

SIA Group
Q1 FY2019-20 Results
1 August 2019



SIA Group – Q1 FY19/20

Key Takeaways

- **Passenger traffic growth drove improvements in overall RASK and revenue**
 - SIA Pax: Captured strong demand, outstripping growth in capacity to achieve record passenger load factor. RASK improved 2.4%.
 - MI: Performance significantly impacted by 737 MAX 8 grounding
 - Scoot: Capacity growth matched by passenger traffic improvement. RASK declined 2.1%, on lower yields.
 - Cargo: Cargo flown revenue declined due to weaker demand amid trade uncertainties.
- **Grounding of 737 MAX 8 fleet slows expansion**
- **Net fuel cost rose, led by an increase in volume uplifted on capacity expansion and a stronger US dollar. Benefitted from fuel hedging gains.**

SIA Group Financial Results

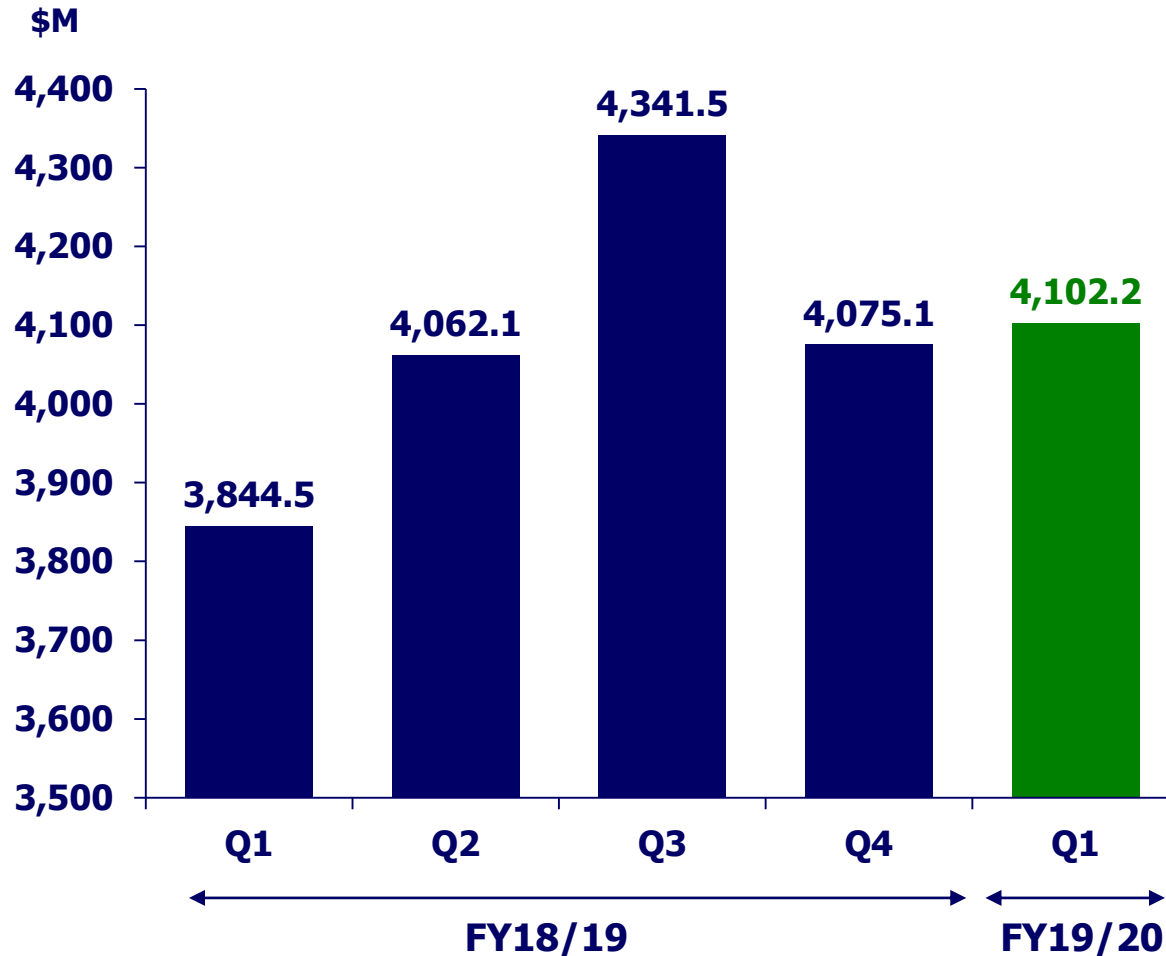
	Q1 FY19/20 (\$'M)	Q1 FY18/19 (\$'M)	Better/ (Worse) (%)
Total Revenue	4,102.2	3,844.5	6.7
Total Expenditure	3,902.2	3,651.4	(6.9)
- Net Fuel Cost	1,172.7	1,079.4	(8.6)
<i>Fuel cost</i>	<i>1,229.8</i>	<i>1,211.6</i>	<i>(1.5)</i>
<i>Fuel hedging gain</i>	<i>(57.1)</i>	<i>(132.2)</i>	<i>(56.8)</i>
- Non-fuel expenditure	2,729.5	2,572.0	(6.1)
Operating Profit	200.0	193.1	3.6
- <i>Operating Profit Margin</i>	<i>4.9</i>	<i>5.0</i>	<i>(0.1) pt</i>
Group Profit Attributable to Owners of the Parent	111.1	139.6	(20.4)
- <i>Basic Earnings Per Share</i>	<i>9.4</i>	<i>11.8</i>	<i>(20.3)</i>

Pax traffic growth across all airlines; record Q1 PLF for SIA


		Q1 FY19/20	Change (%)
SIA (Passenger)	Revenue Passenger-KM (M)	26,628.3	9.0
	Available Seat-KM (M)	32,002.7	7.4
	Passenger Load Factor (%)	83.2	1.2 pts
SilkAir	Revenue Passenger-KM (M)	2,302.1	2.4
	Available Seat-KM (M)	2,949.5	(1.6)
	Passenger Load Factor (%)	78.1	3.1 pts
Scoot	Revenue Passenger-KM (M)	7,410.3	6.5
	Available Seat-KM (M)	8,607.0	6.5
	Passenger Load Factor (%)	86.1	-
SIA (Cargo)	Cargo Load Tonne-KM (M)	1,645.4	(4.4)
	Cargo Capacity Tonne-KM (M)	2,805.1	0.1
	Cargo Load Factor (%)	58.7	(2.7) pts

