

ANNUAL GENERAL MEETING

RICKARD GUSTAFSON, PRESIDENT & CEO

March 13, 2019

A STAR ALLIANCE MEMBER 

SAS

1

FY18 IN RETROSPECTIVE

2

INDUSTRY DYNAMICS

3

WAY FORWARD



FY18 in numbers

AIRLINE

30

MILLION PASSENGERS

**GROUND
HANDLING**

222

THOUSAND DEPARTURES HANDLED

CARGO

125

MILLION KG OF FREIGHT

TECHNICAL

157

AIRCRAFT IN SERVICE

EUROBONUS

5.6

MILLION MEMBERS

8.3

SEK BILLION
INFRASTRUCTURE
CONTRIBUTION

1.6

SEK BILLION
TRAVEL RELATED
TAXES AND
DUTIES



Our vision is to make life easier for Scandinavia's frequent travelers



WIN SCANDINAVIA'S FREQUENT TRAVELERS



CREATE AN EFFICIENT AND SUSTAINABLE OPERATING MODEL



SECURE THE RIGHT CAPABILITIES



SUSTAINABLE & PROFITABLE BUSINESS

***THIS IS
THE DOOR
TO OUR
SECOND
HOME***

***WE ARE
TRAVELERS***

SAS

Win Scandinavia's Frequent Travelers



FY18 HIGHLIGHTS



29 NEW ROUTES AND 6 NEW DESTINATIONS



HIGH SPEED WIFI INSTALLED ON 39 AIRCRAFT



UPGRADED ONGROUND FACILITIES IN CPH



NEW EUROBONUS FEATURES



PERSONALIZED COMMUNICATION



IMPROVED CORPORATE PROGRAM

A STAR ALLIANCE MEMBER 



 **Create an efficient and sustainable operating model**



FY18 HIGHLIGHTS



9 AIRBUS A320NEO INTRODUCED INTO SERVICE



ORDER PLACED FOR 50 ADDITIONAL AIRBUS A320NEO



MSEK 723 REALIZED SAVINGS FROM THE EFFICIENCY PROGRAM



FURTHER ENHANCED OPERATING MODEL

SAS' enhanced operating model



STRATEGIC RATIONALE

- Backbone in SAS' network
- Key for maintaining strong Scandinavian footprint

- Ensuring a “level playing field” with carriers operating on strategic destinations from Europe to Scandinavia
- Maintaining presence on highly competitive routes and take part in new leisure markets

- Extended reach in network and more frequencies
- Right-sizing of aircraft in off-peak

FY18 PASSENGERS MILLIONS

24

1

5

 **Secure the Right Capabilities**

FY18 HIGHLIGHTS



ESTABLISHED LEADERSHIP PROGRAMS



INVESTED IN EMPLOYEE ENGAGEMENT



**CONTINUED ROLL-OUT OF MOBILITY & CLOUD
BASED WORK TOOLS**



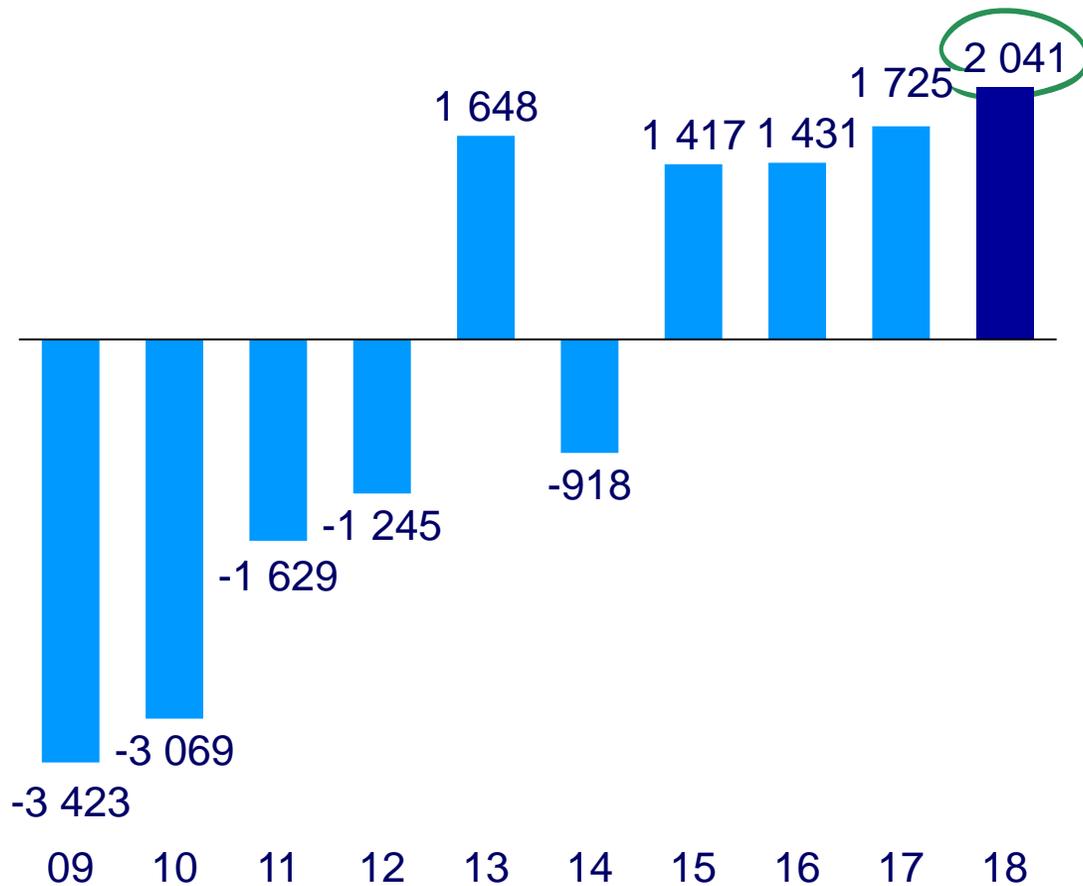
**IMPROVED SCHEDULE PREDICTABILITY, EMPLOYEE
INFLUENCE AND WORKLOAD MANAGEMENT**





