

ANNUAL GENERAL MEETING
RICKARD GUSTAFSON, PRESIDENT & CEO
March 12, 2020



A STAR ALLIANCE MEMBER 

SAS

Aviation matters

- We believe in the importance of **world trade** for Scandinavian economies
- We believe in an **open society**
- We believe that the world is enriched if people from **different countries and cultures** can meet and exchange ideas

COVID-19 – current status



Restrictions

- Travel restrictions imposed by governments
- Restrictions changing on daily basis



Demand

- Significantly lower bookings, across all route areas, time periods, and customer segments
- Corporates enforcing stricter travel policies



Jet fuel

- Highly volatile oil prices
- In short term, limited effect due to fuel hedges

Other airlines have reduced capacity in response to COVID-19



- -15% capacity reduction mid-March to mid-May



- Considering 10% further capacity reduction if demand drops



- 20% of fleet grounded
- -25% capacity reduction in April
- Considering up to -50% capacity reduction worldwide



- Considering capacity cuts to Asia, US and Italy if demand drops
- Withdrawn financial guidance



- -25% capacity reduction in Europe (AF)



- Cancelled 2400 flights in April
- Issued profit warning; update on effects with Q1 report April 29



- Officially operating as normal except Italy



- Capacity reduction Italy
- Considering further capacity reduction if demand drops



- Cancelled 1500 flights until end of May



- Cancelling 10-12 flights per day
- Postponing STO-OSL launch

SAS response

Capacity adjustments

- Suspended flights to affected areas until April
- 10-15% reduced capacity on entire network in March and April
- Preparedness to rapidly reduce/increase capacity

Cost reductions

- Immediate positive effect on variable cost from capacity reduction
- Immediate stop of all non-essential projects and spend
- All available measures taken to reduce level of remaining spend (more than 250 initiatives identified)
- Seeking solidarity based reduction of working hours
- In dialogue with governments to alleviate taxes and charges

Updated outlook FY20

- SAS has withdrawn its fiscal year 2020 guidance provided to the market on 5 December 2019
- SAS' financial preparedness remains strong

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FY19 IN RETROSPECTIVE

2

LOOKING AHEAD



Strong commercial performance

FY19 highlights



25 new routes and 9 new destinations



High speed wifi installed on 60 aircraft



21 new fast tracks



New EuroBonus features



New and improved disruption tools

Outcome

Revenue

+4.5%

SEKbn 46.7

PASK
(currency adjusted)

+2.5%

SEK 0.73

Customer
satisfaction

+2 p.p.

72

Improved operating performance

FY19 highlights



7 Airbus A320neo and 1 A330e introduced



Fleet renewal in regional wetlease platform



Continued delivery on efficiency program



Rollout of mobile devices for maintenance and ground staff



Intensive pilot training



Accelerated sustainability focus

Outcome

Punctuality **80.3%**

Efficiency **900**
MSEK SAVINGS

CO₂ **-2.4%**
REDUCTION

Despite strong efforts, FY19 financials were under pressure

Unfavourable
currencies



-1.1

Higher fuel price



-0.8

Pilot conflict

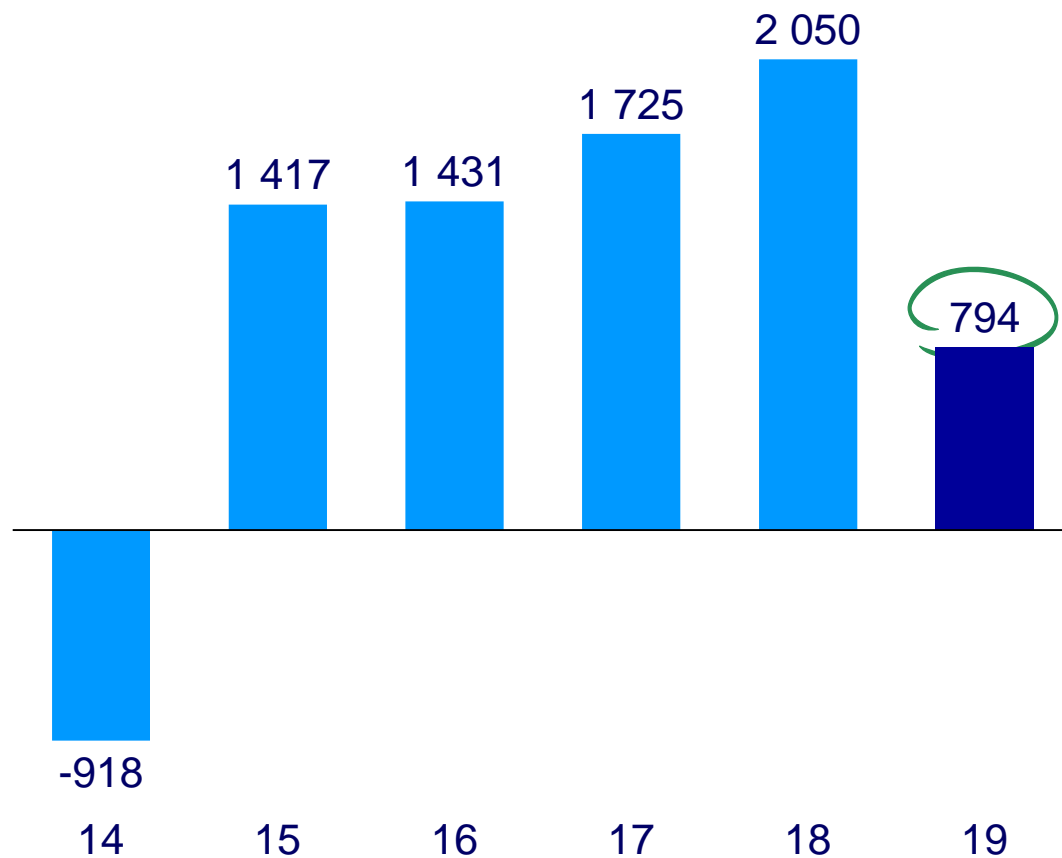


-0.6

EBT-effect
SEKbn

As a result, SAS did not meet all it's financial targets in FY19

EBT
MSEK



	FY19	Target
Financial preparedness	38%	25%
Financial Net Debt / EBITDA	3.7x	<3x
ROIC	8%	12%

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FY19 IN RETROSPECTIVE

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LOOKING AHEAD





SAS

