



2023

中期业绩 Interim Results

Presentation Team



Mr. Han Wensheng	Vice Chairman, President
Mr. Yao Yong	Executive Vice President, Chief Accountant, CFO
Mr. Chen Weihua	Company Secretary, General Counsel
Mr. Wang Zhen	Director of the Commercial Steering Committee
Mr. Pi Wenhui	Senior Vice President, Strategic Planning & Investment Division
Ms. Mao Juan	Senior Vice President, Finance Division
Mr. Liu Zubin	Chairman, China Southern Air Logistics Co., Ltd.

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中国南方航空
CHINA SOUTHERN

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

01

Industry Overview

2023 Interim Results



Macroeconomic Uncertainties

01 Global Economic Challenges

The International Monetary Fund has revised its projection for global economic growth to **3.0%**, Nevertheless, this growth remains historically feeble.



02 Fragile Foundation of Domestic Economic Revival

1H2023 witnessed a positive trajectory in the domestic economy. However, major economic indicators experienced fluctuations, and market confidence still lacks solidity.



03 Persistent Cost-Related Pressures

The U.S. Department of Energy predicts that in the second half of 2023, Brent oil prices will remain at an average of **\$86** per barrel.

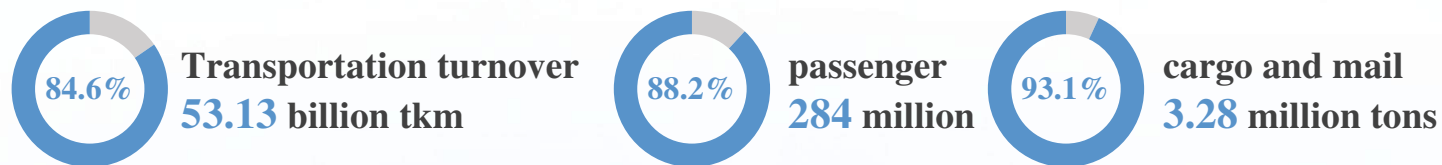




Level Recovery

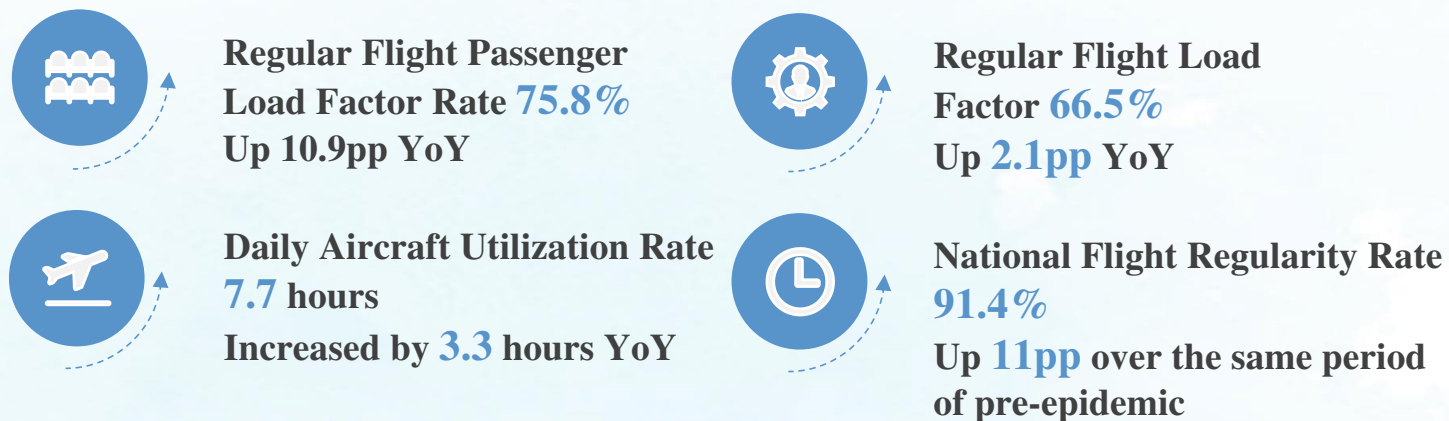
Gradual Return of Transportation and Production

