

ASIA AVIATION AAV TB

THAILAND / TRANSPORT & LOGISTICS

BUY

UNCHANGED

Grounded share price, recovering from fuel savings

- ราคาหุ้นลดลงถึง 39% ในช่วง 3 เดือนที่ผ่านมา เราคิดว่าตลาดกังวลเกี่ยวกับการดำเนินงานมากเกินไปเนื่องจาก 1) กำไรปกติ 1Q25 น่าจะทรงตัว y-y ที่ 1.2 พัน ลบ. และ 2) ตัวเลขผู้โดยสารใน 2Q25 มีแนวโน้มทรงตัว y-y ในขณะที่ต้นทุนค่าเชื้อเพลิงอากาศยานที่ลดลงจะช่วยเป็นกันชนให้แก่กำไรในระยะสั้น
- แนะนำซื้อที่ราคาเป้าหมาย 2.5 บาท (12x 2025E P/E)

TARGET PRICE	THB2.50
CLOSE	THB1.37
UP/DOWNSIDE	+82.5%
PRIOR TP	THB3.40
CHANGE IN TP	-26.5%
TP vs CONSENSUS	-21.4%

KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	50,168	52,131	55,350	57,027
Net profit	3,478	2,661	2,913	3,235
EPS (THB)	0.27	0.21	0.23	0.25
vs Consensus (%)	-	(10.3)	(11.9)	(5.7)
EBITDA	10,171	10,754	10,967	11,308
Recurring net profit	2,970	2,661	2,913	3,235
Core EPS (THB)	0.23	0.21	0.23	0.25
Chg. In EPS est. (%)	nm	(5.0)	(3.8)	nm
EPS growth (%)	2,608.5	(10.4)	9.5	11.0
Core P/E (x)	5.9	6.6	6.0	5.4
Dividend yield (%)	-	6.0	6.6	7.4
EV/EBITDA (x)	5.9	5.6	5.5	5.3
Price/book (x)	1.5	1.3	1.1	1.0
Net debt/Equity (%)	377.0	301.0	266.4	236.0
ROE (%)	30.0	20.9	19.5	19.1

กำไรปกติ 1Q25 น่าจะอยู่ในเกณฑ์ดีแม้ว่าจะมีปัจจัยกดดัน

เราคาดว่าปริมาณผู้โดยสาร 1Q25 จะโต 2% y-y เป็น 5.6 ล้านนำโดยผู้โดยสารในประเทศ Load factor น่าจะลดลงเหลือ 89% (เทียบกับ 93% ใน 1Q24) จากจำนวนที่นั่งที่เพิ่มขึ้น 10% y-y ค่าบัตรโดยสารน่าจะค่อนข้างทรงตัว q-q ที่ประมาณ 1,950 บาทแต่ลดลง 8% y-y ดังนั้นรายได้จึงน่าจะลดลง 4-5% y-y ในด้านบวกค่าเชื้อเพลิงอากาศยานน่าจะลดลง 22-24% y-y จากราคา Spot ของเชื้อเพลิงอากาศยานที่ลดลง (USD89/บาร์เรลใน 1Q25 เทียบกับ USD103 ใน 1Q24) ซึ่งน่าจะทำให้กำไรปกติค่อนข้างทรงตัว y-y ที่ 1.2 พัน ลบ. ทั้งนี้ AAV น่าจะบันทึกกำไรจากอัตราแลกเปลี่ยนประมาณ 100-200 ลบ. จากหนี้สินตามสัญญาเช่าหลังค่าเงินบาทปรับตัวขึ้นเมื่อเทียบกับเงินเหรียญสหรัฐ ซึ่งจะทำให้ได้กำไรสุทธิอยู่ที่ 1.3-1.4 พัน ลบ.

การดำเนินงานใน 2Q25 อาจแย่ลงแต่ไม่ถึงกับต้องกังวล

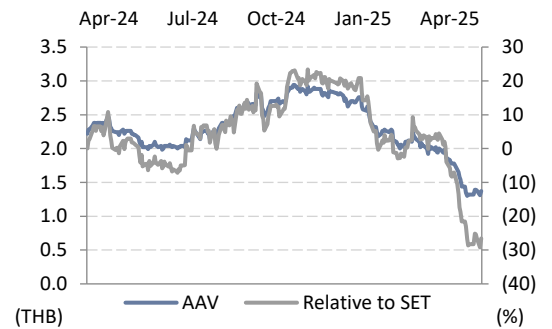
ตลาดกังวลเกี่ยวกับตัวเลขนักท่องเที่ยวชาวจีนที่อ่อนแอและผลกระทบจากเหตุแผ่นดินไหวมากเกินไป เราเชื่อว่าผลกระทบจะไม่รุนแรงมากเกินไป ทั้งนี้ Load factor ของเที่ยวบินในประเทศได้ปรับตัวลดลงเป็น 84-86% ในเดือน เม.ย. และมีแนวโน้มฟื้นตัวสู่ระดับปกติที่ 90% ในเร็ว ๆ นี้ ในขณะที่ Load factor ของเที่ยวบินต่างประเทศมีแนวโน้มทรงตัวในระดับปกติที่ 83-85% ในเดือนดังกล่าว ในภาพรวม Load factor และค่าบัตรโดยสารน่าจะลดลง y-y ใน 2Q25 อย่างไรก็ดีปริมาณผู้โดยสารน่าจะทรงตัวหรือเพิ่มขึ้นเล็กน้อยจากจำนวนที่นั่งที่สูงขึ้น 15% y-y นอกจากนี้ต้นทุนเชื้อเพลิงอากาศยานที่ลดลงเป็นจำนวนมากน่าจะช่วยบรรเทาผลกระทบได้ซึ่งจะทำให้กำไรปกติ 2025 ลดลงเล็กน้อยหรือทรงตัว y-y ซึ่งเป็นระดับที่ไม่น่ากังวล

ราคาเชื้อเพลิงอากาศยานที่ลดลงช่วยประหยัดต้นทุนได้กว่า 2.0 พัน ลบ.

