BANGKOK AIRWAYS (BA TB)

THAILAND / SET / TRANSPORTATION & LOGISTICS

1 April 2025

Globlex Securities Co., Ltd.

Friendly smiles on fabulous Samui

- Crown jewel Samui (flight and airport) as a key growth driver.
- Code share ticket sales to boost margins.
- Initiated with BUY and a TP of THB21.30

ESG Rating : BBB

CG Rating : ▲▲▲▲▲

BUY

Target Price 12M (THB)	**21.30**
VS. BB Consensus TP (%)	-21.1%
Share Price (THB)	18.40
Upside/Downside	+15.8%

Samui is BA's crown jewel

Among all BA's flight routes, Samui is the most lucrative and most crowded routes with long-term pent-up demands as a result of BA's monopoly on Samui airport and the attractive nature and beaches with a number of five-star resorts and hotels in the island. In 2024, Samui contributed significant revenue portion to BA at 68% of BA's total revenue, up from 63% in 2023, thanks to Samui's high contributions of 64% passengers and 63% of number of flights of BA's totals.

Growths on Samui, code share, and higher load factors

We project net profit growth of 11% CAGR in 2024-27E and core net profit growth of 21% CAGR in 2024-27E, driven by 1) the stronger net profit from Samui route and airport; 2) the higher passenger fares from rising portion of code share ticker sales, mostly for the Samui route due to the strong demand; and 3) higher load factor and margin on additions of new aircraft.

Upside from Samui airport

While net profit contribution from Samui airport remains small at THB0.1-THB0.2b in 2024, considering that BA paid a fixed THB1.1b annual payment to Samui REIT based on its current agreement. However, we think BA will have potential -net profit upside from Samui airport, driven by 1) higher number of flights at Samui airport over the next five years, from 50 flights to 60 flights by 2027E and to 70 flights by 2028E; and 2) Samui airport renovation to expand the commercial area, scheduled to start renovation in 4Q25.

Code share is BA's unique strength

Code share ticket revenue has long differentiated BA from competitors. While most BA's revenue is generated from BA's website, travel agency and websites (Agoda, Expedia), around ¼ of revenue comes from BA's code share tickets sold as a package with other airlines. As the Samui ticket price (THB4,000-5,000 per trip) is lower than the ticket price from overseas destinations flying into Thailand and then connects to Samui, BA has been able to make profits via code share tickets with Top 10 airlines (THAI, Emirates, Qatar, EVA Air, Lufthansa, Turkish, Etihad, and Singapore), flying from top 10 countries including Australia, US, Germany, UK, France, Sweden, Italy, Israel, India, and Vietnam.

Initiated with BUY and a TP of THB21.3

We initiated coverage on BA with BUY and a TP of THB21.3, based on 13x 2025E P/E. We think BA is an integrated airline-airport-air supports company that has proved itself as a highly resilient and fast adapted airline operator in response to the dynamic changes in industry environment, regulation, and consumer behavior.

Share Data

Market Cap (THB m)	38,640.00
Par (THB)	1.00
Free Float (%)	41.28
Issued shares (m shares)	2,100

Financial forecast

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	23,996	24,613	26,809	29,142
Net profit	3,863	3,729	4,583	5,293
Core net profit	3,007	3,729	4,583	5,293
vs Consensus (%)	-	(5.2)	10.7	27.0
Net profit growth (%)	14.7	(3.5)	22.9	15.5
Core net profit growth (%)	n.a	24.0	22.9	15.5
EPS (THB)	1.84	1.78	2.18	2.52
Core EPS (THB)	1.43	1.78	2.18	2.52
Chg from previous (%)	-	0.00	0.00	0.00
DPS (THB)	1.30	0.53	0.65	0.76
P/E (x)	12.18	10.36	8.43	7.30
P/BV (x)	2.95	2.12	1.78	1.51
ROE (%)	18.27	21.86	23.00	22.41
Dividend yield (%)	17.23	34.54	28.10	24.33

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(8.91)	(17.86)	(25.51)	(17.86)
Market	(5.32)	(0.68)	(6.80)	(0.68)
12M High/Low (THB)			26.00 / 15.80	
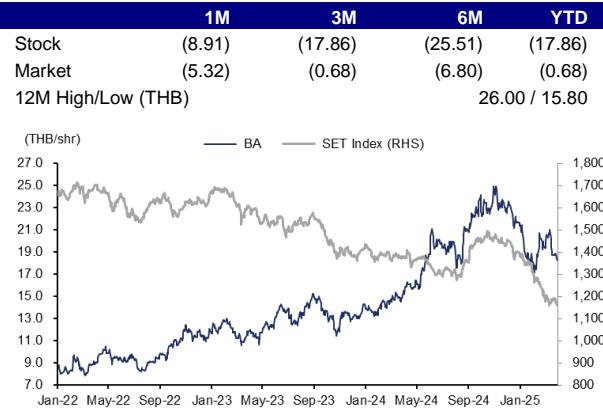
Major Shareholders (%) as of

MR. PUTTIPONG PRASARTTONG-OSOTH	24.92
MRS. ARIYA PRASARTTONG-OSOTH	11.59
MR. PRASERT PRASARTTONG-OSOTH	11.38

Company Profile

BA provides airline, airport and airport-related services including ground and passenger, in-flight catering, and cargo terminal services to its own flights and those of other airlines.

