SIA GROUP FINANCIAL RESULTS

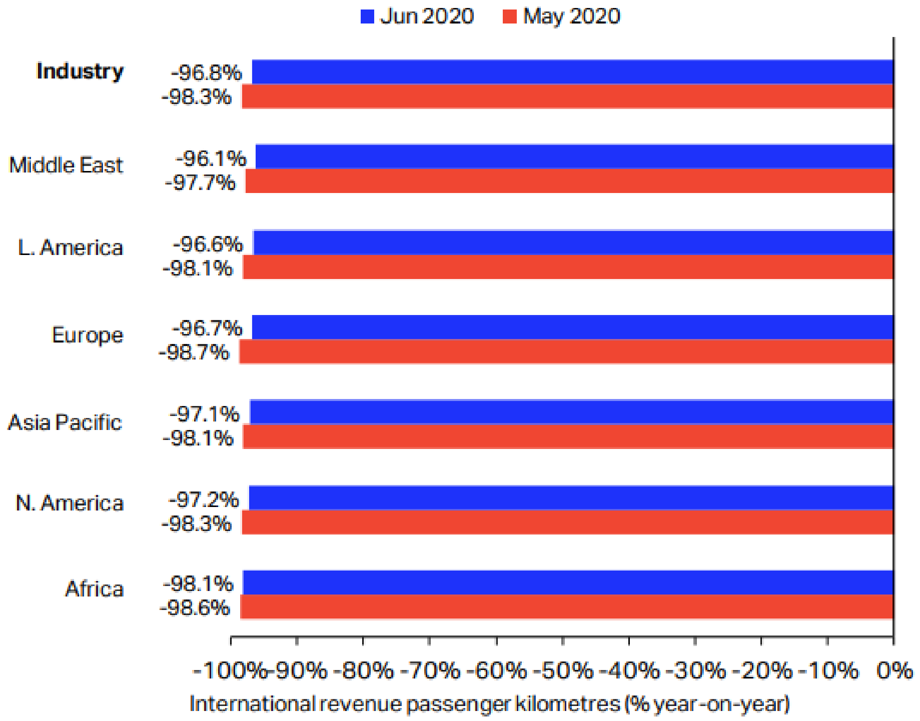
For 1st Quarter FY20/21
Ended 30 June 2020

Business Background

Extracts from IATA's Air Passenger(1) and Air Cargo Market Analysis(2)

Passenger

- Industry traffic (revenue pax-km or RPK) fell 86.5% y-o-y in Jun'20, compared with 91.0% contraction in May'20.
- International RPKs fell by 96.8% y-o-y in Jun'20, only a 1.5% pt improvement from May'20.

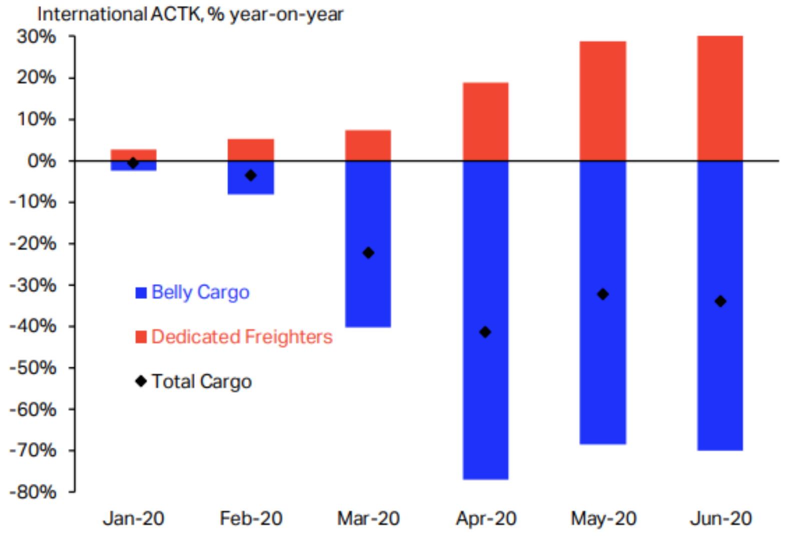


Sources: IATA Economics, IATA Monthly Statistics

(1) 28 July 2020

Air Cargo

- Industry-wide cargo capacity (measured in cargo tonne-km) crunch continued as y-o-y decline was 34.1% in Jun'20, broadly unchanged from May'20.
- International cargo capacity contracted by 19.9% y-o-y in Jun'20, a modest recovery from the 21.4% y-o-y fall in May'20.
- Bellyhold capacity for international air cargo shrank by 70% y-o-y in Jun'20 due to the withdrawal of passenger services, partially offset by a 32% increase in capacity through expanded use of freighter aircraft.



