

**BUY** (Unchanged)

Change in Numbers

**TP: Bt 69.00** (Unchanged)**Upside : 11.3%****8 DECEMBER 2021**

# Airports of Thailand Pcl (AOT TB)

## BUY the dip

AOT's shares have been hit again on concerns about Omicron and the extension of AOT's assistance measures. Despite a cut in our earnings forecasts for FY22-24F, we lower our capex to reflect a delay in the airport expansion projects, causing our TP to remain at Bt69. We still see AOT as the best play when COVID finally subsides. BUY.

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### Extension of assistance measures

AOT's share price is down 7% in the past eight trading days. Besides concerns about the new COVID variant, Omicron, we think it was due to the extension of AOT's assistance measures for operators in its airports to March 2023 instead of March 2022. The measures include the exemption of and reduction of office and state property rents, building services, landing and parking charges, and, most importantly, the minimum guaranteed revenue from King Power, the duty-free concessionaire. This causes us to lower our earnings from a Bt6bn loss to a Bt10bn loss in FY22F and by 50% in FY23F and 6% in FY24F. However, we lower our capex forecasts by 28-47% in FY22-24F given our previous overly aggressive assumptions. This causes our DCF-based TP (FY22F base year) to be maintained at Bt69/share.

### Passenger sensitivity

We are worried about the global spread of Omicron that could disrupt the government's reopening policy and delay AOT's passenger recovery. However, we believe our international passenger assumptions are still achievable at 16% of the pre-COVID FY19 level in FY22F (vs. AOT's guidance of 31%), 65% in FY23F (vs. AOT's 78%) and 97% in FY24F (vs. AOT's 104%). We also provide a scenario analysis in Exhibit 4 to show the impacts of the changes in international passengers on AOT's earnings and our TP. We estimate AOT's earnings to fall 1.5% if its international passengers drop by 1% from our base case.

### Reaffirming our BUY call

Despite the short-term negative outlook, we reaffirm our BUY on AOT. **First**, we still expect a gradual turnaround of the Thai tourism industry and AOT, the largest monopoly airport operator, is the most direct and highest operating-leverage play. **Second**, despite assuming AOT's international passengers in FY24F at 97% of the FY19 level, we estimate its earnings in FY24F at 26% above the level in FY19, driven by 2.7x higher minimum guaranteed revenue from King Power. **Third**, we expect a share-price recovery if the severity of Omicron is low or vaccines become available, which Moderna expects in March 2022.

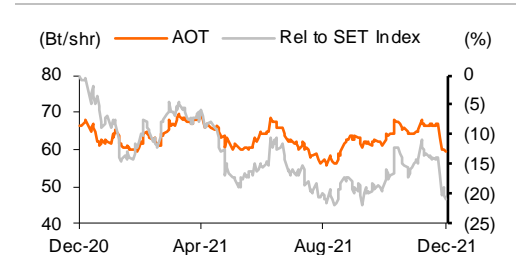
### Airport City project offers potential upside

AOT has already unlocked the legal processes to use the 563 acres of raw land around Suvarnabhumi Airport for the Airport City. It is selecting private operators to invest and develop the airport-related projects, such as hotels, logistics park, shopping mall and medical facilities. However, it should take at least four more years to develop. Assuming a 15% revenue-sharing rate and a 75% occupancy rate, we roughly estimate potential upside of Bt1.3-2.4/share to our TP.

### COMPANY VALUATION

Y/E Sep (Bt m)	2021A	2022F	2023F	2024F
Sales	7,086	17,422	48,910	76,180
Net profit	(16,322)	(10,056)	11,727	30,924
Norm profit	(15,319)	(10,056)	11,727	30,924
Consensus NP	—	(6,025)	14,171	27,163
Diff frm cons (%)	—	na	(17.2)	13.8
Prev. Norm profit	—	(6,041)	23,518	32,948
Chg frm prev (%)	—	na	(50.1)	(6.1)
Norm EPS (Bt)	(1.1)	(0.7)	0.8	2.2
Norm EPS grw (%)	na	na	na	163.7
Norm PE (x)	na	na	75.5	28.6
EV/EBITDA (x)	na	470.0	29.3	15.9
P/BV (x)	7.9	8.7	8.0	6.9
Div yield (%)	0.0	0.0	0.8	2.1
ROE (%)	na	na	11.0	25.9
Net D/E (%)	(6.9)	14.6	9.2	(10.9)

