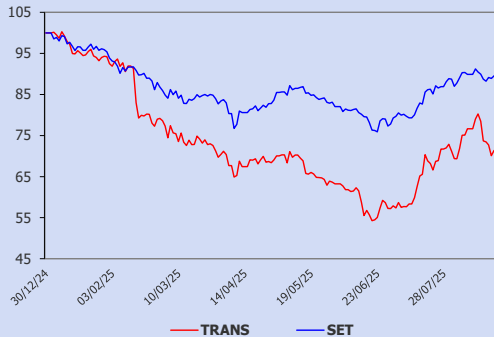





Transportation sector

Rating: Neutral



Rating	CGR	Thai CAC	SET ESG
AOT		N/A	A
BEM		N/A	AAA
BTS		Certified	AA
BTSGIF	N/A	N/A	N/A
TFFIF	N/A	N/A	N/A

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Bt20 flat fare for commuters delayed

- **Event:** There's a likelihood that the 20-baht flat fare planned for the electric railway routes in Bangkok and surrounding provinces will be delayed from the previous plan to roll out the new rate on 1 Oct, since three major laws related to enforcing the new rate have not yet been approved. Meanwhile, Transport Minister Suriya Jungrungruangkit yesterday admitted the probable delay in the passage of the three essential bills would mean the scheduled launch on Oct 1 would need to be postponed. No new date is set, but the ministry expects it to be around the middle of November.
- **Recap.** The 20-baht flat fare is a flagship policy of the ruling Pheu Thai Party. It will be possible only after three bills become law. The three bills include the following:
 - 1) The Rail Transport Bill – this bill will set the direction for rail transport across the country.
 - 2) The Common Ticketing System Management Bill – this bill will allow riders to use one ticket for all mass-transit modes in Greater Bangkok – trains, buses, and ferries.
 - 3) The Mass Rapid Transit Authority of Thailand Bill – this bill will allow the agency to use revenue from concessions and other businesses to subsidize the project.
- To enforce the flat fare of 20 baht per trip, these three bills need to be passed by parliament. The previous timeline of 1 Oct was missed.
- On the first day of registration (25 Aug) for commuters on the state-owned *Tang Rat* app to be able to get access to the 20-baht fare, there were about 200,583 applicants, while the registration will continue with no deadline.
- The government needs to find enough funds to support the subsidization of the fare shortfall for the private operators (i.e., BEM and BTS). The supporting funds are expected to be from the MRTA (Mass Rapid Transit Authority) and the government's central budget.

	BTSGIF	BEM
Avg. daily ridership	509,890/day	418,200/day
Avg. fare	33.5-baht/trip	29.4-baht/trip
Daily income	17.08m-baht/day	12.3m-baht/day
New fare	20.0-baht/trip	20.0-baht/trip
Revenue shortfall	13.5-baht/trip	9.4-baht/trip
Subsidy value	Bt2.51bn/year	Bt1.43bn/year
If traffic volume is higher	+10% growth = 50.9k	+10% growth = 41.8k
Assuming a 50:50 sharing model for additional traffic	Est. add income of Bt186.1m per year	Est. add income of Bt152.6m per year
% of annual revenue est.	4.1%	0.9%

- **Recommendations.** From the operators' perspective, they should be able to get compensation for the shortfall in revenues on a daily basis, while additional revenues from excess ridership will be on a sharing basis (not yet discussed). The mass-transit operators may incur additional operating costs in managing potentially increasing ridership traffic volume by adding more rolling stock (number of skytrains) during peak hours, while reducing rolling stock during non-peak hours. We don't expect a material contribution from the 20-baht flat fare scheme to the existing performance of the two operators, as no agreement has been reached in the discussions on incremental income yet. We maintain our HOLD calls on BTS (TP: Bt5.40), BTSGIF (TP: Bt2.92), and TFFIF (TP: Bt6.6). The consensus target price for BEM is currently at Bt8.77.

