



**SATS LTD.**  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 197201770G)

**PROFIT WARNING ON THE UNAUDITED FINANCIAL RESULTS  
FOR THE FOURTH QUARTER OF THE FINANCIAL YEAR ENDED 31 MARCH 2020**

The Board of Directors ("Board") of SATS Ltd. ("Company" and together with its subsidiaries, the "Group") wishes to announce that, after an assessment of the Group's unaudited results for the financial year ended 31 March 2020, the Board deems it appropriate to issue guidance that the Group is expected to record a material decline in profit for the Fourth Quarter of the Financial Year 2020.

In an outlook update on 9 March 2020, SATS had already guided that the rapid spread of the COVID-19 pandemic was leading to a significant drop in demand for air travel globally that would create a correspondingly substantial adverse impact on revenue and profitability. Since then, with countries around the globe imposing extensive travel restrictions to halt the spread of COVID-19, aviation volumes for SATS have continued to drop sharply. SATS now anticipates that its profit for the fourth quarter of the financial year ended 31 March 2020 will decline by approximately 60% to 70% year-on-year (resulting in a reduction of up to 25% for the full financial year ended 31 March 2020 compared to the previous financial year).

The global pandemic will continue to impact SATS through the financial year as the operating volumes of flights, passengers handled and meals have dropped 95% from pre-COVID levels. As guidance for the first quarter for the Financial Year ending 31 March 2021, after taking into consideration grants received from governments, the financial performance of SATS is estimated to be a loss of S\$50 million to S\$70 million for the quarter. Thereafter, the business and financial performance of SATS will continue to be affected depending on the duration of this pandemic and when the demand for air-travel might resume. While SATS is not able to predict when business conditions will improve, the Board and Management are putting appropriate cost and risk management measures in place during this extraordinarily difficult period while still preserving and building its capabilities for the future.



The Group remains in a positive net cash position. SATS has recently secured aggregate debt financing of ca. S\$500 million to fund its working capital needs, contingency cash reserve and strategic growth initiatives.

This profit warning is based on a preliminary review of the Group's unaudited financial results for Fourth Quarter of Financial Year ended 31 March 2020. The disclosure made above, including guidance given for First Quarter of Financial Year 2021, reflects Management's current views and expectations of the prevailing economic and market conditions in view of the pandemic. This may be subject to changes depending on risks and uncertainties that may cause actual results to differ materially from any future results expressed or implied herein.

Furthermore, given the current Circuit Breaker conditions, the Company intends to rely on the waiver announced on 22 April 2020 by the Singapore Exchange Securities Trading Limited granting an automatic 2-month extension for the release of the full year unaudited results, and the full details of the Group's performance will be disclosed on or before 30 July 2020.

In the meantime, shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

**BY ORDER OF THE BOARD**

S. Prema  
Company Secretary

Singapore, 30 April 2020



## **ABOUT SATS LTD.**

SATS is Asia's leading provider of food solutions and gateway services.

Our food solutions include airline catering as well as central kitchens for food service chains and institutions. Our comprehensive gateway services encompass airfreight handling, passenger services, ramp handling, baggage handling, aviation security services, aircraft interior and exterior cleaning, as well as cruise centre management.

SATS is present in over 65 locations and 14 countries across Asia Pacific, the UK and Middle East.

SATS has been listed on the Singapore Exchange since May 2000. For more information, please visit [www.sats.com.sg](http://www.sats.com.sg).

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