SELL (Unchanged) | **TP: Bt 0.90** (From: Bt 0.95)

Change in Numbers | **Downside : 17.4%**

Asia Aviation Pcl (AAV TB)

Record-high quarterly loss

We project a record-high quarterly loss for AAV in 2Q26F, prompting full-year earnings cuts and a TP cut to Bt0.9. Despite easing jet fuel prices, intensifying competition remains a key risk to its earnings outlook. With prolonged retained losses and 20x 2027F PE, we maintain our SELL call.

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Cutting our TP to Bt0.9; maintaining SELL

We maintain our SELL rating on AAV. ***First,*** we cut our earnings estimate to a Bt1.5bn loss this year from a Bt449m profit, mainly reflecting a higher jet fuel price assumption, causing our DCF-based 12-month TP (2026F base year) to fall to Bt0.90/share (from Bt0.95). ***Second,*** despite easing jet fuel prices, we remain cautious on the airline sector amid increased aircraft availability, which is intensifying competition. ***Third,*** as a pure low-cost carrier with thin margins, AAV is highly exposed to industry uncertainties and generates low profitability, with an ROE of just 6%. ***Fourth,*** its balance sheet is weak, with retained losses of Bt5bn-6bn in 2026-28F. ***Finally,*** AAV's valuation is unappealing, in our view, at 20x 2027F PE, vs. the sector average of 13x.

Earnings trend

We expect AAV to post a record-high Bt2.7bn quarterly loss in 2Q26F due to ***1)*** a surge in the average jet fuel price to US$150/bbl (vs. US$87/bbl in 2025 and US$124/bbl in 1Q26), ***2)*** low-fare forward bookings limiting its ability to raise airfares to offset higher costs, and ***3)*** weak air travel demand, which has forced the airline to cut capacity by 12-13%. However, as the Middle East conflict has eased and jet fuel prices have fallen to around US$113/bbl, we expect earnings to recover from 4Q26F onward. We estimate average jet fuel prices at US$120/90/90/bbl in 2026-28F, and average airfare to rise 17% y-y in 2026F on higher fares, before falling 12/3% y-y in 2027-28F as intensifying competition weighs on fares again. As a result, we project a Bt1.5bn loss in 2026F, followed by a profit of Bt712m in 2027F, before a 7% y-y earnings decline in 2028F.

Weaker balance sheet

The loss this year will further weaken AAV's balance sheet. We forecast accumulated losses to widen to Bt6bn (from Bt3.5bn in 2025) and net D/E to rise to 1.2x (from 0.6x). With almost all aircraft under operating leases, leaving limited assets as collateral, we remain cautious on its refinancing risk and Bt5/4/3bn in debt and debenture repayments in 2026–28F.

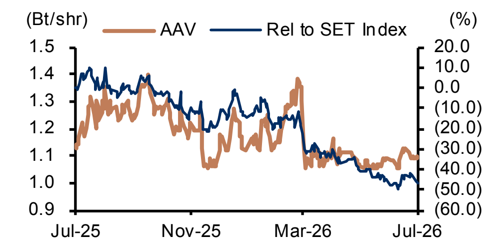
Potential tender offer still ongoing

Following shareholder approval for the proposed name change, AirAsia X Berhad (AAX) will become AirAsia Group Berhad as part of a corporate restructuring to consolidate all AirAsia-branded airlines under a single airline platform. Therefore, we believe the potential tender offer for AAV's shares by AAX and a local Thai partner remains on track. Announced late last year, AAX plans to acquire a 41% stake in AAV, while the mandatory tender offer would be funded by the local Thai partner. We do not expect the transaction to materially affect AAV's fundamentals.

COMPANY VALUATION

Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Sales	45,691	50,213	47,981	49,369
Net profit	2,336	(2,549)	712	663
Consensus NP	—	(2,122)	868	1,728
Diff frm cons (%)	—	*na*	*(18.0)*	*(61.7)*
Norm profit	405	(1,542)	712	663
Prev. Norm profit	—	449	659	712
Chg frm prev (%)	—	*na*	*8.0*	*(7.0)*
Norm EPS (Bt)	0.03	(0.12)	0.06	0.05
Norm EPS grw (%)	(86.3)	na	na	(6.9)
Norm PE (x)	34.6	na	19.7	21.1
EV/EBITDA (x)	8.5	202.0	8.6	8.7
P/BV (x)	1.0	1.3	1.2	1.1
Div yield (%)	0.0	0.0	0.0	0.0
ROE (%)	3.2	na	6.3	5.5
Net D/E (%)	58.2	115.9	108.2	102.0

PRICE PERFORMANCE



COMPANY INFORMATION

Price *as of* 1-Jul-26 (Bt)	1.09
Market Cap (US$ m)	419.5
Listed Shares (m shares)	12,850.0
Free Float (%)	36.2
Avg. Daily Turnover (US$ m)	3.7
12M Price H/L (Bt)	1.40/1.05
Sector	Transportation
Major Shareholder	AirAsia Group 41%

