



# 1H FY25 Results

7 November 2024

# Forward Looking Statement – Important Note



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This document may contain forward-looking statements. These statements are based on management's current expectations, beliefs, and assumptions about future events, prevailing economic and market conditions and are subject to uncertainties and risks that could cause actual results to differ materially from those anticipated. Forward-looking statements can often be identified by words such as "expect," "intend," "may," "will," and similar expressions. Some of the statements contained in this presentation are statements of future expectations with respect to SATS's financial condition, results of operations and businesses, and indicative plans and objectives.

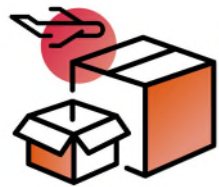
These statements involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those in the statements as originally made. Such statements are not and should not be construed as a representation of future performance or commitment of SATS. In particular, any targets should not be regarded as a forecast or projection of future performance of SATS. It should be noted that the actual performance of SATS may vary significantly from such targets.

The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. All forward-looking statements are qualified in their entirety by this cautionary statement. Actual results may differ materially from those projected due to various factors, including changes in business strategy, market conditions, and other risks and uncertainties.

# SATS 2Q FY25 Financial Highlights



2Q Net Profit grew **S\$47.5M**  
(or > 200% YoY) to **S\$69.7M**



Cargo and aviation meals volume improved 16.1% and 25.5% YoY, respectively



Revenue grew 14.1% YoY to S\$1.45B



YoY EBITDA margin expanded from 15.2% to 18.3%



Interim dividend of 1.5cents (S\$) per share for shareholders

\* Free Cash Flow = Net cash generated from operating activities after CAPEX and lease payments

# Commercial & Operational updates



## Sinotrans Partnership

Partnership with Sinotrans to collaborate on **strategic projects** in ground and cargo handling services, including setting up of **gateway hubs** for Sinoair in Singapore, Malaysia, Indonesia, Saudi Arabia, and Belgium.



## Expanded agreement with IATA

A **three-year agreement** with **IATA** to expand the rollout and of DG AutoCheck **compliance solution** for the safe handling and transportation of dangerous goods shipments at **key stations** across our **international network**.



## Proposed acquisition in Amsterdam

**Expansion of WFS** in Amsterdam Airport Schiphol (AMS), with **proposed acquisition of Menzies World Cargo (Amsterdam) B.V** will increase warehouse capacity and cargo handling capabilities.



## SATS Food Solutions Thailand Facility Expansion

The groundbreaking of the 2nd phase of SFST marks a significant milestone, **enhancing our capabilities** and **strengthening** our tiered kitchen strategy to produce **108,000 meals daily**.



## SATS Mitsui Press Event in Narita

SATS hosted local and international media to showcase our **expertise in crafting authentic Asian meals**. The **partnership** aims to **leverage networks** for culinary solutions and market access in **key Asian markets**.

## Synergy Scoreboard

- a) Total EBITDA Synergies = **~S\$68M (Commercial: ~S\$48M & Operational: ~S\$20M)**
- b) Financial & Fiscal Savings = **~S\$50M**

# Executive Summary – 2Q and 1H FY25

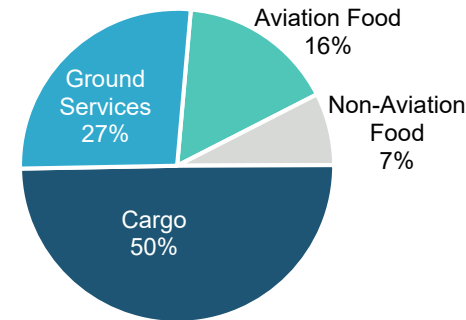


	Revenue	EBITDA	EBIT	SoAJV	PATMI
1H FY25	<b>\$2,821.1M</b>	<b>\$514.8M</b> <i>(margin: 18.2%)</i>	<b>\$240.1M</b> <i>(margin: 8.5%)</i>	<b>\$65.3M</b>	<b>\$134.7M</b> <i>(margin: 4.8%)</i>
2Q FY25	<b>\$1,450.7M</b>	<b>\$265.7M</b> <i>(margin: 18.3%)</i>	<b>\$127.2M</b>	<b>\$29.7M</b> <i>(margin: 2.0%)</i>	<b>\$69.7M</b> <i>(margin: 4.8%)</i>

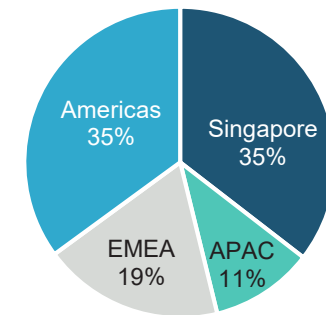
- 2Q FY25 revenue improved by 14.1% (or \$179.5M) to \$1.45B YoY, driven by the continuing aviation recovery in Asia, increased global air cargo volume, rate increases and a three-month revenue catch up recorded in 2Q FY25 upon finalisation of a contract renewal.
  - Gateway revenue grew by \$102.5M, driven primarily by a 16% increase in cargo tonnage due to continuing growth in e-commerce demand and disruption to sea freight by the Red Sea crisis.
  - Food revenue increased by \$77.1M, attributed to a rise in aviation meal volume, largely driven by the return of the Chinese carriers coupled with the summer travel peak.
- EBITDA improved \$72.9M to \$265.7M, recording a margin of 18.3% compared with 2Q FY24: 15.2% (YoY) and 1QFY25: 18.2% (QoQ).
- 2Q FY25 PATMI rose to \$69.7M, an increase of \$47.5M YoY from \$22.2M last year and \$4.7M increase from \$65.0M last quarter.
- YTD FY25 PATMI registered a profit of \$134.7M, from a loss of \$7.8M last year.

