

Bangkok Expressway & Metro Pcl (BEM TB) - BUY**Analyst Meeting**

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Positive messages from the analyst meeting

- **Ridership is now recovering back to the pre-COVID level.**
- **Traffic volume is also at 87% of the pre-COVID level.**
- **We expect BEM's earnings to reach a record high in 2023F.**
- **There is also an upside from the Orange Line project.**

The following are the key takeaways from BEM's analyst meeting.

- BEM has seen a continued strong recovery of ridership and traffic volume into 2023F. Its ridership continued to recover from 313 thousand trips/day in 3Q22 to 350-390 thousand trips/day in 4Q22. BEM expects its ridership of over 400 thousand trips/day in 2023F (vs. its average ridership of 337 thousand trips/day in 2019 and our forecast of 391 thousand trips/day).
- Its traffic volume reached 1.07m cars/day in 3Q22 and BEM expects a slim growth in 4Q22 due to many long holidays. BEM expects its traffic volume of around 1.1m cars/day in 2023F (vs. its average traffic volume of 1.24m cars/day in 2019 and our forecast of 1.13m cars/day).
- As the lowest bidder for the Bt139bn West Orange Line project, BEM already reached a final agreement with the Mass Rapid Transit Authority of Thailand (MRTA). BEM is now planning to organize a shareholders' meeting on 28 November 2022 to obtain approval for the investment while MRTA will ask approval from the Transport Ministry and the cabinet. BEM's management refused to comment on the unfair bid issues raised by BTS (BTS TB, Bt8.35, BUY), but it said that every bidding process was done under the public-private partnership law.
- Another potential project for BEM is the double-deck expressway project which will unlock BEM's expressway capacity constraint. The project is now under the EIA study and BEM expects the Expressway Authority of Thailand (EXAT) to finish the study and start negotiating with BEM next year.
- We reaffirm our BUY call on BEM given share price catalysts from 1) a continued strong recovery of its traffic volume and ridership, 2) record-high earnings in 2023F, and 3) potential upside from the Orange Line project.

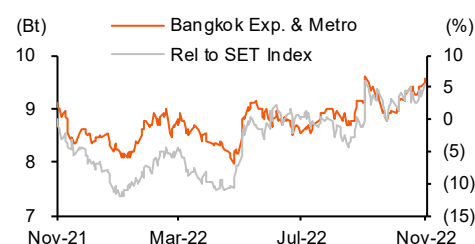
Key Valuations

Y/E Dec (Bt m)	2021	2022F	2023F	2024F
Revenue	10,727	13,797	16,416	17,367
Net profit	1,010	2,326	3,264	3,692
Norm net profit	1,010	2,326	3,264	3,692
Norm EPS (Bt)	0.1	0.2	0.2	0.2
Norm EPS gr (%)	(50.7)	130.2	40.3	13.1
Norm PE (x)	144.5	62.8	44.7	39.5
EV/EBITDA (x)	58.1	36.3	28.5	26.2
P/BV (x)	3.9	3.7	3.5	3.3
Div. yield (%)	0.8	0.4	0.6	0.6
ROE (%)	2.7	6.1	8.1	8.6
Net D/E (%)	184.1	174.3	151.0	143.5

Source: Thanachart estimates

Stock Data

Closing price (Bt)	9.55
Target price (Bt)	11.00
Market cap (US\$ m)	4,105
Avg daily turnover (US\$ m)	11.3
12M H/L price (Bt)	9.60/7.95

Price Performance

Source: Bloomberg

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