

# THAI AIRWAYS INTERNATIONAL PCL

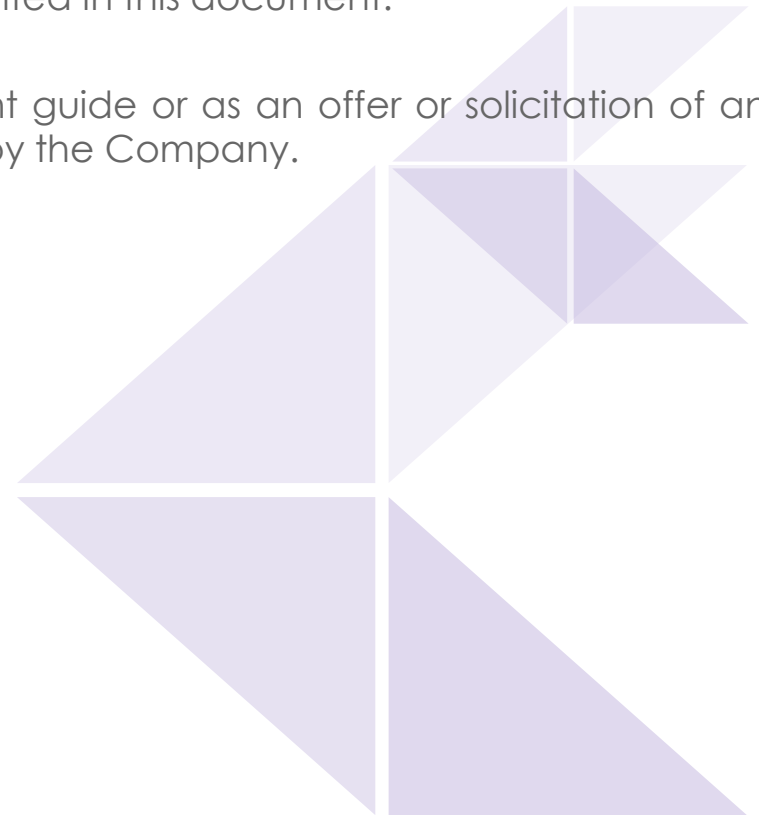
Year 2017 analysts briefing

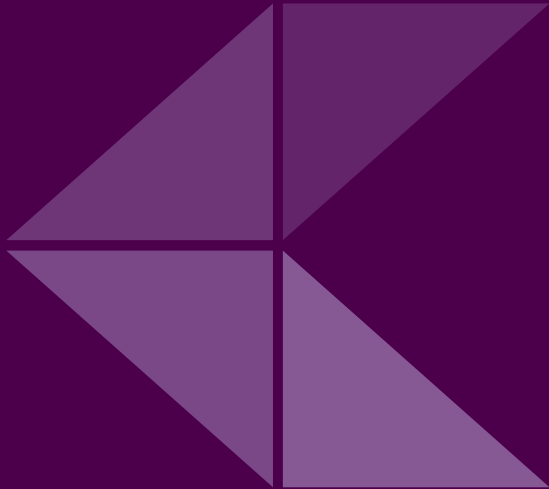
9-Mar-2018



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
- Network Management System
- 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

-   
**MY BOOKING**
-   
**iCHECK-IN**
-   
**PRE-ORDER MEALS**
-   
**E-RECEIPT**



**THAI Airways.com**

เช็คอินล่วงหน้าผ่านระบบ Internet และ **THAI Mobile Application** เพื่อความสะดวกเร็วในการเดินทาง ณ สนามบินนครราชสีมา และสนามบินขอนแก่น

**easy Check-in**

รวดเร็ว สะดวกสบาย ไม่ต้องเสียเวลาเข้าคิวที่สนามบิน

**เช็คอินง่ายๆ**

ผ่านระบบอัตโนมัติ 3 ช่องทาง

- ใช้โทรศัพท์มือถือและอินเทอร์เน็ต หรือ Thai Mobile Application หรือ ใช้แท็บเล็ตหรือคอมพิวเตอร์ (iOS / Android)
- ใช้เวลาในการเช็คอินที่รวดเร็วและปลอดภัย Big Drop

บริการเช็คอินอัตโนมัติ (Self-Check-in Kiosk) ที่สนามบินเชียงใหม่ เชียงใหม่, เชียงใหม่, เชียงใหม่, เชียงใหม่

**ไทย** สายการบินแห่งชาติ



A STAR ALLIANCE MEMBER

เช็คอินล่วงหน้าผ่านระบบ Internet และ **THAI Mobile Application** เพื่อความสะดวกเร็วในการเดินทาง ณ สนามบินนครราชสีมา และสนามบินขอนแก่น

