UOBKayHian

Company – Update | Thailand

Monday, 17 August 2026

Airports of Thailand (AOT TB)

Several Tailwinds In Addition To New PSC Rate

Highlights

- We attended AOT's analyst meeting to review its 3QFY26 results and the tone was positive.
- AOT is actively adding more routes of revenue while cutting down major expenses, which will be a good earnings driver in addition to the new PSC rate.
- We see an improving trend of passenger arrivals in 4QFY26 which will be positive to AOT's earnings outlook. AOT remains one of our tourism sector top picks. Maintain BUY with a higher target price of Bt85.00. (previously Bt80.00).

Analysis

- **Positive tone during analyst meeting.** We attended Airports of Thailand's (AOT) analyst meeting to review its 3QFY26 results and the tone was positive.
- **Potential interest in new concessions on land near BKK.** AOT disclosed that a logistics player has shown interest in its 723-rai landbank near Suvarnabhumi Airport (BKK). Currently, they are in negotiations for the terms and fee of the concession. If this deal goes through, it will provide AOT with additional concession revenue, and the logistic player's business will also synergise well with AOT's cargo business. This logistics player provides both air mail services as well as shipping which will help in connecting AOT's cargo business with more customers.
- **Bringing back inbound duty-free shops.** AOT previously reclaimed the area and closed the inbound duty-free shops in Aug 24, which caused a reduction in AOT's concession revenue. AOT has received requests from passengers to bring back the inbound duty-free shops. AOT will still need to discuss with the related officials and King Power on the details and timeline. The concession revenue model is unlikely to be same as previously, which was based on the area used by the duty-free shops. So far, King Power Duty Free (KPD) has been paying their concession fee on time and even paying their receivables ahead of schedule.
- **Reversal of credit loss from debt repayment of THAI.** AOT had previously declared around Bt5b of credit loss during THAI's rehabilitation procedure. THAI has admitted and repaid AOT the amount of Bt994m. There is still Bt4b of expected credit loss remaining that will be pursued and predicated by the court in 2027. If the court rules in AOT's favour, AOT will receive a larger reversal of credit loss.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	67,121	66,679	70,261	84,825	89,853
EBITDA	41,777	40,286	42,086	55,140	58,229
Operating profit	30,373	28,244	30,565	43,501	45,870
Net profit (rep./act.)	19,182	18,125	19,368	28,956	31,263
Net profit (adj.)	19,182	18,125	19,368	28,956	31,263
EPS (Bt)	1.3	1.3	1.4	2.0	2.2
PE (x)	39.5	41.8	39.1	26.1	24.2
P/B (x)	6.1	5.8	5.4	4.8	4.4
EV/EBITDA (x)	22.7	23.5	22.5	17.2	16.3
Dividend yield (%)	1.5	1.5	1.5	2.3	2.5
Net margin (%)	28.6	27.2	27.6	34.1	34.8
Net debt/(cash) to equity (%)	26.0	20.5	12.3	5.8	3.7
Interest cover (x)	15.7	23.6	16.1	21.1	31.0
ROE (%)	16.3	14.2	14.3	19.5	19.1
Consensus net profit (Btm)	-	-	21,991	29,078	31,256
UOBKH/Consensus (x)	-	-	0.88	1.00	1.00

Source: AOT, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	Bt65.00
Target Price	Bt85.00
Upside	+30.8%
Previous TP	Bt80.00

Stock Data

Sector	Industrials
Bloomberg ticker	AOT TB
Shares issued (m)	14,285.7
Market cap (Btm)	928,570.5
Market cap (US$m)	28,017.1
3-mth avg daily t'over (US$m)	59.0

Price Performance (%)

52-week high/low: Bt65.00/Bt35.00

1mth	3mth	6mth	1yr	YTD
3.2	22.1	15.0	62.5	22.6

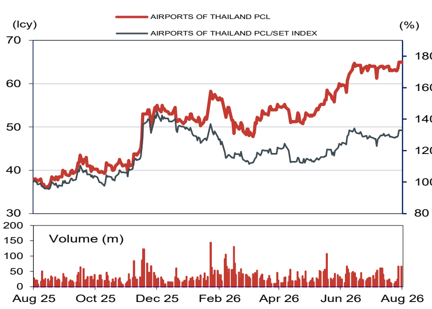
Major Shareholders (%)

Ministry of Finance	70.0
THAI NVDR Co Ltd	4.1

Balance Sheet Metrics

FY26 NAV/Share (Bt)	9.76
FY26 Net Debt/ Share (Bt)	1.21

Price Chart



Source: Bloomberg

Company Description

AOT operates 6 of the 38 airports in Thailand, but collectively these 6 airports account for 83% of the total pax throughput. As the leading airport operator in the country, AOT manages domestic and international services, providing the main aviation hub at Suvarnabhumi Airport.

