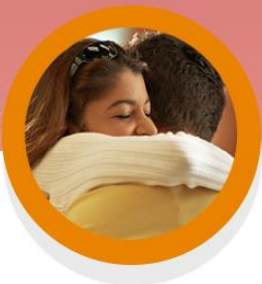


# FY21 Performance Review

27<sup>th</sup> May 2021



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## Forward looking statement – Important note

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The following presentation contains forward-looking statements by the management of SATS Ltd. (“SATS”), relating to financial and market trends for future periods.

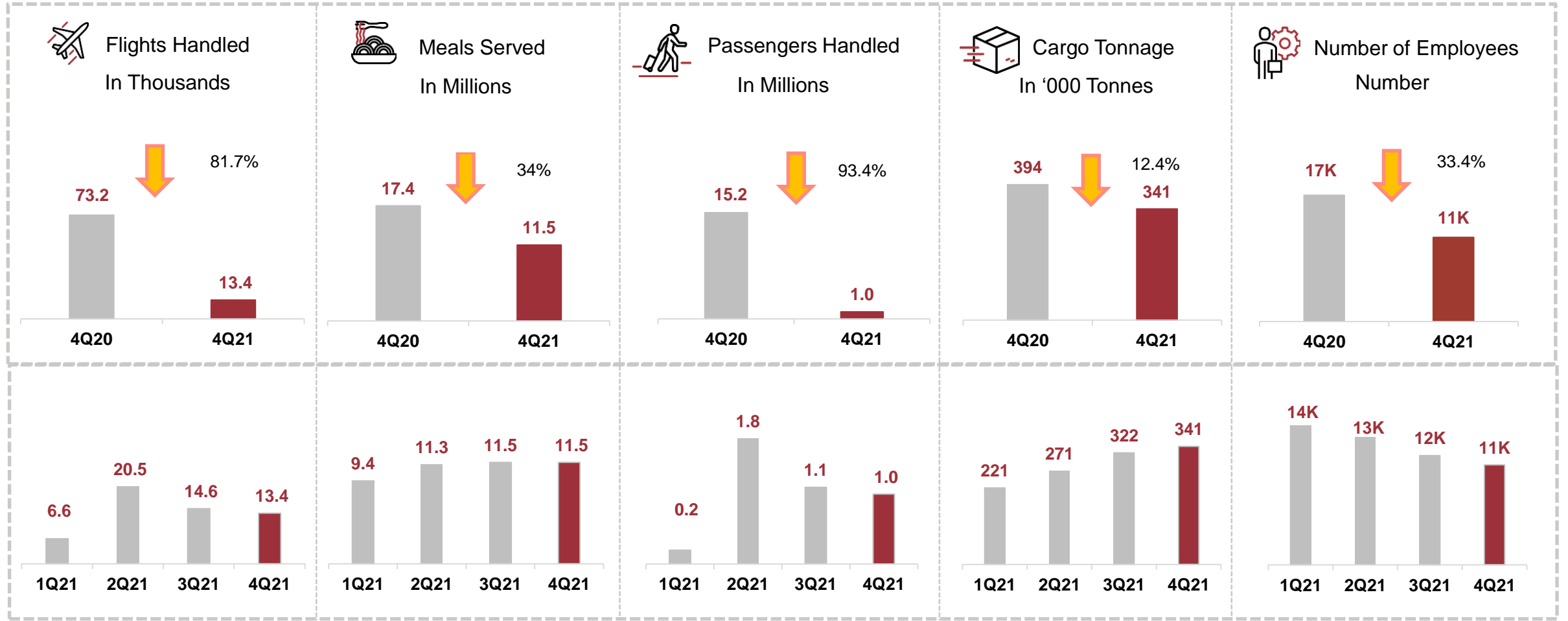
Some of the statements contained in this presentation that are not historical facts are statements of future expectations with respect to the financial conditions, results of operations and businesses, and related plans and objectives. Forward-looking information is based on management’s current views and assumptions including, without limitation, prevailing economic and market conditions. These statements involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those in the statements as originally made. Such statements are not and should not be construed as a representation of future performance or commitment of SATS. In particular, any targets should not be regarded as a forecast or projection of future performance of SATS. It should be noted that the actual performance of SATS may vary significantly from such targets.

# Agenda

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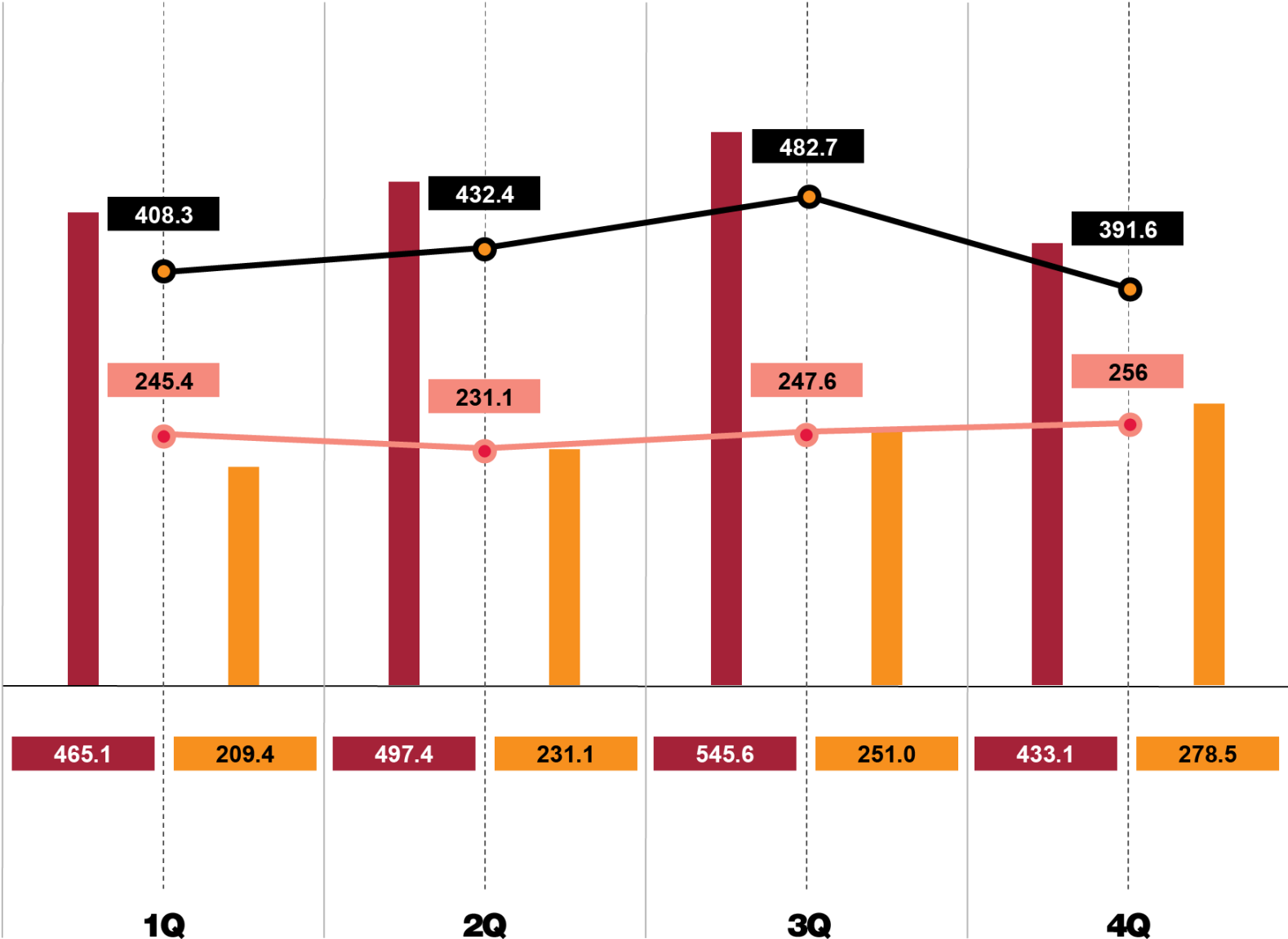
- 1 Business Update**
- 2 Group Financial Review**
- 3 Outlook**
- 4 Q&A**

# 4QFY21 and Quarter-on-Quarter Operating Statistics



*Note: The above operating statistics cover SATS and its subsidiaries, but exclude JVs and associates.*

# Quarter-on-Quarter Group Revenue and OPEX



Revenue (S\$'M)

