

## As good as it gets (for passengers)

- Weak 2Q25 result on poorer passenger demands
- Samui Airport upsides remain BA's key growth driver
- Maintain BUY and a TP of THB21.3

### 2Q25 results dropped on weaker passenger number

BA announced 2Q25 net profit of THB406m, down 43% y-y, due to the 1.1% drop in revenue and 3.5% rise in expenses. EBITDA plunged 13.5% y-y to THB1.59b and EBITDA margin dipped to 21.4%, down from 24.4% in 2Q24, mainly on lower passenger load factor, RPK, and passenger yield, all being reflected in weaker margin of RASK-CASK.

### Demand weakness led to poorer operational efficiency

Despite the higher ASK at 837.9 (+5.2% y-y), number of seats at 1.3m (+5.1% y-y), higher aircraft utilization at 8.6 hours/day/aircraft, BA saw its 2Q25 operational efficacy factors mostly declined, including 1) number of scheduled passengers carried at 924.1k (-3% y-y); 2) Revenue Passenger Kilometers (RPK) down to 583.1 (-5.2% y-y); 3) passenger load factor dipped to 69.6%, down from 77.3% in 2Q24; 4) average stage length (kilometers) at 631 (-2.3% y-y); and 5) passenger yield at 6.17 (-0.4% y-y).

### Weaker demands hurt

RASK declined to 4.91 THB/seat-km (-9.4% y-y) in 2Q25 but partly offset by the lower CASK to 4.93 (-4.2% y-y) while CASK ex-fuel flattened y-y at 3.82, resulting in narrower margins of RASK-CASK at 0.19 (-61.9% y-y). The fast shrink in margin due to the plunge in revenue indicated how much BA's operating leverage is. On the cost side, while fuel cost declined y-y on lower jet fuel price (-THB129.7m y-y), expenses increased y-y for salary (+THB50.7m), aircraft maintenance (+THB15.1m), rental (+THB68.9m on adding 2 leased aircraft), admin (+THB27m), and FX loss of THB115.5m.

### Let's focus on Samui Airport growth

BA's major growth will come from Samui airport, with the CAAT-approved increase in the number of daily flights from 50 to 73, along with THB1.5b investment to expand the annual passenger capacity to 6m (vs current 2m). The 3-year construction is scheduled to begin in 2H25. Under the plan, BA will expand the number of passengers building from 7 to 11, adding 10 more check-in counters, installing Common Use Self-Service (CUSS) system, and building a new commercial 1,900sqm. to bring total area to 4,000sqm.

### Maintain BUY

We maintain BUY and a TP of THB21.3. We think BA is now entering a high-growth phase backed by its expansions in Samui airport both for passenger capacity, daily flight number, and commercial area to ride on BA's comprehensive network of 30+ codeshare airways.

#### Analyst

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ESG Rating : BBB

CG Rating : ▲▲▲▲

## BUY

<b>Target Price 12M (THB)</b>	<b>21.30</b>
VS. BB Consensus TP (%)	+10.4%
Share Price (THB)	14.90
Upside/Downside	+43.0%

### Share Data

Market Cap (THB m)	31,290.00
Par (THB)	1.00
Free Float (%)	41.28
Issued shares (m shares)	2,100

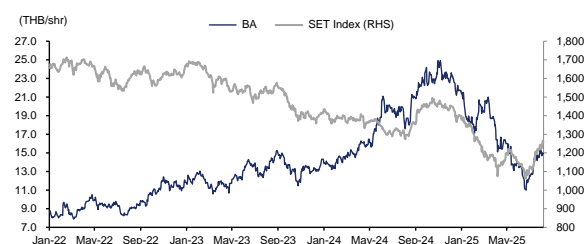
### Financial forecast

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	23,996	24,613	26,809	29,142
Net profit	3,863	3,729	4,583	5,293
Core net profit	3,007	3,729	4,583	5,293
vs Consensus (%)	-	6.6	27.6	30.9
Net profit growth (%)	14.7	(3.5)	22.9	15.5
Core net profit growth (%)	n.a	24.0	22.9	15.5
EPS (THB)	1.84	1.78	2.18	2.52
Core EPS (THB)	1.43	1.78	2.18	2.52
Chg from previous (%)	-	0.00	0.00	0.00
DPS (THB)	1.30	0.53	0.65	0.76
P/E (x)	12.18	8.39	6.83	5.91
P/BV (x)	2.95	1.72	1.44	1.22
ROE (%)	18.27	21.86	23.00	22.41
Dividend yield (%)	17.23	27.97	22.76	19.71

Source: Financial Statement and Globlex securities

### Share Price Performance (%)

	1M	3M	6M	YTD
Stock	16.41	(6.29)	(19.02)	(33.48)
Market	3.33	(9.61)	(17.94)	(26.38)
12M High/Low (THB)	26.00 / 10.60			



### Major Shareholders (%) as of 13 Mar 2025

Mr. Puttipong Prasarttong-Osoth	24.92
Mrs. Ariya Prasarttong-Osoth	11.59
Mr. Prasert Prasarttong-Osoth	11.38

### Company Profile

BA provides airline, airport and airport-related services including ground and passenger, in-flight catering, and cargo terminal services to its own flights and those of other airlines.

