

Airports Of Thailand (AOT TB) - BUY, Price Bt61.50, TP Bt70.00**Results Comment**

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Strong 4QFY24 earnings in line

- AOT reported a normalized profit of Bt4.4bn in 4QFY24 (AOT's fiscal year ends September), up 20% y-y but down 5% q-q. The earnings were in line with what we had expected. The earnings growth y-y was mainly due to its strong passenger recovery and operating leverage benefits while its earnings drop q-q was due to low season.
- 1Q and 2Q are normally high tourism seasons, so we expect its earnings growth y-y and q-q in 1QFY25F. Its international passengers continued to recover to 89% of the FY19 level in October 2024 and 95% on 1-16 November 2024.
- AOT remains our top sector pick as **1)** it is the most direct and highest operating-leverage play on Thailand's strong tourism recovery and **2)** despite the impacts from reclamation of some commercial areas, we still project strong EPS growth of 20/15% in FY25-26F, and **3)** its profitability is at 61-63% EBITDA margins and 19-20% ROE in FY25-26F.
- AOT's total revenues grew 9% y-y in 4QFY24, driven by;
 - 1) higher passenger service charges by 27% y-y to 96% of the 4QFY19 level (dorm. pax. made up 83% of the FY19 level and inter. pax. made up 87% of the FY19 level).
 - 2) higher landing and parking charges by 5% y-y to 75% of the 4QFY19 level.
 - 3) lower concession revenues by 3% y-y due to reclamation of some commercial areas to 130% of the 4QFY19 level.
- Its total costs increased by 4% y-y in 4QFY24, so its gross margin improved to 55% in 4QFY24 vs. 53% in 4QFY23.
- Its SG&A expenses increased by 9% y-y in 4QFY24 mainly due to the increase in land and building tax, rental assets, and higher fees for the APPS system.

Income Statement						Income Statement					
Yr-end Sep (Bt m)	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	(Bt m)	q-q%	y-y%	12M as		
									% 2024F	FY24	FY25F
Revenue	15,362	15,708	18,234	16,405	16,774	Revenue	2	9	102	67,121	73,202
Gross profit	8,114	9,178	11,176	9,341	9,248	Gross profit	(1)	14	100	38,943	44,221
SG&A	2,966	2,635	3,007	3,041	3,236	SG&A	6	9	104	11,920	12,078
Operating profit	5,148	6,543	8,168	6,299	6,013	Operating profit	(5)	17	99	27,023	32,142
EBITDA	7,459	9,361	10,979	9,171	8,916	EBITDA	(3)	20	100	38,427	44,394
Other income	76	62	109	228	213	Other income	(7)	182	151	613	520
Other expense	0	0	0	0	0	Other expense					
Interest expense	720	692	710	682	672	Interest expense	(1)	(7)	100	2,757	2,656
Profit before tax	4,503	5,913	7,567	5,845	5,554	Profit before tax	(5)	23	99	24,879	30,005
Income tax	865	1,148	1,504	1,175	1,076	Income tax	(8)	24	98	4,903	6,001
Equity & invest. income	(0)	(0)	(0)	(0)	(0)	Equity & invest. income					
Minority interests	0	(119)	(188)	(55)	(98)	Minority interests	na	na	102	(460)	(498)
Extraordinary items	(207)	(82)	(90)	(52)	(108)	Extraordinary items	na	na	na	(333)	0
Net profit	3,432	4,563	5,785	4,563	4,272	Net profit	(6)	24	98	19,182	23,506
Normalized profit	3,639	4,645	5,875	4,615	4,380	Normalized profit	(5)	20	100	19,515	23,506
EPS (Bt)	0.24	0.32	0.40	0.32	0.30	EPS (Bt)	(6)	24	98	1.34	1.65
Normalized EPS (Bt)	0.25	0.33	0.41	0.32	0.31	Normalized EPS (Bt)	(5)	20	100	1.37	1.65

Balance Sheet						Financial Ratios					
Yr-end Sep (Bt m)	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	(%)	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24
Cash & ST investment	6,095	4,564	5,132	9,853	18,541	Sales grow th	134.5	78.0	65.8	26.6	9.2
A/C receivable	12,184	14,000	16,211	16,039	10,767	Operating profit grow th	na	406.8	165.7	30.0	16.8
Inventory	285	291	357	302	399	EBITDA grow th	399.1	166.4	109.5	30.7	19.5
Other current assets	450	503	708	332	518	Norm profit grow th	na	965.8	206.0	41.9	20.4
Investment	13	13	38	37	52	Norm EPS grow th	na	965.8	206.0	41.9	20.4
Fixed assets	122,876	123,329	124,176	124,676	126,123	Gross margin	52.8	58.4	61.3	56.9	55.1
Other assets	53,708	51,647	49,105	47,301	49,750	Operating margin	33.5	41.7	44.8	38.4	35.8
Total assets	195,611	194,348	195,726	198,541	206,150	EBITDA margin	48.6	59.6	60.2	55.9	53.2
S-T debt	4,212	6,002	4,443	1,032	815	Norm net margin	23.7	29.6	32.2	28.1	26.1
A/C payable	2,086	1,693	1,113	890	1,767	D/E (x)	0.1	0.1	0.0	0.0	0.0
Other current liabilities	16,994	12,728	15,620	17,883	20,781	Net D/E (x)	(0.0)	0.0	0.0	(0.1)	(0.1)
L-T debt	1,646	1,470	1,250	1,078	835	Interest coverage (x)	10	14	15	13	13
Other liabilities	58,494	55,690	55,733	55,590	55,553	Interest rate	54.8	41.5	43.1	70.0	143.0
Minority interest	1,713	1,833	2,011	2,066	2,166	Effective tax rate	19.2	19.4	19.9	20.1	19.4
Shareholders' equity	110,465	114,931	115,557	120,001	124,233	ROA	7.6	9.5	12.0	9.4	8.7
Working capital	10,383	12,598	15,456	15,451	9,398	ROE	13.4	16.5	20.4	15.7	14.3
Total debt	5,859	7,473	5,693	2,110	1,650						
Net debt	(237)	2,908	561	(7,743)	(16,891)						

Sources: Company data, Thanachart estimates

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