



# Q3 and 9M FY2019-20 Results

17 February 2020



# Record breaking Q3 for SIA Group

Strong passenger demand drives five new record highs

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**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**

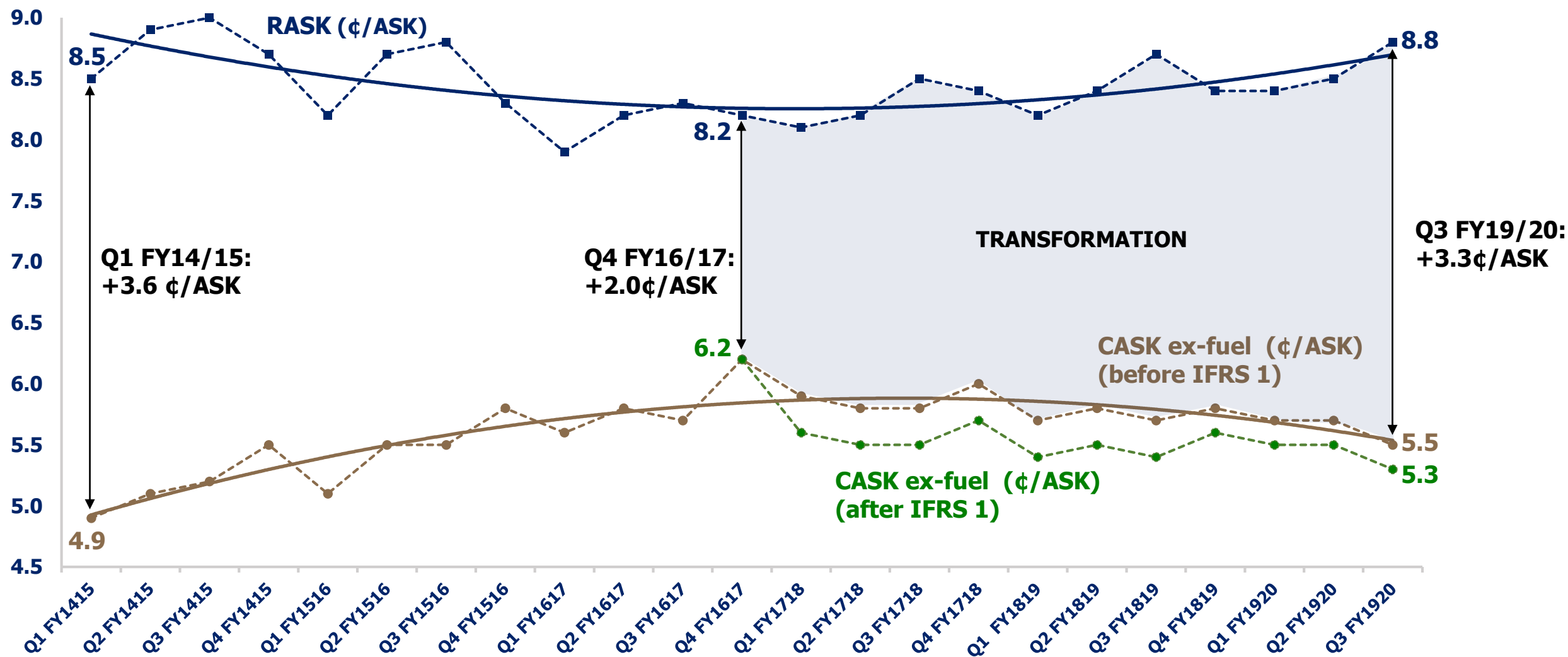
**Record quarterly passenger uplift – 10.1 million passengers**

**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

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- **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

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## Key Takeaways – Q3 FY19/20 Results

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### **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

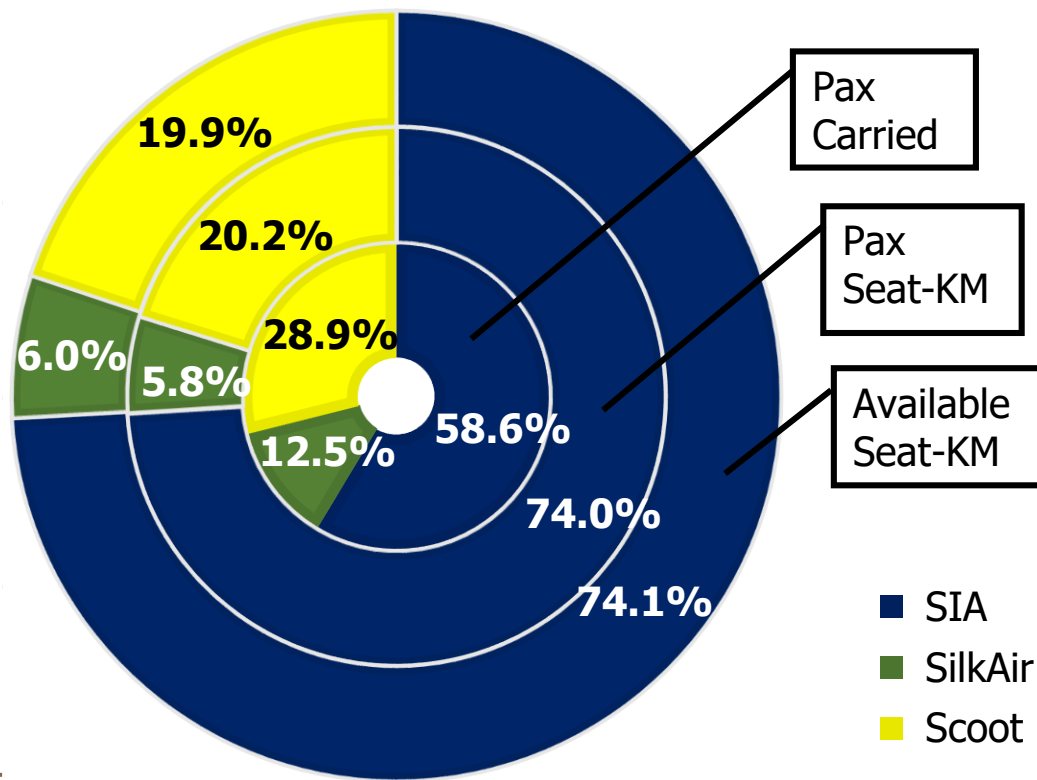
	Q3 FY19/20 (\$'m)	Q3 FY18/19 (\$'m)	Better/ (Worse) (%)	9M FY19/20 (\$'m)	9M FY18/19 (\$'m)	Better/ (Worse) (%)
<b>Total Revenue</b>	<b>4,470.6</b>	<b>4,341.5</b>	<b>3.0</b>	<b>12,795.1</b>	<b>12,248.1</b>	<b>4.5</b>
<b>Total Expenditure</b>	<b>4,022.1</b>	<b>3,953.9</b>	<b>(1.7)</b>	<b>11,933.5</b>	<b>11,434.5</b>	<b>(4.4)</b>
-- <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>
<b>Operating Profit</b>	<b>448.5</b>	<b>387.6</b>	<b>15.7</b>	<b>861.6</b>	<b>813.6</b>	<b>5.9</b>
<b>Operating Profit Margin (%)</b>	<b>10.0</b>	<b>8.9</b>	<b>1.1 pts</b>	<b>6.7</b>	<b>6.6</b>	<b>0.1 pt</b>
<b>Group Profit Attributable to Owners of the Parent</b>	<b>314.8</b>	<b>284.1</b>	<b>10.8</b>	<b>520.4</b>	<b>480.1</b>	<b>8.4</b>
-- <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