### PRICE PERFORMANCE



### COMPANY INFORMATION

Price as of 8-Dec-21 (Bt)	62.00
Market Cap (US\$ m)	26,456.6
Listed Shares (m shares)	14,285.7
Free Float (%)	30.0
Avg Daily Turnover (US\$ m)	52.0
12M Price H/L (Bt)	69.75/55.75
Sector	Transportation
Major Shareholder	Ministry of Finance 70%

Sources: Bloomberg, Company data, Thanachart estimates

## Extension of assistance measures

*Share price fall due to fears over Omicron, extension of assistance measures*

Besides the emergence of the new COVID-19 variant, Omicron, we believe the slump in Airports of Thailand Plc's (AOT) share price by 7% in the past eight trading days was a result of AOT's announcement of the extension of assistance measures for operators at its airports for one more year to end in March 2023. These measures comprise:

- 1) A reduction in percentage-based and fixed concession charges and the determination of minimum guarantees.
- 2) Exemptions of and reductions of office and state property rents, terminal and building service charges, fixed monthly concession charges, landing charges and parking charges.

Extension by another year of the concession period for concessionaires operating commercial activities at AOT's airports.

*We cut our earnings forecasts*

This causes us to cut our earnings for AOT from a Bt6bn loss to a Bt10bn loss in FY22F, by 50% in FY23F and 6% in FY24F as:

**First**, we lower our concession revenue estimates by 30/32/7% in FY22-24F.

**Second**, our gross margin assumptions fall to negative 18% in FY22F, positive 54% in FY23F and positive 67% in FY24F.

*Our TP remains at Bt69 and we reiterate a BUY on AOT*

However, these negative factors are offset by us lowering the capex forecasts to Bt8-20bn in FY22-24F given our previous overly aggressive assumptions. AOT has also delayed the operation of Suvarnabhumi Airport's phase 2 to April 2023 and will likely do the same for other airport expansion projects. As a result, our DCF-based 12-month TP (FY22F base year) remains at Bt69/share and we maintain our BUY rating on AOT.

### Ex 1: Key Assumption Changes

	FY20	FY21	FY22F	FY23F	FY24F
<b>Concession revenue (Bt bn)</b>					
New	8.2	1.4	4.6	16.2	29.6
Old			6.5	23.9	31.8
Change (%)			(29.5)	(32.2)	(6.8)
<b>Gross margin (%)</b>					
New	44.9	(156.7)	(18.0)	53.7	67.4
Old			9.1	61.7	67.8
Change (pp)			na	(7.9)	(0.4)
<b>Capex (Bt bn)</b>					
New	11.5	11.1	15.9	20.3	8.4
Old			22.2	20.1	15.9
Change (pp)			(28.2)	0.7	(46.9)

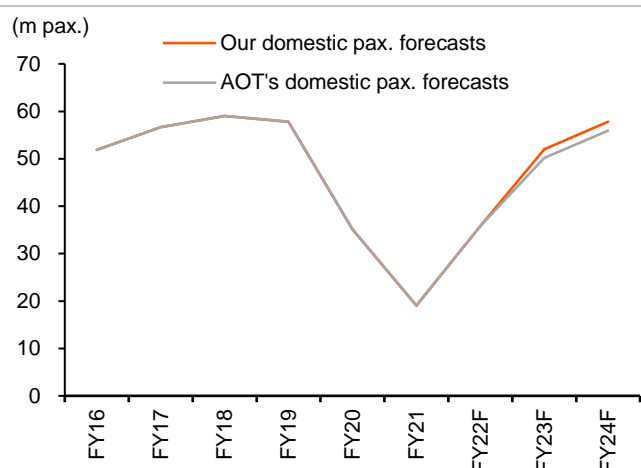
Sources: Company data, Thanachart estimates

## Passenger sensitivity

*Despite the Omicron risk, we believe our passenger assumptions are conservative*

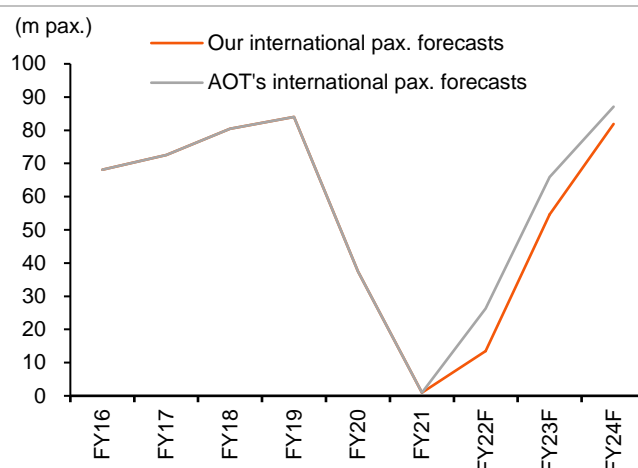
Despite the risk of the Omicron variant spreading and delaying the recovery of Thailand's tourism industry and AOT's passengers, we believe our international passenger assumptions are conservative enough at 16% of the pre-COVID FY19 level in FY22F (vs. AOT's guidance of 31%), 65% in FY23F (vs. AOT's 78%) and 97% in FY24F (vs. AOT's 104%). We also provide a sensitivity analysis where we estimate AOT's a 1.5% earnings drop if international passengers fall by 1% from our base case as shown in Exhibit 4.

