

THAI AIRWAYS INTERNATIONAL PCL

Q3- 2018 analysts briefing

21-Nov-2018



ALLIANCE FOR THAILAND'S SUSTAINABLE GROWTH



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.

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TRANSFORMATION PLAN

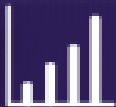
A



Aggressive Profit



B



Business Portfolio



C



Customer Experience

D



Digital Technology

E



**Effective Human
Capital Management**

POWER OF SOE, SYNERGY TO WIN

สานพลังพันธมิตร เพื่อไทยก้าวไกลอย่างยั่งยืน

TOGETHER

TO WIN

TO SUSTAIN



2018



2019



TOWARD
THAI 60th ANNIVERSARY

2020

FUTURE GROWTH ENGINES



TG MRO CAMPUS – U-TAPAO



TRENT XWB ENGINE RESEARCH AND DEVELOPMENT

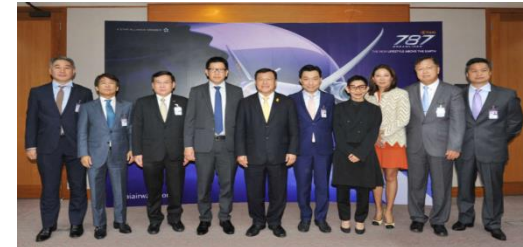


CARGO VILLAGE, U-TAPAO



New Catering Plant in CHAING MAI

- **“Power of State-Owned Enterprises, Synergy to Win”** chaired by Mr. Somkid Jatusripitak, Deputy Prime Minister
- Total **103 active aircrafts** (decommissioned 2 B737-400 aircraft)
- THAI, Royal Thai Navy, and Eastern Economic Corridor Office **Sign MOU** Allowing THAI to Operate at **U-Tapao International Airport** in the Eastern Special Development Zone
- Launch the THAI and **Rolls-Royce Trent XWB Engine Research and Development Testing Program** at, Don Mueang Airport
- Other activities
 - ❖ Won **TTG Travel Hall of Fame Award** for 10 consecutive years
 - ❖ Won 1st Running up for **two KAYAK Travel Awards** Singapore 2018 :
 - Favourite In-Flight Food & Beverage
 - Favourite Airline Loyalty Program
 - ❖ **Accommodated** British Cave Rescue Council and Beijing Peaceland teams for Tham Luang **cave rescue mission**
 - ❖ Received **Exemplary Transport Award 2018**



FINANCIAL PERFORMANCE

Unit : THB' Billion/ Consolidated	Consolidated		
	Q3'18	Q3'17	%change
Revenues	48.0	46.9	+2.2
Costs	-50.8	-45.5	+11.6
Interest payments	-1.1	-1.1	-
Operating Profit	-3.9	+0.3	-
(1-time) Expense	-	-0.1	-100.0
Impairment loss (1-time)	-0.4	-1.5	-75.3
FX Gain/(Loss)	+0.3	-0.8	+136.1
Profit before Tax	-4.0	-2.1	-88.2
Tax	+0.3	+0.3	-
Net profit	-3.7	-1.8	-103.2
Passenger Production (MASK)	23,391	22,931	+2.0
Passenger Traffic (MRPK)	18,121	17,936	+1.0
Cabin Factor (%)	77.5	78.2	-0.7
Passenger carried (Million)	6.01	5.99	+0.3
Passenger Yield Inc. Surcharge (THB/km)	2.09	2.10	-0.5
Aircraft Utilization (Hrs./Day)	12.1	12.1	-



Pax & Cargo increase



Fuel increase



More Passenger

Unit : THB' Billion/	Consolidated		
	9M'18	9M'17	%change
Revenues	148.7	141.9	+4.8
Costs	-148.3	-137.4	+7.9
Interest payments	-3.3	-3.5	-5.3
Operating Profit	-2.9	+1.0	-383.6
(1-time) Expense	-	-1.0	-100.0
Impairment loss (1-time)	-3.1	-2.9	+6.5
FX Gain/(Loss)	+0.5	-1.7	+126.6
Profit before Tax	-5.5	-4.6	-21.6
Tax	+1.5	+0.7	+112.7
Net profit	-4.0	-3.9	+2.6
Passenger Production (MASK)	69,729	67,025	+4.0
Passenger Traffic (MRPK)	54,372	53,504	+1.6
Cabin Factor (%)	78.0	79.8	-1.8
Passenger carried (Million)	18.16	18.38	-1.2
Passenger Yield Inc. Surcharge (THB/km)	2.17	2.14	+1.4
Aircraft Utilization (Hrs./Day)	11.8	12.0	-1.7