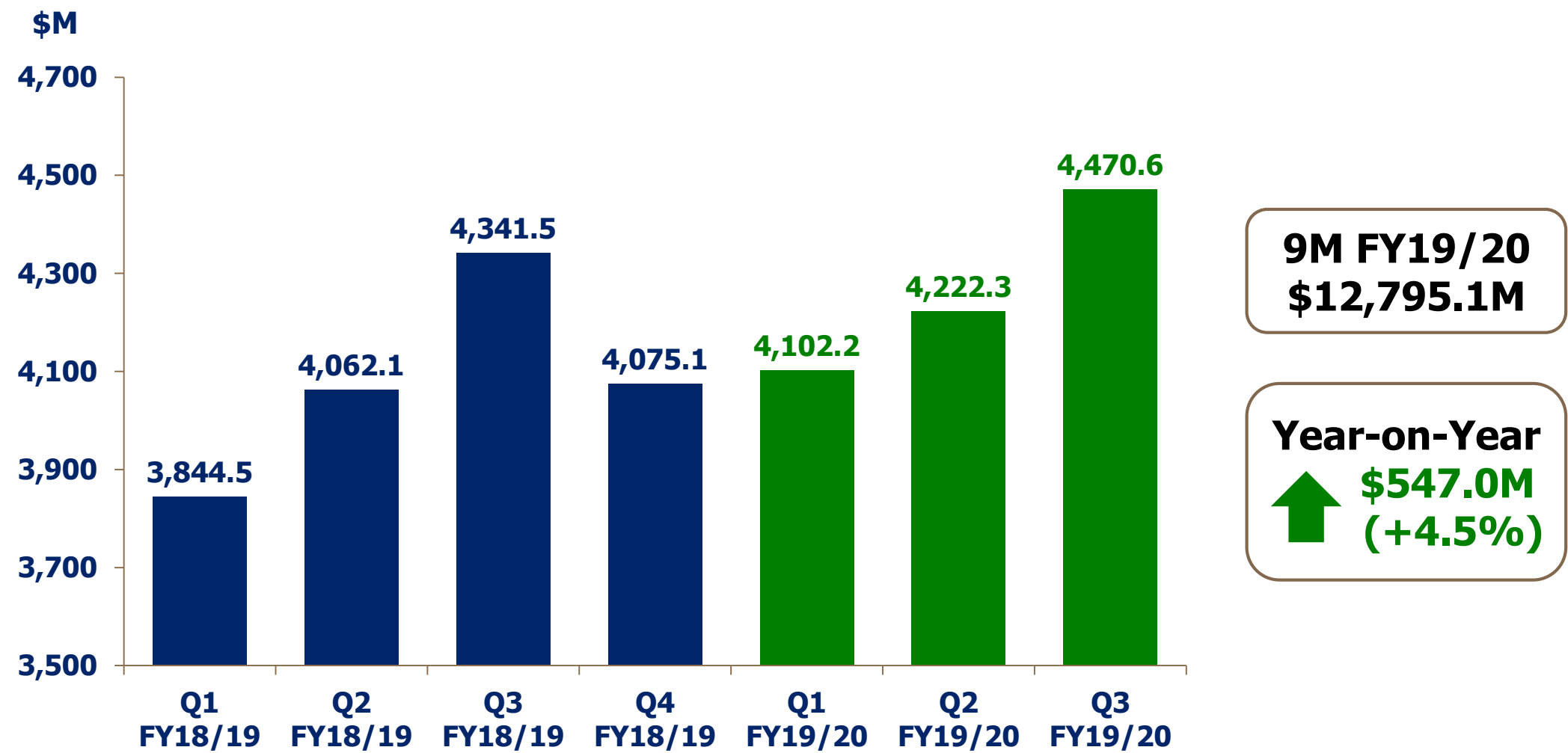
		Q3 FY19/20	Change (%)	9M FY19/20	Change (%)
	Pax carriage (PKM `m)	28,851.8	9.7	83,795.0	9.0
	Capacity (ASK `m)	33,708.9	6.9	98,684.5	7.2
	Pax load factor (%)	85.6	2.2 pts	84.9	1.4 pts
	Pax carriage (PKM `m)	2,240.1	(2.9)	6,825.2	0.8
	Capacity (ASK `m)	2,749.5	(8.2)	8,569.0	(3.5)
	Pax load factor (%)	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)



