

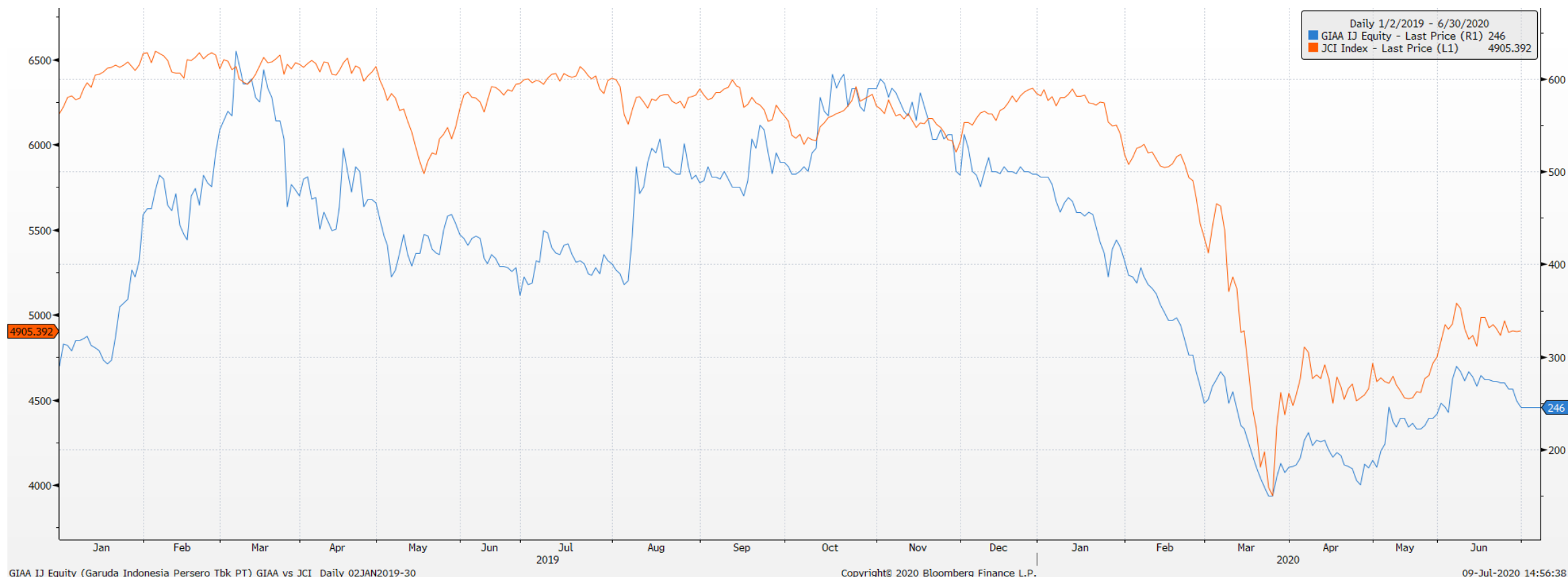
Standing Strong into the Future

Kokoh Berdiri Menuju Masa Depan

Corporate Presentation
2Q 2020



Shares Information



INDICATOR	FY 2018	FY 2019	1Q 2020	2Q 2020
Average Value (Billion IDR)	1.86	19.46	7.84	12.09
Average Volume (Million)	6.91	40.34	23.40	50.52
Last Price (IDR)	298	498	181	246
Market Capitalization (Trillion IDR)	7.71	12.89	4.69	6.37

Garuda's Strategy to Mitigate COVID-19 Pandemic



I. RENEGOTIATE LEASE COST

- Negotiating lessor to defer rental fee payment
- Extend aircraft leasing period to reduce monthly lease cost



II. FINANCIAL RELAXATION

- Deferral due date payment & debt restructuring
- Convert non-cash facilities into cash loans
- Minimize cash out
- Renegotiate payment to vendor
- MCB IDR 8.5trillion from Government (on progress)



III. PRODUCTION EFFICIENCY

- Review efficiency program within all the function to reduce pressure on operating cost
- WFH policy, utilize online meeting & Human Resource efficiency
- Postponed non critical expenses



IV. NETWORK RESTRUCTURING

- Close unprofitable routes
- Reducing the number of routes & flight schedules
- Repatriation and evacuation flight
- Supporting government to transport medical supplies
- Charter & Cargo revenue enhancement

Through these various efforts, Garuda Indonesia shows strong commitment to support Indonesia government in this difficult situation as well as adapting to the new condition to mitigate Covid-19 impact, such as preparing a better cost structure, implementing a more efficient way of work, targeting a more low-impacted business, and reviewing the whole business in Garuda to prepare for a new era after COVID-19.

