BUY (Unchanged)

Change in Numbers

TP: Bt 8.20 (From: Bt 8.00)

Upside : 24.2%

Bangkok Expressway & Metro (BEM TB)

Catalysts in the pipeline

We maintain our BUY call on BEM, expecting catalysts in the pipeline over the next two years. These include an increase in the debt covenant ratio to alleviate cash-call concerns, a Bt10/trip toll rate hike in 2028F, and new projects: a double-deck tollway and the South Purple Line.

SAKSID PHADTHANANARAK
662-779-9119
saksid.pha@ttbwealth.co.th

Catalysts lining up; maintaining BUY

We maintain our BUY call on BEM, supported by several catalysts over the next two years. ***First,*** we expect BEM to secure bondholder approval this month to raise its debt covenant ratio from 2.5x to 3.0x, easing concerns over potential cash calls. ***Second,*** we expect BEM to be awarded two projects in 2027F, the double-deck expressway and the O&M contract for the South Purple Line. ***Third,*** the double-deck expressway award is likely to come with a 22-year extension of BEM's existing expressway concession. ***Fourth,*** a Bt10/trip toll hike in September 2028F should drive BEM's earnings to a record high in 2029F. The toll increase should also partly offset losses from the East Orange Line, which is scheduled to start operations in 2028. We now factor in a Bt582m gross loss from the East Orange Line in its first year of operation in 2028F. Previously, we only reflected the project in our SOTP valuation. With the rollover of the base year in our model to 2027F, our SOTP-derived DCF-based 12-month TP increases to Bt8.2 from Bt8.0.

Relieved concerns over capital increase risk

Due to BEM's project pipeline, including the double-deck expressway, two Orange Line sections, and the South Purple Line, we estimate Bt53bn in capex over 2026-30F. We expect BEM's net D/E ratio, excluding debt guaranteed by the government, to rise from 2.2x in 2025 to 2.6x in 2027F and peak at 2.9x in 2030F. BEM plans to hold a bondholder meeting on 15 September 2026 to seek approval to raise its debt covenant ratio from 2.5x to 3.0x, and we expect bondholders to approve the request.

A new earnings base in 2029F

We estimate BEM's earnings to grow organically by 2/5% in 2026–27F, driven by 1-2% p.a. growth in toll traffic volume and mass-transit ridership, and lower interest expenses. We expect a 9% earnings decline in 2028F due to the loss from the East Orange Line in its first year of operation, partly offset by the Bt10/trip toll rate hike in September 2028F. With the full-year effect of the toll hike, we estimate earnings to grow 23% in 2029F, reaching a record high.

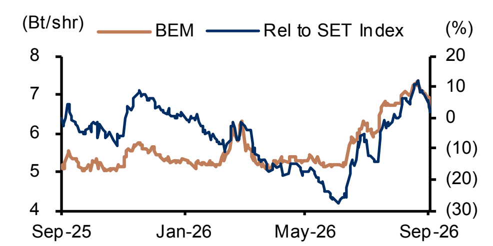
Government's Bt45 fare cap plan

The Transport Minister targets implementing a Bt45 fare cap across all mass-transit lines from 1 January 2027. The government needs to negotiate with operators, including BEM, about the fare subsidy structure. BEM's Blue Line fares vary by distance, at Bt17-44/trip. Under the proposed scheme, BEM plans to request 1) a 100% subsidy for the fare difference for its existing ridership, and 2) a subsidy for additional operating expenses arising from higher ridership under the plan. We do not expect the plan to have a significant impact on BEM's earnings.

COMPANY VALUATION

Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Sales	16,916	16,841	17,235	19,391
Net profit	3,781	3,858	4,044	3,670
Consensus NP	—	3,935	4,085	4,442
Diff frm cons (%)	—	*(2.0)*	*(1.0)*	*(17.4)*
Norm profit	3,781	3,858	4,044	3,670
Prev. Norm profit	—	3,905	4,145	4,370
Chg frm prev (%)	—	*(1.2)*	*(2.4)*	*(16.0)*
Norm EPS (Bt)	0.25	0.25	0.26	0.24
Norm EPS grw (%)	0.4	2.0	4.8	(9.2)
Norm PE (x)	26.7	26.2	24.9	27.5
EV/EBITDA (x)	24.8	24.7	24.6	25.3
P/BV (x)	2.7	2.6	2.5	2.4
Div yield (%)	2.3	2.3	2.4	2.2
ROE (%)	10.3	10.2	10.3	9.0
Net D/E (%)	297.2	299.5	305.6	315.5

PRICE PERFORMANCE



COMPANY INFORMATION

Price *as of* 3-Sep-26 (Bt)	6.60
Market Cap (US$ m)	3,057.5
Listed Shares (m shares)	15,285.0
Free Float (%)	41.1
Avg. Daily Turnover (US$ m)	7.0
12M Price H/L (Bt)	7.35/5.00
Sector	Transportation
Major Shareholder	CK Pcl 42.26%

Sources: Bloomberg, Company data, ttb wealth estimates

ESG Summary Report ………………………………. P9

Raising our TP to Bt8.2/share

We cut our earnings in 2028F to reflect…

Even though we lower our earnings forecasts marginally for Bangkok Expressway & Metro Pcl (BEM TB) in 2026-27F, we lower them by 16% in 2028F as:

…a loss from the East Orange Line in its first year of operation

First, we factor in a Bt582m gross loss from the East Orange Line in its first year of operation in 2028F, assuming 100,000 riders per day and an average fare of Bt25 per trip. Previously, we only reflected the project in our SOTP valuation.

Secondly, lower-than-expected Blue Line ridership growth of 2% in 7M26 causes us to cut our ridership growth assumption by 2-3ppt to 2/3% y-y in 2026-27F. Note that we estimate Blue Line ridership growth of 10% y-y in 2028F driven by passenger transfers from the operation of the East Orange Line.

Thirdly, lower-than-expected interest expenses in 6M26 lead us to cut our interest expense assumptions by 9% in 2026–27F. However, we raise our 2028F estimate by 10% to reflect the recognition of interest expenses once the East Orange Line begins operations.

With our base year rollover to 2027F, our TP increases to Bt8.2

With the rollover of the valuation base year in our model to 2027F, our SOTP-derived DCF-based 12-month TP rises to Bt8.2/share from Bt8.0.

Ex 1: Key Assumption Changes

	2023	2024	2025	2026F	2027F	2028F
Ridership growth (%)						
New	44.2	9.4	0.0	2.0	3.0	10.0
Old				5.0	5.0	8.0
Change (ppt)				*(3.0)*	*(2.0)*	*2.0*
Interest expenses (Bt m)						
New	2,371	2,427	2,277	2,151	2,081	2,470
Old				2,351	2,284	2,243
Change (%)				*(8.5)*	*(8.9)*	*10.1*
Revenue (Bt m)						
New	16,375	17,004	16,916	16,841	17,235	19,391
Old				17,437	17,996	18,644
Change (%)				*(3.4)*	*(4.2)*	*4.0*
Gross margin (%)						
New	43.1	44.1	44.1	44.5	44.6	40.3
Old				44.9	45.0	44.9
Change (ppt)				*(0.4)*	*(0.4)*	*(4.6)*
Normalized profit (Bt m)						
New	3,479	3,768	3,781	3,858	4,044	3,670
Old				3,905	4,145	4,370
Change (%)				*(1.2)*	*(2.4)*	*(16.0)*

