



**SIA ANALYST/MEDIA BRIEFING**  
Q2 & 1H FY2016/17 Results  
4 November 2016

# **THE PARENT AIRLINE Q2 & 1H FY2016/17 RESULTS**



## THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE

	<u>Q2 16/17</u>	<u>% Change</u>	<u>1H 16/17</u>	<u>% Change</u>
Available Seat-KM (million)	29,884	-0.7	59,072	-0.9
Revenue Pax-KM (million)	24,027	-4.6	46,164	-3.2
Passenger Load Factor (%)	80.4	-3.3 pts	78.1	-1.9 pts

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## THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE

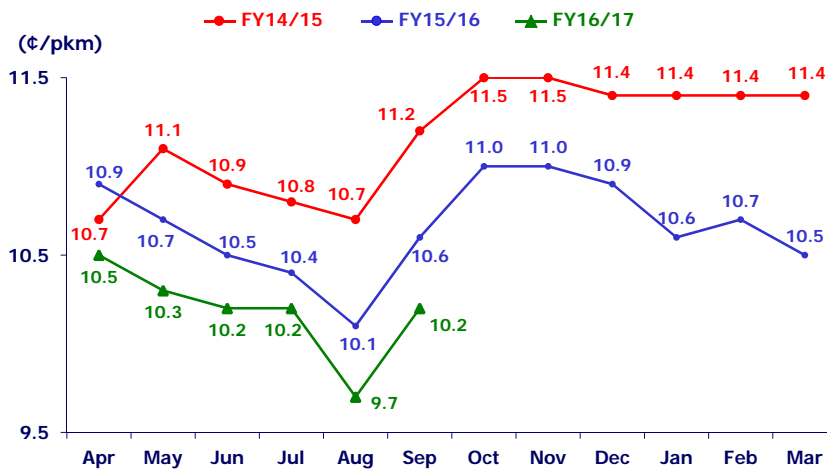
	<u>Q2 16/17</u>	<u>% Change</u>	<u>1H 16/17</u>	<u>% Change</u>
Passenger Yield (¢/pkm)	10.0	-3.8	10.2	-2.9

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## THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE

### Monthly Pax Yields (Including Fuel Surcharge)



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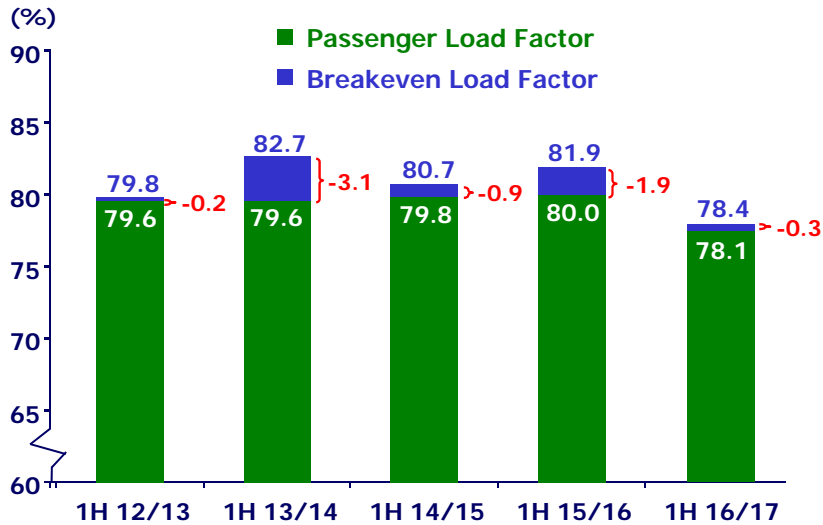
## THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE

	Q2 16/17	% Change	1H 16/17	% Change
Passenger Yield (¢/pkm)	10.0	-3.8	10.2	-2.9
Passenger Unit Cost (¢/ask)	8.1	-6.9	8.0	-7.0
Passenger Unit Ex-Fuel Cost (¢/ask)	5.7	+3.6	5.6	+5.7
Passenger Breakeven Load Factor (%)	81.0	-2.7 pts	78.4	-3.5 pts

