

## Singapore

**HOLD** (previously ADD)

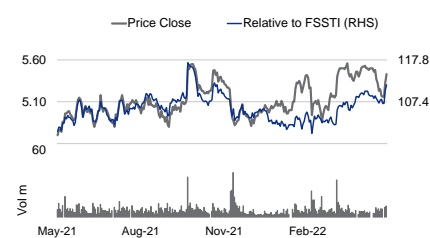
Consensus ratings\*: Buy 4 Hold 5 Sell 3

Current price:	S\$5.43
Target price:	S\$5.92
Previoustarget:	S\$5.88
Up/downside:	9.0%
CGS-CIMB / Consensus:	13.7%
Reuters:	SIAL.SI
Bloomberg:	SIA SP
Market cap:	US\$11,617m
	S\$16,113m
Average daily turnover:	US\$26.02m
	S\$35.48m
Current shares o/s:	2,967m
Free float:	40.0%

\*Source: Bloomberg

### Key changes in this note

- We raise our FY23F core earnings from a net loss of S\$191m to a core net profit of S\$631m as we raise our forecast of RPK demand by 25% on account of stronger-than-expected passenger load factors, partially offset by higher jet fuel price assumptions.
- Our FY24F core EPS forecast has been raised 58% for similar reasons.
- FY25F core EPS forecast introduced in this report.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	0.6	0.2	11.7
Relative (%)	3	6.1	9.1

Major shareholders	% held
Temasek	55.7

### Analyst(s)



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# Singapore Airlines

## Risk-reward now in balance: Hold downgrade

- FY3/22F core net loss of S\$1.1bn was in line with our/consensus forecasts.
- While we raise our FY23-24F core EPS forecasts, we downgrade from Add to Hold as SIA's share price has already rerated 60% from its 2020 lows.
- Our TP is tweaked higher to S\$5.92, using FY23F P/BV of 0.98x (+0.5 s.d. from the mean since 2011) vs. 1.06x previously (+1 s.d.).

### Cargo profits drove the narrowing of SIA's core net loss in FY22

SIA reported a core net loss of S\$268m in 2HFY22, which is 44% narrower yoy and 69% narrower hoh, due to stronger cargo profits and lower share of associate losses, partly offset by lower deferred tax credits. Within 2HFY22, SIA enjoyed a small core net profit of S\$28m in 3QFY22, although this reversed into a core net loss of S\$296m in 4QFY22 (8% narrower yoy). The 3Q core net profit was achieved on the back of extremely strong cargo profits, which benefitted from the seasonal Dec peak, but cargo profits weakened qoq into the 4Q due to the Chinese New Year holiday in Feb and the Covid-19 lockdowns in China from Mar onwards. For the whole FY22, SIA halved its core net loss to S\$1.1bn, contributed entirely by a doubling of cargo profits. By contrast, the pax airline business remained in losses for the third consecutive year, and we estimate that the pax airlines' core operating losses widened 20% yoy in FY22. While the unfavourable gap between RASK and CASK narrowed in FY22, it was ironically the recovery of ASK capacity and RPK demand that drove up absolute losses in FY22. The pax airlines' operating losses probably widened in 4QFY22 vs. 3QFY22 because of the 8% qoq rise in spot jet fuel prices and as SIA's fuel hedging only covered 30% of its 2HFY22 requirements.

### Demand prospects for 1QFY23F (Apr-Jun 2022) look good...

Singapore reopened its borders to quarantine-free travel from 1 Apr 2022 and all testing requirements were removed from 26 Apr. This triggered a 49% mom jump in SIA's RPK demand in Apr, with PLF rising from Mar's 54.5% to Apr's 72.7%. Anecdotally, we believe that average ticket prices have risen a lot, with SIA noting that forward sales in Jun-Aug are "approaching pre-Covid-19 levels". We lift our SQ PLF assumption in FY23F from 60% to 75% to reflect the robust demand outlook. Separately, cargo volumes may pick up qoq with the upcoming lifting of the Shanghai lockdown from 1 Jun. Upside risks to our Hold call include stronger-than-expected yield outcomes for the pax airline business.

### ... but cost escalation could dampen upside

Conversely, the significant oil price increases pose the largest downside risk. SIA is only 40% hedged at an average Brent strike price of US\$60/bbl from Apr 2022 to Jun 2023F, beyond which SIA is unhedged. At the time of writing, Brent crude is trading at US\$113/bbl and Singapore jet fuel at US\$133/bbl, which are multi-year highs. SIA has also committed to restoring pilot salaries fully by 31 Dec 2022F and to replacing cabin crew members that have resigned. Meanwhile, the Singapore government may also reduce cost support for SIA's operations sometime this year. At the current share price, we think that a Hold call is appropriate as the stock's risk and reward appear balanced.

### Financial Summary

	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
Revenue (S\$m)	3,816	7,615	15,150	17,147	17,134
Operating EBITDA (S\$m)	-424	1,282	3,511	3,514	3,399
Net Profit (S\$m)	-4,271	-962	873	867	703
Core EPS (S\$)	-0.81	-0.38	0.21	0.21	0.16
Core EPS Growth	969%	(52%)		(1%)	(26%)
FD Core P/E (x)	NA	NA	25.54	25.81	34.95
DPS (S\$)	-	-	-	-	-
Dividend Yield	0%	0%	0%	0%	0%
EV/EBITDA (x)	NA	13.93	5.21	5.42	6.12
P/FCFE (x)	NA	394.8	NA	NA	NA
Net Gearing	37.2%	6.0%	7.6%	10.3%	17.3%
P/BV (x)	1.01	0.72	0.69	0.67	0.66
ROE	(17.6%)	(6.0%)	2.8%	2.6%	1.9%
% Change In Core EPS Estimates			431%	58%	
CGS-CIMB/Consensus EPS (x)			7.95	1.44	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## Results comparison table ▶

**Figure 1: Results comparison**

FYE Mar (S\$ m)	2HFY22	2HFY21	yoy % chg	1HFY22	hoh % chg	FY22 Cum	FY21 Cum	yoy % chg	Prev. FY22F	Comments
Revenue	4,787.9	2,181.5	119.5	2,826.9	69.4	7,614.8	3,815.9	99.6	7,498.8	Revenue rose hoh due to higher pax and cargo traffic,
Operating costs	(3,841.8)	(1,846.1)	108.1	(2,490.6)	54.3	(6,332.4)	(4,239.9)	49.4	(6,239.6)	higher cargo yields, partly offset by lower pax yields.
EBITDA	946.1	335.4	182.1	336.3	181.3	1,282.4	(424.0)	402.5	1,259.1	Op costs rose hoh due to higher fuel prices, lower fuel
EBITDA margin (%)	19.8	15.4		11.9		16.8	(11.1)		16.8	derivative gains, and higher traffic volumes.
Depn & amort.	(971.9)	(985.0)	(1.3)	(955.7)	1.7	(1,927.6)	(2,075.9)	(7.1)	(2,100.8)	EBIT loss narrowed hoh due to stronger cargo profits,
EBIT	(25.8)	(649.6)	(96.0)	(619.4)	(95.8)	(645.2)	(2,499.9)	(74.2)	(841.6)	even with losses at Scoot and SIA pax airlines.
Interest expense	(198.0)	(146.9)	34.8	(193.6)	2.3	(391.6)	(267.9)	46.2	(324.7)	Higher interest exp hoh due to more borrowings, and
Interest & invt inc	60.4	23.4	158.1	16.0	277.5	76.4	45.4	68.3	57.1	higher level of operating leases.
Associates' contrib	(8.2)	(49.2)	(83.3)	(107.9)	(92.4)	(116.1)	(112.8)	2.9	(86.0)	Narrower associate losses yoy and hoh.
Exceptionals	29.2	(359.3)	108.1	(42.7)	168.4	(13.5)	(2,122.0)	nm	(54.1)	Exceptionals in 1HFY22 comprise provision for onerous
<b>Pretax profit</b>	<b>(142.4)</b>	<b>(1,181.6)</b>	<b>(87.9)</b>	<b>(947.6)</b>	<b>(85.0)</b>	<b>(1,090.0)</b>	<b>(4,957.2)</b>	<b>(78.0)</b>	<b>(1,249.4)</b>	contract and asset impairment; in 2HFY22 mainly
Tax	25.9	376.0	(93.1)	116.0	(77.7)	141.9	673.8	(78.9)	227.1	surplus on aircraft and spares.
Tax rate (%)	18.2	31.8		12.2		13.0	13.6		18.2	Deferred tax credits were lower hoh.
Minority interests	(8.7)	1.9	(557.9)	(5.2)	67.3	(13.9)	12.7	(209.4)	10.0	
<b>Net profit</b>	<b>(125.2)</b>	<b>(803.7)</b>	<b>(84.4)</b>	<b>(836.8)</b>	<b>(85.0)</b>	<b>(962.0)</b>	<b>(4,270.7)</b>	<b>(77.5)</b>	<b>(1,012.3)</b>	
<b>Core net profit</b>	<b>(268.1)</b>	<b>(480.8)</b>	<b>(44.2)</b>	<b>(872.5)</b>	<b>(69.3)</b>	<b>(1,140.6)</b>	<b>(2,221.5)</b>	<b>(48.7)</b>	<b>(1,148.8)</b>	Core net loss in 2HFY22 narrowed hoh due to stronger
EPS (cts)	(4.2)	(27.1)	(84.4)	(28.2)	(85.0)	(32.4)	(144.0)	(77.5)	(34.1)	cargo profits, lower share of associate losses, partly
Core EPS (cts)	(9.0)	(16.2)	(44.3)	(29.4)	(69.3)	(38.4)	(74.9)	(48.7)	(38.7)	offset by lower deferred tax credits.

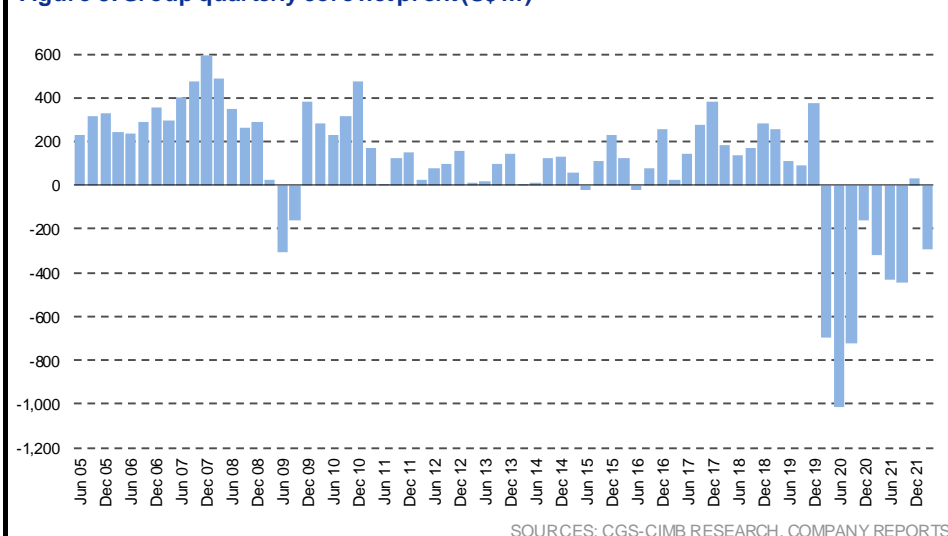
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 2: Headline quarterly numbers**

FYE Mar (S\$ m)	4QFY22	4QFY21	yoy % chg	3QFY22	qoq % chg	FY22 Cum	FY21 Cum	yoy % chg	Prev. FY22F	Comments
Revenue	2,472	1,115	121.8	2,316	6.7	7,615	3,816	99.6	7,499	Group rev rose 6.7% qoq, on higher ASK capacity (partly
Less: Operating costs	(2,574)	(1,433)	79.6	(2,240)	14.9	(8,260)	(6,316)	30.8	(8,340)	offset by lower pax yields), partly offset by lower cargo
- Net fuel cost	(746)	(366)	104.1	(633)	17.9	(2,189)	(1,016)	115.6	(2,473)	volumes carried.
* Fuel cost before hedging	(858)	(277)	209.7	(689)	24.5	(2,409)	(681)	253.5		Op costs rose qoq due to higher fuel cost before hedging
* Hedging gain/(loss)	111	(89)	225.7	56	98.9	219	(334)	165.6		due to resumption of flights and higher spot fuel prices.
- Fuel hedging ineffectiveness	-	1		-		-	(497)	-		
- Fuel derivative mark-to-market changes	0	198		(1)		78	283			MTM gains on the ineffective fuel hedges in 4Q21 were no
- Non-fuel costs	(1,828)	(1,266)	44.4	(1,606)	13.8	(6,149)	(5,086)	20.9	(5,867)	longer present in 4Q22.
Operating profit	(102)	(319)	(68.0)	76	(233.9)	(645)	(2,500)	(74.2)	(842)	Non-fuel costs were up 13.8% qoq but this lagged behind
Exceptional items	29	(359)		-	nm	(14)	(2,122)	nm	(54)	the increase in passenger capacity.
Attributable profit	(210)	(662)	(68.2)	85	(347.3)	(962)	(4,271)	(77.5)	(1,012)	SIA group EBIT loss of S\$102m in 4Q22, vs. profit of
Reconciliation to core net profit										S\$76m in 3Q22, due to lower cargo volumes and profits,
Attributable profit	(210)	(662)	(68.2)	85	(347.3)	(962)	(4,271)	(77.5)	(1,012)	and wider losses at SIA pax airline and Scoot due to
Remove: Exceptionals	(29)	359		-		14	2,122		54	higher oil prices and seasonality reasons.
Deduct: 50% of MCB yields that are treated as debt	(56)	(18)		(57)		(192)	(73)		(191)	
<b>Core net profit/(loss)</b>	<b>(296)</b>	<b>(321)</b>	<b>(7.7)</b>	<b>28</b>	<b>nm</b>	<b>(1,141)</b>	<b>(2,222)</b>	<b>(48.7)</b>	<b>(1,149)</b>	Core net loss narrowed 48.7% for FY22.

