

Bangkok Airways (BA TB)

Solid earnings growth, but minimal upside

Stable earnings growth with attractive valuation

We re-initiate coverage of BA with a BUY and SOTP-based TP of THB28.50. We value its airline business at THB15.60/share, derived from 13x FY25E P/E, and investments in BDMS, BAREIT, WFS - PG Cargo, and BAFS at THB11.10/sh combined. BA has a well-diversified source of revenue (67% airline and 33% recurring income from airports, ground business and dividends), and its airline business operates as a cash cow where competition is limited. However, we see limited upside in top-line growth as its average fare is already near an historical high and capacity expansion is limited. We view its current valuation of 12x P/E (-0.75 SD 10-year average) as reasonable for 11% pa EPS growth in FY24-26E. Key downside risk is potential increase in concession fees paid to AOT for the ground and cargo businesses.

Airline business cash cow

BA has been benefiting from high airfares on the Samui route (60% of ticket revenue), as flights landing there are exclusive to BA. We foresee limited upside in BA's average fare growth in FY25-26E, as its fares for Samui routes are near historic highs. Despite ASK at only 50% of its 2019 level, BA is only leasing a few more aircraft in FY25-26E. As a result, its conservative strategy is likely to limit revenue growth potential from its airline business. Our growth drivers include airline business with EBITDA at +5% CAGR in FY24-26E and airport services at +7% CAGR. Passenger fares contributed 75%/76% of FY22/23 core revenue, respectively. Airport-related services generated 22% of core income during this period.

Upside from airport expansion projects

BA plans to triple Samui airport capacity to 6m passengers per year with a THB1.5b investment cost (COD in FY28). We think it will be challenging to hit management's target of 4m passengers pa post-renovation. A BA-led consortium, 'UTA', has contracted to build a new aviation hub at U-Tapao airport in Rayong province, which could eventually add THB4.60/sh to our valuation but completion is only currently scheduled for FY29.

Downside from higher concession fees

We see significant downside risk to BA's core profit from FY27 onwards due to the potential of a hike in its revenue sharing to concessioner 'AOT' in its ground and cargo handling business. The concession will be terminated in Sep'26. We estimate every 5% increase in revenue sharing from our base case of 10% will impact FY27E core profit by 5%.

FYE Dec (THB m)	FY22A	FY23A	FY24E	FY25E	FY26E
Revenue	11,305	19,681	24,014	25,129	25,801
EBITDAR	1,039	4,208	6,354	6,800	7,055
Core net profit	(2,110)	3,110	3,588	4,024	4,407
Core EPS (THB)	(1.00)	1.48	1.71	1.92	2.10
Core EPS growth (%)	nm	nm	15.4	12.2	9.5
Net DPS (THB)	0.00	1.00	1.28	1.44	1.57
Core P/E (x)	nm	10.6	13.7	12.2	11.2
P/BV (x)	1.7	1.9	2.7	2.5	2.3
Net dividend yield (%)	0.0	6.4	5.5	6.1	6.7
ROAE (%)	(13.1)	10.3	20.4	21.3	21.7
ROAA (%)	(3.8)	5.2	6.1	6.7	7.3
EV/EBITDAR (x)	43.3	8.6	7.9	7.4	7.2
Net gearing (%) (incl perps)	68.7	net cash	net cash	net cash	net cash
Consensus net profit	-	-	3,487	3,820	3,747
MIBG vs. Consensus (%)	-	-	2.9	5.4	17.6

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BUY

Share Price THB 23.40
12m Price Target THB 28.50 (+22%)

Company Description

BA provides airline, airport and airport-related services including ground and passenger, in-flight catering, and cargo terminal services.

Statistics

52w high/low (THB)	25.75/14.30
3m avg turnover (USDm)	3.6
Free float (%)	41.3
Issued shares (m)	2,100
Market capitalisation	THB49.1B USD1.4B

Major shareholders:

Puttipong Prasarttong-Osoth	24.9%
Ariya Prasarttong-Osoth	11.6%
Prasert Prasarttong-Osoth	11.4%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(3)	1	64
Relative to index (%)	(2)	1	55

Source: FactSet

Link to sector note:

[Thailand Aviation - Strong profit era | POSITIVE](#)
****INITIATION****

Terms explained

AOT- Airports of Thailand
SAF - Sustainable Aviation Fuel
BKK - Suvarnabhumi International Airport
DMK - Don Mueang International Airport
AOT- Airports of Thailand
UTP - U-Tapao International Airport
PSC - Passenger service charge
MRO - Maintenance, Repair, and Overhaul

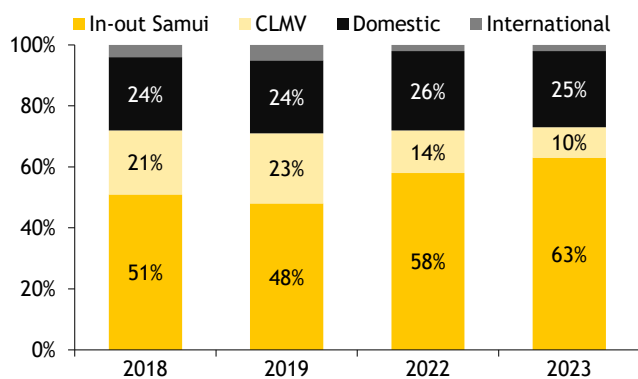
Other companies mentioned

BA Airport Leasehold Real Estate Investment Trust - (BARIET TB, CP THB9.40, not rated)
Bangkok Dusit Medical Services PCL (BDMS TB, CP THB27.25, BUY, TP THB36.00)
Bangkok Air Catering Co., Ltd. (BAC, not listed)
WFS-PG Cargo Co., Ltd. (not listed)
-Tapao International Aviation Co., Ltd (UTA, not listed)

Value Proposition

- BA operates a full-service airline with vertically integrated businesses, including airport operations, cargo and ground handling, and catering services.
- BA's airline business revenue relies heavily on in-out flights from Samui, which contribute around 60% of the company's total passenger revenue. The company is able to collect landing-parking fees for aircraft and passengers that arrive and depart from Samui airport.

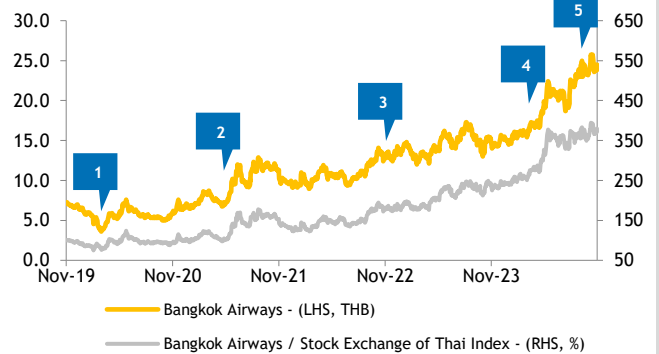
Passenger revenue breakdown by geography



Source: Company data, MST

Price Drivers

Historical share price trend



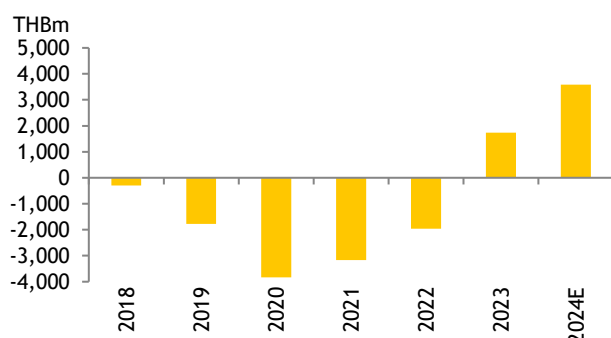
Source: Company, MST

1. Covid-19 ceased air travel, mainly across international borders.
2. Domestic travel resumed. Samui was one of the key tourist destinations to welcome tourists during quarantine period.
3. The government announced to re-open international borders.
4. Re-emergence of travel demand from international tourists, particularly to Phuket and Samui where demand recovered at a faster pace vs other tourist destinations.
5. Declining in oil price and strengthening THB against USD.

Financial Metrics

- BA's businesses are well-diversified as its recurring income such as cargo handling and dividend payments from BDMS helped it survive during Covid-19 without issuing new capital.
- BA turned into a net-cash company in FY23 thanks to strong operation of its airline and airport-related businesses. We forecast dividend yield of 5-6%, the highest among Thai airlines.
- BA's core profit recovered strongly to THB1.7b in FY23. We forecast FY24 core profit to double to THB3.6b, thanks to higher average fares and declining fuel price.

BA's core profit (THBm)



Source: Company data, MST

Swing Factors

Upside

- Prolonged seat supply constraints that could lead to continued increase in air fares.
- Decline in jet fuel price.
- Higher-than-expected demand from foreign tourists.

Downside

- Earlier-than-expected recovery in industry seat supply could lead to declining air fares.
- Escalation in war in the Middle East and OPEC production cut could lead to resurgence in oil price.
- Slowdown in tourist demand due to weak economic conditions.

Risk Rating & Score ¹	36.7 High Risk
Score Momentum ²	-0.9
Last Updated	5 Jun 2024
Controversy Score ³ (Updated: 13 Dec 2024)	None

Business Model & Industry Issues

- Aviation accounts for 2.5% of global CO₂ emissions while it has contributed around 4% to global warming. Thus, airlines including BA must help the industry to overcome pollution issues.
- BA follows long-term objectives of the International Civil Aviation Organization with the aim of achieving net zero emissions by 2050. The company also explores opportunities to reduce carbon emissions, especially through sustainable aviation fuel (SAF) and carbon offsets.
- BA recruits employees for all positions fairly, regardless of gender, race or religion.
- BA operates its businesses with the consideration for the highest level of safety. It's committed to maintaining and complying with international safety standards in flight operation, both in the air and on ground.

Material E issues

- The company continuously participates in International Civil Aviation Organization's (ICAO) Carbon Offsetting and Reduction Scheme for International Aviation projects by recording data of carbon dioxide emission and submitting an annual report of data to the The Civil Aviation Authority of Thailand (CAAT).
- BA plans to test using a mixture of fuel, Jet A-1 and SAF in the near future to successfully meet its target of 'Fly Net Zero Carbon Emission in 2050'.
- Samui Airport is gradually changing its source of energy for airside vehicles and aircraft tools from gasoline to electricity, and maintaining the focus on usage with maximum safety.

Material S issues

- On the financing side, BA explores the potential to issue (cheaper) social bonds to fund projects with clear social benefits (usually through provision of basic goods and services).
- Employees achieve balance of personal life and work. They are happy at work and at home, and can manage their personal time and problems.
- In 2023, the company increased the number of jobs by employing persons with disabilities so they would have secured jobs and a regular income.

Key G metrics and issues

- BA publishes its corporate governance policy in its annual and sustainability reports, including its own website (www.bangkokair.com).
- The remuneration committee determines the salary and bonuses of senior management every year, based on the individual's and corporate's performance.
- Management remuneration totalled THB133m for FY23.
- Four out of 11 directors on the board of directors are independent and 2 are women.
- In 2023, BA paid THB4.1m to EY for the auditing.
- All members in the audit committee are independent.
- BA provides whistle-blower service where staff can anonymously report corporate governance issues directly to the president of the audit committee, through e-mail, or physical documents.
- In 2023, the company was selected as one of the listed companies to achieve Excellent Corporate Governance Score, resulting from a survey of corporate governance performance by listed companies, by the Thai Institute of Directors, with support from the SET.

¹**Risk Rating & Score** - derived by Sustainalytics and assesses the company's exposure to unmanaged ESG risks. Scores range between 0 - 50 in order of increasing severity with low/high scores & ratings representing negligible/significant risk to the company's enterprise value, respectively, from ESG-driven financial impacts. ²**Score Momentum** - indicates changes to the company's score since the last update - a **negative** integer indicates a company's improving risk score; a **positive** integer indicates a deterioration. ³**Controversy Score** - reported periodically by Sustainalytics in the event of material ESG-related incident(s), with the impact severity scores of these events ranging from Category 0-5 (0 - no reports; 1 - negligible risks; ...; 5 - poses serious risks & indicative of potential structural deficiencies at the company).

