



SIA ANALYST/MEDIA BRIEFING

Q2 and 1H FY17/18 Results

8 November 2017

THE PARENT AIRLINE Q2 AND 1H FY17/18 RESULTS

THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE

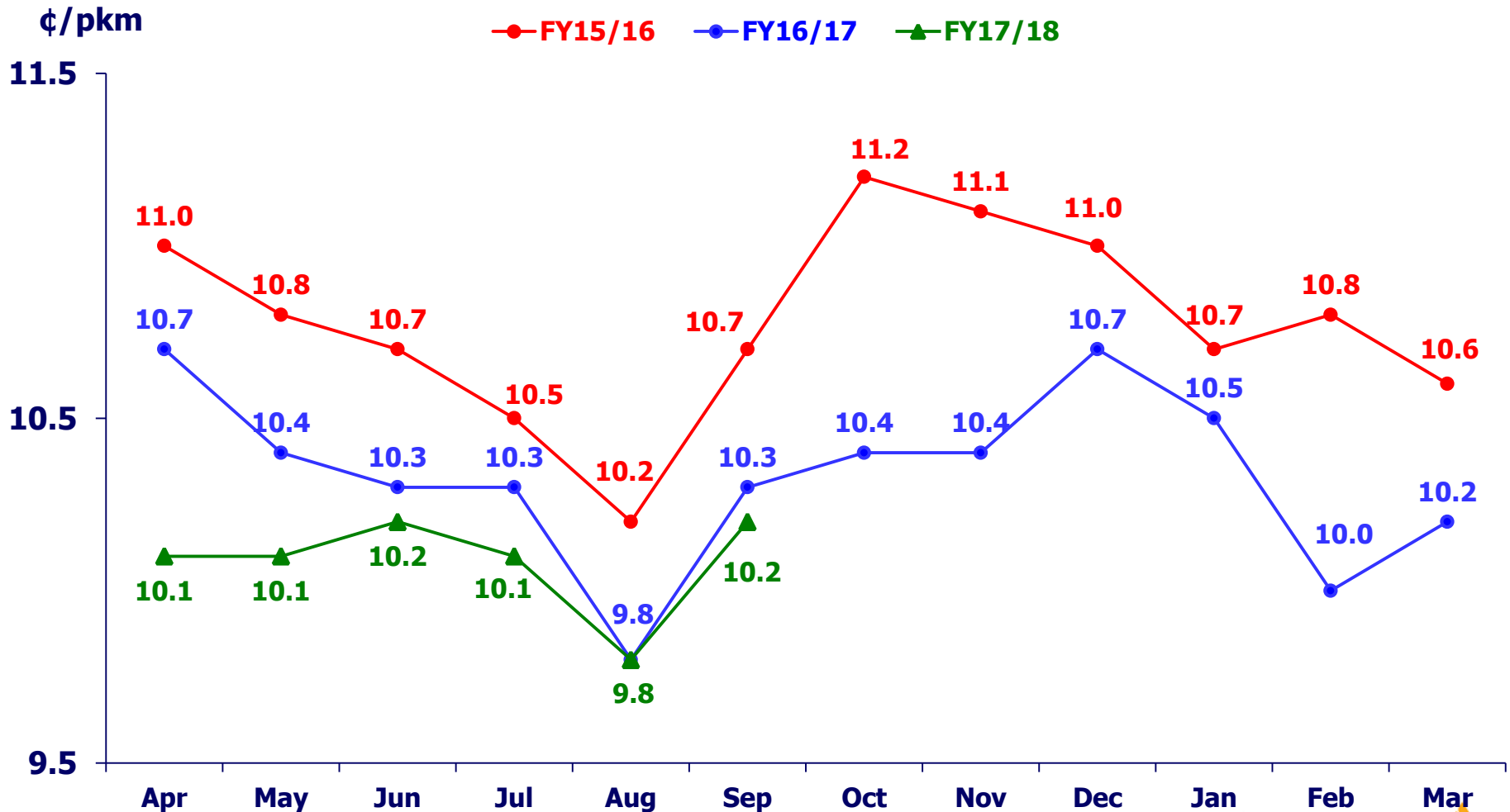
	Q2	%	1H	%
	FY17/18	Change	FY17/18	Change
Available Seat-KM (million)	30,047	+0.5	59,010	-0.1
Revenue Pax-KM (million)	24,579	+2.3	47,755	+3.4
Passenger Load Factor (%)	81.8	+1.4 pts	80.9	+2.8 pts

THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE

	Q2	%	1H	%
	FY17/18	Change	FY17/18	Change
Passenger Yield (¢/pkm)	10.0	-2.0	10.1	-1.9

THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE

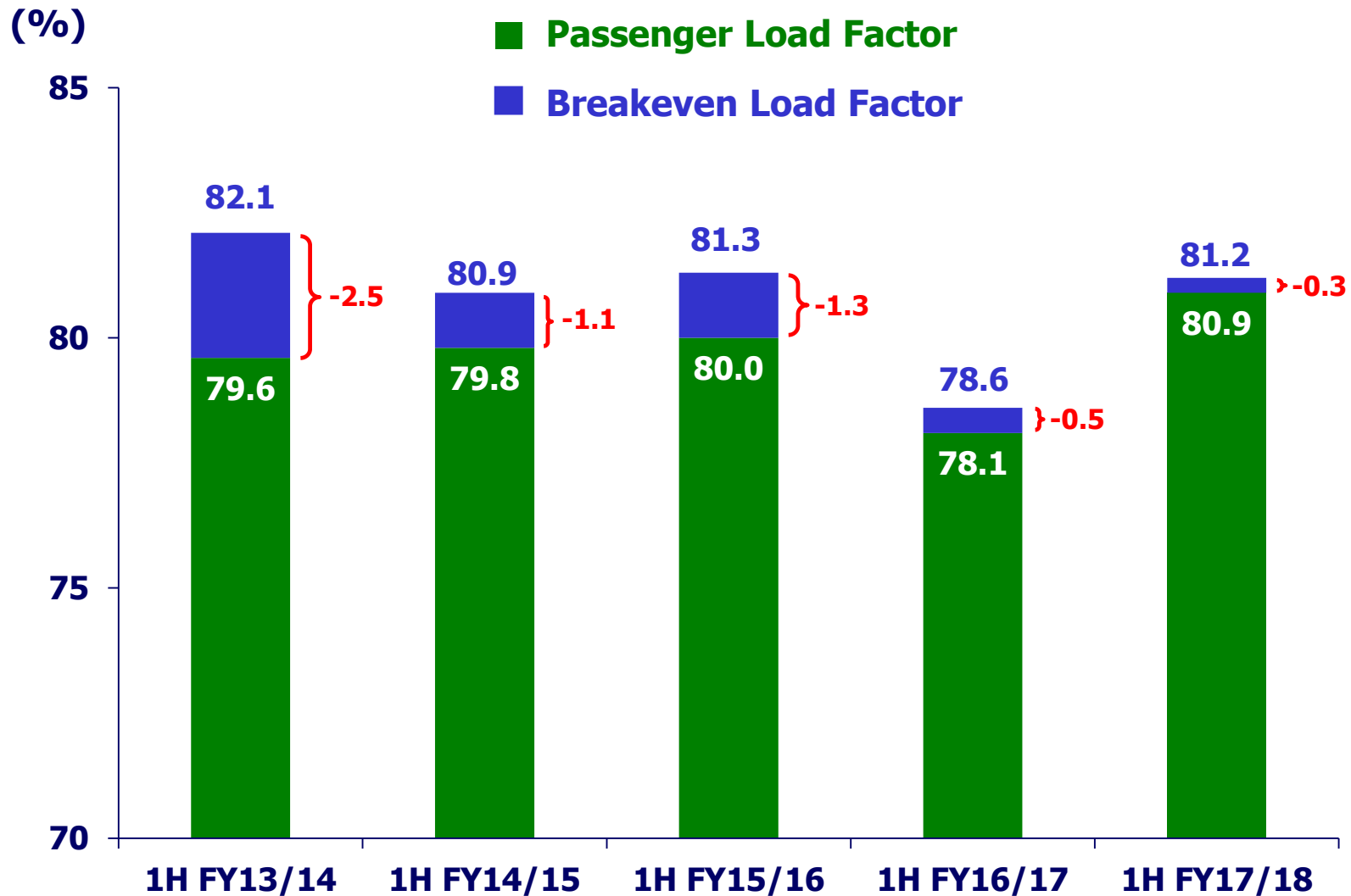
Monthly Pax Yields



THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE

	Q2 FY17/18	% Change	1H FY17/18	% Change
Passenger Yield (¢/pkm)	10.0	-2.0	10.1	-1.9
Revenue per ASK (¢/ask)	8.2	-	8.2	+1.2
Passenger Unit Cost (¢/ask)	8.2	-	8.2	+1.2
Passenger Unit Ex- Fuel Cost (¢/ask)	5.8	-	5.8	+1.8
Passenger Breakeven Load Factor (%)	82.0	+1.6 pts	81.2	+2.6 pts