## YTD FY25 Revenue

### Business



### Region



### Key Operating Statistics:

1H FY25 Actual  
– vs 1H FY24

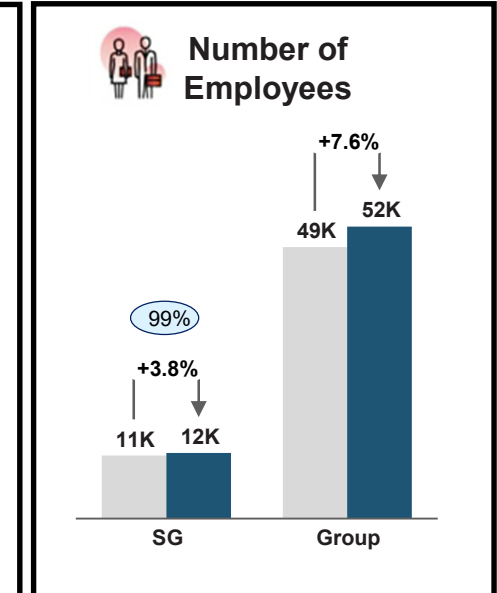
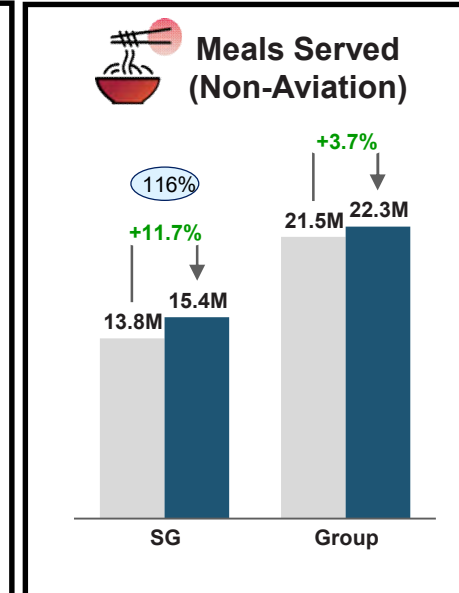
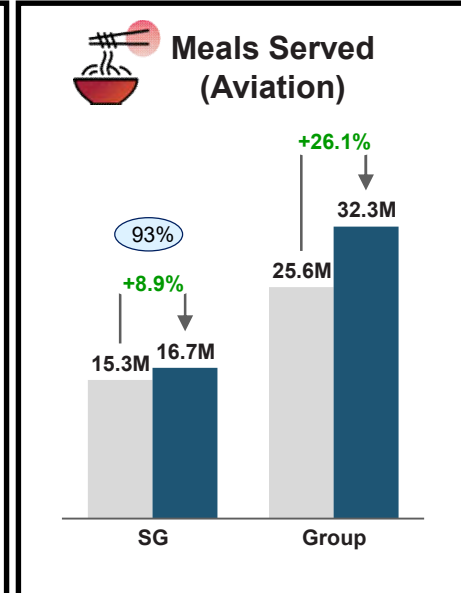
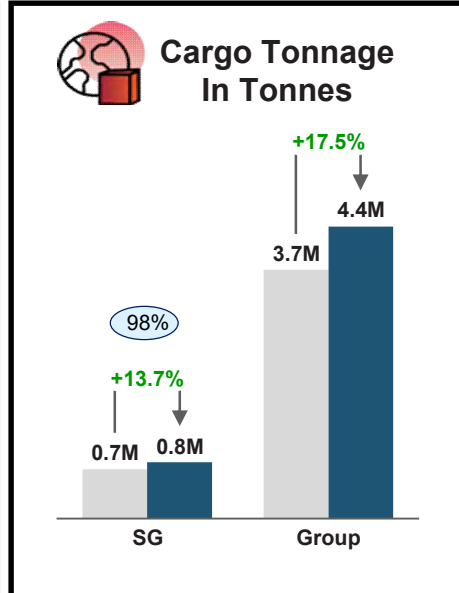
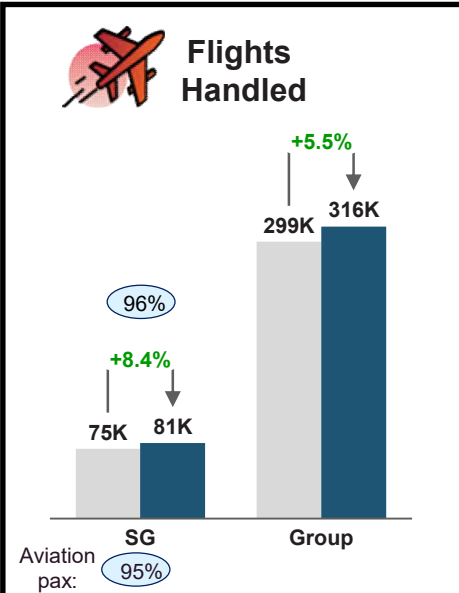
	Flights	Air Cargo	Aviation Meals
	<b>315.6K</b> ▲5.5%	<b>4.4M</b> ▲17.5%	<b>32.3M</b> ▲26.1%

# Operating statistics: Positive amid seasonal demand

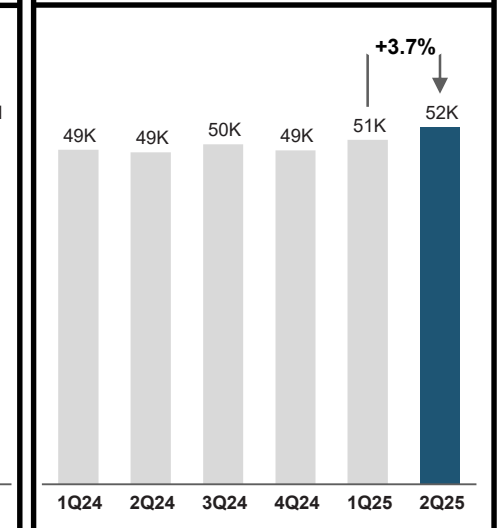
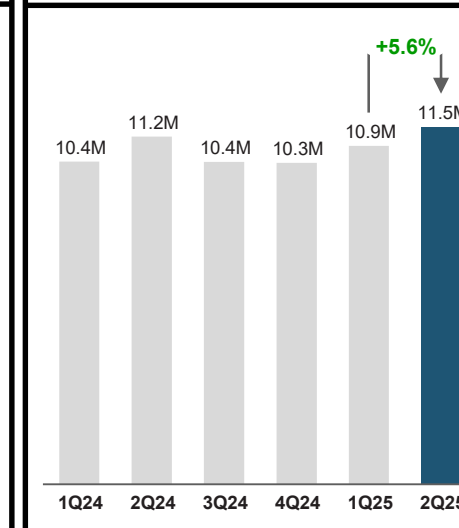
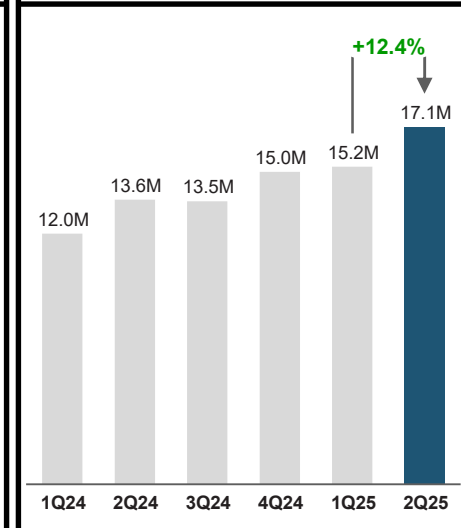
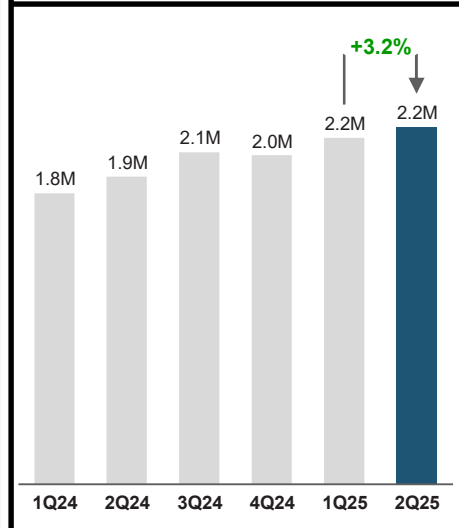
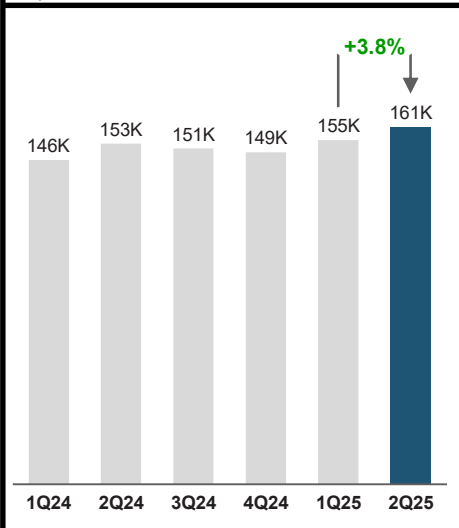


