



Management's Discussion and Analysis

For the period ending 30 September 2024

Bangkok Airways Public Company Limited and Its Subsidiaries



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Executive Summary

The overall global aviation industry during the third quarter of 2024, the growth in Revenue Passenger Kilometers (RPK) across all regions was 7.9 percent compared to the same period in 2023. Airlines of the Asia-Pacific region had the highest growth with an average of 12.6 percent, followed by airlines in Africa and Europe at 9.5 and 7.2 percent respectively.

In terms of Available Seat Kilometers (ASK), all regions grew by 6.6 percent compared with the same period of 2023. The airlines in the Asia - Pacific had the greatest growth rate at 8.8 percent, followed by airlines in Latin America and Europe at 8.0 and 6.9 percent respectively. The overall passenger load factor in all regions was 85.3 percent, which slightly increased by 1.0 percent when compared to the same period of last year. (Source: International Air Transportation Association: IATA)

The tourism in Thailand in the third quarter of 2024 had a significant growth compared to year 2023 with a cumulative number of foreign tourists totaling 8,587,572 visitors, or a growth of 21.0 percent. Additionally, it could be observed that China which has the biggest portion for the International Visitor Arrivals, increased significantly at 73.0 percent compared to the third quarter of 2023; however, the number of Chinese visitors were still around 36.0 percent lower than the same period in 2019 (Source: Ministry of Tourism and Sport)

For the third quarter of 2024, the Company carried 1.06 million passengers, heighten by 8.2 percent along with the growth in Revenue Passenger Kilometers (RPK) across all regions. Most of passenger volumes contributed from website and direct connect Point-of-Sales which accounted for 47.0 percent, followed by International Point-of-Sales which represented 39.0 percent of total passengers. For the most part of international point-of sale derived from Europe and Asia (excluding Thailand). In this period, the Company deliberately adjusted flight frequency on Samui routes to match with travel demand due to its high season. As a result, the Available-Seats Kilometers (ASK) increased by 12.8 percent from the same period last year and 8.3 percent from the second quarter of 2024, respectively. The average load factor was at 79.0 percent, which increased by 1.1 percentage points comparing to the third quarter of 2023.

The total revenue for the third quarter of 2024 was 6,489.3 million baht, or 15.3 percent growth, driven by passenger revenue from airline business and revenue from airport-related business. Meanwhile, the total expenses shown the growth of 20.2 percent, mainly caused by rising of operating expenses. The Company made operating profit and profit before income (expenses) tax revenue at 1,371.1 million baht and 878.1 million baht respectively comparing to 2023. The net profit for the period was 673.3 million baht

The Company reported a profit from operation for the nine-month period of 2024 at 4,738.4 million baht, increased by 1,554.8 million baht or 48.8 percent from 2023. The rise of total revenue was mainly from the growth of airline passenger revenue, driven by an average fare of 4,226.7 Baht per sector or 14.4 percent higher than last year, plus passenger volumes that grew by 10.3 percent from 2023. Additionally, an increasing revenue from airport-related business was further up from more serviced flights during the period. In the meantime, the total expenses increased by 17.6 percent, resulted from the higher fuel, salary and aircraft maintenance expenses. As a consequence, the Company reported a profit before income (expenses) tax revenue of 3,893.9 million baht, improved by 83.0 percent from 2023. The net profit for the period was 3,264.9 million baht, of which the profit attributable to the equity holders of the Company was 3,256.6 million baht, and profit per share was 1.55 baht.



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Bangkok Airways is a full-service airline providing premium service to passengers. The company owns and operates three airports: 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 terminal.

The consolidated financial statement of the Company consists of Separate Financial Statement and Financial Statements of the 16 subsidiaries that include: 1) Bangkok Air Catering Company Limited, 2) Worldwide Flight Services Bangkok Air Ground Handling Company Limited, 3) Bangkok Airways Ground Service Company Limited, 4) Bangkok Airways Holding Company Limited, 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, 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, 15) Bangkok REIT Management Co., Ltd, 16) Bangkok Airport Management Co., Ltd.

