

Company Update

Tuesday, June 17, 2025



I V Global Securities Public Company Limited

Airports of Thailand (AOT)

Rating: SELL

Fair price: Bt29.6

Close price: Bt27.25

No easy solutions

Company Information

Ticker:	AOT TB
Sector:	Transportation & Logistics
Shares outstanding (m):	14,285.70
Market capitalization (Btm):	389,285.33
Trading vol/day (Btm):	1,493.53
Free float (%):	30.00
Beta:	1.04

Major Shareholders

Ministry of Finance	70.00%
Thai NVDR	3.45%

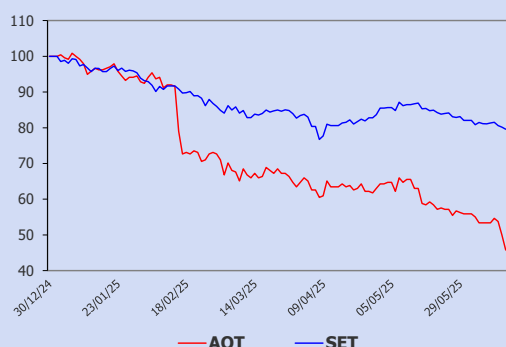
Consensus Bloomberg

2025F EPS (Bt):	1.34
Target price (Bt):	37.86

Price Performance

52 Wk high/low:	65.00 / 26.75
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	1M	3M	1Y	YTD
Absolute (%)	-21.6	-31.9	-54.6	-54.2
Relative (%)	-14.8	-26.8	-39.9	-33.8



Rating	CGR	Thai CAC	SET ESG
AOT		N/A	A

- **Event:** At yesterday's analyst meeting, management highlighted that King Power Development Co (KPD) has submitted a letter to AOT requesting discussions on solutions to either continue its business and other arrangements or possibly terminate the concession contracts. AOT and KPD need to negotiate solutions based on mutual fairness.
- Following this request, AOT will form a special committee to consider the matter while hiring independent academic advisers to evaluate the future contract value under revised economic assumptions in 60 days (not yet selecting advisers). Should there be any revision of the existing concession contracts, AOT claims that they are able to revise their contracts without cabinet approval (which we doubt since the income generation for KPD is material to AOT's operating performance).
- According to KPD, the reasons for requesting contract amendments include the termination of all inbound duty-free shop operations under the previous government's policy, the reduction of import tariffs on wine and other alcohol to Thailand, the recall c.5% of the total commercial area at Suvarnabhumi airport (1,257.56 sqm from 25,307.26 sqm) from King Power Suvarnabhumi (KPS) to build the Suvarnabhumi East expansion project from 30 July 2024, a sharp drop in tourist arrivals, particularly from China and rising uncertainty about the global and local economic situations.
- **Financial impact.** According to the company, income from KPD duty-free operations accounts for approximately 20% of AOT's total operating revenue. However, management expects to continue booking income from duty-free operations until the conclusion of the discussions. In light of the financial difficulties of KPD, we expect consideration to be given to setting aside some provisioning expenses related to a possible default in payments. While it's currently unable to clarify how much AOT and KPD will eventually agree upon should the contracts be revised, management has reiterated its stance on efforts to increase aeronautical revenues, rather than relying on concession income.
- **Downgrade to SELL.** We view this event as the main overhang with uncertainty surrounding future prospects. We have decided to lower our earnings estimates by 6%/22%/25% over the next three years due to lower revenue growth prospects. We have downgraded our call from Buy on weakness to SELL with a new price target of Bt29.6 (from Bt45), based on DCF valuation methodology. The stock currently trades at 21.2x our new FY25F multiple. The key downside risks to our earnings estimates are a slower-than-expected resumption of global tourism, heightened global political tensions, trade war tensions, and delays in expanding new projects.

Investment summary

FY end 30 Sep	2022	2023	2024	2025F	2026F	2027F
Revenue (Btm)	16,560	48,141	67,121	68,962	67,329	69,423
YoY (%)	133.7	190.7	39.4	2.7	-2.4	3.1
Net profit (Btm)	(11,088)	8,791	19,182	18,344	16,752	17,196
YoY (%)	n.m.	-179.3	118.2	-4.4	-8.7	2.6
EPS (Bt)	-0.78	0.62	1.34	1.28	1.17	1.20
YoY (%)	n.m.	-179.3	118.2	-4.4	-8.7	2.6
P/E (x)	n.m.	44.3	20.3	21.2	23.2	22.6
DPS (Bt)	0.00	0.36	0.79	0.69	0.57	0.57
Yield (%)	0.0	1.3	2.9	2.5	2.1	2.1
EV/EBITDA (x)	n.m.	17.0	9.8	9.9	10.9	10.4
BVPS (Bt)	7.09	7.73	8.70	9.16	9.64	10.27
P/BV (x)	3.8	3.5	3.1	3.0	2.8	2.7
ROE (%)	-10.9	8.3	16.3	14.4	12.5	12.1
ROA (%)	-6.0	4.6	9.5	8.9	8.2	8.2
Net D/E ratio (%)	3.0	5.0	Net cash	Net cash	Net cash	Net cash

