



BUSINESS UPDATE
Q3 FY20/21
(ended 31 December 2020)

5 February 2021





Group Financial Results

Group Financial Results

Key Takeaways – Q3 FY20/21 Results

- **Quarter-on-quarter increase in Group passenger capacity and passenger carriage**
- **Weakness in passenger business persists as border controls and travel restrictions remained in place amid new waves of Covid-19 infection**
- **Strong cargo performance as loads and yields benefitted from global airfreight capacity crunch and healthy demand**
- **A net gain of \$63M in relation to fuel hedging and fuel derivatives:**
 - fuel hedging losses of \$88M
 - fuel hedging ineffectiveness loss of \$36M (arising from a further downward revision to the recovery trajectory)
 - fair value gains of \$187M on fuel derivatives that had earlier been deemed to be ineffective hedges
- **Solid liquidity positions the Group to tackle the unprecedented Covid-19 challenges**
- **Ongoing Transformation programme to drive digital leadership and excellence in product and services while prioritising health and safety measures**

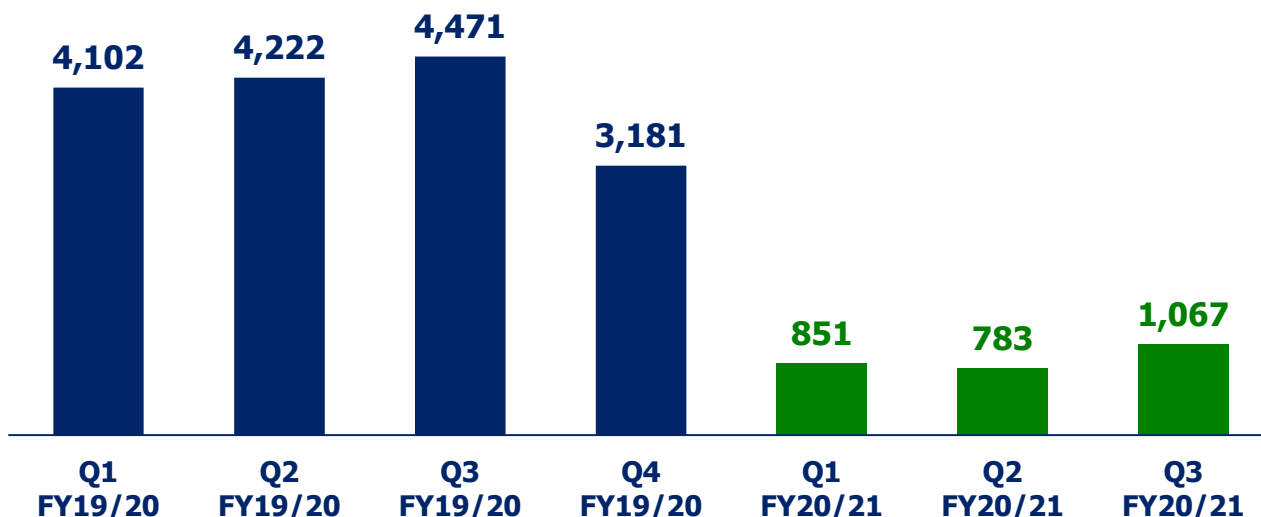
Group Financial Results

	Q3 FY20/21 (\$'M)	Q3 FY19/20 (\$'M)	Better/ (Worse) (%)	9M FY20/21 (\$'M)	9M FY19/20 (\$'M)	Better/ (Worse) (%)
Total Revenue	1,067	4,471	(76.1)	2,701	12,795	(78.9)
Total Expenditure	1,398	4,022	65.2	4,895	11,933	59.0
-- Net fuel cost	274	1,207	77.3	650	3,556	81.7
<i>Fuel cost (before hedging)</i>	<i>186</i>	<i>1,199</i>	<i>84.5</i>	<i>405</i>	<i>3,624</i>	<i>88.8</i>
<i>Fuel hedging loss/(gain)</i>	<i>88</i>	<i>8</i>	<i>n.m.</i>	<i>245</i>	<i>(68)</i>	<i>n.m.</i>
-- Fuel hedging ineffectiveness	36	-	n.m.	497	-	n.m.
-- Fair value gain on fuel derivatives	(187)	-	n.m.	(85)	-	n.m.
-- Non-fuel expenditure	1,275	2,815	54.7	3,833	8,377	54.2
Operating (Loss)/Profit	(331)	449	n.m.	(2,194)	862	n.m.
Operating (Loss)/Profit Margin (%)	(31.0)	10.0	(41.0) pts	(81.2)	6.7	(87.9) pts
Group (Loss)/Profit Attributable to Owners of the Parent	(142)	315	n.m.	(3,609)	520	n.m.
-- <i>Basic (Loss)/Earnings Per Share (¢)</i>	<i>(3.3)</i>	<i>16.7</i>	<i>n.m.</i>	<i>(102.9)</i>	<i>27.6</i>	<i>n.m.</i>