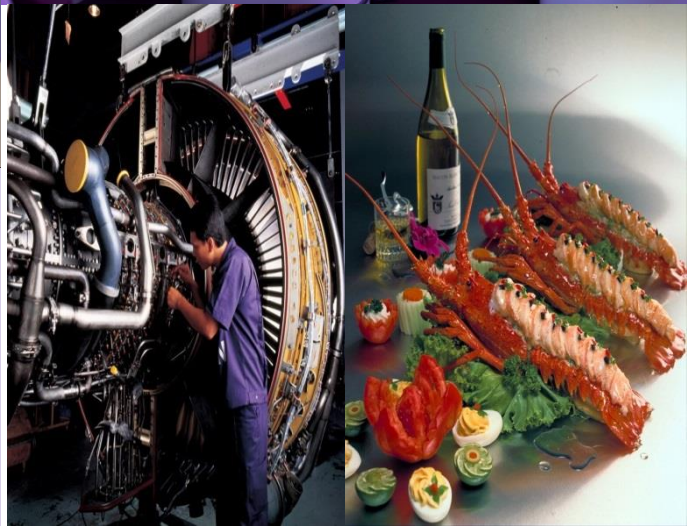
**PRIORITY BOARDING**

เช็คอินล่วงหน้าได้ 2-24 ชั่วโมง ผ่านทาง Internet/Mobile & Thai Mobile Application & Thai Mobile Application

- ใช้บริการเช็คอินที่สนามบินนครราชสีมา และสนามบินขอนแก่น
- ใช้บริการเช็คอินที่สนามบินนครราชสีมา และสนามบินขอนแก่น
- ใช้บริการเช็คอินที่สนามบินนครราชสีมา และสนามบินขอนแก่น

**ไทย** สายการบินแห่งชาติ

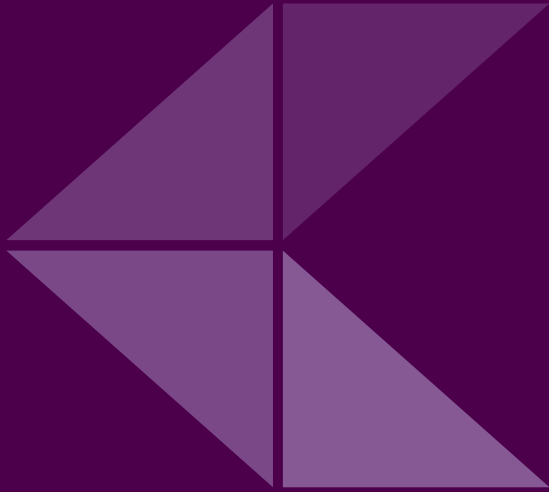
ウェブ / モバイル チェックイン





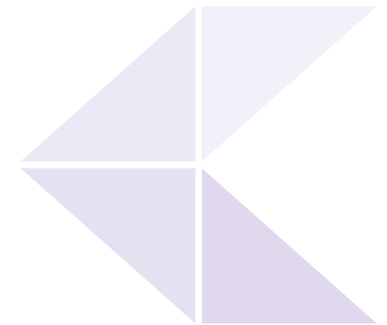
- Total 100 active aircraft (5xA350-900, 2xB787-9)
- PAX carried 24.6 millions, highest in the last 10 years (+ 10.3 % YoY)
- THAI won various prizes :
  - 3 prestigious awards at the SKYTRAX 2017: **World Airline Awards Ceremony as the World’s Best, Economy Class, World’s Best Airline Lounge Spa, and Best Economy Class Onboard Catering**
  - TTG Awards : **Best South East Asian Airline for 10 consecutive years**
  - IFSA Compass Awards : **Best Inflight Food 2017**
  - treasurytoday’ s Adam Smith Award Asia 2017: **Best Risk Management Solution**





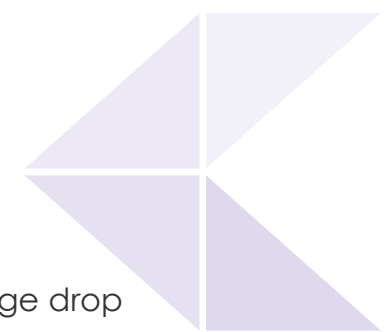
# FINANCIAL PERFORMANCE

- ❖ Network optimization
  - 10 year long term fleet plan in progress
  - Combining TG&WE operation as a single airport at SBIA
  - WE's Amadeus Altea implementation
  - Signed codeshare with PG
- ❖ Commercial
  - Revenue & Competitiveness
  - Pricing benchmark
  - Efficient Distribution
- ❖ Capabilities / Efficiency
  - Internet sales 17% (from 15%)
  - Internet check-in 15.1% (from 12.0%)
  - Mobile check-in increase 1.8%
  - Streamline / rationalize catering meals uplift
- ❖ Service
  - Continue new BC roll out
  - Uplift economy class service
- ❖ Efficient Cost Management
  - Technical
  - Ground Customer
  - Ground Equipment