Sector Update

Wednesday, August 27, 2025



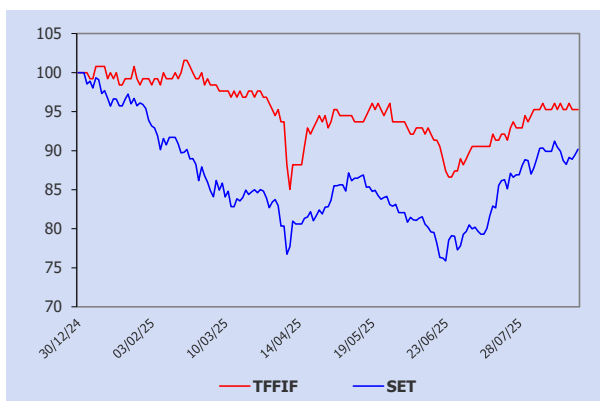
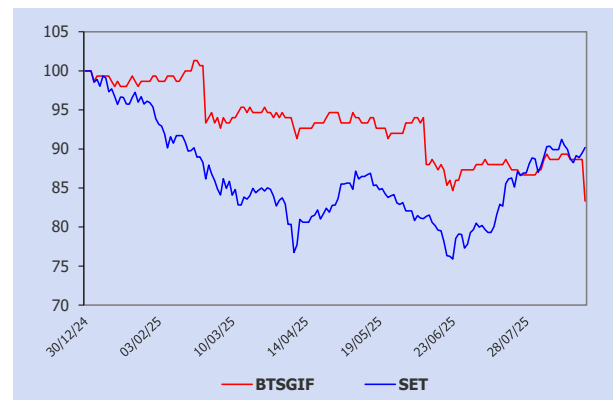
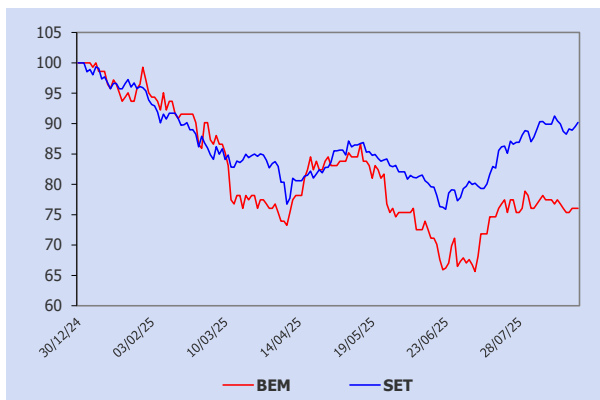
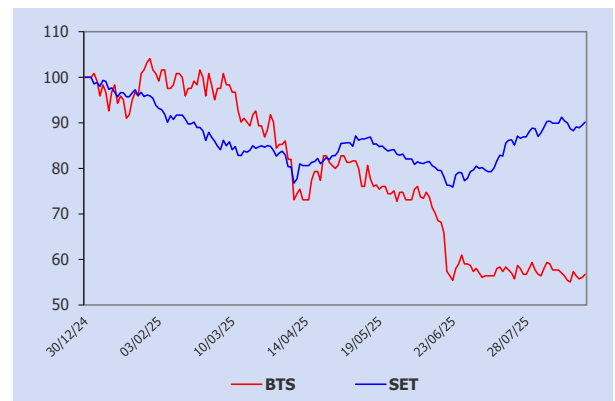
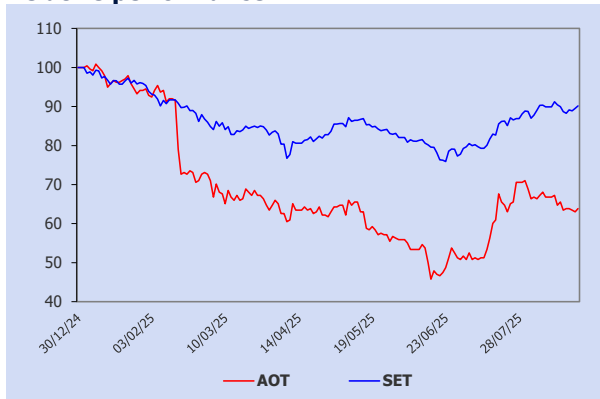
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Valuations

