

Now everyone can invest and smile

- Expect net profit growth of 33% CAGR in 2025E-27E on rising revenue, margin, and route optimization
- New A321NEO fleet to squeeze fuel cost stir up margins
- Initiated with BUY and a TP of THB2.5, based on 7x 2025E P/E

Ready to fly high

After posting an impressive 2024 net profit of THB3.5b (+647% y-y), investors are left wondering whether there are still any upsides left for AAV. Here are the answers. We project net profit growth 33% CAGR in 2024-27E, growing from THB3.5b in 2024 to THB4.5b in 2025E, THB6.5b in 2026E, and THB7.1b in 2027E. Net profit margins are projected to rise from 7.0% in 2024 to 8.4% in 2025E and 10.8% in 2026E.

Sim(ple) to fly on rising revenue, margin, and route optimization

We see three drivers for AAV in 2025E-27E. First, revenue growth from rising capacity on additional new fleets, sustained high utilization rate, and a slightly increasing airfare. Second, margin expansions on higher RASK to THB2.15-THB2.46 in 2025E-27E on higher airfare ticket from THB1,967 in 2024 to THB2,095 in 2026E. CASK is projected to rise but at slower paces than the rises in airfare, resulting in gross profit margin to increase from 17.3% in 2024 to 19% in 2025E and 21.6% in 2026E. Third, AAV's upsides on alternative routes to capture growths from recoveries of traffic in once-alternative routes of Bangkok to Taiwan-Japan, India, Russia, and Malaysia will more than offset the weak routes of Bangkok to China, Japan, and Laos.

Up to -13.9% fuel cost saving from 6 new A321NEO

Thanks to industry rationalization post Covid-19, we think the incumbent airline players are rational in adding their aircraft fleet and keep their load factors high. AAV's plan to add six new A321NEO aircraft. Along with AAV's fuel cost at 1/3 of total cost, we think AAV will likely save up to -13.9% fuel cost in 2025E.

Margin expansion underway

Due to its high fixed cost structure and the low-fare airline, AAV has a set of fundamental factors that greatly influence its margin, including 1) number of passengers and load factor, 2) higher average fares; and 3) lower fuel cost structure made possible by the additions of new cost-efficient A321NEO that we expect to retain the CASK fuel to be within THB0.5 and rising revenue to monetize on high operating cost.

Initiated with BUY and a TP of THB2.5

We initiated coverage on AAV with BUY and a TP of THB2.5, based on 7x 2025E P/E, to reflect the discounts on AAV's cyclical nature of airline industry, the exposure to China's tourists, and the risks from geopolitical conflicts that could jeopardize demand for airlines like AAV.

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ESG Rating : n.a.

CG Rating : ▲▲▲▲▲

BUY

Target Price 12M (THB)	2.50
VS. BB Consensus TP (%)	-25.6%
Share Price (THB)	2.02
Upside/Downside	+23.8%

Share Data

Market Cap (THB m)	25,957
Par (THB)	0.10
Free Float (%)	36.07
Issued shares (m shares)	12,850

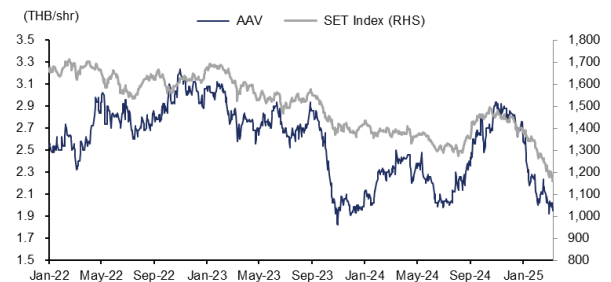
Financial forecast

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	49,436	53,768	60,169	65,463
Net profit	3,478	4,497	6,502	6,586
Core net profit	3,478	4,497	6,502	6,586
vs Consensus (%)	-	41.2	90.4	76.6
Net profit growth (%)	646.6	29.3	44.6	1.3
Core net profit growth (%)	646.6	29.3	44.6	1.3
EPS (THB)	0.27	0.35	0.51	0.51
Core EPS (THB)	0.27	0.35	0.51	0.51
Chg from previous (%)	0.00	0.00	0.00	0.00
DPS (THB)	0.00	0.00	0.00	0.00
P/E (x)	10.20	5.77	3.99	3.94
P/BV (x)	3.12	1.63	1.16	0.90
ROE (%)	35.15	33.00	33.99	25.66
Dividend yield (%)	-	-	-	-

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(3.81)	(27.86)	(22.31)	(26.81)
Market	3.99	(12.34)	(7.41)	(13.71)
12M High/Low (THB)				2.96 / 1.92



Major Shareholders (%) as of 11-Mar-24

AIRASIA AVIATION GROUP LIMITED	40.71
MR. TASSAPON BIJLEVELD	17.84
Thai NVDR Company Limited	10.51

Company Profile

The Company operates as a holding company, the Company holds only Thai AirAsia Co., Ltd., a low fare airline. Thai AirAsia Co., Ltd.'s revenues are mainly from scheduled passenger services and ancillary services.

Source: SETSMART, SET

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Sim(ple) to fly high

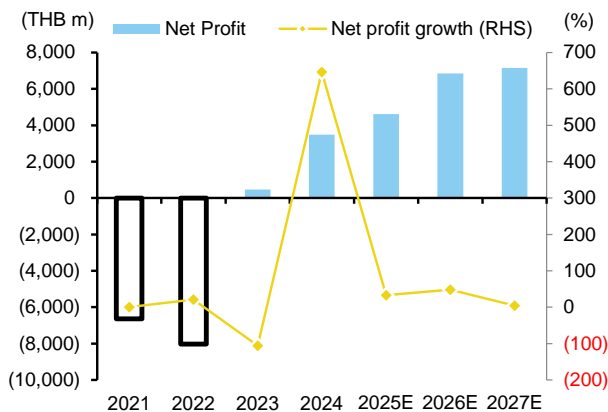
After posting an impressive 2024 net profit of THB3.5b (+647% y-y), investors are left wondering whether there are still any upsides left for AAV. Here are the answers. We project net profit growth 33% CAGR in 2024-27E, growing from THB3.5b in 2024 to THB4.5b in 2025E, THB6.5b in 2026E, and THB7.1b in 2027E. Net profit margins are projected to rise from 7.0% in 2024 to 8.4% in 2025E and 10.8% in 2026E. Three key catalysts are

Revenue growth continues. Rising capacity on additional new fleets, sustained high utilization rate, and a slightly increasing airfare, would aggregately boost revenue growth of 9% y-y to THB53.8b in 2025E and 12% y-y to THB60.2b in 2026E.

Margin expansions. We project margins to improve on higher RASK to THB2.15/THB2.35/THB2.46 in 2025E-27E on marginally increases in airfare ticket from THB1,967 in 2024 to THB2,030 in 2025E and THB2,095 in 2026E. CASK is projected to rise but at slower paces than the rises in airfare, resulting in gross profit margin to increase from 17.3% in 2024 to 19% in 2025E and 21.6% in 2026E.

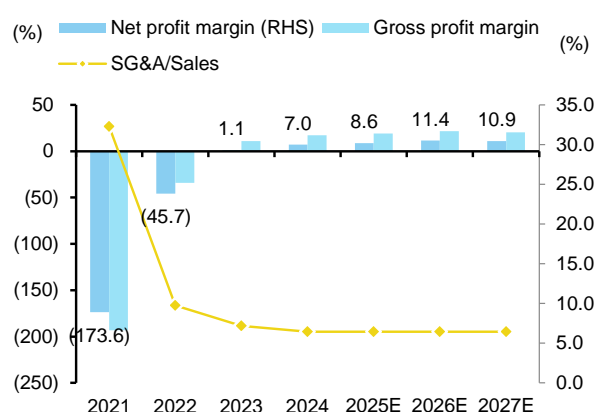
Alternative routes turn into core growth. The timely recoveries of traffic in once-alternative routes of Bangkok to Taiwan-Japan, India, Russia, and Malaysia will more than offset the weak routes of Bangkok to China, Japan, and Laos.

Exhibit 1: Net profit vs net profit growth



Sources: AAV; Globlex Research

Exhibit 2: Net profit margin, GPM, SG&A to sales



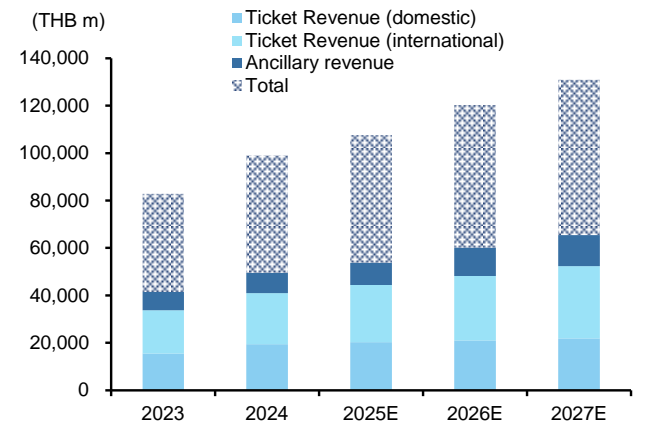
Sources: AAV; Globlex Research

Revenue growth continues

AAV is likely to deliver revenue growths of +8.8%/+11.9%/+8.8% in 2025E-27E, after 19.9% y-y in 2024. The key catalysts for revenue growths include the rising capacity on additional new fleets, sustained high utilization rate, and a slightly increasing airfare, would aggregately boost revenue growth of 8.8% y-y to THB53.8b in 2025E and 11.9% y-y to THB60.2b in 2026E.

