

# SAMART AVIATION SOLUTIONS

THAILAND / TRANSPORT &amp; LOGISTICS

## SAV TB

**BUY**

UNCHANGED

TARGET PRICE	THB27.50
CLOSE	THB18.70
UP/DOWNSIDE	+47.1%
PRIOR TP	THB27.00
CHANGE IN TP	+1.9%
TP vs CONSENSUS	+5.2%

## Volatile market, but the sky is clear

- Cambodia's international flight volume has improved in Oct and momentum should continue thanks to more flight connectivity.
- Expect 4Q24 net profit to grow by 95% y-y to a new record high of THB130m, driven by strong international flight and overflight volumes.
- Maintain BUY with a 2025 DCF-derived TP of THB27.5/shr.

### More flights from Siem Reap to Singapore, Korea and India

The recovery rate of Cambodia's international tourist arrivals by air significantly picked up to 65% of pre-Covid in Oct-24 (from 50% in 9M24). According to [The Phnom Penh Post](#), international flights rose by 10% y-y in Oct driven by AirAsia Cambodia, which started international flights in May. The momentum should continue as Siem Reap will have more flights to Singapore by AirAsia (Nov-24), to Korea by Sky Angkor Airline and Asiana Airlines (Dec-24), and to India by IndiaGo (Feb-25).

### Expect flight volume to increase by 20-25% y-y in 4Q24

We estimate 4Q24 international landing and take-off volumes should grow by 10-12% y-y (c62% of pre-Covid). The overflight volume should jump by 30-32% y-y (c112% of pre-Covid). Overall, we expect 4Q24 service revenue to grow by 21% y-y and core profit without withholding tax (WHT) to grow 39% y-y to THB142m. SAV should book WHT of THB11-13m, leading to a net profit of THB130m (+95% y-y, +3% q-q).

### Cambodia Angkor to rebrand to Air Cambodia and expand fleet

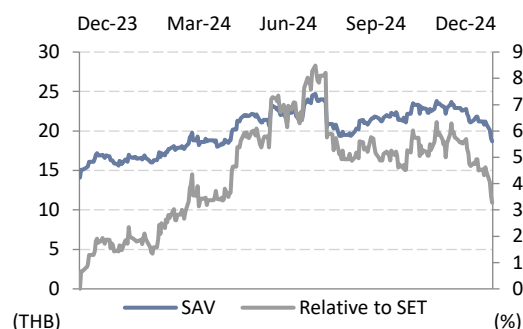
Cambodia's national airline, Cambodia Angkor Air (51% held by the Cambodian government and 49% by China's Xing Gang Investment Group and other investors) will rebrand to Air Cambodia. It will receive three additional aircraft (ATR 72-600) in 2025. This should support the Techo International Airport in Phnom Penh, which is scheduled to officially open in mid-2025 and replace the existing Phnom Penh Airport. Note that SAV already invested in ANSP-related equipment and the opex is likely to remain unchanged. On the other hand, depreciation may decrease by c20% given that the useful life of assets is to increase from 16 to 26 years (extended until the end of the concession contract in 2051). Overall, we forecast core profit to jump by 22% y-y in 2025.

### Revise up core profit

We revise up our 2024-26 core profit forecast by 2-8% to reflect the strong operations, and derive a new TP of THB27.5/shr. The share price has fallen by 18% over the past month due to the volatile market. We see this as an opportunity to accumulate premised on strong earnings growth coupled with a potential upside from an opportunity in Laos' air navigation services and The Foreign Object Debris project at Suvarnabhumi Airport.

## KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	1,644	1,753	2,066	2,342
Net profit	272	467	575	685
EPS (THB)	0.42	0.73	0.90	1.07
vs Consensus (%)	-	4.7	5.6	7.3
EBITDA	579	716	872	1,009
Recurring net profit	280	471	575	685
Core EPS (THB)	0.44	0.74	0.90	1.07
Chg. In EPS est. (%)	-	8.0	1.0	1.5
EPS growth (%)	33.8	68.3	22.1	19.1
Core P/E (x)	42.8	25.4	20.8	17.5
Dividend yield (%)	4.0	2.4	2.9	3.4
EV/EBITDA (x)	20.1	15.9	12.6	10.5
Price/book (x)	9.4	7.4	5.9	5.0
Net debt/Equity (%)	(27.4)	(37.1)	(48.1)	(57.8)
ROE (%)	34.7	32.6	31.5	31.1



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(18.3)	(14.2)	34.5
Relative to country (%)	(15.2)	(12.0)	34.0
Mkt cap (USD m)	349		
3m avg. daily turnover (USD m)	0.7		
Free float (%)	41		
Major shareholder	Samart U-trans Co., Ltd. (60%)		
12m high/low (THB)	24.90/13.70		
Issued shares (m)	640.00		

Sources: Bloomberg consensus; FSSIA estimates


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## Investment thesis

SAV's earnings are in a growth cycle. We expect the flight volume to surpass its pre-Covid level by 2025, driven mainly by pent-up demand from Chinese tourists, which accounted for 36% of tourist arrivals in Cambodia and 32% in Vietnam in 2019.

More than half of its expenses are fixed costs. Thus, additional net revenue after revenue sharing to SSCA (a Cambodian government entity) from larger flight volumes should flow to its bottom line, resulting in a better margin.

