

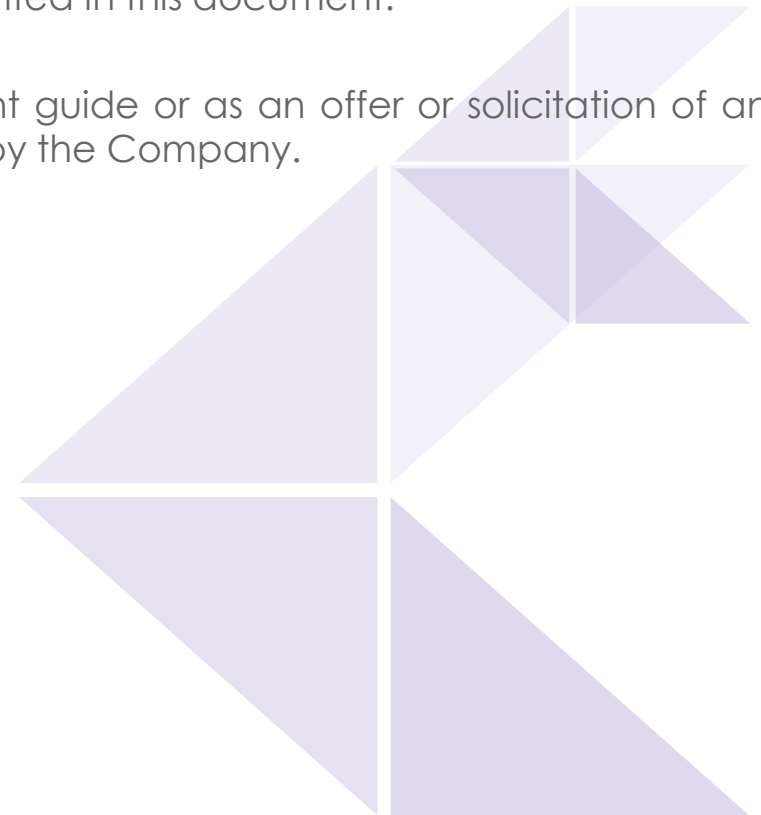
THAI AIRWAYS INTERNATIONAL PCL

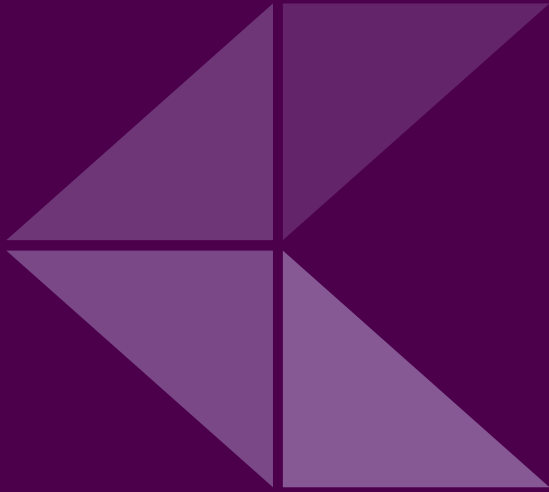
2Q2017 analysts briefing
16-Aug-2017



The information contained herein is intended to represent the Company's operating and financial position at a given point in time and may also contain forward looking information which only reflects expectations based on the prevailing geo-political, economic and non-controllable factors. Such information has been obtained from sources believed to be most reliable and the means in analyzing and preparation of such information for disclosure are based on approved practices and principles in the investment industry. The views are based on assumptions subject to various risks and uncertainties and no assurance is made as to whether such future events will occur, that projections will be achieved, or that the assumptions here-in are correct. Consequently no assurance is made as to the accuracy or completeness of information presented in this document.

This document should not be construed as an investment guide or as an offer or solicitation of an offer to buy or sell equity shares or other securities issued by the Company.





TRANSFORMATION PLAN

2015

2015-2016

2017 onward

Stop bleeding

Strength Building

Sustainable Growth

Transformation Plan

1. Revenue Management

2. Cost management & Efficiency uplift

3. Capabilities improvement

4. Customer excellence

Profitable & competitive advantages

- Automatic Fare Management
- Simplify Fleet
- Self service check-in enhancement

Competitive capability & revenue generating

- New customer segment
- IFE and cabin upgrade 777-200ER, 787-8 & 330
- More codeshare & network sales
- Web sales

Excellent service ring

- End to end customer services
- Reprocess
- Increase efficiency

Competitive cost & efficient operation

- Cost management
- Aircraft Disposal
- Assets management
- Financial & Balance Sheets Management