Group revenue improvement led by strong pax flown revenue

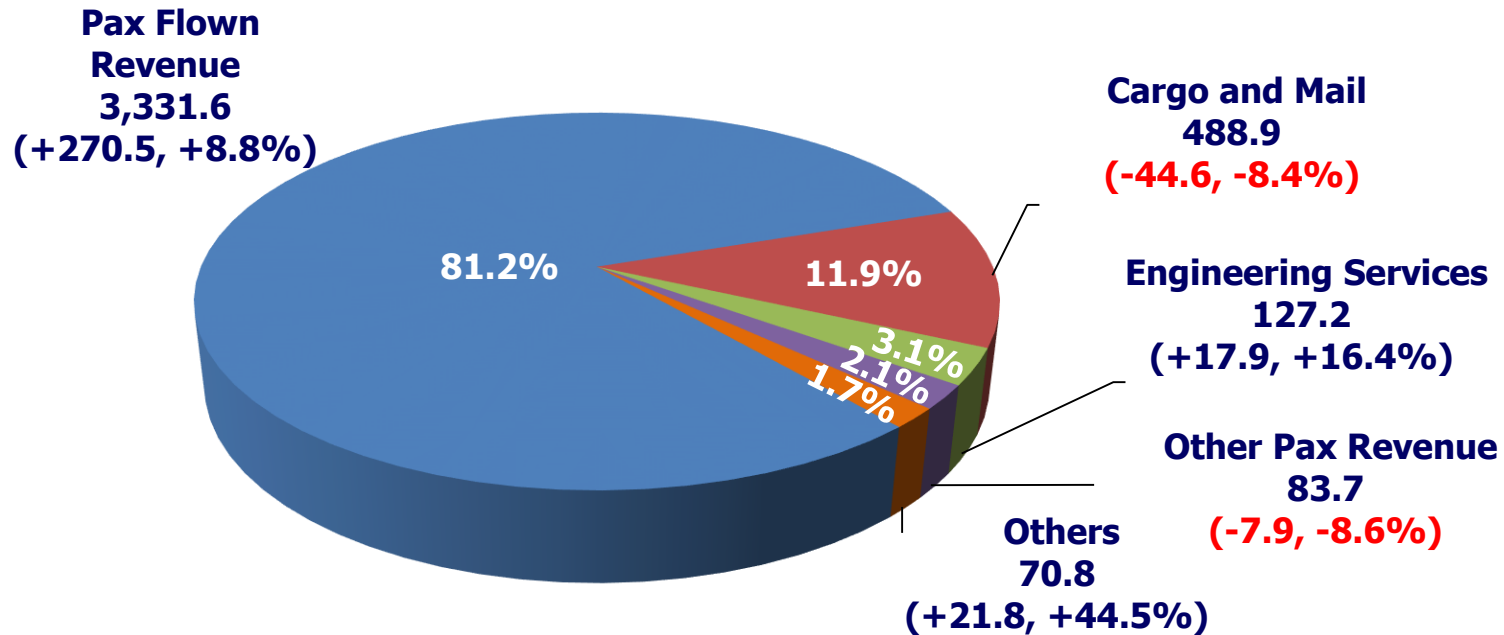
Group Revenue



Q1 FY19/20
\$4,102.2M

Year-on-Year
 **\$257.7M**
(+6.7%)

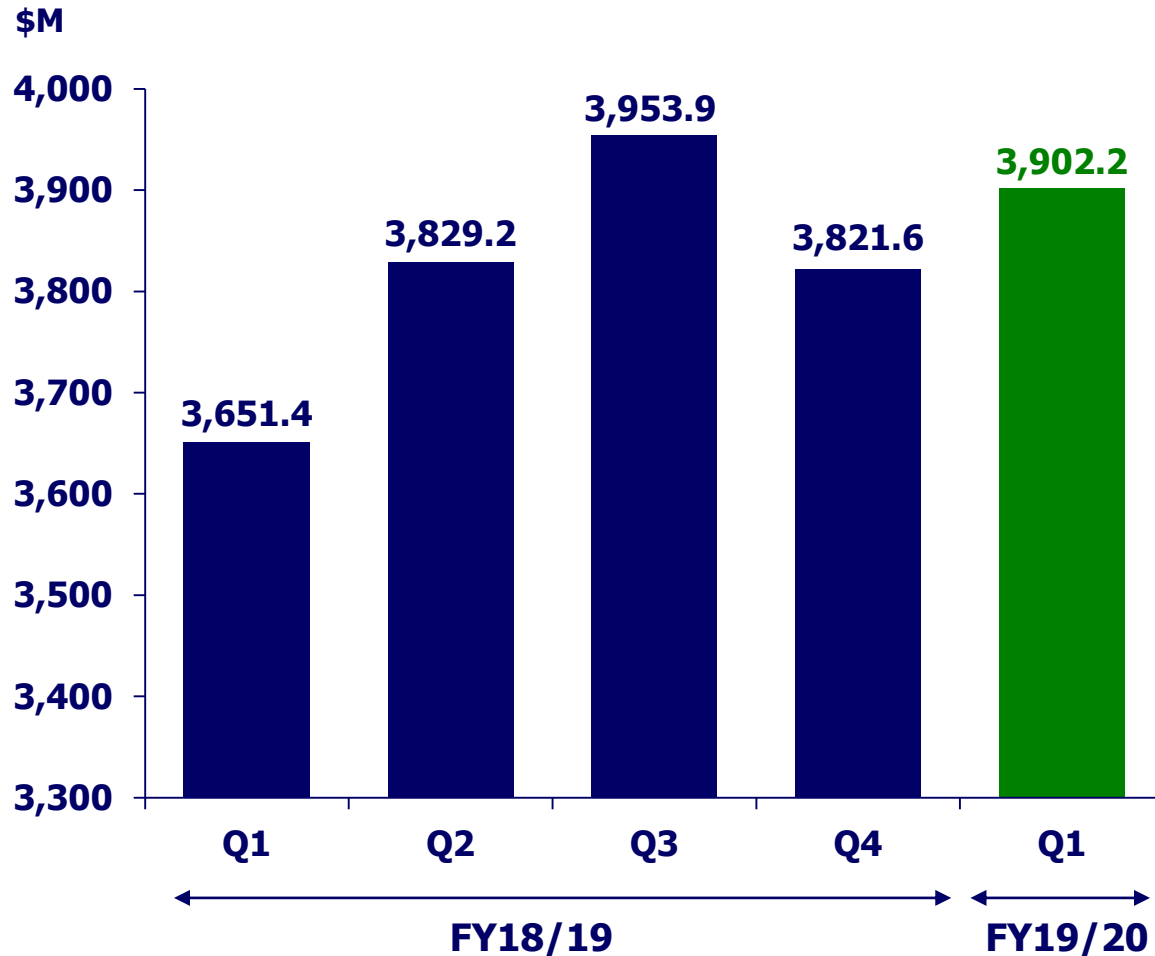
Strong pax traffic growth drove improvements in RASK and revenue