Quantitative Parameters (Score: 33)						
	Particulars	Unit	2021	2022	2023	AAV
E	Scope 1 GHG emissions	m tCO ₂ e	N/A	N/A	288,794	1,431,561
	Scope 2 GHG emissions	m tCO ₂ e	N/A	N/A	4,428	1,726
	Total	m tCO₂e	N/A	N/A	293,222	1,433,287
	Scope 3 GHG emissions	m tCO ₂ e	N/A	N/A		309,122
	Total	m tCO₂e	N/A	N/A	293,222	1,742,409
	CO ₂ Emissions per RPK	(gCO ₂ /RPK)	N/A	N/A	118.1	71.80
	Water Consumption on Domestic Flights	litres/ passenger	N/A	21.6	16.1	N/A
S	Total number of disability worker	Person	23	21	21	N/A
	Share of women in total workforce	%	48.1%	48.9%	50.5%	38.6%
	Training hours per person per year	hours	69.13	57.13	60.8	N/A
	Customer's satisfaction	%	91.8%	94.2%	94.2%	N/A
	Employee Lost Time Injury Rate (LTIFR)		0.0	0.0	0.0	0
	On-time performance (OTP)	%	na	92%	90%	83%
G	Management as % of reported revenue	%	4.2%	1.2%	0.7%	0.3%
	Independent directors on the Board	%	18.2%	18.2%	20.0%	33.3%
	Female directors on the Board	%	27.3%	27.3%	20.0%	8.3%

Qualitative Parameters (Score: 83)	
a) Is there an ESG policy in place and is there a standalone ESG committee or is it part of the risk committee?	<i>Yes. BA's board of directors appointed corporate governance and sustainability committee as a separate part from risk management committee</i>
b) Is the senior management salary linked to fulfilling ESG targets?	<i>None found</i>
c) Does the company follow the task force of climate related disclosures (TCFD) framework for ESG reporting?	<i>No, BA does not conduct through analyses aligned with the Task Force on Climate-related Financial Disclosures (TCFD) framework</i>
e) Does the company have a mechanism to capture Scope 3 emissions - which parameters are captured?	<i>No.</i>
f) What are the 2-3 key carbon mitigation/water/waste management strategies adopted by the company?	<i>1.) Adoption of Sustainable Aviation Fuel (SAF) in the place of JET A-1 fuel to further reduce carbon emission. In 2Q24, the company had tested to use SAF with their aircrafts flying to Samui routes. 2.) EV Charging Station is being installed to serve the local community, rental car groups, and tourists who use electric vehicles at Samui Airport belonged to BA 3.) BA monitors, tracks, and analyses the amount of water consumed in each of its operational areas and on flights</i>
g) Does carbon offset form part of the net zero/carbon neutrality target of the company?	<i>The company aims to achieve net-zero by 2050. BA continuously participated in ICAO's Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) Project by recording data of carbon dioxide emission and submitting annual report of data to CAAT. BA also partnered with OR, the largest oil retailer in Thailand to test SAF.</i>

Target (Score: 75)			
Particulars		Target	Achieved
Reduce water Consumption on Domestic Flights (litres per passenger)		20	16
Share of women in total workforce		50%	50%
Customer's satisfaction		90%	94%
Net zero carbon emission by 2050		N/A	N/A
Impact			
NA			
Overall Score: 56			
As per our ESG matrix, Bangkok Airways (BA TB) has an overall score of 56.			

ESG score	Weight	Scores	Final Score
Quantitative	50%	33	17
Qualitative	25%	83	21
Target	25%	75	19
Total			56

As per our ESG assessment, BA has an established framework, internal policies, and tangible medium/long-term targets but needs to make headway in improving its quantitative "E" metric, especially in terms of GHG emission data collection. BAs overall ESG score is 56, which makes its ESG rating above average in our view (average ESG rating = 50).

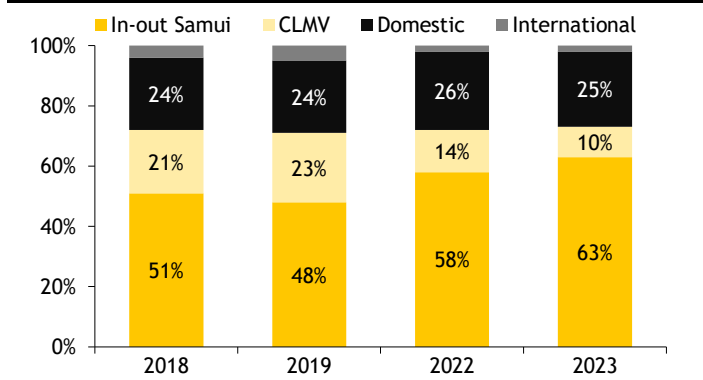
1. Investment thesis

1.1 Airline business cash cow

Unlike most domestic airlines, the majority of BA’s domestic destinations are served by company-owned airports. This has given it strong pricing power and BA’s airline business has been experiencing strong growth in airfares, driven by the Samui route. This is a key resort destination in the Gulf of Thailand where BA exclusively operates with the highest share of all flights originating from any of AOT’s airports. Samui contributed more than 70% of total ticket revenue in 9M24. BA’s other domestic routes primarily land at company-owned airports in Trat and Sukhothai. We expect BA’s average fare to grow by 7% YoY in FY24E, a smaller increase compared to +18% in FY23. The slower growth can be attributed to domestic capacity constraints and a high-base effect from the boom in leisure travel to Samui post-Covid.

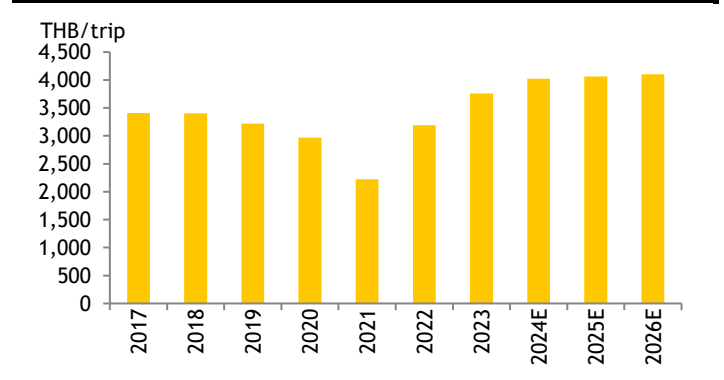
As the fares are already 25% above 2019 levels, we foresee limited upside in BA’s average fare growth in FY25-26E. We note also that fares for Samui routes are close to the ceiling regulated by the CAAT. Although the company’s ASK recovery is only 50% of 2019 levels, management appears reluctant to increase aircraft capacity except for short-term contracts during peak seasons. BA expects to lease only a few additional aircraft in FY25-26E, with the long-term plan focused on replacement rather than expansion. The company is likely to focus on Samui routes, with international expansion remaining outside its plans. Consequently, this conservative approach is likely to limit its earnings growth potential.

Fig 1: Passenger fare revenue by geography



Source: Company data, MST

Fig 2: BA’s average fare at historical high



Source: Company data, MST

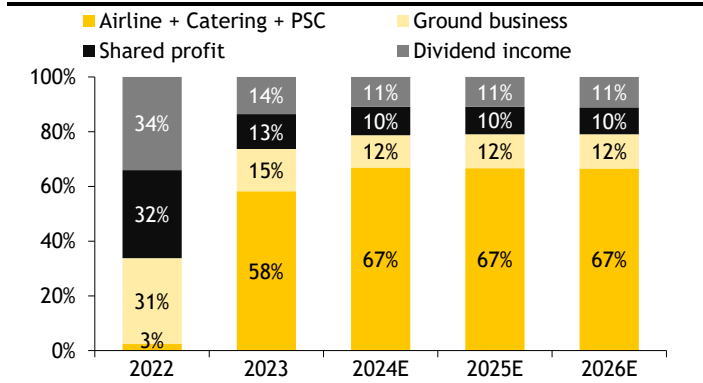
1.2 Stable income from non-fare revenue

BA has one of the most diversified sources of earnings among Thai airlines, with one-third of its income generated by non-fare revenue. This includes airline and airport-related services such as ground handling, cargo handling, and inflight catering. The company also receives stable dividend income from its investments in BDMS and BAREIT (BA Airport Leasehold Real Estate Investment Trust, not rated). BA plans to increase income from PSC, as well as landing and parking fees, with the planned expansion of Samui Airport’s capacity to 6m in FY28 with a capex budget of THB1.5b.

Nevertheless, we see greater potential from the new airport in Rayong province, which will be operated under the BA-led consortium ‘UTA.’ The joint venture is awaiting a contract amendment before proceeding with the construction of the U-Tapao aviation hub, which has been delayed for four

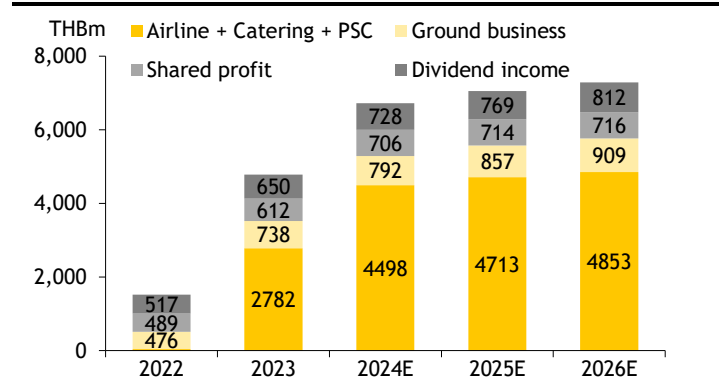
years. We have not included UTP in our estimates and valuation; we estimate it could add upside of THB4.60/sh to our valuation assuming operations commence within FY29.

Fig 3: BA’s recurring profit contribution by segment



Source: Company data, MST

Fig 4: BA’s recurring profit breakdown by segment



Source: Company data, MST

1.3 Risk from higher concession expenses

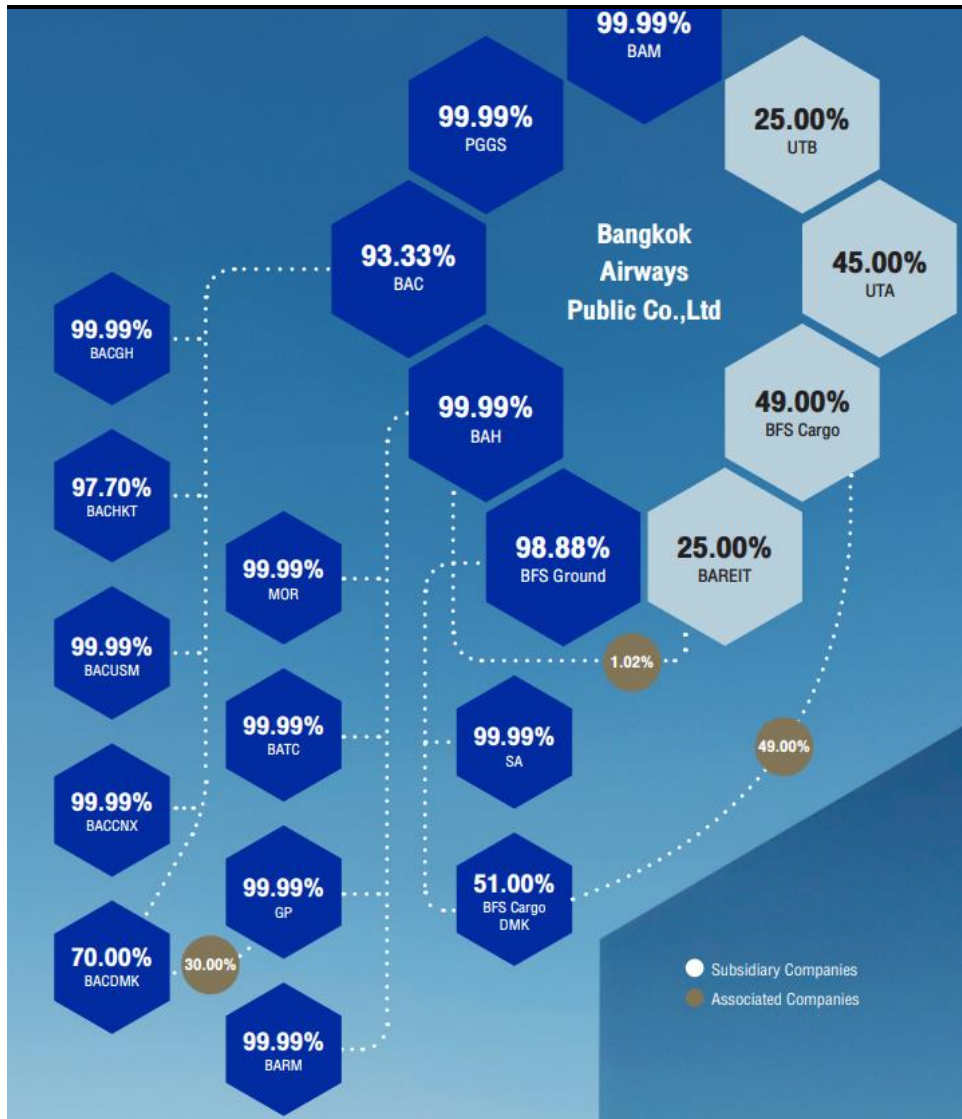
BA generates substantial earnings from its catering, ground handling, and cargo handling businesses at BKK Airport. All of these business units operate under a concession granted by AOT, which is set to expire in Sep 2026. The concession terms were established in 2006, when BKK first began operations. BA pays concession fees in the form of both a minimum guarantee and revenue sharing, though these details have not been disclosed by either party. We estimate total fees paid to AOT to be around 10% of revenue for these businesses. For every 5% increase in the revenue-sharing percentage from our base case, our FY27E earnings forecast would be diluted by 5%. We expect AOT to present a contract renewal proposal within the first half of 2025. We see zero risk of BA discontinuing operations at BKK Airport as BA is the major player with the highest market share in ground business. Discontinuity in BA’s operation would result in AOT’s inability to handle passenger traffic.

