**EQUITY RESEARCH - COMPANY REPORT**

# AIRPORTS OF THAILAND    AOT TB
## THAILAND / TRANSPORT & LOGISTICS

## Breakeven in sight

- Reported a core loss of THB1.1b for 4QFY22 (July-Sep), beating our estimate.
- Expect 1QFY23 to turn around, with total passenger volume recovering to more than 60% of the pre-Covid level.
- Maintain BUY with FY23 DCF-based TP of THB85/shr.

### Smaller core loss in 4QFY22

AOT reported a core loss of THB1.1b for 4QFY22 (vs a core loss of THB2.4b in 3QFY22), beating our estimate of a THB1.4b loss due to a higher-than-expected EBITDA margin and stronger tax income. Including an impairment loss, FX loss and derivative gain, the 4QFY22 net loss was THB1.3b. Revenue grew 40% q-q as domestic and international passenger volumes improved to 74% and 36% of the pre-Covid level, respectively (vs 69% and 21% in 3QFY22). Expenses increased by 8% q-q and depreciation rose by 4% q-q. The operating profit margin remained negative, but improved from -48% in 3QFY22 to -14% in 4QFY22.

### International passengers have recovered to 53% of pre-Covid level
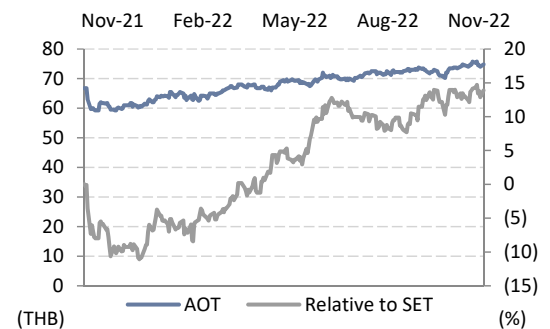
We expect 1QFY23 operations to improve, with the potential to turn around, as domestic and international passenger traffic has recovered to 78% and 53% of the pre-Covid level, respectively, in Nov. We estimate the overall 1QFY23 passenger volume to recover to 62% of the pre-Covid level (78% for domestic, 50% for international). AOT mentioned that the passenger volume breakeven threshold is around 60-70% of the pre-Covid level. Thus, we expect AOT to post a core profit in 1QFY23.

### Core profit turnaround expected in FY23

We expect AOT's core profit to turn around to THB13.2b in FY23. We forecast international and domestic passenger volumes to recover to 72% and 85% of the pre-Covid level, respectively. Note that our assumptions are more aggressive than AOT's estimates of 58% and 82% of the pre-Covid level for international and domestic passenger volumes, as we assume China will reopen its borders in 1Q23 and expect strong pent-up demand throughout next year. In addition, the minimum guarantee for the concessionaire contract with King Power staring in Apr-23 would also support a strong earnings momentum.

### Trading at discounted valuation to historical average

We maintain our FY24-25 forecasts and our FY23 DCF-TP of THB85/shr. AOT trades at an attractive valuation of 32x FY24E (first normalised year) P/E, lower than the historical average of 46x. There is a potential upside from three new airports (Udon Thani, Buriram and Krabi) which should be transferred from the Department of Airports to AOT by next year, subject to cabinet approval.

**BUY**

UNCHANGED

| | |
|---|---|
| **TARGET PRICE** | **THB85.00** |
| **CLOSE** | **THB74.75** |
| **UP/DOWNSIDE** | **+13.7%** |
| **PRIOR TP** | **THB85.00** |
| **CHANGE IN TP** | **UNCHANGED** |
| **TP vs CONSENSUS** | **+7.4%** |

### KEY STOCK DATA

| YE Sep (THB m) | 2022 | 2023E | 2024E | 2025E |
|---|---|---|---|---|
| Revenue | 16,560 | 49,506 | 76,181 | 87,611 |
| Net profit | (11,088) | 13,188 | 33,252 | 39,519 |
| EPS (THB) | (0.78) | 0.92 | 2.33 | 2.77 |
| vs Consensus (%) | - | nm | 200.6 | 38.2 |
| EBITDA | (1,400) | 27,758 | 52,389 | 62,390 |
| Core net profit | (10,173) | 13,188 | 33,252 | 39,519 |
| Core EPS (THB) | (0.71) | 0.92 | 2.33 | 2.77 |
| Chg. In EPS est. (%) | nm | 0.0 | 0.0 | nm |
| EPS growth (%) | nm | nm | 152.1 | 18.8 |
| Core P/E (x) | (105.0) | 81.0 | 32.1 | 27.0 |
| Dividend yield (%) | - | 0.5 | 1.5 | 1.7 |
| EV/EBITDA (x) | (805.1) | 40.0 | 21.1 | 17.5 |
| Price/book (x) | 10.5 | 9.3 | 7.5 | 6.4 |
| Net debt/Equity (%) | 56.3 | 35.4 | 23.7 | 13.9 |
| ROE (%) | (9.5) | 12.2 | 25.9 | 25.7 |



| Share price performance | 1 Month | 3 Month | 12 Month |
|---|---|---|---|
| Absolute (%) | 1.7 | 3.8 | 12.4 |
| Relative to country (%) | 0.0 | 4.3 | 14.2 |
| Mkt cap (USD m) | | | 29,474 |
| 3m avg. daily turnover (USD m) | | | 45.8 |
| Free float (%) | | | 30 |
| Major shareholder | | Ministry of Finance (70%) | |
| 12m high/low (THB) | | | 76.25/58.50 |
| Issued shares (m) | | | 14,285.70 |

Sources: Bloomberg consensus; FSSIA estimates

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## Investment thesis

We think AOT has passed the bottom and is now in a recovery mode. The domestic passenger volume was at 81% of the pre-Covid-19 level in Oct-22, and the international passenger volume was at 44% of the pre-Covid-19 level in Oct-22. The momentum should continue in 2023.

