

12 JANUARY 2021

THAILAND / TRANSPORT &amp; LOGISTICS

## BANGKOK EXPRESSWAY AND METRO

## BEM TB

**HOLD**

FROM BUY

TARGET PRICE	THB9.10
CLOSE	THB8.35
UP/DOWNSIDE	+9.0%
PRIOR TP	THB11.00
CHANGE IN TP	-17.3%
TP vs CONSENSUS	-14.2%

## เริ่มเข้าสู่ขาลงแบบ V-shape

## เริ่มเข้าสู่ขาลงแบบ V-shape

BEM จะเริ่มปรับตัวลดลงในรูปแบบ V-shape อีกครั้งหลังการแพร่ระบาด COVID-19 ในรอบที่ 2 ที่เริ่มขึ้นเมื่อวันที่ 20 ธ.ค. 20 ปริมาณจราจรบนทางด่วนและจำนวนผู้โดยสารรถไฟฟ้าลดลงอย่างมีนัยสำคัญในช่วงเดือน ธ.ค. 20 ถึง 4.5% และ 13.7% m-m ตามลำดับ นอกจากนี้หลังประเทศไทยพบการติดเชื้อมากกว่า 200 รายต่อวัน รัฐบาลได้ประกาศปิดโรงเรียนและมหาวิทยาลัยจนถึงสิ้นเดือน ม.ค. 21 พร้อมเดียวกันนี้บริษัทต่าง ๆ ก็ได้ประกาศให้พนักงานทำงานจากบ้าน ด้วยเหตุผลดังกล่าว ทำให้มองว่ามีโอกาสที่ตัวเลขจะตกต่ำต่อเนื่องไปอีกสักระยะ

## ผลประกอบการน่าพอใจใน 4Q20

ในช่วง 4Q20 ปริมาณจราจรบนทางด่วนลดลง 0.3% q-q และ 8.1% y-y ในขณะที่จำนวนผู้โดยสารรถไฟฟ้าสายสีน้ำเงินเพิ่มขึ้น 3.4% q-q แต่ลดลง 23.9% y-y ทำให้รายได้ของ BEM อาจจะไม่ค่อยดีนัก อย่างไรก็ตาม บริษัทจะไม่ได้รับเงินปันผลจาก TTW (TTW TB, NR) ซึ่งอยู่ที่ 221 ลบ. ใน 3Q20 ทำให้เราคาดว่ากำไรของ BEM ใน 4Q20 จะลดลง 31.9% q-q แต่เพิ่มขึ้น 10.3% y-y เป็น 566 ลบ. กำไรที่เพิ่มขึ้น y-y อาจมาจากค่าตัดจำหน่ายทางด่วนที่ลดลงเนื่องจากบริษัท ได้รับการขยายสัญญาสัมปทานใน 1Q20

## ปรับประมาณการกำไร

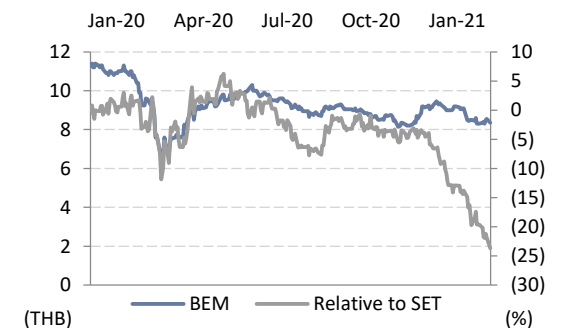
ประมาณการปริมาณจราจรและจำนวนผู้โดยสารใหม่ของเราตั้งอยู่บนสมมติฐานที่ว่าตัวเลขทั้งสองจะตกต่ำสุดในเดือน ม.ค. 21 และค่อย ๆ เพิ่มขึ้นอย่างต่อเนื่องในแต่ละเดือน โดยตัวเลขดังกล่าวอาจไม่ลดลงรุนแรงเท่ากับการแพร่ระบาดครั้งแรก แต่การฟื้นตัวก็อาจไม่เร็วเหมือนที่เคยเกิดครั้งก่อน เนื่องจากเรายังไม่สามารถคาดการณ์ถึงจุดสิ้นสุดของการแพร่ระบาดในครั้งนี้ได้ เราปรับลดประมาณการกำไรในปี 2021 ของเราลง 27% จาก 4.2 พัน ลบ. เป็น 3 พัน ลบ. (+47% y-y) เพื่อสะท้อนสมมติฐานปริมาณจราจรและจำนวนผู้โดยสารใหม่ของเราในปี 2021 ที่ลดลง 5.6% และ 22.1% ตามลำดับ

