

# SAMART AVIATION SOLUTIONS

## THAILAND / TRANSPORT & LOGISTICS

## SAV TB

**BUY**

UNCHANGED

TARGET PRICE	THB27.50
CLOSE	THB18.60
UP/DOWNSIDE	+47.8%
PRIOR TP	THB27.50
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+6.4%

## Key takeaways from analyst meeting

### Highlights

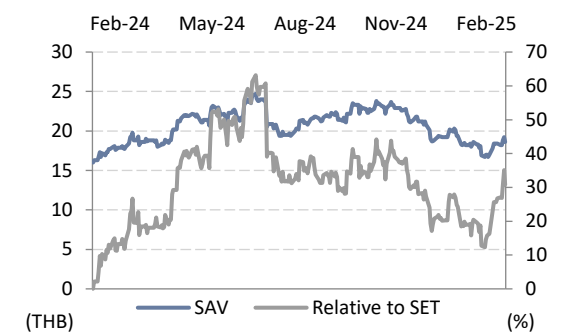
- The overall tone of the 4Q24 analyst meeting was positive.
- Management guided that revenue in Jan is likely to hit a post-pandemic record high driven by the overflight volume following strong inbound tourist arrivals to Vietnam by air (+40% y-y and hit a record high in Jan).
- The international landing & take-off volume should also have a positive trend driven by 1) the bilateral cooperation between Cambodia and the Philippines to promote more direct flights; 2) the potential of signing of an MoU between Emirate Airlines and Cambodia's minister of tourism to increase the flight volume to Siem Reap and Sihanoukville; and 3) 24% y-y growth of international visitors to Angkor Archaeological Park in Jan.
- Management forecasts revenue to grow to THB1.9b with a net profit of THB540m in 2025 (vs our estimate of THB2.1b and THB565m, respectively). However, they mentioned there is an upside from the higher-than-expected overflight volume trend in Jan.
- Management provided an update on the opportunity to manage ANSP in Laos, where the negotiations with the government are still ongoing. However, there is a delay due to the Cabinet reshuffle. The minister of transportation recently set up a working team. SAV expects to sign the MOU within April.
- The other two upsides are The Foreign Object Debris (FOD) project at Suvarnabhumi Airport with a value of THB1.3b, scheduled for bidding in 2Q25 (SAV will JV with Dan Thai Equipment) and the potential to sell air navigation equipment (under the brand "Thales") to AeroThai with a value of THB1.2b in 2025.

### Recommendation

- We expect the earnings to hit another record high in 1Q25 premised on the high tourism season in Cambodia and Vietnam. Note that Vietnam tourist arrivals by air grew by 40% y-y and hit a record high in Jan-25. This should lead to a strong overflight volume in 1Q25.
- SAV is trading at an attractive valuation of 21x 2025E P/E.

### KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	1,756	2,060	2,346	2,509
Net profit	464	565	685	757
EPS (THB)	0.73	0.88	1.07	1.18
vs Consensus (%)	-	20.5	16.3	9.8
EBITDA	719	872	1,015	1,096
Recurring net profit	477	575	685	757
Core EPS (THB)	0.74	0.90	1.07	1.18
Chg. In EPS est. (%)	nm	0.0	0.0	nm
EPS growth (%)	70.2	20.7	19.1	10.6
Core P/E (x)	25.0	20.7	17.4	15.7
Dividend yield (%)	4.3	2.9	3.5	3.8
EV/EBITDA (x)	15.7	12.8	10.7	9.6
Price/book (x)	7.8	6.7	5.6	4.8
Net debt/Equity (%)	(38.5)	(41.7)	(51.0)	(57.0)
ROE (%)	34.0	34.9	35.3	33.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	1.1	(17.7)	16.3
Relative to country (%)	9.7	(4.9)	30.0
Mkt cap (USD m)	354		
3m avg. daily turnover (USD m)	0.4		
Free float (%)	25		
Major shareholder	Samart U-trans Co., Ltd. (60%)		
12m high/low (THB)	24.90/16.00		
Issued shares (m)	640.00		