Significant New Standards

New and revised standards and interpretations issued and effective for the financial year beginning on 1 January 2020,

- PSAK 71 (2017) “Financial Instruments”
- PSAK 72 (2017) “Revenue from Contracts with Customers”
- PSAK 73 (2017) “Leases”

PSAK 71 (2017) “Financial Instruments”

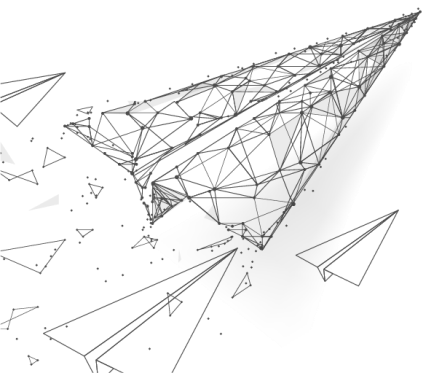
The Group uses the expected credit loss model, which replaced the incurred credit loss model, to measure the provision for impairment of receivables. In addition, available-for-sale financial assets are reclassified as financial assets and measured at fair value through other comprehensive income.

PSAK 72 (2017) “Revenue from Contracts with Customers”

It regulates revenue recognition, which occurs when control over goods has been transferred or when services have been (or are being) carried out (obligation to deliver the services have been fulfilled).

PSAK 73 (2017) “Leases”

The Group as a lessee recognizes right of use of asset and lease liabilities relating to leases that were previously classified as operating leases under PSAK 30: Leases, except for short-term leases or leases with low-value assets. Lease liabilities are measured at the present value of the remaining lease payments. Right of use of asset is measured in an amount equals to the lease liabilities adjusted with prepayments and other obligations that have been paid in relation with the leases that are recognized in the statement of financial position at 31 December 2019



An Extremely Challenging Business Environment for Airlines Globally

(currency in million USD, except stated otherwise)

INDICATOR	2Q 2019	1Q 2020	2Q 2020	Chg (%)	6M 2019	6M 2020	Chg (%)	PoC (%)
REVENUES								
Scheduled Airline	930.0	654.5	95.7	▼ (89.7)	1,855.0	750.3	▼ (59.6)	81.8
Non-Scheduled Airline	1.5	5.3	16.2	▲ 976.5	4.4	21.5	▲ 392.5	2.3
Others	162.3	108.3	37.2	▼ (77.1)	334.1	145.5	▼ (56.5)	15.9
Total Operating Revenue	1,093.9	768.1	149.2	▼ (86.4)	2,193.4	917.3	▼ (58.2)	100.0
EXPENSES								
Fuel	295.9	234.1	38.4	▼ (87.0)	582.0	272.5	▼ (53.2)	16.6
Rental*	265.7	11.4	10.0	▼ (96.2)	533.5	21.4	▼ (96.0)	1.3
Depreciation*	19.0	265.6	352.5	▲ 1,755.5	74.3	618.1	▲ 732.0	37.6
Maintenance And Repairs	124.1	128.5	95.9	▼ (22.7)	242.7	224.4	▼ (7.5)	13.7
Others	351.9	306.1	200.7	▼ (43.0)	674.0	506.8	▼ (24.8)	30.8
Total Expenses	1,056.7	945.7	697.5	▼ (34.0)	2,106.5	1,643.2	▼ (22.0)	100.0
Foreign Exchange	(8.8)	177.0	(156.8)	▲ (1,687.5)	(16.2)	20.3	▲ 225.4	
Others Income	4.1	1.2	(2.7)	▼ (166.8)	11.2	(1.6)	▼ (114.0)	
PROFIT/(LOSS)								
EBIT	32.5	0.6	(707.8)	▼ (2,277.5)	82.0	(707.2)	▼ (962.7)	
EBT	11.9	(143.8)	(732.6)	▼ (6,250.4)	41.8	(876.4)	▼ (2,195.3)	
Tax	(7.8)	20.3	132.9	▲ 1,803.3	(18.0)	153.2	▲ 952.1	
Net Income	4.1	(123.5)	(599.8)	▼ (14,688.1)	23.9	(723.3)	▼ (3,132.5)	
Comprehensive Income/(Loss)	17.1	(147.2)	(581.0)	▼ (3,493.1)	78.8	(728.1)	▼ (1,024.5)	
EBITDAR	317.2	277.6	(345.3)	▼ (208.8)	689.7	(67.7)	▼ (109.8)	
EBITDA	51.5	266.2	(355.3)	▼ (789.9)	156.3	(89.2)	▼ (157.1)	

PoC: Percentage of Contributions

*PSAK 73 – leases: The aircraft & engine rental costs are no longer recorded as expenses, but capitalized so that they become depreciation and Interest costs.

