



Creating a Global Aviation Services Leader

28 September 2022

sats

Forward Looking Statement – Important Note

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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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

- 1 | Transaction Overview**
Accelerating the SATS Transformation
- 2 | Overview of WFS**
The Leading Global Air Cargo Handler
- 3 | Strategic Rationale**
Creating a Global Aviation Services Leader and Delivering Immediate Earnings Accretion





01

TRANSACTION OVERVIEW

Accelerating the SATS Transformation



Accelerating the SATS Transformation

SATS has agreed to acquire 100% of Worldwide Flight Services (“WFS”)

- WFS is the clear market leader in air cargo handling
- Global network across 164 locations and 18 countries
- Leading positions at key strategic hubs in Europe and North America
- WFS generated €1.7B (~\$2.6B) of Revenue⁽¹⁾ and €232M (~\$350M) of EBITDA⁽¹⁾ in LTM March 2022

Purchase price of equity of €1,187M (~\$1,639M)⁽²⁾

- Enterprise value of €2,250M (~\$3,107M)
- Implied Enterprise Value / EBITDA⁽¹⁾ of ~9.7x pre synergies

Prudent funding plan

- Committed funding in place to satisfy purchase price through an acquisition bridge facility
- Base funding plan entails S\$1.7B of equity fund raising
- Remaining consideration to be funded out of cash reserves

Expected closing by end-March 2023

- Subject to customary regulatory approvals and SATS shareholder approval
- Temasek has provided an irrevocable undertaking to vote in favour of the proposed acquisition



- ✓ Combined company to become the largest global air cargo handler
- ✓ Unmatched and highly complementary global footprint across Americas-Europe-APAC
- ✓ Ability to service customers on a global scale
- ✓ Greater earnings resilience and diversification across geographies
- ✓ Immediately accretive to earnings per share
- ✓ Potential synergies in excess of S\$100M EBITDA over the medium term



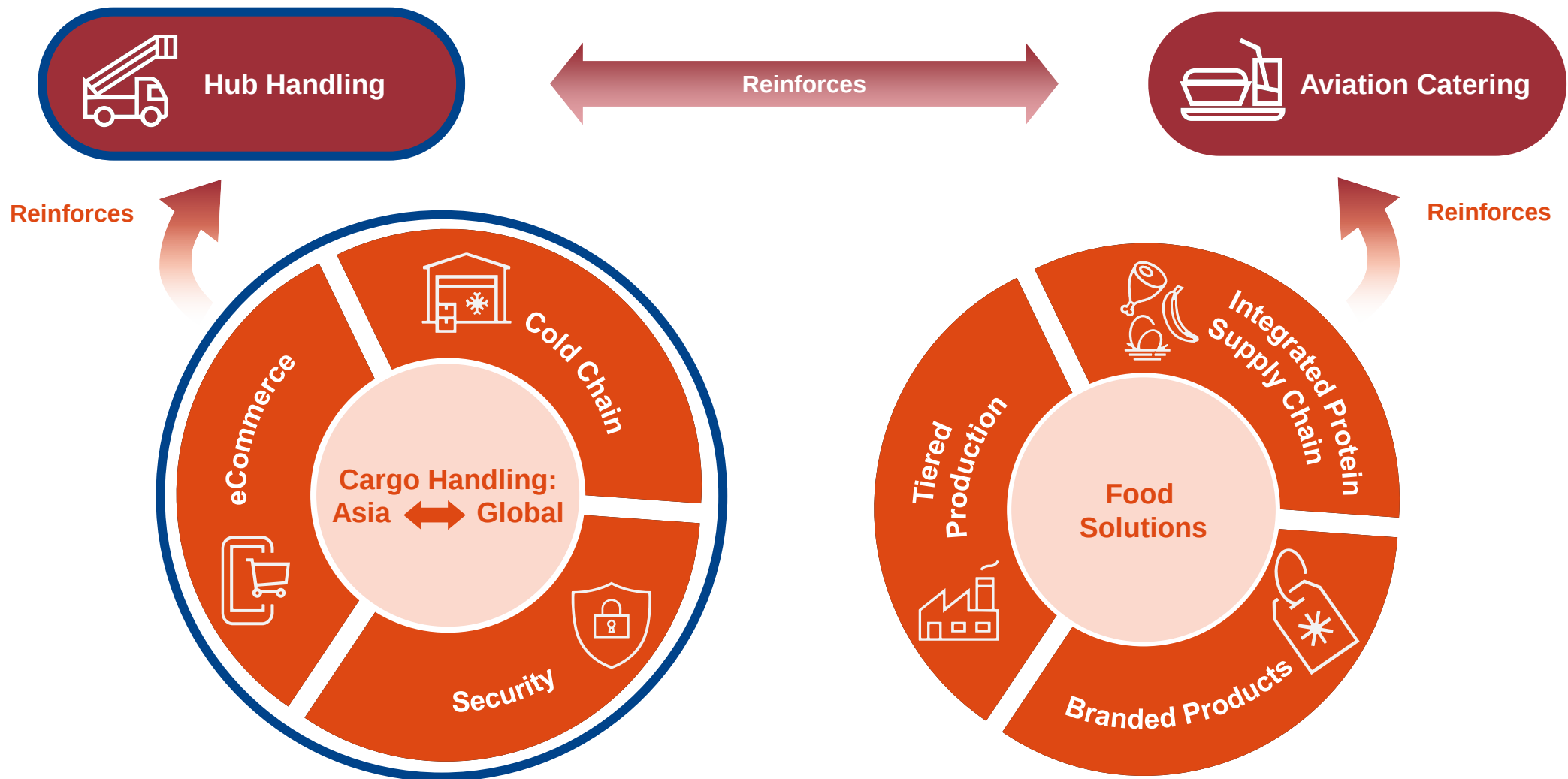
Note: WFS operating group financials prepared in accordance with French GAAP which does not incorporate adjustments under SFRS(I) 16 amongst other differences. EUR financials converted to SGD at EUR/SGD FX of 1.5077, the rate as at 31 March 2022; EUR purchase price and enterprise value converted at EUR/SGD FX of 1.3809

(1) Pro forma for full-year contribution from Mercury and Pinnacle acquisitions

(2) Taking into account cash, indebtedness and working capital of the Target as of 31 March 2022; subject to customary adjustments reflecting locked box arrangement, certain balance sheet adjustments and other items to be finalised at the time of completion

Acquisition of WFS Accelerates Our Strategic Objectives

Transforming SATS from an Asia-focused Operator to a Global Leader in Gateway and Food Solutions

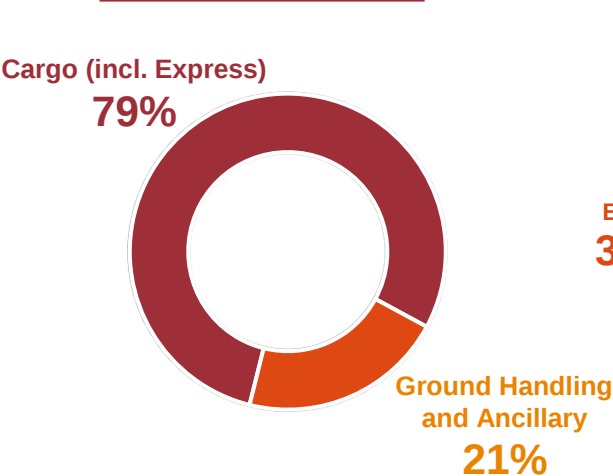


WFS is the Clear Market Leader in Air Cargo Handling

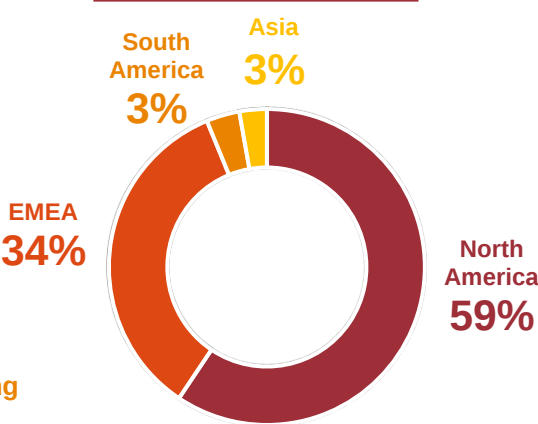
- ✓ **Largest global air cargo handler**, with over **6.3M** tonnes of cargo handled annually
- ✓ **164 locations** across **18** countries, including **114** cargo stations with warehouse space of **800k+ sqm**
- ✓ **Diversified blue-chip customer base** with relationships spanning up to **35** years
- ✓ **Strong recurring revenues** underpinned by unrivalled network solution, service, safety and security delivery
- ✓ **Holistic suite of mission critical aviation services** extending to express cargo handling, ground handling and ancillary services
- ✓ **Highly experienced management team** with proven track record in managing a large portfolio and executing across multiple jurisdictions



