Q2 2019

QUARTER NEGATIVELY IMPACTED BY PILOT STRIKE

FEBRUARY 2019–APRIL 2019

- Revenue: MSEK 10,187 (9,916)
- Income before tax (EBT): MSEK -1,216 (-488)
- Income before tax and items affecting comparability: MSEK -1,211 (-309)
- Net income for the period: MSEK -933 (-349)
- Earnings per common share SEK -2.44 (-1.0)
- Income before tax negatively affected by strike MSEK -430
- In the light of the strike and the macro development, the outlook is revised as it will be challenging to reach a positive result before tax and items affecting comparability in fiscal year 2019

SIGNIFICANT EVENTS DURING THE QUARTER

- 2,700 flights cancelled and 270,000 passengers affected by the pilot strike
- Convertible bond repaid at nominal value of MSEK 1,574
- 44% of passenger-related CO_2 emissions compensated during the quarter

"I apologize to our customers who were affected by the traffic disruptions during the strike"

Rickard Gustafson, President and CEO

NOVEMBER 2018–APRIL 2019

- Revenue: MSEK 19,721 (18,894)
- Income before tax (EBT): MSEK -1,792 (-773)
- Income before tax and items affecting comparability: MSEK -1,935 (-694)
- Net income for the period: MSEK -1,402 (-598)
- Earnings per common share: SEK -3.69 (-1.88)

KEY FIGURES FEBRUARY 2019–APRIL 2019

+3.4%
UNIT REVENUE VS LAST YEAR[1]

+9.8%
UNIT COST VS LAST YEAR[2]

-3.8%
PASSENGERS VS LAST YEAR

1) PASK, Currency adjusted
2) CASK, Currency adjusted and excluding jet fuel

FINANCIAL SUMMARY

MSEK, unless noted	Q2 Feb–Apr 2019	Q2 Feb–Apr 2018	Q1–Q2 Nov–Apr 2018–2019	Q1–Q2 Nov–Apr 2017–2018	Rolling 12 months May–Apr 2018–2019	Rolling 12 months May–Apr 2017–2018
Revenue	10,187	9,916	19,721	18,894	45,545	42,748
Operating income (EBIT) margin	-11.1%	-3.8%	-8.0%	-2.9%	3.3%	5.4%
Income before tax (EBT)	-1,216	-488	-1,792	-773	1,031	1,858
Net income for the period	-933	-349	-1,402	-598	791	1,428
Income before tax and items affecting comparability	-1,211	-309	-1,935	-694	895	2,224
Cash flow from operating activities	2,344	2,366	1,662	2,550	3,671	3,406

	Apr 30, 2019	Oct 31, 2018	Apr 30, 2018	Apr 30, 2017
Return on invested capital, 12-month rolling	9%	14%	13%	9%
Adjusted financial net debt/EBITDAR	3.4x	2.7x	2.7x	4.0x
Financial preparedness	32%	42%	31%	37%
Equity/assets ratio	10%	21%	18%	16%
Earnings per common share (SEK), 12-month rolling	1.91	3.71	3.18	0.52
Shareholders' equity per common share, SEK	8.80	16.11	12.81	4.94

This information is information that SAS AB is obliged to disclose pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted by Michel Fischier for publication on 28 May 2019 at 8:00 a.m. CET.

COMMENTS BY THE CEO

The pilot strike at the end of the second quarter added to the challenges already faced by SAS from a competitive market, increasing jet fuel price and a weakening Swedish krona. In addition, we see decreased demand for domestic travel especially in Sweden. These factors highlight the importance of continued strong focus on improving our efficiency, flexibility and sustainability efforts.

The strike between 26 April and 2 May resulted in some 4,000 canceled flights affecting more than 370,000 passengers. I apologize to all of our customers affected by the traffic disruptions during this extraordinary event. The total impact on income before tax of the strike is estimated at MSEK 650, of which MSEK 430 relate to the last five days of the second quarter.

Earnings before tax came in at MSEK -1,216, a decrease of MSEK 728 compared to same quarter last year. The result was negatively impacted by the strike, increasing fuel price and a continued weakening of the Swedish krona. Excluding these effects, the result would have been comparable to the same quarter last year, which was one of the strongest second quarter in SAS' modern history.

Even though the result is far from satisfying, we are encouraged by certain underlying trends. The investments we have made in our customer offering are paying off with higher revenue per passenger and an increase in ancillary revenues. Furthermore, we are maintaining our market share in a market characterized by increased competition and lower demand on Swedish domestic routes. We also continue to rank high in terms of punctuality and have noted increased interest in our premium offerings (Plus and Business). Our efforts are also reflected in enhanced customer satisfaction ratings across all our production platforms.

However, the combination of soft economic indicators, increasing jet fuel price and the weak Swedish krona outweigh the positive underlying momentum. Therefore, we need to increase the pace of transformation to adapt our company to the current market conditions and secure future profitability.

NEW PILOT AGREEMENT PROVIDING STABILITY

The new three-year collective bargaining agreements with the pilot unions in Denmark, Norway and Sweden give us the stability and time to continue our transformation efforts. In total, the net pilot cost across Scandinavia increases with approximately 5.4% over the three-year period and includes productivity improvements that to some extent mitigate increased compensation and other costs.

Although I would have preferred to avoid the disruption in our operations, I am pleased to see that proper planning, digital investments and engaged employees made a huge difference during the strike. We mobilized and trained a team of nearly 400 administrative colleagues that answered queries and helped our customers with rebooking.

As a result of the effective communication with our customers, we avoided a situation in which a large number of passengers would have showed up and gotten stranded at the airport. However, in order to help the customers who did arrive at the airport, we mobilized nearly 1,100 of our staff equipped with over 300 tablets to help customers. Walking the floors in the terminals and leveraging our newly launched disruption module, we were able handle large numbers of rebookings efficiently.

TOWARDS MORE SUSTAINABLE AIR TRAVEL

We are continuing to push for more sustainable air travel. As proof that we are moving in the right direction, SAS was recently ranked the most sustainable brand within aviation in Sweden for the 9th consecutive year, according to Sustainable Brand Index. According to the same survey, SAS was also rated the most sustainable aviation brand in Denmark.

Looking ahead we strive to stimulate large scale biofuel production and engage in the development of the next generation aircraft. Both activities aim to significantly reduce the carbon footprint caused by aviation.

During the quarter, SAS together with Swedavia and the research institute RISE launched a common path towards increased production of biofuels. Current global production is insufficient. Therefore, it is essential that large scale production of biofuels is established for SAS to reach its goal of using biofuel equivalent to the total consumption of all domestic SAS flights by 2030.

SAS and Airbus recently signed a memorandum of understanding on a joint research partnership for future aircraft – partially or fully electrically powered. The purpose with the partnership is to increase know-how in terms of operations, infrastructure and challenges linked to the introduction of hybrid and electric aircraft in commercial traffic. This advances our ambitious sustainability work even further, and I am proud that Airbus has chosen SAS as its partner for this important project aiming for zero emission aircraft.

Until technology has evolved and large-scale biofuel production is in place, we continue our efforts within the technology available today to reduce our carbon emissions. This includes continued investments in new aircraft that combine efficiency gains with sustainability gains, thereby reducing the fuel consumption and emissions by 15-18 per cent.

In order to address the CO_2 emissions that we still cannot eliminate, we have introduced carbon offsetting for all our EuroBonus members in February this year. As of the end of this quarter, we had compensated for over 3.4 million journeys with SAS, representing 44% of passenger-related CO_2 emissions.

OUTLOOK

Since our Q1 report, several developments have negatively impacted our earnings. These include the pilot strike, as well as an increased jet fuel price and continued depreciation of the Swedish krona against the US dollar and the euro.

Accordingly, it will be challenging to reach a positive result before tax and items affecting comparability, as stated in our previous outlook. See page 5 for further detail.

Our liquidity remains strong, but in the light of the challenges we are facing we cannot afford to rest on our laurels. Instead, SAS will continue with its strong focus on strategy execution and transformation efforts to be prepared for the future.

Finally, I want to thank you for your interest in SAS and I look forward to welcome you onboard one of our daily 800 flights!

Stockholm May 28, 2019

Rickard Gustafson,
President and CEO

COMMENTS ON SAS' FINANCIAL STATEMENTS

MARKET AND TRAFFIC TRENDS

Capacity in the Scandinavian market, measured in the number of seats offered, increased 0.3% compared to the same quarter last year. At the same time, the total number of passengers in the Scandinavian market decreased 2.7% .

Looking ahead, the number of offered seats in the Scandinavian market is expected to decrease approximately 0.1% in the third quarter. This is a sharp decline compared to same quarter last year where capacity increased 5.5%.

EARNINGS ANALYSIS - FEBRUARY–APRIL 2019

Revenue

Revenue totaled MSEK 10,187 (9,916), see Note 2. Currency-adjusted revenue was down MSEK 81 year-on-year and the currency adjusted deviation is explained below. The negative revenue impact of the strike is estimated at approximately MSEK 440.

Passenger revenue decreased 1.8%. The decrease was a result of lower scheduled capacity (ASK), which had a negative impact on revenue of MSEK 394. The lower load factor had a negative effect of MSEK 71. Revenue was positively impacted by an amount of MSEK 321 as a result of the higher yield.

Cargo revenue decreased MSEK 46. Charter revenue was MSEK 54 higher, primarily relating to higher volumes. Other traffic revenue rose MSEK 40, mainly relating to unused tickets.

Other operating revenue was MSEK 16 higher year-on-year, mainly relating to higher revenues from credit card fees.

Operational and financial expenses

Payroll expenses amounted to MSEK -2,420 (-2,355). After adjustment for currency and items affecting comparability, payroll expenses increased MSEK 81 year-on-year. The increase related to standard salary increases and a higher number of employees, partly offset by efficiency measures.

Other operating expenses amounted to MSEK -7,593 (-6,835), see Note 3. These expenses largely consisted of jet fuel, which amounted to MSEK -2,181 (-1,645). Adjusted for currency, jet fuel costs increased 18.9%. The increase was mainly impacted by hedge effects amounting to MSEK -430 partly counteracted by volume effects amounting to MSEK 104. The hedge effects arise from negative hedge effects in current quarter MSEK -199 compared to positive hedge effects MSEK +231 same quarter last year.