■ Current Period ■ Prior Period

Year-to-date (YoY comparison)



Quarter (QoQ comparison)



○ SG pre-Covid recovery as at Sep'24

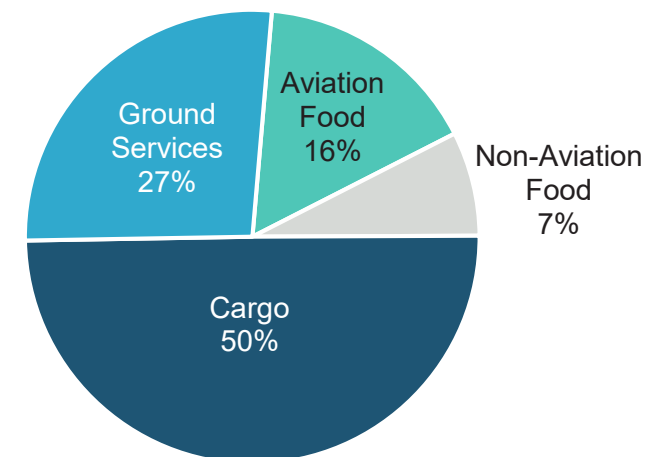
\*All statistics refer to Group (SATS and subsidiaries) unless indicated otherwise.

# Revenue by business segment

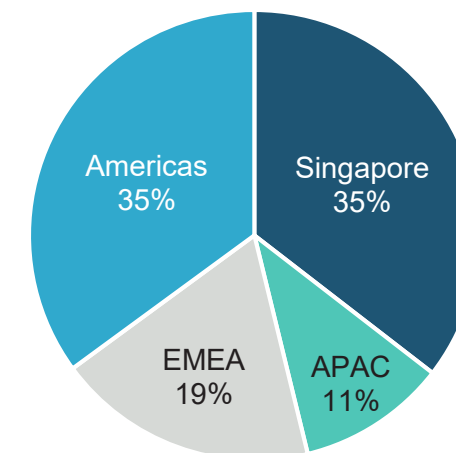


Revenue	1H FY25	1H FY24	Change %
<b>By Business</b>			
<i>Cargo</i>	1,405.3	1,214.3	15.7
<i>Ground</i>	752.0	727.1	3.4
<b>Gateway Services</b>	<b>2,157.3</b>	<b>1,941.4</b>	<b>11.1</b>
<i>Aviation</i>	454.2	339.7	33.7
<i>Non-Aviation</i>	209.4	176.4	18.7
<b>Food Solutions</b>	<b>663.6</b>	<b>516.1</b>	<b>28.6</b>
<b>Others</b>	<b>0.2</b>	<b>0.3</b>	<b>n.m.</b>
<b>Total</b>	<b>2,821.1</b>	<b>2,457.8</b>	<b>14.8</b>
<b>By Region</b>			
Singapore	1,000.7	822.5	21.7
APAC	302.2	234.1	29.1
EMEA	529.1	503.3	5.1
Americas	989.1	897.9	10.1
<b>Total</b>	<b>2,821.1</b>	<b>2,457.8</b>	<b>14.8</b>

## Business



## Region



Notes: 1H FY24 figures were restated retrospectively to reflect discontinued operations due to the disposal of a subsidiary in Mar 2024

# 2Q FY25 Highlights



\$'M	2Q FY25	2Q FY24	Change	
			\$	%
<b>Revenue</b>	<b>1,450.7</b>	<b>1,271.2</b>	<b>179.5</b>	<b>14.1</b>
Opex (ex-D&A)	(1,185.0)	(1,078.4)	(106.6)	(9.9)
<b>EBITDA</b>	<b>265.7</b>	<b>192.8</b>	<b>72.9</b>	<b>37.8</b>
<i>EBITDA margin (%)</i>	<i>18.3%</i>	<i>15.2%</i>	<i>3.1ppt</i>	
<b>EBIT</b>	<b>127.2</b>	<b>64.1</b>	<b>63.1</b>	<b>98.4</b>
<i>EBIT margin %</i>	<i>8.8%</i>	<i>5.0%</i>	<i>3.8ppt</i>	
SoAJV	29.7	23.1	6.6	28.6
<b>Profit/(loss) from continuing operations</b>	<b>73.8</b>	<b>21.1</b>	<b>52.7</b>	<b>249.8</b>
Profit from discontinued operation	0.0	1.3	(1.3)	(100.0)
<b>Profit for the year</b>	<b>73.8</b>	<b>22.4</b>	<b>51.4</b>	<b>229.5</b>
<b>PATMI</b>	<b>69.7</b>	<b>22.2</b>	<b>47.5</b>	<b>214.0</b>
<i>PATMI margin %</i>	<i>4.8%</i>	<i>1.7%</i>	<i>3.1ppt</i>	

Group revenue increased due to business volume growth, rate increases and a three-month revenue catch up recorded in 2Q FY25 upon finalisation of a contract renewal.

EBIT doubled, despite an unrealized foreign exchange loss (-S\$21.6M) resulting from the translation of USD and Euro intercompany loan balances at the end of the second quarter, driven by operating leverage as revenue growth outpaced the increase in expenditure.

Improved SoAJV mainly due to a reclassification adjustment relating to purchase price allocation in the prior period between SoAJV, and depreciation and amortisation charges.

Higher PATMI attributed to scale leverage derived from higher business volume and rate increases from customers.