Sources: Bloomberg consensus; FSSIA estimates


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## Recap: 4Q24 results review

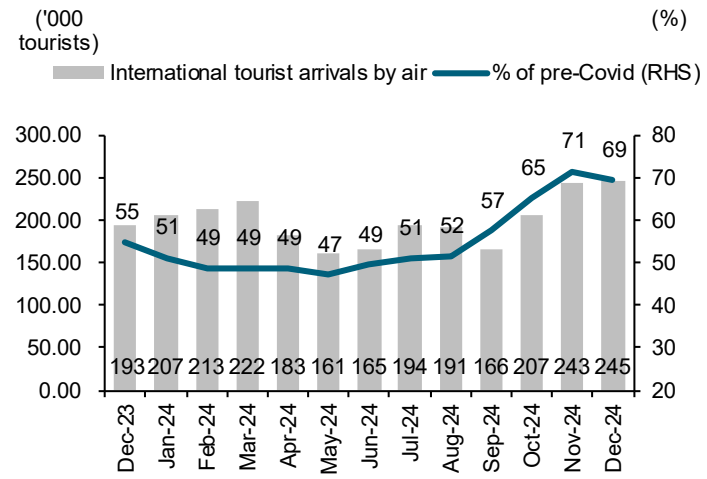
- SAV reported a strong 4Q24 core profit of THB136m (+124 y-y, +9% q-q), beating our estimate by 5% due to a higher-than-expected GPM.
- SAV booked a one-off expense of THB9.5m from asset impairment following the termination of some assets under the service concession due to the closure of the old Siem Reap International Airport. As a result, SAV's 4Q24 net profit was THB128m (+91% y-y, +1% q-q).
- Total flight volume grew by 25% y-y in the quarter, driven by a 34% y-y higher overflight volume. Meanwhile, the international landing & take-off flight volume also grew by 13% y-y. As a result, service income grew 21% y-y.
- The 4Q24 gross profit margin improved to 53% (vs 50% in 4Q23). SG&A/sales improved to 14% (vs 17% in 4Q23). As a result, the EBITDA margin improved to 42% (vs 38% in 4Q23). Note that SAV booked WHT expenses of THB10m in this quarter (vs THB41m in 4Q23).
- 2024 net profit grew 71% y-y to THB464m, in line with our estimate.
- SAV announced a 2H24 dividend of THB0.5/shr. Combined with the 1H24 dividend of THB0.3/shr, the dividend yield is 4%.