Industry-wide 1H2023 compared with the same period in 2019



Enhanced Quality in Civil Aviation Operations

Industry-wide 1H2023 compared with the same period in 2022



Industry Outlook



**Gradual Production
Recovery to pre-epidemic
level**



**Continuing Recovery in
International Passenger
Traffic**



**Continuing Decline in
Freight Demand**



**Diverse Passengers Properties
and Preferences**



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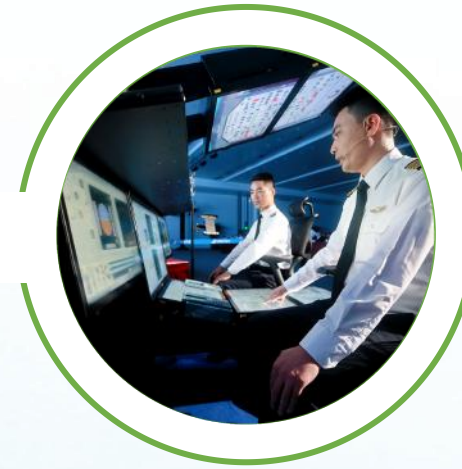
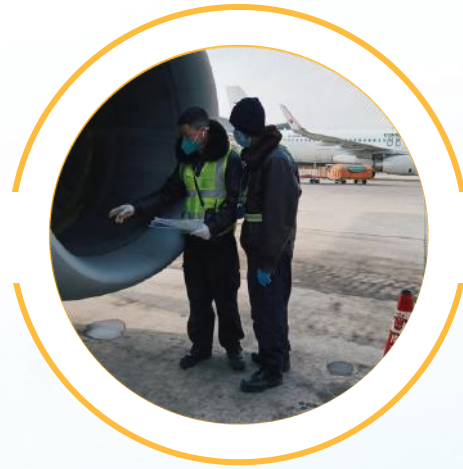
02

Business Overview

2023 Interim Results



The Safety Performance Remains Stable



Cumulative Safe Flight



28.88mn
hours

“Two Absolutely Safe”



