

# THAI AIRWAYS THAI TB

## THAILAND / TRANSPORT & LOGISTICS

# BUY

## Investors, prepare for take-off

- ภายหลังการฟื้นฟูกิจการ เราคาดว่า THAI จะมีรายได้แล้วมาร์จินที่ยั่งยืน ผ่านการปรับโครงสร้างบุคลากร ฝูงบินใหม่ และการดำเนินแผนกลยุทธ์การเติบโตระยะยาว
- คาดกำไรปกติปี 2025 เพิ่มขึ้น 15% ก่อนเติบโตในอัตราชะลอตัว จากต้นทุนที่เพิ่มขึ้นในปีต่อ ๆ ไป ตามการขยายธุรกิจ โดยยังคงมีฐานะการเงินแข็งแกร่ง
- ประเมินราคาเป้าหมายที่ 9.00 บาทต่อหุ้น (อิงวิธี P/E) ด้วย ROE ที่แข็งแกร่ง และมีหุ้นที่สามารถซื้อขายได้ในตลาดเพียงจำนวนจำกัดในช่วงแรก

TARGET PRICE THB9.00  
CLOSE\* THB3.32  
UP/DOWNSIDE +171.1%

\*Close price at 17 May 2021

## KEY STOCK DATA

YE Mar (THB m)	2024	2025E	2026E	2027E
Revenue	183,113	190,359	201,849	217,502
Net profit	(26,934)	24,730	25,981	27,230
EPS (THB)	(0.95)	0.87	0.92	0.96
vs Consensus (%)	-	(7.4)	(9.8)	(17.2)
EBITDA	48,193	49,077	50,828	53,131
Recurring net profit	21,507	24,730	25,981	27,230
Core EPS (THB)	0.76	0.87	0.92	0.96
Chg. In EPS est. (%)	nm	nm	nm	nm
EPS growth (%)	(93.5)	15.0	5.1	4.8
Net debt/Equity (%)	23.7	49.7	50.6	51.6
ROE (%)	29.7	19.1	32.3	27.1

Share price performance	1 Month	3 Month	12 Month
Absolute (%)	n/a	n/a	n/a
Relative to country (%)	n/a	n/a	n/a
Mkt cap (USD m)	n/a		
3m avg. daily turnover (USD m)	n/a		
Free float (%)	7		
Major shareholder	Ministry of Finance (39%)		
12m high/low (THB)	n/a		
Issued shares (m)	28,303.29		

Sources: Bloomberg consensus; FSSIA estimates

### ประสิทธิภาพที่ดีขึ้นหลังฟื้นฟูกิจการจากโครงสร้างพนักงานที่กระชับและเครื่องบินใหม่

THAI ปรับโครงสร้างองค์กร โดยลดจำนวนพนักงานลงราว 36% เทียบกับปี 2019 และลดแบบเครื่องบินจาก 8 รุ่น เหลือ 6 รุ่น และมีเป้าหมายลดเหลือ 4 รุ่นภายในปี 2033 เราคาดว่าค่าใช้จ่ายพนักงานจะอยู่ที่ 12.2-12.6% ของรายได้จากผู้โดยสารในช่วงปี 2025-2027 ซึ่งต่ำกว่าเป้าหมายบริษัทที่ 13% ขณะที่ในส่วนของผู้บิน บริษัทวางแผนเพิ่มจำนวนจาก 78 ลำ ในปัจจุบัน เป็น 150 ลำภายในปี 2033 โดยเน้นเครื่องบินลำตัวกว้างรุ่น B787 และเครื่องบินลำตัวแคบรุ่น A321 ซึ่งช่วยลดการใช้น้ำมันลง 10-20% ปัจจัยทั้งสอง จะสนับสนุนประสิทธิภาพการจัดการต้นทุนและรักษาระดับอัตรากำไร

### กลยุทธ์การตลาด และเส้นทางบินเชื่อมต่อ จะรองรับปริมาณที่เพิ่มขึ้น

THAI วางแผนผลักดันกรุงเทพฯ ให้เป็นศูนย์กลางการต่อเครื่องบินในภูมิภาค เพื่อดึงดูดปริมาณผู้โดยสาร และเพิ่มส่วนแบ่งตลาดในสนามบินสุวรรณภูมิ (BKK) กลับมาเป็น 37% ในระยะยาว (จาก 26% ในปี 2023) ภายใต้แนวโน้มการเดินทางทั่วโลกที่ยังแข็งแกร่ง ซึ่งคาดว่าเอเชียแปซิฟิกยังเติบโตสูงสุด (เฉลี่ย 5.1% ต่อปี จนถึงปี 2043) และภาคท่องเที่ยวไทยยังมีแนวโน้มฟื้นตัว (คาดว่านักท่องเที่ยวปี 2026-2027 ที่ 36.2-38 ล้านคน) THAI ยังมุ่งสร้างรายได้ต่อเนื่อง และเพิ่มประสิทธิภาพดำเนินงานด้วยแผนเพิ่มสัดส่วนที่นั่งชั้น Premium Economy (8% ของจำนวนที่นั่งภายในปี 2033) การจำหน่ายตั๋วโดยตรงผ่านช่องทางของตนเอง (25% ของรายได้ในปี 2024 เทียบกับ 15% ในปี 2019) การเป็นพันธมิตรร่วมกับ Turkish Airlines ซึ่งเรามองว่าปัจจัยเหล่านี้ จะหนุนการเติบโตของรายได้ในระยะยาว และเพิ่มความสามารถในการแข่งขัน

### คาดการณ์เติบโตแข็งแกร่ง

เราประมาณการกำไรปกติ THAI เติบโต 15% ในปี 2025 เป็น 24.7 พันล้านบาท จากปริมาณผู้โดยสารที่คาดว่าจะเพิ่มขึ้น 5% Load factor คงที่ (79%) รวมถึงต้นทุนน้ำมันและดอกเบี้ยจ่ายที่ลดลง ส่วนปี 2026-2027 คาดกำไรปกติเติบโตในอัตราชะลอตัวเป็น 5% ต่อปี จากค่าใช้จ่ายดำเนินงานที่สูงขึ้นตามแผนขยายธุรกิจ แม้รายได้จากผู้โดยสารและสินค้าจะเติบโตเร็วขึ้น ส่วนในระยะสั้น ผลประกอบการ 2Q-3Q25 ยังมีแนวโน้มเติบโต y-y แม้อยู่ในช่วงโลว์ซีซั่น THAI ยังมีฐานะการเงินแข็งแกร่งขึ้นเช่นกัน อิง Net D/E ratio ลดลงเป็น 0.5 เท่า ในช่วงสามปีข้างหน้า (2019: 10.4 เท่า) และมีกระแสเงินสดรองรับงบลงทุน 25-45 พันล้านบาทต่อปี และครอบคลุมการชำระคืนหนี้สินทางการเงินพร้อมดอกเบี้ยจ่ายตามแผนฟื้นฟูกิจการ

### มูลค่าหุ้นน่าสนใจ พร้อมความเสี่ยงที่บริหารจัดการได้ และจำนวนหุ้นซื้อขายที่จำกัดในระยะสั้น

เราเริ่มต้นจัดทาบทวิเคราะห์ THAI โดยประเมินราคาเป้าหมายที่ 9 บาทต่อหุ้น อิง Prospective P/E ปี 2025 ที่ 10.3 เท่า เทียบเคียงค่าเฉลี่ยการซื้อขายหุ้นกลุ่มสายการบิน คาดว่าบริษัทจะมี ROE สูง 32-43% ในปี 2025-2026 รวมถึงโอกาสกลับมาจ่ายเงินปันผล (คาด 0.22-0.24บาท) ทั้งนี้ การที่หุ้น THAI ส่วนใหญ่เข้าเกณฑ์ห้ามขายเป็นระยะเวลา 1 ปี ส่งผลให้ช่วง 6 เดือนแรกหลังกลับเข้าซื้อขาย จะมีสัดส่วนจำนวนหุ้นเพียง 6.7% หรือ 1.9 พันล้านหุ้น ที่สามารถซื้อขายได้ จากหุ้นทั้งหมด 28.3 ของหุ้นทั้งหมด หลังจาก 6 เดือน จำนวนหุ้นที่สามารถซื้อขายได้ อาจเพิ่มขึ้นเป็น 30% ทั้งนี้ ปัจจัยเสี่ยงหลักได้แก่ ราคาน้ำมันที่ผันผวน การดำเนินงานที่ต่ำกว่าเป้าหมายและคาดการณ์ และความท้าทายต่าง ๆ ในช่วงเปลี่ยนผ่านของการปรับโครงสร้าง



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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 4 สิงหาคม 2025

Investment thesis

Post-rehab, THAI has enhanced operational efficiency via a leaner workforce and fleet optimization, driving sustainable margins. Its network and connectivity strategy, premium seat rollout, and direct sales push should support long-term yields and market share gains.