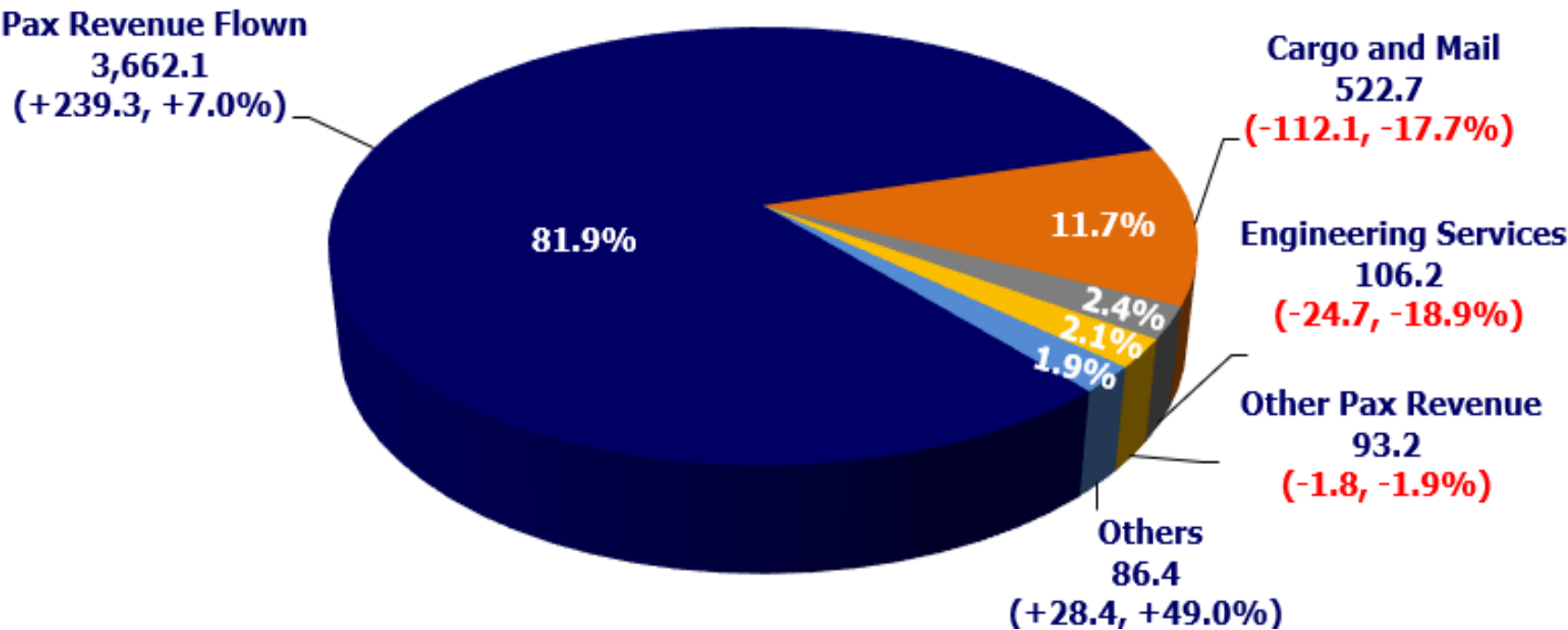
# Group Revenue Q3 & 9M FY19/20

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

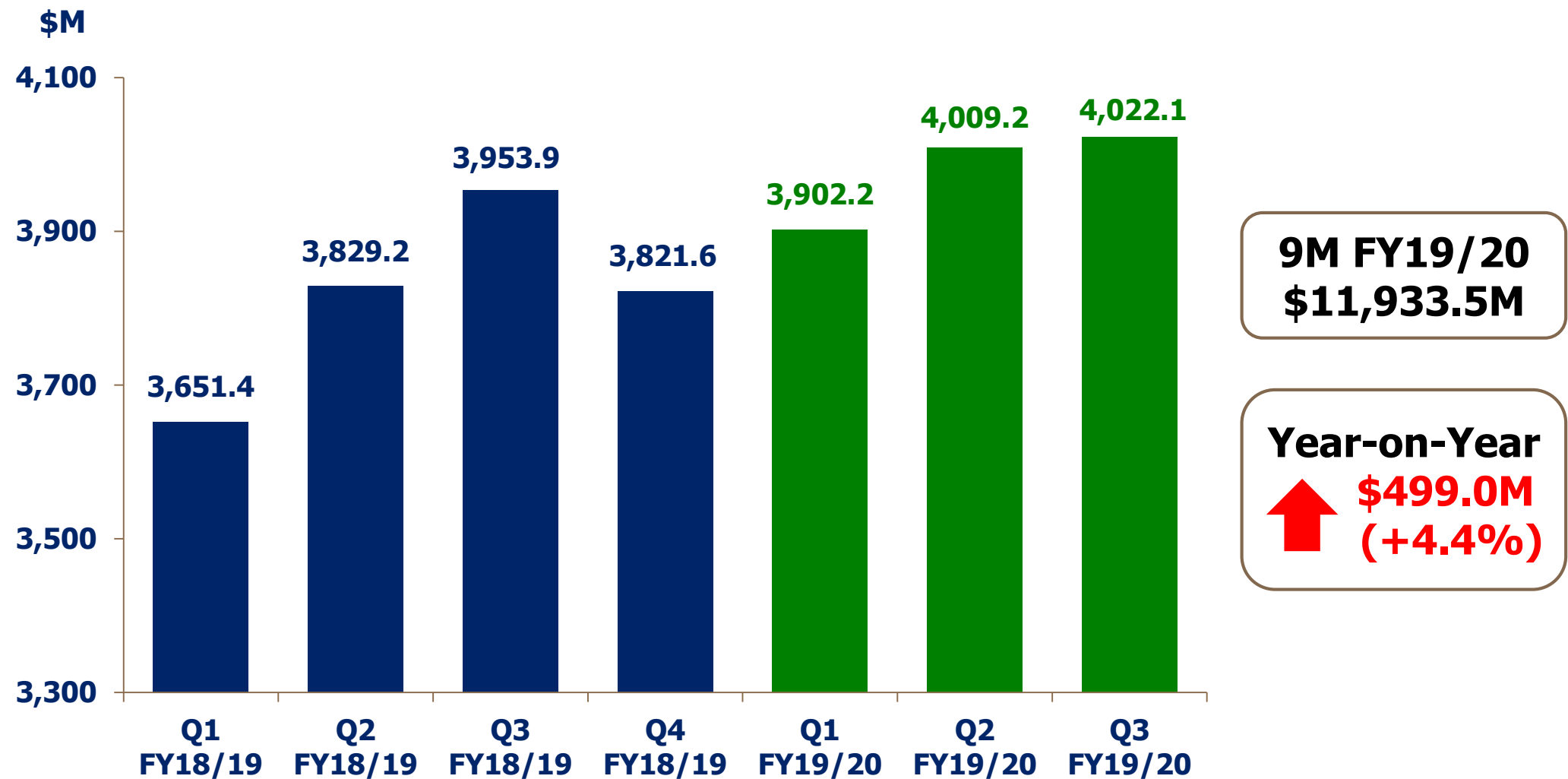
# SIA Group – Q3 FY19/20

## 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 %	
<b>SIA (Pax)</b>	+	<b>1.1</b>	+	<b>2.2</b>	-	<b>1.0</b>	-	<b>0.2</b>
<b>SilkAir</b>	+	<b>3.5</b>	+	<b>3.7</b>	-	<b>1.8</b>	-	<b>2.2</b>
<b>Scoot</b>	+	<b>4.1</b>	+	<b>3.9</b>	-	<b>1.7</b>	-	<b>0.8</b>
<b>SIA (Cargo)</b>		<b>n.a.</b>		<b>n.a.</b>	-	<b>9.3</b>	-	<b>8.1</b>

