

Garuda Indonesia
The Airline of Indonesia

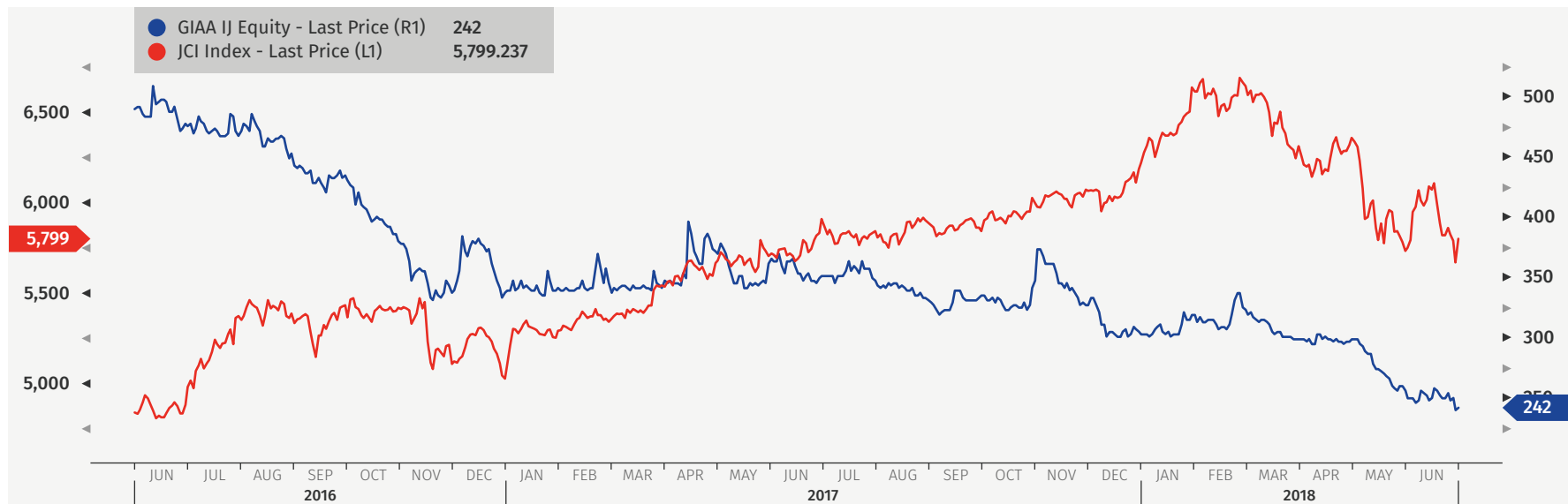


Jakarta, 30 July 2018

Analyst Meeting

Q2/2018 - Corporate Performance

Shares Information



PT Garuda Indonesia (Persero) Tbk. (GIAA IJ Equity)

