



# Capital Markets Day

30<sup>th</sup> May 2019



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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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.



**Alex Hungate**  
*President & CEO*



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*Chief Financial Officer*



**Kerry Mok**  
*EVP*  
*Food Solutions*



**Yacoob Piperdi**  
*EVP*  
*Gateway Services*

- 1 Company Overview**
- 2 Growing with Purpose**
- 3 Food Solutions**
- 4 Gateway Services**
- 5 Group Financial Review**
- 6 Q&A**



# Company Overview



# Asia's largest food and gateway services network



**2000**

**22m**  
Passengers Handled 

**21m**  
Meals Served 

**72k**  
Flights Handled 

**1.4m Tonnes**  
Cargo Handled 

**7**  
Countries 

**9k** Employees<sup>(2)</sup> 

**2019**

**126m**  
Passengers Handled <sup>(1)</sup>


**167m**  
Meals Served <sup>(1)</sup>

**682k**  
Flights Handled <sup>(1)</sup>

**5.4m Tonnes**  
Cargo Handled <sup>(1)</sup>

**13** Countries  
Across **60** locations

**17k** Employees<sup>(2)</sup>



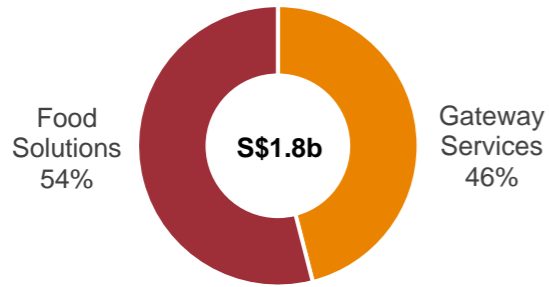
<sup>(1)</sup> Based on FY2018-19 statistics for Singapore & Overseas operations

<sup>(2)</sup> Represents SATS and consolidated subsidiaries only. Does not include JVs and Associates.

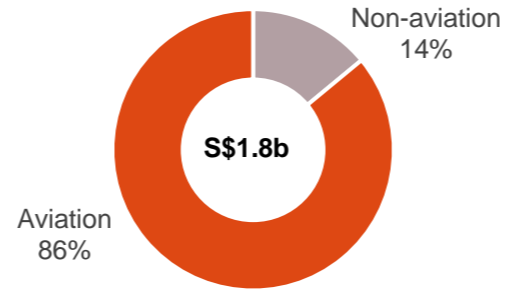
# Group overview



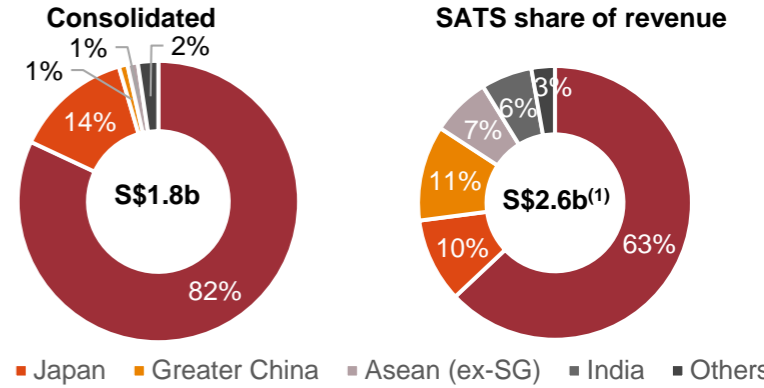
## Segment



## Industry



## Geography

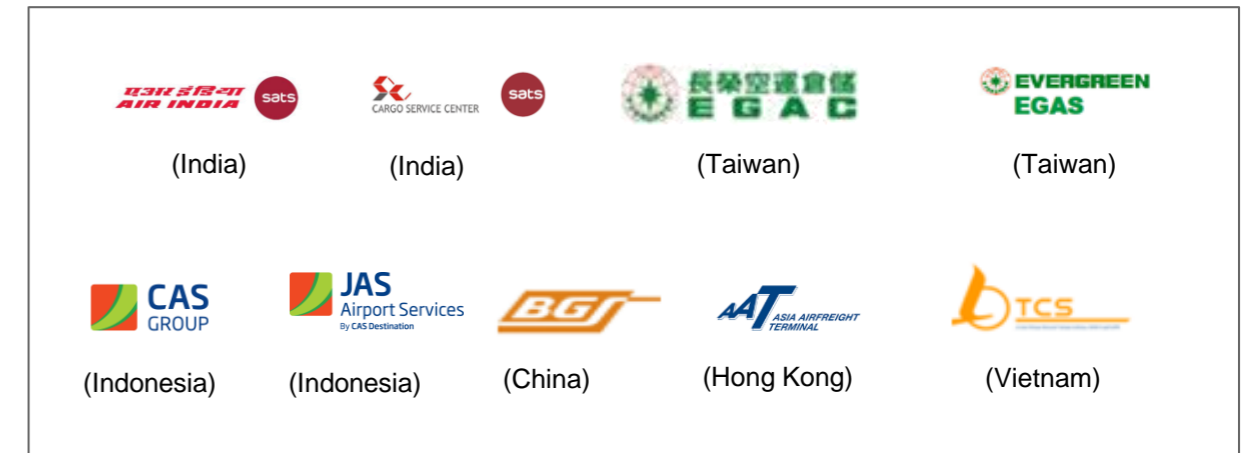


## Segment Overview

### Food Solutions



### Gateway Services



6 Note: Segmentation based on FY2018-19 consolidated revenue.

(1) SATS share of revenue (non-IFRS) is the aggregate of the total consolidated revenue and proportionate share of associates/joint ventures.

# Customer base



## Food Solutions

## Gateway Services





## 2019 highlights

<p><b>S\$1.8bn</b></p> <hr/> <p>Revenue</p>	<p><b>S\$247m</b></p> <hr/> <p>EBIT</p>
<p><b>S\$248m</b></p> <hr/> <p>PATMI<sup>(1)</sup></p>	<p><b>S\$208m</b></p> <hr/> <p>Free Cash Flow</p>
<p><b>S\$0.22</b></p> <hr/> <p>EPS</p>	<p><b>S\$0.19</b></p> <hr/> <p>DPS</p>

## Value creation over the last 10 years

<p><b>S\$1.1 – 1.8b*</b></p> <hr/> <p>6% Revenue CAGR</p>	<p><b>S\$166 – 247m*</b></p> <hr/> <p>4% EBIT CAGR 12% Avg. Margin</p>
<p><b>S\$166 – 248m*</b></p> <hr/> <p>5% PATMI CAGR</p>	<p><b>12.6 – 15.1%</b></p> <hr/> <p>1.2x Increase in ROE</p>
<p><b>472%<sup>(2)</sup></b></p> <hr/> <p>Total Shareholder Return</p>	<p><b>S\$1.7b</b></p> <hr/> <p>Cumulative Dividends</p>

Source: Company filings. Total Shareholder Return from Factset.

\* Based on continuing operations which exclude the results of Daniels Group that was divested in October 2011.

(1) PATMI refers to net profits after non-controlling interests

(2) For the period from FY2009/10 to FY2018/19.



# Corporate Video



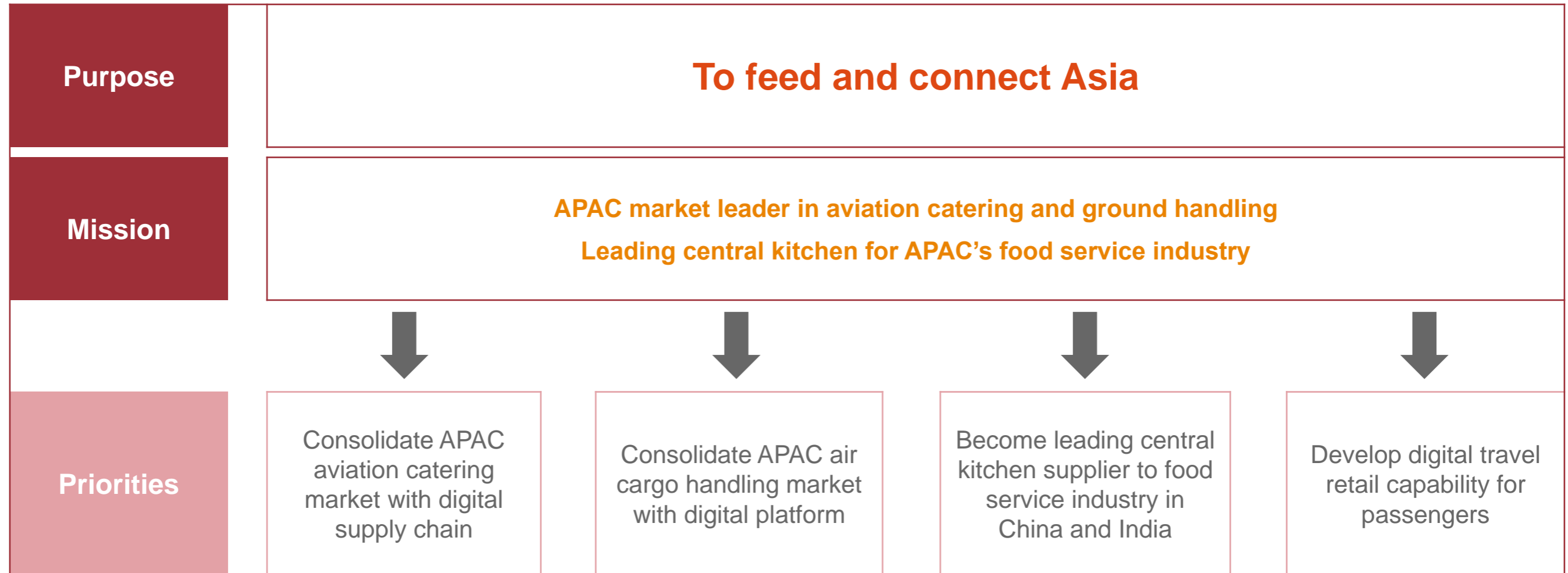


Growing with Purpose



# SATS has a compelling purpose with a clear mission

Execution against priorities is progressing well

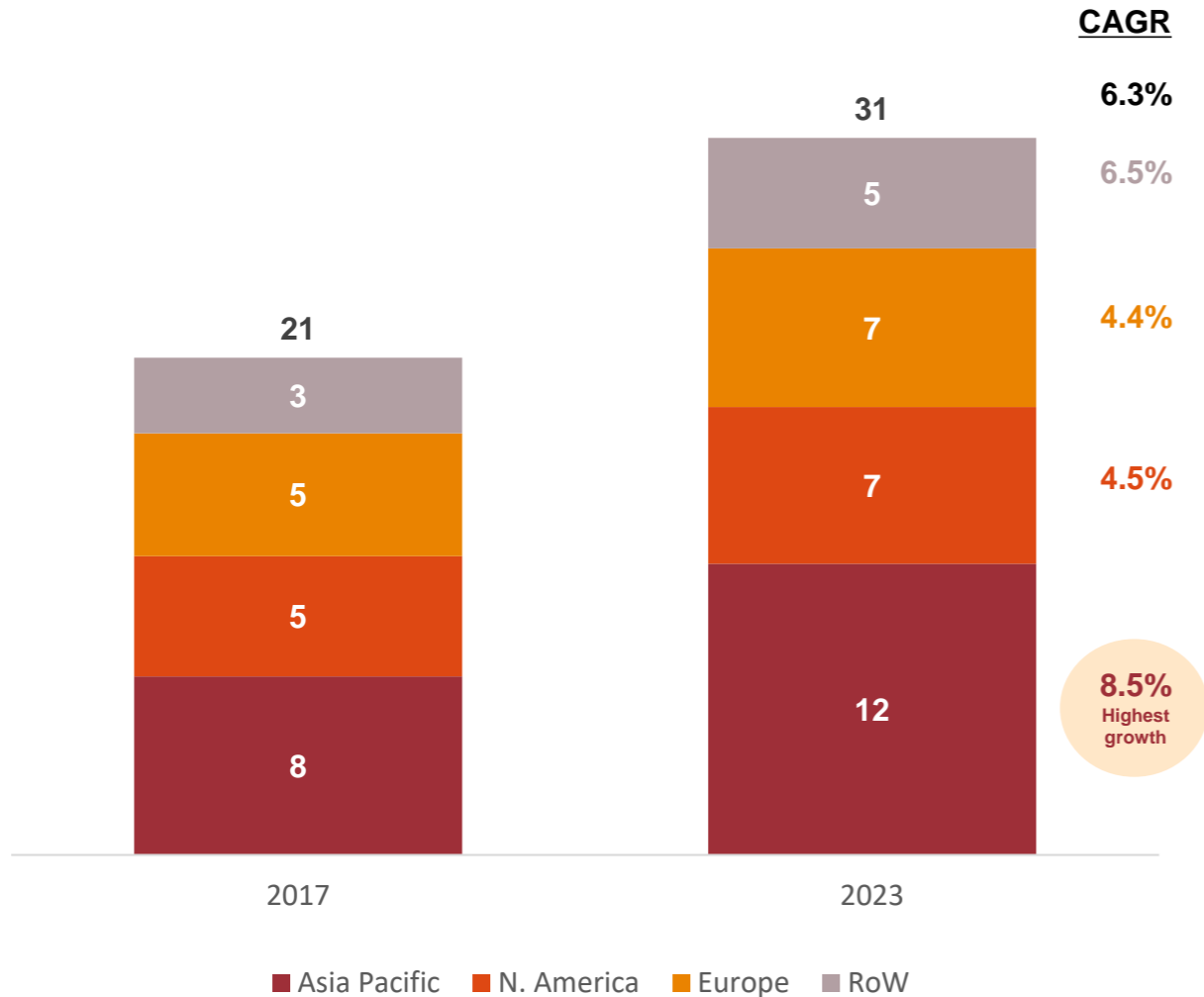


# The Asian aviation catering market remains attractive and will consolidate



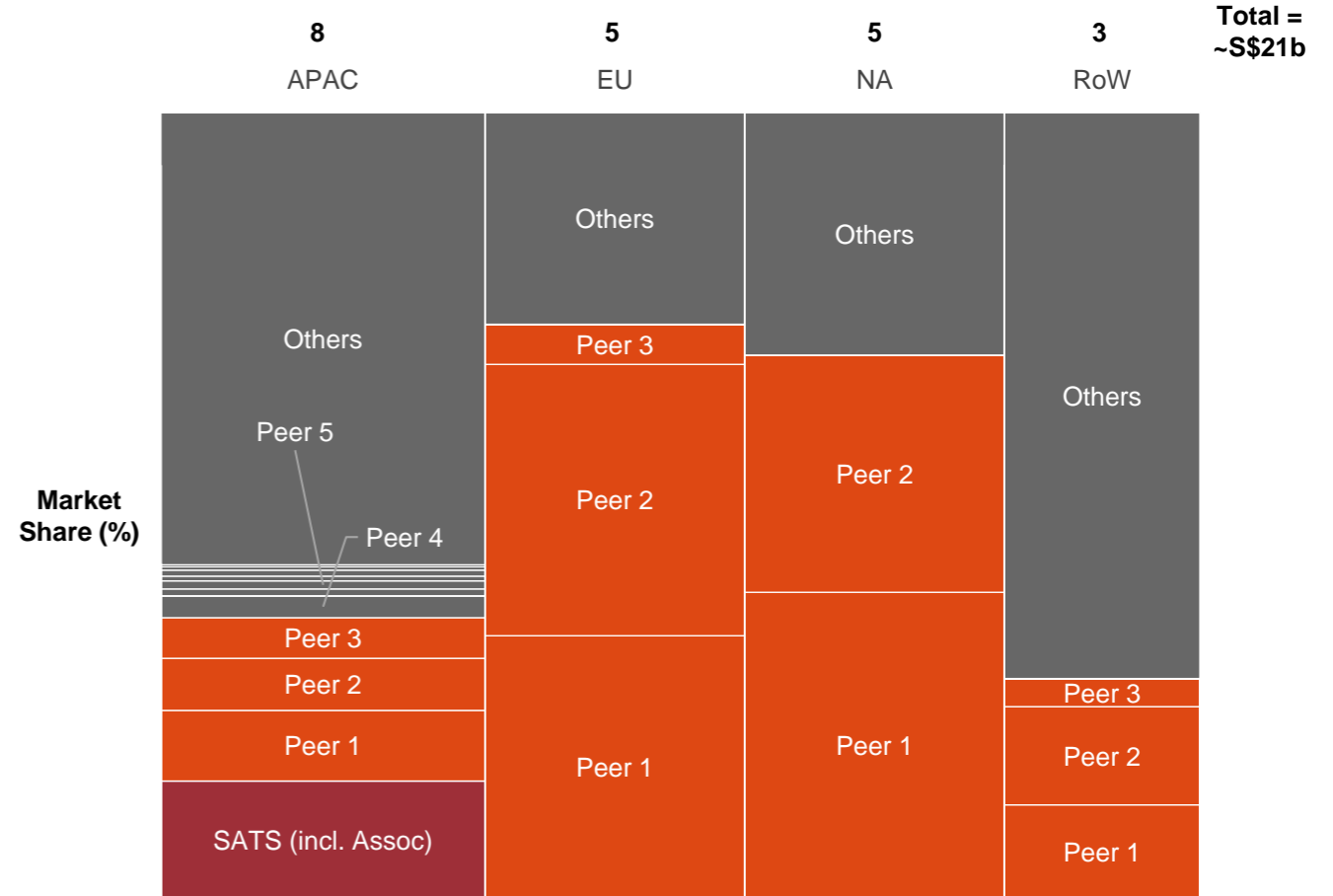
## APAC is the fastest growing region

2017 - 2023 APAC In-flight Catering Services Market Revenue (S\$b)



## SATS can increase market share in a fragmented market

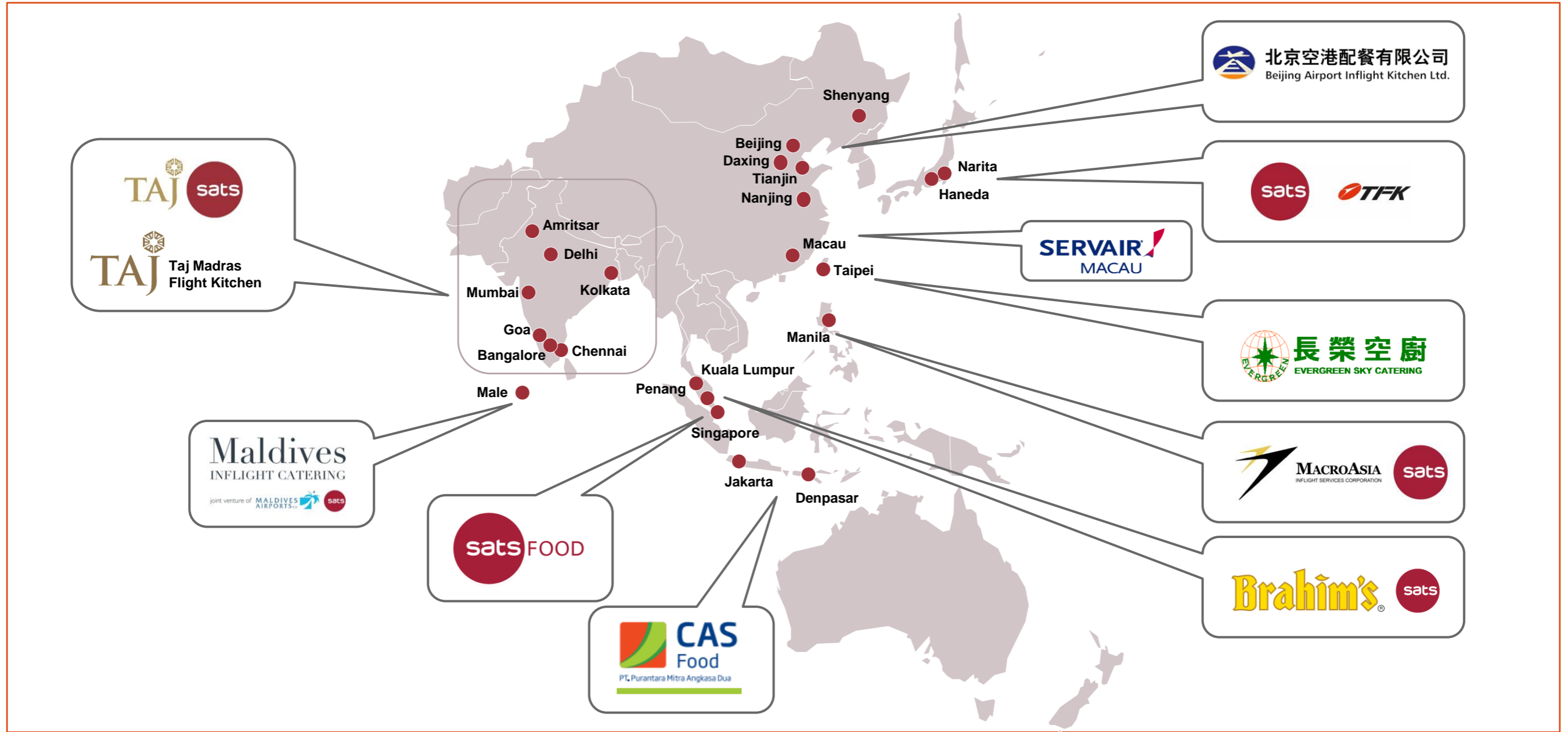
In-flight Catering Services Market Structure (2017, S\$b)



Wave of consolidation expected to be driven by airline-affiliated caterer divestments and proliferation of scale long shelf life food producers

Source: Company annual reports; Company websites; Expert interviews; IATA; Literature search; Mordor Intelligence Research; Bain analysis.  
Note: US\$ converted to SG\$ at 1:1.37.

