



中国南方航空

CHINA SOUTHERN AIRLINES

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

2022 年度业绩 Annual Results



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Industry Overview

2022 Annual Results



Increasing unpredictable factors



International situation was grim and complex

The risk of a global economic recession was looming. Various obstacles to recovery included escalating collisions among great powers, damaged supply chains, high energy prices, rising inflation, and consecutive interest rate hikes of the U.S. dollar.



Slowdown in global economic recovery

China's GDP growth rate for 2022 was **3%**, and the three-year average growth rate was **4.5%**. The foundation for domestic economic recovery was not yet solid. The triple pressure from demand contraction, supply shock, and weakening expectations remained significant.



Multiple difficulties and obstacles

Sharp decline in demand

Passenger transportation volume was 250 million decrease by 42.9% YoY



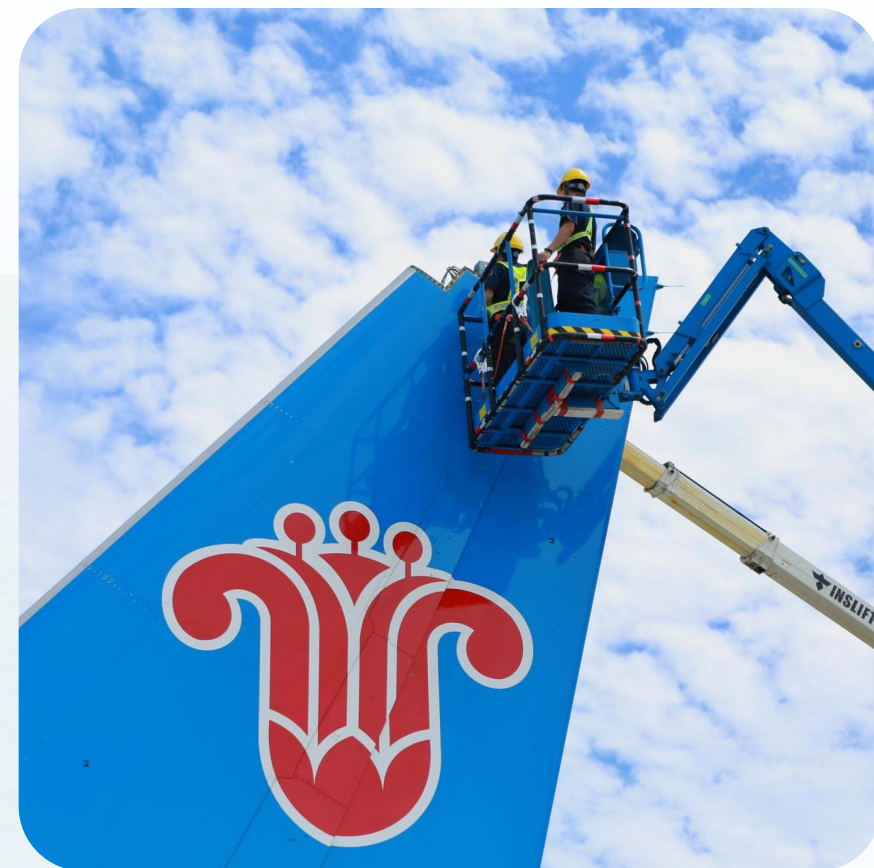
only returned to 38.1% of the level in 2019

Oversupply of capacity

The aircraft daily utilization rate was 4.3hrs



Decrease by 5hrs to the pre-pandemic level





Due to geopolitics factors and tightening supply, the average daily price of Brent crude oil in 2022 was **USD 99/barrel**, an **increase of 40% YoY**



Due to the tightening of global monetary policies, the central parity rate of RMB against the US dollar devalued by more than **9.23%** in 2022; the exchange rate fluctuated by more than **15%**, and the exchange loss expanded





