

BANGKOK AIRWAYS
THAILAND / TRANSPORT & LOGISTICS**BA TB****BUY**

UNCHANGED

Charting a strong profitable course

- คาดว่ากำไรปกติ 3Q24 จะโต 10% y-y เป็น 0.9 พัน ลบ. นับเป็นสถิติสูงสุดใหม่สำหรับไตรมาส 3 โดยมีปัจจัยหนุนจาก Load factor และค่าบัตรโดยสารที่อยู่ในเกณฑ์ดี
- ผลประกอบการน่าจะพลิกเป็นกำไรใน 4Q24 จากที่เคยขาดทุนใน 4Q23 จากค่าใช้จ่ายบุคลากรพิเศษที่หายไปและราคาค่าเช่าเครื่องบินที่ลดลง
- คงคำแนะนำซื้อหลังปรับราคาเป้าหมายขึ้นเป็น 30.0 บาท (SoTP)

กำไรก่อนหักภาษีใน 3Q24 น่าจะสูงขึ้นมากกว่า 40% y-y

เราคาดว่าปริมาณผู้โดยสารใน 3Q24 จะโต 8% y-y เป็น 1.07 ล้าน (77% ของระดับก่อนโควิด) ผลตอบแทนผู้โดยสารน่าจะปรับตัวดีขึ้นเป็น 6.5 บาท/หัว-กม. (เทียบกับ 6.3 บาทใน 3Q23) จาก Load factor ที่อยู่ในเกณฑ์ดีที่ 79% (เทียบกับ 78% ในช่วง 9Q23) และค่าบัตรโดยสารเฉลี่ยที่ 4,200 บาท (+10% y-y) ซึ่งทำให้รายได้ผู้โดยสารน่าจะเพิ่มขึ้น 20% y-y รายได้จากสนามบินและอื่น ๆ ที่เกี่ยวข้องน่าจะโต 15% y-y จากปริมาณและรายได้ผู้โดยสารในเส้นทางสมุยที่สูงขึ้นจากรัฐกิจบริการภาคพื้นดิน ค่าใช้จ่ายน่าจะเพิ่ม 15% y-y ส่วนมากจากค่าใช้จ่ายในการบำรุงรักษาเครื่องบินที่สูงขึ้น (+30% y-y) ในภาพรวมเราคาดว่ากำไรก่อนหักภาษีใน 3Q24 จะกระโดดเพิ่ม 43% y-y เป็น 0.94 พัน ลบ. BA น่าจะจ่ายภาษีในอัตรา 20% ใน 3Q24 หลังหมดผลขาดทุนทางภาษียกไปซึ่งน่าจะทำให้กำไรปกติเพิ่มเพียง 10% y-y เป็น 0.89 พัน ลบ. ทั้งนี้ BA น่าจะบันทึกผลขาดทุนจากอัตราแลกเปลี่ยนจำนวน 200-250 ลบ. จากเงินสดที่ถือในมือ (บางส่วนเป็นเงินเหรียญสหรัฐ) จากการแข็งค่าของเงินบาทเมื่อเทียบกับเงินสหรัฐ

กำไรน่าจะโตดีใน 4Q24 แม้ว่าจะเป็น Low season

แม้ว่า 4Q จะเป็น Low season สำหรับสมุยและ BA เราคาดว่ากำไรจะโตดีโดยน่าจะพลิกจากที่เคยขาดทุน 432 ลบ. ใน 4Q23 เป็นกำไร 100-200 ลบ. ใน 4Q24 จากค่าใช้จ่ายบุคลากรพิเศษใน 4Q23 ที่หายไปและราคา Spot สำหรับเช่าเครื่องบินที่ลดลงเหลือ USD88 ใน 4QTD (เทียบกับ USD92 ใน 3Q24 และ USD108 ใน 4Q23) ทั้งนี้ราคาเช่าเครื่องบินที่ลดลงทุก ๆ USD5 จะทำให้ต้นทุนเช่าเครื่องบินลดลง 30-35 ลบ./ไตรมาส

น่าจะปลดล็อกข้อจำกัดในด้านความสามารถในการรองรับผู้โดยสารในปี 2025

BA น่าจะได้รับมอบเครื่องบินเพิ่ม 2 ลำจากสัญญาเช่าระยะสั้นภายในสิ้นปีนี้ (จากกองบินขนาด 23 ลำในปัจจุบัน) ซึ่งน่าจะปลดล็อกข้อจำกัดในด้านความสามารถในการรองรับผู้โดยสารในช่วง High season ซึ่งจะเริ่มในเดือน ธ.ค. 24 ถึง มี.ค. 25 นอกจากนี้ BA ยังน่าจะได้รับอนุญาตให้เพิ่มจำนวนเที่ยวบิน (Flight capacity) ของสนามบินสมุยจาก 50 เป็น 73 เที่ยวบินซึ่งทำให้เราคาดว่ากำไรปกติจะโต 10% ในปี 2025