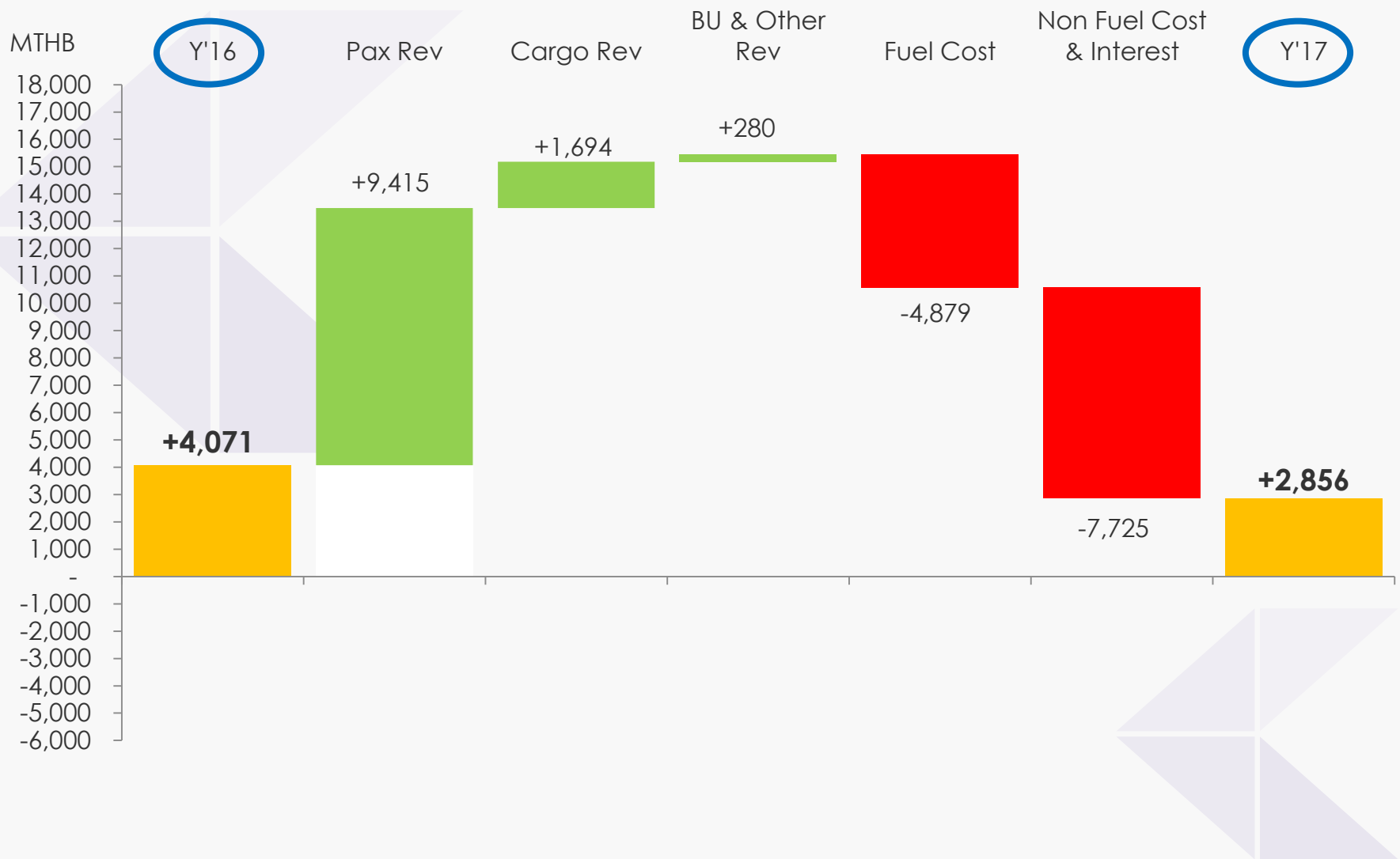




Unit : THB' Billion/ Consolidated	Consolidated			
	Y'16	Y'17	%change	
Revenues	+180.6	+191.9	+6.3	↑ Pax & Cargo increase
Costs	-171.4	-184.5	+7.6	↑ Fuel & ASK/RPK increase
Interest payments	-5.1	-4.5	-11.8	
<b>Operating Profit</b>	<b>+4.1</b>	<b>+2.9</b>	<b>-29.3</b>	
(1-time) Expense	-2.5	-1.0	+60.0	
Impairment loss (1-time)	-3.6	-3.2	+11.1	
FX Gain/(Loss)	+0.6	-1.6	-366.7	↓ EUR Strengthens
<b>Profit before Tax</b>	<b>-1.4</b>	<b>-2.9</b>	<b>-107.1</b>	
Tax	+1.4	+0.8	-42.9	
<b>Net profit</b>	<b>-</b>	<b>-2.1</b>	<b>-</b>	
<b>Passenger Production (MASK)</b>	<b>85,042</b>	<b>90,498</b>	<b>+6.4</b>	
<b>Passenger Traffic (MRPK)</b>	<b>62,442</b>	<b>71,634</b>	<b>+14.7</b>	
<b>Cabin Factor (%)</b>	<b>73.4</b>	<b>79.2</b>	<b>+5.8</b>	↑
<b>Passenger carried (Million)</b>	<b>22.26</b>	<b>24.56</b>	<b>+10.3</b>	
<b>Passenger Yield Inc. Surcharge (THB/km)</b>	<b>2.35</b>	<b>2.17</b>	<b>-7.7</b>	↓ Fuel Surcharge drop
<b>Aircraft Utilization (Hrs./Day)</b>	<b>11.5</b>	<b>12.0</b>	<b>+4.3</b>	↑