## ปรับลดคำแนะนำเป็นถือที่ราคาเป้าหมายใหม่เท่ากับ 9.10 บาท

ปริมาณจราจรและจำนวนผู้โดยสารมีแนวโน้มลดลงอย่างน้อยอีกหนึ่งเดือนจาก ม.ค. ถึง ก.พ. 21 และอาจเริ่มฟื้นตัวอย่างช้า ๆ จาก มี.ค. 21 เป็นต้นไป เนื่องจากกำไรและแนวโน้มของ BEM มีความอ่อนไหวต่อปริมาณจราจรและจำนวนผู้โดยสารมาก เราเชื่อว่าปัญหาการแพร่ระบาด COVID-19 ในรอบที่ 2 จะกระทบบริษัท โดยตรงอย่างไม่ต้องสงสัย โดยมีเป็นไปได้ว่าจะกินเวลา 6 เดือนเป็นอย่างน้อย นอกจากนี้การประมุลรถไฟฟ้าสายสีส้มที่ล่าช้าไปมาก ทำให้เราปรับลดคำแนะนำเป็นถือจากซื้อหลังปรับราคาเป้าหมายของเราลงเป็น 9.10 จาก 11 บาท (SOTP)

## KEY STOCK DATA

YE Dec (THB m)	2019	2020E	2021E	2022E
Revenue	16,107	13,754	15,275	17,026
Net profit	5,435	2,064	3,029	4,172
EPS (THB)	0.36	0.14	0.20	0.27
vs Consensus (%)	-	(13.6)	(26.2)	(15.4)
EBITDA	8,881	5,394	6,649	8,088
Core net profit	2,719	2,064	3,029	4,172
Core EPS (THB)	0.18	0.14	0.20	0.27
Chg. In EPS est. (%)	-	2.2	(27.2)	(15.5)
EPS growth (%)	(15.4)	(24.1)	46.8	37.7
Core P/E (x)	46.9	61.8	42.1	30.6
Dividend yield (%)	1.8	0.6	1.2	1.6
EV/EBITDA (x)	21.6	34.9	28.4	23.2
Price/book (x)	3.3	3.2	3.1	2.9
Net debt/Equity (%)	166.1	151.7	146.2	137.5
ROE (%)	7.3	5.2	7.4	9.8



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(9.2)	(4.0)	(25.4)
Relative to country (%)	(12.4)	(20.8)	(23.3)
Mkt cap (USD m)	4,235		
3m avg. daily turnover (USD m)	11.5		
Free float (%)	53		
Major shareholder	CH.Karnchang PCL (31%)		
12m high/low (THB)	11.40/6.05		
Issued shares (m)	15,285.00		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 12 มกราคม 2021

## Investment thesis

BEM is the only public company that has been granted concessions to construct and operate expressways, which presently total 87.56km. The company has also secured two mass transit lines (Blue and Purple), and is ranked as the second largest mass transit operator in Thailand.

The company has solid historical growth, and we expect that momentum to continue thanks to Bangkok's continued expansion and its citizens' demand for public transportation.

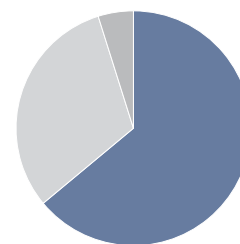
## Company profile

Construction and operation of the expressway and operation management of a mass rapid transit system, including related businesses.

[www.bemplc.co.th](http://www.bemplc.co.th)

## Principal activities (revenue, 2019)

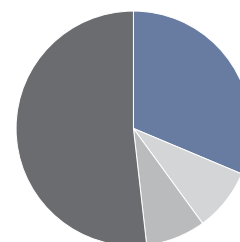
- Expressway - 64.0 %
- Mass transit - 31.2 %
- Commercial development - 4.9 %



Source: Bangkok Expressway and Metro

## Major shareholders

- CH.Karnchang PCL - 31.3 %
- Thai NVDR - 8.7 %
- Mass Rapid Transit Authority of Thailand - 8.2 %
- Others - 51.8 %



Source: Bangkok Expressway and Metro

## Catalyst

1. A direct impact from COVID-19 – the slowdown in ridership may continue;
2. Gaining the upper hand in the bidding for the MRT Orange Line.

## Risk to our call

The key downside and upside risks to our SOTP-based TP are 1) traffic and ridership recovering more slowly or faster than our expectation; and 2) the company being unable to win the new mass transit project bids.

## Event calendar

Date	Event
Feb-20	2020 results announcement
10 Feb-20	Jan-21 traffic and ridership announcement

## Key assumptions

	2020E	2021E	2022E
Troll traffic (trips/day)	1,058,990	1,137,015	1,205,815
Troll traffic growth (%)	(14.41)	7.37	6.05
Mass transit ridership (trips/day)	260,650	330,437	424,111
Mass transit ridership growth (%)	(22.64)	26.77	28.35

Source: FSSIA estimates

## Earnings sensitivity

- For every 10,000 passenger increase in average daily expressway traffic, we project 2021 earnings to rise by 1.6%, and vice versa, all else being equal;
- For every 10,000 passenger increase in average daily mass transit ridership, we project 2021 earnings to rise by 1.8%, and vice versa, all else being equal.

