

# GARUDA INDONESIA

## “Leadership Agility in Times of Change”

Irfan Setiাপutra | President & CEO Garuda Indonesia



11 Agustus 2020

President & CEO PT Garuda Indonesia (Persero) Tbk

## Irfan Setiাপুত্রা

### Employment History

- ❑ CEO Sigfox Indonesia - PT Kirana Solusi Utama (2019 - 2020)
- ❑ CEO PT Reswara Minergi Hartama (2017)
- ❑ Commissioner PT Cipta Kridatama (2017)
- ❑ Commissioner PT Sanggar Sarana Baja (2017)
- ❑ President Commissioner PT Reswara Minergi Hartama (2015 - 2017)
- ❑ Chief Operating Officer PT ABM Investama (2015 - 2017)
- ❑ CEO PT Cipta Kridatama (2014 - 2017)
- ❑ CEO PT Titan Mining Indonesia (2012 – 2014)
- ❑ CEO PT Industri Telekomunikasi Indonesia (Persero) (2009 – 2012)
- ❑ Country Manager / Managing Director PT Cisco Systems Indonesia (2002 - 2009)
- ❑ Managing Director PT Linknet Internet Access (2000 - 2002)
- ❑ Account Manager & Team Leader – Banking Industry IBM Indonesia, Jakarta (1996 – 2000)
- ❑ PT Bank Niaga, Jakarta (1989 – 1996 )



#### Place & Date of Birth

Jakarta, October 24<sup>th</sup>, 1964

#### Education

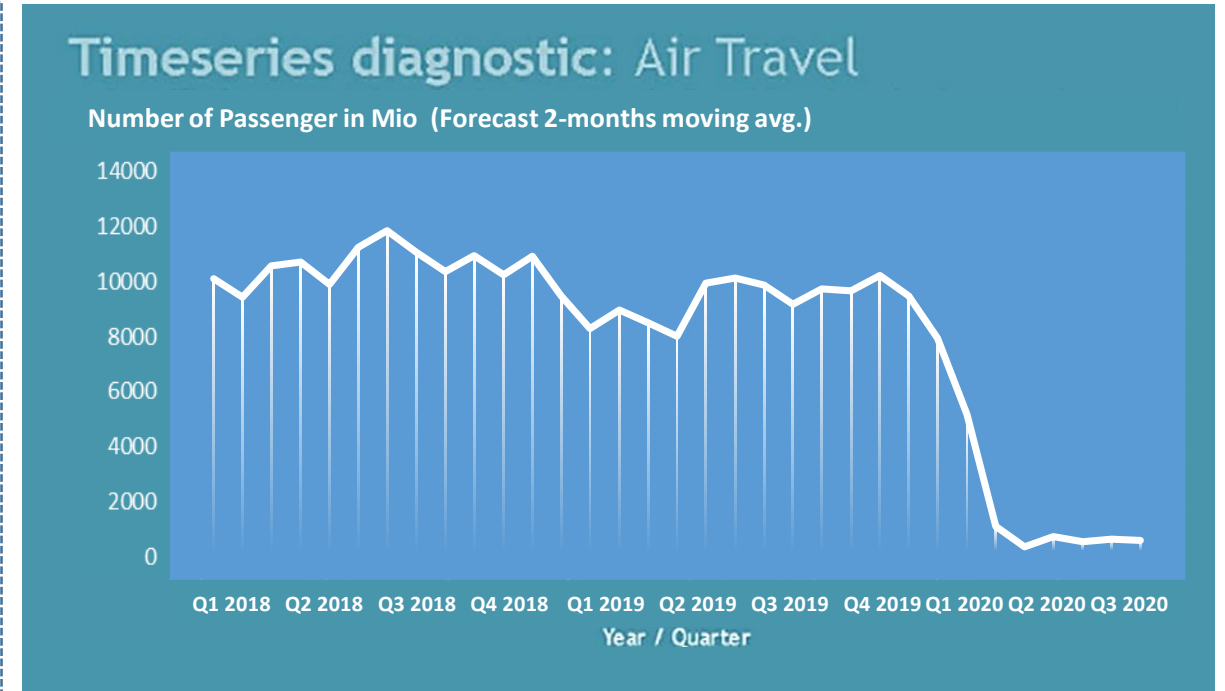
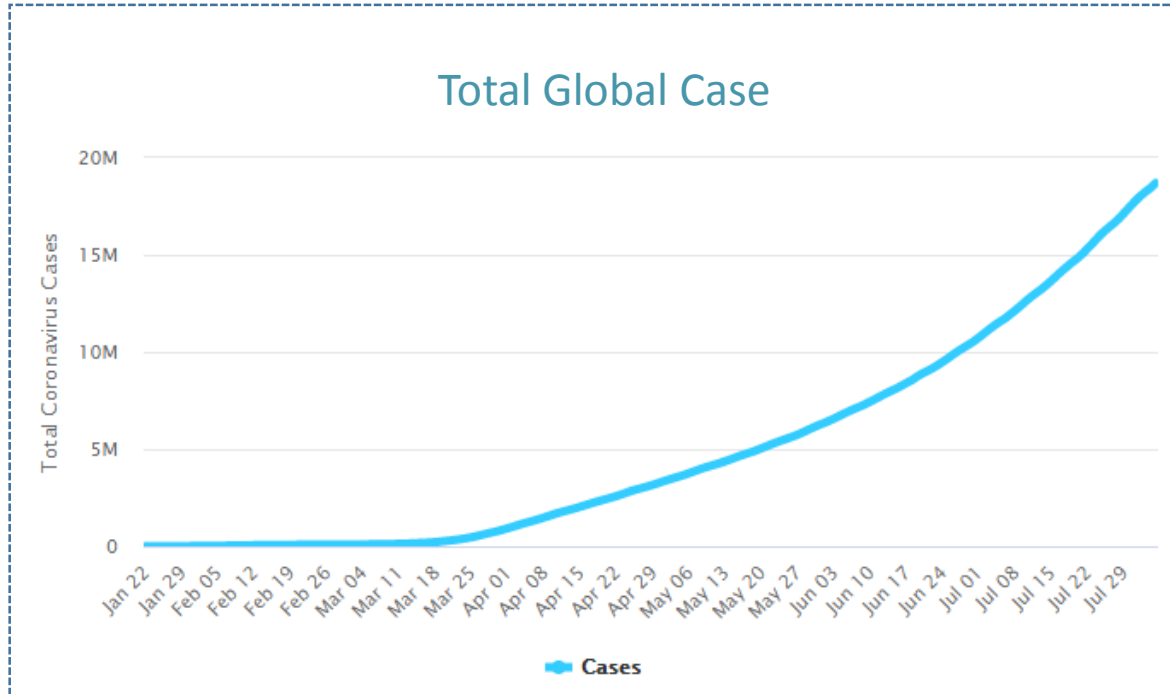
Bachelor's Degree-Informatics  
Bandung Institute of Technology

