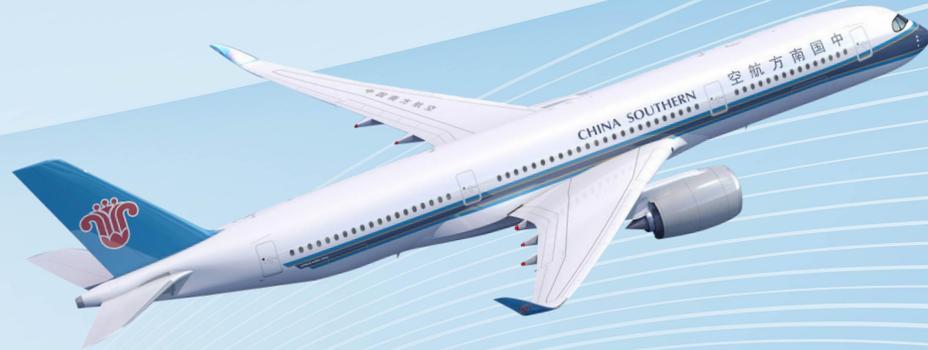




中国南方航空  
CHINA SOUTHERN AIRLINES

H Share Stock Code: 1055 · A Share Stock Code: 600029 · ADR Code ZNH



2020

中国南方航空  
年度业绩  
Annual Results

(International Financial Reporting Standards)

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01 Industry Overview

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03 Financial Highlights

04 Future Prospects

# 01

## Industry Overview





# Unfavorable Factors in 2020



## Global outbreak of Covid-19

In 2020, more than **80 million** confirmed cases of coronavirus were detected worldwide.



## The pandemic triggers a global economic recession

The IMF warned that the global economy was expected to shrink by **3.5%** in 2020.



## Aviation industry is facing a crisis

According to the statistics released by IATA, the total number of global passengers in 2020 down by **60%**.

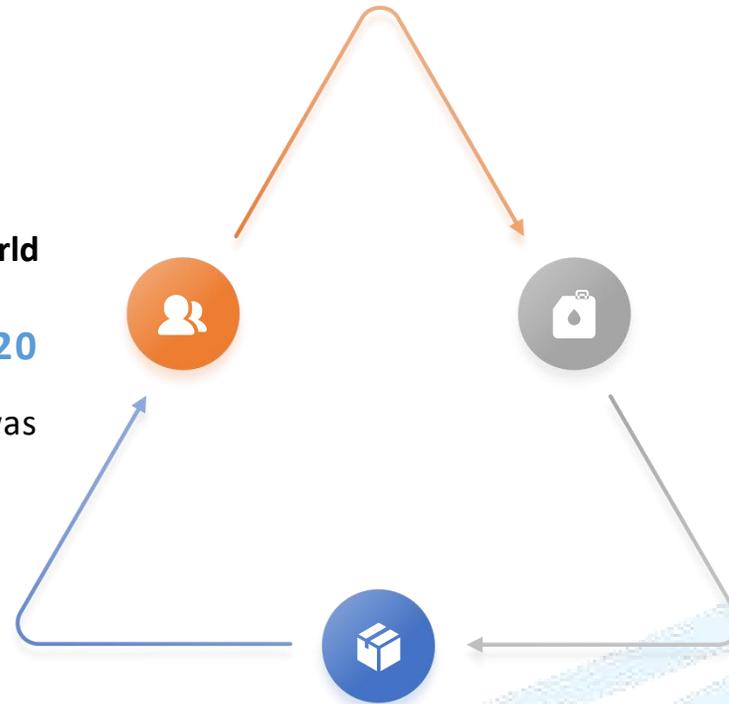


## Favorable Factors in 2020

China was the world's fastest recovering and best performing aviation market in 2020

### Recovery of passenger traffic leads the world

China's civil aviation sector handled **420 million** passenger trips in 2020, which was **63.3%** of that in 2019.