Q1 FY19/20	Flown Revenue y-o-y (\$'M)	RASK y-o-y (%)	Yields y-o-y (%)	Carriage/Load y-o-y (%)	Capacity y-o-y (%)
SIA (Pax)	+258.4	+2.4	+1.0	+9.0	+7.4
SilkAir	-1.5	+1.3	-2.9	+2.4	-1.6
Scoot	+14.0	-2.1	-1.8	+6.5	+6.5
SIA (Cargo)	-44.6	n.a.	-4.2	-4.4	+0.1

Group expenditure increased on expansion

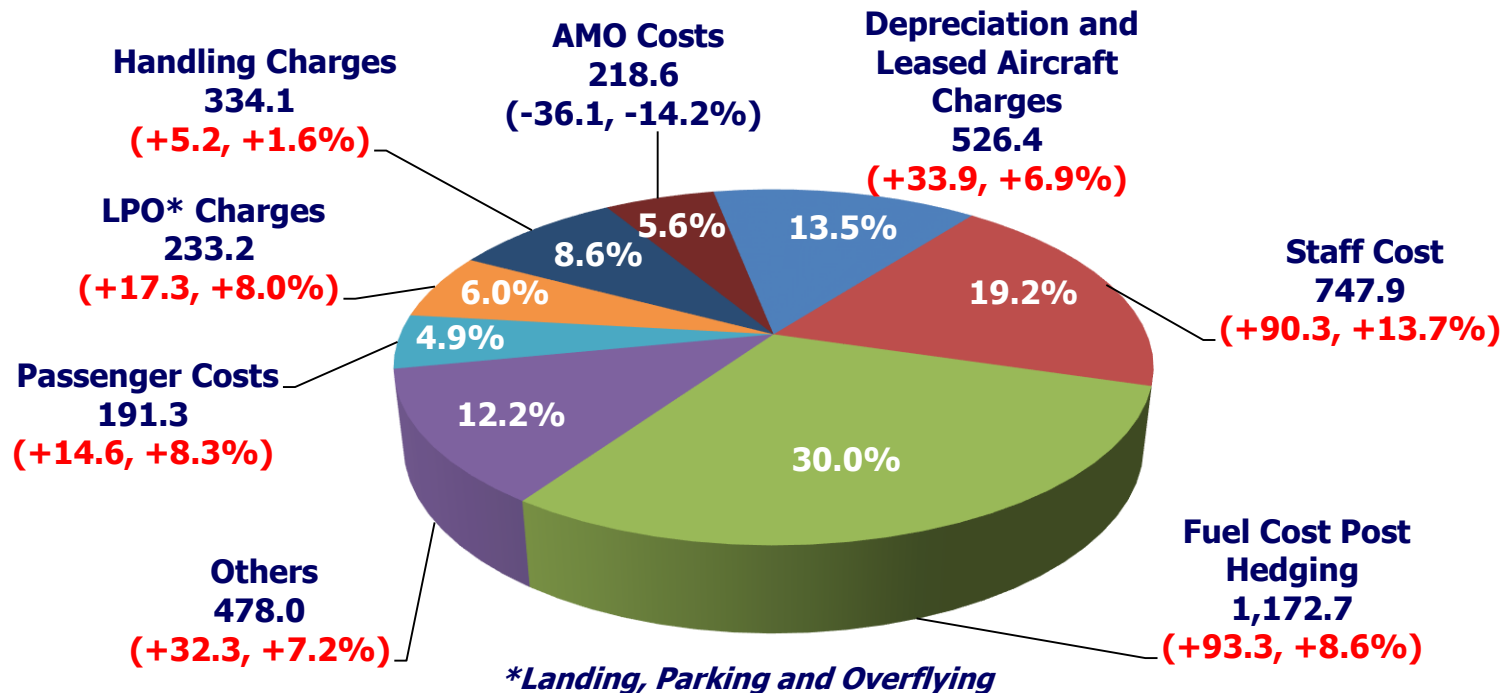
Group Expenditure



Q1 FY19/20
\$3,902.2M

Year-on-Year
↑ \$250.8M
(+6.9%)

