

SIA GROUP BUSINESS UPDATE

**Q1 FY22/23
(Ended 30 June 2022)**

29 July 2022

Group Financial Results

Summary – Q1 FY22/23 Results

Second highest quarterly operating profit in SIA Group's history[^]

- Significant growth in passenger revenue with strong recovery in travel demand
- Cargo revenue weaker quarter-on-quarter, but remained elevated compared to pre-Covid
- Fuel prices continued to climb amidst global inflationary pressures, with 40% increase in fuel prices quarter-on-quarter

Operating cash surplus of \$1,480 million for the first quarter

Robust near-term forward passenger sales momentum

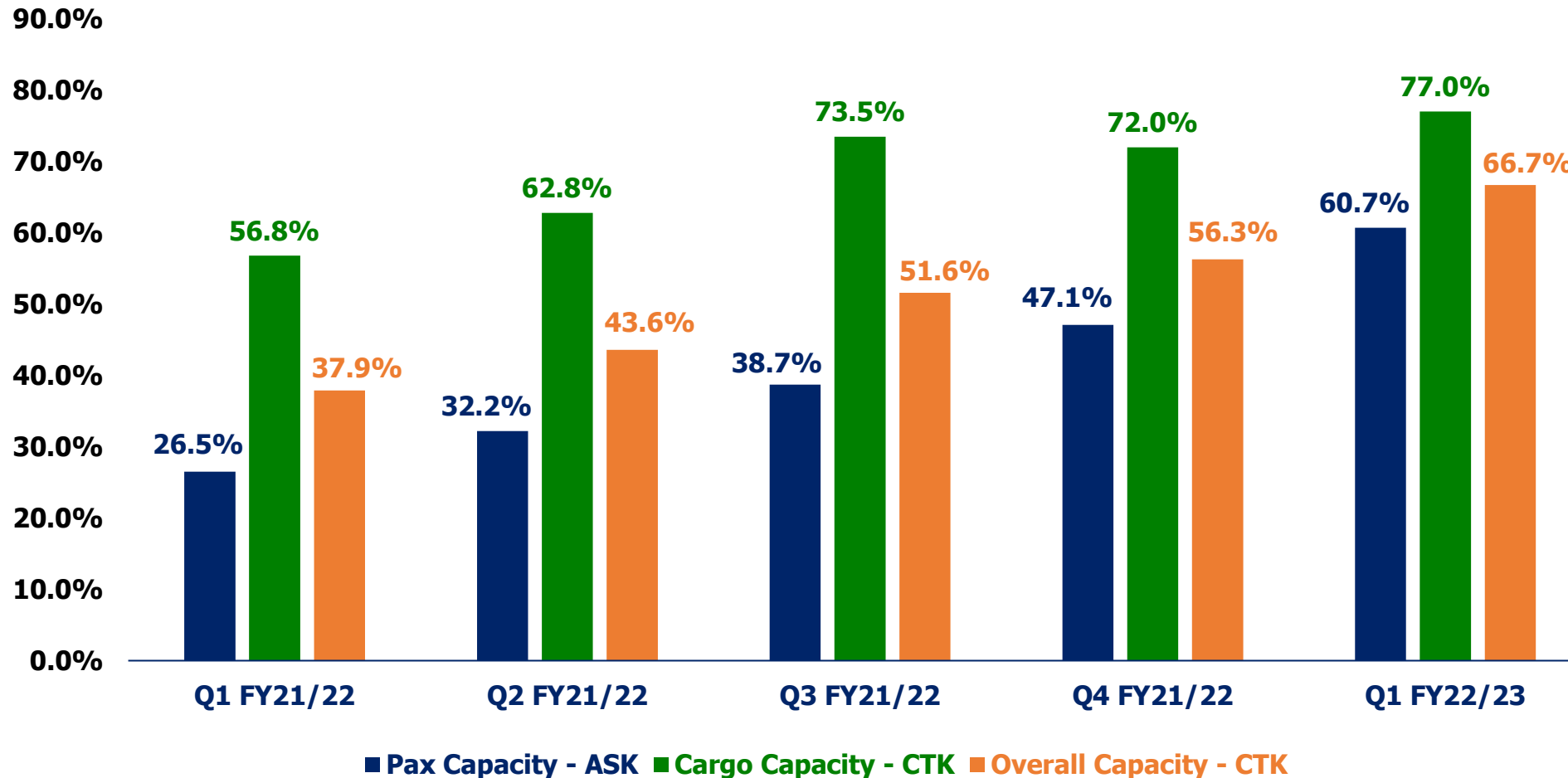
Inflationary pressures including high fuel prices, heightened geo-political risks, and concerns about global economic outlook pose challenges to airline industry