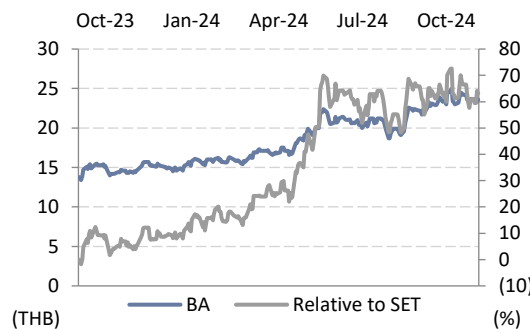
ปรับประมาณการกำไรปกติและราคาเป้าหมายเป็นปี 2025 (SoTP)

เราปรับเพิ่มประมาณการกำไรปกติปี 2024-26 ของเราขึ้น 5-9% และราคาเป้าหมายเป็นปี 2025 ที่ 30 บาท (SoTP) BA มีการซื้อขายในระดับต่ำที่ 13x 2025E P/E (เทียบกับค่าเฉลี่ยของกลุ่มที่ 14x) เรามองว่าหุ้นมีปัจจัยบวกอยู่ที่กำไรปกติปี 2024 ที่คาดว่าจะทำสถิติสูงสุดใหม่และ The White Lotus season 3 ซึ่งมีกำหนดออกอากาศในปี 2025 ซึ่งอาจช่วยเพิ่มจำนวนนักท่องเที่ยวสมุยอย่างมีนัยสำคัญ

TARGET PRICE	THB30.00
CLOSE	THB23.60
UP/DOWNSIDE	+27.1%
PRIOR TP	THB28.00
CHANGE IN TP	+7.1%
TP vs CONSENSUS	+14.8%

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	19,681	23,949	25,566	26,333
Net profit	3,110	3,487	3,820	4,062
EPS (THB)	1.48	1.66	1.82	1.93
vs Consensus (%)	-	7.8	14.2	11.9
EBITDA	2,841	4,766	5,199	5,277
Recurring net profit	1,653	3,487	3,820	4,062
Core EPS (THB)	0.79	1.66	1.82	1.93
Chg. In EPS est. (%)	-	5.4	8.9	9.4
EPS growth (%)	nm	111.0	9.5	6.3
Core P/E (x)	30.0	14.2	13.0	12.2
Dividend yield (%)	4.2	4.9	5.0	4.9
EV/EBITDA (x)	22.9	13.1	11.6	11.0
Price/book (x)	2.9	2.7	2.5	2.3
Net debt/Equity (%)	91.8	72.1	54.8	39.9
ROE (%)	9.8	19.8	20.2	19.8



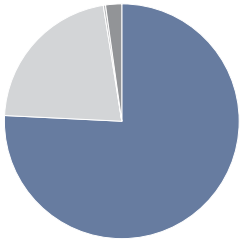
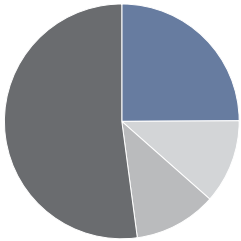
Share price performance	1 Month	3 Month	12 Month
Absolute (%)	0.0	14.0	76.1
Relative to country (%)	(0.1)	0.6	68.7
Mkt cap (USD m)	1,467		
3m avg. daily turnover (USD m)	3.7		
Free float (%)	41		
Major shareholder	Prasartong-Osoth Puttipong (25%)		
12m high/low (THB)	25.50/12.70		
Issued shares (m)	2,100.00		

Sources: Bloomberg consensus; FSSIA estimates

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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 28 ตุลาคม 2024

<div><h3>Investment thesis</h3><p>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.</p><p>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.</p><p>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.</p><h3>Company profile</h3><p>BA offers air transportation services. The company operates flights and airports servicing various resort destinations, including Thailand, CLMV, China and India.</p><p>www.bangkokair.com</p></div>	<div><h3>Principal activities (revenue, 2023)</h3><div><div><div>Air fares - 75.8 %</div><div>Revenue from sales and services - 21.7 %</div><div>Freight - 0.3 %</div><div>Passenger services - 2.2 %</div></div></div><div>Source: Bangkok Airways</div></div> <div><h3>Major shareholders</h3><div><div><div>Prasarttong-Osoth Puttipong - 24.9 %</div><div>Prasarttong-Osoth Ariya - 11.6 %</div><div>Prasarttong-Osoth Prasert - 11.4 %</div><div>Others - 52.1 %</div></div></div><div>Source: Bangkok Airways</div></div>
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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
Nov 2024	3Q24 results announcement

Key assumptions

	2024E	2025E	2026E
Number of aircraft (no.)	24	27	27
Passengers carried (m)	4.4	4.5	4.6
Load factor (%)	81.0	82.0	82.5
Average ticket fare (THB)	4,207	4,291	4,420
Jet fuel spot price (USD/bbl)	100.0	100.0	100.0

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in load factor, we project a 2025 profit increase of 5% and vice versa, all else being equal.
- For every 1% increase in average ticket fare, we project a 2025 profit increase of 4% and vice versa, all else being equal.
- For every 1% increase in Brent spot price, we project a 2025 profit reduction of 1% and vice versa, all else being equal.