**Ex 2: Our Domestic Pax. Assumptions Vs. AOT's**



Sources: Company data, Thanachart estimates

**Ex 3: Our International Pax. Assumptions Vs. AOT's**



Sources: Company data, Thanachart estimates

**Ex 4: Sensitivity Analysis Of AOT's Earnings To Changes In Internantial Pax.**

	EPS in 2022F (Bt)	EPS in 2023F (Bt)	PE in 2022F (x)	Valuation (Bt)
<b>Our base case</b>				
International pax. (m pax.)	13.5	54.6	81.9	
AOT's earnings (Bt/share)	(0.7)	0.8	2.2	69.0
<b>+10% international pax. from the base case</b>				
International pax. (m pax.)	14.8	60.0	90.1	
AOT's earnings (Bt/share)	(0.7)	1.0	2.4	75.0
<b>-10% international pax. from the base case</b>				
International pax. (m pax.)	12.1	49.1	73.7	
AOT's earnings (Bt/share)	(0.7)	0.7	1.9	61.0
<b>-20% international pax. from the base case</b>				
International pax. (m pax.)	10.8	43.7	65.5	
AOT's earnings (Bt/share)	(0.7)	0.5	1.7	54.0

Sources: Thanachart estimates

## Maintaining our BUY call

*We still like AOT given...*

We see AOT's short-term prospects as negative but we maintain our BUY rating as:

*...as we see it as the best play on a turnaround of the Thai tourism industry...*

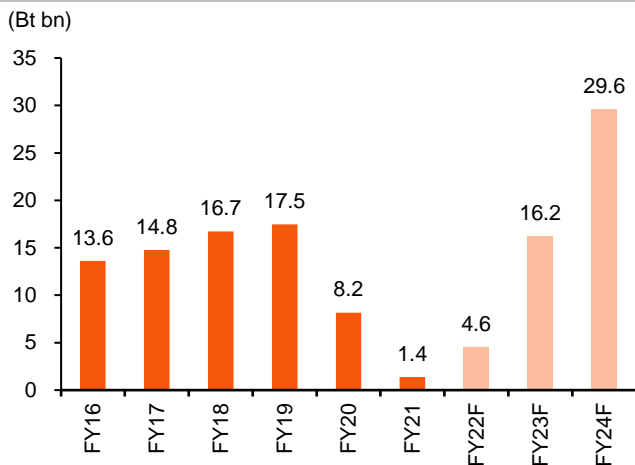
**First**, we expect a share-price recovery if the severity of Omicron is found to be low or a vaccine becomes available soon. Moderna expects its Omicron variant vaccine to be ready for US authorization in March 2022.

*...and record-high earnings but only if passengers recover to the FY19 level*

**Second**, we still expect a gradual turnaround of the Thai tourism industry starting from next year onward and AOT, the largest monopoly airport operator in the country, is the most direct and highest operating-leverage play.

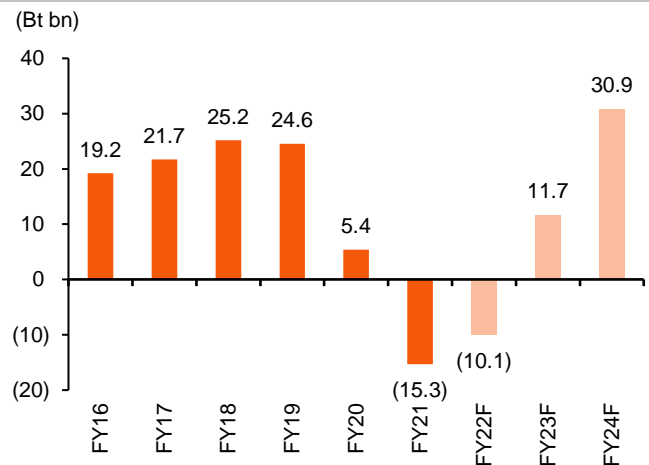
**Third**, even though we assume AOT's international passengers at 97% of the FY19 level in FY24F, we project its earnings in FY24F at 26% above the FY19 level. This is due to the reimplementing of minimum guaranteed revenue from new duty-free concessions, which implies an average increase from Bt77 per international passenger at Suvarnabhumi, Phuket, Chiang Mai, and Had Yai airports in FY19 to Bt211 in FY24F.

