SEAMLESS TO SEATTLE

SIA ANALYST/MEDIA BRIEFING
FY2018-19 Results
17 May 2019
SIA Group – FY18/19 Key Takeaways

- Achieved highest Group revenue on record (previous high was in FY08/09)
  - SIA Pax: Captured strong demand, outstripping growth in capacity. RASK higher, helped by premium cabins.
  - MI: Traffic growth healthy, largely offset by yields. RASK 1.2% lower.
  - Scoot: Traffic growth slightly behind (significant) capacity injection. RASK declined 2.0%.
  - Cargo: Momentum waned in 2H due to weaker economic conditions in some markets, and trade tensions.

- $1.0 billion headwind from increase in fuel costs (partly mitigated by hedges).

- Performance also dampened by absence of last year’s non-recurring revenue.
THE PARENT AIRLINE
Q4 AND FY18/19
RESULTS
## Parent Airline Company Operating Results

<table>
<thead>
<tr>
<th></th>
<th>FY18/19</th>
<th>FY17/18*</th>
<th>Better/ (Worse)</th>
<th>FY18/19</th>
<th>FY17/18*</th>
<th>Better/ (Worse)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q4</td>
<td>Q4</td>
<td></td>
<td>Q4</td>
<td>Q4</td>
<td></td>
</tr>
<tr>
<td>Total Revenue</td>
<td>($M)</td>
<td>(Worse)</td>
<td>(%)</td>
<td>($M)</td>
<td>(Worse)</td>
<td>(%)</td>
</tr>
<tr>
<td></td>
<td>3,253.6</td>
<td>1.3</td>
<td></td>
<td>13,144.2</td>
<td>2.6</td>
<td></td>
</tr>
<tr>
<td>Total Expenditure</td>
<td>3,050.0</td>
<td>(4.2)</td>
<td></td>
<td>12,153.7</td>
<td>(6.0)</td>
<td></td>
</tr>
<tr>
<td>-- Net fuel cost</td>
<td>903.1</td>
<td>(8.9)</td>
<td></td>
<td>3,763.1</td>
<td>(16.6)</td>
<td></td>
</tr>
<tr>
<td>Fuel cost</td>
<td>924.0</td>
<td>(2.9)</td>
<td></td>
<td>4,094.6</td>
<td>(23.8)</td>
<td></td>
</tr>
<tr>
<td>Fuel hedging gain</td>
<td>(20.9)</td>
<td>(69.6)</td>
<td></td>
<td>(331.5)</td>
<td>(n.m.)</td>
<td></td>
</tr>
<tr>
<td>-- Non-fuel expenditure</td>
<td>2,146.9</td>
<td>(2.3)</td>
<td></td>
<td>8,390.6</td>
<td>(1.8)</td>
<td></td>
</tr>
<tr>
<td>Operating Profit</td>
<td>203.6</td>
<td>(28.0)</td>
<td></td>
<td>990.5</td>
<td>(26.0)</td>
<td></td>
</tr>
<tr>
<td>Operating Profit Margin (%)</td>
<td>6.3</td>
<td>8.8</td>
<td>(2.5) pts</td>
<td>7.5</td>
<td>10.4</td>
<td>(2.9) pts</td>
</tr>
</tbody>
</table>

*Restated due to IFRS1, and adjusted prior year’s comparatives to take into account of SIA Cargo integration within the Parent Airline Company*
Gains in pax flown revenue supported by robust traffic growth; higher RASK with record PLF

