

ASIA AVIATION AAV TB

THAILAND / TRANSPORT & LOGISTICS

BUY

UNCHANGED

Demand จะช่วยลดผลกระทบจากต้นทุนเชื้อเพลิงที่สูงขึ้น

- การดำเนินงานจะปรับตัวดีขึ้นใน 2Q22 อย่างไรก็ดีต้นทุนเชื้อเพลิงที่สูงขึ้นจะบดบังกับปัจจัยดังกล่าว; ราคาตั๋วจะเพิ่มในช่วง 2H22
- จำนวนเที่ยวบินในเส้นทางต่างประเทศจะเพิ่มขึ้นในช่วง 2H22; เส้นทางอินเดียน่าจะเป็ปัจจัยหนุนการเติบโตหลัก
- คงแนะนำซื้อด้วยระดับการประเมินมูลค่าที่ 1.2x ของค่า 2023E P/BV ที่ปรับใหม่

การดำเนินงานน่าจะปรับตัวดีขึ้นอย่างมีนัยสำคัญใน 2Q22

เราคาดว่าจำนวนเที่ยวบินในประเทศจะปรับตัวดีขึ้นจากค่าเฉลี่ยที่ประมาณ 50% ของระดับก่อน Covid ใน 1Q22 เป็น 55-60% ใน 2Q22, พร้อม Load factor ที่ปรับตัวดีขึ้นจาก 73% ใน 1Q22 เป็น 78% ใน 2Q22 ซึ่งสอดคล้องกับตัวเลขปริมาณผู้โดยสารในประเทศของ AOT ที่เพิ่มจาก 48% ของระดับก่อน Covid เป็น 67-72% ในเดือน เม.ย. - พ.ค. จากวันหยุดยาว ในด้านลบราคาน้ำมันอากาศยานได้ปรับตัวสูงขึ้นจากค่าเฉลี่ยที่ USD109/bbl ใน 1Q22 เป็น USD136/bbl ในช่วง 2Q22 QTD ด้วยเหตุดังกล่าวเราคาดว่าผลขาดทุนหลักจะลดลงเล็กน้อยเป็นประมาณ 2.2-2.4 พัน ลบ. ใน 2Q22 (เทียบกับที่เคยขาดทุน 2.5 พัน ลบ. ใน 1Q22)

คาดตัวเลขผู้โดยสารต่างประเทศจะฟื้นตัวในช่วง 2H22

AAV ตั้งเป้าเพิ่มจำนวนเที่ยวบินต่างประเทศจาก 5-10% ของระดับก่อน Covid เป็น 20-30% ใน 3Q22 และ 40-60% ใน 4Q22 บริษัทฯ ได้เริ่มกลับมาให้บริการในเส้นทางเวียดนาม กัมพูชา มาเลเซีย อินโดนีเซีย อินเดีย มัลดีฟส์ และลาว นอกจากนี้บริษัทฯ ยังวางแผนกลับมาให้บริการในเส้นทางไต้หวันและญี่ปุ่นใน 3Q22 เส้นทางมัลดีฟส์ สิงคโปร์ และบาห์เรนมีผลกระทบที่ต่ำ พร้อม Load factor ที่สูงถึง 85-90% เราคาดว่าเส้นทางอินเดียจะกลายเป็นปัจจัยหนุนสำคัญเนื่องจากนักท่องเที่ยวอินเดียสูงเป็นลำดับที่สองของตัวเลขนักท่องเที่ยวที่เดินทางเข้าประเทศไทยในเดือน พ.ค. (คิดเป็น 13%) ตามหลังนักท่องเที่ยวสิงคโปร์ เส้นทางอินเดียคิดเป็นประมาณ 6% ของรายได้ของ AAV ณ สิ้นปี 2019

บริษัทฯ น่าจะส่งผ่านต้นทุนเชื้อเพลิงที่สูงขึ้นให้แก่ลูกค้าบางส่วน

เราคาดว่า AAV จะส่งผ่านต้นทุนเชื้อเพลิงที่สูงขึ้นโดยปรับเพิ่มราคาตั๋วตั้งแต่วาง 2H22 เป็นต้นไปเมื่อความต้องการเริ่มฟื้นตัว เราคาดว่าราคาตั๋วจะเพิ่มจาก 1,090 บาทในปี 2021 เป็นประมาณ 1,308 บาทในปี 2022 จากการแข่งขันที่ลดลงในตลาดในประเทศและการกลับมาให้บริการในเส้นทางต่างประเทศซึ่งมีราคาตั๋วสูงกว่า (ประมาณ 2,000 บาทสำหรับเส้นทางต่างประเทศก่อน Covid เทียบกับประมาณ 1,000 บาทสำหรับเส้นทางในประเทศ) เราประเมินว่าราคาตั๋วเฉลี่ยควรจะเพิ่ม 5% (ประมาณ 70 บาทจากค่าเฉลี่ยที่ 1,567 บาทใน 2023E) เพื่อที่จะชดเชยต้นทุนเชื้อเพลิงที่เพิ่มขึ้น US10/bbl ใน 2023E