Notes: - All figures are unaudited and in S\$ M unless otherwise stated. n.m. represents not meaningful  
 - 2Q FY24 figures were restated retrospectively to reflect discontinued operation due to the disposal of a subsidiary in Mar 2024  
 - EBIT represents Operating Profits; EBITDA refers to earnings before interest, tax, depreciation and amortisation



# 1H FY25 Highlights



\$'M	1H FY25	1H FY24	Change	
			\$	%
<b>Revenue</b>	<b>2,821.1</b>	<b>2,457.8</b>	<b>363.3</b>	<b>14.8</b>
Opex (ex-D&A)	(2,306.3)	(2,110.0)	(196.3)	(9.3)
<b>EBITDA</b>	<b>514.8</b>	<b>347.8</b>	<b>167.0</b>	<b>48.0</b>
<i>EBITDA margin (%)</i>	<i>18.2%</i>	<i>14.2%</i>	<i>4.0ppt</i>	
<b>EBIT</b>	<b>240.1</b>	<b>72.0</b>	<b>168.1</b>	<b>233.5</b>
<i>EBIT margin %</i>	<i>8.5%</i>	<i>2.9%</i>	<i>5.6ppt</i>	
SoAJV	65.3	44.4	20.9	47.1
<b>Profit/(loss) from continuing operations</b>	<b>142.3</b>	<b>(12.5)</b>	<b>154.8</b>	<b>n.m.</b>
Profit from discontinued operation	0.0	3.5	(3.5)	(100.0)
<b>Profit/(loss) for the year</b>	<b>142.3</b>	<b>(9.0)</b>	<b>151.3</b>	<b>n.m.</b>
<b>PATMI</b>	<b>134.7</b>	<b>(7.8)</b>	<b>142.5</b>	<b>n.m.</b>
<i>PATMI margin %</i>	<i>4.8%</i>	<i>-0.3%</i>	<i>5.1ppt</i>	

Group revenue increased due to business volume growth as well as rate increases from customers. The business volume growth was driven by high-tech shipments, growth of eCommerce, shift to air freight due to the Red Sea crisis, and demand for inflight meals as aviation travel continues to recover.

Improvement in EBIT performance YoY, despite a charge of unrealised foreign exchange losses (-S\$22.9M) due to the translation of USD and Euro intercompany loan balances at the end of the period, driven by favourable operating leverage as revenue growth outpaced that of expenditure.

Increased SoAJV driven by travel recovery and higher cargo volumes.

Higher PATMI attributed to the scale and operating leverage derived from higher volume of business handled and rate increases from customers.

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 - 1H FY24 figures were restated retrospectively to reflect discontinued operation due to the disposal of a subsidiary in Mar 2024  
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# Group Cash Flow



(\$'M)	1H FY25	1H FY24	Change \$
<b>Operating cashflow</b>	<b>208.9</b>	<b>75.5</b>	<b>133.4</b>
Lease payment	(182.5)	(190.7)	8.2
<b>Operating cashflow after lease payment</b>	<b>26.4</b>	<b>(115.2)</b>	<b>141.6</b>
<b>Other net cash inflow</b>	<b>(9.7)</b>	<b>16.2</b>	<b>(25.9)</b>
Debt repayment, Net	(72.0)	(91.0)	19.0
Investment in subsidiaries and AJVs, Net of cash acquired	20.9	126.4	(105.5)
Proceeds from borrowings	33.8	1,659.1	(1,625.3)
Redemption of bonds	0.0	(1,357.8)	1,357.8
Dividend payment	(22.4)	-	(22.4)
Capital expenditure	(95.7)	(96.2)	0.5
	<b>(135.4)</b>	<b>240.5</b>	<b>(375.9)</b>
<b>Net cash (outflow) / inflow</b>	<b>(118.7)</b>	<b>141.5</b>	<b>(260.2)</b>
Opening cash balance	659.0	374.4	284.6
<b>Closing cash balance</b>	<b>540.3</b>	<b>515.9</b>	<b>24.4</b>
<b>FCF before lease payment</b>	<b>113.2</b>	<b>(20.7)</b>	<b>133.9</b>
<b>FCF</b>	<b>(69.3)</b>	<b>(211.4)</b>	<b>142.1</b>

**Note:**

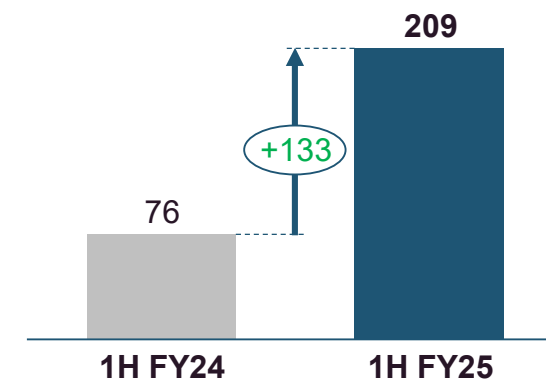
All figures are unaudited and in S\$ M unless otherwise stated.

1H FY24 figures were restated.

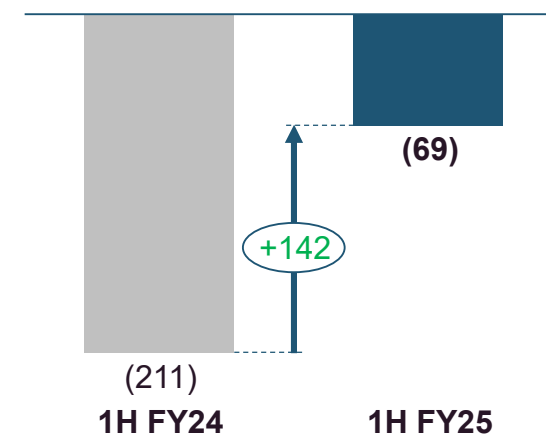
- FCF (Free Cash Flow) = Net cash generated from operating activities after CAPEX and lease payments
- Other net inflow includes mainly dividends from investments, dividends paid to non-controlling interest, disposal of PPE.

## Improving Cash Flow Position

Operating Cashflow (\$'M)



FCF (\$'M)