### Oil Price and exchange rate benefits the industry

In 2020, the average price of Brent crude oil decreased by **32.69%** YoY, while the yuan's central parity exchange rate against the US dollar rose by **6.47%**.

### Outstanding performance in cargo and mail transportation

The domestic transport of cargo and mail hit **6.77 million tonnes** in 2020, or **89.8%** of that in 2019.

# 02

## Business Overview





## Effective pandemic prevention and control

The first airline to introduce free transportation policies for anti-pandemic supplies.

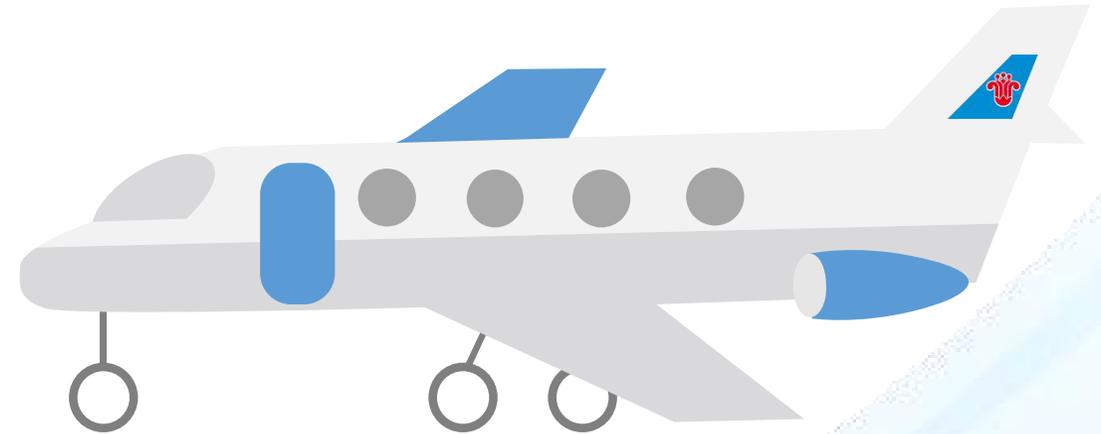
"Zero Covid-19 infection" for international and domestic flight passengers and staffs.





# Aviation Safety Situation Remains Stable

Maintains the best airline safety record in China.



**2.08mn hours**

Safe Flight in 2020



**1,340 thousand hours**

General Aviation in 2020



**21 years**

Safe Flight Accumulated



**26 years**

Aviation Safety



# Remarkable Operating Performance In Respond to COVID-19

## “Six Should Be” and “Four Cover” Strategy



Difficulty estimation should be sufficient



Analysis and judgment should be accurate



Actions should be taken quickly



The plan should be made early



Time node should be stable



Response effect should be satisfied



# Remarkable Operating Performance In Respond to COVID-19



## Actively adjust strategy

Overall passenger revenue recovery to **51%** of that in 2019.



## Optimize Product Portfolio

Ancillary revenue per passenger has increased **RMB 11.6** YoY.



## Strengthen Customer Base

New members has increase by **28.2%** YoY, while new corporate customers has grown by **49%** YoY.



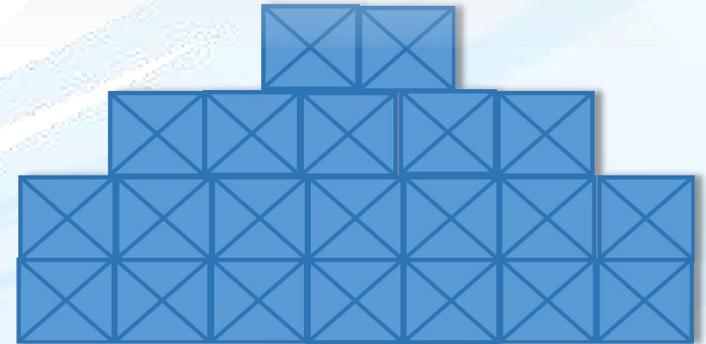
# Significant Increase in Cargo Revenue

Make every effort to increase cargo capacity

The daily utilization rate of B777 Freighter is **15.1 hours**, up **1.6 hours** YoY.