Source: IATA Monthly Statistics

(2) 28 July 2020

Group Financial Results

Group Financial Results

Key Takeaways – Q1 FY20/21 Results

- **SIA Group passenger carriage plunges by 99.5% leading to a $1 billion net loss in Q1 FY20/21**
- **Group revenue dominated by cargo contribution on the back of strong demand for airfreight**
- **SIA Group implemented measures to contain costs and cash outflows**
- **Recovery trajectory in international air travel is slower than initially expected**
- **Fresh liquidity from rights issue strengthens financial position to tackle Covid-19 challenges**

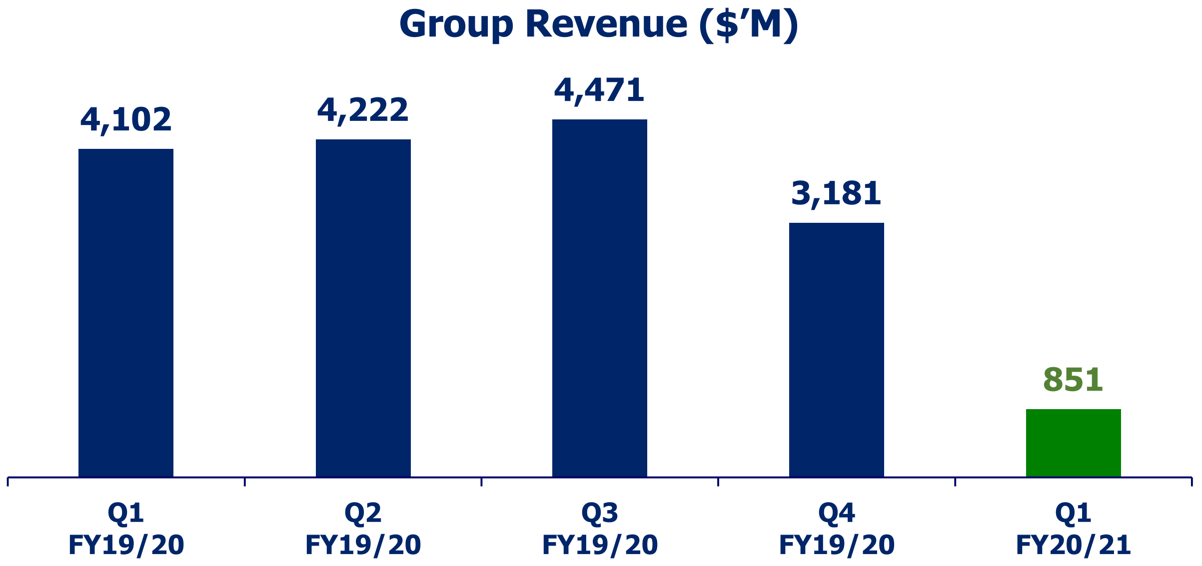
Group Financial Results

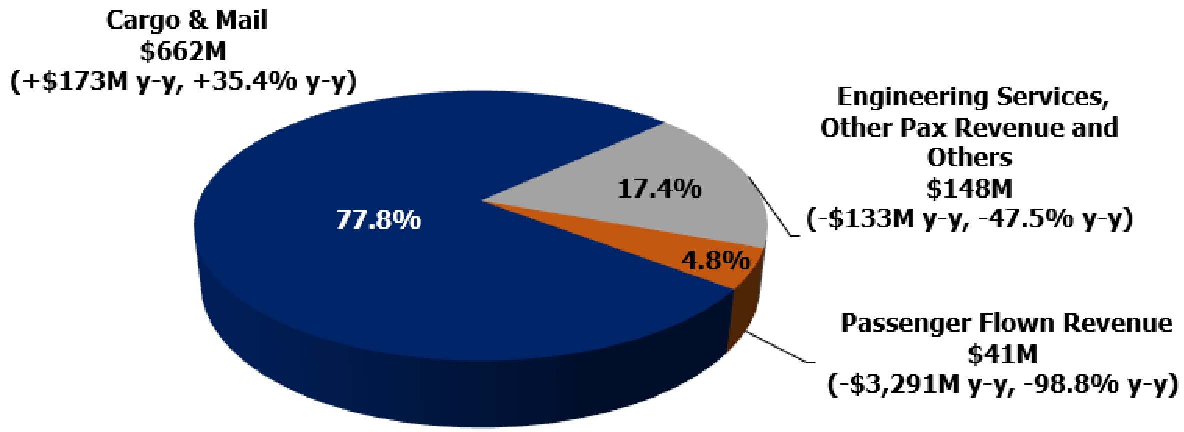
	Q1 FY20/21 ($'M)	Q1 FY19/20 ($'M)	Better/(Worse) ($'M)	Better/(Worse) (%)
Total Revenue	**851**	**4,102**	**(3,251)**	**(79.3)**