Sources: Bloomberg, Company data, ttb wealth estimates

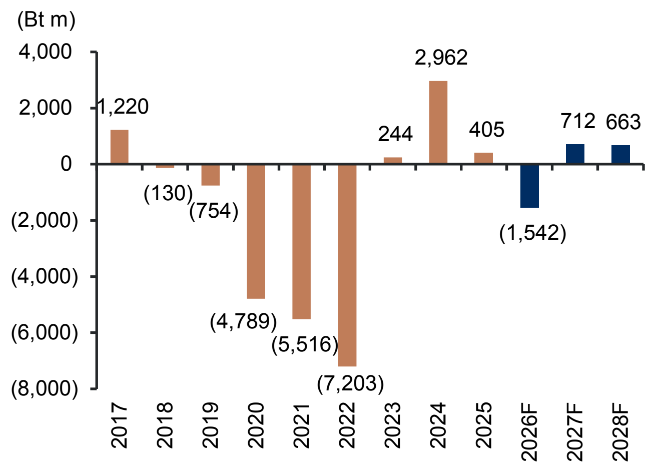
ESG Summary Report ……………………………… P6

Ex 1: Key Assumption Changes

	2023	2024	2025	2026F	2027F	2028F
Average jet fuel price (US$/bbl)						
- New	104.1	95.3	86.5	120.0	90.0	90.0
- Old				100.0	90.0	90.0
- Change (%)				*20.0*	*0.0*	*0.0*
Average airfare (Bt/trip)						
- New	1,780	1,967	1,798	2,106	1,856	1,806
- Old				1,795	1,726	1,726
- Change (%)				*17.3*	*7.5*	*4.6*
Cabin factor (%)						
- New	88.3	88.9	81.5	81.4	81.7	81.7
- Old				83.2	82.0	82.5
- Change (ppt)				*(1.8)*	*(0.3)*	*(0.8)*
Gross margin (%)						
- New	10.7	17.3	12.5	6.1	12.4	11.8
- Old				11.9	12.5	12.4
- Change (ppt)				*(5.8)*	*(0.1)*	*(0.6)*
Normalized profit (Bt m)						
- New	244	2,962	405	(1,542)	712	663
- Old				449	659	712
- Change (%)				*na*	*8.0*	*(7.0)*

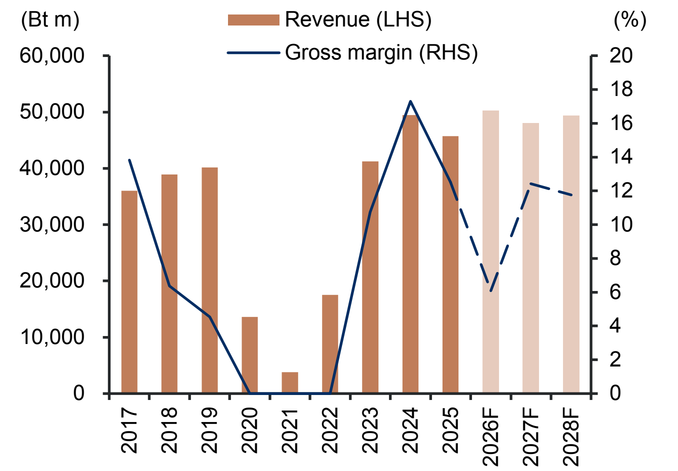
Sources: Company data, ttb wealth estimates

Ex 2: AAV's Normalized Earnings



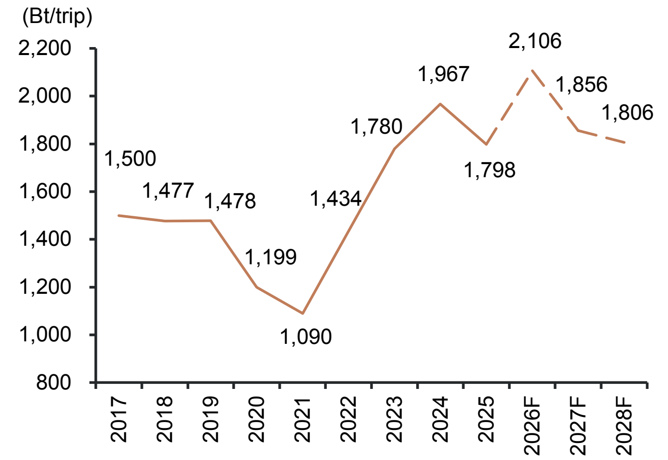
Sources: Company data, ttb wealth estimates

Ex 3: AAV's Revenue And Gross Margin



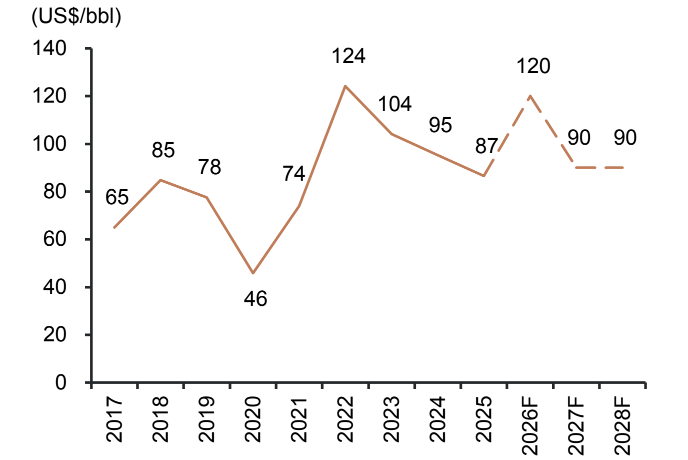
Sources: Company data, ttb wealth estimates