Source: SETSMART, SET

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Friendly smiles on fabulous Samui

Growths on Samui, code share and load factors

In the past five years, BA has been highly successfully in proving itself as one of the most profitable and resilient airlines in Thailand and Asia, bouncing from a deep loss in 2021 due to the global shutdown on Covid-19 pandemic to slowly recover the core net profits from THB2m in 2023 to THB3.0b in 2024 due to the rising number of passengers that surpassed BA's breakeven point seen in 2023 at 3.97m to 4.33m in 2024.

In addition, SG&A to sales has also declined markedly from 18.6% in 2022 to 15.2% in 2023 and 13.6% in 2024 thanks to the higher revenues generated from higher number of passengers.

We project net profit growth of 11% CAGR in 2024-27E and core net profit growth of 21% CAGR in 2024-27E, driven by 1) the stronger net profit from Samui route and airport; 2) the higher passenger fares from rising portion of code share ticker sales, mostly for the Samui route due to the strong demand; and 3) higher load factor and margin on additions of new aircraft.

Exhibit 1: Net profit, core net profit, and net profit growth
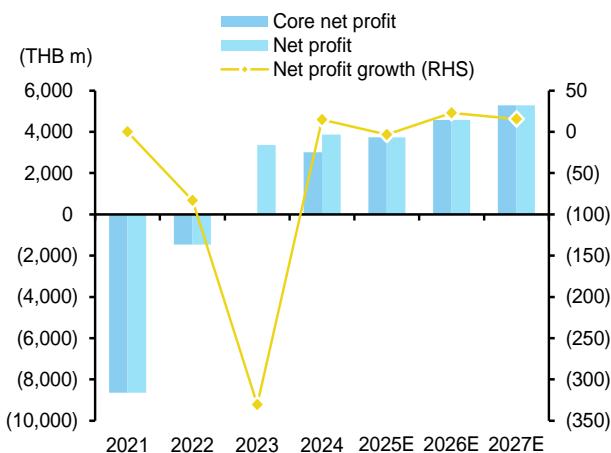
Sources: BA; Globlex Research

Exhibit 2: Net profit margin, gross profit margin, SG&A to sales
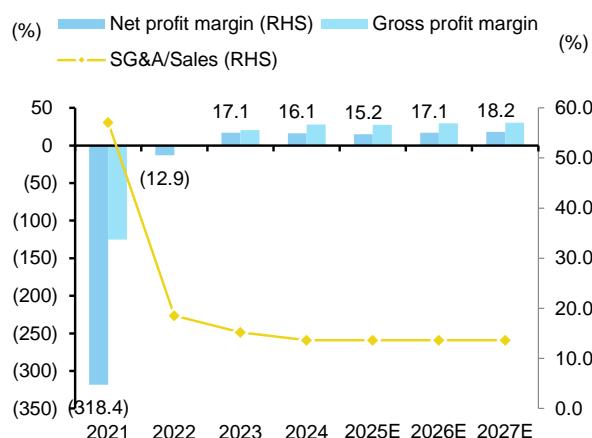
Sources: BA; Globlex Research

Splashing growth from Samui crown jewel

Among all BA's flight routes, Samui is the most lucrative and most crowded routes with long-term pent-up demands as a result of BA's monopoly on Samui airport and the attractive nature and beaches with a number of five-star resorts and hotels in the island.

In 2024, Samui contributed significant revenue portion to BA at 68% of BA's total revenue, up from 63% in 2023, thanks to Samui's high contributions of 64% passengers and 63% of number of flights of BA's totals.

Exhibit 3: Flight routes

25 Routes

17 Domestic | **8** International

19 Destinations | **11** Domestic | **8** International

As of December 2024

Sources: BA

Exhibit 4: Advanced booking for summer schedule at Samui

Capture Demand for Winter Schedule

| Route Round Trip	Increased Frequency Average RT Flight / Week
Bangkok - Samui	151 >> 164
Bangkok - Krabi	7 >> 14
Phuket - Samui	48 >> 51
Chiang Mai – Krabi (resumed from Oct 2024)	3 - 4
Lampang – Mae Hong Son	3 >> 5
Bangkok - Phnom Penh	15 >> 21
Samui - Singapore	14 >> 16

