QUESTION & ANSWER TRANSCRIPT
SINGAPORE AIRLINES ANALYST / MEDIA BRIEFING
Half-Year Results Ended 30 September 2026
SIA Training Centre
Thursday, 12 November 2026, 09:00am

E&OE – may be edited for grammar and clarity

Mr Siva Govindasamy: We will now proceed to the Q&A session. While we wait for the tables to be set up, please could I just go through the house rules? If you would like to ask a question, please raise your hand, and I will call on you. There will be microphones around you, so please take the microphone. If you could identify yourself and the organisation that you represent, that would be great. And for those who are online, please remember that you can send your questions, and we will take them as we go along. I will also appreciate it if you could keep to one question each, because we do have a very tight timeline. Could I invite Choon Phong and JoAnn back on stage? They will be joined by Lee Lik Hsin, our Chief Commercial Officer, Tan Kai Ping, our Chief Operations Officer, and Leslie Thng, the CEO of Scoot.

Mr Chen Chuanren, Airport Transport World: Chuanren, Air Transport World. First question, the 777-9s. Two of your counterparts have said they will reject early models of the aircraft. I was wondering whether you have similar considerations. If not, are you open to taking the early slots of these aircraft? And second question, on your cargo, how much of your cargo is now helped by the semiconductor business? How long do you expect this robust trend to last?

Mr Tan Kai Ping: To your question on 777-9s, we are not faced with that issue because we do not have the super early build models.

Mr Lee Lik Hsin: The strong performance on the cargo side of the business is supported by semiconductor business flows including those for Artificial Intelligence (AI) applications like server racks. We have seen that demand continues to be robust in the coming months, and we have no reason to expect that it will slow down. We do not give exact proportions. We have a diversified business across different types, different verticals. Of course, it is a significant component.

Mr Siva Govindasamy: We will go to Peck Gek over there, please.

Ms Peck Gek, The Business Times: Two questions on dividends. Number one is, SIA will be celebrating its 80th anniversary in May next year. Is it reasonable for shareholders to expect a special dividend for that? Number two question is, the Singapore Exchange (SGX) now requires companies to have a dividend policy. SIA currently does not have one. Could we get an update on this? Thank you.

Ms JoAnn Tan: We currently do not have a dividend policy, but certainly, we will have a dividend policy in time to be compliant with the SGX listing rules, starting 1 January 2027.

Mr Goh Choon Phong: On the special dividend for SQ80, as you know, we do not talk about what dividends we are giving until the appropriate time. For any further dividend payout, you will have to wait for any announcements that we have. We need to clear it with the board and also the shareholders at the appropriate time.

Mr Siva Govindasamy: We will go online first. **Alfred Chua** from **FlightGlobal** has two questions. In the outlook, you mentioned that an extended conflict will have spillover effects, including impact on travel demand. How far or near is the airline to the tipping point of pricing versus demand? How are we balancing pricing versus the demand in the market? I will come to the second question later.

Mr Lee Lik Hsin: Our airfares are a function of demand and supply. As you can see from our load factors, demand is still robust. And in relation to how geopolitics is affecting travel, I would say that we are still quite optimistic.

Mr Siva Govindasamy: The second question from Alfred is, given that there are not many new aircraft deliveries until the end of FY2026/27, where will the additional capacity for network growth come from?

Mr Lee Lik Hsin: We are still able to further improve the utilisation of our aircraft to drive up our capacity.

Mr Siva Govindasamy: We will go to another online question from **Danny Lee** from **Bloomberg**. On AI, what do you make of reports that at least one major airline is blocking third-party AI agents from booking flights and accessing customer accounts, citing growing privacy risks? What is Singapore Airlines' stand on enabling AI to book customer trips?

Mr Lee Lik Hsin: We have a partnership with Muse where we are testing and learning. We want to continue to be nimble and observe what is happening in the market, and participate in the market in a controlled manner.

Mr Goh Choon Phong: We talk about our AI strategies, and technology obviously is progressing very quickly. We would want to look at it from what potential impact it has on our business. The development of Muse was a scenario where agents began to do quite a bit of the work for travellers, including booking. We began to look at that possibility quite some time back and thinking through, in such an environment, what is it that we need to do. This is an evolving landscape, and the key thing to do here is, firstly, be as prepared as possible. That is not always possible given the speed of development. Secondly, to be nimble. We need to be able to pivot when the environment changes, particularly over concerns of the security aspects. The priority is how we can best protect our customers.

Mr Siva Govindasamy: The second question from Danny is, can you explain why the value of the Air India stake has been reduced materially by S$335 million? What is the driver behind this?

Ms JoAnn Tan: I think Danny must be referring to our interim financial statements, and this is to account for the losses of Air India. Based on equity accounting, we do take on board our 25.1% share of their losses.

Mr Siva Govindasamy: We will go to the room again before going online. Can we hand a microphone to Mayuko, please?