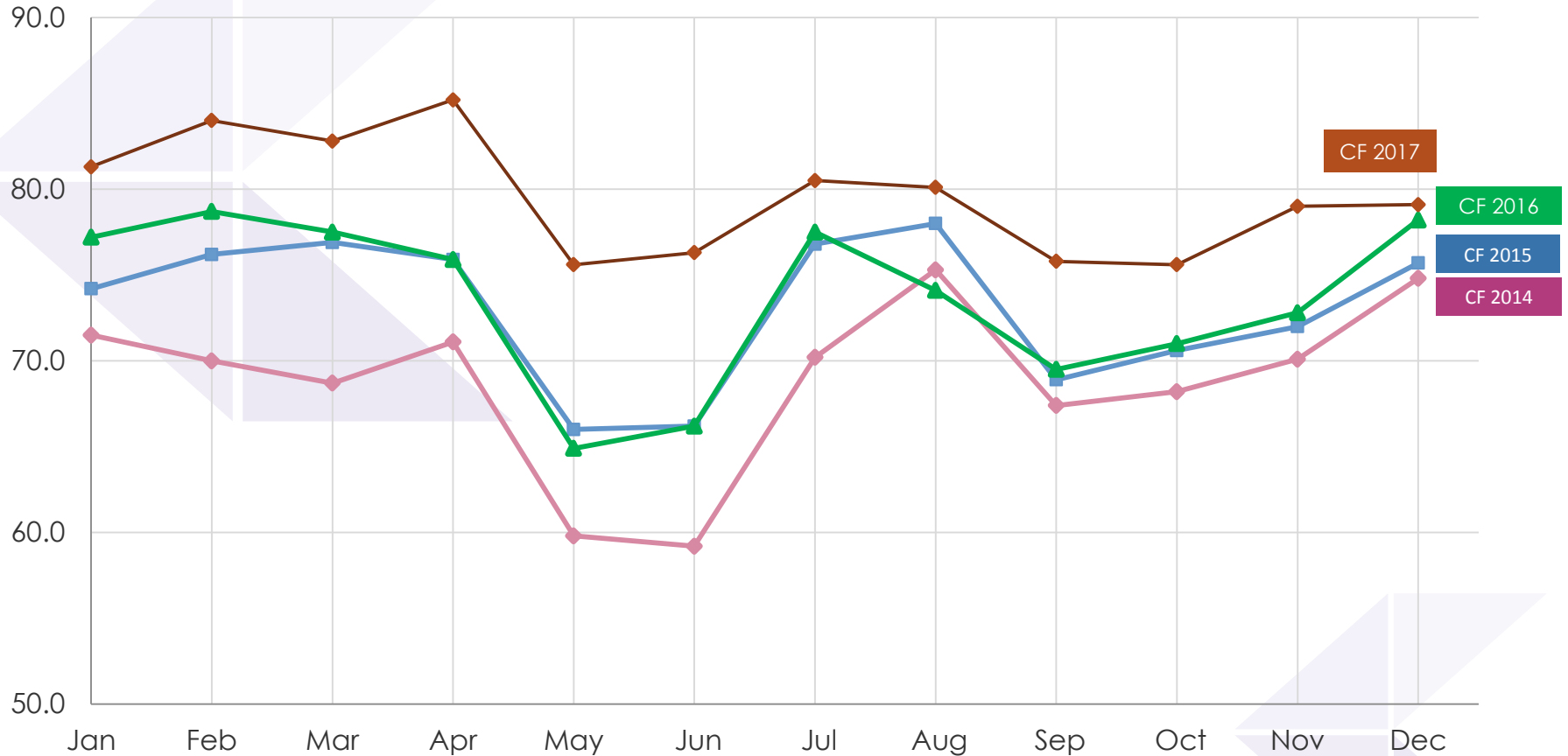


## Consolidated



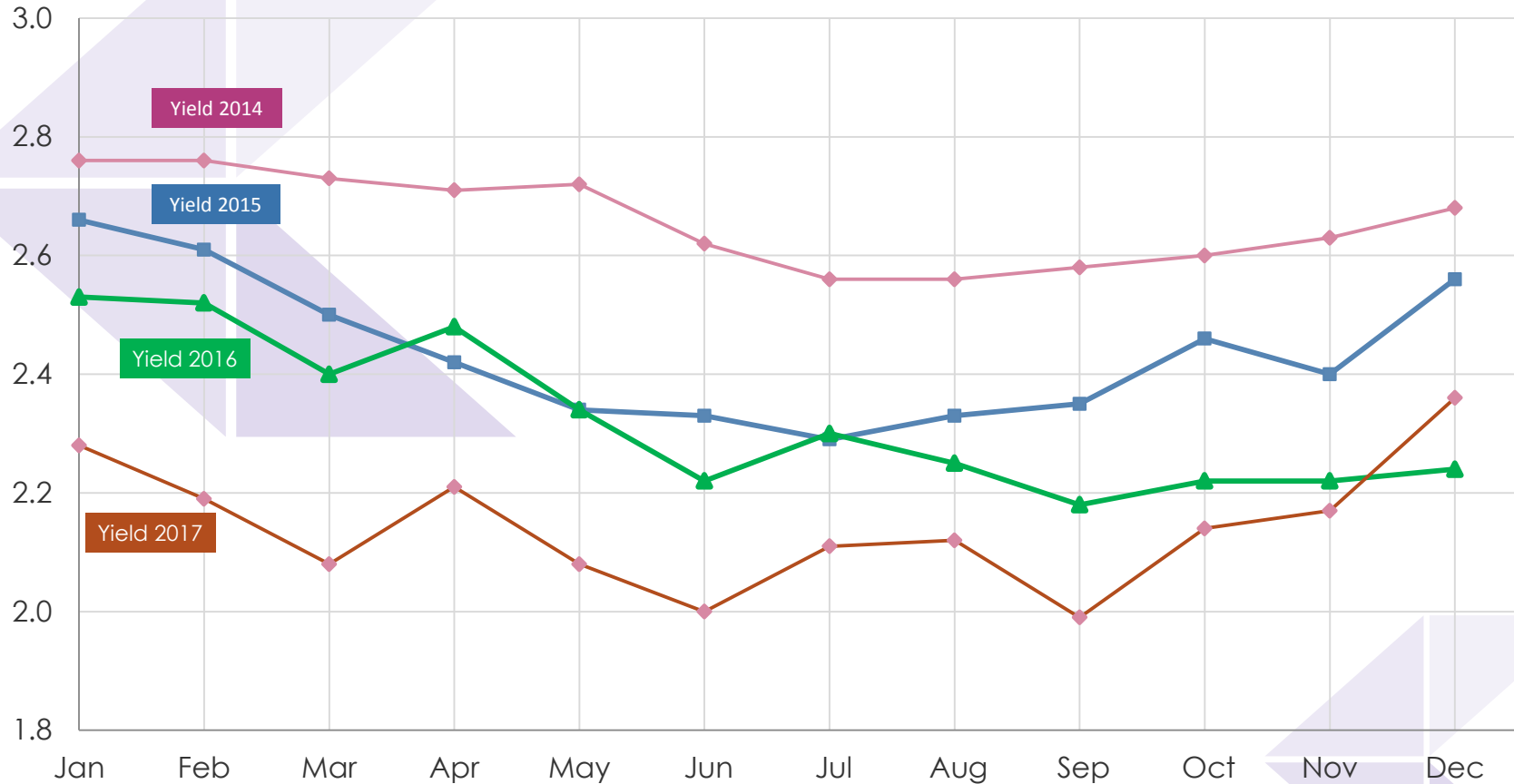
## TG Only

Cabin Factor (%)



