



# 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

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### **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**

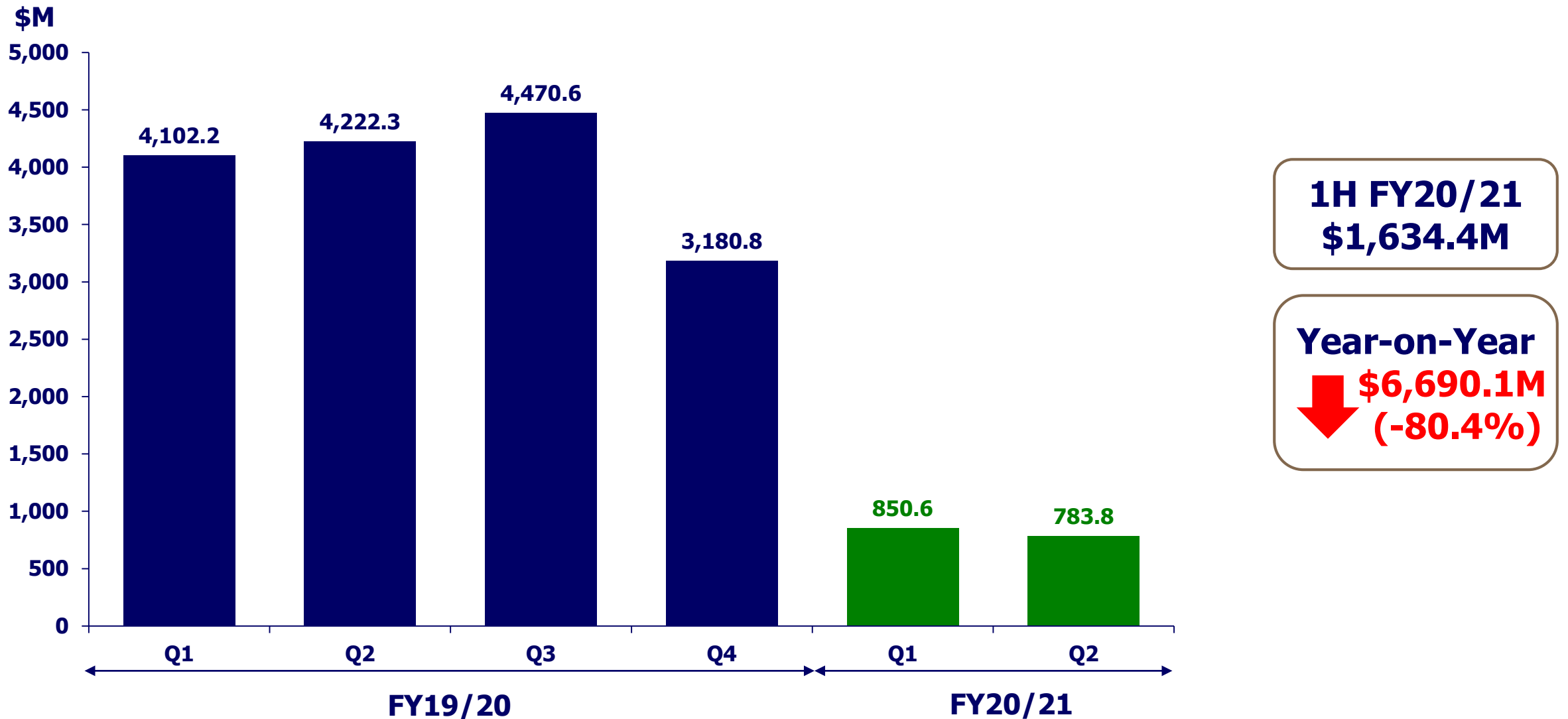
# Group Financial Results

## 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) (%)
<b>Total Revenue</b>	<b>1,634.4</b>	<b>8,324.5</b>	<b>(80.4)</b>	<b>783.8</b>	<b>4,222.3</b>	<b>(81.4)</b>
<b>Total Expenditure</b>	<b>3,497.3</b>	<b>7,911.4</b>	<b>55.8</b>	<b>1,609.9</b>	<b>4,009.2</b>	<b>59.8</b>
-- 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
<b>Operating (Loss)/Profit</b>	<b>(1,862.9)</b>	<b>413.1</b>	<i>n.m.</i>	<b>(826.1)</b>	<b>213.1</b>	<i>n.m.</i>
<b>Operating (Loss)/Profit Margin (%)</b>	<b>(114.0)</b>	<b>5.0</b>	<b>(119.0) pts</b>	<b>(105.4)</b>	<b>5.0</b>	<b>(110.4) pts</b>
<b>Group (Loss)/Profit Attributable to Owners of the Parent</b>	<b>(3,467.0)</b>	<b>205.6</b>	<i>n.m.</i>	<b>(2,343.7)</b>	<b>94.5</b>	<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>

