

THAI AIRWAYS INTERNATIONAL PCL

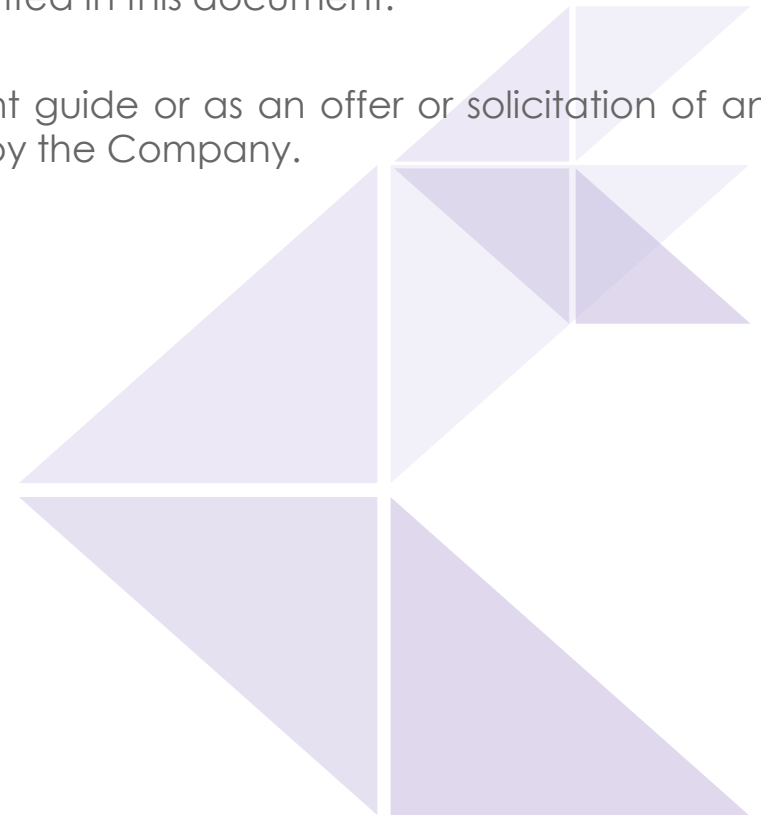
Q1- 2018 analysts briefing

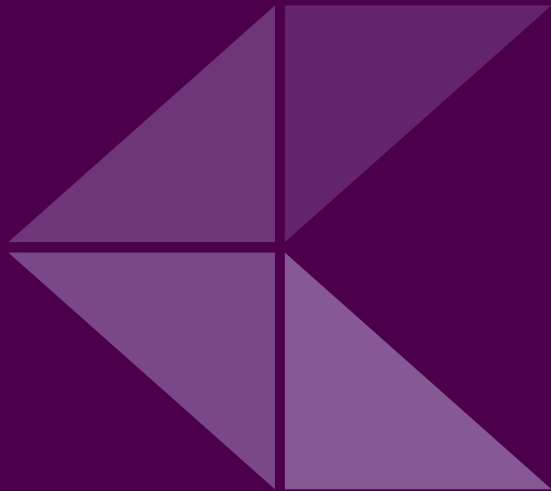
25-May-2018



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

The Goal in 2018

To ensure continuous and sustainable operating results and to increase efficiency and to improve quality of service to comparable to the global standard.

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1. Creating profits from increasing revenues by improving network, increasing yield and ancillary revenue, controlling cost structure by implementing common fleet and adopting low-cost business models.

2. Transforming business units to profit centers by seeking new business opportunities In joint venture with business partners to establish MRO and to develop cargo and logistic hub at U-Tapao airport, and increasing efficiency in asset management (ASSET LITE).

3. Improving and fully integrating service among Pre-flight, In-flight, and Post-flight for better customer engagement.

4. Implementing digital applications to increase performance and to create a competitive advantage, and

5. Developing human resources focused on organizational structure, culture, leadership, and capability human.



รวดเร็ว สะดวกสบาย
ไม่ต้องเสียเวลาเข้าคิวที่สนามบิน

Easy Check-in

เช็คอินง่ายๆ
ผ่านระบบอัตโนมัติ 3 ช่องทาง

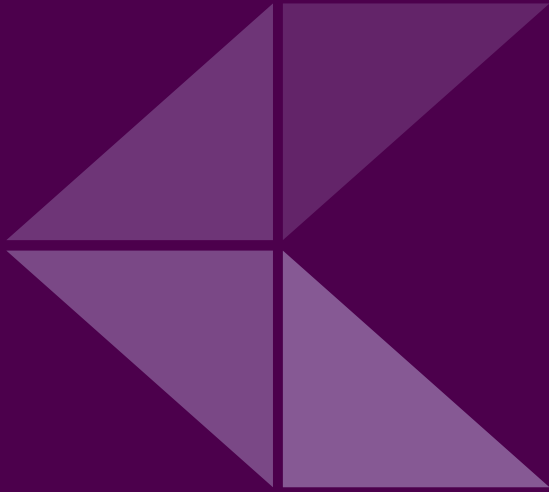
- ใช้ช่องทาง
เช็คอินที่ตู้เช็คอิน
24 ชั่วโมงใน Internet @
THAI Mobile Application
หรือ ใช้ช่องทางเช็คอินด้วย
บัตรเช็คอิน (Check)
- ช่องทางเช็คอินใหม่:
บริการโหลด
Bag Drop

