


MARCH 2020 OPERATING RESULTS

The operating results for March 2020 are given in the table below.

How Singapore Airlines performed in March 2020 			
	2020	2019	Change
SINGAPORE AIRLINES (PASSENGER)			
Capacity (M seat-km)	6,719.6	10,794.7	-37.8 %
Passenger-km (M)	3,739.9	8,742.1	-57.2 %
Passengers carried ('000)	665	1,794	-62.9 %
Passenger load factor (%)	55.7	81.0	-25.3 pts
<u>Load Factor by Route Region (%)</u>			
East Asia	39.5	82.7	-43.2 pts
Americas	52.7	78.8	-26.1 pts
Europe	60.0	80.4	-20.4 pts
South West Pacific	65.4	79.6	-14.2 pts
West Asia and Africa	57.5	84.3	-26.8 pts
SILKAIR (PASSENGER)			
Capacity (M seat-km)	399.2	962.1	-58.5 %
Passenger-km (M)	209.2	725.0	-71.1 %
Passengers carried ('000)	113	403	-72.0 %
Passenger load factor (%)	52.4	75.4	-23.0 pts
<u>Load Factor by Route Region (%)</u>			
East Asia and Pacific	49.9	74.7	-24.8 pts
West Asia	57.3	77.1	-19.8 pts
SCOOT (PASSENGER)			
Capacity (M seat-km)	1,153.9	2,960.8	-61.0 %
Passenger-km (M)	801.9	2,531.7	-68.3 %
Passengers carried ('000)	318	914	-65.2 %
Passenger load factor (%)	69.5	85.5	-16.0 pts
<u>Load Factor by Route Region (%)</u>			
East Asia	66.5	85.5	-19.0 pts
West Asia	69.7	88.3	-18.6 pts
Rest of World	74.4	84.0	-9.6 pts
SINGAPORE AIRLINES (CARGO)			
Capacity (M tonne-km)	645.8	989.6	-34.7 %
Freight tonne-km (M)	440.3	618.2	-28.8 %
Freight carried (M kg)	80.9	114.3	-29.2 %
Cargo load factor (%)	68.2	62.5	5.7 pts
<u>Load Factor by Route Region (%)</u>			
East Asia	72.1	56.0	16.1 pts
Americas	70.6	61.3	9.3 pts
Europe	71.7	73.9	-2.2 pts
South West Pacific	59.8	55.7	4.1 pts
West Asia and Africa	66.8	72.4	-5.6 pts
GROUP AIRLINES (PASSENGER)			
Capacity (M seat-km)	8,272.7	14,717.6	-43.8 %
Passenger-km (M)	4,751.0	11,998.8	-60.4 %
Passengers carried ('000)	1,096	3,111	-64.8 %
Passenger load factor (%)	57.4	81.5	-24.1 pts

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In March 2020, the SIA Group's airlines recorded a 60.4% decline in passenger carriage (measured in revenue passenger-kilometres) as overall travel demand was severely impacted by the Covid-19 outbreak and travel restrictions imposed by governments. Capacity cuts in March resulted in an overall reduction of 43.8% (measured in available seat kilometres) during the month, leading to a 24.1 percentage point reduction in passenger load factor (PLF) to 57.4%.

Singapore Airlines' passenger carriage declined by 57.2% compared to a year before, against a 37.8% cut in capacity. Consequently, PLF decreased by 25.3 percentage points to 55.7% and fell across all route regions, with North Asia especially affected.

SilkAir's passenger carriage decreased by 71.1% against a 58.5% cut in capacity. This led to a 23.0 percentage point decline in PLF to 52.4%.

Scoot's passenger carriage declined 68.3% against a contraction in capacity of 61.0%, which led to a 16.0 percentage point decrease in PLF to 69.5%.

Cargo load factor (CLF) was 5.7 percentage points higher as the capacity contraction of 34.7% outpaced the 28.8% decline in cargo traffic (measured in freight tonne-kilometres). The East Asia, Americas and South West Pacific regions registered improvements in CLF.

TRADING UPDATE

In the fourth quarter of the financial year 2019-20, the SIA Group confronted the greatest challenge in its history due to the global Covid-19 outbreak, which had an unprecedented impact on its business. Since February 2020, the Group has progressively announced flight cuts across its network as it adjusted capacity to match falling demand for air travel.

Market conditions deteriorated rapidly in March 2020 as the Covid-19 outbreak progressively spread across Europe, North America and beyond, and as border controls and travel restrictions became widespread across the globe.

From 24 March 2020 all short-term visitors were not allowed to enter or transit through Singapore. Capacity was further rationalized in response. By the end of March 2020, SIA had announced a 96% cut in SIA and SilkAir's combined capacity, while Scoot had also suspended 98% of its network, in both cases compared to their original schedules to end April 2020. Out of the SIA Group's fleet of approximately 200 aircraft, only about 10 were in operation to serve a limited passenger network.¹ Looking forward, the Group may need to extend these capacity cuts if border controls and travel restrictions remain in place and travel demand continues to be low. Operating this limited schedule will have a severe impact on the Group's financial performance.

¹ Clarification note: A total of 138 aircraft in SIA and SilkAir's fleet has been grounded, rather than 128 aircraft as stated in Paragraph 3.1 of the Circular to Shareholders dated 15 April 2020 relating to the proposed rights issue.

On the cargo front, demand has held up and our freighter aircraft operate as planned. The reduction in passenger operations has, however, significantly reduced overall cargo capacity. As a result, SIA has also been selectively deploying passenger aircraft on cargo-only flights to meet the demand from global supply chains.

The collapse in passenger traffic has had a severe impact on the SIA Group's revenues. While the capacity cuts and other cost management measures that SIA has implemented have helped to reduce expenditure, many costs are unavoidable regardless of the number of flights mounted. That means these measures will not fully offset the contraction in passenger revenue.

In addition, the scale of the flight cuts means that the SIA Group is now in an over-hedged position with respect to fuel consumption. Surplus hedges will need to be marked to market as at 31 March 2020, a date on which the Brent oil price was close to its 10-year low, and are expected to generate substantial losses.

Overall, the global Covid-19 outbreak is expected to have a material impact on the SIA Group's financial performance in the fourth quarter of the financial year 2019-20.