

# Global Airlines

**Southwest Airlines**  
**Cathay Pacific**  
**Singapore Airlines**

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# Industry Overview



# Terminology

## ATK

### **Available Tonne KM**

= (# of t of capacity available, passenger & cargo) x KM flown

## FTK

### **Freight Tonne KM**

= freight t carried x KM flown

## ASK

### **Available Seat KM**

= # of seats available x KM flown

## Yield

### **=Revenue/RPK**

An aggregate of all the airfare and airline charges, measured in KM

## RPK

### **Revenue Passenger KM**

= # of passengers x KM flown

## Load Factor

### **= RPK/ASK**

(# of passengers: # of seats available)

= unit cost/ yield (BEP, operating cost=revenue)

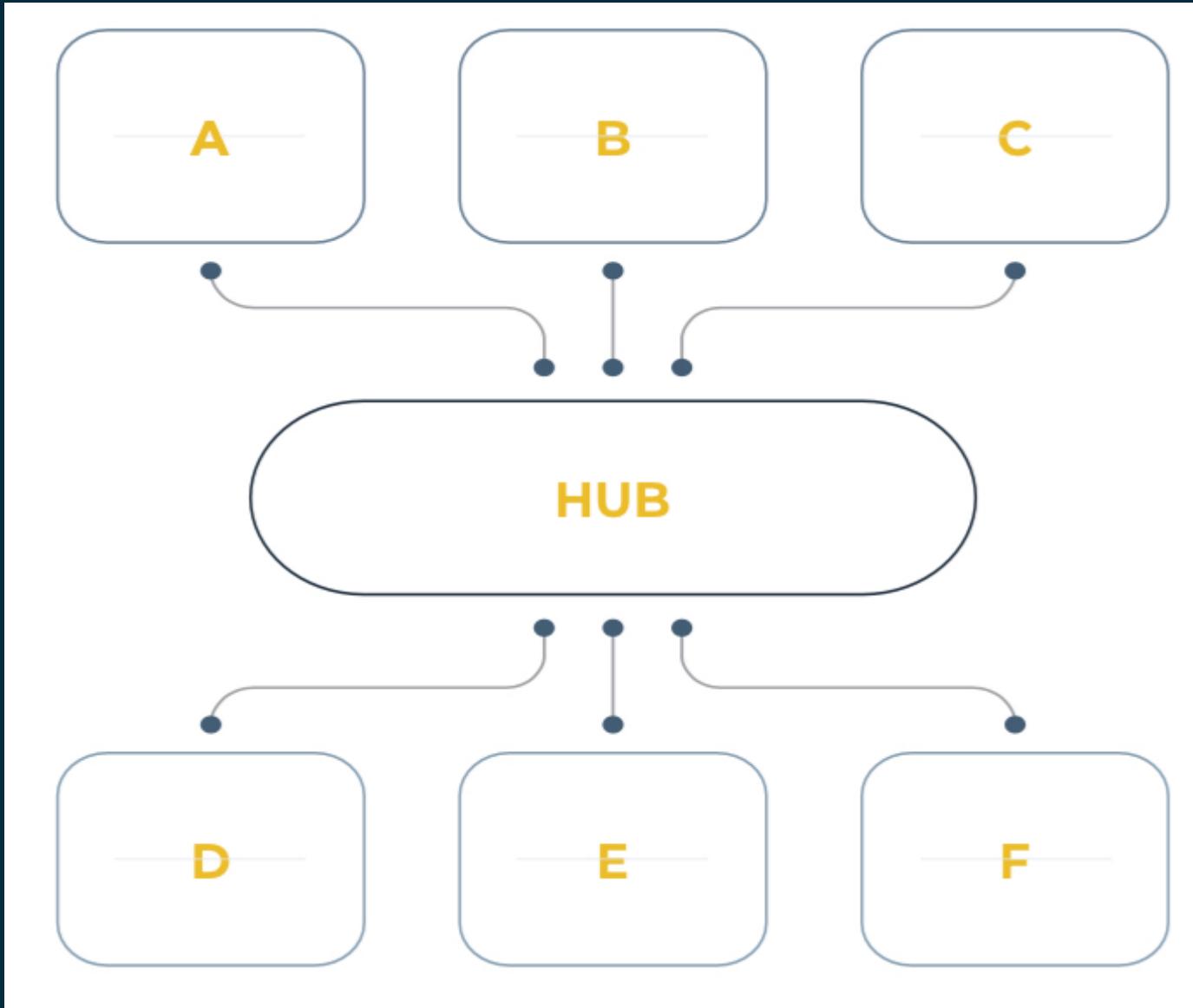
# History

Year	Milestone	Description
1903	First Powered Flight	Wright brothers achieved the first powered flight in Kitty Hawk, North Carolina, marking the birth of aviation.
1914	First Scheduled Passenger Flight	The St. Petersburg-Tampa Airboat Line in Florida operated the first scheduled commercial flight, carrying one paying passenger.
1920s	Growth of Commercial Aviation	Airlines like KLM (1919) and Qantas (1920) were founded, focusing on mail transport and short-distance passenger travel.
1930s	Introduction of Airliners	Aircraft like the Douglas DC-3 revolutionized commercial aviation, offering more seats and greater range.
1940s	Post-War Expansion	Surplus military aircraft and technological advancements led to rapid growth in commercial aviation.
1944	Chicago Convention	Established the International Civil Aviation Organization (ICAO), standardizing global air transport regulations.
1950s	Jet Age Begins	Introduction of jet engines with aircraft like the Boeing 707 enabled faster, longer flights and transformed air travel.
1970	Introduction of Jumbo Jets	Boeing 747, the first wide-body aircraft, increased capacity and reduced costs, making air travel more accessible.

# History

1978	<b>Deregulation in the U.S.</b>	The Airline Deregulation Act in the U.S. removed government control over fares and routes, fostering competition and innovation.
1990s	<b>Global Alliances Formed</b>	Alliances like Star Alliance (1997) were created to enhance connectivity and efficiency among member airlines.
2001	<b>Impact of 9/11</b>	The September 11 attacks led to stricter security measures and a downturn in global air travel demand.
2008	<b>Rising Fuel Prices</b>	High oil prices forced airlines to adopt fuel-efficient technologies and implement ancillary revenue strategies.
2010s	<b>Low-Cost Carrier (LCC) Boom</b>	Carriers like Ryanair and AirAsia expanded aggressively, democratizing air travel for budget-conscious passengers.
2020	<b>COVID-19 Pandemic</b>	The global airline industry faced an unprecedented crisis, with demand dropping by over 90% in some regions.
2021	<b>Post-COVID Recovery</b>	Vaccination rollouts and easing restrictions led to gradual recovery in domestic and international travel.
Present	<b>Focus on Sustainability</b>	Airlines are committing to net zero emissions by 2050, investing in sustainable aviation fuels (SAFs) and fleet modernization.

# Route Structure - Hub & Spoke



The Hub and Spoke model centralizes airline operations at major hubs, allowing for streamlined scheduling and resource allocation, which enhances overall operational efficiency and reduces costs associated with maintaining multiple direct routes.

# Route Structure - Hub & Spoke

## Advantages

### **1) Efficient Connectivity**

Consolidates routes, allowing passengers to connect between multiple destinations via a central hub.

### **2) Economies of Scale**

Centralized operations reduce costs through optimized resource allocation (e.g., maintenance, fuel, crew).

### **3) Improved Immigration and Customs Capabilities**

Hubs are equipped with advanced immigration and customs facilities, streamlining international travel.

### **4) Host Country Benefits**

Airports in hub locations gain control over gate allocation, ensuring premium gates are used efficiently.

(e.g., *Singapore Airlines (SIA) uses premium gates at Changi Airport, offering passengers convenience with shorter walking distances and smoother boarding experiences*).

### **5) Attracts Investments and Boosts Tourism**

Hubs enhance the host country's global connectivity, fostering economic growth.

# Route Structure - Hub & Spoke

## Disadvantages

### **1) Congestion at Airports**

Hubs face high traffic volumes, leading to potential delays and overcrowding during peak hours.

### **2) Dependency on Airport Capacity**

Limited by the physical and operational capacity of the hub airport, which can restrict scalability.

### **3) Operational Vulnerability**

Disruptions at the hub (e.g., weather, strikes, technical issues) can cascade, affecting multiple connecting flights.

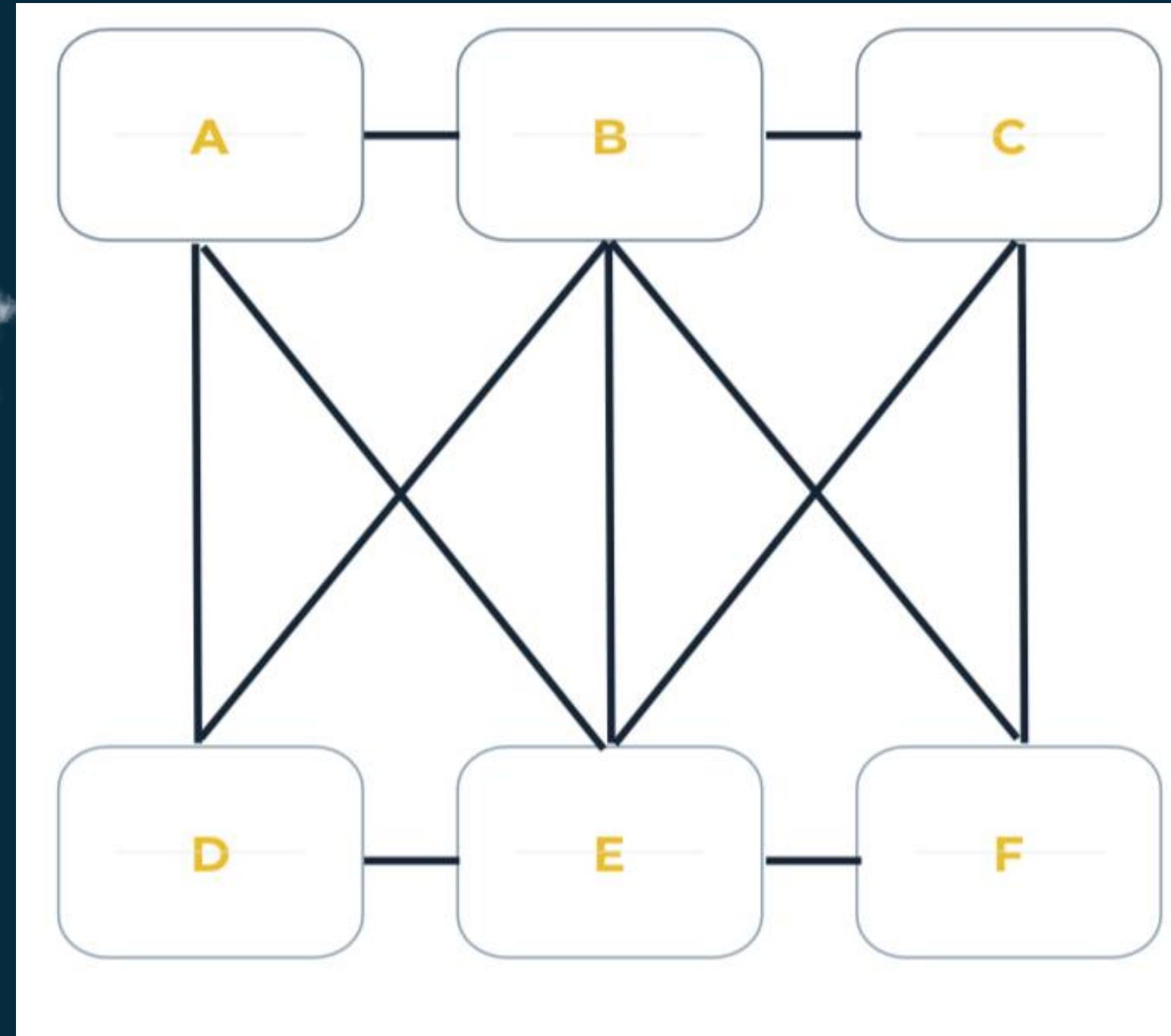
### **4) Higher Competition for Resources**

Concentration of operations may result in resource constraints, such as limited slots for takeoffs and landings.

### **5) Longer Travel Times for Some Passengers**

Non-direct routes through a hub can increase overall travel time compared to point-to-point models.

# Route Structure - Point to Point



The point-to-point model enhances operational efficiency by reducing turnaround times and minimizing the complexity of managing multiple connections

# Route Structure - P2P

## Advantages

### **1) Direct Routes for Greater Convenience**

Passengers can fly directly between destinations, reducing travel time and avoiding layovers.

### **2) Lower Congestion at Airports**

Distributes traffic across multiple airports rather than concentrating it at a single hub, minimizing delays.

### **3) Reduced Dependency on a Central Hub**

Operations are less affected by disruptions at any single airport, improving reliability.

### **4) Flexibility in Route Planning**

Airlines can target underserved or niche markets with direct connections, increasing competitiveness.

### **5) Improved Passenger Experience**

Eliminates the need for layovers, baggage re-checking, and long transit times, enhancing customer satisfaction.

# Route Structure - P2P

## Disadvantages

### **1) Operational Inefficiencies**

Requires more aircraft and crew to operate multiple direct routes, leading to higher costs.

### **2) Lower Economies of Scale**

Decentralized operations result in less efficient resource utilization compared to centralized hubs.

### **3) Limited Immigration and Customs Capabilities**

Smaller, non-hub airports may lack advanced facilities, causing longer processing times for international flights.

### **4) Challenges for Long-Haul Flights**

Direct long-haul routes may be economically unfeasible without high passenger demand.

### **5) Infrastructure Dependence**

Smaller airports may not have sufficient infrastructure to support high-capacity international flights.

# Key factors

## Key factors affecting the business:

- Airport capacity
- Route structure
- Technology
- Costs to lease/buy the aircrafts
- Weather
- Cost of fuel
- Cost of labour

# Airline alliances & impacts



# Airline alliances & impacts

## Overview of Major Global Airline Alliances

### Strategic Benefits of Alliances

Airline alliances enhance operational efficiency by enabling member airlines to share resources, coordinate schedules, and streamline services. This collaboration not only improves market reach but also fosters customer loyalty through integrated loyalty programs and shared benefits, ultimately enriching the travel experience for passengers.

### Challenges and Regulatory Considerations

While airline alliances offer significant advantages, they also face challenges such as potential antitrust issues and regulatory scrutiny. Governments may intervene to ensure competition remains robust, and disparities in service quality among member airlines can impact consumer perceptions and choices, necessitating careful management.

# Airline alliances & impacts

## Collaboration and resource sharing

### Expanded Global Reach

Airline alliances enable member airlines to collectively offer an extensive range of destinations, enhancing global connectivity and allowing passengers to travel seamlessly across multiple carriers with a single ticket.

### Cost Efficiency through Synergy

By sharing resources such as maintenance facilities and training programs, airline alliances reduce operational costs, allowing member airlines to optimize their financial performance while maintaining high service standards.

### Enhanced Customer Experience

Through integrated loyalty programs and reciprocal benefits, airline alliances improve customer satisfaction by providing travelers with more options, rewards, and conveniences, fostering long-term brand loyalty among passengers.

# Market Size

## Current Market Size and Growth Trends

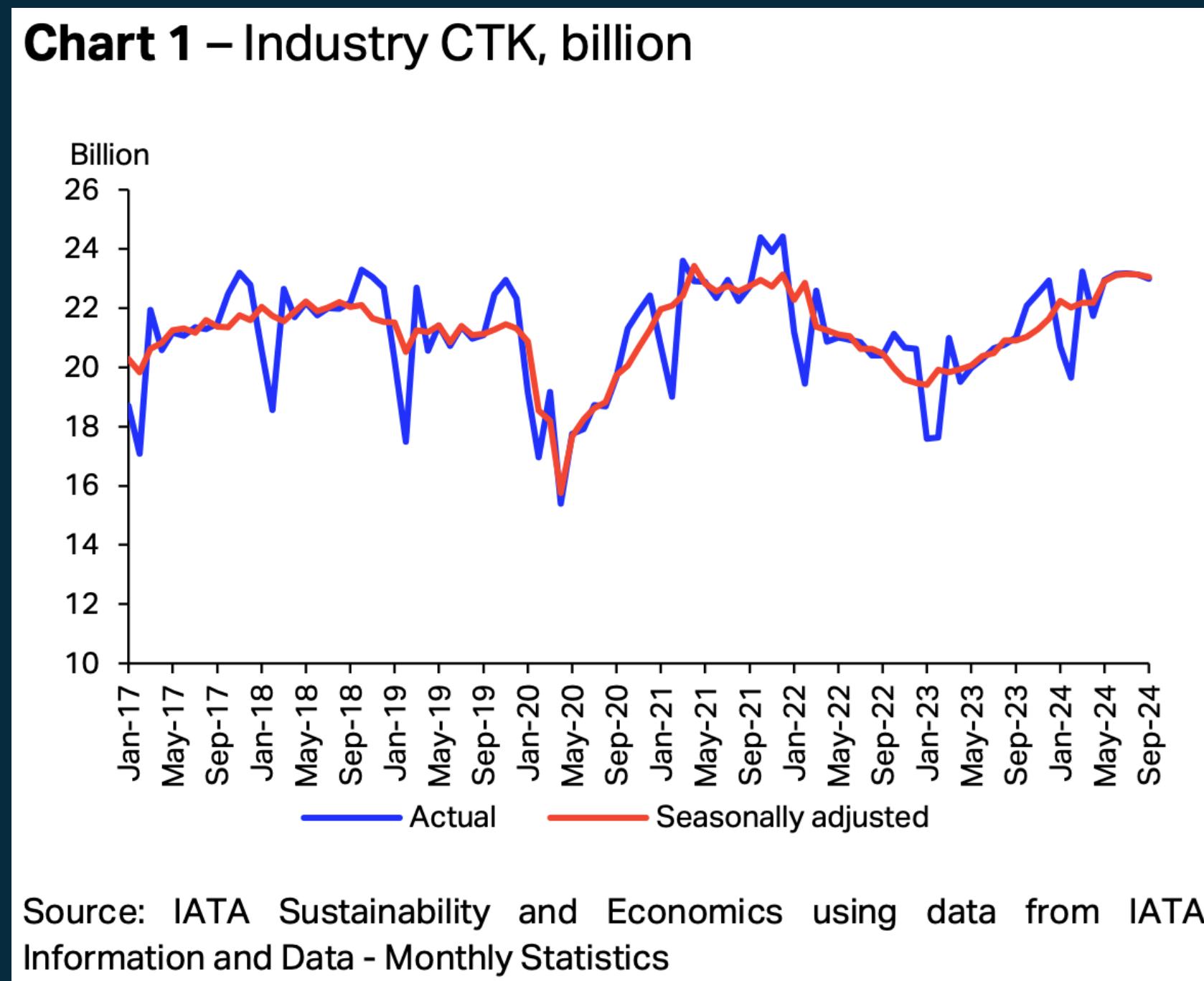
### Market Recovery Insights

The global airlines industry is witnessing a robust recovery, with a market size of approximately **\$762.8 billion in 2023**, reflecting a **5.3% increase** from the previous year, driven by lifted travel restrictions and a surge in passenger demand post-COVID-19.



# Industry trend & statistics

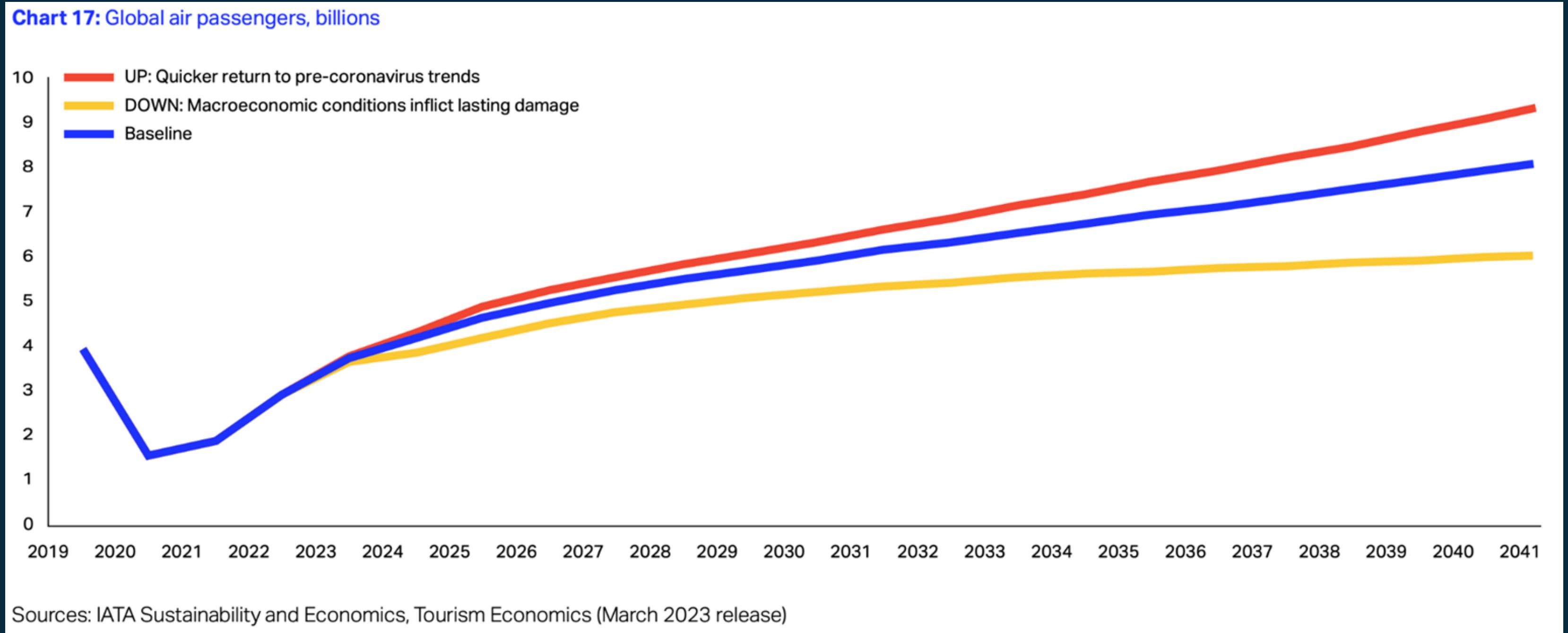
**Chart 1 – Industry CTK, billion**



## Air Cargo Demand Growth

- Air cargo demand experienced a robust recovery in 2024, with a year-to-date growth of 12.6%. This trend highlights the resilience of global trade and the increasing reliance on air freight for time-sensitive goods, such as electronics and pharmaceuticals.
- **Key Drivers:**
  - E-commerce growth driving demand for fast shipping.
  - Economic recovery post-COVID, spurring industrial production.
  - Supply chain shifts toward more reliable transportation methods.
- **Implications for Airlines:**
  - Expansion of cargo operations could diversify revenue streams.
  - Investment in freighter aircraft to meet growing demand.

# Industry trend & statistics



# Industry trend & statistics

## Passenger Traffic Recovery

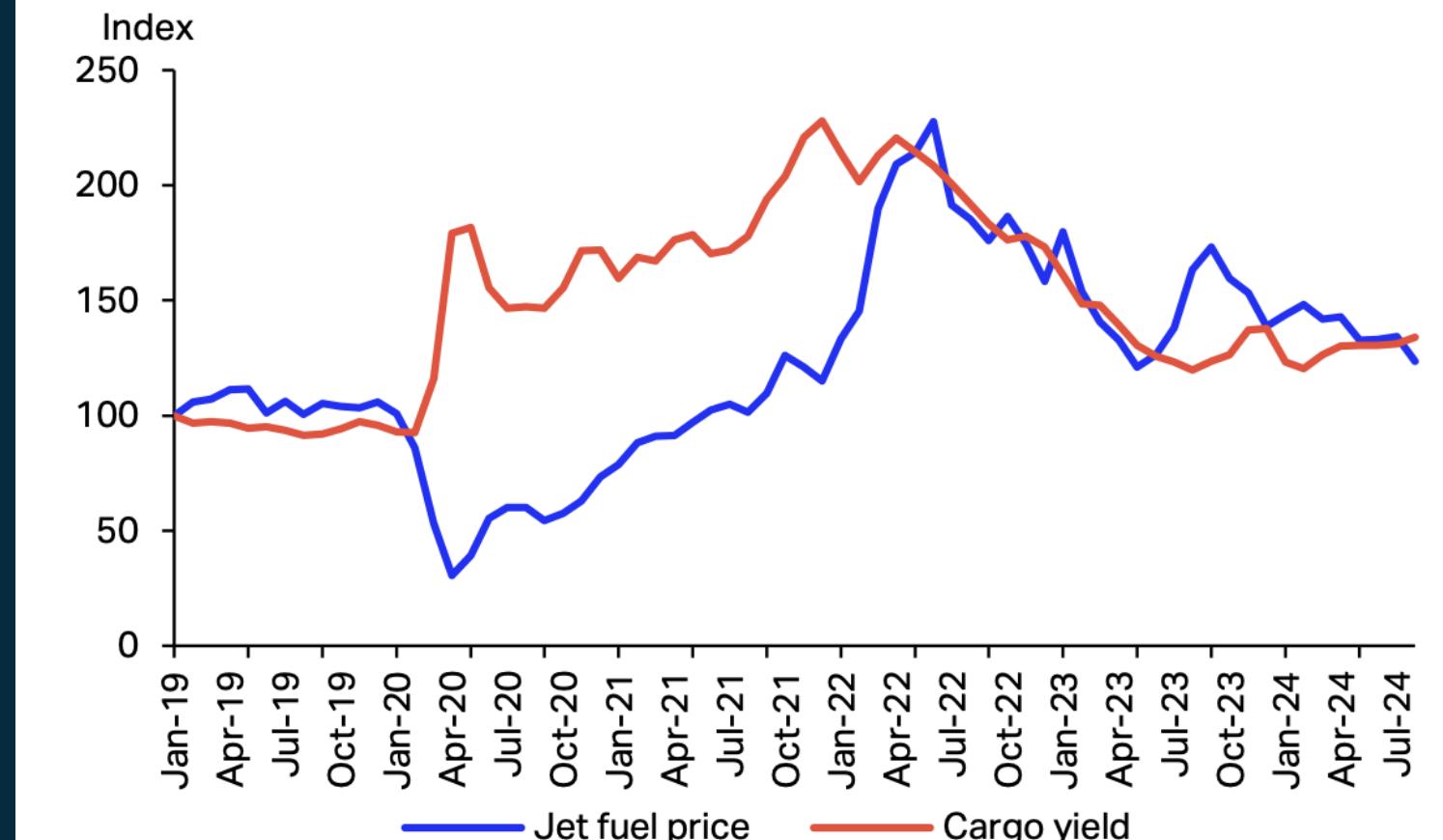
- Global passenger traffic is projected to recover to 93% of 2019 levels by the end of 2024, signifying strong post-pandemic recovery. Domestic markets, such as in the U.S. and China, are leading the rebound, while international markets follow closely.
- **Key Drivers:**
  - Pent-up demand for leisure travel.
  - Gradual easing of travel restrictions worldwide.
  - Increased airline capacity to meet demand.
- **Implications for Airlines:**
  - Opportunities to restore and expand route networks.
  - Importance of competitive pricing to attract returning passengers.

# Industry trend & statistics

## Regional Fuel Costs

- Jet fuel prices remain a critical factor for airline profitability. In August 2024, significant regional price disparities impacted operational costs. For instance, North America had the lowest average cost (\$2.50/gallon), while Asia-Pacific faced higher prices (\$3.10/gallon).
- **Key Drivers:**
  - Crude oil price fluctuations.
  - Regional refining capacity and logistics.
  - Varying tax and regulatory frameworks.
- **Implications for Airlines:**
  - Fuel-efficient fleet upgrades to mitigate costs.
  - Strategic route planning to optimize profitability.