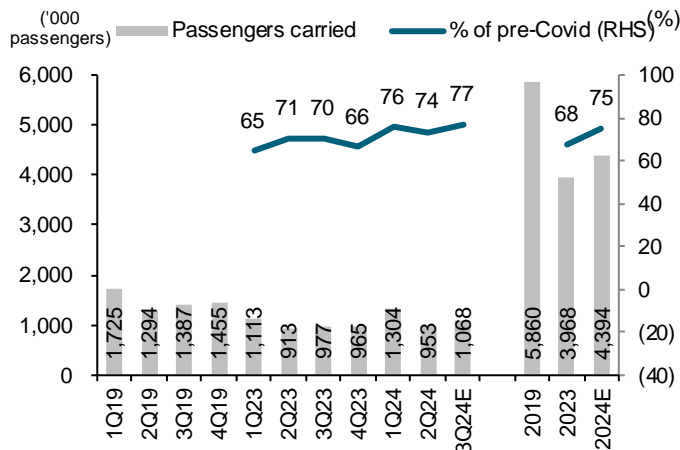
Source: FSSIA estimates

Exhibit 1: BA – 3Q24 results preview

	3Q23	4Q23	1Q24	2Q24	3Q24E	----- Change -----		2024E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)
Sales	4,978	5,072	7,241	5,172	5,913	14	19	23,949
- Passenger revenue	3,742	3,782	5,749	3,805	4,484	18	20	18,485
- Other revenue	1,236	1,290	1,492	1,367	1,429	4	16	5,464
Expense	(4,451)	(5,523)	(5,358)	(4,789)	(5,101)	7	15	(20,822)
- Fuel and oil	(861)	(1,004)	(1,056)	(886)	(889)	0	3	(4,065)
- Non-fuel operating expenses	(3,590)	(4,519)	(4,302)	(3,903)	(4,212)	8	17	(16,757)
Operating profit	528	(451)	1,884	383	812	112	54	3,127
Dividend income	340	0	0	266	263	(1)	(23)	533
Net other income	294	312	507	327	327	(0)	11	1,534
Interest income	34	78	51	128	51	(60)	50	204
Interest expense	(543)	(536)	(537)	(518)	(518)	0	(5)	(1,998)
Pretax profit	653	(597)	1,905	586	935	59	43	3,401
Income Tax	0	0	(263)	(161)	(222)			(554)
Associates	157	162	159	256	175	(32)	11	639
Minority interest	1	2	(6)	0	0	0	(73)	2
Core profit	811	(432)	1,794	682	888	30	10	3,487
Extraordinaries	1,100	86	79	30	(250)			0
- FX	14	(14)	79	30	(250)			0
- Derivative	0	0	0	0	0			0
- Others	1,086	100	0	0				0
Net profit	1,911	(346)	1,873	712	638	(10)	(67)	3,487
Shares out (end Q, m)	2,100	2,100	2,100	2,100	2,100	0	0	2,100
Pre-ex EPS	0.39	(0.21)	0.85	0.32	0.42	30	10	1.66
EPS	0.91	(0.16)	0.89	0.34	0.30	(10)	(67)	1.66
Depreciation	(436)	(407)	(391)	(373)	(373)	0	(15)	(1,639)
EBITDA	964	(43)	2,275	756	1,184	57	23	4,766
Key ratios						(ppt)	(ppt)	
Operating profit margin (%)	11	(9)	26	7	14	85	30	13
EBITDA margin (%)	19	(1)	31	15	20	37	3	20
Net profit margin (%)	38	(7)	26	14	11	(22)	(72)	15
Operating stats								
Passenger carried (m)	0.98	0.97	1.30	0.95	1.07			
Load factor (%)	78	76	88	77	79			
RPK (m seats-km)	595	622	836	615	689			
ASK (m seats-km)	764	816	945	796	868			
Average fare (THB)	3,803	3,947	4,406	4,000	4,200			
RASK (THB)	5.5	5.3	6.8	5.4	0.0			
CASK (THB)	4.9	6.2	4.8	4.9	0.0			
CASK ex-fuel (THB)	3.8	5.0	3.7	3.8	0.0			