Ex 4: AAV's Average Airfare



Sources: Company data, ttb wealth estimates

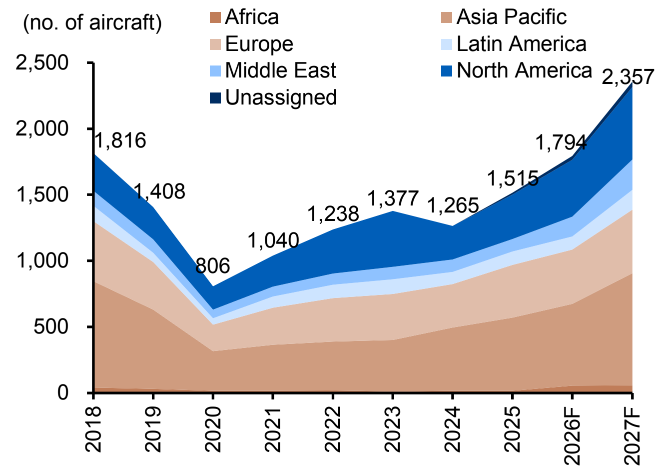
Ex 5: Jet Fuel Price



Sources: Company data, ttb wealth estimates

Ex 6: Our Concerns Are On Rising Aircraft Availability…

Aircraft Deliveries By Region



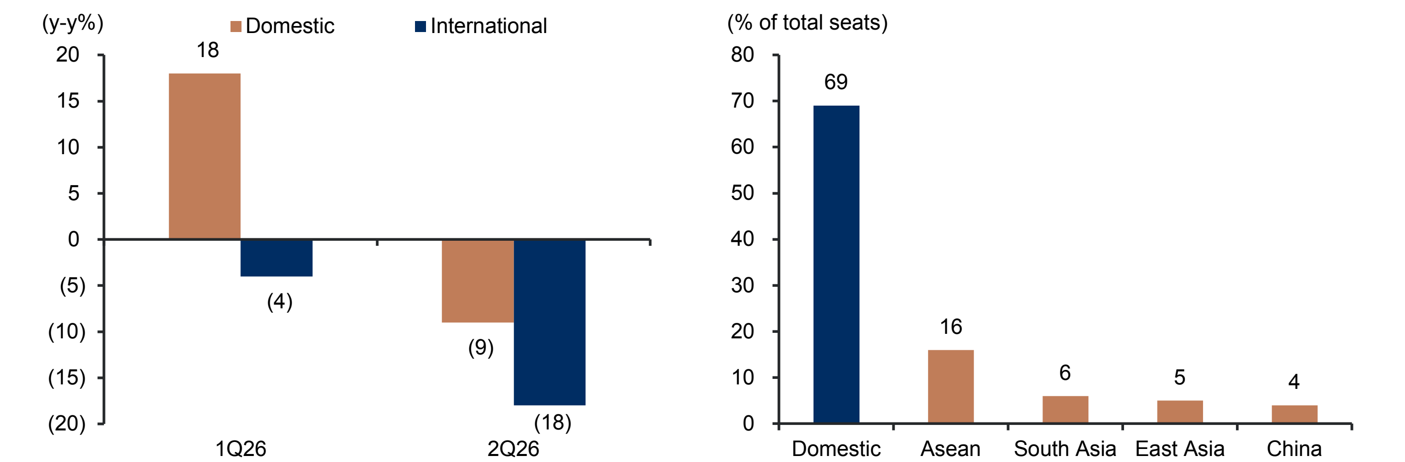
Source: IATA, Cirium Fleets Analyzer

Ex 7: …To Intensify Competition

Thai Airlines' Fleets	2019	2025	2026F
Thai AirAsia	63	62	62
Thai AirAsia X	13	11	10
Thai Airways	103	88	102
Bangkok Airways	40	22	22-26
Thai Lion Air	35	34	37-40
Thai VietJet Air	11	22	29
Nok Air	24	10	14
Total	**289**	**249**	**276-283**

Sources: Company data, ttb wealth estimates

Ex 8: AAV's Capacity Allocation In 1H26



Source: Company data

Ex 9: 12-month DCF-based TP Calculation Using A Base Year Of 2026F

(Bt m)	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	Terminal value
EBITDA	133	3,095	3,049	3,099	3,184	3,256	3,311	3,373	3,439	3,507	3,578	—
Free cash flow	150	1,534	1,501	1,548	1,630	1,702	1,759	1,820	1,886	1,954	2,023	26,735
PV of free cash flow	149	1,274	1,136	1,068	1,025	975	918	866	818	773	729	9,632

Risk-free rate (%)	2.5
Market risk premium (%)	8.0
Beta	1.0
WACC (%)	9.7
Terminal growth (%)	2.0
Enterprise value - add investments	19,365
Net debt	7,893
Minority interest	(8)
Equity value	11,481
# of shares (m)	12,850
Target price/share (Bt)	**0.9**