**Chart 6 – Jet fuel price and air cargo yield (with surcharges), global index, Jan 2019 = 100**



Source: IATA Sustainability and Economics using data from IATA Jet fuel price monitor, Cargols

# Industry trend & statistics

**Table 5: Fuel**

Worldwide airline industry	2019	2020	2021	2022e	2023f
Fuel spend, \$bn	190	80	102	214	215
% change over year	6.8%	-58.0%	28.0%	109.4%	0.6%
% opex	23.9%	16.1%	18.5%	29.6%	27.6%
Fuel use, billion litres	359	196	229	281	327
% change over year	1.0%	-45.3%	16.5%	22.8%	16.5%
Fuel efficiency, fuel/100 ATK	22.0	21.7	21.7	21.8	21.4
% change over year	-2.0%	-1.7%	0.2%	0.6%	-2.4%
Fuel price, \$/barrel	79.7	46.6	77.8	135.6	98.5
% change over year	-7.4%	-41.5%	67.0%	74.3%	-27.4%
% spread over oil price	22.6%	11.6%	10.1%	34.3%	23.2%

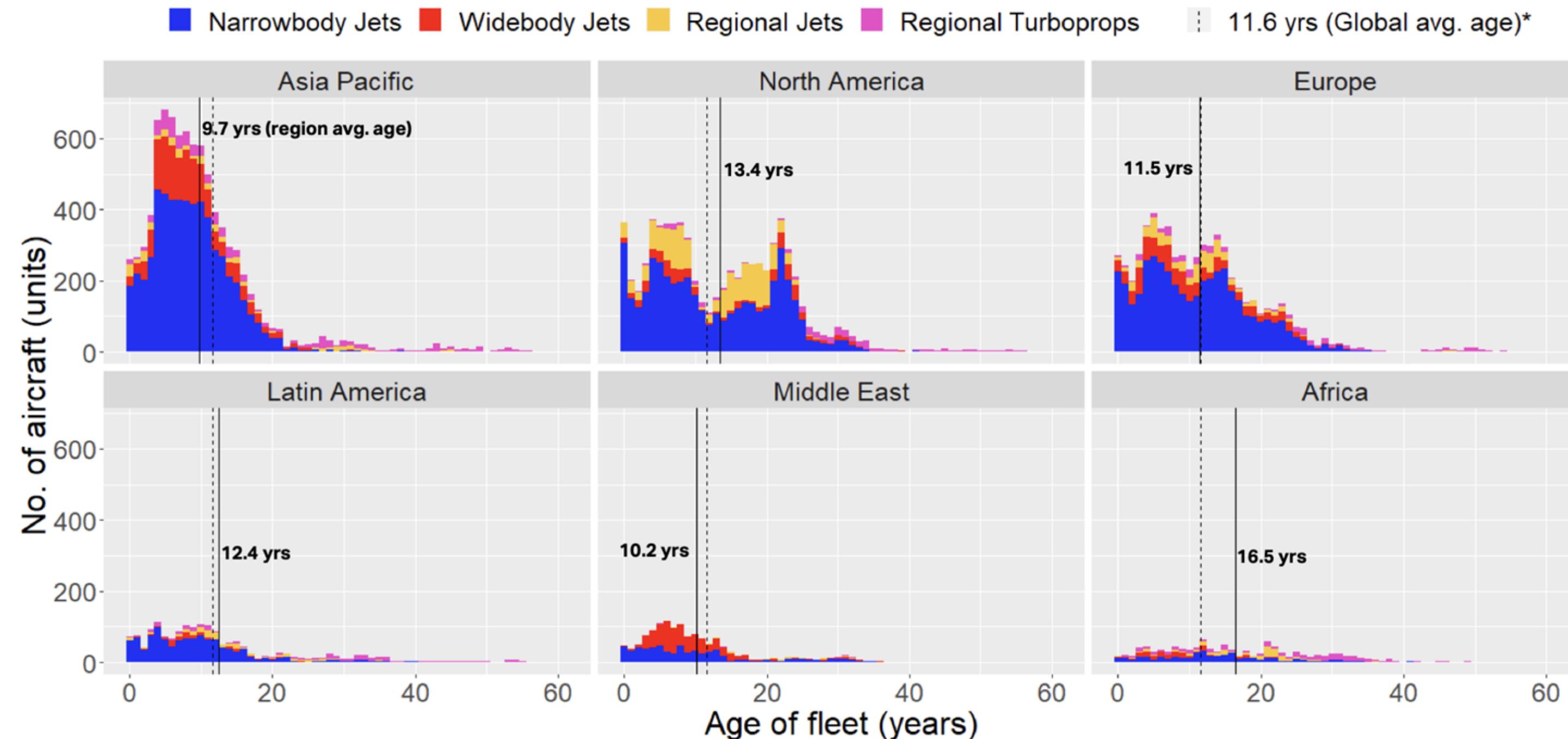
Source: IATA Sustainability and Economics

## Commitment to Net Zero Emissions

- Airlines have committed to achieving net zero carbon emissions by 2050, aligning with global climate goals such as the Paris Agreement.
- **Key Drivers:**
  - Regulatory pressures from governments and international organizations.
  - Rising consumer demand for sustainable travel options.
- **Implications for Airlines:**
  - Adoption of carbon-neutral technologies and practices.
  - Collaboration with governments and industry stakeholders for funding and policy support.

# Industry trend & statistics

## In-service fleet by operator region and market class, July 2023



Source: IATA Sustainability and Economics, based on data from Cirium

\* Estimated as the unit-weighted arithmetic mean. Approximately 60% of the global fleet is younger than the mean age of 11.6 years. The median age of the global fleet, representing the midpoint in the age distribution, is around 10 years.

# Industry trend & statistics

## Fleet Modernization

- Fleet modernization involves replacing older aircraft with newer, fuel-efficient models or retrofitting existing fleets with advanced technologies. This strategy is essential for improving operational efficiency, reducing environmental impact, and meeting evolving regulatory and passenger expectations.
- **Key Drivers:**
  - **Fuel Efficiency**  
Modern aircraft consume 20-25% less fuel per seat, significantly lowering operational costs and carbon emissions.
  - **Reduced Carbon Emissions**  
Supports airlines' commitment to achieving net zero emissions by 2050, with features like lightweight materials and advanced aerodynamics.
- **Implications for Airlines:**
  - **High Upfront Costs**  
Purchasing modern aircraft involves significant capital investment (e.g., Airbus A350 costs over \$300 million per unit).
  - **Financing Complexities**  
Airlines often rely on long-term leases, which can strain financial stability.

# Revenue Analysis

## 1) Strength in Recovery

The airline industry is experiencing a gradual recovery, with increased passenger traffic and a projected revenue growth rate of 3.53% over the next few years.

## 1) Weakness in Margins

Profitability remains challenged by narrow margins, high operational costs, and fluctuating fuel prices, which significantly impact overall financial performance.

## 1) Opportunities in Innovation

Airlines can enhance profitability through technological advancements, improved operational efficiencies, and the development of sustainable practices to attract environmentally conscious consumers.

## 1) Threats from Competition

Intense competition among airlines, particularly from low-cost carriers, poses a threat to market share and profitability, necessitating strategic adaptations to maintain competitiveness.

# Revenue Analysis

## Regional Market Dynamics

The geographic distribution of the airlines market reveals distinct operational characteristics and competitive landscapes, with North America leading in revenue generation, Europe emphasizing sustainability and competition, Asia-Pacific showcasing rapid growth driven by emerging economies, Latin America facing economic challenges, and the Middle East and Africa exhibiting diverse growth trajectories influenced by infrastructure investments and market conditions.



# Major Airlines

## Major Airlines and Their Market Shares

### 1) Market Share Distribution

Major airlines dominate the global market, with **North America holding 34%, Europe at 29.5%, and Asia-Pacific at 26.7%**, reflecting a competitive landscape influenced by regional economic conditions and consumer preferences.

### 1) Impact of Low-Cost Carriers

The rise of low-cost carriers (LCCs) has intensified competition, prompting traditional airlines to innovate pricing strategies and enhance customer service to retain market share and attract price-sensitive travelers.

### 1) Strategic Alliances and Mergers

Major airlines are increasingly forming strategic alliances and pursuing mergers to consolidate market presence, improve operational efficiencies, and expand their route networks, thereby enhancing competitiveness in a rapidly evolving industry.

# Impact of economic conditions

## 1) Economic Recovery Trends

The airlines industry is experiencing a rebound as global economies recover, with increased travel demand driven by rising consumer confidence and improved disposable income levels post-pandemic.

## 1) Inflationary Pressures

Sustained inflation can erode consumer purchasing power, potentially leading to reduced travel expenditures, as consumers prioritize essential spending over discretionary travel in uncertain economic climates.

## 1) Exchange Rate Volatility

Fluctuations in exchange rates significantly influence international travel patterns, affecting both outbound tourism and competitive pricing strategies for airlines operating in diverse markets.

# Revenue Analysis

## Fuel Prices and Their Effect on Operations

### 1) Impact on Operational Costs

Fluctuating fuel prices significantly affect airlines' operational costs, often **accounting for 25% to 30% of total expenses**, necessitating strategic adjustments to maintain profitability amidst volatility.

### 1) Strategic Pricing Adjustments

Airlines may increase ticket prices in response to rising fuel costs, but competitive pressures can limit these adjustments, particularly in markets dominated by low-cost carriers.

### 1) Investment in Efficiency

To mitigate fuel price impacts, airlines are investing in fuel-efficient technologies and fleet modernization, aiming to reduce consumption and enhance operational sustainability in the long term.

# Revenue Analysis

## Forecast for Market Growth and Revenue

### Market Recovery Projections

The global airlines industry is expected to experience a steady recovery, with a projected market size of **USD 1.12 trillion by 2030**, driven by increasing passenger traffic and operational adaptations to new market dynamics post-COVID-19.



# Southwest Airlines



# Stock Overview

# Stock Snapshot

<b>32.60</b>	 <b>+0.19 +0.59%</b>
As of 4:00 PM EST 11/15/24. Nasdaq Last Sale	
<b>Overview</b>	
OPEN 32.25	VOLUME 6,251,227
PREV. CLOSE 32.42	MARKET CAP 19.551B
DAY RANGE 31.76 – 32.66	
52 WEEK RANGE 23.46 – 35.18	
<b>Key Statistics</b>	
P/E RATIO 355.09	PEGY RATIO 34.89
SHARES OUTSTANDING 599.737M	PRICE TO BOOK RATIO 1.88
PRICE TO SALES RATIO 0.71	1 YEAR RETURN 33.86%
30 DAY AVG VOLUME 7,388,568.00	EPS 0.09
DIVIDEND 2.21%	LAST DIVIDEND REPORTED 0.18

# Stock Performance (1Y)



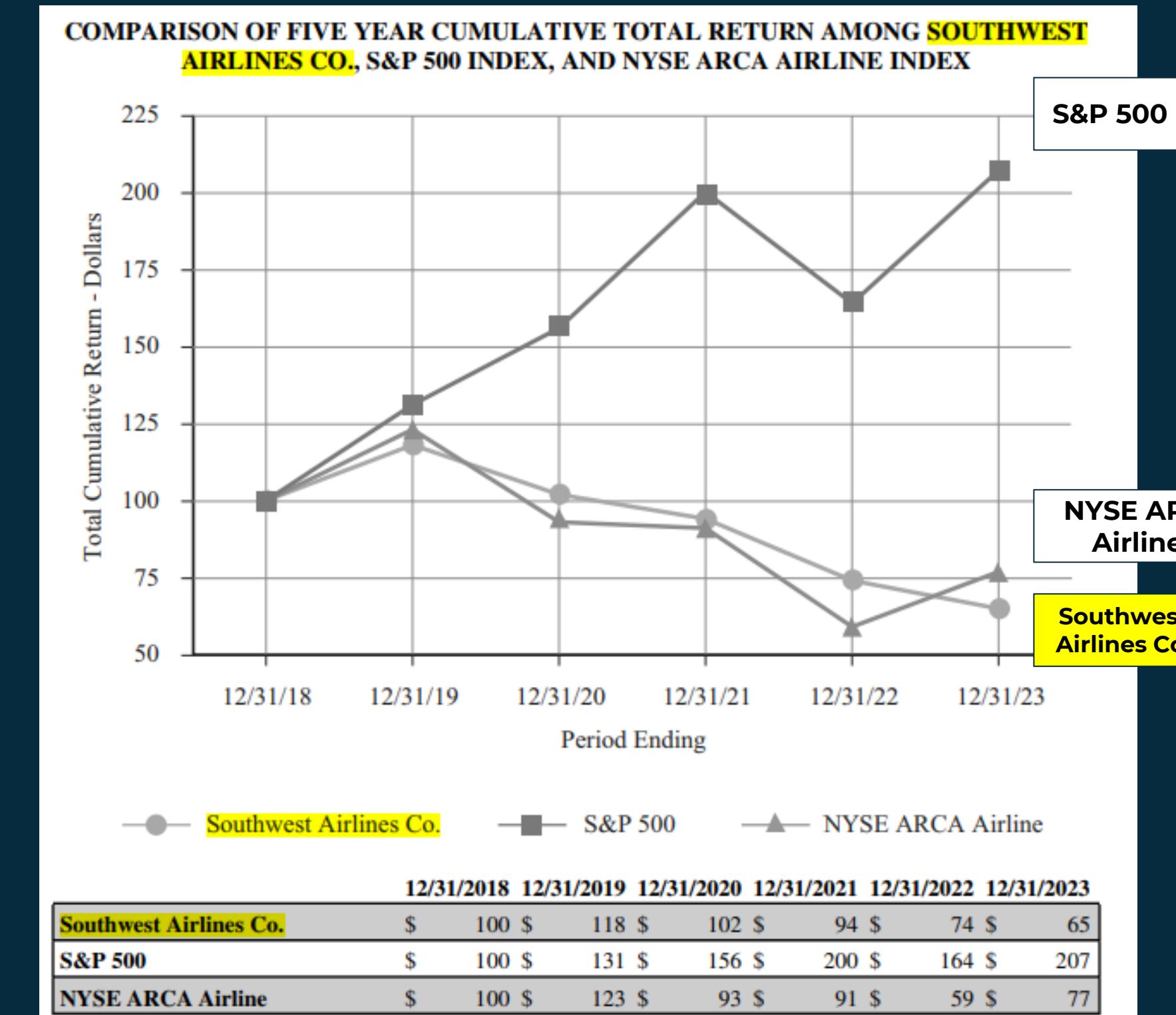
# Stock Performance (5Y)



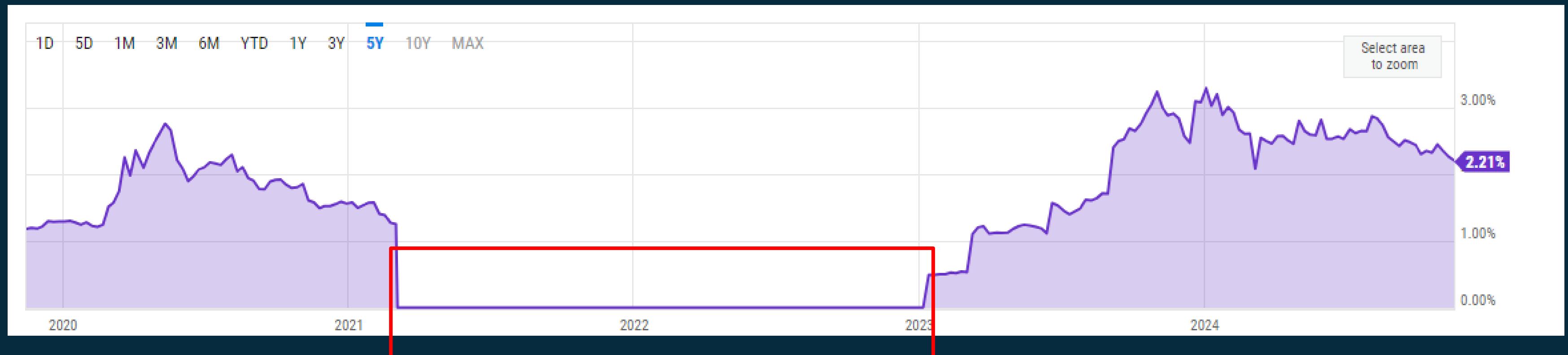
# Stock Performance (10Y)



# LUV vs NYSE ARCA, S&P 500



# Dividends



Dividends suspended due to COVID-19

# Dividends History (5Y)

YEAR	DECLARATION	RECORD	DISTRIBUTION	AMOUNT
	DATE	DATE	DATE	PER SHARE
2024	7/31	9/4	9/25	0.18
	5/15	6/19	7/10	0.18
	1/31	3/6	3/27	0.18
2023	11/16	12/21	1/11/24	0.18
	8/2	9/6	9/27	0.18
	5/17	6/21	7/12	0.18
2022	2/1	3/8	3/29	0.18
	12/6	1/10/23	1/31/23	0.18
	1/29	3/4	3/25	0.18
2020	11/20	12/11	1/8/20	0.18
	7/31	8/21	9/11	0.18
	5/15	6/5	6/26	0.18
2019	1/30	3/6	3/27	0.16

# Dividends Status

**Item 5. *Market for Registrant's Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities***

The Company's common stock is listed on the New York Stock Exchange ("NYSE") and is traded under the symbol "LUV." Although the Company previously suspended the payment of dividends in second quarter 2020 through September 30, 2022, pursuant to payroll funding support agreements with the U.S. Department of the Treasury, the Company reinstated and declared a **quarterly cash dividend of \$.18 per share** on December 6, 2022, and has **continued to pay quarterly dividends** since the reinstatement. The Company currently intends to **continue declaring dividends on a quarterly basis** for the **foreseeable future**; however, the Board may elect to alter the timing, amount, and payment of dividends on the basis of operational results, financial condition, cash requirements, future prospects, and other factors deemed relevant by the Board. As of February 2, 2024, there were approximately 11,028 holders of record of the Company's common stock.

# Company Overview

# Southwest Airlines Profile



- Started in June 1971 offering flights within Texas
  - Only served flights between Dallas, Houston & San Antonio
- Now they serve more than 120 airports across 11 countries in North America, Central America and the Caribbean.
- Uses a point-to-point route system
- Only operates one type of plane: The Boeing 737
- Consistent Freddie Award winner - Best Customer Service

# Major Shareholders

## Top Institutional Holders

Holder	Shares	Date Reported	% Out	Value
Vanguard Group Inc	68.23M	Sep 30, 2024	11.38%	2,224,202,280
Capital World Investors	57.47M	Sep 30, 2024	9.58%	1,873,615,343
Primecap Management Company	49.67M	Sep 30, 2024	8.28%	1,619,226,406
State Street Corporation	38.3M	Sep 30, 2024	6.39%	1,248,705,973
Franklin Resources, Inc.	36.3M	Sep 30, 2024	6.05%	1,183,462,618
Blackrock Inc.	34.79M	Sep 30, 2024	5.80%	1,134,301,331
Price (T.Rowe) Associates Inc	26.02M	Sep 30, 2024	4.34%	848,193,899
Nomura Holdings Inc.	19.82M	Jun 30, 2024	3.30%	645,994,691
Geode Capital Management, LLC	13.83M	Sep 30, 2024	2.31%	450,941,923
Goldman Sachs Group Inc	12.77M	Jun 30, 2024	2.13%	416,271,271

# History

<b>1966-1967</b>	<ul style="list-style-type: none"><li>• Founded by Herbert Kelleher and Rollin King in <b>1966</b> and was incorporated as Air Southwest Co. in <b>1967</b>.</li></ul>
<b>1971</b>	<ul style="list-style-type: none"><li>• Officially changed its name to Southwest Airlines and operated regularly scheduled flights between Dallas, Houston and San Antonio.</li><li>• Offered low fares, convenient schedules and a “no frills” approach for flights - contrary to established airlines.</li><li>• Flew only 3 Boeing 737-200 aircrafts so that it would streamline pilot training and create a uniform maintenance program for the company</li></ul>
<b>1977</b>	<ul style="list-style-type: none"><li>• Listed its stock on the NYSE under trading symbol “LUV” (a pun on it’s home base in Love Field, Dallas)</li></ul>
<b>1981-1982</b>	<ul style="list-style-type: none"><li>• The airlines industry faced shocks from a recession with high inflation and employment from <b>July 1981 until November 1982</b> and a major strike by air traffic controllers in <b>1981</b>.</li></ul>

# History

<b>1989</b>	<ul style="list-style-type: none"><li>• Became California's number 1 airline and exceeded \$1 billion in annual revenue</li></ul>
<b>1992-1993</b>	<ul style="list-style-type: none"><li>• Received the “Triple Crown” for best on-time performance, least lost baggage and fewest customer complaints.</li></ul>
<b>2002</b>	<ul style="list-style-type: none"><li>• Southwest Airlines began technological advances in their operations starting with self-service check-in kiosks.</li></ul>
<b>2011</b>	<ul style="list-style-type: none"><li>• Acquisition of AirTran Airways which helped expand Southwest's network</li></ul>
<b>2014</b>	<ul style="list-style-type: none"><li>• Congress repealed the Wright Amendment which allow Southwest to fly non-stop from Dallas to any US destination</li></ul>
<b>2020-2021</b>	<ul style="list-style-type: none"><li>• COVID-19 led to employee layoffs and Southwest experienced \$3.5 billion in losses in <b>2020</b>.</li></ul>
<b>2023</b>	<ul style="list-style-type: none"><li>• Southwest airlines ranked 3rd on the airline industry list and 23rd overall in FORTUNE 2023's list of World's Most Admired companies.</li></ul>

# PURPOSE

**To connect People to what's important in their lives through friendly, reliable, and low-cost air travel.**

# VISION

**To be the world's most loved, most efficient, and most profitable airline.**

# MISSION

**Dedication to the highest quality of Customer Service delivered with a sense of warmth, friendliness, individual pride, and Company Spirit**

# Business Strategy

## Cost Effectiveness

- Operates only Boeing 737 planes to reduce training and maintenance costs
- Point-to-point routing and quick turnaround time reduces layovers and increase aircraft utilization
- Fuel hedging to control fuel costs

## Customer Service

- Boasts unmatched hospitality for customers
- Focus on customer satisfaction and rewards loyalty through loyalty programs

## Market Focus

- Targets short-to-medium haul flights and underserved airports for competitive pricing
- Gradual expansion to international airports

## Low Fares

- Low fares without add-on fees (E.G. Free checked bags and no flight change fees)
- Open seating and single-class cabins to reduce operational costs

# Only Boeing 737

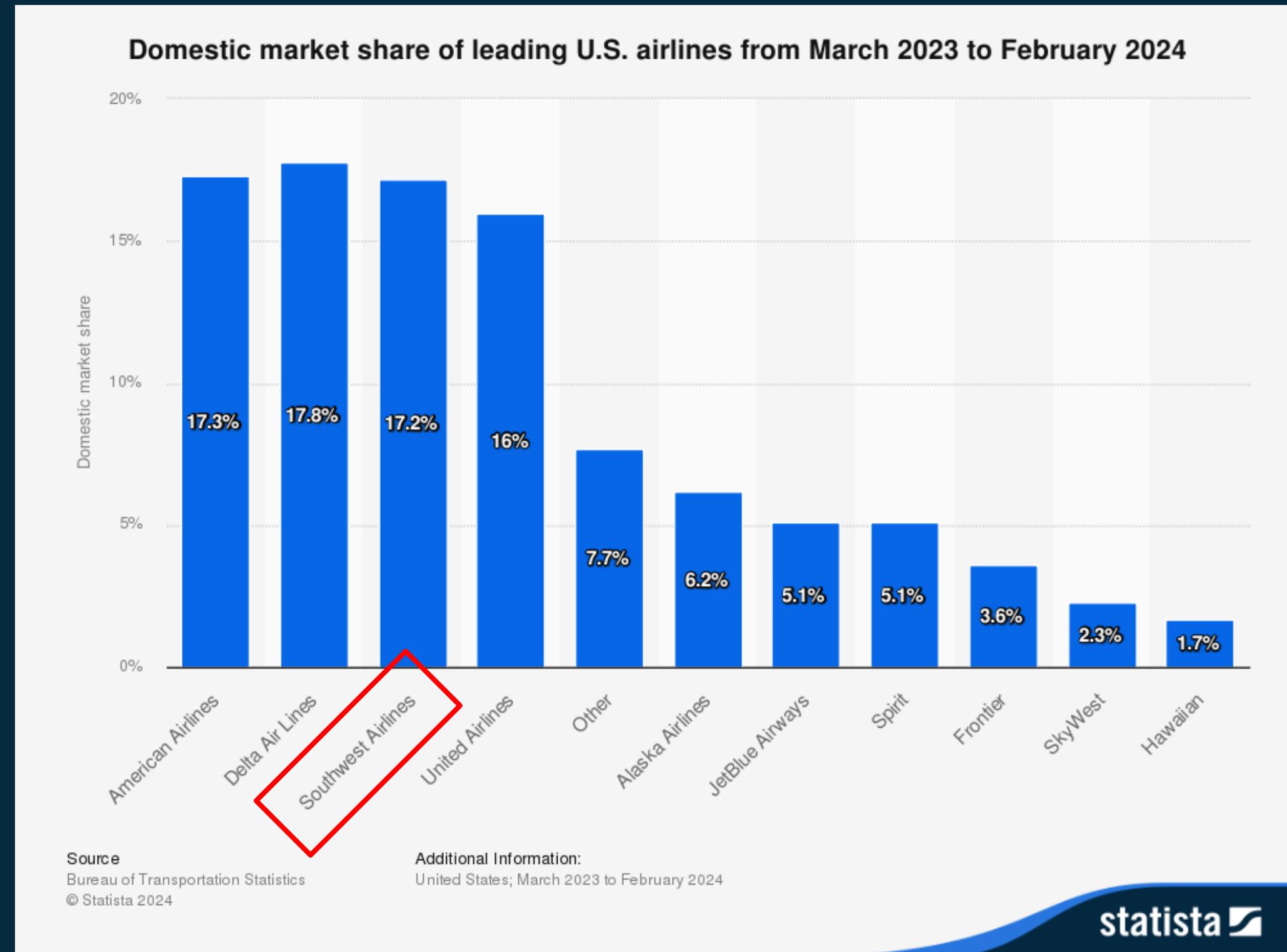
## Pros

- Reduces training costs for pilots since its a single model fleet
- Reduces maintenance costs as all fleet has similar infrastructure
- Increases pilot flexibility within Southwest

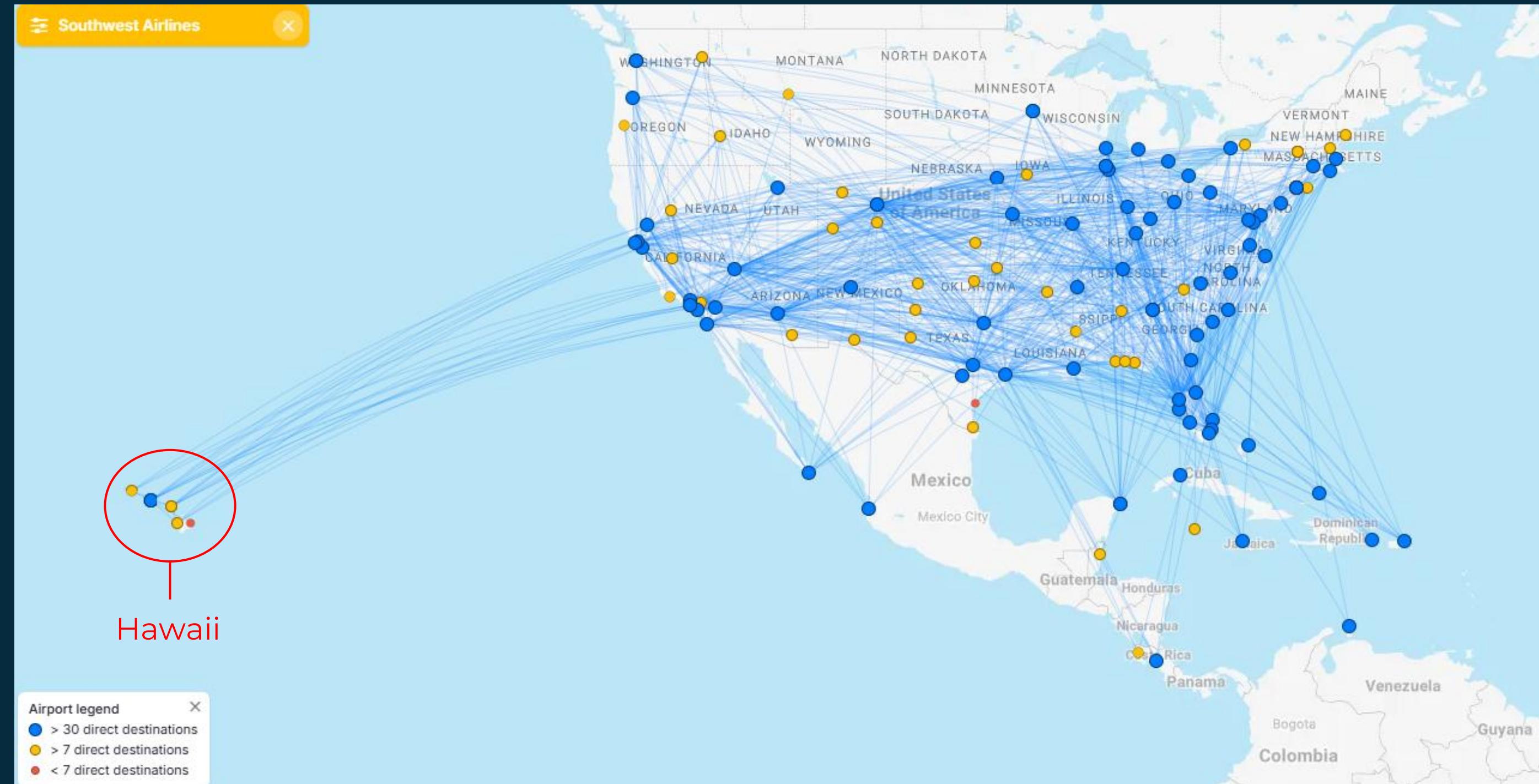
## Cons

- Safety issues with the Boeing 737
  - Boeing 737 planes have a bad history of accidents: (E.G. Southwest's "Dutch Roll" May 25th 2024, Alaska Airlines Jan 5th 2024)
  - FAA grounded these models from flying after the incidents → Affected Southwest's flying capacity!
- Supply chain vulnerability as switching to Airbus models will be costly for Southwest

# Competitors



# Network



# Partnerships

- Southwest is launching its **1st interline partnership** with Icelandair in 2025
  - Customers can book Southwest flights via Icelandair channels
- Interlining is an airline agreement enabling passengers to book one ticket for multi-airline journeys with seamless baggage transfers and ticketing.
- Southwest **does not** do codesharing and is not part of any airline alliance
  - Limits their ability for international reach and new markets due to regulations / airline capability



# CEO & President

## Robert E. Jordan

- Became CEO in Feb 2022
- Employed at Southwest for 36 years
- Bachelor's degree in Computer Science from Texas A&M University
- Masters degree in Business Administration from Texas A&M University
- Played an integral role in Southwest's acquisition of AirTran Airways



COO

# Andrew Watterson

- Became COO in Oct 2022
- Employed at Southwest for 11 years
- Bachelor's degree in Business Administration (Accounting) from Washington University
- Masters degree in Business Administration (Operations Management) from Vanderbilt University



# CFO & Executive VP

## Tammy Romo

- Became Executive VP and CFO in Sept 2012
- Employed at Southwest for 33 years
- Bachelor's degree in Business Administration (Accounting) from University of Texas
- Certified Public Accountant in Texas
- Recognised as a 2023 Most Influential Corporate Director by WomenInc.



