

BANGKOK AIRWAYS

THAILAND / TRANSPORT & LOGISTICS

BA TB

BUY

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ใกล้จะพลิกฟื้นได้เร็วกว่าคาด

- คาดผลประกอบการจะถึงจุดคุ้มทุนใน 4Q22 เทียบกับที่ขาดทุนปกติ 1.5 พัน ลบ. ใน 4Q19; ปัจจัยพื้นฐานเปลี่ยนแปลงอย่างมีนัยสำคัญ
- ธุรกิจอื่น ๆ น่าจะแบ่งกำไรให้มากถึง 1.8 พัน ลบ. ในขณะที่ธุรกิจสายการบินอาจมี Upside
- คงแนะนำซื้อหลังปรับราคาเป้าหมายเพิ่มเป็น 18.0 บาท (SoTP)

| | |
|-----------------|----------|
| TARGET PRICE | THB18.00 |
| CLOSE | THB13.90 |
| UP/DOWNSIDE | +29.5% |
| PRIOR TP | THB15.60 |
| CHANGE IN TP | +15.4% |
| TP vs CONSENSUS | +25.7% |

KEY STOCK DATA

| YE Dec (THB m) | 2021 | 2022E | 2023E | 2024E |
|----------------------|---------|---------|--------|--------|
| Revenue | 2,717 | 10,997 | 20,020 | 25,032 |
| Net profit | (9,079) | (1,952) | 918 | 1,573 |
| EPS (THB) | (4.32) | (0.93) | 0.44 | 0.75 |
| vs Consensus (%) | - | nm | nm | 557.9 |
| EBITDA | (2,607) | 348 | 2,059 | 2,353 |
| Core net profit | (3,899) | (1,813) | 918 | 1,573 |
| Core EPS (THB) | (1.86) | (0.86) | 0.44 | 0.75 |
| Chg. In EPS est. (%) | nm | nm | 5.6 | 6.3 |
| EPS growth (%) | nm | nm | nm | 71.4 |
| Core P/E (x) | (7.5) | (16.1) | 31.8 | 18.6 |
| Dividend yield (%) | - | - | 1.9 | 3.2 |
| EV/EBITDA (x) | (20.9) | 160.9 | 25.5 | 20.9 |
| Price/book (x) | 2.2 | 2.6 | 2.4 | 2.2 |
| Net debt/Equity (%) | 192.3 | 239.7 | 191.9 | 150.6 |
| ROE (%) | (23.8) | (14.8) | 7.8 | 12.4 |

กำไรมีแนวโน้มเร่งตัวขึ้นใน 1Q-3Q23

เราคาดว่าผลประกอบการจะพลิกเป็นบวก โดยคาดว่า BA จะมีกำไรปกติ 10 ลบ. และกำไรสุทธิ 310 ลบ. ใน 4Q22 นับเป็นการพลิกฟื้นเป็นครั้งแรกตั้งแต่การแพร่ระบาดไวรัสโควิดเริ่มต้นขึ้น ปริมาณผู้โดยสารน่าจะฟื้นตัวต่อเนื่องเป็น 65% ของระดับก่อนโควิด (เทียบกับ 58% ใน 3Q22) ในขณะที่ราคาตั๋วโดยสารน่าจะสูงกว่าระดับก่อนโควิด 9% จากความต้องการที่ฟื้นอยู่เป็นจำนวนมาก แม้ว่า 4Q จะไม่ใช่ฤดูการท่องเที่ยวสำหรับเส้นทางสมุย กำไรของ BA ก็สามารถถึงจุดคุ้มทุนก่อนกำหนด แนวโน้มของกำไรในช่วง 3 ไตรมาสข้างหน้าเป็นบวกจากการเปิดพรมแดนของจีนและฤดูท่องเที่ยวในเส้นทางสมุยที่กำลังจะมาถึง (1Q23 และ 3Q23) ประกอบกับรายได้เงินปันผลจาก BDMS ใน 2Q23

ปัจจัยพื้นฐานได้ปรับตัวดีขึ้นอย่างมีนัยสำคัญ

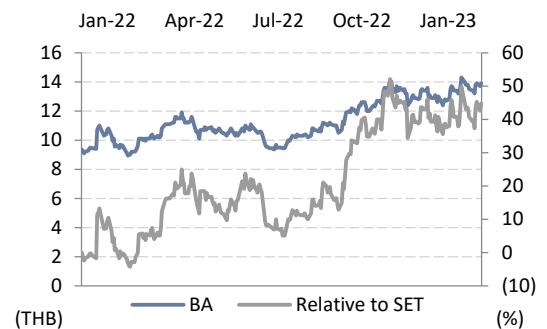
ถ้าประมาณการ 4Q22 ของเราเป็นจริง ตัวเลขดังกล่าวจะแสดงให้เห็นว่าปัจจัยพื้นฐานของ BA ได้เปลี่ยนแปลงอย่างมีนัยสำคัญเมื่อพิจารณาจากผลขาดทุนปกติใน 4Q19 ที่ 1.5 พัน ลบ. และผลประกอบการ 4Q22 ที่คุ้มทุน เราคิดว่าปัจจัยที่ปรับตัวดีขึ้นอยู่ที่ต้นทุนธุรกิจสายการบินที่ลดลง passenger yield ที่สูงขึ้นจากการมุ่งเน้นในเส้นทางสมุยและโครงสร้างการเข้าสนามบินสมุยที่เอื้อประโยชน์มากยิ่งขึ้น

กำไรมีโอกาสฟื้นตัวไปสู่ 2.1 พัน ลบ. ซึ่งเป็นกำไรสูงสุดในอดีต

BA มีกระแสกำไรในระดับสูงถึง 1.7-1.8 พัน ลบ. ต่อปีจากธุรกิจอื่นอันประกอบด้วย 0.5 พัน ลบ. จากส่วนแบ่งรายได้จากธุรกิจขนส่งสินค้า, 0.4 พัน ลบ. จากบริการภาคพื้นดิน, 0.1 พัน ลบ. จากธุรกิจบริการอาหารและเครื่องดื่ม, 0.2 พัน ลบ. จากธุรกิจท่าอากาศยานหลังการปรับลดค่าเช่าที่ให้แก่ BAREIT, และรายได้เงินปันผลจาก BDMS และ BAFS อีก 0.5-0.6 พัน ลบ. ซึ่งหมายความว่าถ้าธุรกิจสายการบินมีกำไรขึ้นมา กำไรปกติของ BA น่าจะฟื้นตัวเท่ากับสถิติเดิมที่ 2.1 พัน ลบ. ในปี 2016 อย่างไรก็ตามเราตั้งสมมติฐานไว้ในระดับต่ำโดยคาดการณ์กำไรปกติที่ 0.9-1.6 พัน ลบ. ในปี 2023-24E