Source: Company and IVG estimates

Analyst

Rattana Leenutaphong
rattana.l@ivgglobal.co.th
Tel: 662-658-5787

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Results

(Btm)	2Q25	2Q24	% YoY	1Q25	% QoQ	1H25	1H24	% YoY
Revenue	17,906	18,234	-1.8	17,664	1.4	35,570	33,942	4.8
Operating expenses	7,696	7,256	6.1	7,294	5.5	14,990	13,602	10.2
EBITDA	10,210	10,979	-7.0	10,370	-1.5	20,580	20,340	1.2
EBIT	7,228	8,168	-11.5	7,382	-2.1	14,610	14,711	-0.7
Net interest	(476)	(698)	-31.8	(548)	-13.0	(1,024)	(1,376)	-25.6
Pre-tax profit	6,793	7,476	-9.1	6,926	-1.9	13,720	13,307	3.1
Income tax	(1,567)	(1,504)	4.2	(1,415)	10.7	(2,982)	(2,652)	12.4
Net profit	5,053	5,785	-12.6	5,344	-5.4	10,398	10,348	0.5
EPS (Bt)	0.35	0.40	-12.6	0.37	-5.4	0.73	0.72	0.5

Source: Company and IVG estimates

Financial ratios

(%)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
Revenue growth YoY	78.0	65.8	26.6	9.2	12.5	(1.8)
Opex as % of revenue	40.4	39.8	44.1	46.8	41.3	43.0
EBITDA margin	59.6	60.2	55.9	53.2	58.7	57.0
EBIT margin	41.7	44.8	38.4	35.8	41.8	40.4
Net margin	29.0	31.7	27.8	25.5	30.3	28.2
Net profit growth YoY	1,231.2	210.9	44.6	24.5	17.1	(12.6)

Source: Company and IVG estimates

Quarterly performance

(Btm)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
Revenue	15,708	18,234	16,405	16,774	17,664	17,906
Operating expenses	6,346	7,256	7,234	7,858	7,294	7,696
EBITDA	9,361	10,979	9,171	8,916	10,370	10,210
EBIT	6,543	8,168	6,299	6,013	7,382	7,228
Net interest	(678)	(698)	(666)	(615)	(548)	(476)
Pre-tax profit	5,831	7,476	5,793	5,446	6,926	6,793
Income tax	(1,148)	(1,504)	(1,175)	(1,076)	(1,415)	(1,567)
Net profit	4,563	5,785	4,563	4,272	5,344	5,053
EPS (Bt)	0.32	0.40	0.32	0.30	0.37	0.35

Source: Company

P&L

(Btm)	2018	2019	2020	2021	2022	2023	2024
Revenue	60,537	62,783	31,179	7,086	16,560	48,141	67,121
Operating expenses	24,110	26,707	20,623	15,257	19,075	24,911	28,694
EBITDA	36,427	36,077	10,556	(8,172)	(2,515)	23,230	38,427
EBIT	30,785	30,225	5,115	(17,199)	(11,447)	14,359	27,023
Net interest	6	354	345	(2,740)	(2,882)	(2,867)	(2,656)
Pre-tax profit	31,127	31,484	5,337	(20,545)	(13,864)	11,307	24,545
Income tax	(5,903)	(6,389)	(1,038)	4,173	2,888	(2,235)	(4,903)
Net profit	25,171	25,026	4,321	(16,322)	(11,088)	8,791	19,182
EPS (Bt)	1.76	1.75	0.30	-1.14	-0.78	0.62	1.34

Source: Company

Financial ratios

(%)	2018	2019	2020	2021	2022	2023	2024
Revenue growth YoY	10.3	4.9	(50.3)	(77.3)	133.7	190.7	39.4
Opex as % of revenue	39.8	36.8	66.1	215.3	115.2	51.7	42.7
EBITDA margin	60.2	63.2	33.9	(115.3)	(15.2)	48.3	57.3
EBIT margin	50.9	54.9	16.4	(242.7)	(69.1)	29.8	40.3
Net margin	41.6	44.7	13.9	(230.4)	(67.0)	18.3	28.6
Net profit growth YoY	21.7	5.2	(82.7)	(477.8)	(32.1)	(179.3)	118.2

Source: Company and IVG estimates

AOT

E: Environmental

Each airport of AOT has stipulated its energy conservation policy for efficient energy conservation in continual and sustainable manner and has also set up its own Energy Management Working Group to take responsibility for managing energy in compliance with its policy, coordinating work with internal and external airport agencies, gathering data of energy consumption, monitoring the results according to the measures, reviewing, revising and updating the measures to be more efficient, promoting the usage of renewable energy, and changing airports' internal vehicles to electric vehicles (EV).