Snapshot of Advanced Bookings for Summer Schedule
Travel period: Mar-Sep 2025

866 **+5%** YoY
824

Samui **+14%**
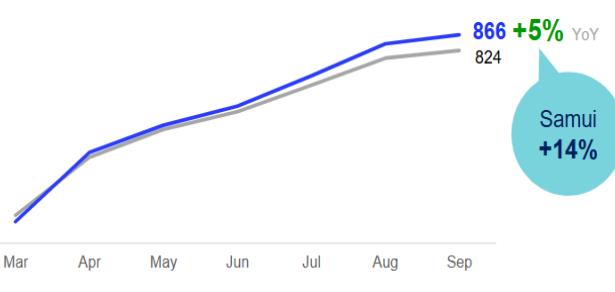
Sources: BA

Exhibit 5: No of passengers by airports
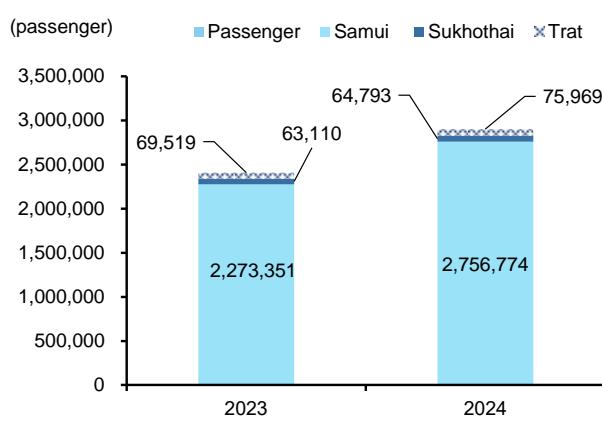
Sources: BA

Exhibit 6: No of passengers by airports (%)
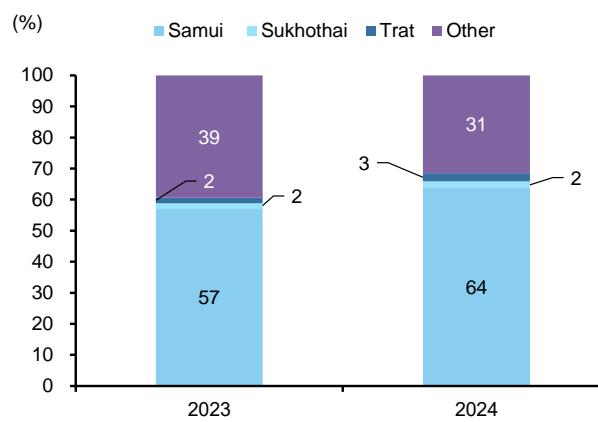
Sources: BA

Exhibit 7: No of flight by airports

(no of flight) ■Samui ■Sukhothai ■Trat ■Other

- 2023: Samui 25,443; 1,460; Trat 1,459; Other 16,412
- 2024: Samui 30,381; 1,464; Trat 1,448; Other 14,784
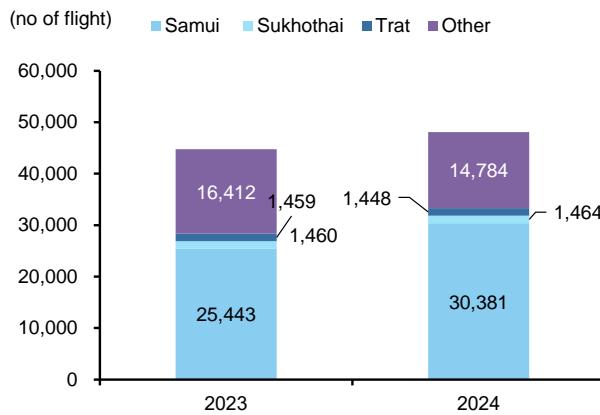
Sources: BA

Exhibit 8: No of flight by airports (%)

(%) ■Samui ■Sukhothai ■Trat ■Other

- 2023: Samui 57; 3; Other 37
- 2024: Samui 63; 3; Other 31
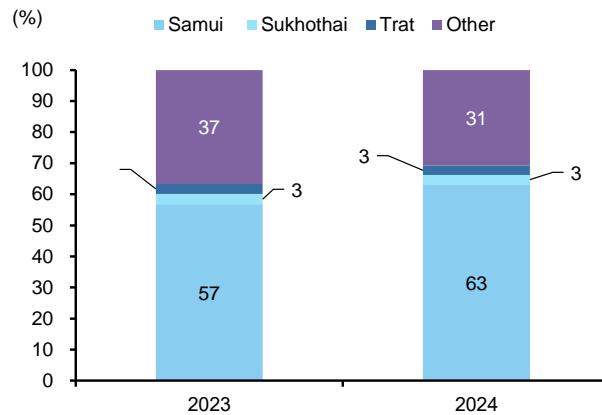
Sources: BA

Upside from Samui airport. While net profit contribution from Samui airport remains small at THB0.1-THB0.2b in 2024, considering that BA paid a fixed THB1.1b annual payment to Samui REIT based on its current agreement. However, we think BA will have potential -net profit upside from Samui airport

Higher number of flights at Samui airport. Having been approved by regulator to lift the maximum number of flights per day at Samui airport from 50 to 73, BA plans to increase the number of flights piecemeal over the next five years, from 50 flights to 60 flights by then end of 2027E and to 70 flights by 2028E. Currently, the mandatory Environment Impact Assessment (EIA) is in the process and is expected to be complete within 2025. As a result, we project the number of passengers and flights at Samui airport to rise substantially in 2026E onwards.

Samui airport renovation to expand the commercial area, scheduled to start renovation by 4Q25E.

