

Singapore

ADD (no change)

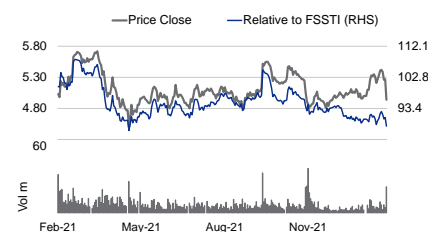
Consensus ratings*: Buy 1 Hold 7 Sell 4

Current price:	S\$4.94
Target price:	S\$5.88 ▲
Previous target:	S\$5.86
Up/downside:	19.1%
CGS-CIMB / Consensus:	23.9%
Reuters:	SIAL.SI
Bloomberg:	SIA SP
Market cap:	US\$10,828m
	S\$14,659m
Average daily turnover:	US\$23.11m
	S\$31.37m
Current shares o/s:	1,682m
Free float:	40.0%

*Source: Bloomberg

Key changes in this note

- FY22F core loss per share narrowed 10% on account of stronger-than-expected cargo yields and higher-than-expected passenger demand, partially offset by higher jet fuel prices.
- FY23F core loss per share widened 61% (from a small base) due to higher jet fuel price assumptions.
- FY24F core EPS per share increased 35% (from a small base) as we pencil in higher passenger demand.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-2.6	-6.3	5.3
Relative (%)	-2.4	-7.8	-6.7

Major shareholders	% held
Temasek	55.7

Analyst(s)



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Singapore Airlines

Share price weakness – chance to Add?

- 9MFY22 core net loss of S\$837m made up 65% of our full-year loss forecast, above expectations due to stronger-than-expected cargo profits.
- Strong oil prices have dampened investor enthusiasm for SIA, but oil price strength may be transitory, and borders may reopen convincingly by mid-22F.
- Reiterate Add with a slightly higher TP of S\$5.88, still based on FY23F P/BV of 1.06x (+1 s.d. from the mean since 2011) on our adjusted BVPS.

First positive quarterly core net profit since the pandemic began...

SIA delivered a core net profit of S\$28m in 3QFY22 (Oct-Dec 2021), which is a large S\$463m positive swing from the S\$435m core net loss in the immediately-preceding 2QFY22. The cargo business was the largest contributor to this qoq improvement, as it delivered a S\$282m qoq rise in EBIT, from S\$522m in 2QFY22 to S\$804m in 3QFY22. Meanwhile, the passenger airline business saw a positive swing of S\$140m qoq from S\$761m EBIT loss in 2QFY22 to S\$621m EBIT loss in 3QFY22. SIA's 3QFY22 core net profit of S\$28m was much better than our initial estimate of a S\$300m loss, as the cargo arm outperformed expectations on the back of stronger demand, higher yields and lower unit costs on a yoy and qoq basis. The cargo strength was on account of the year-end spike in airfreight demand, as well as the container shipping congestion which forced cargo owners to move goods via airfreight instead. On the passenger airline side, SQ benefitted the most from the introduction of the Vaccinated Travel Lanes (VTL) from Sep 2021 onwards, which were enthusiastically embraced by passengers despite higher average ticket prices; this allowed SQ to reduce its EBIT losses qoq. The low-cost carrier Scoot did not benefit as much as it had fewer VTL flights.

...although 4QFY22F may fall back into the red

We expect SIA to report core net losses once more in 4QFY22F, as we are past the year-end travel peak season and cargo demand weakened over the Lunar New Year in Feb. The Singapore government also suspended new ticket sales for VTL flights from 23 Dec 2021 to 20 Jan 2022, and halved the VTL daily quota from 21 Jan 2022 onwards although it will fully restore the quota between 17 Feb and 4 Mar 2022. Furthermore, spot jet fuel prices have surged to US\$111/bbl, from just US\$85/bbl three months back, with SIA hedged for just 30% of its needs in the current quarter.

Prospects for FY23F continue to brighten, barring high oil prices

We are optimistic on SIA's prospects as we look further ahead into FY23F. The Singapore government has committed to restoring the full VTL quota of 15,000 arriving passengers daily from 4 Mar 2022 onwards, has already simplified Covid-19 testing protocols to reduce the cost of travel into Singapore, and will eventually expand the VTL scheme to all vaccinated travellers from around the world. We think that this may happen by mid-CY22F once the Omicron wave subsides. The key downside risk is higher oil prices as SIA is only hedged for 40% of its consumption in FY23F.

Financial Summary	Mar-20A	Mar-21A	Mar-22F	Mar-23F	Mar-24F
Revenue (S\$m)	15,975	3,816	7,499	13,172	15,833
Operating EBITDA (S\$m)	2,257	-424	1,259	2,571	3,388
Net Profit (S\$m)	-212	-4,271	-1,012	52	638
Core EPS (S\$)	-0.08	-0.81	-0.39	-0.06	0.13
Core EPS Growth	(115%)	969%	(52%)	(83%)	
FD Core P/E (x)	NA	NA	NA	NA	37.03
DPS (S\$)	0.14	0.00	0.00	0.00	0.00
Dividend Yield	2.76%	0.00%	0.00%	0.00%	0.00%
EV/EBITDA (x)	7.68	NA	14.09	7.34	5.85
P/FCFE (x)	9.80	NA	NA	NA	NA
Net Gearing	88.4%	37.2%	12.3%	17.4%	21.2%
P/BV (x)	0.89	0.92	0.67	0.67	0.65
ROE	(1.1%)	(17.6%)	(6.1%)	(0.9%)	1.8%
% Change In Core EPS Estimates			9.9%	(61.2%)	35.4%
CGS-CIMB/Consensus EPS (x)			1.06	-0.56	1.30

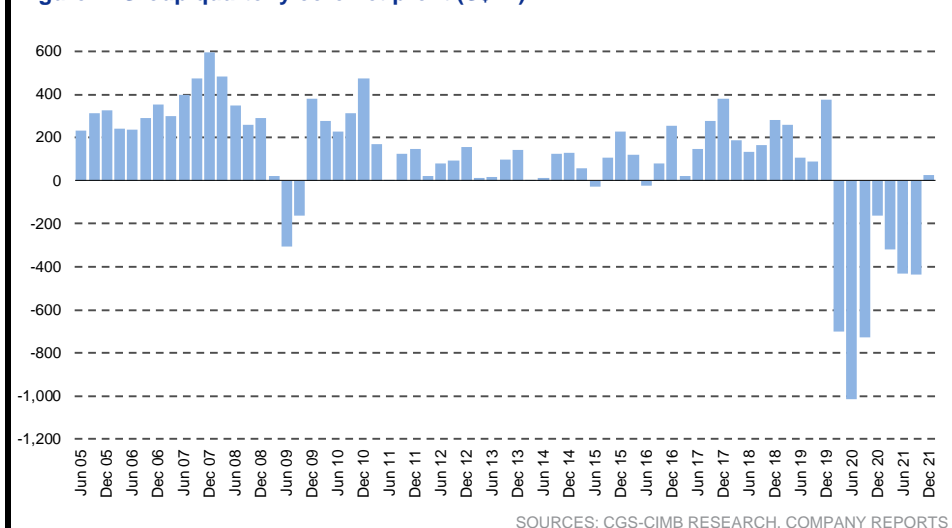
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Results comparison table ►

Figure 1: Headline quarterly numbers

FYE Mar (\$\$ m)	3QFY22	3QFY21	yoy % chg	2QFY22	qoq % chg	3QFY22 Cum	3QFY21 Cum	yoy % chg	Prev. FY22F	Comments
Revenue	2,316	1,067	117.1	1,532	51.2	5,143	2,701	90.4	6,977	Group rev rose 51% qoq, on higher ASK capacity (partly offset by lower pax yields), and strong cargo demand.
Less: Operating costs	(2,240)	(1,398)	60.2	(1,877)	19.3	(5,686)	(4,883)	16.5	(8,100)	Op costs rose qoq due to higher fuel cost before hedging due to resumption of flights and higher spot fuel prices.
- Net fuel cost	(633)	(274)	131.0	(450)	40.6	(1,443)	(650)	122.0	(2,244)	
* Fuel cost before hedging	(633)	(186)	240.3	(489)	29.4	(1,495)	(404)	269.7		
* Hedging gain/(loss)	-	(88)	(100.0)	39	(100.0)	52	(246)	121.1		
- Fuel hedging	-	(36)	nm	-	nm	-	(498)	nm	-	
- Fuel derivative mark-to-market changes	(1)	187	nm	7	(114.7)	78	85	nm		MTM gains on the ineffective fuel hedges in 3Q21 were no longer present in 3Q22.
- Non-fuel costs	(1,606)	(1,275)	26.0	(1,434)	12.0	(4,321)	(3,820)	13.1	(5,856)	Non-fuel costs were up 12% qoq but this lagged behind the increase in passenger and cargo capacity.
Operating profit (EBIT)	76	(331)	123.0	(345)	122.0	(543)	(2,181)	(75.1)	(1,123)	SIA group EBIT profit of S\$76m in 3Q22 turned around from S\$345m loss in 2Q22, due to (1) stronger qoq cargo profits; and (2) lower losses at the FSC.
Exceptional items	-	-		(50)	nm	(50)	(1,763)	nm	(50)	
Attributable profit	85	(142)	159.9	(428)	119.9	(752)	(3,609)	(79.2)	(1,135)	
Reconciliation to core net profit										
Attributable profit	85	(142)	159.9	(428)		(752)	(3,609)	(79.2)	(1,135)	PATAMI turned around into a profit in 3Q22.
Remove: Exceptionals	-	-		50		50	1,763		50	
Deduct: 50% of MCB yields that are treated as debt	(57)	(18)		(57)		(136)	(55)		(191)	We include a deduction for half of the MCBs that we have treated as debt.
Core net profit/(loss)	28	(160)	117.3	(435)	106.4	(837)	(1,901)	(56.0)	(1,276)	Core net profit in 3Q22, from core net loss in 3Q21 and 2Q22, due to stronger cargo performance and lower qoq loss at the passenger airlines.

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 2: Group quarterly core net profit (\$\$ m)


SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Abbreviations used in this report

SIA: Representing the SIA group, which includes the passenger airlines (and cargo), as well as SIA Engineering.

