EQUITY RESEARCH - COMPANY REPORT

# BANGKOK EXPRESSWAY AND METRO    BEM TB
## THAILAND / TRANSPORT & LOGISTICS

## BUY
UNCHANGED

| | |
|---|---|
| **TARGET PRICE** | **THB9.90** |
| **CLOSE** | **THB8.40** |
| **UP/DOWNSIDE** | **+17.9%** |
| **PRIOR TP** | **THB9.90** |
| **CHANGE IN TP** | **UNCHANGED** |
| **TP vs CONSENSUS** | **-0.8%** |

# Omicron's foot still on the brakes

- We anticipate BEM's net profit in 1Q22 to be at THB394m (+29% y-y, -4% q-q).

- BEM's outlook should be more attractive starting from 3Q22 onward thanks to the expected recovery in traffic and ridership.

- Maintain BUY with the same TP of THB9.90.

## Slowdown expected in 1Q22

Given that expressway traffic was flat (-0.98% y-y, -0.02% q-q) in 1Q22 and mass transit ridership grew slightly by 7% q-q but was down 12% y-y, we expect BEM's 1Q22 revenue to grow to THB3.1b (0% y-y, +1.7% q-q). Although traffic in 1Q22 was flat, the increase in the Si Rat - Outer Ring Road Expressway fees in Dec-21 should help its expressway revenue to continue to grow. Meanwhile, we believe BEM's costs should slightly increase due to the resumption of some maintenance expenses, making BEM's net profit drop slightly q-q to THB394m (+29% y-y, -3.6% q-q). The strong y-y earnings growth would come from the cost optimisation strategy that the company has implemented since 2H21.

## 2Q22 outlook remains unclear

Although traffic and ridership in 2Q22 is expected to grow significantly y-y as the public starts getting used to living with Covid, we are still unsure about the strength of the recovery momentum in 2Q22, as daily Covid cases in Thailand remain high. Moreover, the number of Covid cases could stay at a high level after the Songkran holiday in Apr-22. Therefore, we believe the recovery in traffic and ridership in 2Q22 will be gradual rather than swift.
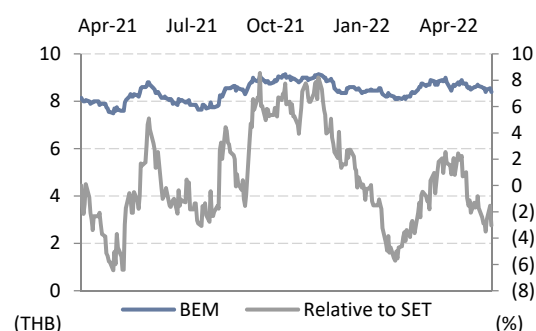
## More key support catalysts in 2H22

We admit that BEM's outlook remains unattractive. There is still a 15% downside risk to earnings and an 8% downside to our TP due to the Omicron variant as mentioned in our previous report, "Bangkok Expressway and Metro (BEM TB) - Next station: Omicron" dated 11 Jan-22. However, we believe BEM should benefit from new key support catalysts starting from 2H22 thanks to 1) the recovery in traffic and ridership; and 2) our expectation that it has a good chance of winning the Orange Line concession auction to be held in Aug-22.

## Maintain BUY with TP of THB9.90

BEM's outlook should improve starting from 3Q22 onward as Covid fears fade and the recovery momentum gains strength. Therefore, we still maintain our BUY call for BEM with the same TP of THB9.90. We suggest investors wait for signs of a recovery in traffic and ridership before investing in BEM. While its short-term outlook is still unattractive, we think its long-term outlook remains strong.

