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KEY HIGHLIGHTS

Strategy

Impact Of Cambodia-Thailand Tensions After The JBC

Accumulate shares of companies that are not severely impacted.

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Sector

Property

Update on residential market.

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Update

Airports of Thailand (AOT TB/SELL/Bt27.25/Target: Bt24.00)

The worst fear has come true. Downgrade to SELL.

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KEY INDICES

Symbol	Close	Chg	%Chg
SET	1,114.49	(8.21)	(0.73)
SET50	725.71	(4.56)	(0.62)
Value (Btm) - SET	38,811		
Top 5 Sector			
BANK	390.48	(0.88)	(0.22)
PETRO	469.02	(5.85)	(1.23)
PROP	132.44	(1.79)	(1.33)
ENERG	15,302.23	3.41	0.02
ICT	186.38	(0.39)	(0.21)

Source: Bloomberg

TOP VOLUME

Symbol	Close (Baht)	+/-(% Chg)	5-day ADT (BTm)
AOT	27.25	(8.40)	2,064.6
KBANK	152.50	0.00	2,230.0
PTTEP	112.00	(0.88)	1,972.5
CPALL	45.00	0.00	1,120.3
PTT	30.75	0.00	1,851.7

TOP GAINERS

Symbol	Close (Baht)	+/-(% Chg)	5-day ADT (BTm)
MORE	0.03	50.00	1.6
ECF	0.49	32.43	0.5
TRITN	0.05	25.00	1.7
KWI	0.06	20.00	0.1
24CS	1.40	13.82	46.4

TOP LOSERS

Symbol	Close (Baht)	+/-(% Chg)	5-day ADT (BTm)
GEL	0.04	(20.00)	0.0
META	0.06	(14.29)	0.0
EVER	0.06	(14.29)	0.0
CHO	0.07	(12.50)	0.1
MIPF	8.85	(11.50)	0.0

*ADT: Average daily turnover

KEY STATISTICS

Commodity	Current Price	%Chg		
		1m	3M	YTD
Brent crude*	73.4	13.3	5.3	0.6
Dubai crude*	72.7	14.1	2.5	(3.2)
Baltic Dry Index	1,975.0	42.3	18.3	98.1
Gold Spot***	3,400.9	6.2	13.3	29.6

*(US\$/bbl), *** (US\$/toz)

FOREIGN PORTFOLIO INVESTMENT IN EQUITIES (THAILAND)

Day (Mil US\$)	MTD Net (Mil US\$)	YTD Net (Mil US\$)	YTD Net YoY%
(108.9)	(163.6)	(2,256.4)	1,632.6

Source: Bloomberg

Foreign Exchange Rate - THB/US\$ (onshore) = 32.48

Interest Rate (%) - TH Policy Rate = 2.00

Thai Lending Rate (%) - MLR = 6.90

STRATEGY – THAILAND

Assessing Impact Of Cambodia-Thailand Tensions After The JBC

As Thailand and Cambodia remain in a border dispute with no resolution in sight, the conflict between the two countries is expected to continue. In the Thai equity market, the beverage sector is likely to be the most negatively impacted. However, we see an opportunity to accumulate shares of companies that are not severely affected but have seen their stock prices decline in line with the sector trend. Our top picks are BDMS, CPALL and STECON.

WHAT'S NEW

- **Cambodia officially requests International Court Justice (ICJ) intervention in Thai border dispute.** Cambodia's request to the International Court of Justice (ICJ) coincided with the ICJ's earlier ruling that awarded the Preah Vihear temple to Cambodia. The ICJ affirmed the ruling in 2013, after a protracted period of tension that erupted, especially between 2008-11.
- **Cambodia is now seeking an ICJ ruling on four disputed areas along the 800-kilometre shared border:** the Ta Moan Thom, Ta Moan Touch, Ta Krabey temples, and Mom Bei. These four areas have been the subject of recent tensions, along with an area close to the tri-border junction with Laos, where a brief exchange of gunfire took place between the two sides on 28 May.
- **No conclusion reached.** Thailand and Cambodia concluded the two-day meeting of their Joint Boundary Commission (JBC) in Phnom Penh on Sunday without reaching any agreement on their heated territorial dispute.