SQ: SIA mainline carrier, which is now combined with SilkAir, the short-haul full-service carrier (FSC)

TR: Scoot, the low-cost carrier (LCC), wholly-owned by SIA

SIE: SIA Engineering, an 80.7% subsidiary of SIA

ASK: Available seat kilometre capacity, measure of passenger capacity

RPK: Revenue passenger kilometre demand, measure of passenger demand

PLF: Passenger load factor, RPK divided by ASK

Yield: Revenue per RPK demand
 RASK: Revenue per ASK capacity
 AFTK: Available freight tonne kilometres, measure of air freight capacity
 FTK: Freight tonne kilometres, measure of air freight demand
 CLF: Cargo load factor, FTK divided by AFTK
 MTM: Mark-to-market gains/losses from fuel hedges and other derivatives

Target price computation ►

Figure 3: Calculation of SIA's target price

Based on SIA's accounting treatment of Mandatory Convertible Bonds (MCB) as equity

	End-FY21	End-FY22F	End-FY23F	End-FY24F
Shareholders' equity (S\$ m)	15,905.9	21,767.3	21,819.0	22,456.9
No of ordinary shares (m)	2,965.0	2,965.0	2,965.0	2,965.0
BVPS (S\$)	5.36	7.34	7.36	7.57

Assuming Mandatory Convertible Bonds (MCB) are treated as debt

	End-FY21	End-FY22F	End-FY23F	End-FY24F
Shareholders' equity (S\$ m)	15,905.9	21,767.3	21,819.0	22,456.9
Less: Outstanding MCBs (S\$ m) - capital value	-3,496.1	-9,692.9	-9,692.9	-9,692.9
Less: Outstanding MCBs (S\$ m) - assume 5% YTM (i.e. redemption between Year 5 and Year 7)	-141.8	-554.3	-1,038.9	-1,523.5
Adjusted shareholders' equity (S\$ m)	12,268.0	11,520.2	11,087.2	11,240.4
No of ordinary shares (m)	2,965.0	2,965.0	2,965.0	2,965.0
Adjusted BVPS (S\$)	4.14	3.89	3.74	3.79

Assuming Mandatory Convertible Bonds (MCB) are treated as half debt and half equity

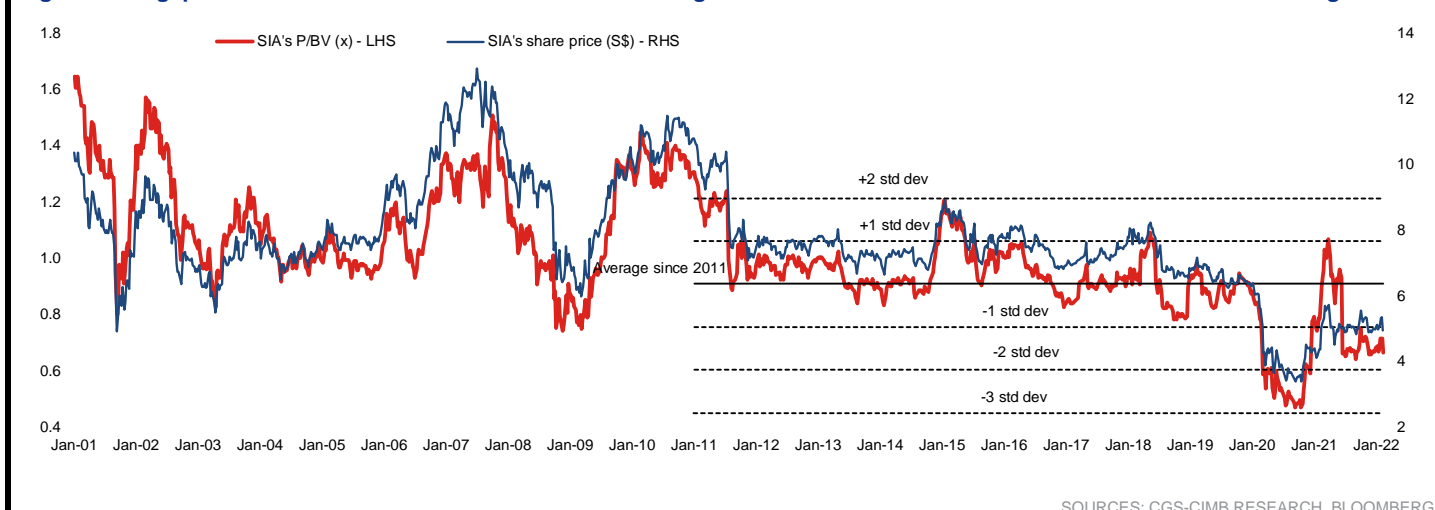
	End-FY21	End-FY22F	End-FY23F	End-FY24F
Shareholders' equity (S\$ m)	15,905.9	21,767.3	21,819.0	22,456.9
Less: Half of outstanding MCBs (S\$ m) - capital value	-1,748.1	-4,846.5	-4,846.5	-4,846.5
Less: Half of outstanding MCBs (S\$ m) - assume 5% YTM (i.e. redemption between Year 5 and Year 7)	-70.9	-277.1	-519.4	-761.8
Adjusted shareholders' equity (S\$ m)	14,087.0	16,643.8	16,453.1	16,848.6
No of ordinary shares (m)	2,965.0	2,965.0	2,965.0	2,965.0
Adjusted BVPS (S\$)	4.75	5.61	5.55	5.68
Target P/BV multiple (x)		1.06	1.06	1.06
Target price (S\$)			5.88	

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

We tweak our end-CY22F target price slightly higher from S\$5.86 to S\$5.88, still based on an unchanged target P/BV multiple of 1.06x (1 s.d. above the mean since 2011 of 0.93x), applied to the end-FY23F adjusted BVPS.

We use a P/BV that is above the mean to reflect our optimism over the meaningful reopening of international travel markets by mid-CY22F. Valuing SIA at a P/BV mean of 0.93x (since 2011) yields a fair value per share of S\$5.16.

Figure 4: Singapore Airlines historical P/BV chart – P/BV average since 2011 and standard deviations based on that average



Our *reported* BVPS forecasts treat the S\$9,693m mandatory convertible bonds (MCB) as wholly equity, in line with the accounting treatment adopted by SIA. The MCBs comprise the first tranche of S\$3.5bn issued on 8 June 2020 and the second tranche of S\$6.2bn issued on 24 June 2021.

Our *adjusted* BVPS calculation:

- Treats half of the MCBs as debt (although the accounting treatment sees it as wholly equity) because we have assumed that SIA will endeavour to redeem half of the MCBs before their 9/10-year maturities or will refinance them using other sources of debt; and
- Deducts an assumed 5% yield-to-maturity (YTM) on half the MCBs that we have treated as debt.

While the MCBs are potentially EPS- and BVPS-dilutive because they entail a potential future issue of new ordinary shares (at the conversion price of S\$4.84), we have not factored in an increase in the number of shares for the purposes of deriving our target price for SIA. This is because the MCBs can only be converted on one specific day, i.e. 8 June 2030, which is the maturity date of both tranches of MCBs; a conversion date that is eight years away is beyond the decision-making horizon of many investors, in our view. Furthermore, ample access to cash from shareholders is an advantage for SIA in the current environment and something that many of its airline competitors struggle with. Hence, we reflect the value of SIA's privilege by not assuming the conversion of the MCBs when deriving our target price for the airline.

Re-rating catalysts include a faster-than-expected recovery in international passenger traffic sometime during CY22F, if Singapore opens up quarantine-free travel to fully-vaccinated travellers from around the world, in effect, VTLs for the whole world rather than only for specific countries. Other countries may also open up their borders once they achieve high vaccination rates and after the Omicron wave passes. The enthusiastic response of the market to the VTLs is very encouraging while the airfreight markets remain strong given the still-choked container shipping logistics chain.

Downside risks include higher oil prices as SIA is only 30% hedged at an average Brent strike price of US\$57/bbl for 2HFY22F (October 2021 to March 2022), and 40% hedged at an average Brent strike price of US\$60/bbl for 15 months from 1QFY23F to 1QFY24F (April 2022 to June 2023), beyond which SIA is currently unhedged for its jet fuel requirements. Jet fuel crack spreads against Brent have also risen significantly in recent months.

In the near term, however, we think that SIA may be able to command a price premium to offset higher fuel prices. This is due to strong VTL demand and because December 2021 ASK capacity of airlines in Asia (according to the

Association of Asia Pacific Airlines, AAPA) amounted to only 18% of the pre-pandemic level in December 2019.

Other downside risks include the potential for competitive pressure to crimp passenger yields, if many airlines reinstate passenger seat capacity quickly in the post-pandemic period. The additional passenger aircraft deployments may also cause cargo yields to fall from their currently-elevated levels as bellyhold cargo capacity is reintroduced. Premium travel, on which the profitability of SIA's full-service business model depends, may lag behind the recovery of highly-competitive leisure travel.

Figure 5: SIA group core net profit (S\$ m)

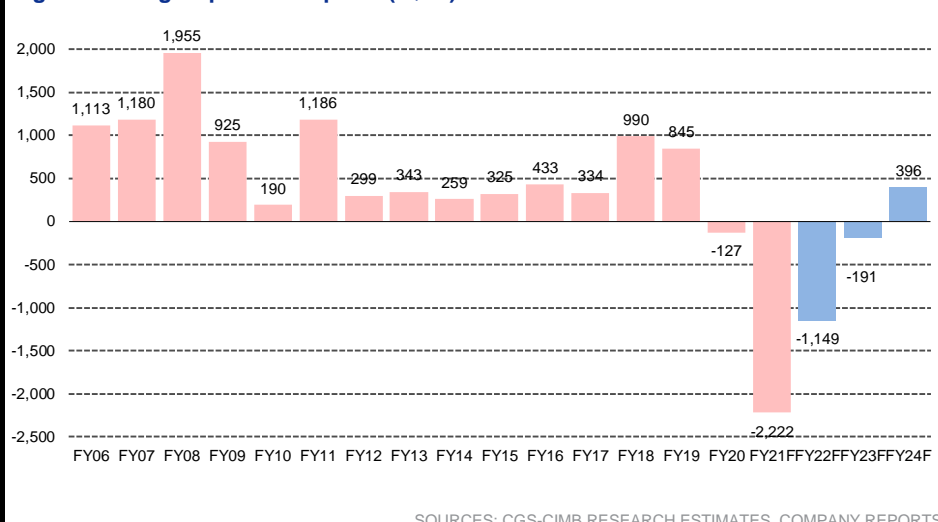


Figure 6: Reconciliation of SIA's attributable net profit to core net profit (S\$ m)

	Reference	FY20	FY21	FY22F	FY23F	FY24F
Attributable net profit		-212.0	-4,270.7	-1,012.3	51.7	637.9
Remove: Exceptionals	a	85.0	2,122.0	54.1	0.0	0.0
Less: MCB yield	b	0.0	-72.8	-190.7	-242.3	-242.3
Core net profit		-127.0	-2,221.5	-1,148.8	-190.7	395.6
Breakdown of exceptionals	a	-85.0	-2,122.0	0.0	0.0	0.0
- Related to NokScoot closure		-89.8	-17.4			
- Impairment of aircraft			-1,734.3			
- Other impairments			-218.7			
- Headcount rationalisation			-44.7			
- Others		4.8	-106.9			
Mandatory Convertible Bond (MCB yield)						
Year-end outstanding value (S\$ m)			3,496.1	9,692.9	9,692.9	9,692.9
Proportion assumed treated as debt (%)			50.0%	50.0%	50.0%	50.0%
Assumed debt portion (S\$ m)			1,748.1	4,846.5	4,846.5	4,846.5
Average outstanding balance (S\$ m)			1,456.7	3,813.7	4,846.5	4,846.5
Assumed yield (%)			5.0%	5.0%	5.0%	5.0%
Assumed yield (S\$ m)	b		72.8	190.7	242.3	242.3

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Key assumptions ►

The SIA group deployed:

- 23% of its pre-Covid-19 passenger ASK capacity as at 31 March 2021,
- 28% as at 30 June 2021,
- 32% as at 30 September 2021,
- 45% as at 31 December 2021,
- 46% as at 31 January 2022, and is expected to deploy
- 51% as at 31 March 2022F (47% on average for the 4QFY22F).

