COMPANY UPDATE

ASIA AVIATION (AAV TB)

THAILAND / SET / AVIATION

18 September 2026

Globlex Securities Co., Ltd.

This fuel crisis shall pass again

- AAV should survive this fuel cost hike after recovering Covid-19
- 3Q26 to suffer heavy loss before 4Q26 recovering path into 2027
- Upgrade from HOLD to BUY but cut TP from THB1.26 to THB1.03

This "Jet Fuel" storm shall pass; AAV to survive and recover

Mr. Tony Fernandes, one of the founders and key man management of AAV, today elaborated details regarding the recent concerns on its liquidity and profitability, mainly arising from the spike in jet fuel price caused by the ongoing war in the Middle East. Management clearly emphasizes that AAV should be able to weather the current "Jet Fuel Price Spike (JPS) risk with its track records of B surviving and fast recovering from many Black Swans like Covid-19 pandemic and the Russia-Ukraine war without any help from government.

3Q26E to suffer the most before 4Q26E to recover meaningfully

AAV's current business crisis comes from the present "Jet Fuel" storm JPS that is triggered by the spike in jet fuel price from USD85/bbl in the pre-war 1Q26 to current USD170/bbl due to the sudden and intensifying refinery and crude supply disruptions. Hence, 3Q26 AAV would suffer even more from the revenue-cost mismatch (airfare price vs fuel cost) as AAV has already sold its tickets in advance at low jet fuel-based airfares. However, by 4Q26, AAV will start to sell tickers at higher price that will correctly reflect hiking jet fuel cost.

Airfare to gradually reflect "true" cost of jet fuel by 4Q26

In 2Q26, AAV's airfare rose to THB2,127/ticket (+16% q-q, +27% y-y), up from THB1,836 in 1Q26 and THB1,676 in 2Q25, mostly driven by the higher airfare for international route to THB3,279 (+20% q-q, +28% y-y) and domestic ticket to THB1,636 (+14% q-q, +28% y-y). However, the hike in airfare was not sufficient to cover the hiking jet fuel price.

Will this crisis AAV survive after two crises (Phuket, Covid-19)?

In the past 15 years since 2011, AAV has suffered three periods of operating losses, each covering roughly two years. First crisis (2017-18), AAV's bottom lines were in red, mainly due to the spikes in jet fuel cost (+45% y-y by 3Q18), the 8.8% y-y drop in Chinese arrivals in 2H18 due to safety concern following the tragic Phuket boat capsize in Jul-18, and intensifying competition. Second Black Swan Covid-19 (2020-22) led to global lockdowns in 2020-21 and AAV suffered major losses again. And third crisis is today's jet fuel cost spike, which we think AAV should be able to survive and recover again by 1Q27 when AAV's low-price advanced tickets will subside by 4Q26 and the impacts of the route and aircraft fleet optimizations should start to yield benefits.

Upgrade to BUY but lowered TP to THB1.03

We upgrade from HOLD to BUY but trimmed our TP from THB1.26, previously based on 6x 2026E P/E, to THB1.03, now based on 10x 2027E P/E, as we think the liquidity risk should subside over time.

Analyst

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ESG Rating : AAA

CG Rating :

BUY (from HOLD)

Target Price 12M (THB)	**1.03**
VS. BB Consensus TP (%)	-8.0%
Share Price (THB)	0.85
Upside/Downside	+21.2%

Share Data

Market Cap (THB m)	10,923
Par (THB)	0.10
Free Float (%)	36.21
Issued shares (m shares)	12,850