# Leading inflight catering presence across Asia

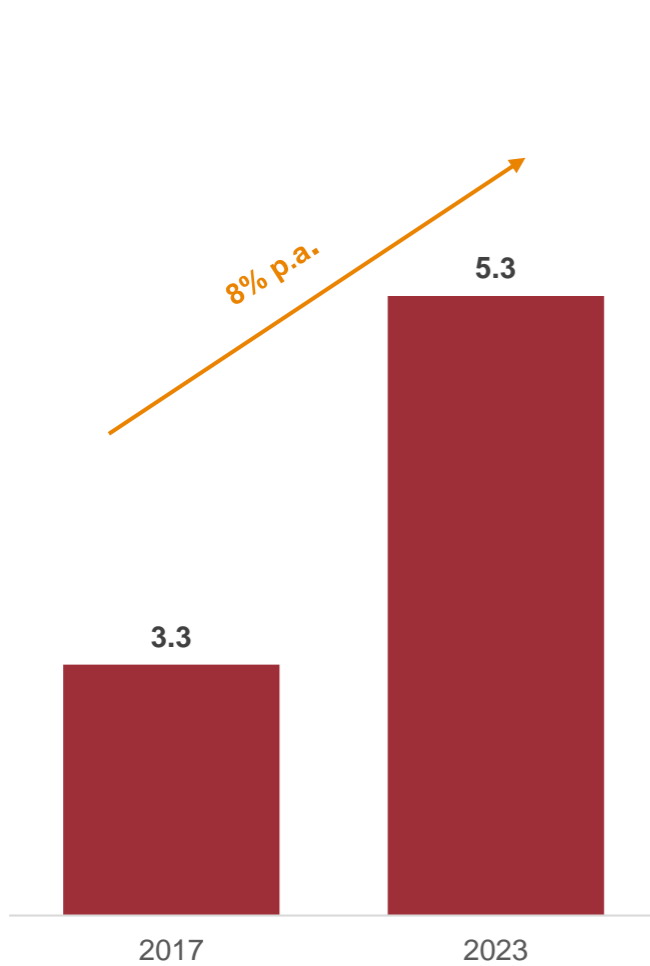


# Recently announced acquisition in China is strategic

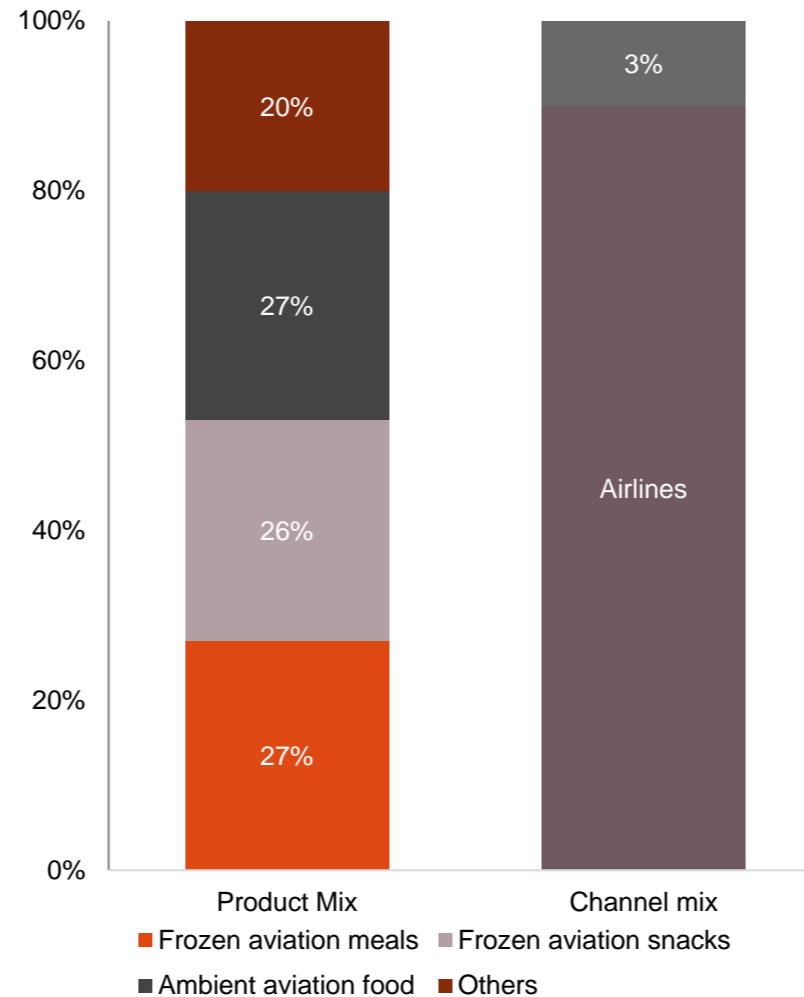


Nanjing Weizhou provides capability and distribution in a fast growing market

Chinese Aviation Catering Market (S\$b)



Nanjing Weizhou Product and Channel Mix



Nanjing Weizhou Customers and Brands



Source: Company annual reports; Company websites; IATA; Literature search; Mordor Intelligence Research; internal analysis  
 Note: US\$ converted to SG\$ at 1:1.37.  
 Completion of the deal is subject to the fulfilment of certain conditions precedent

# In parallel, we are becoming a successful central kitchen for food service chains in China and India

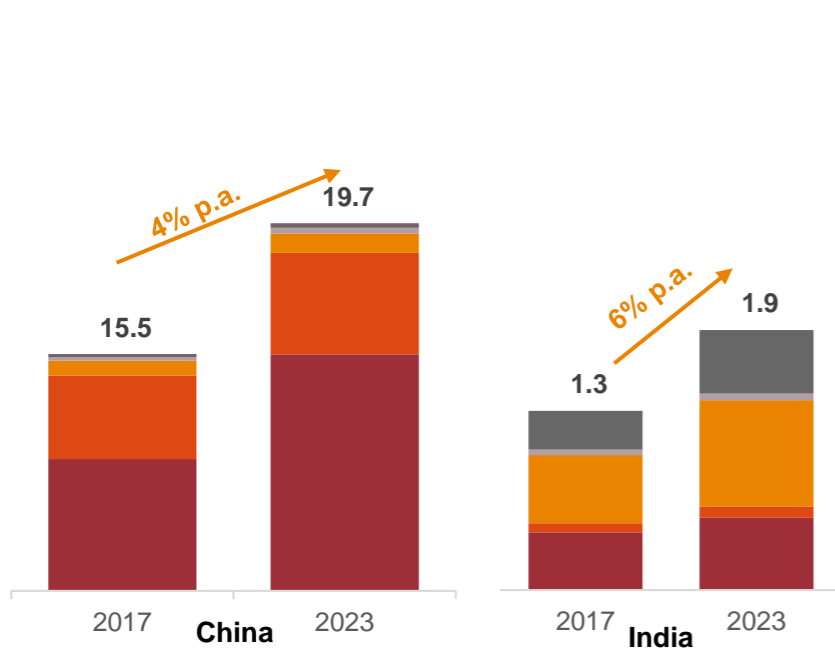


Fast casual restaurants have requirements that match SATS' capabilities – culinary R&D, safety and quality

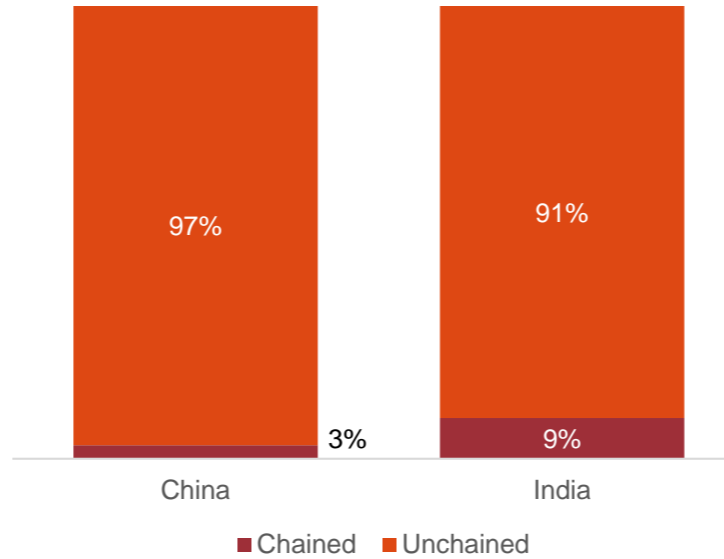
Chained consumer foodservice restaurants are still underpenetrated in China and India

SATS is growing its network of kitchens in China

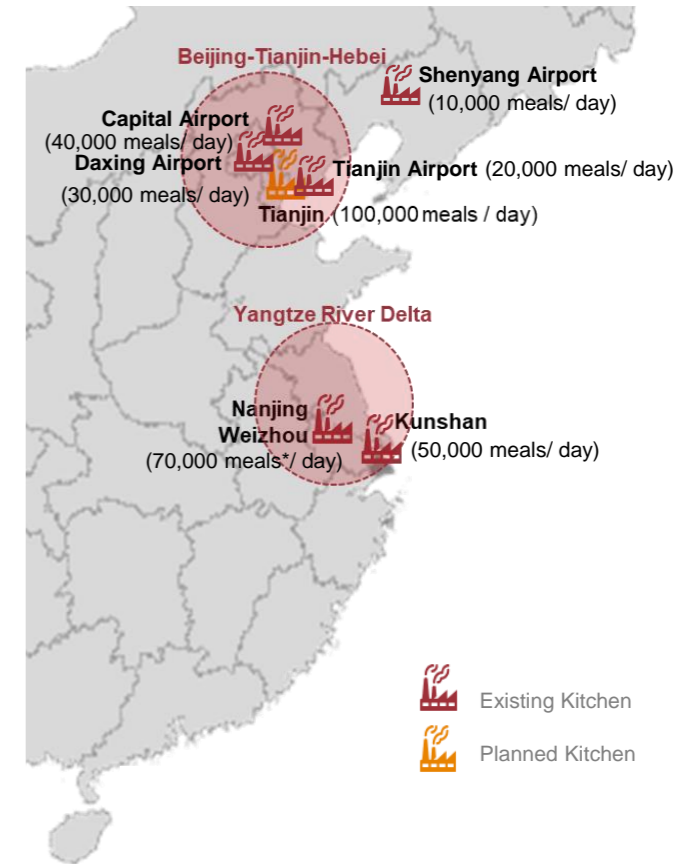
Addressable Consumer Foodservice Market (\$b)



Consumer foodservice chained and unchained penetration by market value



There is no clear leader in the central kitchen business



- FSRs
- Asian FCRs
- Western FCRs
- Cafes/Bars
- Pizza
- Theme Parks
- Convenience

Source: Euromonitor; GlobalData; Expert interviews; Bloomberg; Reuters; Literature search; Bloomberg (FY18); Company annual reports; Bain assumptions.  
\* Include component production

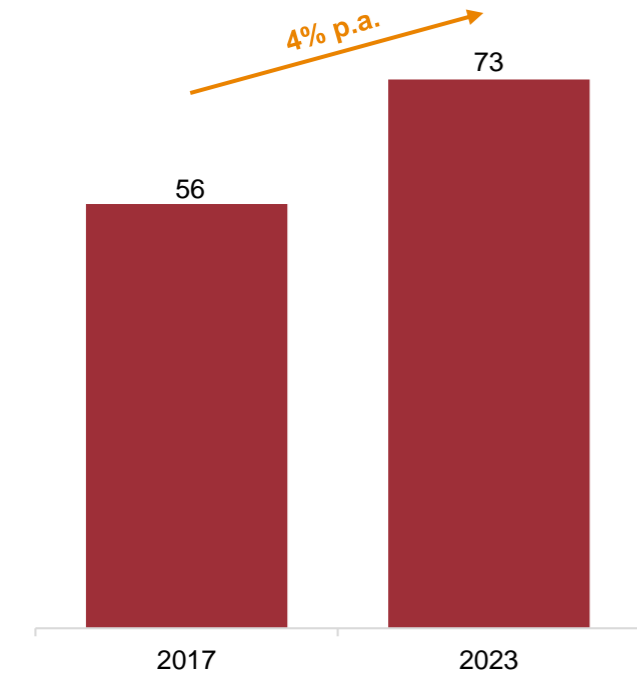


# Air cargo handling in Asia is attractive and growing



## Asian cargo growth

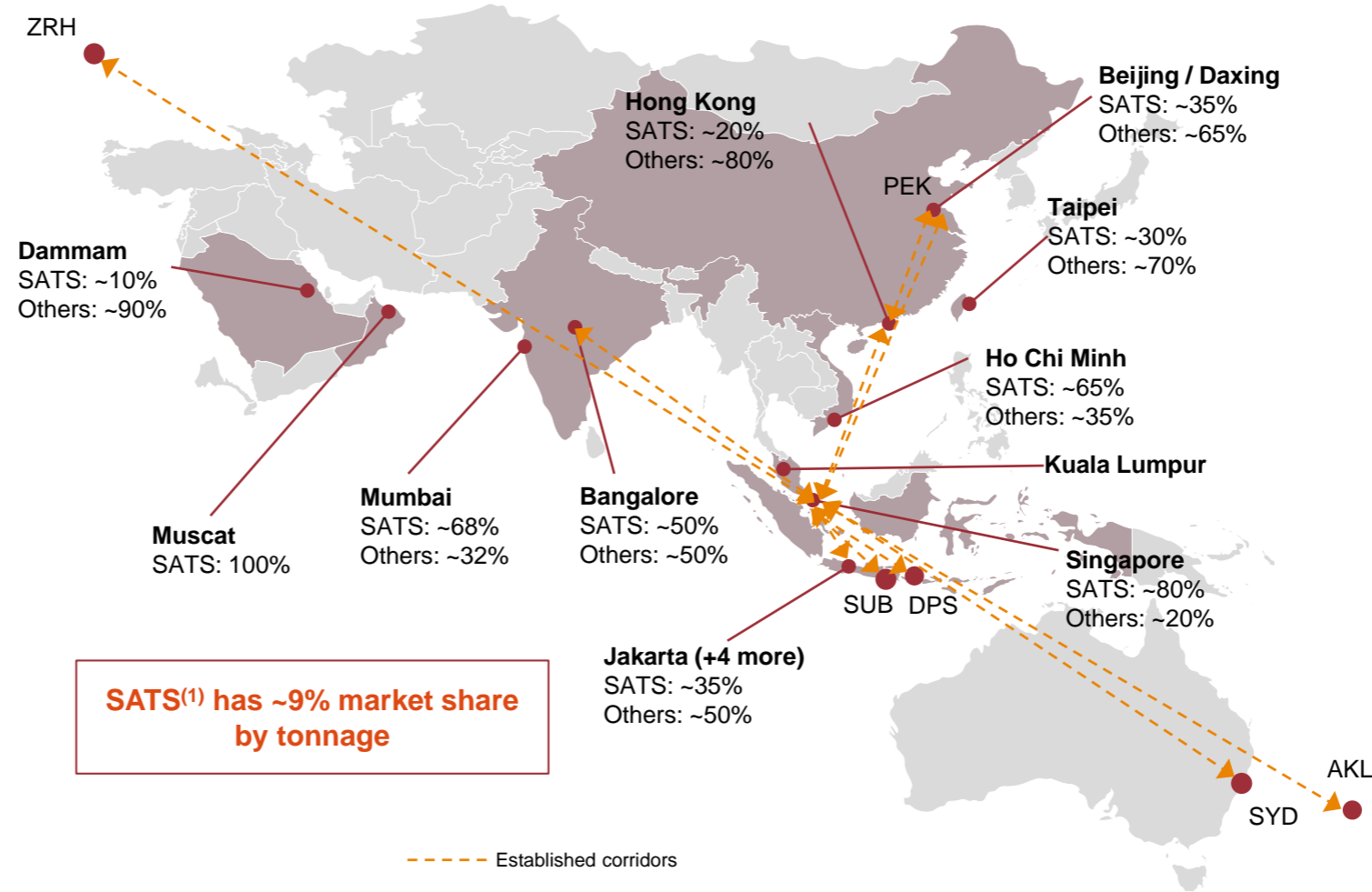
Air Cargo Handling Forecast (mTonnes)



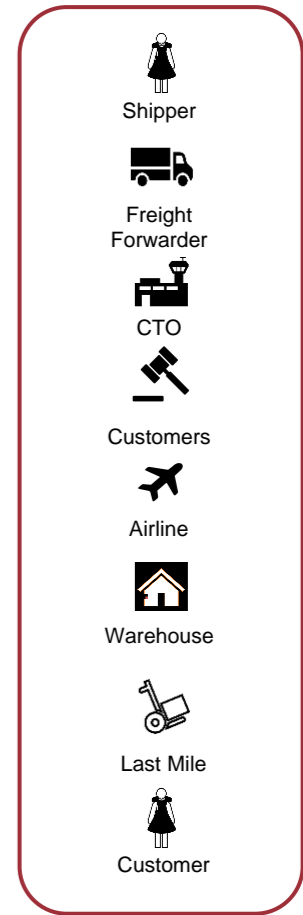
APAC Share 47% 52%

## SATS Is also well positioned to lead consolidation of the air cargo handling market in Asia

SATS Air Cargo Handling Network



Our Digital Cargo Platform creates value for the ecosystem



Source: Boeing World Cargo Forecast 2018

Note: Percentages on the map chart represent air cargo handling market share.