Airline Operating Data

	Unit	July-September		January-September	
		2024	2023	2024	2023
Number of passengers carried	Thousand	1,056.7	976.8	3,313.7	3,003.0
Number of flights flown	Flights	12,044	11,369	36,358	33,315
Revenue Passenger Kilometers (RPK)	Million Passenger – Kilometers	681.2	595.3	2,132.4	1,861.2
Available Seat Kilometers (ASK)	Million Seat –Kilometers	862.1	764.1	2,603.7	2,319.5
Passenger Load Factor	Percentage	79.0	77.9	81.9	80.2
Seats	Thousand	1,310.6	1,236.2	3,969.9	3,699.6
Aircraft utilization ⁽¹⁾	Hour per day per Aircraft	8.9	8.4	8.6	8.5
Average Stage Length	Kilometers	644.7	609.5	643.5	619.8
Number of aircraft at period end	Aircraft	23	24	23	24
Passenger Yield ⁽²⁾	Baht per Passenger – Kilometer	6.53	6.24	6.57	5.96
Revenue ASK (RASK)	Baht per ASK	5.72	5.51	6.01	5.46
Cost per ASK (CASK)		4.95	4.88	4.90	4.77
RASK – CASK		0.77	0.63	1.11	0.70

Remarks

- (1) Calculated from aircraft in service only
- (2) Scheduled passenger revenues, including fuel surcharge and insurance surcharge, but excluding excess baggage, divided by RPKs.

Operating performance summary for the period ended September 30, 2024

Unit: million baht

	July-September				January- September			
	2024	2023	Variance		2024	2023	Variance	
			Amount	%			Amount	%
Total revenue	6,489.3	5,630.2	859.1	15.3	20,004.3	16,330.3	3,674.0	22.5
Total expenses	5,355.6	4,454.9	900.7	20.2	15,393.7	13,091.6	2,302.1	17.6
Operating profit (loss) for the period ⁽¹⁾	1,371.1	1,161.2	209.9	18.1	4,738.4	3,183.6	1,554.8	48.8
Profit before income (expenses) tax revenue	878.1	823.9	54.2	6.6	3,893.9	2,127.5	1,766.4	83.0
Net profit (loss) for the period	673.3	1,910.4	(1,237.1)	(64.8)	3,264.9	3,456.6	(191.7)	(5.5)
Profit (loss) attributable to equity holders of the Company	671.2	1,911.0	(1,239.8)	(64.9)	3,256.6	3,455.8	(199.2)	(5.8)
EBIT ⁽²⁾	1,298.3	978.9	319.4	32.6	4,814.9	2,983.5	1,831.4	61.4
EBITDA ⁽²⁾	1,681.1	1,415.0	266.1	18.8	5,961.4	4,351.5	1,609.9	37.0
EBIT Ratio (%)	20.9	18.6	2.3		24.7	19.1	5.6	
EBITDA Ratio (%)	27.0	26.8	0.2		30.6	27.8	2.8	

Remarks

- (1) Excluding gain(loss) from exchange rate, gain(loss) from derivative transaction
- (2) EBIT, EBIT margins, EBITDA, and 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.

Revenues

For the third quarter of 2024

Total revenues were 6,489.3 million baht, increased by 15.3 percent compared to the previous year. The revenue mainly derived from passenger revenue from the airline business, airport-related business, and airport businesses, accounting for 68.7 percent, 20.2 percent, and 2.2 percent of total revenue, respectively. The significant increase was from passenger revenue, which grew by 19.2 percent or 718.0 million baht from a higher average fare by 10.7 percent or reported at 4,209.5 per sector. The Company serviced 1.06 million

passengers, increased by 8.2 percent compared with the year 2023 or 76.2 percent of pre-COVID-19 passengers.

The sales and services revenue from the airport-related business was 1,311.1 million baht, which grew by 18.9 percent compared to last year. Most of the revenue were from Worldwide Flight Services, which accounted for 58.1 percent of revenue.

For this quarter, The Company had dividend received amounted to 263.1 million baht and other revenues of 290.5 million baht, which dropped by 2.6 percent from last year.

For the nine-month period of 2024

Total revenues for nine-month period were 20,004.3 million baht, which grew by 22.5 percent or 3,674.0 million baht compared to the year 2023. The majority of incremental revenue was from airline and airport-related business, arise from higher number of serviced flights and passengers. For the nine-month period of 2024, the Company carried 3.3 million passengers, increased by 10.3 percent from 2023. The average load factor was reported at 81.9 percent. The average fare was 4,226.7 baht per sector, which climbed up by 14.4 percent from the same period last year.