The SIA group's ASK capacity in February 2022F probably dipped from the January level given the suspension of additional VTL flight sales from 23

December 2021 to 20 January 2022 due to the emergence of the Omicron variant, and the Singapore government's halving of the daily VTL capacity from 21 January until 16 February 2022. However, SIA said that the group's ASK capacity will rebound to 51% of pre-pandemic capacity in March 2022F, and likely beyond, as the Singapore government will progressively reinstate 100% of the VTL capacity of 15,000 daily passengers from 17 February 2022 onwards, with full restoration by 4 March 2022.

For FY3/22F, we estimate that SIA group's ASK capacity will average 37% of the pre-Covid-19 capacity, rising to an average of 74% in FY23F, as shown below. Our forecast for FY23F is based on our confidence that the Singapore government will eventually introduce quarantine-free travel into Singapore for fully-vaccinated travellers from around the globe, which essentially expands the VTL scheme globally.

Figure 7: SIA group: Medium-term estimates for passenger airline ASK capacity

	ASK capacity (m)	Yoy change	As a percentage of the CY19 base
FY 3/20	171,211		96.7%
FY 3/21	21,721	-87.3%	12.3%
FY 3/22F	65,240	200.4%	36.8%
FY 3/23F	131,023	100.8%	74.0%
FY 3/24F	168,212	28.4%	95.0%
FY 3/25F	177,066	5.3%	100.0%
FY 3/26F	191,231	8.0%	108.0%

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Figure 8: Key assumptions - SIA group

	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22F	FY23F	FY24F
Full-service carrier (FSC)											
FSC ASK (m km)	128,430	128,356	127,484	127,749	129,493	135,218	137,765	19,493	55,622	106,152	134,459
Change in ASK (%)	2.4%	-0.1%	-0.7%	0.2%	1.4%	4.4%	1.9%	-85.9%	185.3%	90.8%	26.7%
FSC RPK (m km)	100,580	100,074	100,784	100,052	104,199	111,512	112,330	2,669	15,574	63,691	100,844
Change in RPK (%)	1.6%	-0.5%	0.7%	-0.7%	4.1%	7.0%	0.7%	-97.6%	483.5%	309.0%	58.3%
FSC Load Factor	78.3%	78.0%	79.1%	78.3%	80.5%	82.5%	81.5%	13.7%	28.0%	60.0%	75.0%
FSC Pax Yield (Scts/RPK)	11.24	11.36	10.79	10.49	10.30	10.16	10.05	20.98	14.50	12.33	10.48
Change in yield (%)	-2.2%	1.0%	-5.0%	-2.7%	-1.8%	-1.4%	-1.1%	108.7%	-30.9%	-15.0%	-15.0%
Scout											
Scout ASK (m km)			21,733	26,793	29,888	34,389	33,446	2,228	9,618	24,871	33,753
Change in ASK (%)				23.3%	11.6%	15.1%	-2.7%	-93.3%	331.6%	158.6%	35.7%
Scout RPK (m km)			18,225	22,084	25,600	29,326	28,669	222	1,250	13,679	25,315
Change in RPK (%)				21.2%	15.9%	14.6%	-2.2%	-99.2%	464.2%	994.0%	85.1%
Scout Load Factor			83.9%	82.4%	85.7%	85.3%	85.7%	9.9%	13.0%	55.0%	75.0%
Scout Pax Yield (Scts/RPK)			6.41	5.90	5.80	5.70	5.60	54.98	41.23	8.25	5.77
Change in yield (%)			0.0%	-7.9%	-1.7%	-1.7%	-1.8%	881.7%	-25.0%	-80.0%	-30.0%
SIA Cargo											
Cargo AFTK (m km)	10,274	10,025	10,513	10,912	11,127	11,210	10,778	4,795	7,300	9,700	10,778
Change in AFTK (%)	-3.6%	-2.4%	4.9%	3.8%	2.0%	0.8%	-3.9%	-55.5%	52.2%	32.9%	11.1%
Cargo FTK (m km)	6,419	6,347	6,511	6,896	7,260	7,007	6,389	4,112	6,059	6,305	7,006
Change in LTK (%)	-5.1%	-1.1%	2.6%	5.9%	5.3%	-3.5%	-8.8%	-35.6%	47.4%	4.1%	11.1%
Cargo Load Factor	62.5%	63.3%	61.9%	63.2%	65.3%	62.5%	59.3%	85.8%	83.0%	65.0%	65.0%
Cargo Yield (Scts/FTK)	32.70	32.80	29.00	25.90	28.20	31.70	30.50	65.90	65.90	39.54	31.63
Change in yield (%)	-2.3%	0.3%	-11.6%	-10.7%	8.9%	12.4%	-3.8%	116.1%	0.0%	-40.0%	-20.0%
Fuel price (US\$/barrel)											
Spot Brent crude price (average)	107.7	85.9	48.2	49.8	57.6	70.2	63.0	49.6	78.5	83.0	75.0
Spot jet fuel price (average)	121.2	99.4	58.3	58.4	67.9	82.2	74.5	53.7	83.2	90.0	82.0
Hedged jet fuel price (average)	122.9	117.0	84.3	68.9	68.9	78.5	81.9	92.2	77.4	84.8	84.5

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

For FY22F, we raise our average spot jet fuel price assumption from US\$76/bbl to US\$83.2/bbl, on account of the rising price of crude oil and jet fuel currently. We have penciled in an average jet fuel price of US\$100/bbl for 4QFY22F, against the current jet fuel price of US\$111/bbl which spiked yesterday after Russia's invasion of Ukraine.

For FY23F, we raise our average spot jet fuel price assumption from US\$82/bbl to US\$90/bbl.

SIA is 30% hedged at an average Brent crude strike price of US\$57/bbl for 2HFY22F, and 40% hedged at an average Brent crude strike price of US\$60/bbl for FY23F. This should partially mitigate the rise in spot prices of jet fuel.

We raise our forecasts for SIA's FY22F FSC passenger RPK demand from 10,635m to 15,574m on account of higher-than-expected PLFs achieved so far. Our forecasts for SIA's FY23F FSC passenger RPK demand is tweaked higher from 62,683m to 63,691m.

Conversely, we reduce our forecasts for FY22F cargo RFTK demand from 6,639m to 6,059, on account of lower-than-expected cargo load factors achieved to-date.

Figure 9: Earnings revision

RM m	2021A	2022F			2023F			2024F		
		Old	New	chg	Old	New	chg	Old	New	chg
Revenue	3,816	6,977	7,499	7%	12,553	13,172	5%	15,248	15,833	4%
EBITDA	(424)	995	1,259	27%	2,535	2,571	1%	3,204	3,388	6%
Reported PBT	(4,957)	(1,402)	(1,249)	11%	147	58	-61%	654	781	20%
Core pretax profit	(2,908)	(1,542)	(1,386)	10%	(152)	(242)	-59%	354	482	36%
Reported net profit	(4,271)	(1,135)	(1,012)	11%	124	52	-58%	534	638	19%
Reported EPS	(1.55)	(0.38)	(0.34)	11%	0.04	0.02	-58%	0.18	0.22	19%
Core net profit	(2,222)	(1,276)	(1,149)	10%	(118)	(191)	-61%	292	396	35%
Core EPS	(0.81)	(0.43)	(0.39)	10%	(0.04)	(0.06)	-61%	0.10	0.13	35%

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Further information on the results ►

Figure 10: Operating metrics - Full-service carriers (FSC)

	3QFY22	3QFY21	yoy % chg	2QFY22	qoq % chg	3QFY22 Cum	3QFY21 Cum	yoy % chg	Comments
SIA & SilkAir (FSC)									
ASK (m)	15,675	5,787	170.9%	13,094	19.7%	39,852	10,445	281.6%	ASK and RPK recovered on qoq basis, with PLF also
RPK (m)	5,711	848	573.7%	2,484	129.9%	9,919	1,615	514.1%	recovering.
Passenger load factor (%)	36.4%	14.6%	148.7%	19.0%	17.5%	24.9%	15.5%	9.4%	
Break-even load factor (%)	62.0%	59.7%	3.8%	54.2%	7.8%	54.2%	86.8%	-32.6%	Breakeven load factor rose qoq due to the qoq fall in yields,
Spread (%)	-25.6%	-45.1%		-35.2%	0.0%	-29.3%	-71.3%		and the qoq rise in unit costs.
Passengers carried (000)	966	167	477.8%	398	142.7%	1,677	300	459.2%	
RASK (cts/ASK)	4.70	2.79	68.2%	2.73	72.0%	3.52	2.84	24.0%	RASK rose qoq due to the higher qoq PLF, partially offset
Passenger yield (cts/ASK)	12.90	19.08	-32.4%	14.40	-10.4%	14.20	18.20	-22.0%	by lower qoq yield.
Pax unit costs (cts/ASK)	8.00	11.40	-29.8%	7.80	2.6%	7.70	15.80	-51.3%	CASK rose qoq due to higher jet fuel prices.
Unit profit (cts/ASK)	-3.30	-8.60	-61.6%	-5.07	-34.9%	-4.18	-12.96	-67.7%	
Core FSC revenue (\$\$ m)	736.7	161.7	355.5%	357.7	105.9%	1,401.3	296.1	373.2%	
Core FSC cost (\$\$ m)	-1,254.0	-659.6	90.1%	-1,021.3	22.8%	-3,084.4	-1,689.8	82.5%	Core EBIT loss narrowed qoq due to the higher RPK
Core FSC EBIT (\$\$ m)	-517.3	-497.9	3.9%	-663.6	-22.0%	-1,683.1	-1,393.7	20.8%	demand, partly offset by lower yields and higher oil prices.