Flight safety
284months
Air defense safety
349months

Safety Level in China



Ahead

Maintains A Leading Edge In Operation

13.28

billion tkm

**Total Air Transportation
Turnover**



64.99

million

**Passenger Transportation
Volume**



706.4

k tons

Cargo and Mail

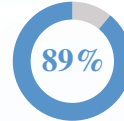


Operational Status - Good Grasp of the Passenger Transport Market

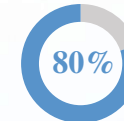


New summer and autumn flight season time slots were added

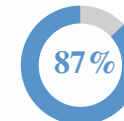
Compared with the same period in 2019



Passenger traffic volume



RPK



RPK



The accumulative belly-hold income of passenger flights was RMB 1.79 billion



Established a product cooperation system for the sinking market

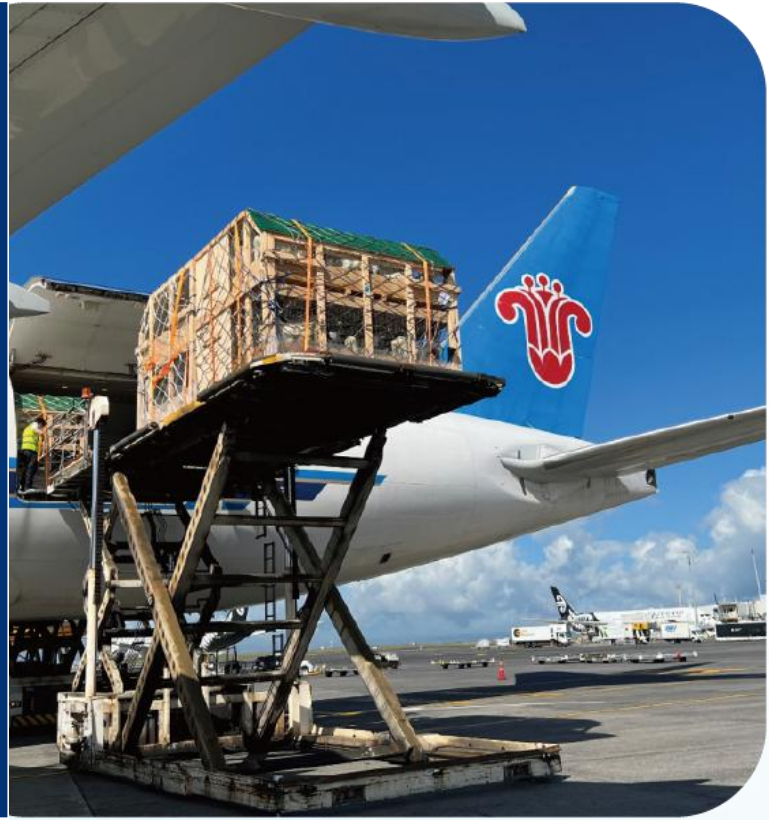
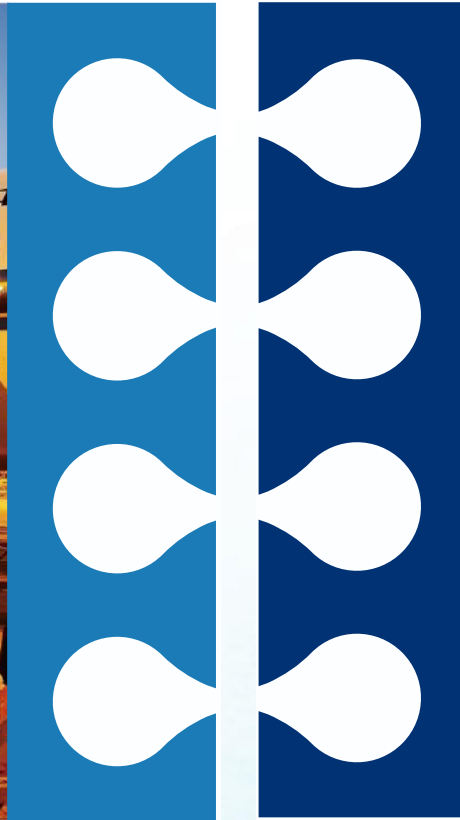


over 5,500 newly signed group customers



over 7.5 million new members

Operational Status - Smooth Transition of Freight



Advanced the fundamentals of cargo operations

- Introduce **2** new cargo planes
- Open **7** new cargo plane routes

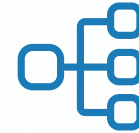


Deepen the construction of customer-product dual-management system

- Develop more than **100** group customers
- Cover **All** self-operated cargo stations
- Cover **66** routes for same-day delivery business

Operational Status

– Significantly Effective Cost Control Measures



Promote the construction of the cost management responsibility system, strengthen the management and control of major and special cost expenses



Real estate third-party income in 1H was **278** million yuan



Save RMB **920** million in financial expenses through measures such as aircraft financing and leasing in RMB and US debt swap

Continuous Improvement of Service Quality



Excellent OTP rate

**Flight OTP rate
92.04%**



High service quality

**Won the "Best Airline Award"
and "Civil Aviation Innovation
Pioneer Award"**



**Outstanding brand
reputation**

**Ranked in the Ministry of
Industry and Information
Technology's China Brand
Strength Research as
The first Brand in Aviation
Service**

Operational Status —— Gearing Up Implementation of Development Strategies

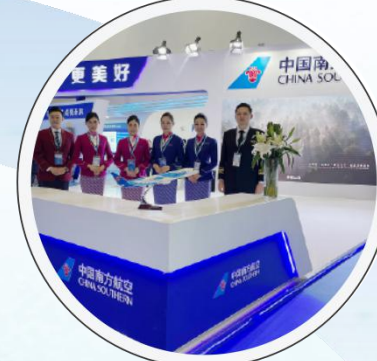
Rolled out the special action of “Improving weaknesses, enhancing quality in creating first-class service”



