

SAS

Q4 FY 2021



November 30, 2021

Financial performance burdened by the pandemic

Highlights Q4

- Strongest quarter since Q4 2019
- Positive operational cashflow
- Maintained liquidity position
- Adapting to a new market reality
- Developing customer offering and re-opening routes
- Cooperation for production of the world's first synthetic SAF

Looking ahead

- Monitoring development of pandemic
- Changed passenger mix with higher number of leisure travelers
- Closely following demand and booking window development
- Increased industry capacity
- Furlough schemes and other support packages ended

Q4-21	CHANGE VS. Q4-20
Passengers (million)	
3.6	+1.7mn (+88%)
Capacity (ASK, total, mill. km)	
7 026	+3 103 (+79%)
Revenue	
SEK 5.8bn	+2.7bn (+90%)
Total Operating Expenses	
SEK 6.2bn	+0.5bn (+8%)
EBT	
SEK -0.9bn	+2.3bn (+71%)

Increased number of flown passengers

Demand drivers

- Corporate travel started to pick up
- Leisure travel demand healthy
- Continued capacity growth
- Planning to offer 150 routes to 90 destinations during winter
- Easing restrictions in core markets
- EU digital COVID passports positive impact



SAS' passenger development

Thousand passengers

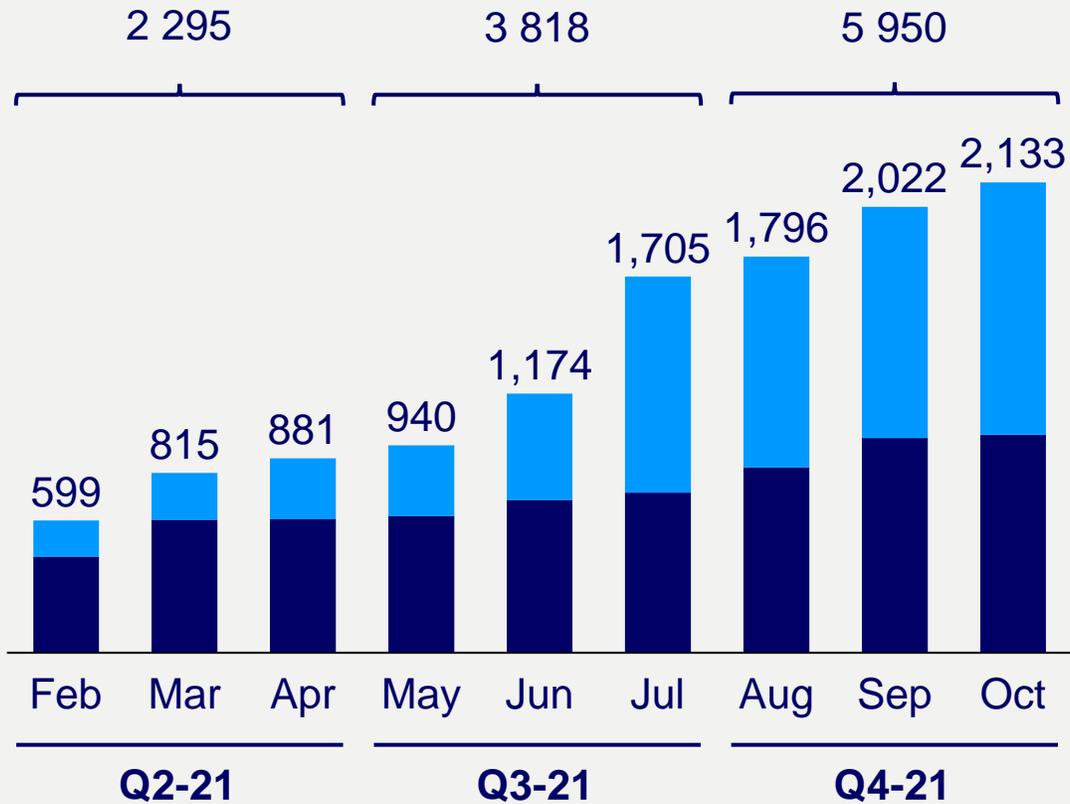


Production in line with demand

SAS' seat capacity development

of seats, thousands

International Domestic



Selected operational metrics

(Q4 2021 vs. Q3 2021)

Departures

40 568
(+59.7%)

Cabin factor (%)

59.0%
(+7.1 pp*)

Regularity (%)
72h

98.5%
(-0.3 pp*)