ปรับเพิ่มประมาณการกำไร; เป็นทางเลือกที่ถูกต้องในกลุ่มท่องเที่ยวไทย

เราปรับเพิ่มประมาณการกำไรปี 2022-24 ขึ้นเพื่อสะท้อนแนวโน้มธุรกิจสายการบินที่ดีขึ้นและได้ราคาเป้าหมายใหม่ (SoTP) ที่ 18 บาท (จาก 15.6 บาท) เราคิดว่า BA เป็นหุ้นทางเลือกในกลุ่มท่องเที่ยวไทยเนื่องจากหุ้นดังกล่าวมีการซื้อขายที่ 19x ของค่า 2024E P/E ซึ่งต่ำกว่า AAV (32x), AOT (32x) และค่าเฉลี่ยของกลุ่มโรงแรม (33x) BA มี Upside ประกอบด้วยการกลับมาของนักท่องเที่ยวจีนซึ่งคิดเป็นประมาณ 10% ของรายได้และกำไรจากการปรับปรุงสนามบินสมุย (การขยายขีดความสามารถในการรองรับเที่ยวบินและการปรับปรุงอาคารผู้โดยสาร)



| Share price performance | 1 Month | 3 Month | 12 Month |
|--------------------------------|----------------------------------|---------|----------|
| Absolute (%) | 9.4 | 9.4 | 48.7 |
| Relative to country (%) | 5.2 | 3.5 | 44.9 |
| Mkt cap (USD m) | 889 | | |
| 3m avg. daily turnover (USD m) | 1.5 | | |
| Free float (%) | 36 | | |
| Major shareholder | Prasartong-Osoth Puttipong (25%) | | |
| 12m high/low (THB) | 14.70/8.40 | | |
| Issued shares (m) | 2,100.00 | | |

Sources: Bloomberg consensus; FSSIA estimates



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

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

บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 25 มกราคม 2023

Investment thesis

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

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

Samui Airport is in the process of increasing its flight capacity from 50 to 70 flights/day, and there is the potential for an upgrade to its commercial space. This would improve the airport business' profitability in the long term.

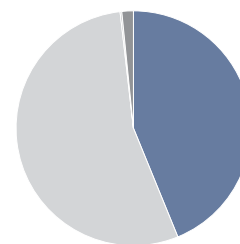
Company profile

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

www.bangkokair.com

Principal activities (revenue, 2021)

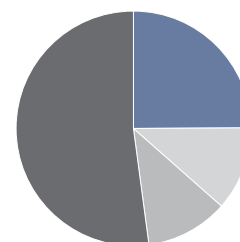
- Air fares - 43.8 %
- Revenue from sales and services - 54.4 %
- Freight - 0.2 %
- Passenger services - 1.6 %



Source: Bangkok Airways

Major shareholders

- Prasarttong-Osoth Puttipong - 24.9 %
- Prasarttong-Osoth Ariya - 11.6 %
- Prasarttong-Osoth Prasert - 11.4 %
- Others - 52.1 %



Source: Bangkok Airways

Catalysts

Key potential growth drivers include 1) a higher number of passengers carried following a global tourism recovery; 2) lower jet fuel prices; and 3) strong pent-up demand from Chinese tourists.

Risks to our call

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

Event calendar

| Date | Event |
|--------|---------------------------|
| Feb-23 | 4Q22 results announcement |

Key assumptions

| | 2022E | 2023E | 2024E |
|----------------------------------|-------|-------|-------|
| Number of aircraft (no.) | 27 | 27 | 27 |
| Passengers carried (m) | 2.6 | 4.6 | 5.7 |
| Load factor (%) | 74.8 | 74.0 | 72.3 |
| Average ticket fare (THB) | 3,108 | 3,380 | 3,515 |
| Fuel price net hedging (USD/bbl) | 139.0 | 134.0 | 132.0 |
| THB/USD | 35.5 | 33.0 | 33.0 |

Source: FSSIA estimates

Earnings sensitivity

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

Source: FSSIA estimates

4Q22 results preview

We estimate passengers carried should grow by 17% q-q to 940k in 4Q22, accounting for 65% of the pre-Covid level (vs 58% in 3Q22). Ticket fares should drop by 3% q-q due to the low season for Samui tourism but should exceed the pre-Covid level by 9% thanks to pent-up demand. We expect 4Q22 passenger yield to remain above the pre-Covid level at THB5.1/ passenger-km (vs THB4.0 in 4Q19), due to the strong load factor of 78% (vs 67% in 4Q19).

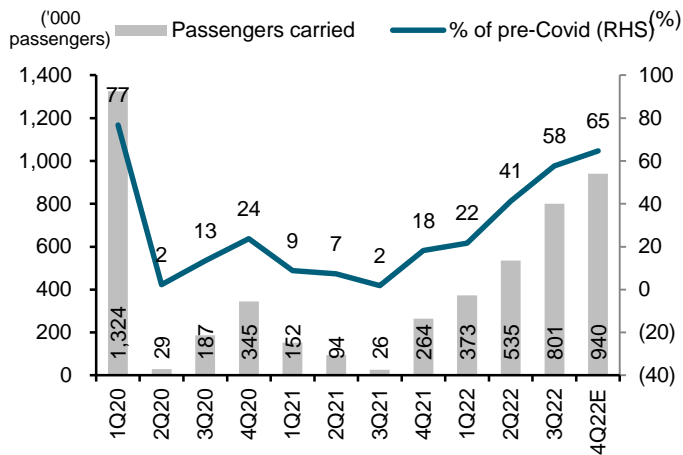
As a result, we expect passenger revenue to grow by 14% q-q and reach 70% of the pre-Covid level in 4Q22 (vs 41% in 2Q22). Airport operations should also improve q-q from higher Samui passenger volume which should recover to 90% of the pre-Covid level (vs 67% in 3Q22).

Expenses should be flat q-q in 4Q22 as higher OPEX is offset by lower aircraft maintenance costs (booked as a one-off in 3Q22). Interest expenses should jump by 40% q-q from higher financing costs from the BAREIT transaction. Dividend income from BDMS should be absent in this quarter (vs THB310m in 3Q22). Overall, we forecast core profit to turn positive at THB10m in 4Q22 (vs the THB138m core loss in 3Q22). BA should book a cTHB300m FX gain from its aircraft lease liabilities in USD terms following the appreciation of the THB against the USD. Thus, we forecast a net profit of THB310m in 4Q22.

