

**SIA Group
Business Update
Q3 FY21/22
(ended 31 December 2021)**

25 February 2022

GROUP FINANCIAL RESULTS

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Group Financial Results

Key Takeaways – Q3 FY21/22 Results

SIA Group posted first quarterly net profit of \$85 million since onset of Covid-19 pandemic

Q3 FY21/22 operating profit came in at \$76 million driven by improvement in passenger and cargo revenues

Significant growth in passenger numbers as vaccinated travel lanes unlock pent-up demand for air travel during year-end holiday season

Record cargo revenues surpassing the \$1 billion mark for the first time, as robust demand and tight capacity support loads and yields

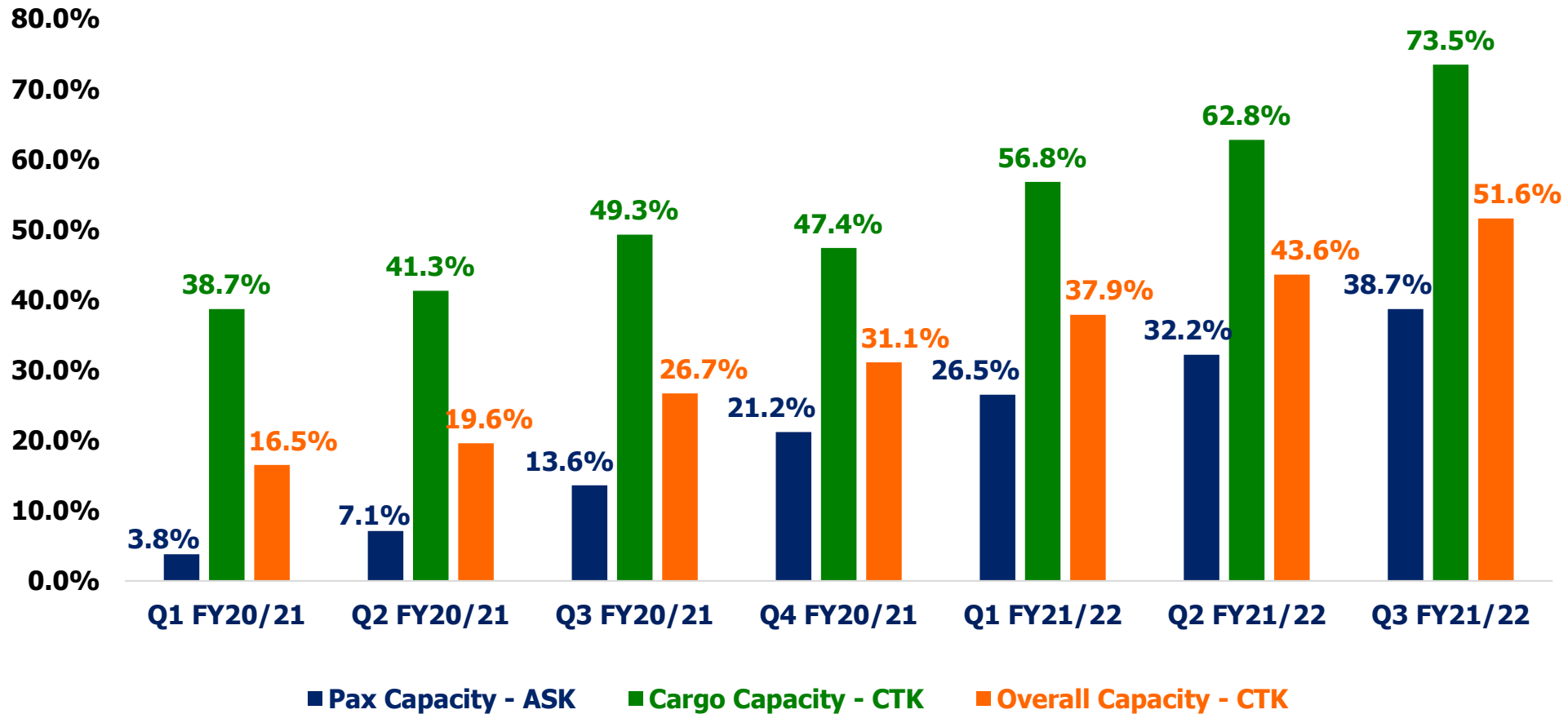
Operating cash surplus of \$322 million achieved for the first nine months of FY21/22

Continued investment in transformation positions SIA Group for future growth

Group Operating Statistics

Calibrated capacity recovery continues

% vs
Pre-Covid
(Jan'20)



ASK
Q3 YoY
+183.8%
9M YoY
+296.1%

Overall CTK
Q3 YoY
+93.5%
9M YoY
+112.1%

Group Financial Results

	Q3 FY21/22 (\$'M)	Q3 FY20/21 (\$'M)	Better/ (Worse) (\$'M)	Better/ (Worse) (%)	9M FY21/22 (\$'M)	9M FY20/21 (\$'M)	Better/ (Worse) (\$'M)	Better/ (Worse) (%)
Total Revenue	2,316.0	1,066.7	1,249.3	117.1%	5,142.9	2,701.1	2,441.8	90.4%
Total Expenditure	2,239.7	1,397.5	(842.2)	(60.3)%	5,686.0	4,894.8	(791.2)	(16.2)%
-- Net fuel cost	633.4	273.5	(359.9)	(131.6)%	1,443.6	649.5	(794.1)	(122.3)%
<i>Fuel cost (before hedging)</i>	<i>689.2</i>	<i>185.9</i>	<i>(503.3)</i>	<i>n.m.</i>	<i>1,551.2</i>	<i>404.3</i>	<i>(1,146.9)</i>	<i>n.m.</i>
<i>Fuel hedging (gain)/loss</i>	<i>(55.8)</i>	<i>87.6</i>	<i>143.4</i>	<i>n.m.</i>	<i>(107.6)</i>	<i>245.2</i>	<i>352.8</i>	<i>n.m.</i>
-- Fuel hedging ineffectiveness	-	35.5	35.5	100.0%	-	497.3	497.3	100.0%
-- Fair value loss/(gain) on fuel derivatives	0.8	(186.5)	(187.3)	n.m.	(78.0)	(84.7)	(6.7)	(7.9)%
-- Non-fuel expenditure	1,605.5	1,275.0	(330.5)	(25.9)%	4,320.4	3,832.7	(487.7)	(12.7)%
Operating Profit/(Loss)	76.3	(330.8)	407.1	n.m.	(543.1)	(2,193.7)	1,650.6	75.2%
Net Profit/(Loss)	84.7	(141.8)	226.5	n.m.	(752.1)	(3,608.8)	2,856.7	79.2%