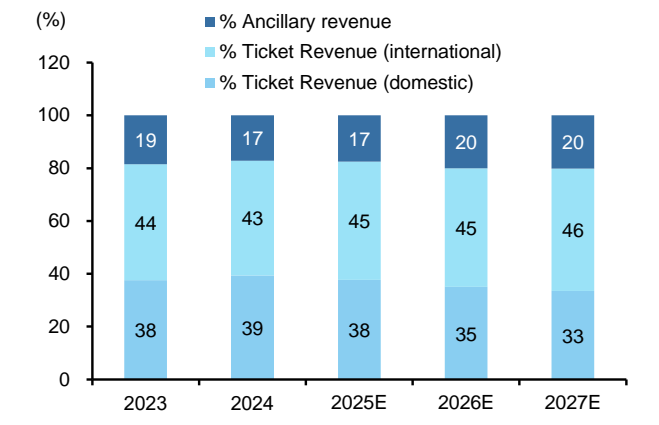
Ticket revenue growth remains rosy. In 2024, AAV saw its ticket revenue for domestic and international routes to grow 25% y-y/18% y-y in 2024 to reach THB19.5b for domestic and THB21.5b for international routes. Ancillary revenue also grew by 11% y-y to THB8.5b, accounting for 17% of total revenue.

Exhibit 3: Ticket revenues (domestic and international) and ancillary revenue



Sources: AAV; Glolex Research

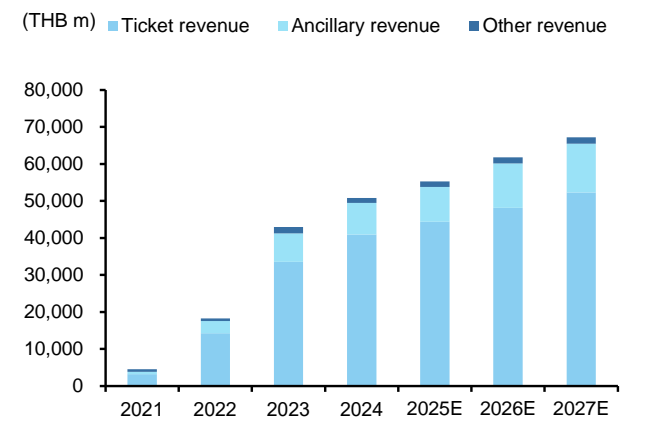
Exhibit 4: Ticket revenues (domestic and international) and ancillary revenue (%)



Sources: AAV; Glolex Research

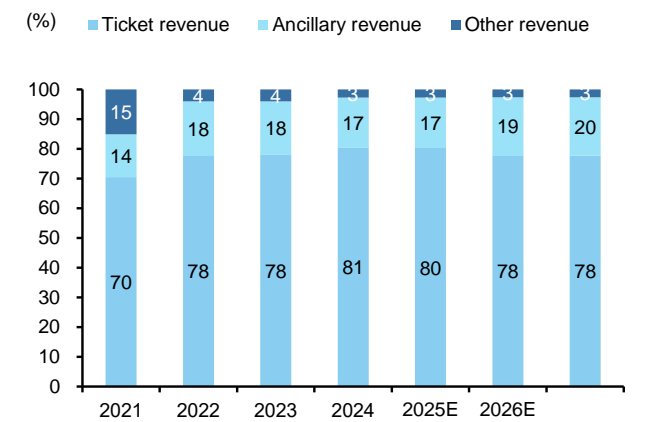
We believe on top of the strong core ticket revenue, which accounts for 70-80% of total revenue, the revenue growths from ancillary will be one of the key growth engines for AAV to increase its revenue portion from 17% in 2024 to 20% by 2027E.

Exhibit 5: Revenues from ticket, ancillary and other



Sources: AAV; Glolex Research

Exhibit 6: Revenues from ticket, ancillary and other (%)

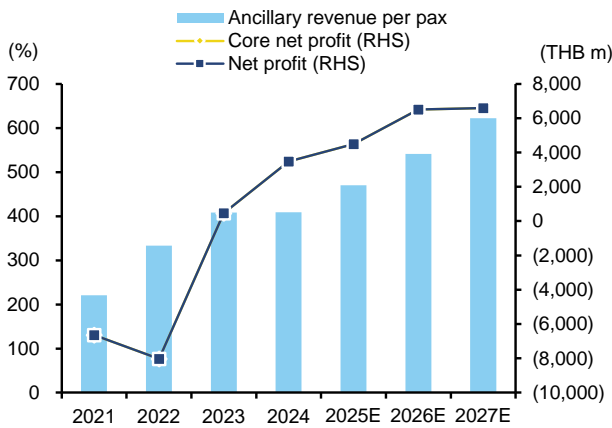


Sources: AAV; Glolex Research

Ancillary revenue growth ahead. Unlike ticket revenue which depends on many factors including load factors, fuel cost, competition, and demand-supply balance, the ancillary revenue generated from supplementary services such as fees for baggage, seat selection, in-flight services, all are relatively inelastic to the changes in competition and routes, resulting in higher and more sustainable margins.

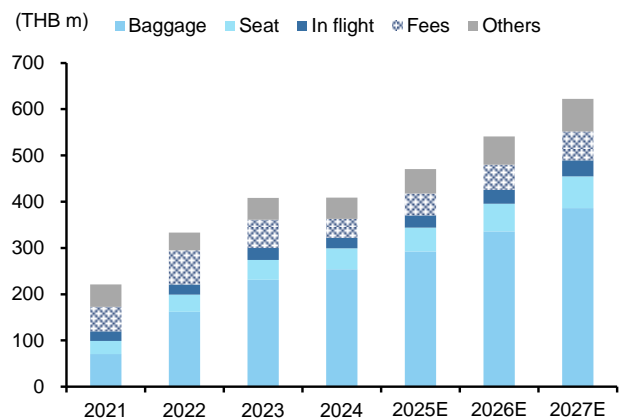
AAV has successfully grown its high-margin ancillary revenue in the past four years, rising from THB221m in 2021 to THB409m in 2024. We project ancillary revenue to grow to THB470m in 2025E, THB541m in 2026E, and THB622m in 2027E, mainly on the back of rising baggage charges and seat selection charges.

Exhibit 7: Ancillary revenue per pax, core net profit, and net profit



Sources: AAV; Globlex Research

Exhibit 8: Ancillary revenue breakdown by type

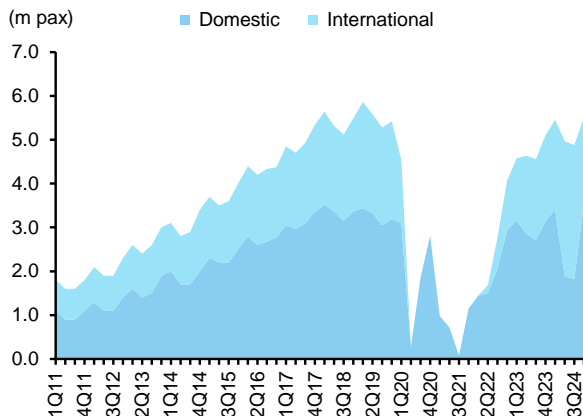


Sources: AAV; Globlex Research

Capacity growth comes with well-managed load factors and passenger yields. In the past decades, except for 2020-21 when the Covid-19 pandemic hit, AAV has proven itself as one of the most resilient airlines to not only for survival but also for growth and profit maximization once the industry demand recovers.

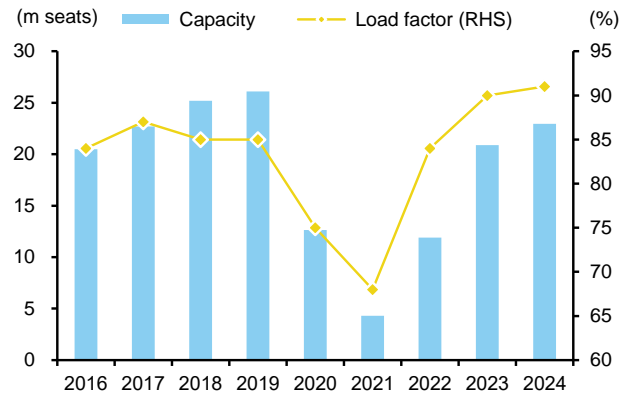
The case in place is the rebounds in net profits post Covid-19 in 2022-24, which saw AAV's net profit bounced back from a net loss of THB8.0b in 2021 to net profits of THB466m in 2023, THB33.5b in 2024, and THB4.5b in 2025E.

