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CATHAY PACIFIC AIRWAYS LIMITED
國泰航空有限公司
(Incorporated in Hong Kong with limited liability)
(Stock Code: 293)

October 2023 Traffic Figures

The appended press release contains traffic figures for October 2023 for Cathay Pacific Airways Limited (“**Cathay Pacific**”, together with its subsidiaries, the “**Cathay Group**” or the “**Group**”). The information in the press release may be price sensitive. This announcement containing the press release is accordingly being issued pursuant to Part XIVA of the Securities and Futures Ordinance. The information in the press release has been prepared on the basis of internal management records. It has not been audited or reviewed by external auditors.

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Investors are advised to exercise caution in dealing in shares of Cathay Pacific.

As at the date of this announcement, the Directors of Cathay Pacific are:

Executive Directors: Patrick Healy (Chair), Ronald Lam, Lavinia Lau, Alexander McGowan, Rebecca Sharpe;

Non-Executive Directors: Ma Chongxian (Deputy Chair), Guy Bradley, Gordon McCallum, Sun Yuquan, Merlin Swire, Wang Mingyuan, Xiao Feng, Zhang Zhuo Ping;

Independent Non-Executive Directors: Bernard Chan, John Harrison, Christoph Mueller and Andrew Tung.

By Order of the Board
CATHAY PACIFIC AIRWAYS LIMITED
國泰航空有限公司
Joanna Lai
Company Secretary

Hong Kong, 23rd November 2023

23 November 2023

CATHAY PACIFIC RELEASES TRAFFIC FIGURES FOR OCTOBER 2023

Cathay Pacific today released its traffic figures for October 2023, as Cathay Pacific and HK Express combined surpassed the milestone of operating more than 9,000 passenger flight sectors in a month for the first time since the start of the pandemic.

Cathay Pacific carried a total of 1,684,700 passengers in October 2023, an increase of 320.2% compared with October 2022. The month's revenue passenger kilometres (RPKs) increased 225.8% year on year. Passenger load factor increased by 11.1 percentage points to 84.7%, while available seat kilometres (ASKs) increased by 183.1% year on year. In the first 10 months of 2023, the number of passengers carried increased by 887.4% against a 461.5% increase in ASKs and a 608.7% increase in RPKs, as compared with the same period for 2022.

The airline carried 124,469 tonnes of cargo in October 2023, an increase of 13.7% compared with October 2022. The month's cargo revenue tonne kilometres (RFTKs) increased 10.6% year on year. The cargo load factor decreased by 8.3 percentage points to 60.7%, while available cargo tonne kilometres (AFTKs) increased by 25.7% year on year. In the first 10 months of 2023, the tonnage increased by 19.4% against a 69.9% increase in AFTKs and a 47.6% increase in RFTKs, as compared with the same period for 2022.

Travel

Chief Customer and Commercial Officer Lavinia Lau said: "Our travel business continued to see good demand in October, though the overall passenger mix was different from previous months. The elevated levels of student traffic seen in September subsided as the new school year started. However, we saw an increase in business travel as people attended exhibitions and conventions in Hong Kong as well as trade fairs in nearby Guangzhou, resulting in encouraging passenger volumes in the premium cabins. The Chung Yeung Festival long weekend in Hong Kong also drove good leisure travel demand to various regional destinations.

"October also saw the eagerly anticipated resumption of our Chicago service, bringing the number of destinations we serve in the United States to five. We are very encouraged by the response from our customers and saw strong demand for travel from the United States to Hong Kong and onward destinations, especially the Chinese Mainland.

Cargo

“Air cargo demand continued to strengthen across the network in October, in particular from Hong Kong onto the transpacific trade lanes, as we entered the year-end peak period. Our tonnage grew about 4% month on month and around 14% year on year, with e-commerce continuing to be a key driver ahead of year-end sales events such as ‘Singles’ Day’ and ‘Black Friday’.

“We anticipate growing demand for fresh produce from our key markets of the Southwest Pacific, the Americas and Japan into Hong Kong and the Chinese Mainland as we enter the main perishables season, while demand for e-commerce shipments is expected to remain strong through to the year end.

