

13 SEPTEMBER 2021

Thailand Aviation

ท้องฟ้าจะเต็มไปด้วยเครื่องบินอีกครั้ง

ธุรกิจการบินไทยจะเดินตามแนวโน้มการฟื้นตัวในตลาดโลก

อุตสาหกรรมการท่องเที่ยวของโลกได้ค่อย ๆ ฟื้นตัว โดยตัวเลขผู้โดยสารในประเทศได้แตะ 84% ของระดับก่อน Covid ในเดือน ก.ค. นำโดยตลาดในประเทศจากรัสเซีย จีน และสหรัฐฯ ในขณะที่ตัวเลขผู้โดยสารต่างประเทศก็ค่อย ๆ ฟื้นตัว เป็น 26% ของระดับก่อน Covid ในเดือน ก.ค. จากจุดต่ำสุดที่ 10% ของระดับก่อน Covid ในเดือน เม.ย. 2020 ตัวเลขผู้โดยสารในเอเชียแปซิฟิกได้ปรับลงต่ำกว่าค่าเฉลี่ยอุตสาหกรรมจากความล่าช้าของการฉีดวัคซีน เราคาดว่าตลาดเอเชียแปซิฟิกและไทยจะเดินตามแนวโน้มการฟื้นตัวของตลาดโลก

ตลาดในประเทศไทยจะฟื้นตัวใน 4Q21 พร้อมแผนการกลับมาเปิดพรมแดน

สำหรับกลุ่มการบินไทย สายการบินได้รับอนุญาตให้กลับมาบริการเที่ยวบินในประเทศได้ตั้งแต่ 1 ก.ย. หลังการผ่อนคลายมาตรการปิดเมืองในจังหวัดที่มีความเสี่ยงสูง เราคาดว่าตัวเลขผู้โดยสารในประเทศจะค่อย ๆ ปรับขึ้นเป็น 60-80% ของระดับก่อนหน้า Covid ใน 4Q21-1Q22 จากความต้องการที่อ่อนแอของนักท่องเที่ยวชาวไทยและมาตรการของรัฐบาลที่ต้องการกระตุ้นการท่องเที่ยวในประเทศ สำหรับตลาดต่างประเทศ ประเทศไทยวางแผนกลับมาเปิดพรมแดนสำหรับ 43 จังหวัดโดยจะแบ่งเป็น 4 ระยะ ระยะที่ 1 ประกอบด้วยการกลับมาเปิดภูเก็ต สมุย และกระบี่ แม้ว่านักท่องเที่ยวจะเข้ามาน้อยกว่าที่รัฐบาลคาด เราเห็นว่ามาตรการดังกล่าวเป็นการเริ่มต้นที่ดี และโครงการ Phuket Sandbox จะถูกปรับใช้กับจังหวัดอื่น ๆ เพื่อต้อนรับนักท่องเที่ยวต่างชาติอีกครั้ง

หุ้นการบินจะกลับมามีกำไร ต้องการอย่างน้อย 40% ของปริมาณนักท่องเที่ยวต่างชาติก่อน Covid

เราคาดว่าหุ้นการบินที่เราทำการศึกษาจะพลิกฟื้นในปี 2022 เราเห็นว่าปัจจัยผลักดันสำคัญสำหรับการพลิกฟื้นของ AOT จะอยู่ที่รายได้ขั้นต่ำ (MG) ที่สูงขึ้น หลังการยกเว้น MG สำหรับผู้ประกอบการรายย่อยสิ้นสุดในเดือน มี.ค. 2022 BA น่าจะได้เงินปันผลจาก BDMS และส่วนแบ่งรายได้จากธุรกิจขนส่งสินค้า ซึ่งได้รับผลกระทบจาก Covid จำกัด และจะสนับสนุนการพลิกฟื้นของบริษัท ในขณะที่ AAV อาจพลิกฟื้นภายหลังเนื่องจากบริษัท มีส่วนแบ่งรายได้ 32% จากเส้นทางในประเทศจีนในปี 2019 และจีนได้ระบุแล้วว่าไม่เปิดพรมแดนให้กับนักท่องเที่ยวต่างชาติ จนกว่าจะถึงช่วง 2H22 เป็นอย่างน้อย จากการวิเคราะห์ของเรา AOT และ BA ต้องการปริมาณผู้โดยสารในประเทศที่ประมาณ 50% และปริมาณผู้โดยสารต่างประเทศอีกประมาณ 40% ของระดับก่อน Covid เพื่อให้ทำทุนใน FY22 ในขณะที่ AAV อาจต้องการประมาณ 75% ของปริมาณผู้โดยสารในประเทศและ 50% ของต่างประเทศเพื่อให้พลิกฟื้น

ให้น้ำหนักมากกว่าตลาด BA เป็นหุ้นเด่นจากสัดส่วนความเสี่ยงต่อผลตอบแทนที่น่าสนใจ

เราแนะนำซื้อ AOT, AAV และ BA แต่หุ้นเด่นของเราคือ BA จากสัดส่วนความเสี่ยงต่อผลตอบแทนที่ดี ปัจจุบัน BA มีการซื้อขายที่ 14x ของค่า FY23E P/E เราคิดว่าอัตราส่วนดังกล่าวมีโอกาสปรับขึ้นเป็น 20-30x เนื่องจาก BA ได้เปลี่ยนจากผู้ประกอบการสายการบินเป็นผู้ประกอบการสนามบิน สำหรับ AOT เราคาดว่าราคาหุ้นจะพลิกสู่ระดับก่อน Covid ที่เกิน 70 บาท/หุ้นโดยมีสมมติฐานจากกำไรที่จะเกินระดับก่อน Covid จากแผน MG ใหม่



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 13 กันยายน 2021

Global aviation has started to recover

Domestic traffic leads the recovery

According to the International Air Transport Association (IATA), global air travel has started to pick up from the earlier days of the Covid pandemic. Industry-wide revenue passenger kilometres (RPKs) have recovered to 47% of the pre-Covid level in July. Domestic RPKs have led the recovery, reaching 84% of the pre-Covid level in July, while international RPKs remain weak at only 26% of the pre-Covid level.

