

BANGKOK AIRWAYS

THAILAND / TRANSPORT & LOGISTICS

BA TB

BUY

UNCHANGED

TARGET PRICE	THB30.00
CLOSE	THB18.40
UP/DOWNSIDE	+63.0%
PRIOR TP	THB30.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+9.7%

Can BA fly even higher in 2025?

- Samui passenger volume grew by 18% y-y to hit a record high in Jan-25; expect it to grow by 10% to 3.1m in 2025.
- BA's 2025 core profit may positively surprise market with a base case of THB4.1b and best case of THB4.3-4.6b.
- Maintain BUY with an SoTP-based TP of THB30.0/shr.

Samui passengers recently hit monthly and yearly record high

According to The Civil Aviation Authority of Thailand (CAAT), the Samui passenger volume grew by 18% y-y to 313k in Jan-25, exceeding the pre-Covid level by 36% and hitting a monthly record high (previous record high was 293k in Aug-18). We expect the growth momentum to continue, driven by *The White Lotus season 3* – the HBO TV series scheduled to air on 16 Feb 2025 which was filmed at Phuket and Samui. The Samui passenger volume recently hit a new high at 2.8m in 2024 (+16% vs pre-Covid) and we expect it to grow further by 10% y-y to 3.1m in 2025.

Samui fares uptrend to mitigate non-Samui competition concern

The market is concerned that the higher aircraft supply could lead to lower ticket fares in 2025. We believe BA's ticket fares should continue to grow if Samui has strong demand. Samui fares should be cTHB4,400-4,500 in 2024 (+4% vs pre-Covid) and we expect them to grow further by 5% to THB4,600 in 2025. Meanwhile, we conservatively expect non-Samui ticket fares to decline by 5% to THB3,500 in 2025 due to higher competition. Since the Samui route accounts for 70% of passenger revenue, average fares should still grow by 2% to THB4,300 in 2025.

Every 100k increase in Samui pax may lift 2025 profit by THB200m

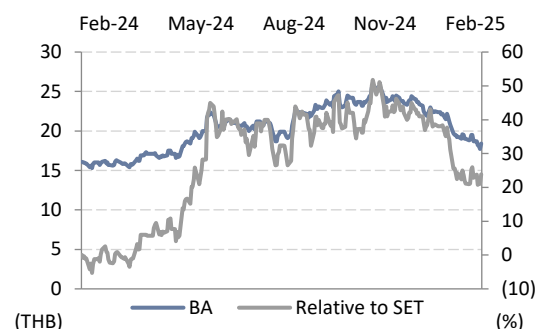
We estimate 2024 core profit to jump from THB1.7b in 2023 to THB3.7b, driven mainly by THB1.8b growth from the Samui operation, with passenger growth of 500k to 2.8m, implying that every 100k Samui passenger increment would increase profit by THB300-400m. We expect BA's profit to grow by 10% to THB4.1b in 2025, which is higher than BBG's consensus of THB3.7b. We believe our estimate still has upside potential and BA's earnings may surprise the market due to an additional 300k Samui passengers this year, which could boost profit by an additional THB0.6-0.9b, bringing 2025 total profit to THB4.3-4.6b.

Raise profit; superior yield and ROE to other tourism plays

We revise up our 2024-26E core profit by 6-7% to reflect the better expected 4Q24 preview results (please see p.9) and maintain our 2025 SoTP-based TP of THB30/shr. BA trades at an attractive valuation of only 9x 2025E P/E with a potential dividend yield of 6% and superior ROE (21%) vs other tourism plays (18% for AOT and 6% for Thai hotels).

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	19,681	23,950	25,824	26,397
Net profit	3,110	3,635	4,075	4,303
EPS (THB)	1.48	1.73	1.94	2.05
vs Consensus (%)	-	1.2	9.7	7.9
EBITDA	4,820	6,982	7,680	7,832
Recurring net profit	1,653	3,713	4,075	4,303
Core EPS (THB)	0.79	1.77	1.94	2.05
Chg. In EPS est. (%)	-	6.5	6.7	5.9
EPS growth (%)	nm	124.7	9.7	5.6
Core P/E (x)	23.4	10.4	9.5	9.0
Dividend yield (%)	5.4	6.0	6.3	6.7
EV/EBITDA (x)	11.2	7.4	6.3	5.9
Price/book (x)	2.3	2.1	1.9	1.7
Net debt/Equity (%)	91.8	70.8	50.5	34.8
ROE (%)	9.8	21.0	21.1	20.3



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(17.1)	(28.5)	19.5
Relative to country (%)	(10.1)	(18.1)	30.5
Mkt cap (USD m)	1,148		
3m avg. daily turnover (USD m)	2.7		
Free float (%)	41		
Major shareholder	Prasartong-Osoth Puttipong (25%)		
12m high/low (THB)	26.00/15.10		
Issued shares (m)	2,100.00		

Sources: Bloomberg consensus; FSSIA estimates



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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

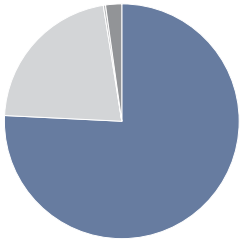
Principal activities (revenue, 2023)

Air fares - 75.8 %

Revenue from sales and services - 21.7 %

Freight - 0.3 %

Passenger services - 2.2 %



Source: Bangkok Airways

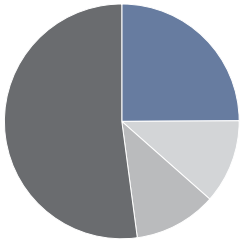
Major shareholders

Prasarttong-Osoth Puttipong - 24.9 %

Prasarttong-Osoth Ariya - 11.6 %

Prasarttong-Osoth Prasert - 11.4 %

Others - 52.1 %



Source: Bangkok Airways

Catalysts

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

Risks to our call

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

Event calendar

Date	Event
Feb 2025	4Q24 results announcement

Key assumptions

	2024E	2025E	2026E
Number of aircraft (no.)	24	25	26
Passengers carried (m)	4.3	4.6	4.6
Load factor (%)	80.1	82.0	82.5
Average ticket fare (THB)	4,184	4,268	4,353
Jet fuel spot price (USD/bbl)	95.2	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

Ticket fares likely to continue to increase in 2025

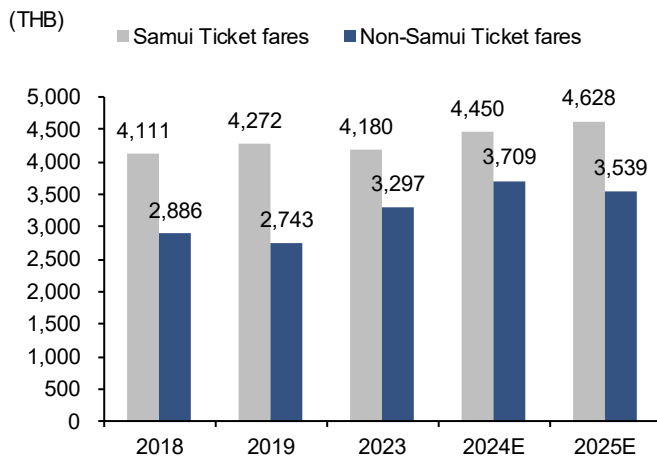
The market's main concern about the airline industry is the higher aircraft supply, which should lead to higher competition and a downtrend in ticket fares. We believe BA's ticket fares should continue to grow as long as Samui has strong demand.

We estimate Samui ticket fares to increase by 6-7% in 2024 to THB4,400-4,500, which is only 4% higher than the pre-Covid level. This is due to BA having hardly adjusted fares for the Samui route post Covid pandemic. We expect Samui ticket fares to increase further by 3-5% in 2025 to THB4,600 due to strong demand, with our assumption of 10% y-y passenger volume growth.