Given the low-capex nature of its business, we expect strong free cash flow that should translate into higher dividends going forward.

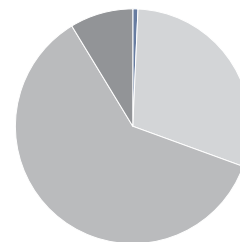
## Company profile

SAV holds a 100% stake in Cambodian Air Traffic Services Co Ltd (CATS). CATS owns the exclusive rights to operate air traffic control services at all airports in Cambodia pursuant to the concession agreement granted by the Royal Government of Cambodia. The concession started in 2002 and ends in 2051.

[www.samartaviation.com](http://www.samartaviation.com)

## Principal activities (revenue, 2023)

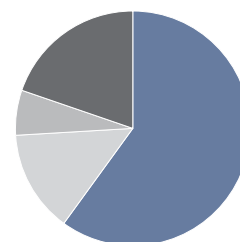
- Landing and Take-off - Domestic - 0.7 %
- Landing and Take-off - International - 29.9 %
- Overflight - 60.7 %
- Concession income - 8.7 %



Source: Samart Aviation Solutions

## Major shareholders

- Samart U-trans Co., Ltd. - 60.0 %
- Samart Inter-holding Ltd. - 14.1 %
- Mrs. Charunee Chinwongvorakul - 6.2 %
- Others - 19.7 %



Source: Samart Aviation Solutions

## Catalysts

Key potential growth drivers include 1) a faster recovery in flight volume in line with the global tourism recovery; 2) strong pent-up demand from Chinese tourists; and 3) new airports, which should attract more flights.

## Risks to our call

Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a slower-than-expected recovery in international tourist numbers; and 3) delays in Cambodia's new airport projects.

## Event calendar

Date	Event
Feb 2025	4Q24 results announcement

## Key assumptions

	2024E (%)	2025E (%)	2026E (%)
Domestic flight volume growth	(12.5)	42.9	30.0
International flight volume growth	14.0	25.6	18.0
Overflight volume growth	13.0	11.2	8.0
Total flight growth	11.6	16.5	12.1
THB/USD	35.00	35.00	35.00

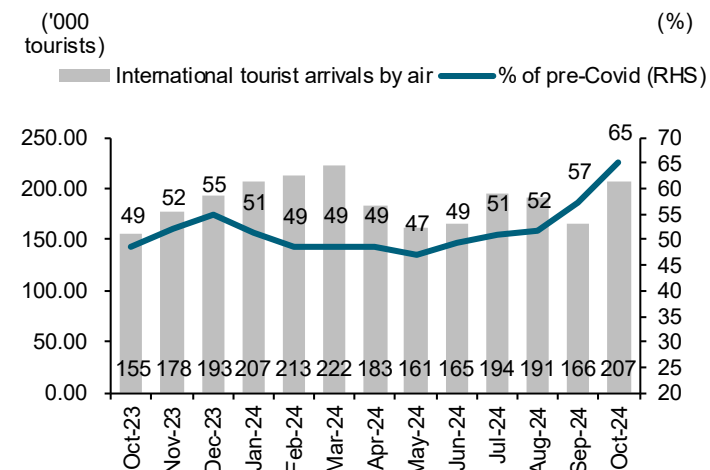
Source: FSSIA estimates

## Earnings sensitivity

- For every 1% increase in flight volume, we project a 2025 profit increase of 2%, and vice versa, all else being equal.
- For every 1% increase in tariff, we project a 2025 profit increase of 2%, and vice versa, all else being equal.

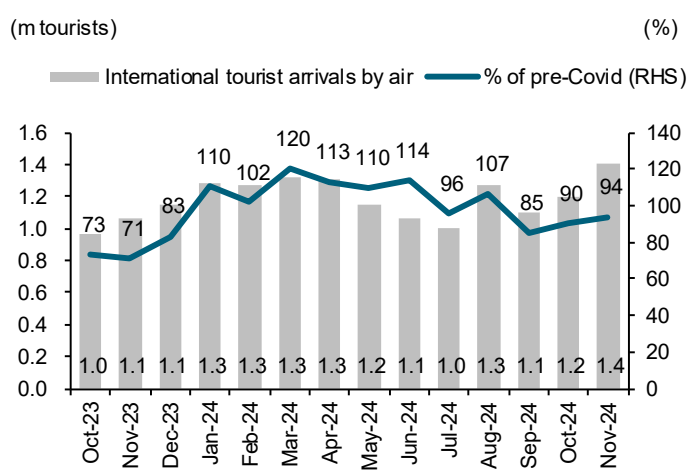
Source: FSSIA estimates

**Exhibit 1: Cambodia's international tourist arrivals by air recovery trend**



Note: Excludes tourist arrivals by land and sea  
Source: Cambodia's Ministry of Tourism