Sources: Company data, ttb wealth estimates

Valuation Comparison

Ex 10: Valuation Comparison With Regional Peers

Name	BBG code	Country	EPS growth 26F (%)	EPS growth 27F (%)	PE 26F (x)	PE 27F (x)	P/BV 26F (x)	P/BV 27F (x)	EV/EBITDA 26F (x)	EV/EBITDA 27F (x)	Div yield 26F (%)	Div yield 27F (%)
Air Arabia PJSC	AIRARABI UH	UAE	(11.4)	19.4	17.6	14.7	3.0	2.9	12.1	10.0	5.2	5.6
EasyJet PLC	EZJ LN	UK	(71.7)	132.4	29.9	12.9	1.2	1.1	3.6	2.7	1.0	1.8
Singapore Airlines	SIA SP	Singapore	(30.9)	41.3	28.9	20.5	1.4	1.4	6.2	5.9	3.6	4.6
Eva Airways Corp	2618 TT	Taiwan	(26.8)	20.8	12.4	10.3	1.6	1.5	3.9	3.5	3.5	4.5
Cathay Pacific Airways	293 HK	Hong Kong	(23.1)	20.8	10.2	8.4	1.3	1.2	4.9	4.7	5.1	5.9
Asia Aviation *	AAV TB	Thailand	na	na	na	19.7	1.3	1.2	202.0	8.6	0.0	0.0
Bangkok Airways *	BA TB	Thailand	(29.1)	(6.6)	14.5	15.6	2.7	2.5	13.1	13.5	2.8	2.6
Thai Airways *	THAI TB	Thailand	(26.7)	8.0	8.5	7.8	2.0	1.6	3.7	3.7	2.4	2.6
Average			**(31.4)**	**33.7**	**17.4**	**13.7**	**1.8**	**1.7**	**31.2**	**6.6**	**3.0**	**3.5**

Source: Bloomberg

Note: * ttb wealth estimates, using ttb wealth normalized EPS

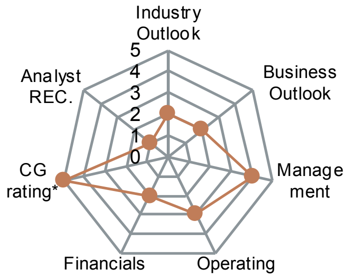
Based on 1 July 2026 closing prices

COMPANY DESCRIPTION

Asia Aviation Pcl (AAV) owns a 100% stake in Thai AirAsia (TAA), Thailand's leading low-cost carrier. It currently operates 62 airplanes from four hubs in Thailand: Suvarnabhumi, Don Mueang, Phuket, and Chiang Mai airports. Its service areas are in Southeast Asia with less-than-four-hour flights from its hubs.

Source: ttb wealth

COMPANY RATING



Rating Scale

Excellent	**5**
Good	**4**
Fair	**3**
Weak	**2**
Very Wea	**1**
None	**0**

Source: ttb wealth; *CG Rating

TTB WEALTH'S SWOT ANALYSIS

S — Strength

- It is one of the lowest-cost carriers in Asia.
- Its revenue-generating model is built on an expanding network and the sale of ancillary items.
- Being a member of the AirAsia group allows it to benefit from bargaining power, cross-selling opportunities, and scale.

W — Weakness

- Most aircraft are leased, causing high operating expenses.
- Service areas are limited with a maximum four-hour flight.
- Its financial status is weak due to the prolonged COVID-19 crisis and intense competition.

O — Opportunity

- Asia is one of the fastest-growing low-cost airline markets.
- Thailand is one of the top destinations for tourists.
- Its service areas cover some parts of China and India, the No.1 and No.2 countries by population.

T — Threat

- Highly volatile jet fuel prices pose a major risk.
- Competition in the aviation industry is fierce while demand for travel is also dependent on the global economic situation.
- Other transportation options such as high-speed trains are being developed.

CONSENSUS COMPARISON

	Consensus	ttb wealth	Diff
Target price (Bt)	1.10	0.90	-18%
Net profit 26F (Bt m)	(2,122)	(2,549)	na
Net profit 27F (Bt m)	868	712	-18%
Consensus REC	**BUY: 4**	**HOLD: 7**	**SELL: 5**

HOW ARE WE DIFFERENT FROM THE STREET?

- Our earnings for 2027F are 18% lower than the Bloomberg consensus number, which we attribute to us assuming a lower airfare.
- Our DCF-based TP is 18% lower than the Street's, likely because we have lower long-term earnings forecasts.

Sources: Bloomberg consensus, ttb wealth estimates

RISKS TO OUR INVESTMENT CASE

- A stronger-than-expected tourism recovery represents the key upside risk to our earnings forecasts.
- Higher-than-expected airfares due to less intense competition would be another upside risk to our earnings forecasts.
- Fuel expenses are one of Thai AirAsia's major costs. Lower-than-expected jet fuel prices would present further upside risk to our earnings forecasts.
- The government's stimulus measures to boost tourism and help operators would be another upside risk to our earnings projections.