# EXECUTIVE VPs



**LINDA RUTHERFORD**

Chief Administration Officer



**JUSTIN JONES**

Operations



**RYAN GREEN**

Transformation



**JASON VAN EATON**

Chief Regulatory & Corporate  
Affairs Officer

# Future Plans

## Operations

- Redeploy network to post-COVID travel patterns and optimize underperforming routes
- Implement 24-hour operations (E.G. red eye flights)
- Usage of advanced technology to optimize scheduling and modernizing services (E.G. Customer Service)
- Interline partnership with Icelandair in early 2025 to increase international networks

## Customer Experience

- Introduce assigned seating, premium seating options\* and modernized cabins
- Expansion on loyalty programs (RapidRewards)
- Maintain “Bags Fly Free” Policy

## Financial Goals

- Retain or improve investment-grade credit ratings (BBB)
- Minimize fleet CapEX by leveraging on existing assets
- Continue Shareholder returns via dividends and stock repurchases
- Aim for approximately \$4 billion in incremental EBIT and ROIC above WACC in 2027

# Statistical Highlights

# Available Seat Miles

Available Seat Miles (ASM) = Total Available Seats x Distance Flown (Miles Travelled)

- Measures number of seat miles available for sale for all flights flown
- Metric of assessing airline's total capacity
- Used with RPM to find Load Factor

	Three months ended September 30,		
	2024	2023	Change
Revenue passengers carried (000s)	35,516	35,349	0.5 %
Enplaned passengers (000s)	44,711	44,598	0.3 %
Revenue passenger miles (RPMs) (in millions) <sup>(a)</sup>	36,735	35,624	3.1 %
Available seat miles (ASMs) (in millions) <sup>(b)</sup>	45,219	44,169	2.4 %

# Fleet

Q3 2024:

Type	Seats	Average Age (Yrs)	Number of Aircraft	Number Owned	Number Leased
737-700	143	19	364	335	29
737-800	175	9	205	190	15
737-8	175	2	242	213	29
<b>Totals</b>		<b>12</b>	<b>811</b>	<b>738</b>	<b>73</b>

Mostly Owned !  
(~91%)

# Operating Revenue

Q3 2024:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
<strong>OPERATING REVENUES:</strong>				
Passenger	\$ 6,250	\$ 5,912	\$ 18,673	\$ 17,426
Freight	43	44	131	131
Other	577	569	1,749	1,711
<strong>Total operating revenues</strong>	<strong>6,870</strong>	<strong>6,525</strong>	<strong>20,553</strong>	<strong>19,268</strong>

# Operating Expenses

**Q3 2024:**

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
<b>OPERATING EXPENSES:</b>				
Salaries, wages, and benefits	3,070	2,728	9,010	7,991
Fuel and oil	1,417	1,564	4,548	4,514
Maintenance materials and repairs	335	326	1,046	836
Landing fees and airport rentals	493	457	1,468	1,324
Depreciation and amortization	438	375	1,250	1,107
Other operating expenses	1,079	958	3,188	2,868
<b>Total operating expenses</b>	<b>6,832</b>	<b>6,408</b>	<b>20,510</b>	<b>18,640</b>

# Jet Fuel Costs

Q3 2024:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
<b>OPERATING EXPENSES:</b>				
Salaries, wages, and benefits	3,070	2,728	9,010	7,991
Fuel and oil	1,417	1,564	4,548	4,514
Maintenance materials and repairs	335	326	1,046	836
Landing fees and airport rentals	493	457	1,468	1,324
Depreciation and amortization	438	375	1,250	1,107
Other operating expenses	1,079	958	3,188	2,868
<b>Total operating expenses</b>	<b>6,832</b>	<b>6,408</b>	<b>20,510</b>	<b>18,640</b>

# Average Cost of Jet Fuel (2011 - 2023)

Year	Cost (Millions)	Average Cost Per Gallon	Percentage of Operating Expenses
2011	\$ 5,751	\$ 3.25	38.2%
2012	\$ 6,156	\$ 3.32	37.3%
2013	\$ 5,823	\$ 3.19	35.3%
2014	\$ 5,355	\$ 2.97	32.6%
2015	\$ 3,740	\$ 1.96	23.6%
2016	\$ 3,801	\$ 1.90	22.7%
2017	\$ 4,076	\$ 1.99	23.0%
2018	\$ 4,616	\$ 2.20	24.6%
2019	\$ 4,347	\$ 2.09	22.3%
2020	\$ 1,849	\$ 1.45	14.4%
2021	\$ 3,310	\$ 1.98	23.5%
2022	\$ 5,975	\$ 3.10	26.2%
2023	\$ 6,217	\$ 2.89	24.0%
First Quarter 2023	\$ 1,547	\$ 3.19	25.8%
Second Quarter 2023	\$ 1,403	\$ 2.60	22.5%
Third Quarter 2023	\$ 1,564	\$ 2.80	24.4%
Fourth Quarter 2023	\$ 1,703	\$ 3.01	23.6%

\*The average cost of jet fuel is inclusive of fuel taxes and fuel hedging impacts

# Hedging

- Southwest Airlines uses fuel derivative instruments to “lock-in” future prices for fuel in order to safeguard (ie hedge) against future fuel price volatility in the market
- At the end of 2023, 57% of Southwest’s fuel was hedged for 2024

## Q3 2024:

<b>Period (by year)</b>	<b>Maximum fuel hedged as of September 30, 2024 (gallons in millions) (a)</b>	<b>Derivative underlying commodity type as of September 30, 2024</b>	
		<b>September 30, 2024</b>	<b>September 30, 2024</b>
Remainder of 2024	316	West Texas Intermediate ("WTI") crude oil, Brent crude oil, and Heating oil	
2025	1,033		Brent crude oil
2026	945		Brent crude oil
2027	101		Brent crude oil

# Hedging

Q3 2024:

(in millions)	Balance Sheet location	<b>Asset derivatives</b>		<b>Liability derivatives</b>	
		Fair value at 9/30/2024	Fair value at 12/31/2023	Fair value at 9/30/2024	Fair value at 12/31/2023
<b>Derivatives designated as hedges (a)</b>					
Fuel derivative contracts (gross)	Prepaid expenses and other current assets	\$ 17	\$ 86	\$ —	\$ —
Fuel derivative contracts (gross)	Other assets	110	137	—	—
<b>Total derivatives designated as hedges</b>		<b>\$ 127</b>	<b>\$ 223</b>	<b>\$ —</b>	<b>\$ —</b>
<b>Derivatives not designated as hedges (a)</b>					
Fuel derivative contracts (gross)	Prepaid expenses and other current assets	\$ 7	\$ —	\$ 2	\$ —
<b>Total derivatives</b>		<b>\$ 134</b>	<b>\$ 223</b>	<b>\$ 2</b>	<b>\$ —</b>

## Operating Statistics Q3 2024

	Three months ended September 30,		
	2024	2023	Change
Revenue passengers carried (000s)	35,516	35,349	0.5 %
Enplaned passengers (000s)	44,711	44,598	0.3 %
Revenue passenger miles (RPMs) (in millions) <sup>(a)</sup>	36,735	35,624	3.1 %
Available seat miles (ASMs) (in millions) <sup>(b)</sup>	45,219	44,169	2.4 %
Load factor <sup>(c)</sup>	81.2 %	80.7 %	0.5 pts.
Average length of passenger haul (miles)	1,034	1,008	2.6 %
Average aircraft stage length (miles)	770	735	4.8 %
Trips flown	364,609	374,926	(2.8)%
Seats flown (000s) <sup>(d)</sup>	58,119	59,494	(2.3)%
Seats per trip <sup>(e)</sup>	159.4	158.7	0.4 %
Average passenger fare	\$ 175.97	\$ 167.24	5.2 %
Passenger revenue yield per RPM (cents) <sup>(f)</sup>	17.01	16.60	2.5 %
Operating revenues per ASM (cents) <sup>(g)</sup>	15.19	14.77	2.8 %
Passenger revenue per ASM (cents) <sup>(h)</sup>	13.82	13.38	3.3 %
Operating expenses per ASM (cents) <sup>(i)</sup>	15.11	14.51	4.1 %
Operating expenses per ASM, excluding fuel (cents)	11.97	10.97	9.1 %
Operating expenses per ASM, excluding fuel and profitsharing (cents)	11.94	10.88	9.7 %
Fuel costs per gallon, including fuel tax	\$ 2.52	\$ 2.80	(10.0)%
Fuel costs per gallon, including fuel tax (economic)	\$ 2.55	\$ 2.78	(8.3)%
Fuel consumed, in gallons (millions)	562	557	0.9 %
Active fulltime equivalent Employees	73,463	74,181	(1.0)%
Aircraft at end of period <sup>(j)</sup>	811	817	(0.7)%

## Operating Statistics 1Y 2023

	Year ended December 31,		
	2023	2022	Change
<b>Operating Data:</b>			
Revenue passengers carried (000s)	137,279	126,586	8.4%
Enplaned passengers (000s)	171,817	156,982	9.5%
Revenue passenger miles (RPMs) (in millions) <sup>(a)</sup>	136,256	123,843	10.0%
Available seat miles (ASMs) (in millions) <sup>(b)</sup>	170,323	148,467	14.7%
Load factor <sup>(c)</sup>	80.0%	83.4%	(3.4) pts
Average length of passenger haul (miles)	993	978	1.5%
Average aircraft stage length (miles)	730	728	0.3%
Trips flown	1,459,427	1,298,219	12.4%
Seats flown (000s) <sup>(d)</sup>	231,409	201,913	14.6%
Seats per trip <sup>(e)</sup>	158.6	155.5	2.0%
Average passenger fare	\$ 172.18	\$ 169.12	1.8%
Passenger revenue yield per RPM (cents) <sup>(f)</sup>	17.35	17.29	0.3%
Operating revenues per ASM (cents) <sup>(g)</sup>	15.32	16.04	(4.5)%
Passenger revenue per ASM (cents) <sup>(h)</sup>	13.88	14.42	(3.7)%
Operating expenses per ASM (cents) <sup>(i)</sup>	15.19	15.36	(1.1)%
Operating expenses per ASM, excluding fuel (cents)	11.54	11.33	1.9%
Operating expenses per ASM, excluding fuel and profitsharing (cents)	11.47	11.25	2.0%
Fuel costs per gallon, including fuel tax	\$ 2.89	\$ 3.10	(6.8)%
Fuel costs per gallon, including fuel tax, economic	\$ 2.89	\$ 3.07	(5.9)%
Fuel consumed, in gallons (millions)	2,143	1,922	11.5%
Active full-time equivalent Employees	74,806	66,656	12.2%
Aircraft at end of period <sup>(j)</sup>	817	770	6.1%

# Financial Statements

# Balance Sheet Q3 2024

## Assets

	(in millions) (unaudited)	<u>September 30, 2024</u>	<u>December 31, 2023</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 8,503	\$ 9,288	
Short-term investments	879	2,186	
Accounts and other receivables	1,177	1,154	
Inventories of parts and supplies, at cost	770	807	
Prepaid expenses and other current assets	601	520	
Total current assets	<u>11,930</u>	<u>13,955</u>	
Property and equipment, at cost:			
Flight equipment	26,394	26,060	
Ground property and equipment	7,955	7,460	
Deposits on flight equipment purchase contracts	428	236	
Assets constructed for others	87	62	
	<u>34,864</u>	<u>33,818</u>	
Less allowance for depreciation and amortization	<u>15,091</u>	<u>14,443</u>	
	<u>19,773</u>	<u>19,375</u>	
Goodwill	970	970	
Operating lease right-of-use assets	1,101	1,223	
Other assets	1,073	964	
	<u>\$ 34,847</u>	<u>\$ 36,487</u>	

# Balance Sheet Q3 2024

## Liabilities and Equity

<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>Current liabilities:</b>			
Accounts payable	\$ 1,518	\$ 1,862	
Accrued liabilities	2,096	3,606	
Current operating lease liabilities	202	208	
Air traffic liability	6,743	6,551	
Current maturities of long-term debt	2,930	29	
<b>Total current liabilities</b>	<b>13,489</b>	<b>12,256</b>	
Long-term debt less current maturities	5,075	7,978	
Air traffic liability - noncurrent	1,957	1,728	
Deferred income taxes	2,094	2,044	
Noncurrent operating lease liabilities	888	985	
Other noncurrent liabilities	933	981	
<b>Stockholders' equity:</b>			
Common stock	888	888	
Capital in excess of par value	4,180	4,153	
Retained earnings	16,178	16,297	
Accumulated other comprehensive income	(37)	—	
Treasury stock, at cost	(10,798)	(10,823)	
<b>Total stockholders' equity</b>	<b>10,411</b>	<b>10,515</b>	
	<b>\$ 34,847</b>	<b>\$ 36,487</b>	

# Balance Sheet 1Y 2023

## Assets

<b>Southwest Airlines Co.</b> <b>Consolidated Balance Sheet</b> (in millions, except share data)			
	<u>December 31, 2023</u>	<u>December 31, 2022</u>	
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 9,288	\$ 9,492	
Short-term investments	2,186	2,800	
Accounts and other receivables	1,154	1,040	
Inventories of parts and supplies, at cost	807	790	
Prepaid expenses and other current assets	520	686	
Total current assets	<u>13,955</u>	<u>14,808</u>	
Property and equipment, at cost:			
Flight equipment	26,060	23,725	
Ground property and equipment	7,460	6,855	
Deposits on flight equipment purchase contracts	236	376	
Assets constructed for others	62	28	
	<u>33,818</u>	<u>30,984</u>	
Less allowance for depreciation and amortization	14,443	13,642	
	<u>19,375</u>	<u>17,342</u>	
Goodwill	970	970	
Operating lease right-of-use assets	1,223	1,394	
Other assets	964	855	
	<u>\$ 36,487</u>	<u>\$ 35,369</u>	

# Balance Sheet 1Y 2023

## Liabilities and Equity

<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>Current liabilities:</b>			
Accounts payable	\$	1,862	\$ 2,004
Accrued liabilities		3,606	2,043
Current operating lease liabilities		208	225
Air traffic liability		6,551	6,064
Current maturities of long-term debt		29	42
<b>Total current liabilities</b>		<b>12,256</b>	<b>10,378</b>
Long-term debt less current maturities			
Air traffic liability - noncurrent		1,728	2,186
Deferred income taxes		2,044	1,985
Noncurrent operating lease liabilities		985	1,118
Other noncurrent liabilities		981	969
<b>Stockholders' equity:</b>			
Common stock, \$1.00 par value: 2,000,000,000 shares authorized; 888,111,634 shares issued in 2023 and 2022		888	888
Capital in excess of par value		4,153	4,037
Retained earnings		16,297	16,261
Accumulated other comprehensive income		—	344
Treasury stock, at cost: 291,599,001 and 294,111,813 shares in 2023 and 2022, respectively		(10,823)	(10,843)
<b>Total stockholders' equity</b>		<b>10,515</b>	<b>10,687</b>
	<b>\$</b>	<b>36,487</b>	<b>\$ 35,369</b>

# Income Statement 1Y 2023

## Revenue, Expenses & Net Income

(in millions, except per share amounts)

	Year ended December 31,		
	2023	2022	2021
<b>OPERATING REVENUES:</b>			
Passenger	\$ 23,637	\$ 21,408	\$ 14,066
Freight	175	177	187
Other	2,279	2,229	1,537
Total operating revenues	26,091	23,814	15,790
<b>OPERATING EXPENSES, NET:</b>			
Salaries, wages, and benefits	11,152	9,376	7,743
Payroll support and voluntary Employee programs, net	—	—	(2,960)
Fuel and oil	6,217	5,975	3,310
Maintenance materials and repairs	1,188	852	854
Landing fees and airport rentals	1,789	1,508	1,456
Depreciation and amortization	1,522	1,351	1,272
Other operating expenses	3,999	3,735	2,394
Total operating expenses, net	25,867	22,797	14,069
<b>OPERATING INCOME</b>	224	1,017	1,721
<b>OTHER EXPENSES (INCOME):</b>			
Interest expense	259	340	467
Capitalized interest	(23)	(39)	(36)
Interest income	(583)	(217)	(13)
Loss on extinguishment of debt	—	193	28
Other (gains) losses, net	(62)	12	(50)
Total other expenses (income)	(409)	289	396
<b>INCOME BEFORE INCOME TAXES</b>	633	728	1,325
<b>PROVISION FOR INCOME TAXES</b>	168	189	348
<b>NET INCOME</b>	\$ 465	\$ 539	\$ 977

# Income Statement 1Y 2023

## Comprehensive Income

	(in millions)		
	Year ended December 31,		
	2023	2022	2021
<b>NET INCOME</b>	\$ 465	\$ 539	\$ 977
Unrealized gain (loss) on fuel derivative instruments, net of deferred taxes of (\$103), (\$44), and \$142	(337)	(143)	469
Unrealized gain on interest rate derivative instruments, net of deferred taxes of \$4, \$6, and \$2	13	19	7
Unrealized gain (loss) on defined benefit plan items, net of deferred taxes of (\$5), \$24, and \$25	(16)	80	84
Other, net of deferred taxes of \$4, \$—, and (\$13)	(4)	—	(47)
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>	\$ (344)	\$ (44)	\$ 513
<b>COMPREHENSIVE INCOME</b>	\$ 121	\$ 495	\$ 1,490

# Income Statement Q3 2024

## Revenue, Expenses & Net Income

(in millions, except per share amounts)  
(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
<b>OPERATING REVENUES:</b>				
Passenger	\$ 6,250	\$ 5,912	\$ 18,673	\$ 17,426
Freight	43	44	131	131
Other	577	569	1,749	1,711
Total operating revenues	6,870	6,525	20,553	19,268
<b>OPERATING EXPENSES:</b>				
Salaries, wages, and benefits	3,070	2,728	9,010	7,991
Fuel and oil	1,417	1,564	4,548	4,514
Maintenance materials and repairs	335	326	1,046	836
Landing fees and airport rentals	493	457	1,468	1,324
Depreciation and amortization	438	375	1,250	1,107
Other operating expenses	1,079	958	3,188	2,868
Total operating expenses	6,832	6,408	20,510	18,640
<b>OPERATING INCOME</b>	38	117	43	628
<b>OTHER EXPENSES (INCOME):</b>				
Interest expense	63	63	191	193
Capitalized interest	(9)	(4)	(24)	(15)
Interest income	(121)	(156)	(392)	(425)
Other (gains) losses, net	16	(23)	(1)	(44)
Total other income	(51)	(120)	(226)	(291)
<b>INCOME BEFORE INCOME TAXES</b>	89	237	269	919
<b>PROVISION FOR INCOME TAXES</b>	22	44	65	202
<b>NET INCOME</b>	\$ 67	\$ 193	\$ 204	\$ 717

# Income Statement Q3 2024

## Comprehensive Income

<b>NET INCOME</b>	\$ 67	\$ 193	\$ 204	\$ 717
<b>NET INCOME PER SHARE, BASIC</b>	\$ 0.11	\$ 0.32	\$ 0.34	\$ 1.20
<b>NET INCOME PER SHARE, DILUTED</b>	\$ 0.11	\$ 0.31	\$ 0.34	\$ 1.15
<b>COMPREHENSIVE INCOME</b>	\$ 19	\$ 336	\$ 167	\$ 574
<b>WEIGHTED AVERAGE SHARES OUTSTANDING</b>				
Basic	599	596	598	595
Diluted	601	640	643	639

# Cash Flow Statement 1Y 2023

## Operating Activities

	Year ended December 31,		
	2023	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net income	\$ 465	\$ 539	\$ 977
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization	1,522	1,351	1,272
Impairment of long-lived assets	—	35	12
Unrealized mark-to-market adjustment on available for sale securities	(4)	4	—
Unrealized/realized loss on fuel derivative instruments	—	(2)	(15)
Deferred income taxes	159	228	(21)
Loss on extinguishment of debt	—	193	28
Changes in certain assets and liabilities:			
Accounts and other receivables	(89)	422	(701)
Other assets	60	(66)	75
Accounts payable and accrued liabilities	1,386	936	38
Air traffic liability	29	525	591
Other liabilities	(137)	(334)	(103)
Cash collateral received from (provided to) derivative counterparties	(56)	(69)	141
Other, net	(171)	28	28
Net cash provided by operating activities	3,164	3,790	2,322

# Cash Flow Statement 1Y 2023

## Investing & Financing Activities

<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Capital expenditures	(3,520)	(3,924)	(505)
Assets constructed for others	(33)	(22)	(6)
Purchases of short-term investments	(6,970)	(5,592)	(5,824)
Proceeds from sales of short-term and other investments	7,591	5,792	5,071
Net cash used in investing activities	(2,932)	(3,746)	(1,264)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from Payroll Support Program loan and warrants	—	—	1,136
Proceeds from Employee stock plans	48	45	51
Payments of long-term debt and finance lease obligations	(85)	(2,437)	(612)
Payments of cash dividends	(428)	—	—
Proceeds of terminated interest rate derivative instruments	23	—	—
Payments for repurchases and conversions of convertible debt	—	(648)	(293)
Other, net	6	8	77
Net cash provided by (used in) financing activities	(436)	(3,032)	359
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>			
	(204)	(2,988)	1,417
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>			
	9,492	12,480	11,063
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>			
	\$ 9,288	\$ 9,492	\$ 12,480
<b>CASH PAYMENTS FOR:</b>			
Interest, net of amount capitalized	\$ 228	\$ 305	\$ 336
Income taxes	\$ 18	\$ 20	\$ 445
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS:</b>			
Adoption of Accounting Standards Update 2020-06, Debt	\$ —	\$ 245	\$ —
Right-of-use assets acquired under operating leases	\$ 82	\$ 58	\$ 327
Flight equipment acquired against supplier credit memo	\$ —	\$ —	\$ 569
Assets constructed for others	\$ —	\$ —	\$ 309
Remeasurement of right-of-use asset and lease liability	\$ —	\$ —	\$ 343

# Cash Flow Statement Q3 2024

## Operating Activities

	(in millions) (unaudited)	Three months ended September 30,		Nine months ended September 30,	
		2024	2023	2024	2023
		<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net income		\$ 67	\$ 193	\$ 204	\$ 717
Adjustments to reconcile net income to net cash provided by (used in) operating activities:					
Depreciation and amortization		438	375	1,250	1,107
Unrealized mark-to-market adjustment on available for sale securities		—	—	—	(4)
Unrealized/realized gain (loss) on fuel derivative instruments		15	(21)	17	(14)
Deferred income taxes		19	57	62	214
Changes in certain assets and liabilities:					
Accounts and other receivables		193	(216)	(80)	(405)
Other assets		(13)	(35)	4	74
Accounts payable and accrued liabilities		(196)	352	(1,668)	645
Air traffic liability		(377)	(59)	421	750
Other liabilities		(18)	(89)	(136)	(180)
Cash collateral received from (provided to) derivative counterparties		(8)	40	(28)	(6)
Other, net		(7)	19	(60)	(159)
Net cash provided by (used in) operating activities		113	616	(14)	2,739

## Cash Flow Statement Q3 2024

### Investing and Financing Activities

<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>								
Capital expenditures		(517)	(842)	(1,594)	(2,812)			
Assets constructed for others		(10)	(8)	(26)	(23)			
Purchases of short-term investments		(636)	(1,620)	(3,845)	(5,347)			
Proceeds from sales of short-term and other investments		1,621	2,406	5,160	5,914			
Other, net		—	—	(29)	—			
Net cash provided by (used in) investing activities		458	(64)	(334)	(2,268)			
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>								
Payroll Support Program stock warrants repurchase		—	—	(6)	—			
Proceeds from Employee stock plans		15	13	46	36			
Payments of long-term debt and finance lease obligations		(11)	(11)	(27)	(78)			
Payments of cash dividends		(216)	(214)	(431)	(428)			
Other, net		2	(1)	(19)	4			
Net cash used in financing activities		(210)	(213)	(437)	(466)			
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>361</b>	<b>339</b>	<b>(785)</b>	<b>5</b>			
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>		<b>8,142</b>	<b>9,158</b>	<b>9,288</b>	<b>9,492</b>			
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>\$</b>	<b>8,503</b>	<b>\$</b>	<b>9,497</b>	<b>\$</b>	<b>8,503</b>	<b>\$</b>	<b>9,497</b>
<b>CASH PAYMENTS FOR:</b>								
Interest, net of amount capitalized	\$	14	\$	19	\$	124	\$	134
Income taxes	\$	—	\$	1	\$	7	\$	9
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS:</b>								
Right-of-use assets acquired or modified under operating leases	\$	23	\$	9	\$	42	\$	78
Flight and ground equipment acquired or modified under finance leases	\$	17	\$	—	\$	16	\$	—