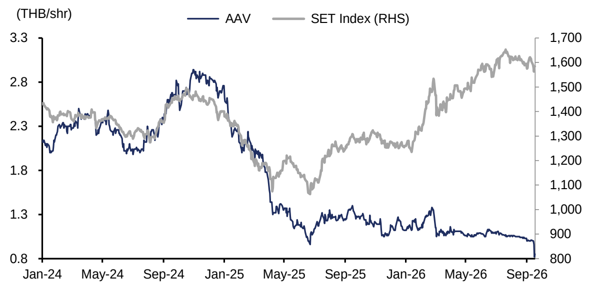
Financial forecast

YE Dec (THB m)	2025	2026E	2027E	2028E
Revenue	45,691	71,075	57,058	58,660
Net profit	2,336	(3,386)	1,321	1,787
Core net profit	2,336	(3,386)	1,321	1,787
vs Consensus (%)		69.0	71.1	21.7
Net profit growth (%)	(32.8)	(244.9)	139.0	35.2
Core net profit growth (%)	(32.8)	(244.9)	139.0	35.2
EPS (THB)	0.18	(0.26)	0.10	0.14
Core EPS (THB)	0.18	(0.26)	0.10	0.14
Chg from previous (%)		(375.32)	(23.50)	(31.43)
DPS (THB)	0.00	0.00	0.00	0.00
P/E (x)	6.16	(3.23)	8.27	6.11
P/BV (x)	1.06	1.07	0.95	0.82
ROE (%)	18.74	(28.54)	12.20	14.43
Dividend yield (%)	-	-	-	-

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(21.90)	(27.43)	(26.13)	(26.79)
Market	(19.78)	(27.26)	(33.10)	(41.75)
12M High/Low (THB)				1.43 / 0.80



Major Shareholders (%) as of 11 Mar 2026

Airasia Aviation Group Limited	40.71
Mr. Tassapon Bijleveld	17.75

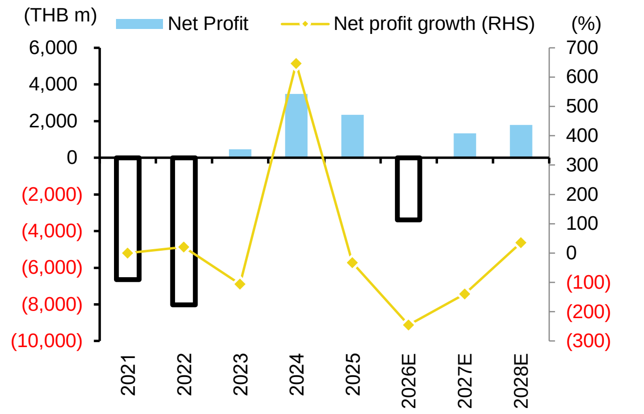
Company Profile

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

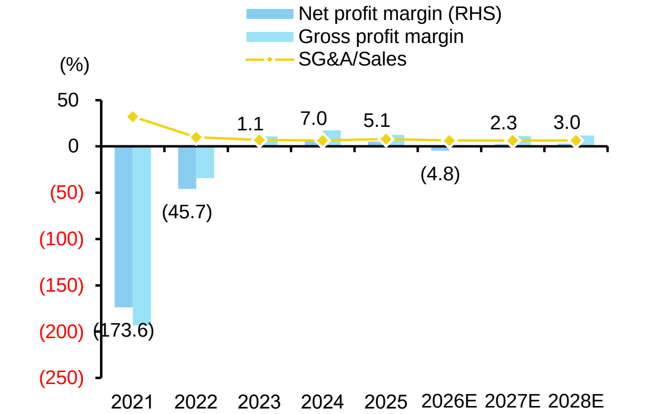
Globlex Securities Co., Ltd.

