

Airports of Thailand (AOT TB)

Strong Air Traffic Despite The Conflict

Highlights

- The new Master Plan and the East Expansion at BKK will need to wait for the new cabinet's acknowledgement/approval.
- The air traffic in Mar 26 continues to be strong despite the war and is expected to remain strong in Apr-Aug 26, supported by several factors.
- We remain bullish on AOT as we think it is the strongest pick in the tourism sector. We maintain BUY with a target price of Bt80.00.

Analysis

- **Update on the new Master Plan at BKK.** Following Airports of Thailand's (AOT) latest amendment of the East Expansion plan at Suvarnabhumi Airport (BKK), the next step is to receive approval from the new cabinet. Likewise for the new Master Plan at BKK, AOT will wait for the new cabinet to be formed and will inform the cabinet of its expansion pipeline before officially disclosing the plan. The East Expansion will add around 81,000sqm of area to BKK and 15m of annual passengers to BKK's capacity. The long-term expansion target will remain as the South Terminal which will increase the annual passengers capacity at BKK up to 120m. As Bhumjaithai Party remains as the core of the government, we expect no significant change in the direction of the cabinet's decision.
- **Expect the strong rebound of air traffic driven by the Chinese to continue.** Despite the ongoing war in the Middle East, the air traffic to Thailand in Mar 26 remains very strong. The strong air traffic rebound began in late-Jan 26, mainly due to the robust recovery of Chinese arrivals during the Lunar New Year period. The momentum of the Chinese recovery continues to be strong, as the ytd number of Chinese arrivals has already surpassed last year's by 9%. The key factor is the ongoing dispute between China and Japan which redirected the Chinese tourist traffic back to Thailand. In addition, given the elevated risk for the Chinese tourists travelling to Europe, this could be another catalyst for the Chinese to reroute their trips to Thailand. The notable events which caused a low base of tourist arrivals last year during Songkran were the decline in Chinese tourists, combined with the earthquake in late-Mar 25. Therefore, we expect the yoy growth of air traffic to continue in Apr-Aug 26, supported by the end of Ramadan and the low base of arrivals last year.

Key Financials

Year to 30 Sep (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	67,121	66,679	70,261	84,825	89,853
EBITDA	41,777	40,286	42,086	55,140	58,229
Operating profit	30,373	28,244	30,565	43,501	45,870
Net profit (rep./act.)	19,182	18,125	19,368	28,956	31,263
Net profit (adj.)	19,182	18,125	19,368	28,956	31,263
EPS (Bt)	1.3	1.3	1.4	2.0	2.2
PE (x)	30.5	32.3	39.1	26.1	24.2
P/B (x)	4.7	4.5	5.4	4.8	4.4
EV/EBITDA (x)	14.5	15.0	20.0	15.3	14.4
Dividend yield (%)	1.9	1.9	1.5	2.3	2.5
Net margin (%)	28.6	27.2	27.6	34.1	34.8
Net debt/(cash) to equity (%)	26.0	20.5	12.3	5.8	3.7
Interest cover (x)	15.7	23.6	16.1	21.1	31.0
ROE (%)	16.3	14.2	14.3	19.5	19.1
Consensus net profit (Btm)	-	-	21,991	29,078	31,256
UOBKH/Consensus (x)	-	-	0.88	1.00	1.00

Source: AOT, Bloomberg, UOB Kay Hian

	BUY (Maintained)
Share Price	Bt47.75
Target Price	Bt80.00
Upside	+67.5%

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Stock Data

GICS sector	Industrials
Bloomberg ticker:	AOT TB
Shares issued (m):	14,285.7
Market cap (Btm):	682,142.2
Market cap (US\$m):	21,083.1
3-mth avg daily t'over (US\$m):	63.6

Price Performance (%)

52-week high/low					Bt59.00/Bt26.75
1mth	3mth	6mth	1yr	YTD	
(15.5)	(12.0)	22.4	19.4	(9.9)	

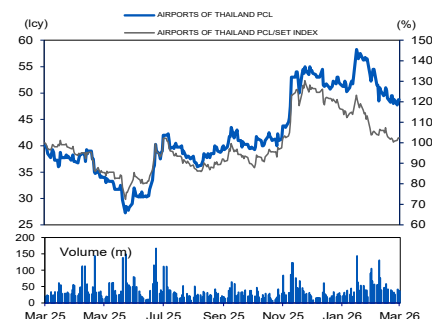
Major Shareholders

	%
Ministry of Finance	70.00
THAI NVDR Co Ltd	4.10

Balance Sheet Metrics

	%
FY26 NAV/Share (Bt)	9.76
FY26 Net Debt/ Share (Bt)	1.21

Price Chart



Source: Bloomberg

Company Description

AOT operates 6 of the 38 airports in Thailand, but collectively these 6 airports account for 83% of the total pax throughput. As the leading airport operator in the country, AOT manages domestic and international services, providing the main aviation hub at Suvarnabhumi Airport.