SECTOR IMPACT

- **Limited impact on food sector in Cambodia.** Betagro (BTG) and Charoen Pokphand Foods (CPF) derive 3% and 5% of their revenue from Cambodia, respectively. Based on our channel checks with the companies, we anticipate limited impact, as most of their products sold in Cambodia are fresh items that are locally produced and distributed through traditional channels. In the worst-case scenario, we estimate the impact on 2025 earnings at 2% for BTG and 5% for CPF.
- **Thailand-Cambodia tensions could affect beverage sector.** Carabao Group (CBG) and Osotspa (OSP) have revenue contributions from Cambodia of 13-15% and 1-2%, respectively. We see negative sentiment toward CBG if tensions between Thailand and Cambodia escalate, due to: a) its high revenue contribution and strong market share in Cambodia; b) potential disruptions to cross-border transportation and logistics; and c) the impact on Cambodian workers in Thailand, who are a key consumer group for energy drinks. However, based on our channel checks with the company, sales in Cambodia remain unaffected at this stage. We estimate the worst-case impact to CBG at 8-10% of 2025 earnings. As for OSP, we expect no significant impact, given its small revenue contribution from Cambodia.
- **Retail players may not be affected as much.** The current situation has not yet affected the cross-border delivery of goods, according to our channel checks. CPALL and BJC have limited exposure in Cambodia due to the following: a) CPALL has 115 stores in Cambodia, out of a total of 15,561 (about 0.7%) and 3 Makro Wholesale stores, out of a total of 176 (about 1.7%), and b) BJC has 176 Big C stores in Cambodia, out of a total of 1,941 (about 1.1%). We estimate the worst-case impact to CPALL and BJC at 1% of 2025 earnings.
- **Limited impact on media sector.** We expect a slightly negative sentiment towards the media sector, particularly among movie operators and TV players, as its Cambodia revenue exposure accounts for approximately 2-3% of total revenue and less than 1% of net profit. The persistent decline in traditional television viewership, exacerbated by ongoing disruption from OTT platforms, continues to pose a structural challenge to their core operations.

STOCK RECOMMENDATION

Company	Share Price 13 June 25 (Bt)	Target Price (Bt)	Upside/ (Downside) to TP (%)
BDMS TB	21.40	32.00	49.53
CPALL TB	47.00	79.00	68.09
STECON TB	7.60	9.00	18.42

Source: *Bloomberg Consensus, UOB Kay Hian

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Additionally, the halt in Thai film broadcasts may further pressure the outlook.

- **Healthcare sector impact from Cambodian patients.** Other than Bumrungrad Hospital (BH), which derives 4% of its revenue from Cambodia, we believe exposure to Cambodia is limited for Bangkok Chain Hospital (BCH) and Bangkok Dusit Medical Services (BDMS), with effective top-line exposure at 1.7% and 0.9% respectively. Based on our latest channel checks, there has been no operational slowdown at any of BDMS' or BCH's hospitals due to the situation in Cambodia. Healthcare is believed to take priority over politics. In a worst-case scenario, we estimate the impact on 2025 earnings at around 2% for BDMS, 5% for BCH, and 5% for BH based on the assumption of no revenue accounted from Cambodia patients in 2H25.
- **We foresee minimal impact on major Thai contractors** from the Cambodian government's recent call for migrant workers to return home, particularly for CK and STECON. Cambodian workers account for only 4-5% of the total labour force at these companies, and neither contractor currently has active projects or construction sites in Cambodia. Furthermore, the Thai government has confirmed that it has no policy to deport Cambodian workers and has reaffirmed its commitment to protecting the rights and welfare of legal foreign labour. This stance is intended to reassure workers and help prevent a large-scale departure.
- **We view the impact on cement players as limited,** given that revenue from Cambodia accounts for only 2-3% of SCC's total revenue.

MARKET IMPACT

- **Greater impact than in the past due to growing trade value.** The current conflict is more severe than in 2011, as trade value between Thailand and Cambodia has increased from US\$451m to US\$607m, and Thai companies have further expanded their businesses in Cambodia.
- **Opportunity to accumulate.** We see an opportunity to accumulate shares of companies that are not significantly impacted by the Thailand-Cambodia conflict but have seen share price declines in line with the sector trend, such as BDMS, CPALL, and STECON.

SECTOR IMPACT

Sectors	Stocks	Revenue Exposure From Cambodia (%)	Impact to Net Profit if Remove Entire Cambodia Revenue (%)	Factory in Cambodia (Yes/No)	
Direct Impact					
Bevergae	CBG	13-15%	8-10%	No	
	OSP	1-2%	lower than 1%	No	
Food	BTG	3-4%	1-2%	Yes	
	CPF	3-4%	lower than 5%	Yes	
Healthcare	BCH	1.70%	9%	No	
	BDMS	0.90%	2%	No	
	BH	4%	10%	No	
Media	MAJOR	2-3%	lower than 1%	No	
	ONEE	2-3%	lower than 1%	No	
	BEC	2-3%	lower than 1%	No	
Retail	CPALL	1%	1%	The number of stores in Cambodia: a) Convenience stores account for 0.7% (116 branches out of 15,561 in total). b) Wholesale stores account for 1.7% (3 branches out of 176 in total). c) Lotus's retail stores have no locations in Cambodia. The number of stores in Cambodia for BigC accounting for 1.1% (22 branches out of 1,941 total)	
	BJC	1%	1%		
Indirect Impact					
Construction					
CK, STECON		Low labour portion from Cambodia			

