

7 SEPTEMBER 2021

THAILAND / TRANSPORT & LOGISTICS

DON MUANG TOLLWAY DMT TB

BUY
UNCHANGED

TARGET PRICE	THB17.00
CLOSE	THB12.80
UP/DOWNSIDE	+32.8%
PRIOR TP	THB20.00
CHANGE IN TP	-15.0%
TP vs CONSENSUS	-15.0%

The most underrated

The most underrated stock in the transportation sector

นับตั้งแต่ DMT เข้าทำการซื้อขายในตลาดฯ ในเดือน พ.ค. 21 ราคาหุ้นได้ปรับตัวลดลงอย่างต่อเนื่องจนแตะจุดต่ำสุดที่ 11 บาท เราคิดว่าราคาที่ลดลง 30% จากราคาเสนอขายให้แก่ประชาชนทั่วไปเป็นครั้งแรกเกิดจากผลกระทบของโรคระบาด Covid รอบใหม่ นอกจากนี้ราคาหุ้นของ DMT ยังปรับตัวลดลงมากกว่ากลุ่มอย่างมีนัยสำคัญ เราเชื่อว่าราคาที่ลดลงเกิดขึ้นเพราะนักลงทุนมีข้อมูลของบริษัทไม่เพียงพอ ทำให้เราคิดว่าเมื่อสถานการณ์ Covid ในประเทศไทยดีขึ้น (หลังรัฐบาลผ่อนคลायข้อจำกัดบางประการ ตั้งแต่เดือน ก.ย. 21 เป็นต้นไป) เมื่อนั้นจะเป็นเวลาที่ดีที่จะกลับไปลงทุนใน DMT เนื่องจากราคาหุ้นมีความเป็นไปได้สูงที่สุดที่จะปรับตัวดีวกว่ากลุ่ม

ประโยชน์ 2 ประการจากการผ่อนคลायข้อจำกัด

ปริมาณรถยนต์ที่ใช้ทางด่วนของ DMT น่าจะได้ประโยชน์ 2 ประการจากการผ่อนคลायข้อจำกัดตั้งแต่เดือน ก.ย. 21 ประกอบด้วย 1) การกลับมาของกิจกรรมนอกบ้าน (OOH) ซึ่งน่าจะเพิ่มความต้องการใช้ทางด่วน; และ 2) การกลับมาของบริการสายการบิน การเดินทางทางอากาศในประเทศของกลุ่มจังหวัดในเขตสีแดงเข้มจะกลับมาตั้งแต่เดือน ก.ย. 21 ซึ่งน่าจะเป็นปัจจัยผลักดันสำคัญสำหรับปริมาณรถยนต์ ของ DMT เนื่องจากตัวเลขผู้โดยสารที่ใช้สนามบินดอนเมือง (DMK) กับปริมาณรถยนต์ ของ DMT มีความสัมพันธ์สูง (Correlation Coefficient = 0.86) เราคิดว่าปริมาณรถยนต์ ของ DMT จะฟื้นตัวอย่างมีนัยสำคัญตั้งแต่ 4Q21 เป็นต้นไป

2022 จะเป็นปีที่ดี

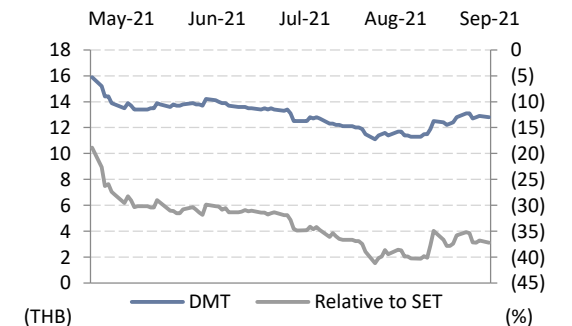
เราปรับลดประมาณการกำไรในปี 2021 และ 2022 เพื่อสะท้อนผลกระทบของ Covid เราคิดว่ากำไรของบริษัทฯ ในปี 2021 จะลดลงเหลือ 385 ลบ. (-55% y-y) จากปริมาณรถยนต์ที่น่าจะลดลง 39% y-y อย่างไรก็ตามในปี 2022 เราคิดว่ากำไรของ DMT จะฟื้นตัวอย่างมีนัยสำคัญหลังปริมาณรถยนต์ ฟื้นตัวโดยคาดว่าจะอยู่ที่ 36 ล้านเที่ยว (+65% y-y) ซึ่งจะทำให้กำไรสุทธิปี 2022 โต 144% เป็น 979 ลบ.