**Ex 5: AOT's Concession Revenue**



Sources: Company data, Thanachart estimates

**Ex 6: AOT's Earnings**



Sources: Company data, Thanachart estimates

## Airport City project offers potential upside

*Airport City project is underway*

After unlocking the laws and regulations, the Airport City project is now in progress. AOT is selecting property developers to proceed with airport-related projects on its total of 563 acres of undeveloped land in and around Suvarnabhumi Airport. The projects include air cargo warehouses, distribution centers, hotels, shopping malls, recreation facilities, exhibition halls, residences, and sports and medical facilities. AOT's investment costs should not be high as it plans to invest in utilities and facilities while the property developers would invest in the projects and share revenues with AOT.

*We estimate a potential upside of Bt1.3-2.4/share to our TP*

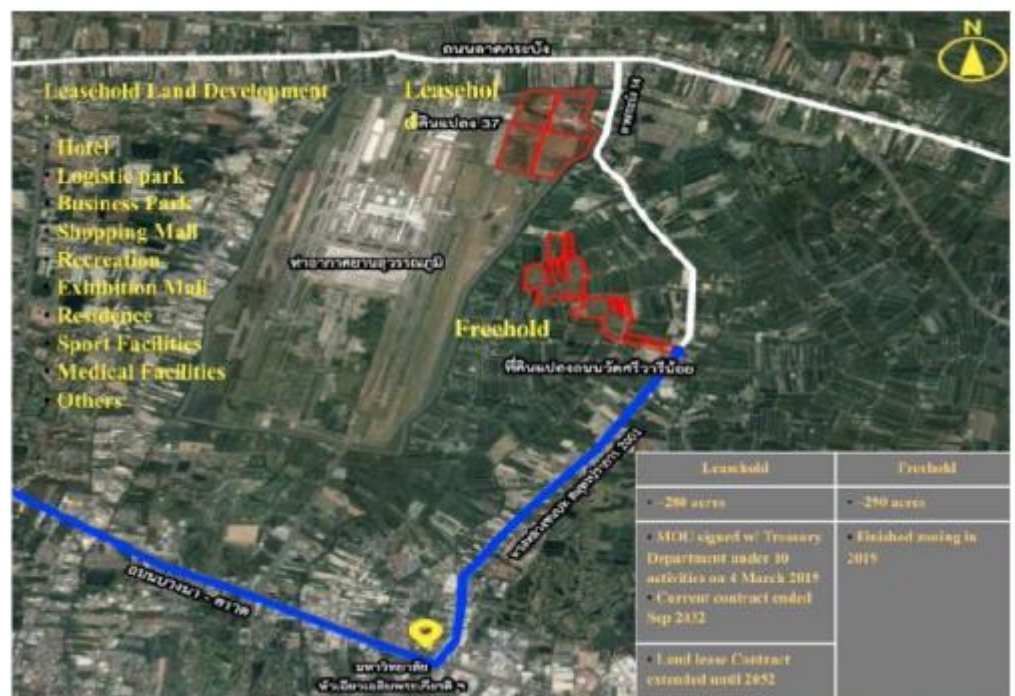
We have yet to factor this project into our model but we perform a rough sensitivity analysis in Exhibit 7 to gauge the additional earnings and potential upside our TP for AOT if 75% of the total undeveloped land is used for the Airport City project and rental income is at Bt500-1,000/sqm/month. Based on our analysis, we estimate an additional Bt1.3-2.4 per share of potential upside to our TP. Note that the average rent for commercial space near Suvarnabhumi Airport is about Bt300-500/sqm/month while King Power's revenue-sharing amount to AOT for commercial space in Suvarnabhumi Airport in FY19 implies Bt9,000/sqm/month.