บริการเช็คอินอัตโนมัติ (Self Check-in Kiosk)
บริการเช็คอินด้วยบัตรเช็คอิน
บริการเช็คอินด้วยบัตรเช็คอิน



- Total 104 active aircraft (4xA350-900)
- Successfully sold and delivered 1 Boeing B737-400 aircraft
- Successfully sold unused assets Mae Hong Son province and foreign property in Sydney, Australia
- Successfully sold 22.5 million shares or 24% of Royal Orchid Hotel (Thailand) PCL .
- Other activities
 - ❖ THAI Signs MOU with Civil Aviation Authority of Thailand to cooperate in aviation development
 - ❖ THAI's CFO received Corporate Treasurer Marquee Awards "Asia's Best CFO" 2017 from The Corporate Treasurer
 - ❖ THAI received "Top Agent Award 2017" from Japan National Tourism Organization: JNTO in Japan Tourism Award in Thailand 2017





FINANCIAL PERFORMANCE

Unit : THB' Billion/	Consolidated		
	Q1'17	Q1'18	%change
Revenues	49.8	53.4	+7.2
Costs	-46.0	-48.5	+5.4
Interest payments	-1.2	-1.1	-8.3
Operating Profit	2.6	3.8	+46.2
(1-time) Expense	-0.2	-	-
Impairment loss (1-time)	-1.0	-2.5	+150.0
FX Gain/(Loss)	+1.6	+0.6	-62.5
Profit before Tax	+3.0	+1.9	-36.7
Tax	+0.2	+0.8	+300.0
Net profit	3.2	2.7	-15.6
Passenger Production (MASK)	22,428	23,535	+4.9
Passenger Traffic (MRPK)	18,564	18,969	+2.2
Cabin Factor (%)	82.8	80.6	-2.2
Passenger carried (Million)	6.52	6.25	-4.1
Passenger Yield Inc. Surcharge (THB/km)	2.20	2.30	+4.5
Aircraft Utilization (Hrs./Day)	12.4	11.9	-4.0

