COMPANY UPDATE

THAI AIRWAYS (THAI TB)

THAILAND / SET / AVIATION

Globlex Securities Co., Ltd.

18 November 2025

"Best in class, Trust in THAI"

- Solid 3Q25 core net profit again reaffirms THAI's sound strategies
- Growth strategy set: fleet-route, hospitality-royalty, cost-efficiency
- Maintain BUY and lifted TP to THB12

Solid operations continued in 3Q25

THAI again confirmed its full turnaround with a strong core net profit (NP) of THB5.2b, up 1.2x y-y from a NP of THB2.4b in 3Q24, in line with our expectation. Revenue ebbed to THB44.4b (-3% y-y) vs operating expense declined to THB35.5b (-7% y-y), resulting in a 19% y-y higher operating profit at THB5.4b (+THB3.1b y-y). Including non-recurring items, net profit was THB4.4b, down 65% y-y due to the absence of one-time gains from FX gain (THB9.1b in 3Q24) and gain on debt restructuring (THB2.2b).

Passenger operations and efficiency continued to improve

Passenger revenue dipped to THB25.7b (-4% y-y) due to lower number of passengers (-1.3% y-y) and FX impact but ASK improved to THB17.7b (+3% y-y), cabin factor rose to 76.8% (+0.7% pts y-y) to offset the lower passenger yield at THB2.61/RPK (-8% y-y). Number of aircraft in operation increased to 78 (+1 y-y) while aircraft utilization rate improved to 13.5 hours/aircraft/day (+3.1 y-y).

Well-diversified, well-managed route revenue mix proved well

THAI has proven its effectiveness in its route management, sustaining revenue despite the rising geopolitical risks. Revenue from domestic routes dropped to THB1.7b (-11% y-y) while revenue from international routes dipped to THB34b (-3% y-y), mainly from Asia (3Q25 revenue THB16.2b, -6% y-y) on the geopolitical disruptions in Cambodia route while Europe (THB14b, -1% y-y) and Australia routes, THAI's two key anchor routes, remained resilient.

Strategies for fleet-route, hospitality-royalty, cost-efficiency

After changes in number of boards, wee think THAI is now seeing significant subsiding risk from political interventions that should enable THAI to shine on its future financial performance. We see three key developments that should strengthen THAI's earnings outlook and retain its high profitability. First, aircraft-route management is fully aligned with fleet number increase. Second, hospitality strategy to strengthen THAI brand under "Trust in Thai" products has raised customers' royalty, reducing churning rate, improve load factors customers' satisfaction. Third, cost management has been enhanced via "Own-or-Lease", efficient maintenance cost, and FX impact elimination, all proven successful strategies in 3Q25.

Maintain BUY and raised TP to THB12

We maintain BUY and lifted our TP from THB7.2, previously based on 7x 2025E P/E, to THB12, now based on 10x 2026E P/E, to reflect THAI's proven capability of not only sustaining but also growing its net profits and margins in order to improve shareholders' returns.

Analyst

Suwat Sinsadok, CFA, FRM, ERP
suwat.s@globlex.co.th,
+662 687 7026

ESG Rating : n.a.
CG Rating : n.a.

BUY

Target Price 12M (THB)	**12.00**
VS. BB Consensus TP (%)	+4.3%
Share Price (THB)	8.30
Upside/Downside	+44.6%

Share Data

Market Cap (THB m)	234,917.32
Par (THB)	1.30
Free Float (%)	43.12
Issued shares (m shares)	28,303

