

# Bangkok Expressway BEM

Bangkok Expressway and Metro  
Public Company Limited

Bloomberg BEM TB  
Reuters BEM.BK

## Positive catalysts may come sooner

We maintain our **OUTPERFORM** rating with an SOTP-based TP Bt9/sh (Bt8.3/sh. from core business and Bt0.7/sh. from its investments in TTW and CKP). Our TP excludes Bt1.5/sh upside from the West Orange Line. Although we see a small downside to our full-year forecast from softer-than-expected expressway traffic in 1Q24 at -0.4% vs +2.2% in our full-year forecast, we expect upcoming positive catalysts to more than offset this.

**Catalyst #1: Expect decent YoY earnings growth in 1Q24F.** We expect BEM to report 1Q24F net profit of Bt830mn, slipping 3.5% QoQ but growing 10.7% YoY on continued revenue growth for expressway, rail and commercial development businesses both QoQ and YoY. However, higher cost QoQ for the rail business created a small drag on earnings, as cost in 4Q23 was exceptionally low due to a one-off cost adjustment (see details in figure 1). In 1Q24, average daily expressway traffic was 1.12mn trips, -0.4% YoY vs on 2024F growth of 2.2%. On the MRT Blue line, average daily ridership was 430.4k trips, up 12.9% YoY vs our 2024F of 15%. Meeting our 1Q24F would bring it to 19.3% of our full-year forecast. Results will be released on May 14.

**Catalyst#2: Conclusion of West Orange Line in 2Q24?** We earlier thought the finalization of the West Orange Line project would be in 3Q24 but the Supreme Administrative Court began the hearings for the final court case on April 11. Normally, a verdict will come down 1-2 months after hearings begin, based on the previous two court cases and the Central Administrative Court's ruling on this case in favor of MRTA, which was positive to BEM. This suggests the Supreme Administrative Court's ruling will also favor MRTA, in turn leading to signing of the contract. We estimate Bt1.5/sh upside to BEM, not yet in our TP. In the worst case of a delay in the project's finalization, we see limited impact on share price since share price has not priced in any upside from this project.

**Catalyst#3: Clarity on double deck also may be sooner than expected.** According to the latest news in the local press, MRTA expects clarity on double deck project in June. This could lead to a reduction in tolls and extension of the expressway concession. It is difficult to estimate the impact on TP at this stage due to limited information. We believe this project would be NPV positive to the company, otherwise it would have problems justifying it to shareholders.

**Action & recommendation.** BEM share price has risen 3.1% YTD, outperforming the SET by 6.7%. We expect share price to continue to outperform for the next three months, supported by the multiple positive catalysts lying in the MRT fare price increase, finalization of the West Orange line and the double deck project.

**Risks and concerns.** The recovery of expressway traffic was slow in 1Q24. Key ESG risk for BEM is travel safety for people who use expressway and MRT.

### Forecasts and valuation

Year to 31 Dec	Unit	2022	2023	2024F	2025F	2026F
Revenue	(Btmn)	14,029	16,374	17,612	18,582	19,684
EBITDA	(Btmn)	6,625	9,076	10,030	10,784	11,791
Core profit	(Btmn)	2,436	3,479	4,293	4,995	5,769
Reported profit	(Btmn)	2,436	3,479	4,293	4,995	5,769
Core EPS	(Bt)	0.16	0.23	0.28	0.33	0.38
DPS	(Bt)	0.12	0.14	0.17	0.20	0.23
P/E, core	(x)	51.4	36.0	29.2	25.1	21.7
EPS growth, core	(%)	141.2	42.8	23.4	16.4	15.5
P/BV, core	(x)	3.4	3.3	3.1	3.0	2.8
ROE	(%)	6.5	9.3	11.1	12.2	13.2
Dividend yield	(%)	1.5	1.7	2.1	2.4	2.8
EV/EBITDA	(x)	29.3	21.2	18.9	17.2	15.4
EBITDA growth	(%)	48.5	37.0	10.5	7.5	9.3

Source: InnovestX Research

## Tactical: OUTPERFORM

(3-month)

### Stock data

Last close (Apr 25) (Bt)	8.20
Target price (Bt)	9.00
Mkt cap (Btmn)	125.34
Mkt cap (US\$m)	3,387

Beta	L
Mkt cap (%) SET	0.74
Sector % SET	8.28
Shares issued (mn)	15,285
Par value (Bt)	1.00
12-m high / low (Bt)	9.3 / 7.2
Avg. daily 6m (US\$m)	6.81
Foreign limit / actual (%)	49 / 8
Free float (%)	51.0
Dividend policy (%)	≥ 40

### Share performance

(%)	1M	3M	12M
Absolute	0.6	10.1	(7.9)
Relative to SET	1.6	10.4	4.3

Source: SET, InnovestX Research

### 2023 Sustainability/2022 ESG Score

SET ESG Ratings	AA
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### ESG Bloomberg Rank in the sector

ESG Score Rank	7/27
Environmental Score Rank	7/27
Social Score Rank	8/27
Governance Score Rank	1/27

### ESG comment

BEM has an above-sector-average ESG score and is also above-average in each category (Environmental, Social & Governance).

Source: Bloomberg Finance L.P.

### Analyst

#### Kittisorn Pruitipat, CFA, FRM

Fundamental Investment  
Analyst on Securities  
(662) 949 1007  
kittisorn.pruitipat@scb.co.th

### Value proposition

BEM is a leader in mass rapid transit and transportation services in Thailand and in the region. It is considering expanding its businesses into other fast-growing arenas with good returns, such as other infrastructure projects and commercial or real estate development, both at home and abroad.