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 3: Group quarterly core net profit (\$\$ m)**



### 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

CASK: Cost 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 4: Calculation of SIA's target price**

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

	End-FY21	End-FY22	End-FY23F	End-FY24F	End-FY24F
Shareholders' equity (S\$ m)	15,905.9	22,411.9	23,285.1	24,151.8	24,151.8
No of ordinary shares (m)	2,965.0	2,967.5	2,967.5	2,967.5	2,967.5
<b>BVPS (S\$)</b>	<b>5.36</b>	<b>7.55</b>	<b>7.85</b>	<b>8.14</b>	<b>8.14</b>

Assuming Mandatory Convertible Bonds (MCB) are treated as debt

	End-FY21	End-FY22	End-FY23F	End-FY24F	End-FY24F
Shareholders' equity (S\$ m)	15,905.9	22,411.9	23,285.1	24,151.8	24,151.8
Less: Outstanding MCBs (S\$ m) - capital value	-3,496.1	-9,691.2	-9,691.2	-9,691.2	-9,691.2
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	-1,523.5
<b>Adjusted shareholders' equity (S\$ m)</b>	<b>12,268.0</b>	<b>12,166.4</b>	<b>12,555.0</b>	<b>12,937.1</b>	<b>12,937.1</b>
No of ordinary shares (m)	2,965.0	2,967.5	2,967.5	2,967.5	2,967.5
<b>Adjusted BVPS (S\$)</b>	<b>4.14</b>	<b>4.10</b>	<b>4.23</b>	<b>4.36</b>	<b>4.36</b>

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

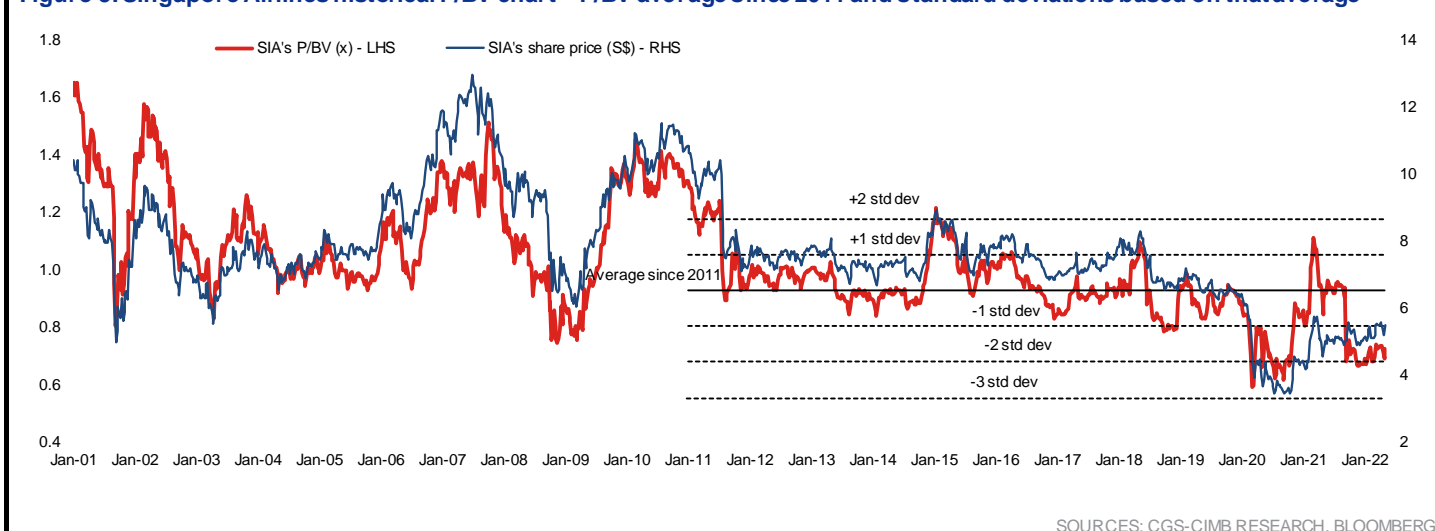
	End-FY21	End-FY22	End-FY23F	End-FY24F	End-FY24F
Shareholders' equity (S\$ m)	15,905.9	22,411.9	23,285.1	24,151.8	24,151.8
Less: Half of outstanding MCBs (S\$ m) - capital value	-1,748.1	-4,845.6	-4,845.6	-4,845.6	-4,845.6
Less: Half of outstanding MCBs (S\$ m) - assume 5% YTM (i.e. redemption between Year 5 and Year 7)	-70.9	-277.1	-519.4	-761.8	-761.8
<b>Adjusted shareholders' equity (S\$ m)</b>	<b>14,087.0</b>	<b>17,289.2</b>	<b>17,920.0</b>	<b>18,544.4</b>	<b>18,544.4</b>
No of ordinary shares (m)	2,965.0	2,967.5	2,967.5	2,967.5	2,967.5
<b>Adjusted BVPS (S\$)</b>	<b>4.75</b>	<b>5.83</b>	<b>6.04</b>	<b>6.25</b>	<b>6.25</b>
Target P/BV multiple (x)		0.98	0.98	0.98	0.98
<b>Target price (S\$)</b>			<b>5.92</b>		

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Our end-CY22F target price is raised to S\$5.92, based on a target P/BV multiple of 0.98x (+0.5 s.d. above the mean since 2011 of 0.92x), applied to the end-FY23F adjusted BVPS. Our previous target price was S\$5.88, based on a target P/BV multiple of 1.06x (+1 s.d. above the mean). We have reduced the target P/BV multiple after raising our earnings forecasts.

We use a P/BV that is above the mean to reflect our optimism over the meaningful reopening of international travel markets from 2QCY22 onwards. Valuing SIA at a P/BV mean of 0.92x (since 2011) yields a fair value per share of S\$5.56.

**Figure 5: Singapore Airlines historical P/BV chart – P/BV average since 2011 and standard deviations based on that average**



SOURCES: CGS-CIMB RESEARCH, BLOOMBERG

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:

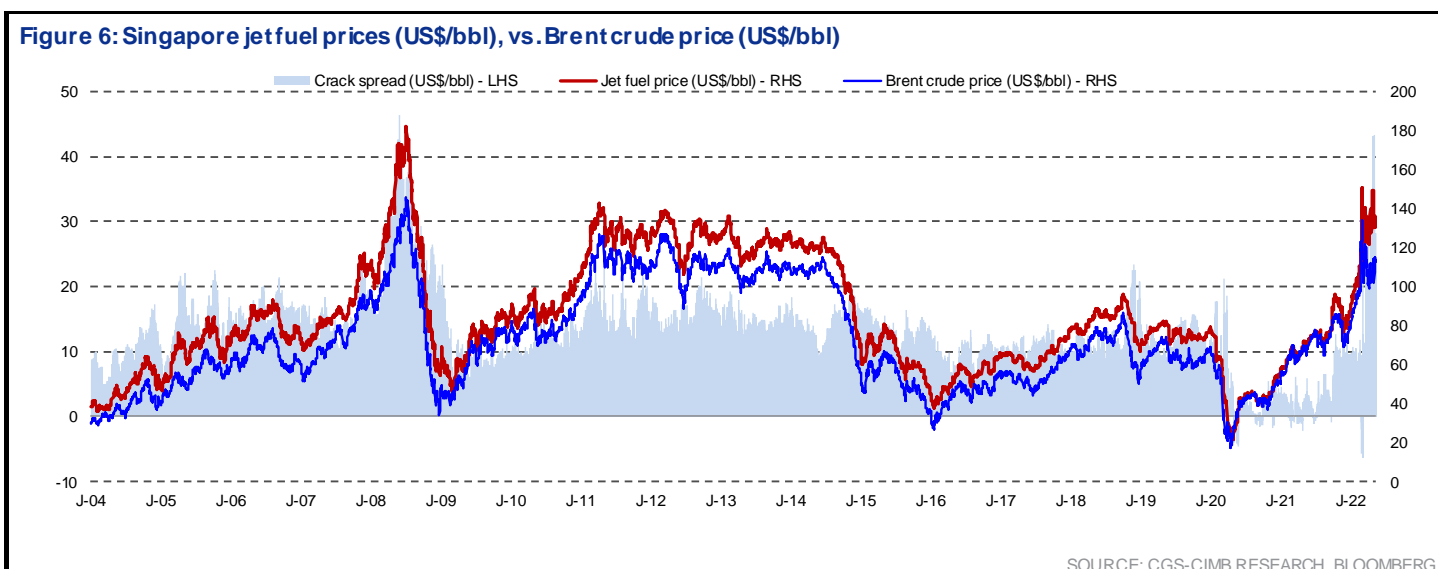
- Treats half of the MCBs as debt (although the accounting treatment sees it as wholly equity) because we have assumed that SIA will endeavour to redeem half of the MCBs before their 9/10-year maturities or will refinance them using other sources of debt; and
- Deducts an assumed 5% yield-to-maturity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

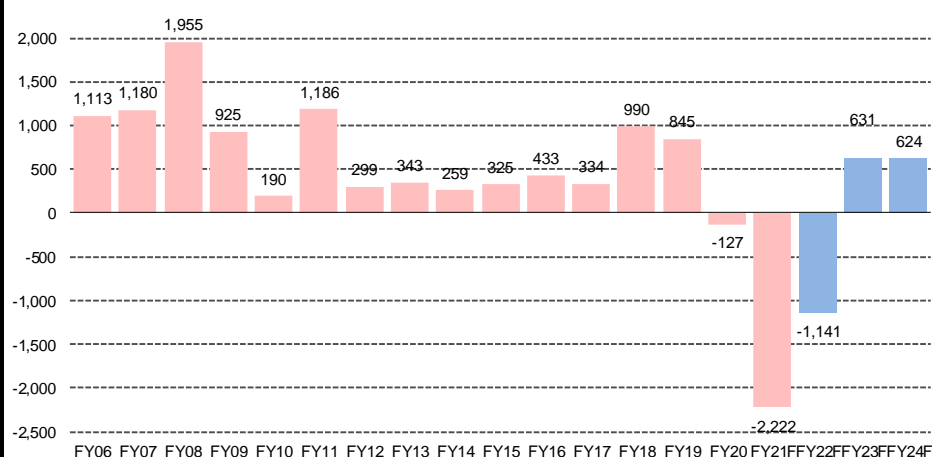
Upside risks include a faster-than-expected recovery in international passenger traffic and average ticket prices after 1 April 2022 as Singapore has opened up quarantine-free travel to fully-vaccinated travellers from around the world. Furthermore, airfreight markets remain strong given the still-choked container shipping logistics chain; China's Shanghai region plans a release from Covid-19 lockdown from 1 June 2022F and this could stimulate air cargo volumes from the recent weakness in March and April.

Downside risks include higher oil prices as SIA is only 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. At the time of writing, Brent crude is trading at US\$113/bbl and Singapore jet fuel at US\$133/bbl. SIA is also gradually reinstating the basic salaries of its pilots from 1 April to 31 December 2022F, after SIA pilots had agreed to take pay cuts of 10-60% between 1 October 2020 and 31 March 2022. While the restoration of pilot salaries will be matched by the return of strong passenger travel demand, there is the uncertainty over whether salaries may be reinstated faster than the restoration of demand.

Figure 6: Singapore jet fuel prices (US\$/bbl), vs. Brent crude price (US\$/bbl)



SOURCE: CGS-CIMB RESEARCH, BLOOMBERG

**Figure 7: SIA group core net profit (\$\$ m)**


SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

**Figure 8: Reconciliation of SIA's attributable net profit to core net profit (\$\$ m)**

	Reference	FY20	FY21	FY22F	FY23F	FY24F
<b>Attributable net profit</b>		<b>-212.0</b>	<b>-4,270.7</b>	<b>-962.0</b>	<b>873.2</b>	<b>866.7</b>
Remove: Exceptionals	a	85.0	2,122.0	13.5	0.0	0.0
Less: MCB yield	b	0.0	-72.8	-192.1	-242.3	-242.3
<b>Core net profit</b>		<b>-127.0</b>	<b>-2,221.5</b>	<b>-1,140.6</b>	<b>630.8</b>	<b>624.4</b>
<b>Breakdown of exceptionals</b>	<b>a</b>	<b>-85.0</b>	<b>-2,122.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
- 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			
<b>Mandatory Convertible Bond (MCB yield)</b>						
Year-end outstanding value (\$\$ 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 (\$\$ m)			1,748.1	4,846.5	4,846.5	4,846.5
Average outstanding balance (\$\$ m)			1,456.7	3,813.7	4,846.5	4,846.5
Assumed yield (%)			5.0%	5.0%	5.0%	5.0%
<b>Assumed yield (\$\$ m)</b>	<b>b</b>		<b>72.8</b>	<b>190.7</b>	<b>242.3</b>	<b>242.3</b>

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,
- 51% as at 31 March 2022,
- 57% as at 30 April 2022, and has guided that it will deploy
- 61% for the April-June 2022 quarter, and
- 67% for the July-September 2022 quarter (70% by 30 September 2022).

For FY3/23F, we estimate that SIA group's ASK capacity will average 74% of the pre-Covid-19 capacity, rising to an average of 95% in FY24F, as shown below.