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## THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE



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## THE PARENT AIRLINE COMPANY RESULTS

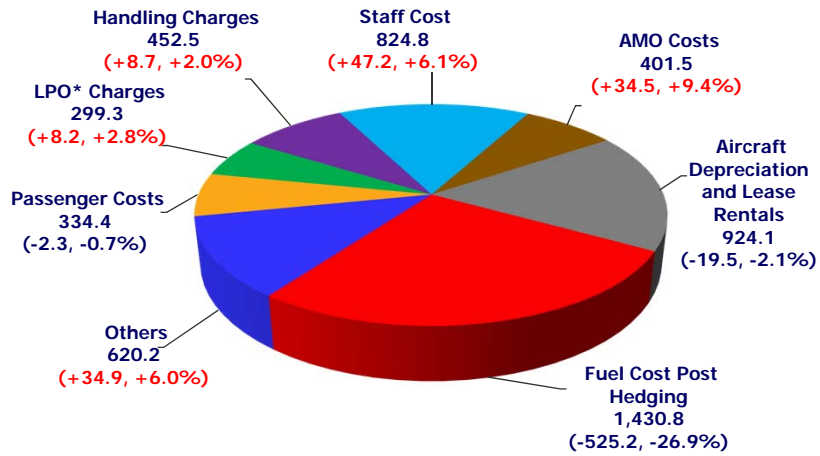
	Q2 16/17 \$million	Better/ (Worse) \$million	1H 16/17 \$million	Better/ (Worse) \$million
<b>Total Revenue</b>	<b>2,766</b>	<b>(232)</b>	<b>5,564</b>	<b>(343)</b>
<b>Total Expenditure</b>	<b>2,687</b>	<b>213</b>	<b>5,288</b>	<b>413</b>
- Net Fuel Cost	733	229	1,431	525
Fuel Cost	618	99	1,204	296
Fuel Hedging Loss	115	130	227	229
- Ex-fuel Cost	1,954	(16)	3,857	(112)
<b>Operating Profit</b>	<b>79</b>	<b>(19)</b>	<b>276</b>	<b>70</b>
<b>Operating Profit Margin (%)</b>	<b>2.9</b>	<b>(0.4) pt</b>	<b>5.0</b>	<b>1.5 pts</b>

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## THE PARENT AIRLINE COMPANY COST COMPOSITION

1H FY16/17 (\$'M)