Strategic Focus on Cargo
LTM March 2022 Revenue⁽³⁾



Diversified Global Footprint
LTM March 2022 Revenue⁽¹⁾

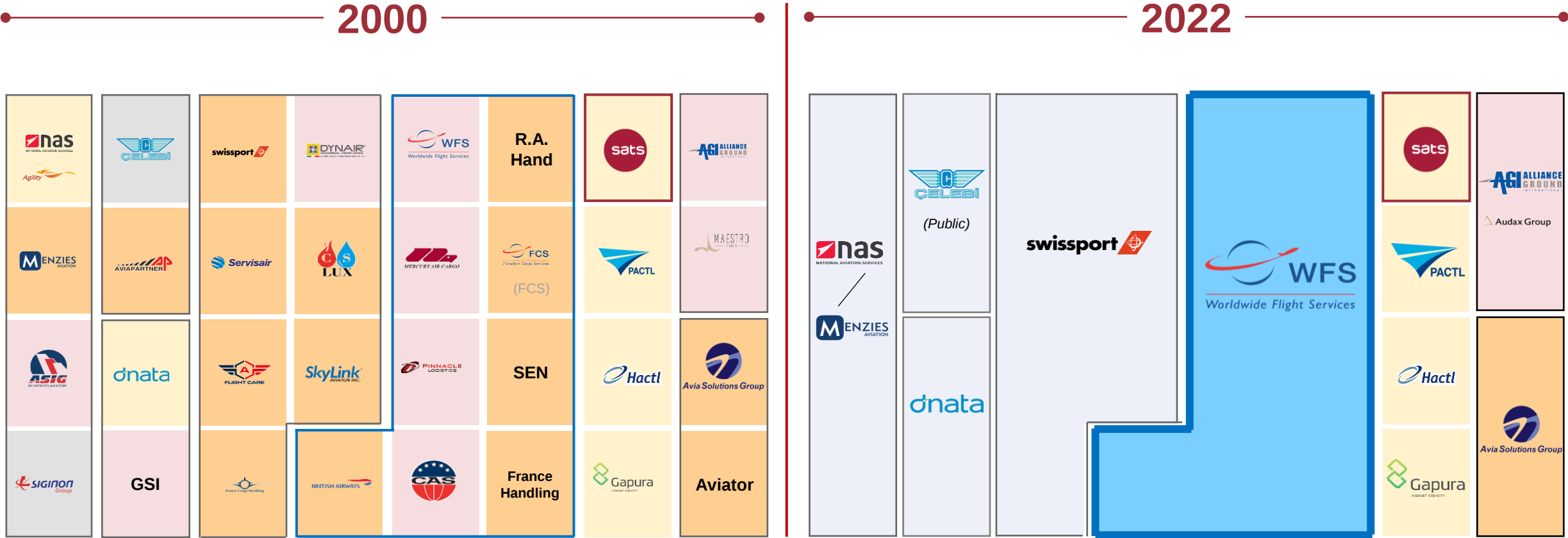


Note: WFS operating group financials prepared in accordance with French GAAP which does not incorporate adjustments under SFRS(I) 16 amongst other differences. EUR financials converted to SGD at EUR/SGD FX of 1.5077, the rate as at 31 March 2022

(1) Pro forma for full-year contribution from Mercury and Pinnacle acquisitions
(2) Calculated as (EBITDA – Total Capex) / EBITDA; figures are not adjusted for Mercury and Pinnacle acquisitions
(3) Based on reported revenue, not adjusted for Mercury and Pinnacle acquisitions



Unique Opportunity to Acquire a Cargo Handling Asset of Scale



- ✓ WFS has successfully **led industry consolidation in cargo handling**
- ✓ Strong **track record of M&A integration** and new business wins

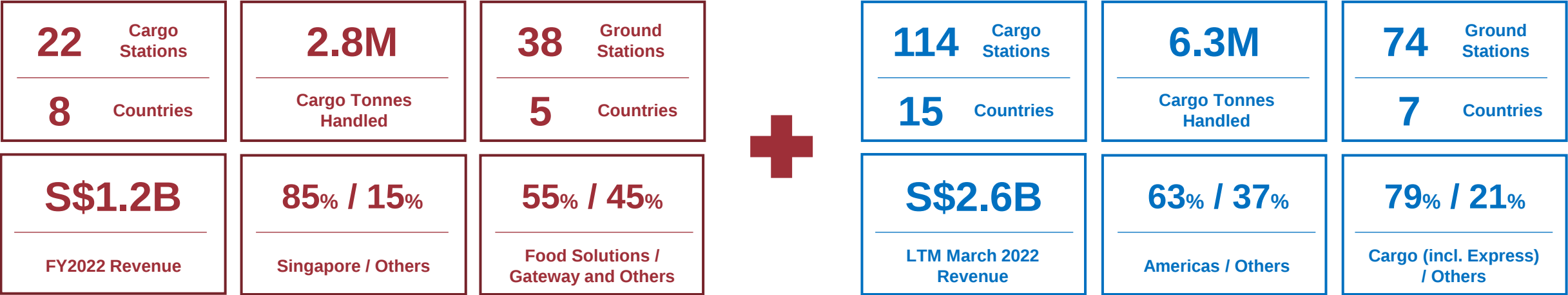
- ✓ Acquisition **propels SATS to global leader**
- ✓ Creates comprehensive **Americas-Europe-APAC** cargo handling network



Note: Visual representation of market consolidation is not drawn to scale and not indicative of actual market size

North America Europe Asia Rest of World Multi-Region Presence

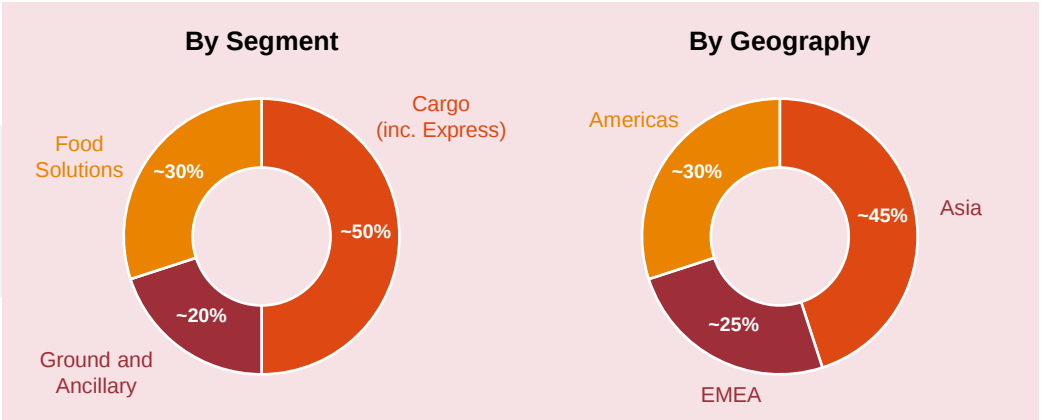
Highly Complementary & Transformational for SATS