คำแนะนำซื้อที่ราคาเป้าหมายใหม่ที่ 17 บาท

เราเป็นผู้เดียวที่ในตลาดที่มีบทวิเคราะห์หุ้น DMT ซึ่งแสดงให้เห็นว่าตลาดให้ความสนใจประเมินมูลค่าหุ้นน้อยเกินไป เราเชื่อว่าช่วงเวลาที่เราขายดีที่สุดของ DMT ได้ผ่านไป แล้วและปริมาณรถยนต์ น่าจะฟื้นตัวต่อเนื่องตามสถานการณ์ Covid ในประเทศไทย เราเห็นว่าการกำไรของบริษัทฯ น่าจะโตในระดับสูงในปี 2022 เราจึงคำแนะนำซื้อที่ราคาเป้าหมายปี 2022 ใหม่ที่ 17 บาท (DCF) เราคิดว่าบริษัทฯ จะให้ผลตอบแทนในรูปเงินปันผลที่น่าสนใจถึงเกือบ 6% ในปี 2022

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	2,047	1,290	2,129	2,853
Net profit	791	385	979	1,447
EPS (THB)	0.67	0.33	0.83	1.23
vs Consensus (%)	-	(51.5)	(26.5)	(13.4)
EBITDA	1,421	750	1,616	2,334
Core net profit	791	385	979	1,447
Core EPS (THB)	0.67	0.33	0.83	1.23
Chg. In EPS est. (%)	(11.9)	(51.7)	(27.0)	(13.8)
EPS growth (%)	(39.8)	(51.3)	154.0	47.8
Core P/E (x)	19.1	39.2	15.4	10.4
Dividend yield (%)	4.5	5.7	5.8	8.6
EV/EBITDA (x)	11.8	20.1	9.0	5.9
Price/book (x)	2.0	1.6	1.6	1.6
Net debt/Equity (%)	22.2	(0.6)	(5.8)	(13.6)
ROE (%)	10.8	4.5	10.4	15.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	12.3	(7.2)	n/a
Relative to country (%)	3.7	(9.3)	n/a
Mkt cap (USD m)	466		
3m avg. daily turnover (USD m)	1.0		
Free float (%)	0		
Major shareholder	Phanichewa's family (46%)		
12m high/low (THB)	18.80/11.00		
Issued shares (m)	1,041.23		

Sources: Bloomberg consensus; FSSIA estimates



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PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 7 กันยายน 2021

Investment thesis

In 2022, we expect the company's earnings to grow significantly by over 144%, close to its pre-Covid level in 2019, based on the strong recovery of its toll traffic in line with the reopening of the country's borders and a subsequent economic recovery. We conservatively expect that the Covid situation will improve continuously and that DMT's traffic should recover to the pre-Covid level in 2024.

Based on its 90% dividend payout policy, DMT would have the highest dividend payout and yield in the transportation sector, reflecting a rich dividend yield estimated at almost 6% p.a. from 2022 on. The company also has a healthy financial position with no debt after its IPO and a resilient cash flow.

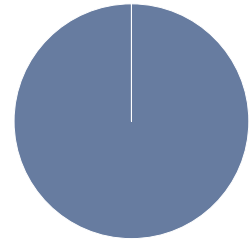
Company profile

Don Muang Tollway (DMT) was granted a build-transfer-operate (BTO) concession for the elevated toll road named the 'Don Muang Tollway', from Din Daeng to National Memorial Section. The total concession length is approximately 21 kilometres, with the concession period lasting until 11 Sep 2034.

www.tollway.co.th

Principal activities (revenue, 2020)

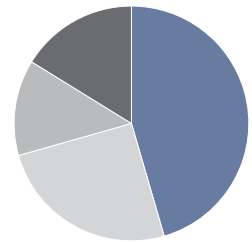
■ Toll revenue - 100.0 %



Source: Don Muang Tollway

Major shareholders

■ Phanichewa's family - 45.5 %
 ■ Ministry of Finance - 25.1 %
 ■ Golden House Limited - 13.2 %
 ■ Others - 16.2 %



Source: Don Muang Tollway

Catalysts

- Highest dividend yield in the transportation sector;
- Clear earnings visibility with attractive growth potential;
- Net cash company with a resilient positive cash flow;

Risks to our call

Downside risks to our DCF-based TP include 1) lower-than-expected tollway traffic, and 2) dispute risks.

Event calendar

Date	Event
Nov-21	3Q21 results announcement

Key assumptions

	2020	2021E	2022E	2023E
Traffic (m trips)	34.90	22.0	36.30	53.68
Average toll fee (THB)	58.65	58.94	59.24	59.24
Growth	(%)	(%)	(%)	(%)
Traffic	(35.1)	(8.3)	19.5	10
Price	12.0	0.5	0.5	0

Source: FSSIA estimates

Earnings sensitivity

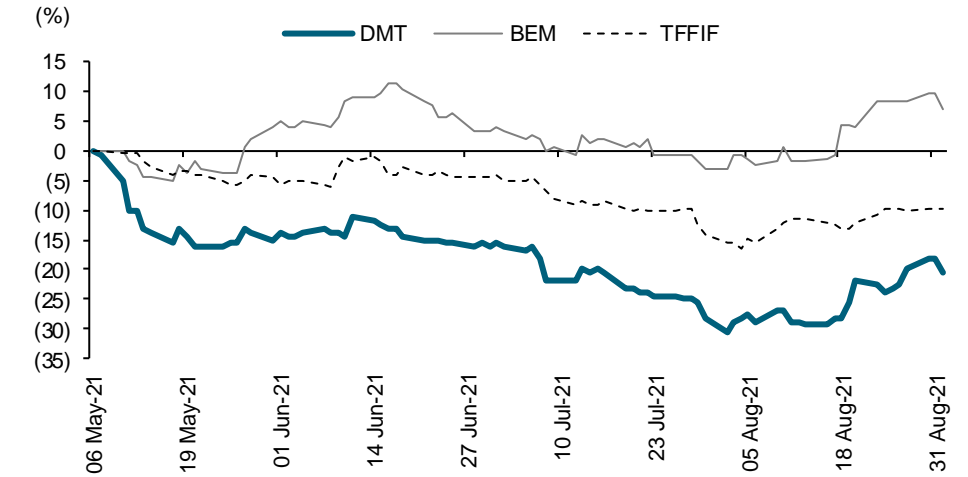
- For every 1% increase in toll traffic, we project 2021 earnings to rise by 1.5%, and vice versa, all else being equal.
- For every 1% increase in toll fare, we project 2021 earnings to rise by 3%, and vice versa, all else being equal.

