

19 AUGUST 2021

THAILAND / TRANSPORT & LOGISTICS

BANGKOK AIRWAYS BA TB

BUY
UNCHANGED

TARGET PRICE	THB16.00
CLOSE	THB10.10
UP/DOWNSIDE	+58.4%
PRIOR TP	THB16.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+40.4%

เปลี่ยนเป็นผู้ประกอบการสนามบิน

ควมรวมสนามบินสมุยพร้อมอัปเดตในอนาคต

ในที่ประชุมนักวิเคราะห์ของ BA เมื่อวานนี้ ผู้บริหารได้ยืนยันความเห็นของเราที่ว่าบริษัท จะมุ่งเน้นในธุรกิจสนามบินมากขึ้นในระยะยาวหลังยกเลิกสัญญาเช่าสนามบินสมุยกับ SPF ได้สำเร็จเมื่อวันที่ 27 ก.ค. โดยจะต้องจ่ายเงินชดเชยสุทธิ 12.8 พัน ลบ. นอกจากนี้ BA ยังมีแผนที่จะปรับปรุงอาคารผู้โดยสารในปัจจุบันและกำลังขอใบอนุญาตเพิ่มความสามารถในการรองรับเที่ยวบินจาก 50 เป็น 70 ต่อวัน ซึ่งจะเป็นความเสี่ยงมากขึ้นต่อประมาณการของเราในระยะยาว

สนามบินสมุยอาจทำกำไรเพิ่มอีก 500-600 ลบ.

นอกจากนี้ผู้บริหารยังยืนยันความเห็นของเราที่ว่าหลังการยกเลิกสัญญาเช่า สนามบินสมุยอาจเพิ่มกระแสเงินสดได้ราว 1.1-1.2 พัน ลบ. แก่บริษัท โดยมีสมมติฐานจากรายได้ที่ 1.6 พัน ลบ. ต่อปี (ตัวเลขในปี 2019) และต้นทุนที่ 0.4-0.5 พัน ลบ. ต่อปี ซึ่งมากพอที่จะจ่ายดอกเบี้ยจำนวนประมาณ 500 ลบ. ต่อปีสำหรับการยกเลิกสัญญาเช่าที่มีอัตราดอกเบี้ย 4% การยกเลิกสัญญาดังกล่าวจะทำให้กำไรลดลงเป็นระยะเวลานานจากปริมาณผู้โดยสารที่อยู่ในระดับต่ำ อย่างไรก็ตาม เราคาดว่าข้อตกลงดังกล่าวจะพลิกเป็นทำกำไรเพิ่มขึ้นได้เมื่อปริมาณผู้โดยสารฟื้นตัวถึง 50% ของระดับก่อน Covid (ซึ่งเราคาดว่าอยู่ในช่วง 2H21) และจะให้กำไรประมาณ 500 ลบ. เมื่อปริมาณผู้โดยสารกลับสู่ระดับก่อน Covid