 Pax & Cargo increase

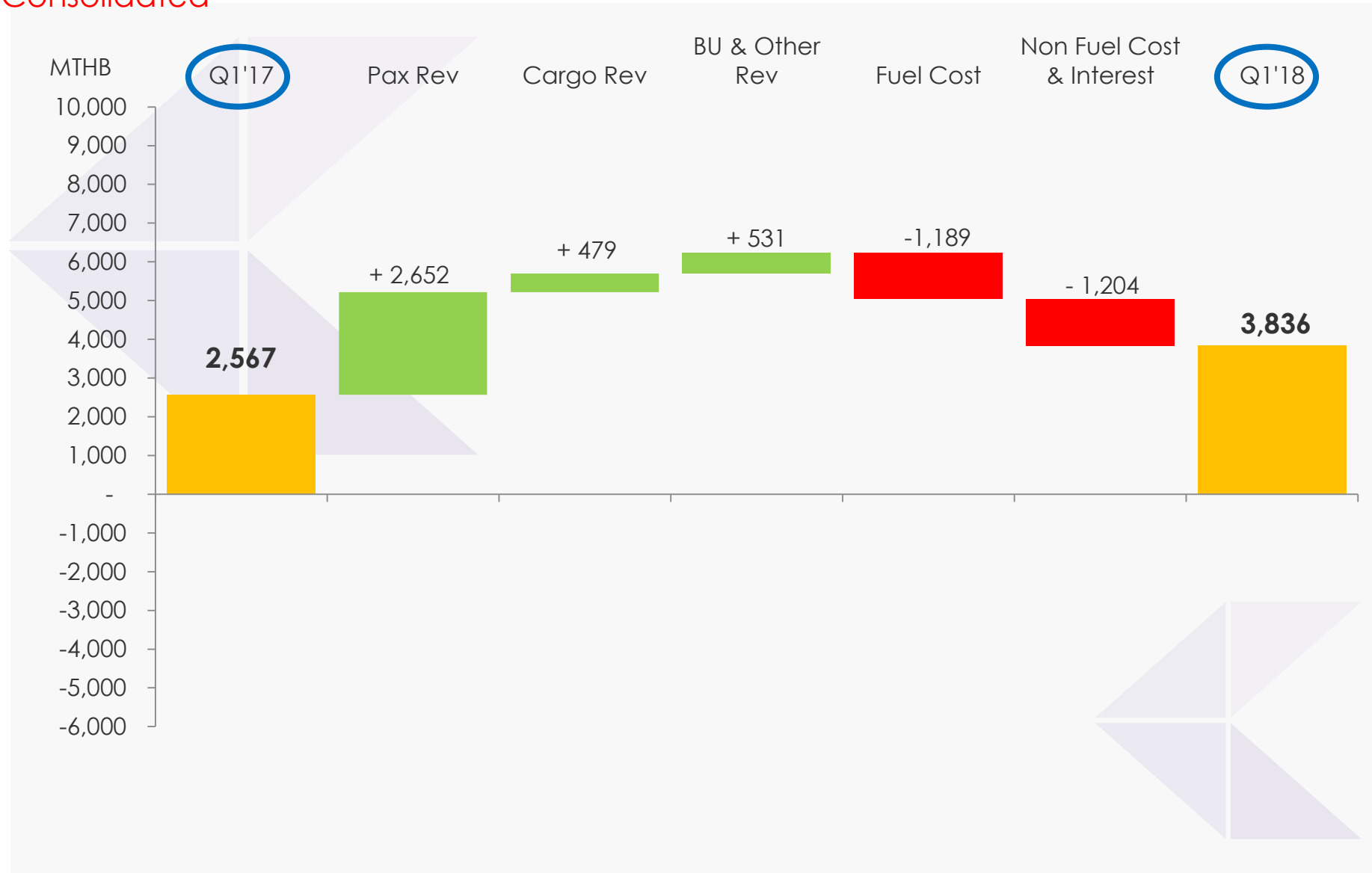
 Fuel increase



 Fuel Surcharge increase