Improved customer management system and mechanism



Positive progress was made in the construction of the ecological circle



Continued to have a good grasp of the Greater Bay Area market



Deepened the digitalization process





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03

Financial Highlights

2023 Interim Results



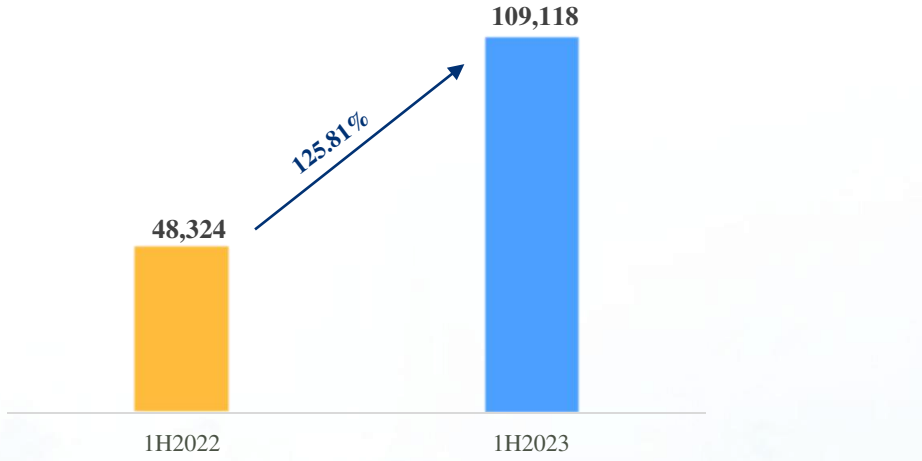
Results Highlights

	1H2023	vs 1H2022	
Total Operating Revenue (RMB m)	71,830	+ 75.98%	⬆️
Net Profit Attributable to Equity shareholders of the Company (RMB m)	-2,875	-74.97%	⬇️
Basic EPS (RMB)	-0.16	-76.47%	⬇️
EBITDA (RMB m)	14,220	n/a	
ASK (m)	144,043.92	+91.98%	⬆️
ATK (m)	20,466.09	+56.80%	⬆️
Pax Load Factor	75.75%	+11.34pts	⬆️
Overall Load Factor	64.88%	+3.84pts	⬆️
Aircraft Utilization (h)	8.53h	+3.42h	⬆️

Operating Data

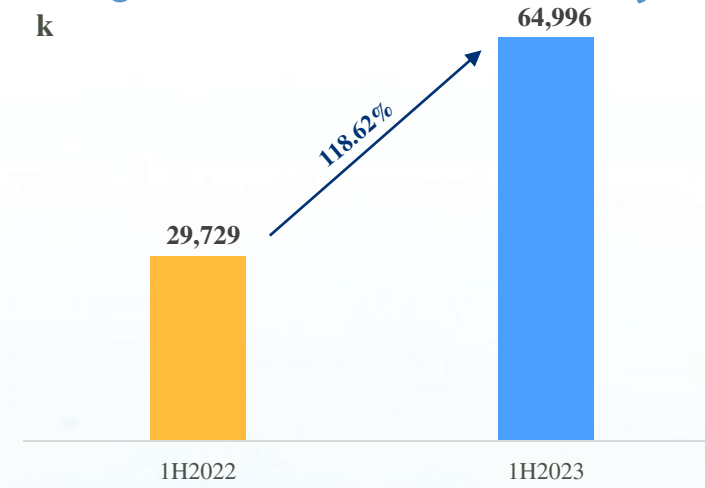
Revenue Passenger Kilometers (RPK)