Global Leadership & Scale in Cargo Handling



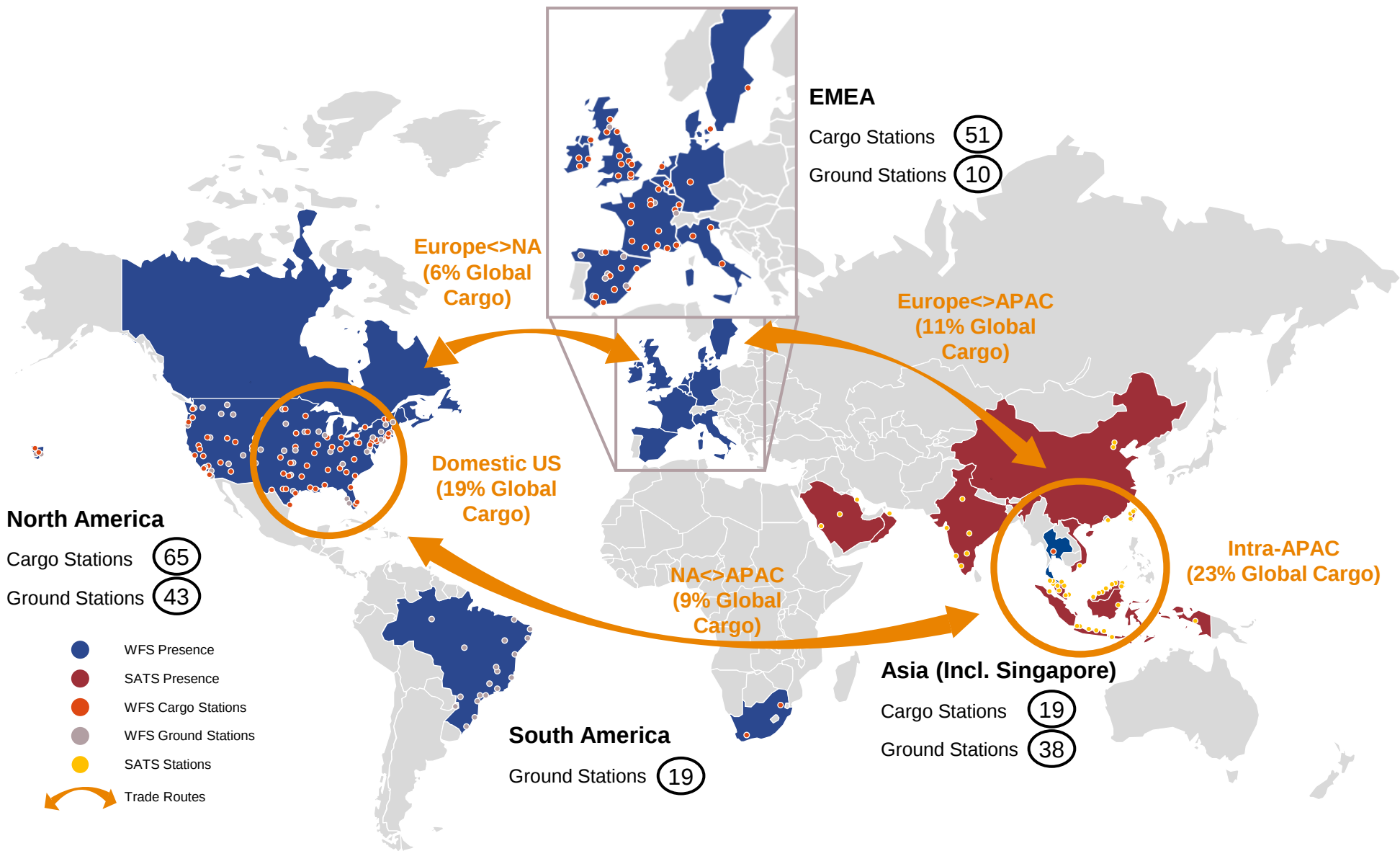
Greater Mid-Term Earnings Resilience and Diversification



Note: WFS operating group financials prepared in accordance with French GAAP which does not incorporate adjustments under SFRS(I) 16 amongst other differences. EUR financials converted to SGD at EUR/SGD FX of 1.5077, the rate as at 31 March 2022. Financials and operating statistics as of LTM March 2022, except for WFS cargo tonnage, which is as of CY2021, and mid-term target which is illustrative for FY2025 (ended March). Operating statistics include operations and proportionate volume from associates and joint ventures

(1) Combined financial figures presented illustratively as SATS + WFS without reconciliation of accounting standards. Refer to Chapter 10 announcement for bases and assumptions for the combined pro forma financial effects

Complementary Networks Creating Unmatched Global Footprint



Comprehensive global coverage across Americas – Europe – APAC

Covering trade routes responsible for >50% of global air cargo volumes

Strategically located infrastructure at key hubs – >200 cargo and ground stations in >20 countries

Ability to support changing needs of global customers with end-to-end solutions



02

OVERVIEW OF WFS

The Leading Global Air Cargo Handler



Why WFS?



#1 Player in Air Cargo Handling

#1 In Leading Cargo Stations in North America and Europe



Extensive & Strategically Located Infrastructure

114 Cargo Stations
>800K m² Warehouse Space



Provider of Mission-Critical Services To Blue-Chip Customers

6.3M Cargo Tonnes
>90% Contract Renewal Rate



Track Record of Consistent, Profitable Growth

S\$2.6B Revenue⁽¹⁾
6% CY18-21A CAGR
S\$350M EBITDA⁽¹⁾
13% Margin



Highly Experienced & Proven Management Team

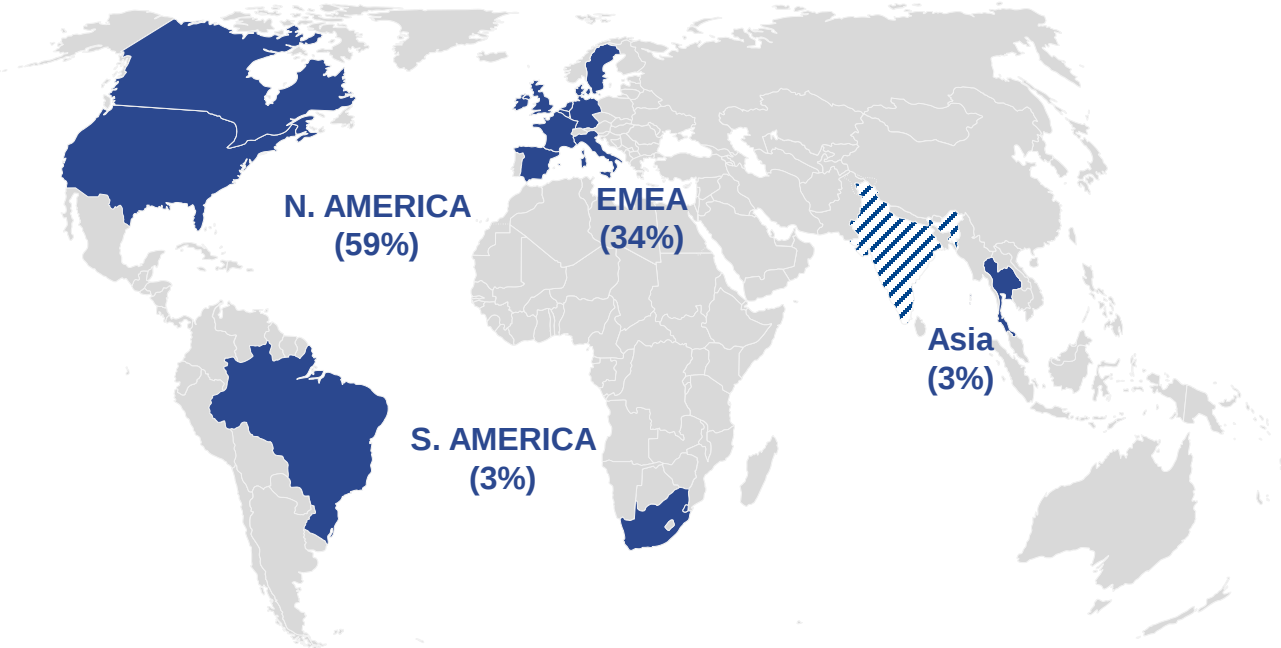
>100 Collective Years of Industry Experience
~30K Employees



Note: WFS operating group financials prepared in accordance with French GAAP which does not incorporate adjustments under SFRS(I) 16 amongst other differences. EUR financials converted to SGD at EUR/SGD FX of 1.5077, the rate as at 31 March 2022. Financials and operating statistics as of LTM March 2022, except for cargo tonnage, which is as of CY2021
(1) Pro forma for full-year contribution from Mercury and Pinnacle acquisitions

#1 Player in Air Cargo Handling

WFS Station Footprint



Highly complementary network with minimal overlap

Leadership positions at strategic hubs connecting both ends of key trade lanes across North America and Europe

Density of network to support multi-station contracts

Foundational positions in new growth markets in LatAm, Africa and India

	North America	Europe	South America	Middle East and Africa	Asia
Geographies Covered					
Cargo Stations	65	45	-	2	2 ⁽¹⁾
Ground Stations	43	10	19	-	2
Trucking Network	8	29	-	-	-

