

21 July 2023

SATS 50th Annual General Meeting

RESILIENT VALUE-DRIVEN GROWTH

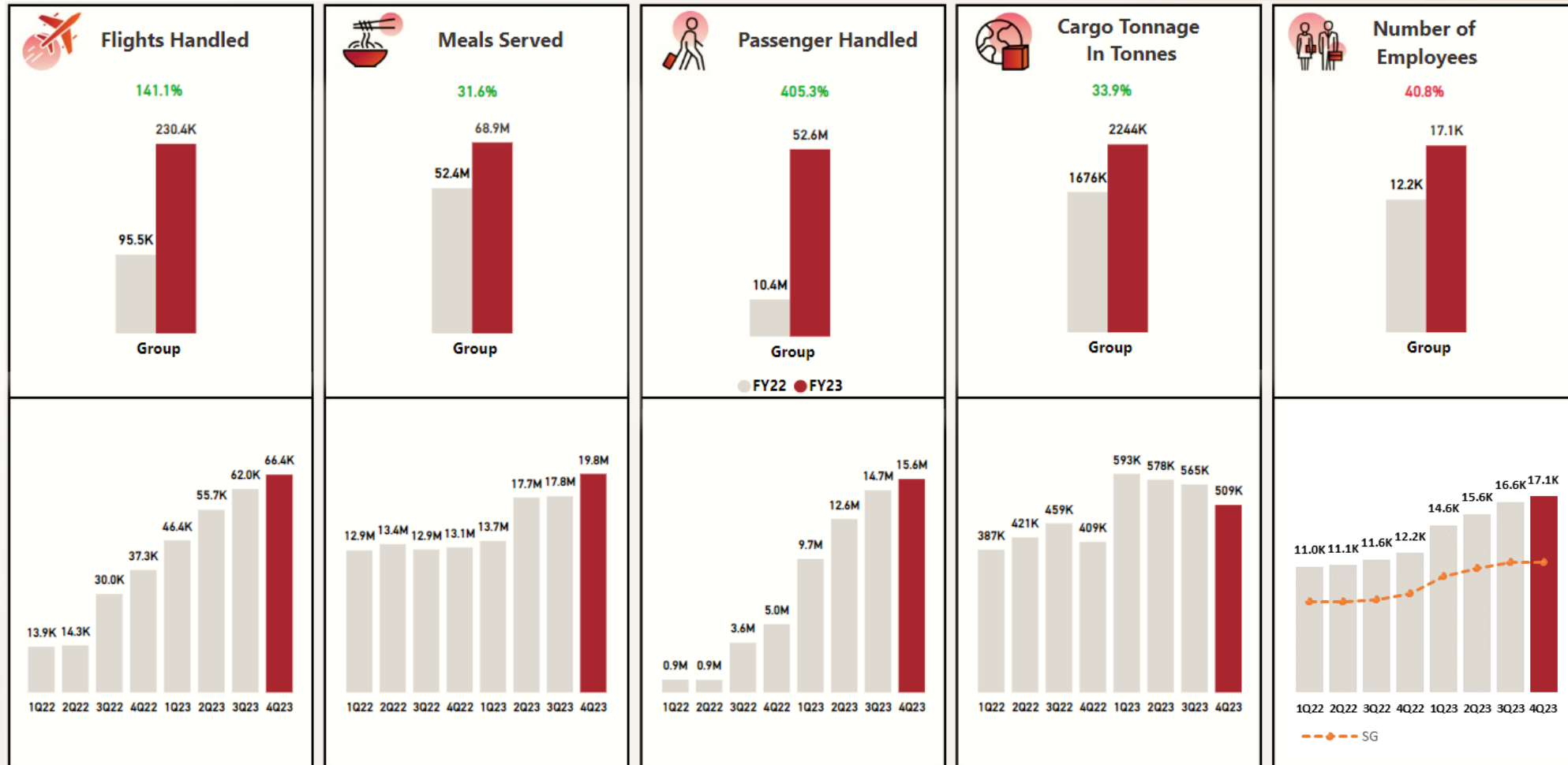
sats





Sustained travel growth through FY23 with further upsides expected in FY24

IATA expects 2023 global traffic (RPK) to reach 88% in 2023 and 100% in 2024 of pre-pandemic levels



■ Prior period ■ Current period

*All statistics refer to Group (SATS and subsidiaries) unless indicated otherwise



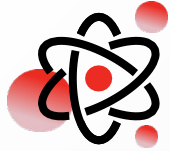
Scaling Sustainably

THEMES

GOALS

PROGRESS AS OF FY 23

UN SDGs



DEVELOP SMART INFRASTRUCTURE

Convert 100% of ground support equipment in Singapore hub to cleaner energy sources by 2030¹.