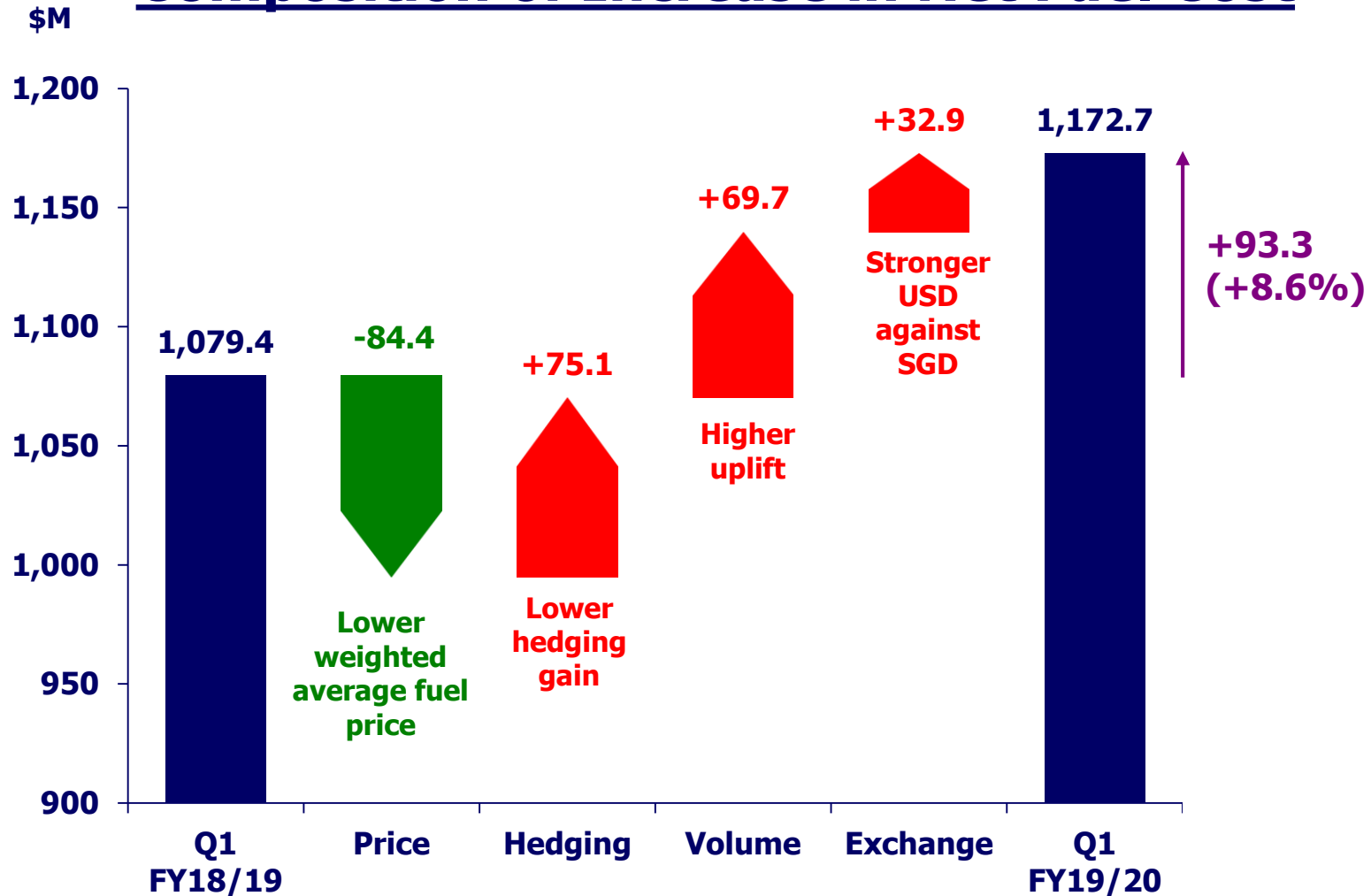
Ex-fuel costs rose largely from expansion of operations



Q1 FY19/20	CASK y-o-y (%)	CASK ex-fuel y-o-y (%)
SIA (Pax)	+1.2	+1.9
SilkAir	+6.1	+4.8
Scoot	+3.9	+5.9

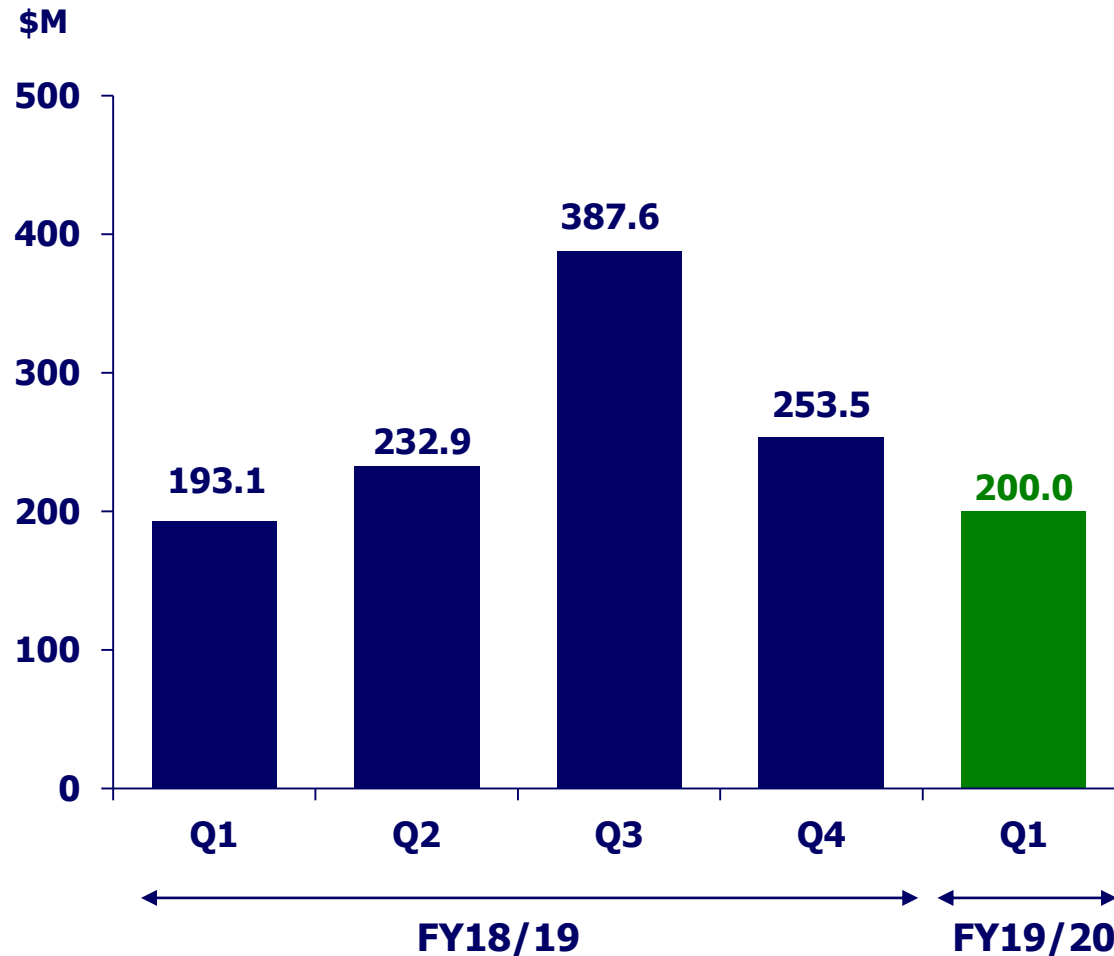
Higher group fuel cost led by increase in volume uplifted on capacity expansion and stronger USD; benefited from fuel hedging gains

