

Growth series for SET's 2nd angel

- Full steam catalysts from PSC rise and expansion plans for BKK's South Terminal and East Expansion and DMK's Terminal 3
- THB390 rise in PSC to THB1,120 will be the biggest catalyst
- Maintain BUY and lifted our TP to THB63

A series of catalysts continued

After the successful revisions with better-than-expected conditions (longer contract life and higher revenue sharing on progressive schemes) for duty-free contracts with King Power (KP), AOT continued to surprise us and market with a series of positive news, including 1) the granted increase in Passenger Service Charge (PSC) from THB730/the number of international departure/transit/transfer passenger (DTT) to THB1,120, a whopping 53% increase or THB390; and 2) announcements of airport expansion plans for the South Terminal, East expansion, and Donmueng airport (DMK) phase 3.

THB390 rise in PSC to THB1,120 is a big surprise

The increase in PSC by THB390/DTT to THB1,120, effective in April 2026 after four months of approval, will increase AOT's annual revenue by THB14b and net profit by THB8b-10b, based on THB390 and 35m DTT. This alone will add value up to THB5-10/share to AOT.

Three expansion plans underline KP's contracts and PSC rise

In addition to the positive announcements of KP's duty-free contract revisions and PSC increase, both being better-than-expected, AOT also announced three key expansion plans of 1) THB220b expansion in South Terminal, scheduled to be approved in FY26; 2) THB12b East expansion plan to be finalized and approved in Dec-25; and 3) raised investment budget to THB32.3b (from THB22b) for DMK phase 3 (terminal 3) to replace the now-inefficient Terminal 1.

EPS forecast upgrades by 22%-45% in FY26-28

We revised up our EPS forecasts in FY26-28 by 22%-45% to incorporate the benefit of PSC increase that will be partly offset by the higher investment capex for BKK's South Terminal and East Expansion and DMK's Terminal 3. Our net profit forecasts are now THB26.7b in FY26 (Oct-25 to Sep-26), THB32.8b in FY27 (Oct-26 to Sep-27), and THB33.9b in FY28 (Oct-27 to Sep-28), which still exclude upsides when the completions of South Terminal and East Expansion at BKK and Terminal 3 at DMK will generate due to insufficient information.

But with a TP of THB63

We maintain BUY and lifted our SoTP T P from THB55 to THB63 as we3 incorporated the benefits of PSC increase and the impacts of higher investments for the expansion plans in SBKK's South Terminal and East Expansion and DMK's Terminal 3. We think AOT is now Thailand's attractive tourism play on the back of its regulatory-driven (PSC rise and KP's contract revisions) and its timely expansion plans to ride on Thailand's projected tourism recovery from 2025.

Analyst

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ESG Rating : A

CG Rating : ▲▲▲▲▲

BUY

| | |
|-------------------------------|--------------|
| Target Price 12M (THB) | 63.00 |
| VS. BB Consensus TP (%) | +25.8% |
| Share Price (THB) | 53.00 |
| Upside/Downside | +18.9% |

Share Data

| | |
|--------------------------|------------|
| Market Cap (THB m) | 757,142.10 |
| Par (THB) | 1.00 |
| Free Float (%) | 30.00 |
| Issued shares (m shares) | 14,286 |

