

SIA Group
Business Update
Q1 FY21/22
(ended 30 June 2021)

30 July 2021

Group Financial Results

Summary – Q1 FY21/22 results

SIA Group narrows first quarter net loss to \$409 million

Operating loss was \$274 million for Q1 FY21/22:

- **Improvement of \$763 million (73.6%) year-on-year**
- **Fair value gain of \$72 million on fuel derivatives recorded for the quarter, compared to fuel hedging ineffectiveness (\$462 million) and fair value loss on fuel derivatives (\$2 million) recognised last year**

Passenger traffic up as the SIA Group progressively rebuilds its network

Robust cargo performance continues to lead revenue contribution

Fund-raising activities in Q1 FY21/22:

- **\$6.2 billion from issuance of MCBs, and \$0.8 billion from aircraft sale-and-leaseback transactions**
- **Cash and bank balances stood at \$13.7 billion**

Strong balance sheet provides foundation to navigate uncertainties and secure growth

Group Financial Results

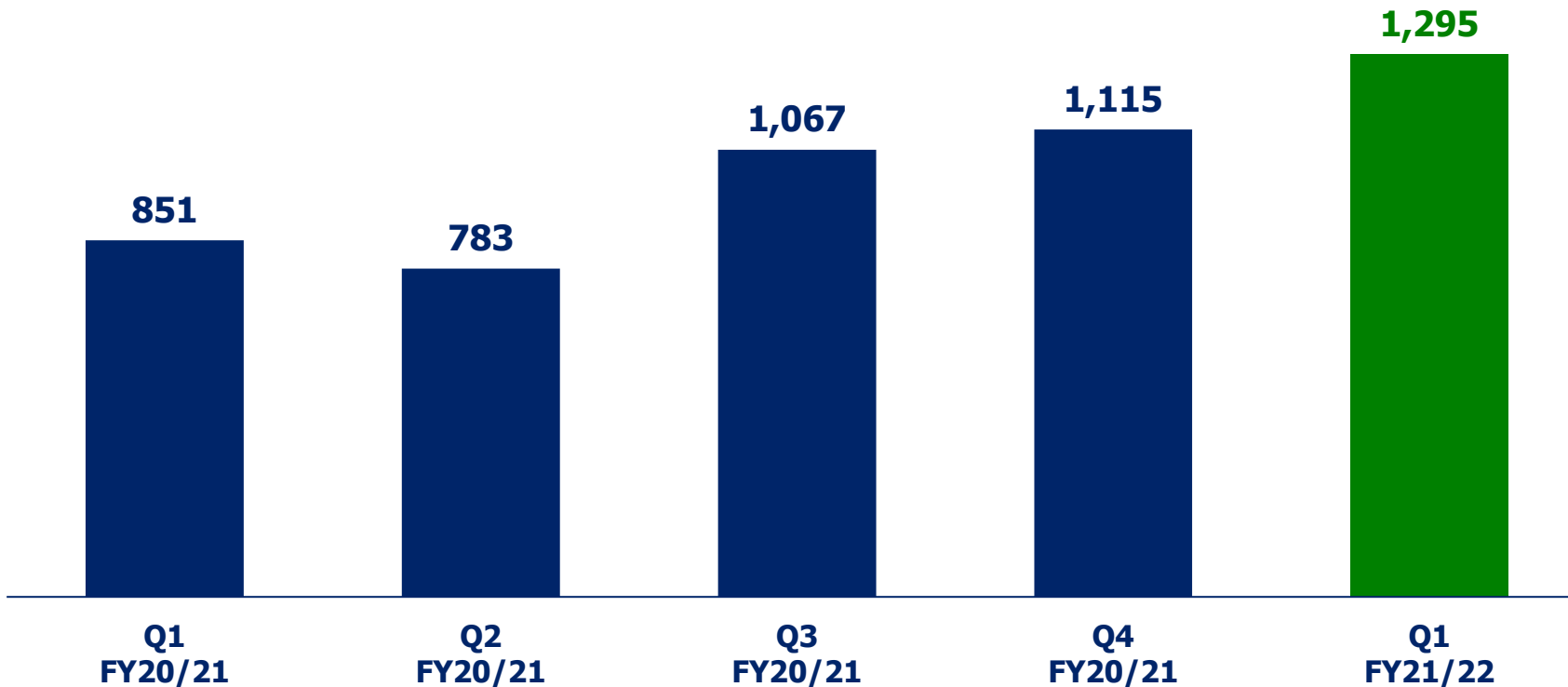
| | Q1 FY21/22 (\$'M) | Q1 FY20/21 (\$'M) | Better/ (Worse) (\$'M) | Better/ (Worse) (%) |
|---|-------------------------|-------------------------|------------------------------|---------------------------|
| Total Revenue | 1,295 | 851 | 444 | 52.2 |
| Total Expenditure | 1,569 | 1,888 | 319 | 16.9 |
| -- Net fuel cost | 360 | 155 | (205) | (132.3) |
| <i>Fuel cost (before hedging)</i> | <i>373</i> | <i>84</i> | <i>(289)</i> | <i>n.m.</i> |
| <i>Fuel hedging (gain)/loss</i> | <i>(13)</i> | <i>71</i> | <i>84</i> | <i>n.m.</i> |
| -- Fuel hedging ineffectiveness | - | 462 | 462 | n.m. |
| -- Fair value (gain)/loss on fuel derivatives | (72) | 2 | 74 | n.m. |
| -- Non-fuel expenditure | 1,281 | 1,269 | (12) | (0.9) |
| Operating Loss | (274) | (1,037) | 763 | 73.6 |
| Net Loss | (409) | (1,123) | 714 | 63.6 |

