



SELL (From: BUY)

Change in Recommendation

TP: Bt 50.00

Downside : 11.9%

(From: Bt 55.00)

18 FEBRUARY 2026

Airports of Thailand Pcl (AOT TB)

Weaker passenger outlook

While we believe the 108% rebound in AOT's share price from its low last year has largely priced in the PSC hike, the negative surprise from its downward revision to passenger growth prompts us to cut our earnings forecasts and TP to Bt50. We downgrade AOT to SELL.



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Downgrading to SELL

We downgrade our rating on AOT to SELL (from Buy). **First**, we cut our earnings estimates by 17/8/10% in FY26–28F to reflect 1) the delay in the passenger service charge (PSC) hike to July 2026F (from April 2026) and 2) our lower passenger growth assumptions following AOT's latest guidance. Our DCF-based 12-month TP (2026F base year) falls to Bt50 (from Bt55). **Second**, AOT's downward revision to its passenger growth forecast raises our concerns about the pace of Thailand's tourism recovery. **Third**, while AOT's 108% share price rebound from its low last year looks to have priced in the PSC hike, we see its 42/27/25x PE multiples vs. 2/55/10% y-y EPS growth in FY26–28F (fiscal year ending September), as unattractive. **Finally**, dividend yields are low at 1-2% in FY26-28F, as PSC hike proceeds will be retained to fund future capacity expansion.

Negative surprise to passenger growth outlook

AOT plans to cut its passenger growth forecast for this year to 0% at the worst (from 7% y-y previously). That is after it saw a 6% y-y decline in airline flight slot bookings for the summer schedule (late March-late October 2026). The drop is mainly due to a 20% y-y decline in flight bookings by Chinese airlines. AOT attributes this to 1) China's domestic tourism promotion policy, including measures such as seizing the passports of its citizens, 2) the baht's appreciation against regional currencies, 3) lingering safety concerns, and 4) rising competition from alternative destinations such as Vietnam.

Earnings trend

We cut our total passenger growth assumptions by 1-2ppt to 4% y-y p.a. in FY26–28F. Within this, we project international passenger growth of 3/4/4% (vs. flat y-y in 4MFY26) and domestic growth of 6/5/5% (vs. 7% y-y in 4MFY26). We assume AOT's international PSC will rise from Bt720 to Bt1,120 in July 2026F, while the domestic PSC remains unchanged at Bt100. Factoring in a 17% y-y decline in concession revenue this year due to the revised duty-free minimum guarantee payments before it rebounds by 6% y-y p.a. in FY27–28F, we estimate AOT's earnings to grow 2/55/10% y-y in FY26–28F.

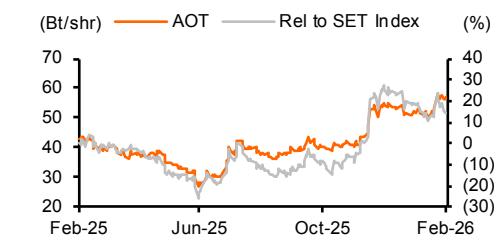
Larger investment cycle

Given higher construction costs, AOT has raised its 12-year capex master plan for capacity expansion to over Bt260bn, including Bt200bn for the East Expansion and South Terminal for Suvarnabhumi Airport, and Bt60bn for Don Mueang Airport phase 3. This would increase its total capacity from 121m passengers to 196m. We assume total capex of Bt221bn over the next 10 years.

COMPANY VALUATION

Y/E Sep (Bt m)	2025A	2026F	2027F	2028F
Sales	67,136	68,794	83,419	87,635
Net profit	18,125	19,135	29,573	32,410
Consensus NP	—	21,000	30,137	32,519
Diff frm cons (%)	—	(8.9)	(1.9)	(0.3)
Norm profit	18,705	19,135	29,573	32,410
Prev. Norm profit	—	23,115	32,224	35,923
Chg frm prev (%)	—	(17.2)	(8.2)	(9.8)
Norm EPS (Bt)	1.3	1.3	2.1	2.3
Norm EPS grw (%)	(4.2)	2.3	54.6	9.6
Norm PE (x)	43.3	42.4	27.4	25.0
EV/EBITDA (x)	21.4	20.5	14.8	13.6
P/BV (x)	6.2	5.9	5.3	4.8
Div yield (%)	1.4	1.4	2.2	2.4
ROE (%)	14.7	14.2	20.3	20.2
Net D/E (%)	(13.9)	(27.8)	(38.1)	(44.3)

PRICE PERFORMANCE



COMPANY INFORMATION

Price as of 18-Feb-26 (Bt)	56.75
Market Cap (US\$ m)	25,915.5
Listed Shares (m shares)	14,285.7
Free Float (%)	30.0
Avg Daily Turnover (US\$ m)	43.8
12M Price H/L (Bt)	58.25/27.25
Sector	Transportation
Major Shareholder	Ministry of Finance 70%

Sources: Bloomberg, Company data, Thanachart estimates

ESG Summary Report P8

Downgrading to SELL

We downgrade our call on AOT to SELL given...

... cuts to our earnings forecasts...

... worries about Thailand's tourism recovery...

... what we see as an unattractive valuation...

...and low dividend yields

We downgrade our recommendation on Airports of Thailand (AOT TB) to SELL (from Buy) and set a new DCF-based 12-month TP using a 2026F base year of Bt50/share (from Bt55 previously).

First, we cut our earnings estimates for AOT by 17/8/10% in FY26–28F (AOT's fiscal year ends in September) to reflect 1) a delay in the PSC hike to July 2026F instead of April 2026F (see details in the next section), and 2) a lower total passenger growth assumption following AOT's latest guidance (see details in the next section).