**Exhibit 2: Vietnam's international tourist arrivals by air recovery trend**



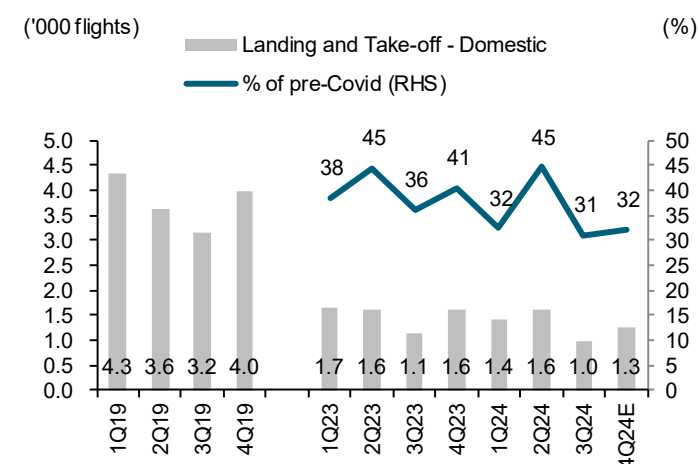
Note: Excludes tourist arrivals by land and sea  
Source: Vietnam National Administration of Tourism, Ministry of Culture, Sports & Tourism

