

## Singapore

### ADD (no change)

Consensus ratings\*: Buy 1 Hold 1 Sell 0

Current price: S\$2.87  
Target price: S\$3.40  
Previous target: S\$3.40  
Up/downside: 18.5%  
CGS-CIMB / Consensus: 1.8%

Reuters: SBVV.SI  
Bloomberg: SBUS SP  
Market cap: US\$640.8m  
S\$895.1m

Average daily turnover: US\$0.10m  
S\$0.13m

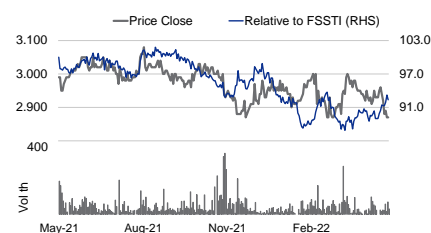
Current shares o/s: 311.9m

Free float: 25.6%

\*Source: Bloomberg

### Key changes in this note

► FY22-24F EPS lowered by 1.2-4.6%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-2.7	-3.1	-4.7
Relative (%)	1.8	3.8	-6.9

Major shareholders	% held
ComfortDelgro Corp Ltd	74.4

### Analyst(s)



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# SBS Transit Ltd

## Returning to the new normal

- SBUS's 1Q22 net profit of S\$15.5m (-34% yoy) was in line. Excluding government grants, operating profit rose 109% qoq/206% yoy to S\$19.4m.
- Singapore's significant easing of Covid-related restrictions in Apr should bode well for SBUS; we expect further recovery in ridership in coming quarters.
- Reiterate Add. We think SBUS is in a good position to raise its DPR in FY22F given its strong balance sheet and cash generation capabilities.

### Solid set of 1Q22 results

SBS Transit (SBUS) announced 1Q22 net profit of S\$15.5m (-33.5% yoy), in line with our expectations at 21.8% of our FY22F, as we expect further earnings recovery in upcoming quarters with ridership set to improve along with Singapore's reopening. Excluding government relief and exceptional items, 1Q22 core operating profit improved to S\$19.4m (+109% qoq, +206% yoy). Despite flattish ridership trends on a yoy basis, 1Q22's profit growth was driven by 1) changes in Downtown Line rail financing framework, 2) fare increase of 2.2% since 26 Dec 2021, and 3) higher fuel indexation which allowed SBUS to pass on higher fuel costs to LTA.

### Significant easing of restrictions to aid ridership recovery

According to Land Transport Authority (LTA), rail and bus ridership recovered to 78% of pre-Covid levels in the last week of Apr 22 (first week of Jan: 67%), after Singapore dropped most of its pandemic restrictions, with all employees allowed to return to the workplace and group size limits removed. As more Singaporeans return to a normalised life, we expect further recovery in the upcoming quarters, and forecast SBUS ridership to recover to 85% of pre-Covid level by end-FY22F. This will bode well for SBUS's rail revenue, as it bears fare revenue risks for this segment. We forecast topline to recover 10.6% yoy to S\$1.45bn for FY22F.

### But higher electricity costs may eat into margins

Despite rising oil prices, SBUS has the ability to pass on higher fuel costs (for bus operations) through monthly fuel indexation mechanisms. However, this is not the case for rail operations, as fares are adjusted annually. We think rising electricity costs could pressure margins – SBUS note that electricity costs have risen by more than 40% yoy. Our FY22-24F EPS forecasts are hence lowered by 1.2-4.6%.

### Reiterate Add

Reiterate Add. With ridership recovery in FY22F, we expect SBUS to return to profit growth in 2Q despite the absence of government grants. We also see potential for SBUS to raise its DPR this year, given its strong cash flow generation and strengthened balance sheet position (SBUS had a net cash position of S\$204m at end-FY21). Our TP is kept to S\$3.40, based on SBUS's 5-year historical average P/E of 13.2x. Re-rating catalysts include faster than expected improvement in rail ridership recovery. Downside risks include continued hikes in electricity tariffs which could pressure SBUS' margins.