Source: FSSIA estimates

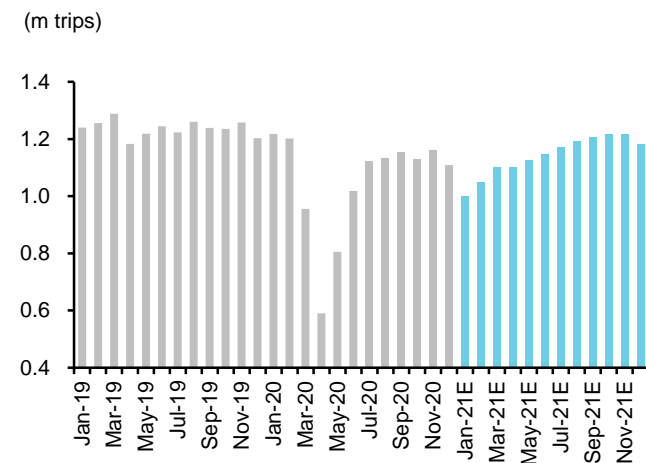


## Exhibit 1: 4Q20E results preview

	4Q19	3Q20	4Q20E	----- Change -----		2020E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)
Expressway revenue	2,591	2,148	2,176	1.3	(16.0)	8,366
Rail revenue	1,383	1,210	1,229	1.5	(11.2)	4,667
Commercial development revenue	220	214	220	2.6	0.0	720
<b>Revenue</b>	<b>4,194</b>	<b>3,572</b>	<b>3,625</b>	<b>1.5</b>	<b>(13.6)</b>	<b>13,754</b>
Operating costs	(2,788)	(2,026)	(2,105)	3.9	(24.5)	(8,708)
<b>Gross profit</b>	<b>1,407</b>	<b>1,546</b>	<b>1,520</b>	<b>(1.7)</b>	<b>8.1</b>	<b>5,046</b>
SG&A expenses	(389)	(300)	(320)	6.7	(17.7)	(1,370)
<b>EBIT</b>	<b>1,018</b>	<b>1,247</b>	<b>1,200</b>	<b>(3.7)</b>	<b>17.9</b>	<b>3,676</b>
Depn & amort.	907	378	380	0.4	(58.1)	1,718
<b>EBITDA</b>	<b>1,924</b>	<b>1,625</b>	<b>1,580</b>	<b>(2.8)</b>	<b>(17.9)</b>	<b>5,394</b>
<i>EBITDA margin (%)</i>	<i>46</i>	<i>45</i>	<i>44</i>	<i>nm</i>	<i>nm</i>	<i>39</i>
Interest expense	(477)	(560)	(565)	0.9	18.5	(2,064)
Other income	98	294	73	(75.2)	(25.9)	851
Associates	(0)	0	0	<i>nm</i>	<i>nm</i>	0
Extra items	4	0	0	<i>n.a.</i>	<i>n.a.</i>	0
<b>Pretax profit</b>	<b>643</b>	<b>981</b>	<b>708</b>	<b>(27.8)</b>	<b>10.1</b>	<b>2,463</b>
Tax	(127)	(148)	(142)	(4.1)	11.5	(394)
<i>Tax rate (%)</i>	<i>(20)</i>	<i>(15)</i>	<i>(20)</i>	<i>nm</i>	<i>nm</i>	<i>(16)</i>
Minority interests	3	2	0	(79.3)	(86.5)	5
<b>Net profit</b>	<b>513</b>	<b>832</b>	<b>566</b>	<b>(31.9)</b>	<b>10.3</b>	<b>2,064</b>
<b>Core net profit</b>	<b>513</b>	<b>832</b>	<b>566</b>	<b>(31.9)</b>	<b>10.3</b>	<b>2,064</b>
EPS (THB)	0.03	0.05	0.04	(31.9)	10.3	0.14
Core EPS (THB)	0.03	0.05	0.04	(31.9)	10.3	0.14