Slide 3

Group Revenue Q1 FY21/22

Growth in flown revenue with gradual reinstatement of the passenger network

Group Revenue (\$'M)



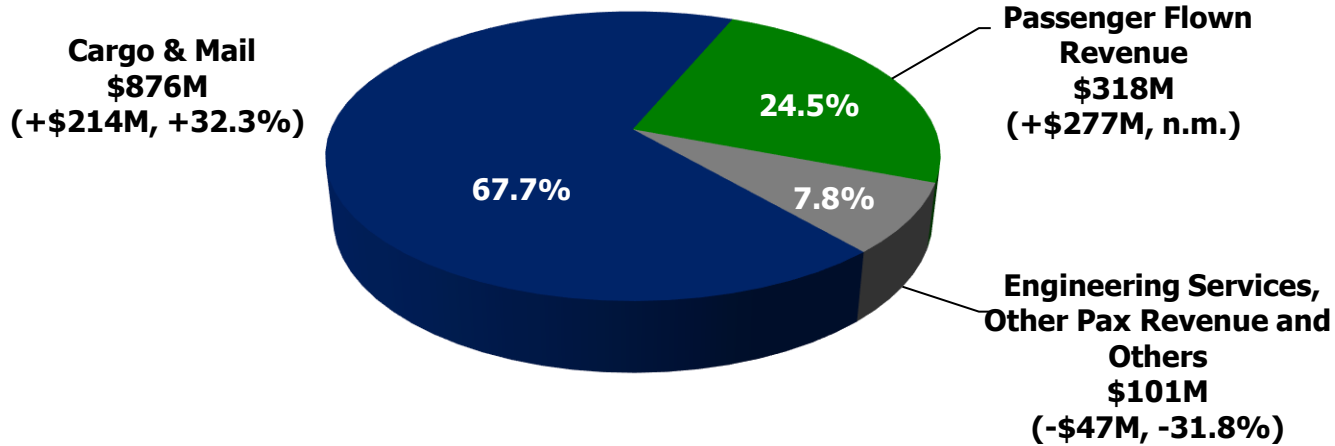
Q1 FY21/22
\$1,295M

Year-on-Year
↑ \$444M
(+52.2%)

Group Revenue Q1 FY21/22

Robust cargo performance continued to lead revenue contribution

Group Revenue Breakdown



Passenger Business:

- Pax traffic grew as the SIA Group progressively rebuilds its network. Passenger capacity rose to 28% of pre-Covid levels by the end of Q1 FY21/22.
- Pax flown revenue rose by \$277M y-o-y on the back of pax traffic recovery, partly offset by weaker yields.

Cargo Business:

- Cargo flown revenue grew by \$214M y-o-y as the reinstatement of pax flights contributed to an increase in cargo capacity (+46.9%) and loads carried (+68.2%).
- However, this was partially offset by a decline in cargo yields which moderated from the exceptionally high levels last year.
- While yields saw a decline, it remained elevated compared to pre-Covid, attributable to healthy cargo demand fundamentals and the ongoing capacity crunch from the reduced bellyhold capacity in the industry.

| Q1 FY21/22 | RASK y-o-y (%) | Yields y-o-y (%) | Carriage/Load y-o-y (%) | Capacity y-o-y (%) | Load Factor (Change y-o-y) |
|--------------------|----------------|------------------|-------------------------|--------------------|----------------------------|
| SIA* | +27.3 | -11.9 | n.m.^ | n.m.^ | 15.6% (+4.8% pts) |
| Scout | -76.7 | -85.7 | n.m.^ | n.m.^ | 8.9% (+3.5% pts) |
| SIA (Cargo) | n.a. | -21.3 | +68.2 | +46.9 | 89.1% (+11.3% pts) |