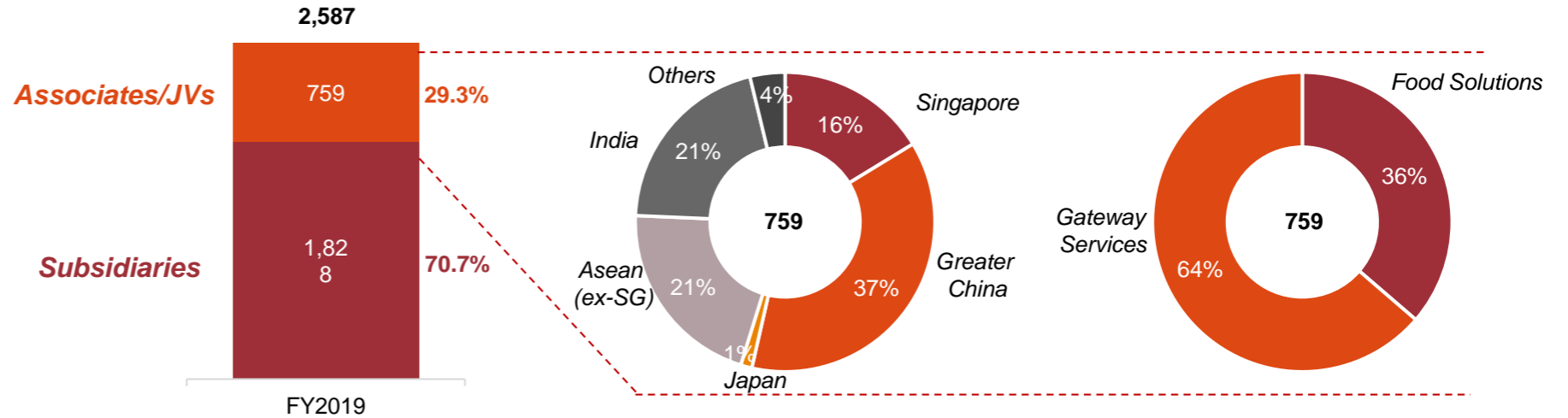
(1) Includes Associates and JVs.

# Our Associates/JVs will become more important as we feed and connect Asia

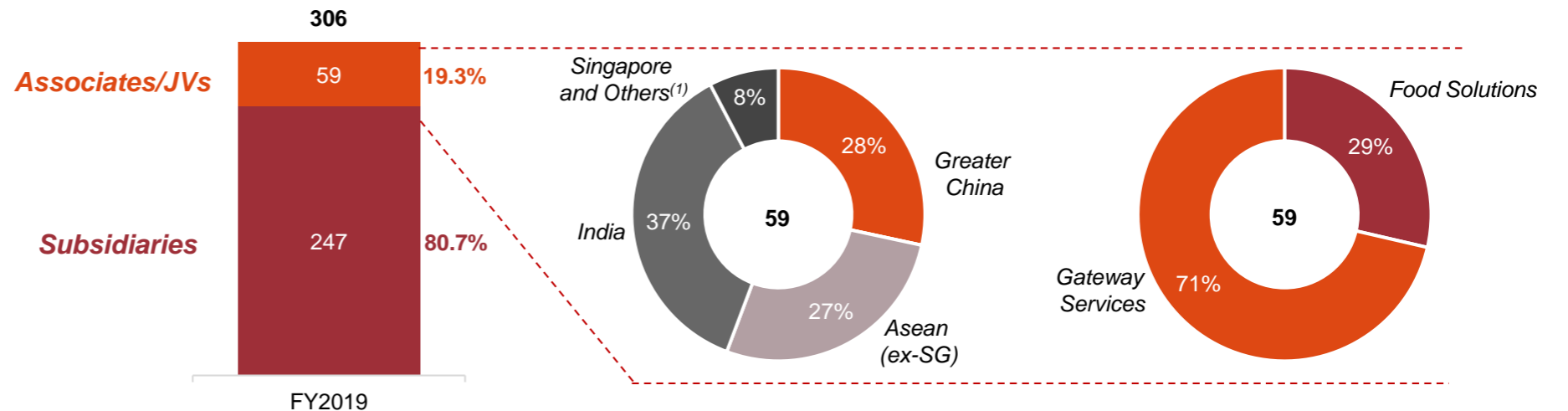


- Growing importance of Associates and JVs as we continue to expand our regional footprint
- Level of ownership often a function of local market dynamics including foreign ownership restrictions

## FY2019 SATS Share of Revenue



## FY2019 SATS Share of EBIT



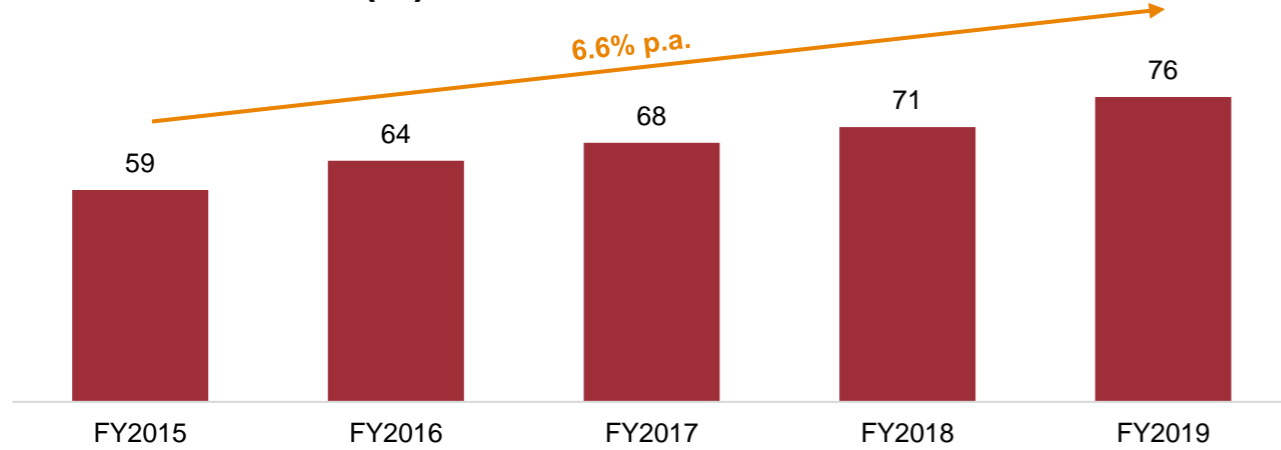
Note: Figures in S\$ m unless otherwise stated.

(1) Comprises (S\$4.5m) of EBIT from Singapore and S\$9.2m EBIT from Others.

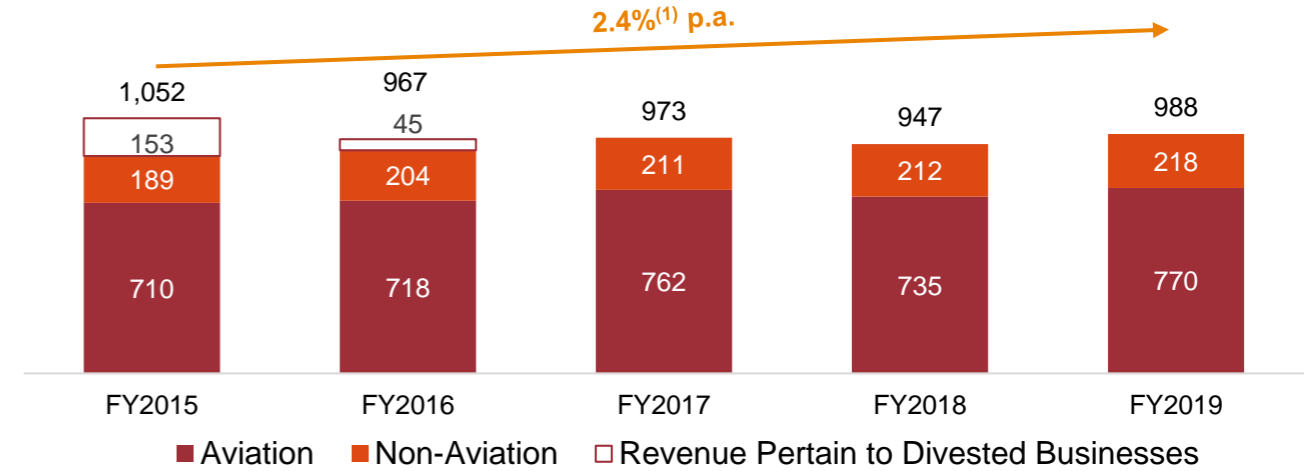


# Food Solutions

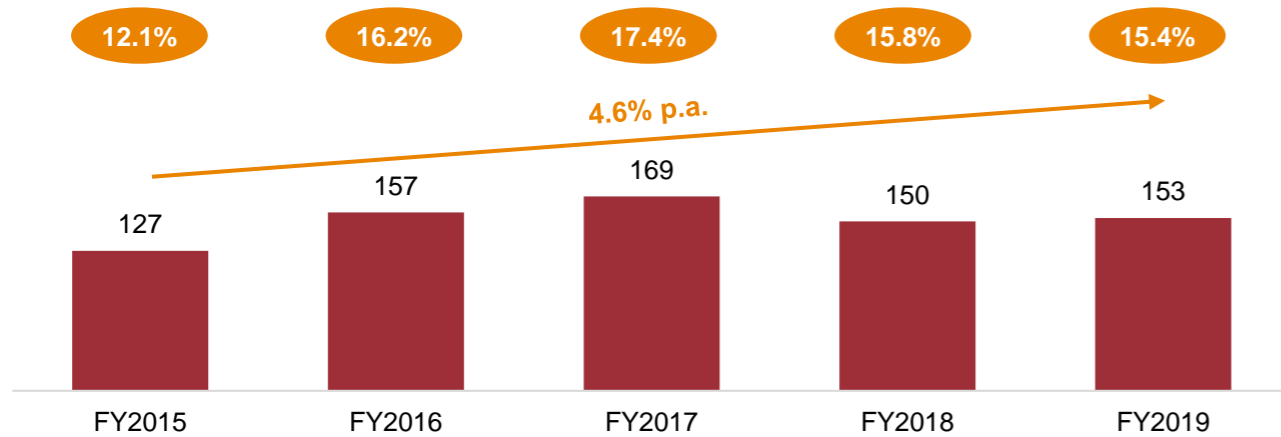
## Meals Produced\* (m)



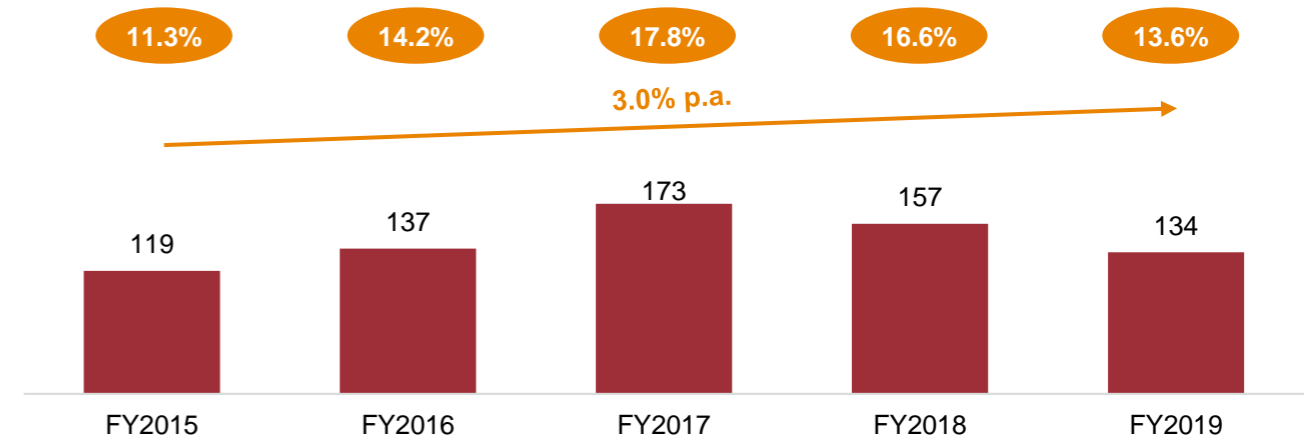
## Revenue



## EBIT and Margin



## PATMI and Margin



### One-Offs

	FY2015	FY2016	FY2017	FY2018	FY2019
Subsidiaries	-	3	9	9	-
Associates/JVs	-	-	15	12	-
<b>Total</b>	-	<b>3</b>	<b>24</b>	<b>21</b>	-

Note: Financials in S\$m unless otherwise noted.

\* Meals produced cover SATS and its subsidiaries, but does not include associates/JVs.

(1) CAGR adjusted for revenue pertaining to divestment of Food distribution business and Urangan Fisheries Pty Ltd.

# Grow core capabilities to deliver consistent quality across our network

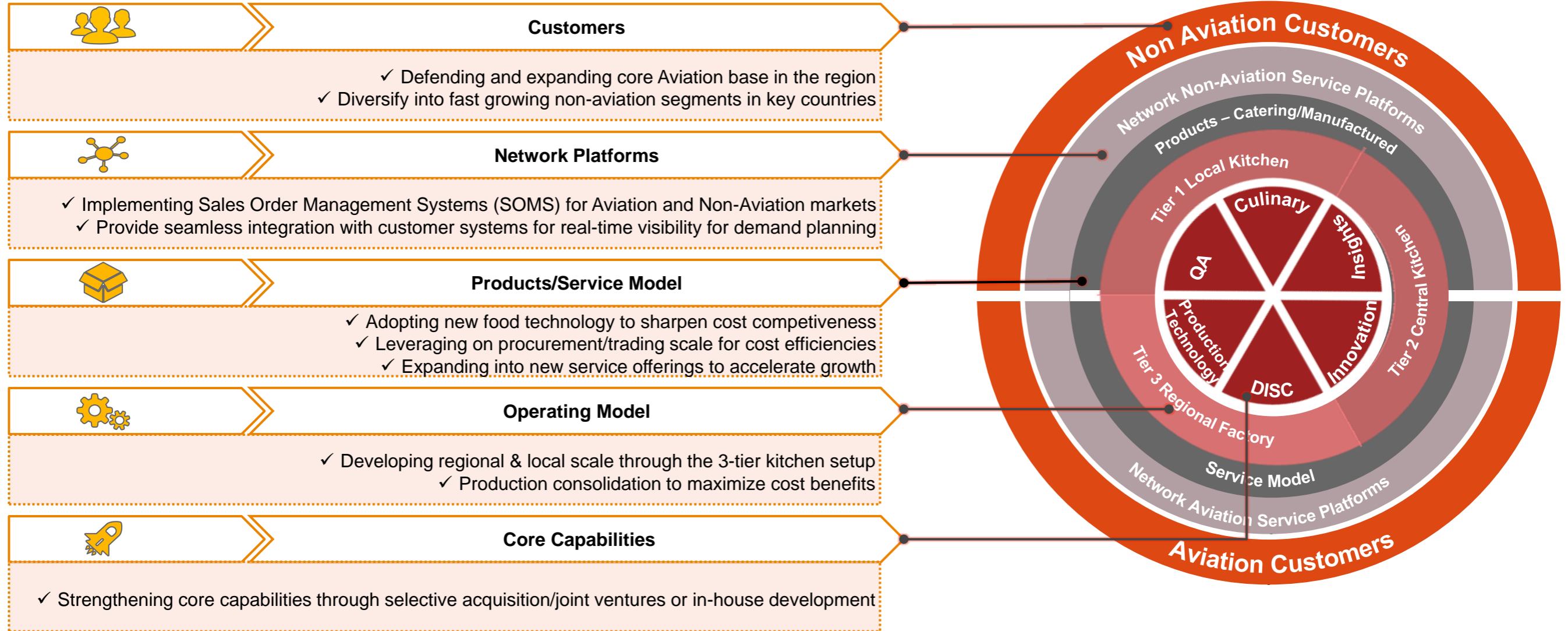


4 key strategic initiatives, underpinned by the FoodOS

Purpose	To feed and connect Asia			
Market Dynamics	<p style="text-align: center;"><b>AVIATION</b></p>  <ol style="list-style-type: none"> <li>1 APAC Profit Pool &amp; Growth</li> <li>2 Product &amp; Packaging Innovation</li> <li>3 Industry-wide Cost Pressure</li> <li>4 Supply Chain &amp; Procurement Model</li> <li>5 Production Consolidation</li> </ol>		<p style="text-align: center;"><b>NON-AVIATION</b></p>  <ol style="list-style-type: none"> <li>1 Fast-growing Segments (e.g. FCR)</li> <li>2 Brand Reputation</li> <li>3 Quality Control &amp; SCM</li> <li>4 Scale Production</li> <li>5 Digitalize Service Platform</li> </ol>	
Priorities	<p><b>Consolidate Asian Aviation Catering Market with Digital Supply Chain</b></p>		<p><b>Become Leading Central Kitchen Supplier to Food Service Industry in China and India</b></p>	
Strategic Initiatives	 <p>3-Tier Kitchen</p>	 <p>Digital Integrated Supply Chain</p>	 <p>Innovation &amp; Food Technology</p>	 <p>Service Platforms</p>

**FSG FoodOS – “the enabler of the strategic thrust”**

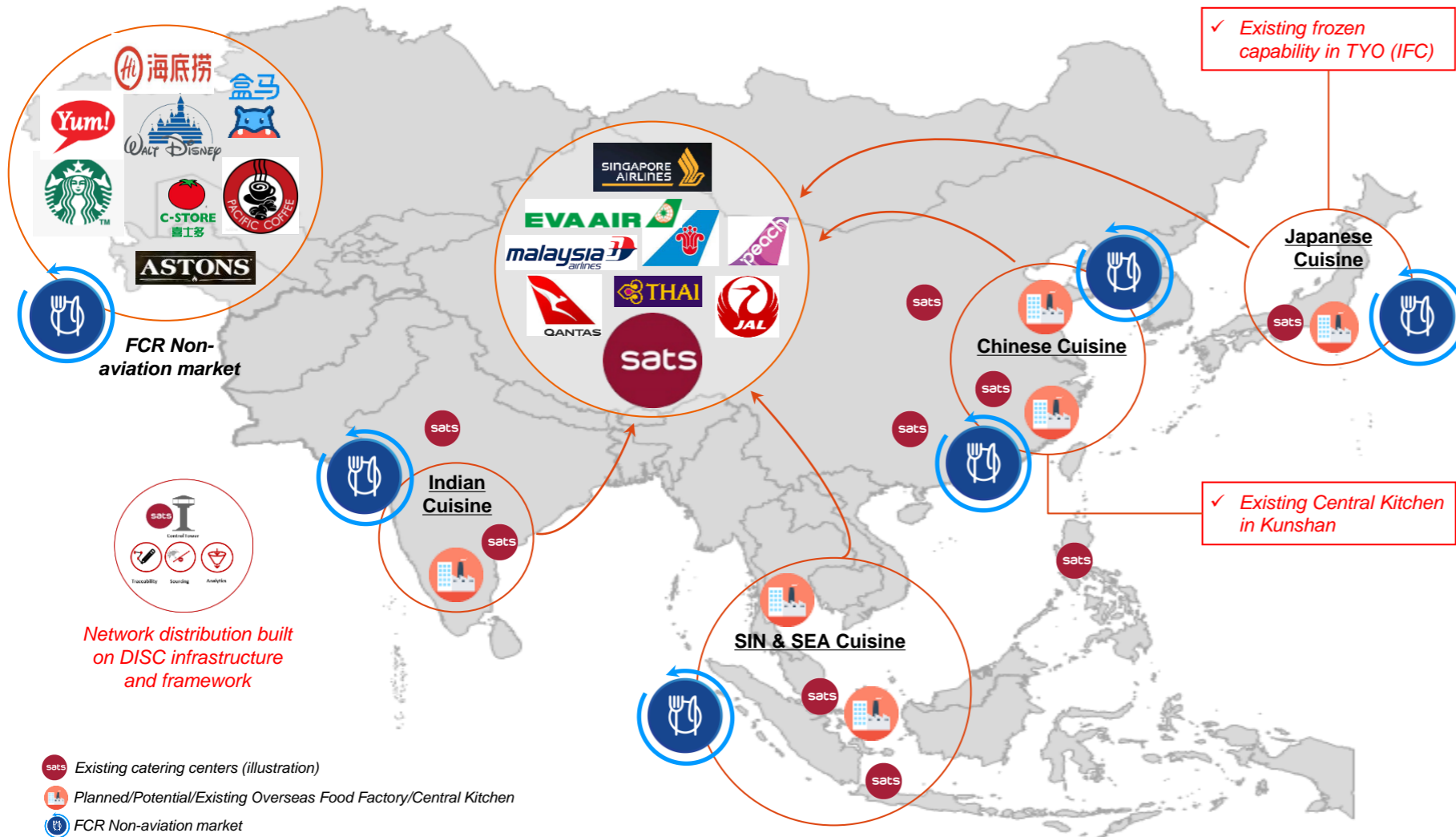
To provide products & services through network platforms to our Aviation and Non-Aviation customers