The sales and services revenue from airport-related business was 3,855.3 million baht, climbed by 24.9 percent compared to last year. Increased revenues were mainly from Worldwide Flight Services Bangkok Air Ground Handling, with a higher revenue of 487.1 million baht and a higher amount of 187.9 million baht from Bangkok Air Catering.

The passenger service charge from airport business was 422.2 million baht, increased by 22.2 percent from year 2023. That was derived from higher number of outbound passengers from Samui airport, Sukhothai airport and Trat airport.

For this period, the Company received 528.8 million baht from dividend and had an amount of 1,126.3 million baht from other revenues. The other revenues were an increasing amount of 108.9 million baht, or grew by 10.7 percent mainly from breakage tickets, rental and services, excess baggage, ticket fees.

Share of Profit from Investments in Associates

The Company reported share of profit from associated companies for the third quarter of 2024 at 190.3 million baht, increased by 20.9 percent from 2023. The share of profit was mainly from WFS-PG Cargo Company, which reported at 146.7 million baht or grew by 27.2 percent from a higher serviced tonnage and tariff adjustment. Share of profit from BA Airport Leasehold Real Estate Investment Trust (BAREIT) was 57.0 million baht and a share of loss from U-Tapao International Aviation at 13.4 million baht.

For nine-months period of 2024, the Company had share of profit from associated companies of 605.3 million baht or climbed by 34.6 percent, mainly from WFS-PG Cargo Company and BA Airport Leasehold Real Estate Investment Trust (BAREIT), which amounted to 418.5 million baht and 236.2 million baht

respectively. The Company reported a share of loss from U-Tapao International Aviation at 49.0 million baht.

Expenses

For the third quarter of 2024, total expenses were 5,355.6 million baht, an increase of 20.2 percent from last year.

- Cost of sales and services was 4,322.8 million baht, increased by 14.6 percent compared to year 2023. Cost of sales and services were mainly from costs related to flight operation from the airline business, such as fuel expenses, salary and benefits, aircraft maintenance, and passenger services, which accounted for 17.0 percent, 13.7 percent, 12.5 percent, and 8.5 percent of total expenses, respectively.
- Total selling and distribution expenses were 323.6 million baht, grew 19.0 percent. The majority was from the booking and reservation expenses, amounted to 154.1 million baht or grew by 7.7 percent from the higher number of passengers.
- The administrative expenses were 471.4 million baht, grew by 16.3 percent from year 2023. An increase amount was mainly from employee-related expenses and professional fee.
- Financial cost reported at 519.9 million baht, dropped by 4.3 percent from loan repayment and interest rate reduction from financial institutions during the period. The significant financial costs were interest expenses paid to BA Airport Leasehold Real Estate Investment Trust (BAREIT) and financial institutions, which accounted for 55.5 percent and 38.8 percent of financial costs, respectively.

For the nine-month period of 2024, total expenses were 15,393.7 million baht, increased by 17.6 percent from last year.

- Cost of sales and services was 12,723.0 million baht, grew by 14.9 percent from last year. That was mainly from a rising of fuel expense at 523.9 million baht, increased by 22.5 percent, and increase of salary and benefits at 455.5 million baht, rose by 33.3 percent. In addition with, an incremental of passenger service and aircraft maintenance expenses amounted to 187.7 million baht and 176.0 million baht or 15.4 percent and 9.5 percent growth compared with 2023.

As of September 2023, The Company entered into fuel hedging transaction until the period of June 2025 with totally amount of 120,000 barrels at the price range between 84.7 to 86.2 USD per barrel.

- Total selling and distribution expenses were 974.8 million baht, increased 171.7 million baht or 21.4 percent from the year 2023. The increasing amount was mainly from usage of the reservation system.
- The administrative expenses were 1,559.2 million baht, increased of 355.7 million baht or 29.6 percent, mainly from an employee-related expense.

For this period, the Company had loss on exchange rate of 127.9 million baht from appreciation of Baht during the period.

- Financial cost reported at 1,575.7 million baht, dropped by 3.4 percent from 2023. Most of financial cost were from interest expenses paid to BA Airport Leasehold Real Estate Investment Trust (BAREIT), and financial institutions, amounted to 858.6 million baht and 633.4 million baht, respectively.