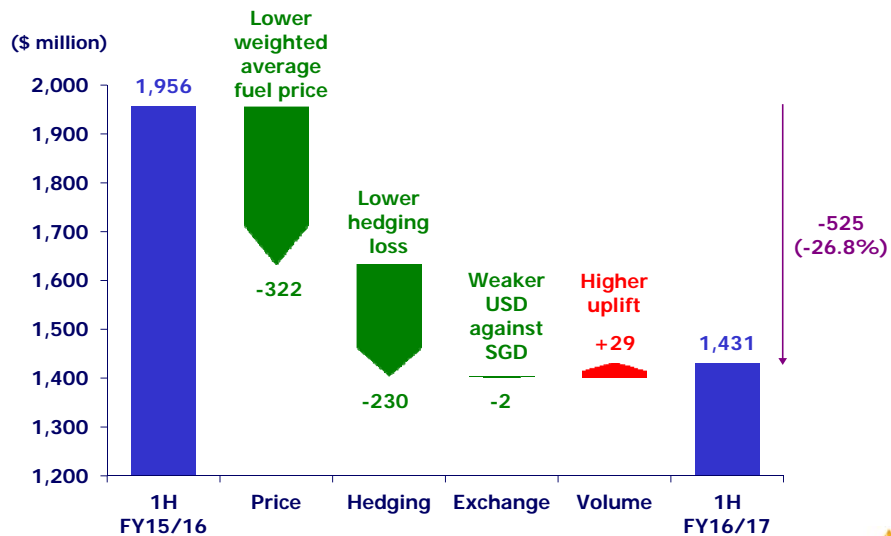


\*Landing, Parking and Overflying

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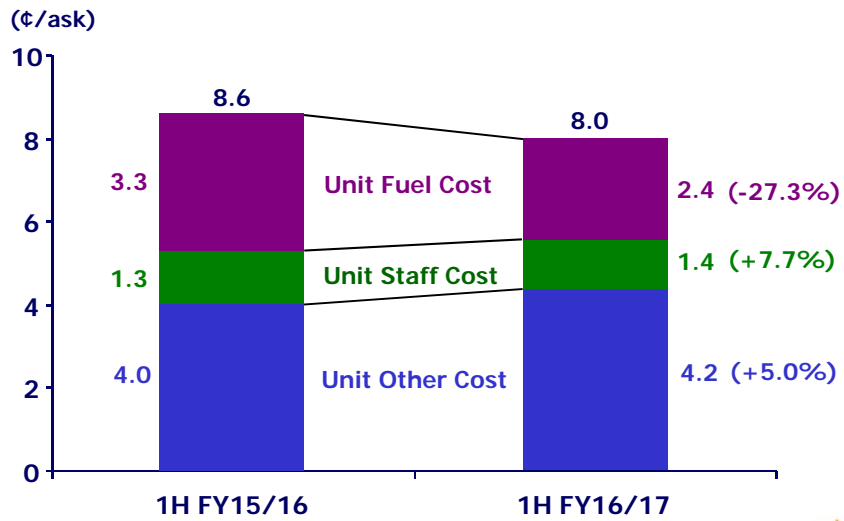
## THE PARENT AIRLINE COMPANY FUEL EXPENDITURE



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## THE PARENT AIRLINE COMPANY UNIT COST ANALYSIS



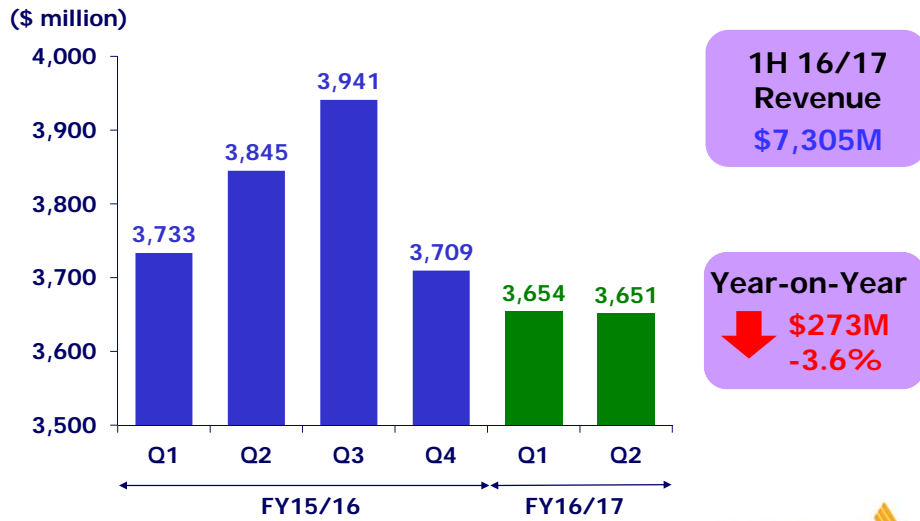
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## SIA GROUP Q2 & 1H FY2016/17 RESULTS