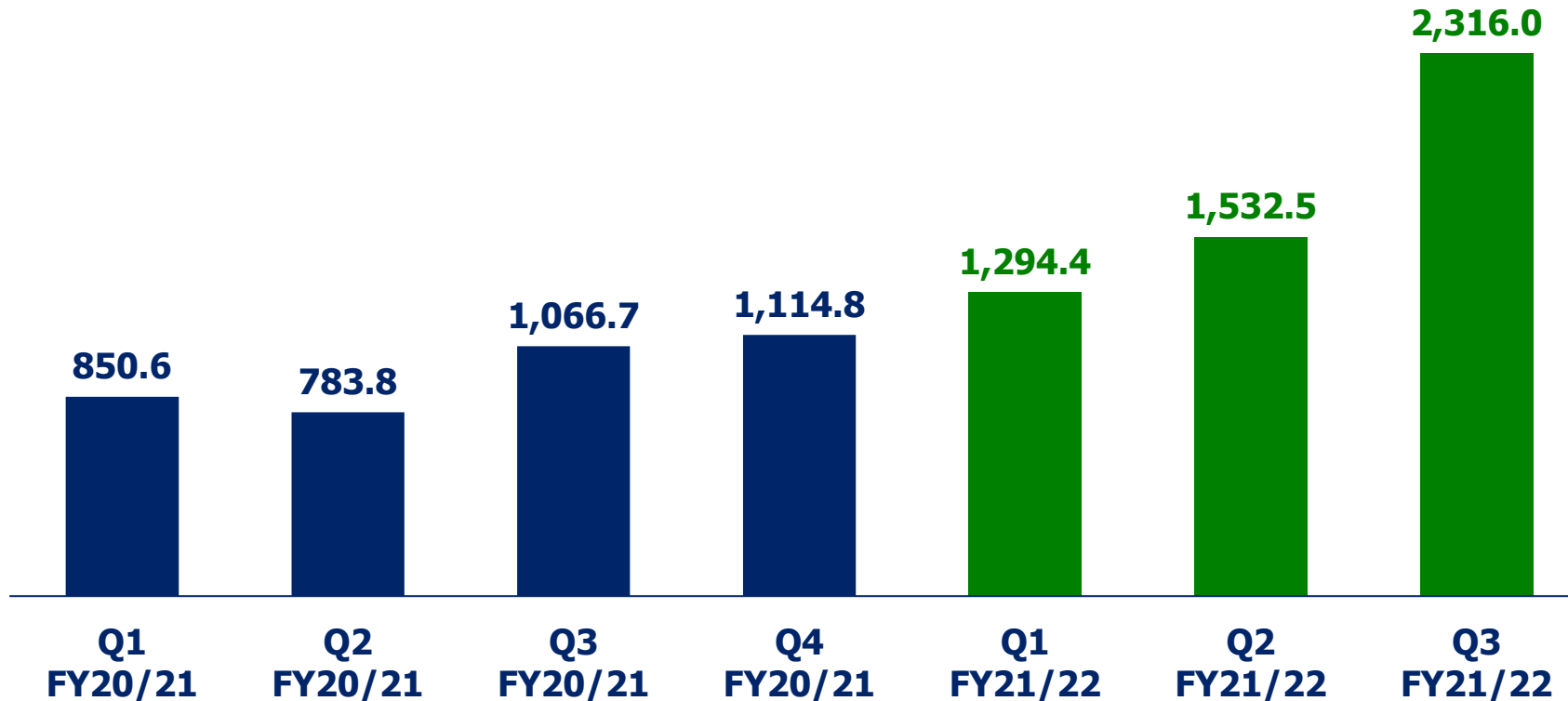
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Group Revenue Q3 FY21/22

Revenue driven by pent-up passenger demand from VTL during year-end holiday season and strong cargo demand

Group Revenue (\$'M)



Q3 FY21/22
\$2,316.0M

YoY
 **\$1,249.3M**
(+117.1%)

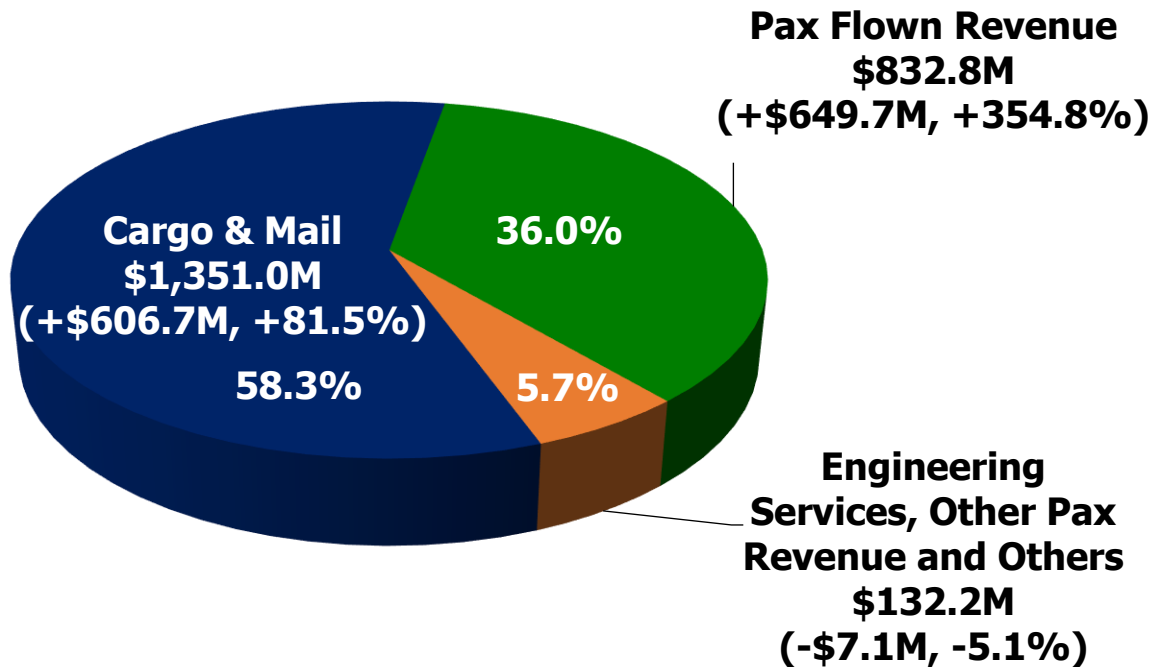
9M FY21/22
\$5,142.9M

YoY
 **\$2,441.8M**
(+90.4%)