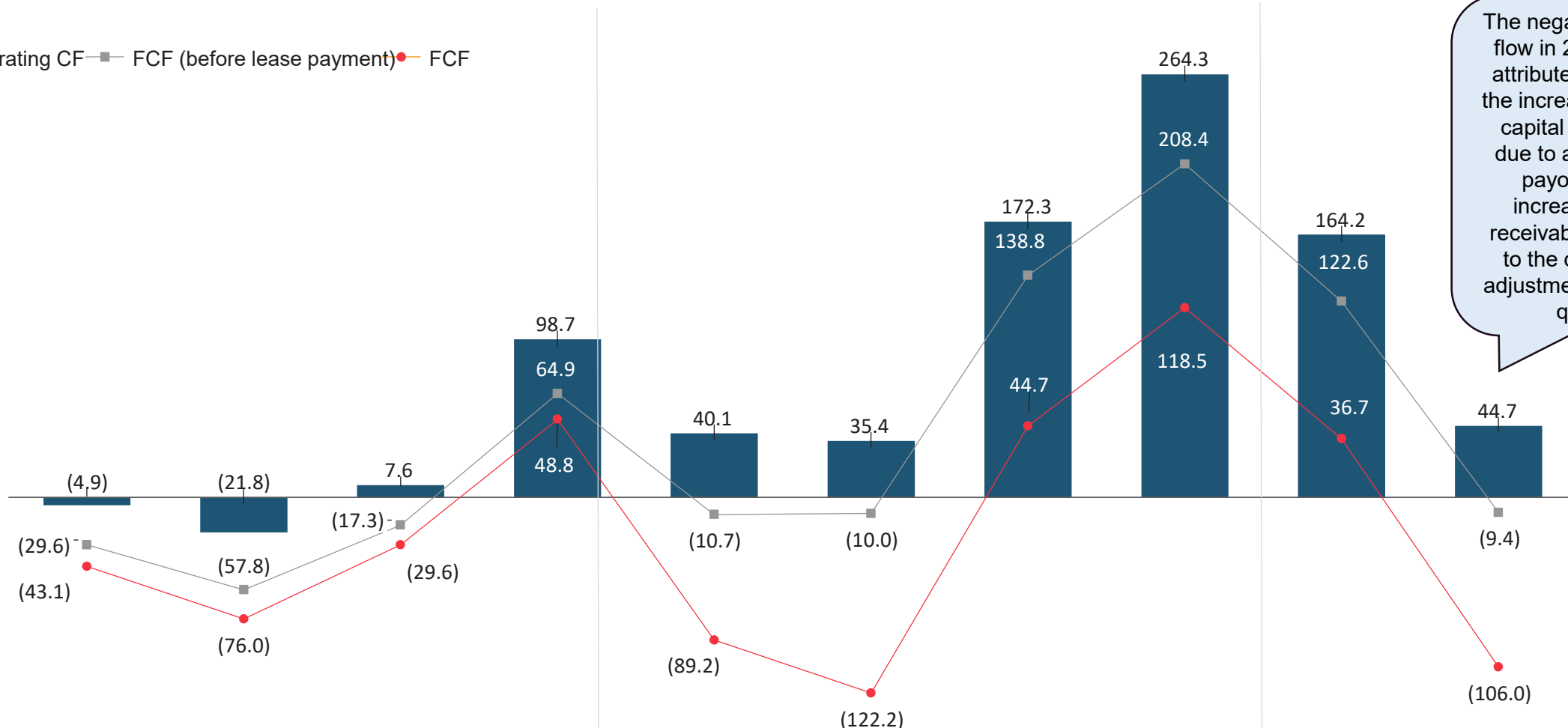
# Cash Flow trending

2Q Operating CF and FCF improved YoY by S\$9.3M and S\$16.2M respectively



\$'M

■ Operating CF ■ FCF (before lease payment) ● FCF



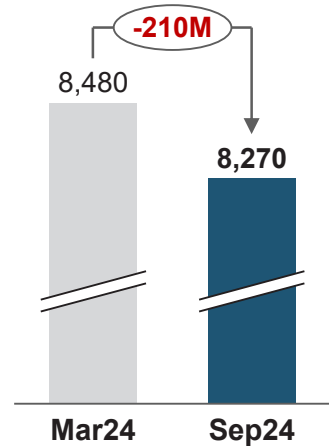
The negative free cash flow in 2Q FY25 was attributed primarily to the increase in working capital requirement due to annual bonus payout and the increase in trade receivables attributed to the contract rate adjustments during the quarter.

	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
FCF (before lease payment)/ EBITDA %	-427%	-166%	-38%	158%	-7%	-5%	65%	95%	49%	-4%

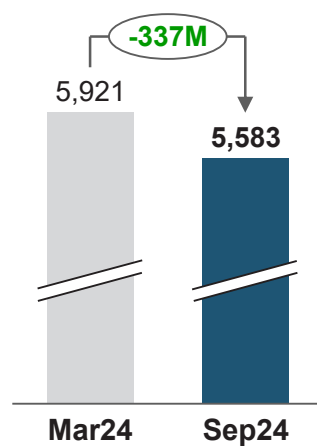
# Group Financial Position: Sep24



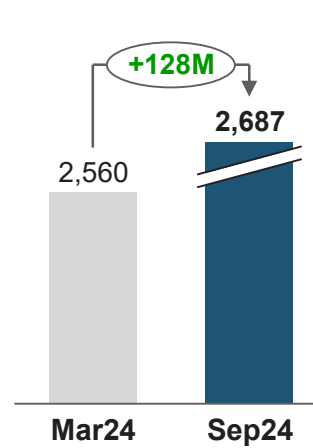
### Total Assets (\$'M)



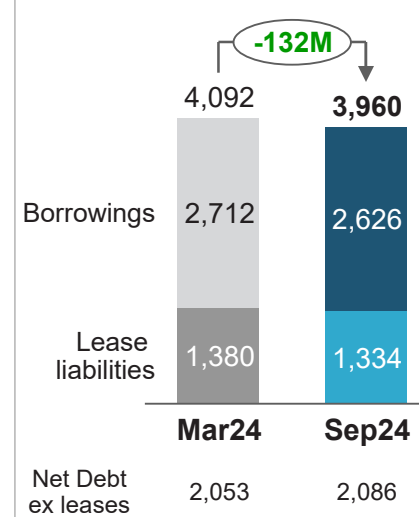
### Total Liabilities (\$'M)



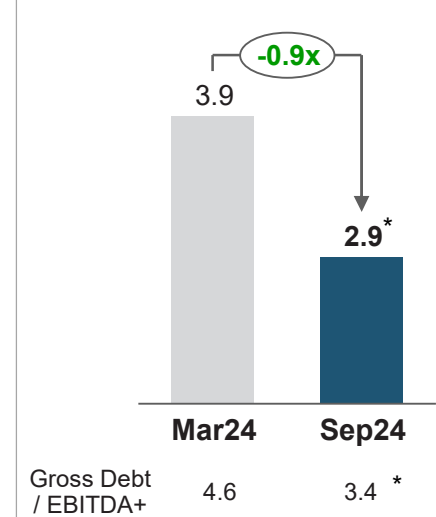
### Total Equity (\$'M)



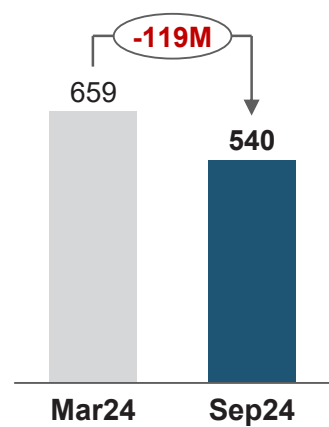
### Total Debts (\$'M)



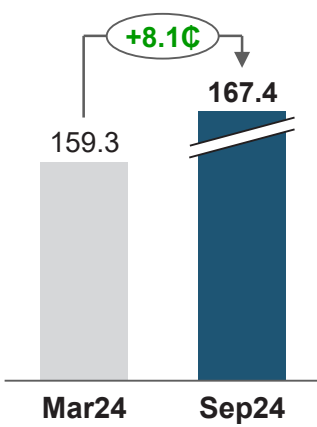
### Net Debt / EBITDA+ (x)



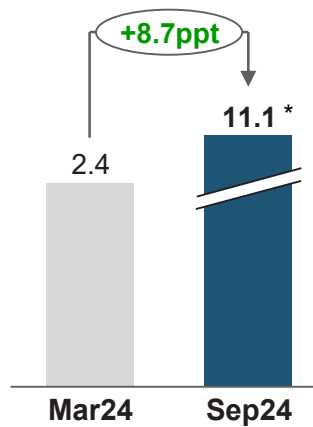
### Cash Position (\$'M)



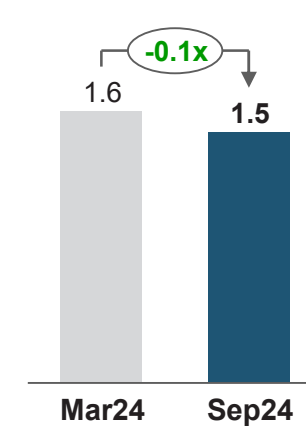
### NAV / Share (€)



