



ANALYST / MEDIA BRIEFING

**1H FY20/21 Results
9 November 2020**



PRESENTATION BY:

**Senior Vice President Finance
Mr. Stephen Barnes**



Group Financial Results

Group Financial Results

Key Takeaways – 1H FY20/21 Results

Net loss of \$3.5 billion for the first half as Covid-19 continued to severely impact the Group

First half operating result swung into a significant loss as passenger revenues collapsed on the slump in traffic. The effect was partly mitigated by cutting capacity and growth in cargo revenues.

Major non-recurring items contributing to net loss:

- **\$1.3 billion of aircraft impairment loss following a network and fleet review**
 - **Impairment on older generation aircraft after a review of the potential shape and size of the network over the long term**
- **\$170 million impairment on the goodwill acquired when the Group gained control of Tiger Airways Holdings**
- **\$127 million charge arising from the liquidation of NokScoot, comprising mainly the impairment of seven Boeing 777 aircraft leased to NokScoot and the Group's share of related costs**
- **\$42 million incurred for the manpower rationalisation exercise**
 - **As the Group is expected to operate a reduced network in the near to mid-term, around 4,300 positions across the airlines had to be cut with about 2,000 staff being impacted**

Gradual recovery in passenger operations as countries explore means to facilitate border re-opening

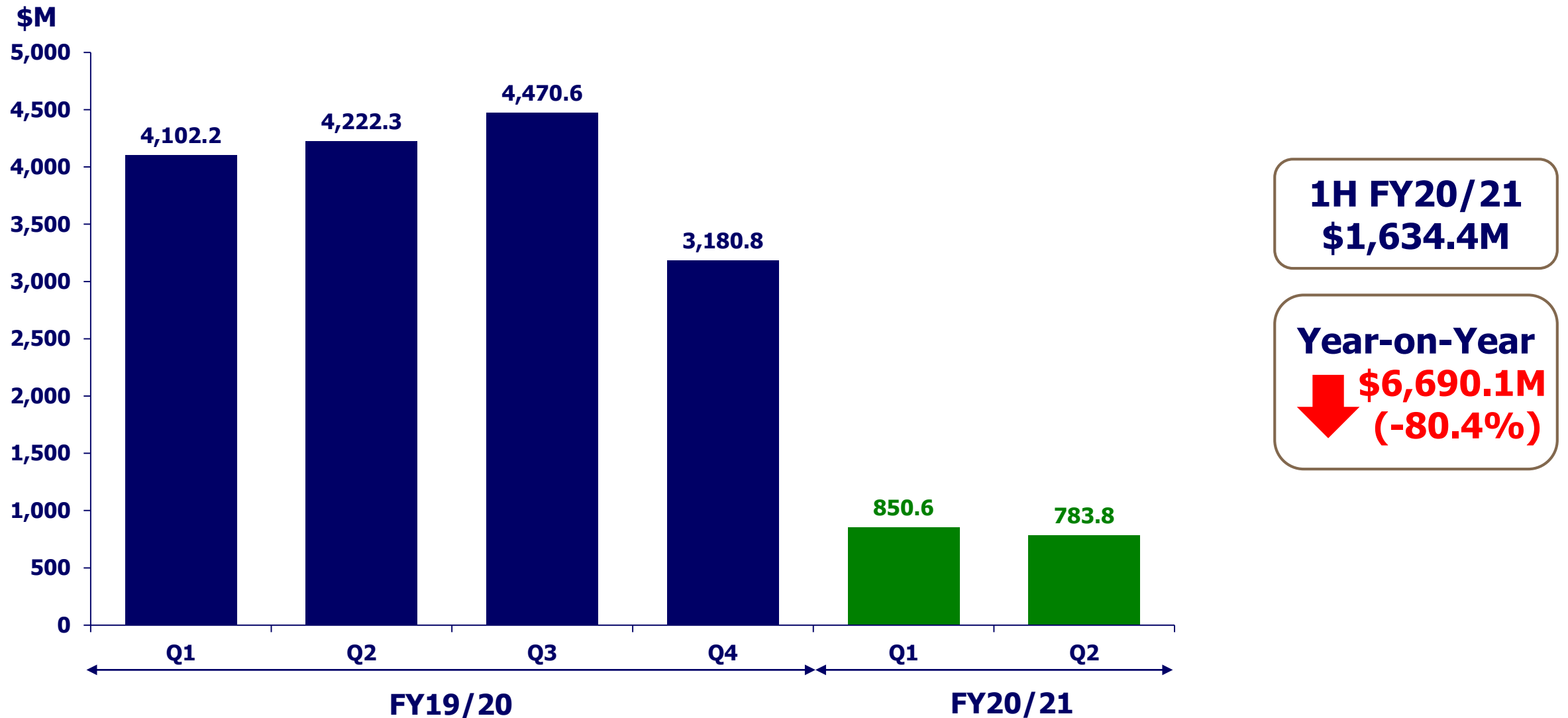
Group Financial Results

Operating Results for 1H & Q2 FY20/21

	1H FY20/21 (\$'M)	1H FY19/20 (\$'M)	Better/ (Worse) (%)	Q2 FY20/21 (\$'M)	Q2 FY19/20 (\$'M)	Better/ (Worse) (%)
Total Revenue	1,634.4	8,324.5	(80.4)	783.8	4,222.3	(81.4)
Total Expenditure	3,497.3	7,911.4	55.8	1,609.9	4,009.2	59.8
-- Net fuel cost	376.0	2,348.9	84.0	221.6	1,176.2	81.2
<i>Fuel cost</i>	<i>218.4</i>	<i>2,425.2</i>	<i>91.0</i>	<i>134.8</i>	<i>1,195.4</i>	<i>88.7</i>
<i>Fuel hedging loss/(gain)</i>	<i>157.6</i>	<i>(76.3)</i>	<i>n.m.</i>	<i>86.8</i>	<i>(19.2)</i>	<i>n.m.</i>
-- Fuel hedging ineffectiveness	461.8	-	n.m.	-	-	n.m.
-- Fair value loss on fuel derivatives	101.8	-	n.m.	99.9	-	n.m.
-- Non-fuel expenditure	2,557.7	5,562.5	54.0	1,288.4	2,833.0	54.5
Operating (Loss)/Profit	(1,862.9)	413.1	<i>n.m.</i>	(826.1)	213.1	<i>n.m.</i>
Operating (Loss)/Profit Margin (%)	(114.0)	5.0	(119.0) pts	(105.4)	5.0	(110.4) pts
Group (Loss)/Profit Attributable to Owners of the Parent	(3,467.0)	205.6	<i>n.m.</i>	(2,343.7)	94.5	<i>n.m.</i>
-- <i>Basic (Loss)/Earnings Per Share (¢)</i>	<i>(111.0)</i>	<i>10.9</i>	<i>n.m.</i>	<i>(54.9)</i>	<i>5.0</i>	<i>n.m.</i>