Extensive & Strategically Located Infrastructure

Competitive Advantages

Established portfolio of ~170 on-airport lease **warehouses**

100% owned or **controlled** network

Long term leases with **95%+ renewal rate**

Deep relationships with airports, regulators and **aviation stakeholders**

Multi-station solutions supported by a **global network**

Access to **key hubs** and **scale benefits**

Ongoing capacity expansion in response to customer demand

Best-in-class **safety** and **security** capability

Well-Invested Platform to Support Sustainable Growth



Capacity Expansion Project in JFK Airport: +28,000m²

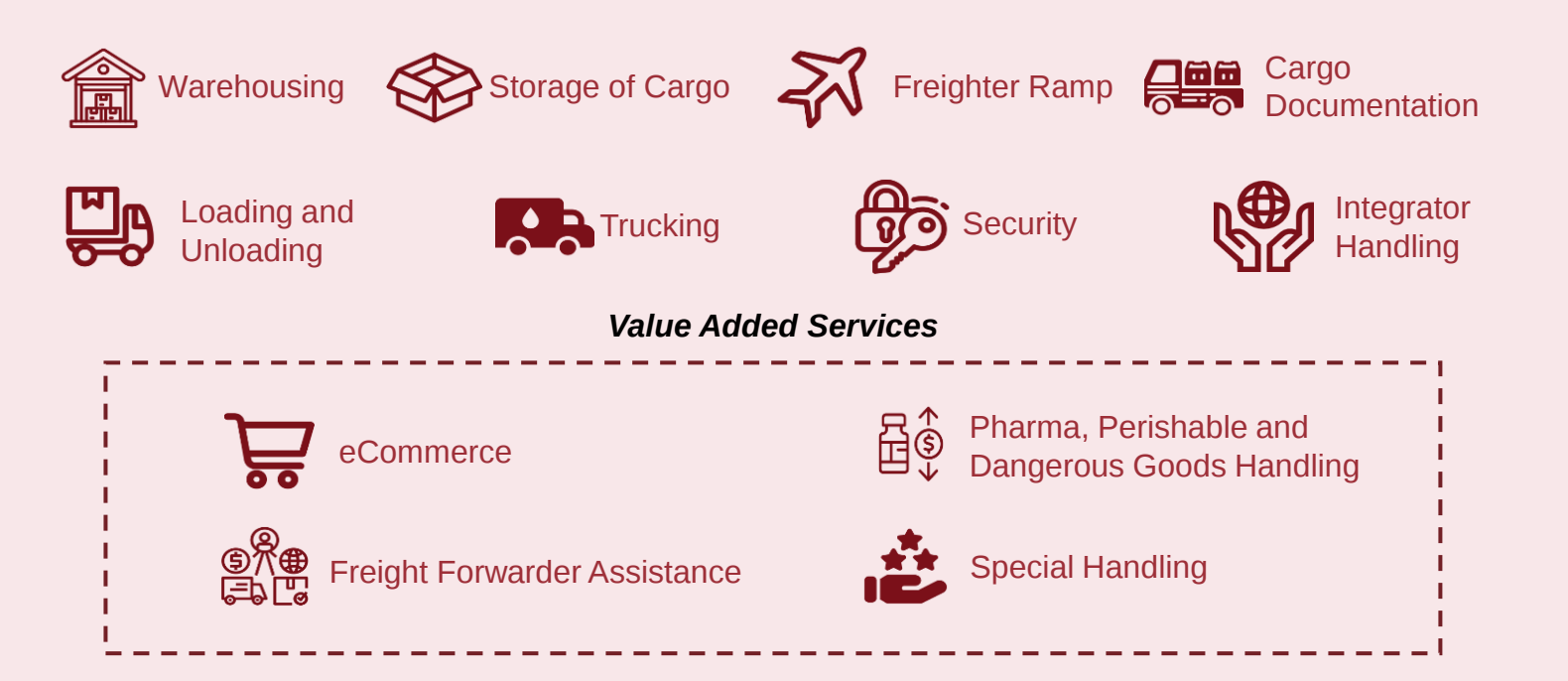


Capacity Expansion Project in Chicago O'Hare Airport: +12,000m²



Provider of Mission-Critical Services

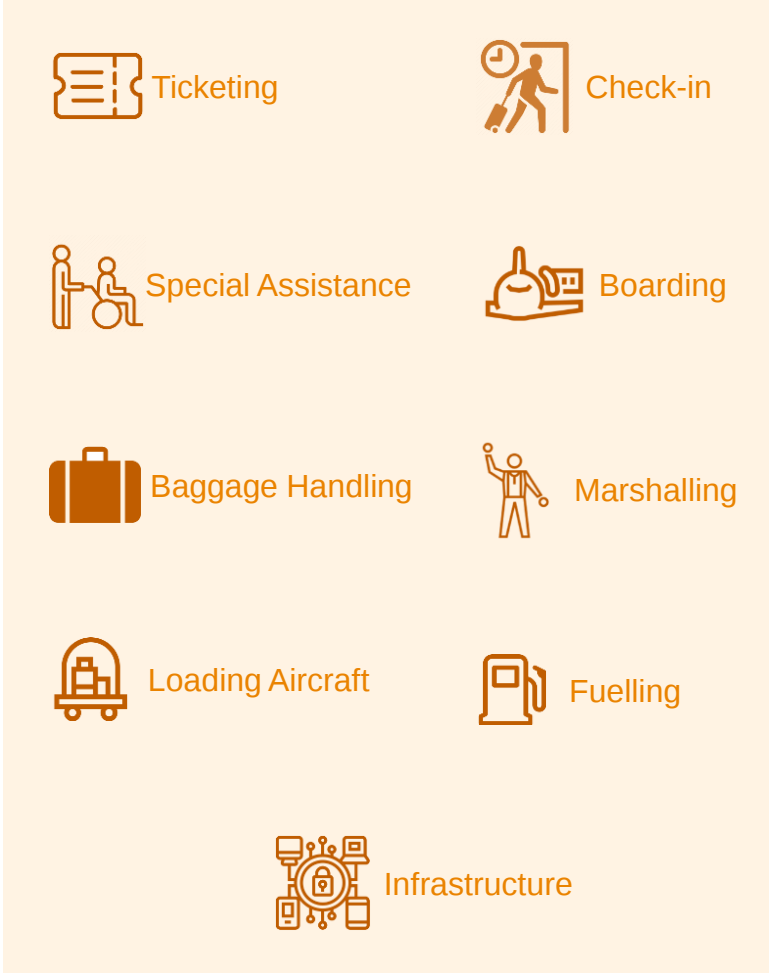
Air Cargo Handling Offering



WFS Strategic Pillars Are Aligned with SATS

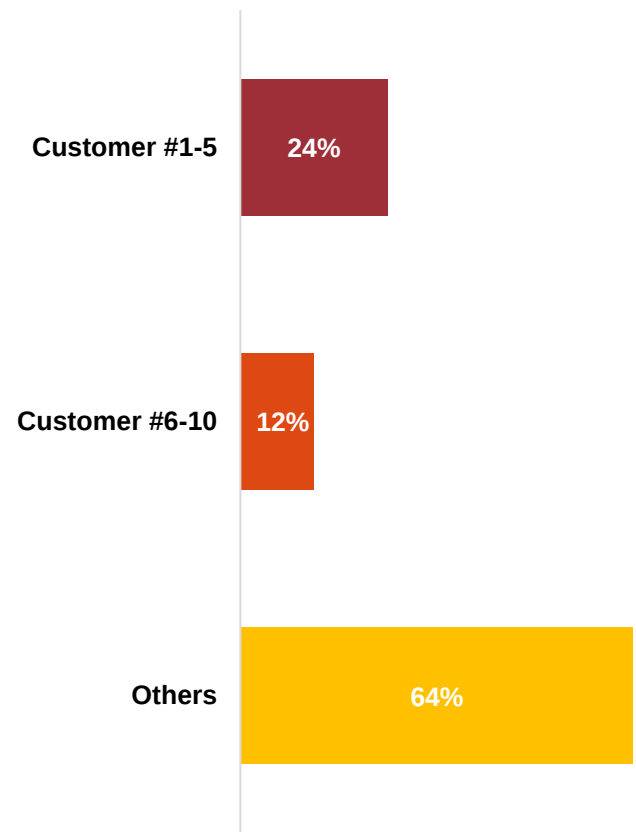
- 1 Continued focus on **contract harmonisation**, driving profitability
- 2 Roll-out of incremental **value-added services** to serve customers globally
- 3 Capitalise on **strong position** to accelerate **growth across stations** via network accounts
- 4 Capacity **expansion** at existing and new stations to be the **one-stop shop** for customers

Ground Handling and Ancillary Offerings



Diversified Blue-Chip Customer Base

Limited Revenue Concentration



Customer Mix



~300 cargo customers spanning **multiple locations**

Top 5 cargo customers have on average **20+ year relationships**

>90% **renewal** rates driving **recurring revenue**

Track record of successful **expansion** with **key cargo customers** across station network