[^] SIA Group recorded its highest ever quarterly operating profit of \$675 million in Q3 FY07/08

Group Operating Statistics

Calibrated capacity recovery continued, riding on strong recovery momentum

% vs
Pre-Covid (Jan'20)



ASK

↑ Q1 QoQ
+28.9%

↑ Q1 YoY
+129.3%

Overall CTK

↑ Q1 QoQ
+18.5%

↑ Q1 YoY
+76.2%

Group Financial Results

	Q1 FY22/23 (\$'M)	Q4 FY21/22 (\$'M)	Better/ (Worse) (\$'M)	Better/ (Worse) (%)	Q1 FY21/22 (\$'M)	Better/ (Worse) (\$'M)	Better/ (Worse) (%)
Total Revenue	3,910.9	2,471.9	1,439.0	58.2%	1,294.4	2,616.5	202.1%
Total Expenditure	3,354.5	2,538.5	(816.0)	(32.1)%	1,568.8	(1,785.7)	(113.8)%
-- Net fuel cost	1,272.7	745.7	(527.0)	(70.7)%	360.1	(912.6)	(253.4)%
<i>Fuel cost (before hedging)</i>	<i>1,474.9</i>	<i>857.3</i>	<i>(617.6)</i>	<i>(72.0)%</i>	<i>372.7</i>	<i>(1,102.2)</i>	<i>(295.7)%</i>
<i>Fuel hedging gain</i>	<i>(202.2)</i>	<i>(111.6)</i>	<i>90.6</i>	<i>81.2%</i>	<i>(12.6)</i>	<i>189.6</i>	<i>1,504.8%</i>
-- Fair value gain on fuel derivatives	(0.5)	(0.2)	0.3	150.0%	(71.8)	(71.3)	(99.3)%
-- Non-fuel expenditure	2,082.3	1,793.0	(289.3)	(16.1)%	1,280.5	(801.8)	(62.6)%
Operating Profit/(Loss)	556.4	(66.6)	623.0	n.m.	(274.4)	830.8	n.m.
Net Profit/(Loss)	370.4	(209.9)	580.3	n.m.	(409.2)	779.6	n.m.