ปรับลดกำไรปี 2021E คงกำไรจากการดำเนินงานปี 2023E

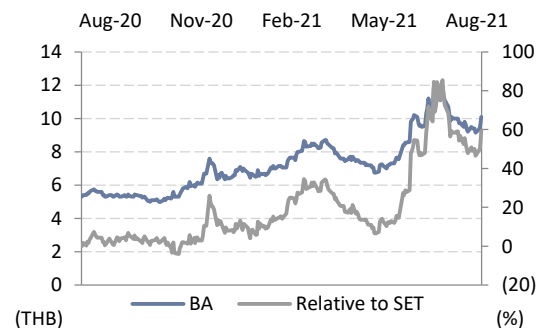
เราปรับเพิ่มประมาณการผลขาดทุนจากการดำเนินงานในปี 2021 จาก 2.9 พัน ลบ. เป็น 3.6 พัน ลบ. เนื่องจากเราปรับลดสมมติฐานจำนวนผู้โดยสารจาก 0.9 เป็น 0.5 ล้านเพื่อสะท้อนการแพร่ระบาด Covid ในรอบที่ 3 และรวมการยกเลิกสัญญาเช่ากับ SPF นับตั้งแต่ 3Q21 เป็นต้นไป (ก่อนหน้านี้เราไว้ในประมาณการตั้งแต่ปี 2022 เป็นต้นไป) BA น่าจะบันทึกผลขาดทุนพิเศษทางบัญชีจากการยกเลิกสัญญากับ SPF เป็นจำนวนประมาณ 6-7 พัน ลบ. ใน 3Q21 เนื่องจากค่าฉีกสัญญาสูงกว่าหนี้คงเหลือจากสัญญาเช่า เราคงประมาณการกำไรจากการดำเนินงานไว้ที่ 1.6 พัน ลบ. ในปี 2023 ประกอบด้วย 1) กำไร 600-700 ลบ. จากธุรกิจสนามบิน บริการอาหารบนเครื่องบิน และบริการภาคพื้นดิน; 2) ส่วนแบ่งรายได้จำนวน 400-500 ลบ. จากธุรกิจขนส่งสินค้า; และ 3) รายได้เงินปันผลจำนวน 600 ลบ. เราตั้งสมมติฐานไว้ที่ว่าธุรกิจสายการบินจะทำได้แค่เท่าทุนในปี 2023

สมควรซื้อขายในระดับการประเมินมูลค่าเดียวกันกับกลุ่มสนามบิน

เราคงราคาเป้าหมายที่ 16 บาท (SoTP) โดยมีสมมติฐานจาก 1) ธุรกิจสายการบิน สนามบิน และที่เกี่ยวข้องกับสนามบินที่ 11x ของค่า 2022E EV/EBITDA รวมถึงการประเมินมูลค่า BDMS และ BAFS จากราคาเป้าหมายของเราที่ 29 และ 40 บาท/หุ้นตามลำดับพร้อมส่วนลดจากเป็นบริษัทแม่จำนวน 20% ปัจจุบัน BA มีการซื้อขายในระดับการประเมินมูลค่าที่น่าสนใจที่ 13x ของค่า 2023E P/E และอาจปรับขึ้นเป็น 20-30x ของค่า P/E ซึ่งอยู่ในช่วงเดียวกันกับกลุ่มสนามบิน

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	7,666	2,596	15,692	24,440
Net profit	(3,639)	(9,636)	61	1,631
EPS (THB)	(1.73)	(4.59)	0.03	0.78
vs Consensus (%)	-	nm	nm	233.3
EBITDA	(2,733)	(2,442)	1,740	3,461
Core net profit	(4,316)	(3,636)	61	1,631
Core EPS (THB)	(2.06)	(1.73)	0.03	0.78
Chg. In EPS est. (%)	nm	nm	(79.5)	(0.2)
EPS growth (%)	nm	nm	nm	2,556.4
Core P/E (x)	(4.9)	(5.8)	345.4	13.0
Dividend yield (%)	-	-	0.2	4.6
EV/EBITDA (x)	(14.8)	(18.3)	23.1	10.2
Price/book (x)	1.1	1.3	1.3	1.2
Net debt/Equity (%)	97.7	147.0	119.2	79.3
ROE (%)	(17.4)	(20.5)	0.4	9.7



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(9.0)	40.3	80.4
Relative to country (%)	(7.7)	41.6	54.6
Mkt cap (USD m)	625		
3m avg. daily turnover (USD m)	1.9		
Free float (%)	36		
Major shareholder	Prasartong-Osoth Puttipong (20%)		
12m high/low (THB)	12.30/4.96		
Issued shares (m)	2,100.00		

Sources: Bloomberg consensus; FSSIA estimates



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The Chairman of The Audit Committee and Independent Director of Finansia Syrus Securities PCL is also BA's Director.

PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 19 สิงหาคม 2021

Investment thesis

BA expects to turn its airline business around by focusing more on its Samui route (accounted for 48% of passenger revenue in 2019), which commands a higher yield than other routes. BA also plans to reduce its fleet and cut some expenses. This should support its earnings visibility in the long run.

BA's non-airline business contributes more than half of its gross profit and should be a key driver for the company, especially the airport business based on the U-Tapao Airport project, of which BA holds a 45% stake, and Samui Airport.

Rising revenue from its airport business would be a key catalyst for BA as it would reduce the earnings volatility from its airline business.

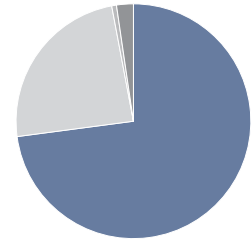
Company profile

BA offers air transportation services. The company operates flights and airports to various resort destinations, including Thailand, CLMV, China and India.

www.bangkokair.com

Principal activities (revenue, 2020)

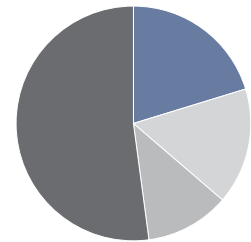
- Air fares - 72.9 %
- Revenue from sales and services - 24.1 %
- Freight - 0.7 %
- Passenger services - 2.3 %



Source: Bangkok Airways

Major shareholders

- Prasarttong-Osoth Puttipong - 20.3 %
- Prasarttong-Osoth Prasert - 16.0 %
- Prasarttong-Osoth Ariya - 11.6 %
- Others - 52.1 %



Source: Bangkok Airways

Catalysts

Key potential growth drivers include 1) a higher number of passengers carried following a global tourism recovery; 2) lower jet fuel prices; and 3) Covid vaccine rollouts.

Risks to our call

Downside risks to our SoTP-based TP include 1) extraordinary events such as political turmoil and natural disasters; 2) higher-than-expected fuel expenses following an increase in oil prices; and 3) the slower-than-expected recovery of international tourist numbers.

Event calendar

Date	Event
November 2021	3Q21 results announcement

Key assumptions

	2021E	2022E	2023E
Number of aircraft (no.)	36	30	30
Pax carried (m)	0.5	3.8	5.5
Load factor (%)	62.0	68.0	70.0
Average ticket fare (THB)	1,928	2,988	3,287
Brent spot price (USD/bbl)	65.0	65.0	65.0
Fuel price net hedging (USD/bbl)	77.9	80.7	85.3
THB/USD	32.0	32.0	32.0

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in load factor, we project a 2023 profit increase of 12% and vice versa, all else being equal.
- For every 1% increase in average ticket fare, we project a 2023 profit increase of 8% and vice versa, all else being equal.
- For every 1% increase in Brent spot price, we project a 2023 profit reduction of 2% and vice versa, all else being equal.

Source: FSSIA estimates

Recap: 2Q21 results review

BA booked a core loss of THB0.8b in 2Q21, beating our estimate of a TH1.0b core loss mainly due to higher-than-expected dividend income. Including a THB96m FX loss and a THB189m derivative gain, its 2Q21 net loss was THB686m. Passenger revenue fell by 30% q-q due to the lower number of passengers carried by 39% q-q. Seat capacity accounted for only 8% of the pre-Covid level with a load factor of 58%. Total expenses were relatively flat q-q. The operating profit margin remained negative. BA booked dividend income of THB568m in 2Q21 (vs THB375m in 1H20), mainly from Bangkok Dusit Medical Services (BDMS TB, BUY, TP THB29). Share income from the Samui Airport Property Fund (SPF) and its cargo business was relatively flat q-q.