Sources: Company data, ttb wealth estimates

Ex 2: BEM's SOTP Value

BBG code	% stake	Fair value (Bt m)	15% discount (Bt m)	Share price (Bt/share)	Market value (Bt m)
TTW TB	18.5%	6,633	5,638	10.3	7,591
CKP TB	16.8%	3,145	2,673	2.4	3,254
Total		**9,778**	**8,311**		**10,845**
Per BEM share (Bt)			**0.5**		**0.7**
Core business value (Bt)			**7.7**		
Our TP (Bt)			**8.2**		

Sources: Company data, ttb wealth estimates

Maintaining our BUY call

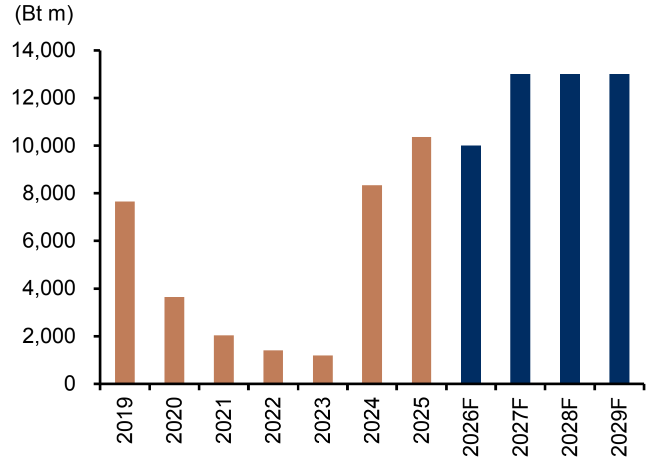
We expect share price catalysts for BEM from…

We maintain our BUY call on BEM as we expect share price catalysts over the next two years from:

…easing capital call risks…

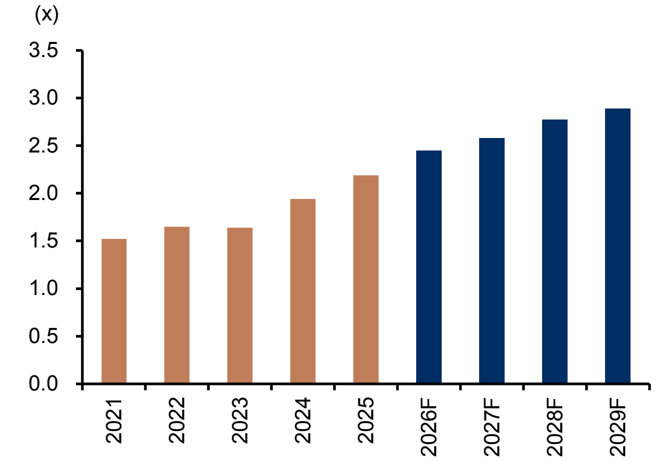
1) Easing concerns over the risk of capital calls. We estimate BEM will invest Bt53bn during 2026-30F for the double-deck expressway, Orange Line, and South Purple Line, raising its net D/E ratio, excluding government-guaranteed debt, from 2.2x in 2025 to 2.6x in 2027F and peaking at 2.9x in 2030F. BEM's debt covenant is currently 2.5x, but it plans to hold a bondholder meeting on 15 September 2026 to seek an increase to 3.0x. We expect the amendment to be approved without issues.

Ex 3: BEM's Capex



Sources: Company data, ttb wealth estimates

Ex 4: BEM's Net D/E Ratio Excl. Govt-guaranteed Debt



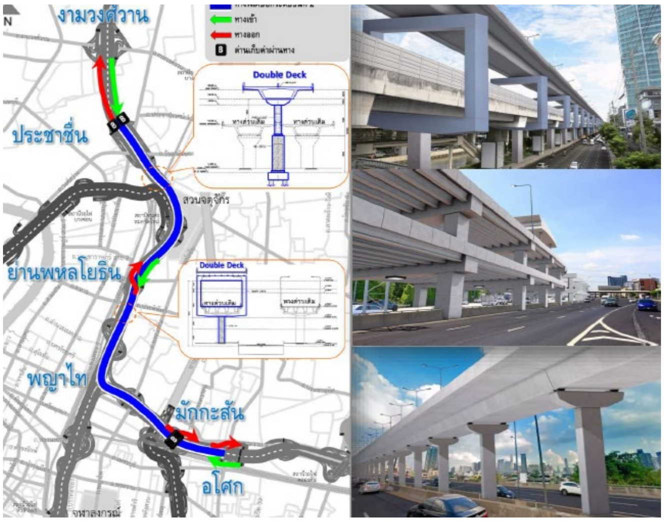
Sources: Company data, ttb wealth estimates

…the award of the double-deck expressway and South Purple Line, and…

2) The award of the double-deck expressway and South Purple Line projects. While the double-deck expressway project is already perceived by the market as a high-potential project for BEM, negotiations have been delayed for years due to changes in government and contract conditions. However, BEM's management expects to sign the contract by late this year or early next year. BEM plans to invest Bt35bn in the project in exchange for a 22-year extension of its expressway concession.

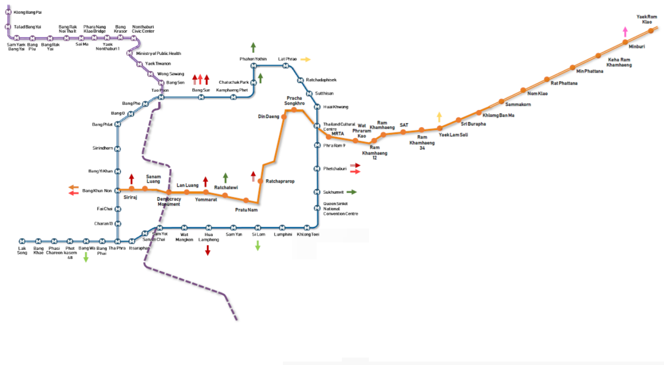
We also expect the South Purple Line project to be awarded to BEM next year, as construction is scheduled for completion in 2030 and the operator will need around three years for system installation and train procurement. As BEM already operates the North Purple Line, the government plans to negotiate directly with BEM to operate the project, ensuring a smooth transition and operation.