**FY2020**  
Total  
**1,941.2**

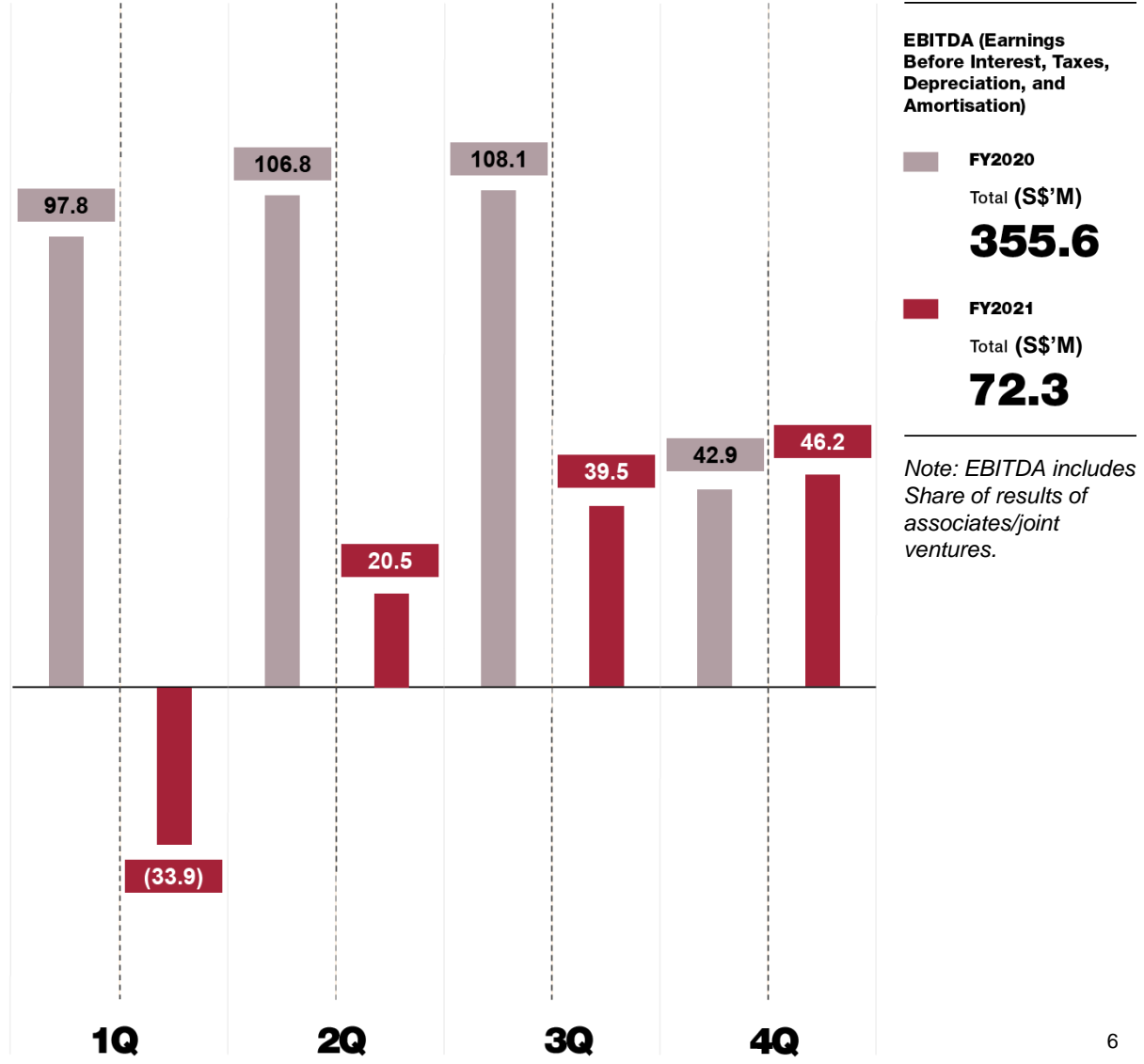
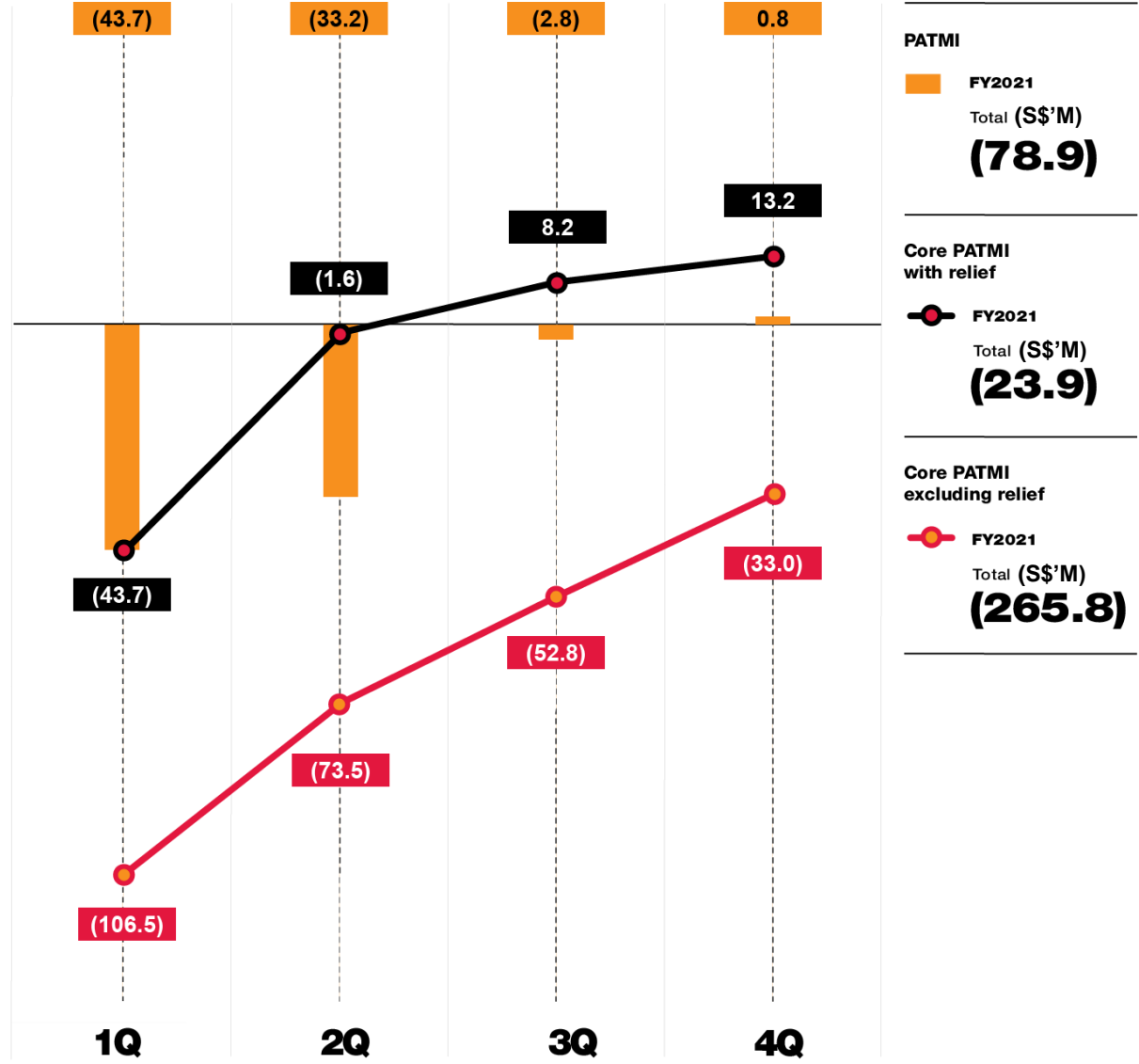
**FY2021**  
Total  
**970.0**

Group OPEX (S\$'M)

**FY2020**  
Total  
**1,715.0**

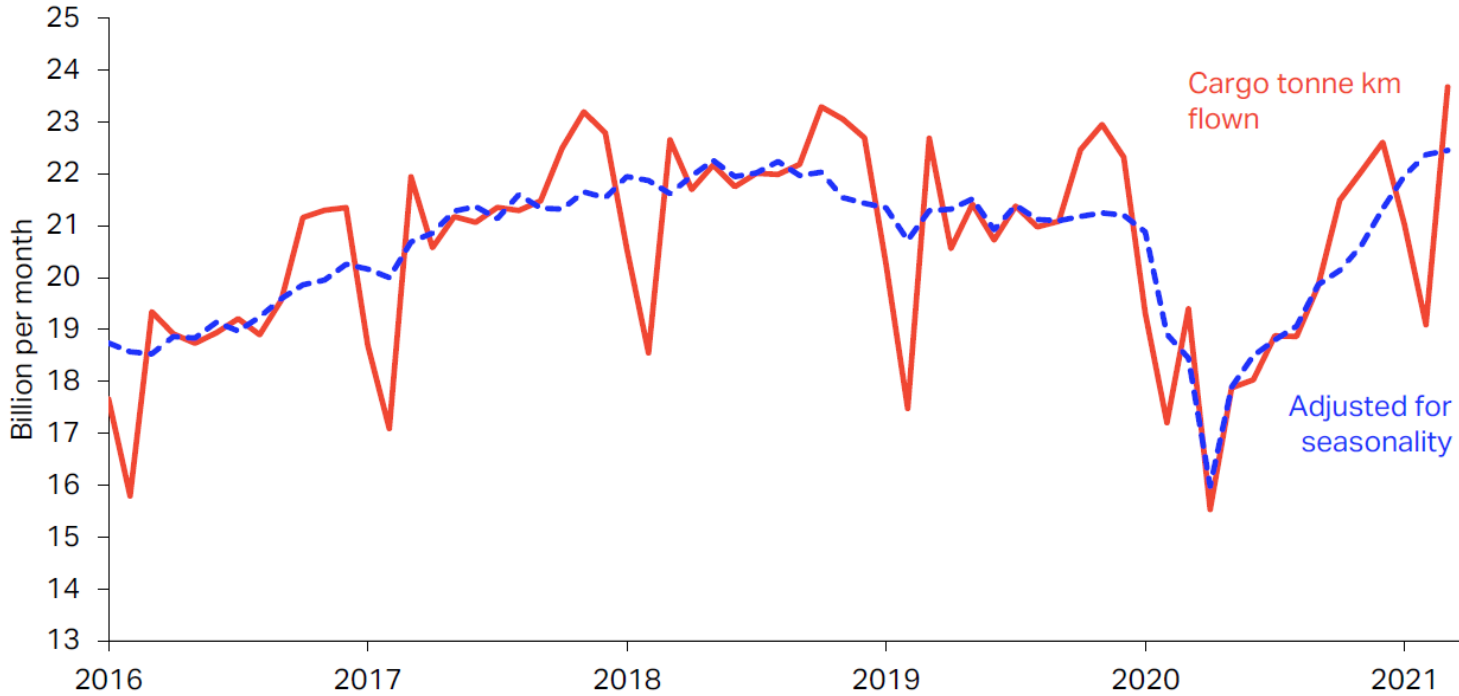
**FY2021**  
Total  
**980.1**

# Quarter-on-Quarter Group PATMI and EBITDA



# Asia Pacific sees strong air cargo growth with global economic rebound

Cargo tonne km flown, billion per month



- International air cargo volumes for Asia Pacific improved by 7.1% in February 2021 vs. 2019
- Globally, seasonally-adjusted international CTKs rose 4.4% above pre-crisis March 2019 level in March 2021
- IATA expects air cargo volumes to rise by 13.1% year-on-year in 2021, and exceed 2019 levels by 2.8%
- SATS' cargo associates in Hong Kong, Mumbai, and Ho Chi Minh City were profitable in 4Q