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 11: Operating metrics - Low-cost carrier

	3QFY22	3QFY21	yoy % chg	2QFY22	qoq % chg	3QFY22 Cum	3QFY21 Cum	yoy % chg	Comments
Scout (SH & LH)									
ASK (m)	2,698	687	292.8%	2,183	23.6%	6,368	1,224	420.4%	ASK and RPK recovered on qoq basis, with PLF also rising.
RPK (m)	389	81	380.3%	179	117.5%	700	138	406.9%	
Passenger load factor (%)	14.4%	11.8%	22.3%	8.2%	6.2%	11.0%	11.3%	-0.3%	
Break-even load factor (%)	30.3%	59.6%	-49.2%	18.5%	11.8%	29.7%	78.5%	-48.8%	Breakeven load factor rose qoq due to the qoq fall in yields, partially offset by the qoq fall in unit costs.
Spread (%)	-15.9%	-47.9%		-10.3%		-18.7%	-67.2%		
Passengers carried (000)	122	28	331.0%	68	80.3%	241	50	379.1%	
RASK (cts/ASK)	3.50	3.20	9.4%	3.50	0.0%	2.85	3.62	-21.4%	RASK was flat qoq with lower passenger yields offset by higher PLF.
Passenger yield (cts/ASK)	24.10	27.00	-10.7%	43.30	-44.3%	25.90	32.10	-19.3%	
Pax unit costs (cts/ASK)	7.30	16.10	-54.7%	8.00	-8.8%	7.70	25.20	-69.4%	Unit costs fell qoq due to the higher ASK capacity.
Unit profit (cts/ASK)	-3.80	-12.90	-70.5%	-4.50	-15.6%	-4.85	-21.58	-77.5%	
Core Scoot revenue (S\$ m)	93.7	21.8	328.8%	77.4	21.0%	181.4	44.4	308.7%	
Core Scoot cost (S\$ m)	-196.9	-110.6	78.1%	-174.6	12.8%	-492.0	-308.4	59.5%	
Core Scoot EBIT (S\$ m)	-103.3	-88.7	16.4%	-97.3	6.2%	-310.7	-264.0	17.6%	EBIT loss was slightly wider qoq, with higher RPK demand
+ Other EBIT (S\$ m)		0.0					-225.8	nm	offset by lower yields.
Total Scoot EBIT (S\$ m)		0.0					-401.1	-100.0%	

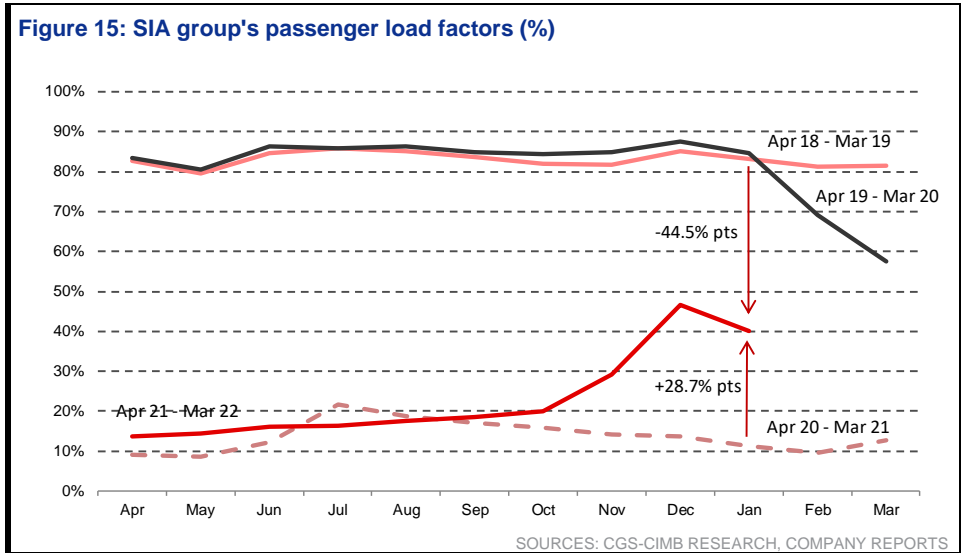
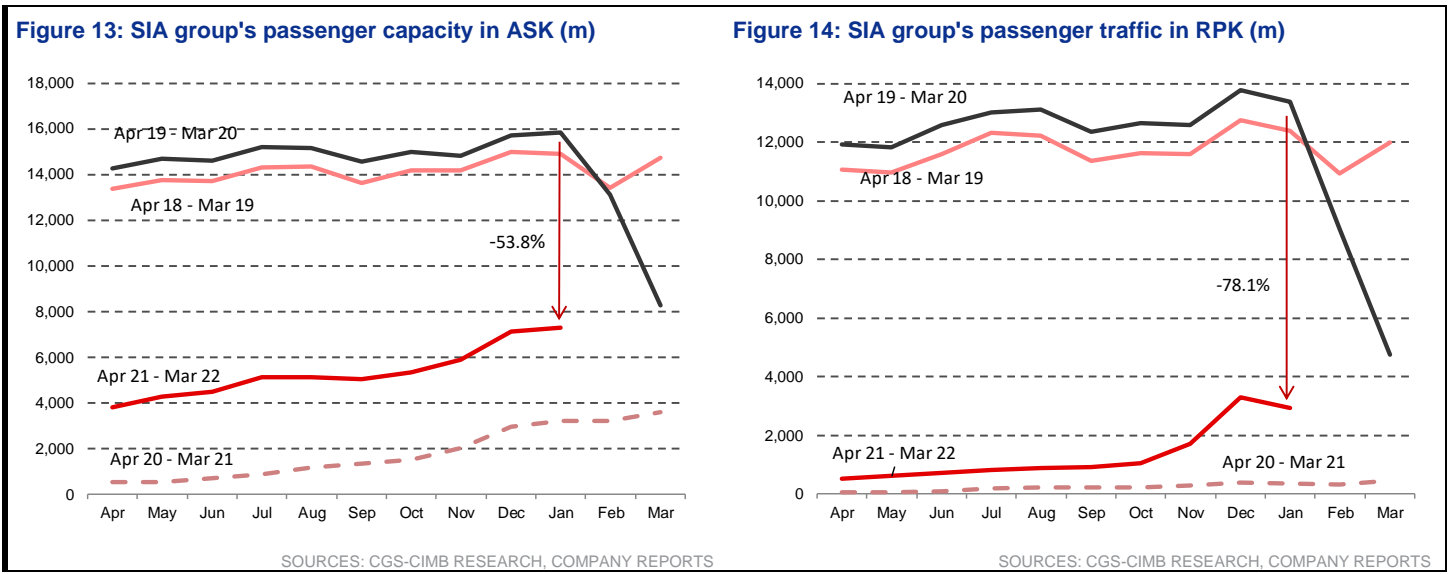
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 12: Operating metrics - SIA Cargo

	3QFY22	3QFY21	yoy % chg	2QFY22	qoq % chg	3QFY22 Cum	3QFY21 Cum	yoy % chg	Comments
Cargo business									
AFTK (m)	1,995	1,337	49.2%	1,704	17.1%	5,241	3,509	49.4%	AFTK and FTK both rose qoq, with AFTK rising due to increased bellyhold capacity on passenger aircraft. FTK did not rise as fast, leading to a qoq drop in cargo load factors.
FTK (m)	1,657	1,159	43.0%	1,489	11.3%	4,519	2,930	54.3%	
Cargo load factor (%)	83.1%	86.6%	-4.1%	87.4%	-4.3%	86.2%	83.5%	2.7%	
Break-even load factor (%)	33.6%	47.0%	-28.5%	41.7%	-8.1%	39.2%	47.7%	-8.5%	Breakeven CLF fell qoq due to the qoq rise in yields, and qoq fall in unit costs.
Spread (%)	49.4%	39.6%	24.8%	45.7%	3.8%	47.0%	35.8%	11.2%	
Cargo carried (m kg)	285	209	36.8%	269	6.2%	797	517	54.2%	
RAFTK (cts/AFTK)	67.69	55.63	21.7%	58.65	15.4%	61.57	56.52	8.9%	Revenue per unit of capacity rose qoq as demand for air freight was robust with passenger bellyhold capacity still constrained.
Cargo yield (cts/FTK)	81.50	64.20	26.9%	67.10	21.5%	71.40	67.70	5.5%	
Cargo unit costs (cts/AFTK)	27.40	30.20	-9.3%	28.00	-2.1%	28.00	32.30	-13.3%	Cargo unit costs fell qoq as a result of higher AFTK base, despite higher jet fuel costs.
Unit profit (cts/AFTK)	40.29	25.43	58.5%	30.65	nm	33.57	24.22	38.6%	
Core cargo revenue (S\$ m)	1,350.6	743.9	81.6%	999.2	35.2%	3,225.7	1,983.4	62.6%	
Core cargo cost (S\$ m)	-546.7	-403.9	35.4%	-477.0	14.6%	-1,466.2	-1,128.2	30.0%	SIA Cargo's EBIT rose qoq on the back of higher yields, higher demand, and lower unit costs.
Core cargo EBIT (S\$ m)	803.9	340.0	136.4%	522.2	54.0%	1,759.5	855.2	105.7%	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Group passenger airline business ➤



Full-service carrier business ➤

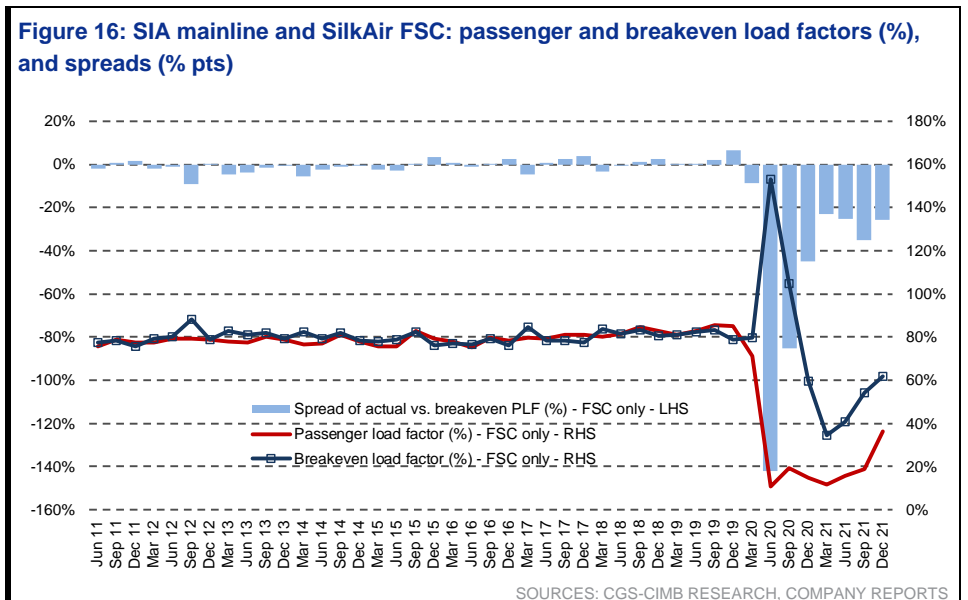


Figure 17: SIA mainline and SilkAir FSC: Passenger RASK (Scts/ASK) and yoy change (%)