Second, we are concerned about the pace of Thailand's tourism recovery after AOT plans to revise down its passenger growth forecast this year (see details in the next section).

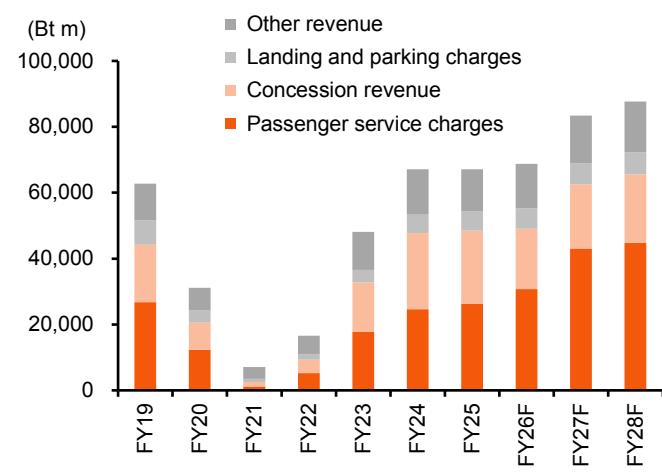
Third, the sharp rebound in AOT's share price by 108% from its low last year appears to have already priced in the PSC hike, which we expect to drive earnings growth of 55/10% in FY27–28F. AOT's valuation now looks unattractive in our view, with the stock trading at PE multiples of 42/27/25x in FY26–28F vs. its peers' averages of 20-25x.

Finally, despite the sizable incremental proceeds from the PSC hike, we expect AOT to maintain its payout ratio at 60%, implying dividend yields of only 1-2%, as most of the additional cash flow will likely be retained to fund future capacity expansion, with planned investment of more than Bt260bn over the next 12 years (see details in the third section).

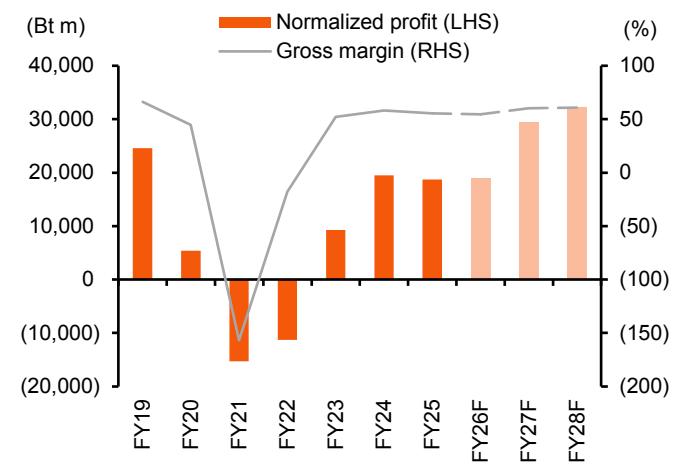
Ex 1: Key Assumption Changes

	FY23	FY24	FY25	FY26F	FY27F	FY28F
Passenger service revenue (Bt m)						
- New	17,882	24,607	26,311	30,712	43,025	44,770
- Old				35,102	44,885	47,533
- Change (%)				(12.5)	(4.1)	(5.8)
International PSC (Bt/pax.)						
- New	730	730	730	828	1,120	1,120
- Old				925	1,120	1,120
- Change (%)				(10.5)	—	—
International passenger growth (%)						
- New	287.9	34.8	5.5	3.0	4.0	4.0
- Old				5.8	6.0	6.0
- Change (ppt)				(2.8)	(2.0)	(2.0)
Gross margin (%)						
- New	52.1	58.0	55.5	54.7	60.3	61.0
- Old				58.5	63.0	64.1
- Change (ppt)				(3.8)	(2.7)	(3.1)
Normalized profit (Bt m)						
- New	9,247	19,515	18,705	19,135	29,573	32,410
- Old				23,115	32,224	35,923
- Change (%)				(17.2)	(8.2)	(9.8)

Sources: Company data, Thanachart estimates

Ex 2: AOT's Revenue Breakdown

Sources: Company data, Thanachart estimates

Ex 3: AOT's Gross Margin and Earnings Growth

Sources: Company data, Thanachart estimates

Ex 4: Peer Comparison

Name	BBG code	Country	EPS growth		— PE —		— P/BV —		EV/EBITDA		— Div yield —	
			26F	27F	(%)	(%)	26F	27F	(%)	(%)	26F	27F
			(%)	(%)	(x)	(x)	(x)	(x)	(x)	(x)	(%)	(%)
Fraport Frankfurt Airport	FRA GR	Germany	(18.5)	11.1	21.5	19.4	1.4	1.3	12.3	11.3	1.6	2.2
Japan Airport Terminal	9706 JP	Japan	(8.7)	(3.8)	20.4	21.2	2.5	2.3	8.9	8.9	1.6	1.7
Airports Corp of Vietnam	ACV VN	Vietnam	(14.9)	(4.2)	18.8	19.7	2.6	2.4	10.6	8.7	na	na
Guangzhou Int'l Airport	600004 CH	China	(46.6)	20.8	32.2	26.6	1.1	1.1	6.4	5.7	1.3	1.6
Shenzhen Airport	000089 CH	China	17.7	12.7	20.3	18.0	1.2	1.2	9.4	9.0	2.6	3.0
Xiamen Int'l Airport	600897 CH	China	11.0	na	14.2	na	1.4	1.4	4.9	16.6	2.1	0.0
Shanghai Int'l Airport	600009 CH	China	29.8	15.1	26.9	23.3	1.7	1.6	12.4	11.5	1.7	2.0
Airports of Thailand*	AOT TB	Thailand	2.3	54.6	42.4	27.4	5.9	5.3	20.5	14.8	1.4	2.2
Average			(3.5)	15.2	24.6	22.2	2.2	2.1	10.7	10.8	1.8	1.8