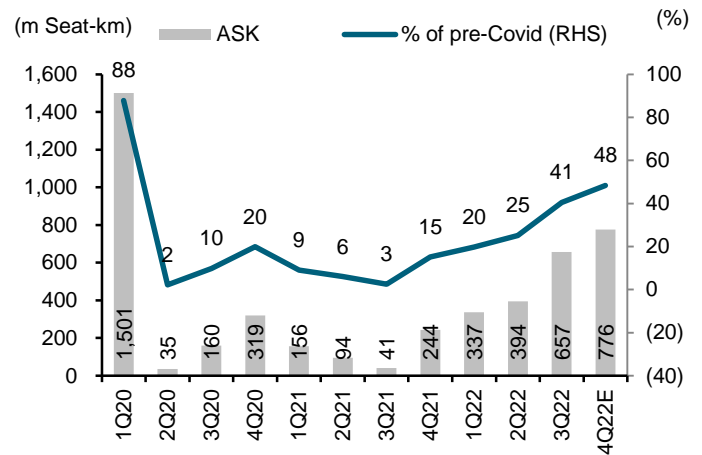
Exhibit 1: 4Q22 results preview

| | 4Q21 | 1Q22 | 2Q22 | 3Q22 | 4Q22E | Change | | 2022E |
|-------------------------------|----------------|----------------|---------------|---------------|--------------|--------------|--------------|----------------|
| | (THB m) | (THB m) | (THB m) | (THB m) | (THB m) | (q-q %) | (y-y %) | (THB m) |
| Sales | 1,072 | 1,478 | 2,153 | 3,454 | 3,895 | 13 | 263 | 10,997 |
| - Passenger revenue | 612 | 931 | 1,566 | 2,677 | 3,055 | 14 | 399 | 8,226 |
| - Other revenue | 460 | 547 | 587 | 776 | 839 | 8 | 82 | 2,770 |
| Expense | (2,140) | (2,487) | (2,959) | (3,866) | (3,862) | (0) | 80 | (13,171) |
| - Fuel and oil | (173) | (256) | (449) | (819) | (849) | 4 | 392 | (2,332) |
| - Non-fuel operating expenses | (1,967) | (2,231) | (2,509) | (3,047) | (3,012) | (1) | 53 | (10,839) |
| Operating Profit | (1,068) | (1,010) | (806) | (412) | 33 | (108) | (103) | (2,174) |
| Dividend income | 258 | 0 | 207 | 310 | 0 | (100) | (100) | 517 |
| Net other income | 136 | 183 | 159 | 177 | 280 | 58 | 105 | 798 |
| Interest income | 3 | 1 | 2 | 0 | 0 | 0 | (93) | 6 |
| Interest expense | (267) | (285) | (299) | (373) | (522) | 40 | 96 | (1,474) |
| Pretax profit | (937) | (1,111) | (737) | (297) | (209) | (30) | (78) | (2,327) |
| Income Tax | (68) | (56) | 1 | 33 | 33 | 0 | (148) | 10 |
| Associates | 40 | 104 | 104 | 123 | 179 | 46 | 352 | 492 |
| Minority interest | 17 | 6 | 6 | 3 | 6 | 92 | (64) | 12 |
| Core profit | (949) | (1,057) | (628) | (138) | 10 | (107) | (101) | (1,813) |
| Extraordinaries | 807 | 37 | (220) | (255) | 300 | (218) | (63) | (139) |
| - FX | 79 | 37 | (221) | (255) | 300 | (218) | 279 | 0 |
| - Derivative | (0) | 0 | 1 | 0 | 0 | | | 0 |
| - Others | 728 | 0 | 0 | 0 | 0 | | | (139) |
| Net profit | (141) | (1,020) | (848) | (393) | 310 | (179) | (319) | (1,952) |
| Shares out (end Q, m) | 2,100 | 2,100 | 2,100 | 2,100 | 2,100 | 0 | 0 | 2,100 |
| Pre-ex EPS | (0.45) | (0.50) | (0.30) | (0.07) | 0.00 | (107) | (101) | (0.86) |
| EPS | (0.07) | (0.49) | (0.40) | (0.19) | 0.15 | (179) | (319) | (0.93) |
| Depreciation | (571) | (628) | (622) | (607) | (607) | 0 | 6 | (2,522) |
| EBITDA | (496) | (382) | (184) | 195 | 640 | 228 | (229) | 348 |
| Key Ratios | | | | | | | | |
| Operating profit margin (%) | (100) | (68) | (37) | (12) | 1 | 13 | 100 | (20) |
| EBITDA margin (%) | (46) | (26) | (9) | 6 | 16 | 11 | 63 | 3 |
| Net profit margin (%) | (13) | (69) | (39) | (11) | 8 | 19 | 21 | (18) |
| Operating stats | | | | | | | | |
| Passenger carried (m) | 0.3 | 0.4 | 0.5 | 0.8 | 0.9 | | | |
| Load factor (%) | 63 | 64 | 79 | 77 | 78 | | | |
| RPK (m seats-km) | 153 | 214 | 309 | 507 | 602 | | | |
| ASK (m seats-km) | 244 | 337 | 394 | 657 | 776 | | | |
| Average fare (THB) | 2,319 | 2,495 | 2,926 | 3,342 | 3,250 | | | |
| RASK (THB) | 3.1 | 3.5 | 4.5 | 4.6 | 4.3 | | | |
| CASK (THB) | 7.6 | 5.1 | 6.1 | 5.0 | 3.8 | | | |
| CASK ex-fuel (THB) | 6.9 | 4.4 | 5.0 | 3.8 | 2.8 | | | |

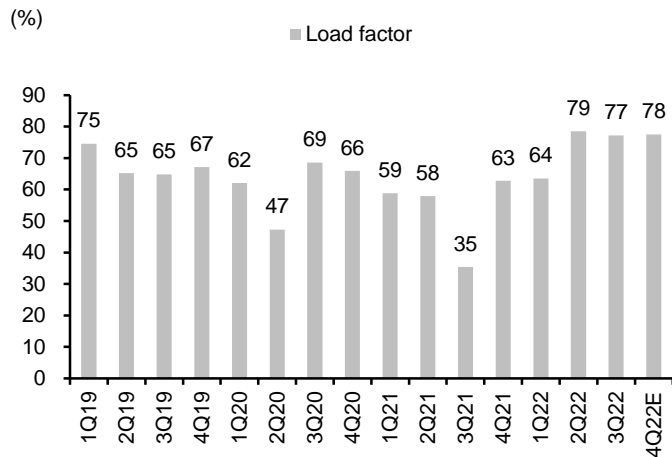
Sources: BA; FSSIA estimates

Exhibit 2: Passengers carried

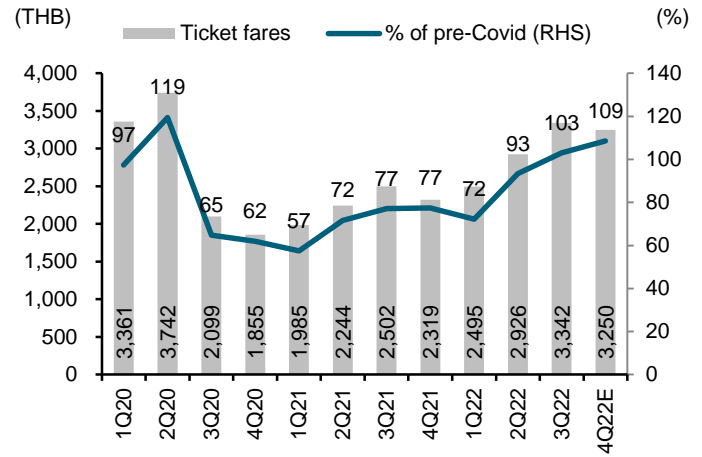
Sources: BA; FSSIA estimates

Exhibit 3: ASK

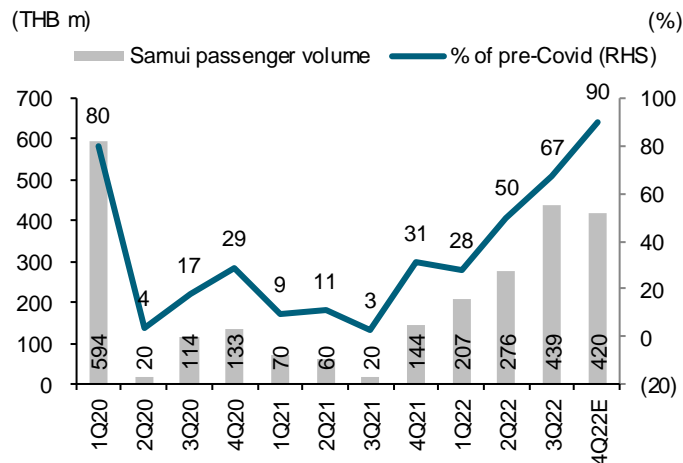
* ASK = available seat kilometres
Sources: BA; FSSIA estimates