Business Overview

2022 Annual Results

Security posture remains stable

Fight "strong responsibility, risk control, and Grasp the process" hard battle



278 months

Secured aviation safety

In-depth promotion of security System construction



343 months

Aviation security

Preventing and resolving stage Outstanding risks



Ahead

Safety Level in China

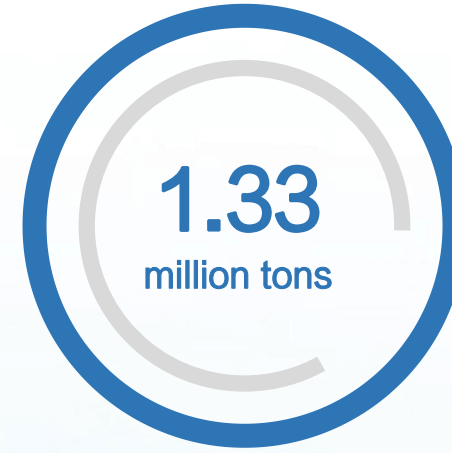
Achieved good business response



Total Air Transportation Turnove



Passenger transportation volum



Cargo and mail



经营情况——客运经营业内领先

Implemented the strategy of "maximizing the number of flights and maximizing marginal gains"



Increase flight time resources

Aircraft Utilization Rate, Passenger Capacity, Passenger Load Factor and Revenue From Passenger Transportation



Bright operating figures

Group customers 1.3% ↑ Proportion of
Frequent passengers 3.5% ↑ revenue(yoy)



Continuously strengthened the customer base

Proportion of individual customer(Official website) 2.1% ↑ (yoy)
Auxiliary revenue per customer RMB 16.5 ↑ (yoy)



Deepened the operation of exclusive customer

Operating conditions—Operations of Cargo Transportation

Engaged clients of overseas return journeys and end customers, implemented a new sales model, and strengthened the regulation of high-yield flight slots, classes and freight rates.



Logistics companies

YoY increase by 3.45%



Mail transportation volume

Freight flight converted from passenger aircraft

Revenue
YoY increase by 39.8%

Arranged
9098 flights



Strengthened off-site sales and integrated combined transport

Revenue from transit
YoY increase by 13.7%



Logistics Company

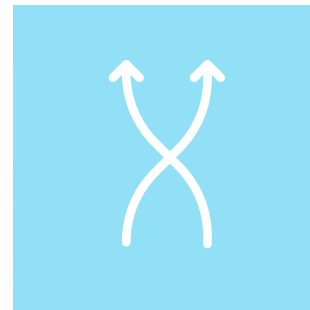
Operating Revenue RMB 21.54 billion
YoY increase by 9.56%

Net profit 4.65 billion YoY decrease by 18.25%





Establish a Long-term
Mechanism for Lean
Control of Cost



Conducted multi-channels
and low-cost financing



Optimized investment
operations of real estate



Proactively strived for
various financial subsidies



Outstanding flight punctuality

Annual flight punctuality rate of **95.45%**
0.47 percentage points higher than the industry average
Ranked **1st** for **7 consecutive years**



Passenger satisfaction increase

CSA won the "Best Airline Enterprise in China" award by Skytrax for the first time, and the "Best Airline Enterprise" award by Civil Aviation Passenger Service Evaluation Organization (CAPSE) for **5 consecutive years**



High brand quality

CSA was awarded the First Brand in Aviation Service Industry by the Ministry of Industry and Information Technology in China Brand Power Research for **12 consecutive years**