### Business outlook

The expressway is recovering as commutes resume after the COVID-19 pandemic. For the mid- and long-term, expressway growth potential is limited as there is no planned expansion or new expressway route and traffic has likely already achieved maturity. For the MRT, momentum is still upward, although ridership was also derailed by COVID-19. However, the mid- to long-term outlook is positive, supported by the addition of more mass transit lines that will boost overall mass transit ridership throughout the network. We also believe commuters will make a greater move to mass transit to avoid heavy traffic.

Bullish views	Bearish views
1. Earnings are in a recovery mode	1. Rising bond yield
2. Limited impact from new contract for TTW	2. Uncertainty over West Orange Line caps near-term upside
3. Potential upside from multiple projects such as West Orange Line and double deck	3. Possibly lower dividend from TTW in 2024F

### Key catalysts

Factor	Event	Impact	Comment
Latest development	Judiciary commented in favor of BEM on the latest court case	Positive	This suggests a positive outcome for the last court case on the West Orange Line project.
Near-term earnings outlook	2Q24F earnings	Better QoQ and YoY	QoQ growth will be driven by dividend income from investment in CKP and TTW. YoY growth reflects improving traffic.
Factors to be aware in 2024	Development on West Orange line/double deck projects	Positive/Negative	Positive moves in these two projects would provide upside to TP for BEM.

### Sensitivity analysis

Factor	Earnings impact	TP impact
1ppt change in expressway traffic growth	2.1%	Bt0.1/sh.

## Our view on ESG

BEM is involved in infrastructure businesses (expressway and MRT) which do not in and of themselves release any emissions. We therefore view its businesses as friendly to the environment. The company is also listed on THSI. Key ESG risk for BEM is the travel safety of its passengers.

### ESG Disclosure Score

<b>Bloomberg ESG Score</b>	<b>43.14 (2022)</b>
Rank in Sector	7/27

	<b>CG Rating</b>	<b>DJSI</b>	<b>SETESG</b>	<b>SET ESG Ratings</b>
BEM	5	No	Yes	AA

Source: Thai Institute of Directors (IOD), SET

### Environmental Issue (E)

- BEM continues to maintain the ISO 14001 Environmental Management System and optimizes the use of natural resources through continuous energy management measures.
- It has also obtained ISO certifications: ISO 9001: 2015 Quality Management System and ISO 14001: 2015 Environmental Management System from SGS (Thailand) Limited.

### Social Issue (S)

- BEM strives to operate its businesses with social responsibility throughout the value chain as a part of society.
- It supplied one million fabric masks to MRT passengers and delivered fabric masks and protective equipment for COVID-19 to many parties during the COVID-19 outbreak.
- BEM gave scholarships for school development and provided COVID-19 prevention devices to 56 schools surrounding MRT routes including communities surrounding the stations.

### Governance Issue (G)

- BEM regards good corporate governance as a key business management tool to achieve its targets with efficiency and effectiveness.
- The board of directors has appointed a Corporate Governance and Risk Management Committee for policy-level consideration of adequacy and appropriateness.
- Management is tasked to supervise compliance with the principles of good corporate governance.
- In 2021, CG rating was excellent and anti-corruption progress indicator was certified.

### ESG Disclosure Score

	2021	2022
<b>ESG Disclosure Score</b>	<b>45.41</b>	<b>43.14</b>
<b>Environment</b>	<b>29.27</b>	<b>16.79</b>
Emissions Reduction Initiatives	Yes	Yes
Climate Change Policy	Yes	Yes
Energy Efficiency Policy	Yes	Yes
Total Energy Consumption	216.10	—
Waste Reduction Policy	Yes	Yes
<b>Social</b>	<b>19.44</b>	<b>25.12</b>
Human Rights Policy	Yes	Yes
Consumer Data Protection Policy	Yes	Yes
Equal Opportunity Policy	Yes	Yes
Business Ethics Policy	Yes	Yes
Anti-Bribery Ethics Policy	Yes	Yes
<b>Governance</b>	<b>87.36</b>	<b>87.36</b>
Size of Audit Committee	3	3
Number of Independent Directors on Audit Committee	3	3
Company Conducts Board Evaluations	Yes	Yes
Number of Executives / Company Managers	5	7
Director Share Ownership Guidelines	No	No

Source: Bloomberg Finance L.P.

### Disclaimer

Bloomberg ESG Disclosure Scores rate companies on their level of disclosure of ESG data. Bloomberg offers four disclosure scores, for overall ESG, as well as Environmental, Social, and Governance. To review the fully transparent methodology, calculate disclosure scores for any company, and compare a company's scores vs its peers, see ESG Disclosure Score Model in Bloomberg.