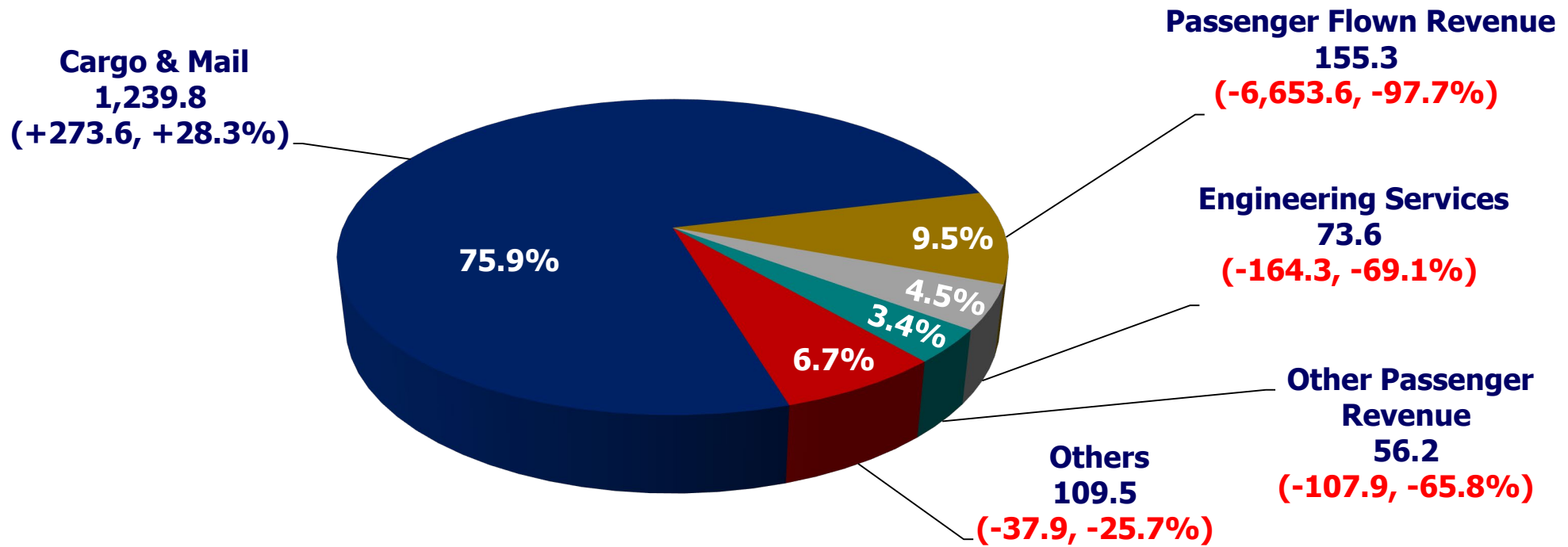
# Group Revenue 1H & Q2 FY20/21

Restrictions on international travel continued to severely impact passenger flown revenue



# Group Revenue Breakdown 1H FY20/21

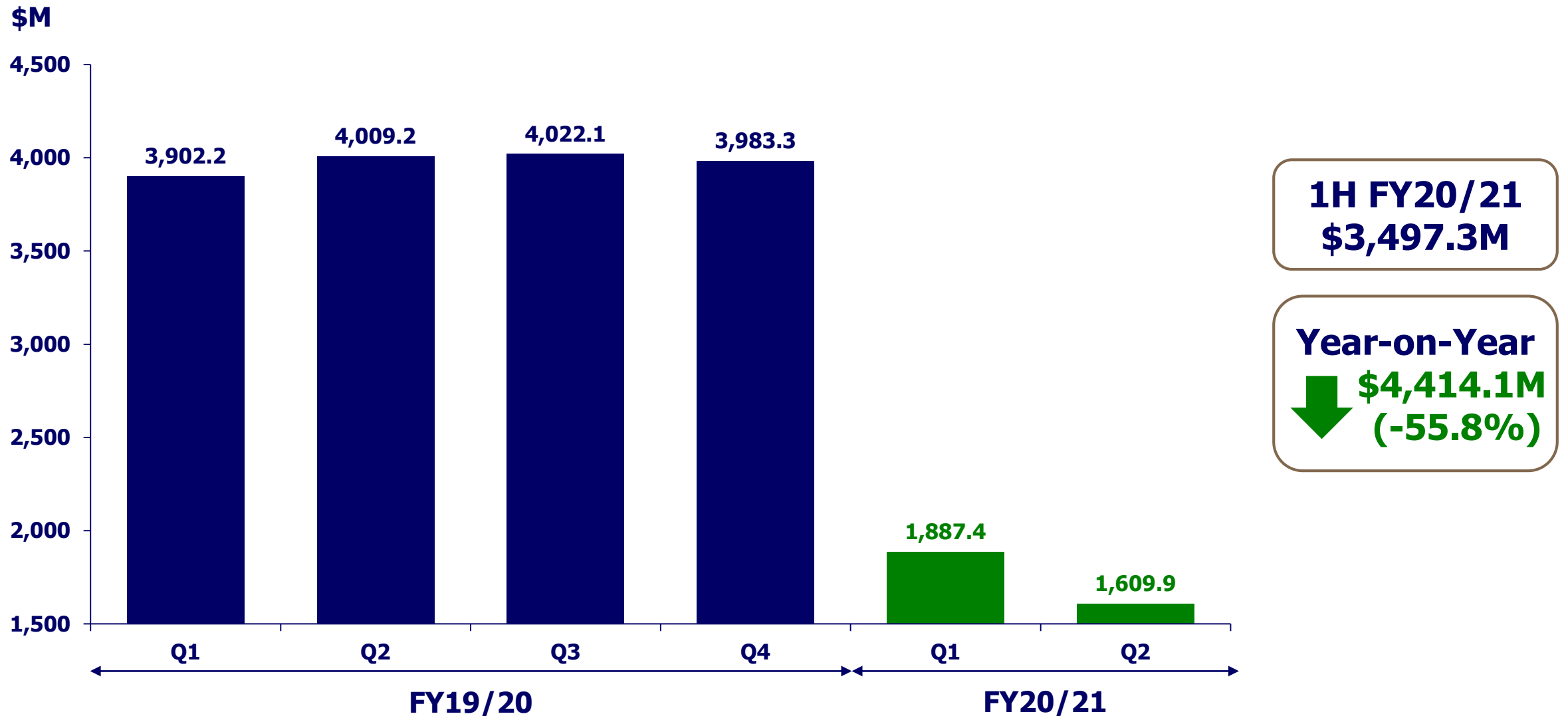
Decline in Group revenue partially offset by stronger cargo flown revenue



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 (%)
<b>SIA (Pax)</b>	-5,371.1	-67.1	+72.0	-98.6	-92.9
<b>SilkAir</b>	-474.0	+7.3	+133.7	-99.6	-99.0
<b>Scoot</b>	-814.3	-10.6	n.m.	-99.6	-97.0
<b>SIA (Cargo)</b>	+273.6	n.a.	+136.5	-45.8	-61.1