As a result of a consistent strategy, SAS met all financial targets in FY18...

EBT, 10-year overview
MSEK



	FY18	TARGET
FINANCIAL PREPAREDNESS	42%	25%
FINANCIAL NET DEBT / EBITDA	2.7x	<3x
ROIC	14%	12%

 ...and received recognition for our efforts

“BEST EUROPEAN AIRLINE”
AND
“BEST SWEDISH DOMESTIC”
IN GRAND TRAVEL AWARDS

BEST MOBILE SITE
AMONG NORDIC AIRLINES
ACCORDING TO GOOGLE SURVEY

“THE ARRIVALS” CAMPAIGN
REACHED 40+ MILLION IMPRESSIONS

AWARDED
“BEST PREMIUM ECONOMY”
BY GLOBAL TRAVELERS

SAS CARGO RANKED #1 IN THE WORLD

RATED AMONG THE
MOST ATTRACTIVE EMPLOYERS
IN NORWAY



1

FY18 IN RETROSPECTIVE

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INDUSTRY DYNAMICS

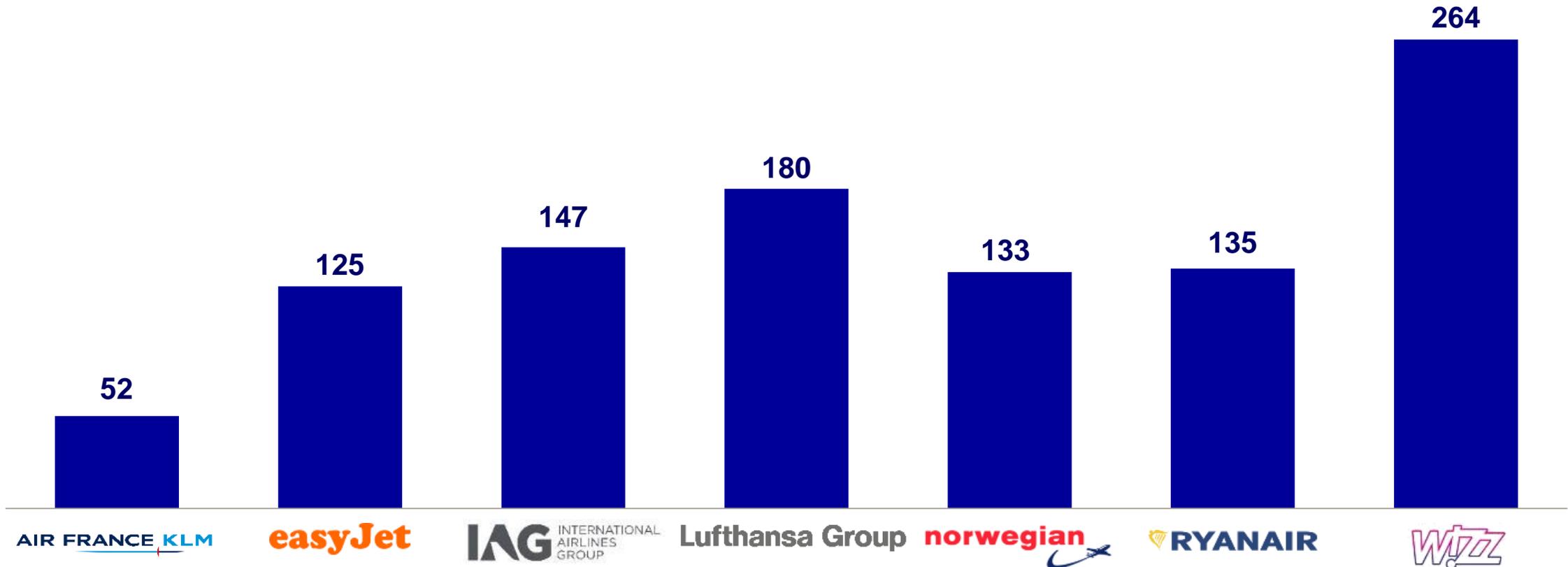
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WAY FORWARD



Record number of aircraft on order to European airlines – competition expected to further increase

