

Singapore

REDUCE (no change)

Consensus ratings*: Buy 2 Hold 4 Sell 6

Current price:	\$S\$6.24
Target price:	\$S\$5.47
Previous target:	\$S\$5.66
Up/downside:	-12.3%
CGS-CIMB / Consensus:	-23.1%
Reuters:	SIAL.SI
Bloomberg:	SIA SP
Market cap:	US\$13,688m
	\$S\$18,560m
Average daily turnover:	US\$28.06m
	\$S\$38.19m
Current shares o/s:	2,974m
Free float:	40.0%
*Source: Bloomberg	

Key changes in this note

- FY24-26F core EPS forecasts changed by -2.2% to +5.6% on various offsetting adjustments (details inside note).



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-4.7	-13	15.3
Relative (%)	-4.7	-8.9	14.3

Major shareholders	% held
Temasek	55.7

Analyst(s)

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Singapore Airlines

Somewhat overcast skies into 2HFY24F

- 1HFY3/24 core net profit was broadly in line at 69% of our full-year forecast, as higher oil prices will likely pressure earnings in 2H.
- While SIA delivered strong results in 1HFY24, the underlying airline EBIT ex-forex gains were weaker qoq in 2QFY24 on higher opex.
- Reiterate Reduce with a lower TP of \$S\$5.47, based on target P/BV of 1.15x (+1.5 s.d. above mean since 2011), up from 0.91x (mean) previously.

Decent 2QFY24, albeit weaker than 1QFY24 on higher fuel prices

SIA delivered an estimated 2QFY24 core net profit of \$S\$648m, in line with our \$S\$600m-650m preview forecast. The 2QFY24 EBIT of \$S\$799m was 5.9% higher than 1QFY24's \$S\$755m, but we believe that after stripping out forex gains, the 2Q EBIT may actually be lower than the immediately-preceding 1Q. The individual airlines' operating metrics appear to suggest as such; for instance, SQ's core EBIT (excluding ancillary items and forex effects) fell 18% qoq to \$S\$500m in 2QFY24, TR's core EBIT fell 24% qoq to \$S\$9m, while cargo's core EBIT fell 97% to \$S\$2m (Figures 26, 32 and 38). All were affected by the rise in jet fuel prices compared with 1QFY24, but the cargo business was also impacted by the 9% qoq drop in RAFTK (due to excess global airfreight capacity), while TR saw its RASK fall 3% qoq (as it expanded into less-lucrative routes). Only SQ managed to eke out a 0.5% qoq rise in its RASK during 2QFY24, but this was a major deceleration compared with the 9% qoq jump during 2QFY23. RPK demand growth also slowed, with SQ at less than 5% qoq growth in 2QFY24 (vs. 16% qoq in 2QFY23), and with TR at 8% qoq growth (vs. 55%). PLFs at both SQ and TR remained very high yoy, but declined between 30-70bp qoq.

Topline may come under competitive pressure, costs may bite

As SIA's competitors gradually catch up in terms of their capacity restoration, we expect potential PLF and yield pressure for SIA (and the airline industry broadly) in CY24F. SIA had a first-mover advantage throughout CY22 and into CY23F, which successfully captured the explosion of revenge travel, but the dividends to SIA are dwindling as revenge travel abates and cost of living pressures impact discretionary travel demand at the margin. These trends could eventually curb SIA's yields and its ability to pass on higher fuel costs. Spot jet fuel prices averaged US\$92/bbl in Apr-Jun 2023, US\$110/bbl in Jul-Sep, and US\$114/bbl since 1 Oct; this may put pressure on SIA's CASK metrics in 2HFY24F and FY25F, if oil prices stay high. None of the above pressure points will derail SIA's strong FY24F, in our view, as its 1HFY24F core net profit already exceeded 1HFY23 by 66%; we expect SIA to deliver core net profit of \$S\$1.9bn in FY24F, which is virtually the same as FY23. We also expect an FY24F DPS of 35 Scts (interim of 10 Scts declared), almost the same as FY23's 38 Scts. However, stock prices look ahead and we see somewhat overcast skies for SIA, beginning from 2HFY24F. Potential de-rating catalysts include cost inflation, slowing demand growth, and rising competition. Upside risks include the potential for SIA to outperform our assumptions for yield, PLF and other revenue metrics as pax demand will likely remain strong until the Lunar New Year.

Financial Summary

	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Revenue (\$S\$m)	7,615	17,775	18,677	18,290	18,539
Operating EBITDA (\$S\$m)	1,282	4,697	4,206	3,412	3,120
Net Profit (\$S\$m)	-962	2,157	2,015	1,224	872
Core EPS (\$S)	-0.38	0.65	0.64	0.39	0.27
Core EPS Growth	(52.7%)		(1.4%)	(39.1%)	(30.3%)
FD Core P/E (x)	NA	9.59	9.73	15.97	22.90
DPS (\$S)	0.00	0.38	0.35	0.20	0.13
Dividend Yield	0.00%	6.09%	5.61%	3.21%	2.08%
EV/EBITDA (x)	15.80	3.69	5.40	6.96	8.19
P/FCFE (x)	453.7	2.5	22.8	157.6	NA
Net Gearing	6.0%	(7.9%)	23.5%	29.1%	39.5%
P/BV (x)	0.83	0.93	1.18	1.16	1.14
ROE	(5.9%)	9.1%	10.7%	7.3%	5.0%
% Change In Core EPS Estimates			(2.23%)	0.14%	5.63%
EPS/Consensus EPS (x)			0.85	0.87	0.75

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Results comparison tables ▶

Figure 1: Half-yearly results comparison

FYE Mar (\$\$ m)	1HFY24	1HFY23	yoy % chg	2HFY23	hoh % chg	Prev. FY24F	Comments
Revenue	9,162.4	8,416.5	8.9	9,358.3	(2.1)	18,674.3	Revenue fell hoh due to lower cargo revenues, partially offset by higher pax revenues.
Operating costs	(6,576.7)	(6,194.7)	6.2	(6,883.1)	(4.5)	(13,600.1)	Op costs fell hoh due to lower fuel costs, and lower non-fuel costs. SIA reported higher hoh EBITDA.
EBITDA	2,585.7	2,221.8	16.4	2,475.2	4.5	5,074.2	
EBITDA margin (%)	28.2	26.4		26.4		27.2	
Depn & amort.	(1,031.9)	(987.4)	4.5	(1,017.5)	1.4	(2,023.5)	
EBIT	1,553.8	1,234.4	25.9	1,457.7	6.6	3,050.8	
Interest expense	(217.3)	(207.9)	4.5	(212.0)	2.5	(435.8)	
Interest & invt inc	333.7	103.7	221.8	254.5	31.1	373.0	Higher hoh interest income due to higher interest rates, despite lower hoh cash balance due to partial repayment of MCBs.
Associates' contrib	22.7	(62.4)	136.4	31.2	(27.2)	(427.1)	
Exceptionals	28.1	15.3	83.7	22.3	26.0	1,112.0	
Pretax profit	1,721.0	1,083.1	58.9	1,553.7	10.8	3,672.8	
Tax	(268.4)	(150.5)	78.3	(323.0)	(16.9)	(478.1)	Effective tax rate fell hoh.
Tax rate (%)	15.6	13.9		20.8		13.0	
Minority interests	(11.5)	(5.7)	101.8	(0.8)	nm	(10.0)	
Net profit	1,441.1	926.9	55.5	1,229.9	17.2	3,184.8	
Core net profit	1,351.2	814.4	65.9	1,117.7	20.9	1,948.8	Core net profit in 1HFY24 rose hoh due to the decline in opex, higher interest income, and lower taxes.
EPS (cts)	48.5	31.2	55.3	41.4	17.0	107.2	
Core EPS (cts)	45.4	27.4	65.7	37.6	20.7	65.6	

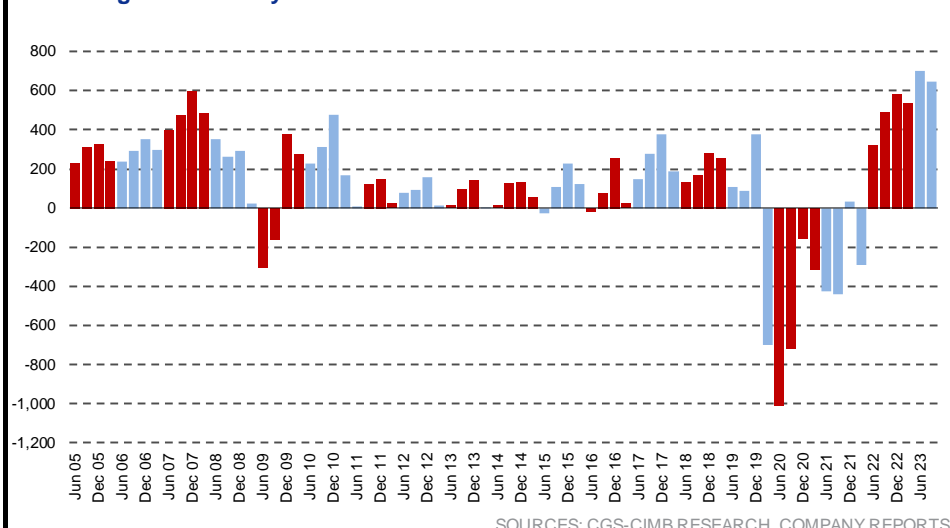
SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Figure 2: Headline quarterly numbers

FYE Mar (\$\$ m)	2QFY24	2QFY23	yoy % chg	1QFY24	qoq % chg	1HFY24 Cum	1HFY23 Cum	yoy % chg	Prev. FY24F	Comments
Revenue	4,683	4,506	3.9	4,479	4.6	9,162	8,417	8.9	18,674	Group revenue rose qoq due to the summer travel peak, but partly offset by lower cargo revenue.
Less: Operating costs	(3,884)	(3,828)	1.5	(3,725)	4.3	(7,609)	(7,182)	5.9	(15,624)	
- Net fuel cost	(1,230)	(1,423)	(13.5)	(1,053)	16.8	(2,283)	(2,696)	(15.3)	(5,752)	Op costs rose qoq due to higher fuel costs as fuel prices rose, on top of higher fuel consumption.
* Fuel cost before hedging	(1,373)	(1,638)	(16.2)	(1,154)	19.0	(2,527)	(3,113)	(18.8)		
* Hedging gain/(loss)	143	215	nm	101	41.8	244	417	(41.5)		
- Fuel hedging ineffectiveness	-	-	-	-	-	-	-	-	-	
- Fuel derivative mark-to-market changes	-	-	-	-	-	-	-	-	-	
- Non-fuel costs	(2,654)	(2,405)	10.4	(2,672)	(0.7)	(5,326)	(4,486)	18.7	(9,872)	Non-fuel costs fell qoq, despite growth in ASK and AFTK capacities.
Operating profit (EBIT)	799	678	17.9	755	5.9	1,554	1,234	25.9	3,051	SIA group EBIT profit rose qoq as higher revenue more than offset higher fuel costs.
Exceptional items	28	15	-	nm	28	15	83.7	1,112	1,112	Surplus on disposal of aircraft, spares and spare engines reported for 1HFY24.
Attributable profit	707	557	27.0	734	(3.7)	1,441	927	55.5	3,185	
Reconciliation to core net profit										
Attributable profit	707	557	27.0	734	(3.7)	1,441	927	55.5	3,185	PATAMI fell qoq.
Remove: Exceptionals	(28)	(15)	-	-	-	(28)	(15)	-	(1,112)	
Deduct: MCB yields as if they were debt	(31)	(49)	-	(31)	-	(62)	(97)	-	(124)	We include a deduction for the MCB coupon in our calculation of core net profit
Core net profit/(loss)	648	493	31.6	703	(7.7)	1,351	814	65.9	1,949	Core net profit may have declined qoq (depending on whether the surplus on disposal of aircraft is allocated to 1Q or 2QFY24), probably due to higher share of Vistara losses in 2QFY24.

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Figure 3: Group quarterly core net profit (S\$ m) - bars are grouped by colour according to financial year



Abbreviations

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

Valuation and recommendation ►

We reiterate our **Reduce** call on SIA, because even though the revenue dynamics of its passenger airline business remain robust for the next six months, higher fuel costs may eat into earnings in the coming quarters.

The three key potential de-rating catalysts are:

1. Rising competition from FY25F onwards from other airlines that are picking up speed in their capacity restoration programmes.
2. Weakening air cargo markets on a sequential basis have seen cargo yields decline rapidly.
3. Higher Singapore jet fuel prices, which have risen since mid-2023.

Upside risks include the potential for SIA to outperform our assumptions for yield, PLF and other revenue metrics as pax demand will likely remain strong until the Lunar New Year. An unexpected decline in oil prices is also an upside risk.

We reduce our end-CY24F target price to **S\$5.47** (from S\$5.66 previously), now based on target P/BV of 1.15x (+1.5 s.d. above the historical P/BV mean since 2011), up from 0.91x previously (average since 2011). We raise the target P/BV

multiple, because we have transitioned to 'Scenario 2' (as shown below), which assumes that its mandatory convertible bonds (MCB) will be fully redeemed by end-FY25F. This reduces the BVPS, and we partially compensate by raising our target P/BV multiple.

SIA redeemed S\$3,098.4m of MCBs capital value on 26 Jun 2023, leaving a remainder of S\$3,098.4m. A further S\$1,549.2m will be redeemed on 26 Dec 2023, leaving a remaining S\$1,549.2m that can be easily redeemed from SIA's huge cash pile of S\$13.5bn as at 30 Sep 2023.