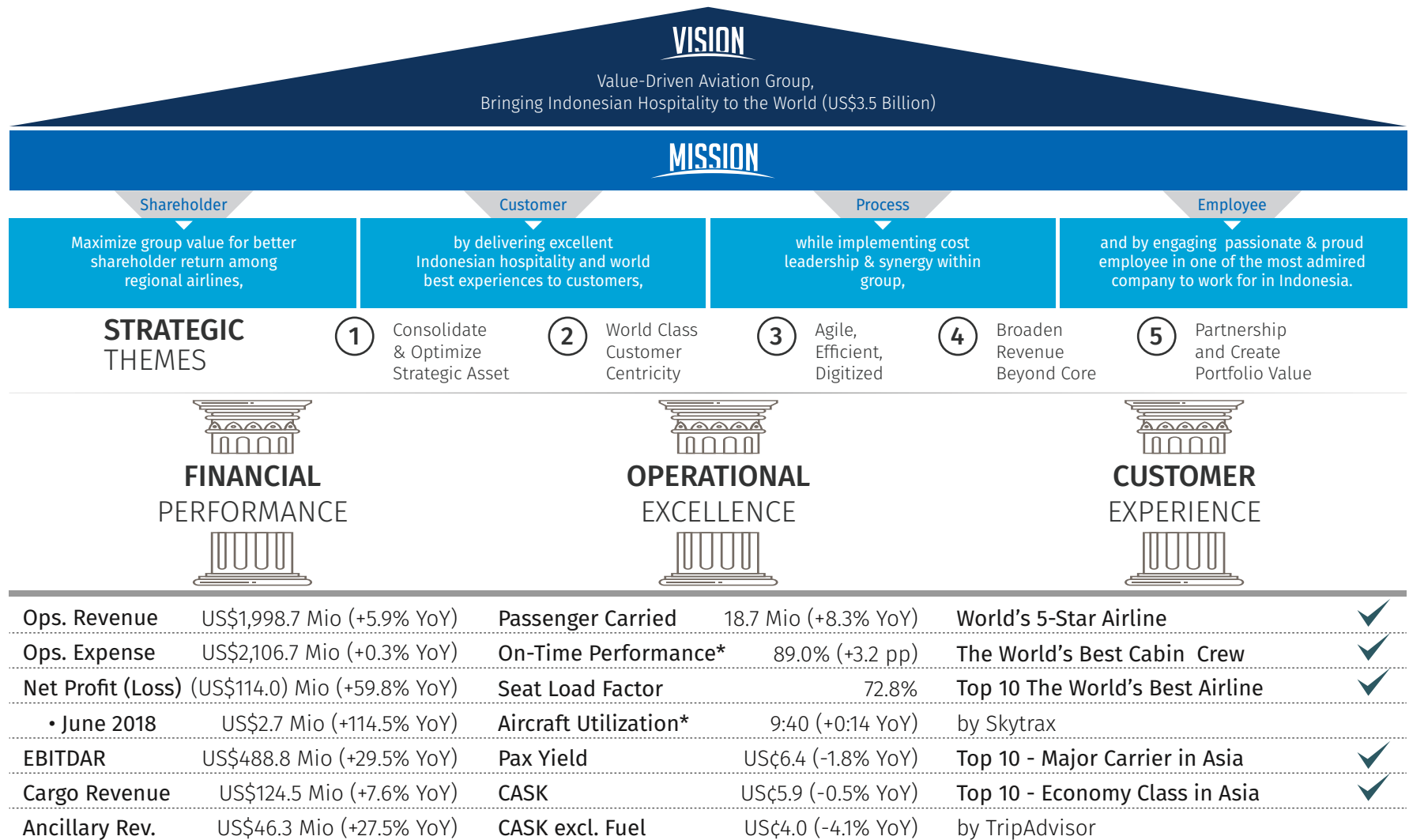
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6 July 2018 - 10:57:48

(currency in IDR, except stated otherwise)

INDICATOR	FY/2017	Q1/2018	Q2/2018
Average Value	3.02B	3.06B	1.46B
Average Volume	8.59M	9.68M	5.46M
Last Price	300	294	242
Market Capitalization	7.77T	7.61T	6.26T

Significant Improvement on Financial and Maintaining the Operational Performance



* Represent only for Garuda Indonesia (Main Brand)

Good Progress on 5 Strategic Themes

STRATEGIC THEMES	Key Indicator	1st Half 2017	1st Half 2018
① Consolidate & Optimize Strategic Asset	● Re-negotiate contract to lessor & manufactures	-	2 contracts
	● Improve fleet utilization	9:26	9:40
	● Reduce the number of routes with negative result*	22 routes	11 routes
② World Class Customer Centricity	● Improve on-time performance	85.8%	89.0%
	● Increase the percentage of Aviobridge services	DOM: 61.2% INT: 72.2%	DOM: 84.9% INT: 98.2%
	● 5-Star rating by Skytrax ★★★★★	✓	✓
③ Agile, Efficient, Digitized	● Reduce CASK	US\$5.89	US\$5.86
	● Boost the revenue contributions from all digital channels	21.9% (US\$279.8 M)	25.8% (US\$324.1 M)
④ Broaden Revenue Beyond Core	● Increase total revenue contribution from subsidiaries	22.0%	26.5%
	● Increase cargo revenue	US\$115.6 M	US\$124.5 M
	● Increase ancillary revenue	US\$36.3 M	US\$46.3 M
⑤ Partnership and Create Portfolio Value	● Improve GarudaMiles total members	1.5 M	1.9 M

Source: Company Data, March 2018

* Internal Data, YTD June 2018

Operating Revenues Increased by 5.9% YoY; Cut Losses by 59.8% YoY

(currency in million USD, except stated otherwise)