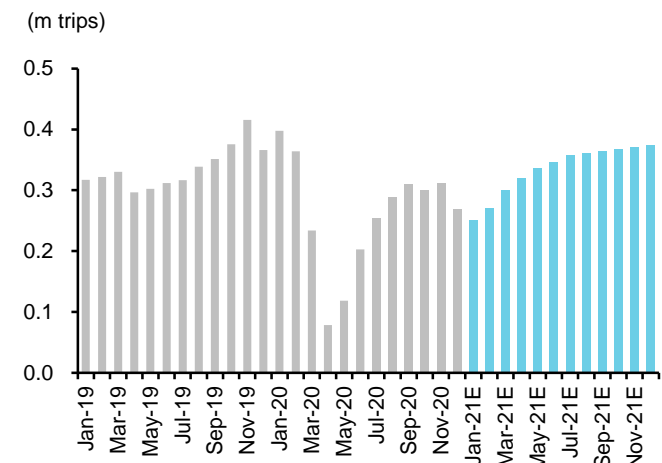
Sources: BEM; FSSIA estimates

## Exhibit 2: Expressway traffic forecast



Sources: BEM; FSSIA estimates

## Exhibit 3: Mass transit ridership forecast



Sources: BEM; FSSIA estimates

**Exhibit 4: Assumption and forecast changes**

	----- New -----		----- Previous -----		----- Change -----	
	2020E	2021E	2020E	2021E	2020E	2021E
	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)
Expressway traffic (trips/day)	1,058,990	1,137,015	1,058,990	1,205,082	0.0	(5.6)
Mass transit ridership (trips/day)	260,650	330,437	273,000	424,111	(4.5)	(22.1)
Revenue	13,754	15,275	13,754	16,854	(0)	(9)
Gross profit*	5,046	6,281	5,046	7,828	(0)	(20)
EBITDA	5,394	6,649	5,364	8,052	1	(17)
<b>Net profit</b>	2,064	3,029	2,019	4,162	2	(27)
<b>Margin</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>
Gross profit margin	36.7	41.1	36.7	46.4	(0.0)	(5.3)
Net profit margin	15.0	19.8	14.7	24.7	0.3	(4.9)

\*Including depreciation and amortisation

Source: FSSIA estimates

**Exhibit 5: BEM's SOTP valuation**

Cost of equity assumptions		(%)	Cost of debt assumptions		(%)
Risk-free rate		3	Pretax cost of debt		3.9
Market risk premium		8	Marginal tax rate		20.0
Stock beta		1			
Cost of equity, Ke		11	Net cost of debt, Kd		3.12
Weight applied		45	Weight applied		55
<b>WACC</b>		<b>6.7</b>			
SOTP valuation	(THB m)		(THB/share)	Comments	
Mass transit	80,883		5.29	WACC 6.7%, beta 0.99, zero terminal growth	
Expressway	90,278		5.91	WACC 6.9%, beta 0.95, zero terminal growth	
Commercial development	10,750		0.70	WACC 7.9%, beta 1.05, 2% terminal growth	
Investment	17,993		1.18	17% stake in CK Power (CKP TB) using FSSIA TP of THB6.60 and 18% stake in TTW (TTW TB) using market price TP of THB13.90	
Net debt	(60,862)		(3.98)	At end-2021E	
<b>Total</b>	<b>139,042</b>				
Number of shares (m)	15,285				
<b>TP (THB)</b>	<b>9.1</b>				

Sources: BEM; Bloomberg; FSSIA estimates

## Financial Statements

Bangkok Expressway and Metro

Profit and Loss (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Revenue	15,614	16,107	13,754	15,275	17,026
Cost of goods sold	(5,552)	(5,890)	(6,990)	(7,236)	(7,423)
<b>Gross profit</b>	<b>10,063</b>	<b>10,217</b>	<b>6,764</b>	<b>8,039</b>	<b>9,603</b>
