

AIRPORTS OF THAILAND
THAILAND / TRANSPORT & LOGISTICS

AOT TB

BUY

UNCHANGED

คาดการณ์พื้นที่ตัวที่ดีใน 2QFY24

- คาดการณ์กำไรปกติ 2QFY24 จะโต 27% q-q และ 207% y-y เป็น 5.9พัน ลบ. โดยได้ปัจจัยผลักดันจากการฟื้นตัวของผู้โดยสารต่างชาติ
- สนามบินสุวรรณภูมิ จะเริ่มใช้ทางวิ่งที่ 3 ในเดือน ก.ค. ซึ่งจะช่วยเพิ่มขีดความสามารถในการรองรับเที่ยวบินได้ 38%
- คงคำแนะนำซื้อที่ราคาเป้าหมายปี FY24 ที่ 75 บาท (DCF)

| | |
|-----------------|-----------|
| TARGET PRICE | THB75.00 |
| CLOSE | THB65.75 |
| UP/DOWNSIDE | +14.1% |
| PRIOR TP | THB75.00 |
| CHANGE IN TP | UNCHANGED |
| TP vs CONSENSUS | +2.3% |

KEY STOCK DATA

| YE Sep (THB m) | 2023 | 2024E | 2025E | 2026E |
|----------------------|--------|--------|--------|--------|
| Revenue | 48,141 | 64,796 | 75,755 | 84,648 |
| Net profit | 8,791 | 19,480 | 27,869 | 34,177 |
| EPS (THB) | 0.62 | 1.36 | 1.95 | 2.39 |
| vs Consensus (%) | - | (8.8) | 1.0 | 7.8 |
| EBITDA | 23,230 | 38,037 | 48,460 | 56,808 |
| Recurring net profit | 9,247 | 19,480 | 27,869 | 34,177 |
| Core EPS (THB) | 0.65 | 1.36 | 1.95 | 2.39 |
| Chg. In EPS est. (%) | - | - | - | - |
| EPS growth (%) | nm | 110.7 | 43.1 | 22.6 |
| Core P/E (x) | 101.6 | 48.2 | 33.7 | 27.5 |
| Dividend yield (%) | - | 0.9 | 1.4 | 1.7 |
| EV/EBITDA (x) | 42.9 | 25.8 | 20.0 | 16.9 |
| Price/book (x) | 8.5 | 7.2 | 6.3 | 5.5 |
| Net debt/Equity (%) | 49.4 | 30.0 | 19.4 | 10.2 |
| ROE (%) | 8.7 | 16.2 | 20.0 | 21.4 |

ตัวเลขผู้โดยสารต่างชาติใน 2QFY24 ฟื้นตัวเป็น 83% ของระดับก่อนโควิด

ปริมาณผู้โดยสารโต 22% y-y ใน 2QFY24 (ม.ค. - มี.ค.) โดยได้ปัจจัยหนุนจากปริมาณผู้โดยสารต่างชาติที่สูงขึ้น 43% y-y (คิดเป็น 83% ของระดับก่อนโควิด) เราคาดว่ารายได้ค่าบริการผู้โดยสารขาออก (PSC) จะโต 44% y-y เป็น 6.8พัน ลบ. จากปริมาณผู้โดยสารต่างชาติที่อยู่ในระดับสูงและการปรับค่า PSC ขึ้น 30 บาทต่อหัว รายได้ค่าสัมปทานน่าจะกระโดดเพิ่ม 120% y-y และสูงกว่าระดับก่อนโควิด 30-35% จากสัญญาฉบับประกันรายได้ขั้นต่ำจากสัญญาของ King Power ในภาพรวมเราคาดว่ารายได้จะเพิ่ม 61% y-y และค่าใช้จ่ายจะเพิ่ม 20% y-y ซึ่งจะทำให้กำไรปกติเพิ่ม 207% y-y เป็น 5.9พัน ลบ.

ทางวิ่งที่ 3 และอาคารผู้โดยสาร SAT-1 จะดึงดูดเที่ยวบินให้เพิ่มมากขึ้น

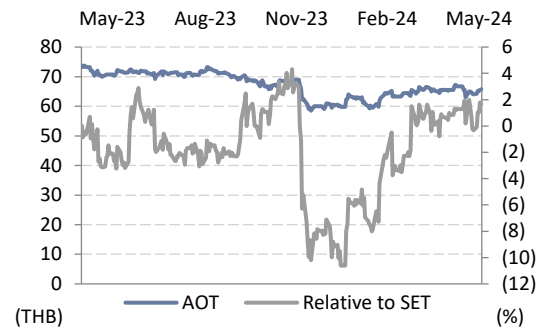
การก่อสร้างทางวิ่งที่ 3 ของสนามบินสุวรรณภูมิเสร็จสิ้นแล้วและมีกำหนดเปิดให้บริการในเดือน ก.ค. ซึ่งจะทำให้ขีดความสามารถในการรองรับเที่ยวบินเพิ่มจาก 68 เป็น 94 ต่อชั่วโมง ปัจจุบันดังกล่าวจะช่วยสนับสนุน SAT-1 ซึ่งเปิดให้บริการในเดือน ก.ย. 23 และเพิ่มขีดความสามารถของเขตการบินในการรองรับผู้โดยสาร (Airside capacity) จาก 45 เป็น 60 ล้านต่อปี เราคาดว่าสายการบินมีโอกาที่จะจองเที่ยวบินเพิ่มหลังทางวิ่งที่ 3 เริ่มเปิดให้บริการซึ่งจะทำให้ปริมาณผู้โดยสารเพิ่มขึ้นด้วย

ปริมาณผู้โดยสารอาจมี Upside ใน FY25

ปริมาณผู้โดยสารฟื้นตัวเป็น 61.2 ล้านในช่วง 1HFY24 (82% ของระดับก่อนโควิด) และคิดเป็น 50% ของประมาณการ FY24 ของเรา เราเห็น Upside ต่อประมาณการผู้โดยสารต่างชาติปี FY24 ของเราอยู่เล็กน้อยหลังตัวเลขเพิ่มเป็น 36.8 ล้านในช่วง 1HFY24 (84% ของระดับก่อนโควิด) และคิดเป็น 52% ของประมาณการปี FY24 ของเรา หุ่นอาจมี Upside สำคัญใน 4Q24 (1QFY25 สำหรับ AOT) ซึ่งเป็นฤดูท่องเที่ยวครั้งต่อไปและอาจเป็น Upside ให้แก่ AOT ในปี FY25 โดยมีสมมติฐานจาก Upside ของตัวเลขนักท่องเที่ยวขาเข้าปี 2024 ที่ 36-37 ล้าน (เทียบกับตัวเลขประมาณการปัจจุบันที่ 35 ล้าน)