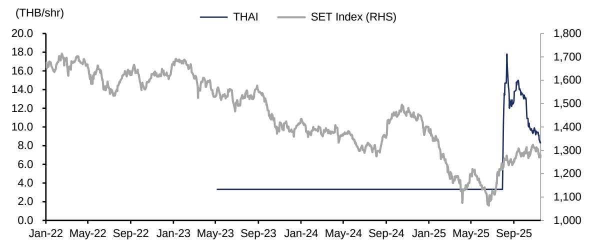
Financial forecast

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	187,249	189,700	198,143	219,578
Net profit	(26,934)	29,223	33,960	40,166
Core net profit	22,734	29,223	33,960	40,166
vs Consensus (%)		(8.9)	14.6	53.3
Net profit growth (%)	(195.9)	208.5	16.2	18.3
Core net profit growth (%)	(7.6)	28.5	16.2	18.3
EPS (THB)	(6.26)	1.03	1.20	1.42
Core EPS (THB)	5.28	1.03	1.20	1.42
Chg from previous (%)		0.00	0.00	0.00
DPS (THB)	1.30	0.31	0.36	0.43
P/E (x)	(0.53)	3.22	2.77	2.34
P/BV (x)	0.31	1.31	0.97	0.74
ROE (%)	nm	49.86	40.28	35.89
Dividend yield (%)	2.55	10.72	9.22	7.80

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(17.82)	(49.70)	150.00	150.00
Market	(18.17)	(50.51)	133.54	173.46
12M High/Low (THB)				19.40 / 8.25-



Major Shareholders (%) as of 14 Mar 2025

Ministry of Finance	38.90
Bangkok Bank	8.51
EGAT SAVING AND CREDIT	5.43

Company Profile

THAI operates a fully integrated commercial airline business both domestically and internationally.

Source: SETSMART, SET

Exhibit 1: Summary of 3Q25/9M25 operations

	3Q24	2Q25	----------------- 3Q25 -------------------			9M24	9M25	chg.	2025E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)
Revenue	**44,514**	**43,312**	**42,923**	***(0.9)***	***(3.6)***	**136,478**	**136,508**	***0.0***	**189,700**
Operating costs	(36,877)	(31,420)	(32,001)	*(1.9)*	*13.2*	(103,614)	(98,316)	*5.1*	(133,278)
EBITDA	**7,637**	**11,892**	**10,922**	***(8.2)***	***43.0***	**32,865**	**38,192**	***16.2***	**56,422**
EBITDA margin (%)	*17.2*	*27.5*	*25.4*	*na*	*na*	*24.1*	*28.0*	*na*	*29.7*
Depn & amort.	(3,330)	(3,227)	(3,835)	*(18.9)*	*(15.2)*	(9,551)	(10,138)	*(6.1)*	(12,850)
EBIT	**4,307**	**8,665**	**7,086**	***(18.2)***	***64.5***	**23,314**	**28,054**	***20.3***	**43,572**
Interest expense	(4,830)	(3,392)	(3,137)	*7.5*	*35.0*	(14,233)	(10,010)	*29.7*	(14,842)
Interest & invt inc	722	1,208	1,123	*(7.0)*	*55.6*	2,081	3,365	*61.7*	2,929.0
Other income	1,131	309	363	*17.6*	*(67.9)*	1,926	988	*(48.7)*	2,570.2
Associates' contrib	3	(1)	(8)	*(980.5)*	*(330.5)*	54	24	*(55.7)*	70.0
Exceptionals	11,148	5,346	(1,001)	*(118.7)*	*(109.0)*	2,090	3,981	*90.5*	-
Pretax profit	**12,482**	**12,135**	**4,427**	***(63.5)***	***(64.5)***	**15,233**	**26,402**	***73.3***	**34,299**
Tax	1	(1)	(6)	*(578.5)*	*(511.4)*	(12)	(8)	*34.3*	(5,134)
Tax rate (%)	*(0.0)*	*0.0*	*0.1*	*na*	*na*	*0.1*	*0.0*	*na*	*15.0*
Minority interests	(4)	(10)	(8)	*20.1*	*(102.0)*	(26)	(25)	*4.5*	58.3
Net profit	**12,480**	**12,124**	**4,413**	***(63.6)***	***(64.6)***	**15,195**	**26,369**	***73.5***	**29,223**
Non-recurring	(10,117)	(5,336)	1,007	*118.9*	*110.0*	(5,236)	(3,981)	*24.0*	-
Core net profit	**2,363**	**6,788**	**5,420**	***(20.2)***	***129.4***	**9,959**	**22,388**	***124.8***	**29,223**
EPS (THB)	5.72	0.43	0.16	*(63.6)*	*(97.3)*	6.96	0.93	*(86.6)*	1.03
Core EPS (THB)	0.61	0.24	0.19	*(20.1)*	*(68.6)*	5.98	0.79	*(86.8)*	1.03