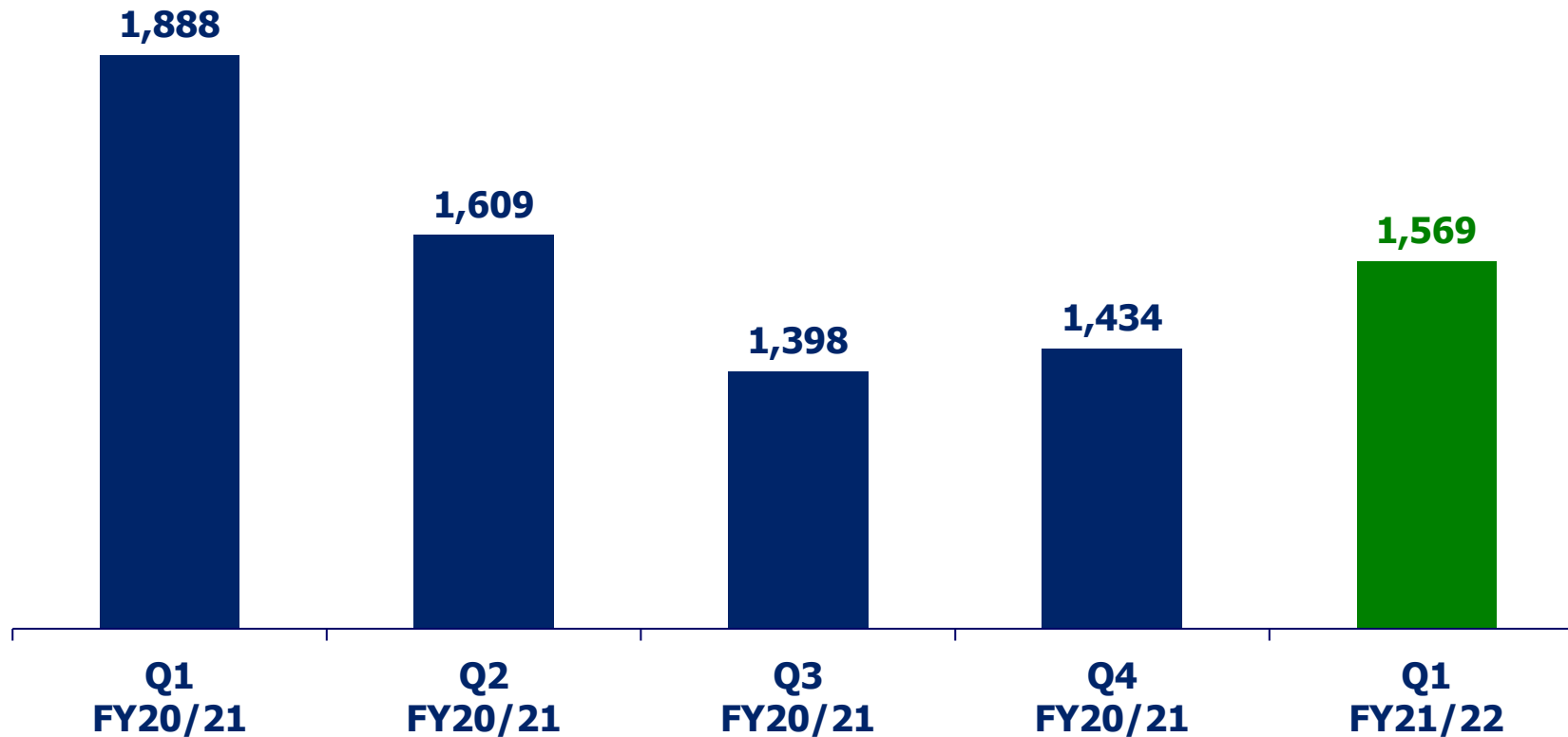
* The operating statistics for full-service carrier reflects the integration of SilkAir into SIA

^ Not meaningful to compute a y-o-y increase

Group Expenditure Q1 FY21/22

Decline mainly due to FV gain on fuel hedging derivatives and absence of fuel hedging ineffectiveness

Group Expenditure (\$'M)



Q1 FY21/22
\$1,569M

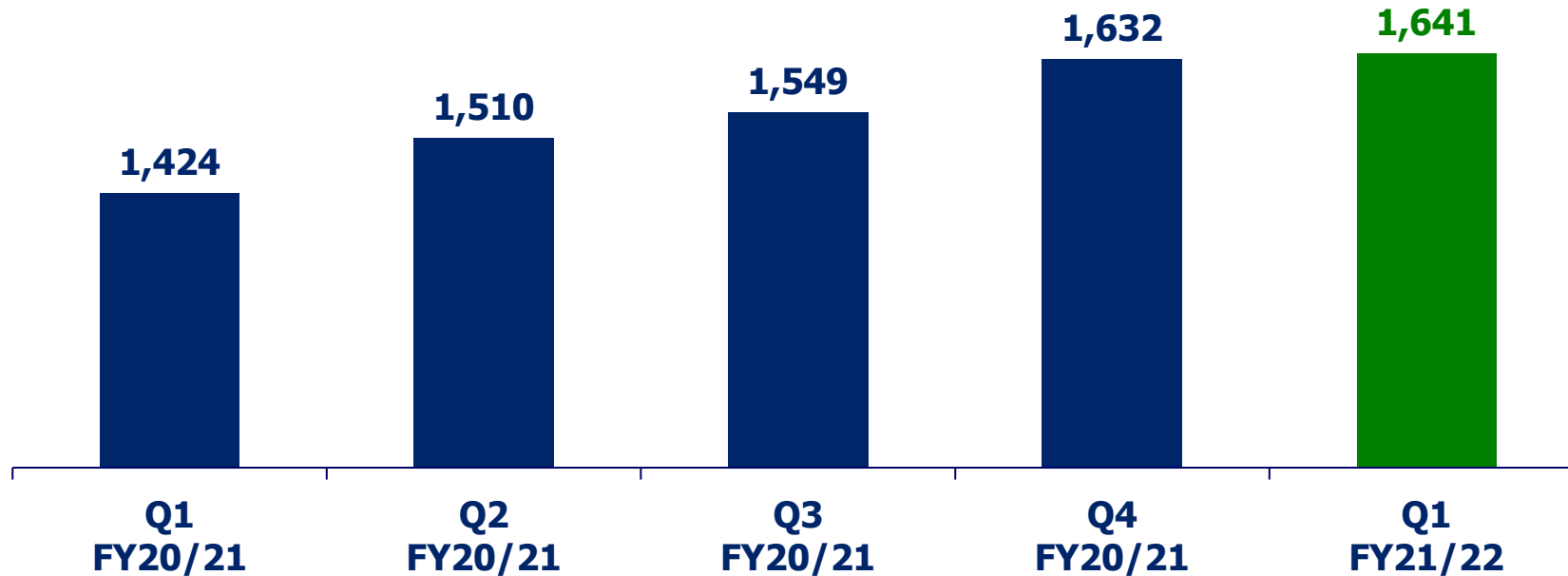
Year-on-Year
↓ **\$319M**
(-16.9%)

Group Expenditure Q1 FY21/22 - Adjusted

Increase in adjusted expenditure driven by higher deployment of capacity

Group Expenditure (\$'M) – Adjusted

(Excluded impact of fuel hedging ineffectiveness and FV gain/loss on fuel derivatives)