Composition of Increase in Net Fuel Cost




Group operating profit improved against last year

Group Operating Profit

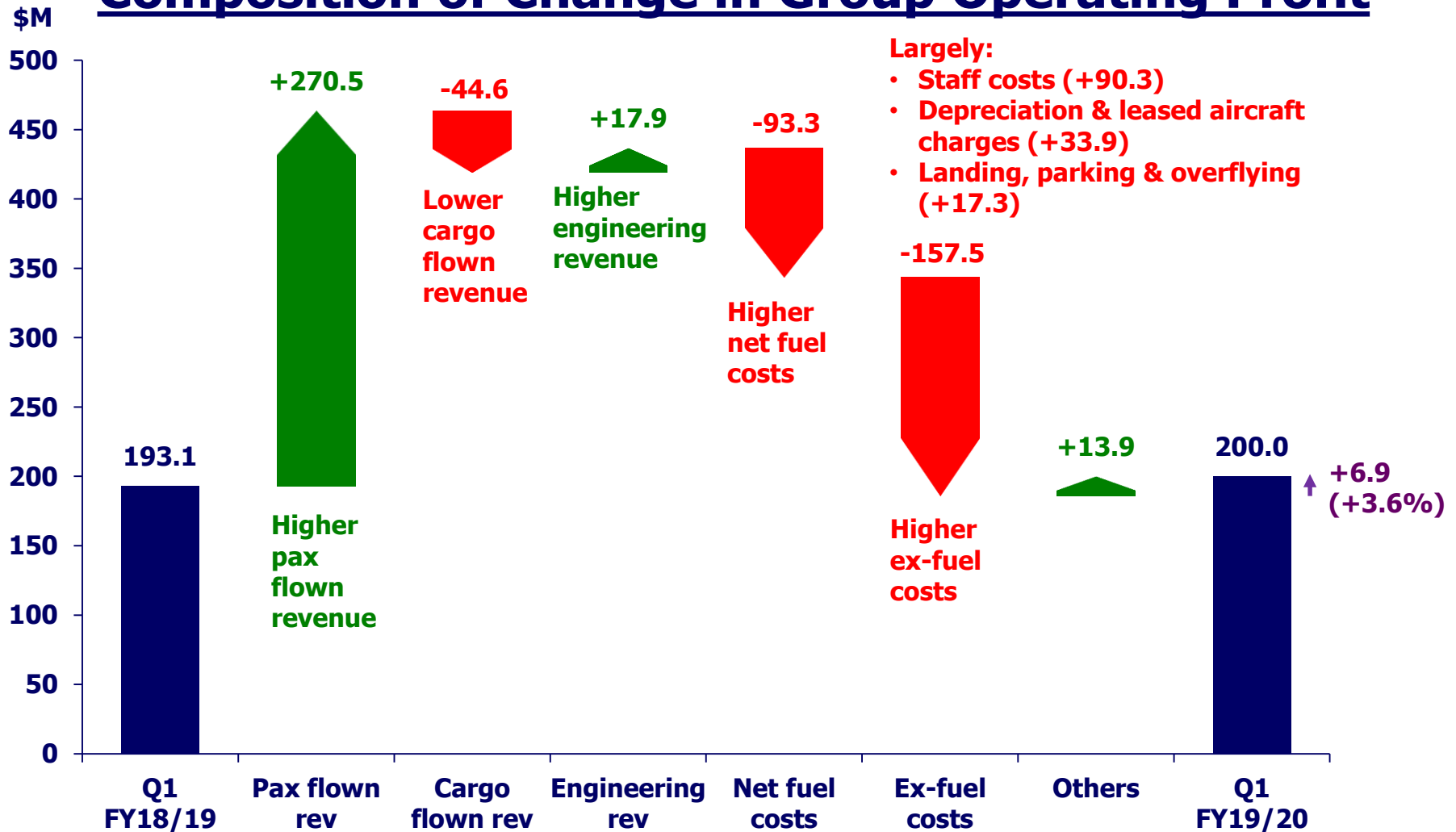


Q1 FY19/20
\$200.0M

Year-on-Year
 **\$6.9M**
(+3.6%)