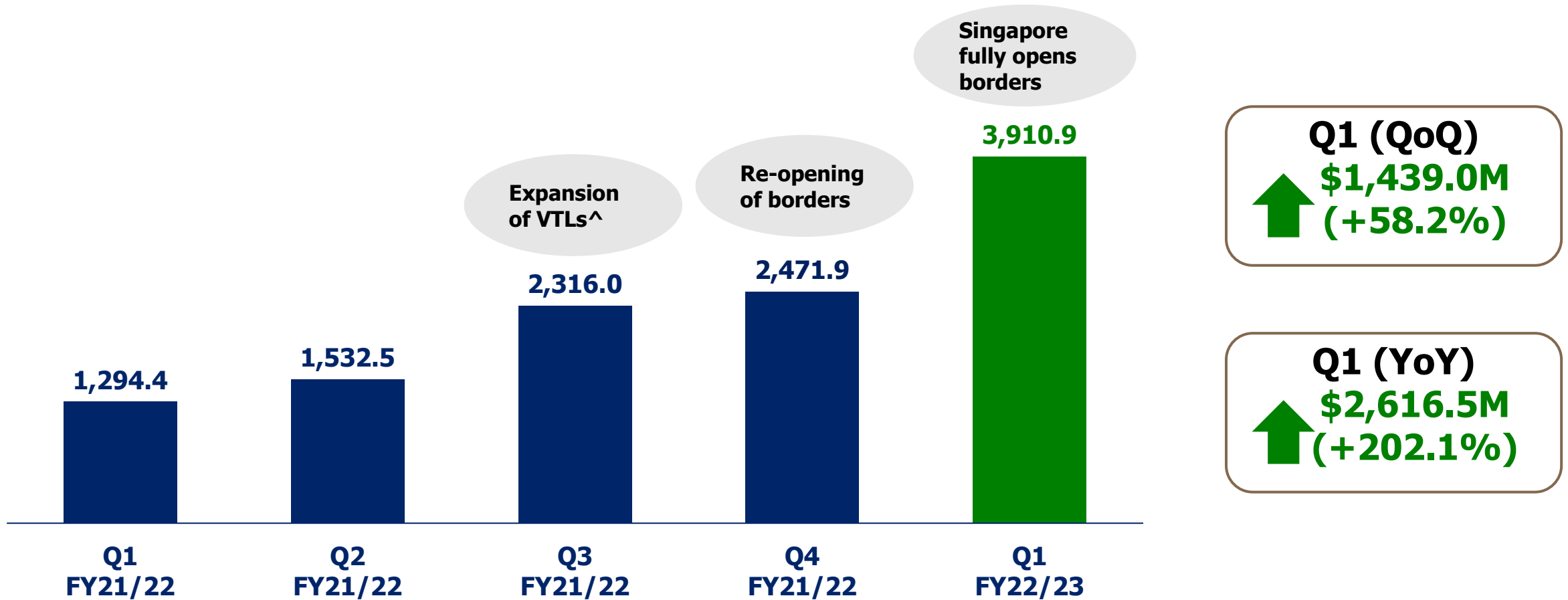
Slide 4

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Group Revenue (Q1 FY22/23)

Sharp rise in demand as Singapore fully opened its borders to fully vaccinated travellers since April 2022

Group Revenue (\$'M)

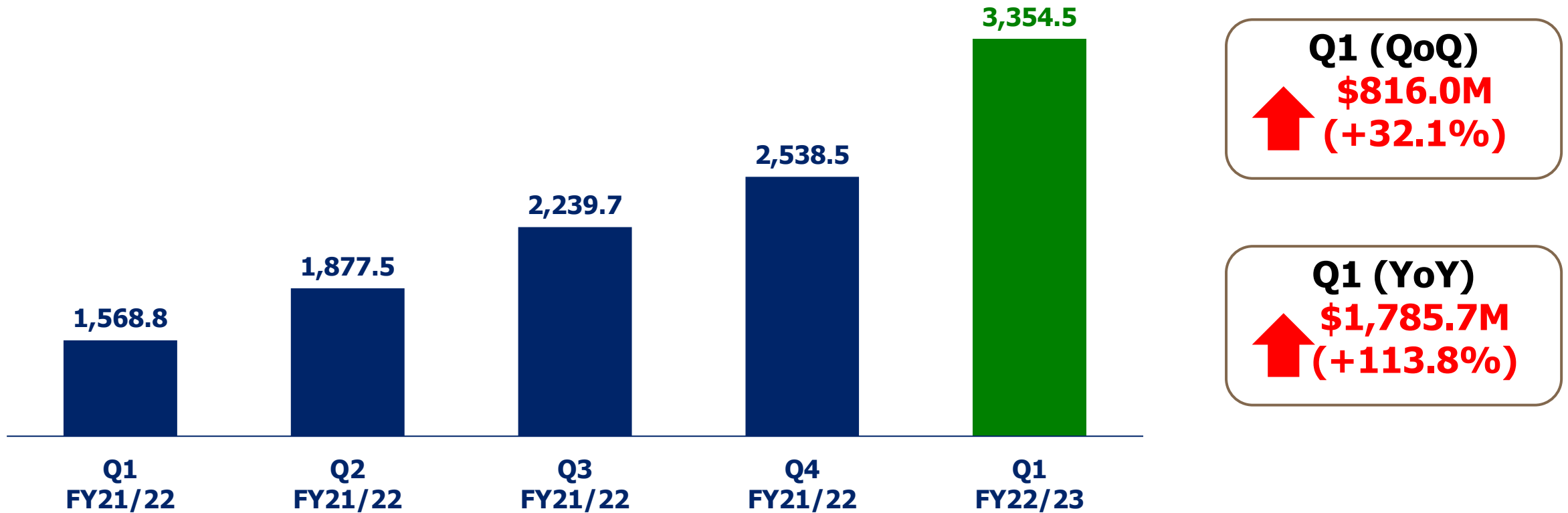


^ VTLs refers to Vaccinated Travel Lanes. Singapore launched its first VTL arrangement in September 2021.

