UNAUDITED RESULTS FOR HALF YEAR ENDED 30 SEPTEMBER 2023

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT
For the half year ended 30 September 2023 (in $ million)

	Notes	GROUP	
		1st Half	
		2023-24	2022-23
Revenue	3	2,480.6	804.5
Expenditure			
Staff costs		(1,442.9)	(426.7)
Cost of raw materials		(178.6)	(157.7)
Licence fees		(44.9)	(18.2)
Depreciation and amortisation charges		(276.9)	(84.0)
Company premise and utilities expenses		(120.3)	(54.2)
Other costs		(341.3)	(106.0)
		(2,404.9)	(846.8)
Operating profit/(loss)		75.7	(42.3)
Interest on borrowings		(120.0)	(10.7)
Interest income		6.0	3.1
Share of results of associates/joint ventures, net of tax		44.4	17.6
Other non-operating gain/(loss), net		2.3	(15.9)
Profit/(loss) before tax	2	8.4	(48.2)
Income tax (expense)/credit	4	(17.4)	7.6
Loss for the period		(9.0)	(40.6)
Loss attributable to:			
Owners of the Company		(7.8)	(32.5)
Non-controlling interests		(1.2)	(8.1)
		(9.0)	(40.6)
Loss per share (cents)			
Basic	5	(0.5)	(2.4)
Diluted	5	(0.5)	(2.4)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the half year ended 30 September 2023 (in $ million)

	GROUP	
	1st Half	
	2023-24	2022-23
Loss for the period	(9.0)	(40.6)
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Actuarial (loss)/ gain on defined benefit plan	(0.4)	0.1
Items that are or may be reclassified subsequently to profit or loss:		
Net fair value changes on financial assets	–	(0.3)
Foreign currency translation differences	(6.4)	(1.2)
Other comprehensive income for the period, net of tax	(6.8)	(1.4)
Total comprehensive income for the period	(15.8)	(42.0)
Total comprehensive income attributable to:		
Owners of the Company	(13.4)	(35.2)
Non-controlling interests	(2.4)	(6.8)
Total comprehensive income for the period	(15.8)	(42.0)

1(b) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

CONDENSED STATEMENTS OF FINANCIAL POSITION
As at 30 September 2023 (in $ million)

	Notes	GROUP		COMPANY	
		30.9.2023	**31.3.2023**	**30.9.2023**	**31.3.2023**
Equity attributable to owners of the Company					
Share capital	12	1,162.0	1,153.5	1,162.0	1,153.5
Treasury shares	12	(0.4)	(0.9)	(0.4)	(0.9)
Share-based compensation reserve	12	2.9	5.2	2.9	5.2
Foreign currency translation reserve		(166.2)	(168.5)	–	–
Revenue reserve		1,333.8	1,342.6	1,445.1	1,424.2
Other reserves*		(4.0)	1.7	(20.1)	(26.3)
		2,328.1	2,333.6	2,589.5	2,555.7
Non-controlling interests		191.7	181.2	–	–
Total equity		2,519.8	2,514.8	2,589.5	2,555.7
Non-current assets					
Property, plant and equipment	8	789.7	579.2	12.6	13.0
Right-of-use assets		1,360.4	321.0	77.4	79.6
Investment properties		–	–	121.1	131.6
Intangible assets		3,510.7	527.1	26.7	28.2
Investment in subsidiaries		–	–	2,211.0	934.5
Investment in associates		394.2	377.9	213.9	213.9
Investment in joint ventures		415.2	66.4	24.6	12.0
Long-term investment		14.5	14.3	6.1	6.1
Loan to subsidiaries		–	–	942.0	350.0
Loan to associates/joint ventures		1.3	–	0.8	–
Deferred tax assets		94.7	55.6	–	–
Other non-current assets		54.9	9.4	–	–
		6,635.6	1,950.9	3,636.2	1,768.9
Current assets					
Trade and other receivables		1,144.7	481.0	240.1	2,075.8
Prepayments and deposits		80.8	20.6	6.3	5.8
Amounts due from associates/joint ventures		6.6	2.0	1.8	0.9
Loan to associates		2.2	2.1	2.2	2.1
Loan to subsidiaries		–	–	106.0	77.1
Inventories		71.7	68.7	0.5	0.8
Cash and cash equivalents		515.9	374.4	131.5	181.4
Deposits with notary		–	1,774.0	–	–
		1,821.9	2,722.8	488.4	2,343.9
Current liabilities					
Trade and other payables		1,281.2	522.4	69.5	171.1
Amounts due to associates/joint ventures		11.5	11.6	0.3	–
Income tax payable		50.8	18.3	9.9	9.0
Notes and borrowings	11	130.5	13.0	97.9	163.0
Loan from subsidiaries		–	–	152.1	–
Lease liabilities	11	261.7	41.1	3.1	3.6
		1,735.7	606.4	332.8	346.7
Net current assets		86.2	2,116.4	155.6	1,997.2
Non-current liabilities					
Deferred tax liabilities		251.3	88.3	25.2	25.9
Notes and borrowings	11	2,648.3	1,133.5	1,093.4	1,101.3
Lease liabilities	11	1,132.8	290.8	78.8	78.6
Other non-current payables		169.6	39.9	4.9	4.6
		4,202.0	1,552.5	1,202.3	1,210.4
Net assets		2,519.8	2,514.8	2,589.5	2,555.7