บัญชีลูกหนี้ที่ลดลงจะช่วยลดความกังวลของตลาด

ราคาหุ้นของ AOT ลดลง 10% ในช่วงปีที่ผ่านมาและมีการซื้อขายในระดับการประเมินมูลค่าที่น่าสนใจที่ 34x FY25E P/E (เทียบกับค่าเฉลี่ย 5 ปีที่ 44x) โดยอาจเกิดจากความกังวลเกี่ยวกับสัญญาสัมปทานของ King Power และแนวโน้มบัญชีลูกหนี้ที่สูงขึ้นจาก 3.8พัน ลบ. ใน FY22 เป็น 14.0พัน ลบ. ใน 1QFY23 เราเชื่อว่าตัวเลขบัญชีลูกหนี้จะเริ่มลดลงใน 2QFY24 (หรือ 3QFY24 อย่างช้าที่สุด) เนื่องจาก credit term สำหรับส่วนต่างระหว่างสัญญาประกันรายได้ขั้นต่ำและส่วนแบ่งรายได้เป็นเวลา 6 เดือนที่ AOT ให้แก่ผู้รับสัมปทานจะสิ้นสุดในเดือน เม.ย. 24 โดยเราเชื่อว่าปัจจัยดังกล่าวจะช่วยบรรเทาความกังวลของตลาดได้ในที่สุด



| Share price performance | 1 Month | 3 Month | 12 Month |
|--------------------------------|---------------------------|---------|----------|
| Absolute (%) | 0.8 | 4.8 | (10.2) |
| Relative to country (%) | 1.2 | 5.9 | 0.5 |
| Mkt cap (USD m) | 25,521 | | |
| 3m avg. daily turnover (USD m) | 32.6 | | |
| Free float (%) | 30 | | |
| Major shareholder | Ministry of Finance (70%) | | |
| 12m high/low (THB) | 74.25/58.00 | | |
| Issued shares (m) | 14,285.70 | | |

Sources: Bloomberg consensus; FSSIA estimates



Teerapol Udomvej, CFA

Fundamental Investment Analyst on Securities; License no. 080523
teerapol.udo@fssia.com, +66 2646 9969

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

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 7 พฤษภาคม 2024

Investment thesis

AOT is now in a recovery mode. The domestic passenger volume was at 82% of the pre-Covid level, and the international passenger volume was at 88% of the pre-Covid level in Apr-24. The momentum should continue in 2024-25, led by Chinese tourists.

AOT has started collecting the minimum guarantee (MG) for main concession contracts with King Power under a sharing-per-head basis since Apr-23. We forecast AOT to collect an MG amount equivalent to the amount that King Power proposed (THB23.5b) by 2027, under our baseline case.

AOT has a healthy balance sheet with an IBD/E ratio of only 0.1x as of FY23, which we think is sufficient to support project expansions over the next three years, including a third runway and the East and North Expansions of BKK Airport.

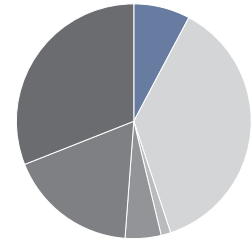
Company profile

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, 2023)

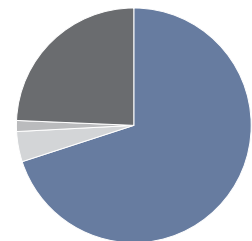
- Landing & parking - 7.8 %
- Passenger service - 37.1 %
- Aircraft service - 1.3 %
- Property rents - 4.9 %
- Service revenue - 17.8 %
- Concession revenue - 31.0 %



Source: Airports of Thailand

Major shareholders

- Ministry of Finance - 70.0 %
- Thai NVDR - 4.2 %
- South East Asia UK - 1.5 %
- Others - 24.3 %



Source: Airports of Thailand

Catalysts

Key growth drivers include 1) higher international passenger volumes; 2) BKK's East Expansion project; and 3) the transfer 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 |
|----------|-----------------------------|
| May 2024 | 2QFY24 results announcement |

Key assumptions

| | FY24E | FY25E | FY26E |
|---------------------------------------|-------|-------|-------|
| | (%) | (%) | (%) |
| Flight traffic growth - international | 30.1 | 17.8 | 7.0 |
| Flight traffic growth - domestic | 13.2 | 11.9 | 5.0 |
| Passenger growth - international | 32.3 | 17.8 | 8.0 |
| Passenger growth - domestic | 11.9 | 11.9 | 6.0 |
| PSC revenue growth | 33.8 | 20.9 | 7.8 |
| Concession revenue growth | 65.8 | 15.9 | 18.5 |

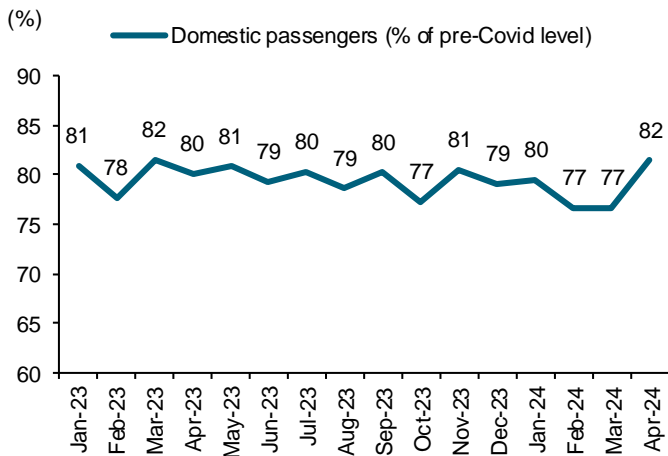
Source: FSSIA estimates

Earnings sensitivity

- For every 5% increase in international passenger volume, we project FY25 earnings to rise by 6%, and vice versa, all else being equal.
- For every 5% increase in domestic passenger volume, we project FY25 earnings to rise by 1%, and vice versa, all else being equal.