## Financial statement

### Profit and Loss Statement

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Total revenue	(Btmn)	16,107	13,489	10,727	14,029	16,374	17,612	18,582	19,684
Cost of goods sold	(Btmn)	(10,310)	(8,427)	(6,990)	(8,447)	(9,311)	(9,414)	(9,447)	(9,644)
<b>Gross profit</b>	(Btmn)	<b>5,797</b>	<b>5,063</b>	<b>3,737</b>	<b>5,582</b>	<b>7,064</b>	<b>8,198</b>	<b>9,135</b>	<b>10,040</b>
SG&A	(Btmn)	(1,336)	(1,347)	(1,160)	(1,160)	(1,241)	(1,339)	(1,412)	(1,496)
Other income	(Btmn)	707	830	755	772	764	817	831	977
Interest expense	(Btmn)	(1,723)	(2,113)	(2,187)	(2,361)	(2,371)	(2,310)	(2,310)	(2,310)
<b>Pre-tax profit</b>	(Btmn)	<b>3,444</b>	<b>2,433</b>	<b>1,145</b>	<b>2,834</b>	<b>4,216</b>	<b>5,366</b>	<b>6,244</b>	<b>7,211</b>
Corporate tax	(Btmn)	(1,755)	(382)	(134)	(398)	(737)	(1,073)	(1,249)	(1,442)
Equity a/c profits	(Btmn)	173	0	0	0	0	0	0	0
Minority interests	(Btmn)	(17)	(4)	(1)	(0)	(0)	(0)	(0)	(0)
<b>Core profit</b>	(Btmn)	<b>2,548</b>	<b>2,048</b>	<b>1,010</b>	<b>2,436</b>	<b>3,479</b>	<b>4,293</b>	<b>4,995</b>	<b>5,769</b>
Extra-ordinary items	(Btmn)	2,887	4	0	0	0	0	0	0
<b>Net Profit</b>	(Btmn)	<b>5,435</b>	<b>2,051</b>	<b>1,010</b>	<b>2,436</b>	<b>3,479</b>	<b>4,293</b>	<b>4,995</b>	<b>5,769</b>
EBITDA	(Btmn)	9,194	6,404	4,461	6,625	9,076	10,030	10,784	11,791
<b>Core EPS</b>	<b>(Bt)</b>	<b>0.17</b>	<b>0.13</b>	<b>0.07</b>	<b>0.16</b>	<b>0.23</b>	<b>0.28</b>	<b>0.33</b>	<b>0.38</b>
Net EPS	(Bt)	0.36	0.13	0.07	0.16	0.23	0.28	0.33	0.38
DPS	(Bt)	0.15	0.10	0.08	0.12	0.14	0.17	0.20	0.23

### Balance Sheet

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Total current assets	(Btmn)	4,448	5,044	4,541	5,566	5,247	7,120	11,210	15,672
Total fixed assets	(Btmn)	84,296	84,532	83,845	81,997	79,500	77,647	75,942	74,224
<b>Total assets</b>	(Btmn)	<b>111,697</b>	<b>113,616</b>	<b>115,088</b>	<b>114,128</b>	<b>112,496</b>	<b>112,676</b>	<b>115,224</b>	<b>118,132</b>
Total loans	(Btmn)	66,333	69,088	71,211	70,441	68,303	66,000	66,000	66,000
Total current liabilities	(Btmn)	11,429	13,734	10,645	12,092	15,566	13,608	13,694	13,787
Total long-term liabilities	(Btmn)	61,445	61,848	66,744	64,773	59,265	59,250	59,293	59,336
<b>Total liabilities</b>	(Btmn)	<b>72,874</b>	<b>75,582</b>	<b>77,390</b>	<b>76,865</b>	<b>74,832</b>	<b>72,859</b>	<b>72,987</b>	<b>73,123</b>
Paid-up capital	(Btmn)	21,102	21,102	21,102	21,102	21,102	21,102	21,102	21,102
<b>Total equity</b>	(Btmn)	<b>38,823</b>	<b>38,034</b>	<b>37,699</b>	<b>37,264</b>	<b>37,664</b>	<b>39,817</b>	<b>42,237</b>	<b>45,009</b>
<b>BVPS</b>	<b>(Bt)</b>	<b>2.54</b>	<b>2.49</b>	<b>2.47</b>	<b>2.44</b>	<b>2.46</b>	<b>2.60</b>	<b>2.76</b>	<b>2.94</b>

### Cash Flow Statement

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Core Profit	(Btmn)	2,548	2,048	1,010	2,436	3,479	4,293	4,995	5,769
Depreciation and amortization	(Btmn)	4,026	1,858	1,129	1,430	2,490	2,353	2,230	2,269
Operating cash flow	(Btmn)	5,469	5,522	3,445	5,545	7,544	7,825	8,900	9,572
Investing cash flow	(Btmn)	(7,061)	(4,593)	(4,526)	(1,177)	(2,692)	(2,435)	(2,455)	(2,366)
Financing cash flow	(Btmn)	1,769	(19)	598	(3,711)	(5,393)	(4,443)	(2,576)	(2,997)
<b>Net cash flow</b>	(Btmn)	<b>178</b>	<b>910</b>	<b>(482)</b>	<b>656</b>	<b>(542)</b>	<b>947</b>	<b>3,869</b>	<b>4,210</b>

### Key Financial Ratios

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Gross margin	(%)	36.0	37.5	34.8	39.8	43.1	46.5	49.2	51.0
Operating margin	(%)	27.7	27.5	24.0	31.5	35.6	38.9	41.6	43.4
EBITDA margin	(%)	57.1	47.5	41.6	47.2	55.4	56.9	58.0	59.9
EBIT margin	(%)	32.1	33.7	31.1	37.0	40.2	43.6	46.0	48.4
Net profit margin	(%)	33.7	15.2	9.4	17.4	21.2	24.4	26.9	29.3
ROE	(%)	14.0	5.4	2.7	6.5	9.2	10.8	11.8	12.8
ROA	(%)	1.7	1.8	0.9	2.1	3.1	3.8	4.4	4.9
Net D/E	(x)	1.7	1.8	1.9	1.8	1.8	1.6	1.4	1.2
Interest coverage	(x)	5.3	3.0	2.0	2.8	3.8	4.3	4.7	5.1
Debt service coverage	(x)	0.9	0.5	0.4	0.6	0.6	0.8	0.8	0.9
Payout Ratio	(%)	42.2	74.5	121.1	75.3	61.5	60.0	60.0	60.0

### Main Assumptions

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Traffic for toll roads	('000 trips/day)	1,237	1,049	850	1,039	1,117	1,141	1,179	1,210
Ridership for mass transit	('000 trips/day)	337	260	147	274	390	449	494	551
CD revenue	(Btmn)	783	825	822	921	1,117	1,173	1,231	1,293