Figure 4: Calculation of SIA's target price

Scenario 1: Incorporating redemption of SIA's S\$9.7bn Mandatory Convertible Bonds (MCB):

- (a) S\$3.5bn redeemed in FY23 (on 8 Dec 2022); and
- (b) S\$3.1bn redeemed in FY24 (on 24 Jun 2023)
- (c) S\$1.549bn to be redeemed in FY24 (on 24 Dec 2023)

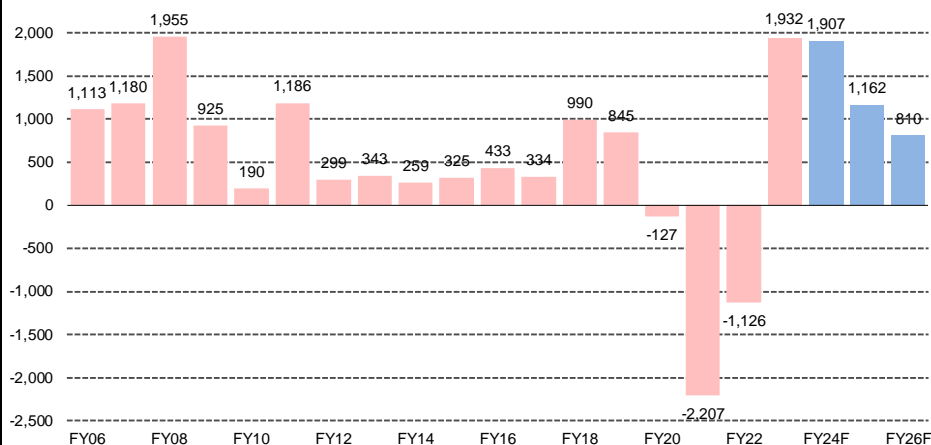
	End-FY21	End-FY22	End-FY23	End-FY24F	End-FY25F
Shareholders' equity (S\$ m)	15,905.9	22,411.9	19,858.3	15,679.8	15,952.2
No of ordinary shares (m)	2,965.0	2,967.5	2,970.6	2,974.3	2,974.3
BVPS (S\$)	5.36	7.55	6.68	5.27	5.36

Scenario 2: Assuming Mandatory Convertible Bonds (MCB) are treated as wholly debt

	End-FY21	End-FY22	End-FY23	End-FY24F	End-FY25F
Shareholders' equity (S\$ m)	15,905.9	22,411.9	19,858.3	15,679.8	15,952.2
Less: Outstanding MCBs (S\$ m) - capital value	-3,496.1	-9,691.2	-6,195.1	-1,547.5	-1,547.5
Less: Outstanding MCBs (S\$ m) - assume 4% YTM (i.e. redemption between Year 1 and Year 4)	-114.5	-452.5	-450.0	-179.5	-249.2
Adjusted shareholders' equity (S\$ m)	12,295.2	12,268.2	13,213.2	13,952.8	14,155.4
No of ordinary shares (m)	2,965.0	2,967.5	2,970.6	2,974.3	2,974.3
Adjusted BVPS (S\$)	4.15	4.13	4.45	4.69	4.76
Target P/BV multiple (x)					1.15
Target price (S\$)					5.47

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

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



SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

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

	Reference	FY21	FY22	FY23	FY24F	FY25F	FY26F
Attributable net profit		-4,270.7	-962.0	2,156.8	2,014.9	1,224.2	872.3
Remove: Exceptionals	a	2,122.0	13.5	-37.6	0.0	0.0	0.0
Less: MCB yield	b	-58.3	-177.5	-187.1	-108.3	-62.0	-62.0
Core net profit		-2,207.0	-1,126.0	1,932.1	1,906.6	1,162.2	810.4
Breakdown of exceptionals	a	-2,122.0	-13.5	37.6	0.0	0.0	0.0
- Related to NokScoot closure		-17.4	0.0	0.0	0.0	0.0	0.0
- Impairment of aircraft		-1,734.3	-50.5	57.2	0.0	0.0	0.0
- Other impairments		-218.7	-13.7	-12.3	0.0	0.0	0.0
- Headcount rationalisation		-44.7	0.8	0.0	0.0	0.0	0.0
- Surplus on aircraft disposals		-27.0	85.9	-7.3	0.0	0.0	0.0
- Disposal of Vistara		0.0	0.0	0.0	0.0	0.0	0.0
- Others		-79.9	-36.0	0.0	0.0	0.0	0.0
Mandatory Convertible Bond (MCB yield)							
Year-end outstanding value (S\$ m)		3,496.1	9,692.9	6,196.8	1,549.2	1,549.2	1,549.2
Proportion assumed treated as debt (%)		50.0%	50.0%	50.0%	100.0%	100.0%	100.0%
Assumed debt portion (S\$ m)		1,748.1	4,846.5	4,300.2	1,549.2	1,549.2	1,549.2
Average outstanding balance (S\$ m)		1,456.7	3,813.7	4,300.2	2,711.1	1,549.2	1,549.2
Assumed yield (%)		4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Assumed yield (S\$ m)	b	58.3	152.5	172.2	108.3	62.0	62.0

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Earnings revisions ➤

Figure 7: Earnings revision

RM m	2023A	2024F			2025F			2026F		
		Old	New	chg	Old	New	chg	Old	New	chg
Revenue	17,775	18,674	18,677	0%	18,026	18,290	1%	18,235	18,539	2%
EBITDA	4,697	5,074	4,206	-17%	3,864	3,412	-12%	3,198	3,120	-2%
Reported PBT	2,637	3,673	2,401	-35%	1,567	1,459	-7%	1,051	1,039	-1%
Core pretax profit	2,363	2,252	2,273	1%	1,417	1,386	-2%	906	966	7%
Reported net profit	2,157	3,185	2,015	-37%	1,283	1,224	-5%	890	872	-2%
Reported EPS	0.73	1.07	0.68	-37%	0.43	0.41	-5%	0.30	0.29	-2%
Core net profit	1,932	1,949	1,907	-2%	1,159	1,162	0%	766	810	6%
Core EPS	0.65	0.66	0.64	-2%	0.39	0.39	0%	0.26	0.27	6%

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

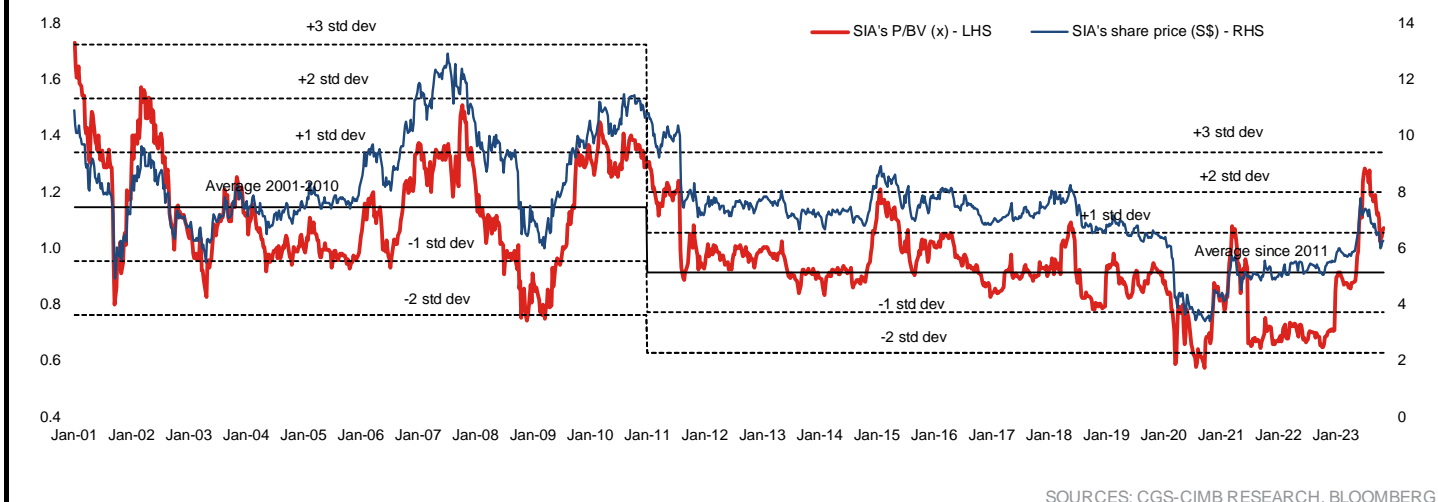
Our core net profit forecast for FY24F previously included an estimated **S\$527m** share of Air India's net loss (none in FY23), on the basis that SIA will complete the sale of its 49% interest in Vistara to Air India in exchange for a 25% stake in Air India and then write-off its equity contribution to Air India and unaccounted equity losses in Vistara. Our reported net profit forecast in FY24F previously included S\$1.1bn in estimated exceptional gain from the sale of Vistara to Air India. In this report, we have removed the above items in order not to distort the FY24F forecasts, and will reflect them into our forecasts once the transaction is completed, probably by end-FY24F or in early-FY25F.

Our revised core net profit forecast for FY24F is S\$1,907m, which is only 2% lower than the previous forecast, despite removing S\$527m share of Air India's net loss. This means that we have cut the underlying FY24F airline core net profit forecast (excluding any distortion from Air India) by 23%, on the back of:

1. Yield assumption cuts for both SQ and TR;
2. Increase in jet fuel price assumptions; and
3. Increase in staff cost assumptions (due to likely higher-than-expected base salaries and bonus provisioning); partially offset by
4. Higher PLF assumptions for TR; and
5. Higher interest income assumptions due to SIA's net cash position and high interest rates.

Historical P/BV chart ➤

Figure 8: Singapore Airlines historical P/BV chart – P/BV average 2001-10 and P/BV average since 2011, and standard deviations based on those averages



Sector comparison table ➤

Figure 9: Sector comparisons

Company	Bloomberg Ticker	Recom.	Price	Target Price	Market Cap (US\$ m)	Core P/E (x)		3-year EPS CAGR	P/BV (x)		Recurring ROE (%)		EV/EBITDA (x)		Dividend Yield (%)	
						CY23F	CY24F		CY23F	CY24F	CY23F	CY24F	CY23F	CY24F	CY23F	CY24F
Capital A	CAPITALA MK	Not Rated	RM0.83	na	744	20.2	8.0	na	-0.53	-0.58	-2.6%	-7.0%	6.3	5.0	0.0%	0.0%
InterGlobe Aviation Ltd	INDIGO IN	Not Rated	Rs2,585.55	na	11,984	na	15.8	na	-14.12	1478.63	3.6%	-180.2%	18.9	8.0	0.9%	0.9%
Asia Aviation PCL	AAV TB	Not Rated	THB1.95	na	704	na	13.7	na	3.22	2.61	0.0%	21.2%	5.9	5.1	0.2%	0.2%
Cebu Air	CEB PM	Not Rated	Php32.20	na	357	3.8	2.7	na	14.71	2.87	3212.2%	177.5%	3.2	2.2	0.0%	0.0%
Air Arabia	AIRARABI UH	Not Rated	AED2.71	na	3,443	8.9	9.0	2.2%	1.78	1.64	20.4%	19.0%	5.0	4.8	5.6%	5.6%
Ryanair	RYA ID	Not Rated	€16.42	na	19,996	13.2	9.6	19.5%	2.79	2.52	22.1%	27.6%	7.6	5.4	0.5%	0.5%
easyJet	EZJ LN	Not Rated	£4.02	na	3,746	8.6	7.3	na	1.08	0.95	14.1%	13.8%	2.8	2.4	0.6%	0.6%
Southwest	LUV US	Not Rated	US\$23.60	na	14,068	17.0	13.1	14.7%	1.25	1.18	7.5%	9.2%	5.0	4.3	2.3%	2.3%
JetBlue	JBLU US	Not Rated	US\$4.38	na	1,458	na	na	na	0.47	0.45	-6.5%	-5.8%	9.3	9.4	0.0%	0.0%
Pegasus	PGSUS TI	Not Rated	TRY749.00	na	2,688	7.3	4.7	74.3%	1.58	1.04	38.2%	26.6%	5.3	4.2	0.0%	0.0%
Low-Cost Carriers - average						17.5	11.1	na	2.31	1.98	14.0%	19.1%	7.0	5.3	1.2%	1.2%
Singapore Airlines	SIA SP	Reduce	S\$6.24	S\$5.47	13,688	9.7	13.7	-8.8%	1.11	1.17	10.3%	8.3%	8.4	6.2	5.7%	3.8%
Cathay Pacific	293 HK	Not Rated	HK\$7.78	na	6,405	6.7	8.0	na	0.94	0.84	14.7%	11.0%	3.8	4.1	0.8%	0.8%
Bangkok Airways	BA TB	Not Rated	THB14.80	na	874	13.6	17.3	na	1.64	1.49	13.3%	9.0%	12.2	13.8	0.0%	0.0%
China Eastern	670 HK	Not Rated	HK\$2.62	na	11,608	na	8.0	na	1.97	1.38	-8.2%	20.4%	10.9	7.4	0.0%	0.0%
China Southern	1055 HK	Not Rated	HK\$3.67	na	13,305	67.1	10.0	na	1.50	1.25	1.9%	13.7%	8.1	6.7	0.0%	0.0%
Air China	753 HK	Not Rated	HK\$5.24	na	15,511	55.9	7.5	na	2.38	1.71	3.5%	26.4%	9.7	7.5	0.1%	0.1%
Qantas Airways	QAN AU	Not Rated	A\$5.25	na	5,817	12.8	13.7	na	66.98	29.50	3085.4%	298.2%	5.4	6.0	0.0%	0.0%
Turkish Airlines	THYAO TI	Not Rated	TRY226.00	na	10,942	5.5	5.0	-2.6%	0.97	0.80	22.8%	17.4%	4.9	4.0	0.9%	0.9%
Full-Service Carriers - average						12.4	8.8	na	1.61	1.38	12.8%	16.9%	6.9	6.1	1.3%	0.9%

SOURCES: CGS-CIMB RESEARCH ESTIMATES, BLOOMBERG, COMPANY REPORTS
DATA AS AT 7 NOV 2023;

NOTE: NOT RATED COMPANIES' ESTIMATES ARE BASED ON BLOOMBERG CONSENSUS ESTIMATES (NR COMPANIES SHOW REPORTED NET PROFIT)

Key assumptions ➤

We have reduced our yield assumptions for SIA mainline (SQ) as follows:

- FY24F yield cut from 12.32 Scts/RPK to 12.19 Scts/RPK; and
- FY25F yield cut from 11.58 Scts/RPK to 11.64 Scts/RPK.

Figure 10: Estimates for SIA (full-service carrier) passenger airline ASK capacity, RPK demand, PLF, and yield

	SIA ASK capacity (m)		As a percentage of the CY19 base		SIA RPK demand (m)		As a percentage of the CY19 base		SIA passenger load factor (%)		SIA passenger yield (Scts/RPK)	
	Yoy change			Yoy change	Yoy change	Yoy change	Yoy change	Yoy change	Yoy change	Yoy change	Yoy change	Yoy change
CY 2019		141,536				118,458				83.7%		10.18
FY 3/20		137,765		97.3%		112,330		94.8%		81.5%		10.03
FY 3/21	-85.9%	19,493	13.8%		-97.6%	2,669	2.3%		-67.8%	13.7%	20.98	109.1%
FY 3/22	201.4%	58,748	41.5%		618.5%	19,178	16.2%		19.0%	32.6%	13.07	-37.7%
FY 3/23	80.6%	106,099	75.0%		374.6%	91,025	76.8%		53.1%	85.8%	12.70	-2.8%
FY 3/24F	16.7%	123,818	87.5%		19.7%	108,960	92.0%		2.2%	88.0%	12.19	-4.0%
FY 3/25F	5.2%	130,213	92.0%		2.8%	111,983	94.5%		-2.0%	86.0%	11.64	-4.5%
FY 3/26F	7.6%	140,121	99.0%		7.0%	119,803	101.1%		-0.5%	85.5%	11.24	-3.5%

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Our PLF assumptions for Scoot (TR) have been raised as follows:

- FY24F PLF increased from 90% to 92%;
- FY25F PLF increased from 88% to 90%; and
- FY26F PLF increased from 87% to 88%.

Our yield assumptions for TR have been cut as follows:

- FY24F yield cut from 7.38 Scts/RPK to 6.89 Scts/RPK;
- FY25F yield cut from 6.64 Scts/RPK to 6.34 Scts/RPK; and
- FY26F yield cut from 5.98 Scts/RPK to 5.96 Scts/RPK.