m

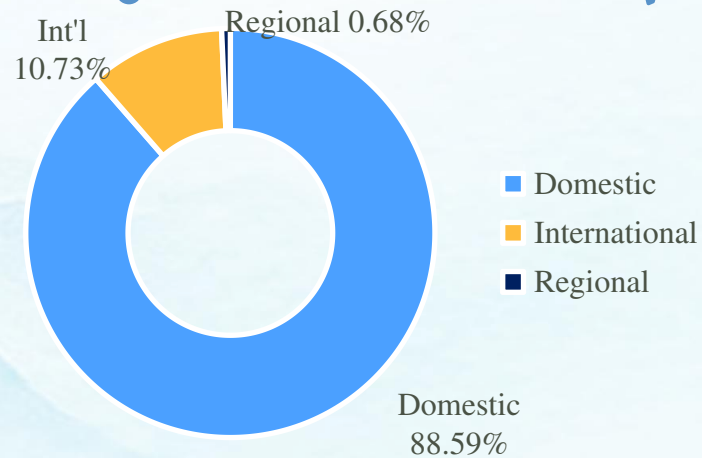


Passenger Traffic

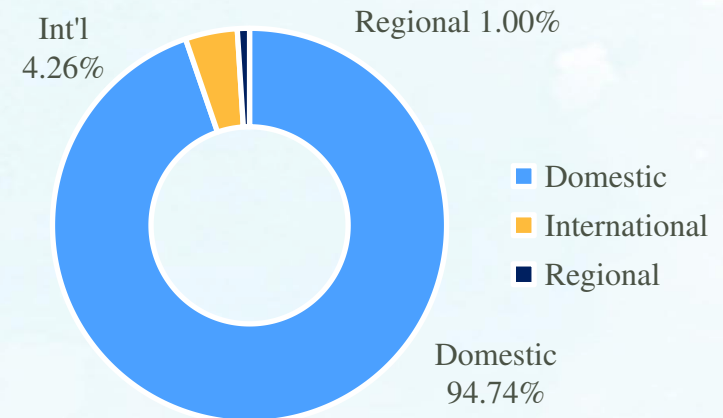
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RPK Breakdown (Geographic)

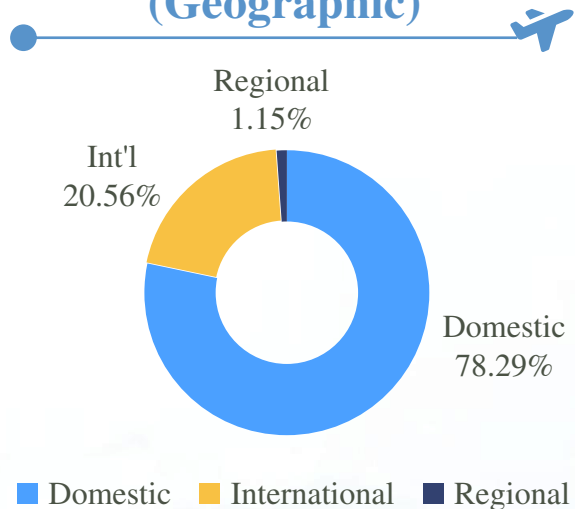


Passenger Breakdown (Geographic)

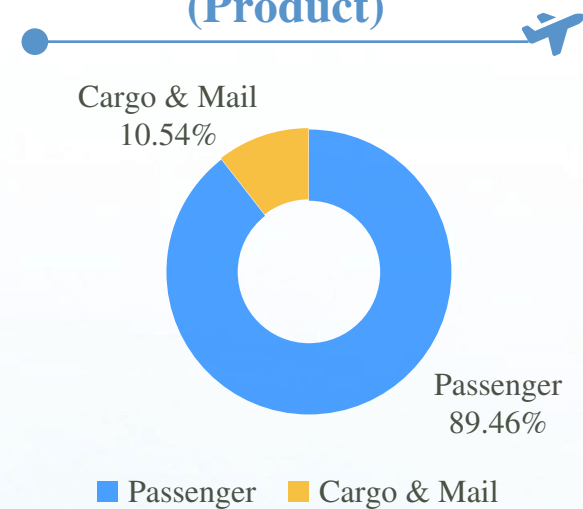


Traffic Revenue Breakdown

Revenue breakdown (Geographic)



Revenue breakdown (Product)



Traffic Revenue

RMB m







Traffic Revenue By Geographic Region





Passenger Revenue (RMB m)			
Area	1H2023	vs 1H2022	
Domestic	52,523	+133.64%	⬆️
International	7,729	+86.24%	⬆️
Regional	706	+592.16%	⬆️
Total	60,958	+128.03%	⬆️
Cargo and Mail Revenue (RMB m)			
Area	1H2023	vs 1H2022	
Domestic	823	+4.31%	⬆️
International	6,281	-39.03%	⬇️
Regional	76	+46.15%	⬆️
Total	7,180	-35.56%	⬇️
Traffic Total	68,138	+79.90%	⬆️