Ex 5: Double-deck Expressway



Source: Company data

Ex 6: BEM's Mass-transit Lines

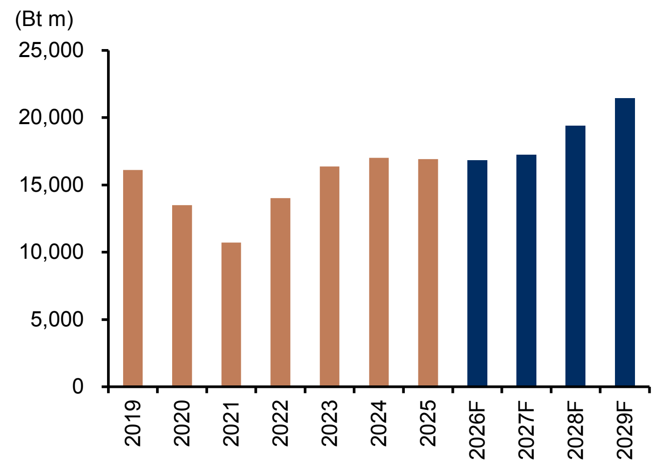


Source: Company data

...a Bt10/trip toll hike to drive its earnings to a record high in 2029F

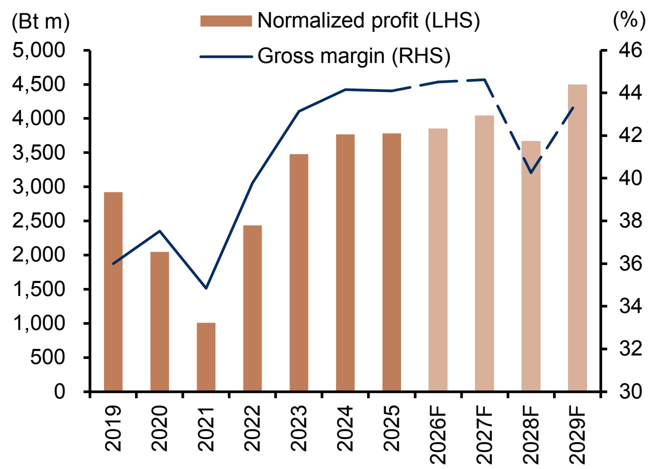
3) A Bt10/trip toll hike in September 2028F to drive its earnings to a record high in 2029F. We estimate BEM's organic earnings growth at 2-5% y-y in 2026-27F, driven by 1% p.a. traffic growth, 2-3% p.a. Blue Line ridership growth, and lower interest expenses. Despite a loss from the East Orange Line in 2028F, we expect earnings to decline by only 9% y-y, cushioned by the Bt10/trip toll increase in September 2028. The full-year effect of the toll hike will likely also drive its earnings to a record high, with 23% y-y growth in 2029F. We estimate Blue Line ridership growth of 10/7% y-y in 2028-29F, driven by passenger transfers from the Orange Line.

Ex 7: BEM's Revenue



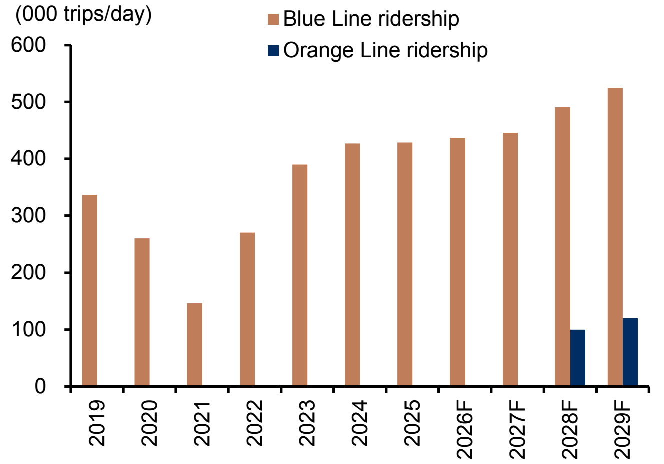
Sources: Company data, ttb wealth estimates

Ex 8: BEM's Gross Margin And Earnings



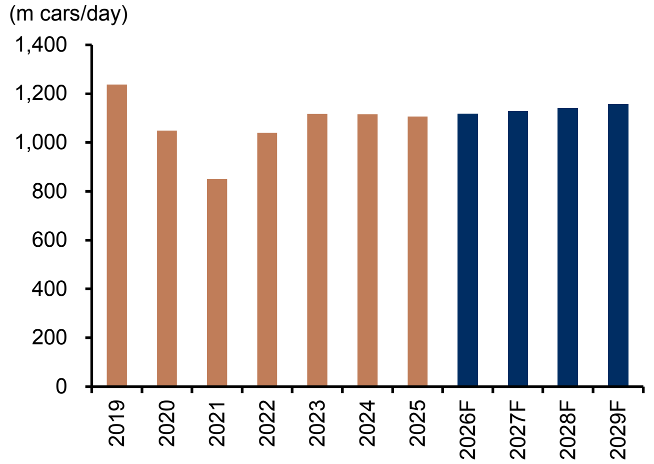
Sources: Company data, ttb wealth estimates

Ex 9: BEM's Blue And Orange Line Ridership



Sources: Company data, ttb wealth estimates

Ex 10: BEM's Traffic Volume



Sources: Company data, ttb wealth estimates

BEM's fundamentals are also strong given its quality infrastructure assets with long concession periods

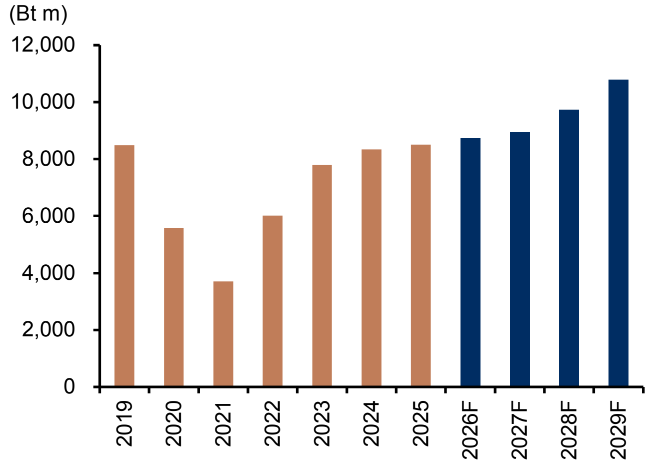
We also view BEM's fundamentals as solid, supported by 1) quality infrastructure assets with long concession periods of nine years for expressways and 24 years for mass-transit projects, generating stable cash flow growth with EBITDA margins above 40%, and 2) its investment portfolio, with a market value of Bt11bn, generating over Bt550m in annual dividend income.

Ex 11: BEM's Concession Periods

	Ending year	Right of renewal
Expressway: SES Sector A B C	October 2035	4 years 4 months
Expressway: SES Sector D	October 2035	10 years 11 months
Expressway: SES Sector C+	October 2035	11 years 6 months
Expressway: SOE	October 2042	—
Mass transit: Blue Line	March 2050	—
Mass transit: Purple Line	August 2043	—

Source: Company data

Ex 12: BEM's EBITDA



Sources: Company data, ttb wealth estimates

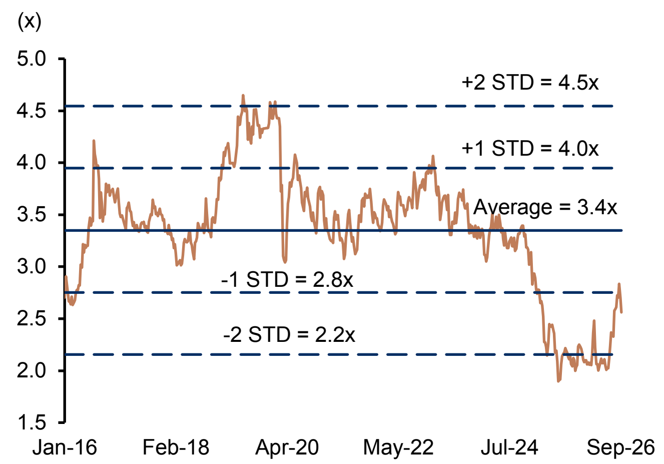
Government's Bt45 fare cap plan

Targeted for launch on 1 January 2027, the Transport Ministry plans to cap fares across all Bangkok mass-transit lines at Bt17-45/trip regardless of the number of line transfers. The initiative would involve setting up a central clearing house, with around Bt4bn in annual government subsidies to cover differences in operators' fare revenue. BEM's Blue Line fares currently range from Bt17-45/trip. In negotiations with the government, BEM plans to seek: 1) a 100% subsidy for any fare shortfall on its existing ridership base; and 2) subsidies for additional operating expenses associated with higher ridership under the scheme. Therefore, we don't expect a significant impact on BEM's earnings.