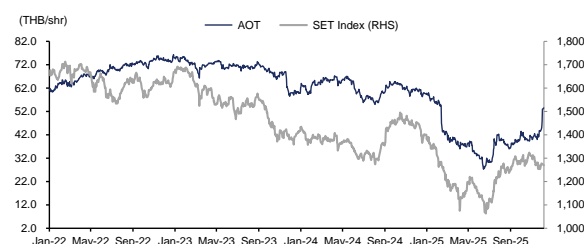
Financial forecast

| YE Dec (THB m) | FY25 | FY26E | FY27E | FY28E |
|----------------------------|--------|--------|--------|--------|
| Revenue | 66,679 | 77,119 | 87,044 | 89,923 |
| Net profit | 18,125 | 26,710 | 32,834 | 33,347 |
| Core net profit | 18,722 | 26,710 | 32,834 | 33,347 |
| vs Consensus (%) | | 26.7 | 21.8 | 12.2 |
| Net profit growth (%) | (5.5) | 47.4 | 22.9 | 1.6 |
| Core net profit growth (%) | (4.5) | 42.7 | 22.9 | 1.6 |
| EPS (THB) | 1.27 | 1.87 | 2.30 | 2.33 |
| Core EPS (THB) | 1.31 | 1.87 | 2.30 | 2.33 |
| Chg from previous (%) | | 22.25 | 44.31 | 44.75 |
| DPS (THB) | 0.50 | 0.47 | 0.57 | 0.58 |
| P/E (x) | 31.92 | 28.35 | 23.06 | 22.70 |
| P/BV (x) | 4.42 | 5.03 | 4.29 | 3.75 |
| ROE (%) | 14.68 | 18.99 | 20.08 | 17.63 |
| Dividend yield (%) | 1.23 | 0.88 | 1.08 | 1.10 |

Source: Financial Statement and Globlex securities

Share Price Performance (%)

| | 1M | 3M | 6M | YTD |
|--------------------|-------|-------|-------|---------------|
| Stock | 32.50 | 42.28 | 61.83 | (10.92) |
| Market | 35.08 | 39.91 | 43.82 | (2.08) |
| 12M High/Low (THB) | | | | 62.00 / 26.75 |



Major Shareholders (%) as of 6 Dec 2024

| | |
|---------------------|-------|
| Ministry of Finance | 70.00 |
|---------------------|-------|

Company Profile

AOT is the operator of airport business in Thailand, the core tasks of which are airport management and development of country's 6 international airports, namely Suvarnabhumi, Don Mueang, Phuket, Chiang Mai, Hat Yai and Mae Fah Luang-Chiang Rai. All 6 serve both domestic and international flights with Suvarnabhumi designated as the country's main airport.

Source: SETSMART, SET

Exhibit 1: Key changes in assumptions and EPS forecasts

| (THB m) | Current | | | Previous | | | Change | | |
|---|---------|---------|---------|----------|---------|---------|--------|-------|-------|
| | 2026E | 2027E | 2028E | 2026E | 2027E | 2028E | 2026E | 2027E | 2028E |
| Revenue | 77,119 | 87,044 | 89,923 | 71,043 | 74,648 | 77,279 | 8.6 | 16.6 | 16.4 |
| Gross profit | 46,051 | 54,570 | 41,000 | 39,975 | 42,175 | 28,539 | 15.2 | 29.4 | 43.7 |
| Operating profit | 46,051 | 54,570 | 41,000 | 39,975 | 42,175 | 28,539 | 15.2 | 29.4 | 43.7 |
| Net profit | 26,710 | 32,834 | 33,918 | 21,849 | 22,752 | 23,607 | 22.2 | 44.3 | 43.7 |
| EPS (THB/share) | 1.87 | 2.30 | 2.33 | 1.53 | 1.59 | 1.61 | 22.2 | 44.3 | 44.8 |
| Key assumptions | | | | | | | | | |
| # flights – international (flights) | 417,834 | 422,012 | 430,452 | 417,834 | 422,012 | 430,452 | 0.0 | 0.0 | 0.0 |
| # flights – domestic (flights) | 324,515 | 327,760 | 334,315 | 324,515 | 327,760 | 334,315 | 0.0 | 0.0 | 0.0 |
| # flights – total (flights) | 742,348 | 749,772 | 764,767 | 742,348 | 749,772 | 764,767 | 0.0 | 0.0 | 0.0 |
| PSC (THB/passenger) | 925 | 1,120 | 1,120 | 703 | 703 | 703 | 31.6 | 59.3 | 59.3 |
| International passenger (m) | 74.4 | 75.9 | 77.4 | 74.4 | 75.9 | 77.4 | 0.0 | 0.0 | 0.0 |
| Domestic passenger (m) | 48.7 | 49.7 | 50.7 | 48.7 | 49.7 | 50.7 | 0.0 | 0.0 | 0.0 |
| Total passenger (m) | 123.2 | 125.6 | 128.1 | 123.2 | 125.6 | 128.1 | 0.0 | 0.0 | 0.0 |
| Commercial space - DF contract ('000 sqm) | 15.9 | 15.9 | 15.9 | 15.9 | 15.9 | 15.9 | 0.0 | 0.0 | 0.0 |
| Min guarantee - Duty Free (THB b) | 11.6 | 11.8 | 12.1 | 11.6 | 11.8 | 12.1 | 0.0 | 0.0 | 0.0 |
| Min guarantee - Pickup counter (THB b) | 1.2 | 1.2 | 1.3 | 1.2 | 1.2 | 1.3 | 0.0 | 0.0 | 0.0 |
| Bidding cost per head - BKK Duty free | 233 | 233 | 233 | 233 | 233 | 233 | 0.0 | 0.0 | 0.0 |
| Bidding cost per head - Phuket Duty free | 102 | 102 | 102 | 102 | 102 | 102 | 0.0 | 0.0 | 0.0 |

