

Garuda Indonesia
The Airline of Indonesia



Jakarta, 3 May 2018

Analyst Meeting

Q1/2018 - Corporate Performance

Shares Information



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

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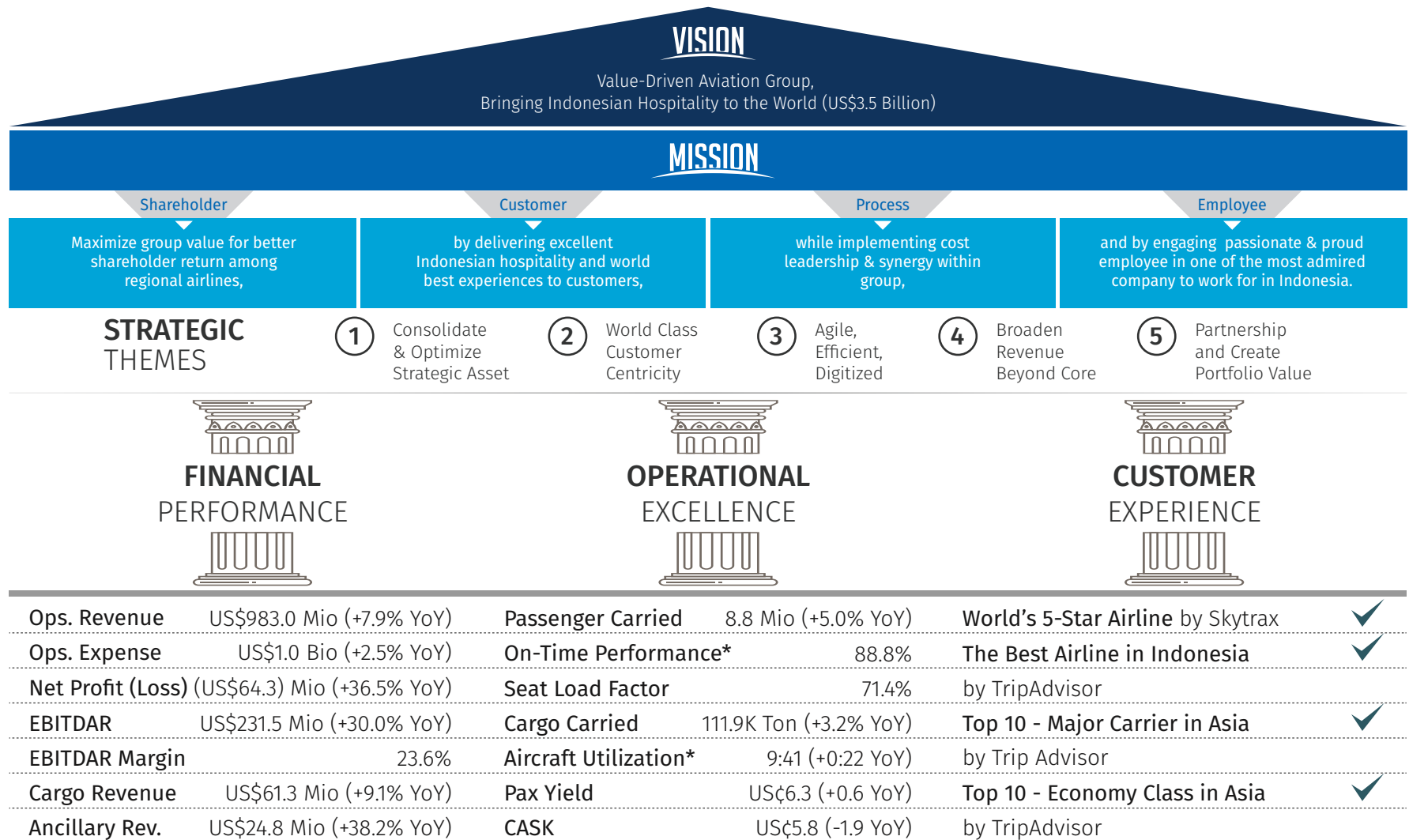
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(currency in IDR, except stated otherwise)

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

GIAA selected as contributed share in SRI-Kehati Index.

