

## Prepare for the worst, hope for the best

- AAV remains one of the weakest links in Thailand's tourism sector
- An in-red 3Q25 net loss was the key evidence of AAV's structurally weak operations
- Maintain HOLD and cut TP to THB1.26

### A 3Q25 net loss on all-around weak operations

AAV's 3Q25 net profit turn to a net loss (NL) of THB875m, down from a net profit (NP) of THB214m in 2Q24 and a NP of THB3.5b, due to seasonally slowdown in passenger numbers, lower fare and load factor to 80%. Financing cost surged to THB731m vs THB697m in 2Q25 while depreciation expense rose to THB1.3b vs THB1.2b in 2Q25.

### Operations under sieges

EBITDA plunged to 154m in 3Q25 (-63% q-q, -90% y-y) as AAV suffered from the weakness in load factor (80%) and passenger carried (4.73m). With the same number of fleets in operation at 62, AAV still saw its aircraft utilization rate drop to 11.6 hours/day vs 11.2hrs/day in 3Q25. Average fares fell sharply to THB1,633 (-12% y-y), led by the plunging prices on international fare (-9% y-y) and domestic (-8% y-y) on higher competition and weaker demand.

### Efficiency dropped

RASK decreased to THB1.52, down 17% y-y, while CASK was THB1.88 (+2% y-y). CASK ex-fuel rose to THB1.24 (+4% y-y), resulting in RASK-CASK margin to turn into -THB0.26, down from -THB0.20 in 2Q25 and THB0 (breakeven) in 3Q24. We think RASK will rise to THB1.6-1.7 in 4Q25 on higher fare price to THB1,900 and 900 and the negative impact of Haad Yai's major flood despite AAV's increase in capacity by increasing number of active aircraft from 54 in 3Q25 to 62 in 4Q25 as tense price competition on industry rising supply remains.

### Cuts in EPS forecasts

We remained neutral on AAV's net profit outlook in 4Q25 and 2026E, even we are more positive on the number of tourist arrivals in Thailand, particularly Chinese tourists after the potential diversion from Japan to Thailand on the intensifying political China-Japan conflict. Yet we think the fierce industry competition will continue to pressure AAV's average fares, load factors, number of passengers, and RASK-CASK, leading to our cuts in net profit and EPS forecasts in 2025-27 by 29%-55%.

### Maintain HOLD and cut TP to THB1.26

We maintain HOLD and cut our TP from THB1.4, previously based on 8x 2025E P/E, to THB1.26, now based on 6x 2026E P/E. We think AAV's net profits will remain under pressure in 4Q25 and likely to continue into 2026E-27E on the back of the weak tourist arrivals in Thailand, the intensifying competitions, AAV's cyclical nature of airline industry, particularly its higher-than-peer exposure to China's tourists, and the risks from geopolitical conflicts that could jeopardize demand for airlines like AAV.

#### Analyst

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ESG Rating : n.a.

CG Rating : ▲▲▲▲▲

## HOLD

<b>Target Price 12M (THB)</b>	<b>1.26</b>
VS. BB Consensus TP (%)	+4.1%
Share Price (THB)	1.17
Upside/Downside	+7.7%

#### Share Data

Market Cap (THB m)	15,034.50
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	47,711	53,609	59,756
Net profit	3,478	1,016	2,695	3,525
Core net profit	3,478	1,016	2,695	3,525
vs Consensus (%)	-	(10.0)	245.4	192.8
Net profit growth (%)	646.6	(70.8)	165.3	30.8
Core net profit growth (%)	646.6	(70.8)	165.3	30.8
EPS (THB)	0.27	0.08	0.21	0.27
Core EPS (THB)	0.27	0.08	0.21	0.27
Chg from previous (%)	-	(54.51)	(32.96)	(29.42)
DPS (THB)	0.00	0.00	0.00	0.00
P/E (x)	10.20	14.80	5.58	4.26
P/BV (x)	3.12	1.21	1.00	0.81
ROE (%)	35.15	8.54	19.61	20.92
Dividend yield (%)	-	-	-	-

Source: Financial Statement and Globlex securities

#### Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(1.68)	(6.40)	0.86	(57.61)
Market	0.24	(7.96)	(10.36)	(53.40)
12M High/Low (THB)				2.86 / 0.95