Technical maintenance costs amounted to MSEK -679 (-635). Adjusted for currency, technical maintenance costs decreased MSEK 24. Wet-lease costs amounted to MSEK -389 (-339). Adjusted for currency, wet-lease costs year-on-year increased MSEK 21, mainly due to a contractual settlement.

During the period, the ongoing efficiency program resulted in cost reductions of approximately MSEK 190.

Leasing costs for aircraft amounted to MSEK -846 (-765). Adjusted for currency effects, leasing costs decreased MSEK 7.

Financial income and expenses amounted to MSEK -86 (-114), of which net interest expense was MSEK -69 (-106). The decrease is primarily related to higher financial income and capitalisation of pre-delivery payments (PDP) interest expenses.

Net income for the period

Operating income amounted to MSEK -1,130 (-374). Income before tax amounted to MSEK -1,216 (-488) and income after tax was MSEK -933 (-349). The tax income was MSEK 283 (139).

Year-on-year, foreign exchange rates had a positive impact on revenue of MSEK 352 and a negative effect on operating expenses of MSEK 431. Foreign exchange rates had a negative impact on operating income of MSEK 79. Net financial items were negatively impacted by currency items amounting to MSEK 11. In total, currency effects had a net negative impact of MSEK 90 on income before tax.

Items affecting comparablity

Total items affecting comparability amounted to MSEK -5 (-179) during the period, of which, MSEK 0 (47) pertained to capital gains from aircraft transactions. The other items affecting comparability related to restructuring costs for personnel and properties amounting to MSEK -5 (-226).

EARNINGS ANALYSIS NOVEMBER 2018–APRIL 2019

Revenue

Revenue totaled MSEK 19,721 (18,894), see Note 2. Currency-adjusted revenue was up MSEK 119 year-on-year and the currency adjusted deviation is explained below. The negative revenue impact of the strike, the last five days in April, is estimated at approximately MSEK 440.

Passenger revenue decreased 0.4%. The decrease was a result of lower scheduled capacity (ASK), which based on the preceding year's circumstances, had a negative impact on revenue of MSEK 436. The load factor had a negative effect of MSEK 22. Revenue was positively impacted by an amount of MSEK 395 as a result of the higher yield.

Cargo revenue decreased MSEK 58. Charter revenue was MSEK 83 higher, primarily relating to higher volumes. Other traffic revenue rose MSEK 104, mainly relating to unused tickets.

Other operating revenue was MSEK 54 higher year-on-year, mainly relating to higher revenues from credit card fees.

Operational and financial expenses

Payroll expenses amounted to MSEK -4,821 (-4,623). After adjustment for currency and items affecting comparability, payroll expenses increased MSEK 132 year-on-year. The increase related to standard salary increases and a higher number of employees, partly offset by efficiency measures.

Other operating expenses amounted to MSEK -13,980 (-12,706), see Note 3. These expenses largely consisted of jet fuel, which amounted to MSEK -4,142 (-3,215). Adjusted for currency, jet fuel costs increased 17.0%. The increase was mainly driven by higher jet fuel price amounting to MSEK 116, hedge effects amounting to MSEK 554 year-on-year. Volume effects had a positive impact on costs of MSEK 124.

Technical maintenance costs amounted to MSEK -1,361 (-1,328). Adjusted for currency, technical maintenance costs decreased MSEK 92. Wet-lease costs amounted to MSEK -698 (-600). Adjusted for currency, wet-lease costs increased MSEK 50 year-on-year, mainly due to higher volumes and a contractual settlement.

During the period, the ongoing efficiency program resulted in cost reductions of approximately MSEK 387.

Leasing costs for aircraft amounted to MSEK -1,633 (-1,525). Adjusted for currency effects, leasing costs decreased MSEK 46.

Financial income and expenses amounted to MSEK -201 (-216), of which net interest expense was MSEK -170 (-202). The decrease is primarily related to higher financial income and capitalisation of PDP interest expenses.

Net income for the period

Operating income amounted to MSEK -1,591 (-557). Income before tax amounted to MSEK -1,792 (-773) and income after tax was MSEK -1,402 (-598). The tax income for the period amounted to MSEK 390 (175).

Year-on-year, foreign exchange rates had a positive impact on revenue of MSEK 708 and a negative effect on operating expenses of MSEK 948. Foreign exchange rates thus had a negative impact on operating income of MSEK 240. Net financial items were negatively impacted by currency items amounting to MSEK 18. In total, currency effects had a net negative impact of MSEK 258 on income before tax.

Items affecting comparability

Total items affecting comparability amounted to MSEK 143 (-79) during the period, of which, MSEK 8 (151) pertained to capital gains from aircraft transactions. The other items affecting comparability related to restructuring costs for personnel and properties, a contractual settlement and the release of a fiscal-related provision for indirect taxes in China.

BALANCE SHEET & FINANCIAL POSITION APRIL 2019

Assets

Intangible and tangible fixed assets increased MSEK 2,141 during the period. Changes for the period included investments of MSEK 2,756, amortization and depreciation of MSEK -874, divestments of MSEK -17, as well as currency and other effects of MSEK 276. The amount for investments during the period included delivery payments for three new Airbus A320neos on finance leases and the purchase of two Boeing 737s that were previously on operating leases. Other aircraft investments comprised capitalized expenditures for engine maintenance, modifications, spare parts and advance payments to Airbus.

Financial fixed assets decreased MSEK 464, mainly due to a decrease in SAS' defined-benefit pension plans and restricted accounts, partly offset by increased deferred tax assets.

Current receivables increased MSEK 110. This increase was mainly attributable to higher accounts receivable and prepaid expenses, partly offset by lower interest-bearing receivables.

Cash and cash equivalents were MSEK 6,912 (7,421) at 30 April 2019. Unutilized contracted credit facilities amounted to MSEK 2,866 (2,736). Financial preparedness amounted to 32% (31%) of SAS' fixed costs.

Shareholders' equity and liabilities

Shareholders' equity decreased MSEK 3,903. The decrease mainly related to a redemption of preference shares of MSEK -1,086, net income of MSEK -1,402, actuarial effects on defined-benefit pension plans of MSEK -809 and changes in cash flow hedges of MSEK -612. For the condensed changes in shareholders' equity – refer to page 9.

Long-term liabilities increased MSEK 1,043 and *current liabilities* increased MSEK 1,769. The increase in liabilities was mainly due to the seasonal increase in unearned transportation liability.

Interest-bearing liabilities

On 30 April 2019 interest-bearing liabilities amounted to MSEK 10,174, an increase of MSEK 82 since 31 October 2018. New loans and amortization for the period were MSEK 1,418 and MSEK 1,941 respectively. The change in gross debt since 31 October 2018 included a negative trend in the fair value of financial derivatives, which increased liabilities MSEK 385. Currency revaluations increased liabilities MSEK 248, and accrued interest and other items decreased liabilities MSEK 28.

In 2014, SAS issued a convertible bond and at 1 April 2019 the bond was repaid with nominal value of MSEK 1,574.

Financial net debt

At 30 April 2019 the financial net debt amounted to MSEK 917, an increase of MSEK 3,349 since 31 October 2018. The increase was primarily due to the redemption of preference shares, investments and market value changes on financial derivatives.

Key ratios

At 30 April 2019, the return on invested capital - ROIC was 9%, down 5 percentage points since 31 October 2018. The decrease was mainly due to lower profitability, EBIT.

Financial preparedness has decreased 10 percentage points, and was 32% at the end of this quarter. The reduction mainly related to lower liquidity due to redemption of preference shares and repayment of convertible bond.

The adjusted financial net debt/EBITDAR ratio changed to a multiple of 3.4. At 31 October 2018 it was a multiple of 2.7. The change primarily related to increased financial net debt.

At 30 April 2019, the equity/assets ratio was 10%, down from 21% at 31 October 2018. The decline was primarily due to the redemption of preference shares for MSEK 1,086 and the negative total comprehensive income of MSEK 2,790.

For the balance sheet - refer to page 8.

CASH FLOW STATEMENT NOVEMBER 2018–APRIL 2019

Cash flow for the first six months amounted to MSEK -2 845 (-1,418). Cash and cash equivalents amounted to MSEK 6,912 according to the balance sheet, compared with MSEK 9,756 at 31 October 2018.

Operating activities

Cash flow from operating activities before changes in working capital amounted to MSEK -1,240 (-16) in the first six months of the fiscal year. The change compared to the previous year was primarily attributable to lower earnings before tax. Adjustments for other non-cash items comprised the reversal of restructuring costs and other items affecting comparability.

Changes in working capital amounted to MSEK 2,902 (2,566). The six-month positive trend was mainly due to the seasonal increase in unearned transportation liability in the second quarter of the fiscal year.

Investing activities

Investments totaled MSEK 2,756 (4,025), of which MSEK 2,700 (3,982) pertained to aircraft. These included delivery payments for three new Airbus A320neos. In addition, two Boeing 737s were purchased that were previously on operating leases. Other aircraft investments comprised capitalized expenditures for aircraft maintenance, modifications, spare parts and advance payments to Airbus.

Financing activities

New loans amounted to MSEK 1,346 (1,575), while repayments totaled MSEK 1,941 (2,245), including MSEK 1,574 for the convertible bond repaid in April 2019. In December, a redemption of all preference shares for a total amount of MSEK 1,112 was implemented. For the cash flow statement — refer to page 10.

SEASONAL VARIATIONS

Demand in SAS' markets, measured as revenue passenger kilometers (RPK), is seasonally low from November to April and at its peak from May to October. However, the share of advance bookings is greatest from January to May, which has a positive effect on working capital.

Seasonal fluctuations in demand impact cash flow and earnings differently. Passenger revenue is recognized when customers actually travel, while cash flow is positively impacted during months in which bookings increase. This means increased revenue in the high-traffic months from May to October. Since a substantial share of an airline's costs is fixed, earnings are impacted by fluctuations in revenue levels.