Strong revenue growth outpaced expenditure increase

Composition of Change in Group Operating Profit

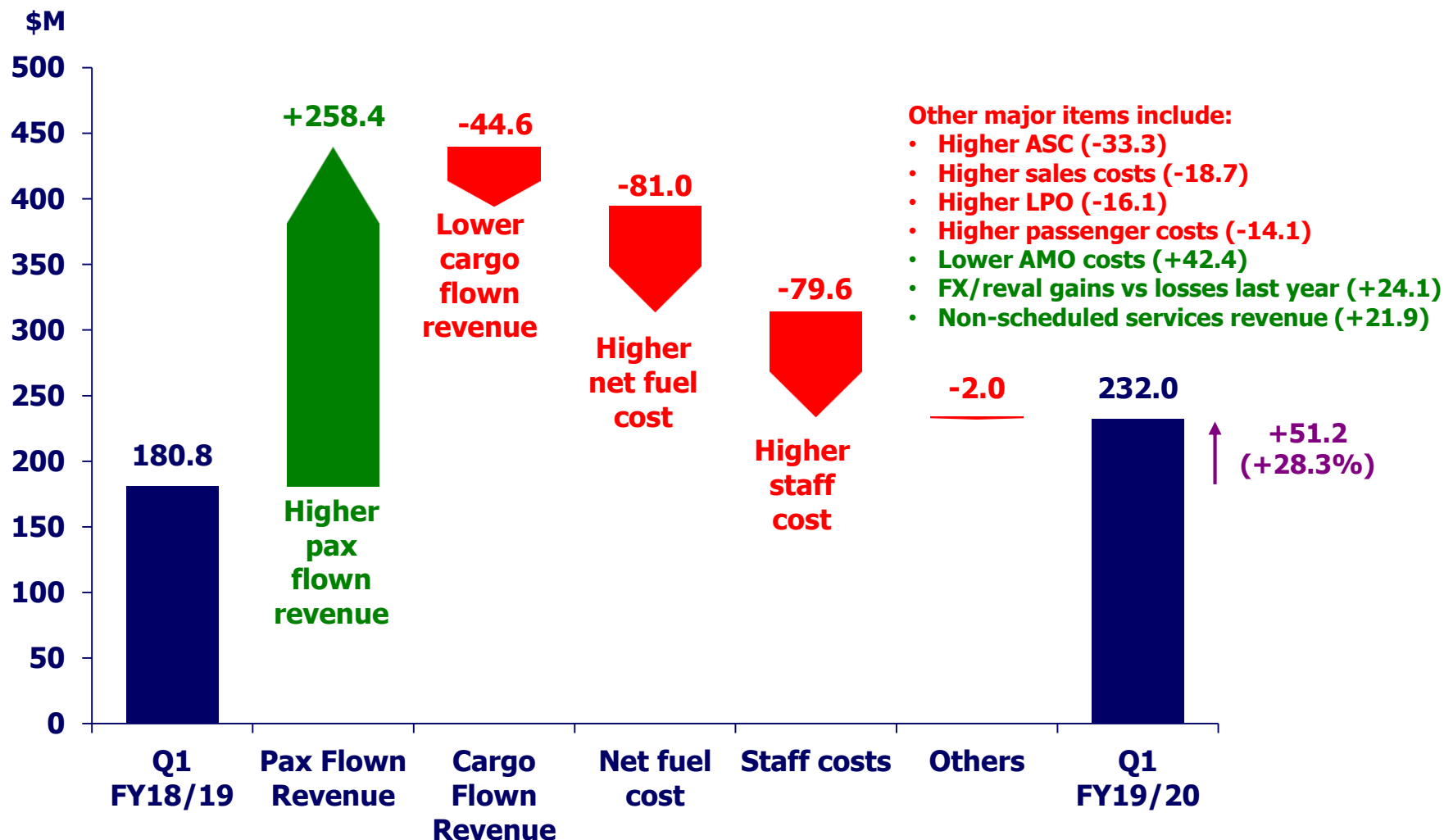


Operating results for main companies in the Group

	Q1 FY19/20 (\$'M)	Q1 FY18/19 (\$'M)	Better/ (Worse) (\$'M)	Better/ (Worse) (%)
SIA (Parent Airline Company)	232.0	180.8	51.2	28.3
SilkAir	(15.9)	0.2	(16.1)	n.m.
Scoot	(37.5)	1.1	(38.6)	n.m.
SIAEC Group	17.7	10.2	7.5	73.5

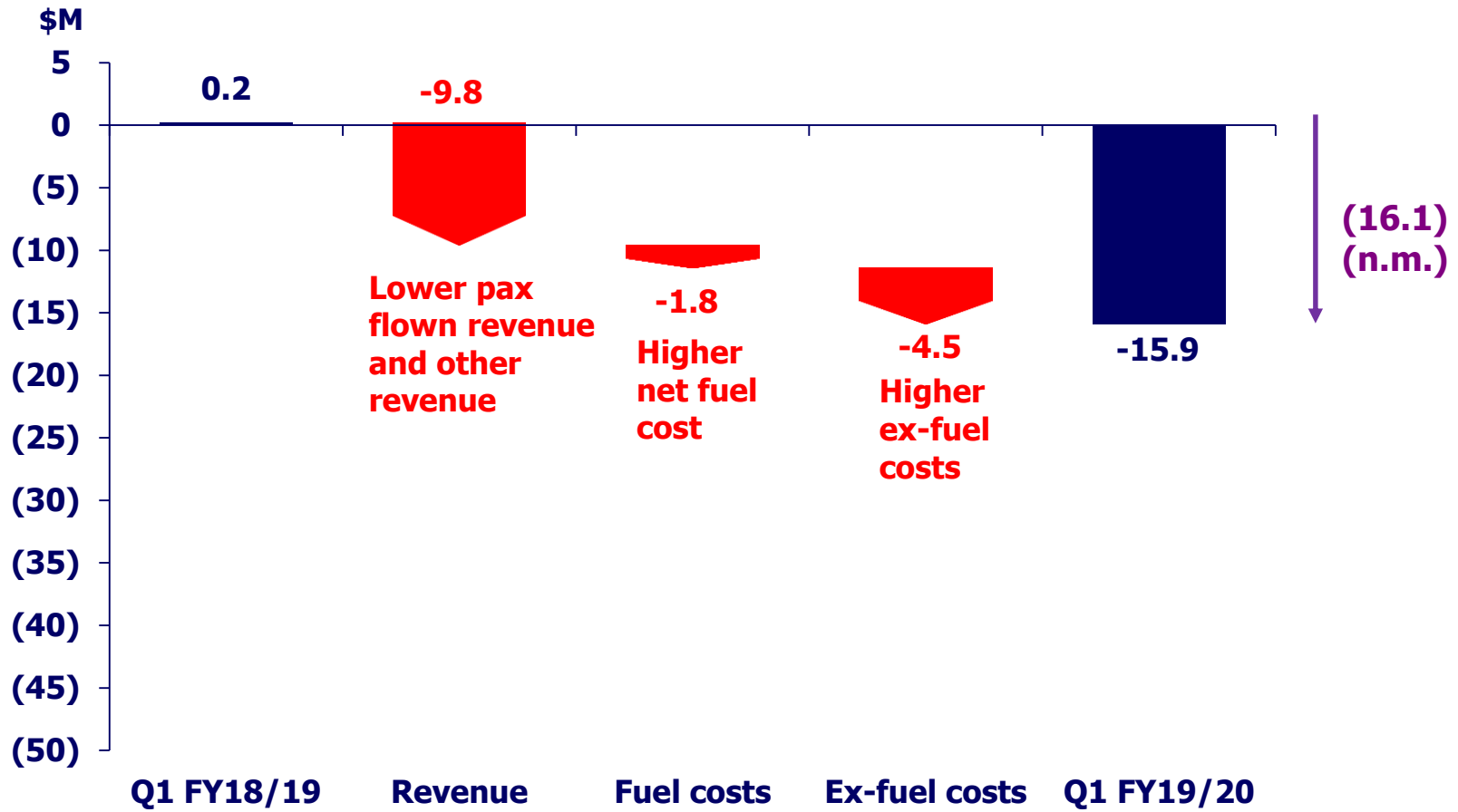
Parent Airline Company's operating profit improved on strong revenue growth