<table>
<thead>
<tr>
<th>Parent Airline Company (Pax)</th>
<th>Q4 FY18/19</th>
<th>Change %</th>
<th>FY18/19</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Passenger-KM (M)</td>
<td>25,666.7</td>
<td>8.8</td>
<td>102,571.9</td>
<td>7.0</td>
</tr>
<tr>
<td>Available Seat-KM (M)</td>
<td>31,428.7</td>
<td>8.1</td>
<td>123,486.2</td>
<td>4.5</td>
</tr>
<tr>
<td>Passenger Load Factor (%)</td>
<td>81.7</td>
<td>0.6 pt</td>
<td>83.1</td>
<td>2.0 pts</td>
</tr>
<tr>
<td>Pax Yield (¢/pkm)</td>
<td>10.2</td>
<td>(1.0)</td>
<td>10.1</td>
<td>(1.0)</td>
</tr>
<tr>
<td>RASK (¢/ask)</td>
<td>8.4</td>
<td>-</td>
<td>8.4</td>
<td>1.2</td>
</tr>
<tr>
<td>Pax Unit Cost (CASK) (¢/ask)</td>
<td>8.3</td>
<td>(1.2)</td>
<td>8.3</td>
<td>2.5</td>
</tr>
<tr>
<td>Pax Unit Cost (CASK) Ex-Fuel (¢/ask)</td>
<td>5.6</td>
<td>(1.8)</td>
<td>5.5</td>
<td>(1.8)</td>
</tr>
</tbody>
</table>
Strong growth in pax flown revenue partially offset by absence of non-recurring revenue last year

**Parent Airline Company**
**FY18/19 Revenue Breakdown ($M)**

- **Passenger Flown Revenue**: $10,384.3 (+567.7, +5.8%)
- **Cargo & Mail Revenue**: $2,220.5 (+45.0, +2.1%)
- **Other Passenger Revenue**: $357.8 (-135.7, -27.5%)
- **Others**: $181.6 (-140.3, -43.6%)

79.0% of revenue comes from Passenger Flown Revenue, while Cargo & Mail Revenue constitutes 16.9% of total revenue.
Overall improvement in RASK over the last two financial years

Monthly RASK

¢/ask

7.5 8.0 8.5 9.0

Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar

2016/17 2017/18 2018/19
Cargo flown revenue improved as stronger yields mitigated lower loads carried for the year

<table>
<thead>
<tr>
<th>Parent Airline Company (Cargo)</th>
<th>Q4 FY18/19</th>
<th>Change %</th>
<th>FY18/19</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cargo Load Tonne-KM (M)</td>
<td>1,607.6</td>
<td>(6.8)</td>
<td>7,006.5</td>
<td>(3.5)</td>
</tr>
<tr>
<td>Cargo Capacity Tonne-KM (M)</td>
<td>2,732.3</td>
<td>(0.3)</td>
<td>11,210.4</td>
<td>0.8</td>
</tr>
<tr>
<td>Cargo Load Factor (%)</td>
<td>58.8</td>
<td>(4.1) pts</td>
<td>62.5</td>
<td>(2.8) pts</td>
</tr>
<tr>
<td>Cargo Yield (¢/ltk)</td>
<td>30.0</td>
<td>0.3</td>
<td>31.7</td>
<td>5.7</td>
</tr>
<tr>
<td>Cargo Unit Cost (¢/ctk)</td>
<td>15.7</td>
<td>(0.6)</td>
<td>16.5</td>
<td>1.9</td>
</tr>
</tbody>
</table>
Cargo yields held up well over last two years; downward pressure seen in recent months

Monthly Cargo Yields

¢/ltk

2016/17 2017/18 2018/19

Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar

26.7 26.5 26.9 26.6 27.0 27.5 28.1 27.6 27.7 28.1

34.1 30.0 29.9 30.2

27.6 27.7

29.1 29.8

29.1 29.2 30.2

30.2
Expenditure rose due to higher net fuel cost; ex-fuel costs up on expansion in operations and higher staff strength

**Parent Airline Company**

**Cost Composition FY18/19 ($M)**

- **Fuel Cost Post Hedging**
  - 3,763.1 (+535.2, +16.6%)

- **Others**
  - 989.2 (+75.1, +8.2%)

- **Sales Cost**
  - 695.4 (+70.4, +11.3%)

- **Passenger Costs**
  - 668.7 (+24.3, +3.8%)

- **Handling Charges**
  - 1,182.9 (-7.8, -0.7%)

- **LPO* Charges**
  - 688.1 (+10.3, +1.5%)

- **AMO Costs**
  - 723.6 (-83.6, -10.4%)

- **Aircraft depreciation and Lease Rentals**
  - 1,474.4 (-26.6, -1.8%)

- **Staff Cost**
  - 1,968.3 (+87.0, +4.6%)