Significant Impact During the Outbreak of COVID-19

(currency in million USD, except stated otherwise)

INDICATOR	2Q 2019	1Q 2020	2Q 2020	Chg (%)	6M 2019	6M 2020	Chg (%)
OPERATIONAL							
Utilization (Hour)	7:51	6:05	1:36	▼ (6:11)	7:49	4:34	▼ (3:15)
On-Time Performance (%)	91.9	93.7	94.8	▲ 0.5 pp	93.1	93.8	▲ 0.7 pp
ASK (Billion)	15.2	12.4	2.6	▼ (82.2)	29.7	15.0	▼ (49.4)
Seat Load Factor (%)	72.3	62.6	21.3	▼ (47.4) pp	70.6	55.5	▼ (15.1) pp
Passenger Carried (Million)	7.7	6.1	0.5	▼ (93.6)	15.1	6.5	▼ (56.8)
Cargo Uplifted (K Ton)	90.6	69.4	41.3	▼ (51.2)	175.2	110.7	▼ (36.8)
FINANCIAL							
Revenue Passenger (USD Million)	835.0	573.5	38.3	▼ (95.4)	1,674.4	611.8	▼ (63.5)
Passenger Yield (US¢)	7.6	7.4	6.9	▼ (17.4)	8.0	7.3	▼ (8.2)
Average Fares (US\$)	108.1	94.7	81.0	▼ (28.5)	110.7	93.7	▼ (15.3)
CASK (US¢)	6.1	6.6	10.0	▲ 54.7	6.3	7.2	▲ 14.1
CASK – excl. Fuel (US¢)	4.2	4.7	8.6	▲ 93.1	4.3	5.4	▲ 24.4
Average Fuel Price (US\$/L)	58.1	57.7	48.8	▼ (21.5)	60.1	56.3	▼ (6.4)
Cargo Yield (US¢)	42.6	43.6	63.5	▲ 60.8	41.0	50.1	▲ 22.2