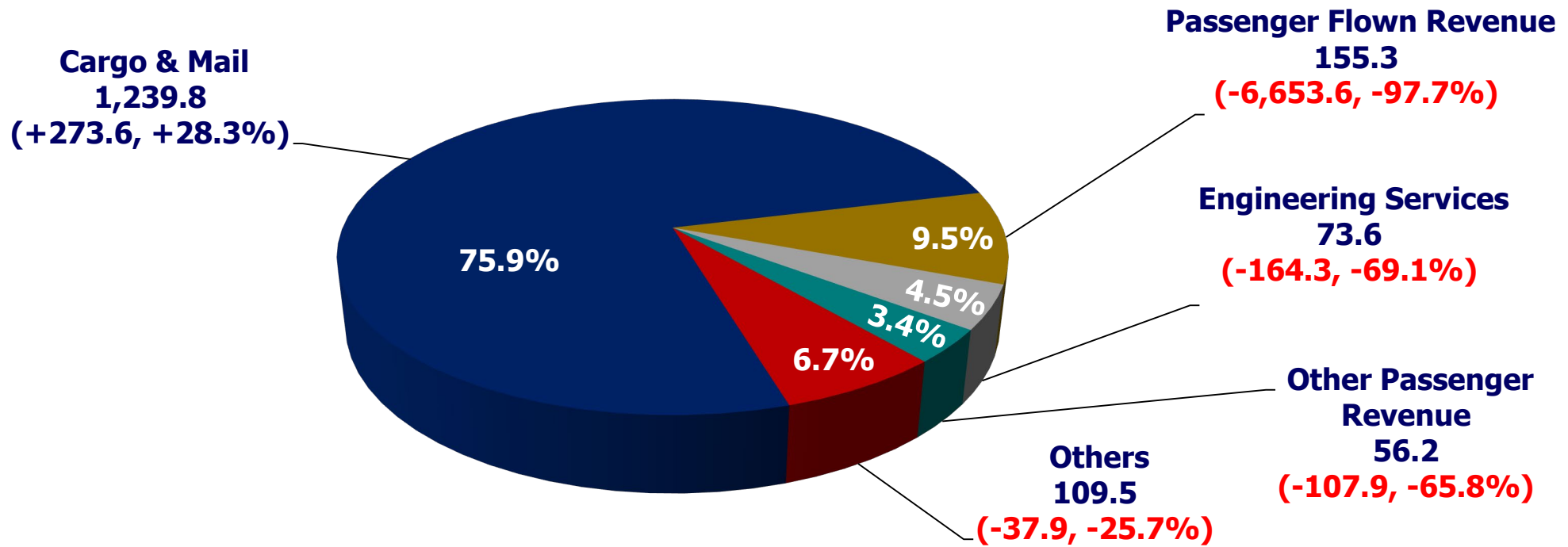
Group Revenue 1H & Q2 FY20/21

Restrictions on international travel continued to severely impact passenger flown revenue



Group Revenue Breakdown 1H FY20/21

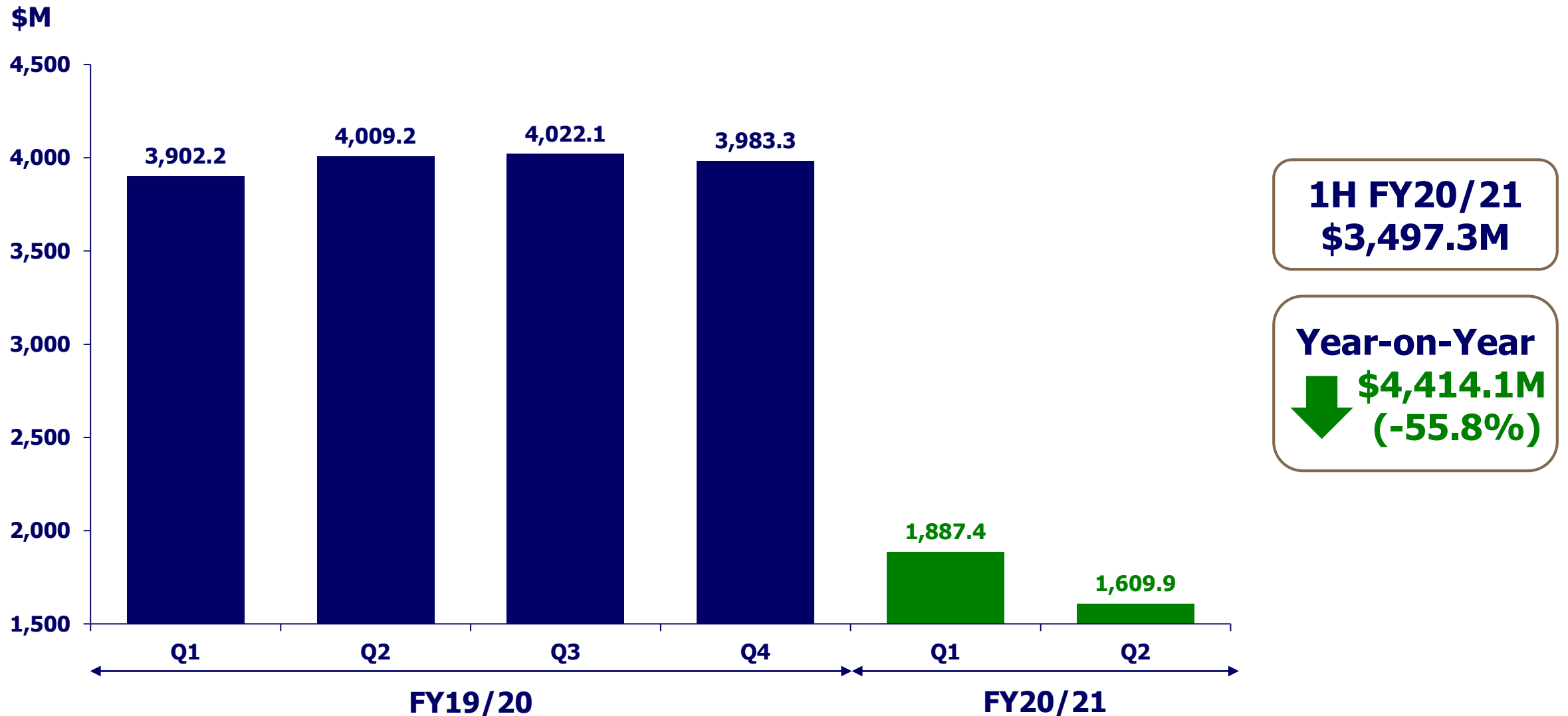
Decline in Group revenue partially offset by stronger cargo flown revenue



1H FY20/21	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)	-5,371.1	-67.1	+72.0	-98.6	-92.9
SilkAir	-474.0	+7.3	+133.7	-99.6	-99.0
Scoot	-814.3	-10.6	n.m.	-99.6	-97.0
SIA (Cargo)	+273.6	n.a.	+136.5	-45.8	-61.1