Culture building

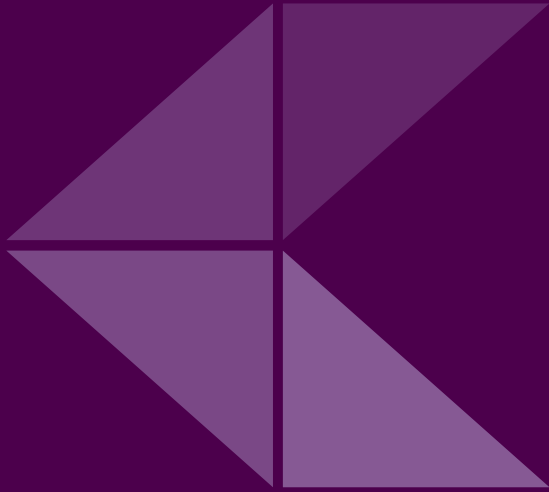
- Organization restructure
- Efficient Manpower planning
- Succession plan

Portfolio & new business development

- Business Portfolio, UTP MRO
- THAI Group

- Total 97 active aircraft (2xA350-900, delivery in Apr & Jun)
- Signed MOUs with Airbus and Thai Royal Navy to develop U-Tapao as MRO center and air cargo and logistic hub
- 787-8 retrofit by installing crew rest and In-flight connectivity
- RPK growth 21.9%, higher than industry average
- THAI won 3 prizes from Skytrax
 - World's Best Economy Class
 - World's Best Airline Lounge Spa
 - Best Economy Class Onboard Catering





FINANCIAL PERFORMANCE

- **Network optimization**

- 10 year long term fleet plan in progress
- Combining TG&WE operation as a single airport at SBIA
- Launch new route to BKI by WE
- Signed codeshare with PG

- **Commercial**

- Pricing benchmark
- Promote web sale (17.7% in 2Q17)

- **Capabilities / Efficiency**








- Online check-in 14.2%(from 11.5%)
- Kiosk check-in 3.2 % (from 1.9%)
- Streamline / rationalize catering meals uplift

- **Services**

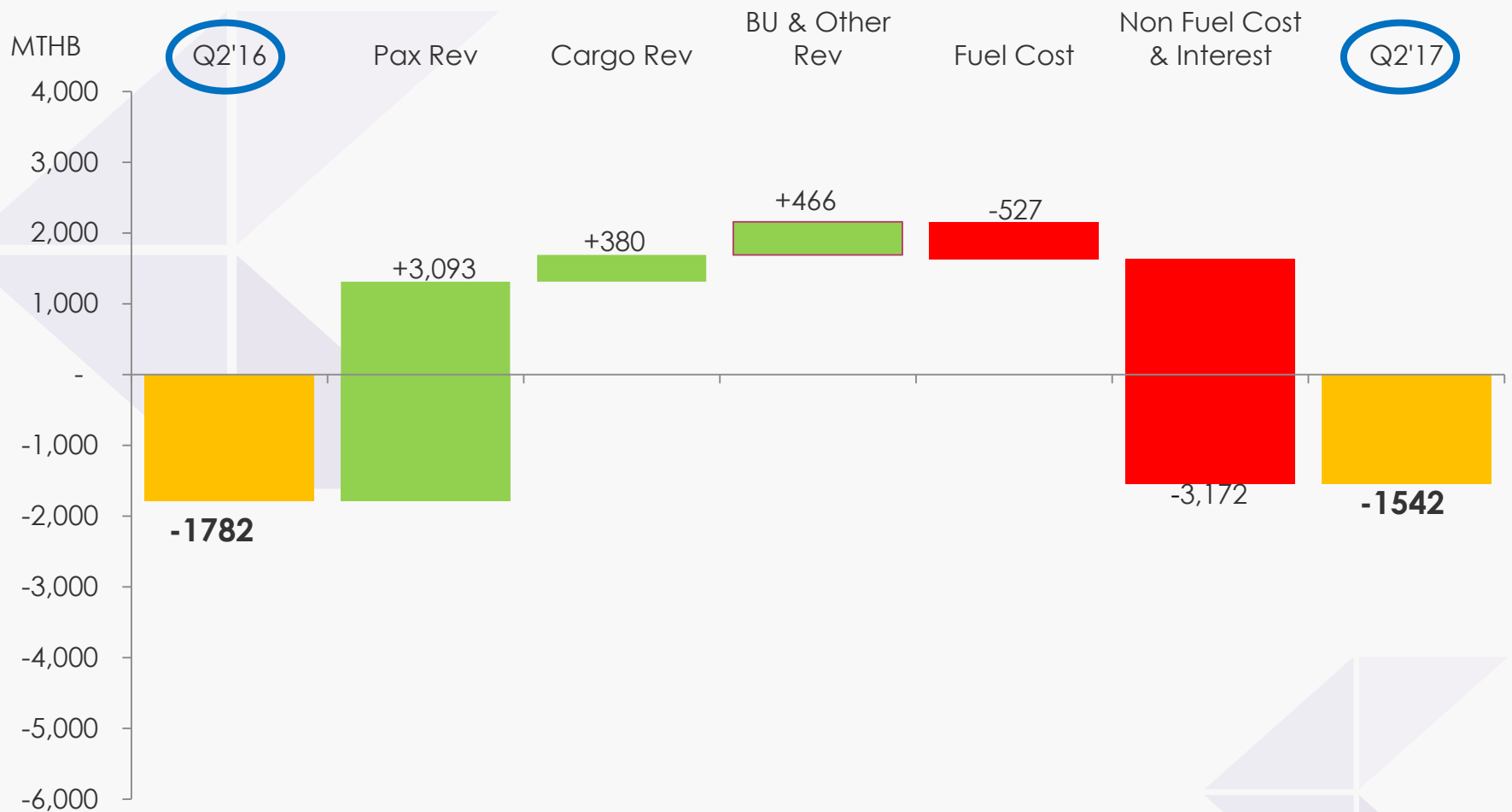
- Continue new BC roll out
- Uplift economy class service