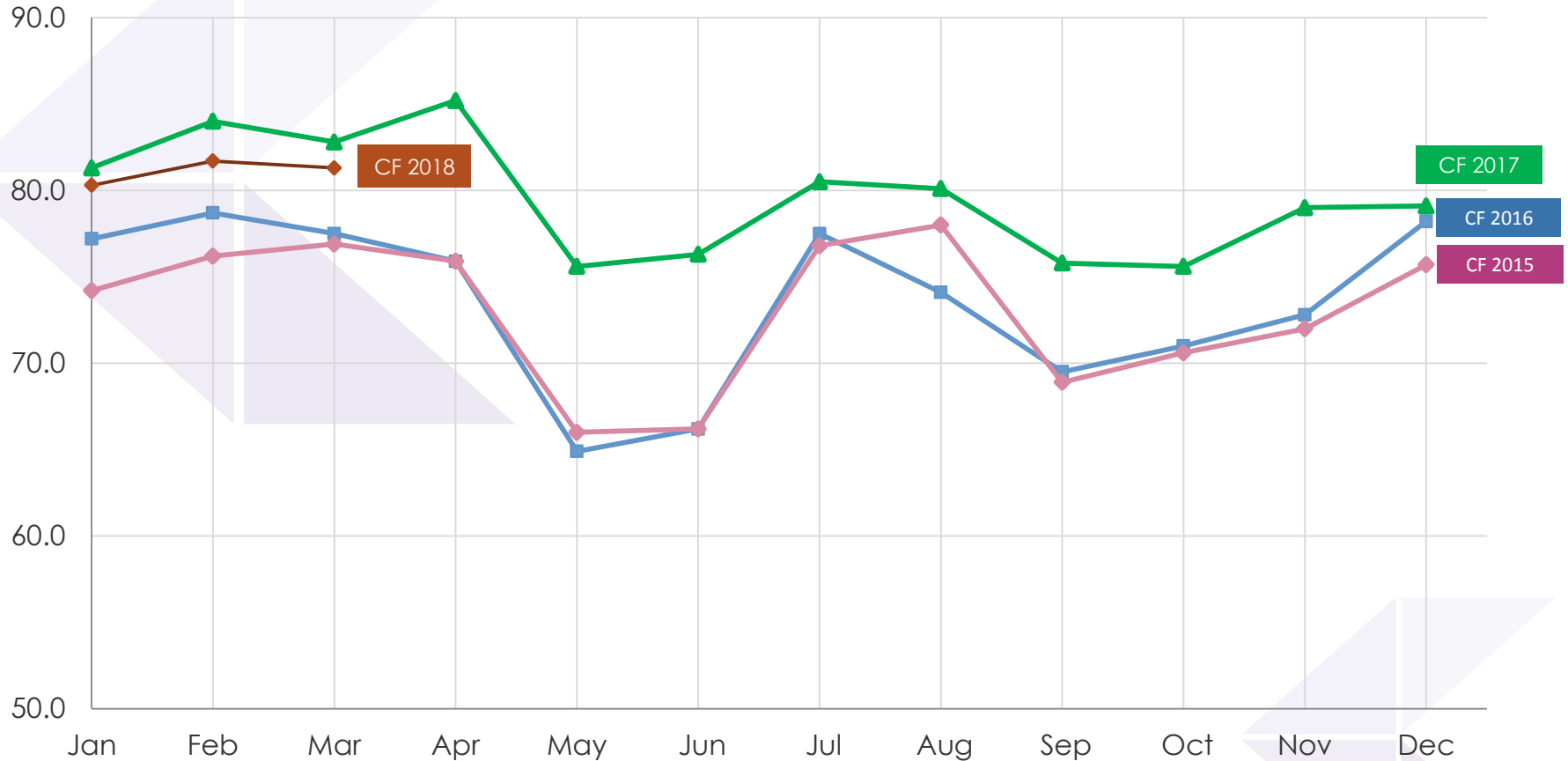


Consolidated



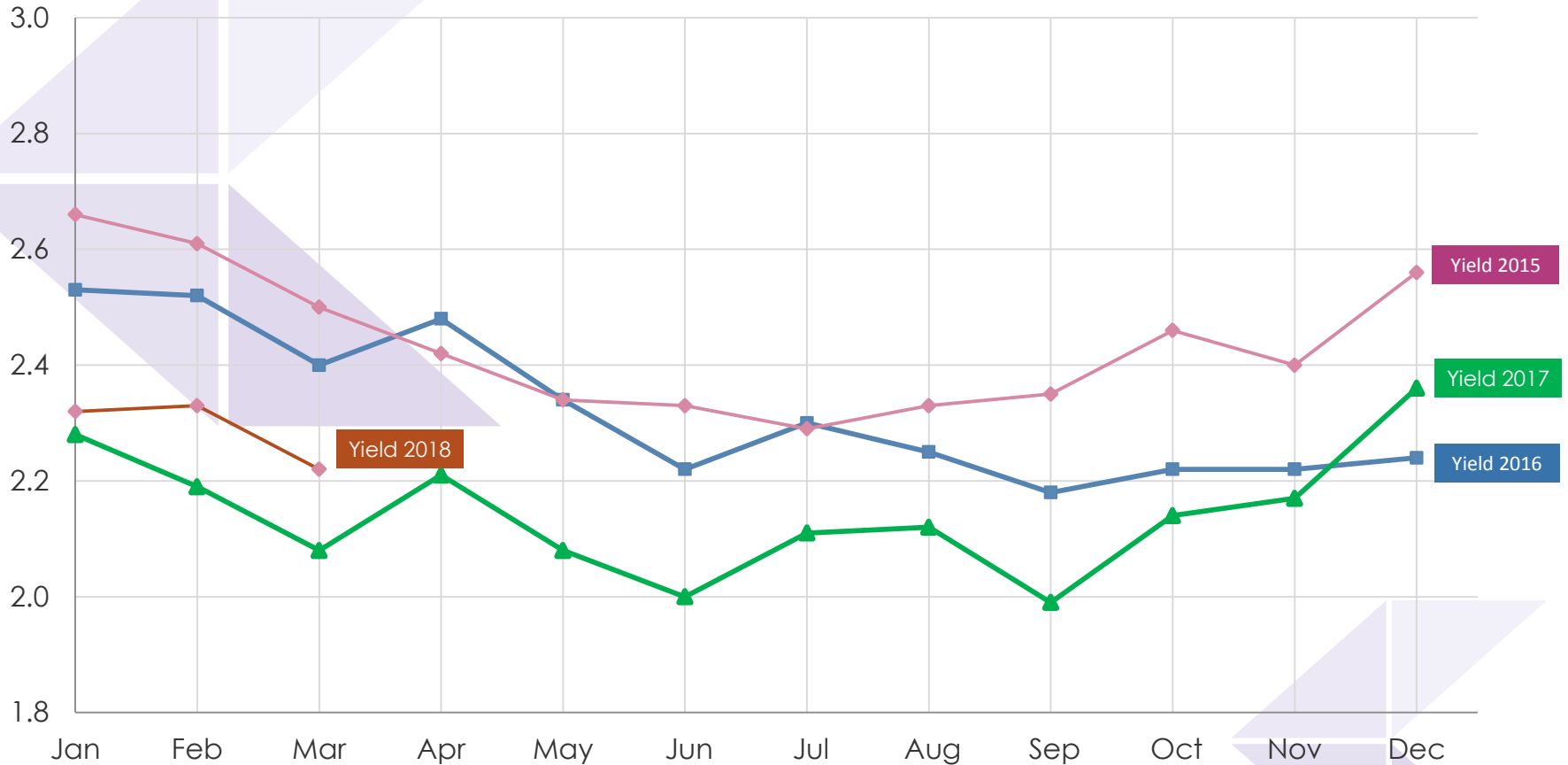
TG Only

Cabin Factor (%)



