



Analyst Briefing

30 June 2023

Hosted by

Rebecca Sharpe, Chief Financial Officer

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Agenda



- Rebuilding Cathay
- May 2023 YTD operating performance
- Outlook
- Summary
- Q&A



Rebuilding Cathay

Making progress on our rebuild journey

36

PEOPLE

- Training
- Recruitment
- Remuneration

FLEET*

- Fleet size: **225**
- Parked overseas: **27**
- New deliveries: **5**
- Lease returns: **2**

CAPACITY

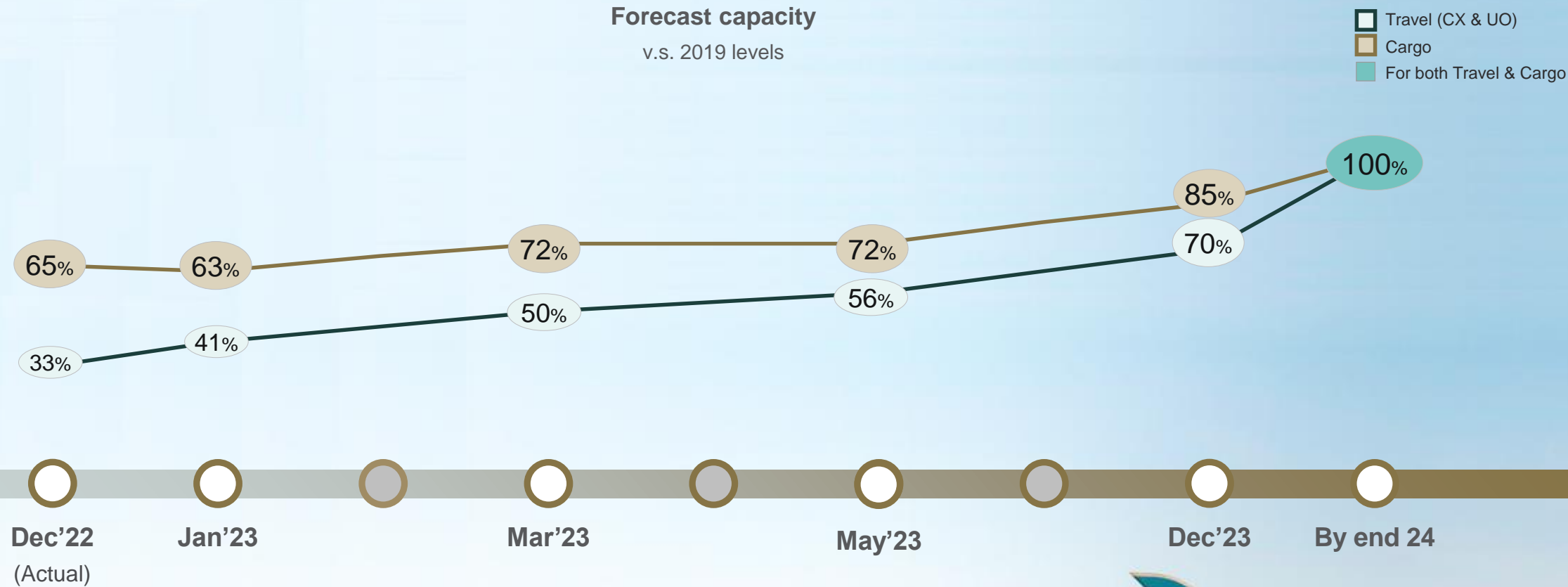
- May 2023 vs 2019
 - Travel: **56%** | Cargo: **72%**
- Destinations: **70***
- **>1,000** passenger flights per week*



