

## Airports Of Thailand (AOT TB) - BUY, Price Bt57.00, TP Bt55.00

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Results Comment

### 1QFY25 y-y earnings decline in line

- AOT reported a normalized profit of Bt4.7bn in 1QFY26 (October-December 2025), down 12% y-y but up 29% q-q, in line with our expectations. The y-y decline was mainly due to lower duty-free concession revenue while the q-q growth reflected seasonal effects.
- We expect 2QFY26F earnings to decline y-y due to lower duty-free concession revenue but increase q-q on higher passenger numbers. However, a potential delay in the PSC hike poses a downside risk to our earnings forecast this year, as we currently assume the hike will take effect in April 2026.
- Even though we expect AOT to pose very strong earnings growth in FY27-28F, driven by the PSC hike, Thailand's tourism recovery, and operating leverage, the recent sharp share price increase to near our target price leads us to place our BUY rating under review.

- AOT's revenues fell by 5% y-y in 1QFY26 given:
  - flat y-y passenger service charges. Its domestic pax. grew by 6% y-y and international pax. increased by 0.3% y-y.
  - a 3% y-y increase in landing and parking charges.
  - a 16% y-y drop in concession revenues mainly due to lower duty-free concession revenue.
- Its total costs rose by 6% y-y in 1QFY26 driven by higher personnel and maintenance expenses, driving its gross margin to fall to 54% in 1QFY26 vs. 59% in 1QFY25.
- Its SG&A expenses fell slightly by 2% y-y due to cost controls.

Income Statement					Concession revenue					Income Statement					3M as			
Yr-end Sep (Bt m)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	(Bt m)	q-q%	y-y%	% 2026F	FY26F	FY27F							
Revenue	17,664	18,708	15,343	15,421	16,852	Revenue	9	(5)	23	73,650	86,210							
<b>Gross profit</b>	<b>10,382</b>	<b>11,187</b>	<b>7,735</b>	<b>7,982</b>	<b>9,150</b>	<b>Gross profit</b>	<b>15</b>	<b>(12)</b>	<b>21</b>	<b>43,066</b>	<b>54,283</b>							
SG&A	3,000	3,158	3,034	3,087	2,954	SG&A	(4)	(2)	23	12,815	13,363							
Operating profit	7,382	8,030	4,701	4,895	6,196	Operating profit	27	(16)	20	30,251	40,921							
<b>EBITDA</b>	<b>10,370</b>	<b>11,012</b>	<b>7,708</b>	<b>7,959</b>	<b>9,163</b>	<b>EBITDA</b>	<b>15</b>	<b>(12)</b>	<b>22</b>	<b>42,505</b>	<b>53,474</b>							
Other income	218	337	437	439	421	Other income	(4)	93	25	1,665	2,362							
Other expense	0	0	0	0	0	Other expense												
Interest expense	627	635	626	627	577	Interest expense	(8)	(8)	24	2,434	2,315							
<b>Profit before tax</b>	<b>6,973</b>	<b>7,732</b>	<b>4,511</b>	<b>4,707</b>	<b>6,040</b>	<b>Profit before tax</b>	<b>28</b>	<b>(13)</b>	<b>20</b>	<b>29,482</b>	<b>40,968</b>							
Income tax	1,415	1,567	831	974	1,189	Income tax	22	(16)	20	5,896	8,194							
Equity & invest. income	1	0	(2)	(2)	4	Equity & invest. income												
Minority interests	(167)	(173)	(30)	(59)	(116)	Minority interests	na	na	25	(470)	(551)							
Extraordinary items	(47)	(938)	216	190	(87)	Extraordinary items	na	na	na	0	0							
<b>Net profit</b>	<b>5,344</b>	<b>5,053</b>	<b>3,865</b>	<b>3,863</b>	<b>4,653</b>	<b>Net profit</b>	<b>20</b>	<b>(13)</b>	<b>20</b>	<b>23,115</b>	<b>32,224</b>							
<b>Normalized profit</b>	<b>5,391</b>	<b>5,992</b>	<b>3,649</b>	<b>3,673</b>	<b>4,739</b>	<b>Normalized profit</b>	<b>29</b>	<b>(12)</b>	<b>21</b>	<b>23,115</b>	<b>32,224</b>							
EPS (Bt)	0.37	0.35	0.27	0.27	0.33	EPS (Bt)	20	(13)	20	1.62	2.26							
Normalized EPS (Bt)	0.38	0.42	0.26	0.26	0.33	Normalized EPS (Bt)	29	(12)	21	1.62	2.26							

Balance Sheet					Concession revenue					Financial Ratios				
Yr-end Sep (Bt m)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	(%)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26			
Cash & ST investment	15,621	10,563	15,249	19,466	21,188	Sales growth	12.5	2.6	(6.5)	(8.1)	(4.6)			
A/C receivable	9,362	9,545	12,873	16,594	14,875	Operating profit growth	12.8	(1.7)	(25.4)	(18.6)	(16.1)			
Inventory	600	605	625	714	568	EBITDA growth	10.8	0.3	(15.9)	(10.7)	(11.6)			
Other current assets	520	549	363	557	516	Norm profit growth	16.1	2.0	(20.9)	(16.1)	(12.1)			
Investment	53	88	86	85	89	Norm EPS growth	16.1	2.0	(20.9)	(16.1)	(12.1)			
Fixed assets	125,896	125,214	125,381	124,281	122,725	Gross margin	58.8	59.8	50.4	51.8	54.3			
Other assets	51,815	51,896	49,098	48,236	46,962	Operating margin	41.8	42.9	30.6	31.7	36.8			
<b>Total assets</b>	<b>203,867</b>	<b>198,460</b>	<b>203,676</b>	<b>209,932</b>	<b>206,924</b>	EBITDA margin	58.7	58.9	50.2	51.6	54.4			
S-T debt	659	777	655	623	623	Norm net margin	30.5	32.0	23.8	23.8	28.1			
A/C payable	991	6,641	7,035	8,072	5,915	D/E (x)	0.0	0.0	0.0	0.0	0.0			
Other current liabilities	17,720	12,900	13,790	15,891	14,240	Net D/E (x)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)			
L-T debt	794	627	623	399	372	Interest coverage (x)	17	17	12	13	16			
Other liabilities	52,109	52,115	52,298	52,107	48,202	Interest rate	161.6	177.9	186.8	217.9	228.8			
Minority interest	2,128	2,288	2,318	1,943	2,059	Effective tax rate	20.3	20.3	18.4	20.7	19.7			
<b>Shareholders' equity</b>	<b>129,466</b>	<b>123,112</b>	<b>126,957</b>	<b>130,898</b>	<b>135,513</b>	ROA	10.5	11.9	7.3	7.1	9.1			
Working capital	8,971	3,509	6,464	9,236	9,529	ROE	17.0	19.0	11.7	11.4	14.2			
Total debt	1,453	1,403	1,279	1,023	995									
<b>Net debt</b>	<b>(14,167)</b>	<b>(9,159)</b>	<b>(13,971)</b>	<b>(18,443)</b>	<b>(20,193)</b>									

Sources: Company data, Thanachart estimates

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