Source: FSSIA estimates

Most underperforming in the transportation sector

Compared to other expressway operators, like Bangkok Expressway and Metro (BEM TB, BUY, TP THB8.70) and Thailand Future Fund (TFFIF TB, NR), DMT's share price has underperformed the most in the transportation sector after its entry into the market in May-21.

Exhibit 1: Share price performance of expressway operators



Sources: Bloomberg; FSSIA's compilation

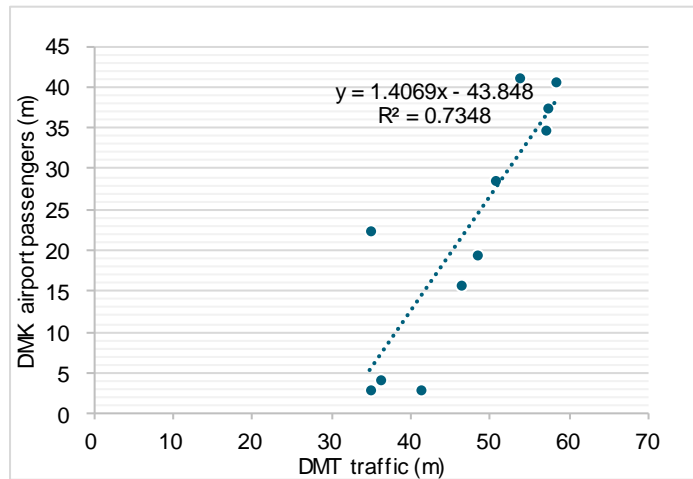
We believe that this is because DMT is not covered by Bloomberg (BBG) consensus; FSSIA is the only research house covering DMT. Comparatively, BEM and TFFIF have 17 and 4 houses covering them in BBG consensus. This can imply that the market has less information on DMT as it is a relatively newly listed company and has had poor performance on its share price after its IPO due to the Covid impact.

This could create an opportunity for DMT as its outlook remains strong. We estimate that the recovery of its expressway traffic should be similar to its peers, BEM and TFFIF. As a result, we believe DMT is one of the most underrated companies in the transportation sector.

High correlation with the number of passengers at DMK

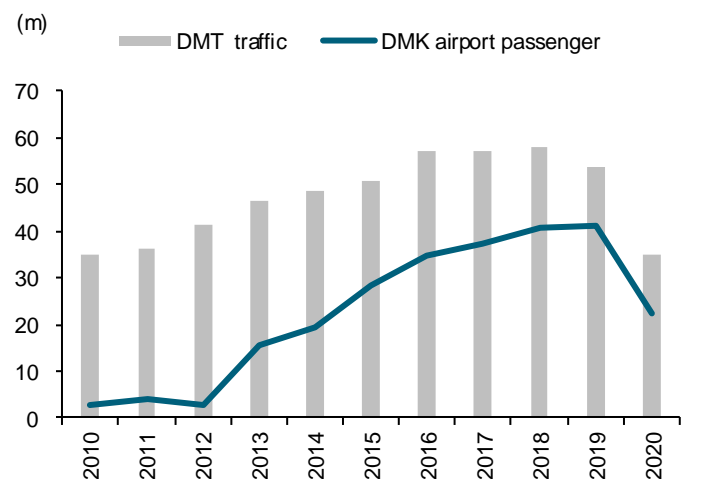
Based on our study, we have found that there is a strong relationship (correlation coefficient = 0.86) between the number of passengers using DMK and DMT's traffic volume. We can summarise that there are a significant number of passengers travelling via DMK who also use DMT. Travelling via airplane requires a significant period of time before the flight, which is time-sensitive. Thus, using a tollway is the best choice for passengers in order to save time and ensure a more predictable arrival time at the airport.

Exhibit 2: Relationship between DMK's passengers and DMT's traffic



Note: DMK passenger numbers based on Airports of Thailand (AOT TB)'s FY (Oct-Sep)
Sources: DMT; AOT

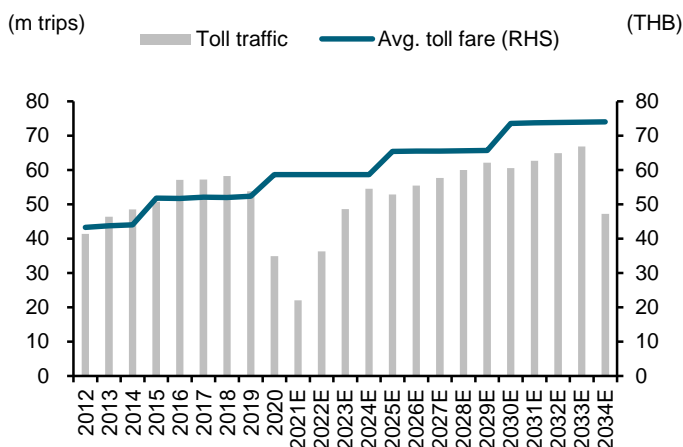
Exhibit 3: DMK's passengers vs DMT's traffic