Figure 11: Estimates for Scoot (low-cost carrier) passenger airline ASK capacity, RPK demand, PLF, and yield

	Scoot ASK capacity (m)		As a percentage of the CY19 base		Scoot RPK demand (m)		As a percentage of the CY19 base		Scoot passenger load factor (%)		Scoot passenger yield (Scts/RPK)	
	Yoy change			Yoy change	Yoy change	Yoy change	Yoy change	Yoy change	Yoy change	Yoy change	Yoy change	Yoy change
CY 2019		35,530				30,662				86.3%		5.65
FY 3/20		33,446		94.1%		28,669		93.5%		85.7%		5.60
FY 3/21	-93.3%	2,228	6.3%		-99.2%	222	0.7%		-75.8%	9.9%	54.98	881.7%
FY 3/22	340.8%	9,822	27.6%		570.9%	1,487	4.8%		5.2%	15.1%	19.97	-63.7%
FY 3/23	174.2%	26,933	75.8%		1420.2%	22,603	73.7%		68.8%	83.9%	8.20	-58.9%
FY 3/24F	43.2%	38,555	108.5%		56.9%	35,471	115.7%		8.1%	92.0%	6.89	-16.0%
FY 3/25F	6.0%	40,859	115.0%		3.7%	36,773	119.9%		-2.0%	90.0%	6.34	-8.0%
FY 3/26F	2.6%	41,925	118.0%		0.3%	36,894	120.3%		-2.0%	88.0%	5.96	-6.0%

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Consequently, our assumptions for the SIA group of passenger airlines have been changed as follows:

- FY24F RPK demand increased 1.8% to 144,430m, with PLF increased from 88.5% to 88.9%;
- FY25F RPK demand increased 2.7% to 148,756m, with PLF increased from 86.4% to 87%; and
- FY26F RPK demand increased 2.5% to 156,697m, with PLF increased from 85.8% to 86.1%.

FY24-26F passenger yields for the SIA group reduced due to the cuts in SQ and TR yield assumptions.

- FY24F yield cut 2.3% from 11.15 Scts/RPK to 10.89 Scts/RPK;
- FY25F yield cut 1.2% from 10.46 Scts/RPK to 10.33 Scts/RPK; and
- FY26F yield cut 1.1% from 10.10 Scts/RPK to 9.99 Scts/RPK.

Figure 12: Estimates for SIA group (SIA full-service carrier and Scoot) passenger airline ASK capacity, RPK demand, PLF, and yield

	SIA group ASK capacity (m)		As a percentage of the CY19 base		SIA group RPK demand (m)		As a percentage of the CY19 base		SIA group passenger load factor (%)		SIA group passenger yield (Scts/RPK)	
	Yoy change				Yoy change				Yoy change (% pts)		Yoy change (% pts)	
CY 2019	177,066				149,120				84.2%		9.24	
FY 3/20	171,211		96.7%		140,999		94.6%		82.4%		9.14	
FY 3/21	21,721	-87.3%	12.3%		2,891	-97.9%	1.9%		13.3%	-69.0%	23.58	157.9%
FY 3/22	68,570	215.7%	38.7%		20,665	614.9%	13.9%		30.1%	16.8%	13.56	-42.5%
FY 3/23	133,032	94.0%	75.1%		113,628	449.9%	76.2%		85.4%	55.3%	11.76	-13.3%
FY 3/24F	162,373	22.1%	91.7%		144,430	27.1%	96.9%		88.9%	3.5%	10.89	-7.4%
FY 3/25F	171,072	5.4%	96.6%		148,756	3.0%	99.8%		87.0%	-2.0%	10.33	-5.1%
FY 3/26F	182,046	6.4%	102.8%		156,697	5.3%	105.1%		86.1%	-0.9%	9.99	-3.3%

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Our assumptions for the cargo business have been changed as follows:

- FY24F cargo load increased from 50% to 52% (+5.2% rise in RFTK);
- FY25F cargo yield raised 2.3% from 35.34 Scts/RFTK to 36.15 Scts/RFTK; and
- FY26F cargo yield raised 4.6% from 31.10 Scts/RFTK to 32.53 Scts/RFTK.

Figure 13: Estimates for Cargo's AFTK capacity, RFTK demand, CLF, and yield

	Cargo AFTK capacity (m)		As a percentage of the CY19 base		Cargo RFTK demand (m)		As a percentage of the CY19 base		Cargo load factor (%)		Cargo yield (Scts/RFTK)	
	Yoy change				Yoy change				Yoy change (% pts)		Yoy change (% pts)	
CY 2019	11,143				6,605				59.3%		29.85	
FY 3/20	10,778		96.7%		6,389		96.7%		59.3%		30.50	
FY 3/21	4,795	-55.5%	43.0%		4,112	-35.6%	62.3%		85.8%	26.5%	65.90	116.1%
FY 3/22	7,195	50.1%	64.6%		5,941	44.5%	89.9%		82.6%	-3.2%	73.02	10.8%
FY 3/23	9,165	27.4%	82.3%		5,261	-11.4%	79.6%		57.4%	-25.2%	73.02	0.0%
FY 3/24F	9,806	7.0%	88.0%		5,099	-3.1%	77.2%		52.0%	-5.4%	40.16	-45.0%
FY 3/25F	10,586	8.0%	95.0%		5,293	3.8%	80.1%		50.0%	-2.0%	36.15	-10.0%
FY 3/26F	11,143	5.3%	100.0%		5,572	5.3%	84.4%		50.0%	0.0%	32.53	-10.0%

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

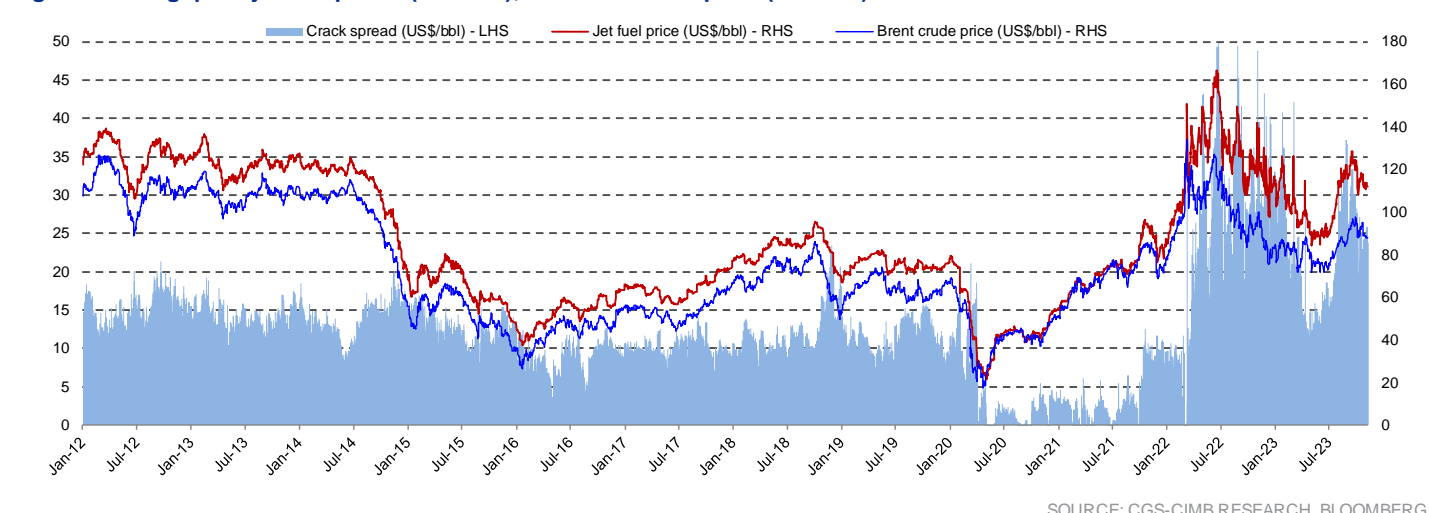
Our fuel price assumptions have been raised in this report, with spot Brent prices now assumed at:

- US\$86/bbl in FY24F (up from US\$80/bbl); and
- US\$80/bbl in FY25-26F (up from US\$78/bbl).

Our spot jet fuel price assumptions are assumed at:

- US\$108/bbl in FY24F (up from US\$95/bbl); and
- US\$100/bbl in FY25-26F (up from US\$93/bbl).

Figure 14: Singapore jet fuel prices (US\$/bbl), vs. Brent crude price (US\$/bbl)



SOURCE: CGS-CIMB RESEARCH, BLOOMBERG

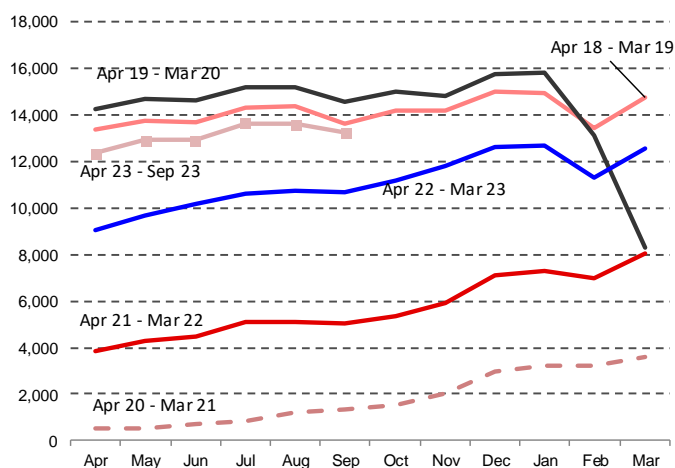
Figure 15: Key assumptions - SIA group

	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24F	FY25F	FY26F
Full-service carrier (FSC)											
FSC ASK (m km)	127,484	127,749	129,493	135,218	137,765	19,493	58,748	106,099	123,818	130,213	140,121
Change in ASK (%)	-0.7%	0.2%	1.4%	4.4%	1.9%	-85.9%	201.4%	80.6%	16.7%	5.2%	7.6%
FSC RPK (m km)	100,784	100,052	104,199	111,512	112,330	2,669	19,178	91,025	108,960	111,983	119,803
Change in RPK (%)	0.7%	-0.7%	4.1%	7.0%	0.7%	-97.6%	618.5%	374.6%	19.7%	2.8%	7.0%
FSC Load Factor	79.1%	78.3%	80.5%	82.5%	81.5%	13.7%	32.6%	85.8%	88.0%	86.0%	85.5%
FSC Pax Yield (Scts/RPK)	10.79	10.49	10.30	10.16	10.05	20.98	13.07	12.70	12.19	11.64	11.24
Change in yield (%)	-5.0%	-2.7%	-1.8%	-1.4%	-1.1%	108.7%	-37.7%	-2.8%	-4.0%	-4.5%	-3.5%
Scout											
Scout ASK (m km)	21,733	26,793	29,888	34,389	33,446	2,228	9,822	26,933	38,555	40,859	41,925
Change in ASK (%)		23.3%	11.6%	15.1%	-2.7%	-93.3%	340.8%	174.2%	43.2%	6.0%	2.6%
Scout RPK (m km)	18,225	22,084	25,600	29,326	28,669	222	1,487	22,603	35,471	36,773	36,894
Change in RPK (%)		21.2%	15.9%	14.6%	-2.2%	-99.2%	570.9%	1420.2%	56.9%	3.7%	0.3%
Scout Load Factor	83.9%	82.4%	85.7%	85.3%	85.7%	9.9%	15.1%	83.9%	92.0%	90.0%	88.0%
Scout Pax Yield (Scts/RPK)	6.41	5.90	5.80	5.70	5.60	54.98	19.97	8.20	6.89	6.34	5.96
Change in yield (%)	0.0%	-7.9%	-1.7%	-1.7%	-1.8%	881.7%	-63.7%	-58.9%	-16.0%	-8.0%	-6.0%
SIA Cargo											
Cargo AFTK (m km)	10,513	10,912	11,127	11,210	10,778	4,795	7,195	9,165	9,806	10,586	11,143
Change in AFTK (%)	4.9%	3.8%	2.0%	0.8%	-3.9%	-55.5%	50.1%	27.4%	7.0%	8.0%	5.3%
Cargo FTK (m km)	6,511	6,896	7,260	7,007	6,389	4,112	5,941	5,261	5,099	5,293	5,572
Change in LTK (%)	2.6%	5.9%	5.3%	-3.5%	-8.8%	-35.6%	44.5%	-11.4%	-3.1%	3.8%	5.3%
Cargo Load Factor	61.9%	63.2%	65.3%	62.5%	59.3%	85.8%	82.6%	57.4%	52.0%	50.0%	50.0%
Cargo Yield (Scts/FTK)	29.00	25.90	28.20	31.70	30.50	65.90	73.02	73.02	40.16	36.15	32.53
Change in yield (%)	-11.6%	-10.7%	8.9%	12.4%	-3.8%	116.1%	10.8%	0.0%	-45.0%	-10.0%	-10.0%
Fuel price (US\$/barrel)											
Spot Brent crude price (average)	48.2	49.8	57.6	70.2	63.0	49.6	80.0	95.6	86.0	80.0	80.0
Spot jet fuel price (average)	58.3	58.4	67.9	82.2	74.5	53.7	85.1	123.8	108.0	100.0	100.0
Hedged jet fuel price (average)	84.3	68.9	68.9	78.5	81.9	92.2	76.8	115.8	105.6	103.4	104.0

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

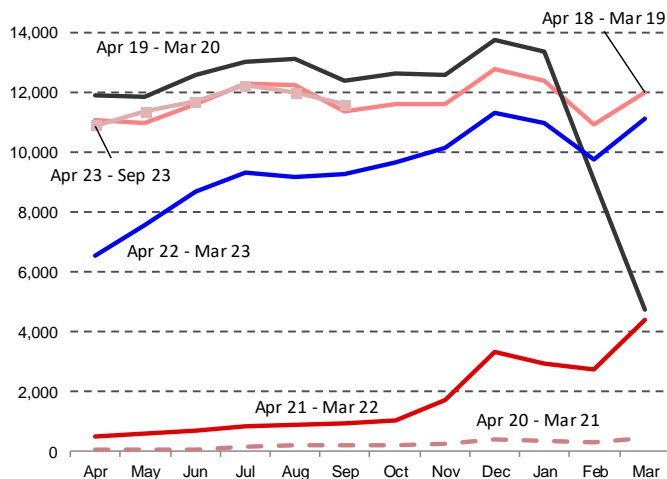
Group passenger airline business ➔

Figure 16: SIA group's passenger capacity in ASK (m)



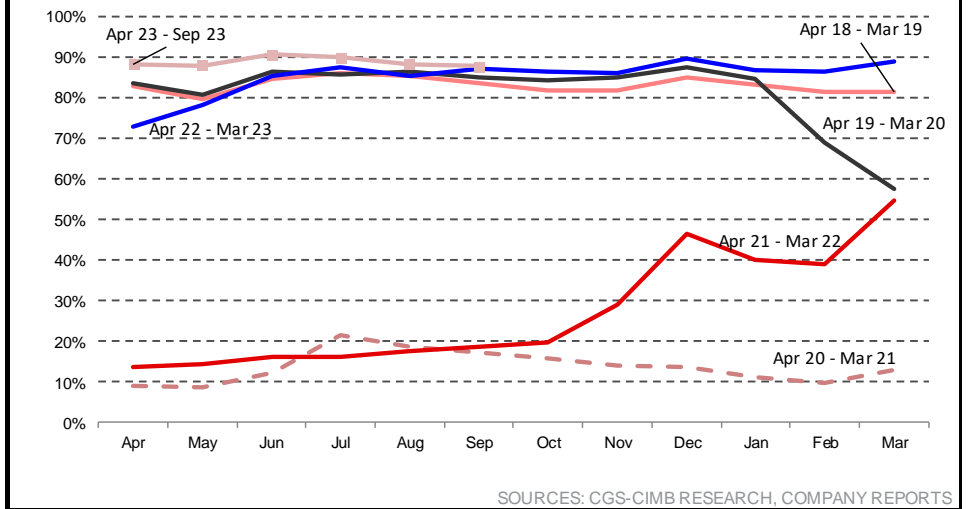
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 17: SIA group's passenger traffic in RPK (m)



