

AIRPORTS OF THAILAND  
THAILAND / TRANSPORT & LOGISTICS

## AOT TB

BUY

UNCHANGED

## ตัวเลขเที่ยวบินใกล้เคียงฟื้นตัวสู่ระดับก่อน Covid

- ปริมาณผู้โดยสารฟื้นตัวอย่างมีนัยสำคัญในเดือน พ.ค. และโมเมนตัมน่าจะอยู่ต่อเนื่อง; อาจเริ่มมีกำไรใน 1QFY23
- ปัจจัยบวก: การกลับมาเปิดพรมแดนของจีน การเปิดเทอร์มินัล SAT-1 และการสิ้นสุดของมาตรการให้ความช่วยเหลือแก่ผู้ประกอบการ
- คำแนะนำซื้อ หุ่นมีการซื้อขายต่ำกว่าค่าเฉลี่ยในอดีต

TARGET PRICE	THB85.00
CLOSE	THB69.50
UP/DOWNSIDE	+22.3%
PRIOR TP	THB79.00
CHANGE IN TP	+7.6%
TP vs CONSENSUS	+18.2%

## KEY STOCK DATA

YE Sep (THB m)	2021	2022E	2023E	2024E
Revenue	7,086	15,724	52,714	78,298
Net profit	(16,322)	(10,051)	16,704	33,247
EPS (THB)	(1.14)	(0.70)	1.17	2.33
vs Consensus (%)	-	nm	47.0	26.0
EBITDA	(8,172)	(796)	33,386	54,884
Core net profit	(15,319)	(10,051)	16,704	33,247
Core EPS (THB)	(1.07)	(0.70)	1.17	2.33
Chg. In EPS est. (%)	nm	nm	(16.4)	0.0
EPS growth (%)	nm	nm	nm	99.0
Core P/E (x)	(64.8)	(98.8)	59.4	29.9
Dividend yield (%)	-	-	0.7	1.6
EV/EBITDA (x)	(128.4)	(1,334.2)	31.2	18.9
Price/book (x)	8.8	9.7	8.3	6.8
Net debt/Equity (%)	49.0	65.5	39.4	27.8
ROE (%)	(12.0)	(9.4)	15.1	25.2

## คาดตัวเลขนักท่องเที่ยวต่างชาติจะแตะ 30,000 รายต่อวันใน 4Q22

เราคาดว่า AOT จะฟื้นตัวใน 3QFY22 จากการผ่อนคลายข้อจำกัดการเดินทางอันประกอบด้วย การยกเลิกการตรวจ RT-PCR ก่อนการเดินทางทั้งขาเข้าและขาออกในเดือน เม.ย. - พ.ค. และการยกเลิกข้อจำกัดการเดินทางทั้งหมดที่อาจเกิดขึ้นในเดือน ก.ค. ตัวเลขนักท่องเที่ยวขาเข้ากระโดดเพิ่มจากค่าเฉลี่ยที่ 8,600 ราย/วันในเดือน เม.ย. เป็นประมาณ 14,900 รายในเดือน พ.ค. (16% ของระดับก่อน Covid) นำโดยนักท่องเที่ยวจากสิงคโปร์ อินเดีย และเวียดนาม นอกจากนี้ตัวเลขนักท่องเที่ยวลงทะเบียนในระบบ Thailand Pass ในช่วงเดือนที่ผ่านมาเพิ่มเป็นประมาณ 20,000-25,000 ราย/วันพร้อมนักท่องเที่ยวอีก 778,000 รายในระบบ การท่องเที่ยวแห่งประเทศไทยคาดว่าตัวเลขนักท่องเที่ยวจะสูงกว่า 30,000 ราย/วันภายในสิ้นปี

## คาดผลขาดทุนปกติจะลดลงอย่างมีนัยสำคัญใน 3QFY22

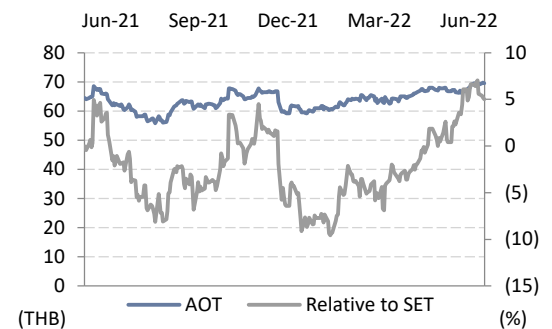
ปริมาณผู้โดยสารของ AOT มีแนวโน้มเดียวกันกับปริมาณผู้โดยสารต่างประเทศ โดยเพิ่มขึ้นจาก 13% ของระดับก่อน Covid ในเดือน เม.ย. เป็นประมาณ 21% ในเดือน พ.ค. ระดับการฟื้นตัวดีกว่าตัวเลขนักท่องเที่ยวขาเข้าเล็กน้อยเนื่องจากมีตัวเลขนักท่องเที่ยวชาวไทยรวมอยู่ด้วย ในขณะที่ปริมาณผู้โดยสารในประเทศได้ฟื้นตัวเป็น 72% ของระดับก่อน Covid ในเดือน พ.ค. และน่าจะแตะระดับก่อน Covid ภายในสิ้นปี 2022 เราคาดว่าผลขาดทุนปกติของ AOT จะลดลงจาก 3.4 พัน ลบ. ใน 2QFY22 เป็น 2.1 พัน ลบ. ใน 3QFY22 เราคาดว่า AOT อาจเท่าทุนใน 1QFY23 เมื่อตัวเลขผู้โดยสารต่างชาติจะฟื้นตัวเป็นประมาณ 40-50% ของระดับก่อน Covid