Exhibit 9: Samui airport and flight information

	% total	Total	Samui	Unit
Revenue	68	22,906	15,576	THB m
No of Passengers	64	4,330,000	2,771,200	No of passengers
No of flights	63	48,077	30,289	No of flights

Sources: BA; Globlex Research

**Exhibit 10: Samui airport renovation improvement project**
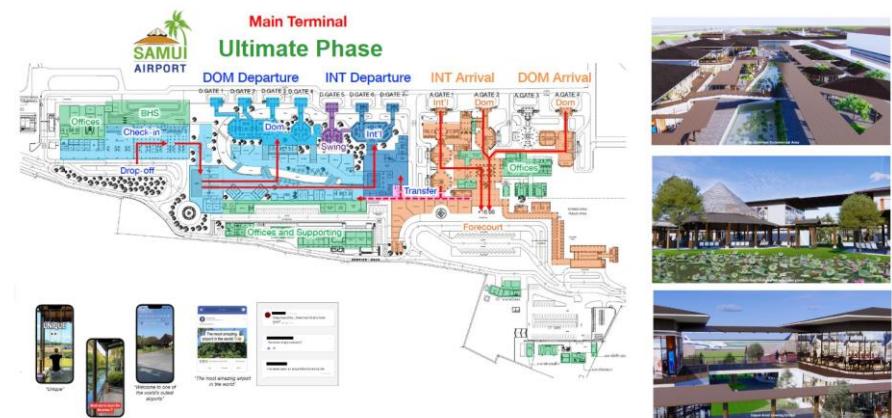
Sources: BA

Growth from the lucrative code share ticket sales

In addition to the high numbers of passengers and flights, Samui also commands much higher ticket fare than routes in term of its cost per distance, thanks to BA's monopoly and the relentless popularity of Samui as one of the top destinations in Thailand and Southeast Asia.

We highlight that revenue from passenger fare remains BA's largest chuck of revenue at 79% of total revenue in 02024, down from 84% in 2023 and 85% in 2022 due to the higher revenues from sales and service incomes and the rising revenue from passenger service charges.

Exhibit 11: Revenue breakdown by segment
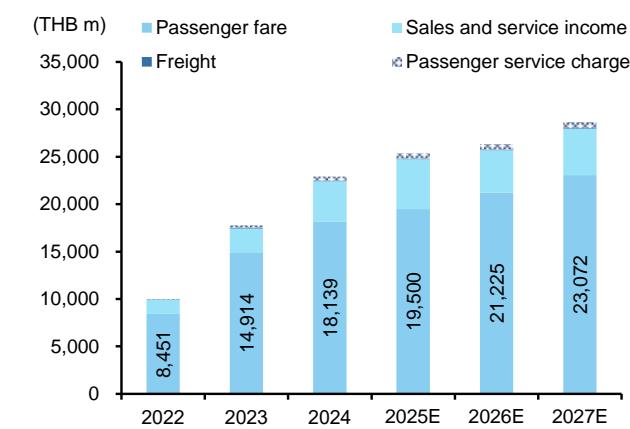
Sources: BA; Globlex Research

**Exhibit 12: Revenue breakdown by segment (%)**
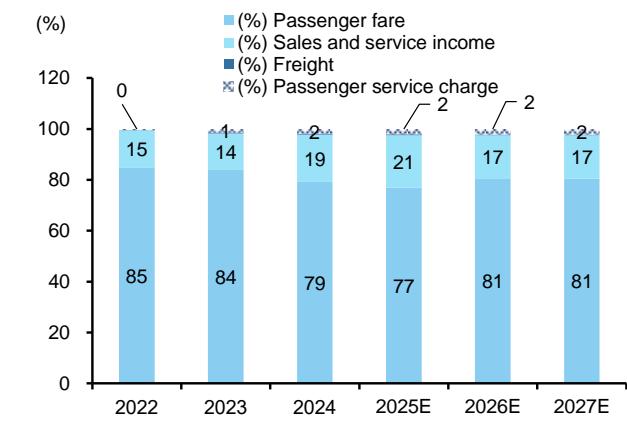
Sources: BA; Globlex Research

Code share is BA's unique strength. One of the most unique factors that has long differentiated BA from its local and regional airline peers is BA's high revenue portion from "code share" ticket sales, which accounts for ¼ of its total revenue in 2024.

While most BA's revenue is generated from its website, travel agency, and travel websites (Agoda, Expedia), around ¼ of revenue is generated from BA's code share tickets sold as a package with other airline alliances at oversea point of sales (POS). As the ticket price of Samui, ranging between THB4,000-5,000 per trip on average, is much lower than the entire ticket price from overseas destinations flying into Thailand and then connects to Samui or other BA's routes via BA's code share ticket.

Top 10 airlines selling code share tickets with BA are THAI, Emirates, Qatar, EVA Air, El Al Israel, Lufthansa, Turkish, Etihad, and Singapore Airline, flying from top 10 countries including Australia, US, Germany, UK, France, Sweden, Italy, Israel, India, and Vietnam.