Reduce Singapore-based Scope 1 and 2 carbon footprint by 50% by 2030 from FY20 baseline.

8.8% lower than FY20 baseline for SATS Group carbon emissions

38% GSE electrification for Singapore Hub



REDUCE FOOD AND PACKAGING WASTE

Halve food waste intensity in Singapore operations from 2021 baseline (4.1%) by 2028.

Introduce 100% sustainable food packaging by 2030.

44% improvement on food waste intensity from FY21 baseline



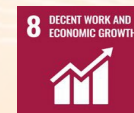
NUTURE SKILLS FOR THE FUTURE

Increase average value-add per employee (VAPE) across all subsidiaries by 50% by 2030 from FY21 baseline.

Touch a million lives by sharing our expertise with the communities in which we operate, by 2030 from FY19 baseline.

>50% improvement of VAPE from FY21 baseline

44% of overall target of lives touched

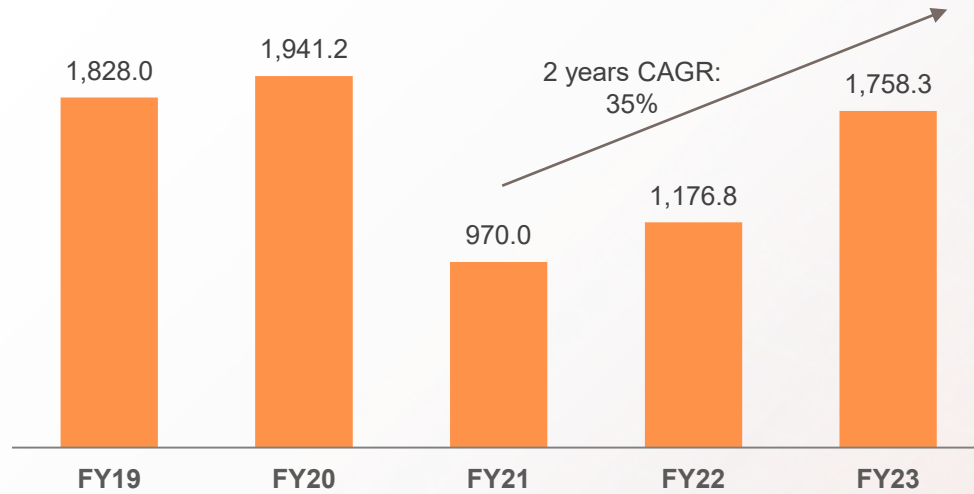


¹ SATS will be reviewing the cleaner energy vehicle goal this year given that our global footprint has expanded with the integration of WFS and a re-baselining will need to be conducted before we refresh our goals in alignment with our ecosystem stakeholders.

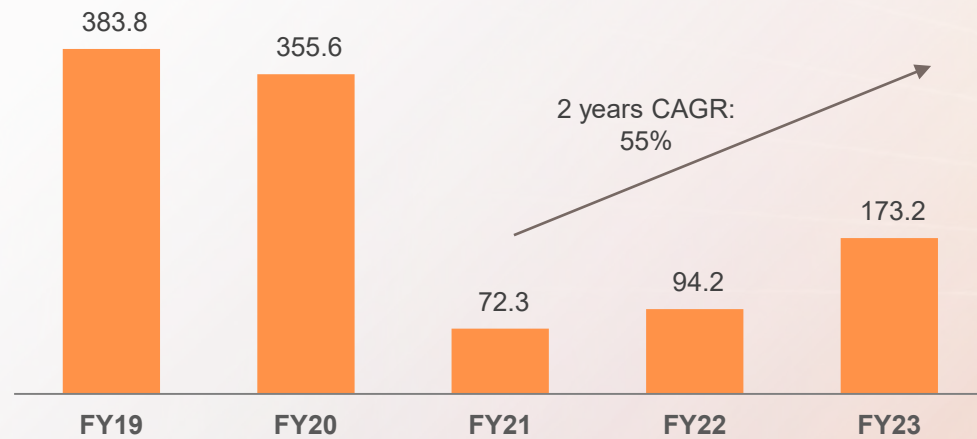


Improving Financials (YoY)

