Airports of Thailand (AOT TB)

Passenger Arrivals Momentum To Support 1QFY27

Highlights

- We attended AOT's 4QFY26 analyst meeting and the tone was neutral.
- We still see the passenger arrivals trending positively as we are approaching the peak festive period.
- We remain positive on AOT's outlook during the high travel season, with earnings continuing to benefit from the new PSC rates. AOT remains one of our top picks. Maintain BUY with a target price of Bt85.00.

Analysis

- **Neutral tone from the analyst meeting.** We attended Airports of Thailand's (AOT) 4QFY26 analyst meeting and the tone was neutral.
- **Positive momentum in passenger arrivals continues.** Management currently targets FY27 total passengers at 128.5m which is +2% yoy from the total passengers in FY26. This target assumes that the jet fuel price remains elevated at a high level of Bt150-180 per barrel. We still see a possible upside to the target once the conflict subsides and the fuel price drops. The high ticket price caused by the fuel price has caused a drop in passenger volume which impacted AOT's earnings. However, now in Nov 26, we are starting to see a positive momentum in passenger volume. As of 21 Nov 26, the total passenger arrivals are only slightly down by 3.8% yoy, while foreign passengers are only 1.9% down yoy. We have seen a continuous improvement wow in every single week in Nov 26, with total passenger arrivals improving from -7.7% and -5.2% yoy from the first and second week respectively. We can see that demand remains strong in the high travel season. There are large events in 4Q26 to be hosted in Thailand such as Tomorrowland and the new year celebration, which will give a strong boost to tourist arrival traffic. Hence, we remain positive with AOT's earnings outlook in 4QFY26 to 1QFY27, supported by the new rate of passenger service charge (PSC).
- **Employee expenses remain under control.** Although employee expenses in 4QFY26 increased by 10% yoy, this is mainly due to new employment to AOT Aviation Services and AOT Aviation Security. Meanwhile, the employee expenses on a separate financial statement of AOT remain flattish yoy, signalling that AOT is controlling its employee costs well.

Key Financials

Year to 30 Sep (Btm)	2025	2026	2027F	2028F	2029F
Net turnover	66,679	67,674	84,825	89,853	93,695
EBITDA	40,286	40,301	55,140	58,229	61,094
Operating profit	28,244	28,488	43,501	45,870	48,480
Net profit (rep./act.)	18,125	18,422	28,956	31,263	34,188
Net profit (adj.)	18,125	18,422	28,956	31,263	34,188
EPS (Bt)	1.3	1.3	2.0	2.2	2.4
PE (x)	41.8	41.1	26.1	24.2	22.1
P/B (x)	5.8	5.5	4.8	4.4	4.1
EV/EBITDA (x)	21.8	21.8	15.9	15.1	14.4
Dividend yield (%)	1.5	1.5	2.3	2.5	2.7
Net margin (%)	27.2	27.2	34.1	34.8	36.5
Net debt/(cash) to equity (%)	20.5	17.4	11.0	9.1	5.2
Interest cover (x)	23.6	31.5	21.1	31.0	35.0
ROE (%)	14.2	13.7	19.6	19.0	19.1
Consensus net profit (Btm)	-	-	29,078	31,256	-
UOBKH/Consensus (x)	-	-	1.00	1.00	-

Source: AOT, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	Bt60.00
Target Price	Bt85.00
Upside	+41.7%

Stock Data

Sector	Industrials
Bloomberg ticker	AOT TB
Shares issued (m)	14,285.7
Market cap (Btm)	857,142.0
Market cap (US$m)	25,222.7
3-mth avg daily t'over (US$m)	41.2

Price Performance (%)

52-week high/low				Bt67.25/Bt40.75
1mth	3mth	6mth	1yr	YTD
0.4	(10.4)	13.7	46.3	13.2

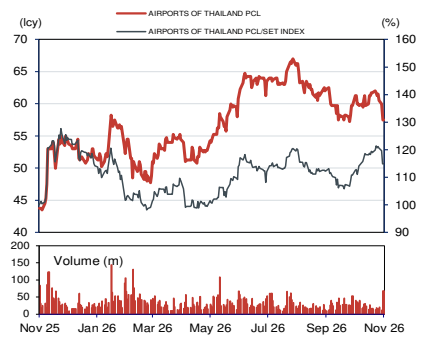
Major Shareholders (%)

Ministry of Finance	70.0
THAI NVDR Co Ltd	4.1

Balance Sheet Metrics

FY27 NAV/Share (Bt)	11.02
FY27 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.