Punctuality (%)
P15

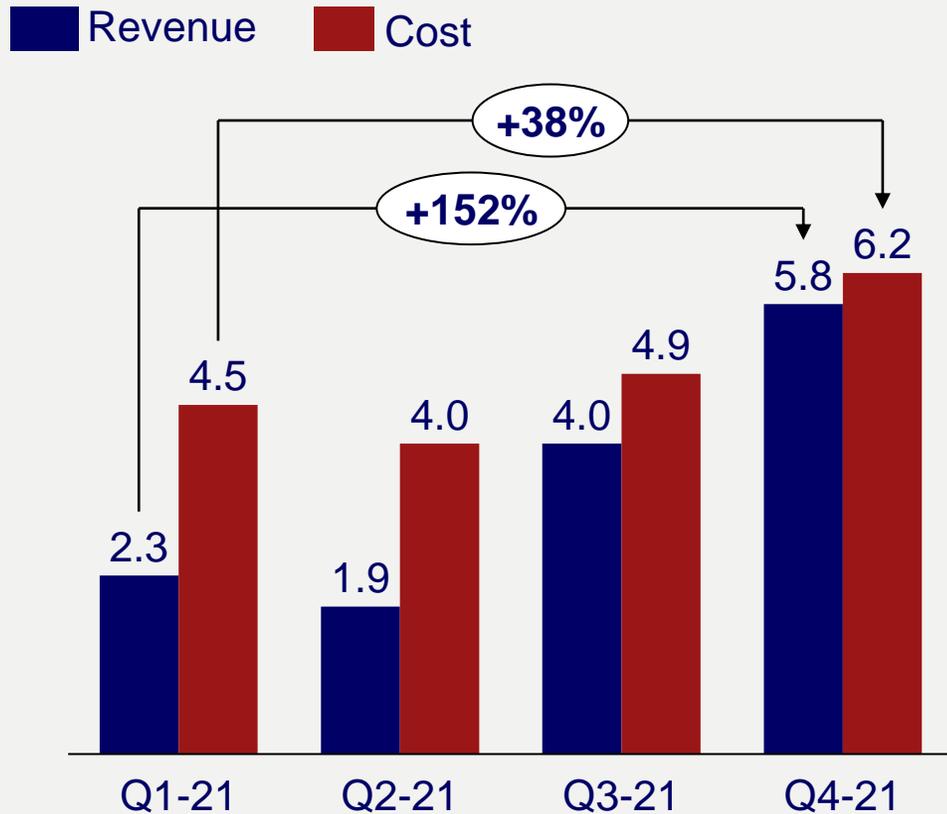
85.4%
(-2.3 pp*)

*: percentage points

Improved earnings from cost control

SEK billions

Revenue and cost



Improved earnings

- Total revenue increased by SEK 3.5bn, whereas costs increased by SEK 1.7bn
- Bottom line result is still negative

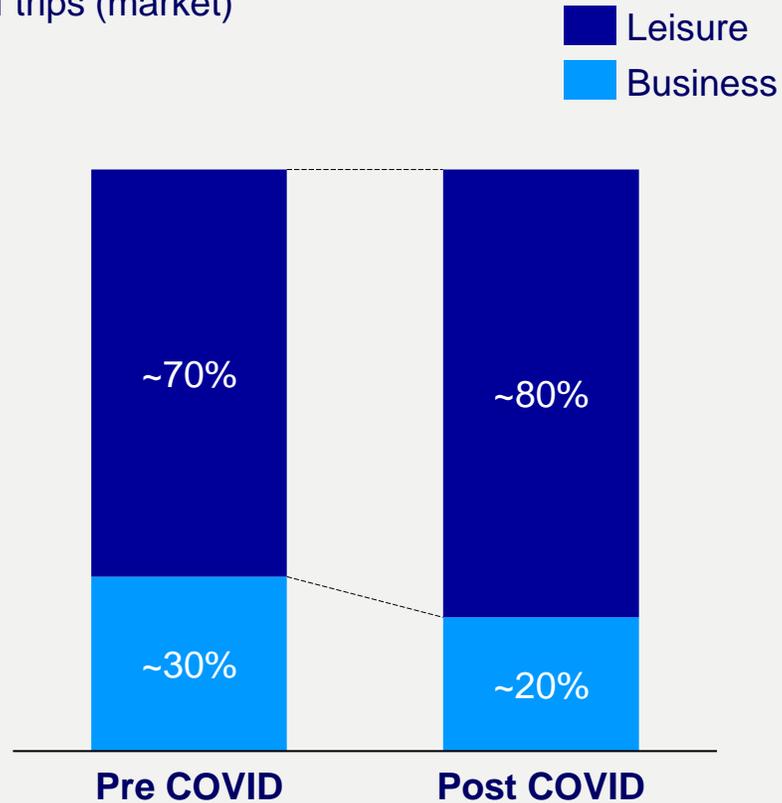
Reduced operational cash burn

- Positive operating cash flow at SEK 1bn for the quarter
- Total liquidity position remained SEK 4.3bn during Q4

One brand and SAS customer experience

New passenger mix

Share of trips (market)



Enhanced operating model

SAS

SAS
Scandinavia

SAS
Connect

SAS
Link

Wet lease
partners

**ONE BRAND &
CUSTOMER EXPERIENCE**

Leading the way to reduce carbon footprint

2025 goal

- Reduce total carbon emissions by 25% vs. 2005

Fleet renewal

- A320neo - 15-18% less carbon emissions
- A350 - 30% less carbon emissions

SAF

- Co-operation with Vattenfall, Shell and LanzaTech to explore production of SAF
- Initiative to explore power to liquidity large-scale production in Sweden
- SAF will be produced from fossil free electricity and recycled CO₂

