26 JULY 2024

EQUITY RESEARCH - COMPANY REPORT

FINANSIA
FSS INTERNATIONAL INVESTMENT ADVISORY

BANGKOK AIRWAYS BA TB

THAILAND / TRANSPORT & LOGISTICS

BUY

UNCHANGED

TARGET PRICE	THB28.00
CLOSE	THB20.70
UP/DOWNSIDE	+35.3%
PRIOR TP	THB25.00
CHANGE IN TP	+12.0%
TP vs CONSENSUS	+24.0%

Flying high in the low season

- คาดกำไรปกติ 2Q24 จะโต 19% เป็น 525 ลบ. ทำสถิติสูงสุดใหม่สำหรับ 2Q ซึ่งปกติเป็น Low season ปริมาณผู้โดยสารในเส้นทางสมุยเร่งตัวขึ้นในเดือน ก.ค. โดยเพิ่มขึ้น 20% เมื่อเทียบกับ 2Q24, +15% y-y, และ +12% เมื่อเทียบกับระดับก่อนโควิด
- คาดกำไรปกติจะเพิ่มเท่าตัวเป็น 3.3พัน ลบ. ในปี 2024
- คงคำแนะนำซื้อหลังปรับราคาเป้าหมายขึ้นเป็น 28.0 บาท (SoTP)

Load factor และค่าบัตรโดยสารน่าจะปรับตัวดีขึ้น y-y ใน 2Q24

เราคาดว่าปริมาณผู้โดยสารใน 2Q24 จะโต 2% y-y เป็น 935k (72% ของระดับก่อนโควิด) ค่าบัตรโดยสารเฉลี่ยน่าจะกระโดดเพิ่ม 13% y-y เป็น 4,000 บาท สูงกว่าระดับก่อนโควิด 28% Passenger yield น่าจะปรับตัวดีขึ้นเป็น 6.3 บาท/หัว/ก.ม. (เทียบกับ 5.8 บาทใน 2Q23) จาก Load factor ที่ 77% (เทียบกับ 75% ใน 2Q23) เพราะฉะนั้นรายได้ผู้โดยสารจึงน่าจะเพิ่ม 14% y-y รายได้สนามบินและรายได้อื่นที่เกี่ยวข้องน่าจะโต 15% y-y จากปริมาณผู้โดยสารในเส้นทางสมุยและรายได้จากธุรกิจบริการภาคพื้นดินที่สูงขึ้น ค่าใช้จ่ายน่าจะเพิ่ม 11% y-y ส่วนมากจากราคา Spot ของเชื้อเพลิงอากาศยานที่สูงขึ้นและภาษีสรรพสามิตรเพิ่มเติมสำหรับเที่ยวบินในประเทศ ในภาพรวมเราคาดว่ากำไรปกติ 2Q24 จะโต 19% y-y เป็น 525 ลบ. นับเป็นกำไรปกติใน 2Q ที่ดีที่สุดในประวัติศาสตร์ของบริษัทฯ ทั้งนี้ BA มีแนวโน้มที่จะจ่ายภาษีในอัตรา 20% ในไตรมาสนี้หลังใช้เครดิตภาษีไปครบแล้ว อย่างไรก็ดีกำไรก่อนหักภาษีน่าจะกระโดดเพิ่ม 61% y-y

ปริมาณผู้โดยสารในเส้นทางสมุยอยู่ในเกณฑ์ดีทั้งใน 2Q24 และ 3Q24

แม้ว่าจะเป็น Low season ปริมาณผู้โดยสารในเส้นทางสมุยยังทรงตัวดีและสูงกว่าระดับก่อนโควิด 16% ใน 2Q24 ทำให้ปริมาณผู้โดยสารในช่วง 1H24 โต 23% y-y และสูงกว่าระดับก่อนโควิด 11% ปัจจุบันสมุยกำลังเข้าสู่ High season ในช่วงเดือน ก.ค. และส.ค. จากข้อมูลของ CAAT ปริมาณผู้โดยสารเฉลี่ยในเส้นทางสมุยในช่วงวันที่ 1-24 ก.ค. อยู่ที่ 8.0k/วัน สูงกว่าค่าเฉลี่ยใน 2Q24 อยู่ 20% โดยกระโดดขึ้น 15-16% y-y และสูงกว่าระดับก่อนโควิดอยู่ 12-13% ดังนั้นเราจึงคาดว่ากำไรจะโตดีต่อเนื่องใน 3Q24

ปรับเพิ่มประมาณการกำไรปกติเพื่อสะท้อนแนวโน้มค่าบัตรโดยสารที่ดี

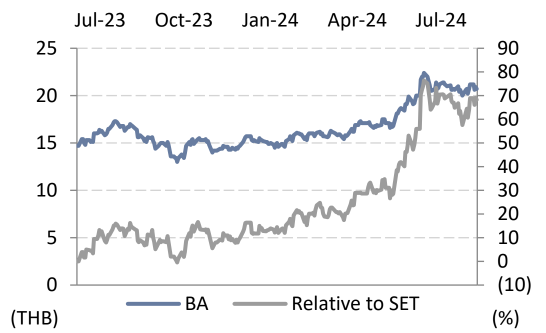
เราปรับเพิ่มประมาณการกำไรปกติปี 2024 ของเราขึ้น 9% เพื่อสะท้อนแนวโน้มค่าบัตรโดยสารที่สูงขึ้น ปัจจุบันเราคาดค่าบัตรโดยสารเฉลี่ยในปี 2024 อยู่ที่ 4,087 บาท (+9% y-y, +27% เทียบกับระดับก่อนโควิด) อย่างไรก็ดีประมาณการของเราดังกล่าวยังมี Upside จากค่าบัตรโดยสารเฉลี่ยในช่วง 1H24 ที่คาดว่าจะอยู่ที่ 4,200 บาท ในภาพรวมเราคาดว่ากำไรปกติปี 2024 จะกระโดดเพิ่ม 100% เป็น 3.3พัน ลบ.