Exhibit 13: Code share ticket sales mostly from overseas routes to Samui
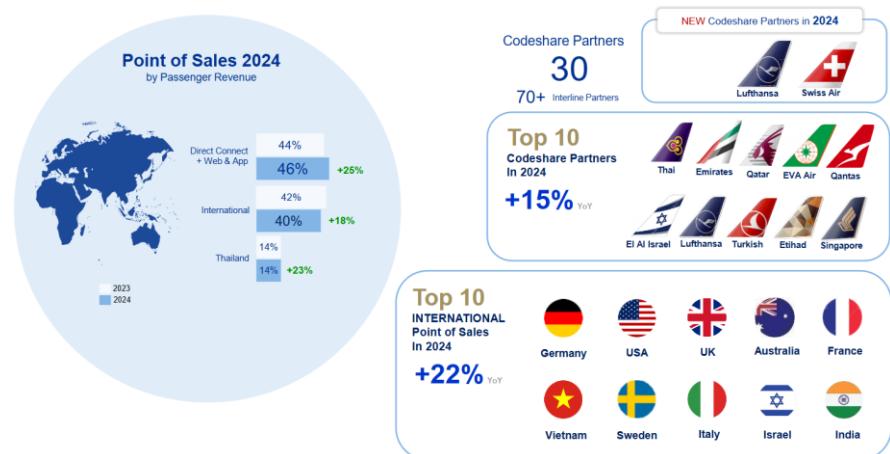
Sources: BA

According to management, the ticket fare of Samui flight gas not been impacting the demand, indicating its low demand elasticity thanks to the high-demand, limited supply structure. We project average fare for BA to rise marginally from THB4,186 in 2024 to THB4,269 in 2025E, THB4,355 in 2026E, and THB4,442 in 2027E as we think the current fare is relatively high and any further price hike is limited.

Exhibit 14:   Passenger fare, sales and services income and their % of total revenue
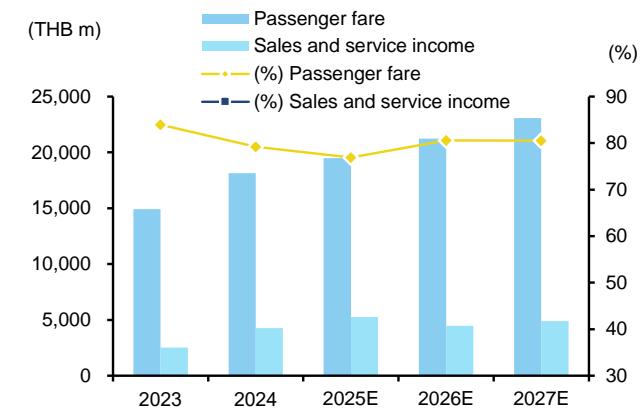
Sources: BA; Globlex Research

Exhibit 15: Average fare vs number of passengers carried
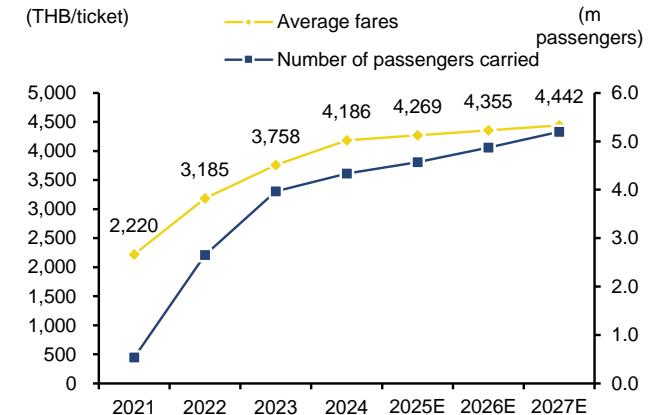
Sources: BA; Globlex Research

Higher load factor to drive margins

On top of higher number of passengers and better pricing strategy from the code share ticket sales, we think BA's upside will come from higher load factor and rising Average-Seat-Kilometer (ASK), leading to higher margins on the lower fixed cost per ASK and the increase in revenue from the high-margin passenger sales and service incomes. We project load factor to stay high at 80% in 2025E-27E, flat from 80.3% in 2024 as we think this load factor level is the most optimum for BA.

Exhibit 16: ASK vs load factor
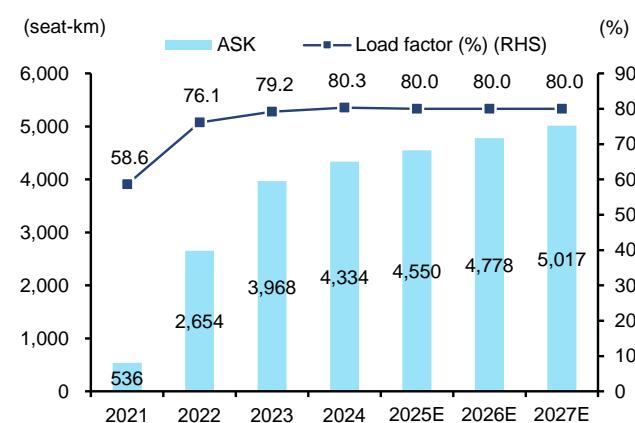
Sources: BA; Globlex Research

Exhibit 17: Gross and net profit margins
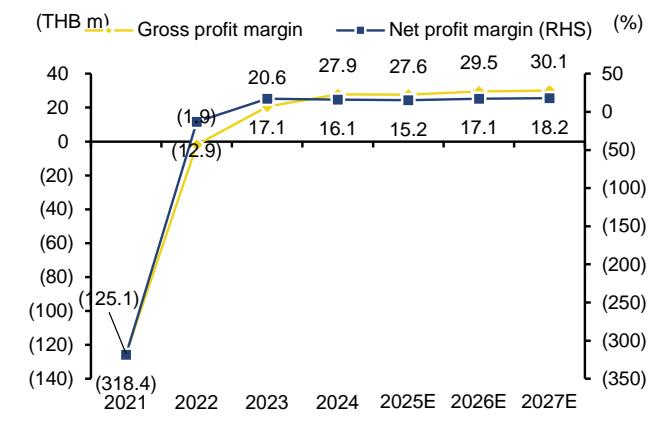
Sources: BA; Globlex Research