Ms Mayuko Tani, Nikkei: Further to the Air India question, I believe that the share of losses of Air India decreased by about 16%. And Mr Goh, thank you for sharing what Air India's new CEO is doing. For this past half-year, what contributed to the improvement? Does this performance of Air India give you a sense of relief and confidence against a lot of criticisms that you have received so far?

Mr Goh Choon Phong: JoAnn will elaborate on this half-year, but I would say that Tewolde has joined in September, so a lot of the measures that he is implementing will take time to filter through.

Ms JoAnn Tan: In terms of the first half, the lower share of losses was primarily attributable to the reversal of some provisions that we made in prior year. We made some provisions previously. Now we have reversed it, and that is what contributed to the delta that you see in the slide.

Ms Mayuko Tani, Nikkei: I shouldn't infer that Air India is doing better by $67.8M?

Ms JoAnn Tan: The answer is no, because it was attributable to the reversal of the provisions.

Ms Mayuko Tani, Nikkei: May I know how much you reversed?

Ms JoAnn Tan: We do not make such disclosure. Thank you.

Mr Siva Govindasamy: We will take another question online. This is from **Ada Kang from OCBC.** Can you please share some colour on the operational aspects you are working on with Air India and how the progress has been thus far?

Mr Lee Lik Hsin: You would have read about the joint venture agreement that we have on the India-Singapore route, and we can update that it has commenced. We are quite pleased with the preliminary results of it, where we are sending passengers across each other's networks.

Mr Siva Govindasamy: Another question online. We have **Yong Jun Yuan from Reuters**, but we have answered that question. It is related to the carrying value of Air India. So that has been answered. We have a question from **Abhishek Law from The Mint**. How has Tewolde's first few months at Air India been? Has he been delivering the progress that SIA expects? And what more do you expect, especially on tapping new revenue streams like cargo?

Mr Goh Choon Phong: I think you should pose those questions to Tewolde.

Mr Siva Govindasamy: Kimberly Kao from Dow Jones is asking, around 46,000 booking records were affected in the Amadeus data breach. What is SIA doing to protect customer data better? How will SIA prevent this from happening again?

Mr Tan Kai Ping: Amadeus is a global travel IT company. The data breach is in relation to Amadeus' systems. We have scanned all the indicators that Amadeus has provided to its customers, and we have found no breach of SIA's systems. As for the customers that are affected with forward travel journeys, we have proactively reached out to customers who have direct bookings with us, and to their travel agents to offer a change in their Passenger Name Record (PNR) in order to secure their accounts, if they wish to. Those of you who book directly with Singapore Airlines will know that we do offer two-factor authentication to secure bookings, and a large majority of the customer records from direct bookings are protected by that.

Mr Siva Govindasamy: We will go back online if there are no new questions in the room. **Kimberly Kao from Dow Jones**. For the first half, fuel costs made up 37% of total expenditure. Do you expect this trend to continue for the second half? That is the first question.

Ms JoAnn Tan: I think no one can predict fuel prices, which is why we hedge.

Mr Siva Govindasamy: On cargo demand, do you see demand for cargo continuing to be driven by cloud and AI-related demand for the rest of the year?

Mr Lee Lik Hsin: I believe we have answered that question, that we continue to see the semiconductor and AI-related demand to be strong.

Mr Siva Govindasamy: There is a question from **Brendan Sobie, Sobie Aviation**. Of the 5% increase in traffic in Singapore, can you provide some colour on how much of this was roughly transit traffic gains due to the impact on the Gulf hubs as a result of the conflict?

Mr Lee Lik Hsin: We do not provide exact numbers by route.

Mr Siva Govindasamy: A question on Scoot, also from Brendan. What were the drivers of the significantly improved performance in the September quarter, both year-on-year and quarter-on-quarter, particularly given low-cost carriers (LCC) peers in the region have generally been going in the opposite direction?

Mr Leslie Thng: This relates to what Choon Phong mentioned just now, where we try to seize opportunities when they are there. When we saw that demand continued to be strong, we went to find opportunities to continue to put in capacity. In the second quarter, we increased capacity by about 5%. We achieved a higher passenger carriage at a higher yield, translating to about a 20% improvement in Revenue per Available Seat Kilometre (RASK). That helped

Scoot to achieve an operating profit, even though fuel prices are still elevated. JoAnn has mentioned that the fuel price in the second quarter is lower than the fuel price in the first quarter. That then drove the quarter-on-quarter improvement that Scoot has achieved.

Mr Siva Govindasamy: If we could go right to the back there, please. Thank you.

Ms Charlotte Lim, CNA TV: Charlotte here from CNA. I have one question on airfares. SIA said that it had adjusted airfares in response to higher fuel prices. Do we have a sense of how much the adjustments are? Moving forward, should we expect further increases in the coming year? Thank you.

Mr Lee Lik Hsin: Airfares are a function of demand and supply. We will be nimble and adjust to the market as and when necessary.