The logistics company recorded a profit of **RMB 4.01 billion**.

Actively expand temperature-controlled cold chain, cross-border e-commerce, vaccine transportation and other higher-value-added businesses.





# Outstanding Results in Cost Control



## Efficient cost control

Fuel costs down by **RMB 330 million** through route optimization; fuel consumption per ton-kilometer decreased by **6.6%** YoY.



## Realization of the idle assets

Real estate utilization rate increased from **88.8%** at the beginning of the year to **91.4%**.



## Strive for policy support

Strive for all kinds of preferential policy support, including exemption for civil aviation development fund.



# Steady improvement in service quality



**Flight punctuality rate**  
1.36 percentage points  
higher than the industry.



**Lowest complaint rate**  
Recorded the lowest complaint  
rate among the three major  
airlines.





# Achieved Remarkable Breakthroughs in the Reform

## Successful "Double Hundred Action" reform



The general aviation subsidiary and logistics subsidiary of the Company completed Mixed Ownership Reform and increased capital injection.



Raised funds of **RMB 32 billion** by private share placement and public issuance of convertible bonds.

# 03

## Financial Highlights





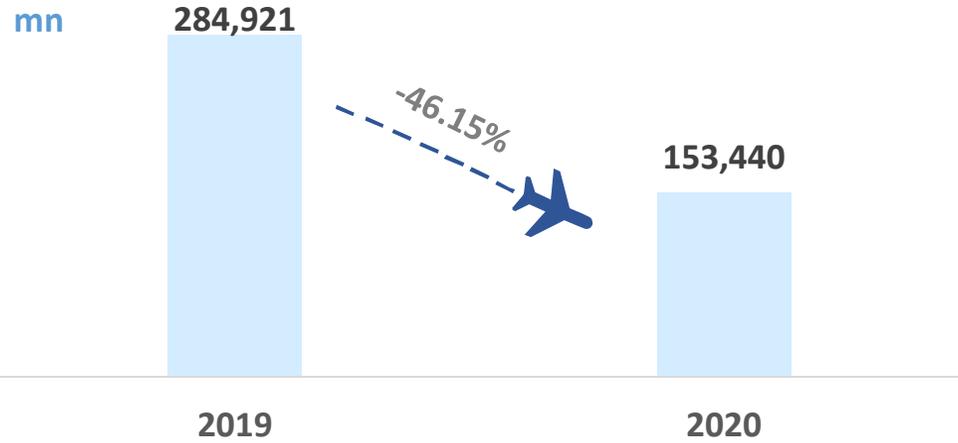
# 2020 Annual Results Highlights

	2020	vs 2019
Total Operating Revenue	RMB 92,561 m	-40.00% ↓
Attributable to Equity shareholders of the Company	RMB -10,847 m	-510.90% ↓
Basic EPS	RMB -0.77	-450.00% ↓
EBITDA	RMB 16,126 m	-53.31% ↓
ASK	214,722 m	-37.59% ↓
ATK	33,892 m	-27.01% ↓
Pax Load Factor	71.46%	-11.35 pts ↓
Overall Load Factor	61.39%	-8.87 pts ↓
Aircraft Utilization(Hr)	7.02 h	-2.94 h ↓