กำไรสูงสุดใหม่อาจช่วยหนุนราคาหุ้นให้ปรับขึ้นทำสถิติสูงสุดใหม่

เราปรับเพิ่มราคาเป้าหมายของเราเป็น 28 บาท (SoTP) เทียบเท่า 18x 2024E P/E BA มีการซื้อขายโดยมีการประเมินมูลค่าในระดับต่ำเพียง 13x 2024E P/E (เทียบกับค่าเฉลี่ยของสายการบินระดับโลกที่ 12x) เราเห็นว่าหุ้นควรมีการซื้อขายสูงกว่ากลุ่มฯ จากการเติบโตของกำไรที่ดีกว่า อัตรากำไรจากการดำเนินงานที่สูงกว่า (18% ของ BA เทียบกับค่าเฉลี่ยที่ 6% ของสายการบินระดับโลก) และสภาวะเกือบผูกขาดในธุรกิจการบินในเส้นทางสมุย ราคาหุ้นน่าจะปรับขึ้นสู่ราคา IPO ที่ 25 บาทจากกำไรที่คาดว่าจะทำสถิติสูงสุดใหม่ในปี 2024 (เทียบกับระดับสูงสุดในปัจจุบันที่ 2.1พัน ลบ. ในปี 2016)

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	19,681	23,849	25,202	25,905
Net profit	3,110	3,310	3,508	3,715
EPS (THB)	1.48	1.58	1.67	1.77
vs Consensus (%)	-	24.7	27.4	25.1
EBITDA	2,841	4,558	4,778	4,822
Recurring net profit	1,653	3,310	3,508	3,715
Core EPS (THB)	0.79	1.58	1.67	1.77
Chg. In EPS est. (%)	-	9.4	8.6	8.5
EPS growth (%)	nm	100.2	6.0	5.9
Core P/E (x)	26.3	13.1	12.4	11.7
Dividend yield (%)	4.8	7.0	7.3	7.5
EV/EBITDA (x)	20.7	12.4	11.6	11.2
Price/book (x)	2.6	2.4	2.3	2.3
Net debt/Equity (%)	91.8	71.8	64.2	55.8
ROE (%)	9.8	18.8	19.0	19.6



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(3.3)	22.5	47.9
Relative to country (%)	(1.2)	29.4	74.7

Mkt cap (USD m)	1,202
3m avg. daily turnover (USD m)	3.1
Free float (%)	41
Major shareholder	Prasarttong-Osoth Puttipong (25%)
12m high/low (THB)	22.40/12.70
Issued shares (m)	2,100.00

Sources: Bloomberg consensus; FSSIA estimates

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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 26 กรกฎาคม 2024

Investment thesis

BA has successfully turned its airline business around by focusing on its higher-yielding Samui route (48% of passenger revenue in 2019). BA also plans to reduce its fleet and trim its costs, which should support its earnings visibility in the long run.

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

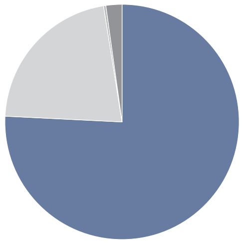
Samui Airport is increasing its flight capacity from 50 to 73 flights/day, and there is a potential for an upgrade to its commercial space. This should improve the airport's long-term profitability.

Company profile

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

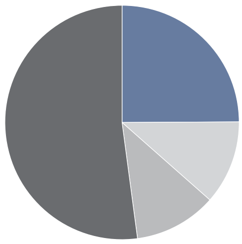
www.bangkokair.com

Principal activities (revenue, 2023)



Source: Bangkok Airways

Major shareholders



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) slower-than-expected recovery of international tourist numbers.

Event calendar

Date	Event
Aug 2024	2Q24 results announcement

Key assumptions

	2024E	2025E	2026E
Number of aircraft (no.)	24	27	27
Passengers carried (m)	4.5	4.6	4.6
Load factor (%)	85.0	84.5	84.0
Average ticket fare (THB)	4,087	4,189	4,314
Jet fuel spot price (USD/bbl)	110.0	110.0	110.0
THB/USD	35.7	35.7	35.7

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in load factor, we project a 2024 profit increase of 5% and vice versa, all else being equal.
- For every 1% increase in average ticket fare, we project a 2024 profit increase of 4% and vice versa, all else being equal.
- For every 1% increase in Brent spot price, we project a 2024 profit reduction of 1% and vice versa, all else being equal.

