



Performance impacted by Covid-19 following strong first 10 months

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Changi Airport Group's results for FY2019/20

Singapore, 2 October 2020 – Changi Airport Group (Singapore) Pte Ltd (CAG or the Company) today released the results for the CAG Group[1] for the year ended 31 March 2020 (FY2019/20).

Strong travel demand as well as the opening of Jewel Changi Airport (Jewel) in April 2019 contributed to a commendable performance for the Group in the first 10 months. However, business conditions deteriorated sharply in February 2020 as the Covid-19 outbreak started to spread globally. Travel

restrictions and border controls led to a collapse in demand for air travel in the last two months of the financial year.

CAG Group financial highlights	FY2018/19 (S\$ million)	FY2019/20 (S\$ million)	Change (%)
Total revenue	3,040	3,119	+3
Total expenses (including depreciation and amortisation)	2,120	2,252	+6
Profit attributable to shareholder	677	435	-36

Total revenue for the CAG Group in FY2019/20 rose 3% to S\$3.1 billion, due to the opening of Jewel. The Group's total expenses increased by 6% due largely to higher depreciation and operating expenses with the opening of Jewel and the completion of the Terminal 1 expansion project.

Covid-19's impact on Singapore operations and overseas investments

In the first 10 months of the year, Changi Airport performed well across key indicators. However, in February and March 2020, passenger traffic at Changi plunged 33% and 71% respectively, compared to a year ago, with concession revenue declining 58%, year-on-year, for the two months. The Company ended FY2019/20 with marginally lower net operating revenue of S\$2.6 billion[2], on the back of 62.9 million passenger movements[3] for the year.

The Covid-19 pandemic also affected the financial performance of the Group's airport investments overseas[4]. In Brazil, where the Group has a 51% stake in Tom Jobim International Airport (Tom Jobim) in Rio de Janeiro, the market conditions continue to be challenging. Economic and political factors, the cessation of operations of a major airline in May 2019 as well as Covid-19 have caused declining passenger traffic and capacity cuts by airlines, which have further impacted Tom Jobim's business prospects. As a result, the Group has recognised a one-off non-cash impairment of assets in Tom Jobim. This contributed to a reduction in net profit attributable to shareholder by S\$200 million.

The Group reported net profit attributable to shareholder of S\$435 million, representing a decrease of 36% from FY2018/19.

Facing the Covid-19 challenge

In view of the steep decline in passenger traffic and weak air travel demand in the near term due to Covid-19, the Group has taken measures to support its partners, cut operating expenses and reduce capital expenditure.

CAG worked closely with the Singapore Government and the Civil Aviation Authority of Singapore on two assistance packages for the aviation sector which provided cost relief to affected companies and protected jobs, while safeguarding Singapore's air connectivity. Under the Stabilisation and Support Package, which CAG jointly funded, and the Enhanced Aviation Support Package, passenger and freighter airlines, ground handlers, cargo agents as well as retail and F&B tenants operating at Changi Airport received cost assistance including rebates on landing and parking charges, and rents.

Further, CAG supported tenants, contractors and customer service agencies by assisting in managing manpower resources. This was done through sending airport staff for training and matching them with available jobs within and outside the airport where possible. CAG also worked with SkillsFuture Singapore's appointed training providers to offer an expanded suite of over 25 virtual training courses suitable for airport workers, to utilise the downtime to deepen and broaden their skillsets.

From 1 May 2020, Terminal 2 operations were suspended for 18 months, while Terminal 4 has been placed on standby since 16 May 2020 until air travel demand picks up and a sufficient number of flights return to the terminal. In addition, the Ministry of Transport has announced that the construction of Terminal 5 (T5) will be paused for at least two years. This is to allow a reassessment of air traffic demand projections to take place, and for studies (such as how air travel processes might evolve in a post-pandemic world and what implications it may have for the future design of a terminal) to be undertaken. T5 remains a critical long-term infrastructure investment for the future of Singapore's economy, and CAG is committed to seeing through the completion of the development in the years to come.

Preparing for a post-Covid-19 environment

The impact of Covid-19 on the aviation industry has been without precedent. The operating results of the Group are expected to be materially and adversely impacted for the year ending 31 March 2021. However, CAG will

continue to invest prudently to ensure Changi Airport's long-term competitiveness while maintaining high standards of safety and security. Changi Airport has begun transforming the passenger experience with new contactless and cleaning innovations for a safer, yet seamless, airport journey.

How Covid-19 will affect the longer-term operational and financial performance of the Group remains uncertain at this point. The recovery of the aviation industry is dependent on future developments such as the opening up of international borders, requirements and regulations for air travel, as well as medical breakthroughs. The Group will continue to work closely with the relevant authorities and its airport partners to pursue recovery in the air travel sector, while enabling a safe and comfortable travel experience for all passengers.

More details on the Group's results can be found in its FY2019/20 annual report which is available on the Changi Airport website.

[1] The CAG Group comprises mainly Changi Airport Group (the Company), its subsidiaries Changi Airports International, which holds a stake in Tom Jobim International Airport in Rio de Janeiro, and Jewel Changi Airport.

[2] S\$7 million less than in FY2018/19

[3] 5% lower than in FY2018/19

[4] Held by wholly owned subsidiary, Changi Airports International

About Changi Airport Group

Changi Airport Group (Singapore) Pte Ltd (CAG) (www.changiairportgroup.com) was formed on 16 June 2009 and the corporatisation of Singapore Changi Airport (IATA: SIN, ICAO: WSSS) followed on 1 July 2009. As the company managing Changi Airport, CAG undertakes key functions focusing on airport operations and management, air hub development, commercial activities and airport emergency services. CAG also

manages Seletar Airport (IATA: XSP, ICAO: WSSL) and through its subsidiary Changi Airports International, invests in and manages foreign airports.