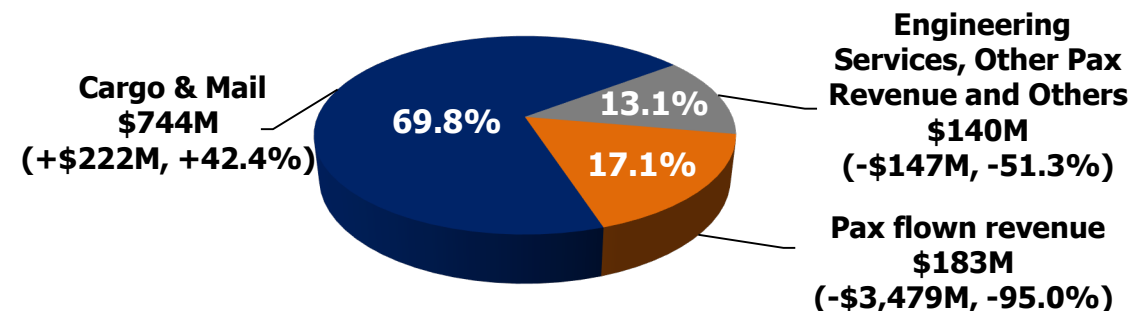
Group Revenue Q3 FY20/21

Weakness in passenger business partially offset by strong cargo performance

Group Revenue (\$'M)



Group Revenue Breakdown (\$'M)



Q3 Group Revenue declined \$3,404M (-76.1%) y-o-y:

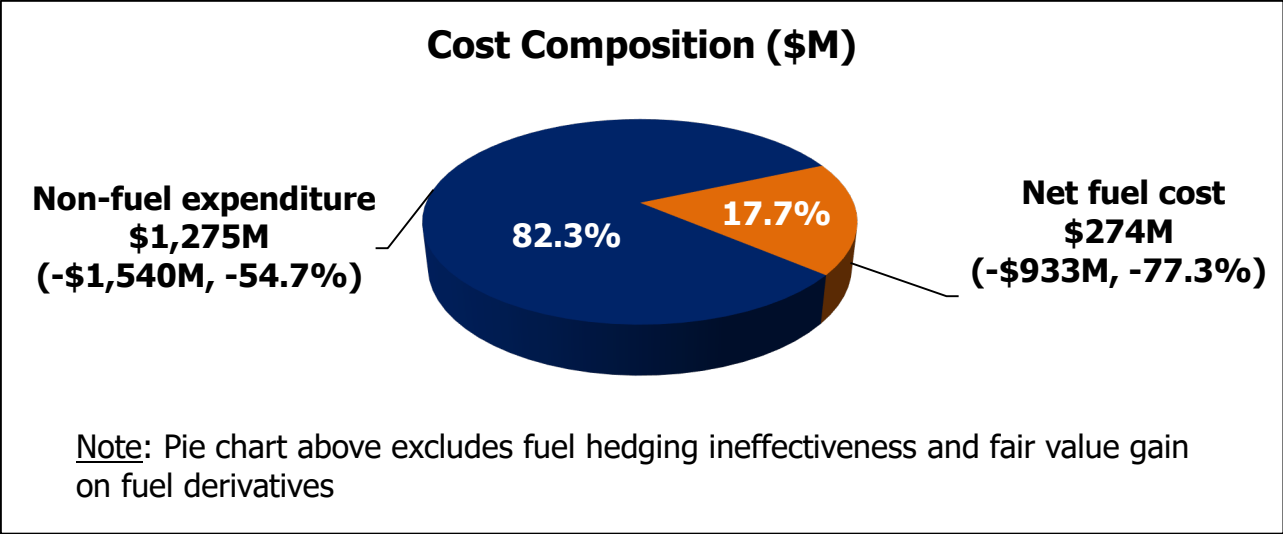
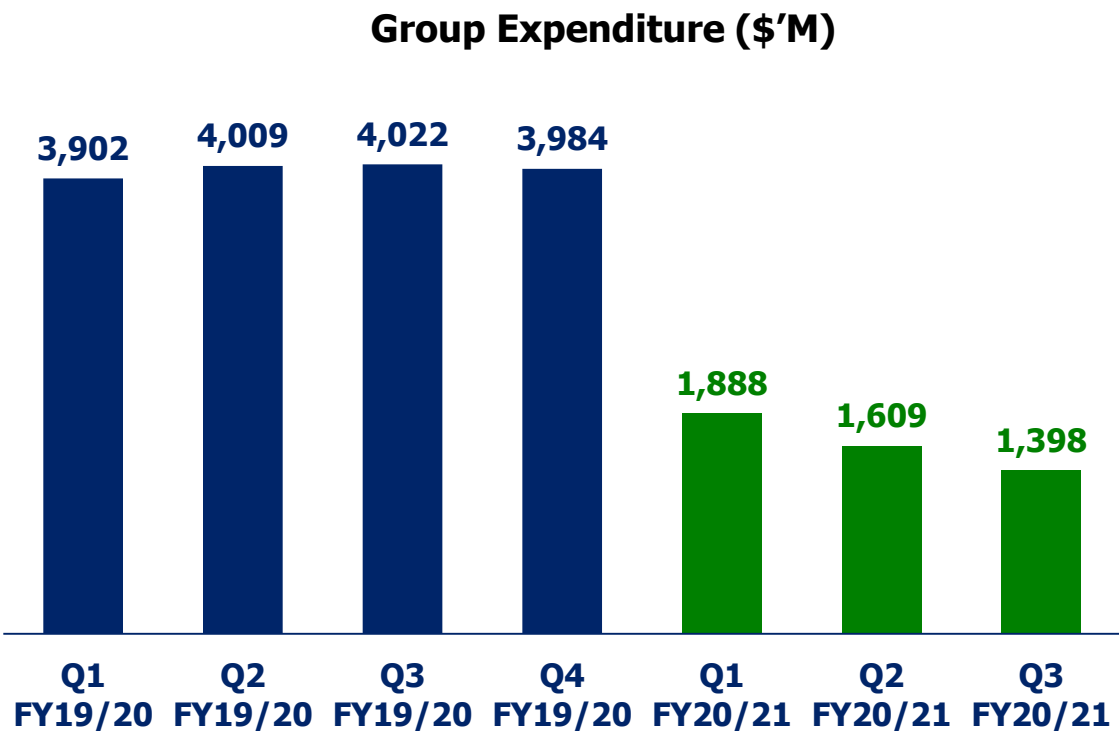
- Plunge in passenger traffic (-97.6%) for all three airlines
- Continued weakness in passenger business partially offset by improvements in cargo segment:
 - Strong demand for pharmaceuticals, e-commerce shipments and an uptick in general cargo demand
 - Airfreight capacity crunch provided strong support for cargo load factors and yields
 - Increased frequencies of cargo-only passenger aircraft deployment, resumption of more passenger services, maximisation of freighter utilisation to boost cargo capacity

Q3 FY20/21	RASK y-o-y (%)	Yields y-o-y (%)	Carriage/Load y-o-y (%)	Capacity y-o-y (%)	Load Factor (Change y-o-y)
SIA (Pax)	-69.3	+83.5	-97.2	-83.1	14.3% (-71.3% pts)
SilkAir	-1.1	+120.0	-98.7	-97.1	36.2% (-45.3% pts)
Scoot	-37.3	n.m.^	-99.0	-92.4	11.8% (-75.3% pts)
SIA (Cargo)	n.a.	+112.6	-33.1	-52.6	86.6% (+25.2% pts)