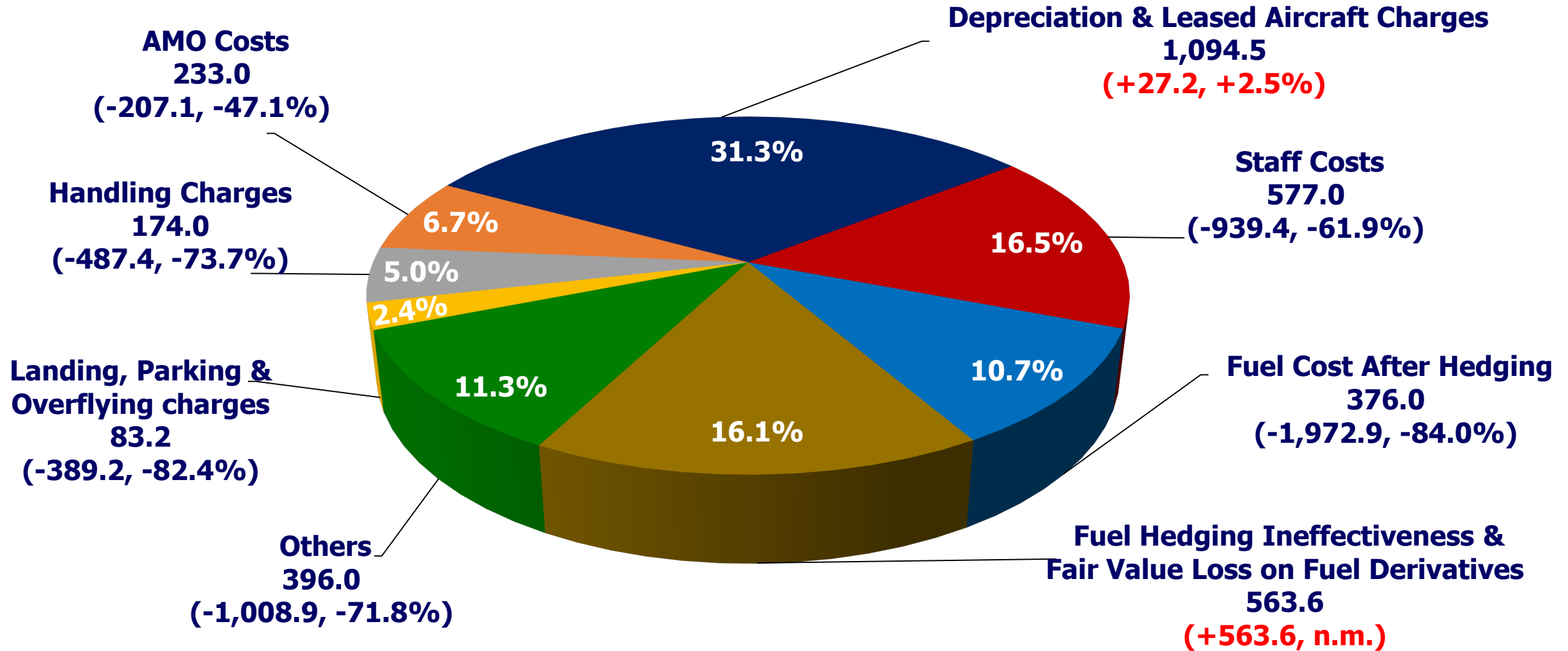
Group Expenditure 1H & Q2 FY20/21

Group expenditure continued to decline due to cost-saving initiatives and government support schemes



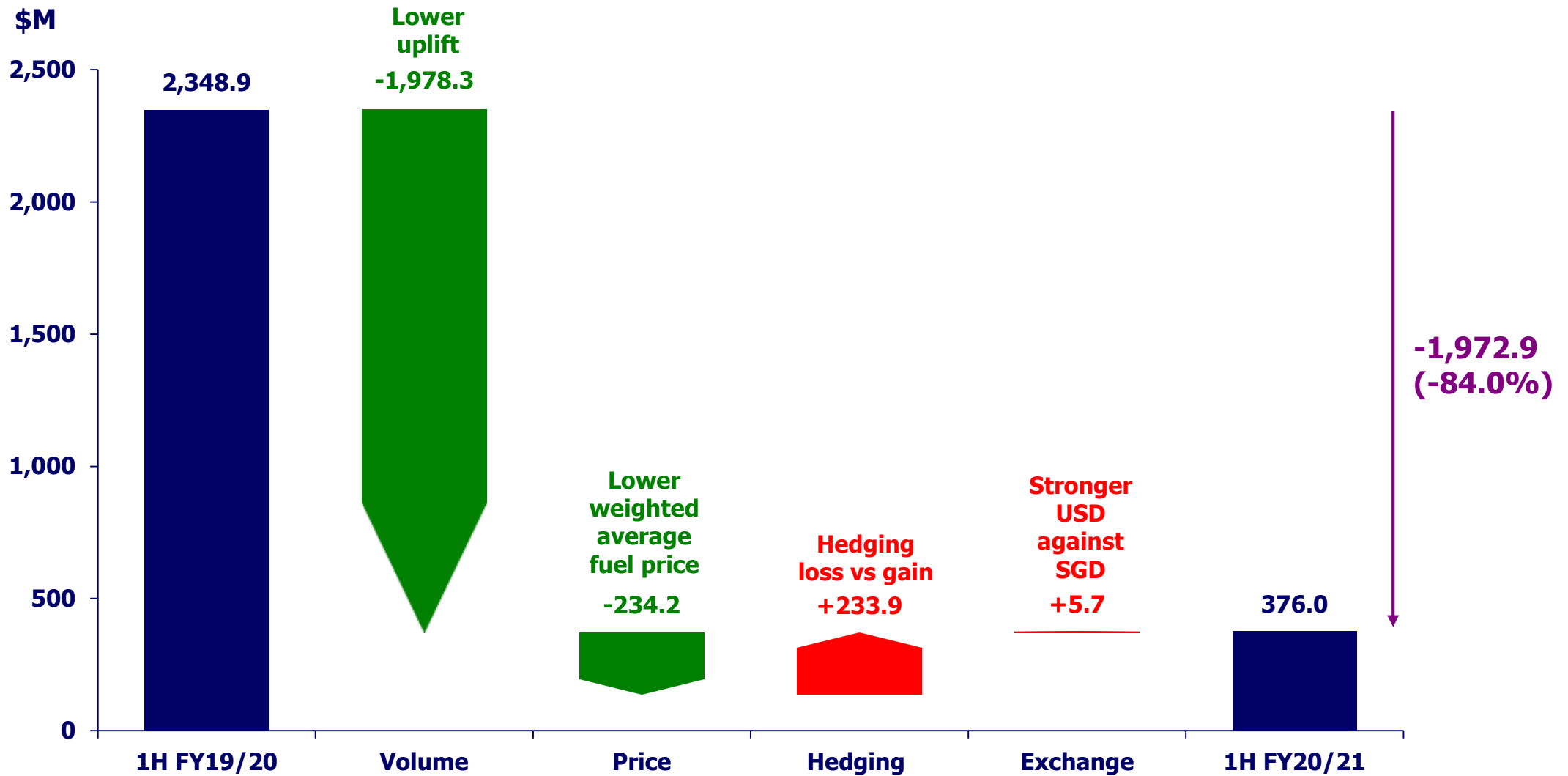
Group Expenditure Breakdown 1H FY20/21

Lower Group expenditure partially offset by fuel hedging ineffectiveness & fair value loss on fuel derivatives



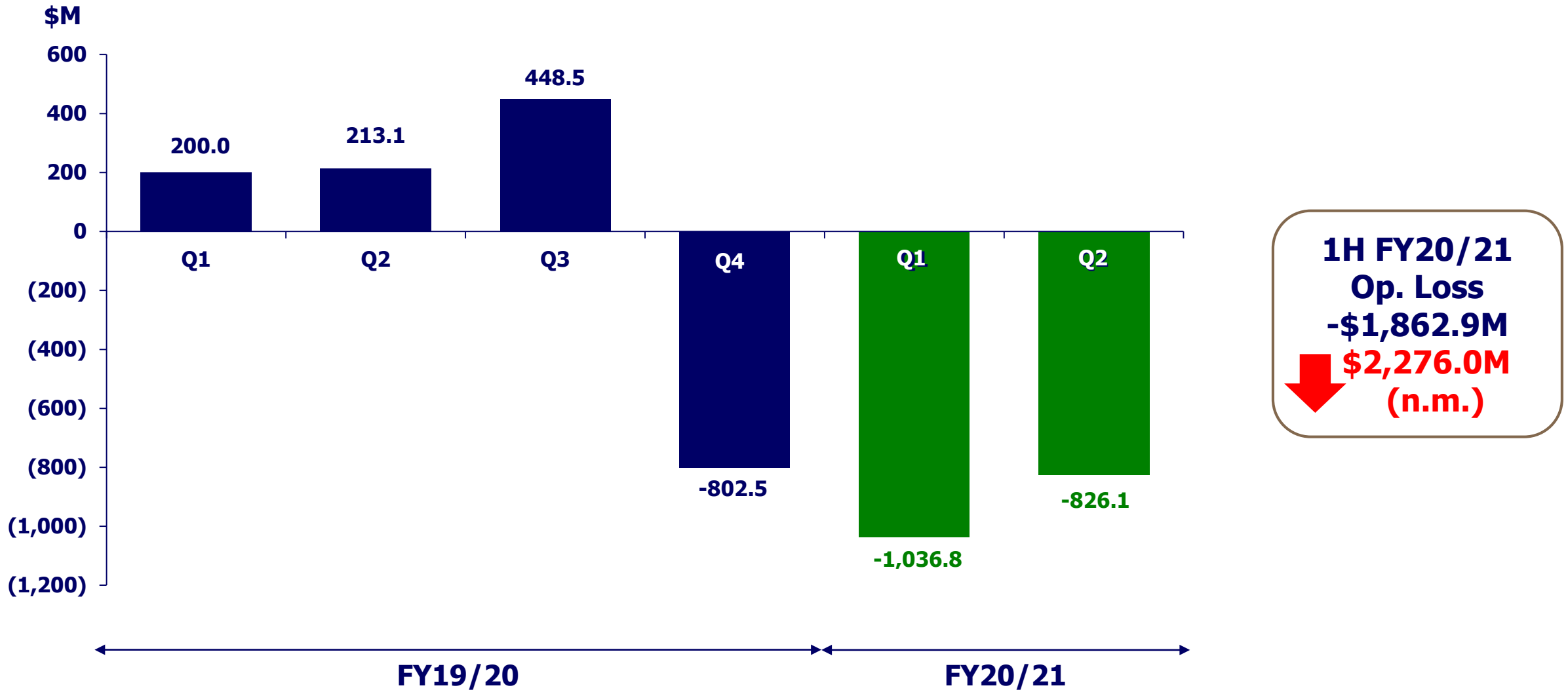
Group Expenditure – Fuel Cost 1H FY20/21