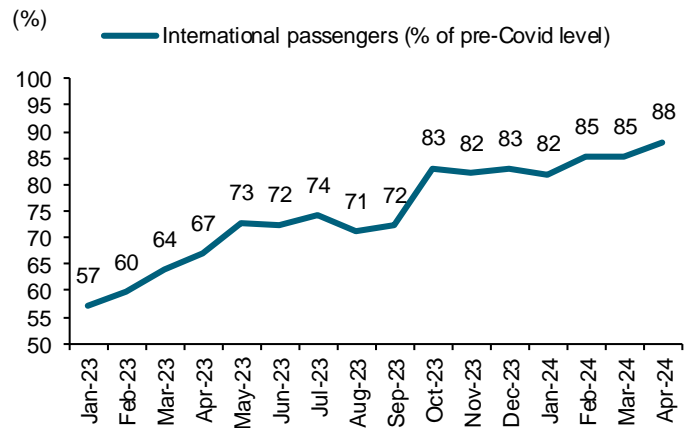
Source: FSSIA estimates

Exhibit 1: Domestic passenger volume vs pre-Covid level



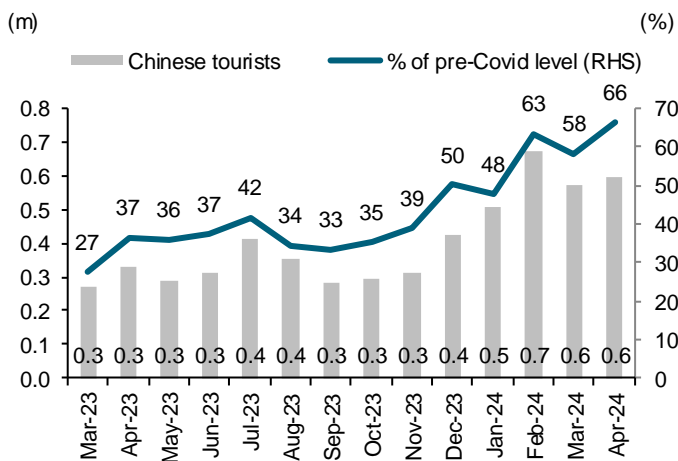
Source: AOT

Exhibit 2: International passenger volume vs pre-Covid level



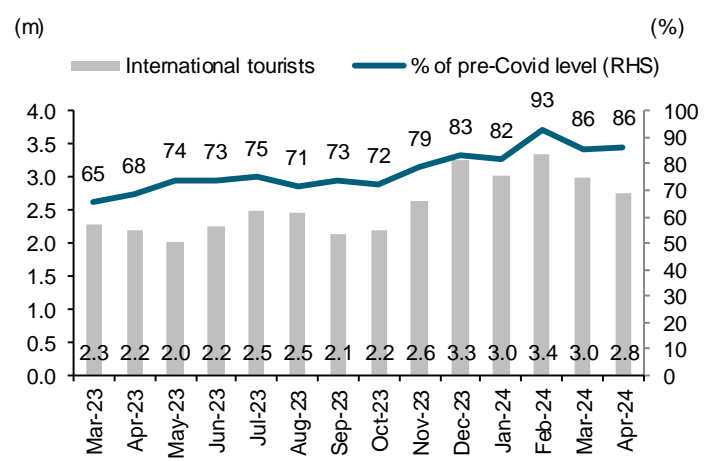
Source: AOT

Exhibit 3: Inbound Chinese tourist arrivals, monthly



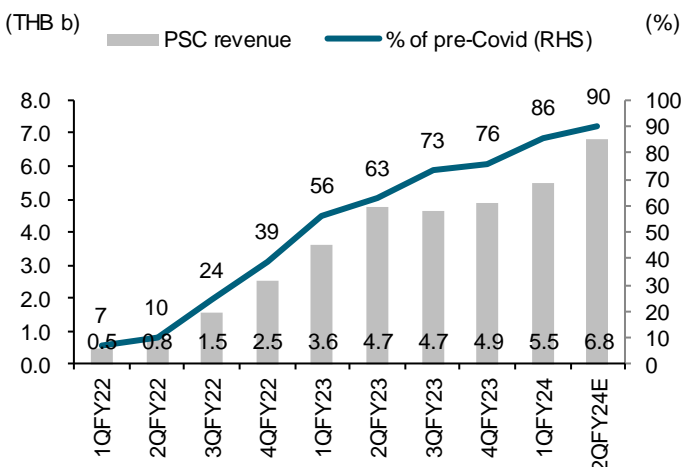
Source: Ministry of Tourism and Sports; FSSIA estimates

Exhibit 4: Inbound total tourist arrivals, monthly



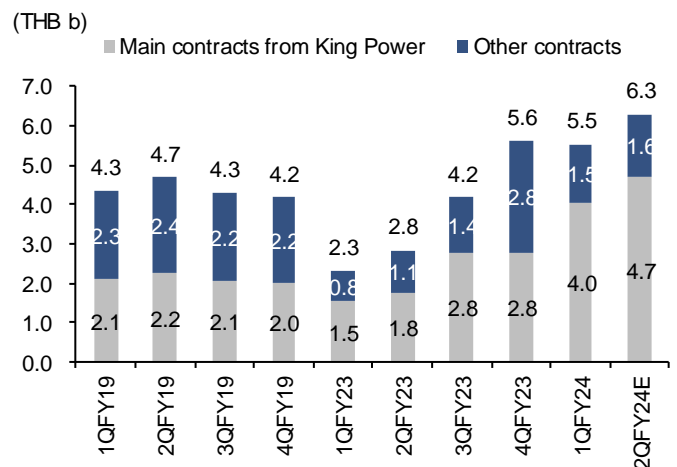
Source: Ministry of Tourism and Sports; FSSIA estimates

Exhibit 5: Passenger service charge (PSC) revenue



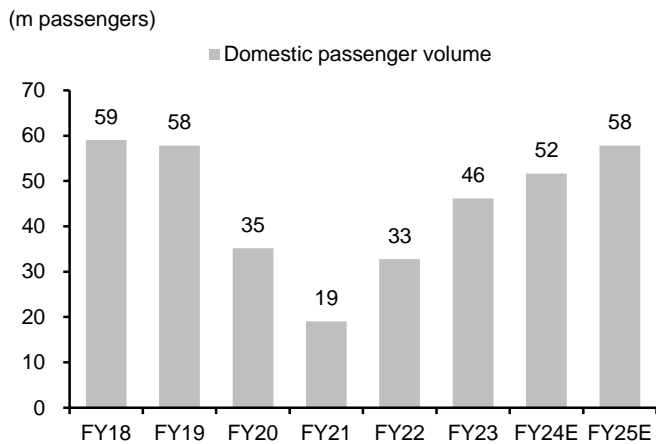
Source: AOT; FSSIA estimates

Exhibit 6: Concession revenue



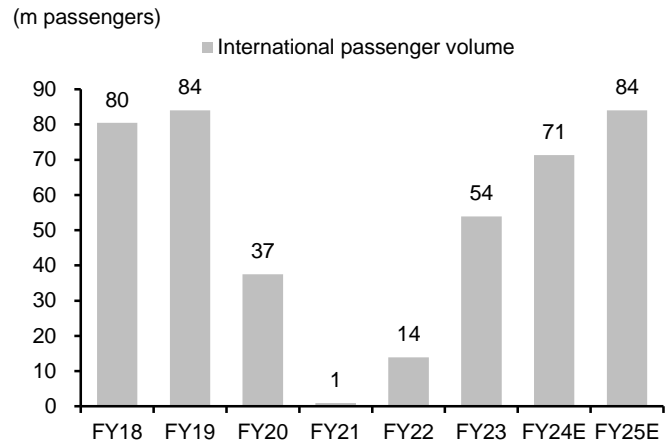
Note: Main contracts from King Power include duty-free and commercial activities at Suvarnabhumi Airport and duty-free at regional airports.
Source: AOT; FSSIA estimates