Ramp-up impacted by development of pandemic

Planning for continued uncertainty

- Visibility remain low - uncertainties remain going forward
- Constantly reviewing and adjusting capacity is still important
- Flexibility remains key
- Slow but improving ramp-up as demand stabilizes for winter
- Optimistic view for peak periods and summer 2022



SAS

FINANCIALS



Highlevel Summary – Q4 2021

CAPACITY	
Q4-21	
+74%	
ASK ¹ vs. LY	

TRAFFIC	
Q4-21	
+151%	
RPK ¹ vs. LY	

PASK ²	
Q4-21	
+25.6%	
vs. LY	

CASK EXCL. FUEL ³	
Q4-21	
-38%	
vs. LY	



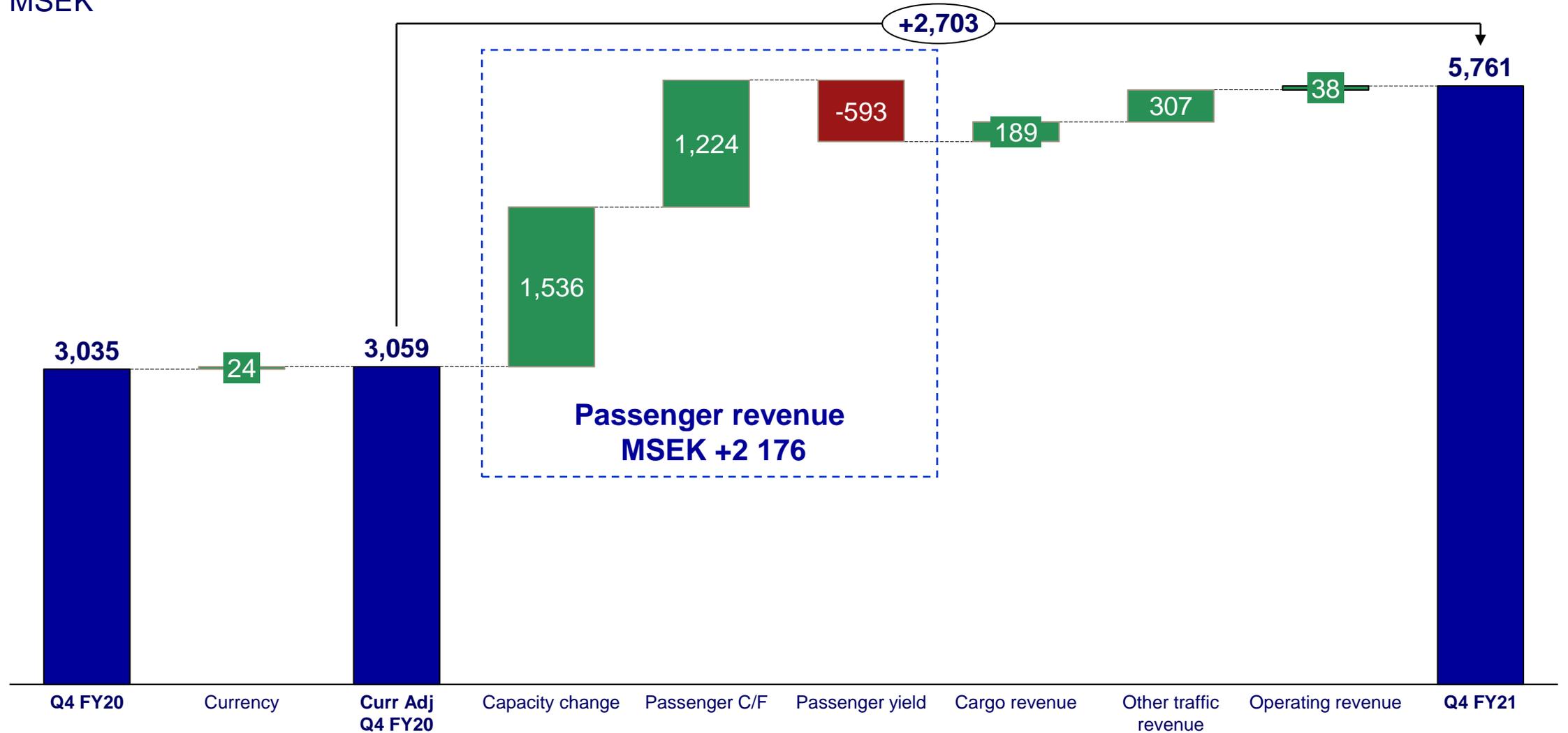
REVENUE (MSEK)	
Q4-21	Q4-20
5,762	3,035
	+2,727