Group Expenditure (Q1 FY22/23)

Group expenditure increased on expansion of operations

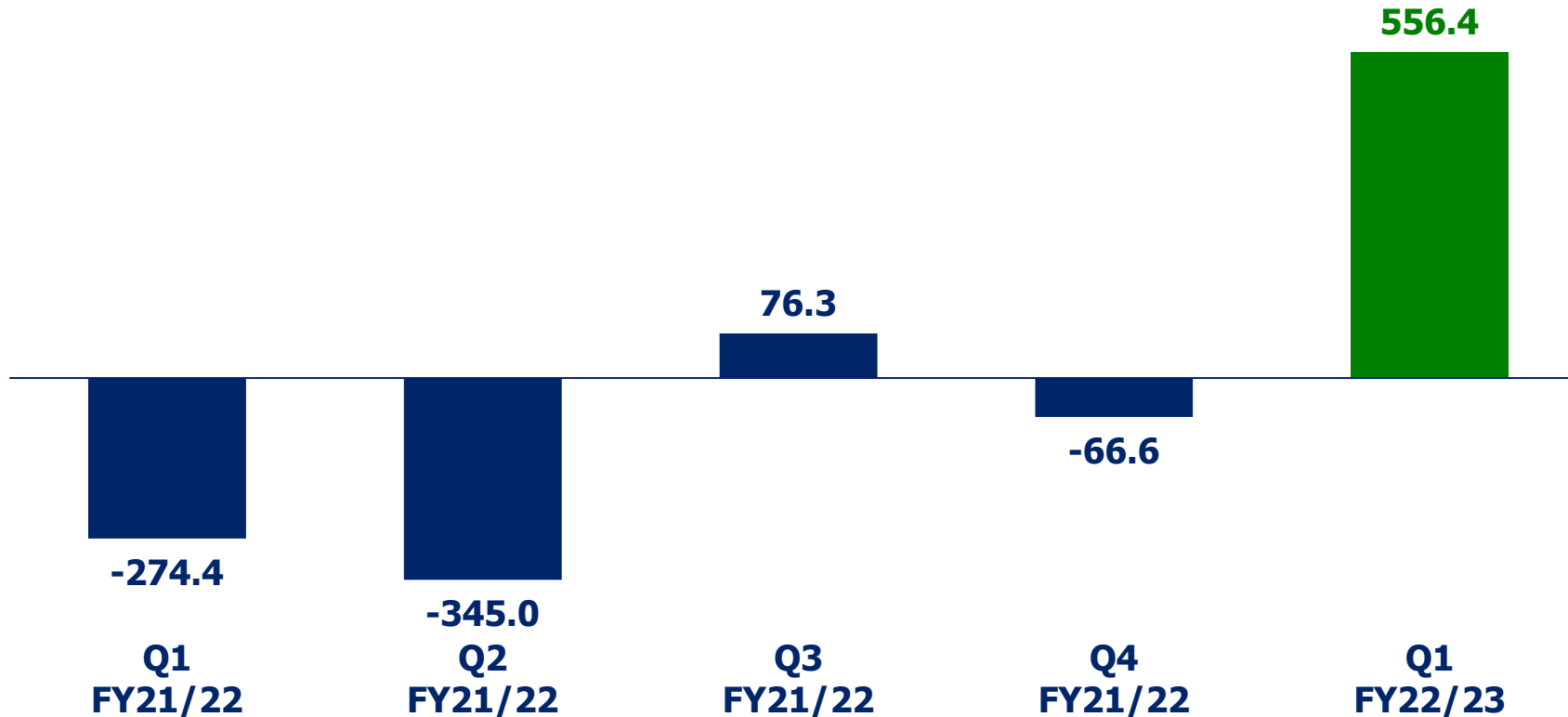
Group Expenditure (\$'M)



Group Operating Performance (Q1 FY22/23)

Record first quarter operating profit on the back of a sharp improvement in travel demand

Group Operating Performance (\$'M)