Total Expenditure	**1,888**	**3,902**	**2,014**	**51.6**
-- Net Fuel Cost	155	1,173	1,018	86.8
Fuel Cost (before hedging)	*84*	*1,230*	*1,146*	*93.2*
Fuel Hedging Loss/(Gain)	*71*	*(57)*	*(128)*	*n.m.*
-- Fuel Hedging Ineffectiveness	464	-	(464)	n.m.
-- Non-fuel Expenditure	1,269	2,729	1,460	53.5
Operating (Loss)/Profit	**(1,037)**	**200**	**(1,237)**	**n.m.**
Net (Loss)/Profit	**(1,123)**	**111**	**(1,234)**	**n.m.**

SINGAPORE AIRLINES

Group Revenue Q1 FY20/21

Group revenue dominated by Cargo contribution on the back of strong demand for airfreight





Q1 FY20/21	RASK y-o-y (%)	Yields y-o-y (%)	Carriage or Load y-o-y (%)	Capacity y-o-y (%)
SIA (Pax)	-75.0	+100.0	-99.4	-95.0
SilkAir	-8.8	+107.8	-99.8	-99.5
Scoot	-36.2	n.m.^	-99.9	-97.7
SIA (Cargo)	n.a.	+173.1	-50.4	-62.6

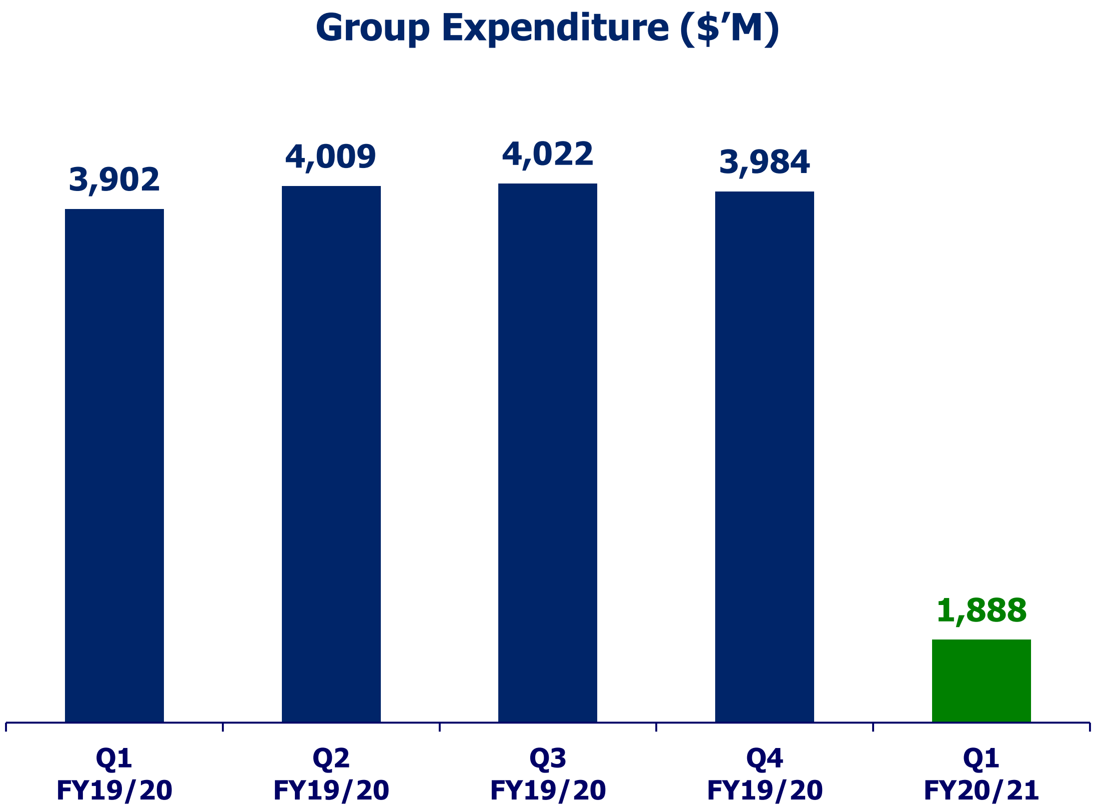
^ Not meaningful to compute a y-o-y increase in yield