Exhibit 4: Load factor

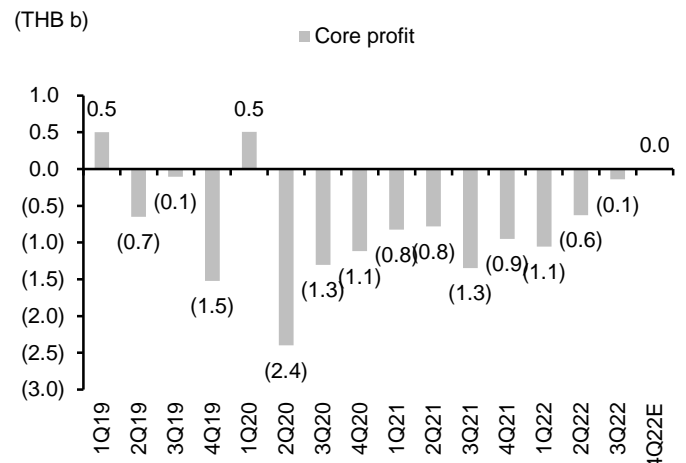
Sources: BA; FSSIA estimates

Exhibit 5: Ticket fares

Sources: BA; FSSIA estimates

Exhibit 6: Samui passenger volume

Sources: BA; FSSIA estimates

Exhibit 7: Core profit

Sources: BA; FSSIA estimates

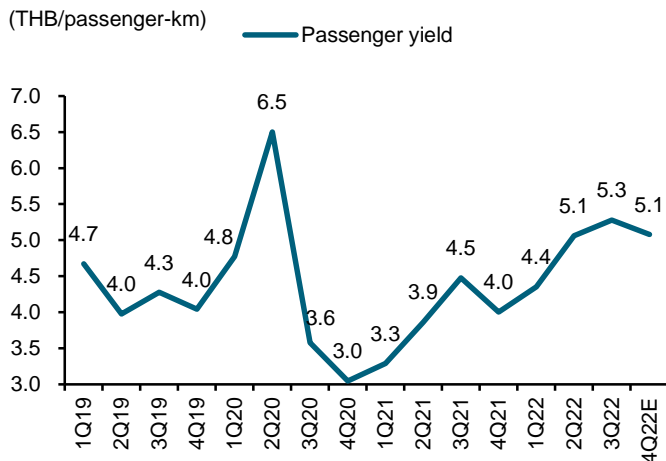
Better business structure compared to pre-Covid

BA's 4Q22 result should support our view that the company's fundamentals have significantly changed, especially for its airline business, after the 4Q19 core loss of THB1.5b. Passenger yield is THB5.1-5.3/passenger-km in 3Q22-4Q22E (vs THB4.3 pre-Covid level) as BA focuses more on the Samui route which has a better yield. In addition, the costs of its non-fuel airline business are estimated to fall by 42% vs pre-Covid in 4Q22, while revenue shrinks by only 30%. The lower expenses are mainly due to lower staff expenses, reduced passenger services, and lower aircraft-related expenses (maintenance and depreciation).

This suggests better profitability in the future as the higher revenue should mostly flow to its bottom line due to the high fixed cost proportion of the airline business at 60%-70%. We also estimate RASK to potentially exceed CASK in 4Q22 for the first time since 1Q19.

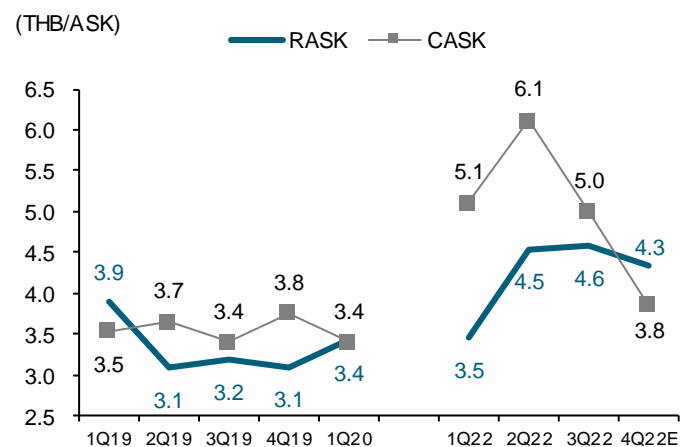
Apart from the airline business, the structure of the Samui Airport business leasehold is now more favorable to BA given that the lease payment to BAREIT has been fixed at THB1.1-1.2b over 2023-25 compared to the former SPF structure pre-Covid in which BA paid up to THB1.6b per year in lease payments. Thus, if Samui Airport's passenger volume and flight volume exceed pre-Covid, it should result in an upside for BA.

Exhibit 8: Passenger yield



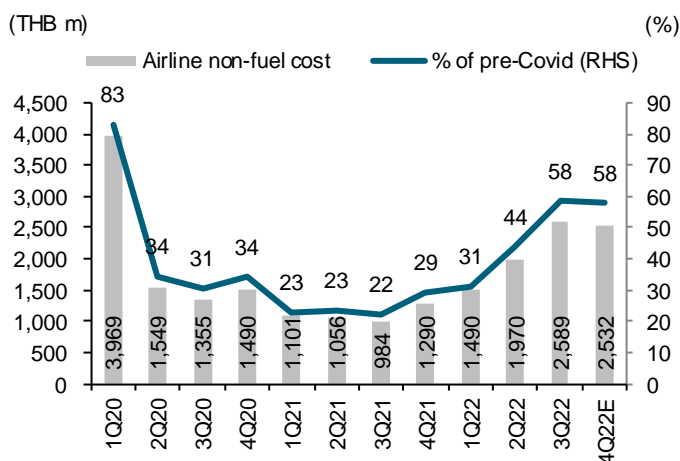
Sources: BA; FSSIA estimate

Exhibit 9: RASK and CASK



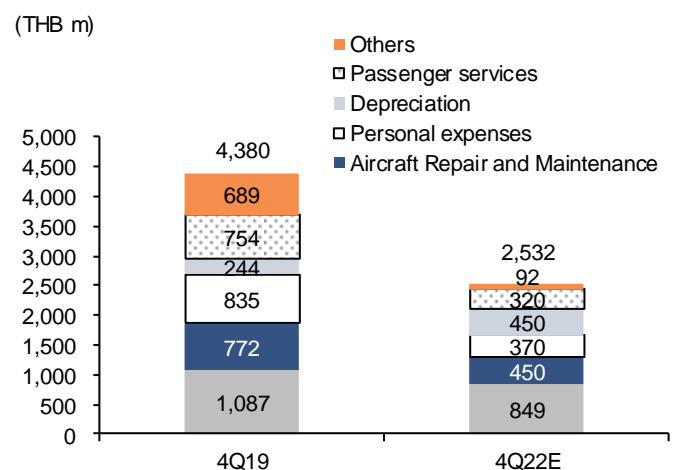
*RASK = revenue per available seat kilometre; CASK = cost per available seat kilometre
Sources: BA; FSSIA estimate