Exhibit 1: Net profit vs net profit growth



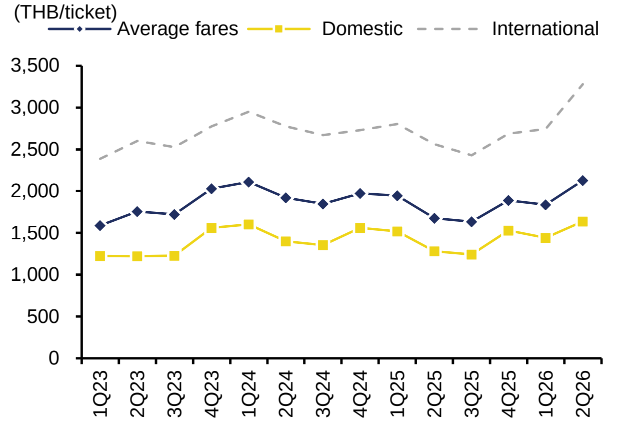
Sources: AAV; Globlex Research

Exhibit 2: Net profit margin, gross profit margin, SG&A/ sales



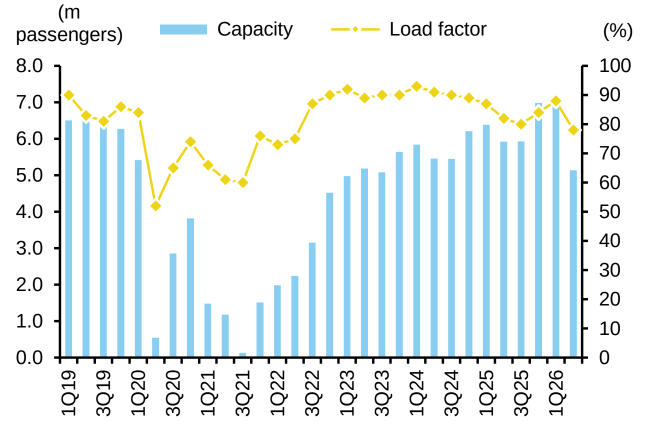
Sources: AAV; Globlex Research

Exhibit 3: Average fare (domestic vs international)



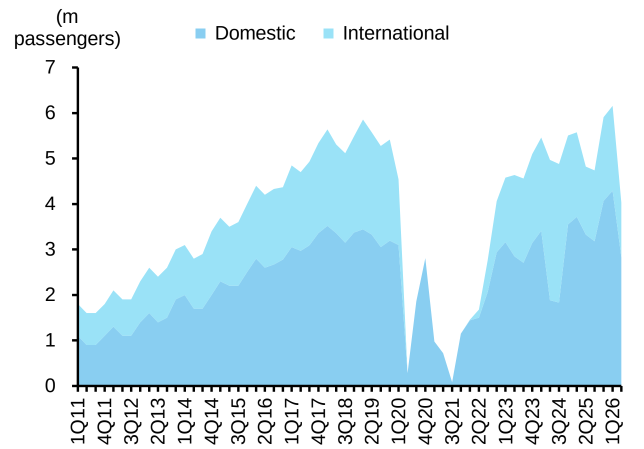
Sources: AAV; Globlex Research

Exhibit 4: Capacity vs load factor



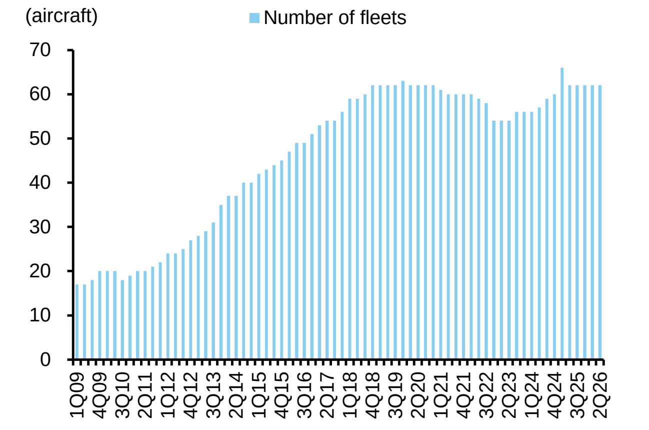
Sources: AAV; Globlex Research

Exhibit 5: Number of passengers (domestic vs international)