Financial Summary	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue (S\$m)	1,231	1,311	1,449	1,482	1,439
Operating EBITDA (S\$m)	189.0	158.9	192.5	207.8	213.4
Net Profit (S\$m)	78.96	51.63	67.83	79.24	87.41
Core EPS (S\$)	0.25	0.22	0.22	0.25	0.28
Core EPS Growth	(2.9%)	(14.6%)	0.6%	16.8%	10.3%
FD Core P/E (x)	11.34	13.27	13.19	11.30	10.24
DPS (S\$)	0.06	0.08	0.11	0.13	0.14
Dividend Yield	2.20%	2.86%	3.80%	4.43%	4.88%
EV/EBITDA (x)	4.48	4.35	3.12	2.31	1.65
P/FCFE (x)	6.63	4.67	7.21	5.64	5.27
Net Gearing	(8.2%)	(33.9%)	(46.2%)	(61.4%)	(75.2%)
P/BV (x)	1.52	1.49	1.41	1.32	1.24
ROE	14.2%	11.3%	11.0%	12.1%	12.5%
% Change In Core EPS Estimates			(4.60%)	(2.49%)	(1.21%)
CGS-CIMB/Consensus EPS (x)			1.21	1.18	1.00

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## Returning to the new normal

Figure 1: Results comparison

FYE Dec (S\$ m)	1QFY22	1QFY21	yoy % chg	4QFY21	qoq % chg	Prev FY22	Comments
Revenue	344	317	9	335	3	1,437	
Operating costs	(325)	(292)	11	(280)	16	(1,242)	
EBITDA	43	50	(15)	28	56	195	
EBITDA margin (%)	12.5%	15.9%		8.2%		13.6%	
Depn. & amort.	(24)	(25)	(7)	(26)	(10)	(108)	
EBIT	19	25	(22)	1	nm	87	
Net profit	16	23	(33)	1	nm	71	1Q22 in line with our expectations at 21.8% of FY22F as we expected continued improvement in profitability in coming quarters
<b>EBIT excluding gov relief</b>	<b>19</b>	<b>6</b>	<b>206</b>	<b>9</b>	<b>109</b>	<b>87</b>	

FYE Dec (S\$ m)	1QFY22	1QFY21	yoy % chg	4QFY21	qoq % chg	Prev FY22	Comments
<b>Revenue breakdown:</b>							
Public transport services	333	306	9.0	319	4	1,375	
Other commercial services	11	11	(3.5)	16	(33)	62	
<b>Revenue</b>	<b>344</b>	<b>317</b>	<b>8.5</b>	<b>335</b>	<b>3</b>	<b>1,437</b>	
<b>EBIT breakdown:</b>							
Public transport services	14	19	(26.4)	(5)	(354)	47	
Other commercial services	6	6	(10.0)	7	(14)	40	
<b>EBIT</b>	<b>19</b>	<b>25</b>	<b>(22.2)</b>	<b>1</b>	<b>1,419</b>	<b>87</b>	

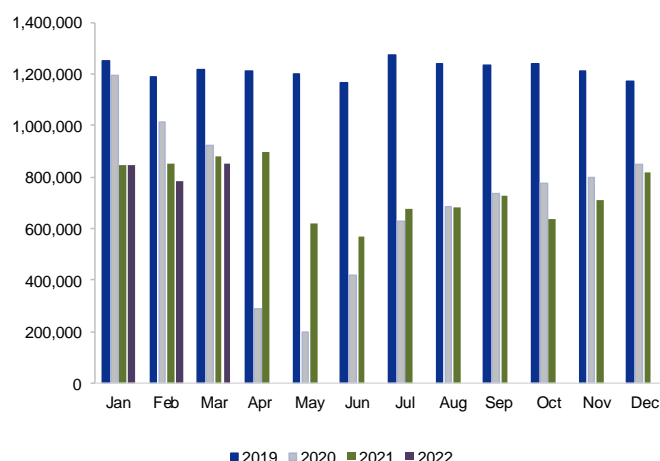
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 2: SBS Transit's rail ridership (as % of pre-Covid level) by rail lines