**Exhibit 3: Two new airports scheduled to open by 2H24 and 2025**



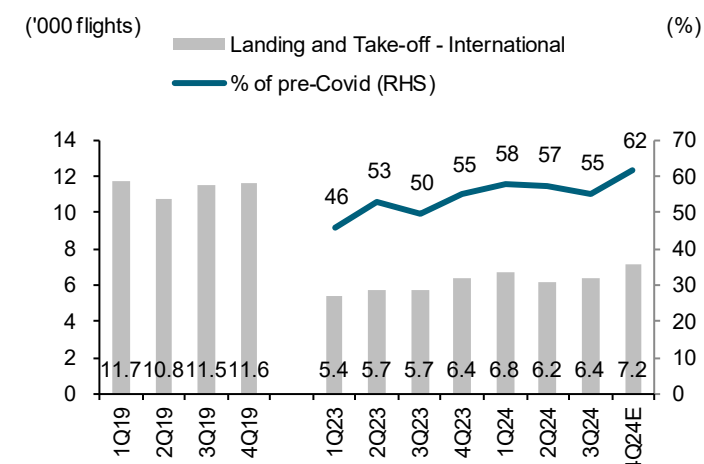
Source: SAV

**Exhibit 4: Domestic landing and take-off volumes, quarterly**



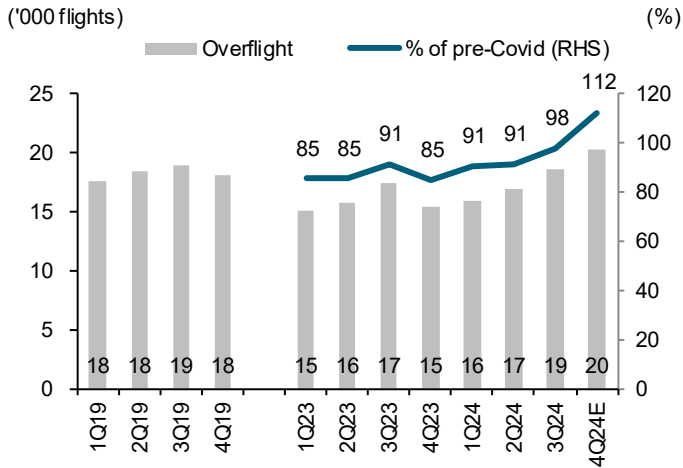
Sources: SAV; FSSIA estimates

**Exhibit 5: International landing and take-off volumes, quarterly**



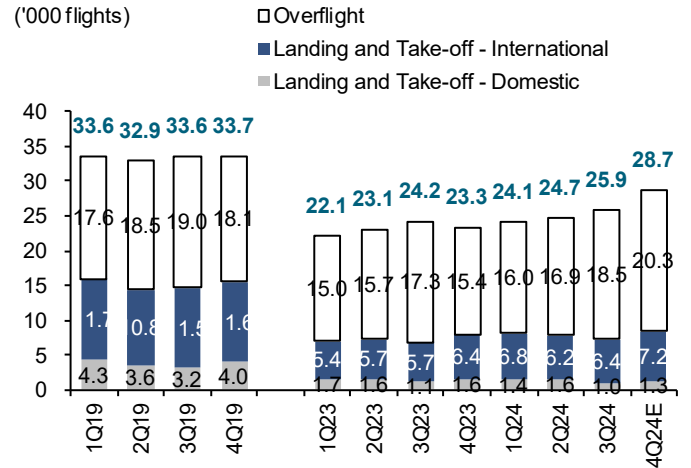
Sources: SAV; FSSIA estimates

**Exhibit 6: Overflight volume, quarterly**



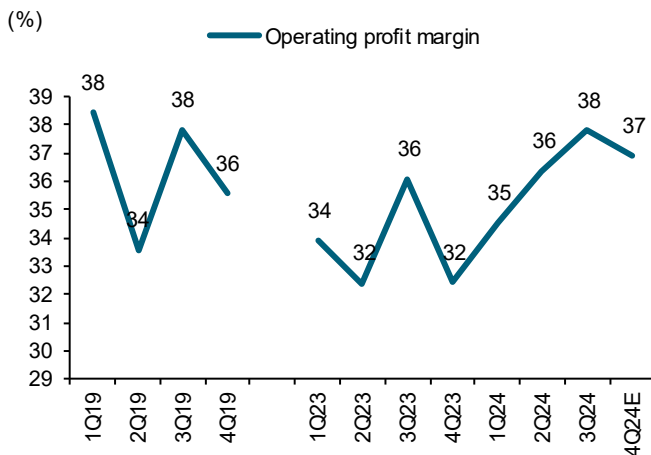
Sources: SAV; FSSIA estimates

**Exhibit 7: Total flight volume, quarterly**



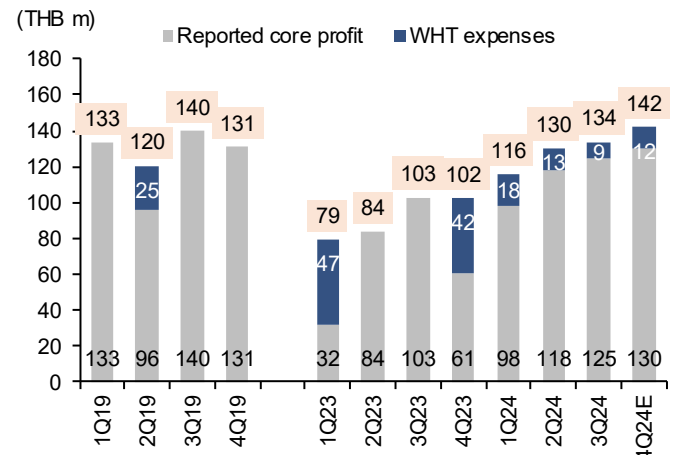
Sources: SAV; FSSIA estimates

**Exhibit 8: Operating profit margin**



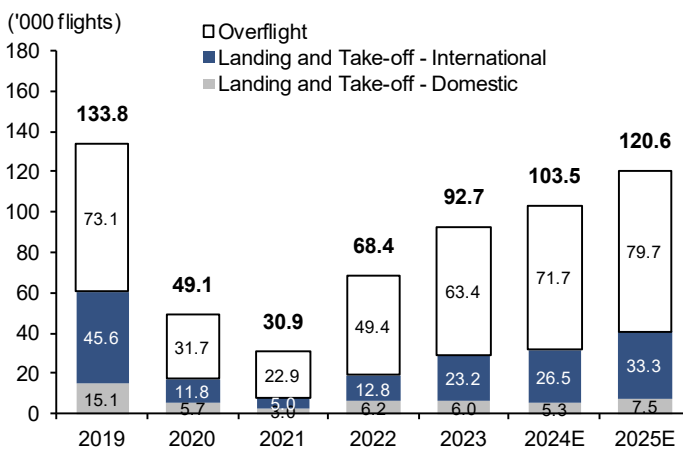
Sources: SAV; FSSIA estimates

**Exhibit 9: Core profit without withholding tax (WHT) expenses**



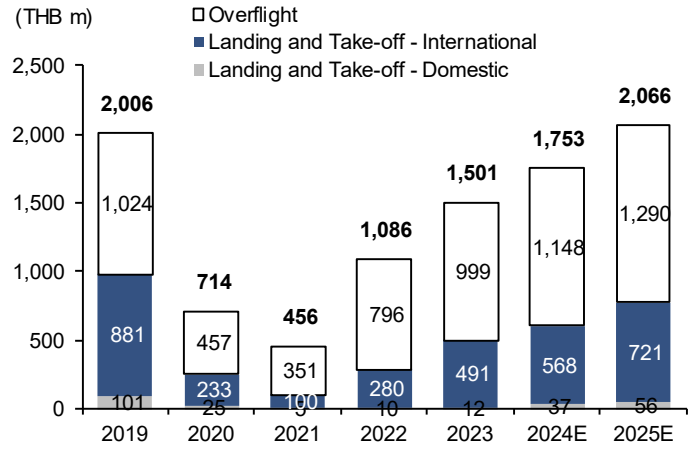
Note: Excludes FX gain/loss  
Sources: SAV; FSSIA estimates