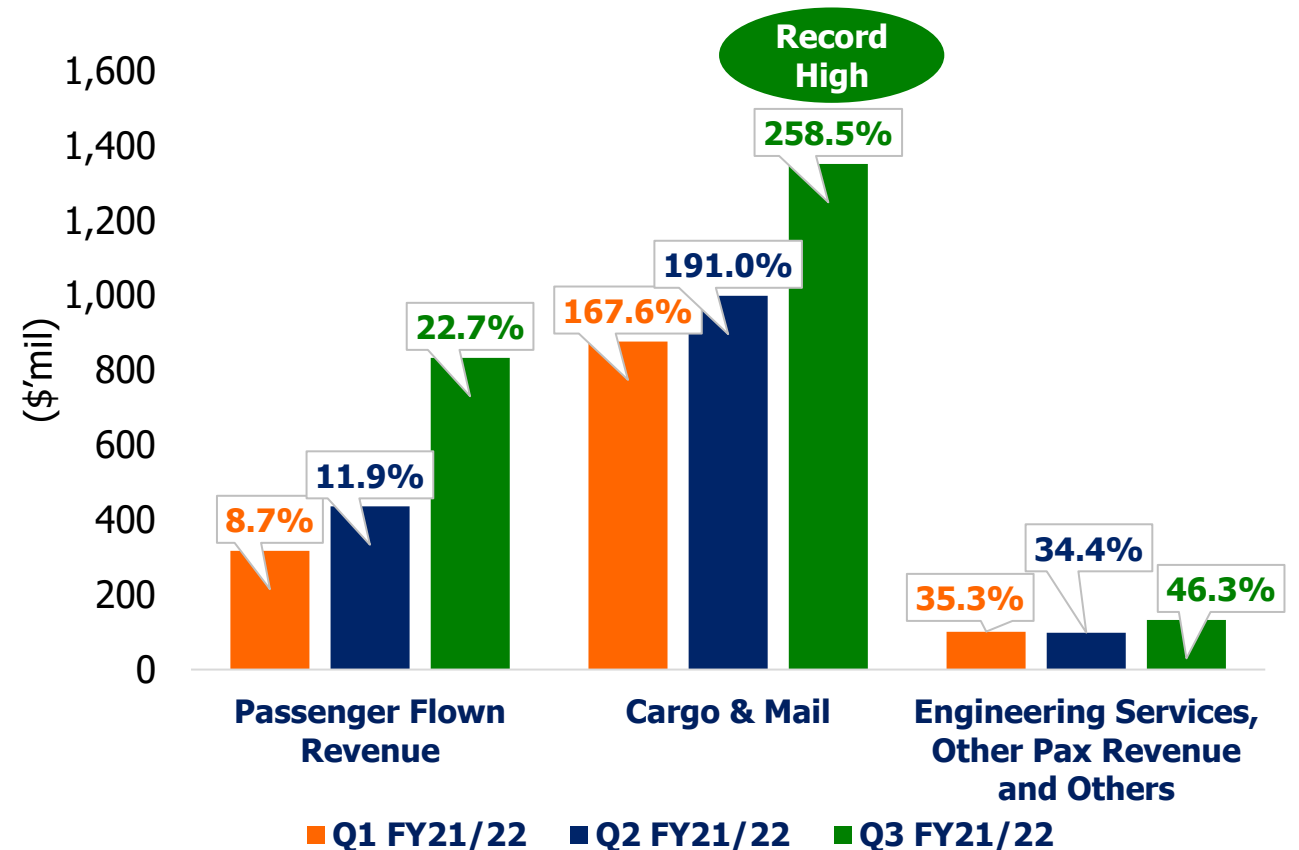
Group Revenue Q3 FY21/22

Revenue driven by pent-up passenger demand from VTL during year-end holiday season and strong cargo demand

Group Revenue Breakdown (\$'M)



Revenue Breakdown from Key Contributors (% vs pre-Covid Q3 FY19/20^)

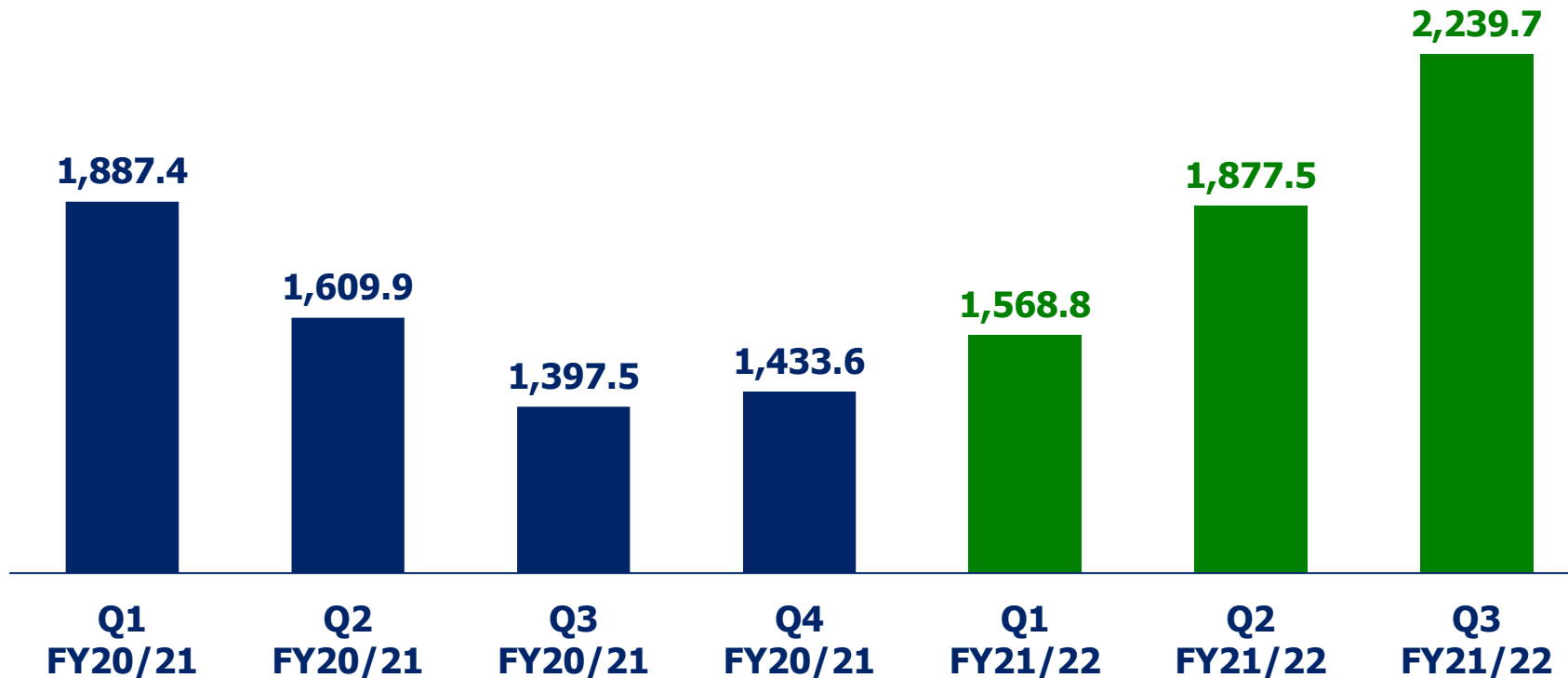


^ Q3 FY19/20 was the last full quarter prior to the onset of Covid-19

Group Expenditure Q3 FY21/22

Group expenditure grew on expansion of operations

Group Expenditure (\$'M)



Q3 FY21/22
\$2,239.7M

YoY
↑ \$842.2M
(+60.3%)

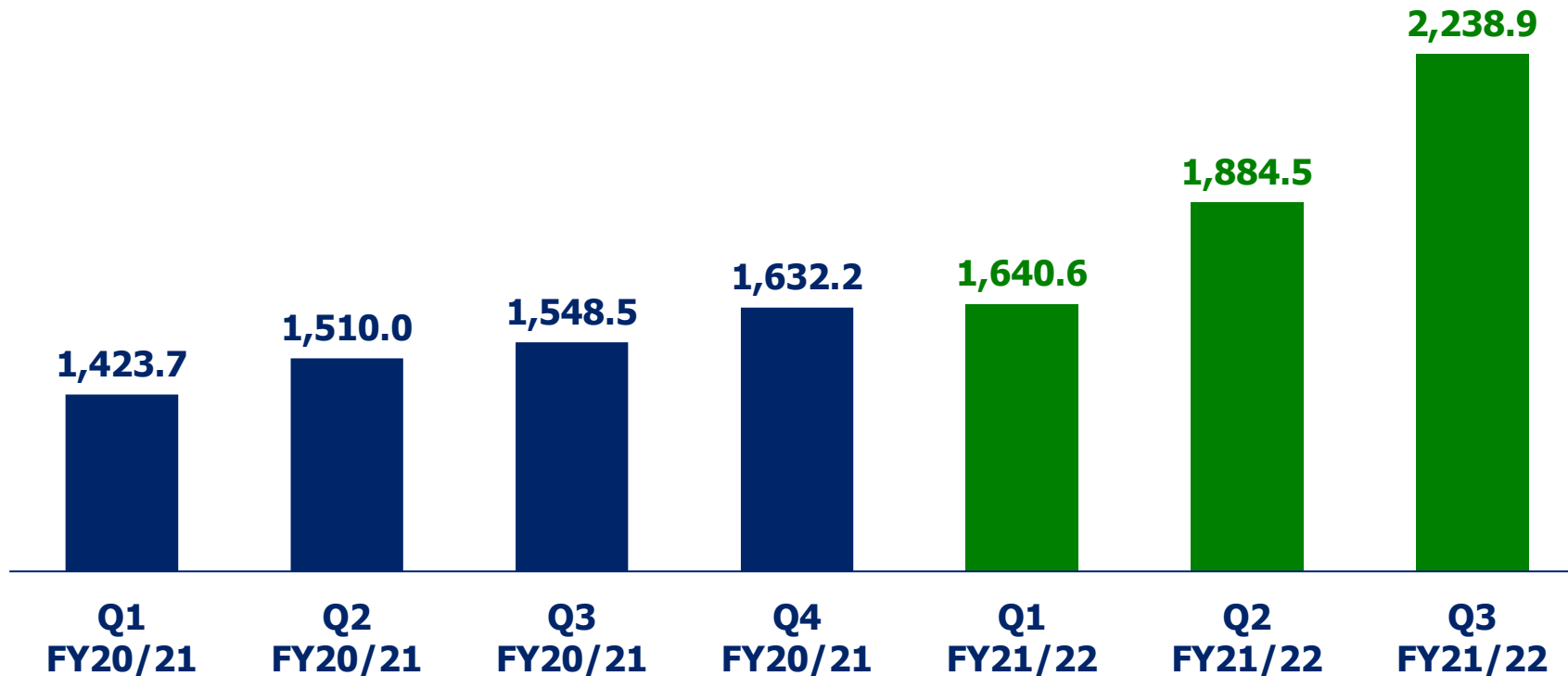
9M FY21/22
\$5,686.0M

YoY
↑ \$791.2M
(+16.2%)