Sources: AOT; Globlex Research

Exhibit 2: SoTP valuation

| Cost of equity assumptions (%) | | Cost of debt assumptions (%) | |
|--|---------------|------------------------------|--|
| Risk free rate | 2.3 | Pretax cost of debt | 3.5 |
| Market risk premium | 8.5 | Marginal tax rate | 20.0 |
| Stock beta | 1.0 | | |
| Cost of equity, Ke | 10.8 | Net cost of debt, Kd | 2.8 |
| Weight applied | 45.7 | Weight applied | 54.3 |
| WACC | 6.5 | | |
| DCF valuation estimate | | | |
| DCF valuation estimate | THB b | THB/share | Comments |
| NPV | 931.2 | 65.2 | WACC 6.5%, RF 3%, Risk premium 8.5%, terminal growth 2.3% |
| Duty free and commercial activity concession contracts | 621.8 | 43.5 | WACC 6.5%, RF 3%, Risk premium 8.5%, terminal growth 2.3% |
| Core business | 309.4 | 21.7 | WACC 6.5%, RF 3%, Risk premium 8.5%, terminal growth 2.3% |
| Cash & liquid assets | 19.4 | 1.4 | At end-2026E |
| Investments | 1.9 | 0.1 | At end-2026E |
| Debt | (50.2) | (3.5) | At end-2026E |
| Minorities | (1.9) | (0.1) | At end-2026E |
| Residual ordinary equity | 900.4 | 63.0 | |
| | | | |
| Number of shares outstanding (m shares) | | 14,286 | |

Sources: AOT; Globlex Research

| Balance sheet (THB m) | | | | | |
|------------------------------|----------------|----------------|----------------|----------------|----------------|
| Year ending Sep | FY24 | FY25 | FY26E | FY27E | FY28E |
| Current assets | | | | | |
| Cash & ST investment | 18,487 | 19,401 | 55,808 | 53,242 | 25,612 |
| Account receivable | 10,767 | 16,594 | 23,333 | 30,940 | 30,940 |
| Inventories | 399 | 714 | 737 | 771 | 821 |
| Others | 572 | 621 | 718 | 811 | 838 |
| Non-current assets | | | | | |
| Net fixed assets | 137,272 | 137,411 | 159,701 | 177,023 | 225,273 |
| Others | 38,654 | 35,191 | 35,191 | 35,191 | 35,191 |
| Total Assets | 206,150 | 209,932 | 275,489 | 297,977 | 318,675 |
| Current liabilities | | | | | |
| Account payable | 1,767 | 8,072 | 8,335 | 8,712 | 9,284 |
| ST borrowing | 6,836 | 6,866 | 4,100 | 4,100 | 4,100 |
| Others | 14,759 | 9,649 | 11,159 | 12,595 | 13,012 |
| Long-term liabilities | | | | | |
| Long-term debts | 47,393 | 43,362 | 89,872 | 83,872 | 77,872 |
| Others | 8,995 | 9,144 | 9,144 | 9,144 | 9,144 |
| Total liabilities | 79,751 | 77,091 | 122,610 | 118,423 | 113,411 |
| Paid-up capital | 14,286 | 14,286 | 14,286 | 14,286 | 14,286 |
| Retained earnings | 96,881 | 103,722 | 123,289 | 149,445 | 174,584 |
| Others | 13,066 | 12,891 | 12,891 | 12,891 | 12,891 |
| Minority interest | 2,166 | 1,943 | 2,414 | 2,933 | 3,504 |
| Shareholders' equity | 126,399 | 132,841 | 152,879 | 179,554 | 205,264 |