Ridership % of Pre-COVID-19 level			
	Q1 2021	Q4 2021	Q1 2022
NEL	70%	66%	67%
DTL	64%	57%	62%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 3: Average daily rail ridership of SBS Transit



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

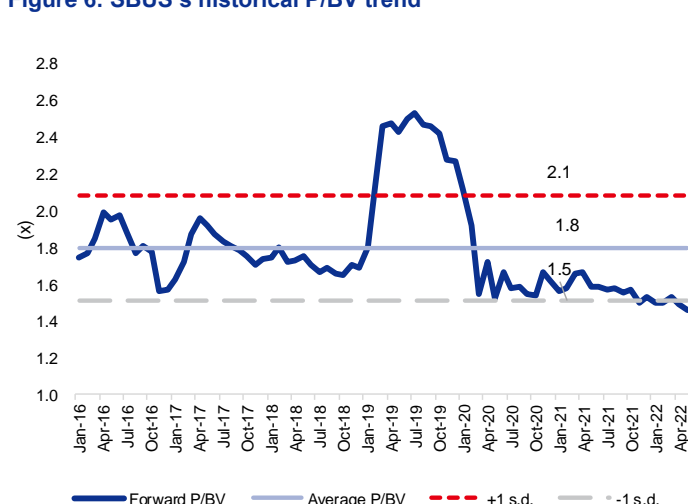
**Figure 4: Earnings revision**

(S\$ m)	FY22F			FY23F			FY24F		
	Old	New	% chg	Old	New	% chg	Old	New	% chg
Revenue	1,437.2	1,449.4	0.9%	1,466.8	1,481.9	1.0%	1,385.5	1,438.8	3.8%
EBITDA	195.2	192.5	-1.4%	208.8	207.8	-0.5%	210.3	213.4	1.5%
Net profit	71.1	67.8	-4.6%	81.3	79.2	-2.5%	88.5	87.4	-1.2%
Core net profit	71.1	67.8	-4.6%	81.3	79.2	-2.5%	88.5	87.4	-1.2%
Diluted EPS (S\$ cents)	22.8	21.8	-4.6%	26.1	25.4	-2.5%	28.4	28.0	-1.2%
Core EPS (S\$ cents)	22.8	21.8	-4.6%	26.1	25.4	-2.5%	28.4	28.0	-1.2%

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

**Figure 5: SBUS's historical P/E trend**


SOURCES: CGS-CIMB RESEARCH, BLOOMBERG

**Figure 6: SBUS's historical P/BV trend**


SOURCES: CGS-CIMB RESEARCH, BLOOMBERG

**Figure 7: Sector comparison**

Company	Bloomberg Ticker	Recom.	Price (lcl curr)	Target Price (lcl curr)	Market Cap (US\$ m)	P/E (x) CY22F	P/E (x) CY23F	3-year EPS CAGR (%)	P/BV (x) CY22F	P/BV (x) CY23F	Recurring ROE (%) CY22F	Recurring ROE (%) CY23F	Recurring ROE (%) CY24F	EV/EBITDA (x) CY22F	EV/EBITDA (x) CY23F	Dividend Yield (%) CY22F	Dividend Yield (%) CY23F
<b>Singapore</b>																	
ComfortDelGro	CD SP	ADD	1.41	1.80	2,188	14.9	13.4	14.9%	1.09	1.07	7.5%	8.1%	8.2%	3.6	3.3	5.4%	6.0%
SBS Transit Ltd	SBUS SP	ADD	2.87	3.40	641	13.2	11.3	7.6%	1.41	1.32	11.2%	12.1%	12.5%	3.1	2.3	3.8%	4.4%
<b>Thailand</b>																	
BTS Group	BTS TB	Add	8.70	13.10	3,292	31.6	27.3	na	1.91	1.87	6.1%	6.9%	na	45.9	39.8	2.6%	2.9%
<b>Hong Kong</b>																	
MTR Corp Ltd	66 HK	Not rated	42.80	na	33,768	23.3	21.5	17.6%	1.44	1.38	6.8%	6.6%	8.1%	20.4	15.8	3.1%	3.2%
<b>Simple average</b>						<b>20.7</b>	<b>18.4</b>	<b>13.4%</b>	<b>1.46</b>	<b>1.41</b>	<b>7.9%</b>	<b>8.4%</b>	<b>9.6%</b>	<b>18.3</b>	<b>15.3</b>	<b>3.7%</b>	<b>4.1%</b>