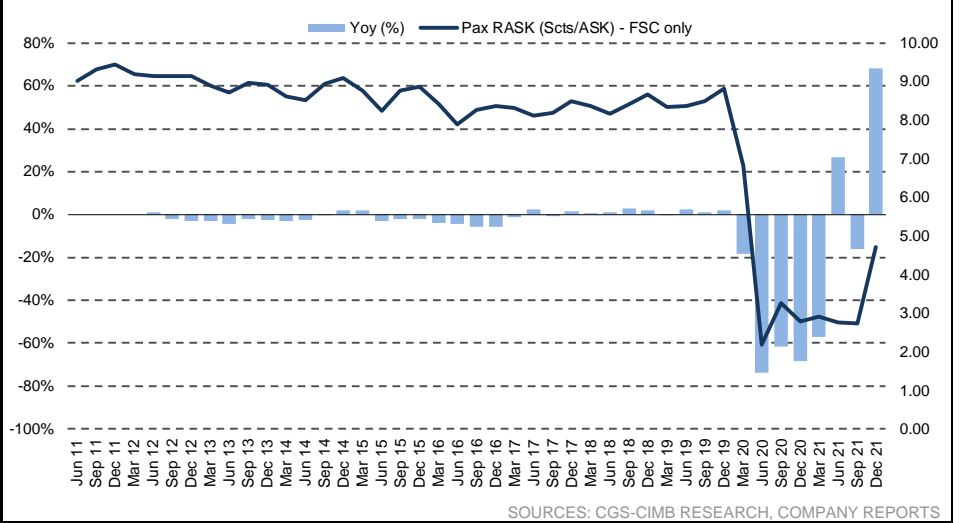
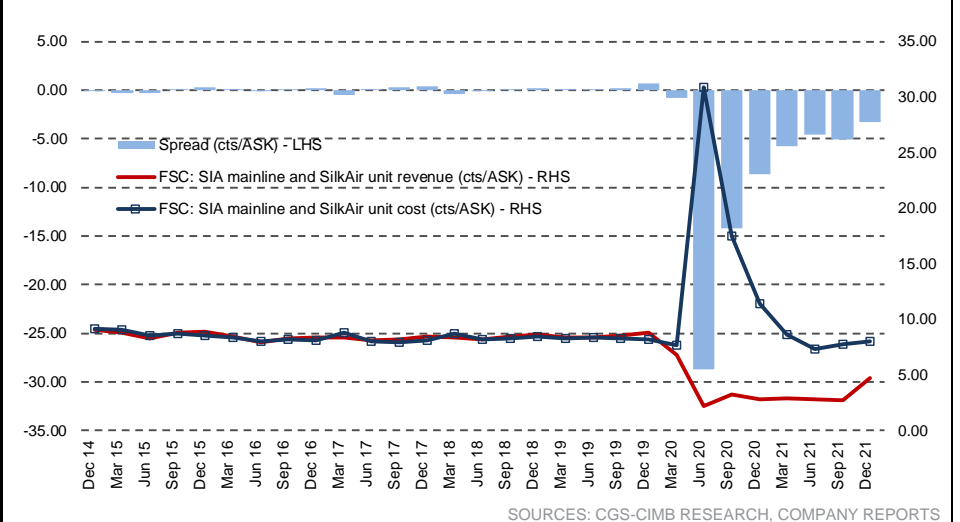


Figure 18: SIA mainline and SilkAir FSC: spread between unit revenue and unit cost (cents/ASK)



Low-cost carrier business ➤

Figure 19: Scoot LCC: passenger and breakeven load factors (%), and spreads (% pts)

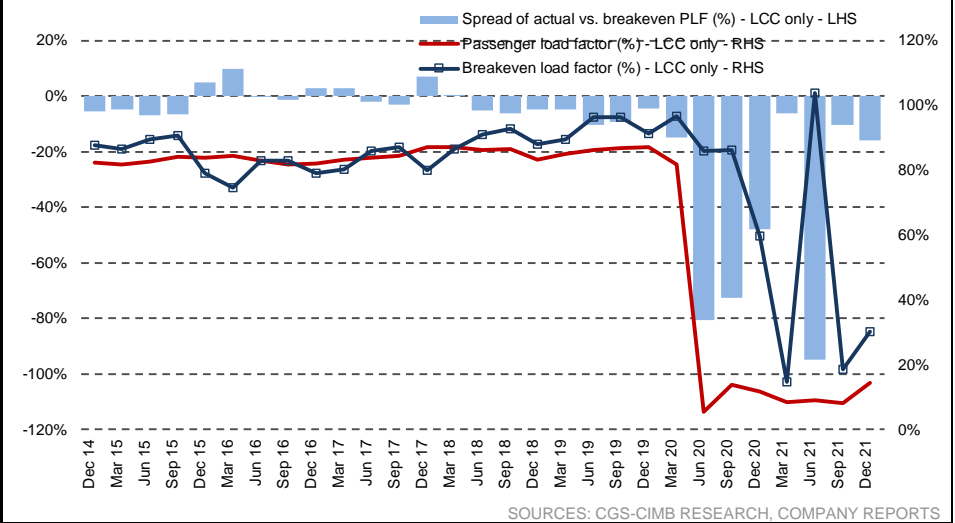


Figure 20: Scoot LCC: Passenger RASK (Scts/ASK) and yoy change (%)

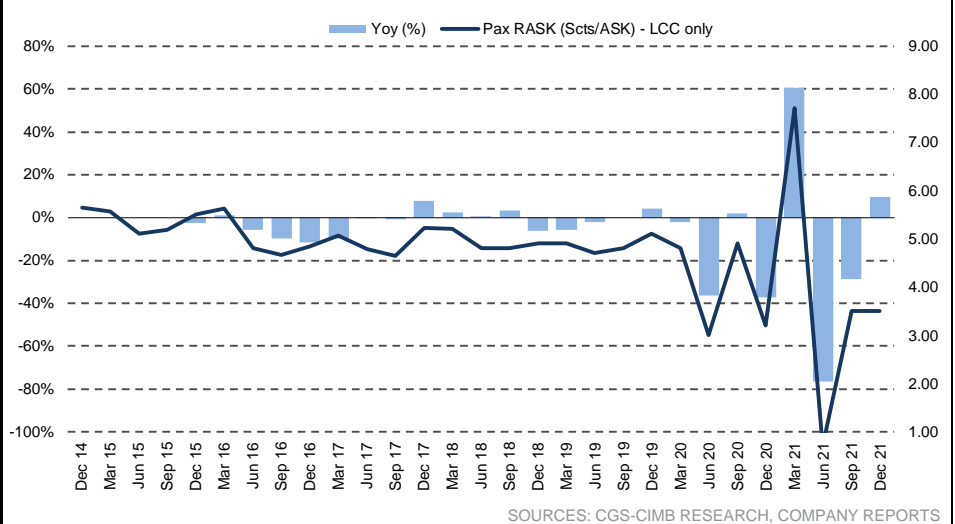
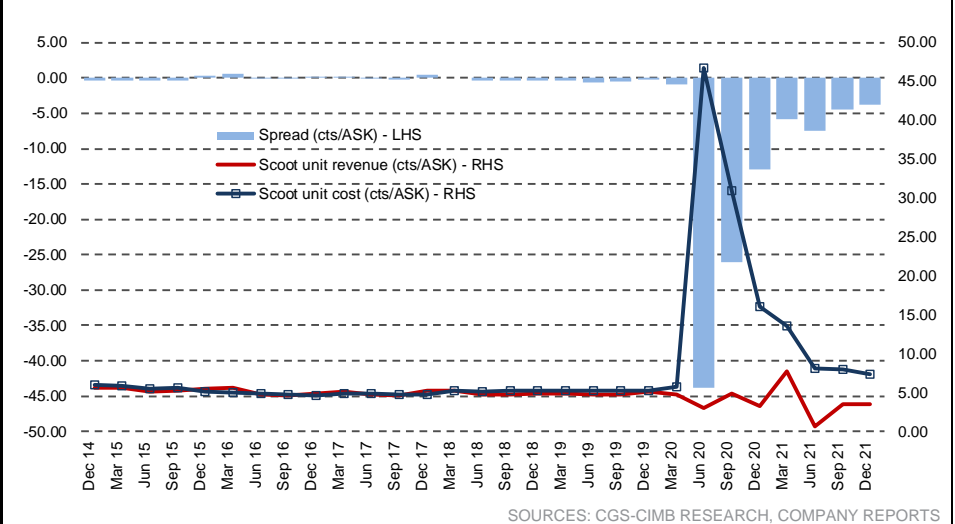
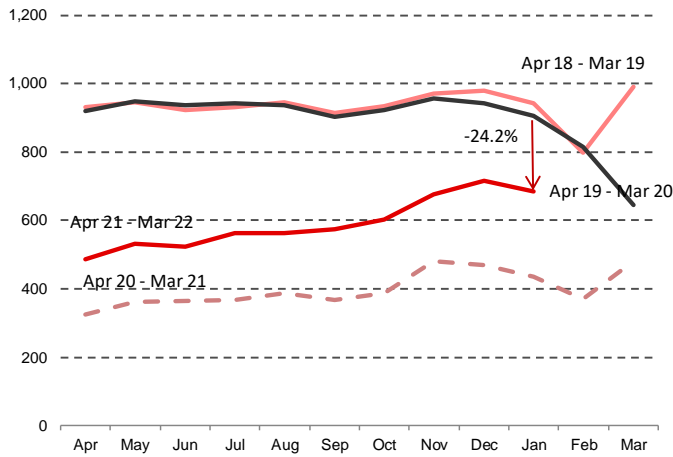


Figure 21: Scoot LCC: spread between unit revenue and unit cost (cents/ASK)



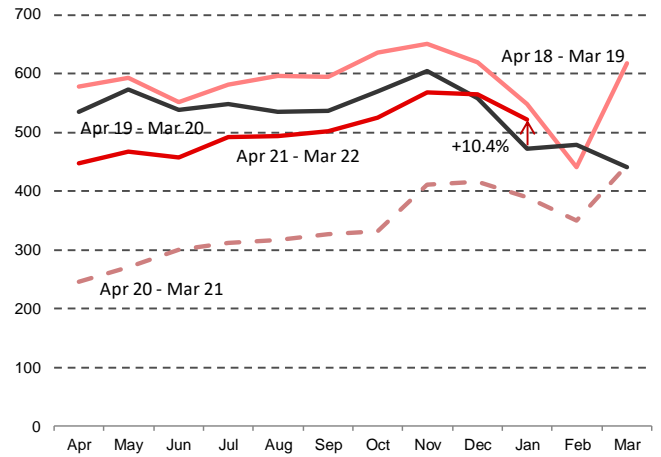
Cargo business ➤

Figure 22: SIA's cargo capacity in AFTK (m)