Sources: Bloomberg, Thanachart estimates

A negative surprise to passenger growth outlook**Key negative takeaways****from AOT's meeting****include...****...a delay in the PSC hike to July 2026 and...**

The key negative takeaways from AOT's analyst meeting that prompted us to cut our earnings estimates are as follows:

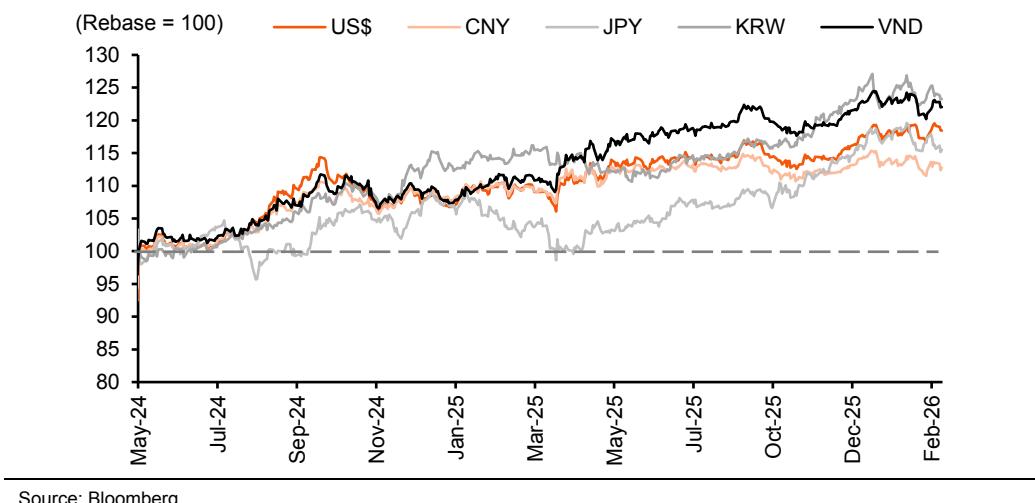
First, AOT mentioned that the Transport Minister finally signed off on the PSC increase early last week. After AOT receives the formal approval document, it is required to provide a four-month notice period before the new PSC becomes effective. We now factor in the new PSC rate from July 2026F instead of April 2026. To recap, the international PSC will increase from Bt720 to Bt1,120 per passenger, while the domestic PSC will remain unchanged at Bt100 per passenger.

...Its downward revision to the passenger growth forecast

Second, AOT plans to revise down its total passenger growth forecast to flat at worst (from the previously guided 7% y-y increase) after seeing a 6% y-y decline in airline flight slot bookings for the summer schedule (late March–late October 2026). The decline is mainly driven by a 20% y-y drop in flight bookings by Chinese airlines. AOT attributes this to:

- The Chinese government's policy to promote its domestic tourism industry, including measures such as seizing the passports of its citizens.
- The baht's appreciation, particularly against the US dollar, Chinese yuan, Japanese yen, South Korean won, and Vietnamese dong, continues to hurt Thailand's tourism competitiveness.

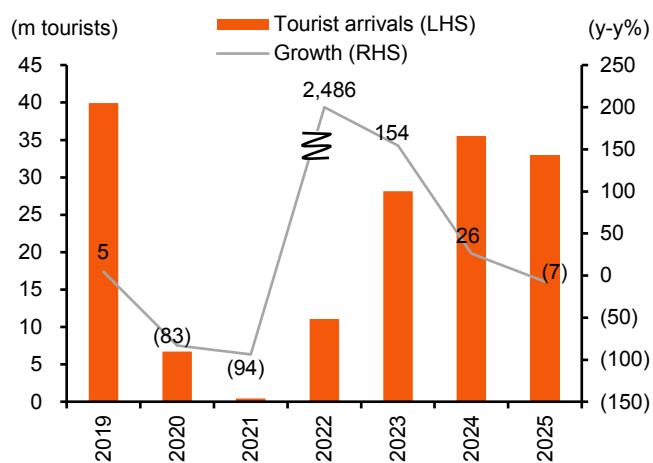
Ex 5: Rebased Thai Baht Against US\$, Yuan, Yen, Won, And Dong



- Emerging tourist destinations, such as Vietnam, that offer more fresh attractions and cheaper travel costs than Thailand.

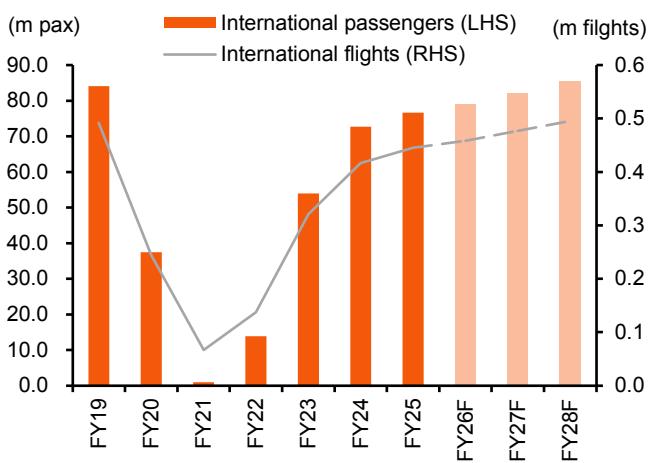
This raises our concerns about the pace of Thailand's tourism recovery. We now estimate AOT's total passenger growth at 4% y-y p.a. in FY26–28F. Of the total, we project international passenger growth of 3/4/4% y-y in FY26–28F (vs. flat growth in 4MFY26) and domestic passenger growth of 6/5/5% y-y (vs. 7% y-y growth in 4MFY26).