- **Maintenance expenses will not be as high as in 4QFY26 going forward.** We saw a sharp increase in maintenance expense of 25% yoy and 43% qoq in 4QFY26. This increase is mainly due to AOT's scheduled repairment of several systems such as the baggage handling, communication and computer, automated people mover system, electricity, weapons detectors and load bridge. Management stated that we cannot regard the 4QFY26 maintenance expenses as a new base going forward as this quarter is extra heavy on maintenance. Moreover, the increase in depreciation of 8% qoq is mainly due to adjustments made in assets of the SAT-1 terminal at Suvarnabhumi Airport (BKK).
- **No PSC discounts for any low-cost airlines.** AOT insists that despite the difficult situation for low-cost airlines, it will not provide any discounts to the PSC rate. AOT states that if it was to provide a discount for some airlines, it would need to give discounts to all other full-service airlines as well which would be detrimental to AOT's earnings. Hence, AOT would still collect its PSC rate as per normal and views that low-cost airlines will eventually be replaced. The aircraft disposed by bankrupted airlines will change ownership and will eventually return as a new client to AOT.
- **Return of inbound duty-free shops still in progress.** AOT is now receiving requests from passengers to reinstate inbound duty-free shops. Currently, the cabinet will need to acknowledge the reinstatement of inbound duty-free ships before AOT can proceed. The concession revenue model is unlikely to revert to the previous structure, which was based on the area occupied by duty-free shops. Meanwhile, King Power Duty Free (KPD) continues to pay concession fees on schedule and look to completely repay in Jan 27 ahead of the scheduled deadline in Feb 27.
- **New business opportunities for AOT.** In addition to the interest in AOT's landbank from a logistic player, AOT has established a new subsidiary to focus on aircraft rescue to make use of the tools they have purchased to clear up plane accidents. AOT is also keen on adding premium services to its airports for VIPs and celebrities, similar to what foreign airports offer. AOT Ground Aviation Services (AOTGA) will start operations as the third ground operator at BKK in Jan 27, providing more revenue for AOT. Moreover, AOT is now providing more land area for lease to cargo operators such as Thai Airways, who is in need of a warehouse expansion. We see this as beneficial as it provides more sources of income.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt85.00.** Our valuation is based on FY27 EV/EBITDA of 22x, 1 SD above the five-year mean (excluding COVID years). We maintain AOT as our top pick in the tourism sector, supported by strong earnings momentum from the new PSC rates and an upward trend in passenger arrivals in 1QFY27.

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.

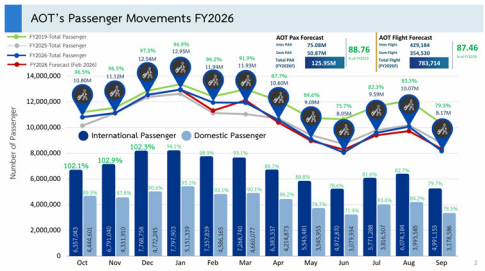
Social

- **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

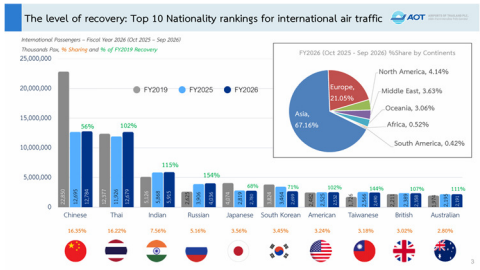
- **Board operates under corporate governance principles** and relevant laws, regulations and guidelines on good corporate governance.

Passenger Arrivals In 2026



Source: AOT

Recovery Level Of Foreign Passengers



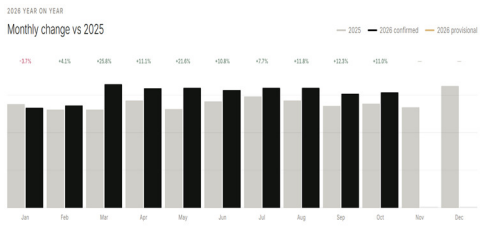
Source: AOT

Mtd Nov 26 Operational Statistics

1 - 21 NOV 2026						
Airport	Flight (% YoY)			Passenger (% YoY)		
	Inter	Dom	Total	Inter	Dom	Total
BKK	5.4%	6.2%	5.6%	5.5%	3.9%	5.2%
DMK	-29.3%	-7.8%	-16.2%	-36.9%	-12.7%	-21.9%
CNX	13.6%	12.7%	13.0%	9.2%	-3.4%	-0.1%
HDY	-20.8%	-4.6%	-6.7%	-27.9%	-9.4%	-11.0%
HKT	5.2%	2.4%	4.0%	0.3%	-8.5%	-2.9%
CEI	-	7.0%	12.0%	-	-5.0%	-3.5%
AOT	-0.9%	0.6%	-0.3%	-1.9%	-6.6%	-3.8%