Among the key domestic markets, Russia has had the best performance, with RPKs increased by 29% in July 2021 vs July 2019. China has also had solid performance, with RPKs of 3% below the pre-Covid level.

For international traffic, airlines from North America and Europe were top performers, with RPKs at 36-38% of the pre-Covid level in July. Meanwhile, airlines from Asia Pacific had the worst performance, with RPKs decreasing by 94% in July compared with the pre-Covid level.

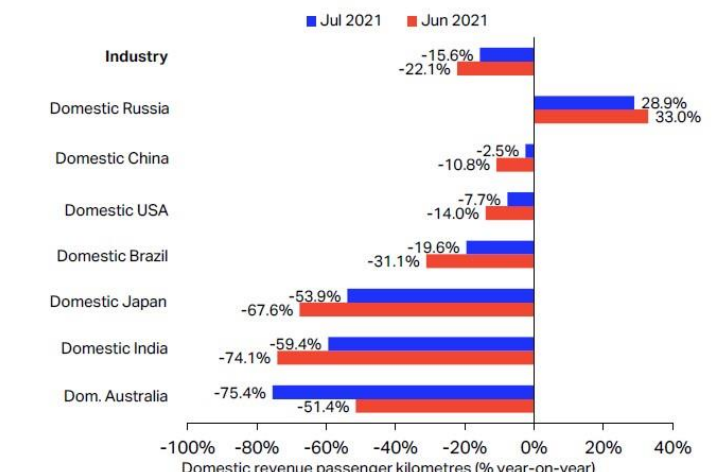
We believe that the situation should continue to improve, given that the travel restrictions for each region have been eased recently. The key risk would be a faster spread of the Delta variant, in our view.

Exhibit 1: Global industry revenue passenger kilometres (RPKs)



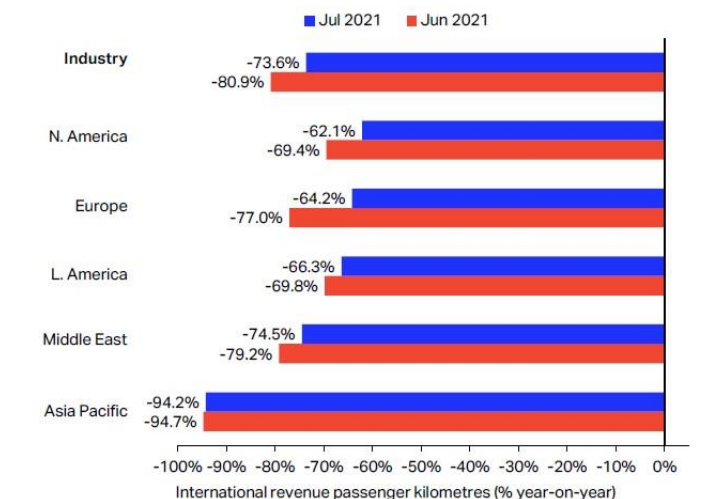
Source: IATA

Exhibit 2: Domestic RPK growth (vs 2019)



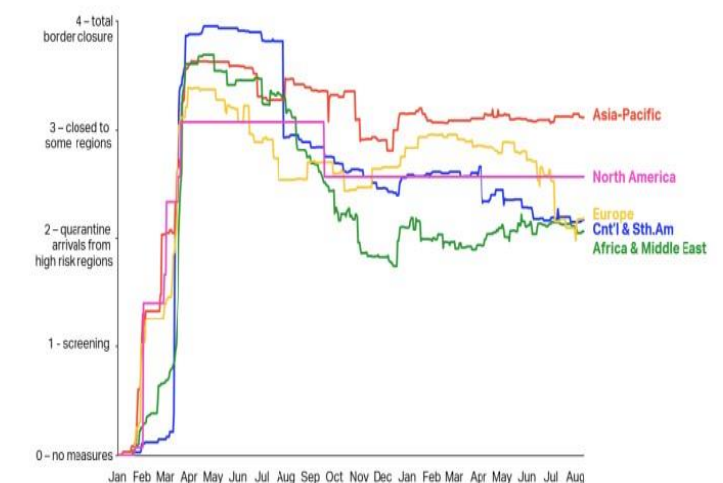
Source: IATA

Exhibit 3: International RPK growth (vs 2019)



Source: IATA

Exhibit 4: Stringency of government international air travel measures by region



Source: IATA

Recovery of three largest aviation markets

The Centre for Aviation, part of the Aviation Week Network (CAPA), has studied the world's three largest aviation markets: China, the USA and Europe. China was able to rapidly suppress Covid, allowing its domestic capacity to recover to the pre-Covid level in July 2020. Meanwhile, the country has strictly controlled international tourism.

Unlike China, the USA has had high infection rates. However, its domestic seat capacity has significantly recovered in 2021 thanks to the speed of the vaccination rollout. US domestic capacity was at 93% of the pre-Covid level in August 2021, while its international capacity also recovered, to 60% of the pre-Covid level.

