



MEDIA RELEASE

SATS DELIVERS FULL YEAR PROFIT OF S\$56.4 MILLION

- SATS FY24 revenue increased three-fold to a record S\$5.1 billion due to robust aviation sector recovery and consolidation with Worldwide Flight Services (WFS)
- Integration with WFS on track, delivering annualised S\$40 million of the expected S\$100 million EBITDA synergies
- FY24 EBITDA (plus SoAJV) margin increased to 17.3% from 9.9% in FY23
- Operating cashflow (before lease payment) increased to S\$512.1 million from S\$79.6 million
- Proposed dividend for the year of 1.5 cents per share

Singapore, 29 May 2024 – SATS Ltd. (**SATS**) today reported its unaudited results for the second half (2H) and the full year ended 31 March 2024 (FY24).

With aviation rebounding from the pandemic and the consolidation with WFS as part of a Group-wide transformation into a global player, SATS has swung back to profitability with PATMI of S\$56.4 million for the full year on the back of record high revenue of S\$5.1 billion for the period. Improved cargo performance and travel recovery buoyed Group revenue. SATS has been delivering steady improvements in financial performance over the quarters since its integration with WFS, the world's largest air cargo handling firm, in April 2023. The integration with WFS is on track, with the Group's expanded network, global connectivity and consolidation with WFS contributing to its return to profitability.



HIGHLIGHTS OF THE GROUP'S UNAUDITED RESULTS:

Group Financial Results (YoY Change)	2H FY24 (S\$ million)	2H FY23 (S\$ million)	Favourable / (Unfavourable) YoY Change (S\$ million)	Favourable / (Unfavourable) YoY Change (%)
Revenue	2,691.8	953.8	1,738.0	182.2
Expenditure	(2,519.6)	(959.5)	(1,560.1)	(162.6)
Operating profit (EBIT) <i>EBIT margin</i>	172.2 6.4%	(5.7) -0.6%	177.9 7.0%	n.m.
Share of earnings of associates/joint ventures, net of tax (SoAJV)	65.6	27.8	37.8	136.0
Profit attributable to owners of the Company (PATMI)	64.1	6.0	58.1	968.3
Core PATMI ⁽¹⁾	79.1	34.0	45.1	132.6
EBITDA ⁽²⁾ (+SoAJV) <i>EBITDA (+SoAJV) margin</i>	498.4 18.5%	113.9 11.9%	384.5 6.6%	337.6

Group Financial Results (YoY Change)	FY24 (S\$ million)	FY23 (S\$ million)	Favourable / (Unfavourable) YoY Change (S\$ million)	Favourable / (Unfavourable) YoY Change (%)
Revenue	5,149.6	1,758.3	3,391.3	192.9
Expenditure	(4,905.4)	(1,806.3)	(3,099.1)	(171.6)
Operating profit/(loss) (EBIT) <i>EBIT margin</i>	244.2 4.7%	(48.0) -2.7%	292.2 7.4%	n.m.
Share of earnings of associates/joint ventures, net of tax (SoAJV)	110.0	45.4	64.6	142.3
Profit/(loss) attributable to owners of the Company (PATMI)	56.4	(26.5)	82.9	n.m.
Core PATMI ⁽¹⁾	78.5	18.2	60.3	331.3
EBITDA ⁽²⁾ (+SoAJV) <i>EBITDA (+SoAJV) margin</i>	890.6 17.3%	173.2 9.9%	717.4 7.4%	414.2



Earnings per share (cents) - basic ⁽³⁾	3.8	(2.2)		
Return on Equity (%/ppt) ⁽⁴⁾	2.4	(1.3)		

Notes:

FY24 refers to the financial year from 1 April 2023 to 31 March 2024.

(1) Core PATMI refers to net profit attributable to owners of the Company excluding one-off items.

(2) EBITDA refers to earnings before interest, tax, depreciation and amortisation.

(3) Earnings per share (basic) is computed by dividing profit attributable to owners of the Company by the weighted average number of fully paid shares in issue.

(4) Return on equity ("ROE") is profit attributable to owners of the Company expressed as a percentage of the average equity holders' funds for the respective periods (non-annualised).

n.m. – not meaningful

GROUP EARNINGS

2H FY24 (1 October 2023 to 31 March 2024)

SATS 2H FY24 Group revenue increased by 182.2% to S\$2.7 billion over the same period last year, primarily driven by the consolidation of WFS which has given the Group increased market share and generated network synergies.

As a combined business, SATS Gateway Services revenue grew by 331% YoY to S\$2.1 billion, while the Food Solutions revenue increased by 26.8% to S\$591.8 million.

The Group's expenditure increased by S\$1.6 billion YoY to S\$2.5 billion due to volume growth, WFS consolidation and price hikes for goods and services. Additionally, the 2H FY23 Group expenditure also included S\$36.3 million in government reliefs, which helped to lower the Group's overall expenditure in the previous period.

In 2H FY24, SATS recorded an operating profit of S\$172.2 million, reversing a S\$5.7 million loss over the same period last year.



The share of earnings of associates and joint ventures increased by 136.0% to S\$65.6 million, driven by improved performance of aviation associates and joint ventures, which benefited from the travel recovery.