Further Implementation of Development Strategies



Expedite the construction of a world-class enterprise



Built the Beijing hub with high quality



Enhanced the market control in the Greater Bay Area



Significant results of adjusting and optimizing five major structures



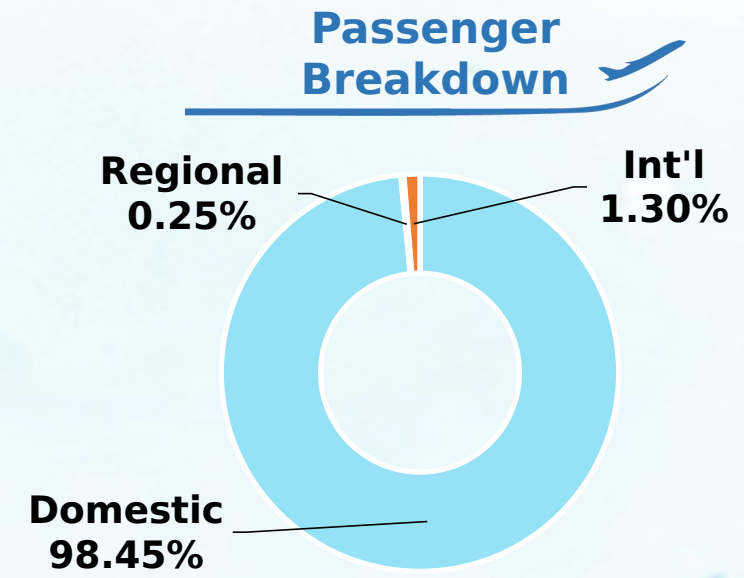
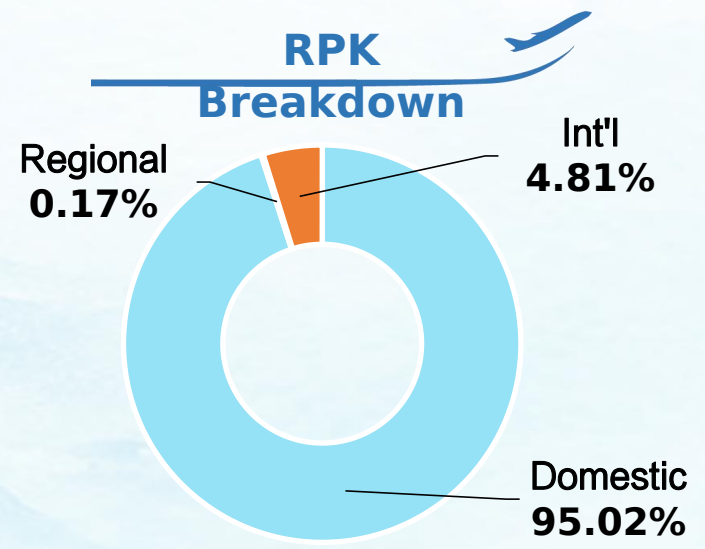
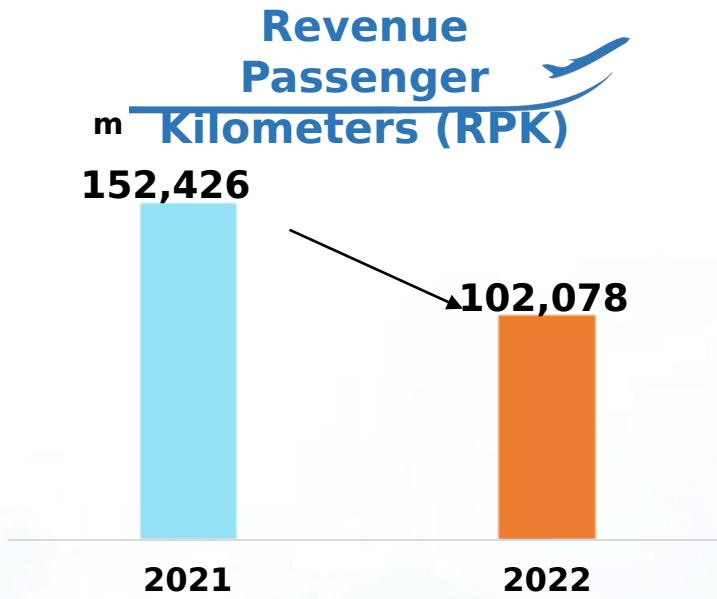
Intensely built CSA Ecosystem