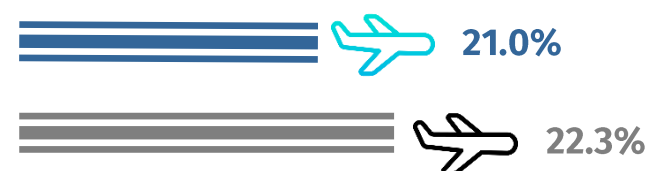
Market Share Domestic



Garuda Indonesia Group

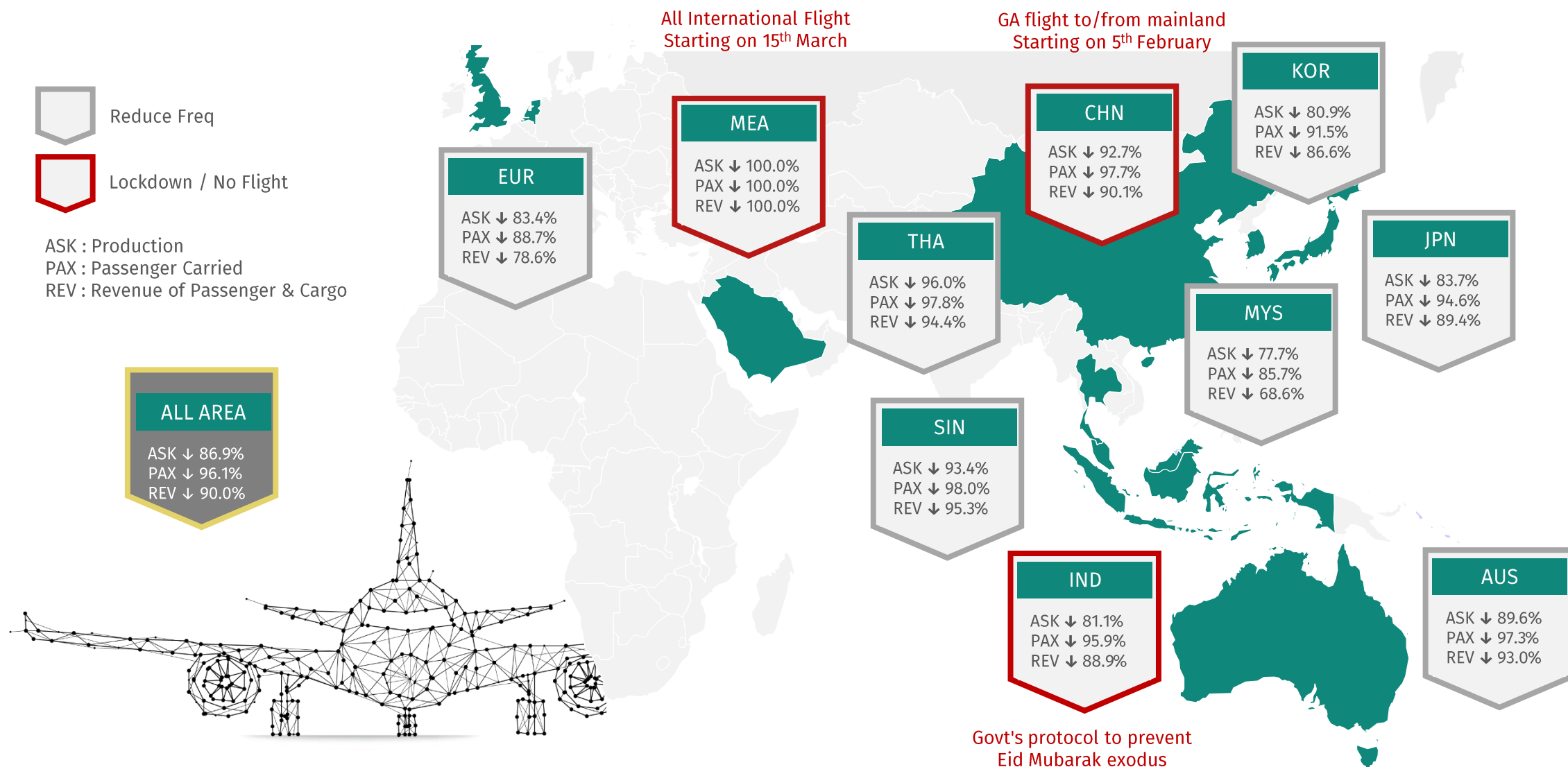
Source: Company Data YTD June 2020

Market Share International



Garuda Indonesia

The Impact of Covid-19 Pandemic on Garuda Indonesia in 2Q 2020



Lockdowns and Travel Bans Have Resulted Protracted Volatility in Domestic and International

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

INDICATOR	2Q 2019	1Q 2020	2Q 2020	Chg (%)	6M 2019	6M 2020	Chg (%)
DOMESTIC							
Passenger Carried (Million)	3.6	2.7	0.1	▼ (95.9)	7.1	2.8	▼ (60.5)
ASK (Billion)	4.3	3.9	0.8	▼ (81.1)	8.5	4.7	▼ (44.7)
Seat Load Factor (%)	75.4	61.9	18.0	▼ (57.4) pp	74.3	54.3	▼ (20.0) pp
Revenue Passenger (USD Million)	357.9	247.6	13.1	▼ (96.3)	691.0	260.8	▼ (62.3)
Passenger Yield (US¢)	11.1	10.3	9.0	▼ (18.9)	11.0	10.2	▼ (6.6)
Average Fares (US\$)	98.3	92.9	88.6	▼ (9.8)	97.1	92.7	▼ (4.6)
Cargo Uplifted (K Ton)	42.6	35.6	20.8	▼ (51.1)	89.2	56.4	▼ (36.8)
CASK (US¢)	8.1	8.7	14.9	▲ 83.5	8.1	9.8	▲ 20.5
CASK – excl. Fuel (US¢)	5.8	6.5	12.8	▲ 120.6	5.9	7.6	▲ 30.1
Cargo Yield (US¢)	85.0	92.4	93.5	▲ 10.0	85.6	92.8	▲ 8.4
INTERNATIONAL							
Passenger Carried (Million)	1.1	0.7	0.0	▼ (96.5)	2.2	0.7	▼ (68.6)
ASK (Billion)	7.1	5.1	0.7	▼ (90.3)	14.8	5.7	▼ (61.2)
Seat Load Factor (%)	64.3	62.2	24.0	▼ (40.3) pp	67.1	57.6	▼ (9.5) pp
Revenue Passenger (USD Million)	289.7	188.5	11.7	▼ (96.0)	604.9	200.1	▼ (66.9)
Passenger Yield (US¢)	6.3	6.0	7.0	▲ 11.1	6.1	6.0	▼ (0.7)
Average Fares (US\$)	275.7	285.3	318.0	▲ 15.4	272.9	287.0	▲ 5.2
Cargo Uplifted (K Ton)	26.7	18.8	7.6	▼ (71.4)	52.4	26.5	▼ (49.5)
CASK (US¢)	5.8	6.0	11.7	▲ 100.7	5.6	6.7	▲ 19.7
CASK – excl. Fuel (US¢)	3.9	4.2	10.0	▲ 156.8	3.7	4.9	▲ 31.4
Cargo Yield (US¢)	16.0	12.6	29.2	▲ 82.8	16.1	17.1	▲ 6.3