# Group Expenditure 1H & Q2 FY20/21

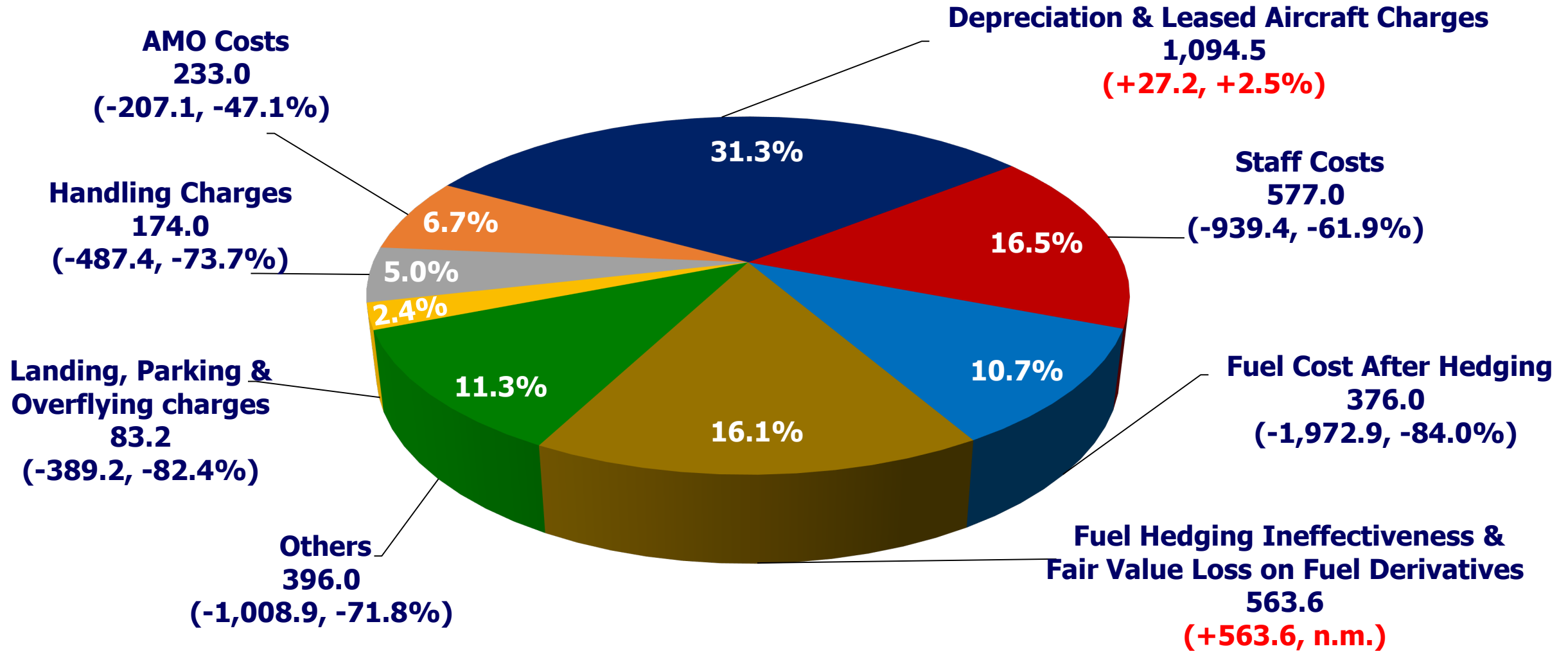
Group expenditure continued to decline due to cost-saving initiatives and government support schemes





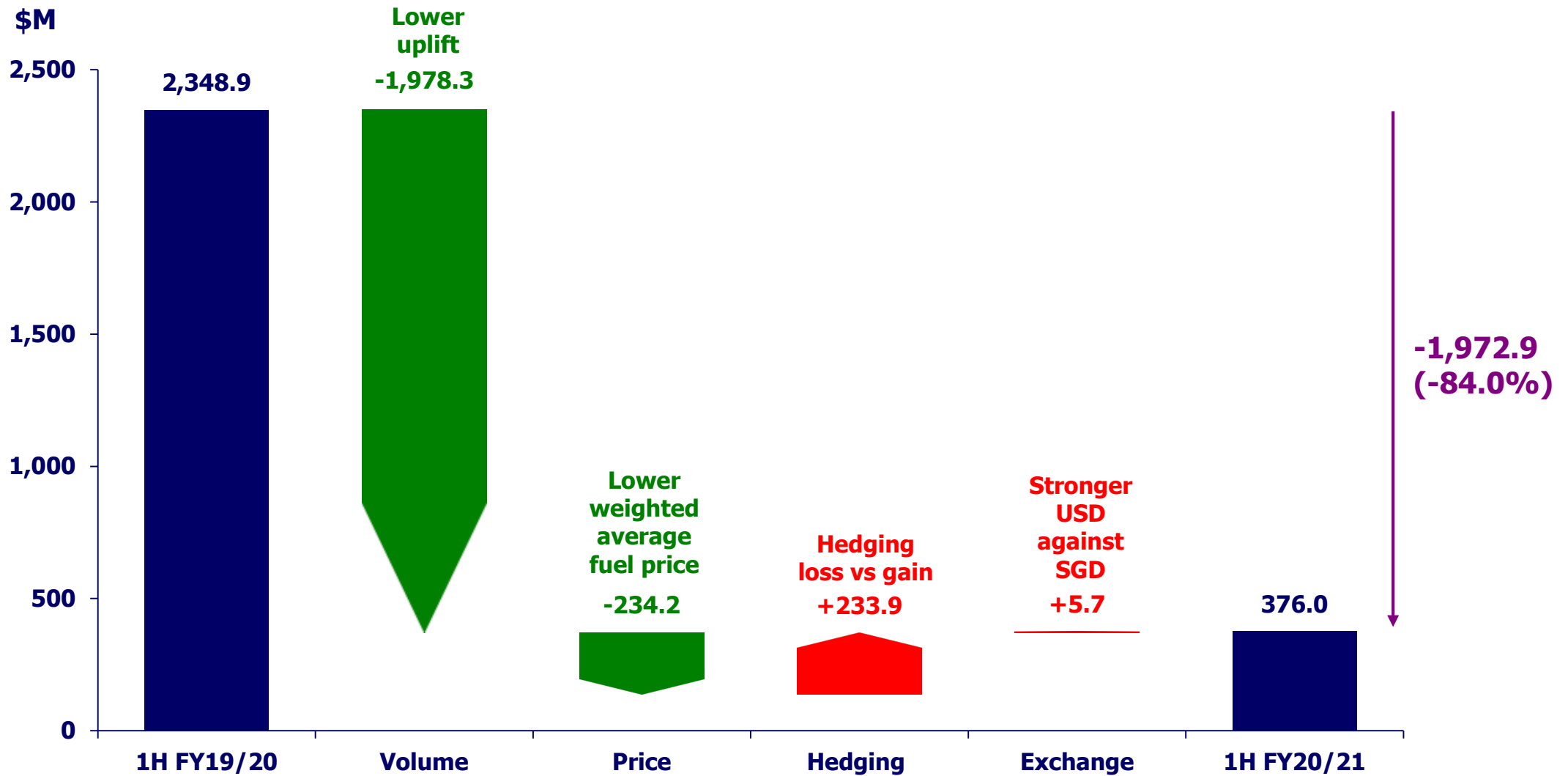
# Group Expenditure Breakdown 1H FY20/21