ราคาเชื้อเพลิงอากาศยานได้ปรับตัวลดลงเหลือ USD81/บาร์เรลในปัจจุบันจาก USD95 ในปี 2024 ดังนั้นเราจึงปรับลดสมมติฐานราคาเชื้อเพลิงอากาศยานในปี 2025 เป็น USD85 จาก USD100 ซึ่งหมายถึงต้นทุนที่ประหยัดได้ 2.2-2.3 พัน ลบ. ในปี 2025 บัญชีดังกล่าวน่าจะช่วยเป็นกันชนจากผลกระทบของปริมาณผู้โดยสารที่สามารถลดลงได้ประมาณ 1.2 ล้านหรือ 5% ของเป้าหมายการปริมาณผู้โดยสารในปี 2025 ของผู้บริหารที่ 23-24 ล้าน ทั้งนี้เราตั้งสมมติฐานปริมาณผู้โดยสารของเราอยู่ที่ 22.5 ล้านในปี 2025

ราคาหุ้นที่ต่ำกว่าช่วงโควิดไม่สมเหตุสมผล

เราปรับลดประมาณการกำไรปกติปี 2025-26 ของเราลง 4-5% จากตัวเลขนักท่องเที่ยวชาวจีนที่ชะลอตัวและผลกระทบจากเหตุแผ่นดินไหวซึ่งทำให้ได้ราคาเป้าหมายที่ 2.5 บาท แม้ว่าหุ้นจะมีปัจจัยกดดันอย่างมีนัยสำคัญ Valuation อยู่ในระดับต่ำเพียง 7x 2025E P/E ซึ่งเป็นโอกาสในการซื้อสำหรับนักลงทุนระยะยาวเนื่องจากราคาหุ้นในปัจจุบันต่ำกว่าในช่วงการแพร่ระบาดของโควิด (เฉลี่ยอยู่ที่ 1.7 บาทในปี 2020 และ 2.5 บาทในปี 2021)



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(26.3)	(39.4)	(38.3)
Relative to country (%)	(23.6)	(27.8)	(27.2)
Mkt cap (USD m)	530		
3m avg. daily turnover (USD m)	2.7		
Free float (%)	36		
Major shareholder	AirAsia Aviation Limited (41%)		
12m high/low (THB)	2.96/1.24		
Issued shares (m)	12,164.29		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

We believe AAV is on track for a recovery and expect its passenger volume to recover and exceed the pre-Covid level in 2025. AAV should continue to gain more market share in the domestic market following a faster capacity ramp-up than its peers. Meanwhile, AAV should be able to capture a robust recovery of Chinese tourists in 2H25 onward.

Also, we expect the cost structure to support its operational turnaround, especially personnel. AAV has reduced its headcount since the Covid pandemic along with aircraft lease payments, as it has negotiated with lessors to restructure lease contracts.

AAV's ticket fares are on an upward trend and have exceeded its pre-Covid level. This should more than offset rising fuel prices and aircraft maintenance costs.

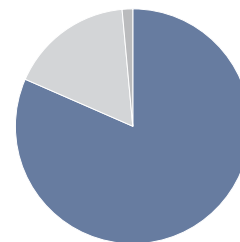
Company profile

AAV owns 100% of Thai AirAsia (TAA, not listed), which is the leading low-cost carrier in Thailand. TAA serves travellers throughout Asia, the Middle East and Europe.

www.aavplc.com

Principal activities (revenue, 2024)

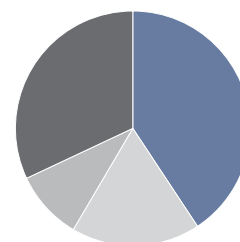
- Ticket sales - 81.6 %
- Ancillaries - 17.0 %
- Other revenue - 1.5 %



Source: Asia Aviation

Major shareholders

- AirAsia Aviation Limited - 40.7 %
- Mr. Tassapon Bijleveld - 17.8 %
- Thai NVDR - 9.6 %
- Others - 32.0 %



Source: Asia Aviation

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 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.

Event calendar

Date	Event
May 2025	1Q25 results announcement

Key assumptions

	2025E	2026E	2027E
Number of aircraft (no.)	66	70	74
Pax carried (m)	22.5	23.4	23.7
Load factor (%)	88.0	89.0	89.0
Average ticket fare (THB)	1,869	1,906	1,944
Ancillaries per pax (THB/pax)	413	422	430
Fuel price spot (USD/bbl)	85	90	90

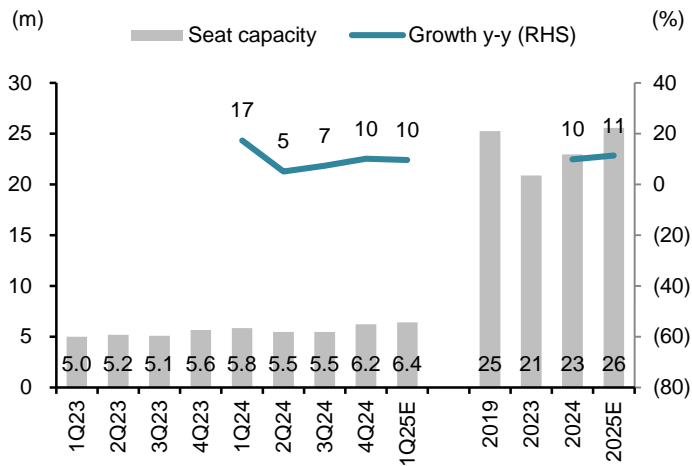
Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in load factor, we project a 2025 profit increase of 17% and vice versa, all else being equal.
- For every 1% increase in average ticket fare, we project a 2025 profit increase of 12% and vice versa, all else being equal.
- For every 1% increase in Brent spot price, we project a 2025 profit reduction of 5% and vice versa, all else being equal.