Exhibit 9: Number of passengers



Sources: AAV; Globlex Research

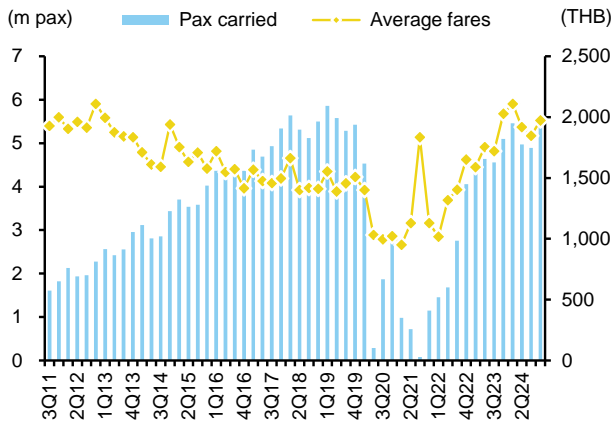
Exhibit 10: Aircraft capacity and load factor



Sources: AAV; Globlex Research

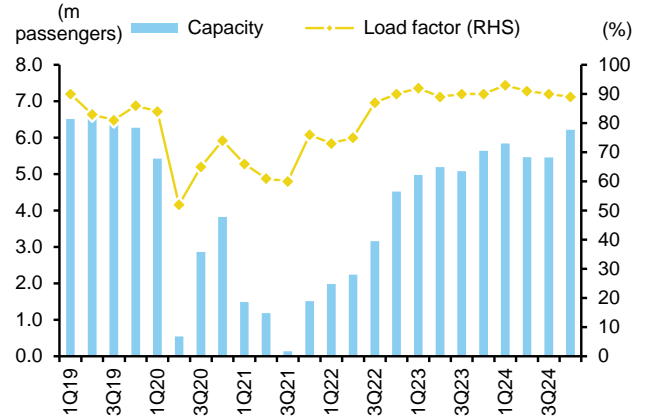
High load factors ensure asset turnover optimization. Load factors have stayed over 80% throughout the normal operation years except in 2020-21 when the Covid-19 hit and AAV's load factors dipped to 75% and 68%. The sustainably high load factors to be in tandem with AAV's dynamic number of aircraft fleet in response to the changes in demand and supply have proved to be AAV's key strengths to adapt to the unexpected changes or even any disruptions in the industry.

Exhibit 11: Passengers (pax) carried vs average fare



Sources: AAV; Globlex Research

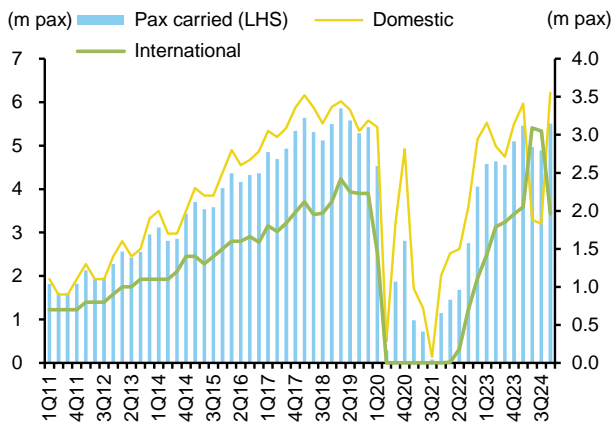
Exhibit 12: Quarterly capacity vs load factors



Sources: AAV; Globlex Research

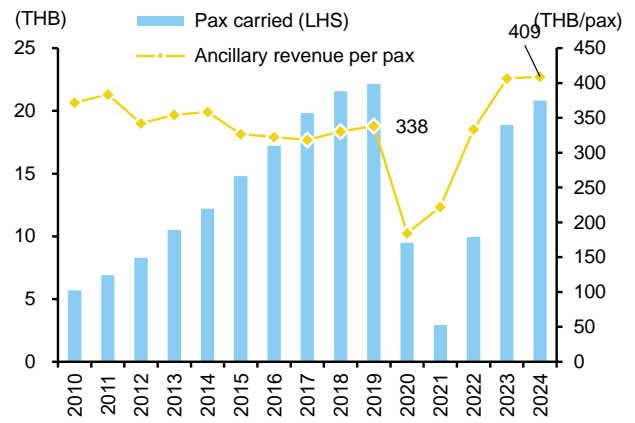
High ancillary per person. AAV has successfully raised its ancillary revenue per passenger from the pre-Covid-19 at THB338 in 2019 to THB409 in 2024, boosted mainly by the growths in baggage charges and seat selection charges. Hence, the more passengers, the more ancillary revenue.

Exhibit 13: Quarterly passengers carried (domestic vs international)



Sources: AAV; Globlex Research

Exhibit 14: Passenger carried vs ancillary revenue per pax

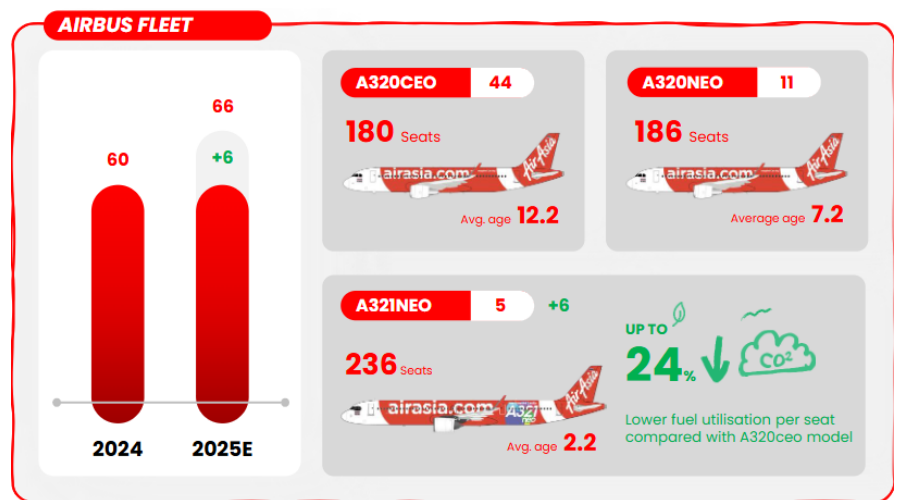


Sources: AAV; Globlex Research

Higher average fare reflects low to mild competition. Thanks to the lower number of competitors post Covid-19 when some airlines permanently shut down the operations due to their less competitiveness. As a result, the incumbent players have all much more rational in adding their aircraft fleet and consistently keep their load factors high, similar to what AAV has achieved.

Adding new aircraft for growth. In 2025E, AAV plans to add six new aircraft to bring its total fleet to 66. All six new aircraft are A321 NEOs to bring with 256 seats per aircraft, larger than 180-seat A320CEO (currently operates 44) and 186-seat A320NEO (11).

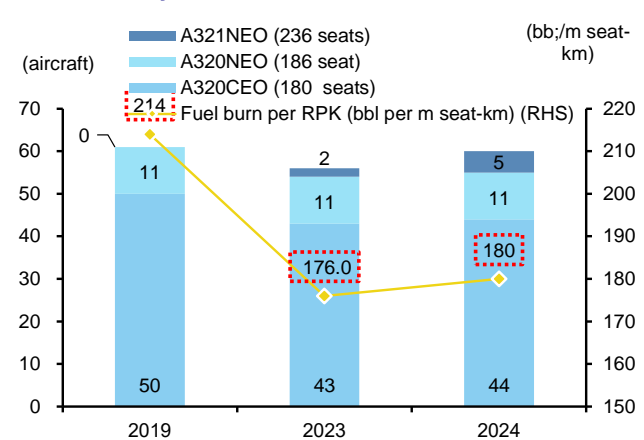
Exhibit 15: AAV plans to add 6 new fleets in 2025



Sources: AAV

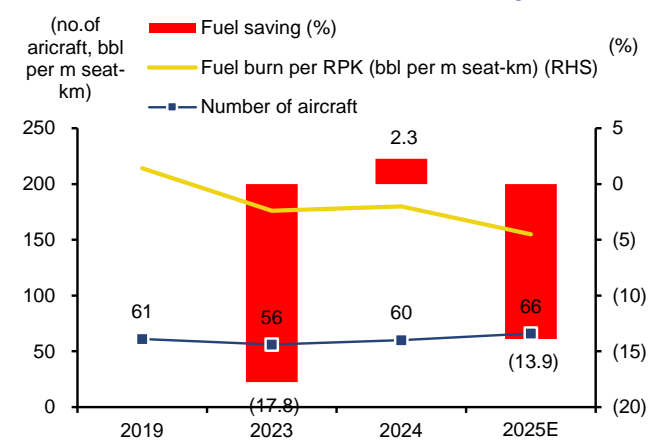
More fuel efficiency on new aircraft. Since 2019, AAV has aimed to improve its fuel efficiency from the additions of new aircraft whose fuel efficiency is far better than the fuel efficiency of AAV's existing aircraft models (A320CEO & A320NEO). As a result, AAV's fuel burn per RPK (bbl of oil consumption per million seat-km) has dropped by -17.9% in 2023 compared to 2019's level and -2.3% y-y in 2024, with an aggregate fuel saving -16% from 2019 to 2024.