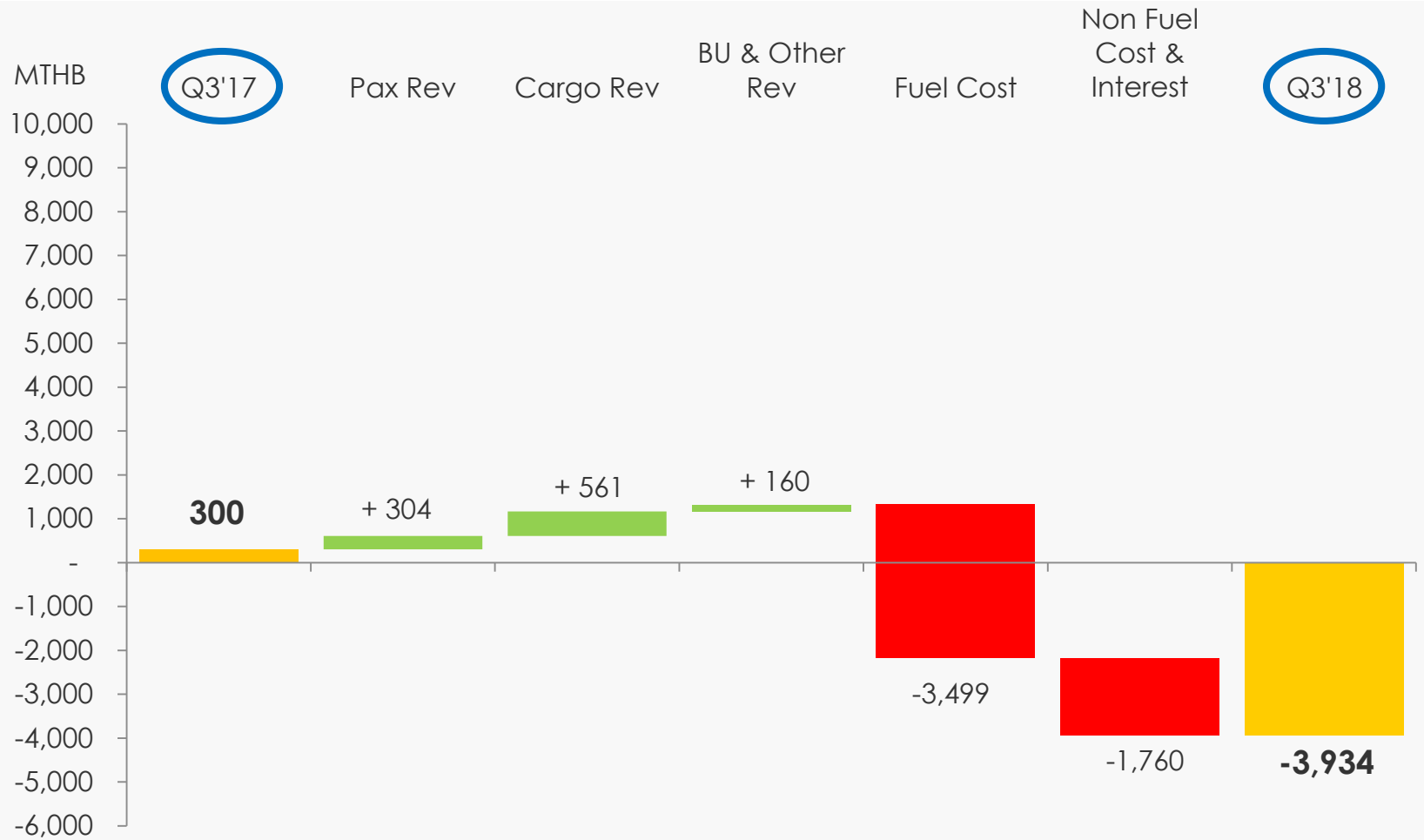
 Pax & Cargo increase

 Fuel increase

 Better Yield

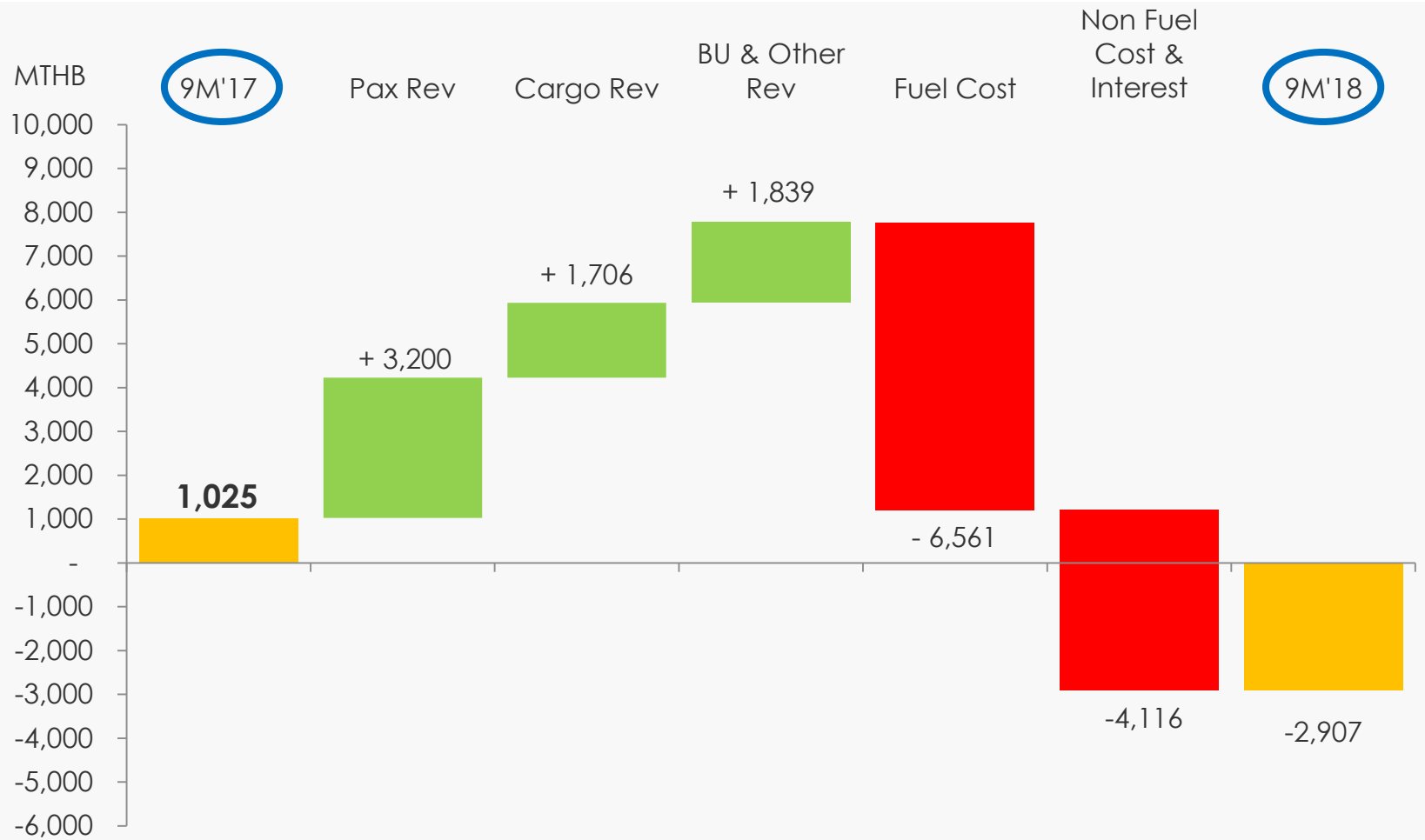
Q3-18 Operating profit movement

Consolidated

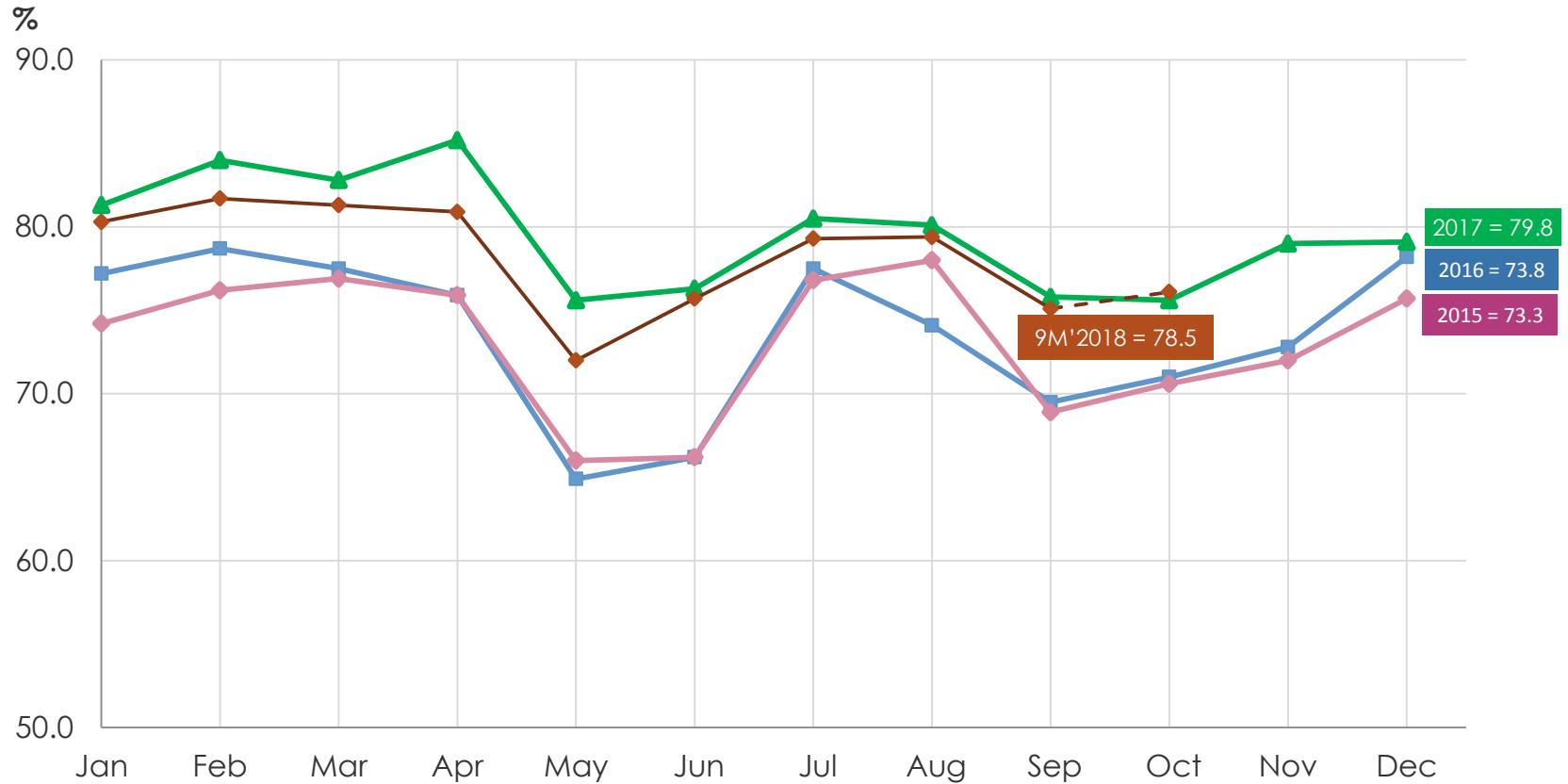