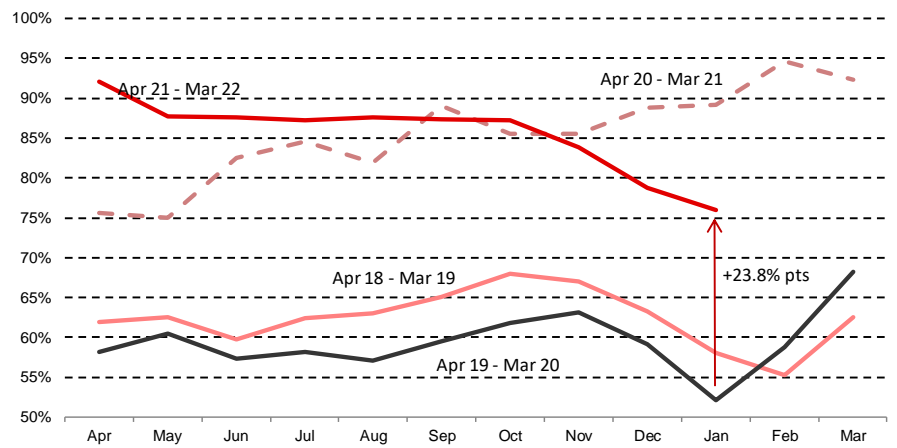
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 23: SIA's cargo traffic in RFTK (m)



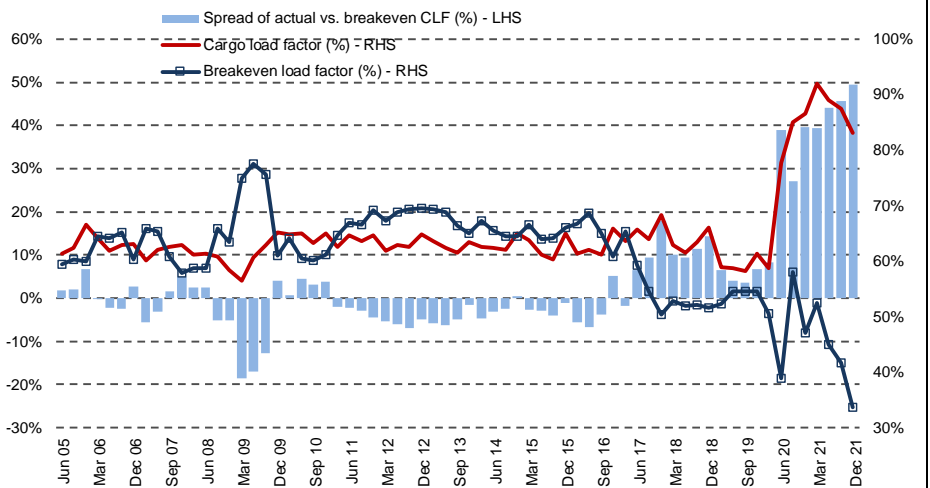
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 24: SIA's cargo load factors (%)



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 25: Cargo load factor and breakeven load factor (%), and spreads (% pts)



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 26: Cargo RAFTK (Scts/AFTK) and yoy change (%)

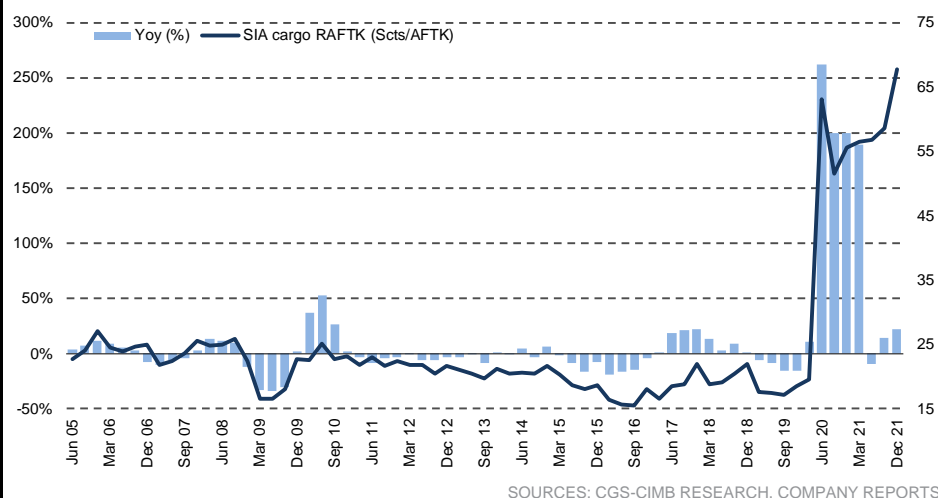
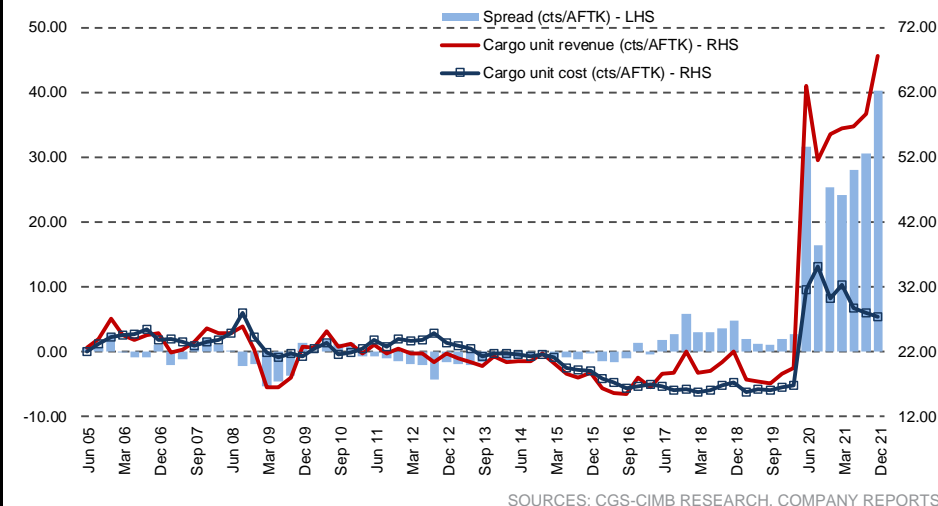


Figure 27: Spread between cargo unit revenue and cargo unit cost (cents/AFTK)



Sequential quarterly tables ▶

Figure 28: Quarterly results

FYE Mar (\$\$ m)	3QFY20	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22
Revenue	4,471.0	3,180.8	850.6	783.8	1,067.0	1,114.5	1,295.0	1,531.9	2,316.0
Operating costs	(3,464.1)	(3,340.5)	-	-	-	-	-	-	-
EBITDA	1,006.9	(159.7)	-	-	-	-	-	-	-
EBITDA margin (%)	22.5	(5.0)	-	-	-	-	-	-	-
Depn & amort.	(522.0)	(613.1)	-	-	-	-	-	-	-
EBIT	484.9	(772.8)	(1,036.8)	(813.5)	(331.0)	(318.6)	(274.0)	(345.4)	76.0
Interest expense	(54.7)	(51.4)	-	-	-	-	-	-	-
Interest & invt inc	5.7	(3.8)	-	-	-	-	-	-	-
Associates' contrib	23.0	(42.9)	-	-	-	-	-	-	-
Exceptionals	(61.0)	(33.7)	(127.0)	(1,635.7)	-	(359.3)	-	(50.2)	-
Pretax profit	397.9	(904.6)	-	-	-	-	-	-	-
Tax	(72.2)	183.6	-	-	-	-	-	-	-
Tax rate (%)	18.1	20.3	-	-	-	-	-	-	-
Minority interests	(10.9)	(11.4)	-	-	-	-	-	-	-
Net profit	314.8	(732.4)	(1,123.3)	(2,343.7)	(142.0)	(661.7)	(409.0)	(427.8)	85.0
Core net profit	375.8	(698.7)	(1,014.5)	(726.2)	(160.2)	(320.6)	(430.2)	(434.9)	27.7
EPS (cts)	18.7	(43.5)	(66.8)	(79.0)	(4.8)	(22.3)	(13.8)	(14.4)	2.9
Core EPS (cts)	22.3	(41.5)	(60.3)	(24.5)	(5.4)	(10.8)	(14.5)	(14.6)	0.9

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 29: Quarterly operating metrics - passenger airlines

	3QFY20	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22
SIA & SilkAir (FSC)									
ASK (m)	36,458	30,512	1,602	3,056	5,787	9,048	11,084	13,094	15,675
RPK (m)	31,092	21,710	173	595	848	1,054	1,724	2,484	5,711
Passenger load factor (%)	85.3%	71.2%	10.8%	19.5%	14.6%	11.6%	15.6%	19.0%	36.4%
Break-even load factor (%)	78.8%	79.7%	152.9%	104.6%	59.7%	34.5%	41.0%	54.2%	62.0%
Spread (%)	6.4%	-8.6%	-142.1%	-85.2%	-45.1%	-22.8%	-25.5%	-35.2%	-25.6%
Passengers carried (000)	7,146	4,632	34	99	167	215	312	398	966
RASK (cts/ASK)	8.83	6.82	2.18	3.25	2.79	2.91	2.77	2.73	4.70
Passenger yield (cents/RPK)	10.35	9.59	20.23	16.72	19.08	25.03	17.80	14.40	12.90
Pax unit costs (cents/ASK)	8.16	7.65	30.93	17.50	11.40	8.63	7.30	7.80	8.00
Unit profit (cents/ASK)	0.67	-0.82	-28.75	-14.24	-8.60	-5.71	-4.53	-5.07	-3.30
Core FSC revenue (\$\$ m)	3,218.1	2,081.6	34.9	99.4	161.7	263.8	306.9	357.7	736.7
Core FSC cost (\$\$ m)	-2,975.1	-2,333.1	-495.4	-534.8	-659.6	-780.8	-809.1	-1,021.3	-1,254.0
Core FSC EBIT (\$\$ m)	243.0	-251.5	-460.4	-435.3	-497.9	-517.1	-502.3	-663.6	-517.3
Scout passenger business									
ASK (m)	9,048	6,700	199	338	687	1,005	1,487	2,183	2,698
RPK (m)	7,880	5,477	11	46	81	84	133	179	389
Passenger load factor (%)	87.1%	81.8%	5.4%	13.7%	11.8%	8.3%	8.9%	8.2%	14.4%
Break-even load factor (%)	91.4%	96.6%	86.0%	86.4%	59.6%	14.6%	103.8%	18.5%	30.3%
Spread (%)	-4.3%	-14.9%	-80.6%	-72.6%	-47.9%	-6.3%	-94.9%	-10.3%	-15.9%
Passengers carried (000)	2,905	2,031	4	18	28	32	50	68	122
RASK (cts/ASK)	5.10	4.80	3.00	4.90	3.20	7.71	0.70	3.50	3.50
Passenger yield (cents/RPK)	5.80	5.90	54.40	35.90	27.00	92.76	7.80	43.30	24.10
Pax unit costs (cents/ASK)	5.30	5.70	46.80	31.00	16.10	13.57	8.10	8.00	7.30
Unit profit (cents/ASK)	-0.20	-0.90	-43.80	-26.10	-12.90	-5.86	-7.40	-4.50	-3.80
Core Scout revenue (\$\$ m)	457.0	323.1	5.9	16.7	21.8	77.5	10.4	77.4	93.7
Core Scout cost (\$\$ m)	-479.5	-381.9	-93.1	-104.7	-110.6	-136.4	-120.4	-174.6	-196.9
Core Scout EBIT (\$\$ m)	-22.5	-58.7	-87.2	-88.1	-88.7	-58.9	-110.1	-97.3	-103.3
+ Other EBIT (\$\$ m)	26.5	-66.3	-171.8	-54.0					
Total Scout EBIT (\$\$ m)	4.0	-125.0	-259.0	-142.1					