2. Corporate information

2.1 Boutique airline with vertical business integration

BA operates a full-service airline with vertically integrated businesses across the aeronautical supply chain, including airport operations, cargo and ground handling, and catering services. Since 2004, BA has used the slogan 'Boutique Airline,' distinguishing itself from other airlines through its unique routes and value-added services.

Fig 5: BA's shareholding structure



Source: Company (*Subsidiary and associates details in the next figure)

Fig 6: BA’s subsidiary and associated companies

	Initial	Core business	Stake (%)
Catering business			
Bangkok Air Catering Co., Ltd.	BAC	Catering at BKK airport	93.33%
BAC Gourmet House Co., Ltd.	BACGH	Restaurant	99.99%
Bangkok Air Catering Phuket Co., Ltd.	BACHKT	Catering at HKT- airport	97.70%
Bangkok Air Catering Samui Co., Ltd.	BACUSM	Catering at Samui airport	99.99%
Bangkok Air Catering Chiang Mai Co., Ltd.	BACCNX	Catering at CNX airport	99.99%
Bangkok Air Catering Don Mueang Co., Ltd.	BACDMK	Catering at DMK airport	70.00%
Gourmet Primo Co., Ltd.	GP	Whole sale pre-cut fresh food	99.99%
Ground handling business			
Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.	BFS Ground	Ground service at BKK airport	98.88%
SA Services Co., Ltd.	SA	Ground service at DMK airport	99.99%
Bangkok Airways Ground Services Co. Ltd.	PGGS	Ground service at Samui airport	99.99%
Cargo handling business			
WFS-PG Cargo Co., Ltd	BFS Cargo	Cargo service at BKK airport	49.0%
BFS Cargo DMK Co., Ltd.	BFS Cargo DMK	Cargo service at DMK airport	51.0%
Airport business			
U-Tapao International Aviation UTB Co.,Ltd.	UTA	Airport business	45.0%
UTB Co.,Ltd.	UTB	Real estate developer	40.0%
BA Airport Leasehold Real Estate Invesment Trust	BAREIT	Investing in lease of Samui airport	25.0%
Bangkok Airport Management Co.,Ltd.	BAM	Airport Management	99.99%
More Than Free Co., Ltd.	MOR	Duty Free	99.99%
Other businesses			
Bangkok Air Aviation Training Center Co., Ltd	BATC	Aviation Training Center	99.99%
Bangkok Reit Management Co., Ltd.	BARM	Trust Management Service	99.99%
Bangkok Dusit Medical Services PCL	BDMS	Hospital business	3.33%

Source: Company data, MST

The company offers boutique lounges and operates airports such as Samui, Sukhothai, and Trat - key gateways to Thailand's natural and cultural destinations. These airport-related services help provide an earnings buffer for BA, especially during volatile periods in the airline business.

Fig 7: BA’s operating destinations



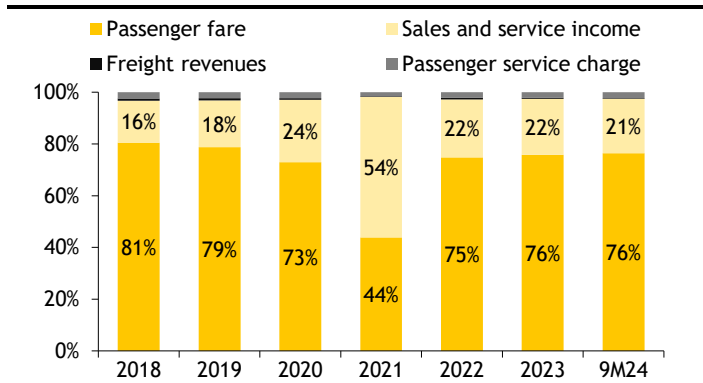
Source: Company data, MST

2.2 Well-diversified source of revenue

BA’s products and services are divided into four segments: passenger fares, airport-related service revenue, airport revenue (PSC collection), and freight revenue.

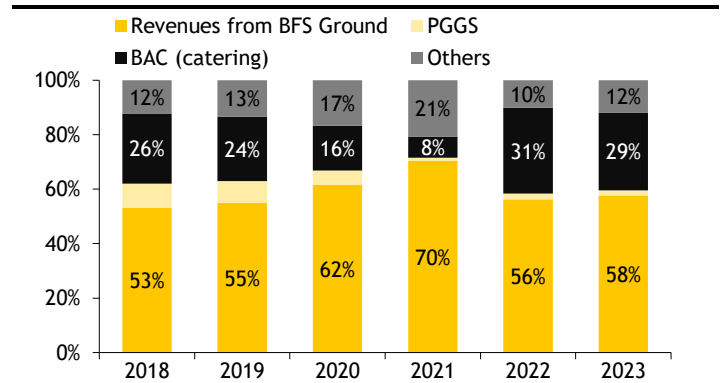
Passenger fares contributed 75% and 76% of total core revenue in FY22 and FY23, respectively. Airport-related services accounted for 22% of total core income during this period. PSC collections from BA’s airports contributed 2% of revenue, with the remaining income coming from freight revenue.

Fig 8: Core revenue breakdown by items



Source: Company data, MST

Fig 9: Airport-related service breakdown



Source: Company data, MST

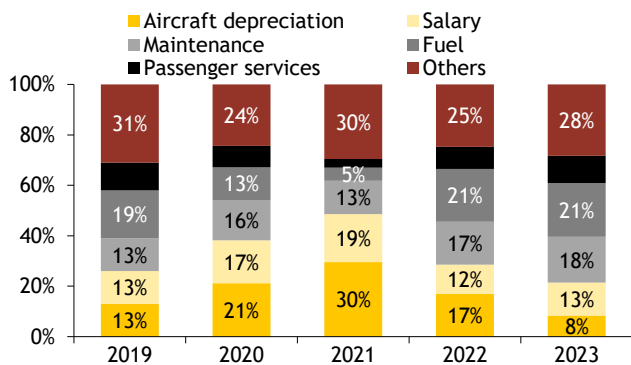
2.3 Cost of service structure

BA’s cost of services can be broken down into six categories. Fuel accounted for 21% of total service costs in FY22 and FY23.

Maintenance accounted for 17-18% of total service costs in FY22-FY23, with the amount varying based on aircraft inspections following flight resumptions, as well as higher aircraft utilization and flight frequency. Salaries made up 12-13% of the cost of services during this period. Employee benefits for pilots, cabin crew, and ground staff increased in line with flight numbers and operating hours.

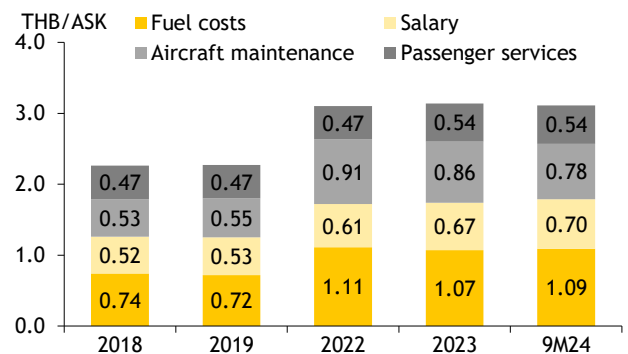
Aircraft depreciation represented 17% in FY22 and 8% in FY23 of total service costs, with aircraft leases being the primary expense recognized as depreciation. Passenger services accounted for 9% and 11% of total service costs during the same period. Other expenses contributed 25% and 28% of total costs, the majority of which were concession fees paid to AOT and fixed rent paid to BAREIT.

Fig 10: Cost of sales and services breakdown by items



Source: Company data, MST

Fig 11: Major CASK breakdown



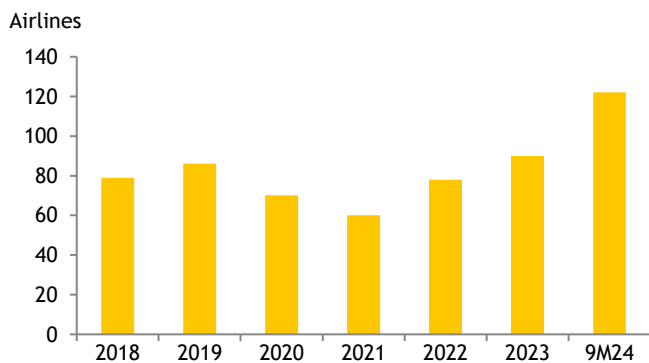
Source: Company data, MST

3. Investment Focus

3.1 Significant contribution from recurring income

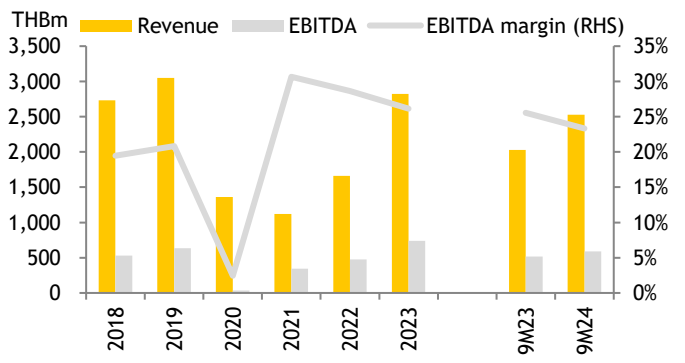
Ground services under BFS Ground contribute the majority of non-fare income. BFS Ground provides ground support equipment services on a contract basis at BKK Airport for airlines. AOT granted BFS Ground the right to operate ground equipment and ramp services under a build-transfer-operate project agreement for a period of 20 years, starting in Sep 2006, the year BKK Airport started operations. BFS Ground's key competitors in ground services are Thai Airways, operating under 'Wingspan,' and 'AOTGA,' one of AOT's subsidiaries, which will become the third player in FY25.