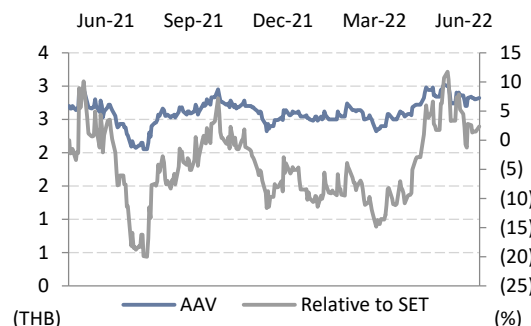
ปรับลดประมาณการกำไรส่วนมากจากต้นทุนเชื้อเพลิงที่สูงขึ้น

เราปรับลดประมาณการกำไรในปี 2022-24 ลง 24-334% เพื่อสะท้อนต้นทุนเชื้อเพลิงที่สูงขึ้นและเป้าประมาณการของผู้บริหาร เราได้ราคาเป้าหมายใหม่ที่ 3.4 บาท (1.2x ของค่า 2023E P/BV ที่ปรับใหม่) ซึ่งสอดคล้องกับค่าเฉลี่ยย้อนหลัง 5 ปีที่ 1.2x ค่า 2023E BV ที่ปรับใหม่ที่ 35.7 บาทคิดจากประมาณการส่วนของผู้ถือหุ้นปี 2023 ที่ 17.9 พัน ลบ. แล้วบวกกลับผลขาดทุนปกติรวมในช่วงปี 2020-21 จำนวน 17.8 พัน ลบ.

TARGET PRICE	THB3.40
CLOSE	THB2.82
UP/DOWNSIDE	+20.6%
PRIOR TP	THB3.50
CHANGE IN TP	-2.9%
TP vs CONSENSUS	+22.4%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	4,117	17,424	42,447	45,689
Net profit	(6,647)	(6,611)	1,235	1,571
EPS (THB)	(0.67)	(0.57)	0.10	0.12
vs Consensus (%)	-	nm	nm	12.1
EBITDA	(3,153)	968	9,457	9,961
Core net profit	(4,853)	(6,611)	1,235	1,571
Core EPS (THB)	(0.49)	(0.51)	0.10	0.12
Chg. In EPS est. (%)	nm	nm	(36.5)	(24.2)
EPS growth (%)	nm	nm	nm	27.2
Core P/E (x)	(5.7)	(5.5)	29.3	23.1
Dividend yield (%)	-	-	1.4	1.7
EV/EBITDA (x)	(20.4)	81.5	8.3	7.7
Price/book (x)	1.4	2.0	2.0	1.9
Net debt/Equity (%)	236.4	278.6	238.9	213.5
ROE (%)	(28.2)	(35.9)	7.2	8.6



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(6.6)	15.6	9.8
Relative to country (%)	(6.3)	19.1	7.9
Mkt cap (USD m)	952		
3m avg. daily turnover (USD m)	2.1		
Free float (%)	59		
Major shareholder	AirAsia Aviation Limited (45%)		
12m high/low (THB)	3.16/1.98		
Issued shares (m)	12,850.00		

Sources: Bloomberg consensus; FSSIA estimates



Teerapol Udomvej, CFA

teerapol.udo@fssia.com

+66 2611 3535

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 7 มิถุนายน 2022

Investment thesis

We believe AAV is on track for a recovery and expect its domestic market performance to recover in 1Q22. It should continue to gain more market share following a faster capacity ramp-up than its peers. Meanwhile, AAV should be able to capture the strong pent-up demand from Chinese tourists after Thailand's borders reopen.

We also expect that its cost structure in 2022 onward will be able to support its operational turnaround, especially its staff costs. AAV has reduced its headcount over the past two years along with aircraft lease payments, as AAV has negotiated with lessors to restructure lease contracts.

Its restructuring plan should improve its balance sheet and support an operational turnaround over 2022-23.