**Figure 9: Medium-term estimates for SIA group's passenger airline ASK capacity, RPK demand, and PLF**

	ASK capacity (m)	Yoy change	As a percentage of the CY19 base	RPK demand (m)	Yoy change	As a percentage of the CY19 base	Passenger load factor (%)	Yoy change (% pts)
CY 2019	177,066			149,120			84.2%	
FY 3/20	171,211		96.7%	140,999		94.6%	82.4%	-1.9%
FY 3/21	21,721	-87.3%	12.3%	2,891	-97.9%	1.9%	13.3%	-69.0%
FY 3/22	68,570	215.7%	38.7%	20,665	614.9%	13.9%	30.1%	16.8%
<b>FY 3/23F</b>	<b>131,023</b>	<b>91.1%</b>	<b>74.0%</b>	<b>93,293</b>	<b>351.5%</b>	<b>62.6%</b>	<b>71.2%</b>	<b>41.1%</b>
FY 3/24F	168,212	28.4%	95.0%	128,848	38.1%	86.4%	76.6%	5.4%
FY 3/25F	177,066	5.3%	100.0%	141,653	9.9%	95.0%	80.0%	3.4%
FY 3/26F	191,231	8.0%	108.0%	158,722	12.1%	106.4%	83.0%	3.0%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 10: Key assumptions - SIA group**

	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23F	FY24F	FY25F
<b>Full-service carrier (FSC)</b>											
FSC ASK (m km)	128,356	127,484	127,749	129,493	135,218	137,765	19,493	58,748	106,152	134,459	141,536
Change in ASK (%)	-0.1%	-0.7%	0.2%	1.4%	4.4%	1.9%	-85.9%	201.4%	80.7%	26.7%	5.3%
FSC RPK (m km)	100,074	100,784	100,052	104,199	111,512	112,330	2,669	19,178	79,614	103,534	113,229
Change in RPK (%)	-0.5%	0.7%	-0.7%	4.1%	7.0%	0.7%	-97.6%	618.5%	315.1%	30.0%	9.4%
FSC Load Factor	78.0%	79.1%	78.3%	80.5%	82.5%	81.5%	13.7%	32.6%	75.0%	77.0%	80.0%
FSC Pax Yield (Scts/RPK)	11.36	10.79	10.49	10.30	10.16	10.05	20.98	13.07	11.11	10.22	10.01
Change in yield (%)	1.0%	-5.0%	-2.7%	-1.8%	-1.4%	-1.1%	108.7%	-37.7%	-15.0%	-8.0%	-2.0%
<b>Scout</b>											
Scout ASK (m km)		21,733	26,793	29,888	34,389	33,446	2,228	9,822	24,871	33,753	35,530
Change in ASK (%)			23.3%	11.6%	15.1%	-2.7%	-93.3%	340.8%	153.2%	35.7%	5.3%
Scout RPK (m km)		18,225	22,084	25,600	29,326	28,669	222	1,487	13,679	25,315	30,200
Change in RPK (%)			21.2%	15.9%	14.6%	-2.2%	-99.2%	570.9%	820.0%	85.1%	19.3%
Scout Load Factor		83.9%	82.4%	85.7%	85.3%	85.7%	9.9%	15.1%	55.0%	75.0%	85.0%
Scout Pax Yield (Scts/RPK)		6.41	5.90	5.80	5.70	5.60	54.98	19.97	9.99	7.99	6.39
Change in yield (%)		0.0%	-7.9%	-1.7%	-1.7%	-1.8%	881.7%	-63.7%	-50.0%	-20.0%	-20.0%
<b>SIA Cargo</b>											
Cargo AFTK (m km)	10,025	10,513	10,912	11,127	11,210	10,778	4,795	7,195	9,700	10,778	10,778
Change in AFTK (%)	-2.4%	4.9%	3.8%	2.0%	0.8%	-3.9%	-55.5%	50.1%	34.8%	11.1%	0.0%
Cargo FTK (m km)	6,347	6,511	6,896	7,260	7,007	6,389	4,112	5,941	6,305	7,006	7,006
Change in LTK (%)	-1.1%	2.6%	5.9%	5.3%	-3.5%	-8.8%	-35.6%	44.5%	6.1%	11.1%	0.0%
Cargo Load Factor	63.3%	61.9%	63.2%	65.3%	62.5%	59.3%	85.8%	82.6%	65.0%	65.0%	65.0%
Cargo Yield (Scts/FTK)	32.80	29.00	25.90	28.20	31.70	30.50	65.90	73.02	65.72	52.58	42.06
Change in yield (%)	0.3%	-11.6%	-10.7%	8.9%	12.4%	-3.8%	116.1%	10.8%	-10.0%	-20.0%	-20.0%
<b>Fuel price (US\$/barrel)</b>											
Spot Brent crude price (average)	85.9	48.2	49.8	57.6	70.2	63.0	49.6	80.0	100.0	80.0	75.0
Spot jet fuel price (average)	99.4	58.3	58.4	67.9	82.2	74.5	53.7	85.1	120.0	95.0	85.0
Hedged jet fuel price (average)	117.0	84.3	68.9	68.9	78.5	81.9	92.2	76.9	108.0	97.0	89.0

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

We raise our forecasts for SIA's FY23F FSC passenger RPK demand from 63,691m (based on 60% PLF) to 79,614m (based on 75% PLF) on account of higher-than-expected PLFs achieved so far. In April 2022, the SIA group reported 72.7% PLF.

For FY23F, we raise our average spot jet fuel price assumption from US\$90/bbl to US\$120/bbl. SIA is 40% hedged at an average Brent crude strike price of US\$60/bbl for FY23F (vs. our US\$100/bbl assumption). This should mitigate the rise in spot prices of jet fuel.

The net impact of the above changes is to raise our FY23F core earnings from a net loss of S\$191m to a core net profit of S\$631m. Our FY24F core EPS forecast has been raised 58% for similar reasons.

**Figure 11: Earnings revision**

RM m	2022A	2023F			2024F			2025F		
		Old	New	chg	Old	New	chg	Old	New	chg
Revenue	7,615	13,172	15,150	15%	15,833	17,147	8%		17,134	
EBITDA	1,282	2,571	3,511	37%	3,388	3,514	4%		3,399	
Reported PBT	(1,090)	58	1,086	1785%	781	1,065	36%		862	
Core pretax profit	(1,269)	(242)	783	424%	482	766	59%		563	
Reported net profit	(962)	52	873	1590%	638	867	36%		703	
Reported EPS	(0.32)	0.02	0.29	1589%	0.22	0.29	36%		0.24	
Core net profit	(1,141)	(191)	631	431%	396	624	58%		461	
Core EPS	(0.38)	(0.06)	0.21	431%	0.13	0.21	58%		0.16	

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

**Further information on the results**
**Figure 12: Segmental breakdown**

	2HFY22	2HFY21	yoy % chg	1HFY22	hoh % chg	FY22 Cum	FY21 Cum	yoy % chg	Comments
<b>Revenue (S\$ m)</b>	<b>4,787.9</b>	<b>2,181.5</b>	<b>119.5%</b>	<b>2,826.9</b>	<b>69.4%</b>	<b>7,614.8</b>	<b>3,815.9</b>	<b>99.6%</b>	Revenue rose hoh due to higher pax and cargo traffic,
- FSC + Cargo	4,304.5	1,895.7	129.5%	2,539.6	69.5%	6,844.2	3,269.6	109.3%	higher cargo yields, partly offset by lower pax yields.
- Scoot (LCC)	209.2	99.3	110.7%	87.7	138.5%	296.9	121.8	143.7%	
- Others (SIAEC etc.)	274.2	186.5	47.0%	199.5	37.4%	473.7	424.5	11.6%	
<b>Core EBITDA (S\$ m)</b>	<b>946.1</b>	<b>335.4</b>	<b>1.8</b>	<b>336.3</b>	<b>1.8</b>	<b>1,282.4</b>	<b>-424.0</b>	<b>(4.0)</b>	
- FSC + Cargo	1,074.3	379.6	1.8	413.2	1.6	1,487.5	-169.3	(9.8)	Core EBITDA for SIA's cargo operations rose hoh, while
- Scoot (LCC)	-95.6	-33.8	1.8	-76.0	0.3	-171.6	-300.1	(0.4)	EBITDA losses for SIA pax airline also narrowed.
- Others (SIAEC etc.)	-32.6	-10.4	(0.6)	-0.9	(0.4)	-33.5	45.4	(0.2)	However, Scoot's EBITDA losses widened hoh due to higher oil prices.
<b>Core EBITDA margin (%)</b>	<b>19.8%</b>	<b>15.4%</b>	<b>4.4%</b>	<b>11.9%</b>	<b>7.9%</b>	<b>16.8%</b>	<b>-11.1%</b>	<b>28.0%</b>	
- FSC + Cargo	25.0%	20.0%	4.9%	16.3%	8.7%	21.7%	-5.2%	26.9%	
- Scoot (LCC)	-45.7%	-34.0%	-11.7%	-86.6%	40.9%	-57.8%	-246.3%	188.5%	
<b>Core EBIT (S\$ m)</b>	<b>-25.8</b>	<b>-649.6</b>	<b>-96.0%</b>	<b>-619.4</b>	<b>-95.8%</b>	<b>-645.2</b>	<b>-2,499.9</b>	<b>-74.2%</b>	
- FSC + Cargo	274.6	-496.5	-155.3%	-386.5	171.0%	-111.9	-1,921.5	-94.2%	
- Scoot (LCC)	-236.6	-168.6	40.3%	-217.0	9.0%	-453.6	-569.7	-20.4%	
- SIA Engineering	-15.2	5.6	-371.4%	-6.7	126.9%	-21.9	-19.0	15.3%	
- Others	-48.6	9.9	-590.9%	-9.2	428.3%	-57.8	10.3	-661.2%	
<b>Core EBIT margin (%)</b>	<b>-0.5%</b>	<b>-29.8%</b>		<b>-21.9%</b>		<b>-8.5%</b>	<b>-65.5%</b>		
- FSC + Cargo	6.4%	-26.2%		-15.2%		-1.6%	-58.8%		
- Scoot (LCC)	-113.1%	-169.8%		-247.4%		-152.8%	-467.6%		

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 13: Operating metrics - Full-service carriers (FSC)**

	4QFY22	4QFY21	yoy % chg	3QFY22	qoq % chg	FY22 Cum	FY21 Cum	yoy % chg	Comments
<b>SIA &amp; SilkAir (FSC)</b>									
ASK (m)	18,895	9,048	108.8%	15,675	20.5%	58,748	19,493	201.4%	ASK and RPK recovered on qoq basis, with PLF also
RPK (m)	9,259	1,054	778.5%	5,711	62.1%	19,178	2,669	618.5%	recovering.
Passenger load factor (%)	49.0%	11.6%	320.7%	36.4%	12.6%	32.6%	13.7%	19.0%	
Break-even load factor (%)	73.2%	34.5%	112.3%	62.0%	11.2%	61.7%	59.0%	2.6%	Breakeven load factor rose qoq due to the qoq fall in yield
Spread (%)	-24.2%	-22.8%		-25.6%	0.0%	-29.0%	-45.3%		and the qoq rise in unit costs.
Passengers carried (000)	1,711	215	697.7%	966	77.1%	3,388	514	558.7%	
RASK (cts/ASK)	5.85	2.91	100.5%	4.70	24.4%	4.27	2.84	50.4%	RASK rose qoq due to the higher qoq PLF, partially offset
Passenger yield (cts/RPK)	11.93	25.03	-52.3%	12.90	-7.5%	13.07	20.72	-36.9%	by lower qoq yield.
Pax unit costs (cts/ASK)	8.73	8.63	1.2%	8.00	9.1%	8.06	12.23	-34.1%	CASK rose qoq due to higher jet fuel prices.
Unit profit (cts/ASK)	-2.89	-5.71	-49.5%	-3.30	-12.5%	-3.79	-9.39	-59.6%	Unit loss narrowed qoq.
Core FSC revenue (S\$ m)	1,104.6	263.8	318.8%	736.7	49.9%	2,505.8	559.9	347.6%	
Core FSC cost (S\$ m)	-1,649.9	-780.8	111.3%	-1,254.0	31.6%	-4,734.3	-2,470.6	91.6%	Core EBIT loss widened qoq due to the higher passenger
<b>Core FSC EBIT (S\$ m)</b>	<b>-545.4</b>	<b>-517.1</b>	<b>5.5%</b>	<b>-517.3</b>	<b>5.4%</b>	<b>-2,228.5</b>	<b>-1,910.7</b>	<b>16.6%</b>	volume, lower yield and higher unit costs.

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS



**Figure 14: Operating metrics - Low-cost carrier**

	4QFY22	4QFY21	yoy % chg	3QFY22	qoq % chg	FY22 Cum	FY21 Cum	yoy % chg	Comments
<b>Scoot (SH &amp; LH)</b>									
ASK (m)	3,454	1,005	243.9%	2,698	28.0%	9,822	2,228	340.8%	ASK and RPK recovered on qoq basis, with PLF also rising.
RPK (m)	787	84	842.3%	389	102.5%	1,487	222	570.9%	
Passenger load factor (%)	22.8%	8.3%	174.0%	14.4%	8.4%	15.1%	9.9%	5.2%	
Break-even load factor (%)	50.9%	14.6%	247.9%	30.3%	20.6%	38.2%	36.3%	1.9%	Breakeven load factor rose qoq due to the qoq fall in yields, and qoq rise in unit costs.
Spread (%)	-28.1%	-6.3%		-15.9%		-23.1%	-26.4%		
Passengers carried (000)	261	32	723.7%	122	113.3%	502	82	512.5%	
RASK (cts/ASK)	3.35	7.71	-56.6%	3.50	-4.4%	3.02	5.47	-44.7%	RASK fell qoq with lower passenger yields offset by higher PLF.
Passenger yield (cts/RPK)	14.69	92.76	-84.2%	24.10	-39.1%	19.97	54.98	-63.7%	
Pax unit costs (cts/ASK)	7.48	13.57	-44.9%	7.30	2.4%	7.64	19.96	-61.7%	Unit costs rose qoq due to higher fuel prices.
Unit profit (cts/ASK)	-4.13	-5.86	-29.5%	-3.80	8.7%	-4.62	-14.49	-68.2%	
Core Scoot revenue (\$\$ m)	115.6	77.5	49.2%	93.7	23.4%	296.9	121.8	143.7%	
Core Scoot cost (\$\$ m)	-258.3	-136.4	89.4%	-196.9	31.2%	-750.3	-444.8	68.7%	
<b>Core Scoot EBIT (\$\$ m)</b>	<b>-142.7</b>	<b>-58.9</b>	<b>142.4%</b>	<b>-103.3</b>	<b>38.2%</b>	<b>-453.4</b>	<b>-322.9</b>	<b>40.4%</b>	Core EBIT loss widened qoq due to the higher passenger volume, lower yield and higher unit costs.
+ Other EBIT (\$\$ m)		0.0					-246.8	nm	
<b>Total Scoot EBIT (\$\$ m)</b>		<b>0.0</b>					<b>-569.7</b>	<b>-100.0%</b>	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 15: Operating metrics - SIA Cargo**