THAI's core profit may expand 15% in 2025 and 5% p.a. in 2026–27, backed by rising traffic, a stable load factor, and lower financial costs.

An improved balance sheet (net D/E ratio of c0.5x) and solid free cash flow enables THB25-45b in annual capex for fleet growth. Its valuation is compelling at 10.3x 2025E P/E with superior 32-43% estimated ROE and dividend potential.

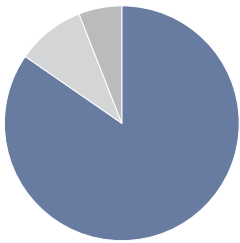
Company profile

THAI is Thailand's national full-service carrier providing air transportation and freight services on domestic and international routes.

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

Principal activities (revenue, 2024)

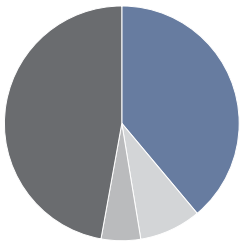
- Passengers - 84.6 %
- Freight and mail - 9.4 %
- Others - 5.9 %



Source: Thai Airways

Major shareholders

- Ministry of Finance - 38.9 %
- Bangkok Bank Public Company Limited - 8.5 %
- EGAT Saving and Credit Cooperative Limited - 5.4 %
- Others - 47.2 %



Source: Thai Airways

Catalysts

Key potential growth drivers include 1) a higher number of passengers carried following a tourism recovery; 2) lower jet fuel prices; and 3) operational efficiency and strategic business expansion plans that bear fruit.

Risks to our call

Downside risks to our DCF-based 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
Aug 2025	2Q25 results announcement

Key assumptions

	2025E	2026E	2027E
Passengers carried (m)	16.9	18.3	20.1
Load factor (%)	79%	79%	78%
Average fare (THB)	9,519	9,330	9,143
Brent spot prices (USD/bbl)	72	72	72
THB/USD	33.0	33.0	33.0

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in load factor, we project 2025 earnings to rise by 8%, and vice versa, all else being equal.
- For every USD1 increase in jet fuel price, we project 2025 earnings to decline by 1.4%, and vice versa, all else being equal.

Source: FSSIA estimates

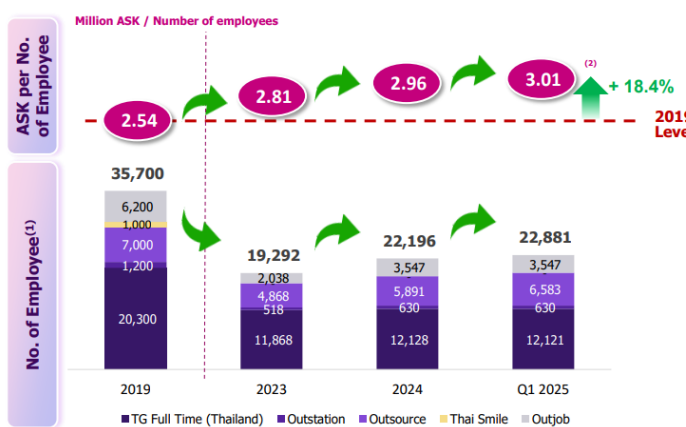
## Investment highlights

### A new chapter in lean operations

We have a positive view on THAI's enhanced operational efficiency post-rehabilitation. It has undertaken a comprehensive organizational restructuring to right-size its operations – streamlining headcount from 35,700 in 2019 to 22,900 in 1Q25 – while aligning employee compensation with industry benchmarks. THAI has also focused on upskilling and reskilling its workforce, while enhancing processes such as procurement, recruitment, and internal controls to ensure greater transparency and clarity.

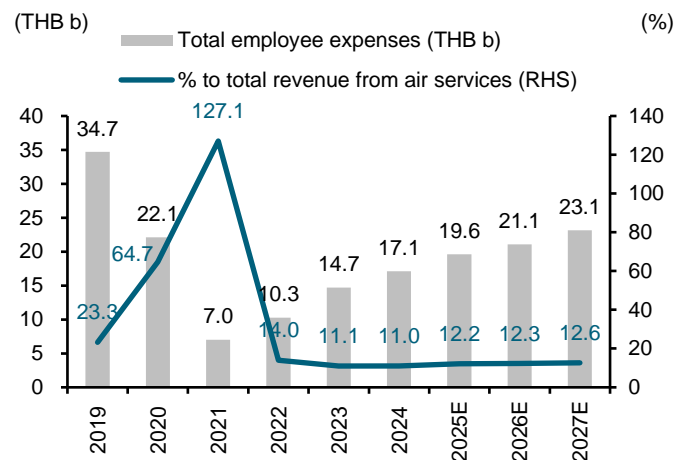
As a result, the ratio of employee expenses to passenger revenue declined significantly from 23% (THB34.7b) in 2019 to 11% (THB17.1b) in 2024. We project the ratio to gradually increase to 12.2–12.6% during 2025–27, remaining below the company's long-term target of under 13%.

**Exhibit 1: Rising ASK per employee highlights enhanced organizational efficiency**



Source: THAI

**Exhibit 2: THAI's employee expenses to revenue from air services**



Sources: THAI; FSSIA estimates

### Fleet transformation on the way

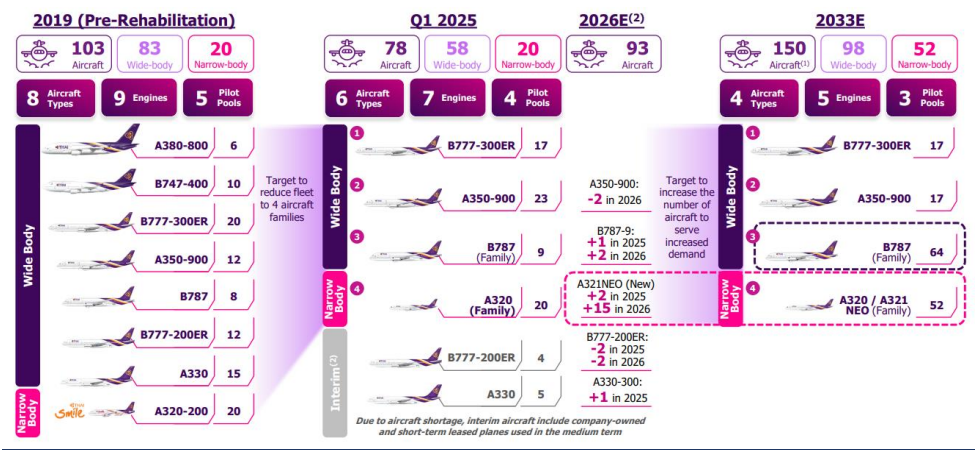
Fleet modernization is another key strategy supporting cost control and margin expansion. THAI plans to reduce its aircraft model types from eight in 2019 to six by 1Q25, aiming to operate only four models by 2033. The active fleet has also been downsized from 103 aircraft in 2019 to 78 in 1Q25, with plans to expand to 93 aircraft by 2026 and 150 by 2033.

The company is focusing on acquiring more wide-body Boeing 787 aircrafts, growing from 9 in 1Q25 to 64 by 2033. Similarly, the narrow-body A320/321 fleet is expected to increase from 20 to 52 over the same period.

These strategic changes contributed to a roughly 25% reduction in depreciation costs in 2024 compared to 2019, while improving aircraft utilization to 13.2 hours per day (2019: 11.9 hours) and increasing passenger yield to THB3.00 (2019: THB2.08).