**Ex 7: Sensitivity Analysis Of Our TP To The Airport City Project**

Airport City Project	Total raw land (sqm)	75% Being developed (sqm)	Rent/month (Bt/sqm/month)	Total revenue (Bt m/year)	Revenue sharing (%)	Revenue to AOT (Bt m/year)	After tax earnings (Bt m/year)	Addition to TP (Bt/share)
Scenario 1: Bt500/sqm. rent	2,278,380	1,708,785	500	10,253	15	1,538	1,230	1.3
Scenario 2: 20% higher rent	2,278,380	1,708,785	600	12,303	15	1,846	1,476	1.5
Scenario 3: 40% higher rent	2,278,380	1,708,785	700	14,354	15	2,153	1,723	1.8
Scenario 4: 60% higher rent	2,278,380	1,708,785	800	16,404	15	2,461	1,969	2.0
Scenario 5: 80% higher rent	2,278,380	1,708,785	900	18,455	15	2,768	2,215	2.2
Scenario 6: 100% higher rent	2,278,380	1,708,785	1,000	20,505	15	3,076	2,461	2.4

Sources: Company data, Thanachart estimates

**Ex 8: AOT's Airport City Project**



Source: Company data

## Ex 9: 12-month DCF-based TP Calculation Using A Base Year Of FY23F

(Bt m)	FY23F	FY24F	FY25F	FY26F	FY27F	FY28F	FY29F	FY30F	FY31F	FY32F	FY33F	Terminal value
EBITDA excl. depreciation from right of use	28,059	52,107	59,508	67,524	72,192	81,747	88,277	95,047	101,923	109,298	116,760	—
Free cash flow	8,442	36,992	33,379	27,032	17,465	29,243	43,909	70,423	75,864	81,699	87,642	2,145,577
PV of free cash flow	7,344	30,003	24,809	18,655	11,191	17,395	24,251	36,115	34,584	34,424	34,138	521,604
Risk-free rate (%)	2.5											
Market risk premium (%)	8.0											
Beta	0.9											
WACC (%)	7.2											
Terminal growth (%)	2.0											
Enterprise value - add investments	971,744											
Net debt (FY21)	(7,838)											
Minority interest	1,078											
Equity value	978,504											
# of shares (m)	14,286											
<b>Equity value/share (Bt)</b>	<b>69</b>											

Sources: Thanachart estimates

## Valuation Comparison

## Ex 10: Valuation Comparison With Regional Peers

Name	BBG code	Country	EPS growth		— PE —		— P/BV —		EV/EBITDA		— Div yield —	
			22F (%)	23F (%)	22F (x)	23F (x)	22F (%)	23F (%)	22F (x)	23F (x)	22F (%)	23F (%)
Sydney Airport	SYD AU	Australia	na	363.5	269.4	58.4	34.7	76.6	36.3	24.1	1.7	3.8
Beijing Capital Int'l	694 HK	China	91.8	na	na	25.7	0.9	0.8	15.7	8.2	0.3	2.1
Shenzhen Airport Co	000089 CH	China	392.2	52.9	38.8	25.4	1.2	1.2	15.7	12.6	0.7	1.1
Xiamen Int'l Airport	600897 CH	China	109.1	na	10.1	na	1.1	na	4.2	na	2.9	na
Shanghai Int'l Airport	600009 CH	China	na	296.8	122.1	30.8	3.1	2.9	62.1	23.3	0.1	0.9
Fraport Frankfurt Airport	FRA GR	Germany	na	76.8	19.4	11.3	1.3	1.2	13.6	10.6	0.1	2.4
Japan Airport Terminal	9706 JP	Japan	53.8	na	na	153.0	3.1	3.0	309.7	19.2	0.0	0.2
Grupo Aeroportuario	ASURB MM	Mexico	40.8	15.3	17.1	14.9	3.4	3.2	10.6	9.8	3.7	4.2
SATS Ltd	SATS SP	Singapore	na	234.6	114.4	34.4	2.8	2.6	27.9	16.7	0.1	2.0
Airports of Thailand*	AOT TB	Thailand	na	na	na	75.5	8.7	8.0	470.0	29.3	0.0	0.8
<b>Average</b>			<b>137.5</b>	<b>173.3</b>	<b>84.5</b>	<b>47.7</b>	<b>6.0</b>	<b>11.1</b>	<b>96.6</b>	<b>17.1</b>	<b>1.0</b>	<b>1.9</b>

Source: Bloomberg

Note: \* Thanachart estimates using normalized EPS

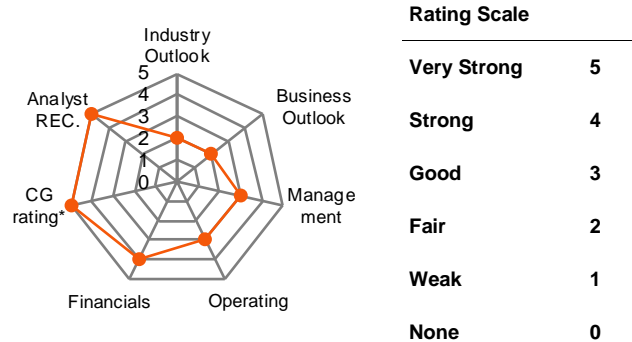
Based on 8 Dec 2021 closing prices

## COMPANY DESCRIPTION

The Airports of Thailand (AOT) was corporatized from a state enterprise and is Thailand's leading airport business operator. AOT is responsible for six international airports: Don Mueang, Phuket, Chiang Mai, Had Yai, Chiang Rai and Suvarnabhumi, all of which accommodate both domestic and international flights. With commercial operations beginning on 28 September 2006, Suvarnabhumi serves as the main airport and can accommodate up to 45m passengers and 3m tonnes of cargo a year. Within a single hour, the airport can operate up to 76 flights.