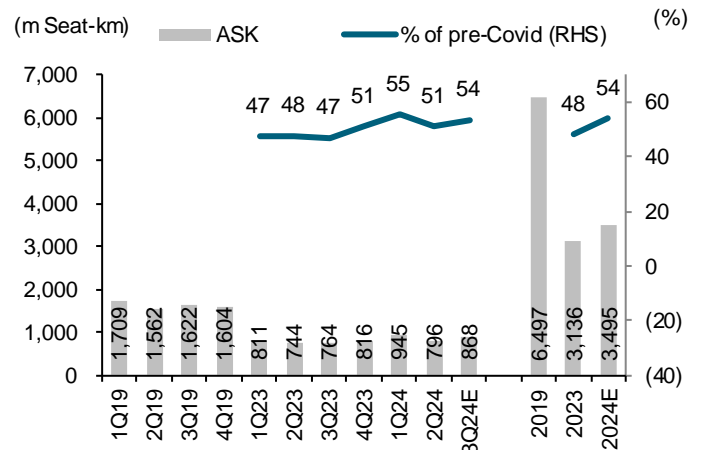
Sources: BA; FSSIA estimates

Exhibit 2: Passengers carried



Sources: BA; FSSIA estimates

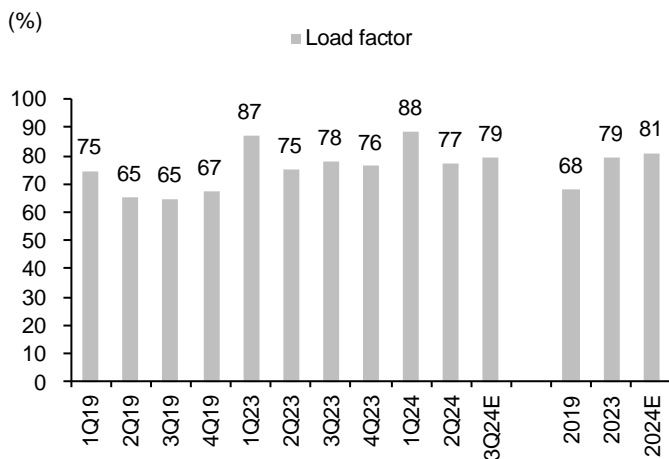
Exhibit 3: ASK



* ASK = available seat kilometers

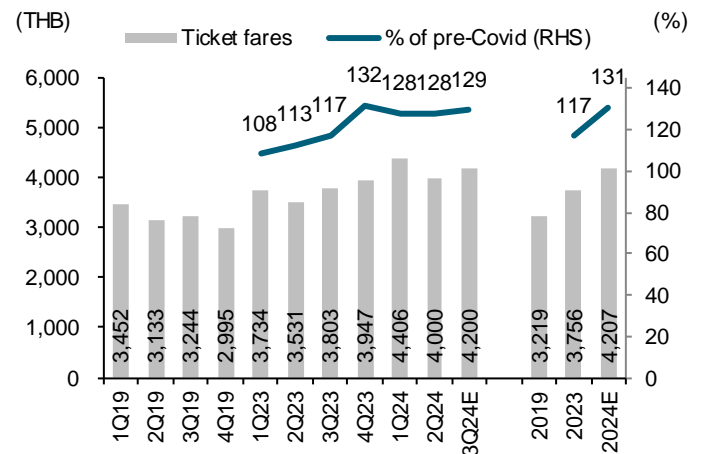
Sources: BA; FSSIA estimates

Exhibit 4: Load factor



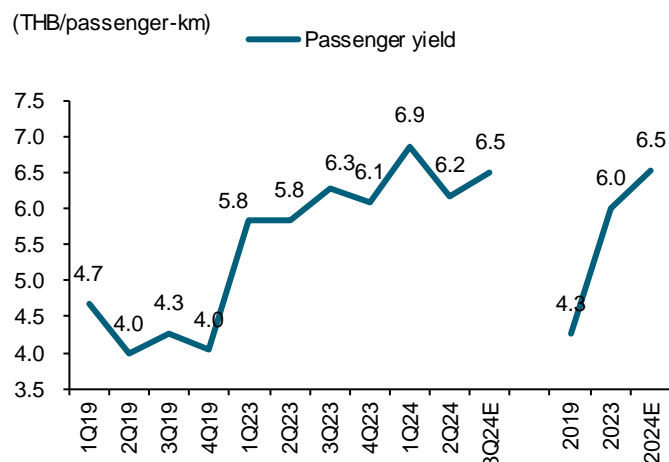
Sources: BA; FSSIA estimates

Exhibit 5: Ticket fares (average)