* Other reserves consist of statutory reserve, gain/(loss) on reissuance of treasury shares, capital reserve and fair value reserve.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the half year ended 30 September 2023 (in $ million)

	Notes	GROUP	
		1st Half	
		2023-24	2022-23
Cash flows from operating activities			
Profit/(Loss) before tax		8.4	(48.2)
Adjustments for:			
Interest expense, net		114.0	7.6
Depreciation and amortisation charges		276.9	84.0
Unrealised foreign exchange gain		(30.3)	(0.1)
Share of results of associates/joint ventures, net of tax		(44.4)	(17.6)
Loss/(gain) on disposal of property, plant and equipment		1.3	(0.7)
Share-based payment expense		7.6	6.1
Gain from sale of an associate		–	(1.9)
Write back for doubtful debts		(2.0)	–
Other non-cash items		(2.5)	0.4
Operating cash flows before working capital changes		329.0	29.6
Changes in working capital:			
Increase in receivables		(183.6)	(86.4)
Increase in prepayments and deposits		(17.0)	(5.3)
Decrease in inventories		2.4	0.4
Increase in payables		12.6	47.2
(Increase)/decrease in amounts due from associates/joint ventures, net		9.1	(2.4)
Cash generated from operations		152.5	(16.9)
Interest paid to third parties		(61.2)	(10.7)
Income taxes (paid)/refund		(15.8)	0.9
Net cash from/(used in) operating activities		75.5	(26.7)
Cash flows from investing activities			
Capital expenditure		(96.2)	(60.7)
Dividends from associates/joint ventures		20.4	13.9
Proceeds from disposal of property, plant and equipment		1.3	2.6
Proceeds from disposal of interest in associate		–	3.1
Investment in subsidiaries, net of cash acquired	10	139.1	–
Investment in joint venture		(12.7)	(0.1)
Interest received from deposits		5.7	3.0
Net cash from/(used in) investing activities		57.6	(38.2)
Cash flows from financing activities			
Repayments of borrowings		(91.0)	–
Repayments of lease liabilities		(190.7)	(31.7)
Proceeds from borrowings		1,659.1	16.1
Redemption of bond		(1,357.8)	–
Capital contribution from non-controlling interest		0.5	–
Dividends paid to non-controlling interest		(4.0)	(18.6)
Net cash from/(used in) financing activities		16.1	(34.2)
Net increase/(decrease) in cash and cash equivalents		149.2	(99.1)
Effect of exchange rate changes		(7.7)	2.4
Cash and cash equivalents at beginning of financial period		374.4	786.0
Cash and cash equivalents at end of financial period		515.9	689.3

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONDENSED STATEMENTS OF CHANGES IN EQUITY
For the half year ended 30 September 2023 (in $ million)

	Attributable to owners of the Company											
GROUP	Share Capital	Treasury Shares	Share-Based Compensation Reserve	Statutory Reserve*	Foreign Currency Translation Reserve	Revenue Reserve	Capital Reserve	Loss on Reissuance of Treasury Shares	Fair Value Reserve	Total	Non-controlling Interests	Total Equity
Balance at 1 April 2023	1,153.5	(0.9)	5.2	14.0	(168.5)	1,342.6	1.2	(26.3)	12.8	2,333.6	181.2	2,514.8
Loss for the period	–	–	–	–	–	(7.8)	–	–	–	(7.8)	(1.2)	(9.0)
Other comprehensive income for the period	–	–	–	–	2.3	(0.4)	(0.1)	–	(7.4)	(5.6)	(1.2)	(6.8)
Total comprehensive income for the period	–	–	–	–	2.3	(8.2)	(0.1)	–	(7.4)	(13.4)	(2.4)	(15.8)
Contributions by and distributions to owners												
Share-based payment	–	–	7.6	–	–	–	–	–	–	7.6	–	7.6
Treasury shares transferred on payment of Directors' remuneration	–	0.5	–	–	–	–	–	(0.2)	–	0.3	–	0.3
New shares issued pursuant to equity compensation plans	8.5	–	(9.9)	–	–	–	–	1.4	–	–	–	–
Total contributions by and distributions to owners	8.5	0.5	(2.3)	–	–	–	–	1.2	–	7.9	–	7.9
Others												
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	(4.0)	(4.0)
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	–	–	–	0.5	0.5
Acquisition of shares in subsidiary	–	–	–	–	–	–	–	–	–	–	16.4	16.4
Transfer to statutory reserve	–	–	–	0.6	–	(0.6)	–	–	–	–	–	–
Balance at 30 September 2023	1,162.0	(0.4)	2.9	14.6	(166.2)	1,333.8	1.1	(25.1)	5.4	2,328.1	191.7	2,519.8

* Certain countries in which some of the associates and subsidiaries are incorporated legally require statutory reserves to be set aside. The laws of the countries restrict the distribution and use of these statutory reserves.

