



1Q FY18/19 Performance Review

19 July 2018

Forward Looking Statements

This presentation may contain forward-looking statements regarding, among other things, the Company's outlook, business and strategy which are current as of the date they are made. These forward-looking statements are based largely on the current assumptions, expectations and projections of the directors and management of SATS about our business, and the industry and markets in which we operate. These statements are not guarantees of SATS' future performance and are subject to a number of risks and uncertainties, some of which are beyond the Company's control and are difficult to predict. Future developments and actual results could differ materially from those expressed in the forward-looking statements. In light of these risks and uncertainties, there can be no assurance that the forward-looking information will prove to be accurate. SATS does not undertake to update these forward-looking statements to reflect events or circumstances which arise after publication.

Agenda

- Executive Summary
- Group Financial Review
- Outlook

Executive Summary: 1Q FY18/19 Performance

- PATMI grew 11.5% to \$63.9M
- Group revenue improved 3.0%
- Operating margin rose 2.3 percentage points to 14.8%
- EPS increased 0.6 cents to 5.7 cents
- Share of after-tax profits from associates/JVs dipped 1.3% with lower contribution from Gateway Services' associates/JVs
- We intend to deepen our collaboration with key customers to support their growth and broaden our unrivalled network of operations across the region



Group Financial Review



1Q FY18/19 Highlights

Revenue

\$439.4M 3.0%

- Food Solutions' revenue grew 2.7%, while Gateway Services' revenue increased 3.4% despite the deconsolidation of SHK.

Operating profit

\$64.9M 21.3%

- Operating profit improved 21.3%, underpinned by higher revenue from Food Solutions and Gateway Services.

Share of results of Associates/JVs, net of tax

\$15.3M -1.3%

- Share of after-tax profits from associates/JVs decreased \$0.2M, with lower contributions from Gateway Services' associates/JVs, partly compensated by Food Solutions' associates/JVs.

PATMI

\$63.9M 11.5%

- Net profit was \$63.9M, 11.5% higher y-o-y.
- EPS increased 11.8% to 5.7 cents.

Debt/Equity

0.06 times

- Debt-to-equity ratio remained healthy at 0.06 times.
- Cash and short-term deposits stood at \$439.7M.
- Free cash flow generated was \$72.3M.



1Q FY18/19 Highlights

\$M	1Q18/19	1Q17/18	Favourable/ (Unfavourable) Change (%)
Revenue	439.4	426.5	3.0
Expenditure	(374.5)	(373.0)	(0.4)
Operating Profit	64.9	53.5	21.3
Share of Results of Associates/JVs, Net of Tax	15.3	15.5	(1.3)
Other non-operating (loss)/income, net	(0.1)	0.1	n.m.
PBT	80.9	70.2	15.2
PATMI	63.9	57.3	11.5



n.m. – not meaningful

Financial Indicators

%	1Q18/19	1Q17/18	Change ppt/%
Operating Margin	14.8	12.5	2.3
PATMI Margin	14.5	13.4	1.1
Return on Equity	3.8	3.5	n.m.
Basic EPS (cents)	5.7	5.1	11.8%

	30 JUN 18	31 MAR 18
NAV Per Share (\$)	1.52	1.46
Debt/Equity Ratio	0.06	0.07

Group Segmental Revenue

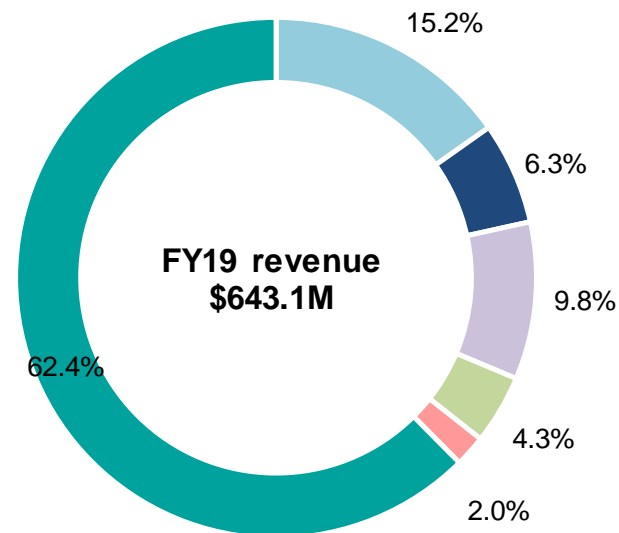
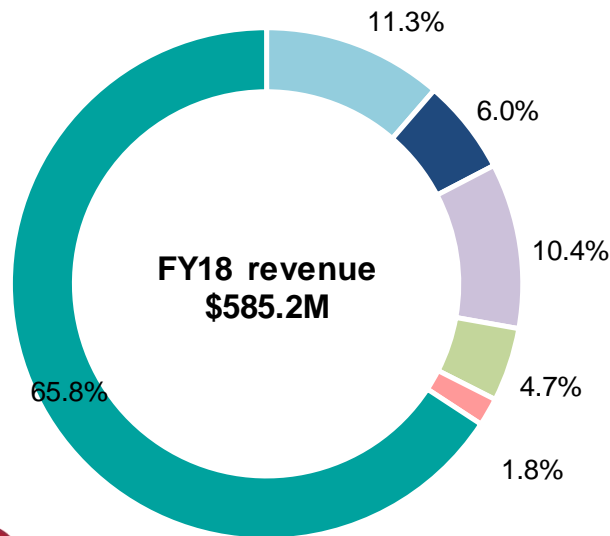
\$M	1Q18/19	1Q17/18	Change (%)
By Business:			
Food Solutions	239.5	233.1	2.7
Gateway Services	199.6	193.1	3.4
Others	0.3	0.3	0.0
Total	439.4	426.5	3.0
By Industry:			
Aviation	378.9	374.7	1.1
Non-Aviation	60.2	51.5	16.9
Others	0.3	0.3	0.0
Total	439.4	426.5	3.0
By Geographical Location:			
Singapore	370.7	350.5	5.8
Japan	60.7	58.9	3.1
Others	8.0	17.1	(53.2)
Total	439.4	426.5	3.0

