

Airports Of Thailand (AOT TB) - BUY, Price Bt53.25, TP Bt62.00**Results Comment**

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Slight 2QFY26 earnings drop in line

- AOT reported a normalized profit of Bt5.8bn in 2QFY26 (Jan-Mar 2026), down 4% y-y but up 22% 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.
- Despite the impact from the Middle East conflict, its international passengers were flat in April and fell by only 1% y-y during 1-10 May. We also expect 2HFY26F earnings growth due to the 53% PSC hike on 20 June 2026.
- AOT is our top sector pick as we expect 1) its 61%/12% y-y earnings growth in FY27-28F, driven by the PSC hike, Thailand's tourism recovery after the war subsides, and operating leverage, 2) record-high EBITDA margin of 62-63% and ROE of 21% in FY27-28F, and 3) attractive valuation with PEs of 25x/22x in FY27-28F.
- AOT's revenues fell by 1% y-y in 2QFY26 given;
 - 1) a 4% y-y growth in passenger service charges. Its domestic passengers grew by 8% y-y and international passengers increased by 4% y-y.
 - 2) a 6% y-y increase in landing and parking charges.
 - 3) a 14% y-y drop in concession revenues mainly due to lower duty-free concession revenue.
- Its total costs rose by 2% y-y in 2QFY26 driven by higher personnel and maintenance expenses, driving its gross margin to fall to 58% in 2QFY26 vs. 60% in 2QFY25.
- Its SG&A expenses were flat y-y due to cost controls.

Income Statement						Income Statement					
Yr-end Sep (Bt m)	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	(Bt m)	q-q%	y-y%	% 2026F	FY26F	FY27F
Revenue	18,708	15,343	15,421	16,852	18,443	Revenue	9	(1)	51	68,548	84,336
Gross profit	11,187	7,735	7,982	9,150	10,752	Gross profit	18	(4)	53	37,441	51,813
SG&A	3,158	3,034	3,087	2,954	3,153	SG&A	7	(0)	49	12,339	12,650
Operating profit	8,030	4,701	4,895	6,196	7,599	Operating profit	23	(5)	55	25,102	39,162
EBITDA	11,012	7,708	7,959	9,163	10,420	EBITDA	14	(5)	52	37,581	51,863
Other income	337	437	439	421	320	Other income	(24)	(5)	42	1,761	2,205
Other expense	0	0	0	0	0	Other expense					
Interest expense	635	626	627	577	577	Interest expense	0	(9)	48	2,404	2,282
Profit before tax	7,732	4,511	4,707	6,040	7,342	Profit before tax	22	(5)	55	24,459	39,085
Income tax	1,567	831	974	1,189	1,418	Income tax	19	(10)	53	4,892	7,817
Equity & invest. income	0	(2)	(2)	4	(0)	Equity & invest. income					
Minority interests	(173)	(30)	(59)	(116)	(160)	Minority interests	na	na	63	(438)	(539)
Extraordinary items	(938)	216	190	(87)	(45)	Extraordinary items	na	na	na	0	0
Net profit	5,053	3,865	3,863	4,653	5,718	Net profit	23	13	54	19,130	30,729
Normalized profit	5,992	3,649	3,673	4,739	5,763	Normalized profit	22	(4)	55	19,130	30,729
EPS (Bt)	0.35	0.27	0.27	0.33	0.40	EPS (Bt)	23	13	54	1.34	2.15
Normalized EPS (Bt)	0.42	0.26	0.26	0.33	0.40	Normalized EPS (Bt)	22	(4)	55	1.34	2.15

Balance Sheet						Financial Ratios					
Yr-end Sep (Bt m)	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	(%)	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Cash & ST investment	10,563	15,249	19,466	21,188	18,136	Sales growth	2.6	(6.5)	(8.1)	(4.6)	(1.4)
A/C receivable	9,545	12,873	16,594	14,875	15,191	Operating profit growth	(1.7)	(25.4)	(18.6)	(16.1)	(5.4)
Inventory	605	625	714	568	534	EBITDA growth	0.3	(15.9)	(10.7)	(11.6)	(5.4)
Other current assets	549	363	557	516	555	Norm profit growth	2.0	(20.9)	(16.1)	(12.1)	(3.8)
Investment	88	86	85	89	88	Norm EPS growth	2.0	(20.9)	(16.1)	(12.1)	(3.8)
Fixed assets	125,214	125,381	124,281	122,725	121,849	Gross margin	59.8	50.4	51.8	54.3	58.3
Other assets	51,896	49,098	48,236	46,962	45,425	Operating margin	42.9	30.6	31.7	36.8	41.2
Total assets	198,460	203,676	209,932	206,924	201,779	EBITDA margin	58.9	50.2	51.6	54.4	56.5
S-T debt	777	655	623	623	300	Norm net margin	32.0	23.8	23.8	28.1	31.3
A/C payable	6,641	7,035	8,072	5,915	5,913	D/E (x)	0.0	0.0	0.0	0.0	0.0
Other current liabilities	12,900	13,790	15,891	14,240	15,239	Net D/E (x)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
L-T debt	627	623	399	372	189	Interest coverage (x)	17	12	13	16	18
Other liabilities	52,115	52,298	52,107	48,202	48,255	Interest rate	177.9	186.8	217.9	228.8	311.2
Minority interest	2,288	2,318	1,943	2,059	2,224	Effective tax rate	20.3	18.4	20.7	19.7	19.3
Shareholders' equity	123,112	126,957	130,898	135,513	129,659	ROA	11.9	7.3	7.1	9.1	11.3
Working capital	3,509	6,464	9,236	9,529	9,811	ROE	19.0	11.7	11.4	14.2	17.4
Total debt	1,403	1,279	1,023	995	489						
Net debt	(9,159)	(13,971)	(18,443)	(20,193)	(17,647)						

Sources: Company data, ttb wealth estimates

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