Ex 6: Thailand's Tourist Arrivals



Source: Ministry of Tourism and Sports

Ex 7: AOT's International Flights and Passengers



Sources: Company data, Thanachart estimates

Larger investment cycle

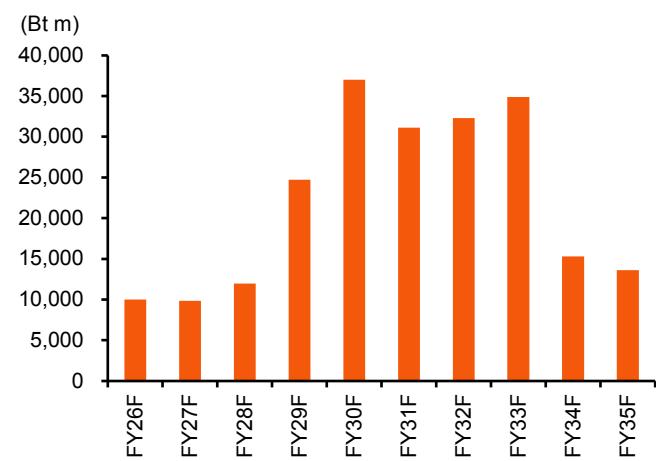
AOT plans over Bt260bn-270bn in capex for airport expansions over the next 12 years

Given higher construction costs and changes in airport designs, AOT plans to seek cabinet approval to increase its investment plan to more than Bt260bn-270bn over the next 12 years. The major projects include:

- 1) Don Mueang International Airport Phase 3. We expect investment costs to rise from Bt37bn to Bt60bn to expand capacity from 30m to 40-50m passengers per year.
- 2) Suvarnabhumi Airport Phase 3. This includes the Bt12bn East Expansion project and the Bt200bn South Terminal project, which would increase capacity from 65m passengers per year to 120m per year.

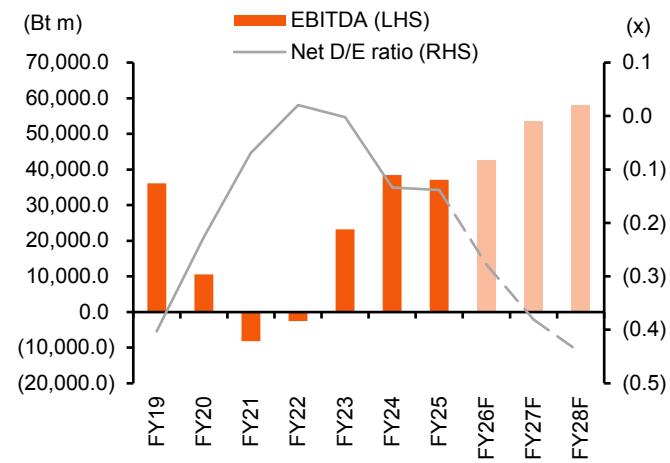
We assume total capex of Bt221bn over the next 10 years. Despite the upcoming investment cycle, we are not concerned about funding, given AOT's Bt20bn of cash on hand, projected EBITDA of over Bt50bn p.a. after the PSC hike, and its net cash position. However, as the sizable proceeds from the PSC hike will likely be retained to fund capacity expansions, we expect AOT to maintain a 60% payout ratio, implying dividend yields of only 1-2% p.a.

Ex 8: AOT's Capex



Source: Thanachart estimates

Ex 9: AOT's EBITDA and Net D/E Ratio



Sources: Company data, Thanachart estimates

Ex 10: 12-month DCF-based TP Calculation Using A Base Year Of FY26F

(Bt m)	FY26F	FY27F	FY28F	FY29F	FY30F	FY31F	FY32F	FY33F	FY34F	FY35F	FY36F	Terminal value
EBITDA excl. depreciation from right of use	37,696	50,747	54,088	57,650	59,845	63,859	68,033	72,481	77,222	79,484	84,211	—
Free cash flow	34,003	34,637	33,933	24,235	14,170	23,492	25,933	26,981	50,377	54,279	54,344	1,239,226
PV of free cash flow	33,909	29,565	26,751	17,649	9,533	14,600	14,885	14,307	24,677	24,562	22,712	297,280
Risk-free rate (%)	2.5											
Market risk premium (%)	8.0											
Beta	0.8											
WACC (%)	8.3											
Terminal growth (%)	2.0											
Enterprise value - add investments	668,338											
Net debt (FY25)	(39,160)											
Minority interest	2,382											
Equity value	705,117											
# of shares (m)	14,286											
Equity value/share (Bt)	50.0											

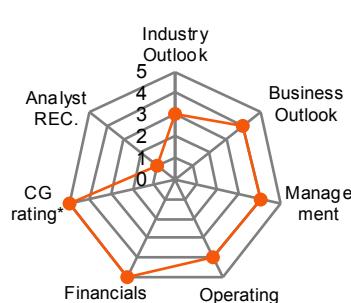
Sources: Thanachart estimates

COMPANY DESCRIPTION

The Airports of Thailand Pcl (AOT) was corporatized from a state enterprise, and it is Thailand's leading airport operator. AOT is responsible for six international airports: Don Mueang, Phuket, Chiang Mai, Had Yai, Chiang Rai, and Suvarnabhumi, all of which accommodate domestic and international flights. Passenger service charges and landing & parking charges make up around 50% of its total revenue, while the rest is from the non-aeronautical business, such as concession and service revenues.

Source: Thanachart

COMPANY RATING



Rating Scale

Very Strong	5
Strong	4
Good	3
Fair	2
Weak	1
None	0

Source: Thanachart; *CG Rating

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.
- Economic growth in the Asia-Pacific would boost the tourism industry in the region, and the Thai healthcare industry is also spurring medical tourism to Thailand.