# Achieve cost competitiveness through Food Solutions network ecosystem



3-Tier Kitchen set-up comprises of food factories, central kitchens and local catering centers



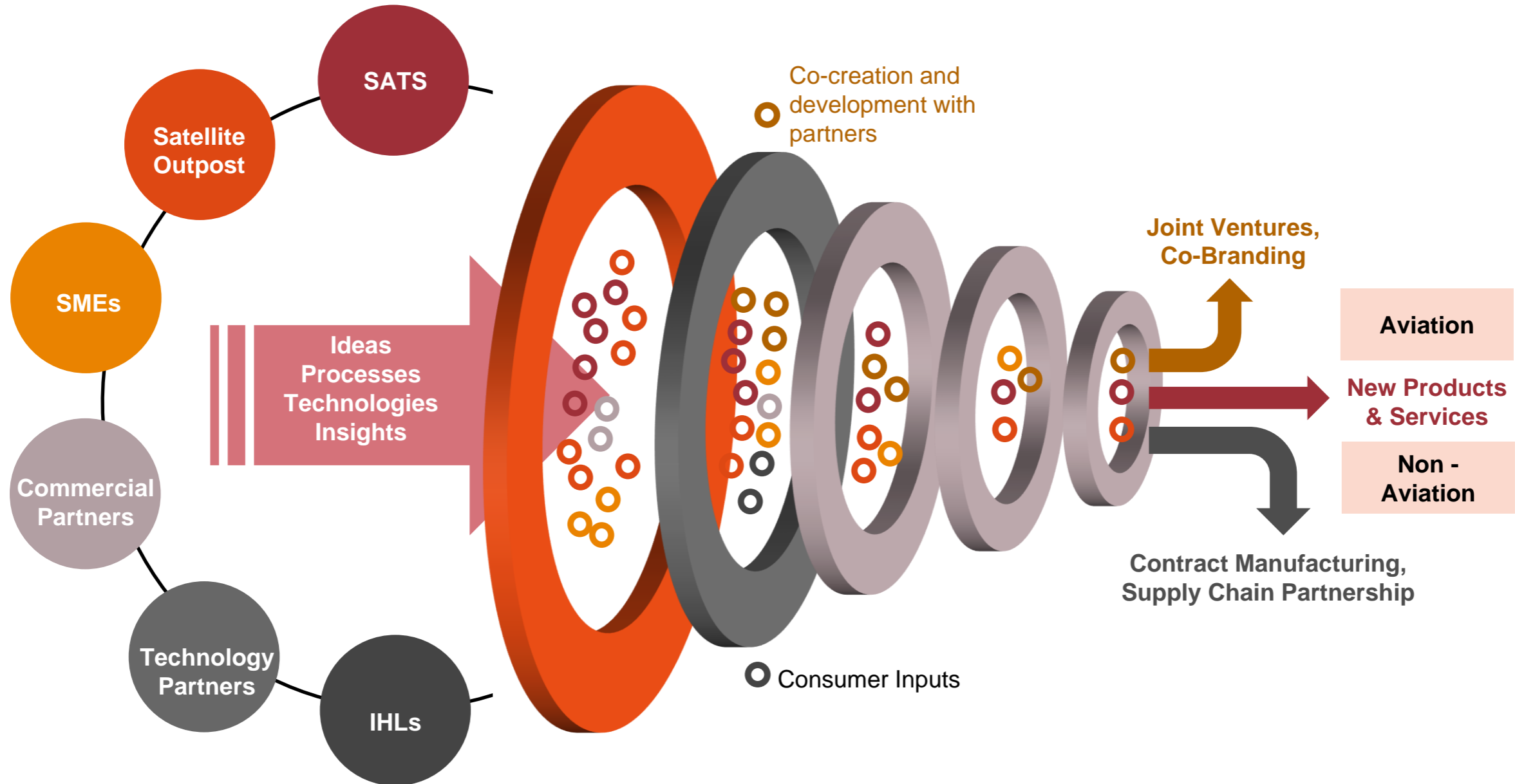
Network distribution built on DISC infrastructure and framework

## Expected Initiatives

- 1 Central Kitchen in China
- 2 Central Kitchen in India
- 3 Food Factory 1
- 4 Food Factory 2

- Food Factory/Central Kitchen with large scale manufacturing using extended shelf-life technologies (Frozen & Ambient)
- Locations are selected taking into consideration cuisine expertise and economies of scale
- The above initiatives is expected to increase SATS food production capacity by more than 200 tonnes per day

# Leverage on open innovation platform to develop partnerships and new products & services







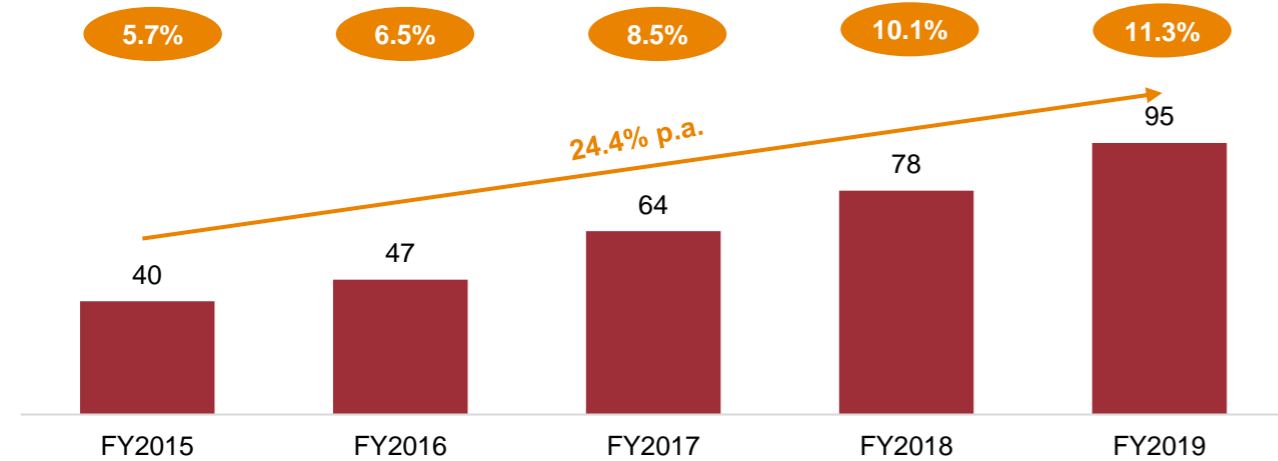
# Gateway Services



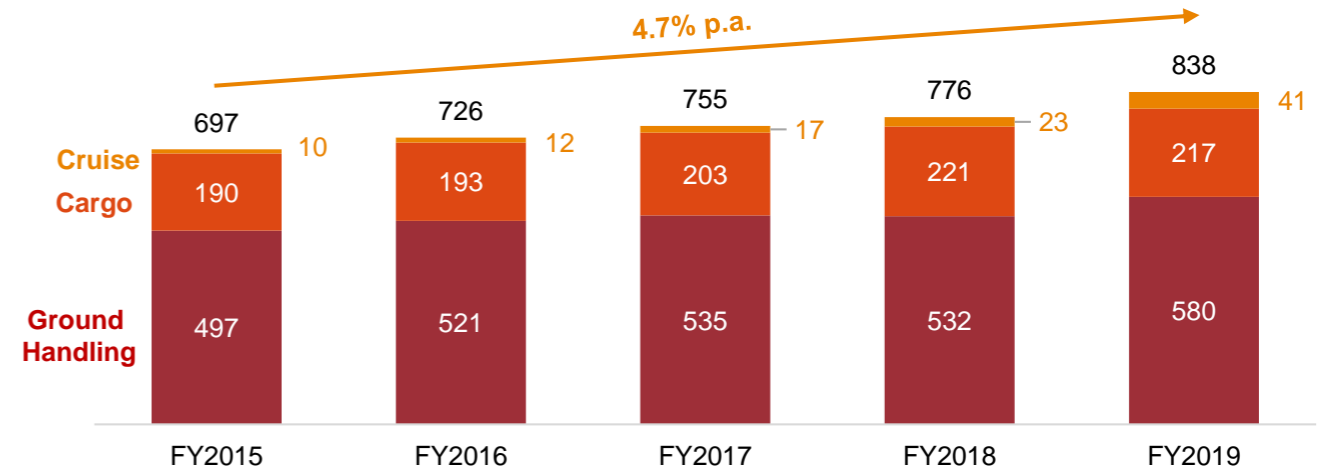
## Key Operating Statistics\*

	FY15	FY16	FY17	FY18	FY19	CAGR
Cargo/mail processed (m tonnes)	1.6	1.6	1.7	1.8	1.9	3.9%
Passengers handled (m)	44.8	48.5	51.5	54.3	59.9	7.5%
Flights handled (000's)	154.0	162.2	171.4	165.9	213.2	8.5%
Ship calls handled	94	110	147	189	312	35.0%

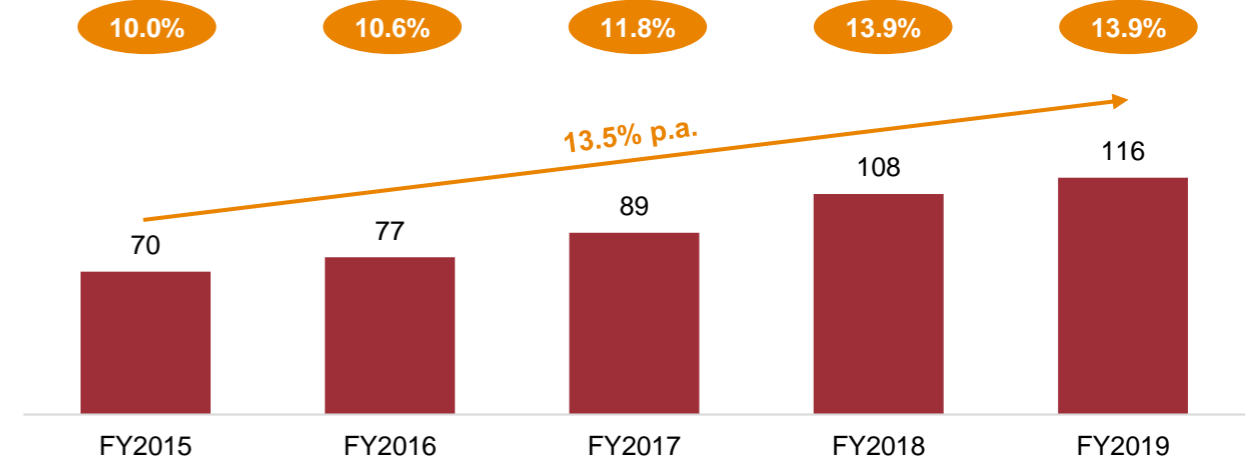
## EBIT and Margin



## Revenue



## PATMI and Margin



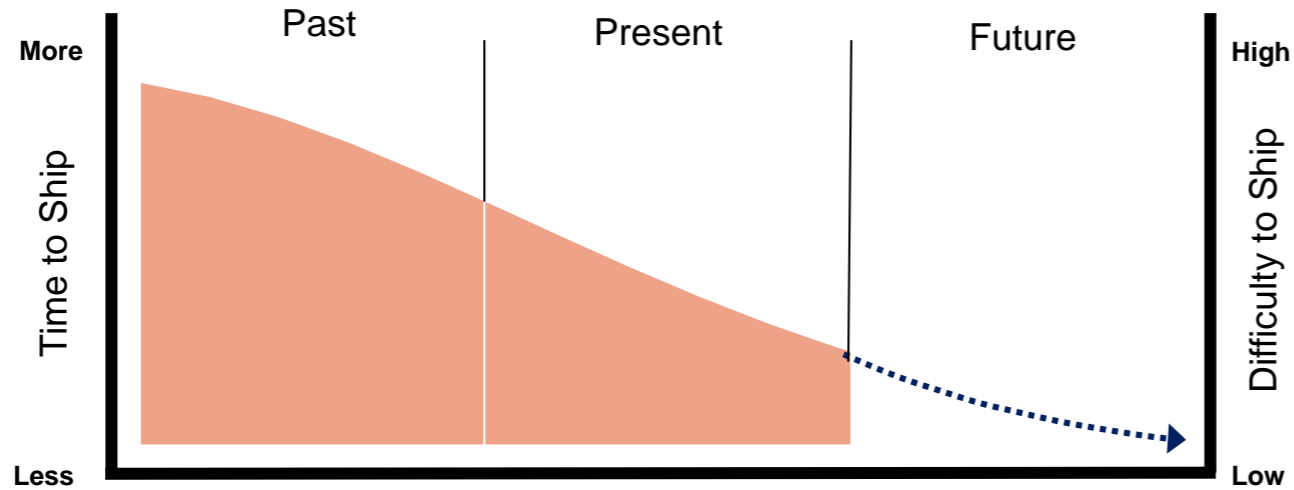
### One-Offs

	FY2015	FY2016	FY2017	FY2018	FY2019
Subsidiaries	-	-	-	5	-
Associates/JVs	-	-	-	-	7
<b>Total</b>	-	-	-	<b>5</b>	<b>7</b>

Note: Financials in S\$m unless otherwise noted.

\* Operating data based on SATS and its subsidiaries, but does not include associates/JVs.

## Evolution of Air Cargo



## Travel Retail



FSCs trending towards unbundled onboard retail for ancillary revenue



Airlines looking for end to end retail solution for ancillary revenue

### Drivers of Traceability, Cost-Efficiency and Speed



eCommerce in ASEAN has a '15-'25 CAGR of 34%, especially in Indonesia (53%), Vietnam (43%), Philippines (34%) and Thailand (30%), driven by young and digital-savvy population



Estimated over 37,000 additional aircraft over the next 20 years globally, ~40% contributed by APAC



59% electronic airwaybill penetration rate as of 2018, since its 2010 implementation, and it's increasing at good pace



IATA is driving the transformation programme of Simplifying the Business (StB) Cargo since 2017

# Gateway services – Creating value



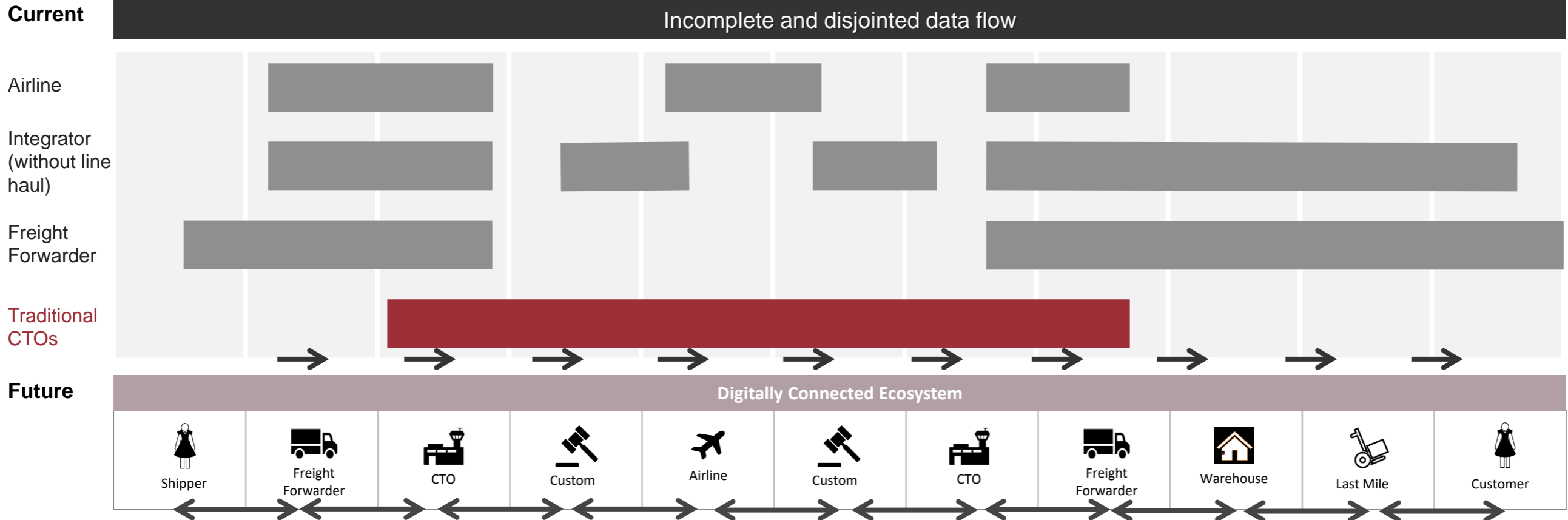
- ✓ Inspire value creation within each country in partnership with stakeholders
- ✓ Expand number of quality corridors solutions across the network, anchoring on new technology



# Gateway services – Our value add to the ecosystem



Digital platforms will transform silos within supply chains to a digitally connected one



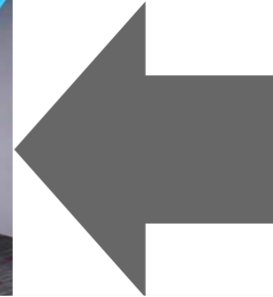
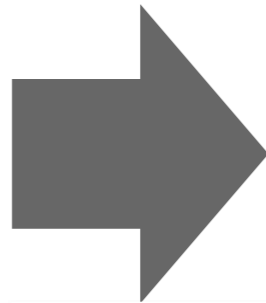
# Gateway services – Enablers for growth



We will deepen our collaboration with airlines and through these strategies, make SATS the partner of choice