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 4QFY22, sufficient to support project expansions over the next three years, including a third runway, the East Expansion, and North Expansion of BKK Airport.
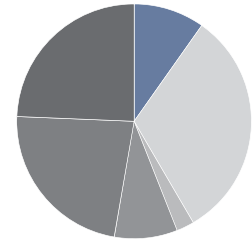
## Company profile

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

www.airportthai.co.th
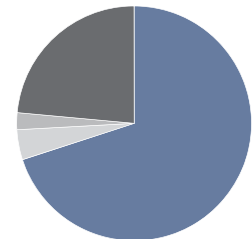
## Principal activities (revenue, 2022)

- Landing & parking - 9.8 %
- Passenger service - 31.8 %
- Aircraft service - 2.4 %
- Property rents - 8.7 %
- Service revenue - 23.0 %
- Concession revenue - 24.3 %

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 transferal 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 |
|------|-------|
| Feb 2023 | 1QFY23 results announcement |

## Key assumptions

| | FY23E | FY24E | FY25E |
|---|---|---|---|
| | (%) | (%) | (%) |
| Flight traffic growth - international | 150.5 | 35.3 | 7.8 |
| Flight traffic growth - domestic | 28.9 | 10.2 | 7.0 |
| Passenger growth - international | 335.4 | 40.3 | 8.8 |
| Passenger growth - domestic | 49.9 | 15.2 | 8.0 |
| PSC revenue growth | 263.0 | 37.7 | 8.7 |
| Concession revenue growth | 330.1 | 75.1 | 25.5 |

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.
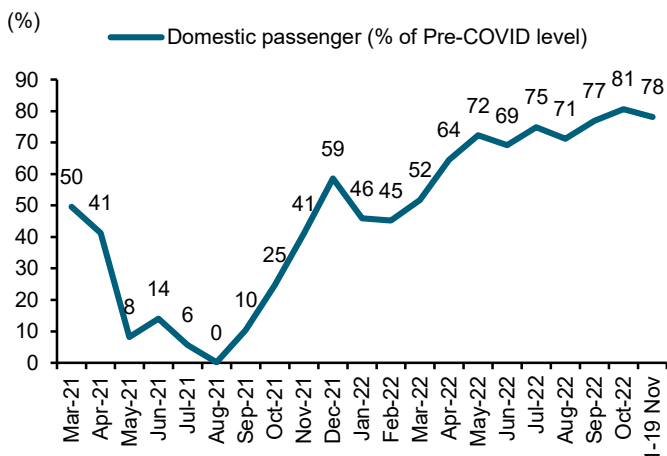
Source: FSSIA estimates

## Exhibit 1: 4QFY22 results review

| | 4QFY21 | 1QFY22 | 2QFY22 | 3QFY22 | 4QFY22 | ---------- Change ---------- | | FY22 | Change |
| | (THB m) | (THB m) | (THB m) | (THB m) | (THB m) | (q-q %) | (y-y %) | (THB m) | (y-y %) |
|---|---|---|---|---|---|---|---|---|---|
| Sales | 1,465 | 2,327 | 3,017 | 4,666 | 6,550 | 40 | 347 | 16,560 | 134 |
| Expense (Incl. depreciation) | (6,524) | (6,154) | (6,383) | (6,907) | (7,446) | 8 | 14 | (26,891) | 11 |
| **Operating Profit** | **(5,059)** | **(3,827)** | **(3,366)** | **(2,241)** | **(897)** | **(60)** | **(82)** | **(10,331)** | **(40)** |
| Net other income | 145 | 52 | 117 | 27 | 69 | 157 | (52) | 266 | (33) |
| Interest income | 31 | 21 | 12 | 9 | 6 | (36) | (82) | 47 | (80) |
| Interest expense | (742) | (739) | (734) | (730) | (727) | (0) | (2) | (2,930) | (1) |
| **Pretax profit** | **(5,624)** | **(4,492)** | **(3,972)** | **(2,935)** | **(1,549)** | **(47)** | **(72)** | **(12,948)** | **(34)** |
| Income Tax | 1,421 | 1,090 | 749 | 549 | 499 | (9) | (65) | 2,888 | (31) |
| Minority interest | 2 | 32 | (130) | (6) | (7) | 24 | (456) | (112) | (324) |
| **Core profit** | **(4,201)** | **(3,370)** | **(3,353)** | **(2,392)** | **(1,057)** | **(56)** | **(75)** | **(10,173)** | **(34)** |
| Extraordinaries | (904) | (961) | (9) | (13) | (189) | | | (1,171) | 23 |
| Forex gain/(loss) | (459) | 359 | 390 | 283 | (135) | | | 256 | (584) |
| Derivative gain/(loss) | 407 | (300) | (304) | (85) | 48 | | | | |
| **Reported net profit** | **(5,157)** | **(4,272)** | **(3,276)** | **(2,207)** | **(1,333)** | **(40)** | **(74)** | **(11,088)** | **(32)** |
| | | | | | | | | | |
| Shares (end Q, m) | 14,286 | 14,286 | 14,286 | 14,286 | 14,286 | 0 | 0 | 14,286 | 0 |
| | | | | | | | | | |
| **Core EPS (THB)** | **(0.29)** | **(0.24)** | **(0.23)** | **(0.17)** | **(0.07)** | **(56)** | **(75)** | **(0.71)** | **(34)** |
| **EPS (THB)** | **(0.36)** | **(0.30)** | **(0.23)** | **(0.15)** | **(0.09)** | **(40)** | **(74)** | **(0.78)** | **(32)** |
| | | | | | | | | | |
| Expenses (excl depreciation) | (3,846) | (3,861) | (4,200) | (4,723) | (5,175) | 10 | 35 | (17,960) | 18 |
| Depreciation | (2,678) | (2,293) | (2,184) | (2,184) | (2,271) | 4 | (15) | (8,932) | (1) |
| EBITDA | (2,381) | (1,534) | (1,183) | (57) | 1,375 | (2,491) | (158) | (1,400) | (83) |

| **Key ratios** | (%) | (%) | (%) | (%) | (%) | (ppt) | (ppt) | (%) | (%) |
|---|---|---|---|---|---|---|---|---|---|
| Operating profit margin | (345) | (164) | (112) | (48) | (14) | 34 | 332 | (62) | 180 |
| EBITDA margin | (162) | (66) | (39) | (1) | 21 | 22 | 183 | (8) | 107 |
| Net profit margin | (352) | (184) | (109) | (47) | (20) | 27 | 332 | (67) | 163 |
| **Operating stat** | (y-y %) | (y-y %) | (y-y %) | (y-y %) | (y-y %) | | | | |
| International pax growth | 9 | 331 | 659 | 1,583 | 2,315 | | | | |
| Domestic pax growth | (4) | (43) | 53 | 214 | 1,348 | | | | |
| Total pax growth | 3 | (36) | 77 | 316 | 1,648 | | | | |