Source: ttb wealth

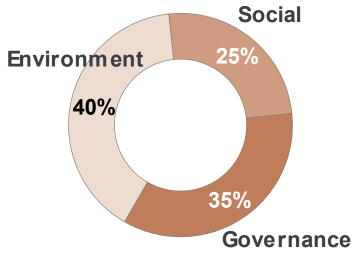
AAV

Asia Aviation Pcl

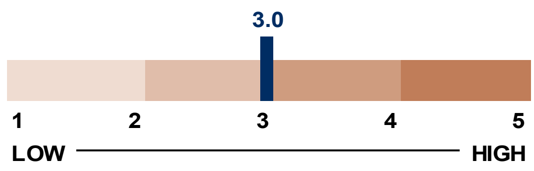
Sector: Services | Transportation & Logistics

ESG & Sustainability Report

ESG Weighting



ESG Rating



	SET ESG Index	SET ESG (BBB-AAA)	DJSI Index	ttb wealth ESG Rating (1.0-5.0)	MSCI (CCC-AAA)	ESG Book (0-100)	CG Rating (0-5)
AAV	YES	-	-	3.01	0	60.99	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

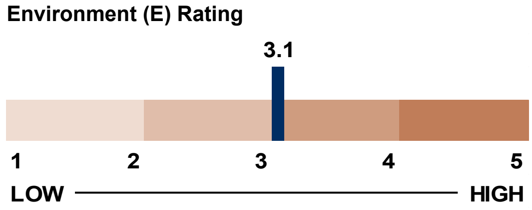
- AAV is a holding company that owns a 100% stake in Thai AirAsia, one of Thailand’s leading low-cost carriers. We assign AAV a decent overall ESG score of 3.0, with Social receiving the highest score, followed by Environmental and Governance. Thus, AAV isn’t a strong play on ESG in our view.
- AAV’s S score is decent at 3.2, as its Safety Management System (SMS) is in compliance with requirements set by ICAO and aligns with the State Safety Policy (SSP) of the Civil Aviation Authority of Thailand (CAAT). It operates in compliance with international quality management standards, specifically ISO 9001:2015, to ensure consistent service quality. It also focuses on human capital management and participates in community development.
- Its E score is also decent at 3.1. Despite its inherently carbon-intensive business, its strict policies, high operational efficiency, and adoption of new technologies and know-how help reduce its emissions intensity. It is also studying the adoption of Sustainable Aviation Fuel (SAF) and CORSIA-eligible carbon emission credits.
- We assign a moderate Governance score of 2.9. While its business model and innovation are strong, as maximizing efficiency and maintaining affordable fares have allowed it to capture a domestic market share of over 41%, it faces concentration, regulatory, and related-party transaction risks, along with a weak board structure.

AAV

Environment Report

Sector: Services | Transportation & Logistics

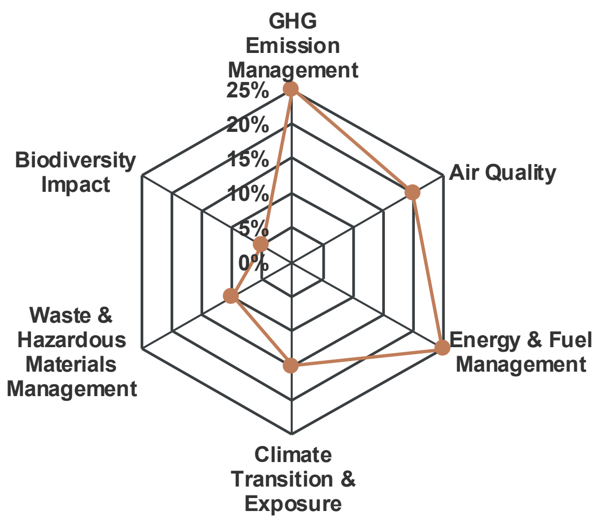
We assign AAV a decent E score of 3.1, reflecting its strict compliance with various international standards. It also has strict environmental policies and practices for GHG emission management, water, and waste management.



ENVIRONMENT	Our Comments

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

SCALE WEIGHTING

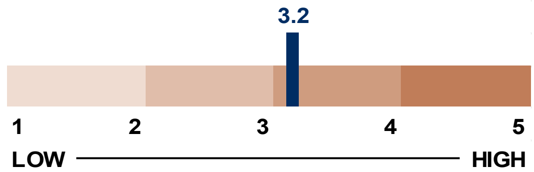


- We rate the Environmental (E) score for AAV at a decent level of 3.1. Even though the airline business is a significant contributor to global environmental pollution, we believe Thai AirAsia intends to mitigate its environmental impact through its initiatives and measures.
- Thai AirAsia aims to achieve net zero by 2050, aligned with the ICAO's Long Term Aspirational Goal (LTAG) neutral scenario via new aircraft, investing in operational efficiency measures, utilizing sustainable aviation fuel, and offsetting remaining emissions with CORSIA eligible carbon credits.
- It plans to receive new A321neo aircraft to replace its existing fleet. The newer model aircraft consumes 15-20% less fuel than its predecessor while the seat configuration allows for an at least 20% reduction in the carbon intensity ratio. It has also continued to maintain the lowest carbon intensity measures such as OptiClimb, Idel Reverse Landing, and One Engine Taxi. The AirAsia Group, including Thai AirAsia, is also under the study for adoption of Sustainable Aviation Fuel (SAF) which can reduce carbon emissions by 80% compared to Jet A-1 fuel. However, due to SAF costing approximately three times that of traditional fuel options, it has yet to be significantly adopted by airlines. The group has also tracked progress in CORSIA eligible carbon emission credits as periodically announced by ICAO even though there was a shortage of the carbon credits in ASEAN and market prices were volatile.
- Despite the recovery of the airline industry, Thai AirAsia's carbon intensity ratio was maintained at 72gCo$_2$/RPK in 2024 (vs. its target of reducing it to 3gCo$_2$/RPK per year).
- For waste management, Thai AirAsia aims for zero waste to landfills and has created a network of partners for maximum waste management efficiency. It set a target recycle rate of 100% for its total non-hazardous waste in 2024 and achieved the target at Don Mueang Airport.
- For water and wastewater management, Thai AirAsia targeted reducing the refill of water for domestic flights from 100% to no more than 50%, or less than 100 litres per domestic flight compared to the usual 200 litres. Through monitoring, tracking, and analyzing flight duration and passenger water consumption, it achieved the target with average water consumption of 56 liters per domestic flight in 2024. It also successfully reused 40% of water separated from the filtration process for the cleaning of engines, ground equipment, and aircraft waste systems.

