

# *SAS*

## **Q3 FY 2021**



September 1, 2021

# Continued headwinds from the pandemic

## Highlights Q3

- Headwind impacts of COVID-19
- Focus on long-term cost reduction remaining
- Government credit facility established, strengthened financial preparedness
- Increased demand for the summer season
- Supporting operational agility and efficiency

## Looking forward

- Delta impact unpredictable
- Travel restrictions ongoing
- Vaccination progresses
- Digital COVID certificates implemented
- Continued shorter booking window
- Future furlough schemes uncertain

| Q3-21                                     | CHANGE VS. Q3-20 |
|---|------------------|
| <b>Capacity</b><br>(ASK, total, mill. km) |                  |
| 4 924                                     | +155%            |
| <b>Passengers</b><br>(million)            |                  |
| 2.1                                       | +0.9             |
| <b>Revenue</b>                            |                  |
| SEK 4.0bn                                 | +1.5bn           |
| <b>Total Operating Expenses</b>           |                  |
| SEK 4.9bn                                 | -0.4bn           |
| <b>EBT</b>                                |                  |
| SEK -1.4bn                                | +0.7bn           |

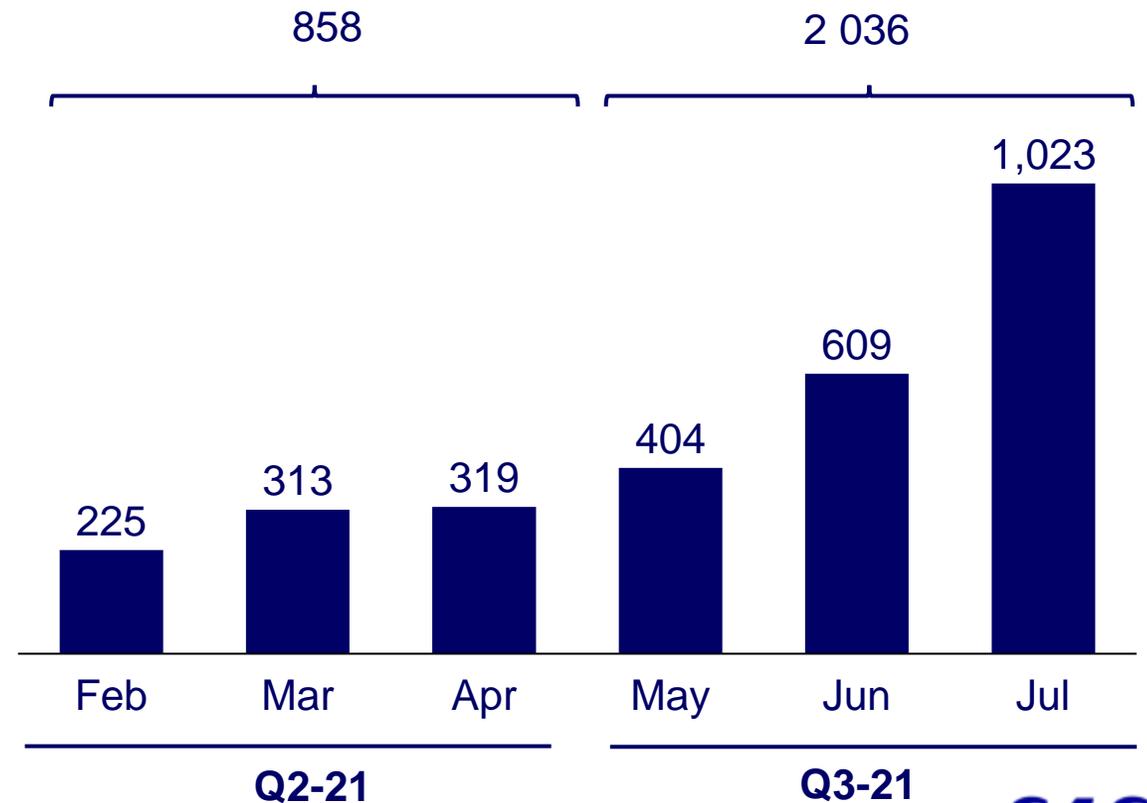
# Increased demand throughout summer

## Demand drivers

- Appealing leisure travel season
- Easing travel restrictions
- EU digital COVID passports issued
- Attractive network with 170 routes to 95 destinations offered
- SAS rolled out of digital tools: Travel Ready Center