In 2023, when RASK rose to THB5.41/ASK against CASK THB5.14/ASK, BA eventually turned around to post a small core net profit of THB2m at the number of passengers carried at 3.97m, which we think could serve as a proxy for BA's breakeven point. Then in 2024, it was no surprise that BA's core net profit jumped to THB3.0b as the incremental revenue generated from additional passenger service revenue would not have to cover the fixed cost.

Exhibit 18: RASK, CASK, CASK ex fuel
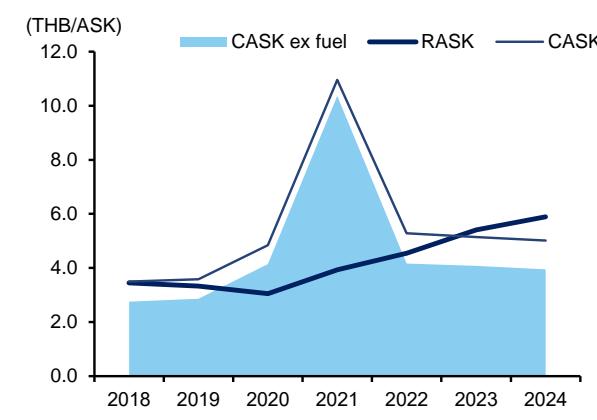
Sources: BA

Exhibit 19: Margin (RASK-CASK) vs ASK
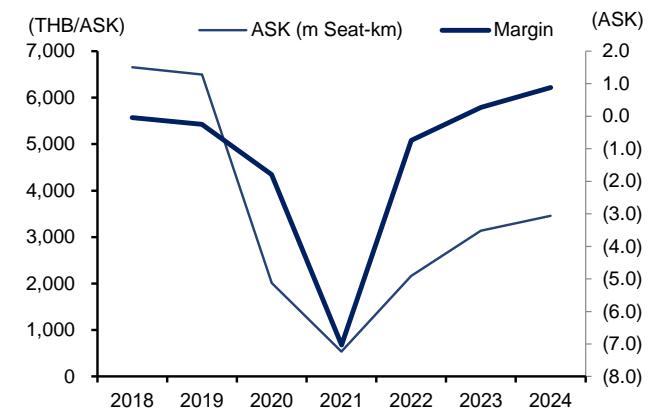
Sources: BA; Globlex Research

To serve higher demands for Samui, domestic, and Maldives routes, BA plans to optimize its incumbent 25 aircraft rather than adding new aircraft given the industry shortages of new aircraft and the demand uncertainty of China's routes. We deemed this strategy as appropriate and hence expect BA to increase the number of passengers carried and flights only at marginal levels.

Exhibit 20: Number and type of aircraft
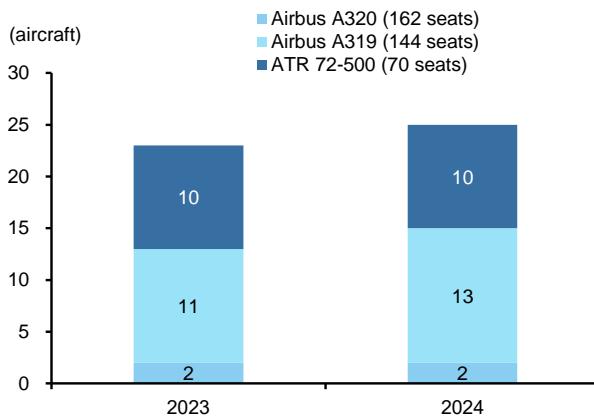
Sources: BA

Exhibit 21: Number and type of aircraft (%)
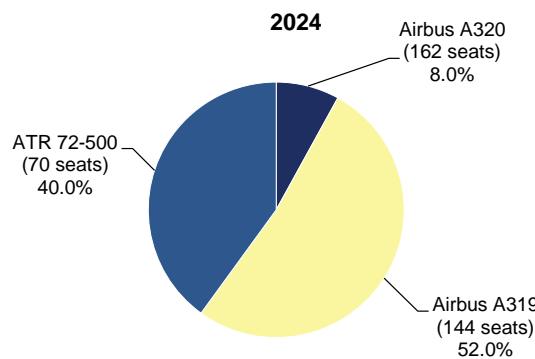
Sources: BA

Exhibit 22: Number and type of aircraft
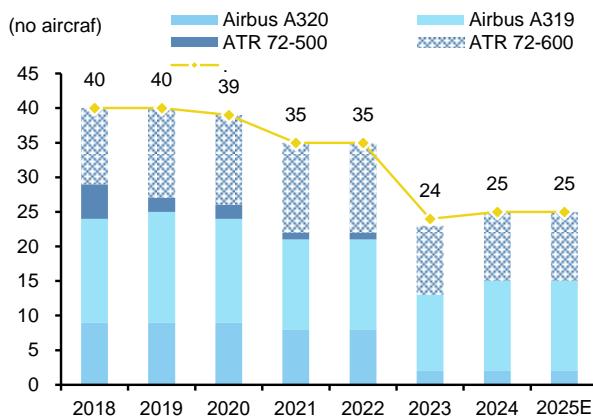
Sources: BA