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

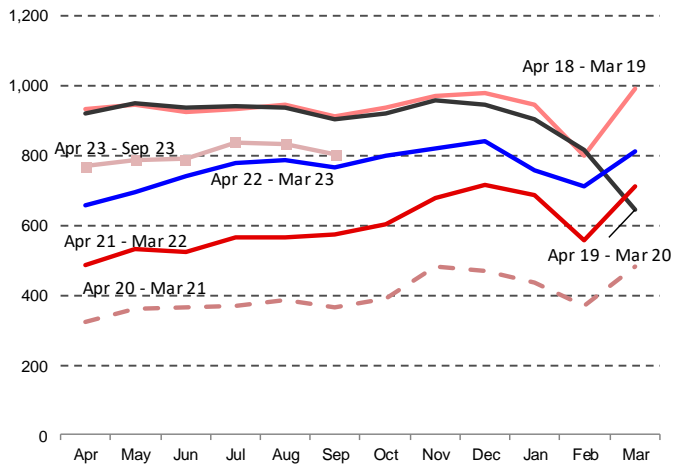
Figure 18: SIA group's passenger load factors (%)



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

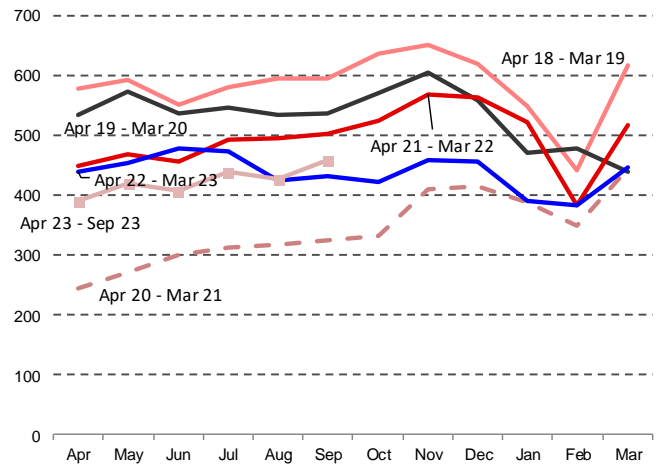
Air cargo business ➤

Figure 19: SIA's cargo capacity in AFTK (m)



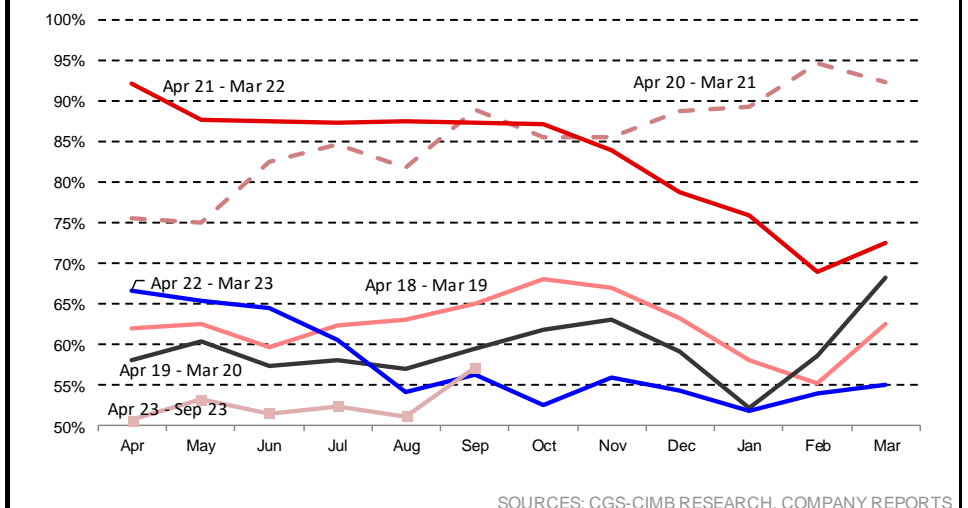
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 20: SIA's cargo traffic in RFTK (m)



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 21: SIA's cargo load factors (%)



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Further information on the results ►

Figure 22: Half-yearly segmental breakdown

	1HFY24	1HFY23	yoy % chg	2HFY23	hoh % chg	Comments
Revenue (\$\$ m)	9,162.4	8,416.5	8.9%	9,358.3	-2.1%	Revenue fell hoh due to lower cargo revenue, partially
- SIA and SilkAir (FSC)	6,448.7	5,281.3	22.1%	6,223.7	3.6%	offset by higher SIA revenue on strong pax demand
- Scoot (LCC)	1,124.8	699.0	60.9%	1,154.1	-2.5%	and load factors.
- Cargo	1,061.1	2,099.4	-49.5%	1,505.3	-29.5%	
- Others (SIAEC etc.)	527.8	336.8	56.7%	475.2	11.1%	
Core EBITDA (\$\$ m)	2,585.7	2,221.8	16.4%	2,475.2	4.5%	Core EBITDA rose hoh despite lower revenue due to the
Core EBITDA margin (%)	28.2%	26.4%	1.8%	26.4%	1.8%	fall in fuel costs and non-fuel costs hoh.
Core EBIT (\$\$ m)	1,553.8	1,234.4	25.9%	1,457.7	6.6%	Group core EBIT rose hoh despite lower revenue due to the
- SIA and SilkAir (FSC)	1,436.8	394.0	264.6%	887.6	61.9%	fall in fuel costs and non-fuel costs hoh.
- Scoot (LCC)	58.2	-40.2	-244.8%	188.3	-69.1%	On the passenger front, SIA saw much better hoh profits,
- Cargo	75.4	914.4	-91.7%	405.2	-81.4%	as strong ASK capacity restoration more than offset the
- SIA Engineering	0.1	-10.8	-100.9%	-15.5	100.6%	hoh drop in RASK. Scoot saw lower hoh profits, as
- Others	-16.7	-23.0	-27.4%	-7.9	111.4%	CASK did not fall hoh by as much as RASK.
						On the cargo front, core EBIT fell hoh due to sharp drop in
Core EBIT margin (%)	17.0%	14.7%	2.3%	15.6%	1.4%	core EBIT margin.
- SIA and SilkAir (FSC)	22.3%	7.5%	14.8%	14.3%	8.0%	
- Scoot (LCC)	5.2%	-5.8%	10.9%	16.3%	-11.1%	
- Cargo	7.1%	43.6%	-36.4%	26.9%	-19.8%	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 23: Quarterly segmental breakdown

	2QFY24	2QFY23	yoy % chg	1QFY24	qoq % chg	1HFY24 Cum	1HFY23 Cum	yoy % chg	Comments
Revenue (\$\$ m)	4,683.4	4,505.5	3.9%	4,479.0	4.6%	9,162.4	8,416.5	8.9%	Revenue rose qoq on higher pax revenue due to capacity
- SIA and SilkAir (FSC)	3,310.8	2,891.2	14.5%	3,137.9	5.5%	6,448.7	5,281.3	22.1%	restoration at SIA and Scoot, which more than offset the
- Scoot (LCC)	580.8	415.1	39.9%	544.0	6.8%	1,124.8	699.0	60.9%	drop in cargo revenue.
- Cargo	519.0	1,003.0	-48.3%	542.1	-4.3%	1,061.1	2,099.4	-49.5%	
- Others (SIAEC etc.)	272.8	196.2	39.0%	255.0	6.9%	527.8	336.8	56.7%	
Core EBITDA (\$\$ m)	1,315.3	1,171.7	12.3%	1,270.5	3.5%	2,585.7	2,221.8	16.4%	Core EBITDA rose qoq due to higher pax revenue qoq which
Core EBITDA margin (%)	28.1%	26.0%	2.1%	28.4%	-0.3%	28.2%	26.4%	1.8%	more than offset higher fuel prices.
Core EBIT (\$\$ m)	799.3	678.0	17.9%	754.5	5.9%	1,553.8	1,234.4	25.9%	Group core EBIT rose qoq due to higher pax revenue.
- SIA and SilkAir (FSC)	772.5	301.4	156.3%	664.2	16.3%	1,436.8	394.0	264.6%	SIA RASK rose qoq.
- Scoot (LCC)	34.5	11.7	194.9%	23.7	45.6%	58.2	-40.2	244.8%	Scoot RASK fell qoq.
- Cargo	2.2	382.7	-99.4%	73.3	-97.0%	75.4	914.4	-91.7%	Cargo unit revenue fell qoq.
- SIA Engineering	-0.3	-6.8	-95.6%	0.4	-175.0%	0.1	-10.8	100.9%	
- Others	-9.6	-11.0	-12.7%	-7.1	35.2%	-16.7	-23.0	-27.4%	
Core EBIT margin (%)	17.1%	15.0%	2.0%	16.8%	0.2%	17.0%	14.7%	2.3%	
- SIA and SilkAir (FSC)	23.3%	10.4%	12.9%	21.2%	2.2%	22.3%	7.5%	14.8%	
- Scoot (LCC)	5.9%	2.8%	3.1%	4.4%	1.6%	5.2%	-5.8%	10.9%	
- Cargo	0.4%	38.2%	-37.7%	13.5%	-13.1%	7.1%	43.6%	-36.4%	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 24: Half-yearly cost metrics

	1HFY24	1HFY23	yoy % chg	2HFY23	hoh % chg	Comments
Operating costs (\$ m)	(7,825.9)	(7,390.0)	5.9%	(8,112.6)	-3.5%	Opex fell hoh due to lower fuel costs and lower non-fuel costs.
- Fuel	(2,283.1)	(2,695.4)	-15.3%	(2,513.5)	-9.2%	
* Fuel cost net of hedging	(2,283.1)	(2,695.9)	-15.3%	(2,513.5)	-9.2%	Fuel costs fell hoh due to lower fuel prices, despite higher fuel consumption.
* Fuel hedging ineffectiveness	-	0.5	na	-	na	
* FV change on ineffective fuel derivatives	-	-	na	-	na	
- Non-fuel costs	(4,300.1)	(3,485.8)	23.4%	(4,359.4)	-1.4%	Non-fuel costs fell hoh due mainly to lower other costs, partially offset by higher landing, handling and maintenance charges.
* Staff	(1,680.8)	(1,359.7)	23.6%	(1,696.1)	-0.9%	
* Landing, parking, overflying	(393.4)	(306.8)	28.2%	(350.4)	12.3%	
* Handling charges	(571.8)	(437.7)	30.6%	(513.8)	11.3%	
* Maintenance	(354.0)	(225.7)	56.8%	(301.5)	17.4%	
* Commissions	(219.4)	(237.7)	nm	(250.6)	-12.5%	
* Inflight meals and pax cost	-	-	na	-	na	
* Other costs	(1,080.7)	(918.2)	17.7%	(1,247.0)	-13.3%	
Asset costs (\$ m)	(1,242.7)	(1,208.8)	2.8%	(1,239.7)	0.2%	Asset costs remain relatively steady hoh.
* Depreciation	(1,031.9)	(987.4)	4.5%	(1,017.5)	1.4%	
* Leasing of aircraft	6.5	(13.5)	-148.1%	(10.2)	-163.7%	
* Interest expense	(217.3)	(207.9)	4.5%	(212.0)	2.5%	
ATK (m tonnes)	12,589	10,447	20.5%	11,878	6.0%	Reinstatement of passenger airline capacity led to 6% hoh rise in Available Tonne Kilometres (ATK).
Unit op costs (Scts/ATK)	(62.16)	(70.74)	-12.1%	(68.30)	-9.0%	Overall unit costs fell hoh due mainly to lower fuel unit costs and lower non-fuel unit costs, as non-fuel costs (in particular staff costs) did not increase by as much as ATK capacity.
- Fuel	(18.14)	(25.80)	-29.7%	(21.16)	-14.3%	
- Non-fuel costs	(34.16)	(33.37)	2.4%	(36.70)	-6.9%	
* Staff	(13.35)	(13.01)	2.6%	(14.28)	-6.5%	
* Landing, parking, overflying	(3.12)	(2.94)	6.4%	(2.95)	5.9%	
* Handling charges	(4.54)	(4.19)	8.4%	(4.33)	5.0%	
* Maintenance	(2.81)	(2.16)	30.2%	(2.54)	10.8%	
* Commissions	(1.74)	(2.28)	-23.4%	(2.11)	-17.4%	
* Inflight meals and pax cost	-	-	na	-	na	
* Other costs	(8.58)	(8.79)	-2.3%	(10.50)	-18.2%	
Asset costs (\$ m)	(9.87)	(11.57)	-14.7%	(10.44)	-5.4%	Asset unit costs fell hoh as capacity was restored.
* Depreciation	(8.20)	(9.45)	-13.3%	(8.57)	-4.3%	
* Leasing of aircraft	0.05	(0.13)	-140.0%	(0.09)	-160.1%	
* Interest expense	(1.73)	(1.99)	-13.3%	(1.78)	-3.3%	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

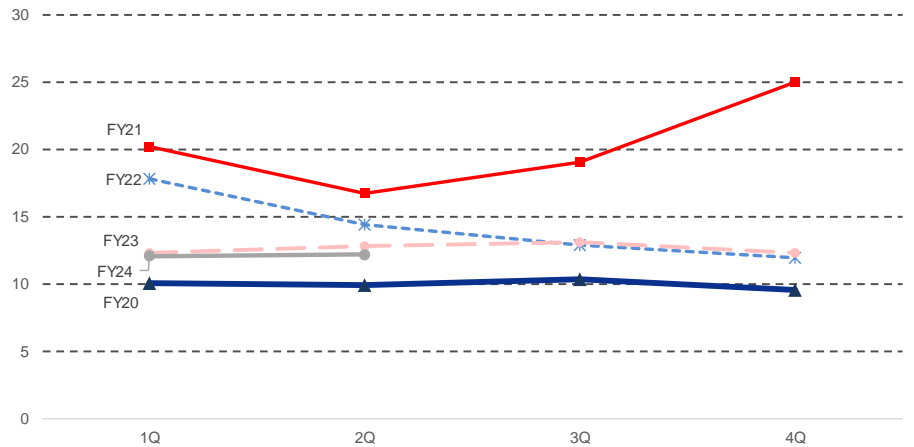
Full-service carrier business ➤

Figure 25: Operating metrics - Full-service carriers (FSC)