## 3 ปัจจัยบวกที่จะขับเคลื่อนราคาหุ้นของ AOT

1) การกลับมาเปิดพรมแดนของจีนโดยอาจอยู่ในช่วง Golden Week ในเดือน ต.ค. 22 ในกรณีที่ดีที่สุด หรือในช่วงตรุษจีนปี 2023 ในกรณีฐาน; 2) เทอร์มินัล Sat-1 จะเริ่มดำเนินงานในเดือน เม.ย. 23 และขยายความสามารถในการรองรับผู้โดยสารของสนามบินสุวรรณภูมิจาก 45 ล้าน เป็น 60 ล้านคน; และ 3) มาตรการช่วยเหลือสำหรับผู้ประกอบการค้าปลีกและสายการบินจะสิ้นสุดในเดือน มี.ค. 23 AOT จะได้รับรายได้ขั้นต่ำจากสัญญาสัมปทานของ King Power ซึ่งเราคาดว่าจะกระโดดเพิ่มเป็น 19 พัน ลบ. ในปี FY23 (เทียบกับ 4 พัน ลบ. ในปี FY22 และ 17 พัน ลบ. ในปี FY19)

## ปรับลดประมาณการกำไรจากการฟื้นตัวที่ชะลอตัวลงใน 1HFY22

เราปรับลดประมาณการกำไรปี FY22-23 ลง 16-128% แต่คงประมาณการปี FY24 นอกจากนี้เรายังปรับการประเมินมูลค่าไปใน FY23 และได้ราคาเป้าหมายใหม่ที่ 85 บาท/หุ้น (DCF) AOT มีการซื้อขายในระดับการประเมินมูลค่าที่น่าสนใจที่ 30x ของค่า FY24E P/E ซึ่งต่ำกว่าค่าเฉลี่ยในอดีตที่ 41x



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	4.1	10.3	7.3
Relative to country (%)	4.6	12.6	4.7
Mkt cap (USD m)	28,886		
3m avg. daily turnover (USD m)	59.1		
Free float (%)	30		
Major shareholder	Ministry of Finance (70%)		
12m high/low (THB)	70.75/55.50		
Issued shares (m)	14,285.70		

Sources: Bloomberg consensus; FSSIA estimates



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## Investment thesis

We think AOT has hit the bottom and is now in a recovery mode. Domestic passenger volumes were at 67% of pre-Covid-19 levels in Apr-22. Meanwhile, we expect international passengers to gradually recover after Thailand's easing of travel restrictions since April.

Despite waiving the minimum guarantee (MG) until Mar-23, 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 as of 2QFY22, sufficient to support project expansions over next three years, including a third runway, the East Expansion, and North Expansion of BKK Airport.

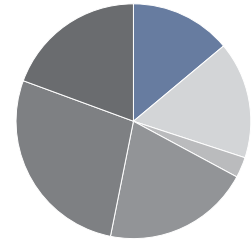
## Company profile

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, 2021)

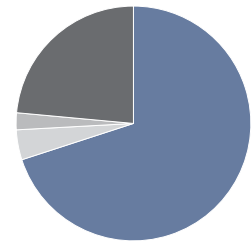
- Landing & parking - 13.9 %
- Passenger service - 16.1 %
- Aircraft service - 2.8 %
- Property rents - 20.3 %
- Service revenue - 27.5 %
- Concession revenue - 19.4 %



Source: Airports of Thailand

## Major shareholders

- Ministry of Finance - 70.0 %
- Thai NVDR - 4.1 %
- South East Asia UK - 2.3 %
- Others - 23.5 %



Source: Airports of Thailand

## Catalysts

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.

## Risks 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
Aug 2022	3QFY22 results announcement

## Key assumptions

	FY22E	FY23E	FY24E
	(%)	(%)	(%)
Flight traffic growth - international	215.6	97.7	31.8
Flight traffic growth - domestic	52.5	33.6	10.1
Passenger growth - international	1,265.9	417.2	36.8
Passenger growth - domestic	83.6	43.5	15.1
PSC revenue growth	358.4	313.4	34.7
Concession revenue	185.2	378.2	71.4