Big Data Analytics



Predictive Artificial Intelligence



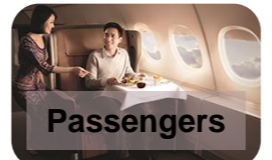
**Digital Control Tower**



**Airline**  
Strengthen the Hub Operations



**Air Cargo**  
Transparency, Traceability and Cost Efficiency



**Passengers**  
Seamless transfers for passengers and baggage



**Digital Travel Retail**  
End-to-end Travel Retail Offering



# Group Financial Performance



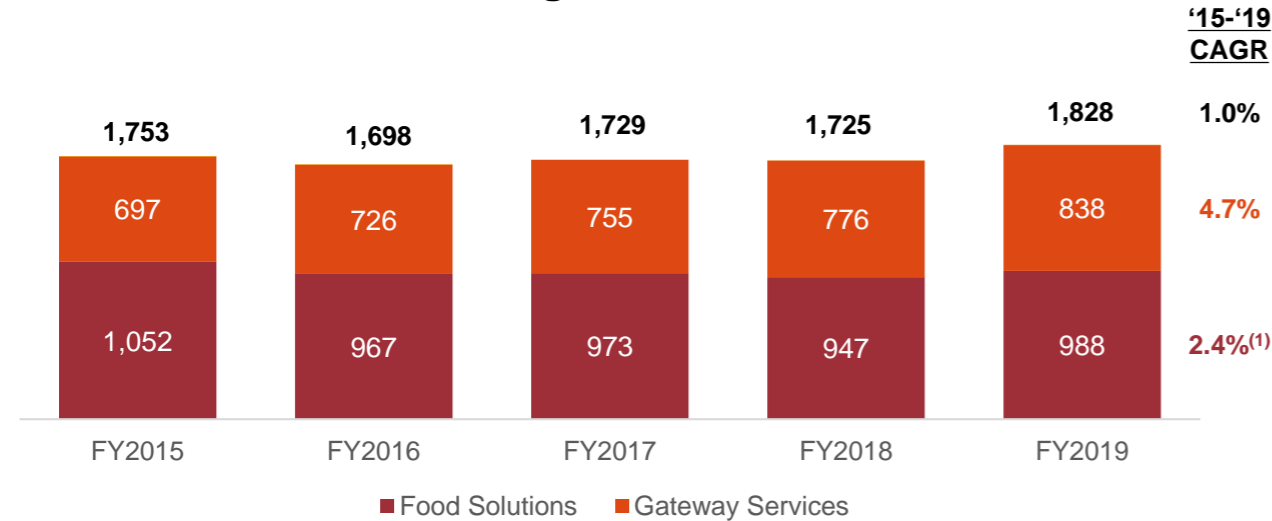
A318/A319/A320/A321

# Summary P&L

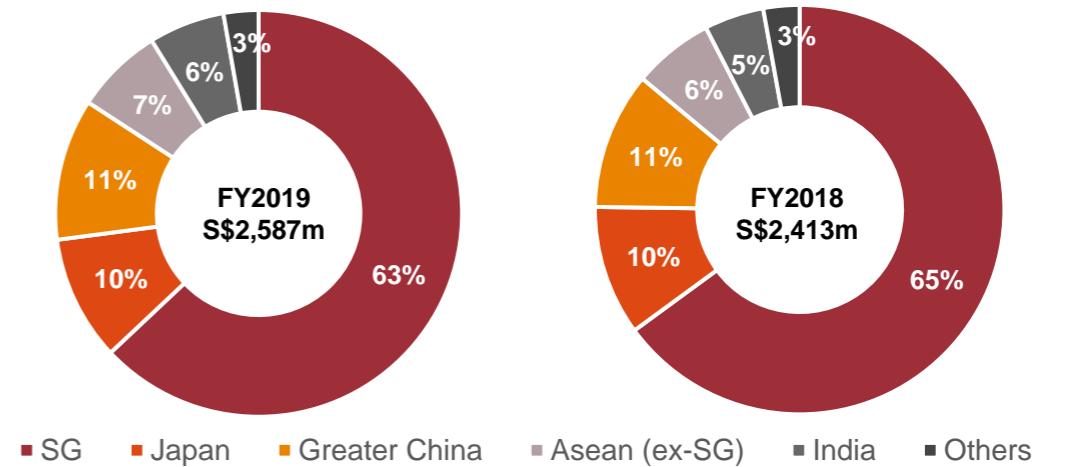
5 years historical perspective



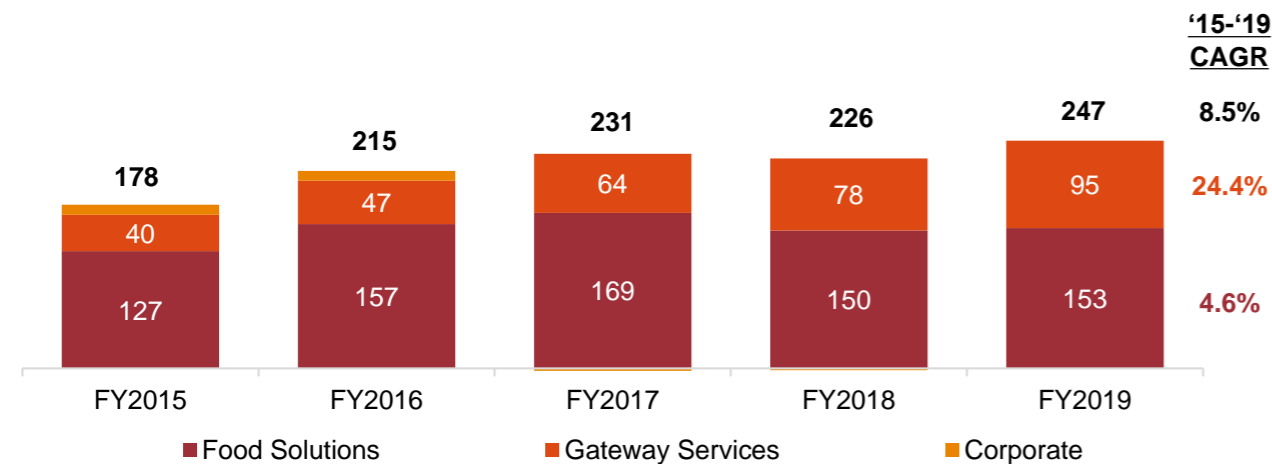
## Consolidated Revenue Segmentation



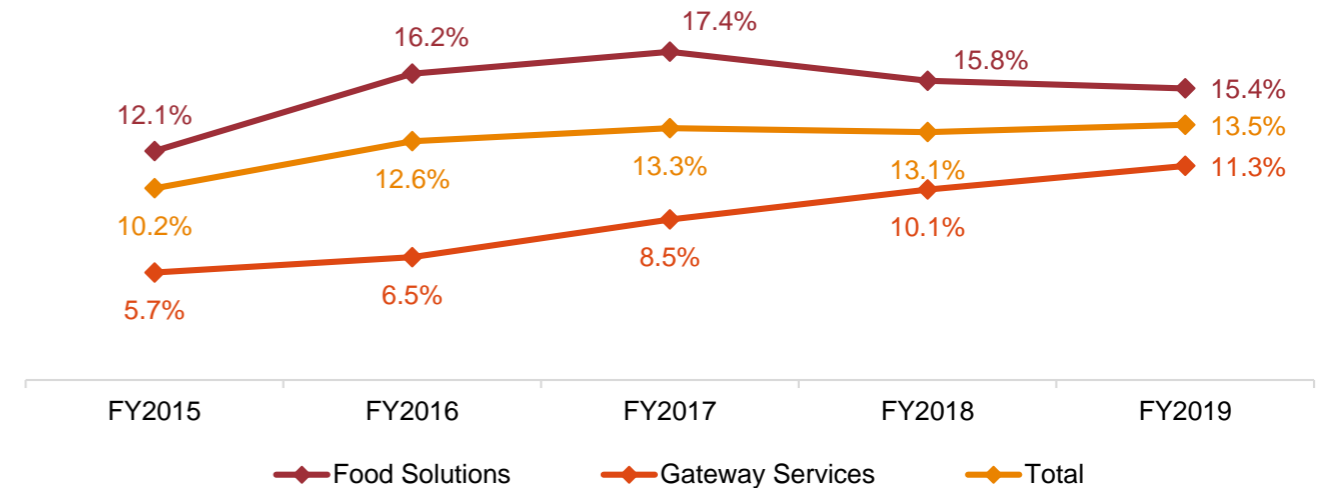
## SATS share of Revenue By Region(2)



## EBIT(2)



## EBIT Margins(3)



Note: Financials in S\$m unless otherwise noted.

- (1) CAGR adjusted for revenue pertaining to divestment of Food distribution business and Urangan Fisheries Pty Ltd.
- (2) SATS share of revenue is the aggregate of the total consolidated revenue and proportionate share of associates/joint ventures.
- (3) EBIT and margins exclude contribution of share of income from associates / JVs.



# PATMI contribution - SATS subsidiaries and associates/JVs

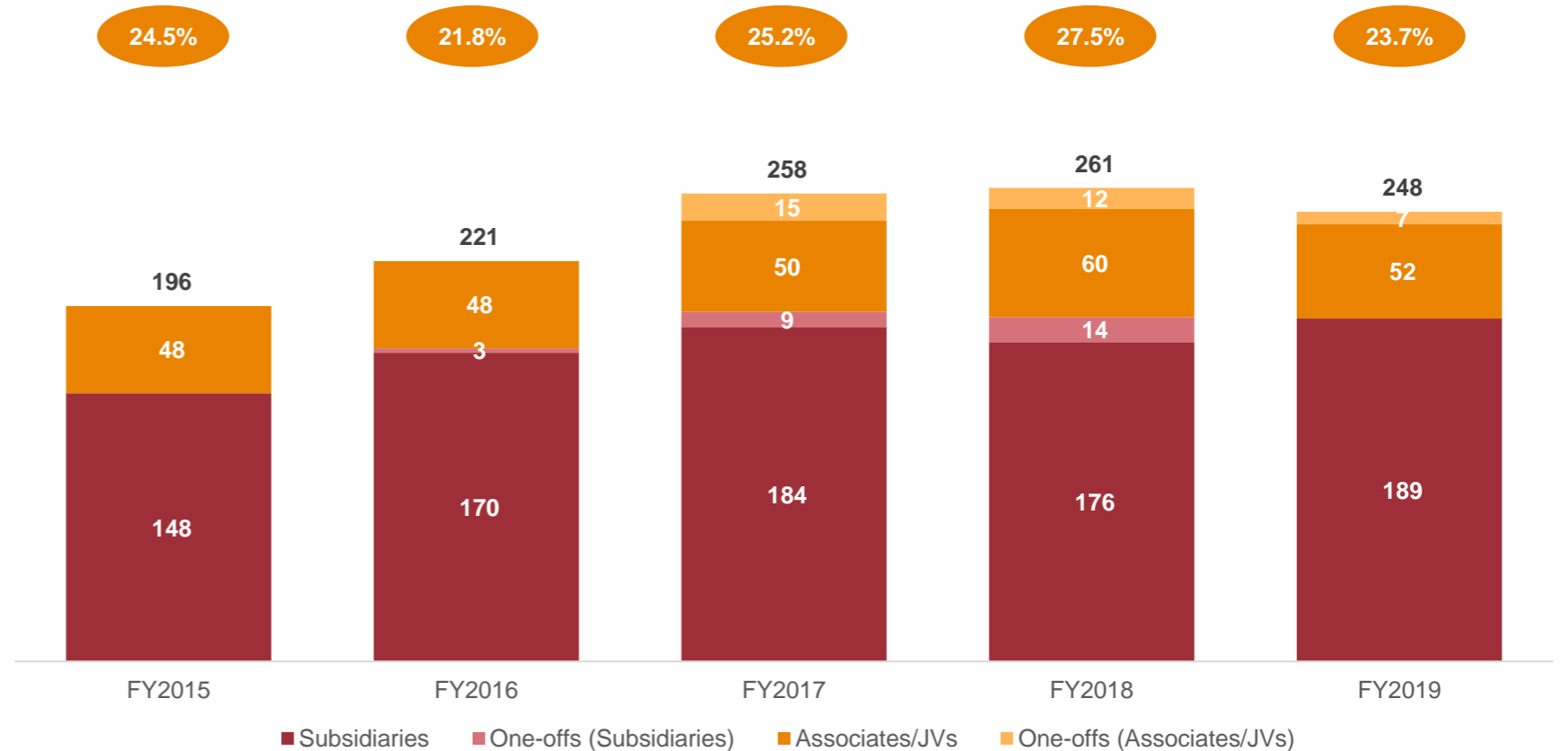


- One-offs in FY2017 and FY2018 relate to:
  - Surplus arising from finalization of valuations of associates
  - Disposal of investments (SHK and Jilin)
  - Write back of deferred consideration
- One-off in FY2019 relates the share of DFASS SATS' profits from the disposal of business to KrisShop Pte Ltd

## Associates / JVs Contribution<sup>(1)</sup>

## Associates/JVs

## Subsidiaries



One-Offs	FY2015	FY2016	FY2017	FY2018	FY2019
Subsidiaries	-	3	9	14	-
Associates/JVs	-	-	15	12	7
<b>Total</b>	<b>-</b>	<b>3</b>	<b>24</b>	<b>26</b>	<b>7</b>

Note: Financials in S\$m unless otherwise noted.

(1) Associates/JVs PATMI contribution includes one-offs.

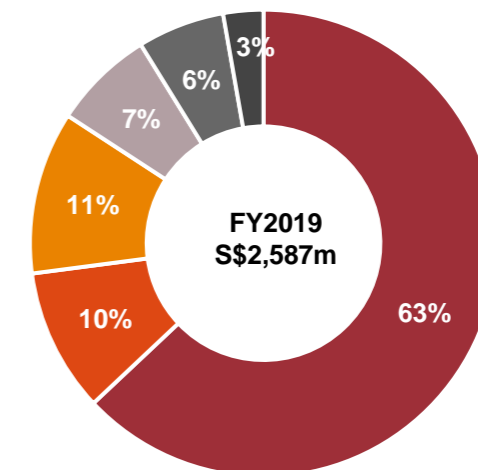
# Summary of key associates / joint ventures



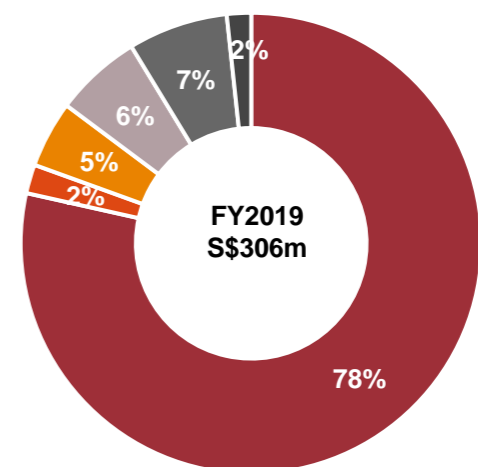
## FY2019 SATS share of revenue

No.	Associates/JVs	Business Unit	Total	Singapore	Japan	Asean (ex-SG)	Greater China	India	Others
1.	SATS BRF	Food	99	99	-	-	-	-	-
2.	Taj SATS Air Catering/TMFK	Food	43	-	-	-	-	43	-
3.	Evergreen Sky Catering	Food	39	-	-	-	39	-	-
4.	Brahim's SATS	Food	31	-	-	31	-	-	-
5.	Beijing Airport Inflight Kitchen	Food	23	-	-	-	23	-	-
6.	MacroAsia Catering	Food	14	-	-	14	-	-	-
7.	PT Cardig Aero Services*	Gateway	77	-	-	77	-	-	-
8.	Asia Airfreight Terminal	Gateway	73	-	-	-	73	-	-
9.	Air India SATS Airport Services	Gateway	70	-	-	-	-	70	-
10.	Beijing Aviation Ground Services	Gateway	67	-	-	-	67	-	-
11.	Evergreen Airline Services/Air Cargo	Gateway	45	-	-	-	45	-	-
12.	Mumbai Cargo Services	Gateway	43	-	-	-	-	43	-
Sub-total		82.2%	624	99	-	122	247	156	-
Others		17.8%	135	24	9	37	36	-	29
Total - Share of Associates/JVs revenue		100%	759	123	9	159	283	156	29
Subsidiaries - Consolidated revenue			1,828	1,506	248	22	9	-	43
<b>SATS share of revenue (FY2019)</b>			<b>2,587</b>	<b>1,629</b>	<b>257</b>	<b>181</b>	<b>292</b>	<b>156</b>	<b>72</b>
<b>SATS share of revenue (FY2018)</b>			<b>2,413</b>	<b>1,567</b>	<b>248</b>	<b>154</b>	<b>262</b>	<b>113</b>	<b>69</b>
YoY change (%)			7.2%	4.0%	3.6%	17.5%	11.5%	38.1%	4.3%

## SATS Share of Revenue



## SATS Share of EBIT



**ROIC of the above 12 key associates/JVs = c. 8%**  
 Total investments: S\$551m; Total earnings contribution: S\$43m

Note: Figures in S\$ m unless otherwise stated.

