



Thai Airways International Public
Company Limited

Public Presentation

8 June 2020



Chronological briefing

THAI files a petition for reorganization

26 May 2020

27 May 2020

Court has issued an order to accept the reorganization petition

Court conducts an inquiry into the petition

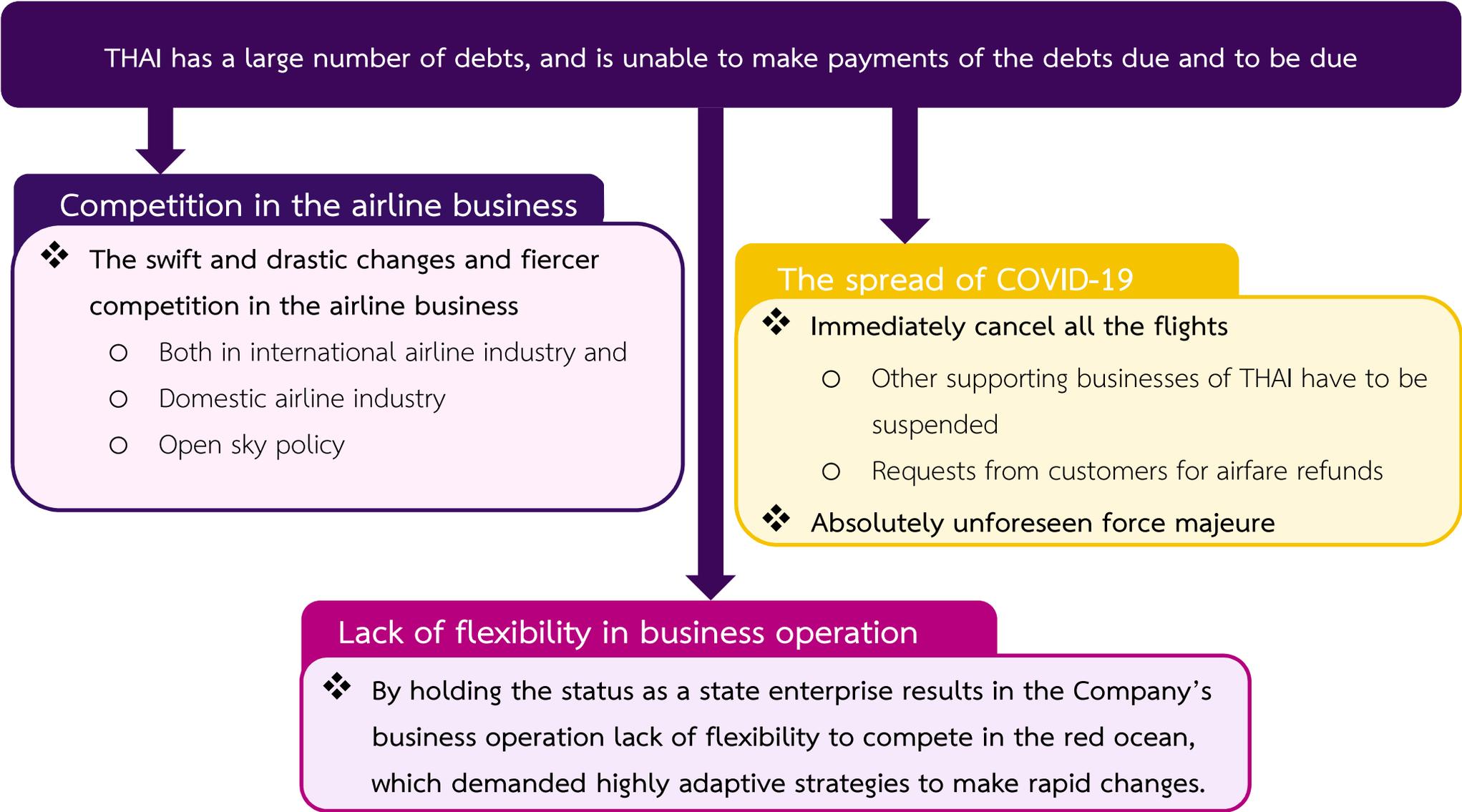
17 Aug 2020



Posting of Caution (C) sign on THAI securities

Note: Caution (C) sign lifting when successfully reorganize the Company or the court has dismissed or withdrawn the petition