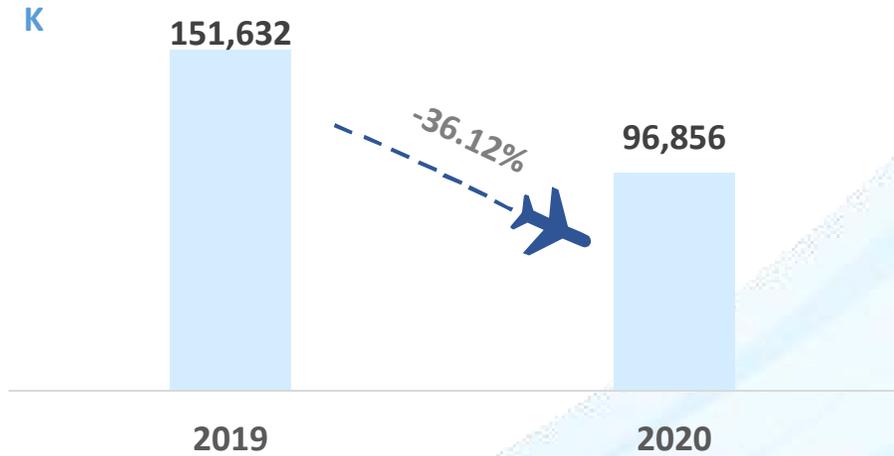


# Operating Data

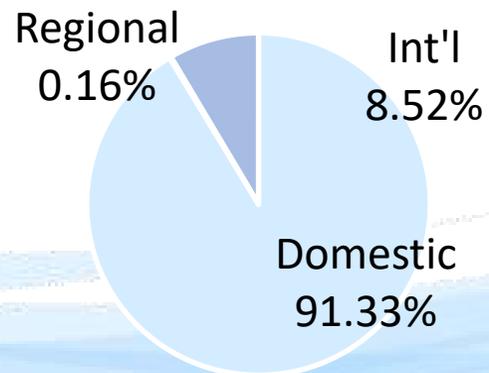
## Revenue Passenger Kilometers (RPK)



