

SAS

Q3 FY 2022



August 26, 2022

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Summary

Q3-22

Highlights
<ul style="list-style-type: none">• Increased traffic driven by strong demand during summer• Results negatively impacted by strike• Operational ramp-up challenges across airline industry• Progress with transformation program, SAS FORWARD<ul style="list-style-type: none">→ Improve cost competitiveness→ Strengthen the balance sheet→ Filed for voluntarily chapter 11 process to accelerate plan• Ending the quarter with SEK 6.1 billion cash position
Looking ahead
<ul style="list-style-type: none">• We are progressing with SAS FORWARD plan• Continue to operate and fly<ul style="list-style-type: none">→ Improve operational performance→ Serve our guests• With DIP financing we will increase our financial strength (subject to approval by court)

Q3-22	CHANGE VS. Q3-21
Passengers (million)	
5.1	+3.0mn (+143%)
Capacity (ASK, total, mill. km)	
9 308	+4 384 (+89%)
Revenue	
SEK 8.6bn	+4.6bn (+115%)
Total Operating Expenses	
SEK 9.7bn	+4.9bn (+101%)
EBT	
SEK -2.0bn	-0.7bn (-49%)

Increased passenger numbers

Demand

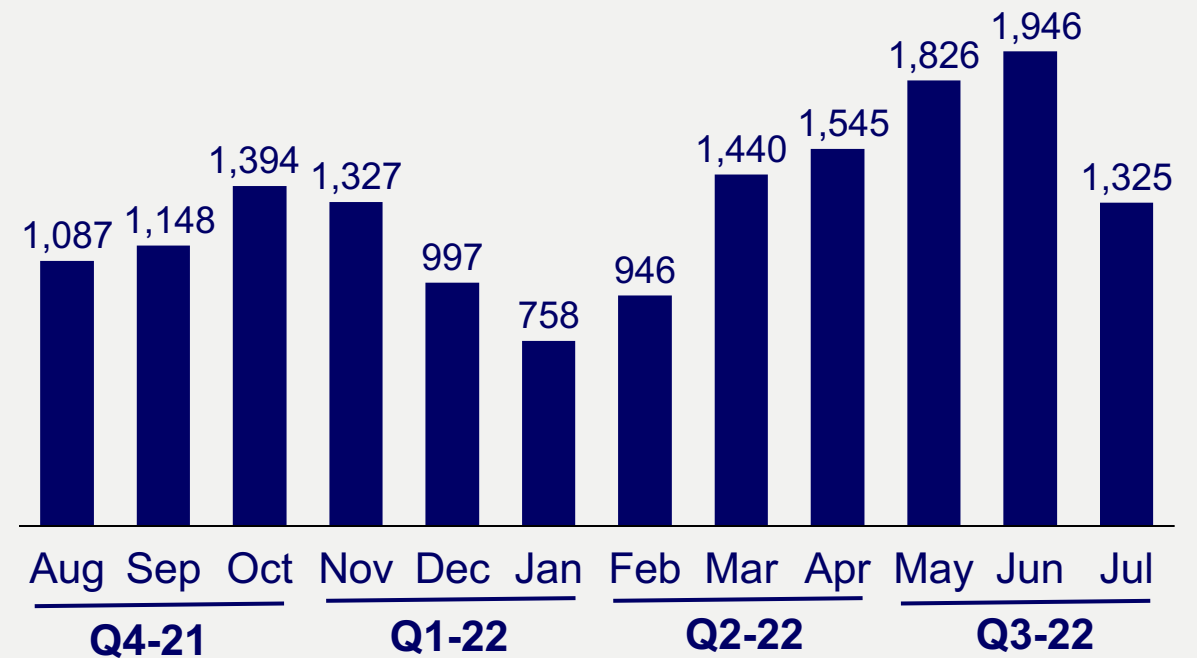
- Increased ticket sales and travel once world opened up
- Pent-up demand but July heavily impacted by strike
- Geopolitical situation is affecting the Asian recovery following the pandemic as Russian airspace remains closed