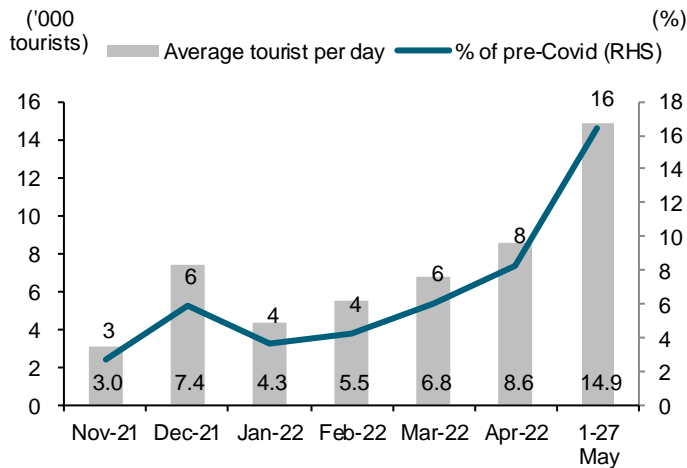
Source: FSSIA estimates

## Earnings sensitivity

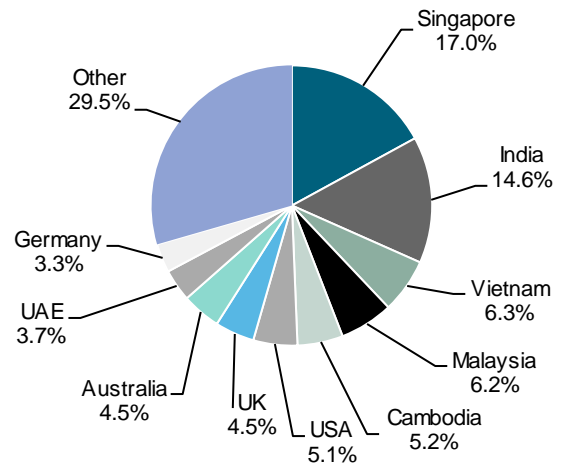
- For every 5% increase in international passenger volume, we project FY23 earnings to rise by 16%, and vice versa, all else being equal.
- For every 5% increase in domestic passenger volume, we project FY23 earnings to rise by 2%, and vice versa, all else being equal.

Source: FSSIA estimates



**Exhibit 1: International tourist arrivals**

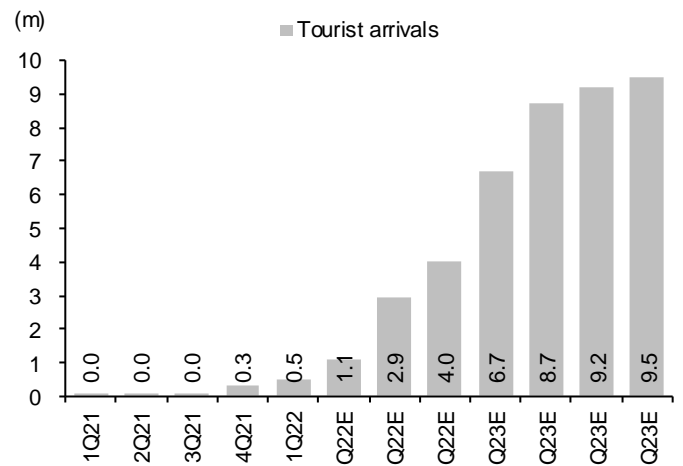
Source: Centre for Covid-19 Situation Administration (CCSA)