Sources: AAV; Globlex Research

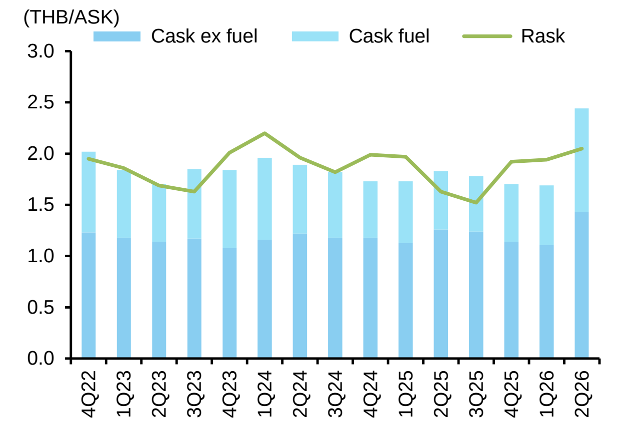
Exhibit 6: Number of aircraft fleet



Sources: AAV; Globlex Research

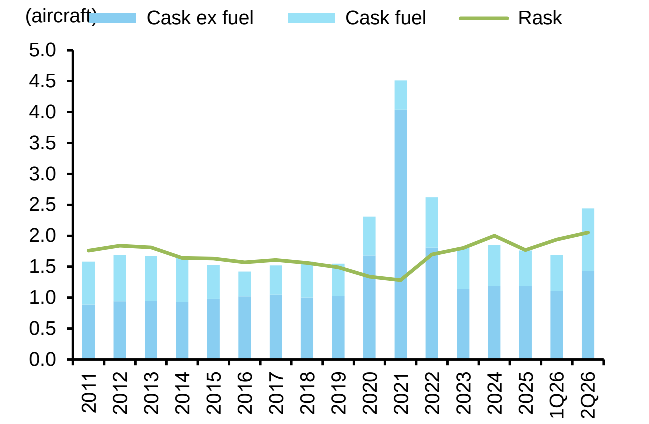
Globlex Securities Co., Ltd.