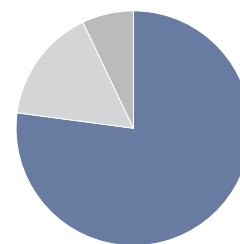
Company profile

AAV owns 55% of Thai AirAsia (TAA, not listed), which is the leading low-cost carrier in Thailand. TAA serves travellers throughout Asia, the Middle East and Europe.

www.aavplc.com

Principal activities (revenue, 2021)

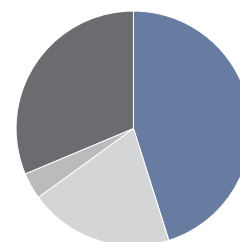
- Ticket sales - 77.1 %
- Ancillaries - 15.8 %
- Other revenue - 7.1 %



Source: Asia Aviation

Major shareholders

- AirAsia Aviation Limited - 45.1 %
- Mr. Tassapon Bijleveld - 19.9 %
- Mr. Pitharn Ongkosit - 3.7 %
- Others - 31.3 %



Source: Asia Aviation

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) easing travel restrictions between countries

Risks to our call

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.

Event calendar

Date	Event
Aug 2022	2Q22 results announcement

Key assumptions

	2022E	2023E	2024E
Number of aircraft (no.)	47	47	47
Pax carried (m)	10	21	22
Load factor (%)	79	85	85
Average ticket fare (THB)	1,308	1,567	1,614
Ancillaries per pax (THB/pax)	271	353	363
Brent spot price (USD/bbl)	80	80	80
Fuel price net hedging (USD/bbl)	107	108	108

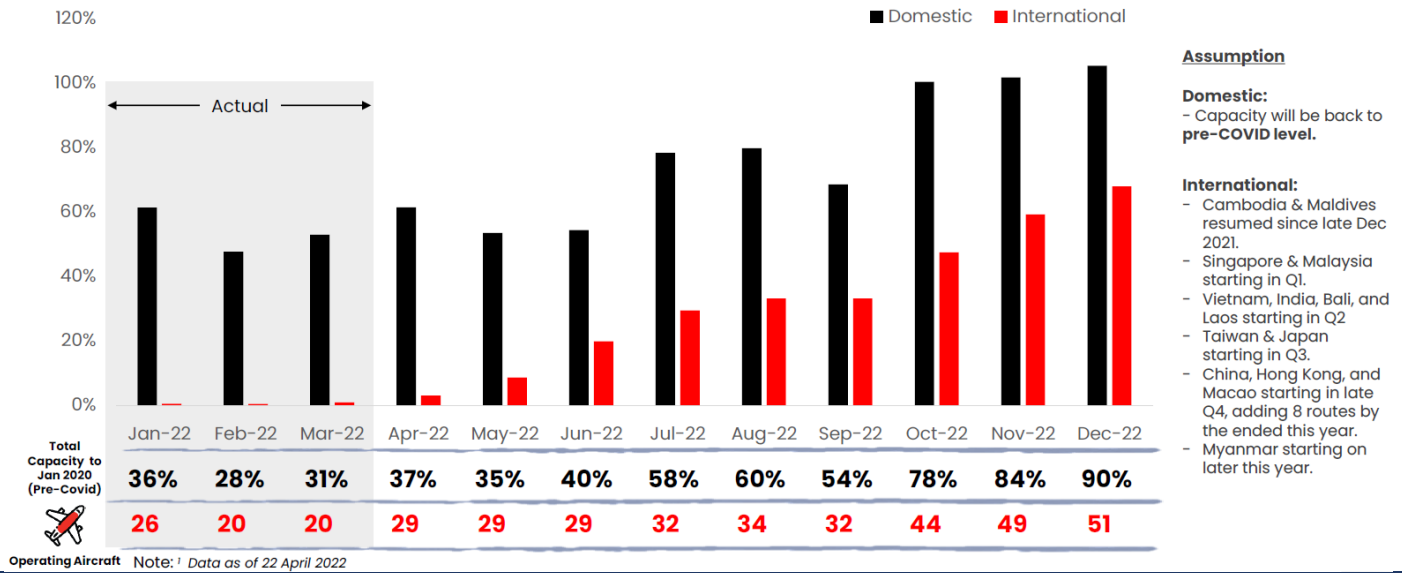
Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in load factor, we project a 2023 profit increase of 17% and vice versa, all else being equal.
- For every 1% increase in average ticket fare, we project a 2023 profit increase of 12% and vice versa, all else being equal.
- For every 1% increase in Brent spot price, we project a 2023 profit reduction of 5% and vice versa, all else being equal.