Fig 12: Number of airlines served by BFS Ground



Source: Company data, MST

Fig 13: BFS Ground's business performance



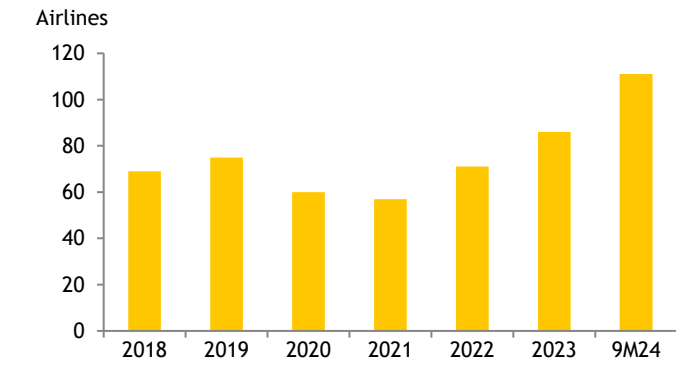
Source: DBD, MST

BFS Ground is the leading player with the highest market share of more than 60%, serving 122 customers at BKK Airport as of 9M24, compared to 82 airlines in 2019. Given its strong reliability record, we expect BFS to gain more customers in the coming years, primarily from its rivals. However, some players will migrate to AOTGA, as it has spare manpower. We assume a 3% CAGR in pricing and 4% growth in serviced volume for FY24-26E. This should translate into strong revenue growth of 7%, compared to a 6% CAGR in FY17-19.

BA holds a 49% stake in the cargo handling business operated under 'BFS Cargo.' The company provides international cargo services and manages a cargo warehouse at BKK Airport. As of 9M24, BFS Cargo had more than 111 clients, generally serving them on 2 to 3-year contracts. BFS Cargo holds the highest market share among the three cargo service providers at BKK.

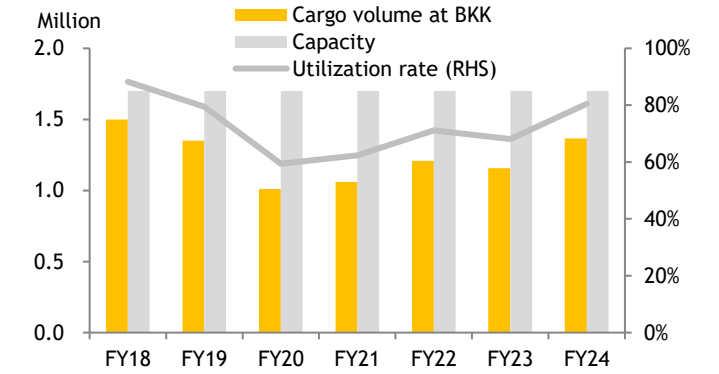
The company has a 20-year concession to manage a cargo terminal with 55,370 sqm of warehouse and office space at BKK. This contract will expire in Sep'26, and BA is willing to renew the terms. The warehouse includes a 2,500-square-metre cold storage area, a secured storage area with an enclosed steel vault for valuables, a ventilated area for livestock, and storage for hazardous cargo. The capacity of BFS Cargo's facility is 523,000 tonnes pa, which has been utilized at 80-90% in recent years.

Fig 14: Number of clients of BFS Cargo



Source: Company data, MST

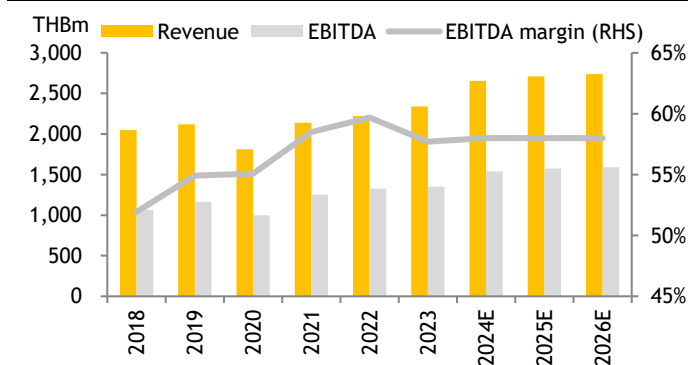
Fig 15: Air cargo volume through BKK airport



Source: AOT, MST

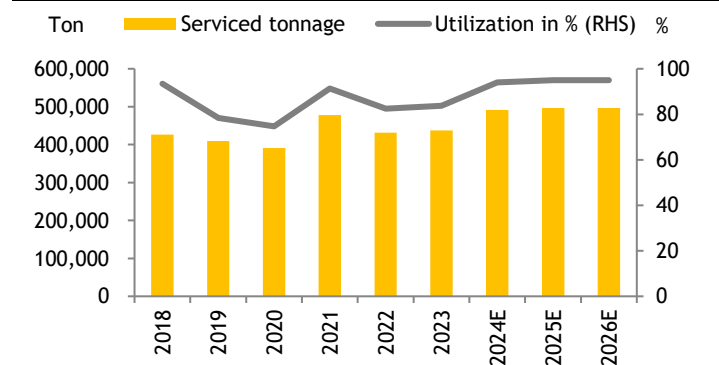
We expect BFS Cargo to contribute 14-17% of BA's core earnings in FY24-26E, driven by strong growth in demand for air cargo. Thailand still has high potential to become a new air cargo hub, following Singapore, supported by the trend of relocation from China and improvements in the logistics network and connectivity between railways and seaports. Electronics goods will continue to be the key exported commodities via air cargo in the coming years. The Thai government is also making strong efforts to promote value-added agricultural products for export via air freight in the years ahead.

Fig 16: BFS Cargo business performance



Source: DBD, MST

Fig 17: BFS Cargo capacity and utilization rate



Source: Company data, MST

Fig 18: BA’s clients for ground and cargo handling businesses

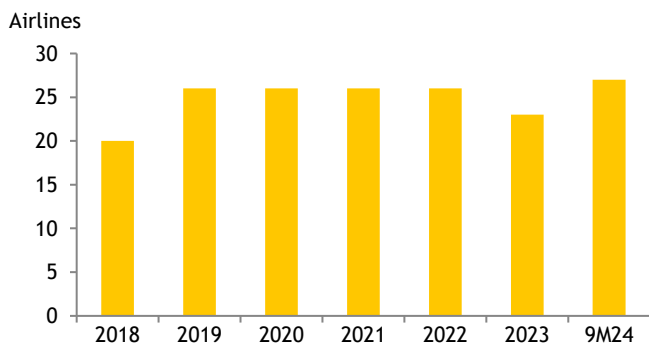


Source: BA

BA’s catering business, under 'BAC,' provides in-flight and lounge catering for both BA’s passengers and other airlines. AOT granted BAC the right to operate in-flight catering services under a build-transfer-operate contract for a period of 20 years, ending in September 2026. BAC is also Halal-certified and serves 24 airline clients as of 3Q24, with contract terms ranging from 1 to 3 years. There are three other in-flight catering service providers at BKK Airport, including THAI and LSG Sky Chefs Co., Ltd. BAC holds around 15% of the market share at BKK Airport.

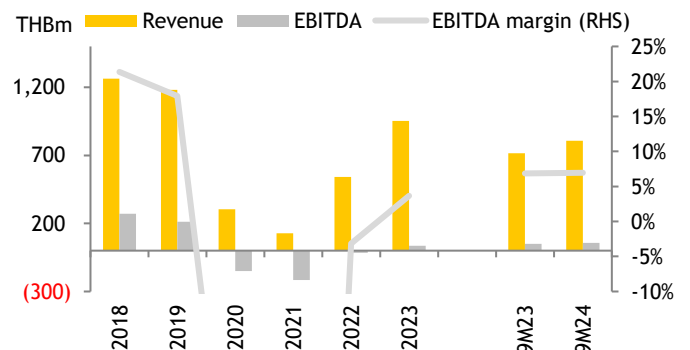
BAC’s earnings have slowly recovered compared to the ground and cargo businesses. This was due to the loss of key customer accounts, such as Qatar Airways, and the end of support measures in March 2023. We expect catering business revenue to expand at a 3% CAGR in FY24-26E, a lower rate compared to the growth in the cargo and ground units.

Fig 19: BAC’s number of clients



Source: Company data, MST

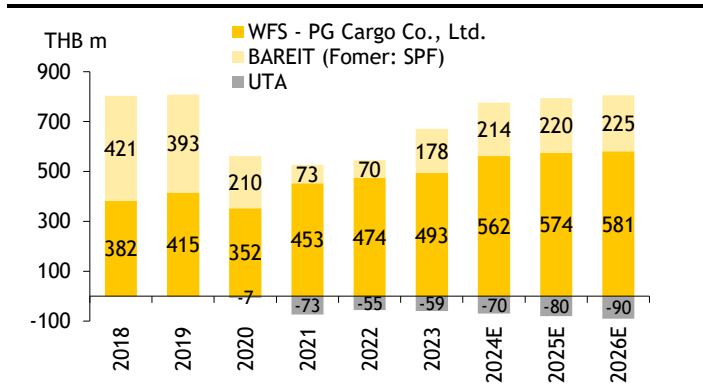
Fig 20: BAC’s business performance



Source: DBD, MST

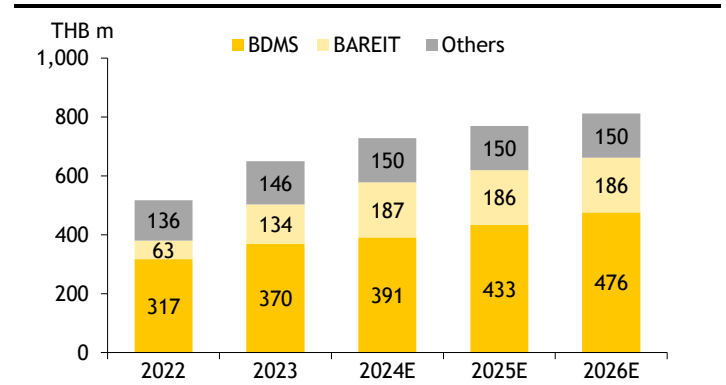
BA has other sources of recurring income, including dividend payments from its investments in BDMS and BAREIT. MST forecasts a 10% CAGR in BDMS’s DPS from THB0.70 in FY23 over FY24-26E. Meanwhile, BAREIT is expected to pay out THB0.72 in DPS annually. We expect dividends from these investments to contribute 16-17% to our earnings forecast in FY24-26E. In the long term, BDMS is expected to benefit from the growing medical tourism sector in Thailand. However, BAREIT will provide stable dividends throughout the 25-year leasehold rights of Samui Airport.

Fig 21: BA's equity income breakdown



Source: Company data, MST

Fig 22: Dividend income breakdown



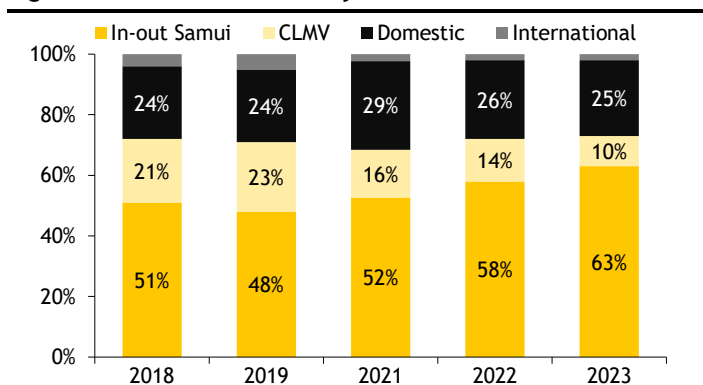
Source: Company data, MST

3.2 Stable growth for airline business

BA's airline business is heavily reliant on the Samui route due to expensive air tickets. The destination typically enjoys a high season in 3Q and 1Q. We believe the company still has potential to attract more world-class airlines to become codeshare partners. A codeshare agreement occurs when two or more airlines agree to offer a single ticket and use the same flight number for connections to a destination served by only one of them. Under the codeshare scheme, BA can transport passengers from AOT airports to Samui, allowing the same passengers who have just boarded a partnered flight to continue their journey using a single ticket.