Exhibit 10: Non-fuel cost of airline business



Sources: BA; FSSIA estimates

Exhibit 11: Cost of airline business 4Q22E vs 4Q19



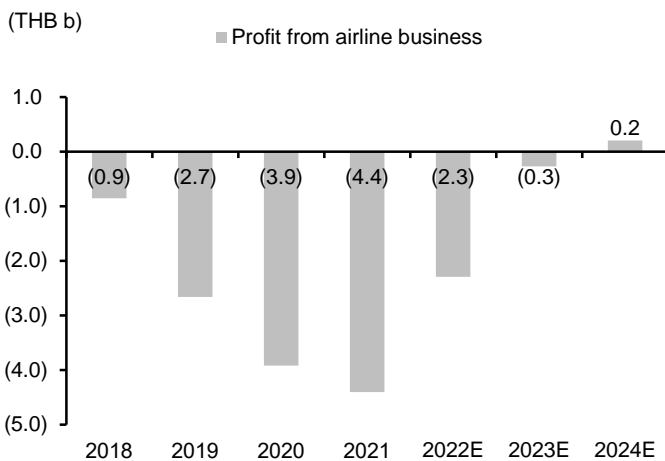
Sources: BA; FSSIA estimates

Exhibit 12: Forecast revisions

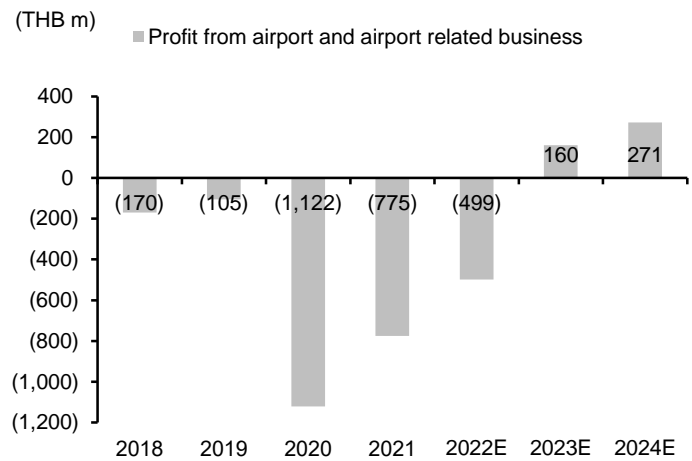
| | Current | | | Previous | | | Change (%) | | |
|----------------------------------|---------|--------|--------|----------|--------|--------|------------|-------|-------|
| | 2022E | 2023E | 2024E | 2022E | 2023E | 2024E | 2022E | 2023E | 2024E |
| Passengers carried (m) | 2.6 | 4.6 | 5.7 | 2.6 | 4.7 | 5.8 | 1.6 | (1.1) | (2.0) |
| Load factor (%) | 75 | 74 | 72 | 73 | 73 | 72 | 2.3 | 1.0 | 0.3 |
| Average ticket fare (THB) | 3,108 | 3,380 | 3,515 | 2,930 | 3,370 | 3,505 | 6.1 | 0.3 | 0.3 |
| Fuel price net hedging (USD/bbl) | 139 | 134 | 132 | 135 | 130 | 128 | 3.0 | 3.1 | 3.1 |
| Revenue (THB m) | 10,997 | 20,020 | 25,032 | 10,313 | 20,246 | 25,500 | 6.6 | (1.1) | (1.8) |
| EBITDA (THB m) | 348 | 2,059 | 2,353 | (219) | 2,021 | 2,202 | (258.8) | 1.9 | 6.9 |
| Core net profit (THB m) | (1,813) | 918 | 1,573 | (2,414) | 869 | 1,480 | 24.9 | 5.6 | 6.3 |

Note: Change of items in percentage terms is represented in ppt change.

Sources: BA; FSSIA estimates

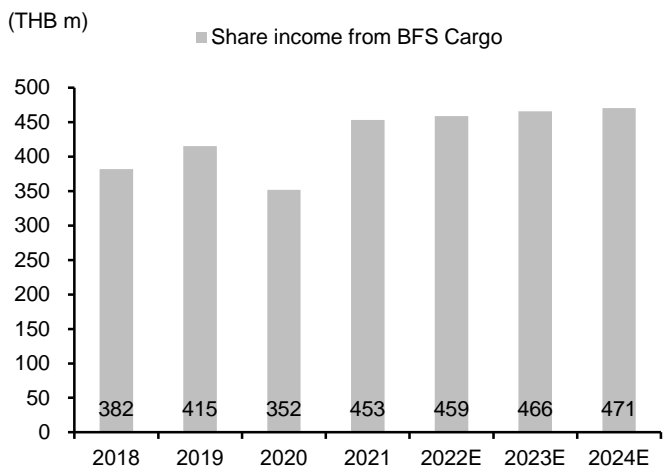
Exhibit 13: Profit from airline business

Source: FSSIA estimates

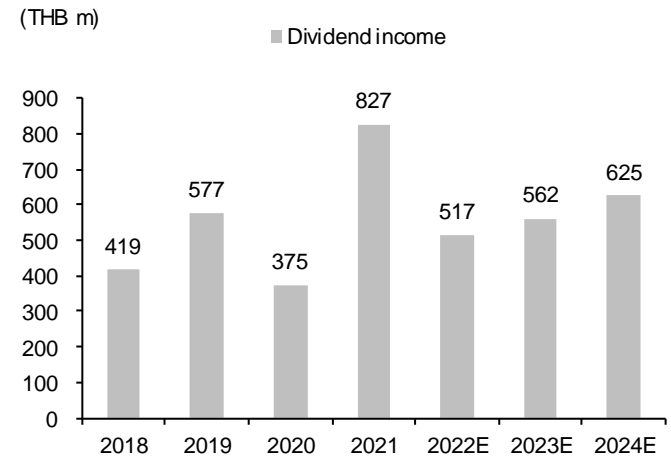
Exhibit 14: Profit from airport & airport-related business