EBT (MSEK) ⁴	
Q4-21	Q4-20
-911	-3,024
	+2,113

CASH FLOW FROM OPERATIONS (MSEK)	
Q4-21	Q4-20
1,054	-2,961
	+4,036

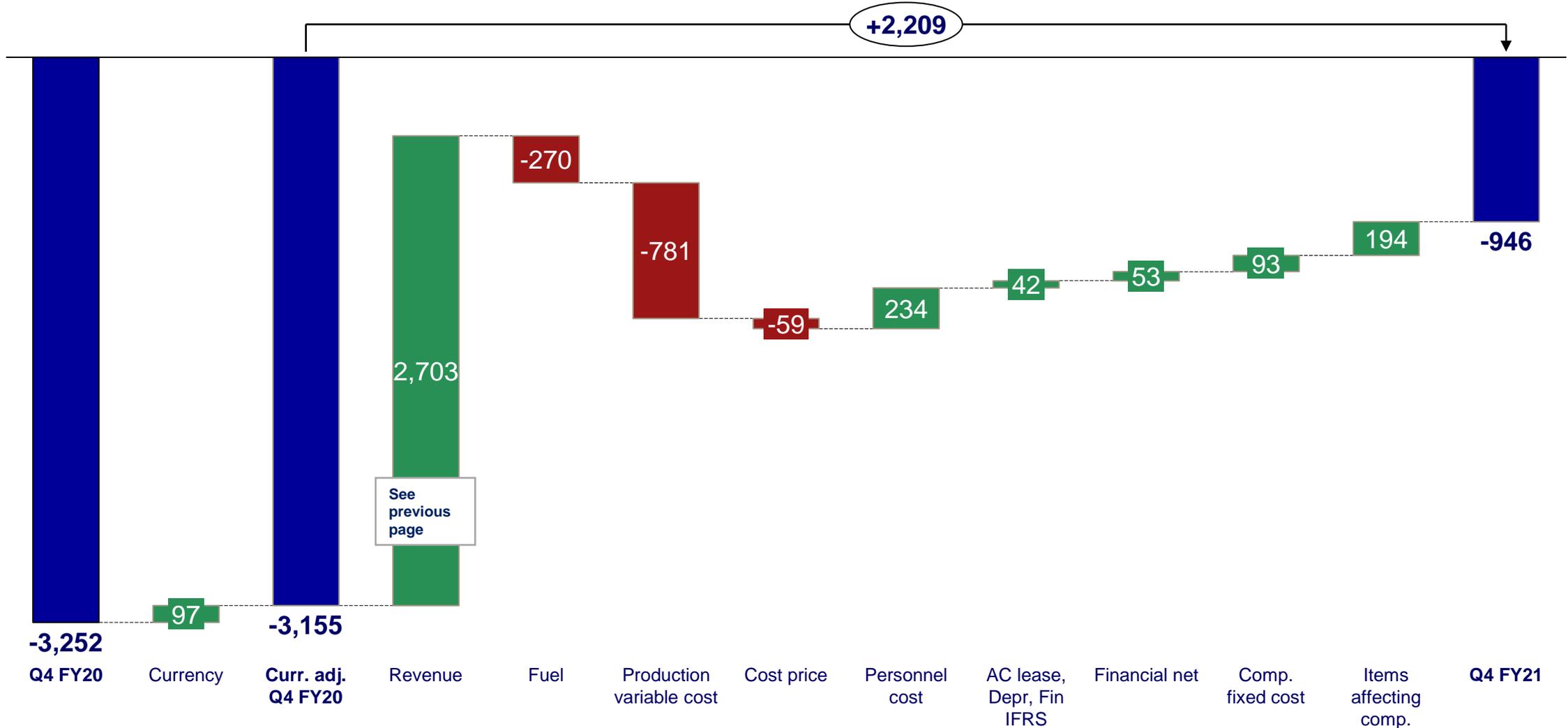
Revenue development: Q4 FY21 vs. Q4 FY20