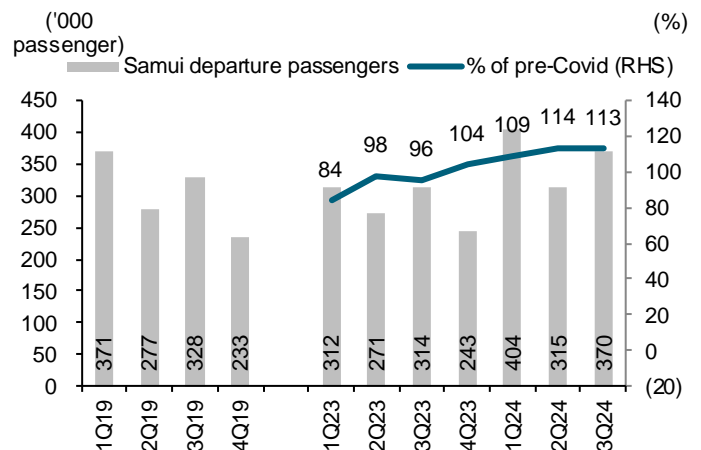
Sources: BA; FSSIA estimates

Exhibit 6: Passenger yield



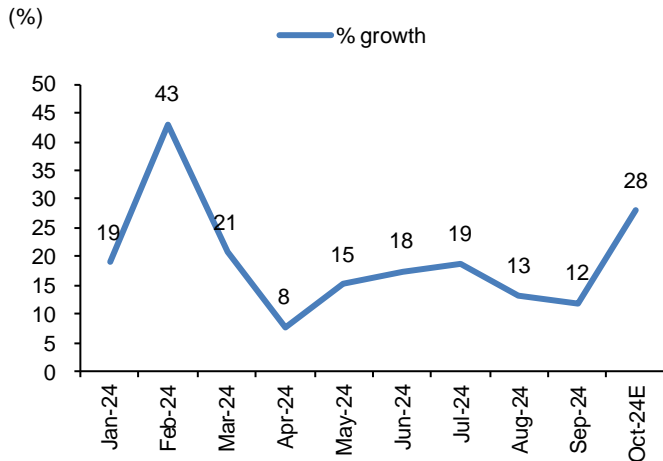
Sources: BA; FSSIA estimates

Exhibit 7: Samui passenger volume



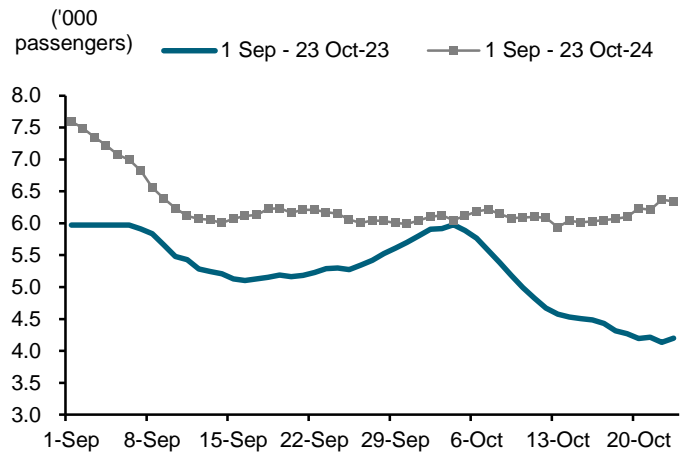
Note: only departure passengers

Sources: BAREIT; FSSIA estimates

Exhibit 8: Samui passenger volume: monthly growth

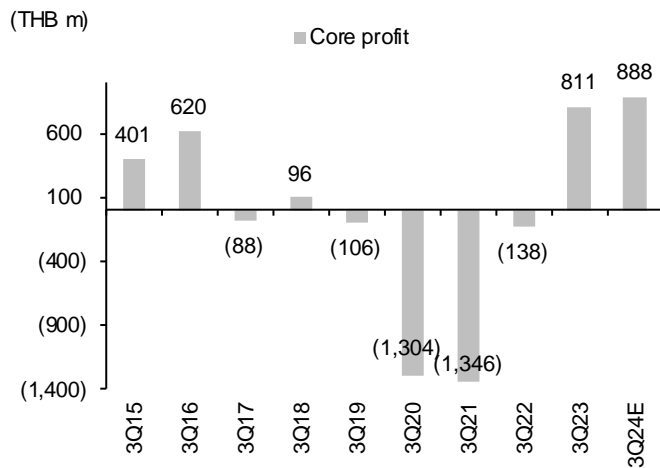
Note: Includes both arrivals and departures

Source: The Civil Aviation Authority of Thailand (CAAT); FSSIA estimates

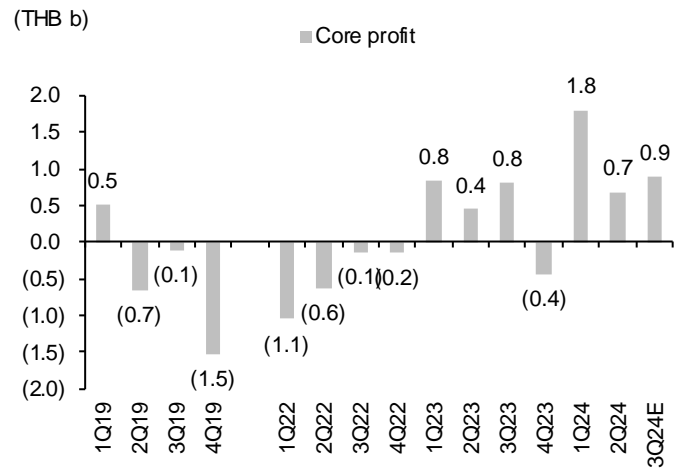
Exhibit 9: Samui passenger volume trend

Note: Includes both arrivals and departures

Source: CAAT; FSSIA estimates

Exhibit 10: 3Q core profit, 2015-2023

Sources: BA; FSSIA estimates

Exhibit 11: Core profit

Sources: BA; FSSIA estimates

Exhibit 12: Forecast revisions

	Current			Previous			Change (%)		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
Passengers carried (m)	4.4	4.5	4.6	4.5	4.6	4.6	(2.3)	(0.5)	(0.3)
Load factor (%)	81	82	83	85	85	84	(4.0)	(2.5)	(1.5)
Average ticket fare (THB)	4,207	4,291	4,420	4,087	4,189	4,314	2.9	2.4	2.4
Fuel price net hedging (USD/bbl)	100	100	100	110	110	110	(9.1)	(9.1)	(9.1)
Revenue (THB m)	23,949	25,566	26,333	23,849	25,202	25,905	0.4	1.4	1.7
EBITDA (THB m)	4,766	5,199	5,277	4,558	4,778	4,822	4.6	8.8	9.4
Core profit (THB m)	3,487	3,820	4,062	3,310	3,508	3,715	5.3	8.9	9.3
Net profit (THB m)	3,487	3,820	4,062	3,310	3,508	3,715	5.3	8.9	9.3