Key Statistics

Key Stats	2025	Dec 25	Jan 26	Feb 26	Mar 26F	2Q26F	yoy (%)
Inter Aircraft	120,172	41,812	42,323	40,098	39,748	122,169	2%
Domestic Aircraft	89,649	32,574	33,805	29,636	32,722	96,163	7%
Total Aircraft	209,821	74,386	76,128	69,734	72,470	218,332	4%
Inter PAX (m)	21.5	7.8	7.8	7.4	7.2	22.4	4%
Domestic PAX (m)	13.3	4.8	5.2	4.6	4.7	14.4	8%
Total PAX (m)	34.8	12.5	13.0	11.9	11.9	36.8	6%

Source: AOT, UOB Kay Hian

- AOT should remain strong despite the risk on tourism demand from the rising fuel cost.** Ever since the disruption at Strait of Hormuz began in early-Mar 26, jet fuel prices have been very volatile. Therefore, airlines, whose majority of costs are from fuel, have been suffering the most. Most of the airlines only partially hedge the price of their fuel, so they will need to pass their rising operation costs to the ticket prices. However, we expect airlines to only partially pass the rising costs through to their customers or else it will hurt travel demand. Therefore, airlines' operations could suffer a margin squeeze as long as the war persists. On the other hand, we expect AOT to remain strong, supported by the continuing robust air traffic. Hotel operators, especially CENTEL, should continue to be strong. All hotel operators are experiencing a higher-than-normal room cancellation rate, but room booking demand remains strong and still results in a net booking pick-up.
- PSC hike formally announced.** Following the Civil Aviation Authority of Thailand's approval of the passenger service charge (PSC) increase in Dec 25, the acting Ministry of Transport signed off on 9 Feb 26. AOT has announced that the new PSC rate will be active on 20 Jun 26. Hence, the new rate will be active for the whole 4QFY26, positively contributing to AOT's 2026 earnings. As the PSC increase is now certain, we see this as a good earnings growth driver for AOT going forward.

Valuation/Recommendation

- Maintain BUY with a target price of Bt80.00.** Our valuation is based on the FY26 EV/EBITDA of 27x, 1SD above the 10-year mean (excluding COVID-19 years). We remain bullish on AOT despite the ongoing tension in the Middle East. The air traffic remains strong in Mar 26, and we expect the momentum to continue in Apr-Aug 26, driven by several supporting factors. Furthermore, the new PSC rate to be activated in 4QFY26 will be another tailwind to AOT's earnings performance.

Environment, Social, Governance (ESG) Updates

Environmental

- Increased efficiency of energy consumption.** Design, construct, and operate airports and related facilities to maximise efficiency in resource utilisation.

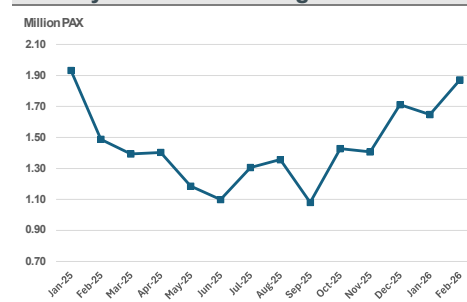
Social

- Established an Aerodrome Safety Policy.** Enhancing aerodrome safety management and operational standards while giving responsibility to management from all levels for airport safety.
- Provides safety training.** Organises sessions to train and ensure that AOT personnel are equipped with the knowledge to comply with the Safety Policy.

Governance

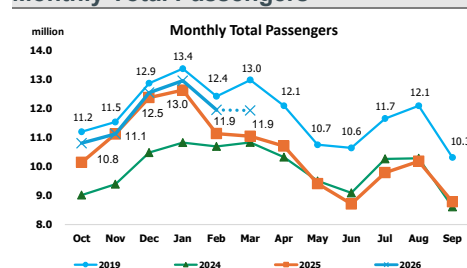
- Board operates under corporate governance principles** and relevant laws, regulations and guidelines on good corporate governance recommended by the Stock Exchange of Thailand and the Securities and Exchange Commission.