MSEK



EBT development: Q4 FY21 vs. Q4 FY20

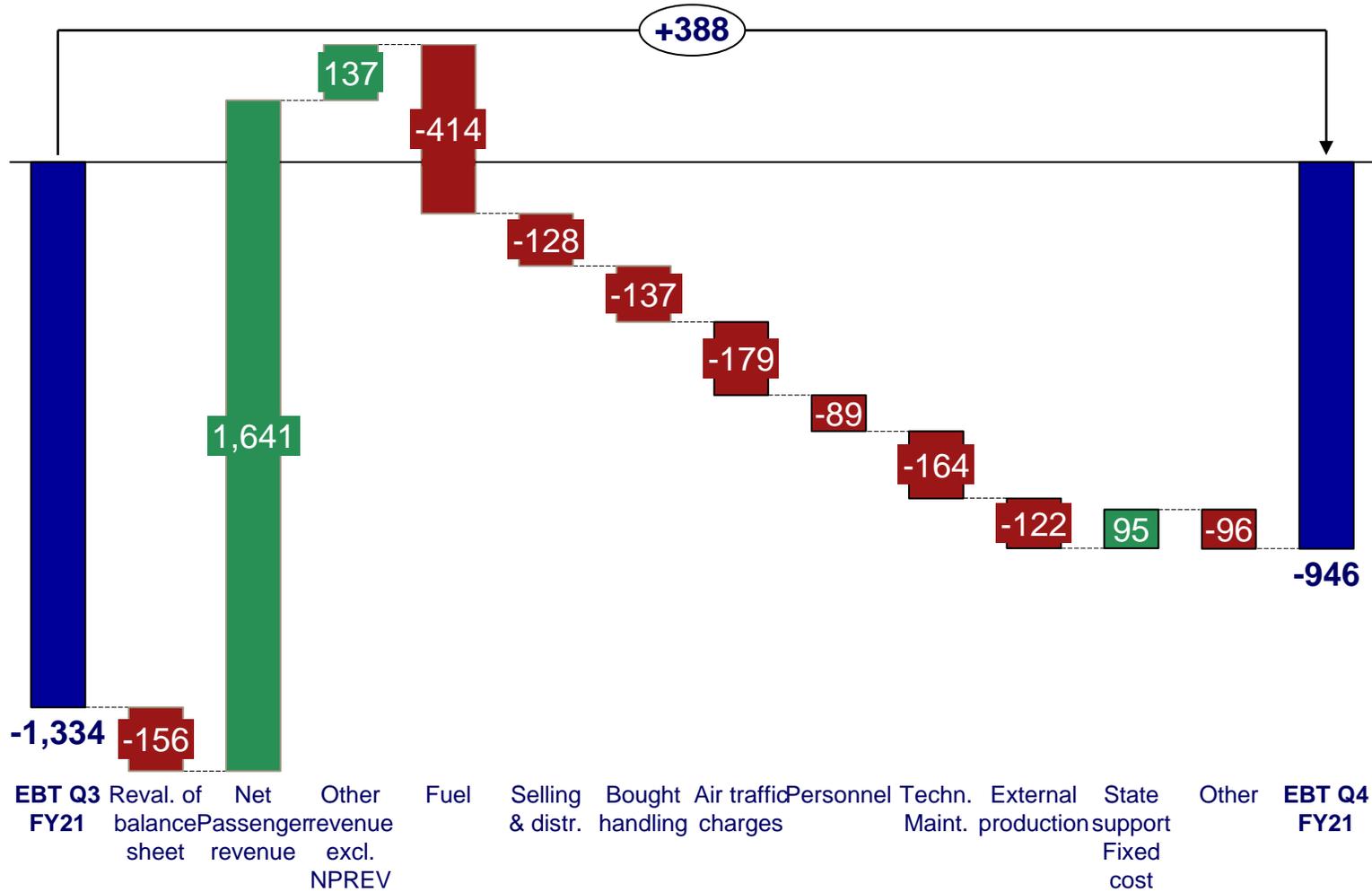
MSEK



See previous page

EBT: Q4 FY21 vs. Q3 FY21

MSEK



Comments

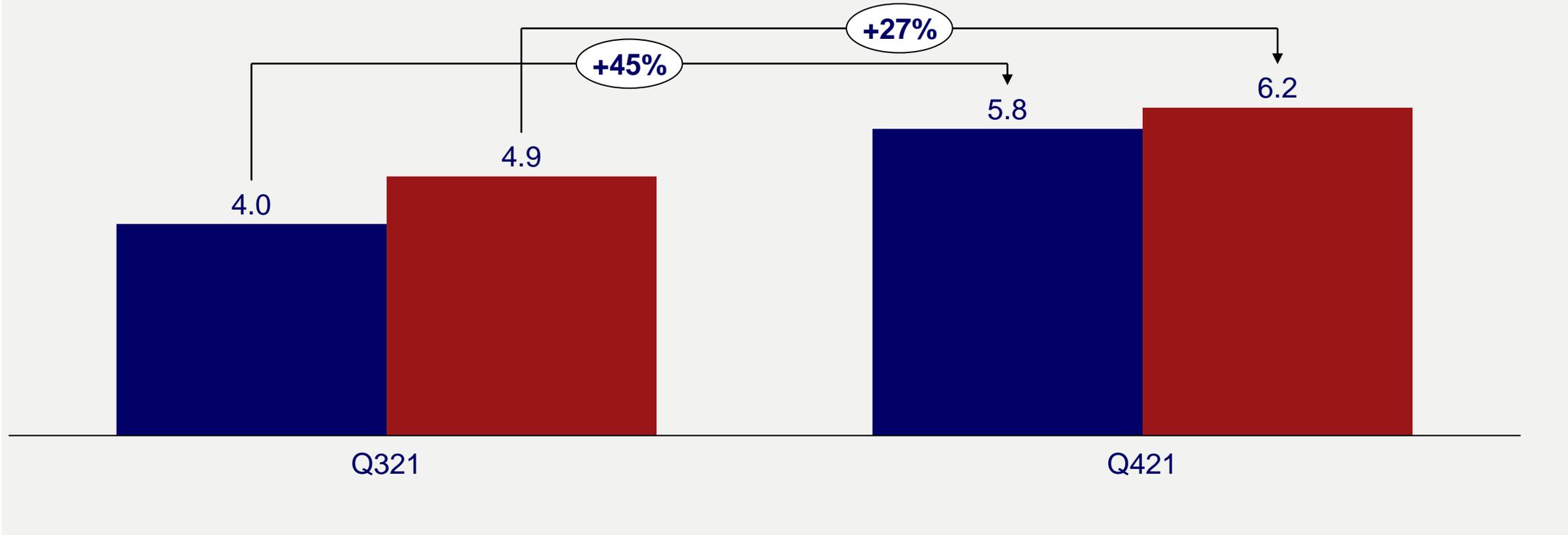
- Higher demand led to increased revenue
- Continued cost focus
 - Keeping costs to bare minimum
 - Adapting cost increase to ramp-up
 - Supply management focus