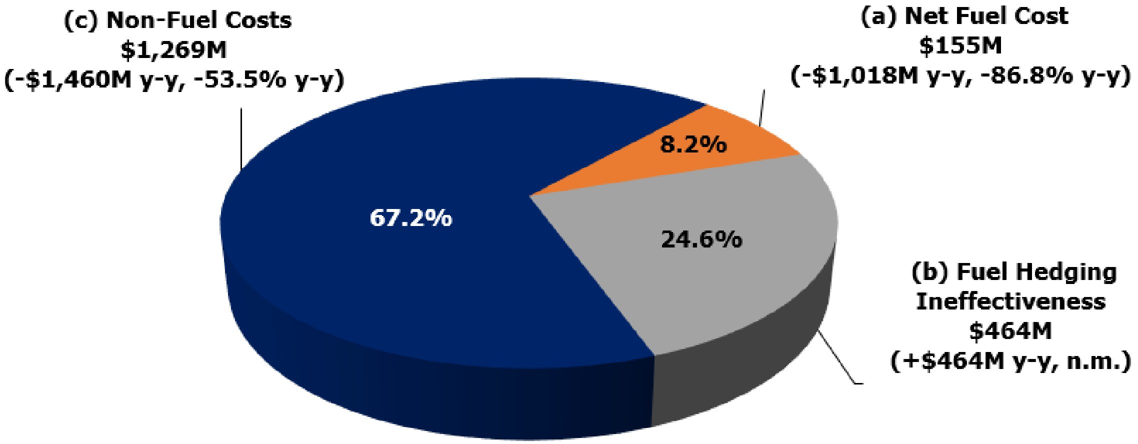
Q1 Group Revenue declined $3,251M (-79.3%) y-o-y:

- Plunge in passenger traffic for all three airlines
- Sharp drop in passenger flown revenue, partially offset by improvements in cargo flown revenue
  - Airfreight capacity crunch and strong demand for urgent movements of personal protective equipment, pharmaceuticals and fresh foods, resulted in a significant improvement in cargo load factor
  - Maximisation of freighter utilisation and deployment of cargo-only passenger aircraft to boost cargo capacity

Group Expenditure Q1 FY20/21

Group expenditure declined as the Group drastically cut capacity





Q1 Group expenditure declined by $2,014M (-51.6%) y-o-y:

(a) Capacity cuts and lower fuel prices led to reduction of fuel cost before hedging, partially offset by fuel hedging losses vs gain last year

(b) Reduction in expected fuel consumption as expected rate of capacity recovery is adjusted downward resulting in additional ineffective fuel hedges