TG Only

THB / RPK



Consolidated

(THB/RPK)	Q1'17 (Q1'18 Rate)	Q1'18	% Change
Pax Rev	2.14	2.30	+7.48
FX impact	0.06	-	-
Total Pax Yield	2.20	2.30	+4.55

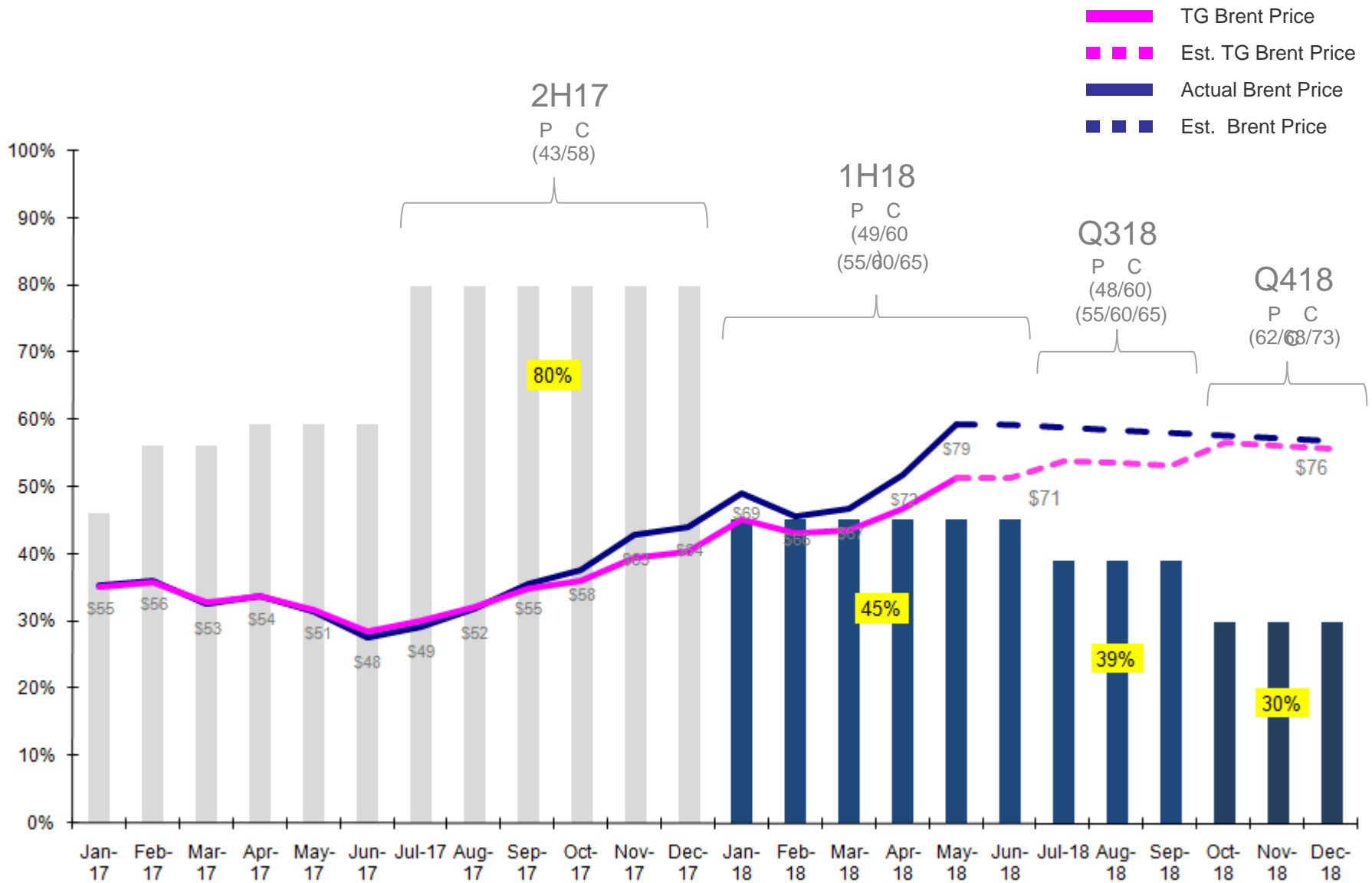
Passenger Yield by Region

(THB/RPK)	Q1'17	Q1'18	% Change
Domestic	2.93	2.83	-3.42
Regional	2.57	2.70	+5.06
Intercontinental	1.75	1.83	+4.58
Total system	2.20	2.30	+4.55