All Segments are in Decline During the Outbreak

INDICATOR	2Q 2019	1Q 2020	2Q 2020	Chg (%)	6M 2019	6M 2020	Chg (%)
GARUDA INDONESIA							
Passenger Carried (Million)	4.7	3.3	0.2	▼ (96.1)	9.3	3.5	▼ (62.4)
ASK (Billion)	11.4	8.9	1.5	▼ (86.9)	23.3	10.4	▼ (55.2)
Seat Load Factor (%)	68.5	62.1	20.8	▼ (47.7) pp	69.7	56.1	▼ (13.6) pp
Revenue Passenger (in Million)	647.6	436.1	24.8	▼ (96.2)	1,295.9	460.9	▼ (64.4)
Passenger Yield (US\$)	8.3	7.9	8.0	▼ (4.1)	8.0	7.9	▼ (1.4)
Average Fares (US\$)	138.0	131.1	134.1	▼ (2.8)	138.9	131.3	▼ (5.5)
Cargo Uplifted (K Ton)	69.3	54.4	28.5	▼ (58.9)	141.6	82.9	▼ (41.5)
CASK (US\$)	6.7	7.2	13.4	▲ 100.8	6.5	8.1	▲ 24.1
CASK – excl. Fuel (US\$)	4.6	5.2	11.5	▲ 149.6	4.5	6.1	▲ 35.9
Cargo Yield (US\$)	34.0	36.5	55.6	▲ 63.5	35.4	42.4	▲ 19.7
CITILINK							
Passenger Carried (Million)	2.7	2.7	0.3	▼ (89.4)	5.8	3.0	▼ (47.9)
ASK (Billion)	3.1	3.5	1.1	▼ (65.4)	6.4	4.6	▼ (28.3)
Seat Load Factor (%)	69.6	63.9	22.1	▼ (47.5) pp	73.6	54.0	▼ (19.6) pp
Revenue Passenger (in Million)	191.7	137.4	13.5	▼ (93.0)	378.5	150.9	▼ (60.1)
Passenger Yield (US\$)	8.8	6.1	5.6	▼ (35.9)	8.0	6.1	▼ (24.2)
Average Fares (US\$)	70.7	50.4	46.9	▼ (33.6)	65.4	50.0	▼ (23.4)
Cargo Uplifted (K Ton)	15.3	14.9	12.9	▼ (16.0)	33.6	27.8	▼ (17.2)
CASK (US\$)	5.7	5.1	5.4	▼ (6.6)	5.5	5.2	▼ (6.7)
CASK – excl. Fuel (US\$)	3.9	3.5	4.6	▲ 18.5	3.7	3.7	▲ 0.4
Cargo Yield (US\$)	112.6	111.9	100.4	▼ (10.9)	109.1	106.4	▼ (2.5)

The Group's Fleet Structure

AIRCRAFT TYPE	FINANCE LEASED/ OWNED	OPERATING LEASED	2Q 2020
Operated by Garuda Indonesia:			
Narrow Body			
Boeing 737-800NG		73	73
Boeing 737 Max 8		1	1
Bombardier CRJ1000 Nextgen	6	12	18
ATR72-600		13	13
Total Narrow Body	6	99	105
Wide Body			
Boeing 777-300ER		10	10
Airbus 330-200		7	7
Airbus 330-300	6	11	17
Airbus A330-900 Neo		3	3
Total Wide Body	6	31	37
Total Fleets Operated by Garuda Indonesia	12	130	142
Operated by Citilink:			
Narrow Body			
Boeing 737-300	5		5
Boeing 737-500	3		3
Airbus 320-200		41	41
Airbus 320-200 Neo		10	10
ATR72-600		7	7
Total Narrow Body	8	58	66
Wide Body			
Airbus A330-900 Neo		2	2
Total Wide Body	0	2	2
Total Fleets Operated by Citilink	8	60	68
Total Fleets Operated by Garuda Indonesia Group	20	190	210