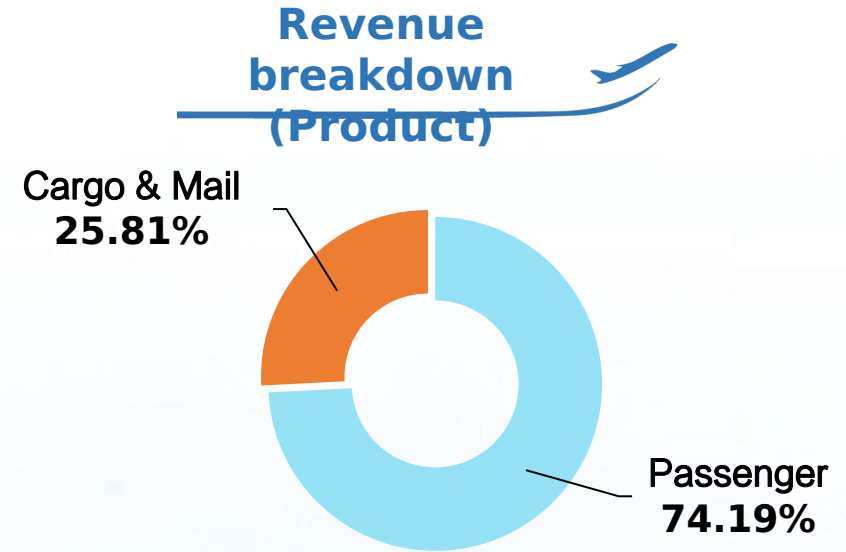
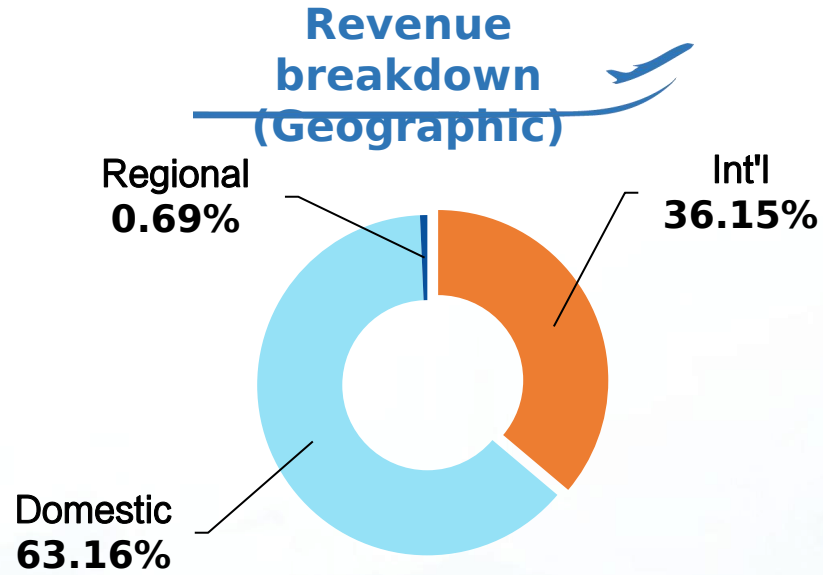
Financial Highlights

2022 Annual Results

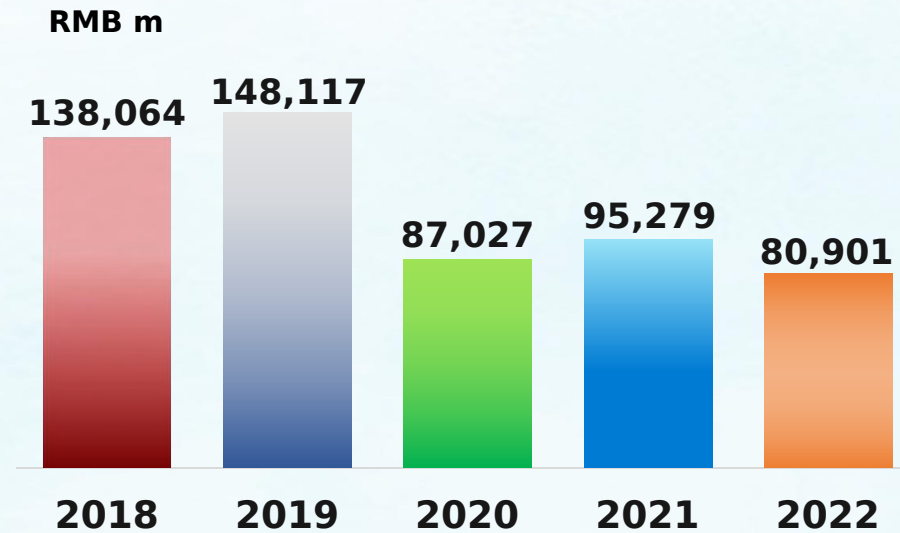
	2022	vs 2021	
Total Operating Revenue (RMB m)	87,059	-14.35%	▼
Attributable to equity holders of the Company (RMB m)	-32,682	+170.03%	▲
Basic EPS (RMB)	1.89	+152.00%	▲
EBITDA (RMB m)	-1,260	-107.62%	▼
ASK (m)	153,845.14	-28.08%	▼
ATK (m)	26,221.75	-21.77%	▼
Pax Load Factor	66.35%	-4.90 pts	▼
Overall Load Factor	62.48%	-0.80 pts	▼
Aircraft Utilization (Hr)	5.04 h	-1.92 h	▼