THE PARENT AIRLINE COMPANY OPERATING PERFORMANCE

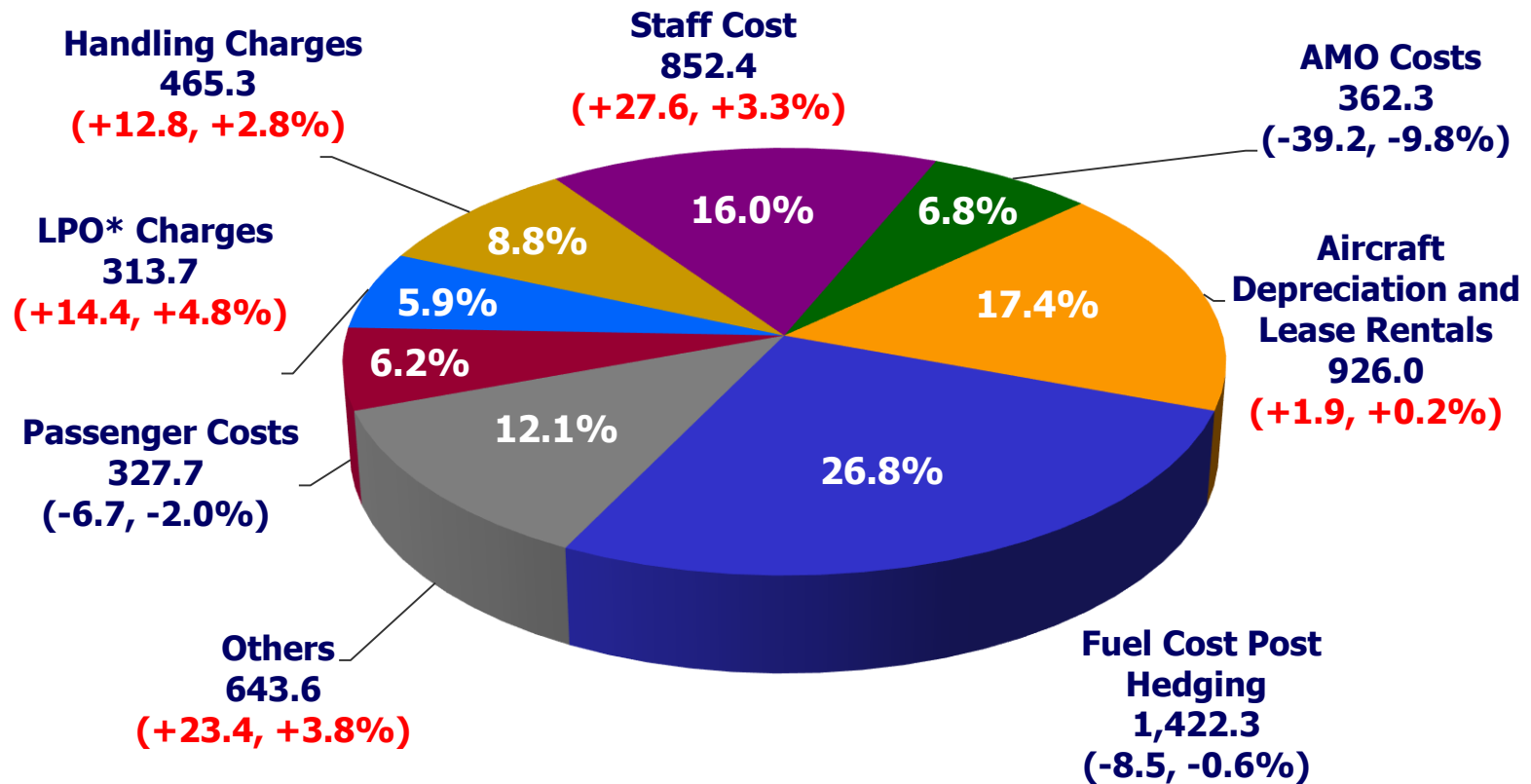


THE PARENT AIRLINE COMPANY RESULTS

	Q2 FY17/18 \$million	Better/ (Worse) \$million	1H FY17/18 \$million	Better/ (Worse) \$million
Total Revenue	2,856	90	5,724	161
Total Expenditure	2,686	1	5,313	(26)
- <i>Net Fuel Cost</i>	716	17	1,422	9
<i>Fuel Cost</i>	713	(95)	1,398	(194)
<i>Fuel Hedging Loss</i>	3	112	24	202
- <i>Ex-fuel Cost</i>	1,970	(16)	3,891	(35)
Operating Profit	170	91	411	135
Operating Profit Margin (%)	5.9	3.0 pts	7.2	2.2 pts

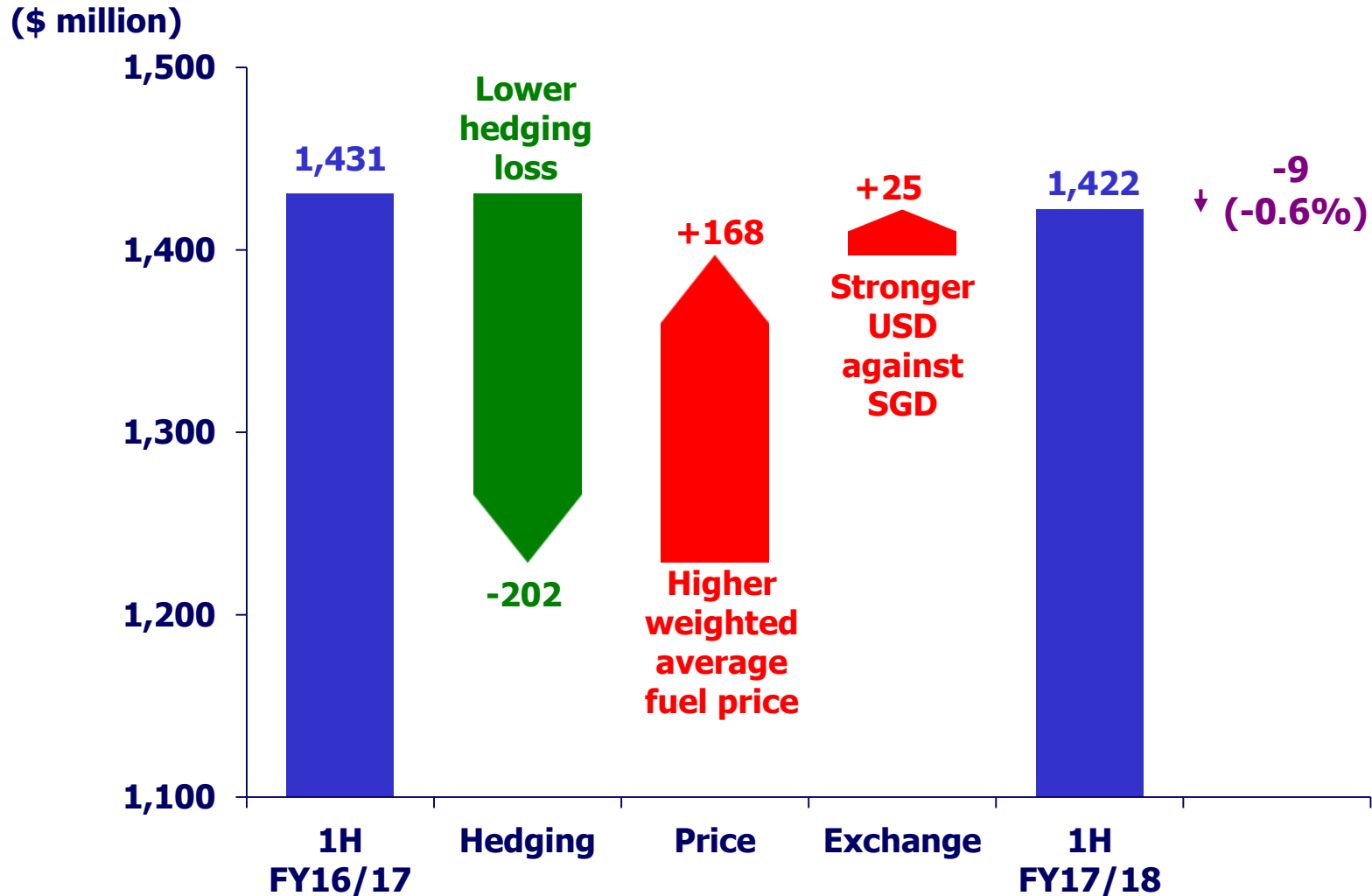
THE PARENT AIRLINE COMPANY COST COMPOSITION

1H FY17/18 (\$'M)