Exhibit 7: Domestic passenger volume



Source: AOT; FSSIA estimates

Exhibit 8: International passenger volume



Source: AOT; FSSIA estimates

Exhibit 9: 2QFY23 results preview

| | 2QFY23 | 3QFY23 | 4QFY23 | 1QFY24 | 2QFY24E | ----- Change ----- | | FY24E | Change |
|------------------------------|----------------|----------------|----------------|----------------|----------------|--------------------|--------------|---------------|------------|
| | (THB m) | (THB m) | (THB m) | (THB m) | (THB m) | (q-q %) | (y-y %) | (THB m) | (y-y %) |
| Sales | 11,001 | 12,954 | 15,362 | 15,708 | 17,705 | 13 | 61 | 64,796 | 35 |
| Expense (Incl. depreciation) | (7,927) | (8,107) | (10,214) | (9,165) | (9,529) | 4 | 20 | (38,309) | 13 |
| Operating profit | 3,074 | 4,847 | 5,148 | 6,543 | 8,176 | 25 | 166 | 26,487 | 84 |
| Net other income | 68 | 90 | 69 | 48 | 48 | 0 | (30) | 433 | 60 |
| Interest income | 5 | 7 | 7 | 15 | 10 | (31) | 110 | 38 | 60 |
| Interest expense | (723) | (719) | (720) | (692) | (692) | 0 | (4) | (2,817) | (3) |
| Pretax profit | 2,423 | 4,226 | 4,503 | 5,913 | 7,541 | 28 | 211 | 24,140 | 105 |
| Income tax | (432) | (822) | (865) | (1,148) | (1,508) | 31 | 249 | (4,345) | 94 |
| Associates | (0) | (0) | (0) | (0) | 0 | | | (0) | |
| Minority interest | (71) | (151) | 0 | (119) | (137) | 15 | 93 | (314) | 12 |
| Core profit | 1,920 | 3,253 | 3,639 | 4,645 | 5,896 | 27 | 207 | 19,480 | 111 |
| Extraordinaries | (65) | (141) | (161) | (81) | 0 | | | 0 | (100) |
| Forex gain/(loss) | 8 | 99 | (100) | (14) | 0 | | | 0 | (100) |
| Derivative gain/(loss) | (2) | (55) | 54 | 13 | 0 | | | | |
| Reported net profit | 1,861 | 3,156 | 3,432 | 4,563 | 5,896 | 29 | 217 | 19,480 | 122 |
| Shares (end Q, m) | 14,286 | 14,286 | 14,286 | 14,286 | 14,286 | 0 | 0 | 14,286 | 0 |
| Core EPS (THB) | 0.13 | 0.23 | 0.25 | 0.33 | 0.41 | 27 | 207 | 1.36 | 111 |
| EPS (THB) | 0.13 | 0.22 | 0.24 | 0.32 | 0.41 | 29 | 217 | 1.36 | 122 |
| Expenses (excl depreciation) | (5,761) | (5,937) | (7,903) | (6,346) | (6,683) | 5 | 16 | (26,759) | 7 |
| Depreciation | (2,166) | (2,170) | (2,311) | (2,819) | (2,847) | 1 | 31 | (11,550) | 30 |
| EBITDA | 5,239 | 7,017 | 7,459 | 9,361 | 11,022 | 18 | 110 | 38,037 | 64 |
| Key ratios | (%) | (%) | (%) | (%) | (%) | (ppt) | (ppt) | (%) | (%) |
| Operating profit margin | 28 | 37 | 34 | 42 | 46 | 5 | 18 | 41 | 11 |
| EBITDA margin | 48 | 54 | 49 | 60 | 62 | 3 | 15 | 59 | 10 |
| Net profit margin | 17 | 24 | 22 | 29 | 33 | 4 | 16 | 30 | 12 |
| Operating stats | (y-y %) | (y-y %) | (y-y %) | (y-y %) | (y-y %) | | | | |
| International pax growth | 817 | 243 | 102 | 54 | 43 | | | | |
| Domestic pax growth | 68 | 17 | 7 | (0) | (0) | | | | |
| Total pax growth | 196 | 85 | 48 | 25 | 22 | | | | |

Sources: AOT; FSSIA estimates

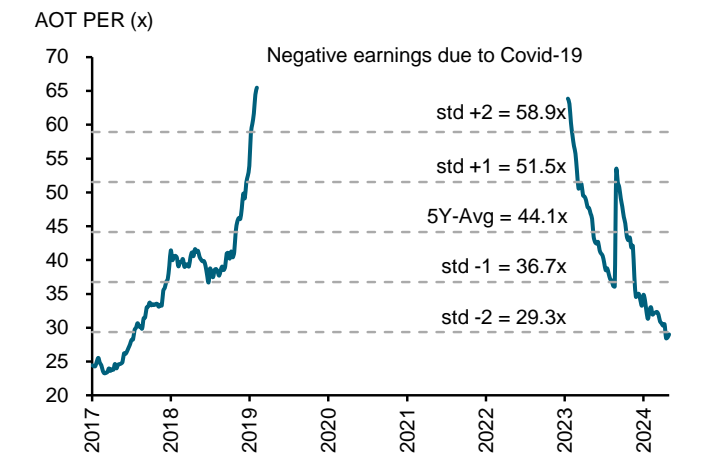
Exhibit 10: DCF/SoTP valuation

| Cost of equity assumptions | | (%) | Cost of debt assumptions | | (%) |
|----------------------------|--|------|--------------------------|--|------|
| Risk-free rate | | 3.0 | Pre-tax cost of debt | | 3.5 |
| Market risk premium | | 8.0 | Marginal tax rate | | 20.0 |
| Stock beta | | 0.9 | | | |
| Cost of equity, Ke | | 10.2 | Net cost of debt, Kd | | 2.8 |
| Weight applied | | 70.0 | Weight applied | | 30.0 |
| WACC | | 8.0 | | | |

| SOTP valuation | (THB b) | (THB/share) | Comments |
|--|----------------|-------------|---|
| Duty-free and commercial activity concession contracts | 445.3 | 31.2 | WACC 8%, risk-free rate 3%, risk premium 8%, terminal growth 3% |
| Core business | 667.3 | 46.7 | WACC 8%, risk-free rate 3%, risk premium 8%, terminal growth 3% |
| Cash & liquid assets | 67.4 | 4.7 | At end-FY24E |
| Investments | 1.0 | 0.1 | At end-FY24E |
| Debt | (107.0) | (7.5) | At end-FY24E |
| Minorities | (2.0) | (0.1) | At end-FY24E |
| Residual ordinary equity | 1,071.8 | 75.0 | |

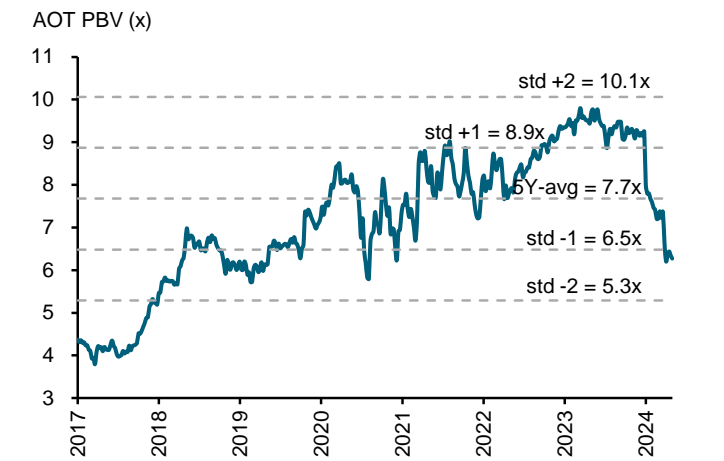
Source: FSSIA estimates

Exhibit 11: Rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 12: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 13: Peer comparisons as of 3 May 2024