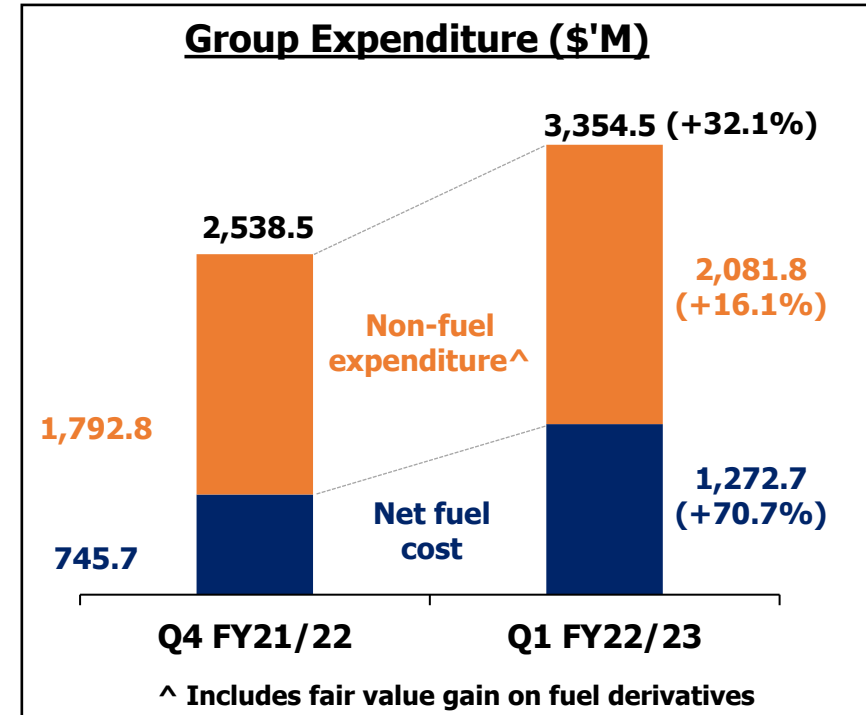
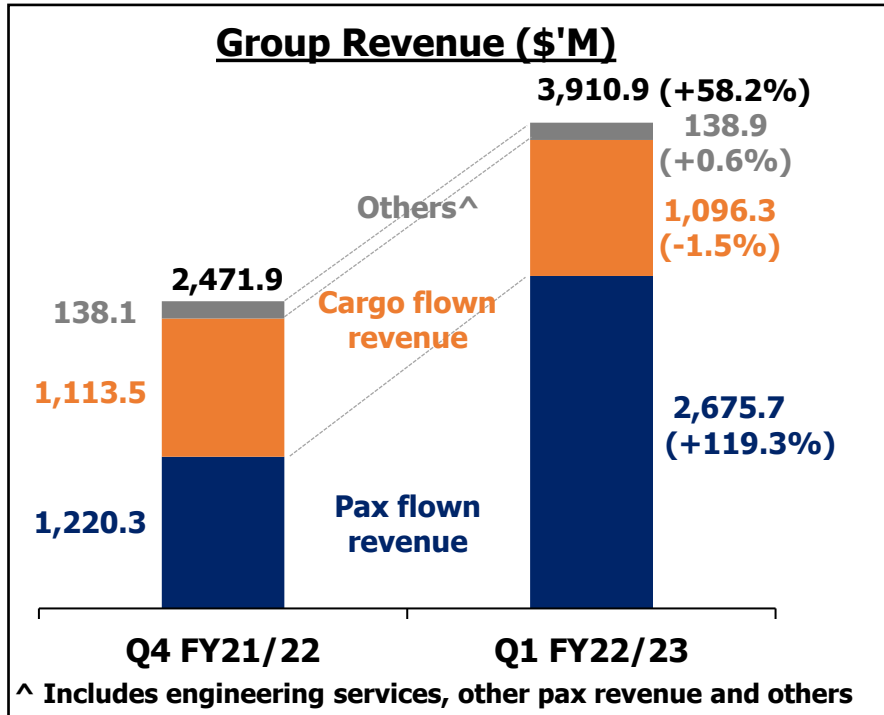


Q1 (QoQ)
↑ **\$623.0M**
(n.m.)

Q1 (YoY)
↑ **\$830.8M**
(n.m.)

Group Financials (Q1 FY22/23 vs Q4 FY21/22)

Record first quarter operating profit on the back of a sharp improvement in travel demand



- Strong growth in pax revenue on the back of a 126.7% growth in traffic and a 34.1%-point jump in load factor to 79.0%. Cargo revenue decreased as demand for air freight dropped due to pandemic-related lockdowns in China. The decline in cargo loads (-3.6%) was mitigated by higher yields (+2.2%).
- The 16.1% increase in non-fuel expenditure was well within the 28.9% increase in passenger capacity.
- Higher fuel hedging gain mitigated the 70.7% increase in net fuel cost, with 40% increase in fuel prices during the quarter.