*Under Retail Coverage
Source: UOB Kay Hian

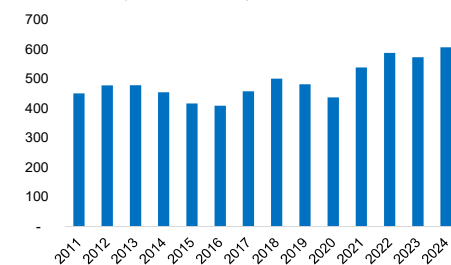
VALUATION

Company	Ticker	Rec.	Last Price 13 June 25 (Bt)	Target Price (Bt)	Upside Downside (%)	Market Cap (US\$m)	PE			EPS Growth 2025F (%)	PEG 2025F (x)	P/B 2025F (x)	Yield 2025F (%)	ROE 2025F (%)
							2024	2025F	2026F					
Bangkok Dusit Medical Services	BDMS TB	BUY	21.40	32.00	49.53	10,281	21.3	19.4	18.3	9.4	2.1	3.3	4.0	16.5
Cp All	CPALL TB	BUY	47.00	79.00	68.09	12,763	16.7	15.0	14.3	11.2	1.3	3.0	3.3	8.5
Stecon Group	STECON TB	BUY	7.60	9.00	18.42	349	n.a.	12.5	10.1	139.3	0.1	0.7	3.9	5.2

Source: UOB Kay Hian

Natthida Chuaysong

TRADE VALUE BETWEEN THAILAND AND CAMBODIA (BILLION USD)



Source: Ministry of Commerce, UOB Kay Hian

SECTOR UPDATE

Property – Thailand

Update On Residential Market

Project launch activities in May 25 improved from the prior month, with new unit sales also rising mom, although both remained at low levels. Ytd, unit launches and sales have remained subdued compared with the same period last year, pressured by more conservative project launches in 1H25 and economic conditions. Developers under our coverage are expected to report muted combined presales in 2Q25. Maintain UNDERWEIGHT.

WHAT'S NEW

- **Launch activities improved in May 25.** According to the Agency for Real Estate Affairs (AREA), newly-launched units in the Bangkok Metropolitan Region (BMR) showed improvement from 672 units in Apr 25 to 1,901 units in May 25, surging 183% mom, driven by increased project launch activities, especially in the low-rise segment. However, on a yoy basis, new launches remained subdued due to a more conservative launch strategy in 1H25 and delays following the recent earthquake. 5M25 newly-launched units were at 12,475 units, falling 55% yoy. In terms of development value, new projects in May 25 totalled approximately Bt31b, up 149% mom but down 30% yoy; in 5M25, newly-launched units were valued at Bt93b, dropping 44% yoy. Notably, the high-end segment continues to dominate new project development.
- **Units sold remained subdued.** New launch unit sales rose from 50 units in Apr 25 to 201 units in May 25. However, ytd sales for 5M25 totalled only 2,236 units, representing a 73% yoy decline. Overall demand remains under pressure due to both domestic and external economic factors. Homebuyers continue to delay purchase decisions in response to the recent earthquake, retaliatory tariffs, and weak purchasing power amid tight bank lending policies.
- **Muted presales expected in 2Q25.** We expect developers under our coverage to report weak combined presales in 2Q25, with yoy and qoq declines. This is largely due to a high base from the previous year, as well as ongoing challenges including the recent earthquake, reciprocal tariffs, and a limited pipeline of new project launches, especially in the condominium segment.

ACTION

- **We maintain UNDERWEIGHT on the sector.** We expect sector presales to weaken in 2Q25, declining both yoy and qoq. The sector currently lacks new catalysts. Despite the rollout of real estate stimulus measures, the residential market continues to face multiple headwinds, suggesting that a recovery in presales may be delayed.