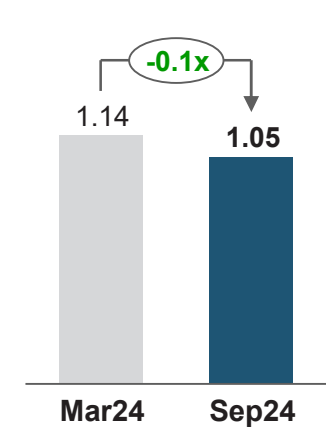
### ROE (%)



### Debt / Equity (x)



### Total borrowing/Net worth (x)



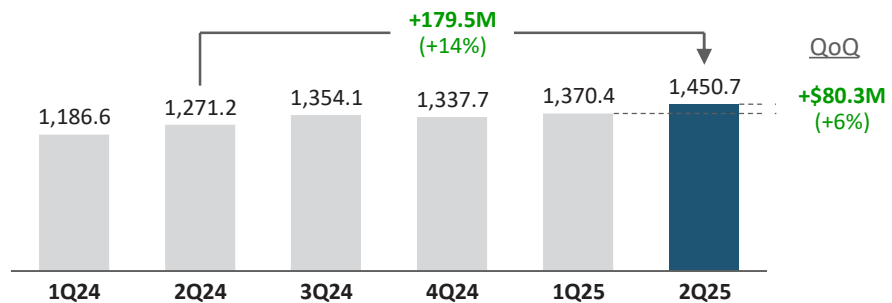
Note: EBITDA+ refers to earnings before interest, tax, depreciation and amortization, includes share of earnings from associates and joint-ventures (SoAJV)

\* annualised

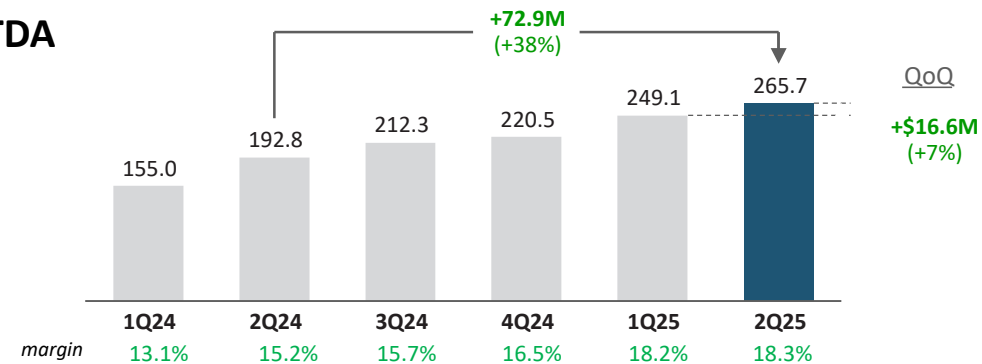
# Quarterly Trending



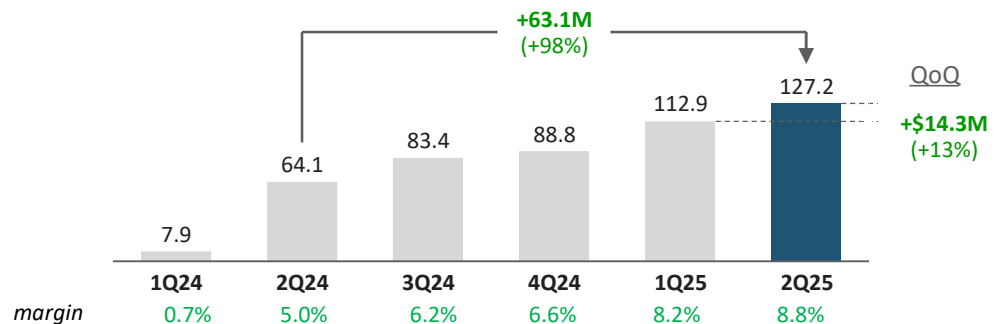
## Revenue



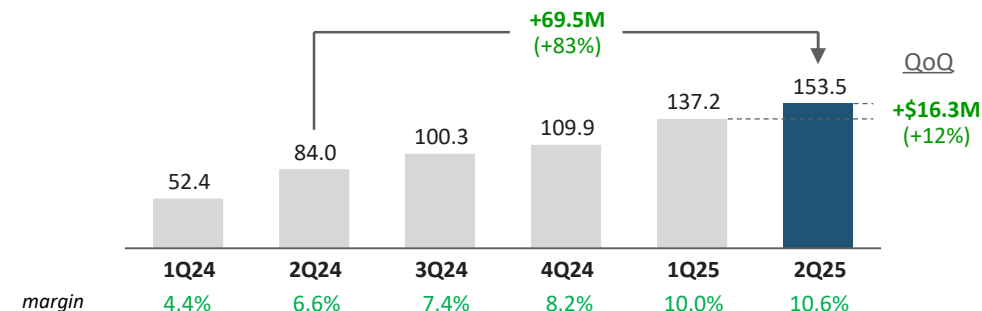
## EBITDA



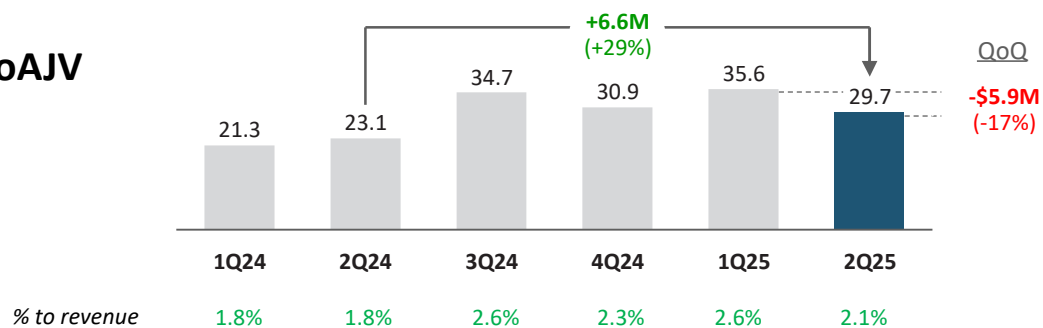
## EBIT



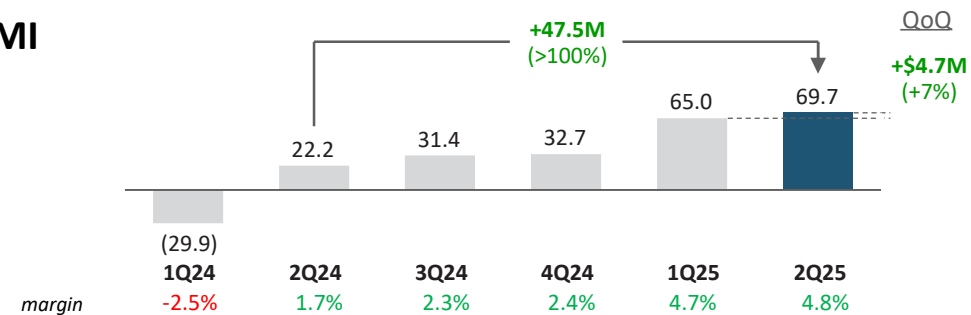
## EBITDA after lease (AL)



## SoAJV



## PATMI



Note: Results for 1Q to 3Q FY24 were restated to reflect discontinued operations due to the disposal of a subsidiary in Mar 2024.  
EBITDA after lease is EBITDA less ROU depreciation and ROU interest expense.