Exhibit 1: 2Q21 results review

	2Q20	3Q20	4Q20	1Q21	2Q21	----- Change -----		1H20	1H21	Change	2021E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	(THB m)
Sales	287	697	1,056	671	573	(15)	100	5,914	1,244	(79)	2,596
- Passenger revenue	107	392	640	302	211	(30)	98	4,557	512	(89)	8,750
- Other revenue	180	305	416	369	362	(2)	101	1,357	731	(46)	2,986
Expense	(2,958)	(2,124)	(2,321)	(1,866)	(1,837)	(2)	(38)	(8,796)	(3,703)	(58)	(7,441)
- Fuel and oil	(21)	(87)	(177)	(69)	(51)	(27)	138	(1,133)	(120)	(89)	(1,650)
- Non-fuel operating expenses	(2,937)	(2,037)	(2,144)	(1,797)	(1,787)	(1)	(39)	(7,663)	(3,583)	(53)	(5,792)
Operating Profit	(2,671)	(1,428)	(1,265)	(1,195)	(1,264)	6	(53)	(2,883)	(2,459)	(15)	(4,845)
Dividend income	65	0	0	0	568						
Net other income	513	176	318	438	109	(75)	(79)	975	547	(44)	1,357
Interest income	6	3	1	1	2	239	(61)	29	3	(90)	22
Interest expense	(238)	(207)	(255)	(335)	(365)	9	53	(655)	(700)	7	(1,207)
Pretax profit	(2,325)	(1,456)	(1,200)	(1,091)	(949)	(13)	(59)	(2,159)	(2,041)	(5)	(4,673)
Income Tax	(268)	30	(71)	102	5	(95)	(102)	(60)	107	(280)	320
Associates	174	105	145	152	153	0	(12)	304	306	0	677
Minority interest	19	16	9	11	12	10	(38)	19	23	17	40
Core profit	(2,400)	(1,304)	(1,117)	(826)	(779)	(6)	(68)	(1,895)	(1,605)	(15)	(3,636)
Extraordinaries	(575)	(265)	717	80	93	16	(116)	(1,419)	173	(112)	(6,000)
- FX	172	(77)	245	(167)	(96)	(43)	(156)	59	(263)	(549)	0
- Derivative	(747)	(188)	20	248	189	(24)	(125)	(1,477)	437	(130)	0
- Others	0	0	451	0	0			0	0		(6,000)
Net profit	(2,975)	(1,569)	(401)	(746)	(686)	(8)	(77)	(3,313)	(1,432)	(57)	(9,636)
								0	0		
Shares out (end Q, m)	2,100	2,100	2,100	2,100	2,100	0	0	2,100	2,100	0	2,100
Pre-ex EPS	(1.14)	(0.62)	(0.53)	(0.39)	(0.37)	(6)	(68)	(0.90)	(0.76)	(15)	(1.73)
EPS	(1.42)	(0.75)	(0.19)	(0.36)	(0.33)	(8)	(77)	(1.58)	(0.68)	(57)	(4.59)
Depreciation	(733)	(723)	(657)	(613)	(591)	(4)	(19)	(1,463)	(1,204)	(18)	(2,403)
EBITDA	(1,938)	(705)	(609)	(582)	(673)	16	(65)	(1,420)	(1,255)	(12)	(2,442)
Key Ratios											
Operating profit margin (%)	(931)	(205)	(120)	(178)	(221)	(43)	710	(49)	(2)	47	(187)
EBITDA margin (%)	(675)	(101)	(58)	(87)	(118)	(31)	558	(0)	(1)	(1)	(94)
Net profit margin (%)	(1,037)	(225)	(38)	(111)	(120)	(9)	917	(1)	(1)	(1)	(371)
Operating stats											
Passengers carried (m)	0.0	0.2	0.3	0.2	0.1						
Load factor (%)	47	69	66	59	58						
RPK (m seats-km)	16	110	210	92	55						
ASK (m seats-km)	35	160	319	156	94						
Average fare (THB)	3,742	2,099	1,855	1,985	2,244						
RASK (THB)	18.1	3.9	0.0	4.9	3.6						
CASK (THB)	65.8	11.2	0.0	9.2	14.7						
CASK ex-fuel (THB)	65.2	10.7	0.0	8.7	14.2						