# Recommendation

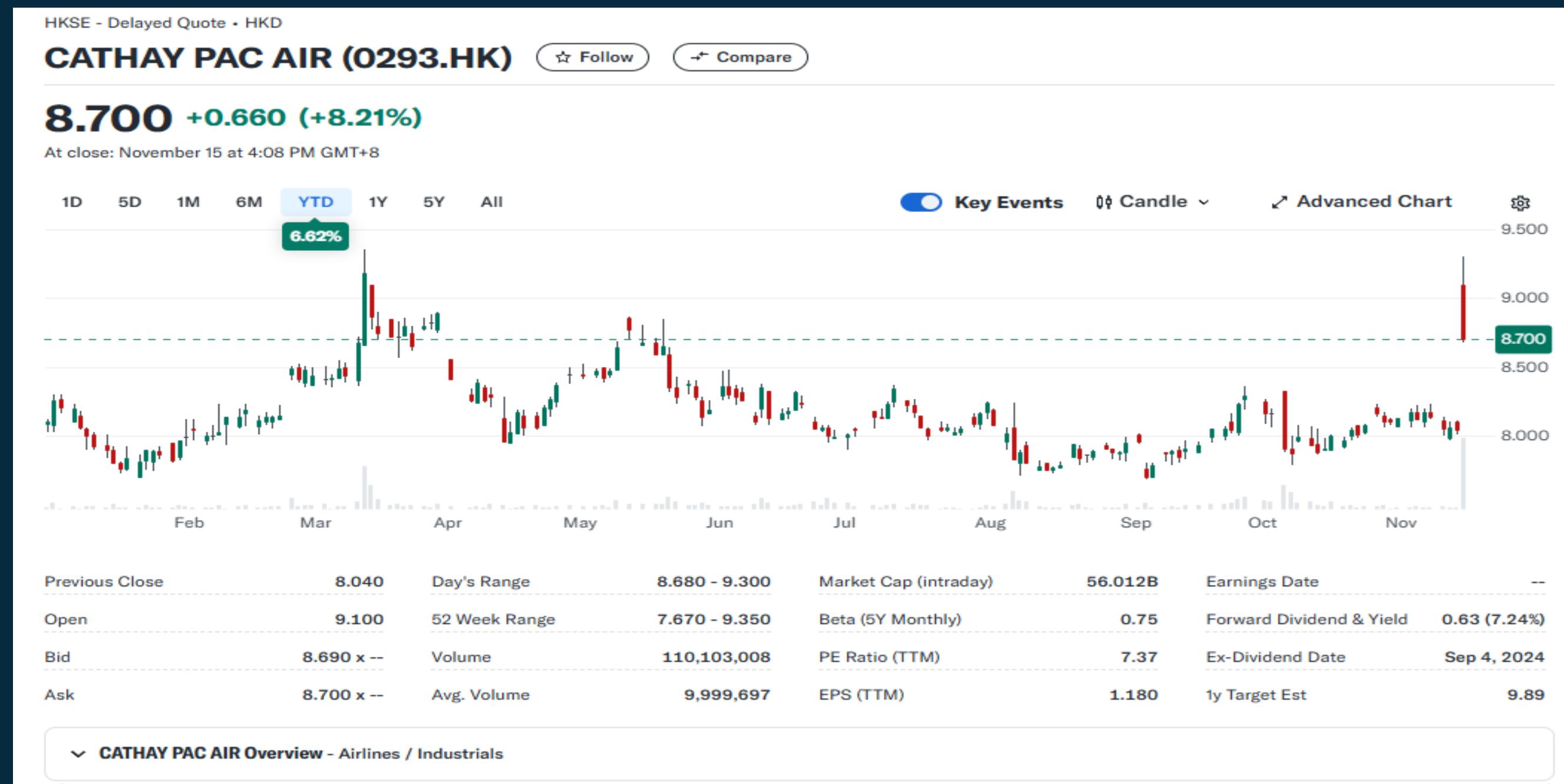
**BUY**  
Southwest  
Airlines

# Cathay Pacific

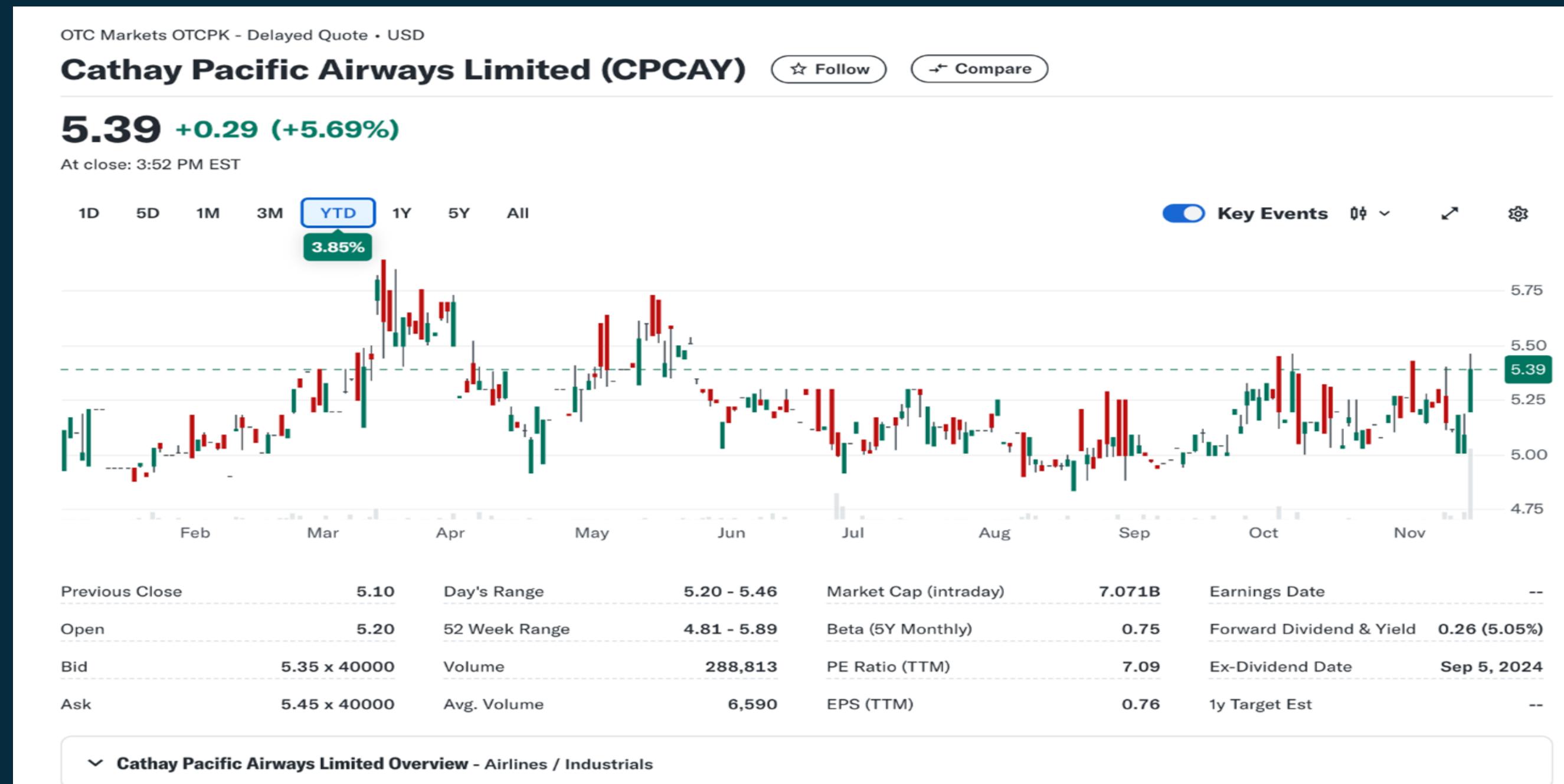


# Stock Overview

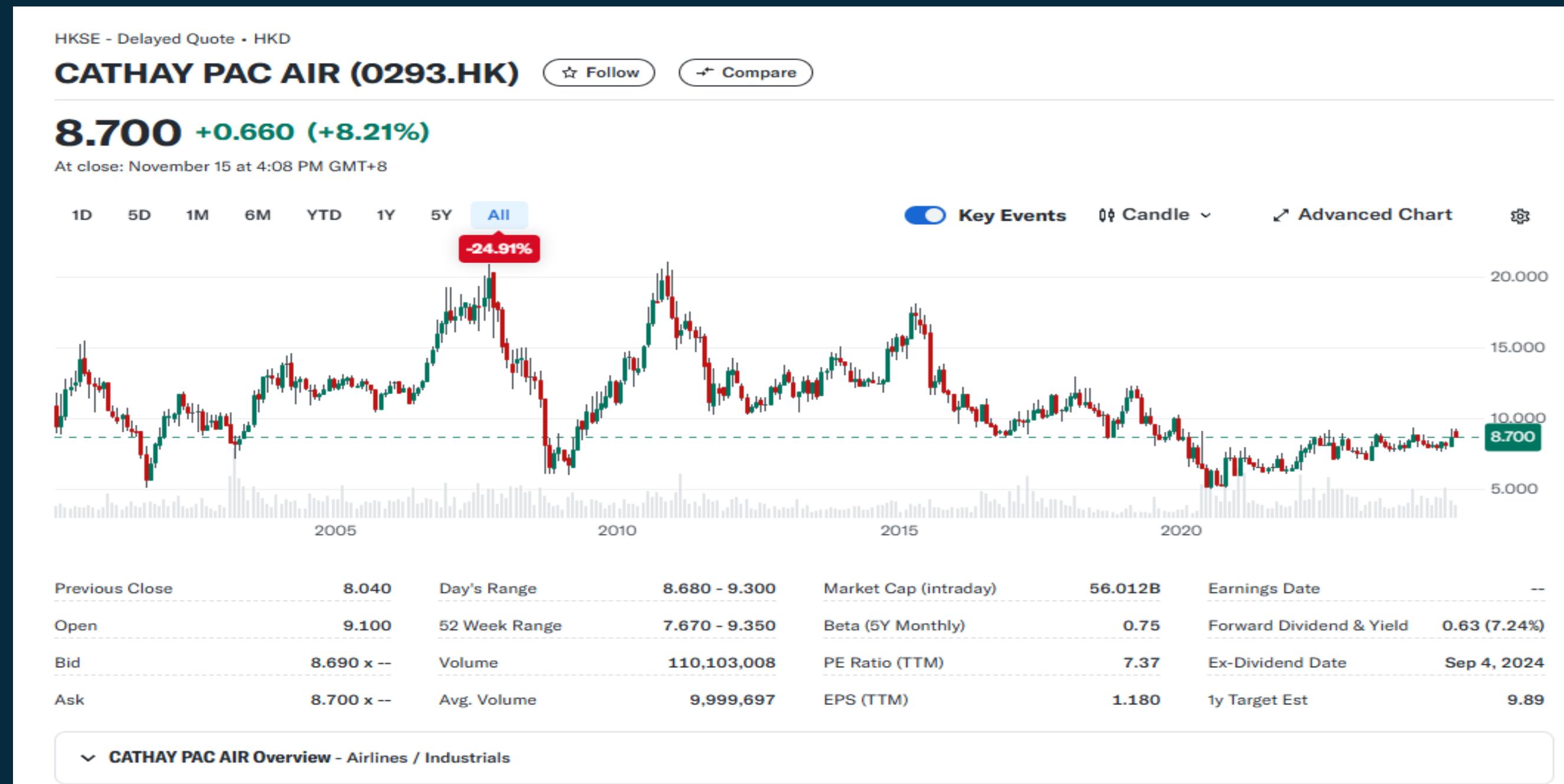
# Stock Overview (YTD)



# Stock Overview (YTD)



# Stock Overview (All Time)



# Stock Overview (All Time)



# Heng Seng Index (5 Year)



# Company Overview

# Company Profile

- Founded in Hong Kong in 1946
- First Listed on the Hong Kong Stock Exchange (HKEX) in 1986
- Operates out of Hong Kong International Airport
- Part of the Oneworld Alliance



# Company History

1946: Cathay Pacific Airways was founded on 24 September 1946 in Hong Kong

1948: Cathay Pacific was taken over by John Swire and Sons (now known as Swire Group)

1960s: The airline recorded a double digit growth annually and became one of the world's first airlines to operate international services in Japan

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1982: Cathay Cargo was introduced by Cathay Pacific Airlines which provided cargo service worldwide

1986: Cathay Pacific Airways went public and was listed in the Stock Exchange of Hong Kong

1990s: Cathay Pacific acquired shareholdings in Dragonair in 1990 and 75% of stakes in Air Hong Kong in 1994.

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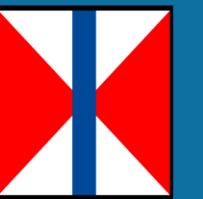
2014: Cathay Pacific has won the Skytrax Best Airline award, making it the best airline in the world

2019: Cathay Pacific acquired HK Express that provide low-cost commercial flights in Asia

2020s: Cathay Pacific faced significant difficulties during the pandemic, which led to mass flight cancellations and the shut down of Cathay Dragon (Dragonair)

# Major Shareholders

Swire Pacific Limited



SWIRE

45%

Air China Limited



AIR CHINA

29%

Qatar Airways



9.9%

# Subsidiaries



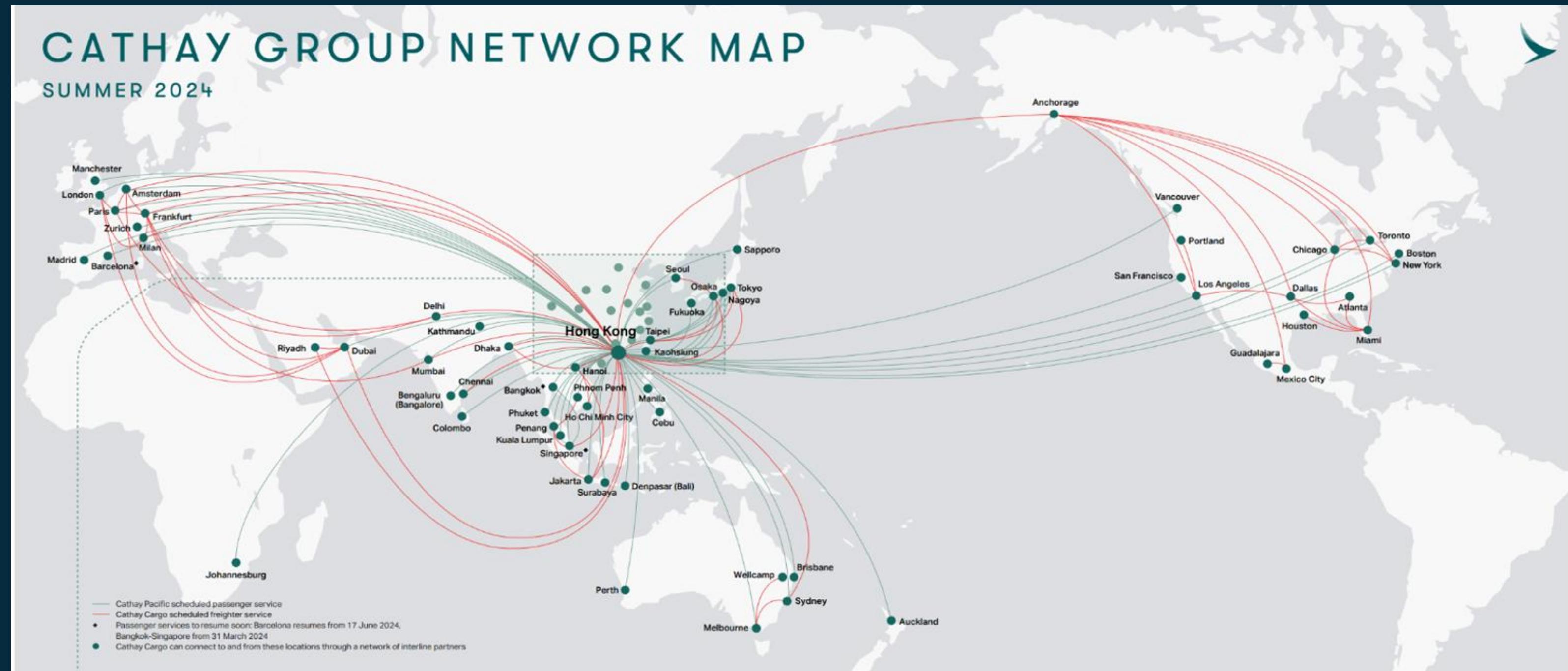
## Hong Kong Express

- Incorporated in 2004
- Hong Kong-based low cost airline
- Scheduled air service to 27 destinations in Asia
- Uses a fleet that consist exclusively of the Airbus A320 and A321 family

## Air Hong Kong

- Founded in 1986
- Hong Kong-based all-cargo airline
- Operates an express freight network to 13 destinations in Asia
- Uses a fleet that consist exclusively of the Airbus A300 and A330 family

# Network



# Network



# Network



# Network



# Fleet Profile

Aircraft type	Number at 30th June 2024						Average age	Orders <sup>[c]</sup>			Expiry of leases without asset transfer <sup>[b]</sup>				
	Leased <sup>[b]</sup>			Total	'24	'25	'26 and beyond	Total	'24	'25	'26	'27	'28	'29 and beyond	
	Owned	With asset transfer	Without asset transfer												
<b>Cathay Pacific:</b>															
A321/A320-200neo	4	3	5	12	2.2	4		15 <sup>[d]</sup>	19						5
A330-300	39		4	43	15.8					2	2				
A350-900	20	8	2	30	6.2										2
A350-1000	11	7		18	4.6										
A350F								6	6						
747-400ERF	6			6	15.5										
747-8F	11	3		14	11.4										
777-300	17			17	22.7										
777-300ER	30		8	38	11.7					2	2	4			
777-9						2	19	21							
<b>Total</b>	138	21	19	178	11.5	4	2	40	46	2	4	6	-	2	5
<b>HK Express:</b>															
A320-200	3 <sup>[e]</sup>		4	7	15.5					2					2
A320-200neo			10	10	5.3			8 <sup>[d][f]</sup>	8						2
A321-200	2 <sup>[e]</sup>		11	13	8.8					1	2				8
A321-200neo		6 <sup>[g]</sup>		6	0.6	6 <sup>[h]</sup>	4	9 <sup>[d][f]</sup>	19						
<b>Total</b>	5	6	25	36	7.8	6	4	17	27	2	1	2	-	4	16
<b>Air Hong Kong<sup>[10]</sup>:</b>															
A300-600F			6	6	19.1					3	3				
A330-243F			2	2	12.5							2			
A330-300P2F			9	9	12.9							3		4	2
<b>Total</b>	-	-	17	17	15.0	-	-	-	-	3	3	5	-	4	2
<b>Grand total</b>	143	27	61	231	11.2	10	6	57	73	7	8	13	-	10	23

# Management Team

# Chairman



## Patrick Healy

- Chair of Cathay Group
- Chair of Swire Coca-Cola Limited
- Director of John Swire & Sons (H.K.)
- Executive Director of Swire Pacific Limited
- Joined John Swire & Sons Limited Group as a management trainee in 1988

# Chief Executive Officer



## Ronald Lam

- CEO of Cathay Group
- Chair of Hong Kong Express Airways Limited (HK Express)
- Former Chief Customer and Commercial Officer
- Joined Cathay as a Management Trainee in 1996
- Member of the Tourism Strategy Committee under the Culture, Sports and Tourism Bureau of the HKSAR Government

# Chief Customer and Commercial Officer



## Lavinia Lau

- Responsible for Premium Travel (i.e. Cathay Pacific), Cargo and Lifestyle
- Former Director of Customer Travel
- Started as a Swire Group Management Trainee and joined Cathay in 1999
- Chair of the Board of Airline Representatives in Hong Kong and Board member of the Hong Kong Tourism Board

# Chief Operations and Service Delivery Officer



## Alex McGowan

- Responsible for all service and operating activities
- Executive Director on the Board of Cathay, a Director of HK Express and Chair of Air Hong Kong
- Former Cathay Director Service Delivery
- Joined Cathay Group in 2005 before working for a technology start-up in Seattle

# Chief Financial Officer



## Rebecca Sharpe

- Responsible for financial reporting, corporate finance, taxation, internal audit and procurement activities
- Executive Director on the Board of Cathay
- Former Director and Group Director Finance of Hong Kong Aircraft Engineering Company Limited

# Statistical Highlights

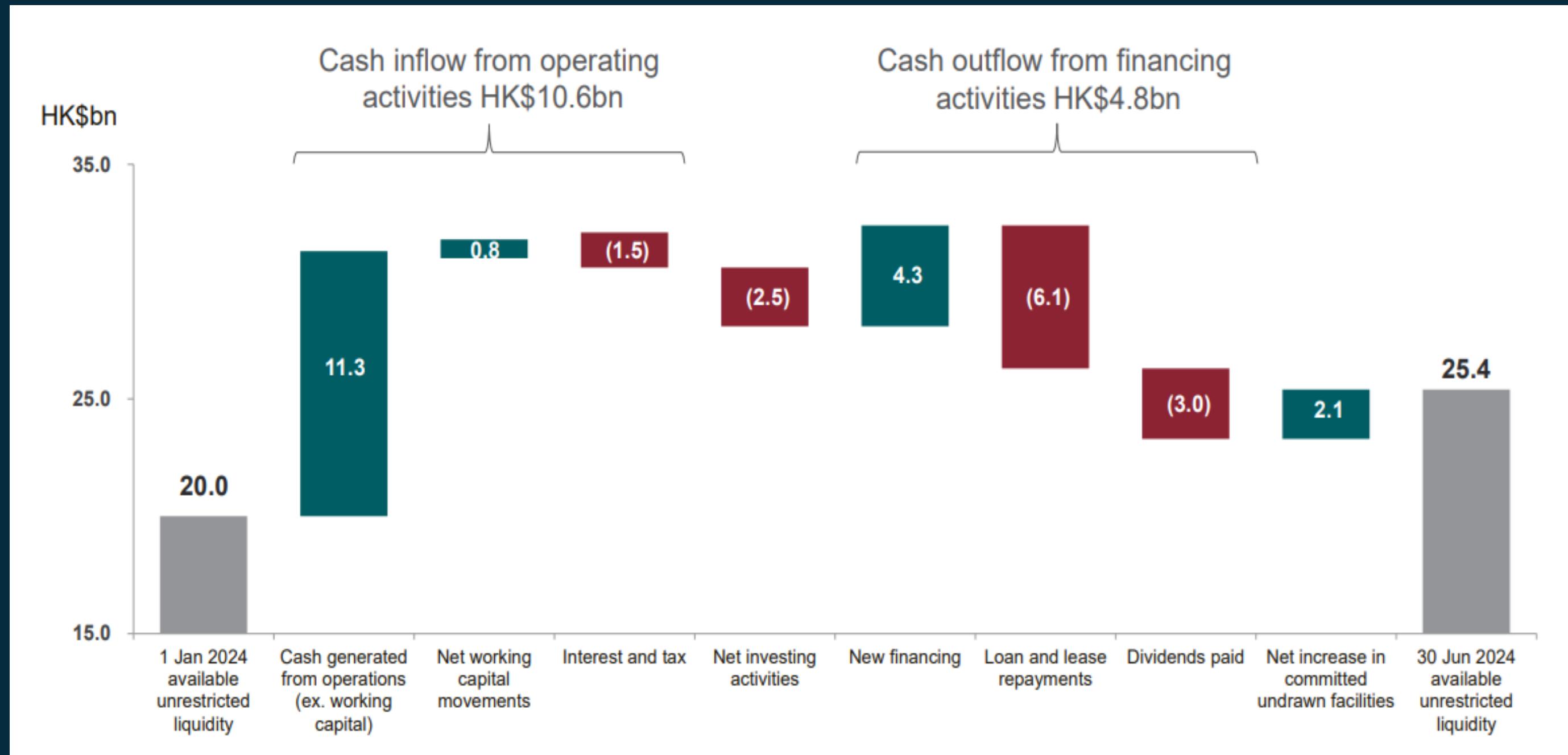
# Financial Statistics

		2024	2023	Change
		Six months ended 30th June		
<strong>Results</strong>				
Revenue	HK\$ million	<b>49,604</b>	43,593	<b>+13.8%</b>
Profit attributable to the shareholders of the Cathay Group	HK\$ million	<b>3,613</b>	4,268	<b>-15.3%</b>
Earnings per ordinary share				
– basic	HK cents	<b>52.4</b>	61.5	<b>-14.8%</b>
– diluted	HK cents	<b>47.0</b>	55.2	<b>-14.9%</b>
Dividend per ordinary share	HK\$	<b>0.20</b>	–	<b>+0.20</b>
Profit margin	%	<b>7.3</b>	9.8	<b>-2.5%pt</b>
 <strong>Financial position</strong>				
Funds attributable to the shareholders of the Cathay Group	HK\$ million	<b>61,406</b>	60,026	<b>+2.3%</b>
Net borrowings <sup>(a)</sup>	HK\$ million	<b>47,971</b>	52,764	<b>-9.1%</b>
Available unrestricted liquidity	HK\$ million	<b>25,416</b>	19,985	<b>+27.2%</b>
Ordinary shareholders' funds per ordinary share <sup>(a)</sup>	HK\$	<b>8.0</b>	7.8	<b>+2.6%</b>
Net debt/equity ratio <sup>(a)</sup>	Times	<b>0.78</b>	0.88	<b>-0.10 times</b>

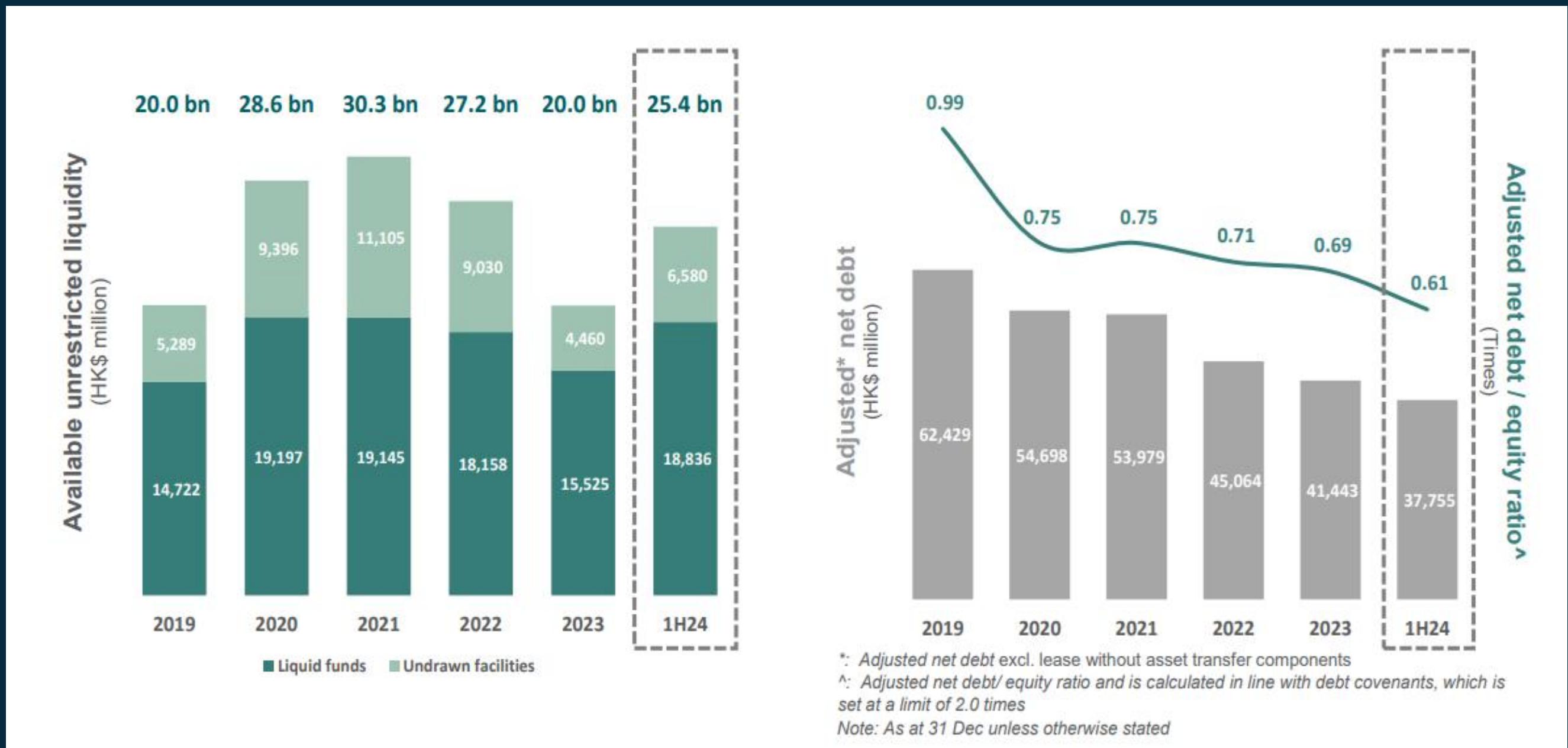
# Operational Statistics

		2024		
		Six months ended 30th June	2023	Change
Available tonne kilometres (ATK)	Million	11,822	9,628	+22.8%
Available seat kilometres (ASK)	Million	52,881	37,053	+42.7%
Available cargo tonne kilometres (AFTK)	Million	6,788	6,095	+11.4%
Revenue tonne kilometres (RTK)	Million	8,214	6,969	+17.9%
Passenger revenue per ASK	HK cents	56.8	67.5	-15.9%
Revenue passenger kilometres (RPK)	Million	43,583	32,308	+34.9%
Revenue passengers carried	'000	10,660	7,816	+36.4%
Passenger load factor	%	82.4	87.2	-4.8%pt
Passenger yield	HK cents	68.9	77.4	-11.0%
Cargo revenue per AFTK	HK\$	1.61	1.76	-8.5%
Cargo revenue tonne kilometres (RFTK)	Million	4,063	3,886	+4.6%
Cargo carried	'000 tonnes	719	651	+10.4%
Cargo load factor	%	59.9	63.8	-3.9%pt
Cargo yield	HK\$	2.68	2.76	-2.9%
Cost per ATK (with fuel) <sup>14</sup>	HK\$	3.41	3.35	+1.8%
Fuel consumption per million RTK	Barrels	1,851	1,689	+9.6%
Fuel consumption per million ATK	Barrels	1,286	1,222	+5.2%
Cost per ATK (without fuel) <sup>14</sup>	HK\$	2.31	2.34	-1.3%
Underlying cost <sup>14</sup> per ATK (without fuel)	HK\$	2.32	2.56	-9.4%
ATK per HK\$'000 staff cost	Unit	1,903	1,783	+6.7%
ATK per employee	'000	573	569	+0.7%
Aircraft utilisation	Hours per day	9.0	6.7	+34.3%
On-time performance	%	75.3	79.7	-4.4%pt
Average age of fleet	Years	11.5	11.0	+0.5 year

# Cash Performance



# Liquidity Position



# Segmental Performance

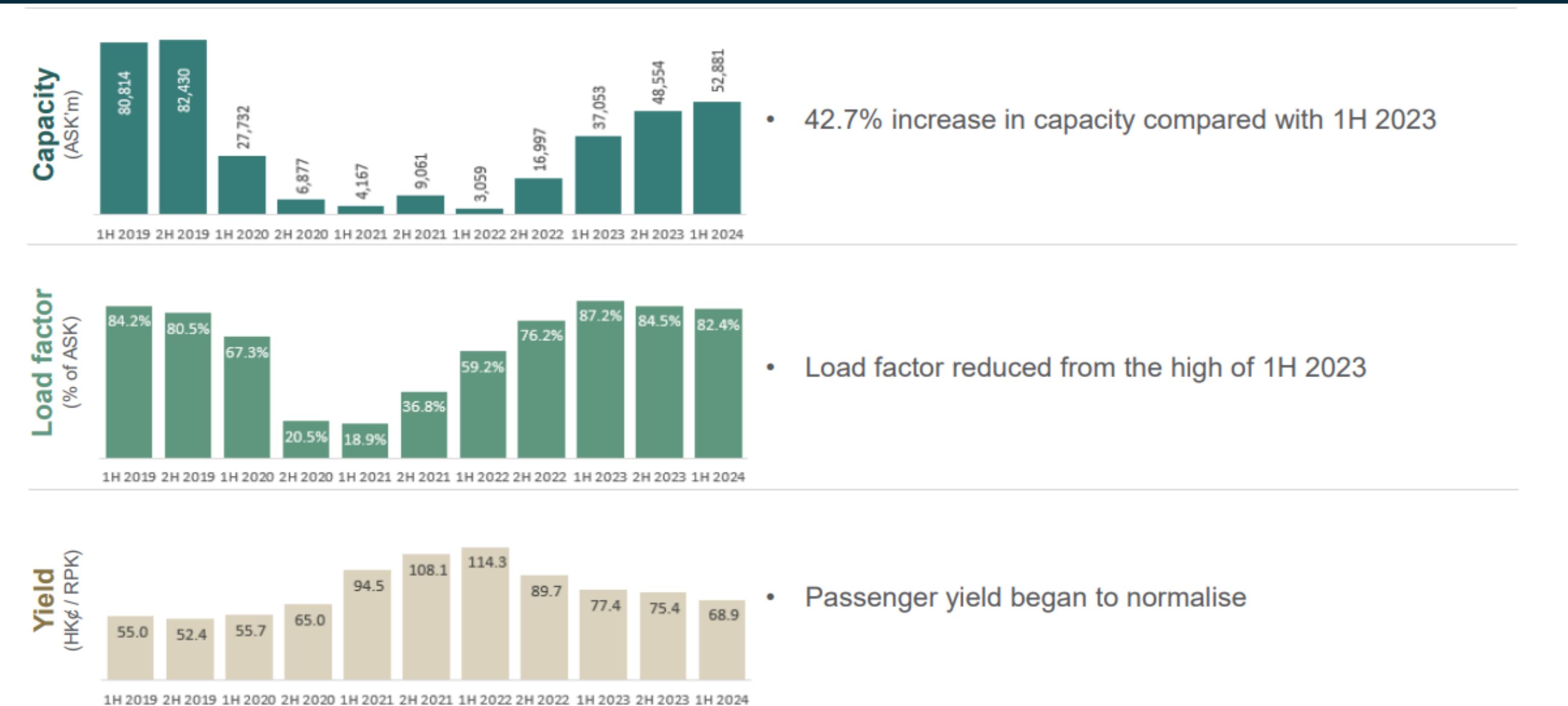
## Commercial Flights

		1H 2024	1H 2023	% Var
Cathay Pacific passenger revenue	HK\$ million	30,017	25,013	+20.0%
Available seat kilometres (ASK)	Million	52,881	37,053	+42.7%
Revenue passenger kilometres (RPK)	Million	43,583	32,308	+34.9%
Revenue passengers carried	'000	10,660	7,816	+36.4%
Passenger load factor	%	82.4	87.2	-4.8%pt
Passenger yield	HK cents	68.9	77.4	-11.0%
Passenger revenue per ASK	HK cents	56.8	67.5	-15.9%