Sources: AOT; FSSIA estimates

## Exhibit 2: Percentage of domestic passengers to pre-Covid level
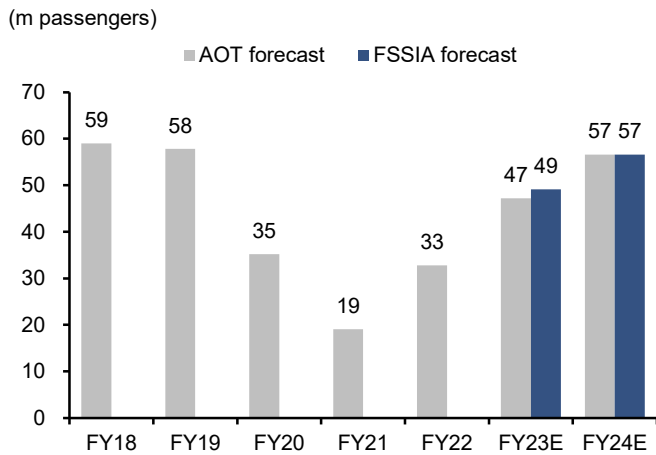
(%)

Domestic passenger (% of Pre-COVID level)



## Exhibit 3: Percentage of international passengers to pre-Covid level

(%)

International passenger (% of Pre-COVID level)



Source: AOT

Source: AOT

**FINANSIA**
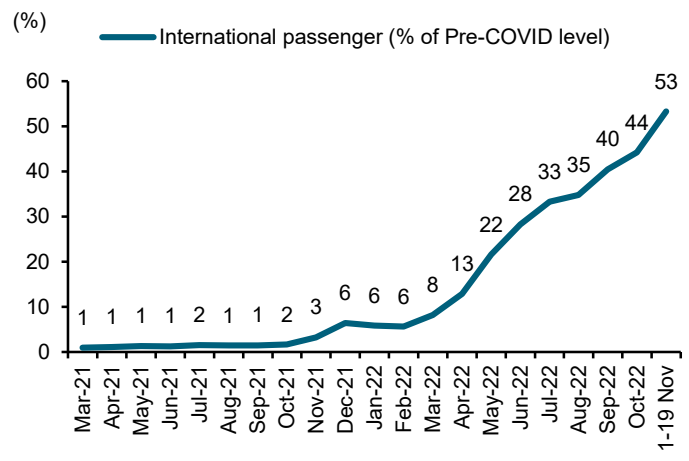
**Exhibit 4:  Domestic passenger volume**
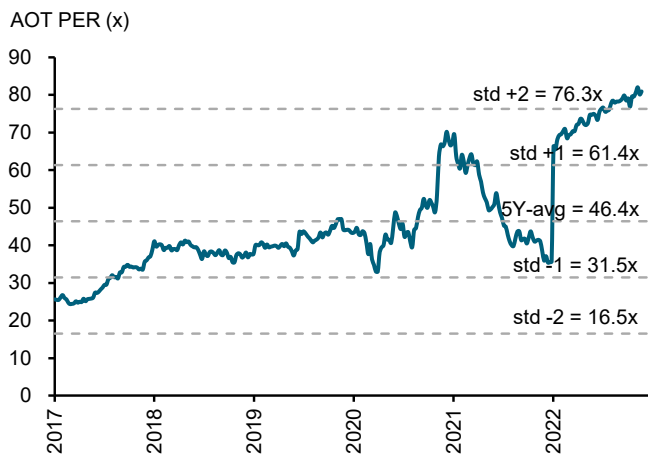
(m passengers)



Source: AOT; FSSIA estimates

**Exhibit 5:  International passenger volume**

(m passengers)
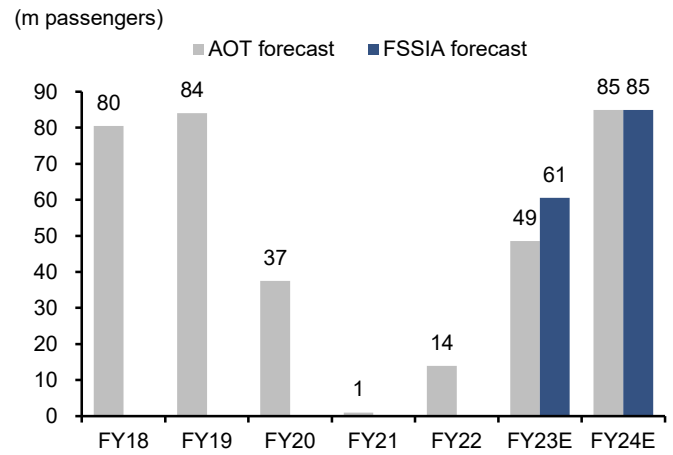


Source: AOT; FSSIA estimates

**Exhibit 6:  Rolling one-year forward P/E band**

AOT PER (x)



std +2 = 76.3x
std +1 = 61.4x
5Y-avg = 46.4x
std -1 = 31.5x
std -2 = 16.5x

Sources: Bloomberg; FSSIA estimates

**Exhibit 7:  Rolling one-year forward P/BV band**

AOT PBV (x)



std +2 = 9.4x
std +1 = 8.1x
5Y-avg = 6.9x
std -1 = 5.7x
std -2 = 4.4x
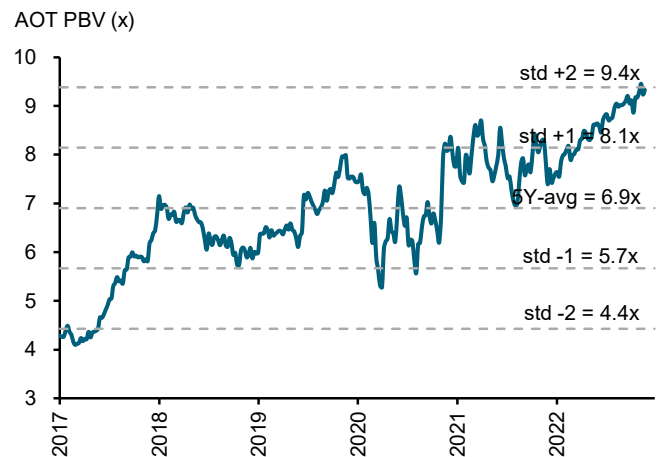
Sources: Bloomberg; FSSIA estimates

