



## MEDIA RELEASE

### SATS POSTS S\$65M 1Q NET PROFIT ON ROBUST GROWTH

- Revenue grew 15.5% year-on-year to S\$1.37B, driven by significant growth in air cargo volumes and continuing travel recovery
- Delivered annualised S\$51M of the targeted S\$100M of EBITDA synergies
- Year-on-year EBITDA margin improved to 18.2% from 13.1%
- Free cash flow<sup>1</sup> was S\$36.7M

Singapore, 20 August 2024 – SATS Ltd. (**SATS**) today reported its unaudited results for the three months ended 30 June 2024 (1Q FY25).

#### HIGHLIGHTS OF THE GROUP'S UNAUDITED RESULTS:

Group Financial Results	1Q FY25 (S\$ million)	1Q FY24 (S\$ million)	Favourable / (Unfavourable) YoY Change (S\$ million)	Favourable / (Unfavourable) YoY Change (%)
Revenue	1,370.4	1,186.6	183.8	15.5
Operating expenditure (Excluding D&A)	(1,121.3)	(1,031.6)	(89.7)	(8.7)
EBITDA <i>EBITDA margin</i>	249.1 18.2%	155.0 13.1%	94.1 5.1ppt	60.7
Operating profit (EBIT) <i>EBIT margin</i>	112.9 8.2%	7.9 0.7%	105.0 7.6ppt	1,329.1
SoAJV	35.6	21.3	14.3	67.1
Profit attributable to owners of the Company (PATMI)	65.0	(29.9)	94.9	n.m.

<sup>1</sup> Net cash generated from operating activities after CAPEX and lease payments



**Notes:**

FY25 refers to the financial year from 1 April 2024 to 31 March 2025.

1Q FY24 figures were restated retrospectively to reflect discontinued operations due to the disposal of a subsidiary in March 2024.

(1) D&A refers to depreciation and amortisation

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

(3) SoAJV refers to the share of associates/joint ventures, net of tax

n.m. – not meaningful

## **GROUP EARNINGS**

### **1Q FY25 (1 April 2024 to 30 June 2024)**

In 1Q FY25, SATS Group's revenue increased by 15.5% to S\$1.37 billion compared to the same period last year arising from both Gateway Services and Food Solutions.

Revenue for Gateway Services increased by 12.0% YoY to S\$1,059.5 million. This growth was attributed to the increase in air cargo volume driven by high-tech shipments, growth of eCommerce, and the shift from ocean freight due to the Red Sea crisis.

Food Solutions' revenue increased by 29.3% to S\$310.8 million due to increased demand for inflight meals.

The Group's expenditure (excluding depreciation and amortisation) increased by 8.7% to S\$1.1 billion YoY, in line with the increase in business volume.

In 1Q FY25, SATS saw a significant YoY increase in operating profit to S\$112.9 million from S\$7.9 million. Operating Profit margin also improved from 0.7% to 8.2%, driven by operational efficiencies as revenue scaled up and outpaced the increase in expenditure.

The share of earnings of associates and joint ventures increased by 67.1% to S\$35.6 million, driven by travel recovery and higher cargo volumes.



In 1Q FY25, SATS posted PATMI of S\$65.0 million reflecting a significant improvement of S\$94.9 million from a loss of S\$29.9 million recorded in the same period last year. This improved performance is attributed to scale leverage derived from higher volumes of business handled, in addition to a one-off gain of S\$7.2 million from the settlement of an existing loan arrangement from an outgoing local partner in Indonesia.

### **GROUP FINANCIAL POSITION (as at 30 June 2024)**

Total equity increased by S\$75.2 million, reaching S\$2.6 billion as of 30 June 2024, compared to 31 March 2024. This increase was primarily attributed to the profit generated in the current quarter.

Non-current assets decreased by S\$67.0 million to S\$6.5 billion as of 30 June 2024. This reduction was mainly due to lower right-of-use assets and intangible assets resulting from depreciation and amortisation. Additionally, there was a decrease in investment in joint ventures and associates following the sale of 9.85% stake in PT Cardig Aero Service Tbk.

Current assets rose by S\$129.3 million to S\$2.1 billion, driven by increased trade and other receivables and cash due to improved business performance.

Total liabilities decreased by S\$12.9 million to S\$5.9 billion, primarily due to the repayment of S\$68.1 million of debt and lower lease liabilities in 1Q FY25. This was offset by higher trade and other payables consistent with higher business volume.