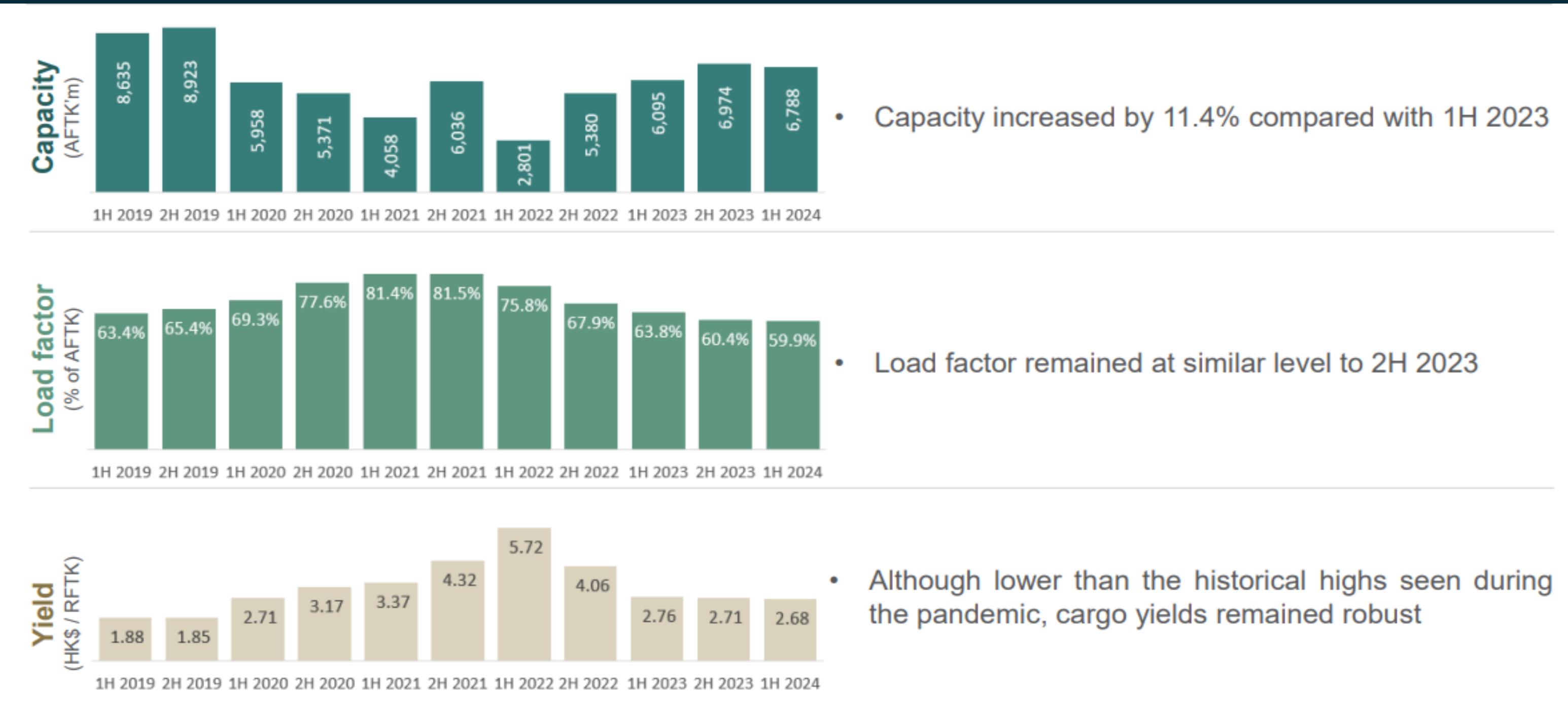
## Cargo Flights

		1H 2024	1H 2023	% Var
Cathay Pacific cargo revenue	HK\$ million	10,902	10,741	+1.5%
Available cargo tonne kilometres (AFTK)	Million	6,788	6,095	+11.4%
Cargo revenue tonne kilometres (RFTK)	Million	4,063	3,886	+4.6%
Cargo carried	'000 tonnes	719	651	+10.4%
Cargo load factor	%	59.9	63.8	-3.9%pt
Cargo yield	HK\$	2.68	2.76	-2.9%
Cargo revenue per AFTK	HK\$	1.61	1.76	-8.5%

# Commercial Flights



# Cargo Flights



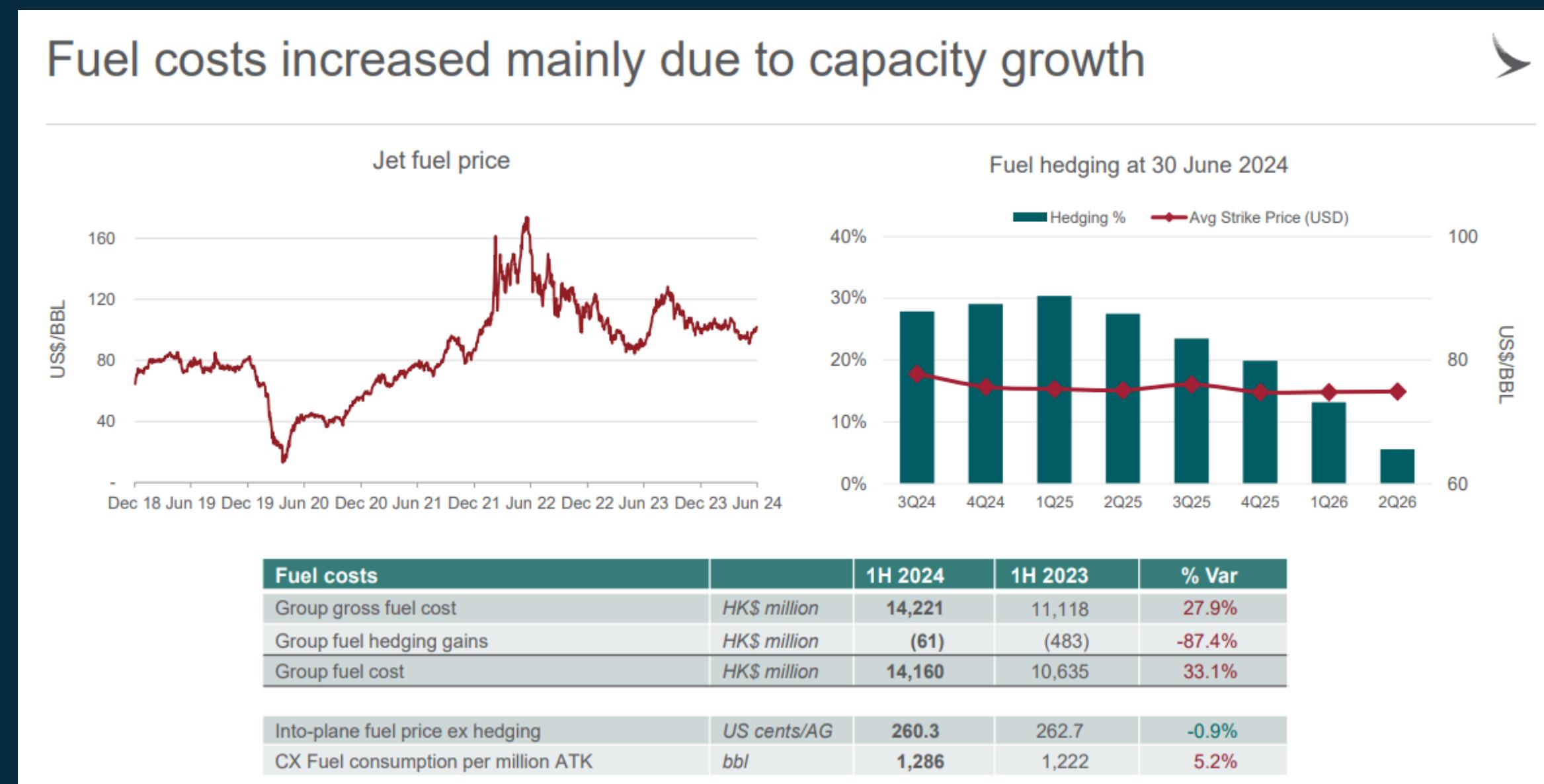
# Subsidiaries' Results

	Six months ended 30th June 2024					
	Cathay Pacific HK\$M	HK Express HK\$M	Air Hong Kong HK\$M	Airline services HK\$M	Associates HK\$M	Total HK\$M
<b>Profit or loss</b>						
Sales to external customers	44,224	3,175	1,699	506		49,604
Inter-segment sales	560	-	4	1,838		2,402
Segment revenue	44,784	3,175	1,703	2,344		52,006
Segment profit, before non-recurring items	5,266	66	488	87		5,907
Gain on deemed partial disposal of an associate	90	-	-	-		90
Net reversal of impairment	19	-	-	-		19
Segment profit	5,375	66	488	87		6,016
Net finance (charges)/income	(875)	(132)	3	(451)		(1,455)
	4,500	(66)	491	(364)		4,561
Share of losses of associates	-	-	-	-	(320)	(320)
Profit/(loss) before taxation	4,500	(66)	491	(364)	(320)	4,241
Taxation	(519)	(7)	(80)	-	(22)	(628)
Profit/(loss) for the period	3,981	(73)	411	(364)	(342)	3,613
Non-controlling interests	-	-	-	-	-	-
Profit/(loss) attributable to the shareholders of the Cathay Group	3,981	(73)	411	(364)	(342)	3,613

	Six months ended 30th June 2023					
	Cathay Pacific HK\$M	HK Express HK\$M	Air Hong Kong HK\$M	Airline services HK\$M	Associates HK\$M	Total HK\$M
<b>Profit or loss</b>						
Sales to external customers	38,995	2,601	1,676	321		43,593
Inter-segment sales	278	-	4	1,386		1,668
Segment revenue	39,273	2,601	1,680	1,707		45,261
Segment profit/(loss), before non-recurring items	5,770	548	477	(159)		6,636
Gain on deemed partial disposal of an associate	1,929	-	-	-		1,929
Net reversal of impairment	208	-	-	-		208
Segment profit/(loss)	7,907	548	477	(159)		8,773
Net finance (charges)/income	(880)	(178)	4	(392)		(1,446)
	7,027	370	481	(551)		7,327
Share of losses of associates	-	-	-	-	(2,620)	(2,620)
Profit/(loss) before taxation	7,027	370	481	(551)	(2,620)	4,707
Taxation	(310)	(37)	(79)	(1)	(12)	(439)
Profit/(loss) for the period	6,717	333	402	(552)	(2,632)	4,268
Non-controlling interests	-	-	-	-	-	-
Profit/(loss) attributable to the shareholders of the Cathay Group	6,717	333	402	(552)	(2,632)	4,268

# Fuel Hedging

Note:  
Fuel Hedging gains has decreased from HKD 483 million to HKD 61 million



# Costs (Without Fuel)

**Note:**  
Despite the 11.4% increase in total underlying cost (without fuel), recent capacity rebuild by Cathay Pacific has driven a lower per-unit cost of 9.4%.

HK\$ million	1H 2024	1H 2023	% Var
Staff	6,212	5,400	+15.0%
Inflight service and passenger expenses	1,934	1,225	+57.9%
Landing, parking and route expenses	5,947	4,536	+31.1%
Aircraft maintenance	3,510	2,751	+27.6%
Depreciation, amortisation and rentals	5,450	5,616	-3.0%
Net finance charges	875	880	-0.6%
Other items (including commissions)	3,527	4,231	-16.6%
<b>Total underlying costs (without fuel)</b>	<b>27,455</b>	<b>24,639</b>	<b>+11.4%</b>
<b>Underlying* cost per ATK (without fuel and before tax)</b>	<b>2.32</b>	<b>2.56</b>	<b>-9.4%</b>

# Property, Plant and Equipment

	Aircraft and related equipment		Other equipment		Land and buildings		
	Owned HK\$M	Right-of-use assets HK\$M	Owned HK\$M	Right-of-use assets HK\$M	Owned HK\$M	Right-of-use assets HK\$M	Total HK\$M
<b>Cost</b>							
At 1st January 2024	158,388	45,519	5,383	245	15,295	7,738	232,568
Additions	2,510	8	114	–	85	65	2,782
Disposals	(450)	(759)	(44)	(44)	–	(85)	(1,382)
Transfers	2,768	(2,768)	–	–	4	–	4
Other right-of-use asset adjustments	–	158	–	–	–	92	250
At 30th June 2024	163,216	42,158	5,453	201	15,384	7,810	234,222
<b>Accumulated depreciation and impairment</b>							
At 1st January 2024	81,331	16,457	4,313	173	9,608	4,598	116,480
Charge for the period	3,362	1,554	98	15	302	341	5,672
Disposals	(337)	(759)	(42)	(44)	–	(83)	(1,265)
Reversal of impairment	(46)	–	–	–	–	–	(46)
Transfers	1,398	(1,398)	–	–	4	–	4
At 30th June 2024	85,708	15,854	4,369	144	9,914	4,856	120,845
<b>Net book value</b>							
At 30th June 2024	77,508	26,304	1,084	57	5,470	2,954	113,377
At 31st December 2023	77,057	29,062	1,070	72	5,687	3,140	116,088

# Geographical Information

	Six months ended 30th June	
	2024	2023
	HK\$M	HK\$M
<b>Revenue by origin of sale:</b>		
North Asia		
- Chinese Mainland, Hong Kong and Taiwan	<b>29,235</b>	26,473
- Japan and Korea	<b>2,019</b>	1,766
Americas	<b>7,186</b>	5,695
Europe	<b>3,892</b>	3,946
Southeast Asia	<b>3,086</b>	2,615
Southwest Pacific	<b>2,454</b>	2,032
South Asia, Middle East and Africa	<b>1,732</b>	1,066
	<b>49,604</b>	43,593

# Future Investments

Note: Cathay Pacific is committed to invest over HKD \$100bn in the next 7 years



- New Aircraft Deliveries
  - 2H 2024: 10
    - 2025: 6
    - 2026+: 87



- 100% in Q1 2025
- 100 destinations in 2025



- Bought Back 50% preference shares in July 2025
- Payment of dividend of HK \$0.2 per ordinary share in Oct 2024

# Financial Statement

# Balance Sheet (Half Year)

## Consolidated Statement of Financial Position

at 30th June 2024 – Unaudited

	Note	30th June 2024 HK\$M	31st December 2023 HK\$M
<strong>ASSETS AND LIABILITIES</strong>			
<strong>Non-current assets and liabilities</strong>			
Property, plant and equipment		113,377	116,088
Intangible assets		14,449	14,539
Investments in associates		15,359	16,046
Other long-term receivables and investments		3,784	3,608
Deferred tax assets		1,081	1,085
		<strong>148,050</strong>	<strong>151,366</strong>
Interest-bearing liabilities	9	(54,920)	(57,771)
Other long-term payables		(2,909)	(2,810)
Other long-term contract liabilities		(225)	(252)
Deferred tax liabilities		(8,349)	(7,756)
		<strong>(66,403)</strong>	<strong>(68,589)</strong>
<strong>Net non-current assets</strong>		<strong>81,647</strong>	<strong>82,777</strong>

# Balance Sheet (Half Year)

<b>Current assets and liabilities</b>			
Stock		1,072	967
Trade and other receivables	10	7,669	6,252
Liquid funds	11	18,839	15,530
			<b>27,580</b>
			<b>22,749</b>
Interest-bearing liabilities	9	(11,890)	(10,523)
Trade and other payables	12	(15,621)	(17,238)
Contract liabilities		(18,018)	(15,223)
Taxation		(2,285)	(2,509)
			<b>(47,814)</b>
<b>Net current liabilities</b>			<b>(20,234)</b>
<b>Total assets less current liabilities</b>			<b>127,816</b>
<b>Net assets</b>			<b>61,413</b>
<b>CAPITAL AND RESERVES</b>			
Share capital	13	28,830	28,828
Reserves		32,576	31,198
Funds attributable to the shareholders of the Cathay Group		61,406	60,026
Non-controlling interests		7	7
<b>Total equity</b>			<b>61,413</b>
			<b>60,033</b>

# Balance Sheet (Annual)

	Note	2023 HK\$M	2022 (restated)* HK\$M	2023 US\$M	2022 (restated)* US\$M
<strong>ASSETS AND LIABILITIES</strong>					
<strong>Non-current assets and liabilities</strong>					
Property, plant and equipment	8	<strong>116,088</strong>	118,855	<strong>14,883</strong>	15,238
Intangible assets	9	<strong>14,539</strong>	14,800	<strong>1,864</strong>	1,898
Investments in associates	10	<strong>16,046</strong>	16,492	<strong>2,057</strong>	2,114
Other long-term receivables and investments	11	<strong>3,608</strong>	3,297	<strong>463</strong>	423
Deferred tax assets	15	<strong>1,085</strong>	1,134	<strong>139</strong>	145
		<strong>151,366</strong>	154,578	<strong>19,406</strong>	19,818
Interest-bearing liabilities	12	<strong>(57,771)</strong>	(62,463)	<strong>(7,407)</strong>	(8,008)
Other long-term payables	13	<strong>(2,810)</strong>	(2,841)	<strong>(360)</strong>	(365)
Other long-term contract liabilities	19	<strong>(252)</strong>	(282)	<strong>(33)</strong>	(36)
Deferred tax liabilities	15	<strong>(7,756)</strong>	(8,117)	<strong>(994)</strong>	(1,041)
		<strong>(68,589)</strong>	(73,703)	<strong>(8,794)</strong>	(9,450)
<strong>Net non-current assets</strong>		<strong>82,777</strong>	80,875	<strong>10,612</strong>	10,368

# Balance Sheet (Annual)

<b>Current assets and liabilities</b>					
Stock		<b>967</b>	1,137	<b>124</b>	146
Trade and other receivables	16	<b>6,252</b>	6,921	<b>801</b>	887
Assets held for sale		—	1	—	—
Liquid funds	17	<b>15,530</b>	18,277	<b>1,991</b>	2,343
		<b>22,749</b>	26,336	<b>2,916</b>	3,376
Interest-bearing liabilities	12	<b>(10,523)</b>	(14,643)	<b>(1,349)</b>	(1,877)
Trade and other payables	18	<b>(17,238)</b>	(11,199)	<b>(2,210)</b>	(1,436)
Contract liabilities	19	<b>(15,223)</b>	(13,537)	<b>(1,951)</b>	(1,735)
Taxation		<b>(2,509)</b>	(4,023)	<b>(322)</b>	(516)
		<b>(45,493)</b>	(43,402)	<b>(5,832)</b>	(5,564)
<b>Net current liabilities</b>		<b>(22,744)</b>	(17,066)	<b>(2,916)</b>	(2,188)
<b>Total assets less current liabilities</b>		<b>128,622</b>	137,512	<b>16,490</b>	17,630
<b>Net assets</b>		<b>60,033</b>	63,809	<b>7,696</b>	8,180
<b>CAPITAL AND RESERVES</b>					
Share capital	20	<b>28,828</b>	48,322	<b>3,696</b>	6,195
Reserves	22	<b>31,198</b>	15,481	<b>3,999</b>	1,984
Funds attributable to the shareholders of the Cathay Group		<b>60,026</b>	63,803	<b>7,695</b>	8,179
Non-controlling interests		<b>7</b>	6	<b>1</b>	1
<b>Total equity</b>		<b>60,033</b>	63,809	<b>7,696</b>	8,180

# Income Statement (Annual)

	Note	2023 HK\$M	2022 (restated)* HK\$M	2023 US\$M	2022 (restated)* US\$M
<strong>Revenue</strong>					
Passenger services		<b>61,437</b>	14,333	<b>7,876</b>	1,838
Cargo services		<b>25,606</b>	30,554	<b>3,283</b>	3,917
Other services and recoveries		<b>7,442</b>	6,149	<b>954</b>	788
<strong>Total revenue</strong>		<b>94,485</b>	51,036	<b>12,113</b>	6,543
<strong>Expenses</strong>					
Staff		<b>(14,785)</b>	(10,646)	<b>(1,896)</b>	(1,365)
Inflight service and passenger expenses		<b>(3,026)</b>	(694)	<b>(388)</b>	(89)
Landing, parking and route expenses		<b>(11,190)</b>	(5,590)	<b>(1,435)</b>	(717)
Fuel, including hedging gains		<b>(24,989)</b>	(10,488)	<b>(3,204)</b>	(1,345)
Aircraft maintenance		<b>(7,357)</b>	(3,206)	<b>(943)</b>	(411)
Aircraft depreciation and rentals		<b>(9,860)</b>	(9,884)	<b>(1,264)</b>	(1,267)
Other depreciation, amortisation and rentals		<b>(2,578)</b>	(2,544)	<b>(331)</b>	(326)
Others		<b>(7,701)</b>	(4,513)	<b>(986)</b>	(578)
<strong>Operating expenses</strong>		<b>(81,486)</b>	(47,565)	<b>(10,447)</b>	(6,098)

# Income Statement (Annual)

<b>Operating profit before non-recurring items</b>		<b>12,999</b>	<b>3,471</b>	<b>1,666</b>	<b>445</b>
Gain on deemed partial disposal of an associate	2	<b>1,929</b>	–	<b>247</b>	–
Net reversal of impairment and other gains or charges		<b>197</b>	–	<b>26</b>	–
<b>Operating profit</b>	3	<b>15,125</b>	<b>3,471</b>	<b>1,939</b>	<b>445</b>
Finance charges		<b>(3,961)</b>	<b>(3,074)</b>	<b>(507)</b>	<b>(394)</b>
Finance income		<b>1,228</b>	<b>165</b>	<b>157</b>	<b>21</b>
Net finance charges	4	<b>(2,733)</b>	<b>(2,909)</b>	<b>(350)</b>	<b>(373)</b>
Share of losses of associates		<b>(1,534)</b>	<b>(6,677)</b>	<b>(197)</b>	<b>(856)</b>
<b>Profit/(loss) before taxation</b>		<b>10,858</b>	<b>(6,115)</b>	<b>1,392</b>	<b>(784)</b>
Taxation	5	<b>(1,068)</b>	<b>(507)</b>	<b>(137)</b>	<b>(65)</b>
<b>Profit/(loss) for the year</b>		<b>9,790</b>	<b>(6,622)</b>	<b>1,255</b>	<b>(849)</b>

# Income Statement (Annual)

<b>Profit/(loss) for the year attributable to</b>					
Ordinary shareholders of the Cathay Group		<b>9,067</b>	(7,237)	<b>1,162</b>	(928)
Preference shareholder of the Cathay Group	<b>21</b>	<b>722</b>	614	<b>93</b>	79
Non-controlling interests		<b>1</b>	1	–	–
<b>Profit/(loss) for the year</b>		<b>9,790</b>	(6,622)	<b>1,255</b>	(849)
 <b>Underlying profit/(loss) attributable to shareholders of the Cathay Group<sup>A</sup></b>		 <b>7,663</b>	(6,623)	<b>982</b>	(849)
 <b>Earnings/(loss) per ordinary share</b>					
Basic	6	<b>140.8¢</b>	(112.4)¢	<b>18.1¢</b>	(14.4)¢
Diluted	6	<b>125.8¢</b>	(112.4)¢	<b>16.1¢</b>	(14.4)¢

# Income Statement (Half Year)

## Consolidated Statement of Profit or Loss

for the six months ended 30th June 2024 – Unaudited

	Note	2024 HK\$M	2023 HK\$M
<b>Revenue</b>			
Passenger services		33,004	27,563
Cargo services		12,610	12,432
Other services and recoveries		3,990	3,598
<b>Total revenue</b>		<b>49,604</b>	<b>43,593</b>

# Income Statement (Half Year)

<b>Expenses</b>		
Staff	(7,770)	(6,612)
Inflight service and passenger expenses	(1,957)	(1,244)
Landing, parking and route expenses	(6,572)	(5,066)
Fuel, including hedging gains	(14,160)	(10,635)
Aircraft maintenance	(4,047)	(3,253)
Aircraft depreciation and rentals	(4,929)	(5,043)
Other depreciation, amortisation and rentals	(1,256)	(1,305)
Others	(3,006)	(3,799)
<b>Operating expenses</b>	<b>(43,697)</b>	<b>(36,957)</b>
<b>Operating profit before non-recurring items</b>	<b>5,907</b>	<b>6,636</b>
Gain on deemed partial disposal of an associate	4 90	1,929
Net reversal of impairment	19	208
<b>Operating profit</b>	<b>5 6,016</b>	<b>8,773</b>
Finance charges	(1,939)	(1,997)
Finance income	484	551
Net finance charges	(1,455)	(1,446)
Share of losses of associates	(320)	(2,620)
<b>Profit before taxation</b>	<b>4,241</b>	<b>4,707</b>
Taxation	6 (628)	(439)
<b>Profit for the period</b>	<b>3,613</b>	<b>4,268</b>

# Income Statement (Half Year)

Profit for the period attributable to		
Ordinary shareholders of the Cathay Group	3,372	3,959
Preference shareholder of the Cathay Group	241	309
Non-controlling interests	-	-
<b>Profit for the period</b>	<b>3,613</b>	<b>4,268</b>
<b>Underlying profit attributable to shareholders of the Cathay Group</b>	<b>3,504</b>	<b>2,131</b>
Earnings per ordinary share		
Basic	7	52.4¢
Diluted	7	47.0¢
		61.5¢
		55.2¢

# Statement of Cash Flow (Annual)

	Note	2023 HK\$M	2022 HK\$M	2023 US\$M	2022 US\$M
<strong>Operating activities</strong>					
Cash generated from operations	23	<b>32,148</b>	21,386	<b>4,122</b>	2,742
Interest received		<b>737</b>	129	<b>94</b>	17
Interest paid		<b>(3,364)</b>	(2,432)	<b>(431)</b>	(313)
Tax paid		<b>(3,113)</b>	(1,247)	<b>(399)</b>	(160)
<strong>Net cash inflow from operating activities</strong>		<b>26,408</b>	17,836	<b>3,386</b>	2,286
<strong>Investing activities</strong>					
Net decrease/(increase) in liquid funds other than cash and cash equivalents		<b>3,873</b>	(183)	<b>497</b>	(23)
Proceeds from sales of property, plant and equipment		<b>222</b>	50	<b>28</b>	6
Net increase in other long-term receivables and investments		<b>(57)</b>	(17)	<b>(7)</b>	(2)
Payments for property, plant and equipment and intangible assets		<b>(6,801)</b>	(3,729)	<b>(872)</b>	(478)
Dividends received		<b>66</b>	1,096	<b>8</b>	140
Repayment of loan to associates		<b>29</b>	23	<b>4</b>	3
<strong>Net cash outflow from investing activities</strong>		<b>(2,668)</b>	(2,760)	<b>(342)</b>	(354)

# Statement of Cash Flow (Annual)

<b>Financing activities</b>					
New financing	12	4,654	6,115	596	784
Loan and lease repayments	12	(16,386)	(22,351)	(2,101)	(2,865)
Initial cash benefit from lease arrangements		273	–	35	–
Preference shares redemption	20	(9,750)	–	(1,250)	–
Dividends paid – preference shares		(1,969)	–	(252)	–
<b>Net cash outflow from financing activities</b>		<b>(23,178)</b>	<b>(16,236)</b>	<b>(2,972)</b>	<b>(2,081)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>562</b>	<b>(1,160)</b>	<b>72</b>	<b>(149)</b>
Cash and cash equivalents at 1st January		7,340	8,573	941	1,099
Effect of exchange differences		(8)	(73)	(1)	(9)
<b>Cash and cash equivalents at 31st December</b>	<b>17</b>	<b>7,894</b>	<b>7,340</b>	<b>1,012</b>	<b>941</b>

# Statement of Cash Flow (Half Year)

## Consolidated Statement of Cash Flows

for the six months ended 30th June 2024 - Unaudited

	2024 HK\$M	2023 HK\$M
<b>Operating activities</b>		
Cash generated from operations	12,140	20,752
Interest received	271	207
Interest paid	(1,383)	(1,570)
Tax paid	(415)	(368)
<b>Net cash inflow from operating activities</b>	<b>10,613</b>	<b>19,021</b>

# Statement of Cash Flow (Half Year)

<b>Investing activities</b>		
Net increase in liquid funds other than cash and cash equivalents	(1,394)	(2,358)
Proceeds from sales of property, plant and equipment	151	40
Net decrease/(increase) in other long-term receivables and investments	24	(39)
Payments for property, plant and equipment and intangible assets	(2,907)	(1,994)
Dividends received	81	58
Loan to associates	(37)	(13)
<b>Net cash outflow from investing activities</b>	<b>(4,082)</b>	<b>(4,306)</b>

# Statement of Cash Flow (Half Year)

<b>Financing activities</b>		
New financing	4,312	1,293
Loan and lease repayments	(6,079)	(11,305)
Preference shares redemption	-	(1,524)
Dividends paid – ordinary shares	(2,768)	-
Dividends paid – preference shares	(244)	-
<b>Net cash outflow from financing activities</b>	<b>(4,779)</b>	<b>(11,536)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,752</b>	<b>3,179</b>
Cash and cash equivalents at 1st January	7,894	7,340
Effect of exchange differences	(25)	(2)
<b>Cash and cash equivalents at 30th June</b>	<b>9,621</b>	<b>10,517</b>

# Recommendation

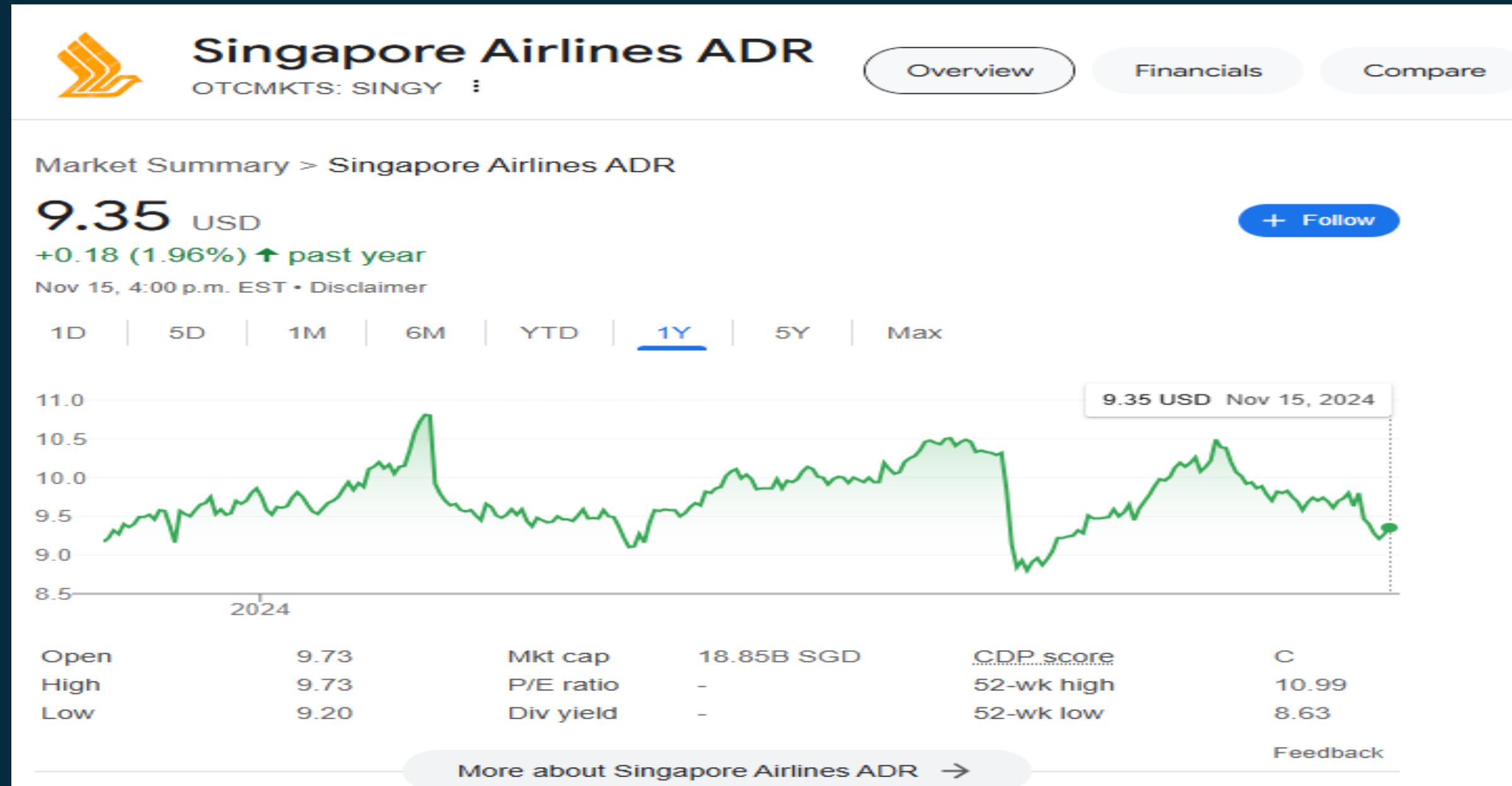
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# Singapore Airlines