# Challenges Facing The Airline Industry

- ▶ Covid-19 is global pandemic that affected all industry especially transportation and tourism
- ▶ People movement are reduced heavily and countries applied restriction on their borders
- ▶ It take slow recovery for about 24-48 months to recover and reach 2019 level of production
- ▶ Garuda Indonesia performance are dropped both on domestic and international

# Covid-19 Impact

Latest Updates on Pandemic that Affect All Industry

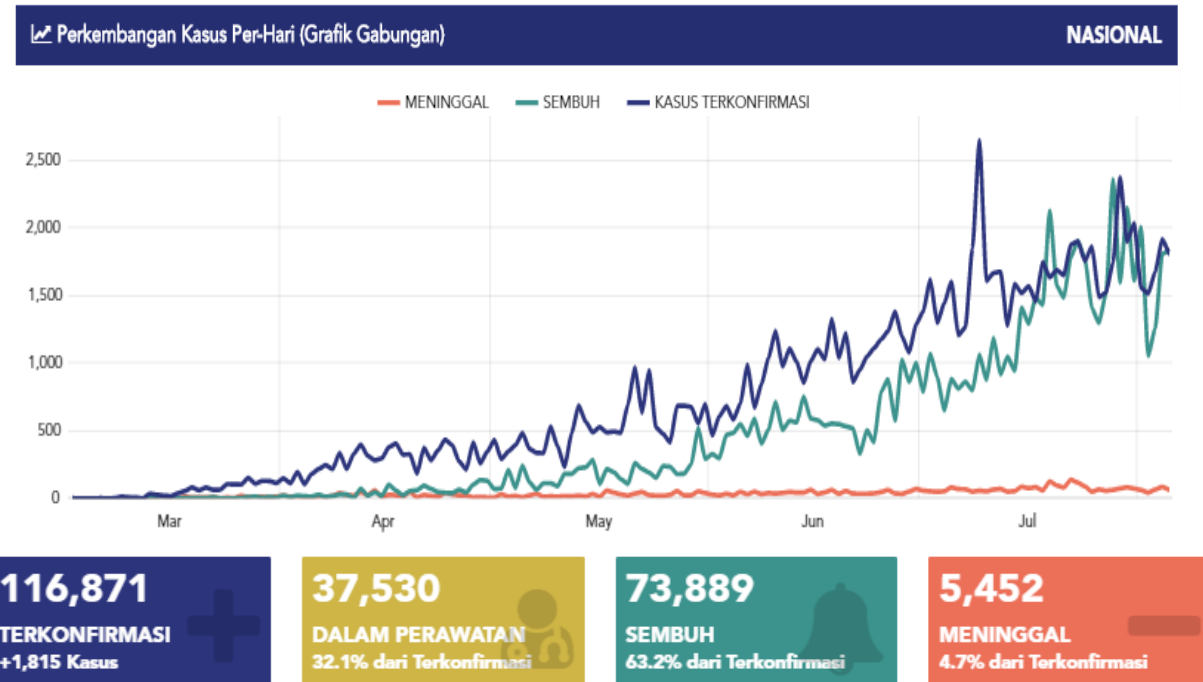


In World Wide, the total number of infections are 18,735,927

**The active cases are still increasing everyday**

# Covid-19 in Indonesia

## Latest Updates in Indonesia



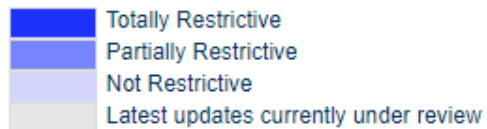
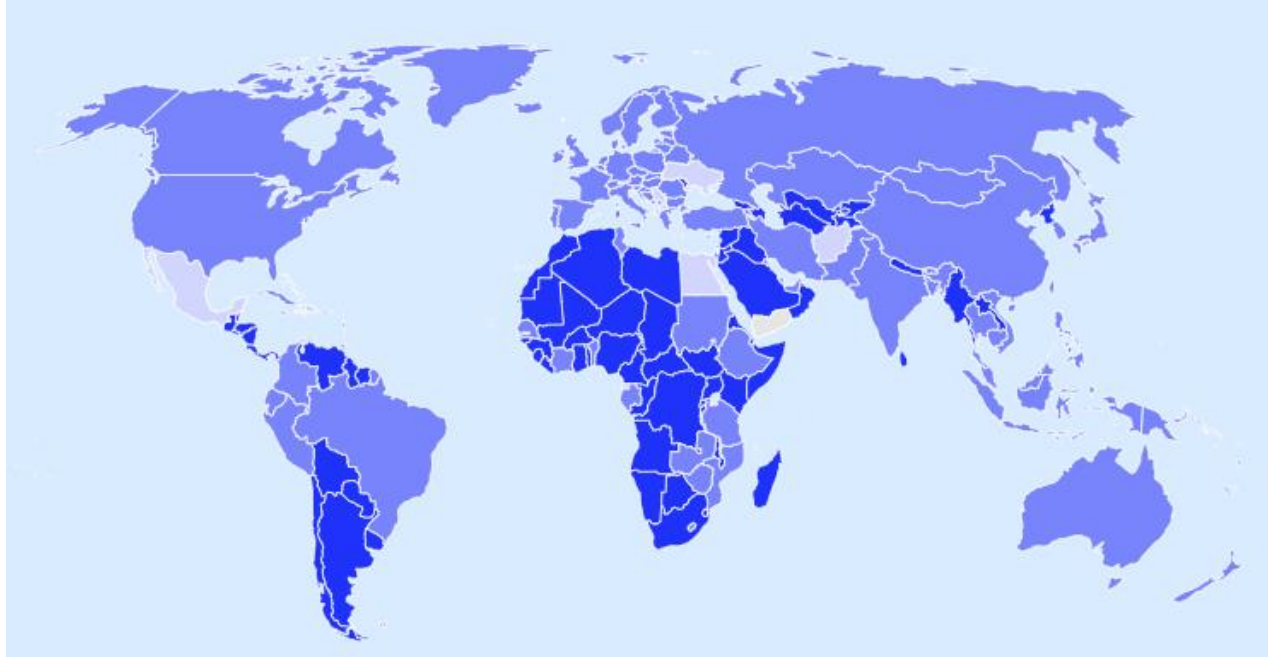
In Indonesia, The Health Ministry announced the total number of infections nationwide to 116,871