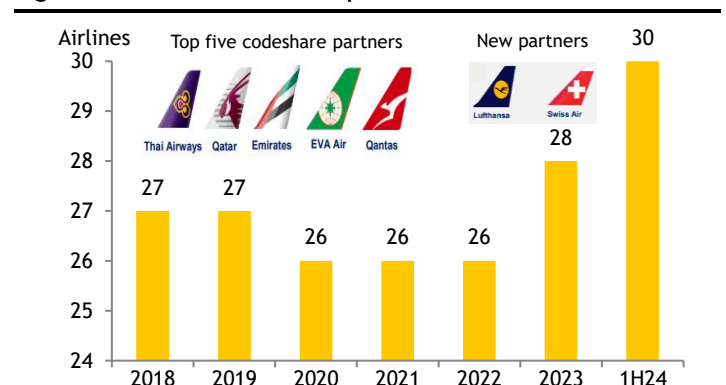
As of 3Q24, BA has become a codeshare partner with 30 airlines, contributing a quarter of its ticket revenue, up from 27 airlines in 2019. Recent additions in FY24 include 'Lufthansa' and 'Swiss Air.' BA is also able to market the Samui route and other destinations, such as Trat and Sukhothai, without incurring any advertising expenses.

Fig 23: Revenue breakdown by routes



Source: Company data, MST

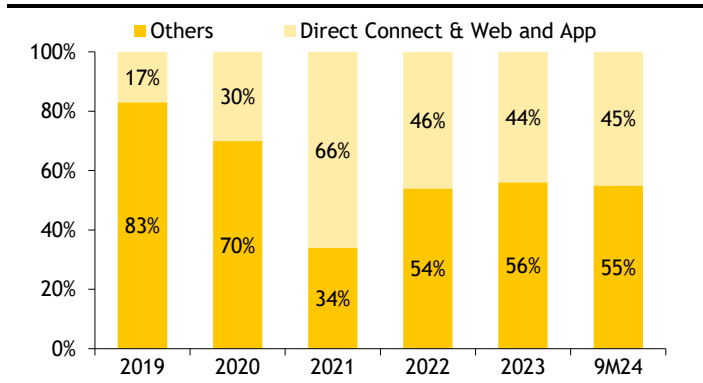
Fig 24: Number of codeshare partners



Source: Company data, MST

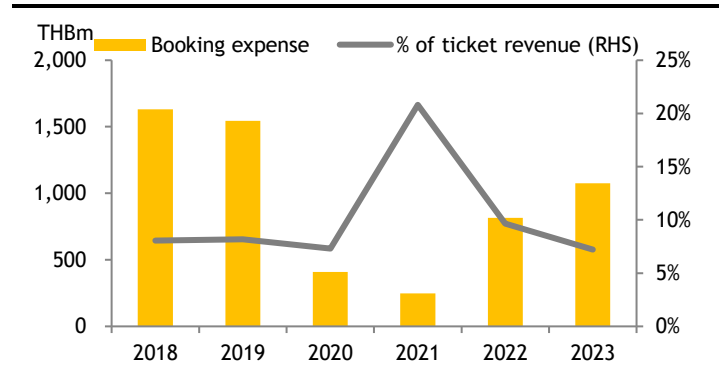
Apart from the codeshare sales channel, we expect the company to save more costs by increasing sales through Direct Connect and its own website and app. As of 9M24, these sales channels contributed 45% of total ticket revenue. The ongoing shift from traditional sales via agents to owned platforms could save nearly half of the booking fees per transaction. We expect this transition to be a major contributor to further reducing the SG&A-to-sales ratio to 15.0% in FY24E and 14.8% in FY25E, down from 17-19% in the pre-Covid period.

Fig 25: BA's % of revenue by channel sales



Source: Company data, MST

Fig 26: BA' booking expense and % of ticket revenue



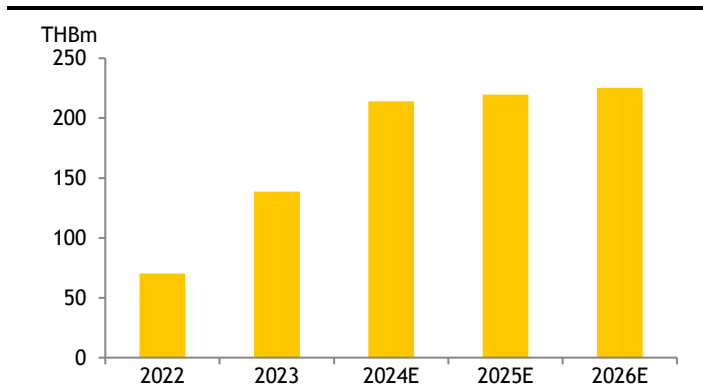
Source: Company data, MST

3.3 Samui airport expansion to drive recurring income

BA plans to renovate Samui Airport with a budget of THB1.5b to increase its annual passenger capacity to 6m from 2m. Construction is expected to begin in FY25 and be completed by FY28. The number of terminals will increase to 11 from 7 currently, while the current 1,800 sqm of commercial area will expand to 4,000 sqm after the renovation.

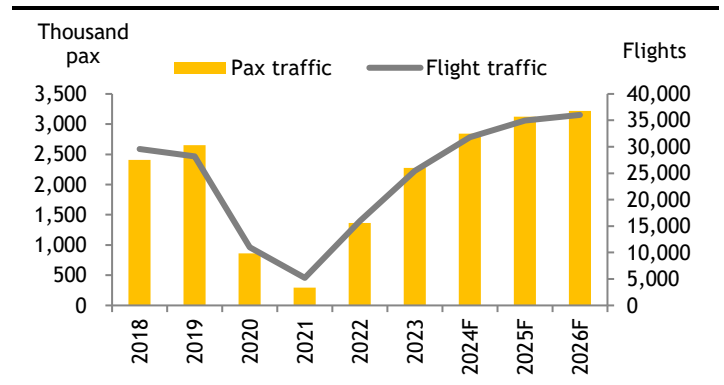
BA's management disclosed that Civil Aviation Authority of Thailand (CAAT) is likely to approve more flights within FY24. The frequency will increase to 73 flights from 50 daily flights through Samui Airport. Management aims to double revenue from Samui operations post-renovation, although we remain cautious given potential over-tourism on the island if traffic doubles to 4m. Therefore, our assumption of 3.3m passengers in FY28 still has potential upside.

Fig 27: Equity income from BAREIT



Source: Company data, MST

Fig 28: Samui passenger and flight traffic



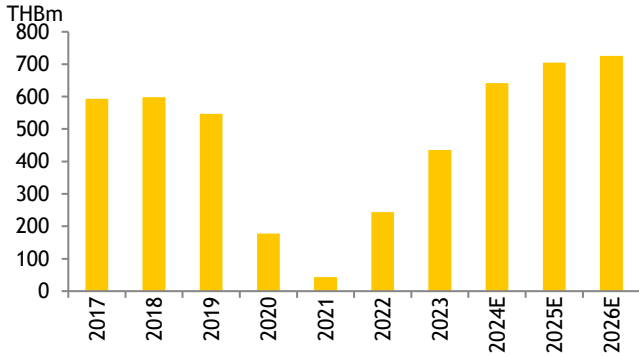
Source: Company data, MST

Once completed, BA expects that Samui Airport will handle 4m passengers per year, nearly doubling the current capacity. BA has been heavily reliant on both air ticket revenue and passenger service charge (PSC), which together make up about 70% of total revenue. The airport serves both domestic and international flights across 11 routes, with passenger traffic reaching 1.4m in 1H24 (+22% YoY), slightly above the same period in 2019. In addition to the Samui expansion, BA plans to begin renovating Trat Airport with a budget of THB700-800m in FY25. However, this airport has relatively low traffic, with only 100,000 passengers pa.

We expect PSC revenue from the three airports to grow by 47% to THB641m in FY24E and by 10% to THB705m in FY25E, primarily driven by Samui. There is also potential upside from a possible increase in the PSC for domestic

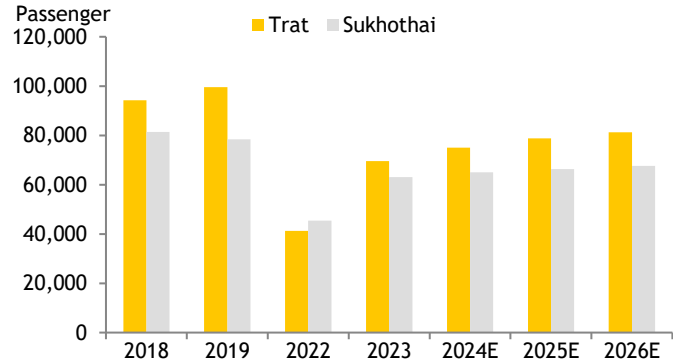
passengers to the ceiling of THB400 per person, up from the current rate of THB300 per person. Meanwhile, BA currently charges THB700 per international passenger, with potential for an increase in line with AOT’s planned adjustments, which are still under review.

Fig 29: PSC revenue from three owned airports



Source: Company data, MST

Fig 30: Trat and Sukhothai airports passenger traffic



Source: Company data, MST

3.4 U-Tapao airport as a big upside

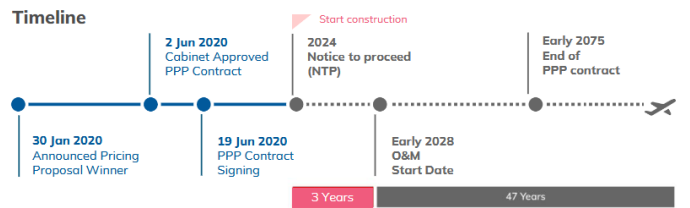
The BA-led joint venture, ‘U-Tapao International Aviation Co., Ltd ’ (UTA), is in the process of developing the project plan for U-Tapao Airport and is preparing to receive the Notice to Proceed for construction. We expect the construction of new terminals to begin in FY25, along with the construction of the second runway, which is overseen by the landlord, the Royal Thai Navy, and the finalization of the design for the connection point with the high-speed rail linking three airports (BKK, DMK, UTP). The airport is expected to fully commence in FY29. The U-Tapao project may also include mixed-use projects, an entertainment complex, and an MRO (Maintenance, Repair, and Overhaul) hub.

Fig 31: Upcoming U-Tapao airport project



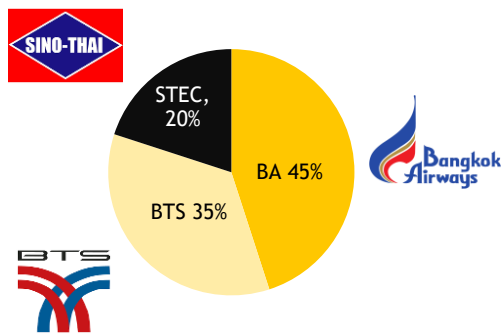
Source: UTP

Fig 32: U-Tapao Airport development timeline



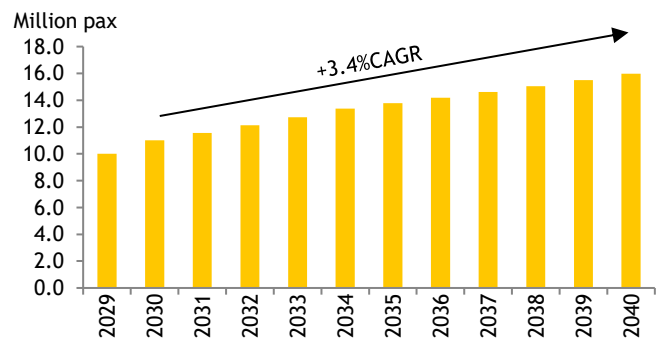
Source: BTS

Fig 33: Upcoming U-Tapao airport project



Source: UTA, MST

Fig 34: U-Tapao passenger traffic forecast



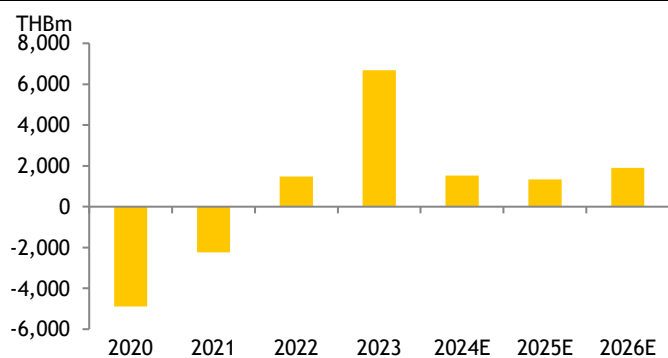
Source: Company data, MST

Currently, The Royal Thai Navy had already assigned a contractor and supervisor for the construction of U-Tapao airport’s second runway, expecting to be completed by FY28. The construction of a high-speed rail line will need to be expedited to meet the second runway project, as the latter includes a 4km tunnel to support the high-speed rail under the runway.