Note: DMK passenger numbers based on AOT's FY (Oct-Sep)
Sources: DMT; AOT

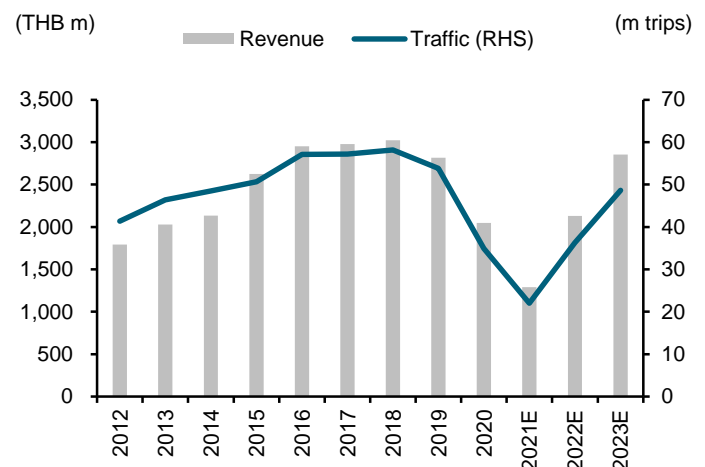
Since the Covid outbreak, DMT's traffic numbers have had a similar trend with the total passengers using DMK. The number of passengers using DMK in Jul-21 was 93,601 passengers (-90% y-y, -60% m-m). We expect that the number of passengers in Aug-21 should also be weak. However, after the relaxation of Covid-related restrictions starting in Sep-21, domestic air travel will resume in dark-red zones. We expect the number of passengers at DMK should recover significantly in 4Q21, similar to last year's restriction easing.

Exhibit 4: DMT – traffic and toll fare forecasts



Sources: DMT; FSSIA estimates

Exhibit 5: DMT – traffic and revenue forecasts



Sources: DMT; FSSIA estimates

Solid recovery on traffic

Since DMT's traffic has a high correlation with DMK's passenger volume, this could be another key driver for DMT's traffic, potentially prompting a stronger recovery than for other expressways in 4Q21, as DMT would benefit from 1) an overall recovery on OOH activity after the restriction easing; and 2) the recovery of DMK's passenger volume.

We expect the total traffic for DMT in 2021 to be at 22m trips – 37% lower than last year at 34.9m trips. This is due to the Covid impact that hurt the traffic numbers significantly in 2Q and 3Q21. However, after the Covid and economic situations improve, thanks to the vaccine rollout and restriction easing, we expect the traffic volume in 2022 to recover significantly to 36.3m trips (+65% y-y).

Therefore, we expect that DMT's revenue should surge to THB2.1b (65% y-y) in 2022, in line with the growth in traffic. Moreover, with most of its costs being fixed, the 65% growth in its revenue would make DMT's 2022E net profit jump by 133% to THB979m.

Exhibit 6: Assumption and forecast changes

	----- Current -----		----- Previous -----		----- Change -----	
	2021E	2022E	2021E	2022E	2021E	2022E
	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)
Expressway traffic (m trips)	22.0	36.3	32	45	(31)	(19)
Revenue	1,290	2,129	1,886	2,662	(32)	(20)
Gross profit	652	1,386	1,191	1,853	(45)	(25)
EBITDA	750	1,616	1,327	2,148	(43)	(25)
Net profit	385	979	767	1,341	(50)	(27)
Margin	(%)	(%)	(%)	(%)	(ppt)	(ppt)
Gross profit margin	51	65	63	70	(13)	(4)
Net profit margin	30	46	41	50	(11)	(4)

Source: FSSIA estimates

High dividend with growth potential

Based on the company's dividend payout policy of no less than 90%, DMT is the company with the highest dividend payout and yield among Thai transportation companies (excluding the infrastructure fund), in our view. After its operations almost return to normal, potentially in 2022, the company should be able to pay a dividend of THB0.75 per share, reflecting an attractive dividend yield of around 5.8% p.a.

Given that its outlook over the next 13 years is secure, in our opinion, with its right to increase the toll price every five years already secured and with the expectation of consistent growth in the traffic volume using DMT, we believe that the company should have a healthy and consistent cash flow. This gives the company a solid outlook, with the ability to pay a high dividend throughout its concession contract.

