            | <b>(37.5)</b>        | <b>1.1</b>           | <b>(38.6)</b>                | <b>n.m.</b>               |
| <b>SIAEC Group</b>                      | <b>17.7</b>          | <b>10.2</b>          | <b>7.5</b>                   | <b>73.5</b>               |

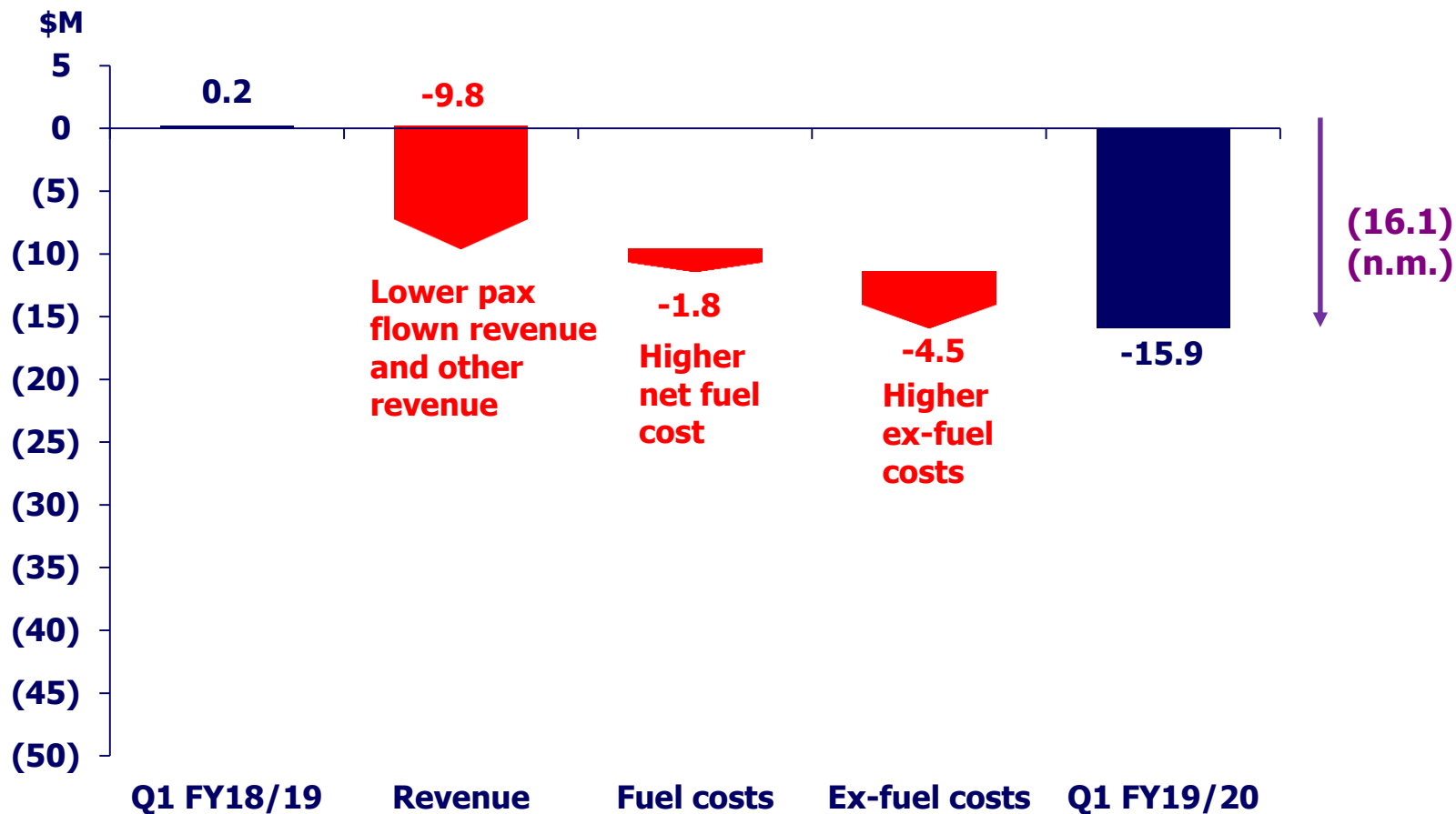
# Parent Airline Company's operating profit improved on strong revenue growth