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 30: Quarterly operating metrics - SIA Cargo



	3QFY20	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22
Cargo business									
AFTK (m)	2,823	2,367	1,050	1,122	1,337	1,286	1,542	1,704	1,995
FTK (m)	1,732	1,392	816	954	1,159	1,182	1,373	1,489	1,657
Cargo load factor (%)	61.4%	58.8%	77.8%	85.1%	86.6%	91.9%	89.1%	87.4%	83.1%
Break-even load factor (%)	54.6%	50.6%	38.8%	58.0%	47.0%	52.5%	45.0%	41.7%	33.6%
Spread (%)	6.7%	8.2%	38.9%	27.1%	39.6%	39.4%	44.1%	45.7%	49.4%
Cargo carried (m kg)	325.3	263.4	136.3	172.1	208.6	217.0	243.0	268.8	285.4
RAFTK (cts/AFTK)	18.5	19.5	63.1	51.5	55.6	56.5	56.8	58.6	67.7
Cargo yield (cts/FTK)	30.2	33.2	81.1	60.5	64.2	61.4	63.8	67.1	81.5
Cargo unit costs (cts/AFTK)	16.5	16.8	31.5	35.1	30.2	32.2	28.7	28.0	27.4
Unit profit (cts/AFTK)	2.0	2.7	31.6	16.4	25.4	24.2	28.1	30.6	40.3
Core cargo revenue (\$\$ m)	523.1	462.1	662.1	577.4	743.9	726.3	875.8	999.2	1,350.6
Core cargo cost (\$\$ m)	-465.8	-397.7	-330.6	-393.8	-403.9	-414.7	-442.4	-477.0	-546.7
Core cargo EBIT (\$\$ m)	57.2	64.4	331.5	183.7	340.0	311.6	433.4	522.2	803.9

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 31: Quarterly segmental breakdown

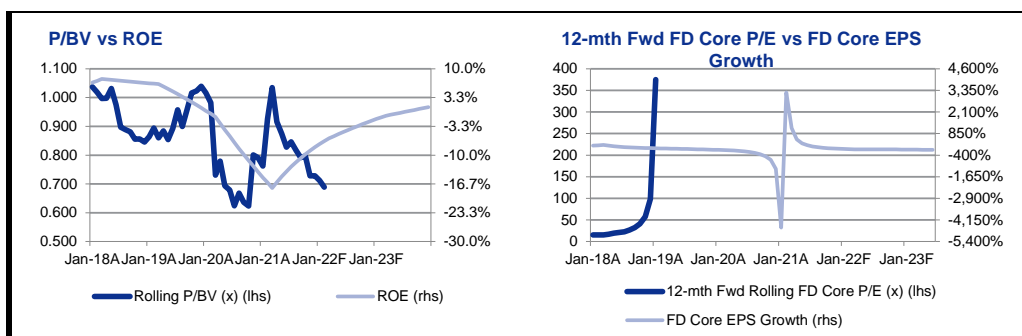
	3QFY20	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22
Revenue (S\$ m)	4,471.0	3,180.8	850.6	783.8	1,067.0	1,114.5	1,295.0	1,531.9	2,316.0
- FSC + Cargo	3,741.2	2,543.7	697.0	676.9	905.6	990.1	1,182.7	1,356.9	2,087.3
- Scoot (LCC)	457.0	323.1	5.9	16.7	21.8	77.5	10.4	77.4	93.7
- Others (SIAEC etc.)	272.7	314.0	147.7	90.3	139.5	47.0	408.8	455.3	871.7
EBIT (S\$ m)	484.9	-772.8	-1,036.8	-813.5	-331.0	-318.6	-274.0	-345.4	76.0
- FSC + Cargo	451.9	-653.3	-769.0	-656.0					
- Scoot (LCC)	4.0	-125.0	-259.0	-142.1					
- SIA Engineering	16.0	14.0	-9.0	-15.6					
- Others	13.0	-8.5	0.2	0.2					
EBIT margin (%)	10.8%	-24.3%	-121.9%	-103.8%	-31.0%	-28.6%	-21.2%	-22.5%	3.3%
- FSC + Cargo	12.1%	-25.7%	-110.3%	-96.9%					
- Scoot (LCC)	0.9%	-38.7%	-4408.4%	-853.1%					

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

<p>ESG in a nutshell</p>	 <p style="text-align: center;">Refinitiv ESG Scores</p> 
<p>SIA is one of the world's premier airlines and takes great pride in improving its ESG credentials. Its standards of service and care to passengers are excellent and its measures to protect the health and safety of its crew and passengers during the Covid-19 pandemic have been recognised as one of the best in the world by the International Air Transport Association. SIA has also set a target to achieve net zero carbon emissions by 2050F and is a participant in the International Civil Aviation Organization's (ICAO) Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA).</p>	
<p>Keep your eye on</p> <p>SIA announced in May 2021 that it had set a target to achieve net zero carbon emissions by 2050F and that it will continue its ongoing efforts to move in this direction. In order to reduce carbon emissions, SIA can employ three strategies: 1) reduce fuel consumption, 2) reduce the carbon intensity of its fuels, and 3) offset its emissions by purchasing carbon credits.</p>	<p>Implications</p> <p>To reduce fuel consumption, SIA will employ various levers, such as renewing its fleet with fuel-efficient aircraft, keeping its fleet young and increasing the operational efficiency of its flying operations. Reducing fuel consumption not only serves SIA's ESG goals but also reduces SIA's operational expenses and benefits the bottomline. SIA plans to gradually increase its use of sustainable aviation fuels, which can reduce the lifecycle greenhouse gas (GHG) emissions by at least 80%. For the residual carbon emissions, SIA plans to purchase high-quality carbon credits.</p>
<p>ESG highlights</p> <p>Singapore has signed up for ICAO's CORSIA scheme, which took effect on a voluntary basis from 2021F until 2026F. From 2027F onwards, it will be mandatory for airlines of participating countries to offset their carbon emissions. Carbon emissions above the 2019 baseline on international flights between countries that have chosen to participate in CORSIA will have to be offset from 2027F.</p>	<p>Implications</p> <p>The SIA group of airlines (SIA mainline, SilkAir, Scoot and SIA Cargo) generated 16.3m tonnes of Scope 1 CO2 emissions in FY20, which most closely corresponds to the 2019 base calendar year for the CORSIA scheme. Airline CO2 emissions fell to 4m tonnes in FY21 from the impact of Covid-19 and we do not expect SIA to exceed FY20 emissions until FY25F (CY24F) or later if SIA improves its carbon efficiency. As such, we do not expect SIA to pay for carbon credits out of pocket anytime soon. The price of voluntary carbon credits depends on supply and demand and it is not possible to estimate how much carbon credits will cost SIA in the years ahead.</p>
<p>Trends</p> <p>SIA is aware that it will have to improve its ESG credentials to remain in the good books of its customers that are paying increasing attention to global warming. In this regard, from June 2021, SIA empowered its customers by giving them an option to reduce their individual carbon footprint by purchasing carbon offsets that will be used to support verified projects that reduce carbon emissions, protect endangered species, and empower developing communities.</p>	<p>Implications</p> <p>SIA has been the airline partner of the <i>Hutan Harapan</i> Initiative, an ecosystem restoration concession that covers nearly 100,000 hectares of tropical rainforest in Sumatra, Indonesia, since 2010. SIA has also introduced a new short-haul economy class meal concept that uses recyclable paper and bamboo cutlery to reduce plastic use. Food wastage is reduced using digital planning technologies. SIA has also installed 20,000 solar panels at its offices, generating 10,200 MWh of clean energy annually. These measures to reduce SIA's environmental footprint may help SIA to maintain high ESG ratings, which may have positive implications for SIA's stock market valuations.</p>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, REFINITIV

BY THE NUMBERS



Profit & Loss

(\$m)	Mar-20A	Mar-21A	Mar-22F	Mar-23F	Mar-24F
Total Net Revenues	15,975	3,816	7,499	13,172	15,833
Gross Profit	3,924	479	1,965	3,277	4,094
Operating EBITDA	2,257	-424	1,259	2,571	3,388
Depreciation And Amortisation	-2,134	-2,076	-2,101	-2,243	-2,335
Operating EBIT	123	-2,500	-842	328	1,053
Financial Income/(Expense)	-179	-233	-273	-286	-294
Pretax Income/(Loss) from Assoc.	-79	-113	-86	11	17
Non-Operating Income/(Expense)	-1	10	5	5	5
Profit Before Tax (pre-EI)	-135	-2,835	-1,195	58	781
Exceptional Items	-85	-2,122	-54	0	0
Pre-tax Profit	-220	-4,957	-1,249	58	781
Taxation	51	674	227	-11	-148
Exceptional Income - post-tax					
Profit After Tax	-169	-4,283	-1,022	47	633
Minority Interests	-43	13	10	5	5
Preferred Dividends	0	0	0	0	0
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	-212	-4,271	-1,012	52	638
Recurring Net Profit	-127	-2,222	-1,149	-191	396
Fully Diluted Recurring Net Profit	-127	-2,222	-1,149	-191	396

Cash Flow

(\$m)	Mar-20A	Mar-21A	Mar-22F	Mar-23F	Mar-24F
EBITDA	2,257	-424	1,259	2,571	3,388
Cash Flow from Invt. & Assoc.					
Change In Working Capital	1,099	-3,424	-0	581	181
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	-675	573	89	8	8
Net Interest (Paid)/Received	0	0	0	0	0
Tax Paid	51	-18	227	-11	-148
Cashflow From Operations	2,732	-3,292	1,575	3,148	3,428
Capex	-5,104	-2,696	-3,900	-4,000	-4,100
Disposals Of FAs/subsidiaries	-29	1,343	761	0	0
Acq. Of Subsidiaries/investments	0	0	0	0	0
Other Investing Cashflow	167	38	0	0	0
Cash Flow From Investing	-4,965	-1,314	-3,139	-4,000	-4,100
Debt Raised/(repaid)	3,080	1,786	900	106	109
Proceeds From Issue Of Shares	0	8,829	6,197	0	0
Shares Repurchased	0	0	0	0	0
Dividends Paid	-386	-14	0	0	0
Preferred Dividends					
Other Financing Cashflow	-759	-864	-268	-281	-289
Cash Flow From Financing	1,936	9,737	6,829	-175	-180
Total Cash Generated	-297	5,130	5,265	-1,027	-852
Free Cashflow To Equity	848	-2,821	-664	-745	-563
Free Cashflow To Firm	-2,233	-4,607	-1,564	-852	-672