Europe's strategy lies in between China's and the USA's. It has chosen to lock down and impose strict restrictions. Thus, the aviation recovery in Europe should be more conservative than in the US. Europe's total capacity had recovered to 65% of the pre-Covid level in August 2021, with the international capacity also recovering to 61% of the pre-Covid level.

Exhibit 5: China – domestic seat capacity

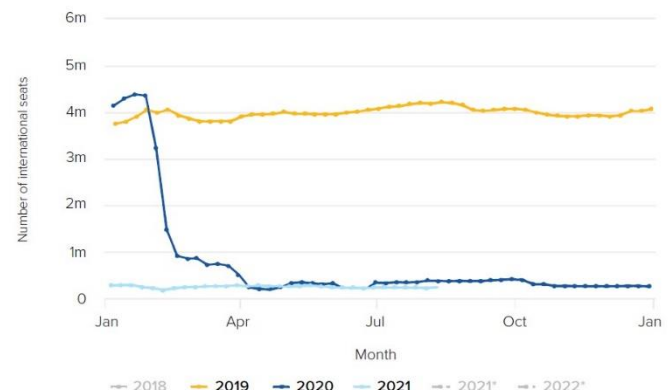
China: weekly domestic seat capacity in 2019, 2020 and 2021, seats (millions)



Source: CAPA

Exhibit 6: China – international seat capacity

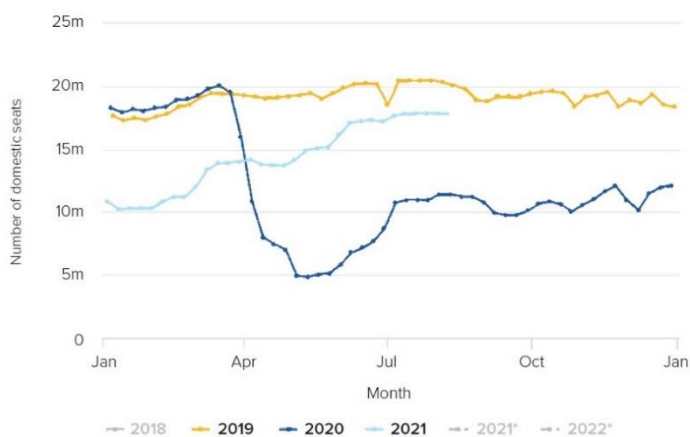
China: weekly international seat capacity in 2019, 2020 and 2021, seats (millions)



Source: CAPA

Exhibit 7: US – domestic seat capacity

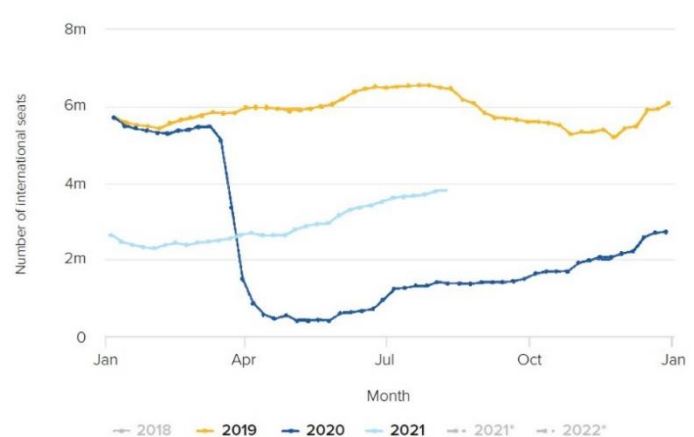
USA: weekly domestic seat capacity in 2019, 2020 and 2021



Source: CAPA

Exhibit 8: US – international seat capacity

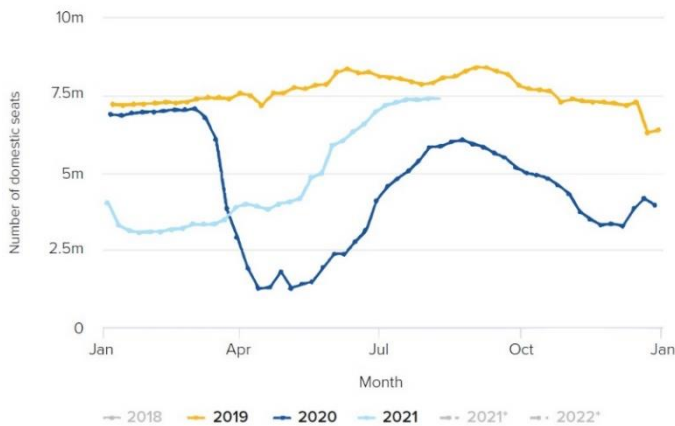
USA: weekly international seat capacity in 2019, 2020 and 2021



Source: CAPA

Exhibit 9: Europe – domestic seat capacity

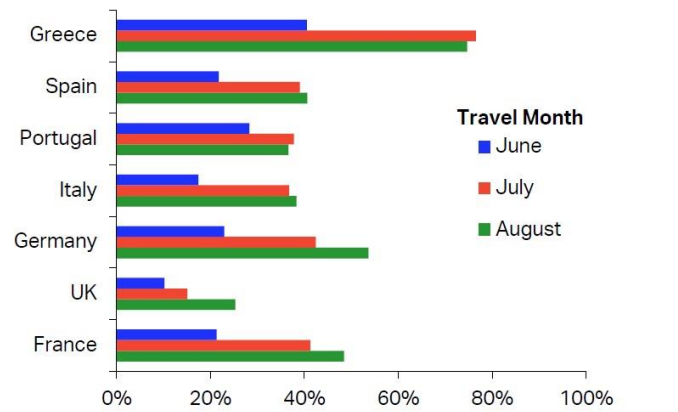
Europe: weekly domestic seat capacity in 2019, 2020 and 2021