**Exhibit 10: Flight volume forecast**



Sources: SAV; FSSIA estimates

**Exhibit 11: Revenue forecast**



Note: Excludes concession revenue  
Sources: SAV; FSSIA estimates

### Exhibit 12: SAV – 4Q24 results preview

	4Q23	1Q24	2Q24	3Q24	4Q24E	----- Change -----		2023	2024E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Sales	534	408	440	435	472	8	(12)	1,644	1,753	7
- Service income	391	408	440	435	472	8	21			
- Concession revenue	143	0	0	0	0					
COGS (Incl. depreciation)	(338)	(205)	(210)	(206)	(230)	12	(32)	(866)	(847)	(2)
<b>Gross profit</b>	<b>196</b>	<b>203</b>	<b>229</b>	<b>229</b>	<b>242</b>	<b>6</b>	<b>24</b>	<b>779</b>	<b>906</b>	<b>16</b>
SG&A	(67)	(61)	(68)	(64)	(67)	6	1	(264)	(259)	(2)
<b>Operating profit</b>	<b>129</b>	<b>142</b>	<b>161</b>	<b>166</b>	<b>175</b>	<b>6</b>	<b>35</b>	<b>515</b>	<b>647</b>	<b>26</b>
Other income	3	11	2	4	4	0	63	22	18	(15)
Other expenses	(44)	(19)	(14)	(10)	(13)	30	(71)	(97)	(59)	(39)
Withholding tax (WHT)	(42)	(18)	(13)	(9)	(12)	37	(71)	(89)	(51)	(42)
Other	(3)	(1)	(1)	(1)	(1)	(16)	(61)	(8)	(8)	0
Interest expense	(4)	(5)	(1)	(2)	(2)	0	(62)	(69)	(2)	(98)
<b>Pretax profit</b>	<b>84</b>	<b>129</b>	<b>148</b>	<b>158</b>	<b>165</b>	<b>4</b>	<b>97</b>	<b>370</b>	<b>604</b>	<b>63</b>
Income Tax	(23)	(31)	(30)	(33)	(35)	4	51	(90)	(133)	47
Associates	0	0	0	0	0			0	0	
Minority interest	0	0	0	0	0			0	0	
<b>Core profit</b>	<b>61</b>	<b>98</b>	<b>118</b>	<b>125</b>	<b>130</b>	<b>4</b>	<b>114</b>	<b>280</b>	<b>471</b>	<b>68</b>
<b>Core profit without WHT</b>	<b>102</b>	<b>116</b>	<b>130</b>	<b>134</b>	<b>142</b>	<b>6</b>	<b>39</b>	<b>368</b>	<b>522</b>	<b>42</b>
Extraordinaries, GW & FX	6	(3)	(1)	1	0			(8)	(4)	
FX gain/loss	6	(3)	(0)	1				(9)	(2)	
Others	0	(1)	(1)	0				1	(2)	
<b>Reported net profit</b>	<b>67</b>	<b>94</b>	<b>116</b>	<b>126</b>	<b>130</b>	<b>3</b>	<b>95</b>	<b>272</b>	<b>467</b>	<b>72</b>
Shares out (end Q, m)	640	640	640	640	640	0	0	640	641	0
<b>Core EPS</b>	<b>0.09</b>	<b>0.15</b>	<b>0.18</b>	<b>0.20</b>	<b>0.20</b>	<b>4</b>	<b>114</b>	<b>0.44</b>	<b>0.73</b>	<b>68</b>
<b>EPS</b>	<b>0.10</b>	<b>0.15</b>	<b>0.18</b>	<b>0.20</b>	<b>0.20</b>	<b>3</b>	<b>95</b>	<b>0.42</b>	<b>0.73</b>	<b>72</b>
COGS (Excl. depreciation)	(321)	(188)	(193)	(189)	(213)	13	(34)	(801)	(778)	(3)
Depreciation	(17)	(17)	(17)	(17)	(17)	0	(3)	(64)	(70)	8
EBITDA	149	170	181	186	196	5	31	607	446	(27)
<b>Key ratios</b>						<b>(ppt)</b>	<b>(ppt)</b>			<b>(ppt)</b>
Gross margin (%)	50	50	52	53	51	(1)	1	47	52	4
SG&A/Revenue (%)	17	15	15	15	14	(0)	(3)	31	31	0
EBITDA margin (%)	38	42	41	43	42	(1)	3	66	71	5
Net profit margin (%)	17	23	26	29	28	(1)	11	(8)	(7)	1
<b>Operating stats</b>										
Landing and take-off - Domestic ('000 flights)	1.6	1.4	1.6	1.0	1.3	29	(21)	6.0	5.3	
Landing and take-off - International ('000 flights)	6.4	6.8	6.2	6.4	7.2	12	12	23.2	26.5	
Overflight ('000 flights)	15.4	16.0	16.9	18.5	20.3	9	32	63.4	71.7	
Total ('000 flights)	23.3	24.1	24.7	25.9	28.7	11	23	92.7	103.5	

Sources: SAV; FSSIA estimates

### Exhibit 13: Forecast revisions

	----- Current -----			----- Previous -----			----- Change (%) -----		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
Landing and take-off - Domestic ('000 flights)	5.3	7.5	9.8	6.8	8.3	10.8	(22.2)	(9.1)	(9.1)
Landing and take-off - International ('000 flights)	26.5	33.3	39.3	26.9	34.2	39.0	(1.5)	(2.7)	0.7
Overflight ('000 flights)	71.7	79.7	86.1	70.2	79.7	86.1	2.1	0.0	0.0
Revenue (THB b)	1.8	2.1	2.3	1.8	2.1	2.4	(0.4)	(1.8)	(0.5)
WHT expenses (THB m)	51	53	54	60	69	66	(15)	(24)	(18)
EBITDA margin (%)	40.8	42.2	43.1	40.1	42.6	43.8	0.8	(0.4)	(0.7)
Core profit without WHT (THB b)	522	628	739	496	639	741	5.2	(1.8)	(0.3)
Core profit (THB b)	471	575	685	436	570	675	8.0	1.0	1.5