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 Quarter 2017	1st Quarter 2018
① Consolidate & Optimize Strategic Asset	● Re-negotiate contract to lessor & manufactures	-	1 contract
	● Improve fleet utilization	9:19	9:41
	● Reduce the number of routes with negative result*	-	30 routes
② World Class Customer Centricity	● Improve on-time performance	86.5%	88.8%
	● Increase the percentage of Aviobridge services	DOM: 58.7% INT: 65.1%	DOM: 88.4% INT: 98.8%
	● 5-Star rating by Skytrax ★★★★★	✓	✓
③ Agile, Efficient, Digitized	● Reduce CASK	US\$5.9	US\$5.8
	● Boost the revenue contributions from owned digital channels**	8.2% (US\$50.9 M)	8.4% (US\$51.7 M)
④ Broaden Revenue Beyond Core	● Increase the average fares (Main Brand)	US\$108.1	US\$109.7
	● Increase total revenue contribution from subsidiaries	21.7%	25.7%
	● Increase cargo revenue	US\$56.2 M	US\$61.3 M
	● Increase ancillary revenue	US\$18.0 M	US\$24.8 M
⑤ Partnership and Create Portfolio Value	● Improve GarudaMiles total members	1.4 M	1.8 M

Source: Company Data, March 2018

* Internal Data, 2018

** Website, Mobile Apps, & Call Center

Operating Revenues Increased by 7.9% YoY; Cut Losses by 36.5% YoY

(currency in million USD, except stated otherwise)

INDICATOR	Q1/2017	Q1/2018	% YoY
REVENUE			
EBITDAR	178.1	231.5 ▲	30.0
Scheduled Airline Service	782.1	828.5 ▲	5.9
Non-Scheduled Airline Service	23.8	19.8 ▼	(16.9)
Others*	104.9	134.7 ▲	28.4
Operating Revenues	910.8	983.0 ▲	7.9
EXPENSES			
Fuel	292.3	316.0 ▲	8.1
Aircraft Rental	257.4	260.1 ▲	1.1
Others	474.0	473.0 ▼	(0.2)
Total Expense	1,023.7	1,049.1 ▲	2.5
PROFIT (LOSS)			
EBIT	(112.9)	(66.1) ▲	41.5
EBT	(132.3)	(83.8) ▲	36.7
Net Income	(101.2)	(64.3) ▲	36.5
Comprehensive Income	(98.4)	(67.6) ▲	31.3

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

EBITDAR Margin	19.6%	23.6%	4.0 pp
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EBITDAR Margin Asia Pacific Airline in Average 21%-23% (Source: Bloomberg, 31 December 2017)

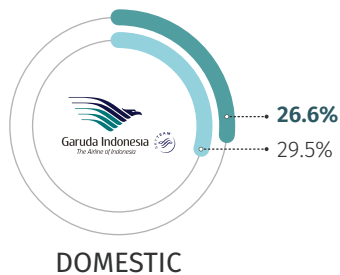
Fuel price hikes 7.7% YoY in 1st Quarter of 2018

Utilization, Passenger, and Yield are Significantly Improved

INDICATOR	Q1/2017	Q1/2018	% YoY
OPERATIONAL			
Utilization* (Hour)	9:19	9:41 ▲	0:22
On-Time Performance* (%)	86.5	88.8 ▲	2.3 pp
ASK (Billion)	15.8	16.4 ▲	3.5
Seat Load Factor (%)	72.5	71.4 ▼	(1.1) pp
Passenger Carried (Million)	8.4	8.8 ▲	5.0
Cargo Uplifted (Thousand Ton)	108.4	111.9 ▲	3.2
FINANCIAL			
Revenue Passenger (in Million USD)	723.4	741.6 ▲	2.5
Passenger Yield (US¢)	6.3	6.3 ▲	0.6
Average Fares (US\$)	86.0	83.9 ▼	(2.5)
CASK (US¢)	5.9	5.8 ▼	(1.9)
CASK – excl. Fuel (US¢)	4.1	3.9 ▼	(4.1)