Source: CAPA

Exhibit 10: Intra-European recovery

Bookings to Main European Travel Destinations From Europe (% of 2019 levels)

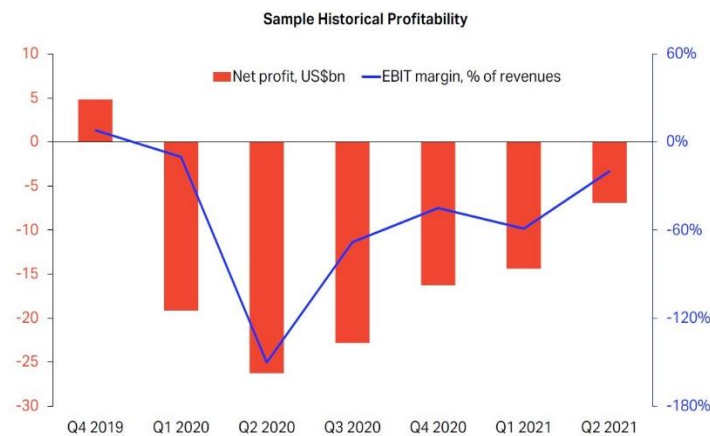


Source: IATA

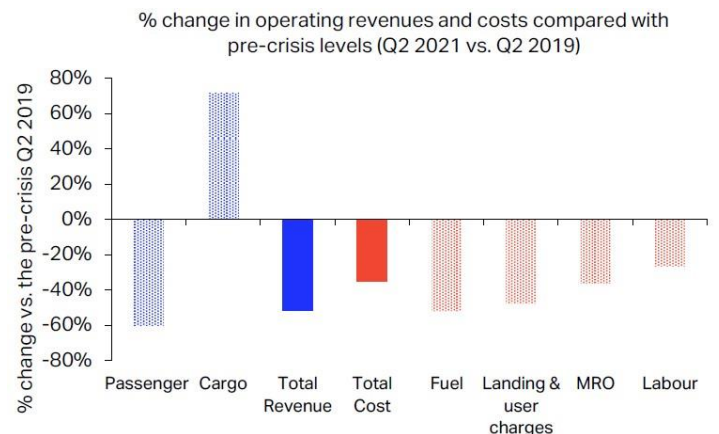
Earnings have passed the bottom and are likely to improve

Based on IATA's analysis of 41 airlines across all regions, the financial situation has gradually improved from the bottom in 2Q20. North American and Latin American airlines were the best performers thanks to their domestic markets. However, the improvement of airlines in Europe and Asia Pacific was relatively smaller due to the absence of international traffic.

In 2Q21, passenger revenue decreased by 60% (vs 2Q19), while costs decreased by 35%. The key cost saving factors were fuel costs (-52%) and landing and user charges (-48%), while labour costs decreased by 28%.

Exhibit 11: Industry-wide net losses diminished in Q2 2021

Source: IATA

Exhibit 12: Change in revenue and costs compared with pre-Covid level

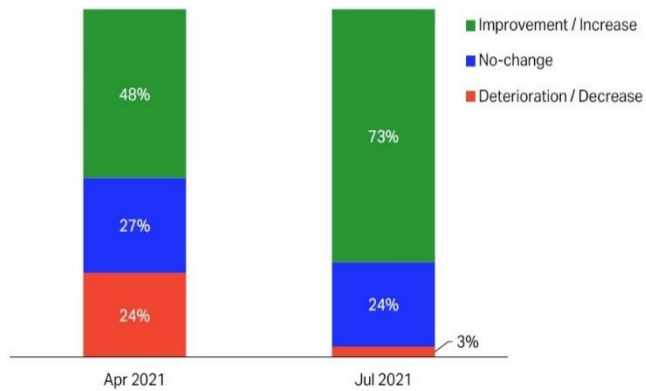
Source: IATA

In addition, based on IATA's business confidence survey which was completed by airline CFOs in July, 73% of respondents expect the profitability of their own airlines to improve further in the twelve months ahead vs only 48% in the survey conducted in April. The reasons for the expected improvement are the easing of travel restrictions, cost reduction measures, higher passenger confidence and vaccination progress.

For the timing of the recovery, more than half of the respondents expect the flight demand to recover to the pre-Covid level in 2023. About 33% of respondents expect long-haul traffic to restart in 1H22. The region that is expected to recover first has changed from Asia Pacific in the April 2021 survey to North America in the July 2021 survey.

Exhibit 13: IATA business confidence survey highlights improving financials

How do you expect your profitability to change over the next twelve months?
Share of respondents

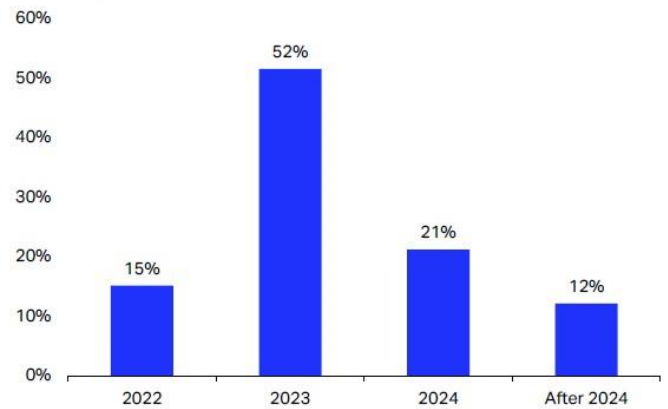


Source: IATA

Exhibit 14: IATA business confidence survey – timing of the demand recovery

a) Timing of the demand recovery (2019 levels)