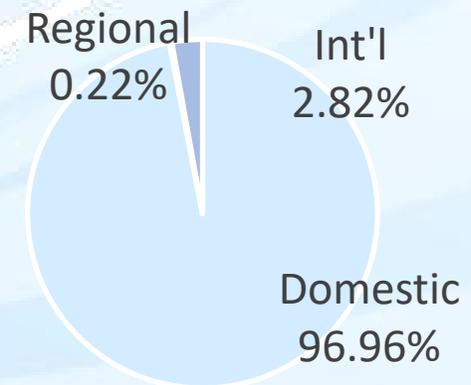
## Passenger



## RPK Breakdown



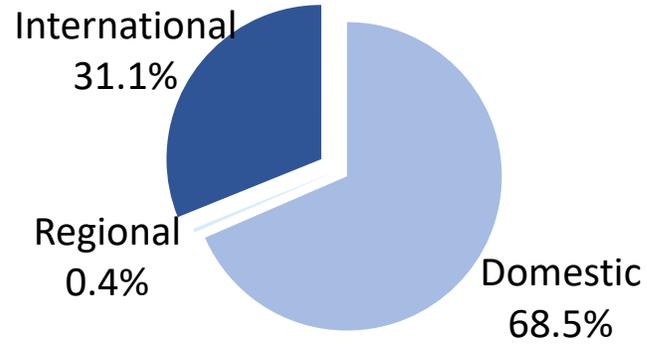
## Passenger Breakdown



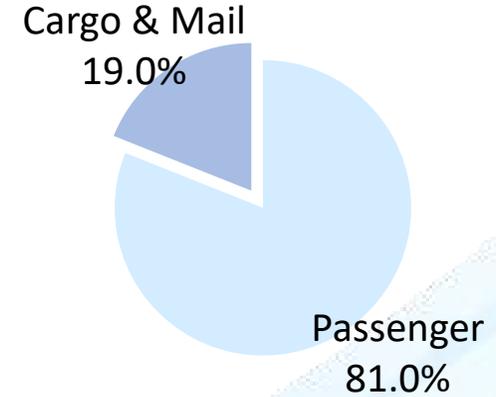


# 2020 Annual Traffic Revenue Breakdown

### Revenue breakdown (Geographic)

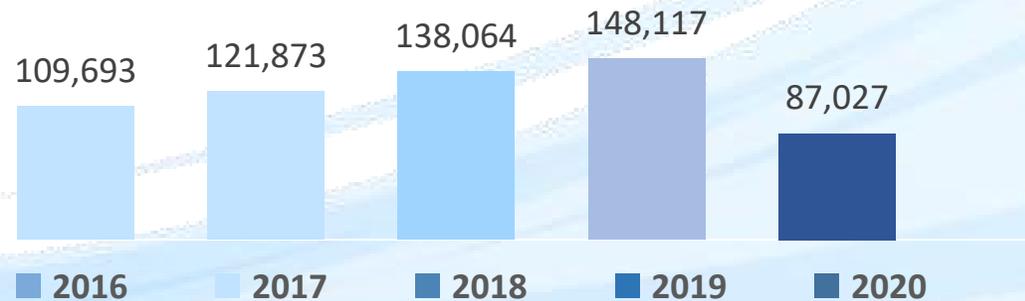


### Revenue breakdown (Product)



### Traffic Revenue

RMB mn





# Traffic Revenue by Geographic Region

## PAX Revenue (RMB million)

<u>Market Segment</u>	2020	vs 2019
Domestic	57,793	-43.32% ↓
Regional	251	-89.70% ↓
International	12,490	-63.38% ↓
Total	70,534	-49.07% ↓

## Cargo Revenue (RMB million)

<u>Market Segment</u>	2020	vs 2019
Domestic	1,810	-7.23% ↓
Regional	83	-32.52% ↓
International	14,600	+93.61% ↑
Total	16,493	+71.53% ↑
<b>Traffic Total</b>	<b>87,027</b>	<b>-41.24%</b> ↓



# Passenger Yield and Freight Yield

## PAX Yield (RMB)

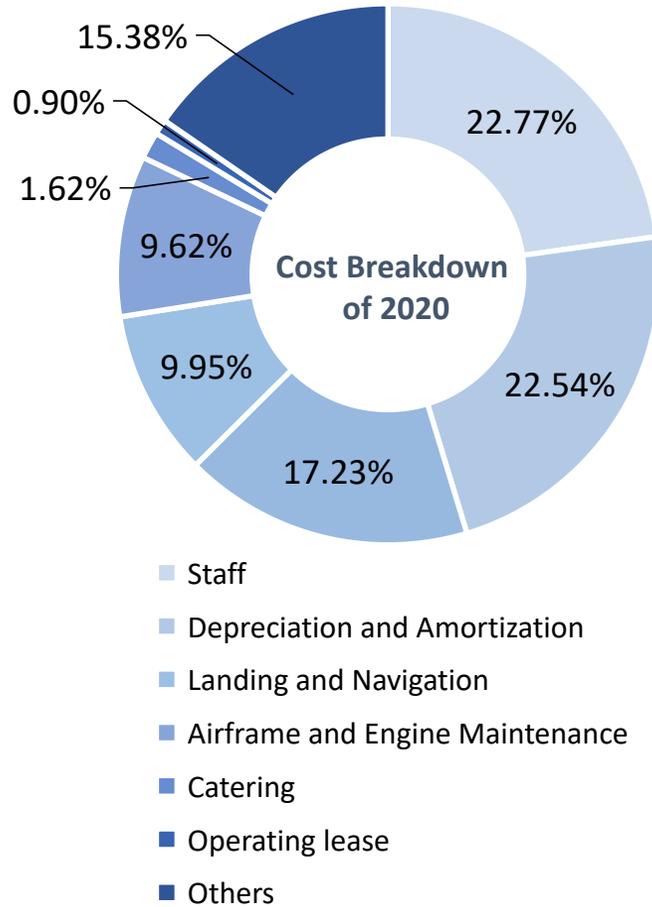
<u>Market Segment</u>	2020	2019	Change
Domestic	0.41	0.52	-21.15% ↓
Regional	1.05	0.75	+40.00% ↑
International	0.96	0.39	+146.15% ↑
Average	0.46	0.49	-6.12% ↓