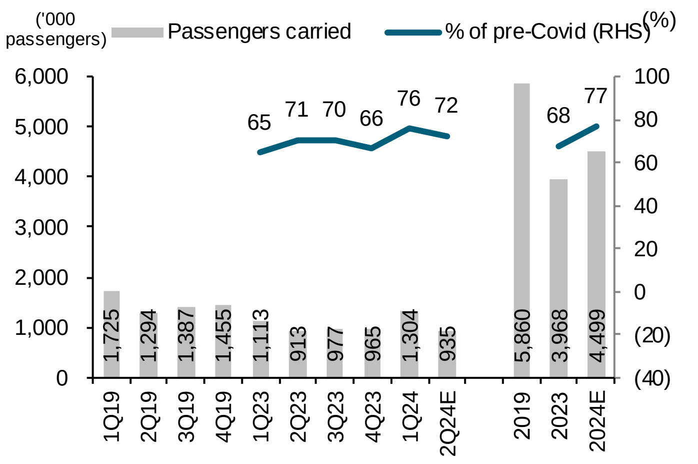
Source: FSSIA estimates

Exhibit 1: BA - 2Q24 results preview

	2Q23 (THB m)	3Q23 (THB m)	4Q23 (THB m)	1Q24 (THB m)	2Q24E (THB m)	----------- Change ----------- (q-q %)	(y-y %)	2024E (THB m)
Sales	4,357	4,978	5,072	7,241	4,986	*(31)*	*14*	23,849
- Passenger revenue	3,267	3,742	3,782	5,749	3,741	*(35)*	*14*	18,385
- Other revenue	1,089	1,236	1,290	1,492	1,246	*(17)*	*14*	5,464
Expense	(4,172)	(4,451)	(5,523)	(5,358)	(4,640)	*(13)*	*11*	(20,930)
- Fuel and oil	(649)	(861)	(1,004)	(1,056)	(870)	*(18)*	*34*	(4,290)
- Non-fuel operating expenses	(3,523)	(3,590)	(4,519)	(4,302)	(3,771)	*(12)*	*7*	(16,639)
Operating profit	**184**	**528**	**(451)**	**1,884**	**346**	***(82)***	***88***	**2,919**
Dividend income	310	340	0	0	257	*nm*	*(17)*	533
Net other income	297	294	312	507	323	*(36)*	*9*	1,531
Interest income	24	34	78	51	45	*(12)*	*87*	204
Interest expense	(546)	(543)	(536)	(537)	(537)	*0*	*(2)*	(1,998)
Pretax profit	**270**	**653**	**(597)**	**1,905**	**433**	***(77)***	***61***	**3,189**
Income Tax	(0)	0	0	(263)	(67)	*(74)*	*nm*	(520)
Associates	170	157	162	159	160	*1*	*(6)*	639
Minority interest	3	1	2	(6)	(1)	*(84)*	*nm*	2
Core profit	**442**	**811**	**(432)**	**1,794**	**525**	***(71)***	***19***	**3,310**
Extraordinaries	227	1,100	86	79	0			0
- FX	(3)	14	(14)	79	0			0
- Derivative	0	0	0	0	0			0
- Others	230	1,086	100	0				0
Net profit	**670**	**1,911**	**(346)**	**1,873**	**525**	***(72)***	***(22)***	**3,310**
Shares out (end Q, m)	2,100	2,100	2,100	2,100	2,100	*0*	*0*	2,100
Pre-ex EPS	**0.21**	**0.39**	**(0.21)**	**0.85**	**0.25**	***(71)***	***19***	**1.58**
EPS	**0.32**	**0.91**	**(0.16)**	**0.89**	**0.25**	***(72)***	***(22)***	**1.58**
Depreciation	(438)	(436)	(407)	(391)	(391)	*0*	*(11)*	(1,639)
EBITDA	623	964	(43)	2,275	737	*(68)*	*18*	4,558
Key ratios						***(ppt)***	***(ppt)***	
Operating profit margin (%)	4	11	(9)	26	7	*(19)*	*3*	12
EBITDA margin (%)	14	19	(1)	31	15	*(17)*	*0*	19
Net profit margin (%)	15	38	(7)	26	11	*(15)*	*(5)*	14
Operating stats								
Passenger carried (m)	0.91	0.98	0.97	1.30	0.94			
Load factor (%)	75	78	76	88	77			
RPK (m seats-km)	560	595	622	836	598			
ASK (m seats-km)	744	764	816	945	781			
Average fare (THB)	3,531	3,803	3,947	4,406	4,000			
RASK (THB)	5.0	5.5	5.3	6.8	0.0			
CASK (THB)	4.7	4.9	6.2	4.8	0.0			
CASK ex-fuel (THB)	3.8	3.8	5.0	2.0	0.0			

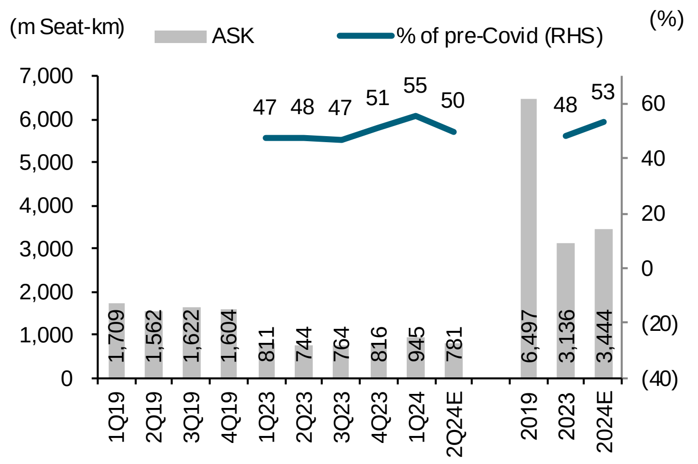
Sources: BA; FSSIA estimates

Exhibit 2: Passengers carried



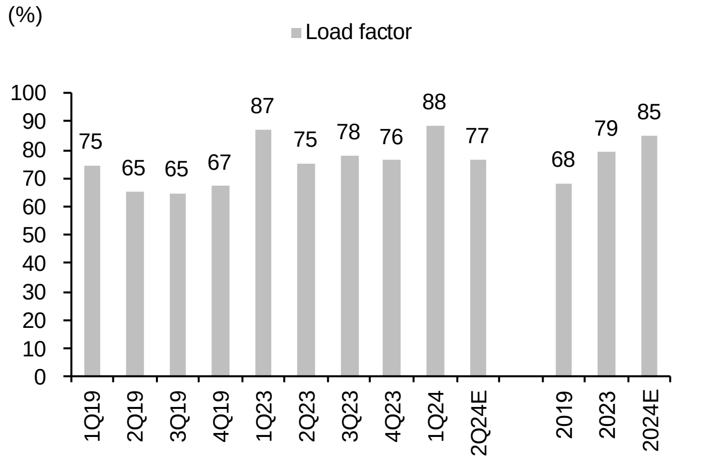
Sources: BA; FSSIA estimates

Exhibit 3: ASK



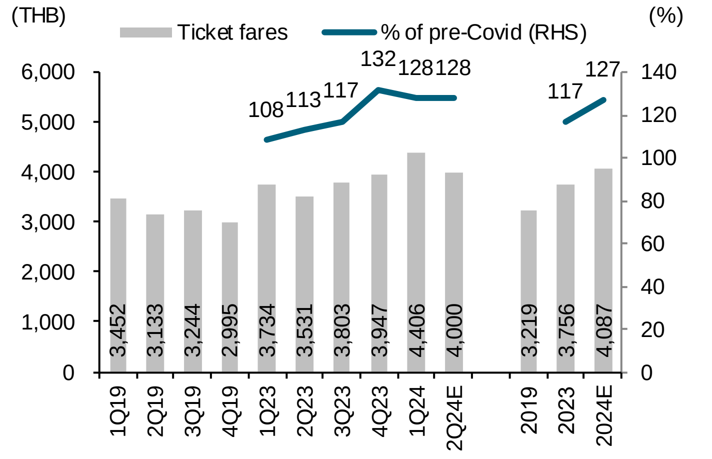
* ASK = available seat kilometers
Sources: BA; FSSIA estimates

