

11 FEBRUARY 2021

THAILAND / TRANSPORT &amp; LOGISTICS

# AIRPORTS OF THAILAND AOT TB

## BUY

UNCHANGED

TARGET PRICE	THB85.00
CLOSE	THB63.25
UP/DOWNSIDE	+34.4%
PRIOR TP	THB70.00
CHANGE IN TP	+21.4%
TP vs CONSENSUS	+30.6%

## ได้เวลาสำหรับโครงการ North Expansion

### หลายโครงการกำลังจะเริ่มขึ้น ทำให้มี Upside

เราคาดว่า AOT จะเป็นหนึ่งในหุ้นที่ได้ประโยชน์สูงสุดจากการเปิดประเทศ ซึ่งเราคาดว่าจะเกิดขึ้นใน 2H21 หลังจากการฉีดวัคซีน โดยเราคาดว่ากำไรของบริษัท อาจเกินระดับก่อน COVID ภายใน FY23 และยังมี upside จากรายได้ที่ไม่ได้มาจากการบิน จากโครงการขยายธุรกิจของบริษัท กล่าวคือ โครงการเมืองการบิน โครงการจัดตั้งศูนย์ตรวจสอบและรับรองคุณภาพสินค้าก่อนส่งออก (Certify Hub) และธุรกิจขนส่งสินค้าของบริษัท

### โครงการขยายอาคารผู้โดยสารด้านทิศเหนือจะเพิ่มรายได้ที่ไม่ได้มาจากการบิน

โครงการขยายอาคารผู้โดยสารสำหรับสนามบินสุวรรณภูมิ (BKK) ได้ทวนกลับมาอีกครั้งหลังกระทรวงคมนาคมได้อนุมัติโครงการขยายอาคารผู้โดยสารด้านทิศเหนือ ทิศตะวันออก และทิศตะวันตกไปเมื่อไม่นานมานี้ AOT คาดว่า ครม. จะอนุมัติโครงการดังกล่าวภายในปีนี้ การขยายดังกล่าวอาจเพิ่มขีดความสามารถในการรองรับผู้โดยสารของ BKK เป็น 120 ล้านคนต่อปี (MAP) ภายในปี 2025 จาก 60 MAP ในปัจจุบัน เราเชื่อว่าโครงการขยายด้านทิศเหนือจะเพิ่มรายได้ที่ไม่ได้มาจากการบินให้แก่ AOT เนื่องจากบริษัท จะมีพื้นที่เชิงพาณิชย์ที่เปิดประมูลสำหรับผู้ประกอบการร้านค้าสินค้าปลอดภาษีและค้าปลีก เราคาดว่ากำไรดังกล่าวจะให้ผลตอบแทนในรูปของรายได้ขั้นต่ำ (MG) อย่างน้อย 5.3 พัน ลบ. สำหรับสัญญาสัมปทาน (เทียบกับ 21.2 พัน ลบ. จากสัญญาสัมปทานปัจจุบันของอาคารผู้โดยสารที่มีอยู่ BKK) ทำให้การขยายดังกล่าวอาจเพิ่มกำไรปี FY25E ได้ 10% จากประมาณการก่อนหน้านี้ของเรา

### กำไรอาจเกินระดับก่อน COVID ภายใน FY23

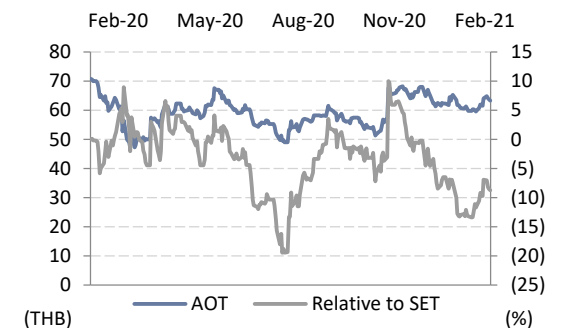
เราคาดว่า AOT จะบันทึกผลขาดทุนจากการดำเนินงานจำนวน 9.9 พัน ลบ. ภายใน FY21 จากการดำเนินงานที่อ่อนแอในช่วง 1H FY21 (ต.ค.-มี.ค.) ซึ่งโดยปกติจะเป็นฤดูท่องเที่ยวในประเทศไทย อย่างไรก็ตาม เราเห็นว่าผลกระทบจากการที่คาดว่าจะอ่อนแอใน FY21 จะเป็นโอกาสในการซื้อเพื่อรับการฟื้นตัวที่ดีของกำไรใน FY22E จากจำนวนนักท่องเที่ยวต่างชาติที่จะเพิ่มขึ้นอย่างมากหลังการเปิดพรมแดน และการสิ้นสุดของมาตรการผ่อนปรนสำหรับ MG ในเดือนมี.ค. 22 สำหรับผู้ประกอบการสายการบินและค้าปลีก โดยเฉพาะสัญญาสัมปทานของ King Power ซึ่งจะช่วยให้รายได้สัมปทานเพิ่มเป็นจำนวนมาก เราคาดว่า AOT จะรายงานกำไรจากการดำเนินงานที่ 14.3 พัน ลบ. ในปี FY22 ซึ่งเท่ากับ 59% ของกำไรจากการดำเนินงานในปี FY19 และกำไรจะกระโดดเป็น 30.7 พัน ลบ. ในปี FY23

### ปรับเพิ่มราคาเป้าหมายจากการรวมโครงการขยายอาคารผู้โดยสารด้านทิศเหนือ

เราปรับลดประมาณการกำไรจากการดำเนินงานปี FY21-22 เพื่อสะท้อนการเปิดพรมแดนที่ช้ากว่าคาดและผลกระทบจาก TFRS16 อย่างไรก็ตาม เราปรับโครงการขยายอาคารผู้โดยสารด้านทิศเหนือไว้ในประมาณการของเราและปรับปีประเมินมูลค่าไปเป็นปี FY22 ทำให้ได้ราคาเป้าหมายใหม่ที่ 85 บาท (DCF) ปัจจุบัน AOT มีการซื้อขายในระดับที่น่าสนใจโดยอยู่ที่ค่า FY23E P/E เท่ากับ 30x (เทียบกับค่าเฉลี่ยย้อนหลัง 5 ปีที่ 33x)

## KEY STOCK DATA

YE Sep (THB m)	2020	2021E	2022E	2023E
Revenue	31,179	15,745	49,630	74,363
Net profit	4,321	(9,877)	14,293	30,673
EPS (THB)	0.30	(0.69)	1.00	2.15
vs Consensus (%)	-	nm	(5.5)	8.0
EBITDA	8,912	(921)	29,899	50,784
Core net profit	3,236	(9,877)	14,293	30,673
Core EPS (THB)	0.23	(0.69)	1.00	2.15
Chg. In EPS est. (%)	nm	nm	(12.0)	nm
EPS growth (%)	(86.7)	nm	nm	114.6
Core P/E (x)	279.2	(91.5)	63.2	29.5
Dividend yield (%)	0.3	0.8	0.9	1.6
EV/EBITDA (x)	97.8	(1,011.0)	31.4	18.1
Price/book (x)	6.4	7.6	7.2	6.1
Net debt/Equity (%)	(22.7)	22.4	27.1	10.3
ROE (%)	2.2	(7.6)	11.7	22.4



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(0.4)	(6.6)	(10.3)
Relative to country (%)	1.5	(16.7)	(9.4)
Mkt cap (USD m)	30,254		
3m avg. daily turnover (USD m)	73.0		
Free float (%)	30		
Major shareholder	Ministry of Finance (70%)		
12m high/low (THB)	71.75/45.25		
Issued shares (m)	14,285.70		

Sources: Bloomberg consensus; FSSIA estimates



Teerapol Udomvej, CFA

teerapol.udo@fssia.com

+66 2611 3535

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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 11 กุมภาพันธ์ 2021

## Investment thesis

We believe AOT's operation has already passed the bottom and is now in a recovery mode. Domestic flights and passenger volumes were at 92% and 72% of pre COVID-19 levels, respectively, as of August 2020. Meanwhile, international flights are pending the travel ban's relaxation or the implementation of a travel bubble.