SAS' passenger development

Thousand passengers

3,629 3,082 3,931 5,097

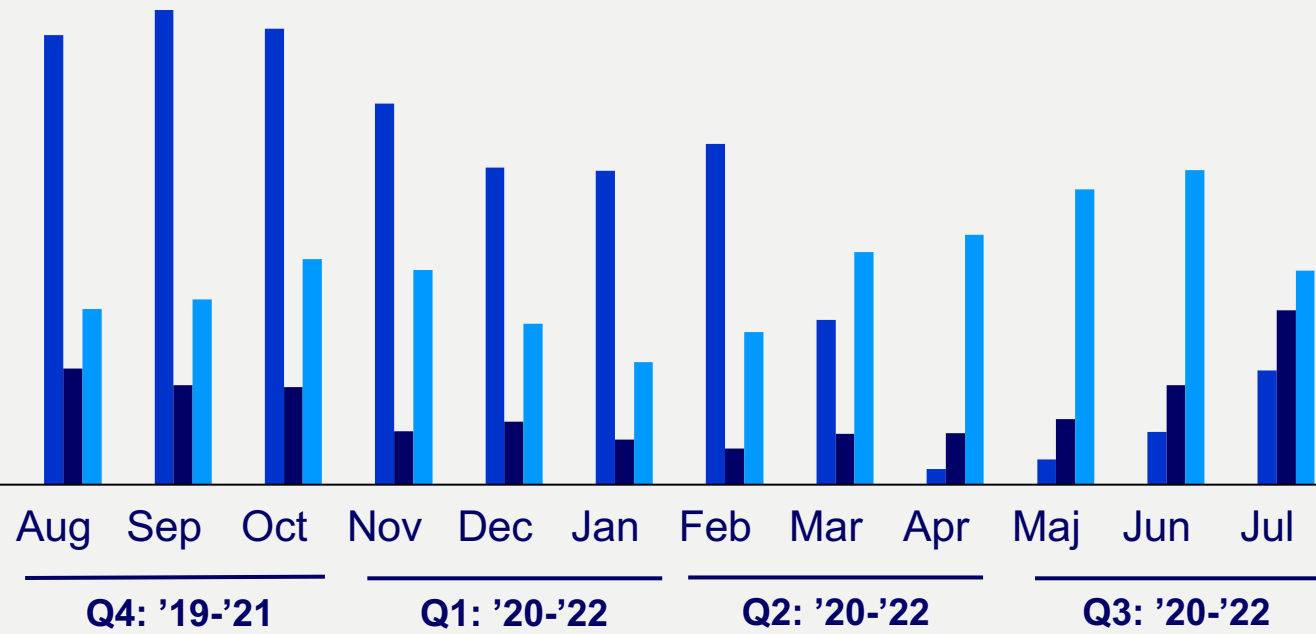


Underlying growth in traffic continues

SAS' passenger development

of passengers, thousands

- FY 2019/2020
- FY 2020/2021
- FY 2021/2022



Selected operational metrics

(Q3 2022 vs. Q2 2022)

Departures

50 512
(+21.9%)

Cabin factor (%)

77.7%
(+10.8 pp*)

Regularity (%)
72h

71.2%
(-27.1 pp*)