**Indonesia consumer interest for air travel dropped by 65% - 75% and has not yet recover**

(BCG, 2020)

# Travel Restriction

## Countries Takes Prevention to Stop Pandemic Spread



To curb the spread of COVID-19 in Indonesia, the Indonesian government **has restricted** foreign visitors from traveling to the Indonesian Territory as of 2 April 2020, at 00.00 WIB (Indonesian Western Standard Time) until further notice.

Airport	Restriction	Period
CGK, Indonesia	Foreigner enter Indonesia	2 Apr – UFN
SIN, Singapore	Foreigner enter or transit via SIN	23 Mar – UFN
KUL, Malaysia	Foreigner limitation and required Covid-19 test	18 Mar – 31 Aug
BKK, Thailand	Foreigner enter Thailand	4 Apr – UFN
JED, Saudi Arabia	Foreigner enter Saudi Arabia	25 Mar – UFN
AMS, Netherland	Foreigner enter EU except several country	19 Mar – UFN
SYD, Australia	Foreigner enter Australia	22 Mar – UFN
PEK, China	Foreigner limitation enter China	28 Mar – UFN
ICN, South Korea	Foreigner from specific country (incl Indonesia)	UFN
TYO, Japan	Foreigner enter Japan	3 Apr – UFN

\* 5 August 2020

# Unsteady Airlines Industry

## Airlines Takes Direct Hit of Covid-19 Impact

### Airline that went bankrupt due to Covid-19



Compass Airlines (AS)  
Maret 2020



Trans States Airlines (AS)  
Maret 2020



RavnAir (Alaska)  
April 2020



German Airways / LGW (Jerman)  
April 2020



South African Airways (Afrika Selatan)  
April 2020



Germanwings (Jerman)  
April 2020



LATAM Airlines Group (Chile)  
May 2020



Avianca (Colombia)  
May 2020



Thai Airways (Thailand)  
May 2020



Aeromexico (Mexico)  
July 2020

### Several Actions taken by global airline

#### Workforce Reductions and Downsizing

(such as Lufthansa Group to cut 22,000 jobs, Air Canada to cut 16,500 workers, American Airlines to cut 5,000 jobs, etcetera)

#### Right-size Number of Fleet

(such as ANA Looks to Delay Delivery of Final Airbus A380, Qatar phase out ±50 aircrafts, Delta Sells Airbus A321s for Leaseback, etcetera)

#### Minimize In-flight Services

(such as Emirates Cuts Complimentary WiFi And Live TV Onboard Flights, Turkish Airlines will simply offer cold snack boxes, and won't serve coffee or tea, etcetera)

# How Long Will This Last

## Covid-19 Impact Would Take Slow Recovery for About 24-48 Months



1. Return to 2019 level is the first month of a forwarding looking twelve month rolling window where monthly average RPKs are at or above 2019 monthly average RPKs; Source: BCG analysis



# OPPORTUNITIES



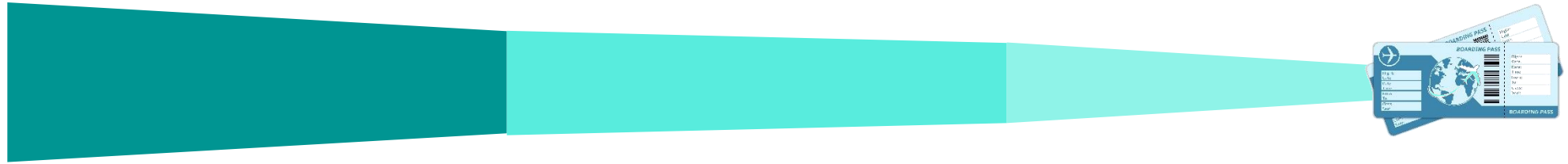
Global airlines are preparing to return operate with new Covid-19 protocol

Garuda Indonesia Group have the right resources and ready to fly as soon as restriction lifted