## Composition of Change in Parent Airline Company's Operating Profit



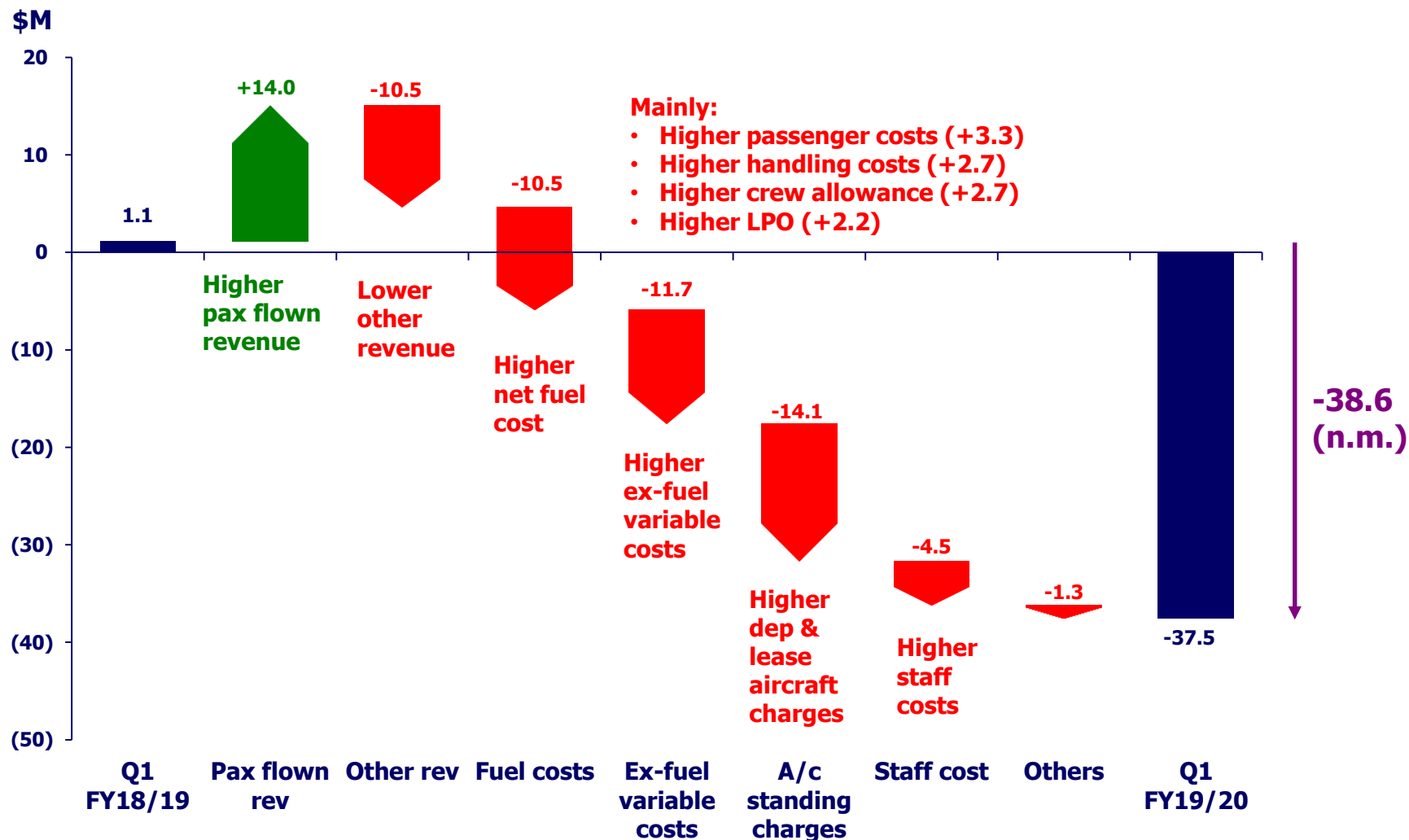
# SilkAir significantly impacted by MAX 8 grounding