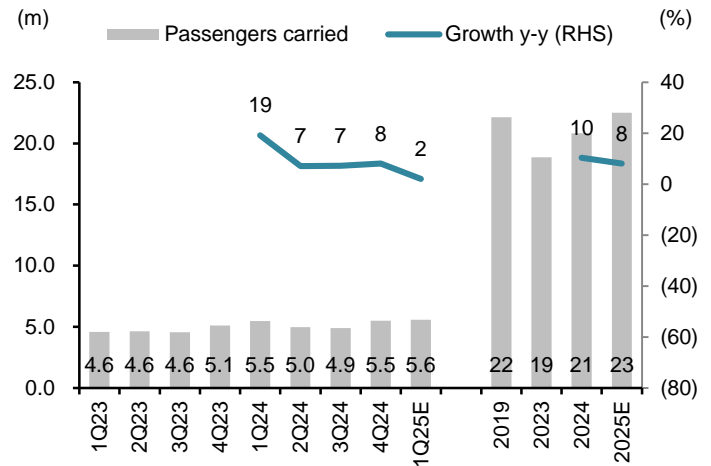
Source: FSSIA estimates

Exhibit 1: Seat capacity



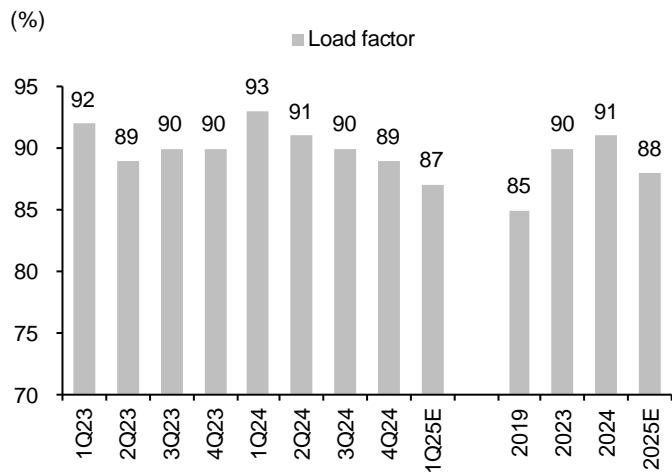
Source: AAV

Exhibit 2: Passengers carried



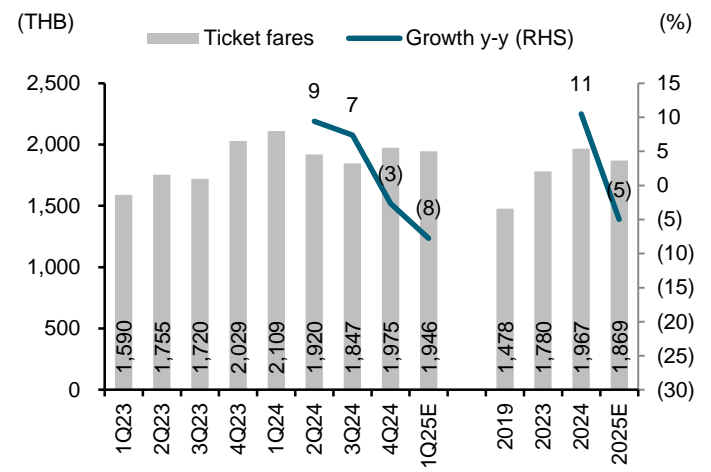
Source: AAV

Exhibit 3: Load factor



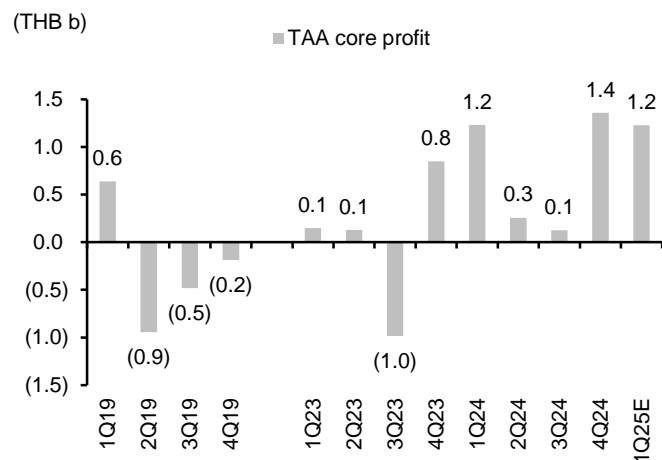
Source: AAV

Exhibit 4: Average ticket fares



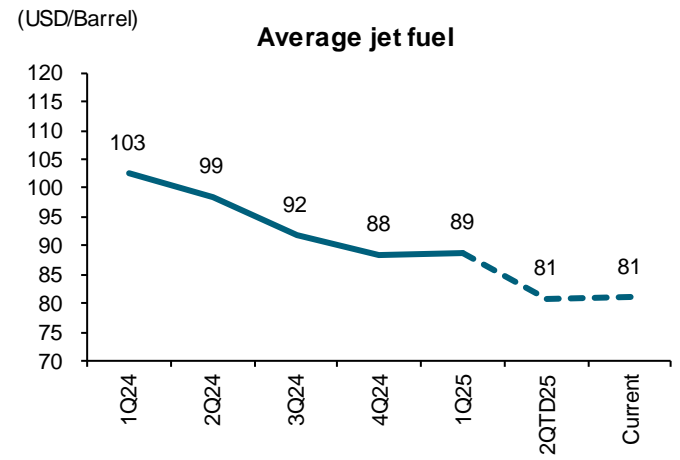
Source: AAV

Exhibit 5: Thai AirAsia (TAA) core profit



Note: Tax adjusted by excluding tax related to FX gain/loss and assume 20% tax rate
Source: AAV