Additionally, the new aircraft are projected to reduce fuel consumption by 10–20%. Greater deployment of narrow-body aircraft on short- to medium-haul routes may further optimize fuel costs, crew utilization, and maintenance cost management.

Exhibit 3: THAI's fleet transformation and future roadmap

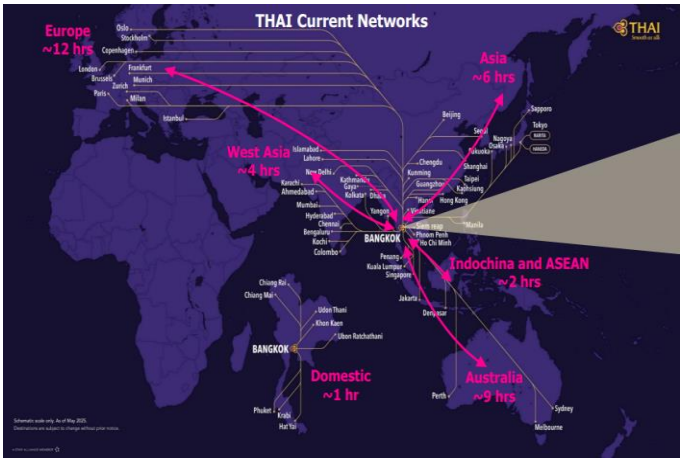


Source: THAI

Elevating route network and connectivity to drive growth

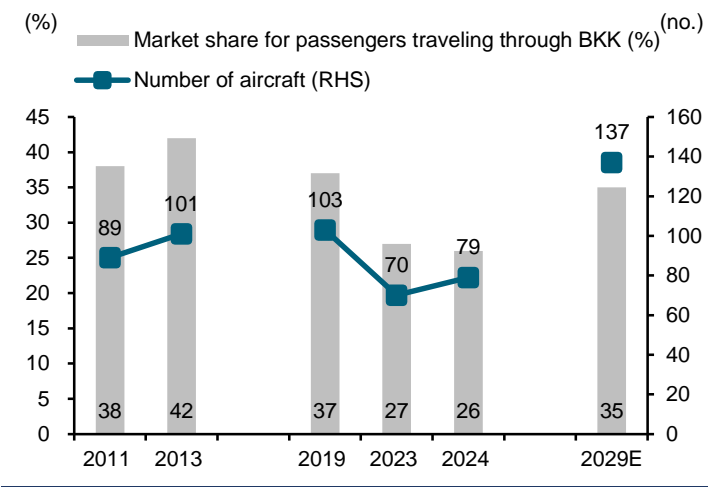
THAI has adopted a core operational strategy centered on positioning Thailand as a key hub for connecting long-haul flights to destinations across Asia, mainly Southeast Asia and East Asia. This approach shifts the company's focus from solely targeting passengers traveling to Thailand to increasing volumes of transit and transfer passengers. The strategy aligns with the infrastructure development outlined in Suvarnabhumi Airport (BKK)'s long-term plan. Consequently, THAI has the potential to gradually regain and surpass its market share at BKK – from 26% in 2024 toward the pre-COVID-19 level of 37% over the long term.

Exhibit 4: THAI is well-positioned to become a leading network airline by leveraging Thailand's strategic location



Source: THAI

Exhibit 5: THAI's market share at Suvarnabhumi Airport

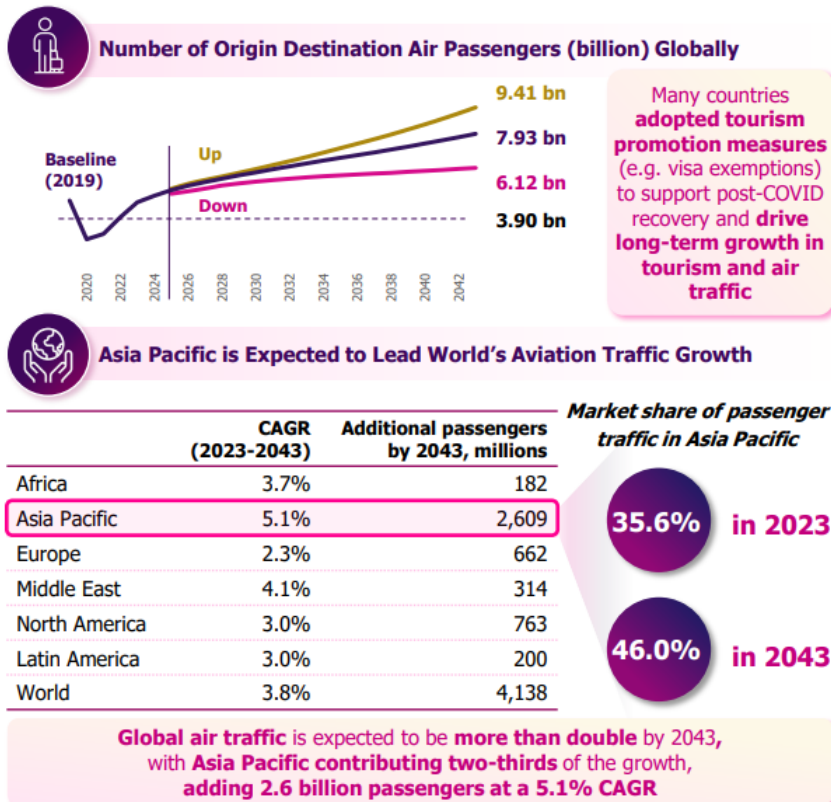


Sources: THAI; FSSIA's compilation

## Favorable demand remains

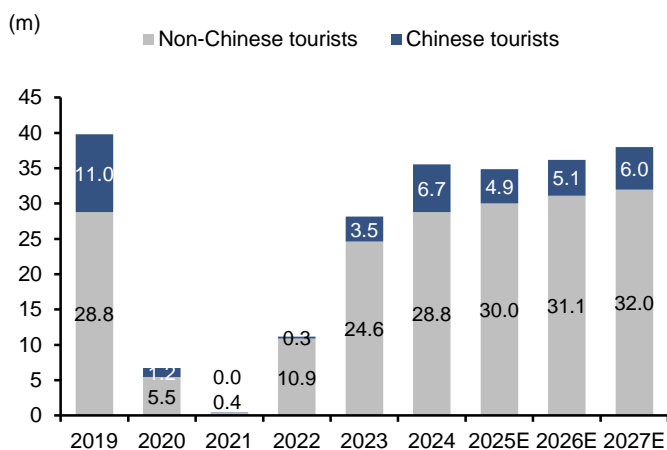
We believe THAI will also benefit from: 1) the sustained growth in global air travel demand, with IATA projecting passenger traffic to double by 2043 – the Asia-Pacific region is expected to lead this expansion, with a 5.1% CAGR from 2023 to 2043, boosting its share of global passenger volume to 46.0% in 2043 (2023: 35.6%); and 2) Thailand's strong tourism appeal – we forecast total tourist arrivals to rebound by 4-5% in 2026 and 2027, to 36.2m and 38m, respectively. Although we expect tourist numbers to decline by 2% to 34.9m in 2025 – mainly due to a 28% drop in Chinese tourists (14% of total arrivals) to 4.9m – the growth of non-Chinese visitor segments by approximately 4% may partially help offset the impact. This trend supports THAI's passenger base, which derives the majority of its revenue from Asia (c50%), Europe (c35%), and Australia (c10%), with Chinese travelers accounting for only around 5% of revenue, thereby limiting the overall impact.