	2QFY24	2QFY23	yoy % chg	1QFY24	qoq % chg	1HFY24 Cum	1HFY23 Cum	yoy % chg	Comments
SIA & SilkAir (FSC)									
ASK (m)	30,891	26,074	18.5%	29,427	5.0%	60,318	49,650	21.5%	ASK and RPK both increased qoq due to strong demand during the summer travel season.
RPK (m)	27,138	22,587	20.1%	25,933	4.6%	53,071	42,020	26.3%	
Passenger load factor (%)	87.9%	86.6%	1.2%	88.1%	-0.3%	88.0%	84.6%	3.4%	PLF remained elevate at 87.9%.
Break-even load factor (%)	74.6%	80.5%	-5.9%	71.1%	3.5%	72.9%	80.8%	-7.9%	Breakeven load factor rose qoq due to the higher qoq jet fuel costs, partially offset by higher qoq yield. The spread compressed qoq.
Spread (%)	13.3%	6.2%	7.1%	17.1%	-3.8%	15.1%	3.8%	11.3%	
Passengers carried (000)	5,701	4,390	29.9%	5,476	4.1%	11,177	8,229	35.8%	
RASK (cts/ASK)	10.72	11.09	-3.3%	10.66	0.5%	10.69	10.64	0.5%	RASK rose slightly qoq due to higher yields and stable PLF.
Passenger yield (cts/ASK)	12.20	12.80	-4.7%	12.10	0.8%	12.15	12.57	-3.3%	
Pax unit costs (cts/ASK)	9.10	10.30	-11.7%	8.60	5.8%	8.86	10.16	-12.8%	CASK rose qoq due to higher jet fuel prices.
Unit profit (cts/ASK)	1.62	0.79	105.2%	2.06	-21.6%	1.84	0.48	282.6%	Unit profit fell qoq.
Core FSC revenue (\$ m)	3,310.8	2,891.2	14.5%	3,137.9	5.5%	6,448.7	5,281.3	22.1%	
Core FSC cost (\$ m)	-2,811.1	-2,685.7	4.7%	-2,530.7	11.1%	-5,341.8	-5,043.2	5.9%	Core EBIT fell qoq, due to higher CASK more than offsetting the higher RASK.
Core FSC EBIT (\$ m)	499.7	205.5	143.2%	607.2	-17.7%	1,106.9	238.1	364.8%	

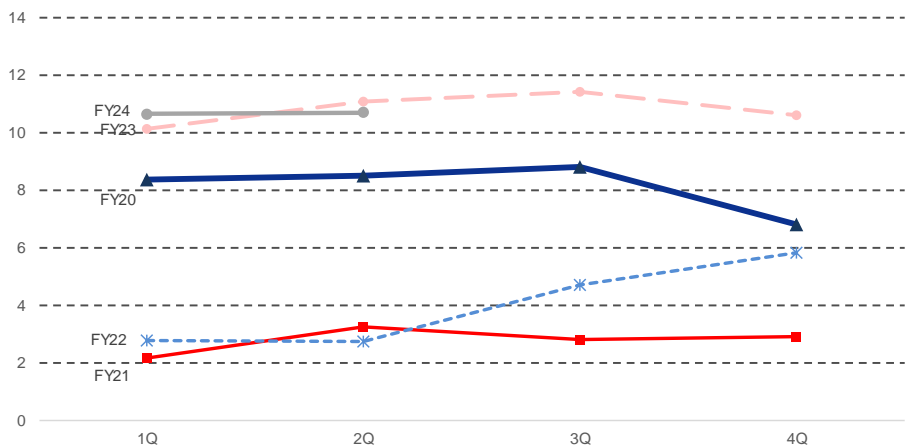
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 26: SIA mainline FSC: Passenger yields (Scts/RPK)



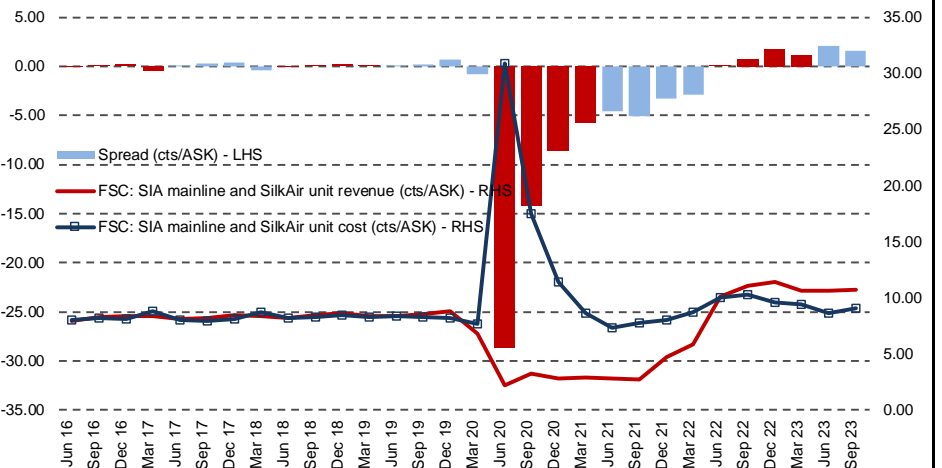
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 27: SIA mainline FSC: Passenger RASK (Scts/ASK)



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 28: SIA mainline and SilkAir FSC: spread between unit revenue and unit cost (cents/ASK)



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

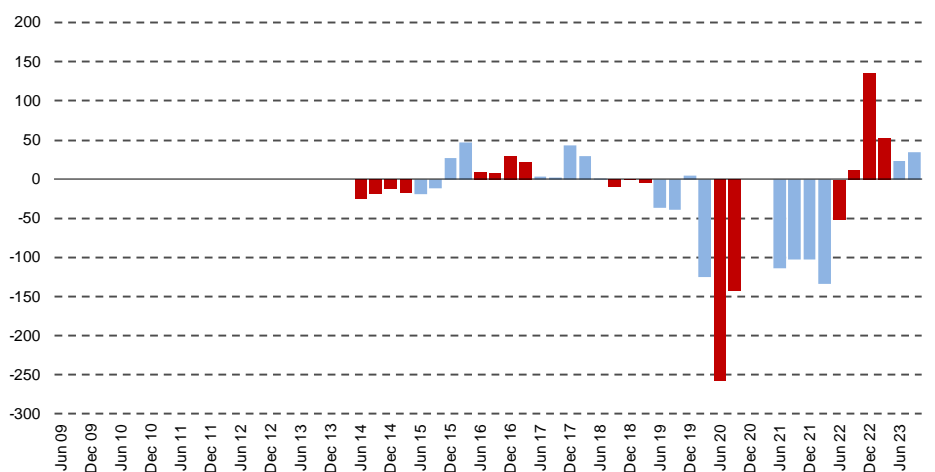
Low-cost carrier business ➤

Figure 29: Operating metrics - Low-cost carrier (LCC)

	2QFY24	2QFY23	yoy % chg	1QFY24	qoq % chg	1HFY24 Cum	1HFY23 Cum	yoy % chg	Comments
Scout (LCC)									
ASK (m)	9,530	6,002	58.8%	8,724	9.2%	18,253	11,245	62.3%	ASK and RPK recovered on qoq basis, with PLF moderating.
RPK (m)	8,669	5,189	67.1%	8,000	8.4%	16,669	8,529	95.4%	
Passenger load factor (%)	91.0%	86.5%	4.5%	91.7%	-0.7%	91.3%	75.8%	15.5%	
Break-even load factor (%)	89.6%	83.8%	5.8%	89.7%	-0.2%	89.6%	80.0%	9.6%	
Spread (%)	1.4%	2.7%	-1.3%	2.0%	-0.6%	1.7%	-4.2%	5.9%	Positive spread narrowed qoq as PLF fell more than the breakeven load factor.
Passengers carried (000)	3,215	1,912	68.2%	2,960	8.6%	6,175	3,168	94.9%	
RASK (cts/ASK)	6.10	6.90	-11.6%	6.30	-3.2%	6.16	6.22	-0.9%	RASK fell qoq due to lower yields, and lower PLF.
Passenger yield (cts/ASK)	6.70	8.00	-16.3%	6.80	-1.5%	6.75	8.20	-17.7%	Yields fell qoq.
Pax unit costs (cts/ASK)	6.00	6.70	-10.4%	6.10	-1.6%	6.05	6.56	-7.8%	CASK fell qoq due to ASK restoration which offset higher jet fuel prices. Unit profit fell qoq as RASK decline by more than CASK decline.
Unit profit (cts/ASK)	0.10	0.20	-50.0%	0.20	-50.0%	0.11	-0.34	-133.3%	
Core Scout revenue (\$ m)	580.8	415.1	39.9%	544.0	6.8%	1,124.8	699.0	60.9%	
Core Scout cost (\$ m)	-571.8	-402.1	42.2%	-532.1	7.5%	-1,103.9	-737.7	49.6%	
Core Scout EBIT (\$ m)	9.1	13.0	-30.3%	11.9	-23.5%	20.9	-38.7	-154.1%	Core EBIT fell qoq.

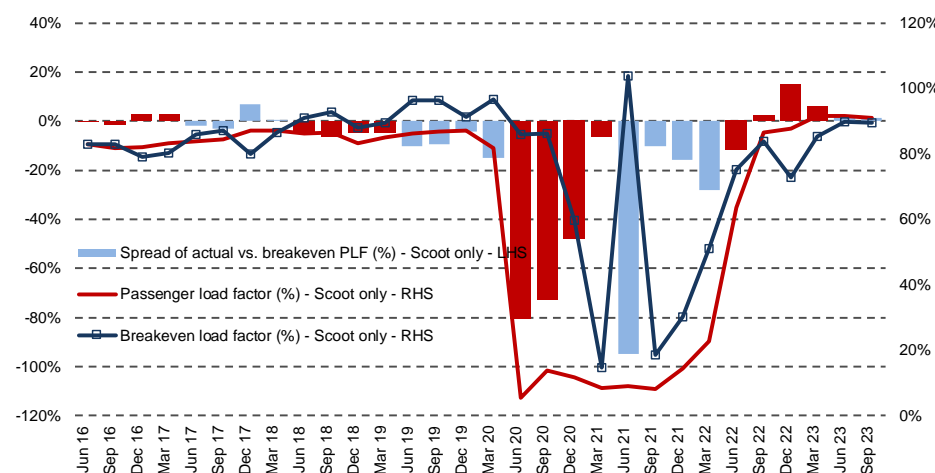
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 30: Scout LCC - quarterly operating profit (\$ m) (bars are grouped by colour according to financial year)



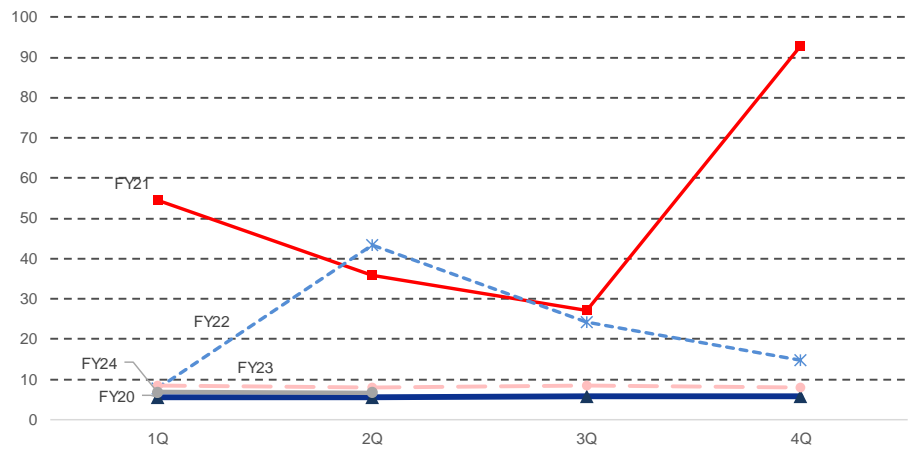
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 31: Scout LCC: passenger and breakeven load factors (%), and spreads (% pts)



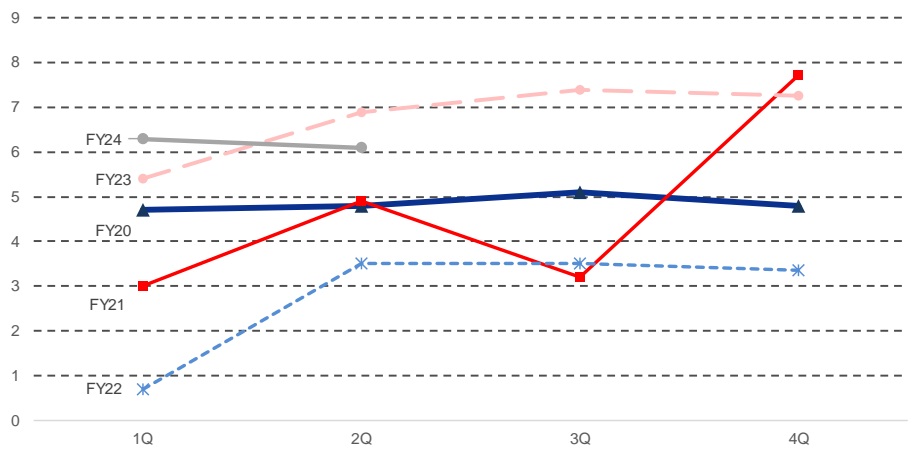
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 32: Scoot LCC: Passenger yields (Scts/RPK)



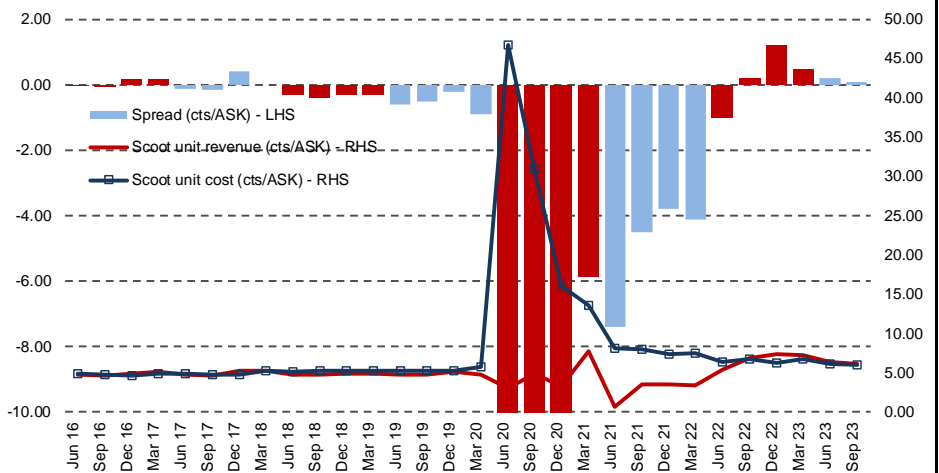
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 33: Scoot LCC: Passenger RASK (Scts/ASK)



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 34: Scoot LCC: spread between unit revenue and unit cost (cents/ASK)