Source: SETSMART, SET

## Exhibit 1: Summary of 2Q25/6M25 operations

	2Q24	1Q25	2Q25			6M24	6M25	chg.	2025E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)
<b>Revenue</b>	<b>5,172</b>	<b>7,419</b>	<b>5,127</b>	<b>(30.9)</b>	<b>(0.9)</b>	<b>12,414</b>	<b>12,546</b>	<b>1.1</b>	<b>24,613</b>
Operating costs	(5,003)	(5,073)	(4,441)	(12.5)	(11.2)	(9,867)	(9,514)	(3.6)	(19,597)
<b>EBITDA</b>	<b>169</b>	<b>2,346</b>	<b>686</b>	<b>(70.8)</b>	<b>306.0</b>	<b>2,546</b>	<b>3,032</b>	<b>19.1</b>	<b>5,016</b>
EBITDA margin (%)	3.3	31.6	13.4	nm	nm	20.5	24.2	nm	20.4
Depn & amort.	(270)	(377)	(398)	5.5	47.4	(764)	(775)	1.5	(1,582)
<b>EBIT</b>	<b>(101)</b>	<b>1,969</b>	<b>287</b>	<b>(85.4)</b>	<b>(384.0)</b>	<b>1,783</b>	<b>2,256</b>	<b>26.6</b>	<b>3,434</b>
Interest expense	(518)	(519)	(500)	(3.6)	(3.5)	(1,056)	(1,019)	(3.5)	(1,955)
Interest & invt inc	128	73	85	15.8	na	180	158	na	414.9
Other income	773	375	607	62.0	(21.4)	1,280	983	(23.2)	2,173.4
Associates' contrib	256	161	172	na	na	415	334	na	485.0
Exceptionals	30	26	(115)	(539.2)	na	110	(89)	na	-
<b>Pretax profit</b>	<b>568</b>	<b>2,086</b>	<b>536</b>	<b>(74.3)</b>	<b>(5.6)</b>	<b>2,711</b>	<b>2,622</b>	<b>(3.3)</b>	<b>4,553</b>
Tax	(161)	(400)	(131)	(67.3)	(18.8)	(424)	(530)	25.0	(814)
Tax rate (%)	28.3	19.2	24.4	nm	nm	15.7	20.2	nm	17.9
Minority interests	0	(11)	(4)	na	na	(6)	(15)	na	(10.3)
<b>Net profit</b>	<b>407</b>	<b>1,675</b>	<b>402</b>	<b>(76.0)</b>	<b>(1.3)</b>	<b>2,280</b>	<b>2,077</b>	<b>(8.9)</b>	<b>3,729</b>
Non-recurring	-	-	-	na	na	(1,873)	-	na	-
<b>Core net profit</b>	<b>407</b>	<b>1,675</b>	<b>402</b>	<b>(76.0)</b>	<b>(1.3)</b>	<b>407</b>	<b>2,077</b>	<b>410.0</b>	<b>3,729</b>
EPS (THB)	0.19	0.80	0.19	(76.0)	(1.3)	1.09	0.99	(8.9)	1.78
Core EPS (THB)	0.18	0.79	0.23	(70.4)	26.9	1.04	1.02	(2.1)	1.78

Sources: BA, Globlex Research

## Exhibit 2: 2Q25/6M25 key performance

	1Q24	4Q24	1Q25	(q-q%)	(y-y%)	6M24	6M25	(y-y%)	Unit
Number of scheduled passengers carried	953	1,275	924	(27.5)	(3.0)	2,257	2,199	(2.6)	Thousand
Number of flights flown	11,236	13,454	11,495	(14.6)	2.3	24,314	24,949	2.6	Flights
Revenue Passenger Kilometers (RPK)	615	795	583	(26.7)	(5.2)	1,451	1,378	(5.0)	m Passenger –km
Available Seat Kilometers (ASK)	796	975	838	(14.1)	5.2	1,742	1,813	4.1	m Seat –km
Passenger Load Factor	77.3	81.5	69.6	(14.6)	(10.0)	83.3	76.0	(8.8)	%
Seats	1,208	1,514	1,269	(16.2)	5.1	2,659	2,783	4.7	Thousand
Aircraft utilization	8.0	9.3	8.6	(7.5)	7.5	8.5	9.0	5.9	Hour/day/Aircraft
Average Stage Length	646	623	631	1.2	(2.3)	643	627	(2.6)	km
Number of aircraft at period end	23	24	23	(4.2)	-	23	23	-	Aircraft
Passenger Yield	6.2	7.1	6.2	(13.3)	(0.5)	6.6	6.7	2.0	THB/Passenger – km
Revenue ASK (RASK)	5.4	6.4	4.9	(23.2)	(9.2)	6.2	5.7	(7.5)	THB/ASK
Cost per ASK (CASK)	4.9	4.8	4.7	(1.0)	(4.3)	4.9	4.8	(2.7)	THB/ASK
CASK excl. Fuel	3.8	3.8	3.8	1.1	-	3.8	3.8	0.8	THB/ASK
RASK – CASK (unit margin)	0.5	1.6	0.2	(88.9)	(62.5)	1.3	1.0	(25.8)	THB/ASK