*) Represent only for Garuda Indonesia (Main Brand)

▶ MARKET SHARE

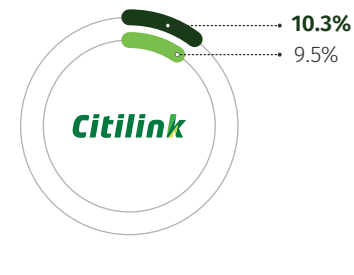


DOMESTIC



INTERNATIONAL

● YTD MAR 2018
● YTD MAR 2017



● YTD MAR 2018
● YTD MAR 2017

Yield and Average Fares Improved in All Segments

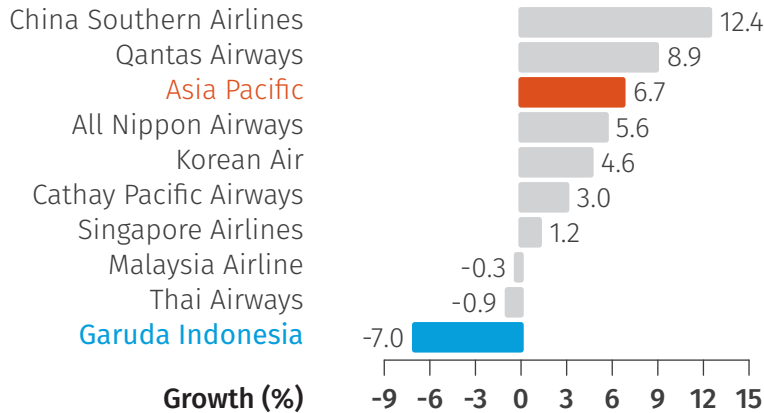
INDICATOR	Q1/2017	Q1/2018	% YoY
DOMESTIC			
Passenger Carried (Million)	4.5	4.4 ▼	(0.8)
ASK (Billion)	5.6	5.6 ▼	(1.6)
Seat Load Factor (%)	68.8	69.7 ▲	0.9 pp
Revenue Passenger (in Million USD)	297.9	300.5 ▲	0.9
Passenger Yield (US¢)	7.7	7.7 ▲	1.0
Average Fares (US\$)	66.3	67.3 ▲	1.6
Cargo Uplifted (Thousand Ton)	62.2	63.1 ▲	1.4
CASK (US¢)	7.2	7.0 ▼	(2.8)
CASK – excl. Fuel (US¢)	5.1	5.0 ▼	(2.8)
INTERNATIONAL			
Passenger Carried (Million)	1.3	1.2 ▼	(7.0)
ASK (Billion)	7.5	7.5 ▲	0.4
Seat Load Factor (%)	74.5	70.5 ▼	(4.0) pp
Revenue Passenger (in Million USD)	327.2	320.8 ▼	(2.0)
Passenger Yield (US¢)	5.9	6.1 ▲	3.1
Average Fares (US\$)	254.1	267.6 ▲	5.3
Cargo Uplifted (Thousand Ton)	28.3	27.6 ▼	(2.4)
CASK (US¢)	5.3	5.4 ▲	1.7
CASK – excl. Fuel (US¢)	3.7	3.7 ▼	(1.1)