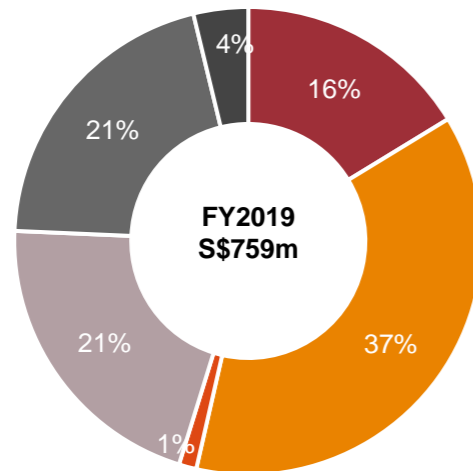
\*PT CAS revenue refers to consolidated revenue of PT CAS Group which include PT Jasa Angkasa and PT Purantara Mitra

# FY2019 SATS share of revenue and PATMI by region

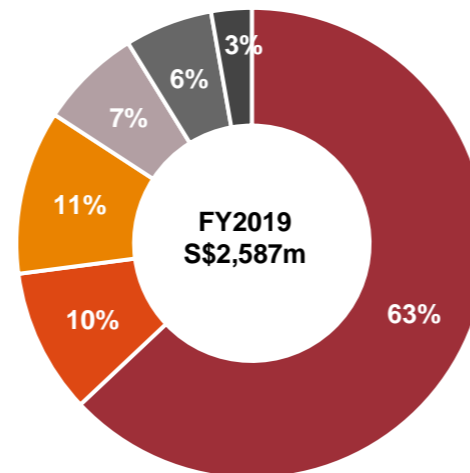


Region	Consolidated revenue	YoY %	Share of Assoc/JV revenue	YoY %	SATS share of revenue	YoY %	Group PATMI	YoY %
Singapore	1,506	5.8	123	(14.3)	1,629	4.0	201	6.8
Japan	248	3.6	9	10.8	257	3.9	3	(54.6)
Asean (ex-SG)	22	>100	159	3.7	181	17.8	19	(39.0)
Greater China	9	(55.8)	283	16.6	292	11.3	12	(55.1)
India	-	0.0	156	37.2	156	37.2	12	48.3
Others	43	1.6	29	8.3	72	4.2	1	(43.1)
<b>Total</b>	<b>1,828</b>	<b>6.0</b>	<b>759</b>	<b>10.3</b>	<b>2,587</b>	<b>7.2</b>	<b>248</b>	<b>(5.0)</b>

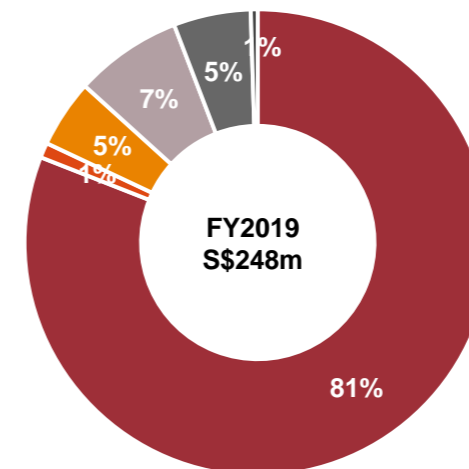
Share of Assoc/JV revenue



SATS Share of Revenue



SATS Share of PATMI



# FY2019 summary of consolidated revenue



Entities	Total	Singapore	Japan	Asean (ex-SG)	Greater China	India	Others
SG entities	1,506	1,506	-	-	-	-	-
<b>Oversea entities:</b>							
1. TFK Corporation	248	-	248	-	-	-	-
2. SATS (Kunshan) Food	9	-	-	-	9	-	-
3. GTR	21	-	-	21	-	-	-
4. Others	44	-	-	1	-	-	43
<b>FY2019 consolidated revenue</b>	<b>1,828</b>	<b>1,506</b>	<b>248</b>	<b>22</b>	<b>9</b>	<b>-</b>	<b>43</b>

Proposed acquisition\* of Nanjing Weizhou will increase revenue by c. \$60m

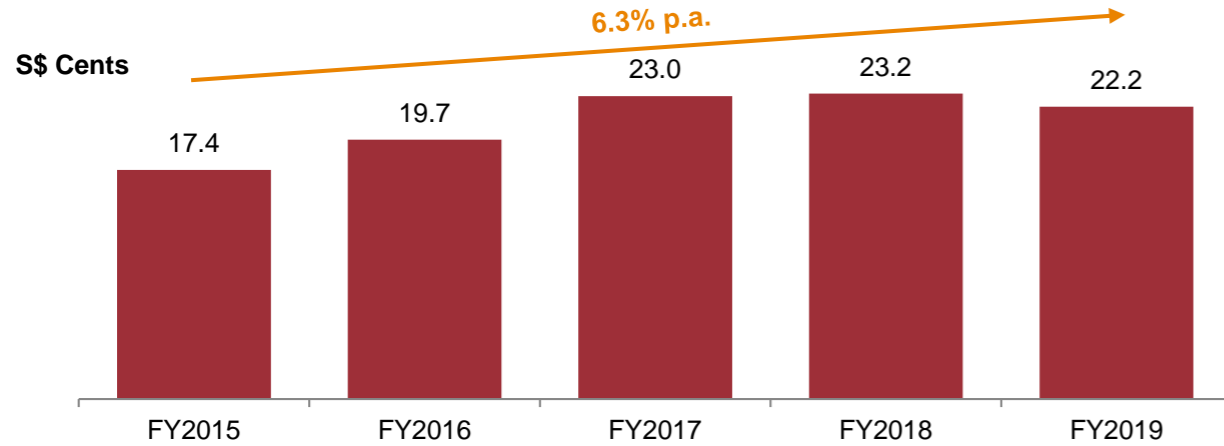
*Note: Figures in S\$ m unless otherwise stated.*

*\* The proposed deal was announced on 17 May 2019.*

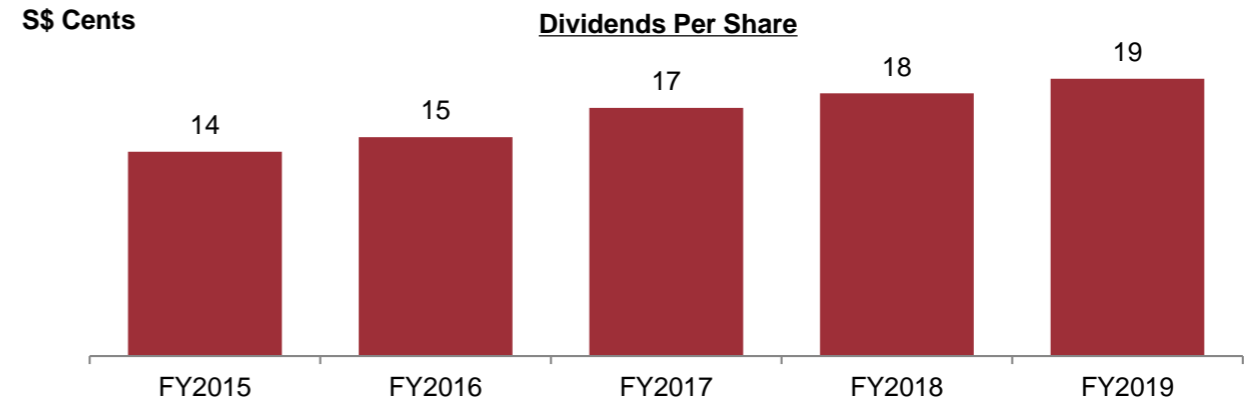
# Attractive financial profile with strong returns



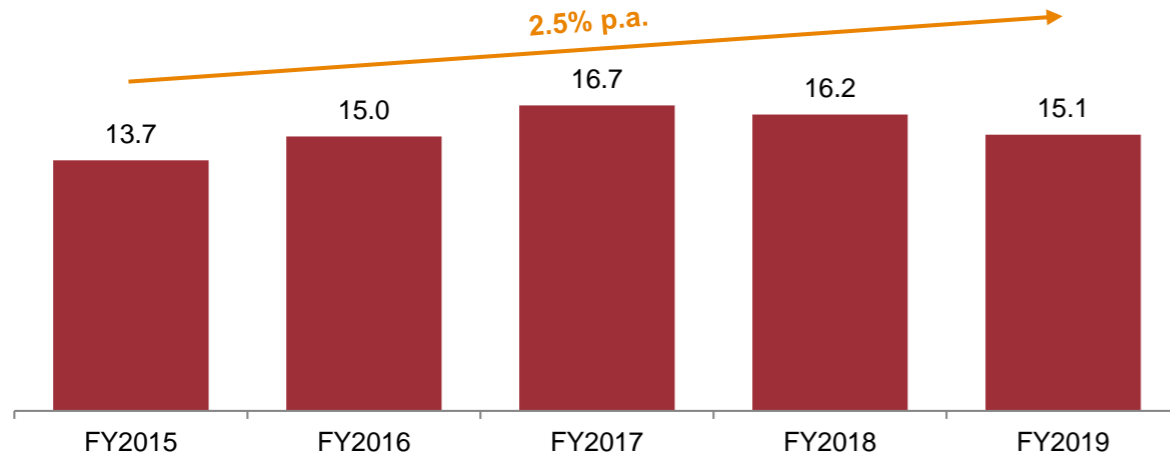
## Earnings Per Share



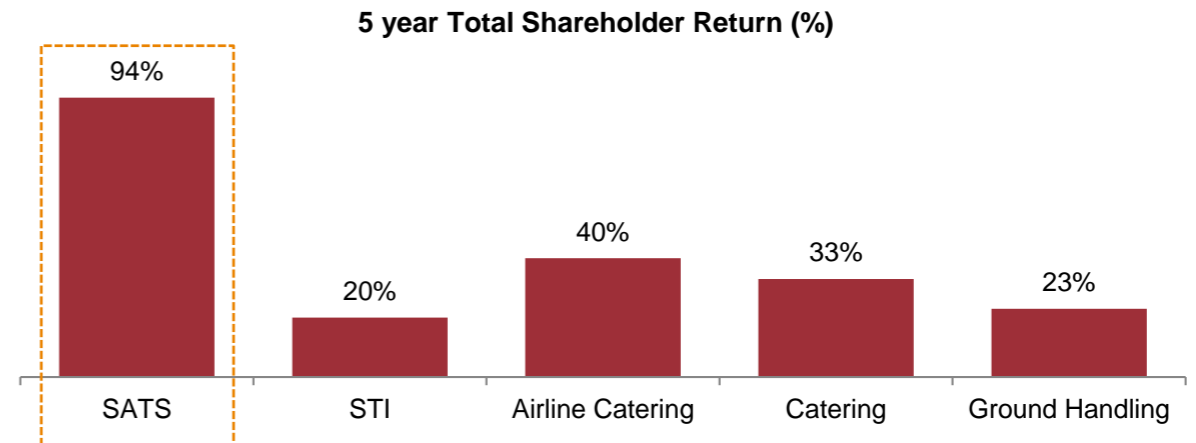
## Dividends Per Share and Payout



## Return on Equity (%)



## Total Shareholder Return vs. STI and Select Global Peers<sup>(2)</sup>



Source: Company filings; Total Shareholder Return from Factset for the period 31 March 2014 to 30 March 2019.

Note: Airline Catering includes Do & Co and Saudi Airlines Catering; Catering includes Aramark, Autogrill, Eloor, Compass Group, Sodexo and SSP Group; Ground Handling includes BBA Aviation, Celebi Hava Servis and John Menzies.

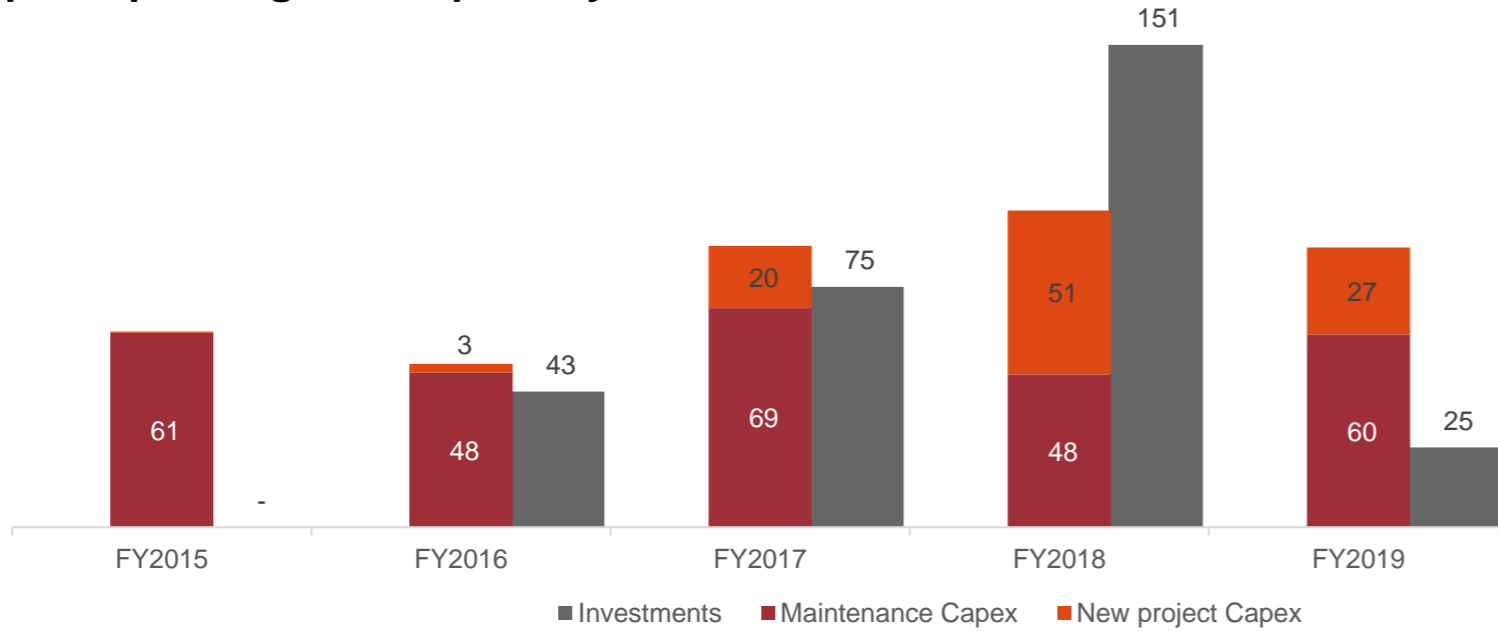
(1) STI average payout ratio per Factset and represents average dividends per share / earnings per share over the last 5 years.

(2) Refers to global peers median for total shareholder return.

# Growth through capital expenditure and investments

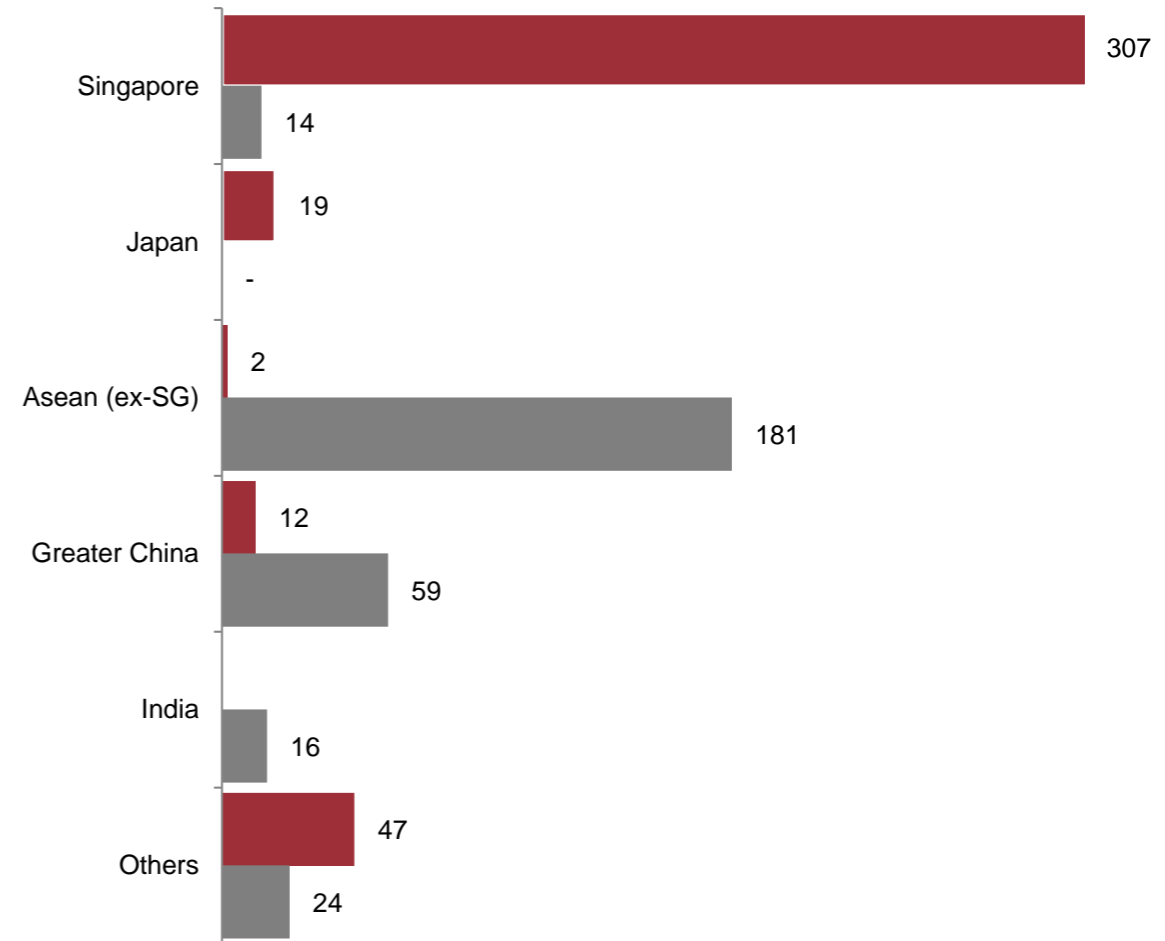


## Capital spending for the past 5 years



<b>Historical 5 years</b>	<b>Capex \$387m</b>	<b>Investments \$294m</b>
<b>Forward 3 years</b>	<b>Proposed Capex and Investment c. \$1b</b>	

## Past 5 years capital spending by region



■ Capex ■ Investment

## Accelerate Growth and Investment Plans

Maintenance capex at 3 - 5% of consolidated revenue p.a.  
Target greenfield/brownfield capex and/or investments of c. S\$1b over next 3 years

## Dividends

Sustainable dividends based upon cash flow

## Strong Balance Sheet

Increase gearing to 30% D/E over the next 3-5 years

Total  
Equity  
\$1.8b

Total  
Assets  
\$2.4b

Cash  
\$350m

# In summary, SATS has an unique market position in a fast growing, attractive region with a big opportunity for sustainable value creation

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- 1 Consolidate our leadership of APAC aviation catering and ground handling
- 2 Become a leading central kitchen supplier to the food service chains in China and India
- 3 Invest in digital integrated supply chain across the region
  - Reduce production costs & food wastage
  - Improve food security, traceability, sustainability & culinary innovation
- 4 Invest in digital cargo platform
  - Enhance connectivity, traceability, yield & load factors
  - Reduce mishandling & lower costs
- 5 By accelerating pace of investment, especially strategic M&A, we aim to create significant value



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# Q&A



# Appendix: Overview of Associates / JVs



# Overview on Associates and JVs by region



Name of Entity	Associates/JVs	Division	Cost of investment	FY2019 Revenue (100%)	FY2019 NPAT (SATS share)	% Held	Description
<b>Asean (ex-SG)</b>							
1. PT Cardig Aero Services	Associate	Food Solutions & Gateway				41.7	Provides ground handling, cargo handling, aircraft release and maintenance, and catering services at airports in Indonesia
2. PT Jasa Angkasa	Associate	Gateway				49.8	Provides ground handling services at airports in Indonesia
3. Brahim's SATS	Associate	Food Solutions	295	347	15	49.0	Provides inflight catering services in Kuala Lumpur International Airport and Penang International Airport
4. MacroAsia Catering	Associate	Food Solutions				33.0	Provides inflight catering services in Ninoy Aquino International Airport in Manila
5. PT Purantara Mitra	Associate	Food Solutions				20.0	In-flight catering services for international airlines in Indonesia
6. Tan Son Nhat Cargo Services	Associate	Gateway				15.0	Cargo handling services to airlines and forwarding agents at Tan Son Nhat international airport
<b>Greater China</b>							
7. Asia Airfreight Terminal	Associate	Gateway				49.0	Provides cargo handling services
8. Evergreen Sky Catering	Associate	Food Solutions				25.0	Provides catering services to airline flights in Taiwan
9. Beijing Airport Inflight Kitchen	Associate	Food Solutions				28.0	Inflight catering services
10. Beijing Aviation Ground Services	Associate	Gateway				29.0	Aviation ground handling services in Beijing Airport
11. Evergreen AirCargo	Associate	Gateway	193	915	16	25.0	Cargo handling services in Taiwan
12. Evergreen Airline Services	Associate	Gateway				20.0	Airport ground handling in Taiwan
13. Macau Catering Services*	Associate	Food Solutions				16.7	Inflight catering services
14. SATS HK Limited	Associate	Gateway				49.0	Ramp services, passenger handling