REVENUE (S\$'M)

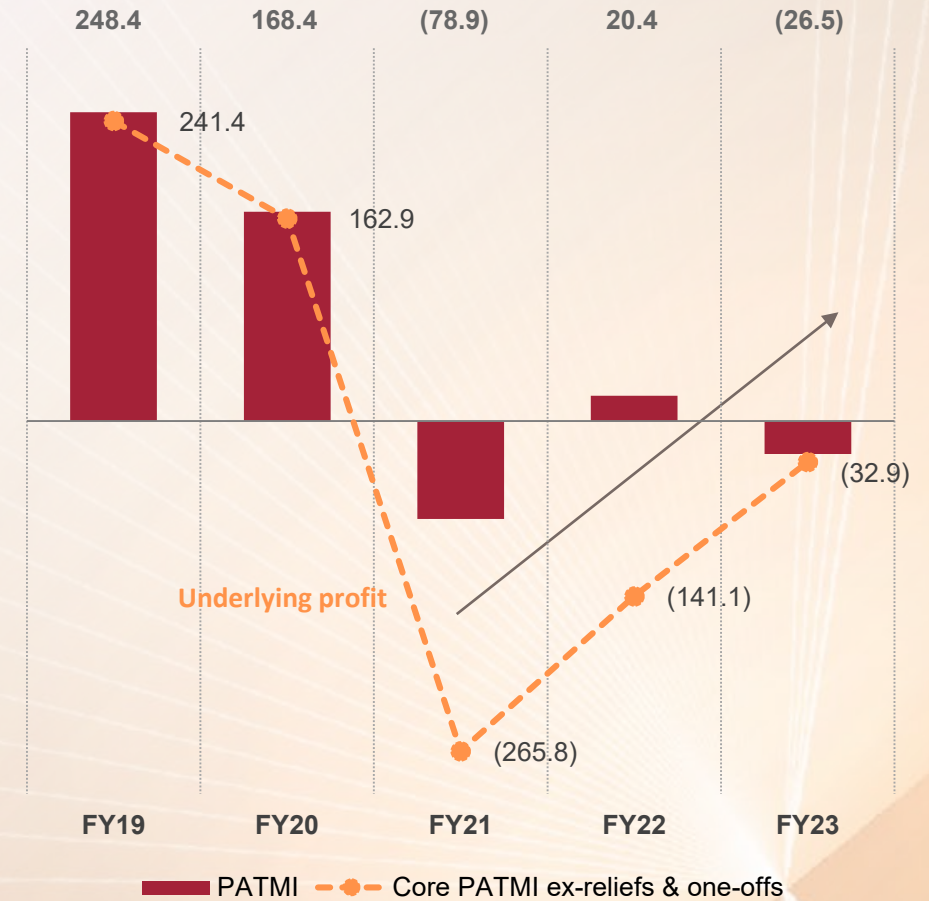


EBITDA (S\$'M)



*Earnings before interest, taxes, depreciation and amortization, inclusive of SoAJV

PATMI (S\$'M)