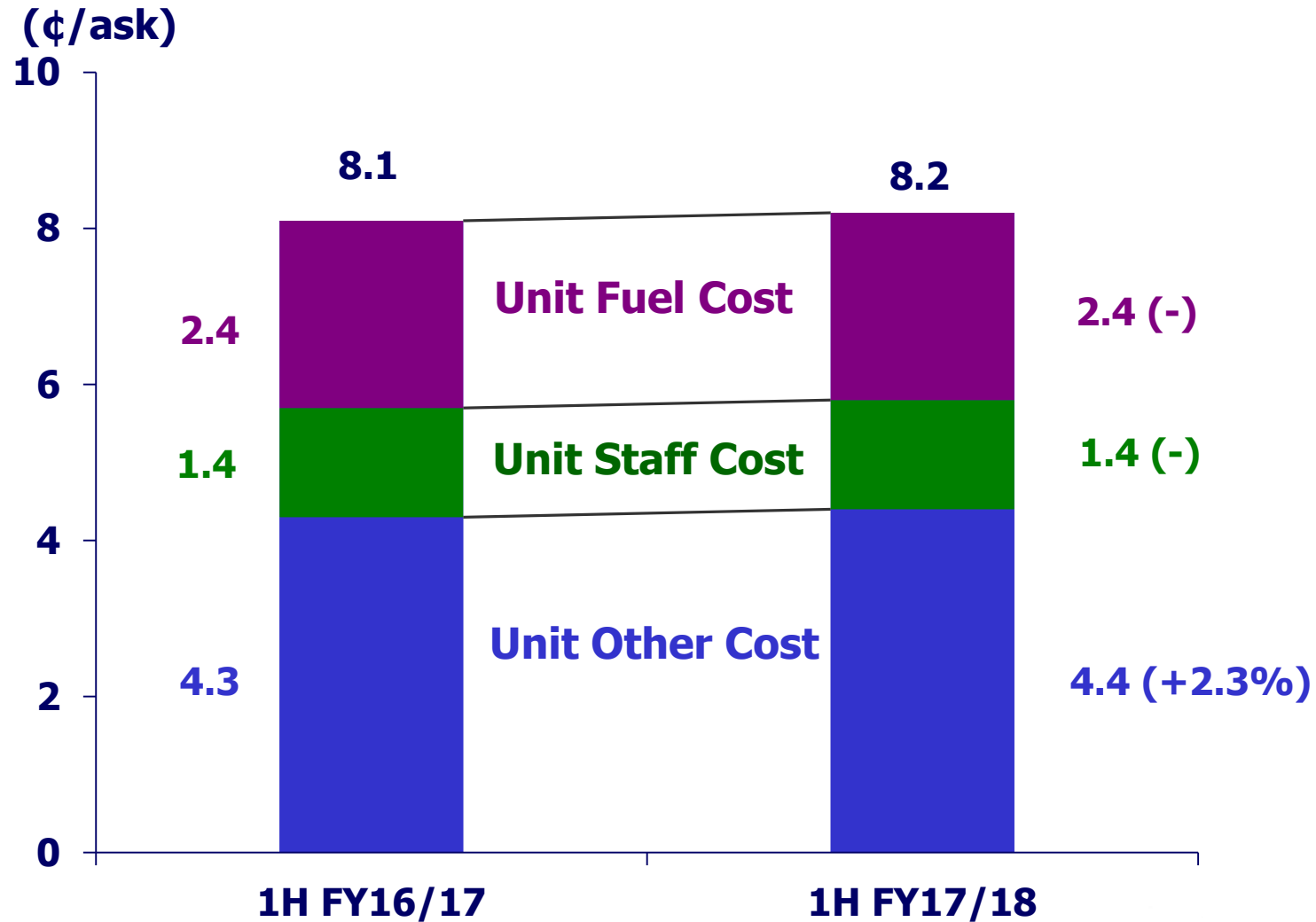
*Landing, Parking and Overflying

THE PARENT AIRLINE COMPANY FUEL EXPENDITURE



THE PARENT AIRLINE COMPANY

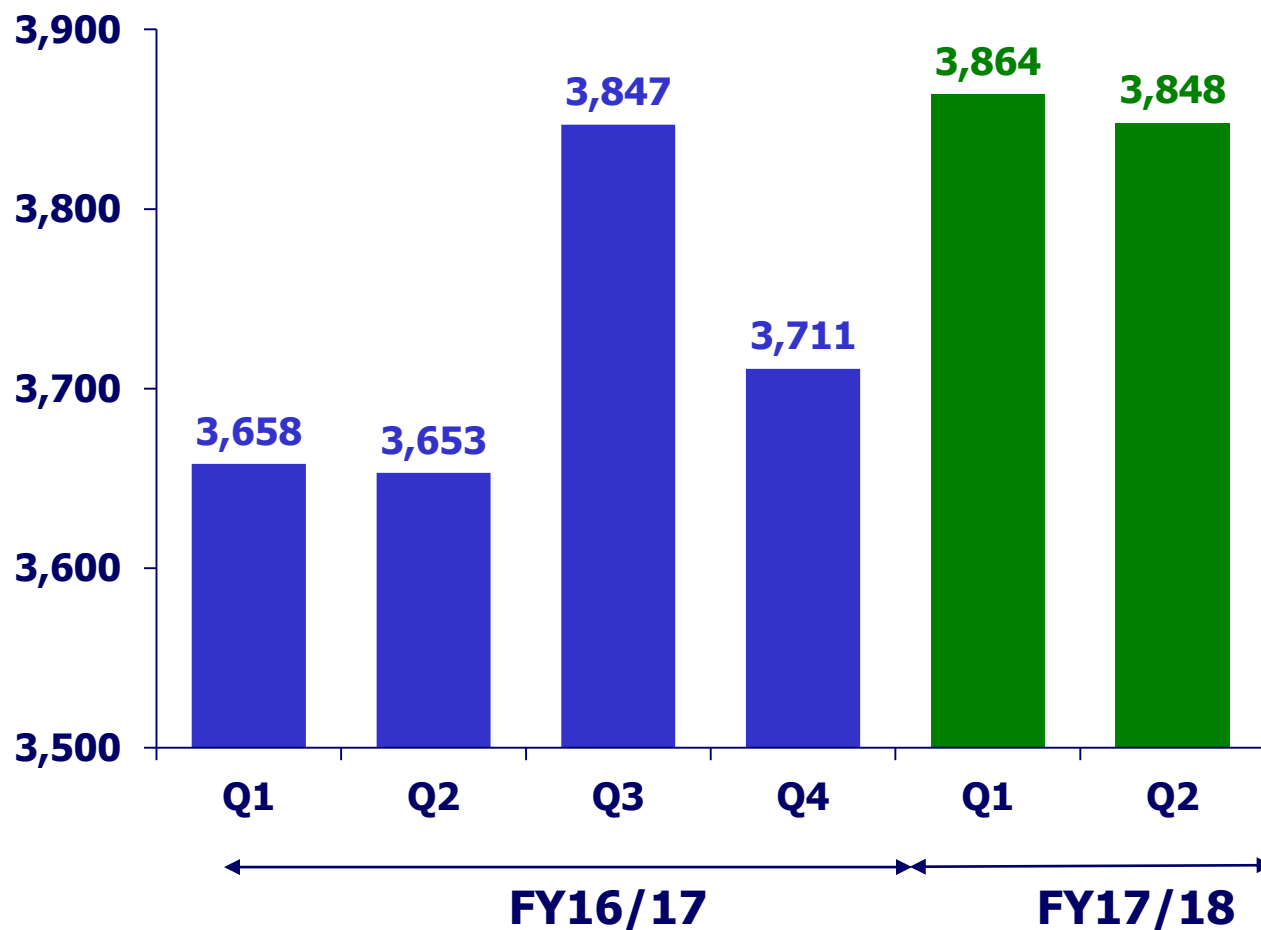
UNIT COST ANALYSIS