## Cargo Yield (RMB)

<u>Market Segment</u>	2020	2019	Change
Domestic	1.36	1.14	+19.30% ↑
Regional	8.93	4.67	+91.22% ↑
International	2.47	1.29	+91.47% ↑
Average	2.27	1.27	+78.74% ↑



# 2020 Annual Operating Costs



## Operating Costs

RMB million

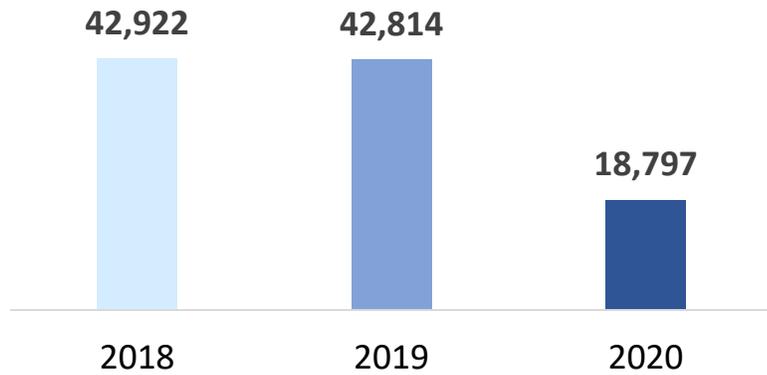
	2020	2019	Change	
Staff	24,847	27,647	-10.13%	↓
Depreciation and Amortization	24,590	24,620	-0.12%	↓
Jet Fuel	18,797	42,814	-56.10%	↓
Landing and Navigation	10,857	17,658	-38.52%	↓
Airframe and Engine Maintenance	10,500	10,081	+4.16%	↑
Catering	1,765	3,975	-55.60%	↓
Operating lease	977	1,412	-30.81%	↓
Others	18,177	21,917	-17.06%	↓



# Jet Fuel Price

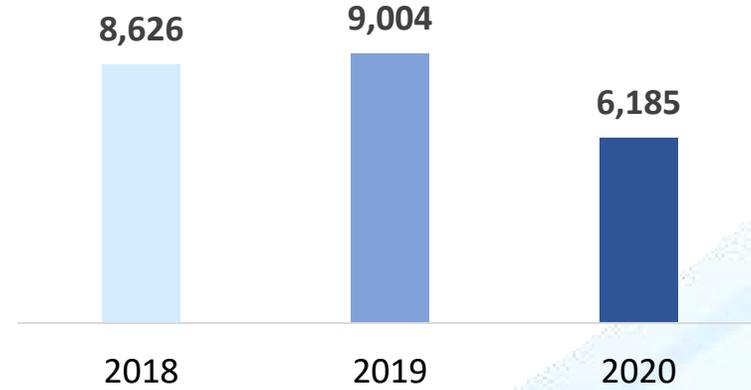
## Fuel Cost (RMB)