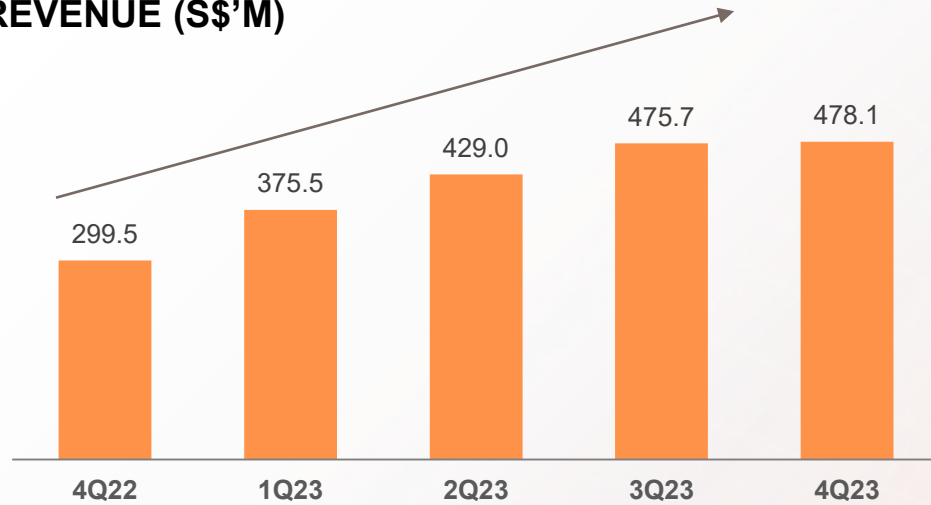


Net Reliefs	—	17.4	241.9	132.6	51.1
One-offs	7.0	(11.9)	(55.0)	28.9	(44.7)

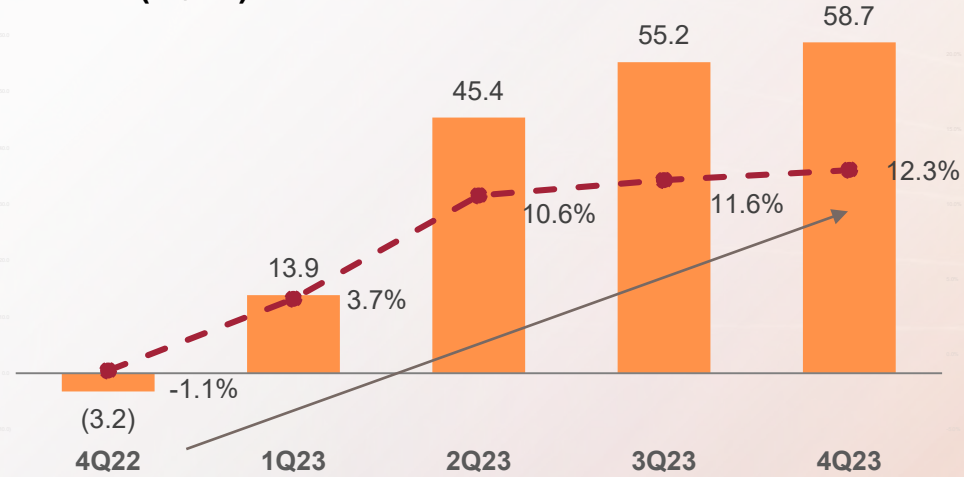


Improving Financials (QoQ)

REVENUE (S\$'M)