As traffic is lower in the November to April period, the first and second quarters are seasonally the weakest quarters in terms of earnings in SAS' fiscal year. However, cash flow from operating activities is seasonally weak in the first and third quarters.

FINANCIAL TARGETS

SAS' overriding financial goal is to create shareholder value. To reach this goal, SAS works with its customer offering, efficiency enhancements and sustainability to provide the basis for long-term sustainable profitability.

We operate in a capital-intensive industry that requires optimization of the capital structure. For this reason, SAS has three financial targets:

- Return on invested capital (ROIC): exceed 12% measured over a business cycle.
- Adjusted financial net debt/EBITDAR: multiple of less than three (3x).
- Financial preparedness: cash and cash equivalents and available credit facilities to exceed 25% of SAS' annual fixed costs.

The ROIC target corresponds with the capital markets' and SAS' internal assessment of SAS' weighted average cost of capital (WACC). This is also linked to SAS' dividend policy for holders of common shares, which stipulates that dividends can be paid when value is created through SAS' ROIC exceeding its WACC.

Gearing target — adjusted financial net debt/EBITDAR is a key ratio used by credit rating agencies and banks for assessing creditworthiness and includes the value of leased aircraft. The aim of maintaining a ratio with a multiple of less than three (3x) is aligned with SAS' ambition of improving the financial position and credit rating, and thereby lowering financing costs.

The financial preparedness target is 25% of annual fixed costs. Normally, this covers SAS' unearned transportation revenue liability and also meets regulatory requirements regarding liquidity.

Considerable uncertainty continues in the macro environment with regard to foreign exchange-rates, jet-fuel prices and changes within the European airline industry, with intensified competition. In conjunction with the transition to IFRS 16 from 2019/2020, under which the lessee recognizes an asset (the right to use an asset) and a financial liability in the balance sheet, SAS will review the targets to ensure their continued relevance.

EVENTS AFTER 30 APRIL 2019

- Pilot strike which started on 26 April ended on 2 May
- The Confederation of Swedish Enterprise decides not to compensate for the pilot strike

OUTLOOK FOR FISCAL YEAR 2019

The previous outlook stated that SAS expects to deliver a positive result before tax and nonrecurring items in fiscal year 2019. The revised outlook now states that it will be challenging to reach a positive result before tax and items affecting comparability in fiscal year 2019. The outlook is based on no unexpected events or material changes in the business environment.

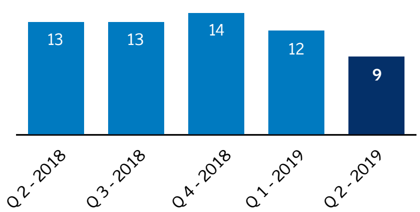
The outlook is based on the following:

- Negative earnings impact from the strike amounting to MSEK -650
- Decrease of -1% in scheduled capacity (ASK) in FY19
- Jet fuel price and SEK/USD FX-rates at current levels
- Efficiency measures of SEK 0.9 bn
- Gross investments expected to be around SEK 7 billion

RETURN ON INVESTED CAPITAL (ROIC)

SAS has a target for the return on invested capital (ROIC) to exceed 12% measured over a business cycle.

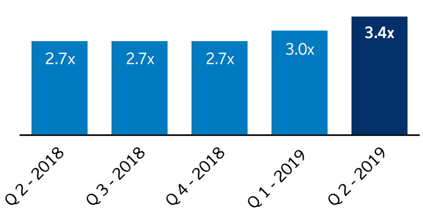
ROIC, 12-MONTH ROLLING, %



ADJUSTED FINANCIAL NET DEBT/EBITDAR

SAS has a target for the adjusted financial net debt/EBITDAR ratio to be a multiple of less than three.

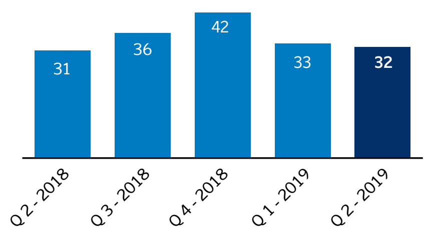
ADJUSTED FINANCIAL NET DEBT/EBITDAR



FINANCIAL PREPAREDNESS

SAS has a target for financial preparedness, which is to exceed 25% of annual fixed costs.

FINANCIAL PREPAREDNESS, %



RISKS AND UNCERTAINTIES

SAS works strategically to refine and improve its risk management. Risk management includes identifying new risks and known risks, such as changes in jet fuel prices or exchange rates. SAS monitors general risks centrally, while portions of risk management are conducted in the operations and include identification, action plans and policies. For further information about risk management at SAS, refer to the most recently published annual report.

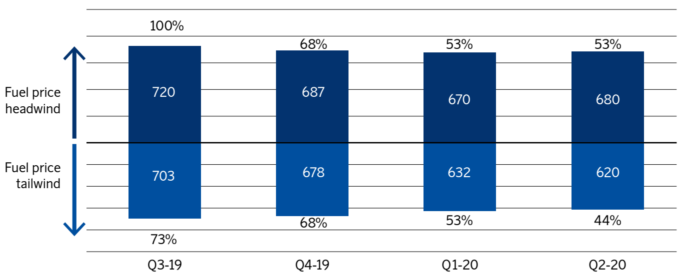
CURRENCY AND JET FUEL HEDGING

Financial risks pertaining to changes in exchange rates and fuel prices are hedged with derivatives, which aim to counter short-term negative fluctuations and provide scope for adapting operations to long-term changes in levels. Another aim of SAS' hedging strategy is to enable SAS to quickly leverage advantageous changes in exchange rates and fuel prices.

The policy for jet fuel hedging states that jet fuel should be hedged at an interval of 40–80% of anticipated volumes for the coming 12 months. The policy also allows hedging of up to 50% of the anticipated volumes for the period, 12–18 months. Hedging of SAS' future jet fuel consumption is conducted through a combination of swaps and options.

For the forthcoming quarter, Q3 2019, SAS has 100% of the fuel consumption hedged at a maximum price of USD 720/Mt. If the fuel price goes below USD 703/Mt. 27% of SAS' consumption would benefit from a lower fuel price.

Hedging of jet fuel
USD/MT



% = hedge ratio

For foreign currency, the policy is to hedge 40–80%. At the end of the quarter, SAS had hedged 40% of its anticipated USD deficit for the next 12 months. SAS has hedged the USD deficit using forward contracts. In terms of NOK, which is SAS' largest surplus currency, 66% was hedged for the next 12 months. Based on the currency exposure a weakening of the NOK against the SEK of 1% would generate a negative earnings impact of MSEK 61, excluding hedge effects. A weakening of the USD against the SEK of 1% would generate a positive earnings impact of MSEK 135, excluding hedge effects.

Under current plans for flight capacity, the cost of jet fuel during the fiscal year 2019 is expected to be in line with the table below, taking into account different fuel prices and USD rates as well as including jet fuel hedging.

Sensitivity analysis, jet fuel cost Nov 2018-Oct 2019, SEK billion[1]

	Exchange rate SEK/USD				
Market price	8.5	9.0	9.5	10.0	10.5
USD 500/tonne	8.6	8.9	9.2	9.4	9.7
USD 600/tonne	8.8	9.1	9.4	9.7	9.9
USD 700/tonne	9.1	9.4	9.6	9.9	10.2
USD 800/tonne	9.2	9.5	9.8	10.1	10.4

1) SAS' current hedging contracts for jet fuel at end of quarter have been taken into account.

Jet fuel cost in the statement of income does not include USD currency hedging effects. These effects are recognized under "Other" in Other operating expenses, note 3, since currency hedging is performed separately and is not linked specifically to its jet fuel purchases.

LEGAL ISSUES

The European Commission's decision in November 2010 found SAS and many other airlines guilty of alleged participation in a global air cargo cartel in the 1999–2006 period and ordered SAS to pay a fine of MEUR 70.2. SAS appealed the decision in January 2011 and in December 2015, the Court of Justice of the European Union (CJEU) annulled the European Commission's decision including the MEUR 70.2 fine. The CJEU's ruling entered into force and the MEUR 70.2 fine was repaid to SAS at the beginning of March 2016. The European Commission took a new decision on the same issue in March 2017 and again imposed fines on SAS and many other airlines for alleged participation in a global air cargo cartel in the 1999–2006 period. The fine of MEUR 70.2 was the same as that imposed under the 2010 decision. SAS has appealed the European Commission's decision and a hearing will be held in CJEU in July 2019.

As a consequence of the European Commission's decision in the cargo investigation in November 2010 and the renewal of that decision in March 2017, SAS and other airlines fined by the Commission are involved in various civil lawsuits initiated by cargo customers in countries including the Netherlands and Norway. SAS contests its responsibility in all of these legal processes. Unfavorable outcomes in these disputes could have a significantly negative financial impact on SAS. Further lawsuits by cargo customers cannot be ruled out. No provisions have been made.

A large number of former cabin crew of SAS in Denmark are pursuing a class action against SAS at a Danish court, demanding additional payments from SAS to the Pension Improvements Fund for Cabin Crew (the CAU fund) citing that the CAU fund is a defined-benefit supplementary plan. The City Court of Copenhagen, in a judgment in December 2016, rejected the cabin crew's demand for further payments into the CAU fund by SAS. The cabin crew appealed the judgment in January 2017 and the parties are awaiting the appeal court proceedings.