**Exhibit 8:  Peer comparisons as of 21 November 2022**

| Company | BBG | Rec | --- Share price --- | | Market Cap | 3Y EPS CAGR | ------------- PE -------------- | | | ----- ROE ----- | | ---- PBV ---- | | ------- EV/ EBITDA ------ | | |
| | | | Current (THB) | Target (THB) | (USD m) | (%) | 22E (x) | 23E (x) | 24E (x) | 22E (%) | 23E (%) | 22E (x) | 23E (x) | 22E (x) | 23E (x) | 24E (x) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Thailand** | | | | | | | | | | | | | | | | |
| Airports of Thailand*+ | AOT TB | BUY | 74.75 | 85.00 | 29,474 | (229.6) | (105.0) | 81.0 | 32.1 | (9.5) | 12.2 | 10.5 | 9.3 | (805.1) | 40.0 | 21.1 |
| **Malaysia** | | | | | | | | | | | | | | | | |
| Malaysia Airports | MAHB MK | NR | 6.01 | NR | 2,152 | (186.2) | n/a | 26 | 17 | (3.2) | 5.3 | 1.5 | 1.4 | 11.7 | 7.5 | 6.5 |
| **China** | | | | | | | | | | | | | | | | |
| Beijing Capital Intl-A | 694 HK | NR | 4.45 | NR | 2,623 | (165.3) | n/a | n/a | 30 | (12.5) | (3.2) | 1.0 | 1.0 | n/a | 26.7 | 7.9 |
| Hainan Meilan Intl | 357 HK | NR | 17.58 | NR | 1,071 | 3.3 | 184 | 13 | 8 | 0.4 | 11.2 | 1.7 | 1.5 | 14.1 | 6.5 | 5.0 |
| Shanghai Intl Airport-A | 600009 CH | NR | 52.24 | NR | 18,240 | (219.0) | n/a | 77 | 32 | (7.5) | 4.0 | 3.6 | 3.5 | n/a | 33.8 | 21.5 |
| Guangzhou Baiyun Intl-A | 600004 CH | NR | 13.75 | NR | 4,581 | (240.8) | n/a | 63.6 | 25.5 | (3.8) | 2.5 | 1.9 | 1.8 | 41.0 | 14.5 | 10.9 |
| Shenzhen Airport -A | 000089 CH | NR | 6.88 | NR | 1,966 | (373.9) | n/a | n/a | 29.2 | (8.5) | (0.8) | 1.3 | 1.3 | n/a | 22.1 | 15.3 |
| Xiamen Int Airport -A | 600897 CH | NR | 15.13 | NR | 636 | 63.1 | 28 | 13.3 | 10.9 | 4.3 | 9.8 | 1.2 | 1.1 | 9.3 | 5.4 | 4.7 |
| **Australia** | | | | | | | | | | | | | | | | |
| Auckland Intl Airport** | AIA AU | NR | 7.45 | NR | 7,148 | n/a | n/a | 98.3 | 44.7 | (0.4) | 1.5 | 1.5 | 1.4 | 90.2 | 35.6 | 22.3 |
| **Japan** | | | | | | | | | | | | | | | | |
| Japan Airport Terminal*** | 9706 JP | NR | 6,180 | NR | 4,044 | (152.8) | n/a | (2.3) | 114.7 | 3.8 | (2.3) | 3.8 | 3.8 | n/a | 41.1 | 17.5 |
| **Average** | | | | | 75,561 | (195.7) | (38.3) | 55.1 | 39.9 | (4.3) | 3.0 | 3.1 | 2.9 | (166.2) | 27.4 | 15.1 |