INDICATOR	Q2/2017	Q1/2018	Q2/2018	% YoY	1H/2017	1H/2018	% YoY
REVENUE							
EBITDAR	196.5	231.5	256.5 ▲	30.5	377.3	488.8 ▲	29.5
Scheduled Airline Service	853.8	828.5	875.3 ▲	2.5	1,636.0	1,703.8 ▲	4.1
Non-Scheduled Airline Service	22.7	19.8	12.5 ▼	(45.0)	46.5	32.2 ▼	(30.6)
Others*	99.6	134.7	127.9 ▲	28.5	204.5	262.7 ▲	28.4
Operating Revenues	976.1	983.0	1,015.7 ▲	4.1	1,886.9	1,998.7 ▲	5.9
EXPENSES							
Fuel	278.8	316.0	323.8 ▲	16.1	571.1	639.7 ▲	12.0
Aircraft Rental	259.8	260.1	257.0 ▼	(1.1)	517.2	517.1 ▼	(0.0)
Others	539.2	473.0	476.8 ▼	(11.6)	1,013.2	949.9 ▼	(6.2)
Total Expense	1,077.7	1,049.1	1,057.6 ▼	(1.9)	2,101.5	2,106.7 ▲	0.3
PROFIT (LOSS)							
EBIT	(101.6)	(66.1)	(41.9) ▲	58.8	(214.5)	(108.0) ▲	49.7
EBT	(121.8)	(83.8)	(61.7) ▲	49.3	(254.1)	(145.5) ▲	42.7
Net Income	(182.5)	(64.3)	(49.7) ▲	72.8	(283.8)	(114.0) ▲	59.8
Comprehensive Income	(193.8)	(67.6)	(49.4) ▲	74.5	(292.2)	(117.0) ▲	59.9

*) Subsidiaries (Non-Airlines) & Strategic Business Unit (SBU)

EBITDAR Margin	20.1%	23.6%	25.3%	20.0%	24.5%
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EBITDAR Margin Asia Pacific Airline in Average 19%-21% (Source: Bloomberg, 31 March 2018)

Fuel price hikes 11.8% YoY in 1st semester of 2018

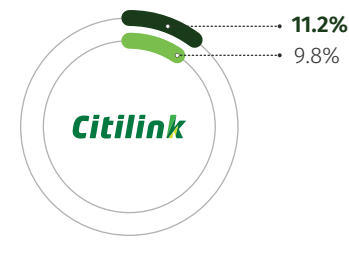
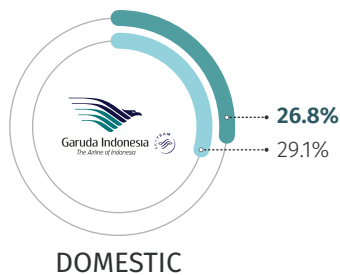
Passenger and Revenue are Significantly Improved

INDICATOR	Q2/2017	Q1/2018	Q2/2018	% YoY	1H/2017	1H/2018	% YoY
OPERATIONAL							
Utilization* (Hour)	9:32	9:41	9:39 ▲	0:07	9:26	9:40 ▲	0:14
On-Time Performance* (%)	85.0	88.8	89.4 ▲	4.4 pp	85.8	89.0 ▲	3.2 pp
ASK (Billion)	15.8	16.4	16.7 ▲	5.7	31.6	33.0 ▲	4.6
Seat Load Factor (%)	74.1	71.4	74.2 ▲	0.1 pp	73.3	72.8 ▼	(0.5) pp
Passenger Carried (Million)	8.9	8.8	9.9 ▲	11.5	17.2	18.7 ▲	8.3
Cargo Uplifted (Thousand Ton)	111.0	111.9	113.3 ▲	2.1	219.4	225.2 ▲	2.7
FINANCIAL							
Revenue Passenger (in Million USD)	786.2	741.6	797.0 ▲	1.4	1,509.7	1,538.6 ▲	1.9
Passenger Yield (US\$)	6.7	6.3	6.4 ▼	(4.0)	6.5	6.4 ▼	(1.8)
Average Fares (US\$)	88.4	83.9	80.4 ▼	(9.0)	87.2	82.0 ▼	(5.9)
CASK (US\$)	5.9	5.8	5.9 ▲	1.2	5.9	5.9 ▼	(0.5)
CASK – excl. Fuel (US\$)	4.1	3.9	4.0 ▼	(3.6)	4.1	4.0 ▼	(4.1)

*) Represent only for Garuda Indonesia (Main Brand)

Rupiah depreciation 8.2% YoY in 1st semester of 2018 (based on closing rate)