Source: AOT

Airfare Monthly Price 2025 vs 2026



Source: Official Airline Guide (OAG)

Profit & Loss

Year to 30 Sep (Btm)	2026	2027F	2028F	2029F
Net turnover	**67,674**	**84,825**	**89,853**	**93,695**
EBITDA	40,301	55,140	58,229	61,094
Deprec. & amort.	11,812	11,639	12,359	12,614
EBIT	28,488	43,501	45,870	48,480
Total other non-op. income	(3,652)	(3,764)	(3,909)	(2,905)
Associate contributions	0	0	0	0
Net interest income/(expense)	(1,279)	(2,614)	(1,881)	(1,745)
Pre-tax profit	**23,558**	**37,123**	**40,080**	**43,830**
Tax	(4,808)	(7,425)	(8,016)	(8,766)
Minorities	(327)	(742)	(802)	(877)
Net profit	18,422	28,956	31,263	34,188
Net profit (adj.)	**18,422**	**28,956**	**31,263**	**34,188**

Balance Sheet

Year to 30 Sep (Btm)	2026	2027F	2028F	2029F
Fixed assets	154,586	174,213	183,611	193,682
Other LT assets	11,673	18,965	19,670	20,314
Cash/ST investment	17,490	35,282	23,939	27,521
Other current assets	29,022	16,540	17,524	18,265
Total assets	**212,771**	**245,000**	**244,745**	**259,781**
ST debt	1,713	737	737	737
Other current liabilities	20,942	20,800	18,400	18,780
LT debt	39,915	51,869	38,774	36,547
Other LT liabilities	7,908	9,834	10,325	10,842
Shareholders' equity	138,662	157,386	171,333	186,824
Minority interest	2,275	3,017	3,819	4,695
Total liabilities & equity	**211,415**	**243,644**	**243,389**	**258,425**

Cash Flow

Year to 30 Sep (Btm)	2026	2027F	2028F	2029F
Operating	**40,376**	**27,762**	**43,363**	**46,472**
Pre-tax profit	23,558	37,123	40,080	43,830
Tax	(4,808)	(7,425)	(8,016)	(8,766)
Deprec. & amort.	11,812	11,639	12,359	12,614
Working capital changes	10,883	(7,876)	(307)	(402)
Non-cash items	(1,069)	(5,700)	(754)	(804)
Other operating cashflows	0	0	0	0
Investing	**(30,522)**	**(4,334)**	**(21,758)**	**(22,684)**
Capex (growth)	(16,863)	(20,358)	(21,565)	(22,487)
Investment	898	1,609	1,669	1,715
Others	(14,558)	14,415	(1,862)	(1,912)
Financing	**(15,859)**	**1,489**	**(29,609)**	**(20,048)**
Dividend payments	(11,571)	(11,053)	(17,374)	(18,758)
Proceeds from borrowings	(4,632)	10,979	(13,095)	(2,227)
Loan repayment	0	0	0	0
Others/interest paid	344	1,564	859	937
Net cash inflow (outflow)	(6,005)	24,917	(8,004)	3,740
Beginning cash & cash equivalent	19,401	17,490	35,282	23,939
Changes due to forex impact	4,095	(7,125)	(3,339)	(159)
Ending cash & cash equivalent	**17,490**	**35,282**	**23,939**	**27,521**

Key Metric

Year to 30 Sep (Btm)	2026	2027F	2028F	2029F
Profitability				
EBITDA margin	59.6	65.0	64.8	65.2
Pre-tax margin	34.8	43.8	44.6	46.8
Net margin	27.2	34.1	34.8	36.5
ROA	8.7	12.7	12.8	13.6
ROE	13.7	19.6	19.0	19.1
Growth (% yoy)				
Turnover	1.5	25.3	5.9	4.3
EBITDA	0.0	36.8	5.6	4.9
Pre-tax profit	0.9	57.6	8.0	9.4
Net profit	1.6	57.2	8.0	9.4
Net profit (adj.)	1.6	57.2	8.0	9.4
EPS	1.6	57.2	8.0	9.4
Leverage				
Debt to total capital	22.8	24.7	18.4	16.3
Debt to equity	30.0	33.4	23.1	20.0
Net debt/(cash) to equity	17.4	11.0	9.1	5.2
Interest cover (x)	31.5	21.1	31.0	35.0

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