W — Weakness

- AOT has little revenue diversity and only few operators contribute significant earnings. Thus, its concentration risk is high.
- 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 while the governments in many countries have policies to stimulate the domestic travel.
- Natural disasters, political tensions, and war present threats to the tourism industry.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	57.79	50.00	-13%
Norm profit 26F (Bt m)	21,000	19,135	-9%
Norm profit 27F (Bt m)	30,137	29,573	-2%
Consensus REC	BUY: 12	HOLD: 14	SELL: 2

HOW ARE WE DIFFERENT FROM THE STREET?

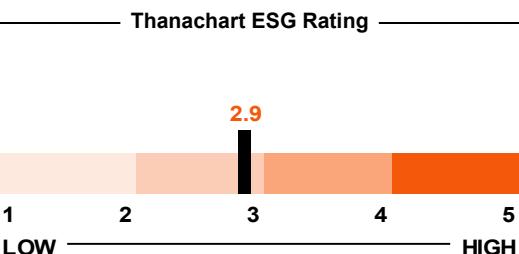
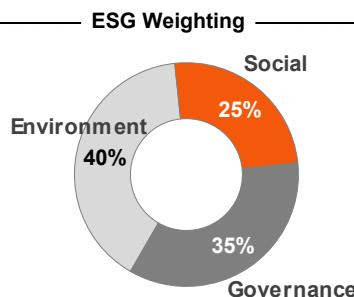
- Our FY26-27F earnings are 2-9% below the Bloomberg consensus estimates, which we attribute to us having more conservative passenger growth assumptions.
- Our DCF-based TP is 13% lower than the Street's number, reflecting our lower earnings forecasts.

RISKS TO OUR INVESTMENT CASE

- Stronger-than-expected Thailand tourist arrivals growth would represent an upside risk to our earnings forecasts.
- Implementation of the government's measures to boost the tourism industry could also drive tourist numbers, which would have a positive impact on AOT's earnings stream.
- Stronger-than-expected tourist spending would enhance AOT's duty-free concession revenue and could result in upside risk to our earnings projections.

Sources: Bloomberg consensus, Thanachart forecasts

Source: Thanachart



	SET ESG Index	SET ESG (BBB-AAA)	DJSI Index	Thanachart ESG Rating (1.0-5.0)	MSCI (CCC-AAA)	ESG Book (0-100)	CG Rating (0-5)
AOT	YES	AA	YES	2.93	A	52.04	5.0

Sources: SETTRADE, SET ESG Index, SET ESG Rating, The Dow Jones Industrial Average (DJSI)

MSCI ESG Research LLC, ESG Book, Thai IOD (CG rating)

Note: Please see third party on "terms of use" toward the back of this report.

ESG Summary

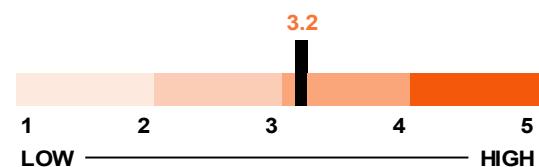


- AOT is a state-owned enterprise responsible for managing and operating the country's six major airports. We assign AOT a moderate ESG score of 2.9, with Social (S) receiving the highest score, followed by Environmental (E) and Governance (G). AOT isn't a play on ESG in our view.
- Its E score is decent at 3.2 due to its strict compliance with various international standards and its strong commitment to environmental issues. Although airports use a lot of electricity, AOT doesn't emit large amounts of greenhouse gas (GHG).
- AOT's S score is also decent at 3.3, as it conducts business according to the Aerodrome Safety Policy and uses the ICAO's Safety Management System. It implements occupational health and safety procedures in accordance with ISO 45001:2018 and information technology and communications security procedures in accordance with ISO/IEC 27001:2013.
- We assign a low G score of 2.4 to AOT. While its business model is solid, serving as Thailand's primary gateway with a dominant market share of over 80% of the country's air traffic, it faces concentration and regulatory risks, along with a weak board structure. Frequent revisions to King Power's duty-free concession contracts, including approvals to delay payments, have introduced operational and financial uncertainties for the company, in our view.

Sector: Services | Transportation & Logistics

We assign AOT a decent E score of 3.2, reflecting its strict compliance with various international standards. AOT also has strict environmental policies and practices for GHG emission management, air quality, water, and waste management.

Thanachart Environment (E) Rating



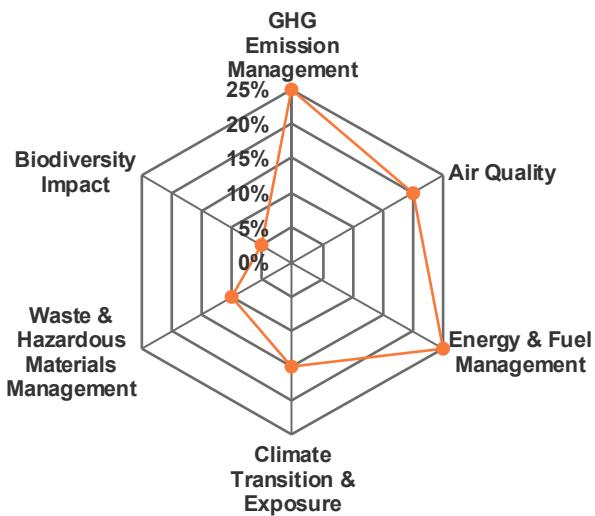
ENVIRONMENT

Our Comments

- GHG Emission Management
- Air Quality
- Energy & Fuel Management
- Climate Transition & Exposure
- Waste & Hazardous Materials Management
- Biodiversity Impact