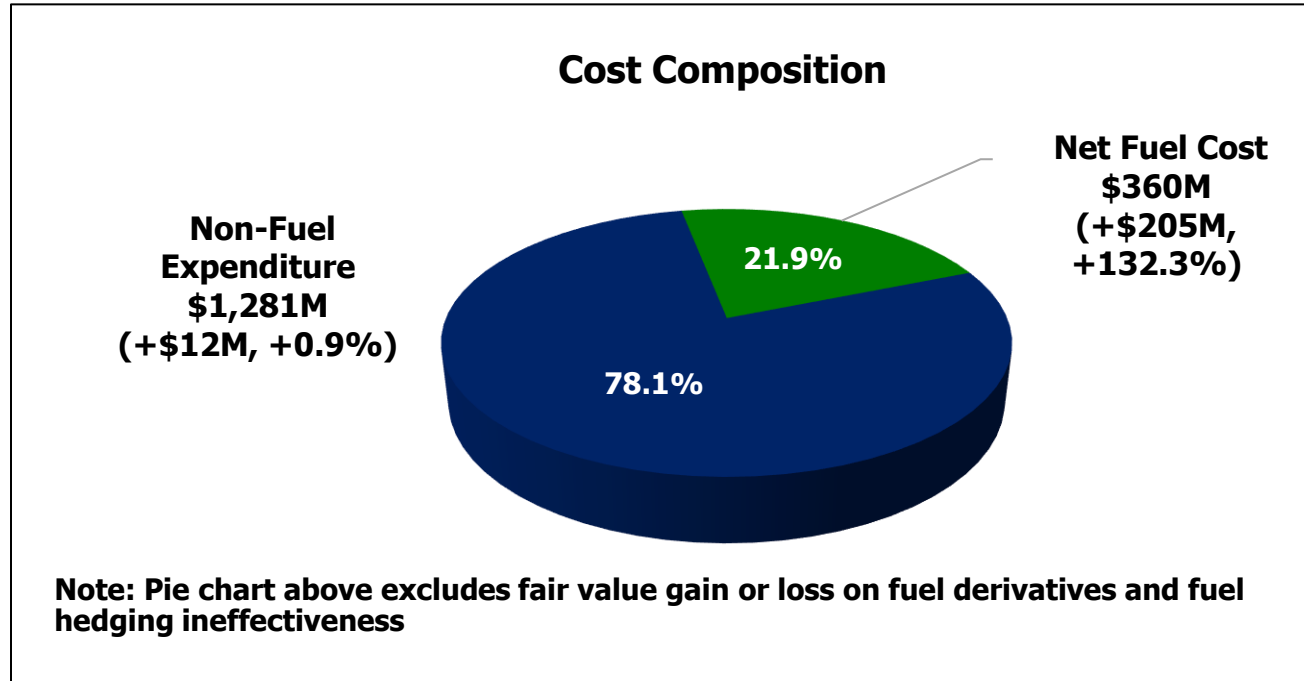


Q1 FY21/22
\$1,641M

Year-on-Year
↑ \$217M
(+15.2%)

Group Expenditure Q1 FY21/22

Higher net fuel cost and non-fuel expenditure for first quarter on increased flying activities