Exhibit 4: Load factor



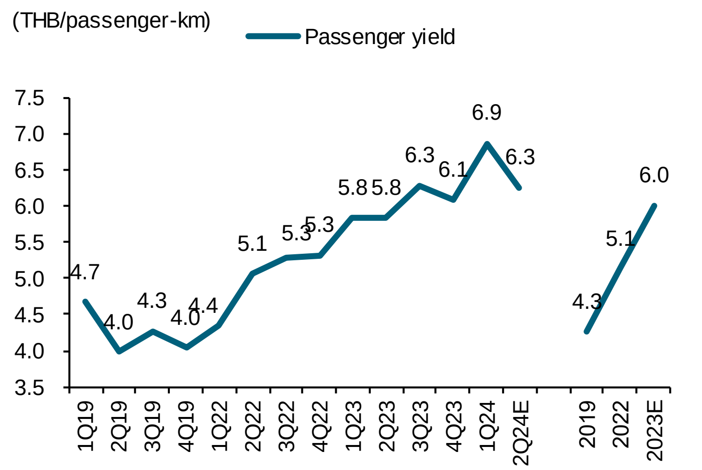
Sources: BA; FSSIA estimates

Exhibit 5: Ticket fares (average)



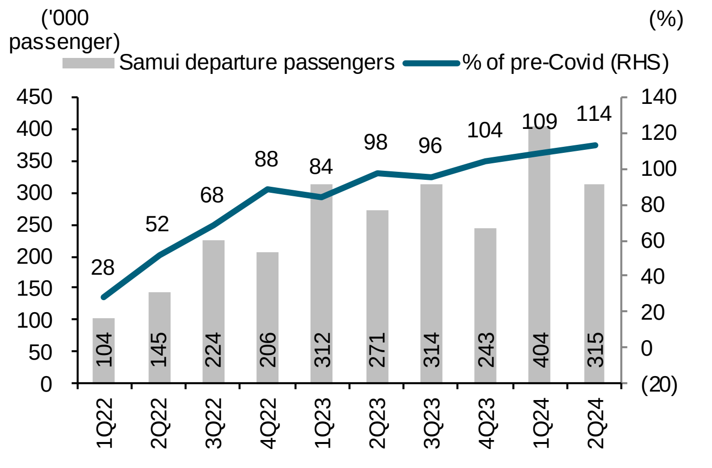
Sources: BA; FSSIA estimates

Exhibit 6: Passenger yield



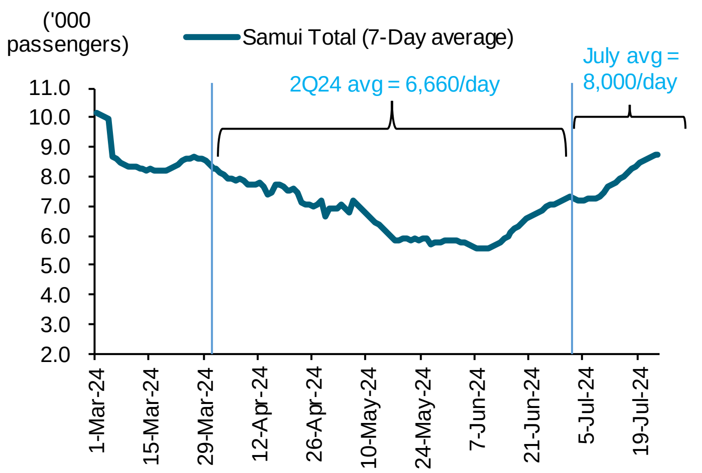
Sources: BA; FSSIA estimates

Exhibit 7: Samui passenger volume



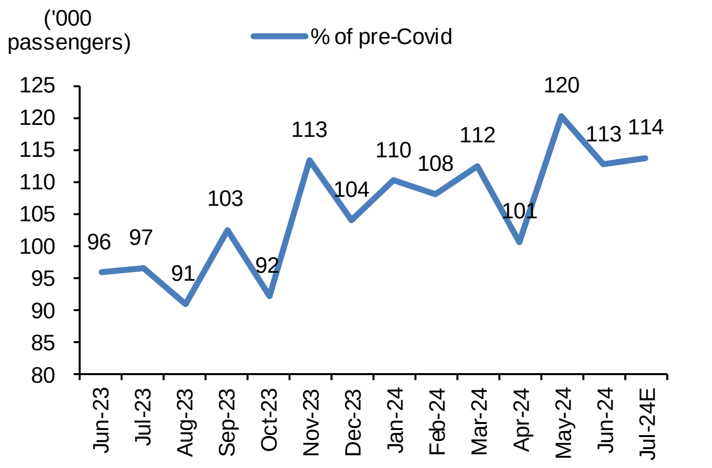
Note: only departure passengers
Sources: BA; FSSIA estimates