Lower fuel costs mainly due to capacity cuts and lower fuel prices



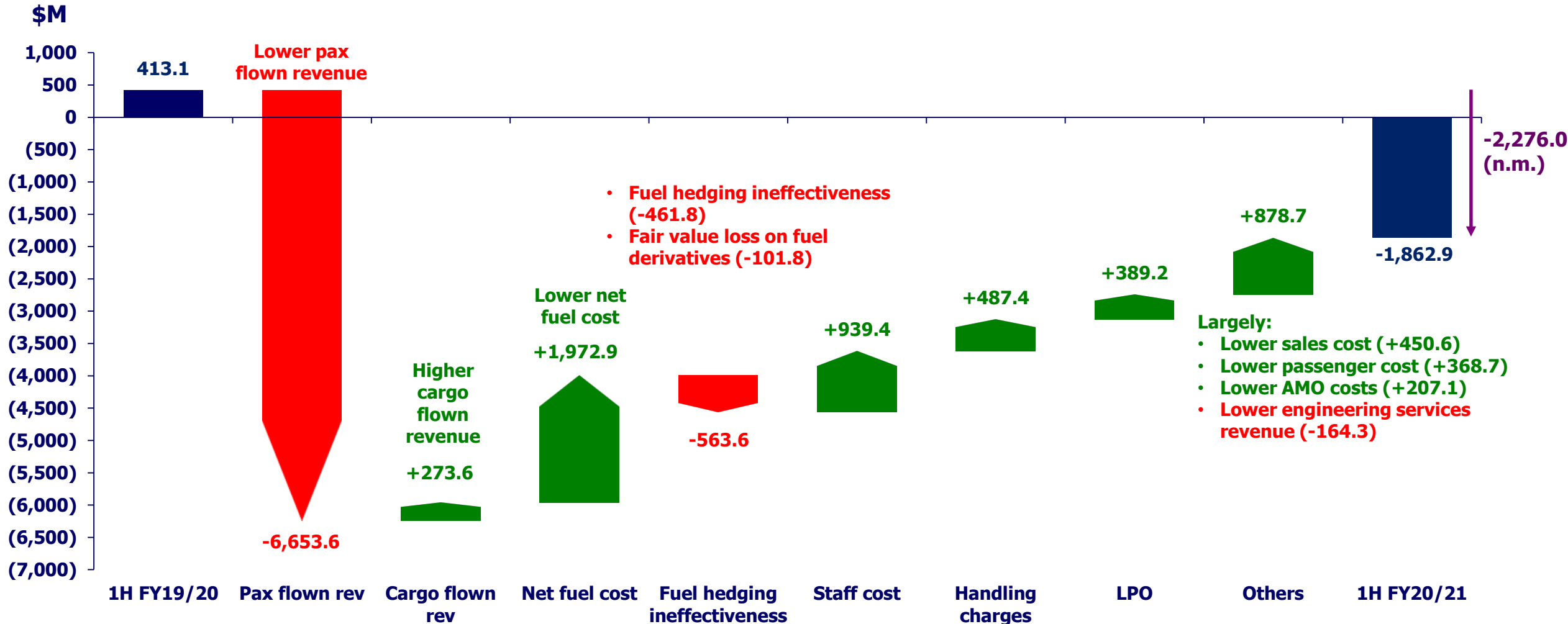
Group Operating Performance 1H & Q2 FY20/21

Operating loss in first half largely due to decline in revenue and ineffective fuel hedges







Group Operating Performance 1H FY20/21

Operating loss in first half largely due to decline in passenger flown revenue

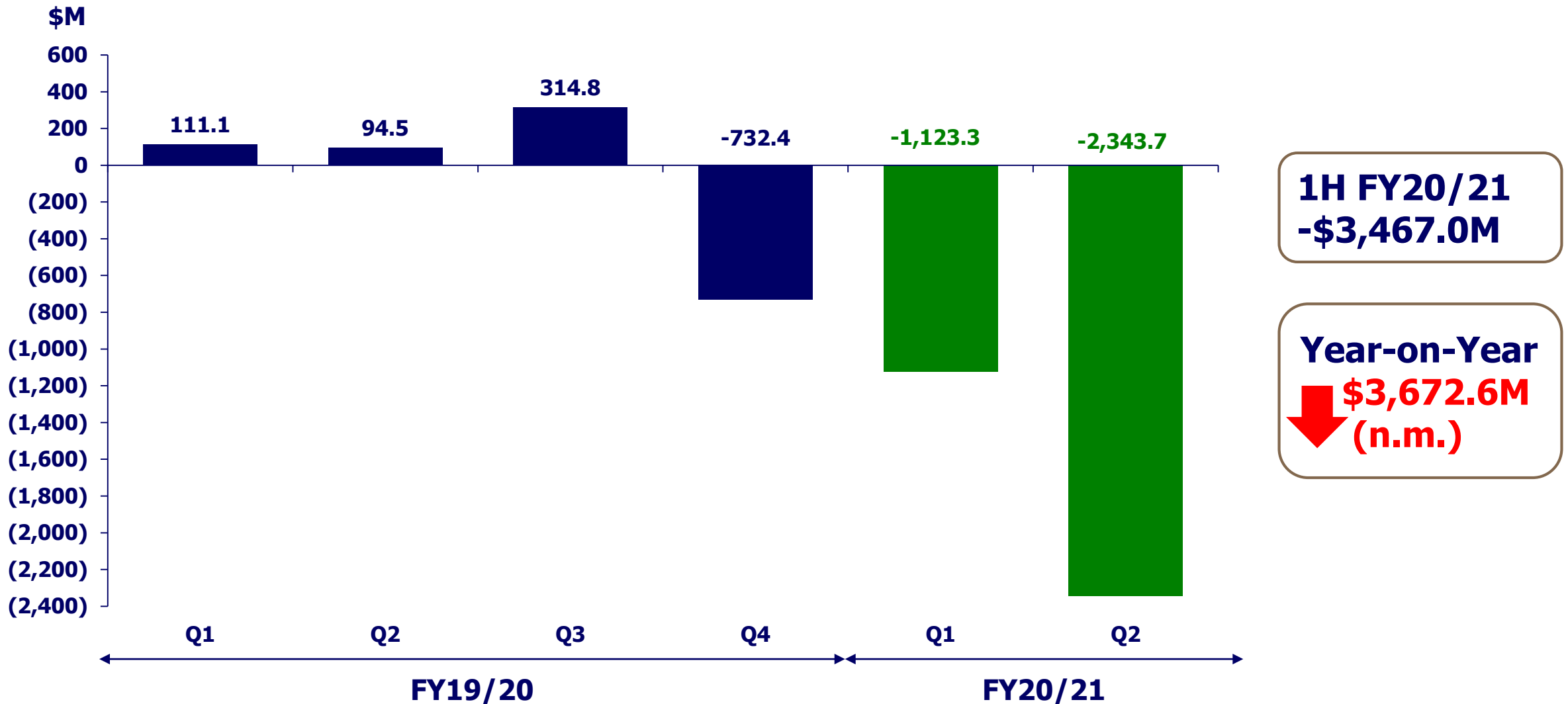


Operating Results for the Main Companies in the Group 1H FY20/21

Operating (Loss)/Profit	1H FY20/21 (\$'M)	1H FY19/20 (\$'M)	Better/ (Worse) (\$'M)	Better/ (Worse) (%)
 SIA (Parent Airline Company)	(1,260.1)	465.0	(1,725.1)	n.m.
 SilkAir	(165.1)	(19.1)	(146.0)	n.m.
 Scoot	(413.7)	(76.9)	(336.8)	n.m.
 SIAEC Group	(24.6)	37.3	(61.9)	n.m.
Others	0.6	6.8	(6.2)	(91.2)
Group Total	(1,862.9)	413.1	(2,276.0)	n.m.

