



## Management's Discussion and Analysis

For the period ended 31 March 2020

Bangkok Airways Public Company Limited and Its Subsidiaries

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#### Executive Summary

Thai Economy in the first quarter of 2020 happened into recession due to Covid-19 pandemic, which severely affected purchasing power and demand globally. Tourism sector faced a catastrophe, started heavily in March, after most of the countries announced travel restrictions, plus an effect from a wildfire incidents in the northern of Thailand (Source: Bank of Thailand)

Due to the Covid-19 pandemic, Revenue Passenger Kilometer (RPK) started to drop in February and became worsen globally in March. Travel restrictions and Visa-ban policy were launched to control the pandemic. As a result, for aviation industry in the first quarter in 2020, global RPK plunged 22.2 percent. Airlines in Asia Pacific was badly affected which RPK dropped 33.3 percent, followed by Europe and North America with 18.0 and 15.7 percent drop respectively. For the supply side, global Available Seat Kilometers (ASK) decreased 14.7 percent. Asia Pacific had the biggest drop at 23.3 percent, followed by Europe and Middle East at 13.8 and 10.8 percent respectively. (Source: International Air Transport Association, IATA)

For Thailand Tourism in the first quarter of 2020, international visitor arrivals (IVA) decreased 38.0 percent. The biggest drop was from East Asia at 54.4 percent while China dropped severely at 60.0 percent, followed by the Middle East and Africa with 50.0 and 41.5 percent drop respectively. In addition, visitors from almost all regions started to show huge slowdown since February, while number of visitors from Europe started a significant decline of 51.2 percent in March, resulting in a total drop of 15.0 percent in the first quarter for European market. (Source: Ministry of Tourism and Sports)

Due to the covid-19 pandemic which severely has affected to airline industry since late of year 2019. The Company decided to suspend and terminate some routes during March 2020 to match with low traveling demand and cooperated with government orders as well as the announcement from Civil Aviation Authority of Thailand (CAAT) regarding to COVID-19 spread out situation. As a result, for the first quarter of year 2020, the number of passenger decreased 23.3 percent compared with the same period last year. The major passenger was from international point-of-sale at 57.0 percent, while through the website point-of-sale, bangkokair.com at 20.0 percent and point-of-sale Thailand at 17.0 percent of total passenger.

In the first quarter of year 2020, the Company reported net loss at 338.8 million baht, decreasing by 166.3 percent from same period last year. In consequence of lower of total revenue that declined from the same quarter last year by 17.5 percent. The downward of total revenue was resulted from airline business decreasing by 25.2 percent, airport business decreasing by 18.4 percent and airport-related businesses decreasing by 14.6 percent.

The Company reported net loss attributable to the equity holder of the Company was 338.6 million baht. Loss per share for this quarter was 0.16 baht.

## Notable Event 1Q2020

### Airline Business

1. The COVID-19 pandemic was tremendously affected the airline industry. The Company decided to cooperate with government orders and the Announcement from Civil Aviation Authority of Thailand (CAAT) regarding to COVID-19 spread out. The Company received permission from CAAT to temporarily suspended flight operations from March 2020 as details below;

#### Domestic Routes

Route	Number of flight per week
Bangkok - Chiang Rai	21
Samui - Krabi	10
Chiang Mai – Krabi (one way)	7
Chiang Mai - Phuket (one way)	7
Chiang Mai - Mae Hong Son	10
Phuket-U-tapao	7
Samui- U-tapao	11
Chiang Mai - Samui	7

#### International Routes

Route	Number of flight per week	Route	Number of flight per week
Bangkok – Phnom Penh	42	Chiang Mai – Mandalay	4
Bangkok – Siem Reap	35	Chiang Mai – Luang Prabang	3
Bangkok – Yangon	28	Chiang Mai – Yangon	4
Bangkok – Mandalay	14	Bangkok – Maldives	7
Bangkok – Nay Pyi Taw	6	Bangkok – Mumbai	7
Bangkok – Vientiane	14	Samui – Hong Kong	14

Route	Number of flight per week	Route	Number of flight per week
Bangkok – Luang Prabang	14	Samui – Kuala Lumpur	7
Bangkok - Danang	14	Samui - Singapores	14
Bangkok – Phu Quoc	14	Samui - Chendu	4
Bangkok - Cam Ranh	4	Samui – Chongqing	1