Passenger Yield and Freight Yield

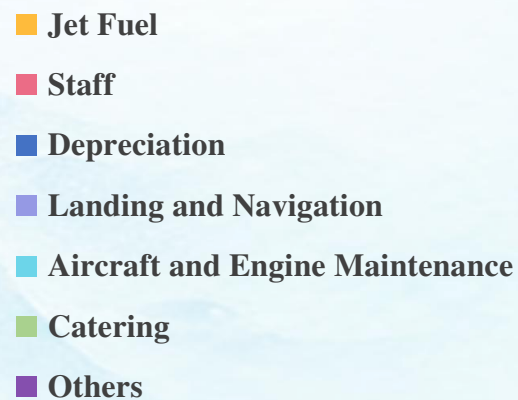
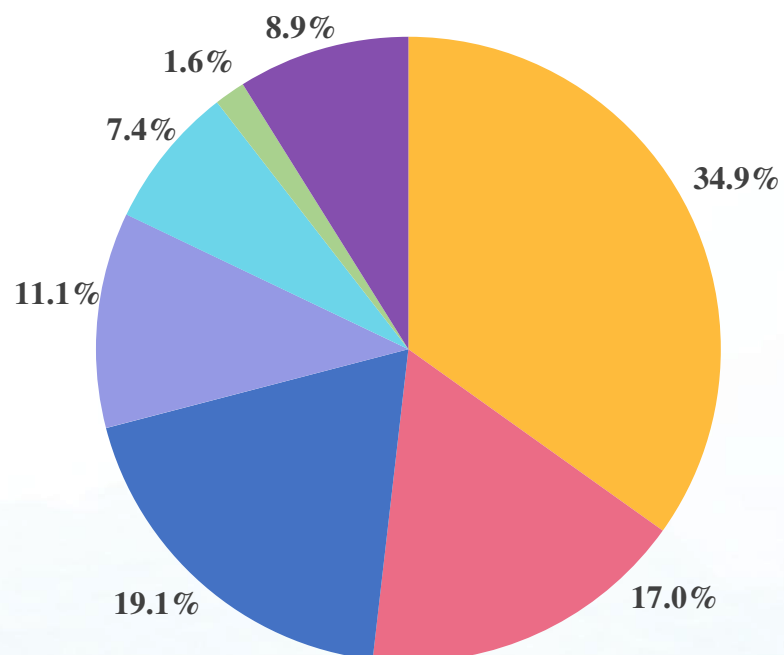
Passenger Yield (RMB)

Area	1H2023	1H2022	变化
Domestic	0.54	0.48	+12.50% 
International	0.66	2.26	-70.80% 
Regional	0.94	2.25	-58.22% 
Average	0.56	0.54	+3.70% 

Cargo and Mail Yield (RMB)

Area	1H2023	1H2022	变化
Domestic	1.29	1.47	-12.24% 
International	2.08	3.27	-36.39% 
Regional	8.34	17.49	-52.32% 
Average	1.96	3.02	-35.10% 

Operating Costs



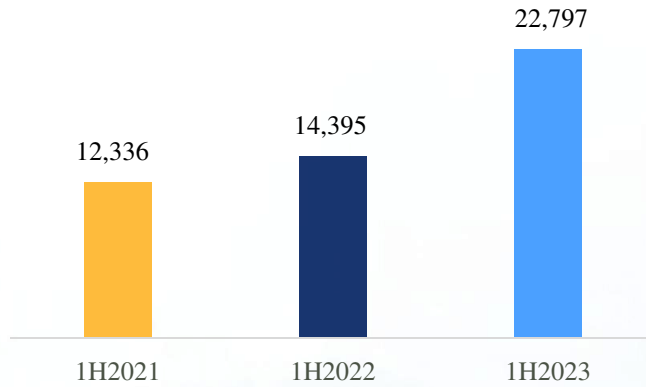
Operating Costs

(RMB m)	1H2023	1H2022	Change
Jet Fuel	22,797	14,395	+58.37%
Staff	11,095	9,658	+14.88%
Depreciation	12,502	11,347	+10.18%
Landing and Navigation	7,291	4,200	+73.60%
Aircraft and Engine Maintenance	4,850	3,580	+35.47%
Catering	1,049	588	+78.40%
Others	5,813	4,393	+32.32%
Total	65,397	48,161	+35.79%