Despite waiving the MG until March 2022, and changing its calculation scheme to a sharing per head basis for concession contracts, we forecast AOT to collect an MG amount equivalent to the amount that King Power proposed by 2025, under our baseline case.

AOT has a healthy balance sheet with an IBD/E ratio of only 0.1x and cash on hand of THB6.4b as of 1QFY21, implying that it can pass this crisis.

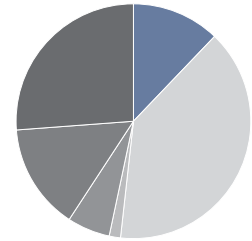
## Company profile

AOT is the operator and developer of the six international airports in Thailand (BKK, DMK, HKT, CNX, HDY and CEI)

[www.airportthai.co.th](http://www.airportthai.co.th)

## Principal activities (revenue, 2020)

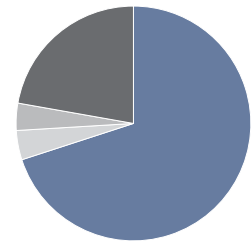
- Landing & parking - 12.2 %
- Passenger service - 39.6 %
- Aircraft service - 1.6 %
- Property rents - 5.9 %
- Service revenue - 14.6 %
- Concession revenue - 26.2 %



Source: Airports of Thailand

## Major shareholders

- Ministry of Finance - 70.0 %
- Thai NVDR - 4.0 %
- South East Asia UK - 3.7 %
- Others - 22.2 %



Source: Airports of Thailand

## Catalyst

Key growth drivers include 1) higher international passenger volumes; 2) BKK's North Expansion project; and 3) the transferral of new airports from the Department of Airports.

## Risk to our call

Downside risks to our DCF-based target price include 1) a slowdown in the recovery of international passengers; 2) delays in the Suvarnabhumi Airport expansions (satellite terminal and northern expansion); and 3) the termination of the duty-free concession contracts from King Power.

## Event calendar

Date	Event
March 2021	2QFY21 results announcement

## Key assumptions

	FY21E	FY22E	FY23E
	(%)	(%)	(%)
Flight traffic growth - international	(66.5)	373.5	34.0
Flight traffic growth - domestic	34.9	6.5	2.7
Passenger growth - international	(94.7)	2,735.0	57.7
Passenger growth - domestic	29.7	18.9	4.6
PSC revenue growth	(80.0)	656.9	51.3
Concession revenue	(53.9)	335.1	76.7

Source: FSSIA estimates

## Earnings sensitivity

- For every 5% increase in international passenger volume, we project FY22 earnings to rise by 16%, and vice versa, all else being equal.
- For every 5% increase in domestic passenger volume, we project FY22 earnings to rise by 2%, and vice versa, all else being equal.

Source: FSSIA estimates

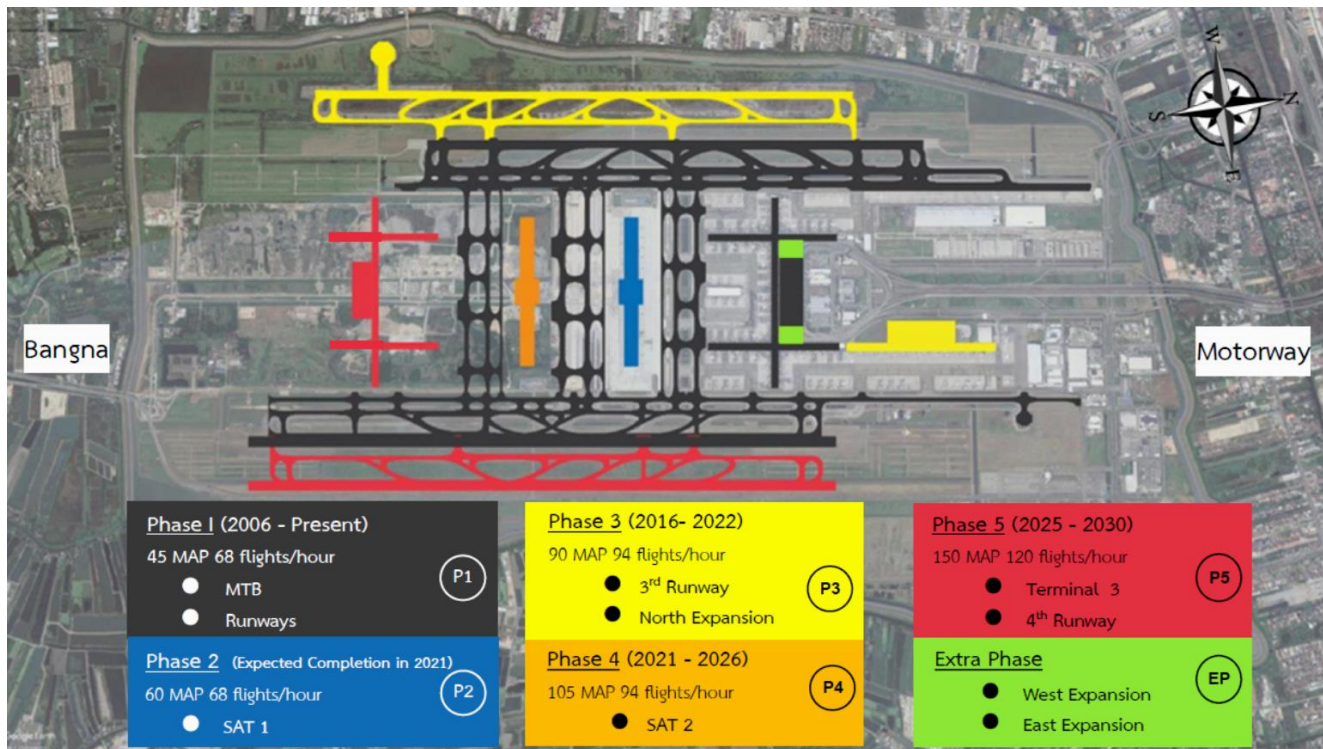


## North Expansion project to get approval soon

The construction of Terminal 2 at BKK has been postponed since 2018, as the National Economic and Social Development Council (NESDC) notified AOT to revise the blueprint. However, the Ministry of Transport recently gave the greenlight for the expansion plan last month. The expansion consists of the North Expansion, East Expansion and West Expansion buildings, for a total investment of THB56.9b. This would increase BKK's capacity to 120 MAP from 60 MAP currently (45 MAP from Terminal 1 and 15 MAP from the satellite terminal).