### Exhibit 1: SAV – 4Q24 results summary

	4Q23	1Q24	2Q24	3Q24	4Q24	----- Change -----		2023	2024E	2025E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(THB m)	(y-y %)
Sales	534	408	440	435	473	9	(12)	1,644	1,756	2,060	7
- Service income	391	408	440	435	473	9	21				
- Concession revenue	143	0	0	0	0						
COGS (Incl. depreciation)	(338)	(205)	(210)	(206)	(222)	8	(35)	(866)	(843)	(983)	(3)
<b>Gross Profit</b>	<b>196</b>	<b>203</b>	<b>229</b>	<b>229</b>	<b>251</b>	<b>10</b>	<b>28</b>	<b>779</b>	<b>913</b>	<b>1,077</b>	<b>17</b>
SG&A	(67)	(61)	(68)	(64)	(68)	7	2	(264)	(261)	(266)	(1)
<b>Operating Profit</b>	<b>129</b>	<b>142</b>	<b>161</b>	<b>166</b>	<b>183</b>	<b>11</b>	<b>41</b>	<b>515</b>	<b>652</b>	<b>811</b>	<b>27</b>
Other income	3	11	2	4	(2)	(136)	(159)	22	15	15	(30)
Other expenses	(44)	(19)	(14)	(10)	(12)	19	(73)	(97)	(55)	(56)	(43)
Withholding tax (WHT)	(41)	(18)	(13)	(9)	(10)	17	(75)	(89)	(50)	(51)	(44)
Other	(3)	(1)	(1)	(1)	(2)	34	(48)	(8)	(5)	(5)	(38)
Interest expense	(4)	(5)	(1)	(2)	1	(175)	(129)	(69)	(7)	(7)	(90)
<b>Pretax profit</b>	<b>84</b>	<b>129</b>	<b>148</b>	<b>158</b>	<b>171</b>	<b>8</b>	<b>104</b>	<b>370</b>	<b>605</b>	<b>763</b>	<b>63</b>
Income Tax	(23)	(31)	(30)	(33)	(35)	5	51	(90)	(129)	(188)	43
Associates	0	0	0	0	0			0	0	0	
Minority interest	0	0	0	0	0			0	0	0	
<b>Core profit</b>	<b>61</b>	<b>98</b>	<b>118</b>	<b>125</b>	<b>136</b>	<b>9</b>	<b>124</b>	<b>280</b>	<b>477</b>	<b>575</b>	<b>70</b>
<b>Core profit without WHT</b>	<b>102</b>	<b>116</b>	<b>130</b>	<b>134</b>	<b>146</b>	<b>9</b>	<b>44</b>	<b>368</b>	<b>526</b>	<b>626</b>	<b>43</b>
Extraordinaries, GW & FX	6	(3)	(1)	1	(8)			(8)	(12)	(10)	
FX gain/loss	6	(3)	(0)	1	0			(9)	(2)	0	
Others	0	(1)	(1)	0	(9)			1	(10)	(10)	
<b>Reported net profit</b>	<b>67</b>	<b>94</b>	<b>116</b>	<b>126</b>	<b>128</b>	<b>1</b>	<b>91</b>	<b>272</b>	<b>464</b>	<b>565</b>	<b>71</b>
Shares out (end Q, m)	640	640	640	640	640	0	0	640	640	640	0
<b>Core EPS</b>	<b>0.09</b>	<b>0.15</b>	<b>0.18</b>	<b>0.20</b>	<b>0.21</b>	<b>9</b>	<b>124</b>	<b>0.44</b>	<b>0.74</b>	<b>0.90</b>	<b>70</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>1</b>	<b>91</b>	<b>0.42</b>	<b>0.73</b>	<b>0.88</b>	<b>71</b>
COGS (Excl. depreciation)	(321)	(188)	(193)	(189)	(205)	9	(36)	(801)	(775)	(923)	(3)
Depreciation	(17)	(17)	(17)	(17)	(16)	(2)	(6)	(64)	(67)	(60)	5
EBITDA	149	170	181	186	198	6	33	607	446	319	(27)
<b>Key ratios</b>						<b>(ppt)</b>	<b>(ppt)</b>				
Gross margin (%)	50	50	52	53	53	0	3	47	52	52	5
SG&A/Revenue (%)	17	15	15	15	14	(0)	(3)	31	31	27	0
EBITDA margin (%)	38	42	41	43	42	(1)	4	66	71	75	5
Net profit margin (%)	17	23	26	29	27	(2)	10	(8)	(6)	(6)	2
<b>Operating stats</b>											
Landing and Take-off - Domestic ('000 flight)	1.6	1.4	1.6	1.0	1.4	41	(14)	6.0	5.4	7.5	
Landing and Take-off - International ('000 flights)	6.4	6.8	6.2	6.4	7.2	13	13	23.2	26.5	33.3	
Overflight ('000 flights)	15.4	16.0	16.9	18.5	20.6	11	34	63.4	72.0	79.7	
Total ('000 flights)	23.3	24.1	24.7	25.9	29.2	13	25	92.7	103.9	120.6	