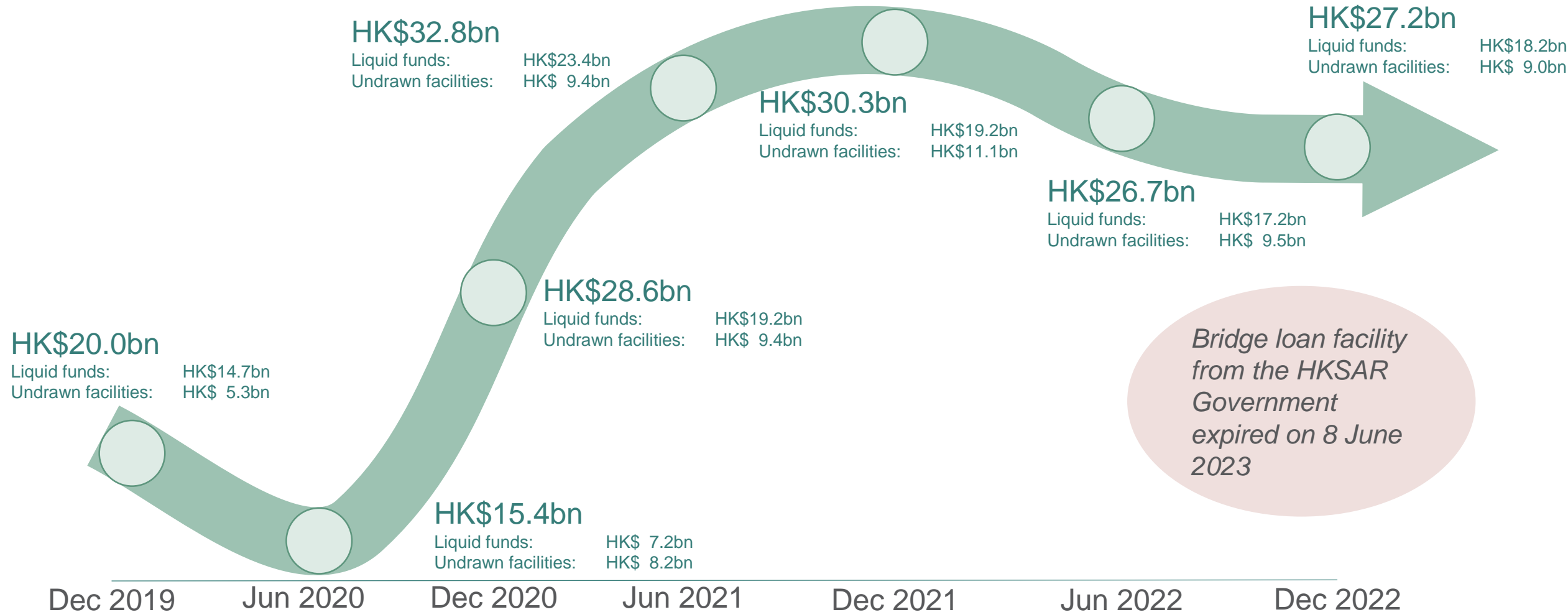
FINANCIAL

- HK\$1.5 billion deferred preference shares dividends paid on 30 June
- HK\$7.8 billion bridge loan facility expired on 8 June without the need to drawdown
- Operating cash generative YTD