| Company | BBG | Rec | --- Share price --- | | Market cap (USD m) | 3Y EPS CAGR (%) | ----- PE ----- | | | --- ROE --- | | --- PBV --- | | --- EV/ EBITDA --- | | |
|-------------------------|-----------|-----|---------------------|--------------|--------------------|-----------------|----------------|-------------|-------------|-------------|------------|-------------|------------|--------------------|-------------|-------------|
| | | | Current (THB) | Target (THB) | | | 24E (x) | 25E (x) | 26E (x) | 24E (%) | 25E (%) | 24E (x) | 25E (x) | 24E (x) | 25E (x) | 26E (x) |
| Thailand | | | | | | | | | | | | | | | | |
| Airports of Thailand*+ | AOT TB | BUY | 65.75 | 75.00 | 25,521 | 55 | 48.2 | 33.7 | 27.5 | 16.2 | 20.0 | 7.2 | 6.3 | 25.8 | 20.0 | 16.9 |
| Malaysia | | | | | | | | | | | | | | | | |
| Malaysia Airports | MAHB MK | n/a | 10.20 | NR | 3,660 | 23 | 43 | 23 | 19 | 5.8 | 9.8 | 2.4 | 2.2 | 10.2 | 7.9 | 7.9 |
| China | | | | | | | | | | | | | | | | |
| Beijing Capital Intl -A | 694 HK | n/a | 2.66 | NR | 1,528 | (46) | n/a | n/a | 20 | (7.9) | (1.2) | 0.7 | 0.7 | 52.1 | 12.3 | 12.3 |
| Hainan Meilan Intl | 357 HK | n/a | 7.79 | NR | 469 | (193) | n/a | 28 | 11 | 0.3 | 4.0 | 0.8 | 0.8 | 5.2 | 4.4 | 4.4 |
| Shanghai Intl Airport-A | 600009 CH | n/a | 37.46 | NR | 12,810 | 48 | 97 | 30 | 22 | 2.3 | 6.6 | 2.3 | 2.1 | 28 | 16.6 | 16.6 |
| Guangzhou Baiyun Intl | 600004 CH | n/a | 10.45 | NR | 3,401 | (201) | 50.8 | 20.4 | 16.4 | 2.5 | 6.3 | 1.4 | 1.3 | 10.4 | 8.3 | 8.3 |
| Shenzhen Airport -A | 000089 CH | n/a | 7.04 | NR | 1,998 | 223 | 43 | 31.5 | 21.9 | 3.7 | 4.2 | 1.3 | 1.3 | 15 | 13.1 | 13.1 |
| Xiamen Int Airport -A | 600897 CH | n/a | 14.04 | NR | 801 | (421) | 15 | 12.2 | 11 | 9.5 | 11.4 | 1.4 | 1.4 | 5.5 | 4.5 | 4.5 |
| Australia | | | | | | | | | | | | | | | | |
| Auckland Intl Airport** | AIA AU | n/a | 7.13 | NR | 6,994 | n/a | 82 | 41.6 | 38.0 | 1.7 | 3.2 | 1.4 | 1.4 | 34.6 | 22.4 | 22.4 |
| Japan | | | | | | | | | | | | | | | | |
| Japan Airport Termi*** | 9706 JP | n/a | 5,594 | NR | 3,358 | (260) | n/a | 10.4 | 28.8 | 3.4 | 10.4 | 3.4 | 3.2 | 33 | 11.3 | 11.3 |
| Average | | | | | 60,538 | 160 | 54.2 | 25.7 | 21.7 | 3.7 | 7.5 | 2.2 | 2.1 | 21.9 | 12.1 | 11.8 |

* 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 | 2022 | 2023 | 2024E | 2025E | 2026E |
|---|-----------------|---------------|---------------|---------------|---------------|
| Revenue | 16,560 | 48,141 | 64,796 | 75,755 | 84,648 |
| Cost of goods sold | (26,891) | (33,782) | (38,309) | (39,124) | (39,840) |
| Gross profit | (10,331) | 14,359 | 26,487 | 36,630 | 44,808 |
| Other operating income | - | - | - | - | - |
| Operating costs | 0 | 0 | 0 | 0 | 0 |
| Operating EBITDA | (1,400) | 23,230 | 38,037 | 48,460 | 56,808 |
| Depreciation | (8,932) | (8,870) | (11,550) | (11,830) | (12,000) |
| Goodwill amortisation | - | - | - | - | - |
| Operating EBIT | (10,331) | 14,359 | 26,487 | 36,630 | 44,808 |
| Net financing costs | (2,882) | (2,867) | (2,780) | (2,252) | (2,080) |
| Associates | 0 | 0 | 0 | 0 | 0 |
| Recurring non-operating income | 265 | 271 | 433 | 454 | 468 |
| Non-recurring items | (915) | (457) | 0 | 0 | 0 |
| Profit before tax | (13,864) | 11,307 | 24,140 | 34,833 | 43,197 |
| Tax | 2,888 | (2,235) | (4,345) | (6,618) | (8,639) |
| Profit after tax | (10,976) | 9,072 | 19,795 | 28,215 | 34,557 |
| Minority interests | (112) | (281) | (314) | (346) | (380) |
| Preferred dividends | - | - | - | - | - |
| Other items | - | - | - | - | - |
| Reported net profit | (11,088) | 8,791 | 19,480 | 27,869 | 34,177 |
| Non-recurring items & goodwill (net) | 915 | 457 | 0 | 0 | 0 |
| Recurring net profit | (10,173) | 9,247 | 19,480 | 27,869 | 34,177 |
| Per share (THB) | | | | | |
| Recurring EPS * | (0.71) | 0.65 | 1.36 | 1.95 | 2.39 |
| Reported EPS | (0.78) | 0.62 | 1.36 | 1.95 | 2.39 |
| DPS | 0.00 | 0.00 | 0.60 | 0.90 | 1.10 |
| Diluted shares (used to calculate per share data) | 14,286 | 14,286 | 14,286 | 14,286 | 14,286 |
| Growth | | | | | |
| Revenue (%) | 133.7 | 190.7 | 34.6 | 16.9 | 11.7 |
| Operating EBITDA (%) | nm | nm | 63.7 | 27.4 | 17.2 |
| Operating EBIT (%) | nm | nm | 84.5 | 38.3 | 22.3 |
| Recurring EPS (%) | nm | nm | 110.7 | 43.1 | 22.6 |
| Reported EPS (%) | nm | nm | 121.6 | 43.1 | 22.6 |
| Operating performance | | | | | |
| Gross margin inc. depreciation (%) | (62.4) | 29.8 | 40.9 | 48.4 | 52.9 |
| Gross margin exc. depreciation (%) | (8.5) | 48.3 | 58.7 | 64.0 | 67.1 |
| Operating EBITDA margin (%) | (8.5) | 48.3 | 58.7 | 64.0 | 67.1 |
| Operating EBIT margin (%) | (62.4) | 29.8 | 40.9 | 48.4 | 52.9 |
| Net margin (%) | (61.4) | 19.2 | 30.1 | 36.8 | 40.4 |
| Effective tax rate (%) | 22.3 | 19.0 | 18.0 | 19.0 | 20.0 |
| Dividend payout on recurring profit (%) | - | - | 44.0 | 46.1 | 46.0 |
| Interest cover (X) | (3.5) | 5.1 | 9.7 | 16.5 | 21.8 |
| Inventory days | 6.5 | 4.6 | 4.0 | 4.1 | 4.1 |
| Debtor days | 81.8 | 60.5 | 92.4 | 108.4 | 105.2 |
| Creditor days | 20.2 | 23.0 | 29.5 | 30.3 | 30.3 |
| Operating ROIC (%) | (5.2) | 7.5 | 13.4 | 17.5 | 20.0 |
| ROIC (%) | (4.5) | 6.9 | 12.4 | 16.2 | 18.6 |
| ROE (%) | (9.5) | 8.7 | 16.2 | 20.0 | 21.4 |
| ROA (%) | (4.1) | 6.2 | 9.6 | 11.0 | 12.5 |
| * Pre-exceptional, pre-goodwill and fully diluted | | | | | |
| Revenue by Division (THB m) | | | | | |
| Landing & parking | 1,619 | 3,742 | 6,452 | 7,500 | 8,037 |
| Passenger service | 5,267 | 17,882 | 23,919 | 28,927 | 31,178 |
| Aircraft service | 403 | 642 | 836 | 972 | 1,042 |
| Property rents | 1,438 | 2,381 | 2,429 | 2,501 | 2,576 |