CONDENSED STATEMENTS OF CHANGES IN EQUITY (cont'd)
For the half year ended 30 September 2023 (in $ million)

	Attributable to owners of the Company											
GROUP	Share Capital	Treasury Shares	Share-Based Compensation Reserve	Statutory Reserve*	Foreign Currency Translation Reserve	Revenue Reserve	Capital Reserve	Loss on Reissuance of Treasury Shares	Fair Value Reserve	Total	Non-controlling Interests	Total Equity
Balance at 1 April 2022	367.9	(8.5)	4.9	13.5	(119.5)	1,368.8	1.1	(26.4)	0.8	1,602.6	231.1	1,833.7
Loss for the period	–	–	–	–	–	(32.5)	–	–	–	(32.5)	(8.1)	(40.6)
Other comprehensive income for the period	–	–	–	–	(2.5)	0.1	–	–	(0.3)	(2.7)	1.3	(1.4)
Total comprehensive income for the period	–	–	–	–	(2.5)	(32.4)	–	–	(0.3)	(35.2)	(6.8)	(42.0)
Contributions by and distributions to owners												
Share-based payment	–	–	6.1	–	–	–	–	–	–	6.1	–	6.1
Treasury shares reissued pursuant to equity compensation plans	–	7.6	(7.3)	–	–	–	–	0.1	–	0.4	–	0.4
New shares issued pursuant to equity compensation plans	1.3	–	(1.3)	–	–	–	–	–	–	–	–	–
Total contributions by and distributions to owners	1.3	7.6	(2.5)	–	–	–	–	–	–	6.5	–	6.5
Others												
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	(18.6)	(18.6)
Transfer to statutory reserve	–	–	–	0.4	–	(0.4)	–	–	–	–	–	–
Balance at 30 September 2022	369.2	(0.9)	2.4	13.9	(122.0)	1,336.0	1.1	(26.3)	0.5	1,573.9	205.7	1,779.6

* Certain countries in which some of the associates and subsidiaries are incorporated legally require statutory reserves to be set aside. The laws of the countries restrict the distribution and use of these statutory reserves.

CONDENSED STATEMENTS OF CHANGES IN EQUITY (cont'd)
For the half year ended 30 September 2022 (in $ million)

COMPANY	Share Capital	Treasury Shares	Share-Based Compensation Reserve	Revenue Reserve	Loss on Reissuance of Treasury Shares	Fair Value Reserve	Total Equity
Balance at 1 April 2023	1,153.5	(0.9)	5.2	1,424.2	(26.3)	–	2,555.7
Profit for the period	–	–	–	20.9	–	–	20.9
Other comprehensive income for the period	–	–	–	–	–	5.0	5.0
Total comprehensive income for the period	–	–	–	20.9	–	5.0	25.9
Contributions by and distributions to owners							
Share-based payment	–	–	7.6	–	–	–	7.6
Treasury shares transferred on payment of Directors' remuneration	–	0.5	–	–	(0.2)	–	0.3
New shares issued pursuant to equity compensation plans	8.5	–	(9.9)	–	1.4	–	–
Total contributions by and distributions to owners	8.5	0.5	(2.3)	–	1.2	–	7.9
Balance at 30 September 2023	1,162.0	(0.4)	2.9	1,445.1	(25.1)	5.0	2,589.5
Balance at 1 April 2022	367.9	(8.5)	4.9	1,345.1	(26.4)	–	1,683.0
Profit for the period	–	–	–	32.0	–	–	32.0
Total comprehensive income for the period	–	–	–	32.0	–	–	32.0
Contributions by and distributions to owners							
Share-based payment	–	–	6.1	–	–	–	6.1
Treasury shares reissued pursuant to equity compensation plans	–	7.6	(7.3)	–	0.1	–	0.4
New shares issued pursuant to equity compensation plans	1.3	–	(1.3)	–	–	–	–
Total contributions by and distributions to owners	1.3	7.6	(2.5)	–	0.1	–	6.5
Balance at 30 September 2022	369.2	(0.9)	2.4	1,377.1	(26.3)	–	1,721.5

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the half year ended 30 September 2023 (in $ million)

1. Significant Accounting Polices

1.1 Corporate Information

SATS Ltd. (the “Company” or “SATS”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”). These consolidated financial statements as at and for the six months ended 30 September 2023 comprise the Company and its subsidiaries (collectively, the “Group”).

The registered office and principal place of business of the Company is located at 20 Airport Boulevard, SATS Inflight Catering Centre 1, Singapore 819659.

The Company is principally an investment holding company. Its other activities include rental of premises and provision of management services to related companies.

1.2 Basis of Preparation

The condensed interim financial statements for the half year ended 30 September 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) 1-34 *Interim Financial Reporting*. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 March 2023.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 March 2023 except for the adoption of Singapore Financial Reporting Standards (International) (“SFRS(I)”) that are mandatory for financial year beginning on or after 1 April 2023. The adoption of these SFRS(I) has no significant impact on the financial statements.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

1.3 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

1.4 Seasonal Operation

The Group’s businesses are not affected significantly by seasonal or cyclical factors during the financial period.

2. Loss before tax (in $ million)

Loss before tax for the period is arrived at after crediting/(charging) the following items:

	Group 1st Half 2023-24	2022-23
Foreign exchange gain, net	10.3	2.4
Write-back of doubtful debts	2.0	–
Write-back/(Write-off) for stock obsolescence, net	0.5	(0.4)
(Loss)/gain on disposal of property, plant and equipment	(0.8)	0.7
Over provision of taxation in respect of prior years	2.2	2.0
Government grants	2.3	22.8

3. Segment Reporting

For management purposes, the Group's operating businesses are organised and managed according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and services. The business of Worldwide Flight Services ("WFS"), a subsidiary acquired in April 2023, falls within the Gateway Services segment with no change to SATS' existing business segments.