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

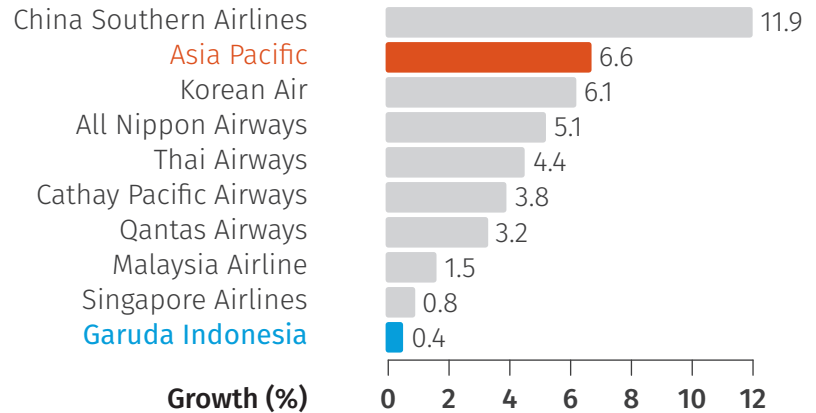
Our International Operations Compares to Peers

Source: Company Data & AAPA International Statistic, YTD March 2018

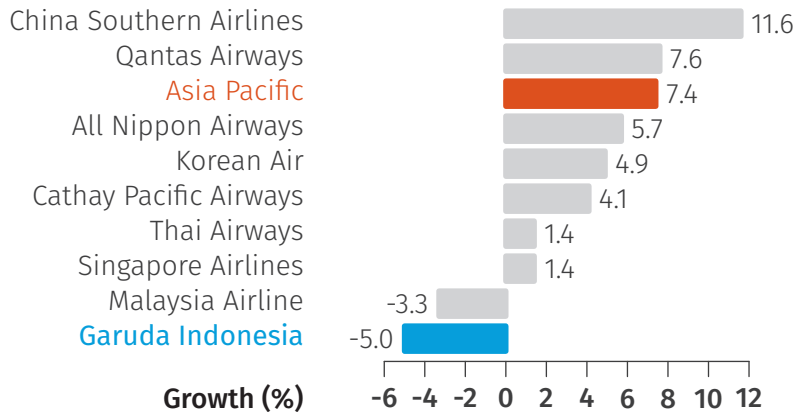
PASSENGER CARRIED GROWTH



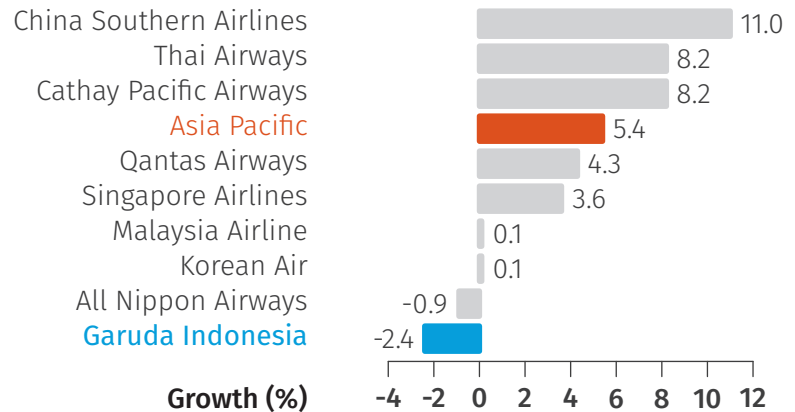
AVAILABLE SEAT KILOMETERS (ASK) GROWTH



REVENUE PASSENGER KILOMETERS (RPK) GROWTH



CARGO CARRIED GROWTH



Average Fares Increased while CASK Declined

INDICATOR	Q1/2017	Q1/2018	% YoY
GARUDA INDONESIA			
Passenger Carried (Million)	5.8	5.6	▼ (2.2)
ASK (Billion)	13.1	13.0	▼ (0.5)
Seat Load Factor (%)	72.0	70.2	▼ (1.9) pp
Revenue Passenger (in Million USD)	625.1	621.2	▼ (0.6)
Passenger Yield (US¢)	6.6	6.8	▲ 2.3
Average Fares (US\$)	108.1	109.7	▲ 1.5
Cargo Uplifted (Thousand Ton)	90.5	90.7	▲ 0.2
CASK (US¢)	6.1	6.1	▼ (0.8)
CASK – excl. Fuel (US¢)	4.3	4.2	▼ (2.1)
CITILINK			
Passenger Carried (Million)	2.6	3.2	▲ 20.8
ASK (Billion)	2.7	3.3	▲ 22.5
Seat Load Factor (%)	74.6	76.1	▲ 1.4 pp
Revenue Passenger (in Million USD)	98.3	120.4	▲ 22.5
Passenger Yield (US¢)	4.8	4.7	▼ (1.9)
Average Fares (US\$)	37.3	37.8	▲ 1.4
Cargo Uplifted (Thousand Ton)	17.9	21.2	▲ 18.6
CASK (US¢)	4.9	4.7	▼ (3.5)
CASK – excl. Fuel (US¢)	3.1	2.8	▼ (8.8)

The Operating Expenses Hikes is Below The Revenues Raises

(currency in million USD, except stated otherwise)

INDICATOR	Q1/2017	Q1/2018	% YoY	PoC
Fuel	292.3	316.0	▲ 8.1	30.1
Rental	257.4	260.1	▲ 1.1	24.8
Maintenance	89.8	99.0	▲ 10.2	9.4
User Charge	92.1	96.6	▲ 4.9	9.2