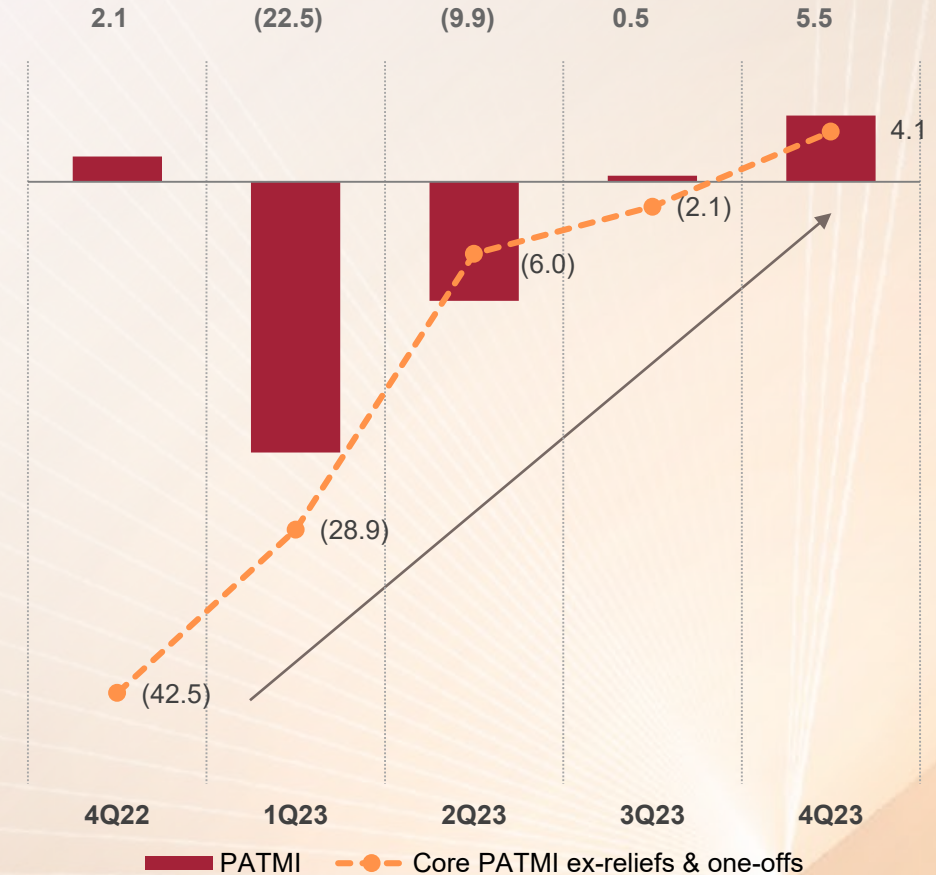


EBITDA (S\$'M)



*Earnings before interest, taxes, depreciation and amortization, inclusive of SoAJV

PATMI (S\$'M)



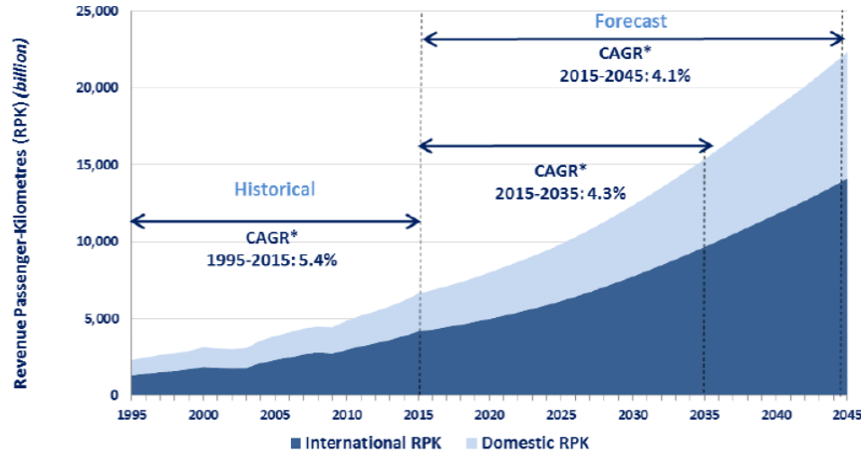
Net Reliefs	15.7	9.4	9.8	14.2	17.7
One-offs	28.9	(3.0)	(13.7)	(11.7)	(16.3)

An aerial photograph of Singapore at sunset. The sun is low on the horizon, casting a golden glow over the city and the water. The Marina Bay Sands hotel is prominent in the center, with its three towers and skybridge. To the left, the Singapore Flyer is visible. In the foreground, the Esplanade - Theatres on the Bay is seen. The sky is filled with soft, golden light, and the water reflects the sun. The text "SEIZING OPPORTUNITIES: RESTORING PROFITABILITY AND POSITIONING FOR GROWTH" is overlaid in white, bold, sans-serif font in the upper right quadrant.