	4QFY22	4QFY21	yoy % chg	3QFY22	qoq % chg	FY22 Cum	FY21 Cum	yoy % chg	Comments
<b>Cargo business</b>									
AFTK (m)	1,955	1,286	52.0%	1,995	-2.0%	7,195	4,795	50.1%	AFTK and FTK both fell qoq. FTK fell due to the Chinese New Year in Feb, and pandemic controls in China and HK in Mar 2022.
FTK (m)	1,422	1,182	20.3%	1,657	-14.2%	5,941	4,112	44.5%	
Cargo load factor (%)	72.7%	91.9%	-20.9%	83.1%	-10.3%	82.6%	85.8%	-3.2%	
Break-even load factor (%)	32.2%	52.5%	-38.7%	33.6%	-1.4%	37.3%	48.8%	-11.6%	Breakeven CLF fell qoq due to the fall in unit costs, which more than offset the fall in cargo yields.
Spread (%)	40.6%	39.4%	2.9%	49.4%	-8.9%	45.3%	36.9%	8.4%	
Cargo carried (m kg)	249	217	14.7%	285	-12.8%	1,046	734	42.5%	
RAFTK (cts/AFTK)	56.92	56.46	0.8%	67.69	-15.9%	60.29	56.51	6.7%	Revenue per unit of capacity fell qoq due to lower CLF and lower cargo yields.
Cargo yield (cts/FTK)	78.25	61.43	27.4%	81.50	-4.0%	73.02	65.90	10.8%	
Cargo unit costs (cts/AFTK)	25.18	32.24	-21.9%	27.40	-8.1%	27.22	32.18	-15.4%	Cargo unit costs fell qoq despite higher jet fuel costs.
Unit profit (cts/AFTK)	31.75	24.22	31.1%	40.29	nm	33.08	24.33	35.9%	
Core cargo revenue (\$\$ m)	1,112.7	726.3	53.2%	1,350.6	-17.6%	4,338.3	2,709.7	60.1%	
Core cargo cost (\$\$ m)	-492.1	-414.7	18.7%	-546.7	-10.0%	-1,958.3	-1,543.0	26.9%	SIA Cargo's EBIT fell qoq due to lower FTK volumes and lower cargo yields, partially offset by lower unit costs.
<b>Core cargo EBIT (\$\$ m)</b>	<b>620.5</b>	<b>311.6</b>	<b>99.1%</b>	<b>803.9</b>	<b>-22.8%</b>	<b>2,380.0</b>	<b>1,166.8</b>	<b>104.0%</b>	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

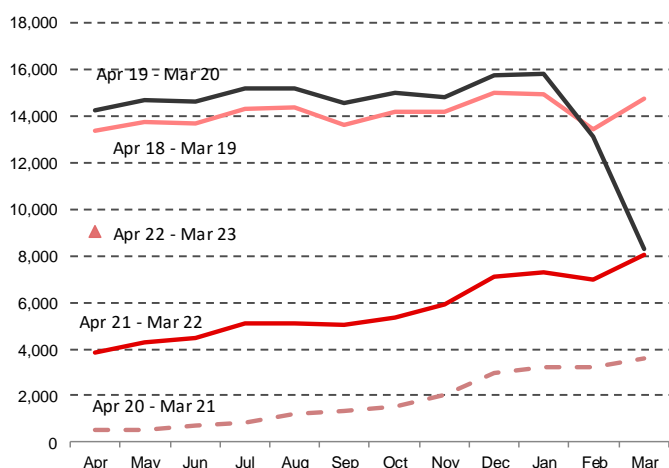
Figure 16: Cost metrics

	2HFY22	2HFY21	yoy % chg	1HFY22	hoh % chg	FY22 Cum	FY21 Cum	yoy % chg	Comments
<b>Operating costs (\$ m)</b>	<b>(5,011.7)</b>	<b>(2,978.0)</b>	<b>68.3%</b>	<b>(3,639.9)</b>	<b>37.7%</b>	<b>(8,651.6)</b>	<b>(6,583.7)</b>	<b>31.4%</b>	Operating costs rose hoh due to higher fuel and non-fuel costs
- Fuel	(1,379.7)	(289.9)	375.9%	(731.4)	88.6%	(2,111.1)	(1,229.5)	71.7%	Fuel costs rose on higher fuel consumption as flights were reinstated, higher fuel prices, and absence of fair value gains on ineffective fuel derivatives.
* Fuel cost net of hedging	(1,379.1)	(639.5)	115.7%	(810.2)	70.2%				
* Fuel hedging ineffectiveness	-	(35.4)	na	-	na				
* FV change on ineffective fuel derivatives	(0.6)	385.0	-100.2%	78.8	-100.8%				
- Non-fuel costs	(2,449.3)	(1,550.0)	58.0%	(1,755.1)	39.6%	(4,204.4)	(3,000.6)	40.1%	Non-fuel costs rose hoh due to higher staff costs, together with higher costs of flight deployments, such as landing charges, and handling charges.
* Staff	(809.9)	(583.5)	38.8%	(663.7)	22.0%	(1,473.6)	(1,160.5)	27.0%	
* Landing, parking, overflying	(259.9)	(135.8)	91.4%	(192.0)	35.4%	(451.9)	(219.0)	106.3%	
* Handling charges	(364.7)	(220.1)	65.7%	(282.1)	29.3%	(646.8)	(394.1)	64.1%	
* Maintenance	(241.8)	(213.4)	13.3%	(211.6)	14.3%	(453.4)	(446.4)	1.6%	
* Commissions	(96.6)	(7.0)	nm	(21.2)	355.7%	(117.8)	13.6	-966.2%	
* Inflight meals and pax cost	-	(23.1)	na	(39.9)	na	(39.9)	(41.8)	-4.5%	
* Other costs	(676.4)	(367.1)	84.3%	(344.6)	96.3%	(1,021.0)	(752.4)	35.7%	
<b>Asset costs (\$ m)</b>	<b>(1,182.7)</b>	<b>(1,138.1)</b>	<b>3.9%</b>	<b>(1,153.4)</b>	<b>2.5%</b>	<b>(2,336.1)</b>	<b>(2,353.6)</b>	<b>-0.7%</b>	Asset costs remain relatively steady hoh.
* Depreciation	(971.9)	(985.0)	-1.3%	(955.7)	1.7%	(1,927.6)	(2,075.9)	-7.1%	
* Leasing of aircraft	(12.8)	(6.2)	106.5%	(4.1)	212.2%	(16.9)	(9.8)	72.4%	
* Interest expense	(198.0)	(146.9)	34.8%	(193.6)	2.3%	(391.6)	(267.9)	46.2%	
ATK (m tonnes)	7,978	4,256	87.5%	6,000	33.0%	13,978	6,941	101.4%	Reinstatement of passenger airline capacity led to 33% qoq rise in Available Tonne Kilometres (ATK).
<b>Unit op costs (Scts/ATK)</b>	<b>(62.82)</b>	<b>(69.97)</b>	<b>-10.2%</b>	<b>(60.66)</b>	<b>3.5%</b>	<b>(61.89)</b>	<b>(94.86)</b>	<b>-34.8%</b>	Overall unit costs rose hoh due mainly to higher fuel unit costs
- Fuel	(17.29)	(6.81)	153.9%	(12.19)	41.9%	(15.10)	(17.71)	-14.7%	
- Non-fuel costs	(30.70)	(36.42)	-15.7%	(29.25)	4.9%	(30.08)	(43.23)	-30.4%	
* Staff	(10.15)	(13.71)	-26.0%	(11.06)	-8.2%	(10.54)	(16.72)	-37.0%	
* Landing, parking, overflying	(3.26)	(3.19)	2.1%	(3.20)	1.8%	(3.23)	(3.16)	2.5%	
* Handling charges	(4.57)	(5.17)	-11.6%	(4.70)	-2.8%	(4.63)	(5.68)	-18.5%	
* Maintenance	(3.03)	(5.01)	-39.6%	(3.53)	-14.1%	(3.24)	(6.43)	-49.6%	
* Commissions	(1.21)	(0.16)	636.2%	(0.35)	242.7%	(0.84)	0.20	-530.1%	
* Inflight meals and pax cost	-	(0.54)	na	(0.66)	na	(0.29)	(0.60)	-52.6%	
* Other costs	(8.48)	(8.63)	-1.7%	(5.74)	47.6%	(7.30)	(10.84)	-32.6%	
<b>Asset costs (\$ m)</b>	<b>(14.82)</b>	<b>(26.74)</b>	<b>-44.6%</b>	<b>(19.22)</b>	<b>-22.9%</b>	<b>(16.71)</b>	<b>(33.91)</b>	<b>-50.7%</b>	
* Depreciation	(12.18)	(23.14)	-47.4%	(15.93)	-23.5%	(13.79)	(29.91)	-53.9%	
* Leasing of aircraft	(0.16)	(0.15)	10.1%	(0.07)	134.8%	(0.12)	(0.14)	-14.4%	
* Interest expense	(2.48)	(3.45)	-28.1%	(3.23)	-23.1%	(2.80)	(3.86)	-27.4%	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

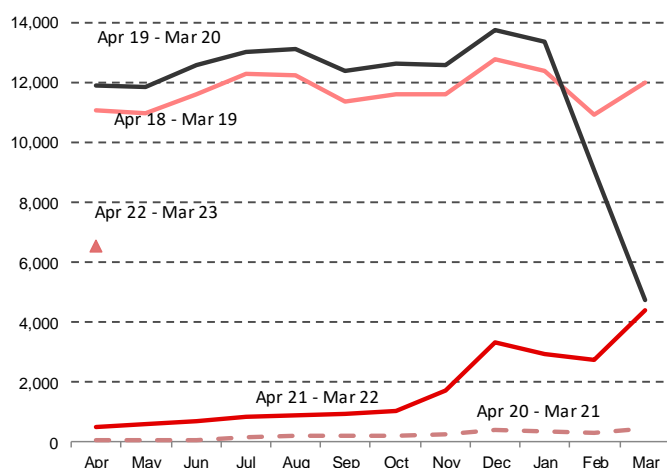
## Group passenger airline business ▶

Figure 17: SIA group's passenger capacity in ASK(m)



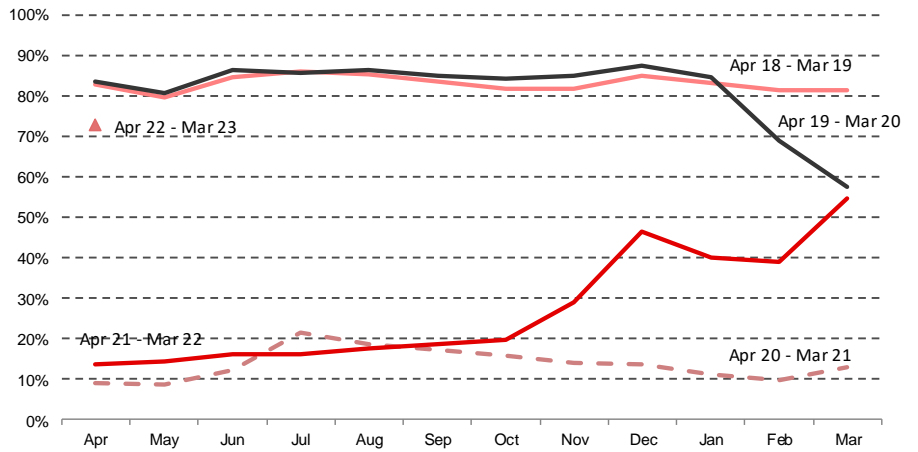
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 18: SIA group's passenger traffic in RPK (m)



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

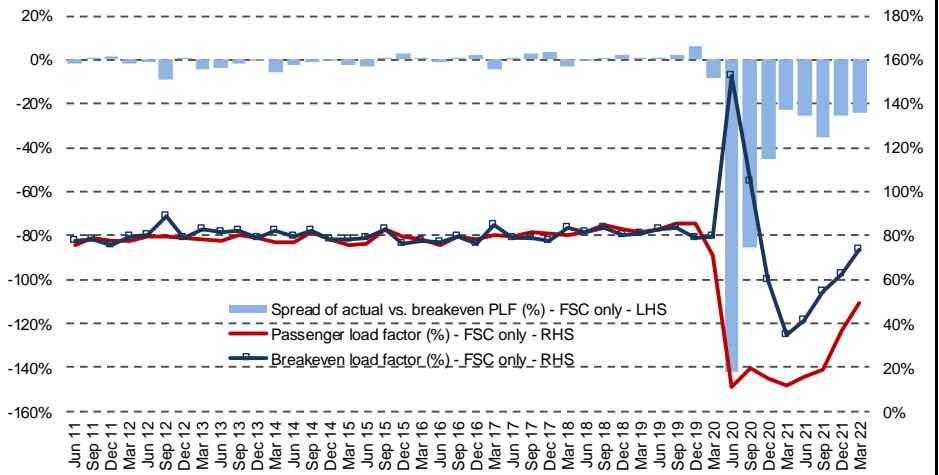
**Figure 19: SIA group's passenger load factors (%)**