Sources: BA, Globlex Research

Balance sheet (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Current assets</b>					
Cash & ST investment	12,978	8,236	8,648	10,944	13,731
Account receivable	1,472	1,390	1,637	1,905	2,196
Inventories	489	507	522	554	597
Others	1,135	6,052	6,208	6,762	7,350
<b>Non-current assets</b>					
Net fixed assets	7,091	7,654	7,828	7,987	8,132
Others	34,716	32,077	32,077	32,077	32,077
<b>Total Assets</b>	<b>57,881</b>	<b>55,917</b>	<b>56,920</b>	<b>60,229</b>	<b>64,083</b>
<b>Current liabilities</b>					
Account payable	1,958	1,997	2,056	2,180	2,349
ST borrowing	2,846	2,172	2,500	2,500	2,500
Others	6,163	7,736	7,935	8,643	9,395
<b>Long-term liabilities</b>					
Long-term debts	25,293	23,851	22,000	21,000	20,000
Others	4,714	4,303	4,303	4,303	4,303
<b>Total liabilities</b>	<b>40,974</b>	<b>40,060</b>	<b>38,794</b>	<b>38,626</b>	<b>38,548</b>
Paid-up capital	2,100	2,100	2,100	2,100	2,100
Retained earnings	1,245	2,693	4,952	8,416	12,334
Others	13,639	11,138	11,138	11,138	11,138
Minority interest	(76)	(75)	(64)	(52)	(37)
<b>Shareholders' equity</b>	<b>16,908</b>	<b>15,856</b>	<b>18,126</b>	<b>21,603</b>	<b>25,535</b>

Key ratios					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Growth (%YoY)</b>					
Sales	74.1	21.9	2.6	8.9	8.7
Operating profit	2,381.2	74.1	1.4	18.3	11.4
EBITDA	2,381.2	74.1	1.4	18.3	11.4
Net profit	330.4	14.7	(3.5)	22.9	15.5
Core net profit	100.2	125,191.7	24.0	22.9	15.5
EPS	330.2	14.7	(3.5)	22.9	15.5
Core EPS	100.2	125,191.7	24.0	22.9	15.5
<b>Profitability (%)</b>					
Gross margin	29.6	34.3	34.0	35.8	36.3
Operation margin	14.4	20.6	20.4	22.1	22.7
EBITDA margin	14.4	20.6	20.4	22.1	22.7
Net margin	17.1	16.1	15.2	17.1	18.2
ROE	0.0	18.3	21.9	23.0	22.4
ROA	0.0	5.3	6.6	7.8	8.5
<b>Stability</b>					
Interest bearing debt/equity (x)	1.7	1.6	1.4	1.1	0.9
Net debt/equity (x)	0.9	1.1	0.9	0.6	0.3
Interest coverage (x)	0.5	1.6	1.8	2.3	2.7
Interest & ST debt coverage (x)	0.2	0.8	0.8	1.0	1.1
Cash flow interest coverage (x)	0.2	(0.0)	0.1	0.1	0.1
Current ratio (x)	1.5	1.4	1.4	1.5	1.7
Quick ratio (x)	1.3	0.8	0.8	1.0	1.1
Net debt (THB m)	15,162	17,788	15,852	12,556	8,769
<b>Activity</b>					
Asset turnover (X)	0.3	0.4	0.4	0.4	0.9
Days receivables	27.3	21.2	24.3	25.9	27.5
Days inventory	12.9	11.7	11.7	11.7	11.7
Days payable	51.6	46.2	46.2	46.2	46.2
Cash cycle days	(11.4)	(13.3)	(10.2)	(8.5)	(7.0)