SIA GROUP Q2 AND 1H FY17/18 RESULTS

GROUP REVENUE

(\$ million)

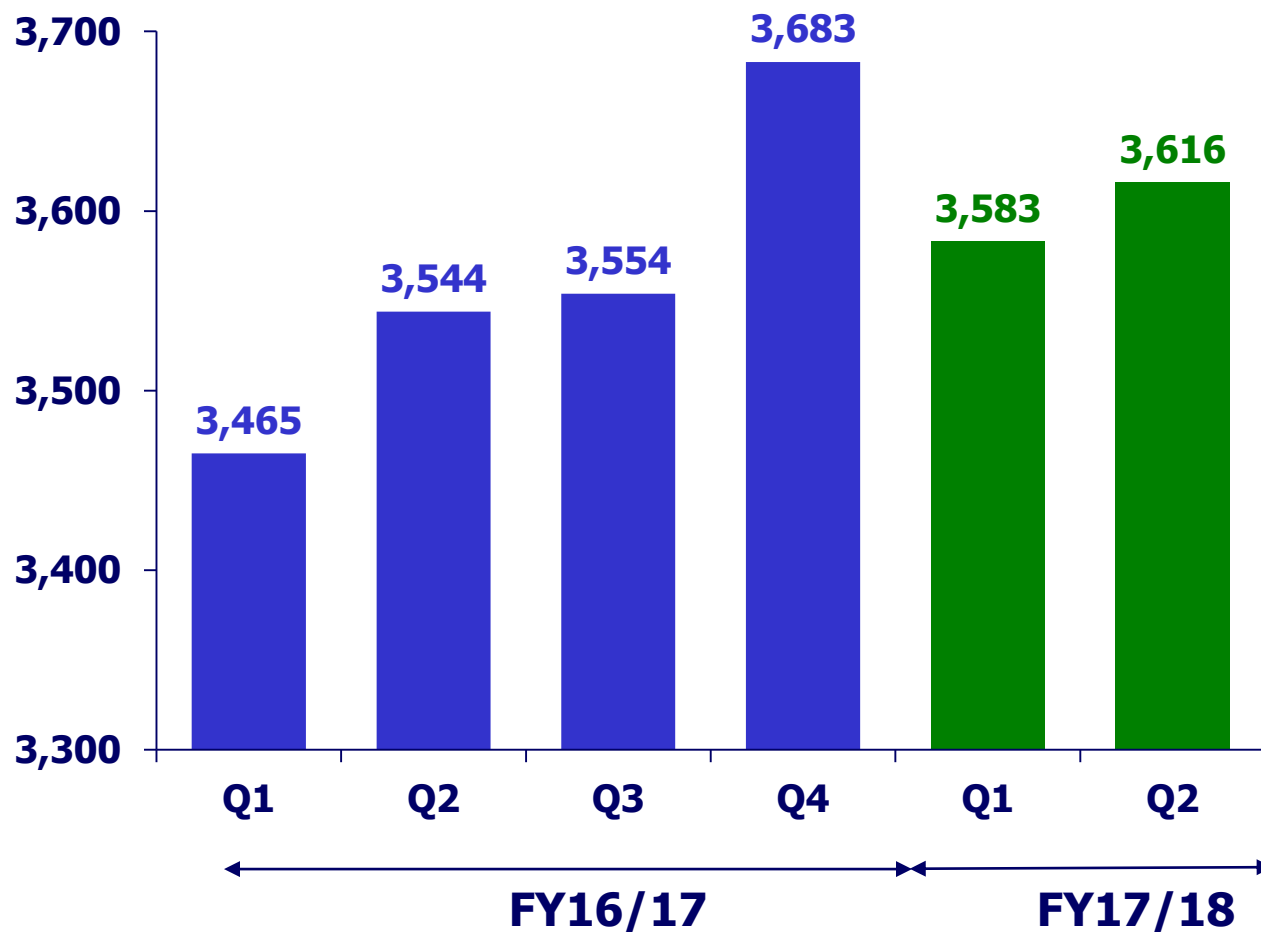


**1H 17/18
Revenue
\$7,712M**

Year-on-Year
↑ **\$401M
+5.5%**

GROUP EXPENDITURE

(\$ million)