Sources: ttb wealth, Company data

We also assign AAV a decent S score of 3.2, reflecting its strong safety standards and operational reliability, in line with international regulations, and a consistent focus on human capital management and social development initiatives.

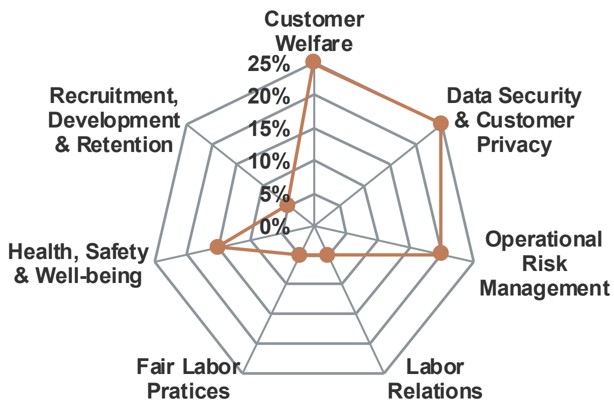
Social (S) Rating



SOCIAL

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

SCALE WEIGHTING



Our Comments

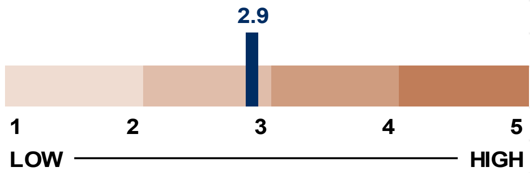
- We also assign AAV a decent Social (S) score of 3.2, reflecting Thai AirAsia's strong safety standards and operational reliability in line with national and international regulations, as well as its sound employee management practices and consistent customer experience and accessibility.
- Thai AirAsia is dedicated to operating flights with the highest level of safety and maintains its target of zero accidents. Its Safety Management System (SMS) is in compliance with requirements set by ICAO and aligns with the State Safety Policy (SSP) of the Civil Aviation Authority of Thailand (CAAT). It determines Safety Performance Indicators (SPIs) monitored through monthly safety action group meetings and quarterly safety review boards meeting with management team. In 2024, its Lost Time Injury Frequency Rate (LTIFR) was 0.99 incidents per 1 million work hours and Injury Severity Rate (ISR) was 4.66 lost days per 1m work hours.
- Its operation is also annually audited by the CAAT based on Group Operational Quality Assurance (GOQA) requirements, which reference IATA Operational Safety Audit (IOSA) standards. Audits by Bureau Veritas to ensure compliance with ISO 9001:2015 standards for customer satisfaction and adherence to relevant laws and regulations are also carried out yearly. In 2024, its on-time performance rate was 79% vs. 83% in 2023 due to significant growth in flights and natural disasters such as floods and typhoons, which impacted air traffic management. It also achieved an overall customer satisfaction (net promoter) score of 52 in 2024, above its target of 50.
- It also places importance on human capital management. Its policies promote a diverse, inclusive and equal work environment. In 2024, female employees comprised 39% and 18% of management positions were held by women, while human rights related incidents or complaints stood at zero. The average number of hours for training per year was 11.5 per employee. However, its employee satisfaction (net promoter) score was 36, which didn't reach its target of 50.
- It participates in community development by encouraging tourists to engage in local conservation and community-based initiatives through the Journey D, Sustainable Tourism Model, and From Farm To Flight projects.

Sources: ttb wealth, Company data

Sector: Services | Transportation & Logistics

We assign AAV a moderate G score of 2.9. Despite its strong operations and innovation capabilities, we see it facing concentration, regulatory, and related-party transaction risks, as well as a weak board structure.