AOT has sent its revised plan to the International Civil Aviation Organisation (ICAO) and International Air Transport Association (IATA) for recommendation. If both parties have no comments with the revised plan, AOT will submit the plan to the Cabinet for approval. AOT expect to get approval within this year, and construction may start in 2022 with a scheduled completion date in 2025.

### Exhibit 1: Suvarnabhumi Airport master plan project

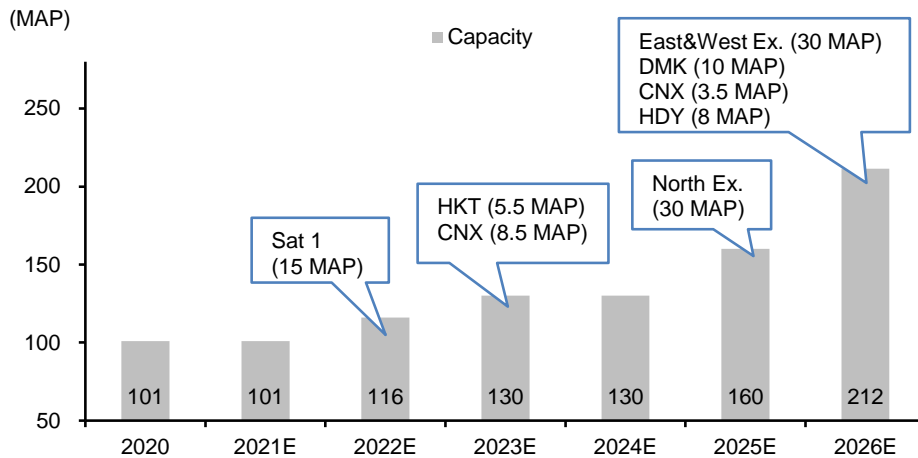


Source: AOT

### Exhibit 2: North, East and West Expansion draft facility summary

	North Expansion	East & West Expansion
Building area (sqm)	348,000	132,000
Immigration counter (arrivals/departures)	82/66	40/34
Baggage carousel (no.)	17	12
Parking lot (no.)	3,000	-
Contact gate (no.)	14	-

Source: AOT

**Exhibit 3: AOT's capacity**

Sources: AOT; FSSIA estimates

**Expect minimum guarantee revenue of THB5b for North Expansion concession contracts**

We expect the expansions will add more value to AOT, especially the North Expansion, which should lift AOT's non-aero revenue as it will have commercial space for both duty-free and other commercial activities. We believe AOT will open the bidding for concession contracts for the North Expansion during the construction period, possibly in 2022-23

We estimate that the bidders would offer an MG of THB5.3b in revenue for both duty-free and commercial activity contracts. This number is 75% lower compared to King Power's current contracts, for which it offers an MG of THB21.2b for the existing terminal space at BKK. Note that our assumption is derived from 1) commercial space area of 15,000 sqm vs 36,000 sqm in the existing terminal; and 2) a 40% discount rate from the implied rental rate of the existing contracts.

**Exhibit 4: Existing concession contracts and North concession contract forecast**

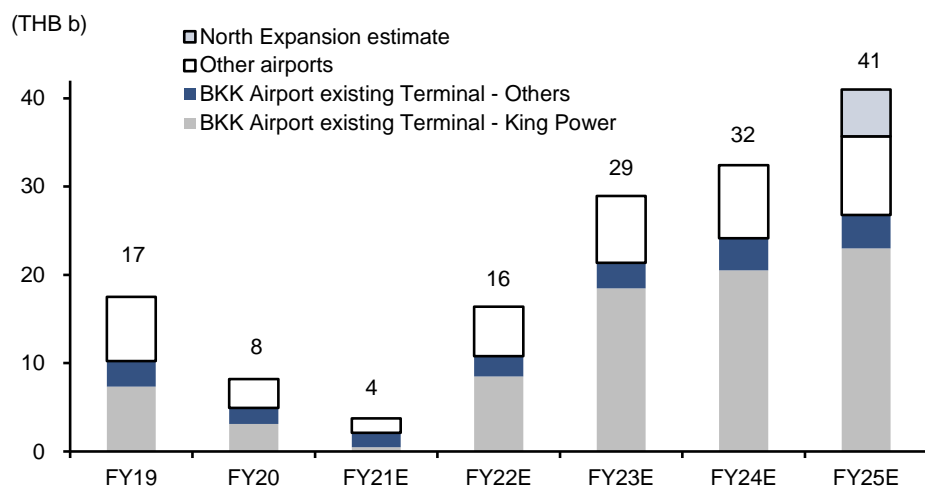
Existing contract	Terminal 1	Satellite terminal	Total existing	MG proposed	Implied rental rate
	(sq m)	(sq m)	(sq m)	(THB )	(THB/sq m/month)
Duty Free Contract	10,000	2,000	12,000	15.4	107,076
Retail contract	20,000	4,000	24,000	5.8	20,132
<b>Total</b>	<b>30,000</b>	<b>6,000</b>	<b>36,000</b>	<b>21.2</b>	<b>49,113</b>
<b>North Expansion contract estimates*</b>	<b>Total North Expansion</b>			<b>MG proposed</b>	<b>Implied rental rate</b>
	(sq m)			(THB b)	(THB/sq m/month)
Duty Free Contract	5,000			3.9	64,246
Retail contract	10,000			1.4	12,079
<b>Total</b>	<b>15,000</b>			<b>5.3</b>	<b>29,468</b>

Sources: AOT; \* FSSIA estimates

## Incremental non-aero revenue to boost earnings

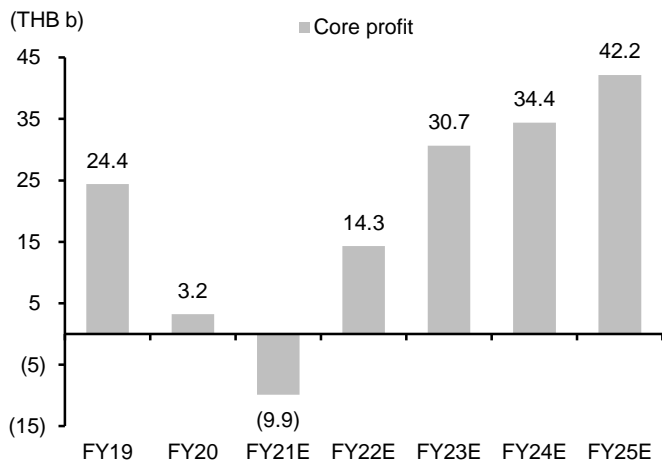
We expect the North Expansion will lift AOT's earnings when the building starts to operate. The additional aero revenue, consisting of passenger service charges (PSC) and landing & parking charges, should be sufficient to offset the additional OPEX and depreciation from the North Expansion building. Thus, the additional non-aero revenue, especially concession revenue, should be the key factor to increase AOT's earnings, given that incremental revenue should flow directly to the bottom line as there is no additional OPEX for concession revenue. Overall, we forecast concession revenue in FY25 to increase by THB5.3b or 15% from our previous forecast, and lead to 10% additional earnings growth in the same year.