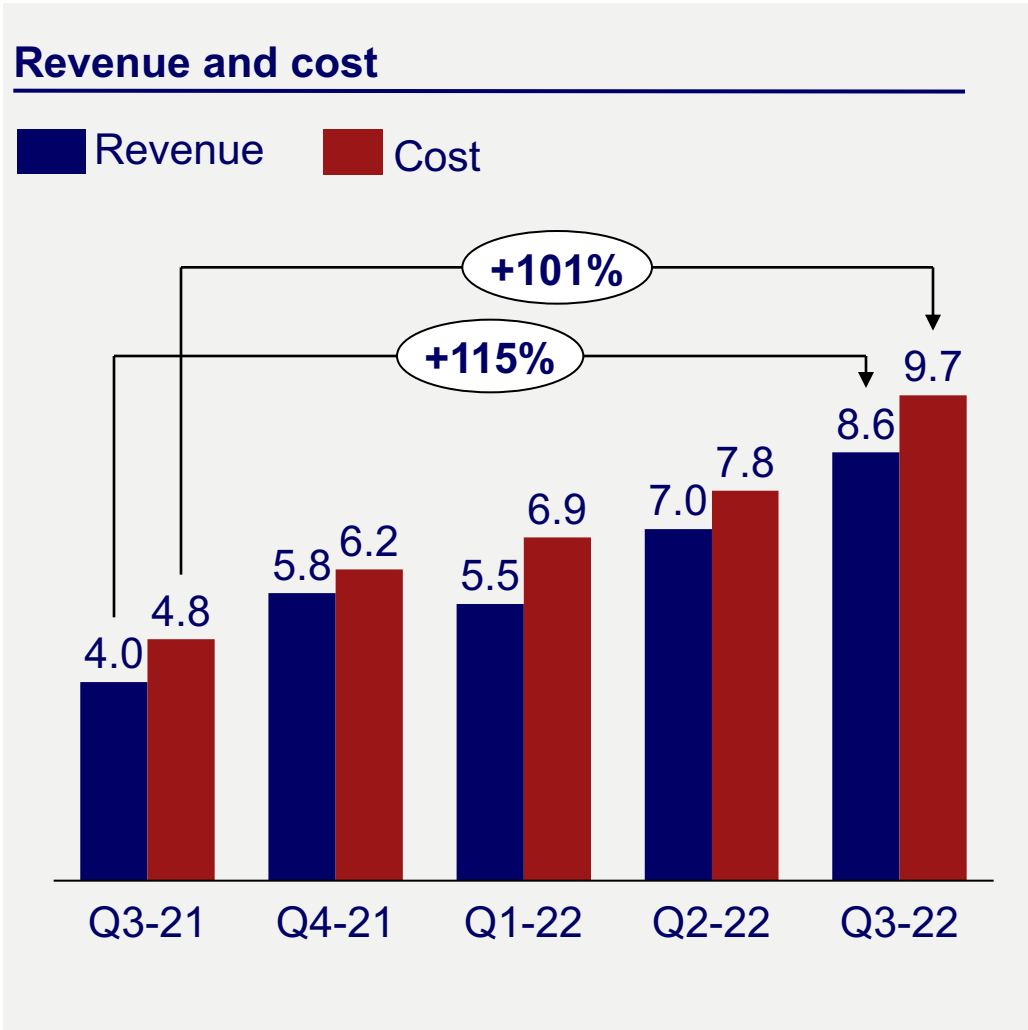
Punctuality (%)
P15

90.4%
(+15.9 pp*)

*: percentage points

Total revenue increased but affected by strike

SEK billions



Summary