% of respondents

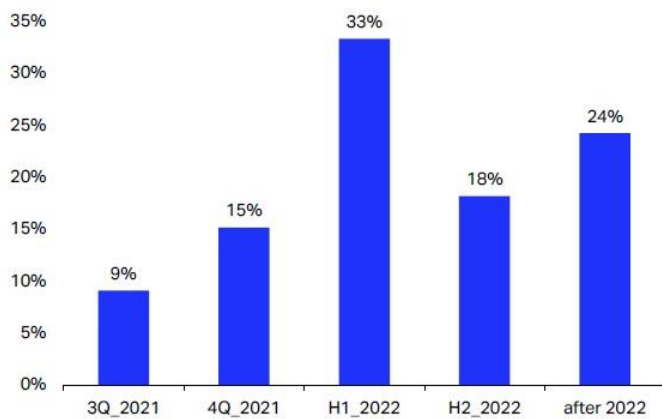


Source: IATA

Exhibit 15: IATA business confidence survey – timing of the restart in long-haul traffic

b) Timing of the restart in long haul traffic

% of respondents

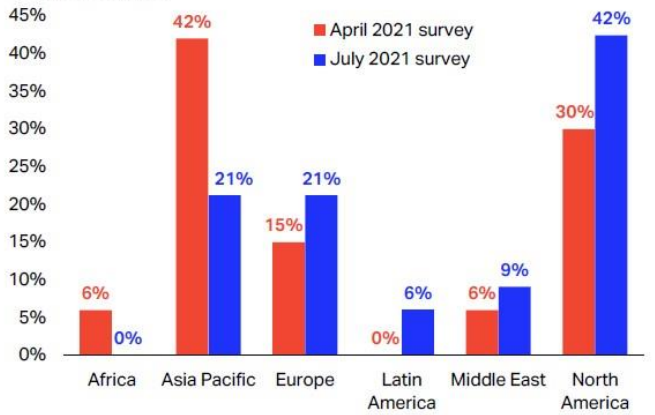


Source: IATA

Exhibit 16: IATA business confidence survey – region to return to 2019 level first

b) Region to return to 2019 level first

% of respondents



Source: IATA

Thailand: domestic recovery; international reopening preparation

Airlines in Thailand have been allowed to resume domestic flight from 1 September following the easing of restrictions in 29 high-risk provinces. All flights must comply with the Civil Aviation Authority of Thailand (CAAT)'s conditions and the specified travel measures at the destination provinces.

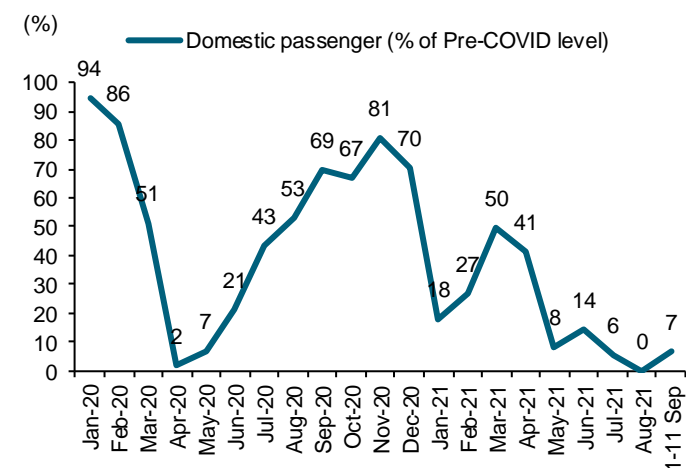
AAV has resumed 11 domestic routes from Don Mueang Airport to Chiang Mai, Phuket, Hat Yai, Nakhon Si Thammarat, Chiang Rai, Khon Kaen, Udon Thani, Ubon Ratchathani, Nakhon Panom, Roi Et and Narathiwat. Meanwhile, BA has resumed five routes from Bangkok to Samui, Chiang Mai, Phuket, Sukhothai and Lampang.

We expect domestic passenger volumes to recover at a similar pace to 4Q20, which recovered to c70% of the pre-Covid level. We see the key driver as the pent-up demand for domestic travel after the lockdown since May. In addition, the Thai government plans to launch the "We Travel Together" phase 3 and "Travel Around Thailand" schemes to encourage domestic travel. Under the We Travel Together scheme, travellers will be given a 40% discount on accommodations, a 600-baht voucher for food and beverages for every night booked, and another 40% discount on plane tickets. Meanwhile, the Travel Around Thailand scheme will subsidise 40% of the tour package cost of up to THB5,000 for 1 million Thai tourists.

For the border reopening scheme for international tourists, after the first phase of the reopening of Phuket, Surat Thani, Krabi and Phang-Nga, the Thai government plans to reopen Bangkok, Chiang Mai, Chon Buri, Phetchaburi, and Prachuap Khiri Khan from 1 October for the reopening's second phase.

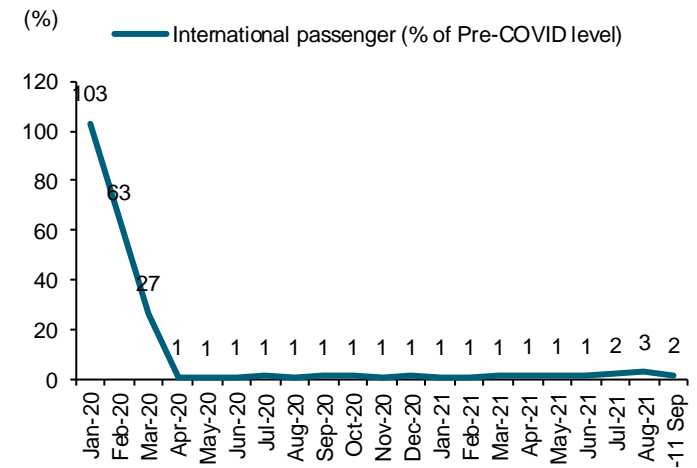
The third phase is the reopening of 21 provinces around the middle of October, and for the fourth phase in January 2022, 12 border provinces are scheduled to reopen under travel bubbles with neighbouring countries. All four phases will cover up to 43 provinces in Thailand.

