

## Airports of Thailand Pcl (AOT TB) - SELL

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### News Update

#### No reasons for a strong rebound

- AOT's inter. pax. fell by 4% y-y in 3QFY25 and we expect...
  - ...its earnings drop by 20% y-y.
  - The contract revision with KP is still under negotiation.
  - There is a risk of delay in its PSC hike plan.
- AOT's share price recovered strongly by 30% from its low in mid-June this year but we see no reasons for a rebound.
- 1) Thailand's tourist arrivals remains weak given intense competition to attract tourists from other countries and the strong baht to reduce Thailand's tourism competitiveness. Thailand's tourist arrivals grew by 2% y-y in 1Q25 but it fell by 12% y-y in 2Q25. AOT's international passengers grew by 23% y-y in 1QFY25 (Oct.-Dec. 2024) and 8% y-y in 2QFY25 but it fell by 4% y-y in 3QFY25 and 7% y-y during 1-12 July 2025.
  - 2) Given a fall in the international passengers, we expect AOT's earnings to fall by 20% y-y and 29% q-q in 3QFY25F and the full-year earnings to fall by 8% y-y in FY25F. Also, with our view on the lower duty-free minimum guaranteed amount, we forecast AOT's earnings to fall further by 13% y-y in FY26F.
  - 3) The contract revision with King Power is still under the negotiation and we see all of the conclusions, either lowering the minimum guaranteed amount or terminating the contract with King Power, are negative for AOT.
  - 4) There is a risk of delay in AOT's plan to increase its passenger service charges. Yesterday, the Ministry of Tourism and Sports announced to postpone the collection of the Bt300 tourist entry fee due to the current weak tourist arrivals.
- Given the above uncertainties, we maintain our SELL call on AOT.

#### Key Valuations

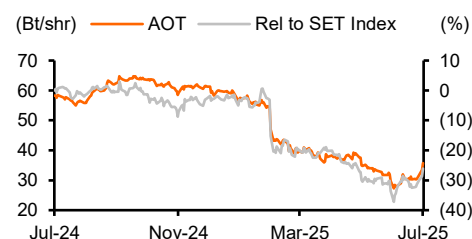
Y/E Sep (Bt m)	2024A	2025F	2026F	2027F
Revenue	67,121	66,650	64,520	67,902
Net profit	19,182	17,965	15,643	16,978
Norm net profit	19,515	17,965	15,643	16,978
Norm EPS (Bt)	1.4	1.3	1.1	1.2
Norm EPS gr (%)	111.0	(7.9)	(12.9)	8.5
Norm PE (x)	26.2	28.4	32.6	30.1
EV/EBITDA (x)	12.9	13.2	14.0	13.0
P/BV (x)	4.1	3.9	3.7	3.5
Div. yield (%)	2.2	2.1	1.8	2.0
ROE (%)	16.6	14.1	11.7	12.1
Net D/E (%)	(13.4)	(16.8)	(19.5)	(21.1)

Source: Thanachart estimates

#### Stock Data

Closing price (Bt)	35.75
Target price (Bt)	24.00
Market cap (US\$ m)	15,764
Avg daily turnover (US\$ m)	45.8
12M H/L price (Bt)	64.75/27.25

#### Price Performance



Source: Bloomberg

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