Highly Experienced & Proven Management Team

Global Leadership



WFS Group CEO
Craig Smyth

25+

Regional Leadership



Americas
Michael Simpson

25+



EMEAA
John Batten

35+



WFS Group CFO
François Mirallié

20+

Support Functions Leadership



Commercial
Barry Nassberg

35+



PMO⁽¹⁾
Andrew Bonney

25+



IT
Pedro Garcia

25+



M&A
Will Juggins

7+



HSSE⁽²⁾
David Clark

20+



Legal & Compliance
Catherine Thomas

25+



Human Resources
Fabienne Bricaud

25+

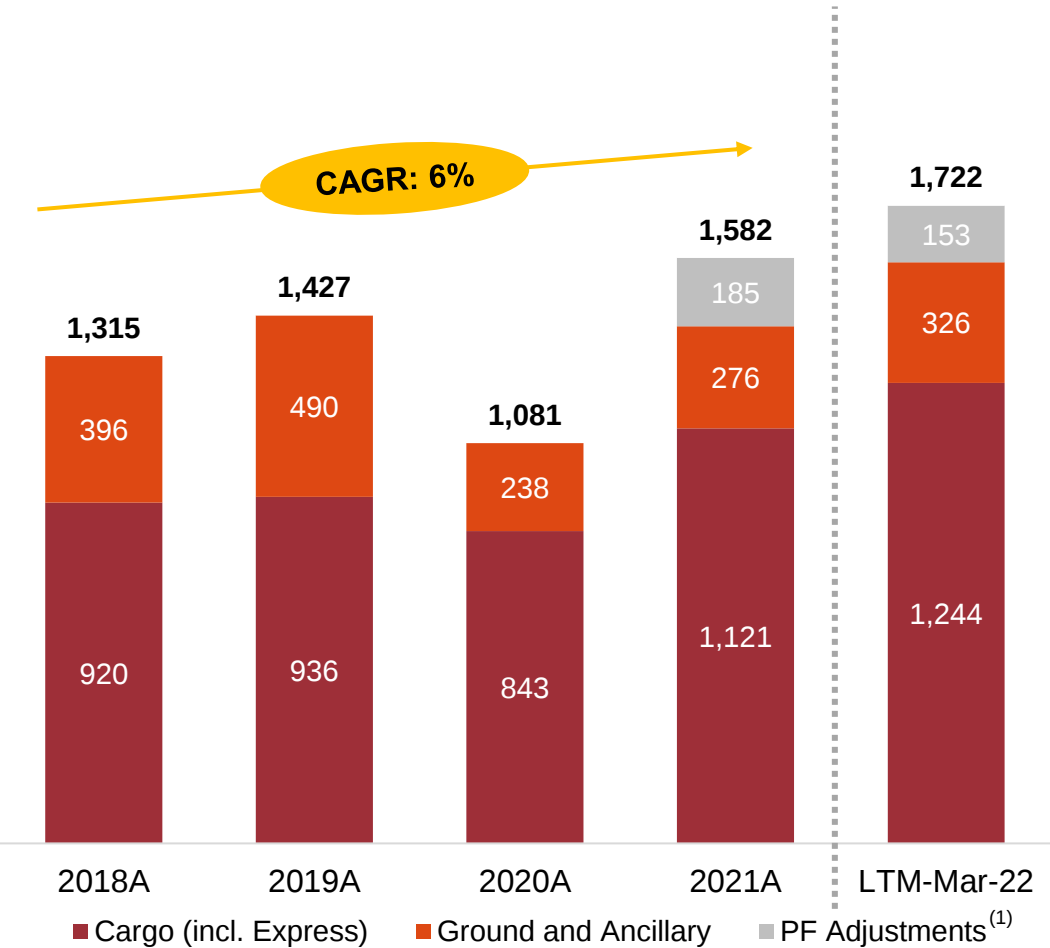
Years of Experience

(1) Project Management Office
(2) Health, Safety, Security & Environment

Track Record of Consistent, Profitable Growth

Revenue

€M



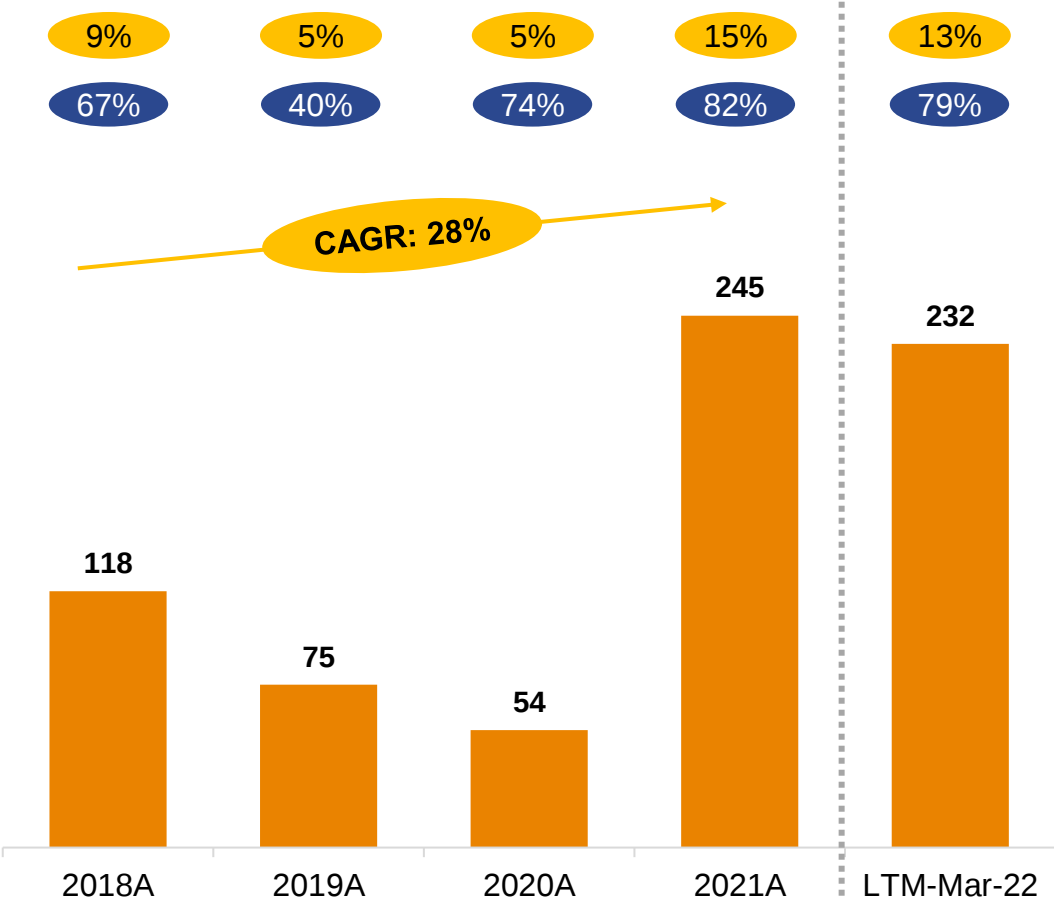
EBITDA

€M

Margin

Cash

Conv⁽²⁾



Note: WFS operating group financials prepared in accordance with French GAAP which does not incorporate adjustments under SFRS(I) 16 amongst other differences. Figures as of years ending December unless otherwise noted. 2021 and LTM March 2022 financials are pro forma for full-year contribution from Mercury and Pinnacle acquisitions

(1) Pro forma adjustments for Mercury and Pinnacle acquisitions

(2) Calculated as (EBITDA – Total Capex) / EBITDA. 2021 and LTM March 2022 figures are not adjusted for Mercury and Pinnacle acquisitions



03

STRATEGIC RATIONALE

Creating a Global Aviation Services Leader and Delivering Immediate Earnings Accretion



The Global Air Cargo Handling Market is Growing & Resilient

Structural Growth Tailwinds



Sustained eCommerce growth

✓ Global eCommerce **CAGR of 10%** and Southeast Asia eCommerce **CAGR of 25%⁽¹⁾**



Demand for high value cargo handling capabilities

✓ Increasing demand for specialised services such as pharma requiring bespoke solutions