PEER COMPARISON

Company	Ticker	Rec	Current	Target	Upside	Market Capitalization	PE			EPS Growth			PB	ROE	Div Yield
			Price (Bt)	Price (Bt)			2024	2025F	2026F	2024	2025F	2026F	2025F	2025F	2025
AP (Thailand)	AP TB	BUY	6.10	9.60	57	19,190	3.8	3.9	3.7	-17.1	-3.1	6.3	0.4	10.8	8.8
Land and Houses	LH TB	HOLD	3.46	4.40	27	41,346	7.5	9.1	8.3	-26.6	-17.0	9.4	0.8	8.6	8.2
LPN Development	LPN TB	SELL	1.79	1.50	-16	2,603	23.5	20.9	14.1	-68.7	12.4	48.5	0.2	1.0	2.5
Origin Property	ORI TB	HOLD	1.66	1.90	14	4,074	3.9	3.9	3.5	-61.3	-1.9	13.5	0.2	4.7	10.1
Pruksa Holding	PSH TB	SELL	4.02	4.00	0	8,798	19.3	15.1	12.2	-79.3	28.1	23.6	0.2	1.3	5.6
Quality Houses	QH TB	HOLD	1.26	1.51	20	13,500	6.3	7.1	6.6	-14.1	-11.8	7.7	0.4	6.4	7.7
Supalai	SPALI TB	HOLD	13.90	14.70	6	27,147	4.4	6.0	5.4	3.3	-26.5	9.9	0.5	8.2	7.2
Sector						116,658	5.2	6.2	5.6	-25.0	-14.0	9.5	0.4	6.6	7.8

Source: Respective companies, UOB Kay Hian

UNDERWEIGHT (Maintained)

SECTOR PICKS

Company	Ticker	Rec	Current Price (Bt)	Target Price (Bt)
AP (Thailand)	AP TB	BUY	6.10	9.60

Source: Respective companies, UOB Kay Hian

SECTOR PE BAND



Source: Bloomberg, UOB Kay Hian

SECTOR P/B BAND



Source: Bloomberg, UOB Kay Hian

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PRESALES, TRANSFERS, LAUNCHES TARGET SUMMARY

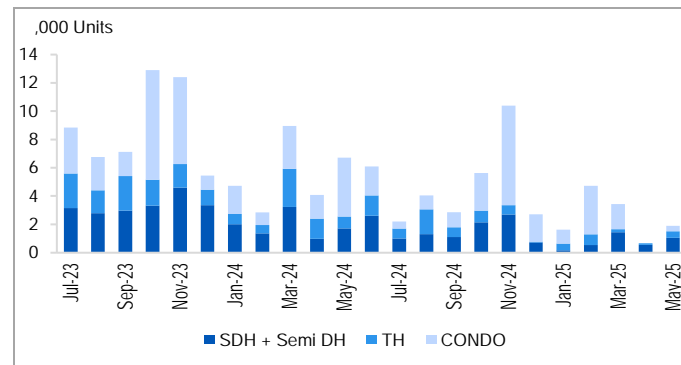
	2021 Actual	2022 Actual	2023 Actual	2024 Act	2025 Mgmt Beg Target	% Growth	1Q25 Actual	(%) to 2025 Target	2025 UOBKH Forecast	% Growth	2025 UOBKH A/B target
Presale (Btm)											
AP	35,049	50,415	51,390	46,752	55,000	18	12,110	22	53,374	14	-3
LH	28,636	30,244	23,013	18,756	23,000	23	3,642	16	18,452	-2	-20
LPN	8,893	8,388	9,966	8,459	8,000	-5	1,554	19	7,733	-9	-3
ORI	30,257	41,032	47,265	35,442	30,000	-15	8,027	27	30,008	-15	0
PSH	25,427	17,013	18,540	14,000	23,000	64	3,388	15	18,023	29	-22
QH	7,497	8,208	7,548	7,108	7,800	10	1,231	16	7,743	9	-1
SPALI	24,069	32,433	28,864	26,743	32,000	20	6,669	21	29,739	11	-7
Total	159,828	187,733	186,586	157,260	178,800	14	36,621	20	165,072	5	-8
Transfer											
AP	39,101	48,372	47,639	45,467	51,600	13	9,238	18	44,321	-3	-14
LH	30,461	30,751	18,966	16,040	20,000	25	2,681	13	14,897	-7	-26
LPN	4,044	5,834	5,103	5,490	5,500	0	896	16	4,450	-19	-19
ORI	16,157	18,509	20,448	14,399	22,000	53	3,561	16	17,301	20	-21
PSH	27,403	26,447	22,226	14,900	19,300	30	2,695	14	15,470	4	-20
QH	7,502	8,227	7,619	6,957	7,700	11	963	13	5,290	-24	-31
SPALI	28,938	34,222	30,836	30,817	30,000	-3	3,514	12	24,653	-20	-18
Total	153,605	172,361	152,838	134,070	156,100	16	23,546	15	126,382	-6	-19
Launch (Btm)											
AP	22,540	63,600	76,000	48,020	65,000	35	3,250	5	60,520	26	-7
LH	19,680	32,460	43,460	30,850	11,180	-64	4,340	39	11,180	-64	0
LPN	4,870	10,700	11,725	3,930	6,000	53	-	0	6,000	53	0
ORI	22,625	41,000	45,900	19,500	20,000	3	3,700	19	20,000	3	0
PSH	20,670	11,139	14,153	18,200	23,400	29	5,600	24	23,400	29	0
QH	2,553	7,598	8,589	9,804	6,886	-30	-	0	6,886	-30	0
SPALI	24,790	37,800	29,640	52,380	46,000	-12	7,170	16	46,000	-12	0
Total	117,728	204,297	229,467	182,684	178,466	-2	24,060	13	173,986	-5	-3