Through a series of commercial, operational and financial initiatives such as rate increases, improved operational excellence, cost containment and refinancing, SATS restored profitability to the business. In 2H FY24, PATMI improved by S\$58.1 million to S\$64.1 million (after taking into account higher interest expense) over the same period last year.

FY24 (1 April 2023 to 31 March 2024)

FY24 Group revenue increased by 192.9% to a record S\$5.1 billion over the same period last year, driven primarily by the consolidation of WFS, improvements in air cargo volumes, and the continuing travel recovery.

For the year, Gateway Services revenue grew 354.8% to S\$4.0 billion, while Food Solutions revenue grew 27.4% to S\$1.1 billion.

Group expenditure rose by 171.6% YoY to S\$4.9 billion. The increase was due to several factors, including the need for more resources to handle higher volumes, inflationary pressures, and the absence of S\$59.1 million of government reliefs.

In FY24, SATS Group recorded an operating profit of S\$244.2 million, reversing a loss of S\$48.0 million from the year before.

The share of earnings of associates and joint ventures increased by 142.3% to S\$110.0 million, with improved performance from the majority of aviation associates and joint ventures.



Margin improvement was strong in FY24. EBITDA (plus SoAJV) margin increased to 17.3% from 9.9% in FY23 due to revenue growth, better operating leverage, and an increased contribution from SoAJV.

SATS returned to the black in FY24, reporting a PATMI for the Group of S\$56.4 million after taking into account higher interest expenses. The Group's performance was underpinned by the global aviation recovery, as well as increased market share and network synergies from its WFS acquisition. The PATMI for FY24 represented an S\$82.9 million improvement from the S\$26.5 million loss recorded in FY23.

GROUP FINANCIAL POSITION (as at 31 March 2024)

Total equity increased by S\$44.7 million, reaching S\$2.6 billion as of 31 March 2024, compared to the same date in 2023. This increase can be primarily attributed to the profit generated during the current financial period.

Non-current assets increased by S\$4.6 billion to S\$6.5 billion, attributed to intangible assets, right-of-use assets, investment in joint ventures, and property, plant and equipment from the acquisition of WFS.

Current assets decreased by S\$773.1 million to S\$1.9 billion due to the transfer of deposits placed with the notary to the seller of WFS upon completion of the WFS acquisition in April 2023. This was partially offset by higher trade and other receivables from aviation recovery and consolidation of WFS, as well as WFS' net cash acquired.

Current liabilities increased by S\$2.2 billion to S\$2.8 billion, mainly from the addition of WFS' lease liabilities and trade and other payables as well as a €1.04 billion bank loan obtained by SATS in 1Q FY24 to refinance WFS' debt which matured in May 2024. €460 million out of the €1.04 billion bank loan was repaid in February 2024 using the proceeds raised from the Multicurrency Debt Issuance Programme issued in January 2024. The balance was classified as current liabilities as at 31 March 2024. The Group



is focused on refinancing the outstanding €580 million loan, continuing to improve its leverage and free cash flow position.

Non-current liabilities increased by S\$1.6 billion to S\$3.1 billion, mainly due to the addition of WFS' lease liabilities, and deferred tax liabilities upon consolidation of WFS.

For FY24, operating cash flow increased to S\$512.1 million, compared to S\$79.6 million recorded in the corresponding period last year. Free cash flow after lease payments (Real FCF) for FY24 was an outflow of S\$48.2 million, S\$51.7 million improvement YoY. Real FCF has improved quarter on quarter, with 4Q FY24 Real FCF at an inflow of S\$118.5 million compared to S\$44.7 million in 3Q FY24.

PROPOSED DIVIDEND

SATS is committed to paying dividends that grow progressively with earnings, which considers the company's cash flow generation capacity and level of cash and reserves; reinvestment and capital expenditure needs for sustainable growth; and debt repayment to strengthen its balance sheet. In view of the Group's financial performance in FY24, the Board of Directors has recommended a final dividend of S\$0.015 per share. This represents our commitment to shareholders that we will resume dividend payment once we restore profitability. The proposed final dividend will be tabled for shareholders' approval at the forthcoming Annual General Meeting on 19 July 2024 and if approved, will be paid on 8 August 2024. The book closure date is 26 July 2024.

OUTLOOK

The transformation of SATS into a global player with an expanded route network and global presence makes the Group well positioned to capitalise on strong tailwinds and positive growth momentum in air cargo and passenger traffic, which will drive sustainable long-term value-added growth in the aviation sector. Global air passenger



traffic is projected to recover fully to 2019 levels by the end of 2024,¹ while global air cargo traffic is forecasted to grow by 4.5%² in 2024. SATS will benefit from these trends and be further bolstered by a robust e-commerce³ sector and the growing demand for specialised services⁴ which give better yields from air cargo services.

Looking ahead, SATS' financial focus remains on reducing debt, and optimising our cash position to strengthen our balance sheet, reinvesting for sustainable growth, and returning value to shareholders.