## SAS' passenger development

Thousand passengers

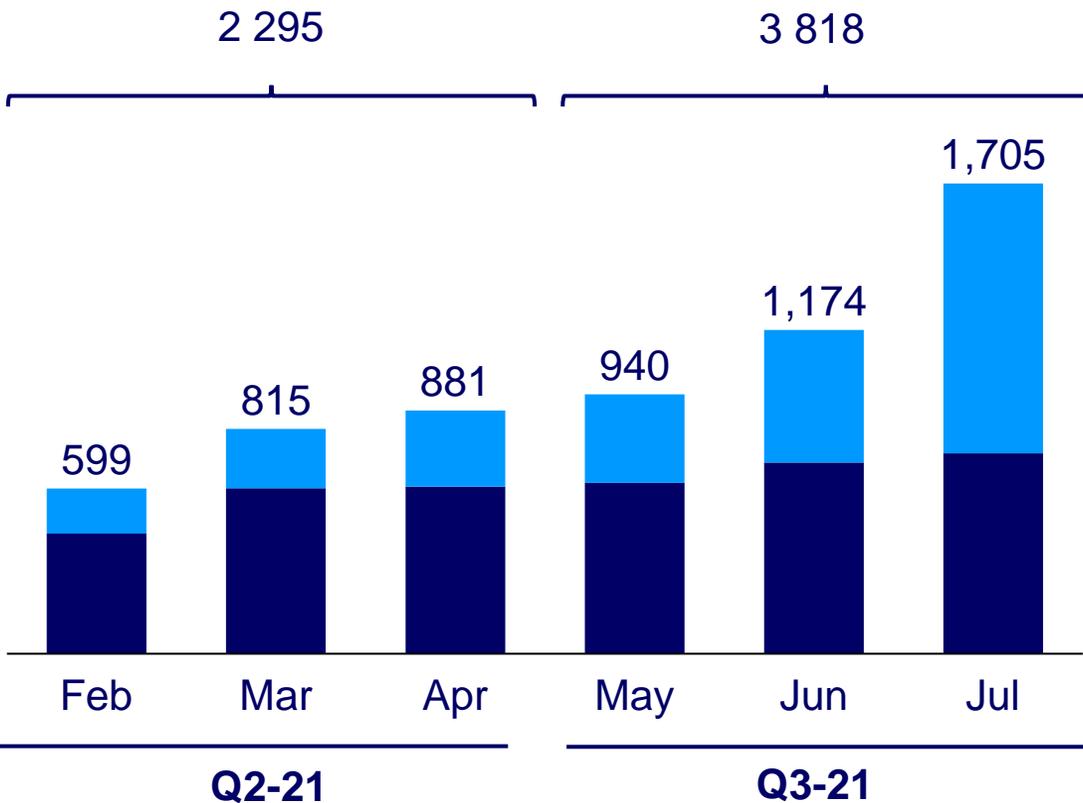


# Production in line with summer demand

## SAS' seat capacity development

# of seats, thousands

International Domestic



## Selected operational metrics

(Q3 2021 vs. Q2 2021)

Departures

25 337  
(+74.1%)

Cabin factor (%)

51.9%  
(+22.5 p.p)

Regularity (%)  
72h

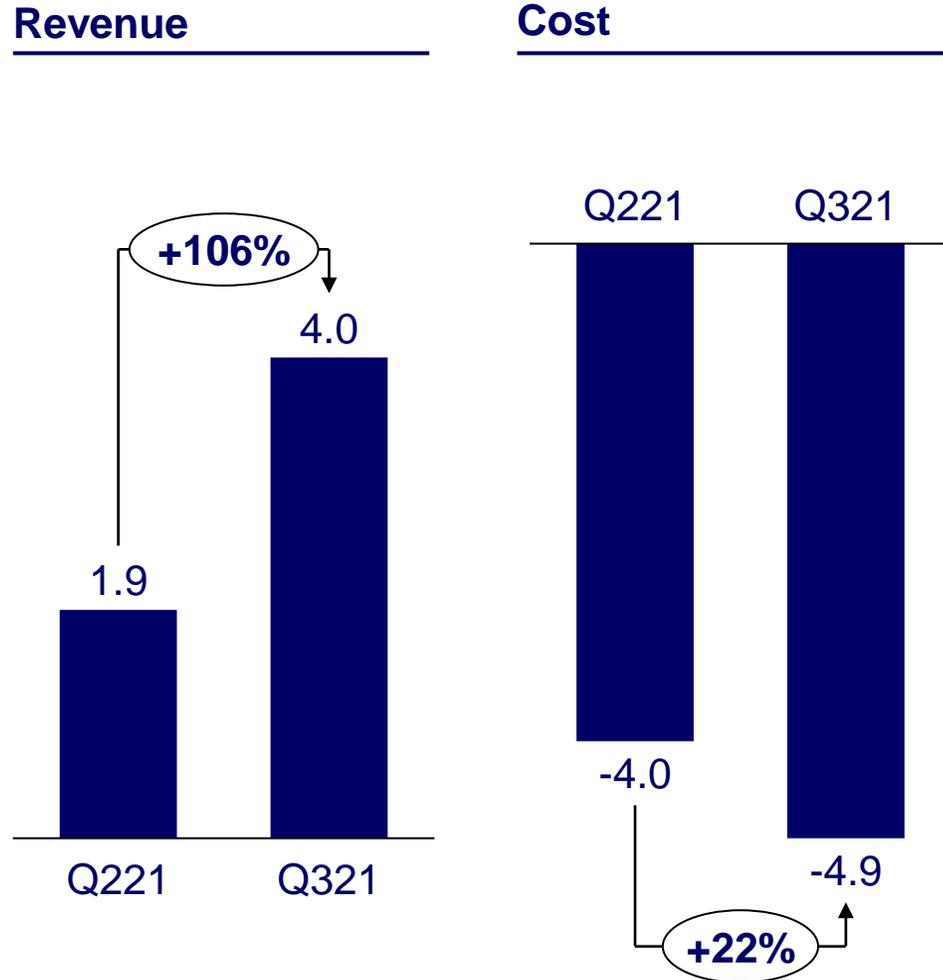
98.8%  
(-0.6 p.p)