Traffic Revenue Breakdown



Traffic Revenue

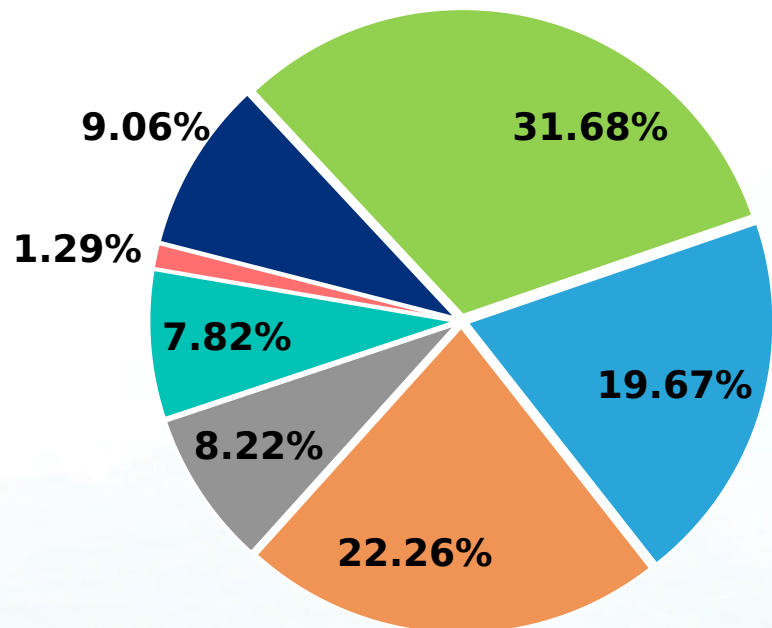


Traffic Revenue By Geographic Region

PAX Revenue			
(RMB m)	2022	vs 2021	
Domestic	49,723	-27.58%	▼
Regional	466	+108.97%	▲
International	9,828	+50.88%	▲
Total	60,017	-20.39%	▼
Cargo Revenue			
(RMB m)	2022	vs 2021	
Domestic	1,375	-8.15%	▼
Regional	88	-46.67%	▼
International	19,421	+6.56%	▲
Total	20,884	+5.01%	▲
Traffic Total	80,901	-15.09%	▼