Exhibit 16: Type of AAV's aircraft vs fuel burn per RPK



Sources: AAV; Globlex Research

Exhibit 17: Fuel burn per RPK vs fuel savings



Sources: AAV; Globlex Research

Up to -13.9% fuel cost saving from 6 new A321NEO. Given fuel cost accounts for around 1/3 of total cost, the 16% cost saving will translate into 5.3% for AAV’s total cost in 2024E, based on our estimate. In 2025E, AAV plans to add six new A321NEO, the same model that AAV added in 2023 (+2) and 2024 (+3). With a total 11 A321NEO Airbus planes in the fleet, we estimate that AAV will -13.9% fuel cost in 2025E.

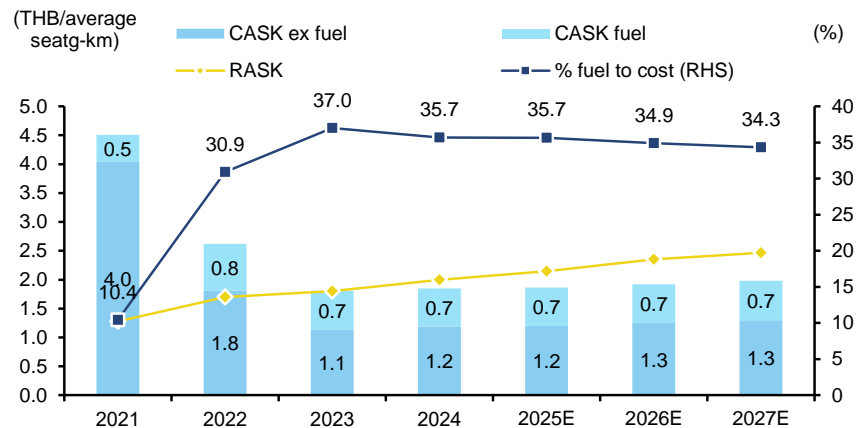
In airline industry, the key measurement for the revenue and cost per unit will be

- 1) Revenue per Available Seat Kilometer (RASK) shows how much revenue each seat kilometer has generated for airlines
- 2) Cost per Available Seat Kilometer (CASK) exhibits how much cost each seat kilometer has incurred for airlines

AAV has THB1.2 CASK ex fuel, THB0.7 CASK fuel, and THB2.0 RASK in 2024, leaving a minuscule margin of only THB0.1 per ASK. This however significantly improved from the past 3 years when AAV suffered operating losses as RASK were lower than CASK in 2021-23.

Hence, the fuel cost saving is critical for AAV’s profitability and growth considering that the higher RASK is much more difficult to improve and is far less controllable than the fuel cost saving. As a result, we think the addition of new A321NEO aircraft is not only to accommodate demand growth but also to enhance fuel efficiency, thereby structurally increasing AAV’s margins and operations.

Exhibit 18: CASK ex-fuel, CASK fuel, RASK, and % fuel cost to total cost



Sources : AAV; Globlex Research

Margin expansion underway

We project margins to improve on higher RASK to THB2.15/THB2.35/THB2.46 in 2025E-27E on marginally increases in airfare ticket from THB1,967 in 2024 to THB2,030 in 2025E and THB2,095 in 2026E. CASK is projected to rise but at slower paces than the rises in airfare, resulting in gross profit margin to increase from 17.3% in 2024 to 19% in 2025E and 21.6% in 2026E.

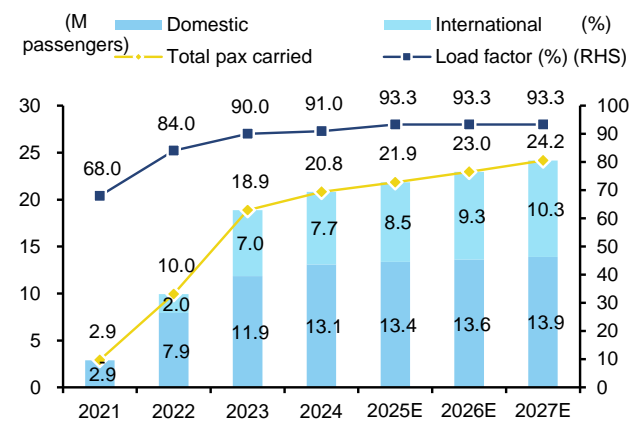
Due to its high fixed cost structure and the low-fare airline, AAV has a set of fundamental factors that greatly influence its margin.

Factor#1: Number of passengers and load factor. The first and perhaps foremost factor to drive AAV's and other most low-cost airlines' profitability is the number of passengers and load factors for aircraft. As airlines incur significant costs for fuel, staff for services, pilots, and food & beverages served on board, the operating cost for one flight is high on the fixed cost basis. However, if revenue from passenger tickets is low due to the low number of passengers, airlines will likely suffer operating losses for that particular flight.

Since 2021 when the Covid-19 pandemic still hit global economy, AAV has managed its capacity and load factor well to minimize operating losses to -THB6.6b in 2021 and -THB8.0b in 2022 and quickly turned around in 2023 to post a net profit of THB446m and jumped to a net profit of THB3.5b in 2024. This surging net profits clearly reflects AAV's operational resiliency, efficiency, and profitability that have been made possible by higher number of passengers carried and load factors simultaneously.

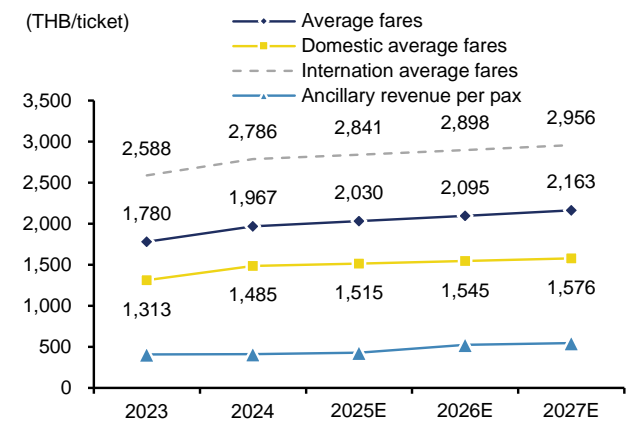
We highlight that the implied "breakeven" load factor for AAV is at 90% which occurred in 2023 when AAV posted a small net profit of THB466m. Once the load factor passes 90%, the higher the number of passengers carried, the higher profitability assuming there is no new aircraft added.

Exhibit 19: Number of passengers for domestic and international and load factors



Sources: AAV; Globlex Research

Exhibit 20: Average fares – overall, domestic, international, and ancillary revenue per passenger

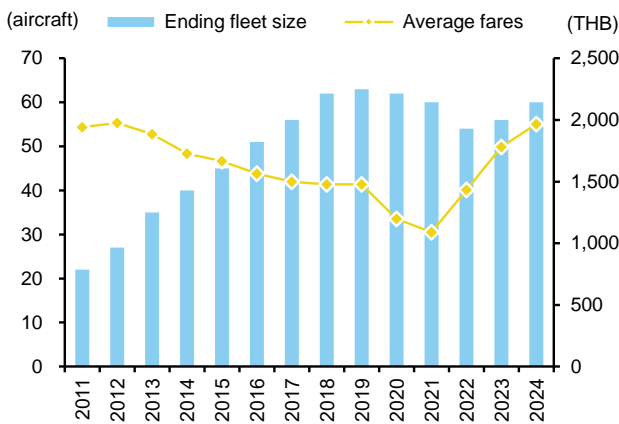


Sources: AAV; Globlex Research

Factor#2: Average fares. It is manifest that average flight fares have significant impacts to the profitability of low-cost airline given the high fixed cost structure. During 2012-2019 Thailand had seen significant oversupply of airlines as new players entered the industry, leading to price competition. As a result, AAV suffered operating losses of -THB84m in 2018 and -THB873m even during the pre-Covid 19 period with load factors at 85%.

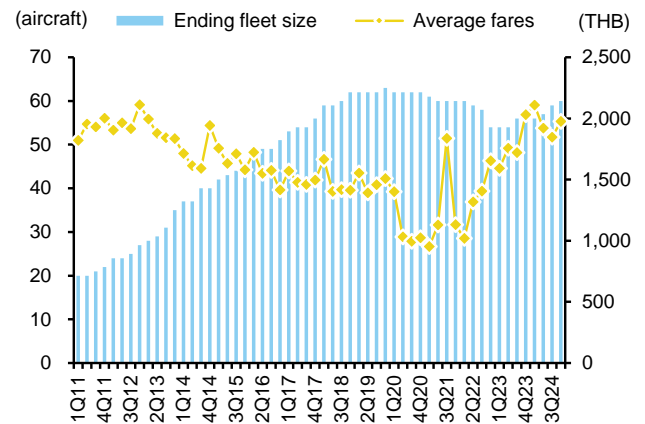
However, post Covid-19 a number of airlines ceased their operations, including NokScoot in 2020, Jet Asia Airways in 2020, Thai Smile (merged with Thai Airways) in 2023, resulting in lower supply. In addition, the much more rational existing players to avoid the price war has proved to be a boon to AAV since 2022-24.