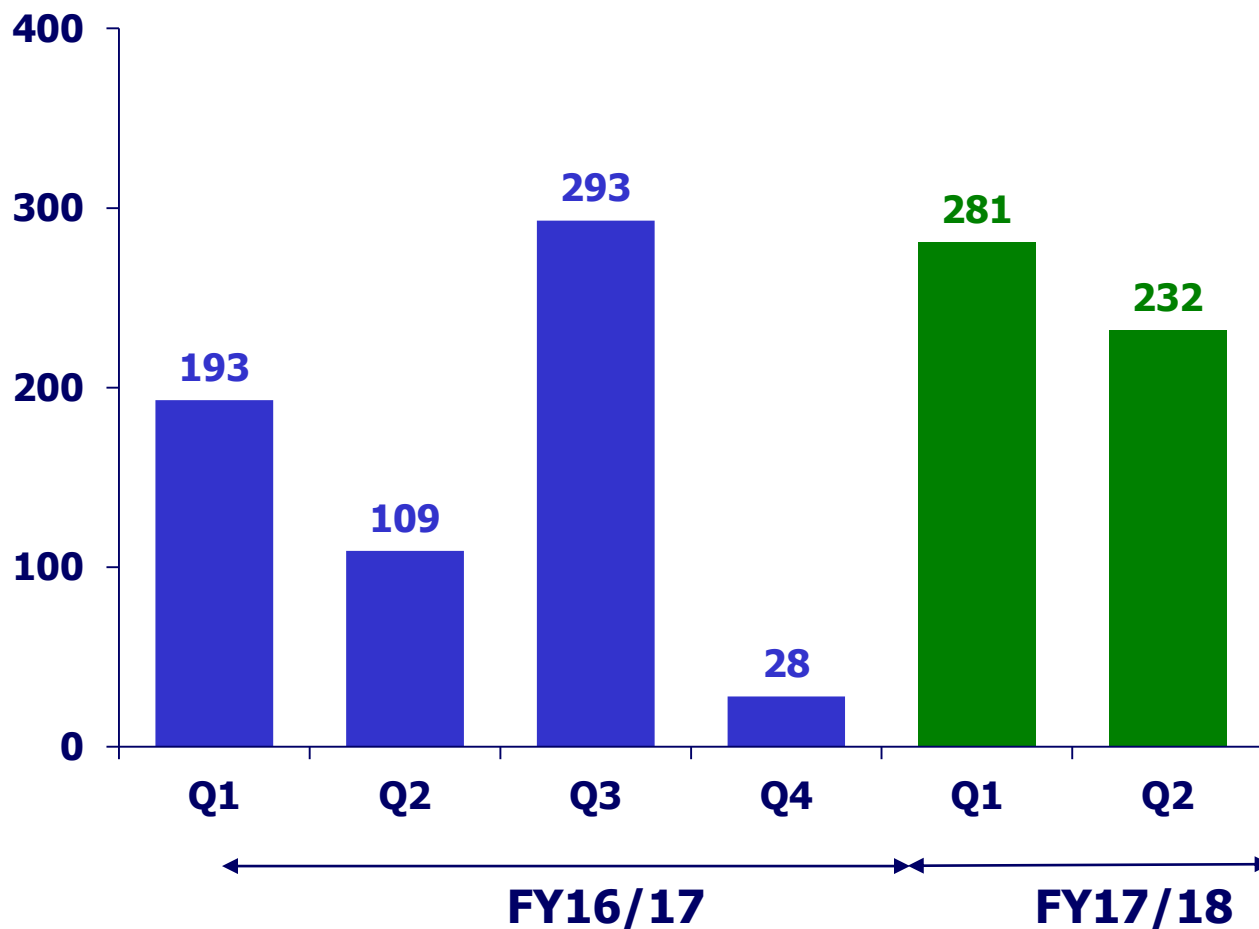


**1H 17/18
Expenditure
\$7,199M**

**Year-on-Year
↑ \$190M
+2.7%**

GROUP OPERATING PROFIT

(\$ million)