### Exhibit 5: Concession revenue



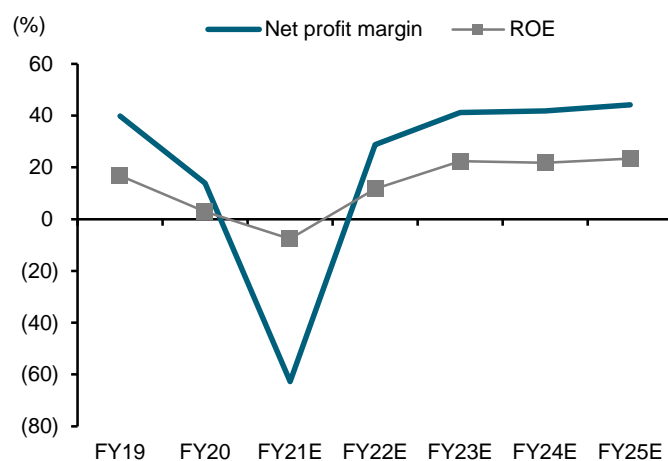
Sources: AOT; FSSIA estimate

### Exhibit 6: Core profit



Sources: AOT; FSSIA estimates

### Exhibit 7: Net profit margin and ROE



Sources: AOT; FSSIA estimates



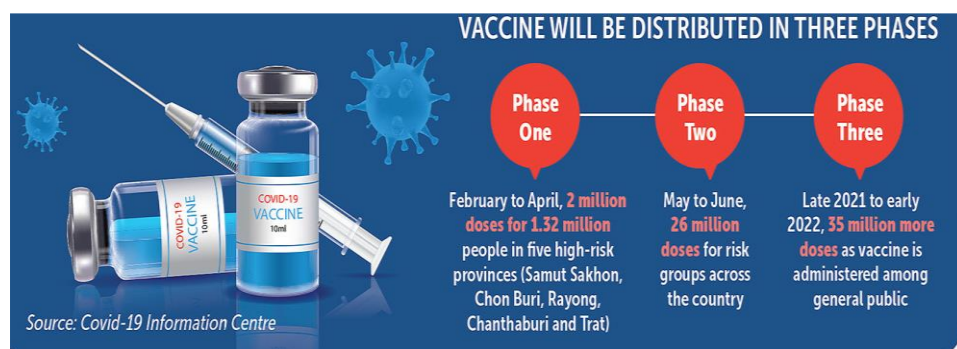
## Strong recovery in tourist arrivals should start in 2H21

Thailand plans to roll out 2 million vaccine doses in the first phase in February to April and 26 million doses in the second phase in May to June. Thus, we expect Thailand to reopen its borders for international tourists by 2H21.

Based on AOT's latest guidance, the company expects only 2.0m international passengers in FY21, as its fiscal year ends in September. However, AOT expects to see a strong recovery in international passenger numbers, rebounding to 56.7m in FY22, equivalent to 70% of the 84m international passengers in 2019. AOT expects international passenger numbers to return to normal by FY23.

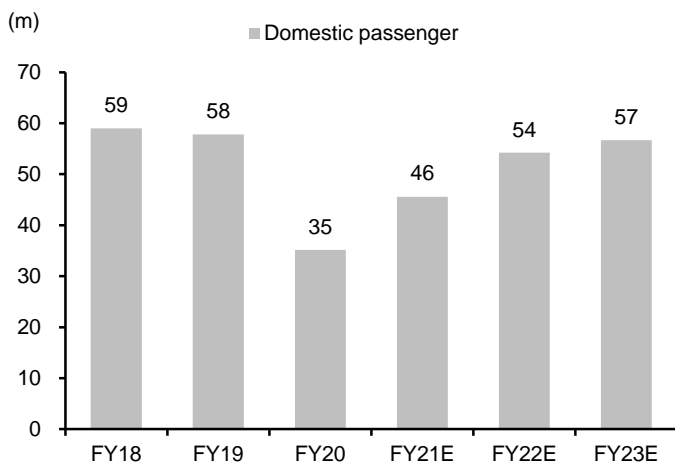
We apply the same passenger volume assumptions that AOT has used to forecast FY21-23. As a result, we revise down our international passenger volume assumption in FY21 and maintain our numbers for FY22-23. However, we still think that accumulating the stock should allow investors to capture the international passenger recovery, which should be a re-rating catalyst for the company's share price.

### Exhibit 8: Vaccine rollout timeline for Thailand



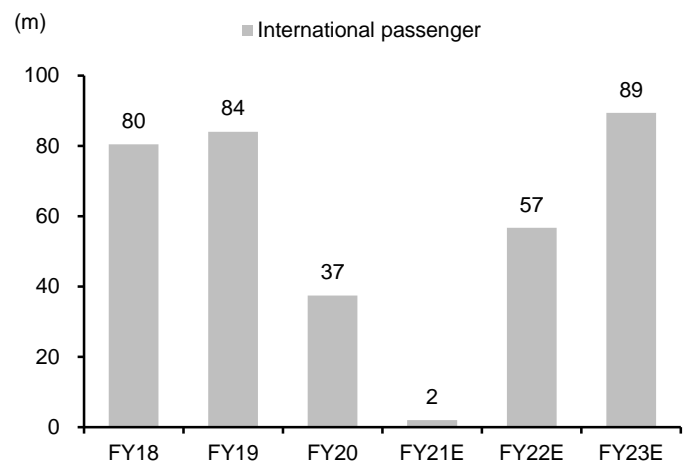
Sources: [www.bangkokpost.com](http://www.bangkokpost.com); COVID-19 Information Centre

### Exhibit 9: Domestic passenger volume forecast



Sources: AOT; FSSIA estimates

### Exhibit 10: International passenger volume forecast



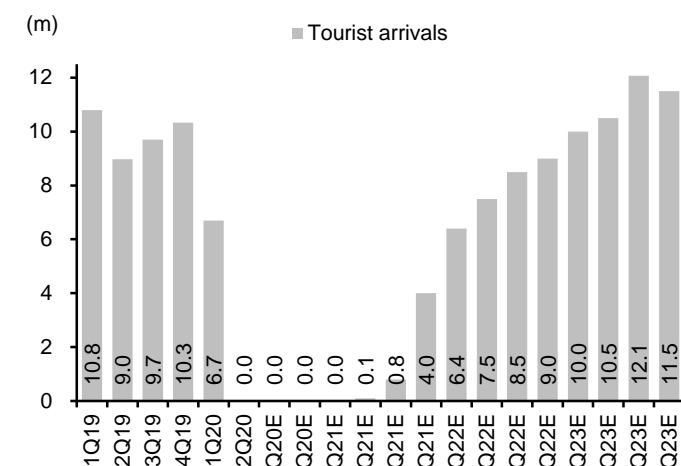
Sources: AOT; FSSIA estimates

## Exhibit 11: Tourist arrival forecasts



Source: FSSIA estimates based on AOT's guidance on passenger volume

## Exhibit 12: Quarterly tourist arrival forecasts based on AOT's passenger volume assumptions



Source: FSSIA estimates based on AOT's guidance on passenger volume

## Forecast and TP revisions

We revise down our core loss assumption for FY21 from THB5.1b to THB9.9b due to our lower international passenger volume assumption and the impact from TFRS16. We trim our FY22E core profit by 12% due to the TFRS16 impact. Meanwhile, we incorporate the North Expansion into our model and revise up our FY25E core profit by 10%. We also roll forward our DCF valuation to FY22, deriving our new TP of THB85. Note that the TFRS16 impact is non-cash item. It has no impact on a DCF basis.