Exhibit 23: Three types of BA's aircraft

Sources: BA

Initiated with BUY and a TP of THB21.3

We initiated coverage on BA with BUY and a TP of THB21.3, based on 13x 2025E P/E. We think BA is an integrated airline-airport-air supports company that has proved itself as a highly resilient and fast adapted airline operator in response to the dynamic changes in industry environment, regulation, and consumer behavior.

BA has consistently generated high profitability and returns to shareholders, reflected in its high net profit margin of 12.5%, ROE of 18.3%, and net profit growth of 15% and core net profit growth of 1.25x y-y in 2024. We project BA to continue to deliver superior financial performance in 2025E-27E, delivering net profit margin of 15%-18%, ROE of 22%-23%, and net profit growth of +24.0%/+22.9%/ +15.5% in 2025E-27E.

Exhibit 24: Dupont analysis

	2021 (THB m)	2022 (THB m)	2023 (THB m)	2024 (THB m)	2025E (THB m)	2026E (THB m)	2027E (THB m)
Sales	2,717	11,305	19,681	23,996	24,613	26,809	29,142
Total assets	48,939	62,246	57,881	55,917	56,920	60,229	64,083
Asset Turnover (x)	0.06	0.18	0.34	0.43	0.43	0.45	0.45
Operating profit	-4,949	-2,316	1,066	3,410	3,434	4,257	4,800
OPM (%)	(182.2)	(20.5)	5.4	14.2	14.0	15.9	16.5
Net profit	-8,650	-1,462	2	3,007	3,729	4,583	5,293
NPM (%)	(318.4)	(12.9)	0.0	12.5	15.2	17.1	18.2
Shareholders' equity	6,599	15,008	16,901	16,458	17,061	19,922	23,613
Leverage	7.4	4.1	3.4	3.4	3.3	3.0	2.7
ROE (%)	(131.1)	(9.7)	0.0	18.3	21.9	23.0	22.4

Sources: BA; Globlex Research

Exhibit 25: Valuation and TP

P/E (x)	EPS (THB/share) 2025E	2026E	2027E
EPS	1.78	2.18	2.52
9	16.0	19.6	22.7
10	17.8	21.8	25.2
11	19.5	24.0	27.7
12	21.3	26.2	30.2
13	23.1	28.4	32.8
14	24.9	30.6	35.3
15	26.6	32.7	37.8
16	28.4	34.9	40.3

Sources: BA; Globlex Research

Balance sheet (THB m)

Year ending Dec	2023	2024	2025E	2026E	2027E
Current assets					
Cash & ST investment	12,978	8,236	8,648	10,944	13,731
Account receivable	1,472	1,390	1,637	1,905	2,196
Inventories	489	507	522	554	597
Others	1,135	6,052	6,208	6,762	7,350
Non-current assets					
Net fixed assets	7,091	7,654	7,828	7,987	8,132
Others	34,716	32,077	32,077	32,077	32,077
Total Assets	**57,881**	**55,917**	**56,920**	**60,229**	**64,083**
Current liabilities					
Account payable	1,958	1,997	2,056	2,180	2,349
ST borrowing	2,846	2,172	2,500	2,500	2,500
Others	6,163	7,736	7,935	8,643	9,395
Long-term liabilities					
Long-term debts	25,293	23,851	22,000	21,000	20,000
Others	4,714	4,303	4,303	4,303	4,303
Total liabilities	**40,974**	**40,060**	**38,794**	**38,626**	**38,548**
Paid-up capital	2,100	2,100	2,100	2,100	2,100
Retained earnings	1,245	2,693	4,952	8,416	12,334
Others	13,639	11,138	11,138	11,138	11,138
Minority interest	(76)	(75)	(64)	(52)	(37)
Shareholders' equity	**16,908**	**15,856**	**18,126**	**21,603**	**25,535**