Meanwhile, non-Samui ticket fares should grow by 10-12% y-y to THB3,700 in 2024 and exceed pre-Covid by 29%, as BA has reduced its flight volume by more than 50% and focused only on high-yield routes. We conservatively expect non-Samui ticket fares to decrease by 5% to THB3,500 in 2025 due to higher competition.

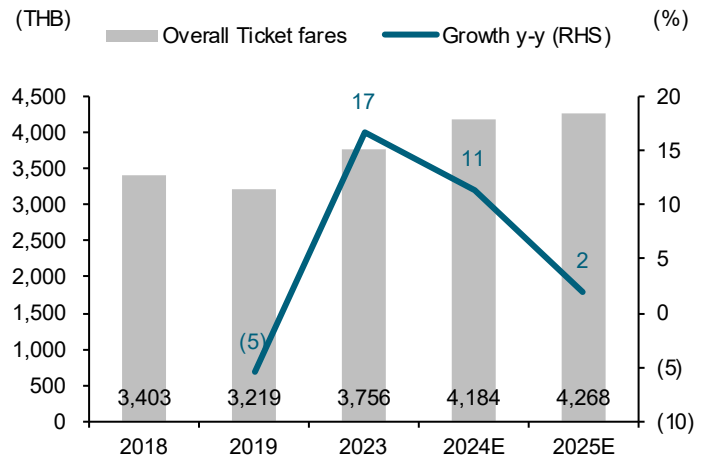
Since the Samui route accounts for 70% of BA's total passenger revenue, we expect the average ticket fare for BA to still increase by 2% to THB4,300 in 2025.

Exhibit 1: Samui and non-Samui ticket fares



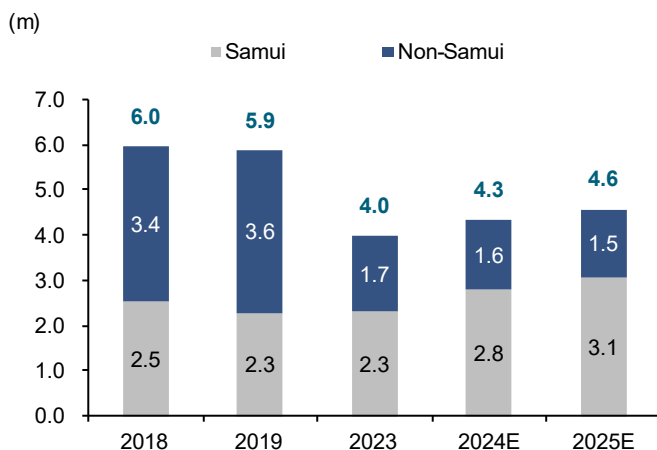
Sources: BA; FSSIA estimate

Exhibit 2: BA's ticket fares



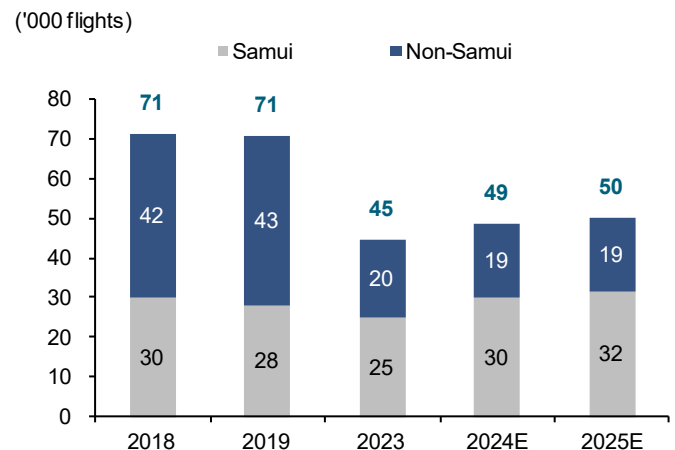
Note: Excluding Covid pandemic period during 2020-22
Sources: BA; FSSIA estimate

Exhibit 3: Passenger volume



Sources: BA; CAAT; FSSIA estimate

Exhibit 4: Flight volume



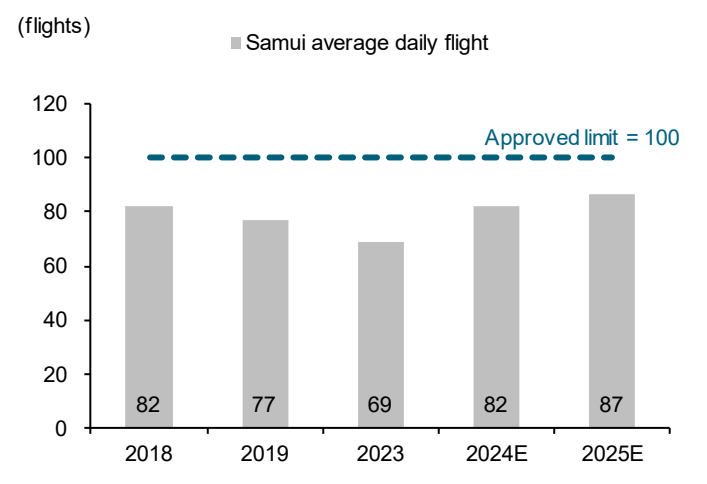
Sources: BA; CAAT; FSSIA estimate

Samui’s capacity constraints not a concern as long as demand remains strong

While investors may be concerned about capacity constraints for the Samui route, we believe there is room for growth, given that the daily flight volume (including arrivals and departures) is currently at c81-83 vs the 100-flight approved limit, while the number of passengers per flight is c92-94 vs the average seat capacity per flight of 110-115.

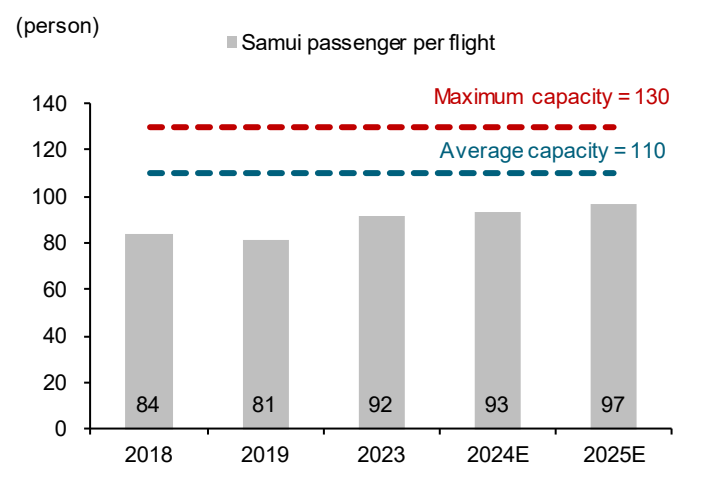
In addition, BA can request an additional flight quota from CAAT on a daily basis, as evidenced in Jan-25 during which some daily flight volumes exceeded the limit. BA can also allocate more A319 aircraft to the Samui route to increase seat capacity (120-140 seats for A319 vs 70 seats for ATR72).