Sources: THAI, Globlex Research

Exhibit 2: 3Q25 key performance

		3Q24	2Q25	3Q25	(q-q%)	(y-y%)
Number of passengers	(m pax)	3.94	3.97	3.89	*(2.0)*	*(1.3)*
Available Seat Kilometers (ASK)	(m)	17,139	17,552	17,673	*0.7*	*3.1*
Revenue Passenger Kilometers (RPK)	(m)	13,046	13,521	13,573	*0.4*	*4.0*
Cabin Factor *	(%)	76.1	77.0	76.8	*(0.2)*	*0.7*
Passenger yield	(THB/RPK)	2.83	2.66	2.61	*(1.9)*	*(7.8)*
Available dead load ton-kilometers	(m)	943	969	987	*1.9*	*4.7*
Revenue freight ton-kilometers	(m)	496	508	526	*3.5*	*6.0*
Freight load factor *	(%)	52.5	52.4	53.3	*0.9*	*0.8*
Freight carried	(tonne)	114,596	117,309	122,118	*4.1*	*6.6*
Freight yield	(THB/RFTK)	9.45	8.62	8.39	*(2.7)*	*(11.2)*
No.of aircraft in operations	(aircraft)	77.0	78.0	78.0	-	*1.3*
Flight hours	(hour)	83,513	85,886	86	*(99.9)*	*(99.9)*
Aircraft utilization	(hour/day)	13.1	13.5	13.5	-	*3.1*
Average jet fuel price	(USD/bbl)	104	91	96	*4.4*	*(8.4)*

* Note: Change in margin % is represented in ppt change
Sources: THAI, Globlex Research

Exhibit 3: 3Q25 passenger and excess baggage revenue by region – THAI and its subsidiaries

(THB m)	3Q24	2Q25	3Q25	(q-q%)	(y-y%)
Domestic routes	**1,883**	**1,655**	**1,668**	**0.8**	**(11.4)**
International routes	**35,220**	**34,487**	**34,009**	**(1.4)**	**(3.4)**
Asia	17,183	18,331	16,158	(11.9)	(6.0)
Europe	14,129	12,602	14,038	11.4	(0.6)
Australia	3,908	3,554	3,813	7.3	(2.4)
Total passenger and excess baggage revenue (excluding one-time items)	**37,103**	**36,142**	**35,677**	**(1.3)**	**(3.8)**

Sources: THAI, Globlex Research

Exhibit 4: 3Q25 Average passenger yield by region – THAI and its subsidiaries

(THB/RPK)	3Q24	2Q25	3Q25	(q-q%)	(y-y%)
Domestic routes	3.65	3.54	3.72	*5.1*	*1.9*
International routes	2.80	2.63	2.58	*(1.9)*	*(7.9)*
Asia	3.09	3.05	2.88	*(5.6)*	*(6.8)*
Europe	2.60	2.30	2.36	*2.6*	*(9.2)*
Australia	2.43	2.20	2.34	*6.4*	*(3.7)*
Total average passenger yield	**2.83**	**2.66**	**2.61**	***(1.9)***	***(7.8)***

Sources: THAI, Globlex Research

Exhibit 5: 3Q25 expenses (excluding one-time items)

(THB m)	3Q24	2Q25	3Q25	(q-q%)	(y-y%)
Employee benefits expenses	2,875	3,134	3,202	*2.2*	*11.4*
Flight service expenses	4,774	4,810	4,958	*3.1*	*3.9*
Crew expenses	1,279	1,377	1,385	*0.6*	*8.3*
Aircraft repair and maintenance costs	5,525	4,122	3,503	*(15.0)*	*(36.6)*
Depreciation and amortization expenses	3,330	3,227	3,835	*18.8*	*15.2*
Inventories and supplies used expenses	2,174	2,309	2,338	*1.3*	*7.5*
Selling and advertising expenses	2,620	2,209	2,492	*12.8*	*(4.9)*
Other expenses	2,509	2,182	2,623	*20.2*	*4.5*
Non-fuel operating expenses	**25,086**	**23,370**	**24,336**	***4.1***	***(3.0)***