RMB mn



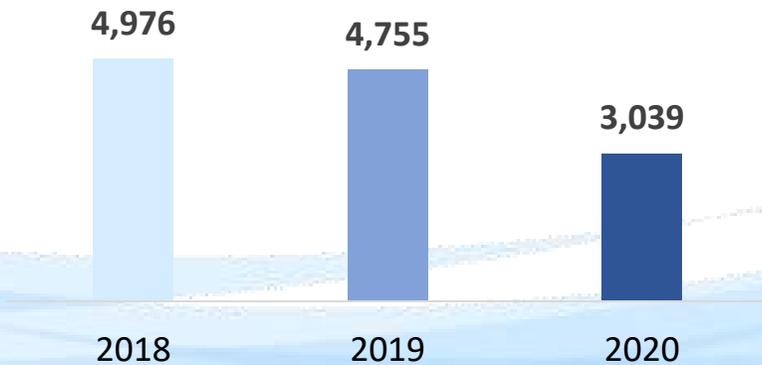
## Aviation Fuel Consumption

KT



## Fuel Price (RMB/TON)

RMB



## Sensitivity Performance



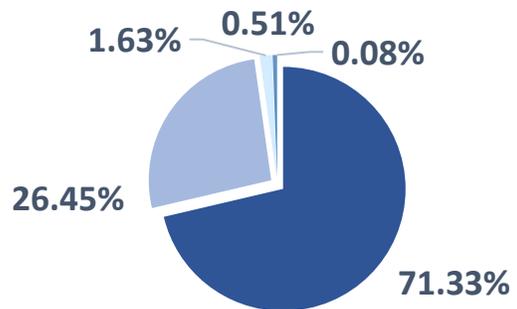
Oil price 10%

Fuel cost RMB 1,880 mn



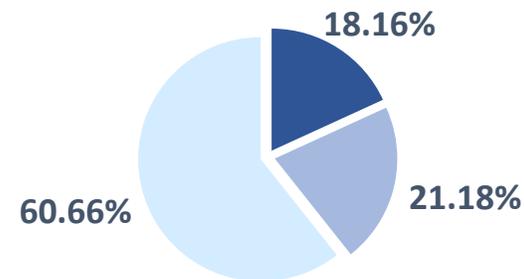
# Debt Analysis

## Debt Structure (RMB million equivalent)



■ RMB ■ USD ■ EUR ■ JPY ■ OTHER

## Term of the Debt



■ Short-term loan ■ Long-term loan ■ Lease liabilities

## Exchange Rate Sensitivity Performance



RMB/USD 1%

Net Profit RMB 367mn

## Interest Rate Sensitivity Performance



Interest Rate 100bp

Net Profit RMB 315mn



# Our Fleet



**867**  
Aircrafts  
**1<sup>st</sup>**  
in Asia

Aircraft Type	Owned	Finance Leased	Operating Leased	Delivery	Retirement	Total
<b>Passenger Aircraft</b>						
A380	0	1	4	0	0	5
A350	0	6	2	2	0	8
A330	12	29	4	0	-2	45
A320	124	100	101	22	-14	325
B787	8	25	4	0	0	37
B777	0	14	1	0	0	15
B737	163	76	162	0	0	401
EMB190	3	0	6	0	-11	9
ARJ21	0	3	3	6	0	6
<b>Freighter</b>						
B777	0	7	7	2	0	14
B747	0	0	2	0	0	2
<b>Total</b>	<b>310</b>	<b>261</b>	<b>296</b>	<b>32</b>	<b>-27</b>	<b>867</b>

# 04

## Future Prospect





# Future Prospect

## Adhere to reform and innovation to accelerate the construction of a world-class airline



Ensure a stable security performance



Strive to improve production and operation



Facilitate the implementation of development strategy



Intensify market-oriented reforms



# Q & A





# Investor Relations – Contact Information

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### Warning about Forward-looking Statement

This presentation contains certain forward-looking statements in relation to the financial conditions, operating results and business of the Company. These statements represent the expectations or beliefs of the Company regarding future events, and are subject to risks and uncertainties, whether known or unknown. Such risks and factors might result in significant difference between actual results, performances or events and the results, performances or events stated or implied in such statements. Certain statements, such as those including words and expressions such as "potential", "estimate", "expect", "anticipate", "target", "intend", "plan", "believe", "project" and similar phrases expressed in different forms, are regarded as "forward-looking statements". Forward-looking statements are subject to inherent risks and uncertainties. It should be noted that a number of factors might result in the actual outcome deviating from conditions expected or implied in the forward-looking statements, and in some cases such deviation might be significant. The contents of the forward-looking statements are updated as at the date on which such forward-looking statements are made, and should not be assumed to have been revised or updated to reflect latest information or subsequent events. Market trends and factors that are expected to affect the operating results of the Company are set out in the sections headed "Business Review and Outlook" and "Financial Review."

# China Southern Airlines App

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