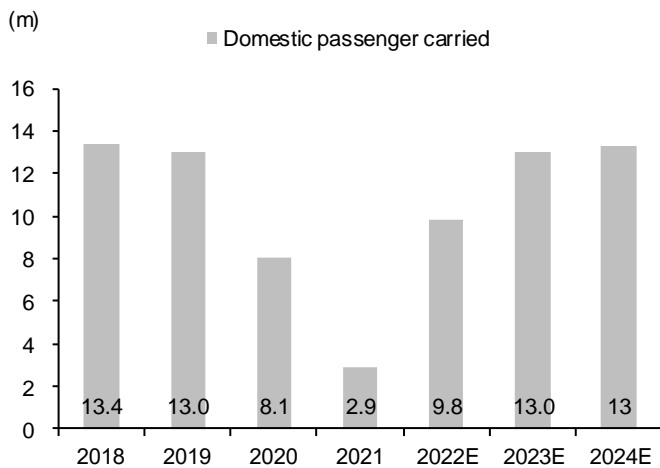
Source: FSSIA estimates

Exhibit 1: 2022E capacity deployment

2022 CAPACITY DEPLOYMENT ALIGNED WITH DEMAND TRENDS**Enlarging Dom flights to pre-COVID level, ramping up Int flights throughout 2022**

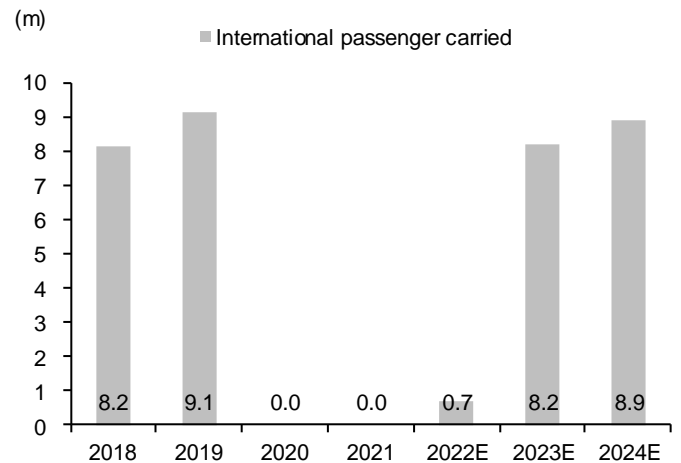
Source: AAV

Exhibit 2: Domestic passengers carried

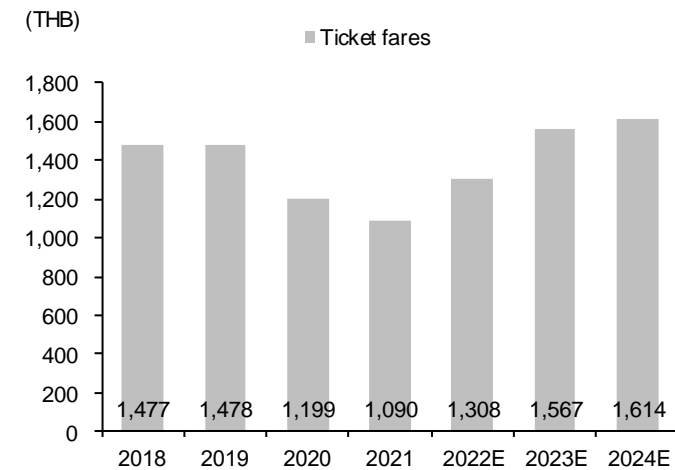


Sources: AAV; FSSIA estimates

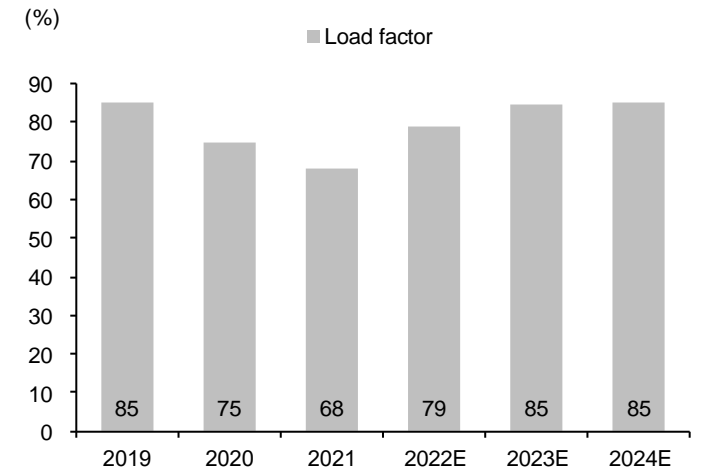
Exhibit 3: International passengers carried