8.0 Years*

Garuda Indonesia

7.6 Years*

Citilink

*Average Age

With the Worsening Condition in 2Q 2020, Equity Decreased by 111.2%

(currency in million USD, except stated otherwise)

INDICATOR	4Q 2019	1Q 2020	Chg (%)	2Q 2020	Chg (%)
ASSET					
Current Assets	1,133.9	772.8	(31.8)	717.1	▼ (36.8)
Non-Current Assets*	3,321.8	8,372.6	152.1	9,569.8	▲ 188.1
Total Assets	4,455.7	9,145.4	105.3	10,286.9	▲ 130.9
LIABILITY					
Current Liability	3,257.8	3,678.1	12.9	4,401.8	▲ 35.1
Non-Current Liability*	477.2	4,966.5	940.7	5,965.9	▲ 1,150.1
Total Liabilities	3,735.1	8,644.6	131.4	10,367.7	▲ 177.6
EQUITY					
Equity	720.6	500.8	(30.5)	(80.8)	▼ (111.2)
Total Liability & Equity	4,455.7	9,145.4	105.3	10,286.9	▲ 130.9

New standard issued that is relevant to the Group's operations:

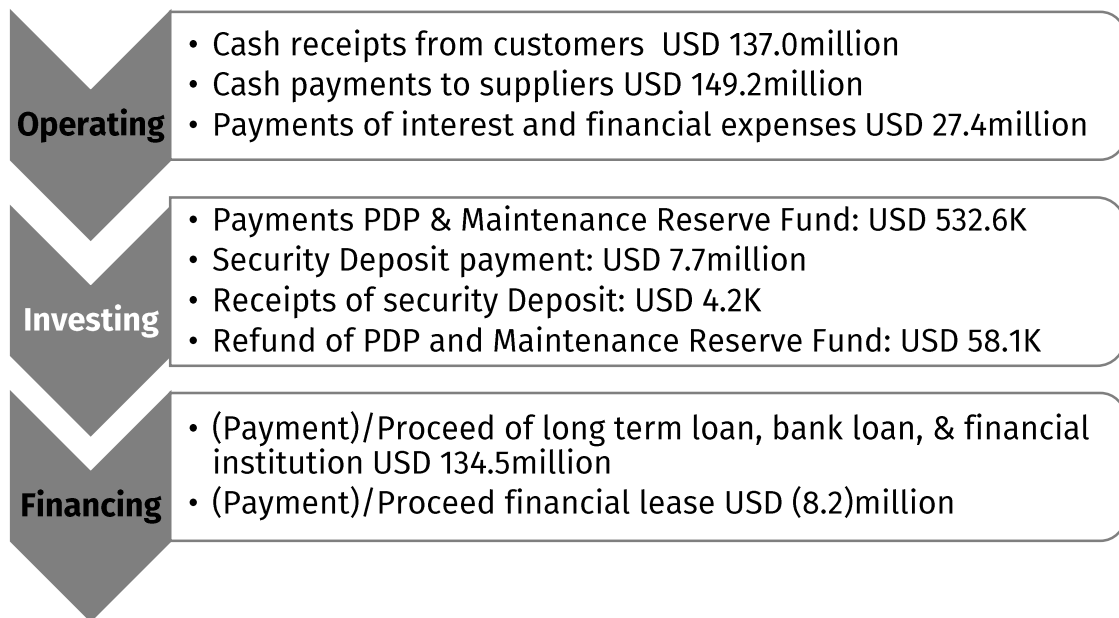
* PSAK 73 – leases: The aircraft & engine rental costs are no longer recorded as expenses, but capitalized so that they become depreciation and interest costs.