Sources: BA; FSSIA estimates

Exhibit 2: Forecast revisions

	----- Current -----			----- Previous -----			----- Change (%) -----		
	2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E
Passengers carried (m)	0.5	3.8	5.5	0.9	4.5	5.7	(43.8)	(16.0)	(3.1)
Load factor (%)	62	68	70	63	68	70	(1.0)	0.0	0.0
Average fare (THB)	1,928	2,988	3,287	1,928	2,988	3,287	0.0	0.0	0.0
Fuel prices net hedging (USD/bbl)	78	81	85	78	81	85	0.0	0.0	0.0
Revenue (THB m)	2,596	15,692	24,440	3,860	18,628	25,153	(32.7)	(15.8)	(2.8)
EBITDA (THB m)	(2,442)	1,740	3,461	(1,940)	1,942	3,563	(502.4)	(201.6)	(102.3)
Core earnings (THB m)	(3,636)	61	1,631	(2,927)	300	1,634	(24.2)	(79.5)	(0.2)

Source: FSSIA estimates

Exhibit 3: SoTP valuation

SoTP valuation estimate	(THB b)	(THB/share)	Comments
BA's core business	33.9	16.1	<ul style="list-style-type: none"> ▪ Based on 11x 2022E EV/EBITDA*; ▪ *2022E EBITDA = THB3.2b calculated from total EBITDA excluding dividend from BDMS and BAFS
BDMS	19.2	9.2	Fair price at our TP of THB29/shr with 20% holding discount
BAFS	2.0	1.0	Fair price at our TP of THB40/shr with 20% holding discount
Interest bearing debt	(16.1)	(7.7)	At end 2022E
Lease liabilities	(5.5)	(2.6)	At end 2022E
Total value	33.6	16.0	

Source: FSSIA estimates

Financial Statements

Bangkok Airways

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	23,962	7,666	2,596	15,692	24,440
Cost of goods sold	(20,903)	(8,015)	(3,481)	(11,473)	(17,118)
Gross profit	3,059	(349)	(885)	4,219	7,323
Other operating income	-	-	-	-	-
Operating costs	(4,598)	(2,384)	(1,557)	(2,479)	(3,862)
Operating EBITDA	(1,539)	(2,733)	(2,442)	1,740	3,461
Depreciation	(1,422)	(2,843)	(2,403)	(2,629)	(2,708)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	(2,960)	(5,576)	(4,845)	(889)	753
Net financing costs	(1,665)	(1,084)	(1,185)	(960)	(873)
Associates	809	555	677	502	502
Recurring non-operating income	3,217	2,399	2,034	1,861	2,006
Non-recurring items	2,129	678	(6,000)	0	0
Profit before tax	720	(3,583)	(9,996)	11	1,886
Tax	(364)	(100)	320	50	(249)
Profit after tax	357	(3,683)	(9,676)	61	1,637
Minority interests	(6)	45	40	0	(6)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	351	(3,639)	(9,636)	61	1,631
Non-recurring items & goodwill (net)	(2,129)	(678)	6,000	0	0
Recurring net profit	(1,778)	(4,316)	(3,636)	61	1,631
Per share (THB)					
Recurring EPS *	(0.85)	(2.06)	(1.73)	0.03	0.78
Reported EPS	0.17	(1.73)	(4.59)	0.03	0.78
DPS	0.10	0.00	0.00	0.02	0.47
Diluted shares (used to calculate per share data)	2,100	2,100	2,100	2,100	2,100
Growth					
Revenue (%)	(4.7)	(68.0)	(66.1)	504.5	55.7
Operating EBITDA (%)	nm	nm	nm	nm	98.9
Operating EBIT (%)	nm	nm	nm	nm	nm
Recurring EPS (%)	nm	nm	nm	nm	2,556.4
Reported EPS (%)	40.7	nm	nm	nm	2,556.4
Operating performance					
Gross margin inc. depreciation (%)	6.8	(41.6)	(126.7)	10.1	18.9
Gross margin of key business (%)	6.8	(41.6)	(126.7)	10.1	18.9
Operating EBITDA margin (%)	(6.4)	(35.6)	(94.1)	11.1	14.2
Operating EBIT margin (%)	(12.4)	(72.7)	(186.7)	(5.7)	3.1
Net margin (%)	(7.4)	(56.3)	(140.1)	0.4	6.7
Effective tax rate (%)	(16.4)	(2.1)	18.0	18.0	18.0
Dividend payout on recurring profit (%)	(11.8)	-	-	60.0	60.0
Interest cover (X)	0.2	(2.9)	(2.4)	1.0	3.2
Inventory days	9.2	22.5	35.8	14.1	18.1
Debtor days	24.7	46.1	56.3	9.3	6.0
Creditor days	53.0	98.0	84.2	33.2	42.6
Operating ROIC (%)	(30.7)	(44.3)	(26.4)	(5.6)	6.8
ROIC (%)	0.7	(7.3)	(5.2)	1.9	5.9
ROE (%)	(5.9)	(17.4)	(20.5)	0.4	9.7
ROA (%)	0.3	(5.8)	(5.5)	1.8	4.8
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Air fares	18,862	5,589	1,011	11,236	18,005
Revenue from sales and services	4,350	1,849	1,433	3,350	4,661
Freight	202	50	10	120	193
Passenger services	547	177	142	985	1,582