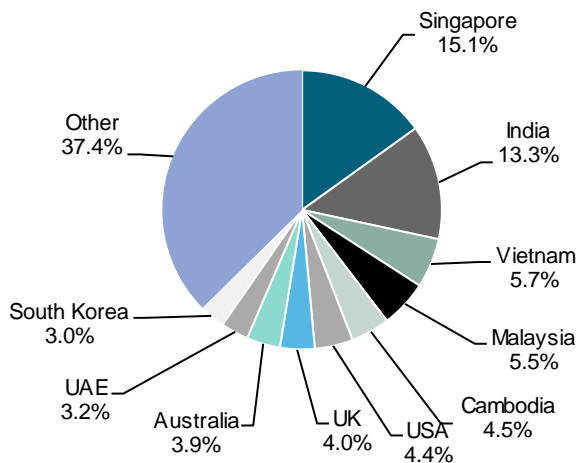
Sources: AAV; FSSIA estimates

Exhibit 4: Ticket fares

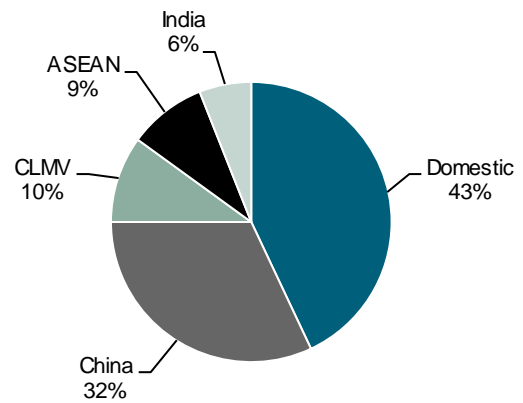
Sources: AAV; FSSIA estimates

Exhibit 5: Load factor

Sources: AAV; FSSIA estimates

Exhibit 6: Thailand's tourist arrivals as of May-22

Source: CCSA

Exhibit 7: AAV's revenue breakdown by routes as of 2019

Source: AAV

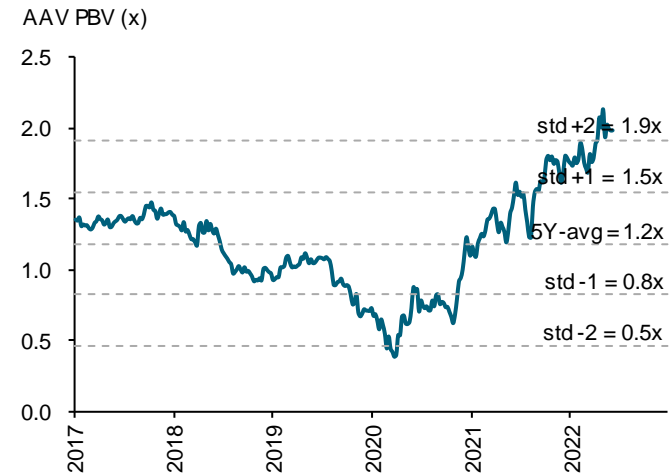
Exhibit 8: Forecast revisions

	Current			Previous			Change (%)		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Passengers carried (m)	10.5	21.2	22.2	12.5	21.7	22.6	(16.4)	(2.2)	(1.7)
Load factor (%)	79	85	85	78	85	85	0.7	0.0	0.5
Average fare (THB)	1,308	1,567	1,614	1,306	1,511	1,559	0.2	3.7	3.5
Fuel price net hedging (USD/bbl)	107	108	108	100	96	97	7.0	12.5	11.8
Revenue (THB b)	17.4	42.4	45.7	21.5	42.0	45.1	(19.0)	1.0	1.4
EBITDA margin (%)	(30.6)	8.6	8.9	(2.4)	10.6	10.3	(28.2)	(2.0)	(1.4)
Core earnings (THB m)	(6,611)	1,235	1,571	(1,523)	1,944	2,073	(334.0)	(36.5)	(24.2)

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

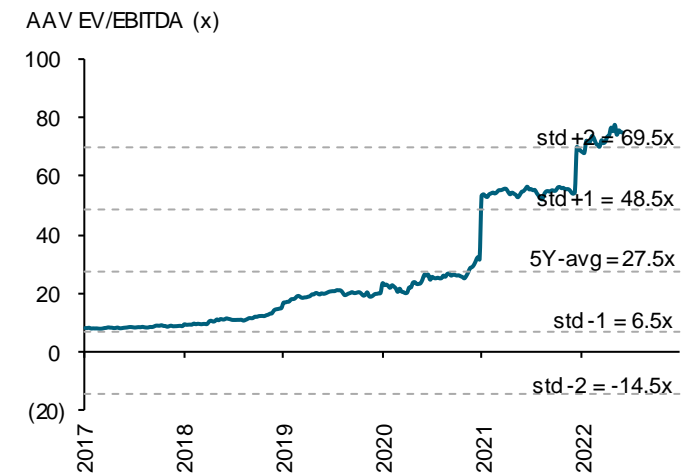
Sources: AAV; FSSIA estimates

Exhibit 9: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 10: Historical EV/EBITDA band