Improved earnings from cost control

SEK billions

Revenue and cost

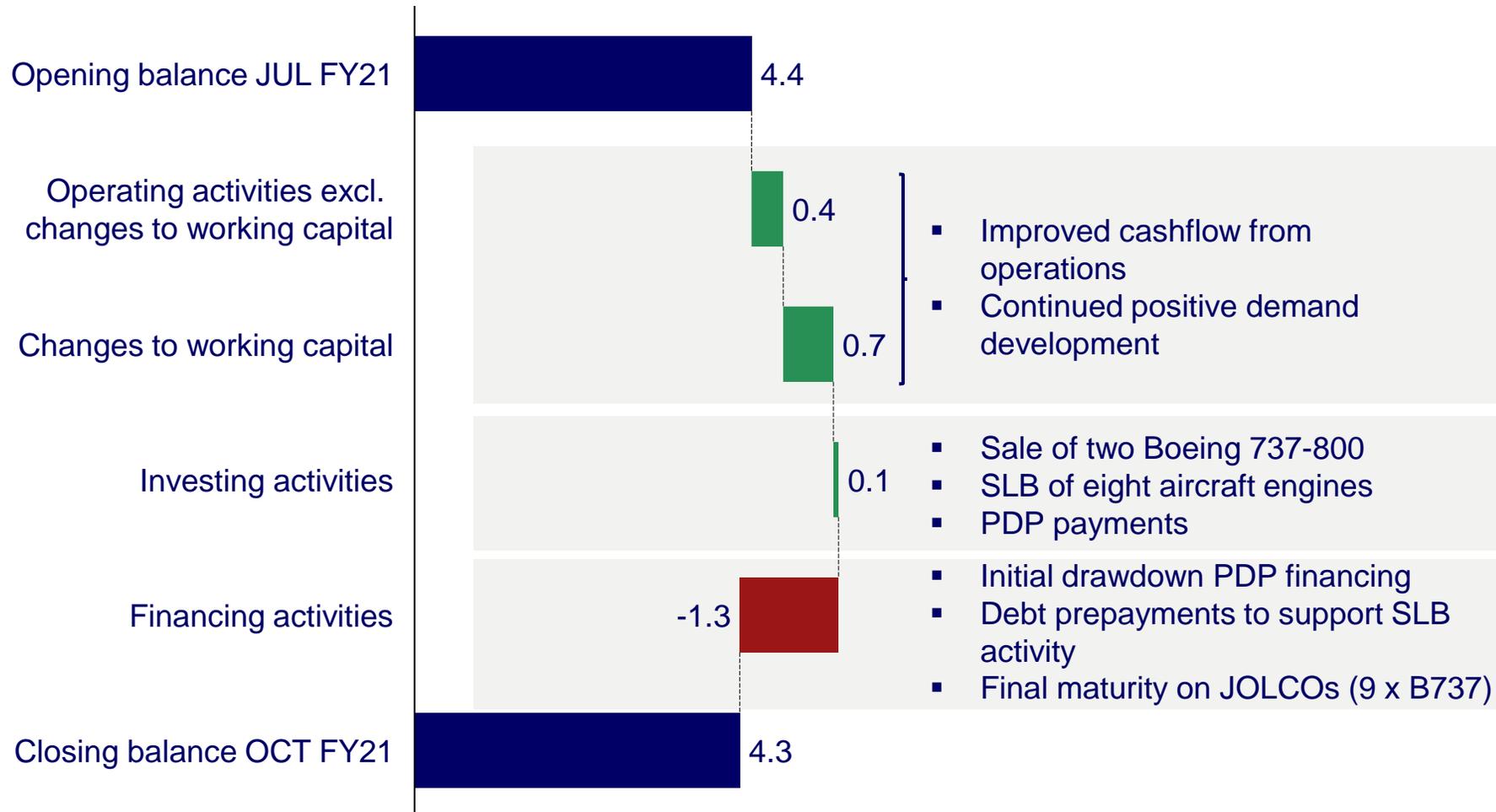
■ Revenue ■ Cost



Improved operating cashflow supports liquidity

Cash and cash equivalents Q4 FY21

SEKbn



- Demand improvement and continued cost focus resulted in positive operating cash flow during quarter
- Most important driver of liquidity continue to be ramp-up of demand
- Tickets sold contributes positively to liquidity

Activities to safeguard liquidity

Activities during the quarter



- Initial draw down on Pre-delivery payment financing facility for 10 x A320neo aircraft



- Completed the last eight aircraft engines in the SLB transaction covering 20 x engines (12 closed during the previous quarter)