Punctuality (%)  
P15

87.7%  
(+1.8 p.p)

# Improved earnings from cost control

SEK billions



## Improved earnings

- Total revenue increased by SEK 2.1bn, whereas costs increased by SEK 0.8bn
- Bottom line result is still negative

## Reduced operational cash burn

- Positive operating cash flow at SEK 0.5bn
- Total liquidity position remained SEK 4.4bn

# Headwinds remain and will impact ramp-up

Number of passengers compared with 2019

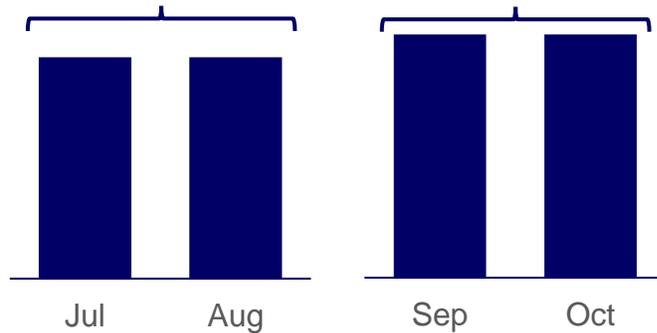
## Earlier communicated

*July-August:  
Few travel restrictions-  
Vaccine widely accessible*

*September-October:  
No travel restrictions*

~50 %

~50 %- 60%



- We expect ramp-up will be slightly delayed as uncertainties remain
- Different recovery paths for corporate and leisure travel demand
- Constantly reviewing and adjusting capacity is still important
- Agility remains key

# Key takeaways



**Increased demand throughout summer**



**Managed to increase capacity and earnings while maintaining liquidity**



**Established RCF with largest owners**



**Managing headwinds through flexibility remains important**

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**FINANCIALS**



# Highlevel Summary – Q3 2021

| CAPACITY                |  |
|-------------------------|--|
| Q3-21                   |  |
| <b>148%</b>             |  |
| ASK <sup>1</sup> vs. LY |  |

| TRAFFIC                 |  |
|-------------------------|--|
| Q3-21                   |  |
| <b>146%</b>             |  |
| RPK <sup>1</sup> vs. LY |  |

| PASK <sup>2</sup> |  |
|-------------------|--|
| Q3-21             |  |
| <b>-31%</b>       |  |
| vs. LY            |  |

| CASK EXCL. FUEL <sup>3</sup> |  |
|------------------------------|--|
| Q3-21                        |  |
| <b>-55%</b>                  |  |
| vs. LY                       |  |



| REVENUE (MSEK) |              |
|----------------|--------------|
| Q3-21          | Q3-20        |
| <b>3,982</b>   | <b>2,507</b> |
|                | +1,475       |