Sources: Bloomberg; FSSIA estimates

Exhibit 11: Peer comparisons as of 6 Jun-22

Company	BBG	Rec	--- Share price ---		Up	Market	----- PE -----			--- PBV ---		- EV / EBITDA -	
			Current	Target	side	Cap	22E	23E	24E	22E	23E	22E	23E
			(LCY)	(LCY)	(%)	(USD m)	(x)	(x)	(x)	(x)	(x)	(x)	(x)
Thailand													
Bangkok Airways	BA TB	BUY	10.3	16	55.3	630	(45.9)	13.3	13.6	1.7	1.5	75.6	17.3
Asia Aviation	AAV TB	BUY	2.82	3.4	20.6	952	(5.5)	29.3	23.1	2.0	2.0	81.5	8.3
Thailand average						1,583	(25.7)	21.3	18.4	1.8	1.8	78.6	12.8
Regional													
Spring Airlines Co Ltd-A	601021 CH	n/a	47.43	n/a	n/a	6,517	n/a	22.3	22.3	3.2	2.8	43.8	13.7
Interglobe Aviation	INDIGO IN	n/a	1,819.80	n/a	n/a	8,971	n/a	96.4	96.4	n/a	n/a	45.8	11.0
Cebu Air Inc	CEB PM	n/a	44.45	n/a	n/a	517	n/a	6.0	6.0	54.2	3.8	11.0	3.4
Singapore Airlines	SIA SP	n/a	5.46	n/a	n/a	11,773	n/a	95.8	95.8	1.5	1.4	13.5	6.2
Japan Airlines	9201 JP	n/a	2,358.00	n/a	n/a	7,767	n/a	55.1	55.1	1.3	1.2	n/a	7.4
Ana Holdings	9202 JP	n/a	2,563.00	n/a	n/a	9,352	n/a	55.1	55.1	1.4	1.3	141.3	9.7
Cathay Pacific Airways	293 HK	n/a	8.12	n/a	n/a	6,662	n/a	24.5	24.5	0.9	0.9	10.3	7.0
Spicejet (India)	SJET IN	n/a	46.65	n/a	n/a	359	n/a	n/a	n/a	n/a	n/a	182.5	56.2
Tigerair Taiwan	6757 TT	n/a	39.85	n/a	n/a	554	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Vietjet Aviation	VJC VN	n/a	126,800	n/a	n/a	2,961	55.8	n/a	n/a	n/a	n/a	n/a	n/a
Regional average						55,433	55.8	50.8	50.8	10.4	1.9	64.0	14.3
Global													
Eva Airways	2618 TT	n/a	34.10	n/a	n/a	6,096	10.8	9.7	9.7	1.9	1.7	4.9	4.2
Air New Zealand	AIR NZ	n/a	0.64	n/a	n/a	1,392	n/a	213.3	213.3	1.1	1.3	n/a	7.6
Air Arabia	AIRARABIA UH	n/a	2.06	n/a	n/a	2,605	10.5	9.8	9.8	1.6	1.6	5.8	5.5
Easyjet (UK)	EZJ LN	n/a	496.90	n/a	n/a	4,635	60.4	12.0	12.0	1.3	0.1	5.3	3.8
Gol Linhas Aereas Intel.(Brazil)	GOLL4 BS	n/a	13.48	n/a	n/a	1,176	n/a	23.8	23.8	n/a	n/a	10.0	6.4
JetBlue Airways (US, Latin AM)	JBLU	n/a	10.69	n/a	n/a	3,429	n/a	9.3	9.3	0.9	0.8	10.3	3.5
Norwegian Air Shuttle (Norway)	NWARF US	n/a	1.10	n/a	n/a	1,073	n/a	8.3	8.3	4.7	3.3	4.9	2.9
Southwest Airlines (US)	LUV US	n/a	44.42	n/a	n/a	26,339	17.1	11.4	11.4	2.2	1.9	5.6	4.4
Global average						46,745	24.7	37.2	37.2	2.0	1.5	6.7	4.8
Overall average						103,761	14.7	40.9	40.6	5.3	1.7	40.8	9.9