Consolidated

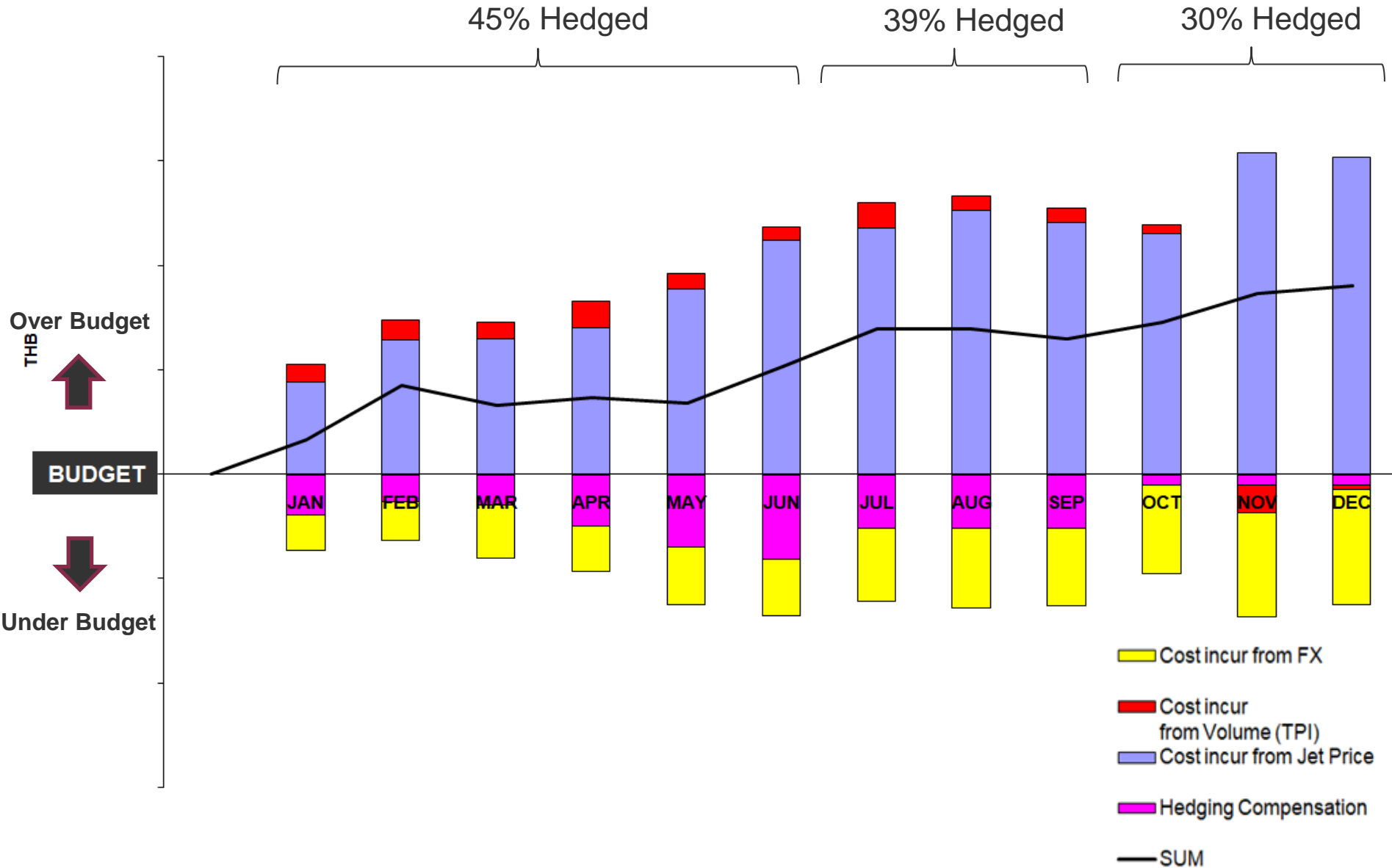
		Jan- Mar	
		2017	2018
Liquidity Ratio			
- Current Ratio	(times)	0.83	0.90
Profitability Ratio			
- Operating Profit margin	%	5.15	7.17
- Net profit Margin	%	6.36	5.12
- Return to Equity	%	8.98	8.20
Efficiency Ratio			
- Return to Total Assets	%	1.48	1.11
Financial Policy Ratio			
- Interest Bearing Debt to Equity	(times)	4.33	4.65
- Total Debt to Equity	(times)	6.64	7.23
- IBD/EBITDA	(times)	20.41	18.00
- Interest Coverage Ratio	(times)	6.23	7.51
- EBITDA	(MTHB)	7,850	8,971

2017-2018 Fuel Hedging Percentage Brent Actual / Future Price vs. TG Price



Based on fuel volume = 1.6 Million Barrels per Month

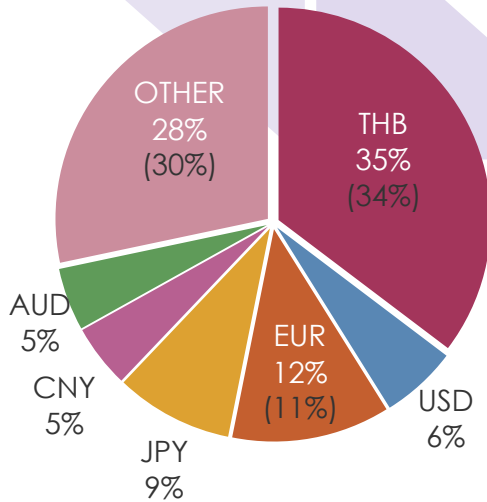
THAI 2018 Fuel Cost Break down vs. Budget (THB)



