



Scandinavian Airlines

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SAS traffic figures July 2018

- Scheduled number of passengers increased by 2.2% to 2.6 million, a record for the month of July.
- Compared to last year:
 - Scheduled traffic (RPK) and capacity (ASK) increased by 1.9% and 3.0%, respectively.
 - Passenger load factor decreased by 0.9 p.p. to 85.6%.
 - Nominal yield and PASK increased by 7% and 6%, respectively.
 - Currency adjusted yield and PASK increased by 2% and 1%, respectively.

Market and Capacity Development

The capacity growth in the Scandinavian market has accelerated during the spring and summer of 2018. The higher capacity growth is expected to continue during the remainder of 2018.

In line with the very high demand for leisure travel during the summer holiday season, SAS, as well as increasing capacity overall, shifted its capacity toward more leisure oriented routes in July. This resulted in higher traffic volumes on leisure oriented routes to/from southern Europe and had a positive effect on the yield and PASK.

SAS development during Q3, FY18

The traffic development during Q3 FY18 has been in line with SAS's expectations and guidance. However, the yield/PASK development has been better than anticipated. Due to operational challenges, SAS has cancelled more flights during the quarter than normal, which will lead to higher irregularity costs. At the same time, the USD has continued to stay at a high level, which will affect SAS operating expenditure negatively.

Scheduled Traffic Development

In July the number of passengers increased by 2.2% vs. last year. SAS increased the scheduled capacity by 3.0% and the traffic increased by 1.9% vs. last year, resulting in a 0.9 p.p. decrease in the load factor.

The capacity on SAS's intercontinental routes was reduced by 3.5% vs. last year, as one aircraft has been phased out of traffic. Despite this, the traffic only decreased by 1.1% vs. last year. The development continued to be particularly positive on the routes to/from the United States.

The traffic on SAS's European/Intrascandinavian routes increased by 4.0% vs. last year. The growth was strongest on the European routes to/from Sweden and Norway.

The traffic on SAS's domestic routes increased by 0.8%, while the capacity was up 1.3%. The development was positive on the Norwegian and Swedish domestic routes, while the volumes decreased within Denmark due to lower capacity.

In Other News

- SAS' high-speed WiFi is now installed on 32 aircraft
- In late June, the Norwegian government sold its 9.9% shareholding in SAS AB

| SAS scheduled traffic | Jul 18 | Change ¹ | Nov-Jul 18 | Change ¹ |
|---------------------------|--------|---------------------|------------|---------------------|
| ASK (Mill.) | 4 831 | 3.0% | 35 967 | 1.2% |
| RPK (Mill.) | 4 133 | 1.9% | 26 425 | -0.7% |
| Passenger load factor | 85.6% | -0.9 p.p | 73.5% | -1.4 p.p |
| No. of passengers (Mill.) | 2.587 | 2.2% | 20.898 | -0.5% |

| Geographical development. schedule | Jul 18 vs. Jul 17 | | Nov 17-Jul 18 vs. Nov 16 - Jul 17 | |
|------------------------------------|-------------------|-------|-----------------------------------|-------|
| | RPK | ASK | RPK | ASK |
| Intercontinental | -1.1% | -3.5% | -4.0% | -2.3% |
| Europe/Intrascandinavia | 4.0% | 7.4% | 2.2% | 4.2% |
| Domestic | 0.8% | 1.3% | -1.2% | 0.4% |

| SAS charter traffic | Jul 18 | Change ¹ | Nov-Jul 18 | Change ¹ |
|---------------------------|--------|---------------------|------------|---------------------|
| ASK (Mill.) | 688 | -7.2% | 2 429 | -6.4% |
| RPK (Mill.) | 657 | -8.9% | 2 262 | -7.8% |
| Passenger load factor | 95.5% | -1.8 p.p | 93.2% | -1.5 p.p |
| No. of passengers (Mill.) | 0.255 | -9.7% | 0.839 | -5.4% |

| SAS total traffic | Jul 18 | Change ¹ | Nov-Jul 18 | Change ¹ |
|---------------------------|--------|---------------------|------------|---------------------|
| ASK (Mill.) | 5 519 | 1.6% | 38 396 | 0.7% |
| RPK (Mill.) | 4 790 | 0.2% | 28 687 | -1.3% |
| Passenger load factor | 86.8% | -1.2 p.p | 74.7% | -1.5 p.p |
| No. of passengers (Mill.) | 2.842 | 1.0% | 21.737 | -0.7% |

¹ Change compared to same period in previous year.
p.p. = percentage points

| Preliminary yield and PASK | July 2018 | Nominal change | FX adjusted change |
|----------------------------|-----------|----------------|--------------------|
| Yield, SEK | 0.85 | +7% | +2% |
| PASK, SEK | 0.72 | +6% | +1% |

| | July 2018 |
|------------------------------|-----------|
| Punctuality (arrival 15 min) | 68.0% |
| Regularity | 97.8% |

Definitions:

RPK – Revenue passenger kilometers
ASK – Available passenger kilometers
Load factor – RPK/ASK
Yield – Passenger revenues/RPK (scheduled)
PASK – Passenger revenues/ASK (scheduled)

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