Other operating income	-	-	-	-	-
Operating costs	(1,364)	(1,336)	(1,370)	(1,390)	(1,515)
<b>Operating EBITDA</b>	<b>8,699</b>	<b>8,881</b>	<b>5,394</b>	<b>6,649</b>	<b>8,088</b>
Depreciation	(4,222)	(4,420)	(1,718)	(1,758)	(1,870)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>4,477</b>	<b>4,460</b>	<b>3,676</b>	<b>4,891</b>	<b>6,218</b>
Net financing costs	(1,407)	(1,330)	(1,734)	(1,699)	(1,633)
Associates	433	173	0	0	0
Recurring non operating income	459	487	521	547	564
Non recurring items	2,996	3,590	0	0	0
<b>Profit before tax</b>	<b>6,525</b>	<b>7,207</b>	<b>2,463</b>	<b>3,739</b>	<b>5,150</b>
Tax	(1,189)	(1,755)	(394)	(692)	(953)
<b>Profit after tax</b>	<b>5,336</b>	<b>5,452</b>	<b>2,069</b>	<b>3,047</b>	<b>4,197</b>
Minority interests	(19)	(17)	(5)	(18)	(25)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>5,317</b>	<b>5,435</b>	<b>2,064</b>	<b>3,029</b>	<b>4,172</b>
<b>Non recurring items &amp; goodwill (net)</b>	<b>(2,104)</b>	<b>(2,716)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>3,213</b>	<b>2,719</b>	<b>2,064</b>	<b>3,029</b>	<b>4,172</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.21	0.18	0.14	0.20	0.27
Reported EPS	0.35	0.36	0.14	0.20	0.27
DPS	0.15	0.15	0.05	0.10	0.14
Diluted shares (used to calculate per share data)	15,285	15,285	15,285	15,285	15,285
<b>Growth</b>					
Revenue (%)	3.0	3.2	(14.6)	11.1	11.5
Operating EBITDA (%)	(0.4)	2.1	(39.3)	23.3	21.6
Operating EBIT (%)	(6.8)	(0.4)	(17.6)	33.1	27.1
Recurring EPS (%)	2.9	(15.4)	(24.1)	46.8	37.7
Reported EPS (%)	70.2	2.2	(62.0)	46.8	37.7
<b>Operating performance</b>					
Gross margin inc depreciation (%)	37.4	36.0	36.7	41.1	45.4
Gross margin of key business (%)	37.4	36.0	36.7	41.1	45.4
Operating EBITDA margin (%)	55.7	55.1	39.2	43.5	47.5
Operating EBIT margin (%)	28.7	27.7	26.7	32.0	36.5
Net margin (%)	20.6	16.9	15.0	19.8	24.5
Effective tax rate (%)	18.2	24.4	16.0	18.5	18.5
Dividend payout on recurring profit (%)	71.4	84.3	40.0	50.0	50.0
Interest cover (X)	3.5	3.7	2.4	3.2	4.2
Inventory days	-	-	-	-	-
Debtor days	11.0	11.3	11.9	10.5	10.4
Creditor days	124.6	112.2	93.6	84.4	85.0
Operating ROIC (%)	(275.6)	(1,125.7)	783.6	1,034.2	1,360.5
ROIC (%)	4.2	3.9	3.2	4.2	5.1
ROE (%)	9.7	7.3	5.2	7.4	9.8
ROA (%)	4.3	3.5	3.1	3.8	4.7