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

Group Expenditure Q3 FY20/21

Lower net fuel cost and non-fuel costs

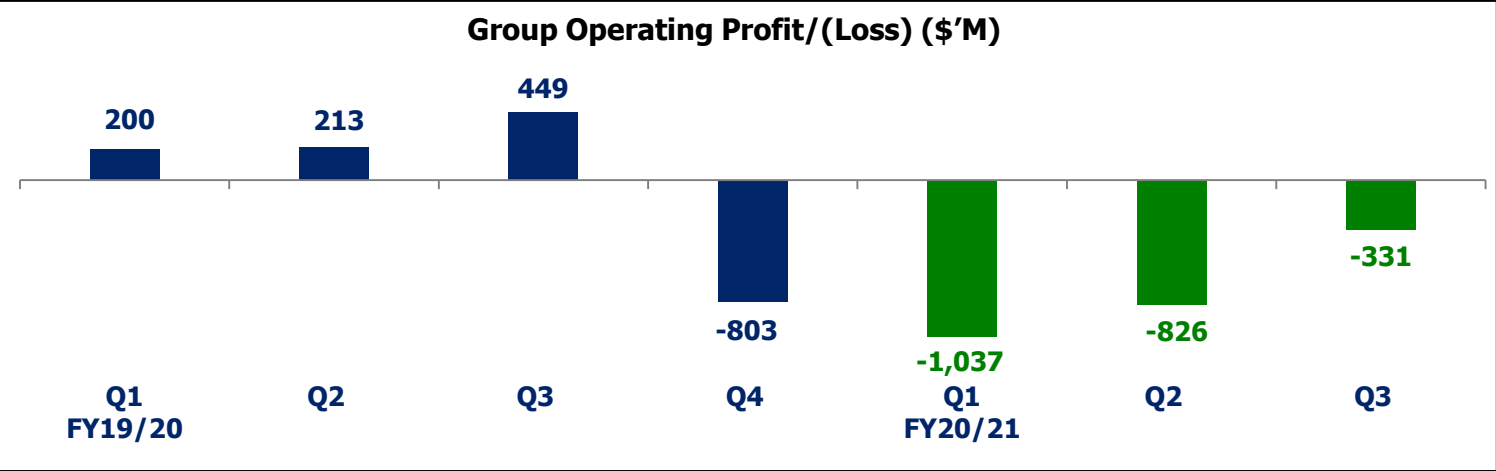


Q3 Group expenditure declined by \$2,624M (-65.2%) y-o-y:

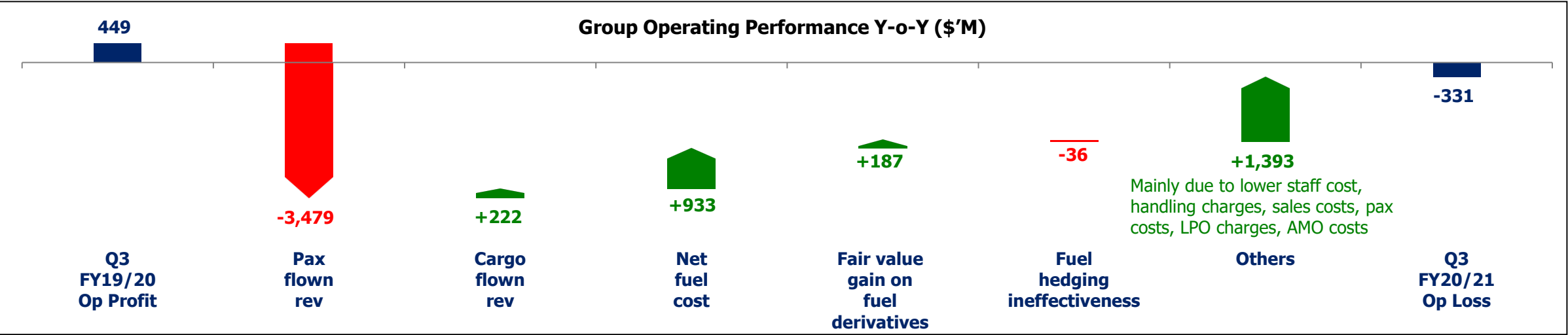
- Significant reduction in non-fuel expenditure (-\$1,540M) on the back of cost-saving initiatives such as capacity cuts and staff-related measures, as well as government support schemes
- Net fuel cost declined \$933M as capacity cuts and lower fuel prices reduced fuel cost before hedging.
- Net gain of \$63M in fuel hedging and fuel derivatives comprising:
 - Fuel hedging losses of \$88M
 - Fuel hedging ineffectiveness loss of \$36M
 - Fair value gains on fuel derivatives of \$187M