Ticketing & Sales	76.7	76.0	▼ (0.9)	7.2
Passenger Services	76.8	72.4	▼ (5.8)	6.9
General Administration	62.0	56.9	▼ (8.2)	5.4
Others	76.6	72.1	▼ (5.9)	6.9
Total Expenses	1,023.7	1,049.1	▲ 2.5	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 user charge hikes was affected by additional production on number of flight, mostly from Citilink.

Fleet Structure

AIRCRAFT TYPE	DEC 2017	MAR 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	11:21			
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	16
Narrow Body	108	108	6	102	108
Utilization	9:11	9:10			
Garuda Indonesia	144	144	14	130	144
Utilization	9:36	9:41			
Airbus A320-200	45	45	-	45	45
Airbus A320-200Neo	5	5	-	5	5
Boeing 737-300	5	5	5	-	5
Boeing 737-500	3	3	3	-	3
Citilink	58	58	8	50	58
Utilization	8:31	8:39			
Total Fleets	202	202	22	180	202

● 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.

End of Equity Balance Maintained at >US\$800 Million

(currency in million USD, except stated otherwise)

INDICATOR	FY/2017	Q1/2018	% Chg.
ASSET			
Current Assets	986.7	1,050.8 ▲	6.5
Non Current Assets	2,776.6	2,901.8 ▲	4.5
Total Assets	3,763.3	3,952.5 ▲	5.0
LIABILITY			
Current Liabilities	1,921.8	2,192.5 ▲	14.1
Non Current Liabilities	904.0	890.2 ▼	(1.5)
Total Liabilities	2,825.8	3,095.6 ▲	9.5
EQUITY			
Total Equities	937.5	869.9 ▼	(7.2)
Total Liabilities & Equities	3,763.3	3,952.5 ▲	5.0
<hr/>			
Lease Adj. Net Debt / EBITDAR	7.8	7.6	

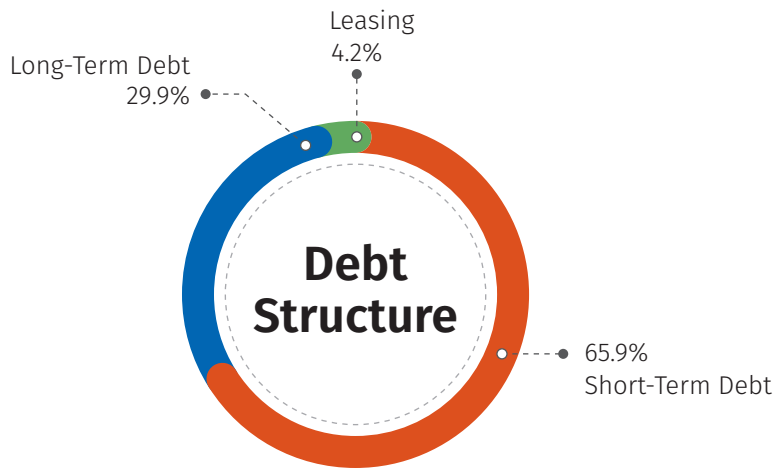
Lease Adj. Net Debt / EBITDAR Formula = (Total Debt - Cash + 7 Rentals) / EBITDAR