Exhibit 17: Domestic passenger recovery trend



Source: AOT

Exhibit 18: International passenger recovery trend



Source: AOT

Exhibit 19: Thailand reopening scheme

Phase	Provinces and key locations
Phase 1	Jul-Sep 2021
Key tourist destinations	√ Phuket Sandbox Program
	√ Samui Plus Model
	√ 7+7 Phuket extension (Koh Samui, Railay Beach (Krabi), Khao Lak (Phang Nga))
	x Buriram (MotoGP postponed to 2022)
Phase 2	From 1 Oct 2021
Five additional destinations	Bangkok
	Chiang Mai (Muang, Mae Rim, Doi Tao)
	Prachuap Khiri Khan (Hua Hin)
	Phetchaburi (Cha-am)
	Chonburi (Pattaya, Bang Lamung, Sattahip)
Phase 3	From 15 Oct 2021
Twenty-one additional destinations	Northern: Mae Hong Son, Chiang Rai, Phrae, Nan, Lamphun, Sukhothai
	Northeastern: Udon Thani, Nong Khai, Bueng Kan, Ubon Ratchathani, Loei (Chiang Khan)
	Eastern: Rayong (Koh Samet), Chanthaburi, Trad (Koh Kood, Koh Chang)
	Western: Ratchaburi, Kanchanaburi
	Southern: Ranong, Trang, Satun, Songkhla, Nakhon Si Thammarat
	Central: Ayutthaya
Phase 4	1-15 Jan 2022
Travel bubbles with neighbouring countries	Cambodia: Surin (Chong Chom Border), Sa Kaew (Aranyaprathet), Trat (Koh Kong)
	Myanmar: Chiang Rai (Tachileik), Tak (Mae Sot), Ranong (Koh Song)
	Laos: Nakhon Phanom, Nong Khai, Mukdahan
	Malaysia: Yala (Betong), Narathiwat (Su-ngai Kolok), Songkhla (Padang Besar Border), Satun (Wang Prachan)

Source: [Today Bizview](#), summarised from the plan disclosed to Parliament on 1 September 2021 by the Tourism and Sports Minister, Phiphat Ratchakitprakarn

Thai aviation to turn around in 2022

We believe Thai aviation stocks will turn profitable in 2022. Our current assumptions for each aviation stock are for domestic passengers to recover to 70-80% of the pre-Covid level, while international passengers should recover to 36-40% of the pre-Covid level. Our assumptions imply that AOT and BA would break even, while we expect that AAV would still contribute a loss in FY22. We have run a sensitivity analysis to estimate the breakeven point for each stock as follows:

AOT: The key driver for a turnaround, in our view, would be higher revenue from new concession contracts with King Power. AOT has waived the MG for the concession contract until March 2022. Thus, AOT would receive higher concession revenue for six months for FY22 (April-October 2022). Based on our assumptions, concession revenue for 2HFY22 would be THB8.8b, slightly higher than the THB8.5b from concession revenue in 2HFY19, even though passenger traffic has not yet returned to the pre-Covid level. We think this would mainly be due to the higher MG. Our sensitivity analysis suggests that AOT would require a domestic passenger volume of c50% and an international passenger volume of c30-40% of the pre-Covid level to reach net profit breakeven in FY22.

AAV: We see the key driver for a turnaround as the recovery of the international passenger volume, given that ticket fares are cTHB2,000 vs cTHB1,000 for domestic passengers. Our sensitivity analysis suggests that AAV would require a domestic passenger volume of c75% and an international passenger volume c50% of the pre-Covid level to reach net profit breakeven in FY22. Note that even if the domestic passenger volume fully recovers to the pre-Covid level, we think it would not be sufficient for AAV to break even.

BA: Unlike AAV, we estimate that BA would require a lower passenger traffic volume to break even, given that BA has earnings from its cargo business and dividend income from Bangkok Dusit Medical Services (BDMS TB, BUY, TP THB29) to support its earnings. Our sensitivity analysis suggests that BA would require a domestic passenger volume of c50% and an international passenger volume of c40% of the pre-Covid level to reach net profit breakeven in FY22.

Exhibit 20: FY22E earnings sensitivity on passenger volume for aviation stocks

		Domestic pax	International pax	FY22E core profit
		(% of pre Covid level)	(% of pre Covid level)	(THB m)
Airports of Thailand	Base case	78%	38%	3,570
(AOT TB)	Case 1	25%	25%	(4,006)
	Case 2	50%	25%	(2,974)
	Case 3	50%	50%	5,043
	Case 4	75%	25%	(1,941)
	Case 5	75%	50%	6,076
	Case 6	75%	75%	14,130
	Case 7	100%	25%	(908)
	Case 8	100%	50%	7,109
Asia Aviation	Base case	77%	36%	(471)
(AAV TB)	Case 1	25%	25%	(2,524)
	Case 2	50%	25%	(1,493)
	Case 3	50%	50%	(310)
	Case 4	75%	25%	(1,157)
	Case 5	75%	50%	26
	Case 6	75%	75%	1,171
	Case 7	100%	25%	(911)
	Case 8	100%	50%	522
Bangkok Airways	Base case	70%	40%	61
(BA TB)	Case 1	25%	25%	(1,347)
	Case 2	50%	25%	(886)
	Case 3	50%	50%	295
	Case 4	75%	25%	(546)
	Case 5	75%	50%	515
	Case 6	75%	75%	1,250
	Case 7	100%	25%	(52)
	Case 8	100%	50%	980