Exhibit 5: Samui route: average daily flights



Sources: BA; FSSIA estimate

Exhibit 6: Samui route: passengers per flight

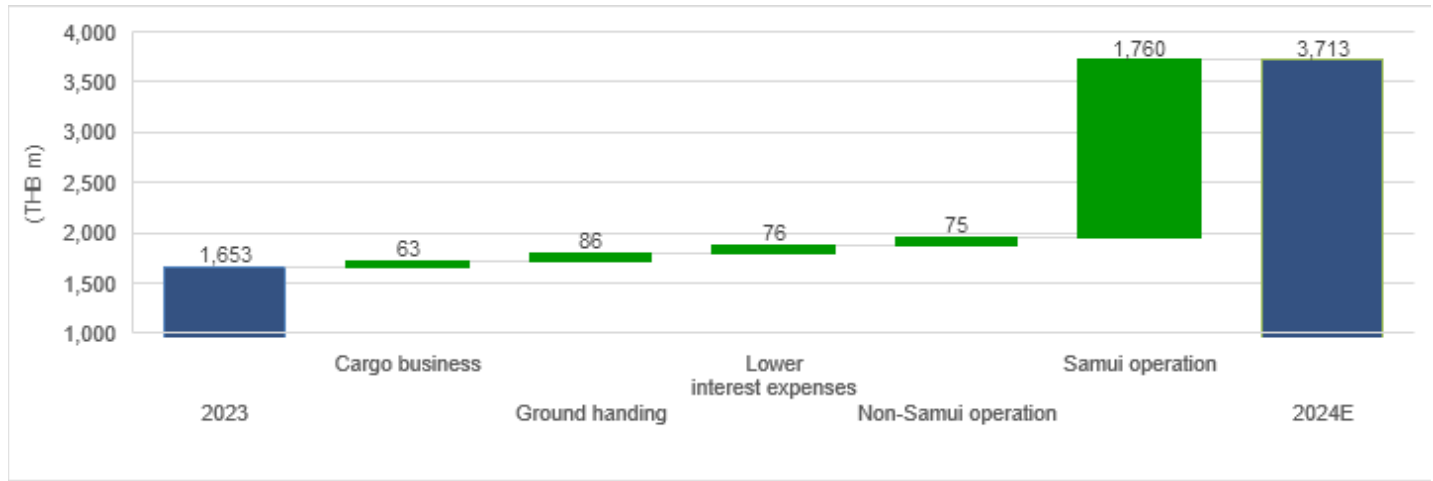


Sources: BA; FSSIA estimate

Higher Samui demand leading core profit to grow further in 2025

We estimate BA's core profit to jump by 125% from 1.7b in 2023 to THB3.7b in 2024. If we break down the projected profit growth of THB2.0b, we can see that the key driver is aero operations, which we estimate to have contributed THB1.8-1.9b, while the non-aero operation contributed THB0.2b

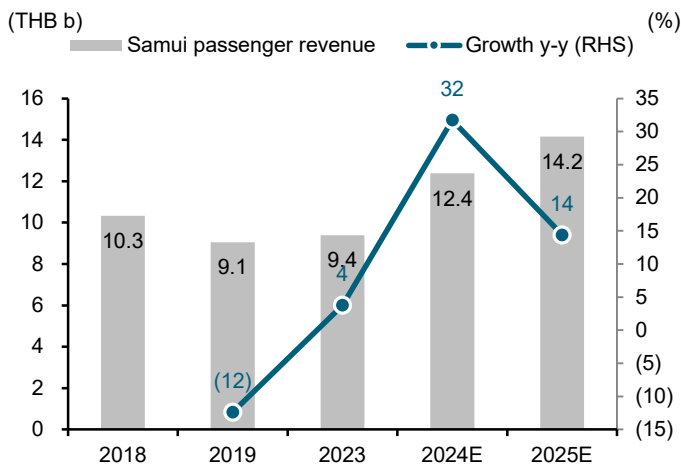
Exhibit 7: 2024E core profit growth breakdown



Sources: BA; FSSIA estimates

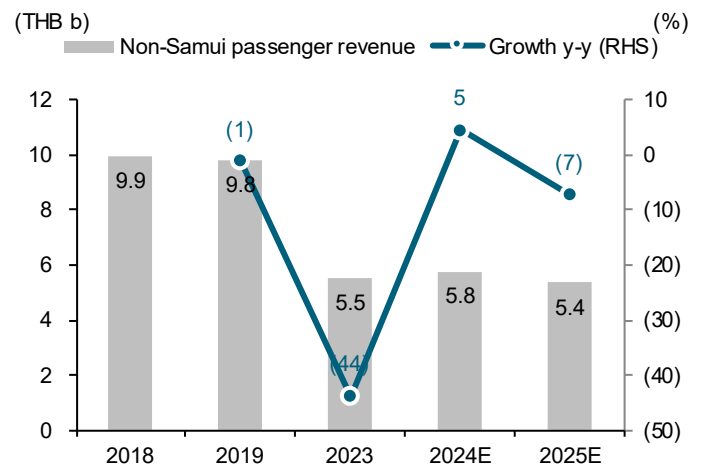
Samui's operating revenue should increase by THB3.1b in 2024 (THB3.0b from passenger revenue and THB0.1b from passenger service charges (PSC)), while non-Samui operating revenue should grow by THB0.2-0.3b. Therefore, we conclude that Samui operations were likely the main contributor to BA's profit increase of cTHB1.8, representing a net profit flow-through of 55-60%. In 2024, the Samui passenger volume increased by c500k, implying that every 100k Samui passenger increment would increase profit by THB300-400m.

Exhibit 8: Samui passenger revenue



Note: Excluding Covid pandemic period during 2020-22
Sources: BA; FSSIA estimates

Exhibit 9: Non-Samui passenger revenue

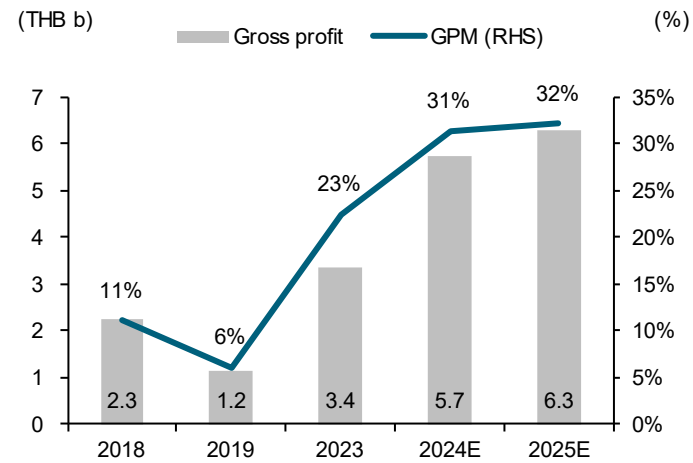


Note: Excluding Covid pandemic period during 2020-22
Sources: BA; FSSIA estimates

We expect the Samui passenger volume to grow by 10% from 2.8m to 3.1m or c300k in 2025. Assuming average ticket fares of THB4,600 and an average PSC of THB200 (averaging domestic at THB300 and international at THB700 and collecting only from departing passengers), this would generate additional revenue of cTHB1.4b. Using a more conservative net profit flow-through of 35% due to potential cost increases, this would contribute an additional THB0.5b profit from Samui operations to BA.

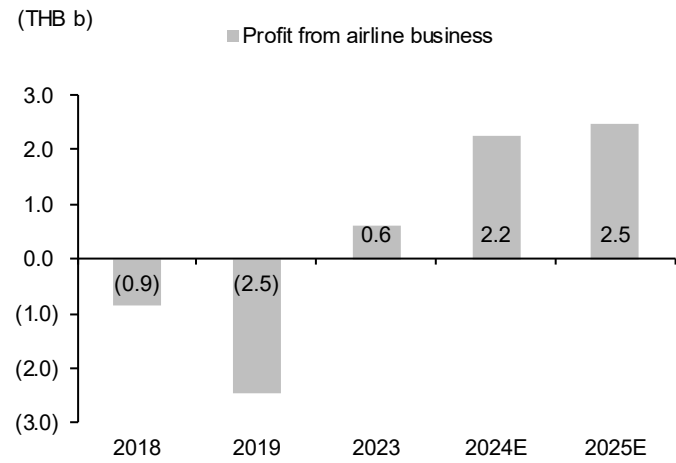
For non-Samui routes, we conservatively expect a slight decline in revenue due to potential fare reductions from increased competition. This should result in a slight decrease in profit of cTHB0.2b.