#### Major Shareholders (%) as of 31 Mar 2025

Airasia Aviation Group Limited	40.71
Mr. Tassapon Bijleveld	17.75

#### 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

### 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)
<b>Revenue</b>	<b>10,931</b>	<b>9,820</b>	<b>9,276</b>	<b>(5.5)</b>	<b>(15.1)</b>	<b>36,210</b>	<b>32,322</b>	<b>(10.7)</b>	<b>49,886</b>
Operating costs	(9,439)	(9,402)	(9,123)	(3.0)	(3.4)	(30,016)	(28,617)	(4.7)	(41,571)
<b>EBITDA</b>	<b>1,492</b>	<b>418</b>	<b>154</b>	<b>(63.2)</b>	<b>(89.7)</b>	<b>6,194</b>	<b>3,704</b>	<b>(40.2)</b>	<b>8,315</b>
EBITDA margin (%)	13.6	4.3	1.7	nm	nm	17.1	11.5	nm	16.7
Depn & amort.	(1,051)	(1,188)	(1,295)	8.9	23.2	(2,982)	(3,577)	20.0	(4,275)
EBIT	<b>441</b>	<b>(770)</b>	<b>(1,141)</b>	<b>48.1</b>	<b>(358.8)</b>	<b>3,212</b>	<b>127</b>	<b>(96.1)</b>	<b>4,040</b>
Interest expense	(652)	(697)	(731)	4.9	12.1	(1,914)	(2,111)	10.3	(2,668)
Interest & invt inc	17	110	154	39.7	na	40	276	na	79.9
Other income	4,449	1,461	655	(55.2)	(85.3)	2,485	2,452	(1.3)	1,339.6
Associates' contrib	-	-	-	na	na	-	-	na	-
Exceptionals	-	-	-	na	na	-	-	na	-
<b>Pretax profit</b>	<b>4,254</b>	<b>104</b>	<b>(1,063)</b>	<b>(1,118.6)</b>	<b>(125.0)</b>	<b>3,823</b>	<b>744</b>	<b>(80.6)</b>	<b>2,791</b>
Tax	(808)	110	188	71.5	(123.3)	(702)	(17)	(97.6)	(558)
Tax rate (%)	19.0	(105.3)	17.7	nm	nm	18.4	2.3	nm	20.0
Minority interests	-	-	-	na	na	-	-	na	-
<b>Net profit</b>	<b>3,446</b>	<b>214</b>	<b>(875)</b>	<b>(508.3)</b>	<b>(125.4)</b>	<b>3,121</b>	<b>727</b>	<b>(76.7)</b>	<b>2,233</b>
Non-recurring	-	-	-	na	na	-	-	na	-
<b>Core net profit</b>	<b>3,446</b>	<b>214</b>	<b>(875)</b>	<b>(508.3)</b>	<b>(125.4)</b>	<b>3,121</b>	<b>727</b>	<b>(76.7)</b>	<b>2,233</b>
EPS (THB)	0.27	0.02	(0.07)	(508.3)	(125.4)	0.24	0.06	(76.7)	0.17
Core EPS (THB)	0.27	0.02	(0.07)	(508.3)	(125.4)	0.24	0.06	(76.7)	0.17