Note that AP and ORI presales and transfers include JV projects.

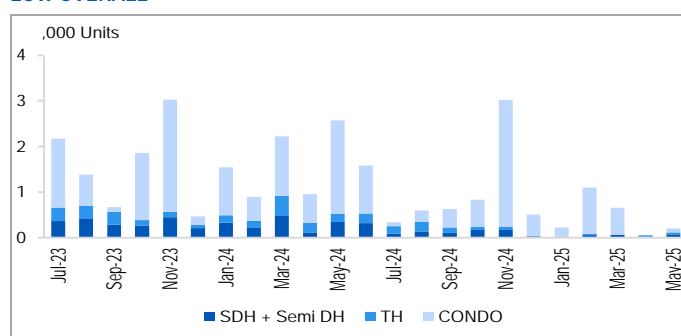
Note that SPALI uses a total revenue target instead of a transfer target.

Source: Respective companies, UOB Kay Hian

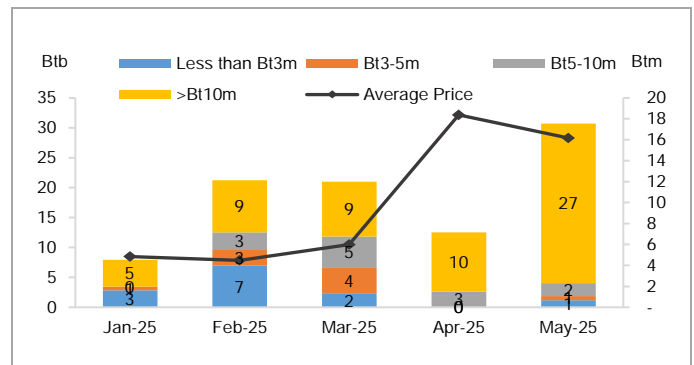
IN MAY 25, NEW UNIT LAUNCHES IMPROVED FROM THE PRIOR MONTH BUT REMAINED SUBDUED



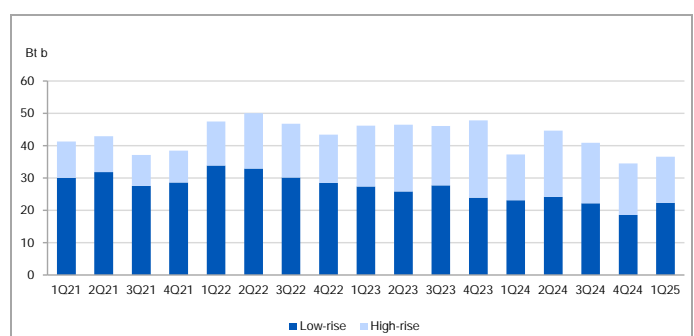
SALES OF NEWLY-LAUNCHED UNITS IN MAY 25 INCREASED FROM THE PRIOR MONTH FOLLOWING NEW PROJECT LAUNCHES, BUT REMAINED LOW OVERALL



HIGH-END SEGMENT CONTINUES TO DRIVE NEW PROJECT DEVELOPMENT



DEVELOPERS UNDER OUR COVERAGE ARE EXPECTED TO POST MUTED PRESALES PERFORMANCES IN 2Q25



COMPANY UPDATE

Airports of Thailand (AOT TB)

The Worst Fear Has Come True

We attended AOT's analyst meeting, and the tone was negative. AOT clarified that KPD contacted it to negotiate a lower concession payment for all airports, including BKK. KPD has yet to specify its proposed rate. This development aligns with our earlier concerns, and we do not see sufficient upside in AOT to justify the risk. In our view, AOT's continued compliance with KPD's numerous requests leaves a negative impression on investors. Downgrade to SELL. Target price: Bt24.00.