Exhibit 10: Gross profit margin of airline business



Sources: BA; FSSIA estimates

Exhibit 11: Profit of airline business

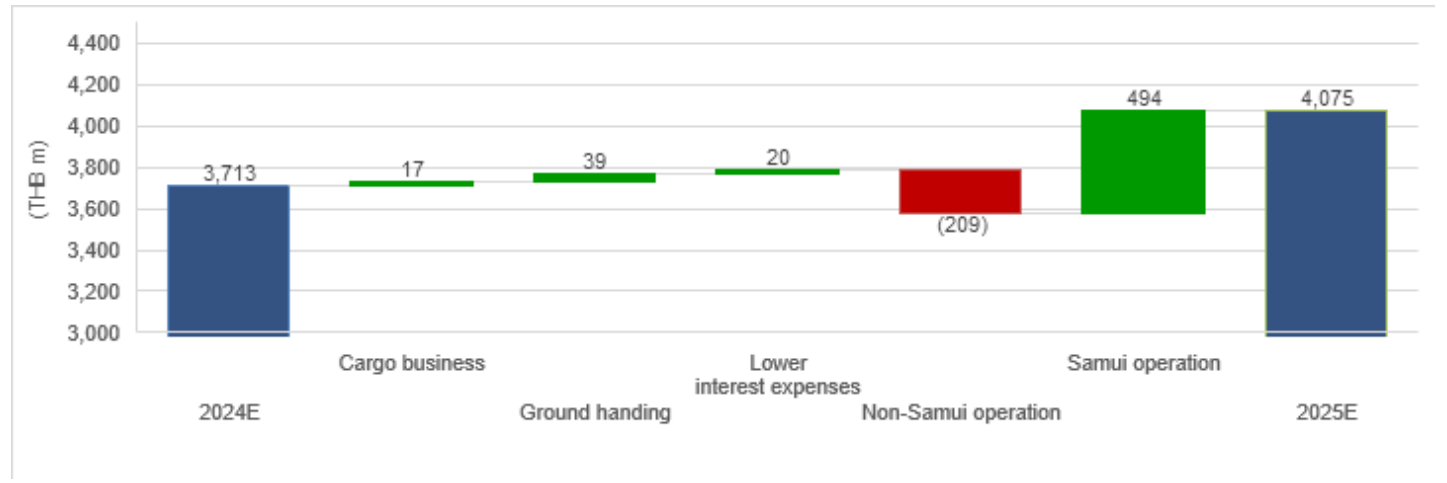


Note: Allocate SG&A, interest expenses and tax between airline and airport-related business by FSSIA
Sources: BA; FSSIA estimates

2025 core profit forecast (base case vs best case)

With the key assumptions mentioned above, we forecast 2025 core profit to grow by 10% to THB4.1b. There is ample upside potential to our forecast, including a higher-than-expected Samui passenger volume, Samui ticket fares, the net profit flow-through of Samui operations and better-than-expected non-Samui route performance.

Exhibit 12: 2025E core profit growth breakdown (base case)

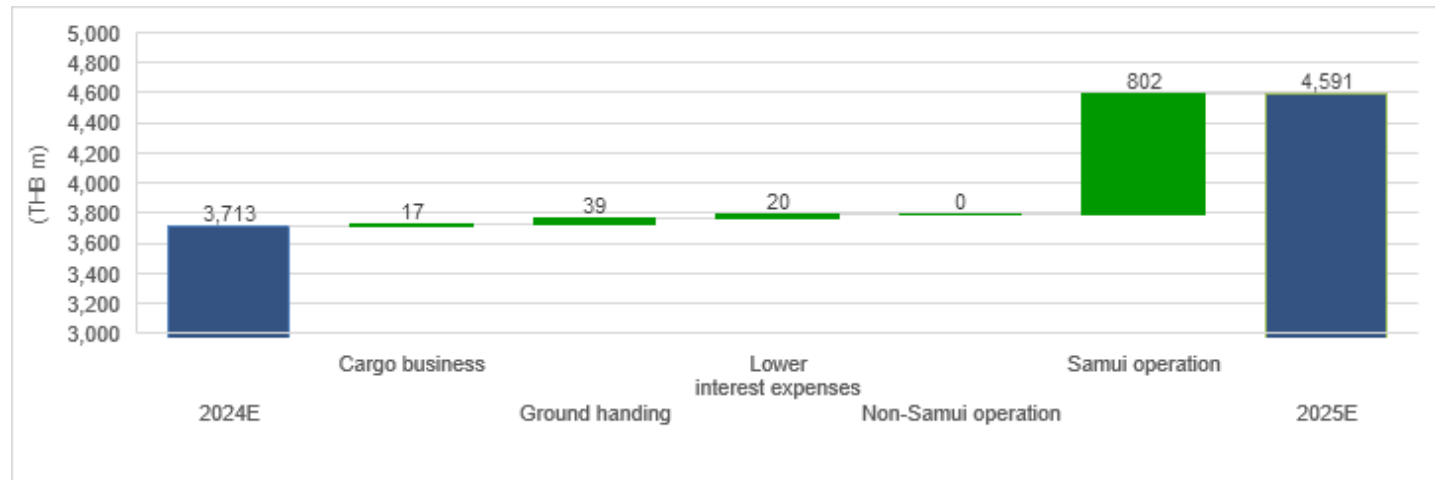


Sources: BA; FSSIA estimates

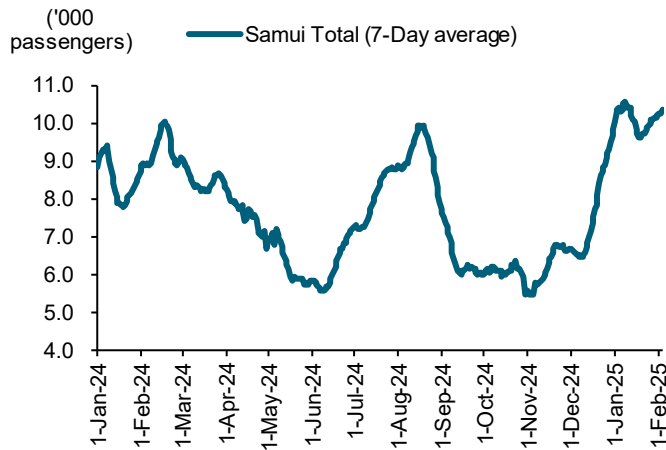
Best case analysis

In the scenario that the net profit flow-through of Samui operations is 45% in 2025 (near 55% in 2024) and non-Samui routes can maintain their fares and margins, BA's core profit would rise to THB4.6b, all else being equal. In addition, for every 100k Samui passenger increase, it would lift profit further by THB0.2-0.3b.

Exhibit 13: 2025E core profit growth breakdown (best case)

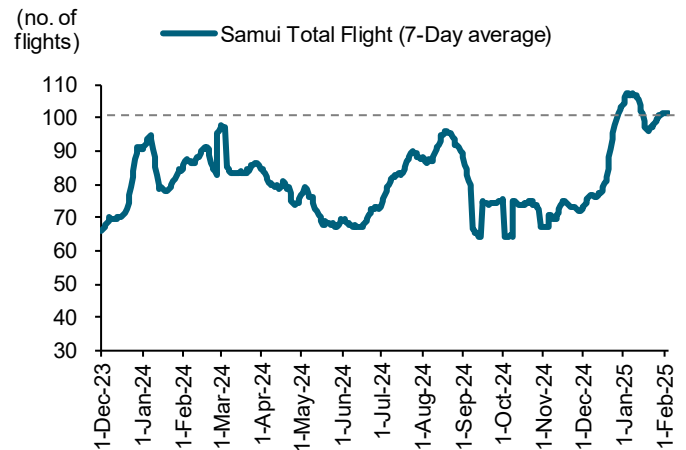


Sources: BA; FSSIA estimates

Exhibit 14: Samui passenger volume trend

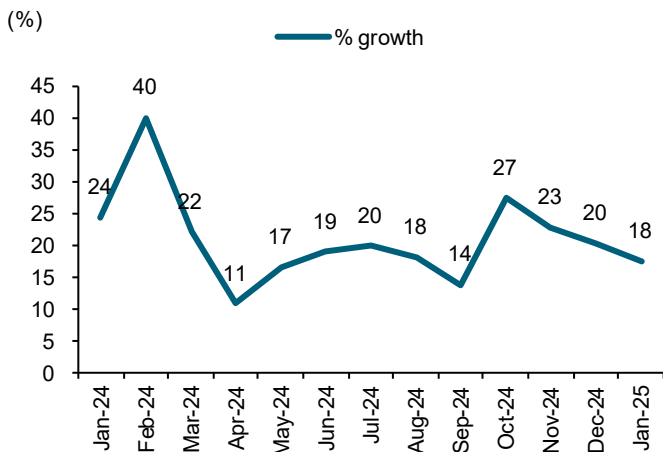
Note: Includes both arrivals and departures