Domestic market are key to make improvement on 2020 and minimized Covid-19 impact

# Travelling still necessity

Passenger are expected to travel in near future



Recent Traveler

73% feel safe to travel in next 6 mth

56% plan to travel on Jul-Dec 2020

12% booked their ticket



Indonesian traveller become more "confidence" to travel on next 6 month. Government role are crucial to encourage people by showing positive progress to overcome Covid-19 spread and clear procedure of new normal on traveling



Main purpose of travel are for business. But people also plan to vacation to drive out boredom after long PSBB period. They still prefer shorter destination (domestic) such as Bali, Jogja and Malang also will bring their family to travel with them



Even with high confidence and intention, people still wait and see to actually realized their travel plan. They need clear information about new protocol and convince about safety on their journey. Airlines and Tourism Board need to cooperate on campaigning health and safety protocol along with traveller touch point

**Traveler still "wait and see" on the current situation but they getting more confidence to travel soon**

# Support Economic Recovery

## Air Transportation Connecting Indonesia and Drive the Domestic Economy

Indonesia as archipelago will give unique opportunity to air transportation as connecting agent to economic growth

Domestic market will recovered faster and predicted to grow 5.9% throughout 2021-2030 and reach total 115 mio pax per year on 2030



Garuda Indonesia have important role to fly routes on “Jembatan Udara” program

Supports “Super Prioritas” destinations by opening access to international routes through CGK, DPS and UPG Hub

# Bali as Hotspot

Bring International Traffic to Explore Indonesia



# Charter flight

Customized flight for specific requirement

Garuda Indonesia Charter  
Berbagai Layanan untuk Kebutuhan Anda



Garuda Indonesia charter flight fly foreigner for repatriation to several countries such as Brazil, Colombia, Sri Lanka, Maldives, Panama, Philippines, Vietnam, and Thailand

Garuda Indonesia also flew repatriation flight from Japan, United Arab Emirates, Singapore, and South Korea

Charter flight also available to support logistic of medical supplies

# Garuda Indonesia Group

Well Established Airlines Brand



## SAFETY

Two of Indonesian airline approved by the IATA Operational Safety Audit (IOSA) with good safety record



## Fleet

Supported with more than 200 modern aircraft and well maintenance also relatively low average age



## SERVICE

### Garuda Indonesia

“Full service airlines acknowledge by international with 5 Star Skytrax Rating and Best Cabin Crew for 5 consecutive years (2014-2018)”

