



## MEDIA RELEASE

### SATS POSTS 2Q NET PROFIT OF S\$69.7 MILLION

- 2Q revenue grew 14.1% YoY to S\$1.45B, driven primarily by continuing growth in air cargo volumes and aviation meals
- 2Q EBITDA reached S\$265.7M, expanding YoY margin from 15.2% to 18.3%
- Secured S\$68M of the targeted annualised run rate of S\$100M EBITDA integration synergies
- SATS declares an interim dividend of 1.5 cents (S\$) per share

**Singapore, 7 November 2024** – SATS Ltd. (**SATS**) today reported its unaudited results for the six months ended 30 September 2024 (1H FY25).

#### HIGHLIGHTS OF THE GROUP'S UNAUDITED RESULTS:

Group Financial Results	2Q FY25 (S\$ million)	2Q FY24 (S\$ million)	Favourable / (Unfavourable) YoY Change (S\$ million)	Favourable / (Unfavourable) YoY Change (%)
Revenue	1,450.7	1,271.2	179.5	14.1
Operating expenditure (Excluding D&A)	(1,185.0)	(1,078.4)	(106.6)	(9.9)
EBITDA	265.7	192.8	72.9	37.8
<i>EBITDA margin</i>	<i>18.3%</i>	<i>15.2%</i>		
Operating profit (EBIT)	127.2	64.1	63.1	98.4
<i>EBIT margin</i>	<i>8.8%</i>	<i>5.0%</i>		
SoAJV	29.7	23.1	6.6	28.6
Profit attributable to owners of the Company (PATMI)	69.7	22.2	47.5	214.0



Group Financial Results	1H FY25 (S\$ million)	1H FY24 (S\$ million)	Favourable / (Unfavourable) YoY Change (S\$ million)	Favourable / (Unfavourable) YoY Change (%)
Revenue	2,821.1	2,457.8	363.3	14.8
Operating expenditure (Excluding D&A)	(2,306.3)	(2,110.0)	(196.3)	(9.3)
EBITDA	514.8	347.8	167.0	48.0
<i>EBITDA margin</i>	<i>18.2%</i>	<i>14.2%</i>		
Operating profit (EBIT)	240.1	72.0	168.1	233.5
<i>EBIT margin</i>	<i>8.5%</i>	<i>2.9%</i>		
SoAJV	65.3	44.4	20.9	47.1
Profit/(Loss) attributable to owners of the Company (PATMI)	134.7	(7.8)	142.5	n.m.

**Notes:**

- (1) FY25 refers to the financial year from 1 April 2024 to 31 March 2025
- (2) 1H FY24 figures were restated retrospectively to reflect discontinued operation due to the disposal of a subsidiary in March 2024
- (3) D&A refers to depreciation and amortisation
- (4) EBITDA refers to earnings before interest, tax, depreciation and amortisation
- (5) SoAJV refers to the share of associates/joint ventures, net of tax
- (6) n.m. – not meaningful

**GROUP EARNINGS**

**2Q FY25 (1 July 2024 to 30 September 2024)**

In 2Q FY25, SATS Group's revenue increased by 14.1% to S\$1.45 billion compared to the same period last year due to business volume growth, rate increases and a three-month revenue catch up recorded in 2Q FY25 upon finalisation of a contract renewal.

Revenue for Gateway Services increased by 10.3% YoY to S\$1.10 billion as the cargo market growth was supported by increasing e-commerce demand and continued disruption to sea freight from the Red Sea crisis.



Food Solutions' revenue increased by 28.0% to S\$352.8 million as compared to prior year fuelled by the increased demand for inflight meals as travel recovers.

The Group's expenditure (excluding depreciation and amortisation) increased by 9.9% to S\$1.18 billion YoY, in line with the increase in business volume. Included in 2Q FY25 expenditure was an unrealised foreign exchange loss of S\$21.6 million, mainly due to translation of USD and Euro intercompany loan balances at the end of the second quarter.

In 2Q FY25, SATS operating profit doubled to S\$127.2 million from S\$64.1 million. Operating profit margin also improved from 5.0% to 8.8% driven by operational leverage as revenue growth outpaced the increase in expenditure.

The share of earnings of associates and joint ventures increased by 28.6% to S\$29.7 million mainly due to a reclassification adjustment relating to purchase price allocation in the prior period between share of earnings of associates and joint ventures, and depreciation and amortisation charges.