Based on our assumptions of passenger traffic reaching 10m in FY29 with a 3% CAGR throughout the contract duration, we estimate upside of THB4.60/sh to our BA target price. However, a key downside risk will heavily depend on the development of Suvarnabhumi Airport (BKK) to support 150m passengers, as this could lead to direct competition with UTP.

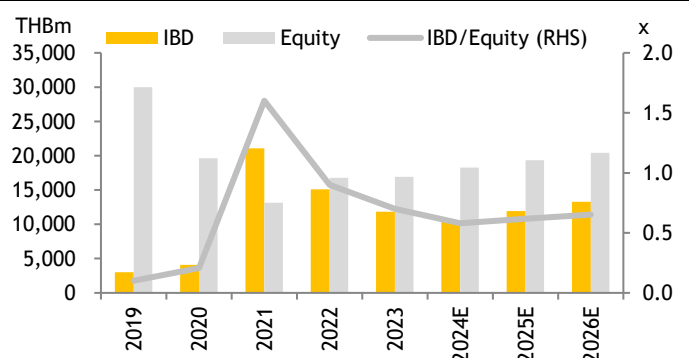
In the case of UTA receiving a Notice to Proceed for construction of the U-Tapao project in 2025, the company has to allocate about THB4.0b capex pa for the construction of the terminal from FY25 to FY28. Therefore, BA will need to raise roughly THB12.6b debt to fund the project assuming 70:30 debt to equity and a 45% stake in JV. Therefore, its gearing ratio (IBD/E) will expand to 0.65x in FY26 vs. 0.33x if there is no construction within FY26. We expect limited impact BA’s dividend yields of 4.7%/5.2% in FY25/26 respectively, as the company has plenty of cash to be paid out to shareholders.

Fig 35: Free cash flow will remain positive amid U-Tapao construction



Source: UTA, MST

Fig 36: BA’s gearing ratio with U-Tapao investment



Source: Company data, MST

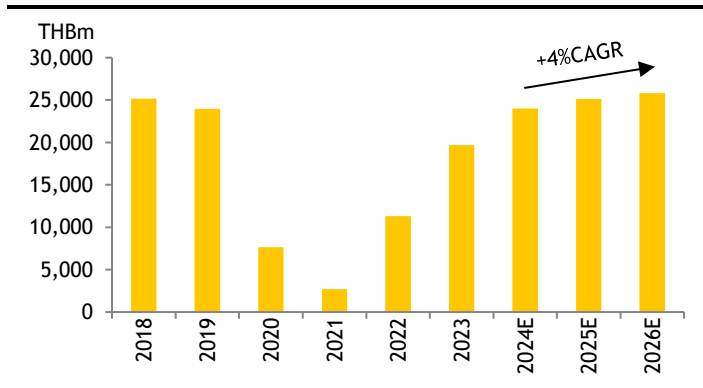
4. Earnings growth and assumptions

4.1 Expect stable earnings growth in FY24-26E

We forecast BA’s core profit to climb to a record high level in FY24E of THB3.6b (+95% YoY), supported by continued increase in airfare revenue to THB18b (+21% YoY) and service income to THB5.2b (+22% YoY). We expect average airfare and passengers carried to grow by 7% and 13% YoY in FY24E, respectively. Meanwhile, we expect total costs to increase at a lower rate than revenue at 13% YoY to THB21b, mainly from rising salary and maintenance expenses. Therefore, operating margin (EBIT margin) should improve to 15% from 9% in FY23. Another income driver is equity income, which we forecast to increase by 15% to THB706m in FY24E. This will be driven by higher share of profit from its cargo business and BAREIT.

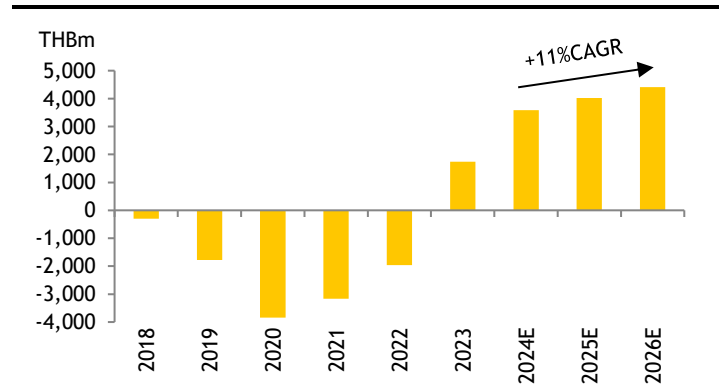
We forecast BA’s core profit to expand at an 11% CAGR in FY24-26E, supported by total revenue CAGR of 4%, which will be driven by service income (+6% CAGR) and fare revenue (+3% CAGR). Meanwhile, we expect total costs to increase at a lower pace than revenue at 3% CAGR. Therefore, operating margin (EBIT margin) should improve to 16% in FY25-26E from 15% in FY24E.

Fig 37: BA’s annual revenue



Source: Company, MST

Fig 38: BA’s annual core profit



Source: Company, MST

Fig 39: Revenue and profitability

	FY22A	FY23A	FY24E	FY25E	FY26E
Revenue breakdown					
Passenger fare	8,451	14,914	18,108	18,837	19,215
Sales and service income	2,534	4,270	5,201	5,522	5,793
Freight revenues	76	62	64	65	67
Passenger service charge	244	436	641	705	726
Total revenue	11,305	19,681	24,014	25,129	25,801
Revenue growth (%)					
Passenger fare	610%	76%	21%	4%	2%
Sales and service income	72%	68%	22%	6%	5%
Freight revenues	1096%	-19%	3%	3%	3%
Passenger service charge	465%	79%	47%	10%	3%
Total revenue	316%	74%	22%	5%	3%
Profitability					
Cost of services	11,524	15,622	17,456	18,223	18,697
Gross profit	-219	4,059	6,558	6,906	7,104
Gross profit margin (%)	-1.9%	20.6%	27.3%	27.5%	27.5%
SG&A expenses	2,097	2,992	3,359	3,403	3,448
SG&A to sales ratio (%)	18.6%	15.2%	14.0%	13.5%	13.4%
EBITDA	115	2,841	4,724	5,104	5,326
EBITDA margin (%)	1.0%	14.4%	19.7%	20.3%	20.6%
Equity income	489	612	706	714	716
Net Profit	-2,110	3,110	3,588	4,024	4,407
Net profit margin (%)	-18.7%	15.8%	14.9%	16.0%	17.1%
Key Assumptions					
	FY22A	FY23A	FY24E	FY25E	FY26E
Carried passenger (Million)	2.65	3.97	4.50	4.64	4.68
Load factor (%)	76%	79%	85%	88%	88%
Average ticket price (THB/pax)	3,189	3,757	4,020	4,060	4,100
growth (%)	44%	18%	7%	1%	1%
Jet fuel price (USD/bbl)	127	105	98	105	105
Carried passenger (Million)	2.65	3.97	4.50	4.64	4.68

Source: Company, MST

4.2 Strong 3Q24 core profit

BA's 3Q24 net profit was THB671m. (-65% YoY, -6% QoQ). Excluding FX loss, core profit would be THB909m (+12% YoY, +33% QoQ).

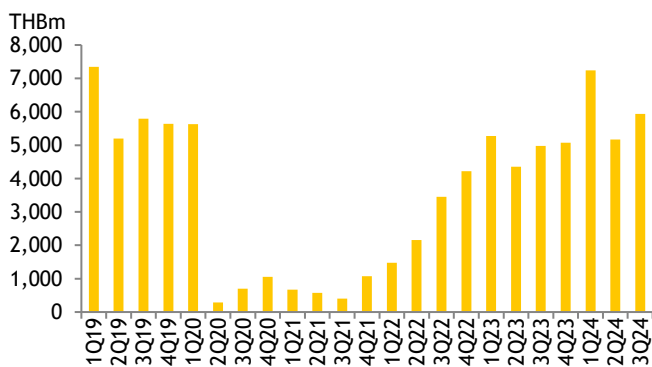
- Revenue was THB5.9b (+19% YoY +15% QoQ), supported by average airfare price that continued to climb to a record high of THB4,221. (+10% YoY, +6% QoQ). The number of passengers carried increased to 1.06m (+8% YoY +11% QoQ) due to high season for Samui. However, passenger numbers recovered to only 76% of the level compared to 3Q19.
- Gross profit margin expanded both YoY and QoQ in 3Q24 to 27.2%, thanks to benefit from operating leverage and lower fuel prices.
- SG&A-to-sales ratio decreased both YoY and QoQ in 3Q24 to 13.4% mainly due to economies of scale.
- Equity income grew strongly YoY to THB190m thanks to the impressive performance of the cargo business, but dropped QoQ due to seasonal decrease in equity income from BAREIT.
- We expect BA's core profit to drop QoQ in 4Q24 due to low season for Samui. However, it should grow YoY thanks to continued recovery of travel demand, both for international and domestic routes.

Fig 40: Quarterly earnings review

Yr-end Dec (THBm)	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	%QoQ	%YoY
Total revenue	3,454	4,221	5,273	4,357	4,978	5,072	7,241	5,172	5,936	15%	19%
Cost of goods sold	(3,307)	(3,705)	(3,816)	(3,490)	(3,773)	(4,542)	(4,446)	(3,961)	(4,323)	9%	15%
Gross profit	147	515	1,457	867	1,205	530	2,795	1,211	1,613	33%	34%
SG&A	(559)	(604)	(652)	(682)	(677)	(981)	(912)	(827)	(795)	-4%	17%
Operating profit	(412)	(89)	805	184	528	(451)	1,884	383	818	113%	55%
EBITDA	683	896	1,737	1,255	1,636	373	2,834	1,478	1,828	24%	12%
Other income	488	410	438	632	672	417	559	722	628	-13%	-7%
EBIT	76	321	1,244	816	1,200	(34)	2,443	1,105	1,446	31%	21%
Interest expense	(373)	(533)	(543)	(546)	(543)	(536)	(537)	(518)	(520)	0%	-4%
EBT	(297)	(211)	701	270	657	(570)	1,906	587	926	58%	41%
Income tax	33	(93)	13	0	0	54	(263)	(161)	(205)	27%	nm
Equity income	123	159	122	170	157	162	159	256	190	-26%	21%
Minority interests	3	2	(4)	3	1	2	(6)	0	(2)	-1439%	-458%
Core profit	(138)	(144)	832	444	815	(351)	1,795	682	909	33%	12%
Extra items	(255)	294	43	226	1,096	6	78	30	(238)	-896%	-122%
Net income	(393)	150	875	670	1,911	(346)	1,873	712	671	-6%	-65%
EPS (THB)	-0.19	0.07	0.42	0.32	0.91	-0.16	0.89	0.34	0.32	-6%	-65%
Ratio analysis											
Gross margin (%)	4.3	12.2	27.6	19.9	24.2	10.5	38.6	23.4	27.2		
SGA/Total revenue (%)	16.2	14.3	12.4	15.7	13.6	19.3	12.6	16.0	13.4		
Operating profit margin (%)	-11.9	-2.1	15.3	4.2	10.6	-8.9	26.0	7.4	13.8		
Net profit margin (%)	-11.4	3.6	16.6	15.4	38.4	-6.8	25.9	13.8	11.3		