Group Operating Loss Q3 FY20/21

Weakness in passenger business persisted

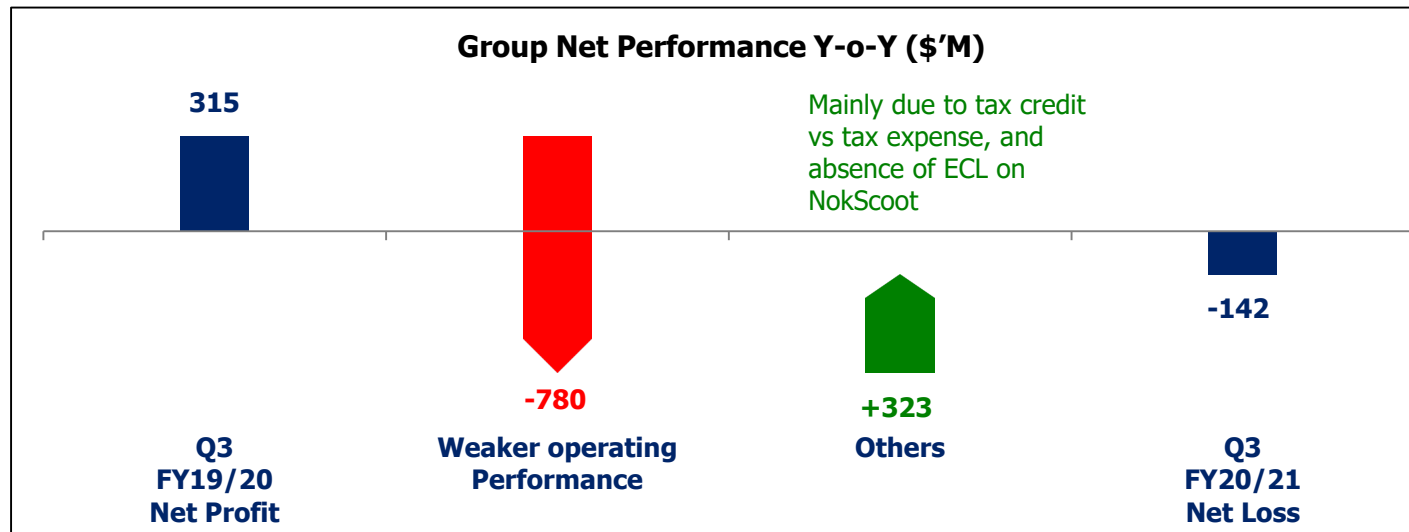
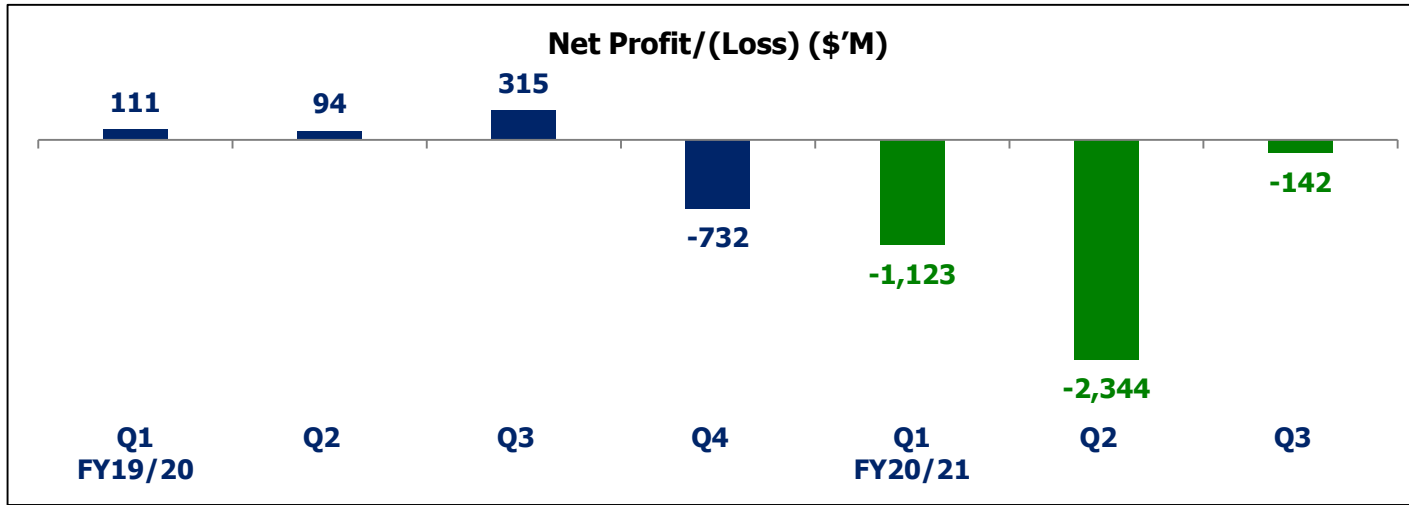