Exhibit 8: Samui passenger volume trend



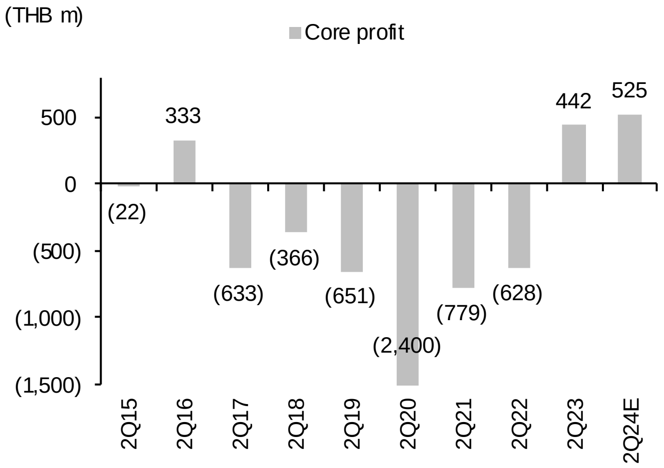
Note: Includes both arrivals and departures
Source: The Civil Aviation Authority of Thailand (CAAT)

Exhibit 9: Samui passenger volume: monthly recovery trend



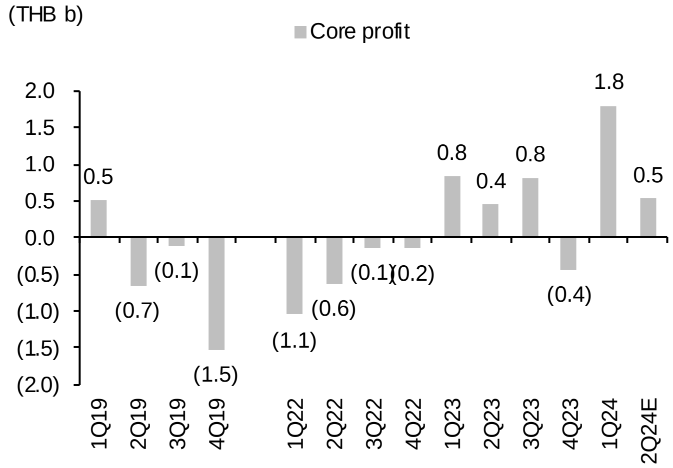
Note: Includes both arrivals and departures
Source: CAAT

Exhibit 10: 2Q core profit, 2015-2023



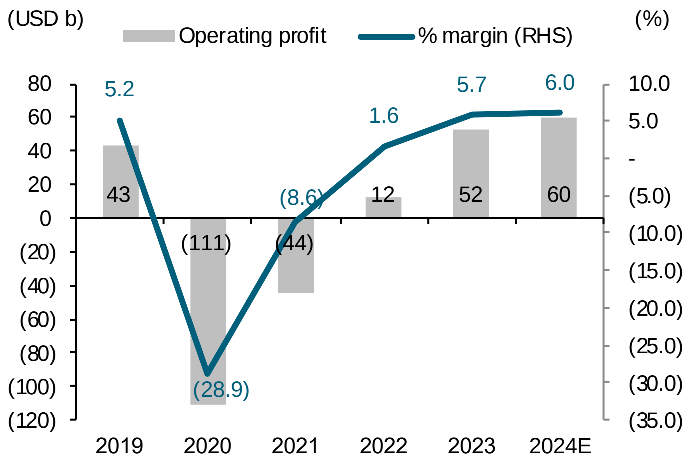
Sources: BA; FSSIA estimates

Exhibit 11: Core profit



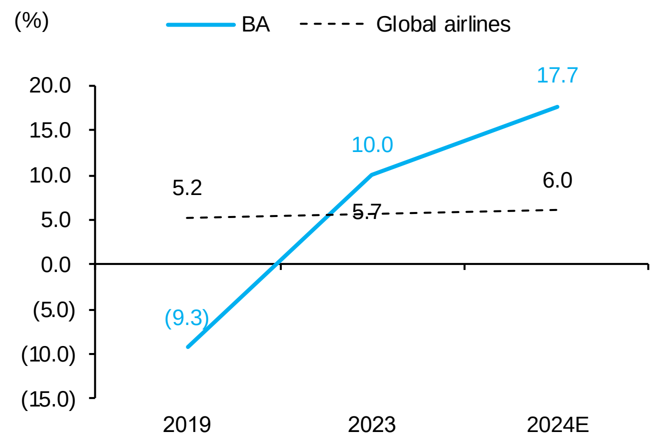
Sources: BA; FSSIA estimates

Exhibit 12: Global airlines operating profit



Source: IATA

Exhibit 13: Operating profit margin of BA vs global airlines



Note: 1) calculated only airline business for BA; 2) allocation of SG&A between airline and other business by FSSIA
Sources: IATA, AAV, BA and FSSIA estimates

Exhibit 14: Forecast revisions

	------------------ Current	------------------		----------------- Previous	-----------------		----------------- *Change (%)*	---------------	
	2024E	2025E	2026E	2024E	2025E	2026E	*2024E*	*2025E*	*2026E*
Passengers carried (m)	4.5	4.6	4.6	4.5	4.6	4.6	*0.0*	*0.0*	*0.0*
Load factor (%)	85	85	84	85	85	84	*0.0*	*0.0*	*0.0*
Average ticket fare (THB)	4,087	4,189	4,314	4,000	4,100	4,223	*2.2*	*2.2*	*2.2*
Fuel price net hedging (USD/bbl)	110	110	110	110	110	110	*0.0*	*0.0*	*0.0*
Revenue (THB m)	23,849	25,202	25,905	23,458	24,794	25,479	*1.7*	*1.6*	*1.7*
EBITDA (THB m)	4,558	4,778	4,822	4,231	4,449	4,478	*7.7*	*7.4*	*7.7*
Core profit (THB m)	3,310	3,508	3,715	3,025	3,231	3,424	*9.4*	*8.6*	*8.5*
Net profit (THB m)	3,310	3,508	3,715	3,025	3,231	3,424	*9.4*	*8.6*	*8.5*

Note: Change of items in percentage terms are represented in ppt change
Sources: BA; FSSIA estimates