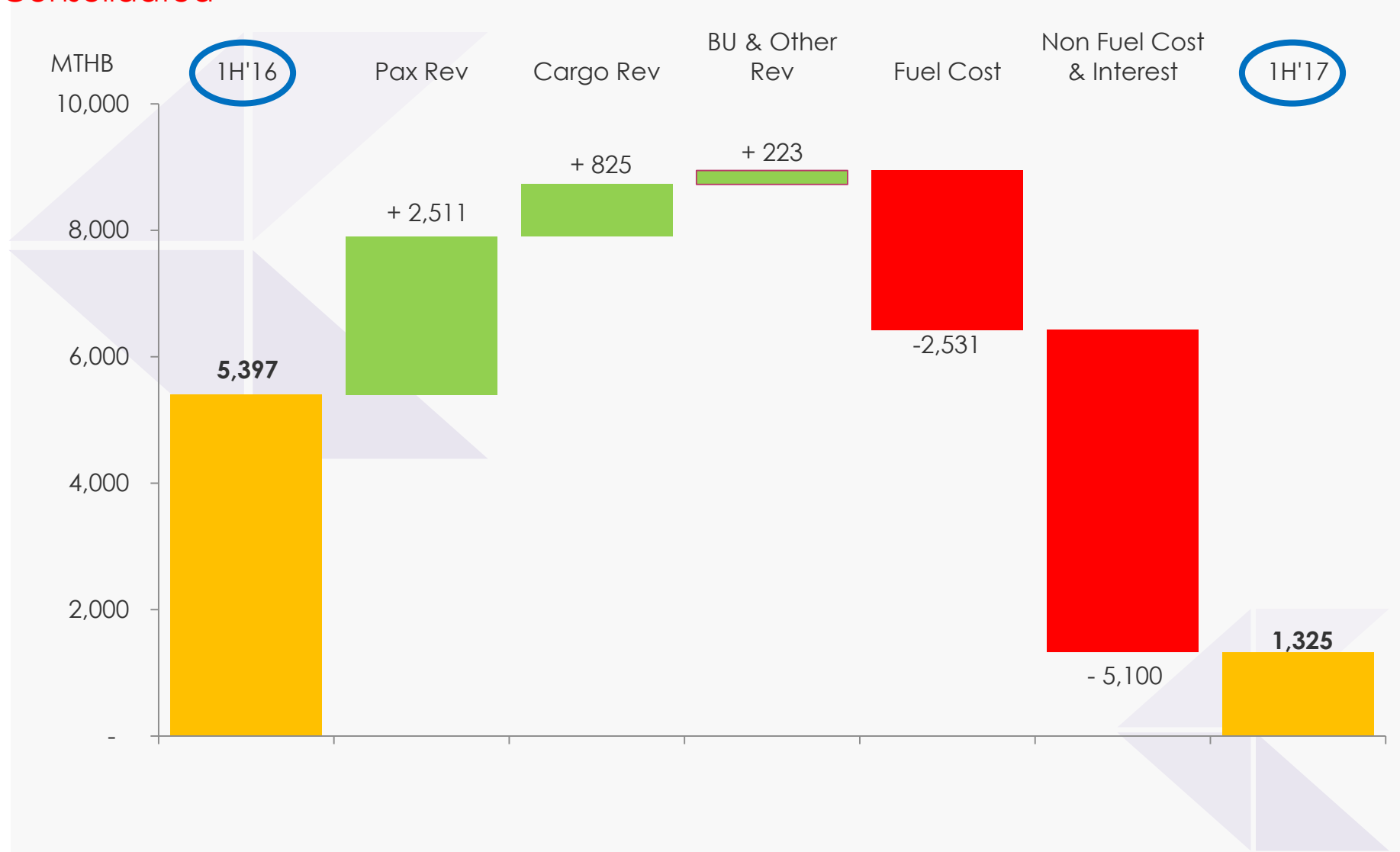
Unit : THB' Billion/	Consolidated			
	Q2'16	Q2'17	%change	
Revenues	41.2	45.2	+9.7	↑ Pax & Cargo increase
Costs	-41.7	-45.7	+9.6	↑ Fuel & ASK/RPK increase
Interest payments	-1.3	-1.0	-23.1	
Operating Profit	-1.8	-1.5	+16.7	
(1-time) Expense	-0.4	-1.0	+150.0	
Impairment loss (1-time)	-1.9	-0.4	-78.9	
FX Gain/(Loss)	+0.6	-2.4	-500	↓ EUR Strengthens
Profit before Tax	-3.5	-5.4	-54.3	
Tax	+0.6	+0.1	-83.3	
Net profit	-2.9	-5.2	-79.3	
Passenger Production (MASK)	20,237	21,666	+7.1	
Passenger Traffic (MRPK)	13,953	17,004	+21.9	
Cabin Factor (%)	69.0	78.5	+9.5	↑
Passenger carried (Million)	5.11	5.87	+14.9	
Passenger Yield Inc. Surcharge (THB/km)	2.38	2.12	-10.9	↓ Fuel Surcharge drop
Aircraft Utilization (Hrs./Day)	11.0	11.5	+4.5	↑