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

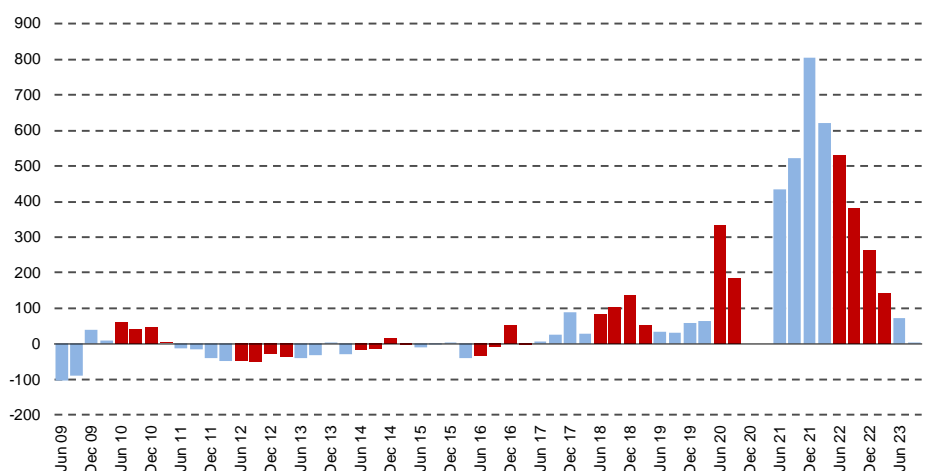
Cargo business ▶

Figure 35: Operating metrics - SIA Cargo

	2QFY24	2QFY23	yoy % chg	1QFY24	qoq % chg	1HFY24 Cum	1HFY23 Cum	yoy % chg	Comments
Cargo business									
AFTK (m)	2,473	2,332	6.0%	2,344	5.5%	4,817	4,423	8.9%	AFTK rose qoq due to more passenger bellyhold capacity.
FTK (m)	1,324	1,330	-0.5%	1,216	8.9%	2,539	2,701	-6.0%	FTK rose qoq due to seasonal air freight demand, causing CLF to increase qoq.
Cargo load factor (%)	53.5%	57.0%	-3.5%	51.8%	1.7%	52.7%	61.1%	-8.3%	
Break-even load factor (%)	53.3%	35.3%	18.0%	44.8%	8.5%	49.0%	34.5%	14.5%	Breakeven CLF rose qoq due to lower yields and higher unit costs. The positive spread narrowed qoq.
Spread (%)	0.2%	21.8%	-21.5%	7.0%	-6.8%	3.7%	26.6%	-22.8%	
Cargo carried (m kg)	236	235	0.3%	214	10.1%	450	475	-5.2%	
RAFTK (cts/AFTK)	20.99	43.01	-51.2%	23.12	-9.2%	22.03	47.46	-53.6%	Revenue per unit of capacity fell qoq due to lower cargo yields, partially offset by higher CLF.
Cargo yield (cts/FTK)	39.20	75.40	-48.0%	44.60	-12.1%	41.78	77.73	-46.2%	
Cargo unit costs (cts/AFTK)	20.90	26.60	-21.4%	20.00	4.5%	20.46	26.79	-23.6%	Cargo unit costs rose qoq due to higher jet fuel prices.
Unit profit (cts/AFTK)	0.09	16.41	-99.5%	3.12	-97.2%	1.57	20.67	-92.4%	
Core cargo revenue (\$ m)	519.0	1,003.0	-48.3%	542.1	-4.3%	1,061.1	2,099.4	-49.5%	
Core cargo cost (\$ m)	-516.8	-620.2	-16.7%	-468.9	10.2%	-985.6	-1,185.0	-16.8%	SIA Cargo's EBIT fell qoq due to lower RAFTK, and higher unit costs.
Core cargo EBIT (\$ m)	2.2	382.7	-99.4%	73.3	-97.0%	75.4	914.4	-91.7%	

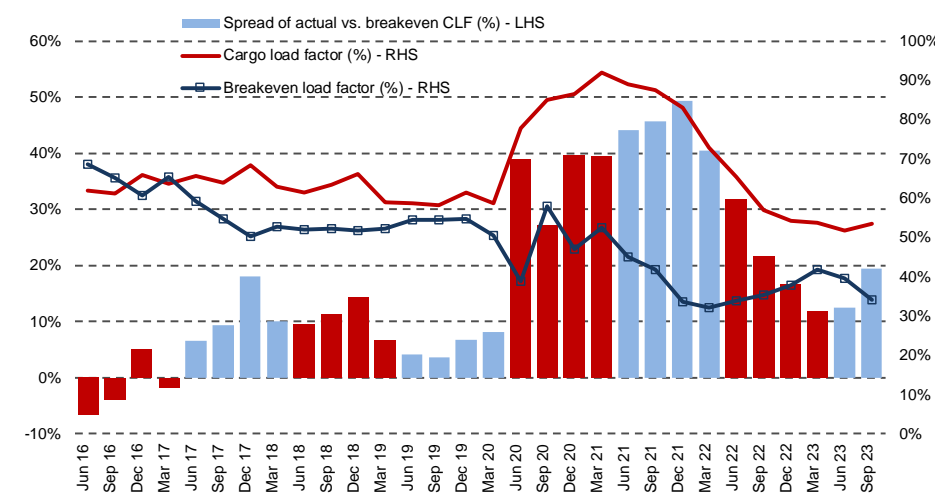
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 36: Cargo - quarterly operating profit (\$ m) (bars are grouped by colour according to financial year)



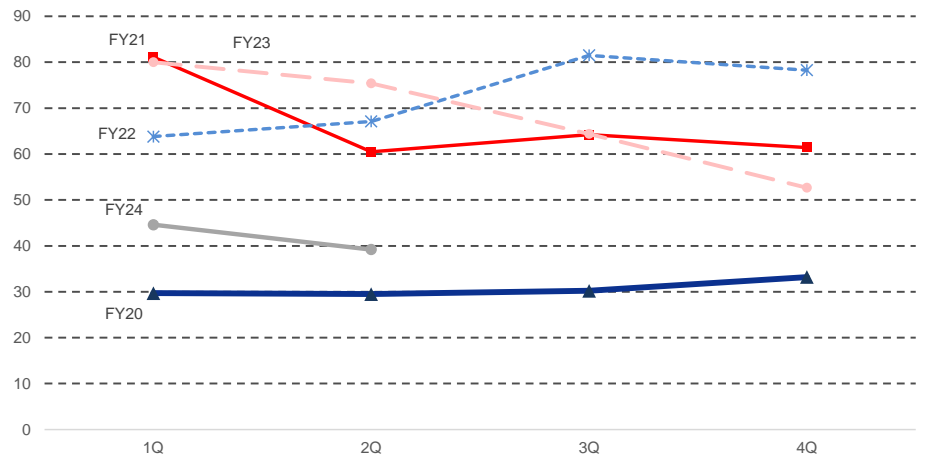
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 37: Cargo load factor and breakeven load factor (%), and spreads (% pts)



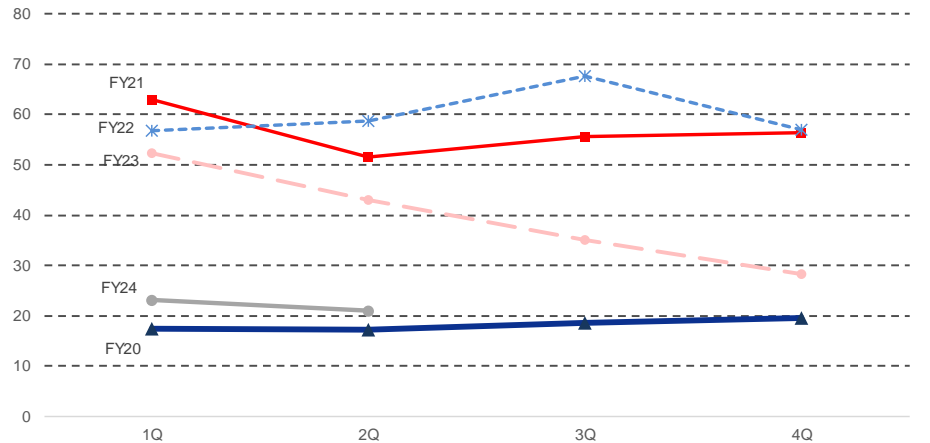
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 38: Cargo yields (Scts/RFTK)



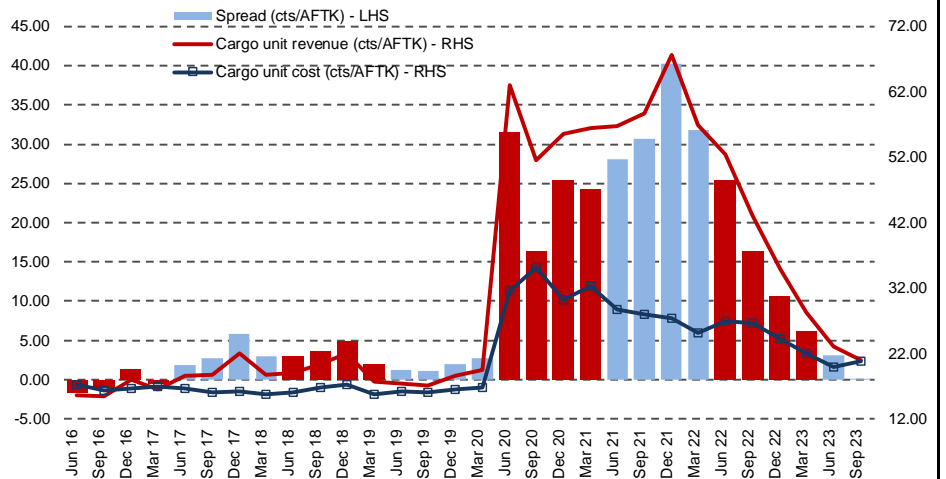
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 39: Cargo RAFTK (Scts/AFTK)



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 40: Spread between cargo unit revenue and cargo unit cost (cents/AFTK)



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Sequential half-yearly tables ▶

Figure 41: Half-yearly results

FYE Mar (S\$ m)	1HFY20	2HFY20	1HFY21	2HFY21	1HFY22	2HFY22	1HFY23	2HFY23	1HFY24
Revenue	8,323.0	7,651.8	1,634.4	2,181.5	2,826.9	4,787.9	8,416.5	9,358.3	9,162.4
Operating costs	(6,913.2)	(6,804.6)	(2,393.8)	(1,846.1)	(2,490.6)	(3,841.8)	(6,194.7)	(6,883.1)	(6,576.7)
EBITDA	1,409.8	847.2	(759.4)	335.4	336.3	946.1	2,221.8	2,475.2	2,585.7
EBITDA margin (%)	16.9	11.1	(46.5)	15.4	11.9	19.8	26.4	26.4	28.2
Depn & amort.	(999.1)	(1,135.1)	(1,090.9)	(985.0)	(955.7)	(971.9)	(987.4)	(1,017.5)	(1,031.9)
EBIT	410.7	(287.9)	(1,850.3)	(649.6)	(619.4)	(25.8)	1,234.4	1,457.7	1,553.8
Interest expense	(114.8)	(106.1)	(121.0)	(146.9)	(193.6)	(198.0)	(207.9)	(212.0)	(217.3)
Interest & invt inc	39.7	1.9	22.0	23.4	16.0	60.4	103.7	254.5	333.7
Associates' contrib	(58.8)	(19.9)	(63.6)	(49.2)	(107.9)	(8.2)	(62.4)	31.2	22.7
Exceptionals	9.7	(94.7)	(1,762.7)	(359.3)	(42.7)	29.2	15.3	22.3	28.1
Pretax profit	286.5	(506.7)	(3,775.6)	(1,181.6)	(947.6)	(142.4)	1,083.1	1,553.7	1,721.0
Tax	(60.6)	111.4	297.8	376.0	116.0	25.9	(150.5)	(323.0)	(268.4)
Tax rate (%)	21.2	22.0	7.9	31.8	12.2	18.2	13.9	20.8	15.6
Minority interests	(20.3)	(22.3)	10.8	1.9	(5.2)	(8.7)	(5.7)	(0.8)	(11.5)
Net profit	205.6	(417.6)	(3,467.0)	(803.7)	(836.8)	(125.2)	926.9	1,229.9	1,441.1
Core net profit	195.9	(322.9)	(1,733.4)	(892.5)	(865.3)	(260.8)	814.4	1,117.7	1,351.2
EPS (cts)	12.2	(24.8)	(116.9)	(27.1)	(28.2)	(4.2)	31.2	41.4	48.5
Core EPS (cts)	11.7	(19.2)	(58.5)	(30.1)	(29.2)	(8.8)	27.4	37.6	45.4

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 42: Half-yearly operating metrics - passenger airlines

	1HFY20	2HFY20	1HFY21	2HFY21	1HFY22	2HFY22	1HFY23	2HFY23	1HFY24
SIA & SilkAir (FSC)									
ASK (m)	70,795	66,970	4,658	14,836	24,178	34,570	49,650	56,450	60,318
RPK (m)	59,528	52,802	767	1,902	4,208	14,970	42,020	49,006	53,071
Passenger load factor (%)	84.1%	78.8%	16.5%	12.8%	17.4%	43.3%	84.6%	86.8%	88.0%
Break-even load factor (%)	83.0%	79.0%	126.3%	43.4%	47.9%	68.3%	80.8%	74.8%	72.9%
Spread (%)	1.1%	-0.1%	-109.8%	-30.6%	-30.5%	-25.0%	3.8%	12.0%	15.1%
Passengers carried (000)	13,569	11,778	133	382	710	2,677	8,229	9,926	11,177
RASK (cts/ASK)	8.44	7.91	2.89	2.87	2.75	5.33	10.64	11.03	10.69
Passenger yield (cents/RPK)	10.03	10.04	17.51	22.38	15.79	12.30	12.57	12.70	12.15
Pax unit costs (cents/ASK)	8.32	7.93	22.12	9.71	7.57	8.40	10.16	9.50	8.86
Unit profit (cents/ASK)	0.11	-0.01	-19.23	-6.84	-4.82	-3.07	0.48	1.53	1.84
Core FSC revenue (S\$ m)	5,971.7	5,299.8	134.4	425.5	664.6	1,841.2	5,281.3	6,223.7	6,448.7
Core FSC cost (S\$ m)	-5,887.8	-5,308.2	-1,030.1	-1,440.5	-1,830.4	-2,903.9	-5,043.2	-5,362.7	-5,341.8
Core FSC EBIT (S\$ m)	83.9	-8.4	-895.8	-1,015.0	-1,165.8	-1,062.7	238.1	861.0	1,106.9
Scout passenger business									
ASK (m)	17,699	15,747	537	1,691	3,670	6,152	11,245	15,687	18,253
RPK (m)	15,312	13,357	57	164	311	1,175	8,529	14,074	16,669
Passenger load factor (%)	86.5%	84.8%	10.7%	9.7%	8.5%	19.1%	75.8%	89.7%	91.3%
Break-even load factor (%)	96.4%	93.7%	93.6%	24.2%	28.5%	41.6%	80.0%	79.3%	89.6%
Spread (%)	-9.8%	-8.8%	-82.9%	-14.5%	-20.1%	-22.5%	-4.2%	10.4%	1.7%
Passengers carried (000)	5,518	4,936	22	60	118	384	3,168	5,163	6,175
RASK (cts/ASK)	4.76	4.95	4.20	5.90	2.39	3.40	6.22	7.36	6.16
Passenger yield (cents/RPK)	5.50	5.84	39.39	60.40	28.17	17.80	8.20	8.20	6.75
Pax unit costs (cents/ASK)	5.30	5.47	36.85	14.60	8.04	7.40	6.56	6.50	6.05
Unit profit (cents/ASK)	-0.54	-0.52	-32.66	-8.70	-5.65	-4.00	-0.34	0.86	0.11
Core Scout revenue (S\$ m)	842.1	780.2	22.5	99.3	87.7	209.2	699.0	1,154.1	1,124.8
Core Scout cost (S\$ m)	-938.0	-861.4	-197.8	-246.9	-295.1	-455.3	-737.7	-1,019.7	-1,103.9
Core Scout EBIT (S\$ m)	-95.9	-81.2	-175.3	-147.6	-207.4	-246.0	-38.7	134.4	20.9
+ Other EBIT (S\$ m)	19.9	-39.8	-225.8	-21.0					
Total Scout EBIT (S\$ m)	-76.0	-121.0	-401.1	-168.6					