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

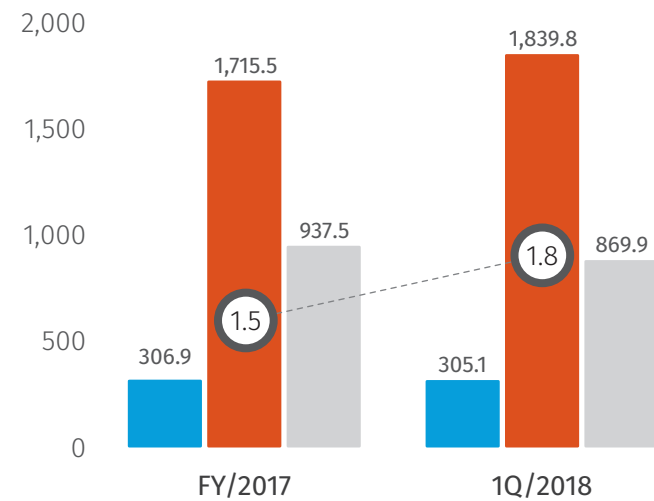
Maintaining Financial Ratio Above The Covenant Terms

(currency in million USD, except stated otherwise)

INDICATOR	FY16	1Q.17	% Chg.
Short Term Debt	1,079.7	1,212.4	▲ 12.3
Long Term Debt	555.1	550.1	▼ (0.9)
Leasing	80.7	77.3	▼ (4.2)
Financial Debt	1,715.5	1,839.8	▲ 7.2



(in Million USD)



● Cash ● Financial Debt ● Equity ● Net Gearing

Q1 2018

Minimum Cash 5%	7.2%
DER Max. 2.5x	2.1x
Min. Capital US\$800 Million	US\$869.9 Million

The Subsidiaries Revenues US\$252.5 Million, Contributed 25.7% of Total Group

Citilink

GMFAeroAsia
GARUDA INDONESIA GROUP

Aerowisata
GARUDA INDONESIA GROUP

(currency in thousand USD, except stated otherwise)

INDICATOR	Q1 2018	% Chg.	Q1 2018	% Chg.	Q1 2018	% Chg.
Revenue Contribution to Group (%)	15.4		5.3		3.4	
Operating Revenue	151,287.7	26.1	115,927.8	9.3	55,824.5	(4.9)
Operating Income	(20,374.7)	23.8	12,796.7	2.2	355.5	(73.4)
Net Income	(15,967.9)	27.0	7,357.9	(27.3)	(27.1)	(101.9)
EBITDA/R	35,011.8	61.5	17,083.5	9.0	2,522.4	(55.5)
Asset	424,529.0	6.9	611,226.8	13.4	249,178.2	7.8
Liabilities	429,048.0	11.2	297,161.1	27.3	72,484.3	6.3
Equity	(4,519.0)	(139.7)	314,065.7	2.7	176,694.0	8.4