# Outlook



# Outlook



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SATS expects the positive momentum to continue in the next quarter as the demand for travel and cargo reaches its seasonal year-end peak. With our global network and expanded scale, we will continue to leverage the strong growth trends by improving operational efficiency and introducing new product offerings, further solidifying our global leadership position.

Looking ahead, SATS is committed to scaling the business to achieve sustainable revenue growth, driving operational leverage to improve cost efficiency, and investing in platform capabilities and innovation as we navigate a complicated geopolitical environment.

# Outlook (cont'd)



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*“We are pleased with the progress of our integration and the sustained improvements in operating results. This quarter's good performance is further proof that our strategy is delivering.*

*During the second quarter, we continued to drive operational excellence and signed new strategic partnerships to maintain our competitive advantage in an evolving marketplace. We restructured the Gateway Services business in the Asia-Pacific into Singapore Hub and Gateway Services Asia-Pacific, underscoring our commitment to Singapore's aviation ecosystem while scaling our international presence to capture growth opportunities overseas.*

*As the leading global provider of aviation solutions, SATS will leverage its capabilities and network to deliver sustained value for shareholders.”*

## **Kerry Mok**

President and Chief Executive Officer, SATS



# Appendix

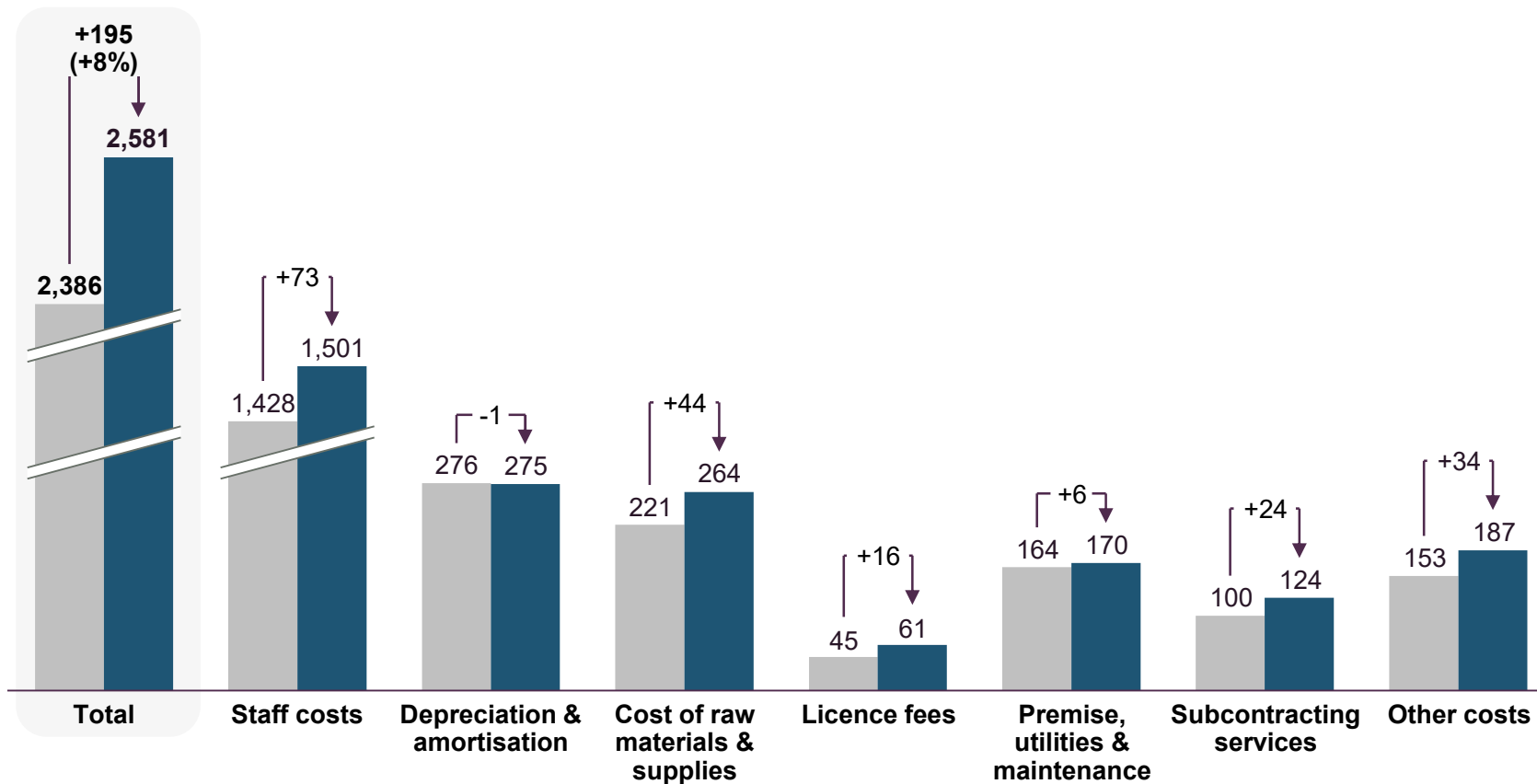


# 1H FY25 Group Expenditure

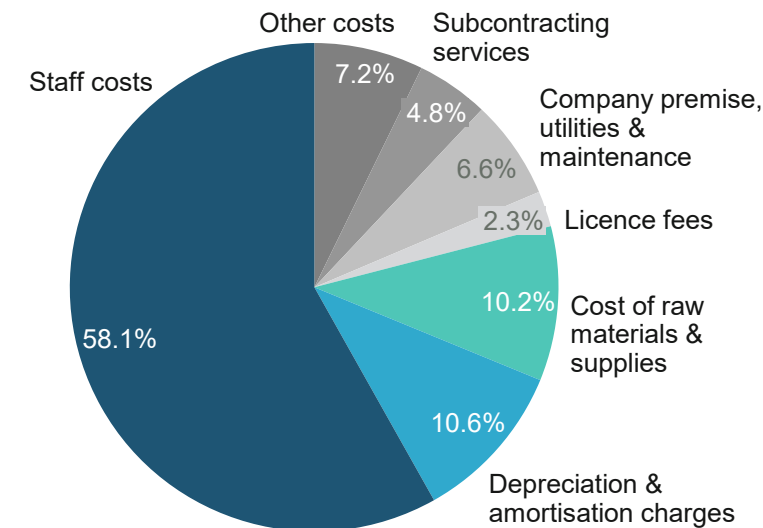


\$'M

■ 1H FY24 ■ 1H FY25



**1H FY25**



- 1H FY25 operating expenditure increased by \$195M primarily due to higher business activities.
- Other costs includes equipment maintenance, IT costs, foreign exchange (gain)/loss and professional fees.