Exhibit 7: Dividend yield comparison

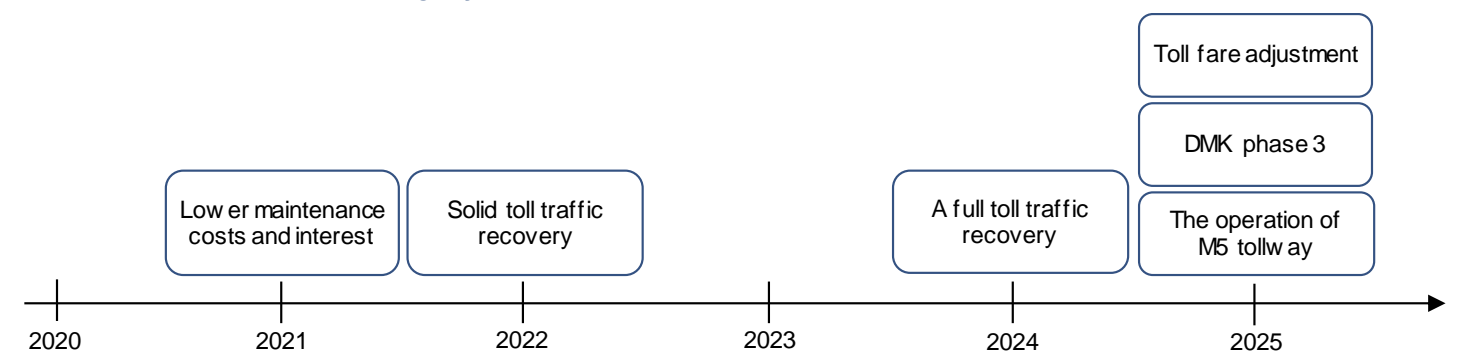
Company	BBG	Market Cap	Div payout policy	Dividend yield										
				2012	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E
		(USD m)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Don Muang Tollway	DMT TB	466	90	5.2	5.5	6.3	6.6	7.8	7.8	9.7	2.3	4.5	5.7	5.8
BTS Group Holdings	BTS TB	3,791	50	n/a	n/a	n/a	6.3	7.2	3.6	3.7	4.4	5.1	2.9	1.6
Bangkok Expressway	BEM TB	4,002	40	n/a	n/a	n/a	0.9	1.4	1.6	1.9	1.9	0.7	0.8	1.7
Thailand Future Fund	TFFIF TB	1,118	90	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3.0	3.1	4.3	5.2
BTS Rail Mass Transit IF	BTSGIF TB	873	90	n/a	n/a	6.3	6.2	6.2	6.7	6.8	6.8	8.9	7.5	5.4
Digital Telecom IF	DIF TB	4,123	90	n/a	n/a	9.7	7.6	6.8	6.6	7.2	4.0	8.1	8.3	8.3
Jasmine Broadband IF	JASIF TB	2,437	90	n/a	n/a	n/a	9.2	7.9	7.5	8.8	9.5	10.5	10.0	10.1

As of 6 Sep 2021

Sources: DMT; Bloomberg; FSSIA estimates

DMT is not just a high dividend-play company with no inorganic growth. Upcoming new projects, including tollways and motorways undertaken by the government, could be key catalysts for the company's earnings in the long term. We believe that DMT will not just sit back and operate its current tollway until the end of the concession. There are numerous new road projects that may be suitable for DMT in which the company could invest, and could be key new drivers for the company in the near future.

Exhibit 8: DMT's potential upcoming key drivers



Sources: DMT; FSSIA estimates

Valuation

Our new DCF valuation for DMT at THB17 is mainly due to the impact from Covid that hurt the traffic recovery momentum in 2021 and 2022. We revise down our recovery trend assumption for traffic and expect that the traffic volume will recover to the pre-Covid level in 2024 – a one-year delay from our previous expectation. We also trim our traffic volume estimate throughout its 13-year contract down slightly.

Our DCF variables consist of a 9% WACC with no terminal value due to the assumption that DMT's operations will continue until the end of its concession on 11 Sep-34 (13 more years).

Our TP does not yet include the potential of winning a new tollway or motorway project. We believe that DMT should win and be able to acquire at least one new project in the future. Rangsit-Bang Pa-in (M5) is the most likely project that the company could win, in our view. Therefore, if DMT has a new tollway project in the future, it would provide a significant upside to our TP.