- Total revenue increased Q3 vs LY by SEK 4.6bn, whereas costs increased by SEK 4.9bn vs last year.

Revenue

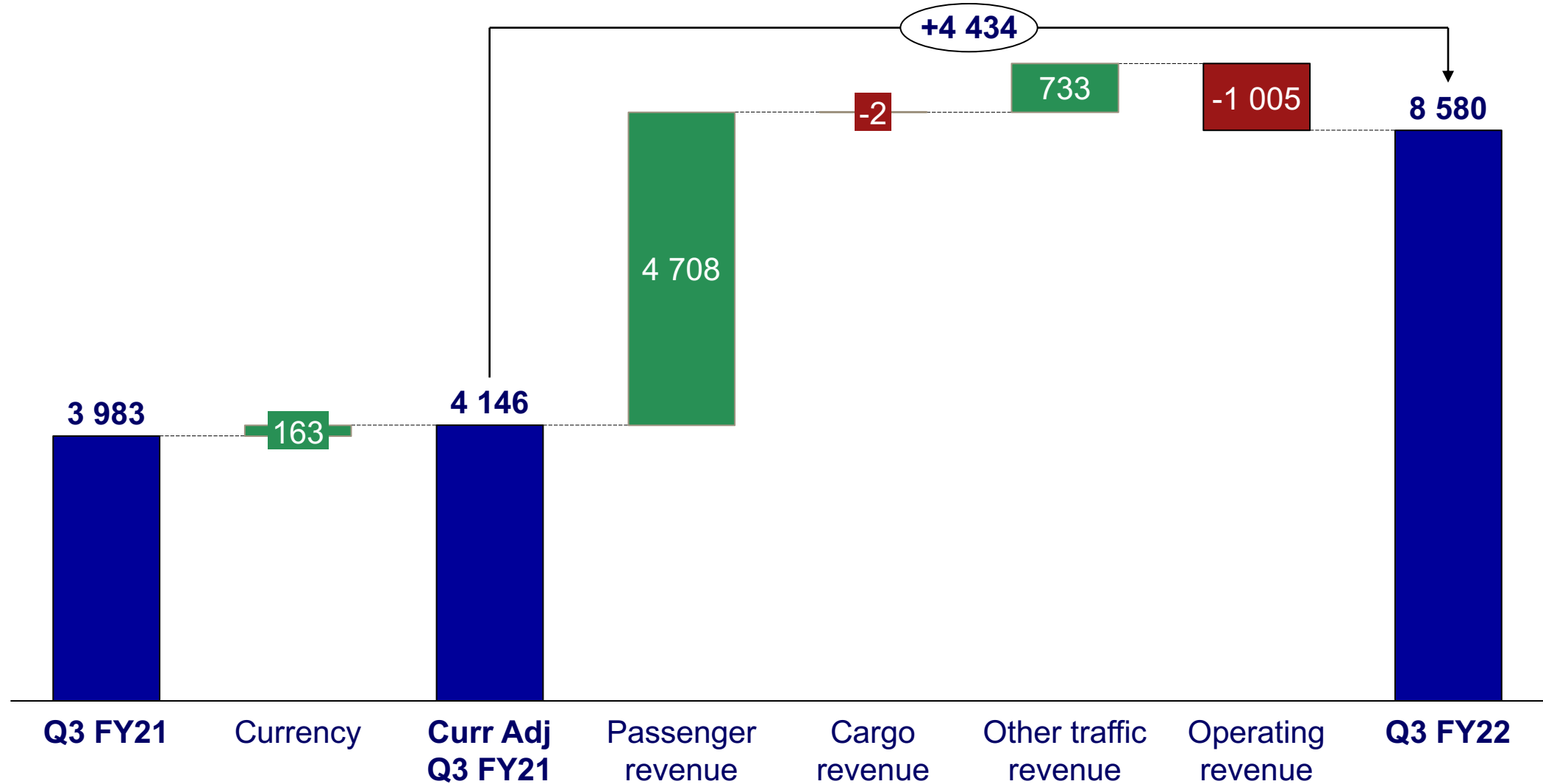
- Driven by increased passenger volumes, but dampened by strike