- **Reduction in employee expenses. AOT's e**mployee expense declined by 13.3% yoy and 17.2% qoq in 3QFY26. This drop was mainly due to AOT's negotiations with employees to reduce bonuses. Moreover, this is the period when AOT has the fewest employees, reflecting the low expense amount. AOT aims to maintain employee expenses at the current level. AOT is also aiming to reduce its total number of employees in the long term by recruiting a smaller number than those who have retired. AOT targets to improve efficiency by assigning more tasks to one employee. This strategy will apply both full-time employees and outsourced workers. However, once the terminal expansions are completed, AOT's employee base will increase accordingly but in a leaner proportion. We still see this as a good strategy in improving AOT's margins.
- **Positive momentum in passenger numbers.** Management currently targets 2027 total passengers at 128.5m, which is up 2% yoy from the projected total passengers for 2026. The impact from the war is mainly reflected in operational statistics in 3QFY26. Airlines have cancelled flights to preserve their fuel usage and increased ticket prices to protect operating margins. This has resulted in a drop in passenger volume and impacted AOT's earnings. However, in Aug 26, we are starting to see a significant mom improvement in passenger volume. As of 8 Aug 26, total passenger arrivals have grown 2.2% yoy, while foreign passengers have increased by a strong 3.7%. This is a significant improvement mom vs Jun-Jul 26 when total passenger arrivals dropped by 8% and 4% yoy respectively. We note that airfares are gradually normalising as jet fuel prices have recently come down. Several airlines started to increase their fuel hedges in 2H26 as fuel prices fell in Jun 26. Thailand will be hosting large events in 2H26 eg Gastech, IMF-World Bank Group Annual Meetings, and Tomorrowland, which will give a strong boost to tourist arrival traffic. Hence, we remain positive on AOT's earnings outlook from 4QFY26 to 1QFY27.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt85.00.** Our valuation is rolled over to 2027 EV/EBITDA of 22x, 1SD above the five-year mean (excluding COVID-19 years). We maintain AOT as our top pick in the tourism sector as we see an improving trend in passenger arrivals in early 4QFY26. We remain optimistic on AOT's growth prospects for the following: a) the new passenger service charge (PSC) rate, b) AOT will also seek additional revenue streams such as the new concession in its 723 rai of land, and c) the return of inbound duty-free shops.

Environment, Social, Governance (ESG) Updates

Environmental

- **Increased efficiency of energy consumption.** Design, construct, and operate airports and related facilities to maximise efficiency in resource utilisation.

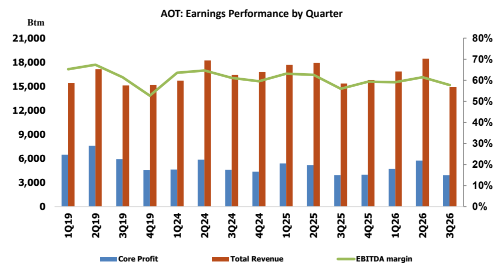
Social

- **Established an Aerodrome Safety Policy.** Enhancing aerodrome safety management and operational standards while giving responsibility to management from all levels for airport safety.
- **Provides safety training.** Organises sessions to train and ensure that AOT personnel are equipped with the knowledge to comply with the Safety Policy.

Governance

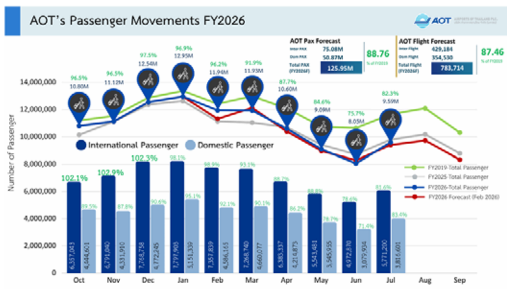
- **Board operates under corporate governance principles** and relevant laws, regulations and guidelines on good corporate governance.