(c) Contribution from cost containment measures

Group Expenditure Q1 FY20/21

Steps taken to contain costs

Proactive actions to address the Covid-19 challenges

Decisive capacity cuts across the network

Deferral of non-critical projects and tight control on discretionary expenditure

Cash conservation and costs reduction

Cuts in Management salaries, Directors fees, no-pay leave for staff

Negotiate with aircraft and engine manufacturers, suppliers and partners

Government support schemes also alleviated staff costs and other operating costs

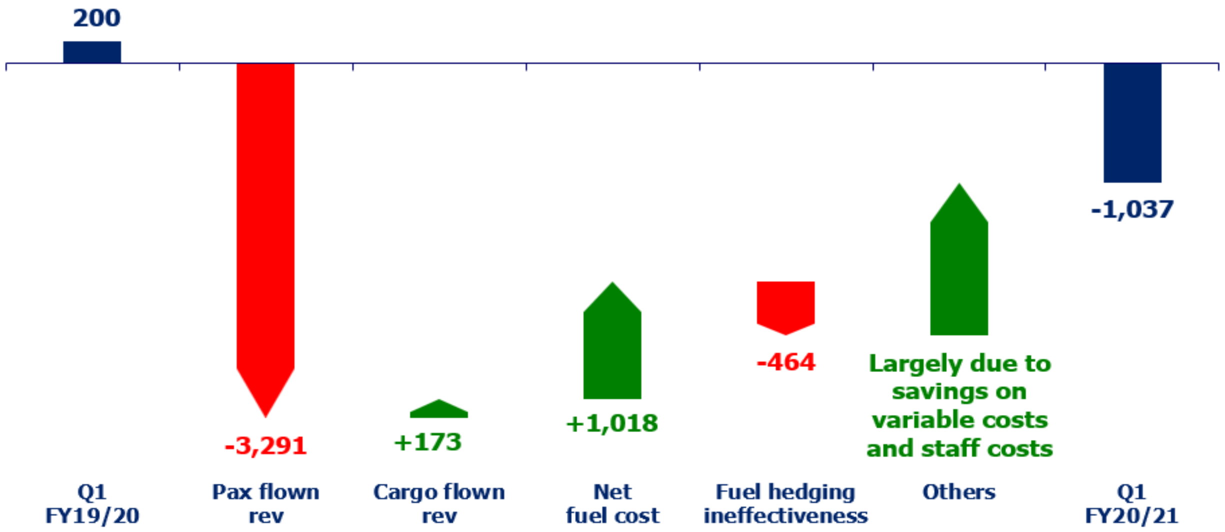
Group Operating Performance Q1 FY20/21

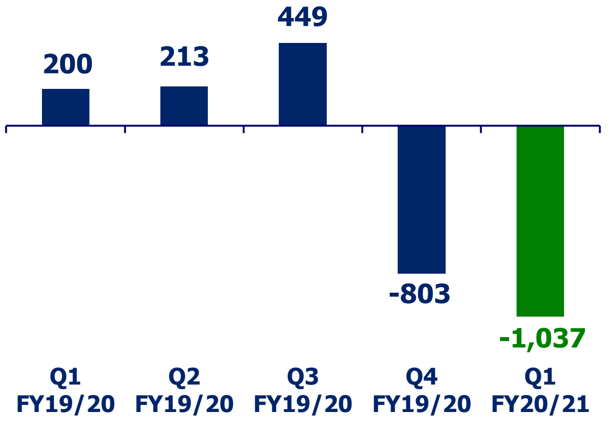
	Q1 FY20/21 $'M	Q1 FY19/20 $'M	Better/ (Worse) $'M	Better/ (Worse) %
SIA	(667)	232	(899)	n.m.
SilkAir	(102)	(16)	(86)	n.m.
Scoot	(259)	(37)	(222)	n.m.
SIAEC Group	(9)	18	(27)	n.m.

Group Loss Q1 FY20/21

Covid-19 pandemic severely crippled financial performance for the Group

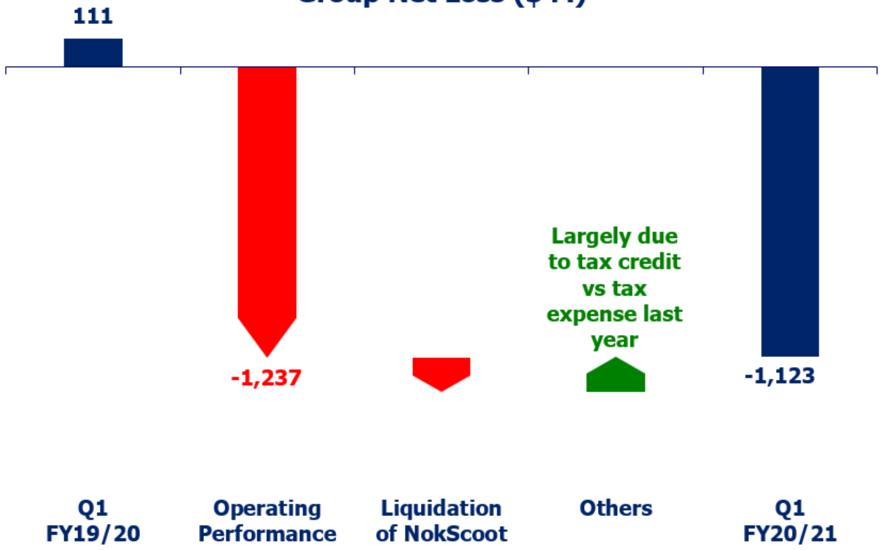
Group Operating Loss ($'M)