The Pandemic Adversely Impacted the Group's Cash Flows

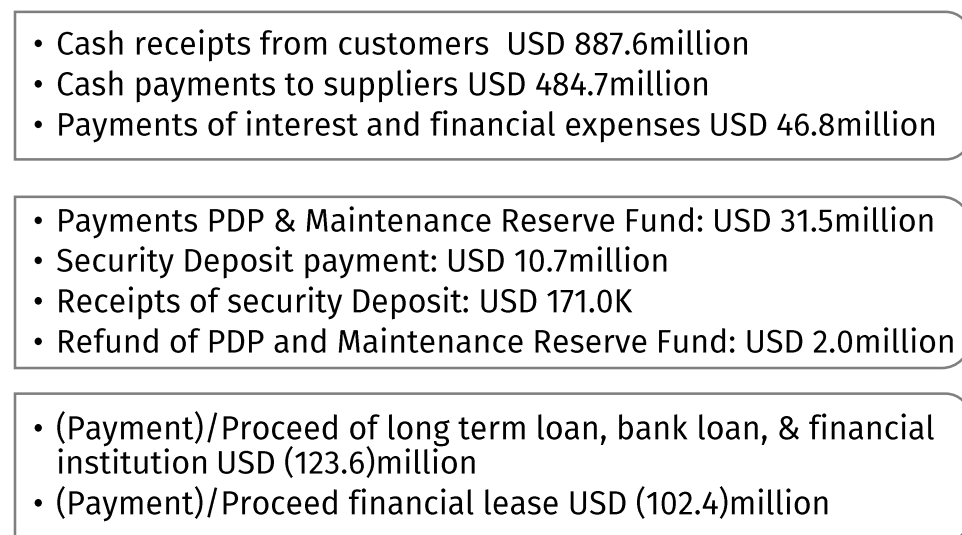
(currency in million USD, except stated otherwise)

INDICATOR	2Q 2019	1Q 2020	2Q 2020	Chg (%)	6M 2019	6M 2020	Chg (%)
CASH FLOW							
Operating Activities	98.0	269.9	(138.8)	(241.5)	309.8	131.2	▼ (57.7)
Investing Activities	(68.6)	(40.2)	(8.6)	87.4	(70.3)	(48.9)	▼ 30.5
Financing Activities	(42.8)	(355.2)	145.4	440.0	(167.9)	(209.8)	▼ (25.0)
Increase/(decrease)	(13.3)	(125.5)	(2.0)	84.9	71.6	(127.5)	▼ (278.0)
Beginning Cash	337.1	299.3	163.3	(51.6)	251.2	299.3	▲ 19.2
Foreign Exchange	(2.1)	(10.5)	4.1	294.1	(1.1)	(6.4)	▼ (481.3)
End Cash	321.7	163.3	165.4	(48.6)	321.7	165.4	▼ (48.6)
Bank Overdraft	0.0	1.6	0.0	N.A	0.0	0.0	▼ N.A
Cash and cash equivalent	321.7	165.0	165.4	(48.6)	321.7	165.4	▼ (48.6)

2Q 2020



6M 2020



Negotiation on Debt Covenants In COVID-19 Pandemic

(currency in million USD, except stated otherwise)

INDICATOR	4Q 2019	1Q 2020	Chg (%)	2Q 2020	Chg (%)
FINANCIAL DEBT					
Short Term Debt	984.9	672.1	(31.8)	817.4	▼ (17.0)
Factoring Liabilities	54.6	49.6	(9.1)	36.7	▼ (32.7)
CPLTD	141.8	133.5	(5.8)	142.5	▼ 0.5
Bonds/Sukuk	499.0	499.7	0.1	490.6	▲ (1.7)
Asset-Backed Securitisation Loan	25.9	22.0	(15.1)	25.2	▼ (2.8)
Total Short Term Debt	1,706.1	1,376.9	(19.3)	1,512.4	▼ (11.4)
Long Term Debt	1.6	1.6	1.7	52.5	▲ 3,187.0
Asset-Backed Securitisation Loan	77.7	66.0	(15.1)	75.5	▼ (2.8)
Total Long Term Debt	79.3	67.6	(14.7)	128.0	▼ 61.5
Total Leasing	52.6	4,600.8	8,651.9	5,421.0	▲ 10,212.2
Total Financial Debt	1,838.0	6,045.3	228.9	7,061.4	▲ 284.2
COVENANT					
Min Cash (5.0%)	6.5	3.9	**	5.0	**
DER (time)	2.6	12.1		(87.4)	
DER (3.0 time)*	2.6	2.9	**	(20.3)	**
Min Equity (USD500 million)	720.6	500.8	**	(80.8)	**
Net Gearing (time)	2.1	11.7		(85.4)	
Net Gearing (time)*	2.1	2.9		(20.3)	
Cash	297.4	163.3		165.4	

*Exclude PSAK 73

**

- Waive and defer certain covenants in relation to covenant breach by amending Term and Condition in Declaration of Trust and other Sukuk Certificates transaction documents.
- Up to the date of the issuance of these consolidated financial statements, the Company has received several waiver approvals from the Banks.
- As at 30 June 2020 the company has not received waiver approval letters from EDC, while the EDC waiver approval was received on 20 July 2020. Therefore, the Company classifies the finance lease liabilities originating from EDC as current liabilities.