Company	Target	Price (Bt)	Upside	EPS (Bt)		EPS Growth		P/E (x)		% Yield		P/BV (x)		ROE (%)	
				25F	26F	25F	26F	25F	26F	25F	26F	25F	26F	25F	26F
AOT	35.00	37.00	-5.4	1.25	1.13	-6.80	-9.90	29.6	32.8	1.9	1.6	4.1	3.9	14.0	12.1
BEM*	8.77	5.30	67.0	0.26	0.27	2.0	5.5	20.6	19.5	2.8	3.1	2.1	2.0	10.2	10.4
BTSGIF	2.92	2.50	16.8	0.79	0.78	1.90	-1.20	3.2	3.2	31.3	30.9	0.8	0.9	0.7	0.8
BTS	U.R.	3.32	-	0.03	0.05	-75.70	55.10	103.7	66.9	1.0	1.5	0.9	0.9	0.9	1.4
TFFIF	6.60	6.00	10.0	0.46	0.47	4.60	2.10	12.9	12.7	7.7	7.9	0.5	0.5	3.6	3.7
Average						-11.08	13.12	30.3	23.5	10.4	10.5	1.8	1.9	5.6	4.7

Source: IVG estimates, *Bloomberg consensus

Relative performance



Source: SET and IVG estimate

I V Global Investment Research – Recommendation Definitions

Sector Recommendations

OVERWEIGHT: The industry, as defined by the analyst's coverage universe, is expected to outperform the relevant primary market index by at least 10% over the next 12 months.

NEUTRAL: The industry, as defined by the analyst's coverage universe, is expected to perform in line with the relevant primary market index over the next 12 months.

UNDERWEIGHT: The industry, as defined by the analyst's coverage universe, is expected to underperform the relevant primary market index by 10% over the next 12 months.

Stock Recommendations

BUY: Expecting positive total returns of 15% or more over the next 12 months.

HOLD: Expecting total returns of not more than -10% to +10% over the next 3 months.

SELL: Expecting negative total returns of 15% or more over the next 12 months.

Anti-corruption Progress Indicator Definitions

Level 5 Extended	Extension of the anti-corruption policy to business partners in the supply chain, and disclosure of any current investigations, prosecutions or closed cases
Level 4 Certified	Audit engagement by audit committee or auditors approved by the office of SEC, and receiving certification or assurance by independent external assurance providers (CAC etc.)
Level 3 Established	Carrying out preventive measures, risk assessment, communication and training for all employees, including consistent monitoring and review processes. (3A: Established by Declaration of Intent, 3B: Established by Internal Commitment and Policy)
Level 2 Declared	Public declaration statement to participate in Thailand's private sector Collective Action Coalition Against Corruption (CAC) or equivalent initiatives
Level 1 Committed	Organization's statement or board's resolution to work against corruption and to be in compliance with all relevant laws
Partially progress	Insufficient or not clearly defined policy
No progress	Data not available / no policy

Corporate Governance Report (CGR)

	Excellent
	Very good
	Good

Disclaimers

The disclosure of the survey result of corporate governance, which is surveyed by the Thai Institute of Directors Association ("IOD"), and the Anti-Corruption Progress Indicators, which is assessed by Thaipat Institute, are the disclosure of the survey or assessment result based on the information received from the listed company that was stipulated in the form for Annual Corporate Governance Report of Thai Listed Companies (CGR) and the form for the assessment of Anti-corruption that refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2) or other relevant documents or reports of such listed company (as the case may be). The survey or assessment result is based on the information of the listed company, which is disclosed to the public and can be accessed by all investors and is made in order to comply with the policy of the Office of the Stock Exchange of Thailand.

Nevertheless, the survey or assessment result is made from the perspective of the IOD or Thaipat Institute that are the third party only. It is not an assessment of operation of the listed company and is not based on any inside information."

Since this survey or assessment result is only the survey or assessment result as of the date appearing in the survey or assessment result only, it may be changed after that date or when there is any change to the relevant information. Nevertheless, I V Global Securities Plc. (IVG) does not confirm, verify, or certify the accuracy and completeness of the survey or assessment result.



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