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd

Balance Sheet

(\$m)	Mar-20A	Mar-21A	Mar-22F	Mar-23F	Mar-24F
Total Cash And Equivalents	2,685	7,783	13,048	12,021	11,169
Total Debtors	821	940	1,846	3,243	3,898
Inventories	239	195	287	487	572
Total Other Current Assets	1,098	755	1,292	1,285	1,277
Total Current Assets	4,843	9,672	16,474	17,037	16,917
Fixed Assets	26,964	25,879	27,949	29,706	31,471
Total Investments	1,419	1,729	1,643	1,654	1,671
Intangible Assets	487	301	301	301	301
Total Other Non-Current Assets	0	0	0	0	0
Total Non-current Assets	28,870	27,909	29,893	31,661	33,443
Short-term Debt	2,661	907	907	907	907
Current Portion of Long-Term Debt					
Total Creditors	3,016	2,117	3,116	5,294	6,214
Other Current Liabilities	5,325	2,689	2,689	2,689	2,689
Total Current Liabilities	11,002	5,713	6,712	8,890	9,810
Total Long-term Debt	8,631	12,163	14,098	14,204	14,313
Hybrid Debt - Debt Component		776	776	776	776
Total Other Non-Current Liabilities	4,348	2,652	2,652	2,652	2,652
Total Non-current Liabilities	12,978	15,590	17,525	17,632	17,741
Total Provisions	0	0	0	0	0
Total Liabilities	23,980	21,303	24,237	26,521	27,551
Shareholders' Equity	9,314	15,906	21,767	21,819	22,457
Minority Interests	419	372	362	357	352
Total Equity	9,733	16,278	22,130	22,176	22,809

Key Ratios

	Mar-20A	Mar-21A	Mar-22F	Mar-23F	Mar-24F
Revenue Growth	(2.1%)	(76.1%)	96.5%	75.7%	20.2%
Operating EBITDA Growth	(5%)	(119%)	N/A	104%	32%
Operating EBITDA Margin	14.1%	(11.1%)	16.8%	19.5%	21.4%
Net Cash Per Share (S\$)	-5.12	-2.04	-0.92	-1.30	-1.63
BVPS (S\$)	5.54	5.36	7.34	7.36	7.57
Gross Interest Cover	0.56	-9.33	-2.59	0.94	2.99
Effective Tax Rate	0.0%	0.0%	0.0%	19.0%	19.0%
Net Dividend Payout Ratio	NA	NA	NA	NA	NA
Accounts Receivables Days	26.89	84.17	67.80	70.51	82.54
Inventory Days	7.12	23.75	15.89	14.28	16.52
Accounts Payables Days	93.8	280.8	172.6	155.1	179.4
ROIC (%)	0.7%	(11.8%)	(3.6%)	1.3%	3.9%
ROCE (%)	0.80%	(9.64%)	(2.32%)	1.03%	2.89%
Return On Average Assets	0.29%	(5.41%)	(1.66%)	0.70%	1.87%

Key Drivers

	Mar-20A	Mar-21A	Mar-22F	Mar-23F	Mar-24F
SIA mainline ASK (m)	127,165.8	19,253.7	55,622.4	106,152.1	134,459.3
SIA mainline RPK (m)	104,134.6	2,581.6	15,574.3	63,691.2	100,844.5
SIA mainline PLF (%)	81.9%	13.4%	28.0%	60.0%	75.0%
SIA mainline yield (Scts/RPK)	10.0	20.7	14.5	12.3	10.5

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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Corporate Governance Report:

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The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. CGS-CIMB Thailand does not confirm nor certify the accuracy of such survey result.

Score Range:	90 - 100	80 - 89	70 - 79	Below 70	No Survey Result
Description:	Excellent	Very Good	Good	N/A	N/A

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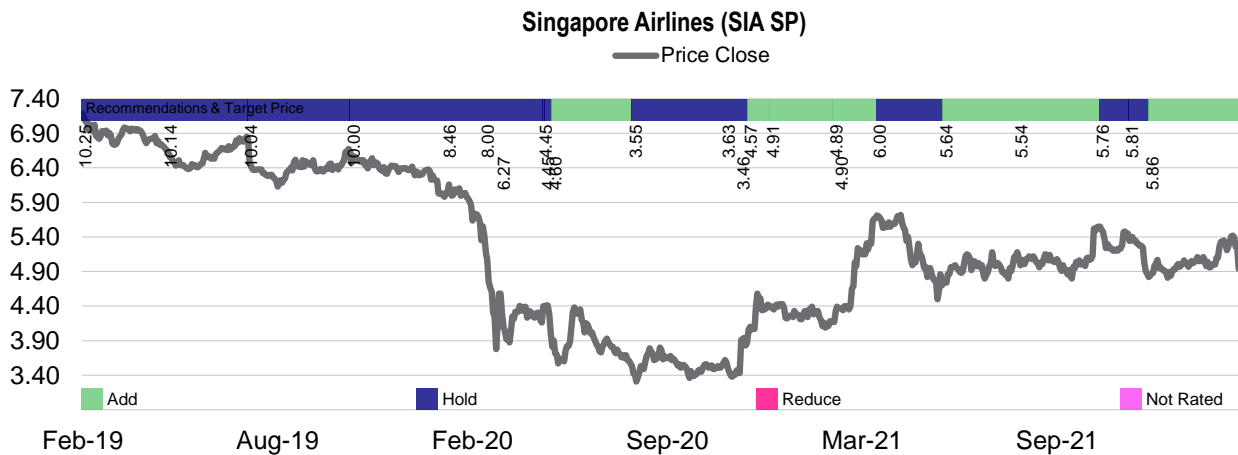
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Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2021		
619 companies under coverage for quarter ended on 31 December 2021		
	Rating Distribution (%)	Investment Banking clients (%)
Add	71.1%	1.5%
Hold	21.8%	0.0%
Reduce	7.1%	0.0%

Spitzer Chart for stock being researched (2 year data)



Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2021, Anti-Corruption 2021

ADVANC – Excellent, Certified, AMATA – Excellent, Certified, ANAN – Excellent, n/a, AOT – Excellent, n/a, AP – Excellent, Certified, ASP – Excellent, n/a, AWC – Excellent, Declared, AU – Good, n/a, BAM – Very Good, Certified, BAY – Excellent, Certified, BBL – Excellent, Certified, BCH – Very Good, Certified, BCP - Excellent, Certified, BCPG – Excellent, Certified, BDMS – Excellent, n/a, BEAUTY – Good, n/a, BEM – Excellent, n/a, BH - Good, n/a, BJC – Very Good, n/a, BLA – Very Good, Certified, BTS - Excellent, Certified, CBG – Very Good, n/a, CCET – n/a, n/a, CENTEL – Excellent, Certified, CHAYO – Very Good, n/a, CHG – Very Good, n/a, CK – Excellent, n/a, COM7 – Excellent, Certified, CPALL – Excellent, Certified, CPF – Excellent, Certified, CPN - Excellent, Certified, CPNREIT – n/a, n/a, CRC – Excellent, Declared, DELTA - Excellent, Certified, DDD – Excellent, n/a, DIF – n/a, n/a, DOHOME – Very Good, Declared, DREIT – n/a, n/a, DTAC – Excellent, Certified, ECL – Excellent, Certified, EGCO - Excellent, Certified, EPG – Excellent, Certified, ERW – Very Good, Certified, GFPT - Excellent, Certified, GGC – Excellent, Certified, GLOBAL – Excellent, n/a, HANA - Excellent, Certified, HMPRO - Excellent, Certified, HUMAN – Good, n/a, ICHI – Excellent, Certified, III – Excellent, Declared, INTUCH - Excellent, Certified, IRPC – Excellent, Certified, ITD – Very Good, n/a, IVL - Excellent, Certified, JASIF – n/a, n/a, JKN – n/a, Certified, JMT – Very Good, n/a, KBANK - Excellent, Certified, KCE - Excellent, Certified, KEX – Very Good, Declared, KKP – Excellent, Certified, KSL – Excellent, Certified, KTB - Excellent, Certified, KTC – Excellent, Certified, LH - Excellent, n/a, LPN – Excellent, Certified, M – Very Good, Certified, MAKRO – Excellent, Certified, MC – Excellent, Certified, MEGA – Very Good, n/a, MINT - Excellent, Certified, MTC – Excellent, Certified, NETBAY – Very Good, n/a, NRF – Very Good, Declared, OR – Excellent, n/a, ORI – Excellent, Certified, OSP – Excellent, n/a, PLANB – Excellent, Certified, PRINC – Very Good, Certified, PR9 – Excellent, Declared, PSH – Excellent, Certified, PTT - Excellent, Certified, PTTEP - Excellent, n/a, PTTGC - Excellent, Certified, QH – Excellent, Certified, RAM – n/a, n/a, RBF – Very Good, n/a, RS – Excellent, Declared, RSP – Good, n/a, S – Excellent, n/a, SAK – Very Good, Declared, SAPPE – Very Good, Certified, SAWAD – Very Good, n/a, SCB - Excellent, Certified, SCC – Excellent, Certified, SCGP – Excellent, Declared, SECURE – n/a, n/a, SHR – Excellent, n/a, SIRI – Excellent, Certified, SPA – Very Good, n/a, SPALI - Excellent, Certified, SPRC – Excellent, Certified, SSP - Good, Certified, STEC – Excellent, n/a, SVI – Excellent, Certified, SYNEX – Very Good, Certified, TCAP – Excellent, Certified, THANI – Excellent, Certified, TIDLOR – n/a, Certified, TISCO - Excellent, Certified, TKN – Very Good, n/a, TOP - Excellent, Certified, TRUE – Excellent, Certified, TTB - Excellent, Certified, TU – Excellent, Certified, TVO – Excellent, Certified, VGI – Excellent, Certified, WHA – Excellent, Certified, WHART – n/a, n/a, WICE – Excellent, Certified, WORK – Good, n/a.

- CG Score 2021 from Thai Institute of Directors Association (IOD)

- Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of August 5, 2021) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.

Recommendation Framework	
Stock Ratings	Definition:
Add	The stock's total return is expected to exceed 10% over the next 12 months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
Reduce	The stock's total return is expected to fall below 0% or more over the next 12 months.
<i>The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.</i>	
Sector Ratings	Definition:
Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.
Country Ratings	Definition:
Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.