The Group has three reportable operating segments as follows:

- The Food Solutions segment provides mainly inflight and institutional catering, food processing, distribution services and airline laundry services.

- The Gateway Services segment provides both airport and cruise terminal services and trucking services. The airport terminal services include airfreight handling services, passenger services, aviation security services, baggage handling services and apron services to the Group's airline customers. On the provision of cruise terminal services, the segment manages and operates Marina Bay Cruise Centre in Singapore and Kai Tak Cruise Terminal in Hong Kong. Trucking services are provided in Europe and North America region.

- The Others segment provides rental of premises and other services.

BY BUSINESS (in $ million)

	Food Solutions	Gateway Services	Others	Total
Half year ended 30 September 2023				
Revenue (external)	516.1	1,964.2	0.3	2,480.6
Operating (loss)/profit	(0.9)	91.3	(14.7)	75.7
Net finance expense	(0.7)	(111.6)	(1.7)	(114.0)
Share of results of associates/joint ventures, net of tax	13.6	30.8	–	44.4
Other non-operating income/(expense)	0.2	(0.6)	2.7	2.3
Profit/(Loss) before tax	12.2	9.9	(13.7)	8.4
Income tax (expense)/credit	(7.9)	(10.9)	1.4	(17.4)
Profit/(Loss) for the period	4.3	(1.0)	(12.3)	(9.0)

3. Segment Reporting (cont'd)

BY BUSINESS (in $ million) (cont'd)

	Food Solutions	Gateway Services	Others	Total
As at 30 September 2023				
Segment assets	440.6	1,274.8	177.2	1,892.6
Property, plant & equipment and right-of-use assets	361.4	1,674.8	113.9	2,150.1
Associates/joint ventures	165.2	644.2	–	809.4
Deferred tax assets	39.2	55.5	–	94.7
Intangible assets	195.3	3,301.1	14.3	3,510.7
Total assets	1,201.7	6,950.4	305.4	8,457.5
Current liabilities	264.3	1,307.9	112.7	1,684.9
Long-term liabilities	136.7	2,636.2	1,177.8	3,950.7
Tax liabilities	24.0	243.2	34.9	302.1
Total liabilities	425.0	4,187.3	1,325.4	5,937.7
Capital expenditure	34.3	94.8	3.3	132.4
Depreciation and amortisation charges	25.7	236.4	14.8	276.9

	Food Solutions	Gateway Services	Others	Total
Half year ended 30 September 2022				
Revenue (external)	402.6	401.9	–	804.5
Operating (loss)/profit	(24.5)	(20.6)	2.8	(42.3)
Net finance expense	(2.1)	(3.2)	(2.3)	(7.6)
Share of results of associates/joint ventures, net of tax	(1.6)	19.1	0.1	17.6
Other non-operating income/(expense)	2.9	(0.7)	(18.1)	(15.9)
Loss before tax	(25.3)	(5.4)	(17.5)	(48.2)
Income tax credit/(expense)	4.4	4.1	(0.9)	7.6
Loss for the period	(20.9)	(1.3)	(18.4)	(40.6)

	Food Solutions	Gateway Services	Others	Total
As at 31 March 2023				
Segment assets	429.2	339.3	1,978.0	2,746.5
Property, plant & equipment and right-of-use assets	337.9	431.2	131.1	900.2
Associates/joint ventures	152.4	291.9	–	444.3
Deferred tax assets	40.8	14.5	0.3	55.6
Intangible assets	199.0	299.9	28.2	527.1
Total assets	1,159.3	1,376.8	2,137.6	4,673.7
Current liabilities	264.4	260.6	63.1	588.1
Long-term liabilities	134.5	144.3	1,185.4	1,464.2
Tax liabilities	18.1	53.6	34.9	106.6
Total liabilities	417.0	458.5	1,283.4	2,158.9
Capital expenditure	67.4	45.9	10.9	124.2
Depreciation and amortisation charges	39.9	117.0	18.9	175.8

3. Segment Reporting (cont'd)

BY GEOGRAPHICAL LOCATION (in $ million)

In the last annual financial statements, SATS classified its geographic presence by segmenting it into Singapore, Japan, and others. Following the acquisition of Worldwide Flight Services ("WFS"), SATS expanded its global network to over 200 locations in more than 20 countries. As a result, SATS has redefined its geographical segments into Singapore, Asia (excluding Singapore), EMEA (Europe, Middle East and Africa), Americas (North America and South America),) and others to reflect this expanded global presence.

Revenue, total assets and capital expenditure information based on the geographical location of the subsidiaries deriving the revenue and owning the assets respectively are as follows:

	Singapore	Asia*	EMEA	Americas	Others	Total
Half year ended 30 September 2023						
Revenue	822.4	223.9	503.3	920.8	10.2	2,480.6
As at 30 September 2023						
Segment assets	821.2	235.1	1,273.4	(437.1)	–	1,892.6
Property, plant & equipment and right-of-use assets	369.9	554.7	623.8	601.7	–	2,150.1
Associates/joint ventures	24.2	453.2	332.0	–	–	809.4
Deferred tax assets	7.9	44.5	38.1	4.2	–	94.7
Intangible assets	169.1	367.1	1,240.8	1,733.7	–	3,510.7
Total assets	1,392.3	1,654.6	3,508.1	1,902.5	–	8,457.5
Capital expenditure	24.5	74.6	12.2	21.1	–	132.4
Half year ended 30 September 2022						
Revenue	642.7	137.9	15.0	–	8.9	804.5
As at 31 March 2023						
Segment assets	2,658.5	(36.8)	108.5	–	16.3	2,746.5
Property, plant & equipment, right-of-use assets	379.5	444.0	76.6	–	0.1	900.2
Associates/joint ventures	24.2	420.1	–	–	–	444.3
Deferred tax assets	9.3	44.8	1.4	–	0.1	55.6
Intangible assets	183.3	330.5	13.3	–	–	527.1
Total assets	3,254.8	1,202.6	199.8	–	16.5	4,673.7
Capital expenditure	42.0	58.3	23.9	–	–	124.2

* Asia (excluding Singapore)

4. Income tax (expense)/credit (in $ million)

	Group	
	1st Half	
	2023-24	2022-23
Current income tax:		
Current year tax expense	(35.5)	(3.1)
Over provision in respect of prior year tax expense	2.2	2.0
	(33.3)	(1.1)
Deferred income tax:		
Current year tax credit	15.9	8.7
	(17.4)	7.6

5. Loss per share

	Group	
	1st Half	
	2023-24 $ million	2022-23 $ million
Loss attributable to owners of the Company	(7.8)	(32.5)

(in thousand)	30.09.2023	30.09.2022
Weighted average number of ordinary shares in issue used for computing basic earnings per share	1,487,296	1,336,224
Adjustment for share based compensation	3,319	4,574
Weighted average number of ordinary shares in issue used for computing diluted earnings per share	1,490,615	1,340,798

	2023-24	2022-23
Loss per share (cents)		
Basic	(0.5)	(2.4)
Diluted	(0.5)	(2.4)

With the issuance of 363.1 million rights shares in March 2023, the comparative figures for the half year ended 30 September 2022 are restated per SFRS(I) 1-33 *Earnings Per Share* through retrospective application of a bonus factor to the average weighted number of shares. The bonus factor is derived from the division of fair value per share immediately before exercise of rights by the theoretical ex-rights fair value.

6. Net asset value per share

	Group		Company	
	30.09.2023	31.03.2023	30.09.2023	31.03.2023
Net asset value per ordinary share (cents)	156.2	156.9	173.7	171.8

7. Related party transaction

For the 6 months ended 30 September 2023, the Group has made $415.1 million (2022: $315.7 million) of sales and $23.9 million (2022: $17.0 million) of purchases with related parties of the Group.

8. Property, plant and equipment

During the 6 months ended 30 September 2023, the Group acquired assets amounting to $94.7 million (30 September 2022: $50.9 million) and disposed of assets amounting to $2.6 million (30 September 2022: $1.9 million).

9. Capital and other commitments

The Group has commitments for capital expenditure amounting to $145.7 million in aggregate (as at March 2023: $249.8 million). These commitments are not at prices in excess of current market prices.

10. Acquisition of 100% of the shares in WFS Global Holdings SAS (“WFS”)

On 28 September 2022, the Company signed a sale and purchase agreement (“SPA”) to acquire 100% of the shares of Neptune Holdings 1 B.V. (formerly known as Promontoria Holding 243 B.V.), which owns 100% of the shares of global air cargo logistics provider, WFS. The approval of SATS’s shareholders for the acquisition was obtained in January 2023, followed by the satisfaction of regulatory conditions in accordance with the SPA in February 2023.

As at 31 March 2023, the Company placed a deposit of $1,774 million with the notary in anticipation of the acquisition. This was funded through a combination of rights issue with net proceeds after transaction costs of $784 million and EUR-denominated term loan of $713 million, with the remaining amount funded through SATS’ existing cash balances.

The acquisition was completed on 3 April 2023 with SATS obtaining control over WFS group. The acquisition is part of the Company’s strategy to expand its cargo handling network and accelerate innovation to drive sustainable business growth.

The total purchase consideration for the acquisition of $1,783 million was paid in cash, including an additional consideration of $9 million that was transferred directly from SATS to the seller in April 2023. Management is currently assessing the goodwill, fair value of identifiable assets acquired and liabilities assumed at the acquisition date with an independent valuation.

In the half year ended 30 September 2023, WFS contributed revenue of $1.4 billion and operating profit of $73.0 million (including amortization of intangible assets arising from PPA) to the Group’s results. Management assessed that the consolidated revenue and profit of the Group would not be materially different if the acquisition had occurred on 1 April 2023.

Fair value of identifiable assets acquired and liabilities assumed measured on a provisional basis

The fair value of material assets acquired and liabilities assumed has been determined provisionally. If new information obtained within one year from the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the amounts below or any additional provisions existed at the date of acquisitions, then the accounting for the acquisition will be revised.

10. Acquisition of 100% of the shares in WFS Global Holdings SAS ("WFS") (cont'd)

The provisional fair value of assets acquired and liabilities assumed at the date of acquisition were:

	$ million
Property, plant and equipment	188.1
Right-of-use assets	886.8
Intangible assets	980.1
Investment in joint ventures	332.8
Other non-current assets	68.7
Trade and other receivables	474.4
Other current assets	62.7
Cash and bank balances	148.1
	3,141.7
Other long-term liabilities	(933.5)
Notes and borrowings	(1,548.9)
Trade and other payables	(582.1)
Other current liabilities	(301.3)
	(3,365.8)
Minority Interest	(18.4)
Net identifiable liabilities at fair value	(242.5)
Consideration transferred	1,783.0
Less: Net identifiable liabilities at fair value	242,5
	2,025.5
Less: effect of hedge accounting for projected acquisition	(12.4)
Provisional goodwill arising from acquisition	2,013.1

Trade receivables comprised gross contractual amount of $287.9 million, of which $18.4 million was expected to be uncollectable at the date of acquisition. The carrying value of the trade receivables approximates its fair value.