## KEY STOCK DATA

| YE Dec (THB m) | 2021 | 2022E | 2023E | 2024E |
|---|---|---|---|---|
| Revenue | 10,727 | 14,422 | 17,484 | 18,983 |
| Net profit | 1,010 | 3,154 | 5,263 | 6,353 |
| EPS (THB) | 0.07 | 0.21 | 0.34 | 0.42 |
| vs Consensus (%) | - | 8.8 | 20.1 | 48.9 |
| EBITDA | 3,926 | 6,305 | 8,882 | 10,092 |
| Core net profit | 1,010 | 3,154 | 5,263 | 6,353 |
| Core EPS (THB) | 0.07 | 0.21 | 0.34 | 0.42 |
| Chg. In EPS est. (%) | nm | (0.7) | (0.4) | nm |
| EPS growth (%) | (50.7) | 212.2 | 66.9 | 20.7 |
| Core P/E (x) | 127.1 | 40.7 | 24.4 | 20.2 |
| Dividend yield (%) | 1.0 | 1.2 | 2.0 | 2.5 |
| EV/EBITDA (x) | 50.3 | 30.9 | 21.4 | 18.3 |
| Price/book (x) | 3.4 | 3.3 | 3.1 | 2.8 |
| Net debt/Equity (%) | 183.3 | 169.1 | 146.7 | 124.3 |
| ROE (%) | 2.7 | 8.2 | 13.0 | 14.6 |



| Share price performance | 1 Month | 3 Month | 12 Month |
|---|---|---|---|
| Absolute (%) | (2.9) | 1.8 | 4.3 |
| Relative to country (%) | (3.8) | 2.2 | (4.0) |
| Mkt cap (USD m) | | | 3,833 |
| 3m avg. daily turnover (USD m) | | | 10.9 |
| Free float (%) | | | 53 |
| Major shareholder | | | CH.Karnchang PCL (31%) |
| 12m high/low (THB) | | | 9.25/7.40 |
| Issued shares (m) | | | 15,285.00 |

Sources: Bloomberg consensus; FSSIA estimates

**Naruedom Mujjalinkool**
naruedom.muj@fssia.com
+66 2611 3566

## 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.

We expect the company to have a solid recovery in both expressway traffic and ridership on its Blue mass transit line following more visible signs of recovery in line with the improving Covid-19 situation.
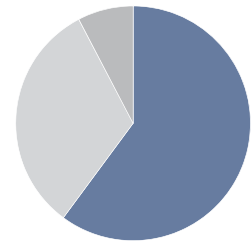
## Company profile

Construction and operation of the Expressway and the operational management of the Mass Rapid Transit System, including related businesses.

www.bemplc.co.th

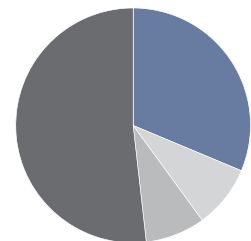## Principal activities (revenue, 2021)

- Expressway - 60.1 %
- Mass transit - 32.2 %
- Commercial development - 7.7 %

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

## Catalysts

- Gaining the upper hand in the bidding for the MRT Orange Line.

- Traffic and ridership should have a strong recovery after Covid-19 is under control.

## Risks to our call

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.

## Key assumptions

| | 2021 | 2022E | 2023E | 2024E |
|---|---|---|---|---|
| Toll traffic (m trips/day) | 0.8 | 1.1 | 1.2 | 1.3 |
| *Toll traffic growth (%)* | *(18.9)* | *25.0* | *10.9* | *9.3* |
| Mass transit ridership (m trips/day) | 0.15 | 0.32 | 0.47 | 0.50 |
| *Mass transit ridership growth (%)* | *(43.7)* | *118.2* | *45.8* | *8.0* |

Source: FSSIA estimates

## Earnings sensitivity

- For every 10,000-passenger increase in average daily expressway traffic, we project 2022 earnings to rise by 1.7%, and vice versa, all else being equal;

- For every 10,000-passenger increase in average daily mass transit ridership, we project 2022 earnings to rise by 1.9%, and vice versa, all else being equal.