Exhibit 21: Number of fleet vs average fares (annually)



Sources: : AAV; Globlex Research

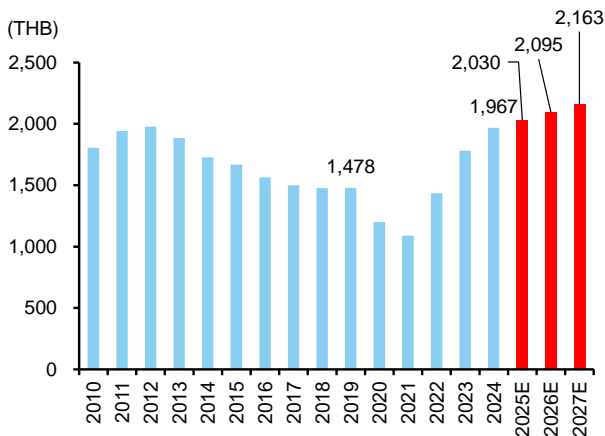
Exhibit 22: Number of fleet vs average fares (quarterly)



Sources: : AAV; Globlex Research

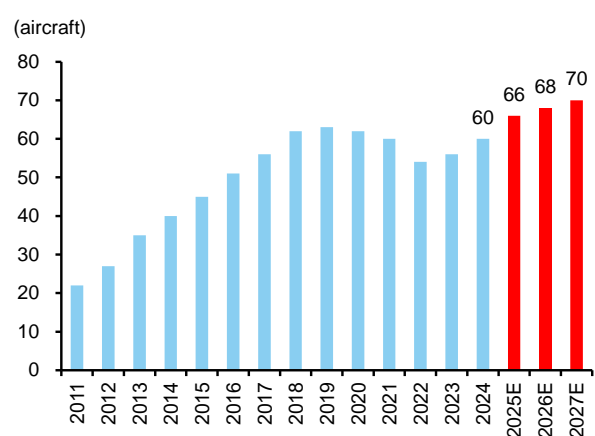
Average fares have been rising from THB1,090 in 2021 to THB1,967 in 2024m, surpassing THB1,500-1,700 levels during the price war period in 2017-19 but still lower than THB1,977 in 2012 when Thailand's aviation industry had just boomed after the industry liberation by regulators. We forecast AAV's airfares to rise marginally from THB1,967 in 2024 to THB2,030 in 2025E, THB2,095 in 2026E, and THB2,163 in 2027E, premised on AAV's higher fares on new international routes and additional flights in the lucrative domestic routes.

Exhibit 23: AAV's average fares



Sources: AAV; Globlex Research

Exhibit 24: AAV's ending aircraft fleet

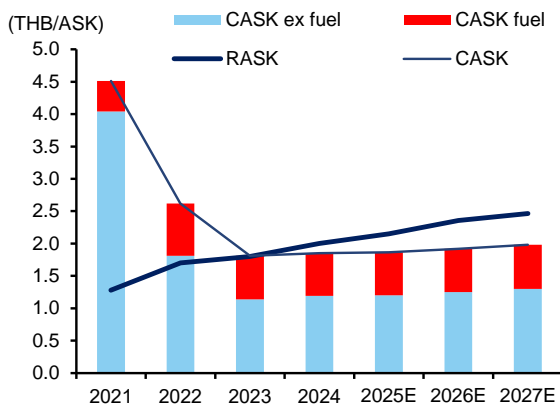


Sources: AAV; Globlex Research

Factor#3: lower cost structure and rising revenue to monetize on high operating cost. The last but not least factor to boost margins will come from the structurally lower cost of fuel made possible by the additions of new cost-efficient A321NEO that we expect to retain the CASK fuel to be within THB0.5.

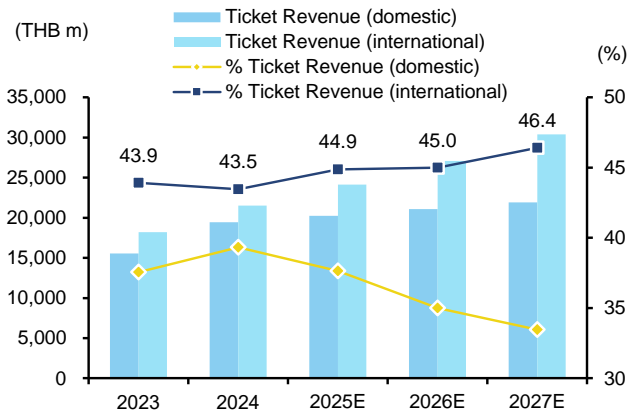
At the same time, the higher ticket revenue from domestic routes thanks to their pent-up demands that will sustain and boost load factors. However, given the ticket price of international flight routes is much higher than the average fares for domestic flights, we project the revenue portion from international flights to increase from 43.5% of total revenue to 46.4% by 2027E.

Exhibit 25: CASK vs RASK



Sources: AAV; Globlex Research

Exhibit 26: Ticket revenue



Sources: AAV; Globlex Research

Alternative routes turn into core growth

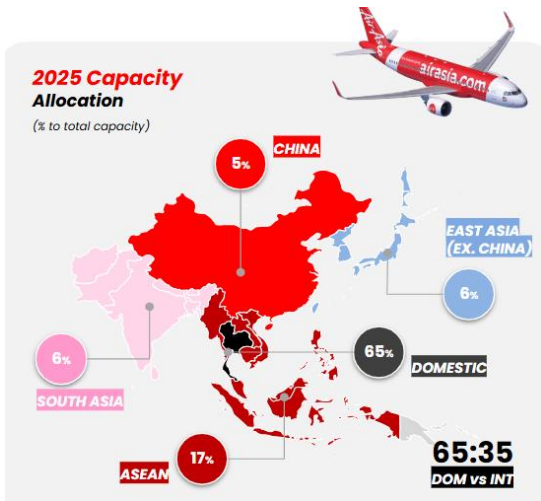
One of the most critical factors for airlines' profitability is the "right routes, right time" strategy. As airlines' ticket pricing are not entirely based on distance but instead based on demand-supply dynamics. When the seats are in urgent needs, the price will skyrocket while if the ticket is secured long in advance, the price will be low.

Another factor influencing ticket pricing is the routes. If there is low competition and/or the routes have high demands, then the prices will be high.

AAV has excelled in "routing" strategy in response to the fast and highly dynamic changes in demand and supply of the aviation industry in the markets where AAV is operating in. In 2024, the timely recoveries of traffic in once-alternative routes of Bangkok to Taiwan-Japan, India, Russia, and Malaysia had more than offset the weak routes of Bangkok to China, Japan, and Laos, resulting in strong net profit growth.

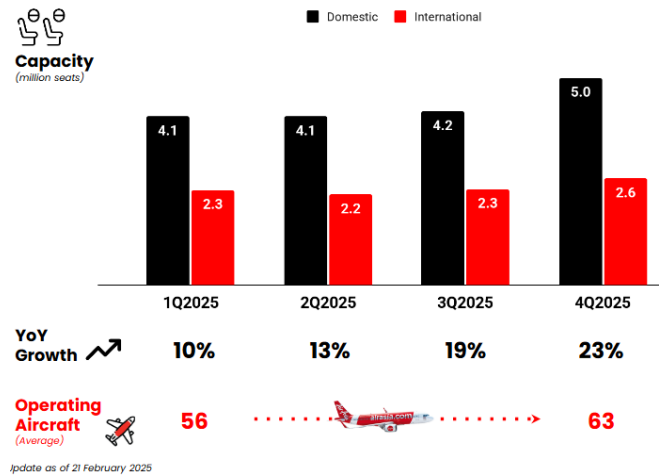
More ASEAN, East and South Asia. In response to the strong demand for domestic flights and ASEAN markets while weak demands for China, AAV plans to allocate 2/3 of its seats to domestic market, 17% to ASEAN, 6% to South Asia (India, Srilanka), 6% to East Asia (Japan, Taiwan), and only 5% to China.

Exhibit 27: AAV's capacity is well allocated to each region



Sources: AAV

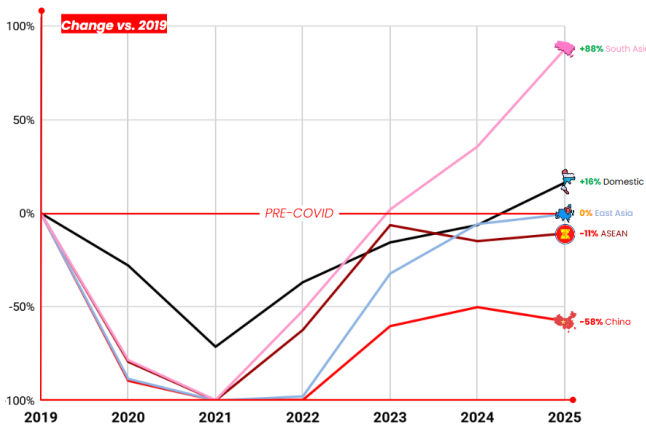
Exhibit 28: AAV's capacity deployment plan



Sources: AAV

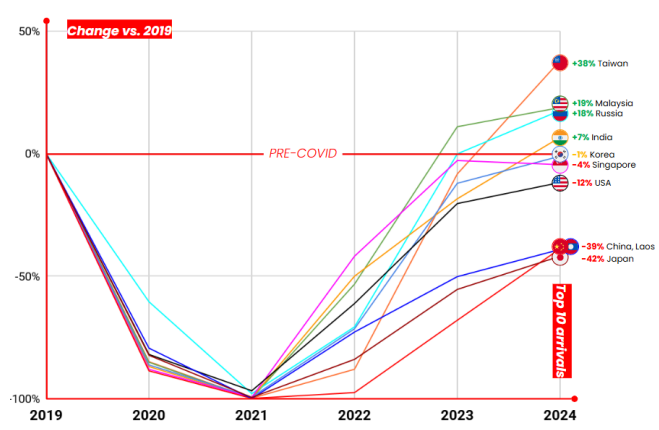
Following the weaker-than-expected demands for China and Japan markets in 2024, AAV plans to focus more on the fast-growing markets like Taiwan (+38% y-y in 2024), Malaysia (+19% y-y), and Russia (+18% y-y), the top three largest growth markets for Thailand's tourist arrivals in 2024.