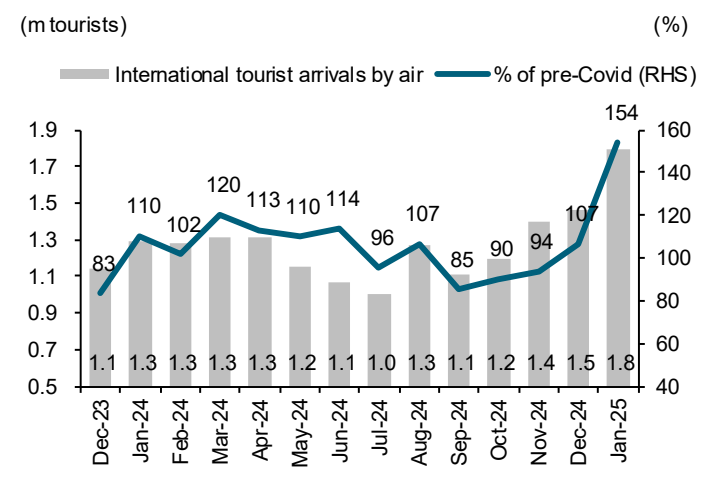
Sources: SAV; FSSIA estimates

Exhibit 2: Cambodia’s international tourist arrivals by air recovery trend



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

Exhibit 3: 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

## Financial Statements

Samart Aviation Solutions

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	1,644	1,756	2,060	2,346	2,509
Cost of goods sold	(866)	(843)	(983)	(1,113)	(1,188)
<b>Gross profit</b>	<b>779</b>	<b>913</b>	<b>1,077</b>	<b>1,233</b>	<b>1,321</b>
Other operating income	-	-	-	-	-
Operating costs	(264)	(261)	(266)	(274)	(283)
<b>Operating EBITDA</b>	<b>579</b>	<b>719</b>	<b>872</b>	<b>1,015</b>	<b>1,096</b>
Depreciation	(64)	(67)	(60)	(56)	(58)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>515</b>	<b>652</b>	<b>811</b>	<b>959</b>	<b>1,038</b>
Net financing costs	(148)	(50)	(52)	(51)	(35)
Associates	-	-	-	-	-
Recurring non-operating income	3	3	4	4	4
Non-recurring items	(8)	(12)	(10)	0	0
<b>Profit before tax</b>	<b>362</b>	<b>593</b>	<b>753</b>	<b>911</b>	<b>1,007</b>
Tax	(90)	(129)	(188)	(227)	(250)
<b>Profit after tax</b>	<b>272</b>	<b>464</b>	<b>565</b>	<b>685</b>	<b>757</b>
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>272</b>	<b>464</b>	<b>565</b>	<b>685</b>	<b>757</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>8</b>	<b>12</b>	<b>10</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>280</b>	<b>477</b>	<b>575</b>	<b>685</b>	<b>757</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.44	0.74	0.90	1.07	1.18
Reported EPS	0.42	0.73	0.88	1.07	1.18
DPS	0.75	0.80	0.54	0.64	0.71
Diluted shares (used to calculate per share data)	640	640	640	640	640
<b>Growth</b>					
Revenue (%)	35.0	6.8	17.4	13.9	6.9
Operating EBITDA (%)	60.2	24.3	21.1	16.5	7.9
Operating EBIT (%)	75.6	26.6	24.4	18.2	8.3
Recurring EPS (%)	33.8	70.2	20.7	19.1	10.6
Reported EPS (%)	22.5	71.0	21.7	21.2	10.6
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	47.4	52.0	52.3	52.6	52.6
Gross margin exc. depreciation (%)	51.3	55.8	55.2	55.0	54.9
Operating EBITDA margin (%)	35.2	41.0	42.3	43.3	43.7
Operating EBIT margin (%)	31.3	37.1	39.4	40.9	41.4
Net margin (%)	17.0	27.1	27.9	29.2	30.2
Effective tax rate (%)	10.0	0.0	12.0	12.0	12.0
Dividend payout on recurring profit (%)	171.5	107.4	60.0	60.0	60.0
Interest cover (X)	3.5	13.1	15.7	18.8	30.0
Inventory days	-	-	-	-	-
Debtor days	36.4	37.4	38.2	40.1	44.1
Creditor days	91.4	106.8	100.8	102.6	106.0
Operating ROIC (%)	37.5	62.9	65.6	74.3	79.6
ROIC (%)	34.4	63.2	65.9	74.6	79.9
ROE (%)	34.7	34.0	34.9	35.3	33.2
ROA (%)	20.0	25.9	26.6	27.1	25.6

\* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2023	2024	2025E	2026E	2027E
Landing and Take-off - Domestic	12	30	44	60	63
Landing and Take-off - International	491	575	730	870	931
Overflight	999	1,150	1,287	1,416	1,516
Concession income	143	0	0	0	0

Sources: Samart Aviation Solutions; FSSIA estimates

## Financial Statements

Samart Aviation Solutions

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	280	477	575	685	757
Depreciation	64	67	60	56	58
Associates & minorities	0	0	0	0	0
Other non-cash items	97	55	56	58	46
Change in working capital	536	(74)	4	(5)	(26)
<b>Cash flow from operations</b>	<b>977</b>	<b>524</b>	<b>696</b>	<b>793</b>	<b>835</b>
Capex - maintenance	-	-	-	-	-
Capex - new investment	(193)	(2)	(159)	(53)	(53)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	0	(77)	(66)	(58)	(46)
<b>Cash flow from investing</b>	<b>(193)</b>	<b>(79)</b>	<b>(225)</b>	<b>(111)</b>	<b>(99)</b>
Dividends paid	(480)	(185)	(320)	(345)	(411)
Equity finance	1,145	(22)	0	0	0
Debt finance	(1,259)	11	0	0	0
Other financing cash flows	(9)	(2)	0	0	0
<b>Cash flow from financing</b>	<b>(603)</b>	<b>(198)</b>	<b>(320)</b>	<b>(345)</b>	<b>(411)</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>182</b>	<b>248</b>	<b>151</b>	<b>338</b>	<b>325</b>
Free cash flow to firm (FCFF)	853.81	452.73	477.99	689.93	743.43
Free cash flow to equity (FCFE)	(483.45)	454.60	470.74	682.69	736.18

### Per share (THB)

FCFF per share	1.33	0.71	0.75	1.08	1.16
FCFE per share	(0.76)	0.71	0.74	1.07	1.15
Recurring cash flow per share	0.69	0.94	1.08	1.25	1.35

Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	2,188	2,178	2,337	2,390	2,442
Less: Accumulated depreciation	(1,052)	(1,108)	(1,168)	(1,224)	(1,282)
<b>Tangible fixed assets (net)</b>	<b>1,136</b>	<b>1,070</b>	<b>1,168</b>	<b>1,165</b>	<b>1,160</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	0	0	0	0	0
Cash & equivalents	520	768	919	1,257	1,582
A/C receivable	163	196	235	280	327
Inventories	0	0	0	0	0
Other current assets	62	143	168	191	205
<b>Current assets</b>	<b>745</b>	<b>1,108</b>	<b>1,323</b>	<b>1,728</b>	<b>2,114</b>
Other assets	0	0	0	0	0
<b>Total assets</b>	<b>1,881</b>	<b>2,178</b>	<b>2,491</b>	<b>2,893</b>	<b>3,275</b>
Common equity	1,276	1,525	1,771	2,110	2,457
Minorities etc.	0	0	0	0	0
<b>Total shareholders' equity</b>	<b>1,276</b>	<b>1,525</b>	<b>1,771</b>	<b>2,110</b>	<b>2,457</b>
Long term debt	170	181	181	181	181
Other long-term liabilities	107	103	103	103	103
<b>Long-term liabilities</b>	<b>277</b>	<b>284</b>	<b>284</b>	<b>284</b>	<b>284</b>
A/C payable	221	233	277	317	340
Short term debt	0	0	0	0	0
Other current liabilities	108	136	159	182	194
<b>Current liabilities</b>	<b>328</b>	<b>369</b>	<b>437</b>	<b>499</b>	<b>534</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,881</b>	<b>2,178</b>	<b>2,491</b>	<b>2,893</b>	<b>3,275</b>
Net working capital	(104)	(29)	(33)	(28)	(2)
Invested capital	1,032	1,041	1,135	1,137	1,159