### Exhibit 6: Asia-Pacific to lead global air travel growth



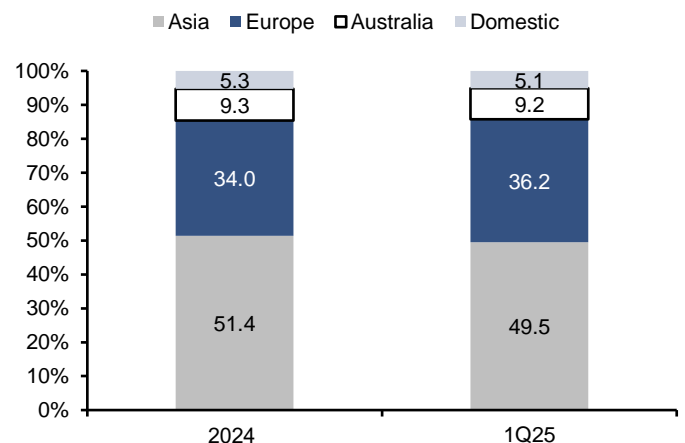
Source: IATA Air Passenger Forecast Global Report as of Dec 2024

### Exhibit 7: Chinese and non-Chinese visitor arrivals to Thailand



Sources: Ministry of Tourism and Sports (MOTS); FSSIA estimates

### Exhibit 8: THAI's revenue contribution by region



Sources: THAI; FSSIA's compilation

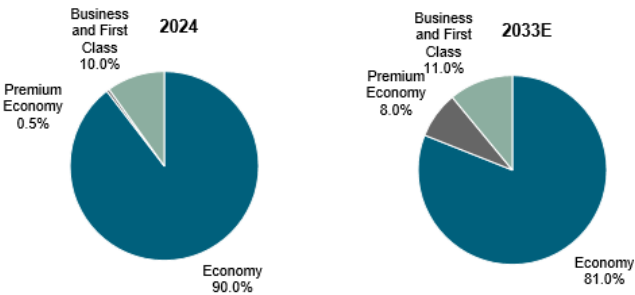


Strengthening its marketing approach

Moreover, THAI has updated its marketing strategies with several key initiatives: 1) increasing the share of premium economy seats to 8% by 2033 (from 0.5% in 2024); 2) entering a joint business agreement with Turkish Airlines starting 1 July 2025 to operate codeshare flights – this partnership aims to capture growing passenger volumes on European routes via Turkey’s aviation hub, enhancing THAI’s competitiveness against Middle Eastern carriers; and 3) emphasizing direct sales channels such as the airline’s website and other proprietary platforms, which contributed 25% of total revenue in 2024 (2019: 15%). This shift improves economies of scale and has helped reduce the ratio of commission and incentive expenses to passenger revenue to 2.5% in 2024 (2019: 3.8%).

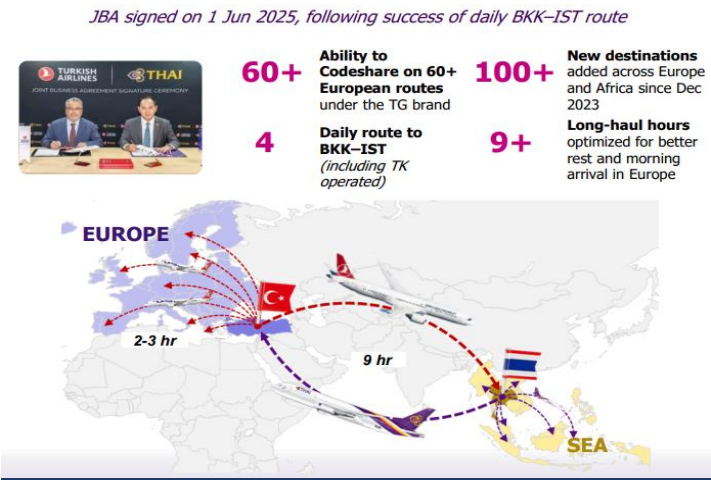
These marketing strategies may support higher load factors and improved passenger yield, driving revenue growth and maintaining profit margins above pre-rehabilitation levels.

Exhibit 9: THAI plans to enhance its product mix of Premium Economy and Business Class



Sources: THAI; FSSIA's compilation

Exhibit 10: THAI's first-ever joint business agreement with Turkish Airlines



Source: THAI

Financial prospects

Historical performance

THAI’s earnings turned to a core profit of THB25.39b in 2023, following consecutive core losses since 2019. It continued to post a core profit of THB21.51b in 2024, down 15% y-y due to higher financial expenses, based on THB183.11b total revenue (+16% y-y) and THB48.19b EBITDA (+3% y-y) – both already exceeding 2019 levels. However, it recorded a THB45.27b one-time loss from debt restructuring, resulting in a net loss of THB26.93b in 2024.

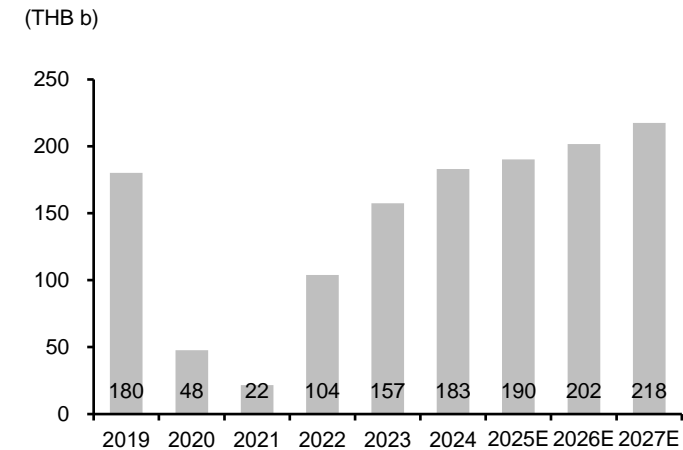
We expect aircraft utilization and operating performance to consistently surpass pre-COVID levels over the next three years.

Expect strong 15% core profit growth in 2025

We forecast a core profit of THB24.73b in 2025, growing 15% y-y on higher revenue and lower interest expenses. Total revenue is estimated at THB190.36b (+4% y-y), based on the following assumptions: 1) total passenger volume of 16.9m (+5% y-y); 2) available seat kilometers (ASK) rising 6% y-y, with a stable load factor at 79%; 3) average ticket fare of THB9,519 (-1% y-y), reflecting lower fuel costs; and 4) freight volume growing 4% y-y.

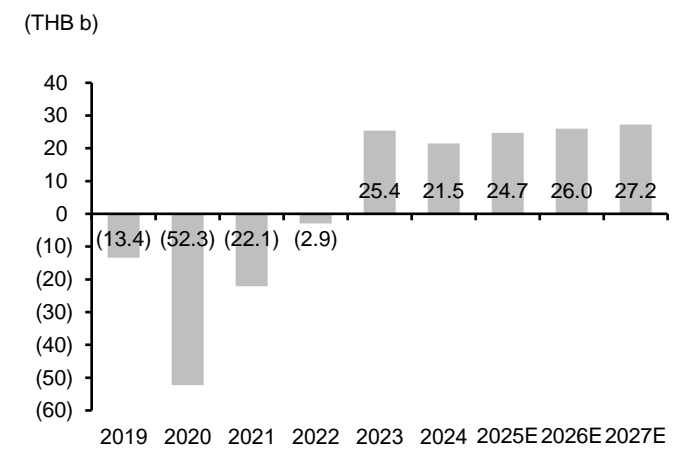
We assume a gross margin of 18.7% (-0.6ppt y-y). While fuel expenses may decline by 6% y-y, non-fuel expenses are expected to grow 10% y-y – mainly from increased staff costs, flight service fees, and supply costs tied to business expansions. We expect the interest expenses may decline 15% y-y to THB15.98b, driven by continued debt repayments. As such, its core profit margin may improve by 1.3ppts y-y to an attractive 13%.

Exhibit 11: THAI’s total revenue



Sources: THAI; FSSIA estimates

Exhibit 12: THAI’s core profit



Sources: THAI; FSSIA estimates

## 2026–27 earnings outlook

We now forecast THAI's core profit to moderately grow 5% p.a. in 2026 and 2027, mainly supported by revenue growth – although we have a conservative view on operating cost hikes. Our key assumptions include: 1) passenger volume increasing by 7–9% to 18.3m in 2026 and 20.1m in 2027, with load factor remaining at 79% in 2026 before easing to 78% in 2027 as the fleet expands from 80 to 93 aircraft; 2) ASK growth of 7–9%; 3) the average ticket fare declining 2% y-y each year, reflecting possible intensifying industry competition; and 4) freight volume growth accelerating to 7–9% y-y.

