Airports of Thailand (AOT TB)

Expect Weak 3QFY26 Earnings But Strong Outlook Awaits

BUY (Maintained)	
Share Price	Bt64.00
Target Price	Bt80.00
Upside	+25.0%

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Highlights

- We expect AOT to report 3QFY26 net profit of Bt3.2b (-17.3% yoy, -44.1% qoq), reflecting a drop in concession fee and weakened passenger volume caused by the war.
- We are starting to see a mom improvement in passenger arrivals in Jul 26 as airfares are starting to normalise and jet fuel prices have dropped in Jun 26.
- We are optimistic about AOT's growth outlook as there are several events in 2H26 that will provide a tourist traffic boost with the new PSC rate. Maintain BUY with a target price of Bt80.00.

3QFY26 Earnings Preview

Year to 30 Sep (Btm)	3Q25	2Q26	3Q26F	yoy (%)	qoq (%)	9MFY25	9MFY26F	yoy (%)
Aero revenue	7,457	9,827	7,634	2.4	(22.3)	25,645	26,324	2.6
Non-aero revenue	7,886	8,616	6,799	(13.8)	(21.1)	25,268	23,404	(7.4)
Total revenue	15,343	18,443	14,433	(5.9)	(21.7)	50,913	49,728	(2.3)
Operating EBIT	5,579	8,507	5,055	(9.4)	(40.6)	21,962	20,549	(6.4)
Operating EBITDA	8,587	11,328	7,933	(7.6)	(30.0)	30,939	29,215	(5.6)
Core profit	3,917	5,755	3,196	(18.4)	(44.5)	14,461	13,669	(5.5)
Net profit	3,865	5,718	3,196	(17.3)	(44.1)	14,262	13,567	(4.9)
Percent	3Q25	2Q26	3Q26F	yoy (ppt)	qoq (ppt)	9MFY25	9MFY26F	yoy (ppt)
EBIT margin	36.4	46.1	35.0	(1.3)	(11.1)	43.1	41.3	(1.8)
EBITDA margin	56.0	61.4	55.0	(1.0)	(6.5)	60.8	58.7	(2.0)
Core profit margin	25.5	31.2	22.1	(3.4)	(9.1)	28.4	27.5	(0.9)
Net profit margin	25.2	31.0	22.1	(3.0)	(8.9)	28.0	27.3	(0.7)

Source: AOT, UOB Kay Hian

Analysis

- **Earnings contraction expected in 3QFY26.** Airports of Thailand (AOT) should report earnings of Bt3.2b (-17.3% yoy, -44.1% qoq) in 3QFY26. The yoy earnings contraction should be mainly due to the yoy drop in the concession revenue and the yoy drop in passengers due to the impact from the war. The top-line should be at Bt14.4b (-5.9% yoy, -21.7% qoq) with the reduction of concession revenue due to the new agreement with King Power Duty Free (KPD). Operational statistics weakened yoy in 3QFY26 due to the high airfare caused by the surging fuel cost of airlines. International passenger volume dropped by 1.4% yoy, and domestic passenger volume dropped by 7.2% yoy, resulting in a 3.7% yoy decline in total passengers. Total flights also declined by 4.6% yoy. The margins should still fall by around 1.0 ppts yoy.

Key Financials

Year to 30 Sep (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)	22.4	23.2	22.2	16.9	16.0
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

Stock Data

GICS sector	Industrials
Bloomberg ticker:	AOT TB
Shares issued (m):	14,285.7
Market cap (Btm):	914,284.8
Market cap (US$m):	27,190.6
3-mth avg daily t'over (US$m):	59.6

Price Performance (%)

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

1mth	3mth	6mth	1yr	YTD
2.8	17.4	23.7	52.4	20.8

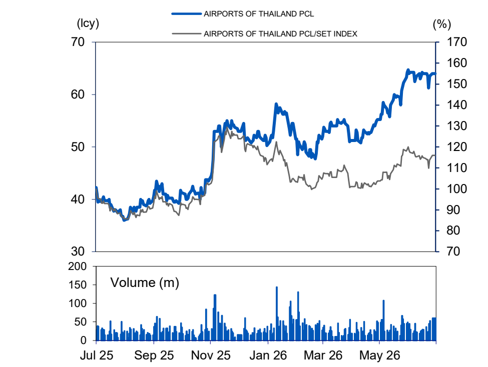
Major Shareholders

	%
Ministry of Finance	70.00
THAI NVDR Co Ltd	4.10

Balance Sheet Metrics

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

Price Chart



Source: Bloomberg

Company Description

AOT operates six of the 38 airports in Thailand, but collectively these six 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.