Cost

- Impacted by fuel price
- Foreign exchange effect
- Strike action compensations

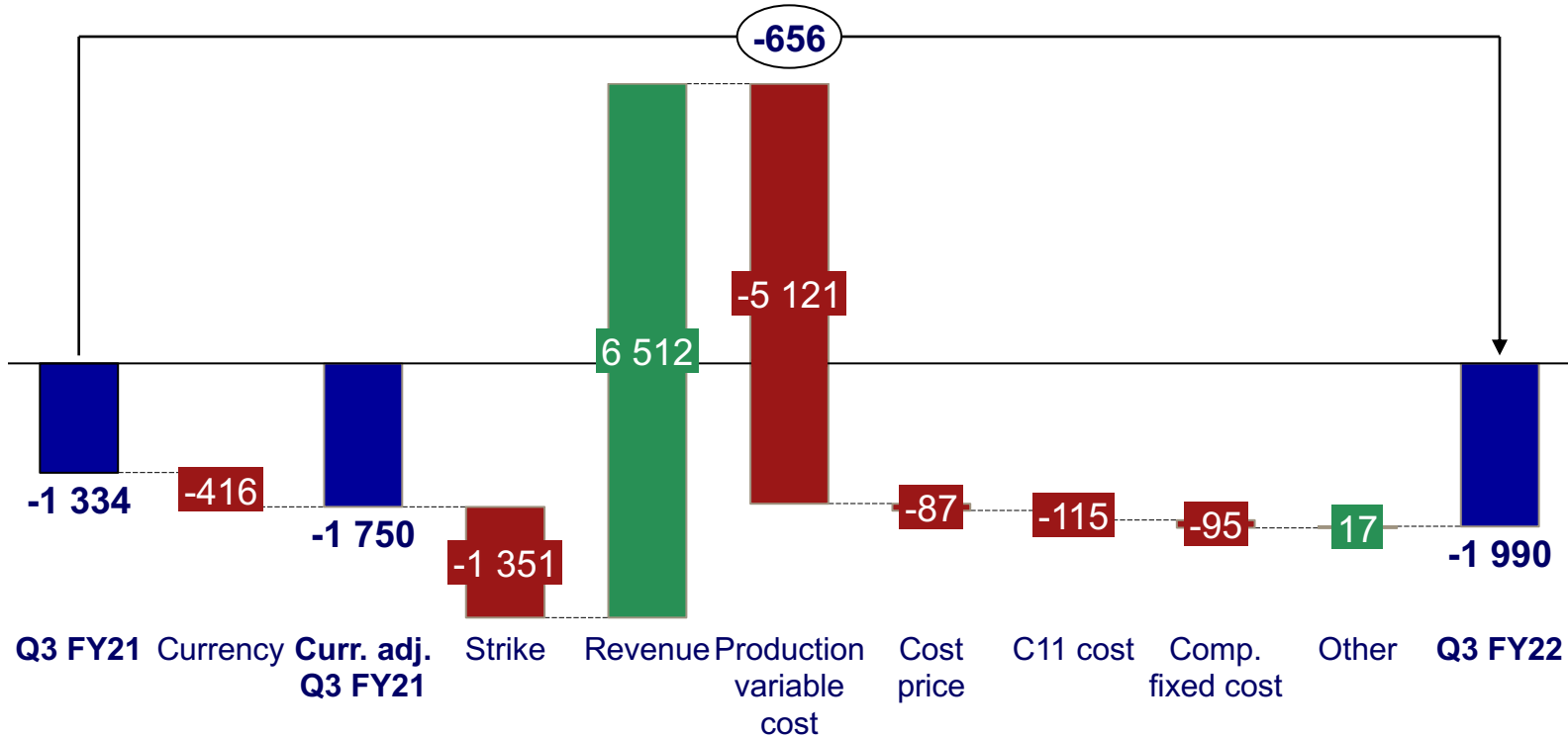
Revenue development: Q3 FY22 vs. Q3 FY21