- We rate the Environmental (E) score for Airports of Thailand (AOT) at a decent level of 3.2, reflecting its strong commitment to environmental stewardship and strict compliance with international standards, as well as relevant laws and regulatory requirements.
- Its policies and guidelines for environmental management are in line with the international standards, including the United Nations' Sustainable Development Goals (SDGs), the Corporate Sustainability Assessment (CSA) in Dow Jones Sustainability Index (DJSI), and the SET ESG Rating assessment. AOT aims to achieve net-zero GHG emissions by 2044, which is faster than the country's target for carbon neutrality by 2050 and net-zero GHG emissions by 2065.
- Its GHG management plans are accredited by the Airport Carbon Accreditation (ACA) of the Airports Council International (ACI). Out of its six airports, five were certified ACA level 3 Optimization, and one was at level 2 Reduction. Its operations don't emit large amounts of GHG. In FY24, despite business growth, its total GHG emissions for Scope 1 and 2 were 290,954 tCo2e, up only 1% y-y (FY25 data is not available yet). The Air Quality Monitoring System (AQM) also tracks, inspects, and surveils air quality covering internal and external areas.
- AOT targets to procure at least 50% of electricity from renewable energy sources in the next 10 years and 100% in the next 20 years. In 2025, despite business growth, its total electricity consumption increased by 1% y-y to 604m kWh and diesel consumption to 998,776 liters. It installed 4.4MW of solar rooftop panels at Suvarnabhumi Airport and plans to install an additional 33MW. For the other five airports, the feasibility and suitability of installation are being studied. Other projects include replacing traditional lighting with energy-efficient LED systems, enhancing the efficiency of chiller systems, transitioning airport vehicles to electric vehicles, etc.
- AOT has conducted water management and wastewater treatment at Suvarnabhumi Airport with ISO14001:2015-certified contractors. In 2025, total water withdrawal was down by 5% y-y to 9.2m cubic meters while 324,631 cubic meters of water were reused.
- While solid waste will be recycled by private entities, hazardous and infectious waste is collected and disposed of in compliance with legal and sanitation standards. In FY25, despite business growth, its total waste decreased by 8% y-y to 52,890 tonnes.

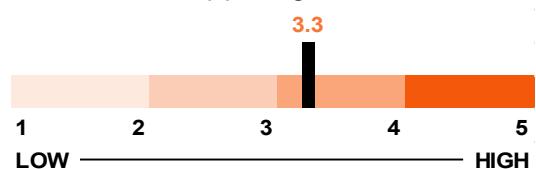
SCALE WEIGHTING



Sources: Thanachart, Company data

We assign AOT a decent S score of 3.3, reflecting its strong compliance with international safety and security standards, service quality improvement initiatives, effective human capital management, and stakeholder engagement framework.

Thanachart Social (S) Rating



SOCIAL

Our Comments

- Customer Welfare
- Data Security & Customer Privacy
- Operational Risk Management
- Labor Relations
- Fair Labor Practices
- Health, Safety & Well-being
- Recruitment, Development & Retention

- We also assign a decent social (S) score of 3.3 to AOT, supported by strict safety and security standards, continuous service improvement, and stakeholder engagement.
- In FY24, 100% of its operational areas, business partners and direct contractors, subsidiaries and joint ventures underwent a Human Rights Due Diligence (HRDD) workshop in alignment with the United Nations Guiding Principles on Business and Human Rights (UNGPs), and it applied the results as a guiding framework for the implementation of its HRDD processes in FY25.
- In FY25, overall customer satisfaction with AOT's various services among all three customer groups (airlines, tenants, and airport users) was at a satisfied level (scores of 3 and above out of 5). In line with the goal of achieving zero accidents for passengers and all stakeholders, AOT also had no large-scale, continuous major incidents in FY25 that shut down all operations. It has dealt with individual issues, such as a temporary global check-in system failure and the aftermath of an earthquake, and resumed normal operations quickly.
- AOT has developed a risk management plan for the security and safety of data and information technology systems in accordance with the Personal Data Protection Act (PDPA) B.E. 2562 (2019). It has also implemented the Cybersecurity Incident Response Plan, along with the Cyber Threat Detection and Monitoring Measure (Detect) and the Cyber Incident Response Measure (Response).
- Besides strict requirements of the Civil Aviation Authority of Thailand (CAAT), AOT has developed its risk management systems in line with international standards, including the International Civil Aviation Organization's (ICAO) Safety Management System, the guidelines of the Committee of Sponsoring Organization of the Treadway Commission – Enterprise Risk Management Integrating with Strategy and Performance: COSO – ERM 2017, and business continuity management framework according to the International Organization for Standardization: ISO 22301: 2019.
- AOT carries out occupational health and safety procedures in accordance with ISO 45001:2018 standards and uses information technology and communications safety procedures in accordance with ISO/IEC 27001:2013. In 2025, AOT recorded a total of eight lost-time injury cases among employees and a lost-time injury frequency rate (LTIFR) of 0.28 persons per 1m man-hours worked.

SCALE WEIGHTING

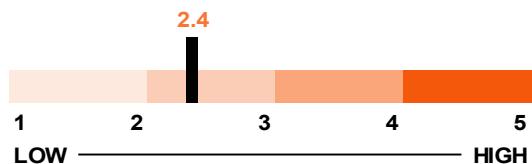


Sources: Thanachart, Company data

Sector: Services | Transportation & Logistics

We assign AOT a low G score of 2.4. Despite a strong business model and its strategic role as Thailand's primary gateway, AOT faces concentration and regulatory risks, as well as a weak board structure.