Group Expenditure Q3 FY21/22

On adjusted basis, Group expenditure grew on expansion of operations

**Group Expenditure (\$'M) – Adjusted
(Excluded fuel hedging ineffectiveness
and fair value gain/loss on fuel derivatives)**



Q3 FY21/22
\$2,238.9M

YoY
↑ \$690.4M
(+44.6%)

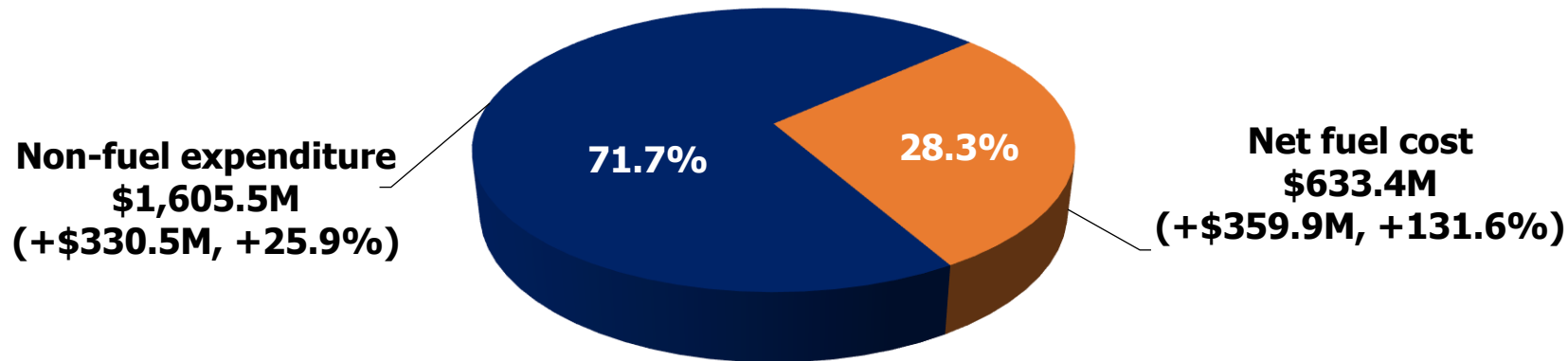
9M FY21/22
\$5,764.0M

YoY
↑ \$1,281.8M
(+28.6%)

Group Expenditure Q3 FY21/22

Higher net fuel cost and non-fuel expenditure with increased flying activities

**Cost Composition
(Q3 FY21/22 vs Q3 FY20/21)**



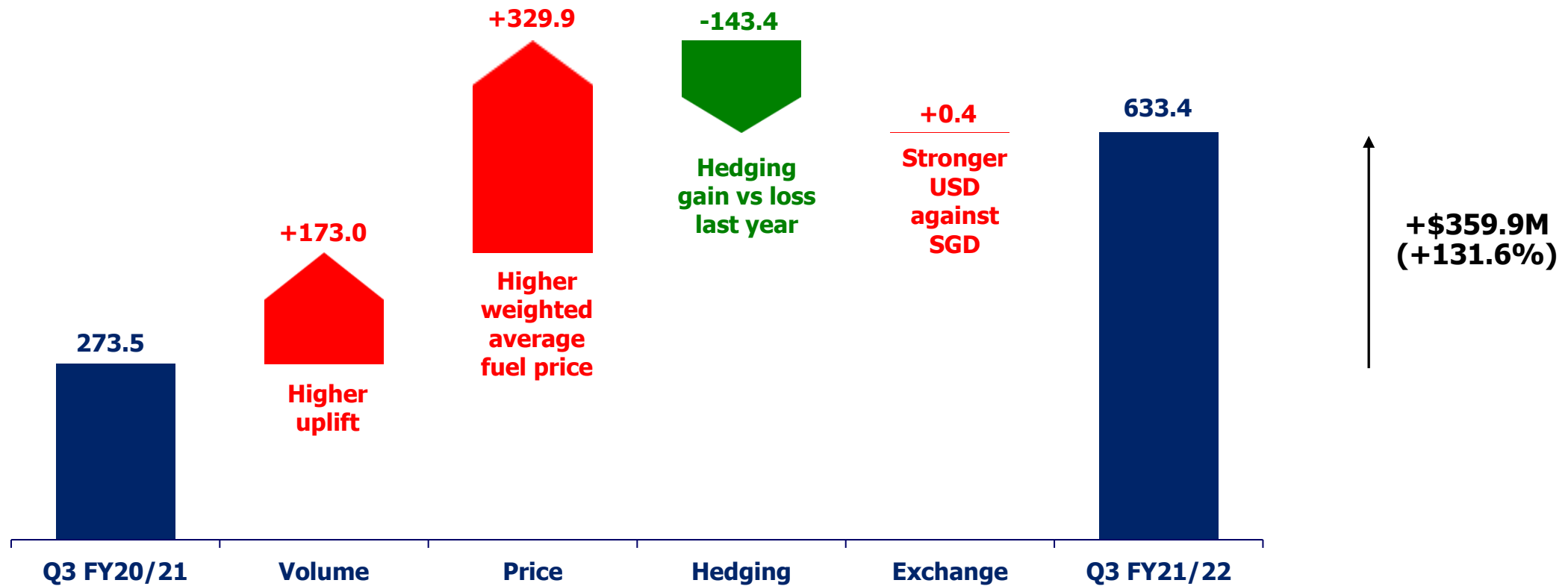
Note: Pie chart above excludes fuel hedging ineffectiveness and fair value gain or loss on fuel hedging derivatives

- Net fuel cost rose 131.6% (+\$359.9M) mainly on higher fuel prices (+\$329.9M) and an increase in volume uplifted (+\$173.0M), partially offset by a swing from a fuel hedging loss to a gain (-\$143.4M)
- The 25.9% increase in non-fuel expenditure (or +\$330.5M) was well within the 183.8% increase in passenger capacity and the 49.2% increase in cargo capacity.