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

Sources: SAV; FSSIA estimates

Exhibit 14: DCF-derived TP

Cost of equity assumptions		(%)	Cost of debt assumptions		(%)
Risk-free rate		3.0	Pre-tax cost of debt		6.0
Market risk premium		8.0	Marginal tax rate		20.0
Stock beta		0.7			
Cost of equity, Ke		8.7	Net cost of debt, Kd		4.8
Weight applied		100.0	Weight applied		0.0
WACC		8.7			
DCF valuation estimate		(THB b)	(THB/share)	Comments	
NPV		16.6	26.0	WACC 8.7%, Risk-free rate 3%, Risk premium 8%	
Terminal value		0.0	0.0	Terminal growth 2.5%	
Cash & liquid assets		1.0	1.5	At end-2025E	
Investments		0.0	0.0	At end-2025E	
Debt		0.0	0.0	At end-2025E	
Minorities		0.0	0.0	At end-2025E	
Residual ordinary equity		17.6	27.5		

Source: FSSIA estimates

Exhibit 15: Airport sector peer comparisons as of 18 Dec 2024

Company	BBG	Rec	--- Share price ---		Market cap	3Y EPS	----- PE -----			--- ROE ---		--- PBV ---		--- EV/ EBITDA ---			
			Current	Target				24E	25E	26E	24E	25E	24E	25E	24E	25E	26E
			(THB)	(THB)			(USD m)	(%)	(x)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
Thailand																	
Airports of Thailand*+	AOT TB	BUY	59.75	68.00	24,920	47	43.7	35.6	30.0	16.6	18.3	6.9	6.2	23.8	20.6	17.7	
Malaysia																	
Malaysia Airports	MAHB MK	n/a	10.64	NR	3,971	27	23	19	17	9.9	10.9	2.3	2.2	7.9	7.5	7.2	
China																	
Beijing Capital Intl -A	694 HK	n/a	2.79	NR	1,644	(41)	n/a	56	20	(3.1)	2.3	0.8	0.8	16.9	10.1	8.1	
Hainan Meilan Intl	357 HK	n/a	9.07	NR	552	(164)	n/a	21	11	(6.1)	7.1	1.0	1.0	7.9	4.8	4.1	
Shanghai Intl Airport-A	600009 CH	n/a	34.86	NR	11,905	(193)	48	32	26	4.5	6.4	2.1	2.0	19	15.6	13.7	
Guangzhou Baiyun Intl	600004 CH	n/a	9.80	NR	3,183	(228)	23.6	19.8	24.7	5.5	6.4	1.3	1.2	6.9	6.5	6.2	
Shenzhen Airport -A	000089 CH	n/a	6.98	NR	1,964	(363)	33	22.9	19.7	3.8	5.5	1.3	1.2	13	11.1	10.5	
Xiamen Int Airport -A	600897 CH	n/a	15.13	NR	866	71	13	12.0	9	11.2	11.2	1.4	1.3	4.6	4.3	4.0	
Australia																	
Auckland Intl Airport**	AIA AU	n/a	7.46	NR	7,911	n/a	42	39.0	36.1	3.3	3.5	1.3	1.3	23.3	20.4	17.9	
Japan																	
Japan Airport Termi***	9706 JP	n/a	4,940	NR	2,988	(165)	23	21.9	20.7	11.5	10.9	2.5	2.4	9	8.6	8.2	
Average					59,904	(202)	31.2	27.8	21.4	5.7	8.2	2.1	2.0	13.2	10.9	9.7	

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

\*Fiscal year-end is 30 September; \*\* Fiscal year-end is 30 June; \*\*\* Fiscal year-end is 31 March  
Sources: Bloomberg consensus; +FSSIA estimates

Exhibit 16: ANSP peer comparisons as of 18 Dec 2024

Company	BBG	Rec	--- Share price ---		Market Cap	3Y EPS CAGR	----- PE -----			--- ROE ---		--- PBV ---		--- EV/ EBITDA ---		
			Current	Target			24E	25E	26E	24E	25E	24E	25E	24E	25E	26E
			(THB)	(THB)			(USD m)	(%)	(x)	(x)	(x)	(%)	(%)	(x)	(x)	(x)
Thailand																
Samart Aviation Solutions	SAV TB	BUY	18.70	27.50	349	35	25.4	20.8	17.5	32.6	31.5	7.4	5.9	15.9	12.6	10.5
Italy																
Enav SpA	ENAV IM	NR	4.09	NR	2,315	3	20.4	17.1	16.3	9.2	10.5	1.9	1.8	8.8	8.0	8.0
Average					2,664	26	22.9	18.9	16.9	20.9	21.0	4.6	3.8	12.3	10.3	9.3