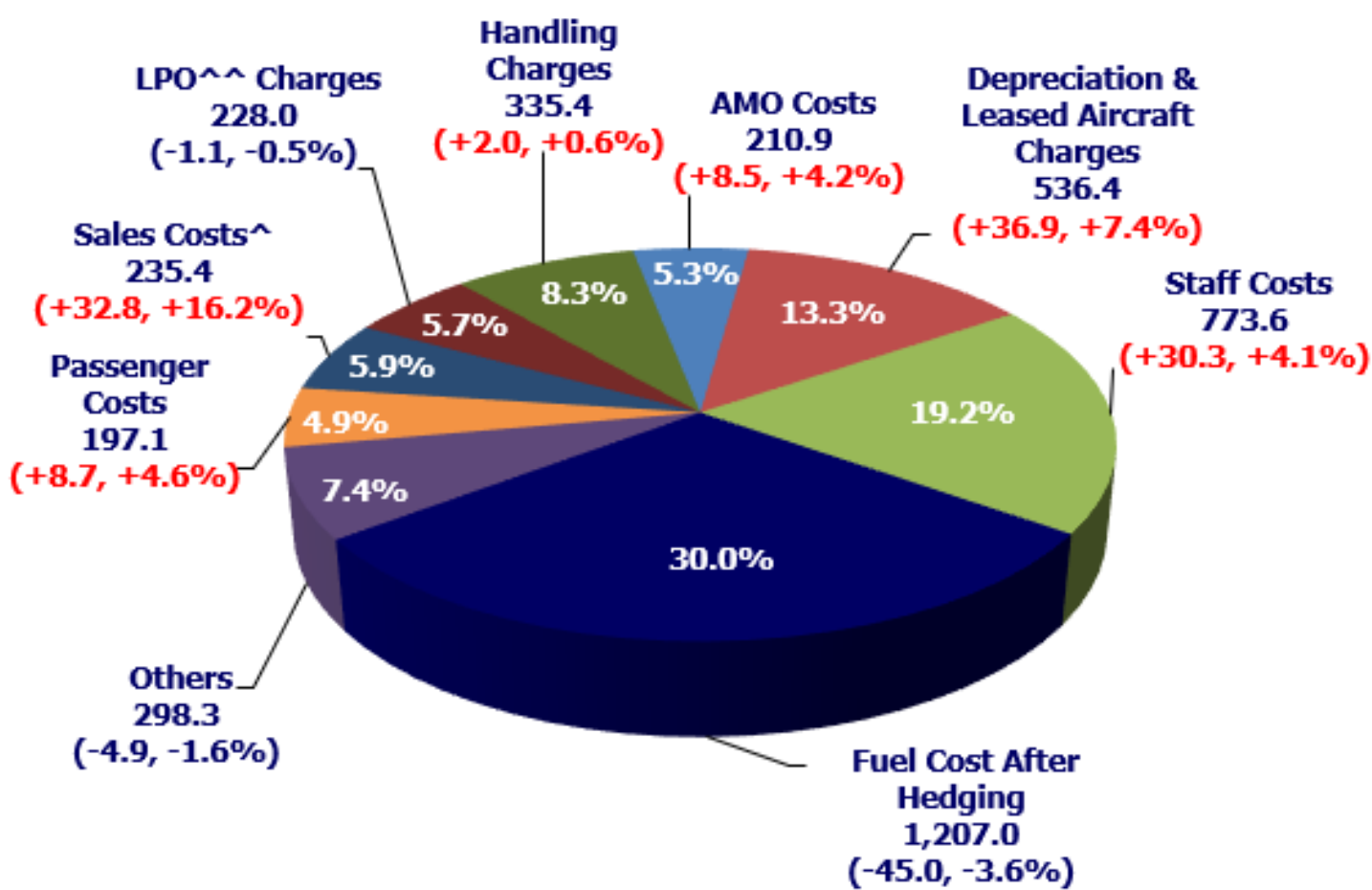
# Group Expenditure Q3 & 9M FY19/20

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



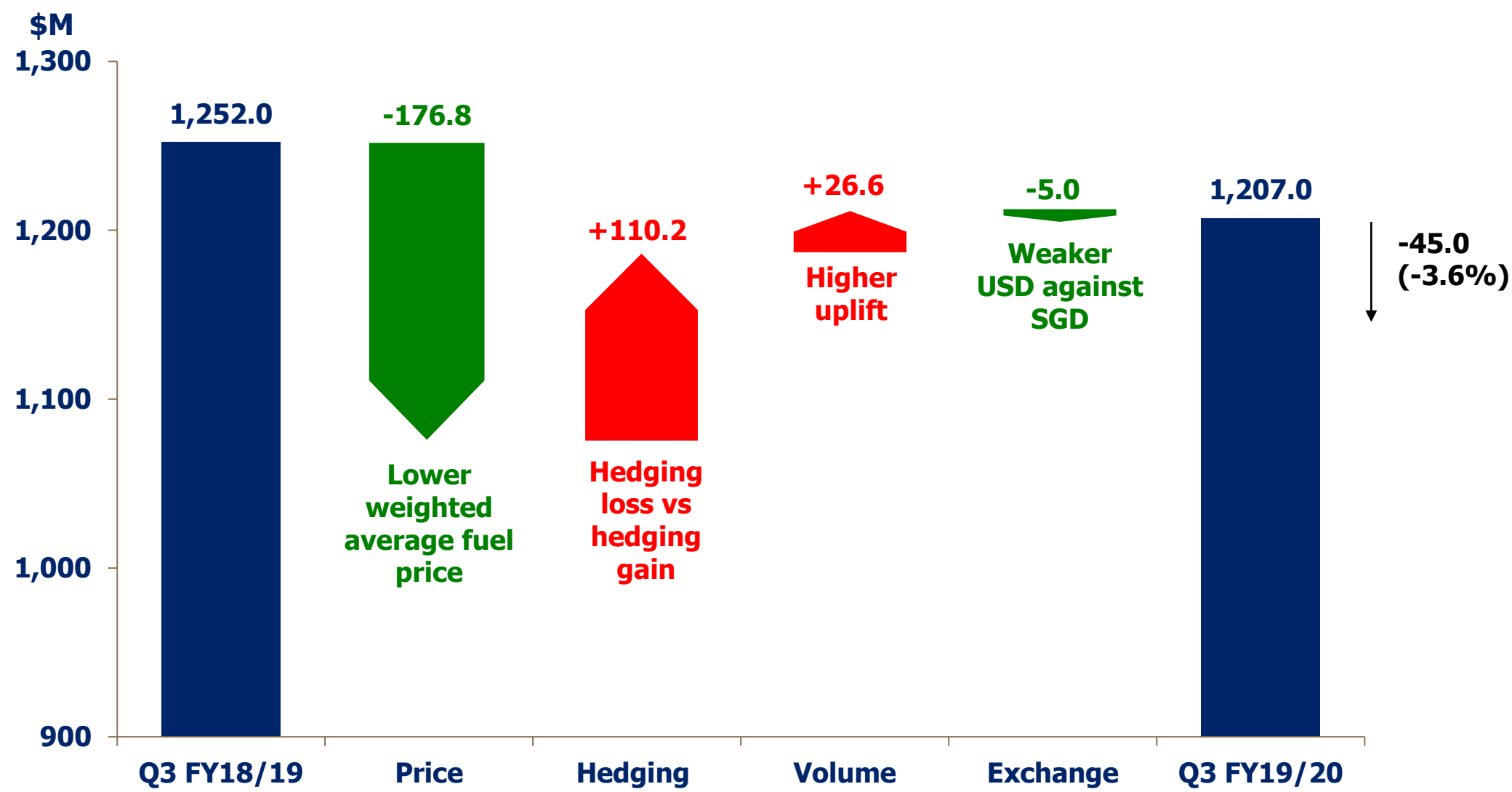
Q3 FY19/20	CASK y-o-y (%)	CASK ex-fuel y-o-y (%)
SIA (Pax)	-3.6	-1.9
SilkAir	+3.5	+6.3
Scoot	+1.9	+2.9

^ Includes commissions & incentives, and advertising & sales cost

^^ Landing, Parking & Overflying

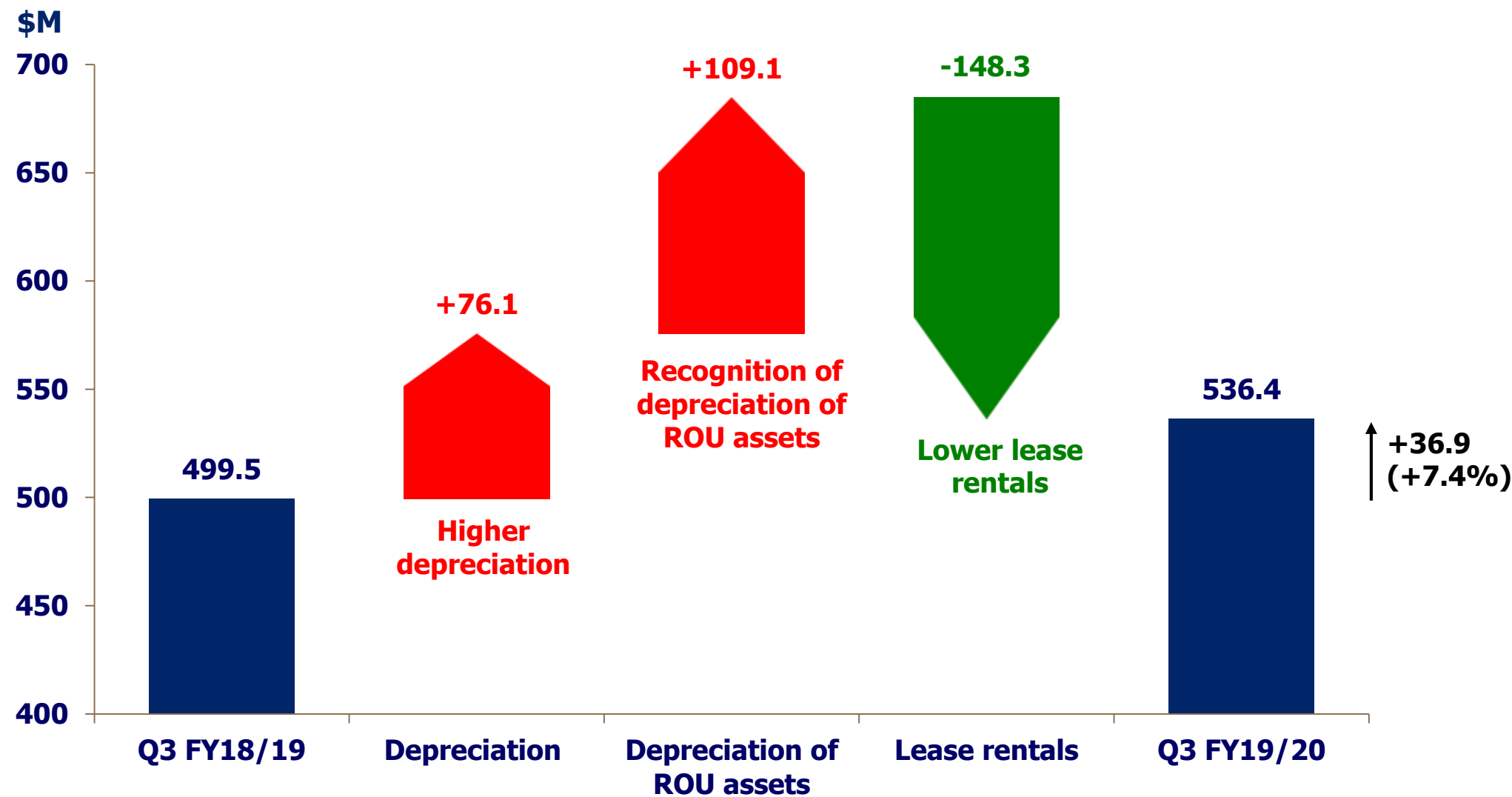
# Group Expenditure – Fuel Cost Q3 FY19/20