Other liabilities balance included contingent liabilities that arose from claims and loss-making contracts.

Provisional goodwill arising from acquisition of WFS

The provisional goodwill amounting to $2,013.1 million arose from the acquisition of 100% equity interest in WFS. This was attributable to initiatives that include cross-selling, network expansion and deeper eCommerce cargo partnerships across the SATS Group.

Measurement of fair value on provisional basis

The following fair value have been determined on provisional basis, pending completion of an independent valuation:

Assets acquired	Valuation technique
Customer relationships	Multi-period excess earnings method This method considers the present value of net cash flows expected to be generated by the customer relationships, excluding any cash flows related to contributory assets.

10. Acquisition of 100% of the shares in WFS Global Holdings SAS ("WFS") (cont'd)

Assets acquired	Valuation technique
Trademark	Relief-from-royalty method This method considers the discounted estimated royalty payments that are expected to be avoided as result of the patents or trademarks being owned.
Investment in joint ventures	Discounted cash flow method This method considers the discounted forecast free cash flows to the valuation date using an appropriate rate of return.

Acquisition-related cost

The Group incurred acquisition-related costs of $45.0 million on legal, advisory and due diligence costs. These costs were expensed off in the financial year ended 31 March 2023 as incurred.

11. Aggregate amount of Group's borrowings and debt securities ($ million)

	30.09.2023		31.03.2023	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	280.3	111.9	53.8	0.3
Amount repayable after one year	1,163.5	2,617.6	290.8	1,133.5

Details of any collateral

Included in secured borrowings are current lease liabilities of $261.7 million and non-current lease liabilities of $1,132.8 million, which are secured over the right-of-use assets of $1,360.4 million as well as property, plant and equipment and other assets belonging to a subsidiary in the Group.

12. Share Capital and Treasury Shares

	Number of ordinary shares	
(in thousand)	Issued Shares Capital	Treasury Shares
As at 1 April 2023	1,487,494	198
Treasury shares transferred on payment of Directors' remuneration	–	(98)
Issuance of new shares	3,237	–
As at 30 September 2023	1,490,731	100

As at 30 September 2023, the Company has an issued share capital of 1,490,731,171 ordinary shares (31 March 2023: 1,487,493,961 ordinary shares) of which 99,905 (31 March 2023: 198,305) were held by the Company as treasury shares.

Issuance of New Shares

During the 6 months ended 30 September 2023, 3,237,210 (30 September 2022: 326,200) new shares were issued for the Restricted Share Plan and Performance Share Plan.

12. Share Capital and Treasury Shares (cont'd)

Treasury Shares

During the 6 months ended 30 September 2023, 98,400 (30 September 2022: 1,770,100) treasury shares were reissued pursuant to the equity compensation plans of which NIL (30 September 2022: 1,506,600) for Restricted Share Plan, NIL (30 September 2022: 176,500) for Performance Share Plan and 98,400 (30 September 2022: 87,000) for payment of Directors' remuneration.

Restricted Share Plan ("RSP") and Performance Share Plan ("PSP")

Management employees may qualify for two share-based incentive plans, the RSP and PSP, which were approved by the shareholders of the Company on 19 July 2005. Both share plans which expired on July 2015 were subsequently approved during the 41st Annual General Meeting held on 23 July 2014 for further extension of 10 years to July 2025.

The RSP award is subject to the achievement of the pre-determined target over a one-year period and has an equal vesting over a three-year period. The number of restricted shares awarded is based on individual and corporate performance. PSP has a performance period of three years. The number of performance shares awarded is based on individual and corporate performance and the final performance shares awarded could range between 0% and 150% of the initial grant, subject to achievement of the pre-determined targets.

As at 30 September 2023, the number of shares outstanding under the Company's RSP and PSP were 4,172,273 and 545,985 (30 September 2022: 2,255,000 and 1,256,300) respectively.

RSP - Number of Restricted Shares

Date of grant	Balance at 1.4.2023 / Date of grant	Vested	Forfeited	Adjustments #	Balance at 30.9.2023
25.06.2021	477,200	(495,778)	(8,300)	26,878	–
24.06.2022	1,588,500	(834,032)	(37,595)	89,200	806,073
03.07.2023	5,074,600	(1,696,700)	(11,700)	–	3,366,200
	7,140,300	(3,026,510)	(57,595)	116,078	4,172,273

PSP - Number of Performance Shares

Date of grant	Balance at 1.4.2023 / Date of grant	Vested	Forfeited	Adjustments #	Balance at 30.9.2023
20.08.2020	462,500	(210,700)	–	(251,800)	–
02.08.2021	345,000	–	(63,450)	19,836	301,386
24.06.2022	246,300	–	(15,862)	14,161	244,599
	1,053,800	(210,700)	(79,312)	(217,803)	545,985

Adjustments due to the performance factor at the end of the performance period upon meeting stated performance targets.