Sources: Airports of Thailand; FSSIA estimates

Financial Statements

Airports of Thailand

| Cash Flow (THB m) Year Ending Sep | 2022 | 2023 | 2024E | 2025E | 2026E |
|--|----------------|-----------------|-----------------|-----------------|-----------------|
| Recurring net profit | (10,173) | 9,247 | 19,480 | 27,869 | 34,177 |
| Depreciation | 8,932 | 8,870 | 11,550 | 11,830 | 12,000 |
| Associates & minorities | - | - | - | - | - |
| Other non-cash items | (1,943) | 2,906 | 314 | 346 | 380 |
| Change in working capital | 8,846 | (5,892) | (4,574) | (1,304) | 2,024 |
| Cash flow from operations | 5,662 | 15,132 | 26,771 | 38,741 | 48,581 |
| Capex - maintenance | (8,182) | (12,546) | (11,000) | (20,000) | (24,000) |
| Capex - new investment | - | - | - | - | - |
| Net acquisitions & disposals | (5) | (278) | 0 | 0 | 0 |
| Other investments (net) | - | - | - | - | - |
| Cash flow from investing | (8,187) | (12,823) | (11,000) | (20,000) | (24,000) |
| Dividends paid | (8) | (18) | 0 | (8,571) | (12,857) |
| Equity finance | 0 | 0 | 0 | 0 | 0 |
| Debt finance | (2,477) | (82) | 45,558 | (6,000) | (6,000) |
| Other financing cash flows | 329 | 85 | 0 | 0 | 0 |
| Cash flow from financing | (2,156) | (15) | 45,558 | (14,571) | (18,857) |
| Non-recurring cash flows | - | - | - | - | - |
| Other adjustments | 0 | 0 | 0 | 0 | 0 |
| Net other adjustments | 0 | 0 | 0 | 0 | 0 |
| Movement in cash | (4,681) | 2,293 | 61,329 | 4,169 | 5,724 |
| Free cash flow to firm (FCFF) | 404.45 | 5,198.87 | 18,588.81 | 21,412.27 | 27,106.52 |
| Free cash flow to equity (FCFE) | (4,673.07) | 2,311.55 | 61,329.45 | 12,740.82 | 18,581.07 |
| Per share (THB) | | | | | |
| FCFF per share | 0.03 | 0.36 | 1.30 | 1.50 | 1.90 |
| FCFE per share | (0.33) | 0.16 | 4.29 | 0.89 | 1.30 |
| Recurring cash flow per share | (0.22) | 1.47 | 2.19 | 2.80 | 3.26 |
| Balance Sheet (THB m) Year Ending Sep | | | | | |
| | 2022 | 2023 | 2024E | 2025E | 2026E |
| Tangible fixed assets (gross) | 290,774 | 302,942 | 313,942 | 333,942 | 357,942 |
| Less: Accumulated depreciation | (133,776) | (142,269) | (153,819) | (165,649) | (177,649) |
| Tangible fixed assets (net) | 156,998 | 160,673 | 160,123 | 168,292 | 180,292 |
| Intangible fixed assets (net) | 0 | 0 | 0 | 0 | 0 |
| Long-term financial assets | - | - | - | - | - |
| Invest. in associates & subsidiaries | 694 | 972 | 972 | 972 | 972 |
| Cash & equivalents | 3,798 | 6,091 | 67,420 | 71,590 | 77,314 |
| A/C receivable | 3,785 | 12,184 | 20,607 | 24,395 | 24,395 |
| Inventories | 338 | 285 | 306 | 312 | 319 |
| Other current assets | 556 | 454 | 611 | 714 | 798 |
| Current assets | 8,476 | 19,014 | 88,945 | 97,012 | 102,826 |
| Other assets | 17,645 | 14,952 | 14,952 | 14,952 | 14,952 |
| Total assets | 183,813 | 195,611 | 264,992 | 281,228 | 299,042 |
| Common equity | 101,324 | 110,465 | 129,945 | 149,242 | 170,562 |
| Minorities etc. | 1,195 | 1,713 | 2,028 | 2,374 | 2,754 |
| Total shareholders' equity | 102,519 | 112,178 | 131,973 | 151,616 | 173,316 |
| Long term debt | 57,991 | 51,464 | 100,837 | 94,837 | 88,837 |
| Other long-term liabilities | 8,808 | 8,676 | 8,676 | 8,676 | 8,676 |
| Long-term liabilities | 66,799 | 60,140 | 109,513 | 103,513 | 97,513 |
| A/C payable | 1,056 | 2,086 | 2,241 | 2,286 | 2,332 |
| Short term debt | 3,566 | 10,011 | 6,197 | 6,197 | 6,197 |
| Other current liabilities | 9,873 | 11,195 | 15,068 | 17,616 | 19,685 |
| Current liabilities | 14,495 | 23,293 | 23,506 | 26,099 | 28,213 |
| Total liabilities and shareholders' equity | 183,813 | 195,611 | 264,992 | 281,228 | 299,042 |
| Net working capital | (6,251) | (358) | 4,215 | 5,519 | 3,496 |
| Invested capital | 169,086 | 176,239 | 180,262 | 189,736 | 199,712 |
| * Includes convertibles and preferred stock which is being treated as debt | | | | | |
| Per share (THB) | | | | | |
| Book value per share | 7.09 | 7.73 | 9.10 | 10.45 | 11.94 |
| Tangible book value per share | 7.09 | 7.73 | 9.10 | 10.45 | 11.94 |
| Financial strength | | | | | |
| Net debt/equity (%) | 56.3 | 49.4 | 30.0 | 19.4 | 10.2 |
| Net debt/total assets (%) | 31.4 | 28.3 | 14.9 | 10.5 | 5.9 |
| Current ratio (x) | 0.6 | 0.8 | 3.8 | 3.7 | 3.6 |
| CF interest cover (x) | (0.6) | 1.8 | 23.1 | 6.7 | 9.9 |
| Valuation | | | | | |
| | 2022 | 2023 | 2024E | 2025E | 2026E |
| Recurring P/E (x) * | (92.3) | 101.6 | 48.2 | 33.7 | 27.5 |
| Recurring P/E @ target price (x) * | (105.3) | 115.9 | 55.0 | 38.4 | 31.3 |
| Reported P/E (x) | (84.7) | 106.8 | 48.2 | 33.7 | 27.5 |
| Dividend yield (%) | - | - | 0.9 | 1.4 | 1.7 |
| Price/book (x) | 9.3 | 8.5 | 7.2 | 6.3 | 5.5 |
| Price/tangible book (x) | 9.3 | 8.5 | 7.2 | 6.3 | 5.5 |
| EV/EBITDA (x) ** | (713.2) | 42.9 | 25.8 | 20.0 | 16.9 |
| EV/EBITDA @ target price (x) ** | (807.6) | 48.6 | 29.3 | 22.8 | 19.2 |
| EV/invested capital (x) | 5.9 | 5.7 | 5.4 | 5.1 | 4.8 |
| * Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income | | | | | |