Composition of Change in Parent Airline Company's Operating Profit



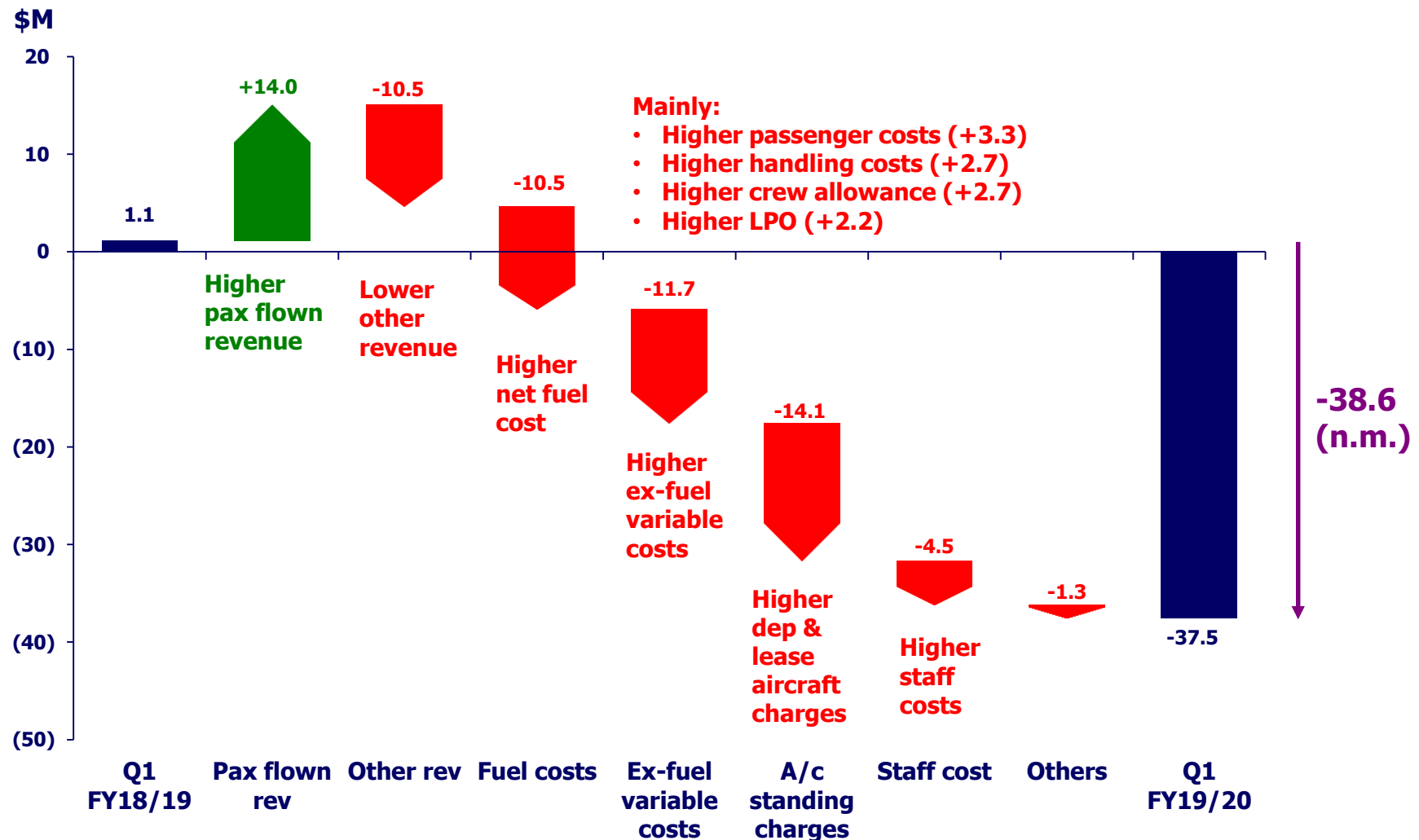
SilkAir significantly impacted by MAX 8 grounding

Composition of Change in SilkAir's Operating Profit



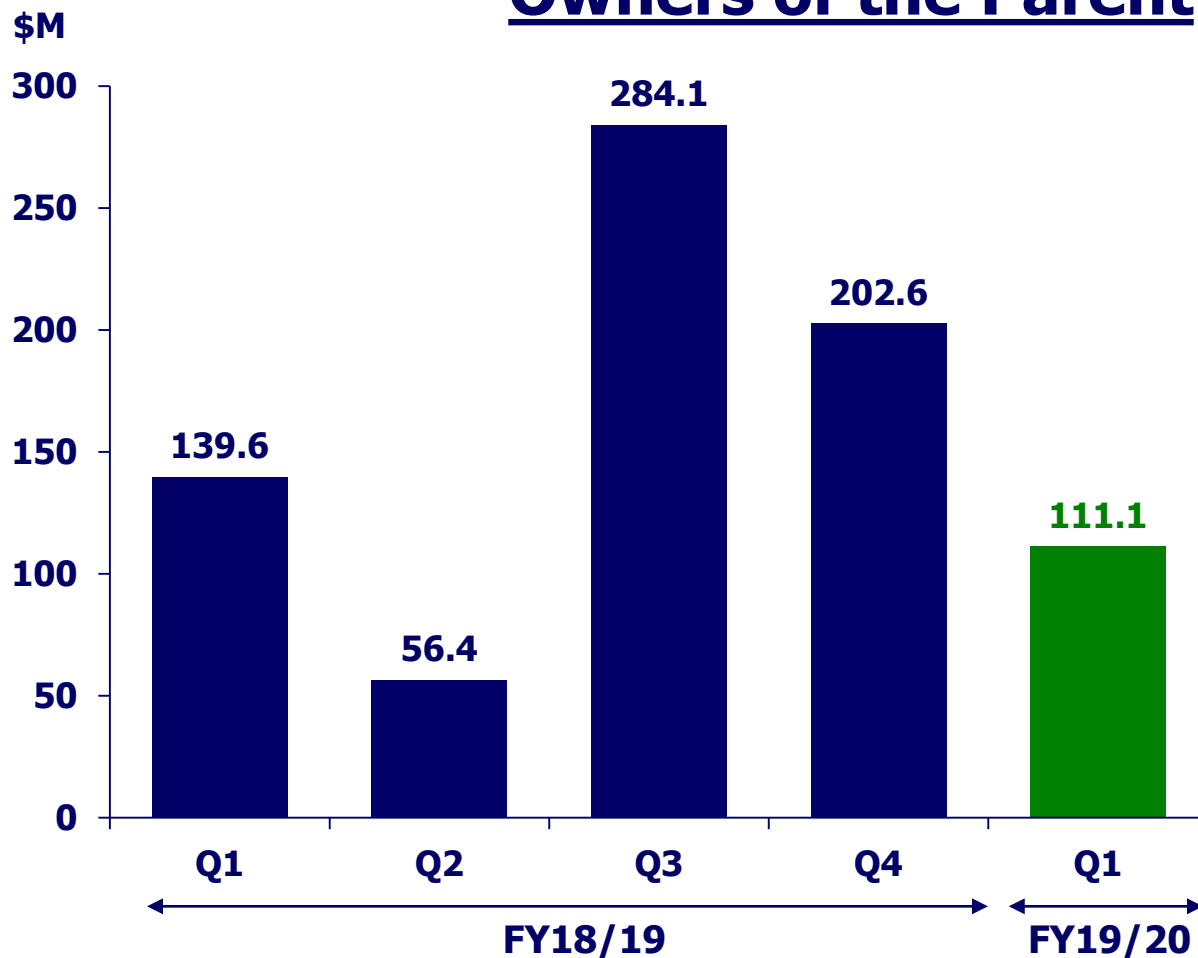
Scoot's capacity growth matched by pax traffic improvement