- **Fuel Cost Post Hedging**
  - 3,763.1 (+535.2, +16.6%)

*Landing, Parking and Overflying*
Overall unit cost ex-fuel remained stable

**Overall Unit Cost Analysis (FY18/19)**

- **Unit Fuel Cost**
  - FY17/18: 14.01 c/ctk
  - FY18/19: 15.88 c/ctk (+13.3%)

- **Unit Staff Cost**
  - FY17/18: 8.16 c/ctk
  - FY18/19: 8.31 c/ctk (+1.8%)

- **Unit Other Cost**
  - FY17/18: 26.97 c/ctk
  - FY18/19: 26.75 c/ctk (-0.8%)
SIA GROUP
Q4 & FY18/19
# SIA Group Operating Results

<table>
<thead>
<tr>
<th></th>
<th>Q4 FY18/19 ($M)</th>
<th>Q4 FY17/18* ($M)</th>
<th>Better/ Worse (%)</th>
<th>FY18/19 ($M)</th>
<th>FY17/18* ($M)</th>
<th>Better/ Worse (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenue</strong></td>
<td>4,075.1</td>
<td>4,017.3</td>
<td>1.4</td>
<td>16,323.2</td>
<td>15,806.1</td>
<td>3.3</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td>3,821.6</td>
<td>3,683.9</td>
<td>(3.7)</td>
<td>15,256.1</td>
<td>14,257.3</td>
<td>(7.0)</td>
</tr>
<tr>
<td>--- Net fuel cost</td>
<td>1,099.6</td>
<td>1,018.5</td>
<td>(8.0)</td>
<td>4,587.1</td>
<td>3,899.3</td>
<td>(17.6)</td>
</tr>
<tr>
<td><strong>Fuel cost</strong></td>
<td>1,127.1</td>
<td>1,102.6</td>
<td>(2.2)</td>
<td>5,000.4</td>
<td>3,998.5</td>
<td>(25.1)</td>
</tr>
<tr>
<td><strong>Fuel hedging gain</strong></td>
<td>(27.5)</td>
<td>(84.1)</td>
<td>(67.3)</td>
<td>(413.3)</td>
<td>(99.2)</td>
<td>n.m.</td>
</tr>
<tr>
<td>--- Non-fuel expenditure</td>
<td>2,722.0</td>
<td>2,665.4</td>
<td>(2.1)</td>
<td>10,669.0</td>
<td>10,358.0</td>
<td>(3.0)</td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td>253.5</td>
<td>333.4</td>
<td>(24.0)</td>
<td>1,067.1</td>
<td>1,548.8</td>
<td>(31.1)</td>
</tr>
<tr>
<td><strong>Operating Profit Margin (%)</strong></td>
<td>6.2</td>
<td>8.3</td>
<td>(2.1) pts</td>
<td>6.5</td>
<td>9.8</td>
<td>(3.3) pts</td>
</tr>
</tbody>
</table>

*Restated due to the adoption of IFRS 1, reducing prior year’s depreciation by $118.9M (Q4) and $491.5M (FY)*
Group revenue improved led by strong pax flown revenue

Group Revenue

Year-on-Year $517.1M (+3.3%)
Excluding non-recurring revenue last year, Group revenue would have reported a larger improvement.

**Group Revenue (ex non-recurring)**

- **FY18/19 $16,323.2M**
- **Year-on-Year $760.0M (+4.9%)**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY17/18</th>
<th>FY18/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>3,688.9</td>
<td>4,341.5</td>
</tr>
<tr>
<td>Q2</td>
<td>3,847.9</td>
<td>4,062.1</td>
</tr>
<tr>
<td>Q3</td>
<td>4,076.7</td>
<td>4,075.1</td>
</tr>
<tr>
<td>Q4</td>
<td>67.6</td>
<td>175.3</td>
</tr>
</tbody>
</table>

Excluding non-recurring revenue last year, Group revenue would have reported a larger improvement.
Strong growth in pax flown revenue supported by robust traffic growth