Source: FSSIA estimates

## Event calendar

| Date | Event |
|---|---|
| Early May-22 | Apr-22 traffic and ridership announcement |
| May-22 | 1Q22 results announcement |

## Exhibit 1:  1Q22E results preview

| | 1Q21 | 4Q21 | 1Q22E | ------------ Change ------------ | | 2022E |
| --- | ---: | ---: | ---: | ---: | ---: | ---: |
| | (THB m) | (THB m) | (THB m) | (q-q%) | (y-y%) | (THB m) |
| Expressway revenue | 1,873 | 1,896 | 1,923 | 1.4 | 2.7 | 8,251 |
| Rail revenue | 1,023 | 931 | 954 | 2.5 | (6.7) | 5,268 |
| Commercial development revenue | 215 | 233 | 235 | 1.1 | 9.4 | 904 |
| **Revenue** | **3,111** | **3,060** | **3,112** | **1.7** | **0.0** | **14,422** |
| Operating costs | (1,957) | (1,773) | (1,845) | 4.1 | (5.7) | (7,998) |
| **Gross profit** | **1,154** | **1,287** | **1,267** | **(1.5)** | **9.8** | **6,423** |
| SG&A expenses | (314) | (298) | (282) | (5.4) | (10.2) | (1,284) |
| **EBIT** | **840** | **989** | **985** | **(0.4)** | **17.3** | **5,140** |
| Depn & amort. | 325 | 335 | 348 | 3.9 | 7.1 | 1,165 |
| **EBITDA** | **1,165** | **1,324** | **1,333** | **0.7** | **14.5** | **6,305** |
| *EBITDA margin (%)* | *37* | *43* | *43* | *nm* | *nm* | *44* |
| Interest expense | (532) | (556) | (560) | 0.7 | 5.3 | (2,045) |
| Other income | 74 | 77 | 68 | (11.5) | (8.3) | 798 |
| Extra items | 0 | 0 | 0 | *nm* | *nm* | 0 |
| **Pretax profit** | **382** | **509** | **493** | **(3.2)** | **29.1** | **3,893** |
| Tax | (76) | (100) | (99) | (1.2) | 30.3 | (720) |
| *Tax rate (%)* | *(20)* | *(20)* | *(20)* | *nm* | *nm* | *(19)* |
| Minority interests | 1 | 0 | 0 | *n.a.* | *n.a.* | 19 |
| **Net profit** | **305** | **409** | **394** | **(3.6)** | **29.2** | **3,154** |
| **Core net profit** | **305** | **409** | **394** | **(3.6)** | **29.2** | **3,154** |
| EPS (THB) | 0.02 | 0.03 | 0.03 | (3.6) | 29.2 | 0.21 |
| Core EPS (THB) | 0.02 | 0.03 | 0.03 | (3.6) | 29.2 | 0.21 |