## Financial statement

### Profit and Loss Statement

FY December 31	Unit	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Total revenue	(Btmn)	3,094	3,261	3,739	3,935	4,099	3,908	4,182	4,186
Cost of goods sold	(Btmn)	(1,905)	(2,051)	(2,094)	(2,396)	(2,339)	(2,333)	(2,391)	(2,248)
<b>Gross profit</b>	(Btmn)	<b>1,189</b>	<b>1,210</b>	<b>1,644</b>	<b>1,539</b>	<b>1,760</b>	<b>1,574</b>	<b>1,791</b>	<b>1,938</b>
SG&A	(Btmn)	(264)	(304)	(278)	(313)	(301)	(322)	(297)	(321)
Other income	(Btmn)	65	383	266	58	50	390	266	58
Interest expense	(Btmn)	(570)	(583)	(604)	(604)	(572)	(601)	(602)	(596)
<b>Pre-tax profit</b>	(Btmn)	<b>419</b>	<b>706</b>	<b>1,028</b>	<b>680</b>	<b>937</b>	<b>1,043</b>	<b>1,158</b>	<b>1,079</b>
Corporate tax	(Btmn)	(83)	(72)	(165)	(77)	(187)	(142)	(188)	(220)
Equity a/c profits	(Btmn)	0	0	0	0	0	0	0	0
Minority interests	(Btmn)	(0)	(0)	(0)	(0)	0	(0)	(0)	(0)
<b>Core profit</b>	(Btmn)	<b>336</b>	<b>634</b>	<b>863</b>	<b>603</b>	<b>749</b>	<b>901</b>	<b>970</b>	<b>859</b>
Extra-ordinary items	(Btmn)	0	0	0	0	0	0	0	0
<b>Net Profit</b>	(Btmn)	<b>336</b>	<b>634</b>	<b>863</b>	<b>603</b>	<b>749</b>	<b>901</b>	<b>970</b>	<b>859</b>
EBITDA	(Btmn)	1,316	1,664	2,063	2,381	2,114	2,227	2,402	2,333
<b>Core EPS (Bt)</b>	(Bt)	<b>0.02</b>	<b>0.04</b>	<b>0.06</b>	<b>0.04</b>	<b>0.05</b>	<b>0.06</b>	<b>0.06</b>	<b>0.06</b>
Net EPS (Bt)	(Bt)	0.02	0.04	0.06	0.04	0.05	0.06	0.06	0.06

### Balance Sheet

FY December 31	Unit	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Total current assets	(Btmn)	4,987	4,448	6,495	5,566	5,228	4,567	5,469	5,247
Total fixed assets	(Btmn)	83,388	82,779	82,433	81,997	81,299	80,817	80,041	79,500
<b>Total assets</b>	(Btmn)	<b>115,682</b>	<b>115,474</b>	<b>116,471</b>	<b>114,128</b>	<b>113,091</b>	<b>111,849</b>	<b>112,850</b>	<b>112,496</b>
Total loans	(Btmn)	70,669	71,200	71,801	70,441	69,202	69,729	69,193	68,303
Total current liabilities	(Btmn)	9,969	15,287	12,344	12,092	12,235	12,251	15,572	15,566
Total long-term liabilities	(Btmn)	67,477	62,345	66,364	64,773	63,521	63,913	60,571	59,265
<b>Total liabilities</b>	(Btmn)	<b>77,446</b>	<b>77,632</b>	<b>78,708</b>	<b>76,865</b>	<b>75,756</b>	<b>76,164</b>	<b>76,143</b>	<b>74,832</b>
Paid-up capital	(Btmn)	21,102	21,102	21,102	21,102	21,102	21,102	21,102	21,102
<b>Total equity</b>	(Btmn)	<b>38,236</b>	<b>37,842</b>	<b>37,763</b>	<b>37,264</b>	<b>37,334</b>	<b>35,685</b>	<b>36,707</b>	<b>37,664</b>
<b>BVPS (Bt)</b>	(Bt)	<b>2.50</b>	<b>2.48</b>	<b>2.47</b>	<b>2.44</b>	<b>2.44</b>	<b>2.33</b>	<b>2.40</b>	<b>2.46</b>

### Cash Flow Statement

FY December 31	Unit	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Core Profit	(Btmn)	336	634	863	603	749	901	970	859
Depreciation and amortization	(Btmn)	327	375	431	298	605	583	642	659
Operating cash flow	(Btmn)	1,675	1,062	843	5,320	2,235	1,731	2,198	1,380
Investing cash flow	(Btmn)	1,327	930	3,315	(8,028)	1,116	795	1,112	(5,714)
Financing cash flow	(Btmn)	(2,467)	(2,404)	(3,540)	5,836	(3,277)	(3,314)	(2,546)	3,744
<b>Net cash flow</b>	<b>(Btmn)</b>	<b>535</b>	<b>(412)</b>	<b>618</b>	<b>3,127</b>	<b>74</b>	<b>(789)</b>	<b>763</b>	<b>(590)</b>

### Key Financial Ratios

FY December 31	Unit	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Gross margin	(%)	38.4	37.1	44.0	39.1	42.9	40.3	42.8	46.3
Operating margin	(%)	29.9	27.8	36.5	31.2	35.6	32.1	35.7	38.6
EBITDA margin	(%)	42.5	51.0	55.2	60.5	51.6	57.0	57.4	55.7
EBIT margin	(%)	32.0	39.5	43.7	52.9	36.8	42.1	42.1	40.0
Net profit margin	(%)	10.9	19.4	23.1	15.3	18.3	23.1	23.2	20.5
ROE	(%)	3.5	6.7	9.1	6.4	7.9	9.8	10.4	9.2
ROA	(%)	1.2	2.2	3.0	2.1	2.6	3.2	3.4	3.0
Net D/E	(x)	1.8	1.8	1.9	1.8	1.8	1.9	1.8	1.8
Interest coverage	(x)	2.3	2.9	3.4	3.9	3.7	3.7	4.0	3.9