Exhibit 29: Expansions for domestic, South Asia, and East Asia markets



Sources: AAV

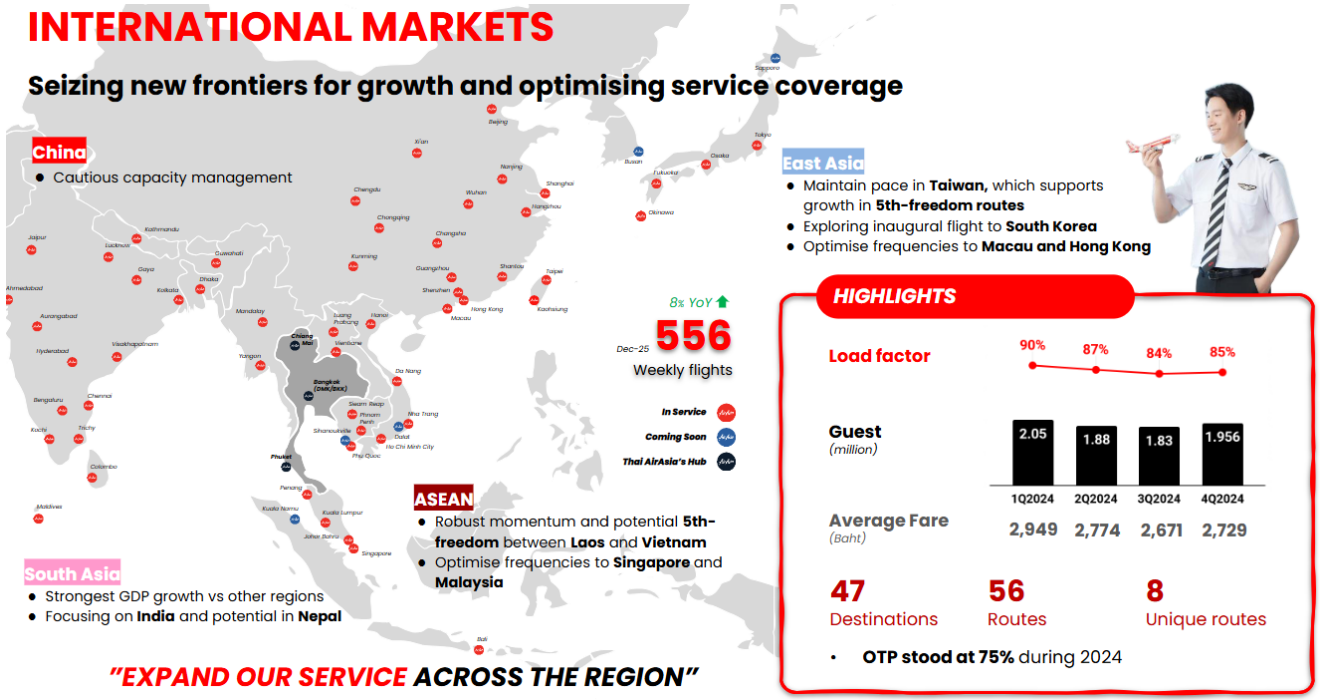
Exhibit 30: Taiwan, Malaysia, Russia are star markets in 2024



Sources: AAV

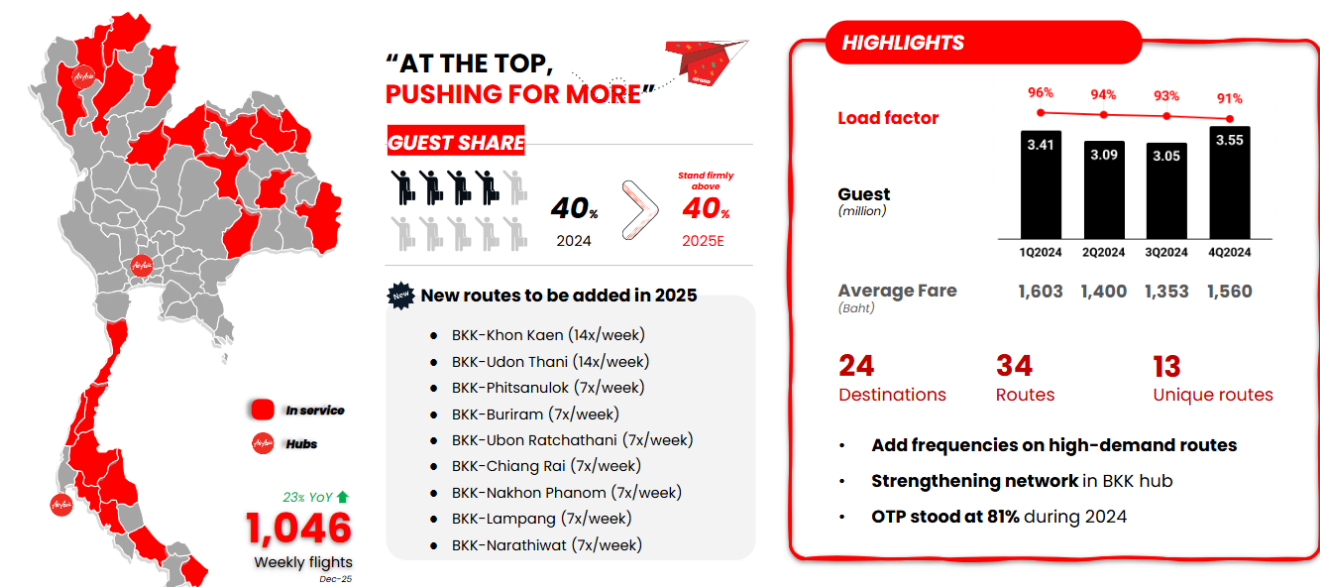
Focus on China? Nope. In contrast to most investors' belief, AAV indeed generated revenue mostly from non-China markets in 2024, including India, Maldives, Sri Lanka, Bangladesh (South Asia), Cambodia, Vietnam, Myanmar, Malaysia, Singapore (ASEAN), and Taiwan, and Japan via Taiwan) (East Asia). The high average fare of THB2,700-THB3,000 and high load factors of 84%-90% in 2024 resulted in strong net profit generation.

Exhibit 31: Optimizing route coverages in response to demand-supply dynamics



Sources: AAV

Exhibit 32: Domestic routes is AAV's most lucrative market



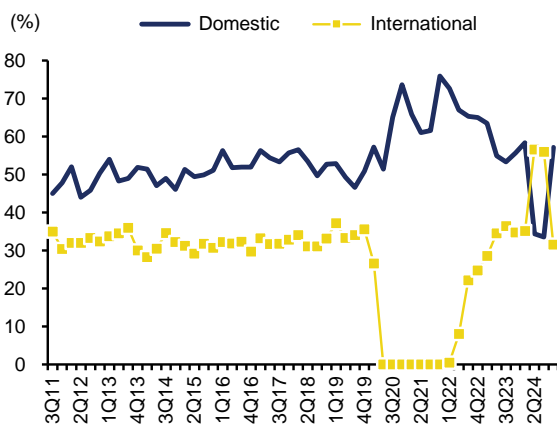
Sources: AAV

Domestic market remains AAV’s most lucrative and largest market in 2025E.

Despite being short routes and only covering 24 destinations, domestic market in Thailand has been the most lucrative market for AAV, given Thai people now perceive air transportation as common as bus and train but much more efficient and comfortable than other transportation approaches.

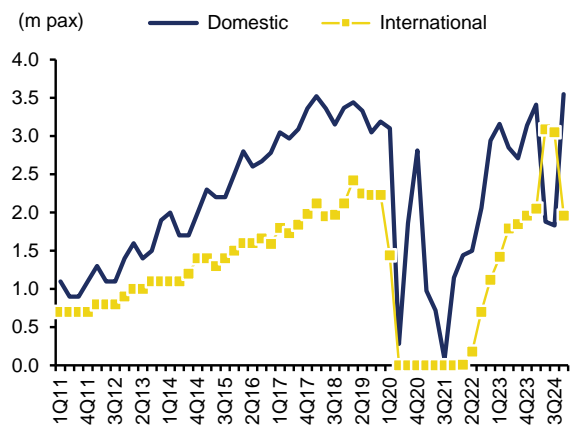
Hence, the number of domestic passengers for AAV has reached a new high at 3.55m in 4Q24, surpassing its previous record high at 3.52m in 1Q18. The profitable domestic routes include Bangkok to Konkaen (14 flights a week), Udonthani (14), Phitsanulok (7), Ubon Ratchathani (7), Chiangrai (7), Lampang (7), and Nakhon Phanom (7).