- In 1Q2020, the Company had total 28 Codeshare airline partners. The Company signed Codeshare agreement with Gulf Air in March 2020 in order to provide smooth services continually to the passengers. The agreement with Gulf Air includes domestic routes; Bangkok – Phuket, Bangkok – Chiang Mai, Bangkok – Krabi, Bangkok – Trat, Bangkok – Samui, Bangkok – Lampang and Bangkok – Sukhothai.
- The Company has announced precaution and transmission prevention plans for the airline and the three airports regarding the Coronavirus 2019 pandemic, for the reassurance of passenger health and safety. The plan includes all stations to perform primary screening general health conditions of the passengers, intensify hygienic measures of the aircraft. Set up an assistance center assist staff whom may require emergency assistance; In-flight announcements; Protective face masks are provided to crew members and ground service staff to wear when on duty.

#### Airport Business

- Samui Airport has been recognized as the world’s most on-time airport in the small airports category in the annual On-Time Performance (OTP) Review released by travel data and analytics expert, Cirium. Samui Airport achieved an on time departure performance of 95.08% in 2019.
- The Board of Directors approved to establish U-tapao International Aviation Co., Ltd., for airport development project in the future. The registered capital is 4,500 million baht. The Company holds 45.0 percent of shares and made payment for share subscription totaling 506.3 million baht paid in capital in February 2020

#### Airport Related Business

- As of 31 March 2020, Bangkok Air Catering Company Limited (BAC) had three additional airline customers, while two airline customers’ agreement were expired. This caused total number of its customers to be from 20 to 21 airline customers.

2. As of 31 March 2020, Worldwide Flight Services Bangkok Air Ground Handling Company Limited (BFS Ground) had 7 additional airline customers, causing total number of its customers to be from 81 to 88 airline customers for ground service equipment.
3. As of 31 March 2020, WFS-PG Cargo Company Limited (BFS Cargo) had 6 additional airline customers, causing total number of its customers to be from 71 to 77 airline customers for international cargo terminal services.

## Management's Discussion and Analysis

Bangkok Airways is a full serviced airline providing premium service to passengers. Company owns and operates 3 airports which are Samui Airport, Trat Airport and Sukhothai Airport. In addition to airline and airport businesses, it operates airport related businesses which include passenger and ramp services, catering services and international cargo.

Consolidated financial statement of the Company consists of Separate Financial Statement and Financial Statements of the 14 subsidiaries that include: 1) Bangkok Air Catering Company Limited (BAC) 2) Worldwide Flight Services Bangkok Air Ground Handling Company Limited (BFS Ground) 3) Bangkok Airways Ground Service Company Limited (PGGS) 4) Bangkok Airways Holding Company Limited (PGH) 5) SA Services Company Limited 6) BFS Cargo DMK Company Limited 7) BAC Gourmet House Company Limited 8) Bangkok Air Catering Phuket Company Limited 9) Gourmet Primo Company Limited 10) Bangkok Air Catering Samui Company Limited and 11) Bangkok Air Catering Chiang Mai Company Limited 12) More Than Free Company Limited 13) Bangkok Air Aviation Training Center Co., Ltd. 14) Bangkok Air Catering Don Mueang Co., Ltd

### Airline Operating Data

	Unit	January-March	
		2020	2019
Scheduled passenger revenues <sup>(1)</sup>	Million Baht	4,442.9	6,015.1
Domestic		3,070.9	3,897.3
International		1,372.0	2,117.8
Available Seat Kilometers (ASK)	Million Seat -	1,501.4	1,708.9
Domestic	Kilometers	854.8	922.2
International		646.6	786.7
Revenue Passenger Kilometers (RPK)	Million Passenger -	931.9	1,274.7
Domestic	Kilometers	596.2	743.1
International		335.7	531.6
Passenger Load Factor	Percentage	62.1	74.6
Domestic		69.7	80.6
International		51.9	67.6
Number of scheduled passengers carried	Thousand	1,324.1	1,725.1
Domestic	Passengers	969.2	1,206.6
International		354.9	518.5