\* Pre-exceptional, pre-goodwill and fully diluted

Revenue By Division (THB m)	2018	2019	2020E	2021E	2022E
Expressway	10,174	10,302	8,366	9,148	9,683
Mass transit	4,736	5,022	4,667	5,299	6,349
Commercial development	705	783	720	828	994

Sources: Bangkok Expressway and Metro; FSSIA estimates

## Financial Statements

Bangkok Expressway and Metro

Cash Flow (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Recurring net profit	3,213	2,719	2,064	3,029	4,172
Depreciation	4,222	4,420	1,718	1,758	1,870
Associates & minorities	(414)	(156)	5	18	25
Other non-cash items	2,398	2,430	31	38	33
Change in working capital	(1,352)	(1,672)	336	1,423	1,480
<b>Cash flow from operations</b>	<b>8,067</b>	<b>7,741</b>	<b>4,154</b>	<b>6,266</b>	<b>7,579</b>
Capex - maintenance	(23)	(47)	(50)	(50)	(50)
Capex - new investment	(285)	(707)	0	0	0
Net acquisitions & disposals	2,629	(35)	5,129	0	0
Other investments (net)	(9,674)	(6,774)	(4,749)	(4,769)	(4,769)
<b>Cash flow from investing</b>	<b>(7,353)</b>	<b>(7,563)</b>	<b>330</b>	<b>(4,819)</b>	<b>(4,819)</b>
Dividends paid	(1,987)	(2,293)	(825)	(1,515)	(2,086)
Equity finance	0	0	0	0	0
Debt finance	1,009	3,922	2,927	0	(1,097)
Other financing cash flows	(1,837)	(1,630)	5	18	25
<b>Cash flow from Financing</b>	<b>(2,815)</b>	<b>(1)</b>	<b>2,107</b>	<b>(1,496)</b>	<b>(3,157)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>(167)</b>	<b>(125)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>(2,268)</b>	<b>53</b>	<b>6,591</b>	<b>(49)</b>	<b>(397)</b>
Free cash flow to firm (FCFF)	2,571.63	1,901.59	6,548.36	3,455.48	4,702.84
Free cash flow to equity (FCFE)	(280.79)	2,345.57	7,416.91	1,465.22	1,688.87
<b>Per share (THB)</b>					
FCFF per share	0.17	0.12	0.43	0.23	0.31
FCFE per share	(0.02)	0.15	0.49	0.10	0.11
Recurring cash flow per share	0.62	0.62	0.25	0.32	0.40
Balance Sheet (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Tangible fixed asset (gross)	749	775	825	875	925
Less: Accumulated depreciation	(425)	(463)	(528)	(596)	(667)
<b>Tangible fixed assets (Net)</b>	<b>324</b>	<b>311</b>	<b>297</b>	<b>279</b>	<b>257</b>
<b>Intangible fixed assets (Net)</b>	<b>71,703</b>	<b>75,373</b>	<b>78,455</b>	<b>81,516</b>	<b>84,475</b>
Long-term financial assets	-	-	-	-	-
Invest. In associates & subsidiaries	13,057	17,097	11,968	11,968	11,968
Cash & equivalents	1,809	1,861	8,453	8,403	8,006
A/C receivable	2,164	2,131	2,064	2,110	2,163
Inventories	-	-	-	-	-
Other current assets	244	455	344	367	392
<b>Current assets</b>	<b>4,217</b>	<b>4,448</b>	<b>10,861</b>	<b>10,880</b>	<b>10,561</b>
Other assets	14,530	14,468	13,071	11,693	10,329
<b>Total assets</b>	<b>103,831</b>	<b>111,697</b>	<b>114,651</b>	<b>116,335</b>	<b>117,590</b>
Common equity	35,499	38,781	40,024	41,557	43,668
Minorities etc.	113	42	47	66	91
<b>Total Shareholders' equity</b>	<b>35,612</b>	<b>38,823</b>	<b>40,071</b>	<b>41,622</b>	<b>43,759</b>
Long term debt	51,544	57,416	61,000	61,000	63,000
Other long-term liabilities	2,068	4,028	2,980	3,088	3,196
<b>Long-term liabilities</b>	<b>53,612</b>	<b>61,445</b>	<b>63,980</b>	<b>64,088</b>	<b>66,196</b>
A/C payable	1,683	1,938	1,646	1,700	1,757
Short term debt	10,856	8,916	8,260	8,260	5,164
Other current liabilities	2,067	574	693	665	715
<b>Current liabilities</b>	<b>14,607</b>	<b>11,429</b>	<b>10,599</b>	<b>10,625</b>	<b>7,635</b>
<b>Total liabilities and shareholders' equity</b>	<b>103,831</b>	<b>111,697</b>	<b>114,651</b>	<b>116,335</b>	<b>117,590</b>
Net working capital	(1,343)	73	69	112	83
Invested capital	98,272	107,322	103,859	105,567	107,112
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	2.32	2.54	2.62	2.72	2.86
Tangible book value per share	(2.37)	(2.39)	(2.51)	(2.61)	(2.67)
<b>Financial strength</b>					
Net debt/Equity (%)	170.1	166.1	151.7	146.2	137.5
Net debt/total assets (%)	58.4	57.7	53.0	52.3	51.2
Current ratio (x)	0.3	0.4	1.0	1.0	1.4
CF interest cover (x)	1.0	3.3	5.3	1.9	2.0
Valuation	2018	2019	2020E	2021E	2022E
<b>Recurring P/E (x) *</b>	<b>39.7</b>	<b>46.9</b>	<b>61.8</b>	<b>42.1</b>	<b>30.6</b>
<b>Recurring P/E @ target price (x) *</b>	<b>43.3</b>	<b>51.2</b>	<b>67.4</b>	<b>45.9</b>	<b>33.3</b>
Reported P/E (x)	24.0	23.5	61.8	42.1	30.6
Dividend yield (%)	1.8	1.8	0.6	1.2	1.6
Price/book (x)	3.6	3.3	3.2	3.1	2.9
Price/tangible book (x)	(3.5)	(3.5)	(3.3)	(3.2)	(3.1)
EV/EBITDA (x) **	21.7	21.6	34.9	28.4	23.2
EV/EBITDA @ target price (x) **	23.0	22.9	37.1	30.1	24.6
EV/invested capital (x)	1.9	1.8	1.8	1.8	1.8
* Pre-exceptional & pre-goodwill are fully diluted ** EBITDA includes associate income and recurring non operating income					