CONSOLIDATED STATEMENT OF INCOME

STATEMENT OF INCOME INCLUDING STATEMENT OF OTHER COMPREHENSIVE INCOME

MSEK	Note	Q2	Q2	Q1–Q2	Q1–Q2	Rolling 12 months	Rolling 12 months
		Feb–Apr 2019	Feb–Apr 2018	Nov–Apr 2018–2019	Nov–Apr 2017–2018	May–Apr 2018–2019	May–Apr 2017–2018
Revenue	2	10,187	9,916	19,721	18,894	45,545	42,748
Payroll expenses		-2,420	-2,355	-4,821	-4,623	-9,639	-9,105
Other operating expenses	3	-7,593	-6,835	-13,980	-12,706	-29,612	-26,901
Leasing costs for aircraft		-846	-765	-1,633	-1,525	-3,264	-3,107
Depreciation, amortization and impairment		-455	-374	-874	-727	-1,910	-1,647
Share of income in affiliated companies		-3	-8	-12	-17	40	-5
Income from the sale of shares in subsidiaries, affiliated companies and operations		0	0	0	-4	0	-4
Income from the sale of aircraft and buildings		0	47	8	151	336	339
Operating income (EBIT)		**-1,130**	**-374**	**-1,591**	**-557**	**1,496**	**2,318**
Income from other securities holdings		0	0	0	0	0	0
Financial income		44	30	88	64	153	128
Financial expenses		-130	-144	-289	-280	-618	-588
Income before tax (EBT)		**-1,216**	**-488**	**-1,792**	**-773**	**1,031**	**1,858**
Tax		283	139	390	175	-240	-430
Net income for the period		**-933**	**-349**	**-1,402**	**-598**	**791**	**1,428**
Other comprehensive income							
Items that may later be reversed to net income:							
Exchange-rate differences in translation of foreign operations		54	147	33	146	34	149
Cash-flow hedges — hedging reserve, net after tax		230	292	-612	244	-1,022	580
Items that will not be reversed to net income:							
Revaluations of defined-benefit pension plans, net after tax		-735	-427	-809	-396	-1,328	-17
Total other comprehensive income, net after tax		**-451**	**12**	**-1,388**	**-6**	**-2,316**	**712**
Total comprehensive income		**-1,384**	**-337**	**-2,790**	**-604**	**-1,525**	**2,140**
Net income for the period attributable to:							
Parent Company shareholders		-933	-349	-1,402	-598	791	1,428
Non-controlling interests		0	0	0	0	0	0
Earnings per common share (SEK)[1]		-2.44	-1.00	-3.69	-1.88	1.91	3.18
Earnings per common share after dilution (SEK)[1]		-2.44	-1.00	-3.69	-1.88	1.72	2.79

1) Earnings per common share are calculated as net income for the period attributable to Parent Company shareholders less preference-share dividends in relation to 382,582,551 common shares outstanding.

INCOME BEFORE TAX AND ITEMS AFFECTING COMPARABILITY

MSEK	Q2	Q2	Q1–Q2	Q1–Q2	Rolling 12 months	Rolling 12 months
	Feb–Apr 2019	Feb–Apr 2018	Nov–Apr 2018–2019	Nov–Apr 2017–2018	May–Apr 2018–2019	May–Apr 2017–2018
Income before tax (EBT)	-1,216	-488	-1,792	-773	1,031	1,858
Impairment[1]	0	0	0	0	206	208
Restructuring costs[2]	5	226	13	226	42	313
Capital gains/losses[3]	0	-47	-8	-147	-336	-335
Other items affecting comparability[4]	0	0	-148	0	-48	180
Income before tax and items affecting comparability	**-1,211**	**-309**	**-1,935**	**-694**	**895**	**2,224**

1) Impairment for the period May-April pertains to aircraft, MSEK 206 (0) and IT systems MSEK 0 (208).
2) Restructuring costs were charged to earnings as payroll expenses of MSEK 13 (76) and property costs of MSEK 0 (150) in the November–April period. The May–April period included payroll expenses of MSEK 42 (127) and property costs of MSEK 0 (186).
3) Capital gains include aircraft sales amounting to MSEK 8 (151) in the November–April period and sale of subsidiaries for MSEK 0 (-4). The May–April period included aircraft gains amounting to MSEK 336 (339) and the sale of subsidiaries for MSEK 0 (-4).
4) Other items affecting comparability comprises a contractual settlement and a release of a fiscal-related provision for indirect taxes of MSEK 148 (0) in the first quarter. The May–April period included contractual settlement and a release of a fiscal-related provision for indirect taxes of MSEK 148 (0), provision to be distributed to our employees as a one-time award of MSEK -100 (0) and costs related to aircraft of MSEK 0 (180).

CONSOLIDATED BALANCE SHEET

CONDENSED BALANCE SHEET

MSEK	Apr 30, 2019	Oct 31, 2018	Apr 30, 2018	Apr 30, 2017
Intangible assets	1,456	1,498	1,564	1,850
Tangible fixed assets	14,423	12,240	11,751	11,014
Financial fixed assets	6,925	7,389	7,998	7,471
Total fixed assets	**22,804**	**21,127**	**21,313**	**20,335**
Other current assets	367	401	351	311
Current receivables	3,025	2,915	4,135	3,639
Cash and cash equivalents[1]	6,912	9,756	7,421	9,077
Total current assets	**10,304**	**13,072**	**11,907**	**13,027**
Total assets	**33,108**	**34,199**	**33,220**	**33,362**
Shareholders' equity	3,365	7,268	6,003	5,305
Long-term liabilities	13,054	12,011	8,804	10,408
Current liabilities	16,689	14,920	18,413	17,649
Total shareholders' equity and liabilities	**33,108**	**34,199**	**33,220**	**33,362**
Shareholders' equity per common share, (SEK)[2]	8.80	16.11	12.81	4.94
Interest-bearing assets	12,378	16,549	15,207	15,245
Interest-bearing liabilities	10,174	10,092	8,274	9,426
Working capital	-15,127	-13,347	-14,623	-13,749

1) At 30 April 2019, including receivables from other financial institutions, MSEK 427 (1,285).
2) Shareholders' equity attributable to Parent Company shareholders excluding total preference share capital in relation to the 382,582,551 common shares outstanding.

SPECIFICATION OF FINANCIAL NET DEBT, 30 APRIL 2019

	According to balance sheet	Of which financial net debt
Financial fixed assets	6,925	2,026
Current receivables	3,025	319
Cash and cash equivalents	6,912	6,912
Long-term liabilities	13,054	8,866
Current liabilities	16,689	1,308
Financial net debt		917

Information relating to financial net debt in the comparative periods is available in the Financial Key Ratios section. For a specification of financial net debt for the respective periods, please refer to www.sasgroup.net where each interim report is published.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONDENSED CHANGES IN SHAREHOLDERS' EQUITY

MSEK	Share capital[1]	Other contributed capital[2]	Hedging reserves	Translation reserve	Retained earnings[3]	"Total shareholders' equity attributable to Parent Company shareholders"	Total share-holders' equity
Opening shareholders' equity in accordance with approved balance sheet, 1 November 2017	**6,776**	**327**	**1,472**	**-198**	**-319**	**8,058**	**8,058**
Effect of new accounting policy, IFRS 9			-20		20	0	0
Adjusted opening shareholders' equity, 1 November 2017	**6,776**	**327**	**1,452**	**-198**	**-299**	**8,058**	**8,058**
New issue	1,055				178	1,233	1,233
Preference share dividend					-105	-105	-105
Redemption of preference shares	-99				-2,480	-2,579	-2,579
Comprehensive income November–April			244	146	-994	-604	-604
Closing balance, 30 April 2018	**7,732**	**327**	**1,696**	**-52**	**-3,700**	**6,003**	**6,003**
Comprehensive income May–October			-410	1	1,674	1,265	1,265
Closing balance, 31 October 2018	**7,732**	**327**	**1,286**	**-51**	**-2,026**	**7,268**	**7,268**
Effect of new accounting policy, IFRS 9 and IFRS 15					-27	-27	-27
Adjusted opening shareholders' equity, 1 November 2018	**7,732**	**327**	**1,286**	**-51**	**-2,053**	**7,241**	**7,241**
Redemption of preference shares	-42				-1,044	-1,086	-1,086
Equity share of convertible loans		-157			157	0	0
Comprehensive income November–April			-612	33	-2,211	-2,790	-2,790
Closing balance, 30 April 2019	**7,690**	**170**	**674**	**-18**	**-5,151**	**3,365**	**3,365**

1) Number of shares in SAS AB: 382,582,551 (382,582,551) common shares with a quotient value of SEK 20.10 and 0 (2,101,552) preference shares with a quotient value of SEK 20.10.
2) The amount comprises share premium reserves.
3) No dividends were paid on common shares for 2017/2018.

CONSOLIDATED CASH FLOW STATEMENT

CONDENSED CASH FLOW STATEMENT

MSEK	Q2	Q2	Q1–Q2	Q1–Q2	Rolling 12 months	Rolling 12 months
	Feb–Apr 2019	Feb–Apr 2018	Nov–Apr 2018–2019	Nov–Apr 2017–2018	May–Apr 2018–2019	May–Apr 2017–2018
OPERATING ACTIVITIES						
Income before tax (EBT)	-1,216	-488	-1,792	-773	1,031	1,858
Depreciation, amortization and impairment	455	374	874	727	1,910	1,647
Income from sale of aircraft, buildings and shares	0	-47	-8	-147	-336	-335
Adjustment for other non-cash items, etc.	-55	217	-261	219	-261	-194
Tax paid	-6	0	-53	-42	-56	-68
Cash flow from operations before change in working capital	**-822**	**56**	**-1,240**	**-16**	**2,288**	**2,908**
Change in working capital	3,166	2,310	2,902	2,566	1,383	498
Cash flow from operating activities	**2,344**	**2,366**	**1,662**	**2,550**	**3,671**	**3,406**
INVESTING ACTIVITIES						
Investments including advance payments to aircraft manufacturers	-916	-2,003	-2,756	-4,025	-5,571	-7,908
Acquisition of subsidiaries	0	0	-16	0	-16	0
Sale of subsidiaries and operations	0	0	0	-3	0	-3
Sale of fixed assets, etc.	45	875	17	2,503	1,678	6,455
Cash flow from investing activities	**-871**	**-1,128**	**-2,755**	**-1,525**	**-3,909**	**-1,456**
Cash flow before financing activities	**1,473**	**1,238**	**-1,093**	**1,025**	**-238**	**1,950**
FINANCING ACTIVITIES						
New issue	0	1	0	1,223	0	1,223
Dividend on preference shares	0	-88	-26	-175	-79	-350
Redemption of preference shares	0	-2,579	-1,112	-2,579	-1,112	-2,579
External financing, net	-1,810	-405	-614	-912	919	-1,902
Cash flow from financing activities	**-1,810**	**-3,071**	**-1,752**	**-2,443**	**-272**	**-3,608**
Cash flow for the period	**-337**	**-1,833**	**-2,845**	**-1,418**	**-510**	**-1,658**
Translation difference in cash and cash equivalents	2	3	1	3	1	2
Cash and cash equivalents at beginning of the period	7,247	9,251	9,756	8,836	7,421	9,077
Cash and cash equivalents at the end of the period	**6,912**	**7,421**	**6,912**	**7,421**	**6,912**	**7,421**
Cash flow from operating activities per common share (SEK)	6.13	6.18	4.34	6.67	9.60	9.56