Mr Leslie Thng: To add, the increase in airfares does not totally defray the increase in operating costs, which is why you have seen that Scoot was not able to have a good performance in the first quarter. But because when the fuel price is lower, I think that then helped us as well. And again, back to Lik Hsin, pricing is a function of demand and supply.

Mr Siva Govindasamy: We will come back to Chuanren again, please.

Mr Chen Chuanren, Air Transport World: There have been hundreds of bomb hoaxes in Europe. I am wondering what kind of mitigation do you have in Singapore Airlines to prevent disruption from all these bomb hoaxes? Is it serious in this part of the world so far?

Mr Tan Kai Ping: First of all, I would say that safety is our number one priority. So that is the overarching statement. As for specific protocols for bomb threats, I think you will appreciate that I cannot share any specifics for obvious reasons.

Mr Siva Govindasamy: Any other questions in the room? Can we go there, please?

Mr Thomas Li, Lianhe Zaobao: Thomas from Zaobao. Roughly what portion of your revenue or operating profit comes from premium passengers such as those in Business Class and First Class? Also, regarding the S$2 billion investment, since you previously said that there will not be a specific return target, how do you assess whether the investment is commercially successful? Thank you.

Mr Lee Lik Hsin: We have shared that our proportion of premium revenue is about 40%.

Mr Goh Choon Phong: You saw my slide earlier. We are always looking forward. When we invest, we invest for the future. You would expect that SIA, for all major investments, would have a business case. You would expect that we internally have assessed that the business case is something that we can pursue. Therefore, the S$2 billion investment that you saw also addresses those points. But importantly, the key driver for those was to improve the overall customer experience. I think that is an important aspect, which is that we are always looking

at putting our customers front and centre, to make sure that we continue to be able to address their needs, including their future needs, and to be competitive in the market.

Mr Siva Govindasamy: Any other questions from the room, please? We will go to the gentleman over there.

Mr Benjamin Lim, The Straits Times: Hi, Ben from The Straits Times. Just one question about the cabin upgrades. For the S$2 billion that you have spent, because it is three different agencies that were hired for your different products. I am wondering if there was a possibility that you could have hired just one agency to consolidate your designs? Could that have reduced your cost? Could that have led to a more synergised design philosophy that may have alleviated some of the feedback that you have received from your customers?

Mr Goh Choon Phong: The choice of agencies, the requirements for the different cabin classes are quite different from our customer's perspective. What we have done is to choose the most appropriate agency for the needs of that specific cabin class.

Mr Siva Govindasamy: Over there, please.

Ms Felicia Tan, The Edge: I am Felicia from The Edge Singapore. You mentioned that you have kept feedback in mind, and you may make changes. How much are you looking at, if the changes were to happen?

Mr Goh Choon Phong: We are reviewing the feedback, and we are exploring refinements that would improve the customer experience.

Mr Siva Govindasamy: We will come over here, just beside Chuanren, please.

Ms Vaness Gu, Cirium: Vanessa from Cirium. Because there is going to be a huge bump up in Capital Expenditure (CAPEX) spending for the next year. I was wondering if you could give us more details on the kind of aircraft that you are inducting. Also, any idea when the first 777X would come in?

Ms JoAnn Tan: What you saw in terms of CAPEX includes part of the aircraft orders that we have already made, and it has been quite consistently about S$4 billion across the next couple of years. The new aircraft orders that we have are clearly the 777-9s. Across the next five years, we also have some A350 freighters coming in.

Mr Siva Govindasamy: Any other questions? Mayuko, then Peck Gek.

Ms Mayuko Tani, Nikkei: On the impact of the Middle East situation, I had a sensing in the previous briefing that Singapore Airlines is beefing up some effort to absorb the demand from passengers who choose not to fly to the Middle East. How is the demand from such passengers? Are you going to continue the effort, and how are you going to make this permanent?

Mr Lee Lik Hsin: At the last briefing, we talked about some of the changes in our network that we made to be opportunistic to gain more business. These were the increases in flights that we have put in place for Europe in particular, and to a lesser extent, to Australia. We are pleased with the results of those efforts. The extra flights that we have put in, we are experiencing good load factors on them. In relation to your question about the diversion flow, in the first month or two, immediately upon the onset of the crisis, the diversion was much greater, because operations from the Middle Eastern carriers were greatly impacted. But within two months or so, they were able to resume most of their operations. They are back to 90% of their capacity. And so the diversion of flows is much less now compared to the first two months of the crisis. But we are still able to improve on our own traffic flows between Europe to Asia, and between Europe to Australia.

Mr Siva Govindasamy: We have time for one more question.

Ms Peck Gek, The Business Times: Mr Goh, would you and Mr Peter Seah still be the CEO and Chairman when SIA celebrates its 80th anniversary? Thank you.

Mr Goh Choon Phong: This is beyond my pay grade.

Mr Siva Govindasamy: Thank you, everyone. Thank you again for coming down today. We look forward to seeing you again in May for our full-year briefing. Thank you, and have a good day and a good week.