## TG Only

THB / RPK



## Consolidated

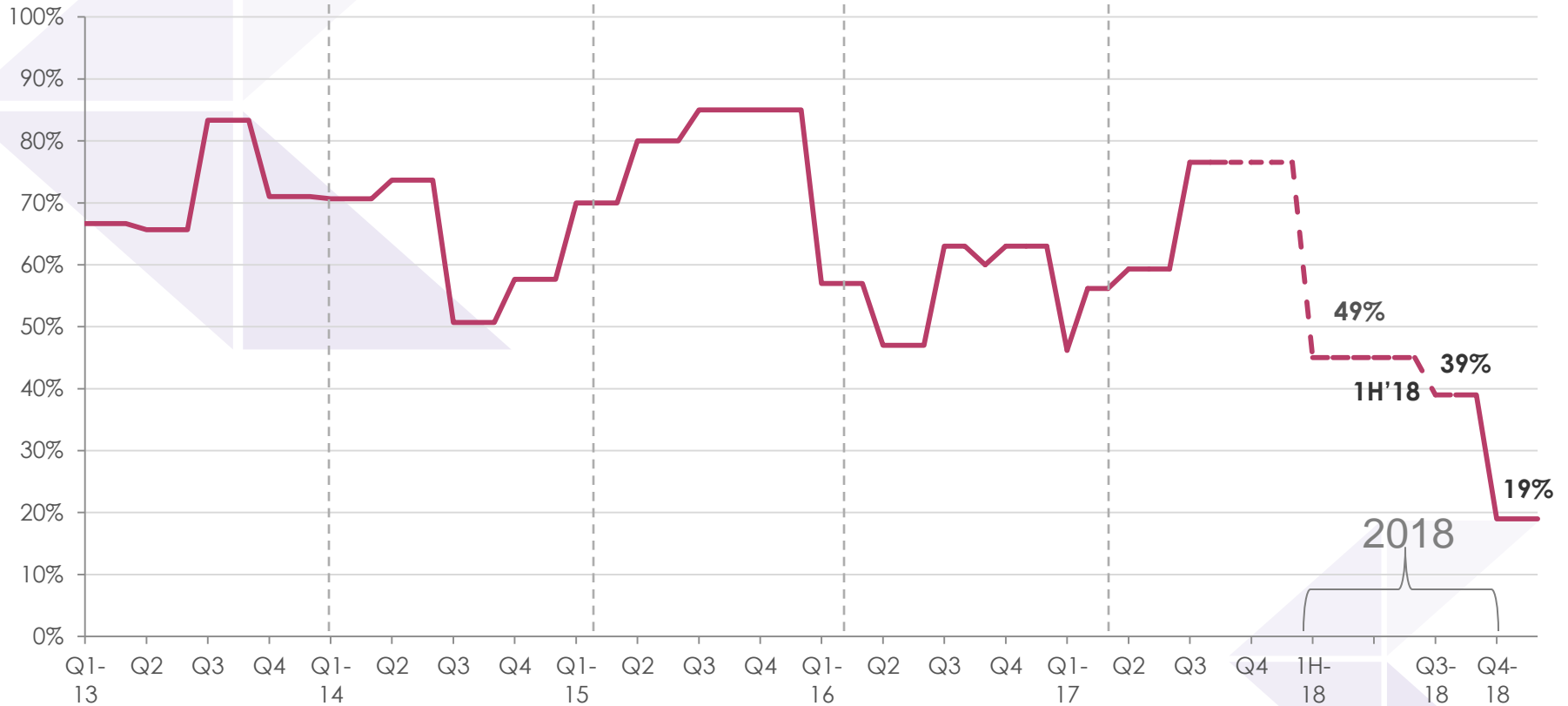
(THB/RPK)	Y'16 (Y'17 Rate)	Y'17	% Change
Pax Rev	2.29	2.17	-5.24
FX impact	0.06	-	-
<b>Total Pax Yield</b>	<b>2.35</b>	<b>2.17</b>	<b>-7.66</b>

## Passenger Yield by Region

(THB/RPK)	Y'16	Y'17	% Change
Domestic	2.94	2.81	-4.42
Regional	2.74	2.54	-7.30
Intercontinental	1.88	1.72	-8.51
<b>Total system</b>	<b>2.35</b>	<b>2.17</b>	<b>-7.66</b>