Monthly Chinese Passengers



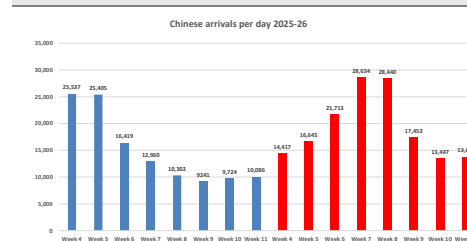
Source: AOT, UOB Kay Hian

Monthly Total Passengers



Source: AOT, UOB Kay Hian

2025-26 Chinese Arrival Pace



Source: Ministry of Tourism and Sports, UOB Kay Hian

Tourist Arrivals Excluding Chinese

	1 Jan-15 Mar	2025	2026	yoy growth
No. arrival ex Chinese		7,009,888	6,586,671	-6%
No. of Chinese		1,175,920	1,282,406	9%

Source: Ministry of Tourism and Sports, UOB Kay Hian

Tentative Plan At BKK



Source: Progressive Thailand, UOB Kay Hian

Profit & Loss

Year to 30 Sep (Btm)	2025	2026F	2027F	2028F
Net turnover	66,679	70,261	84,825	89,853
EBITDA	40,286	42,086	55,140	58,229
Deprec. & amort.	12,042	11,521	11,639	12,359
EBIT	28,244	30,565	43,501	45,870
Total other non-operating income	(3,197)	(3,118)	(3,764)	(3,909)
Associate contributions	(3)	0	0	0
Net interest income/(expense)	(1,704)	(2,616)	(2,614)	(1,881)
Pre-tax profit	23,341	24,831	37,123	40,080
Tax	(4,787)	(4,966)	(7,425)	(8,016)
Minorities	(429)	(497)	(742)	(802)
Net profit	18,125	19,368	28,956	31,263
Net profit (adj.)	18,125	19,368	28,956	31,263

Cash Flow

Year to 30 Sep (Btm)	2025	2026F	2027F	2028F
Operating	25,689	45,009	40,369	44,370
Pre-tax profit	23,341	24,831	37,123	40,080
Tax	(4,787)	(4,966)	(7,425)	(8,016)
Deprec. & amort.	12,042	11,521	11,639	12,359
Working capital changes	(4,256)	19,758	(166)	700
Non-cash items	(651)	(6,136)	(802)	(754)
Other operating cashflows	(3)	0	0	0
Investing	(17,968)	(14,295)	(21,295)	(21,758)
Capex (growth)	(16,140)	(16,863)	(20,358)	(21,565)
Investment	2,444	1,419	2,342	2,402
Others	(4,272)	1,148	(3,279)	(2,595)
Financing	(16,268)	(1,131)	(13,642)	(29,609)
Dividend payments	(11,286)	(11,571)	(11,621)	(17,374)
Proceeds from borrowings	(4,584)	9,166	(2,819)	(13,095)
Loan repayment	0	0	0	0
Others/interest paid	(399)	1,274	797	859
Net cash inflow (outflow)	(8,547)	29,582	5,432	(6,997)
Beginning cash & cash equivalent	18,487	18,880	38,207	43,454
Changes due to forex impact	9,461	(10,255)	(185)	(3,339)
Ending cash & cash equivalent	19,401	38,207	43,454	33,119

Balance Sheet

Year to 30 Sep (Btm)	2025	2026F	2027F	2028F
Fixed assets	158,971	165,304	174,213	183,611
Other LT assets	13,632	17,666	19,698	20,404
Cash/ST investment	19,401	38,207	43,454	33,119
Other current assets	17,929	4,938	5,903	6,255
Total assets	209,932	226,116	243,268	243,389
ST debt	1,740	2,834	737	737
Other current liabilities	21,255	24,803	26,359	24,334
LT debt	44,520	52,592	51,869	38,774
Other LT liabilities	7,986	9,366	9,834	10,325
Shareholders' equity	130,898	139,473	156,863	170,810
Minority interest	1,943	2,439	3,182	3,983
Total liabilities & equity	208,341	231,506	248,844	248,965

Key Metrics

Year to 30 Sep (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	60.4	59.9	65.0	64.8
Pre-tax margin	35.0	35.3	43.8	44.6
Net margin	27.2	27.6	34.1	34.8
ROA	8.7	8.9	12.3	12.8
ROE	14.2	14.3	19.5	19.1
Growth				
Turnover	(0.7)	5.4	20.7	5.9
EBITDA	(3.6)	4.5	31.0	5.6
Pre-tax profit	(4.9)	6.4	49.5	8.0
Net profit	(5.5)	6.9	49.5	8.0
Net profit (adj.)	(5.5)	6.9	49.5	8.0
EPS	(5.5)	6.9	49.5	8.0
Leverage				
Debt to total capital	25.8	28.1	24.7	18.4
Debt to equity	35.3	39.7	33.5	23.1
Net debt/(cash) to equity	20.5	12.3	5.8	3.7
Interest cover (x)	23.6	16.1	21.1	31.0

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