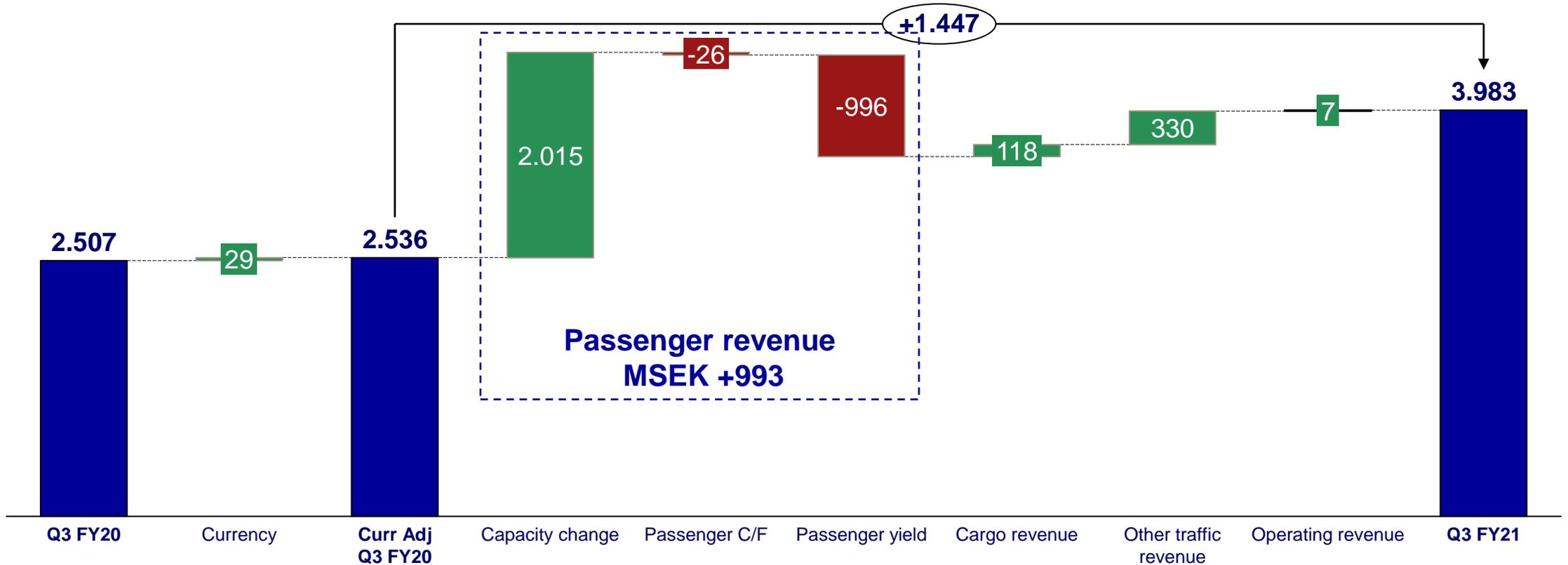
| EBT (MSEK) <sup>4</sup> |             |
|-------------------------|-------------|
| Q3-21                   | Q3-20       |
| <b>-1,237</b>           | <b>-784</b> |
|                         | -453        |

| CASH FLOW FROM OPERATIONS (MSEK) |             |
|----------------------------------|-------------|
| Q3-21                            | Q3-20       |
| <b>545</b>                       | <b>-961</b> |
|                                  | +1,506      |