On track in rebuilding our capacity



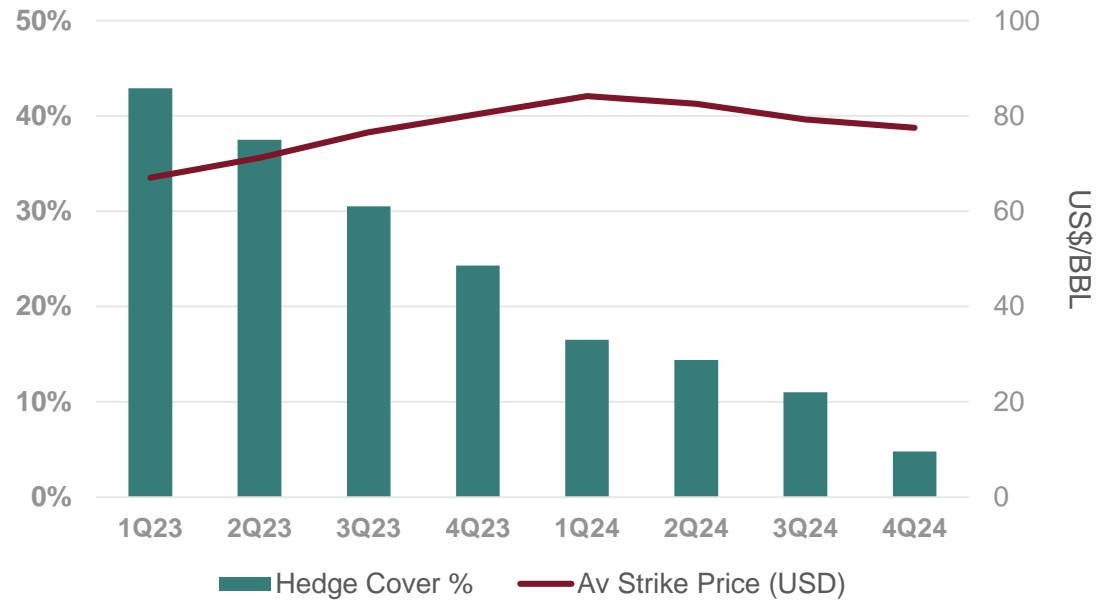
Liquidity position remains healthy



Fuel and interest costs

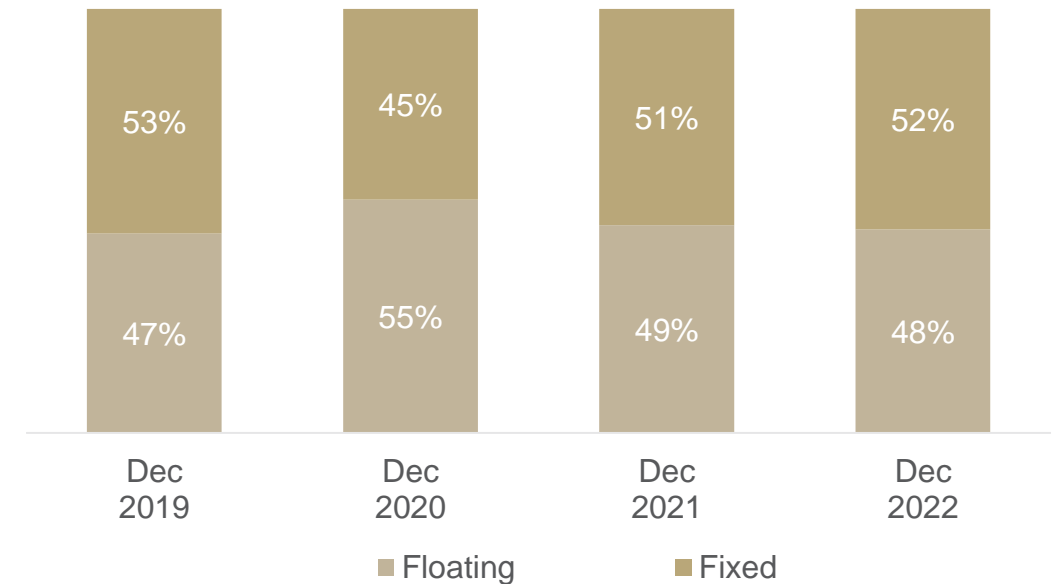


Fuel hedging at 31 Dec 2022



We continue to follow our fuel hedging policy to reduce exposure to fuel price risk by hedging a percentage of expected fuel consumption

Interest rate profile: borrowings (after derivatives)



Includes all outstanding loans and borrowings, lease liabilities, and interest rate swaps which are hedge accounted for



Operating performance

- Premium Travel
- Cargo
- Lifestyle
- Low Cost Travel
- Subsidiaries and Major Associates
- Sustainable Development

Premium Travel



32 new aircraft deliveries
from 2023 onwards

A photograph of a Cathay Pacific Airbus A350-900 aircraft in flight, viewed from a high angle. The aircraft is white with the airline's signature blue and white tail design. The text "CATHAY PACIFIC" is visible on the upper fuselage.