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



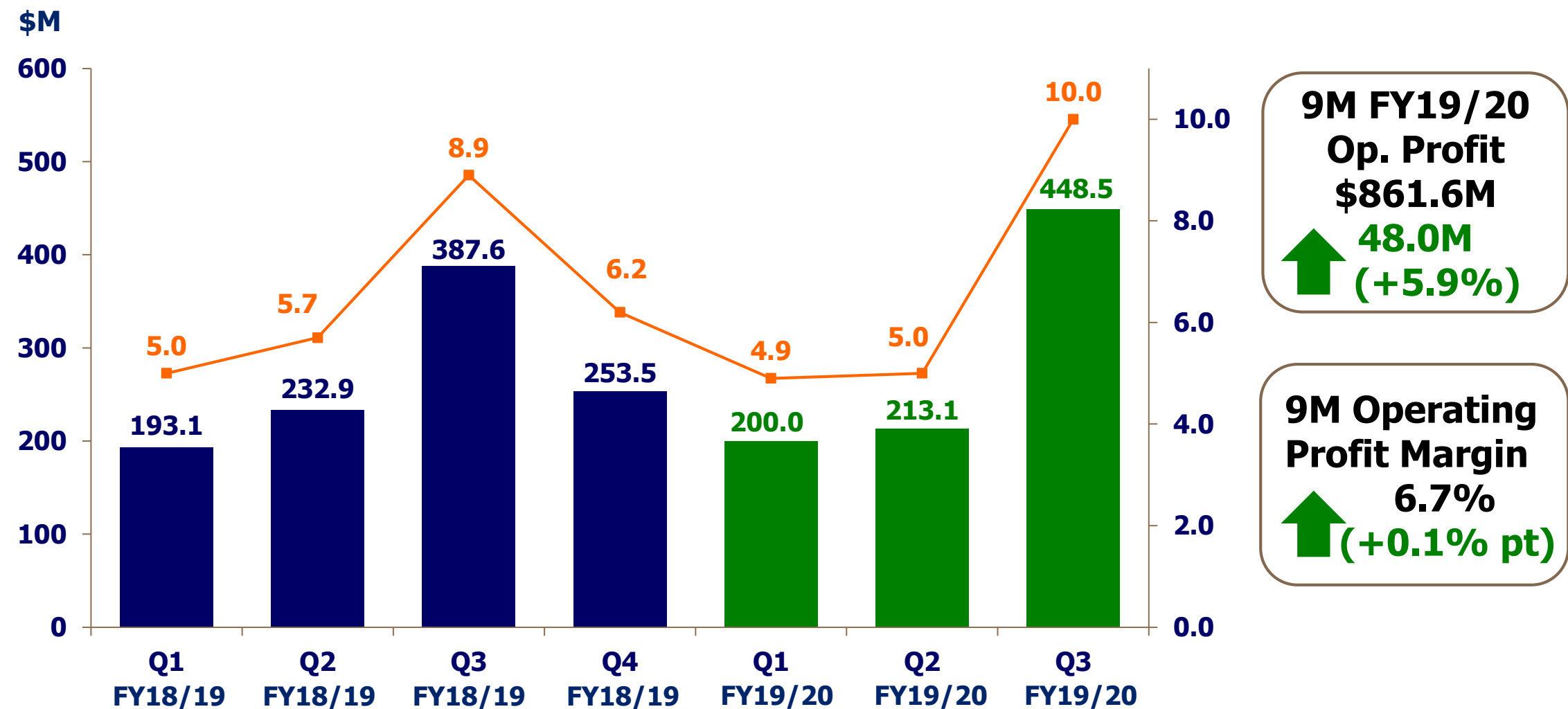
# SIA Group – Q3 FY19/20

## Depreciation and Leased Aircraft Charges



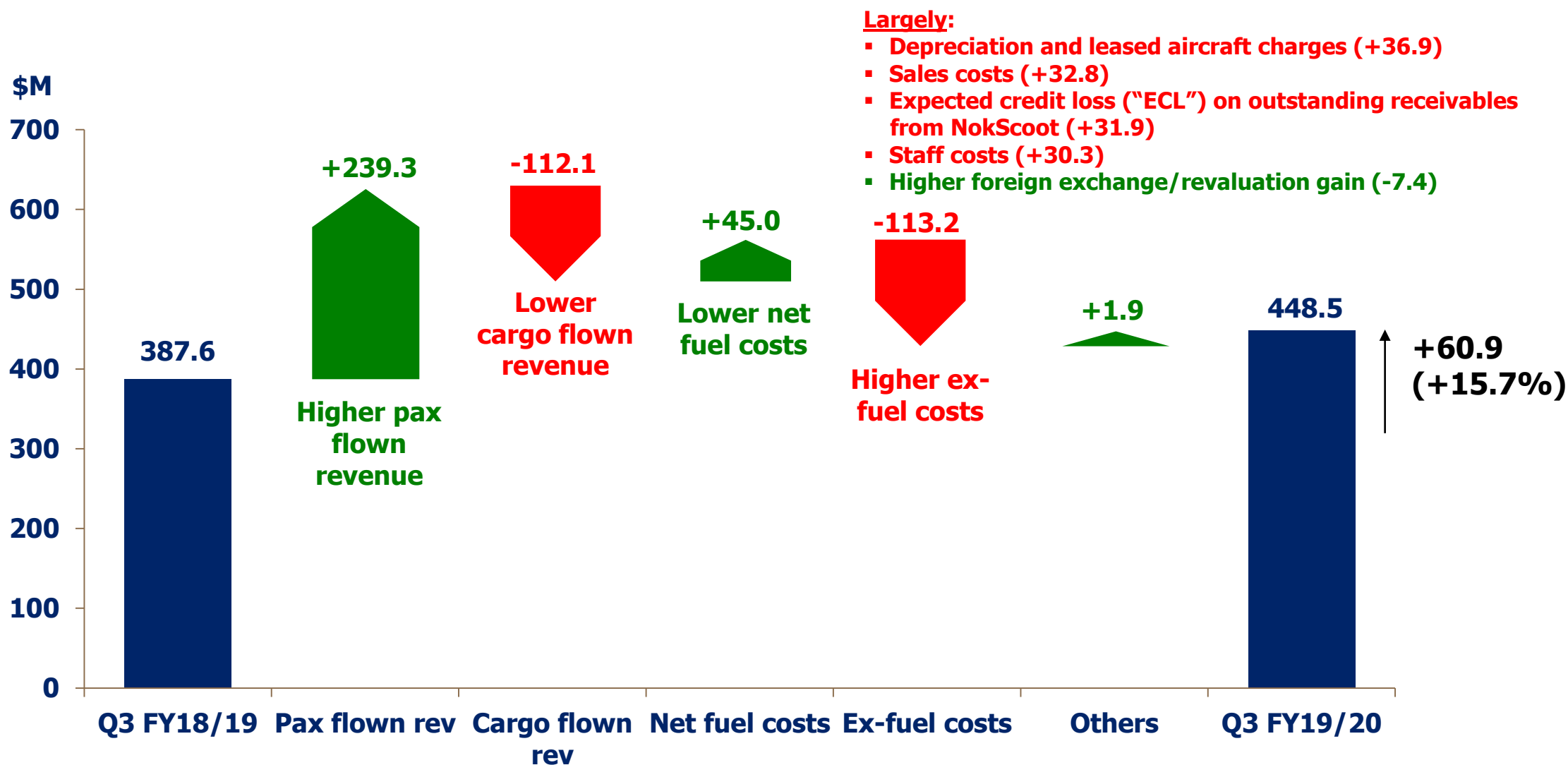
# Group Operating Profit Q3 & 9M FY19/20