Note: Includes leasehold payment of BAREIT

Source: FSSIA estimates

Exhibit 15: Share income from cargo business

Sources: BA; FSSIA estimates

Exhibit 16: Dividend income

Sources: BA; FSSIA estimates

Exhibit 17: SoTP valuation

| SoTP Base case | (THB b) | (THB/share) | Comments |
|--|-------------|-------------|--|
| BDMS | 22.9 | 10.9 | Fair price at our TP of THB34.5/shr with 20% holding discount |
| BAFS | 1.8 | 0.8 | Fair price at our TP of THB35.0/shr with 20% holding discount |
| BAREIT | 2.5 | 1.2 | Fair price at consensus TP of THB12.1/shr with 20% holding discount |
| Airport and airport-related businesses | 18.8 | 8.9 | Net profit (exclude BAREIT lease payment) THB1.3b and pegged at 15x P/E multiple |
| Airline business | 2.7 | 1.3 | 0.8x P/BV multiple of THB3.4b owned aircraft book value |
| Cargo business | 6.8 | 3.3 | Share income of THB0.5b and pegged at 15x P/E multiple |
| Interest-bearing debt | (9.6) | (4.6) | At end 2023E |
| BAREIT lease liabilities | (13.7) | (6.5) | At end 2023E |
| Cash | 5.7 | 2.7 | At end 2023E |
| Total value | 37.8 | 18.0 | |

Source: FSSIA estimates

Exhibit 18: Peer comparisons, airline sector as of 24 Jan-23

| 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 | 13.90 | 18.00 | 29.5 | 889 | (16.1) | 31.8 | 18.6 | 2.6 | 2.4 | 160.9 | 25.5 |
| Asia Aviation | AAV TB | BUY | 3.04 | 3.70 | 21.7 | 1,126 | (5.2) | 30.4 | 31.8 | 2.2 | 2.3 | 1,007.6 | 8.7 |
| Thailand average | | | | | | 2,015 | (10.7) | 31.1 | 25.2 | 2.4 | 2.3 | 584.2 | 17.1 |
| Regional | | | | | | | | | | | | | |
| Spring Airlines Co Ltd-A | 601021 CH | n/a | 63.36 | n/a | n/a | 9,138 | n/a | 37.1 | 21.7 | 4.9 | 4.4 | n/a | 20.2 |
| Interglobe Aviation | INDIGO IN | n/a | 2,121.80 | n/a | n/a | 9,929 | n/a | n/a | 19.7 | n/a | n/a | 53.0 | 13.6 |
| Cebu Air Inc | CEB PM | n/a | 42.90 | n/a | n/a | 484 | n/a | 5.7 | n/a | n/a | n/a | n/a | n/a |
| Singapore Airlines | SIA SP | n/a | 5.88 | n/a | n/a | 13,234 | n/a | 9.9 | 14.8 | 1.6 | 1.2 | 11.8 | 3.5 |
| Japan Airlines | 9201 JP | n/a | 2,730.00 | n/a | n/a | 9,169 | n/a | 29.5 | 14.2 | 1.5 | 1.4 | n/a | n/a |
| Ana Holdings | 9202 JP | n/a | 2,878.50 | n/a | n/a | 10,711 | n/a | 29.3 | 15.7 | 1.5 | 1.6 | 141.1 | 8.7 |
| Cathay Pacific Airways | 293 HK | n/a | 8.38 | n/a | n/a | 6,890 | n/a | 14.2 | 11.2 | 1.0 | 0.9 | 4.9 | 3.8 |
| Spicejet (India) | SJET IN | n/a | 36.85 | n/a | n/a | 270 | n/a | n/a | n/a | n/a | n/a | 151.7 | n/a |
| Vietjet Aviation | VJC VN | n/a | 114,500 | n/a | n/a | 2,645 | 299.7 | 36.1 | 21.1 | n/a | n/a | 51.6 | 21.3 |
| Regional average | | | | | | 62,469 | n/a | 23.1 | 16.9 | 2.1 | 1.9 | 69.0 | 11.9 |
| Global | | | | | | | | | | | | | |
| Eva Airways | 2618 TT | n/a | 28.40 | n/a | n/a | 5,015 | 19.0 | 16.0 | 52.6 | 1.7 | 1.5 | 4.9 | 4.7 |
| Air New Zealand | AIR NZ | n/a | 0.80 | n/a | n/a | 1,737 | n/a | 7.4 | 9.2 | 1.3 | 1.2 | 193.7 | 3.4 |
| Air Arabia | AIRARABIA UH | n/a | 2.24 | n/a | n/a | 2,833 | 8.7 | 5.5 | 6.1 | 1.7 | 1.6 | 5.2 | 5.0 |
| Easyjet (UK) | EZJ LN | n/a | 450.00 | n/a | n/a | 4,286 | n/a | 34.3 | 14.5 | 1.4 | 1.3 | 6.9 | 4.6 |
| Gol Linhas Aereas Intel. (Brazil) | GOLL4 BS | n/a | 7.54 | n/a | n/a | 606 | n/a | n/a | 4.2 | n/a | n/a | 2.1 | 1.2 |
| JetBlue Airways (US, Latin AM) | JBLU | n/a | 8.65 | n/a | n/a | 2,802 | n/a | 13.2 | 6.9 | 0.8 | 0.8 | 10.5 | 4.2 |
| Norwegian Air Shuttle (Norway) | NWARF US | n/a | 0.87 | n/a | n/a | 807 | n/a | 19.4 | 7.5 | 2.3 | 2.0 | 7.2 | 2.9 |
| Southwest Airlines (US) | LUV US | n/a | 36.69 | n/a | n/a | 21,785 | 22.6 | 12.0 | 9.1 | 2.0 | 1.8 | 5.9 | 4.2 |
| Global average | | | | | | 39,872 | 16.8 | 15.4 | 13.8 | 1.6 | 1.5 | 29.5 | 3.8 |
| Overall average | | | | | | 104,356 | 54.8 | 20.7 | 16.4 | 1.9 | 1.7 | 113.7 | 8.5 |