Exhibit 15: SoTP valuation

SoTP base case	(THB b)	(THB/share)	Comments
BDMS	20.5	9.8	Fair price at our TP of THB35.0/shr with 20% holding discount
BAFS	1.5	0.7	Fair price at consensus TP of THB29.52/shr with 20% holding discount
BAREIT	2.3	1.1	Fair price at consensus TP of THB11.3/shr with 20% holding discount
Airport and airport related business	18.0	8.6	2024E net profit (excluding BAREIT lease payment) of THB1.2b and pegged at 15x P/E multiple
BAREIT lease liabilities	(14.4)	(6.9)	At end 2024E
Airline business	22.9	10.9	2024E net profit of THB2.1b and pegged at 11x P/E multiple
Cargo business	3.0	1.4	Share income of THB0.5b and pegged at 6x P/E multiple
Interest bearing debt	(9.3)	(4.5)	At end 2024E
Cash	14.3	6.8	At end 2024E
Total value	**58.8**	**28.0**	

Source: FSSIA estimates

Exhibit 16: Peer comparisons as of 25 July 2024

Company	BBG	Rec	----Share price----		*Upside*	Market	------------- PE -------------			------ PBV ------		--- EV/ EBITDA --	
			Current	Target	*Upside*	Cap	24E	25E	26E	24E	25E	24E	25E
			(LCY)	(LCY)	*(%)*	(USD m)	(x)	(x)	(x)	(x)	(x)	(x)	(x)
Thailand													
Bangkok Airways	BA TB	BUY	20.70	28.00	*35.3*	1,202	13.1	12.4	11.7	2.4	2.3	12.4	11.6
Asia Aviation	AAV TB	BUY	2.12	3.30	*55.7*	753	11.3	10.6	9.6	2.5	2.2	7.1	6.7
Thailand average						**1,955**	**12.2**	**11.5**	**10.6**	**2.5**	**2.3**	**9.7**	**9.1**
Regional													
Spring Airlines Co Ltd-A	601021 CH	n/a	54.11	n/a	*n/a*	7,303	21.3	16.6	16.6	3.3	2.9	13.3	10.7
Interglobe Aviation	INDIGO IN	n/a	4,432.20	n/a	*n/a*	20,769	n/a	22.0	22.0	n/a	127.6	29.3	11.7
China Southern Airlines	600029 CH	n/a	5.84	n/a	*n/a*	12,563	n/a	53.1	53.1	2.5	2.5	11.0	8.5
China Eastern Airlines	600115 CH	n/a	3.95	n/a	*n/a*	10,638	n/a	65.8	65.8	3.2	2.2	12.2	9.0
Spring Airlines	601021 CH	n/a	54.11	n/a	*n/a*	7,303	21.3	16.6	16.6	3.3	2.9	13.3	10.7
Air China	601111 CH	n/a	7.22	n/a	*n/a*	13,812	n/a	41.3	41.3	3.5	2.7	10.1	8.5
Korea Air Lines	003490 KS	n/a	21,150	n/a	*n/a*	5,617	6.1	6.6	6.6	0.8	0.7	3.6	3.5
Singapore Airlines	SIA SP	n/a	6.95	n/a	*n/a*	15,473	10.4	8.1	8.1	1.3	1.4	5.1	4.9
Japan Airlines	9201 JP	n/a	2,416.00	n/a	*n/a*	6,859	37.0	11.7	11.7	1.3	1.2	5.8	4.4
Ana Holdings	9202 JP	n/a	2,897.50	n/a	*n/a*	9,113	22.9	9.8	9.8	1.6	1.4	6.4	4.7
Cathay Pacific Airways	293 HK	n/a	8.03	n/a	*n/a*	6,623	6.0	7.6	7.6	0.9	0.9	4.5	4.9
Vietjet Aviation	VJC VN	n/a	107,900	n/a	*n/a*	2,298	n/a	32.4	32.4	3.8	3.4	41.4	19.9
Regional average						**118,372**	**17.9**	**24.3**	**24.3**	**2.3**	**12.5**	**13.0**	**8.5**
Global													
Eva Airways	2618 TT	n/a	34.10	n/a	*n/a*	5,610	8.4	9.0	9.0	1.8	1.6	3.0	3.1
Ryanair	RYAAY US	n/a	97.74	n/a	*n/a*	22,036	14.6	10.6	10.6	3.1	2.8	7.5	5.9
Air Arabia	AIRARABIA UH	n/a	2.60	n/a	*n/a*	3,316	7.5	9.5	9.5	1.7	1.5	4.7	5.2
Easyjet (UK)	EZJ LN	n/a	457.70	n/a	*n/a*	4,489	9.8	7.3	7.3	1.2	1.1	2.9	2.4
Air Canada	AC CN	n/a	16.15	n/a	*n/a*	4,191	3.6	6.2	6.2	14.5	3.0	2.6	3.1
American Airline	AAL US	n/a	10.60	n/a	*n/a*	6,928	4.4	7.5	7.5	n/a	n/a	5.2	6.6
Qantas Airways	QAN AU	n/a	6.05	n/a	*n/a*	6,465	6.3	6.9	6.9	34.0	31.8	3.2	3.5
Alaska Airlines	ALK US	n/a	38.68	n/a	*n/a*	4,908	8.7	9.7	9.7	1.2	1.1	4.1	4.0
United Airlines	UAL US	n/a	46.72	n/a	*n/a*	15,362	4.8	4.9	4.9	1.6	1.2	3.4	3.6
Lufthansa	LHA GY	n/a	5.83	n/a	*n/a*	7,610	3.8	5.9	5.9	0.7	0.6	2.5	3.0
JetBlue Airways (US, Latin AM)	JBLU	n/a	6.03	n/a	*n/a*	2,051	n/a	n/a	n/a	0.6	0.7	10.5	14.0
Jet2	JET2 LN	n/a	1,369.00	n/a	*n/a*	3,783	9.8	8.2	8.2	2.5	2.2	2.0	1.8
Delta Air Lines	DAL US	n/a	43.47	n/a	*n/a*	28,056	7.1	7.0	7.0	2.8	1.9	4.9	4.8
Southwest Airlines (US)	LUV US	n/a	28.08	n/a	*n/a*	16,805	21.0	53.7	53.7	1.5	1.6	6.6	7.9
Global average						**131,610**	**8.4**	**11.3**	**11.3**	**5.2**	**3.9**	**4.5**	**4.9**
Overall average						**251,937**	**11.8**	**17.1**	**17.0**	**3.8**	**7.6**	**8.5**	**6.7**