Exhibit 6: Jet fuel price trend, quarterly



Note: Jet Fuel Singapore FOB Cargoes
Source: Bloomberg

Exhibit 7: AAV – 1Q25 results preview

	1Q24	2Q24	3Q24	4Q24	1Q25E	Change		2025E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)
Sales	14,018	11,670	11,086	13,394	13,491	1	(4)	52,131
- Passenger revenue	11,470	9,510	9,066	10,869	10,845	(0)	(5)	42,060
- Other revenue	2,548	2,160	2,020	2,525	2,646	5	4	10,071
Expense	(11,885)	(10,728)	(10,365)	(11,119)	(11,256)	1	(5)	(46,057)
- Fuel and oil	(4,990)	(3,974)	(3,798)	(3,664)	(3,824)	4	(23)	(16,709)
- Non-fuel operating expenses	(6,894)	(6,755)	(6,566)	(7,455)	(7,432)	(0)	8	(29,348)
Operating profit	2,133	942	721	2,275	2,234	(2)	5	6,073
Interest income	10	13	17	40	15	(63)	55	88
Interest expense	(630)	(631)	(652)	(683)	(717)	5	14	(2,835)
Pretax profit	1,513	324	86	1,632	1,533	(6)	1	3,326
Income Tax	128	(21)	(808)	(1)	(337)			(665)
Income Tax adjusting	(282)	(67)	39	(275)	(307)			(665)
Core profit	1,640	302	(722)	1,631	1,195	(27)	(27)	2,661
Core profit adjusting tax 1)	1,230	257	125	1,357	1,226	(10)	(0)	2,661
Extraordinaries	(2,049)	(218)	4,168	(1,275)	154			0
- FX gain (loss)	(2,049)	(226)	4,236	(1,372)	154			0
- Derivative gain (loss)	0	8	(68)	97	0			0
- Others	0	0	0	0	0			0
Minority interest	0	0	0	0	0			0
Reported net profit (AAV)	(409)	84	3,446	357	1,349	278	(430)	2,661
Shares out (end Q, m)	9,879	9,879	9,879	9,879	9,879	0	0	12,850
Core EPS	0.17	0.03	(0.07)	0.17	0.12	(27)	(27)	0.21
EPS	(0.04)	0.01	0.35	0.04	0.14	278	(430)	0.21
Depreciation	(964)	(967)	(1,051)	(1,117)	(1,173)	5	22	(4,681)
EBITDA	3,097	1,909	1,772	3,392	3,408	0	10	10,754
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)
Operating profit margin	15	8	7	17	17	(0)	1	12
EBITDA margin	22	16	16	25	25	(0)	3	21
Net profit margin	(3)	1	31	3	10	7	13	5
Operating stats								
Passenger carried (m)	5.5	5.0	4.9	5.5	5.6			
Load factor (%)	93	91	90	89	87			
RPK (m seats-km)	5,787	5,247	5,233	5,752	0			
ASK (m seats-km)	6,278	5,856	5,996	6,640	6,717			
Average fare (THB)	2,109	1,920	1,847	1,975	1,946			
RASK (THB)	2.2	2.0	1.8	2.0	0.0			
CASK (THB)	2.0	1.9	1.8	1.7	0.0			
CASK ex-fuel (THB)	1.2	1.2	1.2	1.2	0.0			
Fuel cost per ASK (THB)	0.8	0.7	0.6	0.6	0.0			

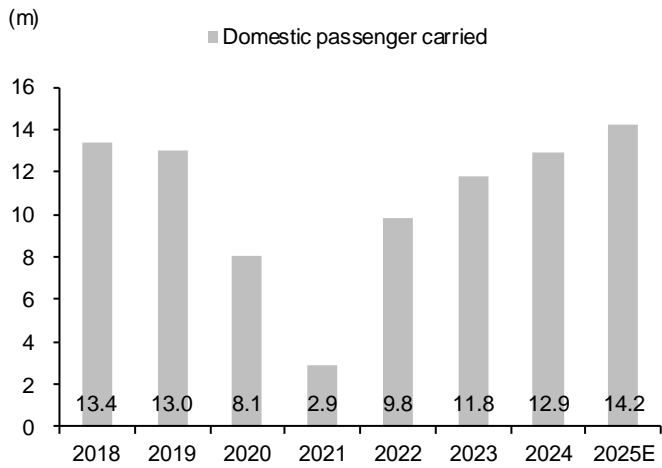
Note: 1) Tax adjusted by excluding tax related to FX gain/loss and assume 20% tax rate
Source: AAV; FSSIA estimates

Exhibit 8: Forecast revisions

	Current			Previous			Change (%)		
	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
Passengers carried (m)	22.5	23.4	23.7	21.6	21.7	-	4.2	7.8	-
Load factor (%)	88	89	89	91	91	-	(2.8)	(1.5)	-
Average fare (THB)	1,869	1,906	1,944	2,025	2,065	-	(7.7)	(7.7)	-
Fuel price net hedging (USD/bbl)	85	90	90	100	100	-	(15.0)	(10.0)	-
Revenue (THB b)	52.1	55.3	57.0	53.4	54.9	-	(2.4)	0.9	-
EBITDA margin (%)	20.6	19.8	-	19.4	19.2	-	1.2	0.6	-
Core earnings (THB m)	2,661	2,913	3,235	2,800	3,028	-	(5.0)	(3.8)	-