Unit : THB' Billion/	Consolidated			
	1H'16	1H'17	%change	
Revenues	91.4	95.0	+3.9	
Costs	-83.4	-91.4	+9.6	
Interest payments	-2.6	-2.3	-11.5	
Operating Profit	5.4	1.3	-75.9	
(1-time) Expense	-1.6	-1.5	-6.3	
Impairment loss (1-time)	-2.0	-1.4	-30.0	
FX Gain/(Loss)	-0.1	-0.9	-800.0	
Profit before Tax	1.7	-2.4	-241.2	
Tax	+1.4	+0.4	-71.4	
Net profit	3.1	-2.0	-164.5	
Passenger Production (MASK)	41,713	44,094	+5.7	
Passenger Traffic (MRPK)	30,590	35,568	+16.3	
Cabin Factor (%)	73.3	80.7	+7.4	
Passenger carried (Million)	11.02	12.39	+12.4	
Passenger Yield Inc. Surcharge (THB/km)	2.45	2.17	-11.4	
Aircraft Utilization (Hrs./Day)	11.2	11.9	+6.3	

Consolidated

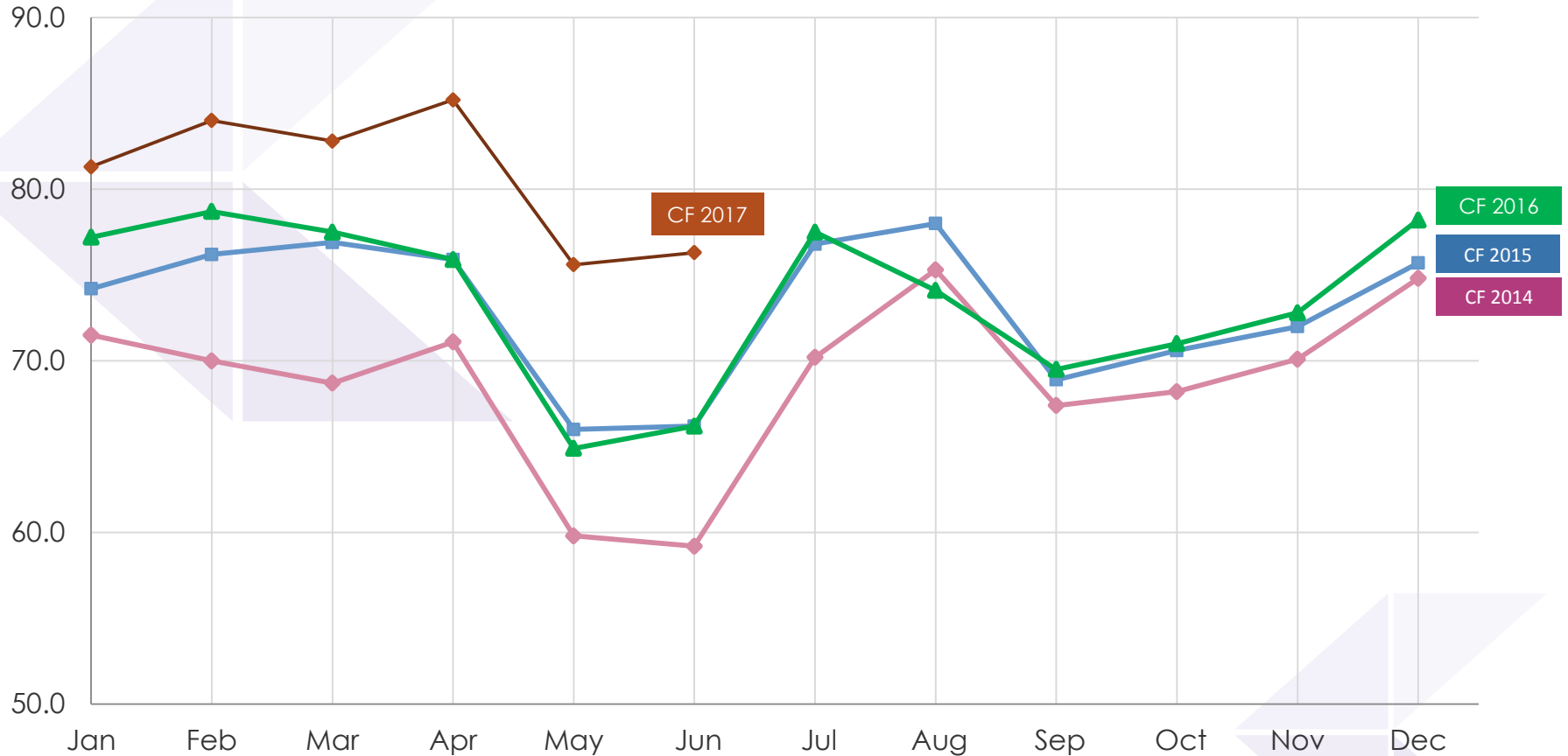