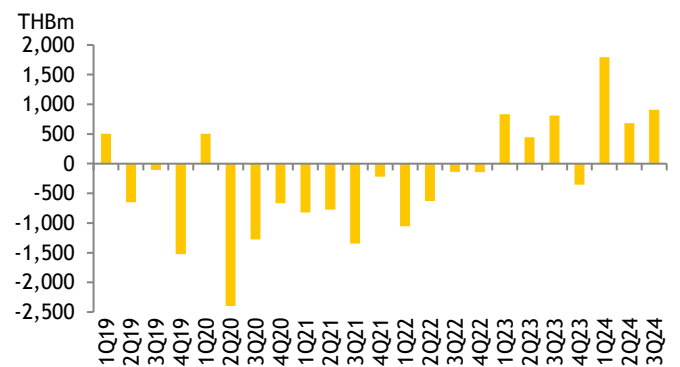
Source: Company, MST

Fig 41: BA's quarterly core revenue



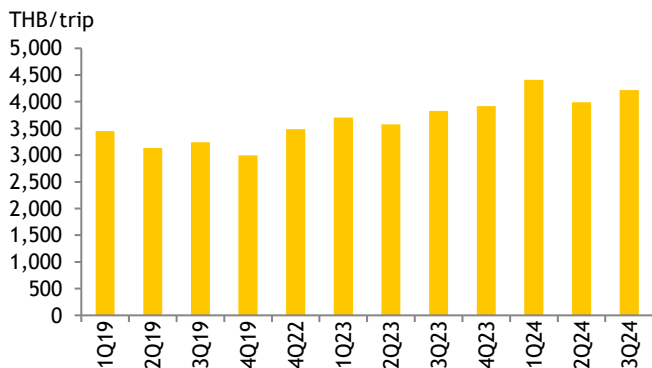
Source: Company, MST

Fig 42: BA's quarterly core profit



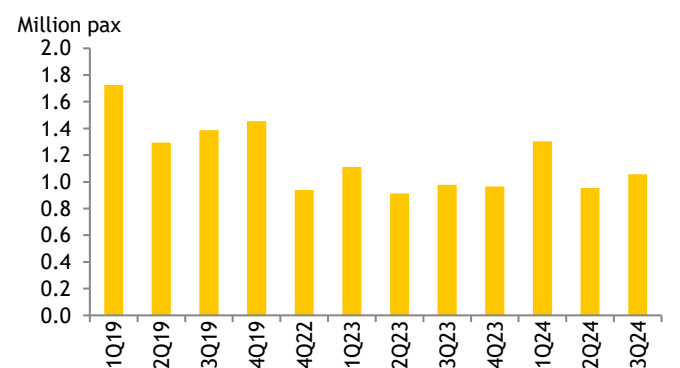
Source: Company, MST

Fig 43: BA's quarterly average fare



Source: Company, MST

Fig 44: BA's quarterly number of passengers carried



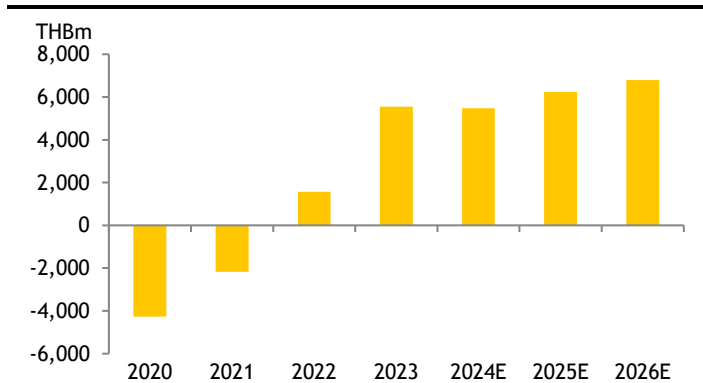
Source: Company, MST

5. Financial analysis

5.1 Strong cash flow to pay off debts

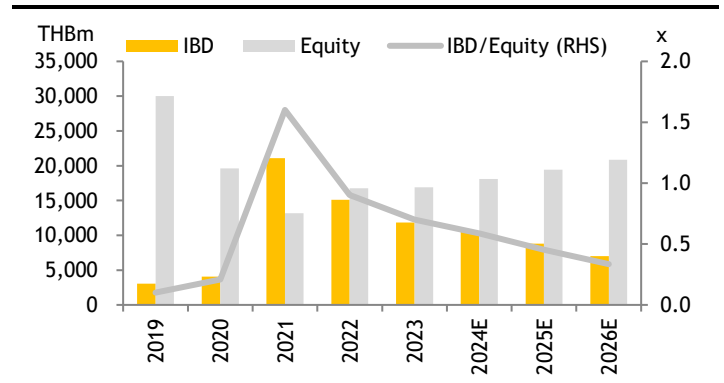
BA turned into a net-cash company in FY23 thanks to the strong operation of its airline business and low capex. We expect the company's cash flow from operations to expand by 11% CAGR in FY24-26E, aligned with core profit growth. With continued growth in cash flow and no future capex burden (except for UTP airport), the company will continue to pay off debts. We expect the gearing ratio (IBD/E) to fall to 0.6x in FY24E and to 0.5x in FY25E, from 0.7x in FY23.

Fig 45: BA's cash flow from operations



Source: UTA, MST

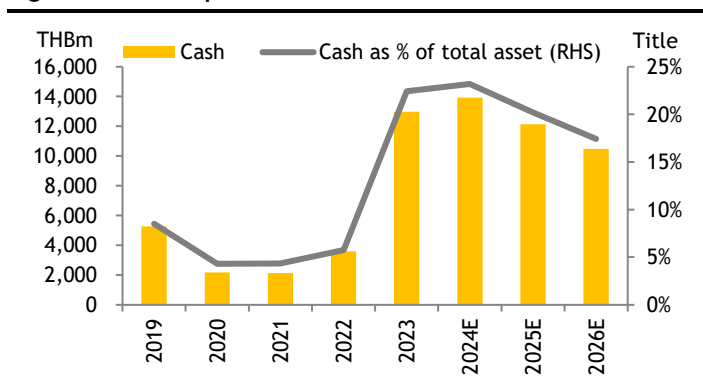
Fig 46: BA's gearing ratio (without U-Tapao investment)



Source: Company data, MST

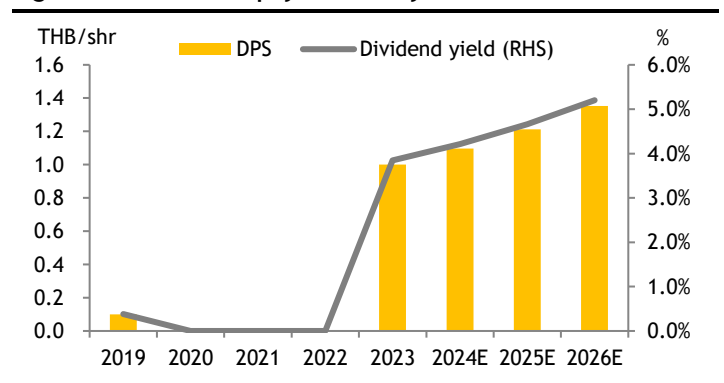
Without significant investment for new aircraft in the next few years as the company prefers to enter into short-term lease contracts, we expect the company to raise its dividend payment. We forecast DPS of THB1.2 and THB1.4 in FY25E/26E or equivalent to dividend yield of 4.7% and 5.2%, the highest rate among airlines in the region. However, downside to our DPS forecasts is capex, which could come sooner than expected for the U-Tapao airport project. However, this could lead to potential upside to our long-term earnings and fair value.

Fig 47: BA's cash position



Source: Company data, MST

Fig 48: BA's dividend payment and yield



Source: Company data, MST

6. Valuation

We value BA using sum-of-the-parts methodology and derive a target price of THB28.50. We value the airline-related business at THB15.60/sh, based on 13x FY25E PE, the airline sector average in Asia Pacific. We have THB11.1/sh for BA’s associates, which is net of 20% holding company discount. In sum, our TP of THB28.50 implies 15x FY25E PE, which is a premium relative to sector average of 13x. This premium reflects its stake in hospital business under BDMS, which generally trades at a premium to other services sectors.

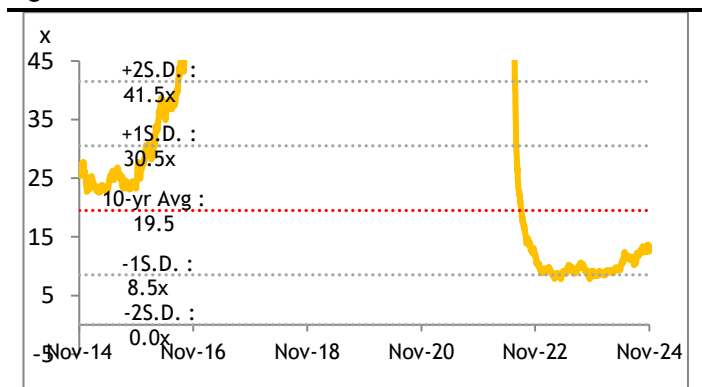
BA is trading at 12x forward FY25E PE, which is around -0.75x from its 10-year average of 19.5x. We believe the current level already reflects the solid operation of BA’s airline business in FY24E before entering into a consistent growth phase in FY25-26E.

Fig 49: SOTP valuation summary

	Value (THB m)	THB/share	Valuation methodology
Airlines related businesses (Airport, Ground and Catering)	32,703	15.6	13x PE’25E
Associates			
BDMS PCL (3.3% stake)	15,104	7.2	Holding discount 20%
BAREIT PCL (25.0% stake)	1,963	0.9	Holding discount 20%
WFS - PG Cargo (49.0 stake)	6,272	3.0	Holding discount 20%
(Add) Cash and equivalent	10,877	5.2	
(Less) Interest-bearing-debts	(6,998)	(3.3)	
(Less) Minorities	(76)	(0.0)	
BA target price	59,844	28.50	

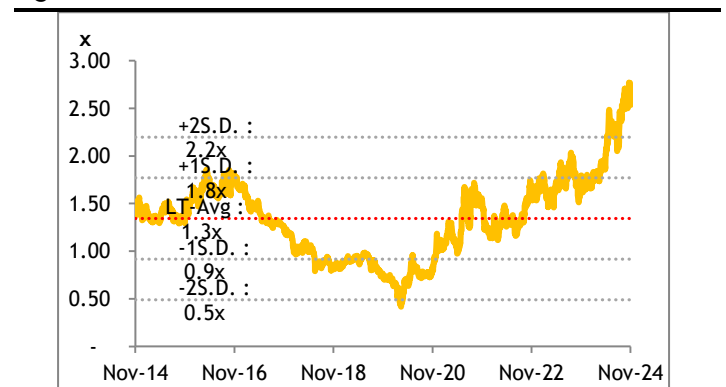
Source: Company, MST

Fig 50: BA’s forward PE



Source: Company data, MST

Fig 51: BA’s forward PBV



Source: Company data, MST

7. Risks

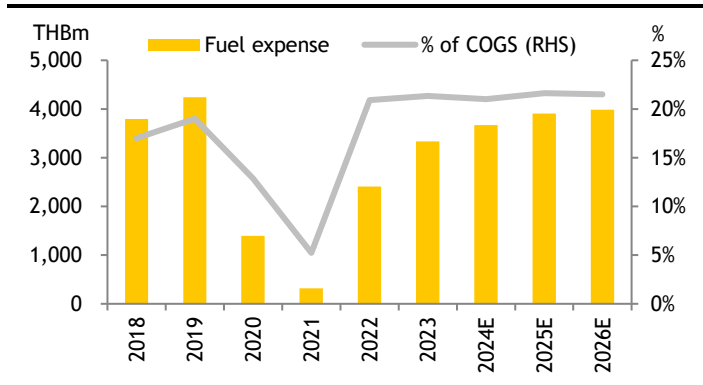
7.1 Volatility of earnings highly dependent on oil prices

BA’s earnings may adversely be affected by cost of fuel and shortage of fuel. At 21%, jet fuel cost accounted for the highest proportion of cost of sales and services in FY22-23. Normally during periods of rising fuel price, BA would enter into a fuel-hedge agreement to manage risks.

Due to experience of heavy losses from hedging and declining trend of fuel prices in the medium term, the company does not have any fuel-hedging

agreements for consumption in FY23/24. We conducted a sensitivity analysis on oil jet fuel prices to earnings forecasts. Every USD1/bbl change in jet fuel prices from our base case of USD105 could impact our FY25 earnings forecast by 0.6%.