Ex 13: Government's Fare Cap Plan

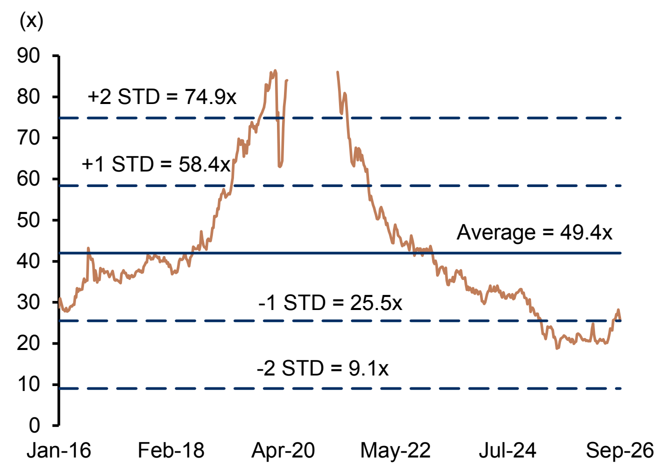
Source: Thai Enquirer

Ex 14: BEM's P/BV Standard Deviation



Sources: Bloomberg, ttb wealth estimates

Ex 15: BEM's PE Standard Deviation



Sources: Bloomberg, ttb wealth estimates

Valuation Comparison

Ex 16: Valuation Comparison With Regional Peers

Name	BBG Code	Country	EPS growth 26F (%)	EPS growth 27F (%)	PE 26F (x)	PE 27F (x)	P/BV 26F (x)	P/BV 27F (x)	EV/EBITDA 26F (x)	EV/EBITDA 27F (x)	Div Yield 26F (%)	Div Yield 27F (%)
Guangshen Railway	601333 CH	China	0.0	11.7	15.7	14.1	na	na	5.2	5.0	2.9	3.2
Central Japan Railway	9022 JP	Japan	(10.0)	(2.2)	7.7	7.5	0.7	0.6	8.0	7.8	0.8	0.9
Keisei Electric Railway	9009 JP	Japan	(7.4)	6.1	14.6	13.8	1.1	1.1	16.1	15.3	1.8	2.0
MTR Corp Ltd	66 HK	Hong Kong	26.7	(41.6)	10.7	18.4	1.0	1.0	11.0	13.3	4.1	4.1
Jungfraubahn Holding	JFN SW	Switzerland	(3.0)	5.8	19.3	18.3	1.8	1.7	10.6	10.2	3.4	3.5
Jiangsu Expressway	177 HK	China	4.5	2.5	8.9	8.7	1.0	0.9	12.8	12.2	5.8	5.8
Shenzhen Expressway	548 HK	China	41.0	(2.5)	9.4	9.7	0.6	0.6	10.2	10.3	5.9	5.6
Zhejiang Expressway	576 HK	China	2.7	5.1	5.8	5.5	0.6	0.6	7.9	7.7	7.3	7.3
Anhui Expressway	995 HK	China	8.9	(2.8)	11.2	11.5	1.7	1.5	9.3	9.4	5.5	5.2
Jasa Marga Persero	JSMR IJ	Indonesia	0.4	6.8	5.9	5.5	0.5	0.5	8.8	8.2	4.8	4.9
Bangkok Express & Metro	BEM TB*	Thailand	2.0	4.8	26.2	24.9	2.6	2.5	24.7	24.6	2.3	2.4
BTS Group Holdings	BTS TB**	Thailand	na	na	na	na	0.6	0.6	30.1	25.1	0.0	0.0
Average			**6.0**	**(0.6)**	**12.3**	**12.5**	**1.1**	**1.1**	**12.9**	**12.4**	**3.7**	**3.7**

Source: Bloomberg

Note: * ttb wealth estimates, using ttb wealth normalized EPS

** BTS's financial year ends in March.

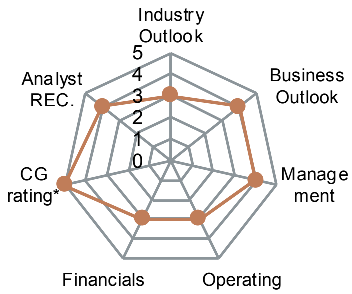
Based on 3 September 2026 closing prices

COMPANY DESCRIPTION

Bangkok Expressway and Metro Pcl is the amalgamated company between Bangkok Expressway (BECL) and Bangkok Metro (BMCL). It operates expressway and mass-transit projects in Thailand under build-transfer-operate concession contracts from the Expressway Authority of Thailand and the State Railway of Thailand.

Source: ttb wealth

COMPANY RATING



Rating Scale	
Excellent	5
Good	4
Fair	3
Weak	2
Very Weak	1
None	0

Source: ttb wealth; *CG Rating

TTB WEALTH'S SWOT ANALYSIS

S — Strength

- BEM's expressways and subway go through the center of Bangkok, with secure traffic volume and ridership growth.

W — Weakness

- BEM's expressways and subway go through the center of Bangkok, with secure traffic volume and ridership growth.

O — Opportunity

- The extensions of BEM's networks would help to feed passengers and cars into its systems.
- The government's infrastructure investments will likely create opportunities for BEM to grow.
- There are only two private companies operating mass-transit projects in Thailand at present.

T — Threat

- The government has intervened in the past in BEM's toll and fare rate revisions even though there's a concession contract.
- Delays to the government's infrastructure investments.

CONSENSUS COMPARISON

	Consensus	ttb wealth	Diff
Target price (Bt)	8.75	8.20	-6%
Norm profit 26F (Bt m)	3,935	3,858	-2%
Norm profit 27F (Bt m)	4,085	4,044	-1%
Consensus REC	**BUY: 19**	**HOLD: 0**	**SELL: 0**

HOW ARE WE DIFFERENT FROM THE STREET?

- Our 2026-27F earnings are largely in line with the Bloomberg consensus estimates.
- But our TP is 6% lower than the Street, which we attribute to us having a more conservative East Orange Line ridership assumption when it starts operation in 2028F.

Sources: Bloomberg consensus, ttb wealth estimates

RISKS TO OUR INVESTMENT CASE

- A weaker-than-expected economy and tourist arrivals could put BEM's traffic volume and ridership under more pressure, and represents the key downside risk to our earnings forecasts.
- Government intervention in its toll and fare rate hikes could pose another downside risk to our earnings estimates.
- Higher-than-expected electricity costs present another risk to our earnings forecasts.

Source: ttb wealth

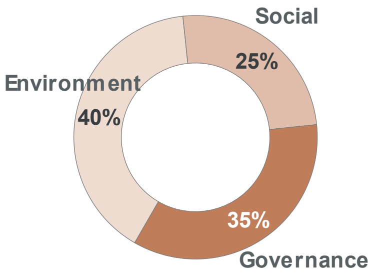
BEM

Bangkok Expressway and Metro Pcl.

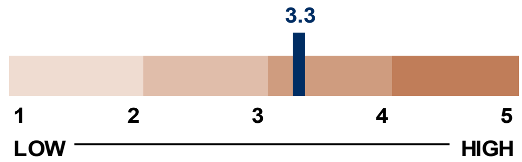
Sector: Services | Transportation & Logistics

ESG & Sustainability Report

ESG Weighting



ESG Rating



	SET ESG Index	SET ESG (BBB-AAA)	DJSI Index	ttb wealth ESG Rating (1.0-5.0)	MSCI (CCC-AAA)	ESG Book (0-100)	CG Rating (0-5)
BEM	YES	AAA	-	3.26	0	63.55	5.0

Sources: SETTRADE, SET ESG Index, SET ESG Rating, The Dow Jones Industrial Average (DJSI)
MSCI ESG Research LLC, ESG Book, Thai IOD (CG rating)
Note: Please see third party on "terms of use" toward the back of this report.