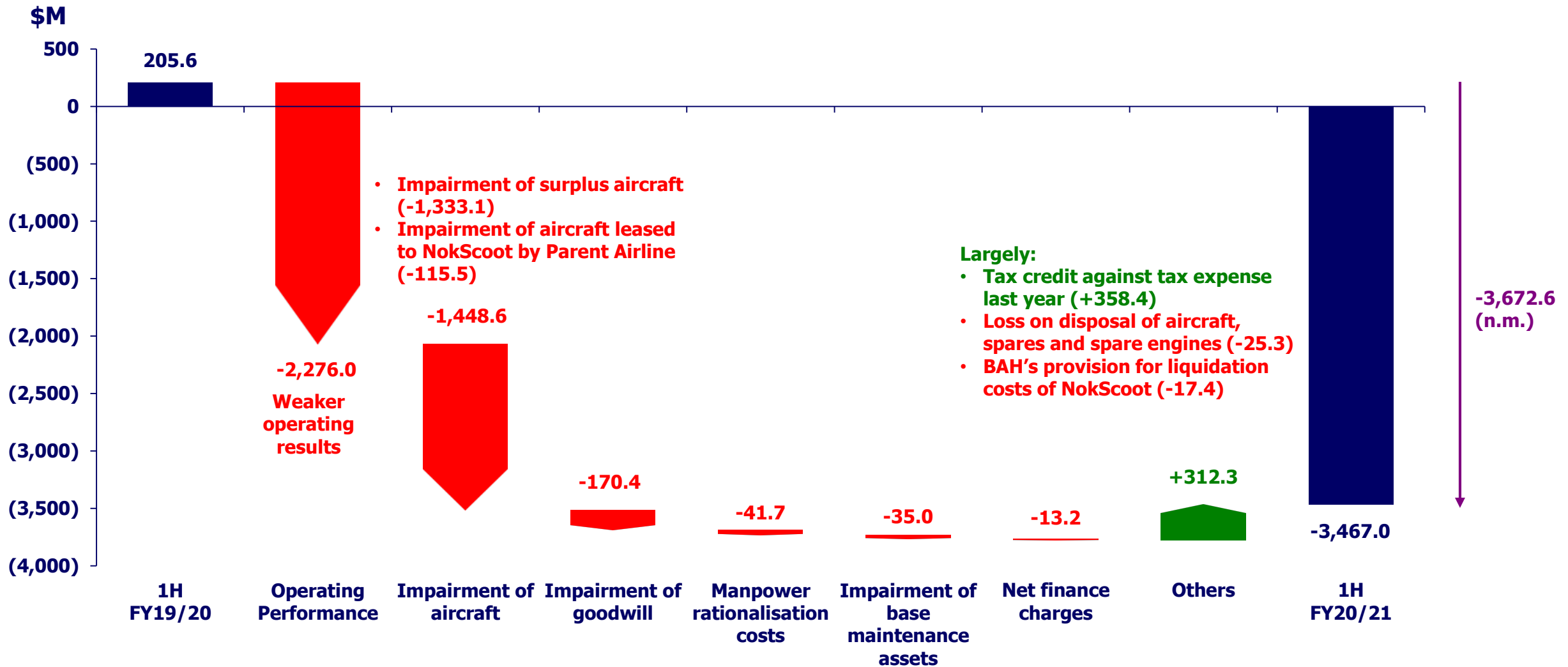
Group Loss 1H & Q2 FY20/21

Net loss in first half largely due to weaker operating performance and impairment charges



Group Loss 1H FY20/21

Net loss in first half largely due to weaker operating performance and impairment charges



SIA Group Per Share Data

	1H FY20/21	1H FY19/20
EBITDA per share⁽¹⁾ (\$)	(0.81)	1.21
Basic (Loss)/Earnings per share⁽²⁾ (¢)	(111.0)	10.9
Adjusted Basic (Loss)/Earnings per share⁽³⁾ (¢)	(150.5)	17.4

	As at 30 Sep'20	As at 31 Mar'20
Net Asset Value per share⁽³⁾ (\$)	5.14	7.86

(1) Based on Loss/Profit before Taxes, Finance Charges, Depreciation, Amortisation of Intangible Assets and Impairment of Property, Plant and Equipment over Weighted Average number of Shares outstanding.

(2) Based on Loss/Profit attributable to Shareholders of the Company over Weighted Average number of Shares outstanding.

(3) Based on Loss/Profit attributable to Shareholders of the Company over Weighted Average number of Shares outstanding, assuming the redemption of all mandatory convertible bonds.

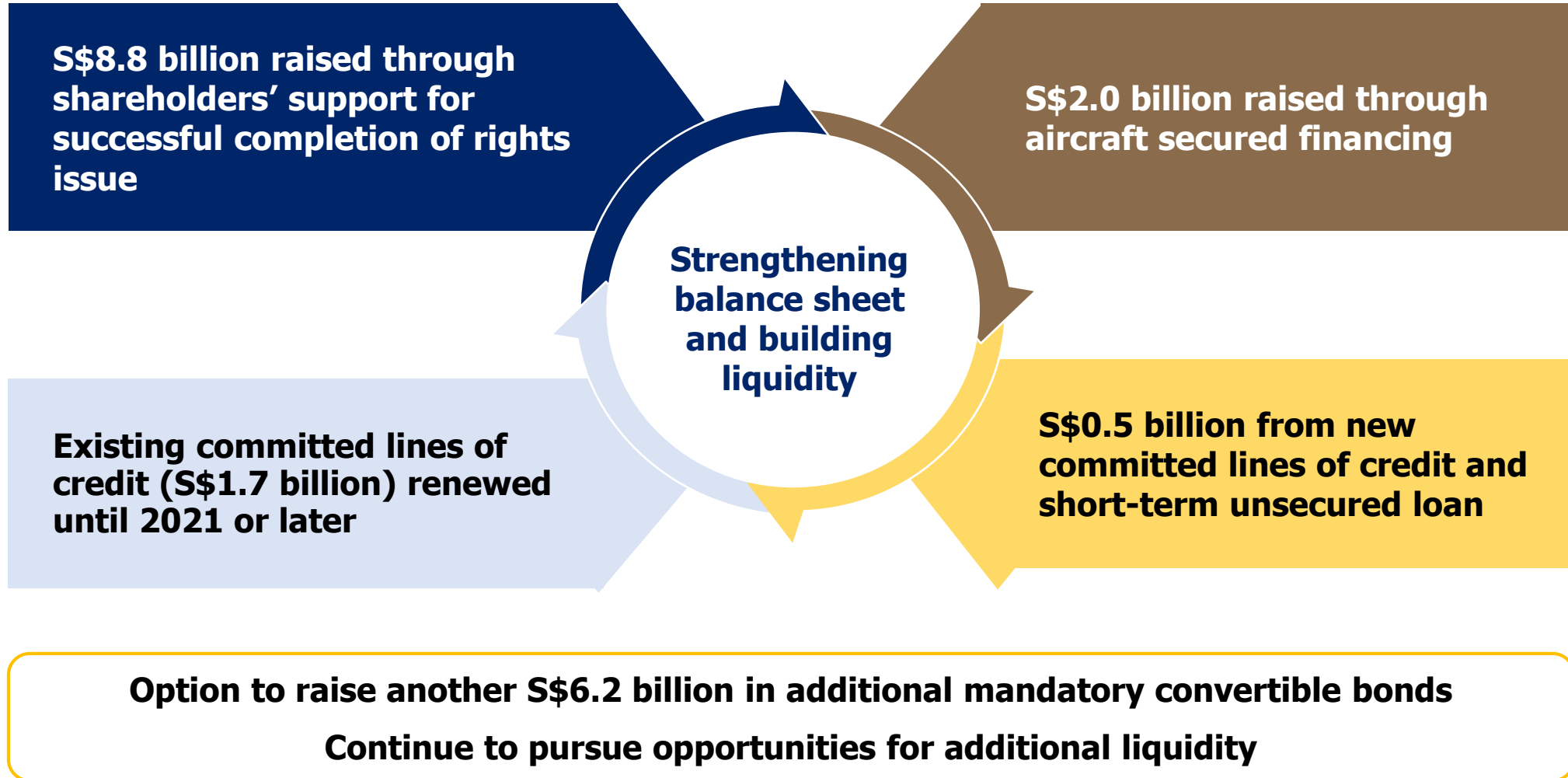
PRESENTATION BY:

**Chief Executive Officer
Mr. Goh Choon Phong**



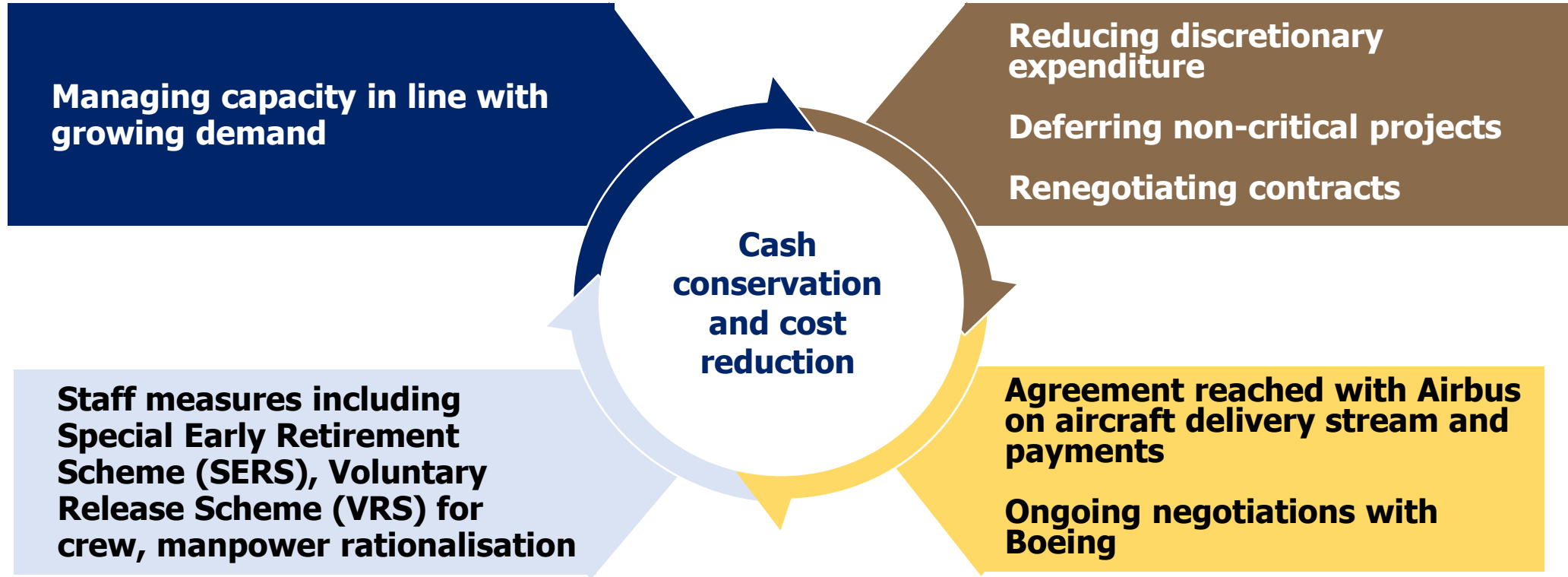
Strengthening the Group's Foundation

The Group has increased liquidity by approximately S\$11.3 billion since the start of the financial year



Strengthening the Group's Financial Position

Cash Conservation and Cost Reduction Measures Remain Firmly in Place

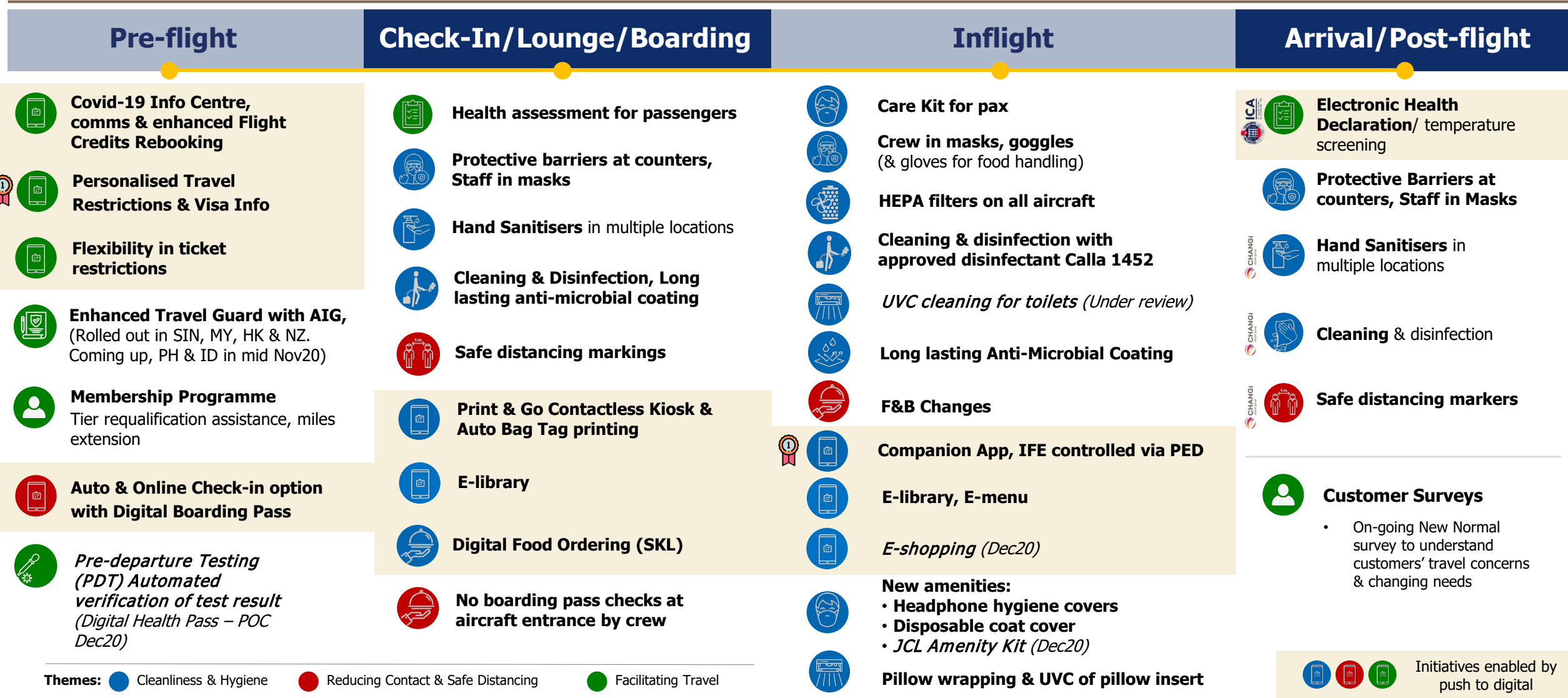




Stepping Up Operations

Stepping Up Operations

Health Safety Measures across End-to-End Customer Journey



Stepping Up Operations

Covid-19 Air Travel Schemes

Reciprocal Green Lanes for essential travel

China
Malaysia
Brunei
Korea
Japan
Indonesia

Unilateral border opening for non-essential travel

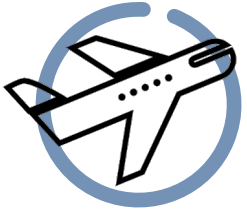
China
Australia
Vietnam
New Zealand
Brunei