### Main Assumptions

FY December 31	Unit	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Traffic for toll roads	('000 trips/day)	963	1,026	1,083	1,101	1,129	1,099	1,113	1,126
Ridership for mass transit	('000 trips/day)	188	231	313	349	382	411	382	416
CD revenue	(Btmn)	196	207	242	276	255	277	279	306

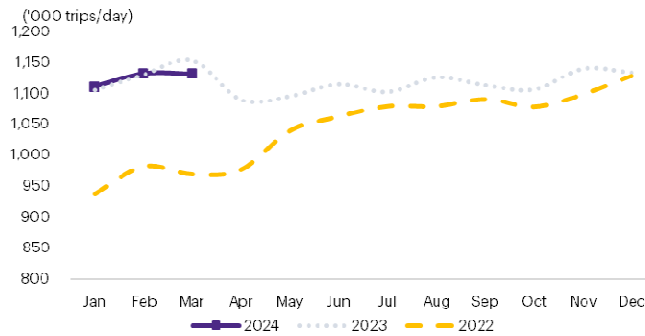
**Figure 1: 1Q24F results preview**

<b>Unit: Btmn</b>	<b>1Q23</b>	<b>4Q23</b>	<b>1Q24F</b>	<b>QoQ</b>	<b>YoY</b>
Revenue from expressway business	2,276	2,260	2,290	1.3%	0.6%
Revenue from rail business	1,568	1,621	1,692	4.4%	7.9%
Revenue from commercial development business	255	306	310	1.3%	21.6%
<b>Total revenue</b>	<b>4,099</b>	<b>4,186</b>	<b>4,292</b>	2.5%	4.7%
Cost of expressway business	(733)	(745)	(770)	3.4%	5.0%
Cost of rail business	(1,504)	(1,407)	(1,530)	8.7%	1.7%
Cost of commercial development business	(102)	(96)	(100)	4.2%	-2.0%
<b>Total COGS</b>	<b>(2,339)</b>	<b>(2,248)</b>	<b>(2,400)</b>	6.8%	2.6%
<b>Gross profit</b>	<b>1,760</b>	<b>1,938</b>	<b>1,892</b>	-2.4%	7.5%
SG&A	(301)	(321)	(310)	-3.4%	2.8%
<b>Operating profit</b>	<b>1,459</b>	<b>1,617</b>	<b>1,582</b>	-2.2%	8.5%
Other income/(expense)	50	58	55	-4.7%	9.1%
<b>EBIT</b>	<b>1,509</b>	<b>1,675</b>	<b>1,637</b>	-2.3%	8.5%
Equity income	0	0	0	na.	na.
Interest expense	(572)	(596)	(600)	0.7%	4.8%
<b>EBT</b>	<b>936</b>	<b>1,079</b>	<b>1,037</b>	-3.9%	10.7%
Income tax	(187)	(220)	(207)	-5.5%	10.7%
Minority interests	0	(0)	0	na.	na.
<b>Core profit</b>	<b>749</b>	<b>859</b>	<b>830</b>	-3.5%	10.7%
Extra items	0	0	0	na.	na.
<b>Net income</b>	<b>749</b>	<b>859</b>	<b>830</b>	-3.5%	10.7%
EPS (Bt/sh.)	0.05	0.06	0.05	-3.5%	10.7%
<b>Ratio analysis</b>					
SG&A to sales (%)	7.4	7.7	7.2		
Operating profit margin (%)	35.6	38.6	36.9		
Net profit margin (%)	18.3	20.5	19.3		

Source: InnovestX Research, BEM

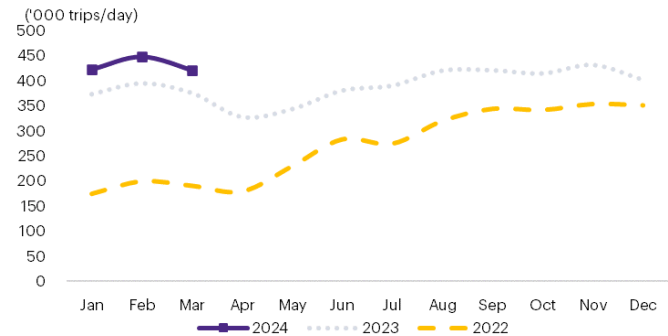
**Appendix**

**Figure 2: Expressway traffic**



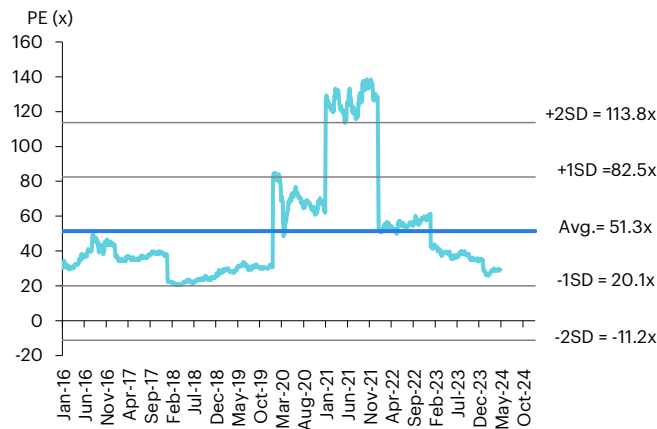
Source: Company data and InnovestX Research