WHAT'S NEW

- **Negative tone at the meeting.** We attended the Airports of Thailand's (AOT) analyst meeting to receive more accurate details on King Power's (KP) request from AOT's management and the tone was negative.
- **KPD requested AOT to negotiate a lower concession fee for all airports.** Following the news last week about King Power Duty-Free's (KPD) request to terminate the concession for four airports, AOT's management has clarified that in fact, KPD requested AOT to lower the duty-free concession fee for all of its airports, including Suvarnabhumi airport (BKK). This is unfolding exactly as we had feared — a potential revision of the duty-free concession fee at BKK. However, AOT has denied KPD's request to change the concession payment structure for all airports from a minimum guarantee to a 20% revenue-sharing model. As a result, AOT will continue recognising revenue as usual until further notice.
- **AOT expects to reach conclusion with KPD within the next 60 days.** AOT has hired consultants from two public universities to conduct studies on potential solutions with KPD, with a 60-day deadline. According to management, KPD has yet to submit any formal offer or preferred terms for the concession. Several rounds of negotiations between AOT and KPD are expected to follow. We believe AOT will eventually comply with KPD's request and expect the new concession fee to be set at a minimum guarantee of around Bt9b — slightly above the second-highest bidder in the previous auction. This would result in a substantial decline in AOT's net profit, as concession revenue carries no associated costs.

We have also considered the absolute worst-case scenario: if no agreement is reached and a time-consuming re-auction is required, the downside risk to FY26 earnings and our target price is significant. Given the limited upside potential relative to the risks, we downgrade our recommendation to SELL.

KEY FINANCIALS

Year to 30 Sep (Btm)	2023	2024	2025F	2026F	2027F
Net turnover	48,141	67,121	67,251	68,129	71,956
EBITDA	26,100	41,777	41,857	39,743	42,066
Operating profit	17,230	30,373	30,346	28,327	30,147
Net profit (rep./act.)	8,791	19,182	19,424	17,706	19,140
Net profit (adj.)	8,791	19,182	19,424	17,706	19,140
EPS (Bt)	0.6	1.3	1.4	1.2	1.3
PE (x)	44.3	20.3	20.0	22.0	20.3
P/B (x)	3.5	3.1	2.9	2.8	2.6
EV/EBITDA (x)	16.3	10.2	10.2	10.7	10.1
Dividend yield (%)	1.3	2.9	3.0	2.7	3.0
Net margin (%)	18.3	28.6	28.9	26.0	26.6
Net debt/(cash) to equity (%)	46.0	26.0	25.9	18.1	15.3
Interest cover (x)	9.1	15.7	15.0	14.3	16.1
ROE (%)	8.3	16.3	15.1	13.0	13.4
Consensus net profit (Btm)	-	-	19,150	20,711	21,702
UOBKH/Consensus (x)	-	-	1.01	0.85	0.88

Source: Airports of Thailand, Bloomberg, UOB Kay Hian

SELL

(Downgraded)

Share Price	Bt27.25
Target Price	Bt24.00
Upside	-11.9%
(Previous TP)	Bt39.00)

COMPANY DESCRIPTION

AOT operates 6 of the 38 airports in Thailand, but collectively these 6 airports account for 83% of the total pax throughput.

STOCK DATA

GICS sector	Industrials
Bloomberg ticker:	AOT TB
Shares issued (m):	14,285.7
Market cap (Btm):	389,285.3
Market cap (US\$m):	12,000.2
3-mth avg daily t'over (US\$m):	40.6

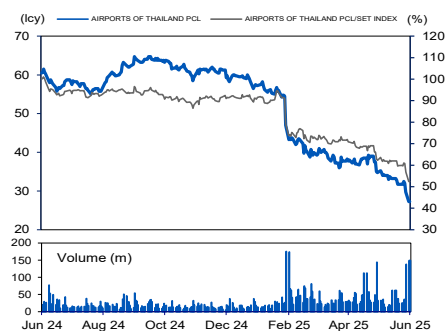
Price Performance (%)

52-week high/low			Bt65.00/Bt26.75	
1mth	3mth	6mth	1yr	YTD
(21.6)	(31.9)	(55.5)	(54.6)	(54.2)

Major Shareholders

	%
Finance Ministry	70.0
Thai NVDR Co Ltd	4.1
-	-
FY25 NAV/Share (Bt)	9.30
FY25 Net Debt/Share (Bt)	2.41

PRICE CHART



Source: Bloomberg

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STOCK IMPACT

• **2QFY25 earnings fell short of expectations.** AOT posted a net profit of Bt5.05b (-12.6% yoy, -5.4% qoq), coming in 15% below both our and the consensus forecasts. The miss was largely due to weaker-than-expected concession revenue, impacted by a one-time item, which dragged total revenue to Bt17.9b (-1.8% yoy, +1.4% qoq), roughly 11% below our projection. While aeronautical revenue rose 12.2% yoy, non-aeronautical revenue declined 13.7% yoy, mainly due to lower duty-free concession income. Adjusting for the Bt802m one-time item, earnings would have aligned with our estimates. We do not anticipate further impact from this issue in the next quarter. AOT's current operational metrics stand at 86-94% of pre-COVID-19 levels, but a sluggish high-season outlook and lack of clear tourism catalysts continue to weigh on performance.