## Composition of Change in SilkAir's Operating Profit



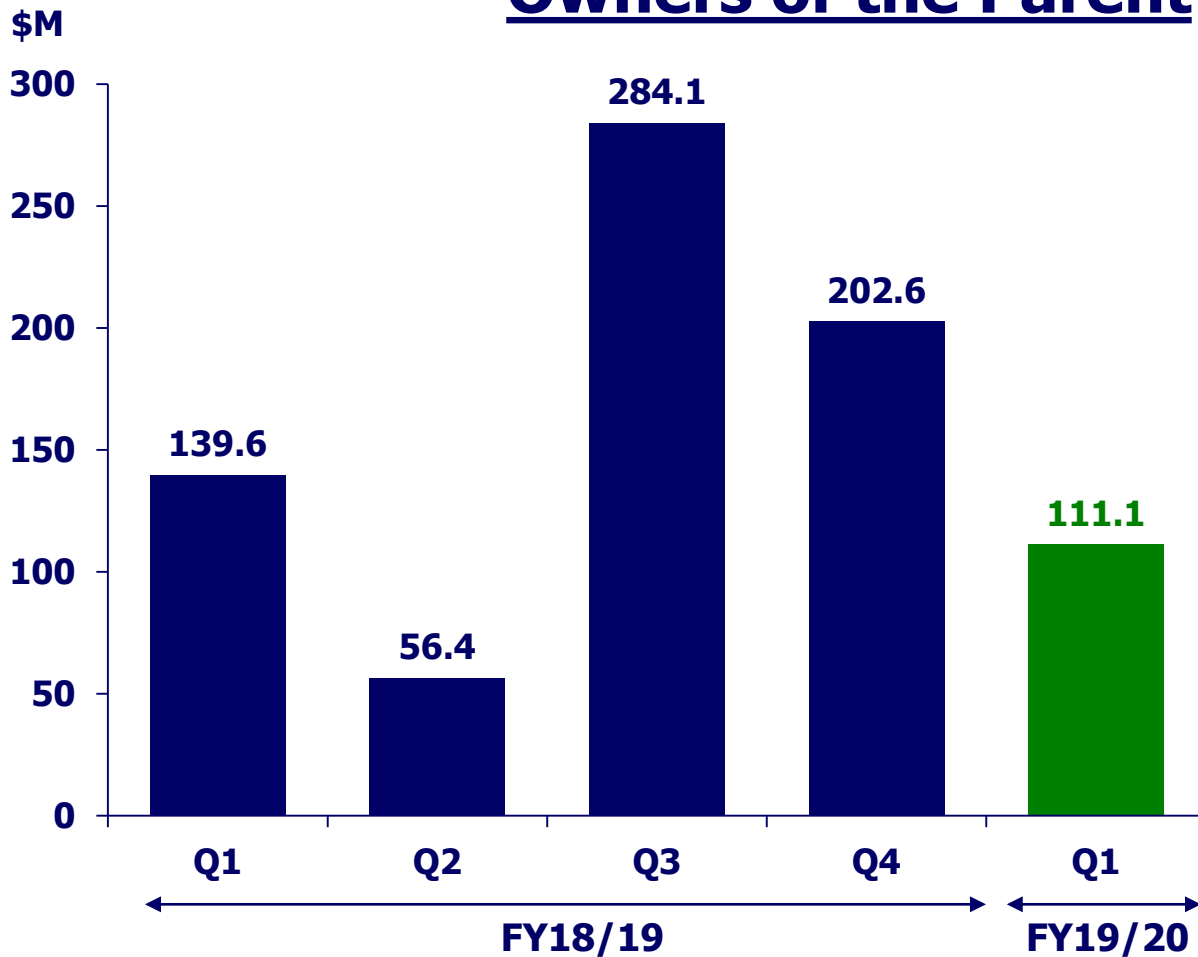
# Scot's capacity growth matched by pax traffic improvement