Passenger Yield and Freight Yield

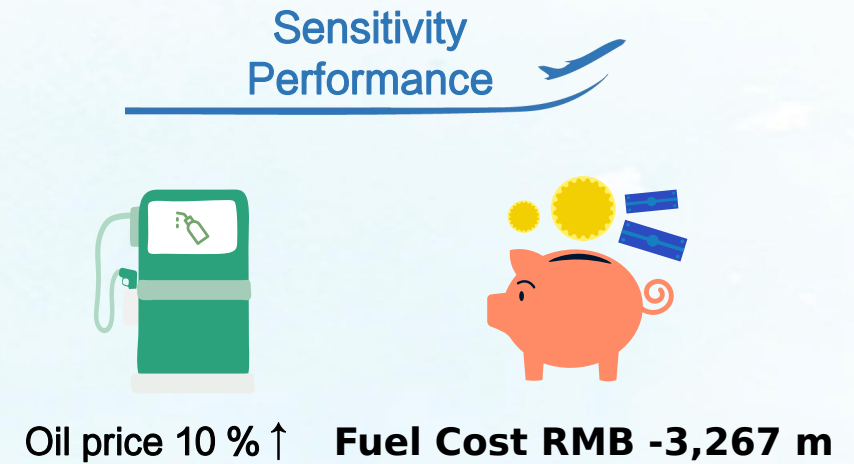
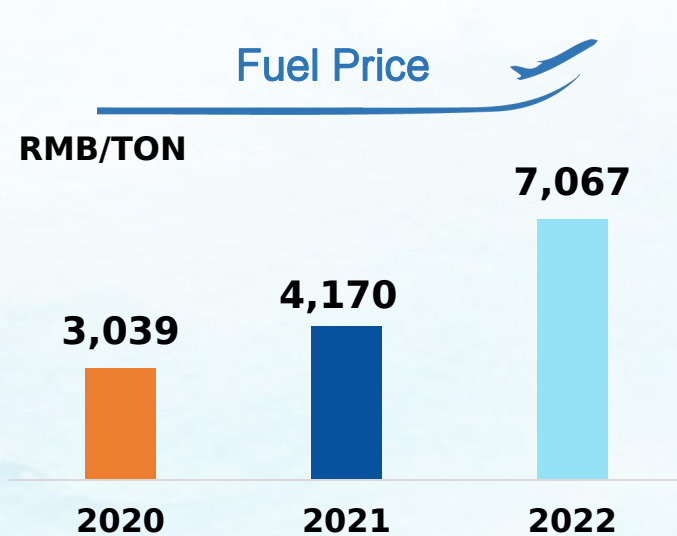
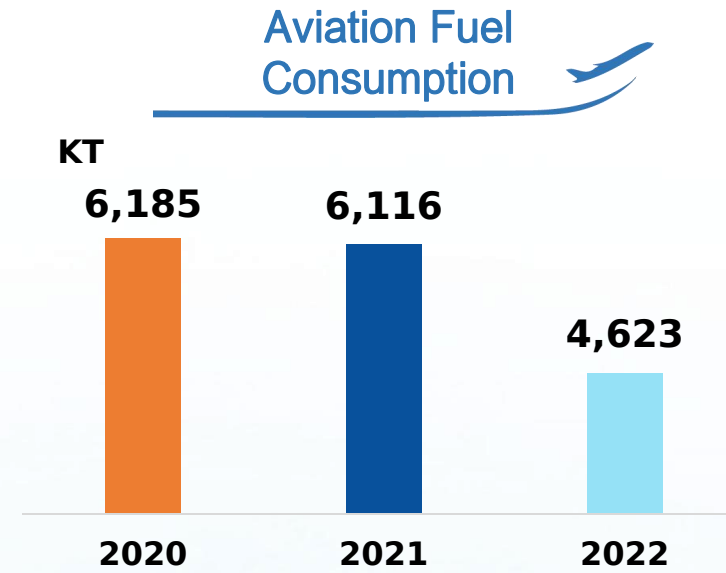
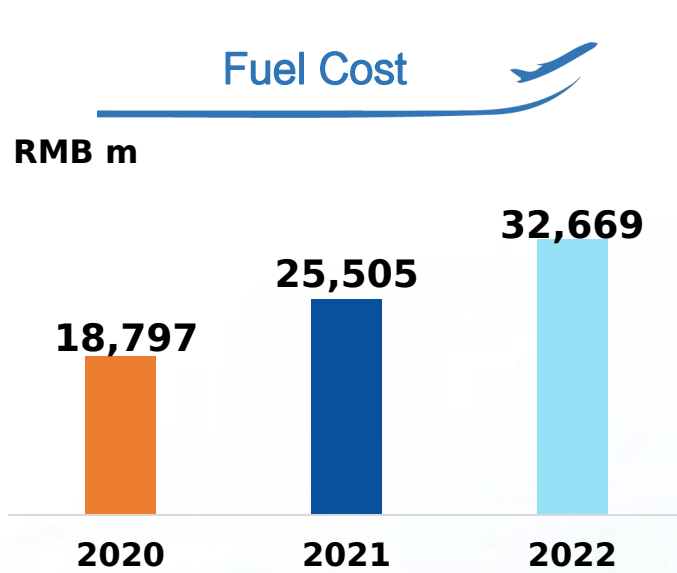
PAX Yield				
(RMB)	2022	2021	Change	
Domestic	0.51	0.46	+10.87%	▲
Regional	2.66	1.46	+82.19%	▲
International	2.00	1.61	+24.22%	▲
Average	0.59	0.49	+20.41%	▲
Cargo Yield				
(RMB)	2022	2021	Change	
Domestic	1.31	1.18	+11.02%	▲
Regional	11.96	13.74	-12.95%	▼
International	3.07	2.83	+8.48%	▲
Average	2.83	2.58	+9.69%	▲



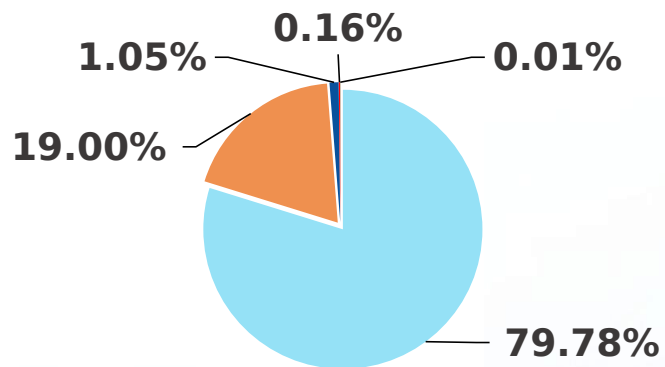
- Jet Fuel
- Staff
- Depreciation and Amortisation
- Landing and Navigation
- Airframe and Engine Maintenance
- Catering
- Others