For 1Q FY25, operating cash flow increased to S\$164.2 million, compared to S\$40.1 million recorded in the corresponding period last year. Free cash flow was S\$36.7 million, reflecting an improvement of S\$125.9 million YoY, driven mainly by higher YoY operating profit for the quarter.



## OUTLOOK

SATS expects positive momentum in the coming quarters. The acceleration of eCommerce, the shift to air cargo because of seaport congestion, and disruption in maritime shipping are expected to continue to underpin demand for air cargo services.

According to IATA, global air cargo traffic is expected to grow by 5% in 2024, while global passenger traffic growth is projected at 11.6% in total revenue passenger kilometres (RPK) this year. Notably, Asia Pacific is leading the recovery, with the region expected to contribute half of the world's RPK growth in 2024, particularly through its robust domestic markets<sup>2</sup>.

SATS remains confident to deliver on its commitments to improve financial performance, reduce debt, and strengthen the overall cash position.

**Kerry Mok, President and Chief Executive Officer of SATS**, said, *"The S\$65 million profit for the first quarter of FY25 is a result of favourable market conditions and our relentless drive towards better cost optimisation and operational efficiency.*

*We continue to gain traction from the integration with WFS as we strengthen our global market position. Our new win with the Shun Feng Group in Liège and the deepening of our collaboration with Kuehne + Nagel are testaments to the strength of our global network. We are also committed to supporting the needs of Singapore's Changi Airport and have established the Singapore Hub to focus on enhancing Singapore's aviation position.*

*We are also growing our Food Solutions business with Mitsui, leveraging SATS' culinary expertise, knowledge of food technology, and high food safety standards to mutually benefit both parties by supporting Mitsui's distribution network with ready-to-eat meals in different formats to capture the growing demand for convenient food."*

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<sup>2</sup> Source: <https://www.iata.org/en/iata-repository/publications/economic-reports/global-outlook-for-air-transport-june-2024-report/>



## **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](http://www.sats.com.sg).

## **ANNOUNCEMENT INFORMATION**

The complete 1Q FY25 results of SATS are available at [www.sats.com.sg](http://www.sats.com.sg).

## **MEDIA AND INVESTOR CONTACTS**

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## ANNEX A: GROUP FINANCIAL STATISTICS

Financial Results (S\$)	1Q FY25	1Q FY24
<b>Per Share Data</b>		
Earnings per share (cents)		
- Basic <sup>R1</sup>	4.4	(1.9)
- Diluted <sup>R2</sup>	4.3	(1.9)
Return on turnover (%) <sup>R3</sup>	4.7	(2.5)
	<b>As at</b>	<b>As at</b>
<b>Financial Position (S\$ million)</b>	<b>30 Jun 2024</b>	<b>31 Mar 2024</b>
Total equity	2,634.7	2,559.5
Total assets	8,542.3	8,480.0
Total debt	4,002.1	4,092.1
Gross debt/equity ratio (times) <sup>R4</sup>	1.52	1.60
Net asset value per share (\$) <sup>R5</sup>	1.64	1.59

### Notes:

The Group financial statistics should be read in conjunction with the explanatory notes found on page 2 of this media release.

- <sup>R1</sup> 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.
- <sup>R2</sup> 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.
- <sup>R3</sup> Return on turnover is computed by dividing profit attributable to owners of the Company by total revenue.
- <sup>R4</sup> Gross debt/equity ratio is computed by dividing total debt by total equity.
- <sup>R5</sup> 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

	1Q FY25	1Q FY24	Change (%)
<b>Flights Handled ('000)</b>	<b>154.8</b>	<b>145.9</b>	<b>6.1</b>
- APAC	79.0	73.2	7.9
- EMEA	8.1	11.9	(31.6)
- Americas	67.7	60.8	11.3
<b>Cargo/Mail Processed ('000 tonnes)</b>	<b>2,155.1</b>	<b>1,810.4</b>	<b>19.0</b>
- APAC	675.9	544.6	24.1
- EMEA	809.9	654.2	23.8
- Americas	669.3	611.6	9.4
<b>Gross Meals Produced ('M)</b>	<b>26.1</b>	<b>22.4</b>	<b>16.6</b>
- Aviation Meals	15.2	12.0	26.8
- Non-Aviation Meals	10.9	10.4	4.8
<b>Ship Calls Handled</b>	<b>54</b>	<b>75</b>	<b>(28.0)</b>

### Notes:

- i. Reduction in flights handled volume in EMEA due to loss of two (2) ground handling licenses in Spain.
- ii. The above operating data cover SATS and its subsidiaries, but does not include joint ventures and associates.