## Exhibit 13: Forecast revisions

FY ending Sep	FY21E			FY22E			FY23E			FY24E			FY25E		
	Old	New	% chg	Old	New	% chg	Old	New	% chg	Old	New	% chg	Old	New	% chg
International Pax (m)	14	2	(86)	59	57	(5)	87	89	2	99	99	0	108	108	0
Domestic Pax (m)	24	46	88	49	54	10	57	57	(0)	62	62	0	67	67	0
<b>Total Pax (m)</b>	<b>38</b>	<b>48</b>	<b>25</b>	<b>109</b>	<b>111</b>	<b>2</b>	<b>144</b>	<b>146</b>	<b>1</b>	<b>161</b>	<b>161</b>	<b>0</b>	<b>175</b>	<b>175</b>	<b>0</b>
Revenue (THB b)	21	16	(25)	52	50	(5)	75	74	(0)	83	82	(0)	90	95	6
Operating margin (%)	(32)	(61)	(29)	39	40	1	51	54	3	52	54	2	53	57	4
<b>Core profit (THB b)</b>	<b>(5)</b>	<b>(10)</b>	<b>96</b>	<b>16</b>	<b>14</b>	<b>(12)</b>	<b>31</b>	<b>31</b>	<b>0</b>	<b>35</b>	<b>34</b>	<b>(0)</b>	<b>38</b>	<b>42</b>	<b>10</b>

Note: Change of items in percentage terms are represented in ppt change

Source: FSSIA estimates

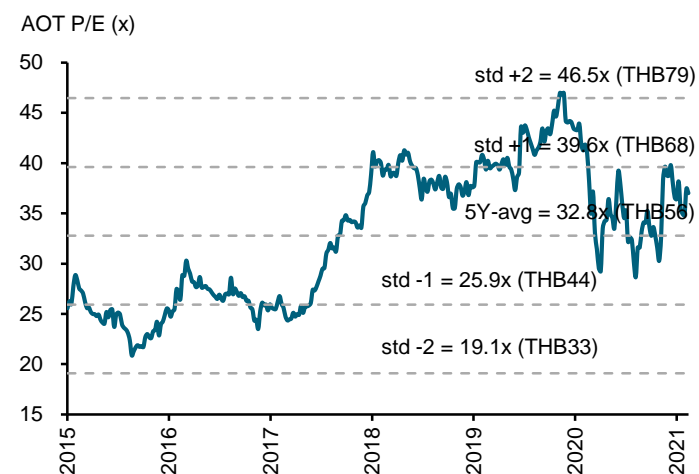
## Exhibit 14: DCF valuation

Cost of equity assumptions		(%)	Cost of debt assumptions		(%)
Risk-free rate		3.0	Pre-tax cost of debt		3.5
Market risk premium		8.0	Marginal tax rate		20.0
Stock beta		0.9			
Cost of equity, Ke		10.2	Net cost of debt, Kd		2.8
Weight applied		70.0	Weight applied		30.0
WACC		8.0			
DCF valuation		(THB b)	(THB/share)	Comments	
NPV		1,249.6	87.4	WACC 8%, risk-free rate 3%, risk premium 8%, terminal growth 3%	
Cash & liquid assets		22.6	1.6	At end-2021E	
Investments		0.7	0.1	At end-2021E	
Debt		(56.9)	(4.0)	At end-2021E	
Minorities		(0.7)	(0.1)	At end-2021E	
<b>Residual ordinary equity</b>		<b>1,214.3</b>	<b>85.0</b>		



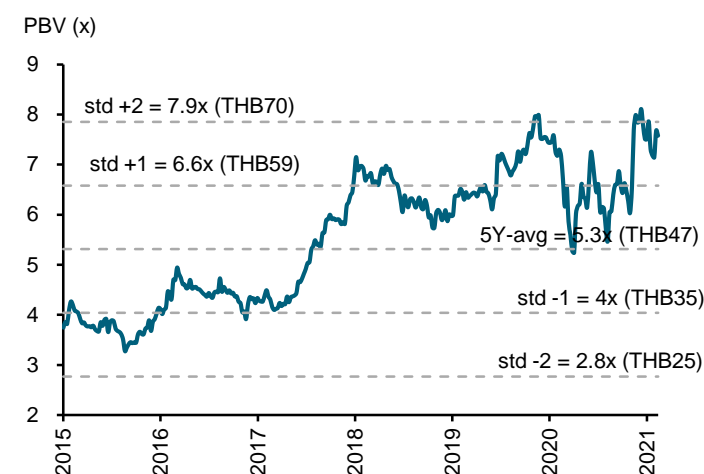
Source: FSSIA estimates

Exhibit 15: Rolling one-year prospective P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 16: Rolling one-year prospective P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 17: Peer comparisons as of 11 Feb 2021

Company	BBG	Rec	Share price		Market	PE		DivYld		ROE		PBV	
			Current	Target	Cap	21E	22E	21E	22E	21E	22E	21E	22E
			(THB)	(THB)	(USD m)	(x)	(x)	(%)	(%)	(%)	(%)	(x)	(x)
<b>Thailand</b>													
Airports of Thailand*+	AOT TB	BUY	63.25	85.00	30,254	n/a	63.2	0.6	0.7	1.3	(3.8)	7.6	7.2
<b>Malaysia</b>													
Malaysia Airports	MAHB MK	NR	5.50	NR	2,259	n/a	31.8	0.4	2.0	(3.3)	3.9	1.2	1.2
<b>China</b>													
Beijing Capital Intl Airport	694 HK	NR	5.45	NR	3,219	43.2	16.0	1.8	3.1	2.8	5.0	0.9	0.8
Hainan Meilan Intl	357 HK	NR	41.50	NR	2,533	27.7	20.1	0.3	0.4	10.5	11.6	2.4	2.2
Shanghai Intl Airport-A	600009 CH	NR	58.18	NR	17,359	65.7	26.5	0.4	1.1	5.0	12.2	3.5	3.2
Guangzhou Baiyun Intl -A	600004 CH	NR	12.25	NR	4,489	35.9	19.3	0.8	1.4	4.8	7.6	1.5	1.4
Shenzhen Airport -A	000089 CH	NR	7.79	NR	2,474	27.0	24.0	0.9	0.9	4.8	4.3	1.3	1.2
Xiamen Int Airport -A	600897 CH	NR	17.00	NR	784	14.9	10.5	2.7	2.9	11.3	11.0	1.2	1.1
<b>Australia</b>													
Sydney Airport	SYD AU	NR	5.71	NR	11,932	n/a	53.9	1.3	4.3	(2.8)	43.7	22.8	34.2
Auckland Intl Airport**	AIA AU	NR	6.58	NR	7,503	n/a	77.5	0.0	1.1	(0.4)	1.9	1.6	1.5
<b>Japan</b>													
Japan Airport Terminal***	9706 JP	NR	5,430	NR	4,382	n/a	(17.3)	0.1	0.1	2.5	(17.3)	3.2	3.8
<b>Average</b>						<b>35.7</b>	<b>29.6</b>	<b>0.8</b>	<b>1.6</b>	<b>3.3</b>	<b>7.3</b>	<b>4.3</b>	<b>5.3</b>

\*Fiscal year end is 30 September; \*\* Fiscal year end is 30 June; \*\*\* Fiscal year end is 31 March

Sources: Bloomberg consensus; +FSSIA estimates

## 1QFY21 results review

AOT reported a core loss of THB3.4b for 1QFY21 (vs a core loss of THB3.6b in 4QFY20), missing BBG's consensus estimate of a THB2.9b core loss due to the impact from TFRS16. Including a THB 0.3b FX gain and a THB0.3b derivative loss, AOT's net loss was THB3.4b.