**Figure 3: MRT (Blue line) ridership**



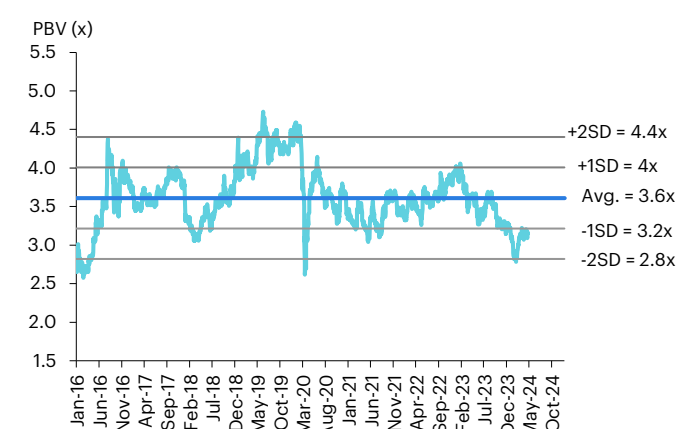
Source: Company data and InnovestX Research

**Figure 4: PE Band**



Source: Company data and InnovestX Research

**Figure 5: PBV Band**



Source: Company data and InnovestX Research

**Figure 6: BEM – SOTP valuation**

	Btmn	Bt/sh	Comment
Toll roads business	50,733	3.3	
Mass transit business	62,475	4.1	
Commercial development business	14,099	0.9	
Investments (CKP & TTW)	10,669	0.7	Market price
<b>Target price</b>	<b>137,975</b>	<b>9.0</b>	

Source: InnovestX Research, BEM

**Figure 7: Valuation summary** (Price as of Apr 25, 2024)

Company name	Country	Mkt. Cap (US\$m)	PE (x)			EPS Growth (%)			PBV (x)			Div. Yield (%)			ROE (%)			EV/EBITDA (x)		
			24F	25F	26F	24F	25F	26F	24F	25F	26F	24F	25F	26F	24F	25F	26F	24F	25F	26F
Guangshen Railway Co Ltd	China	2,794	10.7	9.1	8.7	11.1	17.6	5.0	0.5	0.5	0.5	4.5	5.4	5.8	4.5	5.1	5.2	6.0	5.6	5.5
MTR Corp Ltd	Hong Kong	19,851	10.8	9.1	11.0	83.8	19.0	(17.3)	0.9	0.8	0.8	5.3	5.3	5.3	8.7	9.1	7.0	8.9	7.3	7.2
East Japan Railway Co	Japan	20,995	16.9	15.0	13.2	28.2	12.2	14.0	1.2	1.1	1.1	1.7	1.9	2.0	7.2	7.6	8.2	10.4	9.8	9.4
West Japan Railway Co	Japan	9,328	14.8	13.6	12.9	13.3	9.2	5.3	1.3	1.2	1.1	2.4	2.6	2.8	8.9	9.1	8.9	8.6	8.2	7.9
Bangkok Expressway & Metro PCL	Thailand	3,356	31.7	28.4	25.8	12.6	11.6	10.0	3.1	3.0	2.8	1.8	1.9	2.3	10.1	10.7	10.9	20.5	19.2	18.2
BTS Group Holdings PCL	Thailand	2,236	88.1	41.9	n.m.	23.3	110.1	n.m.	1.5	1.6	n.a.	2.5	2.7	5.0	1.4	2.7	n.a.	47.0	52.6	n.a.
<b>Average</b>			<b>28.8</b>	<b>19.5</b>	<b>14.3</b>	<b>28.7</b>	<b>30.0</b>	<b>3.4</b>	<b>1.4</b>	<b>1.4</b>	<b>1.2</b>	<b>3.0</b>	<b>3.3</b>	<b>3.9</b>	<b>6.8</b>	<b>7.4</b>	<b>8.0</b>	<b>16.9</b>	<b>17.1</b>	<b>9.6</b>

Source: Bloomberg Finance L.P., InnovestX Research

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**Companies with Very Good CG Scoring**

2S, A5, AAI, AIE, ALUCON, AMR, APURE, ARIN, AS, ASIA, ASIAN, ASIMAR, ASN, AURA, BR, BSBM, BTG, CEN, CGH, CH, CHIC, CI, CIG, CMC, COMAN, CSP, DOD, DPAINT, DV8, EFORL, EKH, ESSO, ESTAR, EVER, FORTH, FSMART, FTI, GEL, GPI, HEALTH, HUMAN, IFS, INSET, IT, J, JCHK, JDF, JKN, JMART, JUBILE, K, KCAR, KGI, KIAT, KISS, KK, KTIS, KWC, KWM, LDC, LEO, LHK, MACO, METCO, MICRO, MK, MVP, NCAP, NOVA, NTSC, PACO, PIN, PQS, PREB, PRI, PRIME, PROEN, PROS, PROUD, PSTC, PTECH, PYLON, RCL, SALEE, SANKO, SCI, SCN, SE, SE-ED, SFLEX, SINGER, SKN, SONIC, SORKON, SPVI, SSP, SST, STANLY, STP, SUPER, SVOA, SWC, TCC, TEKA, TFM, TMILL, TNP, TPLAS, TPOLY, TRC, TRU, TRUBB, TSE, VRANDA, WAVE, WFX, WIJK, WIN, WP, XO