9M -18 Operating profit movement

Consolidated

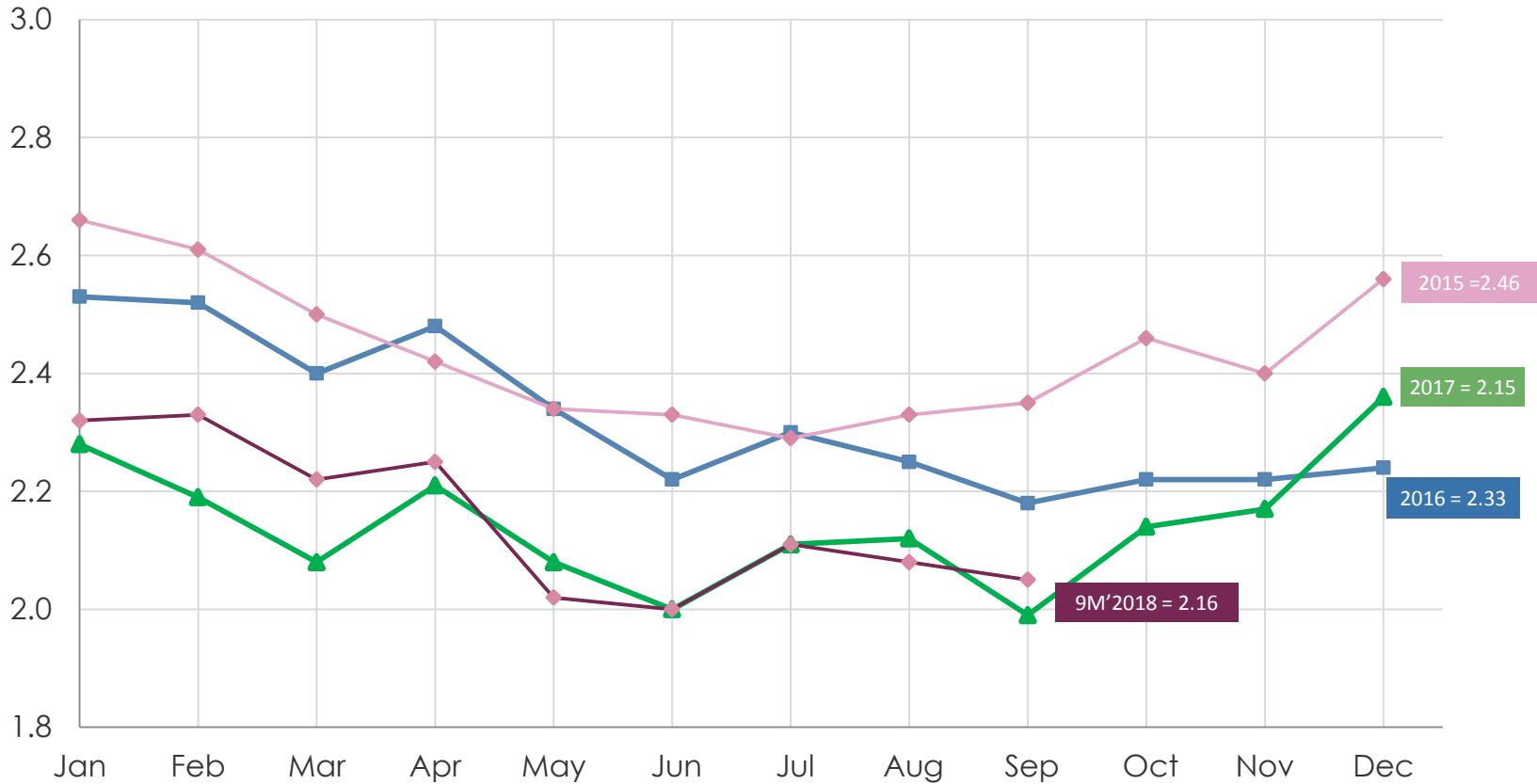


TG Only



TG Only

THB / RPK



Consolidated

(THB/RPK)	Q3'18	Q3'17 (Q3'18 Rate)	% Change
Pax Rev	2.09	2.04	+2.5
FX impact	-	0.06	-100.0
Total Pax Yield	2.09	2.10	-0.5

Passenger Yield by Region

(THB/RPK)	Q3'18	Q3'17	% Change
Domestic	2.43	2.70	-10.0
Regional	2.48	2.47	+0.4
Intercontinental	1.70	1.70	-
Total system	2.09	2.10	-0.5

Consolidated

(THB/RPK)	9M'18	9M'17 (9M'18 Rate)	% Change
Pax Rev	2.17	2.08	+4.3
FX impact	-	0.06	-100.0
Total Pax Yield	2.17	2.14	+1.4

Passenger Yield by Region

(THB/RPK)	9M'18	9M'17	% Change
Domestic	2.58	2.77	-6.9
Regional	2.55	2.52	+1.2
Intercontinental	1.74	1.71	+1.8
Total system	2.17	2.14	+1.4