Assets

As of 30 September 2024, the Company and its subsidiaries have total assets of 59,440.1 million baht, increased by 1,558.8 million baht from 31 December 2023.

Unit: million baht

As of	30 September 2024	31 December 2023	Variance
<i>Current assets</i>			
Cash and cash equivalents	7,707.0	12,977.6	(5,270.6)
Trade and other receivables	1,153.9	1,471.8	(317.9)
Inventory	483.5	489.1	(5.6)
Other current financial assets	5,306.6	651.2	4,655.4
Other current assets	578.4	484.0	94.4
<i>Total current assets</i>	<i>15,229.4</i>	<i>16,073.7</i>	<i>(844.3)</i>
<i>Non-current assets</i>			
Investments in associates	6,754.0	6,038.6	715.4
Other non-current financial assets	23,378.8	22,062.4	1,316.5
Property, plant, and equipment	7,532.1	7,091.4	440.7
Right-of-use assets	4,606.8	4,622.2	(15.5)
Deposits	354.0	391.2	(37.2)
Other non-current assets	1,585.0	1,601.8	(16.8)
<i>Total Non-current assets</i>	<i>44,210.7</i>	<i>41,807.6</i>	<i>2,403.1</i>
<i>Total assets</i>	<i>59,440.1</i>	<i>57,881.3</i>	<i>1,558.8</i>

Current assets

The Company's total current assets as of 30 September 2024 were 15,229.4 million baht, decreased from 31 December 2023 by 844.3 million baht. This was mainly from:

- Cash and cash equivalents decreased by 5,270.6 million baht, mainly from cash used in investing activities amounted to 4,856.3 million baht, which mainly concluded with the investment in fixed

deposit and investment in associates. Additionally, cash used for financing activities amounted to 5,468.3 million baht, including dividend payment, repayment of short-term loan and long-term loan, and financial costs. The Company reported net cash from operating activities at 5,617.7 million baht during the period.

- An incremental other current financial asset of 4,655.4 million baht, from the increasing of bank deposit from 31 December 2023.

Non-current assets

The total non-current assets of the Company were 44,210.7 million baht, which increased from the end of 2023 by 2,403.1 million baht. That was mainly from:

- An increase of other non-current financial assets of 1,316.5 million baht, which largely from mark-to-market of long-term investments in marketable securities during the period.
- Investment in associates increased by 715.4 million baht. The incremental was from an investment in U-Tapao International Aviation Co.,Ltd amounted to 1,050.0 million baht. Nevertheless, the Company decreased investment proportion from 45.0 percent to 40.0 percent, meanwhile the portion of UTB Co.,Ltd. increased from 25.0 percent to 40.0 percent during the period.
- Property, Plant, and Equipment grew by 440.7 million baht, mainly due to an acquisition of land for airport development during the period.

Liabilities

As of 30 September 2024, the Company and its subsidiaries have liabilities amounted to 40,507.6 million baht, decreased by 466.0 million baht from 31 December 2023 as follows:

Unit: million baht

As of	30 September 2024	31 December 2023	Variance
<i>Current liabilities</i>			
Short-term loan	536.9	1,598.4	(1,061.5)
Trade and other payables	1,734.8	1,957.6	(222.8)
Current portion of long-term loans	1,435.0	1,247.9	187.1
Current portion of lease liabilities	952.2	912.6	39.6
Short-term loan from related parties	802.0	-	802.0
Unearned revenue	2,756.1	2,575.3	180.8
Current portion of long-term financial liabilities	114.0	92.5	21.5
Other current liabilities	2,742.2	2,582.3	159.9
<i>Total current liabilities</i>	11,073.1	10,966.7	106.4
<i>Non-Current liabilities</i>			

As of	30 September 2024	31 December 2023	Variance
Long-term loans– net current of the portion	8,260.3	8,999.1	(738.7)
Lease liabilities - net of the current portion	1,644.3	1,950.7	(306.4)
Employee benefits	1,165.8	1,033.3	132.5
Deferred tax liabilities	3,899.6	3,591.5	308.1
Long-term financial liabilities - net of the current portion	14,327.7	14,343.1	(15.4)
Other non-current liabilities	136.8	89.4	47.4
Total non-current liabilities	29,434.5	30,007.0	(572.4)
Total liabilities	40,507.6	40,973.6	(466.0)

