

Asia Aviation Pcl (AAV TB) - SELL

Saksid Phadthananarak | Email: saksid.pha@ttbwealth.co.th

News Update

AirAsia Group Berhad's fundraising plan

- **The plan is to raise US\$1bn in international debt markets...**
- **...and RM700m through local credit facilities.**
- **AAV says its financial position remains manageable.**
- **A rebound in jet fuel prices adds another concern.**
- We believe AAV's recent share-price decline reflects concerns over AirAsia Group Berhad's fundraising plan. According to Malaysian news reports, AirAsia Group Berhad (formerly AirAsia X Berhad), which owns a 41% stake in AAV through AirAsia Aviation Group Limited (AAAGL), plans to raise up to US\$1bn in international debt markets and RM700m through local credit facilities. The group reported net losses of RM129m in 1Q26 and RM831m in 2Q26, with accumulated losses reaching RM6.9bn at end-2Q26. However, the group clarified that the proceeds are primarily intended for debt restructuring/refinancing rather than to fund operational shortfalls.
- AAV says its financial position remains manageable. It has Bt1.5bn of bonds due late this year, which it expects to refinance, while four owned aircraft are undergoing sale-and-leaseback transactions. At end-2Q26, AAV had accumulated losses of Bt5.1bn.
- Moreover, we are concerned about a rebound in jet fuel prices. A 124% y-y increase in the average jet fuel price to US\$183/bbl in 2Q26 contributed to AAV's Bt2bn loss. Jet fuel prices fell to US\$140/bbl early this quarter before rebounding to US\$180/bbl at present. We forecast a 3Q26F loss due to seasonal effect, followed by an earnings recovery in 4Q26F. However, sustained jet fuel prices at US\$180/bbl could put our 4Q26F earnings recovery at risk.
- We maintain our SELL call on AAV.

Key Valuations

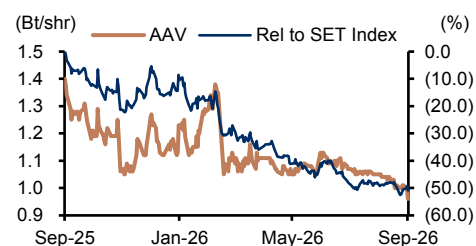
Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Revenue	45,691	50,213	47,981	49,369
Net profit	2,336	(2,549)	712	663
Norm net profit	405	(1,542)	712	663
Norm EPS (Bt)	0.03	(0.12)	0.06	0.05
Norm EPS gr (%)	(86.3)	na	na	(6.9)
Norm PE (x)	30.4	na	17.3	18.6
EV/EBITDA (x)	7.8	189.4	8.1	8.2
P/BV (x)	0.9	1.1	1.1	1.0
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

Source: ttb wealth estimates

Stock Data

Closing price (Bt)	0.96
Target price (Bt)	0.90
Market cap (US\$ m)	370.8
Avg daily turnover (US\$ m)	1.7
12M H/L price (Bt)	1.40/1.00

Price Performance



Source: Bloomberg

General Disclaimers And Disclosures:

This report is prepared and issued by ttb wealth securities public company limited (ttb wealth) which is owned 99.97% by TMBThanachart Bank Public Company Limited (TTB) as a resource only for clients of ttb wealth, TMBThanachart Bank Public Company Limited (TTB) and its group companies. Copyright © ttb wealth securities public company limited. All rights reserved. The report may not be reproduced in whole or in part or delivered to other persons without our written consent.

This report is prepared by analysts who are employed by the research department of ttb wealth. While the information is from sources believed to be reliable, neither the information nor the forecasts shall be taken as a representation or warranty for which ttb wealth or TTB or its group companies or any of their employees incur any responsibility. This report is provided to you for informational purposes only and it is not, and is not to be construed as, an offer or an invitation to make an offer to sell or buy any securities. Neither ttb wealth, TTB nor its group companies accept any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

The information and opinions contained herein have been compiled or arrived at from sources believed reliable. However, ttb wealth, TTB and its group companies make no representation or warranty, express or implied, as to their accuracy or completeness. Expressions of opinion herein are subject to change without notice. The use of any information, forecasts and opinions contained in this report shall be at the sole discretion and risk of the user.

ttbwealth, TTB and its group companies perform and seek to perform business with companies covered in this report. ttb wealth, TTB, its group companies, their employees and directors may have positions and financial interest in securities mentioned in this report. ttb wealth, TTB or its group companies may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any entity mentioned in this report. Therefore, investors should be aware of conflict of interest that may affect the objectivity of this report.

Note: ttb wealth securities public company limited (ttb wealth) acts as an underwriter of "Debentures of MUANGTHAI CAPITAL PUBLIC COMPANY LIMITED No. 3/2026 (B.E. 2569), therefore investors need to be aware that there could be conflicts of interest in this research.

Note: ttb wealth securities public company limited (ttb wealth) acts as an underwriter of "Debentures of IRPC PUBLIC COMPANY LIMITED No. 1/2026 (B.E. 2569), therefore investors need to be aware that there could be conflicts of interest in this research.

Disclosure of Interest of ttb wealth securities public company limited

Investment Banking Relationship

Within the preceding 12 months, ttbwealth has lead-managed public offerings and/or secondary offerings (excluding straight bonds) of the securities of the following companies: -