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

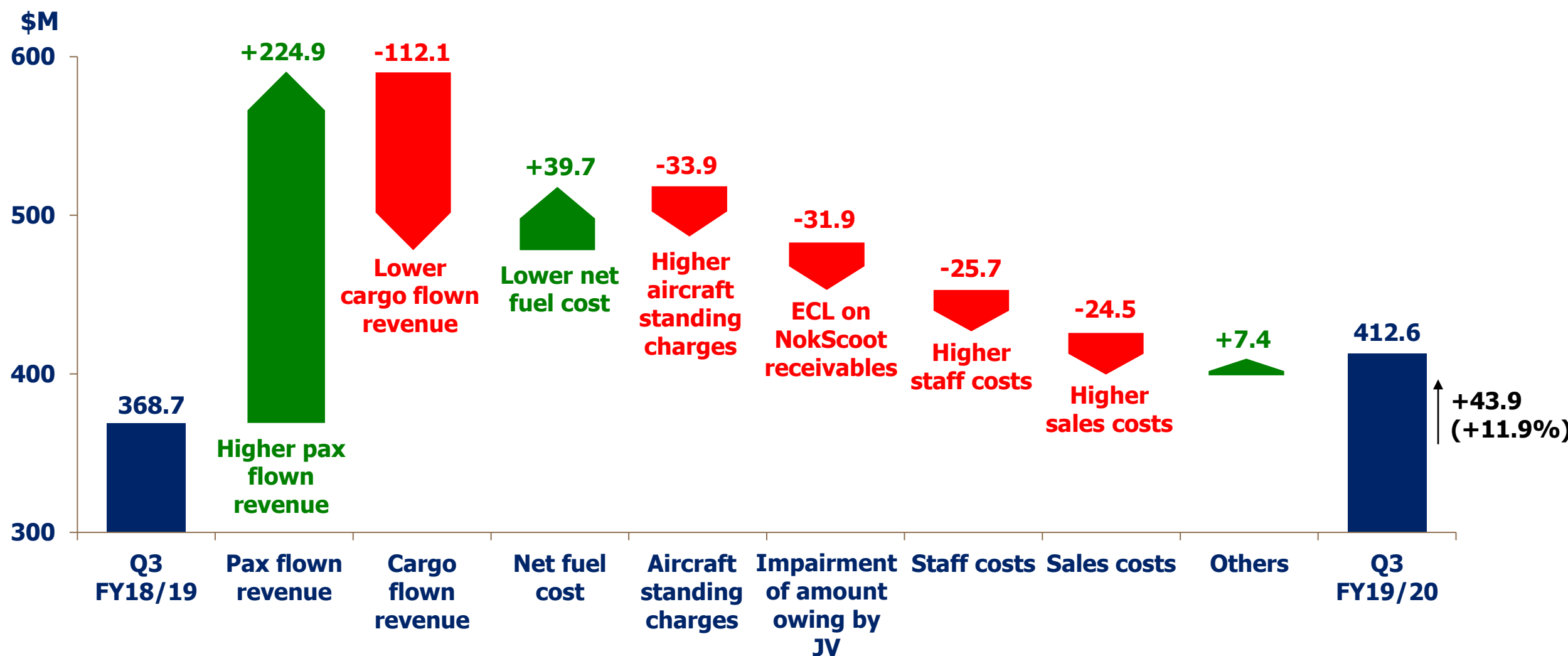


## Operating Results for the Main Companies in the Group Q3 & 9M FY19/20

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

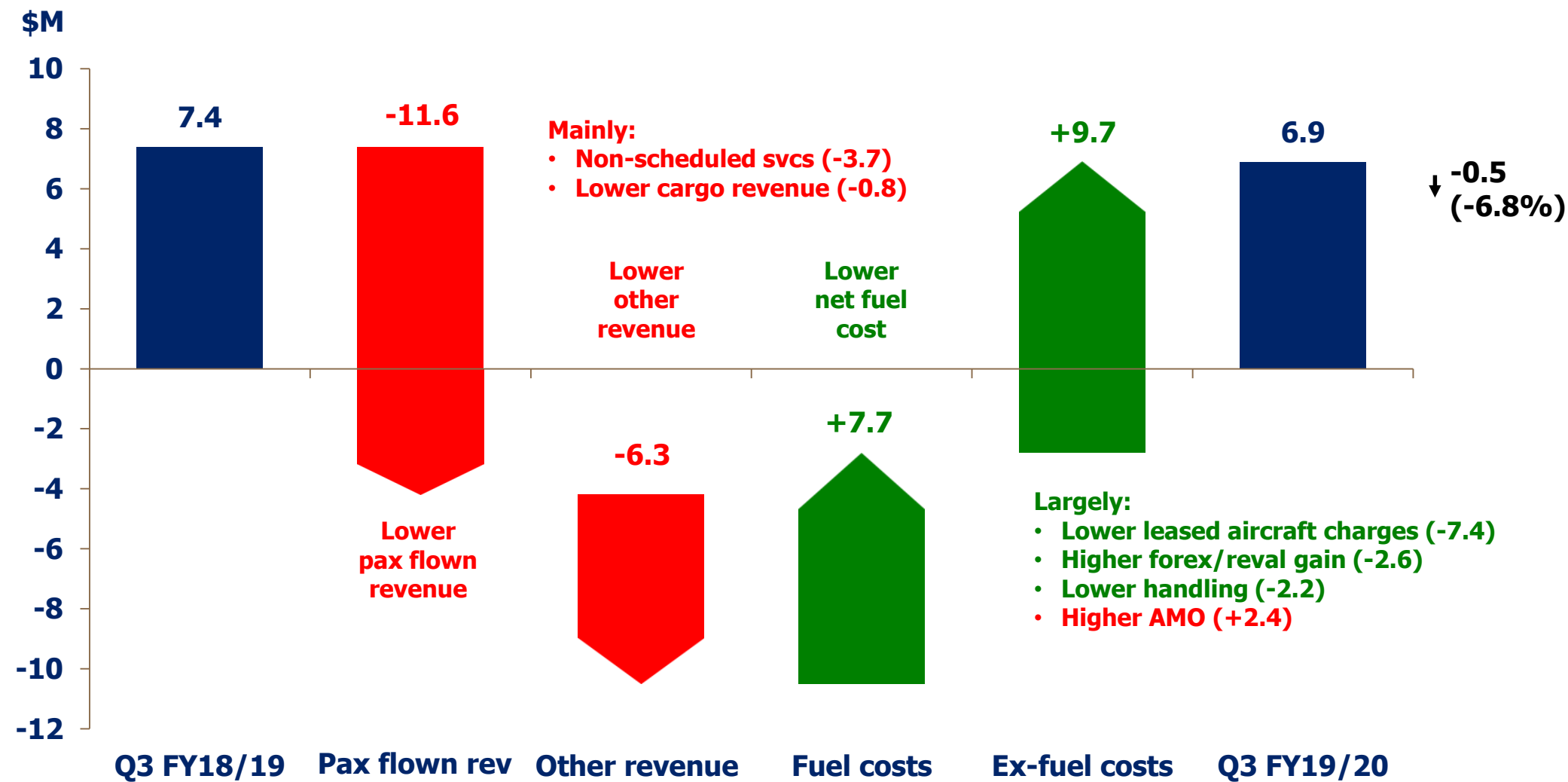
# Composition of Change in SIA (Parent Airline Company)'s Operating Results Q3 FY19/20