**FY18/19 Group Revenue Breakdown ($M)**

- **Passenger Flown Revenue**: 13,023.3 (+783.9, +6.4%)
- **Cargo and Mail**: 2,220.5 (+45.0, +2.1%)
- **Engineering Services**: 485.7 (+4.8, +1.0%)
- **Other Passenger Revenue**: 393.0 (-209.1, -34.7%)
- **Others**: 200.7 (-107.5, -34.9%)
Breakdown of change in flown revenue and statistics

<table>
<thead>
<tr>
<th></th>
<th>Flown Revenue against last year ($M)</th>
<th>RASK against last year (%)</th>
<th>Yields against last year (%)</th>
<th>Carriage/Load against last year (%)</th>
<th>Capacity against last year (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SIA (Pax)</td>
<td>+ 567.7</td>
<td>+ 1.2</td>
<td>- 1.0</td>
<td>+ 7.0</td>
<td>+ 4.5</td>
</tr>
<tr>
<td>SilkAir</td>
<td>+ 20.2</td>
<td>- 1.2</td>
<td>- 5.2</td>
<td>+ 7.2</td>
<td>+ 3.2</td>
</tr>
<tr>
<td>Scoot</td>
<td>+ 191.1</td>
<td>- 2.0</td>
<td>- 1.7</td>
<td>+ 14.6</td>
<td>+ 15.1</td>
</tr>
<tr>
<td>SIA (Cargo)</td>
<td>+ 45.0</td>
<td>n.a.</td>
<td>+ 5.7</td>
<td>- 3.5</td>
<td>+ 0.8</td>
</tr>
</tbody>
</table>
Higher net fuel cost contributed two thirds of the increase in Group expenditure

**Group Expenditure**

Restatement for FY17/18 due to adoption of IFRS 1

FY18/19
$15,256.1M

Year-on-Year
$998.8M (+7.0%)
Ex-fuel costs rose largely from expansion of operations

Group Cost Composition ($M)

- Handling Charges: 1,315.0 (+16.0, +1.2%)
- LPO* Charges: 884.0 (+30.6, +3.6%)
- Passenger Costs: 738.4 (+33.6, +4.8%)
- Others: 2,007.9 (+117.9, +6.2%)
- AMO Costs: 899.2 (-19.4, -2.1%)
- Depreciation and Lease Rentals: 2,007.6 (+24.4, +1.2%)
- Staff Cost: 2,816.9 (+107.9, +4.0%)
- Fuel Cost Post Hedging: 4,587.1 (+687.8, +17.6%)

*Landing, Parking and Overflying
Group fuel cost before hedging rose $1B, partially alleviated by larger hedging gain YoY.

**Composition of Increase in Group Fuel Cost (After Hedging)**

- Higher weighted average fuel price: $3,899.3M
- Higher hedging gain: +$888.0M (+17.6%)
- Weaker USD against SGD: -$9.6M
- Higher uplift: +$123.5M

FY17/18: $3,899.3M → FY18/19: $4,587.1M (+687.8M)
Full year operating profit tops $1B

Group Operating Profit

FY18/19
$1,067.1M

Year-on-Year
-$481.7M
(-31.1%)
Strong growth in pax flown revenue negated by steep rise in fuel cost and absence of one-off revenue items

Composition of Decrease in Group Operating Profit

- Higher flown revenue: $1,548.8
- Absence of one-off items: -$242.9
- Higher net fuel costs: -$687.8
- Higher ex-fuel costs largely due to:
  - Depreciation expense (+179.8)
  - Lower lease rentals (-125.2)
  - Staff costs (+107.9)
  - Other ex-fuel costs (+148.5 or +2.6%) due to capacity growth
- One-off items due to:
  - KF breakage adjustment (-178.2)
  - Compensation from Airbus for release of A350 slots (-64.7)

FY17/18: $1,067.1 (-31.1%)
## Group Operating Profit/(Loss)