Net Fuel Cost Q3 FY21/22

Net fuel cost up due to higher fuel prices and volume uplifted, partially mitigated by hedging gain vs loss last year

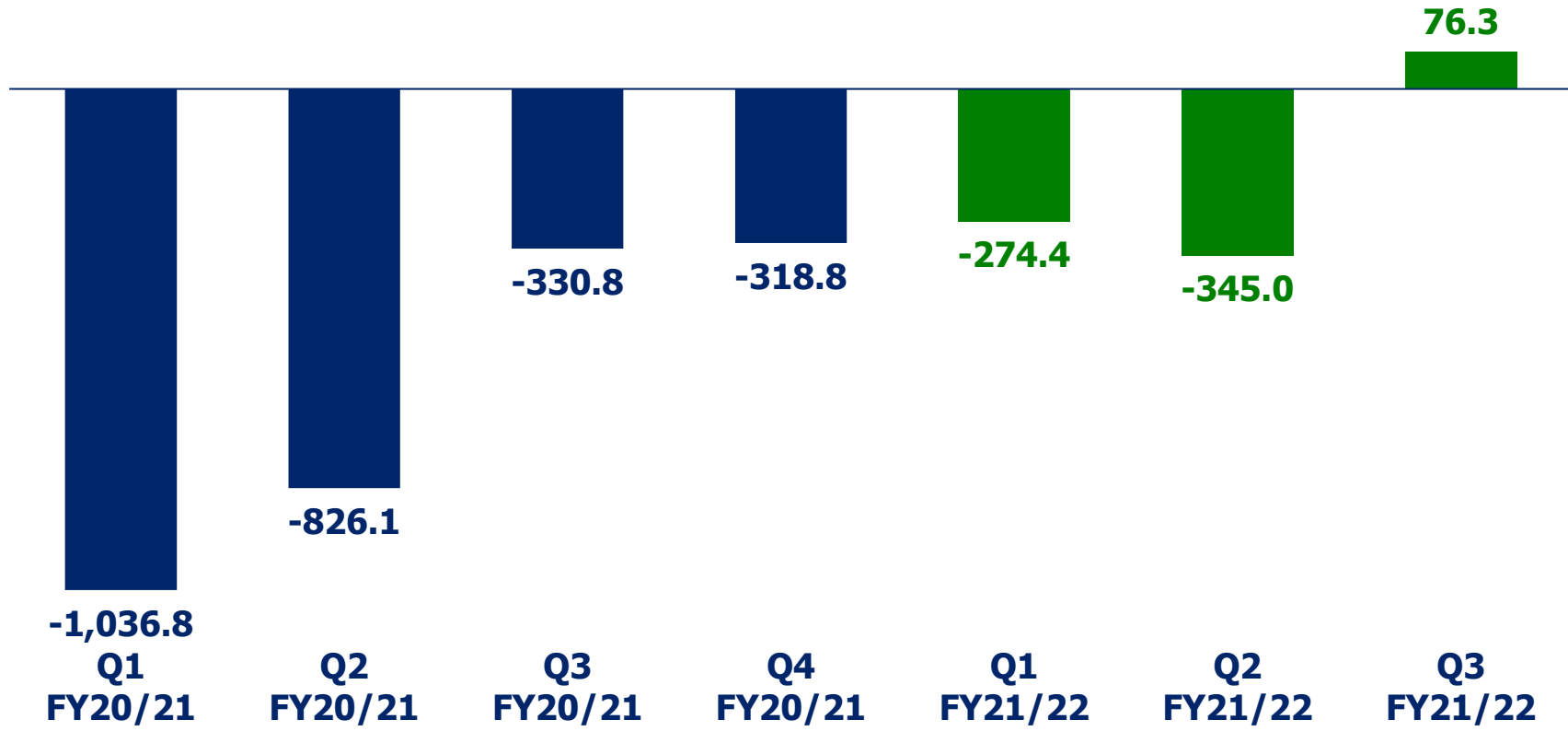
Group Fuel Cost Analysis (\$'M)



Group Operating Profit Q3 FY21/22

Turnaround from operating loss to operating profit driven by recovery of pax demand and strong cargo performance

Group Operating Profit/(Loss) (\$'M)



Q3 FY21/22
\$76.3M

YoY
\$407.1M
(n.m.)

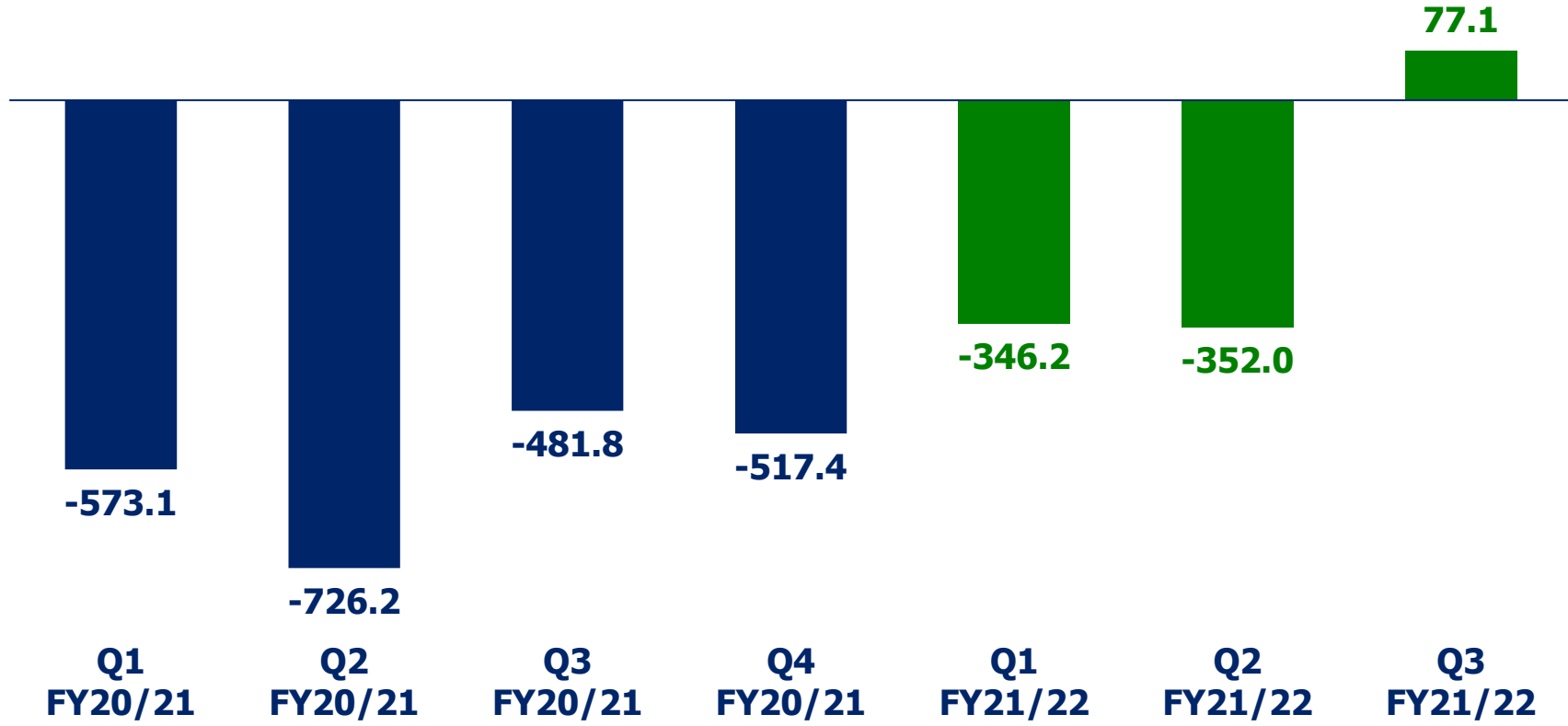
9M FY21/22
-\$543.1M

YoY
\$1,650.6M
(+75.2%)

Group Operating Profit Q3 FY21/22 - Adjusted

Turnaround from operating loss to operating profit driven by recovery of pax demand and strong cargo performance

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



Q3 FY21/22
\$77.1M

YoY
 **\$558.9M**
 (n.m.)