Sources: BEM; FSSIA estimates

## Exhibit 2:  Daily expressway traffic
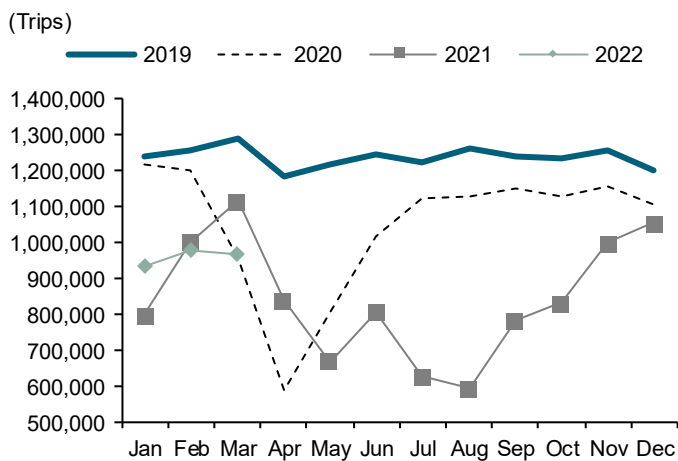


Source: BEM

## Exhibit 3:  Daily mass transit ridership
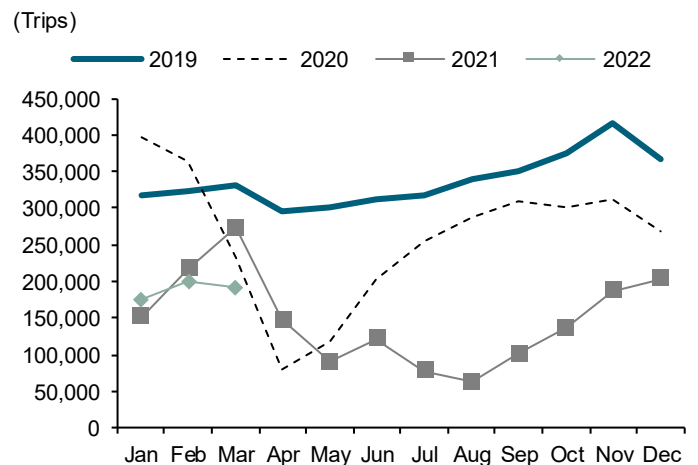


Source: BEM

# Financial Statements
Bangkok Expressway and Metro

| Profit and Loss (THB m) Year Ending Dec | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|---|---|---|---|---|
| Revenue | 13,489 | 10,727 | 14,422 | 17,484 | 18,983 |
| Cost of goods sold | (6,218) | (5,640) | (6,833) | (7,063) | (7,296) |
| **Gross profit** | **7,271** | **5,086** | **7,589** | **10,421** | **11,687** |
| Other operating income | - | - | - | - | - |
| Operating costs | (1,347) | (1,160) | (1,284) | (1,539) | (1,595) |
| **Operating EBITDA** | **5,925** | **3,926** | **6,305** | **8,882** | **10,092** |
| Depreciation | (2,209) | (1,349) | (1,165) | (1,180) | (1,188) |
| Goodwill amortisation | 0 | 0 | 0 | 0 | 0 |
| **Operating EBIT** | **3,716** | **2,577** | **5,140** | **7,702** | **8,905** |
| Net financing costs | (1,816) | (1,960) | (1,790) | (1,643) | (1,493) |
| Associates | 0 | 0 | 0 | 0 | 0 |
| Recurring non-operating income | 534 | 528 | 543 | 560 | 578 |
| Non-recurring items | 0 | 0 | 0 | 0 | 0 |
| **Profit before tax** | **2,433** | **1,145** | **3,893** | **6,619** | **7,989** |
| Tax | (382) | (134) | (720) | (1,324) | (1,598) |
| **Profit after tax** | **2,051** | **1,011** | **3,173** | **5,295** | **6,392** |
| Minority interests | (4) | (1) | (19) | (32) | (38) |
| Preferred dividends | 0 | 0 | 0 | 0 | 0 |
| Other items | - | - | - | - | - |
| **Reported net profit** | **2,048** | **1,010** | **3,154** | **5,263** | **6,353** |
| **Non-recurring items & goodwill (net)** | **0** | **0** | **0** | **0** | **0** |
| **Recurring net profit** | **2,048** | **1,010** | **3,154** | **5,263** | **6,353** |
| **Per share (THB)** | | | | | |
| Recurring EPS * | 0.13 | 0.07 | 0.21 | 0.34 | 0.42 |
| Reported EPS | 0.13 | 0.07 | 0.21 | 0.34 | 0.42 |
| DPS | 0.06 | 0.08 | 0.10 | 0.17 | 0.21 |
| Diluted shares (used to calculate per share data) | 15,285 | 15,285 | 15,285 | 15,285 | 15,286 |
| **Growth** | | | | | |
| Revenue (%) | (16.3) | (20.5) | 34.4 | 21.2 | 8.6 |
| Operating EBITDA (%) | (33.3) | (33.7) | 60.6 | 40.9 | 13.6 |
| Operating EBIT (%) | (16.7) | (30.6) | 99.4 | 49.8 | 15.6 |
| Recurring EPS (%) | (24.7) | (50.7) | 212.2 | 66.9 | 20.7 |
| Reported EPS (%) | (62.3) | (50.7) | 212.2 | 66.9 | 20.7 |
| **Operating performance** | | | | | |
| Gross margin inc. depreciation (%) | 37.5 | 34.8 | 44.5 | 52.9 | 55.3 |
| Gross margin of key business (%) | 37.5 | 34.8 | 44.5 | 52.9 | 55.3 |
| Operating EBITDA margin (%) | 43.9 | 36.6 | 43.7 | 50.8 | 53.2 |
| Operating EBIT margin (%) | 27.5 | 24.0 | 35.6 | 44.1 | 46.9 |
| Net margin (%) | 15.2 | 9.4 | 21.9 | 30.1 | 33.5 |
| Effective tax rate (%) | 15.7 | 11.7 | 18.5 | 20.0 | 20.0 |
| Dividend payout on recurring profit (%) | 42.3 | 121.1 | 50.0 | 50.0 | 50.0 |
| Interest cover (X) | 2.3 | 1.6 | 3.2 | 5.0 | 6.4 |
| Inventory days | - | - | - | - | - |
| Debtor days | 13.9 | 17.4 | 11.5 | 10.0 | 10.6 |
| Creditor days | 108.1 | 104.7 | 80.2 | 79.3 | 79.1 |
| Operating ROIC (%) | 712.1 | 358.1 | 609.8 | 904.7 | (270.0) |
| ROIC (%) | 3.1 | 2.3 | 4.1 | 6.1 | (1.8) |
| ROE (%) | 5.3 | 2.7 | 8.2 | 13.0 | 14.6 |
| ROA (%) | 3.1 | 2.3 | 4.0 | 5.9 | 5.6 |
| * Pre-exceptional, pre-goodwill and fully diluted | | | | | |