<table>
<thead>
<tr>
<th></th>
<th>FY18/19 ($M)</th>
<th>FY17/18&lt;sup&gt;R1&lt;/sup&gt; ($M)</th>
<th>Better/(Worse) ($M)</th>
<th>Better/(Worse) (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SIA&lt;sup&gt;R2&lt;/sup&gt;</strong></td>
<td>991</td>
<td>1,338</td>
<td>(347)</td>
<td>(25.9)</td>
</tr>
<tr>
<td><strong>SilkAir</strong></td>
<td>15</td>
<td>44</td>
<td>(29)</td>
<td>(65.9)</td>
</tr>
<tr>
<td><strong>Scoot</strong></td>
<td>(15)</td>
<td>78</td>
<td>(93)</td>
<td>n.m.</td>
</tr>
<tr>
<td><strong>SIAEC Group</strong></td>
<td>57</td>
<td>79</td>
<td>(22)</td>
<td>(27.8)</td>
</tr>
</tbody>
</table>

<sup>R1</sup> Restated depreciation for prior year due to the adoption of IFRS 1

<sup>R2</sup> Adjusted prior year comparatives to take into account SIA Cargo integration within the Parent Airline Company
Group net profit was $683M

Group Profit Attributable to Owners of the Parent

FY18/19 $682.7M

Year-on-Year -$618.9M (-47.5%)
Excluding one-off items and SilkAir related costs, Group net profit would have been higher

**Adjusted Group Profit Attributable to Owners of the Parent**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY17/18</th>
<th>FY18/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>192.4</td>
<td>145.5</td>
</tr>
<tr>
<td>Q2</td>
<td>293.3</td>
<td>293.3</td>
</tr>
<tr>
<td>Q3</td>
<td>389.3</td>
<td>56.1</td>
</tr>
<tr>
<td>Q4</td>
<td>225.0</td>
<td>56.1</td>
</tr>
</tbody>
</table>

- Non-recurring

**Year-on-Year**

- **FY18/19** $858.1M
- **FY17/18** $192.4M

**Excluding one-off items and SilkAir related costs, Group net profit would have been higher**

**FY18/19**

- Year-on-Year: -$241.9M (-22.0%)
Group net profit was impacted by lower operating profit and higher non-operating costs

Group Profit Attributable to Owners of the Parent

$M
1,400
1,200
1,000
800
600
400
200
0
FY17/18
Operating profit
Associates & JVs
SilkAir
Net finance charges
Disposals
Taxes
Others
FY18/19
1,301.6
-481.7
-105.9
-59.8
-45.3
-21.9
+100.7
-5.0
682.7

Due to:
• Higher share of losses of associated companies (-88.1)
• Lower share of profit of joint venture companies (-17.8)

Lower operating profit
Provision for re-fleeting and restructuring costs
Higher net finance charges
Loss on aircraft related disposals
Lower taxation

Due to:
• Higher share of losses of associated companies (-88.1)
• Lower share of profit of joint venture companies (-17.8)

Provision for re-fleeting and restructuring costs
Higher net finance charges
Loss on aircraft related disposals
Lower taxation

Group net profit was impacted by lower operating profit and higher non-operating costs.
Total dividend amounts to 30¢ per share

<table>
<thead>
<tr>
<th></th>
<th>FY18/19</th>
<th>FY17/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings Per Share (¢)</td>
<td>57.7</td>
<td>75.5(^\dagger)</td>
</tr>
<tr>
<td>Interim Dividend Per Share (¢)</td>
<td>8.0</td>
<td>10.0</td>
</tr>
<tr>
<td>Proposed Final Dividend Per Share (¢)</td>
<td>22.0</td>
<td>30.0</td>
</tr>
<tr>
<td>Total Dividend Per Share (¢)</td>
<td>30.0</td>
<td>40.0</td>
</tr>
</tbody>
</table>