MSEK



EBT development: Q3 FY22 vs. Q3 FY21

MSEK

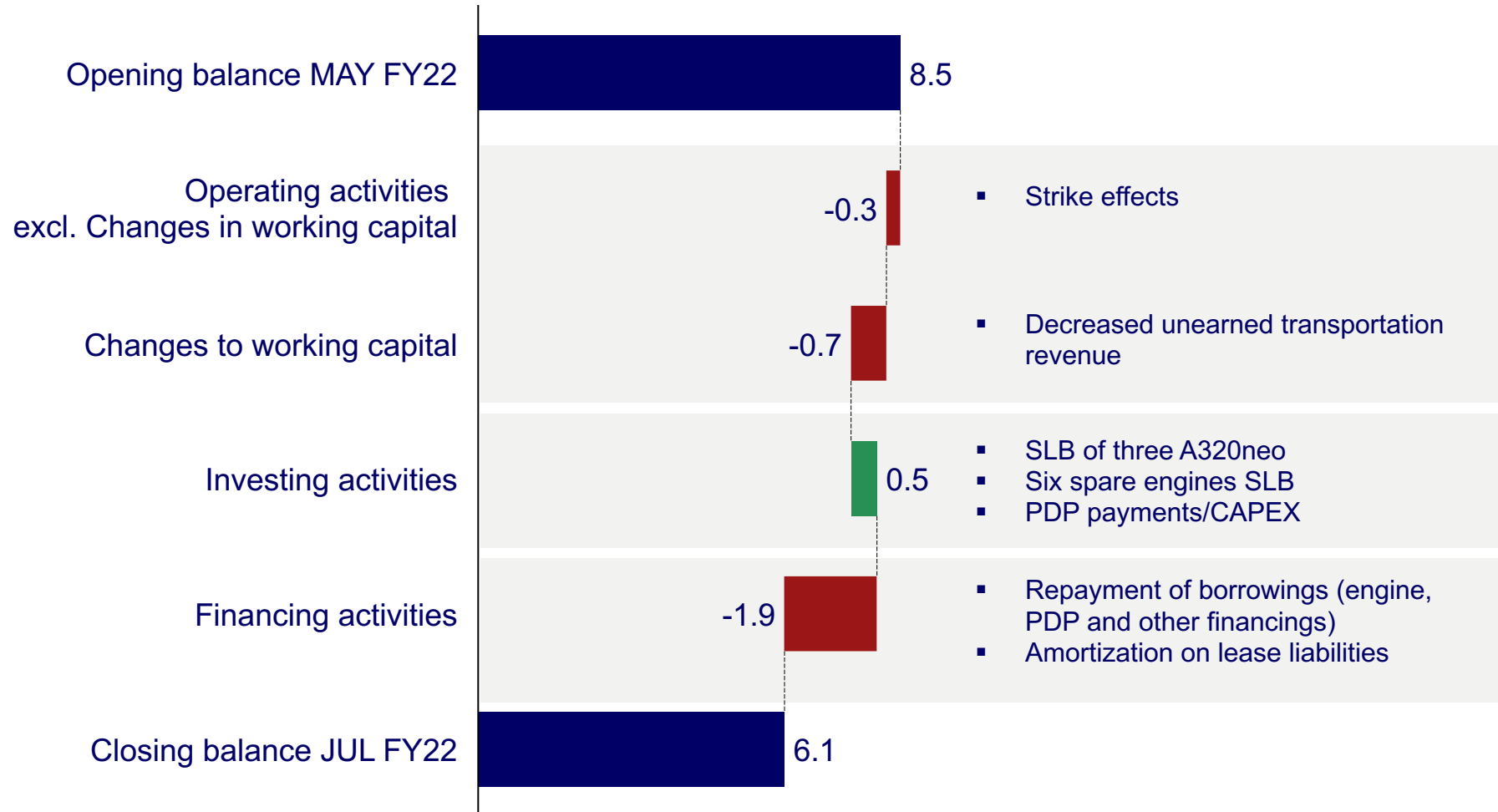


- Increased ASK 89%
- Increased production variable costs due to ramp-up
- Negatively impacted by pilot strike
- Increased administrative costs from Chapter 11 process