# Stock Overview

# ADR Stock Overview (1 Year)



# ADR Stock Overview (5 Year)



# ADR Stock Overview (10 Year)

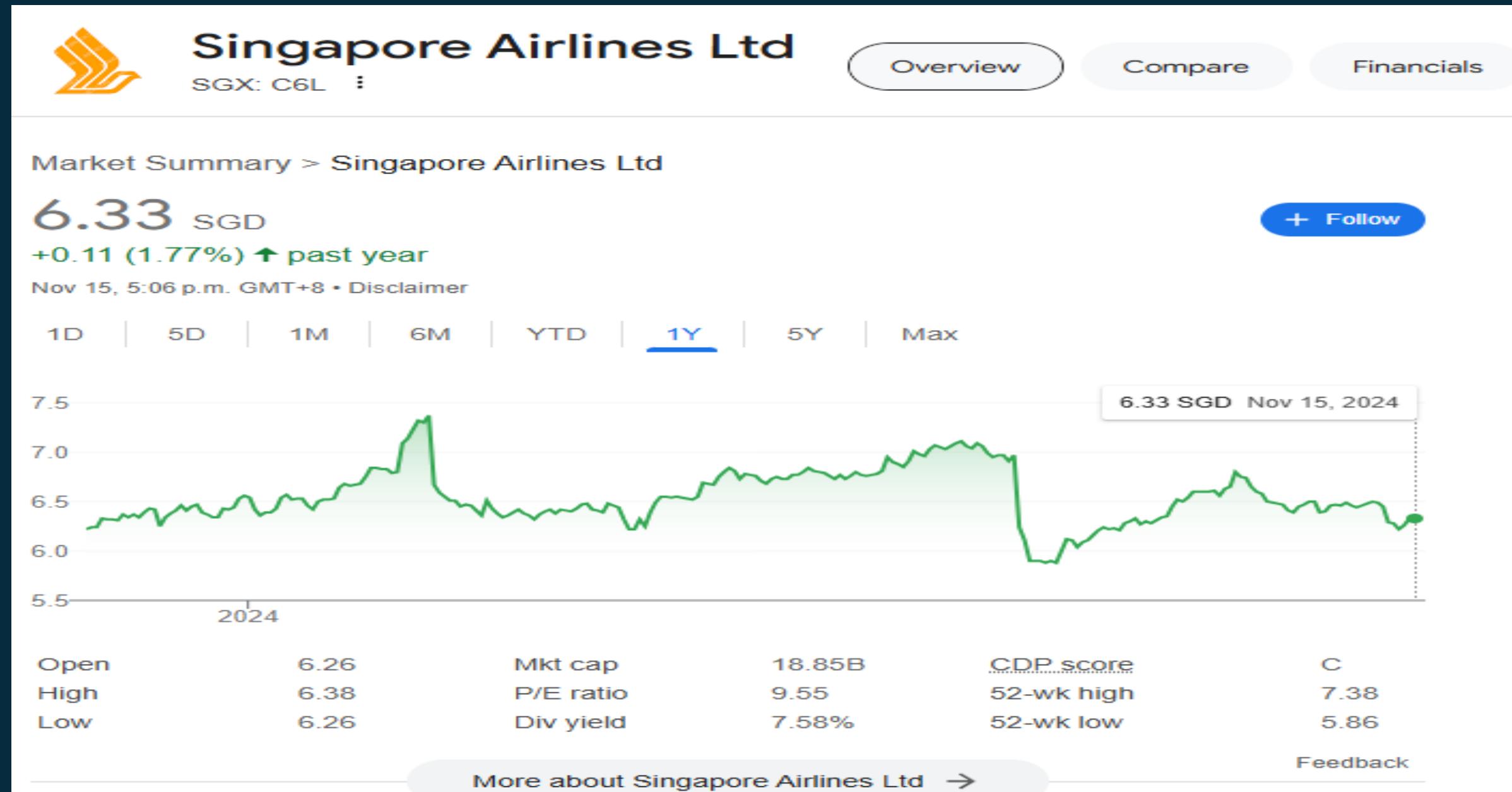


# ADR Stock Overview

**One ADR represents two ordinary shares of Singapore Airlines.**

DR Program Information	
Company name	Singapore Airlines Ltd.
Current Book Status	OPEN
CUSIP	82930C106 (Active)
Ratio (ORD:DRS)	2 : 1
DR Ticker	SINGY
ORD Ticker	SIA SP
DR ISIN	US82930C1062
ORD ISIN	SG1V61937297
Sedol	6811734
DR Type	ADR
Country	Singapore
Active Date	11/25/2008
Inactive Date	
GICS Industry	Travel & Leisure
Depository	(Unsponsored)
Unsponsored Depositories	BoNY, Citi, DB, JPM
Custodians	CITIBANK, N.A. SINGAPORE
Flags	
Product Milestones	
Comments	

# SGX Stock Overview (1 Year)



# SGX Stock Overview (5 Year)



# SGX Stock Overview (10 Year)



# Dividend Payout

SINGAPORE AIRLINES ANNUAL REPORT FY2023/24 **213**

FIVE-YEAR FINANCIAL SUMMARY OF THE GROUP

	2023/24	2022/23	2021/22	2020/21	2019/20
<b>PER SHARE DATA</b>					
Earnings/(Loss) - basic (cents)	<b>63.3</b>	35.6	(16.2)	(102.6)	(11.2)
Earnings/(Loss) - diluted (cents)	<b>61.4</b>	35.1	(16.2)	(102.6)	(11.3)
Cash earnings (\$) <sup>83</sup>	<b>1.15</b>	0.69	0.18	(0.04)	1.06
Net asset value (\$)	<b>5.49</b>	6.68	7.55	5.36	7.86
<b>SHARE PRICE (\$)</b> <sup>84</sup>					
High	<b>8.05</b>	6.02	5.78	5.75	9.98
Low	<b>5.69</b>	4.99	4.41	3.20	5.28
Closing	<b>6.40</b>	5.73	5.50	5.55	5.74
<b>DIVIDENDS</b>					
Gross dividends (cents per share)	<b>48.0</b>	38.0	—	—	8.0
Dividend cover (times)	<b>1.9</b>	1.9	—	—	(2.2)

# Dividend Payout

	1H FY24/25	1H FY23/24
<b>Earnings Per Share (cents)</b>		
- Basic <sup>R1</sup>	22.9	31.2
- Adjusted Basic <sup>R2</sup>	25.0	48.5
- Diluted <sup>R3</sup>	22.1	30.4
<b>EBITDA (\$'M) <sup>R4</sup></b>	2,288.4	3,009.6
<b>EBITDA margin (%) <sup>R5</sup></b>	24.1	32.8
<b>Dividend Per Share (cents)</b>		
- Interim	10.0	10.0

# Company Overview

# Company Profile

- Officially Incorporated in 1972
- First Listed on the Singapore Stock Exchange (SGX) in 1985
- Operates out of Singapore Changi Airport
- Engages in Passenger and cargo air transportation
- Part of the Star Alliance



# Company History

1947: Malaysian Airway Limited began services between Singapore and Malaysia

1950s: MAL's fleet grew and added more new planes while also expanding to six more routes

1960s: MAL fleet further increase with purchases from Boeing and began flying to other east asian countries like Japan

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1970s: MAL separated into two airlines: Malaysian Airline System and Singapore Airline

1980s: SIA purchased Airbus A310-200 and Boeing 757 as an operation moved from Paya Lebar to Changi Airport. Also marking their first commercial flight across the pacific

1990s: Singapore Airline continue to expand with flights going to South Africa and Changi also expanded with a 2nd terminal

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2000s: Singapore Airline launched historic non-stop flights from Singapore to New York with the A380

2010s: Singapore airline included A350 and increased flight route across the globe

2020s: Singapore launches the world longest flight at roughly around 18 hours and the first to only include a non-economy flight

# Major Shareholders

Ten Largest Shareholders (As At 30 September 2024)	Number Of Shares	Shareholding
1) NAPIER INVESTMENTS PTE. LTD	930,959,900	31.31%
2) TEMASEK HOLDINGS (PRIVATE) LTD	657,306,600	22.11%
3) CITIBANK NOMS SPORE PTE LTD	191,898,522	6.45%
4) DBS NOMINEES PTE LTD	131,482,992	4.42%
5) RAFFLES NOMINEES (PTE) LTD	85,172,798	2.86%
6) DBSN SERVICES PTE LTD	67,785,640	2.28%
7) HSBC (SINGAPORE) NOMINEES PTE LTD	56,947,805	1.92%
8) UNITED OVERSEAS BANK NOMINEES P L	44,613,149	1.50%
9) OCBC NOMINEES SINGAPORE PTE LTD	20,887,179	0.70%
10) PHILLIP SECURITIES PTE LTD	20,281,723	0.68%
<b>TOTAL</b>	<b>2,207,336,308</b>	<b>74.24%</b>

## Napier Investments:

- Capital Market Company
- Tembusu Capital Private Limited (Parent Company)

**Temasek Holdings:**

- a sovereign wealth fund (SWF)—a state-owned company—that manages an investment fund on behalf of the Government of Singapore.

# Network

## THE SIA GROUP PORTFOLIO

FIGURES AS AT 31 MARCH 2024

In FY2023/24, the SIA Group continued to grow its capacity and expanded its global network as it benefitted from the robust demand for air travel across all key markets.



**23,740,733**

passengers carried in FY2023/24

**142**

passenger aircraft in operating fleet

**73**

passenger destinations served



**12,702,498**

passengers carried in FY2023/24

**51**

aircraft in operating fleet

**67**

passenger destinations served

### THE SIA GROUP

**36,443,231**

passengers carried in FY2023/24

**118**

passenger destinations served<sup>2</sup>

**193**

passenger aircraft in operating fleet<sup>2</sup>

# Network



## Singapore Airlines:

- Full Service
- Long Haul Flights

## Scoot:

- Short-Long Haul Flights
- Low-Mid Cost Service



# Main Subsidiaries



**SIA Engineering: Services over 80 airlines worldwide, with nearby equipment-manufacturers enabling faster, cost-efficient turnarounds through joint ventures**



**Scoot: Scoot provides a safe, reliable and affordable travel experience with a unique attitude – Scootitude**

# Main Subsidiaries



**Singapore Airlines Cargo, a division within Singapore Airlines, operates a dedicated freighter fleet and complements it with bellyhold capacity on passenger flights operated by Singapore Airlines and Scoot. The company carries shipments to over 100 cities on our freighters and in the cargo hold of passenger aircraft operated by Singapore Airlines and Scoot**

# Age of Aircraft

AS AT 31 MARCH 2024	FLEET AGE (AVERAGE AGE)	AIRCRAFT IN OPERATING FLEET
 SINGAPORE AIRLINES	6 years   8 months	142
	7 years   1 month	51
 SINGAPORE AIRLINES CARGO	20 years   4 months	7
COMBINED TOTAL	7 years   3 months	200

# Subsidiaries

## 24 Subsidiary Companies (in \$ million) (continued)

### (a) Composition of the Group

The subsidiary companies are:

	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group 31 March	
			2024	2023
<b>SIA Engineering Company Limited<sup>(1)</sup> and its subsidiaries</b>	Engineering services	Singapore	<b>77.5</b>	77.5
NexGen Network (2) Holding Pte. Ltd. <sup>(1)</sup>	Investment holding	Singapore	<b>77.5</b>	77.5
SIAEC Global Private Limited <sup>(1)</sup>	Investment holding	Singapore	<b>77.5</b>	77.5
SIA Engineering (USA), Inc. <sup>(4)</sup>	Provide aircraft maintenance services, including technical and non-technical handling at the airport	United States of America	<b>77.5</b>	77.5
SIA Engineering Japan Corporation <sup>(4)</sup>	Provide aircraft maintenance services, including technical and non-technical handling at the airport	Japan	<b>77.5</b>	77.5
Singapore Aero Support Services Pte. Ltd. <sup>(1)</sup>	Maintenance, repair and overhaul of aircraft and cabin components/systems	Singapore	<b>77.5</b>	77.5
Heavy Maintenance Singapore Services Pte. Ltd. <sup>(1)</sup>	Inactive	Singapore	<b>77.5</b>	77.5
SIA Engineering (Philippines) Corporation <sup>(2)</sup>	Provide airframe maintenance component overhaul services	Philippines	<b>77.5</b>	77.5
Base Maintenance Malaysia Sdn. Bhd. <sup>(2)</sup>	Provide aircraft maintenance, repair and overhaul	Malaysia	<b>77.5</b>	–
Asia Pacific Aircraft Component Services Sdn. Bhd. <sup>(2)</sup>	Provide airframe maintenance component overhaul services	Malaysia	<b>58.1</b>	58.1
JADE Engineering Pte. Ltd. (Previously known as JAMCO Aero Design & Engineering Private Limited) <sup>(1)*</sup>	Provide turnkey solutions for aircraft interior modifications	Singapore	<b>42.6</b>	See note 25
Aerospace Component Engineering Services Pte. Limited <sup>(1)*</sup>	Repair and overhaul of hydro-mechanical equipment for Boeing and Airbus aircraft	Singapore	<b>39.5</b>	39.5
Additive Flight Solutions Pte. Ltd.	Additive manufacturing of aircraft cabin parts and tooling for the aerospace industry	Singapore	–	46.5
NexGen Network (1) Holding Pte. Ltd.	Investment holding	Singapore	–	77.5

# Subsidiaries

24 Subsidiary Companies (in \$ million) (continued)					
(a) Composition of the Group (continued)		Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group	
				31 March 2024	2023
<b>Scoot Holdings Pte. Ltd.</b> <small>(Previously known as Tiger Airways Holdings Pte. Ltd.)<sup>(1)</sup></small> <b>and its subsidiaries</b>		Investment holding	Singapore	<b>100.0</b>	100.0
Scoot Pte. Ltd. <sup>(1)</sup>		Air transportation	Singapore	<b>100.0</b>	100.0
Roar Aviation Pte. Ltd. <sup>(1)</sup>		Investment holding	Singapore	<b>100.0</b>	100.0
<b>Cargo Community Network Pte Ltd<sup>(1)</sup> and its subsidiary</b>		Providing and marketing of cargo community system	Singapore	<b>51.0</b>	51.0
Cargo Community (Shanghai) Co. Ltd. <sup>(3)+</sup>		Marketing and support of portal services for the air cargo industry	People's Republic of China	<b>51.0</b>	51.0
Budget Aviation Holdings Pte. Ltd. <sup>(1)</sup>		Investment holding	Singapore	<b>100.0</b>	100.0
Encounters Pte. Ltd. <sup>(1)</sup>		Travel booking and related services through an online portal	Singapore	<b>100.0</b>	100.0
Kris+ Pte. Ltd. <sup>(1)</sup>		Marketing, payment and related services	Singapore	<b>100.0</b>	100.0
SilkAir (Singapore) Private Limited <sup>(1)</sup>		Inactive	Singapore	<b>100.0</b>	100.0
Singapore Airlines Cargo Pte Ltd <sup>(1)</sup>		Inactive	Singapore	<b>100.0</b>	100.0
Singapore Aviation and General Insurance Company (Pte) Limited <sup>(1)</sup>		Aviation insurance	Singapore	<b>100.0</b>	100.0
Singapore Flying College Pte Ltd <sup>(1)</sup>		Training of pilots	Singapore	<b>100.0</b>	100.0
Sing-Bi Funds Private Limited <sup>(1)</sup>		Investment holding	Singapore	<b>100.0</b>	100.0
Tradewinds Tours & Travel Private Limited <sup>(1)</sup>		Inactive	Singapore	<b>100.0</b>	100.0
KrisShop Pte. Ltd. <sup>(1)</sup>		Travel-related retail operations	Singapore	<b>94.8</b>	70.0

<sup>(1)</sup> Audited by KPMG LLP, Singapore  
<sup>(2)</sup> Audited by member firms of KPMG International in the respective countries  
<sup>(3)</sup> Audited by Shanghai HDDY Certified Public Accountants Co., Ltd  
<sup>(4)</sup> Not required to be audited under the law in country of incorporation  
\* The company is considered a subsidiary of the Group by virtue of the management control over financial and operating policies of the company  
+ Financial year end 31 December

# SIA Engineering Company

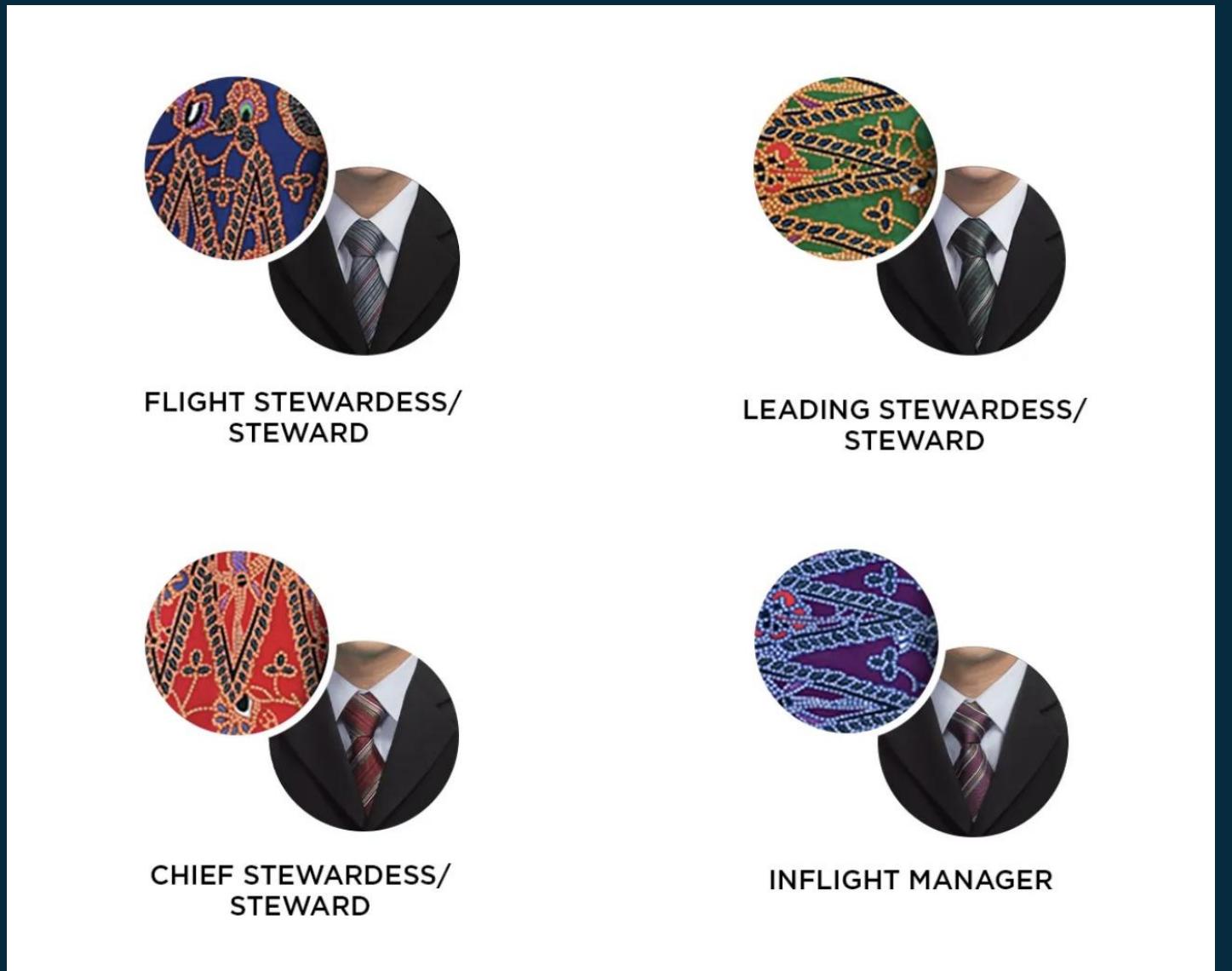
**Services the planes of more than 80 airlines from around the world.**

**Through its joint ventures, support from equipment-manufacturers is located just minutes from the hangars, so customers benefit from faster turnaround times at lower cost.**



# Singapore Girls

Signature Outfit: Sarong Kebaya



# Management Team

# Chairman

## Peter Seah Lim Huat

- **Appointed Chairman on 1 January 2017 and as Director on 1 September 2015.**
- **Chairman of DBS Bank Ltd, DBS Group Holdings Ltd and LaSalle College of the Arts Limited.**
- **Former Overseas Union Bank Vice-Chairman and Chief Executive Officer.**
- **Chief Executive Officer of Singapore Technologies Pte Ltd.**



# Director and Chief Executive Officer

## Goh Choon Phong

- Appointed Director on 1 October 2010 and as CEO on 1 January 2011
- joined Singapore Airlines Limited in 1990
- held senior management positions in various divisions in Singapore and overseas, ranging from Marketing to Information Technology to Finance and Cargo.
- Mr Goh is the Chairman of Budget Aviation Holdings Pte Ltd, which oversees SIA's low-cost subsidiary Scoot. He serves on the Boards of several organisations including SIA Engineering Company Limited, and Mastercard Incorporated



# Chief Commercial Officer

## Lee Lik Hsin

- **Responsible for the Cargo, Customer Experience, Marketing Planning, and Sales and Marketing divisions, as well as the sales regions**
- **Prior to this, he was the Chief Executive Officer (CEO) of Scoot. He was appointed as CEO of Tigerair in 2014, and in 2016 led the merger of the airline with Scoot**
- **Holds a Bachelor of Science in Economics (Summa Cum Laude) from the University of Pennsylvania in the USA.**



# Chief Operations Officer

## Tan Kai Ping

- **Responsible for SIA's Cabin Crew, Customer Services and Operations, Engineering, and Flight Operations divisions**
- **Joined Singapore Airlines in 1995 as a Cadet Administrative Officer, and held various positions in SIA**
- **Holds a Master of Engineering in Electrical and Electronic Engineering with Management from Imperial College London.**



# Chief Financial Officer

## Jo-Ann Tan

- Oversees the Finance Division, which include the accounting, taxation, financial reporting, risk management, insurance, and investor relations functions.
- Ms Tan joined Singapore Airlines in 1999 and started her career in the Passenger Marketing and E-Commerce Development departments.
- Ms Tan graduated from Imperial College in the United Kingdom with a Master of Engineering.



# Statistical Highlights

# Financial Review (1H FY 24/25)

## Group Financial Results

### Key Highlights

Operating profit of \$795.6 million for 1H FY24/25, 48.8% lower than a year ago

**Revenue**  
**9,497 million**

**+3.7% YoY**

**Expenditure**  
**8,702 million**

**+14.4% YoY**

**Pax Flown Revenue**  
**7,668 million**

**+1.6% YoY**

**Cargo Revenue**  
**1,102 million**

**+3.9% YoY**

**Net Fuel Costs**  
**2,730 million**

**+19.6% YoY**

**Non-Fuel Costs**  
**5,972 million**

**+12.1% YoY**

Net profit of \$742.0 million, down 48.5% YoY

Interim dividend maintained at 10.0 cents per share, to be paid on 11 December 2024

# Financial Review (1H FY 24/25)

Group Financial Results	1 <sup>st</sup> Half	1 <sup>st</sup> Half	Better/ (Worse)	2 <sup>nd</sup> Quarter	2 <sup>nd</sup> Quarter	Better/ (Worse)
	FY2024/25	FY2023/24		FY2024/25	FY2023/24	
<b>Total Revenue</b>	<b>9,497</b>	<b>9,162</b>	<b>3.7</b>	<b>4,779</b>	<b>4,683</b>	<b>2.0</b>
<b>Total Expenditure</b>	<b>8,702</b>	<b>7,609</b>	<b>(14.4)</b>	<b>4,454</b>	<b>3,884</b>	<b>(14.7)</b>
Net Fuel Cost	2,730	2,283	(19.6)	1,360	1,230	(10.6)
<i>Fuel Cost (before hedging)</i>	2,798	2,527	(10.7)	1,379	1,373	(0.4)
<i>Fuel Hedging Gain</i>	(68)	(244)	(72.1)	(19)	(143)	(86.7)
Non-fuel Expenditure	5,972	5,326	(12.1)	3,094	2,654	(16.6)
<b>Operating Profit</b>	<b>796</b>	<b>1,554</b>	<b>(48.8)</b>	<b>325</b>	<b>799</b>	<b>(59.3)</b>
<b>Net Profit</b>	<b>742</b>	<b>1,441</b>	<b>(48.5)</b>	<b>290</b>	<b>707</b>	<b>(59.0)</b>

# Financial Review

## Operating Results for the Main Companies of the Group

	1H FY24/25 (\$'M)	1H FY23/24 (\$'M)	Better/ (Worse) (\$'M)	Better/ (Worse) (%)	Q2 FY24/25 (\$'M)	Q2 FY23/24 (\$'M)	Better/ (Worse) (\$'M)	Better/ (Worse) (%)
 <b>Full-service carrier</b>	<b>785.9</b>	<b>1,512.2</b>	<b>(726.3)</b>	<b>(48.0)</b>	<b>317.5</b>	<b>774.7</b>	<b>(457.2)</b>	<b>(59.0)</b>
 <b>Low-cost carrier</b>	<b>6.8</b>	<b>58.2</b>	<b>(51.4)</b>	<b>(88.3)</b>	<b>4.2</b>	<b>34.5</b>	<b>(30.3)</b>	<b>(87.8)</b>
 <b>SIAEC Group</b>	<b>3.4</b>	<b>0.1</b>	<b>3.3</b>	<b>n.m.</b>	<b>2.4</b>	<b>(0.3)</b>	<b>2.7</b>	<b>n.m.</b>

# Financial Review

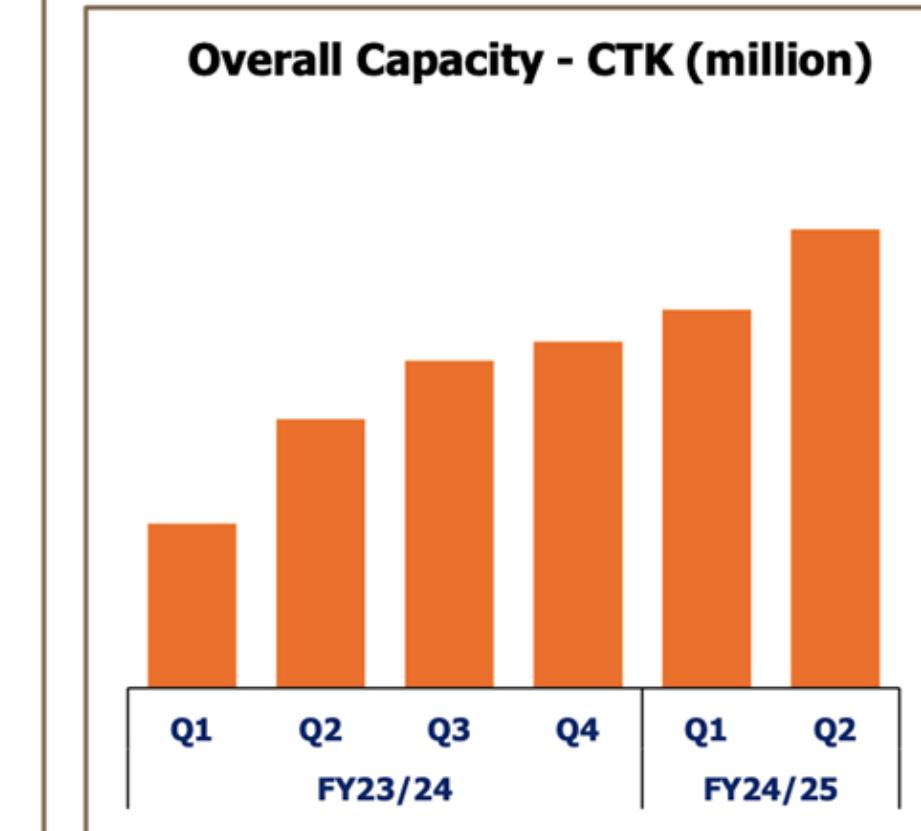
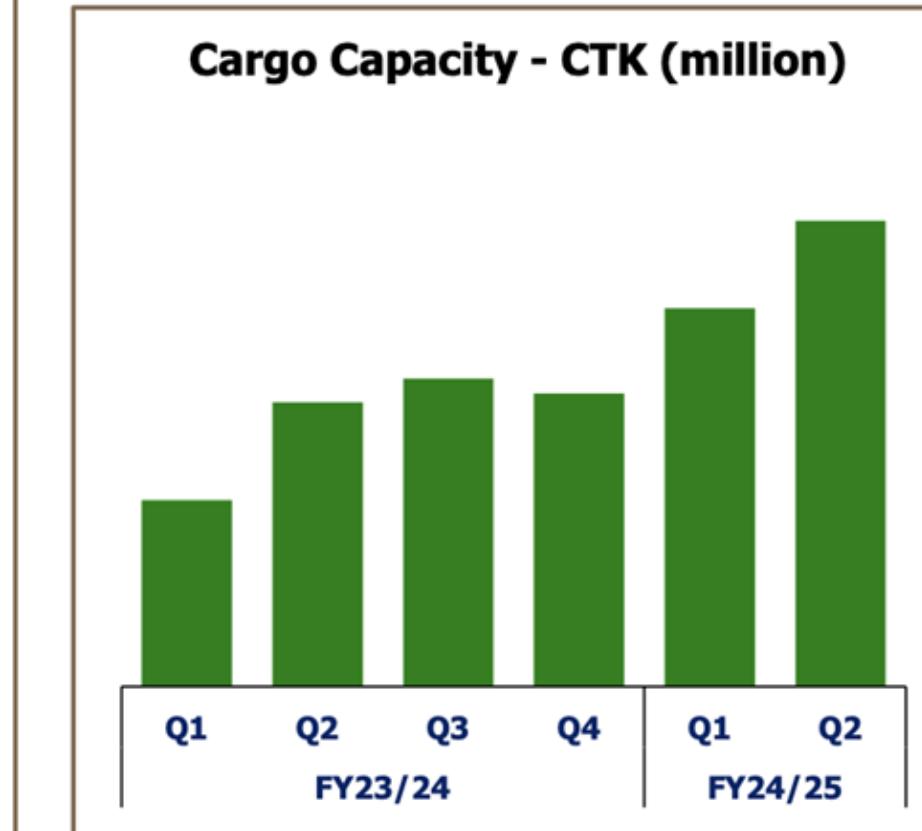
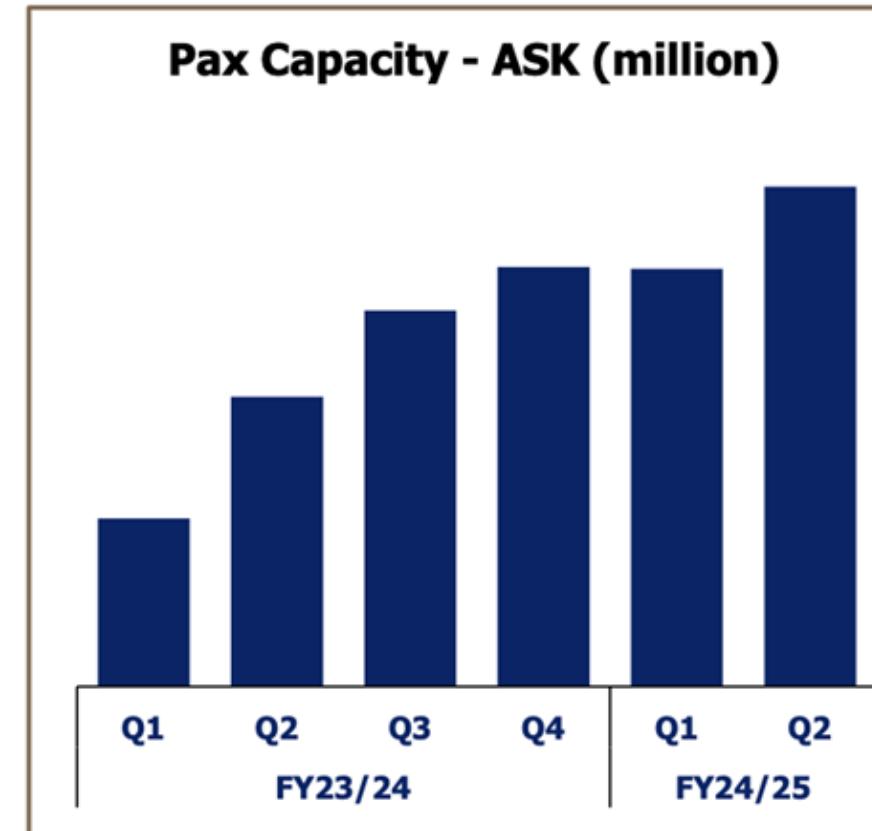
## Group Operating Statistics