Sources: Bangkok Expressway and Metro; FSSIA estimates

## Corporate Governance report of Thai listed companies 2019

EXCELLENT LEVEL										
AAV	ADVANC	AIRA	AKP	AKR	AMA	AMATA	AMATAV	ANAN	AOT	AP
ARROW	BAFS	BANPU	BAY	BCP	BCPG	BOL	BRR	BTS	BTW	BWG
CFRESH	CHEWA	CHO	CK	CKP	CM	CNT	COL	COMAN	CPALL	CPF
CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC	EA	EASTW	ECF
EGCO	GBX	GC	GCAP	GEL	GGC	GGC	GOLD	GPSC	GRAMMY	GUNKUL
HANA	HARN	HMPRO	ICC	ICHI	III	ILINK	INTUCH	IRPC	IVL	JKN
JSP	K	KBANK	KCE	KKP	KSL	KTB	KTC	KTIS	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	MFEC	MINT	MONO*
MTC	NCH	NCL	NKI	NSI	NVD	NYT	OISHI	OTO	PAP	PCSGH
PDJ	PG	PHOL	PJW	PLANB	PLANET	PORT	PPS	PR9	PREB	PRG
PRM	PSH	PSL	PTG	PTT	PTTEP	PTTGC	PYLON	Q-CON	QH	QTC
RATCH	ROBINS**	RS	S	S & J	SABINA	SAMART	SAMTEL	SAT	SC	SCB
SCC	SCCC	SCN	SDC	SEAFCO	SEAOL	SE-ED	SELIC	SENA	SIS	SITHAI
SNC	SORKON	SPALI	SPI	SPRC	SSSC	STA	STEC	SVI	SYNTEC	TASCO
TCAP	THAI	THANA	THANI	THCOM	THIP	THREL	TIP	TISCO	TK	TKT
TMB	TMILL	TNDT	TOA	TOP	TRC	TRU	TRUE	TSC	TSR	TSTH
TTA	TTCL	TTW	TU	TVD	TVO	U	UAC	UV	VGI	VIH
WACOAL	WAVE	WHA	WHAUP	WICE	WINNER					
VERY GOOD LEVEL										
2S	ABM	ADB	AF	AGE	AH	AHC	AIT	ALLA	ALT	AMANAH
AMARIN	APCO	APCS	AQUA	ARIP	ASAP	ASIA	ASIAN	ASIMAR	ASK	ASN
ASP	ATP30	AUCT	AYUD	B	BA	BBL	BDMS	BEC	BEM	BFIT
BGC	BGRIM	BIZ	BJC	BJCHI	BLA	BPP	BROOK	CBG	CEN	CENTEL
CGH	CHG	CHOTI	CHOW	CI	CIMBT	CNS	COLOR	COM7	COTTO	CRD
CSC	CSP	DCC	DCON	DDD	DOD	EASON	ECL	EE	EPG	ERW
ESTAR	ETE	FLOYD	FN	FNS	FORTH	FPI	FPT	FSMART	FSS	FVC
GENCO	GJS	GL	GLOBAL	GLOW**	GULF	HPT	HTC	HYDRO	ICN	IFS
INET	INSURE	IRC	IRCP	IT	ITD***	ITEL	J	JAS*	JCK	JCKH
JMART	JMT	JWD	KBS	KCAR	KGI	KIAT	KOOL	KWC	KWM	L&E
LALIN	LANNA	LDC	LHK	LOXLEY	LRH	LST	M	MACO	MAJOR	MBAX
MEGA	METCO	MFC	MK	MODERN	MOONG	MPG	MSC	MTI	NEP	NETBAY
NEX	NINE	NOBLE	NOK	NTV	NWR	OCC	OGC	ORI	OSP	PATO
PB	PDG	PDI	PL	PLAT	PM	PPP	PRECHA	PRIN	PRINC	PSTC
PT	QLT	RCL	RICHY	RML	RWI	S11	SAAM	SALEE	SAMCO	SANKO
SAPPE	SAWAD	SCG	SCI	SCP	SE	SFP	SIAM	SINGER	SIRI	SKE
SKR	SKY	SMIT	SMK	SMPG	SMT	SNP	SONIC	SPA	SPC	SPCG
SPVI	SR	SRICHA	SSC	SSF	SST	STANLY	STPI	SUC	SUN	SUSCO
SUTHA	SWC	SYMC	SYNEX	T	TACC	TAE	TAKUNI	TBSP	TCC	TCMC
TEAM	TEAMG	TFG	TFMAMA	THG	THRE	TIPCO	TITLE	TIW	TKN	TKS
TM	TMC	TMD	TMI	TMT	TNITY	TNL	TNP	TNR	TOG	TPA
TPAC	TPBI	TPCORP	TPOLY	TRITN	TRT	TSE	TSTE	TVI	TVT	TWP
TWPC	UBIS	UEC	UMI	UOBKH	UP	UPF	UPOIC	UT	UWC	VNT
WIUK	XO	YUASA	ZEN	ZMICO						
GOOD LEVEL										
A	ABICO	ACAP***	AEC	AEONTS	AJ	ALUCON	AMC	APURE	AS	ASEFA
AU	B52	BCH	BEAUTY	BGT	BH	BIG	BLAND	BM	BR	BROCK
BSBM	BSM	BTNC	CCET	CCP	CGD	CHARAN	CHAYO	CITY	CMAN	CMC
CMO	CMR	CPL	CPT	CSR	CTW	CWT	D	DIMET	EKH	EMC
EPCO	ESSO	FE	FTE	GIFT	GLAND	GLOCON	GPI	GREEN	GTB	GYT
HTECH	HUMAN	IHL	INGRS	INOX	JTS	JUBILE	KASET	KCM	KKC	KWG
KYE	LEE	LPH	MATCH	MATI	M-CHAI	MCS	MDX	META	MGT	MJD
MM	MVP	NC	NDR	NER	NNCL	NPK	NUSA	OCEAN	PAF	PF
PICO	PIMO	PK	PLE	PMTA	POST	PPM	PROUD	PTL	RCI	RJH
ROJNA	RPC	RPH	SF	SGF	SGP	SKN	SLP	SMART	SOLAR	SPG
SQ	SSP	STI	SUPER	SVOA	TCCC	THE	THMUI	TIC	TIGER	TNH
TOPP	TPCH	TPIPP	TPLAS	TQM	TTI	TYCN	UTP	VCOM	VIBHA	VPO
WIN	WORK	WP	WPH	ZIGA						
Score Range		Number of Logo					Description			
90-100							Excellent			
80-89							Very Good			
70-79							Good			
60-69							Satisfactory			
50-59							Pass			
Less than 50		No logo given					-			

**Disclaimer:**

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

\* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; \*\* delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation



## Anti-corruption Progress Indicator

CERTIFIED										
ADVANC	AIE	AKP	AMANAH	AP	APCS	AQUA	ARROW	ASK	ASP	AYUD
BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG	BGRIM	BJCHI	BKI	BLA
BROOK	BRR	BSBM	BTS	BWG	CEN	CENTEL	CFRESH	CGH	CHEWA	CIG
CIMBT	CM	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FSS	GBX	GC
GCAP	GEL	GFPT	GGC	GJS	GOLD	GPSC	GSTEEL	GUNKUL	HANA	HARN
HMPRO	HTC	ICC	IFS	INET	INSURE	INTUCH	IRPC	IVL	K	KASET
KBANK	KBS	KCAR	KCE	KGI	KKP	KSL	KTB	KTC	KWC	L&E
LANNA	LHK	LPN	LRH	M	MAKRO	MALEE	MBAX	MBK	MBKET	MC
MCOT	MFC	MINT	MONO	MOONG	MSC	MTI	NBC	NINE	NKI	NMG
NNCL	NSI	OCC	OCEAN	OGC	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPS
PREB	PRG	PRINC	PSH	PSTC	PT	PTG	PTT	PTTEP	PTTGC	PYLON
Q-CON	QH	QLT	QTC	RATCH	RML	S & J	SABINA	SAT	SC	SCB
SCC	SCCC	SCG	SCN	SE-ED	SELIC	SENA	SGP	SIRI	SIS	SITHAI
SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK	SPC	SPI	SPRC	SRICHA
SSF	SSI	SSSC	SST	STA	SUSCO	SVI	SYNTEC	TASCO	TCAP	TFG
TFI	TFMAMA	THANI	THCOM	THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT
TMB	TMD	TMILL	TMT	TNITY	TNL	TNP	TNR	TOG	TOP	TPA
TPCORP	TRU	TRUE	TSC	TSTH	TTCL	TU	TVD	TVI	TWPC	U
UBIS	UEC	UKEM	UOBKH	VGI	VIH	VNT	WACOAL	WHA	WICE	WIJK
DECLARED										
2S	ABICO	AF	AI	AIRA	ALT	AMA	AMARIN	AMATA	ANAN	B
BM	BPP	BUI	CHG	CHO	CHOTI	CHOW	CI	CMC	COL	DDD
DELTA	EFORL	EPCO	ESTAR	ETE	FPI	FTE	ICHI	INOX	IRC	ITEL
JAS	JSP	JTS	KWG	LDC	LIT	META	MFEC	MPG	NEP	NOK
NWR	ORI	PRM	PSL	ROJNA	RWI	SAAM	SAPPE	SCI	SEOIL	SHANG
SKR	SPALI	STANLY	SYNEX	TAE	TAKUNI	TMC	TOPP	TPP	TRITN	TVO
UV	UWC	WHAUP	XO	YUASA	ZEN					

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

### Disclaimer:

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaiapat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaiapat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaiapat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; \* FSSIA's compilation

## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

#### Naruedom Mujjalinkool FSS International Investment Advisory Securities Co., Ltd

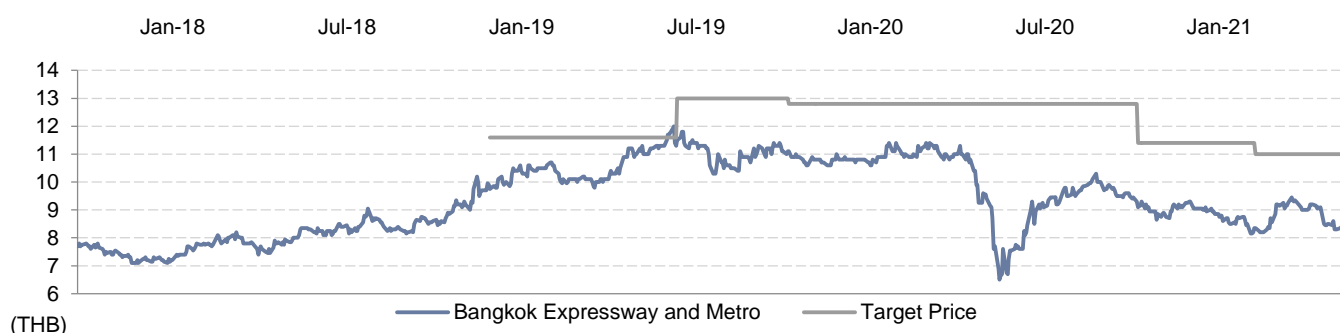
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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#### History of change in investment rating and/or target price

#### Bangkok Expressway and Metro (BEM TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
04-Jan-2019	BUY	11.60	02-Apr-2020	BUY	12.80	22-Oct-2020	BUY	11.00
14-Jun-2019	BUY	13.00	13-Jul-2020	BUY	11.40			
18-Sep-2019	BUY	12.80	29-Jul-2020	BUY	11.40			

Naruedom Mujjalinkool started covering this stock from 13-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Bangkok Expressway and Metro	BEM TB	THB 8.35	HOLD	The key downside and upside risks to our SOTP-based TP are 1) traffic and ridership recovering more slowly or faster than our expectation; and 2) the company being unable to win the new mass transit project bids.

Source: FSSIA estimates

#### Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited

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All share prices are as at market close on 11-Jan-2021 unless otherwise stated.

## RECOMMENDATION STRUCTURE

### Stock ratings

Stock ratings are based on absolute upside or downside, which we define as  $(\text{target price}^* - \text{current price}) / \text{current price}$ .

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a 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.

### Industry Recommendations

**Overweight.** The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

**Neutral.** The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

**Underweight.** The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

### Country (Strategy) Recommendations

**Overweight (O).** 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 (N).** 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 (U).** 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.