**SEIZING OPPORTUNITIES:
RESTORING PROFITABILITY AND
POSITIONING FOR GROWTH**

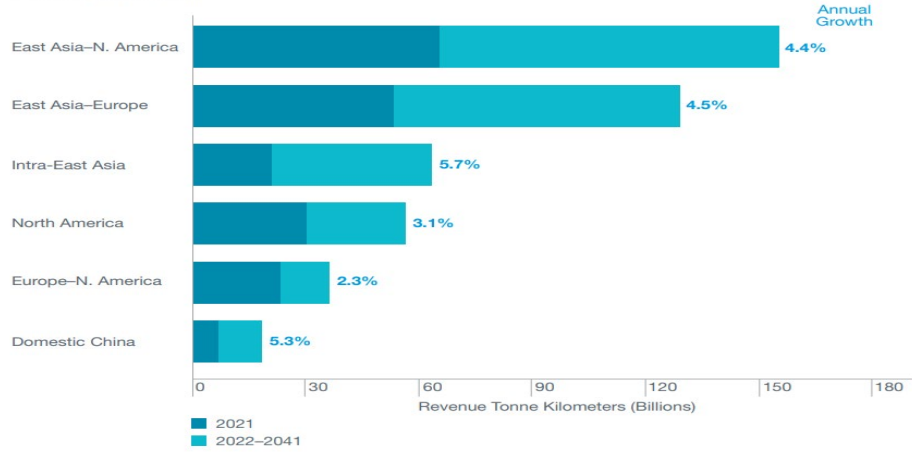


Aviation Industry Set for Sustained Growth



Source: ICAO

Top Air Cargo Traffic Flows Forecast (~70% of Global Traffic)



Source: Boeing

Near term:

- IATA expects 2023 **global passenger traffic** to reach 88% and 100% of pre-pandemic levels in 2023 and 2024 respectively.
- IATA expects global air cargo traffic to narrow to 4% in 2023, versus 8% in 2022 as recovery momentum continues.

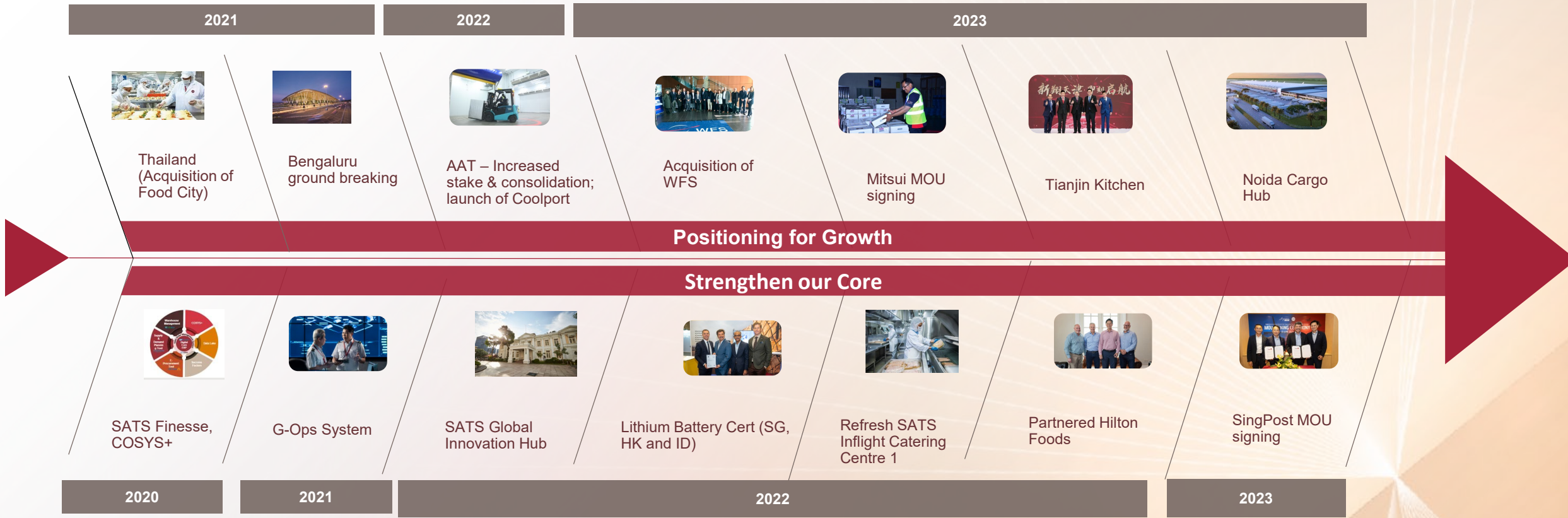
Long-term:

- ICAO expects **global passenger traffic to grow** at CAGR of 4.3% (2015-2035).
- Boeing estimates **global air cargo traffic to grow** at 4.1% CAGR (2022- 2041) with intra-east Asia traffic to grow at CAGR of 5.7%.



Executing Twin-Engine Growth Strategy

SATS is positioning for growth and strengthening our core pursuing industry leadership in international markets.