	Unit	January-March	
		2020	2019
Number of flight flown	Flights	17,066	18,915
Domestic		11,777	12,742
International		5,289	6,173
Total seat capacity	Thousand Seats	2,059.7	2,291.4
Domestic		1,388.5	1,502.2
International		671.2	789.2
Aircraft utilization	Block Hour per Day per Aircraft	7.8	9.0
Airbus A320		8.9	10.0
Airbus A319		7.8	8.9
ATR 72-500 & ATR 72-600		6.9	8.0
Number of aircraft at period end	Aircraft	40	41
Airbus A320		9	9
Airbus A319		16	16
ATR 72-500		2	4
ATR 72-600		13	12
Kilometers flown	Million Kilometers	11.7	13.3
Average Stage Length	Kilometers	703.8	738.9
Passenger Yield <sup>(2)</sup>	Baht per Passenger - Kilometer	4.77	4.72
Revenue ASK (RASK)	Baht per Available Seat - Kilometer	3.42	3.89
Cost per ASK (CASK)		3.40	3.54
Cost per ASK excluding fuel cost		3.14	2.79
RASK – CASK		0.02	0.35

**Remarks**

(1) These figures are different from those included in Company's consolidated Financial Statements as they include revenues (before deducting discounts and commissions) from scheduled flights, net interline revenues from flights operated by other airlines and marketed by it on a code-share basis, revenues derived from non-codeshare interline sales by it of seats on other airlines' flights, fuel and insurance surcharge revenue. Exclude revenues from cargo services, charter services and other revenue.

(2) Scheduled passenger revenues including fuel surcharge and insurance surcharge, but excluding excess baggage divided by RPKs.

### Operating performance summary for the period ended March 31, 2020

Unit: million baht

	January-March			
	2020	2019	Variance	
			Amount	%
Total revenue	6,423.2	7,789.9	(1,366.7)	(17.5)
Operating revenue <sup>(1)</sup>	6,082.5	7,707.2	(1,624.7)	(21.1)
Total expenses	6,683.6	6,920.3	(236.7)	(3.4)
Net profit for the period	(338.8)	510.8	(849.6)	(166.3)
Profit attributable to equity holders of the Company	(338.6)	504.3	(842.9)	(167.1)
EBIT <sup>(2)</sup>	259.3	984.8	(725.5)	(73.7)
EBITDA <sup>(2)</sup>	989.6	1,333.3	(343.7)	(25.8)
EBIT Ratio (ร้อยละ)	4.3	12.8	(8.5)	
EBITDA Ratio (ร้อยละ)	16.3	17.3	(1.0)	

#### Remarks

- (1) Comprises of total revenue net dividend income, gain on foreign exchange, interest income and non-operating revenues.
- (2) EBIT, EBIT margins, EBITDA, EBITDA margins are not standard measures, nor measurements of financial performance or liquidity, under TFRS, and should not be considered alternatives to net profit (loss) or any other performance measure or as an alternative to cash flow from operating activities. Since there are various calculation methods, its presentation may not be comparable to similarly titled measures used by other companies.

### Operating Profit and Net Income

The operating revenue of the Company for the first quarter of year 2019 and year 2020 were 7,707.2 million baht and 6,082.5 million baht respectively, decreased by 21.1 percent while total operating expenses decreased from 6,920.3 million baht to 6,683.6 million baht or around 3.4 percent.

The earnings before interest and tax, depreciation, amortization (EBITDA) were derived from total income (excluding dividend income, gain on sale of investments, gain on sale of assets, interest income and gain on exchange rate) less total expenses plus depreciation and amortization expenses, equaled to 1,333.3 million baht



and 989.6 million baht or 17.3 percent and 16.3 percent of total operating revenue for the first quarter of year 2019 and 2020 respectively.

For the first quarter of year 2020, the Company net loss at the amount of 338.8 million baht, decreased from the same period last year by 849.6 million baht or 166.3 percent. The loss attributable to equity holders of the Company was 338.6 million baht.