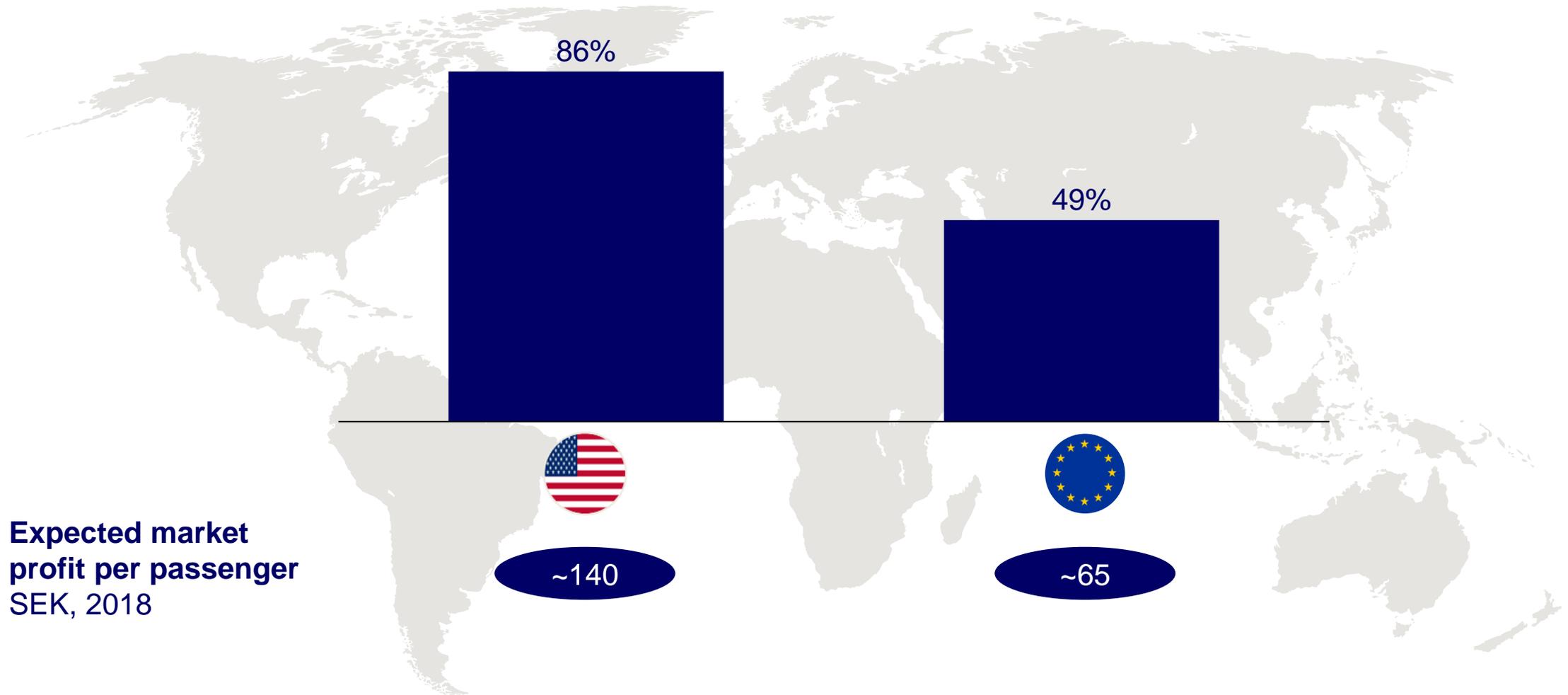
Number of aircraft on firm order



These 7 airline groups alone have >1,000 aircraft on order

European aviation market is highly fragmented, with low profit pools

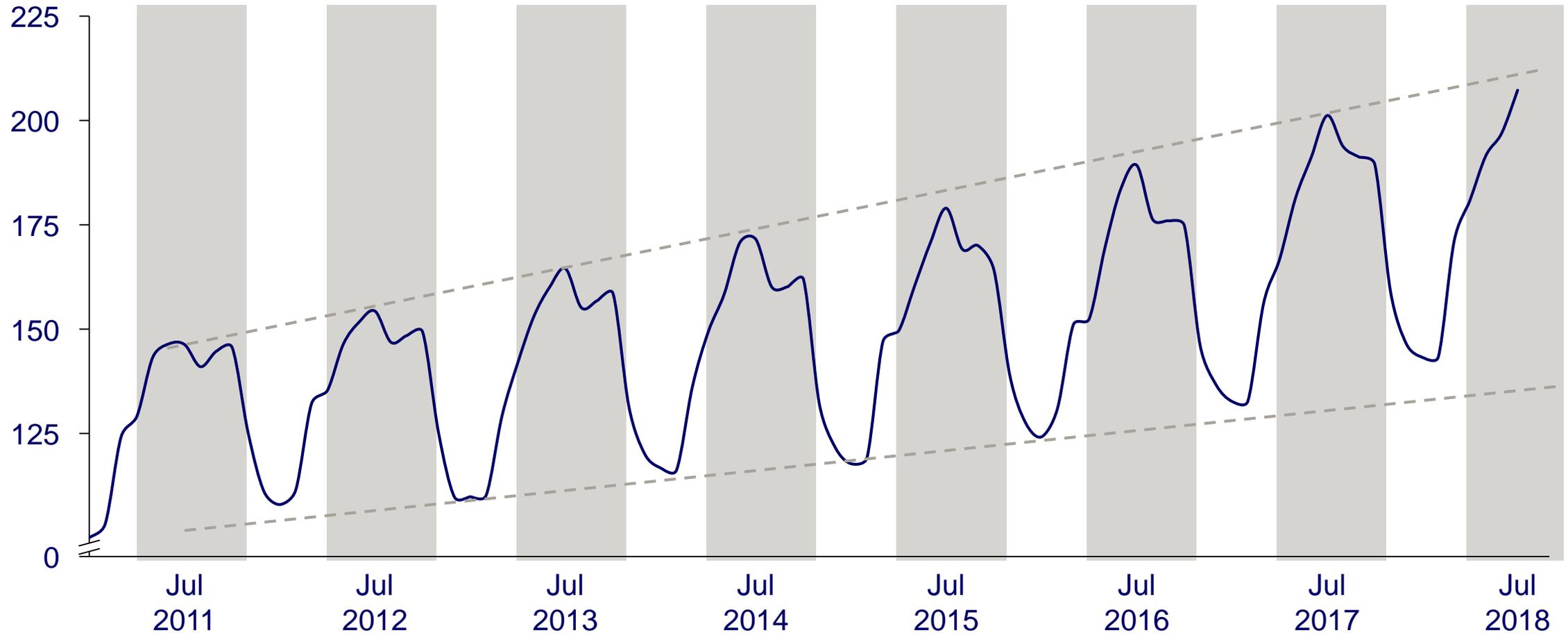
TOP 5 AIRLINE GROUP'S SHARE OF MARKET CAPACITY, 2017



Expected market profit per passenger SEK, 2018

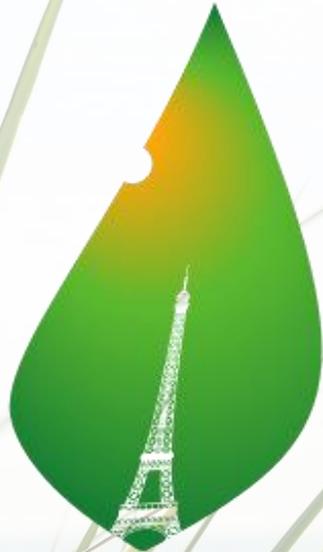
Industry seasonality is increasing and airlines must become more flexible

Market demand, million passengers (to/from/within Scandinavia)



Aviation industry stakeholders demand more sustainable aviation – airlines must adapt accordingly

UNITED NATIONS



PARIS2015
UN CLIMATE CHANGE CONFERENCE
COP21·CMP11

AIRLINE INDUSTRY



- A cap on net aviation CO₂ emissions from 2020 (carbon-neutral growth)
- A reduction in net aviation CO₂ emissions of 50% by 2050, relative to 2005 levels

SCANDINAVIA



- Increased sustainability awareness among **Scandinavian Travelers**
- Also focus from **corporate customers** to reduce environmental footprint

Industry dynamics combined with macro trends are putting pressure on European airlines