Sukuk Consent Solicitation – Extended by 3 Years, Coupon Remains The Same

The COVID-19 pandemic has created an extremely challenging business environment for airline globally, with the WHO declaring the outbreak a pandemic in March 2020. Lockdowns and travel restrictions imposed by various countries including Indonesia, as a measure to curb the spread of COVID-19. Compliance with these measures and the corresponding decreases in passenger and demand for air travel have resulted in a significant reduction in number of flights, which in turn has adversely impacted the Company’s operations, revenues, cash flow and profitability.

CONSENT SOLICITATION	
Sukuk Description:	5.95% Trust Certificates Due 2020
Outstanding :	USD 500 Million
Proposal :	<ul style="list-style-type: none">• 3-year maturity extension• Covenant holiday until operations return to a level similar to a pre-COVID situation
Requisite Consent :	75.00%
Vote Result :	98.84%

The Subsidiaries Performance

Citilink

INDICATOR	6M 2019	6M 2020	Chg (%)
Citilink	(USD million)		
Operating Revenue	414.5	200.3	▼ (51.7)
Operating Income	42.9	(99.7)	▼ (332.6)
Net Income	277.2	(99.7)	▼ (136.0)
EBITDA	161.1	30.7	▼ (80.9)
INDICATOR	4Q 2019	2Q 2020	Chg (%)
Asset	588.6	2,264.1	▲ 284.6
Liability	568.9	2,347.8	▲ 312.7
Equity	19.7	(83.7)	▼ (524.0)
Revenue Contribution to Group (%)			19.1

asyst
enhancing quality

INDICATOR	6M 2019	6M 2020	Chg (%)
Asyst	(IDR billion)		
Operating Revenue	54.3	53.8	▼ (1.0)
Operating Income	(25.1)	(25.3)	▼ (1.1)
Net Income	(17.2)	(21.1)	▼ (22.5)
EBITDA	(21.9)	(16.0)	▲ 27.1
INDICATOR	4Q 2019	2Q 2020	Chg (%)
Asset	280.4	323.5	▲ 15.3
Liability	255.1	326.5	▲ 28.0
Equity	25.3	(3.0)	▼ (111.9)
Revenue Contribution to Group (%)			0.3

GMFAeroAsia
GARUDA INDONESIA GROUP

6M 2019	6M 2020	Chg (%)	6M 2019	6M 2020	Chg (%)
GMF AeroAsia			Aero Wisata		
(USD million)			(IDR billion)		
246.3	159.2	▼ (35.3)	1,686.0	919.2	▼ (45.5)
19.1	(107.8)	▼ (664.8)	(27.0)	(257.2)	▼ (853.2)
7.2	(99.3)	▼ (1,481.6)	1.7	(257.3)	▼ (14,915.7)
27.7	(95.6)	▼ (445.3)	24.6	(172.5)	▼ (800.0)
4Q 2019	2Q 2020	Chg (%)	4Q 2019	2Q 2020	Chg (%)
756.4	625.5	▼ (17.3)	4,106.6	3,980.3	▼ (3.1)
491.1	518.2	▲ 5.5	1,424.8	1,602.4	▲ 12.5
265.3	107.3	▼ (59.6)	2,681.8	2,377.9	▼ (11.3)
		15.2			6.1

HOLIDAYFRANCE
Garuda Indonesia

6M 2019	6M 2020	Chg (%)	6M 2019	6M 2020	Chg (%)
Sabre			GIH		
(USD million)			(USD million)		
376.6	1.6	▼ (99.6)	2.3	0.3	▼ (85.2)
0.8	(0.6)	▼ (166.9)	0.4	(1.4)	▼ (444.8)
0.6	1.0	▲ 65.2	0.4	(1.0)	▼ (390.1)
0.8	(0.5)	▼ (163.3)	0.5	(1.0)	▼ (312.2)
4Q 2019	2Q 2020	Chg (%)	4Q 2019	2Q 2020	Chg (%)
1,047.4	5,716.5	▲ 445.8	12.4	12.5	▲ 1.0
1,039.8	5,707.9	▲ 448.9	1.6	2.8	▲ 76.3
7.6	8.7	▲ 13.6	10.9	9.8	▼ (9.9)
		0.2			0.1

Aerowisata
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Sabre

Thank You

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