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

Sources: BA; FSSIA estimates

Exhibit 13: SoTP valuation

SoTP base case	(THB b)	(THB/share)	Comments
BDMS	21.4	10.2	Fair price at our TP of THB36.5/shr with 20% holding discount
BAFS	1.3	0.6	Fair price at consensus TP of THB26.03/shr with 20% holding discount
BAREIT	2.4	1.2	Fair price at consensus TP of THB11.7/shr with 20% holding discount
Airport business	19.2	9.1	2025E net profit (excluding BAREIT lease payment) of THB1.2b and pegged at 16x P/E multiple
BAREIT lease liabilities	(14.4)	(6.9)	At end 2025E
Airline business	23.0	11.0	2025E net profit of THB2.3b and pegged at 10x P/E multiple
Cargo business	1.1	0.5	Share income of THB0.6b and concession end in Sep-26
Ground handling business	1.1	0.5	Profit of THB0.6b and concession end in Sep-26
Interest bearing debt	(8.3)	(4.0)	At end 2025E
Cash	16.2	7.7	At end 2025E
Total value	63.1	30.0	

Source: FSSIA estimates

Exhibit 14: Peer comparisons as of 25 Oct 2024

Company	BBG	Rec	---Share price---			Market Cap (USD m)	----- PE -----			---- PBV ----		-- EV/ EBITDA --	
			Current	Target	Upside		24E	25E	26E	24E	25E	24E	25E
			(LCY)	(LCY)	(%)		(x)	(x)	(x)	(x)	(x)	(x)	(x)
Thailand													
Bangkok Airways	BA TB	BUY	23.60	30.00	27.1	1,467	14.2	13.0	12.2	2.7	2.5	13.1	11.6
Asia Aviation	AAV TB	BUY	2.82	3.40	20.6	1,072	14.2	12.9	12.0	3.3	2.8	7.9	7.5
Thailand average						2,539	14.2	13.0	12.1	3.0	2.7	10.5	9.5
Regional													
Spring Airlines Co Ltd-A	601021 CH	n/a	56.10	n/a	n/a	7,702	18.7	15.4	12.9	3.0	2.6	11.4	9.5
Interglobe Aviation	INDIGO IN	n/a	4,366.10	n/a	n/a	18,524	19.7	21.3	19.5	114.3	19.2	10.8	10.5
China Southern Airlines	600029 CH	n/a	6.00	n/a	n/a	13,252	95.2	18.6	18.8	2.8	2.5	9.7	8.6
China Eastern Airlines	600115 CH	n/a	3.87	n/a	n/a	10,758	n/a	47.8	16.6	2.3	2.1	11.5	10.1
Spring Airlines	601021 CH	n/a	56.10	n/a	n/a	7,702	18.7	15.4	12.9	3.0	2.6	11.4	9.5
Air China	601111 CH	n/a	7.22	n/a	n/a	14,487	n/a	34.2	16.7	3.3	3.0	11.0	9.1
Korea Air Lines	003490 KS	n/a	23,700	n/a	n/a	6,303	6.2	6.5	6.6	0.8	0.7	3.7	3.6
Singapore Airlines	SIA SP	n/a	6.47	n/a	n/a	14,543	7.5	9.5	13.3	1.3	1.3	4.6	5.3
Japan Airlines	9201 JP	n/a	2,406.50	n/a	n/a	6,860	11.6	10.4	9.2	1.2	1.1	4.3	4.0
Ana Holdings	9202 JP	n/a	2,950.50	n/a	n/a	9,318	10.0	11.3	10.8	1.4	1.2	4.5	4.7
Cathay Pacific Airways	293 HK	n/a	8.21	n/a	n/a	6,802	7.8	7.0	7.2	0.9	0.9	4.7	4.8
Vietjet Aviation	VJC VN	n/a	103,600	n/a	n/a	2,213	35.8	33.5	30.6	3.3	2.9	20.0	18.3
Regional average						118,463	23.1	19.2	14.6	11.5	3.3	9.0	8.2
Global													
Eva Airways	2618 TT	n/a	37.95	n/a	n/a	6,390	8.2	9.4	n/a	1.6	1.5	3.1	3.4
Ryanair	RYAAY US	n/a	45.06	n/a	n/a	24,555	12.3	15.1	11.9	3.2	3.0	6.7	7.4
Air Arabia	AIRARABIA UH	n/a	2.74	n/a	n/a	3,532	9.5	9.3	8.7	1.6	1.5	5.3	4.9
Easyjet (UK)	EZJ LN	n/a	506.60	n/a	n/a	5,143	8.6	7.5	7.0	1.2	1.1	2.8	2.6
Air Canada	AC CN	n/a	18.92	n/a	n/a	4,883	8.5	7.0	6.4	4.1	2.5	3.6	3.2
American Airline	AAL US	n/a	13.15	n/a	n/a	8,641	9.2	6.0	4.9	n/a	n/a	6.9	5.8
Qantas Airways	QAN AU	n/a	8.12	n/a	n/a	8,381	9.4	7.7	7.2	34.3	9.7	4.3	3.8
Alaska Airlines	ALK US	n/a	45.54	n/a	n/a	5,745	10.6	8.8	6.8	1.2	1.1	4.2	3.3
United Airlines	UAL US	n/a	74.64	n/a	n/a	24,542	7.2	6.1	5.5	2.0	1.5	4.5	4.0
Lufthansa	LHA GY	n/a	6.72	n/a	n/a	8,988	8.0	5.3	4.7	0.8	0.7	3.6	2.9
JetBlue Airways (US, Latin AM)	JBLU	n/a	7.18	n/a	n/a	2,490	n/a	n/a	70.4	0.8	0.8	12.8	7.4
Jet2	JET2 LN	n/a	1,405.00	n/a	n/a	3,953	8.5	7.9	7.4	2.2	1.8	2.0	1.8
Delta Air Lines	DAL US	n/a	54.12	n/a	n/a	34,923	8.9	7.7	6.7	2.4	1.8	5.7	5.3
Southwest Airlines (US)	LUV US	n/a	29.43	n/a	n/a	17,633	42.0	19.6	13.0	1.8	1.7	8.9	6.1
Global average						159,801	11.6	9.0	12.3	4.4	2.2	5.3	4.4
Overall average						280,803	16.4	13.9	13.3	7.4	2.7	7.2	6.4