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



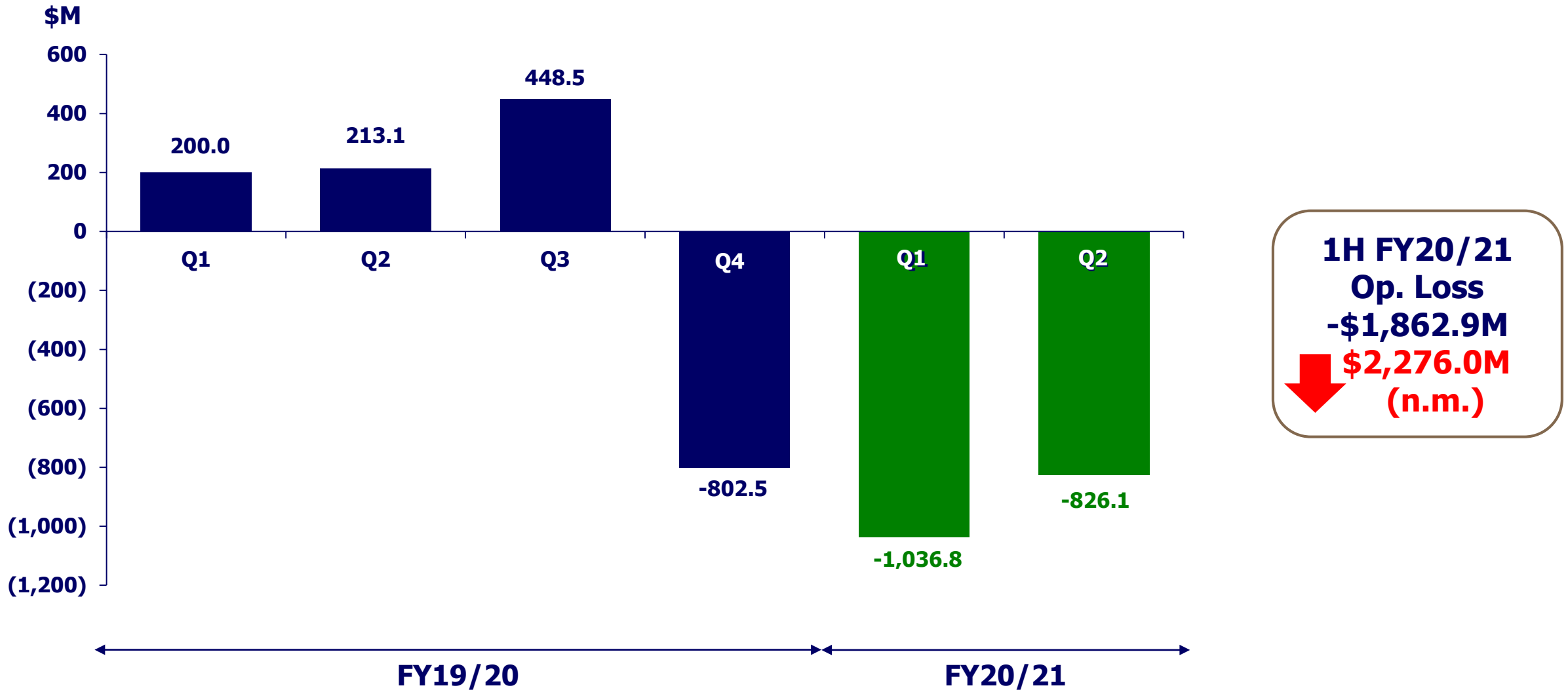
# Group Expenditure – Fuel Cost 1H FY20/21

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



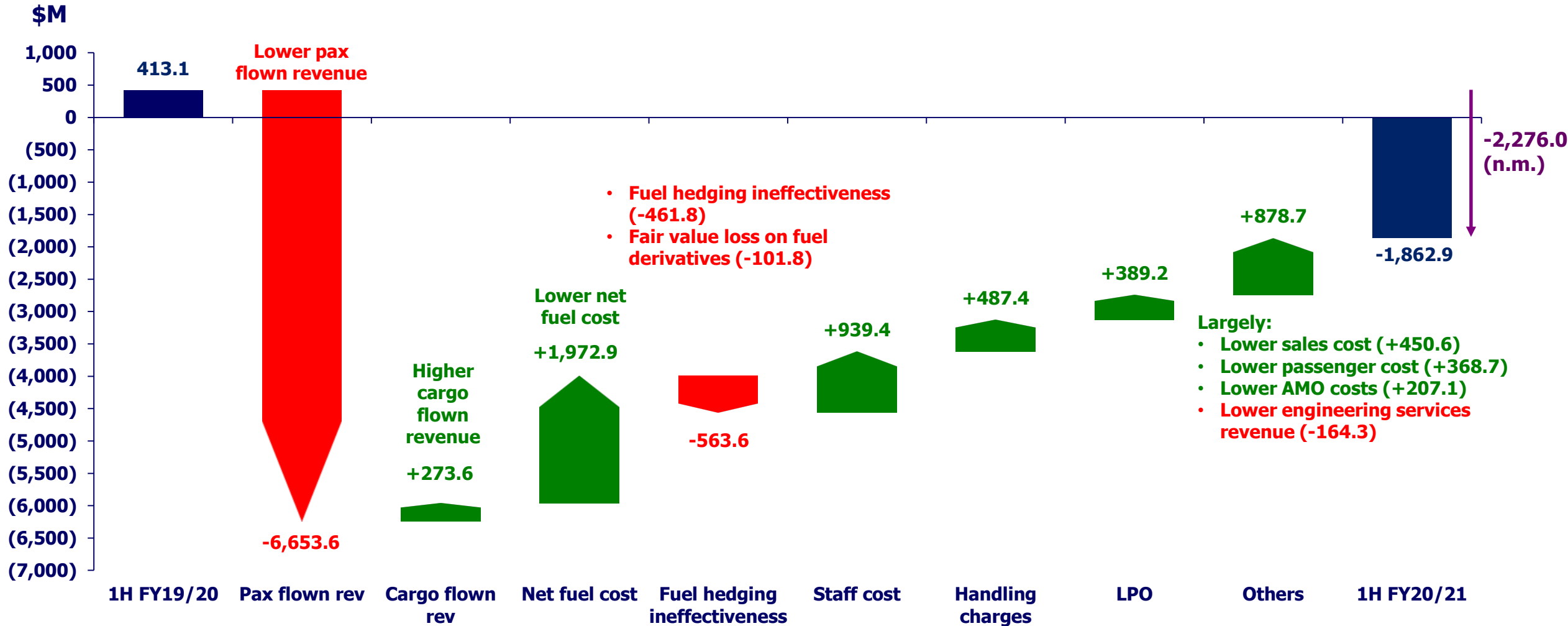
# Group Operating Performance 1H & Q2 FY20/21