Sources: Bloomberg; FSSIA estimates

Financial Statements

Bangkok Airways

| Profit and Loss (THB m) Year Ending Dec | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|----------------|----------------|----------------|--------------|--------------|
| Revenue | 7,666 | 2,717 | 10,997 | 20,020 | 25,032 |
| Cost of goods sold | (8,015) | (3,773) | (8,537) | (14,718) | (18,850) |
| Gross profit | (349) | (1,056) | 2,459 | 5,302 | 6,183 |
| Other operating income | - | - | - | - | - |
| Operating costs | (2,384) | (1,551) | (2,111) | (3,243) | (3,830) |
| Operating EBITDA | (2,733) | (2,607) | 348 | 2,059 | 2,353 |
| Depreciation | (2,843) | (2,342) | (2,522) | (2,322) | (2,365) |
| Goodwill amortisation | - | - | - | - | - |
| Operating EBIT | (5,576) | (4,949) | (2,174) | (263) | (13) |
| Net financing costs | (1,084) | (1,258) | (1,468) | (1,748) | (1,565) |
| Associates | 555 | 453 | 492 | 708 | 720 |
| Recurring non-operating income | 2,399 | 2,142 | 1,807 | 2,969 | 3,334 |
| Non-recurring items | 678 | (5,180) | (139) | 0 | 0 |
| Profit before tax | (3,583) | (9,246) | (1,974) | 957 | 1,756 |
| Tax | (100) | 117 | 10 | (25) | (124) |
| Profit after tax | (3,683) | (9,129) | (1,964) | 932 | 1,632 |
| Minority interests | 45 | 50 | 12 | (14) | (58) |
| Preferred dividends | - | - | - | - | - |
| Other items | - | - | - | - | - |
| Reported net profit | (3,639) | (9,079) | (1,952) | 918 | 1,573 |
| Non-recurring items & goodwill (net) | (678) | 5,180 | 139 | 0 | 0 |
| Recurring net profit | (4,316) | (3,899) | (1,813) | 918 | 1,573 |
| Per share (THB) | | | | | |
| Recurring EPS * | (2.06) | (1.86) | (0.86) | 0.44 | 0.75 |
| Reported EPS | (1.73) | (4.32) | (0.93) | 0.44 | 0.75 |
| DPS | 0.00 | 0.00 | 0.00 | 0.26 | 0.45 |
| Diluted shares (used to calculate per share data) | 2,100 | 2,100 | 2,100 | 2,100 | 2,100 |
| Growth | | | | | |
| Revenue (%) | (68.0) | (64.6) | 304.7 | 82.1 | 25.0 |
| Operating EBITDA (%) | nm | nm | nm | 491.6 | 14.3 |
| Operating EBIT (%) | nm | nm | nm | nm | nm |
| Recurring EPS (%) | nm | nm | nm | nm | 71.4 |
| Reported EPS (%) | nm | nm | nm | nm | 71.4 |
| Operating performance | | | | | |
| Gross margin inc. depreciation (%) | (41.6) | (125.1) | (0.6) | 14.9 | 15.2 |
| Gross margin of key business (%) | (41.6) | (125.1) | (0.6) | 14.9 | 15.2 |
| Operating EBITDA margin (%) | (35.6) | (96.0) | 3.2 | 10.3 | 9.4 |
| Operating EBIT margin (%) | (72.7) | (182.2) | (19.8) | (1.3) | (0.1) |
| Net margin (%) | (56.3) | (143.5) | (16.5) | 4.6 | 6.3 |
| Effective tax rate (%) | (2.1) | 2.6 | 15.0 | 10.0 | 12.0 |
| Dividend payout on recurring profit (%) | - | - | - | 60.0 | 60.0 |
| Interest cover (X) | (2.9) | (2.2) | (0.2) | 1.5 | 2.1 |
| Inventory days | 22.5 | 44.3 | 20.2 | 10.7 | 7.9 |
| Debtor days | 46.1 | 51.9 | 10.5 | 4.7 | 5.6 |
| Creditor days | 98.0 | 100.9 | 67.5 | 52.6 | 47.7 |
| Operating ROIC (%) | (44.3) | (32.6) | (14.1) | (2.3) | (0.1) |
| ROIC (%) | (7.3) | (6.2) | (0.7) | 5.8 | 7.4 |
| ROE (%) | (17.4) | (23.8) | (14.8) | 7.8 | 12.4 |
| ROA (%) | (5.8) | (5.5) | (1.1) | 4.7 | 5.9 |

* Pre-exceptional, pre-goodwill and fully diluted

| Revenue by Division (THB m) | 2020 | 2021 | 2022E | 2023E | 2024E |
|---------------------------------|-------|-------|-------|--------|--------|
| Air fares | 5,589 | 1,191 | 8,226 | 15,705 | 20,087 |
| Revenue from sales and services | 1,849 | 1,477 | 2,422 | 3,711 | 4,159 |
| Freight | 50 | 6 | 74 | 126 | 215 |
| Passenger services | 177 | 43 | 274 | 478 | 572 |

Sources: Bangkok Airways; FSSIA estimates

Financial Statements

Bangkok Airways

| Cash Flow (THB m) Year Ending Dec | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|----------------|----------------|----------------|----------------|----------------|
| Recurring net profit | (4,316) | (3,899) | (1,813) | 918 | 1,573 |
| Depreciation | 2,843 | 2,342 | 2,522 | 2,322 | 2,365 |
| Associates & minorities | - | - | - | - | - |
| Other non-cash items | 119 | (4,921) | (151) | 14 | 58 |
| Change in working capital | (1,571) | (1,232) | 951 | 1,319 | 1,189 |
| Cash flow from operations | (2,926) | (7,709) | 1,510 | 4,573 | 5,186 |
| Capex - maintenance | (5,495) | (722) | (550) | (1,001) | (1,252) |
| Capex - new investment | - | - | - | - | - |
| Net acquisitions & disposals | 3,924 | 114 | (2,500) | 0 | 0 |
| Other investments (net) | - | - | - | - | - |
| Cash flow from investing | (1,571) | (608) | (3,050) | (1,001) | (1,252) |
| Dividends paid | (203) | 0 | 0 | 0 | (551) |
| Equity finance | 0 | 0 | 0 | 0 | 0 |
| Debt finance | 3,648 | 6,094 | 6,794 | (5,272) | (5,249) |
| Other financing cash flows | (6,086) | 2,168 | 0 | 0 | 0 |
| Cash flow from financing | (2,641) | 8,262 | 6,794 | (5,272) | (5,800) |
| Non-recurring cash flows | - | - | - | - | - |
| Other adjustments | 0 | 0 | 0 | 0 | 0 |
| Net other adjustments | 0 | 0 | 0 | 0 | 0 |
| Movement in cash | (7,138) | (55) | 5,254 | (1,700) | (1,866) |
| Free cash flow to firm (FCFF) | (3,379.37) | (7,052.04) | (65.93) | 5,342.13 | 5,516.75 |
| Free cash flow to equity (FCFE) | (6,934.75) | (55.35) | 5,254.11 | (1,700.34) | (1,314.83) |
| Per share (THB) | | | | | |
| FCFF per share | (1.61) | (3.36) | (0.03) | 2.54 | 2.63 |
| FCFE per share | (3.30) | (0.03) | 2.50 | (0.81) | (0.63) |
| Recurring cash flow per share | (0.64) | (3.08) | 0.27 | 1.55 | 1.90 |
| Balance Sheet (THB m) Year Ending Dec | 2020 | 2021 | 2022E | 2023E | 2024E |
| Tangible fixed assets (gross) | 27,882 | 27,064 | 27,613 | 28,614 | 29,866 |
| Less: Accumulated depreciation | (9,622) | (10,424) | (12,946) | (15,268) | (17,633) |
| Tangible fixed assets (net) | 18,260 | 16,640 | 14,667 | 13,347 | 12,233 |
| Intangible fixed assets (net) | 0 | 0 | 0 | 0 | 0 |
| Long-term financial assets | - | - | - | - | - |
| Invest. in associates & subsidiaries | 28,305 | 28,191 | 30,691 | 30,691 | 30,691 |
| Cash & equivalents | 2,181 | 2,126 | 7,380 | 5,680 | 3,814 |
| A/C receivable | 401 | 373 | 259 | 259 | 509 |
| Inventories | 477 | 438 | 508 | 359 | 460 |
| Other current assets | 198 | 169 | 683 | 1,243 | 1,555 |
| Current assets | 3,257 | 3,106 | 8,829 | 7,541 | 6,338 |
| Other assets | 779 | 1,002 | 1,002 | 1,002 | 1,002 |
| Total assets | 50,602 | 48,939 | 55,190 | 52,581 | 50,264 |
| Common equity | 19,591 | 13,198 | 11,247 | 12,164 | 13,187 |
| Minorities etc. | 14 | (36) | (48) | (34) | 25 |
| Total shareholders' equity | 19,606 | 13,162 | 11,198 | 12,130 | 13,212 |
| Long term debt | 20,234 | 26,515 | 33,309 | 28,037 | 22,788 |
| Other long-term liabilities | 5,290 | 5,305 | 5,305 | 5,305 | 5,305 |
| Long-term liabilities | 25,524 | 31,820 | 38,614 | 33,342 | 28,093 |
| A/C payable | 1,119 | 967 | 2,189 | 2,055 | 2,871 |
| Short term debt | 1,105 | 917 | 917 | 917 | 917 |
| Other current liabilities | 3,248 | 2,073 | 2,272 | 4,136 | 5,171 |
| Current liabilities | 5,472 | 3,957 | 5,378 | 7,108 | 8,959 |
| Total liabilities and shareholders' equity | 50,602 | 48,939 | 55,190 | 52,581 | 50,264 |
| Net working capital | (3,292) | (2,060) | (3,011) | (4,330) | (5,519) |
| Invested capital | 44,053 | 43,773 | 43,350 | 40,710 | 38,408 |
| * Includes convertibles and preferred stock which is being treated as debt | | | | | |
| Per share (THB) | | | | | |
| Book value per share | 9.33 | 6.28 | 5.36 | 5.79 | 6.28 |
| Tangible book value per share | 9.33 | 6.28 | 5.36 | 5.79 | 6.28 |
| Financial strength | | | | | |
| Net debt/equity (%) | 97.7 | 192.3 | 239.7 | 191.9 | 150.6 |
| Net debt/total assets (%) | 37.9 | 51.7 | 48.6 | 44.3 | 39.6 |
| Current ratio (x) | 0.6 | 0.8 | 1.6 | 1.1 | 0.7 |
| CF interest cover (x) | (5.4) | 1.0 | 4.6 | 0.0 | 0.2 |
| Valuation | 2020 | 2021 | 2022E | 2023E | 2024E |
| Recurring P/E (x) * | (6.8) | (7.5) | (16.1) | 31.8 | 18.6 |
| Recurring P/E @ target price (x) * | (8.8) | (9.7) | (20.9) | 41.2 | 24.0 |
| Reported P/E (x) | (8.0) | (3.2) | (15.0) | 31.8 | 18.6 |
| Dividend yield (%) | - | - | - | 1.9 | 3.2 |
| Price/book (x) | 1.5 | 2.2 | 2.6 | 2.4 | 2.2 |
| Price/tangible book (x) | 1.5 | 2.2 | 2.6 | 2.4 | 2.2 |
| EV/EBITDA (x) ** | (17.7) | (20.9) | 160.9 | 25.5 | 20.9 |
| EV/EBITDA @ target price (x) ** | (20.8) | (24.2) | 185.6 | 29.6 | 24.5 |
| EV/invested capital (x) | 1.1 | 1.2 | 1.3 | 1.3 | 1.3 |
| * Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income | | | | | |