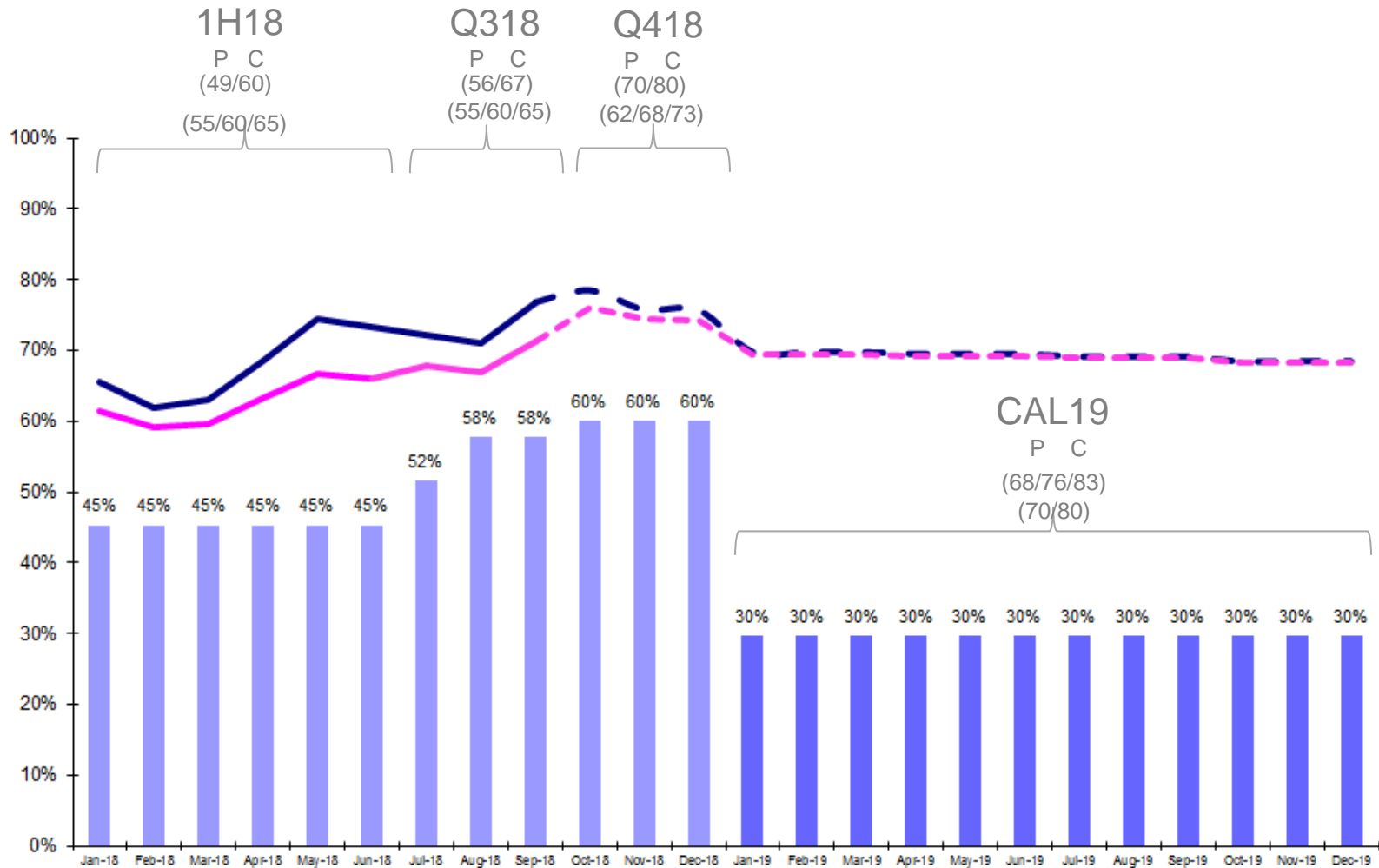
Consolidated

		JAN - SEP	
		2018	2017
Liquidity Ratio			
- Current Ratio	(times)	0.98	0.85
- Current Ratio (Included Committed Credit Line)	(times)	1.26	1.09
Profitability Ratio			
- Operating Profit margin	%	(1.95)	0.72
- Net profit Margin	%	(2.71)	(2.71)
- Return to Equity	%	(13.36)	(12.13)
Efficiency Ratio			
- Return to Total Assets	%	(0.77)	(0.34)
Financial Policy Ratio			
- Interest Bearing Debt to Equity	(times)	5.39	5.58
- Total Debt to Equity	(times)	8.78	8.62
- IBD/EBITDA	(times)	12.30	9.89
- Interest Coverage Ratio	(times)	3.64	4.70
- EBITDA	(MTHB)	12,437	16,897