Sources: Bloomberg; FSSIA estimates

Financial Statements

Asia Aviation

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	14,360	4,117	17,424	42,447	45,689
Cost of goods sold	(14,745)	(6,035)	(15,497)	(30,359)	(32,895)
Gross profit	(385)	(1,918)	1,927	12,088	12,794
Other operating income	-	-	-	-	-
Operating costs	(1,851)	(1,236)	(958)	(2,632)	(2,833)
Operating EBITDA	(2,236)	(3,153)	968	9,457	9,961
Depreciation	(5,739)	(5,434)	(6,300)	(5,800)	(5,900)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	(7,975)	(8,587)	(5,332)	3,657	4,061
Net financing costs	(1,776)	(1,848)	(2,288)	(2,113)	(2,097)
Associates	0	0	0	0	0
Recurring non-operating income	0	0	0	0	0
Non-recurring items	233	(1,795)	0	0	0
Profit before tax	(9,518)	(12,231)	(7,619)	1,544	1,964
Tax	660	1,741	1,008	(309)	(393)
Profit after tax	(8,858)	(10,490)	(6,611)	1,235	1,571
Minority interests	3,903	5,310	0	0	0
Preferred dividends	-	-	-	-	-
Other items	191	(1,468)	0	0	0
Reported net profit	(4,764)	(6,647)	(6,611)	1,235	1,571
Non-recurring items & goodwill (net)	(233)	1,795	0	0	0
Recurring net profit	(4,997)	(4,853)	(6,611)	1,235	1,571
Per share (THB)					
Recurring EPS *	(1.03)	(0.49)	(0.51)	0.10	0.12
Reported EPS	(0.98)	(0.67)	(0.57)	0.10	0.12
DPS	0.00	0.00	0.00	0.04	0.05
Diluted shares (used to calculate per share data)	4,850	9,879	12,850	12,850	12,850
Growth					
Revenue (%)	(65.1)	(71.3)	323.2	143.6	7.6
Operating EBITDA (%)	nm	nm	nm	876.6	5.3
Operating EBIT (%)	nm	nm	nm	nm	11.1
Recurring EPS (%)	nm	nm	nm	nm	27.2
Reported EPS (%)	nm	nm	nm	nm	27.2
Operating performance					
Gross margin inc. depreciation (%)	(42.6)	(178.6)	(25.1)	14.8	15.1
Gross margin of key business (%)	(42.6)	(178.6)	(25.1)	14.8	15.1
Operating EBITDA margin (%)	(15.6)	(76.6)	5.6	22.3	21.8
Operating EBIT margin (%)	(55.5)	(208.6)	(30.6)	8.6	8.9
Net margin (%)	(34.8)	(117.9)	(37.9)	2.9	3.4
Effective tax rate (%)	6.8	16.7	20.0	20.0	20.0
Dividend payout on recurring profit (%)	-	-	-	40.0	40.0
Interest cover (X)	(4.5)	(4.6)	(2.3)	1.7	1.9
Inventory days	6.6	14.2	5.7	3.0	2.8
Debtor days	46.0	122.3	31.1	11.3	10.5
Creditor days	32.2	87.4	34.7	14.4	14.9
Operating ROIC (%)	(29.8)	(21.3)	(13.1)	9.6	11.3
ROIC (%)	(14.2)	(12.3)	(7.0)	4.7	5.3
ROE (%)	(29.2)	(28.2)	(35.9)	7.2	8.6
ROA (%)	(11.1)	(12.4)	(6.5)	3.8	4.1

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2020	2021	2022E	2023E	2024E
Ticket sales	11,123	3,174	13,708	33,223	35,798
Ancillaries	2,285	651	2,842	7,476	8,056
Other revenue	952	292	874	1,748	1,835