\(^\dagger\) Based on FY17/18 reported figures
## Group fleet development

<table>
<thead>
<tr>
<th></th>
<th>Operating Fleet</th>
<th>As at 31 Mar’19</th>
<th>In</th>
<th>Out</th>
<th>As at 31 Mar’20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore Airlines</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>777-200</td>
<td>7</td>
<td>+1</td>
<td>-7</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>777-200ER</td>
<td>5</td>
<td>-4</td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>777-300</td>
<td>7</td>
<td></td>
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</tr>
<tr>
<td>777-300ER</td>
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<td></td>
<td>27</td>
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<tr>
<td>A380-800</td>
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</tr>
<tr>
<td>A330-300</td>
<td>17</td>
<td>+1</td>
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<td></td>
<td>8</td>
</tr>
<tr>
<td>A350-900 XWB</td>
<td>32</td>
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<td>48</td>
</tr>
<tr>
<td>787-10</td>
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<td>+6</td>
<td></td>
<td></td>
<td>15</td>
</tr>
<tr>
<td>747-400F</td>
<td>7</td>
<td></td>
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<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>128</strong></td>
<td><strong>+24</strong></td>
<td><strong>-21</strong></td>
<td></td>
<td><strong>131</strong></td>
</tr>
<tr>
<td>SilkAir</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A319</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>A320</td>
<td>8</td>
<td>-1</td>
<td></td>
<td></td>
<td>7</td>
</tr>
<tr>
<td>737-800</td>
<td>17</td>
<td></td>
<td></td>
<td></td>
<td>17</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>27</strong></td>
<td></td>
<td><strong>-1</strong></td>
<td></td>
<td><strong>26</strong></td>
</tr>
<tr>
<td>Scoot</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>787-8</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>787-9</td>
<td>8</td>
<td>+2</td>
<td></td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>A319</td>
<td>1</td>
<td>-1</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>A320</td>
<td>26</td>
<td></td>
<td></td>
<td></td>
<td>26</td>
</tr>
<tr>
<td>A320neo</td>
<td>2</td>
<td>+2</td>
<td></td>
<td></td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>47</strong></td>
<td><strong>+4</strong></td>
<td><strong>-1</strong></td>
<td></td>
<td><strong>50</strong></td>
</tr>
<tr>
<td><strong>GROUP TOTAL</strong></td>
<td><strong>202</strong></td>
<td><strong>+28</strong></td>
<td><strong>-23</strong></td>
<td></td>
<td><strong>207</strong></td>
</tr>
</tbody>
</table>

**Note:**
- Excluded 737 MAX 8 in SilkAir’s operating fleet due to grounding
- SIA re-instated one 777-200 and one A330-300 into operating fleet to support fleet requirements due to grounding issues
External events moderate growth in capacity

- SIA Group passenger operations is expected to grow **approx. 6%** in FY19/20
  - Grounding of Boeing 737 MAX 8 aircraft and Rolls-Royce Trent 1000 TEN engine issues moderate capacity growth
  - Extension of aircraft leases to support capacity shortfall
  - Boeing 737-800 transfer plans from SilkAir to Scoot suspended pending clarity on Boeing 737 MAX 8 grounding situation

<table>
<thead>
<tr>
<th></th>
<th>Projected Change in Capacity (FY19/20 vs FY18/19)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SIA</td>
<td>+7%</td>
</tr>
<tr>
<td>SilkAir</td>
<td>-3%</td>
</tr>
<tr>
<td>Scoot</td>
<td>+7%</td>
</tr>
<tr>
<td><strong>Group Passenger Operations</strong></td>
<td><strong>+6%</strong></td>
</tr>
</tbody>
</table>

- Cargo operations are expected to grow 2-3% in FY19/20
Capital expenditure to support fleet renewal and capacity growth

<table>
<thead>
<tr>
<th>($’M)</th>
<th>FY19/20</th>
<th>FY20/21</th>
<th>FY21/22</th>
<th>FY22/23</th>
<th>FY23/24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aircraft</td>
<td>5,700</td>
<td>5,400</td>
<td>5,000</td>
<td>3,900</td>
<td>3,300</td>
</tr>
<tr>
<td>Others</td>
<td>400</td>
<td>400</td>
<td>500</td>
<td>400</td>
<td>300</td>
</tr>
<tr>
<td>Total</td>
<td>6,100</td>
<td>5,800</td>
<td>5,500</td>
<td>4,300</td>
<td>3,600</td>
</tr>
</tbody>
</table>
### Group fuel hedging position