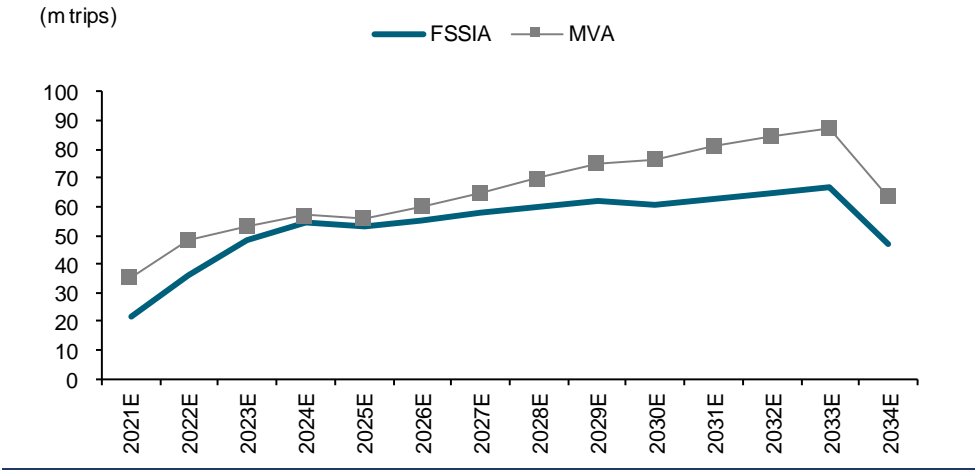
Exhibit 9: DCF valuation

		2022E	2023E	2024E	2025E	2026E	2027E----	---- 2033E	2034E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)
EBITDA		1,616	2,334	2,720	2,974	3,144	3,288	4,415	2,966
(less) tax on EBIT		(245)	(362)	(426)	(481)	(508)	(531)	(668)	(388)
decrease in working cap		1	1	0	(0)	0	0	1	(0)
(less) capex & investments		(475)	(175)	(75)	(75)	(75)	(75)	(75)	(75)
Free Cash Flow		897	1,798	2,219	2,418	2,561	2,682	3,673	2,502
WACC (%)	9.0								
Terminal growth (%)	0.0								
PV of FCF		897	1,649	1,866	1,865	1,812	1,740	1,417	886
Enterprise value - add investments	20,045								
Net debt + cash	57								
Equity value	20,102								
No. of shares (m)	1,181								
Equity value / share (THB)	17.00								

Sources: DMT; FSSIA estimates

According to MVA, a global transportation specialist and market research consultancy specialising in traffic engineering and transport planning and operations, the total traffic volume for DMT throughout its 13-year contract lifetime is expected to be 914m trips. We have a more conservative view on DMT's 13-year traffic volume at only 752m trips (18% lower than MVA's expectation). This represents our conservative view on DMT's long-term outlook. However, despite our conservative outlook on its traffic, DMT should still be able to generate a resilient cash flow and attractive dividends throughout its contract. Hence, we think our TP at THB17 is conservative.

Exhibit 10: Difference between traffic forecasts by FSSIA and MVA



Sources: MVA; FSSIA estimates

Financial Statements

Don Muang Tollway

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	2,816	2,047	1,290	2,129	2,853
Cost of goods sold	(516)	(426)	(381)	(328)	(305)
Gross profit	2,300	1,620	909	1,801	2,548
Other operating income	0	0	0	0	0
Operating costs	(238)	(199)	(160)	(186)	(214)
Operating EBITDA	2,063	1,421	750	1,616	2,334
Depreciation	(491)	(342)	(257)	(415)	(551)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	1,572	1,080	493	1,201	1,782
Net financing costs	(166)	(107)	(30)	0	0
Associates	0	0	0	0	0
Recurring non-operating income	43	16	19	23	27
Non-recurring items	0	0	0	0	0
Profit before tax	1,449	989	482	1,224	1,809
Tax	(290)	(198)	(96)	(245)	(362)
Profit after tax	1,159	791	385	979	1,447
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	1,159	791	385	979	1,447
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	1,159	791	385	979	1,447
Per share (THB)					
Recurring EPS *	1.11	0.67	0.33	0.83	1.23
Reported EPS	1.11	0.67	0.33	0.83	1.23
DPS	0.30	0.57	0.73	0.75	1.10
Diluted shares (used to calculate per share data)	1,041	1,181	1,181	1,181	1,181
Growth					
Revenue (%)	(6.9)	(27.3)	(37.0)	65.0	34.0
Operating EBITDA (%)	(14.5)	(31.1)	(47.3)	115.5	44.4
Operating EBIT (%)	(18.1)	(31.3)	(54.4)	143.7	48.4
Recurring EPS (%)	(20.5)	(39.8)	(51.3)	154.0	47.8
Reported EPS (%)	(20.5)	(39.8)	(51.3)	154.0	47.8
Operating performance					
Gross margin inc. depreciation (%)	64.3	62.5	50.6	65.1	70.0
Gross margin of key business (%)	33.1	33.3	33.5	33.8	34.0
Operating EBITDA margin (%)	73.2	69.4	58.1	75.9	81.8
Operating EBIT margin (%)	55.8	52.8	38.2	56.4	62.5
Net margin (%)	41.1	38.7	29.9	46.0	50.7
Effective tax rate (%)	20.0	20.0	20.0	20.0	20.0
Dividend payout on recurring profit (%)	27.0	85.5	225.1	90.0	90.0
Interest cover (X)	9.7	10.3	17.1	-	-
Inventory days	-	-	-	-	-
Debtor days	-	-	-	-	-
Creditor days	7.4	6.4	5.2	5.9	7.4
Operating ROIC (%)	(234.9)	(159.9)	(123.6)	(490.3)	(480.2)
ROIC (%)	12.6	9.1	4.3	10.5	16.3
ROE (%)	17.5	10.8	4.5	10.4	15.2
ROA (%)	11.4	8.1	4.0	9.9	14.2

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2019	2020	2021E	2022E	2023E
Toll revenue	2,816	2,047	1,290	2,129	2,853