## Revenue

Consolidated revenue of the Company, excluding the inter-segment revenue, are divided into 4 segments as follows:

Unit: million baht

	January-March					
	2020	%	2019	%	Variance	
					Amount	%
<b>1. Airlines</b>	<b>4,495.2</b>	<b>70.0</b>	<b>6,008.4</b>	<b>77.1</b>	<b>(1,513.2)</b>	<b>(25.2)</b>
▪ Net scheduled passenger revenue	4,411.8	68.7	5,843.8	75.0	(1,432.0)	(24.5)
▪ Charter flights and charter services revenue	38.4	0.6	111.8	1.4	(73.4)	(65.6)
▪ Cargo revenue	45.0	0.7	52.8	0.7	(7.8)	(14.8)
<b>2. Airports</b>	<b>137.5</b>	<b>2.1</b>	<b>168.4</b>	<b>2.1</b>	<b>(31.0)</b>	<b>(18.4)</b>
<b>3. Airport-related Operations</b>	<b>994.0</b>	<b>15.5</b>	<b>1,164.5</b>	<b>15.0</b>	<b>(170.5)</b>	<b>(14.6)</b>
▪ Bangkok Air Catering Company Limited (BAC)	269.5	4.2	297.0	3.8	(27.5)	(9.3)
▪ Worldwide Flight Services Bangkok Air Ground Handling Company Limited (BFS Ground)	522.0	8.1	622.4	8.0	(100.4)	(16.1)
▪ Bangkok Airways Ground Service Company Limited (PGGS)	76.0	1.2	90.1	1.2	(14.2)	(15.7)
▪ Other revenue <sup>(1)</sup>	126.5	2.0	155.0	2.0	(28.5)	(18.4)

	January-March					
	2020	%	2019	%	Variance	
					Amount	%
4. Unallocated revenue	796.5	12.4	448.6	5.8	347.9	77.6
<i>Total Revenue</i>	6,423.2	100.0	7,789.9	100.0	(1,366.7)	(17.5)

Remark: (1) Other revenue includes revenue from BAC Gourmet House Company Limited, the subsidiary of BAC which main activity is to provide food services in business district and major tourist attractions in Bangkok, Gourmet Primo Company Limited and More Than Free Company Limited, a subsidiary of Bangkok Airways Holding Company Limited

#### Revenue from Airline Operations

For the first quarter of year 2020, total revenue mainly derived from airline business which was accounted for 70.0 percent of total revenue. Revenue from airlines consists of earnings from scheduled flights, charter flights and charter services and cargo.

Revenue from scheduled flights for the first quarter of year 2020 was 4,411.8 million baht, dropped by 24.5 percent from the same period last year. A decreasing of scheduled revenue was from the lower number of passenger which dropped by 23.3 percent from severely impact of the Covid-19 pandemic. For the first quarter of year 2020, the company temporarily suspended flight operations and terminated some routes to match with demand. The number of flight for this quarter decreased by 9.8 percent from same period last year.

Revenue from charter flights and charter services decreased from 111.8 million baht to 38.4 million baht, lower by 65.6 percent. That was a resulted from terminating flights from Samui to Chongqing and Samui to Guangzhou since February 2020.

#### Revenue from Airport Operations

In the first quarter of year 2020, revenue from airport operations was accounted for 2.1 percent of total revenue. Majority of the airport revenue derived from number flights landed and the passenger services charges from outbound passengers at Samui Airport. For this quarter, revenue from airport operations was 137.5 million baht or decreased by 18.4 percent. This was mainly resulted from lower departing passenger from Samui Airport which dropped by 19.8 percent from same period last year.

#### Revenue from Airport-Related Operations

#### ***Bangkok Air Catering Company Limited (BAC)***

For first quarter of year 2020, the operating performance of BAC was 269.5 million baht, decreased by 9.3 percent. The decreasing amount resulted from severely affected by covid-19 pandemic. Consequently, all airline

customers have reduced flight operations, down gauge the aircraft and temporary suspended flights according to the Announcement from the Government of each countries. For this quarter, the average meal produced dropped by 21.9 percent compared with previous year

***Worldwide Flight Services Bangkok Air Ground Handling Company Limited (BFS Ground)***

The operating performance of BFS Ground for services provided to other airlines for the first quarter of year 2020 reported at the amount of 522.0 million baht, dropped by 16.1 percent from the previous year.

A decreasing revenue resulted from lower number of flights by 2.6 percent from covid-19 impacts situation. For this quarter, BFS ground has seven additional airline customers compared with last year. As of 31 March 2020, BFS Ground has 88 airline customers.

***Bangkok Airways Ground Service Company Limited (PGGS)***

The total revenue of PGGS in the first quarter of year 2020 reported at the amount of 76.0 million baht, lower by 15.7 percent. This was resulted from impact of covid-19 pandemic situation. Likewise, the number of handling flights dropped by 12.4 percent from the previous year.