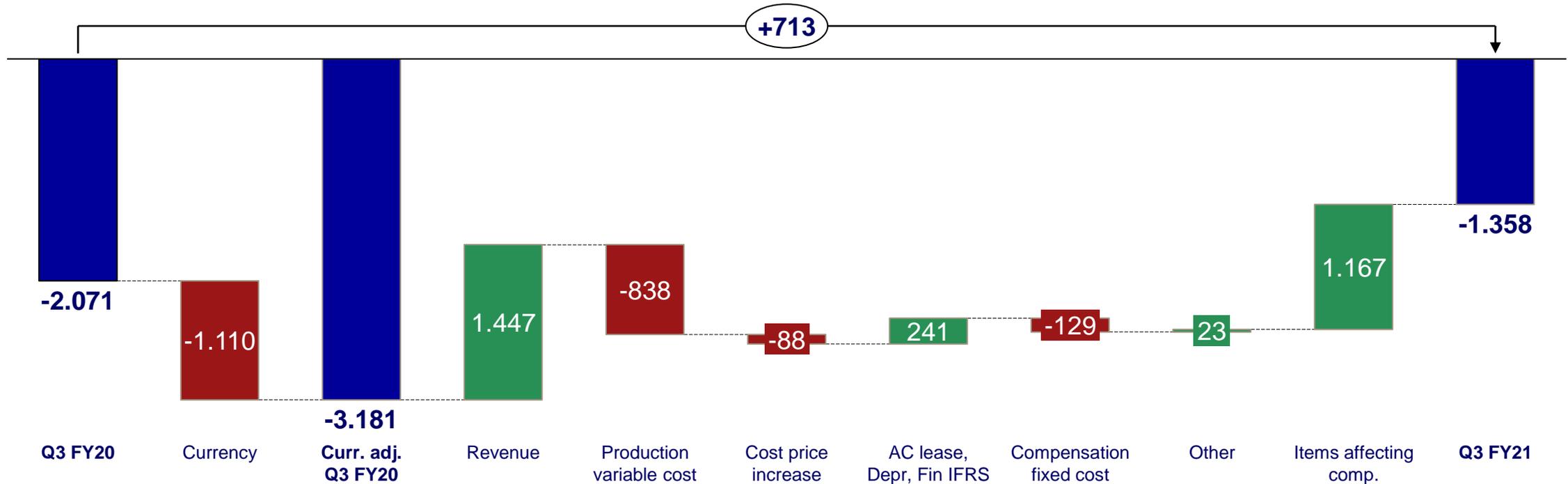
# Revenue development - Q3-21 vs Q3-20

MSEK



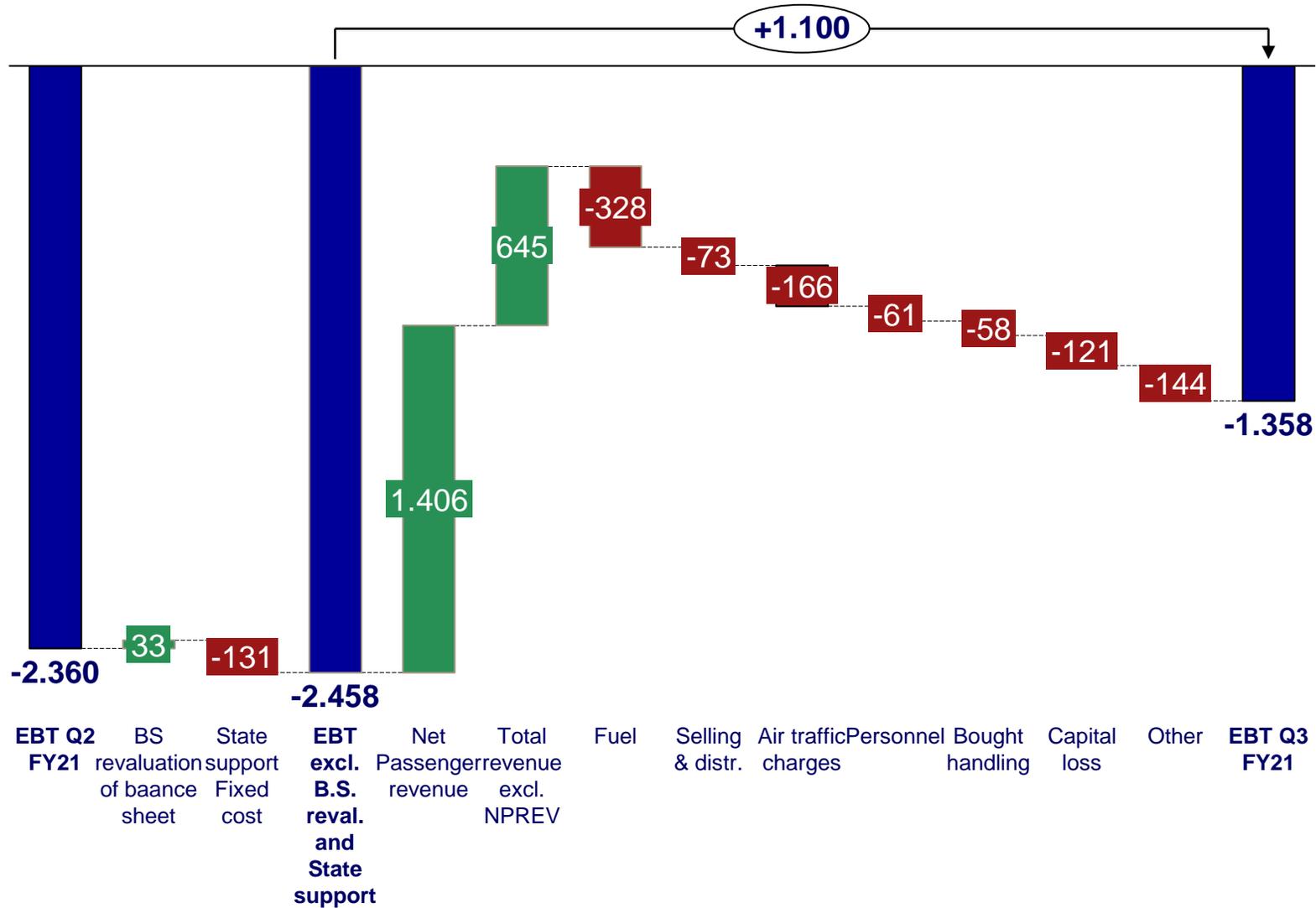
# EBT Development- Q3-21 vs Q3-20

MSEK



# EBT Development – Q3-21 vs Q2-21

MSEK



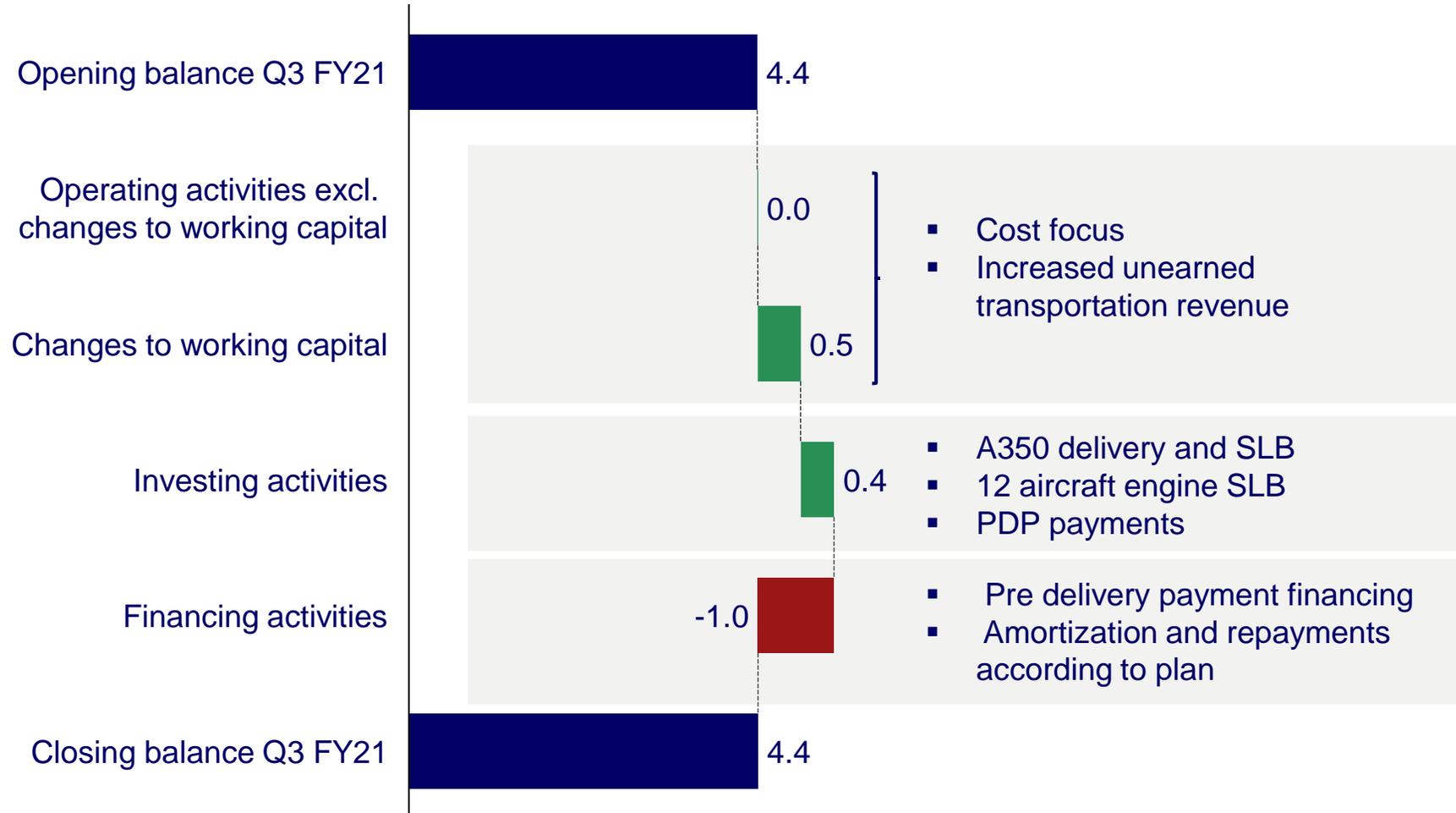
## Comments

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

# Liquidity position has been maintained

## Cash and cash equivalents Q3 FY21

SEKbn



## Comments

- Turning negative cash burn into positive
- Focusing on costs
- Increased ticket sales
- Continued SLB

# Activities to safeguard liquidity

## Activities during the quarter

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- Pre-delivery payment financings for two A320neo aircraft
- One A350 Sale leaseback agreement



- Sale leaseback agreements covering 20 x aircraft engines (12 closed during the quarter and a further eight in Aug)

## Activities going forward

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- Aligning capacity to demand
- Implement measures to increase productivity by 15-25%
- Additional spare engine financing agreements and sale of aircraft
- Campaigns to secure future demand
- Continue to seek government COVID-19 support packages including furlough schemes