Air Travel Bubble

Hong Kong

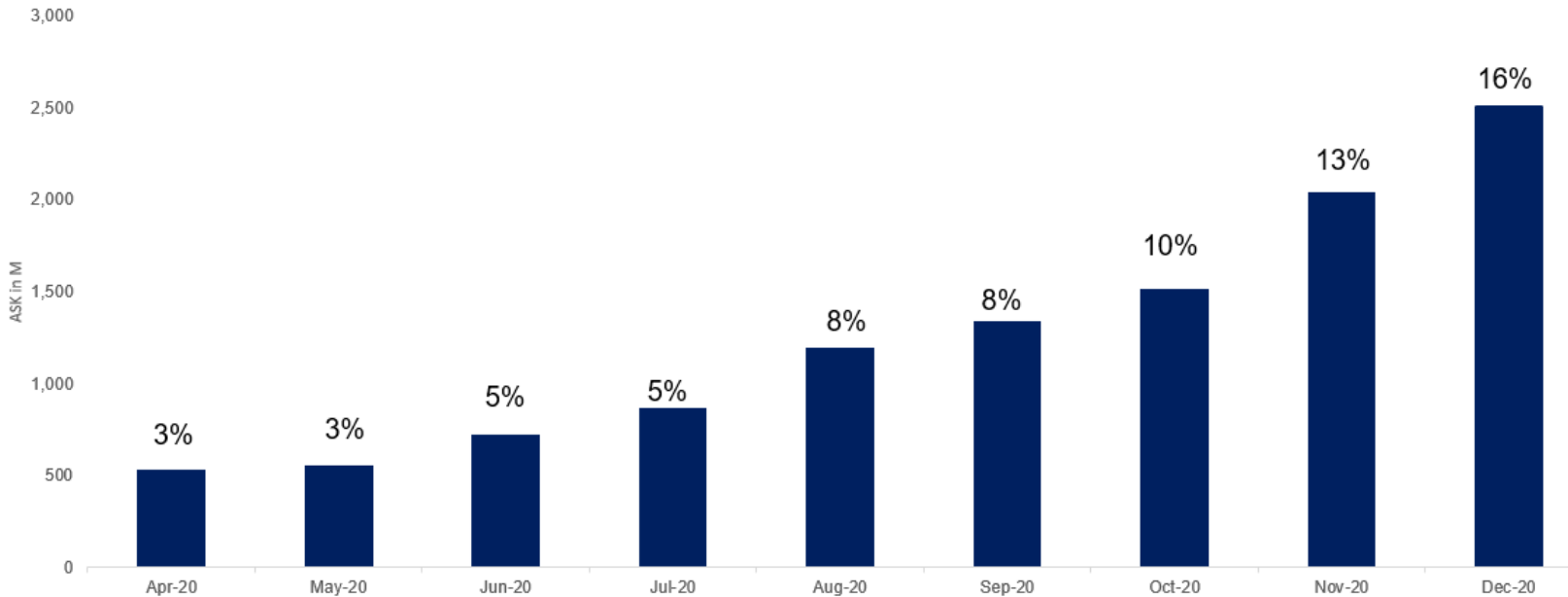
Stepping Up Operations

Progressively Growing the SIA Group Network



SIA Group Passenger Capacity Growth

% vs. pre-Covid



By December 2020

16% of pre-Covid capacity

37% of pre-Covid city links

≥ daily frequencies to key metros

Stepping Up Operations

Proactively Tapping on Cargo Demand

Growth in cargo-only passenger flight network

- Complements freighter network
- Provides incremental cargo capacity and network reach

Removal of aircraft seats to load cargo in cabin



- 2x TR's A320
- 2x SQ's 777-300ER

Continue to pursue ad-hoc charter opportunities



Includes flights on freighter, passenger and cargo-only passenger networks

Stepping Up Operations

Proactively Tapping on Cargo Demand



Perishables

Enabling Continuous Supply of Fresh Foods

- On track to be 1st airline in Southeast Asia to obtain IATA CEIV Fresh
 - Targeted for March 2021
- “ThruFresh”, a new Perishables cargo product, being developed
 - Launch targeted for 1H FY21/22



Pharmaceuticals

Safe & Swift Delivery to Customers
During Pandemic

- Formed SIA Covid-19 Vaccine Taskforce to handle vaccine carriage
- Awarded IATA’s CEIV Pharma - 1st airline in Asia Pacific
- Achieved Envirotainer’s Qualified Envirotainer Provider Training and Quality Program (QEP) accreditation
- Expanding THRU COOL quality network and increasing THRU COOL capability

Stepping Up Operations

Group Portfolio and Vistara

SilkAir integration is on track



- Entry-into-service of SIA narrow-body flights and SilkAir-to-SIA routes transfers proceeding on track
- Seamless premium service and customer experience across SIA network and fleets

Group portfolio provides ability to



- Be nimble and flexible
- Deploy the right vehicle to the right market to tap on demand recovery

Resumption of Vistara's operations



- **Domestic operations resumed on 25 May**
 - Approx. 55% of pre-Covid domestic capacity
 - Load factors have risen to mid 60% since restart
- **International operations allowed under travel bubble arrangements**
 - 3x weekly New Delhi to London
 - 7x weekly New Delhi to Dubai
 - 7x weekly Mumbai to Dubai
 - 2x weekly New Delhi to Dhaka
 - 2x weekly New Delhi to Doha (fr. 19 Nov)
- **Fleet of 43 aircraft**



Engaging Our Stakeholders

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We Continue to Serve the Community and Care for Staff

Partnering Temasek Foundation and World Food Programme (WFP)

- Providing transportation of
 - essential medical supplies
 - health supplies,
 - humanitarian aid
- Over 20 flights operated with more than 300 tonnes of cargo carriage
- WFP awarded the 2020 Nobel Peace Prize



Credit: CNA, 23 Aug 2020

SIA Group Ambassador Programmes support nationwide Efforts during Covid-19 period

- 2,100 staff deployed
 - Care Ambassadors
 - Transport Ambassadors
 - Contact Tracing Ambassadors
 - Social Service Officers
- Programme extended to cover 14 hospitals and community care facilities



Credit: Khoo Teck Puat Hospital



Credit: SMRT

Enabling safe return to workplace

- Enhanced cleaning at all offices; High touch points treated with anti-microbial coating
- Split teams with staggered working hours and mealtimes
- Safe Management Office set up for central oversight



Engaging Our Stakeholders

Discover Your Singapore Airlines Experiences Introduced in Oct20



Restaurant A380 @Changi

A restaurant dining experience on Singapore Airlines A380

- 15 sold-out sessions
- More than 3,200 participants
- Over 200 staff volunteers daily



SIA@Home

A taste of Singapore Airlines, delivered and enjoyed in the comfort of customers' homes

- Choice of First or Business Class packages
- More than 500 packages sold to date