Consolidated



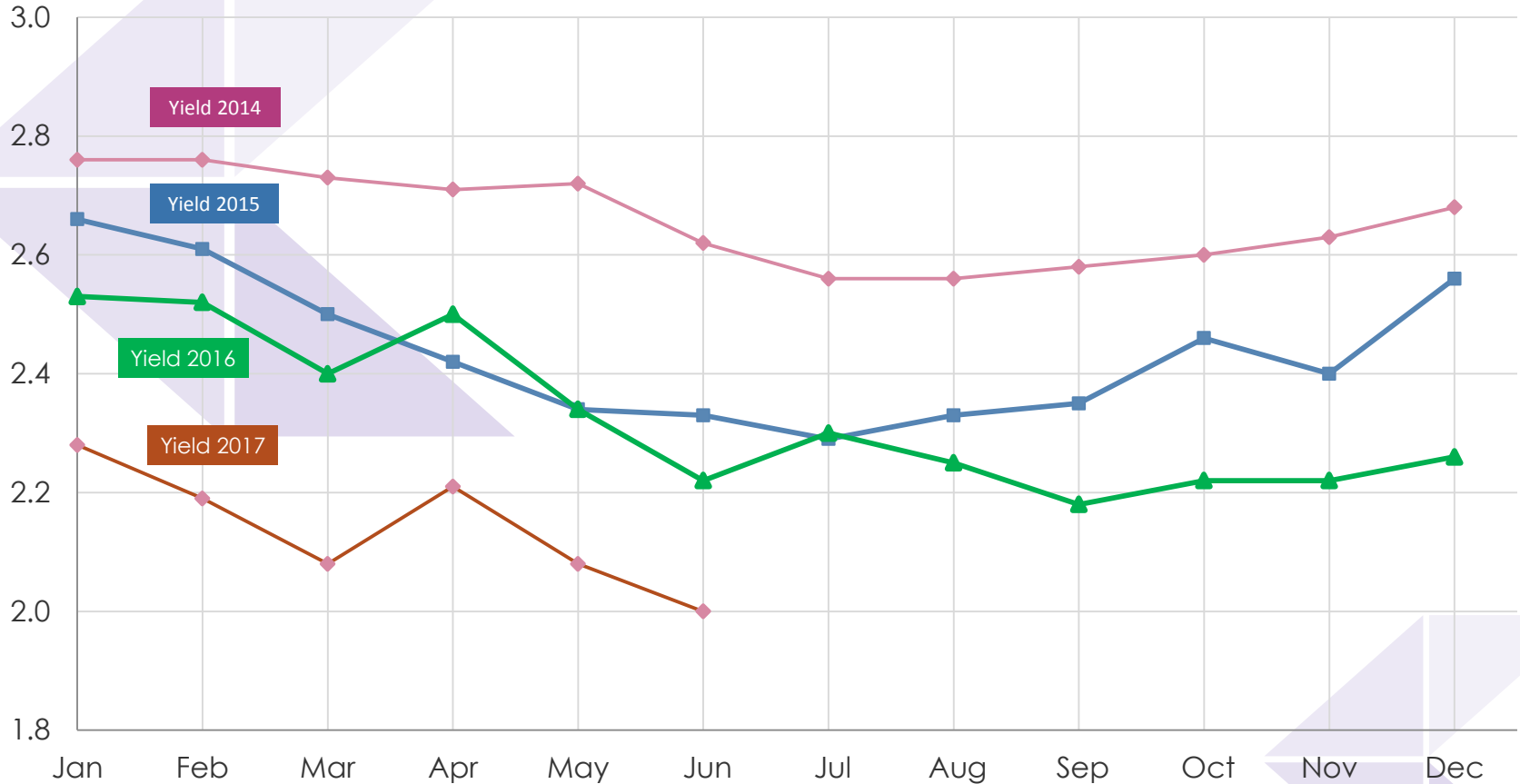
TG Only

Cabin Factor (%)



TG Only

THB / RPK



Consolidated

(THB/RPK)	Q2'16 (Q2'17 Rate)	Q2'17	% Change
Pax Rev	2.33	2.12	-9.0
FX impact	0.05	-	-
Total Pax Yield	2.38	2.12	-10.9

Passenger Yield by Region

(THB/RPK)	Q2'16	Q2'17	% Change
Domestic	2.84	2.63	-7.4
Regional	2.77	2.51	-9.4
Intercontinental	1.87	1.66	-11.2
Total system	2.38	2.12	-10.9

Consolidated

(THB/RPK)	1H'16 (1H'17 Rate)	1H'17	% Change
Pax Rev	2.40	2.17	-9.6
FX impact	0.05	-	-
Total Pax Yield	2.45	2.17	-11.4

Passenger Yield by Region

(THB/RPK)	1H'16	1H'17	% Change
Domestic	3.04	2.80	-7.9
Regional	2.84	2.54	-10.6
Intercontinental	1.95	1.71	-12.3
Total system	2.45	2.17	-11.4

