Airports of Thailand Pcl (AOT TB) - BUY

News Update

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The extension of the assistance measures

- **AOT's assistance measures will be extended to March 2023.**
- **This will hit AOT's earnings for two years in FY22-23F and…**
- **…there will be no impacts on its earnings in FY24 onward.**
- **If the share is hit by the news, we see it as a chance to BUY.**

- AOT announces that even though the government has imposed a reopening policy since 1 November 2021, AOT has still seen some concessionaires to terminate their contracts as they have no confidence in re-operating their businesses due to a view on the slow passenger recovery. The remaining concessionaires have asked AOT to keep its assistance measures during the period that the passengers recover slowly but concessionaires require a large amount of investment to return to their businesses.
- AOT then decides to extend its assistance measures which will end on 31 March 2022 to end on 31 March 2023. These measures include discounts on landing and parking charges and office and state property rents and exemption of collecting minimum guarantees. AOT will also extend the concession period for its concessionaires for one more year.
- **Impacts to our earnings forecast:** This is bad news for AOT. Without the change in the passenger number, a delay in reimplementing the minimum guarantees to 31 March 2023 will lower AOT's earnings for two years in FY22-23F but there will be no impacts on its earnings in FY24F onward. Based on our rough calculation, AOT will make a higher loss from Bt6bn to Bt10bn in FY22F and a lower profit from Bt24bn to Bt17bn. in FY23F Our TP will be lower to Bt67 from Bt69. We thus need to put our earnings forecast under review.
- **Chance to buy the stock:** However, if AOT's share price is hit by this bad news, we see it as a chance to buy the stock and hold it as a long-term core holding. It is still the most direct and highest operating-leverage play on the turnaround of the huge Thai tourism industry. We also see a potential upside from the implementation of the Airport City project which we expect to see more progress next year.

Key Valuations

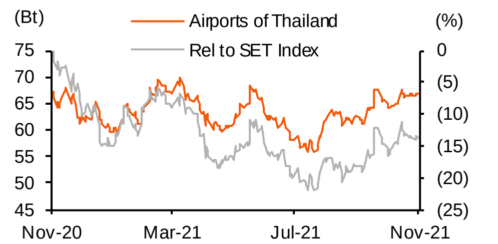
Y/E Sep (Bt m)	2021	2022F	2023F	2024F
Revenue	7,086	23,607	66,430	81,386
Net profit	(16,322)	(6,041)	23,518	32,948
Norm net profit	(15,319)	(6,041)	23,518	32,948
Norm EPS (Bt)	(1.1)	(0.4)	1.6	2.3
Norm EPS gr (%)	na	na	na	40.1
Norm PE (x)	na	na	40.5	28.9
EV/EBITDA (x)	(116.7)	182.3	22.2	17.4
P/BV (x)	8.5	7.3	6.4	5.8
Div. yield (%)	0.0	0.0	1.5	2.1
ROE (%)	(12.0)	(5.0)	16.8	20.9
Net D/E (%)	(6.9)	(1.3)	(4.8)	(10.8)

Source: Thanachart estimates

Stock Data

Closing price (Bt)	66.75
Target price (Bt)	69.00
Market cap (US$ m)	28,576
Avg daily turnover (US$ m)	49.1
12M H/L price (Bt)	69.75/55.75

Price Performance



Source: Bloomberg

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