Sources: Bloomberg; FSSIA estimates



## Financial Statements

Samart Aviation Solutions

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	1,218	1,644	1,753	2,066	2,342
Cost of goods sold	(688)	(866)	(847)	(991)	(1,118)
<b>Gross profit</b>	<b>530</b>	<b>779</b>	<b>906</b>	<b>1,075</b>	<b>1,225</b>
Other operating income	-	-	-	-	-
Operating costs	(237)	(264)	(259)	(267)	(276)
<b>Operating EBITDA</b>	<b>361</b>	<b>579</b>	<b>716</b>	<b>872</b>	<b>1,009</b>
Depreciation	(68)	(64)	(70)	(65)	(60)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>293</b>	<b>515</b>	<b>647</b>	<b>808</b>	<b>949</b>
Net financing costs	(54)	(148)	(51)	(52)	(48)
Associates	-	-	-	-	-
Recurring non-operating income	2	3	8	10	10
Non-recurring items	11	(8)	(4)	0	0
<b>Profit before tax</b>	<b>253</b>	<b>362</b>	<b>600</b>	<b>765</b>	<b>911</b>
Tax	(54)	(90)	(133)	(190)	(226)
<b>Profit after tax</b>	<b>200</b>	<b>272</b>	<b>467</b>	<b>575</b>	<b>685</b>
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>200</b>	<b>272</b>	<b>467</b>	<b>575</b>	<b>685</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(11)</b>	<b>8</b>	<b>4</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>188</b>	<b>280</b>	<b>471</b>	<b>575</b>	<b>685</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.33	0.44	0.74	0.90	1.07
Reported EPS	0.35	0.42	0.73	0.90	1.07
DPS	0.00	0.75	0.44	0.54	0.64
Diluted shares (used to calculate per share data)	576	640	640	640	640
<b>Growth</b>					
Revenue (%)	167.2	35.0	6.6	17.9	13.3
Operating EBITDA (%)	1,770.3	60.2	23.7	21.8	15.7
Operating EBIT (%)	nm	75.6	25.6	24.9	17.5
Recurring EPS (%)	nm	33.8	68.3	22.1	19.1
Reported EPS (%)	nm	22.5	72.0	23.1	19.1
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	43.5	47.4	51.7	52.0	52.3
Gross margin exc. depreciation (%)	49.1	51.3	55.6	55.1	54.9
Operating EBITDA margin (%)	29.7	35.2	40.8	42.2	43.1
Operating EBIT margin (%)	24.1	31.3	36.9	39.1	40.5
Net margin (%)	15.5	17.0	26.9	27.8	29.2
Effective tax rate (%)	17.7	10.0	0.0	12.0	12.0
Dividend payout on recurring profit (%)	-	171.5	60.0	60.0	60.0
Interest cover (X)	5.5	3.5	12.9	15.7	20.0
Inventory days	-	-	-	-	-
Debtor days	34.9	36.4	33.8	28.2	24.5
Creditor days	78.1	91.4	102.2	92.5	94.4
Operating ROIC (%)	18.3	37.5	60.0	62.2	73.6
ROIC (%)	16.0	34.4	60.8	63.0	74.3
ROE (%)	78.1	34.7	32.6	31.5	31.1
ROA (%)	12.1	20.0	26.5	27.1	26.6
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Landing and Take-off - Domestic	10	12	37	56	76
Landing and Take-off - International	280	491	568	721	859
Overflight	796	999	1,148	1,290	1,407
Concession income	131	143	0	0	0

Sources: Samart Aviation Solutions; FSSIA estimates

## Financial Statements

Samart Aviation Solutions

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	188	280	471	575	685
Depreciation	68	64	70	65	60
Associates & minorities	0	0	0	0	0
Other non-cash items	7	97	59	61	63
Change in working capital	(165)	536	(1)	52	47
<b>Cash flow from operations</b>	<b>99</b>	<b>977</b>	<b>599</b>	<b>753</b>	<b>854</b>
Capex - maintenance	-	-	-	-	-
Capex - new investment	(144)	(193)	(158)	(158)	(53)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	18	0	(61)	(61)	(63)
<b>Cash flow from investing</b>	<b>(126)</b>	<b>(193)</b>	<b>(219)</b>	<b>(219)</b>	<b>(115)</b>
Dividends paid	0	(480)	(128)	(155)	(345)
Equity finance	(2)	1,145	0	0	0
Debt finance	239	(1,259)	(170)	0	0
Other financing cash flows	0	(9)	(2)	0	0
<b>Cash flow from financing</b>	<b>236</b>	<b>(603)</b>	<b>(300)</b>	<b>(155)</b>	<b>(345)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>210</b>	<b>182</b>	<b>79</b>	<b>380</b>	<b>394</b>
Free cash flow to firm (FCFF)	29.35	853.81	381.44	534.54	739.15
Free cash flow to equity (FCFE)	212.49	(483.45)	207.41	534.54	739.15

### Per share (THB)

FCFF per share	0.05	1.33	0.60	0.84	1.15
FCFE per share	0.33	(0.76)	0.32	0.84	1.15
Recurring cash flow per share	0.46	0.69	0.94	1.09	1.26