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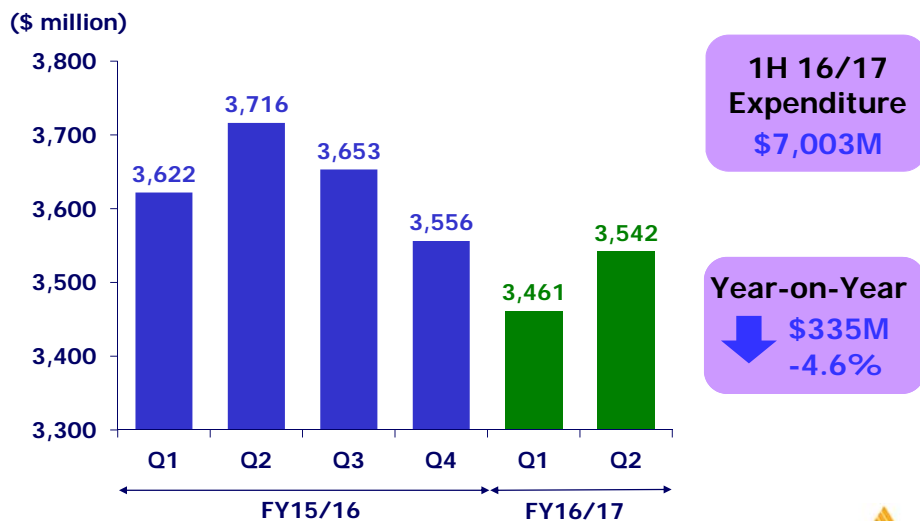
## GROUP REVENUE



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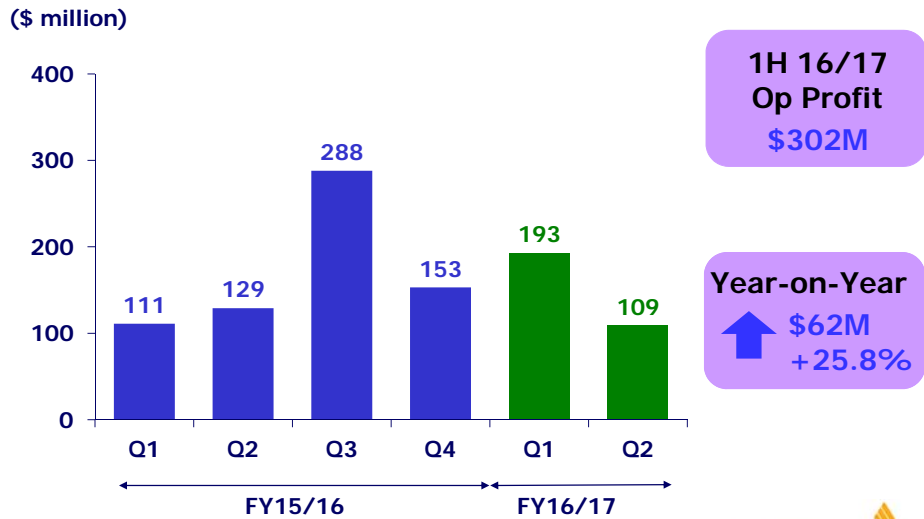
## GROUP EXPENDITURE



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## GROUP OPERATING PROFIT



## CONTRIBUTION TO GROUP OPERATING PROFIT

	<u>1H 16/17</u>	<u>1H 15/16</u>	<u>Change</u>	<u>% Change</u>
Singapore Airlines	276	206	+ 70	+ 34.0
SilkAir	44	26	+ 18	+ 69.2
Scoot	6	(22)	+ 28	n.m.
Tiger Airways	11	(10)	+ 21	n.m.
SIA Engineering	23	48	- 25	- 52.1
SIA Cargo	(45)	(12)	- 33	n.m.