FINANCIAL KEY RATIOS

	Apr 30, 2019	Oct 31, 2018	Apr 30, 2018	Apr 30, 2017
Return on shareholders' equity, 12-month rolling	14%	22%	20%	9%
Return on invested capital (ROIC), 12-month rolling	9%	14%	13%	9%
Adjusted financial net debt/EBITDAR	3.4x	2.7x	2.7x	4.0x
Financial preparedness	32%	42%	31%	37%
Equity/assets ratio	10%	21%	18%	16%
Adjusted equity/assets ratio	6%	13%	11%	10%
Financial net debt, MSEK	917	-2,432	-2,399	-1,949
Debt/equity ratio	0.27	-0.33	-0.40	-0.37
Adjusted debt/equity ratio	7.06	2.70	3.18	3.47
Interest-coverage ratio	2.7	4.4	4.2	2.3

SAS calculates various Alternative Performance Measures (APMs) that complement the metrics defined in the applicable rules for financial reporting. The APMs facilitate comparison between different periods and are used for internal analysis of the business's performance, development and financial position, and are therefore deemed to provide valuable information to external stakeholders, such as investors, analysts, rating agencies and others. For definitions, refer to the Definitions & concepts section. A list of the APMs deemed of sufficient material importance to specify is available at www.sasgroup.net under Investor Relations.

PARENT COMPANY SAS AB

The number of common shareholders in SAS AB amounted to 54,334 at 30 April 2019. The average number of employees amounted to four (four). In December 2018, 2,101,552 preference shares were redeemed.

CONDENSED STATEMENT OF INCOME

MSEK	Q1-Q2 Nov–Apr 2018–2019	Q1-Q2 Nov–Apr 2017–2018
Revenue	28	27
Payroll expenses	-19	-16
Other operating expenses	-16	-17
Operating income (EBIT)	**-7**	**-6**
Income from participations in Group companies	0	0
Income from other securities holdings	0	0
Net financial items	-31	-2
Income before tax (EBT)	**-38**	**-8**
Tax	8	2
Net income for the period	**-30**	**-6**

Net income for the period also corresponds with total comprehensive income.

CONDENSED BALANCE SHEET

MSEK	Apr 30, 2019	Oct 31, 2018	Apr 30, 2018
Financial fixed assets	14,684	14,643	14,664
Other current assets	21	134	44
Cash and cash equivalents	2	2	0
Total assets	**14,707**	**14,779**	**14,708**
Shareholders' equity	9,213	10,329	10,363
Long-term liabilities	2,250	2,252	2,642
Current liabilities	3,244	2,198	1,703
Total shareholders' equity and liabilities	**14,707**	**14,779**	**14,708**

CHANGES IN SHAREHOLDERS' EQUITY

MSEK	Share capital[1]	Restricted reserves	Unrestricted equity[2]	Total shareholders' equity
Opening balance, 1 November 2018	7,732	405	2,192	10,329
Redemption of preference shares	-42	42	-1,086	-1,086
Net income for the period			-30	-30
Shareholders' equity, 30 April 2019	**7,690**	**447**	**1,076**	**9,213**

1) Number of shares: 382,582,551 (382,582,551) common shares with a quotient value of SEK 20.10 and 0 (2,101,552) preference shares with a quotient value of SEK 20.10.
2) No dividends were paid on common shares for 2017/2018.

NOTES

NOTE 1 ACCOUNTING POLICIES AND FINANCIAL STATEMENTS

This interim report for the SAS Group was prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The interim report for the Parent Company was prepared in accordance with the Swedish Annual Accounts Act and RFR 2.

The accounting policies follow those described in the 2017/2018 Annual Report. Preparations are ongoing for the implementation of IFRS 16, Leases. SAS Group will apply the standard starting 1 November 2019, and has an ongoing project to analyze the transition. Since 1 November 2018, SAS Group applies the new accounting standards IFRS 15, Revenue from Contracts with Customers, and IFRS 9, Financial Instruments. The table below shows the impact of the implementation of IFRS 9 and IFRS 15 on equity and other balance sheet items at the transition date of 1 November 2018. IFRS 15 is applied using the modified retrospective approach, meaning the opening balance at 1 November 2018 is adjusted to reflect the impact of IFRS 15, but the previous periods have not been restated. IFRS 9 is applied from 1 November 2018. The hedge accounting guidance is applied prospectively apart from the accounting guidance relating to changes in the time value of options that is applied retrospectively, meaning comparative periods have been recalculated and the opening balance per 1 November 2017 has been adjusted. The comparative figures for rolling 12 months, February 2016–January 2017, have not been recalculated since requirements in IFRS 9 do not result in recalculation of periods before 1 November 2017. All other changes following IFRS 9 are applied retrospectively but without adjustment of comparative periods. This means that the opening balances at 1 November 2018 are adjusted to reflect the impact of IFRS 9 but the previous periods have not been restated (except for changes relating to time value as mentioned above).

IMPACT OF IFRS 9 AND IFRS 15

MSEK	Reported October 31, 2018	Adjustments IFRS 9	Adjustments IFRS 15	Adjusted balance November 1, 2018
Accounts receivable	1,219	-14		1,205
Shareholder´s equity	7,268	-11	-16	7,241
Unearned transportation revenue	5,681		21	5,702
Deferred tax assets	174	3	5	182

IFRS 9 — FINANCIAL INSTRUMENTS

IFRS 9 — Financial Instruments replaces IAS 39 — Financial Instruments: Recognition and Measurement. The new guidance in IFRS 9 primarily pertains to three areas: classification and measurement, impairment and hedge accounting. SAS applies IFRS 9 retrospectively from the effective date, 1 November 2018, and have not restated comparative information, with exception for guidance relating to changes in time value of options where comparative periods have been recalculated and the opening balances per 1 November 2017 have been adjusted. As mentioned above, the comparative figures for rolling 12 months, 2016–2017, have not been recalculated. The transition to IFRS 9 is reducing equity as at 1 November 2018 by MSEK 11, net of tax.

Classification and measurement

Financial assets are initially measured at fair value and subsequently measured and classified at amortized cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL). The classification of financial assets depends on the characteristics of the asset and the business model in which it is held. Derivatives are measured at fair value. The contractual terms for SAS' other financial assets give rise to payments that are solely payments of principal and interest on the principal amount outstanding, and the financial assets are held in a business model aimed at holding financial assets to collect contractual cash flows. Following this classification, all assets except for derivatives are measured at amortized cost. Subsequently, on a continuous basis, the assets are measured at amortized cost using the effective-interest method reduced with impairment provisions. The following table illustrates the impact on the classification:

Financial assets	Previous classification (IAS 39)	New classification (IFRS 9)	Explanation
Other long-term receivables / Accounts receivable / Other receivables	Loan receivables and accounts receivable	Amortized cost	Managed in a business model with the aim of holding until maturity. Payments are solely payments of principal and interest on the principal amount outstanding.
Derivatives	Hedging instruments, derivatives	FVOCI	The effective portion of the change in the fair-value hedge is recognized in other comprehensive income.
Derivatives	Held for trading	FVTPL	Fair value through profit or loss, no change.
Short-term investments	Held for trading/Loans and receivables	Amortized cost	Managed in a business model with the aim of holding until maturity. Payments are solely payments of principal and interest on the principal amount outstanding.
Cash and bank balances	Loans and receivables	Amortized cost	Managed in a business model with the aim of holding until maturity. Payments are solely payments of principal and interest on the principal amount outstanding.
Other liabilities	Other liabilities	Amortized cost	

Impairment

Financial assets measured at amortized cost are assessed for impairment based on expected credit losses (ECLs). Provisions for accounts receivable are always based on lifetime ECLs. If there is no expectation of collection, the full asset value is written off. Losses and write offs are posted as expenses in the income statement. Following the new impairment model, the provision for expected losses in accounts receivable increase by MSEK 14. SAS' other financial assets are not subject to further impairment provisions at the date of transition.

Financial liabilities

SAS' classification and measurement of financial liabilities are not impacted by IFRS 9. This means that the financial liabilities initially will continue to be measured at fair value and subsequently at amortized cost using the effective-interest method. New guidance in IFRS 9 relating to modified financial liabilities does not have an impact on SAS financial liabilities at the date of transition.

Hedge accounting

SAS applies the hedge accounting guidelines in IFRS 9. The changes for SAS relate to the measurement of effectiveness and the time value of options designated in a hedging relationship. For measurement of effectiveness, the previous requirement that a hedge should be in the 80–125% range is replaced by an overall assessment of whether or not the hedging relationship is effective. For options designated in a hedging relationship, there is new guidance relating to changes in the fair value of the time value if only the intrinsic value is designated in the hedging relationship. The initial time value is treated as a cost for the hedging strategy and changes in the time value are recognized in other comprehensive income, not in profit and loss as in IAS 39. On a continuous basis going forward, less volatility is expected in earnings. The hedge accounting guidance relating to changes in time value of an option is applied retrospectively and comparative periods have been recalculated. The transition impact relates to reclassifications within equity at 1 November 2017 of MSEK 25, pre tax, and an increase in earnings in the comparative period 1 November 2017 to 31 October 2018 by MSEK 9, pre tax, affecting the hedging reserve in equity.