## Monthly fuel hedging as % of consumption by month

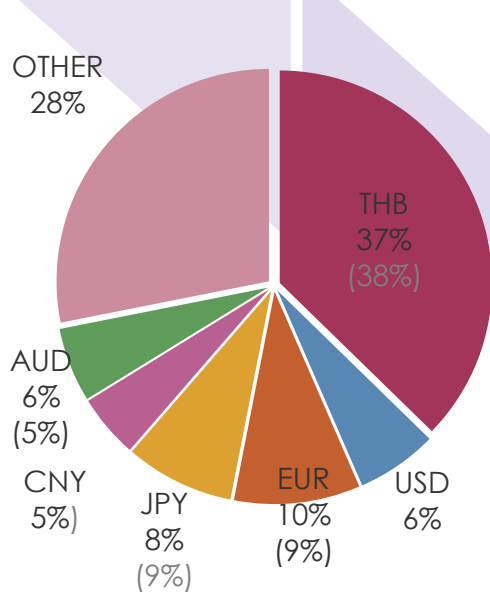


Note : As of 24-Jan-18

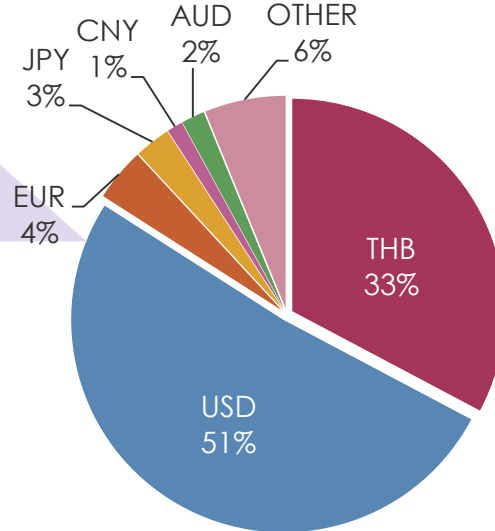
## Foreign Currency Exposure

(Jan - Dec 2017)