| Revenue by Division (THB m) | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|---|---|---|---|---|
| Expressway | 8,145 | 6,450 | 8,251 | 9,465 | 10,344 |
| Mass transit | 4,520 | 3,454 | 5,268 | 6,877 | 7,383 |
| Commercial development | 825 | 822 | 904 | 1,143 | 1,257 |

Sources: Bangkok Expressway and Metro; FSSIA estimates

**FINANSIA**

# Financial Statements
## Bangkok Expressway and Metro

| Cash Flow (THB m) Year Ending Dec | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|---|---|---|---|---|
| Recurring net profit | 2,048 | 1,010 | 3,154 | 5,263 | 6,353 |
| Depreciation | 2,209 | 1,349 | 1,165 | 1,180 | 1,188 |
| Associates & minorities | 4 | 1 | 19 | 32 | 38 |
| Other non-cash items | 1,938 | 1,694 | 41 | 26 | 26 |
| Change in working capital | (846) | (1,185) | 81 | 1,344 | 1,165 |
| **Cash flow from operations** | **5,352** | **2,869** | **4,460** | **7,846** | **8,770** |
| Capex - maintenance | (128) | (87) | (80) | (180) | (80) |
| Capex - new investment | (827) | (845) | 0 | 0 | 0 |
| Net acquisitions & disposals | (11) | (123) | 0 | 0 | 0 |
| Other investments (net) | (2,758) | (675) | (230) | (210) | (210) |
| **Cash flow from investing** | **(3,724)** | **(1,731)** | **(310)** | **(390)** | **(290)** |
| Dividends paid | (1,376) | (1,529) | (1,577) | (2,632) | (3,177) |
| Equity finance | 0 | 0 | 0 | 0 | 0 |
| Debt finance | 2,696 | 1,981 | (3,047) | (4,904) | (5,000) |
| Other financing cash flows | (2,038) | (2,073) | 26 | 39 | 46 |
| **Cash flow from financing** | **(717)** | **(1,621)** | **(4,599)** | **(7,496)** | **(8,131)** |
| Non-recurring cash flows | - | - | - | - | - |
| Other adjustments | 0 | 5 | 0 | 0 | 0 |
| **Net other adjustments** | **(172)** | **5** | **0** | **0** | **0** |
| **Movement in cash** | **738** | **(477)** | **(449)** | **(41)** | **349** |
| Free cash flow to firm (FCFF) | 3,740.02 | 3,325.49 | 6,194.91 | 9,353.50 | 10,227.57 |
| Free cash flow to equity (FCFE) | 2,113.97 | 1,051.39 | 1,128.42 | 2,591.18 | 3,525.70 |