Source: The Civil Aviation Authority of Thailand (CAAT)

Exhibit 15: Samui passenger flight volume

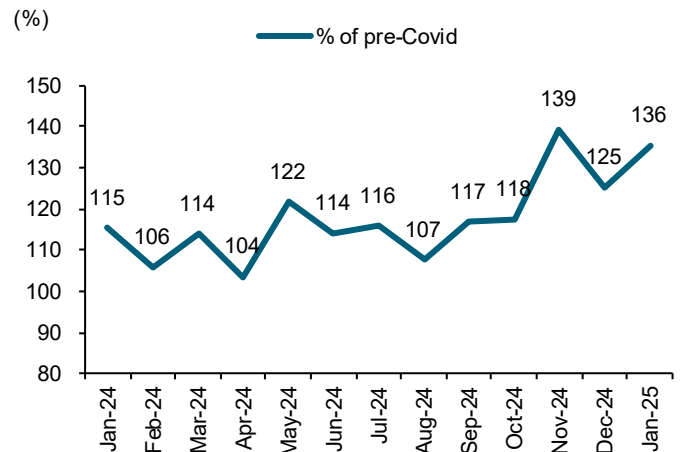
Note: Includes both arrivals and departures

Source: CAAT

Exhibit 16: Samui passenger volume: monthly growth

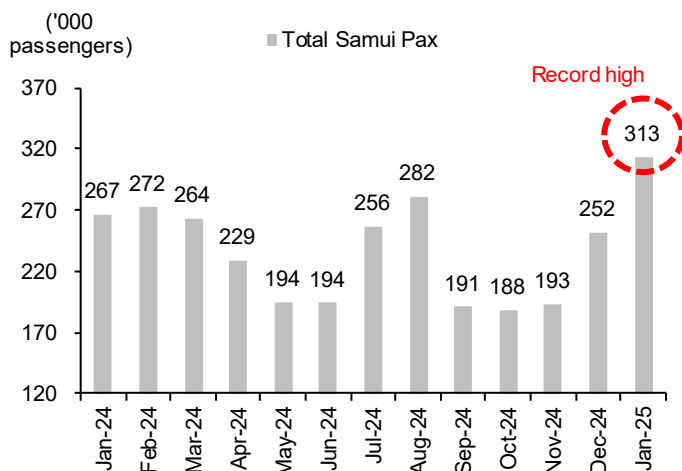
Note: Includes both arrivals and departures

Source: CAAT; FSSIA estimates

Exhibit 17: Samui passenger volume vs pre-Covid

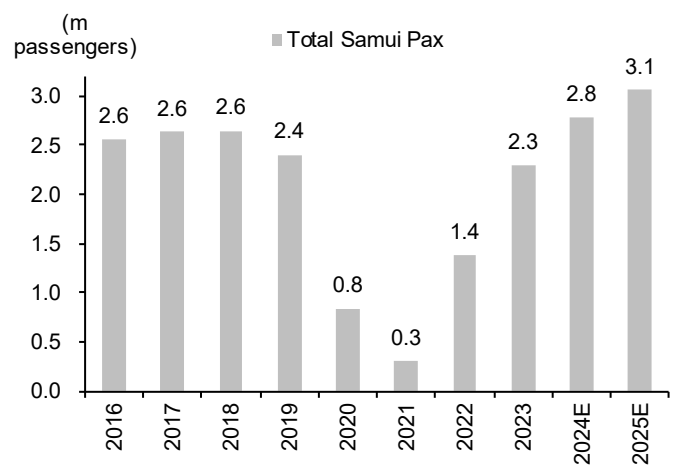
Note: Includes both arrivals and departures

Source: CAAT; FSSIA estimates

Exhibit 18: Samui passenger volume, monthly

Note: Includes both arrivals and departures

Source: CAAT; FSSIA estimates

Exhibit 19: Samui passenger volume, yearly

Note: Includes both arrivals and departures

Source: CAAT; FSSIA estimates

4Q24 results preview: expect to post the best 4Q profit

We expect the 4Q24 passenger volume to grow 5% y-y to 1.01m (70% of the pre-Covid level). The load factor should be relatively flat y-y at 76%, while ticket fares should increase by 3% y-y to an average of THB4,065. This should result in an improved passenger yield to THB6.2/passenger-km (vs THB6.1 in 4Q23).

As a result, passenger revenue should grow by 9% y-y, while airport and airport-related revenue should grow 14% y-y in 4Q24, led by a higher Samui passenger volume and revenue from the ground handling business. Expenses should drop by 3% y-y, due to lower jet fuel spot prices.

Overall, core profit should turn around to THB328m (vs THB432m loss in 4Q23), a record high for 4Q, which is the low season and when BA normally reports a core loss.

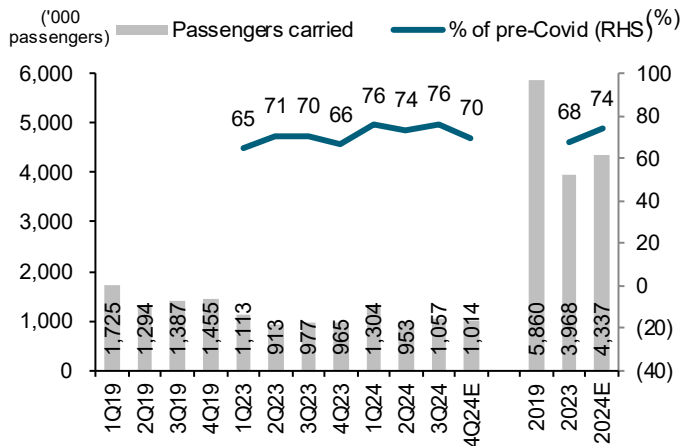
Note that BA should book a THB40-60m FX gain on its cash on hand (partially in USD terms), due to the depreciation of the THB vs USD. This should result in a 4Q24 net profit to THB368-388m.