**Exhibit 2: Tourist arrival breakdown by nationality in 1-27 May-22**

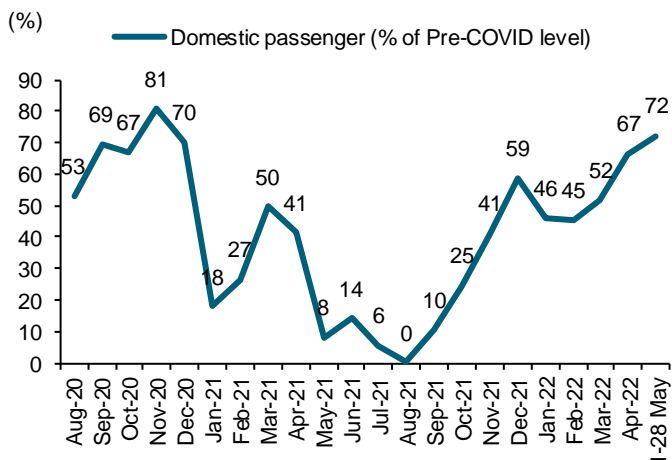
Source: CCSA

**Exhibit 3: Tourist arrival forecast**

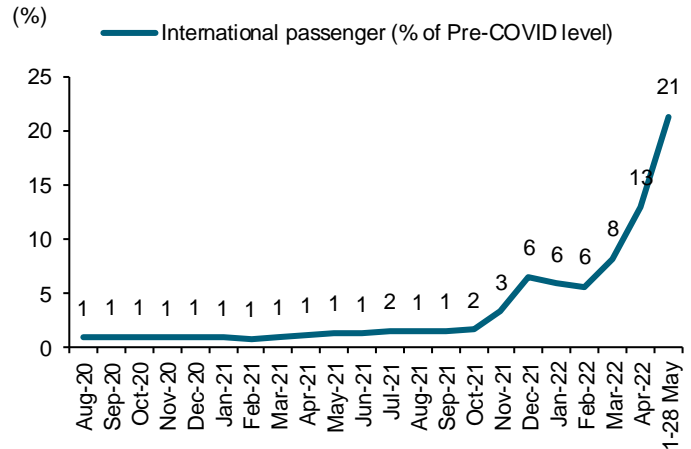
Source: FSSIA

**Exhibit 4: Tourist arrival forecast, quarterly**

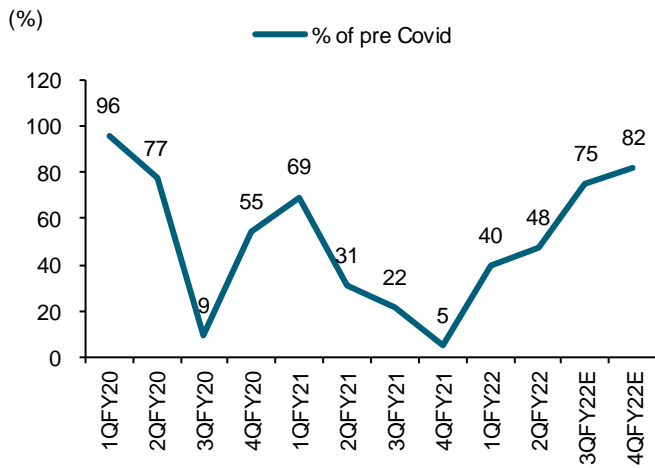
Source: FSSIA

**Exhibit 5: Percentage of domestic passengers to pre-Covid level, monthly**

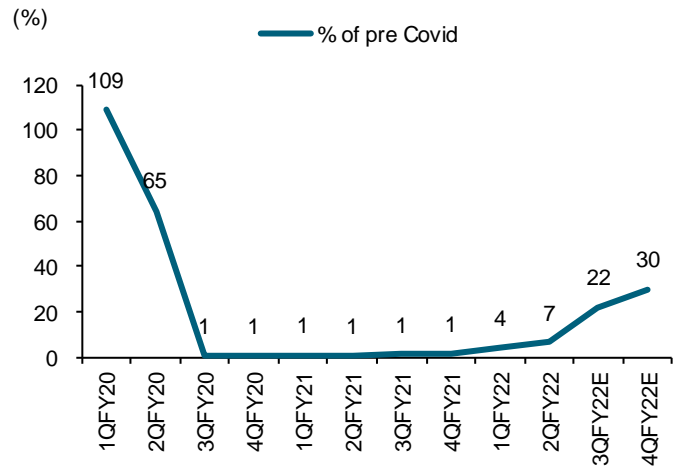
Source: AOT

**Exhibit 6: Percentage of international passengers to pre-Covid level, monthly**

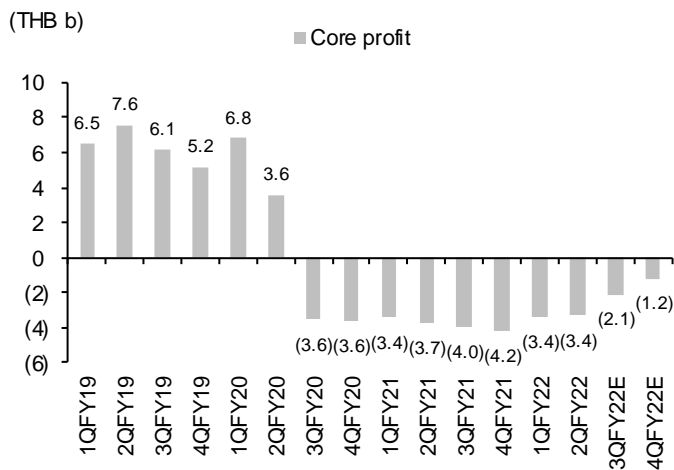
Source: AOT

**Exhibit 7: Domestic passenger volume, quarterly**

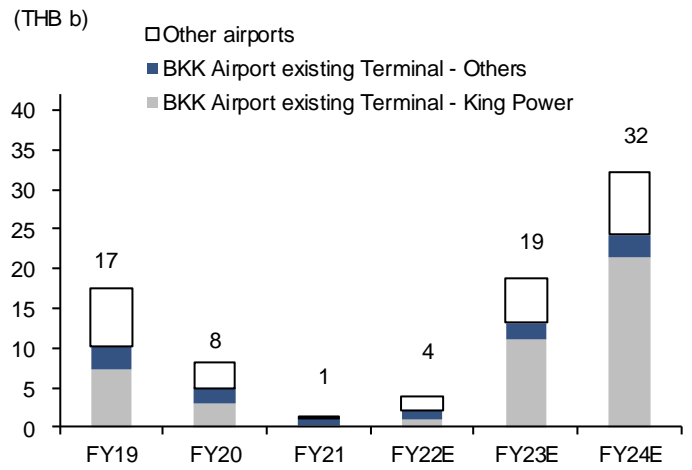
Sources: AOT; FSSIA estimates

**Exhibit 8: International passenger volume, quarterly**

Source: AOT; FSSIA estimates

**Exhibit 9: Core profit, quarterly**

Sources: AOT; FSSIA estimates

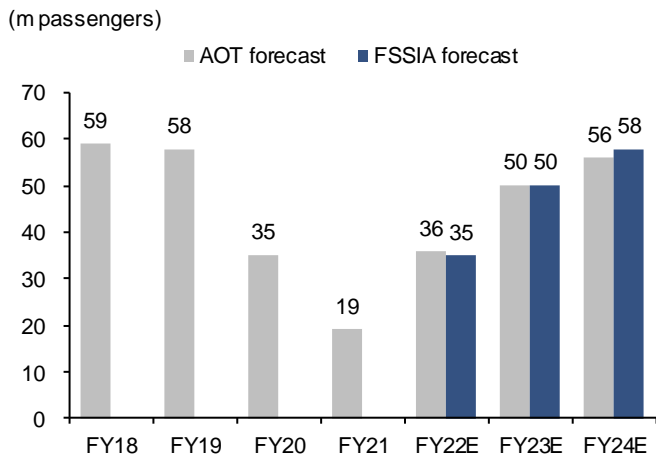
**Exhibit 10: Concession revenue**

Sources: AOT; FSSIA estimates

## Forecast and TP revisions

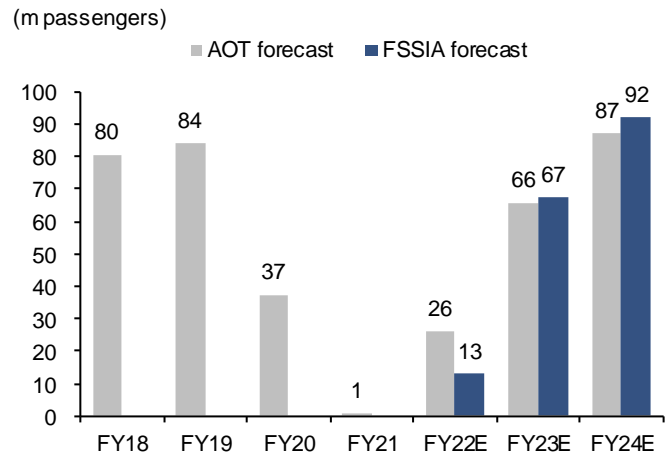
We revise down our FY22-23E earnings by 16-128% to reflect the slower-than-expected ramp-up in 1H FY22, but maintain our FY24 forecast. Our domestic passenger volume is relatively in line with AOT's forecast. However, our international passenger volume is 50% below AOT's forecast for FY22 and relatively in line with AOT's forecasts for FY23-24. We also roll forward our DCF-based valuation to FY23 and derive a new TP of THB85/shr.