IFRS 15 — REVENUE FROM CONTRACTS WITH CUSTOMERS

IFRS 15 — Revenue from Contracts with Customers replaces IAS 18 — Revenue and IAS 11 — Construction Contracts. IFRS 15 establishes a new principle-based model of recognizing revenue from customer contracts. It introduces a five-step model that requires revenue to be recognized when control over goods and services are transferred to the customer. SAS applies the modified retrospective approach, meaning that the opening balances at 1 November 2018 are adjusted but the previous periods have not been restated. The transition to IFRS 15 reduces equity by MSEK 16, net of tax, which is considered to be non-significant in the Group's consolidated financial statements.

Under the previous accounting standards, IAS 18 and IAS 11, SAS recognized passenger and charter revenue when the transportation was performed, mail and freight revenue when the transportation was completed and other revenue when the goods were delivered or the service performed. All customer contracts have been analyzed using the five-step model. The performance obligations identified are fulfilled at a point in time, corresponding to the same point in time as revenue was recognized under the previous standards. Since the transaction price for these services also is unchanged, and allocated to the identified performance obligations, there is no significant change in revenue recognition following IFRS 15.

The only change identified relates to rebooking fees that, under IAS 18, was recognized as income when the rebooking took place. In the new guidance, this fee is a contract modification that is recognized when the ticket is used. This means that revenue is recorded later than in the previous standards. At the date of transition unearned transportation revenue increased with MSEK 21, with a corresponding reduction of equity with MSEK 16, net of tax.
As a result of IFRS 15, the net income has not been significantly affected compared to what it would have been if SAS would have continued with IAS 18 and IAS 11.

IFRS 16 — LEASES

IFRS 16, Leases, replaces IAS 17 — Leases, and provides a single lessee accounting model. The standard replaces the current classification as either operating leases or finance leases and introduces a model, whereby the lessee recognizes an asset (the right to use an asset) and a financial liability in the balance sheet. The leasing cost is replaced in the income statement by a cost for the depreciation of the leased asset and an interest expense for the financial liability.

SAS Group continues to analyze the effects of IFRS 16 on the financial statements. The standard is expected to have a material impact on SAS' financial reporting, since the Group has significant leasing commitments for, inter alia, aircraft, premises and ground equipment. At the end of fiscal year 2018, the nominal value of the Group's leases outstanding was around SEK 27.4 billion. See Note 33 in the SAS annual report. SAS will apply the standard for the fiscal year starting 1 November 2019.

LONG TERM INCENTIVE PLAN

At 13 March 2019 the Annual General Meeting in SAS resolved in line with the Board's proposal to implement a long-term incentive plan for all full-time and part-time SAS employees (with the exception of Group Management). In terms of hedging arrangements, the AGM approved the Board's hedge proposal of entering into an equity swap agreement with a third party. The incentive plan has no financial effect in this quarter.

NOTE 2 REVENUE

SAS recognize passenger and charter revenue when the transportation has been performed, mail and freight revenue when the transportation has been completed and other revenue when the goods have been delivered or the service performed. The performance obligations identified are fulfilled at one point in time.

	Q2	Q2	Q1–Q2	Q1–Q2	Rolling 12 months	Rolling 12 months
	Feb–Apr 2018–2019	Feb–Apr 2017–2018	Nov–Apr 2018–2019	Nov–Apr 2017–2018	May–Apr 2018–2019	May–Apr 2017–2018
Passenger revenue	7,732	7,601	14,842	14,350	34,569	32,587
Charter	276	217	503	409	2,051	1,879
Freight and mail	373	397	803	817	1,618	1,541
Other traffic revenue	683	626	1,308	1,172	2,837	2,487
Total traffic revenue	**9,064**	**8,841**	**17,456**	**16,748**	**41,075**	**38,494**
Other operating revenue	1,123	1,075	2,265	2,146	4,470	4,254
Total revenue	**10,187**	**9,916**	**19,721**	**18,894**	**45,545**	**42,748**

TRAFFIC REVENUE PER GEOGRAFICAL AREA

	Domestic		Intra-Scandinavian		Europe		Intercontinental		Total	
	Nov–April 2018-2019	Share[1]	Nov–April 2018-2019	Share[1]	Nov–April 2018-2019	Share[1]	Nov–April 2018-2019	Share[1]	Nov–April 2018-2019	Share[2]
Passenger revenue	4,365	29%	1,620	11%	5,398	36%	3,459	23%	14,842	85%
Freight and mail revenue	4	0%	3	0%	33	4%	763	95%	803	5%
Charter revenue	0	0%	0	0%	503	100%	0	0%	503	3%
Other traffic revenue	385	29%	142	11%	476	36%	305	23%	1,308	7%
Total traffic revenue	**4,754**	**27%**	**1,765**	**10%**	**6,410**	**37%**	**4,527**	**26%**	**17,456**	**100%**

1) Share of revenue category.
2) Share of total traffic revenue.

OTHER OPERATING REVENUE BY REGION

	Denmark		Norway		Sweden		Europe		Other countries		Total	
	Nov–April 2018-2019	Share	Nov–April 2018-2019	Share	Nov–April 2018-2019	Share	Nov–April 2018-2019	Share	Nov–April 2018-2019	Share	Nov–April 2018-2019	Share
Other operating revenue	**349**	**15%**	**682**	**30%**	**431**	**19%**	**486**	**21%**	**317**	**14%**	**2,265**	**100%**

NOTE 3 OTHER OPERATING EXPENSES

	Q2	Q2	Q1–Q2	Q1–Q2	Rolling 12 months	Rolling 12 months
	Feb–Apr 2018–2019	Feb–Apr 2017–2018	Nov–Apr 2018–2019	Nov–Apr 2017–2018	May–Apr 2018–2019	May–Apr 2017–2018
Sales and distribution costs	-704	-623	-1,330	-1,188	-2,725	-2,451
Jet fuel	-2,181	-1,645	-4,142	-3,215	-8,921	-6,803
Government user fees	-961	-972	-1,877	-1,893	-4,143	-4,144
Catering costs	-293	-285	-555	-552	-1,266	-1,139
Handling costs	-706	-670	-1,366	-1,273	-2,756	-2,617
Technical aircraft maintenance	-679	-635	-1,361	-1,328	-2,930	-3,157
Computer and telecommunication costs	-371	-335	-775	-699	-1,630	-1,519
Wet-lease costs	-389	-339	-698	-600	-1,381	-1,251
Other	-1,309	-1,331	-1,876	-1,958	-3,860	-3,820
Total	**-7,593**	**-6,835**	**-13,980**	**-12,706**	**-29,612**	**-26,901**

NOTE 4 QUARTERLY BREAKDOWN

CONSOLIDATED STATEMENT OF INCOME

MSEK	2016–17				2017–18					2018–19	
	Q2	Q3	Q4	Full-year	Q1	Q2	Q3	Q4	Full-year	Q1	Q2
	Feb–Apr	May–Jul	Aug–Oct	Nov–Oct	Nov–Jan	Feb–Apr	May–Jul	Aug–Oct	Nov–Oct	Nov–Jan	Feb–Apr
Revenue	9,843	12,210	11,644	42,654	8,978	9,916	13,146	12,678	44,718	9,534	10,187
Payroll expenses	-2,302	-2,293	-2,189	-9,205	-2,268	-2,355	-2,385	-2,433	-9,441	-2,401	-2,420
Other operating expenses	-7,188	-6,778	-7,418	-27,489	-5,871	-6,835	-7,431	-8,201	-28,338	-6,387	-7,593
Leasing costs for aircraft	-801	-808	-774	-3,116	-760	-765	-814	-817	-3,156	-787	-846
Depreciation, amortization and impairment	-388	-343	-577	-1,635	-353	-374	-404	-632	-1,763	-419	-455
Share of income in affiliated companies	3	-4	16	4	-9	-8	29	23	35	-9	-3
Income from the sale of shares in subsidiaries, affiliated companies and operations	0	0	0	-21	-4	0	0	0	-4	0	0
Income from the sale of aircraft, buildings and slot pairs	723	110	78	995	104	47	26	302	479	8	0
Operating income (EBIT)	**-110**	**2,094**	**780**	**2,187**	**-183**	**-374**	**2,167**	**920**	**2,530**	**-461**	**-1,130**
Income from other securities holdings	1	0	0	1	0	0	0	0	0	0	0
Financial income	43	29	35	148	34	30	34	31	129	44	44
Financial expenses	-142	-150	-158	-611	-136	-144	-167	-162	-609	-159	-130
Income before tax (EBT)	**-208**	**1,973**	**657**	**1,725**	**-285**	**-488**	**2,034**	**789**	**2,050**	**-576**	**-1,216**
Tax	-112	-438	-167	-576	36	139	-464	-166	-455	107	283
Net income for the period	**-320**	**1,535**	**490**	**1,149**	**-249**	**-349**	**1,570**	**623**	**1,595**	**-469**	**-933**
Attributable to:											
Parent Company shareholders	-320	1,535	490	1,149	-249	-349	1,570	623	1,595	-469	-933
Non-controlling interests	0	0	0	0	0	0	0	0	0	0	0

EARNINGS-RELATED KEY RATIOS AND AVERAGE NUMBER OF EMPLOYEES

MSEK	Q1	Q1	Q2	Q2	Q3	Q3	Q4	Q4	Rolling 12 months	Rolling 12 months
	Nov–Jan 2018–19	Nov–Jan 2017–18	Feb–Apr 2019	Feb–Apr 2018	May–Jul 2018	May–Jul 2017	Aug–Oct 2018	Aug–Oct 2017	May–Apr 2018–2019	May–Apr 2017–2018
Revenue	9,534	8,978	10,187	9,916	13,146	12,210	12,678	11,644	45,545	42,748
EBITDAR	746	839	174	726	3,330	3,139	2,044	2,037	6,294	6,742
EBITDAR margin	7.8%	9.3%	1.7%	7.3%	25.3%	25.7%	16.1%	17.5%	13.8%	15.8%
Operating income (EBIT)	-461	-183	-1,130	-374	2,167	2,094	920	780	1,496	2,318
Operating income (EBIT) margin	-4.8%	-2.0%	-11.1%	-3.8%	16.5%	17.1%	7.3%	6.7%	3.3%	5.4%
Income before tax (EBT)	-576	-285	-1,216	-488	2,034	1,973	789	657	1,031	1,858
Net income for the period	-469	-249	-933	-349	1,570	1,535	623	490	791	1,428
Income before tax and items affecting comparability	-724	-385	-1,211	-309	2,008	1,863	822	1,054	895	2,224
Earnings per common share (SEK)	-1.25	-0.88	-2.44	-1.00	4.03	4.39	1.56	1.22	1.91	3.18
Cash flow before financing activities	-2,566	-213	1,473	1,238	197	452	658	473	-238	1,950
Average number of employees (FTE)	10,292	9,929	10,260	9,990	10,332	10,404	10,334	10,199	10,304	10,130