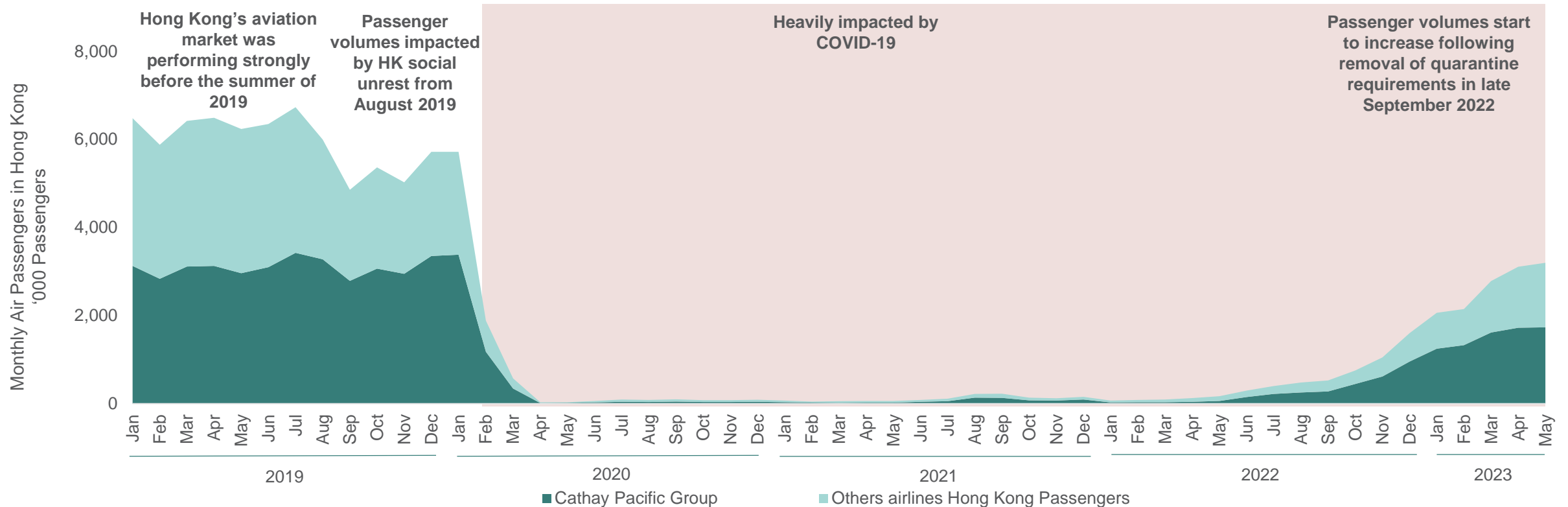
Ongoing investment in cabin product & lounges
for the most thoughtfully designed experiences

A photograph of a passenger sitting in a Cathay Pacific airplane cabin. The passenger is wearing a red sweater and is looking down at a meal served on a white tray. The cabin interior is modern and comfortable, with large windows and soft lighting.

Hong Kong Flavours
celebrating the taste of home in the air and on the ground

A photograph of a food display for "Hong Kong Flavours". Several dishes are arranged on a green surface. There are two plates of food, one with a bowl of rice and vegetables, and another with a bowl of noodles and vegetables. There are also two glasses of wine, one red and one pink, and a small bowl of fruit. The dishes are presented in a way that highlights their variety and quality.

Passenger numbers continue to increase at the Hong Kong international aviation hub