Revenue fell 86% y-y in 1QFY21. PSC income fell 92% y-y due to the 71% y-y decrease in passenger volume (-99% y-y for international passenger volume and -28% y-y for domestic passenger volume). Concession revenue also fell 92% y-y due to the decrease in passenger volume, the waiving of MGs and offering fixed monthly fee discounts for operators.

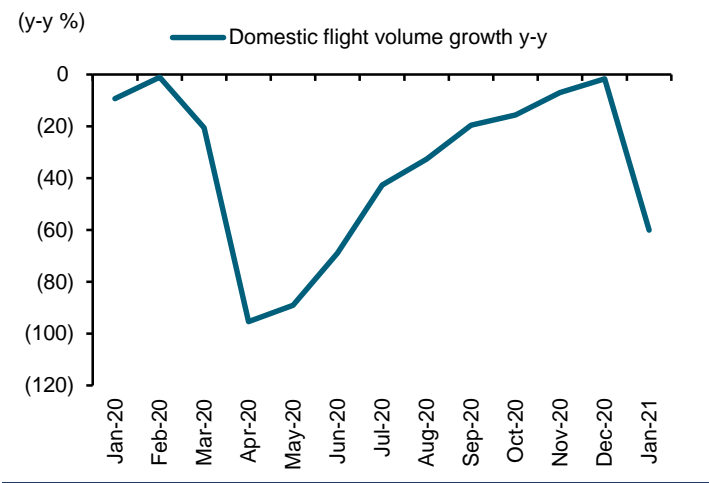
Expenses dropped 39% y-y in 1QFY21, mainly due to 1) a 6% y-y decrease in employee benefit expenses and 2) a 59% y-y decrease in outsourcing expenses following the decline in advance passenger checking services (APPS), which was paid to service providers. Depreciation and interest expenses increased by 56% y-y and 321% y-y, respectively, due to the adoption of the TFRS16 accounting standard. The impact of TFRS16 was cTHB0.8b. As a result, the operating profit margin remained negative.

### Exhibit 18: 1QFY21 results summary

FY ending Mar	1QFY20	2QFY20	3QFY20	4QFY20	----- 1QFY21 -----			FY21E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	
<b>Sales</b>	<b>16,105</b>	<b>11,902</b>	<b>1,319</b>	<b>1,853</b>	<b>2,176</b>	<b>17</b>	<b>(86)</b>	<b>15,745</b>
Expense (incl. depreciation)	(7,752)	(7,568)	(5,930)	(6,459)	(6,037)	(7)	(22)	(25,382)
<b>Operating profit</b>	<b>8,353</b>	<b>4,334</b>	<b>(4,611)</b>	<b>(4,606)</b>	<b>(3,861)</b>	<b>(16)</b>	<b>(146)</b>	<b>(9,637)</b>
Net other income	143	107	181	6	109	1,813	(24)	450
Interest income	337	256	241	157	103	(34)	(69)	569
Interest expense	(178)	(166)	(155)	(148)	(748)	406	321	(3,030)
Pretax profit	8,655	4,531	(4,343)	(4,591)	(4,397)	(4)	(151)	(11,649)
Income tax	(1,838)	(934)	761	973	945	(3)	(151)	1,747
Minority interest	(14)	0	27	9	9	3	(166)	25
Core profit	6,803	3,597	(3,555)	(3,609)	(3,443)	(5)	(151)	(9,877)
Extraordinary	530	(13)	618	(193)	(20)	nm	nm	0
Forex gain/(loss)	2	64	2	74	349	nm	nm	0
Derivative gain/(loss)					(328)	nm	nm	
<b>Reported net profit</b>	<b>7,335</b>	<b>3,648</b>	<b>(2,934)</b>	<b>(3,728)</b>	<b>(3,442)</b>	<b>(8)</b>	<b>(147)</b>	<b>(9,877)</b>
Shares (end Q, m)	14,286	14,286	14,286	14,286	14,286	0	0	14,286
<b>Core EPS (THB)</b>	<b>0.48</b>	<b>0.25</b>	<b>(0.25)</b>	<b>(0.25)</b>	<b>(0.24)</b>	<b>(5)</b>	<b>(151)</b>	<b>(0.69)</b>
<b>EPS (THB)</b>	<b>0.51</b>	<b>0.26</b>	<b>(0.21)</b>	<b>(0.26)</b>	<b>(0.24)</b>	<b>(8)</b>	<b>(147)</b>	<b>(0.69)</b>
Expenses (excl. depreciation)	(6,373)	(6,220)	(4,597)	(5,077)	(3,886)	(23)	(39)	(16,666)
Depreciation	(1,379)	(1,348)	(1,333)	(1,381)	(2,151)	56	56	(8,716)
EBITDA	9,732	5,682	(3,278)	(3,225)	(1,710)	(47)	(118)	(921)
<b>Key Ratios</b>								
Operating profit margin (%)	52	36	(349)	(249)	(177)	nm	nm	(61)
EBITDA margin (%)	60	48	(248)	(174)	(79)	nm	nm	(6)
Net profit margin (%)	46	31	(222)	(201)	(158)	nm	nm	(63)
<b>Operating statistics</b>								
International pax growth (y-y)	9	(35)	(99)	(99)	(99)			
Domestic pax growth (y-y)	(4)	(23)	(91)	(45)	(28)			
Total pax growth (y-y)	3	(30)	(96)	(78)	(71)			