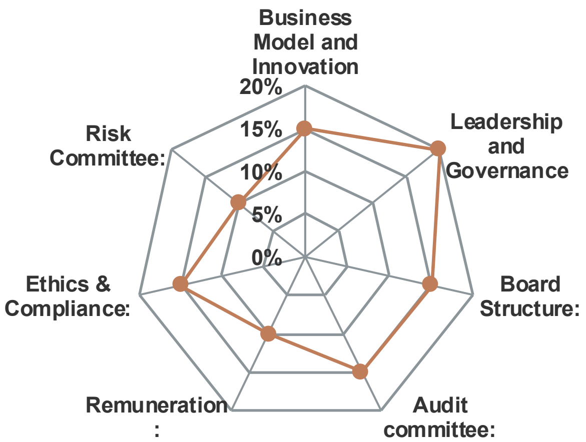
Governance (G) Rating



GOVERNANCE & SUSTAINABILITY

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

SCALE WEIGHTING



Our Comments

- We assign AAV a moderate Governance (G) score of 2.9. We view Thai AirAsia's business operation and innovation as decent. But that is weighed down by our concerns about regulatory and concentration risks, as well as its board structure.
- Thai AirAsia operates a low-cost carrier model focused on maximizing efficiency and maintaining affordable fares. Its key pillars include a point-to-point network, high aircraft utilization, and a single aircraft-type fleet. The airline leads Thailand's domestic market with over a 41% share.
- However, it faces a high concentration risk due to limited revenue diversification. As a pure low-cost carrier, its earnings are highly sensitive to fuel price volatility, intense fare competition, tourism demand cycles, and structurally thin profit margins.
- Even though AAV owns a 100% stake in Thai AirAsia, it is 41%-owned by AirAsia Aviation Group, which is part of the AirAsia Group. This creates related-party transaction risk in, for example, aircraft leasing, service agreements, and branding/licensing fees.
- Airlines including Thai AirAsia are also heavily regulated by aviation authorities. Restrictions from some countries like India have limited route expansion and frequency growth.
- Thai AirAsia's board chair is independent. However, out of the 12 members on the board of directors, only four 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 one female director.
- However, even though it has audit and corporate governance and sustainability committees with independent chairs, the chairs of the risk management and nomination and remuneration committees are not independent.

Sources: ttb wealth, Company data

We forecast a sharp rise in jet fuel costs, pushing AAV into a loss this year…

…before easing fuel prices drive an earnings turnaround next year

We expect negative retained earnings for at least the next five years

INCOME STATEMENT

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Sales	49,436	45,691	50,213	47,981	49,369
Cost of sales	40,879	39,974	47,157	42,020	43,566
Gross profit	**8,557**	**5,717**	**3,056**	**5,962**	**5,803**
% gross margin	17.3%	12.5%	6.1%	12.4%	11.8%
Selling & administration expenses	3,187	3,648	3,515	3,503	3,456
Operating profit	**5,370**	**2,069**	**(459)**	**2,459**	**2,347**
% operating margin	10.9%	4.5%	-0.9%	5.1%	4.8%
Depreciation & amortization	4,099	4,882	4,883	5,410	5,918
EBITDA	**5,789**	**2,587**	**133**	**3,095**	**3,049**
% EBITDA margin	11.7%	5.7%	0.3%	6.5%	6.2%
Non-operating income	755	1,169	1,288	1,040	1,040
Non-operating expenses	0	0	0	0	0
Interest expense	(2,596)	(2,826)	(2,756)	(2,708)	(2,651)
Pre-tax profit	**3,528**	**412**	**(1,927)**	**791**	**736**
Income tax	566	7	(385)	79	74
After-tax profit	**2,962**	**405**	**(1,542)**	**712**	**663**
% net margin	6.0%	0.9%	-3.1%	1.5%	1.3%
Shares in affiliates' Earnings	0	0	0	0	0
Minority interests	0	0	0	0	0
Extraordinary items	516	1,931	(1,007)	0	0
NET PROFIT	**3,478**	**2,336**	**(2,549)**	**712**	**663**
Normalized profit	**2,962**	**405**	**(1,542)**	**712**	**663**
EPS (Bt)	0.27	0.18	(0.20)	0.06	0.05
Normalized EPS (Bt)	0.23	0.03	(0.12)	0.06	0.05

BALANCE SHEET

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
ASSETS:					
Current assets:	15,502	16,756	15,884	15,759	15,814
Cash & cash equivalent	2,105	4,202	3,000	3,000	3,000
Account receivables	1,354	1,365	1,238	1,183	1,217
Inventories	591	704	646	576	597
Others	11,452	10,485	11,000	11,000	11,000
Investments & loans	0	0	0	0	0
Net fixed assets	4,337	6,334	6,243	6,907	7,506
Other assets	55,535	53,247	55,510	55,736	55,719
Total assets	**75,373**	**76,338**	**77,637**	**78,402**	**79,039**
LIABILITIES:					
Current liabilities:	29,066	28,329	29,079	28,954	28,975
Account payables	1,051	973	1,292	1,151	1,194
Bank overdraft & ST loans	1,250	1,750	1,577	1,569	1,564
Current LT debt	2,963	3,331	4,257	4,236	4,223
Others current liabilities	23,802	22,275	21,954	21,997	21,994
Total LT debt	**5,225**	**7,014**	**9,932**	**9,884**	**9,854**
Others LT liabilities	29,703	27,438	27,610	27,836	27,819
Total liabilities	**63,994**	**62,781**	**66,621**	**66,674**	**66,648**
Minority interest	0	(8)	0	0	0
Preferreds shares	0	0	0	0	0
Paid-up capital	1,285	1,285	1,285	1,285	1,285
Share premium	15,800	15,800	15,800	15,800	15,800
Warrants	0	0	0	0	0
Surplus	0	0	0	0	0
Retained earnings	**(5,705)**	**(3,520)**	**(6,069)**	**(5,357)**	**(4,694)**
Shareholders' equity	11,379	13,565	11,016	11,728	12,391
Liabilities & equity	**75,373**	**76,338**	**77,637**	**78,402**	**79,039**