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

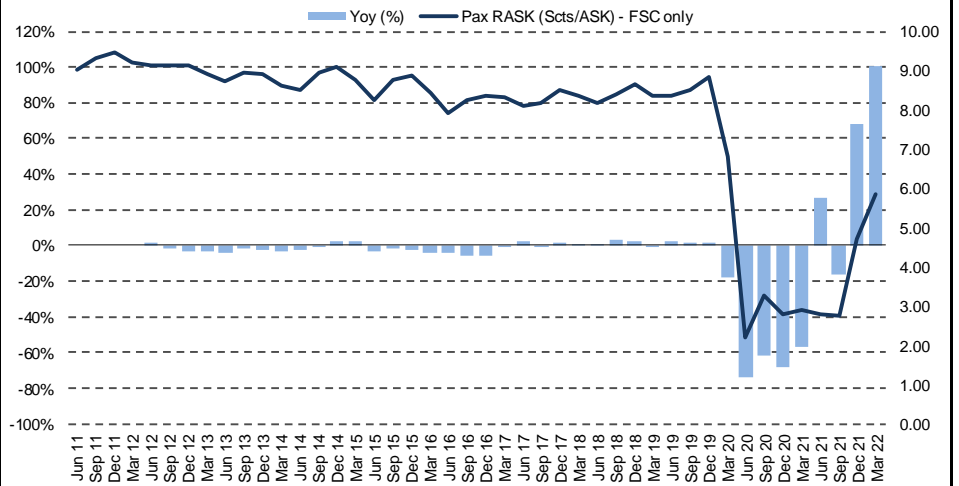
**Full-service carrier business ➤**

**Figure 20: SIA mainline and SilkAir FSC: passenger and breakeven load factors (%), and spreads (% pts)**



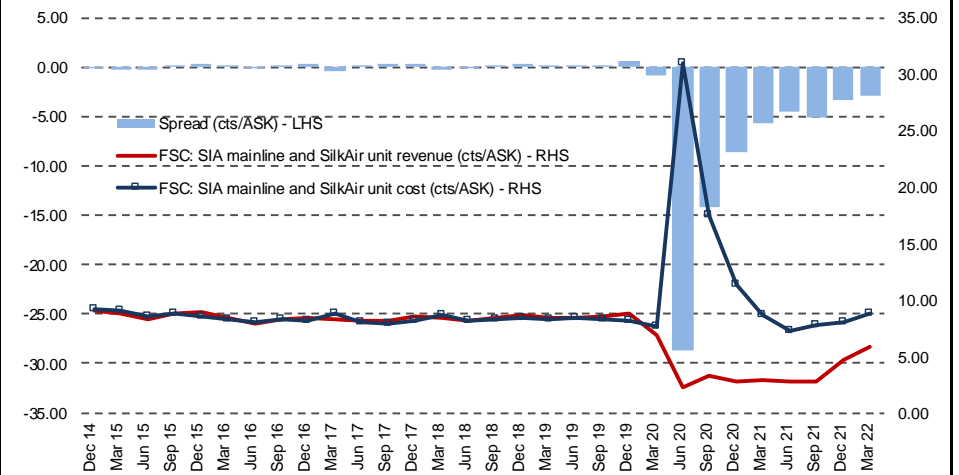
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 21: SIA mainline and SilkAir FSC: Passenger RASK (Scts/ASK) and yoy change (%)**



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

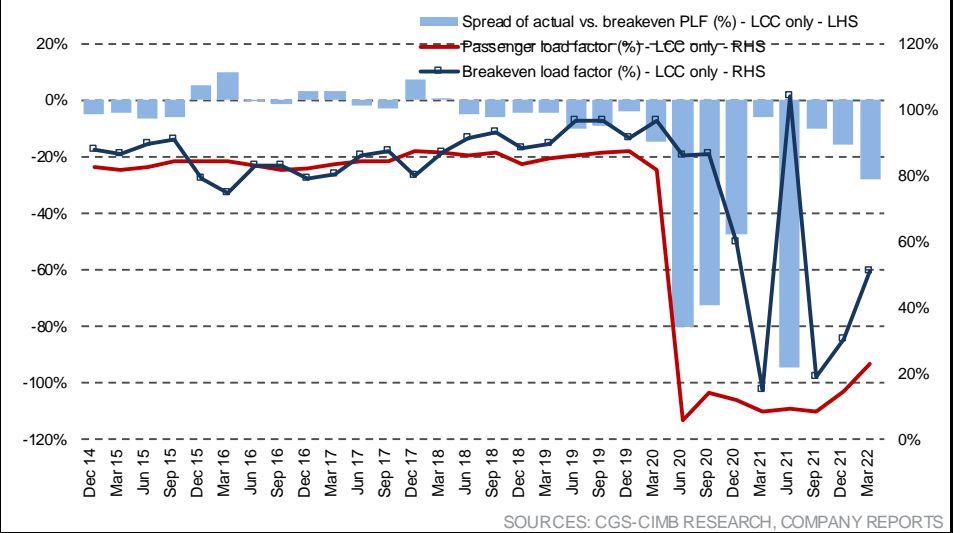
**Figure 22: SIA mainline and SilkAir FSC: spread between unit revenue and unit cost (cents/ASK)**



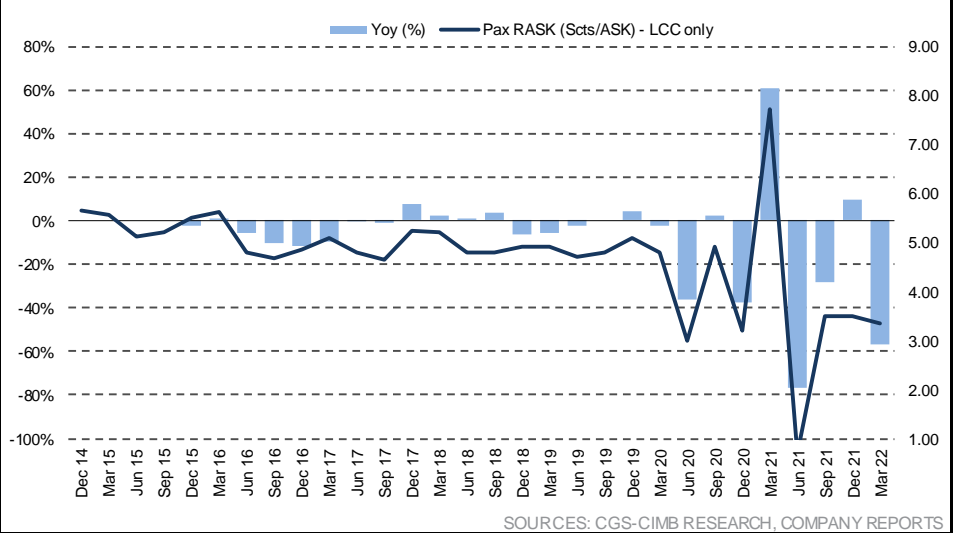
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

### Low-cost carrier business ▶

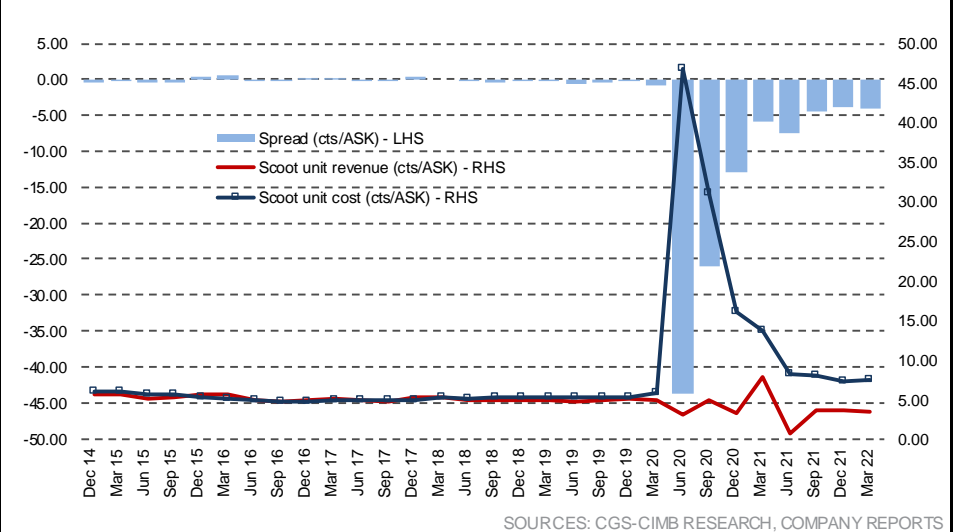
**Figure 23: Scoot LCC: passenger and breakeven load factors (%), and spreads (% pts)**



**Figure 24: Scoot LCC: Passenger RASK (Scts/ASK) and yoy change (%)**

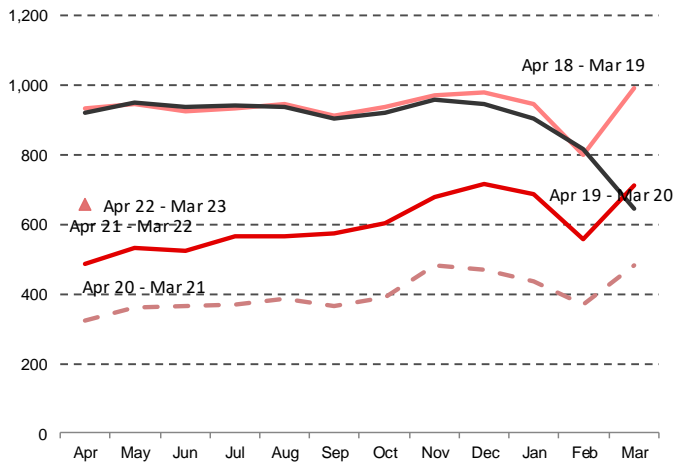


**Figure 25: Scoot LCC: spread between unit revenue and unit cost (cents/ASK)**



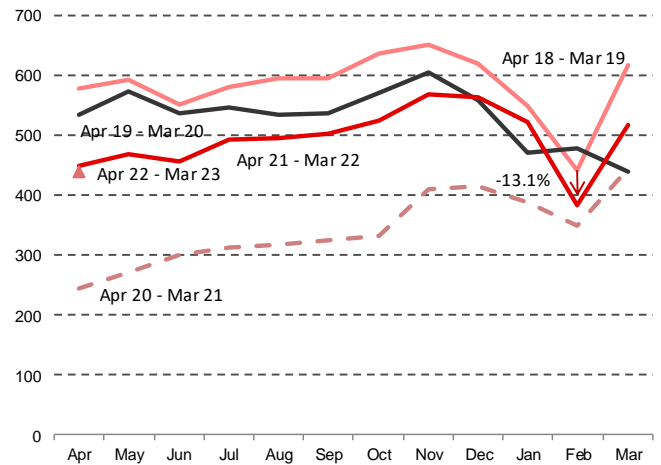
### Cargo business ▶

Figure 26: SIA's cargo capacity in AFTK(m)



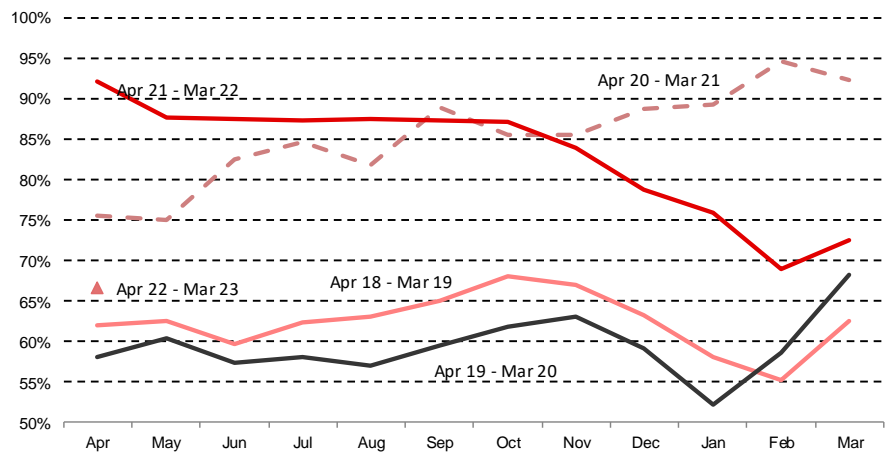
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 27: SIA's cargo traffic in RFTK (m)



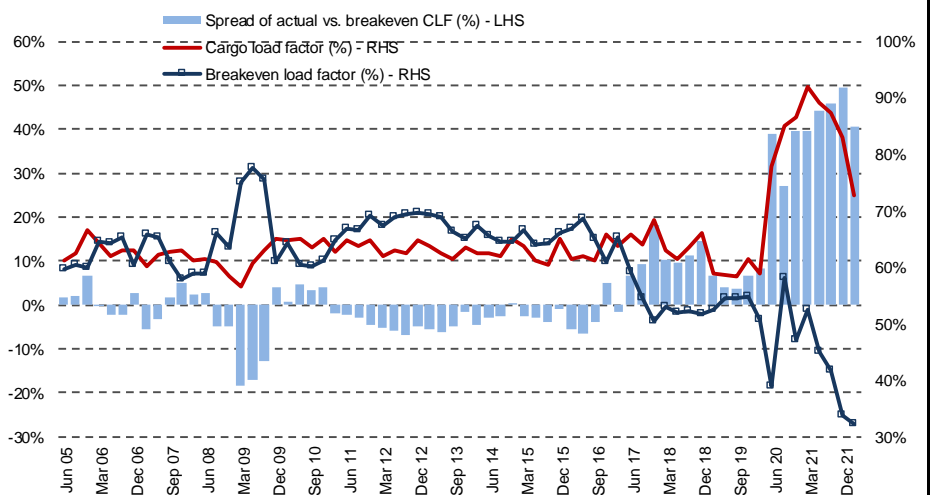
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 28: SIA's cargo load factors (%)



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 29: Cargo load factor and breakeven load factor (%), and spreads (% pts)



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 30: Cargo RAFTK (Scts/AFTK) and yoy change (%)