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

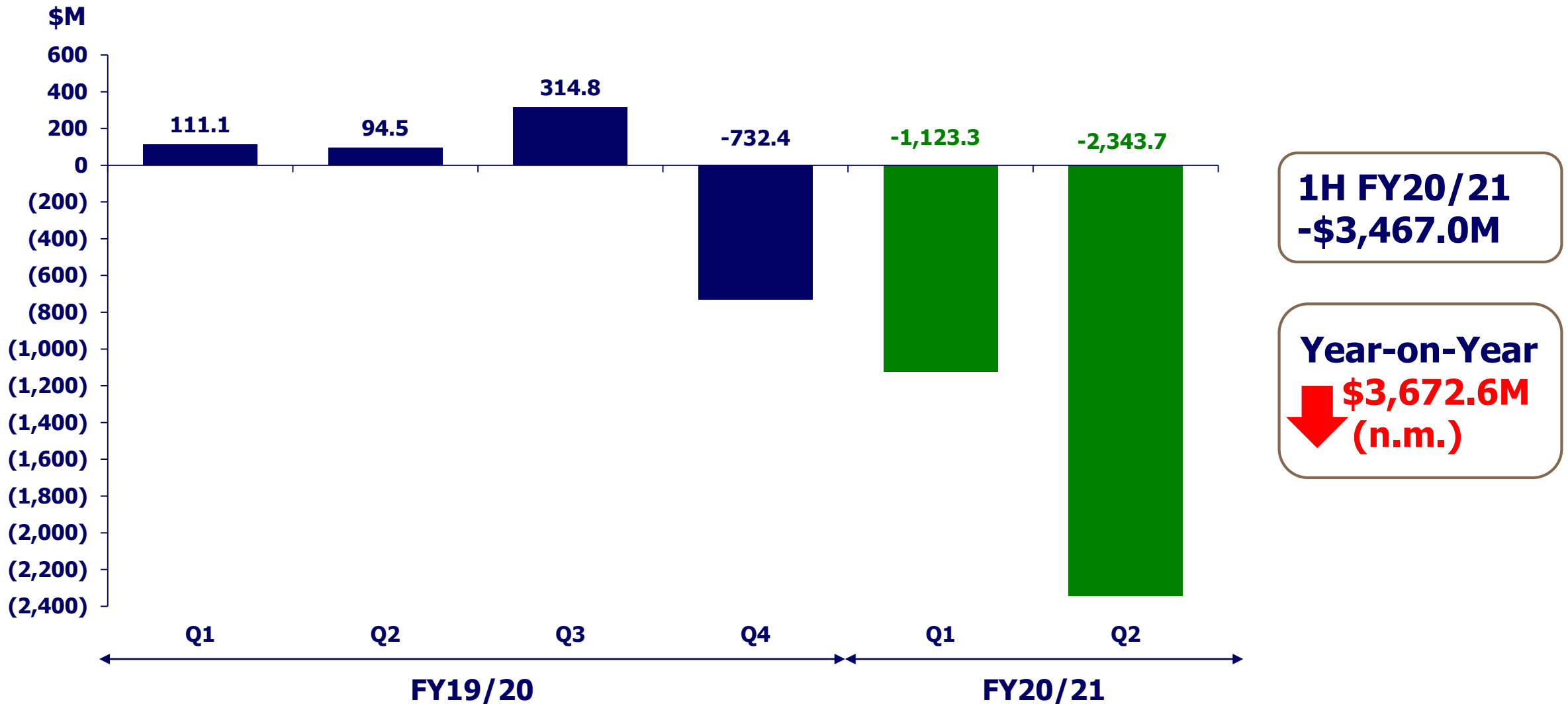


## Operating Results for the Main Companies in the Group 1H FY20/21

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

# Group Loss 1H & Q2 FY20/21

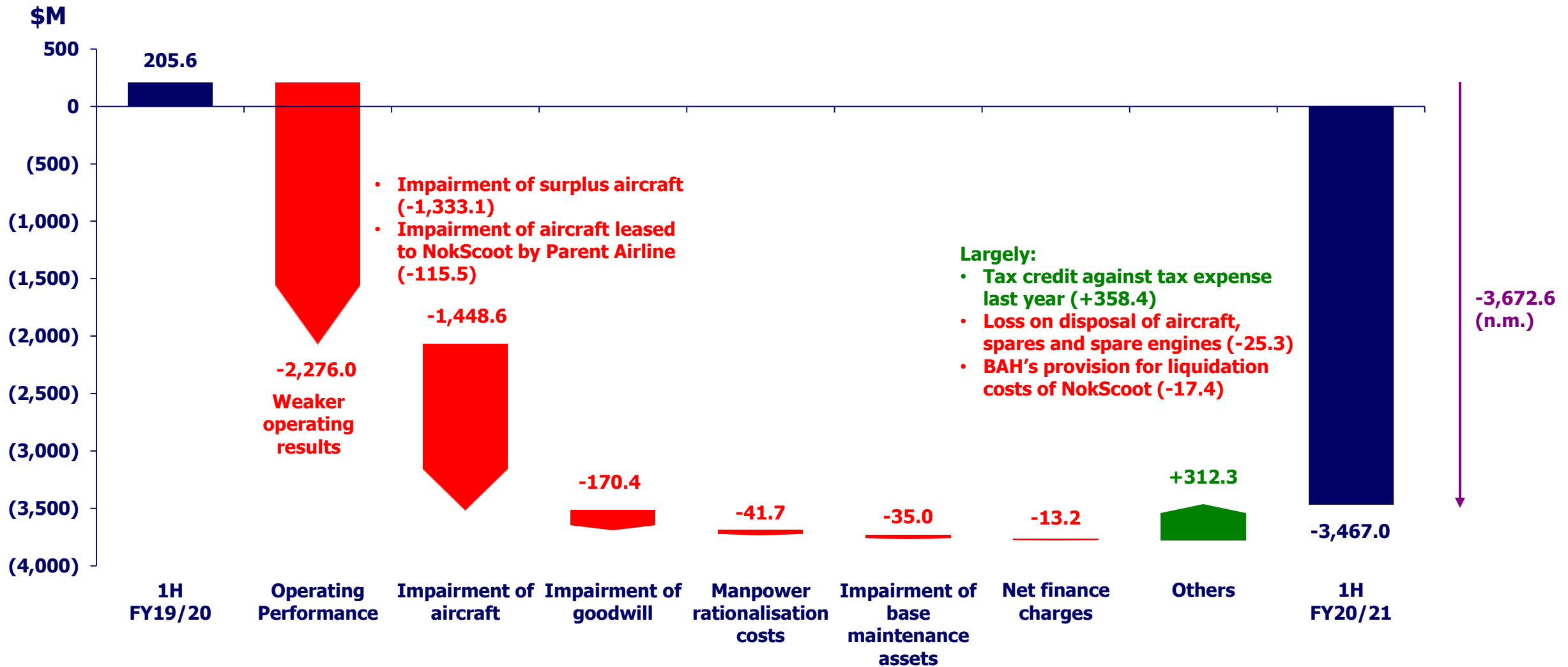
Net loss in first half largely due to weaker operating performance and impairment charges





# 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
<b>EBITDA per share<sup>(1)</sup> (\$)</b>	<b>(0.81)</b>	<b>1.21</b>
<b>Basic (Loss)/Earnings per share<sup>(2)</sup> (¢)</b>	<b>(111.0)</b>	<b>10.9</b>
<b>Adjusted Basic (Loss)/Earnings per share<sup>(3)</sup> (¢)</b>	<b>(150.5)</b>	<b>17.4</b>

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

(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.