We expect gross margin to decline by 0.6-0.8ppt y-y during the two-year period, due to higher fuel and non-fuel costs associated with extended operations, initial transition costs from new fleet introduction, and higher depreciation. Interest expenses may decline by 3–5% annually. Thus, its core profit margin may slightly decline to 12.9% (-0.1ppt y-y) in 2026 and 12.5% (-0.4ppt y-y) in 2027.

### Exhibit 13: Earnings forecasts and key assumptions

	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)
<b>Total revenue</b>	<b>180,280</b>	<b>47,716</b>	<b>21,572</b>	<b>103,867</b>	<b>157,446</b>	<b>183,113</b>	<b>190,359</b>	<b>201,849</b>	<b>217,502</b>
Passenger	149,044	34,163	5,528	73,408	132,736	154,968	161,331	170,898	183,915
Freight	17,783	6,893	10,928	23,784	15,464	17,268	17,720	18,961	20,667
Other key activities	13,452	6,661	5,116	6,674	9,245	10,877	11,307	11,990	12,920
<b>% Growth</b>									
Total revenue	(8)	(74)	(55)	381	52	16	4	6	8
Passenger	(7)	(77)	(84)	1,228	81	17	4	6	8
Freight	(20)	(61)	59	118	(35)	12	3	7	9
Other key activities	1	(50)	(23)	30	39	18	4	6	8
<b>Total operating costs</b>	<b>192,002</b>	<b>86,944</b>	<b>40,595</b>	<b>96,865</b>	<b>121,895</b>	<b>147,946</b>	<b>154,857</b>	<b>165,485</b>	<b>179,988</b>
Fuel	54,675	12,386	5,926	38,378	47,765	50,474	47,465	50,788	55,358
Non-fuel	137,327	74,557	34,669	58,486	74,130	97,473	107,392	114,698	124,630
Gross profit	(11,723)	(39,227)	(19,023)	7,002	35,551	35,167	35,502	36,363	37,514
% Gross profit margin	(6.5)	(82.2)	(88.2)	6.7	22.6	19.2	18.7	18.0	17.2
EBITDA	5,065	(11,523)	(6,479)	16,883	46,940	48,193	49,077	50,828	53,131
% EBITDA margin	2.8	(24.1)	(30.0)	16.3	29.8	26.3	25.8	25.2	24.4
Core profit	(13,432)	(52,291)	(22,088)	(2,946)	25,389	21,507	24,730	25,981	27,230
% Core profit margin	(7.5)	(109.6)	(102.4)	(2.8)	16.1	11.7	13.0	12.9	12.5
Net profit	(12,042)	(141,171)	55,118	(272)	28,096	(26,934)	24,730	25,981	27,230
% Net profit margin	(6.7)	(295.9)	255.5	(0.3)	17.8	(14.7)	13.0	12.9	12.5
<b>Key assumptions</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
Number of passengers (m)	24,510	5,870	1,640	9,010	13,760	16,140	16,948	18,318	20,115
% Growth	1	(76)	(72)	449	53	17	5	8	10
RPK (m)	71,695	15,398	2,147	26,163	43,268	51,741	54,875	58,716	63,188
% Growth	(1)	(79)	(86)	1,119	65	20	6	7	8
ASK (m)	90,622	23,789	11,224	38,526	54,280	65,696	69,638	74,512	81,219
% Growth	(3)	(74)	(53)	243	41	21	6	7	9
Load factor (%)	79	65	19	68	80	79	79	79	78
Average fares (THB)	6,081	5,820	3,371	8,147	9,647	9,601	9,519	9,330	9,143
% Growth	(8)	(4)	(42)	142	18	(0)	(1)	(2)	(2)
Freight carried (tons)	587,953	167,531	132,347	340,390	340,825	431,320	448,309	479,690	522,862
% Growth	(14)	(72)	(21)	157	0	27	4	7	9
Cargo load factor (%)	54	59	94	63	52	52	51	51	51
Average jet fuel price (USD/bbl)	84	74	83	135	113	105	86	86	86
USD/THB	31.0	31.3	32.0	35.1	34.8	35.3	33.0	33.0	33.0

Sources: THAI; FSSIA estimates



Long-Term operational targets

Note that THAI has set challenging strategic goals to be achieved within the next five years (by 2029): 1) raise market share at BKK to 35% (2024: 26%); 2) expand fleet size to 137 aircraft (1Q25: 78); 3) attain ASK growth of 14–17% CAGR; 4) grow passenger volume by 16–17% CAGR; 5) broaden its network to 94 destinations (from 64 in 2024); and 6) maintain an operating profit margin in the range of 14–18%.

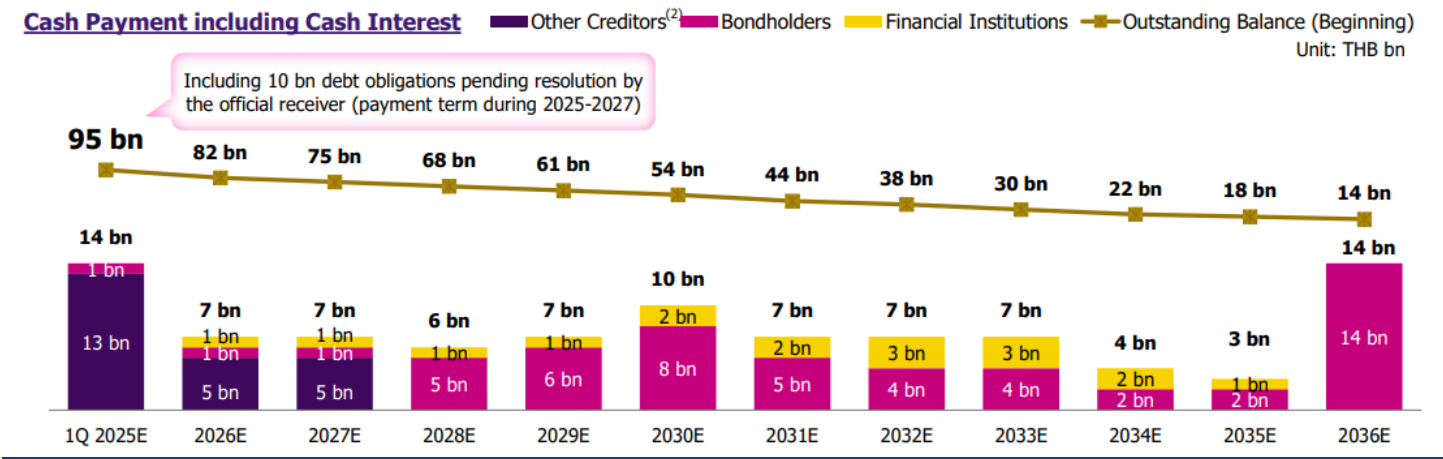
Fortifying financial stance and cash liquidity

THAI entered business rehabilitation in 2021 with a total debt obligation – including principal and interest – of cTHB410b. Following verification by the official receiver, a debt amount of cTHB189b was determined for the debt and capital restructuring. Key restructuring measures completed to date include: 1) debt-to-equity conversion totaling 21.0b shares at THB2.54/shr, amounting to THB53.45b; and 2) cash call through rights offerings to existing shareholders, employees, and private placements, totaling 5.1b shares at THB4.48/shr, raising THB22.99b. For the remaining cTHB95b debt balance (including interest) as of 1Q25, THAI is scheduled to gradually repay the amount between 2025 and 2036 regarding the rehabilitation plan.

The debt-to-equity swap, capital increases, and par value reduction have enabled THAI to fully eliminate its retained deficits, restore positive shareholder equity, and lower its net D/E ratio massively from 10.4x in 2019 to 1.0x in 2024. We expect a narrower net D/E ratio of around 0.5x during 2025-27, indicating a stronger balance sheet and improved financial flexibility. This positions THAI well to secure additional funding for business expansions.