Cost and Yield Management Through Operational Excellence



Driving productivity to improve operating margins:

- Driving productivity as a service driven industry with staff cost forming 56% of OPEX.
- Leveraging technology and innovative solutions to deliver and maintain quality of service.
- Harnessing new digital ground operating system, G-Ops. across network.



Achieving scale benefits through centralised production

- Relaunched Singapore SATS Inflight Catering Centre 1 with ramped up capacity.
- Launched Tianjin Kitchen with IoT capability to serve ready-to-eat market in China.
- Increasing capacity in SATS' factory in Thailand.



Improving yield through gain sharing and right pricing:

- Tackling inflationary cost pressures by pricing re-adjustments with some contract adjustments including terminal charges.

Enhancing Free Cash Flow



Achieve sustainable and recurring savings to reduce leverage:

- Refinanced WFS' 3 series of Senior Secured Notes due 2027 - annual savings of S\$40m in interest costs.
- Ongoing Treasury management to reduce cost of borrowings.
- Proactive monitoring of investments to ensure investment returns are optimised.



Managing Cash and Optimising Debt Levels

Cash Reserves

S\$374M (Last year: S\$786M)

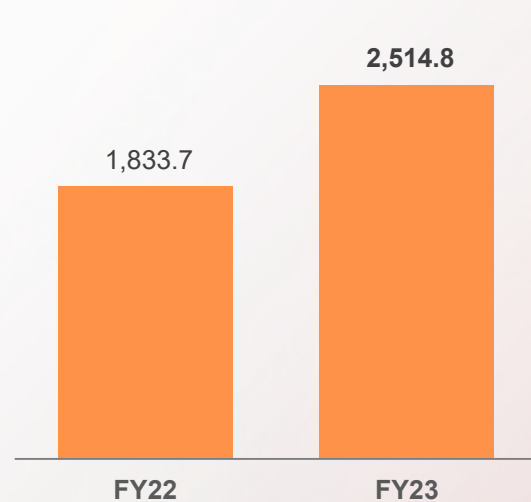
Decline in cash mainly due to acquisition of WFS.

Debt-Equity Ratio

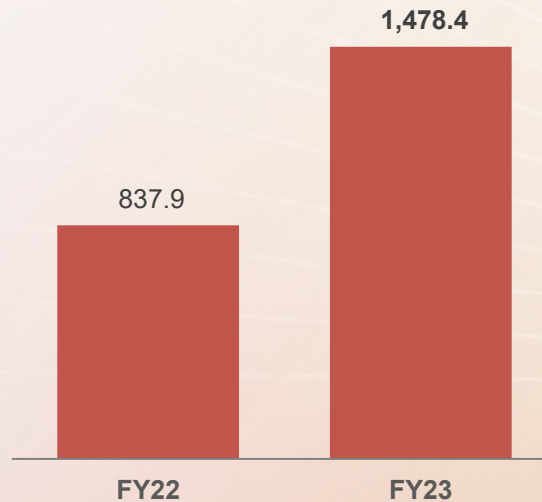
0.59 (Last year: 0.46)

Debt raised €500M, and Rights raised S\$784M.

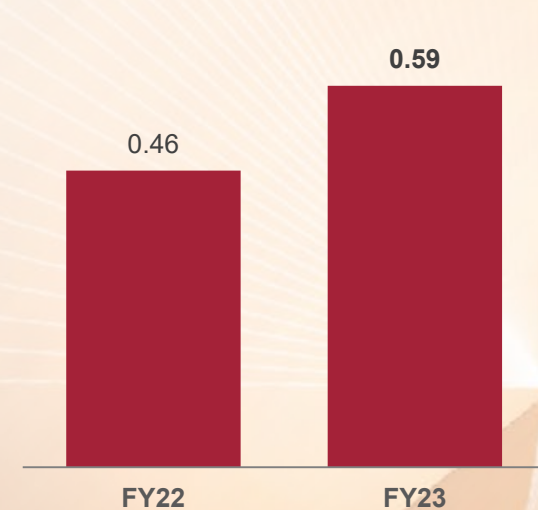
EQUITY (S\$'M)



DEBT (S\$'M)