Revenue



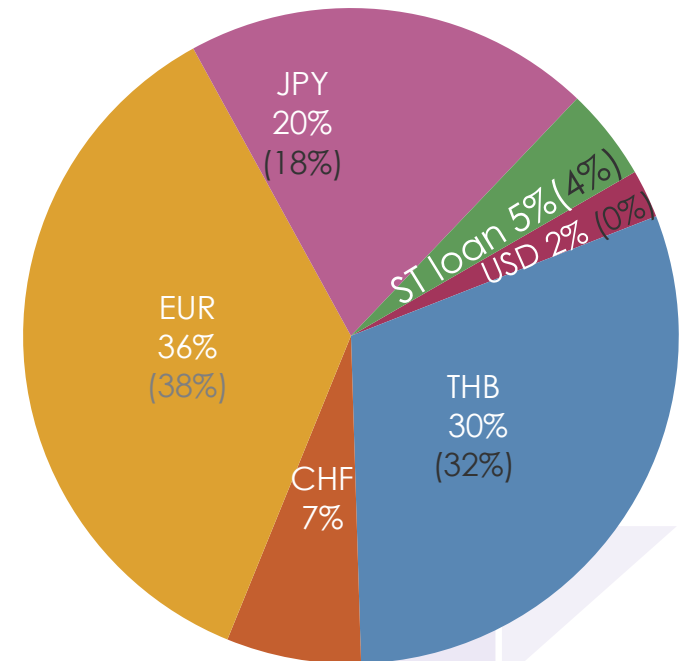
Expense



## Liability

30 Dec 17 : 160 bn

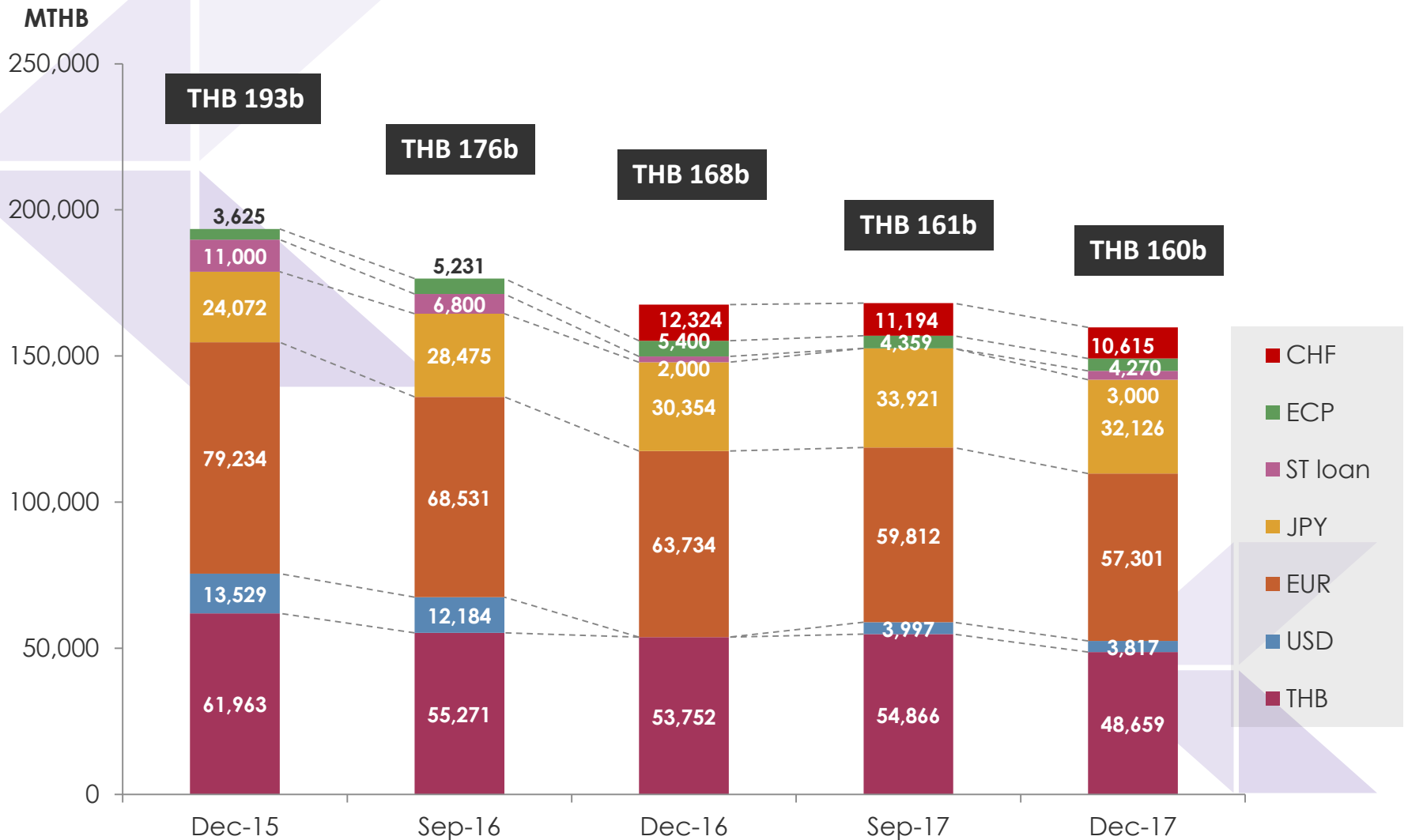
30 Dec 16 : 168 bn

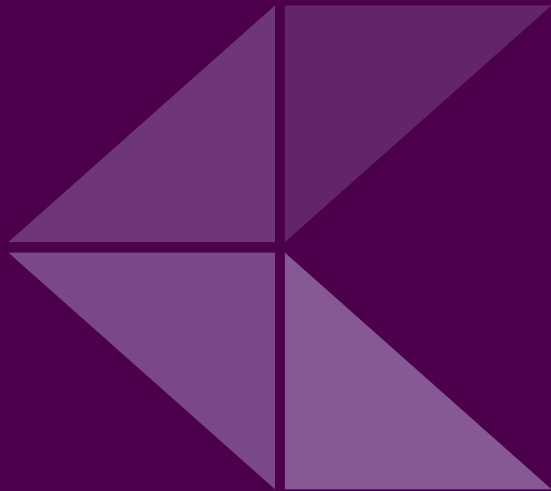


Liability to be restructured, especially USD

# Liabilities by currency

Currencies of choice for natural hedging





# OUTLOOK FOR 2018

❑ **COMPREHENSIVE NETWORK & LONG TERM FLEET UPLIFT**