In 2Q FY25, SATS posted PATMI of S\$69.7 million reflecting an improvement of S\$47.5 million YoY. This better performance was attributed to scale leverage derived from higher business volume and rate increases from customers.

### **1H FY25 (1 April 2024 to 30 September 2024)**

SATS Group's 1H FY25 revenue increased by 14.8 % to S\$2.82 billion YoY due to business volume growth as well as rate increases from customers.

Revenue for Gateway Services increased by 11.1% YoY to S\$2.16 billion. This growth was due to the increase in air cargo volume driven by high-tech shipments, growth of eCommerce, and the shift from ocean freight to air freight due to the Red Sea crisis.

Food Solutions' revenue improved by 28.6% to S\$663.5 million as aviation travel continues to recover and the demand for inflight meals increased.



The Group's expenditure (excluding depreciation and amortisation) increased by 9.3% to S\$2.31 billion YoY, in line with the increase in business volume. Included in 1H FY25 expenditure was a charge of S\$22.9 million for unrealised foreign exchange losses, mainly due to translation of USD and Euro intercompany loan balances at the end of the period.

SATS' 1H FY25 operating profit increased YoY to S\$240.1 million from S\$72.0 million. Operating profit margin also expanded from 2.9% to 8.5% driven by favourable operating leverage as revenue growth outpaced that of expenditure.

The share of earnings of associates and joint ventures increased by 47.1% to S\$65.3 million, driven by travel recovery and higher cargo volumes.

In 1H FY25, SATS posted PATMI of S\$134.7 million reflecting a significant improvement of S\$142.5 million YoY. This improved performance was attributed to the scale and operating leverage derived from higher volume of business handled, and rate increases from customers.

#### **GROUP FINANCIAL POSITION (as at 30 September 2024)**

Total equity increased by S\$127.6 million, reaching S\$2.69 billion as of 30 September 2024, compared to 31 March 2024. This increase was primarily attributed to the profit generated in 1H FY25.

Non-current assets decreased by S\$162.6 million to S\$6.37 billion as of 30 September 2024. This reduction was mainly due to lower right-of-use assets and intangible assets resulting from depreciation and amortisation. Additionally, there was a decrease in investment in joint ventures arising from dividends received during the period.

Current assets reduced by S\$47.0 million to S\$1.90 billion, driven by lower cash balance partially offset by higher trade and other receivables.



Total liabilities decreased by S\$337.2 million to S\$5.58 billion, primarily due to the repayment of S\$72.0 million of debt, lower lease liabilities and lower trade payables balance.

For 1H FY25, operating cash flow increased to S\$208.9 million, compared to S\$75.5 million recorded in the corresponding period last year. SATS' free cash flow for 1H FY25 was negative S\$69.3 million, reflecting an improvement of S\$142.1 million YoY, driven mainly by higher YoY operating profit for the half year period. The negative free cash flow in 2Q FY25 was attributed primarily to the increase in working capital requirement due to annual bonus payout and the increase in trade receivables attributed to the contract rate adjustments during the quarter.

### **INTERIM DIVIDEND**

In view of the Group's financial performance in 1H FY25, the Board of Directors has declared an interim dividend of 1.5 cents (S\$) per share, payable on 6 December 2024. The book closure date is 22 November 2024.

### **OUTLOOK**

SATS expects the positive momentum to continue in the next quarter as the demand for travel and cargo reaches its seasonal year-end peak. With our global network and expanded scale, we will continue to leverage the strong growth trends by improving operational efficiency and introducing new product offerings, further solidifying our global leadership position.

Looking ahead, SATS is committed to scaling the business to achieve sustainable revenue growth, driving operational leverage to improve cost efficiency, and investing in platform capabilities and innovation as we navigate a complicated geopolitical environment.



**Kerry Mok, President and Chief Executive Officer of SATS**, said, *“We are pleased with the progress of our integration and the sustained improvements in operating results. This quarter's good performance is further proof that our strategy is delivering.*

*During the second quarter, we continued to drive operational excellence and signed new strategic partnerships to maintain our competitive advantage in an evolving marketplace. We restructured the Gateway Services business in the Asia-Pacific into Singapore Hub and Gateway Services Asia-Pacific, underscoring our commitment to Singapore’s aviation ecosystem while scaling our international presence to capture growth opportunities overseas.*

*As the leading global provider of aviation solutions, SATS will leverage its capabilities and network to deliver sustained value for shareholders.”*