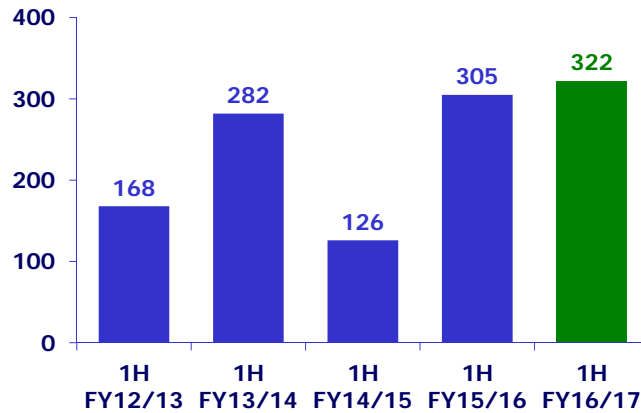
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## GROUP PROFIT ATTRIBUTABLE TO OWNERS OF PARENT

(\$ million)



**1H 16/17  
Net Profit  
\$322M**

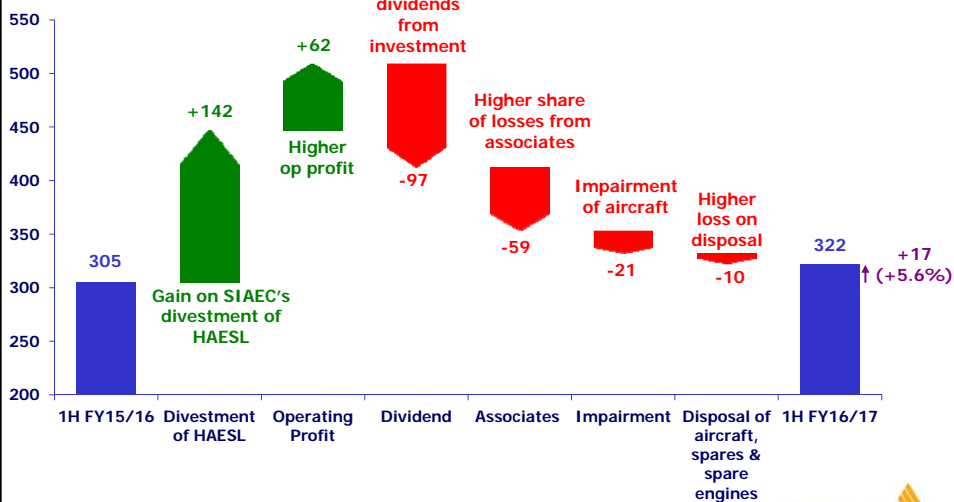
**Year-on-Year**  
↑ \$17M  
+5.6%

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## GROUP PROFIT ATTRIBUTABLE TO OWNERS OF PARENT

(\$ million)



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## PER SHARE DATA

	<u>1H FY16/17</u>	<u>1H FY15/16</u>
EBITDAR Per Share (\$)	1.43	1.39
Earnings Per Share (¢)	27.2	26.1
Interim Dividend Per Share (¢)	9.0	10.0
	<u>At 30 Sep'16</u>	<u>At 31 Mar'16</u>
Net Asset Value Per Share (\$)	11.20	10.96

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## FLEET DEVELOPMENT – PASSENGER AIRLINES

	SIA	SilkAir	Scoot	Tiger Airways
Operating Fleet as at 30 Sep 2016	104	30	12	23
IN:				
A350-900	+8			
737-800		+1		
OUT:				
777-300	-1			
A330-300	-2			
Operating Fleet as at 31 Mar 2017	109	31	12	23

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## FLEET DEVELOPMENT – SIA CARGO

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	<u>No. of Aircraft</u>
Operating Fleet as at 30 September 2016	9
OUT: 747-400F	-2
Operating Fleet as at 31 March 2017	<u>7</u>

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## GROUP CAPITAL EXPENDITURE

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(\$'million)	<u>FY17/18</u>	<u>FY18/19</u>	<u>FY19/20</u>	<u>FY20/21</u>	<u>FY21/22</u>
Aircraft	4,300	5,300	4,600	4,200	2,600
Other Assets	150	150	150	100	100
Total	<u>4,450</u>	<u>5,450</u>	<u>4,750</u>	<u>4,300</u>	<u>2,700</u>