**Exhibit 11: Domestic passenger volume**



Source: AOT; FSSIA estimates

**Exhibit 12: International passenger volume**



Source: AOT; FSSIA estimates

**Exhibit 13: Forecast revisions**

	Previous			Current			Change (%)		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
International Pax (m)	26.3	75.6	92.0	13.0	67.2	92.0	(50.6)	(11.1)	0.0
Domestic Pax (m)	35.9	50.2	57.8	35.0	50.2	57.8	(2.5)	0.0	0.0
Total Pax (m)	62.2	125.9	149.8	48.0	117.4	149.8	(22.8)	(6.7)	0.0
Revenue (THB b)	23.0	57.2	78.3	15.7	52.7	78.3	(31.5)	(7.8)	(0.0)
Operating profit margin (%)	(11.2)	48.2	56.0	(61.6)	44.0	56.0	(50.4)	(4.2)	(0.0)
Core profit (THB b)	(4.4)	20.0	33.2	(10.1)	16.7	33.2	(127.9)	(16.4)	(0.0)

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

Source: FSSIA estimates

**Exhibit 14: DCF/SOTP 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			
SOTP valuation		(THB b)	(THB/share)	Comments	
Duty-free and commercial activity concession contracts		659.2	46.1	WACC 8%, risk-free rate 3%, risk premium 8%, terminal growth 3%	
Core business		602.5	42.2	WACC 8%, risk-free rate 3%, risk premium 8%, terminal growth 3%	
Cash & liquid assets		72.8	5.1	At end-FY23E	
Investments		0.7	0.0	At end-FY23E	
Debt		(120.2)	(8.4)	At end-FY23E	
Minorities		(1.3)	(0.1)	At end-FY23E	
<b>Residual ordinary equity</b>		<b>1,213.7</b>	<b>85.0</b>		

Source: FSSIA estimates

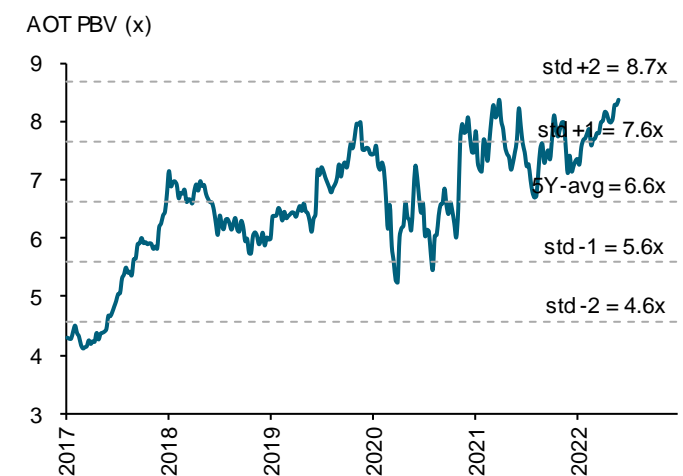
**Exhibit 15: Airport stocks – share price comparison as of 30 May 2022**

