



MEDIA RELEASE

SATS 1Q FY18-19 NET PROFIT RISES 11.5%

- Continued growth in aviation volumes.
- Good revenue growth contributed by Japan and the cruise terminal in Singapore.
- Improved productivity due to economies of scale and the successful deployment of technology.

SINGAPORE, 19 July 2018 – SATS Ltd. (SATS) today reports its unaudited results for the first quarter ended 30 June 2018.

HIGHLIGHTS OF THE GROUP'S UNAUDITED RESULTS:

	1Q FY18-19 (S\$ million)	Favourable / (Unfavourable) Change (S\$ million)	Favourable / (Unfavourable) Change (%)
Revenue	439.4	12.9	3.0
Expenditure	(374.5)	(1.5)	(0.4)
Operating profit	64.9	11.4	21.3
Share of results of associates/JVs, net of tax	15.3	(0.2)	(1.3)
Profit attributable to owners of the Company	63.9	6.6	11.5
Earnings per share (cents) - basic	5.7	0.6	11.8
Return on Equity (%/ppt) ⁽¹⁾	3.8	0.3	n.m.

Note:

⁽¹⁾ Return on equity is profit attributable to owners of the Company expressed as a percentage of the average equity holders' funds.

GROUP EARNINGS

1Q FY18-19 (1 April – 30 June 2018)

For the first quarter ended 30 June 2018, Group revenue grew \$12.9 million or 3% year-on-year to \$439.4 million. The revenue from Food Solutions rose \$6.4 million or 2.7% to \$239.5 million, while Gateway Services' revenue was higher by \$6.5 million or 3.4% at \$199.6 million. Excluding the deconsolidation impact of SATS HK Limited ("SHK"), which the Group divested 51% interest to Voltaire Capital Investment Limited in July 2017, underlying Group revenue would have grown

\$24.5 million or 5.9%, and Gateway Services' revenue would have reflected a higher growth of \$18.1 million or 10%.

Group expenditure increased \$1.5 million or 0.4% to \$374.5 million, led by higher cost of raw materials, licence fees, as well as depreciation and amortisation charges. The increased cost of raw materials and licence fees were in line with the higher revenue, while depreciation and amortisation increased with additions to capital expenditure. Conversely, staff costs dropped \$2.9 million, while office premises and utilities expenses were \$0.4 million lower largely due to the deconsolidation of SHK.

Operating profit for the quarter was \$64.9 million, reflecting an improvement of \$11.4 million or 21.3% year-on-year.

Share of after-tax profits from associates/joint ventures dipped \$0.2 million or 1.3% to \$15.3 million, with lower contributions from Gateway Services' associates/joint ventures, partially offset by improved performance of Food Solutions' associates/joint ventures.

Profit attributable to owners of the Company was \$63.9 million, \$6.6 million or 11.5% higher than the last corresponding quarter. Earnings per share increased 11.8% to 5.7 cents.

GROUP FINANCIAL POSITION (as at 30 June 2018)

As at 30 June 2018, the Group had total assets of \$2.4 billion. Cash and short-term deposits increased \$66.4 million to \$439.7 million. The increase was mainly due to cash generated from operations as well as dividends received from associates/joint ventures.

Free cash flow generated during the first three months amounted to \$72.3 million and debt-to-equity ratio remained healthy at 0.06 times.

OUTLOOK

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.

END

ABOUT SATS

SATS is Asia's leading provider of Gateway Services and Food Solutions.

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. Our Food Solutions include airline catering, institutional and remote catering, aviation laundry as well as food distribution and logistics.

SATS is present in 60 airports and 62 cities across Asia and the Middle East.

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

ANNOUNCEMENT INFORMATION

The complete 1Q FY18-19 results of SATS are available at www.sats.com.sg.

INVESTOR AND MEDIA CONTACT:

Charlene Sng
Manager, Public Affairs & Branding
SATS Ltd.
Direct Line: (65) 6541 8200
Email: Charlene_SngHL@sats.com.sg

ANNEX A: GROUP FINANCIAL STATISTICS

Financial Results (S\$ million)	1Q FY18-19	1Q FY17-18
Revenue	439.4	426.5
Expenditure	(374.5)	(373.0)
Operating profit	64.9	53.5
Share of results of associates/JVs, net of tax	15.3	15.5
Profit before tax	80.9	70.2
Profit attributable to owners of the Company	63.9	57.3
Per Share Data		
Earnings per share (cents)		
- Basic ^{R1}	5.7	5.1
- Diluted ^{R2}	5.7	5.1
Return on turnover (%) ^{R3}	14.5	13.4

Financial Position (S\$ million)	As at 30-JUN-18	As at 31-MAR-18
Equity attributable to owners of the Company	1,694.1	1,634.1
Total assets	2,448.4	2,348.3
Total debt	106.5	106.4
Gross debt/equity ratio (times) ^{R4}	0.06	0.07
Net asset value per share (\$) ^{R5}	1.52	1.46

Notes:

The Group financial statistics should be read in conjunction with the explanatory footnotes found on page 1 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 equity attributable to owners of the Company.

^{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.