Jet Fuel Price

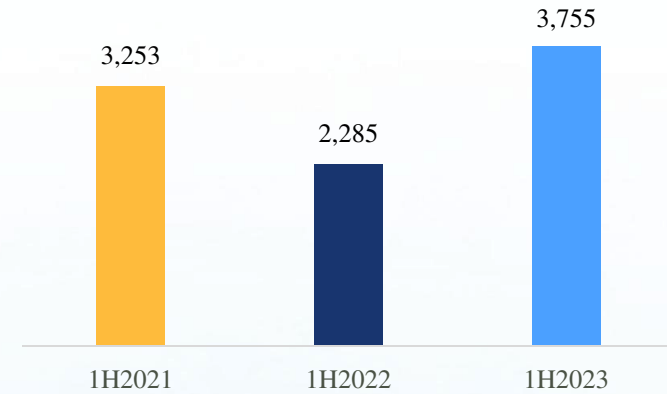
Fuel Cost

RMB m



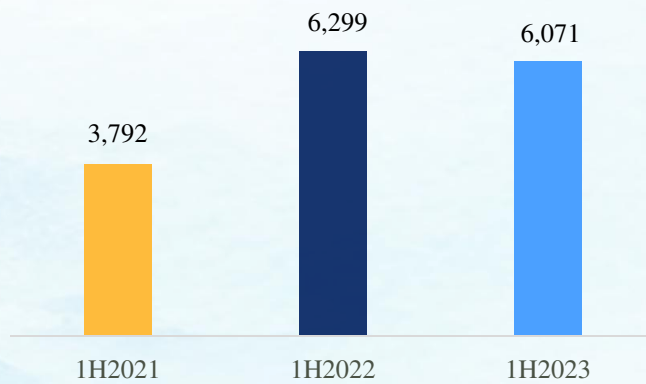
Aviation Fuel Consumption

KT



Average Fuel Price

RMB/TON



Sensitivity Performance



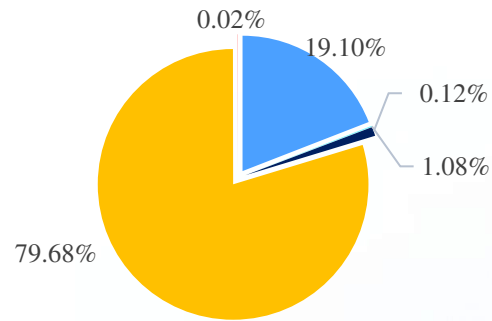
Oil price +10%



Fuel Cost RMB +2,280 m

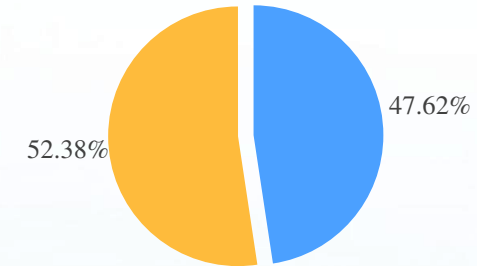
Debt Analysis

Foreign Debt Structure (RMB million equivalent)



■ USD ■ JPY ■ OTHER ■ RMB ■ EUR

Term of the Debt



■ Short-term loan ■ Long-term loan

Exchange Rate Sensitivity Performance



RMB/USD +1%



Net Profit RMB +284m

Interest Rate Sensitivity Performance



Interest Rate +100bp



Net Profit RMB -311m

Our Fleet



897
Aircrafts

Aircraft Type	Owned	Finance Leased	Operating Leased	Avg. Age	Delivery	Retirement	Total
Passenger Aircraft							
A380 series	0	0	0	-	0	2	0
A350 series	6	12	0	2.1	2	0	18
A330 series	11	22	7	9.5	0	0	40
A320 series	144	77	130	9.3	7	0	351
B787 series	4	25	10	6.5	0	0	39
B777 series	1	14	0	6.7	0	0	15
B737 series	133	64	191	9.8	0	9	388
EMB190	6	0	0	10.4	0	0	6
ARJ21	6	17	0	1.5	3	0	23
Freighter							
B777 series	10	7	0	8.0	2	0	17
Total	321	238	338	9.0	14	11	897



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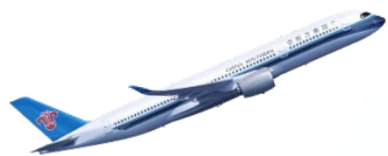
04

Future Prospect

2023 Interim Results



Future Prospect



Safeguard
Safety
Standard



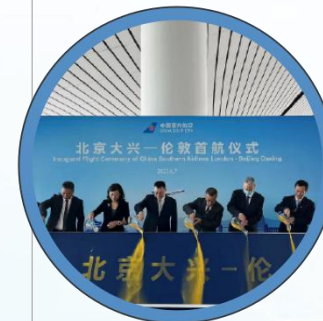
Strengthen
Operation
Advantage



Enhance Service
and Brand
Image



Accelerate Strategy
Implementation





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Q&A

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China Southern Airlines
Mobile App



China Southern Airlines
WeChat Official Account