▶ MARKET SHARE



External Issues Including Macro Affect the Operational Performance

INDICATOR	Q2/2017	Q1/2018	Q2/2018	% YoY	1H/2017	1H/2018	% YoY
DOMESTIC							
Passenger Carried (Million)	4.6	4.4	4.8 ▲	4.3	9.1	9.3 ▲	1.8
ASK (Billion)	5.7	5.6	5.7 ▼	(0.0)	11.4	11.3 ▼	(0.8)
Seat Load Factor (%)	70.6	69.7	74.3 ▲	3.7 pp	69.7	72.1 ▲	2.4 pp
Revenue Passenger (in Million USD)	332.8	300.5	330.6 ▼	(0.7)	630.7	631.1 ▲	0.1
Passenger Yield (US\$)	8.2	7.7	7.8 ▼	(5.6)	7.9	7.8 ▼	(2.4)
Average Fares (US\$)	71.4	67.3	68.1 ▼	(4.6)	68.9	67.7 ▼	(1.7)
Cargo Uplifted (Thousand Ton)	62.9	63.1	60.4 ▼	(4.1)	125.1	123.4 ▼	(1.3)
CASK (US\$)	7.0	7.0	7.1 ▲	2.2	7.1	7.1 ▼	(0.4)
CASK – excl. Fuel (US\$)	5.0	5.0	5.0 ▲	0.2	5.0	5.0 ▼	(1.6)
INTERNATIONAL							
Passenger Carried (Million)	1.3	1.2	1.2 ▼	(5.3)	2.5	2.4 ▼	(6.2)
ASK (Billion)	7.1	7.5	7.3 ▲	2.7	14.6	14.8 ▲	1.5
Seat Load Factor (%)	74.8	70.5	69.4 ▼	(5.4) pp	74.6	70.0 ▼	(4.7) pp
Revenue Passenger (in Million USD)	326.0	320.8	307.2 ▼	(5.8)	653.3	628.0 ▼	(3.9)
Passenger Yield (US\$)	6.1	6.1	6.1 ▼	(1.0)	6.0	6.1 ▲	1.0
Average Fares (US\$)	258.1	267.6	257.2 ▼	(0.3)	256.1	262.5 ▲	2.5
Cargo Uplifted (Thousand Ton)	31.0	27.6	31.9 ▲	3.0	59.3	59.6 ▲	0.4
CASK (US\$)	5.4	5.4	5.6 ▲	3.3	5.4	5.5 ▲	2.4
CASK – excl. Fuel (US\$)	3.9	3.7	3.8 ▼	(1.8)	3.8	3.7 ▼	(1.8)

Note: All numbers and figures represent only for Garuda Indonesia (Main Brand)

Citilink Grabs the Volume & Improves Passenger Revenue

INDICATOR	Q2/2017	Q1/2018	Q2/2018	% YoY	1H/2017	1H/2018	% YoY
GARUDA INDONESIA							
Passenger Carried (Million)	5.9	5.6	6.0 ▲	2.2	11.7	11.7 ▲	0.0
ASK (Billion)	12.8	13.0	13.0	▲ 1.5	25.9	26.0	▲ 0.5
Seat Load Factor (%)	72.9	70.2	71.6	▼ (1.3) pp	72.5	70.9	▼ (1.6) pp
Revenue Passenger (in Million USD)	658.9	621.2	637.8 ▼	(3.2)	1,284.0	1,259.0 ▼	(1.9)
Passenger Yield (US\$)	7.0	6.8	6.8 ▼	(2.7)	6.8	6.8 ▼	(0.1)
Average Fares (US\$)	111.1	109.7	105.4	▼ (5.2)	109.6	107.5	▼ (2.0)
Cargo Uplifted (Thousand Ton)	93.9	90.7	92.3	▼ (1.7)	184.4	183.0	▼ (0.8)
CASK (US\$)	6.1	6.1	6.3	▲ 2.5	6.1	6.2	▲ 0.8
CASK – excl. Fuel (US\$)	4.4	4.2	4.3	▼ (1.1)	4.3	4.3	▼ (1.8)
CITILINK							
Passenger Carried (Million)	3.0	3.2	3.8 ▲	30.0	5.6	7.0 ▲	25.6
ASK (Billion)	3.0	3.3	3.7	▲ 23.8	5.7	7.0	▲ 23.2
Seat Load Factor (%)	79.4	76.1	83.4	▲ 4.1 pp	77.1	80.0	▲ 2.8 pp
Revenue Passenger (in Million USD)	127.4	120.4	159.2 ▲	25.0	225.7	279.6 ▲	23.9
Passenger Yield (US\$)	5.4	4.7	5.1 ▼	(4.1)	5.1	5.0 ▼	(2.9)
Average Fares (US\$)	42.8	37.8	41.2	▼ (3.9)	40.2	39.6	▼ (1.4)
Cargo Uplifted (Thousand Ton)	17.1	21.2	21.0	▲ 23.1	35.0	42.2	▲ 20.8
CASK (US\$)	4.8	4.7	4.8	▼ (0.6)	4.8	4.7	▼ (2.1)
CASK – excl. Fuel (US\$)	3.1	2.8	2.8	▼ (10.5)	3.1	2.8	▼ (9.7)