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	2,006	2,188	2,346	2,503	2,556
Less: Accumulated depreciation	(999)	(1,052)	(1,122)	(1,187)	(1,247)
<b>Tangible fixed assets (net)</b>	<b>1,007</b>	<b>1,136</b>	<b>1,224</b>	<b>1,317</b>	<b>1,309</b>
<b>Intangible fixed assets (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	240	0	0	0	0
Cash & equivalents	339	520	600	980	1,374
A/C receivable	165	163	161	159	156
Inventories	0	0	0	0	0
Other current assets	496	62	66	78	88
<b>Current assets</b>	<b>1,000</b>	<b>745</b>	<b>827</b>	<b>1,216</b>	<b>1,618</b>
Other assets	2	0	0	0	0
<b>Total assets</b>	<b>2,249</b>	<b>1,881</b>	<b>2,051</b>	<b>2,533</b>	<b>2,927</b>
Common equity	339	1,276	1,615	2,035	2,375
Minorities etc.	0	0	0	0	0
<b>Total shareholders' equity</b>	<b>339</b>	<b>1,276</b>	<b>1,615</b>	<b>2,035</b>	<b>2,375</b>
Long term debt	1,171	170	0	0	0
Other long-term liabilities	252	107	107	107	107
<b>Long-term liabilities</b>	<b>1,423</b>	<b>277</b>	<b>107</b>	<b>107</b>	<b>107</b>
A/C payable	180	221	214	256	292
Short term debt	259	0	0	0	0
Other current liabilities	48	108	115	135	153
<b>Current liabilities</b>	<b>487</b>	<b>328</b>	<b>329</b>	<b>391</b>	<b>445</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,249</b>	<b>1,881</b>	<b>2,051</b>	<b>2,533</b>	<b>2,927</b>
Net working capital	433	(104)	(102)	(155)	(201)
Invested capital	1,682	1,032	1,122	1,162	1,108

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

### Per share (THB)

Book value per share	0.59	1.99	2.52	3.18	3.71
Tangible book value per share	0.59	1.99	2.52	3.18	3.71

### Financial strength

Net debt/equity (%)	321.5	(27.4)	(37.1)	(48.1)	(57.8)
Net debt/total assets (%)	48.5	(18.6)	(29.3)	(38.7)	(46.9)
Current ratio (x)	2.1	2.3	2.5	3.1	3.6
CF interest cover (x)	7.6	(1.0)	8.2	14.3	17.5

Valuation	2022	2023	2024E	2025E	2026E
<b>Recurring P/E (x) *</b>	<b>57.2</b>	<b>42.8</b>	<b>25.4</b>	<b>20.8</b>	<b>17.5</b>
<b>Recurring P/E @ target price (x) *</b>	<b>84.1</b>	<b>62.9</b>	<b>37.4</b>	<b>30.6</b>	<b>25.7</b>
Reported P/E (x)	54.0	44.1	25.6	20.8	17.5
Dividend yield (%)	-	4.0	2.4	2.9	3.4
Price/book (x)	31.8	9.4	7.4	5.9	5.0
Price/tangible book (x)	31.8	9.4	7.4	5.9	5.0
EV/EBITDA (x) **	32.8	20.1	15.9	12.6	10.5
EV/EBITDA @ target price (x) **	46.8	29.8	23.7	19.1	16.1
EV/invested capital (x)	7.1	11.3	10.1	9.5	9.6

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

Sources: Samart Aviation Solutions; 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.																				
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG 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 <b>SETESG inclusion</b> , 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. <b>SETESG Index</b> is extended from the SET ESG Ratings 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&amp;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 Sustainabilitycs	The Sustainabilitycs' 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 &amp; 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="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></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
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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; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;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

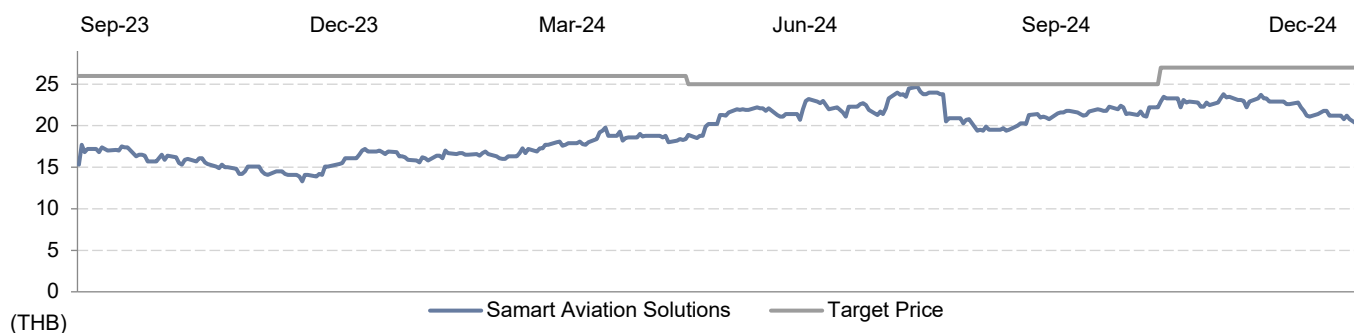
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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### History of change in investment rating and/or target price

#### Samart Aviation Solutions (SAV TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
25-Sep-2023	BUY	26.00	25-Apr-2024	BUY	25.00	07-Oct-2024	BUY	27.00

Teerapol Udomvej, CFA started covering this stock from 25-Sep-2023

Price and TP are in local currency

Source: FSSIA estimates

#### Airports of Thailand (AOT TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
27-Jan-2022	BUY	79.00	14-Feb-2024	BUY	75.00	26-Nov-2024	BUY	68.00
02-Jun-2022	BUY	85.00	25-Jun-2024	BUY	70.00			
29-Nov-2023	BUY	76.00	01-Aug-2024	BUY	65.00			

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
Samart Aviation Solutions	SAV TB	THB 18.70	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a slower-than-expected recovery in international tourist numbers; and 3) delays in Cambodia's new airport projects.
Airports of Thailand	AOT TB	THB 59.75	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 18-Dec-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.