Exhibit 7: Quarterly RASK vs CASK



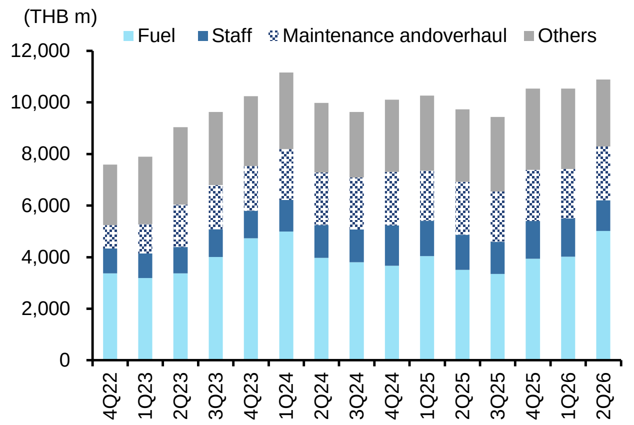
Sources: AAV; Globlex Research

Exhibit 8: Annual RASK vs CASK



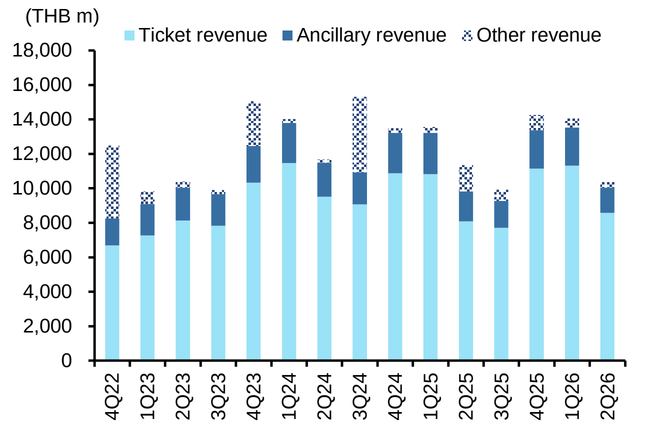
Sources: AAV; Globlex Research

Exhibit 9: Cost structure



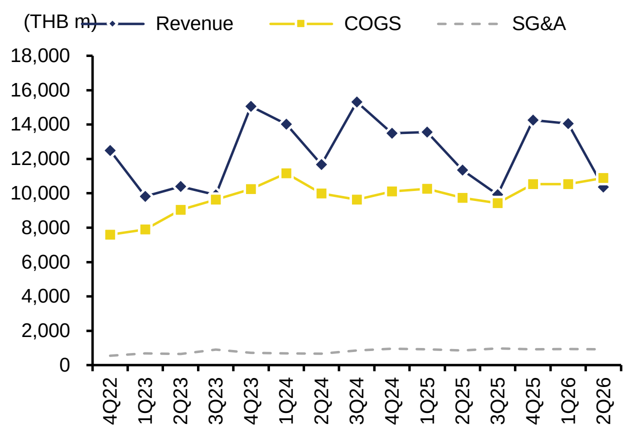
Sources: AAV; Globlex Research

Exhibit 10: Revenue structure



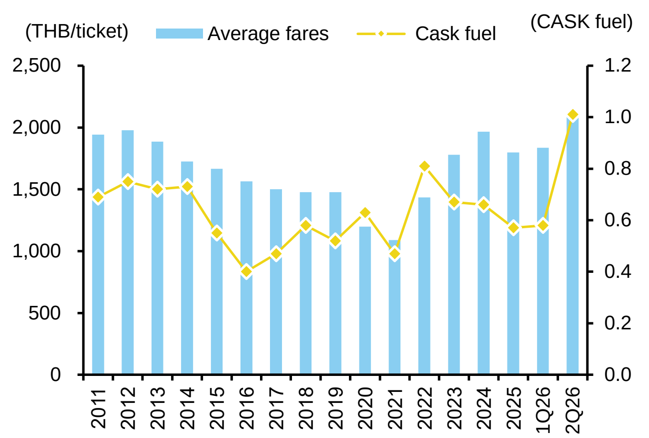
Sources: AAV; Globlex Research

Exhibit 11: Revenue vs COGS and SG&A



Sources: AAV; Globlex Research

Exhibit 12: Average airfare vs CASK fuel



Sources: AAV; Globlex Research

Exhibit 13: Key changes in assumptions and EPS forecasts

THB m	Current			Previous			Change (%)		
	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
Revenue	71,075	57,058	58,660	51,632	57,058	58,660	37.7	0.0	0.0
Gross profit	7,989	11,403	12,142	10,573	11,860	13,063	(24.4)	(3.8)	(7.1)
Operating profit	(3,625)	2,636	3,175	2,667	3,143	4,199	(235.9)	(16.1)	(24.4)
Net profit	(3,386)	1,321	1,787	1,230	1,727	2,606	(375.3)	(23.5)	(31.4)
EPS (THB/share)	(0.26)	0.10	0.14	0.10	0.13	0.20	(375.3)	(23.5)	(31.4)
Key assumptions	**2026E**	**2027E**	**2028E**	**2026E**	**2027E**	**2028E**	**2026E**	**2027E**	**2028E**
Avg. Fares (THB/ticket)	2,765	2,011	2,058	1,889	2,011	2,058	46.3	0.0	0.0
Pax. Carried (m passengers)	22.2	23.3	23.5	22.2	23.3	23.5	0.0	0.0	0.0
Total Capacity (m passengers)	23.9	24.2	24.3	23.9	24.2	24.3	0.0	0.0	0.0
Load Factor (% pts)	93.0	96.1	96.0	93.0	96.1	96.0	0.0	0.0	0.0
RASK (THB/ASK)	2.8	2.2	2.2	2.0	2.2	2.2	37.7	0.0	0.0
CASK (THB/ASK)	3.0	2.0	2.0	1.9	2.0	2.0	53.6	1.0	2.0
CASK ex FUEL (THB/ASK)	1.3	1.3	1.3	1.3	1.3	1.3	0.0	0.0	0.0
CASK FUEL (THB/ASK)	1.7	0.7	0.7	0.7	0.7	0.7	153.7	2.9	5.9

Sources: AAV; Globlex Research

Exhibit 14: P/E valuation and target price

	EPS (THB/share)		
P/E (x)	2026E	2027E	2028E
	(0.26)	0.10	0.14
8	(2.11)	0.82	1.11
9	(2.37)	0.93	1.25
10	(2.64)	**1.03**	1.39
11	(2.90)	1.13	1.53
12	(3.16)	1.23	1.67
13	(3.43)	1.34	1.81
14	(3.69)	1.44	1.95
15	(3.95)	1.54	2.09