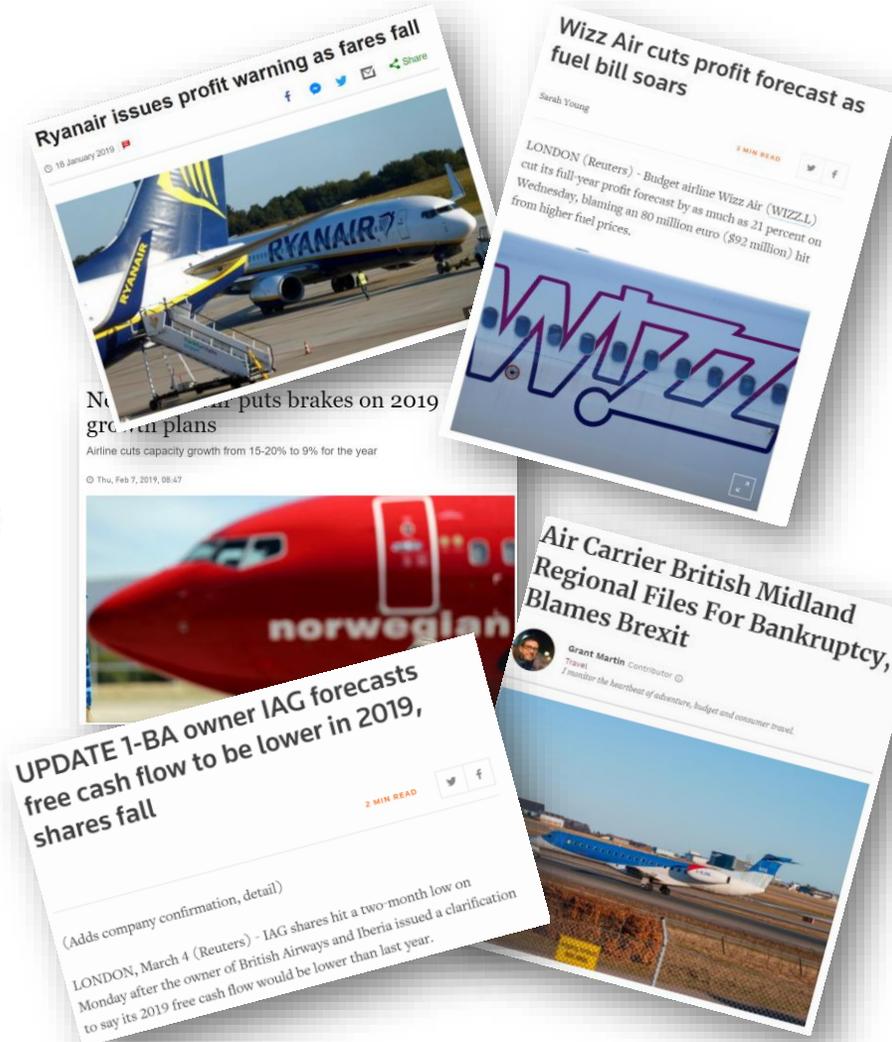
INDUSTRY DYNAMICS

 Increased competition

 Fragmented market

 Increased seasonality

 Sustainability awareness



MACRO TRENDS

Volatile jet fuel prices 

Unfavorable FX-rates 

Uncertain geopolitical environment 

High competition for talent 

1

FY18 IN RETROSPECTIVE

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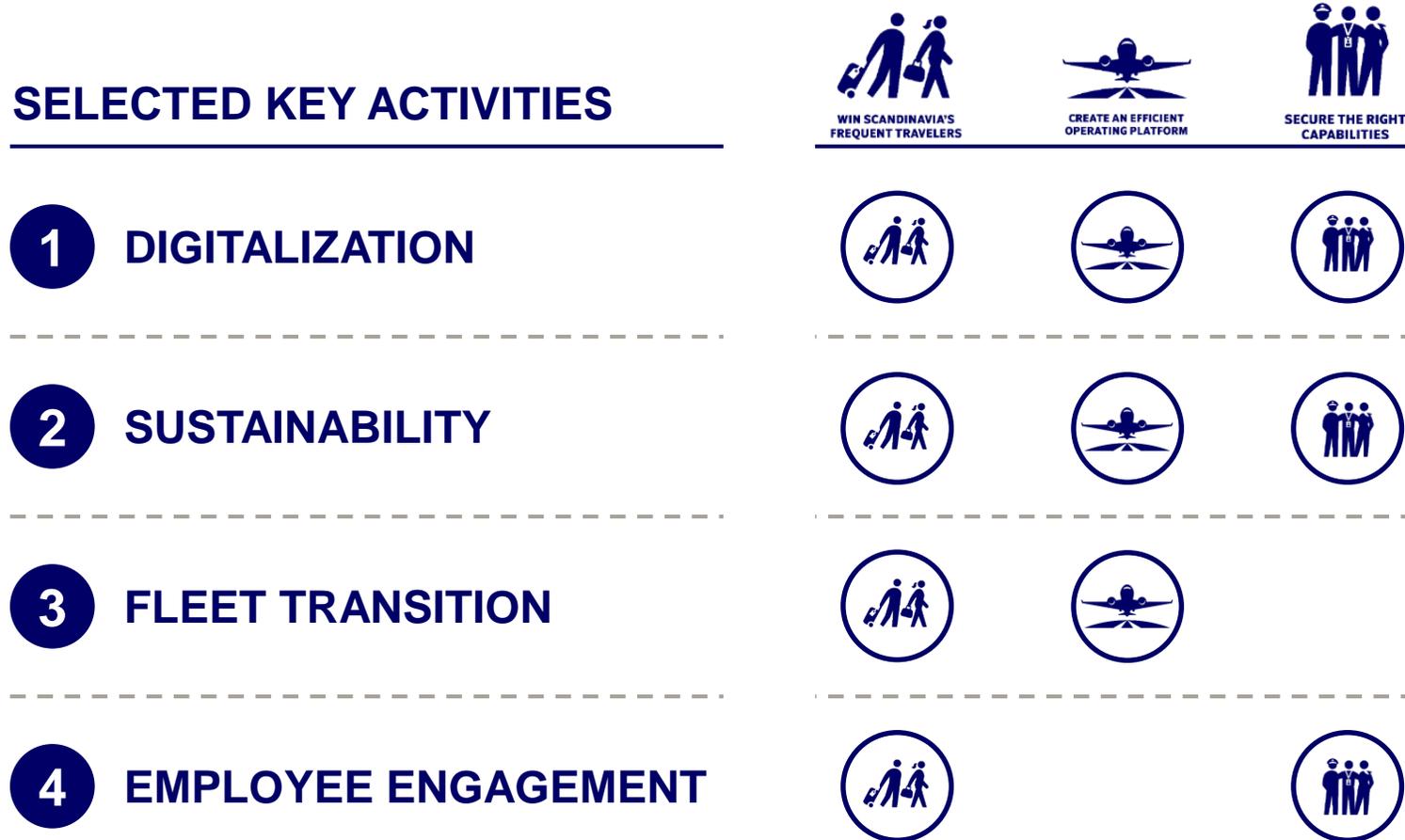
INDUSTRY DYNAMICS