• **Persistent gloom in outlook.** We expect the weak outlook for Thai tourism to persist, primarily due to a sharp decline in Chinese arrivals, which dropped 33% yoy as of 8 Jun 25. We have revised our 2025 tourist arrival forecast down to 37m, as there are still no clear signs of recovery. Chinese tourists continue to favour alternative destinations such as Japan and Vietnam, which offer more affordable travel options. Without meaningful stimulus measures from the government, a strong earnings recovery for AOT in the remaining quarters of FY25 appears unlikely.

EARNINGS REVISION/RISK

• **Trim our earnings forecast for FY26 and FY27.** We cut our FY26 earnings by 22% and FY27 earnings by 24%, mainly to reflect the expected decrease in KP's concession payment to around Bt4.1b per year and the persistently weak tourism outlook

EARNINGS REVISION

(Btm)	2026F			2027F		
	New	Old	% Chg	New	Old	% Chg
Aero revenue	36,340	37,445	-3%	38,476	40,455	-5%
Non- aero revenue	31,788	37,006	-14%	33,480	39,556	-15%
Total revenue	68,535	74,870	-8%	72,383	80,461	-10%
Operating EBITDA	39,743	46,339	-14%	42,066	49,799	-16%
Net profit	17,706	22,783	-22%	19,140	25,033	-24%
	New	Old	ppt chg	New	Old	ppt chg
Net profit margin	26.0%	30.6%	-4.6	26.6%	31.3%	-4.7

Source: UOB Kay Hian

VALUATION/RECOMMENDATION

• **Downgrade to SELL with a target price of Bt24.00.** Our valuation is rolled over to the FY26 EV/EBITDA of 10x, around 2SD below the two-year mean. The situation between AOT and KPD has deteriorated in line with our earlier concerns — specifically, the downward negotiation of BKK's concession fee. We believe AOT's willingness to comply with multiple requests from KP leaves a negative impression on investors, raising concerns that further demands from KP could weigh on AOT's future earnings.

ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG)

CG Report: 5

SET ESG Rating: A

• Environmental

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

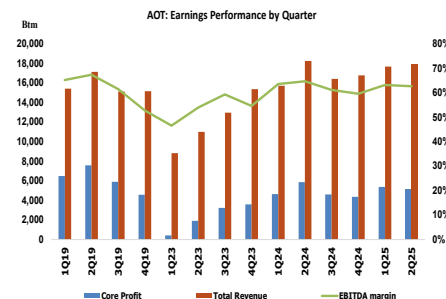
• Social

- **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.** Organising sessions to train and ensure that AOT personnel are equipped with the knowledge to comply with the Safety Policy.

• Governance

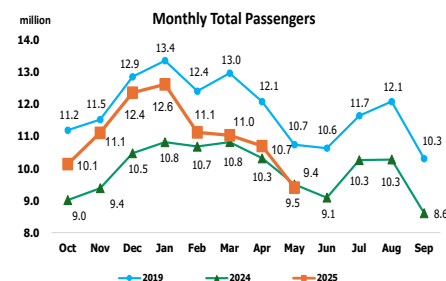
- **Board operates under corporate governance principles** and relevant laws, regulations and guidelines on good corporate governance recommended by the Stock Exchange of Thailand and the Securities and Exchange Commission.

QUARTERLY EARNINGS PERFORMANCE



Source: AOT, UOB Kay Hian

MONTHLY TOTAL PASSENGERS



Source: AOT, UOB Kay Hian

TOURIST ARRIVALS EXCLUDING CHINESE

1 Jan - 8 Jun	2024	2025	yoy growth
No. arrival ex. Chinese	12,325,136	12,975,876	5%
No. of Chinese	3,025,123	2,041,002	-33%

Source: Ministry of Tourism and Sports, UOB Kay Hian

MONTHLY CHINESE TOURIST ARRIVALS



Source: Ministry of Tourism and Sports, UOB Kay Hian

SCENARIO ANALYSIS

	26 NP	26 TP	% NP chg	% TP chg
Scenario 1 not terminate and resume as per normal	22,783	44.0	0%	0%
Scenario 2 reduce fee 50% for 4 airports & BKK to Bt8b	19,140	26.0	-24%	-45%
Scenario 3 terminate contract 4 airports & BKK till end 26FY	9,828	17.2	-57%	-61%