Sources: Bangkok Airways; FSSIA estimates

Financial Statements

Bangkok Airways

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	(1,778)	(4,316)	(3,636)	61	1,631
Depreciation	1,422	2,843	2,403	2,629	2,708
Associates & minorities	-	-	-	-	-
Other non-cash items	2,239	119	(3,134)	0	6
Change in working capital	1,066	(1,571)	(2,381)	2,444	2,033
Cash flow from operations	2,948	(2,926)	(6,747)	5,134	6,378
Capex - maintenance	(1,510)	(5,495)	(208)	(785)	(1,222)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	1,222	3,924	2,700	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(288)	(1,571)	2,492	(785)	(1,222)
Dividends paid	(165)	(203)	0	0	(37)
Equity finance	0	0	0	0	0
Debt finance	96	3,648	2,744	(2,560)	(1,535)
Other financing cash flows	(920)	(6,086)	0	0	0
Cash flow from financing	(989)	(2,641)	2,744	(2,560)	(1,572)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	1,672	(7,138)	(1,511)	1,790	3,584
Free cash flow to firm (FCFF)	4,429.85	(3,379.37)	(3,048.40)	5,316.46	6,053.89
Free cash flow to equity (FCFE)	1,836.33	(6,934.75)	(1,510.80)	1,790.12	3,621.11

Per share (THB)

FCFF per share	2.11	(1.61)	(1.45)	2.53	2.88
FCFE per share	0.87	(3.30)	(0.72)	0.85	1.72
Recurring cash flow per share	0.90	(0.64)	(2.08)	1.28	2.07