Gapura
AIRPORT SERVICES

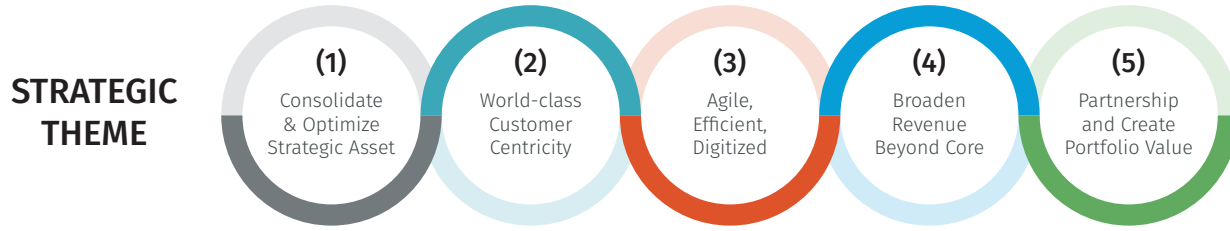
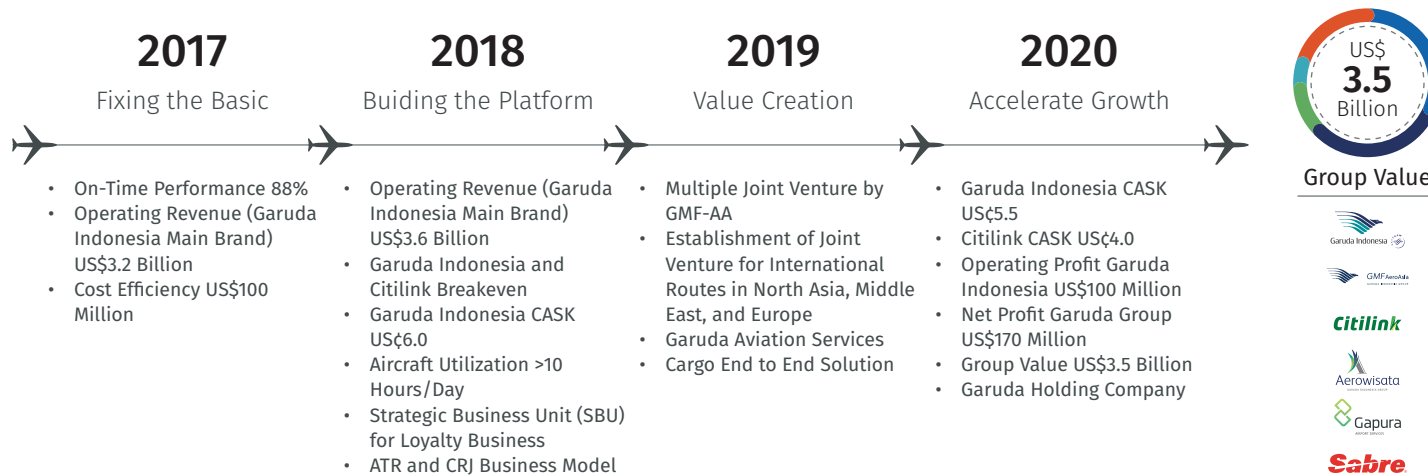
asyst
enhancing quality

Sabre

(currency in thousand USD, except stated otherwise)

INDICATOR	Q1 2018	% Chg.	Q1 2018	% Chg.	Q1 2018	% Chg.
Revenue Contribution to Group (%)	1.0		0.5		0.1	
Operating Revenue	31,564.2	13.4	4,629.9	23.1	1,240,240.1	(10.3)
Operating Income	1,388.6	203.5	434.5	(37.8)	377,333.1	(19.6)
Net Income	997.2	175.2	90.2	(47.8)	284,296.4	(24.4)
EBITDA/R	2,241.0	0.2	746.7	(35.5)	358,377.8	(21.5)
Asset	69,145.7	2.0	28,442.4	(7.6)	10,425.1	5.6
Liabilities	37,243.7	1.0	20,095.2	8.7	1,363.3	24.4
Equity	31,902.0	3.0	8,347.2	(32.1)	9,061.7	3.3

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



Consolidate & Optimize Strategic Asset



New Destinations



Xi'an, China

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



Zhengzhou, China

Denpasar - Zhengzhou (vv.)
30 January 2018



New Routes



Makassar - Palembang (vv.)

17 January 2018



Ambon - Bau-bau (vv.)