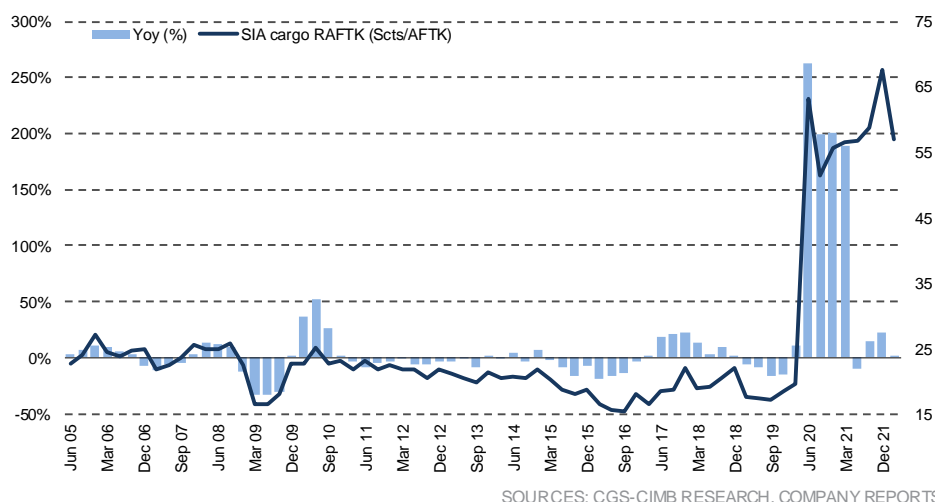
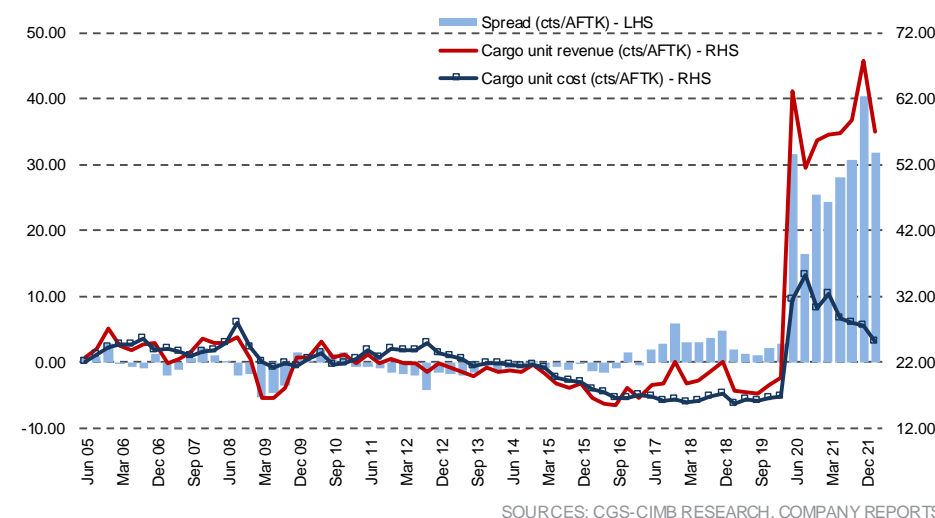


Figure 31: Spread between cargo unit revenue and cargo unit cost (cents/AFTK)



### Sequential half-yearly tables ▶

Figure 32: Half-yearly results

FYE Mar (S\$ m)	2HFY18	1HFY19	2HFY19	1HFY20	2HFY20	1HFY21	2HFY21	1HFY22	2HFY22
Revenue	8,008.2	7,904.0	8,415.4	8,323.0	7,651.8	1,634.4	2,181.5	2,826.9	4,787.9
Operating costs	(6,725.4)	(6,853.7)	(7,078.3)	(6,913.2)	(6,804.6)	(2,393.8)	(1,846.1)	(2,490.6)	(3,841.8)
EBITDA	1,282.8	1,050.3	1,337.1	1,409.8	847.2	(759.4)	335.4	336.3	946.1
EBITDA margin (%)	16.0	13.3	15.9	16.9	11.1	(46.5)	15.4	11.9	19.8
Depn & amort.	(584.2)	(631.6)	(696.3)	(999.1)	(1,135.1)	(1,090.9)	(985.0)	(955.7)	(971.9)
EBIT	698.6	418.7	640.8	410.7	(287.9)	(1,850.3)	(649.6)	(619.4)	(25.8)
Interest expense	(47.6)	(56.6)	(59.5)	(114.8)	(106.1)	(121.0)	(146.9)	(193.6)	(198.0)
Interest & invt inc	30.9	30.5	14.7	39.7	1.9	22.0	23.4	16.0	60.4
Associates' contrib	42.8	2.0	39.8	(58.8)	(19.9)	(63.6)	(49.2)	(107.9)	(8.2)
Exceptionals	104.7	(106.1)	(55.7)	9.7	(94.7)	(1,762.7)	(359.3)	(42.7)	29.2
<b>Pretax profit</b>	<b>829.4</b>	<b>288.5</b>	<b>580.1</b>	<b>286.5</b>	<b>(506.7)</b>	<b>(3,775.6)</b>	<b>(1,181.6)</b>	<b>(947.6)</b>	<b>(142.4)</b>
Tax	(133.6)	(73.8)	(73.2)	(60.6)	111.4	297.8	376.0	116.0	25.9
Tax rate (%)	16.1	25.6	12.6	21.2	22.0	7.9	31.8	12.2	18.2
Minority interests	(25.4)	(18.7)	(20.2)	(20.3)	(22.3)	10.8	1.9	(5.2)	(8.7)
<b>Net profit</b>	<b>670.4</b>	<b>196.0</b>	<b>486.7</b>	<b>205.6</b>	<b>(417.6)</b>	<b>(3,467.0)</b>	<b>(803.7)</b>	<b>(836.8)</b>	<b>(125.2)</b>
<b>Core net profit</b>	<b>565.7</b>	<b>302.1</b>	<b>542.4</b>	<b>195.9</b>	<b>(322.9)</b>	<b>(1,740.7)</b>	<b>(480.8)</b>	<b>(872.5)</b>	<b>(268.1)</b>
EPS (cts)	39.9	11.7	29.0	12.2	(24.8)	(116.9)	(27.1)	(28.2)	(4.2)
Core EPS (cts)	33.7	18.0	32.3	11.7	(19.2)	(58.7)	(16.2)	(29.4)	(9.0)

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 33: Half-yearly operating metrics - passenger airlines**

	2HFY18	1HFY19	2HFY19	1HFY20	2HFY20	1HFY21	2HFY21	1HFY22	2HFY22
<b>SIA &amp; SilkAir (FSC)</b>									
ASK (m)	64,962	66,403	68,815	70,795	66,970	4,658	14,836	24,178	34,570
RPK (m)	52,405	55,064	56,448	59,528	52,802	767	1,902	4,208	14,970
Passenger load factor (%)	80.7%	82.9%	82.0%	84.1%	78.8%	16.5%	12.8%	17.4%	43.3%
Break-even load factor (%)	80.4%	82.2%	80.6%	83.0%	79.0%	126.3%	43.4%	47.9%	68.3%
Spread (%)	0.2%	0.8%	1.4%	1.1%	-0.1%	-109.8%	-30.6%	-30.5%	-25.0%
Passengers carried (000)	12,220	12,678	12,962	13,569	11,778	133	382	710	2,677
RASK (cts/ASK)	8.43	8.29	8.51	8.44	7.91	2.89	2.87	2.75	5.33
Passenger yield (cents/RPK)	10.45	10.00	10.38	10.03	10.04	17.51	22.38	15.79	12.30
Pax unit costs (cents/ASK)	8.40	8.22	8.37	8.32	7.93	22.12	9.71	7.57	8.40
Unit profit (cents/ASK)	0.03	0.08	0.14	0.11	-0.01	-19.23	-6.84	-4.82	-3.07
Core FSC revenue (S\$ m)	5,475.9	5,507.0	5,857.2	5,971.7	5,299.8	134.4	425.5	664.6	1,841.2
Core FSC cost (S\$ m)	-5,459.5	-5,484.5	-5,757.8	-5,887.8	-5,308.2	-1,030.1	-1,440.5	-1,830.4	-2,903.9
<b>Core FSC EBIT (S\$ m)</b>	<b>16.4</b>	<b>22.5</b>	<b>99.4</b>	<b>83.9</b>	<b>-8.4</b>	<b>-895.8</b>	<b>-1,015.0</b>	<b>-1,165.8</b>	<b>-1,062.7</b>
<b>Scout passenger business</b>									
ASK (m)	15,481	16,760	17,629	17,699	15,747	537	1,691	3,670	6,152
RPK (m)	13,471	14,478	14,848	15,312	13,357	57	164	311	1,175
Passenger load factor (%)	87.0%	86.4%	84.2%	86.5%	84.8%	10.7%	9.7%	8.5%	19.1%
Break-even load factor (%)	83.4%	91.1%	88.9%	96.4%	93.7%	93.6%	24.2%	28.5%	41.6%
Spread (%)	3.6%	-4.7%	-4.7%	-9.8%	-8.8%	-82.9%	-14.5%	-20.1%	-22.5%
Passengers carried (000)	4,921	5,160	5,295	5,518	4,936	22	60	118	384
RASK (cts/ASK)	5.22	4.84	4.93	4.76	4.95	4.20	5.90	2.39	3.40
Passenger yield (cents/RPK)	6.00	5.60	5.85	5.50	5.84	39.39	60.40	28.17	17.80
Pax unit costs (cents/ASK)	5.00	5.10	5.20	5.30	5.47	36.85	14.60	8.04	7.40
Unit profit (cents/ASK)	0.22	-0.26	-0.27	-0.54	-0.52	-32.66	-8.70	-5.65	-4.00
Core Scout revenue (S\$ m)	808.3	810.8	868.5	842.1	780.2	22.5	99.3	87.7	209.2
Core Scout cost (S\$ m)	-774.8	-863.4	-916.7	-938.0	-861.4	-197.8	-246.9	-295.1	-455.3
<b>Core Scout EBIT (S\$ m)</b>	<b>33.5</b>	<b>-52.6</b>	<b>-48.2</b>	<b>-95.9</b>	<b>-81.2</b>	<b>-175.3</b>	<b>-147.6</b>	<b>-207.4</b>	<b>-246.0</b>
+ Other EBIT (S\$ m)	39.5	42.6	43.2	19.9	-39.8	-225.8	-21.0	0.0	0.0
<b>Total Scout EBIT (S\$ m)</b>	<b>73.0</b>	<b>-10.0</b>	<b>-5.0</b>	<b>-76.0</b>	<b>-121.0</b>	<b>-401.1</b>	<b>-168.6</b>	<b>0.0</b>	<b>0.0</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 34: Half-yearly operating metrics - SIA Cargo**

	2HFY18	1HFY19	2HFY19	1HFY20	2HFY20	1HFY21	2HFY21	1HFY22	2HFY22
<b>Cargo business</b>									
AFTK (m)	5,613	5,592	5,619	5,588	5,191	2,171	2,624	3,245	3,950
FTK (m)	3,685	3,493	3,514	3,265	3,124	1,771	2,341	2,862	3,079
Cargo load factor (%)	65.7%	62.5%	62.5%	58.4%	60.2%	81.6%	89.2%	88.2%	78.0%
Break-even load factor (%)	51.4%	51.9%	51.8%	54.4%	52.8%	47.7%	49.7%	43.2%	32.9%
Spread (%)	14.2%	10.6%	10.7%	4.0%	7.4%	33.9%	39.5%	44.9%	45.1%
Cargo carried (m kg)	659.4	650.3	648.0	616.3	588.7	308.4	425.6	511.8	534.2
RAFTK (cts/AFTK)	20.4	19.7	19.9	17.3	19.0	57.1	56.0	57.8	62.4
Cargo yield (cts/FTK)	31.1	31.6	31.8	29.6	31.5	70.0	62.8	65.5	80.0
Cargo unit costs (cts/AFTK)	16.0	16.4	16.5	16.1	16.6	33.4	31.2	28.3	26.3
Unit profit (cts/AFTK)	4.4	3.3	3.4	1.2	2.3	23.7	24.8	29.4	36.1
Core cargo revenue (S\$ m)	1,147.0	1,103.9	1,117.1	966.6	985.2	1,239.5	1,470.2	1,875.0	2,463.3
Core cargo cost (S\$ m)	-898.3	-919.8	-925.4	-902.4	-863.5	-724.4	-818.6	-919.5	-1,038.9
<b>Core cargo EBIT (S\$ m)</b>	<b>248.7</b>	<b>184.1</b>	<b>191.7</b>	<b>64.1</b>	<b>121.6</b>	<b>515.1</b>	<b>651.6</b>	<b>955.6</b>	<b>1,424.4</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS



**Figure 35: Half-yearly cost metrics**

	2HFY18	1HFY19	2HFY19	1HFY20	2HFY20	1HFY21	2HFY21	1HFY22	2HFY22
<b>Costs (S\$ m)</b>	<b>-7,357.2</b>	<b>-7,541.9</b>	<b>-7,834.1</b>	<b>-8,027.1</b>	<b>-8,045.8</b>	<b>-3,605.7</b>	<b>-2,978.0</b>	<b>-3,639.9</b>	<b>-5,011.7</b>
- Fuel	-2,043.2	-2,235.5	-2,351.6	-2,348.9	-2,997.4	-939.6	-289.9	-731.4	-1,379.7
<b>- Non-fuel costs</b>	<b>-4,293.9</b>	<b>-4,267.5</b>	<b>-4,397.7</b>	<b>-4,497.1</b>	<b>-3,795.2</b>	<b>-1,450.6</b>	<b>-1,550.0</b>	<b>-1,755.1</b>	<b>-2,449.3</b>
* Staff	-1,381.0	-1,357.8	-1,459.1	-1,516.4	-1,047.2	-577.0	-583.5	-663.7	-809.9
* Landing, parking, overflying	-429.1	-437.7	-446.3	-472.4	-414.0	-83.2	-135.8	-192.0	-259.9
* Handling charges	-646.6	-660.5	-654.5	-661.4	-615.3	-174.0	-220.1	-282.1	-364.7
* Maintenance	-466.3	-477.8	-421.4	-440.1	-395.3	-233.0	-213.4	-211.6	-241.8
* Commissions	-230.9	-225.0	-247.5	-255.1	-234.7	20.6	-7.0	-21.2	-96.6
* Inflight meals and pax cost	-347.9	-361.8	-376.6	-387.4	-339.3	-18.7	-23.1	-39.9	0.0
* Other costs	-792.1	-746.9	-792.3	-764.3	-749.4	-385.3	-367.1	-344.6	-676.4
<b>Asset costs (S\$ m)</b>	<b>-1,020.1</b>	<b>-1,038.9</b>	<b>-1,084.8</b>	<b>-1,181.1</b>	<b>-1,253.2</b>	<b>-1,215.5</b>	<b>-1,138.1</b>	<b>-1,153.4</b>	<b>-1,182.7</b>
* Depreciation	-584.2	-631.6	-696.3	-999.1	-1,135.1	-1,090.9	-985.0	-955.7	-971.9
* Leasing of aircraft	-388.3	-350.7	-329.0	-67.2	-12.0	-3.6	-6.2	-4.1	-12.8
* Interest expense	-47.6	-56.6	-59.5	-114.8	-106.1	-121.0	-146.9	-193.6	-198.0
ATK (m tonnes)	13,495	13,742	14,094	14,266	13,311	2,685	4,256	6,000	7,978
<b>Unit costs (Scts/ATK)</b>	<b>-54.52</b>	<b>-54.88</b>	<b>-55.58</b>	<b>-56.27</b>	<b>-60.44</b>	<b>-134.31</b>	<b>-69.97</b>	<b>-60.66</b>	<b>-62.82</b>
- Fuel	-15.14	-16.27	-16.68	-16.46	-22.52	-35.00	-6.81	-12.19	-17.29
<b>- Non-fuel costs</b>	<b>-31.82</b>	<b>-31.05</b>	<b>-31.20</b>	<b>-31.52</b>	<b>-28.51</b>	<b>-54.04</b>	<b>-36.42</b>	<b>-29.25</b>	<b>-30.70</b>
* Staff	-10.23	-9.88	-10.35	-10.63	-7.87	-21.49	-13.71	-11.06	-10.15
* Landing, parking, overflying	-3.18	-3.19	-3.17	-3.31	-3.11	-3.10	-3.19	-3.20	-3.26
* Handling charges	-4.79	-4.81	-4.64	-4.64	-4.62	-6.48	-5.17	-4.70	-4.57
* Maintenance	-3.46	-3.48	-2.99	-3.08	-2.97	-8.68	-5.01	-3.53	-3.03
* Commissions	-1.71	-1.64	-1.76	-1.79	-1.76	0.77	-0.16	-0.35	-1.21
* Inflight meals and pax cost	-2.58	-2.63	-2.67	-2.72	-2.55	-0.70	-0.54	-0.66	0.00
* Other costs	-5.87	-5.44	-5.62	-5.36	-5.63	-14.35	-8.63	-5.74	-8.48
<b>Asset costs (S\$ m)</b>	<b>-7.56</b>	<b>-7.56</b>	<b>-7.70</b>	<b>-8.28</b>	<b>-9.41</b>	<b>-45.28</b>	<b>-26.74</b>	<b>-19.22</b>	<b>-14.82</b>
* Depreciation	-4.33	-4.60	-4.94	-7.00	-8.53	-40.64	-23.14	-15.93	-12.18
* Leasing of aircraft	-2.88	-2.55	-2.33	-0.47	-0.09	-0.13	-0.15	-0.07	-0.16
* Interest expense	-0.35	-0.41	-0.42	-0.80	-0.80	-4.51	-3.45	-3.23	-2.48