**1H 17/18
Op Profit
\$513M**

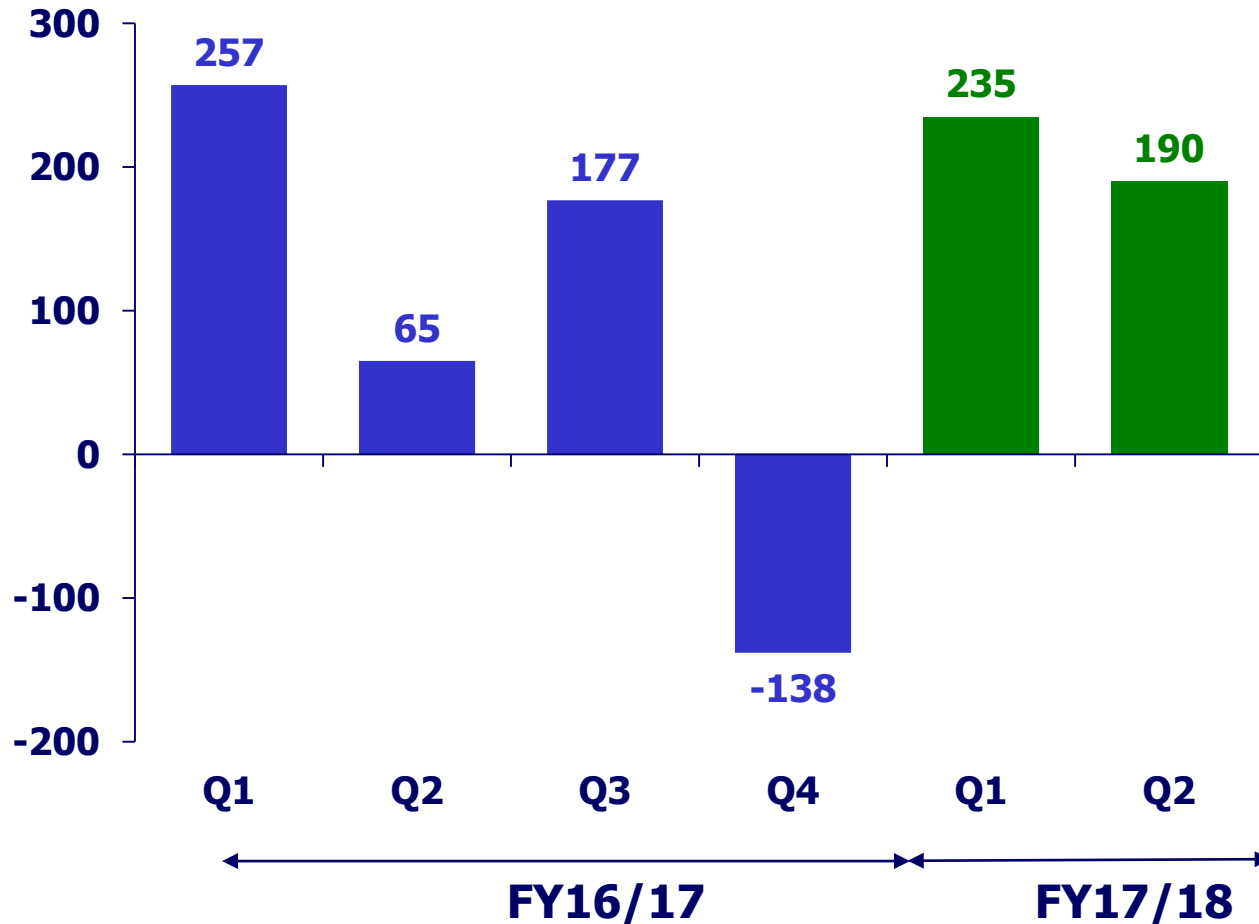
**Year-on-Year
↑ \$211M
+69.9%**

CONTRIBUTION TO GROUP OPERATING PROFIT

<u>(\$ million)</u>	<u>1H</u> <u>FY17/18</u>	<u>1H</u> <u>FY16/17</u>	<u>Change</u>	<u>% Change</u>
Singapore Airlines	411	276	135	48.9
SilkAir	21	44	(23)	- 52.3
Scoot	5	17	(12)	- 70.6
SIA Cargo	32	(45)	77	n.m.
SIAEC	38	23	15	65.2

GROUP PROFIT ATTRIBUTABLE TO OWNERS OF PARENT

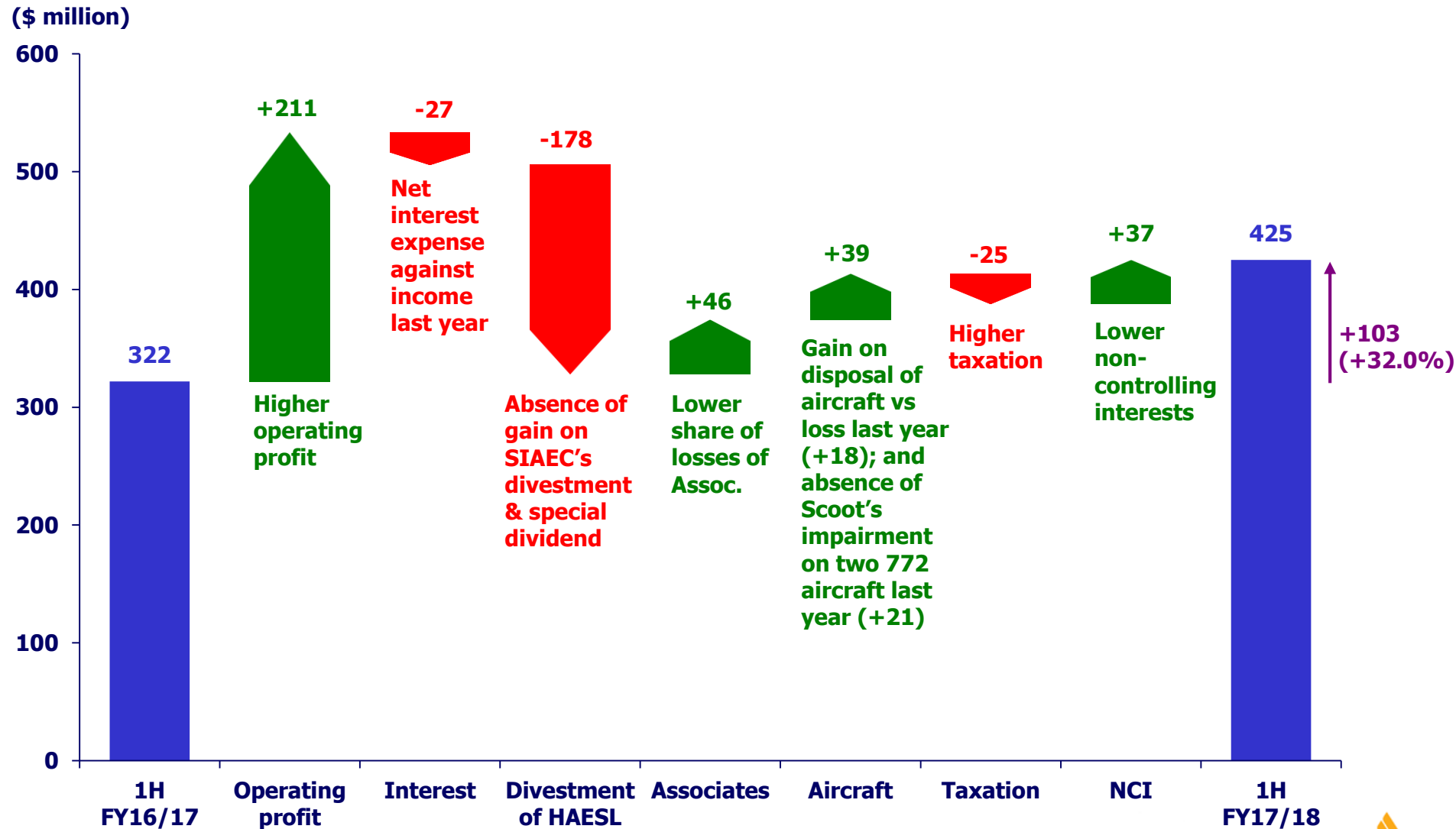
(\$ million)