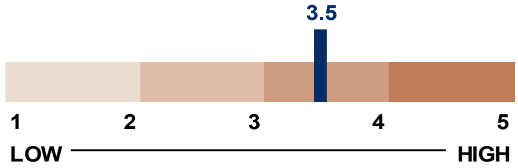
ESG Summary

- BEM is a concessionaire running the Sirat and Udon Ratthaya expressways and the Blue and Purple Line mass-transit networks. We assign BEM a decent ESG score of 3.3, with Environmental (E) and Social (S) receiving the highest score, followed by Governance (G).
- Its E score is good at 3.5 due to its strong environmental management, regulatory compliance, and progress in reducing GHG emissions and energy consumption through efficiency initiatives and EV adoption. Further improvement is expected from its ongoing solar power installations.
- BEM's S score is also good at 3.5, supported by its strong passenger safety and service quality, low customer complaint rates, and effective employee health and safety management. Its commitment to data security, employee well-being, stakeholder engagement, and community development also strengthens its overall social performance.
- We assign a moderate G score of 2.8 to BEM. While its business model is solid, given its good infrastructure assets and long concession period, regulatory risk is in its business nature. BEM also has weak board structure. While its current investment cycle is expected to generate stronger cash flow and support long-term growth, it has recently increased BEM's net D/E ratio, raising concerns over its financial flexibility and prompting the company to seek an increase in its debt covenant ratio.

Sector: Services | Transportation & Logistics

We assign BEM a good E score of 3.5, supported by its strong environmental management, regulatory compliance, and progress in reducing energy consumption. We see room for further improvement following the completion of its solar power installations.

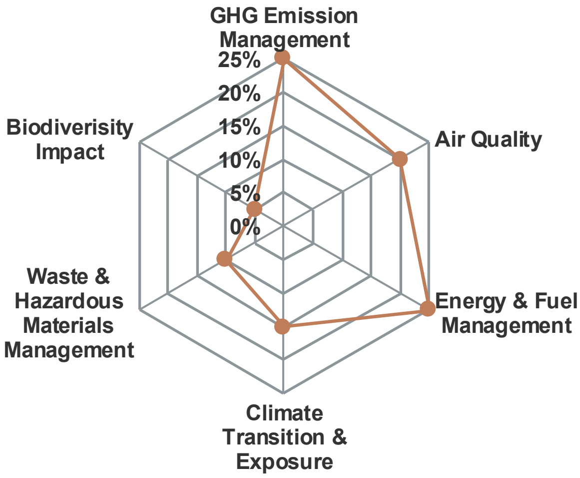
Environment (E) Rating



ENVIRONMENT	Our Comments

- **Air Quality**
- **Biodiversity Impact**
- **Climate Transition & Exposure**
- **Energy & Fuel Management**
- **GHG Emission Management**
- **Waste & Hazardous Materials Management**

SCALE WEIGHTING



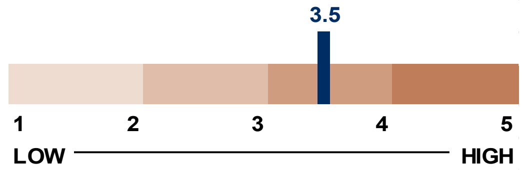
- We rate BEM's Environmental (E) score at a good level of 3.5, reflecting its strong commitment to environmental stewardship and compliance with relevant laws and regulatory requirements.
- While BEM's expressway operations have relatively limited direct GHG emissions, its mass-transit business is energy-intensive, which indirectly contributes to GHG emissions. Thus, BEM has established a GHG emissions reduction process aligned with international standards and initiatives, including ISO 50001 and the Science Based Targets initiative (SBTi), as well as SET ESG Rating criteria. The Corporate Governance, Risk Management and Sustainable Development Committee oversees its GHG reduction plan, with a target to achieve net-zero emissions by 2050.
- In 2025, BEM's total GHG emissions amounted to 135,790.09 tCO2e, down 6% y-y. Scope 1 GHG emissions were reduced by 64% y-y due to its initiatives to cut fuel consumption by gradually replacing internal combustion engine vehicles with electric vehicles. Scope 2 GHG emissions fell by 1% y-y and Scope 3 by 6% y-y. Despite a y-y decline in GHG emissions, they fell short of the targets as plans to install solar power generation systems remain underway and have not yet been completed.
- BEM's energy consumption primarily comprises electricity and fuel, with electricity being the main source. The company focuses on reducing electricity usage by adopting energy-efficient equipment across its rail systems, expressways, office buildings, and other operations, as well as installing solar power systems. BEM is also transitioning its operational fleet, including pool and executive vehicles, from internal combustion engines to electric vehicles to reduce fuel consumption, air pollution, and energy costs while improving overall energy efficiency. In 2025, BEM's total energy consumption was 232,542 MWh, down 3% y-y.
- BEM prioritizes pollution management in accordance with ISO 14001 standards and Environmental Impact Assessment (EIA) reports. It manages air quality and noise pollution impacts from its operations by designing and upgrading system infrastructures and installing appropriate equipment and advanced pollution-control technologies. Regular air quality and noise monitoring is conducted within operational areas to ensure strict compliance with relevant standards and requirements.

Sources: ttb wealth, Company data

Sector: Services | Transportation & Logistics

We assign BEM a good S score of 3.5, reflecting its achievement of key service quality and safety targets, improvements in data security, and initiatives to enhance employee well-being and support local communities.

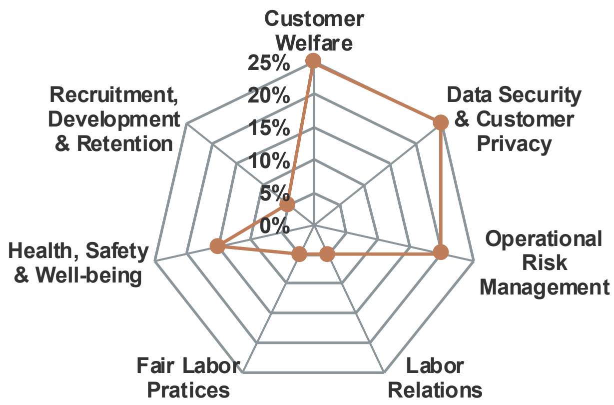
Social (S) Rating



SOCIAL

- **Customer Welfare**
- **Data Security & Customer Privacy**
- **Fair Labor Practices**
- **Health, Safety & Well-being**
- **Labor Relations**
- **Operational Risk Management**
- **Recruitment, Development & Retention**

SCALE WEIGHTING



Our Comments

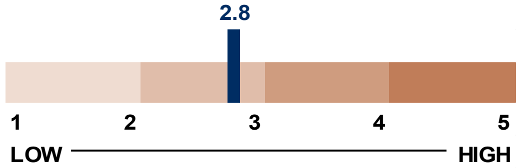
- We also assign a good social (S) score of 3.5 to BEM, supported by its strict compliance with related laws and a strong performance across employee welfare, passenger safety, customer satisfaction, and community engagement.
- BEM is committed to establishing and maintaining good relationships with stakeholders throughout its business value chain. It strives to conduct its business with accountability, fairness, and social and environmental responsibility, in line with the principles set out in its Code of Conduct.
- It has set a customer satisfaction target of no less than 98%. It aims to keep customer complaints from its expressway business below 0.15 cases per 100,000 trips and complaints from its rail business below 0.15 cases per 100,000 passengers. In 2025, BEM's customer satisfaction survey recorded a satisfaction level of 97% while its complaint rates were at 0.01 cases per 100,000 trips for the expressway business and 0.03 cases per 100,000 passengers for the rail business.
- In term of service quality, BEM has set a target for rescue incident response within 12 minutes for at least 96% of all expressway operations and a train availability target of no less than 99.7% for the rail business. BEM achieved both targets in 2025.
- BEM has continued to strengthen its IT systems to enhance information security and ensure that its practices are consistent with the ISO/IEC 27001 international standard. It has also implemented measures to protect stakeholders' personal data in accordance with the Personal Data Protection Act B.E. 2562 (2019). In 2025, BEM detected one cyberattack, which was successfully contained without affecting its services or compromising any personal data.
- BEM operates an ISO 45001-certified occupational health and safety management system, provides relevant training, and encourages employee participation. In 2025, it recorded no fatalities among customers, employees, or contractors, in line with its targets. However, LTIFR stood at 0.5 cases per 1 million hours worked for employees and 0.4 for contractors, above the zero-case target.
- Under its corporate social responsibility strategy, BEM and its subsidiaries have continued many social initiatives, such as BEM Takes Students to Conquer TCAS project, the BEM NEW HORIZONS project, the BEM Happy Journey 2025 project, and the Metro Mall Go Green project, etc.