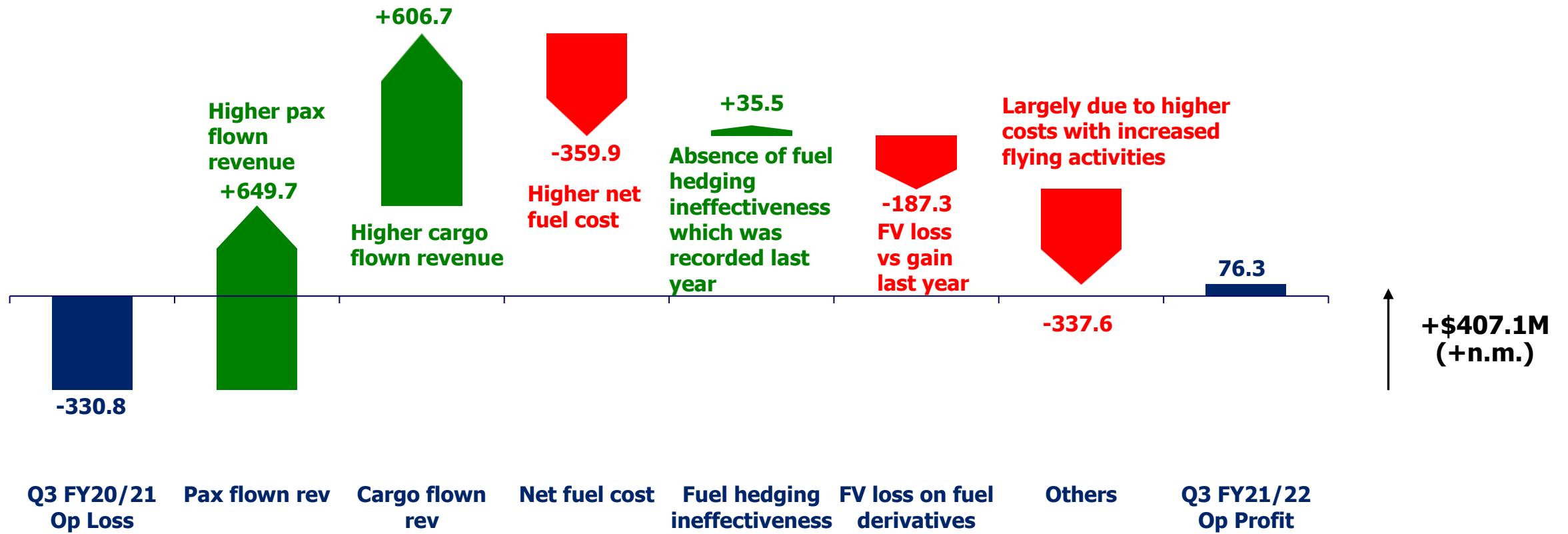
9M FY21/22
-\$621.1M

YoY
 **\$1,160.0M**
 (+65.1%)




Group Operating Profit Q3 FY21/22

Turnaround in Group operating performance from operating loss to operating profit

Group Operating Performance Y-o-Y (\$'M)

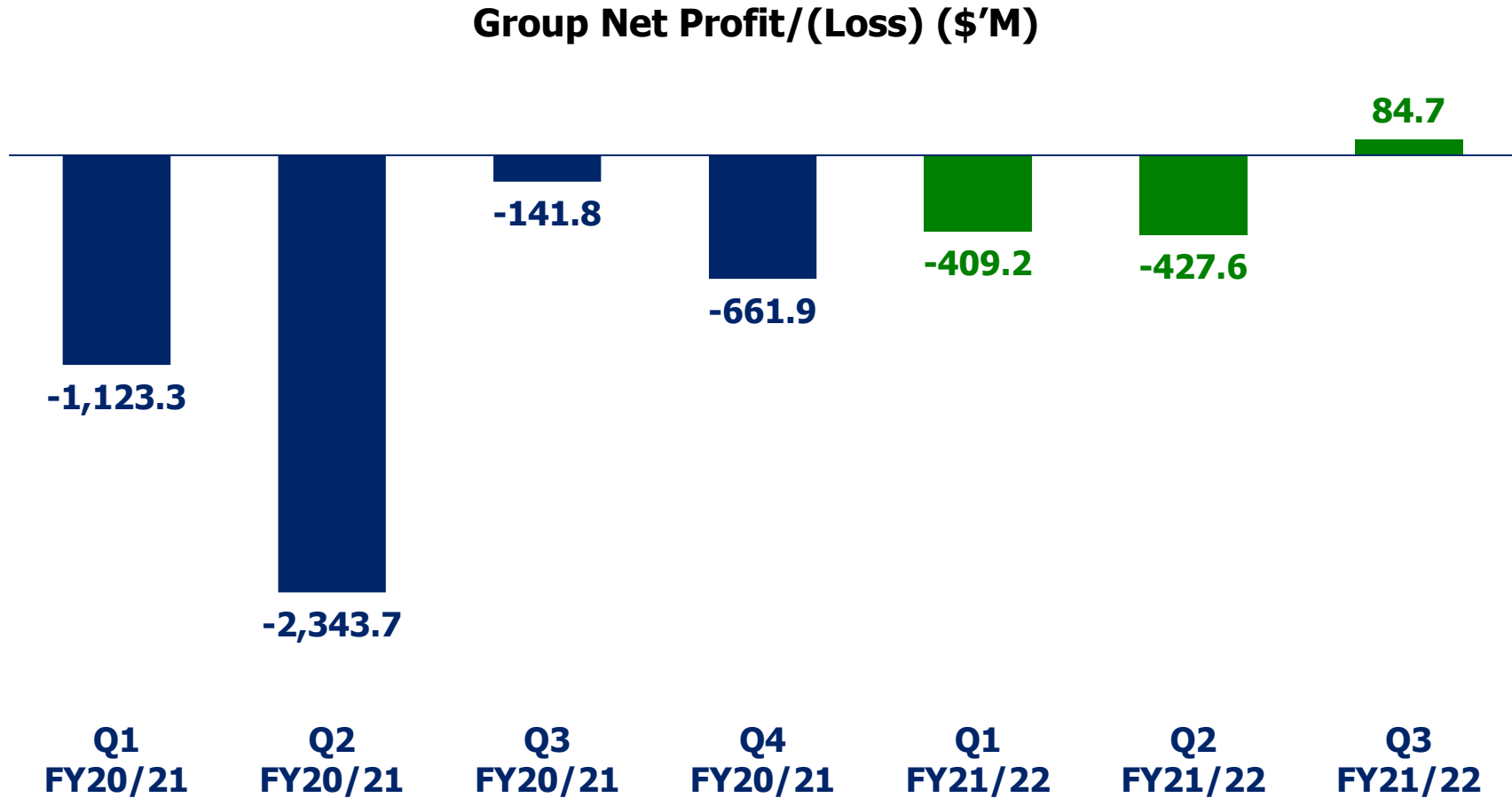


Operating Results for the Main Companies of the Group

	Q3 FY21/22 (\$'M)	Q3 FY20/21 (\$'M)	Better/ (Worse) \$M	Better/ (Worse) (%)	9M FY21/22 (\$'M)	9M FY20/21 (\$'M)	Better/ (Worse) \$M	Better/ (Worse) (%)
 Full-service carrier	190.0	(225.9)	415.9	n.m.	(196.5)	(1,661.3)	1,464.8	88.2
 Low-cost carrier	(102.1)	(99.3)	(2.8)	(2.8)	(319.1)	(513.0)	193.9	37.8
 SIAEC Group	(7.9)	(3.1)	(4.8)	(154.8)	(14.6)	(27.7)	13.1	47.3