Source: Thanachart

## COMPANY RATING



Source: Thanachart; \*CG Rating

### Rating Scale

<b>Very Strong</b>	<b>5</b>
<b>Strong</b>	<b>4</b>
<b>Good</b>	<b>3</b>
<b>Fair</b>	<b>2</b>
<b>Weak</b>	<b>1</b>
<b>None</b>	<b>0</b>

## THANACHART'S SWOT ANALYSIS

### S — Strength

- AOT is an airport monopoly.
- As a state enterprise, the company's operations and finances receive support from the government.

### O — Opportunity

- Thailand is a very popular destination for tourists.
- Strong economic growth in the Asia-Pacific is boosting the tourism industry in the region.
- The Thai healthcare industry is also spurring medical tourism to Thailand.

### W — Weakness

- AOT has little revenue diversity so its quarterly earnings are volatile and follow the different tourism seasons.
- Unclear direction due to changes in government policies have caused AOT to miss out on the chance of benefiting fully from Thailand's strong tourism industry.

### T — Threat

- Airport competition is fierce. Many airports in Asia are reducing fees to attract airlines.
- Disease outbreaks present a threat to the industry.

## CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
<b>Target price (Bt)</b>	70.39	69.00	-2%
<b>Norm profit 22F (Bt m)</b>	(6,025)	(10,056)	na
<b>Norm profit 23F (Bt m)</b>	14,171	11,727	-17%
<b>Consensus REC</b>	<b>BUY: 16</b>	<b>HOLD: 6</b>	<b>SELL: 5</b>

## HOW ARE WE DIFFERENT FROM THE STREET?

- Our FY22-23F earnings are significantly below the Bloomberg consensus estimates, which we attribute to us having factored in a slower passenger recovery.
- However, our DCF-based TP is only 2% below the Street's number, likely as we are more bullish on AOT's long-term earnings growth prospects.

Sources: Bloomberg consensus, Thanachart forecasts

## RISKS TO OUR INVESTMENT CASE

- Thailand's tourism industry is a component of the world economy and there is no doubt that tourism would be negatively affected by any global economic volatility.
- If the COVID-19 outbreak doesn't subside by year end, it may have a significant impact on our passenger growth forecasts.
- The possibility of political interference and corruption is also of concern. As a state enterprise, AOT's major investments still have to be approved by the cabinet. Hence, any delays in getting cabinet approval would have a negative impact on AOT's earnings streams.

Source: Thanachart

## INCOME STATEMENT

FY ending Sep (Bt m)	2020A	2021A	2022F	2023F	2024F
Sales	31,179	7,086	17,422	48,910	76,180
Cost of sales	17,194	18,186	20,559	22,632	24,858
<b>Gross profit</b>	<b>13,985</b>	<b>(11,100)</b>	<b>(3,137)</b>	<b>26,278</b>	<b>51,322</b>
% gross margin	44.9%	-156.7%	-18.0%	53.7%	67.4%
Selling & administration expenses	8,870	6,099	6,620	7,826	9,142
<b>Operating profit</b>	<b>5,115</b>	<b>(17,199)</b>	<b>(9,757)</b>	<b>18,452</b>	<b>42,180</b>
% operating margin	16.4%	-242.7%	-56.0%	37.7%	55.4%
Depreciation & amortization	5,441	9,027	11,674	12,168	12,473
<b>EBITDA</b>	<b>10,556</b>	<b>(8,172)</b>	<b>1,917</b>	<b>30,620</b>	<b>54,653</b>
% EBITDA margin	33.9%	-115.3%	11.0%	62.6%	71.7%
Non-operating income	1,951	630	543	550	588
Non-operating expenses	0	0	0	0	0
Interest expense	(646)	(2,973)	(3,508)	(3,914)	(3,443)
<b>Pre-tax profit</b>	<b>6,419</b>	<b>(19,542)</b>	<b>(12,723)</b>	<b>15,088</b>	<b>39,325</b>
Income tax	1,038	(4,173)	(2,545)	3,018	7,865
<b>After-tax profit</b>	<b>5,381</b>	<b>(15,369)</b>	<b>(10,178)</b>	<b>12,071</b>	<b>31,460</b>
% net margin	17.3%	-216.9%	-58.4%	24.7%	41.3%
Shares in affiliates' Earnings	(0)	(0)	0	0	0
Minority interests	22	50	123	(344)	(536)
Extraordinary items	(1,083)	(1,003)	0	0	0
<b>NET PROFIT</b>	<b>4,321</b>	<b>(16,322)</b>	<b>(10,056)</b>	<b>11,727</b>	<b>30,924</b>
<b>Normalized profit</b>	<b>5,403</b>	<b>(15,319)</b>	<b>(10,056)</b>	<b>11,727</b>	<b>30,924</b>
EPS (Bt)	0.3	(1.1)	(0.7)	0.8	2.2
Normalized EPS (Bt)	0.4	(1.1)	(0.7)	0.8	2.2