Source: FSSIA estimates

Exhibit 21: Peer comparisons as of 10 Sep 2021 – Airport sector

Company	BBG	Rec	-- Share price --		Market	3Y EPS	--- PE ---		-- DivYld --		--- ROE ---		---- PBV ----		--- EV/ EBITDA ---		
			Current	Target	Cap	CAGR	21E	22E	21E	22E	21E	22E	21E	22E	21E	22E	23E
			(THB)	(THB)	(USD m)	(%)	(x)	(x)	(%)	(%)	(%)	(%)	(x)	(x)	(x)	(x)	(x)
Thailand																	
Airports of Thailand*	AOT TB	BUY	60.75	80.00	26,974	101.8	(58.4)	247.1	0.8	1.0	(11.8)	3.2	7.8	8.0	n/a	56.2	20.9
Malaysia																	
Malaysia Airports	MAHB MK	NR	6.45	n/a	2,619	n/a	n/a	n/a	0.0	0.5	(11.7)	(1.2)	1.6	1.7	89.8	10.9	7.6
China																	
Beijing Capital Air	694 HK	NR	4.95	n/a	2,831	(1.4)	n/a	102.3	0.1	1.4	(4.6)	1.6	0.9	0.9	n/a	10.8	6.6
Hainan Meilan Intl	357 HK	NR	31.25	n/a	1,910	n/a	19.0	17.5	0.8	0.9	15.5	14.7	2.8	2.4	10.7	8.9	7.1
Shanghai Airport	600009 CH	NR	44.45	n/a	13,274	n/a	n/a	48.2	0.0	0.5	(2.5)	6.4	3.0	2.8	n/a	47.6	21.7
Guangzhou Baiyun	600004 CH	NR	10.78	n/a	3,954	n/a	n/a	34.1	0.3	0.9	(1.6)	3.3	1.3	1.3	23.4	11.7	9.9
Shenzhen Airport	000089 CH	NR	7.58	n/a	2,409	181.9	48.0	32.4	0.5	0.7	2.3	3.4	1.3	1.2	28.2	15.5	12.3
Xiamen Airport	600897 CH	NR	16.39	n/a	756	48.6	15.4	11.5	2.7	3.5	8.2	10.4	1.2	1.2	5.9	5.1	5.2
Australia																	
Sydney Airport	SYD AU	NR	8.37	n/a	16,625	n/a	n/a	246.2	0.0	1.8	(26.5)	15.8	23.9	34.7	90.4	35.4	24.4
Auckland Airport	AIA AU	NR	7.19	n/a	7,793	n/a	n/a	n/a	0.0	0.0	(0.5)	0.1	1.6	1.4	78.5	62.5	28.1
Japan																	
Japan Airport	9706 JP	NR	5,030	n/a	4,256	n/a	n/a	(10.0)	0.0	0.0	2.3	(10.0)	2.6	3.0	n/a	62.4	17.3
Average					83,401	n/a	6.0	221.7	0.5	1.0	(2.8)	4.3	4.4	5.3	23.7	29.7	14.6

Sources: Bloomberg consensus; *FSSIA estimates

Exhibit 22: Peer comparisons as of 10 Sep 2021 – Airline sector

Company	BBG	Rec	-----Share price-----			Market	----- PE -----		--- ROE ---		---- PBV ----		----- EV/ EBITDA -----		
			Current	Target	Upside	Cap	21E	22E	21E	22E	21E	22E	21E	22E	23E
			(LCY)	(LCY)	(%)	(USD m)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)	(x)
Thailand															
Bangkok Airways*	BA TB	BUY	11.20	16	36.8	737	(6.8)	400.1	(20.5)	0.4	1.5	1.5	(19.6)	25.1	8.1
Asia Aviation*	AAV TB	BUY	2.66	3.2	18.5	400	(2.9)	(27.8)	(39.2)	(5.5)	1.5	1.6	(67.9)	8.1	4.6
Thailand average*						1,137	(4.8)	186.2	(29.8)	(2.6)	1.5	1.6	(43.8)	16.6	6.4
Regional															
Spring Airlines	601021 CH	n/a	55.55	n/a	n/a	7,890	n/a	89.2	(1.8)	4.7	3.5	3.4	33.0	16.0	13.4
Interlobe Aviation	INDIGO IN	n/a	1,911.60	n/a	n/a	9,929	n/a	n/a	(7.2)	(156.2)	10.4	57.5	n/a	83.8	9.0
Airasia Group	AAGB MK	n/a	0.93	n/a	n/a	864	n/a	n/a	n/a	42.3	2.1	n/a	n/a	12.3	6.9
Cebu Air Inc	CEB PM	n/a	43.85	n/a	n/a	535	n/a	n/a	(53.8)	(106.0)	1.0	3.6	n/a	9.7	n/a
Singapore Airlines	SIA SP	n/a	4.99	n/a	n/a	10,892	44.8	n/a	1.6	(29.6)	0.8	1.2	n/a	5.9	2.7
Japan Airlines	9201 JP	n/a	2,393.00	n/a	n/a	9,503	12.6	n/a	5.5	(33.8)	0.7	1.1	n/a	n/a	n/a
Ana Holdings	9202 JP	n/a	2,621.50	n/a	n/a	11,533	25.7	n/a	3.1	(45.4)	0.8	1.3	n/a	27.2	8.6
Garuda Indonesia	GIAA IJ	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cathay Pacific Air	293 HK	n/a	6.77	n/a	n/a	5,494	n/a	n/a	(30.5)	(19.4)	0.7	0.8	12.6	3.8	2.6
Eva Airways	2618 TT	n/a	17.70	n/a	n/a	3,216	n/a	n/a	(7.5)	(4.1)	1.3	n/a	n/a	n/a	n/a
Air New Zealand	AIR NZ	n/a	1.56	n/a	n/a	1,246	n/a	n/a	(4.5)	(26.8)	1.2	1.6	12.6	24.0	5.3
Regional average						61,103	27.7	89.2	n/a	(37.4)	2.2	8.8	n/a	22.8	6.9
Overall average						62,240	14.7	153.8	n/a	(31.6)	2.1	7.4	n/a	21.6	6.8