Causes and Reasons for Entering Business Rehabilitation Process



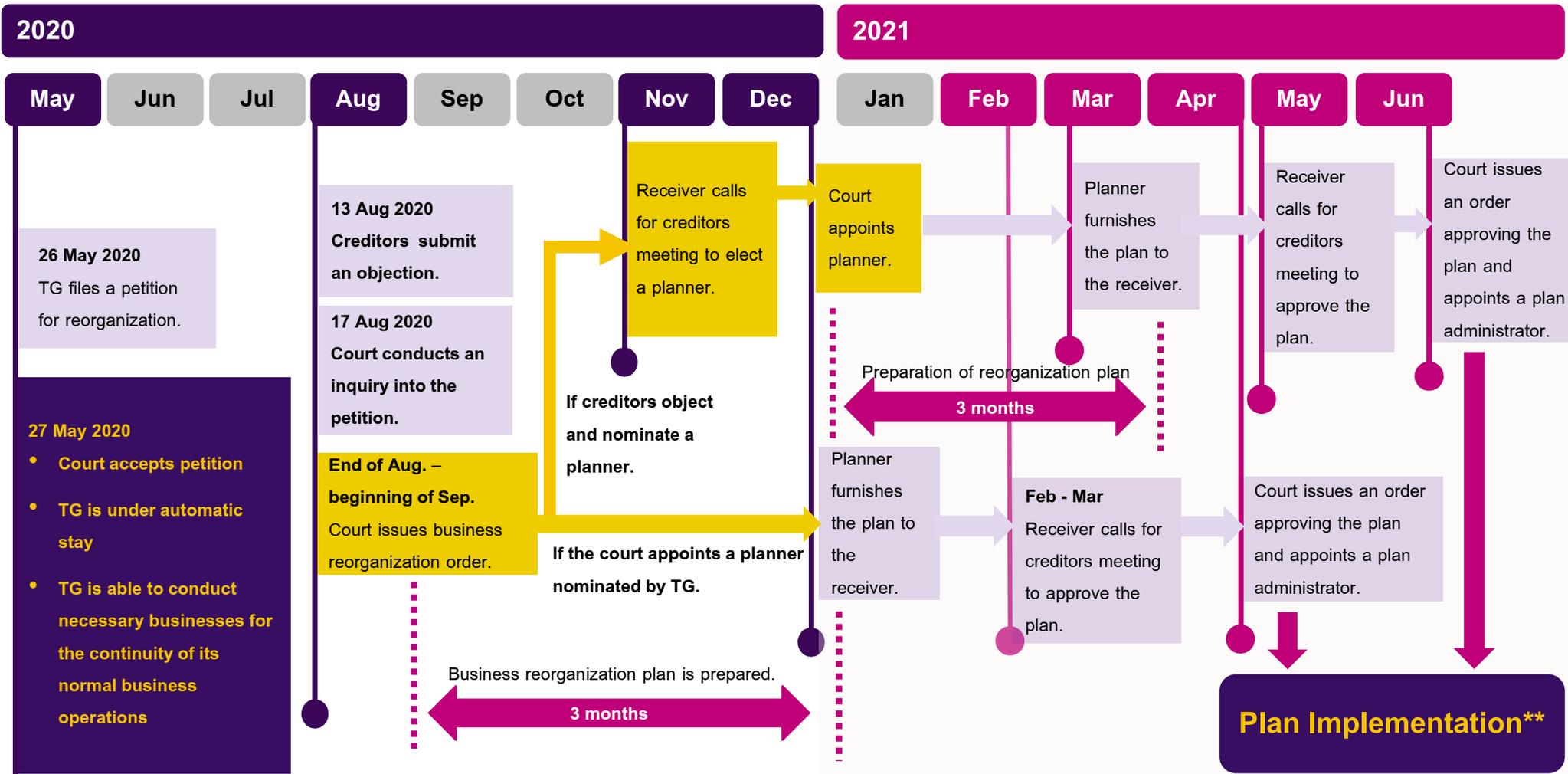
THAI could not continue its business

- ❖ Most of existing rights and agreements, related to flying business would be terminated while THAI would be enforced to pay all debts, and may enter bankruptcy state.

If THAI is to enter bankruptcy, the effect and loss will be suffered by

- ❖ Halt to all businesses and all employees will be out of jobs immediately ,the outsourced suppliers and business partners, might suffer financial crisis as well.
- ❖ The shares of THAI will have no value. As a result, investors, shareholders who are mostly retail investors, and debenture holders will be adversely affected. Also, foreign investors would lose their confidence to invest
- ❖ The cessation of THAI will impact the Gross Domestic Product (GDP) of the country due to the tourism industry has been the core business driving Thailand's economy.

Business Rehabilitation Timeline*



*This business reorganization timeline is tentative, and is subject to change depending on any future contingencies.