Evolving customer mix

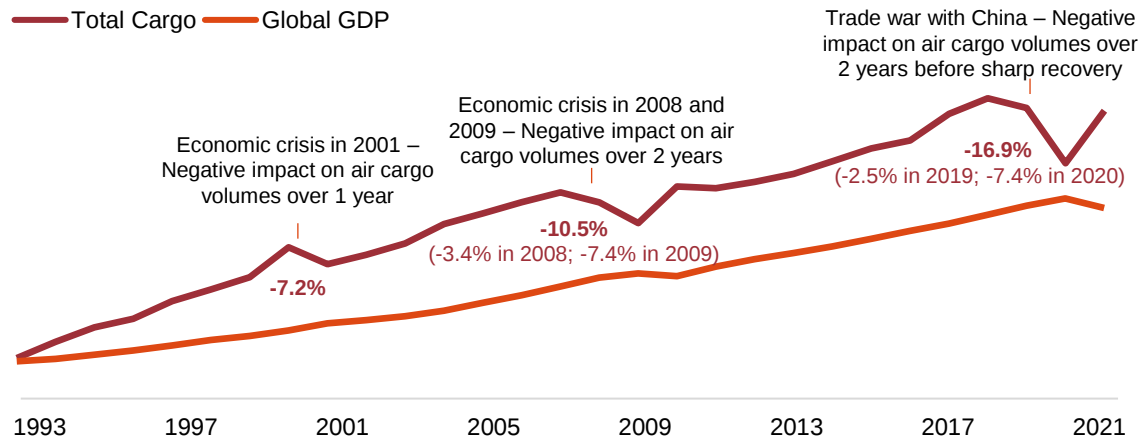
✓ Cargo handlers partnering directly with major eCommerce players and freight forwarders



Multi-modal and global solutions

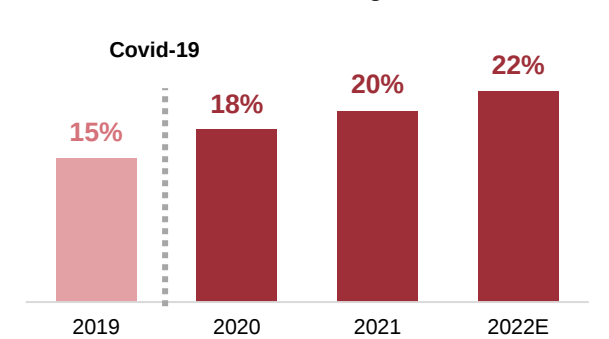
✓ Cargo handlers are critical players in managing complex global supply chains and providing frictionless connectivity

Proven Resilience Through the Cycle



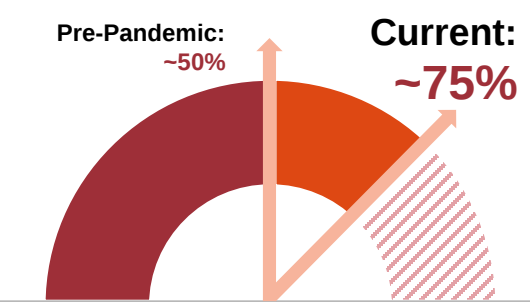
Meaningful eCommerce and Customer Expansion Opportunity

eCommerce % of Global Air Cargo Volume



eCommerce market accelerated post pandemic and expected to grow at 10% CAGR from 2020-2025

Freighter as a Percentage of Cargo Capacity



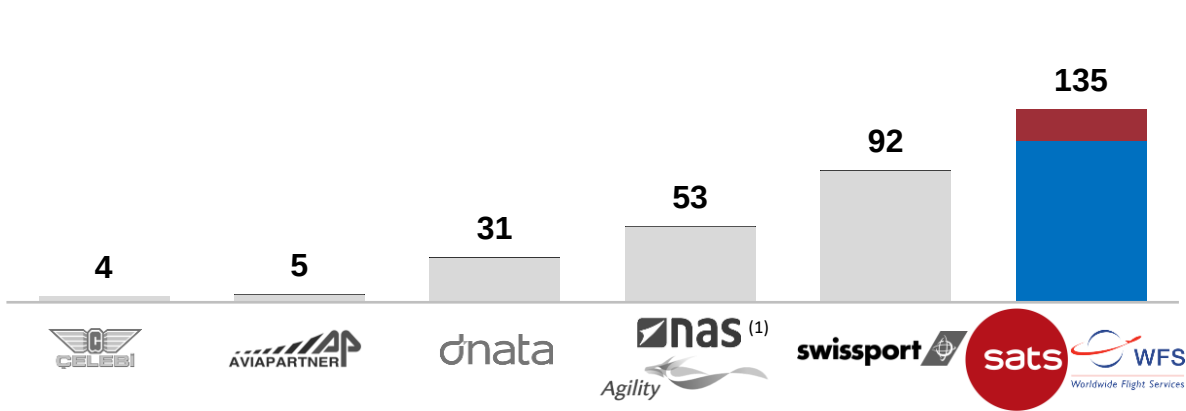
Significant shift in air cargo capacity from passenger belly towards freighter



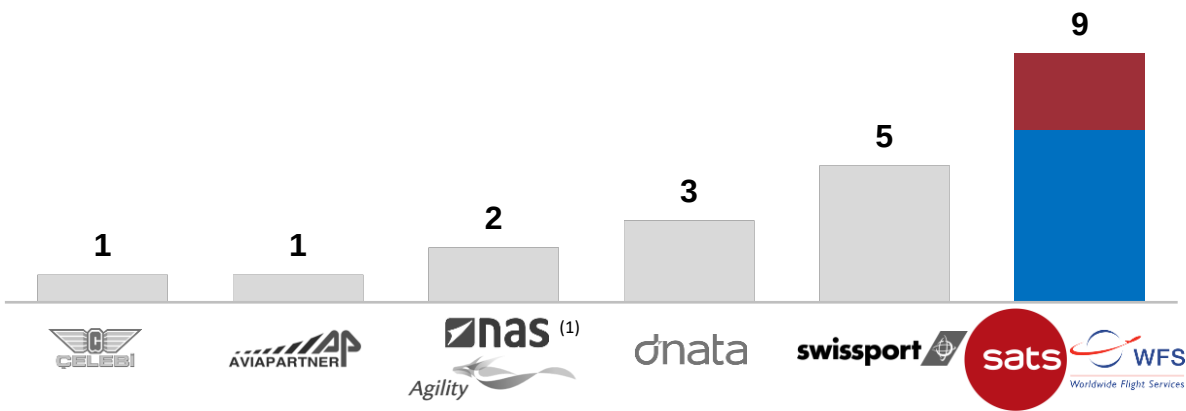
Source: Boeing World Air Cargo Report, IATA, Albatross, eMarketer, e-Economy SEA
(1) For the period from 2020 to 2025

Creating the Pre-Eminent Global Air Cargo Handling Platform

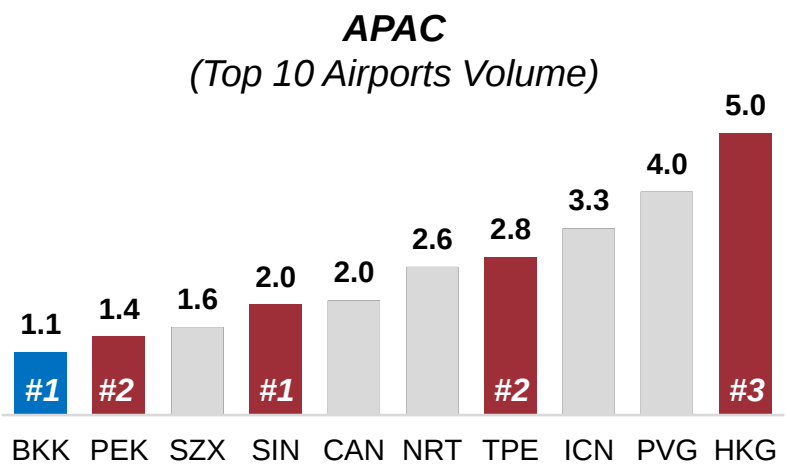
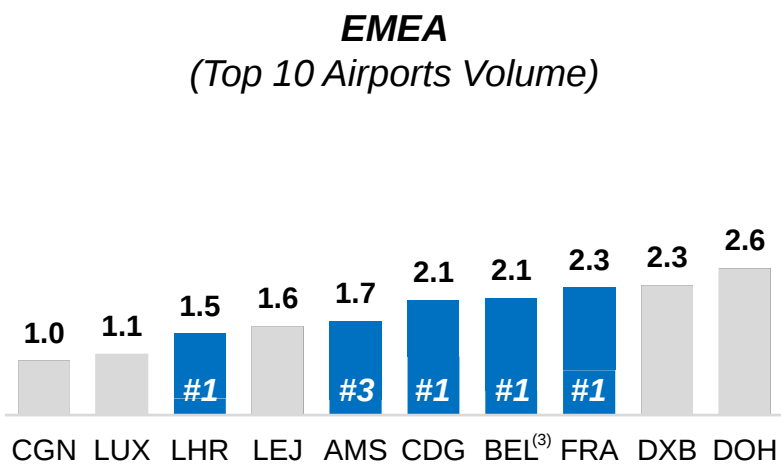
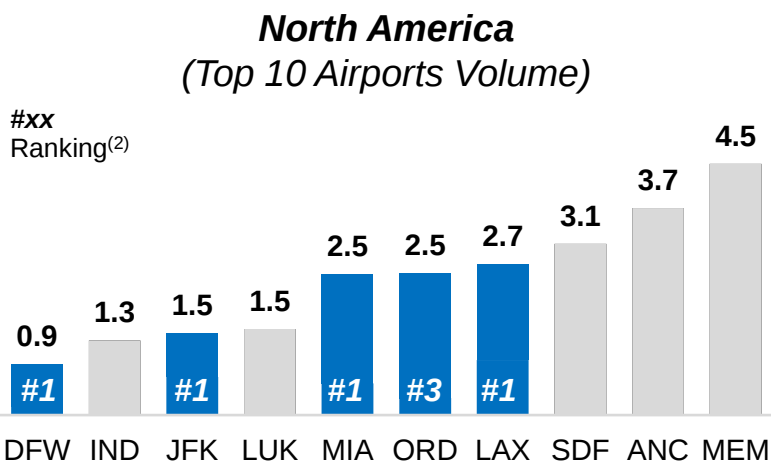
Global Cargo Stations Count