Thanachart Governance (G) Rating



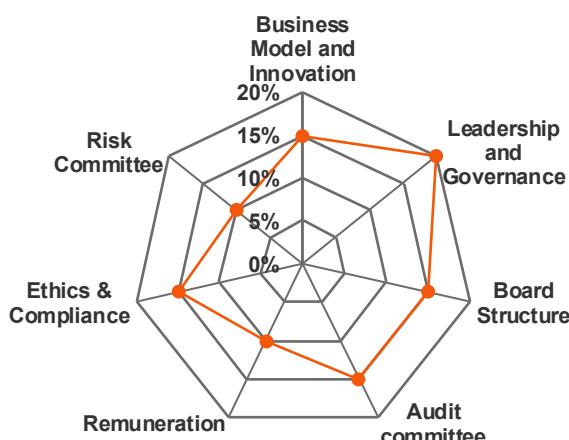
GOVERNANCE & SUSTAINABILITY

Our Comments

- Business Model and Innovation
- Leadership and Governance
- Board Structure
- Audit committee
- Remuneration
- Ethics & Compliance
- Risk Committee

- We assign AOT a low G score of 2.4 to AOT. Despite its strong business model as Thailand's primary gateway, its regulatory and concentration risks are high.
- AOT demonstrates strong business sustainability, mainly due to its strategic role as the primary gateway to Thailand's tourism industry. Its market position is dominant, with its airports accounting for over 80% of the country's air traffic.
- However, it faces a high concentration risk due to limited revenue diversity. A significant portion of its earnings comes from a few major operators, making the company vulnerable to operational disruptions or financial difficulties affecting these key contributors.
- AOT is also exposed to regulatory and political risks. For example, recent government policy changes aimed at boosting domestic consumption led to AOT reclaiming arrivals duty-free shopping areas and suspending duty-free shop operations. This intervention has affected the management and utilization of its commercial spaces, as well as concession revenue and overall earnings.
- Another recent case involves frequent revisions to King Power's duty-free concession contracts and permissions for it to delay payments. These in our view have introduced operational and financial uncertainties for AOT.
- The board chair is not independent while, out of the 15 members on the board of directors, only seven are independent, which falls short of the ideal two-thirds ratio recommended for effective governance in protecting minority shareholder interests. Gender diversity is also limited, with only three female directors.
- However, on the positive side, AOT has audit, nomination, remuneration, corporate governance, and risk management committees with independent chairs.

SCALE WEIGHTING



Sources: Thanachart, Company data

We expect a slower earnings recovery given...

... our concerns about the pace of Thailand's tourism recovery

INCOME STATEMENT

FY ending Sep (Bt m)	2024A	2025A	2026F	2027F	2028F
Sales	67,121	67,136	68,794	83,419	87,635
Cost of sales	28,178	29,850	31,193	33,139	34,220
Gross profit	38,943	37,287	37,600	50,280	53,414
% gross margin	58.0%	55.5%	54.7%	60.3%	61.0%
Selling & administration expenses	11,920	12,280	12,383	12,763	13,101
Operating profit	27,023	25,007	25,217	37,517	40,313
% operating margin	40.3%	37.2%	36.7%	45.0%	46.0%
Depreciation & amortization	11,404	12,042	12,479	13,230	13,775
EBITDA	38,427	37,050	37,696	50,747	54,088
% EBITDA margin	57.3%	55.2%	54.8%	60.8%	61.7%
Non-operating income	613	1,431	1,648	2,368	2,998
Non-operating expenses	0	0	0	0	0
Interest expense	(2,757)	(2,515)	(2,397)	(2,252)	(2,099)
Pre-tax profit	24,879	23,923	24,468	37,632	41,213
Income tax	4,903	4,787	4,894	7,526	8,243
After-tax profit	19,976	19,136	19,574	30,106	32,970
% net margin	29.8%	28.5%	28.5%	36.1%	37.6%
Shares in affiliates' Earnings	(1)	(3)	0	0	0
Minority interests	(460)	(429)	(439)	(533)	(560)
Extraordinary items	(333)	(579)	0	0	0
NET PROFIT	19,182	18,125	19,135	29,573	32,410
Normalized profit	19,515	18,705	19,135	29,573	32,410
EPS (Bt)	1.3	1.3	1.3	2.1	2.3
Normalized EPS (Bt)	1.4	1.3	1.3	2.1	2.3

BALANCE SHEET

FY ending Sep (Bt m)	2024A	2025A	2026F	2027F	2028F
ASSETS:					
Current assets:	30,224	37,330	47,325	66,442	82,522
Cash & cash equivalent	18,541	19,466	40,400	60,600	76,450
Account receivables	10,767	16,594	5,654	4,571	4,802
Inventories	0	0	0	0	0
Others	916	1,271	1,271	1,271	1,271
Investments & loans	52	85	85	85	85
Net fixed assets	126,123	124,281	121,802	118,422	116,597
Other assets	49,750	48,236	46,388	43,934	41,643
Total assets	206,150	209,932	215,599	228,883	240,847
LIABILITIES:					
Current liabilities:	23,363	24,586	24,510	24,562	24,278
Account payables	1,767	2,154	2,564	2,724	2,813
Bank overdraft & ST loans	198	224	558	459	390
Current LT debt	617	399	273	168	71
Others current liabilities	20,781	21,809	21,116	21,212	21,004
Total LT debt	835	399	409	392	405
Others LT liabilities	55,553	52,107	49,791	47,546	45,408
Total liabilities	79,751	77,091	74,711	72,501	70,090
Minority interest	2,166	1,943	2,382	2,915	3,474
Preferred 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	498	323	323	323	323
Retained earnings	96,881	103,722	111,331	126,291	140,107
Shareholders' equity	124,233	130,898	138,507	153,468	167,283
Liabilities & equity	206,150	209,932	215,599	228,883	240,847