Sources: Hong Kong International Airport, Cathay Investor Relations

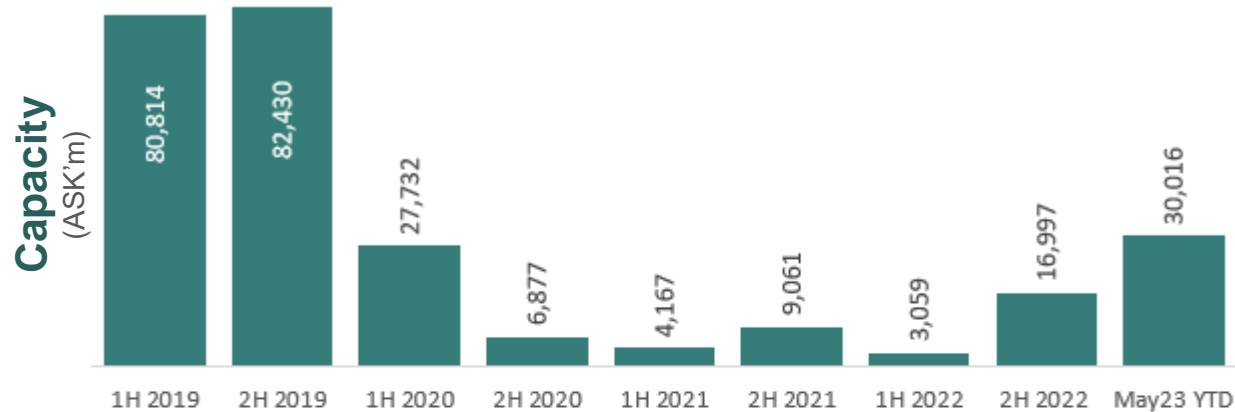
Strong rebound in travel demand



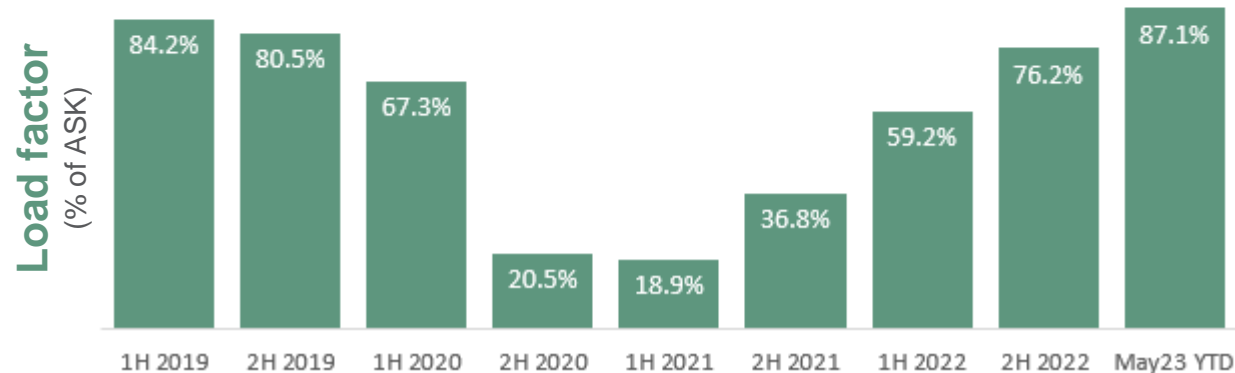
		May 2023 YTD	May 2022 YTD	% Var
Available seat kilometres (ASK)	Million	30,016	1,592	+1,785.4%
Revenue passenger kilometres (RPK)	Million	26,135	827	+3,060.2%
Revenue passengers carried	'000	6,268	185	+3,288.1%
Passenger load factor	%	87.1	51.9	+35.2%pt

- Progressively increased passenger flight capacity
- Added more frequencies to popular destinations. By end of May 2023, Cathay Pacific covered 64 destinations and operated more than 600 flights per week.
- Transit traffic via the Hong Kong hub has been encouraging with considerable demand to and from the Chinese Mainland

Strong demand driving high load factors



- May 2023 YTD flight capacity 50% higher than 2022 full year capacity



- Load factor continued to improve, illustrating the strength of passenger demand.
- Load factor in 2023 is at an elevated level

A “dose” of encouragement from the industry and customers



#8 World's
Best Airline *from*
16 In 2022



World's Best Inflight Entertainment
2023



#9 *from*
11 in 2022

Cargo



Cargo Airline of the Year

Air Transport World's 2023 Airline Industry Achievement Awards



Rebrand

to align our cargo business with the master brand

WE KNOW HOW

the reliable expert in air cargo solutions

SHIPPING A WORLD OF POSSIBILITY
WE KNOW HOW

At Cathay Cargo, every shipment matters. From handling temperature-sensitive vaccines and fresh produce to caring for champion horses, our experts ensure that all our cargo arrives ready to make a difference to the world.



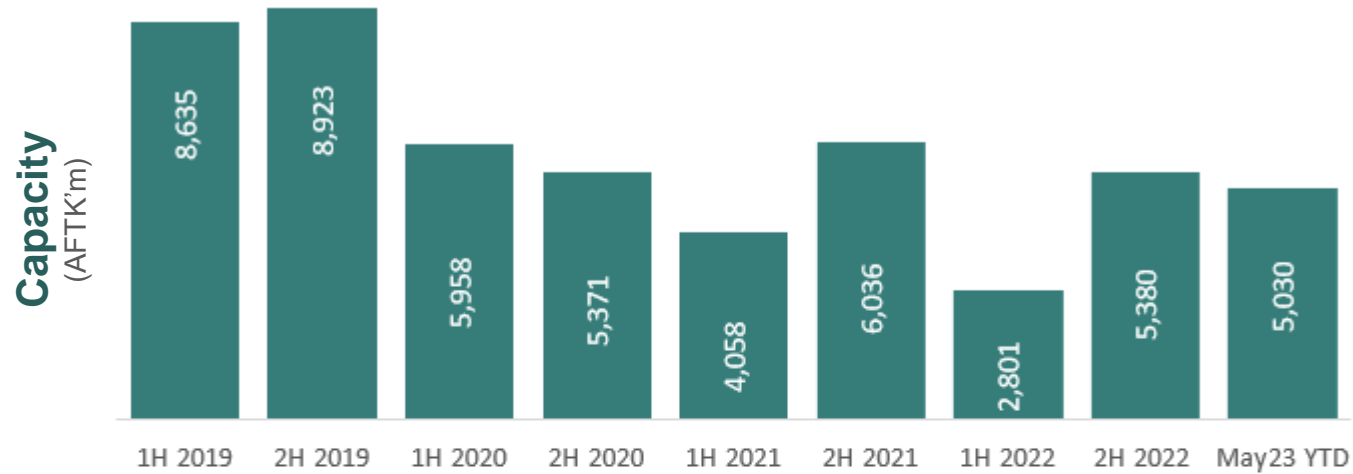
Cargo capacity significantly higher than same period in 2022