*We expect AOT's EBITDA to turn positive in FY22F...*

*...and jump to Bt31-55bn in FY23-24F...*

*...driven by a passenger recovery and higher duty-free concession revenue*

## BALANCE SHEET

FY ending Sep (Bt m)	2020A	2021A	2022F	2023F	2024F
<b>ASSETS:</b>					
Current assets:	50,491	21,499	29,701	25,851	39,933
Cash & cash equivalent	43,558	17,103	20,000	20,000	35,000
Account receivables	3,225	3,637	8,942	5,092	4,174
Inventories	0	0	0	0	0
Others	3,709	759	759	759	759
Investments & loans	648	6	6	6	6
Net fixed assets	110,130	112,157	118,967	129,634	128,138
Other assets	12,290	61,424	58,555	55,694	52,848
<b>Total assets</b>	<b>173,559</b>	<b>195,086</b>	<b>207,228</b>	<b>211,186</b>	<b>220,925</b>
<b>LIABILITIES:</b>					
Current liabilities:	15,333	13,610	23,564	22,418	20,011
Account payables	1,809	930	1,051	1,550	2,384
Bank overdraft & ST loans	0	27	0	0	0
Current LT debt	2,848	3,159	11,991	10,351	7,117
Others current liabilities	10,677	9,495	10,522	10,516	10,510
<b>Total LT debt</b>	<b>8,245</b>	<b>6,080</b>	<b>23,078</b>	<b>19,923</b>	<b>13,699</b>
Others LT liabilities	6,949	61,974	57,343	57,049	56,755
<b>Total liabilities</b>	<b>30,527</b>	<b>81,664</b>	<b>103,985</b>	<b>99,390</b>	<b>90,465</b>
Minority interest	796	1,078	955	1,299	1,835
Preferreds shares	0	0	0	0	0
Paid-up capital	14,286	14,286	14,286	14,286	14,286
Share premium	12,568	12,568	12,568	12,568	12,568
Warrants	0	0	0	0	0
Surplus	500	837	837	837	837
<b>Retained earnings</b>	<b>114,882</b>	<b>84,653</b>	<b>74,597</b>	<b>82,806</b>	<b>100,935</b>
Shareholders' equity	142,236	112,344	102,288	110,497	128,625
<b>Liabilities &amp; equity</b>	<b>173,559</b>	<b>195,086</b>	<b>207,228</b>	<b>211,186</b>	<b>220,925</b>

Sources: Company data, Thanachart estimates

## CASH FLOW STATEMENT

FY ending Sep (Bt m)	2020A	2021A	2022F	2023F	2024F
Earnings before tax	6,419	(19,542)	(12,723)	15,088	39,325
Tax paid	(1,038)	4,173	2,545	(3,018)	(7,865)
Depreciation & amortization	5,441	9,027	11,674	12,168	12,473
Chg In working capital	656	(1,290)	(5,184)	4,349	1,751
Chg In other CA & CL / minorities	(12,961)	4,573	3,427	2,274	2,160
<b>Cash flow from operations</b>	<b>(1,483)</b>	<b>(3,058)</b>	<b>(261)</b>	<b>30,862</b>	<b>47,844</b>
Capex	(11,502)	(11,055)	(15,915)	(20,275)	(8,430)
Right of use	0	(35,809)	300	300	300
ST loans & investments	0	0	0	0	0
LT loans & investments	440	642	0	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	(1,361)	38,397	(7,031)	(2,574)	(2,460)
<b>Cash flow from investments</b>	<b>(12,423)</b>	<b>(7,825)</b>	<b>(22,646)</b>	<b>(22,549)</b>	<b>(10,590)</b>
Debt financing	(2,462)	(2,001)	25,803	(4,795)	(9,459)
Capital increase	0	0	0	0	0
Dividends paid	(14,999)	(2,714)	0	(3,518)	(12,795)
Warrants & other surplus	(985)	(10,856)	0	0	0
<b>Cash flow from financing</b>	<b>(18,446)</b>	<b>(15,571)</b>	<b>25,803</b>	<b>(8,313)</b>	<b>(22,254)</b>
<b>Free cash flow</b>	<b>(12,984)</b>	<b>(14,113)</b>	<b>(16,176)</b>	<b>10,587</b>	<b>39,414</b>