# SATS grew non-travel-related revenue by 32% YoY this quarter







# Group Financial Review



A318/A319/A320/A321

## Executive Summary: 4Q FY21 Performance

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- 4Q revenue declined 35.7% vs. the prior year to \$279M
- Slight profit of \$0.8M this quarter, vs. a net loss of \$6.3M in 4Q FY20
- Without government reliefs, 4Q core PATMI would have been a loss of \$33 million
- Share of earnings from associates/JVs at a lower loss of \$7.3M compared to loss of \$31.2M in 4Q FY20
- EBITDA remain profitable at \$46.2M, 7.7% higher than the prior year

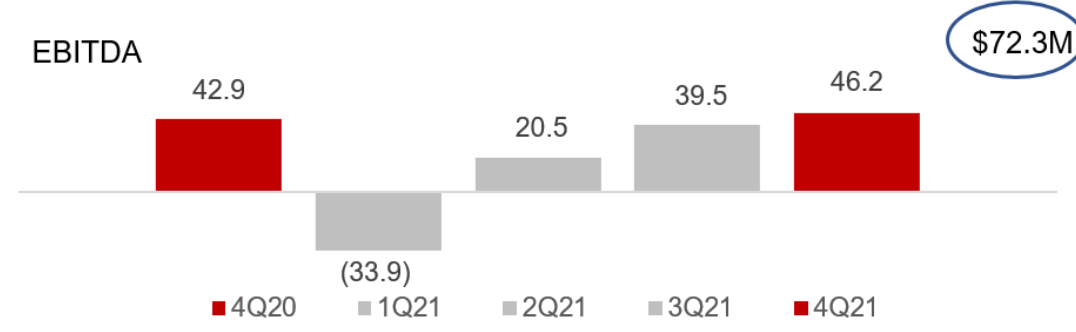
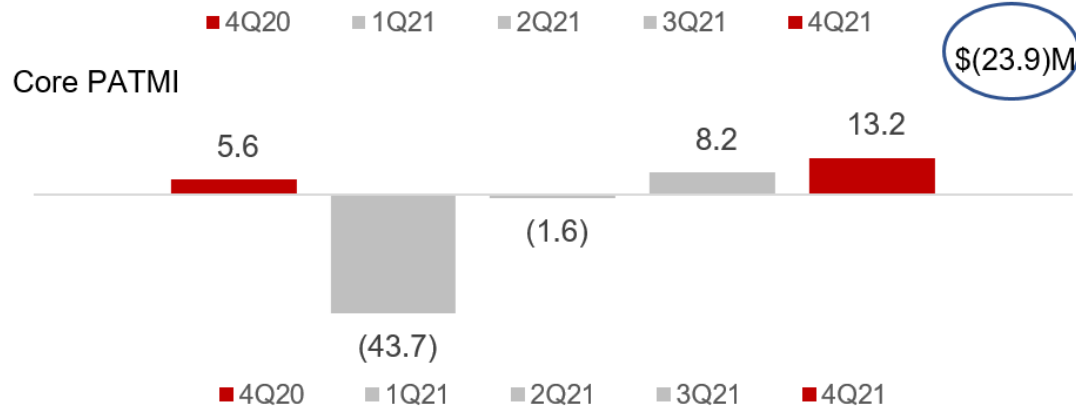
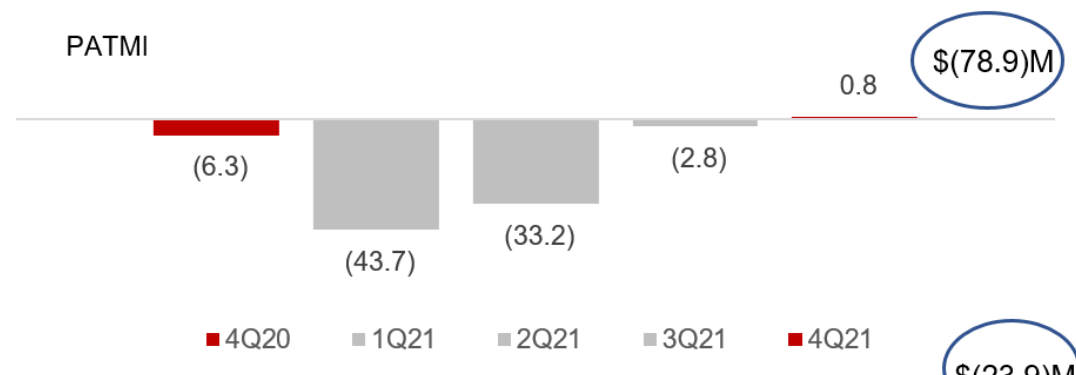
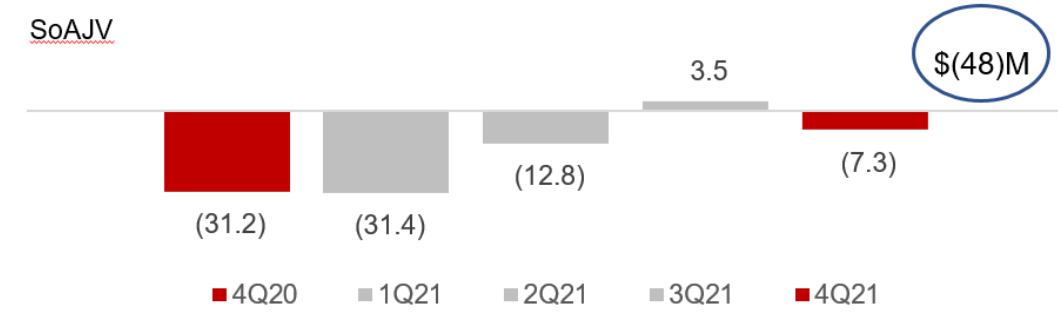
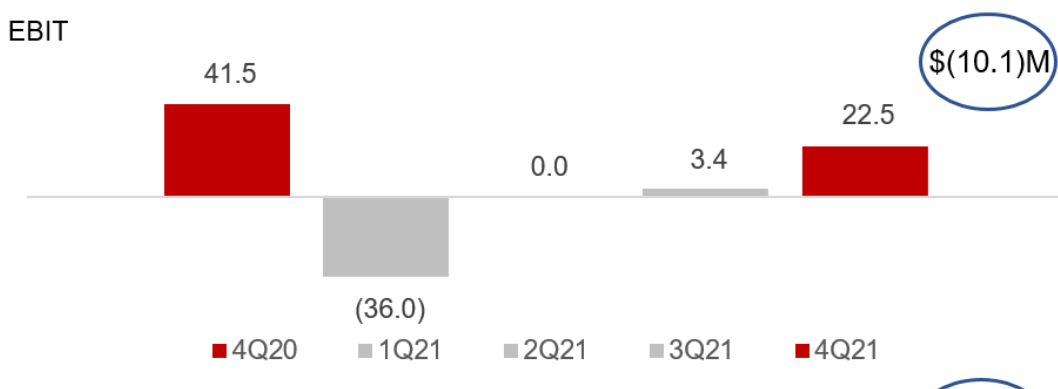
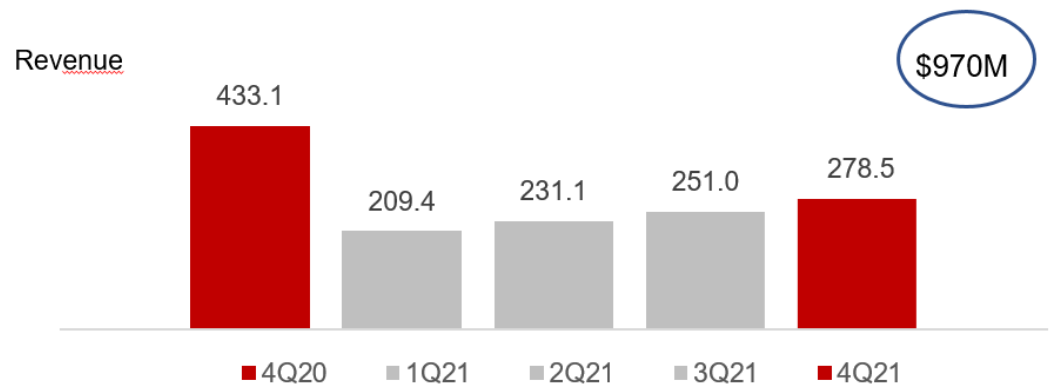
# 4Q FY21 Highlights