Cargo Volume (in M Tonnes)



2021 Strategic Positions in Major Airport Hubs (in M Tonnes)



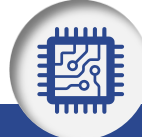
SATS WFS



Note: Peers station count and volume based on latest public information. SATS and WFS metrics include cargo operations proportionate volumes from associates and JVs. SATS volume as of LTM March 2022, WFS volume as of CY2021. Airport volumes sourced from Albatross and based on total volume at each airport across all market players

(1) John Menzies business
(2) Per management estimate
(3) Represents BRU and LGG. WFS is #1 in both stations

Combining Insights & Capabilities Across a Larger Network

					
Digital Transformation and Automation	Data Analytics and Insights	New Technology Deployment	Cybersecurity and Data Governance	End-to-End Visibility and Traceability	Technology Innovation
- Continuous digital transformation and automation to improve operational efficiency - Digitise standard operating procedures	- Cutting-edge data analytics to evaluate and optimise operating performance - Data visibility and predictability to assist demand planning	- Implement new technologies (e.g. automated vehicles, Internet of Things for tracking pallet location/availability) - Move data infrastructure to the cloud	- Accelerate cybersecurity defences across network - Establish and strengthen data governance practices	Establish end-to-end visibility and traceability for the combined cargo network	Partner with leading tech companies to co-design and develop innovative cargo handling and airport services
					

Potential Run-rate EBITDA Synergies in Excess of S\$100M



Cross-Selling and Network Expansion

- Leverage relationships across combined customer base to cross-sell and accelerate network expansion

Near-term



eCommerce Cargo Partnerships Across the Globe

- Leverage WFS leading eCommerce / express cargo handling proposition (highly efficient and able to handle time-sensitive customer requests) into Asia

Near to medium-term



Accelerate Cargo Automation

- Larger combined capital base and scale enabling increased investment and learning sharing