**Companies with Good CG Scoring**

24CS, AMANAH, AMARC, AMC, APP, ASAP, BCT, BE8, BIG, BIOTEC, BLESS, BSM, BVG, CAZ, CCET, CHARAN, CHAYO, CHOTI, CITY, CMAN, CMR, CRANE, CWT, DHOUSE, DTCENT, EASON, FNS, FTE, GIFT, GJS, GTB, GTV, GYT, HL, HTECH, HYDRO, IIG, INGRS, INSURE, IRCP, ITD, ITNS, JCK, JMT, JR, JSP, KBS, KGEN, KJL, L&E, LEE, MASTER, MBAX, MEB, MENA, META, MGT, MITSIB, MJD, MOSHI, MUD, NATION, NNCL, NPK, NSL, NV, OGC, PAF, PCC, PEACE, PICO, PK, PL, PLANET, PLE, PMTA, PPM, PRAKIT, PRAPAT, PRECHA, PRIN, PSG, RABBIT, READY, RJH, RSP, RWI, S11, SAAM, SAF, SAMCO, SAWAD, SCAP, SGP, SIAM, SKE, SKY, SMART, SMC, SMT, SOLAR, SPA, STECH, STPI, SVR, TC, TCCC<sup>3</sup>, TEAM, TFI, TIGER, TITLE, TKC, TMI, TNH, TPA, TPAC, TRITN, UBA, UMI, UMS, UTP, VARO, VPO, W, WARRIX, WORK, WPH, YONG, ZIGA

**Corporate Governance Report**

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To recognize well performers, the list of companies attaining "Good", "Very Good" and "Excellent" levels of recognition (Not including listed companies qualified in the "no announcement of the results" clause from 1 January 2022 to 31 October 2023) is publicized.

<sup>1</sup>OISHI was voluntarily delisted from the Stock Exchange of Thailand, effectively on September 6, 2023

<sup>2</sup>SFP was voluntarily delisted from the Stock Exchange of Thailand, effectively on July 19, 2023

<sup>3</sup>TCCC was voluntarily delisted from the Stock Exchange of Thailand effectively on August 25, 2023

**Anti-corruption Progress Indicator**

**Certified (ได้ผ่านการรับรอง)**

2S, 7UP, AAI, ADVANC, AF, AH, AI, AIE, AIRA, AJ, AKP, AMA, AMANAH, AMATA, AMATAV, AP, APCS, AS, ASIAN, ASK, ASP, AWC, AYUD, B, BAFS, BAM, BANPU, BAY, BBGI, BBL, BCH, BCP, BCPG, BE8, BEC, BEYOND, BGC, BGRIM, BKI, BLA, BPP, BROOK, BRR, BSBM, BTS, BWG, CEN, CENTEL, CFRESH, CGH, CHEWA, CHOTI, CHOW, CIG, CIMBT, CM, CMC, COM7, CPALL, CPAXT, CPF, CPI, CPL, CPN, CPW, CRC, CSC, DCC, DELTA, DEMCO, DIMET, DOHOME, DRT, DUSIT, EA, EASTW, ECF, EGCO, EP, EPG, ERW, ESTAR, ETC, ETE, FNS, FPI, FPT, FSMART, FTE, GBX, GC, GCAP, GEL, GFPT, GGC, GJS, GPI, GPSC, GSTEEL, GULF, GUNKUL, HANA, HARN, HENG, HMPRO, HTC, ICC, ICHI, IFS, III, ILINK, ILM, INET, INOX, INSURE, INTUCH, IRPC, ITCL, IVL, JAS, JKN, JR, JTS, KASET, KBANK, KBS, KCAR, KCCAMC, KCE, KGEN, KGI, KKP, KSL, KTB, KTC, L&E, LANNA, LHFG, LHK, LPN, LRH, M, MAJOR, MALEE, MATCH, MBAX, MBK, MC, MCOT, META, MFC, MFEC, MILL, MINT, MONO, MOONG, MSC, MST, MTC, MTI, NATION, NCAP, NEP, NKI, NOBLE, NRF, NWR, OCC, OGC, OR, ORI, PAP, PATO, PB, PCSGH, PDG, PDJ, PG, PHOL, PIMO, PK, PL, PLANB, PLANET, PLAT, PM, PPP, PPPM, PPS, PR9, PREB, PRG, PRINC, PRM, PROS, PSH, PSL, PSTC, PT, PTECH, PTG, PTT, PTTEP, PTTGC, PYLON, Q-CON, QH, QLT, QTC, RABBIT, RATCH, RML, RS, RWI, S&J, SAAM, SABINA, SAK, SAPPE, SAT, SC, SCC, SCCC, SCG, SCGP, SCM, SCN, SEAOL, SE-ED, SELIC, SENA, SGC, SGP, SIRI, SITHAI, SKR, SMT, SMK, SMPC, SNC, SNP, SORKON, SPACK, SPALI, SPC, SPI, SPRC, SRICHA, SSF, SSP, SSSC, SST, STA, STGT, STOWER, SUSCO, SVI, SYMC, SYNTEC, TAE, TAKUNI, TASCOC, TCAP, TCMC, TFG, TFI, TFMAMA, TGE, TGH, THANI, THCOM, THIP, THRE, THREL, TIDLOR, TIPCO, TISCO, TKS, TKT, TMD, TMILL, TMT, TNITY, TNL, TNP, TNR, TOG, TOP, TOPP, TPA, TPCS, TRT, TRU, TSC, TSI, TSTE, TSTH, TTA, TTB, TTCL, TU, TVDH, TVO, TWPC, UBE, UBIS, UEC, UKEM, UOBKH, UV, VCOM, VGI, VIH, WACOAL, WHA, WHAUP, WICE, WIJK, XO, YUASA, ZEN, ZIGA