Fig 52: BA’s fuel cost (THBm)



Source: Company data, MST

Fig 53: Sensitivity of earnings from changing oil prices

Jet fuel price in USD/bbl	Fuel cost (THBm)	Core profit forecast in FY25E (THBm)	(Downside)/upside to FY25E core profit forecast
101	3,784	3,881	2.5%
102	3,814	3,857	1.9%
103	3,845	3,834	1.2%
104	3,875	3,810	0.6%
105 (base case)	3,905	3,787	0.0%
106	3,935	3,764	-0.6%
107	3,965	3,740	-1.2%
108	3,995	3,717	-1.9%
109	4,026	3,693	-2.5%

Source: Company data, MST

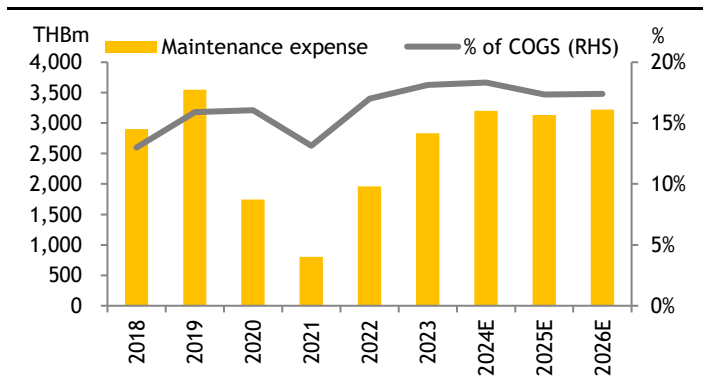
7.2 Reliance on code-sharing partnerships

As of 1H24, the company generated about a quarter of its ticket revenue from 30 code-share partners. Changes in code-share agreements with other airlines may have a negative effect on BA’s earnings and business prospects. The code-share agreements can generally be terminated with 30-days written notice (without cause) or immediately (with cause) based on the company’s disclosures.

7.3 Higher-than-expected maintenance expense

The average age of BA’s aircraft was 13.1 years in FY23. In general, the cost of maintaining aging aircraft will exceed the cost of maintaining newer aircraft. We expect the company’s maintenance expenses to increase at 3% CAGR in FY24-26E along with ASK growth. We expect maintenance cost to contribute 18% of total cost of services. Any significant increase in maintenance expenses will have an adverse effect on earnings. We conducted a sensitivity analysis on maintenance cost to earnings impact in FY25E. For every 1% increase in maintenance cost from our base case at THB3.3m in FY25E will impact our earnings forecast by 0.7%.

Fig 54: BA’s maintenance cost (THBm)



Source: Company data, MST

Fig 55: Sensitivity of earnings from change in maintenance costs

Maintenance cost in THBm	% Change from base case	Core profit forecast in FY25E (THBm)	(Downside)/upside to FY25E core profit forecast
3,428	+4%	3,685	-2.7%
3,395	+3%	3,710	-2.0%
3,362	+2%	3,736	-1.4%
3,329	+1%	3,761	-0.7%
3,296	0%	3,787	0.0%
3,263	-1%	3,915	3.4%
3,230	-2%	3,838	1.4%
3,197	-3%	3,864	2.0%
3,164	-4%	3,889	2.7%

Source: Company data, MST

7.4 Future price war could reduce airfares

Faster-than-expected recovery in seat supply could lead to intense competition in the airline industry along with competition from other forms of transportation such as trains and buses etc.

BA could face a high level of competition, especially for international routes, in the coming years. Airlines compete primarily on fare levels, flight frequency and reliability of service etc. Air fares are the most crucial factor that represent demand and supply. We conducted a sensitivity analysis between average air fare and earnings. For every 1% change in average fare from our base case of +1% in FY25E, (THB4,020 in FY24E) impacts our FY25E core profit forecast by 3.5%.

Fig 56: Sensitivity of earnings to change in average ticket price

Average ticket price (THB)	% Change from 2024E base	Core profit forecast in FY25E (THBm)	(Downside)/upside to FY25E core profit forecast
4,221	+5%	4,312	13.9%
4,180	+4%	4,180	10.4%
4,140	+3%	4,049	6.9%
4,100	+2%	3,918	3.5%
4,060 (base case)	+1%	3,787	0.0%
4,020	0%	3,656	-3.5%
3,979	-1%	3,525	-6.9%
3,939	-2%	3,394	-10.4%
3,899	-3%	3,262	-13.9%
3,859	-4%	3,131	-17.3%
3,819	-5%	3,000	-20.8%

Source: Company data, MST

FYE 31 Dec	FY22A	FY23A	FY24E	FY25E	FY26E
Key Metrics					
P/E (reported) (x)	nm	17.5	13.7	12.2	11.2
Core P/E (x)	nm	10.6	13.7	12.2	11.2
P/BV (x)	1.7	1.9	2.7	2.5	2.3
P/NTA (x)	1.7	1.9	2.7	2.5	2.3
Net dividend yield (%)	0.0	6.4	5.5	6.1	6.7
FCF yield (%)	5.2	16.1	9.4	9.0	9.9
EV/EBITDAR (x)	43.3	8.6	7.9	7.4	7.2
EV/EBIT (x)	nm	15.0	10.4	9.7	9.4
INCOME STATEMENT (THB m)					
Revenue	11,304.8	19,680.6	24,013.8	25,128.9	25,801.1
Gross profit	(218.8)	4,058.5	6,557.9	6,906.3	7,103.6
EBITDAR	1,038.7	4,208.2	6,353.8	6,799.8	7,055.3
Depreciation	(2,338.7)	(1,690.1)	(1,433.7)	(1,509.9)	(1,578.9)
Amortisation	(97.0)	(91.1)	(91.0)	(91.0)	(90.9)
EBIT	(1,397.1)	2,427.0	4,829.0	5,198.9	5,385.5
Net interest income / (exp)	(1,489.5)	(2,167.3)	(2,039.4)	(1,824.6)	(1,562.8)
Associates & JV	489.1	611.7	705.9	714.0	715.9
Exceptionals	0.0	0.0	0.0	0.0	0.0
Other pretax income	530.8	798.6	928.0	919.2	961.5
Pretax profit	(1,866.6)	1,670.1	4,423.6	5,007.5	5,500.1
Income tax	(114.5)	66.7	(743.5)	(858.7)	(956.8)
Minorities	15.7	1.6	(92.0)	(124.5)	(136.3)
Discontinued operations	(144.8)	1,371.7	0.0	0.0	0.0
Reported net profit	(1,965.4)	1,738.4	3,588.1	4,024.4	4,406.9
Non-cash & non-recurring items	0.0	0.0	0.0	0.0	0.0
Core net profit	(2,110.2)	3,110.0	3,588.1	4,024.4	4,406.9
BALANCE SHEET (THB m)					
Cash & Short Term Investments	3,591.7	12,977.6	14,121.2	12,441.7	10,877.4
Accounts receivable	1,184.8	1,471.8	1,793.4	1,877.7	1,928.3
Inventory	464.6	489.1	556.2	572.3	585.9
Reinsurance assets	0.0	0.0	0.0	0.0	0.0
Property, Plant & Equip (net)	8,269.8	7,091.4	7,486.4	8,833.3	10,135.3
Intangible assets	290.6	207.5	206.5	205.5	204.5
Investment in Associates & JVs	4,844.6	6,038.6	6,038.6	6,038.6	6,038.6
Other assets	43,599.4	29,605.2	30,022.5	30,414.1	30,784.1
Total assets	62,245.5	57,881.3	60,224.8	60,383.1	60,554.1
ST interest bearing debt	8,347.9	2,846.3	3,398.2	3,398.2	3,218.2
Accounts payable	1,557.8	1,957.6	1,971.6	2,057.7	2,111.0
Insurance contract liabilities	0.0	0.0	0.0	0.0	0.0
LT interest bearing debt	6,763.3	8,999.1	7,199.3	5,399.5	3,779.6
Other liabilities	28,813.0	27,171.0	29,369.0	29,784.0	30,176.0
Total Liabilities	45,482.0	40,973.7	41,938.5	40,639.1	39,285.1
Shareholders Equity	16,818.2	16,984.0	18,270.7	19,604.0	20,992.6
Minority Interest	(54.7)	(76.4)	15.6	140.1	276.4
Total shareholder equity	16,763.5	16,907.6	18,286.3	19,744.1	21,269.0
Total liabilities and equity	62,245.5	57,881.3	60,224.8	60,383.1	60,554.1
CASH FLOW (THB m)					
Pretax profit	(1,866.6)	1,670.1	4,423.6	5,007.5	5,500.1
Depreciation & amortisation	2,435.7	1,781.3	1,524.7	1,600.9	1,669.8
Adj net interest (income)/exp	958.6	1,368.7	1,111.4	905.4	601.3
Change in working capital	(283.2)	(26.9)	(374.8)	(14.1)	(10.9)
Cash taxes paid	0.0	0.0	(743.5)	(858.7)	(956.8)
Other operating cash flow	(1,207.2)	(1,297.1)	(1,256.5)	(1,093.2)	(910.2)
Cash flow from operations	1,568.3	4,183.8	5,621.5	6,423.4	6,884.7
Capex	(94.0)	1,129.9	(1,000.0)	(2,000.0)	(2,000.0)
Free cash flow	1,474.3	5,313.8	4,621.5	4,423.4	4,884.7
Dividends paid	(0.0)	(1,048.8)	(2,301.4)	(2,691.0)	(3,018.3)
Equity raised / (purchased)	0.0	0.0	0.0	0.0	0.0
Change in Debt	(5,942.2)	(3,288.8)	(1,247.9)	(1,799.8)	(1,799.8)
Other invest/financing cash flow	5,933.7	7,047.2	(4,749.2)	(2,398.0)	(6,756.1)
Effect of exch rate changes	0.0	0.0	0.0	0.0	0.0
Net cash flow	1,465.8	8,023.3	(3,677.0)	(2,465.5)	(6,689.6)

FYE 31 Dec	FY22A	FY23A	FY24E	FY25E	FY26E
Key Ratios					
Growth ratios (%)					
Revenue growth	316.1	74.1	22.0	4.6	2.7
EBITDAR growth	nm	305.2	51.0	7.0	3.8
EBIT growth	nm	nm	99.0	7.7	3.6
Pretax growth	nm	nm	164.9	13.2	9.8
Reported net profit growth	nm	nm	106.4	12.2	9.5
Core net profit growth	nm	nm	15.4	12.2	9.5
Profitability ratios (%)					
EBITDAR margin	9.2	21.4	26.5	27.1	27.3
EBIT margin	nm	12.3	20.1	20.7	20.9
Pretax profit margin	nm	8.5	18.4	19.9	21.3
Payout ratio	0.0	120.8	75.0	75.0	75.0
DuPont analysis					
Net profit margin (%)	nm	8.8	14.9	16.0	17.1
Revenue/Assets (x)	0.2	0.3	0.4	0.4	0.4
Assets/Equity (x)	3.7	3.4	3.3	3.1	2.9
ROAE (%)	(13.1)	10.3	20.4	21.3	21.7
ROAA (%)	(3.8)	5.2	6.1	6.7	7.3
Liquidity & Efficiency					
Dividend cover (x)	nm	0.8	1.3	1.3	1.3
Current ratio (x)	0.5	1.5	1.5	1.4	1.2
Leverage & Expense Analysis					
Asset/Liability (x)	1.4	1.4	1.4	1.5	1.5
Net gearing (%) (incl perps)	68.7	net cash	net cash	net cash	net cash
Net gearing (%) (excl. perps)	68.7	net cash	net cash	net cash	net cash
Net interest cover (x)	na	1.1	2.4	2.8	3.4
Debt/EBITDAR (x)	14.5	2.8	1.7	1.3	1.0
Capex/revenue (%)	0.8	nm	4.2	8.0	7.8
Net debt/ (net cash)	11,519.5	(1,132.3)	(3,523.7)	(3,644.1)	(3,879.6)

Source: Company; Maybank IBG Research

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