SATS Share of Revenue By Region

(Aggregate of consolidated and non-consolidated entities – Non-IFRS)

<i>In \$M</i>	FY18	FY19	YOY Growth
● Singapore	384.9	401.5	4.3%
● Greater China	66.4	97.8	47.2%
● Japan	61.1	62.9	2.9%
● Asean (ex-Singapore)	35.1	40.8	16.1%
● India	27.3	27.6	1.4%
● Others	10.4	12.5	20.6%
	585.2	643.1	9.9%

Singapore accounted for approx. 62%-66% of the Revenue in FY18 & FY19



For management analysis purpose.

Group Expenditure

\$M	1Q18/19	1Q17/18	Favourable/ (Unfavourable) Change (%)
Staff Costs	211.4	214.3	1.4
Cost of Raw Materials	63.7	57.9	(10.0)
Licence Fees	22.3	21.6	(3.2)
Depreciation & Amortisation charges	20.1	18.8	(6.9)
Company Premise & Utilities Expenses	26.5	26.9	1.5
Other Costs	30.5	33.5	9.0
Group Expenditure	374.5	373.0	(0.4)
Group Revenue	439.4	426.5	3.0

Cost of raw materials and licence fees increased in line with higher revenue while higher depreciation and amortisation charges was due to additions in capital expenditure.

Conversely, lower staff costs, company premises and utilities expenses were due to SHK's deconsolidation.

Associates/JVs Performance by Business

\$M	1Q18/19	1Q17/18	Change (%)
PAT	15.3	15.5	(1.3)
Food Solutions	4.2	3.4	23.5
Gateway Services	11.1	12.1	(8.3)
Dividends Received	10.5	5.9	78.0

Marginal decrease in contribution from overseas associates/JVs.

Lower contribution mainly from PT JAS and CAS, partly mitigated by improvement from AAT, AISATS, TajSATS and new associate/JVs such as GTR and MCSC.

Group Balance Sheet

\$M	As at 30 JUN 18	As at 31 MAR 18
Total Equity	1,829.8	1,766.6
Other Long-Term Liabilities	179.6	179.1
Current Liabilities	439.0	402.6
Total Equity & Liabilities	2,448.4	2,348.3
Fixed Assets & Investment Properties	568.8	569.0
Associates / JVs	864.3	848.8
Intangible Assets	157.8	157.5
Other Non-Current Assets & Long-Term Investments	37.8	38.0
Current Assets		
<i>Cash & short-term deposits</i>	439.7	373.3
<i>Debtors & other current assets</i>	380.0	361.7
Total Assets	2,448.4	2,348.3

Group Cash Flow Statement

\$M	1Q18/19	1Q17/18	Difference
Net Cash From Operating Activities	91.4	46.6	44.8
Net Cash Used In Investing Activities	(14.0)	(7.9)	(6.1)
Net Cash (Used In)/ From Financing Activities	(9.8)	2.8	(12.6)
Net Increase In Cash & Cash Equivalents	67.6	41.5	26.1
Cash & Cash Equivalents At End Of Financial Period	439.7	548.8	(109.1)
Free Cash Flow*	72.3	27.7	44.6

Net cash from operating activities was higher due to higher profits generated during the period as well as the movement in working capital.



* Free Cash Flow refers to net cash from operating activities less cash purchases of capital expenditure.

Outlook

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Despite the threat of global trade uncertainties potentially affecting cargo volumes, we expect passenger volumes in Asia to grow. At the same time, rapid urbanisation in the region will drive demand for safe, high-quality food, and more cruise ships will be deployed in Southeast Asia to keep pace with burgeoning consumer interest. However, pricing pressures will remain.

Our investments in technology and digitalisation are increasing productivity and enhancing our services.

We intend to deepen our collaboration with key customers to support their growth and broaden our unrivalled network of operations across the region.





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