Sources: Asia Aviation; FSSIA estimates

Financial Statements

Asia Aviation

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	(4,997)	(4,853)	(6,611)	1,235	1,571
Depreciation	5,739	5,434	6,300	5,800	5,900
Associates & minorities	-	-	-	-	-
Other non-cash items	3,841	(4,538)	(7,800)	0	0
Change in working capital	(1,888)	(1,117)	2,474	1,825	499
Cash flow from operations	2,694	(5,074)	(5,637)	8,860	7,970
Capex - maintenance	(21,476)	(3,885)	(7,174)	(5,224)	(5,257)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	0	0	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(21,476)	(3,885)	(7,174)	(5,224)	(5,257)
Dividends paid	0	0	0	0	(494)
Equity finance	0	8,800	3,000	2,200	0
Debt finance	16,305	6,481	2,500	(1,000)	1,000
Other financing cash flows	(395)	(2,073)	3,372	(2,200)	0
Cash flow from financing	15,910	13,208	8,873	(1,000)	506
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(2,872)	4,249	(3,939)	2,635	3,219
Free cash flow to firm (FCFF)	(16,981.93)	(7,059.54)	(10,491.65)	5,756.68	4,834.69
Free cash flow to equity (FCFE)	(2,871.86)	(4,550.79)	(6,938.82)	435.40	3,713.41
Per share (THB)					
FCFF per share	(1.32)	(0.55)	(0.82)	0.45	0.38
FCFE per share	(0.22)	(0.35)	(0.54)	0.03	0.29
Recurring cash flow per share	0.94	(0.40)	(0.70)	0.55	0.58
Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	44,557	43,298	46,472	47,897	49,354
Less: Accumulated depreciation	(3,944)	(4,234)	(6,534)	(8,534)	(10,634)
Tangible fixed assets (net)	40,614	39,064	39,938	39,363	38,720
Intangible fixed assets (net)	23,696	23,688	31,488	31,488	31,488
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	0	0	0	0	0
Cash & equivalents	1,110	5,360	1,421	4,056	7,276
A/C receivable	1,100	1,658	1,309	1,309	1,309
Inventories	240	230	252	244	265
Other current assets	310	425	376	651	701
Current assets	2,760	7,673	3,358	6,261	9,551
Other assets	908	784	784	784	784
Total assets	67,978	71,208	75,568	77,895	80,542
Common equity	14,266	20,201	16,590	17,825	18,902
Minorities etc.	3,094	(3,372)	0	0	0
Total shareholders' equity	17,360	16,829	16,590	17,825	18,902
Long term debt	37,659	44,310	46,810	45,810	46,810
Other long-term liabilities	3,448	1,182	1,182	1,182	1,182
Long-term liabilities	41,106	45,492	47,992	46,992	47,992
A/C payable	1,049	1,841	1,102	1,288	1,396
Short term debt	1,000	829	829	829	829
Other current liabilities	7,462	6,216	9,054	10,961	11,422
Current liabilities	9,511	8,887	10,986	13,078	13,647
Total liabilities and shareholders' equity	67,978	71,208	75,568	77,895	80,542
Net working capital	(6,861)	(5,744)	(8,219)	(10,044)	(10,543)
Invested capital	58,356	57,791	63,991	61,590	60,448
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	2.94	2.04	1.43	1.39	1.47
Tangible book value per share	(1.94)	(0.35)	(1.29)	(1.06)	(0.98)
Financial strength					
Net debt/equity (%)	216.3	236.4	278.6	238.9	213.5
Net debt/total assets (%)	55.2	55.9	61.2	54.7	50.1
Current ratio (x)	0.3	0.9	0.3	0.5	0.7
CF interest cover (x)	(0.6)	(1.5)	(2.0)	1.2	2.8
Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	(2.7)	(5.7)	(5.5)	29.3	23.1
Recurring P/E @ target price (x) *	(3.3)	(6.9)	(6.6)	35.4	27.8
Reported P/E (x)	(2.9)	(4.2)	(4.9)	29.3	23.1
Dividend yield (%)	-	-	-	1.4	1.7
Price/book (x)	1.0	1.4	2.0	2.0	1.9
Price/tangible book (x)	(1.5)	(8.0)	(2.2)	(2.7)	(2.9)
EV/EBITDA (x) **	(24.3)	(20.4)	81.5	8.3	7.7
EV/EBITDA @ target price (x) **	(25.6)	(22.2)	88.4	9.1	8.4
EV/invested capital (x)	0.9	1.1	1.2	1.3	1.3
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: Asia Aviation; 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	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	WIIK	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	HL	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.

This report has been prepared by FSS International Investment Advisory Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSS makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSS has no intention to solicit investors to buy or sell any security in this report. In addition, FSS does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

History of change in investment rating and/or target price

Asia Aviation (AAV TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
30-Sep-2019	BUY	3.80	29-Mar-2021	BUY	3.80	21-Oct-2021	BUY	3.50
12-Nov-2019	BUY	3.30	18-May-2021	BUY	3.40			
21-Dec-2020	BUY	3.40	16-Aug-2021	BUY	3.20			

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

Company	Ticker	Price	Rating	Valuation & Risks
Asia Aviation	AAV TB	THB 2.82	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 Airways	BA TB	THB 10.30	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.

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 06-Jun-2022 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / 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.