

# Company Update

Tuesday, July 01, 2025



I V Global Securities Public Company Limited

## Airports of Thailand (AOT)

Rating: SELL

Fair price: Bt29.6

Close price: Bt30.25

### Company Information

<b>Ticker:</b>	<b>AOT TB</b>
Sector:	Transportation & Logistics
Shares outstanding (m):	14,285.70
Market capitalization (Btm):	432,142.42
Trading vol/day (Btm):	1,504.89
Free float (%):	30.00
Beta:	1.06

### Major Shareholders

Ministry of Finance	70.00%
Thai NVDR	3.64%

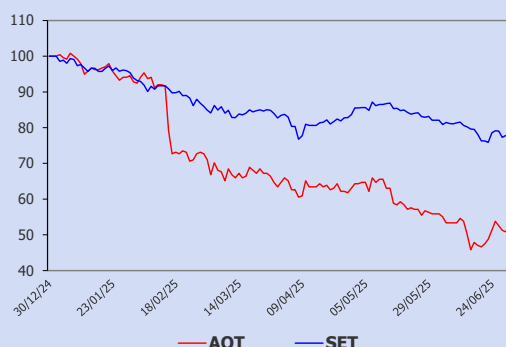
### Consensus Bloomberg

2025F EPS (Bt):	1.29
Target price (Bt):	33.21

### Price Performance

52 Wk high/low:	65.00 / 26.75
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	1M	3M	1Y	YTD
Absolute (%)	-9.0	-21.4	-47.6	-49.2
Relative (%)	-3.8	-14.1	-31.4	-27.0



Rating	CGR	Thai CAC	SET ESG
AOT		N/A	A

### Analyst

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## KPD delays payment with a penalty

- **Event:** Recently, AOT reported to the SET that it received a letter from King Power Development Co (KPD) requesting talks on three duty-free contracts or other settlements and approaches to possible termination of the contracts.
- While waiting for the conclusions, KPD has asked to pay only 20% of its monthly sales value. However, AOT has reiterated its stance in complying with the terms and conditions of the current duty-free contracts binding the two entities. Therefore, KPD submitted a letter on 23 June requesting to participate in the "Extended Payment Terms Scheme", which is the same scheme applying to any concessionaire or airline operator facing financial liquidity problems.
- The extended payment terms scheme is 1) June-October 2025 for Suvarnabhumi airport, 2) September-October 2025 for Don Mueang International Airport, and 3) July-October 2025 for three regional airports. Meanwhile AOT expects the outcome of the feasibility study conducted by two consultants to be finalized within the next two months.
- By statistics, KPD has made the payment according to the following pattern.
  - a) About 50% of the minimum guarantee (MG) multiplied by the estimated number of passengers (PAX) at the beginning of each month
  - b) 20-23% of adjusted revenue along with actual PAX at month-end
  - c) The remaining balance of the actual MG and the combination of the first two payments can be repaid over the next eight months, subject to a penalty charge at MLR plus 2% (or 8.844%) for the overdue amount. According to management, KPD's overdue amount is minimal and is covered by the existing financial guarantee outstanding of some Bt11bn.
- In addition, AOT has requested an additional financial guarantee from KPD for an amount of Bt1.45bn to cover unexpected events and additional risks.
- Based on the company stats, the MG payment is about 30% of revenue per head for Suvarnabhumi airport, 23% for Don Mueang, and 40% at the three regional airports in Phuket, Chiang Mai, and Had Yai.
- **Maintain SELL.** The key overhang for AOT's future operating performance lies in the final outcome of the negotiations with KPD (which is estimated to contribute some 25% of AOT's revenue in FY24), and the possible revised concession terms, which suggest that future income will decline. A conclusion to the negotiations is expected by August/September. We prefer to maintain our SELL rating on AOT for the time being with a price target of Bt29.6, based on DCF valuation methodology. The stock currently trades at 25.8x our FY26F 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.	49.2	22.5	23.6	25.8	25.1
DPS (Bt)	0.00	0.36	0.79	0.69	0.57	0.57
Yield (%)	0.0	1.2	2.6	2.3	1.9	1.9
EV/EBITDA (x)	n.m.	18.8	11.0	11.0	12.1	11.6
BVPS (Bt)	7.09	7.73	8.70	9.16	9.64	10.27
P/BV (x)	4.3	3.9	3.5	3.3	3.1	2.9
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

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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
Aeronautical	9,384	8,360	12.2	8,804	6.6	18,188	15,437	17.8
Non-aero	8,522	9,874	-13.7	8,859	-3.8	17,382	18,505	-6.1
Concession inc	5,188	6,388	-18.8	5,641	-8.0	10,829	11,910	-9.1
Other non-aero	3,334	3,486	-4.3	3,218	3.6	6,552	6,595	-0.6
SG&A	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)
Aero rev growth YoY	62.6	50.6	29.3	22.6	24.4	12.2
Non-aero growth YoY	93.0	81.2	24.3	(0.1)	2.6	(13.7)
SG&A 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
Aeronautical	7,077	8,360	7,831	7,732	8,804	9,384
Non-aero	8,631	9,874	8,574	9,042	8,859	8,522
Concession inc	5,521	6,388	5,797	5,414	5,641	5,188
Other non-aero	3,110	3,486	2,777	3,628	3,218	3,334
SG&A	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

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## 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

<b>Level 5 Extended</b>	Extension of the anti-corruption policy to business partners in the supply chain, and disclosure of any current investigations, prosecutions or closed cases
<b>Level 4 Certified</b>	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.)
<b>Level 3 Established</b>	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)
<b>Level 2 Declared</b>	Public declaration statement to participate in Thailand's private sector Collective Action Coalition Against Corruption (CAC) or equivalent initiatives
<b>Level 1 Committed</b>	Organization's statement or board's resolution to work against corruption and to be in compliance with all relevant laws
<b>Partially progress</b>	Insufficient or not clearly defined policy
<b>No progress</b>	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.



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