Ticker	Stocks	Price performance			
		2020	2021	2022 YTD	Since 2020
		(%)	(%)	(%)	(%)
AOT TB	Airports of Thailand	(16.2)	(2.0)	13.9	(6.4)
AENA SM	Aena S.M.E.S.A	(16.9)	(3.5)	2.2	(18.0)
ADP FP	Aéroports de Paris	(41.0)	7.4	25.0	(20.8)
AIA AU	Auckland Int. Airport	(13.8)	0.0	(7.0)	(19.9)
FRA GR	Fraport AG	(34.9)	19.9	(10.8)	(30.3)
GAPB MM	Grupo Aeroportuario del Pacífico SAB de CV	(1.1)	26.2	1.2	26.3
FHZN SW	Flughafen Zurich AG	(11.7)	5.1	(1.0)	(8.1)
ASR US	Grupo Aeroportuario del Sur SAB CV	(12.5)	25.5	5.5	15.9
9706 JP	Japan Airport Terminal	2.6	(23.2)	11.7	(12.0)
FLU AV	Flughafen Wien AG	(19.3)	(12.6)	(0.8)	(30.1)
694 HK	Beijing Capital Int. Airport	(15.7)	(23.6)	(6.9)	(40.0)
OMAB MF	Grupo Aeroportuario Centro Norte	(8.0)	5.7	4.1	1.3
TAVHL TI	TAV Havalimanlari	(28.6)	46.9	50.1	57.4
CAAP US	Corporacion America Airports	(33.5)	43.9	11.8	7.0
ADB IM	Bologna Guglielmo Marconi Airport	(30.0)	3.8	0.7	(26.9)
TYA IM	Toscana Aeroporti	(21.3)	(6.2)	(1.6)	(27.3)
	<b>Average</b>	<b>(18.86)</b>	<b>7.08</b>	<b>6.14</b>	<b>(8.24)</b>

Source: Bloomberg

**Exhibit 16: Rolling one-year forward P/E band**

Sources: Bloomberg; FSSIA estimates

**Exhibit 17: Rolling one-year forward P/BV band**

Sources: Bloomberg; FSSIA estimates

## Exhibit 18: Peer comparisons as of 1 Jun-22

Company	BBG	Rec	-- Share price -		Market	3Y EPS	----- PE -----			--- ROE ---		--- PBV ---		----- EV/ EBITDA -----		
			Current	Target	Cap	CAGR	22E	23E	24E	22E	23E	22E	23E	22E	23E	24E
			(THB)	(THB)	(USD m)	(%)	(x)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)	(x)
<b>Thailand</b>																
Airports of Thailand*+	AOT TB	BUY	69.50	85.00	28,886	(229.6)	(98.8)	59.4	29.9	(9.4)	15.1	9.7	8.3	(1,334.2)	31.2	18.9
<b>Malaysia</b>																
Malaysia Airports	MAHB MK	NR	6.65	NR	2,519	(189.4)	n/a	25	18	(3.0)	6.4	1.6	1.5	13.1	7.5	6.6
<b>China</b>																
Beijing Capital Intl A	694 HK	NR	4.58	NR	2,673	(174.7)	n/a	n/a	20	(7.0)	1.6	0.9	0.9	n/a	12.8	12.8
Hainan Meilan Intl	357 HK	NR	16.16	NR	974	7.1	23.9	10.1	6.6	5.7	12.8	1.5	1.3	10.2	6.8	6.8
Shanghai Intl Airport-A	600009 CH	NR	48.89	NR	14,090	(221.8)	n/a	56.0	29.6	(5.0)	7.1	3.6	3.4	647	25.3	25.3
Guangzhou Baiyun Intl	600004 CH	NR	12.40	NR	4,389	(240.2)	n/a	48.8	24.8	(1.1)	3.6	1.6	1.5	24.0	11.9	11.9
Shenzhen Airport -A	000089 CH	NR	6.56	NR	2,012	(368.3)	n/a	35.7	32.2	(1.8)	1.8	1.1	1.1	35.1	18.9	18.9
Xiamen Int Airport -A	600897 CH	NR	15.53	NR	692	n/a	14.0	9.3	n/a	8.3	11.5	1.1	1.0	5.0	3.5	3.5
<b>Australia</b>																
Sydney Airport	SYD AU	NR	n/a	NR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Auckland Intl Airport**	AIA AU	NR	6.90	NR	7,274	n/a	n/a	75.6	39.2	(0.2)	1.8	1.4	1.4	89.5	32.6	32.6
<b>Japan</b>																
Japan Airport Termi***	9706 JP	NR	5,540	NR	3,966	(170.1)	n/a	1.9	50.7	3.4	1.9	3.4	3.3	n/a	24.2	13.7
<b>Average</b>					<b>67,476</b>	<b>(207.1)</b>	<b>(20.3)</b>	<b>35.8</b>	<b>27.8</b>	<b>(1.0)</b>	<b>6.4</b>	<b>2.6</b>	<b>2.4</b>	<b>(63.8)</b>	<b>17.5</b>	<b>15.1</b>