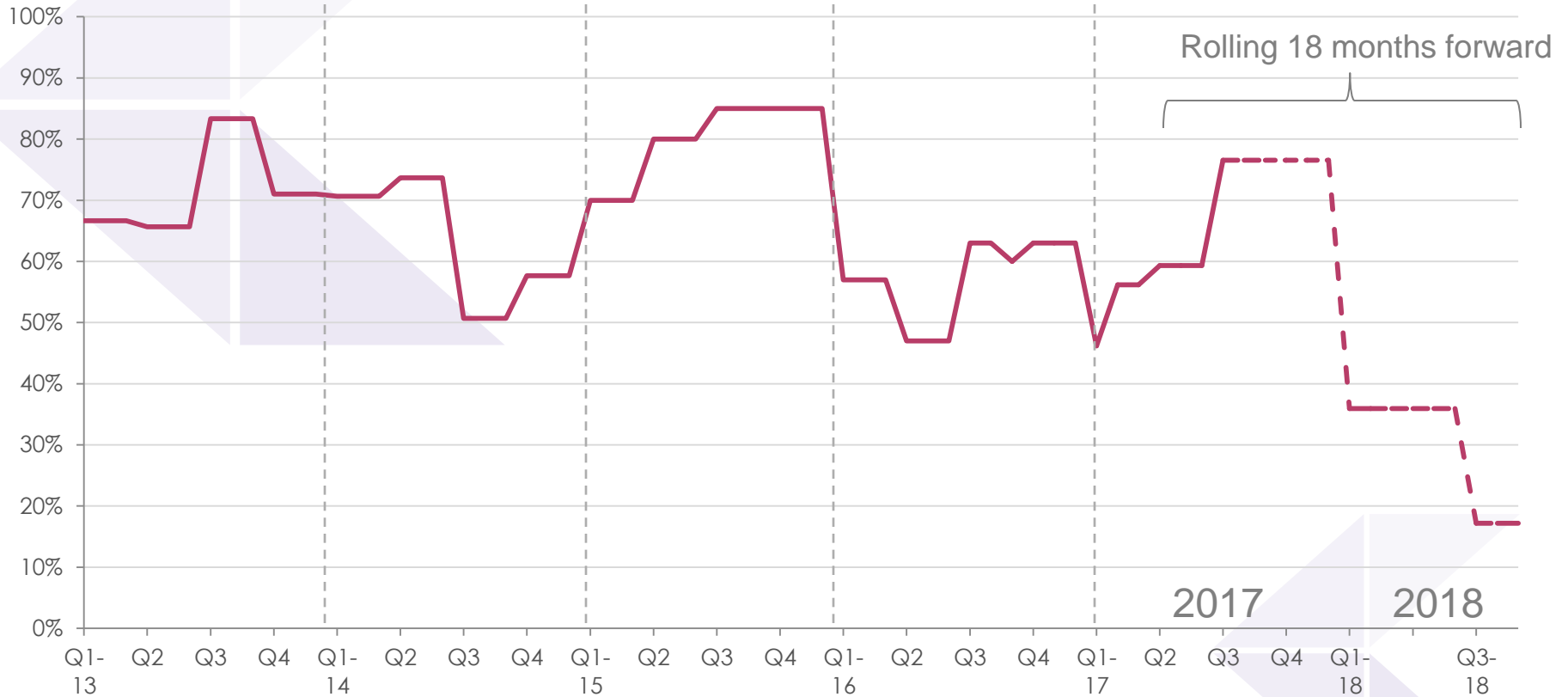
Consolidated

		APR - JUNE	
		2016	2017
Liquidity Ratio			
- Current Ratio	(times)	0.78	0.88
Profitability Ratio			
- Operating Profit (loss) margin	%	(4.32)	(3.41)
- Net profit (loss) Margin	%	(7.06)	(11.52)
- Return to Equity	%	(7.94)	(15.19)
Efficiency Ratio			
- Return to Total Assets	%	(0.72)	(1.48)
Financial Policy Ratio			
- Interest Bearing Debt to Equity	(times)	5.11	5.45
- Total Debt to Equity	(times)	7.38	8.25
- IBD/EBITDA	(times)	48.84	53.55
- Interest Coverage Ratio	(times)	2.73	2.90
- EBITDA	(MTHB)	3,662	3,211

Consolidated

		JAN - JUNE	
		2016	2017
Liquidity Ratio			