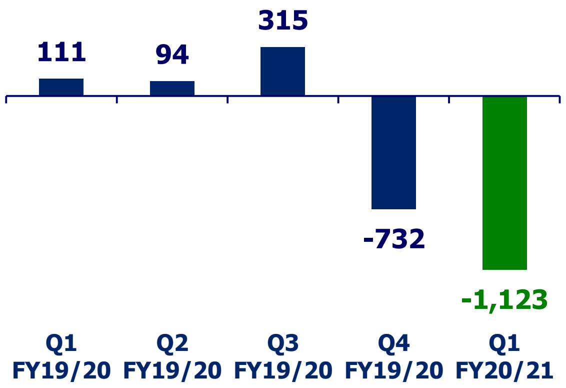




- Q1 FY20/21 operating loss vs operating profit y-o-y
- Reduction in Group expenditure could not offset the plunge in Group revenue as passenger demand collapsed due to widespread border closures and onerous travel restrictions

Group Net Loss ($'M)





$1B net loss driven by:

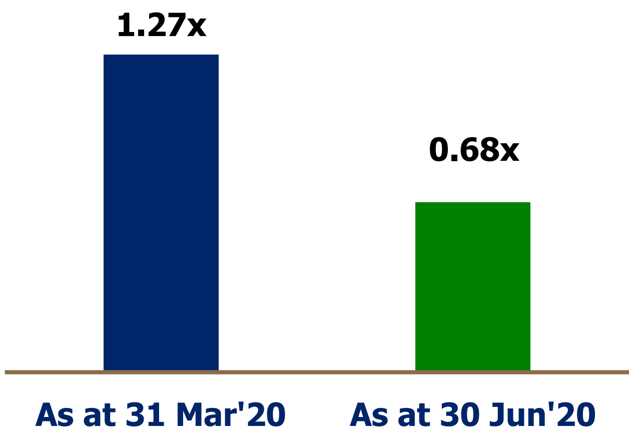
- Weaker operating performance
- Liquidation cost for NokScoot ($127M), mainly non-cash impairment of seven 777 aircraft leased to NokScoot
- Swing from tax expense to tax credit partly offset the losses

Balance Sheet

Fresh liquidity from rights issue strengthens financial position to tackle Covid-19 challenges