<table>
<thead>
<tr>
<th>Period</th>
<th>Jet Fuel</th>
<th>Brent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Q1 FY19/20</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage hedged (%)</td>
<td>80</td>
<td>-</td>
</tr>
<tr>
<td>Average hedged price (USD/bbl)</td>
<td>75</td>
<td>-</td>
</tr>
<tr>
<td><strong>FY19/20</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage hedged (%)</td>
<td>64</td>
<td>5</td>
</tr>
<tr>
<td>Average hedged price (USD/bbl)</td>
<td>76</td>
<td>53</td>
</tr>
<tr>
<td><strong>FY20/21 to FY24/25</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage hedged (%)</td>
<td>Up to 14%</td>
<td>Up to 46%</td>
</tr>
<tr>
<td>Average hedged price (USD/bbl)</td>
<td>77</td>
<td>58-63</td>
</tr>
</tbody>
</table>

Note: Fuel hedging position as at 2 May 2019
ADOPTION OF
IFRS 16
Adoption of IFRS 16 – Balance Sheet

- With effect from 1 April 2019, SIA Group is required to recognise right-of-use assets and lease liabilities arising from the capitalisation of the present value of future lease payments for all leases.

- Main changes to the Group’s balance sheet as of 1 April 2019 are:
  - Inclusion of right-of-use assets
  - Recognition of interest-bearing lease liabilities

- Estimated impact on Group’s balance sheet as follows:

<table>
<thead>
<tr>
<th>As at 1 April 2019</th>
<th>Assets ($’M)</th>
<th>Liabilities and Equity ($’M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Right-of-use assets</td>
<td>1,712</td>
<td>-</td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>-</td>
<td>2,192</td>
</tr>
<tr>
<td>General reserve</td>
<td>-</td>
<td>(446)</td>
</tr>
<tr>
<td>Others</td>
<td>(31)</td>
<td>(65)</td>
</tr>
<tr>
<td>Total</td>
<td>1,681</td>
<td>1,681</td>
</tr>
</tbody>
</table>
Adoption of IFRS 16 – Net Profit After Tax

- The Group’s cost of leasing will be represented by:
  - increase in depreciation expense
  - increase in finance charges
  - the above increases will replace the lease rental expense recognized hitherto

- Estimated increase in Group’s net profit after tax for the next three financial years as follows (based on existing leases as at 31 March 2019):

<table>
<thead>
<tr>
<th></th>
<th>FY19/20 ($’M)</th>
<th>FY20/21 ($’M)</th>
<th>FY21/22 ($’M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depn. of RoU</td>
<td>42</td>
<td>68</td>
<td>56</td>
</tr>
<tr>
<td>Int. expense</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total exp.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current – Op lease rental</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
STRATEGIC DEVELOPMENTS
Key Strategies

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

**Fleet renewal and investment**
- Debut of medium haul A350 with industry-leading regional cabin product
- 23 new aircraft delivered in FY18/19
  - 11x A350 (7 ULRs), 9x B787-10, 3x A380
- 22 new deliveries planned this FY
  - 16x A350, 6x B787-10
- Boeing 777-9 deliveries from FY21/22, with new-generation cabin product

**Expansion of our non-stop US offering**
- First to Fly A350ULR
- Non-stop Seattle flights from Sept 2019
Enhancing our network

- New Destinations
  - Full-service
    - Busan
    - Newark
    - Seattle
  - Low-cost
    - Berlin
    - Kota Bahru
    - Nanchang
    - Pekanbaru

- Extensive growth in frequency on existing routes across all regions within the Group network
Portfolio

Integrating SilkAir

- Plans to transfer 14 737-800s to Scoot suspended pending clarity on MAX situation, however ongoing transfer of MI routes to Scoot remains on track
  - Deployment of the right vehicles within the portfolio to the right markets

- Integration remains on track
  - SQ and MI websites and mobile apps integrated
  - Appointed supplier for narrow-body flat-bed JCL seat upgrades
  - Ensure products and services continue to lead the industry across short-, medium- and long-haul routes
The SIA Group serves 138 destinations in 37 countries and territories.