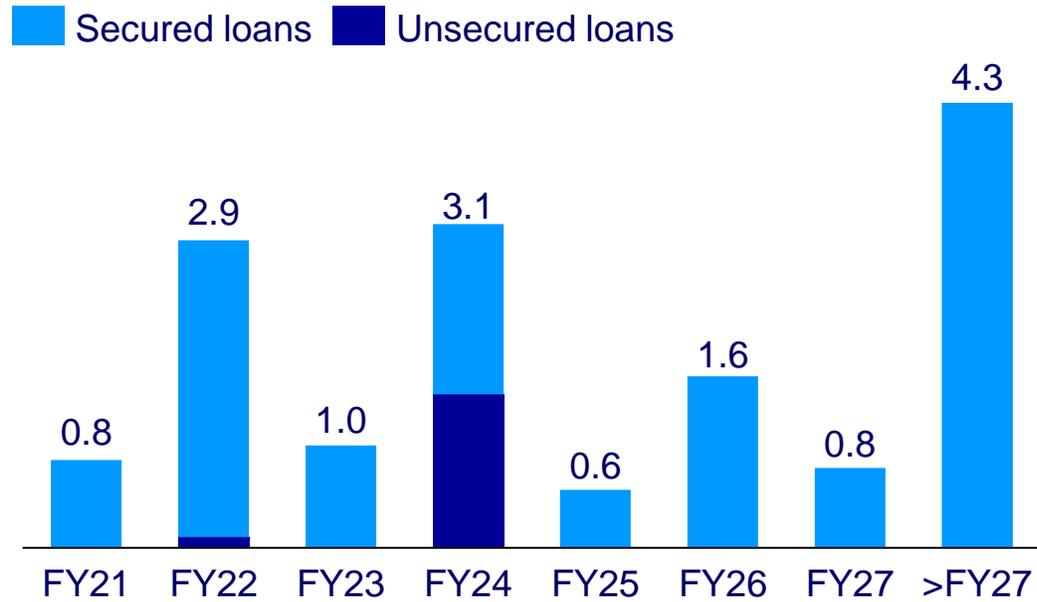
## Financial preparedness

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- Uncertainties makes access to liquidity crucial for all airlines
- Undrawn RCF facility totaling SEK 3.0 billion in place