- 4 forward TPI planned – adjusting for better network
- Take delivery of 5 aircraft : A350-900XWB

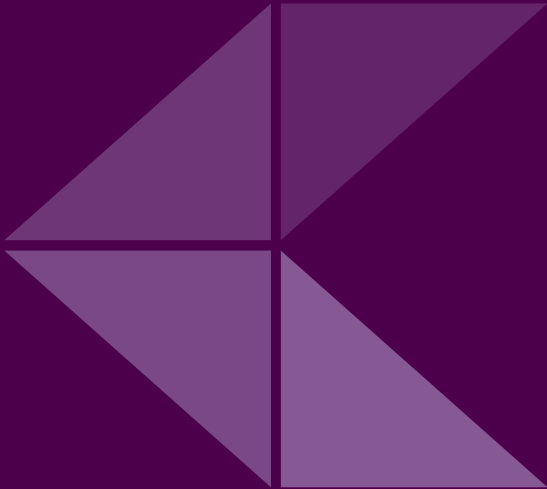
❑ **AEROPOLIS AND MRO AT U-TAPAO**

❑ **5 STRATEGIES TO BE “SUSTAINABLE TG”**

- ✓ **AGGRESSIVE PROFIT**
- ✓ **BUSINESS PORTFOLIO**
- ✓ **CUSTOMER EXPERIENCES**
- ✓ **DIGITAL TECHNOLOGY**
- ✓ **EFFECTIVE HUMAN CAPITAL MANAGEMENT**







Q & A