Sources: THAI, Globlex Research

Exhibit 6: Valuation P/E

	--------------------------- EPS (THB/share) ---------------------------		
P/E (x)	2025E	2026E	2027E
	1.03	1.20	1.42
7	7.2	8.4	9.9
8	8.3	9.6	11.4
9	9.3	10.8	12.8
10	10.3	**12.0**	14.2
11	11.4	13.2	15.6
12	12.4	14.4	17.0
13	13.4	15.6	18.4
14	14.5	16.8	19.9

Sources: Globlex Research

Balance sheet (THB m)					
Year ending Dec	**2023**	**2024**	**2025E**	**2026E**	**2027E**
Current assets					
Cash & ST investment	52,939	84,212	71,252	89,131	114,227
Account receivable	19,191	13,973	15,870	17,852	20,048
Inventories	5,254	4,000	3,946	4,079	4,468
Others	16,692	32,824	29,873	34,733	38,491
Non-current assets					
Net fixed assets	44,579	37,025	37,245	37,460	37,671
Others	100,335	120,474	120,474	120,474	120,474
Total Assets	**238,991**	**292,508**	**278,661**	**303,730**	**335,378**
Current liabilities					
Account payable	28,547	28,311	27,929	28,871	31,621
ST borrowing	44,762	48,264	2,500	2,500	2,500
Others	887	11	12	12	13
Long-term liabilities					
Long-term debts	157,231	119,231	122,000	121,000	120,000
Others	50,706	51,102	54,482	54,482	54,482
Total liabilities	**282,133**	**246,920**	**206,922**	**206,865**	**208,616**
Paid-up capital	21,828	283,033	283,033	283,033	283,033
Retained earnings	(75,880)	(104,136)	(77,927)	(52,734)	(22,756)
Others	10,838	(133,387)	(133,387)	(133,387)	(133,387)
Minority interest	71	79	20	(47)	(127)
Shareholders' equity	**(43,142)**	**45,589**	**71,739**	**96,865**	**126,762**

Key ratios					
Year ending Dec	**2023**	**2024**	**2025E**	**2026E**	**2027E**
Growth (%YoY)					
Sales	51.6	18.9	1.3	4.5	10.8
Operating profit	178.0	11.5	7.8	6.5	13.6
EBITDA	178.0	11.5	7.8	6.5	13.6
Net profit	10,420.1	(195.9)	208.5	16.2	18.3
Core net profit	1,478.9	(7.6)	28.5	16.2	18.3
EPS	10,420.1	(148.6)	116.5	16.2	18.3
Core EPS	1,478.9	(53.1)	(80.4)	16.2	18.3
Profitability (%)					
Gross margin	34.4	32.9	34.6	35.3	36.1
Operation margin	29.8	27.9	29.7	30.3	31.1
EBITDA margin	29.8	27.9	29.7	30.3	31.1
Net margin	17.8	(14.4)	15.4	17.1	18.3
ROE	(43.0)	nm	49.9	40.3	35.9
ROA	11.3	8.6	10.2	11.7	12.6
Stability					
Interest bearing debt/equity (x)	(4.7)	3.7	1.7	1.3	1.0
Net debt/equity (x)	(3.5)	1.8	0.7	0.4	0.1
Interest coverage (x)	2.3	2.1	2.9	3.7	4.3
Interest & ST debt coverage (x)	0.6	0.6	2.5	3.1	3.6
Cash flow interest coverage (x)	0.1	(0.1)	0.1	0.1	0.2
Current ratio (x)	1.3	1.8	4.0	4.6	5.2
Quick ratio (x)	1.0	1.3	2.9	3.4	3.9
Net debt (THB m)	149,054	83,283	53,248	34,369	8,273
Activity					
Asset turnover (X)	0.6	0.7	0.6	0.6	1.8
Days receivables	44.5	27.2	30.5	32.9	33.3
Days inventory	18.6	11.6	11.6	11.6	11.6
Days payable	100.9	82.2	82.2	82.2	82.2
Cash cycle days	(37.8)	(43.4)	(40.1)	(37.7)	(37.3)