13. Fair value management

13.1 Classification of financial instruments and fair value

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The following table analyses the financial assets and liabilities in the statement of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis:

GROUP	Amortised costs $ million	FVOCI $ million	FVTPL $ million	Other financial liabilities $ million	Total $ million
30 September 2023					
Assets					
Long-term investments	7.9	0.5	6.1	–	14.5
Trade and other receivables	1,144.7	–	–	–	1,144.7
Loan to/Amount due from associates/ joint ventures	7.9	–	–	–	7.9
Cash and cash equivalents	515.9	–	–	–	515.9
	1,676.4	0.5	6.1	–	1,683.0
Total non-financial assets					6,774.5
Total assets					8,457.5
Liabilities					
Amount due to associates/ joint ventures	–	–	–	11.5	11.5
Notes and borrowings	–	–	–	2,778.8	2,778.8
Lease liabilities	–	–	–	1,394.5	1,394.5
Trade and other payables	–	–	–	1,435.2	1,435.2
Deferred consideration	–	–	15.6	–	15.6
	–	–	15.6	5,620.0	5,635.6
Total non-financial liabilities					302.1
Total liabilities					5,937.7
31 March 2023					
Assets					
Long-term investments	7.9	0.3	6.1	–	14.3
Trade and other receivables	481.0	–	–	–	481.0
Amount due from associates/ joint ventures	2.0	–	–	–	2.0
Cash and cash equivalents	374.4	–	–	–	374.4
	865.3	0.3	6.1	–	871.7
Non-financial assets					3,802.0
Total assets					4,673.7
Liabilities					
Amount due to associates/ joint ventures	–	–	–	11.6	11.6
Notes and borrowings	–	–	–	1,146.5	1,146.5
Lease liabilities	–	–	–	331.9	331.9
Trade and other payables	–	–	–	554.5	554.5
	–	–	–	2,044.5	2,044.5
Non-financial liabilities					114.4
Total liabilities					2,158.9

13. Fair value management (cont'd)

13.2 Fair values

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

The quoted equity instruments classified as long-term investments are categorised within Level 1 of the fair value hierarchy. Fair value hierarchy Level 1 refers to quoted prices (unadjusted) in active markets for identical assets or liabilities. These quoted equity instruments represent ordinary shares in companies that are traded in an active stock exchange market.

The deferred consideration classified as other payables are categories within Level 3 of the fair value hierarchy. The valuation model considers the present value of the expected future payments, discounted using a risk adjusted discount rate. Significant unobservable inputs will include the expected cash flows as well as the discount rate used in the valuation.

Financial assets and financial liabilities that are classified as measured at amortised cost with carrying amounts being a reasonable approximation of their fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the balance sheet date or the fixed interest rates approximate the market interest rates for such assets/liabilities. These financial assets include trade and other receivables, amount due from associates/joint ventures, loan to subsidiaries and cash and cash equivalents. These financial liabilities include trade and other payables, term loans and finance leases. The carrying amount of the secured loan receivables approximate the fair value of the quoted price of the pledged shares.

14. Subsequent events

There are no known material subsequent events which have resulted in adjustments to this set of interim financial statements

Other Information required by Listing Rule Appendix 7.2
For half year ended 30 September 2023

1. Audit

The condensed consolidated statement of financial position of SATS Ltd. and its subsidiaries as at 30 September 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Auditors' Report

Not applicable.

3. Review of Group Performance

<u>FIRST HALF FY2023-24 ("1H FY24")</u>

Driven primarily by Worldwide Flight Services ("WFS") consolidation after its acquisition by SATS on 3 April 2023, 1H FY24 Group revenue increased by 208.3% to $2.5 billion over the same period last year, with WFS contributing $1.4 billion. Excluding WFS, SATS' standalone revenue increased by 30.3% to $1.0 billion from $804.5 million year-on-year, bolstered by the recovery in the aviation sector. In 1H FY24, the SATS Food Solutions revenue increased by 28.2% to $516.1 million, while its Gateway Services revenue grew by 32.4%, year-on-year, to $532.2 million.

In line with the revenue growth and the consolidation of WFS, group expenditure increased by $1.6 billion, or 184.0%, year-on-year, to $2.4 billion. Excluding WFS, SATS' standalone expenditure increased by $199.8 million in tandem with increased business activities attributed to the global travel recovery and inflationary cost pressures.

In 1H FY24, SATS Group recorded an operating profit of $75.7 million, notwithstanding the discontinuation of government reliefs in the current period. The amount of government reliefs recorded over the same period last year was $22.8 million. This is a marked improvement compared to an operating loss of $42.3 million posted in the same period last year. Share of earnings of associates and joint ventures increased by 152.3% to $44.4 million, with improved performance of most aviation associates and joint ventures on the back of aviation recovery. For 1H FY24, the loss attributable to owners of the Company amounted to $7.8 million, an improvement of $24.7 million from a loss of $32.5 million recorded in the first half of FY2022-23.

GROUP FINANCIAL POSITION REVIEW

Total equity of the Group increased by $5.0 million to $2.5 billion as at 30 September 2023, compared to 31 March 2023.

Non-current assets increased by $4.7 billion to $6.6 billion, attributed to intangible assets and right-of-use assets from the acquisition of WFS.

Current assets of the Group decreased by $900.9 million to $1.8 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's net cash acquired.

