



MEDIA RELEASE

SATS UPDATES OUTLOOK AMID COVID-19 SPREAD

- SATS updates its outlook following a significant drop in demand for air travel which has substantially and adversely impacted revenue and profitability
- Board of directors and executives take pay cuts of up to 15%

Singapore, 9 March 2020 – SATS Ltd. (SATS), Asia’s leading provider of food solutions and gateway services, today updated its outlook and announced the implementation of further cost-saving measures. On 13 February 2020, SATS had already cautioned, “depending on the duration of this epidemic, there will be consequential impact on the short-term financial performance of SATS”. Today, the company updated the outlook as follows:

OUTLOOK UPDATE

The rapid spread of the COVID-19 virus to Europe and America over the past weeks has led to a significant drop in demand for air travel globally, with a corresponding reduction in revenue for SATS across all markets. We expect this reduction to substantially and adversely affect profitability for the quarter and the full year when compared to the respective corresponding periods last year.

Whilst our short term earnings may be negatively impacted by the COVID-19 epidemic, we are in a strong position to weather the disruptions. We are looking out for opportunities in this crisis, like our investment last week in Monty’s Bakehouse, an innovative, sustainable provider of hand held snacks to the global aviation industry.

SATS will provide more details of its financial results when the unaudited financial statements for the fourth quarter and full year ending 31 March 2020 are completed and available. Further updates on the Group’s financial performance will be shared as and when necessary.

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

On 19 February 2020, SATS responded swiftly to the impact of COVID-19 on its business with a series of cost reduction measures, including a 10% reduction in pay for the senior



management team. With the spread of the virus around the world, the board and management of the company have decided to effect further cuts in executive pay and to reduce directors' remuneration.

Retroactively from 1 March 2020, SATS' board of directors and its executives will receive a cut in pay or fees of the following quantum:

- 15% cut in non-executive directors' fees
- 15% pay cut for the President Chief Executive Officer
- 12% pay cut for Executive Vice Presidents and Senior Vice Presidents
- 10% pay cut for Vice Presidents

Effective 1 April 2020, all Managers to Assistant Vice Presidents will also take a 5% pay cut.

– End –

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 60 locations and 13 countries across Asia Pacific and the Middle East.

SATS has been listed on the Singapore Exchange since May 2000. For more information, please visit www.sats.com.sg.

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