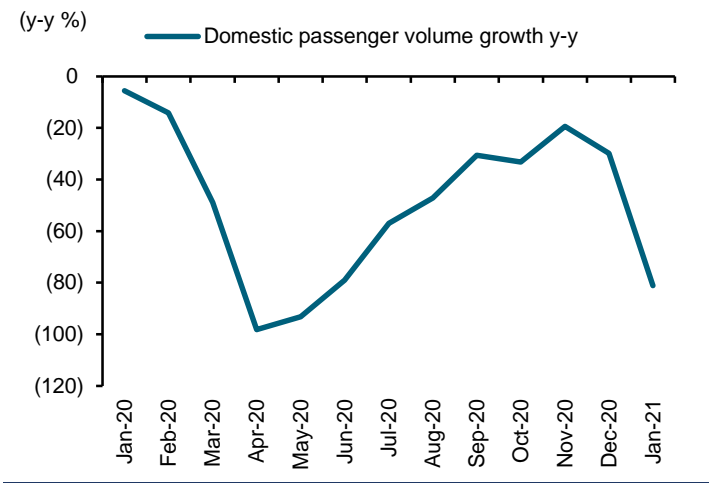
Sources: AOT; FSSIA estimates

Exhibit 19: Domestic passenger volume monthly trend



Source: AOT

Exhibit 20: International passenger volume monthly trend



Source: AOT

## Financial Statements

### Airports of Thailand

Profit and Loss (THB m) Year Ending Sep	2019	2020	2021E	2022E	2023E
Revenue	62,783	31,179	15,745	49,630	74,363
Cost of goods sold	(26,844)	(22,267)	(16,666)	(19,731)	(23,579)
<b>Gross profit</b>	<b>35,940</b>	<b>8,912</b>	<b>(921)</b>	<b>29,899</b>	<b>50,784</b>
Other operating income	-	-	-	-	-
Operating costs	0	0	0	0	0
<b>Operating EBITDA</b>	<b>35,940</b>	<b>8,912</b>	<b>(921)</b>	<b>29,899</b>	<b>50,784</b>
Depreciation	(5,851)	(5,441)	(8,716)	(10,041)	(10,531)
Goodwill amortisation	-	-	-	-	-
<b>Operating EBIT</b>	<b>30,088</b>	<b>3,470</b>	<b>(9,637)</b>	<b>19,858</b>	<b>40,253</b>
Net financing costs	354	345	(2,462)	(2,490)	(2,428)
Associates	0	0	0	0	0
Recurring non operating income	433	437	450	463	477
Non recurring items	609	1,085	0	0	0
<b>Profit before tax</b>	<b>31,484</b>	<b>5,337</b>	<b>(11,649)</b>	<b>17,831</b>	<b>38,302</b>
Tax	(6,389)	(1,038)	1,747	(3,566)	(7,660)
<b>Profit after tax</b>	<b>25,096</b>	<b>4,299</b>	<b>(9,902)</b>	<b>14,265</b>	<b>30,642</b>
Minority interests	(69)	22	25	28	31
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>25,026</b>	<b>4,321</b>	<b>(9,877)</b>	<b>14,293</b>	<b>30,673</b>
<b>Non recurring items &amp; goodwill (net)</b>	<b>(609)</b>	<b>(1,085)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>24,417</b>	<b>3,236</b>	<b>(9,877)</b>	<b>14,293</b>	<b>30,673</b>
<b>Per share (THB)</b>					
Recurring EPS *	1.71	0.23	(0.69)	1.00	2.15
Reported EPS	1.75	0.30	(0.69)	1.00	2.15
DPS	1.05	0.19	0.50	0.60	1.00
Diluted shares (used to calculate per share data)	14,286	14,286	14,286	14,286	14,286
<b>Growth</b>					
Revenue (%)	3.7	(50.3)	(49.5)	215.2	49.8
Operating EBITDA (%)	(0.9)	(75.2)	nm	nm	69.9
Operating EBIT (%)	(1.8)	(88.5)	nm	nm	102.7
Recurring EPS (%)	(2.5)	(86.7)	nm	nm	114.6
Reported EPS (%)	(0.6)	(82.7)	nm	nm	114.6
<b>Operating performance</b>					
Gross margin inc depreciation (%)	47.9	11.1	(61.2)	40.0	54.1
Gross margin of key business (%)	47.9	11.1	(61.2)	40.0	54.1
Operating EBITDA margin (%)	57.2	28.6	(5.8)	60.2	68.3
Operating EBIT margin (%)	47.9	11.1	(61.2)	40.0	54.1
Net margin (%)	38.9	10.4	(62.7)	28.8	41.2
Effective tax rate (%)	20.7	24.4	15.0	20.0	20.0
Dividend payout on recurring profit (%)	61.4	83.9	(72.3)	60.0	46.6
Interest cover (X)	(86.3)	(11.3)	(3.7)	8.2	16.8
Inventory days	4.5	5.5	6.5	5.1	5.1
Debtor days	20.0	39.8	74.8	23.7	15.8
Creditor days	22.0	27.2	34.6	27.3	27.2
Operating ROIC (%)	25.8	2.5	(6.2)	10.2	19.5
ROIC (%)	24.8	2.7	(5.8)	10.1	19.3
ROE (%)	16.4	2.2	(7.6)	11.7	22.4
ROA (%)	12.5	1.6	(4.3)	8.1	14.7

\* Pre-exceptional, pre-goodwill and fully diluted

Revenue By Division (THB m)	2019	2020	2021E	2022E	2023E
Landing & parking	7,426	3,789	3,057	5,738	7,470
Passenger service	26,743	12,351	2,474	18,725	28,331
Aircraft service	842	486	379	725	858
Property rents	2,296	1,838	1,746	2,008	2,109