2018-2019 Fuel Hedging Percentage Brent Actual / Future Price vs. TG Price

- █ TG Brent Price
- █ Est. TG Brent Price
- █ Actual Brent Price
- █ Est. Brent Price

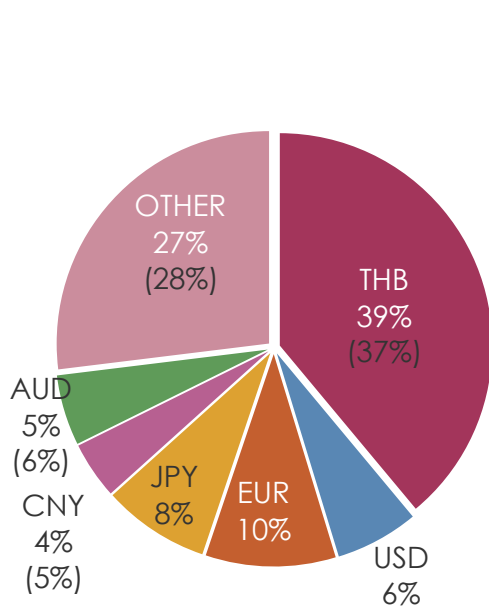


Based on fuel volume = 1.6 Million Barrels per Month

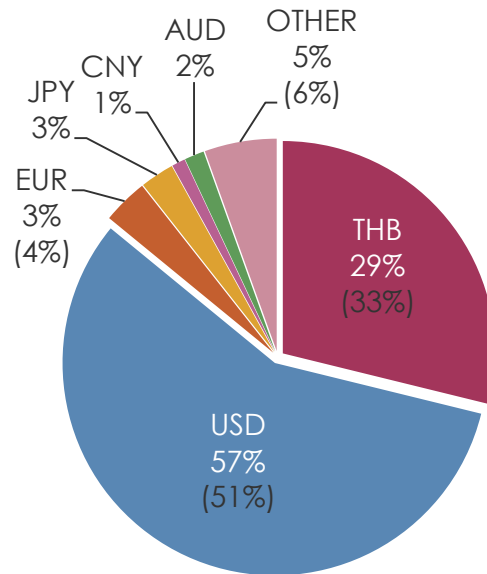
Foreign Currency Exposure

(Jan - Sep 2018)