**Unallocated Revenues**

Total unallocated revenues of the Company for the first quarter of year 2020 was 796.5 million baht or rose by 77.6 percent. Main contributions of unallocated revenues were dividend income from BDMS and other revenues which mainly derived from maintenance reserve fund awaiting for reimbursement, ticket fee, excess baggage, rental, breakage revenues and other services.

**Share of Profit from Investments in Associates**

The Company reported share of profit from associated companies for first quarter of year 2020 at 130.2 million baht, decreased by 34.2 percent compared with the same period last year. That was due to a lower profit contributed to shareholders of WFS-PG Cargo Company Limited and Samui Airport Property Fund during this period.

Unit: million baht

	January-March			
	2020	2019	Variance	
			Amount	%
WFS-PG Cargo Company Limited	36.7	87.2	(50.5)	(57.9)
Samui Airport Property Fund	93.5	110.8	(17.3)	(15.6)
<b><i>Share of Profit from Investments in Associates</i></b>	<b>130.2</b>	<b>198.0</b>	<b>(67.8)</b>	<b>(34.2)</b>

## Expenses

For the first quarter of year 2020, total expenses was 6,683.6 million baht, decreased by 3.4 percent from the same period last year. This was mainly due to the measurement from expense management since late of March 2020. Expenses consist of costs of sales and services, selling expenses and administrative expenses with details as follows:

Unit: million baht

	January-March					
	2020	%	2019	%	Variance	
					Amount	%
<b>1. Cost of sales and services</b>	<b>4,987.6</b>	<b>74.6</b>	<b>5,888.9</b>	<b>85.1</b>	<b>(901.3)</b>	<b>(15.3)</b>
➤ <i>Airlines</i>	3,969.2	59.4	4,790.9	69.2	(821.7)	(17.2)
- <i>Aircraft Fuel Cost</i>	1,111.8	16.6	1,282.4	18.5	(170.6)	(13.3)
- <i>Aircraft Repair and Maintenance</i>	681.8	10.2	1,064.6	15.4	(382.8)	(36.0)
- <i>Personnel Expenses</i>	773.5	11.6	838.2	12.1	(64.7)	(7.7)
- <i>Passenger Services</i>	689.6	10.3	824.3	11.9	(134.8)	(16.4)
- <i>Rental</i>	11.3	0.2	389.6	5.6	(378.3)	(97.1)
- <i>Landing , Parking and Navigation fee</i>	264.1	4.0	317.9	4.6	(53.8)	(16.9)
- <i>Depreciation</i>	585.8	8.8	235.8	3.4	350.0	148.4
- <i>Others</i>	217.0	3.2	244.6	3.5	(27.5)	(11.3)
➤ <i>Airports, Airport-related Operations and Others</i>	1,018.4	15.2	1,098.0	15.9	(79.6)	(7.3)
<b>2. Selling Expenses</b>	<b>320.4</b>	<b>4.8</b>	<b>519.2</b>	<b>7.5</b>	<b>(198.8)</b>	<b>(38.3)</b>
➤ <i>Airlines</i>	314.6	4.7	509.2	7.4	(194.6)	(38.2)
➤ <i>Airports, Airport-related Operations and Others</i>	5.8	0.1	10.0	0.1	(4.2)	(42.0)
<b>3. Administrative Expenses</b>	<b>530.3</b>	<b>7.9</b>	<b>511.4</b>	<b>7.4</b>	<b>18.9</b>	<b>3.7</b>

	January-March					
	2020	%	2019	%	Variance	
					Amount	%
➤ Airlines	332.9	5.0	329.9	4.8	3.0	0.9
➤ Airports, Airport-related Operations and Others	197.4	3.0	181.5	2.6	15.9	8.8
4. Others	845.3	12.6	0.8	0.0	844.5	105,562.5
<i>Total Expenses</i>	6,683.6	100.0	6,920.3	100.0	(236.7)	(3.4)

#### Costs of Sales and Services

Costs of sales and services principally consist of fuel costs, aircraft repair and maintenance costs, personnel expenses, cost of passenger service, depreciation and aircraft rentals. For the first quarter year 2019 and year 2020, costs of sales and services were accounted for 85.1 percent and 74.6 percent of total expenses respectively.