# Debt Maturity Profile and Aircraft Orders

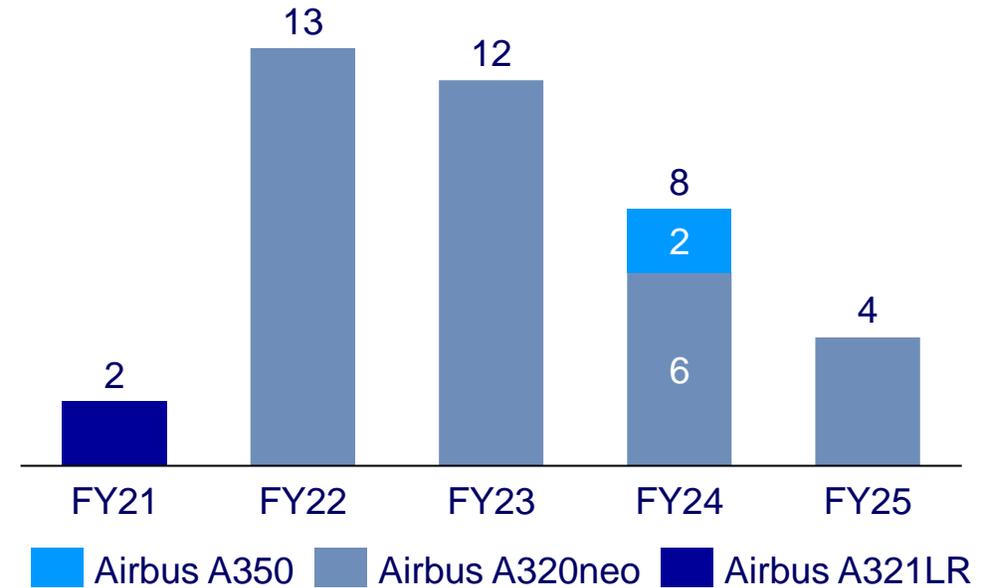
## Maturity profile, SEKbn



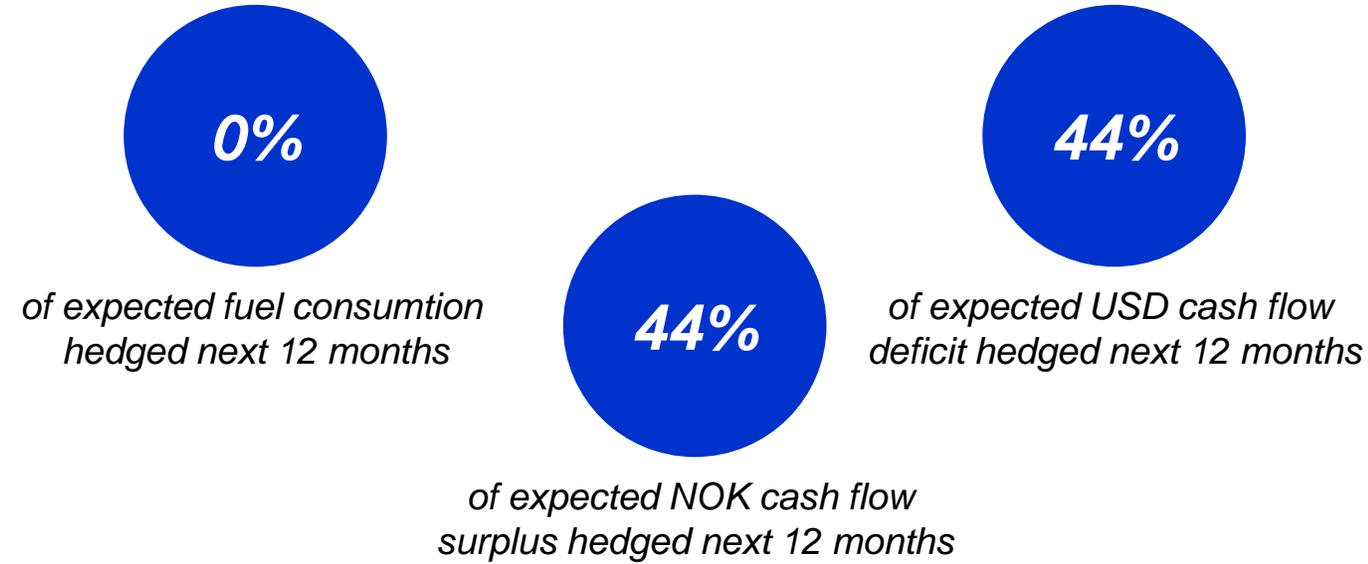
## Hybrid notes

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

## Aircraft orders, #



# Jet fuel and currency hedges



## Sensitivity analysis, jet fuel cost Nov 2020-Oct 2021, SEKbn

|               | Exchange rate USD/SEK |     |     |     |      |
|---------------|-----------------------|-----|-----|-----|------|
| Market price  | 8.0                   | 8.5 | 9.0 | 9.5 | 10.0 |
| USD 500/tonne | 2.3                   | 2.3 | 2.4 | 2.4 | 2.5  |
| USD 600/tonne | 2.4                   | 2.5 | 2.6 | 2.6 | 2.7  |
| USD 700/tonne | 2.6                   | 2.7 | 2.7 | 2.8 | 2.9  |

### 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

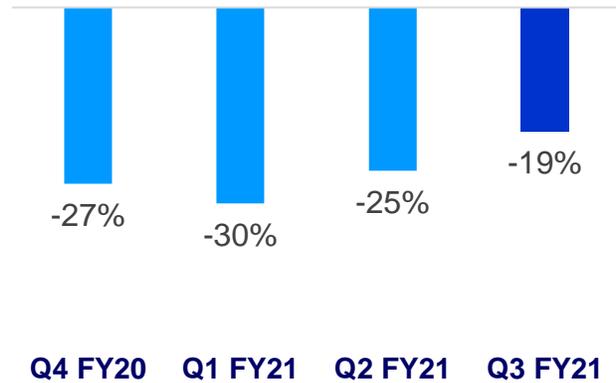
### Currency

- Policy to hedge 40-80% of expected currency deficit/surplus for the next 12 months
  - 44% of USD hedged next twelve months
  - 44% of NOK hedged next twelve months

# Financial Targets

## RETURN ON INVESTED CAPITAL (ROIC)

 >WACC%



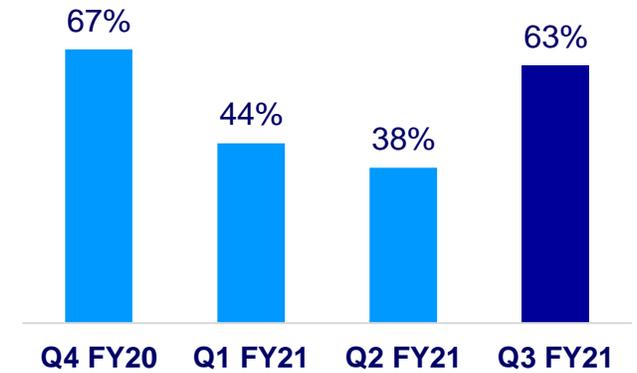
## FINANCIAL NET DEBT /EBITDA

 <3.5x



## FINANCIAL PREPAREDNESS

 >25%



# *SAS*



September 1, 2021

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# Contact

## Investor Relations

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## Financial Calendar

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*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*

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|                         |  |
|-------------------------|--|
| <b>30 November 2021</b> | <b>Year-end report (Nov'20-Oct'21)</b>                 |
| <b>27 January 2022</b>  | <b>Annual &amp; Sustainability Report FY 2020/2021</b> |
| <b>1 March 2022</b>     | <b>Q1 Interim Report (Nov'21-Jan'22)</b>               |
| <b>27 May 2022</b>      | <b>Q2 Interim Report (Feb'22-Apr'22)</b>               |
| <b>26 August 2022</b>   | <b>Q3 Interim Report (May'22-Jul'22)</b>               |
| <b>30 November 2022</b> | <b>Year-end report (Nov'21-Oct'22)</b>                 |