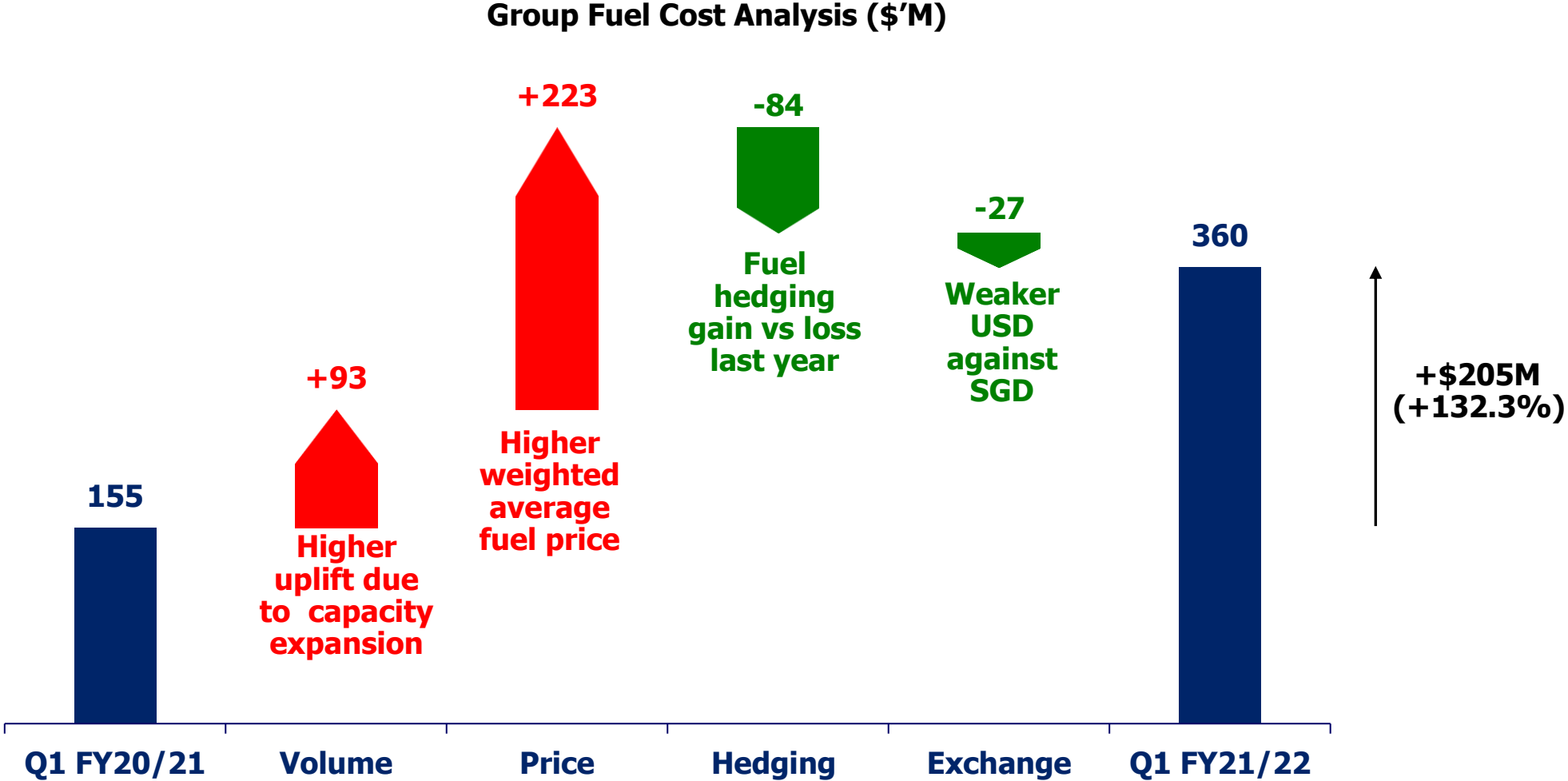


Group expenditure increased \$217 million (+15.2%) y-o-y (excluding the impact of fair value gain or loss on fuel derivatives and fuel hedging ineffectiveness):

- Largely driven by fuel cost increase (net of hedging) of \$205M (+132.3%) to \$360M, due to higher fuel prices and increase in fuel volume uplifted as capacity expanded.
- Fuel hedging gain of \$13M was recorded vs loss of \$71M a year ago.
- Non-fuel expenditure rose \$12M (+0.9%), as higher costs from the increased flying activities were partially mitigated by lower depreciation after surplus aircraft were removed from the fleet, and by cost savings initiatives.

Net Fuel Cost Q1 FY21/22

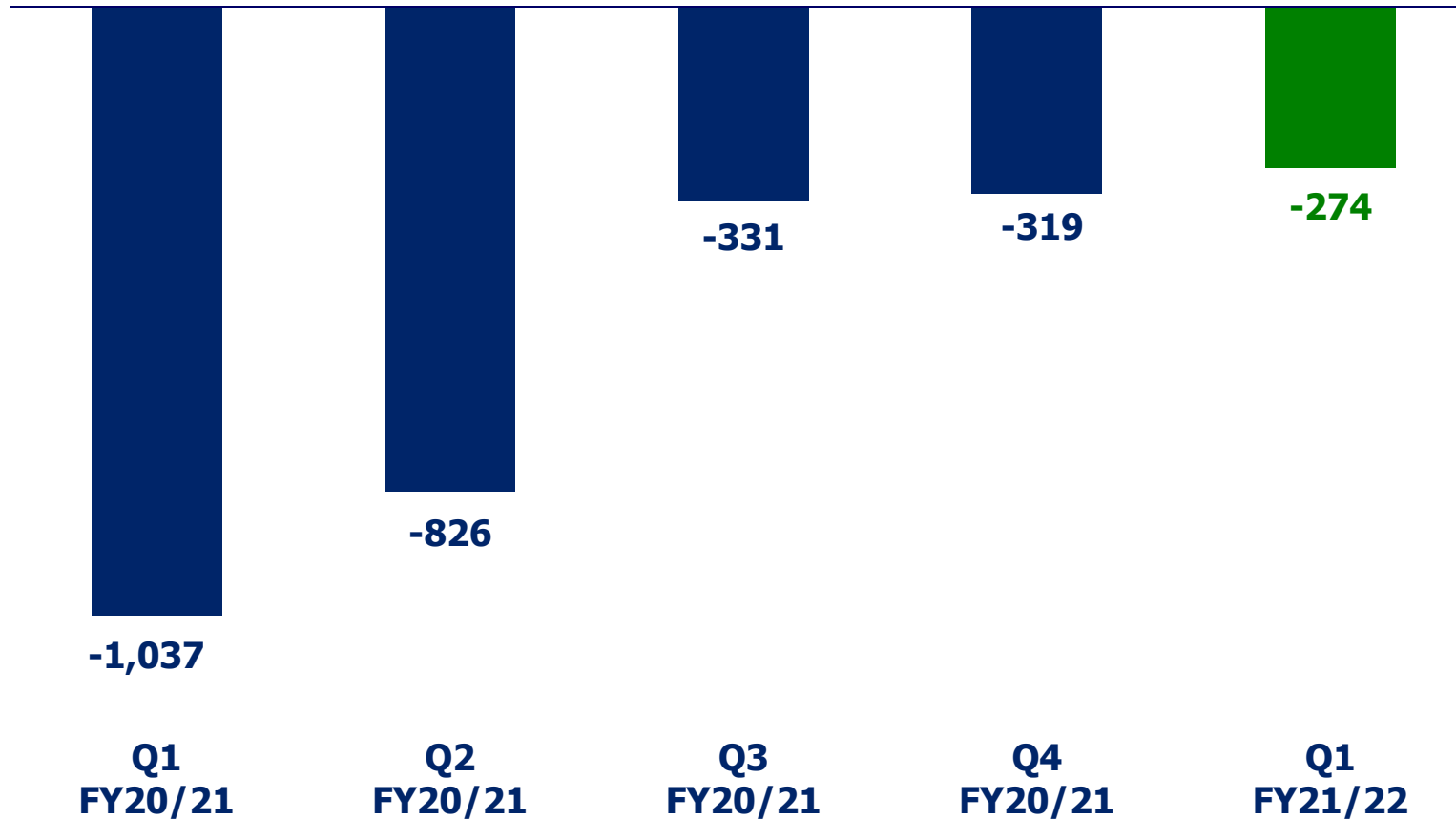
Net fuel cost up due to higher fuel prices and volume uplifted, partially mitigated by hedging gain and forex