Sources: Bloomberg consensus; *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	TTB	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	MITSI	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	WIK	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	TTB	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

Airports of Thailand (AOT TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
09-Oct-2018	HOLD	59.00	10-Sep-2020	BUY	70.00	09-Jun-2021	BUY	82.00
20-Jun-2019	HOLD	72.00	11-Feb-2021	BUY	85.00	13-Aug-2021	BUY	80.00
02-Apr-2020	HOLD	72.00	08-Apr-2021	BUY	85.00			

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

Price and TP are in local currency

Source: FSSIA estimates

Bangkok Airways (BA TB)



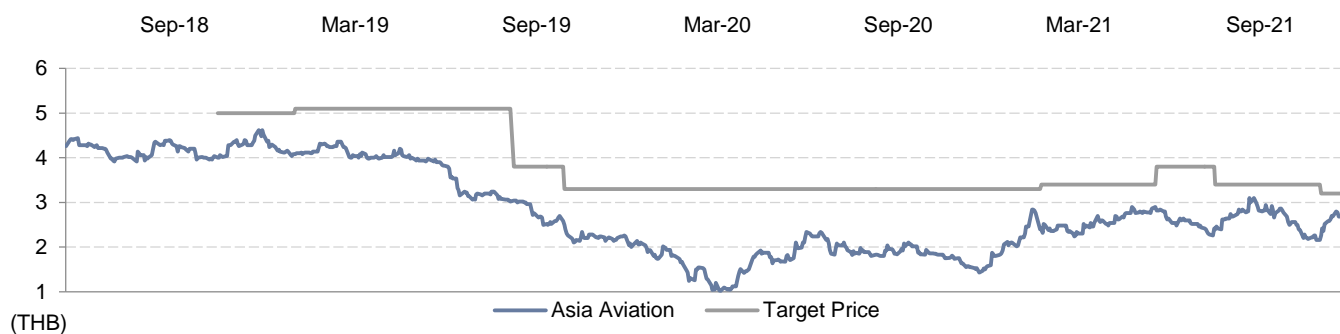
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
04-Jun-2021	BUY	10.00	25-Jun-2021	BUY	16.00	-	-	-

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

Price and TP are in local currency

Source: FSSIA estimates

Asia Aviation (AAV TB)



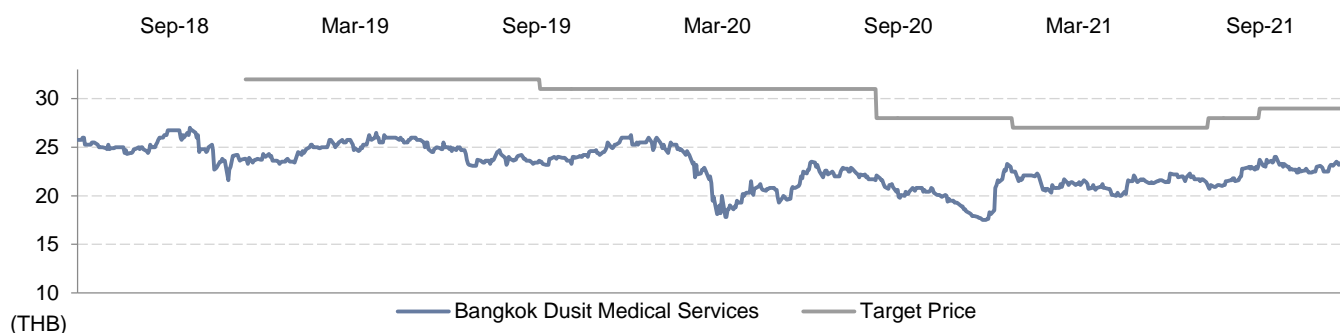
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
19-Jan-2019	BUY	5.00	02-Apr-2020	BUY	3.30	18-May-2021	BUY	3.40
28-Mar-2019	BUY	5.10	21-Dec-2020	BUY	3.40	16-Aug-2021	BUY	3.20
30-Sep-2019	BUY	3.80	29-Mar-2021	BUY	3.80			
12-Nov-2019	BUY	3.30	18-May-2021	BUY	3.40			

Teerapol Udomvej, CFA started covering this stock from 21-Dec-2020

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
Airports of Thailand	AOT TB	THB 60.75	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.
Bangkok Airways	BA TB	THB 11.20	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.
Asia Aviation	AAV TB	THB 2.66	BUY	Downside risks to our P/BV multiple target price 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 Dusit Medical Services	BDMS TB	THB 22.50	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 10-Sep-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.