**1H 17/18
Net Profit
\$425M**

**Year-on-Year
↑ \$103M
+32.0%**

GROUP PROFIT ATTRIBUTABLE TO OWNERS OF PARENT



PER SHARE DATA

	<u>1H FY17/18</u>	<u>1H FY16/17</u>
EBITDAR Per Share (\$)	1.53	1.43
Earnings Per Share (¢)	36.0	27.2
Interim Dividend Per Share (¢)	10.0	9.0
	<u>At 30 Sep'17</u>	<u>At 31 Mar'17</u>
Net Asset Value Per Share (\$)	11.39	11.07

FLEET DEVELOPMENT

	SIA	SilkAir	Scoot	SIA Cargo
Operating Fleet as at 30 September 2017	108	30	38	7
IN:				
A380-800	+2			
A350-900	+4			
737 MAX 8		+3		
787-8			+1	
A320			+3[^]	
OUT:				
A380-800	-3			
A330-300	-1			
777-200	-1			
777-200ER	-1			
A320			-1	
Operating Fleet as at 31 March 2018	108	33	41	7

[^] These were A320s subleased to IndiGo that will be returned to the operating fleet

GROUP CAPITAL EXPENDITURE

(\$'million)	<u>FY18/19</u>	<u>FY19/20</u>	<u>FY20/21</u>	<u>FY21/22</u>	<u>FY22/23</u>
Aircraft	5,600	5,900	5,800	5,200	4,400
Other Assets	400	300	300	300	300
Total	6,000	6,200	6,100	5,500	4,700

GROUP FUEL HEDGING POSITION

2H FY17/18	Jet Fuel	Brent
Percentage hedged (%)	29.5	11.7
Average hedged price (USD/BBL)	65	53

Maturities Up To FY22/23	Jet Fuel	Brent
Percentage hedged (%)	-	Up to 47%
Average hedged price (USD/BBL)	-	53-59

STRATEGIC DEVELOPMENTS

KEY STRATEGIES



Strengthening Premium Positioning



Portfolio



Multi-Hub



New Business Opportunities

STRENGTHENING PREMIUM POSITIONING



New A380 Cabin Products

- Launched 2 Nov 2017 with debut service to Sydney on 18 Dec 2017
- New industry leading cabin products, with enhanced KrisWorld experience

STRENGTHENING PREMIUM POSITIONING



777-9 & 787-10

- US\$13.8B order signed with Boeing for 20 777-9s and 19 787-10s
- Caters for additional growth and fleet modernisation through the next decade



A350-900ULR

- 2018 – Expansion of non-stop services to USA, including New York and Los Angeles



New Medium-Haul Cabin Products

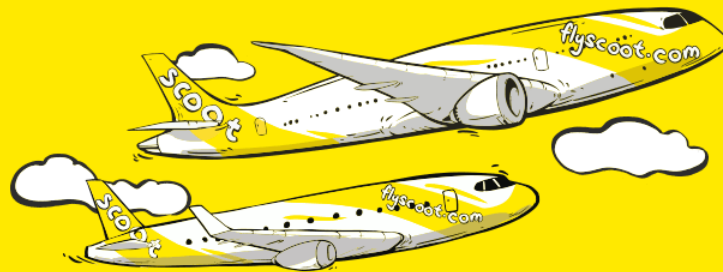
- 2018 – New medium-haul cabin on 787-10 & A350-900

PORTFOLIO



Completion of Scoot and Tigerair Integration

- Enhanced synergies with both LCCs under a single brand from 25 July 2017
- Enabled 6 new destinations to be launched or announced in FY17/18, including Honolulu and seasonal Harbin flights



SKY HIGH FUN JUST GOT HIGHER
SCOOT & TIGERAIR BECOME ONE

PORTFOLIO

NETWORK OPTIMISATION



PORTFOLIO



**The SIA Group serves 137 destinations
in 37 countries**

MULTI-HUB

- Investments in strategic markets
- Complements and strengthens Singapore hub through synergies



- 21 destinations and 16 A320s (6 A320s on order)
- Strategically placed to tap into the large and growing Indian market
- Preparing to launch international operations from 2H 2018



- 7 destinations and 4 B777-200s
- Positioned to leverage on strong leisure travel market
- Network to expand following recent ICAO safety upgrade of Thai aviation sector

NEW REVENUE & BUSINESS OPPORTUNITIES



SIA-CAE Flight Training Centre

- Equally-owned JV for pilot training in Singapore
- Operations expected to commence from end of FY17/18
- Provides full range of initial type rating and recurrent training programmes for Boeing 737 MAX, 747, 777 and 787 aircraft types

TRANSFORMATION

POSITIONING SIA FOR GROWTH

- Grow revenue
- Re-base our cost structure
- Enhance organisational effectiveness

- Three year programme
- SVPs leading and committed to deliver on respective plans
- 12 work stream coordinators
- Over 200 staff involved thus far

POSITIONING SIA FOR GROWTH

- Over 60 initiatives under implementation, cutting across the business:
 - Group-wide network review
 - New revenue management system
 - Leveraging data to optimise fuel uplift
 - Set up of new Customer Experience Division for greater focus on customer journey
 - Upskilling staff through roll-out of new digital training curriculum
 - New crew apps to enhance efficiency
 - Engaging strategic partners differently...and many more!



THANK YOU