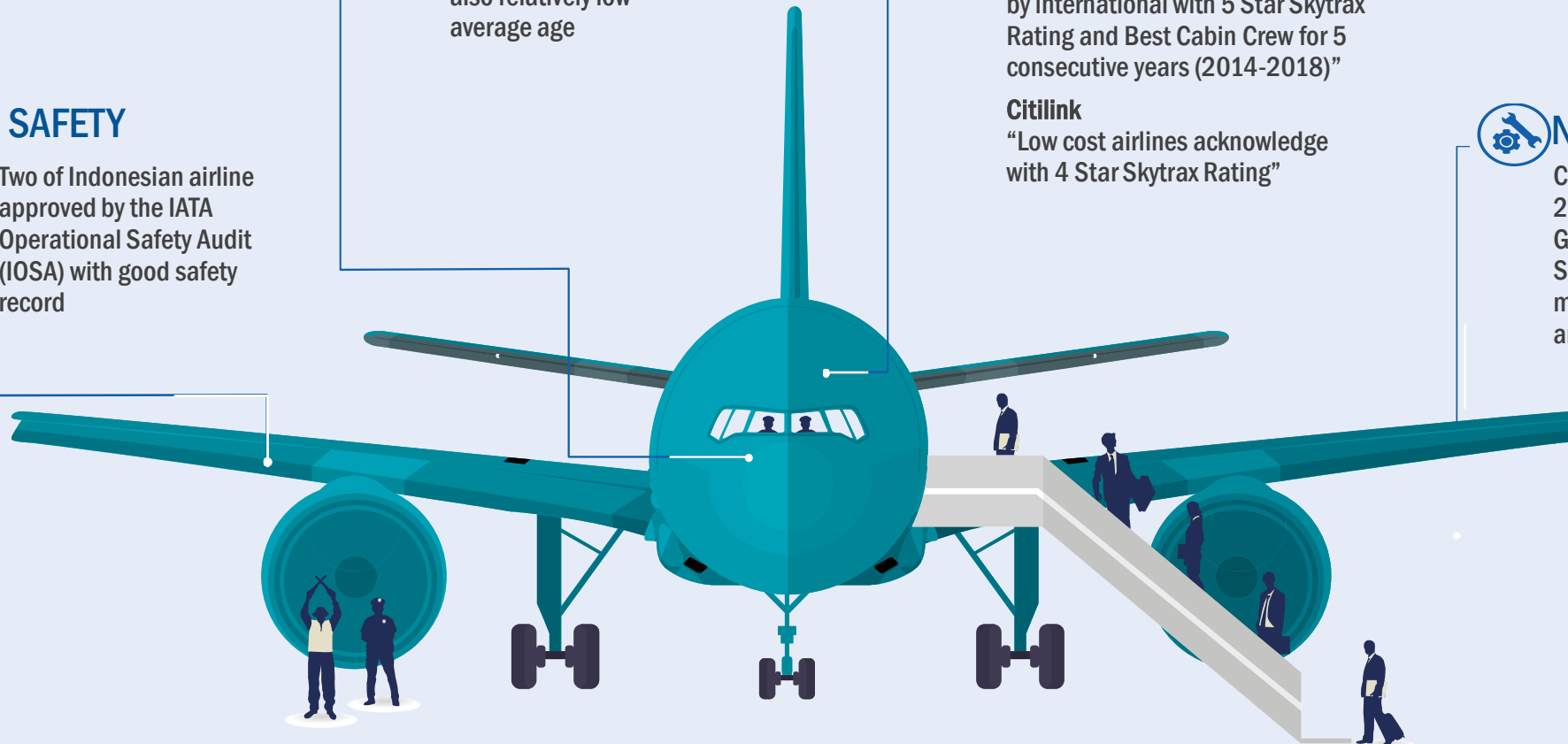
### Citilink

“Low cost airlines acknowledge with 4 Star Skytrax Rating”



## NETWORK

Cover more than 50 domestic and 20 international destination. Garuda Indonesia is a Member of SkyTeam Alliance that expand to more than 1,000 destination around the world



# Starting The Engine

## Global Airlines Starting to Operate with Covid-19 Protocol

 China Southern Airlines Mar 2020	 Air China Mar 2020	 Hainan Airlines Mar 2020	 United Airlines Apr 2020	 Garuda Indonesia Mei 2020	 Cathay Pacific Mei 2020	 Emirates Mei 2020	 TAP Air Portugal Mei 2020	 Air Canada Mei 2020
 KLM Royal Dutch Airlines Mei 2020	 Alaska Airlines Mei 2020	 Vietnam Airlines Mei 2020	 Korean Air Jun 2020	 All Nippon Airways Mei 2020	 Delta Air Lines Jun 2020	 Brussels Airlines Jun 2020	 Qantas Jun 2020	 Eastern Airlines Jun 2020
 Air France Jun 2020	 Etihad Airways Jun 2020	 Philippine Airlines Jun 2020	 American Airlines Jun 2020	 Scandinavian Airlines Jun 2020	 Qatar Airways Jun 2020	 Lufthansa Jun 2020	 Turkish Airlines Jun 2020	 Singapore Airlines Jun 2020
 Japan Airlines Jun 2020	 SWISS International Airlines Jun 2020	 China Eastern Airlines Jun 2020	 British Airways Jun 2020	 Air New Zealand Jun 2020	 Bamboo Airways Jun 2020	 Malaysia Airlines Jun 2020	 Iberia Jul 2020	 Norwegian Jul 2020

# STRATEGIES



Focus to fixing the basic and maintain healthy cashflow to support operational

Utilize cargo potential to support revenue in current condition


Applied Covid-19 precaution on SOP as New Normal



1

## Be Persistent


This attitude will bring a positive energy to encourage us to think differently.