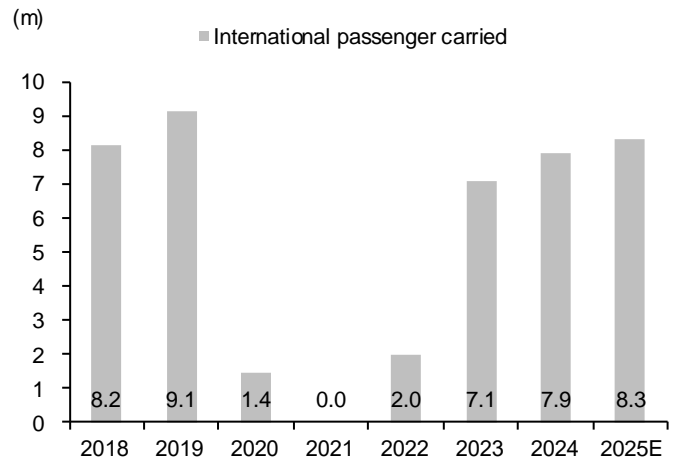
Note: Change of items in percentage terms are represented in ppt change
Sources: AAV; FSSIA estimates

Exhibit 9: Domestic passengers carried



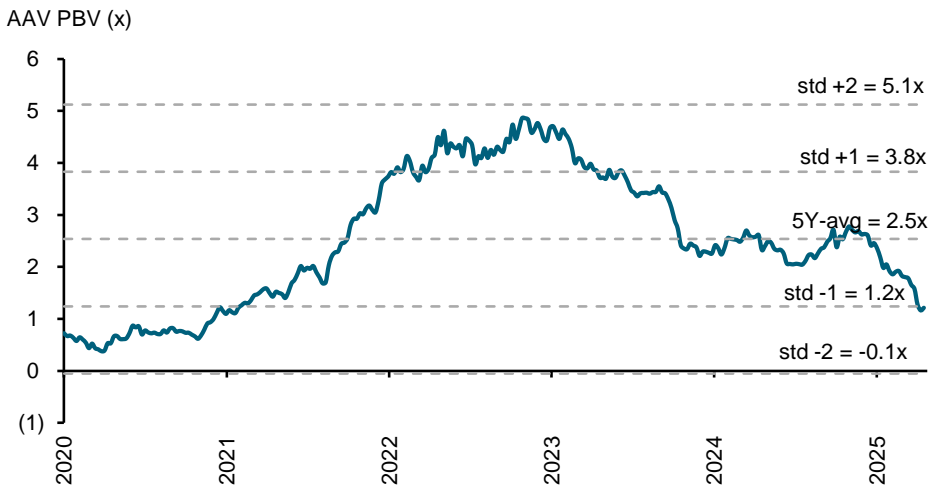
Sources: AAV; FSSIA estimates

Exhibit 10: International passengers carried



Sources: AAV; FSSIA estimates

Exhibit 11: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 12: Peer comparisons, airline sector as of 22 Apr 2025

Company	BBG	Rec	Share price		Up side (%)	Market cap (USD m)	PE		PBV		EV/ EBITDA	
			Current (LCY)	Target (LCY)			25E (x)	26E (x)	25E (x)	26E (x)	25E (x)	26E (x)
Thailand												
Bangkok Airways	BA TB	BUY	15.80	30.00	89.9	999	8.1	7.7	1.6	1.5	5.6	5.2
Asia Aviation	AAV TB	BUY	1.37	2.50	82.5	530	6.6	6.0	1.3	1.1	5.6	5.5
Thailand average						1,529	7.4	6.9	1.4	1.3	5.6	5.3
Regional												
Spring Airlines Co Ltd-A	601021 CH	n/a	54.14	n/a	n/a	7,228	16.6	13.0	2.6	2.2	9.5	7.9
Interglobe Aviation	INDIGO IN	n/a	5,534.00	n/a	n/a	25,108	30.9	26.5	26.1	13.4	13.2	11.4
China Southern Airlines	600029 CH	n/a	5.73	n/a	n/a	12,625	35.9	17.1	2.7	2.3	8.6	7.5
China Eastern Airlines	600115 CH	n/a	3.78	n/a	n/a	10,449	33.1	16.9	1.9	1.8	9.9	8.0
Spring Airlines	601021 CH	n/a	54.14	n/a	n/a	7,228	16.6	13.0	2.6	2.2	9.5	7.9
Air China	601111 CH	n/a	7.32	n/a	n/a	15,675	41.5	9.3	2.6	2.3	8.9	6.9
Korea Air Lines	003490 KS	n/a	20,200	n/a	n/a	5,337	5.3	5.2	0.7	0.6	4.7	4.5
Singapore Airlines	SIA SP	n/a	6.49	n/a	n/a	14,786	8.5	13.2	1.2	1.2	5.5	5.7
Japan Airlines	9201 JP	n/a	2,591.50	n/a	n/a	8,096	11.0	10.0	1.2	1.1	4.4	4.1
Ana Holdings	9202 JP	n/a	2,727.50	n/a	n/a	9,440	9.5	10.0	1.1	1.0	4.4	4.2
Cathay Pacific Airways	293 HK	n/a	8.85	n/a	n/a	7,412	6.2	5.9	1.0	0.9	4.4	4.4
Vietjet Aviation	VJC VN	n/a	83,500	n/a	n/a	1,746	22.9	20.2	2.3	2.0	15.4	14.2
Regional average						125,130	19.8	13.4	3.8	2.6	8.2	7.2
Global												
Eva Airways	2618 TT	n/a	45.99	n/a	n/a	24,438	13.9	10.9	2.9	2.4	7.6	6.3
Ryanair	RYAAY US	n/a	1,357.00	n/a	n/a	3,888	7.3	7.0	1.7	1.4	0.9	0.8
Air Arabia	AIRARABIA UH	n/a	8.36	n/a	n/a	8,383	8.1	7.4	13.5	4.1	3.9	3.5
Easyjet (UK)	EZJ LN	n/a	476.30	n/a	n/a	4,818	6.8	6.3	1.1	0.9	2.2	2.1
Air Canada	AC CN	n/a	37.65	n/a	n/a	6,425	8.4	9.3	1.5	1.4	3.5	3.8
American Airline	AAL US	n/a	3.26	n/a	n/a	4,142	10.9	10.2	1.8	1.7	5.9	5.5
Qantas Airways	QAN AU	n/a	13.97	n/a	n/a	3,265	7.0	5.5	2.0	1.6	3.0	2.7
Alaska Airlines	ALK US	n/a	9.31	n/a	n/a	6,140	6.8	4.2	n/a	n/a	6.2	5.2
United Airlines	UAL US	n/a	44.94	n/a	n/a	5,516	8.5	6.6	1.1	0.9	4.4	3.7
Lufthansa	LHA GY	n/a	66.97	n/a	n/a	21,946	6.6	5.5	1.4	1.1	4.3	3.8
JetBlue Airways (US, Latin AM)	JBLU	n/a	6.16	n/a	n/a	8,446	5.6	4.6	0.6	0.5	3.1	2.8
Jet2	JET2 LN	n/a	3.67	n/a	n/a	1,300	n/a	n/a	0.5	0.5	11.3	7.5
Delta Air Lines	DAL US	n/a	40.34	n/a	n/a	26,340	7.5	6.2	1.4	1.2	4.8	4.3
Southwest Airlines (US)	LUV US	n/a	24.75	n/a	n/a	14,204	16.2	9.5	1.5	1.3	4.8	3.5
Global average						139,253	8.7	7.2	2.4	1.5	4.7	4.0
Overall average						265,911	13.6	9.9	3.0	2.0	6.3	5.5