Exhibit 20: BA – 4Q24 results preview

	4Q23	1Q24	2Q24	3Q24	4Q24E	Change		2024E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)
Sales	5,072	7,241	5,172	5,936	5,600	(6)	10	23,950
- Passenger revenue	3,782	5,749	3,805	4,460	4,124	(8)	9	18,146
- Other revenue	1,290	1,492	1,367	1,476	1,476	0	14	5,804
Expense	(5,523)	(5,358)	(4,789)	(5,118)	(5,341)	4	(3)	(20,619)
- Fuel and oil	(1,004)	(1,056)	(886)	(910)	(863)	(5)	(14)	(3,718)
- Non-fuel operating expenses	(4,519)	(4,302)	(3,903)	(4,207)	(4,478)	6	(1)	(16,900)
Operating profit	(451)	1,884	383	818	259	(68)	(158)	3,331
Dividend income	0	0	266	263	0	(100)	(100)	533
Net other income	312	507	327	290	349	20	12	1,480
Interest income	78	51	128	74	100	35	28	354
Interest expense	(536)	(537)	(518)	(520)	(520)	0	(3)	(2,091)
Pretax profit	(597)	1,905	586	925	188	(80)	(132)	3,607
Income Tax	0	(263)	(161)	(205)	(49)	(76)	(21,798)	(664)
Associates	162	159	256	190	191	0	18	769
Minority interest	2	(6)	0	(2)	(2)	0	(188)	2
Core profit	(432)	1,794	682	909	328	(64)	(176)	3,713
Extraordinaries	86	79	30	(237)	50	(121)	(42)	(78)
- FX	(14)	79	30	(237)	50	(121)	(461)	(78)
- Derivative	0	0	0	0	0			0
- Others	100	0	0	0				0
Net profit	(346)	1,873	712	671	378	(44)	(209)	3,635
Shares out (end Q, m)	2,100	2,100	2,100	2,100	2,100	0	0	2,100
Pre-ex EPS	(0.21)	0.85	0.32	0.43	0.16	(64)	(176)	1.77
EPS	(0.16)	0.89	0.34	0.32	0.18	(44)	(209)	1.73
Depreciation	(407)	(391)	(373)	(383)	(383)	0	(6)	(1,639)
EBITDA	(43)	2,275	756	1,201	642	(47)	(1,578)	4,970
Key ratios						(ppt)	(ppt)	
Operating profit margin (%)	(9)	26	7	14	5	(9)	14	14
EBITDA margin (%)	(1)	31	15	20	11	(9)	12	21
Net profit margin (%)	(7)	26	14	11	7	(5)	14	15
Operating stats								
Passenger carried (m)	0.97	1.30	0.95	1.06	1.01			
Load factor (%)	76	88	77	79	76			
RPK (m seats-km)	622	836	615	681	666			
ASK (m seats-km)	816	945	796	862	882			
Average fare (THB)	3,947	4,406	4,000	4,210	4,065			
RASK (THB)	5.3	6.8	5.4	5.7	0.0			
CASK (THB)	6.2	4.8	4.9	5.0	0.0			
CASK ex-fuel (THB)	5.0	3.7	3.8	3.9	0.0			

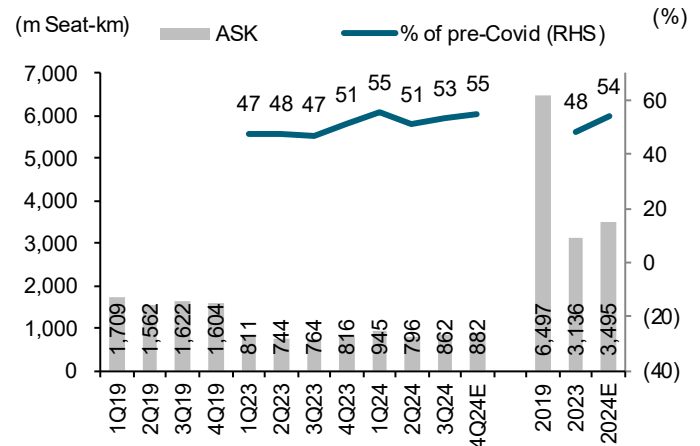
Sources: BA; FSSIA estimates

Exhibit 21: Passengers carried



Sources: BA; FSSIA estimates

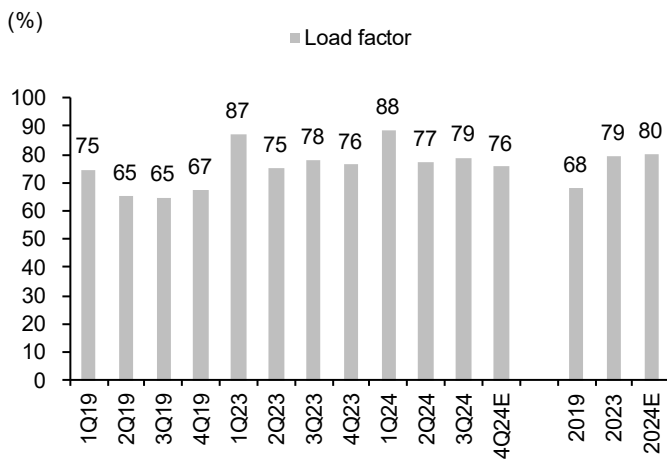
Exhibit 22: ASK



* ASK = available seat kilometers

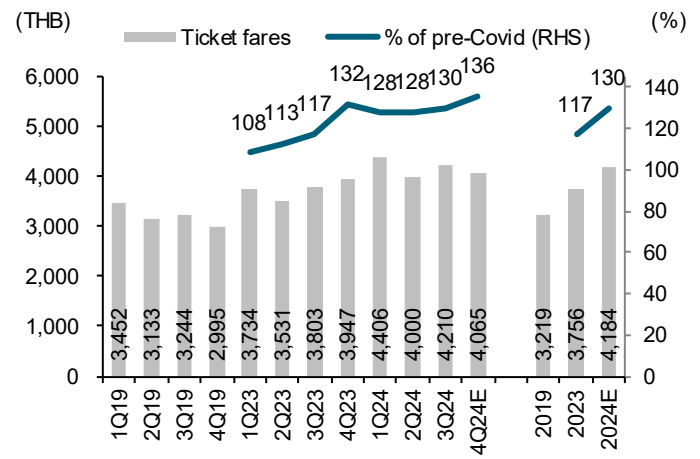
Sources: BA; FSSIA estimates

Exhibit 23: Load factor



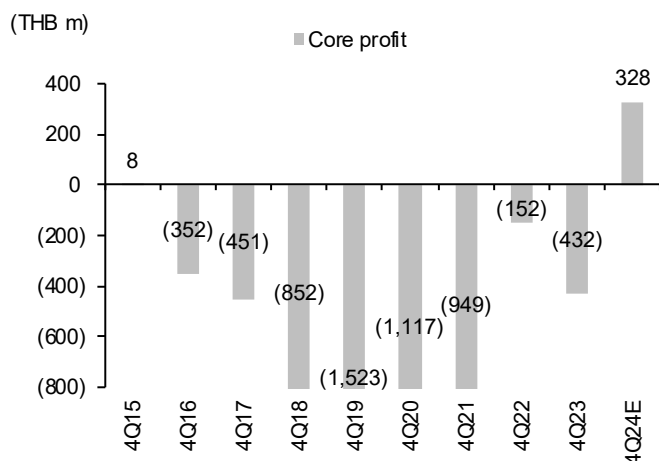
Sources: BA; FSSIA estimates

Exhibit 24: Ticket fares (average)



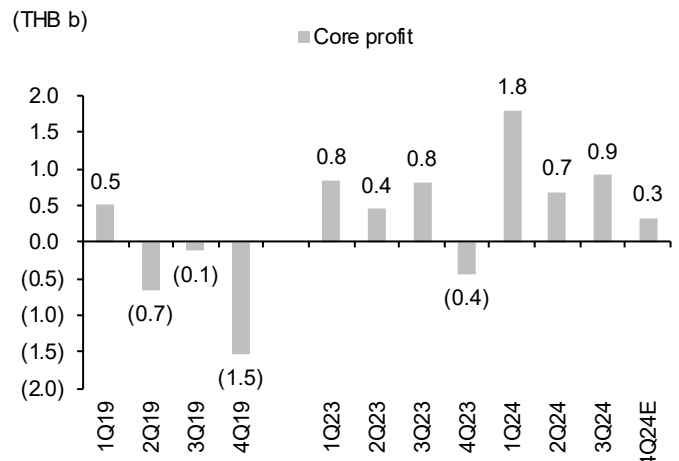
Sources: BA; FSSIA estimates

Exhibit 25: 4Q core profit, 2015-2023



Sources: BA; FSSIA estimates

Exhibit 26: Core profit



Sources: BA; FSSIA estimates

Exhibit 27: Forecast revisions

	Current			Previous			Change (%)		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
Passengers carried (m)	4.3	4.6	4.6	4.4	4.5	4.6	(1.3)	0.8	0.8
Load factor (%)	80	82	83	81	82	83	(0.9)	0.0	0.0
Average ticket fare (THB)	4,184	4,268	4,353	4,207	4,291	4,420	(0.5)	(0.5)	(1.5)
Fuel price net hedging (USD/bbl)	95	100	100	100	100	100	(4.8)	0.0	0.0
Revenue (THB m)	23,950	25,824	26,397	23,949	25,566	26,333	0.0	1.0	0.2
EBITDA (THB m)	6,982	7,680	7,832	6,833	7,370	7,572	2.2	4.2	3.4
Core profit (THB m)	3,713	4,075	4,303	3,487	3,820	4,062	6.5	6.7	5.9