	4Q FY21 Act	4Q FY20 Act	Change		Commentary
			\$/ppt	%	
<b>Revenue</b>	278.5	433.1	(154.6)	(35.7)	<ul style="list-style-type: none"> <li>Gateway (-\$60.1M) and Food (-\$92.5M)</li> <li>Aviation revenue declined 53.5% due to the pandemic</li> </ul>
<b>OPEX</b>	(256.0)	(391.6)	135.6	34.6	<ul style="list-style-type: none"> <li>Staff cost reduced by \$74M</li> <li>Lower raw material cost (-\$15.2M)</li> <li>Included \$51.2M of govt. reliefs</li> </ul>
<b>EBIT</b>	22.5	41.5	(19.0)	(45.8)	<ul style="list-style-type: none"> <li>Revenue decline surpassed OPEX reduction</li> </ul>
<i>EBIT (%)</i>	8.1%	9.6%			
<b>Share of results of Associates/JVs (SoAJV)</b>	(7.3)	(31.2)	23.9	76.6	<ul style="list-style-type: none"> <li>COVID impacted all entities, more severely the aviation catering and ground services units</li> <li>Gateway (+\$26.3M), Food (-\$2.5M)</li> </ul>
<b>PATMI</b>	0.8	(6.3)	7.1	112.7	<ul style="list-style-type: none"> <li>Sharp decline in aviation revenue</li> </ul>
<i>PATMI (%)</i>	0.3%	(1.5%)			
<b>Core PATMI</b>	13.2	5.6	7.6	135.7	<ul style="list-style-type: none"> <li>Recorded one-off impairment on investments of \$12.4M</li> </ul>
<i>Core PATMI (%)</i>	4.7%	1.3%			
<b>EBITDA</b>	46.2	42.9	3.3	7.7	
<i>EBITDA (%)</i>	16.6%	9.9%			

# FY21 Highlights

	FY21 Act	FY20 Act	Change		Commentary
			\$/ppt	%	
<b>Revenue</b>	970.0	1,941.2	(971.2)	(50.0)	<ul style="list-style-type: none"> <li>• Gateway (-\$479.1M) and Food (-\$496.7M)</li> <li>• Aviation revenue declined 66.5% due to the pandemic</li> </ul>
<b>OPEX</b>	(980.1)	(1,715.0)	734.9	42.9	<ul style="list-style-type: none"> <li>• Staff cost reduced by \$497.2M and lower licence fees (-\$64.7M)</li> <li>• Partly offset by consolidation effect of CFPL, NWA and MBUK</li> <li>• Total provision for doubtful debts of \$13.7M</li> </ul>
<b>EBIT</b>	(10.1)	226.2	(236.3)	(104.5)	
<i>EBIT (%)</i>	<i>(1.0%)</i>	<i>11.7%</i>			
<b>Share of results of Associates/JVs (SoAJV)</b>	(48.0)	11.8	(59.8)	(506.8)	<ul style="list-style-type: none"> <li>• COVID-19 impacted all associates and JVs in the region</li> <li>• Gateway (-\$17.2M), Food (-\$42.6M)</li> </ul>
<b>PATMI</b>	(78.9)	168.4	(247.3)	(146.9)	
<i>PATMI (%)</i>	<i>(8.1%)</i>	<i>8.7%</i>			
<b>Core PATMI</b>	(23.9)	180.3	(204.2)	(113.3)	<ul style="list-style-type: none"> <li>• Recorded one-off impairment charges of \$68.7M and write back of deferred consideration of \$13.7M</li> </ul>
<i>Core PATMI (%)</i>	<i>(2.5%)</i>	<i>9.3%</i>			
<b>EBITDA</b>	72.3	355.6	(283.3)	(79.7)	
<i>EBITDA (%)</i>	<i>7.5%</i>	<i>18.3%</i>			

# FY21 Quarterly Trending

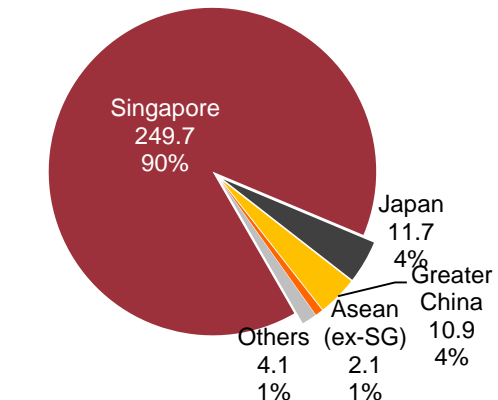
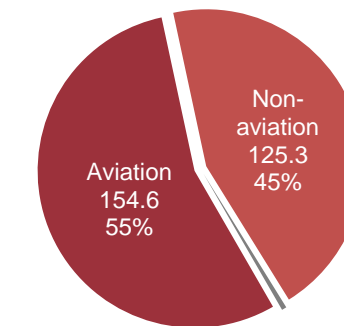
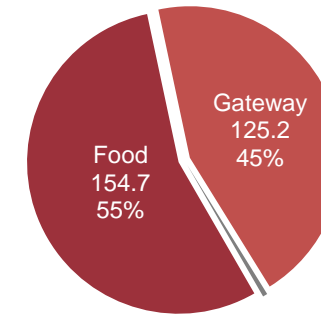


Note: All figures are unaudited and in S\$ m unless otherwise stated.  
EBIT represents Operating Profits

## Group Segmented Revenue – 4Q

Revenue	4Q FY21	4Q FY20	Change (%)
<b>By Business:</b>			
Food Solutions	154.7	247.3	(37.4)
Gateway Services	125.2	185.3	(32.4)
Others	(1.4)	0.5	n.m.
<b>Total</b>	<b>278.5</b>	<b>433.1</b>	<b>(35.7)</b>
<b>By Industry:</b>			
Aviation	154.6	332.2	(53.5)
Non-aviation	125.3	100.4	24.7
Others	(1.4)	0.5	n.m.
<b>Total</b>	<b>278.5</b>	<b>433.1</b>	<b>(35.7)</b>
<b>By Geographical Location</b>			
Singapore	249.7	354.4	(29.5)
Japan	11.7	50.5	(76.8)
Greater China	10.9	5.1	113.7
Asean (ex-SG)	2.1	18.1	(88.4)
Others	4.1	5.0	(18.0)
<b>Total</b>	<b>278.5</b>	<b>433.1</b>	<b>(35.7)</b>

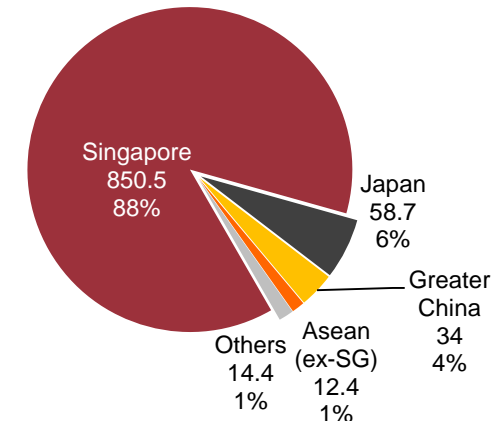
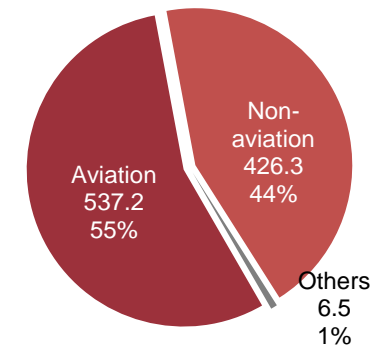
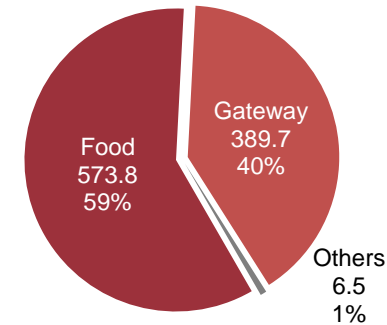
Note: All figures are unaudited and in S\$ m unless otherwise stated.  
n.m. – not meaningful