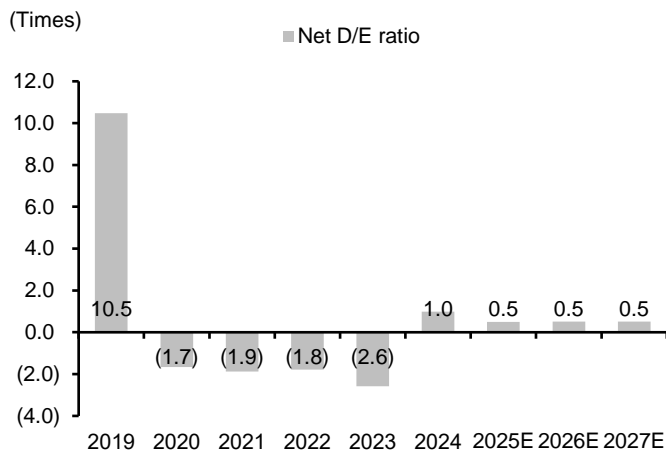
The company plans to invest THB25.1b this year, with capex accelerating to THB41.2-44.7b in 2026-27. Approximately 81% of the aggregated capex over the next three years will be allocated to acquiring new aircraft and engines. We project its free cash flow to firm at THB10.8b in 2026 and THB9.6b in 2027, which should be sufficient to cover the rehabilitation plan’s scheduled debt and interest repayments of cTHB7b p.a. during this period.

Exhibit 14: Outstanding debt repayment schedule as stated in the rehabilitation plan



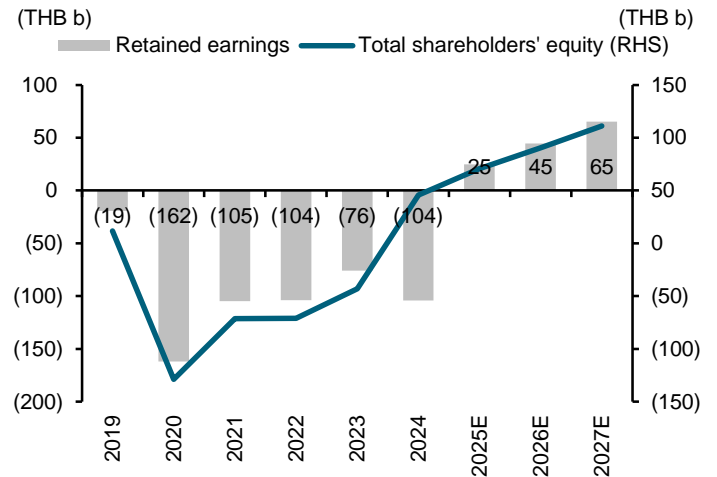
Source: THAI

**Exhibit 15: Net D/E ratio**



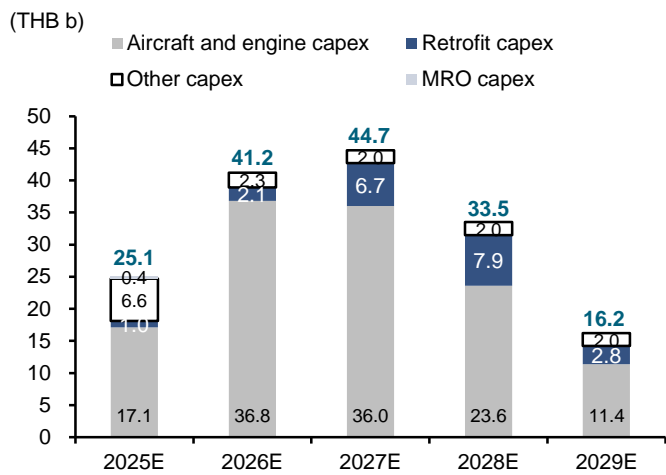
Sources: THAI; FSSIA estimates

**Exhibit 16: Retained earnings and shareholder equity**



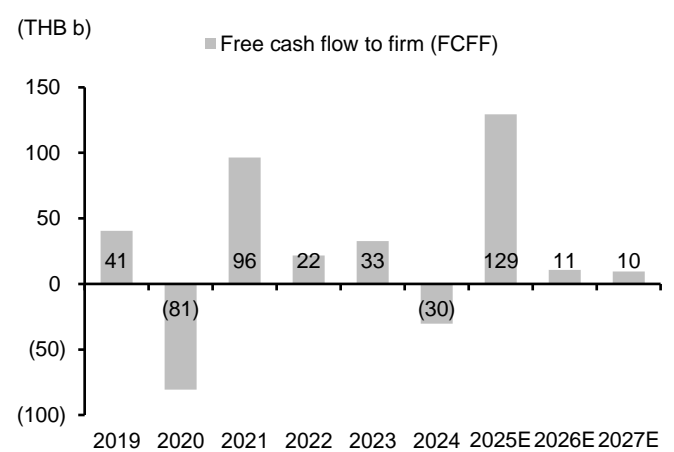
Sources: THAI; FSSIA estimates

**Exhibit 17: THAI's 5-year capex plan (THB b)**



Sources: THAI; FSSIA estimates

**Exhibit 18: THAI's free cash flow to firm**



Sources: THAI; FSSIA estimates

## Valuation

### 2025 target price of THB9.00

We initiate coverage of THAI with a target price of THB9.00/shr, based on a prospective 10.3x 2025E P/E – the average trading multiple among local, regional, and global air carrier peers. Our estimated ROE of 42.6% in 2025 and 32.3% in 2026 looks attractive and outperforms peers. We also anticipate that the company may pay dividends of THB0.22-0.24/shr for its 2025–27 performance, translating into a 25% payout ratio.

### Exhibit 19: Peer comparisons as of 1 Aug 2025

Company	BBG	Rec	Share price			Market Cap	PE		PBV		ROE		- EV/ EBITDA -	
			Current	Target	Upside		25E	26E	25E	26E	25E	26E	25E	26E
			(LCY)	(LCY)	(%)	(USD m)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)
<b>Thailand</b>														
Bangkok Airways	BA TB	BUY	15.30	28.00	83.0	978	8.2	7.7	1.9	1.7	23.8	23.5	6.0	5.6
Asia Aviation	AAV TB	BUY	1.35	2.50	85.2	528	6.5	6.0	1.2	1.1	20.9	19.5	5.5	5.4
<b>Thailand average</b>						<b>1,506</b>	<b>7.3</b>	<b>6.8</b>	<b>1.6</b>	<b>1.4</b>	<b>22.4</b>	<b>21.5</b>	<b>5.8</b>	<b>5.5</b>
<b>Regional</b>														
Singapore Airlines	SIA SP	n/a	6.82	n/a	n/a	16,171	8.7	19.2	1.3	1.3	14.7	7.4	5.9	6.4
Cathay Pacific Airways	293 HK	n/a	11.80	n/a	n/a	9,622	7.4	7.5	1.2	1.1	16.3	15.4	5.2	5.2
Ana Holdings	9202 JP	n/a	2,834.50	n/a	n/a	9,214	9.6	10.1	1.2	1.1	12.5	11.2	4.4	4.2
Japan Airlines	9201 JP	n/a	3,015.00	n/a	n/a	9,049	13.1	10.6	1.4	1.2	10.9	11.6	4.8	4.1
China Southern Airlines	600029 CH	n/a	5.67	n/a	n/a	12,808	35.4	17.3	2.7	2.4	7.5	13.1	8.0	7.0
Korea Air Lines	003490 KS	n/a	23,250	n/a	n/a	6,171	6.5	6.3	0.7	0.7	12.2	11.6	4.9	4.5
Capital A	CAPITALA MK	n/a	1	n/a	n/a	835	4.5	3.6	n/a	n/a	(0.9)	(4.0)	n/a	9.8
Eva Airways	2618 TT	n/a	38.20	n/a	n/a	6,912	9.8	10.2	1.4	n/a	15.7	13.7	3.4	3.1
<b>Regional average</b>						<b>70,782</b>	<b>11.9</b>	<b>10.6</b>	<b>1.4</b>	<b>1.3</b>	<b>11.1</b>	<b>10.0</b>	<b>5.2</b>	<b>5.5</b>
<b>Global</b>														
Delta Air Lines	DAL US	n/a	51.15	n/a	n/a	33,398	7.5	6.7	1.4	1.2	21.5	20.5	4.9	4.5
Ryanair	RYAAY US	n/a	62.12	n/a	n/a	32,942	13.3	11.6	3.5	2.7	27.9	26.6	7.3	6.6
United Airlines	UAL US	n/a	84.57	n/a	n/a	27,714	8.2	6.6	1.8	1.4	23.5	24.3	5.0	4.3
Qantas Airways	QAN AU	n/a	10.90	n/a	n/a	10,655	10.2	9.1	16.8	5.2	223.9	103.3	4.6	4.1
Alaska Airlines	ALK US	n/a	51.37	n/a	n/a	5,922	15.4	8.4	1.4	1.2	9.4	16.6	5.9	4.6
Easyjet (UK)	EZJ LN	n/a	483.40	n/a	n/a	4,864	7.2	6.4	1.1	0.9	15.7	15.6	2.2	2.0
Air Arabia	AIRARABIA UH	n/a	3.69	n/a	n/a	4,688	11.6	10.7	2.1	2.0	18.5	19.0	7.2	6.5
Air Canada	AC CN	n/a	19.06	n/a	n/a	4,097	8.8	6.9	2.5	2.0	26.9	24.5	3.3	3.0
Air France-KLM	AF FP	n/a	11.12	n/a	n/a	3,381	3.3	2.8	n/a	6.7	(76.0)	(825.7)	2.8	2.5
Norwegian Air Shuttle	NAS NO	n/a	16.80	n/a	n/a	1,729	10.1	8.7	2.2	2.0	33.2	26.7	2.7	2.5
<b>Global average</b>						<b>129,392</b>	<b>9.6</b>	<b>7.8</b>	<b>3.7</b>	<b>2.5</b>	<b>32.5</b>	<b>(54.9)</b>	<b>4.6</b>	<b>4.1</b>
<b>Overall average</b>						<b>201,679</b>	<b>10.3</b>	<b>8.8</b>	<b>2.6</b>	<b>2.0</b>	<b>22.9</b>	<b>(21.3)</b>	<b>4.9</b>	<b>4.8</b>