Sources: AAV, Globlex Research

### Exhibit 2: 3Q25/9M25 key performance

	3Q24	2Q25	3Q25	(q-q%)	(y-y%)	9M24	9M25	(y-y%)	
<b>Pax carried</b>	<b>(m pax)</b>	<b>4.89</b>	<b>4.82</b>	<b>4.73</b>	<b>(1.9)</b>	<b>(3.3)</b>	<b>15.32</b>	<b>15.13</b>	<b>(1.2)</b>
Domestic	(m pax)	1.83	3.33	3.18	(4.5)	73.8	9.55	10.23	7.1
International	(m pax)	3.05	1.49	1.56	4.7	(48.9)	5.76	4.90	(14.9)
<b>Capacity</b>	<b>(m seats)</b>	<b>5.45</b>	<b>5.92</b>	<b>5.93</b>	<b>0.2</b>	<b>8.8</b>	<b>16.75</b>	<b>18.24</b>	<b>8.9</b>
Domestic	(m seats)	3.28	3.95	3.90	(1.3)	18.9	10.15	11.95	17.7
International	(m seats)	2.17	1.96	2.03	3.6	(6.5)	6.60	6.29	(4.7)
<b>Load factor *</b>	<b>(%)</b>	<b>90</b>	<b>82</b>	<b>80</b>	<b>(2.0)</b>	<b>(10.0)</b>	<b>91</b>	<b>83</b>	<b>(8.0)</b>
Domestic *	(%)	93	84	82	(2.0)	(11.0)	94	86	(8.0)
International *	(%)	84	76	76	-	(8.0)	87	78	(9.0)
RPK	(m)	5,233	4,793	4,780	(0.3)	(8.7)	16,267	15,230	(6.4)
ASK	(m)	5,996	6,030	6,104	1.2	1.8	18,130	18,847	4.0
Number of stages flown	(stage)	29,655	31,485	31,733	0.8	7.0	91,723	97,609	6.4
Number of fleets	(aircraft)	59	62	62	-	5.1	59	62	5.1
Number of operating aircraft	(aircraft)	49	52	52	-	6.1	50	54	8.0
Aircraft utilization	(hour/day)	12.1	11.6	11.2	(3.4)	(7.4)	12.4	11.9	(4.0)
On time performance *	(%)	83	85	86	1.0	3.0	81	81	-
Average fares	(THB)	1,847	1,676	1,633	(2.6)	(11.6)	1,964	1,762	(10.3)
Rask	(THB)	1.82	1.63	1.52	(6.7)	(16.5)	2.00	1.75	(12.5)
Cask	(THB)	1.82	1.83	1.78	(2.7)	(2.2)	1.89	1.81	(4.2)
Cask ex fuel	(THB)	1.18	1.26	1.24	(1.6)	5.1	1.19	1.23	3.4
Cask fuel	(THB)	0.64	0.57	0.54	(5.3)	(15.6)	0.70	0.58	(17.1)
Passenger yield *	(%)	2.81	2.75	3.07	0.3	0.3	2.64	2.68	0.0

\* Note: Change in margin % is represented in ppt change

Sources: AAV, Globlex Research

### Exhibit 3: Key changes in assumptions and EPS forecasts

THB m	Current			Previous			Change (%)		
	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
Revenue	47,711	53,609	59,756	49,886	55,955	62,334	(4.4)	(4.2)	(4.1)
Gross profit	9,870	12,550	14,308	11,531	14,355	16,306	(14.4)	(12.6)	(12.3)
Operating profit	2,577	4,518	5,392	4,040	6,111	7,159	(36.2)	(26.1)	(24.7)
Net profit	1,016	2,698	3,531	2,233	4,023	5,000	(54.5)	(32.9)	(29.4)
EPS (THB/share)	0.08	0.21	0.27	0.17	0.31	0.39	(54.5)	(32.9)	(29.4)
<b>Key assumptions</b>									
Capacity (tpa)	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
Avg. Fares (THB/ticket)	1,830	1,889	2,008	1,901	1,962	2,085	(3.8)	(3.7)	(3.7)
Pax. Carried (m passengers)	21.1	22.2	23.4	21.4	22.5	23.7	(1.3)	(1.3)	(1.3)
Total Capacity (m passengers)	23.4	23.9	24.4	23.4	23.9	24.4	0.0	0.0	0.0
Load Factor (% pts)	90.1	93.0	96.1	91.4	94.2	97.3	(1.2)	(1.2)	(1.2)
RASK (THB/ASK)	1.9	2.1	2.3	2.0	2.2	2.3	(4.4)	(4.2)	(4.1)
CASK (THB/ASK)	1.9	1.9	2.0	1.9	1.9	2.0	0.0	0.0	0.0
CASK ex FUEL (THB/ASK)	1.2	1.3	1.3	1.2	1.3	1.3	0.0	0.0	0.0
CASK FUEL (THB/ASK)	0.7	0.7	0.7	0.7	0.7	0.7	0.0	0.0	0.0