Activities going forward

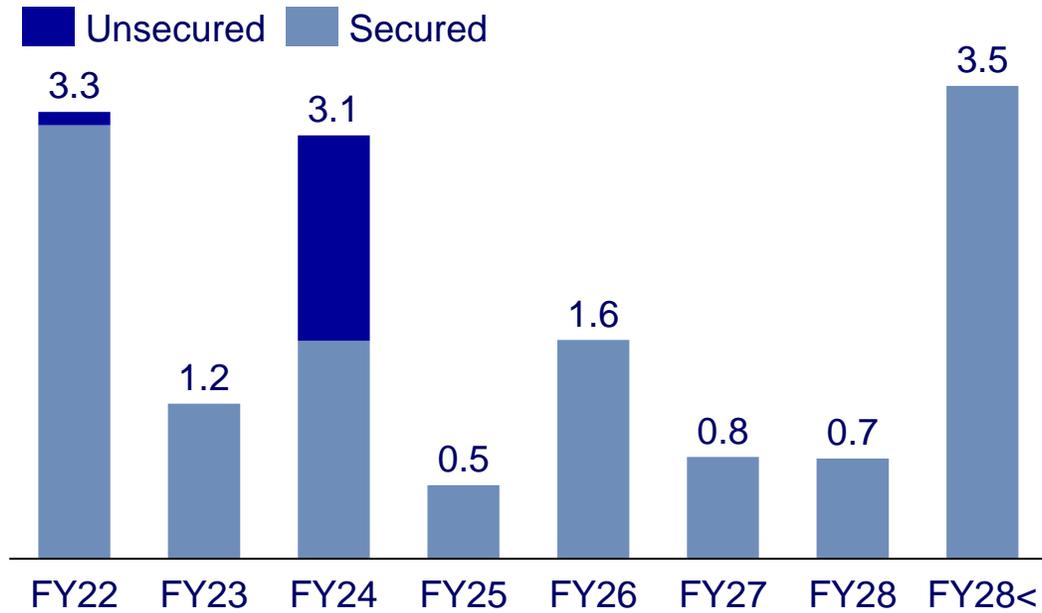
- Aligning capacity to demand remains key
- Implement productivity improvements
- Additional spare engine financing agreements and sale of aircraft
- Further focus on campaigns to secure future demand

Financial preparedness

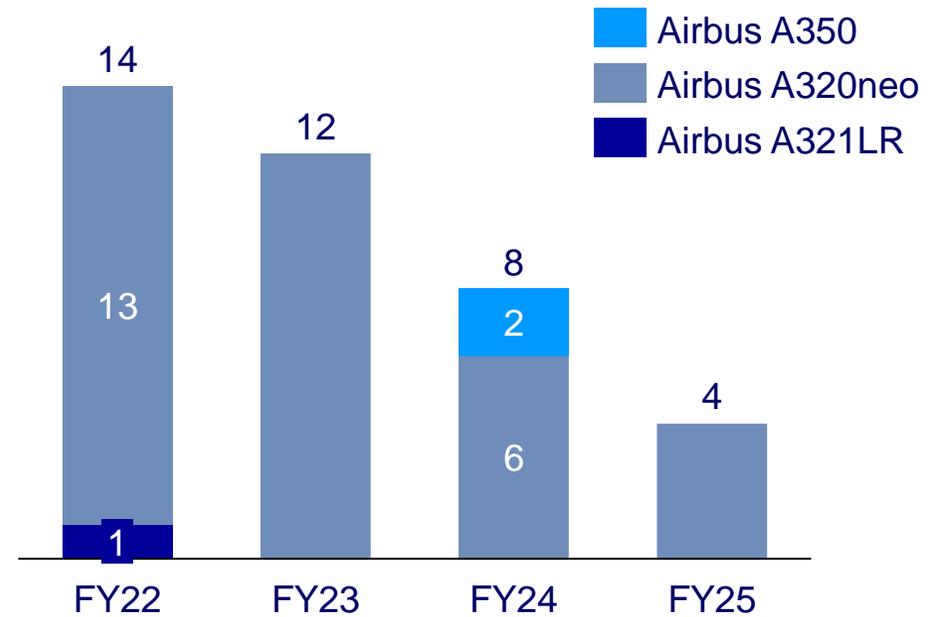
- Despite improved demand, uncertainties make access to liquidity crucial
- RCF facility totaling SEK 3.0 billion remains undrawn