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

Sources: Bloomberg consensus; +FSSIA estimates



## Financial Statements

### Airports of Thailand

Profit and Loss (THB m) Year Ending Sep	2020	2021	2022E	2023E	2024E
Revenue	31,179	7,086	15,724	52,714	78,298
Cost of goods sold	(22,267)	(15,257)	(16,520)	(19,328)	(23,414)
<b>Gross profit</b>	<b>8,912</b>	<b>(8,172)</b>	<b>(796)</b>	<b>33,386</b>	<b>54,884</b>
Other operating income	-	-	-	-	-
Operating costs	0	0	0	0	0
<b>Operating EBITDA</b>	<b>8,912</b>	<b>(8,172)</b>	<b>(796)</b>	<b>33,386</b>	<b>54,884</b>
Depreciation	(5,441)	(9,027)	(8,885)	(10,185)	(11,052)
Goodwill amortisation	-	-	-	-	-
<b>Operating EBIT</b>	<b>3,470</b>	<b>(17,199)</b>	<b>(9,681)</b>	<b>23,201</b>	<b>43,832</b>
Net financing costs	345	(2,740)	(2,979)	(2,690)	(2,468)
Associates	0	0	0	(1)	(1)
Recurring non-operating income	437	397	346	432	445
Non-recurring items	1,085	(1,003)	0	0	0
<b>Profit before tax</b>	<b>5,337</b>	<b>(20,545)</b>	<b>(12,313)</b>	<b>20,943</b>	<b>41,809</b>
Tax	(1,038)	4,173	2,463	(4,189)	(8,362)
<b>Profit after tax</b>	<b>4,299</b>	<b>(16,372)</b>	<b>(9,851)</b>	<b>16,754</b>	<b>33,447</b>
Minority interests	22	50	(200)	(50)	(200)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>4,321</b>	<b>(16,322)</b>	<b>(10,051)</b>	<b>16,704</b>	<b>33,247</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(1,085)</b>	<b>1,003</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>3,236</b>	<b>(15,319)</b>	<b>(10,051)</b>	<b>16,704</b>	<b>33,247</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.23	(1.07)	(0.70)	1.17	2.33
Reported EPS	0.30	(1.14)	(0.70)	1.17	2.33
DPS	0.19	0.00	0.00	0.50	1.10
Diluted shares (used to calculate per share data)	14,286	14,286	14,286	14,286	14,286
<b>Growth</b>					
Revenue (%)	(50.3)	(77.3)	121.9	235.3	48.5
Operating EBITDA (%)	(75.2)	nm	nm	nm	64.4
Operating EBIT (%)	(88.5)	nm	nm	nm	88.9
Recurring EPS (%)	(86.7)	nm	nm	nm	99.0
Reported EPS (%)	(82.7)	nm	nm	nm	99.0
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	11.1	(242.7)	(61.6)	44.0	56.0
Gross margin of key business (%)	11.1	(242.7)	(61.6)	44.0	56.0
Operating EBITDA margin (%)	28.6	(115.3)	(5.1)	63.3	70.1
Operating EBIT margin (%)	11.1	(242.7)	(61.6)	44.0	56.0
Net margin (%)	10.4	(216.2)	(63.9)	31.7	42.5
Effective tax rate (%)	24.4	21.4	20.0	20.0	20.0
Dividend payout on recurring profit (%)	83.9	-	-	42.8	47.3
Interest cover (X)	(11.3)	(6.1)	(3.1)	8.8	17.9
Inventory days	5.5	7.7	7.1	6.8	6.7
Debtor days	39.8	176.7	88.1	27.4	18.4
Creditor days	27.2	32.8	21.4	20.6	20.3
Operating ROIC (%)	2.5	(9.9)	(4.8)	11.5	20.8
ROIC (%)	2.7	(9.0)	(4.2)	10.7	19.2
ROE (%)	2.2	(12.0)	(9.4)	15.1	25.2
ROA (%)	1.6	(7.2)	(3.4)	7.4	12.6

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

Revenue by Division (THB m)	2020	2021	2022E	2023E	2024E
Landing & parking	3,789	987	2,004	4,536	7,887
Passenger service	12,351	1,141	5,230	21,622	29,132
Aircraft service	486	201	409	698	894
Property rents	1,838	1,437	1,437	1,939	2,288