2

## Take Challenge as an Opportunity

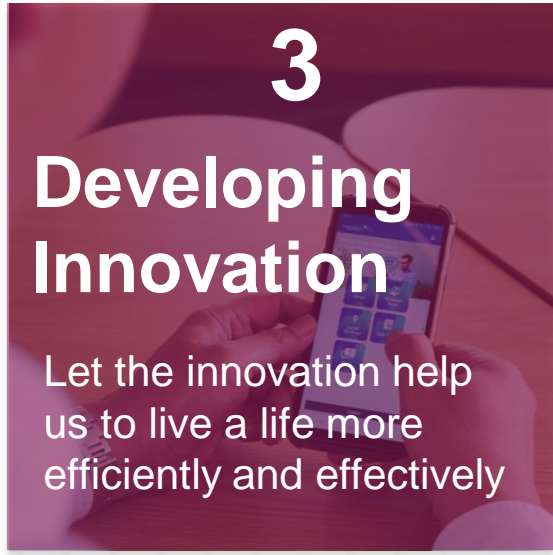
Since COVID-19 pandemic has reshaped our world permanently.



3

## Developing Innovation


Let the innovation help us to live a life more efficiently and effectively



4

## Involving the Teams to Face This Challenge Together

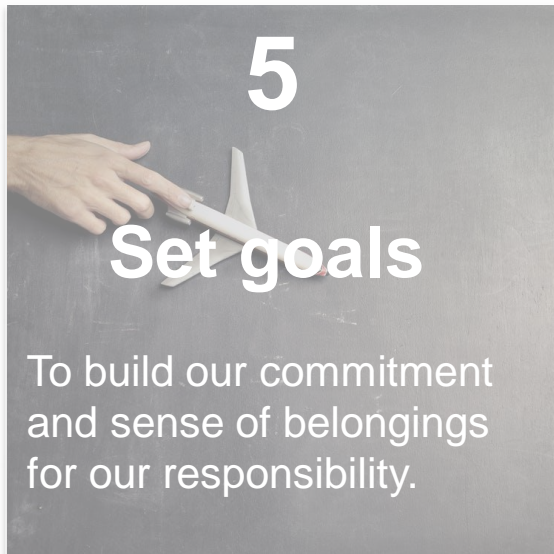
To get more insights and ideas during developing innovation.



5

## Set goals

To build our commitment and sense of belongings for our responsibility.



# Attitudes We Should Have to Survive in This Challenging Phase

# Anticipation for Covid-19

## Fixing The Basic And Prepare For The New Growth

### Overcome Covid-19

Coordinate with the Government to provide transportation for passengers & logistics to accelerate economic recovery. Adjust production & services offering and develop potential revenue streams

- Routes & flight schedules adjustment
- Repatriation and evacuation flight
- Transporting of medical supplies
- Sukuk USD 500 million restructuring
- Efficiency Program



### Development of New Normal

Trigger economic recovery by bringing people back to traveling. Engaging customer and communicate new policies related to Covid-19 to ensure safety of flight. Improve efficiency and organization restructuring

- Implement Covid-19 health procedures
- New Normal Service Concept
- Social media campaigns for new procedure
- Renegotiation of aircraft rental fees and duration
- Realign schedule and connectivity
- Boost cargo flights and charters
- Join Market Campaigns with related Ministries

# New Normal on Garuda Indonesia

Encourage People to Travel Again With Safety in Mind #BecauseYouMatter

## At Airport



Physical Distancing



Thermal Scan



Document Clearance



Lounge Adjustment

## Before Flight



Hygiene Food Preparation



Cabin Sterilized



Baggage Sterilized



Equipment Sterilized

## Inflight



Personal Kit



Packaged Inflight Meals



Seat Allocation



Crew Equipment

# Cargo Business Expansion

## Utilize Big Opportunities On Goods Delivery and Warehouse



### KirimAja

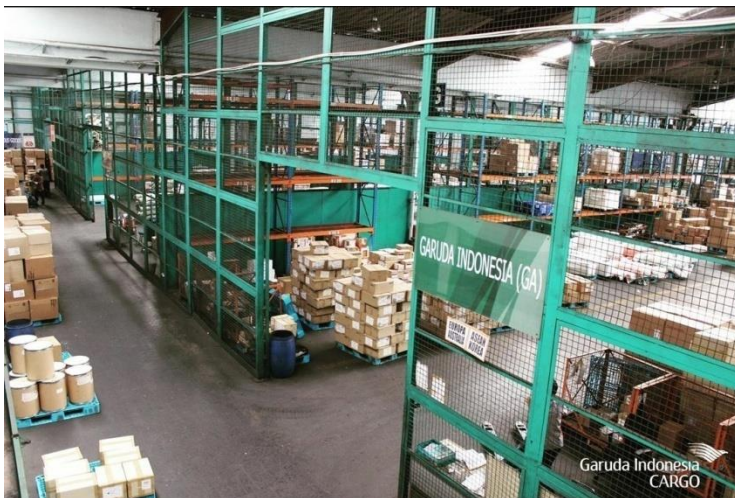
Door to Door logistics product that enable individuals to be a cargo agent using an application to arrange shipment throughout Garuda Indonesia network