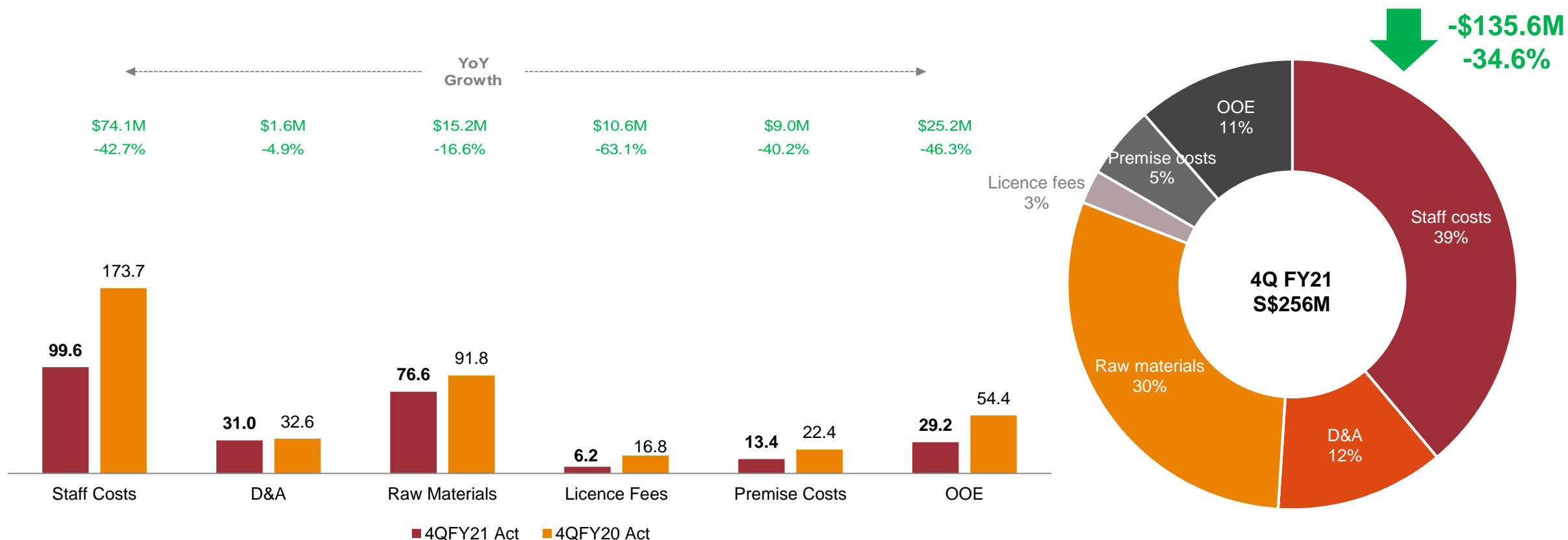
# Group Segmented Revenue – Full Year

Revenue	FY21	FY20	Change (%)
<b>By Business:</b>			
Food Solutions	573.8	1,070.5	(46.4)
Gateway Services	389.7	868.8	(55.1)
Others	6.5	1.9	n.m.
<b>Total</b>	<b>970.0</b>	<b>1,941.2</b>	<b>(50.0)</b>
<b>By Industry:</b>			
Aviation	537.2	1,604.4	(66.5)
Non-aviation	426.3	334.9	27.3
Others	6.5	1.9	n.m.
<b>Total</b>	<b>970.0</b>	<b>1,941.2</b>	<b>(50.0)</b>
<b>By Geographical Location</b>			
Singapore	850.5	1,549.3	(45.1)
Japan	58.7	253.4	(76.8)
Greater China	34.0	28.1	21.0
Asean (ex-SG)	12.4	87.9	(85.9)
Others	14.4	22.5	(36.0)
<b>Total</b>	<b>970.0</b>	<b>1,941.2</b>	<b>(50.0)</b>

Note: All figures are unaudited and in S\$ m unless otherwise stated.  
n.m. – not meaningful



# 4Q FY21 Group Expenditure



- The lower staff costs was due to government reliefs, reduced contract services and lower headcount for the quarter.
- The lower cost of raw materials was due to lower aviation volume partly offset by increased business activities of CFPL.
- Lower licence fees is in line with the lower aviation volume.
- Premise costs and OOE decreased due to reduction in discretionary spending in view of group-wide cost containment measures.

*Note: All figures are unaudited and in S\$ m unless otherwise stated.  
D&A represents Depreciation & Amortisation  
OOE represents Other Operating Costs*

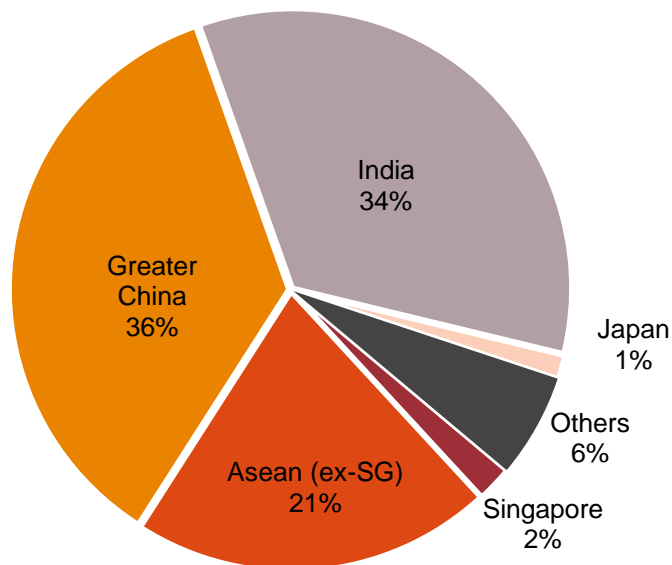


# Summary Financials – Associates and Joint Ventures (AJVs)

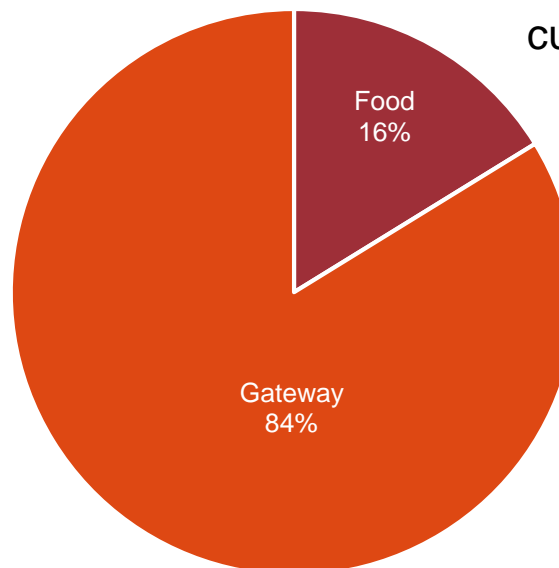
S\$'M	4Q FY21	4Q FY20	% change
SATS Share of Revenue (SSOR)	81.4	145.4	(44.0)
Share of losses / earnings	(7.3)	(31.2)	76.6

## Segmental SSOR – Associates and JVs

Geographical



Business



## OVERVIEW

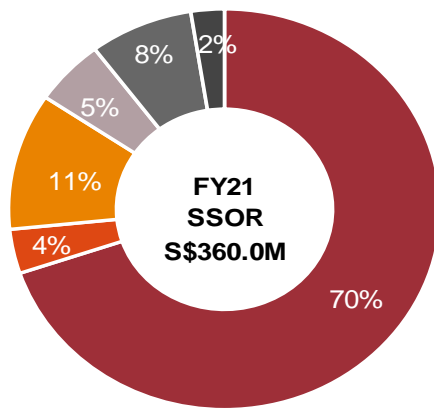
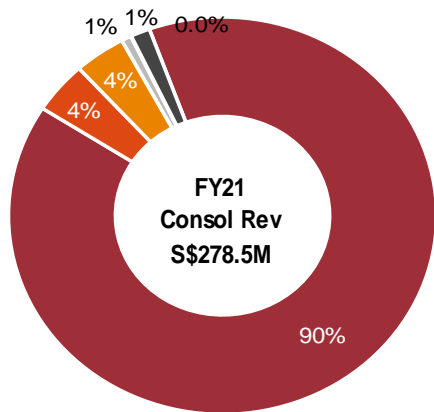
- 4Q SSOR dropped 44.0% while share of losses has improved by 76.6%
- Greater China represents 36% of SSOR
- Gateway and Food AJVs represented 84% and 16% respectively of SSOR
- Food aviation AJVs were adversely impacted, cushioned by Gateway cargo AJVs

# 4Q FY21 Revenue (Consol & SSOR) and PATMI by region

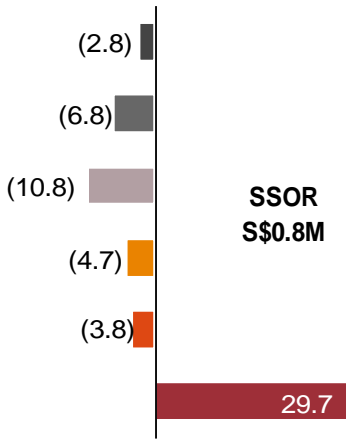
	Consol Revenue	YoY
	4Q FY21	%
Singapore	249.7	(29.5)
Japan	11.7	(76.8)
Asean (ex-SG)	2.1	(88.4)
Greater China	10.9	113.7
India	0.1	(61.4)
Others	4.0	(12.4)
<b>Total</b>	<b>278.5</b>	<b>(35.7)</b>

	SSOR		YoY
	4Q FY21	4Q FY20	%
Singapore	251.3	356.4	(29.5)
Japan	12.9	52.4	(75.4)
Asean (ex-SG)	19.1	55.7	(65.8)
Greater China	39.8	62.5	(36.4)
India	27.9	39.9	(30.2)
Others	9.0	11.5	(21.4)
<b>Total</b>	<b>360.0</b>	<b>578.5</b>	<b>(37.8)</b>

	PATMI	YoY
	4Q FY21	%
Singapore	29.7	(30.4)
Japan	(3.8)	(40.7)
Asean (ex-SG)	(10.8)	30.8
Greater China	(4.7)	85.3
India	(6.8)	n.m.
Others	(2.8)	(133.3)
<b>Total</b>	<b>0.8</b>	<b>n.m.</b>