Sources: AAV; Globlex Research

Balance sheet (THB m) Year ending Dec	2024	2025	2026E	2027E	2028E
Current assets					
Cash & ST investment	2,105	4,202	4,991	4,662	7,111
Account receivable	1,354	1,365	1,382	1,395	1,409
Inventories	591	704	1,265	915	933
Others	11,452	10,485	16,311	13,094	13,461
Non-current assets					
Net fixed assets	4,337	6,334	5,888	5,441	4,994
Others	55,535	53,247	53,247	53,247	53,247
Total Assets	**75,373**	**76,338**	**83,083**	**78,755**	**81,156**
Current liabilities					
Account payable	1,051	973	1,749	1,266	1,290
ST borrowing	17,394	10,517	10,517	10,517	10,517
Others	10,621	16,839	26,194	21,028	21,619
Long-term liabilities					
Long-term debts	33,366	32,600	32,600	32,600	32,600
Others	1,562	1,852	1,852	1,852	1,852
Total liabilities	**63,994**	**62,781**	**72,913**	**67,263**	**67,878**
Paid-up capital	1,285	1,285	1,285	1,285	1,285
Retained earnings	(5,705)	(3,520)	(6,906)	(5,585)	(3,798)
Others	15,800	15,791	15,791	15,791	15,791
Minority interest	0	0	0	0	0
Shareholders' equity	**11,379**	**13,556**	**10,170**	**11,491**	**13,278**

Profit & loss (THB m) Year ending Dec	2024	2025	2026E	2027E	2028E
Revenue	**49,436**	**45,691**	**71,075**	**57,058**	**58,660**
Cost of goods sold	(36,779)	(35,092)	(63,086)	(45,655)	(46,518)
Gross profit	**12,656**	**10,599**	**7,989**	**11,403**	**12,142**
Operating expenses	(3,187)	(3,648)	(4,582)	(3,679)	(3,782)
Operating profit	**9,469**	**6,951**	**3,407**	**7,725**	**8,360**
EBIT	**5,370**	**2,069**	**(3,625)**	**2,636**	**3,175**
Depreciation	(4,099)	(4,882)	(7,032)	(5,089)	(5,185)
EBITDA	**9,469**	**6,951**	**3,407**	**7,725**	**8,360**
Non-operating income	**1,407**	**3,609**	**1,988**	**1,612**	**1,655**
Other incomes	1,327	3,299	1,909	1,532	1,575
Other non-op income	80	310	80	80	80
Non-operating expense	**(2,596)**	**(2,826)**	**(2,596)**	**(2,596)**	**(2,596)**
Interest expense	(2,596)	(2,826)	(2,596)	(2,596)	(2,596)
Other non-op expense	0	0	0	0	0
Equity income/(loss)	0	0	0	0	0
Pre-tax Profit	**4,180**	**2,851**	**(4,233)**	**1,652**	**2,234**
Extraordinary items					
Current taxation	(703)	(515)	847	(330)	(447)
Minorities	0	0	0	0	0
Net Profit	**3,478**	**2,336**	**(3,386)**	**1,321**	**1,787**
Core net profit	**3,478**	**2,336**	**(3,386)**	**1,321**	**1,787**
EPS (THB)	**0.27**	**0.18**	**(0.26)**	**0.10**	**0.14**
Core EPS (THB)	**0.27**	**0.18**	**(0.26)**	**0.10**	**0.14**

Key ratios Year ending Dec	2024	2025	2026E	2027E	2028E
Growth (%YoY)					
Sales	19.9	(7.6)	55.6	(19.7)	2.8
Operating profit	46.7	(26.6)	(51.0)	126.7	8.2
EBITDA	46.7	(26.6)	(51.0)	126.7	8.2
Net profit	646.6	(32.8)	(244.9)	139.0	35.2
Core net profit	646.6	(32.8)	(244.9)	139.0	35.2
EPS	614.1	(32.8)	(244.9)	139.0	35.2
Core EPS	614.1	(32.8)	(244.9)	139.0	35.2
Profitability (%)					
Gross margin	25.6	23.2	11.2	20.0	20.7
Operation margin	19.2	15.2	4.8	13.5	14.3
EBITDA margin	19.2	15.2	4.8	13.5	14.3
Net margin	7.0	5.1	(4.8)	2.3	3.0
ROE	35.1	18.7	(28.5)	12.2	14.4
ROA	4.9	3.1	(4.2)	1.6	2.2
Stability					
Interest bearing debt/equity (x)	4.5	3.2	4.2	3.8	3.2
Net debt/equity (x)	4.3	2.9	3.7	3.3	2.7
Interest coverage (x)	2.1	0.7	(1.4)	1.0	1.2
Interest & ST debt coverage (x)	0.3	0.2	(0.3)	0.2	0.2
Cash flow interest coverage (x)	0.0	0.2	0.1	0.0	0.1
Current ratio (x)	0.5	0.6	0.6	0.6	0.7
Quick ratio (x)	0.1	0.2	0.2	0.2	0.3
Net debt (THB m)	48,655.3	38,915.3	38,126.9	38,455.4	36,006.2
Activity					
Asset turnover (X)	0.7	0.6	0.9	1.1	2.3
Days receivables	10.0	10.9	7.1	8.9	8.8
Days inventory	5.9	7.3	7.3	7.3	7.3
Days payable	10.4	10.1	10.1	10.1	10.1
Cash cycle days	5.4	8.1	4.3	6.1	6.0