Key Statistics

Key Stats	3QFY25	Apr-26	May-26	Jun-26	Jul-26F	3QFY26	yoy (%)	mom (%)
Inter Aircraft	104,012	36,440	33,723	31,193	34,030	101,356	-2.6%	9%
Domestic Aircraft	83,806	30,524	24,847	22,526	26,997	77,897	-7.1%	20%
Total Aircraft	187,818	66,964	58,570	53,719	61,027	179,253	-4.6%	14%
Inter PAX (m)	17.1	6.4	5.5	5.0	5.7	16.9	-1.4%	15%
Domestic PAX (m)	11.7	4.2	3.5	3.1	3.7	10.8	-7.2%	21%
Total PAX (m)	28.8	10.6	9.1	8.1	9.4	27.7	-3.7%	17%

Source: AOT, UOB Kay Hian

- **Improving recovery momentum in 4QFY26.** The impact from the war is mainly reflected in operational statistics in 3QFY26. Airlines have cancelled flights to preserve their fuel usage and increased the ticket price to protect their operating margins. Hence, this caused a drop in passenger volume which impacted AOT's earnings. However, in Jul 26, we are seeing a significant improvement mom in passenger volume and flights. As of 25 Jul 26, the total passenger arrivals dropped by only 3.8%, while foreign passengers dropped by only 3% yoy. This is a significant improvement mom as in Jun 26, total passenger arrivals dropped by 8% and foreign passengers dropped by 5% yoy. We can see that the airfare is gradually normalising as jet fuel prices have come down recently. Several airlines started to add their hedge position in fuel prices in 2H26 during the price drop in Jun 26. There are large events in 2H26 to be hosted in Thailand such as the 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 in 4QFY26 to 1QFY27.
- **New rate of PSC is now active.** The Civil Aviation Authority of Thailand's (CAAT) previously approved the increase of the passenger service charge (PSC) and AOT announced that the new rate would come into effect on 20 Jun 26, at the end of 3QFY26. We see this PSC hike as a key earnings growth driver from 4QFY26 onwards. The outlook in 2H26 is indicating that the number of tourist arrivals should be stronger than in 1H26. This gives AOT a boost to its earnings as all the tourists will be subject to the new PSC rate.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt80.00.** Our valuation is based on the FY26 EV/EBITDA of 27x, 1 SD above the 10-year mean (excluding COVID years). We maintain AOT as our top pick in the tourism sector despite the drop in passenger volume in 3QFY26 due to the war. We remain optimistic with AOT's growth prospect as the new PSC rate will be active during the busy period in 4QFY26 and 1QFY27.

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.

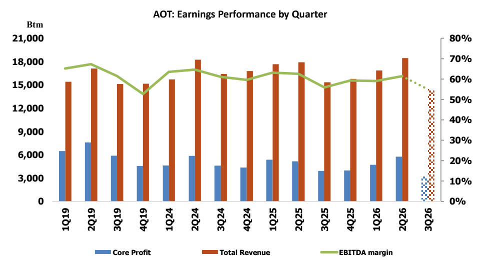
Social

- **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

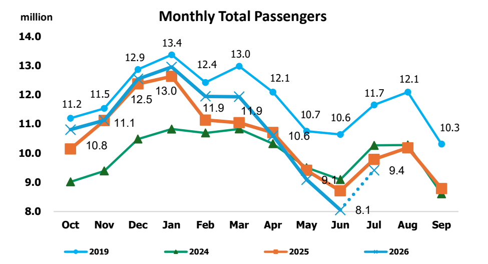
- **Board operates under corporate governance principles** and relevant laws, regulations and guidelines on good corporate governance recommended by the Stock Exchange of Thailand and the Securities and Exchange Commission.

Quarterly Performance



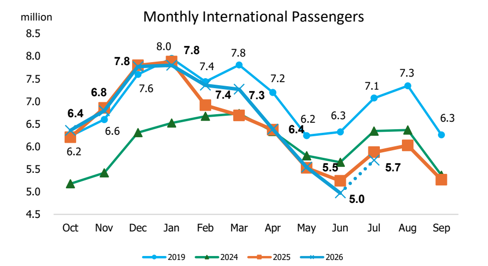
Source: AOT, UOB Kay Hian

Monthly Total Passengers



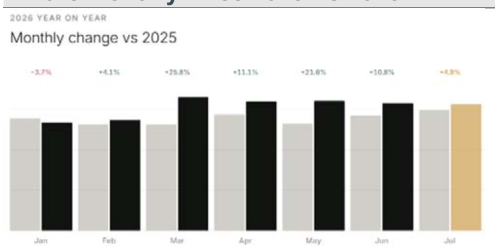
Source: AOT, UOB Kay Hian

Monthly Foreign Passengers



Source: AOT, UOB Kay Hian

Airfare Monthly Price 2025 Vs 2026



Source: Official Airline Guide (OAG)

Jet Fuel Price Trend

Source: S&P Global Energy Platts

Profit & Loss

Year to 30 Sep (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-operating 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 30 Sep (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 30 Sep (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
Working capital changes	(4,256)	19,758	(166)	700
Non-cash items	(651)	(6,136)	(802)	(754)
Other operating cashflows	(3)	0	0	0
Investing	(17,968)	(14,295)	(21,295)	(21,758)
Capex (growth)	(16,140)	(16,863)	(20,358)	(21,565)
Investment	2,444	1,419	2,342	2,402
Others	(4,272)	1,148	(3,279)	(2,595)
Financing	(16,268)	(1,131)	(13,642)	(29,609)
Dividend payments	(11,286)	(11,571)	(11,621)	(17,374)
Proceeds from borrowings	(4,584)	9,166	(2,819)	(13,095)
Loan repayment	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 equivalent	18,487	18,880	38,207	43,454
Changes due to forex impact	9,461	(10,255)	(185)	(3,339)
Ending cash & cash equivalent	19,401	38,207	43,454	33,119

Key Metrics

Year to 30 Sep (%)	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				
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