The Operating Expenses Hikes is Below The Revenues Raises

(currency in million USD, except stated otherwise)

INDICATOR	2Q/17	1Q/18	2Q/18	% YoY	PoC	1H/17	1H/18	% YoY	PoC
Fuel	278.8	316.0	323.8 ▲	16.1	30.6	571.1	639.7 ▲	12.0	30.4
Rental	259.8	260.1	257.0 ▼	(1.1)	24.3	517.2	517.1 ▼	(0.0)	24.5
Maintenance	100.3	99.0	109.6 ▲	9.2	10.4	190.1	208.6 ▲	9.7	9.9
User Charge	97.8	96.6	102.1 ▲	4.4	9.7	189.9	198.8 ▲	4.6	9.4
Ticketing & Sales	76.2	76.0	76.8 ▲	0.8	7.3	152.9	152.8 ▼	(0.1)	7.3
Passenger Services	75.4	72.4	73.4 ▼	(2.7)	6.9	152.2	145.8 ▼	(4.2)	6.9
General Administration	70.2	56.9	58.5 ▼	(16.7)	5.5	132.2	115.4 ▼	(12.7)	5.5
Others	119.2	72.1	56.4 ▼	(52.7)	5.3	195.8	128.5 ▼	(34.4)	6.1
Total Expenses	1,077.7	1,049.1	1,057.6 ▼	(1.9)	100.0	2,101.5	2,106.7 ▲	0.3	100.0

PoC: Percentage of Contributions

1. The fuel expenses increased due to fuel price hikes and production increases, mostly from Citilink.
2. The maintenance expense enlarged due to increasing transaction on engine and component segments.
3. The others expenses declined as impact of interest income from late payment of receivables of GMFI's third parties.

Fleet Structure

AIRCRAFT TYPE	DEC 2017	JUN 2018	●	●	TARGET 2018
Boeing 777-300ER	10	10	-	10	10
Boeing 747-200	2	2	2	-	2
Airbus A330-200	7	7	-	7	7
Airbus A330-300	17	17	6	11	17
Wide Body	36	36	8	28	36
Utilization	10:54	11:27			
Boeing 737 MAX 8	1	1	-	1	1
Boeing 737-800NG	73	73	-	73	73
CRJ1000 NextGen	18	18	6	12	18
ATR72-600	16	16	-	16	17
Narrow Body	108	108	6	102	109
Utilization	9:11	9:06			
Garuda Indonesia	144	144	14	130	145
Utilization	9:36	9:40			
Airbus A320-200	45	44	-	44	42
Airbus A320-200Neo	5	6	-	6	8
Boeing 737-300	5	5	5	-	5
Boeing 737-500	3	3	3	-	3
Citilink	58	58	8	50	58
Utilization	8:03	9:07			
Total Fleets	202	202	22	180	203

● Owned/Financial Leased ● Operating Leased

In purpose to improve the Company's performance, the management has negotiated contracts with Boeing to reschedule the delivery of the B737 MAX 8 aircraft. Based on the renegotiation, the second B737 MAX 8 aircraft and so on will be scheduled to deliver in 2020-2024 from the previous delivery schedule in 2017-2019. This move is one of the strategic initiatives that Garuda Indonesia exercised to optimize the utilization of existing aircraft.

Debt Ratio Improves due to EBITDAR Improvement 29.5% YoY

(currency in million USD, except stated otherwise)

INDICATOR	FY/2017	1Q/2018	% Chg.	2Q/2018	% Chg.
ASSET					
Current Assets	986.7	1,050.8 ▲	6.5	1,047.1 ▲	6.1
Non Current Assets	2,776.6	2,901.8 ▲	4.5	2,968.7 ▲	6.9
Total Assets	3,763.3	3,952.5 ▲	5.0	4,015.8 ▲	6.7
LIABILITY					
Current Liabilities	1,921.8	2,192.5 ▲	14.1	2,308.5 ▲	20.1
Non Current Liabilities	904.0	890.2 ▼	(1.5)	887.9 ▼	(1.8)
Total Liabilities	2,825.8	3,082.6 ▲	9.1	3,196.5 ▲	13.1
EQUITY					
Total Equities	937.5	869.9 ▼	(7.2)	819.4 ▼	(12.6)
Total Liabilities & Equities	3,763.3	3,952.5 ▲	5.0	4,015.8 ▲	6.7