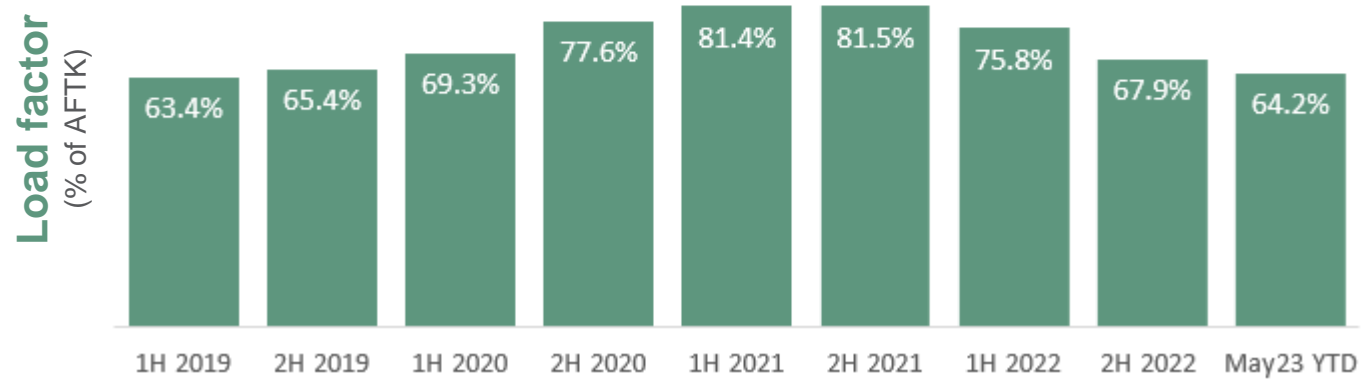
		May 2023 YTD	May 2022 YTD	% Var
Available cargo tonne kilometres (AFTK)	Million	5,030	1,976	+154.6%
Cargo revenue tonne kilometres (RFTK)	Million	3,229	1,558	+107.3%
Cargo carried	'000 tonnes	540	421	+28.3%
Cargo load factor	%	64.2	78.9	-14.7%pt

- Additional cargo capacity provided by the bellies of our passenger aircraft as passenger network capacity increased
- More cargo carried compared to same period in 2022
- Became the first cargo airline and cargo terminal operator to have cargo shipments accepted by HKIA Logistics Park in Dongguan and transported to HKIA by ship for outbound airfreight