# Overview on Associates and JVs by region (cont'd)



Name of Entity	Associates/JVs	Division	Cost of investment	FY2019 Revenue (100%)	FY2019 NPAT (SATS share)	% Held	Description
<b>India</b>							
15. Air India SATS Airport Services	JV	Gateway				50.0	Ground handling and cargo handling services in India
16. Mumbai Cargo Service Center	Associate	Gateway				49.0	Air cargo handling services
17. Taj SATS Air Catering Limited	Associate	Food Solutions	55	319	13	49.0	Offers airline services in the areas of in-flight catering, laundry, aircraft cleaning, etc.
18. Taj Madras Flight Kitchen	Associate	Food Solutions				30.0	Inflight catering services in India
<b>Japan</b>							
19. Tasco Foods	Associate	Food Solutions	3	31	-	29.6	Production and sales of confectionery
<b>Others</b>							
20. Aviserv	Associate	Food Solutions				49.0	Inflight catering services
21. Maldives Inflight Catering	Associate	Food Solutions	27	84	8	35.0	Provides inflight catering services in Maldives based at Velana International Airport
22. Oman Air SATS Cargo	Associate	Gateway				33.0	Cargo operations handler in Muscat International Airport
<b>Singapore</b>							
23. SATS BRF Food	JV	Food Solutions				51.0	Meat processing and manufacturing of food products
24. DFASS SATS	JV	Gateway				50.0	Inflight duty-free services
25. KrisShop Pte Ltd	Associate	Gateway	52	256	6	15.0	Travel retail business, offer inflight and ground-based duty-free and duty paid goods
26. SATS PPG	JV	Gateway				50.0	Management and operation airport lounges
27. SG IPF	JV	Food Solutions				60.0	Food Services
<b>Total</b>			<b>625</b>	<b>1,952</b>	<b>58</b>		

## PT Cardig Aero Services (41.7%)

<b>Investment</b>	<ul style="list-style-type: none"> <li>Acquired 41.7% in February 2014</li> <li>Board representation</li> <li>Cost of investment: S\$116.4m</li> </ul>
<b>Description</b>	<ul style="list-style-type: none"> <li>Operates across the following segments:                     <ul style="list-style-type: none"> <li>Aviation support: Includes ground and cargo handling services, priority lounge services, airport service assistance, line maintenance and technical ramp handling and airport management</li> <li>Food solutions: Includes inflight catering, remote catering, in-town catering and industrial catering services</li> <li>Facility management: Includes building maintenance and aircraft cleaning services</li> <li>Training and development: Includes flight simulator training and pilot provisioning</li> </ul> </li> <li>More than 6,000 employees</li> </ul>
<b>Key Customers</b>	<ul style="list-style-type: none"> <li>46 airline customers from Europe, Indonesia, Middle East, Central Asia, South Asia and Southeast Asia</li> </ul>
<b>Financial and Operating Metrics</b>	<ul style="list-style-type: none"> <li>Revenue (100% basis)                     <ul style="list-style-type: none"> <li>2018: S\$207m</li> <li>2019: S\$185m</li> </ul> </li> </ul>

## PT Jasa Angkasa Semesta (49.8%)

<b>Investment</b>	<ul style="list-style-type: none"> <li>Acquired 49.8% stake in PT JAS in June 2004</li> <li>Board representation</li> <li>Cost of investment: S\$105.5m</li> </ul>
<b>Description</b>	<ul style="list-style-type: none"> <li>Provides ground handling services including cargo handling, warehousing, airport service assistance and lounging services</li> <li>Operates in 10 airports across Indonesia including Cengkareng (CGK), Denpasar (DPS), Surabaya (SUB), Medan (KNO), Halim (HLP), Kertajati Majalengka (KJT), Balikpapan (BPN), Batam (BTH), Yogyakarta (JOG), Timika (TIM)</li> <li>Market share range from 60% to 86% in the various cities by international airline customers</li> <li>Cargo market share of 35% by tonnage</li> <li>3,000 employees</li> </ul>
<b>Key Customers</b>	<ul style="list-style-type: none"> <li>Singapore Airlines, Emirates and Cathay Pacific</li> </ul>
<b>Financial and Operating Metrics</b>	<ul style="list-style-type: none"> <li>Revenue (100% basis)                     <ul style="list-style-type: none"> <li>2018: S\$152m</li> <li>2019: S\$148m</li> </ul> </li> <li>Cargo Processed:                     <ul style="list-style-type: none"> <li>2019: 328,000 tonnes</li> </ul> </li> <li>Flights Handled:                     <ul style="list-style-type: none"> <li>2019: 89,000 flights</li> </ul> </li> </ul>

## Asia Airfreight Terminal (49%)

<b>Investment</b>	<ul style="list-style-type: none"> <li>Acquired 24.5% stake in 1993 plus further 24.5% stake in 2004</li> <li>Board representation</li> <li>Cost of investment: S\$95.6m</li> </ul>
<b>Description</b>	<ul style="list-style-type: none"> <li>Operation of an air cargo handling terminal, cargo consolidation services, off-airport terminal services, express delivery and other cargo related services at Hong Kong International Airport at Chek Lap Kok</li> <li>20% market share by tonnage</li> <li>More than 600 employees</li> </ul>
<b>Key Customers</b>	<ul style="list-style-type: none"> <li>Hong Kong Airlines, Hong Kong Air Cargo, Singapore Airlines, Asiana Airlines and Thai Airways</li> </ul>
<b>Financial and Operating Metrics</b>	<ul style="list-style-type: none"> <li>Revenue (100% basis)                             <ul style="list-style-type: none"> <li>2018: S\$123m</li> <li>2019: S\$151m</li> </ul> </li> <li>Cargo Processed:                             <ul style="list-style-type: none"> <li>2019: 845,000 tonnes</li> </ul> </li> </ul>

## Evergreen Sky Catering (25%)

<b>Investment</b>	<ul style="list-style-type: none"> <li>Acquired 15% in October 1995 and 10% in December 2016</li> <li>Board representation</li> <li>Cost of investment: S\$39.8m</li> </ul>
<b>Description</b>	<ul style="list-style-type: none"> <li>Provides inflight catering services in Taipei</li> <li>Founded in 1993 and based in Taoyuan, Taiwan</li> <li>Operates as a subsidiary of EVA Airways Corp.</li> <li>37% market share by number of airlines</li> <li>More than 1,100 employees</li> </ul>
<b>Key Customers</b>	<ul style="list-style-type: none"> <li>EVA Air, Uni Air, Emirates, All Nippon Air, Singapore Airlines</li> </ul>
<b>Financial and Operating Metrics</b>	<ul style="list-style-type: none"> <li>Revenue (100% basis)                             <ul style="list-style-type: none"> <li>2018: S\$136m</li> <li>2019: S\$155m</li> </ul> </li> <li>Production Capacity: 60,000 meals/day</li> </ul>



## Air India SATS Airport Services (50%)

<b>Investment</b>	<ul style="list-style-type: none"> <li>Acquired a 50% stake in 2008</li> <li>Joint control board representation</li> <li>Cost of investment: S\$12m</li> </ul>
<b>Description</b>	<ul style="list-style-type: none"> <li>Provides ground handling services at Bengaluru (BLR), Hyderabad (HYD), Mangalore (IXE), Trivandrum (TRV) and Delhi (DEL) airport and cargo handling services at BLR.</li> <li>More than 12,800 employees</li> </ul>
<b>Key Customers</b>	<ul style="list-style-type: none"> <li>Air India, Emirates, Etihad Airways and Singapore Airlines</li> </ul>
<b>Financial and Operating Metrics</b>	<ul style="list-style-type: none"> <li>Revenue (100% basis)                             <ul style="list-style-type: none"> <li>2018: S\$139m</li> <li>2019: S\$139m</li> </ul> </li> <li>Cargo Processed:                             <ul style="list-style-type: none"> <li>2019: 163,000 tonnes</li> </ul> </li> <li>Flights Handled:                             <ul style="list-style-type: none"> <li>2019: 127,000 flights</li> </ul> </li> </ul>

## Brahim's SATS Investment (49%)

<b>Investment</b>	<ul style="list-style-type: none"> <li>Acquired effective 34.3% in Brahim's SATS Food Services ("BSFS") via 49% in Brahim's SATS Investment Holding in February 2016</li> <li>Board representation</li> <li>Cost of investment: S\$49.1m*</li> </ul>
<b>Description</b>	<ul style="list-style-type: none"> <li>Provides inflight catering services in both the Kuala Lumpur International Airport (KLIA) and Penang International Airport.</li> <li>80% market share by number of airlines</li> <li>More than 1,200 employees</li> </ul>
<b>Key Customers</b>	<ul style="list-style-type: none"> <li>Malaysia Airlines Berhad, Air Asia X, Malindo Air Airlines, Cathay Dragon, and Emirates</li> </ul>
<b>Financial and Operating Metrics</b>	<ul style="list-style-type: none"> <li>Revenue (70% basis)                             <ul style="list-style-type: none"> <li>2018: S\$63m</li> <li>2019: S\$62m</li> </ul> </li> <li>Production Capacity: 68,000 meals/day</li> </ul>

## MacroAsia Catering (33%)

<b>Investment</b>	<ul style="list-style-type: none"> <li>Acquired 20% stake in November 1996 plus additional 13% stake in September 2015</li> <li>Board representation</li> <li>Cost of investment: S\$11.6m</li> </ul>
<b>Description</b>	<ul style="list-style-type: none"> <li>Provides inflight catering service in Ninoy Aquino International Airport (NAIA) in Manila, Philippines</li> <li>90% market share by number of airlines</li> <li>More than 770 employees</li> </ul>
<b>Key Customers</b>	<ul style="list-style-type: none"> <li>Qatar Airways, Saudi Arabian Airlines, Singapore Airlines, Emirates Airlines, Cathay Pacific Airways</li> </ul>
<b>Financial and Operating Metrics</b>	<ul style="list-style-type: none"> <li>Revenue (100% basis)                             <ul style="list-style-type: none"> <li>2018: S\$42m</li> <li>2019: S\$43m</li> </ul> </li> <li>Production Capacity: 16,000 meals/day</li> </ul>

## Beijing Airport Inflight Kitchen (28%)

<b>Investment</b>	<ul style="list-style-type: none"> <li>Acquired 40% stake in 1993 and diluted to 28% in April 2016</li> <li>Board representation</li> <li>Cost of investment: S\$13.9m</li> </ul>
<b>Description</b>	<ul style="list-style-type: none"> <li>Provides inflight catering services from Beijing Capital International Airport</li> <li>39% market share by number of airlines</li> <li>More than 1,000 employees</li> </ul>
<b>Key Customers</b>	<ul style="list-style-type: none"> <li>China Southern, China Eastern, Singapore Airlines, Air Canada, Yum China</li> </ul>
<b>Financial and Operating Metrics</b>	<ul style="list-style-type: none"> <li>Revenue (100% basis)                             <ul style="list-style-type: none"> <li>2018: S\$82m</li> <li>2019: S\$80m</li> </ul> </li> <li>Production Capacity: 40,000 meals/day</li> </ul>



## Evergreen Air Cargo Services (25%)

<b>Investment</b>	<ul style="list-style-type: none"> <li>Acquired 25% stake in May 2001 and Feb 2003</li> <li>Board representation</li> <li>Cost of investment: S\$16.2m</li> </ul>
<b>Description</b>	<ul style="list-style-type: none"> <li>Provides cargo handling services in Taoyuan airport, Taiwan</li> <li>Market share: 30% by tonnage</li> <li>More than 600 employees</li> </ul>
<b>Key Customers</b>	<ul style="list-style-type: none"> <li>EVA Airways, TNT Skypak Int'l B.V. Taiwan Branch, Taiwan Semiconductor Manufacturing Company</li> </ul>
<b>Financial and Operating Metrics</b>	<ul style="list-style-type: none"> <li>Revenue (100% basis)                             <ul style="list-style-type: none"> <li>2018: S\$66m</li> <li>2019: S\$70m</li> </ul> </li> <li>Cargo Processed:                             <ul style="list-style-type: none"> <li>2019: 491,000 tonnes</li> </ul> </li> </ul>

## Evergreen Airline Services (20%)

<b>Investment</b>	<ul style="list-style-type: none"> <li>Acquired a 20% stake in July 2000</li> <li>Board representation</li> <li>Cost of investment: S\$5.2m</li> </ul>
<b>Description</b>	<ul style="list-style-type: none"> <li>Provides ground handling services in Taoyuan, Songshan, Taichung, Kaosiung airport, Taiwan</li> <li>Market share range from 37% to 56% in the various cities</li> <li>More than 2,400 employees</li> </ul>
<b>Key Customers</b>	<ul style="list-style-type: none"> <li>Eva Air, UNI Airways Corporation, Hong Kong Airlines, All Nippon Air, Vanilla Air, Singapore Airlines</li> </ul>
<b>Financial and Operating Metrics</b>	<ul style="list-style-type: none"> <li>Revenue (100% basis)                             <ul style="list-style-type: none"> <li>2018: S\$134m</li> <li>2019: S\$139m</li> </ul> </li> <li>Flights Handled:                             <ul style="list-style-type: none"> <li>2019: 79,000 flights</li> </ul> </li> </ul>

## Mumbai Cargo Service Center (49%)

<b>Investment</b>	<ul style="list-style-type: none"> <li>▪ Joint venture with Cargo Service Center India Pvt Limited entered in December 2017</li> <li>▪ Board representation</li> <li>▪ Cost of investment: S\$16.4m</li> </ul>
<b>Description</b>	<ul style="list-style-type: none"> <li>▪ Develops and operates the Air Cargo Terminals, covering general cargo, temperature sensitive &amp; perishable cargo and Express Cargo Terminals at Mumbai Airport</li> <li>▪ Market share: 68% by tonnage</li> <li>▪ More than 2,800 employees</li> </ul>
<b>Key Customers</b>	<ul style="list-style-type: none"> <li>▪ Etihad, Ethiopian, Emirates, Qatar and Turkish Airlines</li> </ul>
<b>Financial and Operating Metrics</b>	<ul style="list-style-type: none"> <li>▪ Revenue (100% basis)             <ul style="list-style-type: none"> <li>▪ 2019: S\$88m</li> </ul> </li> <li>▪ Cargo Processed:             <ul style="list-style-type: none"> <li>▪ 2019: 426,000 tonnes</li> </ul> </li> </ul>

## TajSATS Air Catering (49%)

<b>Investment</b>	<ul style="list-style-type: none"> <li>▪ Acquired 49% stake in August 2001</li> <li>▪ Board representation</li> <li>▪ Cost of investment: S\$24.6m</li> </ul>
<b>Description</b>	<ul style="list-style-type: none"> <li>▪ Provides inflight catering at Mumbai, Delhi, Chennai, Kolkata, Goa and Bangalore</li> <li>▪ Market share range from 35% to 80% in the various cities</li> <li>▪ More than 3,100 employees</li> </ul>
<b>Key Customers</b>	<ul style="list-style-type: none"> <li>▪ Vistara Airlines, Indigo Airlines, Air India, Singapore Airlines, All Nippon Airlines</li> </ul>
<b>Financial and Operating Metrics</b>	<ul style="list-style-type: none"> <li>▪ Revenue (100% basis)             <ul style="list-style-type: none"> <li>▪ 2018: S\$81m</li> <li>▪ 2019: S\$82m</li> </ul> </li> <li>▪ Production Capacity: 91,500 meals/day</li> </ul>

## TFK Corporation (59.4%)

<b>Investment</b>	<ul style="list-style-type: none"> <li>59.4% owned by SATS in December 2010</li> <li>Cost of investment: S\$122m</li> </ul>
<b>Description</b>	<ul style="list-style-type: none"> <li>Provides inflight catering and non aviation catering at Narita and Haneda airports in Japan</li> <li>30% market share in aggregate for both airports</li> <li>More than 1,500 employees</li> </ul>
<b>Key Customers</b>	<ul style="list-style-type: none"> <li>Air Canada, Singapore Airlines</li> </ul>
<b>Financial and Operating Metrics</b>	<ul style="list-style-type: none"> <li>Revenue (100% basis)                             <ul style="list-style-type: none"> <li>2018: S\$239m</li> <li>2019: S\$248m</li> </ul> </li> <li>Production Capacity: 50,000 meals/day</li> </ul>

## GTR Sdn Bhd (49%)

<b>Investment</b>	<ul style="list-style-type: none"> <li>49% owned by SATS in January 2018</li> <li>Partnership with AirAsia in October 2017, held through GTR Holdings Sdn Bhd</li> <li>Cost of investment: S\$160m</li> </ul>
<b>Description</b>	<ul style="list-style-type: none"> <li>Provides ground handling and cargo handling services across 17 airports in Malaysia</li> <li>42% market share by number of airlines</li> <li>More than 3,400 employees</li> </ul>
<b>Key Customers</b>	<ul style="list-style-type: none"> <li>Air Asia</li> </ul>
<b>Financial and Operating Metrics</b>	<ul style="list-style-type: none"> <li>Revenue (100% basis)                             <ul style="list-style-type: none"> <li>2018: S\$28m</li> <li>2019: S\$79m</li> </ul> </li> <li>Flights Handled:                             <ul style="list-style-type: none"> <li>2019: 71,200 flights</li> </ul> </li> </ul>

Note: Financials in S\$m based on SATS financial year, unless otherwise noted



## SATS (Kunshan) Food Co., Ltd (100%)

<b>Investment</b>	<ul style="list-style-type: none"> <li>Acquired 60% stake in September 2016 plus acquired remaining 40% stake in January 2019</li> <li>Cost of investment: S\$31m</li> </ul>
<b>Description</b>	<ul style="list-style-type: none"> <li>Manufacture and distribute processed food items, and catering of meals to local retailers, restaurant chains, caterers and café</li> </ul>
<b>Key Customers</b>	<ul style="list-style-type: none"> <li>YUM China, Shangri-la Hotel, Haidilao, Disneyland</li> </ul>
<b>Financial and Operating Metrics</b>	<ul style="list-style-type: none"> <li>Revenue (100% basis)                             <ul style="list-style-type: none"> <li>2018: S\$8m</li> <li>2019: S\$4m</li> </ul> </li> <li>Production Capacity: 50,000meals/day</li> </ul>

## Nanjing Weizhou Airline Food Corp., Ltd (50%)

<b>Investment</b>	<ul style="list-style-type: none"> <li>Announced the acquisition in May 2019</li> <li>Target date of completion in 2<sup>nd</sup> half of 2019</li> <li>Cost of investment: S\$31m</li> </ul>
<b>Description</b>	<ul style="list-style-type: none"> <li>Producer of frozen food, ambient meals and food components to aviation companies in China</li> <li>Production facility is located in Nanjing, China</li> </ul>
<b>Key Customers</b>	<ul style="list-style-type: none"> <li>China Eastern, Lufthansa Group, China Southern, Shenzhen Airlines, China Railway</li> </ul>
<b>Financial and Operating Metrics</b>	<ul style="list-style-type: none"> <li>Production Capacity: 70,000meals<sup>#</sup>/day</li> </ul>