#### Selling Expenses

For the first of year 2019 and year 2020, selling expenses were accounted for 7.5 percent and 4.8 percent of total expenses respectively. The selling expenses of the first quarter of year 2020 reported at 320.4 million baht, dropped by 38.3 percent from last year. The decreasing amount was mainly from the usage of reservation, advertising and sale promotion and supporting selling system expenses.

#### Administrative Expenses

The administrative expenses of the Company for the first quarter of year 2019 and year 2020 were accounted for 7.4 percent and 7.9 percent of total expenses respectively. The significant increase of administrative expenses was loss from equity linked swap transaction. However, this quarter, the company implemented cost management program to reduce fixed expense items such as salary and benefits, professional fee and office rental.

#### Finance Costs

Finance costs consist of lease payments under the sub-lease agreement from the Samui Property Fund (SPF) for Samui Airport which include the rental portion of the sub-lease agreement and the variable portion based on the number of departing/arriving passengers from and to Samui Airport. In addition, finance costs also include interest expenses paid to financial institutions and interest paid under lease liabilities

Unit: million baht

	January-March			
	2020	2019	Variance	
			Amount	%
Financial cost paid to the Samui Airport Property Fund (SPF)	266.4	348.0	(81.6)	(23.4)
Interest and Fee expenses <sup>(1)</sup>	151.0	103.9	47.1	45.3
<b>Total</b>	<b>417.4</b>	<b>451.9</b>	<b>(34.5)</b>	<b>(7.6)</b>

**Remark:** (1) Interest and fees including expenses related to financial institutions, lease liabilities and credit card fee

Financial cost paid to the Samui Property Fund (SPF) for first quarter of year 2020 amounted to 266.4 million baht, decreased by 23.4 percent compared to previous year. The decreasing amount was due to decreasing number of departing passenger and flights in-out Samui Airport by 19.8 percent and 11.6 percent from the same quarter last year respectively.

The interest costs and fee expenses increased from 103.9 million baht to 151.0 million baht which mainly due to additional interest paid under long term loan agreements for ATR72-600 and interest paid of lease liabilities according to adoption of TFRS 16.

### Assets

As of 31 March 2020, the Company and its subsidiaries have total assets amounted of 57,355.9 million baht, decreased by 4,551.8 million baht.

Unit: million baht

	As at March 31, 2020	As at December 31, 2019	Variance
<b>Current assets</b>			
Cash & cash equivalents	4,545.1	5,273.1	(728.0)
Current investment	-	4,046.1	(4,046.1)
Trade and other receivables	1,186.5	1,535.4	(348.9)
Reimbursable maintenance expense	955.6	857.8	97.8
Other current financial assets	2,936.1	-	2,936.1
Other current assets	776.9	877.0	(100.1)
<b>Total current assets</b>	<b>10,400.2</b>	<b>12,589.4</b>	<b>(2,189.2)</b>
<b>Non-current assets</b>			

	As at March 31, 2020	As at December 31, 2019	Variance
Investments in associates	3,415.9	2,920.2	495.7
Other long-term investments	-	29,050.5	(29,050.5)
Property, plant and equipment	10,362.1	15,608.2	(5,246.1)
Right-of-use assets	10,188.2	-	10,188.2
Deposits	653.2	643.7	9.5
Other non-current financial assets	21,277.7	-	21,277.7
Other non-current assets	1,058.6	1,095.6	(37.0)
<b>Total Non-current assets</b>	<b>46,955.7</b>	<b>49,318.2</b>	<b>(2,362.5)</b>
<b>Total assets</b>	<b>57,355.9</b>	<b>61,907.7</b>	<b>(4,551.8)</b>

#### Current assets

Total current assets of the Company as of 31 March 2020 was 10,400.2 million baht, decreased from 31 December 2019 by 2,189.2 million baht. This was mainly due to:

- *Cash and cash equivalents* lower by 728.0 million baht, mainly from cash paid for interest expenses, long term lease liabilities, acquisition of investments in associates and acquisition of property plant and equipment. This was offset by cash received from fixed deposit during the period.
- The company reclassified current investment to be other current financial assets. The decreasing amount of current investment resulted by cash used for operation during the period.