Sources: Bloomberg consensus; FSSIA estimates

Financial Statements

Bangkok Airways

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	11,305	19,681	23,849	25,202	25,905
Cost of goods sold	(11,524)	(15,622)	(17,460)	(18,416)	(19,007)
Gross profit	**(219)**	**4,059**	**6,389**	**6,785**	**6,897**
Other operating income	-	-	-	-	-
Operating costs	(2,097)	(2,992)	(3,470)	(3,705)	(3,834)
Operating EBITDA	**115**	**2,841**	**4,558**	**4,778**	**4,822**
Depreciation	(2,431)	(1,775)	(1,639)	(1,697)	(1,759)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	**(2,316)**	**1,066**	**2,919**	**3,081**	**3,063**
Net financing costs	(1,475)	(2,018)	(1,794)	(1,671)	(1,533)
Associates	489	612	639	652	664
Recurring non-operating income	1,916	2,590	2,702	2,811	2,945
Non-recurring items	(137)	1,457	0	0	0
Profit before tax	**(2,013)**	**3,095**	**3,828**	**4,220**	**4,475**
Tax	(114)	13	(520)	(714)	(762)
Profit after tax	**(2,127)**	**3,108**	**3,308**	**3,506**	**3,712**
Minority interests	16	2	2	2	2
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	**(2,112)**	**3,110**	**3,310**	**3,508**	**3,715**
Non-recurring items & goodwill (net)	**137**	**(1,457)**	**0**	**0**	**0**
Recurring net profit	**(1,974)**	**1,653**	**3,310**	**3,508**	**3,715**
Per share (THB)					
Recurring EPS *	(0.94)	0.79	1.58	1.67	1.77
Reported EPS	(1.01)	1.48	1.58	1.67	1.77
DPS	0.00	1.00	1.45	1.50	1.56
Diluted shares (used to calculate per share data)	2,100	2,100	2,100	2,100	2,100
Growth					
Revenue (%)	316.1	74.1	21.2	5.7	2.8
Operating EBITDA (%)	nm	2,381.2	60.4	4.8	0.9
Operating EBIT (%)	nm	nm	173.8	5.5	(0.6)
Recurring EPS (%)	nm	nm	100.2	6.0	5.9
Reported EPS (%)	nm	nm	6.4	6.0	5.9
Operating performance					
Gross margin inc. depreciation (%)	(1.9)	20.6	26.8	26.9	26.6
Gross margin exc. depreciation (%)	19.6	29.6	33.7	33.7	33.4
Operating EBITDA margin (%)	1.0	14.4	19.1	19.0	18.6
Operating EBIT margin (%)	(20.5)	5.4	12.2	12.2	11.8
Net margin (%)	(17.5)	8.4	13.9	13.9	14.3
Effective tax rate (%)	(4.8)	(1.3)	16.3	20.0	20.0
Dividend payout on recurring profit (%)	-	127.1	91.7	89.9	88.3
Interest cover (X)	(0.3)	1.8	3.1	3.5	3.9
Inventory days	18.1	12.6	12.1	12.5	12.7
Debtor days	25.1	24.6	26.2	30.1	31.0
Creditor days	50.7	46.3	49.9	53.1	53.8
Operating ROIC (%)	(19.2)	11.7	35.0	40.8	45.5
ROIC (%)	(0.9)	8.5	12.9	13.3	13.8
ROE (%)	(13.2)	9.8	18.8	19.0	19.6
ROA (%)	(0.8)	6.2	8.2	8.3	8.7

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Air fares	8,451	14,914	18,385	19,101	19,941
Revenue from sales and services	2,534	4,270	4,817	5,269	5,398
Freight	76	62	110	191	199
Passenger services	244	436	537	641	366

Sources: Bangkok Airways; FSSIA estimates

Financial Statements

Bangkok Airways

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	(1,974)	1,653	3,310	3,508	3,715
Depreciation	2,431	1,775	1,639	1,697	1,759
Associates & minorities	-	-	-	-	-
Other non-cash items	1,005	(6,858)	(2)	(2)	(2)
Change in working capital	1,573	1,037	852	172	228
Cash flow from operations	**3,035**	**(2,393)**	**5,799**	**5,375**	**5,699**
Capex - maintenance	(960)	(2,443)	(1,192)	(1,260)	(1,295)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(8,433)	34,113	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	**(9,393)**	**31,670**	**(1,192)**	**(1,260)**	**(1,295)**
Dividends paid	0	(1,049)	(2,100)	(3,036)	(3,155)
Equity finance	(101)	(9,219)	0	0	0
Debt finance	5,804	(4,092)	(1,834)	(2,302)	(2,298)
Other financing cash flows	5,177	(7,936)	0	0	0
Cash flow from financing	**10,880**	**(22,296)**	**(3,934)**	**(5,337)**	**(5,453)**
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	**0**	**0**	**0**	**0**	**0**
Movement in cash	**4,521**	**6,982**	**673**	**(1,222)**	**(1,050)**
Free cash flow to firm (FCFF)	(4,869.16)	31,444.66	6,604.74	6,001.31	6,132.65
Free cash flow to equity (FCFE)	4,622.05	17,249.26	2,772.79	1,813.83	**2,104.84**
Per share (THB)					
FCFF per share	(2.32)	14.97	3.15	2.86	2.92
FCFE per share	2.20	8.21	1.32	0.86	1.00
Recurring cash flow per share	0.70	(1.63)	2.36	2.48	2.61