Outlook

“As a Group, comprising Cathay Pacific and HK Express, we are on track to achieve our 2023 rebuild target set out late last year. In December 2023, we expect to operate 70% of our pre-pandemic passenger flights covering about 80 destinations. In terms of satisfying post-pandemic travel demand, our priority has first and foremost been on facilitating Hong Kong people travelling from and visitors coming to Hong Kong. In those two directions, we project that we will be back to 95% of pre-pandemic passenger numbers by the end of 2023. As we further rebuild, we will add more transit traffic via the Hong Kong hub as well.

“In 2024, we shall continue to work towards fully rebuilding our flights. This is happening in the context of various constraints that are affecting the entire global aviation industry, notably the recruitment and training of customer-facing employees, and supply chain challenges. We have leveraged the Hong Kong SAR Government’s Labour Importation Scheme for the Aviation Industry and undertaken targeted approaches to mitigate these issues. We do not underestimate the magnitude of this challenge.

“The strong performance in the first half from the airline and subsidiaries has continued. The results from associates, recognised three months in arrears, are also expected to be profitable in the second half of 2023, but loss-making across the full year.

“With respect to the consolidated Group result, we expect that the second-half profit in 2023 will surpass the result from the first half and that the Group will achieve a consolidated profit for the year overall, which will be our first profitable year since 2019.”

The full October figures and glossary are on the following pages.

CATHAY PACIFIC TRAFFIC	OCT 2023	% Change VS OCT 2022	Cumulative OCT 2023	% Change YTD
RPK (000)				
- Chinese Mainland	353,794	676.6%	2,767,992	636.7%
- North East Asia	928,909	589.9%	8,062,736	3,362.7%
- South East Asia	801,840	305.9%	7,483,404	1,225.6%
- South Asia, Middle East & Africa	434,760	308.5%	3,030,151	1,208.9%
- South West Pacific	846,849	153.8%	7,440,632	626.3%
- North America	1,961,441	174.3%	16,094,913	365.1%
- Europe	1,570,763	168.8%	14,956,514	485.7%
RPK Total (000)	6,898,356	225.8%	59,836,343	608.7%
Passengers carried	1,684,700	320.2%	14,572,548	887.4%
Cargo revenue tonne km (000)	717,543	10.6%	6,653,905	47.6%
Cargo carried (000kg)	124,469	13.7%	1,128,303	19.4%
Number of flight sectors (passenger and cargo)	8,534	98.1%	72,344	121.4%

CATHAY PACIFIC CAPACITY	OCT 2023	% Change VS OCT 2022	Cumulative OCT 2023	% Change YTD
ASK (000)				
- Chinese Mainland	509,099	320.5%	3,737,668	290.2%
- North East Asia	1,171,402	421.5%	9,868,003	1,677.0%
- South East Asia	1,054,896	215.5%	9,304,975	807.7%
- South Asia, Middle East & Africa	528,193	215.5%	3,697,785	753.3%
- South West Pacific	953,714	119.0%	8,782,407	467.4%
- North America	2,155,437	129.4%	17,263,458	261.4%
- Europe	1,771,737	170.7%	16,257,038	446.0%
ASK Total (000)	8,144,479	183.1%	68,911,335	461.5%
Passenger load factor	84.7%	11.1%pt	86.8%	18.1%pt
Available cargo tonne km (000)	1,182,046	25.7%	10,699,148	69.9%
Cargo load factor	60.7%	-8.3%pt	62.2%	-9.4%pt
ATK (000)	1,957,298	61.1%	17,266,471	131.1%

Glossary

Terms:

Available seat kilometres ("ASK")

Passenger seat capacity, measured in seats available for the carriage of passengers on each sector multiplied by the sector distance.

Available tonne kilometres ("ATK")

Overall capacity measured in tonnes available for the carriage of passengers, excess baggage, cargo on each sector multiplied by the sector distance.

Available cargo tonne kilometres ("AFTK")

Cargo capacity measured in tonnes available for the carriage of freight on each sector multiplied by the sector distance.

Revenue passenger kilometres ("RPK")

Number of passengers carried on each sector multiplied by the sector distance.


Cargo revenue tonne kilometres ("RFTK")

Amount of cargo, measured in tonnes, carried on each sector multiplied by the sector distance.

Ratio:

$$\text{Passenger/Cargo load factor} = \frac{\text{Revenue passenger kilometres/} \\ \text{Cargo revenue tonne kilometres}}{\text{Available seat kilometres/} \\ \text{Available cargo tonne kilometres}}$$

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