Exhibit 33: % of domestic and international passengers to AAV’s total capacity



Sources: AAV

Exhibit 34: Number of AAV’s domestic and international passengers

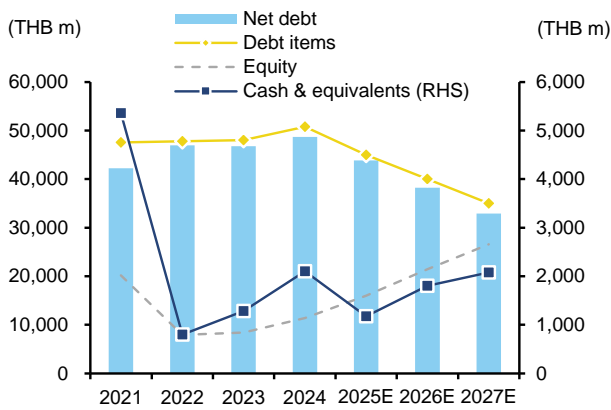


Sources: AAV

Financials: Out of the woods, finally

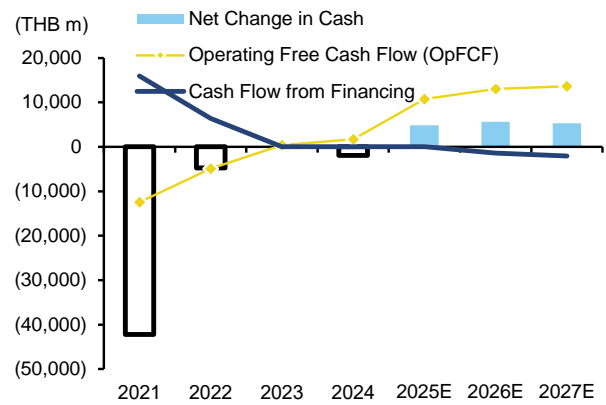
After many years of negative operating free cash flows due to the net losses, AAV now eventually turns into a healthy company with net debt to equity subsiding to 4.0x and is projected to decline further to 2x-3x by 2027E. Interest coverage ratio is expected to rise to 5x, and debt service coverage ratio to surge to 6x-70x by 2027E, thanks to rising operating free cash flows and low cash cycle of only 5-6 days due to low account receivable and account payable days.

Exhibit 35: Net debt to decline



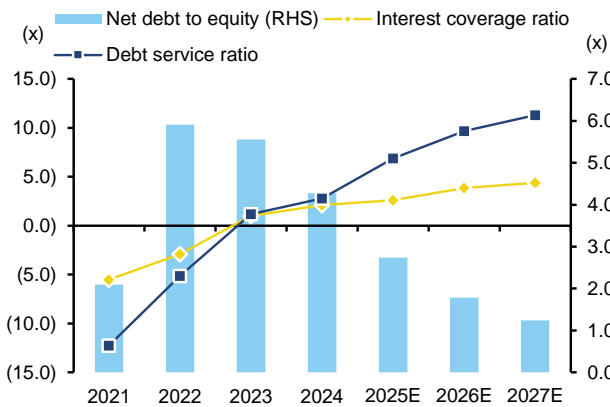
Sources: AAV; Globlex Research

Exhibit 36: While operating free cash flow to rise



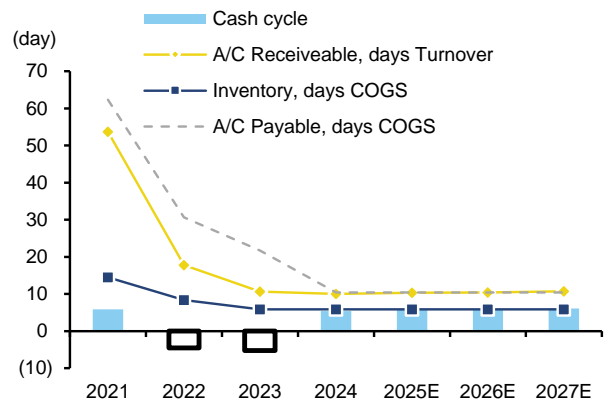
Sources: AAV; Globlex Research

Exhibit 37: Net debt to equity to drop



Sources: AAV; Globlex Research

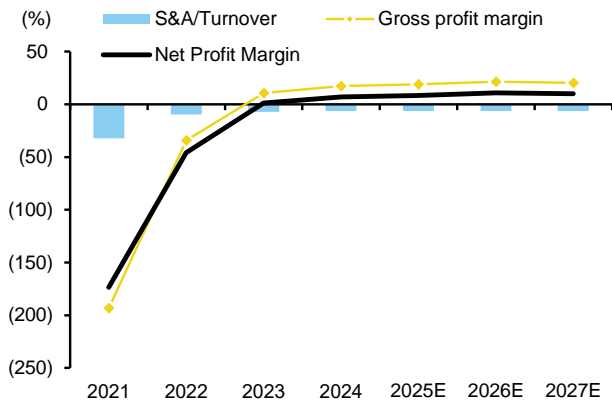
Exhibit 38: Cash cycle to stay at 5-6 days



Sources: AAV; Globlex Research

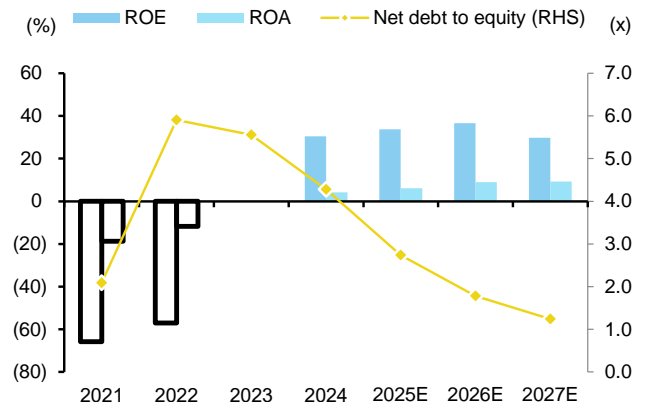
We project AAV's to see sustainably positive margins – both in gross and net margin levels – thanks to the revenue generated from number of passengers at 20.82m (13.1m domestic vs 7.72m international in 2024) and the high load factor of 91%.

Exhibit 39: Profitability and SG&A to sales



Sources: AAV; Globlex Research

Exhibit 40: ROE, ROA, net debt to equity



Sources: AAV; Globlex Research

ROE to rise further. In 2024, AAV posted a hefty 30.4% ROE thanks to its strong net profit growth and higher asset turnover. In 2025E-27E, we project even higher ROEs of 33.7% in 2025E, rising to 36.6% in 2026E and 29.8% in 2027E on higher net profit margins of 8.6% in 2025E, up from 6.1% in 2024. We think AAV now stands at the point where it will deliver far superior shareholders' returns in the forms of higher net profit growth, rising margins, and improving ROE.

Exhibit 41: Dupont analysis

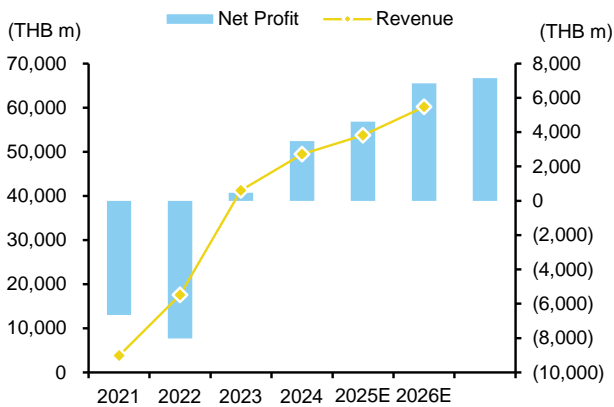
	2021	2022	2023	2024	2025E	2026E	2027E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)
Sales	3,828	17,553	41,241	49,436	53,768	60,169	65,463
Total assets	71,208	64,686	67,794	75,373	71,977	76,507	79,385
Asset Turnover (x)	0.05	0.27	0.61	0.66	0.71	0.78	0.83
Operating profit	-8,630	-7,691	1,463	5,370	6,766	9,100	9,063
OPM (%)	(225.4)	(43.8)	3.5	10.9	12.6	15.1	13.8
Net profit	-6,647	-8,030	2	3,007	4,618	6,849	7,144
NPM (%)	(173.6)	(45.7)	0.0	6.1	8.6	11.4	10.9
Shareholders' equity	10,101	14,078	8,183	9,896	13,689	18,730	24,006
Leverage	7.0	4.6	8.3	7.6	5.5	4.1	3.3
ROE (%)	(65.8)	(57.0)	0.0	30.4	33.7	36.6	29.8

Sources: AAV; Globlex Research

Initiated with BUY and a TP of THB2.5

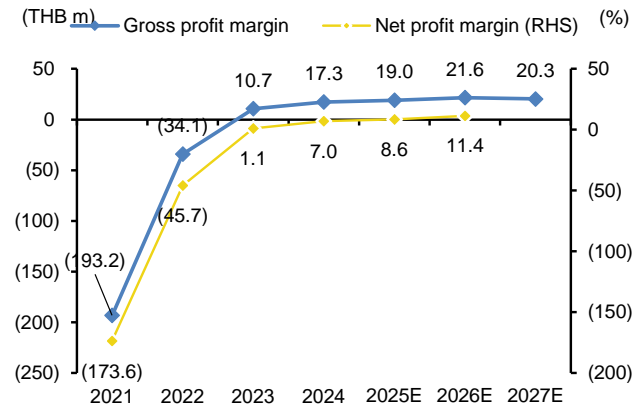
After many years of negative operating free cash flows due to the net losses, AAV now eventually turns around and is poised to grow further in 2025E-27E on Thailand's resilient tourism industry, AAV's nimble strategy to adapt to the changes in industry and geopolitical changes, and its proven effective cost control.