Sources: Company data, ttb wealth estimates

Valuation looks expensive to us at a 20x PE in 2027F vs. its peers' average of 13x

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Earnings before tax	3,528	412	(1,927)	791	736
Tax paid	(566)	(7)	385	(79)	(74)
Depreciation & amortization	419	518	591	636	701
Chg In w orking capital	(1,172)	(202)	503	(15)	(13)
Chg In other CA & CL / minorities	191	(545)	(827)	43	(3)
Cash flow from operations	**2,400**	**176**	**(1,274)**	**1,376**	**1,348**
Capex	(672)	(2,515)	(500)	(1,300)	(1,300)
Right of use	(2,117)	721	(708)	(226)	17
ST loans & investments	0	0	0	0	0
LT loans & investments	0	0	0	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	260	(1,332)	(2,390)	226	(17)
Cash flow from investments	**(2,529)**	**(3,126)**	**(3,598)**	**(1,300)**	**(1,300)**
Debt financing	1,460	5,199	3,670	(76)	(48)
Capital increase	0	0	0	0	0
Dividends paid	0	0	0	0	0
Warrants & other surplus	(511)	(151)	0	0	0
Cash flow from financing	**949**	**5,048**	**3,670**	**(76)**	**(48)**
Free cash flow	**1,728**	**(2,340)**	**(1,774)**	**76**	**48**

VALUATION

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Normalized PE (x)	4.73	34.6	na	19.7	21.1
Normalized PE - at target price (x)	3.90	28.5	na	16.2	17.5
PE (x)	4.03	6.00	na	19.7	21.1
PE - at target price (x)	3.33	4.95	na	16.2	17.5
EV/EBITDA (x)	3.7	8.5	202.0	8.6	8.7
EV/EBITDA - at target price (x)	3.3	7.5	183.6	7.8	7.9
P/BV (x)	1.2	1.0	1.3	1.2	1.1
P/BV - at target price (x)	1.0	0.9	1.0	1.0	0.9
P/CFO (x)	5.8	79.7	(11.0)	10.2	10.4
Price/sales (x)	0.3	0.3	0.3	0.3	0.3
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
FCF Yield (%)	12.3	(16.7)	(12.7)	0.5	0.3
(Bt)					
Normalized EPS	0.23	0.03	(0.12)	0.06	0.05
EPS	0.27	0.18	(0.20)	0.06	0.05
DPS	0.00	0.00	0.00	0.00	0.00
BV/share	0.89	1.06	0.86	0.91	0.96
CFO/share	0.19	0.01	(0.10)	0.11	0.10
FCF/share	0.13	(0.18)	(0.14)	0.01	0.00

Sources: Company data, ttb wealth estimates

We forecast this year's loss to widen accumulated losses to Bt6bn and raise net D/E to 1.2x.

FINANCIAL RATIOS

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Growth Rate					
Sales (%)	19.9	(7.6)	9.9	(4.4)	2.9
Net profit (%)	646.6	(32.8)	na	na	(6.9)
EPS (%)	646.6	(32.8)	na	na	(6.9)
Normalized profit (%)	1,113.4	(86.3)	na	na	(6.9)
Normalized EPS (%)	1,113.4	(86.3)	na	na	(6.9)
Dividend payout ratio (%)	0.0	0.0	0.0	0.0	0.0
Operating performance					
Gross margin (%)	17.3	12.5	6.1	12.4	11.8
Operating margin (%)	10.9	4.5	(0.9)	5.1	4.8
EBITDA margin (%)	11.7	5.7	0.3	6.5	6.2
Net margin (%)	6.0	0.9	(3.1)	1.5	1.3
D/E (incl. minor) (x)	0.8	0.9	1.4	1.3	1.3
Net D/E (incl. minor) (x)	0.6	0.6	1.2	1.1	1.0
Interest coverage - EBIT (x)	2.1	0.7	na	0.9	0.9
Interest coverage - EBITDA (x)	2.2	0.9	0.0	1.1	1.1
ROA - using norm profit (%)	4.1	0.5	na	0.9	0.8
ROE - using norm profit (%)	29.9	3.2	na	6.3	5.5
DuPont					
ROE - using after tax profit (%)	29.9	3.2	na	6.3	5.5
- asset turnover (x)	0.7	0.6	0.7	0.6	0.6
- operating margin (%)	12.4	7.1	na	7.3	6.9
- leverage (x)	7.2	6.1	6.3	6.9	6.5
- interest burden (%)	57.6	12.7	(232.3)	22.6	21.7
- tax burden (%)	84.0	98.4	na	90.0	90.0
WACC (%)	9.7	9.7	9.7	9.7	9.7
ROIC (%)	28.6	10.9	(2.1)	9.3	8.7
NOPAT (Bt m)	4,508	2,036	(445)	2,213	2,113
invested capital (Bt m)	18,713	21,457	23,781	24,417	25,032

Sources: Company data, ttb wealth estimates

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