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

### Per share (THB)

Book value per share	1.99	2.38	2.77	3.30	3.84
Tangible book value per share	1.99	2.38	2.77	3.30	3.84

### Financial strength

Net debt/equity (%)	(27.4)	(38.5)	(41.7)	(51.0)	(57.0)
Net debt/total assets (%)	(18.6)	(27.0)	(29.6)	(37.2)	(42.8)
Current ratio (x)	2.3	3.0	3.0	3.5	4.0
CF interest cover (x)	(1.0)	10.1	13.1	15.3	23.7

Valuation	2023	2024	2025E	2026E	2027E
<b>Recurring P/E (x) *</b>	<b>42.5</b>	<b>25.0</b>	<b>20.7</b>	<b>17.4</b>	<b>15.7</b>
<b>Recurring P/E @ target price (x) *</b>	<b>62.9</b>	<b>36.9</b>	<b>30.6</b>	<b>25.7</b>	<b>23.2</b>
Reported P/E (x)	43.8	25.6	21.1	17.4	15.7
Dividend yield (%)	4.0	4.3	2.9	3.5	3.8
Price/book (x)	9.3	7.8	6.7	5.6	4.8
Price/tangible book (x)	9.3	7.8	6.7	5.6	4.8
EV/EBITDA (x) **	20.0	15.7	12.8	10.7	9.6
EV/EBITDA @ target price (x) **	29.8	23.6	19.3	16.3	14.8
EV/invested capital (x)	11.2	10.9	9.8	9.5	9.1

\* 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+										
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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

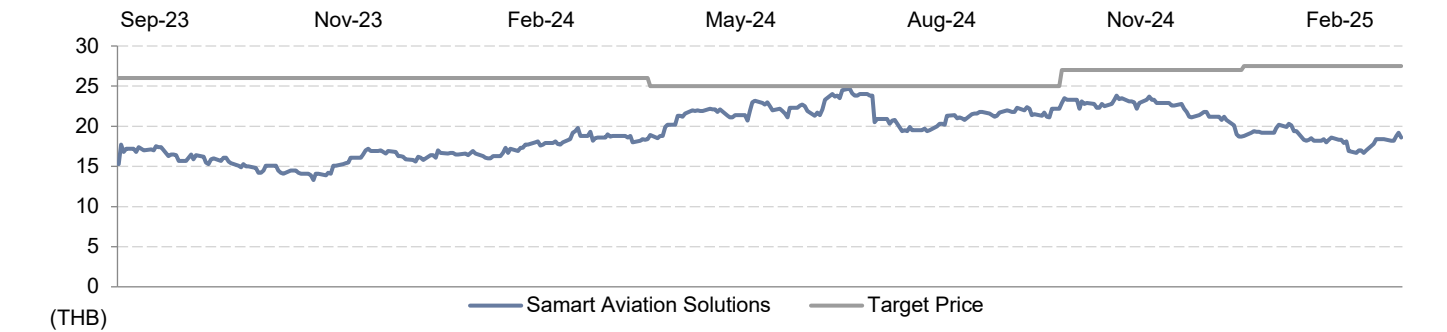
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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	07-Oct-2024	BUY	27.00	-	-	-
25-Apr-2024	BUY	25.00	19-Dec-2024	BUY	27.50			

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

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Samart Aviation Solutions	SAV TB	THB 18.60	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.

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 21-Feb-2025 unless otherwise stated.

## RECOMMENDATION STRUCTURE

### Stock ratings

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

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

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

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

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

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



## Industry Recommendations

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

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

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

## Country (Strategy) Recommendations

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

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

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