Sources: Bloomberg; FSSIA estimates

Financial Statements

Asia Aviation

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	42,207	50,168	52,131	55,350	57,027
Cost of goods sold	(36,812)	(40,910)	(42,746)	(45,548)	(46,776)
Gross profit	5,395	9,258	9,385	9,802	10,251
Other operating income	-	-	-	-	-
Operating costs	(2,967)	(3,187)	(3,312)	(3,516)	(3,623)
Operating EBITDA	7,421	10,171	10,754	10,967	11,308
Depreciation	(4,992)	(4,099)	(4,681)	(4,681)	(4,681)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	2,429	6,071	6,073	6,286	6,628
Net financing costs	(2,258)	(2,517)	(2,747)	(2,644)	(2,584)
Associates	0	0	0	0	0
Recurring non-operating income	0	0	0	0	0
Non-recurring items	356	508	0	0	0
Profit before tax	527	4,063	3,326	3,642	4,044
Tax	(61)	(585)	(665)	(728)	(809)
Profit after tax	466	3,478	2,661	2,913	3,235
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	466	3,478	2,661	2,913	3,235
Non-recurring items & goodwill (net)	(356)	(508)	0	0	0
Recurring net profit	110	2,970	2,661	2,913	3,235
Per share (THB)					
Recurring EPS *	0.01	0.23	0.21	0.23	0.25
Reported EPS	0.04	0.27	0.21	0.23	0.25
DPS	0.00	0.00	0.08	0.09	0.10
Diluted shares (used to calculate per share data)	12,850	12,850	12,850	12,850	12,850
Growth					
Revenue (%)	134.3	18.9	3.9	6.2	3.0
Operating EBITDA (%)	nm	37.0	5.7	2.0	3.1
Operating EBIT (%)	nm	150.0	0.0	3.5	5.4
Recurring EPS (%)	nm	2,608.5	(10.4)	9.5	11.0
Reported EPS (%)	nm	646.6	(23.5)	9.5	11.0
Operating performance					
Gross margin inc. depreciation (%)	12.8	18.5	18.0	17.7	18.0
Gross margin exc. depreciation (%)	24.6	26.6	27.0	26.2	26.2
Operating EBITDA margin (%)	17.6	20.3	20.6	19.8	19.8
Operating EBIT margin (%)	5.8	12.1	11.6	11.4	11.6
Net margin (%)	0.3	5.9	5.1	5.3	5.7
Effective tax rate (%)	35.7	16.5	20.0	20.0	20.0
Dividend payout on recurring profit (%)	-	-	40.0	40.0	40.0
Interest cover (X)	1.1	2.4	2.2	2.4	2.6
Inventory days	5.2	5.5	5.8	5.7	5.8
Debtor days	8.9	9.3	10.0	10.6	11.4
Creditor days	19.3	14.6	10.3	10.1	10.3
Operating ROIC (%)	6.4	19.6	16.5	16.0	15.9
ROIC (%)	3.0	9.5	8.5	8.5	8.7
ROE (%)	1.3	30.0	20.9	19.5	19.1
ROA (%)	2.4	7.1	6.3	6.3	6.5
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Ticket sales	33,565	40,915	42,060	44,665	46,005
Ancillaries	7,676	8,521	9,302	9,878	10,174
Other revenue	966	732	769	808	848