Improved financial gearing

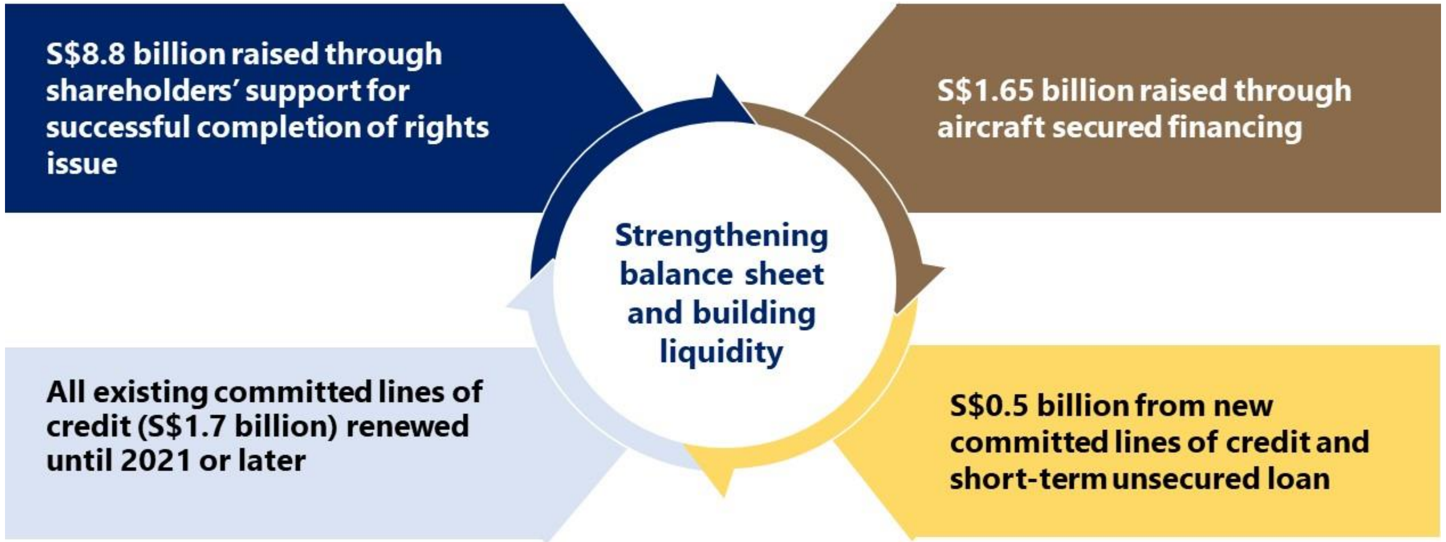
Debt / Equity Ratio



Note:
(1) Total Debt = Borrowings + Lease Liabilities
(2) Debt / Equity Ratio is based on total debt divided by equity attributable to owners of the Company

Increase in liquidity

$11 billion in fresh liquidity puts SIA on a strong footing to tackle Covid-19 challenges



SIA retains the option to raise another $6.2 billion in additional mandatory convertible bonds

Outlook

Restarting Operations – Staying Nimble and Flexible

We continue to work closely with industry groups and regulators to advocate and support the safe opening of borders

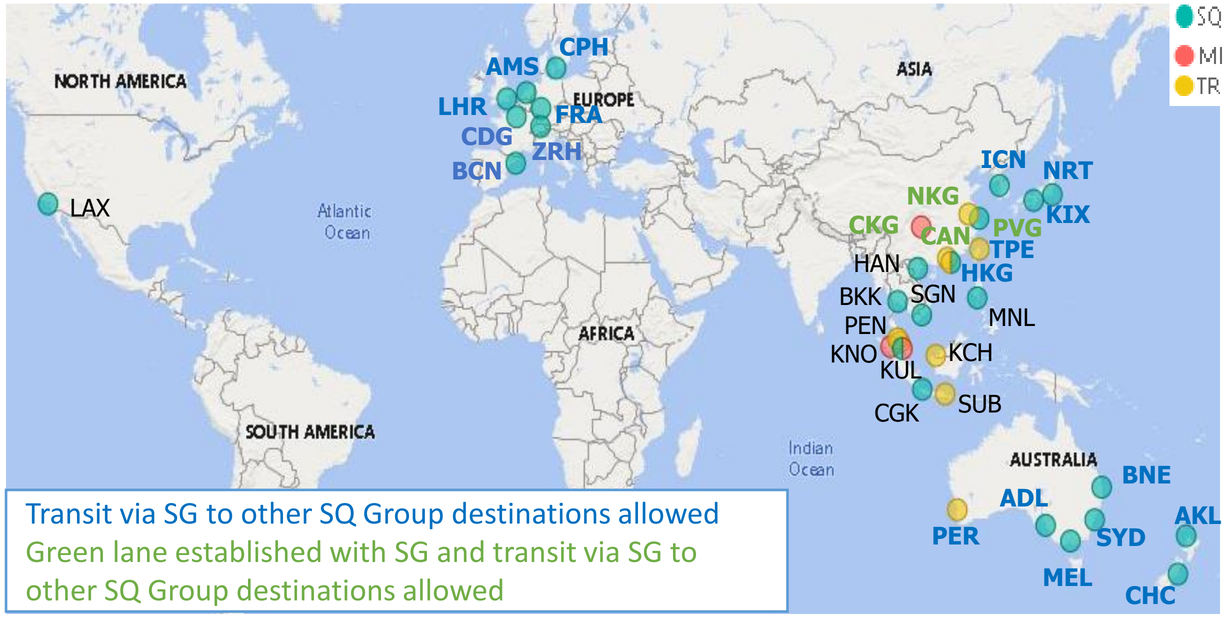
Some progress has been made:

- Green lane arrangement has been established with selected cities in China in Jun’20
- Singapore and Malaysia have agreed to implement “Reciprocal Green Lane”
- Singapore and Europe aviation authorities to harmonise aviation health safety measures between Singapore and Europe
- Some restrictions lifted on transit through Singapore