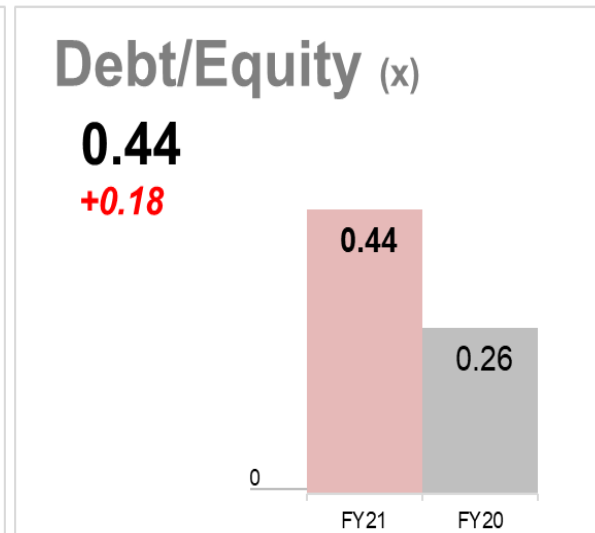
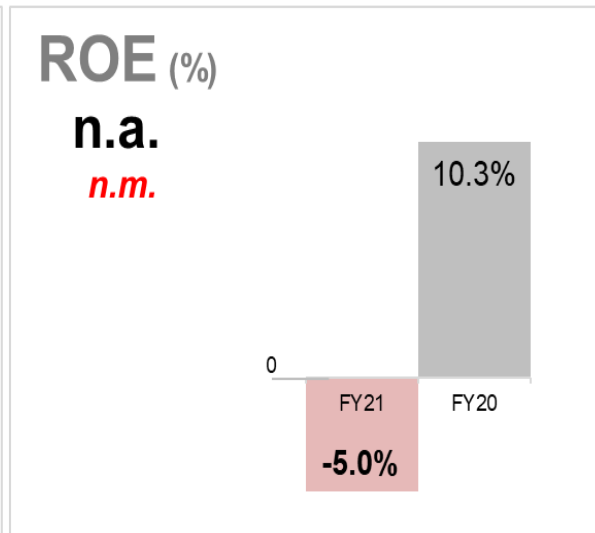
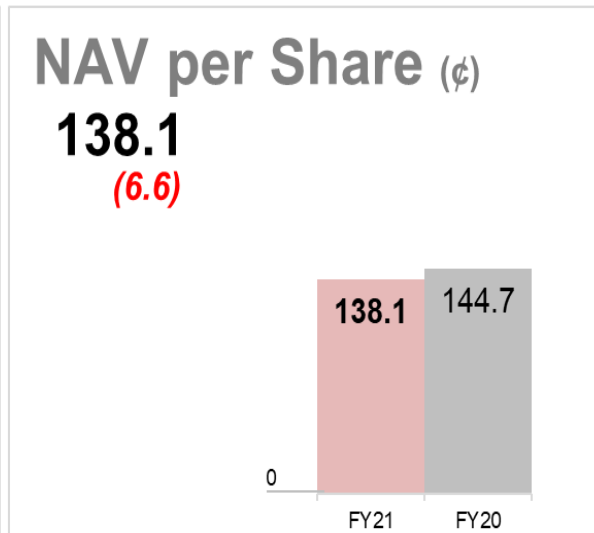
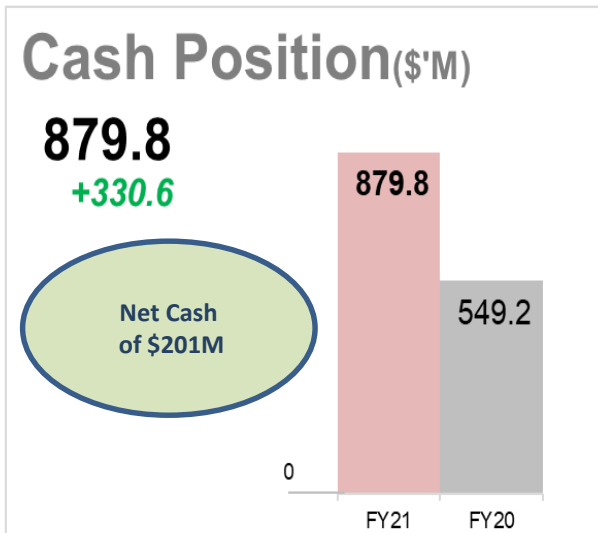
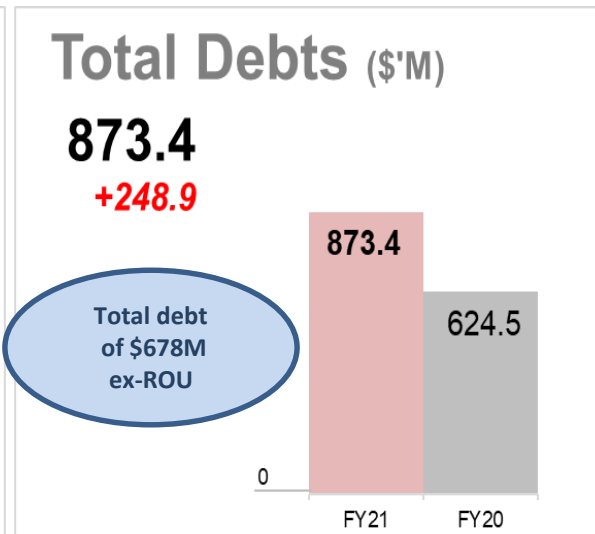
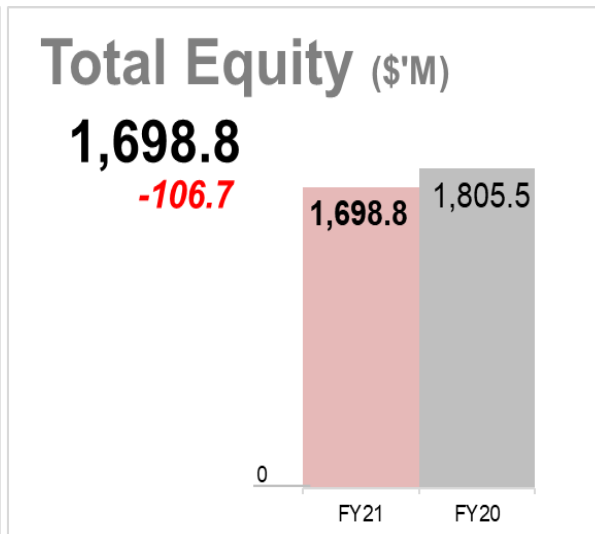
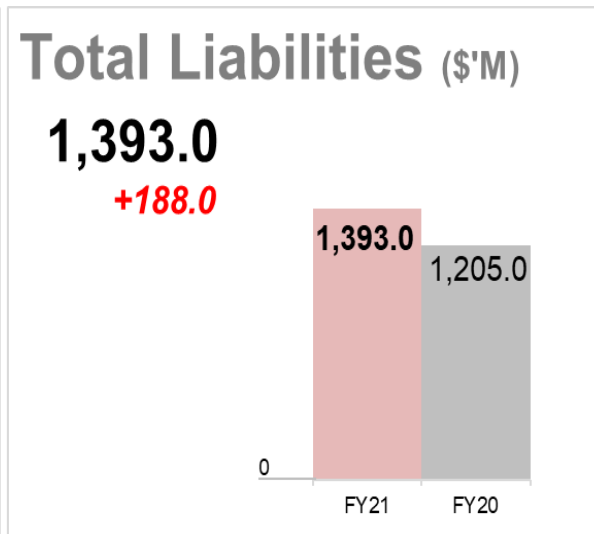
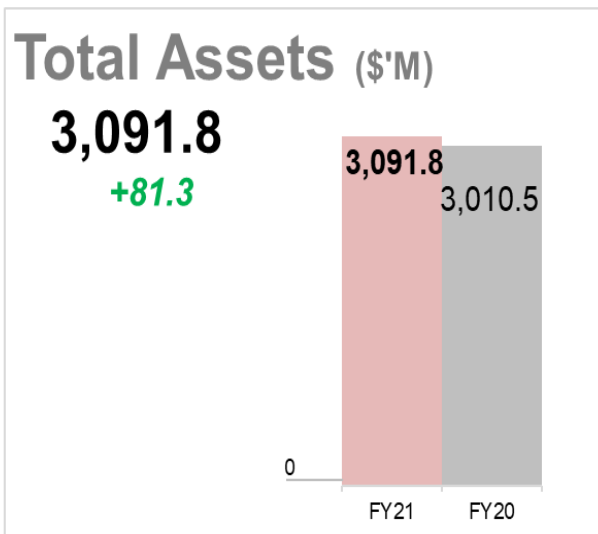
SATS Share of PATMI



■ Singapore ■ Japan ■ Greater China ■ Asean (ex-SG) ■ India ■ Others

Note: All figures are unaudited and in S\$ m unless otherwise stated.  
n.m. – not meaningful

# FY21 Group Financial Position



- FY21 Debt/Equity: 0.44x. With the SFRS (I) 16, Debt/Equity ratio will be 0.56x

Note: All figures as at 31 March 21 are unaudited and in S\$ m unless otherwise stated.  
n.m. – not meaningful