| Per share (THB) | | | | | |
|---|---|---|---|---|---|
| FCFF per share | 0.24 | 0.22 | 0.41 | 0.61 | 0.67 |
| FCFE per share | 0.14 | 0.07 | 0.07 | 0.17 | 0.23 |
| Recurring cash flow per share | 0.41 | 0.27 | 0.29 | 0.43 | 0.50 |

| Balance Sheet (THB m) Year Ending Dec | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|---|---|---|---|---|
| Tangible fixed assets (gross) | 888 | 928 | 978 | 1,128 | 1,178 |
| Less: Accumulated depreciation | (508) | (544) | (621) | (708) | (800) |
| **Tangible fixed assets (net)** | **379** | **384** | **358** | **420** | **378** |
| **Intangible fixed assets (net)** | **77,195** | **78,154** | **77,309** | **76,456** | **75,600** |
| Long-term financial assets | - | - | - | - | - |
| Invest. in associates & subsidiaries | 15,841 | 15,910 | 15,910 | 15,910 | 15,910 |
| Cash & equivalents | 2,599 | 2,122 | 1,674 | 1,634 | 1,983 |
| A/C receivable | 2,199 | 2,123 | 2,084 | 2,177 | 2,222 |
| Inventories | - | - | - | - | - |
| Other current assets | 246 | 295 | 332 | 385 | 399 |
| **Current assets** | **5,044** | **4,541** | **4,090** | **4,195** | **4,603** |
| Other assets | 15,157 | 16,100 | 14,707 | 13,580 | 12,475 |
| **Total assets** | **113,616** | **115,088** | **112,374** | **110,562** | **108,967** |
| Common equity | 37,991 | 37,697 | 39,293 | 41,957 | 45,172 |
| Minorities etc. | 42 | 2 | 21 | 52 | 91 |
| **Total shareholders' equity** | **38,034** | **37,699** | **39,314** | **42,009** | **45,262** |
| Long term debt | 57,728 | 62,667 | 63,000 | 56,000 | 51,000 |
| Other long-term liabilities | 4,120 | 4,077 | 2,770 | 3,026 | 3,050 |
| **Long-term liabilities** | **61,848** | **66,744** | **65,770** | **59,026** | **54,050** |
| A/C payable | 1,745 | 1,492 | 1,512 | 1,558 | 1,604 |
| Short term debt | 11,360 | 8,544 | 5,164 | 7,260 | 7,260 |
| Other current liabilities | 629 | 609 | 614 | 708 | 791 |
| **Current liabilities** | **13,734** | **10,645** | **7,290** | **9,527** | **9,654** |
| **Total liabilities and shareholders' equity** | **113,616** | **115,088** | **112,374** | **110,562** | **108,967** |
| Net working capital | 71 | 317 | 290 | 295 | 226 |
| Invested capital | 108,643 | 110,865 | 108,573 | 106,661 | 104,590 |
| * Includes convertibles and preferred stock which is being treated as debt | | | | | |

| Per share (THB) | | | | | |
|---|---|---|---|---|---|
| Book value per share | 2.49 | 2.47 | 2.57 | 2.74 | 2.96 |
| Tangible book value per share | (2.56) | (2.65) | (2.49) | (2.26) | (1.99) |
| **Financial strength** | | | | | |
| Net debt/equity (%) | 174.8 | 183.3 | 169.1 | 146.7 | 124.3 |
| Net debt/total assets (%) | 58.5 | 60.0 | 59.2 | 55.7 | 51.6 |
| Current ratio (x) | 0.4 | 0.4 | 0.6 | 0.4 | 0.5 |
| CF interest cover (x) | 2.6 | 2.0 | 1.6 | 2.6 | 3.4 |