Operating Costs

(RMB m)	2022	2021	Change
Jet Fuel	32,669	25,505	+28.09% ▲
Staff	20,289	20,267	+0.11% ▲
Depreciation and Amortisation	22,956	22,848	+0.47% ▲
Landing and Navigation	8,473	11,705	-27.61% ▼
Airframe and Engine Maintenance	8,062	9,168	-12.06% ▼
Catering	1,332	1,577	-15.54% ▼
Others	9,348	10,893	-14.18% ▼
Total	103,129	101,963	+1.14% ▲

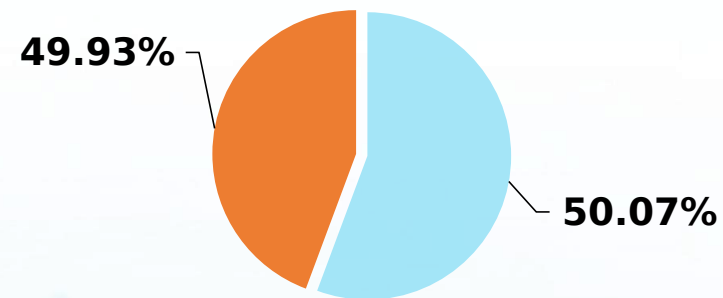


Debt Structure (RMB million equivalent)



■ RMB ■ USD ■ EUR ■ JPY ■ Other

Term of the Debt



■ Long-term loan ■ Short-term loan

Exchange Rate Sensitivity Performance



RMB/USD 1% ↑



Net Profit RMB 293 m

Interest Rate Sensitivity Performance



Interest Rate 100 bp ↑



Net Profit RMB -340 m



894
Aircrafts

1st
in Asia

Aircraft Type	Owned	Finance Leased	Operating Leased	Avg. Age	Delivery	Retirement	Total
Passenger Aircraft							
A380	2	0	0	10	0	3	2
A350	6	10	0	1.8	4	0	16
A330	6	27	7	9.0	0	0	40
A320	139	81	124	9.0	10	0	344
B787	4	25	10	6.0	0	0	39
B777	1	14	0	6.2	0	0	15
B737	138	68	191	9.4	0	2	397
EMB190	6	0	0	9.9	0	0	6
ARJ21	6	14	0	1.2	8	0	20
Freighter							
B777	8	7	0	8.6	1	0	15
B747	0	0	0	—	0	2	0
Total	316	246	332	8.7	23	7	894

Future Prospect

2022 Annual Results



Adhering to the principle of
“safety first”



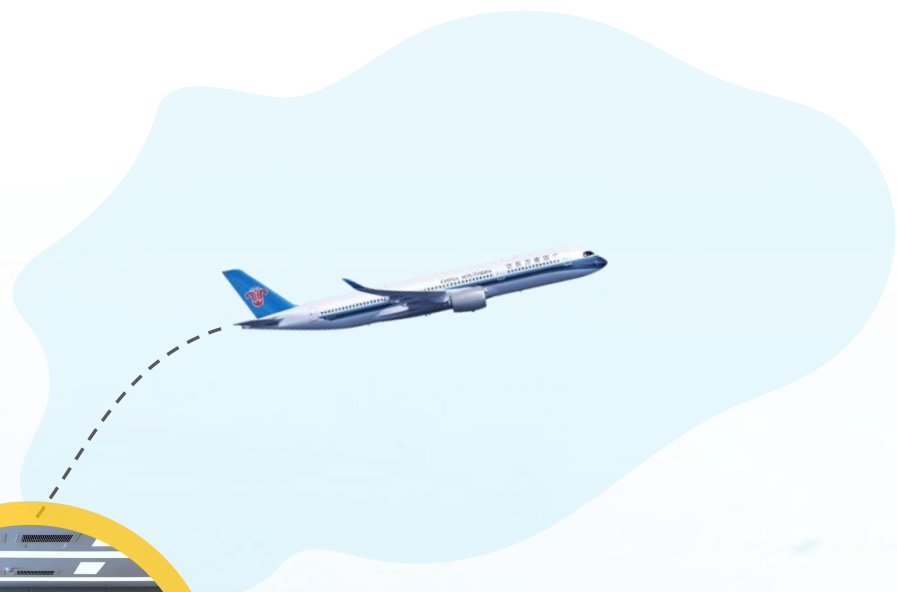
Continuously Improving
Operation Quality



Strengthening the leading
advantages in operation



Continuously Exploring
Development Space



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