Debt Maturity Profile and Aircraft Orders

Maturity profile, SEKbn



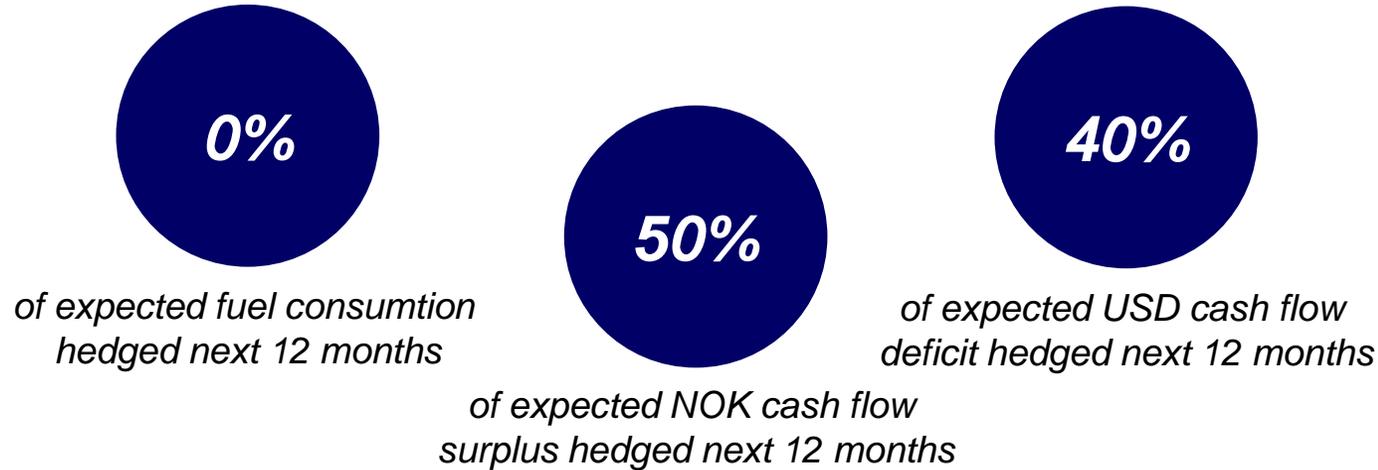
Aircraft orders,



Hybrid notes

- State Hybrid note 1, SEK 5 billion
- State Hybrid note 2, SEK 1 billion
- Commercial Hybrid note, SEK 1.6 billion

Jet fuel and currency hedges



Sensitivity analysis, jet fuel cost Nov 2021-Oct 2022, SEKbn

	Exchange rate USD/SEK				
Market price	8.0	8.5	9.0	9.5	10.0
USD 500/tonne	3.7	4.0	4.2	4.4	4.7
USD 600/tonne	4.4	4.6	4.9	5.2	5.5
USD 700/tonne	5.0	5.3	5.6	5.9	6.3
USD 800/tonne	5.6	6.0	6.3	6.7	7.1
USD 900/tonne	6.3	6.7	7.1	7.5	7.8

Jet fuel

- No new fuel hedges done
- Policy to hedge 0-80% (40-80%) of expected fuel consumption for the next 12 months and up to 50% for the following six months

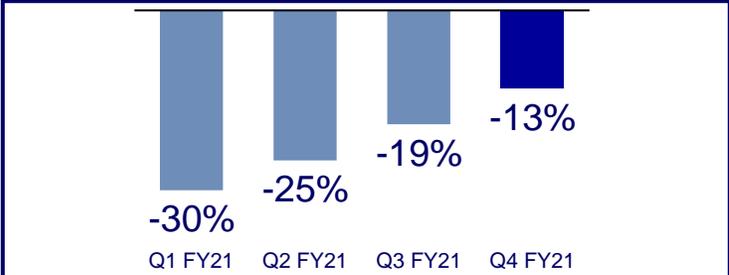
Currency

- Policy to hedge 40-80% of expected currency deficit/surplus for the next 12 months
 - 40% of USD hedged next twelve months
 - 50% of NOK hedged next twelve months

Financial Targets

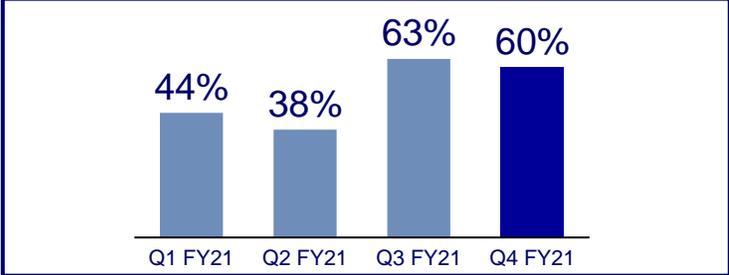
Return on invested capital (ROIC)

 **>WACC%**



Financial preparedness

 **>25%**



**Financial net debt
EBITDA**

 **<3.5x**

N/A

Key takeaways

-  Improved quarterly results still affected by the ongoing pandemic
-  Positive operational cashflow and maintained liquidity position
-  Adapting SAS to a new market reality
-  Developing customer offering and re-opening routes
-  Cooperation for production of the world's first synthetic Sustainable Aviation Fuel

SAS

Contact

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Web: <https://www.sasgroup.net/investor-relations>

Financial Calendar

Monthly traffic data is generally issued on the fifth working day of every month. The detailed financial calendar is available at [sasgroup.net](https://www.sasgroup.net) under Investor Relations

27 January 2022	Annual & Sustainability Report FY 2020/2021
1 March 2022	Q1 Interim Report (Nov'21-Jan'22)
17 March 2022	Annual General Meeting
31 May 2022	Q2 Interim Report (Feb'22-Apr'22)
26 August 2022	Q3 Interim Report (May'22-Jul'22)
30 November 2022	Year-end report (Nov'21-Oct'22)