Profit & loss (THB m)					
Year ending Dec	**2023**	**2024**	**2025E**	**2026E**	**2027E**
Revenue	**157,446**	**187,249**	**189,700**	**198,143**	**219,578**
Cost of goods sold	(103,266)	(125,681)	(123,983)	(128,169)	(140,372)
Gross profit	**54,180**	**61,568**	**65,717**	**69,975**	**79,205**
Operating expenses	(7,240)	(9,239)	(9,295)	(9,907)	(10,979)
Operating profit	**46,940**	**52,329**	**56,422**	**60,067**	**68,226**
EBIT	**35,551**	**39,302**	**43,572**	**46,783**	**53,677**
Depreciation	(11,389)	(13,026)	(12,850)	(13,284)	(14,549)
EBITDA	**46,940**	**52,329**	**56,422**	**60,067**	**68,226**
Non-operating income	**7,863**	**(46,204)**	**5,499**	**5,614**	**5,904**
Other incomes	6,467	(49,133)	2,570	2,685	2,975
Other non-op income	1,396	2,929	2,929	2,929	2,929
Non-operating expense	**(16,676)**	**(19,687)**	**(14,842)**	**(12,606)**	**(12,504)**
Interest expense	(15,611)	(18,781)	(14,842)	(12,606)	(12,504)
Other non-op expense	(1,066)	(906)	-	-	-
Equity income/(loss)	64	63	70	70	70
Pre-tax Profit	**26,801**	**(26,526)**	**34,299**	**39,861**	**47,147**
Extraordinary items					
Current taxation	1,322	(374)	(5,134)	(5,969)	(7,062)
Minorities	(27)	(33)	58	68	80
Net Profit	**28,096**	**(26,934)**	**29,223**	**33,960**	**40,166**
Core net profit	**24,600**	**22,734**	**29,223**	**33,960**	**40,166**
EPS (THB)	**12.87**	**(6.26)**	**1.03**	**1.20**	**1.42**
Core EPS (THB)	**11.27**	**5.28**	**1.03**	**1.20**	**1.42**

Cash flow (THB m)					
Year ending Dec	**2023**	**2024**	**2025E**	**2026E**	**2027E**
Operating cash flow	**24,112**	**(32,501)**	**23,652**	**28,082**	**32,467**
Net profit	28,096	(26,934)	29,223	33,960	40,166
Depre.& amortization	11,389	13,026	12,850	13,284	14,549
Change in working capital	(11,983)	(10,772)	(2,655)	(2,651)	(3,591)
Others	(3,391)	(7,822)	(15,766)	(16,511)	(18,656)
Investment cash flow	**6,362**	**(52,785)**	**29,659**	**31,016**	**36,274**
Net CAPEX	(10,000)	(5,472)	(10)	(10)	(10)
Change in LT investment	16,362	(47,314)	29,669	31,026	36,284
Change in other assets	-	-	-	-	-
Free cash flow	**30,474**	**(85,287)**	**53,311**	**59,098**	**68,741**
Financing cash flow	**(12,075)**	**116,559**	**(66,271)**	**(41,219)**	**(43,645)**
Change in share capital	-	117,020	-	-	-
Net change in debt	13	7	(58)	(68)	(80)
Dividend paid	(1,091)	(3,014)	(3,014)	(8,767)	(10,188)
Others	(10,997)	2,546	(63,199)	(32,384)	(33,377)
Net cash flow	**18,400**	**31,273**	**(12,960)**	**17,879**	**25,096**

Per share (THB)					
EPS	12.87	(6.26)	1.03	1.20	1.42
Core EPS	11.27	5.28	1.03	1.20	1.42
CFPS	18.10	(6.36)	9.76	1.67	1.93
BVPS	(19.80)	20.85	16.66	3.42	4.48
Sales/share	72.13	85.78	44.06	7.00	7.76
EBITDA/share	21.50	23.97	13.11	2.12	2.41
DPS	0.50	1.30	0.31	0.36	0.43
Valuation					
P/E (x)	1.2	(0.5)	8.0	6.9	5.8
P/BV (x)	-0.79	0.31	3.28	2.42	1.85
Dividend yield (%)	31.40	2.55	26.80	23.06	19.50
Divdend payout ratio (%)	3.88	-20.78	30.00	30.00	30.00

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Analyst Certification

Suwat Sinsadok, Register No. 020799, 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 (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.