Sources: Bangkok Airways; FSSIA estimates

Corporate Governance report of Thai listed companies 2021

| EXCELLENT LEVEL – Score range 90-100 | | | | | | | | | | |
|--------------------------------------|--------|--------|--------|--------|--------|--------|---------|--------|-------|--------|
| AAV | BCPG | CPALL | GCAP | K | MSC | PLANET | SAMART | SPI | THRE | TVD |
| ADVANC | BDM5 | 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 | SEAFECO | SVI | TPBI | WAVE |
| AOT | BWG | EA | HMPRO | LPN | NYT | PTT | SEAOL | 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 | MTSIB | 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 | WIJK |
| 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 | TIPIPP | 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 |
| AMANAHA | 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 | SEAOL | 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 | WIJK |
| 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) |

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 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

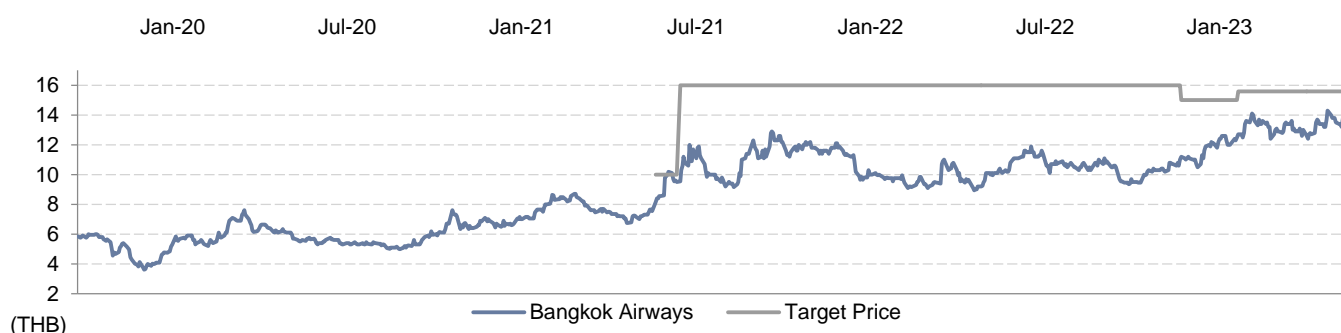
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History of change in investment rating and/or target price

Bangkok Airways (BA TB)



| Date | Rating | Target price | Date | Rating | Target price | Date | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|------|--------|--------------|
| 04-Jun-2021 | BUY | 10.00 | 01-Sep-2022 | BUY | 15.00 | - | - | - |
| 25-Jun-2021 | BUY | 16.00 | 20-Oct-2022 | BUY | 15.60 | | | |

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

Price and TP are in local currency

Source: FSSIA estimates

Asia Aviation (AAV TB)



| Date | Rating | Target price | Date | Rating | Target price | Date | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 21-Dec-2020 | BUY | 3.40 | 16-Aug-2021 | BUY | 3.20 | 31-Oct-2022 | BUY | 3.70 |
| 29-Mar-2021 | BUY | 3.80 | 21-Oct-2021 | BUY | 3.50 | | | |
| 18-May-2021 | BUY | 3.40 | 07-Jun-2022 | BUY | 3.40 | | | |

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

Price and TP are in local currency

Source: FSSIA estimates

| Company | Ticker | Price | Rating | Valuation & Risks |
|-----------------|--------|-----------|--------|---|
| Bangkok Airways | BA TB | THB 13.90 | BUY | Downside risks to our SoTP-based TP include 1) extraordinary events such as political turmoil and natural disasters; 2) higher-than-expected fuel expenses following an increase in oil prices; and 3) the slower-than-expected recovery of international tourist numbers. |
| Asia Aviation | AAV TB | THB 3.04 | 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. |

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 24-Jan-2023 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.