Sources: Airports of Thailand; FSSIA estimates

Airports of Thailand PCL (AOT TB)

FSSIA ESG rating

77.96 /100
Exhibit 14: FSSIA ESG score implication

| Rating | Score | Implication |
|--------|------------------|--|
| ★★★★★ | >79-100 | Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability. |
| ★★★★★ | >59-79 | A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers. |
| ★★★★ | >39-59 | Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually. |
| ★★★ | >19-39 | Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable. |
| ★ | 1-19 | The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC. |

Sources: FSSIA estimates

Exhibit 15: ESG – peer comparison

| | FSSIA ESG score | Domestic ratings | | | | | | Global ratings | | | | | | Bloomberg | |
|----------|-----------------|------------------|----------|------|----------|-----------|-----------|----------------------|----------|------|---------|-----------|------------|-----------|------------------|
| | | DJSI | SET THSI | THSI | CG score | AGM level | Thai CAC | Morningstar ESG risk | ESG Book | MSCI | Moody's | Refinitiv | S&P Global | ESG score | Disclosure score |
| SET100 | 69.20 | 5.34 | 4.40 | 4.40 | 4.76 | 4.65 | 3.84 | Medium | 51.76 | BBB | 20.87 | 58.72 | 63.91 | 3.72 | 28.17 |
| Coverage | 67.12 | 5.11 | 4.15 | 4.17 | 4.83 | 4.71 | 3.53 | Medium | 52.04 | BB | 16.97 | 56.85 | 62.09 | 3.40 | 31.94 |
| AAV | 43.83 | -- | Y | Y | 5.00 | 4.00 | -- | High | 48.81 | -- | -- | 42.50 | -- | 3.11 | 48.18 |
| AOT | 77.96 | Y | Y | Y | 5.00 | 5.00 | -- | Low | 64.96 | A | 39.00 | 50.87 | 77.00 | 4.19 | 55.78 |
| BA | 18.75 | -- | -- | -- | 4.00 | 4.00 | -- | High | -- | -- | -- | -- | 16.00 | -- | -- |
| PSL | 55.45 | -- | Y | Y | 5.00 | 5.00 | Certified | Medium | 59.76 | BB | -- | -- | 51.00 | -- | -- |
| RCL | 27.51 | -- | -- | -- | 4.00 | 4.00 | -- | High | 41.46 | -- | -- | 20.37 | 13.00 | .94 | 30.36 |
| TTA | 65.35 | -- | Y | Y | 5.00 | 5.00 | Certified | Medium | 56.56 | AA | -- | 50.79 | 25.00 | 3.31 | 56.20 |

Sources: SETTRADE.com; FSSIA's compilation

Exhibit 16: ESG score by Bloomberg

| FY ending Dec 31 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| ESG financial materiality scores - ESG score | 4.27 | 4.55 | 5.34 | 5.47 | 4.95 | 4.17 | 3.41 | 4.19 |
| BESG environmental pillar score | 4.94 | 4.68 | 4.74 | 5.02 | 5.00 | 4.10 | 2.46 | 3.87 |
| BESG social pillar score | 2.97 | 3.81 | 5.94 | 5.98 | 4.49 | 3.60 | 2.85 | 3.22 |
| BESG governance pillar score | 5.06 | 5.41 | 5.57 | 5.57 | 5.52 | 5.13 | 6.18 | 6.29 |
| ESG disclosure score | 51.22 | 57.00 | 58.73 | 62.06 | 61.32 | 60.33 | 60.75 | 55.78 |
| Environmental disclosure score | 34.61 | 44.82 | 44.82 | 53.01 | 54.97 | 53.55 | 53.88 | 45.70 |
| Social disclosure score | 35.34 | 42.47 | 47.67 | 49.49 | 45.31 | 43.74 | 42.17 | 35.43 |
| Governance disclosure score | 83.59 | 83.59 | 83.59 | 83.59 | 83.59 | 83.59 | 86.09 | 86.09 |
| Environmental | | | | | | | | |
| Emissions reduction initiatives | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Climate change policy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Climate change opportunities discussed | No | No | No | No | No | No | No | No |
| Risks of climate change discussed | No | No | No | No | No | No | Yes | Yes |
| GHG scope 1 | 3 | 2 | 2 | 3 | 3 | 3 | 3 | 2 |
| GHG scope 2 location-based | 146 | 212 | 214 | 229 | 215 | 171 | 179 | — |
| GHG Scope 3 | — | — | — | — | — | — | — | — |
| Carbon per unit of production | — | 0 | 0 | 0 | 0 | — | — | — |
| Biodiversity policy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Energy efficiency policy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Total energy consumption | 474 | 651 | 667 | 661 | 688 | 545 | 457 | 785 |
| Renewable energy use | — | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Electricity used | 474 | 554 | 572 | 570 | 688 | 545 | 457 | 437 |
| Fuel used - natural gas | — | — | — | — | — | — | — | — |

Sources: Bloomberg; FSSIA's compilation

Exhibit 17: ESG score by Bloomberg (cont.)