*Given COVID, we expect AOT's airport expansions to be delayed by one more year*

## VALUATION

FY ending Sep	2020A	2021A	2022F	2023F	2024F
Normalized PE (x)	163.9	na	na	75.5	28.6
Normalized PE - at target price (x)	182.4	na	na	84.1	31.9
PE (x)	205.0	na	na	75.5	28.6
PE - at target price (x)	228.1	na	na	84.1	31.9
EV/EBITDA (x)	80.8	na	470.0	29.3	15.9
EV/EBITDA - at target price (x)	90.3	na	522.2	32.5	17.8
P/BV (x)	6.2	7.9	8.7	8.0	6.9
P/BV - at target price (x)	6.9	8.8	9.6	8.9	7.7
P/CFO (x)	(597.4)	(289.6)	(3,396.6)	28.7	18.5
Price/sales (x)	28.4	125.0	50.8	18.1	11.6
Dividend yield (%)	0.3	0.0	0.0	0.8	2.1
FCF Yield (%)	(1.5)	(1.6)	(1.8)	1.2	4.4
<b>(Bt)</b>					
Normalized EPS	0.4	(1.1)	(0.7)	0.8	2.2
EPS	0.3	(1.1)	(0.7)	0.8	2.2
DPS	0.2	0.0	0.0	0.5	1.3
BV/share	10.0	7.9	7.2	7.7	9.0
CFO/share	(0.1)	(0.2)	(0.0)	2.2	3.3
FCF/share	(0.9)	(1.0)	(1.1)	0.7	2.8

Sources: Company data, Thanachart estimates

## FINANCIAL RATIOS

FY ending Sep	2020A	2021A	2022F	2023F	2024F
<b>Growth Rate</b>					
Sales (%)	(50.3)	(77.3)	145.9	180.7	55.8
Net profit (%)	(82.7)	na	na	na	163.7
EPS (%)	(82.7)	na	na	na	163.7
Normalized profit (%)	(78.0)	na	na	na	163.7
Normalized EPS (%)	(78.0)	na	na	na	163.7
Dividend payout ratio (%)	62.8	0.0	0.0	60.0	60.0
<b>Operating performance</b>					
Gross margin (%)	44.9	(156.7)	(18.0)	53.7	67.4
Operating margin (%)	16.4	(242.7)	(56.0)	37.7	55.4
EBITDA margin (%)	33.9	(115.3)	11.0	62.6	71.7
Net margin (%)	17.3	(216.9)	(58.4)	24.7	41.3
D/E (incl. minor) (x)	0.1	0.1	0.3	0.3	0.2
Net D/E (incl. minor) (x)	(0.2)	(0.1)	0.1	0.1	(0.1)
Interest coverage - EBIT (x)	7.9	na	na	4.7	12.3
Interest coverage - EBITDA (x)	16.3	na	0.5	7.8	15.9
ROA - using norm profit (%)	2.9	na	na	5.6	14.3
ROE - using norm profit (%)	3.6	na	na	11.0	25.9
<b>DuPont</b>					
ROE - using after tax profit (%)	3.6	na	na	11.3	26.3
- asset turnover (x)	0.2	0.0	0.1	0.2	0.4
- operating margin (%)	22.7	na	na	38.9	56.1
- leverage (x)	1.3	1.4	1.9	2.0	1.8
- interest burden (%)	90.9	117.9	138.1	79.4	91.9
- tax burden (%)	83.8	na	na	80.0	80.0
WACC (%)	0.0	0.0	7.2	7.2	7.2
ROIC (%)	4.7	(15.7)	(7.5)	12.6	27.9
NOPAT (Bt m)	4,288	(17,199)	(7,806)	14,762	33,744
invested capital (Bt m)	109,771	104,506	117,357	120,771	114,441

Sources: Company data, Thanachart estimates

*We don't expect AOT to face any financial difficulties...*

*...given its potential strong recovery in FY24F and current low gearing*

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