| Profit & loss (THB m) | | | | | |
|------------------------------|----------------|----------------|----------------|----------------|----------------|
| Year ending Sep | FY24 | FY25 | FY26E | FY27E | FY28E |
| Revenue | 67,121 | 66,679 | 77,119 | 87,044 | 89,923 |
| Cost of goods sold | (28,694) | (30,087) | (31,069) | (32,474) | (34,605) |
| Gross profit | 38,427 | 36,593 | 46,051 | 54,570 | 55,318 |
| Operating expenses | 0 | 0 | 0 | 0 | 0 |
| Operating profit | 38,427 | 36,593 | 46,051 | 54,570 | 55,318 |
| EBIT | 27,023 | 24,550 | 34,424 | 40,361 | 41,000 |
| Depreciation | (11,404) | (12,042) | (11,627) | (14,209) | (14,318) |
| EBITDA | 38,427 | 36,593 | 46,051 | 54,570 | 55,318 |
| Non-operating income | 697 | 1,906 | 1,979 | 3,611 | 3,533 |
| Other incomes | 597 | 1,094 | 1,127 | 1,161 | 1,195 |
| Other non-op income | 100 | 812 | 852 | 2,451 | 2,338 |
| Non-operating expense | (2,757) | (2,515) | (2,423) | (2,278) | (2,133) |
| Interest expense | (2,757) | (2,515) | (2,423) | (2,278) | (2,133) |
| Other non-op expense | 0 | 0 | 0 | 0 | 0 |
| Equity income/(loss) | (1) | (3) | (3) | (3) | (4) |
| Pre-tax Profit | 24,963 | 23,938 | 33,977 | 41,691 | 42,397 |
| Extraordinary items | (418) | (597) | 0 | 0 | 0 |
| Current taxation | (4,903) | (4,787) | (6,795) | (8,338) | (8,479) |
| Minorities | (460) | (429) | (472) | (519) | (571) |
| Net Profit | 19,182 | 18,125 | 26,710 | 32,834 | 33,347 |
| Core net profit | 19,600 | 18,722 | 26,710 | 32,834 | 33,347 |
| EPS (THB) | 1.34 | 1.27 | 1.87 | 2.30 | 2.33 |
| Core EPS (THB) | 1.37 | 1.31 | 1.87 | 2.30 | 2.33 |

| Cash flow (THB m) | | | | | |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Year ending Sep | FY24 | FY25 | FY26E | FY27E | FY28E |
| Operating cash flow | 35,017 | 25,170 | 33,251 | 41,124 | 48,575 |
| Net profit | 19,182 | 18,125 | 26,710 | 32,834 | 33,347 |
| Depre. & amortization | 11,404 | 12,042 | 11,627 | 14,209 | 14,318 |
| Change in working capital | 4,431 | (4,998) | (5,086) | (5,919) | 911 |
| Others | 0 | 0 | 0 | 0 | 0 |
| Investment cash flow | (17,256) | (11,958) | (33,917) | (31,531) | (62,567) |
| Net CAPEX | (16,062) | (12,181) | (33,917) | (31,531) | (62,567) |
| Change in LT investment | 0 | 0 | 0 | 0 | 0 |
| Change in other assets | (1,194) | 224 | 0 | 0 | 0 |
| Free cash flow | 17,761 | 13,212 | (666) | 9,593 | (13,992) |
| Financing cash flow | (5,365) | (12,298) | 37,073 | (12,159) | (13,638) |
| Change in share capital | 0 | 0 | 0 | 0 | 0 |
| Net change in debt | (7,246) | (4,002) | 43,744 | (6,000) | (6,000) |
| Dividend paid | (6) | (5) | (7,143) | (6,677) | (8,208) |
| Others | 1,887 | (8,291) | 472 | 519 | 571 |
| Net cash flow | 12,396 | 914 | 36,407 | (2,566) | (27,630) |