**Declared (ประกาศเจตนา)**

ACE, ADB, ALT, AMC, ASW, BLAND, BTG, BYD, CAZ, CBG, CV, DEXON, DMT, EKH, FSX, GLOBAL, GREEN, ICN, IHL, ITC, J, JMART, JMT, LEO, LH, MENA, MITSIB, MODERN, NER, NEX, OSP, PEER, PLUS, POLY, PQS, PRIME, PROEN, PRTR, RBF, RT, SA, SANKO, SCB, SENX, SFLEX, SIS, SKE, SM, SVOA, TBN, TEGH, TIPH, TKN, TPAC, TPLAS, TQM, TRUE, W, WPH, XPG

**N/A**

24CS, 3K-BAT, A, A5, AAV, ABM, ACAP, ACC, ACG, ADD, ADVICE, AEONTS, AFC, AGE, AHC, AIT, AJA, AKR, AKS, ALL, ALLA, ALPHAX, ALUCON, AMARC, AMARIN, AMR, ANAN, ANI, AOT, APCO, APEX, APO, APP, APURE, AQUA, ARIN, ARIP, ARROW, ASAP, ASEFA, ASIA, ASIMAR, ASN, ATP30, AU, AUCTION, AURA, B52, BA, BBIK, BC, BCT, BDMS, BEAUTY, BEM, BGT, BH, BIG, BIOTEC, BIS, BIZ, BJC, BJCHI, BKD, BKGI, BLC, BLESS, BLISS, BM, BOL, BPS, BR, BRI, BROCK, BSM, BSRC, BTNC, BTW, BUI, BVG, CCET, CCP, CEYE, CGD, CH, CHARAN, CHASE, CHAYO, CHG, CHIC, CHO, CI, CITY, CIVIL, CK, CKP, CMAN, CMO, CMR, CNT, COCOCO, COLOR, COMAN, CPANEL, CPH, CPR, CPT, CRANE, CRD, CREDIT, CSP, CSR, CSI, CTW, CWT, D, DCON, DDD, DHOUSE, DIITTO, DOD, DPAINT, DTCENT, DTICI, DV8, EASON, ECL, EE, EFORL, EMC, ETL, EURO, EVER, F&D, FANCY, FE, FLOYD, FMT, FN, FORTH, FTI, FVC, GABLE, GENCO, GFC, GIFT, GL, GLAND, GLOCON, GLORY, GRAMMY, GRAND, GSC, GTB, GTV, GYT, HEALTH, HFT, HL, HPT, HTECH, HUMAN, HYDRO, I2, IFEC, IIG, IMH, IND, INGRS, INSET, IP, IRC, IRPC, IT, ITD, ITNS, ITTHI, JAK, JCK, JCHK, JCT, JDF, JPARK, JSP, JUBILE, K, KAMART, KC, KCG, KCM, KDH, KEX, KIAT, KISS, KJL, KK, KKC, KLINI, KOOL, KTIS, KTMS, KUMWEL, KUN, KWC, KWI, KWM, KYE, LALIN, LDC, LEE, LIT, LOXLEY, LPH, LST, MANRIN, MASTER, MATI, MCA, M-CHAI, MCS, MDX, MEB, MEGA, METCO, MGC, MGI, MGT, MICRO, MIDA, MJD, MK, ML, MORE, MOSHI, MTW, MUD, MVP, NAM, NAT, NC, NCH, NCL, NDR, NEU, NETBAY, NEW, NEWS, NFC, NL, NNCL, NOK, NOVA, NPK, NSL, NTSC, NTV, NUASA, NV, NVD, NYT, OHTL, ONEE, ORN, PACE, PACO, PAF, PANEL, PCC, PEACE, PERM, PF, PHG, PICO, PIN, PJW, PLE, PLT, PMTA, POLAR, PORT, POST, PPM, PRAKIT, PRAPAT, PRECHA, PRI, PRIN, PRO, PROUD, PSG, PSP, PTC, PTL, QTCG, RAM, RCL, READY, RICHY, RJH, ROCK, ROCTEC, ROH, ROJNA, RP, RPC, RPH, RSP, S, S11, SABUY, SAF, SAFARI, SAFE, SALEE, SAM, SAMART, SAMCO, SAMTEL, SAUCE, SAV, SAWAD, SBNEXT, SCAP, SCGD, SCI, SCL, SCP, SDC, SE, SEAFCO, SECURE, SFT, SGF, SHANG, SHR, SIAM, SICT, SIMAT, SINGER, SINO, SISB, SJWD, SK, SKN, SKY, SLM, SLP, SMART, SMD, SMT, SNNP, SO, SOLAR, SONIC, SPA, SPCG, SPG, SPVI, SQ, SR, SRS, SSC, STANLY, STARK, STC, STEC, STECH, STHAI, STI, STP, STPI, SUC, SUN, SUPER, SUTHA, SVR, SVT, SWC, SYNEX, TACC, TAN, TAPAC, TC, TCC, TCJ, TCOAT, TEAM, TEAMG, TEKA, TERA, TFM, TGPRO, TH, THAI, THANA, THE, THG, THMUI, TIGER, TITLE, TK, TKC, TLI, TM, TMC, TMI, TMW, TNDT, TNH, TNPC, TOA, TPBI, TPCH, TPIPL, TPIPP, TPL, TPOLY, TPP, TPS, TQR, TR, TRC, TRITN, TRP, TRUBB, TRV, TSE, TTI, TTT, TTW, TURTLE, TVH, TVT, TWP, TVZ, TYCN, UAC, UBA, UMI, UMS, UNIQ, UP, UPF, UPOIC, UREKA, UTP, UVAN, VARO, VIBHA, VL, VNG, VPO, VRANDA, WARRIX, WAVE, WELL, WFX, WGE, WIN, WINDOW, WINMED, WINNER, WORK, WORLD, WP, YGG, YONG, ZAA

**Explanations**

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of November 1, 2023) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.