Sources: Airports of Thailand; FSSIA estimates

## Financial Statements

### Airports of Thailand

Cash Flow (THB m) Year Ending Sep	2019	2020	2021E	2022E	2023E
Recurring net profit	24,417	3,236	(9,877)	14,293	30,673
Depreciation	5,851	5,441	8,716	10,041	10,531
Associates & minorities	-	-	-	-	-
Other non-cash items	1,475	570	(11,218)	(28)	(31)
Change in working capital	3,405	(12,572)	(3,987)	8,145	6,051
<b>Cash flow from operations</b>	<b>35,148</b>	<b>(3,325)</b>	<b>(16,366)</b>	<b>32,450</b>	<b>47,224</b>
Capex - maintenance	(13,282)	(11,875)	(40,032)	(32,949)	(19,673)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	95	440	0	0	0
Other investments (net)	-	-	-	-	-
<b>Cash flow from investing</b>	<b>(13,187)</b>	<b>(11,435)</b>	<b>(40,032)</b>	<b>(32,949)</b>	<b>(19,673)</b>
Dividends paid	(14,998)	(14,999)	(2,714)	(7,143)	(8,571)
Equity finance	0	0	0	0	0
Debt finance	(4,211)	(2,604)	49,115	(3,309)	(4,880)
Other financing cash flows	351	11	0	0	0
<b>Cash flow from Financing</b>	<b>(18,858)</b>	<b>(17,591)</b>	<b>46,401</b>	<b>(10,452)</b>	<b>(13,452)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>3,103</b>	<b>(32,352)</b>	<b>(9,997)</b>	<b>(10,950)</b>	<b>14,099</b>
Free cash flow to firm (FCFF)	22,775.79	(14,114.34)	(53,367.29)	2,429.16	30,273.95
Free cash flow to equity (FCFE)	18,101.46	(17,352.98)	(7,282.24)	(3,807.36)	22,670.76
<b>Per share (THB)</b>					
FCFF per share	1.59	(0.99)	(3.74)	0.17	2.12
FCFE per share	1.27	(1.21)	(0.51)	(0.27)	1.59
Recurring cash flow per share	2.22	0.65	(0.87)	1.70	2.88
Balance Sheet (THB m) Year Ending Sep	2019	2020	2021E	2022E	2023E
Tangible fixed asset (gross)	212,166	222,734	233,766	266,715	286,388
Less: Accumulated depreciation	(99,456)	(103,591)	(83,308)	(93,349)	(103,880)
<b>Tangible fixed assets (Net)</b>	<b>112,709</b>	<b>119,143</b>	<b>150,459</b>	<b>173,367</b>	<b>182,508</b>
<b>Intangible fixed assets (Net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Long-term financial assets	-	-	-	-	-
Invest. In associates & subsidiaries	1,162	722	722	722	722
Cash & equivalents	75,909	43,558	33,561	22,611	36,710
A/C receivable	3,582	3,225	3,225	3,225	3,225
Inventories	335	340	255	301	360
Other current assets	961	3,368	1,701	5,362	8,034
<b>Current assets</b>	<b>80,787</b>	<b>50,491</b>	<b>38,742</b>	<b>31,499</b>	<b>48,330</b>
Other assets	3,723	3,202	3,202	3,202	3,202
<b>Total assets</b>	<b>198,382</b>	<b>173,559</b>	<b>193,125</b>	<b>208,790</b>	<b>234,762</b>
Common equity	153,899	142,236	118,451	125,601	147,702
Minorities etc.	640	796	771	744	712
<b>Total Shareholders' equity</b>	<b>154,539</b>	<b>143,032</b>	<b>119,222</b>	<b>126,345</b>	<b>148,415</b>
Long term debt	10,516	8,245	57,608	54,299	49,419
Other long-term liabilities	7,145	6,949	6,949	6,949	6,949
<b>Long-term liabilities</b>	<b>17,661</b>	<b>15,194</b>	<b>64,557</b>	<b>61,248</b>	<b>56,368</b>
A/C payable	1,509	1,809	1,354	1,603	1,915
Short term debt	3,181	2,848	2,600	2,600	2,600
Other current liabilities	21,492	10,677	5,392	16,995	25,464
<b>Current liabilities</b>	<b>26,182</b>	<b>15,333</b>	<b>9,345</b>	<b>21,197</b>	<b>29,979</b>
<b>Total liabilities and shareholders' equity</b>	<b>198,382</b>	<b>173,559</b>	<b>193,125</b>	<b>208,790</b>	<b>234,762</b>
Net working capital	(18,123)	(5,551)	(1,564)	(9,709)	(15,760)
Invested capital	99,471	117,516	152,818	167,582	170,673
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	10.77	9.96	8.29	8.79	10.34
Tangible book value per share	10.77	9.96	8.29	8.79	10.34
<b>Financial strength</b>					
Net debt/Equity (%)	(40.3)	(22.7)	22.4	27.1	10.3
Net debt/total assets (%)	(31.4)	(18.7)	13.8	16.4	6.5
Current ratio (x)	3.1	3.3	4.1	1.5	1.6
CF interest cover (x)	(50.2)	51.3	(2.0)	(0.5)	10.3
Valuation	2019	2020	2021E	2022E	2023E
<b>Recurring P/E (x) *</b>	<b>37.0</b>	<b>279.2</b>	<b>(91.5)</b>	<b>63.2</b>	<b>29.5</b>
<b>Recurring P/E @ target price (x) *</b>	<b>49.7</b>	<b>375.3</b>	<b>(122.9)</b>	<b>85.0</b>	<b>39.6</b>
Reported P/E (x)	36.1	209.1	(91.5)	63.2	29.5
Dividend yield (%)	1.7	0.3	0.8	0.9	1.6
Price/book (x)	5.9	6.4	7.6	7.2	6.1
Price/tangible book (x)	5.9	6.4	7.6	7.2	6.1
EV/EBITDA (x) **	23.4	97.8	(1,011.0)	31.4	18.1
EV/EBITDA @ target price (x) **	32.1	132.7	(1,348.4)	41.8	24.2
EV/invested capital (x)	8.5	7.4	6.1	5.6	5.4
* Pre-exceptional & pre-goodwill are fully diluted ** EBITDA includes associate income and recurring non operating income					

Sources: Airports of Thailand; FSSIA estimates

## Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICHI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PCSGH	PDJ	PG	PHOL	PLANB	PLANET
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TMB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TSC	TSR	TSTE	TSTH	TTA
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSIB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIJK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TIPIP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

## Description

## Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

## Disclaimer:

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

\* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; \*\* delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

## Anti-corruption Progress Indicator 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANA	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	TMB	TMD	TMILL	TMT
TNITY	TNL	TNP	TNR	TOG	TOP	TPA	TPCORP	TPP	TRU	TSC
TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS	UEC	UKEM
UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIJK	XO
ZEN	TRUE									
DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

**Disclaimer:**

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; \* FSSIA's compilation



## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

Teerapol Udomvej, CFA FSS International Investment Advisory Securities Co., Ltd

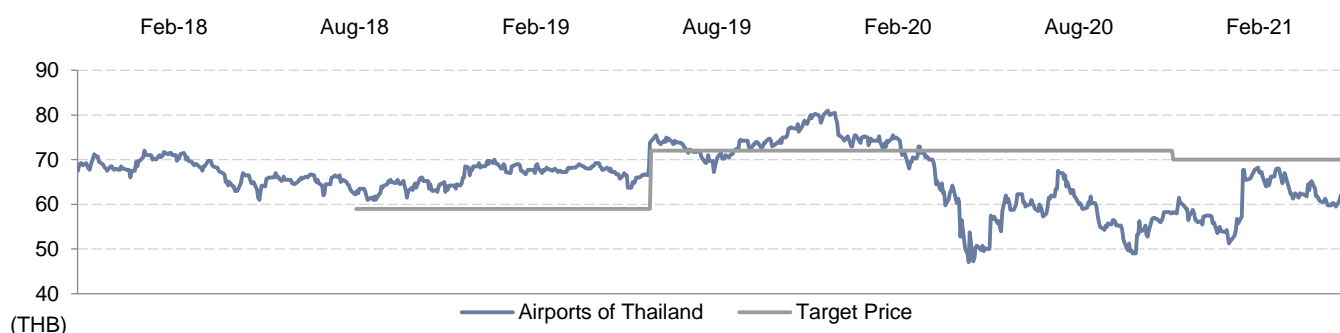
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### History of change in investment rating and/or target price

#### Airports of Thailand (AOT TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
09-Oct-2018	HOLD	59.00	02-Apr-2020	HOLD	72.00	-	-	-
20-Jun-2019	HOLD	72.00	10-Sep-2020	BUY	70.00			

Teerapol Udomvej, CFA started covering this stock from 10-Sep-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Airports of Thailand	AOT TB	THB 63.25	BUY	Downside risks to our DCF-based target price include 1) a slowdown in the recovery of international passengers; 2) delays in the Suvarnabhumi Airport expansions (satellite terminal and northern expansion); and 3) the termination of the duty-free concession contracts from King Power.

Source: FSSIA estimates

### Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 11-Feb-2021 unless otherwise stated.

## RECOMMENDATION STRUCTURE

### Stock ratings

Stock ratings are based on absolute upside or downside, which we define as  $(\text{target price}^* - \text{current price}) / \text{current price}$ .

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

\* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

### Industry Recommendations

**Overweight.** The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

**Neutral.** The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

**Underweight.** The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

### Country (Strategy) Recommendations

**Overweight (O).** Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Neutral (N).** Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Underweight (U).** Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.