Sources: ttb wealth, Company data

Sector: Services | Transportation & Logistics

We assign BEM a moderate G score of 2.8. Despite its strong business model, it is the nature of concession businesses to have high regulatory risk. Operating and investing in expressways and mass transits are also capital-intensive businesses and BEM is considered a highly leveraged company. Board structure is also not strong.

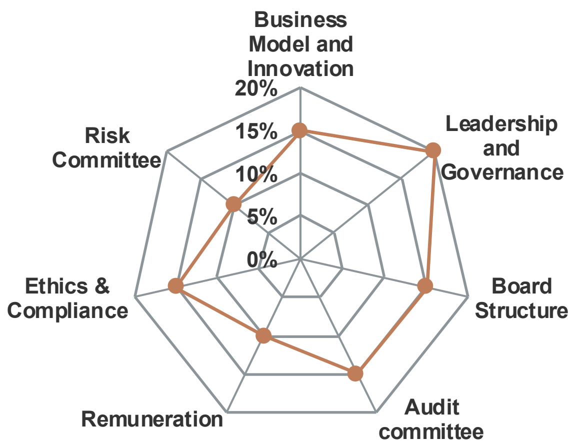
Governance (G) Rating



GOVERNANCE & SUSTAINABILITY

- **Audit committee**
- **Board Structure**
- **Business Model and Innovation**
- **Ethics & Compliance**
- **Leadership and Governance**
- **Remuneration**
- **Risk Committee**

SCALE WEIGHTING



Our Comments

- We assign BEM a moderate G score of 2.8. While its business model is strong in our view, regulatory risk is high while the board structure is not ideal.
- BEM demonstrates strong business sustainability, mainly supported by its high-quality infrastructure assets and long concession periods, which provide stable and growing cash flow and high EBITDA margins. Its expressway and mass-transit businesses also benefit from recurring demand and high barriers to entry. In addition, BEM has potential value-accretive projects and concession extensions that could support long-term growth.
- However, its regulatory risk is relatively high in our view because its expressway and mass-transit businesses operate under long-term government concessions and are therefore subject to government policies and regulatory decisions. Key risks include changes in fare structures, concession terms, and government requirements, which could affect BEM's revenue, profitability, and the value of future projects or concession extensions.
- Moreover, there are recent concerns over BEM's financial constraints due to its investment cycle, which has led to a rise in its net D/E ratio and prompted the company to seek an increase in its debt covenant ratio.
- BEM's board chair is not independent. Out of the 17 members on the board of directors, six are independent, which falls short of the ideal two-thirds ratio recommended for effective governance in protecting minority shareholder interests. Gender diversity is also limited, with five female directors.
- On the positive side, BEM has independent chairs for its audit committee, nomination and remuneration committee, and corporate governance, risk management, and sustainable development committees.

Sources: ttb wealth, Company data

Despite a 2028F earnings dip from East Orange Line losses, we project record-high earnings in 2029F

Despite high gearing, we don't expect BEM to require any capital calls

INCOME STATEMENT

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Sales	17,004	16,916	16,841	17,235	19,391
Cost of sales	9,497	9,458	9,344	9,545	11,585
Gross profit	**7,507**	**7,458**	**7,497**	**7,691**	**7,806**
% gross margin	44.1%	44.1%	44.5%	44.6%	40.3%
Selling & administration expenses	1,261	1,267	1,213	1,241	1,454
Operating profit	**6,246**	**6,191**	**6,285**	**6,450**	**6,352**
% operating margin	36.7%	36.6%	37.3%	37.4%	32.8%
Depreciation & amortization	2,099	2,319	2,465	2,637	2,832
EBITDA	**8,345**	**8,510**	**8,749**	**9,087**	**9,184**
% EBITDA margin	49.1%	50.3%	52.0%	52.7%	47.4%
Non-operating income	762	675	689	687	707
Non-operating expenses	0	0	0	0	0
Interest expense	(2,427)	(2,277)	(2,151)	(2,081)	(2,470)
Pre-tax profit	**4,581**	**4,589**	**4,822**	**5,055**	**4,588**
Income tax	813	808	964	1,011	918
After-tax profit	**3,768**	**3,781**	**3,858**	**4,044**	**3,670**
% net margin	22.2%	22.4%	22.9%	23.5%	18.9%
Shares in affiliates' Earnings	0	0	0	0	0
Minority interests	(0)	(0)	(0)	(0)	(0)
Extraordinary items	0	0	0	0	0
NET PROFIT	**3,768**	**3,781**	**3,858**	**4,044**	**3,670**
Normalized profit	**3,768**	**3,781**	**3,858**	**4,044**	**3,670**
EPS (Bt)	0.25	0.25	0.25	0.26	0.24
Normalized EPS (Bt)	0.25	0.25	0.25	0.26	0.24

BALANCE SHEET

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
ASSETS:					
Current assets:	5,187	24,656	24,139	24,658	27,503
Cash & cash equivalent	2,136	2,333	1,914	1,914	1,914
Account receivables	908	844	840	860	967
Inventories	0	0	0	0	0
Others	2,143	21,479	21,384	21,884	24,622
Investments & loans	11,601	10,503	10,503	10,503	10,503
Net fixed assets	82,560	90,609	98,144	108,507	118,675
Other assets	33,425	34,742	34,692	33,242	31,792
Total assets	**132,773**	**160,510**	**167,478**	**176,910**	**188,473**
LIABILITIES:					
Current liabilities:	19,119	42,334	43,568	46,108	49,960
Account payables	3,420	4,919	4,860	4,964	6,026
Bank overdraft & ST loans	2,600	3,500	3,659	3,891	4,149
Current LT debt	12,184	33,005	34,120	36,287	38,689
Others current liabilities	915	909	929	966	1,096
Total LT debt	**72,294**	**75,791**	**79,613**	**84,670**	**90,275**
Others LT liabilities	4,800	5,383	5,740	5,902	6,652
Total liabilities	**96,212**	**123,507**	**128,920**	**136,679**	**146,886**
Minority interest	2	2	2	2	2
Preferreds shares	0	0	0	0	0
Paid-up capital	15,285	15,285	15,285	15,285	15,285
Share premium	5,817	5,817	5,817	5,817	5,817
Warrants	0	0	0	0	0
Surplus	(5,981)	(6,964)	(6,964)	(6,964)	(6,964)
Retained earnings	**21,438**	**22,864**	**24,418**	**26,092**	**27,447**
Shareholders' equity	36,559	37,001	38,556	40,229	41,585
Liabilities & equity	**132,773**	**160,510**	**167,478**	**176,910**	**188,473**

Sources: Company data, ttb wealth estimates

We assume capex of Bt53bn in 2026-30F for the double-deck expressway, Orange Line, and South Purple Line