*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 | 2021 | 2022 | 2023E | 2024E | 2025E |
|---|---|---|---|---|---|
| Revenue | 7,086 | 16,560 | 49,506 | 76,181 | 87,611 |
| Cost of goods sold | (15,257) | (17,960) | (21,748) | (23,793) | (25,220) |
| **Gross profit** | **(8,172)** | **(1,400)** | **27,758** | **52,389** | **62,390** |
| Other operating income | - | - | - | - | - |
| Operating costs | 0 | 0 | 0 | 0 | 0 |
| **Operating EBITDA** | **(8,172)** | **(1,400)** | **27,758** | **52,389** | **62,390** |
| Depreciation | (9,027) | (8,932) | (10,232) | (11,155) | (11,465) |
| Goodwill amortisation | - | - | - | - | - |
| **Operating EBIT** | **(17,199)** | **(10,331)** | **17,526** | **41,234** | **50,925** |
| Net financing costs | (2,740) | (2,882) | (2,375) | (1,855) | (1,704) |
| Associates | 0 | 0 | (1) | (1) | (1) |
| Recurring non-operating income | 397 | 265 | 433 | 445 | 459 |
| Non-recurring items | (1,003) | (915) | 0 | 0 | 0 |
| **Profit before tax** | **(20,545)** | **(13,864)** | **15,584** | **39,824** | **49,679** |
| Tax | 4,173 | 2,888 | (2,345) | (6,372) | (9,936) |
| **Profit after tax** | **(16,372)** | **(10,976)** | **13,238** | **33,452** | **39,743** |
| Minority interests | 50 | (112) | (50) | (200) | (224) |
| Preferred dividends | - | - | - | - | - |
| Other items | - | - | - | - | - |
| **Reported net profit** | **(16,322)** | **(11,088)** | **13,188** | **33,252** | **39,519** |
| **Non-recurring items & goodwill (net)** | **1,003** | **915** | **0** | **0** | **0** |
| **Recurring net profit** | **(15,319)** | **(10,173)** | **13,188** | **33,252** | **39,519** |
| **Per share (THB)** | | | | | |
| Recurring EPS * | (1.07) | (0.71) | 0.92 | 2.33 | 2.77 |
| Reported EPS | (1.14) | (0.78) | 0.92 | 2.33 | 2.77 |
| DPS | 0.00 | 0.00 | 0.40 | 1.10 | 1.30 |
| Diluted shares (used to calculate per share data) | 14,286 | 14,286 | 14,286 | 14,286 | 14,286 |
| **Growth** | | | | | |
| Revenue (%) | (77.3) | 133.7 | 198.9 | 53.9 | 15.0 |
| Operating EBITDA (%) | nm | nm | nm | 88.7 | 19.1 |
| Operating EBIT (%) | nm | nm | nm | 135.3 | 23.5 |
| Recurring EPS (%) | nm | nm | nm | 152.1 | 18.8 |
| Reported EPS (%) | nm | nm | nm | 152.1 | 18.8 |
| **Operating performance** | | | | | |
| Gross margin inc. depreciation (%) | (242.7) | (62.4) | 35.4 | 54.1 | 58.1 |
| Gross margin of key business (%) | (242.7) | (62.4) | 35.4 | 54.1 | 58.1 |
| Operating EBITDA margin (%) | (115.3) | (8.5) | 56.1 | 68.8 | 71.2 |
| Operating EBIT margin (%) | (242.7) | (62.4) | 35.4 | 54.1 | 58.1 |
| Net margin (%) | (216.2) | (61.4) | 26.6 | 43.6 | 45.1 |
| Effective tax rate (%) | 21.4 | 22.3 | 15.1 | 16.0 | 20.0 |
| Dividend payout on recurring profit (%) | - | - | 43.3 | 47.3 | 47.0 |
| Interest cover (X) | (6.1) | (3.5) | 7.6 | 22.5 | 30.2 |
| Inventory days | 7.7 | 6.5 | 6.3 | 6.6 | 6.7 |
| Debtor days | 176.7 | 81.8 | 27.9 | 18.1 | 15.8 |
| Creditor days | 32.8 | 20.2 | 19.6 | 20.5 | 20.9 |
| Operating ROIC (%) | (9.9) | (5.2) | 10.0 | 22.0 | 23.3 |
| ROIC (%) | (9.0) | (4.5) | 9.1 | 19.9 | 21.3 |
| ROE (%) | (12.0) | (9.5) | 12.2 | 25.9 | 25.7 |
| ROA (%) | (7.2) | (4.1) | 7.0 | 13.0 | 13.9 |
| * Pre-exceptional, pre-goodwill and fully diluted | | | | | |

| Revenue by Division (THB m) | 2021 | 2022 | 2023E | 2024E | 2025E |
|---|---|---|---|---|---|
| Landing & parking | 987 | 1,619 | 3,920 | 7,426 | 8,057 |
| Passenger service | 1,141 | 5,267 | 19,120 | 26,321 | 28,611 |
| Aircraft service | 201 | 403 | 725 | 1,029 | 1,117 |
| Property rents | 1,437 | 1,438 | 1,941 | 2,330 | 2,400 |

Sources: Airports of Thailand; FSSIA estimates

# Financial Statements
Airports of Thailand

| Cash Flow (THB m) Year Ending Sep | 2021 | 2022 | 2023E | 2024E | 2025E |
|---|---|---|---|---|---|
| Recurring net profit | (15,319) | (10,173) | 13,188 | 33,252 | 39,519 |
| Depreciation | 9,027 | 8,932 | 10,232 | 11,155 | 11,465 |
| Associates & minorities | - | - | - | - | - |
| Other non-cash items | (23,885) | (2,376) | (412) | (262) | (238) |
| Change in working capital | (8,147) | 8,846 | 166 | 5,109 | 2,211 |
| **Cash flow from operations** | **(38,323)** | **5,229** | **23,174** | **49,255** | **52,959** |
| Capex - maintenance | (47,631) | (7,750) | (6,438) | (36,458) | (26,538) |
| Capex - new investment | - | - | - | - | - |
| Net acquisitions & disposals | 33 | (5) | 0 | 0 | 0 |
| Other investments (net) | - | - | - | - | - |
| **Cash flow from investing** | **(47,598)** | **(7,755)** | **(6,438)** | **(36,458)** | **(26,538)** |
| Dividends paid | (2,714) | (8) | 0 | (5,714) | (15,714) |
| Equity finance | 0 | 0 | 0 | 0 | 0 |
| Debt finance | 52,941 | (2,477) | 50,415 | (6,000) | (6,000) |
| Other financing cash flows | 616 | 329 | 0 | 0 | 0 |
| **Cash flow from financing** | **50,843** | **(2,156)** | **50,415** | **(11,714)** | **(21,714)** |
| Non-recurring cash flows | - | - | - | - | - |
| Other adjustments | 0 | 0 | 0 | 0 | 0 |
| **Net other adjustments** | **0** | **0** | **0** | **0** | **0** |
| **Movement in cash** | **(35,079)** | **(4,681)** | **67,151** | **1,082** | **4,706** |
| Free cash flow to firm (FCFF) | (82,948.56) | 404.45 | 19,131.59 | 15,047.63 | 28,526.24 |
| Free cash flow to equity (FCFE) | (32,364.70) | (4,673.07) | 67,150.74 | 6,796.63 | 20,420.11 |

| Per share (THB) | | | | | |
|---|---|---|---|---|---|
| FCFF per share | (5.81) | 0.03 | 1.34 | 1.05 | 2.00 |
| FCFE per share | (2.27) | (0.33) | 4.70 | 0.48 | 1.43 |
| Recurring cash flow per share | (2.11) | (0.25) | 1.61 | 3.09 | 3.55 |