Sources: Asia Aviation; FSSIA estimates

Financial Statements

Asia Aviation

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	110	2,970	2,661	2,913	3,235
Depreciation	4,992	4,099	4,681	4,681	4,681
Associates & minorities	-	-	-	-	-
Other non-cash items	(1,172)	329	0	0	0
Change in working capital	(1,025)	(2,745)	47	180	4
Cash flow from operations	2,905	4,653	7,389	7,774	7,920
Capex - maintenance	(2,468)	(6,281)	(6,754)	(6,786)	(6,803)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	0	0	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(2,468)	(6,281)	(6,754)	(6,786)	(6,803)
Dividends paid	0	0	0	(1,064)	(1,165)
Equity finance	1,200	0	0	0	0
Debt finance	(693)	1,939	0	(1,000)	(1,000)
Other financing cash flows	(457)	508	0	0	0
Cash flow from financing	50	2,447	0	(2,064)	(2,165)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	487	820	636	(1,076)	(1,048)
Free cash flow to firm (FCFF)	2,728.13	969.08	3,470.59	3,747.42	3,770.53
Free cash flow to equity (FCFE)	(713.27)	820.06	635.51	(11.66)	116.95

Per share (THB)	2023	2024	2025E	2026E	2027E
FCFF per share	0.22	0.08	0.29	0.31	0.31
FCFE per share	(0.06)	0.07	0.05	0.00	0.01
Recurring cash flow per share	0.31	0.58	0.57	0.59	0.62

Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	34,626	37,205	39,726	42,279	44,850
Less: Accumulated depreciation	(4,369)	(4,767)	(5,215)	(5,663)	(6,112)
Tangible fixed assets (net)	30,257	32,438	34,511	36,616	38,738
Intangible fixed assets (net)	23,683	23,682	23,682	23,682	23,682
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	0	0	0	0	0
Cash & equivalents	1,285	2,105	2,740	1,664	616
A/C receivable	1,199	1,354	1,515	1,686	1,863
Inventories	508	591	611	656	676
Other current assets	7,013	11,452	11,900	12,635	13,018
Current assets	10,005	15,502	16,767	16,642	16,172
Other assets	3,850	3,752	3,752	3,752	3,752
Total assets	67,794	75,373	78,711	80,691	82,343
Common equity	8,412	11,379	14,041	15,890	17,959
Minorities etc.	0	0	0	0	0
Total shareholders' equity	8,412	11,379	14,041	15,890	17,959
Long term debt	41,812	43,251	43,251	42,251	41,251
Other long-term liabilities	821	1,562	1,562	1,562	1,562
Long-term liabilities	42,633	44,813	44,813	43,813	42,813
A/C payable	1,893	1,051	1,087	1,167	1,202
Short term debt	1,250	1,750	1,750	1,750	1,750
Other current liabilities	13,605	16,379	17,020	18,071	18,618
Current liabilities	16,749	19,180	19,857	20,988	21,571
Total liabilities and shareholders' equity	67,794	75,373	78,711	80,691	82,343
Net working capital	(6,778)	(4,033)	(4,080)	(4,261)	(4,264)
Invested capital	51,011	55,838	57,864	59,789	61,907

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

Per share (THB)	2023	2024	2025E	2026E	2027E
Book value per share	0.65	0.89	1.09	1.24	1.40
Tangible book value per share	(1.19)	(0.96)	(0.75)	(0.61)	(0.45)

Financial strength	2023	2024	2025E	2026E	2027E
Net debt/equity (%)	496.6	377.0	301.0	266.4	236.0
Net debt/total assets (%)	61.6	56.9	53.7	52.5	51.5
Current ratio (x)	0.6	0.8	0.8	0.8	0.7
CF interest cover (x)	0.7	1.3	1.2	1.0	1.0

Valuation	2023	2024	2025E	2026E	2027E
Recurring P/E (x) *	160.6	5.9	6.6	6.0	5.4
Recurring P/E @ target price (x) *	293.0	10.8	12.1	11.0	9.9
Reported P/E (x)	37.8	5.1	6.6	6.0	5.4
Dividend yield (%)	-	-	6.0	6.6	7.4
Price/book (x)	2.1	1.5	1.3	1.1	1.0
Price/tangible book (x)	(1.2)	(1.4)	(1.8)	(2.3)	(3.1)
EV/EBITDA (x) **	8.0	5.9	5.6	5.5	5.3
EV/EBITDA @ target price (x) **	10.0	7.4	6.9	6.8	6.6
EV/invested capital (x)	1.2	1.1	1.0	1.0	1.0

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

Sources: Asia Aviation; FSSIA estimates

Asia Aviation PCL (AAV TB)

FSSIA ESG rating

43.83 /100
Exhibit 13: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★☆	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★☆☆	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★☆☆☆	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★☆☆☆☆	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

Exhibit 14: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings						Bloomberg	
		DJSI	SET ESG	SET ESG Rating	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
AAV	43.83	--	Y	Y	5.00	4.00	--	High	48.81	--	--	42.50	--	3.11	48.18
AOT	77.96	Y	Y	Y	5.00	5.00	--	Low	64.96	A	39.00	50.87	77.00	4.19	55.78
BA	18.75	--	--	--	4.00	4.00	--	High	--	--	--	--	16.00	--	--
PSL	55.45	--	Y	Y	5.00	5.00	Certified	Medium	59.76	BB	--	--	51.00	--	--
RCL	27.51	--	--	--	4.00	4.00	--	High	41.46	--	--	20.37	13.00	.94	30.36
TTA	65.35	--	Y	Y	5.00	5.00	Certified	Medium	56.56	AA	--	50.79	25.00	3.31	56.20

Sources: SETTRADE.com; FSSIA's compilation
Exhibit 15: ESG score by Bloomberg

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	—	—	3.70	3.11
BESG environmental pillar score	—	—	3.04	1.77
BESG social pillar score	—	—	4.66	4.21
BESG governance pillar score	—	—	3.34	3.86
ESG disclosure score	35.67	43.31	47.08	48.18
Environmental disclosure score	11.48	27.82	28.99	30.75
Social disclosure score	19.29	20.86	36.03	37.61
Governance disclosure score	76.10	81.10	76.10	76.10
Environmental				
Emissions reduction initiatives	Yes	Yes	Yes	Yes
Climate change policy	Yes	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	Yes
Risks of climate change discussed	No	No	Yes	Yes
GHG scope 1	1,947	696	203	663
GHG scope 2 location-based	2	2	1	1
GHG Scope 3	—	—	—	143
Carbon per unit of production	—	—	—	—
Biodiversity policy	No	No	No	No
Energy efficiency policy	Yes	Yes	Yes	Yes
Total energy consumption	—	—	—	—
Renewable energy use	—	—	—	—
Electricity used	3	2	2	2
Fuel used - natural gas	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