Net Fuel Cost (Q1 FY22/23 vs Q4 FY21/22)

Net fuel cost up mainly due to higher fuel prices and volume uplifted, partially mitigated by higher fuel hedging gain

Group Fuel Cost Analysis (\$'M)

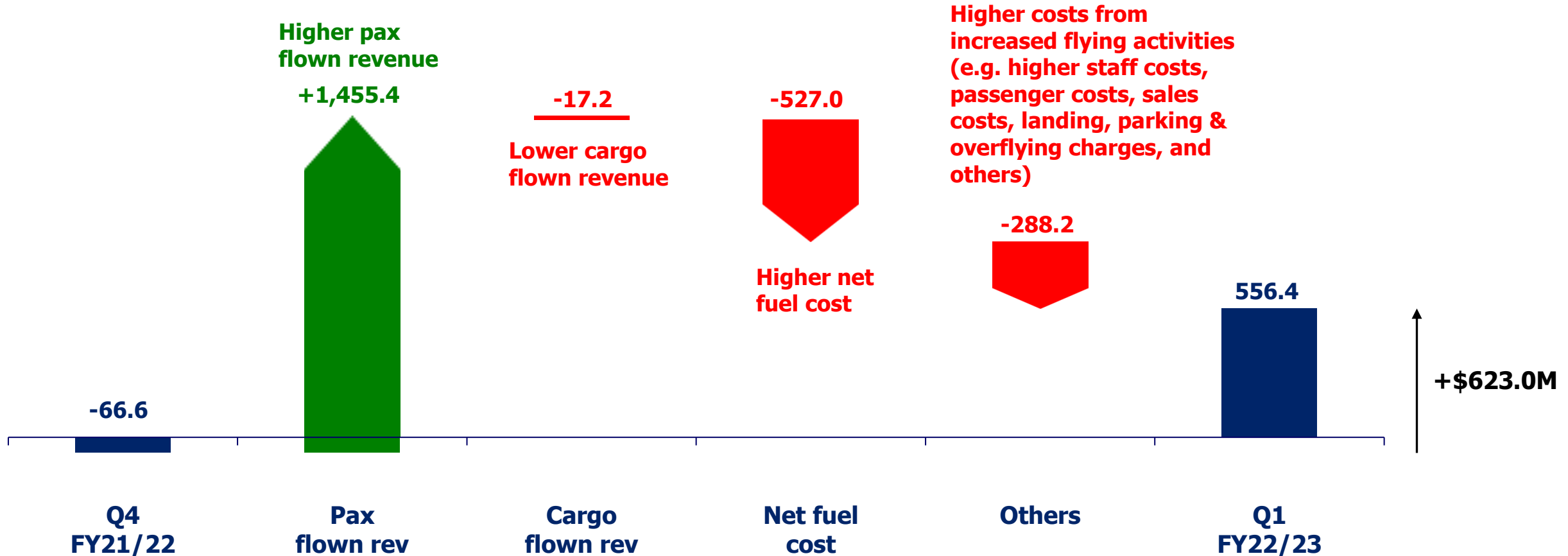


	Q4 FY21/22	Q1 FY22/23
Fuel price (before hedging) (USD/BBL)	107.20	149.59
Fuel price (after hedging) (USD/BBL)	93.24	129.12




Group Operating Performance (Q1 FY22/23 vs Q4 FY21/22)

Reversal from operating loss to operating profit driven by strong improvement in pax flown revenue

Group Operating Performance (\$'M)