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Tangible fixed assets (gross)	24,283	27,882	28,090	28,875	30,097
Less: Accumulated depreciation	(8,675)	(9,622)	(12,025)	(14,654)	(17,362)
Tangible fixed assets (net)	15,608	18,260	16,065	14,221	12,735
Intangible fixed assets (net)	26	0	3,094	3,094	3,094
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	32,229	28,305	25,605	25,605	25,605
Cash & equivalents	9,319	2,181	670	2,460	6,045
A/C receivable	1,535	401	401	401	401
Inventories	510	477	207	682	1,018
Other current assets	1,225	198	67	406	632
Current assets	12,589	3,257	1,345	3,949	8,096
Other assets	1,455	779	779	779	779
Total assets	61,908	50,602	46,888	47,648	50,308
Common equity	29,948	19,591	15,955	16,017	17,611
Minorities etc.	57	14	(26)	(26)	(20)
Total shareholders' equity	30,004	19,606	15,930	15,991	17,591
Long term debt	17,641	20,234	22,978	20,418	18,883
Other long-term liabilities	6,079	5,290	5,290	5,290	5,290
Long-term liabilities	23,720	25,524	28,268	25,708	24,173
A/C payable	3,183	1,119	486	1,602	2,390
Short term debt	50	1,105	1,105	1,105	1,105
Other current liabilities	4,950	3,248	1,100	3,242	5,049
Current liabilities	8,183	5,472	2,691	5,949	8,544
Total liabilities and shareholders' equity	61,908	50,602	46,888	47,648	50,308
Net working capital	(4,863)	(3,292)	(911)	(3,355)	(5,388)
Invested capital	44,455	44,053	44,632	40,344	36,825

* Includes convertibles and preferred stock which is being treated as debt

Per share (THB)

Book value per share	14.26	9.33	7.60	7.63	8.39
Tangible book value per share	14.25	9.33	6.12	6.15	6.91

Financial strength

Net debt/equity (%)	27.9	97.7	147.0	119.2	79.3
Net debt/total assets (%)	13.5	37.9	49.9	40.0	27.7
Current ratio (x)	1.5	0.6	0.5	0.7	0.9
CF interest cover (x)	2.1	(5.4)	(0.3)	2.9	5.1

Valuation	2019	2020	2021E	2022E	2023E
Recurring P/E (x) *	(11.9)	(4.9)	(5.8)	345.4	13.0
Recurring P/E @ target price (x) *	(18.9)	(7.8)	(9.2)	547.2	20.6
Reported P/E (x)	60.5	(5.8)	(2.2)	345.4	13.0
Dividend yield (%)	1.0	-	-	0.2	4.6
Price/book (x)	0.7	1.1	1.3	1.3	1.2
Price/tangible book (x)	0.7	1.1	1.6	1.6	1.5
EV/EBITDA (x) **	(19.3)	(14.8)	(18.3)	23.1	10.2
EV/EBITDA @ target price (x) **	(27.3)	(19.3)	(23.3)	30.3	13.7
EV/invested capital (x)	0.7	0.9	1.0	1.0	1.0

* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income

Sources: Bangkok Airways; 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	ICI	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	SEAOIL	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	AMANAH	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	SEAOIL	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

The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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History of change in investment rating and/or target price

Bangkok Airways (BA TB)



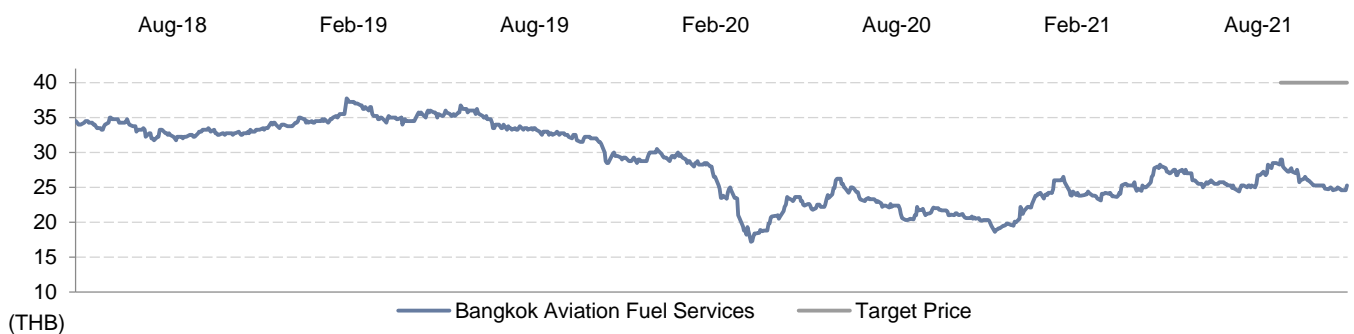
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
04-Jun-2021	BUY	10.00	25-Jun-2021	BUY	16.00	-	-	-