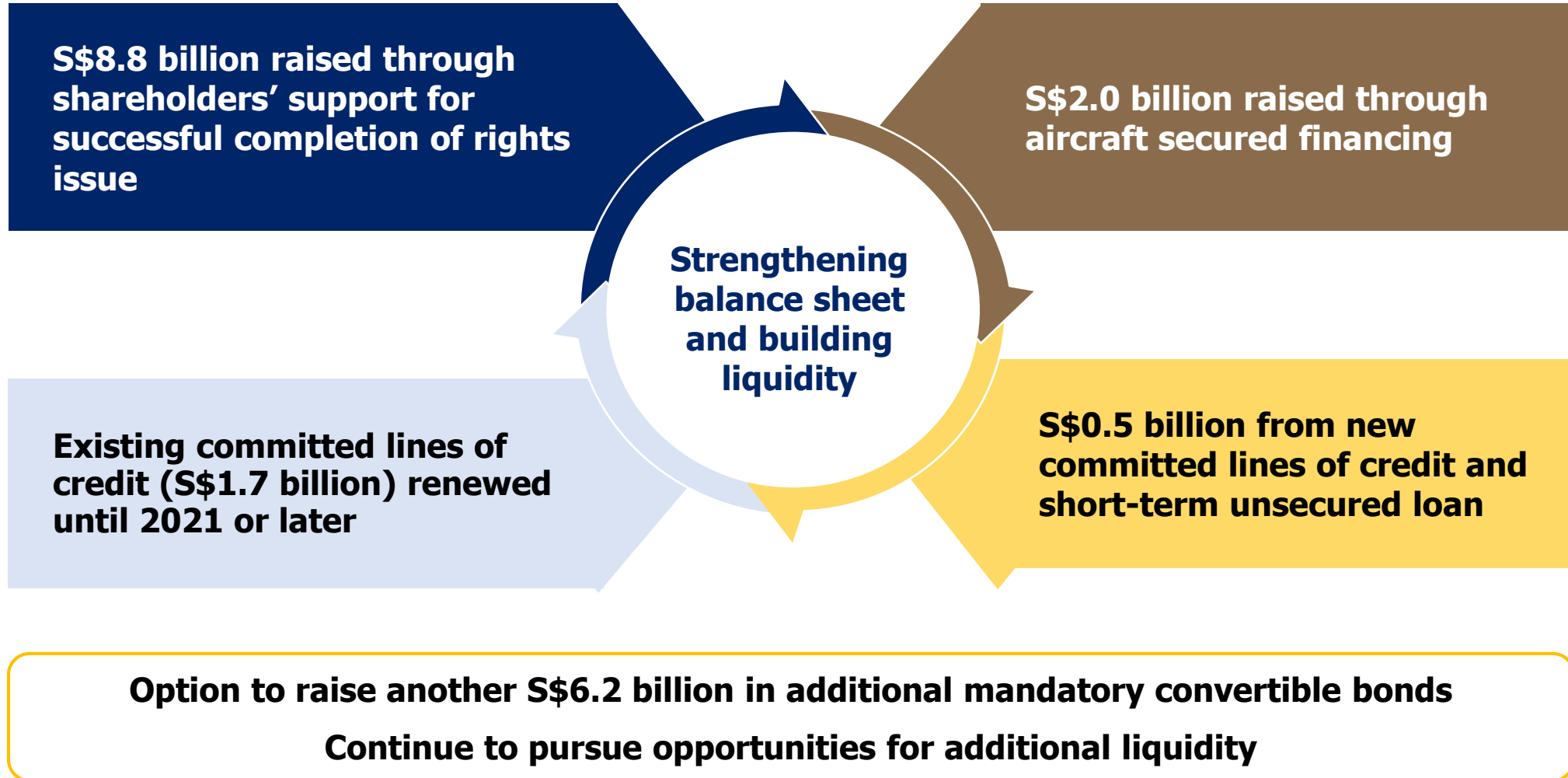
PRESENTATION BY:

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



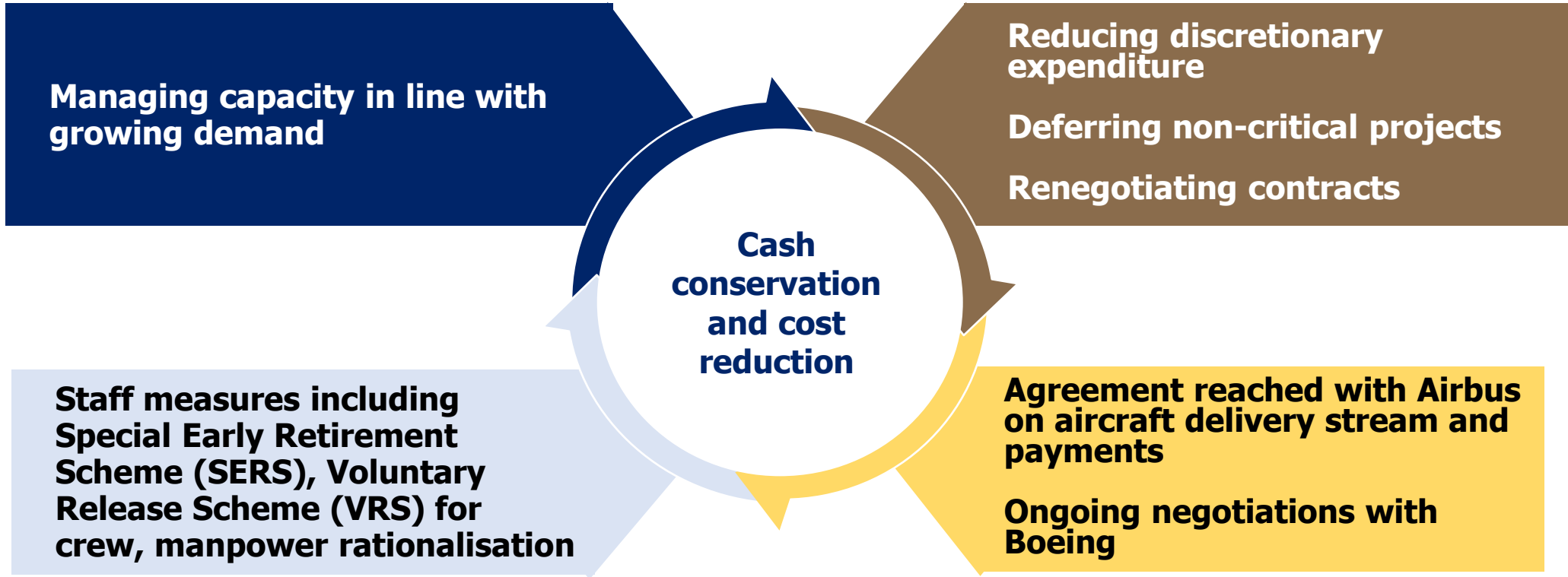
# Strengthening the Group's Foundation

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



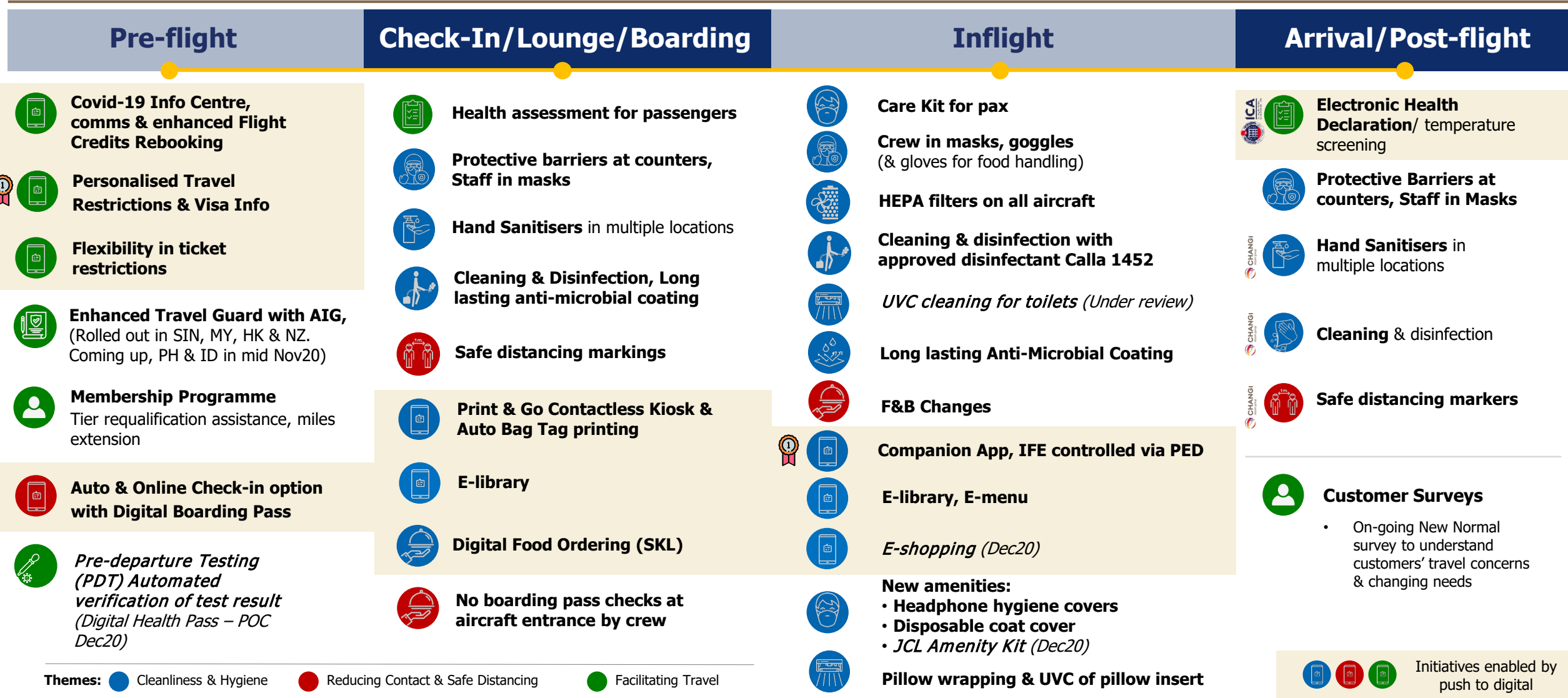




# Stepping Up Operations

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## Health Safety Measures across End-to-End Customer Journey



# Stepping Up Operations

## Covid-19 Air Travel Schemes

### Reciprocal Green Lanes for essential travel

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China  
Malaysia  
Brunei  
Korea  
Japan  
Indonesia

### Unilateral border opening for non-essential travel

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China  
Australia  
Vietnam  
New Zealand  
Brunei