Operating Results for the Main Companies of the Group

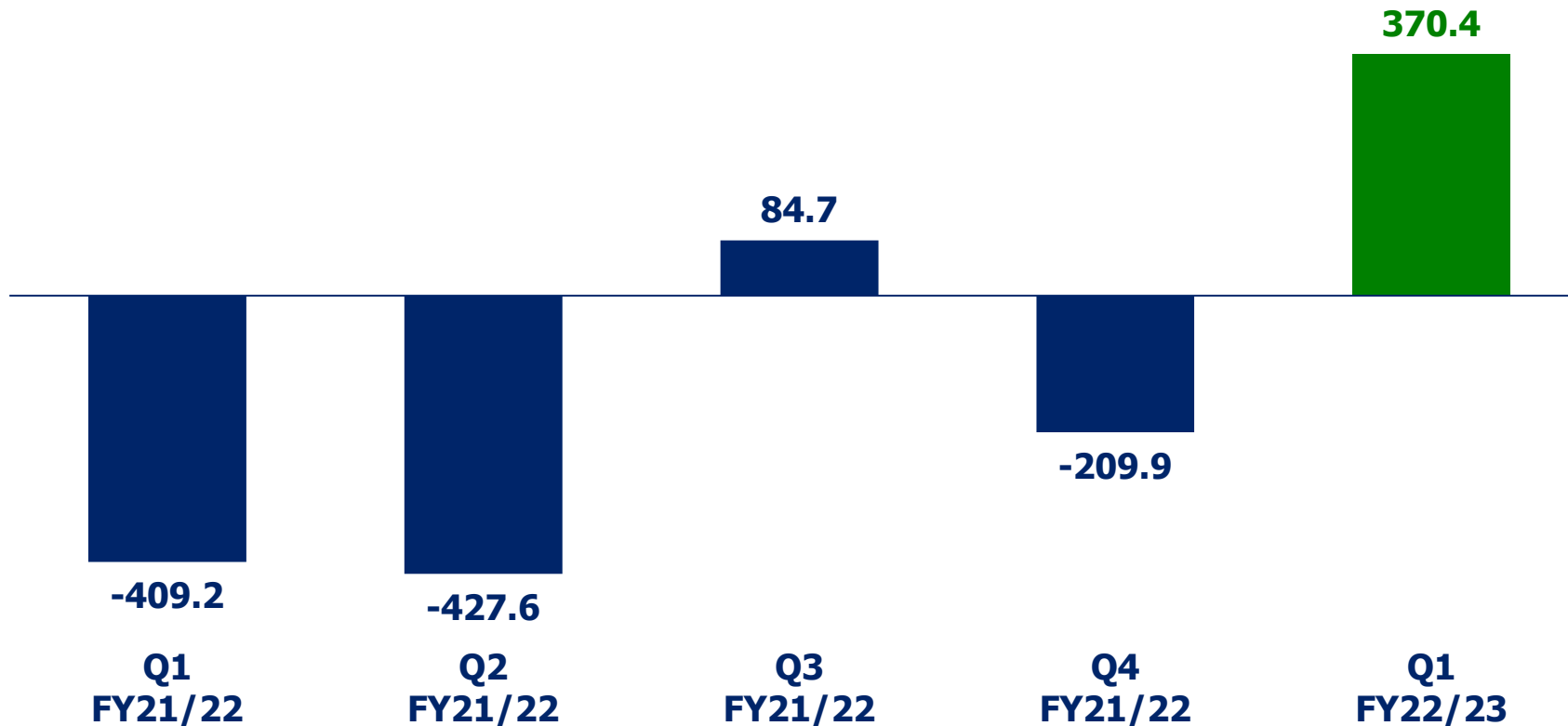
		Q1 FY22/23 (\$'M)	Q4 FY21/22 (\$'M)	QoQ Better/ (Worse) \$M	QoQ Better/ (Worse) (%)	Q1 FY21/22 (\$'M)	YoY Better/ (Worse) \$M	YoY Better/ (Worse) (%)
 SINGAPORE AIRLINES	Full-service carrier	624.3	84.6	539.7	637.9	(152.6)	776.9	n.m.
 SCOOT	Low-cost carrier	(51.9)	(134.5)	82.6	61.4	(113.8)	61.9	54.4
 SIA ENGINEERING COMPANY	SIAEC Group	(4.0)	(7.3)	3.3	45.2	(2.9)	(1.1)	(37.9)

Slide 11

Group Net Performance (Q1 FY22/23)

Reversal from net loss to net profit driven by better operating performance and absence of non-cash impairment charges, partially offset by tax expense vs tax credit last quarter

Group Net Performance (\$'M)