Sources: Airports of Thailand; FSSIA estimates

## Financial Statements

### Airports of Thailand

Cash Flow (THB m) Year Ending Sep	2020	2021	2022E	2023E	2024E
Recurring net profit	3,236	(15,319)	(10,051)	16,704	33,247
Depreciation	5,441	9,027	8,885	10,185	11,052
Associates & minorities	-	-	-	-	-
Other non-cash items	570	(23,885)	200	50	200
Change in working capital	(12,572)	(8,147)	2,040	7,328	4,989
<b>Cash flow from operations</b>	<b>(3,325)</b>	<b>(38,323)</b>	<b>1,075</b>	<b>34,268</b>	<b>49,488</b>
Capex - maintenance	(11,875)	(47,631)	(13,364)	(13,800)	(35,698)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	440	33	0	0	0
Other investments (net)	-	-	-	-	-
<b>Cash flow from investing</b>	<b>(11,435)</b>	<b>(47,598)</b>	<b>(13,364)</b>	<b>(13,800)</b>	<b>(35,698)</b>
Dividends paid	(14,999)	(2,714)	0	0	(7,143)
Equity finance	0	0	0	0	0
Debt finance	(2,604)	52,941	62,168	(6,000)	(6,000)
Other financing cash flows	11	616	0	0	0
<b>Cash flow from financing</b>	<b>(17,591)</b>	<b>50,843</b>	<b>62,168</b>	<b>(6,000)</b>	<b>(13,143)</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>(32,352)</b>	<b>(35,079)</b>	<b>49,879</b>	<b>14,468</b>	<b>647</b>
Free cash flow to firm (FCFF)	(14,114.34)	(82,948.56)	(9,265.14)	23,470.63	16,647.90
Free cash flow to equity (FCFE)	(17,352.98)	(32,364.70)	49,879.05	14,467.77	7,790.14
<b>Per share (THB)</b>					
FCFF per share	(0.99)	(5.81)	(0.65)	1.64	1.17
FCFE per share	(1.21)	(2.27)	3.49	1.01	0.55
Recurring cash flow per share	0.65	(2.11)	(0.07)	1.89	3.11
Balance Sheet (THB m) Year Ending Sep	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	222,734	282,931	296,295	310,095	345,793
Less: Accumulated depreciation	(103,591)	(125,184)	(134,069)	(144,254)	(155,306)
<b>Tangible fixed assets (net)</b>	<b>119,143</b>	<b>157,747</b>	<b>162,226</b>	<b>165,841</b>	<b>190,487</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	722	689	689	689	689
Cash & equivalents	43,558	8,479	58,358	72,826	73,473
A/C receivable	3,225	3,637	3,951	3,951	3,951
Inventories	340	307	332	389	471
Other current assets	3,368	9,077	6,350	8,110	12,046
<b>Current assets</b>	<b>50,491</b>	<b>21,499</b>	<b>68,991</b>	<b>85,275</b>	<b>89,941</b>
Other assets	3,202	15,150	15,150	15,150	15,150
<b>Total assets</b>	<b>173,559</b>	<b>195,086</b>	<b>247,057</b>	<b>266,956</b>	<b>296,268</b>
Common equity	142,236	112,344	102,293	118,997	145,102
Minorities etc.	796	1,078	1,278	1,328	1,528
<b>Total shareholders' equity</b>	<b>143,032</b>	<b>113,421</b>	<b>103,571</b>	<b>120,325</b>	<b>146,629</b>
Long term debt	8,245	60,848	122,675	116,675	110,675
Other long-term liabilities	6,949	7,206	7,206	7,206	7,206
<b>Long-term liabilities</b>	<b>15,194</b>	<b>68,054</b>	<b>129,881</b>	<b>123,881</b>	<b>117,881</b>
A/C payable	1,809	930	1,007	1,178	1,427
Short term debt	2,848	3,186	3,527	3,527	3,527
Other current liabilities	10,677	9,495	9,071	18,045	26,803
<b>Current liabilities</b>	<b>15,333</b>	<b>13,610</b>	<b>13,605</b>	<b>22,750</b>	<b>31,757</b>
<b>Total liabilities and shareholders' equity</b>	<b>173,559</b>	<b>195,086</b>	<b>247,057</b>	<b>266,956</b>	<b>296,268</b>
Net working capital	(5,551)	2,596	555	(6,773)	(11,762)
Invested capital	117,516	176,183	178,621	174,908	194,565
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	9.96	7.86	7.16	8.33	10.16
Tangible book value per share	9.96	7.86	7.16	8.33	10.16
<b>Financial strength</b>					
Net debt/equity (%)	(22.7)	49.0	65.5	39.4	27.8
Net debt/total assets (%)	(18.7)	28.5	27.5	17.7	13.7
Current ratio (x)	3.3	1.6	5.1	3.7	2.8
CF interest cover (x)	51.3	(10.8)	17.7	6.4	4.2
Valuation	2020	2021	2022E	2023E	2024E
<b>Recurring P/E (x) *</b>	<b>306.8</b>	<b>(64.8)</b>	<b>(98.8)</b>	<b>59.4</b>	<b>29.9</b>
<b>Recurring P/E @ target price (x) *</b>	<b>375.3</b>	<b>(79.3)</b>	<b>(120.8)</b>	<b>72.7</b>	<b>36.5</b>
Reported P/E (x)	229.8	(60.8)	(98.8)	59.4	29.9
Dividend yield (%)	0.3	-	-	0.7	1.6
Price/book (x)	7.0	8.8	9.7	8.3	6.8
Price/tangible book (x)	7.0	8.8	9.7	8.3	6.8
EV/EBITDA (x) **	107.9	(128.4)	(1,334.2)	31.2	18.9
EV/EBITDA @ target price (x) **	132.7	(155.5)	(1,612.4)	37.8	22.9
EV/invested capital (x)	8.2	6.0	5.9	6.0	5.3
* Pre-exceptional, pre-goodwill and 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	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	AMANA	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	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:**

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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
20-Jun-2019	HOLD	72.00	11-Feb-2021	BUY	85.00	13-Aug-2021	BUY	80.00
10-Sep-2020	BUY	70.00	09-Jun-2021	BUY	82.00	26-Nov-2021	BUY	79.00

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 69.50	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 1-Jun-2022 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.