NOTE 5 FINANCIAL ASSETS AND LIABILITIES

FAIR VALUES AND CARRYING AMOUNTS OF FINANCIAL ASSETS AND LIABILITIES

	April 30, 2019		Oct 31, 2018		
MSEK	Carrying amount	Fair value		Carrying amount	Fair value
Financial assets					
Hedge derivatives at fair value	323	323	Financial assets at fair value	636	636
Financial assets at FVTPL	17	17	Financial assets held for trading	3,641	3,641
Financial assets at amortized cost	10 ,959	10,959	Other assets	10,057	10,049
Total	**11,299**	**11,299**		**14,334**	**14,326**
Financial liabilities					
Hedge derivatives at fair value	527	527	Financial liabilities at fair value	141	141
Financial liabilities at FVTPL	28	28	Financial liabilities held for trading	29	29
Financial liabilities at amortized cost	11,258	10,668	Financial liabilities at amortized cost	11,675	10,977
Total	**11,813**	**11,223**		**11,845**	**11,147**

Fair value is generally determined by using official market quotes. When market quotes are not available, the fair value is determined using generally accepted valuation methods such as discounted future cash flows based on observable market inputs.

The Group's financial assets and liabilities are measured at fair value as stated below:

Level 1: Financial instruments for which fair value is based on observable (unadjusted) quoted prices in active markets for identical assets and liabilities. This category includes mainly treasury bills and standardized derivatives, where the quoted price is used in the valuation.

Level 2: Financial instruments for which fair value is based on valuation models that utilize other observable data for the asset or liability other than the quoted prices included within level 1, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Financial instruments for which fair value is based on valuation models, whereby significant input is based on unobservable data. At present, SAS has no financial assets or liabilities where the valuation is essentially based on unobservable data.

FAIR VALUE HIERARCHY

	April 30, 2019			Oct 31, 2018			
MSEK	Level 1	Level 2	Total		Level 1	Level 2	Total
Financial assets							
Hedge derivatives at fair value	-	323	323	Financial assets at fair value	-	636	636
Financial assets at FVTPL	-	17	17	Financial assets held for trading	287	3,354	3,641
Total	-	**340**	**340**		**287**	**3,990**	**4,277**
Financial liabilities							
Hedge derivatives at fair value	-	527	527	Financial liabilities at fair value	-	141	141
Financial liabilities at FVTPL	-	28	28	Financial liabilities held for trading	-	29	29
Total	-	**555**	**555**		-	**170**	**170**

The Board of Directors and President hereby assure that this interim report provides a true and fair overview of the Parent Company's and the Group's operations, financial position and earnings, and describes the significant risks and uncertainty factors to which the Parent Company and the companies included in the Group are exposed.

Stockholm, May 28, 2019

Carsten Dilling
Chairman of the Board

Dag Mejdell
Vice Chairman

Monica Caneman
Board member

Lars-Johan Jarnheimer
Board member

Oscar Stege Unger
Board member

Liv Fiksdahl
Board member

Sanna Suvanto-Harsaae
Board member

Kay Kratky
Board member

Endre Røros
Board member

Cecilia van der Meulen
Board member

Janne Wegeberg
Board member

Rickard Gustafson
President and CEO

AUDITORS' REVIEW REPORT

SAS AB
CORP. ID. 556606-8499

INTRODUCTION

We have reviewed the condensed interim financial information (interim report) of SAS AB as of April 30, 2019 and the six-month period then ended. The Board of Directors and the Chief Executive Officer are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, May 28, 2019

KPMG AB

Tomas Gerhardsson

Authorized Public
Accountant

TRAFFIC DATA INFORMATION

SCHEDULED PASSENGER TRAFFIC

	Feb–Apr 2019	Feb–Apr 2018	Year-on-year change	Nov–Apr 2018–2019	Nov–Apr 2017–2018	Year-on-year change
Number of passengers (000)	6,587	6,880	-4.3%	12,619	12,903	-2.2%
RPK, Revenue Passenger Kilometers (mill)	7,897	8,393	-5.9%	15,116	15,603	-3.1%
ASK, Available Seat Kilometers (mill)	11,220	11,817	-5,1%	21,893	22,549	-2.9%
Load factor	70.4%	71.0%	-0.6[1]	69.0%	69.2%	-0.1 [1]
Passenger yield, currency-adjusted	0.98	0.94	4.3%	0.98	0.96	2.8%
Passenger yield, nominal	0.98	0.91	8.1%	0.98	0.92	6.8%
Unit revenue, PASK, currency-adjusted	0.69	0.67	3.4%	0.68	0.66	2.4%
Unit revenue, PASK, nominal	0.69	0.64	7.1%	0.68	0.64	6.5%
RASK, currency adjusted	0.77	0.75	2.9%	0.76	0.74	2.4%
RASK, nominal	0.77	0.72	6.6%	0.76	0.72	6.3%

1) Figures given in percentage points

TOTAL TRAFFIC (SCHEDULED AND CHARTER TRAFFIC)

	Feb–Apr 2019	Feb–Apr 2018	Year-on-year change	Nov–Apr 2018–2019	Nov–Apr 2017–2018	Year-on-year change
Number of passengers (000)	6,755	7,022	-3.8%	12,920	13,163	-1.8%
RPK, Revenue Passenger Kilometers (mill)	8,387	8,784	-4.5%	16,048	16,376	-2.0%
ASK, Available Seat Kilometers (mill)	11,764	12,237	-3.9%	22,919	23,376	-2.0%
Load factor	71.3%	71.8%	-0.5[1]	70.0%	70.1%	-0.0[1]
Unit cost, CASK, currency-adjusted	0.85	0.76	12,5%	0.84	0.78	8.1%
Unit cost, CASK, nominal incl. items affecting comparability	0.87	0.76	14.6%	0.83	0.75	11.4%
Unit cost, CASK, excluding jet fuel, currency-adjusted	0.67	0.61	9.8%	0.66	0.63	5.4%
Unit cost, CASK, excluding jet fuel, nominal incl. items affecting comparability	0.68	0.62	9.5%	0.65	0.61	6.9%

1) Figures given in percentage points

SCHEDULED TRAFFIC TREND FOR SAS BY ROUTE SECTOR

	Feb–Apr 2018–2019 vs. Feb–Apr 2017–2018		Nov–Apr 2018–2019 vs. Nov–Apr 2017–2018	
	Traffic (RPK)	Capacity (ASK)	Traffic (RPK)	Capacity (ASK)
Intercontinental	-6.4%	-5.7%	-2.5%	-4.5%
Europe/Intra-Scandinavia	-6.9%	-6.1%	-4.7%	-3.3%
Domestic	-2.3%	-0.9%	-0.4%	1.2%

PRODUCTIVITY AND ENVIRONMENTAL EFFICIENCY

12-month rolling	May–Apr 2018–2019	May–Apr 2017–2018	Year-on-year change
Aircraft, block hours/day	9,4	9,5	-1.7%
Cabin crew, block hours/year	751	778	-3.4%
Pilots, block hours/year	666	687	-3.0%

Environmental efficiency	Feb–Apr 2019	Feb–Apr 2018	Year-on-year change	Nov–Apr 2018–2019	Nov–Apr 2017–2018	Year-on-year change
CO_2 emissions per passenger kilometer, grams	99.6	99.8	-0.2%	102.0	102.2	-0.2%

AIRCRAFT FLEET

THE SAS AIRCRAFT FLEET AT APRIL 30, 2019

SAS Group Aircraft Fleet	Age	Owned	Leased	Wet Lease	Total	SAS Scandinavia	SAS Ireland	Wet Lease	In SAS Group Traffic	Firm Order Purchase	Firm Order Lease
Airbus A330/340/350	13.9	11	5		16	16			16	9	
Airbus A320 family	7.4	14	33		47	38	9		47	41	18
Boeing 737NG	15.0	27	34		61	61			61		
Bombardier CRJ	2.0			23	23			23	23		
ATR-72	3.9			9	9			9	9		
Total	**10.2**	**52**	**72**	**32**	**156**	**115**	**9**	**32**	**156**	**50**	**18**

Aircraft to be phased out	Age	Owned	Leased	Total
Bombardier Q400	11.3	1		1
Total				

Aircraft on firm order 2019-2024 at 30 April 2019	FY19	FY20	FY21	FY22	FY23	FY24
Airbus A320neo	6	13	2	15	18	2
A321 LR		2	1			
Airbus A330	1					
Airbus A350		4	4			
Total	**7**	**19**	**7**	**15**	**18**	**2**

DEFINITIONS & CONCEPTS

SAS uses various key figures, including alternative performance measures (APMs), for internal analysis purposes and for external communication of the operations' results, performance and financial position.

The key figures support stakeholders in their assessment of SAS' earnings and performance. In the APMs based on capitalized leasing costs (×7), SAS' level of debt is raised to a level that would correspond to a situation where aircraft under operating leases would instead be owned or under finance leases. In the airline industry, capitalized leasing costs (×7) is an established method for estimating unrecognized liabilities pertaining to operating leases for aircraft.

The aim of the APMs is to illustrate the performance measures tailored to operations that, in addition to the other key figures, enable various stakeholders to more accurately assess and value SAS' historical, current and future performance and positions. A list of the APMs deemed of sufficient material importance to specify is available at www.sasgroup.net under Investor Relations.

Adjusted debt/equity ratio — The net of financial net debt plus capitalized leasing costs (x7) in relation to equity.