| FY ending Dec 31 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|
| Fuel used - crude oil/diesel | No | No | No | No | No | No | No | No |
| Waste reduction policy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Hazardous waste | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total waste | 29 | 26 | 31 | 32 | 36 | 26 | 19 | 18 |
| Waste recycled | — | — | — | — | 3 | 2 | 1 | 0 |
| Waste sent to landfills | — | 23 | 25 | 23 | 28 | 8 | 2 | 3 |
| Environmental supply chain management | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Water policy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Water consumption | — | 4,075 | 4,863 | 6,285 | 6,490 | 5,889 | 4,755 | 4,783 |
| Social | | | | | | | | |
| Human rights policy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Policy against child labor | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Quality assurance and recall policy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Consumer data protection policy | No | No | Yes | Yes | Yes | Yes | Yes | Yes |
| Equal opportunity policy | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Gender pay gap breakout | No | No | No | No | No | No | No | No |
| Pct women in workforce | 39 | 38 | 40 | 40 | 40 | 40 | 40 | 40 |
| Pct disabled in workforce | — | — | — | — | — | — | — | — |
| Business ethics policy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Anti-bribery ethics policy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Health and safety policy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Lost time incident rate - employees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total recordable incident rate - employees | — | — | — | — | — | — | — | — |
| Training policy | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Fair remuneration policy | No | No | No | No | No | No | No | No |
| Number of employees – CSR | 6,043 | 6,726 | 7,230 | 7,718 | 8,117 | 8,769 | 8,176 | 7,919 |
| Employee turnover pct | 3 | 3 | 2 | 1 | 1 | 2 | 2 | 2 |
| Total hours spent by firm - employee training | 236,402 | 278,056 | 214,370 | 337,035 | 169,206 | 63,867 | 59,834 | 74,225 |
| Social supply chain management | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Governance | | | | | | | | |
| Board size | 14 | 12 | 15 | 15 | 13 | 14 | 15 | 15 |
| No. of independent directors (ID) | 7 | 7 | 12 | 11 | 8 | 9 | 11 | 10 |
| No. of women on board | 2 | 2 | 2 | 2 | 2 | 3 | 5 | 5 |
| No. of non-executive directors on board | 14 | 11 | 14 | 14 | 12 | 13 | 14 | 14 |
| Company conducts board evaluations | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| No. of board meetings for the year | 15 | 15 | 14 | 14 | 15 | 14 | 15 | 13 |
| Board meeting attendance pct | 92 | 94 | 95 | 98 | 96 | 96 | 98 | 98 |
| Board duration (years) | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Director share ownership guidelines | No | No | No | No | No | No | No | No |
| Age of the youngest director | 44 | 44 | 45 | 47 | 48 | 49 | 44 | 45 |
| Age of the oldest director | 64 | 62 | 63 | 64 | 64 | 64 | 62 | 63 |
| No. of executives / company managers | 21 | 21 | 21 | 21 | 20 | 16 | 16 | 16 |
| No. of female executives | 7 | 7 | 7 | 7 | 6 | 2 | 2 | 2 |
| Executive share ownership guidelines | No | No | No | No | No | No | No | No |
| Size of audit committee | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| No. of ID on audit committee | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Audit committee meetings | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 15 |
| Audit meeting attendance % | 97 | 97 | 97 | 100 | 92 | 100 | 100 | 100 |
| Size of compensation committee | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| No. of ID on compensation committee | 2 | 2 | 3 | 3 | 2 | 2 | 2 | 2 |
| No. of compensation committee meetings | 1 | 2 | 3 | 2 | 3 | 3 | 2 | 2 |
| Compensation meeting attendance % | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Size of nomination committee | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| No. of nomination committee meetings | 3 | 3 | 2 | 2 | 3 | 4 | 4 | 2 |
| Nomination meeting attendance % | 100 | 88 | 100 | 100 | 100 | 94 | 100 | 100 |
| Sustainability governance | | | | | | | | |
| Verification type | No | No | No | No | No | No | No | No |

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

| ESG score | Methodology | Rating | | | | | | | | | | | | | | | | | | | | |
|---|--|---|---|----------------|---|-----------|-------------|----------|-------------|------------|-------------|-----------------|---|-----------|-------------|----------|-------------|------------|-------------|-----------------|---|--|
| The Dow Jones Sustainability Indices (DJSI) By S&P Global | The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion. | Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe. | | | | | | | | | | | | | | | | | | | | |
| Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET) | THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years. | To be eligible for THSI inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETTHSI Index is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks. | | | | | | | | | | | | | | | | | | | | |
| CG Score by Thai Institute of Directors Association (Thai IOD) | An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations. | Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%). | | | | | | | | | | | | | | | | | | | | |
| AGM level By Thai Investors Association (TIA) with support from the SEC | It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i> | The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79. | | | | | | | | | | | | | | | | | | | | |
| Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC) | The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i> | The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements. | | | | | | | | | | | | | | | | | | | | |
| Morningstar Sustainability | The Sustainability's ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i> | A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. | | | | | | | | | | | | | | | | | | | | |
| ESG Book | The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis. | <table border="1"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table> <p>The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.</p> | NEGL | Low | Medium | High | Severe | 0-10 | 10-20 | 20-30 | 30-40 | 40+ | | | | | | | | | | |
| NEGL | Low | Medium | High | Severe | | | | | | | | | | | | | | | | | | |
| 0-10 | 10-20 | 20-30 | 30-40 | 40+ | | | | | | | | | | | | | | | | | | |
| MSCI | MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. | | | | | | | | | | | | | | | | | | | | | |
| | <table border="1"> <tbody> <tr> <td>AAA</td> <td>8.571-10.000</td> <td rowspan="3">Leader:</td> <td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td rowspan="3">Average:</td> <td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td>BB</td> <td>2.857-4.285</td> </tr> <tr> <td>B</td> <td>1.429-2.856</td> </tr> <tr> <td>CCC</td> <td>0.000-1.428</td> <td>Laggard:</td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table> | AAA | 8.571-10.000 | Leader: | leading its industry in managing the most significant ESG risks and opportunities | AA | 7.143-8.570 | A | 5.714-7.142 | BBB | 4.286-5.713 | Average: | a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers | BB | 2.857-4.285 | B | 1.429-2.856 | CCC | 0.000-1.428 | Laggard: | lagging its industry based on its high exposure and failure to manage significant ESG risks | |
| AAA | 8.571-10.000 | Leader: | leading its industry in managing the most significant ESG risks and opportunities | | | | | | | | | | | | | | | | | | | |
| AA | 7.143-8.570 | | | | | | | | | | | | | | | | | | | | | |
| A | 5.714-7.142 | | | | | | | | | | | | | | | | | | | | | |
| BBB | 4.286-5.713 | Average: | a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers | | | | | | | | | | | | | | | | | | | |
| BB | 2.857-4.285 | | | | | | | | | | | | | | | | | | | | | |
| B | 1.429-2.856 | | | | | | | | | | | | | | | | | | | | | |
| CCC | 0.000-1.428 | Laggard: | lagging its industry based on its high exposure and failure to manage significant ESG risks | | | | | | | | | | | | | | | | | | | |
| Moody's ESG solutions | Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term. | | | | | | | | | | | | | | | | | | | | | |
| Refinitiv ESG rating | Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i> | | | | | | | | | | | | | | | | | | | | | |
| S&P Global | The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100. | | | | | | | | | | | | | | | | | | | | | |
| Bloomberg | ESG Score | Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best. | | | | | | | | | | | | | | | | | | | | |
| Bloomberg | ESG Disclosure Score | Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point. | | | | | | | | | | | | | | | | | | | | |

[Rating](#) regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: 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 Securities Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSSIA makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSSIA has no intention to solicit investors to buy or sell any security in this report. In addition, FSSIA 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

Airports of Thailand (AOT TB)



| Date | Rating | Target price | Date | Rating | Target price | Date | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 09-Jun-2021 | BUY | 82.00 | 26-Nov-2021 | BUY | 79.00 | 29-Nov-2023 | BUY | 76.00 |
| 13-Aug-2021 | BUY | 80.00 | 02-Jun-2022 | BUY | 85.00 | 14-Feb-2024 | BUY | 75.00 |

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 65.75 | 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.

All share prices are as at market close on 03-May-2024 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.