| Key ratios | | | | | |
|----------------------------------|----------|----------|----------|----------|----------|
| Year ending Sep | FY24 | FY25 | FY26E | FY27E | FY28E |
| Growth (%YoY) | | | | | |
| Sales | 39.4 | (0.7) | 15.7 | 12.9 | 3.3 |
| Operating profit | 65.4 | (4.8) | 25.8 | 18.5 | 1.4 |
| EBITDA | 65.4 | (4.8) | 25.8 | 18.5 | 1.4 |
| Net profit | 118.2 | (5.5) | 47.4 | 22.9 | 1.6 |
| Core net profit | 112.0 | (4.5) | 42.7 | 22.9 | 1.6 |
| EPS | 118.2 | (5.5) | 47.4 | 22.9 | 1.6 |
| Core EPS | 112.0 | (4.5) | 42.7 | 22.9 | 1.6 |
| Profitability (%) | | | | | |
| Gross margin | 57.3 | 54.9 | 59.7 | 62.7 | 61.5 |
| Operation margin | 57.3 | 54.9 | 59.7 | 62.7 | 61.5 |
| EBITDA margin | 57.3 | 54.9 | 59.7 | 62.7 | 61.5 |
| Net margin | 28.6 | 27.2 | 34.6 | 37.7 | 37.1 |
| ROE | 16.7 | 14.7 | 19.0 | 20.1 | 17.6 |
| ROA | 9.5 | 8.7 | 11.0 | 11.5 | 10.8 |
| Stability | | | | | |
| Interest bearing debt/equity (x) | 0.4 | 0.4 | 0.6 | 0.5 | 0.4 |
| Net debt/equity (x) | 0.3 | 0.2 | 0.2 | 0.2 | 0.3 |
| Interest coverage (x) | 9.8 | 9.8 | 14.2 | 17.7 | 19.2 |
| Interest & ST debt coverage (x) | 2.8 | 2.6 | 5.3 | 6.3 | 6.6 |
| Cash flow interest coverage (x) | 0.4 | 0.3 | 0.3 | 0.3 | 0.4 |
| Current ratio (x) | 1.3 | 1.5 | 3.4 | 3.4 | 2.2 |
| Quick ratio (x) | 1.3 | 1.5 | 3.4 | 3.3 | 2.1 |
| Net debt (THB m) | 35,742.4 | 30,826.5 | 38,163.9 | 34,730.1 | 56,359.9 |
| Activity | | | | | |
| Asset turnover (X) | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Days receivables | 62.4 | 74.9 | 94.5 | 113.8 | 125.6 |
| Days inventory | 4.3 | 6.7 | 8.5 | 8.5 | 8.4 |
| Days payable | 24.5 | 59.7 | 96.4 | 95.8 | 94.9 |
| Cash cycle days | 42.2 | 22.0 | 6.6 | 26.5 | 39.1 |

| Per share (THB) | | | | | |
|---------------------------|-------|-------|-------|-------|-------|
| EPS | 1.34 | 1.27 | 1.87 | 2.30 | 2.33 |
| Core EPS | 1.37 | 1.31 | 1.87 | 2.30 | 2.33 |
| CFPS | 2.20 | 2.18 | 2.72 | 3.33 | 3.38 |
| BVPS | 8.70 | 9.16 | 10.53 | 12.36 | 0.00 |
| Sales/share | 4.70 | 4.67 | 5.40 | 6.09 | 6.29 |
| EBITDA/share | 2.69 | 2.56 | 3.22 | 3.82 | 3.87 |
| DPS | 0.50 | 0.50 | 0.47 | 0.57 | 0.58 |
| Valuation | | | | | |
| P/E (x) | 47.66 | 31.92 | 28.35 | 23.06 | 22.70 |
| P/BV (x) | 7.36 | 4.42 | 5.03 | 4.29 | 3.75 |
| Dividend yield (%) | 0.78 | 1.23 | 0.88 | 1.08 | 1.10 |
| Dividend payout ratio (%) | 37.24 | 39.41 | 25.00 | 25.00 | 25.00 |

GENERAL DISCLAIMER

Analyst Certification

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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.