1H FY24/25: Overall capacity up 10.6% YoY, with passenger capacity up 11.0% and cargo capacity up 10.2%

**ASK**  
 **1H (YoY)**  
**+11.0%**  
**Q2 (YoY)**  
**+9.7%**

**CTK**  
 **1H (YoY)**  
**+10.2%**  
**Q2 (YoY)**  
**+9.6%**

**Overall CTK**  
 **1H (YoY)**  
**+10.6%**  
**Q2 (YoY)**  
**+9.7%**



ASK = Available Seat Kilometer

CTK = Cargo Tonne Kilometer

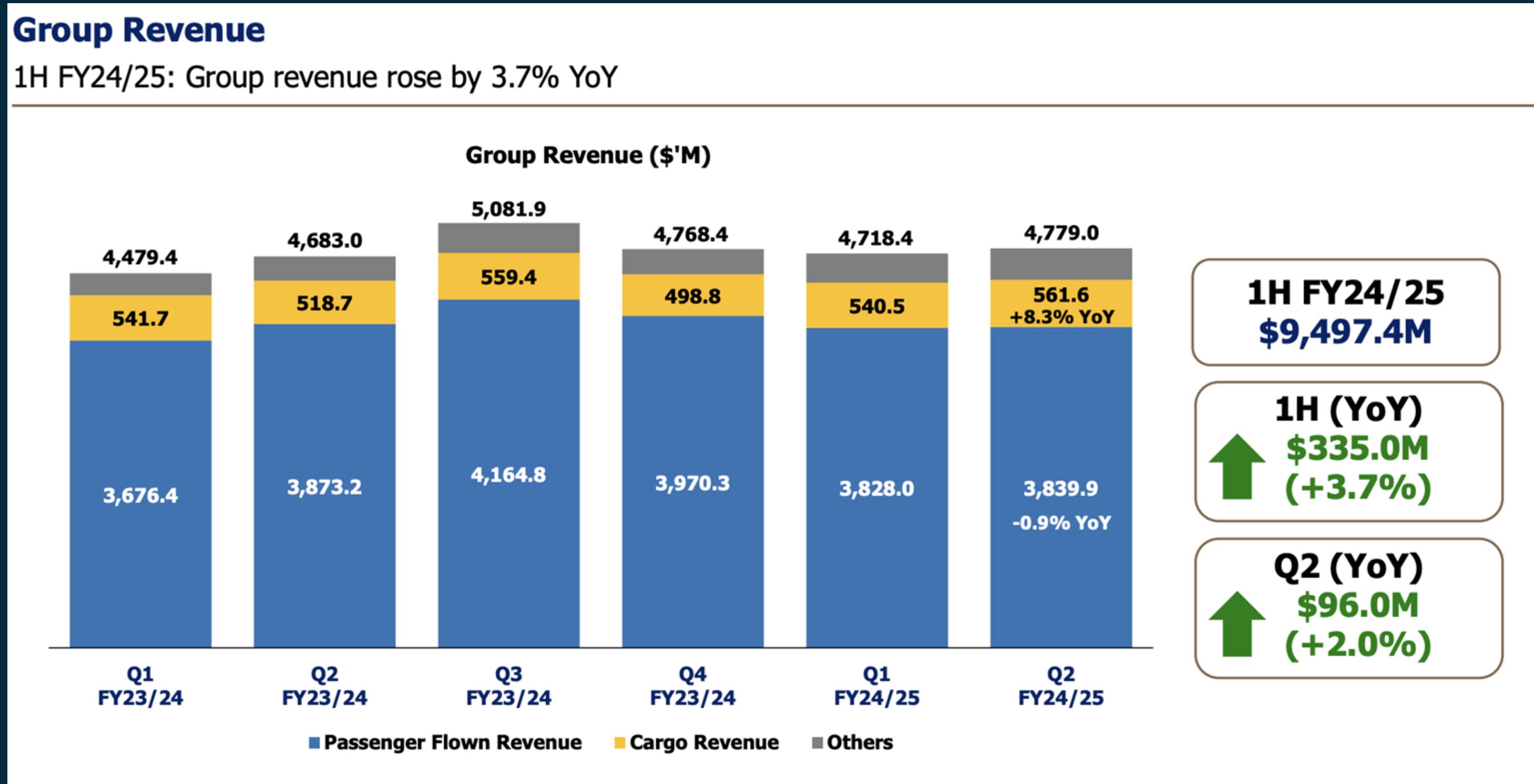
# Financial Review

Group Financial Results									
	1H FY24/25 (\$'M)	1H FY23/24 (\$'M)	Better/ (Worse) (\$'M)	Better/ (Worse) (%)	Q2 FY24/25 (\$'M)	Q2 FY23/24 (\$'M)	Better/ (Worse) (\$'M)	Better/ (Worse) (%)	
<b>Total Revenue</b>	<b>9,497.4</b>	<b>9,162.4</b>	<b>335.0</b>	<b>3.7</b>	<b>4,779.0</b>	<b>4,683.0</b>	<b>96.0</b>	<b>2.0</b>	
<b>Total Expenditure</b>	<b>8,701.8</b>	<b>7,608.6</b>	<b>(1,093.2)</b>	<b>(14.4)</b>	<b>4,453.6</b>	<b>3,883.7</b>	<b>(569.9)</b>	<b>(14.7)</b>	
-- Net Fuel Cost	2,729.9	2,283.1	(446.8)	(19.6)	1,359.6	1,229.7	(129.9)	(10.6)	
<i>Fuel Cost (before hedging)</i>	2,797.8	2,527.3	(270.5)	(10.7)	1,378.7	1,373.1	(5.6)	(0.4)	
<i>Fuel Hedging Gain</i>	(67.9)	(244.2)	(176.3)	(72.2)	(19.1)	(143.4)	(124.3)	(86.7)	
-- Non-fuel Expenditure	5,971.9	5,325.5	(646.4)	(12.1)	3,094.0	2,654.0	(440.0)	(16.6)	
<b>Operating Profit</b>	<b>795.6</b>	<b>1,553.8</b>	<b>(758.2)</b>	<b>(48.8)</b>	<b>325.4</b>	<b>799.3</b>	<b>(473.9)</b>	<b>(59.3)</b>	
<b>Net Profit</b>	<b>742.0</b>	<b>1,441.1</b>	<b>(699.1)</b>	<b>(48.5)</b>	<b>290.3</b>	<b>707.1</b>	<b>(416.8)</b>	<b>(58.9)</b>	

# Financial Review

## Group Revenue

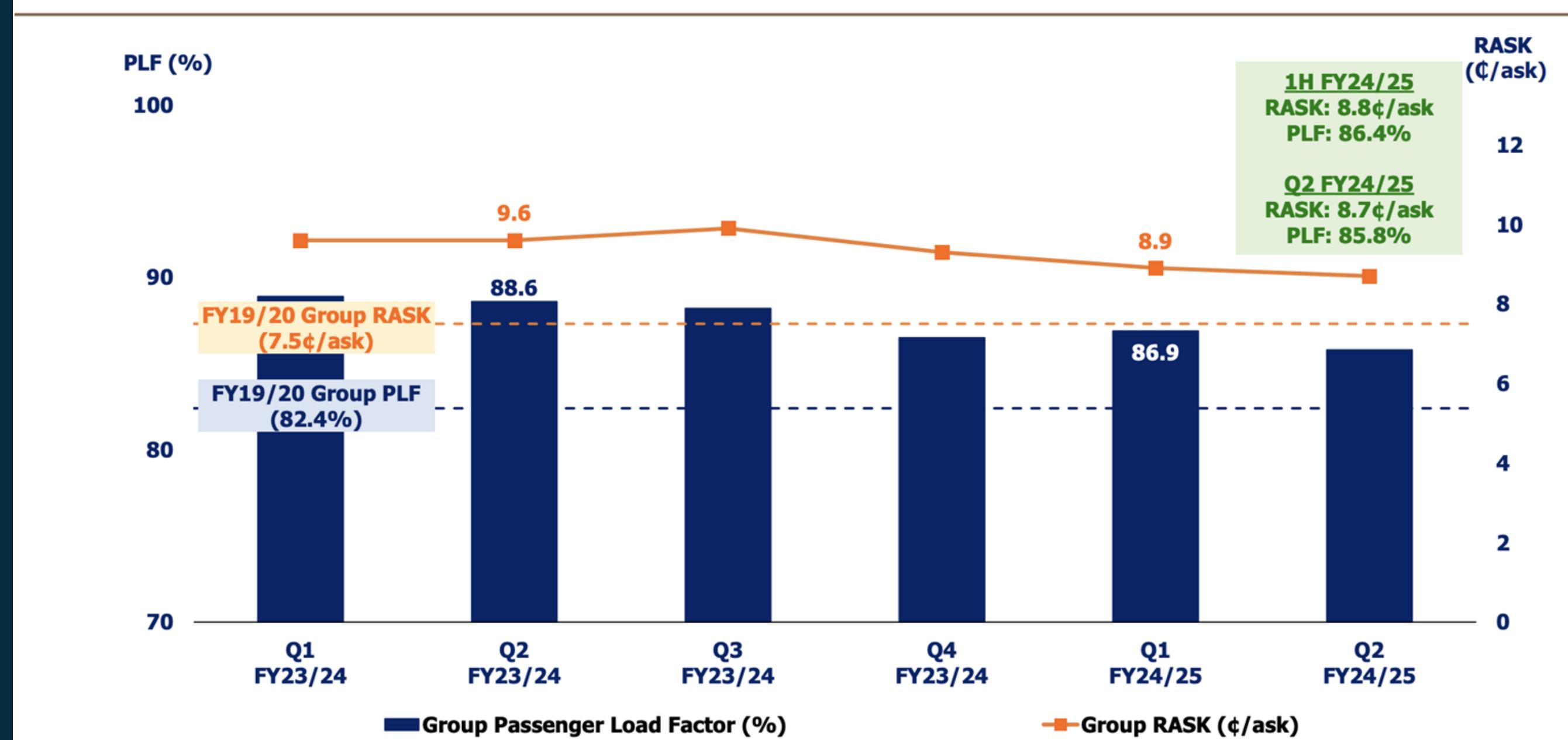
1H FY24/25: Group revenue rose by 3.7% YoY



# Financial Review

## Group Operating Statistics - Passenger

Demand for air travel remained healthy but unit revenue was lower than last year



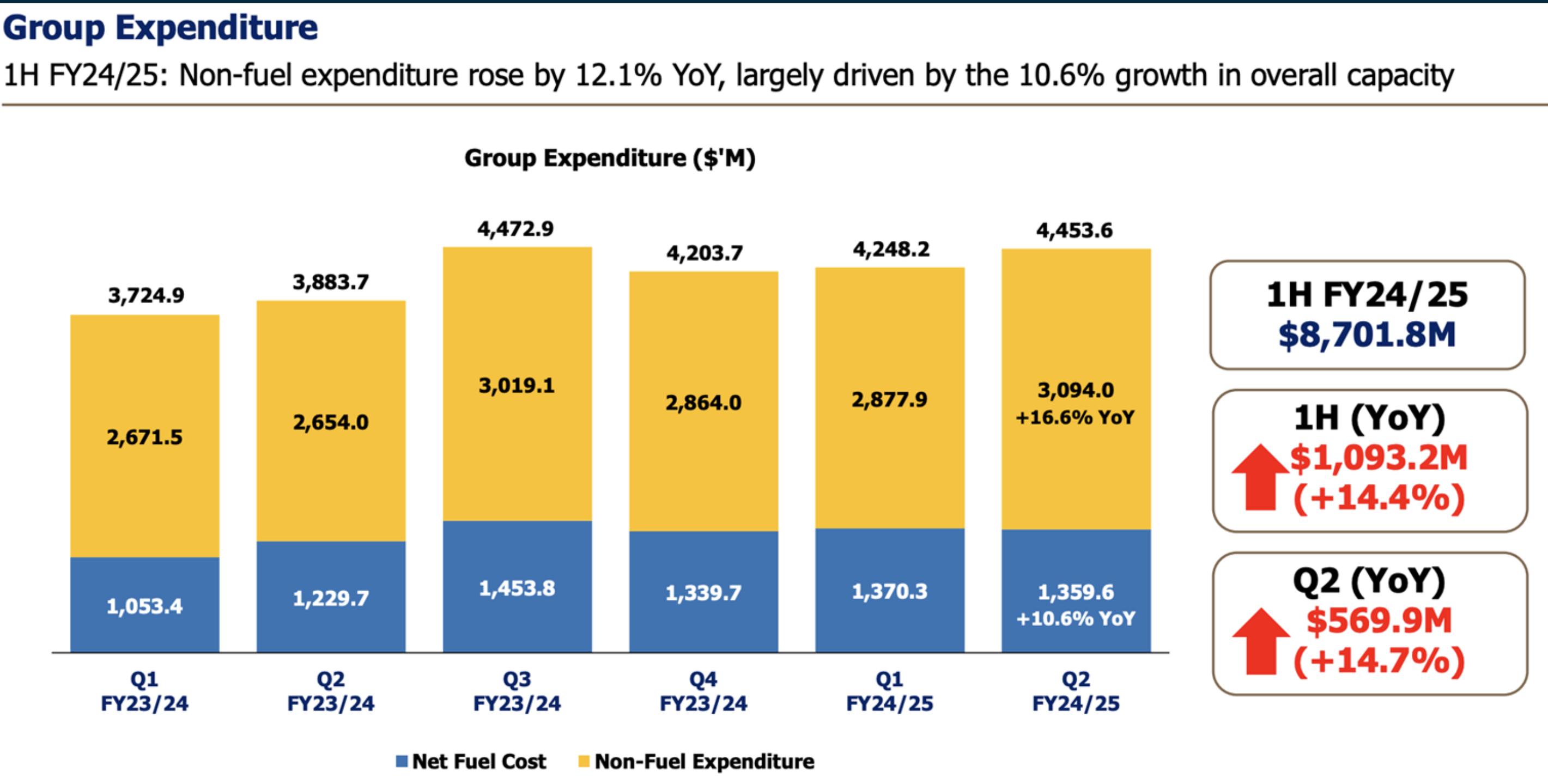
RASK = Revenue per Available Seat Kilometer  
ASK = Available Seat Kilometer

PLF = Passenger Load Factor (Efficiency)

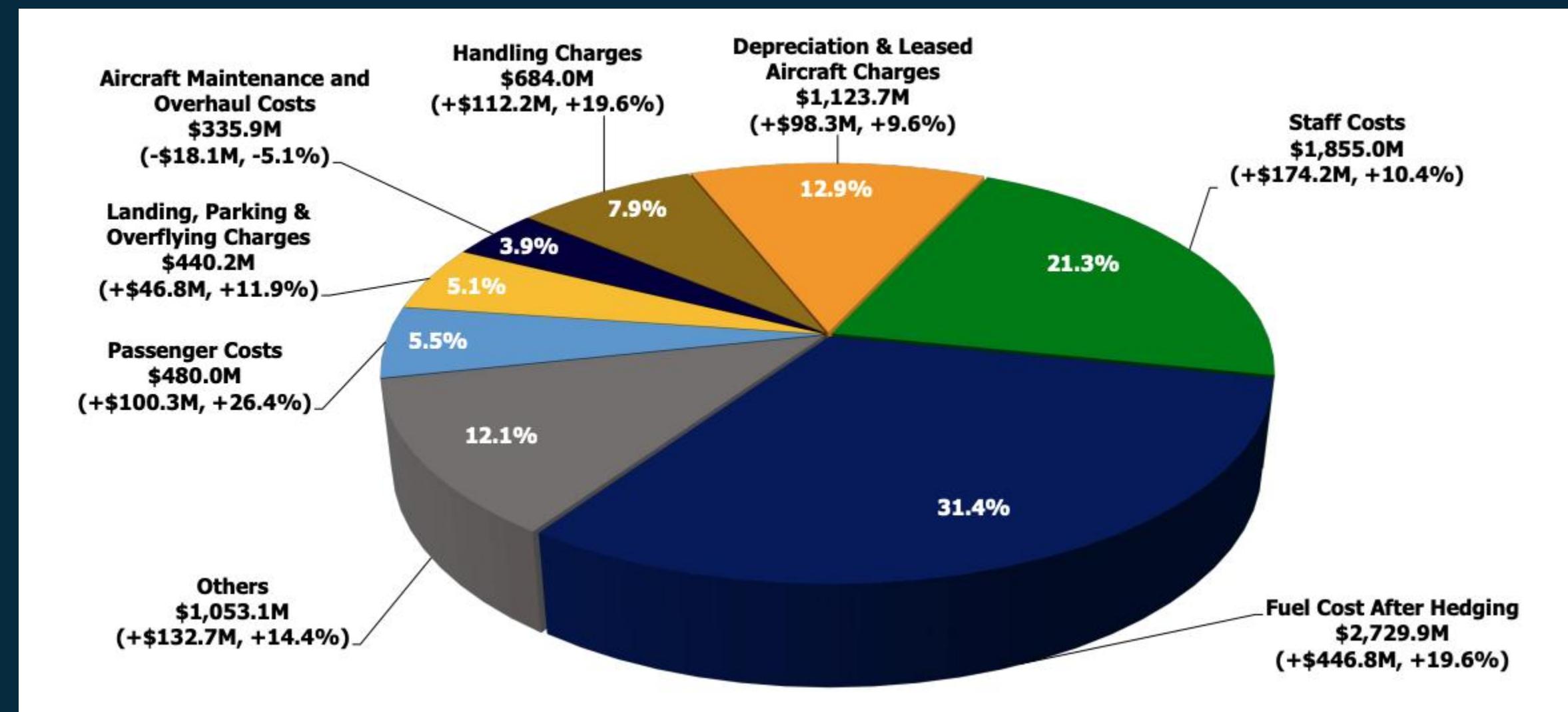
# Financial Review

## Group Expenditure

1H FY24/25: Non-fuel expenditure rose by 12.1% YoY, largely driven by the 10.6% growth in overall capacity



# SIA Group Expenditures



# Operating Statistics - 1H FY 24/25

## OPERATING STATISTICS

	1 <sup>st</sup> Half 2024/25	1 <sup>st</sup> Half 2023/24	Change %	2 <sup>nd</sup> Quarter 2024/25	2 <sup>nd</sup> Quarter 2023/24	Change %
<b>Singapore Airlines</b>						
Passengers carried (thousand)	12,877	11,177	+ 15.2	6,432	5,701	+ 12.8
Revenue passenger-km (million)	58,835.1	53,070.6	+ 10.9	29,810.2	27,137.9	+ 9.8
Available seat-km (million)	68,625.8	60,317.8	+ 13.8	35,018.4	30,891.1	+ 13.4
Passenger load factor (%)	85.7	88.0	- 2.3 pts	85.1	87.9	- 2.8 pts
Passenger yield (cents/pkm)	11.2	12.1	- 7.4	11.1	12.2	- 9.0
Revenue per available seat-km (cents/ask)	9.6	10.7	- 10.3	9.5	10.7	- 11.2
Passenger unit cost (cents/ask)	9.1	8.8	+ 3.4	9.0	9.1	- 1.1
Passenger unit cost ex-fuel (cents/ask)	5.9	5.8	+ 1.7	5.9	6.0	- 1.7
Passenger breakeven load factor (%)	81.3	72.7	+ 8.6 pts	81.1	74.6	+ 6.5 pts
<b>Scoot</b>						
Passengers carried (thousand)	6,356	6,175	+ 2.9	3,198	3,215	- 0.5
Revenue passenger-km (million)	16,445.1	16,669.2	- 1.3	8,249.5	8,669.4	- 4.8
Available seat-km (million)	18,552.7	18,253.3	+ 1.6	9,340.2	9,529.8	- 2.0
Passenger load factor (%)	88.6	91.3	- 2.7 pts	88.3	91.0	- 2.7 pts
Passenger yield (cents/pkm)	6.4	6.7	- 4.5	6.4	6.7	- 4.5
Revenue per available seat-km (cents/ask)	5.7	6.2	- 8.1	5.7	6.1	- 6.6
Passenger unit cost (cents/ask)	6.0	6.0	-	5.9	6.0	- 1.7
Passenger unit cost ex-fuel (cents/ask)	3.9	4.1	- 4.9	3.9	4.1	- 4.9
Passenger breakeven load factor (%)	93.8	89.6	+ 4.2 pts	92.2	89.6	+ 2.6 pts
<b>Group Airlines (Passenger)</b>						
Passengers carried (thousand)	19,233	17,352	+ 10.8	9,630	8,916	+ 8.0
Revenue passenger-km (million)	75,280.2	69,739.8	+ 7.9	38,059.7	35,807.3	+ 6.3
Available seat-km (million)	87,178.5	78,571.1	+ 11.0	44,358.6	40,420.9	+ 9.7
Passenger load factor (%)	86.4	88.8	- 2.4 pts	85.8	88.6	- 2.8 pts
Passenger yield (cents/pkm)	10.2	10.8	- 5.6	10.1	10.8	- 6.5
Revenue per available seat-km (cents/ask)	8.8	9.6	- 8.3	8.7	9.6	- 9.4
<b>Group Airlines (Cargo)</b>						
Cargo and mail carried (million kg)	553.4	449.9	+ 23.0	279.6	235.8	+ 18.6
Cargo load (million tonne-km)	3,046.6	2,539.4	+ 20.0	1,549.3	1,323.9	+ 17.0
Gross capacity (million tonne-km)	5,306.5	4,816.9	+ 10.2	2,710.5	2,472.6	+ 9.6
Cargo load factor (%)	57.4	52.7	+ 4.7 pts	57.2	53.5	+ 3.7 pts
Cargo yield (cents/ltk)	36.2	41.8	- 13.4	36.2	39.2	- 7.7
Cargo unit cost (cents/ctk)	20.5	20.4	+ 0.5	20.9	20.9	-
Cargo breakeven load factor (%)	56.6	48.8	+ 7.8 pts	57.7	53.3	+ 4.4 pts

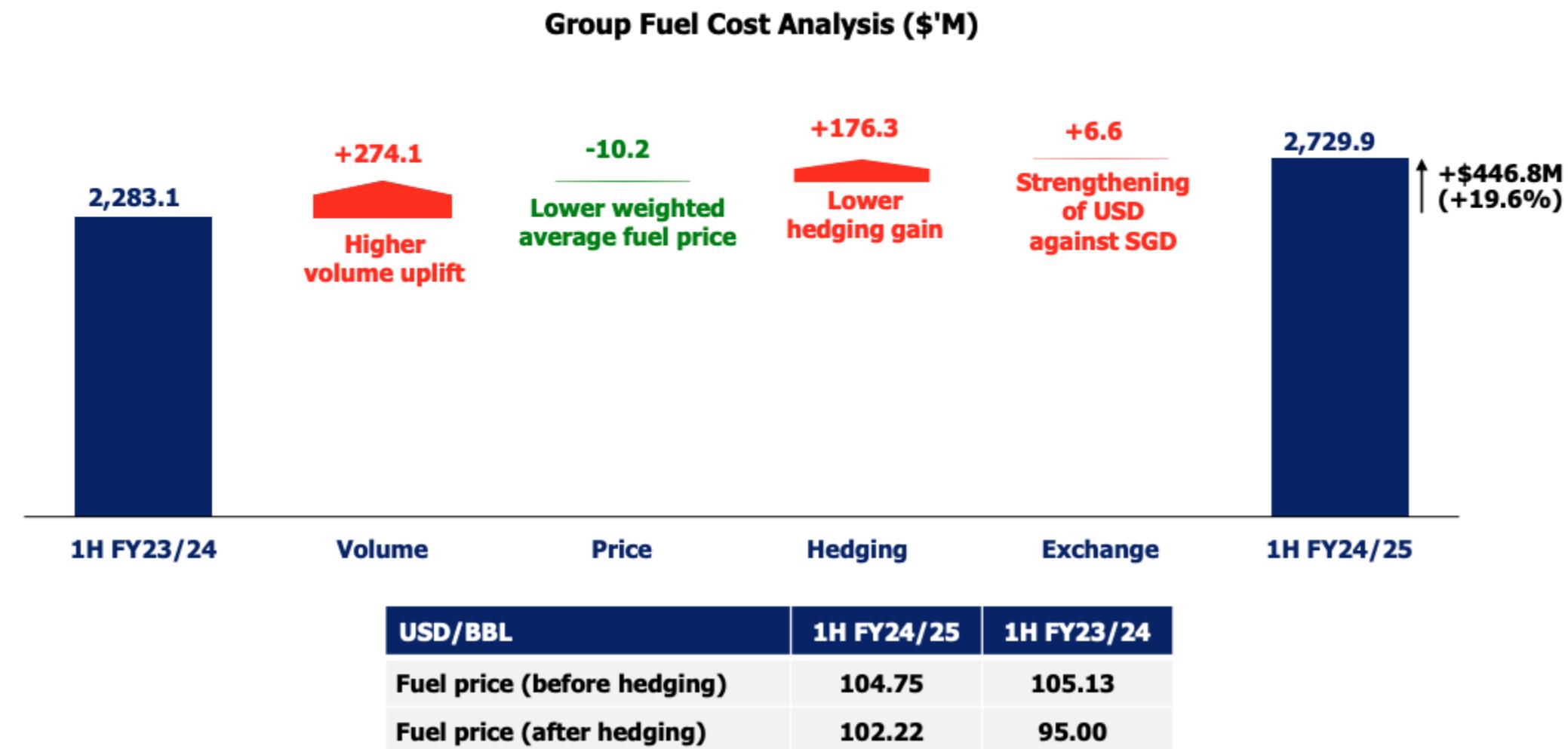
# Operating Statistics - FY 23/24

OPERATING STATISTICS							
	2023/24	2022/23	Change %	2 <sup>nd</sup> Half 2023/24	2 <sup>nd</sup> Half 2022/23	Change %	
<b>Singapore Airlines</b>							
Passengers carried (thousand)	23,741	18,155	+ 30.8	12,564	9,926	+ 26.6	
Revenue passenger-km (million)	109,942.9	91,025.2	+ 20.8	56,872.3	49,005.7	+ 16.1	
Available seat-km (million)	126,240.5	106,099.3	+ 19.0	65,922.7	56,449.6	+ 16.8	
Passenger load factor (%)	87.1	85.8	+ 1.3 pts	86.3	86.8	- 0.5 pts	
Passenger yield (cents/pkm)	12.1	12.7	- 4.7	12.2	12.7	- 3.9	
Revenue per available seat-km (cents/ask)	10.6	10.9	- 2.8	10.5	11.1	- 5.4	
Passenger unit cost (cents/ask)	9.0	9.8	- 8.2	9.2	9.5	- 3.2	
Passenger unit cost ex-fuel (cents/ask)	5.8	6.0	- 3.3	5.8	6.1	- 4.9	
Passenger breakeven load factor (%)	74.4	77.2	- 2.8 pts	75.4	74.8	+ 0.6 pts	
<b>Scoot</b>							
Passengers carried (thousand)	12,702	8,331	+ 52.5	6,527	5,163	+ 26.4	
Revenue passenger-km (million)	33,946.7	22,602.9	+ 50.2	17,277.5	14,073.8	+ 22.8	
Available seat-km (million)	37,227.4	26,932.6	+ 38.2	18,974.1	15,687.3	+ 21.0	
Passenger load factor (%)	91.2	83.9	+ 7.3 pts	91.1	89.7	+ 1.4 pts	
Passenger yield (cents/pkm)	6.9	8.2	- 15.9	7.1	8.2	- 13.4	
Revenue per available seat-km (cents/ask)	6.3	6.9	- 8.7	6.5	7.3	- 11.0	
Passenger unit cost (cents/ask)	6.2	6.5	- 4.6	6.4	6.5	- 1.5	
Passenger unit cost ex-fuel (cents/ask)	4.2	4.4	- 4.5	4.3	4.5	- 4.4	
Passenger breakeven load factor (%)	89.9	79.3	+ 10.6 pts	90.1	79.3	+ 10.8 pts	
<b>Group Airlines (Passenger)</b>							
Passengers carried (thousand)	36,443	26,486	+ 37.6	19,091	15,089	+ 26.5	
Revenue passenger-km (million)	143,889.6	113,628.1	+ 26.6	74,149.8	63,079.5	+ 17.5	
Available seat-km (million)	163,467.9	133,031.9	+ 22.9	84,896.8	72,136.9	+ 17.7	
Passenger load factor (%)	88.0	85.4	+ 2.6 pts	87.3	87.4	- 0.1 pts	
Passenger yield (cents/pkm)	10.9	11.8	- 7.6	11.0	11.7	- 6.0	
Revenue per available seat-km (cents/ask)	9.6	10.0	- 4.0	9.6	10.2	- 5.9	
<b>Group Airlines (Cargo)</b>							
Cargo and mail carried (million kg)	952.4	923.0	+ 3.2	502.5	448.5	+ 12.0	
Cargo load (million tonne-km)	5,347.9	5,260.8	+ 1.7	2,808.5	2,560.1	+ 9.7	
Gross capacity (million tonne-km)	9,804.8	9,165.4	+ 7.0	4,987.9	4,742.0	+ 5.2	
Cargo load factor (%)	54.5	57.4	- 2.9 pts	56.3	54.0	+ 2.3 pts	
Cargo yield (cents/ltk)	39.6	68.5	- 42.2	37.7	58.8	- 35.9	
Cargo unit cost (cents/ctk)	21.1	24.9	- 15.3	21.7	23.2	- 6.5	
Cargo breakeven load factor (%)	53.3	36.4	+ 16.9 pts	57.6	39.5	+ 18.1 pts	
<b>Employee Productivity (Average) – Singapore Airlines</b>							
Average number of employees	2023/24	2022/23	Change %				
	16,643	14,803	+ 12.4				
Capacity per employee (tonne-km)	1,368,511	1,357,217	+ 0.8				
Revenue per employee (\$)	972,006	1,053,172	- 7.7				
Value added per employee (\$)	471,471	481,159	- 2.0				
<b>Employee Productivity (Average) – Group</b>							
Average number of employees	25,619	22,819	+ 12.3				
Revenue per employee (\$)	742,133	778,947	- 4.7				
Value added per employee (\$)	359,959	357,360	+ 0.7				