Cargo capacity continues to increase with load factor normalising



- May 2023 YTD 70% of pre-pandemic levels



- Load factors continue to normalise from the exceptional levels in 2021

Lifestyle



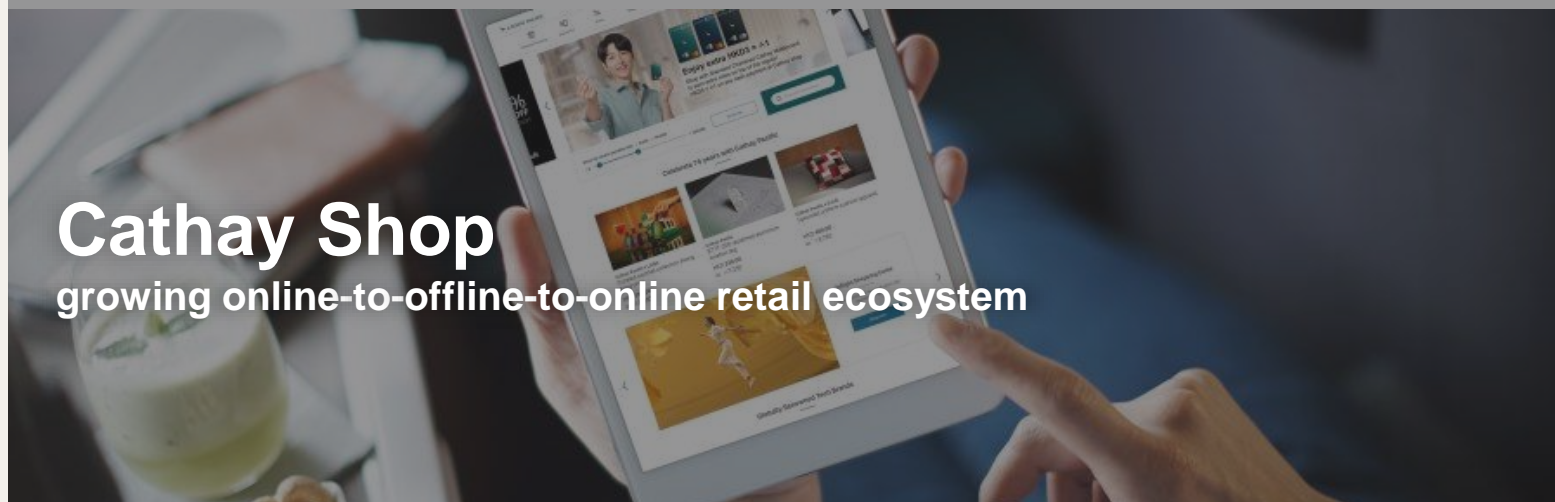
Co-branded Cathay Mastercard

strong momentum in acquisition and spending



Cathay Shop

growing online-to-offline-to-online retail ecosystem



Introducing 'Cathay'

a fully re-envisioned travel lifestyle publication





Frequencies
exceeded 2019 levels in April

18 destinations
operated by end of May

First Airbus A321neo
delivered in March



- **First Airbus A321neo delivered in March** – bringing HK Express fleet to 27 aircraft.
- Additional three A321neo to be delivered in 2H 2023.



- **18 destinations operated by end of May**
- **430 flights per week operated by end of May** – flight frequency has already returned to the pre-pandemic levels of 2019

Subsidiaries and major associates



air Hongkong

- Performance remained solid



VOGUE LAUNDRY
雅潔洗衣



Hong Kong Airport Services Ltd

CATHAY PACIFIC
CATERING SERVICES



- Airline services subsidiaries improved in performance as benefiting from the gradual business resumption



- We will recognise a one-off non-cash gain, estimated to be approximately HK\$1.9 billion, in the first half of 2023 as a result of a deemed disposal of our interest in Air China Limited from 18.13% to 16.26%.
- Our share of Air China's results is based on its financial statements drawn up three months in arrears. The period from 1 Oct 2022 to 31 Mar 2023 will be included in our coming 2023 interim results.
- Performance of Air China in Q1 2023, while still loss-making, improved compared to Q1 2022 due to its increase in capacity, passenger load factor and price.