Group Net Profit Q3 FY21/22

SIA Group posts first quarterly net profit since onset of Covid-19 pandemic



Q3 FY21/22
\$84.7M

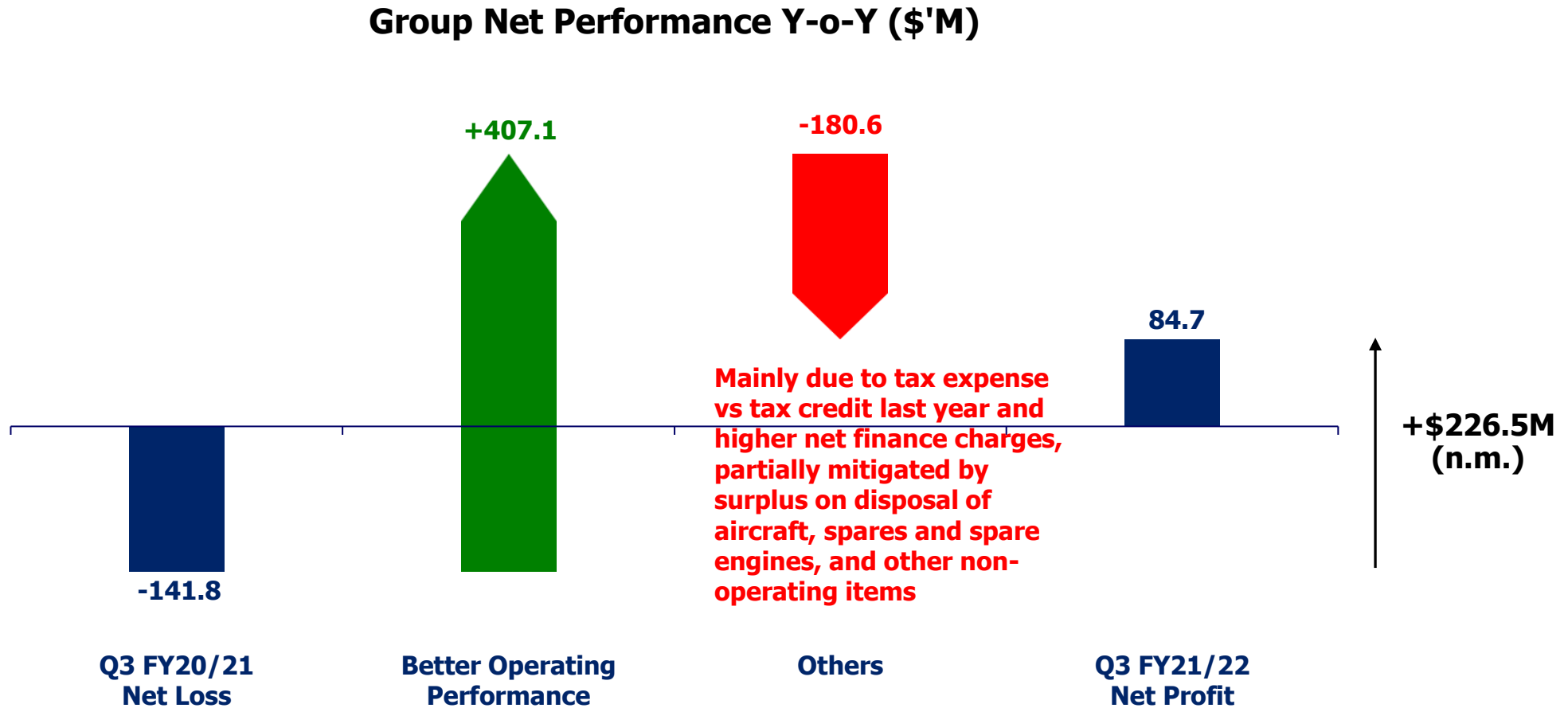
YoY
\$226.5M
(n.m.)

9M FY21/22
-\$752.1M

YoY
\$2,856.7M
(+79.2%)

Group Net Profit Q3 FY21/22

SIA Group posts first quarterly net profit since onset of Covid-19 pandemic



Group Financial Results

	Q3 FY21/22	Q3 FY20/21
Earnings/(Loss) per share (cents)		
- Basic ^{R1}	1.3	(2.9) ^{R2}
- Adjusted Basic ^{R3}	2.9	(4.2)
- Diluted ^{R4}	1.3	(2.9) ^{R2}
EBITDA (\$ million) ^{R5}	684.7	137.8
EBITDA margin (%) ^{R6}	29.6	12.9

^{R1} Earnings/(Loss) per share (basic) is computed by dividing profit/(loss) 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} With the completion of the mandatory convertible bonds on 24 June 2021, prior year comparatives for loss per share were restated per IAS 33 through retrospective application of a bonus factor to the average weighted number of shares. The bonus factor is derived from the division of fair value per share immediately before the exercise of rights by the theoretical ex-rights fair value.

^{R3} Earnings/(Loss) per share (adjusted basic) is computed by dividing profit/(loss) 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. The prior year comparatives have been restated through the application of a bonus factor as described above.

^{R4} Earnings/(Loss) per share (diluted) is computed by dividing profit/(loss) 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.

^{R5} EBITDA denotes earnings before interest, taxes, depreciation, and amortisation.

^{R6} EBITDA margin is computed by dividing EBITDA by the total revenue.

Group Financial Position

	As at 31 December 2021	As at 31 March 2021
Total assets (\$'M)	45,011.2	37,581.3
Total debt (\$'M)	14,880.4	14,336.9
Total cash and bank balances (\$'M)	12,143.8	7,783.0
Total liabilities (\$'M)	22,505.3	21,303.2
Equity attributable to Owners of the Company (\$'M)	22,119.0	15,905.9
Debt : Equity ratio (times)^{R1}	0.67	0.90
Net Asset Value Per Share (\$) ^{R2}	7.45	5.36
Adjusted Net Asset Value Per Share (\$) ^{R3}	3.35	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.

PAVING THE WAY AHEAD

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Managing an Unprecedented Crisis