Sources: AAV; Globlex Research

### Exhibit 4: Target valuation

P/E (x)	EPS (THB/share)		
	2025E	2026E	2027E
	0.08	0.21	0.27
3	0.24	0.63	0.82
4	0.32	0.84	1.10
5	0.40	1.05	1.37
6	0.47	1.26	1.65
7	0.55	1.47	1.92
8	0.63	1.68	2.19
9	0.71	1.89	2.47
10	0.79	2.10	2.74

Sources: AAV; Globlex Research

Balance sheet (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Current assets</b>					
Cash & ST investment	1,285	2,105	3,434	6,324	10,034
Account receivable	1,199	1,354	1,504	1,672	1,860
Inventories	508	591	608	660	730
Others	7,013	11,452	11,053	12,419	13,843
<b>Non-current assets</b>					
Net fixed assets	4,083	4,337	3,915	3,494	3,072
Others	53,706	55,535	55,535	55,535	55,535
<b>Total Assets</b>	<b>67,794</b>	<b>75,373</b>	<b>76,049</b>	<b>80,103</b>	<b>85,074</b>
<b>Current liabilities</b>					
Account payable	1,893	1,051	1,082	1,174	1,299
ST borrowing	14,496	17,394	17,394	17,394	17,394
Others	8,633	10,621	10,250	11,517	12,838
<b>Long-term liabilities</b>					
Long-term debts	33,538	33,366	33,366	33,366	33,366
Others	821	1,562	1,562	1,562	1,562
<b>Total liabilities</b>	<b>59,382</b>	<b>63,994</b>	<b>63,654</b>	<b>65,013</b>	<b>66,459</b>
Paid-up capital	1,285	1,285	1,285	1,285	1,285
Retained earnings	(8,672)	(5,705)	(4,690)	(1,995)	1,530
Others	15,800	15,800	15,800	15,800	15,800
Minority interest	0	0	0	0	0
<b>Shareholders' equity</b>	<b>8,412</b>	<b>11,379</b>	<b>12,395</b>	<b>15,090</b>	<b>18,615</b>

Key ratios					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Growth (%YoY)</b>					
Sales	135.0	19.9	(3.5)	12.4	11.5
Operating profit	509.3	46.7	(28.2)	33.8	15.0
EBITDA	509.3	46.7	(28.2)	33.8	15.0
Net profit	105.8	646.6	(70.8)	165.3	30.8
Core net profit	105.8	646.6	(70.8)	165.3	30.8
EPS	105.5	614.1	(70.8)	165.3	30.8
Core EPS	105.5	614.1	(70.8)	165.3	30.8
<b>Profitability (%)</b>					
Gross margin	22.8	25.6	20.7	23.4	23.9
Operation margin	15.7	19.2	14.2	17.0	17.5
EBITDA margin	15.7	19.2	14.2	17.0	17.5
Net margin	1.1	7.0	2.1	5.0	5.9
ROE	5.7	35.1	8.5	19.6	20.9
ROA	0.7	4.9	1.3	3.5	4.3
<b>Stability</b>					
Interest bearing debt/equity (x)	5.7	4.5	4.1	3.4	2.7
Net debt/equity (x)	5.6	4.3	3.8	2.9	2.2
Interest coverage (x)	0.6	2.1	1.0	1.7	2.0
Interest & ST debt coverage (x)	0.1	0.3	0.1	0.2	0.3
Cash flow interest coverage (x)	0.0	0.0	0.1	0.1	0.1
Current ratio (x)	0.4	0.5	0.6	0.7	0.8
Quick ratio (x)	0.1	0.1	0.2	0.3	0.4
Net debt (THB m)	46,749.4	48,655.3	47,325.4	44,436.3	40,725.5
<b>Activity</b>					
Asset turnover (X)	0.6	0.7	0.6	0.6	1.4
Days receivables	10.6	10.0	11.5	11.4	11.4
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	6.9	6.8	6.8