- Q3 recorded an operating loss of \$331M (-\$780M y-o-y) due to weakness in pax business as Group pax carriage fell 97.6% y-o-y.
- Q3 operating loss narrowed q-o-q mainly due to fair value gain on fuel derivatives with the rise in fuel prices vs a loss in Q2, and improvements in cargo flown revenue (+\$167M) and pax flown revenue (+\$69M) due to step-up in operations.



Group Net Loss Q3 FY20/21

Net loss due to weak operating performance



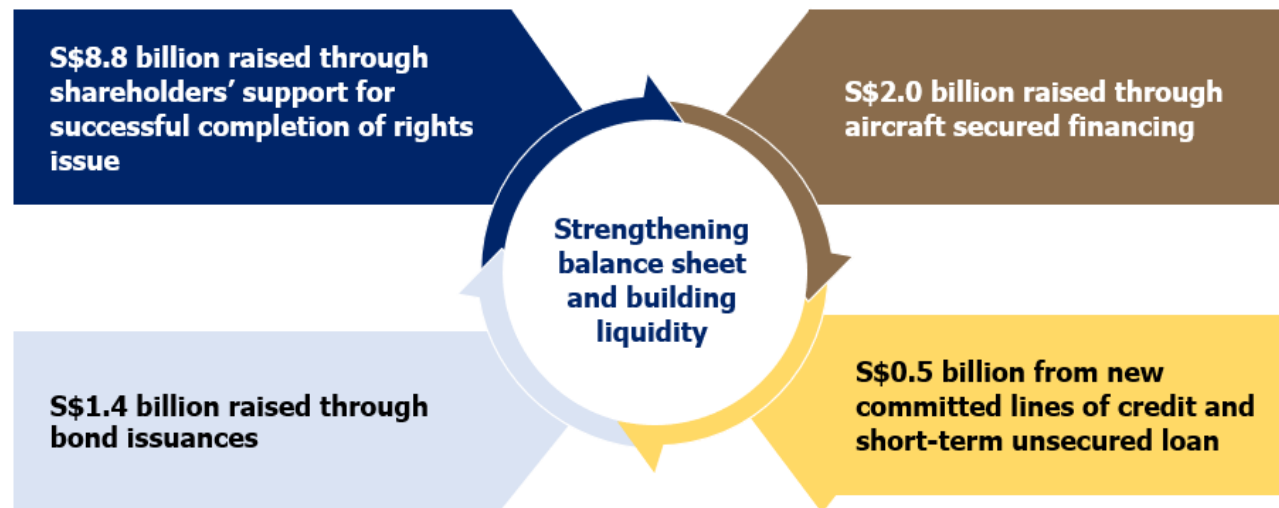
- Q3 recorded a net loss of \$142M (-\$457M y-o-y) due to weak operating performance y-o-y.
- Swing from tax expense to tax credit partly offset the losses
- Q3 net loss narrowed q-o-q largely on absence of non-cash items:
 - Impairment charge of \$1.3B on the carrying value of older generation aircraft
 - \$127M charge from the liquidation of NokScoot
 - \$170M write-down of goodwill recorded when SIA first gained control of Tiger Airways in October 2014