Portfolio

- India: 14 Points
- Southwest-Pac: 12 Points
- China: 28 Points
Multi-Hub

- Investing in strategic markets to complement and strengthen SIN hub
  - International operations to be launched imminently
  - 24 destinations in India; Fleet of 22 A320/A320neo
  - Inducting 50 A320/A321neo and 6 787-9 within the next four years
  - 10 destinations; Fleet of 5 B777-200
  - 6th/7th B777-200 will be joining the fleet by 2H 2019
  - New CTS services in 2H 2019*

*subject to regulatory approval
New Revenue & Business Opportunities

SIA-CAE Flight Training Centre
- Operations commenced in Aug 2018 and currently operates 5 simulators
- Provides full range of initial type rating and recurrent training programmes for Boeing aircraft types

Premium Omni-channel Retailer
- Focus on omni-channel selling, fulfilment, digital marketing, curated products and services, and customer experience
- 2H 2019: Pre-orders (inflight collection) for selected SIA and Scoot flights up to 1 hour before departure
Digital Transformation

- Digital partnerships and initiatives to enhance customer experience, and propel us towards our vision to be the world’s leading digital airline

**Strategic partnership with Alibaba Group**
- Unlocks access to >600M monthly active mobile users on Alibaba’s China retail marketplaces
- Alibaba Cloud: Leverage big data to support IT innovation, enhancing digital experience for customers in China

**KrisPay: Innovative Blockchain-based digital wallet**
- Enables KF members to earn and redeem miles instantly for everyday purchases
- Launched in Jul 2018, it now has 35 merchants
Digital Transformation

KrisConnect Programme
- Leverage API connectivity to enhance customer experience on partner platforms
- Travel ecosystem partners include: Amadeus, Ctrip, Google, Skyscanner, Travelport
- Growing rapidly with >20 partners across 16 markets since launch in Oct 2018

Partnership with DBS Bank
- Enhance digital capabilities across platforms to enable seamless customer experience for travelers
- Flexibility and convenience to pay for flights using PayNow; provides for value-added options such as automated direct refund to bank account
Opening of KrisLab, SIA’s Digital Innovation Lab

- In line with SIA’s drive to be the world’s leading digital airline
- Collaborative workspace to develop innovative ideas and co-innovate with external partners and start-ups to solve business challenges
- Inaugural Acceleration Programme launched with 65 start-ups scouted, and top 5 pitching to SIA
TRANSFORMATION

What have we achieved?
We are streamlining our portfolio of airline brands

FROM

4-Airline Brands

tigerair  |  scoot

TO

2-Airline Brands working in closer collaboration
We have improved our product & service offerings

New Regional Business Class – B787-10 & A350 Medium Haul

ULR Flights to US

Expanded IFE Options & Wifi Connectivity

Enhanced personalisation & in-flight wellness in F&B

Product upgrade for SilkAir’s fleet

A380 Retrofit & New Cabin Products
We have lifted our customer experience

- Improved overall response time to resolve customers’ issues
- Enhanced product and services based on customer validation
- More personalised and seamless customer experience
- NPS trending upwards
We have enhanced our revenue generation capabilities

**FROM**

Legacy processes, and airline systems

**TO**

- Commercial re-org to focus on key strategic areas & build **deep domain knowledge**
- Revamped processes & practices for **speed-to-market, agility & accuracy**
- Investment in new technology to be ‘**Best-in-Class’**
- **Revenue growth outpacing capacity growth**
We have improved our operational excellence

Higher operational efficiency from integrating pilots and cabin crew planning

Achieved 7% productivity gain from better crew planning efficiency

15% reduction in engineering related delays
• Predictive Maintenance
We have invested in up-skilling and engaging our people

> 70% of Ground staff received ‘digital’ training

Enhanced organisational capabilities

- analytics, operations
- reduce hierarchy + increase empowerment

5%pt improvement in staff engagement score from Organisational Climate Survey 2019
RASK and CASK ex-fuel margins moving towards the right trajectory

Q1 FY14/15: +3.6¢/ASK
Q4 FY16/17: +2.0¢/ASK
Q4 FY18/19: +2.6¢/ASK
What’s next ...

- Improve revenue generation and customer experience through personalisation

- Infuse ‘Vibrant Innovation Culture’

- ‘Digital Ops’ to deliver operational excellence

- Investment & innovation in product & services

- Enhance employee experience
THANK YOU