Key ratios

Year ending Dec	2023	2024	2025E	2026E	2027E
Growth (%YoY)					
Sales	74.1	21.9	2.6	8.9	8.7
Operating profit	2,381.2	74.1	1.4	18.3	11.4
EBITDA	2,381.2	74.1	1.4	18.3	11.4
Net profit	330.4	14.7	(3.5)	22.9	15.5
Core net profit	100.2	125,191.7	24.0	22.9	15.5
EPS	330.2	14.7	(3.5)	22.9	15.5
Core EPS	100.2	125,191.7	24.0	22.9	15.5
Profitability (%)					
Gross margin	29.6	34.3	34.0	35.8	36.3
Operation margin	14.4	20.6	20.4	22.1	22.7
EBITDA margin	14.4	20.6	20.4	22.1	22.7
Net margin	17.1	16.1	15.2	17.1	18.2
ROE	0.0	18.3	21.9	23.0	22.4
ROA	0.0	5.3	6.6	7.8	8.5
Stability					
Interest bearing debt/equity (x)	1.7	1.6	1.4	1.1	0.9
Net debt/equity (x)	0.9	1.1	0.9	0.6	0.3
Interest coverage (x)	0.5	1.6	1.8	2.3	2.7
Interest & ST debt coverage (x)	0.2	0.8	0.8	1.0	1.1
Cash flow interest coverage (x)	0.2	(0.0)	0.1	0.1	0.1
Current ratio (x)	1.5	1.4	1.4	1.5	1.7
Quick ratio (x)	1.3	0.8	0.8	1.0	1.1
Net debt (THB m)	15,162	17,788	15,852	12,556	8,769
Activity					
Asset turnover (X)	0.3	0.4	0.4	0.4	0.9
Days receivables	27.3	21.2	24.3	25.9	27.5
Days inventory	12.9	11.7	11.7	11.7	11.7
Days payable	51.6	46.2	46.2	46.2	46.2
Cash cycle days	(11.4)	(13.3)	(10.2)	(8.5)	(7.0)

Profit & loss (THB m)

Year ending Dec	2023	2024	2025E	2026E	2027E
Revenue	19,681	23,996	24,613	26,809	29,142
Cost of goods sold	(13,847)	(15,775)	(16,239)	(17,217)	(18,558)
Gross profit	**5,834**	**8,221**	**8,374**	**9,592**	**10,584**
Operating expenses	(2,992)	(3,274)	(3,358)	(3,658)	(3,976)
Operating profit	**2,841**	**4,946**	**5,016**	**5,934**	**6,608**
EBIT	**1,066**	**3,410**	**3,434**	**4,257**	**4,800**
Depreciation	(1,775)	(1,536)	(1,582)	(1,677)	(1,807)
EBITDA	**2,841**	**4,946**	**5,016**	**5,934**	**6,608**
Non-operating income	**2,389**	**2,534**	**2,588**	**2,782**	**2,988**
Other incomes	2,240	2,119	2,173	2,367	2,573
Other non-op income	149	415	415	415	415
Non-operating expense	**(2,126)**	**(2,146)**	**(1,955)**	**(1,857)**	**(1,780)**
Interest expense	(2,167)	(2,095)	(1,955)	(1,857)	(1,780)
Other non-op expense	41	(50)	0	0	0
Equity income/(loss)	612	794	485	450	500
Pre-tax Profit	**1,940**	**4,592**	**4,553**	**5,632**	**6,509**
Extraordinary items					
Current taxation	1,429	(718)	(814)	(1,036)	(1,202)
Minorities	(2)	(10)	(10)	(13)	(14)
Net Profit	**3,368**	**3,863**	**3,729**	**4,583**	**5,293**
Core net profit	2	3,007	3,729	4,583	5,293
EPS (THB)	**1.60**	**1.84**	**1.78**	**2.18**	**2.52**
Core EPS (THB)	**0.00**	**1.43**	**1.78**	**2.18**	**2.52**

Cash flow (THB m)

Year ending Dec	2023	2024	2025E	2026E	2027E
Operating cash flow	**8,320**	**(54)**	**2,805**	**3,489**	**4,050**
Net profit	3,368	3,863	3,729	4,583	5,293
Depre.& amortization	1,775	1,536	1,582	1,677	1,807
Change in working capital	1,162	(3,241)	(159)	(22)	(1)
Others	2,014	(2,213)	(2,347)	(2,749)	(3,049)
Investment cash flow	**28,736**	**(746)**	**3,396**	**4,405**	**5,151**
Net CAPEX	(597)	(2,099)	(10)	(10)	(10)
Change in LT investment	29,333	1,353	3,406	4,415	5,161
Change in other assets	0	0	0	0	0
Free cash flow	**37,056**	**(800)**	**6,201**	**7,894**	**9,201**
Financing cash flow	**(27,670)**	**(3,942)**	**(5,788)**	**(5,598)**	**(6,415)**
Change in share capital	(9,219)	0	0	0	0
Net change in debt	(22)	2	10	13	14
Divident paid	(1,050)	(1,470)	(1,470)	(1,119)	(1,375)
Others	(17,379)	(2,474)	(4,329)	(4,492)	(5,054)
Net cash flow	**9,386**	**(4,742)**	**413**	**2,296**	**2,786**

Per share (THB)

	2023	2024	2025E	2026E	2027E
EPS	1.60	1.84	1.78	2.18	2.52
Core EPS	0.00	1.43	1.78	2.18	2.52
CFPS	2.45	2.58	2.53	2.99	3.39
BVPS	8.10	7.59	8.66	10.31	12.18
Sales/share	9.38	11.43	11.72	12.77	13.88
EBITDA/share	1.35	2.36	2.39	2.83	3.15
DPS	0.50	1.30	0.53	0.65	0.76
Valuation					
P/E (x)	9.8	12.2	10.4	8.4	7.3
P/BV (x)	1.94	2.95	2.12	1.78	1.51
Dividend yield (%)	31.40	17.23	34.54	28.10	24.33
Divdend payout ratio (%)	31.17	70.67	30.00	30.00	30.00

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Analyst Certification

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RECOMMENDATION STRUCTURE
Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / 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.