# Group Balance Sheet

\$M	AS AT 31 MAR 21	AS AT 31 MAR 20 (Restated)	Change %	Commentary
Non-Current Assets	1,769.1	1,982.1	(10.7)	Lower non-current assets mainly due to impairment charges for PPE, goodwill, investments, share of losses recognised for investments in associates & joint ventures for the year, as well as depreciation and amortisation for the year.
Current Assets	1,322.7	1,028.4	28.6	Higher current assets mainly due to higher cash balance arising from drawdown of credit facilities to improve liquidity position as well as higher inventory balance at CFPL.
<b>Total Assets</b>	<b>3,091.8</b>	<b>3,010.5</b>	<b>2.7</b>	
Non-Current Liabilities	827.7	643.7	28.6	Higher total liabilities mainly due to drawdown of existing credit facilities to build up liquidity position.
Current Liabilities	565.3	561.3	0.7	
<b>Total Liabilities</b>	<b>1,393.0</b>	<b>1,205.0</b>	<b>15.6</b>	
Equity Attributable to Shareholders	1,546.3	1,617.5	(4.4)	
Non-Controlling Interests	152.5	188.0	(18.9)	
<b>Total Equity</b>	<b>1,698.8</b>	<b>1,805.5</b>	<b>(5.9)</b>	

\*Certain items have been restated following finalisation of purchase price allocation of subsidiary acquired

Note: All figures as at 31 March 21 are unaudited and in S\$ m unless otherwise stated.  
n.m. – not meaningful

# Financial Indicators

%	4Q FY21	4Q FY20	Change ppt/%	FY21	FY20	Change ppt/%
EBIT Margin	8.1	9.6	(1.5)	(1.0)	11.7	(12.7)
PATMI Margin	0.3	(1.5)	1.8	(8.1)	8.7	(16.8)
EBITDA Margin	16.6	9.9	6.7	7.5	18.3	(10.8)
Return on Equity	0.1	(0.4)	0.5	(5.0)	10.3	n.m.
Basic EPS (cents)	0.1	(0.6)	0.6	(7.1)	15.1	n.m.

	31 MAR 21	31 MAR 20	Change ppt/%
NAV Per Share (\$)	1.38	1.45	(0.07)
Debt/Equity Ratio	0.44	0.26	0.18
Current Ratio	2.34	1.83	0.51

Including the impact of adopting SFRS(I) 16, Debt/Equity ratio will be 0.56 times

*Note: All figures are unaudited and in S\$ m unless otherwise stated.  
n.m. – not meaningful*

# Group Cash Flow Statement

\$M	FY21	FY20	Difference
<b>Net Cash from Operating Activities</b>	<b>117.7</b>	<b>244.1</b>	<b>(126.4)</b>
<b>Net Cash used in Investing Activities</b>	<b>(28.3)</b>	<b>(117.4)</b>	<b>89.1</b>
<i>Capital expenditure</i>	(61.5)	(75.7)	
<i>Dividends from associates/joint ventures</i>	26.8	32.9	
<i>Proceeds from disposal of property, plant and equipment</i>	1.3	0.5	
<i>Proceeds from disposal of direct interest in an associate /subsidiary</i>	0.3	3.4	
<i>Investment in subsidiaries, net of cash acquired</i>	-	(52.9)	
<i>Investment in associates/joint ventures</i>	-	(23.4)	
<i>Long-term investments</i>	-	(6.1)	
<i>Other investing activities</i>	4.8	3.9	
<b>Net Cash from Financing Activities</b>	<b>239.5</b>	<b>66.4</b>	<b>173.1</b>
<i>Repayment of term loans</i>	(209.1)	(3.6)	
<i>Repayment of lease liabilities</i>	(29.1)	(17.2)	
<i>Proceeds from borrowings</i>	482.7	305.0	
<i>Dividends paid</i>	-	(212.5)	
<i>Dividends paid to non-controlling interest</i>	(3.4)	(5.7)	
<i>Other financing activities</i>	(1.6)	-	
<b>Net increase/(decrease) in Cash &amp; Cash Equivalents</b>	<b>328.9</b>	<b>193.1</b>	<b>135.8</b>
Effect of exchange rate changes	1.7	6.2	
<b>Cash &amp; Cash Equivalents at beginning of financial year</b>	<b>549.2</b>	<b>349.9</b>	
<b>Cash &amp; Cash Equivalents at end of financial year</b>	<b>879.8</b>	<b>549.2</b>	
<b>Free Cash Flow *</b>	<b>56.2</b>	<b>168.4</b>	

Note: All figures are unaudited and in S\$ m unless otherwise stated.

\* Free Cash Flow refers to net cash from operating activities less cash purchases of capital expenditure.



# Outlook



# Outlook

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Despite the ongoing rollout of vaccines around the world, new COVID-19 variants continue to create uncertainty over the reopening of international borders, delaying the rebound of international air travel. SATS is innovating to support its aviation customers with products and services that enable them to operate safely, efficiently, and sustainably, both in the current restricted travel environment as well as when volumes recover.

During the pandemic, SATS has established itself as an essential service: keeping supply chains open and supporting efforts to protect public health. We are enhancing our cargo capabilities to meet the increasing demand for temperature-sensitive supplies and e-commerce. The food business continues to grow in new, non-travel related market segments across Asia. In addition, our security services business in Singapore is expanding.

***Said Alex Hungate, President and Chief Executive Officer of SATS Ltd.,*** “While the pandemic continues to restrict travel, SATS will continue to transform by reshaping our aviation services businesses while expanding non-travel related businesses.”





# Appendix

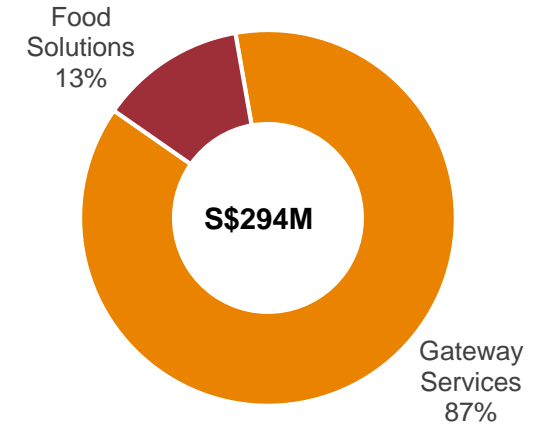
# Summary of key associates / joint ventures



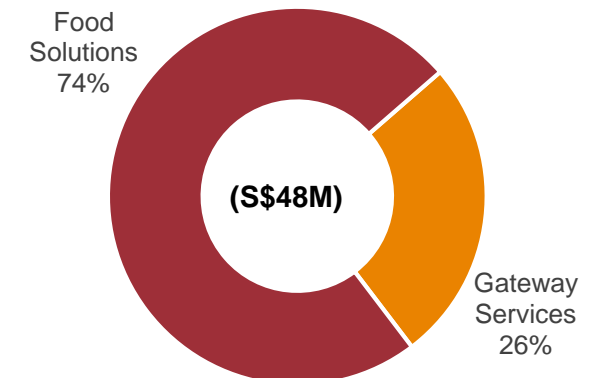
## FY21 SATS share of revenue (SSoR)

No.	Associates/JVs	Business Unit	Total	Singapore	Japan	Asean (ex-SG)	Greater China	India	Others
1	Evergreen Sky Catering	Food	5	-	-	-	5	-	-
2	Taj SATS Air Catering/TMFK	Food	14	-	-	-	-	14	-
3	Brahim's SATS	Food	1	-	-	1	-	-	-
4	Beijing Airport Inflight Kitchen	Food	3	-	-	-	3	-	-
5	MacroAsia Catering	Food	4	-	-	4	-	-	-
6	PT Cardig Aero Services**	Gateway	42	-	-	42	-	-	-
7	Air India SATS Airport Services	Gateway	38	-	-	-	-	38	-
8	Asia Airfreight Terminal	Gateway	71	-	-	-	71	-	-
9	Beijing Aviation Ground Services	Gateway	13	-	-	-	13	-	-
10	Evergreen Airline Services/Air Cargo	Gateway	32	-	-	-	32	-	-
11	Mumbai Cargo Services	Gateway	36	-	-	-	-	36	-
12	OmanSATS	Gateway	7	-	-	-	-	-	7
	Sub-total	90.5%	266	-	-	47	124	88	7
	Others	9.5%	28	7	5	9	2	-	5
	<b>Share of Associates/JVs revenue (SSoR)</b>	<b>100.0%</b>	<b>294</b>	<b>7</b>	<b>5</b>	<b>56</b>	<b>126</b>	<b>88</b>	<b>12</b>
	<b>Share of results of Associates/JVs (SoAJV)</b>		<b>(48)</b>	<b>(2)</b>	<b>(1)</b>	<b>(12)</b>	<b>(14)</b>	<b>(16)</b>	<b>(3)</b>

### SSoR



### SoAJV



Note: All figures are unaudited and in S\$ m unless otherwise stated.