Strong liquidity strengthens the Group's financial foundation

**Additional
liquidity raised
since
1 Apr 2020**

S\$22.4B

S\$15.0B

From shareholders, through Rights Issue of shares and MCBs

S\$2.1B

Aircraft secured financing

S\$2.0B

Sale-and-leaseback of 11 aircraft

S\$2.8B

Issuance of convertible bonds and notes

S\$0.5B

New committed lines of credit* and unsecured loan

**Committed LOCs
(untapped)**

S\$2.1B

S\$1.7B

Renewed existing committed lines of credit

S\$0.4B

New committed lines of credit*

**Successfully raised a seven-year
US\$600 million (~S\$810 million) bond
in January 2022**

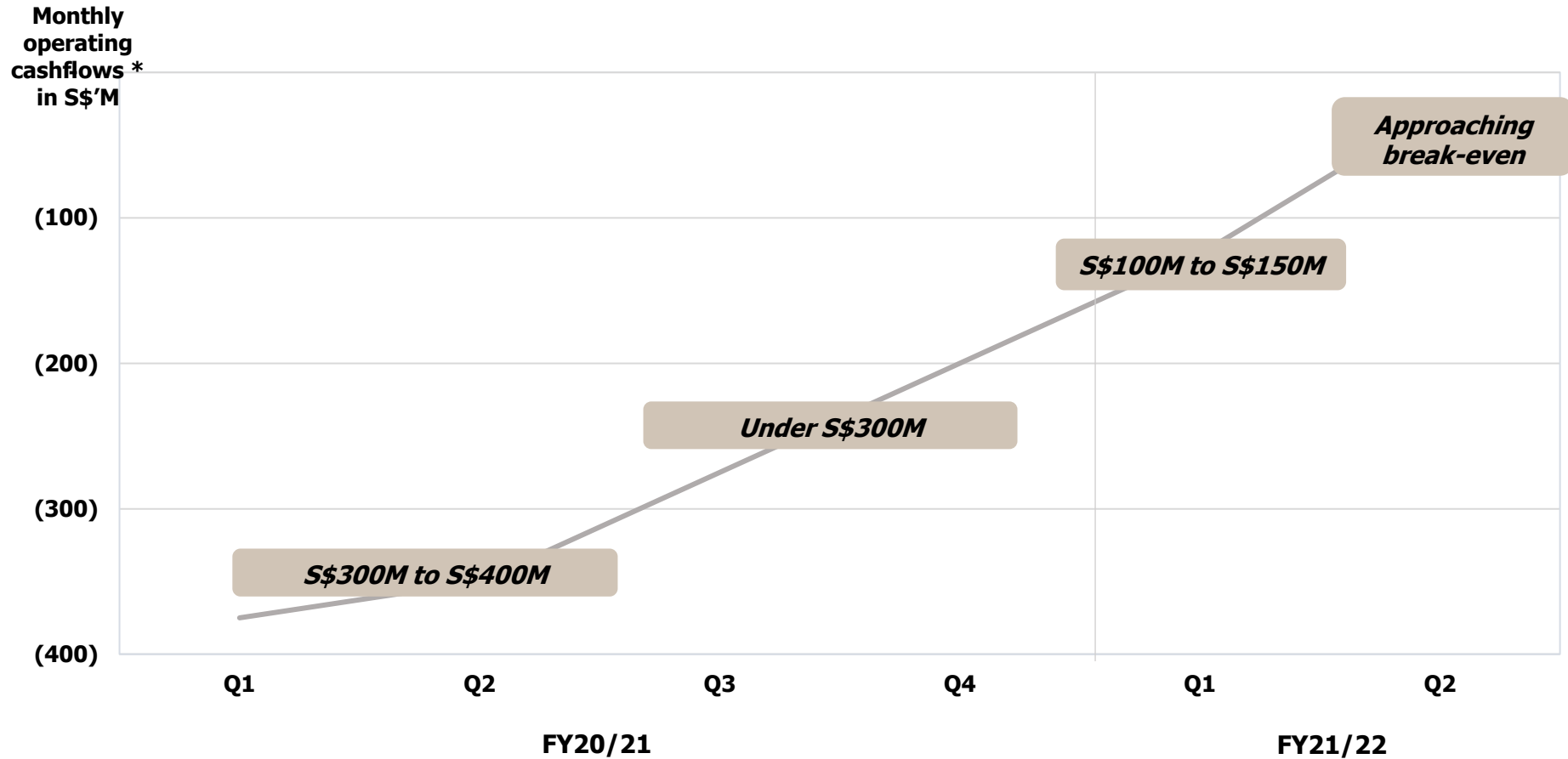
- SIA's second US dollar-denominated bond issue
- Strong financial position enables the Group to make strategic investments to secure its industry-leading position

*Refers to the same newly committed LOCs

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Managing an Unprecedented Crisis

Stronger operating performance for the third quarter led to an operating cash surplus for 9M FY21/22



Operating Cash Surplus 9M FY21/22
\$322M

*Operating cashflows includes net cash provided by operating activities and repayment of lease liabilities, and excludes proceeds from forward sales. Line is best-fit for illustration purposes only.



Moving Nimbly to Seize Opportunities

We work closely with all the relevant authorities to re-start travel in a safe and calibrated manner



Vaccinated Travel Lanes (VTL)
Quarantine-free travel for vaccinated travellers

SIA Group's VTL network will progressively expand to include 49 cities in 25 countries

Australia, Brunei, Cambodia, Canada, China (Hong Kong), Denmark, France, Germany, India, Indonesia, Italy, Malaysia, the Maldives, the Netherlands, the Philippines, Saudi Arabia, Spain, South Korea, Sri Lanka, Switzerland, Thailand, Turkey, UAE, UK, USA

- Expansion of VTL destinations represents a **meaningful restart of travel**
- Strong booking demand observed, especially in **premium cabins**
- SIA and Scoot will also **step-up frequencies** on flights between Singapore and several existing VTL destinations

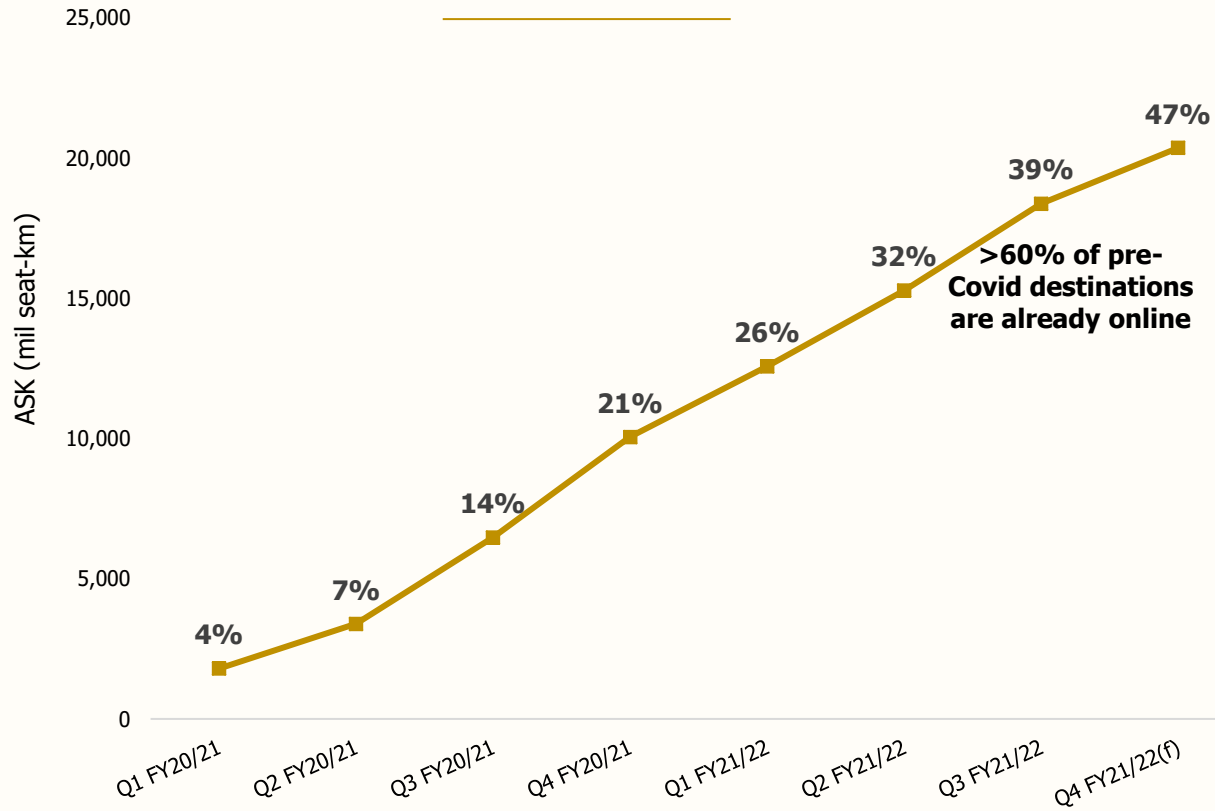


Moving Nimbly to Seize Opportunities

We will continue to proactively capture revenue opportunities

SIA Group expected to operate 51% of pre-Covid passenger capacity by Mar'22

% vs. pre-Covid in Jan'20



By March 2022

~ 51% of pre-Covid passenger capacity

over 70% of total pre-Covid points

Preparing to Emerge Stronger

Aggressively capturing cargo momentum to tap on strong cargo demand

Operated cargo-only passenger flights to supplement fall in bellyhold capacity



Pre-Covid Capacity⁽¹⁾

74% restored in Q3
FY21/22

76% restored in
Jan'22

**Record-high
cargo revenue
achieved in
Q3 FY21/22**

Removed aircraft seats to load cargo in cabin



Continued operations of 2x SIA 773ER and 2x Scoot A320neos as **converted freighters** to capture **ad-hoc charter opportunities**

Launched new products to capture new verticals



1st airline in Southeast Asia to obtain IATA CEIV Fresh certification



Launched new service to transport **time- and temperature- sensitive perishables** with speed and reliability



Joins THRU-COOL, a cold chain airfreight service launched in 2018 that transports **high value, time-sensitive and temperature-controlled pharmaceuticals**



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