Medium-term



Reinforce Downstream Cargo Logistic Offering

- Establish and scale a downstream logistics business across geographies

Medium-term

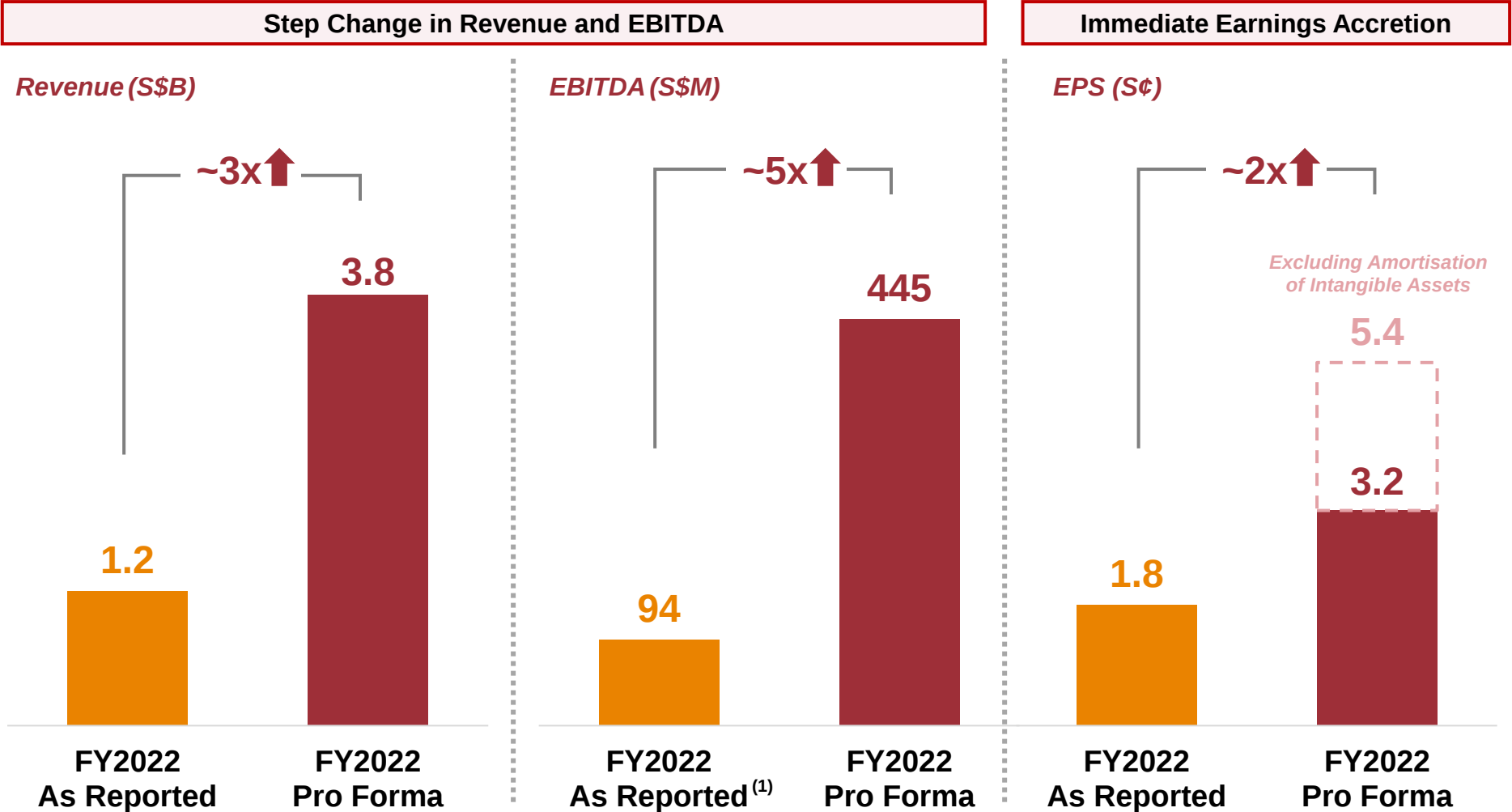


Other Identified Areas

- Economies of scale
- Premium cargo
- Cost mutualisation

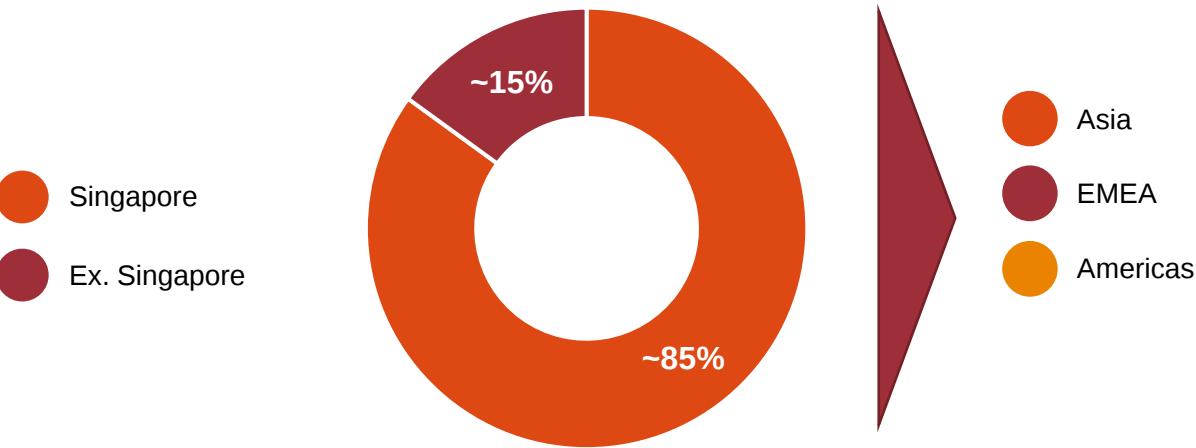
Near-term

Delivering Positive Financial Impact

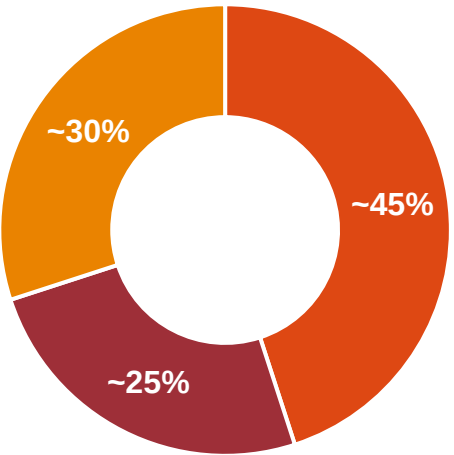


Reinforcing Diversification & Resilience

SATS – LTM March 2022

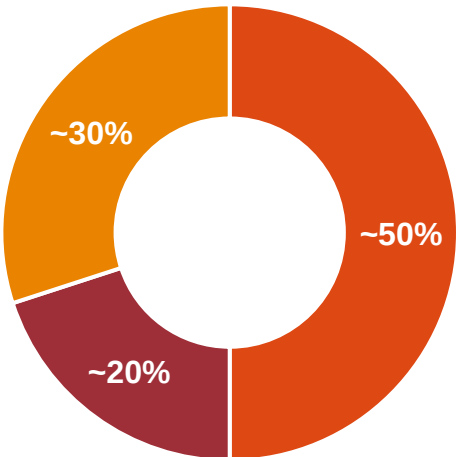
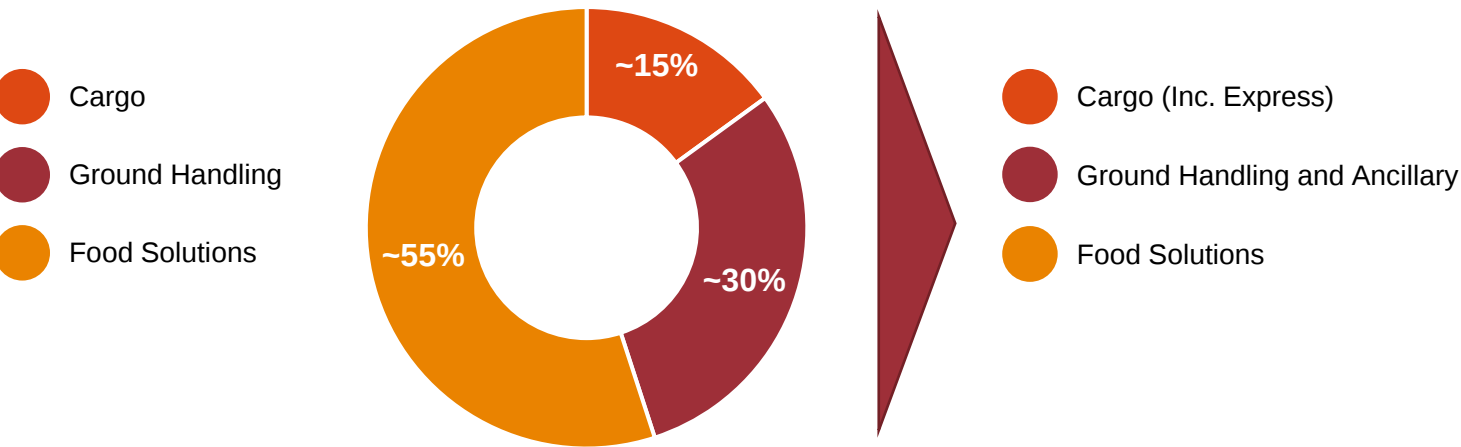


Pro Forma – Mid-term Target⁽¹⁾



Increased geographical diversification

Expansion into EMEA and North American markets



Increased exposure to the resilient cargo segment

Continued exposure to attractive food segment (aviation and non-aviation)



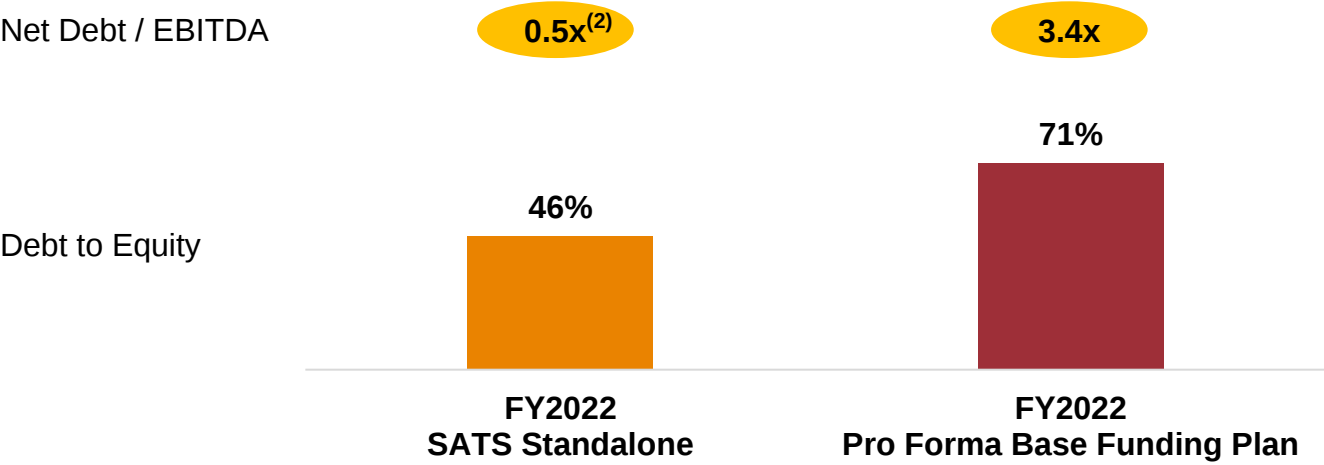
(1) Combined financial figures presented illustratively as SATS + WFS in FY2025 (ended March)

Indicative Financing Plan

Indicative Sources & Uses

Sources	S\$M	Uses	S\$M
Equity Fundraising	1,700	Estimated Aggregate Consideration ⁽¹⁾	1,736
Cash	120	Lender Pay-off Amount	84
Total Sources of Funds	1,820	Total Uses of Funds	1,820

Leverage



- ✓ Committed funding in place to satisfy purchase price through an acquisition bridge facility (if required)
- ✓ SATS remains committed to prudent balance sheet management
- ✓ Base funding plan entails S\$1.7B of equity fund raising, which may comprise a renounceable rights issue to shareholders and a private placement of common or hybrid equity to institutional and/or strategic investors
- ✓ Remaining consideration to be funded out of cash reserves
- ✓ Existing WFS debt equal to ~S\$1.7B to remain in place
- ✓ Strong cash generation from combined operations provides comfort around deleveraging trajectory (including potential debt repayment from existing cash balance)



Note: Combined financial figures presented illustratively as SATS + WFS without reconciliation of accounting standards. Refer to Chapter 10 announcement for bases and assumptions for the combined pro forma financial effects

(1) Includes ticking fees of 2.5% p.a. and amount of released deposits as if the transaction were to close on 31 March 2023

(2) SATS EBITDA includes share of results of associates/joint ventures and excludes one-off items

Closing Conditions & Timing



Shareholder approval

- SATS to convene an Extraordinary General Meeting by early 2023
- Temasek, which owns ~40%, has agreed to vote in favour of the proposed acquisition



Other conditions

- Customary regulatory clearances
- Other customary closing conditions



Expected closing by end-March 2023

Concluding Remarks



WFS is a **highly strategic** and **complementary asset** that will transform the SATS portfolio



SATS will become the **largest global air cargo handler** with an **unmatched footprint** and ability to service customers on a **global scale**



Our portfolio will become more **geographically diversified** with increased focus on **cargo handling** – a sector with **proven resilience** and supported by **structural growth tailwinds**



Transaction is immediately **EPS accretive**, brings significant potential **synergies** and will deliver value to all our stakeholders



We expect **closing by end-March 2023** subject to shareholder and regulatory approvals