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

Sources: BA; FSSIA estimates

Exhibit 28: SoTP valuation

SoTP base case	(THB b)	(THB/share)	Comments
BDMS	19.3	9.2	Fair price at our TP of THB36.5/shr with 20% holding discount and 10% discount factor due to current market share prices
BAFS	1.0	0.5	Fair price at consensus TP of THB19.75/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	24.8	11.8	2025E net profit of THB2.5b 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	(9.2)	(4.4)	At end-2025E
Cash	17.8	8.5	At end-2025E
Total value	63.0	30.0	

Source: FSSIA estimates

Exhibit 29: Peer comparisons as of 7 Feb 2025

Company	BBG	Rec	---Share price---			Market Cap (USD m)	----- PE -----			----- PBV -----		----- ROE -----		-- EV/ EBITDA --	
			Current	Target	Upside		24E	25E	26E	24E	25E	24E	25E	24E	25E
			(LCY)	(LCY)	(%)		(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)
Thailand															
Bangkok Airways	BA TB	BUY	18.40	30.00	63.0	1,148	10.4	9.5	9.0	2.1	1.9	21.0	21.1	7.4	6.3
Asia Aviation	AAV TB	BUY	2.06	3.40	65.0	787	10.4	9.5	8.7	2.4	2.1	26.4	23.6	6.9	6.5
Thailand average						1,935	10.4	9.5	8.9	2.3	2.0	23.7	22.4	7.1	6.4
Regional															
Spring Airlines Co Ltd-A	601021 CH	n/a	51.79	n/a	n/a	6,982	19.8	15.7	12.3	2.9	2.5	14.8	16.4	11.8	9.2
Interglobe Aviation	INDIGO IN	n/a	4,364.55	n/a	n/a	19,080	26.2	21.7	19.0	22.3	11.3	132.6	68.4	11.2	9.3
China Southern Airlines	600029 CH	n/a	5.89	n/a	n/a	13,142	118.8	18.6	14.2	2.8	2.5	2.0	12.0	8.5	7.8
China Eastern Airlines	600115 CH	n/a	3.79	n/a	n/a	10,724	n/a	27.7	12.2	2.2	2.1	(4.3)	10.8	10.3	8.6
Spring Airlines	601021 CH	n/a	51.79	n/a	n/a	6,982	19.8	15.7	12.3	2.9	2.5	14.8	16.4	11.8	9.2
Air China	601111 CH	n/a	7.14	n/a	n/a	15,345	n/a	22.0	13.2	3.1	2.7	0.6	11.9	10.8	8.7
Korea Air Lines	003490 KS	n/a	23,600	n/a	n/a	6,045	6.5	5.8	5.7	0.8	0.8	13.3	13.9	3.7	3.3
Singapore Airlines	SIA SP	n/a	6.35	n/a	n/a	13,819	8.8	13.6	13.5	1.2	1.2	13.8	8.8	5.5	5.8
Japan Airlines	9201 JP	n/a	2,572.50	n/a	n/a	7,425	11.0	10.0	9.2	1.2	1.1	10.8	11.1	4.4	4.1
Ana Holdings	9202 JP	n/a	2,900.00	n/a	n/a	9,147	10.5	10.3	9.8	1.2	1.1	11.6	11.1	4.6	4.3
Cathay Pacific Airways	293 HK	n/a	9.91	n/a	n/a	8,299	8.2	7.8	7.4	1.1	1.0	13.8	13.6	5.1	5.0
Vietjet Aviation	VJC VN	n/a	98,100	n/a	n/a	2,076	n/a	23.2	22.2	n/a	2.7	n/a	12.4	n/a	16.8
Regional average						119,064	25.5	16.0	12.6	3.8	2.6	20.3	17.2	8.0	7.7
Global															
Eva Airways	2618 TT	n/a	46.01	n/a	n/a	24,723	15.4	12.3	11.3	3.3	2.7	20.6	23.0	8.5	7.2
Ryanair	RYAAY US	n/a	1,528.00	n/a	n/a	4,069	8.0	7.8	7.1	2.0	1.6	27.9	23.2	1.3	1.2
Air Arabia	AIRARABIA UH	n/a	9.41	n/a	n/a	8,911	8.7	8.0	7.6	11.1	6.0	204.6	92.6	4.1	3.8
Easyjet (UK)	EZJ LN	n/a	530.00	n/a	n/a	4,983	7.5	7.1	6.5	1.2	1.0	16.3	15.5	2.4	2.3
Air Canada	AC CN	n/a	44.55	n/a	n/a	7,268	8.1	8.6	9.4	1.9	1.6	24.0	19.1	3.3	3.8
American Airline	AAL US	n/a	3.14	n/a	n/a	3,990	10.5	10.5	9.4	1.8	1.7	18.2	18.0	6.2	5.7
Qantas Airways	QAN AU	n/a	18.12	n/a	n/a	4,308	5.1	7.3	6.4	2.8	2.4	148.6	127.7	2.9	2.9
Alaska Airlines	ALK US	n/a	17.17	n/a	n/a	11,283	10.0	7.1	5.6	n/a	n/a	(10.7)	(55.6)	7.0	6.0
United Airlines	UAL US	n/a	75.92	n/a	n/a	9,638	17.3	12.5	9.6	2.1	1.8	12.6	15.9	8.7	6.0
Lufthansa	LHA GY	n/a	109.00	n/a	n/a	35,840	10.5	8.2	7.3	2.9	2.2	31.8	31.4	6.2	5.4
JetBlue Airways (US, Latin AM)	JBLU	n/a	6.68	n/a	n/a	8,267	7.7	5.8	4.7	0.8	0.7	10.9	12.7	3.4	2.9
Jet2	JET2 LN	n/a	6.67	n/a	n/a	2,314	n/a	n/a	n/a	0.8	0.8	(9.2)	(7.6)	14.1	8.9
Delta Air Lines	DAL US	n/a	68.14	n/a	n/a	43,969	11.2	9.0	8.2	3.0	2.3	32.5	30.4	6.7	5.7
Southwest Airlines (US)	LUV US	n/a	31.00	n/a	n/a	18,372	36.6	18.5	12.7	1.8	1.9	4.9	10.0	8.1	6.0
Global average						187,935	12.0	9.4	8.1	2.7	2.1	38.1	25.5	5.9	4.8
Overall average						308,934	17.0	12.4	10.2	3.1	2.3	29.8	21.7	6.8	6.2