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## GROUP FUEL HEDGING POSITION

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2H FY2016/17	Jet Fuel	Brent
Percentage hedged (%)	29.3	3.0
Average hedged price (USD/BBL)	68	63

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## STRATEGIC DEVELOPMENTS

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## CHALLENGES

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- 1 Global Economic Uncertainty**
- 2 Geopolitical Concerns**
- 3 Oil Price Volatility**
- 4 Intense Competition**

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## KEY STRATEGIES

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-  **Strengthening Premium Positioning**
-  **Portfolio**
-  **Multi-Hub**
-  **New Business Opportunities**

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## STRENGTHENING PREMIUM POSITIONING

### PRODUCTS & SERVICES



#### SilverKris Lounges

- Upcoming opening in Bangkok (1Q 2017), featuring new open bar concept and signature screen



#### Premium Economy Class

- Available on 24 destinations to date, on 6 A350, 19 A380 and 10 B777-300ER aircraft



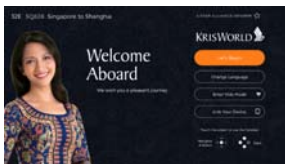
## STRENGTHENING PREMIUM POSITIONING

### PRODUCTS & SERVICES



#### Teochew Food Promotion

- Served on selected flights from Singapore from 30 Oct 2016 to 28 Feb 2017 in all classes
- Iconic dishes such as Cold Crab, Braised Duck and "Orh Nee" (Yam Paste) will be featured



#### New KrisWorld Interactive

- Progressively available on the A350 fleet from Nov 2016, and B773ER fleet from Dec 2016

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## STRENGTHENING PREMIUM POSITIONING

### GAME-CHANGER



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#### Airbus A350-900

- Boosts long-haul network expansion, with the introduction of non-stop flights to San Francisco and Dusseldorf
- Launch customer for the A350-900ULR, which will fly non-stop to New York and Los Angeles in 2018



## STRENGTHENING PREMIUM POSITIONING

### NETWORK



#### New Destinations

- Dusseldorf (Jul 2016)
- Canberra & Wellington (Sep 2016)

#### New Routes

- Singapore–San Francisco (Oct 2016)
- Singapore–Seoul–Los Angeles (Oct 2016)
- Singapore–Manchester–Houston (Oct 2016)

#### Expanding connectivity through partnerships

- New Codeshare Agreements – Air China, United, TAP Portugal, S7 Airlines, Air Mauritius
- 9,857 weekly frequencies on SQ code, ~5.7 times more than 1,741 frequencies operated by SQ



## NEW DESTINATIONS & ROUTES



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## PORTFOLIO NEW DESTINATIONS



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## PORTFOLIO

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The SIA Group serves 132 destinations  
in 36 countries

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## PORTFOLIO

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- Budget Aviation Holdings (BAH)
  - BAH was formed on 18 May 2016, following the delisting of Tigerair
  - Integration is ongoing, led by one CEO and with a common P&L
  - Full integration under a single Scoot brand, with a single operating licence, is expected in H2 2017
  - Customers will benefit from a seamless travel experience
  - Deep integration will also strengthen our position in the budget segment and provide new opportunities for growth

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## MULTI-HUB

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- Investments in strategic markets
- Complements and strengthens Singapore hub through synergies



- Taps into large and growing Indian market
- Complements SIA operations to the West
- 18 destinations and 13 A320s (7 A320s on order)



- Strong leisure travel market
- 7 destinations and 3 B777-200s

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## NEW REVENUE & BUSINESS OPPORTUNITIES

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### KrisFlyer

- Grown to 36 air partners and 197 non-air partners
- Recent developments include enhancement of co-brand credit cards with American Express and new partnership with Shangri-la

### Airbus Asia Training Centre

- 28 customers, including SIA
- Five flight simulators for the A320, A330, A350 and A380 installed
- Three more simulators to be added by 2019, to meet training requirements in the region

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