**END**



## **ABOUT SATS LTD.**

Headquartered in Singapore, SATS Ltd. is one of the world's largest providers of air cargo handling services and Asia's leading airline caterer. SATS Gateway Services provides airfreight and ground handling services including passenger services, ramp and baggage handling, aviation security services, aircraft cleaning and aviation laundry. SATS Food Solutions serves airlines and institutions, and operates central kitchens with large-scale food production and distribution capabilities for a wide range of cuisines. SATS is present in the Asia-Pacific, the Americas, Europe, the Middle East and Africa, powering an interconnected world of trade, travel and taste. Following the acquisition of Worldwide Flight Services (WFS) in 2023, the combined SATS and WFS network operates over 215 stations in 27 countries. These cover trade routes responsible for more than 50% of global air cargo volume. SATS has been listed on the Singapore Exchange since May 2000. For more information, please visit [www.sats.com.sg](http://www.sats.com.sg)

## **ANNOUNCEMENT INFORMATION**

The complete 1H FY25 results of SATS are available at [www.sats.com.sg](http://www.sats.com.sg).

## **MEDIA AND INVESTOR CONTACTS**

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## ANNEX A: GROUP FINANCIAL STATISTICS

Financial Results (S\$)	1H FY25	1H FY24
<b>Per Share Data</b>		
Earnings per share (cents)		
- Basic <sup>R1</sup>	9.0	(0.5)
- Diluted <sup>R2</sup>	9.0	(0.5)
Return on turnover (%) <sup>R3</sup>	4.8	(0.3)
	<b>As at</b>	<b>As at</b>
<b>Financial Position (S\$ million)</b>	<b>30 Sep 2024</b>	<b>31 Mar 2024</b>
Total equity	2,687.1	2,559.5
Total assets	8,270.4	8,480.0
Total debt	3,960.2	4,092.1
Gross debt/equity ratio (times) <sup>R4</sup>	1.47	1.60
Net asset value per share (\$) <sup>R5</sup>	1.67	1.59

### Notes:

The Group financial statistics should be read in conjunction with the explanatory notes found on page 3 of this media release.

- <sup>R1</sup> Earnings per share (basic) is computed by dividing profit attributable to owners of the Company by the weighted average number of fully paid shares in issue.
- <sup>R2</sup> Earnings per share (diluted) is computed by dividing profit attributable to owners of the Company by the weighted average number of fully paid shares in issue after adjusting for dilution of shares under various employee share plans.
- <sup>R3</sup> Return on turnover is computed by dividing profit attributable to owners of the Company by total revenue.
- <sup>R4</sup> Gross debt/equity ratio is computed by dividing total debt by total equity.
- <sup>R5</sup> Net asset value per share is computed by dividing equity attributable to owners of the Company by the number of ordinary shares (excluding treasury shares) in issue.





## ANNEX B: OPERATING STATISTICS

	2Q FY25	2Q FY24	Change (%)	1H FY25	1H FY24	Change (%)
<b>Flights Handled ('000)</b>	<b>160.8</b>	<b>153.2</b>	<b>4.9</b>	<b>315.6</b>	<b>299.1</b>	<b>5.5</b>
- APAC	82.8	77.0	7.5	161.8	150.2	7.7
- EMEAA	8.2	12.1	(32.0)	16.4	24.0	(31.8)
- Americas	69.8	64.2	8.7	137.5	125.0	10.0
<b>Cargo/Mail Processed ('000 tonnes)</b>	<b>2,223.1</b>	<b>1,915.4</b>	<b>16.1</b>	<b>4,378.2</b>	<b>3,725.9</b>	<b>17.5</b>
- APAC	678.4	591.2	14.8	1,339.0	1,131.1	18.4
- EMEAA	855.7	692.8	23.5	1,680.9	1,351.8	24.3
- Americas	689.1	631.4	9.1	1,358.3	1,243.0	9.3
<b>Gross Meals Produced ('M)</b>	<b>28.6</b>	<b>24.8</b>	<b>15.2</b>	<b>54.6</b>	<b>47.1</b>	<b>15.9</b>
- Aviation meals	17.1	13.6	25.5	32.3	25.6	26.1
- Non-aviation meals	11.5	11.2	2.7	22.3	21.5	3.7
<b>Ship Calls Handled</b>	<b>45</b>	<b>56</b>	<b>(19.6)</b>	<b>99</b>	<b>131</b>	<b>(24.4)</b>

### Notes:

- i. Reduction in flights handled volume in EMEA due to loss of two (2) ground handling licenses in Spain.
- ii. The above operating data cover SATS and its subsidiaries, but does not include joint ventures and associates.