Lease Adj. Net Debt / EBITDAR	7.8	7.6	7.2
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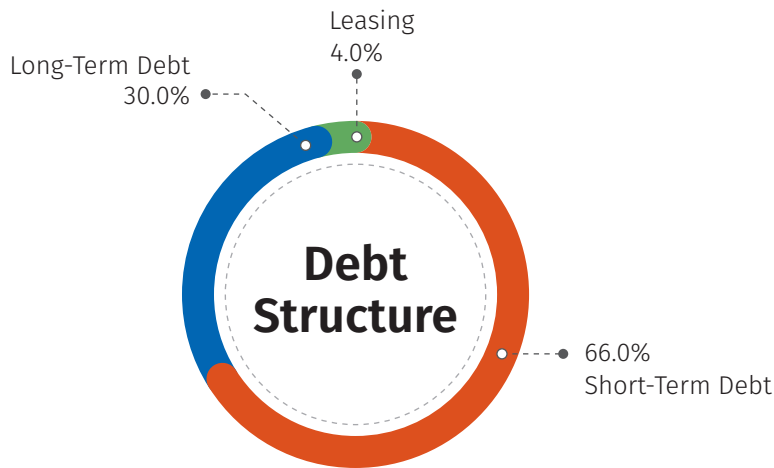
Lease Adj. Net Debt / EBITDAR Formula = (Total Debt - Cash + 7 Rentals) / EBITDAR

Average of AAPA's Lease Adj. Net Debt / EBITDAR in 2017 was 7.6x

Maintaining Financial Ratio Above The Covenant Terms

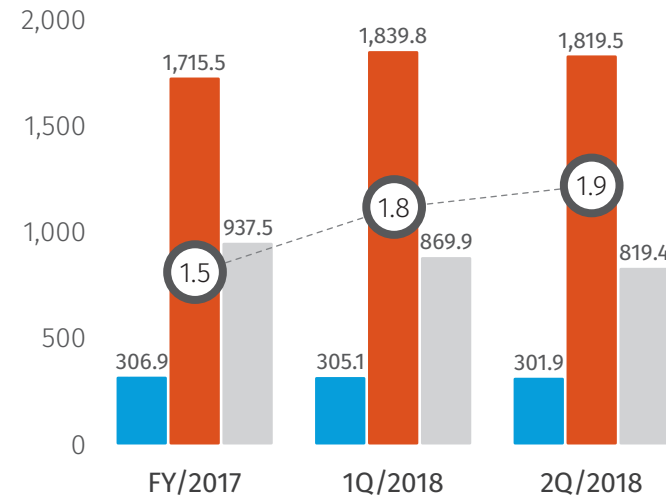
(currency in million USD, except stated otherwise)

INDICATOR	FY/2017	1Q/2018	% Chg.	2Q/2018	% Chg.
Short Term Debt	1,079.7	1,212.4	▲ 12.3	1,200.6	▲ 11.2
Long Term Debt	555.1	550.1	▼ (0.9)	545.1	▼ (1.8)
Leasing	80.7	77.3	▼ (4.2)	73.8	▼ (8.6)
Financial Debt	1,715.5	1,839.8	▲ 7.2	1,819.5	▲ 6.1



	2Q/2018
Minimum Cash 5%	7.0%
DER Max. 2.5x	2.2x
Min. Capital US\$800 Million	US\$819.4 Million

(in Million USD)



● Cash ● Financial Debt ● Equity ---○--- Net Gearing

The Subsidiaries Revenues US\$530.5 Million, Contributed 26.5% of Total Group

Citilink

GMFAeroAsia
GARUDA INDONESIA GROUP

Aerowisata
GARUDA INDONESIA GROUP

(currency in thousand USD, except stated otherwise)

INDICATOR	1H/2018	% Chg.	1H/2018	% Chg.	1H/2018	% Chg.
Revenue Contribution to Group (%)	16.6		5.0		3.5	
Operating Revenue	331,678.7	25.3	223,312.3	11.5	115,058.3	(3.0)
Operating Income	(19,679.4)	59.8	26,568.9	1.2	1,048.2	(48.3)
Net Income	(16,572.3)	67.5	20,123.9	(3.4)	959.8	(73.0)
EBITDA/R	91,964.0	76.6	35,234.7	7.1	5,472.8	(17.4)
Asset	445,777.1	12.3	624,527.5	15.8	240,819.2	(2.3)
Liabilities	450,902.0	16.9	306,995.9	31.6	70,249.9	2.4
Equity	(5,124.9)	(145.0)	317,531.6	3.8	170,569.3	(4.2)