| Balance Sheet (THB m) Year Ending Sep | 2021 | 2022 | 2023E | 2024E | 2025E |
|---|---|---|---|---|---|
| Tangible fixed assets (gross) | 282,931 | 290,774 | 297,674 | 334,594 | 361,594 |
| Less: Accumulated depreciation | (125,184) | (133,776) | (144,008) | (155,163) | (166,629) |
| **Tangible fixed assets (net)** | **157,747** | **156,998** | **153,666** | **179,431** | **194,966** |
| **Intangible fixed assets (net)** | **0** | **0** | **0** | **0** | **0** |
| Long-term financial assets | - | - | - | - | - |
| Invest. in associates & subsidiaries | 689 | 694 | 694 | 694 | 694 |
| Cash & equivalents | 8,479 | 3,798 | 70,948 | 72,031 | 76,737 |
| A/C receivable | 3,637 | 3,785 | 3,785 | 3,785 | 3,785 |
| Inventories | 307 | 338 | 409 | 447 | 474 |
| Other current assets | 9,077 | 556 | 7,616 | 11,720 | 13,479 |
| **Current assets** | **21,499** | **8,476** | **82,758** | **87,983** | **94,474** |
| Other assets | 15,150 | 17,645 | 17,645 | 17,645 | 17,645 |
| **Total assets** | **195,086** | **183,813** | **254,763** | **285,753** | **307,778** |
| Common equity | 112,344 | 101,324 | 114,512 | 142,050 | 165,855 |
| Minorities etc. | 1,078 | 1,195 | 1,245 | 1,445 | 1,669 |
| **Total shareholders' equity** | **113,421** | **102,519** | **115,757** | **143,495** | **167,524** |
| Long term debt | 60,848 | 57,991 | 107,872 | 101,872 | 95,872 |
| Other long-term liabilities | 7,206 | 8,808 | 8,808 | 8,808 | 8,808 |
| **Long-term liabilities** | **68,054** | **66,799** | **116,680** | **110,680** | **104,680** |
| A/C payable | 930 | 1,056 | 1,279 | 1,399 | 1,483 |
| Short term debt | 3,186 | 3,566 | 4,100 | 4,100 | 4,100 |
| Other current liabilities | 9,495 | 9,873 | 16,947 | 26,078 | 29,991 |
| **Current liabilities** | **13,610** | **14,495** | **22,326** | **31,578** | **35,574** |
| **Total liabilities and shareholders' equity** | **195,086** | **183,813** | **254,763** | **285,753** | **307,778** |
| Net working capital | 2,596 | (6,251) | (6,416) | (11,526) | (13,737) |
| Invested capital | 176,183 | 169,086 | 165,589 | 186,244 | 199,568 |

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

| Per share (THB) | | | | | |
|---|---|---|---|---|---|
| Book value per share | 7.86 | 7.09 | 8.02 | 9.94 | 11.61 |
| Tangible book value per share | 7.86 | 7.09 | 8.02 | 9.94 | 11.61 |

| Financial strength | | | | | |
|---|---|---|---|---|---|
| Net debt/equity (%) | 49.0 | 56.3 | 35.4 | 23.7 | 13.9 |
| Net debt/total assets (%) | 28.5 | 31.4 | 16.1 | 11.9 | 7.5 |
| Current ratio (x) | 1.6 | 0.6 | 3.7 | 2.8 | 2.7 |
| CF interest cover (x) | (10.8) | (0.6) | 29.3 | 4.7 | 13.0 |

| Valuation | 2021 | 2022 | 2023E | 2024E | 2025E |
|---|---|---|---|---|---|
| **Recurring P/E (x) *** | **(69.7)** | **(105.0)** | **81.0** | **32.1** | **27.0** |
| **Recurring P/E @ target price (x) *** | **(79.3)** | **(119.4)** | **92.1** | **36.5** | **30.7** |
| Reported P/E (x) | (65.4) | (96.3) | 81.0 | 32.1 | 27.0 |
| Dividend yield (%) | - | - | 0.5 | 1.5 | 1.7 |
| Price/book (x) | 9.5 | 10.5 | 9.3 | 7.5 | 6.4 |
| Price/tangible book (x) | 9.5 | 10.5 | 9.3 | 7.5 | 6.4 |
| EV/EBITDA (x) ** | (137.6) | (805.1) | 40.0 | 21.1 | 17.5 |
| EV/EBITDA @ target price (x) ** | (155.5) | (909.7) | 45.3 | 23.9 | 19.9 |
| EV/invested capital (x) | 6.4 | 6.7 | 6.7 | 5.9 | 5.5 |

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

Sources: Airports of Thailand; FSSIA estimates

**FINANSIA**

## Corporate Governance report of Thai listed companies 2021

### EXCELLENT LEVEL – Score range 90-100

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| AAV | BCPG | CPALL | GCAP | K | MSC | PLANET | SAMART | SPI | THRE | TVD |
| ADVANC | BDMS | CPF | GFPT | KBANK | MST | PLAT | SAMTEL | SPRC | THREL | TVI |
| AF | BEM | CPI | GGC | KCE | MTC | PORT | SAT | SPVI | TIPCO | TVO |
| AH | BGC | CPN | GLAND | KKP | MVP | PPS | SC | SSSC | TISCO | TWPC |
| AIRA | BGRIM | CRC | GLOBAL | KSL | NCL | PR9 | SCB | SST | TK | U |
| AKP | BIZ | CSS | GPI | KTB | NEP | PREB | SCC | STA | TKT | UAC |
| AKR | BKI | DDD | GPSC | KTC | NER | PRG | SCCC | STEC | TMT | UBIS |
| ALT | BOL | DELTA | GRAMMY | LALIN | NKI | PRM | SCG | STI | TNDT | UV |
| AMA | BPP | DEMCO | GULF | LANNA | NOBLE | PROUD | SCGP | SUN | TNITY | VGI |
| AMATA | BRR | DRT | GUNKUL | LH | NSI | PSH | SCM | SUSCO | TOA | VIH |
| AMATAV | BTS | DTAC | HANA | LHFG | NVD | PSL | SDC | SUTHA | TOP | WACOAL |
| ANAN | BTW | DUSIT | HARN | LIT | NWR | PTG | SEAFCO | SVI | TPBI | WAVE |
| AOT | BWG | EA | HMPRO | LPN | NYT | PTT | SEAOIL | SYMC | TQM | WHA |
| AP | CENTEL | EASTW | ICC | MACO | OISHI | PTTEP | SE-ED | SYNTEC | TRC | WHAUP |
| ARIP | CFRESH | ECF | ICHI | MAJOR | OR | PTTGC | SELIC | TACC | TRU | WICE |
| ARROW | CHEWA | ECL | III | MAKRO | ORI | PYLON | SENA | TASCO | TRUE | WINNER |
| ASP | CHO | EE | ILINK | MALEE | OSP | Q-CON | SHR | TCAP | TSC | ZEN |
| AUCT | CIMBT | EGCO | ILM | MBK | OTO | QH | SIRI | TEAMG | TSR | |
| AWC | CK | EPG | INTUCH | MC | PAP | QTC | SIS | TFMAMA | TSTE | |
| AYUD | CKP | ETC | IP | MCOT | PCSGH | RATCH | SITHAI | TGH | TSTH | |
| BAFS | CM | FPI | IRPC | METCO | PDG | RS | SMK | THANA | TTA | |
| BANPU | CNT | FPT | ITEL | MFEC | PDJ | S | SMPC | THANI | TTB | |
| BAY | COM7 | FSMART | IVL | MINT | PG | S & J | SNC | THCOM | TTCL | |
| BBL | COMAN | GBX | JSP | MONO | PHOL | SAAM | SONIC | THG | TTW | |
| BCP | COTTO | GC | JWD | MOONG | PLANB | SABINA | SPALI | THIP | TU | |

