



Year-end greetings 2020

Dear Valued Satair Customer,

We sincerely hope this letter finds you in good health conditions.

2020 has brought us unprecedented challenges that have reshaped the global civil aviation market in historic dimensions. Although many countries are still weathering the health and economic crisis caused by the global pandemic we have no doubt our industry-inherent resilience will make us emerge again - **leaner, eco-friendlier, and more digital than ever before.**

It is with that optimism in mind that Satair, despite necessary adaptations, has continued in this turbulent year to prepare for a future, undoubtedly with you, our customers, playing a paramount role. This letter summarizes selected activities to bring confidence into the market that Satair stays the reliable business partner you expect and that we have proudly demonstrated 100% business continuity throughout the ongoing crisis.

Digital Achievements

With great customer experience being increasingly defined by the functionality and performance of intuitive digital supplier platforms, electronic transactions are the backbone of our operations. Consequently, in the Satair OEM Parts and Services channel first, we finalized the complete transition of online portals from the former Satair Spares to the **new Satair Market**. Since its introduction, we have received excellent feedback on our newly designed and feature-rich online portal.

Moreover, we invested in our **virtual proximity** by hosting multiple **e-learning and virtual classroom events** for airlines, MROs, and OEMs enabling any staff being involved in material and supply chain management to learn about key topics in an aviation spares context, e.g. sourcing, planning, ordering, and material logistics. We look forward to expanding our digital offerings in the future.

Supply Chain and Lead-time measures

Based on your feedback to improve predictability and **supply reliability** we re-adjusted published **lead-times to be more accurate** on our portals for 100k different references. Furthermore, in order to increase **lead-time data accuracy**, we have implemented robots that update the lead-time information twice per week via a mass upload for all moving parts. With that, we installed a reliable mechanism to manage our extensive part number data volume. We look forward to expanding the functionality of our portals in 2021 and increasing the **intelligent use of big data** to further enhance the ease of doing business with us.

Another key data attribute is **Harmonized Tariff System (HTS) codes**, which are required for compliant customs declarations. Here we have managed to update more than 50k part number

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references resulting in an average data completeness of 97%. Our focus in 2021 will be to execute similar efforts for a higher completion rate of **Export Control Classification Numbers (ECCNs)**.

As our infrastructure is a key performance enabler, we efficiently used the temporary period of lower supply chain volumes to adapt our **warehouses**. In addition, the entire warehouse flow principle has been reorganized to reduce picking time supported by state-of-the-art packaging machines that save weight and transport volume. In our central warehouse in Hamburg, Germany, modern **Autostore®** technology was installed to optimize storage space. With Autostore® in place, we have managed to achieve picking times of less than a minute per order, which equals a decrease in average processing time by factor 10.

Summarizing a comprehensive bundle of efficiency, technology, and process improvements, we can share that our overall on-time delivery performance has reached 93% and we will continue to improve towards our goal alongside preparing for growing more sustainable and scalable post-crisis operations.

Scope Extension

Another key highlight of this year has been the integration of the **A220 spares support** into the Satair portfolio. Thanks to new staff around the globe and multi-million dollar inventory and repair capability investments for this platform, Satair is now a key A220 supply chain player. The journey has just begun and we will continue to industrialise the setup to meet expectations.

For **Airbus Proprietary Parts**, sent for repair into our repair station network, and found here out of technical repair limits, we are offering replacement units for purchase while waiving the scrap fees. The attractive fixed price repair offers for many structural components and guaranteed repair lead times that we introduced for the A320 family aircraft are now also offered for other families, e.g. the A330 Rudder. An on-site stock solution in customer premises for high value parts enabling quicker reaction during heavy checks with no upfront investment can be made available to all customers by contacting our Satair Account Directors for more details.

Finally, Satair's product portfolio scope was extended to include new products needed for interim aircraft parking and storage tasks and the portfolio keeps growing in line with your needs.

Allow us to close this letter by wishing you and your loved ones a healthy and peaceful holiday break and a successful start into a hopefully brighter year 2021 for our essential aviation industry.

On behalf of Satair,



Bart Reijnen
Chief Executive Officer



Paul Lochab
Chief Commercial Officer