Group Operating Loss Q1 FY21/22

Operating losses continued to reduce

Group Operating Loss (\$'M)



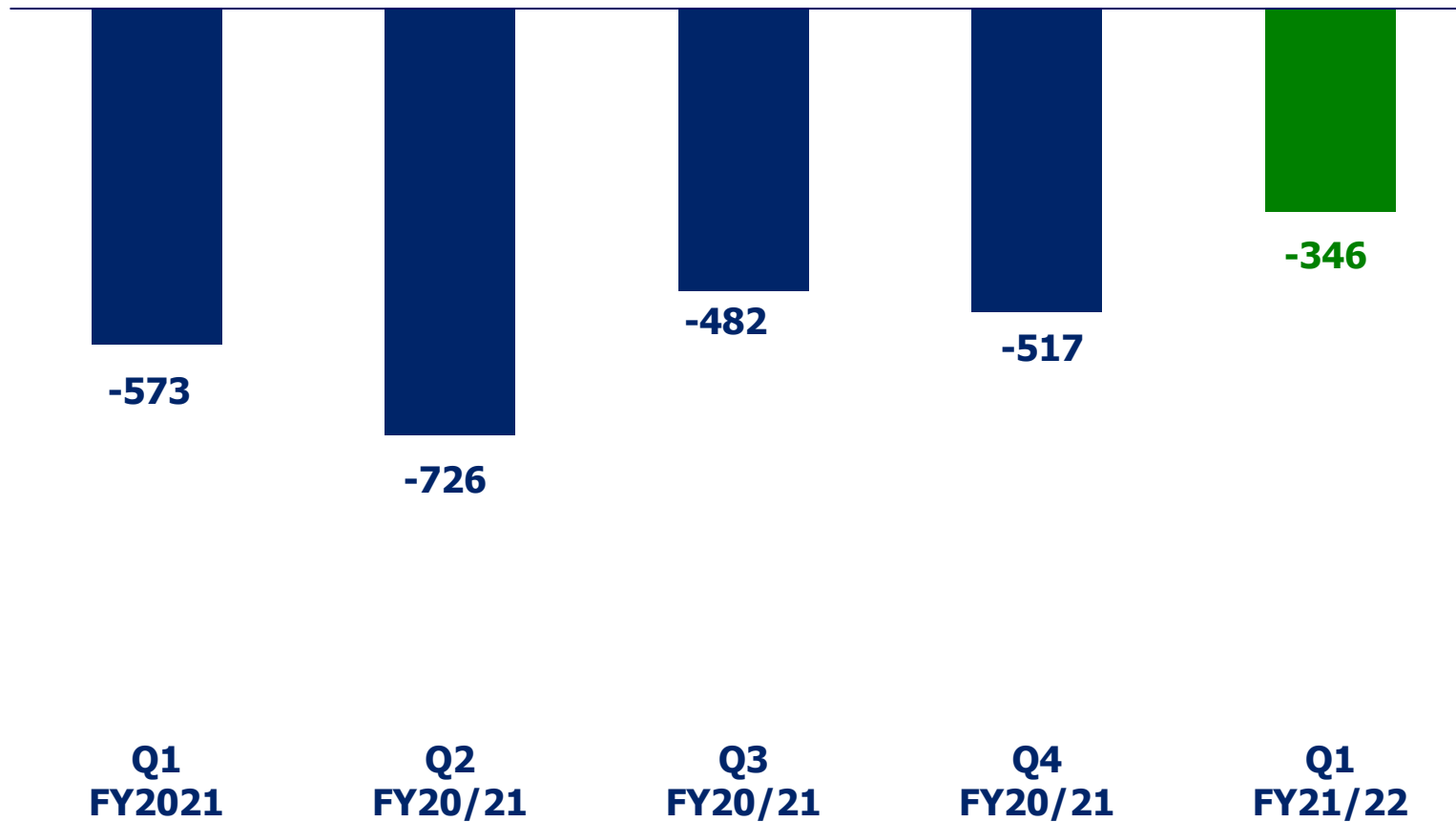
Q1 FY21/22
-\$274M

Year-on-Year
↑ \$763M
(+73.6%)

Group Operating Loss Q1 FY21/22 - Adjusted

Operating losses continued to reduce even on adjusted basis

Group Operating Loss (\$'M) – Adjusted
(Excluded fuel hedging ineffectiveness and FV gain/loss on fuel derivatives)