	27 NP	27 TP	% NP chg	% TP chg
Scenario 1 not terminate and resume as per normal	25,033	47.0	0%	0%
Scenario 2 reduce fee 50% for 4 airports & BKK to Bt8b	19,140	26.0	-24%	-45%
Scenario 3 terminate contract 4 airports & BKK till end 26FY*	19,998	27.0	-20%	-43%

*Assume new bidder at Bt8b Suvarnabhumi concession
Source: UOB Kay Hian

PROFIT & LOSS

Year to 30 Sep (Btm)	2024	2025F	2026F	2027F
Net turnover	67,121	67,251	68,129	71,956
EBITDA	41,777	41,857	39,743	42,066
Deprec. & amort.	11,404	11,511	11,416	11,919
EBIT	30,373	30,346	28,327	30,147
Total other non-operating income	(3,170)	(2,648)	(2,844)	(2,995)
Associate contributions	(1)	0	0	0
Net interest income/(expense)	(2,656)	(2,795)	(2,782)	(2,614)
Pre-tax profit	24,545	24,903	22,701	24,538
Tax	(4,903)	(4,981)	(4,540)	(4,908)
Minorities	(460)	(498)	(454)	(491)
Net profit	19,182	19,424	17,706	19,140
Net profit (adj.)	19,182	19,424	17,706	19,140

CASH FLOW

Year to 30 Sep (Btm)	2024	2025F	2026F	2027F
Operating	35,854	31,804	37,873	31,654
Pre-tax profit	24,545	24,903	22,701	24,538
Tax	(4,903)	(4,981)	(4,540)	(4,908)
Deprec. & amort.	11,404	11,511	11,416	11,919
Working capital changes	(560)	6,775	8,684	548
Non-cash items	5,368	(6,405)	(388)	(443)
Other operating cashflows	(1)	0	0	0
Investing	(18,982)	(15,431)	(17,521)	(18,974)
Capex (growth)	(17,811)	(16,140)	(17,335)	(18,253)
Investment	2,884	8,743	1,610	2,187
Others	(4,055)	(8,034)	(1,796)	(2,908)
Financing	(11,061)	(5,656)	(11,148)	(12,897)
Dividend payments	(5,143)	(11,286)	(11,654)	(10,624)
Issue of shares	(6,098)	4,582	0	(2,819)
Proceeds from borrowings	0	0	0	0
Others/interest paid	180	1,048	506	546
Net cash inflow (outflow)	5,811	10,717	9,204	(217)
Beginning cash & cash equivalent	6,091	17,791	21,030	30,234
Changes due to forex impact	5,889	(7,479)	0	0
Ending cash & cash equivalent	17,791	21,030	30,234	30,017

BALANCE SHEET

Year to 30 Sep (Btm)	2024	2025F	2026F	2027F
Fixed assets	162,171	166,342	172,447	178,971
Other LT assets	13,755	24,468	17,750	18,901
Cash/ST investment	18,487	21,030	30,234	30,017
Other current assets	11,737	4,705	4,803	5,072
Total assets	206,150	216,545	225,233	232,960
ST debt	2,329	2,834	2,834	737
Other current liabilities	19,768	23,129	24,812	25,828
LT debt	48,515	52,592	52,592	51,869
Other LT liabilities	7,873	8,920	9,366	9,834
Shareholders' equity	124,233	132,921	139,026	147,597
Minority interest	2,166	2,664	3,118	3,609
Total liabilities & equity	204,884	223,059	231,747	239,474

KEY METRICS

Year to 30 Sep (%)	2024	2025F	2026F	2027F
Profitability				
EBITDA margin	62.2	62.2	58.3	58.5
Pre-tax margin	36.6	37.0	33.3	34.1
Net margin	28.6	28.9	26.0	26.6
ROA	9.5	9.2	8.0	8.4
ROE	16.3	15.1	13.0	13.4
Growth				
Turnover	39.4	0.2	1.3	5.6
EBITDA	60.1	0.2	(5.1)	5.8
Pre-tax profit	117.1	1.5	(8.8)	8.1
Net profit	118.2	1.3	(8.8)	8.1
Net profit (adj.)	118.2	1.3	(8.8)	8.1
EPS	118.2	1.3	(8.8)	8.1
Leverage				
Debt to total capital	28.7	29.0	28.1	25.8
Debt to equity	40.9	41.7	39.9	35.6
Net debt/(cash) to equity	26.0	25.9	18.1	15.3
Interest cover (x)	15.7	15.0	14.3	16.1

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