Kerry Mok, President and Chief Executive Officer of SATS, said, *"We celebrate our first-anniversary milestone as a combined entity delivering another quarter of strong results leading SATS back to full-year profitability. This was driven by the aviation sector recovery, improvements in air cargo volumes and better operational performance across the business.*

SATS is now a global player with a strong international team and we aim to seize growth opportunities in the global aviation sector to create value for our stakeholders. We are fully committed to supporting the current and future needs of Singapore's Changi Airport, one of the busiest and most respected airports in the world. Achieving strong performance in our home market will enable SATS to replicate the Group's core competencies in key markets around the world, thereby building business resilience and financial sustainability.

"We have begun delivering on our priorities of restoring profitability, optimizing capital structure, and increasing free cash flow in FY24. We are staying focused on working diligently, around the clock and around the world, to capture even more synergies from the ongoing SATS-WFS integration, streamline our portfolio, and reduce debt. We are

¹ Source: <https://www.iata.org/en/iata-repository/publications/economic-reports/global-outlook-for-air-transport---december-2023---report/>

² Source: <https://www.iata.org/en/iata-repository/publications/economic-reports/global-outlook-for-air-transport---december-2023---report/>

³ Source: <https://www.aircargonews.net/iata-wcs/e-commerce-to-become-a-third-of-air-cargo-volumes/>

⁴ Source: <https://www.iata.org/globalassets/iata/pressroom/gmd/special-cargo-2023-trends.pdf>



committed to developing SATS into a market leader and responsible corporate steward that is future-ready and financially sustainable.”

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ABOUT SATS LTD.

SATS Ltd. (SATS) is a global air cargo champion empowering end-to-end network solutions, hub handler of the future, and a leading Asian aviation food solutions provider delivering quality at scale and being the preferred brand in food solutions with authentic taste and nutrition. Using innovative food technologies and resilient supply chains, we create tasty, quality food in sustainable ways for airlines, food service chains, retailers, and institutions. With heartfelt service and advanced technology, we connect people, businesses, and communities seamlessly through our comprehensive gateway services for our customers. Fulfilling our purpose to feed and connect communities, SATS delights customers in over 215 locations and 27 countries across the Asia Pacific, UK, Europe, the Middle East, Africa, and the Americas. SATS has been listed on the Singapore Exchange since May 2000. For more information, please visit www.sats.com.sg.

ANNOUNCEMENT INFORMATION

The complete 4Q and FY24 results of SATS are available at www.sats.com.sg.

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ANNEX A: GROUP FINANCIAL STATISTICS

Financial Results (S\$ million)	4Q FY24	4Q FY23
Revenue	1,337.7	478.1
Expenditure	(1,248.9)	(482.7)
Operating profit/(loss)	88.8	(4.6)
Share of results of associates/JVs, net of tax	30.9	17.6
Profit before tax	37.0	5.5
Profit attributable to owners of the Company	32.7	5.5
Core PATMI	47.3	24.7
EBITDA (+SoAJV)	251.4	58.7

Per Share Data

Earnings per share (cents)

- Basic ^{R1}	2.2	0.4
- Diluted ^{R2}	2.2	0.4
Return on turnover (%) ^{R3}	2.4	1.2
Return on Equity (%/ppt)	1.4	0.3

Financial Position (S\$ million)	As at 31 Mar 2024	As at 31 Mar 2023
Total equity	2,559.5	2,514.8
Total assets	8,480.0	4,673.7
Total debt	4,092.1	1,478.4
Gross debt/equity ratio (times) ^{R4}	1.60	0.59
Net asset value per share (\$) ^{R5}	1.59	1.57

Notes:

The Group financial statistics should be read in conjunction with the explanatory notes found on page 3 of this media release.

^{R1} Earnings per share (basic) is computed by dividing profit attributable to owners of the Company by the weighted average number of fully paid shares in issue.

^{R2} Earnings per share (diluted) is computed by dividing profit attributable to owners of the Company by the weighted average number of fully paid shares in issue after adjusting for dilution of shares under various employee share plans.

^{R3} Return on turnover is computed by dividing profit attributable to owners of the Company by total revenue.

^{R4} Gross debt/equity ratio is computed by dividing total debt by total equity.

^{R5} Net asset value per share is computed by dividing equity attributable to owners of the Company by the number of ordinary shares (excluding treasury shares) in issue.



ANNEX B: OPERATING STATISTICS

	4Q FY24	4Q FY23	Change (%)	FY24	FY23	Change (%)
Passengers Handled ('M)	20.8	15.6	33.9	79.7	52.6	51.3
Flights Handled ('000)	149.4	66.4	125.2	599.6	230.4	160.3
Cargo/Mail Processed ('000 tonnes)	2,048.0	508.9	302.5	7,840.0	2,244.5	249.3
Gross Meals Produced ('M)	25.3	19.8	27.7	96.3	68.9	39.7
Ship Calls Handled	95	82	15.9	309	254	21.7

Notes:

- i. The above operating data cover SATS and its subsidiaries, but does not include joint ventures and associates.
- ii. Passengers handled comprise full service and low cost carriers, business aviation, as well as cruise ship passengers.
- iii. Gross meals include both inflight and institutional catering meals.