

Operations Review Gateway Services

Creating Value-added Solutions

As a leading global provider of gateway services, we have visibility of performance data across a global network to provide our customers with greater speed and traceability.



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We scaled up our operations early to prepare for full aviation recovery

SATS GATEWAY SERVICES REVENUE GREW

66.9%

or \$356.1 million, to \$888.5 million in FY23 over the same period last year.

Growing revenue

Driven by travel recovery and higher cargo revenue from the consolidation of Asia Airfreight Terminal (AAT), SATS Gateway Services revenue grew 66.9%, or \$356.1 million, to \$888.5 million in FY23 over the same period last year. It was a busy year for SATS Gateway Services as we expanded our footprint to more than 200 locations in over 20 countries, integrating SATS' and WFS's cargo and ground handling operations in Asia, Europe and the US.

Ramping up

Gearing up post-pandemic was challenging due to labour crunch and escalating inflation. Flights handled in Changi recovered from 43% to 84% of pre-COVID volumes. SATS worked closely with the key stakeholders and scaled up our operations early to prepare for full aviation recovery, and we are proud to have supported Changi Airport and Singapore Airlines in winning Skytrax's world's best airport and airline 2023, respectively.

The cruise industry has also experienced a resurgence post-pandemic. Marina Bay Cruise Centre (MBCCS) received 254 ship calls and handled more than double the volume of passengers compared to the year before. MBCCS is also proud

to be awarded the President's Certificate of Commendation (COVID-19) from 2022 National Awards, Special Awards for Community Care from Singapore Tourism 2021, and Readers' Choice Awards for Best Cruise Port in Travel Weekly Asia from Year 2018 to 2022.

Modernising operations

SATS is focused on achieving operational excellence and investing in digital and technological capabilities to strengthen our operations.

In September 2022, SATS, AAT and PT Jas became the first ground handling companies in the world to achieve CEIV Lithium Battery certification. This is an important milestone and underscores our commitment to moving cargo that contain lithium batteries safely and securely. We invested in a dangerous goods auto check system known as DG Autocheck for accepting hazardous goods. It checks dangerous goods declarations against the applicable provisions in the IATA Dangerous Goods Regulations and automatically rejects non-compliant shipments.

We are also enhancing our systems in the SATS Integrated Operations Command to boost efficiency. Targeted at improving on-time performance, we are building the

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next generation of our Digital Station Management system, leveraging handheld devices to reduce manual data entry. The data will be auto-populated into a single platform for visibility across all operational units and made accessible in real-time, enabling timely and appropriate interventions to ensure all flight activities are coordinated and performed according to airlines' on-time goals.

Strengthening partnerships

Performance of our gateway joint ventures and associates improved on the back of travel recovery, increasing their share of earnings to the group. The pandemic and recent geopolitical events have caused significant shifts in supply chains, giving rise to new opportunities in air cargo handling. SATS increased our shareholding in AAT in late FY22 and incorporated AAT as a subsidiary of the SATS Group in FY23. We set up the first on-airport cold chain facility in Hong Kong, AAT Coolport in July 2022, to handle perishables and temperature-sensitive products.

We are committed to working with our partners to leverage growth opportunities. For example, in North India, especially in the Uttar Pradesh region, there are multiple large clusters of textile, electronics, eCommerce, pharmaceutical and perishables companies. Our partner in India, the Tata Group, already has a significant presence in Uttar Pradesh

in various businesses. Through our partnership with AISATS, we will build a first-of-its-kind multi-modal cargo hub consisting of an integrated cargo terminal with warehousing and logistics zones to leverage the region's potential.

Integrating with WFS

SATS completed our acquisition of WFS on 3 April 2023 and has started integrating the operations of the two companies. We will be working on creating synergies for our combined business to drive value for our customers through our extensive network coverage. Since our integration, we have worked together at industry tradeshows in Istanbul, Munich and Miami. We also supported WFS in opening the air cargo handling terminal in Bengaluru. WFS's adoption of the SATS COSYS+ cargo operating system provided a smooth transition for our customers there.

Creating value-added solutions

With our expanded network coverage across Asia, Europe and the US, we are well-positioned to provide value-added, end-to-end solutions for our customers. As a leading global provider of gateway services, we will have visibility of performance data across a global network to provide our customers with greater speed and traceability to enhance their supply chain efficiency. As one company, SATS, including WFS will have over 800,000 square metres of cargo warehouse space across a global footprint in key strategic hubs to enable our customers to quickly and effectively optimise their air cargo related operations.

Bob Chi

CEO, SATS Gateway Services



AAT Coolport is the first on-airport cold chain facility in Hong Kong to handle perishables and temperature-sensitive products