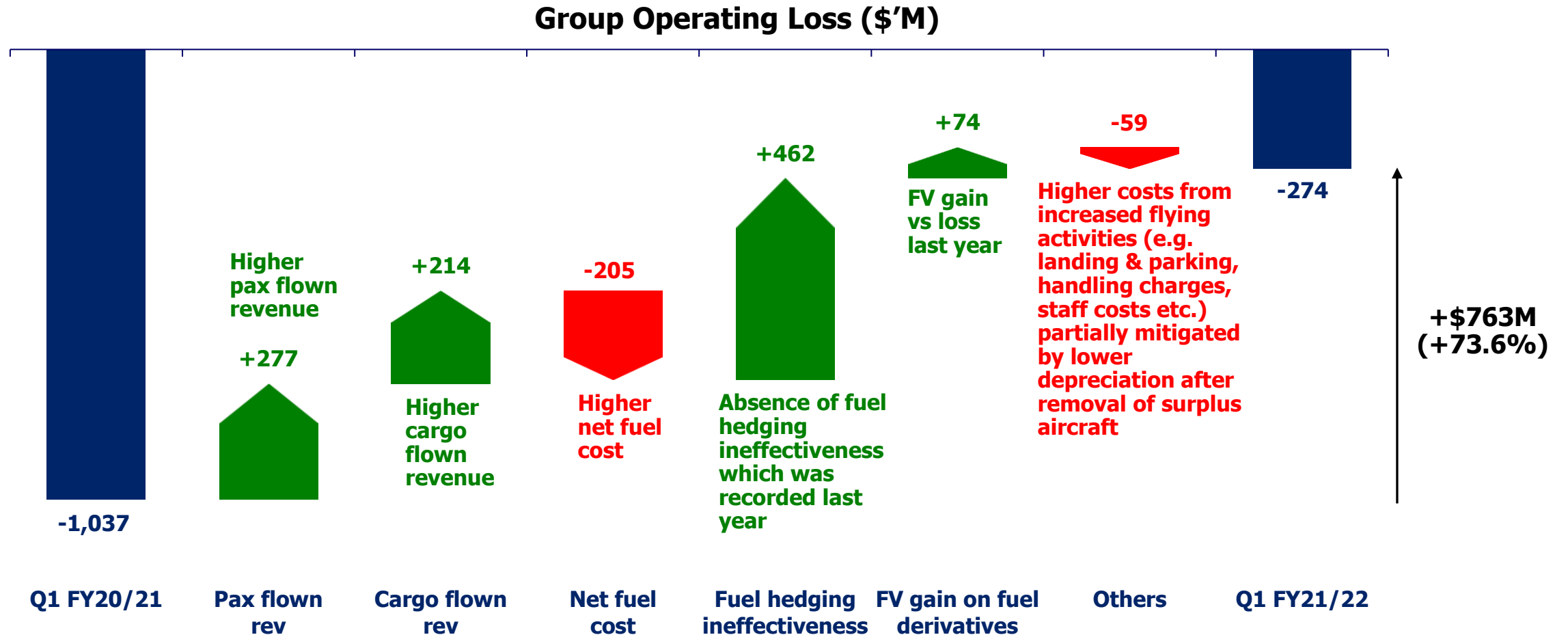


Q1 FY21/22
-\$346M

Year-on-Year
↑ \$227M
(+39.6%)




Group Operating Loss Q1 FY21/22

Operating loss narrowed mainly on flown revenue improvement and absence of fuel hedging ineffectiveness



Operating Results for the Main Companies of the Group

All major entities recorded lower losses

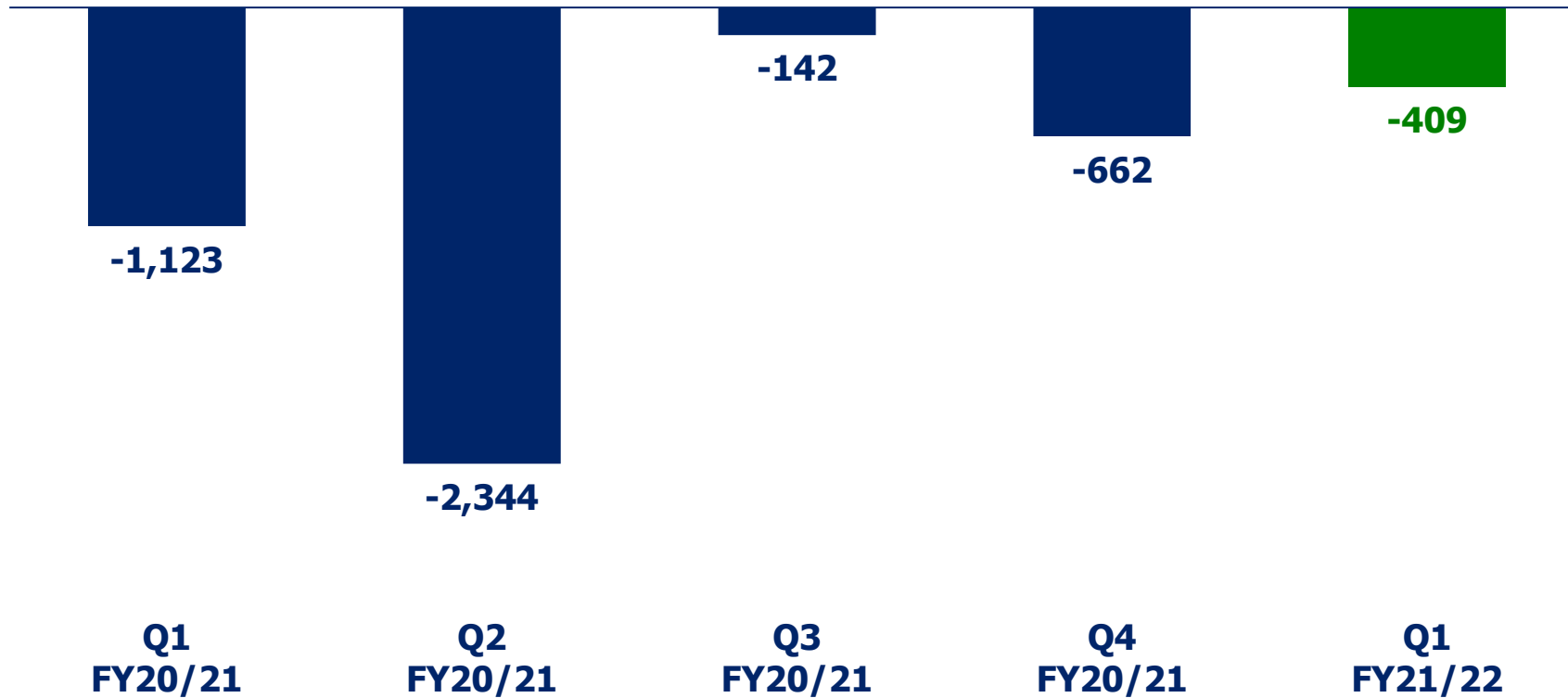
| | | Q1 FY21/22 (\$'M) | Q1 FY20/21 (\$'M) | Better/ (Worse) \$M | Better/ (Worse) (%) |
|---|------------------------------|-------------------------|-------------------------|---------------------------|---------------------------|
|  | Full-service carrier* | (153) | (768) | 615 | 80.1 |
|  | Low-cost carrier | (114) | (259) | 145 | 56.0 |
|  | SIAEC Group | (3) | (9) | 6 | 66.7 |