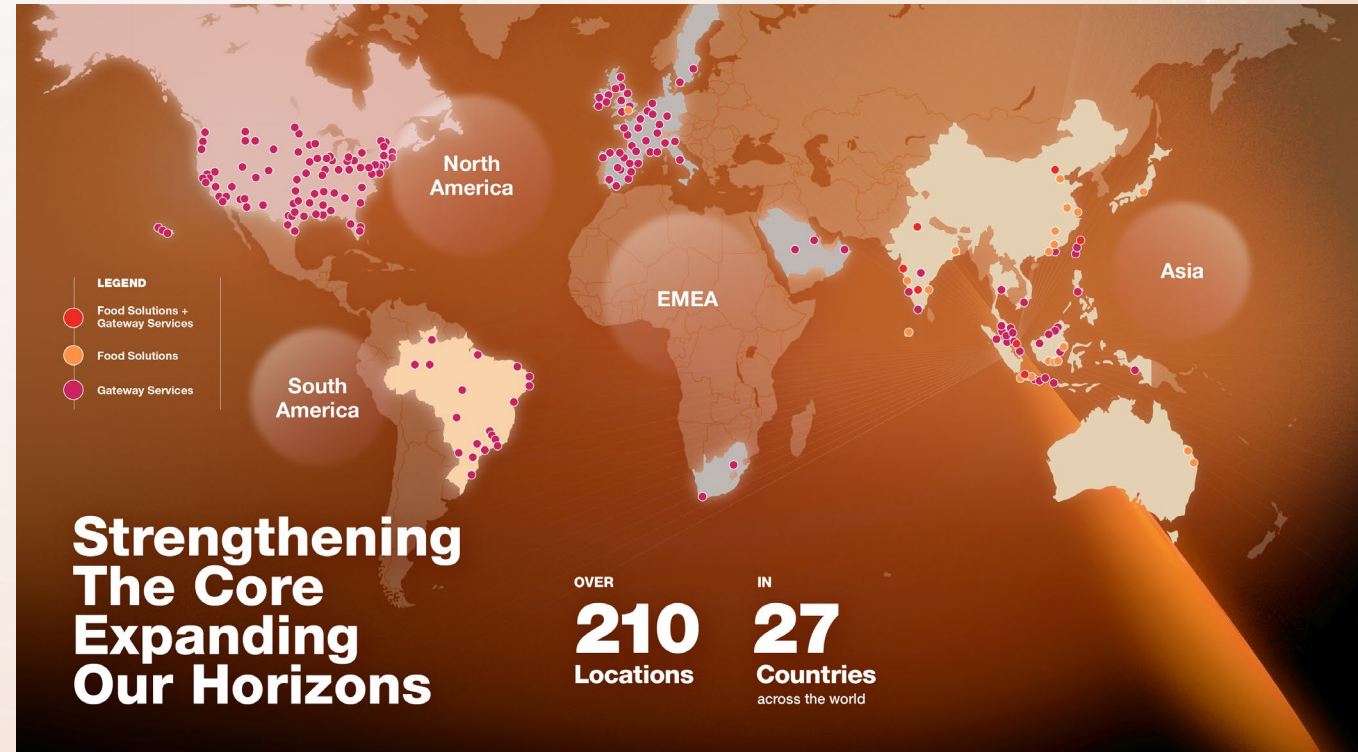
DEBT-EQUITY RATIO



Driving Synergies of the Expanded Gateway Services Network

- Cross-sell and develop new value-added & end-to-end solutions for our customers
- Gain efficiencies in global procurement, automation and digitalisation
- Leverage network to enhance global eCommerce cargo partnerships
- Reinforce downstream cargo logistics business across geographies

Expanded gateway services network to achieve potential incremental EBITDA in excess of S\$100M within 5 Years



SATS is poised for a New Era of Growth

- WFS has transformed SATS from a Singapore-centric company to a global gateway services provider serving customers in more than 210 locations in 27 countries.
- The enlarged SATS Group is now more resilient and has another pathway to growth.
- We have now a distinctive platform to scale our business, develop our people, and grow our profitability, aligning well with our purpose to feed and connect communities.
- Our gateway services business enables global trade while our food solutions business ensures food security, keeping SATS relevant on the global stage.
- Priority is to restore profitability and create long-term value for our stakeholders.



Thank you

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