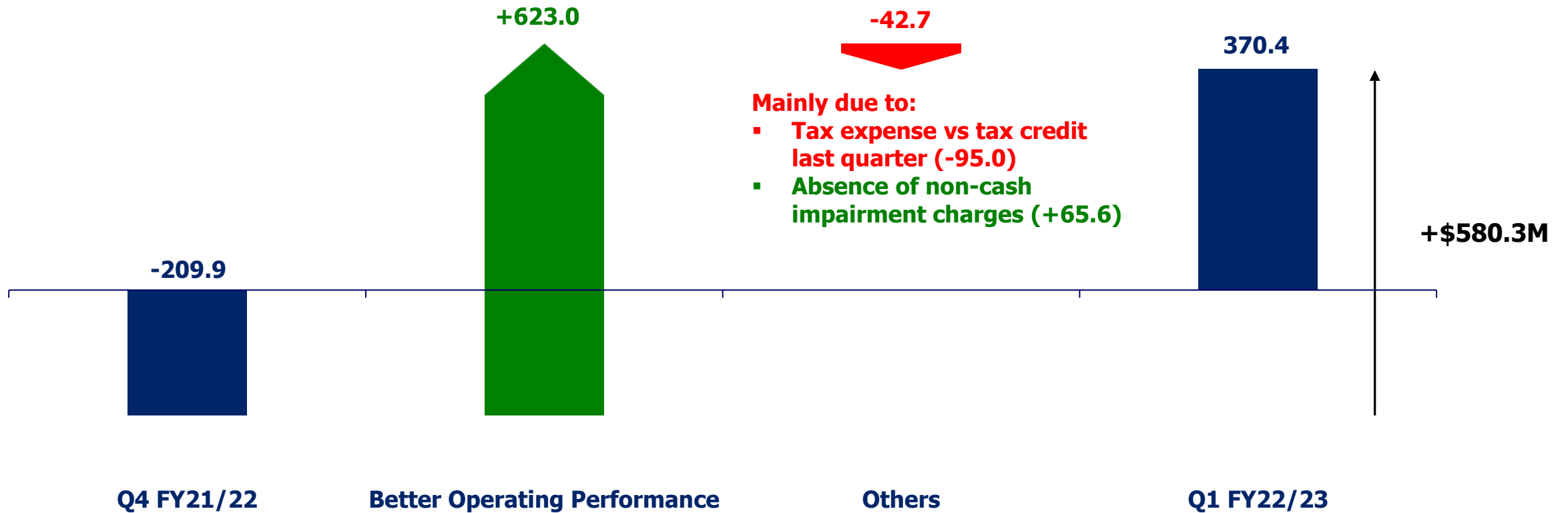
Q1 (QoQ)
↑ **\$580.3M**
(n.m.)

Q1 (YoY)
↑ **\$779.6M**
(n.m.)

Group Net Performance (Q1 FY22/23 vs Q4 FY21/22)

Reversal from net loss to net profit driven by better operating performance and absence of non-cash impairment charges, partially offset by tax expense vs tax credit last quarter

Group Net Performance (\$'M)



Group Financial Results

	Q1 FY22/23	Q4 FY21/22	Q1 FY21/22
Earnings/(Loss) per share (cents)			
- Basic ^{R1}	5.8	(3.3)	(9.2)
- Adjusted Basic ^{R2}	12.5	(7.1)	(13.8)
- Diluted ^{R3}	5.6	(3.3)	(9.2)
EBITDA (\$ million) ^{R4}	1,049.4	380.0	143.9
EBITDA margin (%) ^{R5}	26.8	15.4	11.1

^{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} 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.

^{R3} 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.

^{R4} EBITDA denotes earnings before interest, taxes, depreciation, and amortisation.

^{R5} EBITDA margin is computed by dividing EBITDA by the total revenue.

Group Financial Position

	As at 30 June 2022	As at 31 March 2022
Total assets (\$'M)	51,319.4	48,671.0
Total debt (\$'M)	15,653.1	15,694.8
Total cash and bank balances (\$'M)	16,112.2	13,762.7
Total liabilities (\$'M)	27,991.5	25,870.6
Equity attributable to Owners of the Company (\$'M)	22,934.5	22,411.9
Debt : Equity ratio (times)^{R1}	0.68	0.70
Net Asset Value Per Share (\$) ^{R2}	7.73	7.55
Adjusted Net Asset Value Per Share (\$) ^{R3}	3.48	3.40

^{R1} 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.



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