• Before impairment  
# Include component production

# Summary of key associates / joint ventures

## FY2018 SATS share of revenue



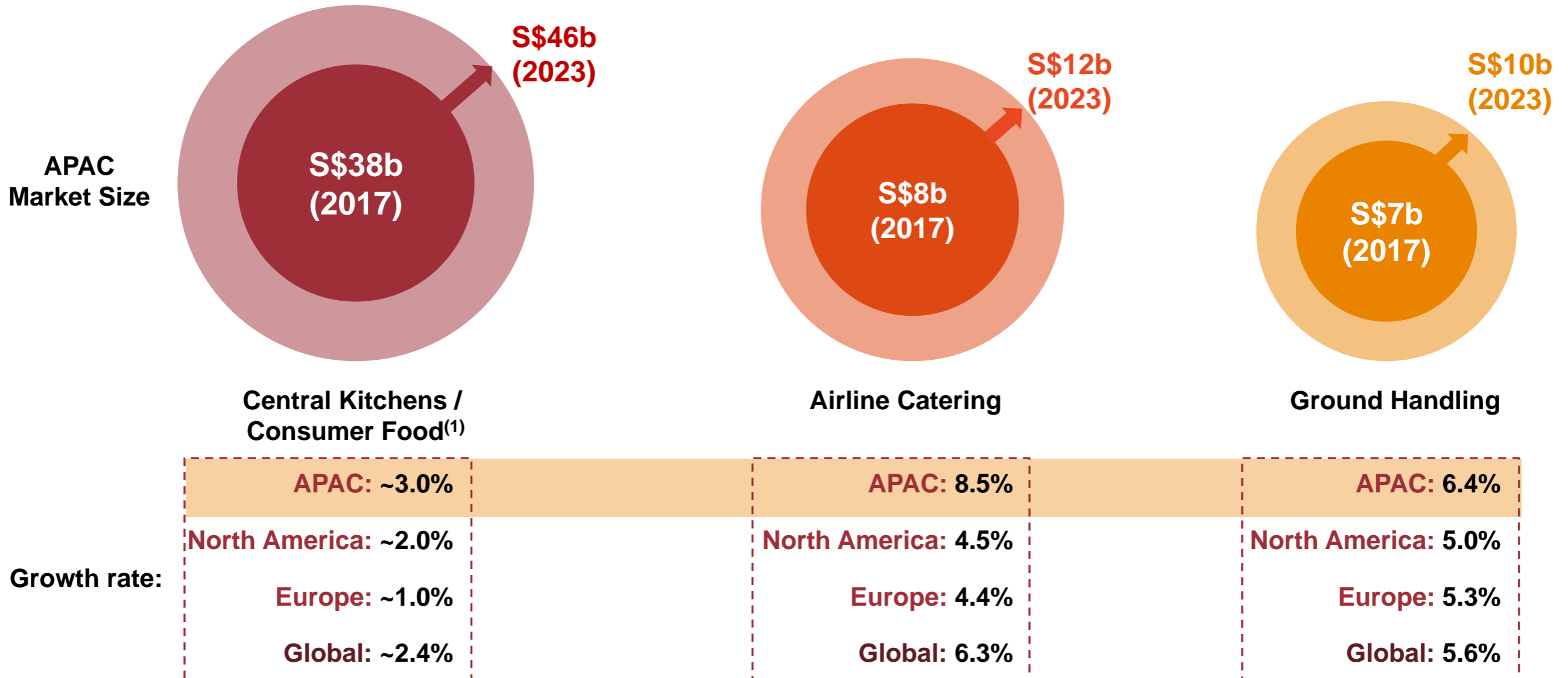
#	Associates / JVs	Total	Singapore	Japan	Asean (ex-SG)	Greater China	India	Others
1	Evergreen Sky Catering	37	-	-	-	37	-	-
2	Brahim's SATS	31	-	-	31	-	-	-
3	MacroAsia Catering	14	-	-	14	-	-	-
4	Taj SATS Air Catering/TMFK	43	-	-	-	-	43	-
5	SATS BRF	113	113	-	-	-	-	-
6	Beijing Airport Inflight Kitchen	23	-	-	-	23	-	-
7	Evergreen Airline Services/Air Cargo	43	-	-	-	43	-	-
8	PT Cardig Aero Services	86	-	-	86	-	-	-
9	Asia Airfreight Terminal	55	-	-	-	55	-	-
10	Air India SATS Airport Services	71	-	-	-	-	71	-
11	Beijing Aviation Ground Services	63	-	-	-	63	-	-
12	Mumbai Cargo Services	-	-	-	-	-	-	-
	Sub-total	579	113	-	131	221	114	-
	Others	110	31	8	22	22	-	27
	Total - Share of Associates/JVs revenue	689	144	8	153	243	114	27
	Subsidiaries - Consolidated revenue	1,725	1,423	240	1	19	-	42
	<b>SATS share of revenue (FY2018)</b>	<b>2,413</b>	<b>1,567</b>	<b>248</b>	<b>154</b>	<b>262</b>	<b>114</b>	<b>69</b>



## Appendix: Overview of Market Opportunity



# Total Addressable Market Opportunities



Source: Arizton, Mordor Research, Euromonitor data, SATS internal analysis.

Note: Growth rates represent '17 – '23 CAGR.

Note: US\$ converted to SG\$ at 1:1.37.

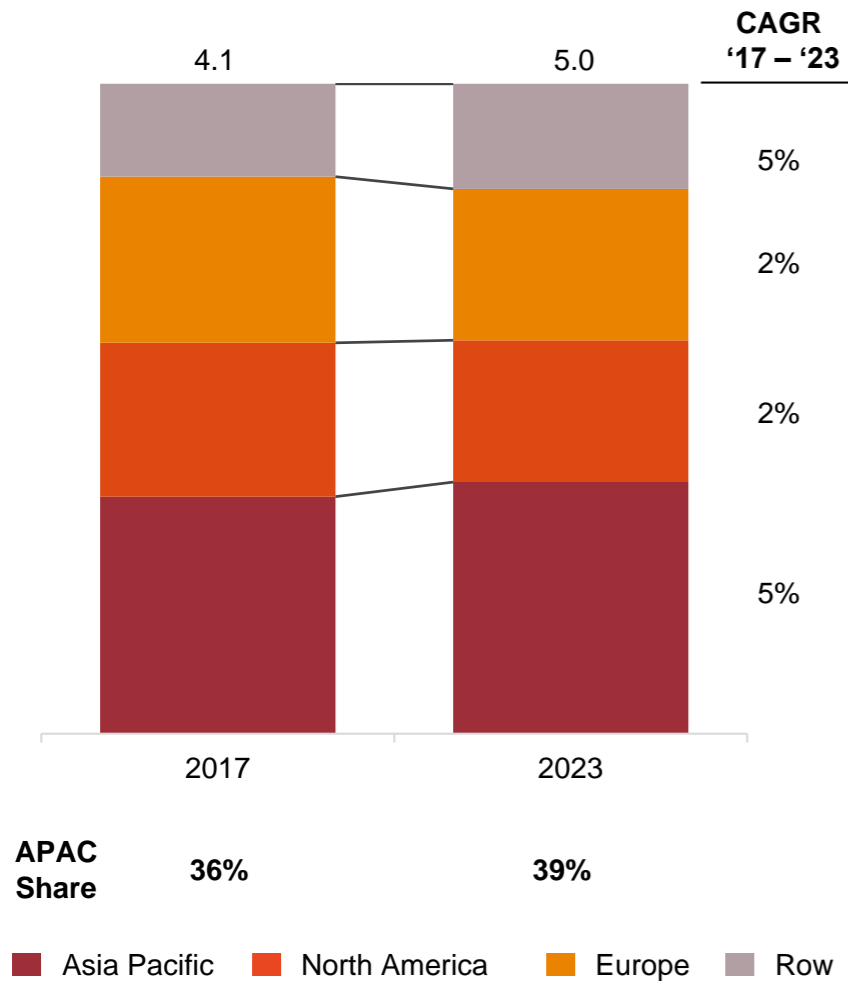
(1) Consumer foodservice revenue is defined as the spend from consumer foodservice companies on raw materials for food. Addressable market has been derived by adjusting market size to account for percentage of revenue derived from food, and the amount of raw materials for food that SATS can supply.

# APAC is at the Epicenter of Aviation Services Tailwinds



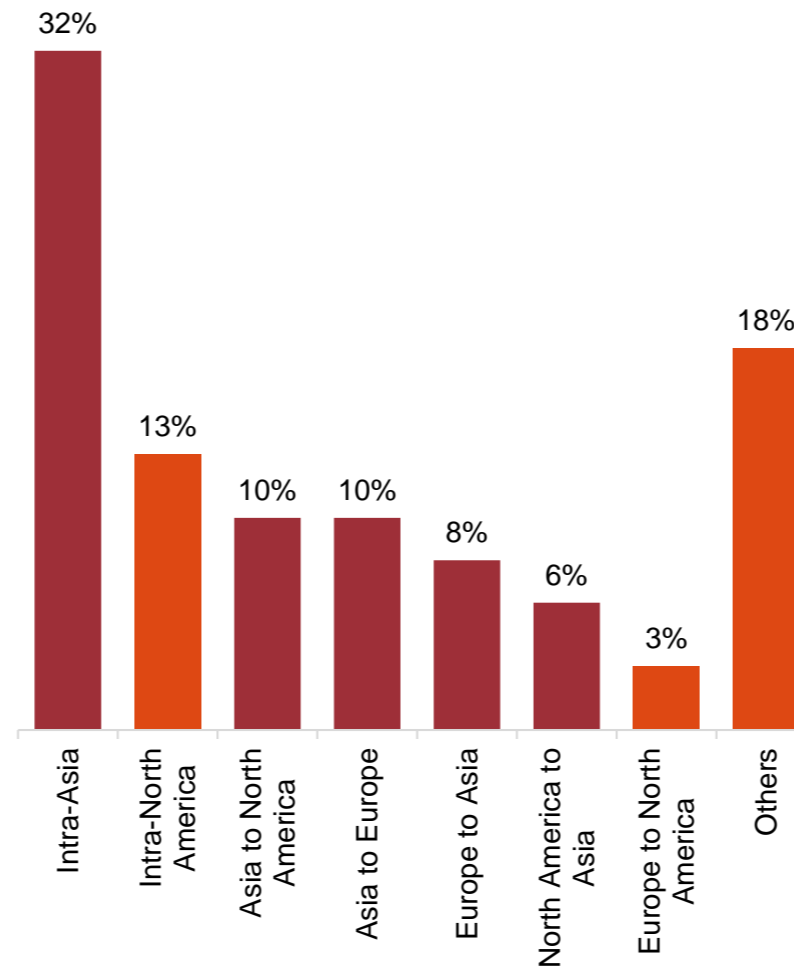
APAC is the Largest Contributor to Global Aviation Revenue Pool

2017–2023 Passenger Traffic by Region (b' pax)



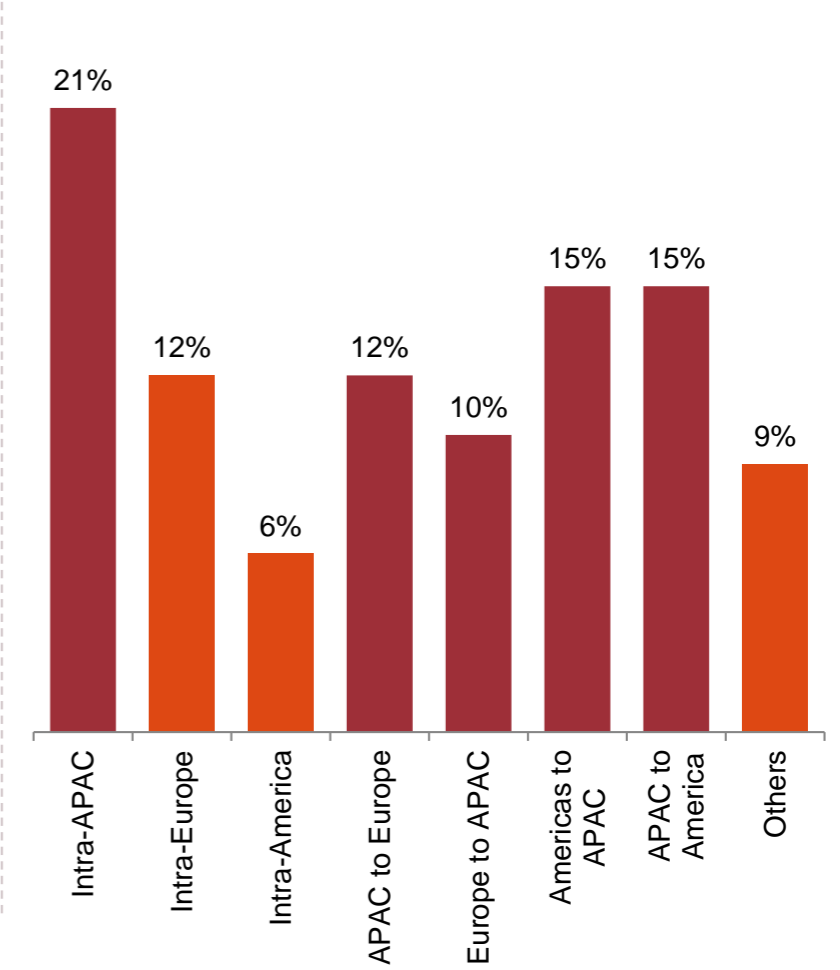
~65% of Global Cargo Volume Growth will Originate or Terminate Within Asia

Global Cargo Volume Growth by Route (% of Total Volume Growth)



~60% of Global Cross-border eCommerce will Originate or Terminate Within APAC

Global Cross-border eCommerce (% of Total Shipments)





# Singapore is a Leading Transportation Hub Within Asia



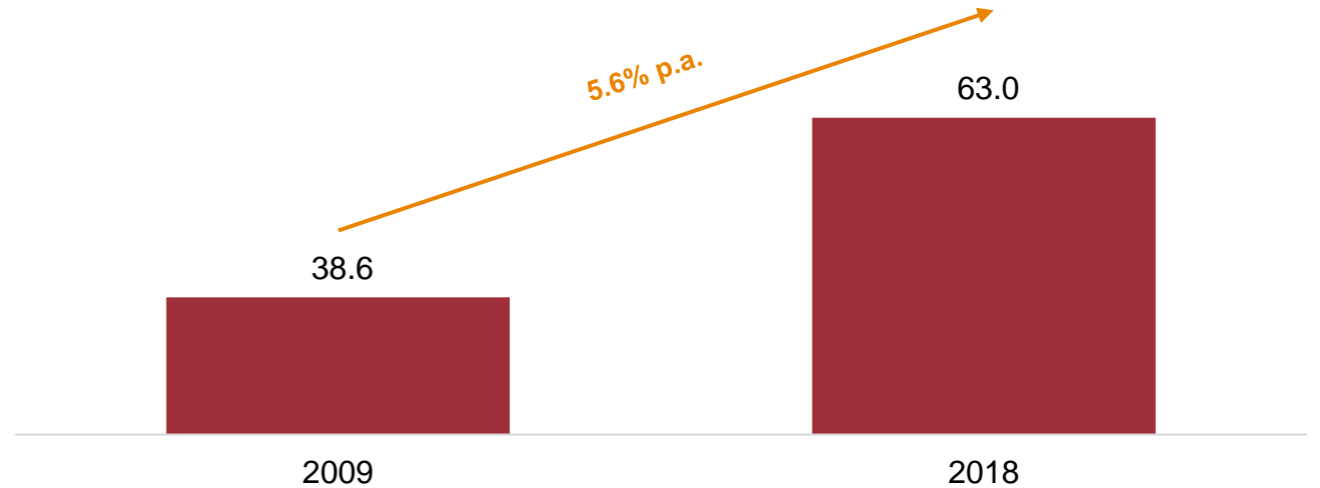
## Singapore Hub

### Changi Airport

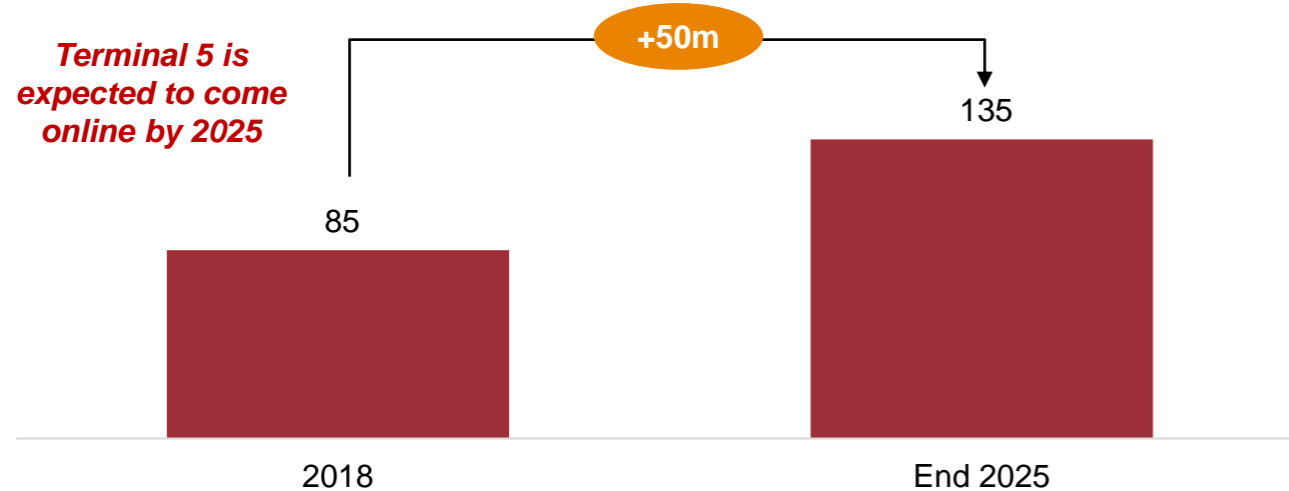
### Maritime



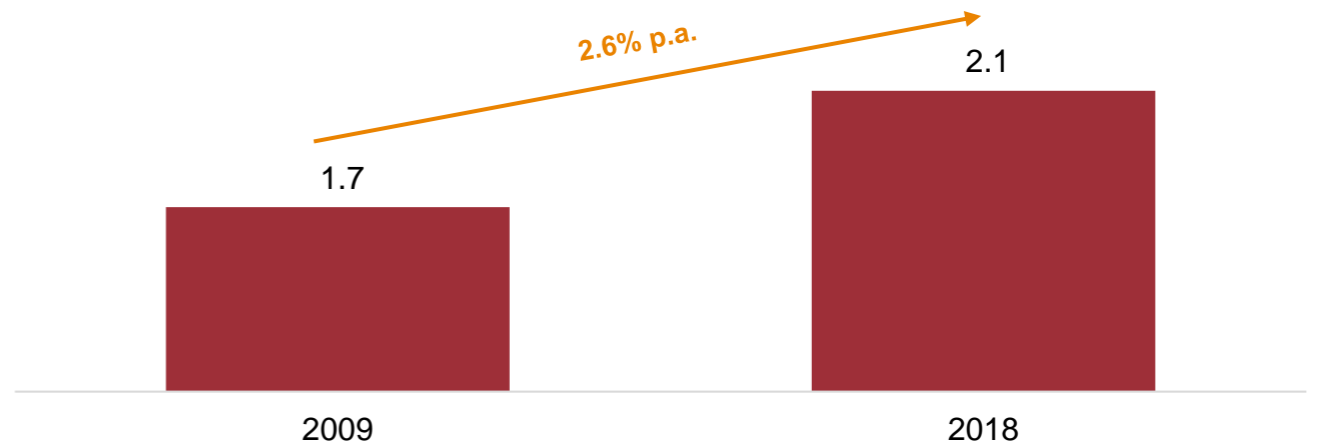
## Changi Passenger movement (m)



## Highly Visible Capacity Additions At Changi Airport (m)



## Changi Airfreight movement (m tonnes)



# Attractive Fundamentals in Other Regional Hubs in Asia



## Highest Passenger Growth Rates in Core Asian Markets Where SATS Has Presence