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 36: Half-yearly segmental breakdown**

	2HFY18	1HFY19	2HFY19	1HFY20	2HFY20	1HFY21	2HFY21	1HFY22	2HFY22
<b>Revenue (S\$ m)</b>	<b>8,008.2</b>	<b>7,904.0</b>	<b>8,415.4</b>	<b>8,323.0</b>	<b>7,651.8</b>	<b>1,634.4</b>	<b>2,181.5</b>	<b>2,826.9</b>	<b>4,787.9</b>
- FSC + Cargo	6,622.9	6,610.9	6,974.4	6,938.3	6,284.9	1,373.9	1,895.7	2,539.6	4,304.5
- Scoot (LCC)	808.3	810.8	868.5	842.1	780.2	22.5	99.3	87.7	209.2
- Others (SIAEC etc.)	577.1	482.3	572.5	542.6	586.7	238.0	186.5	199.5	274.2
<b>Core EBITDA (S\$ m)</b>						<b>(759.4)</b>	<b>335.4</b>	<b>336.3</b>	<b>946.1</b>
- FSC + Cargo						(548.9)	379.6	413.2	1,074.3
- Scoot (LCC)						(266.3)	(33.8)	(76.0)	(95.6)
- SIA Engineering						9.3	39.5	23.2	14.7
- Others						46.5	(49.9)	(24.1)	(47.3)
<b>Core EBITDA margin (%)</b>						<b>-46.5%</b>	<b>15.4%</b>	<b>11.9%</b>	<b>19.8%</b>
- FSC + Cargo						-40.0%	20.0%	16.3%	25.0%
- Scoot (LCC)						-1181.8%	-34.0%	-86.6%	-45.7%
<b>Core EBIT (S\$ m)</b>	<b>698.6</b>	<b>418.7</b>	<b>640.8</b>	<b>410.7</b>	<b>-287.9</b>	<b>-1,850.3</b>	<b>-649.6</b>	<b>-619.4</b>	<b>-25.8</b>
- FSC + Cargo	585.2	412.6	588.6	443.6	-201.4	-1,425.0	-496.5	-386.5	274.6
- Scoot (LCC)	73.0	-10.0	-5.0	-76.0	-121.0	-401.1	-168.6	-217.0	-236.6
- SIA Engineering	40.0	21.0	35.0	37.0	30.0	-24.6	5.6	-6.7	-15.2
- Others	0.4	-4.9	22.2	6.1	4.5	0.4	9.9	-9.2	-48.6
<b>Core EBIT margin (%)</b>	<b>8.7%</b>	<b>5.3%</b>	<b>7.6%</b>	<b>4.9%</b>	<b>-3.8%</b>	<b>-113.2%</b>	<b>-29.8%</b>	<b>-21.9%</b>	<b>-0.5%</b>
- FSC + Cargo	8.8%	6.2%	8.4%	6.4%	-3.2%	-103.7%	-26.2%	-15.2%	6.4%
- Scoot (LCC)	9.0%	-1.2%	-0.6%	-9.0%	-15.5%	-1780.1%	-169.8%	-247.4%	-113.1%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## Sequential quarterly tables ▶

**Figure 37: Quarterly results**

FYE Mar (S\$ m)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
Revenue	3,180.8	850.6	783.8	1,067.0	1,114.5	1,295.0	1,531.9	2,316.0	2,471.9
Operating costs	(3,340.5)	-	-	-	-	-	-	-	-
EBITDA	(159.7)	-	-	-	-	-	-	-	-
EBITDA margin (%)	(5.0)	-	-	-	-	-	-	-	-
Depn & amort.	(613.1)	-	-	-	-	-	-	-	-
EBIT	(772.8)	(1,036.8)	(813.5)	(331.0)	(318.6)	(274.0)	(345.4)	76.0	(101.8)
Interest expense	(51.4)	-	-	-	-	-	-	-	-
Interest & invt inc	(3.8)	-	-	-	-	-	-	-	-
Associates' contrib	(42.9)	-	-	-	-	-	-	-	-
Exceptionals	(33.7)	(127.0)	(1,635.7)	-	(359.3)	-	(42.7)	-	29.2
<b>Pretax profit</b>	<b>(904.6)</b>	-	-	-	-	-	-	-	-
Tax	183.6	-	-	-	-	-	-	-	-
Tax rate (%)	20.3	-	-	-	-	-	-	-	-
Minority interests	(11.4)	-	-	-	-	-	-	-	-
<b>Net profit</b>	<b>(732.4)</b>	<b>(1,123.3)</b>	<b>(2,343.7)</b>	<b>(142.0)</b>	<b>(661.7)</b>	<b>(409.0)</b>	<b>(427.8)</b>	<b>85.0</b>	<b>(210.2)</b>
<b>Core net profit</b>	<b>(698.7)</b>	<b>(1,014.5)</b>	<b>(726.2)</b>	<b>(160.2)</b>	<b>(320.6)</b>	<b>(430.2)</b>	<b>(442.4)</b>	<b>27.7</b>	<b>(295.8)</b>
EPS (cts)	(43.5)	(66.8)	(79.0)	(4.8)	(22.3)	(13.8)	(14.4)	2.9	(7.1)
Core EPS (cts)	(41.5)	(60.3)	(24.5)	(5.4)	(10.8)	(14.5)	(14.9)	0.9	(10.0)

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 38: Quarterly operating metrics - passenger airlines**

	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
<b>SIA &amp; SilkAir (FSC)</b>									
ASK (m)	30,512	1,602	3,056	5,787	9,048	11,084	13,094	15,675	18,895
RPK (m)	21,710	173	595	848	1,054	1,724	2,484	5,711	9,259
Passenger load factor (%)	71.2%	10.8%	19.5%	14.6%	11.6%	15.6%	19.0%	36.4%	49.0%
Break-even load factor (%)	79.7%	152.9%	104.6%	59.7%	34.5%	41.0%	54.2%	62.0%	73.2%
Spread (%)	-8.6%	-142.1%	-85.2%	-45.1%	-22.8%	-25.5%	-35.2%	-25.6%	-24.2%
Passengers carried (000)	4,632	34	99	167	215	312	398	966	1,711
RASK (cts/ASK)	6.82	2.18	3.25	2.79	2.91	2.77	2.73	4.70	5.85
Passenger yield (cents/RPK)	9.59	20.23	16.72	19.08	25.03	17.80	14.40	12.90	11.93
Pax unit costs (cents/ASK)	7.65	30.93	17.50	11.40	8.63	7.30	7.80	8.00	8.73
Unit profit (cents/ASK)	-0.82	-28.75	-14.24	-8.60	-5.71	-4.53	-5.07	-3.30	-2.89
Core FSC revenue (S\$ m)	2,081.6	34.9	99.4	161.7	263.8	306.9	357.7	736.7	1,104.6
Core FSC cost (S\$ m)	-2,333.1	-495.4	-534.8	-659.6	-780.8	-809.1	-1,021.3	-1,254.0	-1,649.9
<b>Core FSC EBIT (S\$ m)</b>	<b>-251.5</b>	<b>-460.4</b>	<b>-435.3</b>	<b>-497.9</b>	<b>-517.1</b>	<b>-502.3</b>	<b>-663.6</b>	<b>-517.3</b>	<b>-545.4</b>
<b>Scout passenger business</b>									
ASK (m)	6,700	199	338	687	1,005	1,487	2,183	2,698	3,454
RPK (m)	5,477	11	46	81	84	133	179	389	787
Passenger load factor (%)	81.8%	5.4%	13.7%	11.8%	8.3%	8.9%	8.2%	14.4%	22.8%
Break-even load factor (%)	96.6%	86.0%	86.4%	59.6%	14.6%	103.8%	18.5%	30.3%	50.9%
Spread (%)	-14.9%	-80.6%	-72.6%	-47.9%	-6.3%	-94.9%	-10.3%	-15.9%	-28.1%
Passengers carried (000)	2,031	4	18	28	32	50	68	122	261
RASK (cts/ASK)	4.80	3.00	4.90	3.20	7.71	0.70	3.50	3.50	3.35
Passenger yield (cents/RPK)	5.90	54.40	35.90	27.00	92.76	7.80	43.30	24.10	14.69
Pax unit costs (cents/ASK)	5.70	46.80	31.00	16.10	13.57	8.10	8.00	7.30	7.48
Unit profit (cents/ASK)	-0.90	-43.80	-26.10	-12.90	-5.86	-7.40	-4.50	-3.80	-4.13
Core Scout revenue (S\$ m)	323.1	5.9	16.7	21.8	77.5	10.4	77.4	93.7	115.6
Core Scout cost (S\$ m)	-381.9	-93.1	-104.7	-110.6	-136.4	-120.4	-174.6	-196.9	-258.3
<b>Core Scout EBIT (S\$ m)</b>	<b>-58.7</b>	<b>-87.2</b>	<b>-88.1</b>	<b>-88.7</b>	<b>-58.9</b>	<b>-110.1</b>	<b>-97.3</b>	<b>-103.3</b>	<b>-142.7</b>
+ Other EBIT (S\$ m)	-66.3	-171.8	-54.0	-	-	-	-	-	-
<b>Total Scout EBIT (S\$ m)</b>	<b>-125.0</b>	<b>-259.0</b>	<b>-142.1</b>	-	-	-	-	-	-

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 39: Quarterly operating metrics - SIA Cargo**


	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
<b>Cargo business</b>									
AFTK (m)	2,367	1,050	1,122	1,337	1,286	1,542	1,704	1,995	1,955
FTK (m)	1,392	816	954	1,159	1,182	1,373	1,489	1,657	1,422
Cargo load factor (%)	58.8%	77.8%	85.1%	86.6%	91.9%	89.1%	87.4%	83.1%	72.7%
Break-even load factor (%)	50.6%	38.8%	58.0%	47.0%	52.5%	45.0%	41.7%	33.6%	32.2%
Spread (%)	8.2%	38.9%	27.1%	39.6%	39.4%	44.1%	45.7%	49.4%	40.6%
Cargo carried (m kg)	263.4	136.3	172.1	208.6	217.0	243.0	268.8	285.4	248.8
RAFTK (cts/AFTK)	19.5	63.1	51.5	55.6	56.5	56.8	58.6	67.7	56.9
Cargo yield (cts/FTK)	33.2	81.1	60.5	64.2	61.4	63.8	67.1	81.5	78.3
Cargo unit costs (cts/AFTK)	16.8	31.5	35.1	30.2	32.2	28.7	28.0	27.4	25.2
Unit profit (cts/AFTK)	2.7	31.6	16.4	25.4	24.2	28.1	30.6	40.3	31.7
Core cargo revenue (S\$ m)	462.1	662.1	577.4	743.9	726.3	875.8	999.2	1,350.6	1,112.7
Core cargo cost (S\$ m)	-397.7	-330.6	-393.8	-403.9	-414.7	-442.4	-477.0	-546.7	-492.1
<b>Core cargo EBIT (S\$ m)</b>	<b>64.4</b>	<b>331.5</b>	<b>183.7</b>	<b>340.0</b>	<b>311.6</b>	<b>433.4</b>	<b>522.2</b>	<b>803.9</b>	<b>620.5</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 40: Quarterly segmental breakdown**