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	23,950	25,824	26,397
Cost of goods sold	(11,524)	(15,622)	(17,206)	(18,338)	(18,871)
Gross profit	(219)	4,059	6,744	7,486	7,526
Other operating income	1,427	1,979	2,013	2,107	2,220
Operating costs	(2,097)	(2,992)	(3,413)	(3,628)	(3,709)
Operating EBITDA	1,541	4,820	6,982	7,680	7,832
Depreciation	(2,431)	(1,775)	(1,639)	(1,715)	(1,795)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	(889)	3,045	5,344	5,965	6,037
Net financing costs	(1,475)	(2,018)	(1,737)	(1,764)	(1,567)
Associates	489	612	769	712	725
Recurring non-operating income	489	612	769	712	725
Non-recurring items	(137)	1,457	(78)	0	0
Profit before tax	(2,013)	3,095	4,298	4,913	5,195
Tax	(114)	13	(664)	(840)	(894)
Profit after tax	(2,127)	3,108	3,633	4,073	4,301
Minority interests	16	2	2	2	2
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	(2,112)	3,110	3,635	4,075	4,303
Non-recurring items & goodwill (net)	137	(1,457)	78	0	0
Recurring net profit	(1,974)	1,653	3,713	4,075	4,303
Per share (THB)					
Recurring EPS *	(0.94)	0.79	1.77	1.94	2.05
Reported EPS	(1.01)	1.48	1.73	1.94	2.05
DPS	0.00	1.00	1.10	1.16	1.23
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	7.8	2.2
Operating EBITDA (%)	nm	212.7	44.9	10.0	2.0
Operating EBIT (%)	nm	nm	75.5	11.6	1.2
Recurring EPS (%)	nm	nm	124.7	9.7	5.6
Reported EPS (%)	nm	nm	16.9	12.1	5.6
Operating performance					
Gross margin inc. depreciation (%)	(1.9)	20.6	28.2	29.0	28.5
Gross margin exc. depreciation (%)	19.6	29.6	35.0	35.6	35.3
Operating EBITDA margin (%)	13.6	24.5	29.2	29.7	29.7
Operating EBIT margin (%)	(7.9)	15.5	22.3	23.1	22.9
Net margin (%)	(17.5)	8.4	15.5	15.8	16.3
Effective tax rate (%)	(4.8)	(1.3)	18.4	20.0	20.0
Dividend payout on recurring profit (%)	-	127.1	62.2	60.0	60.0
Interest cover (X)	(0.3)	1.8	3.5	3.8	4.3
Inventory days	18.1	12.6	12.2	12.5	12.7
Debtor days	25.1	24.6	26.1	29.4	30.5
Creditor days	50.7	46.3	50.3	52.9	53.9
Operating ROIC (%)	(7.4)	33.5	62.3	79.7	91.3
ROIC (%)	(0.9)	8.5	13.7	15.1	15.6
ROE (%)	(13.2)	9.8	21.0	21.1	20.3
ROA (%)	(0.8)	6.2	8.7	9.0	9.0

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Air fares	8,451	14,914	18,146	19,511	20,219
Revenue from sales and services	2,534	4,270	5,194	5,575	5,711
Freight	76	62	73	98	101
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	3,713	4,075	4,303
Depreciation	2,431	1,775	1,639	1,715	1,795
Associates & minorities	-	-	-	-	-
Other non-cash items	1,005	(6,858)	(2)	(2)	(2)
Change in working capital	1,573	1,037	845	308	188
Cash flow from operations	3,035	(2,393)	6,196	6,095	6,284
Capex - maintenance	(960)	(2,443)	(1,197)	(1,291)	(1,320)
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)	(1,291)	(1,320)
Dividends paid	0	(1,049)	(2,310)	(2,100)	(2,445)
Equity finance	(101)	(9,219)	0	0	0
Debt finance	5,804	(4,092)	(903)	(269)	(2,255)
Other financing cash flows	5,177	(7,936)	(78)	0	0
Cash flow from financing	10,880	(22,296)	(3,291)	(2,369)	(4,700)
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	1,707	2,435	265
Free cash flow to firm (FCFF)	(4,869.16)	31,444.66	7,088.95	6,874.74	6,886.93
Free cash flow to equity (FCFE)	4,622.05	17,249.26	4,016.62	4,534.51	2,709.34
Per share (THB)					
FCFF per share	(2.32)	14.97	3.38	3.27	3.28
FCFE per share	2.20	8.21	1.91	2.16	1.29
Recurring cash flow per share	0.70	(1.63)	2.55	2.76	2.90
Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	24,954	22,737	23,935	25,226	26,546
Less: Accumulated depreciation	(10,561)	(10,427)	(12,066)	(13,781)	(15,576)
Tangible fixed assets (net)	14,393	12,310	11,869	11,445	10,970
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	15,335	17,770	18,035
A/C receivable	1,185	1,472	1,951	2,209	2,209
Inventories	465	489	550	587	603
Other current assets	312	484	589	635	649
Current assets	8,608	16,074	18,425	21,201	21,496
Other assets	1,844	23,459	23,459	23,459	23,459
Total assets	62,246	57,881	59,791	62,144	61,963
Common equity	16,818	16,984	18,309	20,284	22,142
Minorities etc.	(55)	(76)	(78)	(80)	(82)
Total shareholders' equity	16,764	16,908	18,231	20,204	22,060
Long term debt	32,468	27,546	26,642	26,373	24,118
Other long-term liabilities	6,651	4,714	4,714	4,714	4,714
Long-term liabilities	39,120	32,260	31,357	31,087	28,832
A/C payable	1,558	1,958	2,329	2,487	2,555
Short term debt	768	1,598	1,598	1,598	1,598
Other current liabilities	4,037	5,158	6,276	6,768	6,918
Current liabilities	6,362	8,714	10,204	10,853	11,071
Total liabilities and shareholders' equity	62,246	57,881	59,791	62,144	61,963
Net working capital	(3,633)	(4,670)	(5,516)	(5,823)	(6,011)
Invested capital	50,004	37,137	35,851	35,119	34,456
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	8.01	8.09	8.72	9.66	10.54
Tangible book value per share	8.01	8.09	8.72	9.66	10.54
Financial strength					
Net debt/equity (%)	158.6	91.8	70.8	50.5	34.8
Net debt/total assets (%)	42.7	26.8	21.6	16.4	12.4
Current ratio (x)	1.4	1.8	1.8	2.0	1.9
CF interest cover (x)	4.1	9.5	3.3	3.6	2.7
Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	(19.6)	23.4	10.4	9.5	9.0
Recurring P/E @ target price (x) *	(31.9)	38.1	17.0	15.5	14.6
Reported P/E (x)	(18.3)	12.4	10.6	9.5	9.0
Dividend yield (%)	-	5.4	6.0	6.3	6.7
Price/book (x)	2.3	2.3	2.1	1.9	1.7
Price/tangible book (x)	2.3	2.3	2.1	1.9	1.7
EV/EBITDA (x) **	42.3	11.2	7.4	6.3	5.9
EV/EBITDA @ target price (x) **	58.1	16.3	10.9	9.5	9.0
EV/invested capital (x)	1.3	1.5	1.4	1.4	1.3
* 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.																			
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 SETESG 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. SETESG Index 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&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 Sustainabilitys	The Sustainabilitys' 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="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
AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities																		
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CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks																		
Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																				
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																				
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																				
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																			
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																			

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

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Teerapol Udomvej, CFA FSS International Investment Advisory Securities Co., Ltd

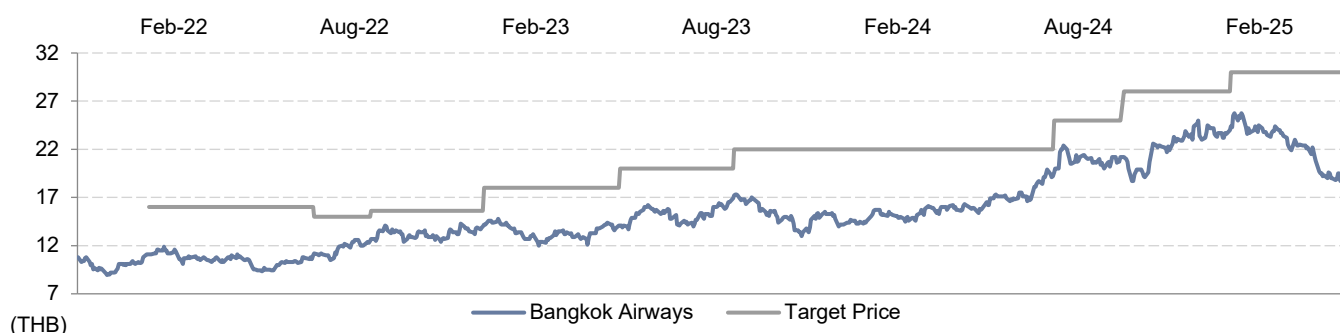
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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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
12-Apr-2022	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	28-Oct-2024	BUY	30.00

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
28-Feb-2022	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 18.40	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 2.06	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 07-Feb-2025 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.