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 43: Half-yearly operating metrics - SIA Cargo

	1HFY20	2HFY20	1HFY21	2HFY21	1HFY22	2HFY22	1HFY23	2HFY23	1HFY24
Cargo business									
AFTK (m)	5,588	5,191	2,171	2,624	3,245	3,950	4,423	4,742	4,817
FTK (m)	3,265	3,124	1,771	2,341	2,862	3,079	2,701	2,560	2,539
Cargo load factor (%)	58.4%	60.2%	81.6%	89.2%	88.2%	78.0%	61.1%	54.0%	52.7%
Break-even load factor (%)	54.4%	52.8%	47.7%	49.7%	43.2%	32.9%	34.5%	39.5%	49.0%
Spread (%)	4.0%	7.4%	33.9%	39.5%	44.9%	45.1%	26.6%	14.5%	3.7%
Cargo carried (m kg)	616.3	588.7	308.4	425.6	511.8	534.2	474.5	448.5	449.9
RAFTK (cts/AFTK)	17.3	19.0	57.1	56.0	57.8	62.4	47.5	31.7	22.0
Cargo yield (cts/FTK)	29.6	31.5	70.0	62.8	65.5	80.0	77.7	58.8	41.8
Cargo unit costs (cts/AFTK)	16.1	16.6	33.4	31.2	28.3	26.3	26.8	23.2	20.5
Unit profit (cts/AFTK)	1.2	2.3	23.7	24.8	29.4	36.1	20.7	8.5	1.6
Core cargo revenue (S\$ m)	966.6	985.2	1,239.5	1,470.2	1,875.0	2,463.3	2,099.4	1,505.3	1,061.1
Core cargo cost (S\$ m)	-902.4	-863.5	-724.4	-818.6	-919.5	-1,038.9	-1,185.0	-1,100.1	-985.6
Core cargo EBIT (S\$ m)	64.1	121.6	515.1	651.6	955.6	1,424.4	914.4	405.2	75.4

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 44: Half-yearly cost metrics

	1HFY20	2HFY20	1HFY21	2HFY21	1HFY22	2HFY22	1HFY23	2HFY23	1HFY24
Costs (S\$ m)	-8,027.1	-8,045.8	-3,605.7	-2,978.0	-3,639.9	-5,011.7	-7,390.0	-8,112.6	-7,825.9
- Fuel	-2,348.9	-2,997.4	-939.6	-289.9	-731.4	-1,379.7	-2,695.4	-2,513.5	-2,283.1
- Non-fuel costs	-4,497.1	-3,795.2	-1,450.6	-1,550.0	-1,755.1	-2,449.3	-3,485.8	-4,359.4	-4,300.1
* Staff	-1,516.4	-1,047.2	-577.0	-583.5	-663.7	-809.9	-1,359.7	-1,696.1	-1,680.8
* Landing, parking, overflying	-472.4	-414.0	-83.2	-135.8	-192.0	-259.9	-306.8	-350.4	-393.4
* Handling charges	-661.4	-615.3	-174.0	-220.1	-282.1	-364.7	-437.7	-513.8	-571.8
* Maintenance	-440.1	-395.3	-233.0	-213.4	-211.6	-241.8	-225.7	-301.5	-354.0
* Commissions	-255.1	-234.7	20.6	-7.0	-21.2	-96.6	-237.7	-250.6	-219.4
* Inflight meals and pax cost	-387.4	-339.3	-18.7	-23.1	-39.9	0.0	0.0	0.0	0.0
* Other costs	-764.3	-749.4	-385.3	-367.1	-344.6	-676.4	-918.2	-1,247.0	-1,080.7
Asset costs (S\$ m)	-1,181.1	-1,253.2	-1,215.5	-1,138.1	-1,153.4	-1,182.7	-1,208.8	-1,239.7	-1,242.7
* Depreciation	-999.1	-1,135.1	-1,090.9	-985.0	-955.7	-971.9	-987.4	-1,017.5	-1,031.9
* Leasing of aircraft	-67.2	-12.0	-3.6	-6.2	-4.1	-12.8	-13.5	-10.2	6.5
* Interest expense	-114.8	-106.1	-121.0	-146.9	-193.6	-198.0	-207.9	-212.0	-217.3
ATK (m tonnes)	14,266	13,311	2,685	4,256	6,000	7,978	10,447	11,878	12,589
Unit costs (Scts/ATK)	-56.27	-60.44	-134.31	-69.97	-60.66	-62.82	-70.74	-68.30	-62.16
- Fuel	-16.46	-22.52	-35.00	-6.81	-12.19	-17.29	-25.80	-21.16	-18.14
- Non-fuel costs	-31.52	-28.51	-54.04	-36.42	-29.25	-30.70	-33.37	-36.70	-34.16
* Staff	-10.63	-7.87	-21.49	-13.71	-11.06	-10.15	-13.01	-14.28	-13.35
* Landing, parking, overflying	-3.31	-3.11	-3.10	-3.19	-3.20	-3.26	-2.94	-2.95	-3.12
* Handling charges	-4.64	-4.62	-6.48	-5.17	-4.70	-4.57	-4.19	-4.33	-4.54
* Maintenance	-3.08	-2.97	-8.68	-5.01	-3.53	-3.03	-2.16	-2.54	-2.81
* Commissions	-1.79	-1.76	0.77	-0.16	-0.35	-1.21	-2.28	-2.11	-1.74
* Inflight meals and pax cost	-2.72	-2.55	-0.70	-0.54	-0.66	0.00	0.00	0.00	0.00
* Other costs	-5.36	-5.63	-14.35	-8.63	-5.74	-8.48	-8.79	-10.50	-8.58
Asset costs (S\$ m)	-8.28	-9.41	-45.28	-26.74	-19.22	-14.82	-11.57	-10.44	-9.87
* Depreciation	-7.00	-8.53	-40.64	-23.14	-15.93	-12.18	-9.45	-8.57	-8.20
* Leasing of aircraft	-0.47	-0.09	-0.13	-0.15	-0.07	-0.16	-0.13	-0.09	0.05
* Interest expense	-0.80	-0.80	-4.51	-3.45	-3.23	-2.48	-1.99	-1.78	-1.73

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 45: Half-yearly segmental breakdown

	1HFY20	2HFY20	1HFY21	2HFY21	1HFY22	2HFY22	1HFY23	2HFY23	1HFY24
Revenue (S\$ m)	8,323.0	7,651.8	1,634.4	2,181.5	2,826.9	4,787.9	8,416.5	9,358.3	9,162.4
- SIA and SilkAir (FSC)	5,971.7	5,299.8	134.4	425.5	664.6	1,841.2	5,281.3	6,223.7	6,448.7
- Scoot (LCC)	842.1	780.2	22.5	99.3	87.7	209.2	699.0	1,154.1	1,124.8
- Cargo	966.6	985.2	1,239.5	1,470.2	1,875.0	2,463.3	2,099.4	1,505.3	1,061.1
- Others (SIAEC etc.)	542.6	586.7	238.0	186.5	199.5	274.2	336.8	475.2	527.8
Core EBITDA (S\$ m)			(759.4)	335.4	336.3	946.1	2,221.8	2,475.2	2,585.7
Core EBITDA margin (%)			-46.5%	15.4%	11.9%	19.8%	26.4%	26.4%	28.2%
Core EBIT (S\$ m)	410.7	-287.9	-1,850.3	-649.6	-619.4	-25.8	1,234.4	1,457.7	1,553.8
- SIA and SilkAir (FSC)	379.5	-323.0	-1,940.1	0.0	-1,342.1	-1,149.8	394.0	887.6	1,436.8
- Scoot (LCC)	-76.0	-121.0	-401.1	-168.6	-217.0	-236.6	-40.2	188.3	58.2
- Cargo	64.1	121.6	515.1	651.6	955.6	1,424.4	914.4	405.2	75.4
- SIA Engineering	37.0	30.0	-24.6	5.6	-6.7	-15.2	-10.8	-15.5	0.1
- Others	6.1	4.5	0.4	9.9	-9.2	-48.6	-23.0	-7.9	-16.7
Core EBIT margin (%)	4.9%	-3.8%	-113.2%	-29.8%	-21.9%	-0.5%	14.7%	15.6%	17.0%
- SIA and SilkAir (FSC)	6.4%	-6.1%	-1443.8%	0.0%	-201.9%	-62.4%	7.5%	14.3%	22.3%
- Scoot (LCC)	-9.0%	-15.5%	-1780.1%	-169.8%	-247.4%	-113.1%	-5.8%	16.3%	5.2%
- Cargo	6.6%	12.3%	41.6%	44.3%	51.0%	57.8%	43.6%	26.9%	7.1%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Sequential quarterly tables ▶

Figure 46: Quarterly results

FYE Mar (S\$ m)	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24
Revenue	1,531.9	2,316.0	2,471.9	3,911.0	4,505.5	4,846.0	4,512.3	4,479.0	4,683.4
EBIT	(345.4)	76.0	(101.8)	556.4	678.0	755.0	702.7	754.5	799.3
Exceptionals	(42.7)	-	29.2	-	15.3	-	22.3	-	28.1
Pretax profit	-	-	-	-	-	-	-	-	-
Net profit	(427.8)	85.0	(210.2)	370.0	556.9	628.0	601.9	734.0	707.1
Core net profit	(438.7)	31.4	(292.2)	321.7	492.7	580.5	537.2	702.8	648.4
EPS (cts)	(14.4)	2.9	(7.1)	12.5	18.7	21.1	20.3	24.7	23.8
Core EPS (cts)	(14.8)	1.1	(9.8)	10.8	16.6	19.5	18.1	23.6	21.8

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 47: Quarterly operating metrics - passenger airlines

	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24
SIA & SilkAir (FSC)									
ASK (m)	13,094	15,675	18,895	23,575	26,074	28,071	28,379	29,427	30,891
RPK (m)	2,484	5,711	9,259	19,432	22,587	24,504	24,502	25,933	27,138
Passenger load factor (%)	19.0%	36.4%	49.0%	82.4%	86.6%	87.3%	86.3%	88.1%	87.9%
Break-even load factor (%)	54.2%	62.0%	73.2%	81.3%	80.5%	73.3%	76.4%	71.1%	74.6%
Spread (%)	-35.2%	-25.6%	-24.2%	1.1%	6.2%	14.0%	9.9%	17.1%	13.3%
Passengers carried (000)	398	966	1,711	3,839	4,390	4,924	5,001	5,476	5,701
RASK (cts/ASK)	2.73	4.70	5.85	10.14	11.09	11.44	10.62	10.66	10.72
Passenger yield (cents/RPK)	14.40	12.90	11.93	12.30	12.80	13.10	12.30	12.10	12.20
Pax unit costs (cents/ASK)	7.80	8.00	8.73	10.00	10.30	9.60	9.40	8.60	9.10
Unit profit (cents/ASK)	-5.07	-3.30	-2.89	0.14	0.79	1.84	1.22	2.06	1.62
Core FSC revenue (S\$ m)	357.7	736.7	1,104.6	2,390.1	2,891.2	3,210.0	3,013.7	3,137.9	3,310.8
Core FSC cost (S\$ m)	-1,021.3	-1,254.0	-1,649.9	-2,357.5	-2,685.7	-2,694.8	-2,667.9	-2,530.7	-2,811.1
Core FSC EBIT (S\$ m)	-663.6	-517.3	-545.4	32.6	205.5	515.2	345.8	607.2	499.7
Scout passenger business									
ASK (m)	2,183	2,698	3,454	5,244	6,002	7,578	8,109	8,724	9,530
RPK (m)	179	389	787	3,340	5,189	6,650	7,424	8,000	8,669
Passenger load factor (%)	8.2%	14.4%	22.8%	63.7%	86.5%	87.8%	91.5%	91.7%	91.0%
Break-even load factor (%)	18.5%	30.3%	50.9%	75.3%	83.8%	72.9%	85.5%	89.7%	89.6%
Spread (%)	-10.3%	-15.9%	-28.1%	-11.6%	2.7%	14.8%	6.1%	2.0%	1.4%
Passengers carried (000)	68	122	261	1,257	1,912	2,440	2,723	2,960	3,215
RASK (cts/ASK)	3.50	3.50	3.35	5.40	6.90	7.40	7.26	6.30	6.10
Passenger yield (cents/RPK)	43.30	24.10	14.69	8.50	8.00	8.50	7.93	6.80	6.70
Pax unit costs (cents/ASK)	8.00	7.30	7.48	6.40	6.70	6.20	6.78	6.10	6.00
Unit profit (cents/ASK)	-4.50	-3.80	-4.13	-1.00	0.20	1.20	0.48	0.20	0.10
Core Scout revenue (S\$ m)	77.4	93.7	115.6	283.9	415.1	565.2	588.8	544.0	580.8
Core Scout cost (S\$ m)	-174.6	-196.9	-258.3	-335.6	-402.1	-469.8	-549.8	-532.1	-571.8
Core Scout EBIT (S\$ m)	-97.3	-103.3	-142.7	-51.7	13.0	95.4	39.0	11.9	9.1

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 48: Quarterly operating metrics - SIA Cargo


	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24
Cargo business									
AFTK (m)	1,704	1,995	1,955	2,092	2,332	2,463	2,279	2,344	2,473
FTK (m)	1,489	1,657	1,422	1,371	1,330	1,338	1,222	1,216	1,324
Cargo load factor (%)	87.4%	83.1%	72.7%	65.5%	57.0%	54.3%	53.6%	51.8%	53.5%
Break-even load factor (%)	41.7%	33.6%	32.2%	33.8%	35.3%	37.7%	41.8%	44.8%	53.3%
Spread (%)	45.7%	49.4%	40.6%	31.8%	21.8%	16.6%	11.9%	7.0%	0.2%
Cargo carried (m kg)	268.8	285.4	248.8	239.5	235.0	233.8	214.7	214.1	235.8
RAFTK (cts/AFTK)	58.6	67.7	56.9	52.4	43.0	35.0	28.3	23.1	21.0
Cargo yield (cts/FTK)	67.1	81.5	78.3	80.0	75.4	64.4	52.7	44.6	39.2
Cargo unit costs (cts/AFTK)	28.0	27.4	25.2	27.0	26.6	24.3	22.0	20.0	20.9
Unit profit (cts/AFTK)	30.6	40.3	31.7	25.4	16.4	10.7	6.2	3.1	0.1
Core cargo revenue (S\$ m)	999.2	1,350.6	1,112.7	1,096.4	1,003.0	861.5	643.9	542.1	519.0
Core cargo cost (S\$ m)	-477.0	-546.7	-492.1	-564.8	-620.2	-598.5	-501.6	-468.9	-516.8
Core cargo EBIT (S\$ m)	522.2	803.9	620.5	531.6	382.7	262.9	142.2	73.3	2.2