Cash flow (THB m) Year ending Dec	2024	2025	2026E	2027E	2028E
Operating cash flow	**1,615**	**12,091**	**8,041**	**2,627**	**5,268**
Net profit	3,478	2,336	(3,386)	1,321	1,787
Depre.& amortization	4,099	4,882	7,032	5,089	5,185
Change in working capital	(3,532)	6,983	3,728	(2,096)	216
Others	(2,431)	(2,111)	667	(1,686)	(1,919)
Investment cash flow	**(6,259)**	**2,869**	**778**	**(338)**	**2,439**
Net CAPEX	(4,353)	(6,880)	(10)	(10)	(10)
Change in LT investment	(1,906)	9,748	788	(328)	2,449
Change in other assets	0	0	0	0	0
Free cash flow	**(4,644)**	**14,959**	**8,819**	**2,289**	**7,707**
Financing cash flow	**5,464**	**(12,862)**	**(8,031)**	**(2,617)**	**(5,258)**
Change in share capital	0	0	0	0	0
Net change in debt	0	0	0	0	0
Divident paid	0	0	0	0	0
Others	5,464	(12,862)	(8,031)	(2,617)	(5,258)
Net cash flow	**820**	**2,098**	**788**	**(328)**	**2,449**
Per share (THB)					
EPS	0.27	0.18	(0.26)	0.10	0.14
Core EPS	0.27	0.18	(0.26)	0.10	0.14
CFPS	0.62	0.56	0.28	0.50	0.54
BVPS	0.93	1.05	0.79	0.89	1.03
Sales/share	4.02	3.56	5.53	4.44	4.56
EBITDA/share	0.77	0.54	0.27	0.60	0.65
DPS	0.00	0.00	0.00	0.00	0.00
Valuation					
P/E (x)	10.20	6.16	(3.23)	8.27	6.11
P/BV (x)	3.12	1.06	1.07	0.95	0.82
Dividend yield (%)	-	-	-	-	-
Divdend payout ratio (%)	0	0	0	0	0

ASIA AVIATION (AAV TB)| THAILAND / SET / AVIATION

ESG Analysis

ESG Assessment	SET ESG	Bloomberg
Environment Total Scope 1-3 GHG emissions reached 1,972,996 tCO2e in 2025, led by Scope 1 (fuel) at 1,630,248 tCO2e — a restated series now including ground operations, with the 2025 increase driven by domestic flight network expansion. Scope 2 fell to 1,690 tCO2e (from 1,923), while Scope 3 rose to 341,058 tCO2e (+10.3%) on higher upstream jet-fuel production emissions tied to increased flight frequency. Emissions data is third-party verified by MASCI under CORSIA. Ground-fleet and route-efficiency initiatives delivered a 41,294-tonne CO2 reduction and THB 278.2 million in cost savings via the Low Emission Support Scheme (LESS).	AAA	5.14
Social Workforce stood at 5,429 employees (December 2025). Safety performance continued a multi-year improving trend, with employee LTIFR falling to 0.74 (from 0.94 the prior year, down from 1.12 several years earlier) and zero fatalities maintained throughout. Voluntary employee turnover met target at 3.9%. The share of female pilots rose to 6.1% (from 5.34%), reflecting incremental progress on a historically male-dominated flight-crew base.		7.73
Governance The Board comprises 12 directors, 4 independent (33%), with the Audit Committee made up entirely of 3 independent directors. AAV holds a 5-star "Excellent" CG Rating (2025 Thai IOD survey). No CAC certification was disclosed in the reviewed materials.		5.16
Overall | CG Score: Excellent (5-star)	**AAA**	**6.09**