Based on Group management estimates

\*PT CAS revenue refers to consolidated revenue of PT CAS Group which include PT Jasa Angkasa and PT Purantara Mitra

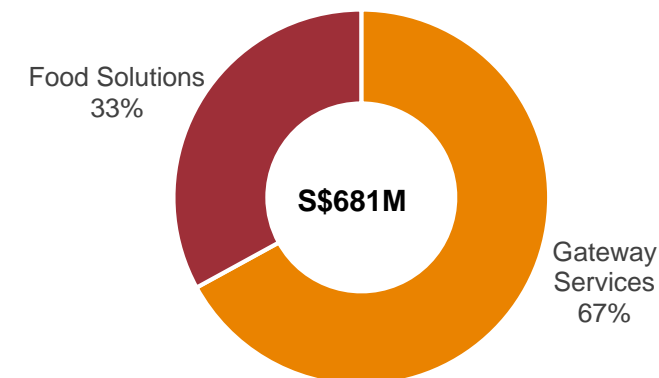
# Summary of key associates / joint ventures



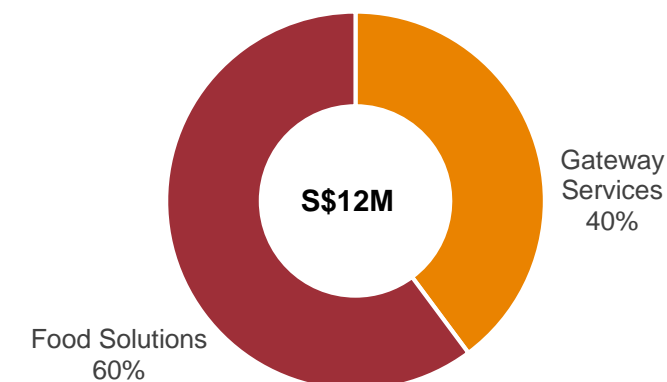
## FY20 SATS share of revenue (SSoR)

No.	Associates/JVs	Business Unit	Total	Singapore	Japan	Asean (ex-SG)	Greater China	India	Others
1	Evergreen Sky Catering	Food	37	-	-	-	37	-	-
2	Taj SATS Air Catering/TMFK	Food	42	-	-	-	-	42	-
3	Brahim's SATS	Food	33	-	-	33	-	-	-
4	Beijing Airport Inflight Kitchen	Food	18	-	-	-	18	-	-
5	MacroAsia Catering	Food	26	-	-	26	-	-	-
6	PT Cardig Aero Services*	Gateway	88	-	-	88	-	-	-
7	Air India SATS Airport Services	Gateway	73	-	-	-	-	73	-
8	Asia Airfreight Terminal	Gateway	69	-	-	-	69	-	-
9	Beijing Aviation Ground Services	Gateway	63	-	-	-	63	-	-
10	Evergreen Airline Services/Air Cargo	Gateway	46	-	-	-	46	-	-
11	Mumbai Cargo Services	Gateway	37	-	-	-	-	37	-
12	OmanSATS	Gateway	15	-	-	-	-	-	15
	Sub-total	80.0%	547	-	-	147	233	152	15
	Others	20.0 %	134	54	9	9	48	-	14
	<b>Share of Associates/JVs revenue (SSoR)</b>	<b>100.0%</b>	<b>681</b>	<b>54</b>	<b>9</b>	<b>156</b>	<b>281</b>	<b>152</b>	<b>29</b>
	<b>Share of results of Associates/JVs (SoAJV)</b>		<b>12</b>	<b>1</b>	<b>-</b>	<b>8</b>	<b>-11</b>	<b>7</b>	<b>7</b>

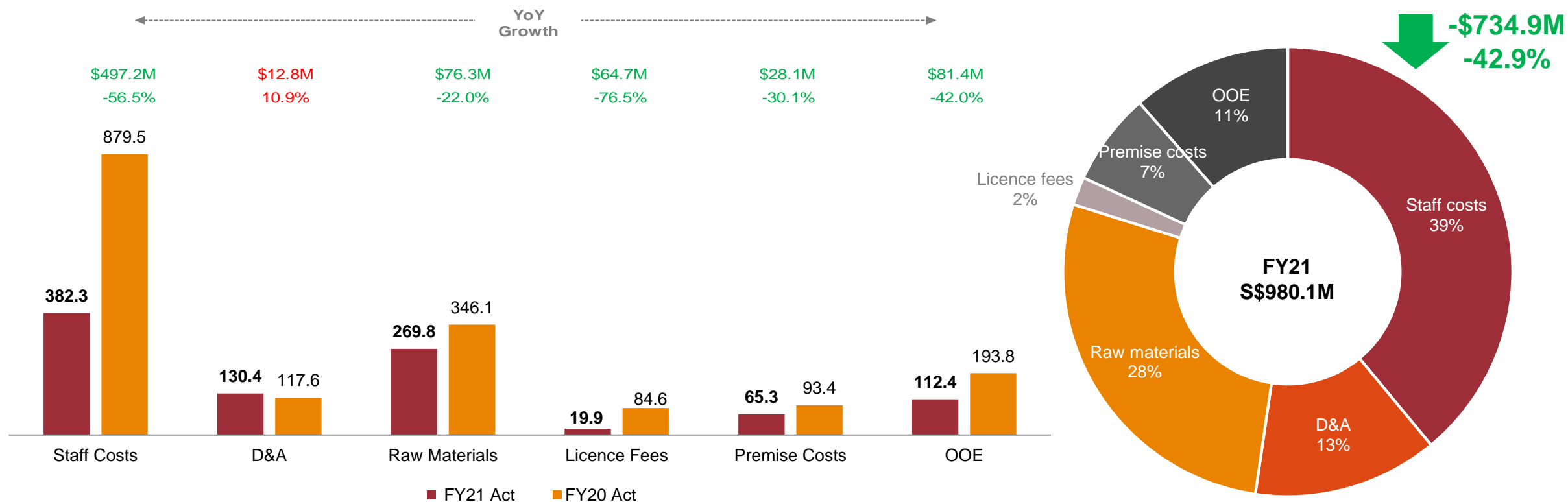
### SSoR



### SoAJV



# FY21 Group Expenditure

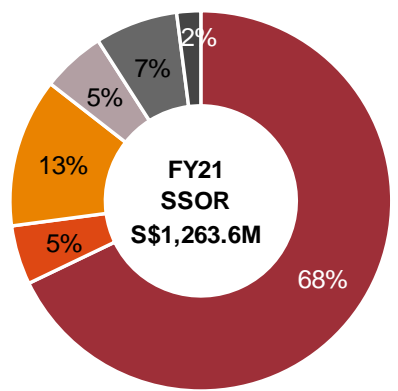
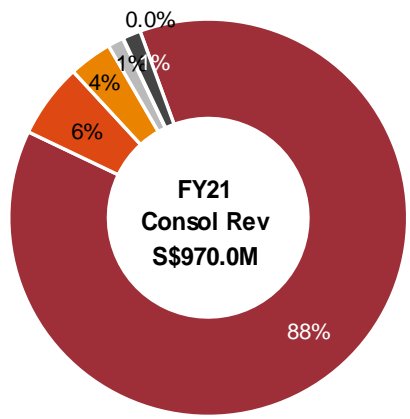


- The lower staff costs was due to government reliefs, reduced contract services as well as lower headcount.
- The increase in D&A was mainly due to the consolidation of new entities and new systems during the year.
- The lower cost of raw materials was due to lower aviation volume offset by increased business activities of CFPL.
- Lower licence fees is in line with the lower aviation volume.
- Premise costs and OOE decreased due to reduction in discretionary spending in view of group-wide cost containment measures.

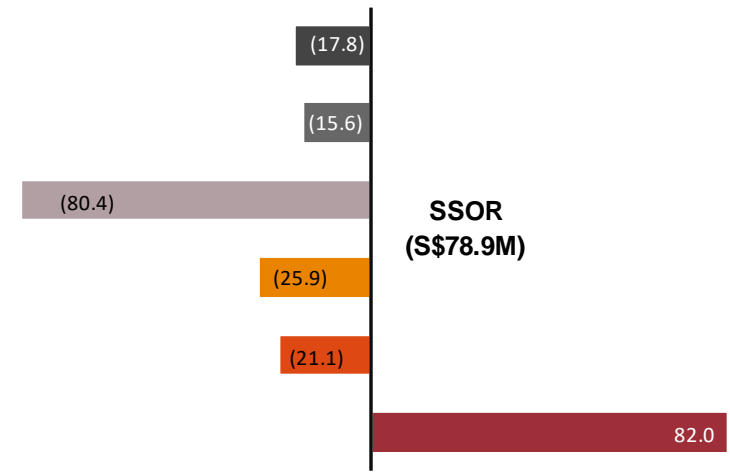
*Note: All figures are unaudited and in S\$ m unless otherwise stated.  
D&A represents Depreciation & Amortisation  
OOE represents Other Operating Costs*

# FY21 Revenue (Consol & SSOR) and PATMI by region

	Consol Revenue	YoY	SSOR		YoY	PATMI	YoY
	FY21	%	FY21	FY20	%	FY21	%
Singapore	850.4	(45.1)	857.5	1,603.5	(46.5)	82.0	(54.6)
Japan	58.7	(76.8)	63.6	262.3	(75.8)	(21.1)	n.m.
Asean (ex-SG)	12.4	(85.9)	68.1	243.4	(72.0)	(80.4)	n.m.
Greater China	34.0	21.0	160.1	309.2	(48.2)	(25.9)	(2.8)
India	0.4	(30.0)	88.6	152.5	(41.9)	(15.6)	n.m.
Others	14.1	(35.6)	25.7	50.8	(49.4)	(17.8)	n.m.
<b>Total</b>	<b>970.0</b>	<b>(50.0)</b>	<b>1,263.6</b>	<b>2,621.7</b>	<b>(51.8)</b>	<b>(78.9)</b>	<b>(146.9)</b>



## SATS Share of PATMI



■ Singapore ■ Japan ■ Greater China ■ Asean (ex-SG) ■ India ■ Others

Note: All figures are unaudited and in S\$ m unless otherwise stated.  
n.m. – not meaningful



Q&A