3

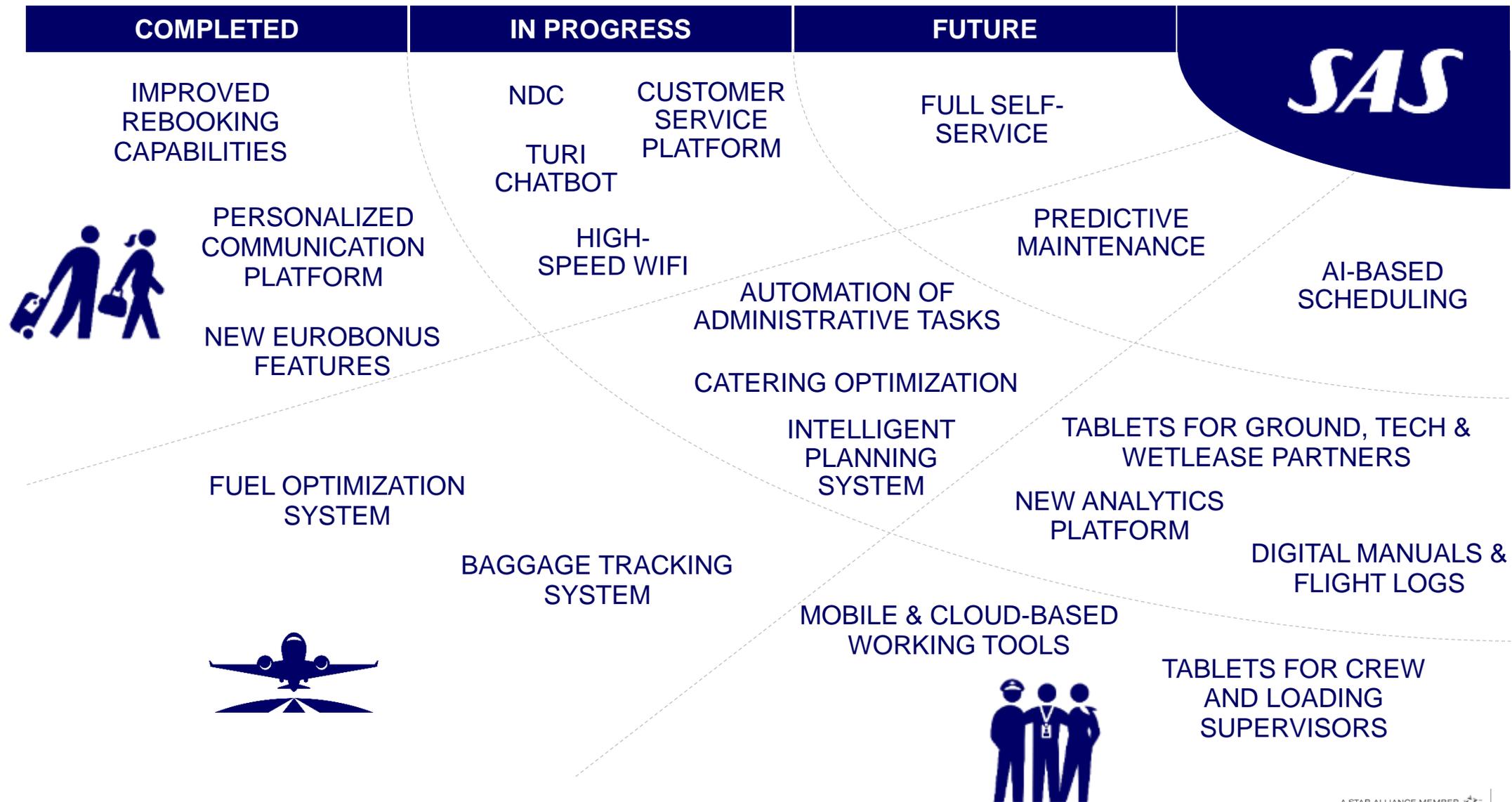
WAY FORWARD



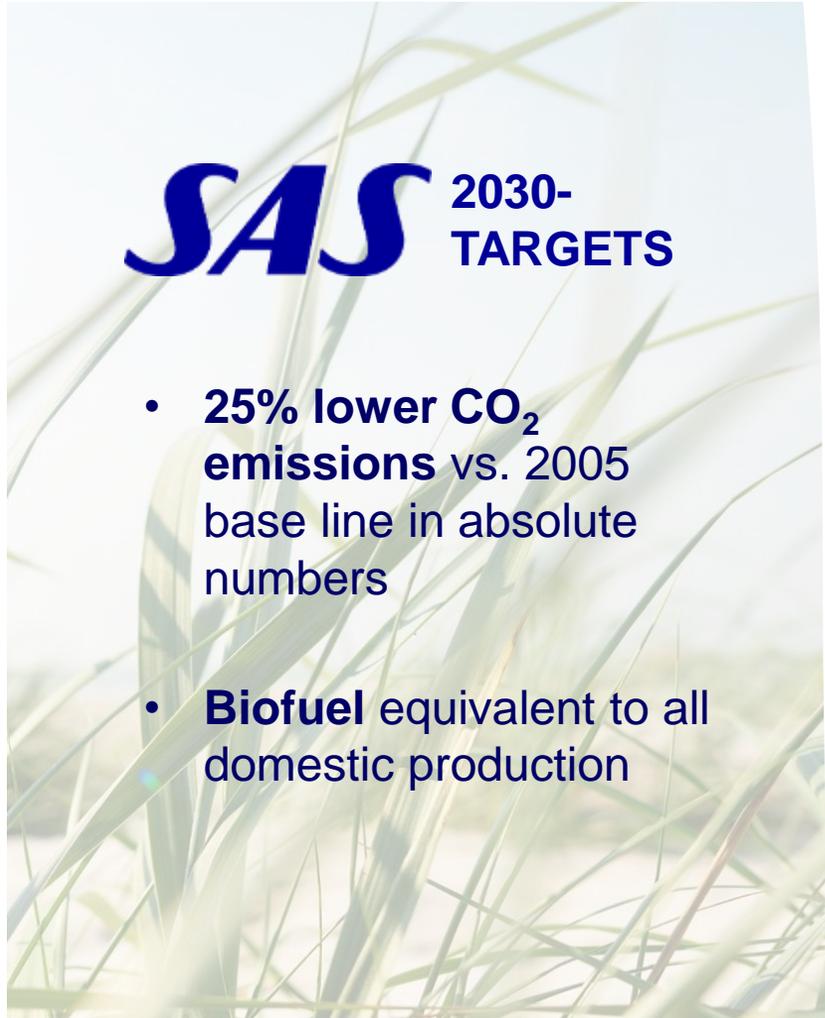
SAS' strategy remains firm, but is underpinned by a number of strategic initiatives to strengthen SAS' position as Scandinavia's nr 1 airline