# Fuel Hedging

## Net Fuel Cost and Fuel Hedging

Net fuel cost rose 19.6% YoY on the back of higher volume uplifted and lower hedging gain



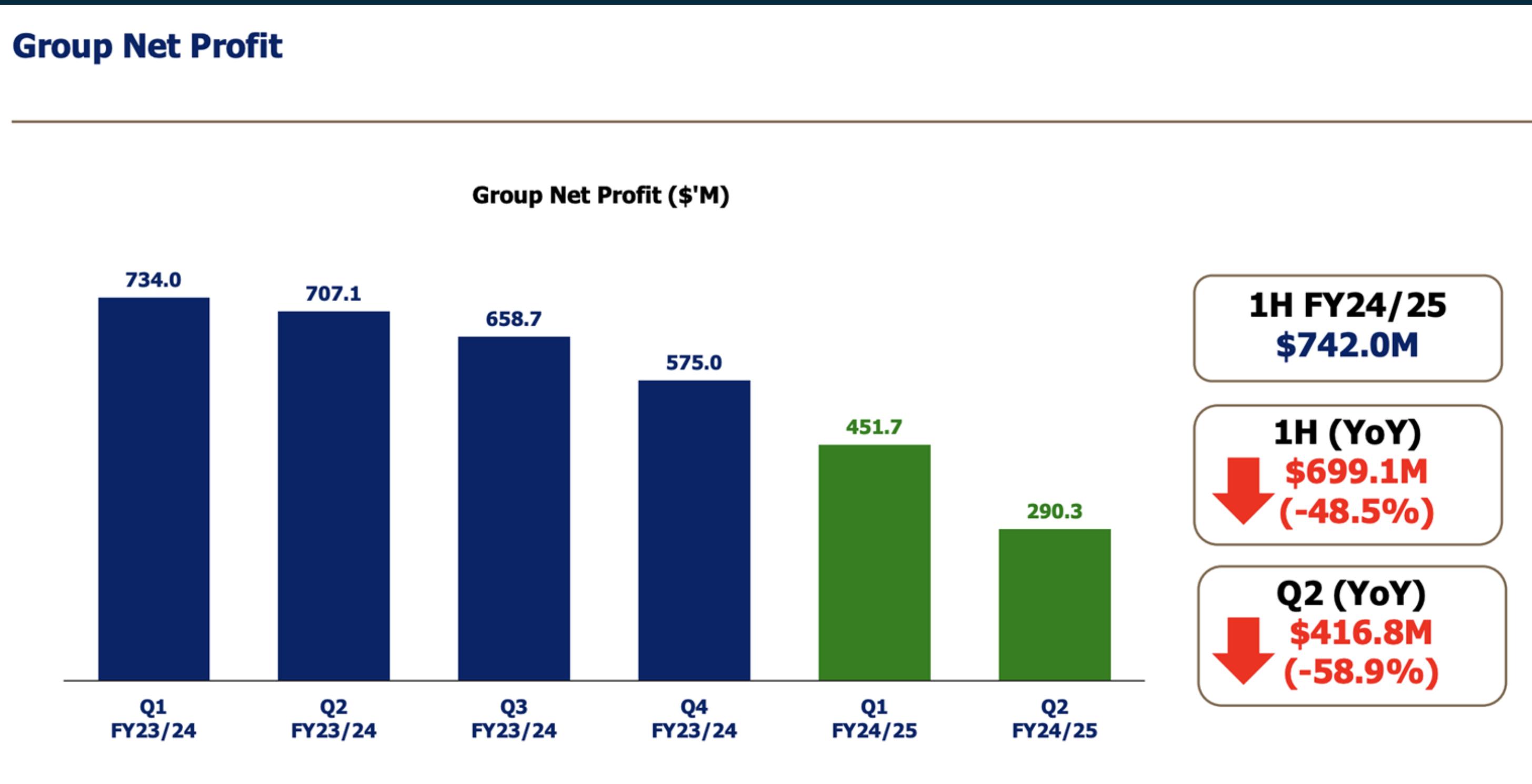
# Fuel Hedging

## Fuel Hedging Status

Hedges in place up to Q4 FY25/26, with additional gains locked in from closed-out trades

Fuel Hedging Position (as of 17 October 2024)		Percentage Hedged (%)		Average Hedged Price (USD/BBL)	
		Brent	MOPS	Brent	MOPS
FY24/25	Q3	-	50	-	92
	Q4	-	46	-	92
FY25/26	Q1	4	32	74	91
	Q2	4	23	75	91
	Q3	11	7	76	92
	Q4	5	3	74	94
		Gains from Closed-out Trades (USD'M)			
Q3 FY24/25		11.0			
Q4 FY24/25		5.4			

# Financial Review



# Other Initiatives



**Singapore Airlines And Tata Sons to merge Air India and Vistara, creating India's leading airline group (25.1% equity interest in enlarged Air India)**



**Singapore Airlines (SIA) will spend S\$1.1 billion (US\$835 million) to retrofit the cabins of its long-range Airbus A350-900 planes, as competition toughens.**

# Key Points

- Increased capacity and stronger competition in key markets led to yield moderation, resulting in lower operating profit
- Operational efficiency initiatives helped to keep non-fuel costs in line with the Group's capacity growth, despite general price inflation
- Group continues to strengthen its foundations with strategic initiatives including the Air India-Vistara merger and S\$1.1 billion A350-900 retrofit programme

# Financial Statements

# Condensed Statement of Financial Position - 1H FY24/25

CONDENSED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024 (in \$ million)					
	Note	The Group 30 September 2024	The Group 31 March 2024	The Company 30 September 2024	The Company 31 March 2024
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>					
Share capital	9	7,180.9	7,180.4	7,180.9	7,180.4
Mandatory convertible bonds		-	1,547.5	-	1,547.5
Treasury shares	10	(26.5)	(37.5)	(26.5)	(37.5)
Other reserves		6,560.7	7,647.5	7,941.8	8,779.5
		13,715.1	16,337.9	15,096.2	17,469.9
		398.2	406.7	-	-
<b>TOTAL EQUITY</b>		14,113.3	16,744.6	15,096.2	17,469.9
<b>DEFERRED ACCOUNT</b>		66.5	15.0	66.5	15.0
<b>DEFERRED TAXATION</b>		1,901.6	1,802.9	1,951.0	1,853.2
<b>LONG-TERM LEASE LIABILITIES</b>		2,813.9	3,182.2	1,817.7	2,096.1
<b>BORROWINGS</b>	11	8,356.7	8,737.4	8,220.7	8,578.0
<b>OTHER LONG-TERM LIABILITIES</b>		214.6	110.4	214.6	110.4
<b>PROVISIONS</b>		826.3	915.8	436.7	468.8
<b>DEFINED BENEFIT PLANS</b>		73.8	84.7	73.8	84.7
		28,366.7	31,593.0	27,877.2	30,676.1
Represented by:-					
<b>PROPERTY, PLANT AND EQUIPMENT</b>	12	23,271.4	23,435.8	20,351.1	20,632.2
<b>RIGHT-OF-USE ASSETS</b>	13	3,217.3	3,371.0	2,000.0	2,132.9
<b>INTANGIBLE ASSETS</b>		325.8	304.5	267.4	254.7
<b>SUBSIDIARY COMPANIES</b>	14	-	-	5,682.4	5,649.6
<b>ASSOCIATED COMPANIES</b>	15	801.0	780.5	540.0	540.0
<b>JOINT VENTURE COMPANIES</b>		307.9	297.1	32.3	32.3
<b>LONG-TERM INVESTMENTS</b>		39.5	38.9	36.2	36.2
<b>OTHER LONG-TERM ASSETS</b>		332.1	395.2	280.1	341.0
<b>CURRENT ASSETS</b>		229.6	769.2	228.5	766.7
Derivative assets		312.6	268.0	241.0	196.5
Inventories		1,208.5	1,388.7	1,007.9	1,167.0
Trade debtors		-	-	45.6	12.8
Amounts owing by subsidiary companies		311.2	382.2	186.2	232.5
Deposits and other debtors		143.6	153.9	100.9	115.9
Prepayments		886.1	890.7	886.1	890.7
Other short-term assets		511.8	519.7	455.8	464.5
Investments		10.4	12.8	-	-
Restricted cash balances		9,046.2	11,256.0	8,735.4	10,976.0
Cash and bank balances		0.1	0.5	0.1	0.1
Assets held for sale	12	12,660.1	15,641.7	11,887.5	14,822.7
<b>Less: CURRENT LIABILITIES</b>		228.5	766.7	228.5	766.7
Borrowings	11	1,366.2	915.4	1,303.0	851.2
Lease liabilities		613.2	613.0	412.2	426.4
Current tax payable		69.8	68.2	38.1	39.3
Trade and other creditors		3,992.6	4,383.8	2,938.4	3,236.2
Amounts owing to subsidiary companies		-	-	2,599.9	3,163.3
Sales in advance of carriage	17	4,683.2	4,713.2	4,313.3	4,327.9
Deferred revenue	17	1,134.3	1,028.0	1,130.5	1,022.7
Deferred account		14.7	24.6	13.6	22.9
Derivative liabilities		247.3	489.5	247.3	489.5
Provisions		467.1	436.0	203.5	186.1
<b>NET CURRENT ASSETS</b>		12,588.4	12,671.7	13,199.8	13,765.5
		71.7	2,970.0	(1,312.3)	1,057.2
		28,366.7	31,593.0	27,877.2	30,676.1

The accompanying explanatory notes form an integral part of the condensed interim financial statements.

# Statement of Financial Position - FY 23/24

**STATEMENTS OF FINANCIAL POSITION**  
As At 31 March 2024 (in \$ million)

Notes	The Group 31 March		The Company 31 March	
	2024	2023	2024	2023
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>				
Share capital	13	7,180.4	7,180.2	7,180.4
Mandatory convertible bonds	14	1,547.5	6,195.1	1,547.5
Treasury shares	15	(37.5)	(73.8)	(37.5)
Other reserves	16	7,647.5	6,556.8	8,779.5
		16,337.9	19,858.3	17,469.9
		406.7	391.5	-
<b>TOTAL EQUITY</b>		<b>16,744.6</b>	<b>20,249.8</b>	<b>17,469.9</b>
<b>DEFERRED ACCOUNT</b>		15.0	55.8	15.0
<b>DEFERRED TAXATION</b>	17	1,802.9	1,430.2	1,853.2
<b>LONG-TERM LEASE LIABILITIES</b>		3,182.2	3,560.6	2,096.1
<b>BORROWINGS</b>	18	8,737.4	8,613.7	8,578.0
<b>OTHER LONG-TERM LIABILITIES</b>	19	110.4	381.9	110.4
<b>PROVISIONS</b>	20	915.8	1,047.1	468.8
<b>DEFINED BENEFIT PLANS</b>		84.7	91.2	84.7
		<b>31,593.0</b>	<b>35,430.3</b>	<b>30,676.1</b>
Represented by:				
<b>PROPERTY, PLANT AND EQUIPMENT</b>	21	23,435.8	23,832.5	20,632.2
<b>RIGHT-OF-USE ASSETS</b>	22	3,371.0	3,854.5	2,132.9
<b>INTANGIBLE ASSETS</b>	23	304.5	297.5	254.7
<b>SUBSIDIARY COMPANIES</b>	24	-	-	5,649.6
<b>ASSOCIATED COMPANIES</b>	25	780.5	757.3	540.0
<b>JOINT VENTURE COMPANIES</b>	26	297.1	265.0	32.3
<b>LONG-TERM INVESTMENTS</b>	27	38.9	39.4	36.2
<b>OTHER LONG-TERM ASSETS</b>	28	395.2	755.7	341.0
<b>CURRENT ASSETS</b>				
Derivative assets	42	769.2	662.7	766.7
Inventories	29	268.0	227.0	196.5
Trade debtors	30	1,388.7	1,192.7	1,167.0
Amounts owing by subsidiary companies	30	-	-	12.8
Deposits and other debtors	31	382.2	284.0	232.5
Prepayments		153.9	105.0	115.9
Other short-term assets	32	890.7	70.5	890.7
Investments	33	519.7	403.9	464.5
Cash and bank balances	34	11,268.8	16,327.6	10,976.0
Assets held for sale	21	0.5	25.9	0.1
		<b>15,641.7</b>	<b>19,299.3</b>	<b>14,822.7</b>
<b>Less: CURRENT LIABILITIES</b>				
Borrowings	18	915.4	2,547.7	851.2
Lease liabilities		613.0	617.3	426.4
Current tax payable		68.2	128.1	39.3
Trade and other creditors	35	4,383.8	4,039.8	3,236.2
Amounts owing to subsidiary companies	35	-	-	3,163.3
Sales in advance of carriage	36	4,713.2	4,631.4	4,327.9
Deferred revenue	36	1,028.0	866.3	1,022.7
Deferred account		24.6	51.0	22.9
Derivative liabilities	42	489.5	399.0	489.5
Provisions	20	436.0	390.3	186.1
		<b>12,671.7</b>	<b>13,670.9</b>	<b>13,765.5</b>
<b>NET CURRENT ASSETS</b>		<b>2,970.0</b>	<b>5,628.4</b>	<b>1,057.2</b>
		<b>31,593.0</b>	<b>35,430.3</b>	<b>30,676.1</b>
				<b>34,410.0</b>

# Income Statement - FY23/24

	Notes	The Group	
		FY2023/24	FY2022/23
<b>REVENUE</b>	4	<b>19,012.7</b>	<b>17,774.8</b>
<b>EXPENDITURE</b>			
Staff costs	5	3,551.3	3,055.8
Fuel costs		5,076.6	5,209.4
Fuel hedging ineffectiveness	42(a)	-	(0.5)
Depreciation	21, 22	2,109.6	2,004.9
Impairment of property, plant and equipment	21	0.5	-
Amortisation of intangible assets	23	76.2	75.6
Aircraft maintenance and overhaul costs		727.3	527.2
Commission and incentives		477.8	488.3
Landing, parking and overflying charges		811.5	657.2
Handling charges		1,195.3	951.5
Rentals on leased aircraft and engines		(3.9)	23.7
Inflight meals		616.4	423.9
Advertising and sales costs		331.2	326.1
Company accommodation and utilities		46.6	43.2
Other passenger costs		207.0	151.4
Crew expenses		138.2	100.2
Other operating expenses		923.6	1,044.8
		<b>16,285.2</b>	<b>15,082.7</b>
<b>OPERATING PROFIT</b>	6	<b>2,727.5</b>	<b>2,692.1</b>
Finance charges	7	(424.5)	(419.9)
Interest income	8	631.7	412.6
Write-back of impairment of aircraft	21	13.8	57.2
Write-back of impairment of base maintenance assets	21	-	1.7
Impairment of deferred engine programme	23	(25.1)	-
Impairment of goodwill	23	-	(14.0)
Surplus/(Loss) on disposal of aircraft, spares and spare engines		65.2	(7.3)
Dividends from long-term investments		-	4.0
Other non-operating items	9	(25.2)	(58.4)
Share of profits of joint venture companies		32.8	31.8
Share of profits/(losses) of associated companies		40.9	(63.0)
		<b>3,037.1</b>	<b>2,636.8</b>
<b>PROFIT BEFORE TAXATION</b>			
<b>TAXATION</b>	10	<b>(342.0)</b>	<b>(473.5)</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>2,695.1</b>	<b>2,163.3</b>
<b>PROFIT ATTRIBUTABLE TO:</b>			
<b>OWNERS OF THE COMPANY</b>		<b>2,674.8</b>	<b>2,156.8</b>
<b>NON-CONTROLLING INTERESTS</b>		<b>20.3</b>	<b>6.5</b>
		<b>2,695.1</b>	<b>2,163.3</b>
<b>EARNINGS PER SHARE (CENTS)</b>	11	<b>63.3</b>	<b>35.6</b>
<b>DILUTED EARNINGS PER SHARE (CENTS)</b>	11	<b>61.4</b>	<b>35.1</b>

# Income Statement - 1H FY 24/25

Group Financial Results	1 <sup>st</sup> Half	1 <sup>st</sup> Half	Better/ (Worse)	2 <sup>nd</sup> Quarter	2 <sup>nd</sup> Quarter	Better/ (Worse)
	FY2024/25	FY2023/24		FY2024/25	FY2023/24	
<b>Total Revenue</b>	<b>9,497</b>	<b>9,162</b>	<b>3.7</b>	<b>4,779</b>	<b>4,683</b>	<b>2.0</b>
<b>Total Expenditure</b>	<b>8,702</b>	<b>7,609</b>	<b>(14.4)</b>	<b>4,454</b>	<b>3,884</b>	<b>(14.7)</b>
Net Fuel Cost	2,730	2,283	(19.6)	1,360	1,230	(10.6)
<i>Fuel Cost (before hedging)</i>	<i>2,798</i>	<i>2,527</i>	<i>(10.7)</i>	<i>1,379</i>	<i>1,373</i>	<i>(0.4)</i>
<i>Fuel Hedging Gain</i>	<i>(68)</i>	<i>(244)</i>	<i>(72.1)</i>	<i>(19)</i>	<i>(143)</i>	<i>(86.7)</i>
Non-fuel Expenditure	5,972	5,326	(12.1)	3,094	2,654	(16.6)
<b>Operating Profit</b>	<b>796</b>	<b>1,554</b>	<b>(48.8)</b>	<b>325</b>	<b>799</b>	<b>(59.3)</b>
<b>Net Profit</b>	<b>742</b>	<b>1,441</b>	<b>(48.5)</b>	<b>290</b>	<b>707</b>	<b>(59.0)</b>

# Cash Flow Statement - FY 23/24 (Operating Activities)

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For The Financial Year Ended 31 March 2024 (in \$ million)

	Notes	The Group	FY2023/24	FY2022/23
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before taxation			3,037.1	2,636.8
Adjustments for:				
Depreciation	21, 22	2,109.6	2,004.9	
Impairment of property, plant and equipment	21	0.5	-	
Write-back of impairment of aircraft	21	(13.8)	(57.2)	
Write-back of impairment of base maintenance assets	21	-	(1.7)	
Impairment of deferred engine programme	23	25.1	-	
Impairment of goodwill	23	-	14.0	
Amortisation of intangible assets	23	76.2	75.6	
Impairment/(Write-back of impairment) of trade debtors	6	10.5	(6.1)	
Writtenown of inventories	6	6.7	9.3	
Income from short-term investments	6	(1.5)	(1.0)	
Provisions		162.3	167.7	
Share-based compensation expense	5	31.4	23.5	
Exchange differences		(80.1)	134.5	
Gain on lease remeasurement	6	(0.8)	(2.5)	
Net (gain)/loss on financial assets mandatorily measured at fair value through profit or loss ("FVTPL")	6	(1.1)	1.2	
Fuel hedging ineffectiveness		-	(0.5)	
Foreign currency hedging ineffectiveness	6	(0.1)	-	
Finance charges	7	424.5	419.9	
Interest income	8	(631.7)	(412.6)	
(Surplus)/Loss on disposal of aircraft, spares and spare engines		(65.2)	7.3	
Dividends from long-term investments		-	(4.0)	
Other non-operating items	9	25.2	58.4	
Share of profits of joint venture companies		(32.8)	(31.8)	
Share of (profits)/losses of associated companies		(40.9)	63.0	
Operating cash flow before working capital changes		5,041.1	5,098.7	
Increase in trade and other creditors		117.8	1,191.4	
Increase in sales in advance of carriage		81.8	2,523.6	
(Increase)/Decrease in trade debtors		(177.7)	422.1	
(Increase)/Decrease in deposits and other debtors		(32.2)	16.8	
Increase in prepayments		(53.7)	(11.8)	
Increase in inventories		(47.8)	(46.1)	
Increase/(Decrease) in deferred revenue		161.7	(59.4)	
Cash generated from operations		5,091.0	9,135.3	
Payment of competition-related settlements		(25.4)	-	
Income taxes paid		(10.7)	(5.2)	
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		<b>5,054.9</b>	<b>9,130.1</b>	

# Cash Flow Statement - FY 23/24

## (Investing and Financing Activities)

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For The Financial Year Ended 31 March 2024 (in \$ million)

	Notes	The Group	
		FY2023/24	FY2022/23
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Capital expenditure	37	(1,231.3)	(1,601.8)
Purchase of intangible assets		(96.0)	(82.2)
Proceeds from/(Payments for) disposal of aircraft and other property, plant and equipment		12.6	(3.8)
Proceeds from disposal of assets held for sale		83.8	17.5
Proceeds from sale and leaseback transactions		-	1,210.3
Proceeds from disposal of long-term investments		22.3	21.6
Purchase of short-term investments		(154.1)	(134.5)
Proceeds from disposal of short-term investments		41.9	132.6
Dividends received from associated and joint venture companies		44.1	36.7
Dividends received from investments		-	4.0
Interest received from investments and deposits		617.0	315.4
Proceeds from finance leases		2.2	9.2
Investments in an associated company		(3.0)	(54.8)
Acquisition of a subsidiary company, net of cash acquired		15.6	(4.2)
Proceeds from disposal of a subsidiary company, net of cash disposed		0.1	-
Proceeds from liquidation of an associated company		13.8	-
Placement of fixed deposits with original maturity of more than 12 months		(805.2)	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(1,436.2)</b>	<b>(134.0)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Dividends paid	12	(1,130.2)	(297.1)
Dividends paid by subsidiary companies to non-controlling interests	12	(20.7)	(1.6)
Interest paid		(285.3)	(332.6)
Redemption of mandatory convertible bonds		(5,064.2)	(3,860.0)
Proceeds from borrowings		417.8	6.2
Repayment of borrowings		(1,267.1)	(988.0)
Repayment of lease liabilities		(739.4)	(740.3)
Repayment of bonds		(1,350.0)	-
Proceeds from issuance of bonds		670.1	-
Payment of transaction costs from issuance of bonds		(1.4)	-
Payment of transaction costs related to borrowings		(1.0)	-
Purchase of treasury shares		(3.2)	-
Acquisition of non-controlling interests without a change in control		(4.5)	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(8,779.1)</b>	<b>(6,213.4)</b>
<b>NET CASH (OUTFLOW)/INFLOW</b>		<b>(5,160.4)</b>	<b>2,782.7</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>		<b>16,327.6</b>	<b>13,762.7</b>
Effect of exchange rate changes		<b>101.6</b>	<b>(217.8)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>		<b>11,268.8</b>	<b>16,327.6</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>			
Fixed deposits	34	8,264.6	12,400.0
Cash and bank balances	34	3,004.2	3,927.6
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>		<b>11,268.8</b>	<b>16,327.6</b>
<b>Significant non-cash transactions</b>			
During the previous financial period, the Group made pre-delivery payments for certain aircraft amounting to \$204.3 million through financing from a third-party financier.			

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

# Cash Flow Statement - 1H FY 24/25 (Operating Activities)

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2024 (in \$ million)

	The Group	
	1 <sup>st</sup> Half	1 <sup>st</sup> Half
	FY2024/25	FY2023/24
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	931.0	1,721.0
Adjustments for:		
Depreciation	1,122.8	1,031.9
Impairment of aircraft	-	2.4
Amortisation of intangible assets	35.7	39.4
(Write-back of impairment)/Impairment of trade debtors	(5.9)	3.4
Writtenown of inventories	4.8	5.5
Income from short-term investments	(0.8)	(0.7)
Provisions	41.8	101.3
Share-based compensation expense	14.3	17.8
Exchange differences	94.7	(91.1)
Net (gain)/loss on financial assets mandatorily measured at fair value through profit or loss ("FVTPL")	(1.9)	0.7
Finance charges	198.9	217.3
Interest income	(266.5)	(334.1)
Loss/(Surplus) on disposal of aircraft, spares and spare engines	5.9	(30.5)
Dividends from long-term investments	(2.1)	-
Fair value gain from foreign currency derivatives	(0.9)	-
Other non-operating items	(8.7)	0.4
Share of profits of joint venture companies	(21.5)	(15.7)
Share of profits of associated companies	(41.4)	(7.0)
Operating cash flow before working capital changes	2,100.2	2,662.0
Decrease in trade and other creditors	(487.3)	(96.8)
(Decrease)/Increase in sales in advance of carriage	(30.0)	291.6
Decrease/(Increase) in trade debtors	187.8	(256.6)
Decrease/(Increase) in deposits and other debtors	88.1	(16.7)
Decrease/(Increase) in prepayments	10.3	(14.9)
Decrease/(Increase) in restricted cash balances	2.4	(3.5)
Increase in inventories	(49.4)	(17.0)
Increase in deferred revenue	106.3	15.4
Cash generated from operations	1,928.4	2,563.5
Income taxes paid	(6.7)	(6.4)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>1,921.7</b>	<b>2,557.1</b>

# Cash Flow Statement - 1H FY 24/25

## (Investing and Financing Activities)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2024 (in \$ million)**

	The Group	1 <sup>st</sup> Half	1 <sup>st</sup> Half
	FY2024/25	FY2023/24	
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Capital expenditure	(751.1)	(647.7)	
Purchase of intangible assets	(56.1)	(51.8)	
(Payments for)/Proceeds from disposal of aircraft and other property, plant and equipment	(0.6)	12.2	
Proceeds from disposal of assets held for sale	0.4	40.0	
Proceeds from disposal of long-term investments	11.4	11.1	
Purchase of short-term investments	(43.5)	(70.2)	
Proceeds from disposal of short-term investments	43.1	19.8	
Dividends received from associated and joint venture companies	5.1	8.4	
Dividends received from investments	2.1	-	
Interest received from investments and deposits	249.2	361.9	
Proceeds from finance leases	-	2.2	
Investments in associated companies	(10.6)	(3.0)	
Return of capital from an associated company	-	13.5	
Placement of fixed deposits with original maturities of more than 12 months	(93.8)	-	
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(644.4)</b>	<b>(303.6)</b>	
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Dividends paid	(1,131.5)	(832.8)	
Dividends paid by subsidiary companies to non-controlling interests	(16.2)	(14.6)	
Interest paid	(134.5)	(144.9)	
Redemption of mandatory convertible bonds	(1,744.6)	(3,353.8)	
Repayment of bonds	(300.0)	-	
Proceeds from borrowings	790.9	367.5	
Repayment of borrowings	(310.7)	(918.7)	
Repayment of lease liabilities	(338.8)	(368.5)	
Payment of transaction costs related to borrowings	(4.8)	(1.0)	
Purchase of treasury shares	(30.3)	-	
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(3,220.5)</b>	<b>(5,266.8)</b>	
<b>NET CASH OUTFLOW</b>	<b>(1,943.2)</b>	<b>(3,013.3)</b>	
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>			
Effect of exchange rate changes	11,256.0	16,327.6	
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b>(266.6)</b>	<b>171.4</b>	
	<b>9,046.2</b>	<b>13,485.7</b>	
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>			
Fixed deposits	7,277.3	9,445.8	
Cash and bank balances	1,768.9	4,039.9	
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b>9,046.2</b>	<b>13,485.7</b>	

# Recommendation

**SELL**  
**Singapore**  
**Airlines**



# Thank you!

— Please let us know if you have any questions.