Revenue



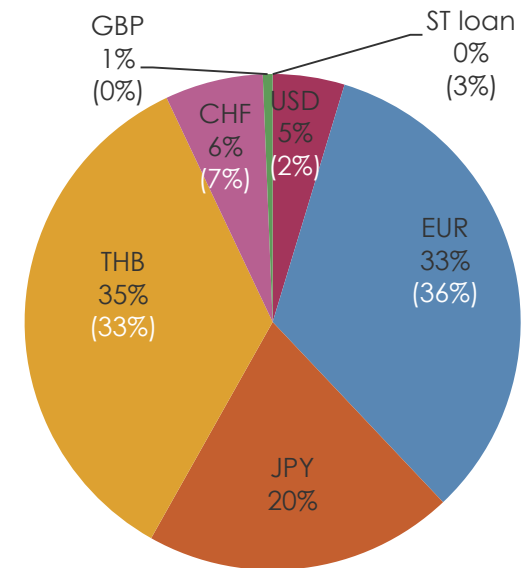
Expense



Liability

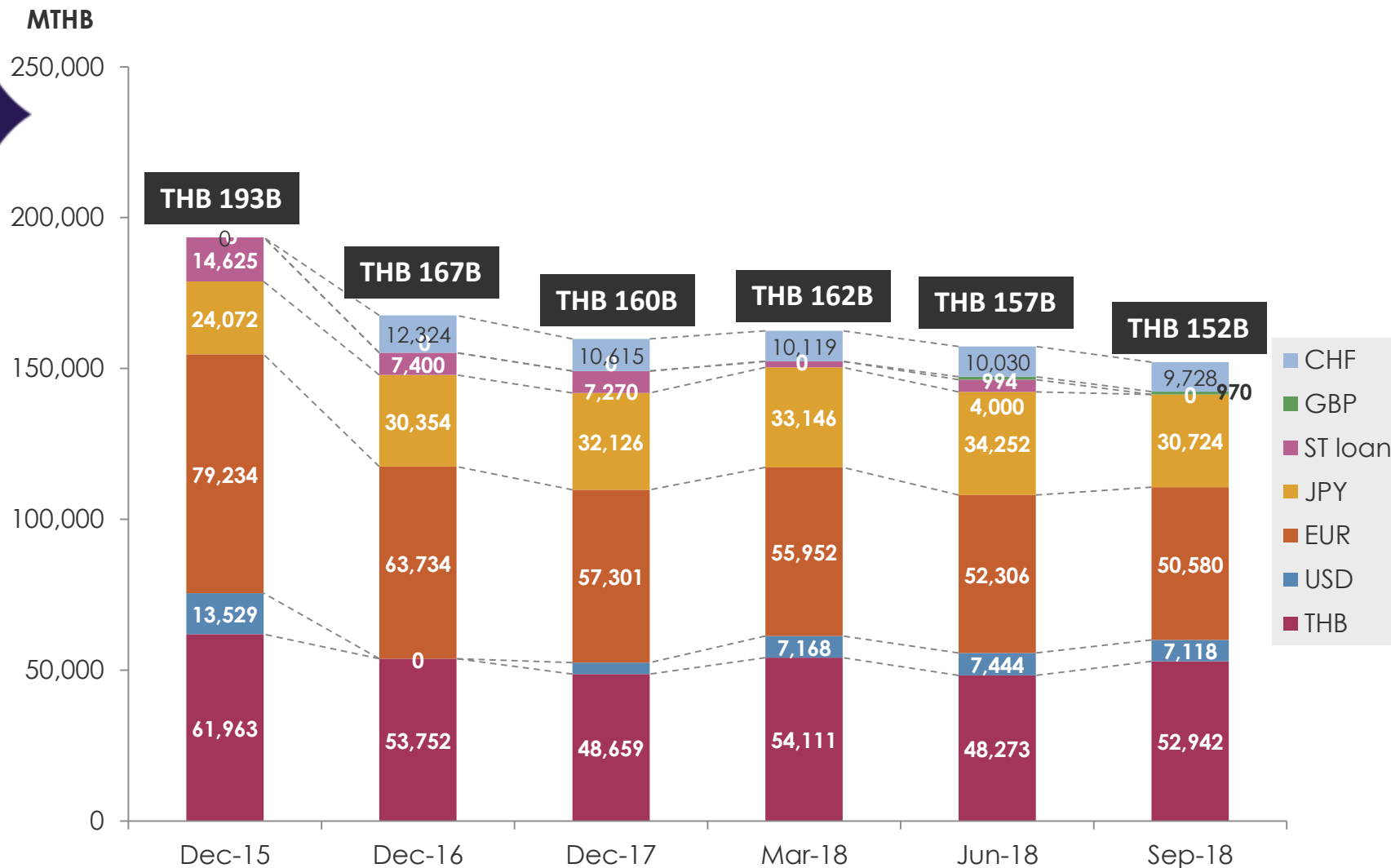
30 Sep 18 : 152 B

30 Sep 17 : 168 B



Liabilities by currency

Currencies of choice for natural hedging



OUTLOOK FOR 2018

- ❑ AEROPOLIS AND MRO AT U-TAPAO
- ❑ SUPPORT SECONDARY CITIES AND TRAVEL ON “THAI TIEW THAI” PACKAGE
- ❑ FREE VISA ON ARRIVAL POLICY FOR 21 COUNTRIES
- ❑ THE AIRCRAFT ACQUISITION PLAN UNDER RECOMMENDATION OF OFFICE OF THE NATIONAL ECONOMIC AND SOCIAL DEVELOPMENT BOARD (NESDB) FOR APPROVAL FROM BOARD OF DIRECTORS
- ❑ FAA’S VISIT FOR PRE-AUDIT OF THAILAND’S AVIATION SAFETY IN JAN’19
- ❑ EXPECTED HIGH FUEL PRICES
- ❑ THE TRADE WAR WILL HIT U.S. AND CHINESE GROWTH

Fly smooth as silk
to the world

THANK YOU
Q&A