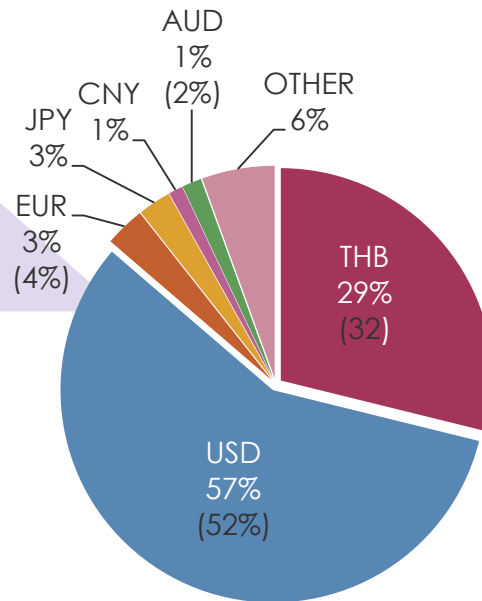
Foreign Currency Exposure

(Jan - Mar 2018)

Revenue



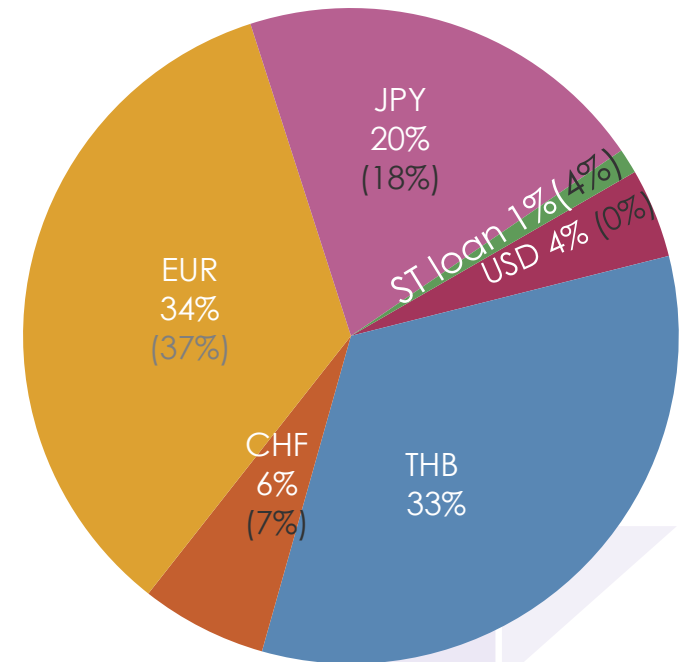
Expense



Liability

31 Mar 18 : 162 bn

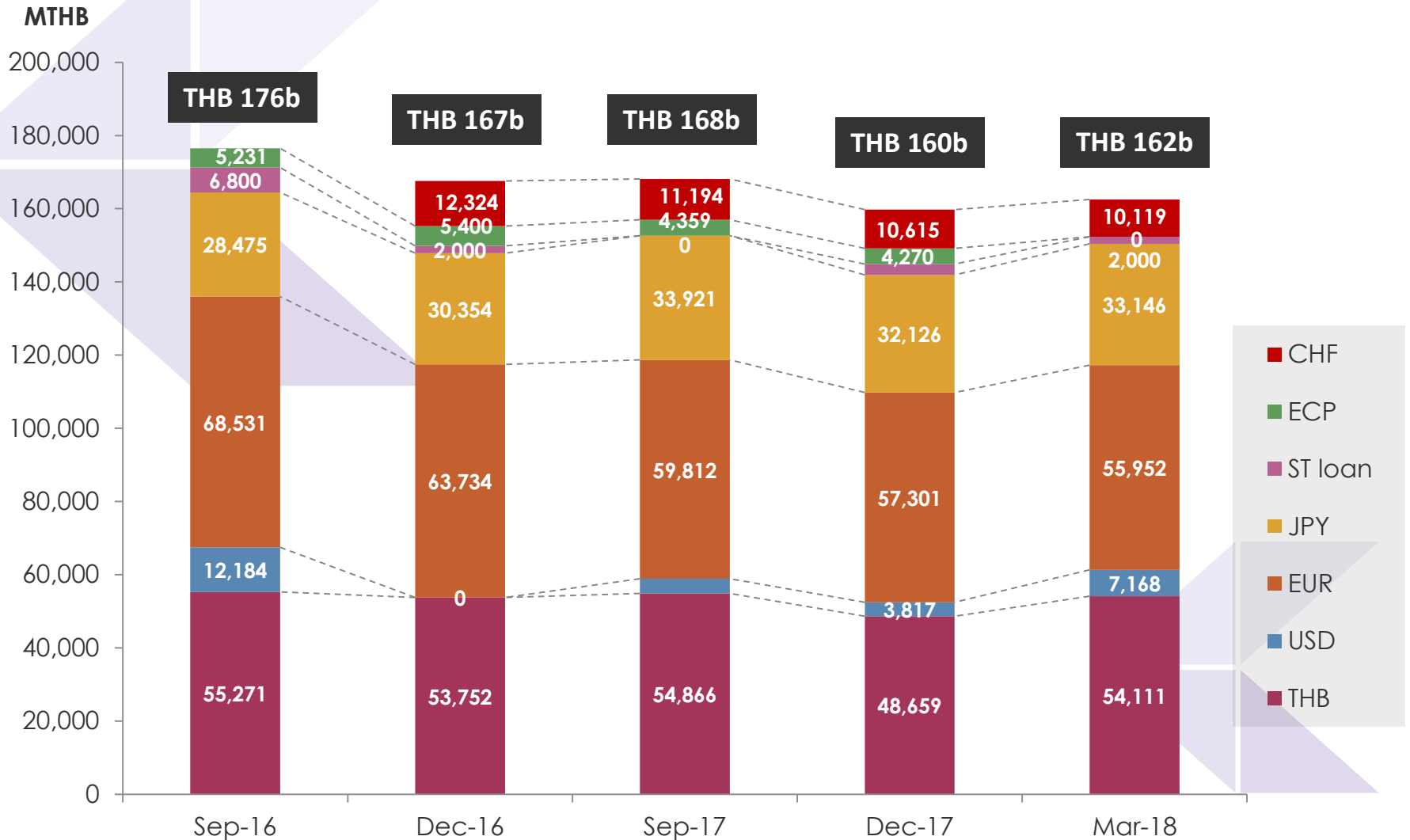
31 Mar 17 : 161 bn

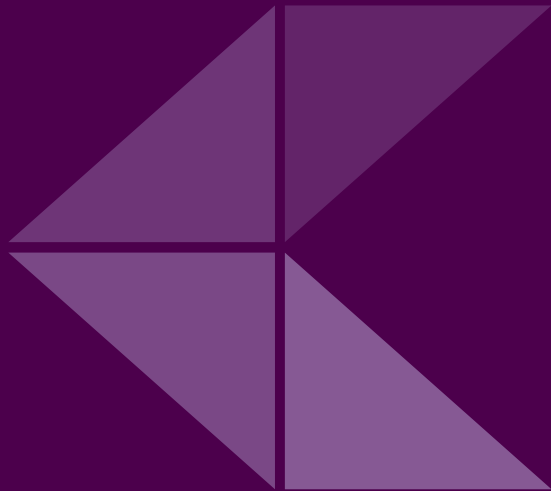


Liability to be restructured, especially USD

Liabilities by currency

Currencies of choice for natural hedging





OUTLOOK FOR 2018

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

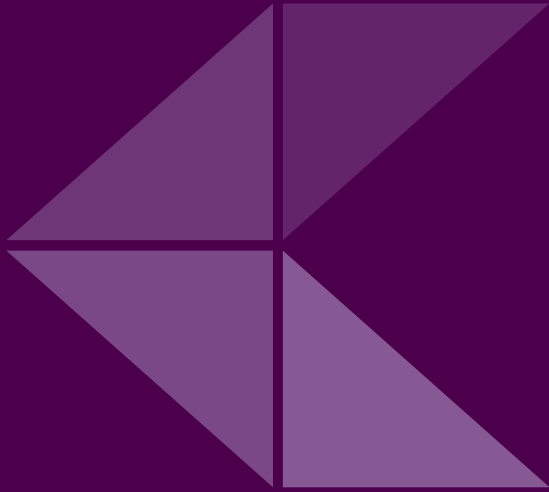
- 4 forward TPI planned – adjusting for better network
- Take delivery of 1 aircraft : A350-900XWB

❑ **AEROPOLIS AND MRO AT U-TAPAO**

❑ **5 STRATEGIES TO BE “RELIABLE ON THE BUSINESS SITUATION AS WELL AS ENHANCE THE EFFICIENCY” BY**

- ✓ **EXPANDING FLEET EFFICIENCY**
- ✓ **INCREASING PASSENGER REVENUE**
- ✓ **SELLING SHARES IN SUBSIDIARIES AND ASSOCIATED COMPANY WHICH NOT SUPPORT CORE BUSINESS**
- ✓ **MANAGING UNUSABLE PROPERTIES BOTH DOMESTIC AND ABROAD**





Q & A

"vongkardai"