Gapura
AIRPORT SERVICES

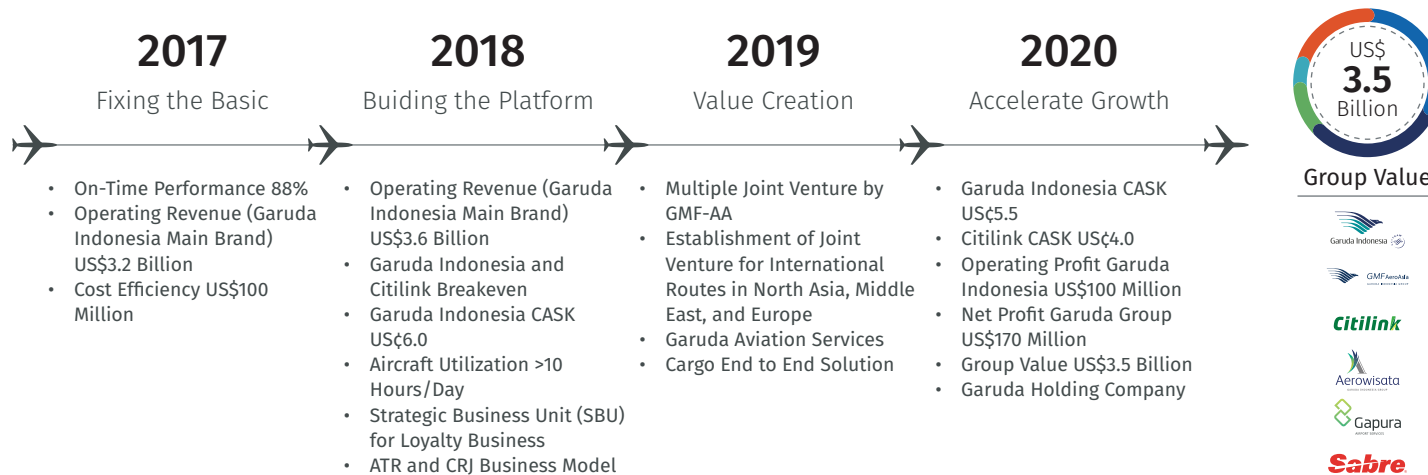
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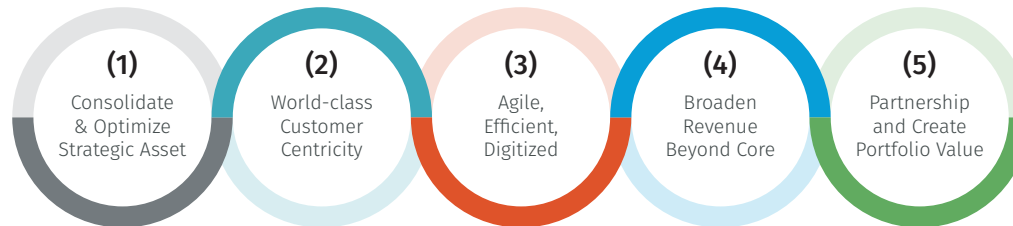
(currency in thousand USD, except stated otherwise)

INDICATOR	1H/2018	% Chg.	1H/2018	% Chg.	1H/2018	% Chg.
Revenue Contribution to Group (%)	1.1		0.3		0.1	
Operating Revenue	65,003.5	15.0	7,939.1	39.9	2,028.7	(7.3)
Operating Income	3,414.1	148.1	313.4	144.2	400.5	(35.8)
Net Income	2,399.0	154.1	97.8	174.8	306.7	(39.1)
EBITDA/R	5,219.0	195.0	910.7	519.0	463.9	(30.7)
Asset	69,818.8	2.9	29,034.9	8.4	10,487.1	6.3
Liabilities	37,739.8	2.4	20,877.1	8.4	1,401.7	27.9
Equity	32,079.0	3.6	8,157.8	8.3	9,085.3	3.5

New 2020 Vision with Main Target to Achieve Market Capital US\$3.5 Billion



STRATEGIC THEME



Consolidate & Optimize Strategic Asset

NEW
Our New
Product

#SEKARANGSEMUABISA NAIK GARUDA

Garuda Indonesia **Eco-Basic**

Now anyone even the price sensitive type of travellers can fly with Garuda Indonesia the 5-star hospitality, reliable and trustworthy airline.



12 seats are available in selected flight with ATR72-600 and CRJ 1000 NextGen aircraft. Seat selection are not eligible.



Meals & drinks are still available but a bit different.



- 20 kg check baggage.
- Cabin baggage with limited size (max. 41 x 34 x 17 cm) is allowed and only allowed put under the seat (no access to overhead bin).