Note: - All figures are unaudited and in S\$ M unless otherwise stated.  
 - 1H FY24 figures were restated due to disposal of a subsidiary in Mar 24.

# Operating Statistics



	2Q FY25	1Q FY25	QoQ (%)	2Q FY24	YoY (%)	1H FY25	1H FY24	YoY (%)
<b>Flights Handled ('000)</b>	<b>160.8</b>	<b>154.8</b>	<b>3.8</b>	<b>153.2</b>	<b>4.9</b>	<b>315.6</b>	<b>299.1</b>	<b>5.5</b>
- APAC	82.8	79.0	4.8	77.0	7.5	161.8	150.2	7.7
- EMEAA	8.2	8.2	0.5	12.1	(32.0)	16.4	24.0	(31.8)
- Americas	69.8	67.7	3.1	64.2	8.7	137.5	125.0	10.0
<b>Cargo/Mail Processed ('000 tonnes)</b>	<b>2,223.1</b>	<b>2,155.1</b>	<b>3.2</b>	<b>1,915.4</b>	<b>16.1</b>	<b>4,378.2</b>	<b>3,725.9</b>	<b>17.5</b>
- APAC	678.4	660.6	2.7	591.2	14.8	1,339.0	1,131.1	18.4
- EMEAA	855.7	825.2	3.7	692.8	23.5	1,680.9	1,351.8	24.3
- Americas	689.1	669.3	3.0	631.4	9.1	1,358.3	1,243.0	9.3
<b>Gross Meals Produced ('M)</b>	<b>28.6</b>	<b>26.1</b>	<b>9.6</b>	<b>24.8</b>	<b>15.2</b>	<b>54.6</b>	<b>47.1</b>	<b>15.9</b>
- Aviation meals	17.1	15.2	12.4	13.6	25.5	32.3	25.6	26.1
- Non-aviation meals	11.5	10.9	5.6	11.2	2.7	22.3	21.5	3.7
Ship Calls Handled	<b>45</b>	<b>54</b>	<b>(16.7)</b>	<b>56</b>	<b>(19.6)</b>	<b>99</b>	<b>131</b>	<b>(24.4)</b>

Note: Reduction in flights handled volume in EMEAA due to loss of two (2) ground handling licenses in Spain.

# Group Segmented P&L – 2Q FY25



2Q FY25	Food Solutions	Gateway Services	APAC	EMEAA	Americas	Others	2Q FY25 Total
Revenue	352.8	1,097.8	351.1	252.0	494.7	0.1	1,450.7
EBITDA	55.1	230.7	89.8	57.1	83.8	(20.1)	265.7
<i>EBITDA (%)</i>	<i>15.6%</i>	<i>21.0%</i>	<i>25.6%</i>	<i>22.7%</i>	<i>16.9%</i>	<i>n.m.</i>	<i>18.3%</i>
EBIT profit / (loss)	41.0	108.0	56.1	22.3	29.6	(21.8)	127.2
<i>EBIT (%)</i>	<i>11.6%</i>	<i>9.8%</i>	<i>16.0%</i>	<i>8.8%</i>	<i>6.0%</i>	<i>n.m.</i>	<i>8.8%</i>
Share of results of Associates/JVs (SoAJV)	7.3	22.4	18.1	4.3	0.0	0.0	29.7

2Q FY24	Food Solutions	Gateway Services	APAC	EMEAA	Americas	Others	2Q FY24 Total
Revenue	275.7	995.3	275.2	262.2	457.9	0.2	1,271.2
EBITDA	14.4	178.5	40.6	61.8	76.1	(0.1)	192.8
<i>EBITDA (%)</i>	<i>5.2%</i>	<i>17.9%</i>	<i>14.8%</i>	<i>23.6%</i>	<i>16.6%</i>	<i>n.m.</i>	<i>15.2%</i>
EBIT profit / (loss)	3.1	67.0	9.0	36.4	21.6	(6.0)	64.1
<i>EBIT (%)</i>	<i>1.1%</i>	<i>6.7%</i>	<i>3.3%</i>	<i>13.9%</i>	<i>4.7%</i>	<i>n.m.</i>	<i>5.0%</i>
Share of results of Associates/JVs (SoAJV)	8.5	14.6	17.9	(3.3)	0.0	0.0	23.1

Note: - All figures are unaudited and in S\$ M unless otherwise stated

- 2Q FY24 figures were restated retrospectively to reflect discontinued operation due to the disposal of a subsidiary in Mar 2024

- EBIT represents Operating Profits; EBITDA refers to earnings before interest, tax, depreciation and amortisation.

# Group Segmented P&L – 1H FY25



1H FY25	Food Solutions	Gateway Services	APAC	EMEAA	Americas	Others	1H FY25 Total
Revenue	663.6	2,157.3	663.0	505.2	989.1	0.2	2,821.1
EBITDA	93.1	433.0	146.3	115.7	171.0	(11.3)	514.8
<i>EBITDA (%)</i>	<i>14.0%</i>	<i>20.1%</i>	<i>22.1%</i>	<i>22.9%</i>	<i>17.3%</i>	<i>n.m.</i>	<i>18.2%</i>
EBIT profit / (loss)	65.5	189.2	78.9	47.9	62.4	(14.6)	240.1
<i>EBIT (%)</i>	<i>9.9%</i>	<i>8.8%</i>	<i>11.9%</i>	<i>9.5%</i>	<i>6.3%</i>	<i>n.m.</i>	<i>8.5%</i>
Share of results of Associates/JVs (SoAJV)	18.3	47.0	38.9	8.1	0.0	0.0	65.3

1H FY24	Food Solutions	Gateway Services	APAC	EMEAA	Americas	Others	1H FY24 Total
Revenue	516.1	1,941.4	532.2	511.3	897.9	0.3	2,457.8
EBITDA	21.8	332.7	73.6	109.6	149.5	(6.7)	347.8
<i>EBITDA (%)</i>	<i>4.2%</i>	<i>17.1%</i>	<i>13.8%</i>	<i>21.4%</i>	<i>16.6%</i>	<i>n.m.</i>	<i>14.2%</i>
EBIT profit / (loss)	(0.9)	101.3	9.5	50.8	41.0	(28.4)	72.0
<i>EBIT (%)</i>	<i>-0.2%</i>	<i>5.2%</i>	<i>1.8%</i>	<i>9.9%</i>	<i>4.6%</i>	<i>n.m.</i>	<i>2.9%</i>
Share of results of Associates/JVs (SoAJV)	13.6	30.8	29.8	1.0	0.0	0.0	44.4

Note: - All figures are unaudited and in S\$ M unless otherwise stated

- 1H FY24 figures were restated retrospectively to reflect discontinued operation due to the disposal of a subsidiary in Mar 2024

- EBIT represents Operating Profits; EBITDA refers to earnings before interest, tax, depreciation and amortisation.