### VERY GOOD LEVEL – Score range 80-89

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 2S | ASIMAR | CHOW | FLOYD | IT | LOXLEY | OCC | RPC | SKY | TCC | TVT |
| 7UP | ASK | CI | FN | ITD | LRH | OGC | RT | SLP | TCMC | TWP |
| ABICO | ASN | CIG | FNS | J | LST | PATO | RWI | SMIT | TEAM | UEC |
| ABM | ATP30 | CMC | FORTH | JAS | M | PB | S11 | SMT | TFG | UMI |
| ACE | B | COLOR | FSS | JCK | MATCH | PICO | SA | SNP | TFI | UOBKH |
| ACG | BA | CPL | FTE | JCKH | MBAX | PIMO | SAK | SO | TIGER | UP |
| ADB | BAM | CPW | FVC | JMART | MEGA | PJW | SALEE | SORKON | TITLE | UPF |
| AEONTS | BC | CRD | GEL | JMT | META | PL | SAMCO | SPA | TKN | UPOIC |
| AGE | BCH | CSC | GENCO | KBS | MFC | PM | SANKO | SPC | TKS | UTP |
| AHC | BEC | CSP | GJS | KCAR | MGT | PMTA | SAPPE | SPCG | TM | VCOM |
| AIT | BEYOND | CWT | GYT | KEX | MICRO | PPP | SAWAD | SR | TMC | VL |
| ALL | BFIT | DCC | HEMP | KGI | MILL | PPPM | SCI | SRICHA | TMD | VPO |
| ALLA | BJC | DCON | HPT | KIAT | MITSIB | PRIME | SCN | SSC | TMI | VRANDA |
| ALUCON | BJCHI | DHOUSE | HTC | KISS | MK | PRIN | SCP | SSF | TMILL | WGE |
| AMANAH | BLA | DOD | HYDRO | KOOL | MODERN | PRINC | SE | STANLY | TNL | WIIK |
| AMARIN | BR | DOHOME | ICN | KTIS | MTI | PSG | SFLEX | STGT | TNP | WP |
| APCO | BROOK | DV8 | IFS | KUMWEL | NBC | PSTC | SFP | STOWER | TOG | XO |
| APCS | CBG | EASON | IMH | KUN | NCAP | PT | SFT | STPI | TPA | XPG |
| APURE | CEN | EFORL | IND | KWC | NCH | QLT | SGF | SUC | TPAC | YUASA |
| AQUA | CGH | ERW | INET | KWM | NETBAY | RBF | SIAM | SWC | TPCS | |
| ASAP | CHARAN | ESSO | INSET | L&E | NEX | RCL | SINGER | SYNEX | TPS | |
| ASEFA | CHAYO | ESTAR | INSURE | LDC | NINE | RICHY | SKE | TAE | TRITN | |
| ASIA | CHG | ETE | IRC | LEO | NRF | RML | SKN | TAKUNI | TRT | |
| ASIAN | CHOTI | FE | IRCP | LHK | NTV | ROJNA | SKR | TBSP | TSE | |

### GOOD LEVEL – Score range 70-79

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| A | BGT | CITY | GIFT | JTS | MDX | PK | SGP | SUPER | TQR | YGG |
| AI | BH | CMAN | GLOCON | JUBILE | MJD | PLE | SICT | SVOA | TTI | ZIGA |
| AIE | BIG | CMO | GREEN | KASET | MORE | PPM | SIMAT | TC | TYCN | |
| AJ | BLAND | CMR | GSC | KCM | MUD | PRAKIT | SISB | TCCC | UKEM | |
| ALPHAX | BM | CPT | GTB | KK | NC | PRAPAT | SK | THMUI | UMS | |
| AMC | BROCK | CRANE | HTECH | KKC | NDR | PRECHA | SMART | TNH | UNIQ | |
| APP | BSBM | CSR | HUMAN | KWI | NFC | PTL | SOLAR | TNR | UPA | |
| AQ | BSM | D | IHL | KYE | NNCL | RJH | SPACK | TOPP | UREKA | |
| ARIN | BTNC | EKH | IIG | LEE | NOVA | RP | SPG | TPCH | VIBHA | |
| AS | BYD | EMC | INGRS | LPH | NPK | RPH | SQ | TPIPL | W | |
| AU | CAZ | EP | INOX | MATI | NUSA | RSP | SSP | TPIPP | WIN | |
| B52 | CCP | F&D | JAK | M-CHAI | PAF | SABUY | STARK | TPLAS | WORK | |
| BEAUTY | CGD | FMT | JR | MCS | PF | SF | STC | TPOLY | WPH | |

**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

Sources: Thai Institute of Directors Association (IOD); FSSIA's compilation; data as of 26 October 2021