Sources: Bloomberg; FSSIA estimates

Number of shares and lock-up period

THAI’s restricted shares under lock-up arrangements include:

- 1) All shares held by strategic shareholders – including directors, executives, and shareholders holding more than 5% of issued capital, as well as shares held by related parties such as Thailand’s Ministry of Finance and other state-owned enterprises; and
- 2) All shares issued to creditors from debt-to-equity conversion at a price of THB2.5452/shr – including mandatory conversion, voluntary conversion, and conversion of accrued interest into equity – are subject to a one-year trading restriction starting from the date THAI’s shares resume trading on the SET. However, up to 25% of these locked shares could be gradually sold after six months, with the remaining portion eligible for sale once the one-year period ends.

As such, 6.7% or 1.9b shares of THAI’s total 28.3b paid-up shares will be eligible for trade during the first six months, while the remaining 93.3% will be locked up. After this six-month period, the portion of freely tradable shares may increase to up to 30%.

Exhibit 20: 6.7% of THAI’s total shares will be eligible for trade during the first six months

	Number of shares (m)	% of total paid-up shares
Restricted shares from silent period	15,567	55.0
Shares held by strategic shareholders resulting from debt-to-equity conversion	10,153	
Remaining shares held by strategic shareholders	5,414	
Restricted shares from debt-to-equity conversion (remaining shares)	10,837	38.3
Total restricted shares	26,403	93.3
Tradable shares during the first six months - Pre-rehabilitation shares and capital increase shares (from December 2024) held by non-strategic shareholders.	1,900	6.7
THAI’s total paid-up shares	28,303	100.0

Sources: THAI; FSSIA’s compilation

## Key risks

### Oil price volatility

Jet fuel is THAI's major cost component, accounting for c40% of total operating expenses. Oil price fluctuations may materially impact the company's financial performance. To mitigate the risk, the company has implemented various measures including managing fuel surcharge rates, purchasing fuel based on monthly pricing structures, maintaining fuel reserves, and procuring excess fuel under forward contracts. Our sensitivity analysis demonstrates that every USD1 increase in jet fuel prices would reduce 2025-27E core profits by 1.4–1.6%, and vice versa, all else being equal.

### Operational performance and restructuring outcomes below expectations

THAI is at risk from fluctuations in both revenues and expenses in case the company fails to meet its business targets and execute its restructuring plans. This may arise from economic slowdowns, weak tourism demand, geopolitical tensions, intensifying competition within the airline industry, delays in aircraft deliveries, surging operating costs, etc. Such factors could negatively affect core profits, cash flows, its financial position, and the company's ability to meet its debt obligations. According to our sensitivity analysis of key revenue and cost assumptions, a 1% decline in passenger load factor could slash 2025-27E core profits by c8%, and vice versa, all else being equal. A 1% increase in non-fuel operating expenses could cut 2025-27E core profits by c4%, and vice versa, all else being equal.

### Challenges in corporate transition and reversion to state enterprise

The transition of THAI from a state enterprise to a private entity platform entails substantial organizational cultural shifts. Failure to successfully manage this transformation may impair operational efficiency. Meanwhile, although the Ministry of Finance's ownership in THAI has diminished to 39% from 51% in 2019, it remains the largest single shareholder. The matter may pose potential risks related to any increase in the ministry's shareholding or changes in THAI's policies directed through the Board of Directors, which may affect managerial decisions, future plans, and performance. Therefore, we think that strengthening the company's long-term sustainability in social and corporate governance is vital.

## Financial Statements

### Thai Airways

Profit and Loss (THB m) Year Ending Mar	2023	2024	2025E	2026E	2027E
Revenue	157,446	183,113	190,359	201,849	217,502
Cost of goods sold	(121,895)	(147,946)	(154,857)	(165,485)	(179,988)
<b>Gross profit</b>	<b>35,551</b>	<b>35,167</b>	<b>35,502</b>	<b>36,363</b>	<b>37,514</b>
Other operating income	-	-	-	-	-
Operating costs	0	0	0	0	0
<b>Operating EBITDA</b>	<b>46,940</b>	<b>48,193</b>	<b>49,077</b>	<b>50,828</b>	<b>53,131</b>
Depreciation	(11,389)	(13,026)	(13,575)	(14,465)	(15,618)
Goodwill amortisation	-	-	-	-	-
<b>Operating EBIT</b>	<b>35,551</b>	<b>35,167</b>	<b>35,502</b>	<b>36,363</b>	<b>37,514</b>
Net financing costs	(14,215)	(15,852)	(12,962)	(12,603)	(12,536)
Associates	64	63	67	69	71
Recurring non-operating income	2,758	2,600	2,654	2,708	2,763
Non-recurring items	2,707	(48,441)	0	0	0
<b>Profit before tax</b>	<b>26,801</b>	<b>(26,526)</b>	<b>25,195</b>	<b>26,469</b>	<b>27,741</b>
Tax	1,322	(374)	(431)	(452)	(474)
<b>Profit after tax</b>	<b>28,123</b>	<b>(26,901)</b>	<b>24,764</b>	<b>26,016</b>	<b>27,267</b>
Minority interests	(27)	(33)	(35)	(36)	(37)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>28,096</b>	<b>(26,934)</b>	<b>24,730</b>	<b>25,981</b>	<b>27,230</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(2,707)</b>	<b>48,441</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>25,389</b>	<b>21,507</b>	<b>24,730</b>	<b>25,981</b>	<b>27,230</b>
<b>Per share (THB)</b>					
Recurring EPS *	11.63	0.76	0.87	0.92	0.96
Reported EPS	12.87	(0.95)	0.87	0.92	0.96
DPS	0.00	0.00	0.22	0.23	0.24
Diluted shares (used to calculate per share data)	2,183	28,303	28,303	28,303	28,303
<b>Growth</b>					
Revenue (%)	51.6	16.3	4.0	6.0	7.8
Operating EBITDA (%)	178.0	2.7	1.8	3.6	4.5
Operating EBIT (%)	407.7	(1.1)	1.0	2.4	3.2
Recurring EPS (%)	nm	(93.5)	15.0	5.1	4.8
Reported EPS (%)	nm	nm	nm	5.1	4.8
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	22.6	19.2	18.7	18.0	17.2
Gross margin exc. depreciation (%)	29.8	26.3	25.8	25.2	24.4
Operating EBITDA margin (%)	29.8	26.3	25.8	25.2	24.4
Operating EBIT margin (%)	22.6	19.2	18.7	18.0	17.2
Net margin (%)	16.1	11.7	13.0	12.9	12.5
Effective tax rate (%)	0.0	0.0	0.0	0.0	0.0
Dividend payout on recurring profit (%)	-	-	25.0	25.0	25.0
Interest cover (X)	2.7	2.4	2.9	3.1	3.2
Inventory days	16.0	12.5	10.6	10.5	10.4
Debtor days	41.9	33.1	30.0	34.5	38.1
Creditor days	88.5	76.9	74.9	74.1	73.5
Operating ROIC (%)	45.7	39.1	34.5	29.4	24.6
ROIC (%)	34.6	29.0	25.6	22.7	19.8
ROE (%)	(44.4)	29.7	19.1	32.3	27.1
ROA (%)	18.1	14.1	12.5	12.0	11.6

