

# Enhancing Capabilities and Productivity



# Operations Review

## Food Solutions

Building the foundation for sustainable growth in our food solutions business, SATS has been investing in innovation and overseas expansion. For FY2021-22, SATS Food Solutions grew revenue by 11.7%, or S\$67.1 million, to S\$640.9 million. Gross meals served across all segments recovered to 59% of pre-pandemic levels. With travel recovery underway, especially in the last quarter of the financial year, food revenue in the travel segment grew 50% year-on-year.

Our priorities in FY2021-22 were to strengthen our protein supply chain, fortify tiered kitchen production, drive food innovation and expand our portfolio of branded products for our customers across various channels.

### Strengthening Protein Supply Chain

Addressing the growing consumer demand for safe, healthy, and convenient food that would appeal to different diets and increasingly flexitarian lifestyles, Country Foods added new brands to its product portfolio to enhance out-of-home and at-home dining experiences. Country Foods now also distributes for Tyson, Fable Food and v2food in Singapore.

SATS is leading the way for sustainable food innovation by driving the adoption of alternative proteins and packaging innovation. Country Foods continues to partner alternative protein brands and

food tech start-ups to tailor their product offerings for Asian palates, bringing the likes of Fable Food, First Pride, and v2food to market.

### Fortifying Tiered Kitchen Production

In FY2021-22, SATS strengthened the foundation for our tiered kitchen production model, breaking ground for a central kitchen in India and a food hub in Singapore. The Bengaluru kitchen in India, expected to be ready in 2023, will distribute and export authentic Indian flavours backed by the latest food trends to serve different customer needs in India's domestic market and abroad.

In Singapore, the SATS Food Hub (SFH) aims to strengthen Singapore's food manufacturing ecosystem by housing the entire value chain of food manufacturing activities, from prototyping and test-bedding to production and distribution. Ready in 2024, SFH's location in the Jurong Innovation District will spur greater opportunities to collaborate with partners in the food ecosystem to create new products and services in the future food space.

In the year, we also acquired a large-scale production facility in Thailand that will produce meals and components cost-effectively for distribution to the increasingly automated central kitchens and catering centres within our network.

**“For FY2021-22, SATS Food Solutions grew revenue by 11.7%, or S\$67.1 million, to S\$640.9 million. Meals served across all segments recovered to 59% of pre-pandemic levels.”**

### Innovating Food for the Future

Innovation has been a driving force behind SATS' food business strategy, enabling the company and our customers to become more resilient and capture new opportunities in the dynamic food industry. Having experienced first-hand how innovation has enabled us to navigate our business strategy in today's complex environment, we seek to provide our customers with the same innovative capabilities and insights and help set them up for long-term success.

With a vision to develop sustainable food solutions through innovation, we have established the SATS Global Innovation Centre (SGIC), a network comprising SATS Innovation Hubs in Singapore and the UK. SGIC aims to create opportunities for international collaboration on innovation for our customers and our business, helping speed up the innovation process. Located at the iconic Arts House in Singapore, SGIC has built end-to-end innovation capabilities covering every



SATS Bengaluru kitchen will distribute and export authentic Indian flavours to serve different customer needs in India's domestic market and abroad.



SATS builds a robust insights ecosystem to enable our customers to capture growth opportunities through staying abreast of consumer and market trends.

part of the business from discovery (such as monitoring consumer trends) and product development (leveraging our culinary team to develop new menus) to distribution. Since its establishment, SGIC has been working with our customers to find white space opportunities in the food ecosystem for innovation.

### Expanding Product Portfolio

From catering food products for retail platforms and theme parks, such as Alibaba's Hema Fresh and Universal Beijing Resort, to preparing healthier meals for patients in hospitals and students in schools, helping local F&B brands internationalise, and expanding airlines' food offerings, SATS is carving a niche globally.

**“Having experienced first-hand how innovation has enabled us to navigate our business strategy in today's complex environment, we seek to provide our customers with the same innovative capabilities and insights and help set them up for long-term success.”**



SATS formed new partnerships and boosted the production of ready meals for our non-travel related food segment in Greater China, catering to brands such as Hema, Yum China's Soul Fun, Pizza Hut and Little Sheep, and 7-Eleven's physical and online retail channels. To enable our customers to respond speedily to changes in consumer demands, SATS Kunshan recently launched a Product Development and Customer Experience Centre to facilitate the co-creation of new menu delights with our customers and partners in China.

In India, our associate TajSATS' ANUKA brand gained traction in home delivery meals via Taj Hotel's food delivery app Qmin, in Kolkata and Chennai, in addition to a physical footprint of four ANUKA outlets and catering for 10 Qmin stores in Bengaluru. Closer to home, our food solutions venture building arm launched a new F&B concept in Singapore, Twyst ([www.twyst.sg](http://www.twyst.sg)), combining culinary innovation and data-driven consumer insights to create new pasta flavours and menu delights.

Through a collaboration between Country Foods and the SATS Global Innovation Centre hubs in Singapore and the UK, Monty's Bakehouse developed a range of Fable mushroom-based alternative protein meal solutions for the M&S Plant Kitchen brand rollout in Marks & Spencer stores in the UK this year.

SATS has boosted our capabilities in the past year to augment value creation for our customers, bolstering our ability to penetrate broader customer segments and pursue growth opportunities overseas.

### Awards and Certifications

SATS and Monty's Bakehouse emerged on top in several awards:

#### Onboard Hospitality Awards 2021

Catering Innovation of the Year – New Short-Haul Economy Class Meal Concept

Industry Champions (special merit) – SATS' Executive Culinary Team

Industry Champions – Monty's Bakehouse

Ones to Watch for SATS' Asian Heritage Desserts and Monty's Bakehouse Snack Pack

Best Onboard Snacks in Economy – Monty's Bakehouse Chilled Duo Box

Best for Onboard Sustainability – Monty's Bakehouse BarricadeECO and Rex Airlines Business Service Equipment by Global-C

#### Skift Idea Awards 2021

Finalist and Honourable Mention (Aviation) – New Short-Haul Economy Class Meal Concept for our co-developed sustainable service ware for Singapore Airlines

#### The Great Taste Awards 2021 (UK)

1-star accreditation for a plant-based “Beef” Stroganoff with Fable Pouch meal kit