**The plan implementation period is subject to future conditions and contingencies. However, the implementation must be completed within five years from the date on which the plan is approved by the Court (and may be extended no more than twice for one year each).

List of Rehabilitation Planner that THAI has proposed to the Central Bankruptcy Court



EY Corporate Advisory Services Limited



Board of Director, as follows:

- 1) ACM Chaiyapruk Didyasarin
- 2) Mr. Chakkrit Parapuntakul
- 3) Mr. Pirapan Salirathavibhaga
- 4) Mr. Boontuck Wungcharoen
- 5) Mr. Piyasvasti Amranand
- 6) Mr. Chansin Treenuchagron

Once the Central Bankruptcy Court appoint the planners, the appointed planners will therefore have

1. The authority and duty to manage THAI's businesses and assets
2. All legitimate rights of THAI's shareholders, except for the right to receive dividends.
3. The authority to prepare THAI's business rehabilitation plan

1. Debt restructuring

- ❖ Negotiation with creditors in order that THAI's repayment obligations and repayment periods are consistent with its operating cash flow.
- ❖ Obtaining additional funding sources to strengthen THAI's short-term liquidity, and restructuring its long-term capital structure.

2. Improvement of flight routes and fleet

- ❖ Reconsider to adjust existing routes or cancel low-margin routes or routes without any profitability potential in the future.
- ❖ Flight routes may be reconsidered and modified in proper manner to suit the industrial and competitive condition.
- ❖ Reduction of certain types of aircraft in the fleet to reduce operational costs.

3. Improvement of entities or business units related to flying business

- ❖ Enhance its management agility such as establishment of subsidiary
- ❖ Seek of business partners for joint venture
- ❖ Identify new business opportunity and to maximize the potential of existing business units to make further profit.

4. Improvement of commercial strategy and revenue generating capability

- ❖ Improve the ticket selling system and schemes, which sells directly via various channels, such as the internet and other platforms.
- ❖ Enhance income-generating skill
- ❖ Restructure the commission scheme and conduct a dealer performance evaluation process in a more appropriate and cautious manner
- ❖ Apply technology to set the right pricing and allocate passenger seats that fit the market demand.

5. Improvement of organizational structure

- ❖ Update the business operating procedures and eliminate redundant and unnecessary processes
- ❖ Optimize the potential of each business unit in order to identify synergy
- ❖ Consider modifying the number of employees, and compensation and benefits of employees to fit THAI's capability to manage cost expenditure, and production capacity.
- ❖ THAI does not have policy to change the provident fund scheme of the employees
- ❖ The employees benefits are changed to be under the social security system, in accordance with the relevant laws.

Strength of the core business of THAI



With long time experience in providing full air transport services, THAI has potential to reorganize by

- Licensed aviation operator with rights to fly to major cities around the world.
- Has global route network and one of the founders of the Star Alliance
- Has the most traffic rights in Thailand to take off / landing and carry passengers around the world
- International awards, confirmed service quality and safety.
- Variety groups of retaining customers.

In addition, THAI operates other businesses that have great fundamentals and potential, such as Cargo & Mail Terminal Services, Catering Services, Ground customer services, Ground equipment services etc.

- ❖ *THAI's business is high potential and essential to air transportation and overall transportation system.*
- ❖ *THAI has worldwide reputation and long time experience in air transport service business.*
- ❖ *THAI has the resources to conduct business, including expertise employees, ready to lead THAI to conquer this crisis.*

Creditors cooperation

- ❖ The success of the implementation of business rehabilitation plan **needs adequate cooperation and support from creditors** as required by law in the appointment of planners and the appointment of a plan administrator.

Governmental support in rehabilitation process

- ❖ The government has set up a committee to monitor and advise on THAI, in order for TG to be able to proceed with its rehabilitation plan successfully.

Other factors

- ❖ Future trend of airline industry
 - New Normal in travelling, limitation of passenger numbers, and other hidden expenses
 - Competition in airline industry
 - Slowdown in tourism industry
 - Disruptive Technology
- ❖ Overall economy
- ❖ Government's policy and political stability
- ❖ Disasters and spreading of infectious disease
- ❖ Ability to obtain funding sources
- ❖ Volatility in exchange rates
- ❖ Volatility in interest rates
- ❖ Volatility in fuel price
- ❖ Limitation in the traffic rights, routes, and slots
- ❖ Changes in applicable laws and regulations
- ❖ Other expenses necessary for business operation
- ❖ Amount of claims for repayment
- ❖ Cooperation from related parties in the implementation of the plan



Q&A