- Current Ratio	(times)	0.78	0.88
Profitability Ratio			
- Operating Profit (loss) margin	%	5.90	1.39
- Net profit (loss) Margin	%	3.38	(2.14)
- Return to Equity	%	9.12	(6.26)
Efficiency Ratio			
- Return to Total Assets	%	1.49	(0.03)
Financial Policy Ratio			
- Interest Bearing Debt to Equity	(times)	5.11	5.45
- Total Debt to Equity	(times)	7.38	8.25
- IBD/EBITDA	(times)	11.38	15.54
- Interest Coverage Ratio	(times)	5.74	4.68
- EBITDA	(MTHB)	15,711	11,061

Monthly fuel hedging as % of consumption by month



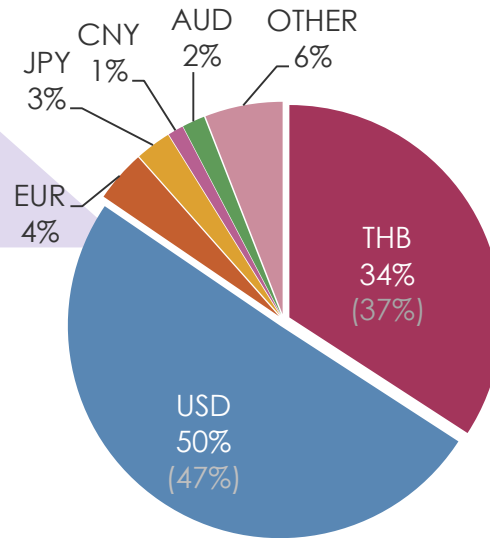
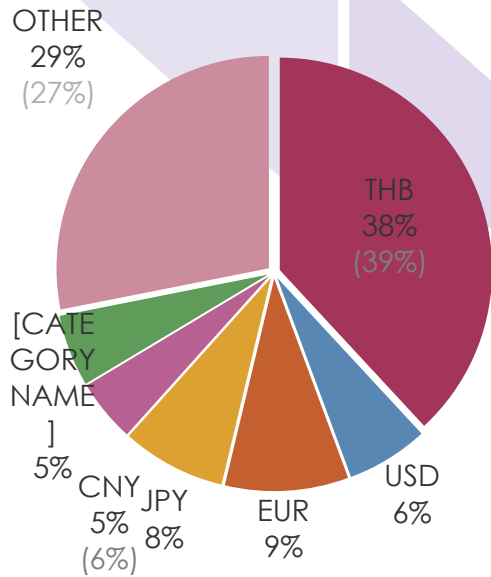
Note : As of 16-MAY-17