Balance Sheet

Strong liquidity positions the Group to tackle the unprecedented Covid-19 challenges

Increase in liquidity

\$12.7 billion in fresh liquidity as at 31 December 2020

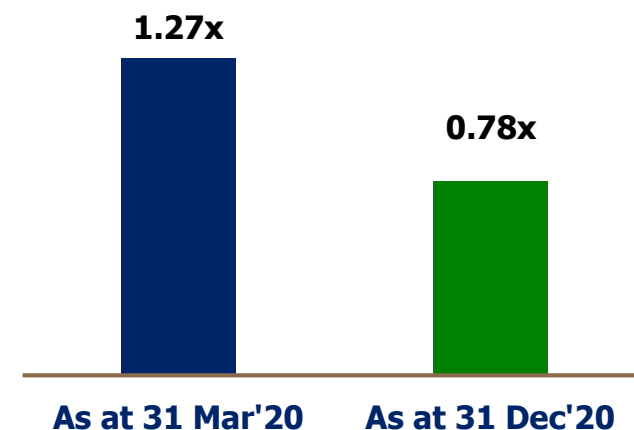


SIA also issued its first USD-denominated bonds in Jan'21 raising US\$500 mil.
This increased funds raised this financial year to **\$13.3 billion**.

- **Advanced discussions on sale-and-leaseback transactions**
- **Access to over \$2.1 billion in committed credit lines**
- **SIA retains the option to raise up to \$6.2 billion in additional mandatory convertible bonds before AGM in July 2021**

Financial gearing

Debt / Equity Ratio



Note:

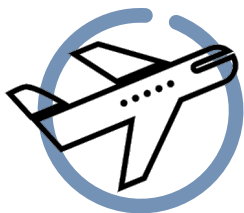
- (1) Total Debt = Borrowings + Lease Liabilities
- (2) Debt / Equity Ratio is based on total debt divided by equity attributable to owners of the Company