Cash and cash equivalents Q3 FY22

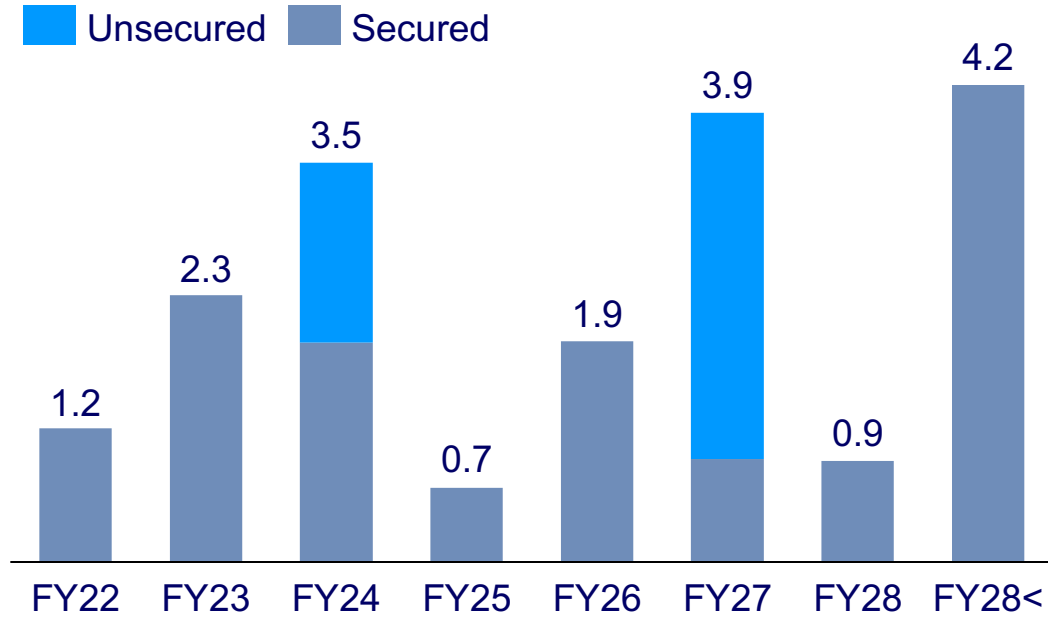
Negatively effected by the July strike

SEK billions

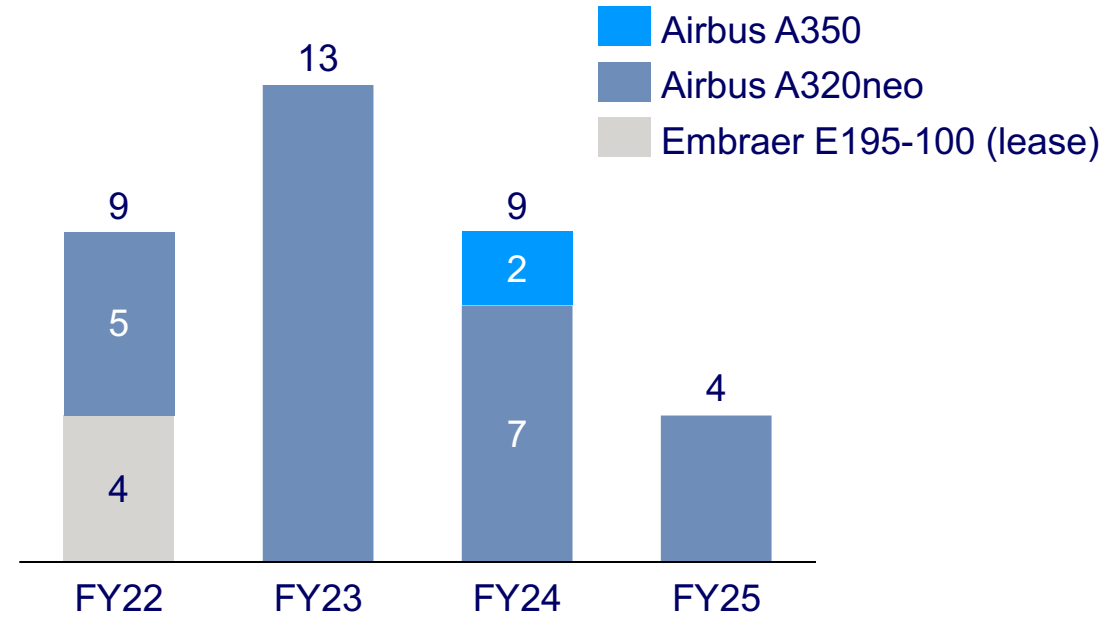


Debt maturity profile and Aircraft orders

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

Hedges

- Fuel: 0% of expected fuel consumption hedged
- USD: 41% of USD hedged next twelve months
- NOK: 56% of NOK hedged next twelve months



SAS
Forward

Key elements of SAS FORWARD

**Reducing the
annual costs by
SEK 7.5 billion**

**Converting
SEK 20 billion of
debt into equity**

**Raising no less
than
SEK 9.5 billion**

Progress on SAS FORWARD

Labor productivity & flexibility

- Agreement reached between SAS and SAS Scandinavia pilot unions
 - 5.5-year agreement
 - Increased flexibility
 - Increased productivity
 - Rehire the 450 previously redundant pilots
 - Cost reductions in line with set out targets in SAS FORWARD

Fleet

- On ongoing discussions regarding lessors' participation in burden sharing

Recapitalization

- Denmark, Norway and Sweden have agreed to convert hybrids and debt. This entails more than half of targeted debt-to-equity conversions
- Denmark have communicated potential participation also in future new capital raise conditional to all stakeholders participating in SAS FORWARD

Bridge financing

- In the beginning of August, SAS entered into a debtor-in-possession (“DIP”) financing credit agreement for USD 700 million with funds managed by Apollo Global Management.
- The agreement is subject to approval by the U.S. Court in mid-September

SAS FORWARD next steps

Labor productivity & flexibility

- Continue negotiations with labor groups to achieve consensual outcome
- Agreement reached between SAS and SAS Scandinavia pilot unions sets a good example leading the way to reach targets set out in our plan

Fleet

- Continue ongoing discussions regarding lessors' participation in burden sharing

Recapitalization

- Seeking to convert approximately SEK 20 billion of existing debt and hybrid notes into equity
- Raise no less than SEK 9.5 billion in new equity

The SAS FORWARD will provide ample benefits for our guests

**Additional routes
&
relevant times**

**Digitalization
&
personalization**

**Customer
experience**

SAS

**Leading
airline
sustainability**

SAS

Forward

Contact

Investor Relations

Louise Bergström, Vice President Investor Relations

✉ investor.relations@sas.se

☎ +46 (0)70 997 04 93

For more information:

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

30 November 2022	Year-end report (Nov'21-Oct'22)
24 January 2023	SAS Annual and Sustainability Report 2021/2022
24 February 2023	Q1 Interim Report (Nov'22-Jan'23)
1 June 2023	Q2 Interim Report (Feb'23-Apr'23)
1 September 2023	Q3 Interim Report (May'23-Jul'23)
30 November 2023	Year-end report (Nov'22-Oct'23)