

Airports of Thailand Pcl (AOT TB) - BUY

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News Update**Resignation of the president**

- **Mr. Kerati resigned as the president of AOT.**
 - **Ms. Paweena is appointed as the acting president.**
 - **The recruitment process will take 3 months.**
 - **We don't expect any operation hiccups.**
- AOT informed the SET yesterday that Mr. Kerati resigned as president of AOT with the decision to take effect today. He cited the need to care for his unwell parents. AOT board then has appointed Ms. Paweena, senior executive vice president of engineering and construction, as AOT's acting president. The board will form a selection committee and commence the recruitment process for a permanent president, anticipating completion within three months.
- This is not new news as, prior to the announcement, there was news about the resignation of Mr. Kerati. We also don't expect his resignation to derail AOT's operations, airport developments, and business expansion plans.
- Even though we are concerned on a slowdown of Thailand's tourist arrivals, especially Chinese tourists, and King Power's liquidity issues, we have a BUY call on AOT as:
- 1) Even though Thailand's tourist arrivals grew by only 0.5% y-y on 1 Jan. 2025 – 20 Apr. 2025, AOT's international passengers grew by 6% y-y, supported by the Thai international passenger growth. Note that, in 6MFY25 (AOT's fiscal year ends September), AOT's international passengers grew by 15% y-y.
 - 2) We are worried about King Power's liquidity issues. However, a 36% fall in the share price from its peak this year looks priced in this bad news and our TP is factored in a 20% cut to King Power's minimum guaranteed payment.
 - 3) there is a possibility on the passenger service charge hikes (PSCs) as AOT and the Civil Aviation Authority of Thailand (CAAT) are considering the results of the third party's study on the new PSC structure. AOT expects a final conclusion on the new PSCs by July 2025.

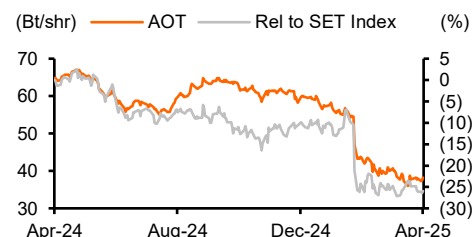
Key Valuations

Y/E Sep (Bt m)	2024A	2025F	2026F	2027F
Revenue	67,121	68,805	73,161	78,167
Net profit	19,182	19,811	21,805	24,103
Norm net profit	19,515	19,811	21,805	24,103
Norm EPS (Bt)	1.4	1.4	1.5	1.7
Norm EPS gr (%)	111.0	1.5	10.1	10.5
Norm PE (x)	28.0	27.6	25.1	22.7
EV/EBITDA (x)	13.8	13.4	12.1	10.8
P/BV (x)	4.4	4.1	3.9	3.6
Div. yield (%)	2.1	2.2	2.4	2.6
ROE (%)	16.6	15.4	15.9	16.4
Net D/E (%)	(13.4)	(12.7)	(21.8)	(28.7)

Source: Thanachart estimates

Stock Data

Closing price (Bt)	38.25
Target price (Bt)	45.00
Market cap (US\$ m)	16,358
Avg daily turnover (US\$ m)	38.0
12M H/L price (Bt)	67.00/36.00

Price Performance

Source: Bloomberg

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