Operating profit improved on strong pax revenue growth



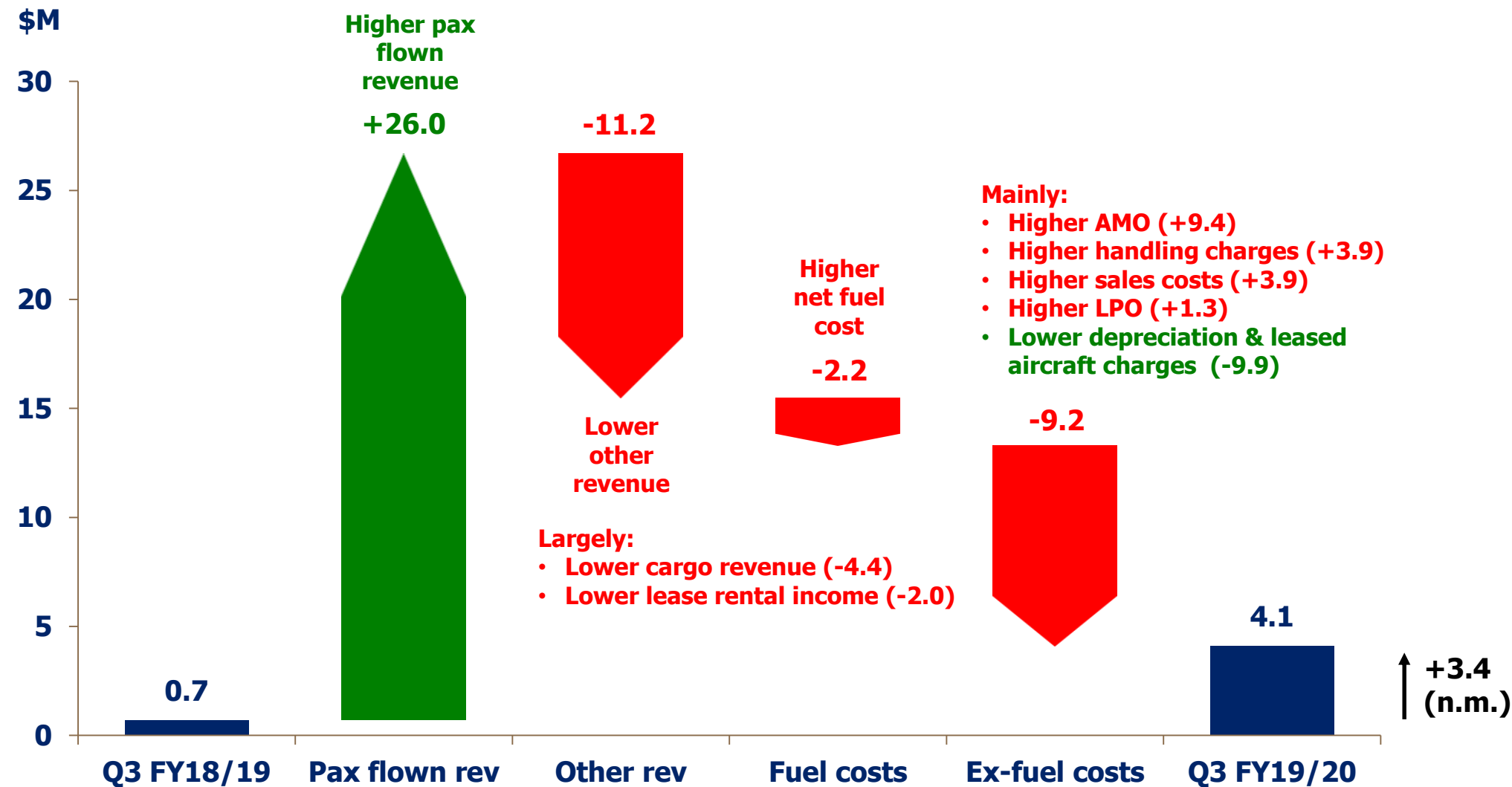
# SIA Group – Q3 FY19/20

## SilkAir: Composition of Decrease in Operating Performance



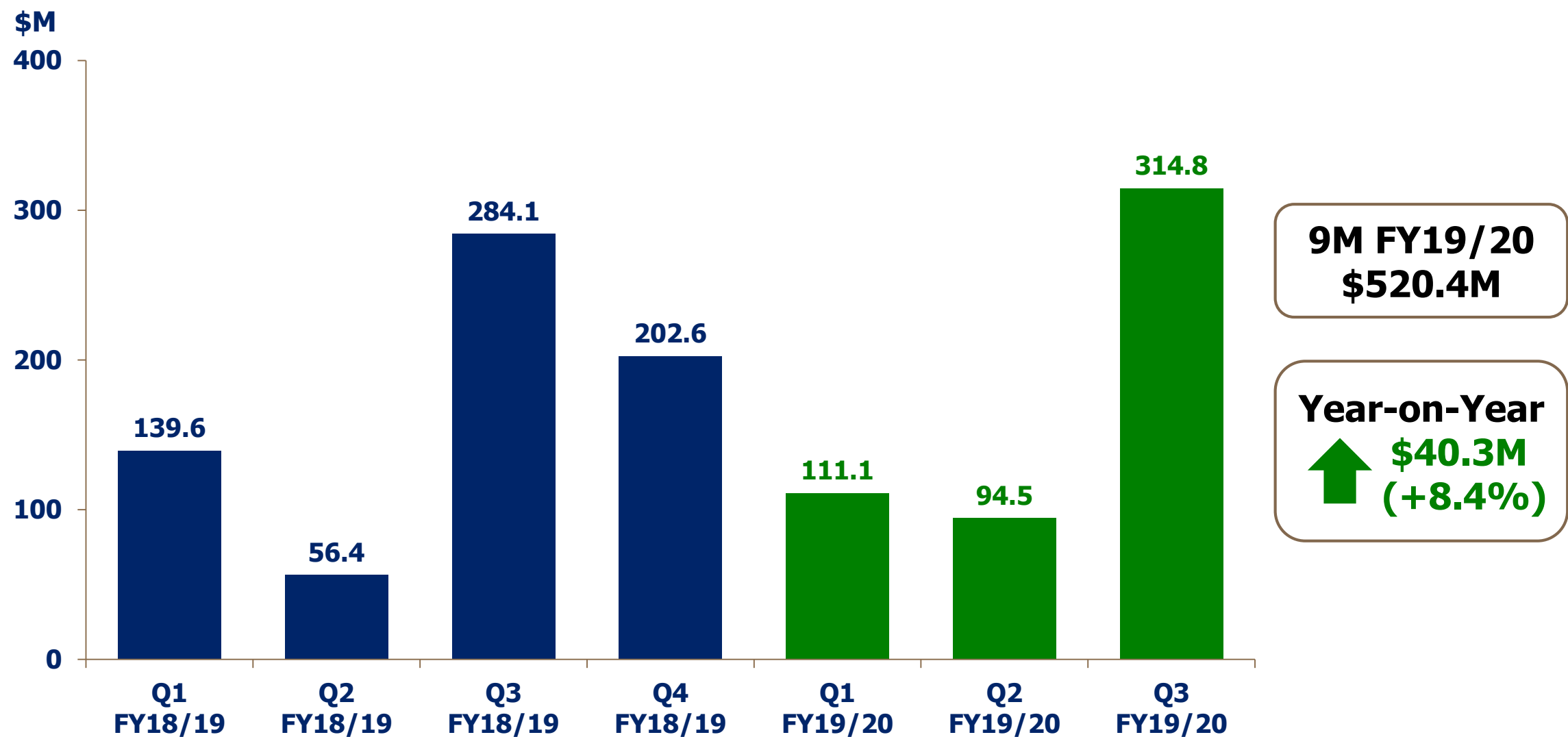
# SIA Group – Q3 FY19/20

## Scoot: Composition of Increase in Operating Performance



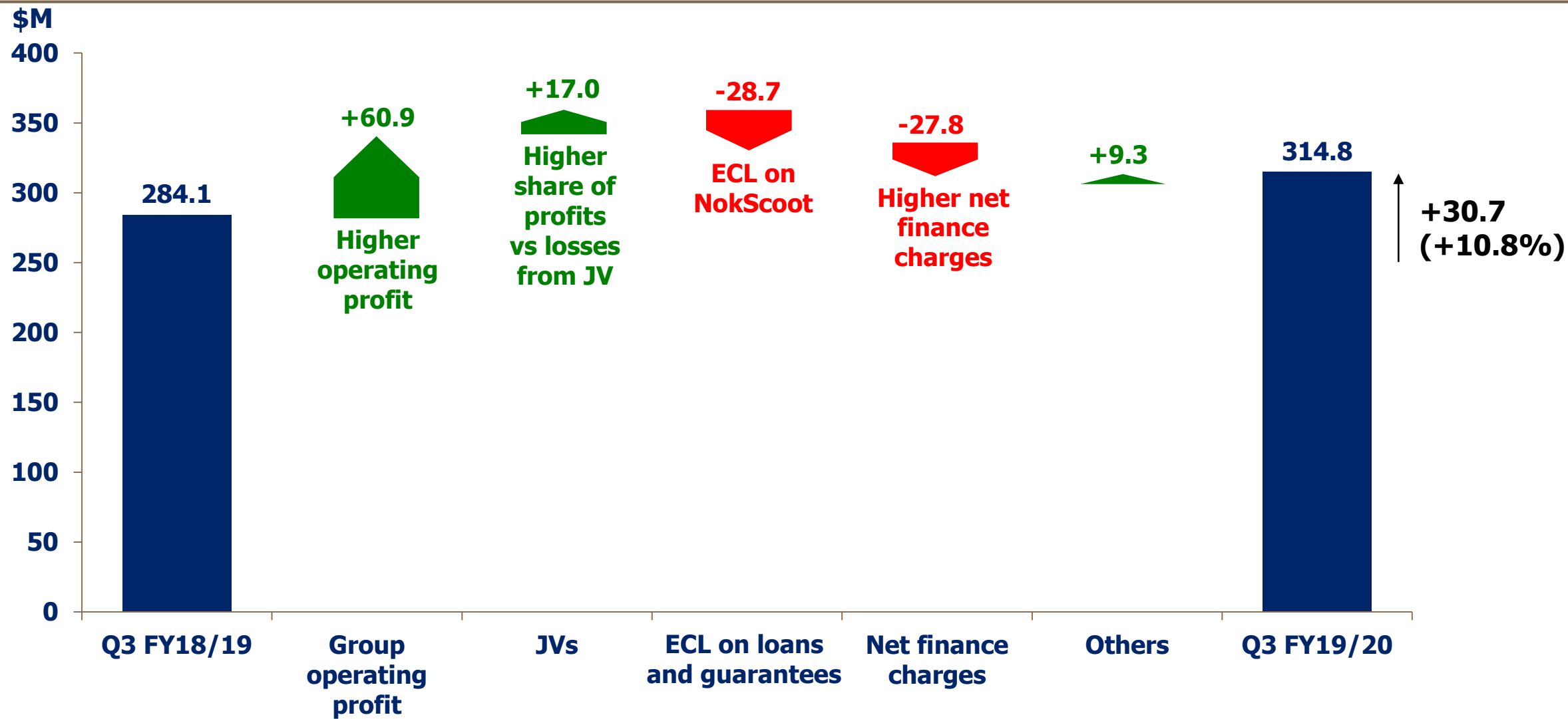
# Group Profit Attributable to Owners of the Parent Q3 & 9M FY19/20

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

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

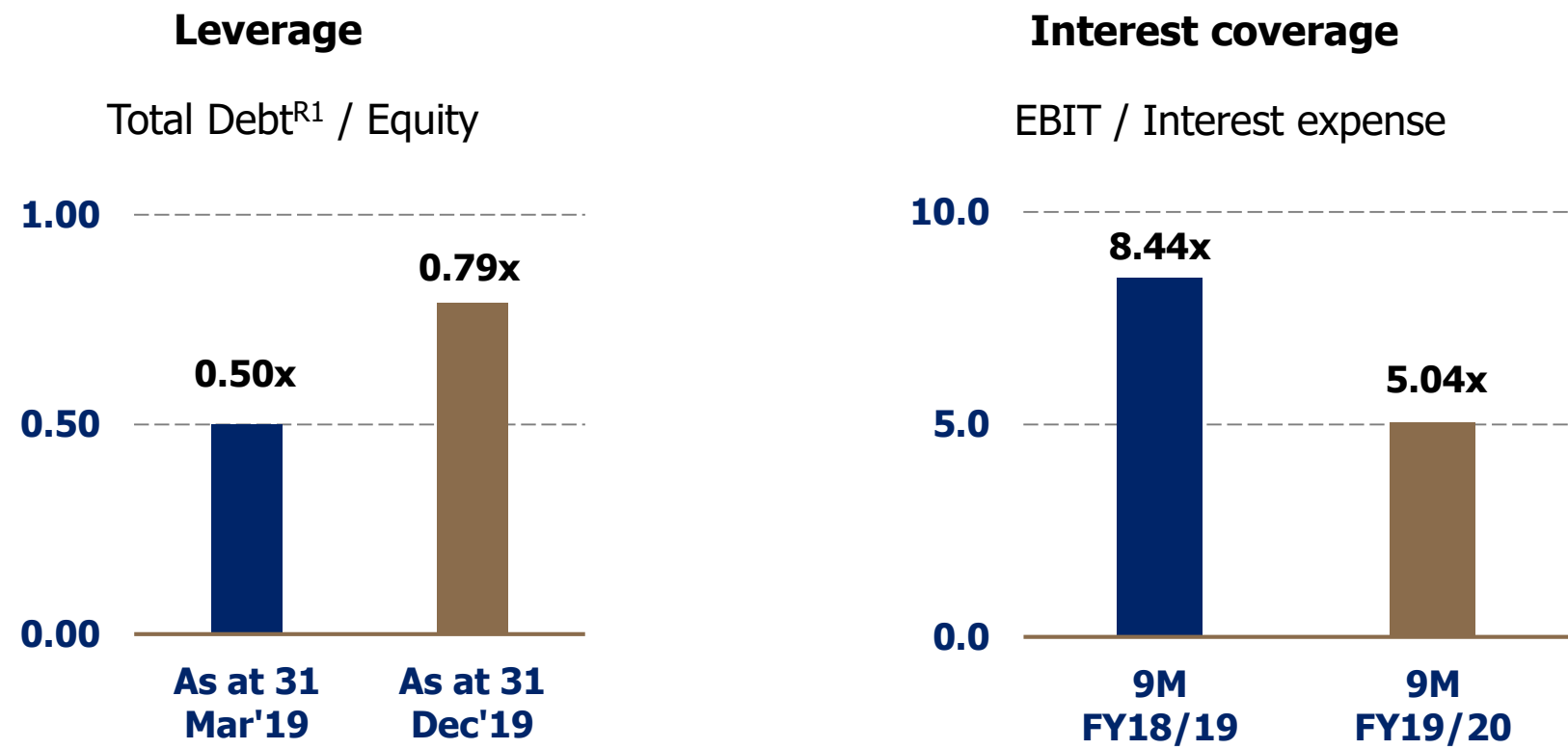
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	As at 31 Dec'19	As at 31 Mar'19
<b>Net Asset Value per share (\$)</b>	<b>10.25</b>	<b>11.22</b>

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# Key Coverage Ratios

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







<sup>R1</sup> 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
	<b>777-200</b>	4		-1	3
	<b>777-200ER</b>	4			4
	<b>777-300</b>	5			5
	<b>777-300ER</b>	27			27
	<b>A380-800</b>	19			19
	<b>A330-300</b>	12		-3	9
	<b>A350-900</b>	41	+4		45
	<b>787-10</b>	14	+1		15
	<b>747-400F</b>	7			7
<b>SIA Total</b>		<b>133</b>	<b>+5</b>	<b>-4</b>	<b>134</b>
	<b>A319</b>	2			2
	<b>A320</b>	7			7
	<b>737-800</b>	17			17
<b>SilkAir Total</b>		<b>26</b>	<b>-</b>	<b>-</b>	<b>26</b>
	<b>787-8</b>	10			10
	<b>787-9</b>	10			10
	<b>A320ceo</b>	26			26
	<b>A320neo</b>	2			2
<b>Scoot Total</b>		<b>48</b>	<b>-</b>	<b>-</b>	<b>48</b>
<b>Group Total</b>		<b>207</b>	<b>+5</b>	<b>-4</b>	<b>208</b>

# 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