SET ESG Rating (AAA) as provided. Bloomberg ESG scores reflect latest available data (Environment 5.14, Social 7.73, Governance 5.16, composite 6.09). CG Score of 5 (Excellent) reflects the 2025 Thai IOD survey.
Sources: AAV Annual Report 2025 (Form 56-1 One Report), AAV Sustainability Report 2025, Globlex Securities Research.

SET ESG Ratings 2025 | Thai Listed Companies As of 9 January 2026

Ratings: AAA (90-100)							
AAV	ACE	ADVANC	AJ	AMATA	AMATAV	ASW	AWC
BAM	BANPU	BAY	BBGI	BBL	BDMS	BEM	BGC
BGRIM	BJC	BKIH	BPP	BTG	CENTEL	CKP	CPALL
CPF	CPAXT	CPN	CRC	DITTO	EASTW	FPI	FPT
GLOBAL	GPSC	GUNKUL	HANA	HENG	HMPRO	III	ILM
IVL	KBANK	KCG	KJL	KKP	KTB	KTC	LH
LOXLEY	MAJOR	MBK	MC	M-CHAI	MFEC	MTI	NER
NOBLE	OR	ORI	OSP	PB	PLANB	PR9	PSH
PTG	PTT	PTTEP	PTTGC	RATCH	S	S&J	SABINA
SAT	SC	SCB	SCC	SCG	SCGP	SIRI	SJWD
SKY	SNP	STA	STECON	STGT	SVOA	TEAMG	TEGH
TFMAMA	THCOM	TISCO	TMT	TOA	TOP	TPBI	TTA
TTB	TTW	TVO	VNG	WHA	WHAUP		
Ratings: AA (80-89)							
ADB	AKP	AOT	AP	ASK	ASP	AURA	BCH
BLA	BRI	BTS	CBG	CIVIL	CK	CMAN	COLOR
COM7	DMT	DRT	EGCO	EPG	ETC	GFPT	GULF
HTC	ICHI	ILINK	IT	ITTHI	JMART	KCE	KUMWEL
LHFG	MINT	MODERN	MOSHI	MSC	MTC	NVD	NYT
PCC	PRM	PSL	QTC	RBF	SA	SAWAD	SCCC
SCGD	SELIC	SFLEX	SHR	SMPC	SNNP	SPALI	SPI
SSP	SUTHA	SYNEX	TASCO	TCAP	TCMC	TGH	THANI
TIPH	TKS	TLI	TOG	TPAC	TPIPP	TSC	TU
UAC	UBE	VIH	WICE	XO	ZEN		
Ratings: A (65-100)							
AEONTS	ALLA	ALT	ALUCON	BA	BH	BLC	CFRESH
CHAO	CHASE	CHG	CM	CPL	CREDIT	ERW	GABLE
HARN	HUMAN	INSET	IRC	ITC	JMT	KSL	M
MALEE	MGC	MOONG	NEO	PHOL	PLUS	PM	PPS
PQS	PROUD	PRTR	PSP	Q-CON	QLT	SAK	SAPPE
SCAP	SEAFCO	SEAOIL	SENA	SENX	SGC	SICT	SITHAI
SKR	SNC	SPC	SSSC	SYMC	TAN	TBN	TGE
THANA	THIP	THREL	TPA	TPCS	TQM	TRU	TWPC
UPF	UPOIC	VIBHA	WPH				
Ratings: BBB (50-64)							
AKR	ASIMAR	CSC	J	LEO	MEGA	NL	PRIN
SE	SO	SPRC	SUN	TMILL	TSTH	WP	YUASA

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Source: SET ESG Ratings, Stock Exchange of Thailand (setsustainability.com). Ratings as of 9 January 2026. Only companies scoring 50 and above are assigned a rating. Covered company are Bold in letter.

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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.