#### Non-current assets

Total non-current assets of the Company were 46,955.7 million baht, decreased from the end of 2019 by 2,362.5 million baht. This was resulted from:

- There was no *other long-term investments* for the first quarter of year 2020 due to the reclassification of other long-term investments to be other non-current financial assets. Nonetheless, the decreasing amount was mainly from mark to market of long-term investments in marketable securities.
- *Property, Plant and Equipment* decreased by 5,246.1 million baht, mainly from reclassification of property, plant and equipment to be right-of-use assets according adoption of TFRS 16. However, it was offset by acquisition of land at sukhothai airport during the period.

- *Right-of-use assets* amounted of 10,188.2 million baht which were comprised of the amount of reclassification of property, plant and equipment and right-of-use assets adjustment due to TFRS 16 adoption. Such adjustment mainly derived from lease agreement under aircraft lease and conditional sale agreement.

### Liabilities

As of 31 March 2020, the Company and its subsidiaries have liabilities amounted of 35,013.5 million baht. An increase of 3,110.3 million baht from 31 December 2019 was as follows:

Unit: million baht

	As at March 31, 2020	As at December 31, 2019	Variance
<b><i>Current liabilities</i></b>			
Trade and other payables	2,275.6	3,183.2	(907.6)
Current portion of long-term loans	598.4	582.9	15.5
Current portion of long term lease liabilities	1,982.8	-	1,982.8
Current portion of liabilities arising from financial lease of aircrafts and Finance lease liabilities	-	411.7	(411.7)
Income tax payable	287.3	277.3	10.0
Unearned revenue	1,356.8	2,343.7	(986.9)
Other current financial liabilities	1,564.6	-	1,564.6
Other current liabilities	2,176.0	2,457.7	(281.7)
<b><i>Total current liabilities</i></b>	<b>10,241.5</b>	<b>9,256.5</b>	<b>985.0</b>
<b><i>Non-Current liabilities</i></b>			
Long-term loans– net current of portion	2,438.9	2,400.7	38.2
Long-term lease liabilities - net of current portion	6,664.6	-	6,664.6
Liabilities arising from financial lease of aircrafts and finance lease liabilities – net of current portion	-	2,914.6	(2,914.6)
Long-term loans from related party – net of current portion	11,190.4	11,252.4	(62.0)



	As at March 31, 2020	As at December 31, 2019	Variance
Employee benefits	975.1	956.6	18.5
Deferred tax liabilities	3,179.0	5,060.0	(1,881.0)
Other non-current financial liabilities	300.7	-	300.7
Other non-current liabilities	23.3	62.4	(39.1)
<b><i>Total non-current liabilities</i></b>	<b><i>24,772.0</i></b>	<b><i>22,646.7</i></b>	<b><i>2,125.3</i></b>
<b><i>Total liabilities</i></b>	<b><i>35,013.5</i></b>	<b><i>31,903.2</i></b>	<b><i>3,110.3</i></b>

### Current liabilities

Total current liabilities amounting to 10,241.5 million baht, increased from 31 December 2019 by 985.0 million baht, the changes were mainly due to;

- *Trade and other payables* amounting to 2,275.6 million baht, decreased by 907.6 million baht. This was mainly from a decreasing of major expenses related to flight operation.
- *Current portion of long term lease liabilities* reported at 1,982.8 million baht which were comprised of current portion of liabilities arising from financial lease of aircrafts and finance lease, together with long term lease liabilities adjustment due to TFRS 16 adoption.
- *Unearned revenue* decreased by 986.9 baht from 31 December 2019 as a consequence of lower advanced bookings resulted from covid-19 pandemic.
- *Other current financial liabilities* amounting to 1,564.6 million baht, mainly from liabilities arisen from mark to market of derivative transactions.

### Non-current liabilities

Total non-current liabilities of the Company were 24,772.0 million baht, increased by 2,125.3 million baht from 31 December 2019, largely derived from:

- *Long-term lease liabilities - net of current portion* amounting to 6,664.6 million baht which derived from adjustment of long term lease liabilities transactions from adoption of TFRS 16 and reclassification of liabilities arising from financial lease of aircrafts and finance lease liabilities
- *Deferred tax liabilities* decreased by 1,881.0 million baht resulted from an impact on temporary different method between accounting and tax book on aircraft financial lease, together with mark to market of marketable securities.