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	23,949	25,566	26,333
Cost of goods sold	(11,524)	(15,622)	(17,338)	(18,349)	(18,980)
Gross profit	(219)	4,059	6,612	7,217	7,353
Other operating income	-	-	-	-	-
Operating costs	(2,097)	(2,992)	(3,485)	(3,733)	(3,871)
Operating EBITDA	115	2,841	4,766	5,199	5,277
Depreciation	(2,431)	(1,775)	(1,639)	(1,714)	(1,795)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	(2,316)	1,066	3,127	3,484	3,482
Net financing costs	(1,475)	(2,018)	(1,793)	(1,738)	(1,574)
Associates	489	612	639	684	697
Recurring non-operating income	1,916	2,590	2,706	2,856	2,992
Non-recurring items	(137)	1,457	0	0	0
Profit before tax	(2,013)	3,095	4,040	4,602	4,901
Tax	(114)	13	(554)	(784)	(841)
Profit after tax	(2,127)	3,108	3,486	3,818	4,060
Minority interests	16	2	2	2	2
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	(2,112)	3,110	3,487	3,820	4,062
Non-recurring items & goodwill (net)	137	(1,457)	0	0	0
Recurring net profit	(1,974)	1,653	3,487	3,820	4,062
Per share (THB)					
Recurring EPS *	(0.94)	0.79	1.66	1.82	1.93
Reported EPS	(1.01)	1.48	1.66	1.82	1.93
DPS	0.00	1.00	1.16	1.18	1.16
Diluted shares (used to calculate per share data)	2,100	2,100	2,100	2,100	2,100
Growth					
Revenue (%)	316.1	74.1	21.7	6.8	3.0
Operating EBITDA (%)	nm	2,381.2	67.7	9.1	1.5
Operating EBIT (%)	nm	nm	193.3	11.4	(0.1)
Recurring EPS (%)	nm	nm	111.0	9.5	6.3
Reported EPS (%)	nm	nm	12.1	9.5	6.3
Operating performance					
Gross margin inc. depreciation (%)	(1.9)	20.6	27.6	28.2	27.9
Gross margin exc. depreciation (%)	19.6	29.6	34.4	34.9	34.7
Operating EBITDA margin (%)	1.0	14.4	19.9	20.3	20.0
Operating EBIT margin (%)	(20.5)	5.4	13.1	13.6	13.2
Net margin (%)	(17.5)	8.4	14.6	14.9	15.4
Effective tax rate (%)	(4.8)	(1.3)	16.3	20.0	20.0
Dividend payout on recurring profit (%)	-	127.1	70.0	65.0	60.0
Interest cover (X)	(0.3)	1.8	3.3	3.6	4.1
Inventory days	18.1	12.6	12.1	12.5	12.7
Debtor days	25.1	24.6	26.1	29.7	30.6
Creditor days	50.7	46.3	50.1	53.1	53.7
Operating ROIC (%)	(19.2)	11.7	37.5	46.4	52.5
ROIC (%)	(0.9)	8.5	13.4	14.3	14.9
ROE (%)	(13.2)	9.8	19.8	20.2	19.8
ROA (%)	(0.8)	6.2	8.6	8.7	8.8