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Earnings before tax	4,581	4,589	4,822	5,055	4,588
Tax paid	(657)	(854)	(942)	(1,019)	(894)
Depreciation & amortization	2,099	2,319	2,465	2,637	2,832
Chg In working capital	1,794	1,564	(56)	85	954
Chg In other CA & CL / minorities	190	(19,295)	(1,667)	(2,536)	(4,651)
Cash flow from operations	**8,007**	**(11,678)**	**4,622**	**4,221**	**2,828**
Capex	(8,336)	(10,368)	(10,000)	(13,000)	(13,000)
Right of use	(30)	6	(50)	(50)	(50)
ST loans & investments	0	0	0	0	0
LT loans & investments	202	1,097	0	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	(13,681)	(740)	2,218	3,743	4,271
Cash flow from investments	**(21,844)**	**(10,004)**	**(7,832)**	**(9,307)**	**(8,779)**
Debt financing	18,775	25,218	5,095	7,457	8,265
Capital increase	0	0	0	0	0
Dividends paid	(2,137)	(2,247)	(2,304)	(2,371)	(2,314)
Warrants & other surplus	(2,735)	(1,091)	0	0	0
Cash flow from financing	**13,903**	**21,880**	**2,791**	**5,086**	**5,950**
Free cash flow	**(13,837)**	**(21,682)**	**(3,210)**	**(5,086)**	**(5,950)**

BEM's share price trades at 1 STD below its historical average

VALUATION

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Normalized PE (x)	26.8	26.7	26.2	24.9	27.5
Normalized PE - at target price (x)	33.3	33.1	32.5	31.0	34.1
PE (x)	26.8	26.7	26.2	24.9	27.5
PE - at target price (x)	33.3	33.1	32.5	31.0	34.1
EV/EBITDA (x)	22.3	24.8	24.7	24.6	25.3
EV/EBITDA - at target price (x)	25.2	27.6	27.5	27.3	27.9
P/BV (x)	2.8	2.7	2.6	2.5	2.4
P/BV - at target price (x)	3.4	3.4	3.3	3.1	3.0
P/CFO (x)	12.6	(8.6)	21.8	23.9	35.7
Price/sales (x)	5.9	6.0	6.0	5.9	5.2
Dividend yield (%)	2.3	2.3	2.3	2.4	2.2
FCF Yield (%)	(13.7)	(21.5)	(3.2)	(5.0)	(5.9)
(Bt)					
Normalized EPS	0.25	0.25	0.25	0.26	0.24
EPS	0.25	0.25	0.25	0.26	0.24
DPS	0.15	0.15	0.15	0.16	0.14
BV/share	2.39	2.42	2.52	2.63	2.72
CFO/share	0.52	(0.76)	0.30	0.28	0.19
FCF/share	(0.91)	(1.42)	(0.21)	(0.33)	(0.39)

Sources: Company data, ttb wealth estimates

FINANCIAL RATIOS

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Growth Rate					
Sales (%)	3.8	(0.5)	(0.4)	2.3	12.5
Net profit (%)	8.3	0.4	2.0	4.8	(9.2)
EPS (%)	8.3	0.4	2.0	4.8	(9.2)
Normalized profit (%)	8.3	0.4	2.0	4.8	(9.2)
Normalized EPS (%)	8.3	0.4	2.0	4.8	(9.2)
Dividend payout ratio (%)	60.9	60.6	60.0	60.0	60.0
Operating performance					
Gross margin (%)	44.1	44.1	44.5	44.6	40.3
Operating margin (%)	36.7	36.6	37.3	37.4	32.8
EBITDA margin (%)	49.1	50.3	52.0	52.7	47.4
Net margin (%)	22.2	22.4	22.9	23.5	18.9
D/E (incl. minor) (x)	2.4	3.0	3.0	3.1	3.2
Net D/E (incl. minor) (x)	2.3	3.0	3.0	3.1	3.2
Interest coverage - EBIT (x)	2.6	2.7	2.9	3.1	2.6
Interest coverage - EBITDA (x)	3.4	3.7	4.1	4.4	3.7
ROA - using norm profit (%)	3.1	2.6	2.4	2.3	2.0
ROE - using norm profit (%)	10.2	10.3	10.2	10.3	9.0
DuPont					
ROE - using after tax profit (%)	10.2	10.3	10.2	10.3	9.0
- asset turnover (x)	0.1	0.1	0.1	0.1	0.1
- operating margin (%)	41.2	40.6	41.4	41.4	36.4
- leverage (x)	3.3	4.0	4.3	4.4	4.5
- interest burden (%)	65.4	66.8	69.1	70.8	65.0
- tax burden (%)	82.2	82.4	80.0	80.0	80.0
WACC (%)	6.5	6.5	6.5	6.5	6.5
ROIC (%)	4.9	4.2	3.4	3.3	3.1
NOPAT (Bt m)	5,137	5,101	5,028	5,160	5,081
invested capital (Bt m)	121,501	146,964	154,032	163,162	172,783

Sources: Company data, ttb wealth estimates

ESG Information - Third Party Terms

www.Settrade.com
SETTRADE: You acknowledge that the use of data, information or service displayed and/or contained in this website may require third party's data, content or software which is subject to the terms of third party provider. By accessing and/or using of such certain data, you acknowledge and agree to comply with and be bound by the applicable third party terms specified below.

ESG Scores by Third Party data from www.SETTRADE.com
1. MSCI (CCC- AAA)
2. ESG Book (0-100)
3. SET ESG Rating (BBB-AAA)

SETESG Index (SETESG)
The SETESG Index reflects the price movement of stock of companies that have sustainable business practices which consider environmental, social and governance (ESG) aspect.

SET Index, SET50 Index, SET100 Index and all indices calculated by the Stock Exchange of Thailand ("SET") (collectively called "SET Index Series") are the registered trademarks/service marks solely owned by, and proprietary to SET. Any unauthorized use of SET Index Series is strictly prohibited. All information provided is for information purposes only and no warranty is made as to its fitness for purpose, satisfactory quality or otherwise. Every effort has been made to ensure that all information given is accurate, but no responsibility or liability (including in negligence) can be accepted by SET for errors or omissions or for any losses arising from the use of this information.

SET ESG Index (SET ESG)
Currently, long-term investment guidelines abroad are beginning to focus on investing in companies that have sustainable business practices. which considers environmental, social and governance factors (Environmental, Social and Governance or ESG) of the company in making investment decisions along with analyzing the company's financial data.

Stock Exchange Has prepared the results of evaluating sustainable stocks which are stocks of listed companies (SETESG Rating) as an alternative for investors who want to invest in stocks of listed companies that are outstanding in ESG, including to support listed companies with operations. sustainable business Taking into account all stakeholders in both social and environmental aspects. There is a management process to create sustainability for the organization, such as risk management. Supply chain management and innovation development. Therefore, the SETESG index was created to be an index that reflects the price movement of a group of securities. of companies with sustainable business operations that meet the required size and liquidity criteria

ESG Book's Disclaimer
Arabesque S-Ray GmbH, also trading as "ESG Book", is a limited liability company (Gesellschaft mit beschränkter Haftung) incorporated in Frankfurt am Main and organised under the laws of Germany with registered number HRB 113087 in the commercial register of the local court with its seat and business address at Zeppelinallee 15, 60325 Frankfurt am Main, Germany (hereinafter "ESG Book"). ESG Book, with its UK branch and local subsidiaries, is a provider of sustainability data and advisory services and operates the sustainability data platform ESG Book. ESG Book does not offer any regulated financial services nor products. This document is provided on a confidential basis by ESG Book and is for information purposes only; accordingly, it is not a solicitation or an offer to buy any security or instrument or to participate in any trading activities nor should it be construed as a recommendation or advice on the merits of investing in any financial product. THIRD PARTY INFORMATION. Certain information contained in this document has been obtained from sources outside ESG Book. While such information is believed to be reliable for the purposes used herein, no representations are made as to the accuracy or completeness thereof and neither ESG Book nor its affiliates take any responsibility for such information. To the extent this document contains any links to third party websites, such links are provided as a convenience and for informational purposes only; they do not constitute an endorsement or an approval by ESG Book of any of the products, services or opinions of the corporations or organization or individual operating such third party websites. ESG Book bears no responsibility for the accuracy, legality or content of the external site or for that of subsequent links. RELIANCE – ESG Book makes no representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein, and accepts no liability for any loss, of whatever kind, howsoever arising, in relation thereto, and nothing contained herein should be relied upon. CONFIDENTIALITY. This document contains highly confidential information regarding ESG Book's strategy and organization. Your acceptance of this document constitutes your agreement to keep confidential all the information contained in this document, as well as any information derived by you from the information contained in this document and not disclose any such information to any other person. This document may not be copied, reproduced, in any way used or disclosed or transmitted, in whole or in part, to any other person.