7 March 2018



Jakarta - Sorong (vv.)

10 March 2018



Routes Optimization



Closed routes with negative results, such as:

- Makassar - Medan (vv.)
- Denpasar - Manado (vv.)
- Medan - Singapore (vv.)



Additional frequency and optimize connectivity in potential routes, such as:

- Jakarta - Yogyakarta (vv.)
- Jakarta - Surabaya (vv.)

World-Class Customer Centricity in All Touch Points



13 Awards

6 Domestic & 7 International



- World's 5-Star Airline by Skytrax



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

Build an Agile, Efficient & Digitized Organization

Improving Efficiency of Distribution Channel

Initiatives in 2018



Enhance In-bound & Out-bound Marketing Program



"Outside-In" Sales Approach



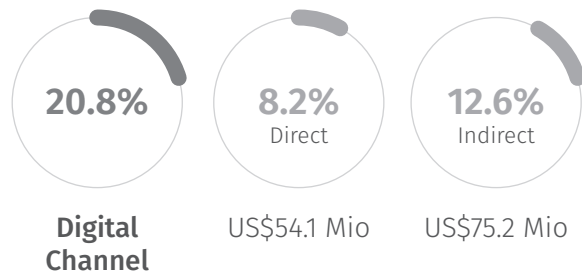
Increase Traffic Acquisition



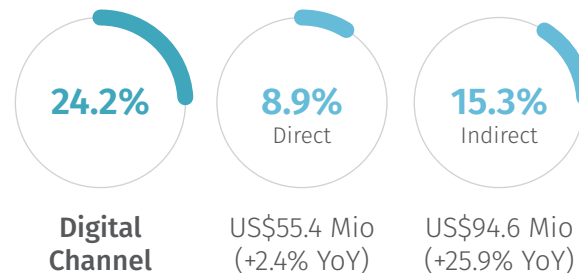
Increase e-Commerce System Reliability

GOTF	Digital Ancillaries, such as Prepaid Excess Baggage, and Mobile Mileage Redemption	Increase Referral Partner	Maintain the Pageview & FlexPricer Below Threshold
Digital Media Campaign		Meta Search	Fraud Preventions
Tactical Sales Program	Website & Mobile Apps Feature Enhancement	Mobile Apps Campaign	GOS Technical Recovery Improvement
Partnership	Acquisition New GOS & COS	Website Revamp	

1st Quarter 2017



Achievements in 1st Quarter 2018



- **Direct**
Website, Mobile Apps, COS, & Call Center
- **Indirect**
Online Travel Agent, GOS

Broaden Revenue Beyond Core

Expanding Cargo Capability & Services by Focus on High Yield Shipment



Cargo/Mail Uplifted

Q1 - 2018
 111.9K Ton (+3.2% YoY)
Q1 - 2017
 108.4K Ton



Cargo Revenues

Q1 - 2018
 US\$61.3 Million (+9.2% YoY)
Q1 - 2017
 US\$56.2 Million



Ancillary Revenues

Q1 - 2018
 US\$24.8 Million (+38.2% YoY)
Q1 - 2017
 US\$18.0 Million



NEW

NEW

NEW

Strengthen Partnership



Dangerous



Pharmaceutical



Perishable



Valuable

Focus on High Yield Shipment



Powered by
 Garuda Indonesia

Optimizing GO EXPRESS Services

Partnership and Create Portfolio Value

Initiatives in 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.



Launching New Products & 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.



Powered By Garuda Indonesia | JD.ID



Customer Preference Partnership (Redeem)

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



Achievement in 1st Quarter 2018

GarudaMiles



Total Members:
1.8 Million



New Members:
52 Thousand



Target of Total Members:
2.0 Million



61.0%



39.0%



Platinum
17.7 Thousand (1.7%)



Gold
69.0 Thousand (3.9%)



Silver
240.0 Thousand (13.6%)



Blue
1.3 Million (75.3%)



PT Garuda Indonesia (Persero) Tbk

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