

SIA posts record USD 3.2b annual loss

A Monitor Report

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Singapore : Singapore Airlines on May 19 posted its second-consecutive annual loss, which widened to a record SD 4.27 billion (USD 3.20 billion), and said it would issue SD 6.2 billion of convertible bonds to help tackle the coronavirus crisis.

The loss for the 12 months ended March 31 was worse than the average SD 3.27 billion forecast by eight analysts, according to reports, and included SD 2 billion of impairments largely on the 45 older planes surplus to requirements.

It was also far bigger than the SD 212 million annual loss in the prior financial year, its first ever dip into the red, when only one quarter was affected by the pandemic.

Annual revenue fell 76.1 per cent to SD 3.82 billion in the financial year ended March 31, with strong cargo revenues not enough to offset an almost 98 per cent fall in passenger numbers.

The airline said it expected passenger capacity to rise to 28 per cent of pre-pandemic levels by June, but much of that is due to strong freight demand sustaining the number of flights. It filled just 13.4 per cent of passenger seats in the financial year ended March 31.

"This crisis is not over," Singapore Airlines Chairman Peter Seah said in a statement. "While the growing pace of vaccinations has given us hope, new waves of infections

around the world mean that restrictions on international travel largely remain in place."

Like other carriers globally, Singapore Airlines has cut jobs, deferred aircraft deliveries and raised equity and debt financing to help get it through the pandemic. The airline said it would issue SD 6.2 billion of mandatory convertible bonds that were an optional part of a SD 15 billion rescue package led by its majority shareholder, state investor Temasek Holdings last year.