Exhibit 42: Net profit vs revenue



Sources: AAV; Globlex Research

Exhibit 43: Net profit margin vs gross profit margin



Sources: AAV; Globlex Research

We initiated coverage on AAV with BUY and a TP of THB2.5, based on 7x 2025E P/E, to reflect the discounts on AAV's cyclical nature of airline industry, the exposure to China's tourists, and the risks from geopolitical conflicts that could jeopardize demand for airlines like AAV.

Exhibit 44: Valuation and TP

P/E (x)	EPS (THB/share)		
	2025E	2026E	2027E
	0.36	0.53	0.56
3	1.1	1.6	1.7
4	1.4	2.1	2.2
5	1.8	2.7	2.8
6	2.2	3.2	3.3
7	2.5	3.7	3.9
8	2.9	4.3	4.4
9	3.2	4.8	5.0
10	3.6	5.3	5.6

Sources: AAV; Globlex Research

Balance sheet (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Current assets					
Cash & ST investment	1,285	2,105	6,562	13,230	19,999
Account receivable	1,199	1,354	1,523	1,712	1,917
Inventories	508	591	629	682	754
Others	7,013	11,452	12,456	13,939	15,165
Non-current assets					
Net fixed assets	4,083	4,337	3,915	3,494	3,072
Others	53,706	55,535	55,535	55,535	55,535
Total Assets	67,794	75,373	80,620	88,590	96,442
Current liabilities					
Account payable	1,893	1,051	1,120	1,214	1,342
ST borrowing	14,496	17,394	17,394	17,394	17,394
Others	8,633	10,621	11,551	12,926	14,064
Long-term liabilities					
Long-term debts	33,538	33,366	33,366	33,366	33,366
Others	821	1,562	1,562	1,562	1,562
Total liabilities	59,382	63,994	64,993	66,462	67,728
Paid-up capital	1,285	1,285	1,285	1,285	1,285
Retained earnings	(8,672)	(5,705)	(1,208)	5,294	11,880
Others	15,800	15,800	15,800	15,800	15,800
Minority interest	0	0	0	0	0
Shareholders' equity	8,412	11,379	15,877	22,378	28,965

Key ratios					
Year ending Dec	2023	2024	2025E	2026E	2027E
Growth (%YoY)					
Sales	135.0	19.9	8.8	11.9	8.8
Operating profit	509.3	46.7	17.6	24.3	3.4
EBITDA	509.3	46.7	17.6	24.3	3.4
Net profit	105.8	646.6	29.3	44.6	1.3
Core net profit	105.8	646.6	29.3	44.6	1.3
EPS	105.5	614.1	29.3	44.6	1.3
Core EPS	105.5	614.1	29.3	44.6	1.3
Profitability (%)					
Gross margin	22.8	25.6	27.2	29.4	28.3
Operation margin	15.7	19.2	20.7	23.0	21.8
EBITDA margin	15.7	19.2	20.7	23.0	21.8
Net margin	1.1	7.0	8.4	10.8	10.1
ROE	5.7	35.1	33.0	34.0	25.7
ROA	0.7	4.9	5.8	7.7	7.1
Stability					
Interest bearing debt/equity (x)	5.7	4.5	3.2	2.3	1.8
Net debt/equity (x)	5.6	4.3	2.8	1.7	1.1
Interest coverage (x)	0.6	2.1	2.5	3.4	3.4
Interest & ST debt coverage (x)	0.1	0.3	0.3	0.5	0.5
Cash flow interest coverage (x)	0.0	0.0	0.1	0.1	0.1
Current ratio (x)	0.4	0.5	0.7	0.9	1.2
Quick ratio (x)	0.1	0.1	0.3	0.5	0.7
Net debt (THB m)	46,749.4	48,655.3	44,198.2	37,530.3	30,760.6
Activity					
Asset turnover (X)	0.6	0.6	0.6	0.7	1.4
Days receivables	10.6	10.0	10.3	10.4	10.7
Days inventory	5.8	5.9	5.9	5.9	5.9
Days payable	21.7	10.4	10.4	10.4	10.4
Cash cycle days	(5.3)	5.4	5.8	5.8	6.1

Profit & loss (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Revenue					
Revenue	41,241	49,436	53,768	60,169	65,463
Cost of goods sold	(31,819)	(36,779)	(39,170)	(42,458)	(46,946)
Gross profit	9,422	12,656	14,598	17,711	18,517
Operating expenses	(2,967)	(3,187)	(3,466)	(3,879)	(4,220)
Operating profit	6,456	9,469	11,132	13,832	14,296
EBIT					
EBIT	1,463	5,370	6,766	9,100	9,063
Depreciation	(4,992)	(4,099)	(4,366)	(4,732)	(5,233)
EBITDA	6,456	9,469	11,132	13,832	14,296
Non-operating income					
Non-operating income	1,355	1,407	1,524	1,696	1,838
Other incomes	1,322	1,327	1,444	1,616	1,758
Other non-op income	33	80	80	80	80
Non-operating expense					
Non-operating expense	(2,291)	(2,596)	(2,668)	(2,668)	(2,668)
Interest expense	(2,291)	(2,596)	(2,668)	(2,668)	(2,668)
Other non-op expense	0	0	0	0	0
Equity income/(loss)	0	0	0	0	0
Pre-tax Profit	527	4,180	5,622	8,127	8,233
Extraordinary items					
Current taxation	(61)	(703)	(1,124)	(1,625)	(1,647)
Minorities	0	0	0	0	0
Net Profit	466	3,478	4,497	6,502	6,586
Core net profit	466	3,478	4,497	6,502	6,586
EPS (THB)	0.04	0.27	0.35	0.51	0.51
Core EPS (THB)	0.04	0.27	0.35	0.51	0.51

Cash flow (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Operating cash flow					
Operating cash flow	2,449	1,615	5,348	6,673	7,233
Net profit	466	3,478	4,497	6,502	6,586
Depre. & amortization	4,992	4,099	4,366	4,732	5,233
Change in working capital	(1,976)	(3,532)	(212)	(255)	(238)
Others	(1,033)	(2,431)	(3,304)	(4,305)	(4,348)
Investment cash flow	(4,662)	(6,259)	4,697	6,658	6,760
Net CAPEX	(4,891)	(4,353)	(10)	(10)	(10)
Change in LT investment	228	(1,906)	4,707	6,668	6,770
Change in other assets	0	0	0	0	0
Free cash flow	(2,213)	(4,644)	10,045	13,331	13,993
Financing cash flow					
Financing cash flow	2,700	5,464	(5,588)	(6,663)	(7,223)
Change in share capital	1,200	0	0	0	0
Net change in debt	0	0	0	0	0
Dividend paid	0	0	0	0	0
Others	1,500	5,464	(5,588)	(6,663)	(7,223)
Net cash flow	487	820	4,457	6,668	6,770

Per share (THB)					
EPS	0.04	0.27	0.35	0.51	0.51
Core EPS	0.04	0.27	0.35	0.51	0.51
CFPS	0.47	0.62	0.69	0.87	0.92
BVPS	0.73	0.93	1.24	1.74	2.25
Sales/share	3.55	4.02	4.18	4.68	5.09
EBITDA/share	0.56	0.77	0.87	1.08	1.11
DPS	0.00	0.00	0.00	0.00	0.00
Valuation					
P/E (x)	52.51	10.20	5.77	3.99	3.94
P/BV (x)	2.91	3.12	1.63	1.16	0.90
Dividend yield (%)	-	-	-	-	-
Dividend payout ratio (%)	-	-	-	-	-

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Analyst Certification

Siriluck Pinthusoonthorn, Register No. 119539, Globlex Securities Public Company Limited

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RECOMMENDATION STRUCTURE

Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

- BUY:** Expected return of 10% or more over the next 12 months.
HOLD: Expected return between -10% and 10% over the next 12 months.
REDUCE: Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Sector Recommendations

- Overweight:** The industry is expected to outperform the relevant primary market index over the next 12 months.
Neutral: The industry is expected to perform in line with the relevant primary market index over the next 12 months.
Underweight: The industry is expected to underperform the relevant primary market index over the next 12 months.

Country (Strategy) Recommendations

Overweight: Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral: Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight: Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

12 March 2025

ASIA AVIATION (AAV TB)



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