Teerapol Udomvej, CFA started covering this stock from 04-Jun-2021

Price and TP are in local currency

Source: FSSIA estimates

Bangkok Aviation Fuel Services (BAFS TB)



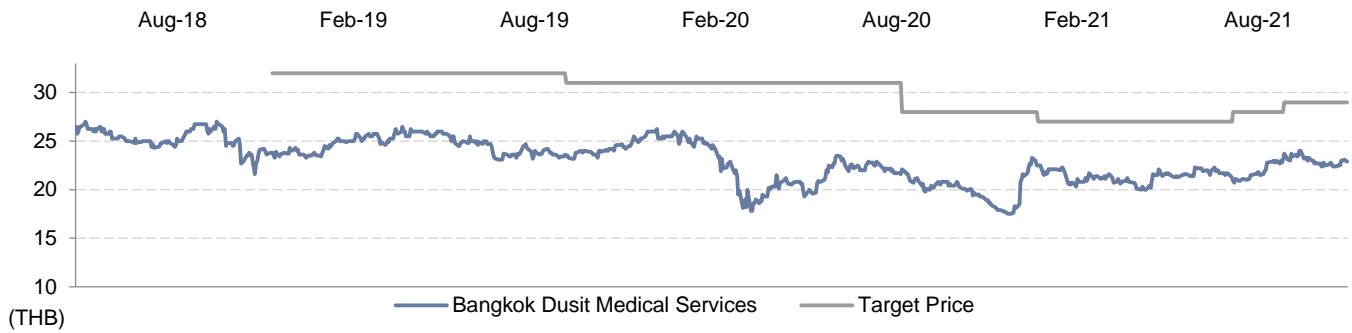
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
21-Jun-2021	BUY	40.00	-	-	-	-	-	-

Suwat Sinsadok started covering this stock from 21-Jun-2021

Price and TP are in local currency

Source: FSSIA estimates

Bangkok Dusit Medical Services (BDMS TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
05-Feb-2019	BUY	32.00	29-Sep-2020	BUY	28.00	03-Mar-2021	BUY	27.00
16-Oct-2019	BUY	31.00	17-Nov-2020	BUY	28.00	31-Mar-2021	BUY	27.00
02-Apr-2020	BUY	31.00	24-Nov-2020	BUY	27.00	11-May-2021	BUY	28.00
30-Jul-2020	BUY	28.00	06-Jan-2021	BUY	27.00	24-Jun-2021	BUY	29.00

Teerapol Udomvej, CFA started covering this stock from 30-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Bangkok Airways	BA TB	THB 10.10	BUY	Downside risks to our SoTP-based TP include 1) extraordinary events such as political turmoil and natural disasters; 2) higher-than-expected fuel expenses following an increase in oil prices; and 3) the slower-than-expected recovery of international tourist numbers.
Bangkok Aviation Fuel Services	BAFS TB	THB 25.25	BUY	Downside risk to our SoTP target price includes the slower than expected vaccination rate, which will lead to slower demand in tourism activities. Plus, the uncertainty in the fuel volume demand in the north, which can lead to volatility in income of FPT.
Bangkok Dusit Medical Services	BDMS TB	THB 22.90	BUY	Downside risks to our DCF-based target price include 1) a slowdown in international patients due to economic concerns, political protests or floods; 2) regulatory risks from drug price and medical bill controls; and 3) higher-than-expected capex and opex for CoE projects.

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 18-Aug-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.