Composition of Change in Scoot's Operating Profit




Lower Group net profit on share of assoc losses and higher net finance charges

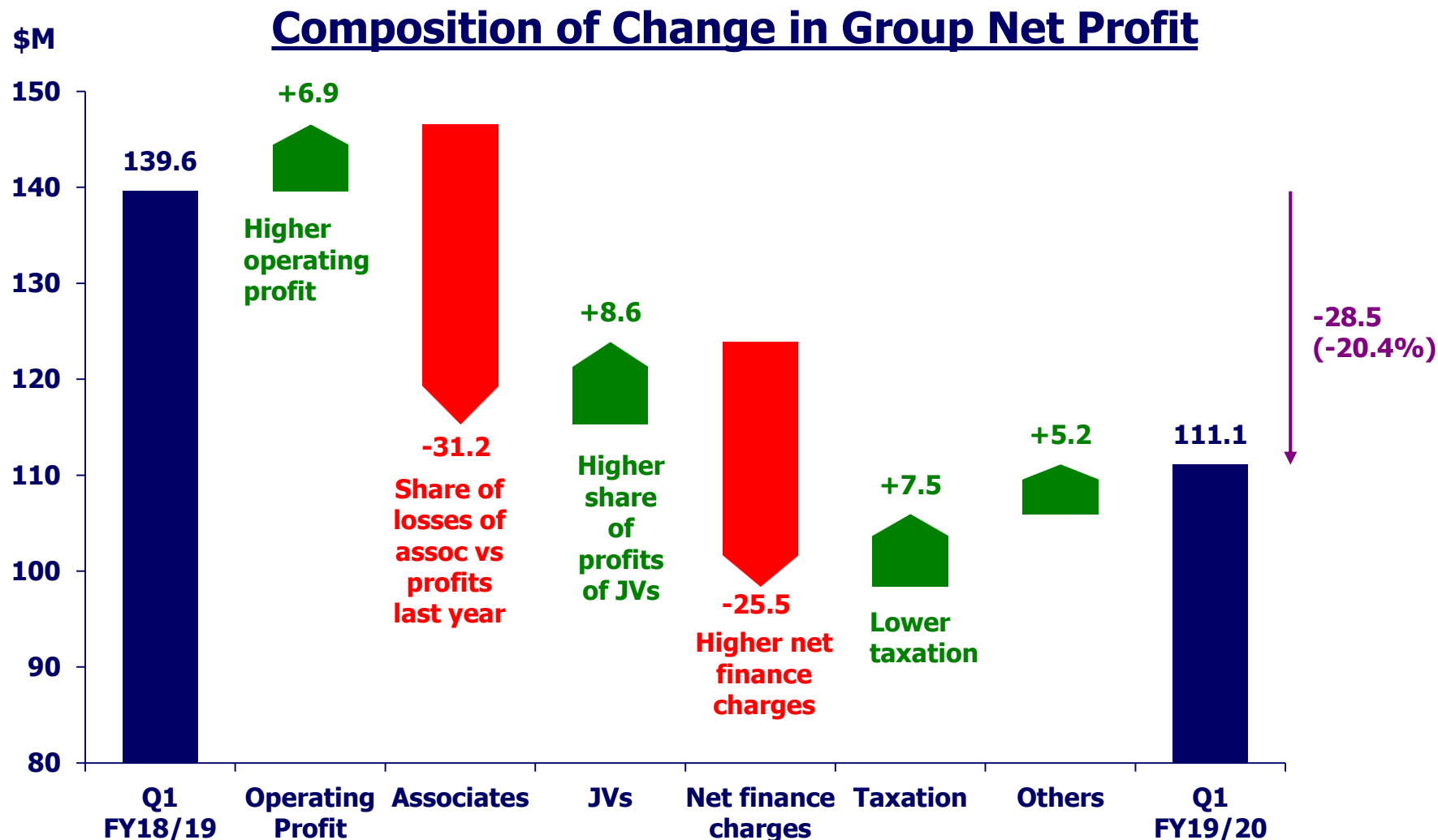
Group Profit Attributable to Owners of the Parent



Q1 FY19/20
\$111.1M

Year-on-Year
 **\$28.5M**
(-20.4%)

Lower Group net profit on share of assoc losses and higher net finance charges



Group fuel hedging position

Q2 FY19/20	Jet Fuel	Brent
Percentage hedged (%)	79	-
Average hedged price (USD/bbl)	75	-

9M FY19/20	Jet Fuel	Brent
Percentage hedged (%)	70	5
Average hedged price (USD/bbl)	76	52

FY20/21 to FY24/25	Jet Fuel	Brent
Percentage hedged (%)	Up to 23%	Up to 49%
Average hedged price (USD/bbl)	77	58-62

Note: Fuel hedging position as at 22 July 2019

Group fleet movement

	Operating Fleet	As at 31 Mar'19	In	Out	As at 30 Jun'19
Singapore Airlines	777-200	7		-2	5
	777-200ER	5			5
	777-300	5			5
	777-300ER	27			27
	A380-800	19			19
	A330-300	17		-1	16
	A350-900 XWB	32	+4		36
	787-10	9	+3		12
	747-400F	7			7
	Total	128	+7	-3	132
SilkAir	A319	2			2
	A320	8			8
	737-800	17			17
	Total	27			27
Scoot	787-8	10			10
	787-9	8	+2		10
	A319	1			1
	A320	26			26
	A320neo	2			2
	Total	47	+2		49
GROUP TOTAL		202	+9	-3	208

Note:

- Excluded 737 MAX 8 in SilkAir's operating fleet due to grounding

THANK YOU