Sources: Don Muang Tollway; FSSIA estimates

Financial Statements

Don Muang Tollway

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	1,159	791	385	979	1,447
Depreciation	491	342	257	415	551
Associates & minorities	0	0	0	0	0
Other non-cash items	337	137	30	0	50
Change in working capital	(61)	(132)	(51)	98	60
Cash flow from operations	1,926	1,138	622	1,492	2,108
Capex - maintenance	(16)	(25)	(75)	(75)	(75)
Capex - new investment	0	0	(400)	(100)	0
Net acquisitions & disposals	357	16	268	107	29
Other investments (net)	(166)	(107)	120	(50)	0
Cash flow from investing	175	(116)	(87)	(118)	(46)
Dividends paid	(312)	(677)	(867)	(881)	(1,302)
Equity finance	(110)	510	2,240	0	0
Debt finance	(1,382)	(1,007)	(2,337)	0	0
Other financing cash flows	0	0	0	0	0
Cash flow from financing	(1,804)	(1,173)	(965)	(881)	(1,302)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	297	(151)	(430)	493	760
Free cash flow to firm (FCFF)	2,267.33	1,129.11	564.43	1,374.41	2,062.33
Free cash flow to equity (FCFE)	718.97	15.67	(1,802.74)	1,374.41	2,062.33
Per share (THB)					
FCFF per share	2.18	1.08	0.54	1.32	1.98
FCFE per share	0.69	0.02	(1.73)	1.32	1.98
Recurring cash flow per share	1.91	1.07	0.57	1.18	1.73
Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Tangible fixed assets (gross)	228	218	243	268	293
Less: Accumulated depreciation	(175)	(165)	(187)	(209)	(231)
Tangible fixed assets (net)	53	52	55	58	61
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	170	149	149	149	149
Cash & equivalents	638	487	57	550	1,310
A/C receivable	0	0	0	0	0
Inventories	0	0	0	0	0
Other current assets	27	51	30	45	56
Current assets	665	538	87	596	1,366
Other assets	10,206	9,921	9,541	9,235	8,765
Total assets	11,095	10,661	9,832	10,037	10,340
Common equity	6,983	7,608	9,366	9,464	9,608
Minorities etc.	0	0	0	0	0
Total shareholders' equity	6,983	7,608	9,366	9,464	9,608
Long term debt	0	810	0	0	0
Other long-term liabilities	202	285	233	227	265
Long-term liabilities	202	1,094	233	227	265
A/C payable	9	6	5	6	7
Short term debt	3,239	1,365	0	0	0
Other current liabilities	662	587	228	341	460
Current liabilities	3,910	1,959	233	347	467
Total liabilities and shareholders' equity	11,095	10,661	9,832	10,037	10,340
Net working capital	(644)	(542)	(204)	(302)	(411)
Invested capital	9,785	9,580	9,541	9,140	8,563
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	6.71	6.44	7.93	8.01	8.13
Tangible book value per share	6.71	6.44	7.93	8.01	8.13
Financial strength					
Net debt/equity (%)	37.2	22.2	(0.6)	(5.8)	(13.6)
Net debt/total assets (%)	23.4	15.8	(0.6)	(5.5)	(12.7)
Current ratio (x)	0.2	0.3	0.4	1.7	2.9
CF interest cover (x)	5.3	1.1	(45.8)	-	-
Valuation	2019	2020	2021E	2022E	2023E
Recurring P/E (x) *	11.5	19.1	39.2	15.4	10.4
Recurring P/E @ target price (x) *	15.3	25.4	52.1	20.5	13.9
Reported P/E (x)	11.5	19.1	39.2	15.4	10.4
Dividend yield (%)	2.3	4.5	5.7	5.8	8.6
Price/book (x)	1.9	2.0	1.6	1.6	1.6
Price/tangible book (x)	1.9	2.0	1.6	1.6	1.6
EV/EBITDA (x) **	7.7	11.8	20.1	9.0	5.9
EV/EBITDA @ target price (x) **	9.8	15.3	26.7	12.1	8.0
EV/invested capital (x)	1.6	1.8	1.6	1.6	1.6
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: Don Muang Tollway; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICHI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PCSGH	PDJ	PG	PHOL	PLANB	PLANET
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TSC	TSR	TSTE	TSTH	TTA
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSI	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIJK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TIPIP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

Description

Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

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 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANA	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	TTB	TMD	TMILL	TMT
TNITY	TNL	TNP	TNR	TOG	TOP	TPA	TPCORP	TPP	TRU	TSC
TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS	UEC	UKEM
UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIJK	XO
ZEN	TRUE									
DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

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 Thaipat 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. Thaipat 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 Thaipat 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

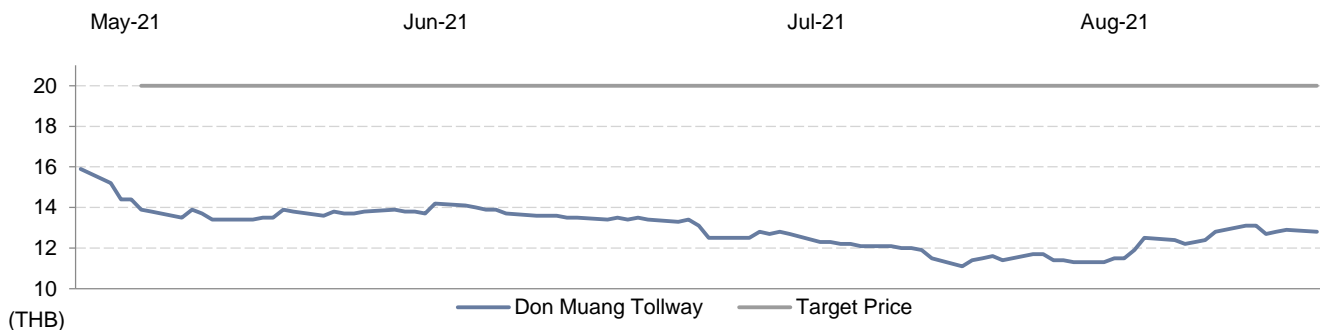
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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

