

SIA first major Asian airline to report post-Covid profit

A Monitor Report

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Singapore : In mid-February, Singapore Airlines reported a quarterly profit for the first time since the Covid-19 pandemic started. The carrier recorded a net profit of SGD 85 million (USD 62.8 million) for the third financial quarter which ended in December 2021.

It attributed this to significant growth in passenger numbers due to pent-up demand for air travel during the year-end holiday season as Singapore opened to travellers via the VTL (vaccinated travel lane) programme. Record cargo revenues driven by "robust demand and tight capacity which support loads and yields" was also a major contributory factor to the results.

SIA said in its Financial Year 2021-22 third-quarter business update that the two airlines in its group, including low-cost carrier Scoot, carried 1.1 million passengers during the quarter, more than five times the number from the previous year and double that of the second quarter of FY2021-22. Passenger capacity (measured in available seat-kilometres) grew 183.8 per cent year-on-year, as it ramped up flights in response to demand created by the VTL. By the end of the quarter, passenger capacity reached 45 per cent of pre-Covid levels.

Revenue rose over 117 per cent to SGD1,249 million (USD 925 million) compared with the same quarter last year to SGD 2,316 million, with substantial improvements in both passenger and cargo revenues.

Passenger flown revenue increased by SGD 650 million to SGD 833 million, an

increase of 355.2 per cent on the back of a 556.8 per cent growth in traffic (measured by revenue-passenger kilometres) that outpaced capacity expansion, resulting in the passenger load factor rising 18.9 percentage points to 33.2 per cent. Cargo flown revenue rose to SGD1,351 million, an increase of SGD 607 million or 81.6 per cent and in the process set a new quarterly record by surpassing the SGD 1 billion mark for the first time ever. Cargo yields rose by 26.9 per cent due to an ongoing industry capacity crunch.

For the first nine months of the current financial year up to December 2021, SIA narrowed its operating loss by SGD 1,651 or 75.3 per cent to SGD 543 million. Revenue grew SGD 2,442 million to SGD 5,143 million, an increase of 90.4 per cent from significant passenger and cargo flown revenue improvements.