However, progress towards global lifting of border controls and travel restrictions has been slower than expected

The Group’s passenger capacity by the end of Q2 FY20/21 is projected to be ~7% compared to pre-Covid levels

Group remains nimble and ready to scale up capacity to meet demand



As of 1 Aug

SIA/SilkAir: 72x weekly (1 Aug) vs 1,239x weekly (Jan’20)

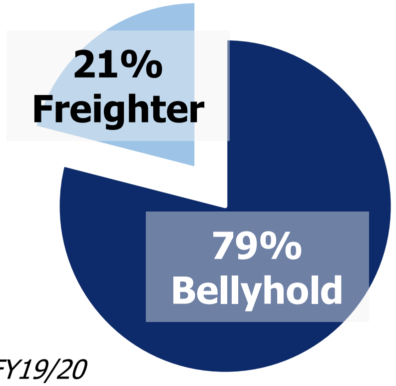
Scoot: 13x weekly (1 Aug) vs 558x weekly (Jan’20)

By the end of FY20/21, SIA Group’s passenger capacity may reach less than half its pre-Covid-19 levels

Restarting Operations – Staying Nimble and Flexible

Measures to increase cargo capacity

Prior to Covid-19*:



*FY19/20

~40% of original cargo capacity maintained through:

- Maximising use of freighter fleet
- Scheduled cargo-only passenger flight network
- Ad-hoc charter flights where opportunities exist

Cargo-only passenger flights provide incremental cargo capacity and network reach to ensure the **continuous flow of essential goods** and **cater to global supply chain needs**

Combined cargo network*: 52 cities in 28 countries

** Includes freighter, passenger and cargo-only passenger networks*

Regulatory approval for loading and strapping procedures to carry cargo in passenger cabin

Covid-19: An Unprecedented Challenge

Industry experts and bodies forecast a slow recovery in air travel

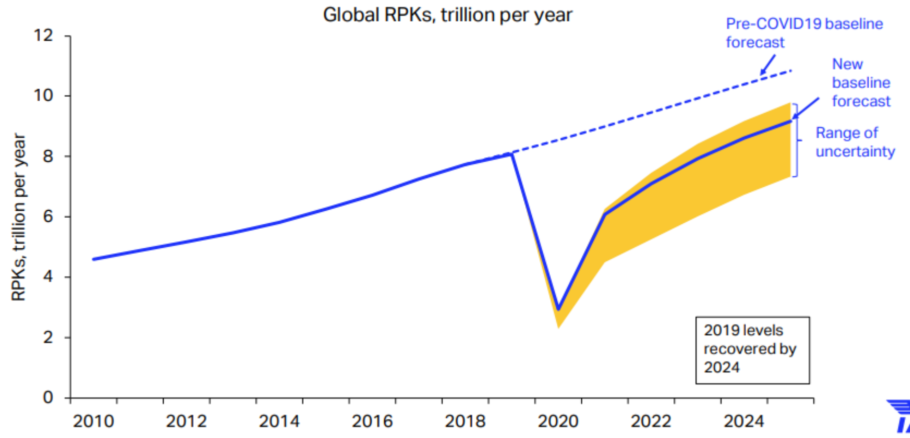
Downward revision in recovery projections of global passenger traffic.

- Slower opening of economies and relaxation of travel restrictions.
- Air travel recovery expected to be further delayed.

Current forecasts expect 2-4 years for passenger traffic numbers to return to pre-pandemic levels.

- IATA does not expect global RPKs to return to pre-Covid-19 levels until 2024 (a year later than previously projected)

RPK forecasts downgraded; 2019 regained only by 2024



Source: IATA/Tourism Economics 'Air Passenger Forecasts' July 2020

[Source: IATA's Press Release ("Recovery Delayed As International Travel Remains Locked Down") dated 28 July 2020]

We are reviewing our network over the longer term given Covid-19, and the impact on pax traffic and revenue

- This will likely lead to material impairment of older generation aircraft, particularly A380 which could account for ~$1 billion
- The review is expected to complete by half-year

SilkAir Integration Into SIA

Progress remains on track

- SilkAir’s 737-800 narrowbody operations will transition to SIA starting from Q4 FY20/21
- Customers benefit from step up to SIA’s inflight experience
- Greater economies of scale as the Group deploys the right aircraft to meet demand for air travel as it returns

Thank You