MSCI ESG Research LLC
"Certain information @2021 MSCI ESG Research LLC. Reproduced by permission"
"Although information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or redisseminated in any form and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages."

Score range	Description
CCC - B	**LAGGARD:** A company lagging its industry based on its high exposure and failure to manage significant ESG risks
BB - BBB - A	**AVERAGE :** A company with a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers
AA - AAA	**LEADER:** A company leading its industry in managing the most significant ESG risks and opportunities

The Dow Jones Sustainability Indices (DJSI)
The Dow Jones Sustainability Indices (DJSI) are a family of best-in-class benchmarks for investors who have recognized that sustainable business practices are critical to generating long-term shareholder value and who wish to reflect their sustainability convictions in their investment portfolios. The family was launched in 1999 as the first global sustainability benchmark and tracks the stock performance of the world's leading companies in terms of economic, environmental and social criteria. Created jointly by S&P Dow Jones Indices and SAM, the DJSI combine the experience of an established index provider with the expertise of a specialist in Sustainable Investing to select the most sustainable companies from across 61 industries. The indices serve as benchmarks for investors who integrate sustainability considerations into their portfolios, and provide an effective engagement platform for investors who wish to encourage companies to improve their corporate sustainability practices.

CG Report : by Thai Institute of Directors Association (Thai IOD), Established in December 1999, the Thai IOD is a membership organization that strives to promote professionalism in directorship. The Thai IOD offers directors certification and professional development courses, provides a variety of seminars, forums and networking events, and conducts research on board governance issues and practices. Membership comprises board members from companies ranging from large publicly listed companies to small private firms.

90-100	△△△△△	Excecllent
80-89	△△△△	Very Good
70-79	△△△	Good
60-69	△△	Satisfactory
50-59	△△	Pass
Below	△	N/A

General Disclaimers And Disclosures:

This report is prepared and issued by ttb wealth securities public company limited (ttb wealth) which is owned 99.97% by TMBThanachart Bank Public Company Limited (TTB) as a resource only for clients of ttb wealth, TMBThanachart Bank Public Company Limited (TTB) and its group companies.

This report is prepared by analysts who are employed by the research department of ttb wealth. While the information is from sources believed to be reliable, neither the information nor the forecasts shall be taken as a representation or warranty for which ttb wealth or TTB or its group companies or any of their employees incur any responsibility. This report is provided to you for informational purposes only and it is not, and is not to be construed as, an offer or an invitation to make an offer to sell or buy any securities. Neither ttb wealth, TTB nor its group companies accept any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

The information and opinions contained herein have been compiled or arrived at from sources believed reliable. However, ttb wealth, TTB and its group companies make no representation or warranty, express or implied, as to their accuracy or completeness. Expressions of opinion herein are subject to change without notice. The use of any information, forecasts and opinions contained in this report shall be at the sole discretion and risk of the user.

ttb wealth, TTB and its group companies perform and seek to perform business with companies covered in this report. ttb wealth, TTB, its group companies, their employees and directors may have positions and financial interest in securities mentioned in this report. ttb wealth, TTB or its group companies may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any entity mentioned in this report. Therefore, investors should be aware of conflict of interest that may affect the objectivity of this report.

Note: ttb wealth securities public company limited (ttb wealth) acts as an underwriter of “Debentures of IRPC Public Co. Ltd. No. 1/2026 (B.E. 2569), therefore investors need to be aware that there could be conflicts of interest in this research.

Note: ttb wealth securities public company limited (ttb wealth) acts as an underwriter of “Debentures of CPF (Thailand) Public Company Limited No. 1/2026 (B.E. 2569), therefore investors need to be aware that there could be conflicts of interest in this research.

Note: ttb wealth securities public company limited (ttb wealth) acts as an underwriter of “Debentures of Sansiri Pcl. No. 3/2026 (B.E. 2569), therefore investors need to be aware that there could be conflicts of interest in this research.

Disclosure of Interest of ttb wealth securities public company limited

Investment Banking Relationship

Within the preceding 12 months, ttb wealth has lead-managed public offerings and/or secondary offerings (excluding straight bonds) of the securities of the following companies: -

Recommendation Structure:

Recommendations are based on absolute upside or downside, which is the difference between the target price and the current market price. If the upside is 10% or more, the recommendation is BUY. If the downside is 10% or more, the recommendation is SELL. For stocks where the upside or downside is less than 10%, the recommendation is HOLD. 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 the market price and the formal recommendation.

For sectors, an "Overweight" sector weighting is used when we have BUYs on majority of the stocks under our coverage by market cap. "Underweight" is used when we have SELLs on majority of the stocks we cover by market cap. "Neutral" is used when there are relatively equal weightings of BUYs and SELLs.

ttb wealth securities public company limited.

Research Team
18 Floor, MBK Tower
444 Phayathai Road, Pathumwan Road, Bangkok 10330
Tel: 662 - 779-9119
Email: research@ttbwealth.co.th

Pimpaka Nichgaroon, CFA
Head of Research, Strategy
pimpaka.nic@ttbwealth.co.th

Nuttapop Prasitsuksant
Food & Beverage, Telecom, Utilities
nuttapop.pra@ttbwealth.co.th

Rawisara Suwanumphai
Bank, Finance
rawisara.suw@ttbwealth.co.th

Yupapan Polpornprasert
Energy, Petrochemical
yupapan.pol@ttbwealth.co.th

Sittichet Rungrassameephat
Analyst, Retail Market Strategy
sittichet.run@ttbwealth.co.th

Adisak Phupiphathirungul, CFA
Retail Market Strategy
adisak.phu@ttbwealth.co.th

Pattadol Bunnak
Electronics, Retail, Shipping
pattadol.bun@ttbwealth.co.th

Saksid Phadthananarak
Construction, Transportation
saksid.pha@ttbwealth.co.th

Chod Reankittiwat, CFA
Assistant Analyst
chod.rea@ttbwealth.co.th

Thaloengsak Kucharoenpaisan
Analyst, Retail Market Strategy
thaloengsak.kuc@ttbwealth.co.th

Pattarawan Wangmingmat
Senior Technical Analyst
pattarawan.wan@ttbwealth.co.th

Rata Limsuthiwanpoom
Auto, Industrial Estate, Media, Property, REITs
rata.lim@ttbwealth.co.th

Siriporn Arunothai
Small Cap, Healthcare, Hotel
siriporn.aru@ttbwealth.co.th

Nariporn Klangpremchitt, CISA
Analyst, Retail Market Strategy
nariporn.kla@ttbwealth.co.th

Witchanan Tambamroong
Technical Analyst
witchanan.tam@ttbwealth.co.th