## Composition of Change in Scot's Operating Profit



# Lower Group net profit on share of assoc losses and higher net finance charges

## Group Profit Attributable to Owners of the Parent

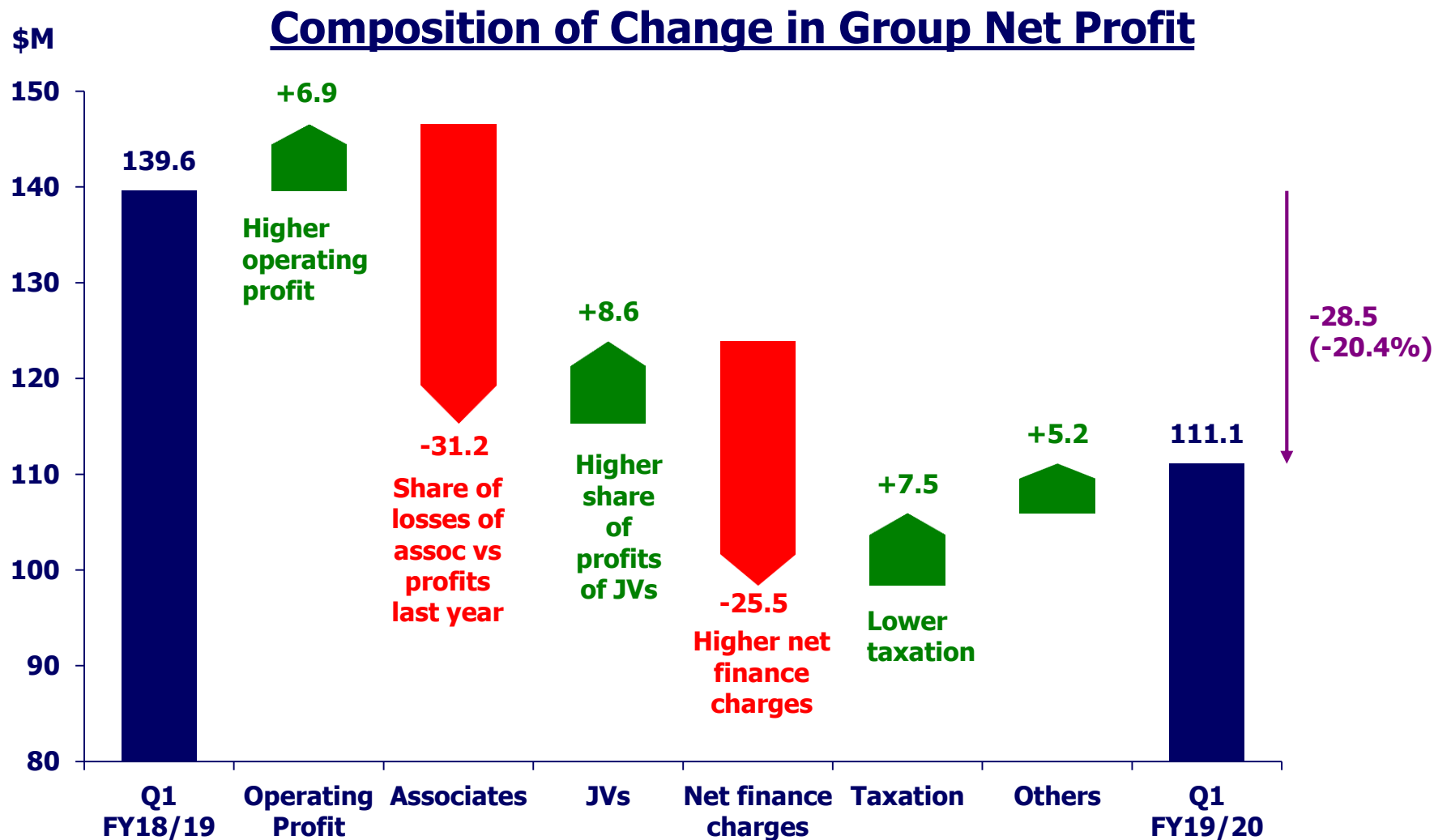


**Q1 FY19/20**  
**\$111.1M**

**Year-on-Year**  
**↓ \$28.5M**  
**(-20.4%)**



# Lower Group net profit on share of assoc losses and higher net finance charges



# Group fuel hedging position

| <b>Q2 FY19/20</b>              | <b>Jet Fuel</b> | <b>Brent</b> |
|--------------------------------|-----------------|--------------|
| Percentage hedged (%)          | 79              | -            |
| Average hedged price (USD/bbl) | 75              | -            |

| <b>9M FY19/20</b>              | <b>Jet Fuel</b> | <b>Brent</b> |
|--------------------------------|-----------------|--------------|
| Percentage hedged (%)          | 70              | 5            |
| Average hedged price (USD/bbl) | 76              | 52           |

| <b>FY20/21 to FY24/25</b>      | <b>Jet Fuel</b> | <b>Brent</b> |
|--------------------------------|-----------------|--------------|
| Percentage hedged (%)          | Up to 23%       | Up to 49%    |
| Average hedged price (USD/bbl) | 77              | 58-62        |

Note: Fuel hedging position as at 22 July 2019

# Group fleet movement

|                    | Operating Fleet | As at 31 Mar'19 | In        | Out       | As at 30 Jun'19 |
|--------------------|-----------------|-----------------|-----------|-----------|-----------------|
| Singapore Airlines | 777-200         | 7               |           | -2        | 5               |
|                    | 777-200ER       | 5               |           |           | 5               |
|                    | 777-300         | 5               |           |           | 5               |
|                    | 777-300ER       | 27              |           |           | 27              |
|                    | A380-800        | 19              |           |           | 19              |
|                    | A330-300        | 17              |           | -1        | 16              |
|                    | A350-900 XWB    | 32              | +4        |           | 36              |
|                    | 787-10          | 9               | +3        |           | 12              |
|                    | 747-400F        | 7               |           |           | 7               |
|                    | <b>Total</b>    | <b>128</b>      | <b>+7</b> | <b>-3</b> | <b>132</b>      |
| SilkAir            | A319            | 2               |           |           | 2               |
|                    | A320            | 8               |           |           | 8               |
|                    | 737-800         | 17              |           |           | 17              |
|                    | <b>Total</b>    | <b>27</b>       |           |           | <b>27</b>       |
| Scoot              | 787-8           | 10              |           |           | 10              |
|                    | 787-9           | 8               | +2        |           | 10              |
|                    | A319            | 1               |           |           | 1               |
|                    | A320            | 26              |           |           | 26              |
|                    | A320neo         | 2               |           |           | 2               |
|                    |                 | <b>Total</b>    | <b>47</b> | <b>+2</b> |                 |
| <b>GROUP TOTAL</b> |                 | <b>202</b>      | <b>+9</b> | <b>-3</b> | <b>208</b>      |

Note:

- Excluded 737 MAX 8 in SilkAir's operating fleet due to grounding

**THANK YOU**