Re-booking and refund are allowed with charge fee.

- 90% re-booking fee, 10% refund.



No discount for child, not eligible for infant, unaccompanied minor (UM), and diffable passenger.



GarudaMiles lounge and earns miles are not eligible (including the platinum member & SkyTeam elite).



Yellow River Scenic Area - Zhengzhou, China



New Destinations



Xi'an, China

Denpasar - Xi'an (vv.)
29 January 2018



Zhengzhou, China

Denpasar - Zhengzhou (vv.)
30 January 2018



Selayar, Indonesia

Makassar - Selayar (vv.)
16 April 2018



New Routes



Makassar - Palembang (vv.)

17 January 2018



Ambon - Bau-bau (vv.)

7 March 2018



Jakarta - Sorong (vv.)

7 March 2018



Denpasar - Mumbai (vv.)

23 April 2018



Makassar - Medan - Medina (vv.)

21 May 2018

World-Class Customer Centricity in All Touch Points

23 Awards

13 Domestic
10 International

including:



**5-STAR
AIRLINE**



**WORLD'S BEST
CABIN CREW
2014 - 2018**



- The Best Airline in Indonesia
- Top 10 Major Carriers in Asia
- Top 10 Economy Class in Asia

* updated 18 July 2018



Build an Agile, Efficient & Digitized Organization

Improving Efficiency of Distribution Channel



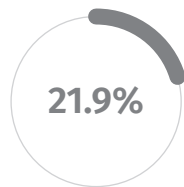
Digital Channel Improvements

- **Direct**

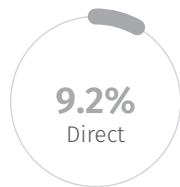
Website, Mobile Apps, COS, & Call Center

- **Indirect**

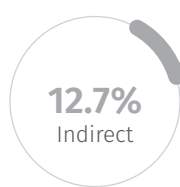
Online Travel Agent, GOS



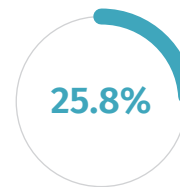
YTD June 2017



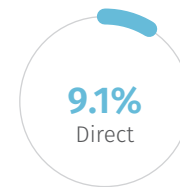
US\$117.7 Mio



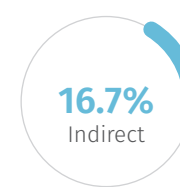
US\$162.1 Mio



YTD June 2018



US\$114.1 Mio
(-3.1% YoY)



US\$210.0 Mio
(+29.5% YoY)

Broaden Revenue Beyond Core

Expanding Cargo Capability & Services by Focus on High Yield Shipment



Indicator	1H/2017	1H/2018	% Chg. YoY
Cargo/Mail Uplifted	219.4K	225.2K	2.7%
Cargo Revenue	US\$115.6 Million	US\$124.5 Million	7.6%
Ancillary Revenue	US\$36.3 Million	US\$46.3 Million	27.5%

Initiatives in 2018

Strengthen Partnership



Focus on High Yield Shipment



Optimizing "GO EXPRESS" Services




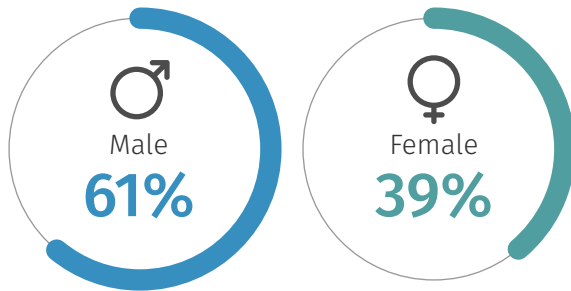
Partnership and Create Portfolio Value

GarudaMiles

Demographic (YTD Jun 2018)

 **Total Active Members:**
1.9 Million

 **New Members:**
30K New Members/Month



Platinum
14.6 Thousand (1%)



Gold
53.8 Thousand (3%)



Silver
183.3 Thousand (10%)



Blue
1.6 Million (87%)

Initiatives in 2018 & Achievement YTD Jun 2018

Strengthen Partnership with Third Party

Expanding the partnership partner across industry to have variety of partner to optimize the opportunity, especially to e-commerce business and travel.

Example: Launching GarudaShop, Re-launching Citibank Co-brand



Jun 2018

Leverage Loyalty Customer Base

Improve level of consumer retention and engagement on GarudaMiles member by giving priority for member to try new product and new try program from Garuda Indonesia.

Customer Preference Partnership

Maximizing customer insight data to know relevant partner and brand to partner with GarudaMiles and Garuda Indonesia.

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