### Cargo Village and Warehouse

Expand capacity with more modern facilities and an automated system to make cargo processing faster, more efficient and optimize revenue potential



# Optimizing Cargo in the Passenger Compartment



Keeping supply chains flowing is an essential thing amidst this global pandemic.

Being part of the logistics sector, Garuda Indonesia Cargo is aware that we need to keep going to prop up the economy, especially for our nation.

We are still putting our best efforts to operate our cargo services and delivering your needs.

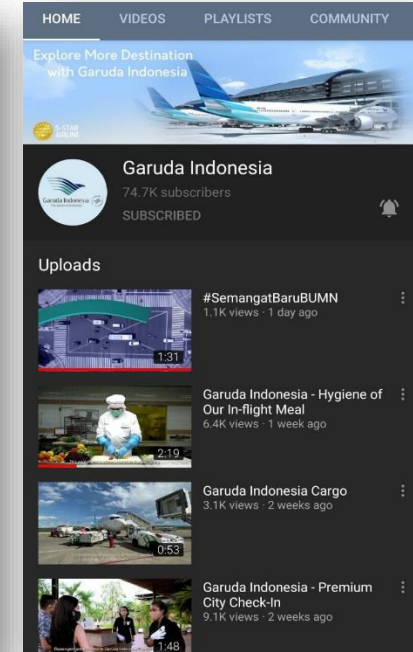
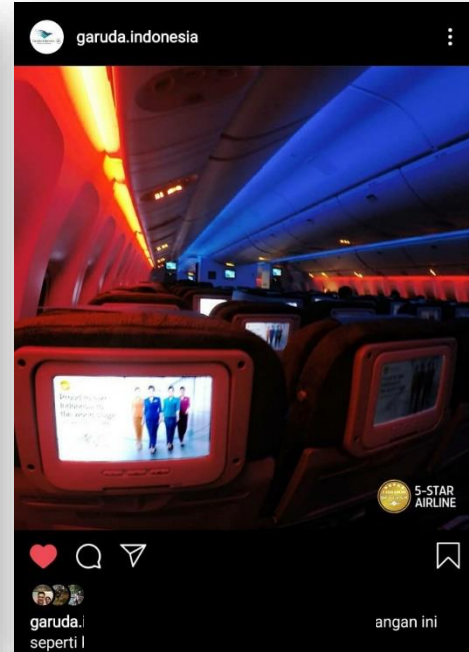
# Enhancing Safety Measure Through Prolong Inspection



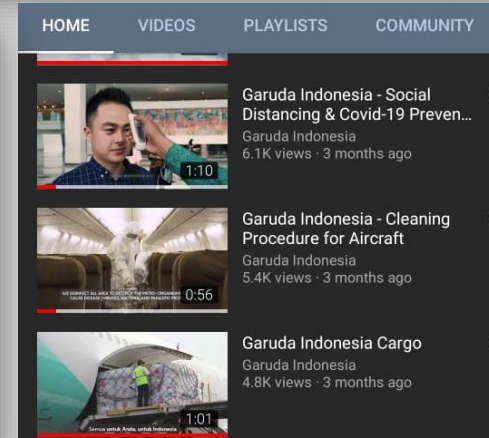
Currently more than 40% of our aircraft are 'resting' on the ground. Keeping its first-rate conditions and ensuring that when the time comes they will be ready to fly again and still meet the airworthiness is our main priority.

Our technicians at GMF AERO ASIA are working around the clock taking care of them on the ground with Prolong Inspection based on each aircraft maintenance manual.

# Garuda inspires People to Fly...



**Instagram:**  
**@garuda.indonesia**



**Youtube:**  
**Garuda Indonesia**



# Thank you.

PT Garuda Indonesia (Persero) Tbk  
Management Building, Garuda City,  
Soekarno-Hatta International Airport, Cengkareng