Inside Singapore Airlines

A behind-the-scenes tour at the SIA Training Centre

- Overwhelming demand with more than 6,800 bookings
- To be held over 2 weekends
- Optional add-on experiences

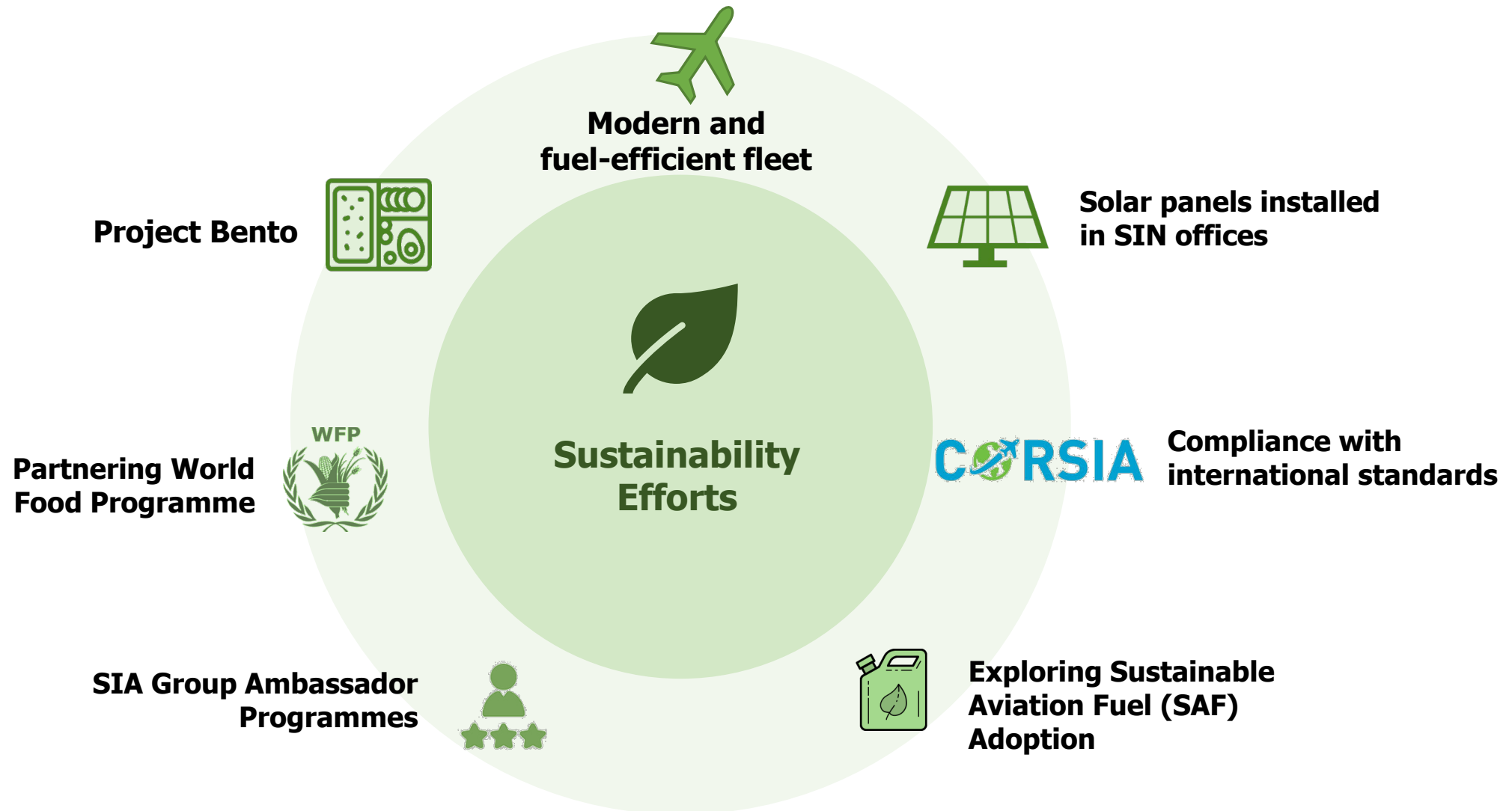




Emerging Stronger and Fitter

Emerging Stronger and Fitter

Continuing our Sustainability Journey



Emerging Stronger and Fitter

Continuing our Sustainability Journey



Modern and fuel-efficient fleet

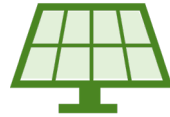
6 years

One of the youngest fleet in the world



Up to **30%**

More efficient new aircraft versus old fleet



Solar panels installed in SIN offices

9,700 solar panels installed

- 5,400MWh energy generated annually
- 2,300 tonnes of carbon emissions avoided
- Equivalent to 1,200 units of 4-room HDB flats powered annually



Project Bento

Eco-friendly Dining Concept

- Forest Stewardship Council (FSC)-certified paper and bamboo cutlery
- Conversion of tray items to Refuse-Derived Fuel (RDF) through eco-digester for energy generation
- Reduced use of Single-Use-Plastics
- >50% weight reduction; 309 tonnes of carbon emissions avoided



Emerging Stronger and Fitter

Grow New Businesses



Key Objectives



New revenue streams that leverage on brand, data and competencies



Increased Customer Mindshare



Develop New Capabilities

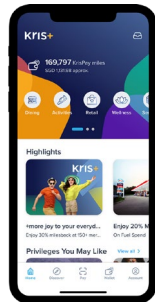
Emerging Stronger and Fitter

New Revenue Streams that Leverage on Brand, Data and Competencies



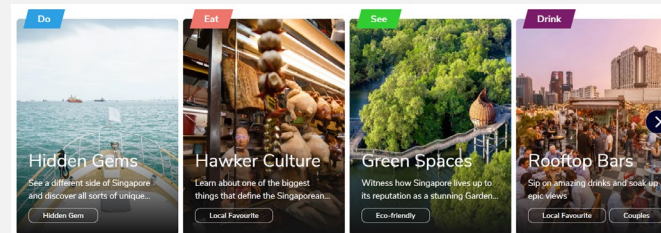
SIA's Lifestyle Ecosystem

- Further power growth for the KrisFlyer business
 - Target growth of KrisFlyer membership base to 4.8M members (+5% YoY)
- Enhance customer-merchant relationships
 - More than 150 Kris+ partners with over 700 outlets in Singapore
- Offer various lifestyle privileges and the option to earn or pay with miles



Personalised destination-discovery and trip-planning platform

- Authentic and unique hidden-gem experiences
 - Over 120 Singapore-based products
 - More destinations across Asia Pacific coming soon
 - Various activities & experiences including tours and attraction tickets
- Receive personalised recommendations
- Earn KrisFlyer miles on bookings



Discover more at www.pelago.co



Offering training programmes to businesses across different industries

- Leverage on core strengths & training expertise
- Programmes conducted by SIA's trainers
 - Certified instructors and facilitators
 - Curated and customised programmes
- Further deepen and expand training services
 - MOU with Khoo Teck Puat Hospital
 - Financial, Hospitality, Education, Logistics, Retail



Learn more at www.singaporeair.com/theacademy

Emerging Stronger and Fitter

Transforming to Lead the New World

Leveraging on Strong Foundations



**Strong and
Trusted Brand**



**Strong
Balance Sheet**



**Talented and
Highly Skilled Workforce**



**Strong
Digital Capabilities**

Lead The New World – Embarked on a New 3-Year Transformation Chapter



WORLD-CLASS LEADER

- Leadership in product & services
- Reinforce health & safety
- Deliver seamless customer experience
- Enhance operational resilience
- Drive digital leadership



FINANCIAL SUSTAINABILITY

- Rebuild network
- Grow revenue & new businesses
- Exercise financial prudence



DYNAMIC & RESILIENT TEAM

- Harness the SIA Spirit
- Upskill now, be future-ready
- Embrace Future of Work

Thank You