S: Social

Responsibility to Customers and Innovation:

Promote the use of technology and innovation to deliver good services beyond expectation.

Human Rights and Employee Benefits:

Respect human rights and give importance to equal treatment towards laborers and employees, provide welfare and health care, monitor occupational health and safety, and support contributions to society.

Participation in Community Development:

Operate its business with care about society and local communities by mitigating impacts from operations and supporting shared value between AOT and communities.

Governance

Good Corporate Governance is the most important part of AOT business operation, which assures its stakeholders and the public's confidence as corporate governance policies are determined in accordance with the Organization for Economic Cooperation and Development's (OECD) principles, the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET), and the Thai Institute of Directors (IOD). Moreover, AOT encourages the Board of Directors, executives, and employees to conduct operations according to the above-mentioned policy, with transparency, honesty, fairness, and verifiability, without any conflict of interest.

Comment

AOT has been awarded a SET ESG rating of A, indicating a strong commitment to environmental, social, and governance (ESG) practices and clear long-term objectives in this regard. Furthermore, the company demonstrates the ability to execute short-term goals effectively.

Source: Company and IVG estimates

I V Global Investment Research – Recommendation Definitions

Sector Recommendations

OVERWEIGHT: The industry, as defined by the analyst's coverage universe, is expected to outperform the relevant primary market index by at least 10% over the next 12 months.

NEUTRAL: The industry, as defined by the analyst's coverage universe, is expected to perform in line with the relevant primary market index over the next 12 months.

UNDERWEIGHT: The industry, as defined by the analyst's coverage universe, is expected to underperform the relevant primary market index by 10% over the next 12 months.

Stock Recommendations

BUY: Expecting positive total returns of 15% or more over the next 12 months.


HOLD: Expecting total returns of not more than -10% to +10% over the next 3 months.

SELL: Expecting negative total returns of 15% or more over the next 12 months

Anti-corruption Progress Indicator Definitions

Level 5 Extended	Extension of the anti-corruption policy to business partners in the supply chain, and disclosure of any current investigations, prosecutions or closed cases
Level 4 Certified	Audit engagement by audit committee or auditors approved by the office of SEC, and receiving certification or assurance by independent external assurance providers (CAC etc.)
Level 3 Established	Carrying out preventive measures, risk assessment, communication and training for all employees, including consistent monitoring and review processes. (3A: Established by Declaration of Intent, 3B: Established by Internal Commitment and Policy)
Level 2 Declared	Public declaration statement to participate in Thailand's private sector Collective Action Coalition Against Corruption (CAC) or equivalent initiatives
Level 1 Committed	Organization's statement or board's resolution to work against corruption and to be in compliance with all relevant laws
Partially progress	Insufficient or not clearly defined policy
No progress	Data not available / no policy

Corporate Governance Report (CGR)

	Excellent
	Very good
	Good

Disclaimers

The disclosure of the survey result of corporate governance, which is surveyed by the Thai Institute of Directors Association ("IOD"), and the Anti-Corruption Progress Indicators, which is assessed by Thaipat Institute, are the disclosure of the survey or assessment result based on the information received from the listed company that was stipulated in the form for Annual Corporate Governance Report of Thai Listed Companies (CGR) and the form for the assessment of Anti-corruption that refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2) or other relevant documents or reports of such listed company (as the case may be). The survey or assessment result is based on the information of the listed company, which is disclosed to the public and can be accessed by all investors and is made in order to comply with the policy of the Office of the Stock Exchange of Thailand.

Nevertheless, the survey or assessment result is made from the perspective of the IOD or Thaipat Institute that are the third party only. It is not an assessment of operation of the listed company and is not based on any inside information."

Since this survey or assessment result is only the survey or assessment result as of the date appearing in the survey or assessment result only, it may be changed after that date or when there is any change to the relevant information. Nevertheless, I V Global Securities Plc. (IVG) does not confirm, verify, or certify the accuracy and completeness of the survey or assessment result.



IVGlobal Securities Public Company Limited

18th Floor, Mercury Tower, 540 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330

Telephone: +66 (0) 2658-5800 Fax: +66 (0) 2658-5799