Foreign Currency Exposure

(Jan - Jun 2017)

Revenue

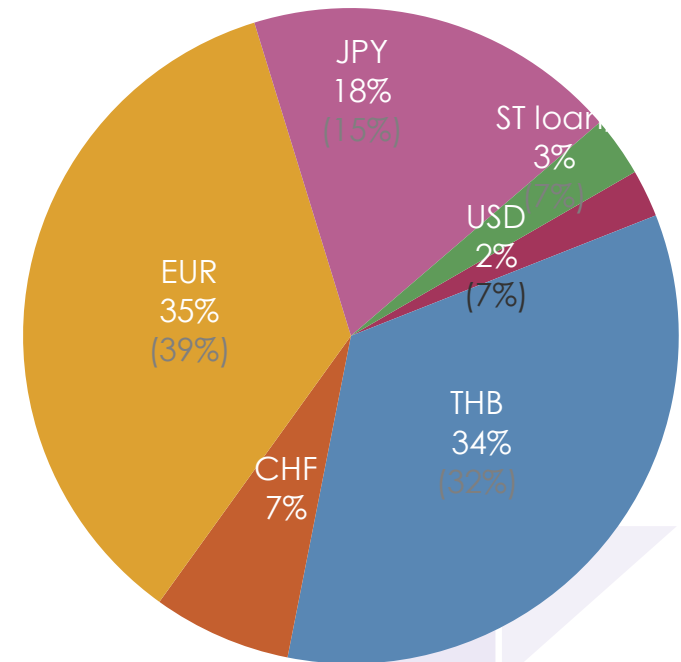
Expense



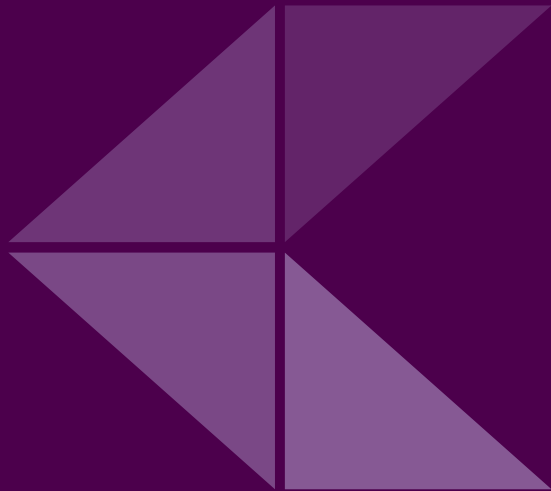
Liability

30 Jun 17 : 174 bn

30 Jun 16 : 181 bn



Liability to be restructured, especially USD



OUTLOOK FOR 2017

- **Comprehensive network & long term fleet uplift**

- 4 forward TPI planned – adjusting for better network
- New aircraft 41% in 2013 and 81% in 2018
- Take delivery of 5 aircraft : 3 A350-900 + 1 B787-9 (3Q-17) and 1 B787-9 (4Q-17)
- Flexible aircraft -20%
- Launch BKK-VIE in November 2017

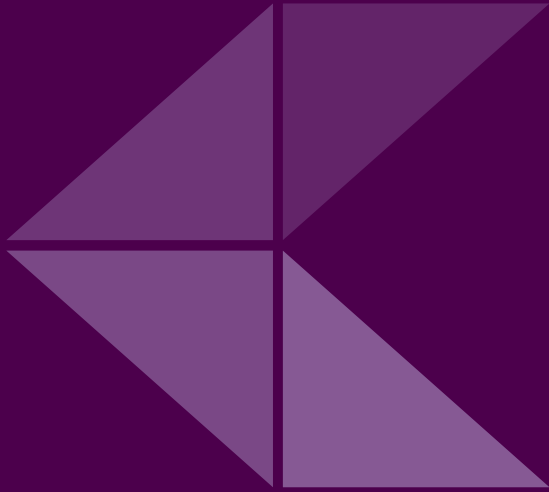
- **Sales capabilities uplift**

- New internet platform
- New mobile platform
- Partner with airlines in creating 524+ routes - Codeshare agreement signed with Bangkok Airways

- **Service capabilities uplift**

- Around 200 New recruitments for cabin crew(TQV2017)
- Retrofit of new passenger seats and entertainment system
- New IRF (Integrated Route Folder) (www.salesforce.com) for all customer touch points





Q & A