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

Revenue by Division (THB m)	2023	2024	2025E	2026E	2027E
Passengers	132,736	154,968	161,331	170,898	183,915
Freight and mail	15,464	17,268	17,720	18,961	20,667
Others	9,245	10,877	11,307	11,990	12,920

Sources: Thai Airways; FSSIA estimates



## Financial Statements

### Thai Airways

Cash Flow (THB m) Year Ending Mar	2023	2024	2025E	2026E	2027E
Recurring net profit	25,389	21,507	24,730	25,981	27,230
Depreciation	11,389	13,026	13,575	14,465	15,618
Associates & minorities	-	-	-	-	-
Other non-cash items	3,677	(58,141)	102,087	(2,277)	(2,372)
Change in working capital	(10,086)	(9,593)	(1,947)	(1,402)	(889)
<b>Cash flow from operations</b>	<b>30,369</b>	<b>(33,201)</b>	<b>138,445</b>	<b>36,767</b>	<b>39,586</b>
Capex - maintenance	(13,179)	(15,791)	(25,100)	(41,200)	(44,700)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(64)	(107)	0	0	0
Other investments (net)	-	-	-	-	-
<b>Cash flow from investing</b>	<b>(13,242)</b>	<b>(15,898)</b>	<b>(25,100)</b>	<b>(41,200)</b>	<b>(44,700)</b>
Dividends paid	0	0	0	(6,182)	(6,495)
Equity finance	0	117,020	(103,916)	0	0
Debt finance	2,452	(35,677)	(8,000)	(4,000)	(4,000)
Other financing cash flows	(1,179)	(972)	0	0	0
<b>Cash flow from financing</b>	<b>1,274</b>	<b>80,371</b>	<b>(111,916)</b>	<b>(10,182)</b>	<b>(10,495)</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>18,400</b>	<b>31,273</b>	<b>1,428</b>	<b>(14,616)</b>	<b>(15,609)</b>
Free cash flow to firm (FCFF)	32,736.67	(30,317.32)	129,327.85	10,781.24	9,588.10
Free cash flow to equity (FCFE)	18,399.67	(85,747.29)	105,344.67	(8,433.15)	(9,113.76)

#### Per share (THB)

FCFF per share	1.16	(1.07)	4.57	0.38	0.34
FCFE per share	0.65	(3.03)	3.72	(0.30)	(0.32)
Recurring cash flow per share	18.53	(0.83)	4.96	1.35	1.43

Balance Sheet (THB m) Year Ending Mar	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	303,145	302,457	327,557	368,757	413,457
Less: Accumulated depreciation	(193,518)	(190,065)	(203,640)	(218,105)	(233,723)
<b>Tangible fixed assets (net)</b>	<b>109,627</b>	<b>112,392</b>	<b>123,917</b>	<b>150,652</b>	<b>179,734</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	575	682	682	682	682
Cash & equivalents	52,939	84,212	85,640	71,025	55,416
A/C receivable	19,191	13,973	17,302	20,831	24,634
Inventories	5,254	4,000	4,189	4,477	4,873
Other current assets	16,692	32,824	34,123	36,182	38,988
<b>Current assets</b>	<b>94,076</b>	<b>135,009</b>	<b>141,253</b>	<b>132,515</b>	<b>123,911</b>
Other assets	34,713	44,426	46,647	48,979	51,428
<b>Total assets</b>	<b>238,991</b>	<b>292,508</b>	<b>312,499</b>	<b>332,828</b>	<b>355,755</b>
Common equity	(43,214)	45,510	70,459	90,257	110,992
Minorities etc.	71	79	113	149	186
<b>Total shareholders' equity</b>	<b>(43,142)</b>	<b>45,589</b>	<b>70,572</b>	<b>90,406</b>	<b>111,178</b>
Long term debt	164,418	128,741	120,741	116,741	112,741
Other long-term liabilities	50,706	51,102	51,240	51,259	51,299
<b>Long-term liabilities</b>	<b>215,124</b>	<b>179,843</b>	<b>171,981</b>	<b>168,000</b>	<b>164,040</b>
A/C payable	28,547	28,311	29,646	31,690	34,491
Short term debt	0	0	0	0	0
Other current liabilities	38,462	38,766	40,300	42,732	46,046
<b>Current liabilities</b>	<b>67,009</b>	<b>67,077</b>	<b>69,946</b>	<b>74,422</b>	<b>80,537</b>
<b>Total liabilities and shareholders' equity</b>	<b>238,991</b>	<b>292,508</b>	<b>312,499</b>	<b>332,828</b>	<b>355,755</b>
Net working capital	(25,873)	(16,280)	(14,333)	(12,931)	(12,042)
Invested capital	119,042	141,219	156,912	187,382	219,802

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

#### Per share (THB)

Book value per share	(19.80)	1.61	2.49	3.19	3.92
Tangible book value per share	(19.80)	1.61	2.49	3.19	3.92

#### Financial strength

Net debt/equity (%)	(258.4)	97.7	49.7	50.6	51.6
Net debt/total assets (%)	46.6	15.2	11.2	13.7	16.1
Current ratio (x)	1.4	2.0	2.0	1.8	1.5
CF interest cover (x)	2.3	(4.4)	9.1	0.3	0.3

Valuation	2023	2024	2025E	2026E	2027E
<b>Recurring P/E @ target price (x) *</b>	<b>0.8</b>	<b>11.8</b>	<b>10.3</b>	<b>9.8</b>	<b>9.4</b>
EV/EBITDA @ target price (x) **	2.8	6.2	5.9	5.9	5.9

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

Sources: Thai Airways; FSSIA estimates

## Disclaimer for ESG scoring

ESG score	Methodology	Rating																			
The Dow Jones Sustainability Indices ( <a href="#">DJSI</a> ) 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 ( <a href="#">SETESG</a> ) by The Stock Exchange of Thailand ( <a href="#">SET</a> )	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 <a href="#">SETESG inclusion</a> , 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. <a href="#">SETESG Index</a> 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.																			
<b>CG Score</b> 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%).																			
<b>AGM level</b> 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.																			
<a href="#">Thai CAC</a> 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.																			
<a href="#">Morningstar Sustainabilitys</a>	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 &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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<a href="#">ESG Book</a>	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.																			
<a href="#">MSCI</a>	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><b>AAA</b></td><td>8.571-10.000</td><td rowspan="3"><b>Leader:</b></td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td><b>AA</b></td><td>7.143-8.570</td></tr><tr><td><b>A</b></td><td>5.714-7.142</td></tr><tr><td><b>BBB</b></td><td>4.286-5.713</td><td rowspan="3"><b>Average:</b></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><b>BB</b></td><td>2.857-4.285</td></tr><tr><td><b>B</b></td><td>1.429-2.856</td></tr><tr><td><b>CCC</b></td><td>0.000-1.428</td><td><b>Laggard:</b></td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570	<b>A</b>	5.714-7.142	<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285	<b>B</b>	1.429-2.856	<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks
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<a href="#">Moody's ESG solutions</a>	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.																				
<a href="#">Refinitiv ESG rating</a>	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>																				
<a href="#">S&amp;P Global</a>	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.																				
<b>Bloomberg</b>	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

#### Vatcharut Vacharawongsith 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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Company	Ticker	Price	Rating	Valuation & Risks
Thai Airways	THAI TB	THB 3.32* *Close price at 17 May 2021	BUY	Downside risks to our DCF-based 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 01-Aug-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.