### Shareholders' Equity

Unit: million baht

	As at March 31, 2020	As at December 31, 2019	Variance
Paid up capital	2,100.0	2,100.0	-
Premium on ordinary shares and capital reserve for share-based payment transactions	9,319.5	9,319.5	-
Treasury stocks	(491.6)	(491.6)	-
Other components of shareholders' equity	11,906.6	18,934.9	(7,028.3)
Retained earnings (loss)	(337.8)	296.3	(634.1)
Others <sup>(1)</sup>	(154.3)	(154.6)	0.3
<b>Total shareholders' equity</b>	<b>22,342.4</b>	<b>30,004.5</b>	<b>(7,662.1)</b>

Remark (1) Comprised of discount on changes in shareholding in subsidiaries and non-controlling interests of the subsidiaries

As of 31 March 2020, total shareholders' of the Company and its subsidiaries was 22,342.4 million baht. A decreasing amount of 7,662.1 million baht mainly from mark to market of marketable securities which dropped by 7,028.3 million baht. The Company has retained loss at the amount of 337.8 million baht.

### Statement of Cash Flow

Unit: million baht

	As at March 31, 2020	As at March 31, 2019
Net cash flows from operating activities	(90.3)	1,103.5
Net cash flows from investing activities	406.8	95.4
Net cash flows used in financing activities	(1,044.5)	(753.7)
<b>Cash and cash equivalents at end of period</b>	<b>4,545.1</b>	<b>4,793.0</b>

Cash flows from operating activities

As of 31 March 2020, the profit of the Company and its subsidiaries before changes in operating assets and liabilities is 1,366.3 million baht while the amount of net cash flows used in operating activities was 90.3 million baht. The major movement was due to a decreasing amount of unearned income.

Cash flows from investing activities

As of 31 March 2020, net cash flows from investing activities of the Company and its subsidiaries was 406.8 million baht which mainly from cash received from fixed deposit and dividend received from investment in associates. However, this was offset by cash outflows used for acquisition of investment in associates (U-tapao International Aviation Co.,Ltd) and acquisition of land during the period.

Cash flows from financing activities

As of March 2020, the Company and its subsidiaries have cash flow used in financing activities at the amount of 1,044.5 million baht, mainly from interest expense, cash paid for long term lease liabilities, repayment of long term loan and long term lease liabilities from related party.

## Summary Consolidated Financial and Ratio

		As at 31 March	
		2020	2019
Liquidity Ratio	Current Ratio (Time)	1.0	1.4
	Quick Ratio (Time)	2.6	4.7
	Collection Period (Day)	18.8	20.5
	Stock Turnover Period (Day)	9.1	8.1
	Payment Period (Day)	29.0	32.1
Profitability Ratio	Gross Profit Margin (%)	11.4	19.8
	Operating Profit Margin (%)	4.6	13.4
	EBITDAR Margin (%)	16.5	22.4
	Net profit Margin (%)	(5.3)	6.6
	Return on Equity (%)	(5.2)	6.6
Efficiency Ratio	Return on Assets (%)	(2.3)	3.3
	Return on Fixed Assets (%)	12.1	22.0
	Asset Turnover (Time)	0.4	0.5
Leverage Ratio	Debt to Equity (Time)	1.6	1.0
	Interest Coverage Ratio (Time)	2.4	3.0

## Glossary

- Passenger or Cabin load factor : Number of passenger carried as a proportion to capacity, which is the number of seats available for passengers
- Available Seat-Kilometer (ASK) : The number of seats available for passengers multiplied by the number of kilometers that are flown
- Revenue Passenger-Kilometer (RPK) : The number of revenue passengers multiplied by the number of kilometers that are flown
- Revenue per ASK (RASK) : Income of sale and services of the Company (meaning total revenues from the standalone financial statements net gain on sales of investment, reversal of allowance for diminution in value of investments in subsidiary, dividend income and the compensation from the cancellation of the agreement) divided by ASK.
- Cost per ASK (CASK) : The sum of operating cost, sale expenses, service expenses and the remuneration of the executives of the Company (excluding financial cost) (meaning total expenses from the standalone financial statements net loss on sales of investment, and loss on sales of leasehold right) divided by ASK.
- CASK – Fuel : The sum of operating cost, sale expenses, service expenses and the remuneration of the executives of the Company (excluding financial cost and fuel cost) (meaning total expenses from the standalone financial statements net loss on sales of investment, loss on sales of leasehold right and fuel expense) divided by ASK.