Adjusted equity/assets ratio — The net of equity in relation to total assets plus capitalized leasing costs (x7).

Adjusted financial net debt/EBITDAR — The sum of average net financial debt and average LTM net capitalized leasing costs in relation to EBITDAR.

ASK, Available Seat Kilometers — The total number of seats available for passengers multiplied by the number of kilometers which they are flown.

Capital employed — Total capital according to the balance sheet less non-interest-bearing liabilities.

Capitalized leasing costs (×7) — The net annual operating lease costs for aircraft multiplied by seven.

Cash flow from operating activities per common share — Cash flow from operating activities in relation to the average number of common shares outstanding.

Debt/equity ratio — Financial net debt in relation to equity.

Earnings per common share (EPS) — Net income for the period attributable to Parent Company shareholders less preference-share dividends in relation to the average number of common shares outstanding.

EBIT — Operating income.

Operating income (EBIT) margin — Operating income (EBIT) divided by revenue.

EBITDA — Operating income before tax, net financial items, income from the sale of fixed assets, share of income in affiliated companies, and depreciation and amortization.

EBITDA margin — EBITDA divided by revenue.

EBITDAR — Operating income before tax, net financial items, income from the sale of fixed assets, share of income in affiliated companies, depreciation and amortization, and leasing costs for aircraft.

EBITDAR margin — EBITDAR divided by revenue.

EBT — Income before tax.

Equity/assets ratio — Equity in relation to total assets.

Equity method — Shares in affiliated companies are taken up at the SAS Group's share of equity, taking acquired surplus and deficit values into account.

Financial net debt — Interest-bearing liabilities less interest-bearing assets excluding net pension funds.

Financial preparedness — Cash and cash equivalents, excluding receivables from other financial institutions, plus unutilized credit facilities in relation to fixed costs. In this ratio, fixed costs are defined as payroll, other operating expenses and leasing costs for aircraft, except jet-fuel costs and government user fees.

FTE — Number of employees, full time equivalents.

Interest-coverage ratio — Operating income plus financial revenue in relation to financial expenses.

Load factor — RPK divided by ASK. Describes the capacity utilization of available seats.

Items affecting comparability – Items affecting comparability are identified to facilitate comparison of SAS' underlying results in different periods. These items consist of impairment, restructuring costs, capital gains/losses, and other items affecting comparability. They arise as a consequence of specific events, and are items that both management and external assessors take note of when analyzing SAS. By reporting earnings excluding items affecting comparability, the underlying results are shown, which facilitates comparability between different periods.

PASK, Unit revenue — Passenger revenue/ASK (scheduled).

Preference share capital — Preference share capital, corresponding to the redemption price for 2,101,552 preference shares at 105% of the subscription price of SEK 500, amounting to MSEK 1,103.

RASK — Total traffic revenue/total ASK (scheduled+charter).

Return on Invested Capital (ROIC) — EBIT plus the standard interest portion corresponding to 33% of net operating leasing costs in relation to average shareholders' equity, net financial debt and net capitalized leasing costs (×7).

Return on shareholders' equity — Net income for the period attributable to shareholders in the Parent Company in relation to average equity excluding non-controlling interests.

RPK, Revenue passenger kilometers — Number of paying passengers multiplied by the distance they are flown in kilometers.

Sale and leaseback — Sale of an asset (aircraft, building, etc.) that is then leased back.

Shareholders' equity per common share — Shareholders' equity attributable to Parent Company shareholders less preference share capital in relation to the total number of common shares outstanding on the balance-sheet date.

Unit cost, CASK — Total payroll expenses, other operating expenses, leasing costs for aircraft and depreciation adjusted for currency and items affecting comparability, less other operating revenue per ASK (scheduled and charter).

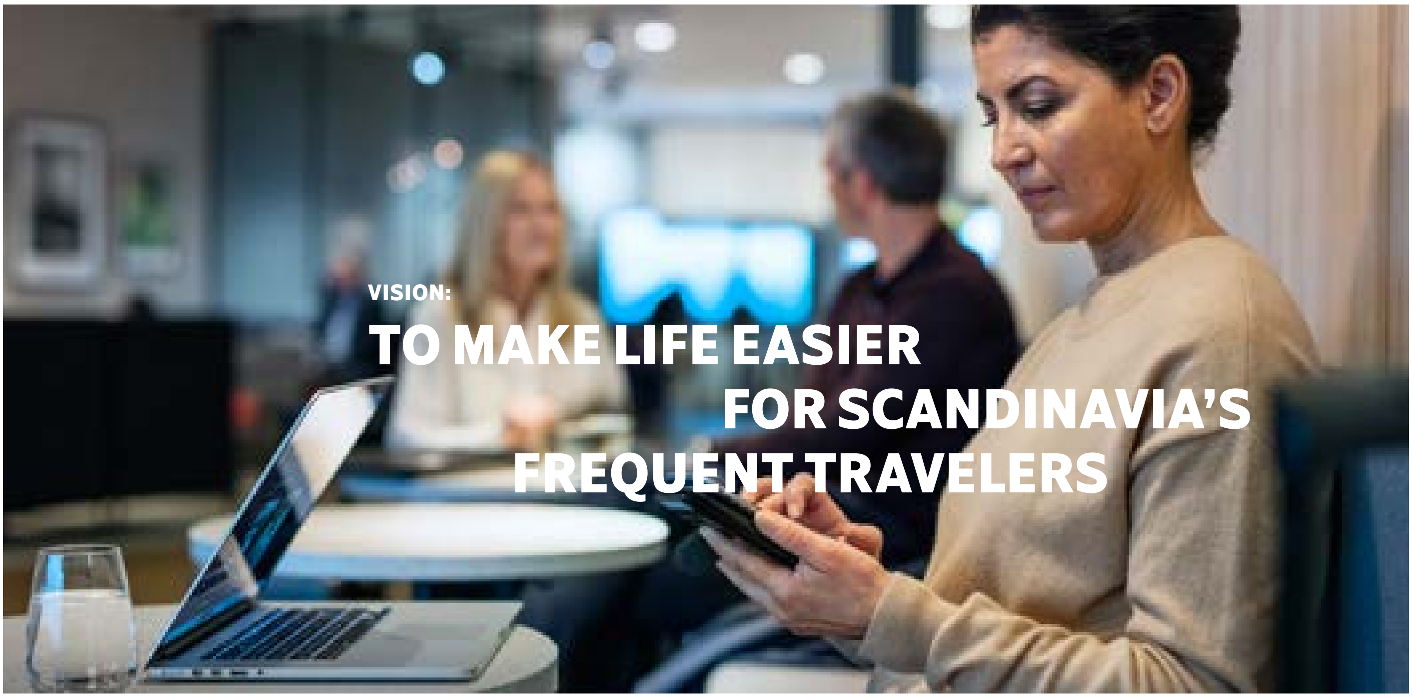
Working capital — The total of non-interest-bearing current assets and non-interest-bearing financial fixed assets excluding equity in affiliated companies and other securities holdings less non-interest-bearing liabilities.

Yield — Passenger revenue divided by RPK (scheduled).

A more detailed list of definitions & concepts is available at www.sasgroup.net under Investor Relations/Financial data/Financial definitions.

SAS flies more than 30 million passengers each year and is Scandinavia's leading airline with more than 800 flights per day on 288 routes serving 125 destinations in Scandinavia, Europe, the US and Asia. SAS is a member of Star Alliance™ and together with 27 other partner airlines is able to offer over more than 18,800 daily departures to around 1,300 destinations in 193 countries. In addition to airline operations, activities at SAS include ground handling services, technical maintenance and air cargo services.

SAS AB is the Parent Company of SAS and is listed on the stock exchanges in Stockholm (primary listing), Copenhagen and Oslo. The majority of the operations and assets are included in the SAS Consortium, with the exception of SAS Cargo and SAS Ground Handling, which are directly owned by SAS AB.



FINANCIAL TARGETS

RETURN ON INVESTED CAPITAL (ROIC)

We have a target for return on invested capital (ROIC) to exceed 12% measured over a business cycle. The measure is a prerequisite for SAS to create shareholder value. The target corresponds to the capital markets' weighted average pre-tax cost of capital (WACC) and is also linked to our dividend policy.

ADJUSTED FINANCIAL NET DEBT/EBITDAR

We have a target for the adjusted financial net debt/EBITDAR ratio to be a multiple of less than three

FINANCIAL PREPAREDNESS

Our target for financial preparedness is for cash, cash equivalents and available credit facilities to exceed 25% of annual fixed costs

ENVIRONMENTAL GOALS

Society and our customers are increasingly demanding more sustainable solutions. This trend is expected to continue in the airline industry until 2030 and beyond, with a focus on reducing emissions and more efficient resource use.

Accordingly, we have set comprehensive and ambitious, short and long-term environment goals to drive our environmental work.

OUR 2030 GOALS

- 25% lower CO_2 emissions compared with 2005 (absolute emissions)
- 17% biofuel used – equivalent to the total SAS domestic production

STRATEGY

WIN SCANDINAVIA'S FREQUENT TRAVELERS

- Offer customers an attractive network and timetable, according to the season
- Continue to develop our appreciated service concept
- Provide efficient digital solutions along the entire travel chain

CREATE AN EFFICIENT AND SUSTAINABLE OPERATING MODEL

- Build a more flexible operating model through complementary bases outside Scandinavia and regional partners
- Leverage technology to increase efficiency and improve process quality in all parts of production
- Accelerate sustainability efforts

SECURE THE RIGHT CAPABILITIES

- Strengthen employee engagement through greater involvement
- Excelling in leadership through training courses, internal networks and mentor programs
- Developing our competences through succession and career planning, trainee and mentoring programs
- Make SAS as an attractive workplace through focus on individual development, digital tools, wellbeing and employer branding

FINANCIAL CALENDAR

27 August 2019 - Q3 Interim Report May 2019–July 2019
5 December 2019 - Year-end report November 2018–October 2019

All reports are available in English and Swedish and can be downloaded at www.sasgroup.net. SAS' monthly traffic data information is normally issued on the fifth business day of the following month.

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