## Anti-corruption Progress Indicator

| CERTIFIED | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 2S | BCH | CPALL | GC | K | MFC | PE | QLT | SNP | THCOM | TU |
| 7UP | BCP | CPF | GCAP | KASET | MFEC | PG | QTC | SORKON | THIP | TVD |
| ADVANC | BCPG | CPI | GEL | KBANK | MILL | PHOL | RATCH | SPACK | THRE | TVI |
| AF | BE8 | CPN | GFPT | KBS | MINT | PK | RML | SPALI | THREL | TVO |
| AI | BEYOND | CSC | GGC | KCAR | MONO | PL | RWI | SPC | TIDLOR | TWPC |
| AIE | BGC | DCC | GJS | KCE | MOONG | PLANB | S & J | SPI | TIPCO | U |
| AIRA | BGRIM | DELTA | GPI | KGI | MSC | PLANET | SAAM | SPRC | TISCO | UBE |
| AKP | BJCHI | DEMCO | GPSC | KKP | MST | PLAT | SABINA | SRICHA | TKS | UBIS |
| ALPHAX | BKI | DIMET | GSTEEL | KSL | MTC | PM | SAPPE | SSF | TKT | UEC |
| AMA | BLA | DRT | GUNKUL | KTB | MTI | PPP | SAT | SSP | TMD | UKEM |
| AMANAH | BPP | DTAC | HANA | KTC | NBC | PPPM | SC | SSSC | TMILL | UOBKH |
| AMATA | BROOK | DUSIT | HARN | KWC | NEP | PPS | SCB | SST | TMT | UPF |
| AMATAV | BRR | EA | HEMP | KWI | NINE | PR9 | SCC | STA | TNITY | UV |
| AP | BSBM | EASTW | HENG | L&E | NKI | PREB | SCCC | STOWER | TNL | VGI |
| APCS | BTS | ECL | HMPRO | LANNA | NMG | PRG | SCG | SUSCO | TNP | VIH |
| AQUA | BWG | EGCO | HTC | LH | NNCL | PRINC | SCN | SVI | TNR | WACOAL |
| ARROW | CEN | EP | ICC | LHFG | NOBLE | PRM | SEAOIL | SYMC | TOG | WHA |
| AS | CENTEL | EPG | ICHI | LHK | NOK | PROS | SE-ED | SYNTEC | TOP | WHAUP |
| ASIAN | CFRESH | ERW | IFEC | LPN | NSI | PSH | SELIC | TAE | TOPP | WICE |
| ASK | CGH | ESTAR | IFS | LRH | NWR | PSL | SENA | TAKUNI | TPA | WIIK |
| ASP | CHEWA | ETE | ILINK | M | OCC | PSTC | SGP | TASCO | TPP | XO |
| AWC | CHOTI | FE | INET | MAKRO | OGC | PT | SINGER | TBSP | TRU | ZEN |
| AYUD | CHOW | FNS | INSURE | MALEE | ORI | PTG | SIRI | TCAP | TRUE | |
| B | CIG | FPI | INTUCH | MATCH | PAP | PTT | SITHAI | TCMC | TSC | |
| BAFS | CIMBT | FPT | IRC | MBAX | PATO | PTTEP | SKR | TFG | TSTE | |
| BAM | CM | FSMART | IRPC | MBK | PB | PTTGC | SMIT | TFI | TSTH | |
| BANPU | CMC | FSS | ITEL | MC | PCSGH | PYLON | SMK | TFMAMA | TTA | |
| BAY | COM7 | FTE | IVL | MCOT | PDG | Q-CON | SMPC | TGH | TTB | |
| BBL | COTTO | GBX | JKN | META | PDJ | QH | SNC | THANI | TTCL | |

| DECLARED | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| AJ | CHG | DDD | ETC | JR | MAJOR | NUSA | RS | SSS | TQM | YUASA |
| ALT | CPL | DHOUSE | FLOYD | JTS | NCAP | NYT | SAK | STECH | TSI | ZIGA |
| APCO | CPR | DOHOME | GULF | KEX | NCL | OR | SCGP | STGT | VARO | |
| B52 | CPW | ECF | III | KUMWEL | NOVA | PIMO | SCM | TKN | VCOM | |
| BEC | CRC | EKH | INOX | LDC | NRF | PLE | SIS | TMI | VIBHA | |

| 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) |

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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 th e 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 26 October 2021) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Sources: 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)**



(THB)
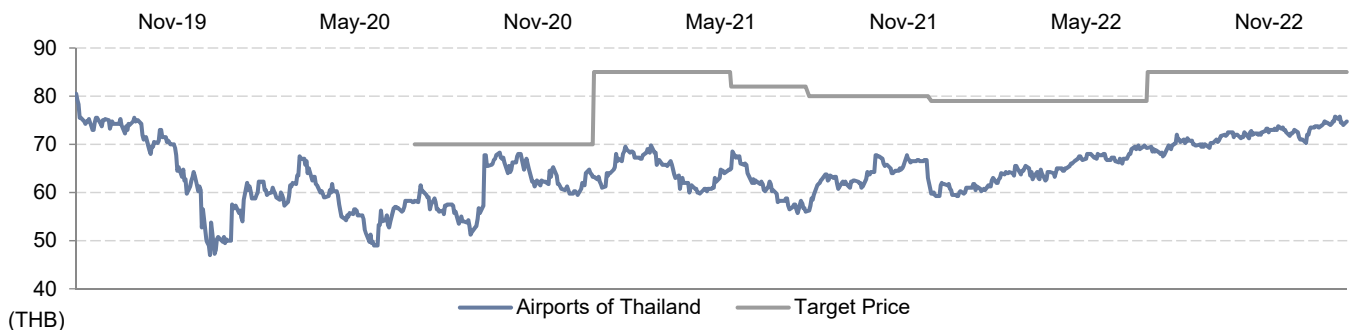
| Date | Rating | Target price | Date | Rating | Target price | Date | Rating | Target price |
|------|--------|--------------|------|--------|--------------|------|--------|--------------|
| 10-Sep-2020 | BUY | 70.00 | 09-Jun-2021 | BUY | 82.00 | 26-Nov-2021 | BUY | 79.00 |
| 11-Feb-2021 | BUY | 85.00 | 13-Aug-2021 | BUY | 80.00 | 02-Jun-2022 | BUY | 85.00 |

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 74.75 | 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. |

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 21-Nov-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.