* Includes results for SIA and SilkAir. SIA incurred an operating loss of \$141M during Q1 FY21/22

Group Net Loss Q1 FY21/22

Lower net loss in Q1 compared to last year

Group Net Loss (\$'M)

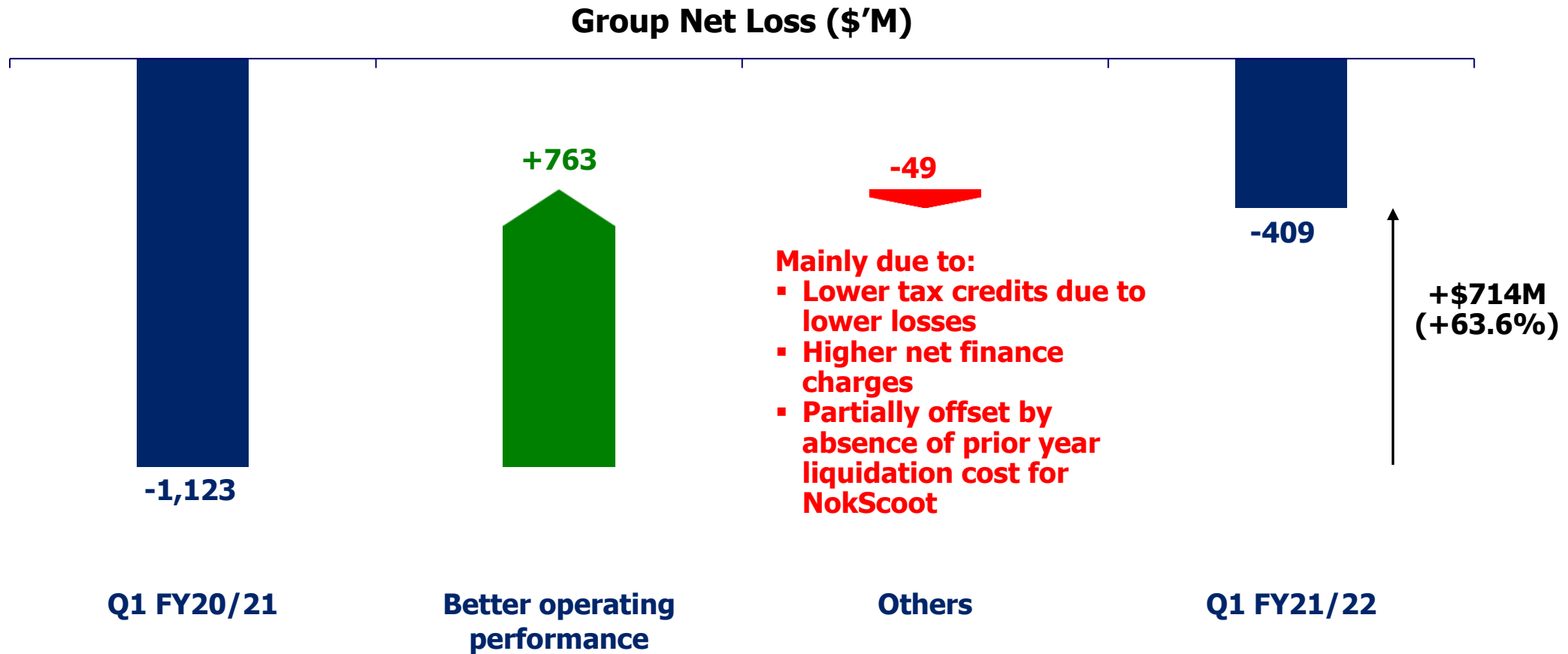


Q1 FY21/22
-\$409M

Year-on-Year
↑ \$714M
(+63.6%)

Group Net Loss Q1 FY21/22

Reduction in net loss mainly driven by better operating performance



Group Financial Position

| | As at 30 June 2021 | As at 31 March 2021 |
|--|--------------------|---------------------|
| Total assets (\$'M) | 44,448.9 | 37,581.3 |
| Total debt (\$'M) | 15,056.4 | 14,336.9 |
| Total cash and bank balances (\$'M) | 13,650.9 | 7,783.0 |
| Total liabilities (\$'M) | 21,739.6 | 21,303.2 |
| Equity attributable to Owners of the Company (\$'M) | 22,334.4 | 15,905.9 |
| Debt: Equity ratio (times)^{R1} | 0.67 | 0.90 |
| Net Asset Value Per Share (\$) ^{R2} | 7.53 | 5.36 |
| Adjusted Net Asset Value Per Share (\$) ^{R3} | 3.39 | 3.60 |

^{R1} Total debt : equity ratio is total debt divided by equity attributable to owners of the Company.

^{R2} 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.

^{R3} 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.



Thank You