Continued progress on sustainability journey





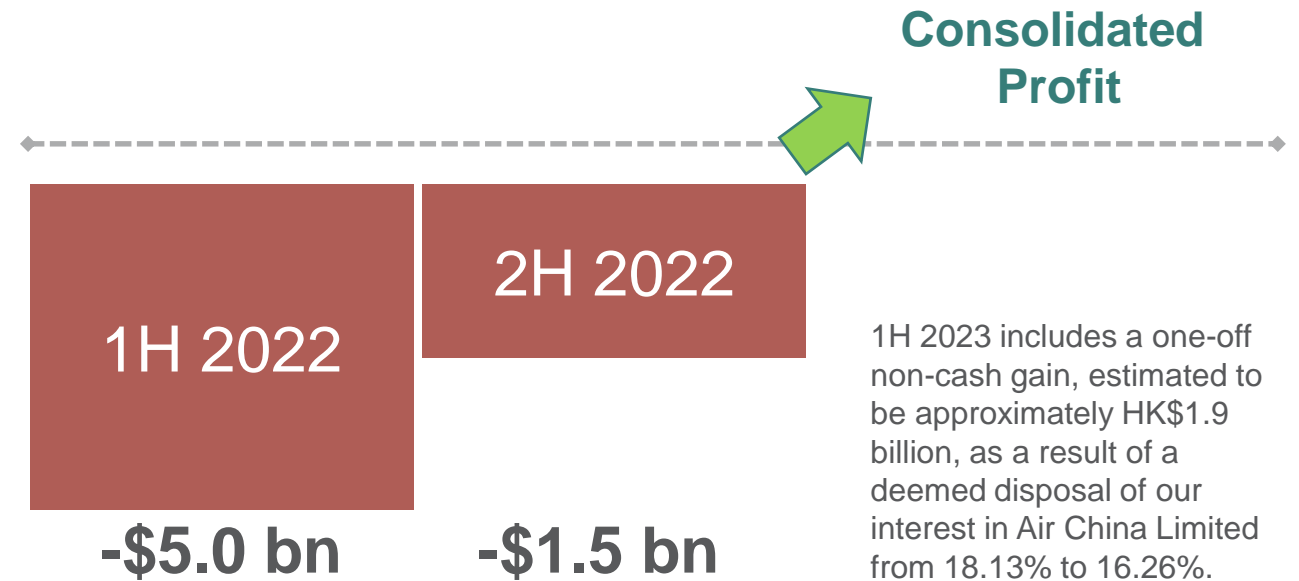
Outlook

Expect a consolidated profit in first half of 2023

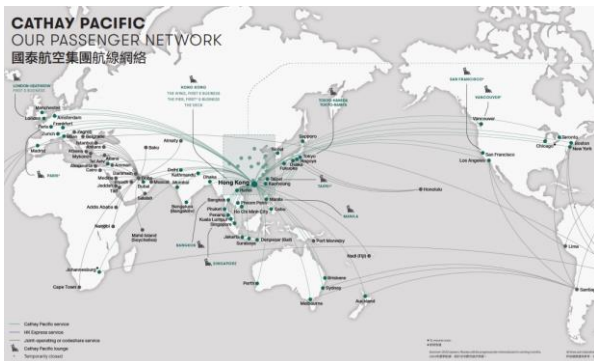


2022 Full Year loss of \$6.5 bn

2023 First Half



Travel: continue to rebuild network and frequencies



- Entire aviation ecosystem – both in Hong Kong and globally – is facing resource constraints.
- On track with training and recruitment. Target to recruit 3,000 employees in 2023.
- Peak summer season looks promising
- Further destinations to be added in 2023:
 - Johannesburg – August
 - Chicago – October
 - Christchurch - 16 December 2023 - 29 February 2024
- Passenger flight capacity will be restored in a measured and responsible way, and the Group (Cathay Pacific and HK Express) targets to operate:

Target	% of pre-pandemic capacity
End of 2023	70%
End of 2024	100%

Cargo: being agile to changing market dynamics



Capacity

- Capacity will be further supplemented by increased passenger flight frequencies and destinations
- Targeting 85% of pre-pandemic cargo capacity by the end of the year 2023
- Toronto and Miami will receive additional freighter capacity

Demand

- Summer months see a traditional slowdown in air cargo movements
- Sustained pickup in demand not expected until end Q3
- Anticipate more intense competition as overall cargo demand lags behind supply
- Continue to source new demand and optimise our freighter schedules accordingly



Summary

On track and committed to our rebuild journey

PEOPLE

- Training and recruitment on track to meet capacity plan
- Target to recruit 3,000 employees in 2023
- Target to recruit >800 cadet pilots in 2023/24

FLEET

- New aircraft deliveries
 - 2023: **11**
 - 2024: **12**
 - 2025+: **25**

CAPACITY*

2023

- Travel: **70%** | Cargo: **85%**
Destinations: about **80**

CATHAY PACIFIC

2024

- Travel: **100%** | Cargo: **100%**

Premium Economy

Green members

FINANCIAL

- Operating cash generative
 - Liquidity healthy
- Deferred preference shares dividends paid
 - Expect consolidated profit in 1H 2023

*Forecast capacity v.s. 2019 levels



Q&A

For more information, please visit our website
www.cathaypacific.com

For queries, please email us at ir@cathaypacific.com