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	24,954	22,737	23,930	25,190	26,485
Less: Accumulated depreciation	(10,561)	(10,427)	(12,066)	(13,764)	(15,522)
Tangible fixed assets (net)	**14,393**	**12,310**	**11,863**	**11,426**	**10,963**
Intangible fixed assets (net)	**0**	**0**	**0**	**0**	**0**
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	37,401	6,039	6,039	6,039	6,039
Cash & equivalents	6,647	13,629	14,302	13,080	12,030
A/C receivable	1,185	1,472	1,949	2,201	2,201
Inventories	465	489	559	591	609
Other current assets	312	484	586	620	637
Current assets	**8,608**	**16,074**	**17,396**	**16,491**	**15,477**
Other assets	1,844	23,459	23,459	23,459	23,459
Total assets	**62,246**	**57,881**	**58,757**	**57,415**	**55,937**
Common equity	16,818	16,984	18,194	18,666	19,226
Minorities etc.	(55)	(76)	(78)	(80)	(82)
Total shareholders' equity	**16,764**	**16,908**	**18,116**	**18,586**	**19,144**
Long term debt	32,468	27,546	25,712	23,411	21,112
Other long-term liabilities	6,651	4,714	4,714	4,714	4,714
Long-term liabilities	**39,120**	**32,260**	**30,426**	**28,125**	**25,826**
A/C payable	1,558	1,958	2,367	2,501	2,580
Short term debt	768	1,598	1,598	1,598	1,598
Other current liabilities	4,037	5,158	6,250	6,604	6,789
Current liabilities	**6,362**	**8,714**	**10,215**	**10,704**	**10,967**
Total liabilities and shareholders' equity	**62,246**	**57,881**	**58,757**	**57,415**	**55,937**
Net working capital	(3,633)	(4,670)	(5,523)	(5,695)	(5,922)
Invested capital	50,004	37,137	35,839	35,229	34,539
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	8.01	8.09	8.66	8.89	9.16
Tangible book value per share	8.01	8.09	8.66	8.89	9.16
Financial strength					
Net debt/equity (%)	158.6	91.8	71.8	64.2	55.8
Net debt/total assets (%)	42.7	26.8	22.1	20.8	19.1
Current ratio (x)	1.4	1.8	1.7	1.5	1.4
CF interest cover (x)	4.1	9.5	2.5	2.1	2.4

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	**(22.0)**	**26.3**	**13.1**	**12.4**	**11.7**
Recurring P/E @ target price (x) *	**(29.8)**	**35.6**	**17.8**	**16.8**	**15.8**
Reported P/E (x)	(20.6)	14.0	13.1	12.4	11.7
Dividend yield (%)	-	4.8	7.0	7.3	7.5
Price/book (x)	2.6	2.6	2.4	2.3	2.3
Price/tangible book (x)	2.6	2.6	2.4	2.3	2.3
EV/EBITDA (x) **	611.3	20.7	12.4	11.6	11.2
EV/EBITDA @ target price (x) **	745.1	26.1	15.7	14.8	14.4
EV/invested capital (x)	1.4	1.6	1.6	1.6	1.6

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

Sources: Bangkok Airways; FSSIA estimates

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%). *(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.)*	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. *(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.)*	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 Sustainalytics	The Sustainalytics' 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. *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.*	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. NEGL 0-10; Low 10-20; Medium 20-30; High 30-40; Severe 40+
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.	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.

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.

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. *(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)*
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

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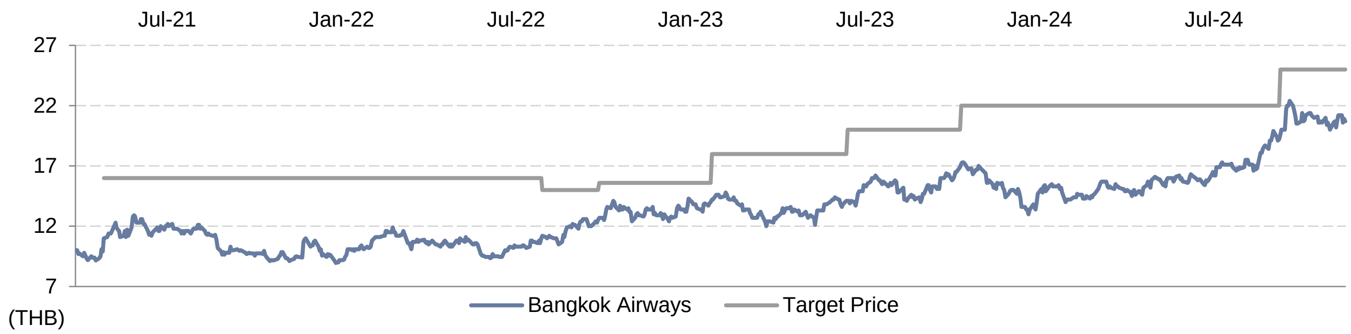
History of change in investment rating and/or target price

Bangkok Airways (BA TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
19-Aug-2021	BUY	16.00	25-Jan-2023	BUY	18.00	29-May-2024	BUY	25.00
01-Sep-2022	BUY	15.00	22-May-2023	BUY	20.00			
20-Oct-2022	BUY	15.60	28-Aug-2023	BUY	22.00			

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
16-Aug-2021	BUY	3.20	31-Oct-2022	BUY	3.70	23-May-2024	BUY	3.20
21-Oct-2021	BUY	3.50	01-Nov-2023	BUY	2.80	23-Jul-2024	BUY	3.30
07-Jun-2022	BUY	3.40	03-Apr-2024	BUY	3.10			

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 20.70	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 2.12	BUY	Downside risks to our P/E 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.

All share prices are as at market close on 25-Jul-2024 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.