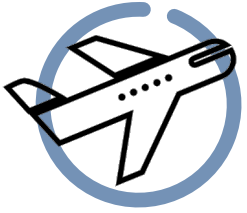
### Air Travel Bubble

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Hong Kong

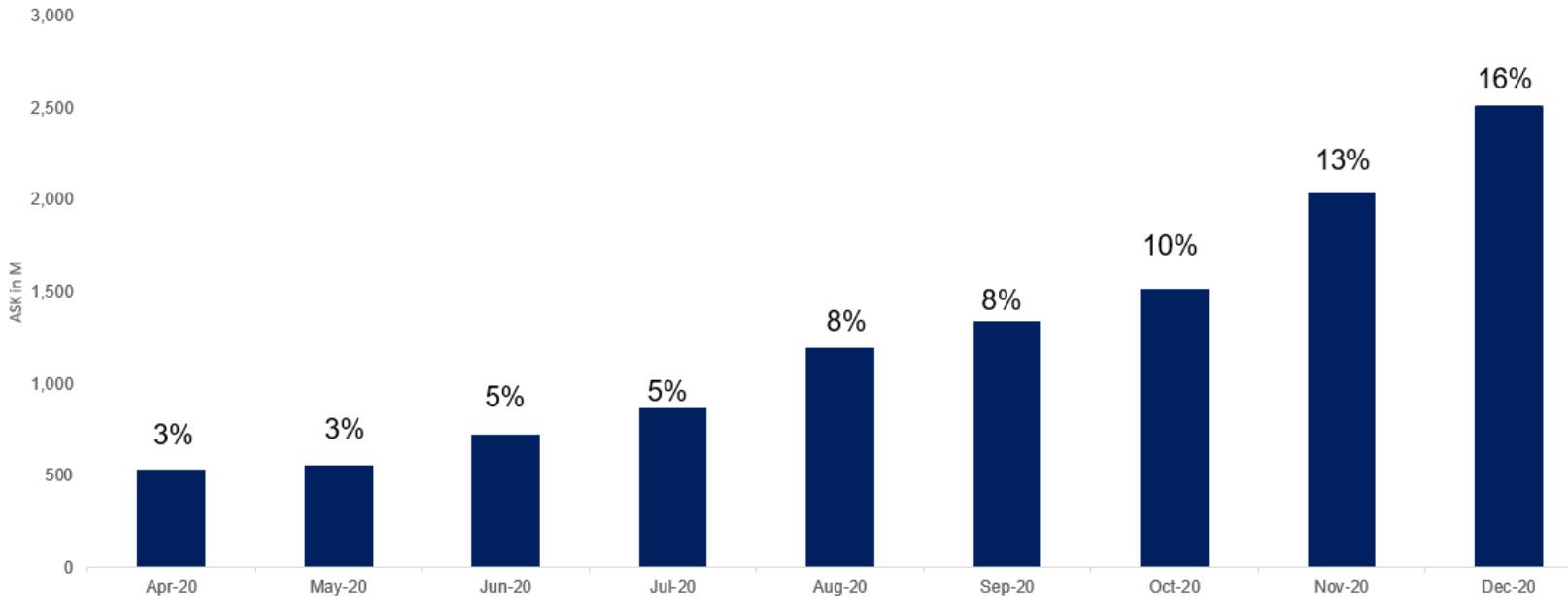
# Stepping Up Operations

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



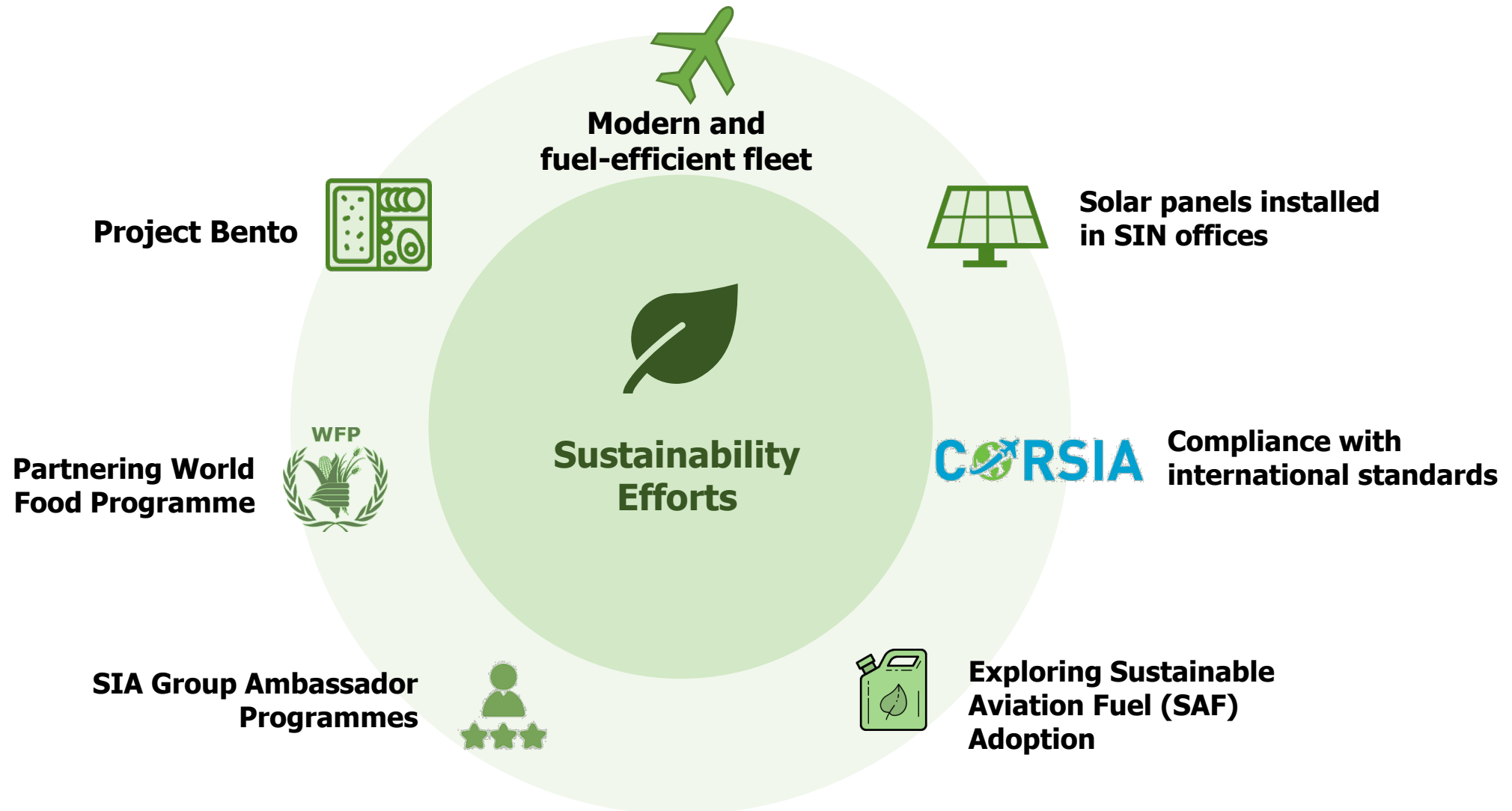




# Emerging Stronger and Fitter

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Continuing our Sustainability Journey



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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



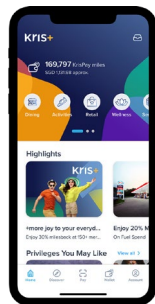
# Emerging Stronger and Fitter

## New Revenue Streams that Leverage on Brand, Data and Competencies



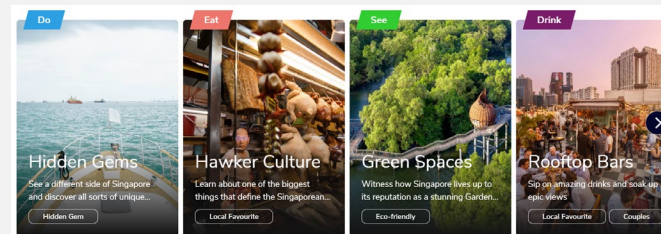
### SIA's Lifestyle Ecosystem

- 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](http://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](http://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