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Air fares	8,451	14,914	18,485	19,462	20,365
Revenue from sales and services	2,534	4,270	4,817	5,269	5,398
Freight	76	62	111	195	204
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	3,487	3,820	4,062
Depreciation	2,431	1,775	1,639	1,714	1,795
Associates & minorities	-	-	-	-	-
Other non-cash items	1,005	(6,858)	(2)	(2)	(2)
Change in working capital	1,573	1,037	860	235	245
Cash flow from operations	3,035	(2,393)	5,985	5,768	6,100
Capex - maintenance	(960)	(2,443)	(1,197)	(1,278)	(1,317)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(8,433)	34,113	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(9,393)	31,670	(1,197)	(1,278)	(1,317)
Dividends paid	0	(1,049)	(2,310)	(2,231)	(2,483)
Equity finance	(101)	(9,219)	0	0	0
Debt finance	5,804	(4,092)	(1,843)	(310)	(2,306)
Other financing cash flows	5,177	(7,936)	0	0	0
Cash flow from financing	10,880	(22,296)	(4,153)	(2,541)	(4,790)
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	634	1,948	(7)
Free cash flow to firm (FCFF)	(4,869.16)	31,444.66	6,784.62	6,441.81	6,600.17
Free cash flow to equity (FCFE)	4,622.05	17,249.26	2,944.20	4,179.60	2,476.58
Per share (THB)					
FCFF per share	(2.32)	14.97	3.23	3.07	3.14
FCFE per share	2.20	8.21	1.40	1.99	1.18
Recurring cash flow per share	0.70	(1.63)	2.44	2.63	2.79
Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	24,954	22,737	23,935	25,213	26,530
Less: Accumulated depreciation	(10,561)	(10,427)	(12,066)	(13,781)	(15,575)
Tangible fixed assets (net)	14,393	12,310	11,869	11,432	10,954
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	14,263	16,211	16,205
A/C receivable	1,185	1,472	1,951	2,206	2,206
Inventories	465	489	555	588	607
Other current assets	312	484	589	629	648
Current assets	8,608	16,074	17,357	19,634	19,666
Other assets	1,844	23,459	23,459	23,459	23,459
Total assets	62,246	57,881	58,723	60,564	60,118
Common equity	16,818	16,984	18,161	19,750	21,329
Minorities etc.	(55)	(76)	(78)	(80)	(82)
Total shareholders' equity	16,764	16,908	18,083	19,670	21,247
Long term debt	32,468	27,546	25,703	25,393	23,086
Other long-term liabilities	6,651	4,714	4,714	4,714	4,714
Long-term liabilities	39,120	32,260	30,417	30,107	27,800
A/C payable	1,558	1,958	2,349	2,489	2,571
Short term debt	768	1,598	1,598	1,598	1,598
Other current liabilities	4,037	5,158	6,276	6,700	6,901
Current liabilities	6,362	8,714	10,223	10,787	11,070
Total liabilities and shareholders' equity	62,246	57,881	58,723	60,564	60,118
Net working capital	(3,633)	(4,670)	(5,531)	(5,766)	(6,011)
Invested capital	50,004	37,137	35,836	35,164	34,441
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	8.01	8.09	8.65	9.40	10.16
Tangible book value per share	8.01	8.09	8.65	9.40	10.16
Financial strength					
Net debt/equity (%)	158.6	91.8	72.1	54.8	39.9
Net debt/total assets (%)	42.7	26.8	22.2	17.8	14.1
Current ratio (x)	1.4	1.8	1.7	1.8	1.8
CF interest cover (x)	4.1	9.5	2.6	3.4	2.6
Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	(25.1)	30.0	14.2	13.0	12.2
Recurring P/E @ target price (x) *	(31.9)	38.1	18.1	16.5	15.5
Reported P/E (x)	(23.5)	15.9	14.2	13.0	12.2
Dividend yield (%)	-	4.2	4.9	5.0	4.9
Price/book (x)	2.9	2.9	2.7	2.5	2.3
Price/tangible book (x)	2.9	2.9	2.7	2.5	2.3
EV/EBITDA (x) **	664.5	22.9	13.1	11.6	11.0
EV/EBITDA @ target price (x) **	781.8	27.6	15.9	14.2	13.5
EV/invested capital (x)	1.5	1.8	1.7	1.7	1.7
* 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%). <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. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	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+																		
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.																				
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><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="2">Average:</td><td rowspan="2">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><td rowspan="2">Laggard:</td><td rowspan="2">lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr><tr><td>CCC</td><td>0.000-1.428</td></tr></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	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks	CCC	0.000-1.428
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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

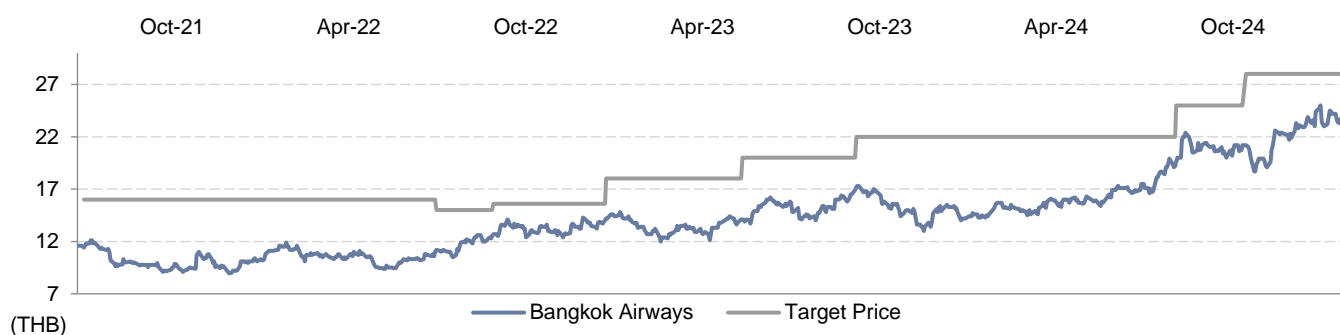
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History of change in investment rating and/or target price

Bangkok Airways (BA TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
02-Nov-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	26-Jul-2024	BUY	28.00
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
08-Dec-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	25-Oct-2024	BUY	3.40
31-Oct-2022	BUY	3.70	23-May-2024	BUY	3.20			

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 23.60	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 2.82	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-Oct-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.