Current liabilities

Total current liabilities were 11,073.1 million baht, increased from 31 December 2023 by 106.4 million baht, which mainly resulted from:

- An increase in short-term loan from U-Tapao International Aviation Co.,Ltd amounted to 802.0 million baht. Nevertheless, the Company made a repayment of short term loan to financial institutions amounted to 1,061.5 million baht during the period.
- An incremental unearned revenue of 180.8 million baht was arisen from higher advance bookings during the period.
- Other current liabilities grew by 159.9 million baht, which mainly from an increase of accrued expenses and deposit from associates during the period.

Non-current liabilities

The total non-current liabilities of the Company were 29,434.5 million baht, dropped by 572.4 million baht from 31 December 2023. Resulted from the following;

- A decreasing of the current-portion-net of the long-term loan and lease liabilities - net of the current portion totally amounted to 1,045.1 million baht was from repayment of long-term loan and lease liabilities during the period.
- An incremental of deferred tax liabilities amounted to 308.1 million baht, which was due to the changes of the mark-to-market in marketable securities during the period.

Shareholders' Equity

Unit: million baht

As of	30 September 2024	31 December 2023	Variance
<i>Shareholders' equity</i>			
Paid up capital	2,100.0	2,100.0	-
Other components of shareholders' equity	14,909.6	13,833.3	1,076.2
Retained earnings (loss)	2,192.8	1,245.3	947.5
Others ⁽¹⁾	(270.0)	(271.1)	1.1
Total shareholders' equity	18,932.4	16,907.6	2,024.8

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

As of 30 September 2024, the total shareholders' equity of the Company and its subsidiaries was 18,932.4 million baht, increasing by 2,024.8 million baht from an incremental of other components of shareholders' equity amounted to 1,076.2 million, which resulting from changes in the market-to-market of marketable securities. Additionally, an increase of 947.5 million baht was from retained earnings due to a better operating performance during the period.

The Company reported retained earnings as of 30 September 2024 at 2,192.8 million baht.

Statement of Cash Flow

Unit: million baht

As of	30 September 2024	30 September 2023
Net cash flows from (used in) operating activities	5,054.0	4,421.9
Net cash flows from (used in) investing activities	(4,856.3)	9,718.4
Net cash flows from (used in) financing activities	(5,468.3)	(6,088.3)
Cash and cash equivalents at the end of the period	7,707.0	11,643.7

Cash flows from operating activities

The Company and its subsidiaries showed a gain from operating activities before changes in operating assets and liabilities at 5,056.2 million baht. The Company reported cash flows from operating activities at 5,617.7 million baht and cash paid for corporate income tax at 563.7 million baht. As of 30 September 2024, the Company had net cash flow from operating activities amounted to 5,054.0 million baht.

Cash flows from investing activities

As of 30 September 2024, net cash flows used in investing activities of the Company and its subsidiaries was 4,856.3 million baht. The majority was an investment in fixed deposit, which amounted to 4,655.4 million baht. Additionally, an investment in associates and property, plant, and equipment amounted to 1,051.6 million baht and 892.6 million baht respectively. Nevertheless, the Company received dividend from investment in associates, dividend from investment in equity instruments, and cash from selling of share in associates totally amounted to 1,541.9 million baht during the period

Cash flows from financing activities

As of 30 September 2024, the Company and its subsidiaries had cash flow used in financing activities was 5,468.3 million baht, mainly for the payment of long-term and short-term loans, dividend, and finance cost with a total amount of 4,918.7 million baht.

Summary Consolidated Financial and Ratio

Ratio		As at 30 September	
		2024	2023
Liquidity Ratio	Current Ratio (Time)	1.4	1.9
	Collection Period (Day)	19.3	22.0
	Stock Turnover Period (Day)	10.3	11.5
	Payment Period (Day)	32.6	32.6
Profitability Ratio	EBITDA Margin (%)	30.6	27.8
	Net profit Margin (%)	16.3	21.2
	Return on Equity (%)	24.3	26.4
Leverage Ratio	Debt to Equity (Time)	2.14	2.21
	Interest Coverage Ratio (Time)	3.78	2.67