Profit & loss (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Revenue</b>					
Revenue	19,681	23,996	24,613	26,809	29,142
Cost of goods sold	(13,847)	(15,775)	(16,239)	(17,217)	(18,558)
<b>Gross profit</b>	<b>5,834</b>	<b>8,221</b>	<b>8,374</b>	<b>9,592</b>	<b>10,584</b>
Operating expenses	(2,992)	(3,274)	(3,358)	(3,658)	(3,976)
<b>Operating profit</b>	<b>2,841</b>	<b>4,946</b>	<b>5,016</b>	<b>5,934</b>	<b>6,608</b>
<b>EBIT</b>	<b>1,066</b>	<b>3,410</b>	<b>3,434</b>	<b>4,257</b>	<b>4,800</b>
Depreciation	(1,775)	(1,536)	(1,582)	(1,677)	(1,807)
<b>EBITDA</b>	<b>2,841</b>	<b>4,946</b>	<b>5,016</b>	<b>5,934</b>	<b>6,608</b>
<b>Non-operating income</b>					
Other incomes	2,240	2,119	2,173	2,367	2,573
Other non-op income	149	415	415	415	415
<b>Non-operating expense</b>	<b>(2,126)</b>	<b>(2,146)</b>	<b>(1,955)</b>	<b>(1,857)</b>	<b>(1,780)</b>
Interest expense	(2,167)	(2,095)	(1,955)	(1,857)	(1,780)
Other non-op expense	41	(50)	-	-	-
<b>Equity income/(loss)</b>	<b>612</b>	<b>794</b>	<b>485</b>	<b>450</b>	<b>500</b>
<b>Pre-tax Profit</b>	<b>1,940</b>	<b>4,592</b>	<b>4,553</b>	<b>5,632</b>	<b>6,509</b>
Extraordinary items	1,429	(718)	(814)	(1,036)	(1,202)
Current taxation	(2)	(10)	(10)	(13)	(14)
Minorities	(2)	(10)	(10)	(13)	(14)
<b>Net Profit</b>	<b>3,368</b>	<b>3,863</b>	<b>3,729</b>	<b>4,583</b>	<b>5,293</b>
<b>Core net profit</b>	<b>2</b>	<b>3,007</b>	<b>3,729</b>	<b>4,583</b>	<b>5,293</b>
<b>EPS (THB)</b>	<b>1.60</b>	<b>1.84</b>	<b>1.78</b>	<b>2.18</b>	<b>2.52</b>
<b>Core EPS (THB)</b>	<b>0.00</b>	<b>1.43</b>	<b>1.78</b>	<b>2.18</b>	<b>2.52</b>

Cash flow (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Operating cash flow</b>					
Operating cash flow	8,320	(54)	2,805	3,489	4,050
Net profit	3,368	3,863	3,729	4,583	5,293
Depre. & amortization	1,775	1,536	1,582	1,677	1,807
Change in working capital	1,162	(3,241)	(159)	(22)	(1)
Others	2,014	(2,213)	(2,347)	(2,749)	(3,049)
<b>Investment cash flow</b>	<b>28,736</b>	<b>(746)</b>	<b>3,396</b>	<b>4,405</b>	<b>5,151</b>
Net CAPEX	(597)	(2,099)	(10)	(10)	(10)
Change in LT investment	29,333	1,353	3,406	4,415	5,161
Change in other assets	-	-	-	-	-
<b>Free cash flow</b>	<b>37,056</b>	<b>(800)</b>	<b>6,201</b>	<b>7,894</b>	<b>9,201</b>
<b>Financing cash flow</b>					
Financing cash flow	(27,670)	(3,942)	(5,788)	(5,598)	(6,415)
Change in share capital	(9,219)	-	-	-	-
Net change in debt	(22)	2	10	13	14
Dividend paid	(1,050)	(1,470)	(1,470)	(1,119)	(1,375)
Others	(17,379)	(2,474)	(4,329)	(4,492)	(5,054)
<b>Net cash flow</b>	<b>9,386</b>	<b>(4,742)</b>	<b>413</b>	<b>2,296</b>	<b>2,786</b>
<b>Per share (THB)</b>					
EPS	1.60	1.84	1.78	2.18	2.52
Core EPS	0.00	1.43	1.78	2.18	2.52
CFPS	2.45	2.58	2.53	2.99	3.39
BVPS	8.10	7.59	8.66	10.31	12.18
Sales/share	9.38	11.43	11.72	12.77	13.88
EBITDA/share	1.35	2.36	2.39	2.83	3.15
DPS	0.50	1.30	0.53	0.65	0.76
<b>Valuation</b>					
P/E (x)	9.8	12.2	8.4	6.8	5.9
P/BV (x)	1.94	2.95	1.72	1.44	1.22
Dividend yield (%)	31.40	17.23	27.97	22.76	19.71
Dividend payout ratio (%)	31.17	70.67	30.00	30.00	30.00

## GENERAL DISCLAIMER

### 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.