Stepping Up Operations

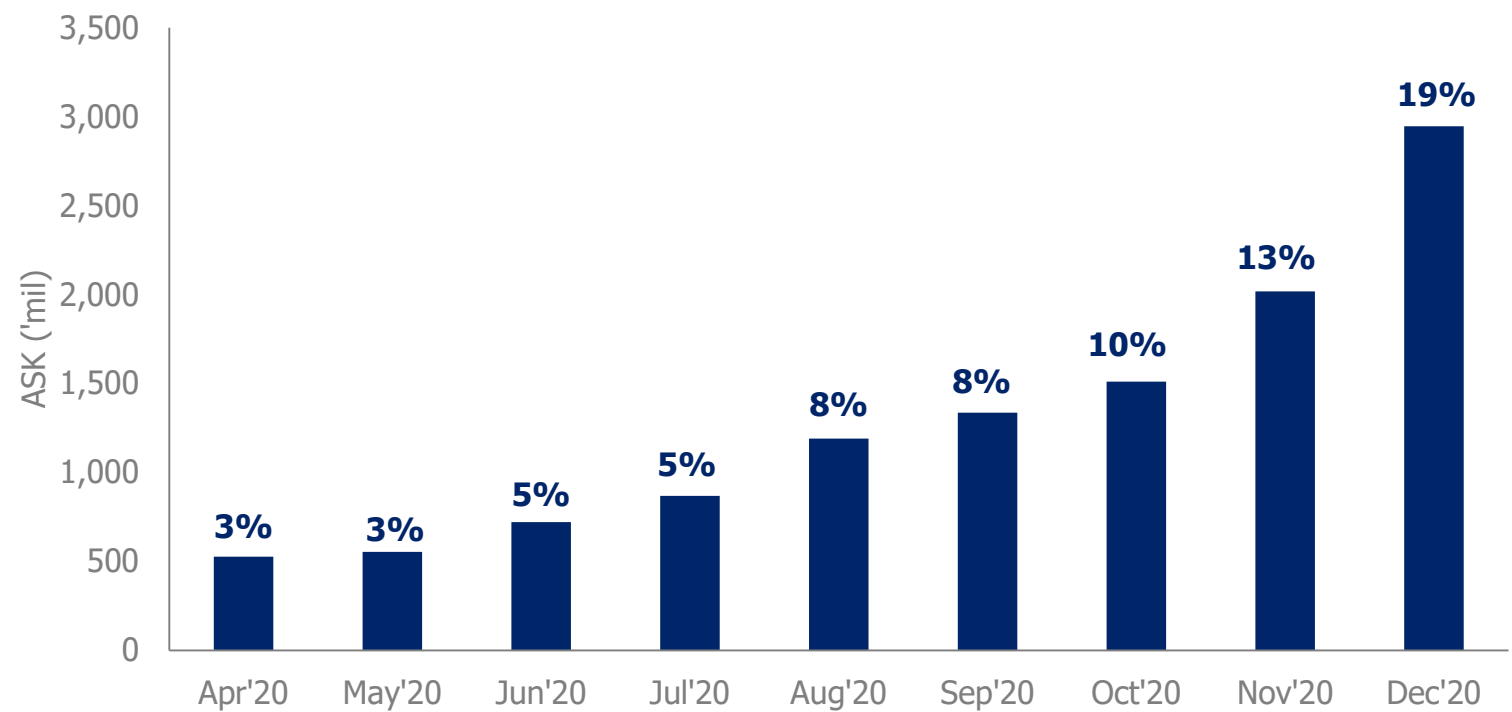
Stepping Up Operations

Progressively Growing the SIA Group Network



SIA Group Passenger Capacity Growth

% vs. pre-Covid



By April 2021

~25% of pre-Covid capacity

~45% of pre-Covid city links

≥ daily frequencies to key metros

Stepping Up Operations

Proactively Tapping on Cargo Demand

Growth in cargo capacity

- Resumption of more passenger services
- Maximisation of the utilisation of the freighter fleet
- Overall cargo capacity supplemented by passenger aircraft operating cargo-only flights

Strengthening capabilities and accelerating digitalisation

- SIA and Singapore hub remains well-positioned as a key transit hub for Covid-19 vaccines transportation and distribution. Delivered 1st shipment to Singapore on 21 Dec'20, which was also the first to Asia.
- Parxl platform: Blockchain-enabled cross-border eCommerce delivery in APAC. Expanding our business development efforts and onboarding new customers.
- Revamping SIA Cargo backbone systems - appointed IBS Software to bring our global cargo operations onto a single integrated digital cargo platform to improve operational insight across our entire network.



Stepping Up Operations

SIA Narrowbody Services and Vistara

Introduction of SIA 737-800 NG



- SIA will operate 737-800 NGs to Phuket starting from 4 Mar'21
- More SilkAir routes will be progressively transferred to SIA as nine 737-800 NGs join the SIA fleet
- SIA will also operate the aircraft to points within its current network, starting with Brunei in Mar'21
- Full integration to be completed in FY21/22
- Integrating SilkAir with SIA allows us to be nimble and flexible in aircraft deployment, and supports our fleet and network growth strategy

Vistara's operations



- **Domestic operations resumed on 25 May**
 - Over 70% of pre-Covid domestic capacity
 - Load factors have risen to an average of 65% since restart
- **International operations allowed under travel bubble arrangements**
 - 4x weekly between Delhi and Dubai
 - 2x weekly between Delhi and Dhaka
 - 2x weekly between Delhi and Doha
 - 2x weekly Delhi to London; 1x weekly London to Mumbai; 1x weekly London to Delhi
 - 7x weekly between Delhi and Sharjah
 - 7x weekly between Mumbai and Sharjah
 - 2x weekly between Delhi and Frankfurt (fr 18 Feb)
- **Fleet of 45 aircraft**

Thank You