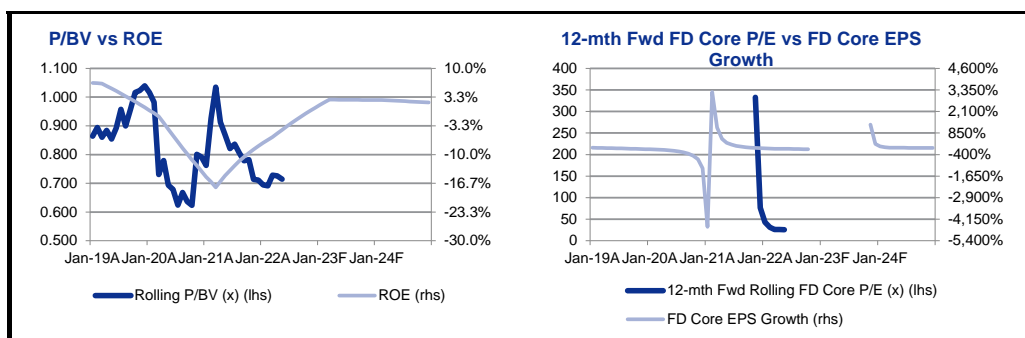
	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
<b>Revenue (S\$ m)</b>	<b>3,180.8</b>	<b>850.6</b>	<b>783.8</b>	<b>1,067.0</b>	<b>1,114.5</b>	<b>1,295.0</b>	<b>1,531.9</b>	<b>2,316.0</b>	<b>2,471.9</b>
- FSC + Cargo	2,543.7	697.0	676.9	905.6	990.1	1,182.7	1,356.9	2,087.3	2,217.2
- Scoot (LCC)	323.1	5.9	16.7	21.8	77.5	10.4	77.4	93.7	115.6
- Others (SIAEC etc.)	314.0	147.7	90.3	139.5	47.0	408.8	455.3	871.7	1,243.7
<b>Core EBITDA (S\$ m)</b>	<b>-159.7</b>	<b>-491.4</b>	<b>-268.1</b>	<b>161.5</b>	<b>173.9</b>	<b>203.9</b>	<b>132.5</b>	<b>562.0</b>	<b>384.2</b>
Core EBITDA margin (%)	-5.0%	-57.8%	-34.2%	15.1%	15.6%	15.7%	8.6%	24.3%	15.5%
<b>Core EBIT (S\$ m)</b>	<b>-772.8</b>	<b>-1,036.8</b>	<b>-813.5</b>	<b>-331.0</b>	<b>-318.6</b>	<b>-274.0</b>	<b>-345.4</b>	<b>76.0</b>	<b>-101.8</b>
- FSC + Cargo	-653.3	-769.0	-656.0						
- Scoot (LCC)	-125.0	-259.0	-142.1						
- SIA Engineering	14.0	-9.0	-15.6						
- Others	-8.5	0.2	0.2						
<b>Core EBIT margin (%)</b>	<b>-24.3%</b>	<b>-121.9%</b>	<b>-103.8%</b>	<b>-31.0%</b>	<b>-28.6%</b>	<b>-21.2%</b>	<b>-22.5%</b>	<b>3.3%</b>	<b>-4.1%</b>
- FSC + Cargo	-25.7%	-110.3%	-96.9%						
- Scoot (LCC)	-38.7%	-4408.4%	-853.1%						

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

<div style="display: flex; justify-content: space-between; align-items: center;"> <div data-bbox="67 293 347 331"> <h2>ESG in a nutshell</h2> </div> <div data-bbox="616 210 751 327">  </div> <div data-bbox="1021 192 1287 226" style="text-align: right;"> <b>Refinitiv ESG Scores</b> </div> </div> <div style="display: flex; justify-content: center; margin-top: 10px;"> <div style="background-color: #4CAF50; color: white; padding: 5px; margin: 0 5px;">B+ <small>ESG Score</small></div> <div style="background-color: #4CAF50; color: white; padding: 5px; margin: 0 5px;">B+ <small>ESG Controversies Score</small></div> <div style="background-color: #4CAF50; color: white; padding: 5px; margin: 0 5px;">B+ <small>ESG Combined Score</small></div> <div style="background-color: #4CAF50; color: white; padding: 5px; margin: 0 5px;">B <small>ESG Environment Pillar Score</small></div> <div style="background-color: #4CAF50; color: white; padding: 5px; margin: 0 5px;">B+ <small>ESG Social Pillar Score</small></div> <div style="background-color: #4CAF50; color: white; padding: 5px; margin: 0 5px;">B+ <small>ESG Government Pillar Score</small></div> </div>	
<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><b>Keep your eye on</b></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><b>Implications</b></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><b>ESG highlights</b></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><b>Implications</b></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><b>Trends</b></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><b>Implications</b></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 10,2000 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-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
<b>Total Net Revenues</b>	<b>3,816</b>	<b>7,615</b>	<b>15,150</b>	<b>17,147</b>	<b>17,134</b>
<b>Gross Profit</b>	<b>479</b>	<b>1,907</b>	<b>4,311</b>	<b>4,314</b>	<b>4,199</b>
<b>Operating EBITDA</b>	<b>-424</b>	<b>1,282</b>	<b>3,511</b>	<b>3,514</b>	<b>3,399</b>
Depreciation And Amortisation	-2,076	-1,928	-2,035	-2,109	-2,193
<b>Operating EBIT</b>	<b>-2,500</b>	<b>-645</b>	<b>1,476</b>	<b>1,405</b>	<b>1,206</b>
Financial Income/(Expense)	-233	-346	-335	-340	-348
Pretax Income/(Loss) from Assoc.	-113	-116	-60	-5	0
Non-Operating Income/(Expense)	10	31	5	5	5
<b>Profit Before Tax (pre-EI)</b>	<b>-2,835</b>	<b>-1,077</b>	<b>1,086</b>	<b>1,065</b>	<b>862</b>
Exceptional Items	-2,122	-14	0	0	0
<b>Pre-tax Profit</b>	<b>-4,957</b>	<b>-1,090</b>	<b>1,086</b>	<b>1,065</b>	<b>862</b>
Taxation	674	142	-218	-203	-164
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>-4,283</b>	<b>-948</b>	<b>868</b>	<b>862</b>	<b>698</b>
Minority Interests	13	-14	5	5	5
Preferred Dividends	0	0	0	0	0
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>-4,271</b>	<b>-962</b>	<b>873</b>	<b>867</b>	<b>703</b>
Recurring Net Profit	-2,222	-1,141	631	624	461
<b>Fully Diluted Recurring Net Profit</b>	<b>-2,222</b>	<b>-1,141</b>	<b>631</b>	<b>624</b>	<b>461</b>

### Cash Flow

(\$m)	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
<b>EBITDA</b>	<b>-424</b>	<b>1,282</b>	<b>3,511</b>	<b>3,514</b>	<b>3,399</b>
Cash Flow from Inv. & Assoc.					
Change In Working Capital	-3,424	1,519	583	391	44
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	573	249	8	8	8
Net Interest (Paid)/Received	0	0	0	0	0
Tax Paid	-18	-8	-218	-203	-164
<b>Cashflow From Operations</b>	<b>-3,292</b>	<b>3,042</b>	<b>3,885</b>	<b>3,709</b>	<b>3,287</b>
Capex	-2,696	-3,049	-4,000	-4,100	-4,300
Disposals Of FAs/subsidiaries	1,343	728	0	0	0
Acq. Of Subsidiaries/investments	0	0	0	0	0
Other Investing Cashflow	38	74	0	0	0
<b>Cash Flow From Investing</b>	<b>-1,314</b>	<b>-2,247</b>	<b>-4,000</b>	<b>-4,100</b>	<b>-4,300</b>
Debt Raised/(repaid)	1,786	-754	98	101	103
Proceeds From Issue Of Shares	8,829	6,197	0	0	0
Shares Repurchased	0	0	0	0	0
Dividends Paid	-14	0	0	0	-407
Preferred Dividends					
Other Financing Cashflow	-864	-283	-330	-335	-343
<b>Cash Flow From Financing</b>	<b>9,737</b>	<b>5,160</b>	<b>-232</b>	<b>-234</b>	<b>-647</b>
Total Cash Generated	5,130	5,955	-347	-625	-1,661
<b>Free Cashflow To Equity</b>	<b>-2,821</b>	<b>41</b>	<b>-17</b>	<b>-290</b>	<b>-910</b>
<b>Free Cashflow To Firm</b>	<b>-4,607</b>	<b>795</b>	<b>-115</b>	<b>-391</b>	<b>-1,013</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## BY THE NUMBERS... cont'd

### Balance Sheet

(S\$m)	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
Total Cash And Equivalents	7,783	13,763	13,415	12,790	11,130
Total Debtors	940	1,566	3,116	3,527	3,525
Inventories	195	187	344	403	406
Total Other Current Assets	755	2,172	2,164	2,156	2,148
<b>Total Current Assets</b>	<b>9,672</b>	<b>17,688</b>	<b>19,040</b>	<b>18,877</b>	<b>17,209</b>
Fixed Assets	25,879	27,861	29,825	31,817	33,923
Total Investments	1,729	2,819	2,759	2,754	2,754
Intangible Assets	301	303	303	303	303
Total Other Non-Current Assets	0	0	0	0	0
<b>Total Non-current Assets</b>	<b>27,909</b>	<b>30,983</b>	<b>32,888</b>	<b>34,874</b>	<b>36,981</b>
Short-term Debt	907	607	607	607	607
Current Portion of Long-Term Debt					
Total Creditors	2,117	2,733	5,024	5,885	5,929
Other Current Liabilities	2,689	4,529	4,529	4,529	4,529
<b>Total Current Liabilities</b>	<b>5,713</b>	<b>7,869</b>	<b>10,159</b>	<b>11,020</b>	<b>11,064</b>
Total Long-term Debt	12,171	13,753	13,851	13,951	14,055
Hybrid Debt - Debt Component	768	768	768	768	768
Total Other Non-Current Liabilities	2,652	3,482	3,482	3,482	3,482
<b>Total Non-current Liabilities</b>	<b>15,590</b>	<b>18,002</b>	<b>18,100</b>	<b>18,201</b>	<b>18,304</b>
Total Provisions	0	0	0	0	0
<b>Total Liabilities</b>	<b>21,303</b>	<b>25,871</b>	<b>28,259</b>	<b>29,221</b>	<b>29,368</b>
Shareholders' Equity	15,906	22,412	23,285	24,152	24,448
Minority Interests	372	389	384	379	374
<b>Total Equity</b>	<b>16,278</b>	<b>22,800</b>	<b>23,669</b>	<b>24,530</b>	<b>24,821</b>

### Key Ratios

	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
Revenue Growth	(76.1%)	99.6%	99.0%	13.2%	(0.1%)
Operating EBITDA Growth	(119%)	N/A	174%	0%	(3%)
Operating EBITDA Margin	(11.1%)	16.8%	23.2%	20.5%	19.8%
Net Cash Per Share (S\$)	-2.04	-0.46	-0.61	-0.85	-1.45
BVPS (S\$)	5.36	7.55	7.85	8.14	8.24
Gross Interest Cover	-9.33	-1.65	3.66	3.46	2.95
Effective Tax Rate	0.0%	0.0%	20.0%	19.1%	19.0%
Net Dividend Payout Ratio	NA	NA	NA	NA	NA
Accounts Receivables Days	84.17	60.06	56.41	70.90	75.11
Inventory Days	23.75	12.22	8.95	10.66	11.43
Accounts Payables Days	280.8	155.1	130.6	155.5	166.7
ROIC (%)	(11.8%)	(2.8%)	5.9%	5.4%	4.3%
ROCE (%)	(9.64%)	(1.76%)	4.02%	3.73%	3.16%
Return On Average Assets	(5.41%)	(1.37%)	2.39%	2.27%	1.94%

### Key Drivers

	Mar-21A	Mar-22A	Mar-23F	Mar-24F	Mar-25F
SIA mainline ASK (m)	19,253.7	58,747.8	106,152.1	134,459.3	141,536.1
SIA mainline RPK (m)	2,581.6	19,177.7	79,614.1	103,533.7	113,228.9
SIA mainline PLF (%)	13.4%	32.6%	75.0%	77.0%	80.0%
SIA mainline yield (Scts/RPK)	20.7	13.1	11.1	10.2	10.0

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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<b>Description:</b>	Excellent	Very Good	Good	N/A	N/A

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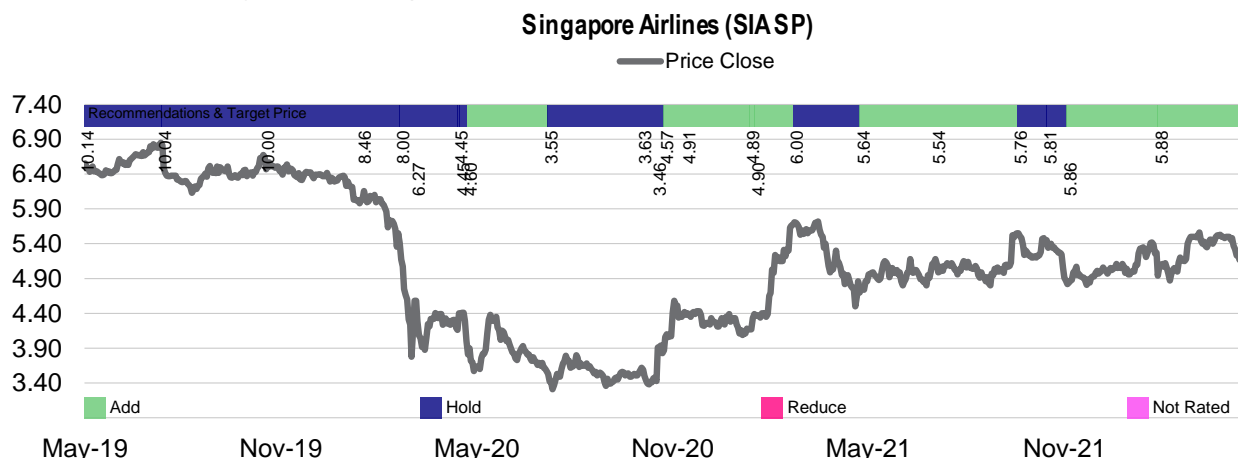
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Distribution of stock ratings and investment banking clients for quarter ended on 31 March 2022		
632 companies under coverage for quarter ended on 31 March 2022		
	Rating Distribution (%)	Investment Banking clients (%)
Add	70.3%	0.8%
Hold	22.0%	0.0%
Reduce	7.8%	0.2%

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, **AJ** – 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, **CENDEL** – 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	
<b>Stock Ratings</b>	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>	
<b>Sector Ratings</b>	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.
<b>Country Ratings</b>	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.