| Valuation | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|---|---|---|---|---|
| **Recurring P/E (x) \*** | **62.7** | **127.1** | **40.7** | **24.4** | **20.2** |
| **Recurring P/E @ target price (x) \*** | **73.9** | **149.8** | **48.0** | **28.7** | **23.8** |
| Reported P/E (x) | 62.7 | 127.1 | 40.7 | 24.4 | 20.2 |
| Dividend yield (%) | 0.7 | 1.0 | 1.2 | 2.0 | 2.5 |
| Price/book (x) | 3.4 | 3.4 | 3.3 | 3.1 | 2.8 |
| Price/tangible book (x) | (3.3) | (3.2) | (3.4) | (3.7) | (4.2) |
| EV/EBITDA (x) \*\* | 32.9 | 50.3 | 30.9 | 21.4 | 18.3 |
| EV/EBITDA @ target price (x) \*\* | 36.8 | 56.1 | 34.5 | 24.0 | 20.6 |
| EV/invested capital (x) | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 |
| * Pre-exceptional, pre-goodwill and 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 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 | SEAOIL | 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 | AMANAH | 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 | MITSIB | 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 | WIIK | 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 | TPIPP | TPLAS |
| TTI | TYCN | UKEM | UMS | VCOM | VRANDA | WIN | WORK | WPH | | |

| Description | Score Range |
|---|---|
| Excellent | 90-100 |
| Very Good | 80-89 |
| Good | 70-79 |

**FINANSIA**

## Anti-corruption Progress Indicator 2020

| CERTIFIED | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 2S | ADVANC | AI | AIE | AIRA | AKP | AMA | AMANAH | 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 | SEAOIL | 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 | WIIK | 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 th e 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.

This report has been prepared by FSS International Investment Advisory Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSS makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSS has no intention to solicit investors to buy or sell any security in this report. In addition, FSS does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

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

## Bangkok Expressway and Metro (BEM TB)
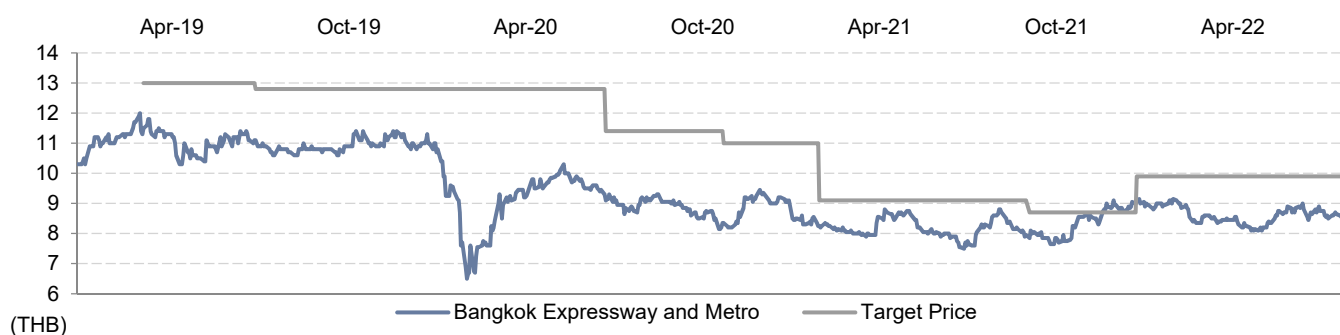


| Date | Rating | Target price | Date | Rating | Target price | Date | Rating | Target price |
|---|---|---|---|---|---|---|---|---|
| 14-Jun-2019 | BUY | 13.00 | 22-Oct-2020 | BUY | 11.00 | 09-Jul-2021 | BUY | 8.70 |
| 18-Sep-2019 | BUY | 12.80 | 12-Jan-2021 | HOLD | 9.10 | 11-Oct-2021 | BUY | 9.90 |
| 13-Jul-2020 | BUY | 11.40 | 25-Feb-2021 | BUY | 9.10 | | | |

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 8.40 | 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. |

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 12-Apr-2022 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.