Exhibit 16: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No
Waste reduction policy	Yes	Yes	Yes	Yes
Hazardous waste	—	0	0	0
Total waste	0	0	0	0
Waste recycled	—	—	—	—
Waste sent to landfills	—	—	—	—
Environmental supply chain management	No	Yes	Yes	Yes
Water policy	No	No	Yes	Yes
Water consumption	16	10	6	7
Social				
Human rights policy	Yes	Yes	Yes	Yes
Policy against child labor	No	No	No	No
Quality assurance and recall policy	Yes	Yes	Yes	Yes
Consumer data protection policy	Yes	Yes	Yes	Yes
Equal opportunity policy	No	No	Yes	Yes
Gender pay gap breakout	No	No	No	No
Pct women in workforce	—	—	36	36
Pct disabled in workforce	—	1	1	1
Business ethics policy	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes
Lost time incident rate - employees	0	0	0	0
Total recordable incident rate - employees	—	—	1	1
Training policy	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No
Number of employees – CSR	5,974	5,586	5,003	4,677
Employee turnover pct	3	4	4	5
Total hours spent by firm - employee training	—	—	150,090	121,602
Social supply chain management	Yes	Yes	Yes	Yes
Governance				
Board size	9	9	12	12
No. of independent directors (ID)	3	3	4	4
No. of women on board	0	0	0	1
No. of non-executive directors on board	5	5	7	4
Company conducts board evaluations	Yes	Yes	Yes	Yes
No. of board meetings for the year	6	7	7	4
Board meeting attendance pct	87	98	98	94
Board duration (years)	3	3	3	3
Director share ownership guidelines	No	No	No	No
Age of the youngest director	—	46	—	—
Age of the oldest director	—	64	—	—
No. of executives / company managers	4	4	3	3
No. of female executives	0	0	0	0
Executive share ownership guidelines	No	No	No	No
Size of audit committee	3	3	3	3
No. of ID on audit committee	3	3	3	3
Audit committee meetings	5	4	5	4
Audit meeting attendance %	87	100	100	100
Size of compensation committee	3	3	3	3
No. of ID on compensation committee	3	3	3	2
No. of compensation committee meetings	2	2	3	2
Compensation meeting attendance %	100	100	100	100
Size of nomination committee	3	3	3	3
No. of nomination committee meetings	2	2	3	2
Nomination meeting attendance %	100	100	100	100
Sustainability governance				
Verification type	No	No	No	No

Sources: Bloomberg; FSSIA's compilation

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%). (The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																												
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. (Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																												
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored.																												
		<table border="1"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </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 border="1"> <tbody> <tr> <td>AAA</td> <td>8.571-10.000</td> <td>Leader:</td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td>Average:</td> <td>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> <td></td> <td></td> </tr> <tr> <td>B</td> <td>1.429-2.856</td> <td></td> <td></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> </tbody> </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. (Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)																													
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																													
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																												
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																												

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

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

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

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History of change in investment rating and/or target price

Asia Aviation (AAV TB)



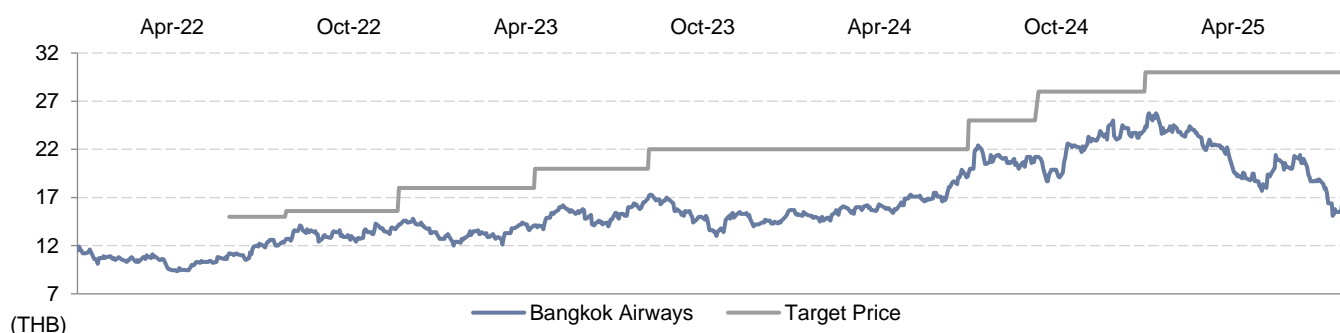
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
07-Jun-2022	BUY	3.40	03-Apr-2024	BUY	3.10	25-Oct-2024	BUY	3.40
31-Oct-2022	BUY	3.70	23-May-2024	BUY	3.20			
01-Nov-2023	BUY	2.80	23-Jul-2024	BUY	3.30			

Teerapol Udomvej, CFA started covering this stock from 21-Dec-2020

Price and TP are in local currency

Source: FSSIA estimates

Bangkok Airways (BA TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
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
25-Jan-2023	BUY	18.00	29-May-2024	BUY	25.00			

Teerapol Udomvej, CFA started covering this stock from 04-Jun-2021

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Asia Aviation	AAV TB	THB 1.37	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.
Bangkok Airways	BA TB	THB 15.80	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.

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 22-Apr-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.