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 49: Quarterly segmental breakdown

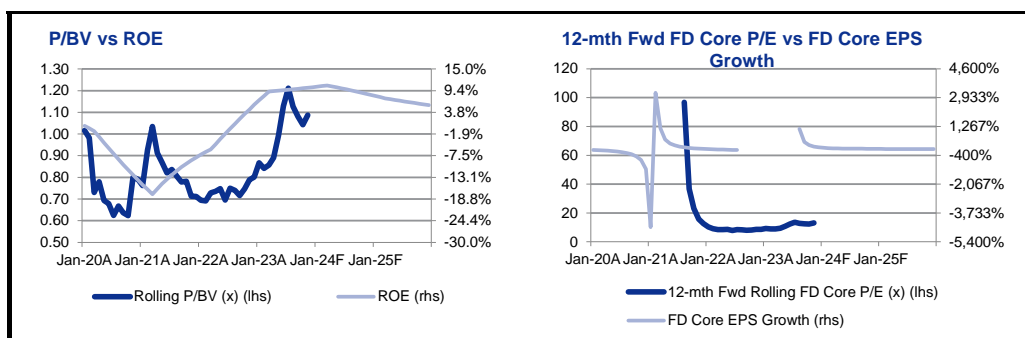
	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24
Revenue (S\$ m)	1,531.9	2,316.0	2,471.9	3,911.0	4,505.5	4,846.0	4,512.3	4,479.0	4,683.4
- SIA and SilkAir (FSC)	357.7	736.7	1,104.6	2,390.1	2,891.2	3,210.0	3,013.7	3,137.9	3,310.8
- Scoot (LCC)	77.4	93.7	115.6	283.9	415.1	565.2	588.8	544.0	580.8
- Cargo	999.2	1,350.6	1,112.7	1,096.4	1,003.0	861.5	643.9	542.1	519.0
- Others (SIAEC etc.)	97.6	135.0	139.1	140.5	196.2	209.3	265.9	255.0	272.8
Core EBITDA (S\$ m)	132.5	562.0	384.2	1,050.1	1,171.7	1,263.8	1,211.5	1,270.5	1,315.3
Core EBITDA margin (%)	8.6%	24.3%	15.5%	26.8%	26.0%	26.1%	26.8%	28.4%	28.1%
Core EBIT (S\$ m)	-345.4	76.0	-101.8	556.4	678.0	755.0	702.7	754.5	799.3
- SIA and SilkAir (FSC)	-756.1	-613.9	-535.9	92.7	301.4	373.1	514.6	664.2	772.5
- Scoot (LCC)	-103.2	-102.1	-134.5	-51.9	11.7	135.0	53.3	23.7	34.5
- Cargo	522.2	803.9	620.5	531.6	382.7	262.9	142.2	73.3	2.2
- SIA Engineering	-3.8	-7.9	-7.3	-4.0	-6.8	-12.5	-3.0	0.4	-0.3
- Others	-4.5	-4.0	-44.6	-12.0	-11.0	-3.5	-4.4	-7.1	-9.6
Core EBIT margin (%)	-22.5%	3.3%	-4.1%	14.2%	15.0%	15.6%	15.6%	16.8%	17.1%
- SIA and SilkAir (FSC)	-211.3%	-83.3%	-48.5%	3.9%	10.4%	11.6%	17.1%	21.2%	23.3%
- Scoot (LCC)	-133.4%	-109.0%	-116.4%	-18.3%	2.8%	23.9%	9.1%	4.4%	5.9%
- Cargo	52.3%	59.5%	55.8%	48.5%	38.2%	30.5%	22.1%	13.5%	0.4%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

<div style="display: flex; justify-content: space-between; align-items: center;"> <div data-bbox="67 291 351 336"> <h2>ESG in a nutshell</h2> </div> <div data-bbox="606 201 766 336">  </div> <div data-bbox="1005 190 1308 235"> <h3>Refinitiv ESG Scores</h3> </div> <div data-bbox="798 235 1516 336"> <table border="1" style="border-collapse: collapse; text-align: center;"> <tr> <td style="background-color: #4CAF50; color: white; padding: 5px;">B+</td> <td style="background-color: #4CAF50; color: white; padding: 5px;">B-</td> <td style="background-color: #4CAF50; color: white; padding: 5px;">B</td> <td style="background-color: #4CAF50; color: white; padding: 5px;">B+</td> <td style="background-color: #4CAF50; color: white; padding: 5px;">B+</td> <td style="background-color: #4CAF50; color: white; padding: 5px;">A-</td> </tr> <tr> <td style="font-size: 8px;">ESG Score</td> <td style="font-size: 8px;">ESG Controversies Score</td> <td style="font-size: 8px;">ESG Combined Score</td> <td style="font-size: 8px;">ESG Environment Pillar Score</td> <td style="font-size: 8px;">ESG Social Pillar Score</td> <td style="font-size: 8px;">ESG Government Pillar Score</td> </tr> </table> </div> </div>		B+	B-	B	B+	B+	A-	ESG Score	ESG Controversies Score	ESG Combined Score	ESG Environment Pillar Score	ESG Social Pillar Score	ESG Government Pillar Score
B+	B-	B	B+	B+	A-								
ESG Score	ESG Controversies Score	ESG Combined Score	ESG Environment Pillar Score	ESG Social Pillar Score	ESG Government Pillar Score								
<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, according to consultancy Skytrax which voted SIA as the World's Best Airline at the 2023 World Airline Awards, while the International Air Transport Association (IATA) recognised SIA's measures to protect the health and safety of its crew and passengers during the Covid-19 pandemic as one of the best in the world. 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 (CORSA).</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 2050 and that it will continue its ongoing efforts to move in this direction. In order to reduce carbon emissions, SIA said it 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 said it 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 (SAF), which can reduce the lifecycle greenhouse gas (GHG) emissions by up to 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 2021 until 2026. From 2027 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 2027.</p>	<p>Implications</p> <p>The SIA group of airlines (SIA, Scoot, and the air freight operations) 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 4 mtCO2 in FY21 from the impact of Covid-19, but partially recovered to 7.8 mtCO2 in FY22. We do not expect SIA to exceed FY20 emissions until FY25F (CY24F) or later if SIA improves its carbon efficiency and increases its use of SAF. We expect SIA to pass on the cost of SAF and the cost of purchasing carbon credits to its customers via higher ticket prices.</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 who 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 the group maintain high ESG ratings, which may have positive implications for SIA's stock market valuations, in our view.</p>												

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, REFINITIV

BY THE NUMBERS



Profit & Loss

(\$m)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Total Net Revenues	7,615	17,775	18,677	18,290	18,539
Gross Profit	1,907	5,817	5,186	4,392	4,100
Operating EBITDA	1,282	4,697	4,206	3,412	3,120
Depreciation And Amortisation	-1,928	-2,005	-2,023	-2,034	-2,109
Operating EBIT	-645	2,692	2,182	1,378	1,011
Financial Income/(Expense)	-346	-7	164	21	-37
Pretax Income/(Loss) from Assoc.	-116	-31	50	55	60
Non-Operating Income/(Expense)	31	-54	5	5	5
Profit Before Tax (pre-EI)	-1,077	2,599	2,401	1,459	1,039
Exceptional Items	-14	38	0	0	0
Pre-tax Profit	-1,090	2,637	2,401	1,459	1,039
Taxation	142	-474	-376	-225	-157
Exceptional Income - post-tax					
Profit After Tax	-948	2,163	2,025	1,234	882
Minority Interests	-14	-7	-10	-10	-10
Preferred Dividends	0	0	0	0	0
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	-962	2,157	2,015	1,224	872
Recurring Net Profit	-1,126	1,932	1,907	1,162	810
Fully Diluted Recurring Net Profit	-1,126	1,932	1,907	1,162	810

Cash Flow

(\$m)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
EBITDA	1,282	4,697	4,206	3,412	3,120
Cash Flow from Inv. & Assoc.					
Change In Working Capital	1,519	4,037	346	145	141
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	249	402	8	8	0
Net Interest (Paid)/Received	0	0	0	0	0
Tax Paid	-8	-5	-376	-225	-157
Cashflow From Operations	3,042	9,130	4,183	3,339	3,105
Capex	-3,049	-1,602	-2,300	-3,400	-4,300
Disposals Of FAs/subsidiaries	728	1,185	-1,240	0	0
Acq. Of Subsidiaries/investments	0	0	0	0	0
Other Investing Cashflow	74	283	0	0	0
Cash Flow From Investing	-2,247	-134	-3,540	-3,400	-4,300
Debt Raised/(repaid)	-754	-1,722	172	179	186
Proceeds From Issue Of Shares	6,197	-3,860	-5,064	0	0
Shares Repurchased	0	0	0	0	0
Dividends Paid	0	-299	-1,129	-952	-595
Preferred Dividends					
Other Financing Cashflow	-283	-333	169	26	-32
Cash Flow From Financing	5,160	-6,213	-5,853	-747	-441
Total Cash Generated	5,955	2,783	-5,210	-808	-1,636
Free Cashflow To Equity	41	7,274	815	118	-1,010
Free Cashflow To Firm	795	8,996	643	-61	-1,195

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd

Balance Sheet

(\$m)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Total Cash And Equivalents	13,763	16,328	11,117	10,310	8,673
Total Debtors	1,566	1,193	1,253	1,227	1,244
Inventories	187	227	251	258	268
Total Other Current Assets	2,172	1,552	1,544	1,537	1,537
Total Current Assets	17,688	19,299	14,166	13,332	11,722
Fixed Assets	27,861	27,687	27,964	29,329	31,520
Total Investments	2,819	1,817	3,107	3,162	3,222
Intangible Assets	303	298	298	298	298
Total Other Non-Current Assets	0	0	0	0	0
Total Non-current Assets	30,983	29,802	31,368	32,789	35,040
Short-term Debt	607	2,548	2,548	2,548	2,548
Current Portion of Long-Term Debt					
Total Creditors	2,733	4,040	4,470	4,596	4,763
Other Current Liabilities	4,529	7,083	7,083	7,083	7,083
Total Current Liabilities	7,869	13,671	14,101	14,227	14,394
Total Long-term Debt	13,737	11,371	11,542	11,721	11,906
Hybrid Debt - Debt Component	783	804	804	804	804
Total Other Non-Current Liabilities	3,482	3,006	3,006	3,006	3,006
Total Non-current Liabilities	18,002	15,181	15,352	15,531	15,716
Total Provisions	0	0	0	0	0
Total Liabilities	25,871	28,851	29,453	29,758	30,111
Shareholders' Equity	22,412	19,858	15,680	15,952	16,230
Minority Interests	389	392	402	412	422
Total Equity	22,800	20,250	16,081	16,364	16,651

Key Ratios

	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Revenue Growth	100%	133%	5%	(2%)	1%
Operating EBITDA Growth	N/A	266%	(10%)	(19%)	(9%)
Operating EBITDA Margin	16.8%	26.4%	22.5%	18.7%	16.8%
Net Cash Per Share (\$)	-0.46	0.54	-1.27	-1.60	-2.21
BVPS (\$)	7.55	6.68	5.27	5.36	5.46
Gross Interest Cover	-1.65	6.41	4.81	2.99	2.18
Effective Tax Rate	0.0%	18.0%	15.7%	15.4%	15.1%
Net Dividend Payout Ratio	NA	53.3%	51.7%	48.6%	44.3%
Accounts Receivables Days	60.06	28.33	23.97	24.75	24.33
Inventory Days	12.22	6.32	6.49	6.69	6.65
Accounts Payables Days	155.1	103.4	115.4	119.1	118.3
ROIC (%)	(2.8%)	10.8%	11.0%	7.0%	4.8%
ROCE (%)	(1.76%)	8.52%	8.49%	5.96%	4.54%
Return On Average Assets	(1.37%)	4.36%	3.93%	2.65%	1.98%

Key Drivers

	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
SIA mainline ASK (m)	58,747.8	106,099.3	123,817.8	130,213.2	140,120.7
SIA mainline RPK (m)	19,177.7	91,025.2	108,959.7	111,983.4	119,803.2
SIA mainline PLF (%)	32.6%	85.8%	88.0%	86.0%	85.5%
SIA mainline yield (Scts/RPK)	13.1	12.7	12.2	11.6	11.2

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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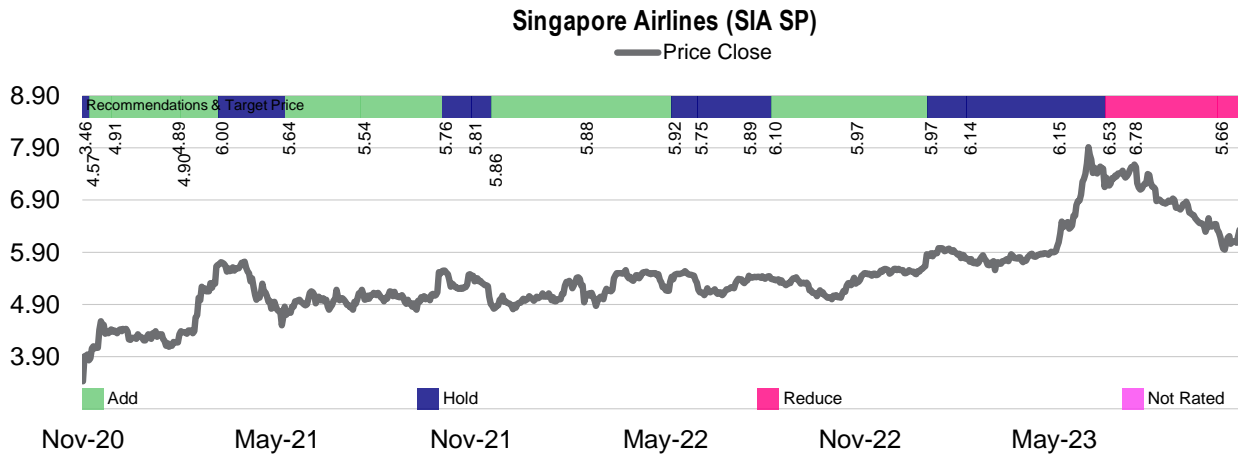
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Distribution of stock ratings and investment banking clients for quarter ended on 30 September 2023		
634 companies under coverage for quarter ended on 30 September 2023		
	Rating Distribution (%)	Investment Banking clients (%)
Add	66.7%	0.9%
Hold	23.7%	0.0%
Reduce	9.6%	0.2%

Spitzer Chart for stock being researched (2 year data)



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.

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.

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.