Profit & loss (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Revenue</b>					
Revenue	41,241	49,436	47,711	53,609	59,756
Cost of goods sold	(31,819)	(36,779)	(37,841)	(41,060)	(45,448)
<b>Gross profit</b>	<b>9,422</b>	<b>12,656</b>	<b>9,870</b>	<b>12,550</b>	<b>14,308</b>
Operating expenses	(2,967)	(3,187)	(3,076)	(3,456)	(3,853)
<b>Operating profit</b>	<b>6,456</b>	<b>9,469</b>	<b>6,794</b>	<b>9,094</b>	<b>10,456</b>
<b>EBIT</b>	<b>1,463</b>	<b>5,370</b>	<b>2,577</b>	<b>4,517</b>	<b>5,390</b>
Depreciation	(4,992)	(4,099)	(4,218)	(4,577)	(5,066)
<b>EBITDA</b>	<b>6,456</b>	<b>9,469</b>	<b>6,794</b>	<b>9,094</b>	<b>10,456</b>
<b>Non-operating income</b>					
Other incomes	1,322	1,327	1,281	1,440	1,605
Other non-op income	33	80	80	80	80
<b>Non-operating expense</b>	<b>(2,291)</b>	<b>(2,596)</b>	<b>(2,668)</b>	<b>(2,668)</b>	<b>(2,668)</b>
Interest expense	(2,291)	(2,596)	(2,668)	(2,668)	(2,668)
Other non-op expense	0	0	0	0	0
<b>Equity income/(loss)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Pre-tax Profit</b>	<b>527</b>	<b>4,180</b>	<b>1,270</b>	<b>3,368</b>	<b>4,407</b>
Extraordinary items					
Current taxation	(61)	(703)	(254)	(674)	(881)
Minorities	0	0	0	0	0
<b>Net Profit</b>	<b>466</b>	<b>3,478</b>	<b>1,016</b>	<b>2,695</b>	<b>3,525</b>
<b>Core net profit</b>	<b>466</b>	<b>3,478</b>	<b>1,016</b>	<b>2,695</b>	<b>3,525</b>
<b>EPS (THB)</b>	<b>0.04</b>	<b>0.27</b>	<b>0.08</b>	<b>0.21</b>	<b>0.27</b>
<b>Core EPS (THB)</b>	<b>0.04</b>	<b>0.27</b>	<b>0.08</b>	<b>0.21</b>	<b>0.27</b>

Cash flow (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Operating cash flow</b>					
Operating cash flow	2,449	1,615	3,563	4,642	5,538
Net profit	466	3,478	1,016	2,695	3,525
Depre. & amortization	4,992	4,099	4,218	4,577	5,066
Change in working capital	(1,976)	(3,532)	(107)	(227)	(236)
Others	(1,033)	(2,431)	(1,563)	(2,402)	(2,817)
<b>Investment cash flow</b>	<b>(4,662)</b>	<b>(6,259)</b>	<b>1,320</b>	<b>2,879</b>	<b>3,701</b>
Net CAPEX	(4,891)	(4,353)	(10)	(10)	(10)
Change in LT investment	228	(1,906)	1,330	2,889	3,711
Change in other assets	0	0	0	0	0
<b>Free cash flow</b>	<b>(2,213)</b>	<b>(4,644)</b>	<b>4,883</b>	<b>7,521</b>	<b>9,239</b>
<b>Financing cash flow</b>	<b>2,700</b>	<b>5,464</b>	<b>(3,553)</b>	<b>(4,632)</b>	<b>(5,528)</b>
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	(3,553)	(4,632)	(5,528)
<b>Net cash flow</b>	<b>487</b>	<b>820</b>	<b>1,330</b>	<b>2,889</b>	<b>3,711</b>
<b>Per share (THB)</b>					
EPS	0.04	0.27	0.08	0.21	0.27
Core EPS	0.04	0.27	0.08	0.21	0.27
CFPS	0.47	0.62	0.41	0.57	0.67
BVPS	0.73	0.93	0.96	1.17	1.45
Sales/share	3.55	4.02	3.71	4.17	4.65
EBITDA/share	0.56	0.77	0.53	0.71	0.81
DPS	0.00	0.00	0.00	0.00	0.00
<b>Valuation</b>					
P/E (x)	52.51	10.20	14.80	5.58	4.26
P/BV (x)	2.91	3.12	1.21	1.00	0.81
Dividend yield (%)	-	-	-	-	-
Dividend payout ratio (%)	0	0	0	0	0

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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  $(\text{target price}^* - \text{current price}) / \text{current price}$ .

- 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.