Quarterly Performance



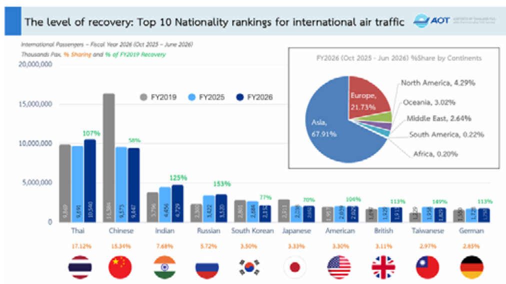
Source: AOT

2026 Passenger Forecast



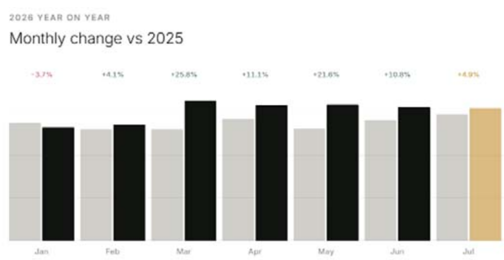
Source: AOT

Passenger Recovery By Nationality



Source: AOT

Airfare Monthly Prices In 2025 Vs 2026



Source: Official Airline Guide (OAG)

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	66,679	70,261	84,825	89,853
EBITDA	40,286	42,086	55,140	58,229
Deprec. & amort.	12,042	11,521	11,639	12,359
EBIT	28,244	30,565	43,501	45,870
Total other non-op. income	(3,197)	(3,118)	(3,764)	(3,909)
Associate contributions	(3)	0	0	0
Net interest income/(expense)	(1,704)	(2,616)	(2,614)	(1,881)
Pre-tax profit	23,341	24,831	37,123	40,080
Tax	(4,787)	(4,966)	(7,425)	(8,016)
Minorities	(429)	(497)	(742)	(802)
Net profit	18,125	19,368	28,956	31,263
Net profit (adj.)	18,125	19,368	28,956	31,263

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	158,971	165,304	174,213	183,611
Other LT assets	13,632	17,666	19,698	20,404
Cash/ST investment	19,401	38,207	43,454	33,119
Other current assets	17,929	4,938	5,903	6,255
Total assets	209,932	226,116	243,268	243,389
ST debt	1,740	2,834	737	737
Other current liabilities	21,255	24,803	26,359	24,334
LT debt	44,520	52,592	51,869	38,774
Other LT liabilities	7,986	9,366	9,834	10,325
Shareholders' equity	130,898	139,473	156,863	170,810
Minority interest	1,943	2,439	3,182	3,983
Total liabilities & equity	208,341	231,506	248,844	248,965

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	25,689	45,009	40,369	44,370
Pre-tax profit	23,341	24,831	37,123	40,080
Tax	(4,787)	(4,966)	(7,425)	(8,016)
Deprec. & amort.	12,042	11,521	11,639	12,359
Associates	(4,256)	19,758	(166)	700
Working capital changes	(651)	(6,136)	(802)	(754)
Non-cash items	(3)	0	0	0
Other operating cashflows	(17,968)	(14,295)	(21,295)	(21,758)
Investing	(16,140)	(16,863)	(20,358)	(21,565)
Capex (growth)	2,444	1,419	2,342	2,402
Investment	(4,272)	1,148	(3,279)	(2,595)
Others	(16,268)	(1,131)	(13,642)	(29,609)
Financing	(11,286)	(11,571)	(11,621)	(17,374)
Dividend payments	(4,584)	9,166	(2,819)	(13,095)
Proceeds from borrowings	0	0	0	0
Others/interest paid	(399)	1,274	797	859
Net cash inflow (outflow)	(8,547)	29,582	5,432	(6,997)
Beginning cash & cash equiv.	18,487	18,880	38,207	43,454
Changes due to forex impact	9,461	(10,255)	(185)	(3,339)
Ending cash & cash equiv.	19,401	38,207	43,454	33,119

Key Metric

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	60.4	59.9	65.0	64.8
Pre-tax margin	35.0	35.3	43.8	44.6
Net margin	27.2	27.6	34.1	34.8
ROA	8.7	8.9	12.3	12.8
ROE	14.2	14.3	19.5	19.1
Growth (% yoy)				
Turnover	(0.7)	5.4	20.7	5.9
EBITDA	(3.6)	4.5	31.0	5.6
Pre-tax profit	(4.9)	6.4	49.5	8.0
Net profit	(5.5)	6.9	49.5	8.0
Net profit (adj.)	(5.5)	6.9	49.5	8.0
EPS	(5.5)	6.9	49.5	8.0
Leverage				
Debt to total capital	25.8	28.1	24.7	18.4
Debt to equity	35.3	39.7	33.5	23.1
Net debt/(cash) to equity	20.5	12.3	5.8	3.7
Interest cover (x)	23.6	16.1	21.1	31.0