Sources: Company data, Thanachart estimates

CASH FLOW STATEMENT

FY ending Sep (Bt m)	2024A	2025A	2026F	2027F	2028F
Earnings before tax	24,879	23,923	24,468	37,632	41,213
Tax paid	(3,638)	(4,488)	(5,008)	(7,126)	(8,198)
Depreciation & amortization	11,404	12,042	12,479	13,230	13,775
Chg In working capital	1,098	(5,441)	11,350	1,243	(142)
Chg In other CA & CL / minorities	2,244	(308)	(579)	(305)	(252)
Cash flow from operations	35,988	25,728	42,710	44,675	46,395
<i>We assume AOT's capex at Bt221bn over the next 10 years for its capacity expansion</i>					
Capex	(14,651)	(10,200)	(10,000)	(9,850)	(11,950)
Right of use	3,160	3,339	3,172	3,013	2,863
ST loans & investments	0	0	0	0	0
LT loans & investments	(39)	(32)	0	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	(2,270)	(5,579)	(3,638)	(2,805)	(2,709)
Cash flow from investments	(13,800)	(12,473)	(10,467)	(9,642)	(11,797)
Debt financing	(4,327)	(871)	217	(220)	(154)
Capital increase	0	0	0	0	0
Dividends paid	(5,151)	(11,959)	(11,526)	(14,612)	(18,595)
Warrants & other surplus	(263)	499	0	0	0
Cash flow from financing	(9,742)	(12,331)	(11,309)	(14,833)	(18,749)
Free cash flow	21,337	15,528	32,710	34,825	34,445

VALUATION

FY ending Sep	2024A	2025A	2026F	2027F	2028F
Normalized PE (x)	41.5	43.3	42.4	27.4	25.0
Normalized PE - at target price (x)	36.6	38.2	37.3	24.2	22.0
PE (x)	42.3	44.7	42.4	27.4	25.0
PE - at target price (x)	37.2	39.4	37.3	24.2	22.0
EV/EBITDA (x)	20.7	21.4	20.5	14.8	13.6
EV/EBITDA - at target price (x)	18.1	18.8	17.9	12.9	11.8
P/BV (x)	6.5	6.2	5.9	5.3	4.8
P/BV - at target price (x)	5.7	5.5	5.2	4.7	4.3
P/CFO (x)	22.5	31.5	19.0	18.1	17.5
Price/sales (x)	12.1	12.1	11.8	9.7	9.3
Dividend yield (%)	1.4	1.4	1.4	2.2	2.4
FCF Yield (%)	2.6	1.9	4.0	4.3	4.2
(Bt)					
Normalized EPS	1.4	1.3	1.3	2.1	2.3
EPS	1.3	1.3	1.3	2.1	2.3
DPS	0.8	0.8	0.8	1.2	1.4
BV/share	8.7	9.2	9.7	10.7	11.7
CFO/share	2.5	1.8	3.0	3.1	3.2
FCF/share	1.5	1.1	2.3	2.4	2.4

Sources: Company data, Thanachart estimates

AOT's valuation is unattractive in our view, trading at 42/27x PEs in FY26-27F vs. its peers' average of 20-25x

FINANCIAL RATIOS

FY ending Sep	2024A	2025A	2026F	2027F	2028F
Growth Rate					
Sales (%)	39.4	0.0	2.5	21.3	5.1
Net profit (%)	118.2	(5.5)	5.6	54.6	9.6
EPS (%)	118.2	(5.5)	5.6	54.6	9.6
Normalized profit (%)	111.0	(4.2)	2.3	54.6	9.6
Normalized EPS (%)	111.0	(4.2)	2.3	54.6	9.6
Dividend payout ratio (%)	58.8	63.8	60.0	60.0	60.0
Operating performance					
Gross margin (%)	58.0	55.5	54.7	60.3	61.0
Operating margin (%)	40.3	37.2	36.7	45.0	46.0
EBITDA margin (%)	57.3	55.2	54.8	60.8	61.7
Net margin (%)	29.8	28.5	28.5	36.1	37.6
D/E (incl. minor) (x)	0.0	0.0	0.0	0.0	0.0
Net D/E (incl. minor) (x)	(0.1)	(0.1)	(0.3)	(0.4)	(0.4)
Interest coverage - EBIT (x)	9.8	9.9	10.5	16.7	19.2
Interest coverage - EBITDA (x)	13.9	14.7	15.7	22.5	25.8
ROA - using norm profit (%)	9.7	9.0	9.0	13.3	13.8
ROE - using norm profit (%)	16.6	14.7	14.2	20.3	20.2
DuPont					
ROE - using after tax profit (%)	17.0	15.0	14.5	20.6	20.6
- asset turnover (x)	0.3	0.3	0.3	0.4	0.4
- operating margin (%)	41.2	39.4	39.1	47.8	49.4
- leverage (x)	1.7	1.6	1.6	1.5	1.5
- interest burden (%)	90.0	90.5	91.1	94.4	95.2
- tax burden (%)	80.3	80.0	80.0	80.0	80.0
WACC (%)	8.3	8.3	8.3	8.3	8.3
ROIC (%)	19.7	18.6	17.9	30.2	34.4
NOPAT (Bt m)	21,697	20,003	20,174	30,013	32,250
invested capital (Bt m)	107,342	112,455	99,347	93,887	91,699

Sources: Company data, Thanachart estimates

AOT's balance sheet is still solid with low gearing

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90-100		Excellent
80-89		Very Good
70-79		Good
60-69		Satisfactory
50-59		Pass
Below		N/A

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Recommendations are based on absolute upside or downside, which is the difference between the target price and the current market price. If the upside is 10% or more, the recommendation is BUY. If the downside is 10% or more, the recommendation is SELL. For stocks where the upside or downside is less than 10%, the recommendation is HOLD. Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on the market price and the formal recommendation.

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