Current liabilities increased by $1.1 billion to $1.7 billion, mainly from the addition of WFS's lease liabilities and trade and other payables.

Non-current liabilities of the Group increased by $2.6 billion to $4.2 billion, mainly due to higher borrowings and WFS's lease liabilities.

GROUP CASH FLOWS REVIEW

Net cash inflow from operating activities for 1H FY24 was higher at $75.5 million, as compared to the corresponding period last year mainly due to higher earnings before interest, tax and depreciation and amortization .

Net cash inflow from investing activities increased to $57.6 million compared to an outflow of $38.2 million last year. The swing in the net cash from investing activities was largely due to consolidation of cash from WFS, partly offset by higher capital expenditure.

Net cash from financing activities was at $16.1 million compared to net cash outflows of $34.2 million last year. This increase is primarily attributed to proceeds from borrowings, partly offset by cash paid for bond redemption and higher lease liabilities repayment.

4. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

5. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

OUTLOOK

The Group's operating statistics have shown a steady recovery, primarily driven by the return of air travel globally. IATA reported that passenger traffic has recovered to 88.5%[1] of 2019 levels. Accordingly, the Group saw robust growth momentum across its key operating metrics with flights handled and aviation meals served returning to 82% and 83% of pre-COVID levels, respectively, at the end of September 2023.

[1] IATA Air Passenger Market Analysis Aug 2023.

Global cargo volumes grew for the first time in 19 months in August since February 2022 and continued to grow modestly in September. The Group handled a significant increase in cargo tonnage for 1H FY24, compared to the same period last year due to the consolidation of WFS. While we remain cautious of the ongoing geopolitical dynamics, we are leveraging our global networks and leading position in the market to win new contracts that will bring a steady stream of incremental revenue in the next few quarters. New commercial wins include supporting Etihad Airways in its cold chain cargo handling in the US and Copenhagen, the winning of a long-term cargo handling contract in Liege, Belgium.

To better manage the higher cargo volumes in key stations, SATS has added a new cargo terminal at Chicago O'Hare International Airport and invested in a fifth cargo terminal in Madrid. The Group also leverages its enlarged global network to develop new value-added solutions with key industry partners such as Kuehne+Nagel to improve speed and visibility for time-critical shipments.

The integration of SATS and WFS is on track, bringing productivity synergies that have contributed to the financial performance of the combined business. In particular, 1H FY24 Operating margin has improved by 8.4% over the same period last year.

Singapore remains strategic to the SATS business, and our investments in Singapore operations have started to bear fruit with stronger financial performance this quarter as the volumes continue to ramp up. We will continue to collaborate with key stakeholders to enhance the efficiency of Changi Airport as the world's best airport.

6 Dividends

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

(c) Date Payable

Not Applicable.

(d) Closure of books

Not Applicable.

7 If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

The Board of Directors believe it would be prudent to not pay an interim dividend for FY24 until SATS is able to return to profitability. This will enable the Company to conserve cash to fund its operational and working capital requirements as well as to reduce leverage as soon as practicable.

8 Interested Person Transactions

8.1 The interested person transactions entered into during the half year ended 30 September 2023 are as follows:

Name of interested person	Nature of Relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than $100,000)
		$'000	$'000
Transactions for the Sale of Goods and Services			
Singapore Airlines Limited	An associate of the Company's Controlling Shareholder	–	2,170
SIA Engineering Company	An associate of the Company's Controlling Shareholder	–	235
		–	2,405
Transactions for the Purchase of Goods and Services			
NCS Communications Engineering Pte Ltd	An associate of the Company's Controlling Shareholder	–	227
ST ENGINEERING SYNTHESIS PTE. LTD.	An associate of the Company's Controlling Shareholder	–	24,000
Certis CISCO Secure Logistics Pte Ltd	An associate of the Company's Controlling Shareholder	–	156
Certis Centurion Facility Company Limited	An associate of the Company's Controlling Shareholder	–	2,587
ST Engineering Mission Software & Services Pte. Ltd	An associate of the Company's Controlling Shareholder	–	1,204
NXGEN COMMUNICATIONS PTE LTD	An associate of the Company's Controlling Shareholder	–	168
		–	28,342
Joint Venture			
Stellar Experience Pte. Ltd.	An associate of the Company's Controlling Shareholder	6,696	–
		6,696	–

Note: All the transactions set out in the above table were based on records from the Group's Register of Interested Person Transactions for the financial period under review, and include transactions whose durations exceed the financial period under review and/or multiple transactions with the same interested person. The transactions were based on actual or estimated values of the transactions for the entire duration of the relevant transactions in the case of fixed term contracts or annual/periodic values of the transactions in the case of open-ended contracts, taking into account agreed rates.

All the above interested person transactions were done on normal commercial terms.

9 Confirmation that the Issuer has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Ian Chye
Company Secretary
10 November 2023
Singapore

Singapore Company Registration No: 197201770G

CONFIRMATION BY THE BOARD

We, Euleen Goh Yiu Kiang and Kerry Mok Tee Heong, being two of the directors of SATS Ltd. (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the half year ended 30 September 2023 financial results to be false or misleading in any material respect.

On behalf of the Board of Directors,

EULEEN GOH YIU KIANG Chairman	KERRY MOK TEE HEONG Executive Director / President and Chief Executive Officer

Singapore, 10 November 2023