1 Digitalization support all areas of SAS' strategy



2 SAS will continue to reduce emissions



SAS 2030-TARGETS

- **25% lower CO₂ emissions** vs. 2005 base line in absolute numbers
- **Biofuel** equivalent to all domestic production

NEW AIRCRAFT

WASTE REDUCTION

SUSTAINABLE PRODUCT DEVELOPMENT

BIOFUEL

CARBON OFFSETTING

3 SAS' transition to one-type Airbus fleet will create operational synergies and benefits for our customers

A320neo



- 180 seats
- Core of the Scandinavian and European network

Delivered as per 13th March 2019

30%

A330 / A350 XWB



- 262/300 seats with three-class cabin
- Backbone of long-haul network

47%

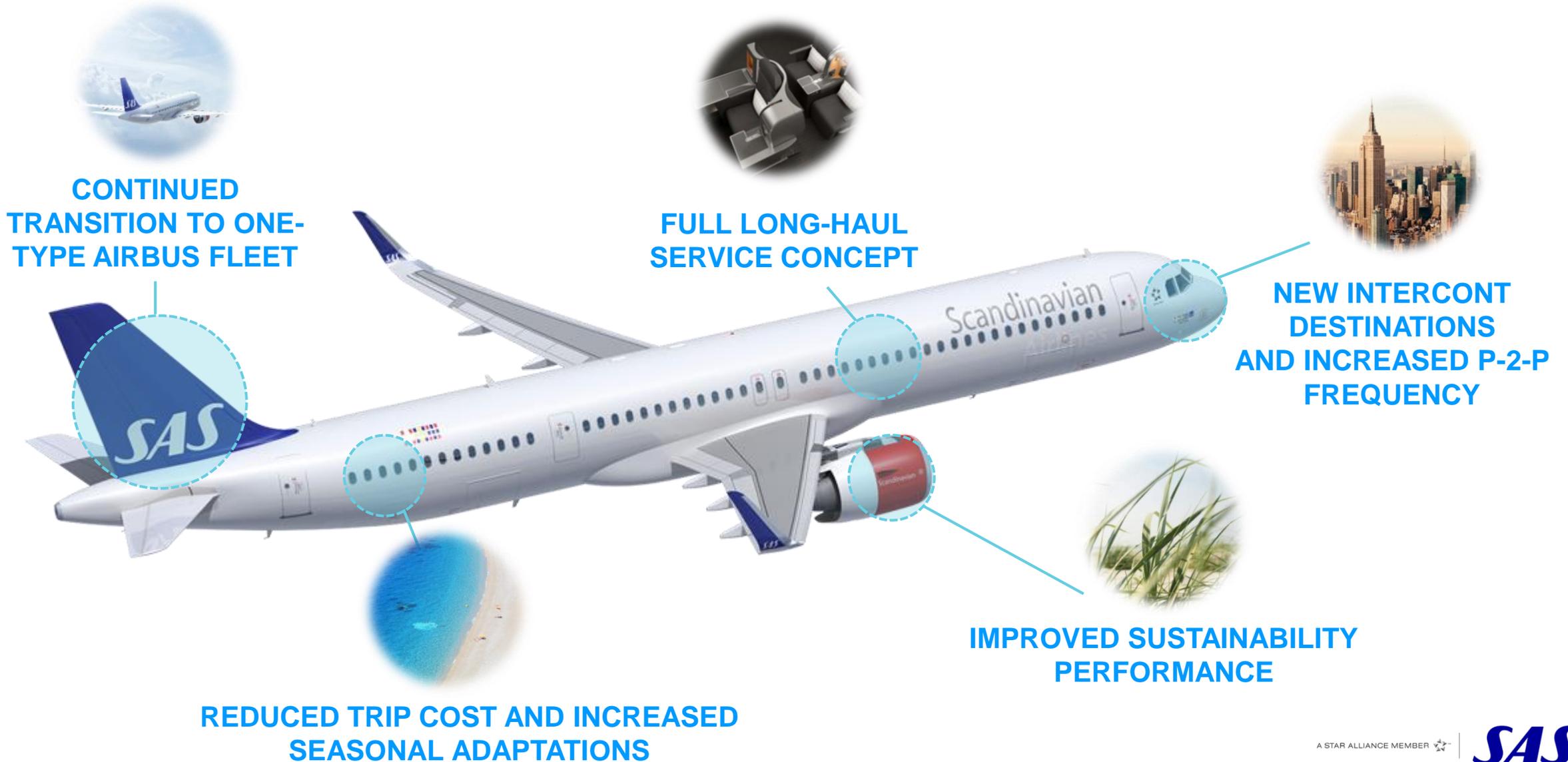
A321LR



- 157 seats with three-class cabin
- Test and unlock new business opportunities

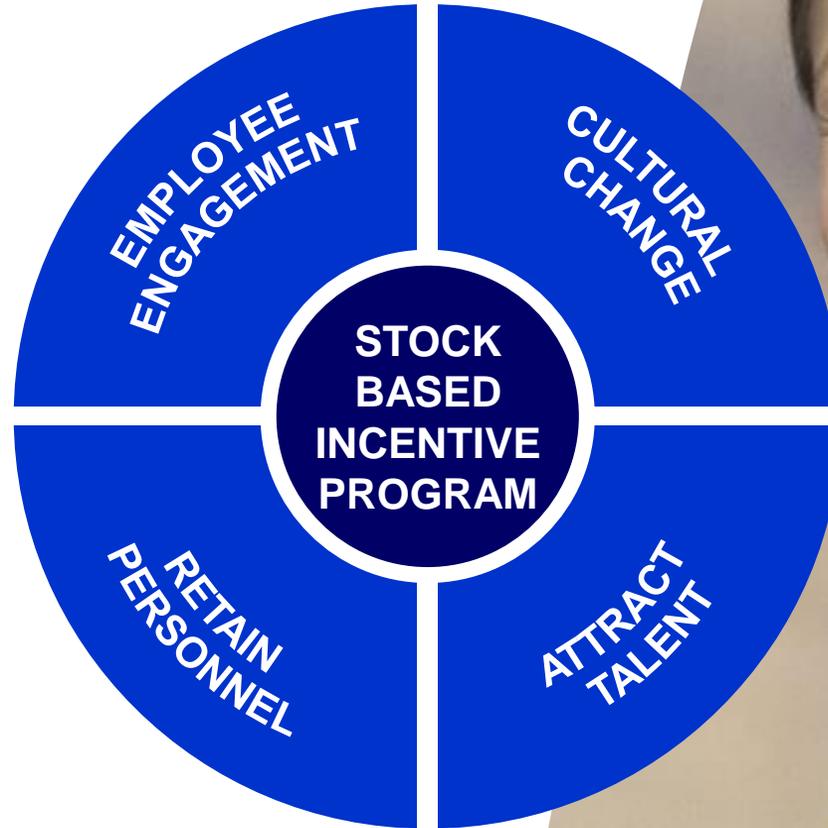
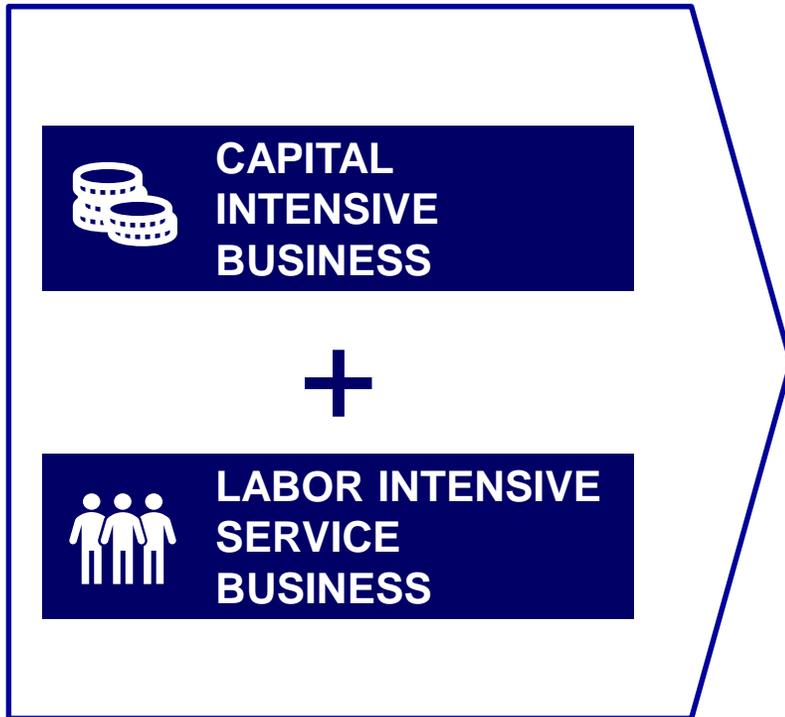
0%

3 We look forward to introducing the A321LR to our fleet



4 Aligning employee and investor interests

INDUSTRY DYNAMICS



Reflections

“To move from the old to the new is the only tradition worth preserving”





TRAVELERS ARE THE FUTURE