Don Muang Tollway (DMT TB)



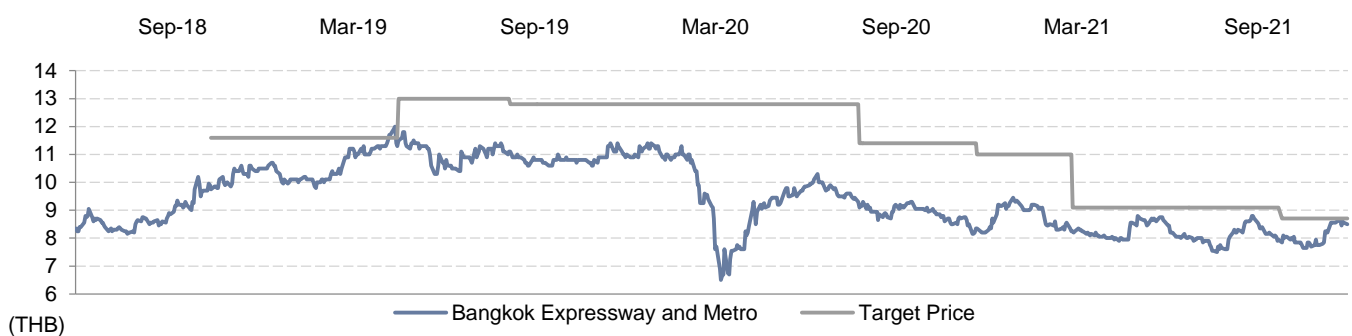
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
12-May-2021	BUY	20.00	-	-	-	-	-	-

Naruedom Mujjalinkool started covering this stock from 12-May-2021

Price and TP are in local currency

Source: FSSIA estimates

Bangkok Expressway and Metro (BEM TB)

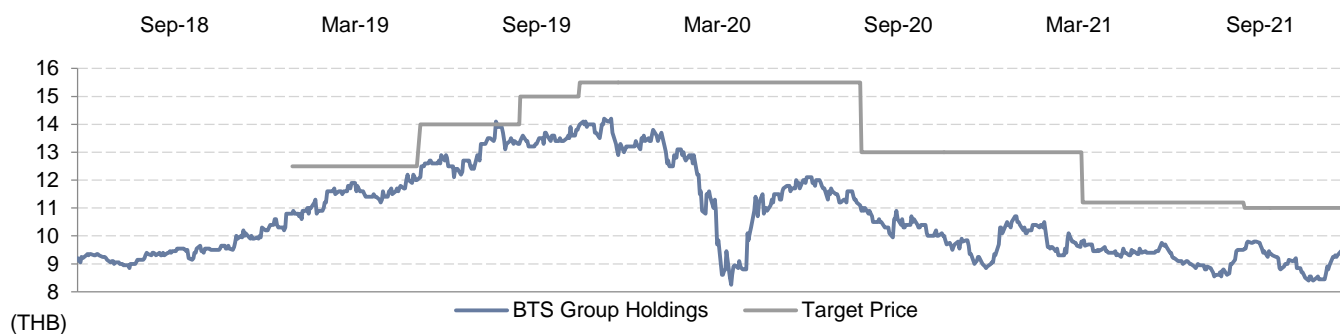


Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
04-Jan-2019	BUY	11.60	13-Jul-2020	BUY	11.40	25-Feb-2021	BUY	9.10
14-Jun-2019	BUY	13.00	29-Jul-2020	BUY	11.40	11-May-2021	BUY	9.10
18-Sep-2019	BUY	12.80	22-Oct-2020	BUY	11.00	09-Jul-2021	BUY	8.70
02-Apr-2020	BUY	12.80	12-Jan-2021	HOLD	9.10			

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

Price and TP are in local currency

Source: FSSIA estimates

BTS Group Holdings (BTS TB)

Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
13-Mar-2019	BUY	12.50	15-Nov-2019	BUY	15.50	18-Nov-2020	BUY	13.00
01-Jul-2019	BUY	14.00	02-Apr-2020	BUY	15.50	19-Jan-2021	BUY	11.20
25-Sep-2019	BUY	15.00	13-Jul-2020	BUY	13.00	07-Jun-2021	BUY	11.00

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
Don Muang Tollway	DMT TB	THB 12.80	BUY	Downside risks to our DCF-based TP include 1) lower-than-expected tollway traffic; and 2) dispute risks.
Bangkok Expressway and Metro	BEM TB	THB 8.50	BUY	The key downside risks to our SoTP-based TP are 1) traffic and ridership recovering more slowly than our expectation; and 2) the company being unable to win the new mass transit project bids.
BTS Group Holdings	BTS TB	THB 9.35	BUY	The key downside risks to our SOTP-based TP include a slower-than-expected recovery of the Thai economic outlook and the company not being able to win new mass transit projects.

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

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 06-Sep-2021 unless otherwise stated.

RECOMMENDATION STRUCTURE**Stock ratings**

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / 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.