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG

Note: Forecasts for Not rated companies are based on Bloomberg consensus estimates

DATA AS AT 13 MAY 2022

## Recap: SBUS's latest framework agreement with LTA ➤

- Transition of DTL financing framework to NRFF (V2).** The issue was first raised in parliament in Mar 2021 by ex-Transport Minister Mr. Ong Ye Kung. In his speech, Mr. Ong said that the government will review the financing framework for the DTL to minimise the commercial risk for its rail operator, SBUS. Previously, DTL was run under the New Rail Financing Framework (NRFF) Version One, where SBUS pays a fixed licence fee to operate the line. Fare revenue risk, which varies depending on rail ridership, is borne by SBUS. Other MRT lines, including North-South, East-West, Circle and North East lines, run under the NRFF Version 2. While fare revenue risk is still borne by the rail operators, the updated frameworks allow for lower commercial volatility. Under the NRFF (V2), the EBIT margin of rail operators is effectively

capped at approximately 5%. In turn, it also allows operators to co-share with the LTA fare revenue shortfalls and when the EBIT margin falls below the collar of 3.5%, subject to a limit of the amount of licence charge payable for the year

- **Material terms of the framework agreement to achieve balanced outcome:**
  - As part of the framework agreement, SBS Transit DTL Pte. Ltd, which currently operates the DTL, will be renamed SBS Transit Rail Pte. Ltd. All of SBUS's current rail operations (DTL, NEL and SPLRT) will be consolidated under this entity, with licence to operate the rail lines for the next 11 years (1 Jan 2022 to 31 Dec 2032).
  - SBUS will continue to have the right to lease out the advertising spaces of the DTL, NEL and SPLRT until 31 Dec 2023. SBUS Rail will have to surrender the rail advertising business from 1 January 2024. LTA may allow SBST Rail to continue to operate the rail advertising business from 1 Jan 2024 until 31 Dec 2032 at a concession fee to be set by LTA in consultation with SBST Rail.
  - SBUS has also entered into five contracts with LTA on the amendment of bus operation contracts. Service terms of the five contracts will be extended by an average of five years. However, the formula of the service fee payable by the LTA to SBUS will be revised to a rate that is benchmarked against recent bus tenders and lower than the current service fee.
  - SBUS has also agreed to replace 241 of its own buses with newer government-owned buses which are more cost efficient to maintain.
  - Pursuant to the framework agreement, SBUS has also agreed to forego certain claims previously made in connection with its bus contracts and rail licences. In addition, SBUS has also agreed to conduct improvement work in bus depots and interchanges, which will enhance conditions for land transport workers as well as public commuters, without seeking reimbursement for such capital expenditure from the LTA.

## What we think

- We estimate the P&L impact to be rather neutral, with gains in the rail segment offsetting losses in the bus segment.
- We believe that the latest framework arrangement reflects LTA's stance on managing the operator's profitability with a more holistic approach.
- The key is that this deal improves earnings stability for SBUS – note that DTL has been heavily loss-making for the past few years, even before the Covid-19 pandemic, due to slower-than-expected ramp-up in rail ridership. The shift towards NRFF (V2) helps to offset some of the losses, which is important given that the Covid-19 pandemic is still ongoing, the timing of the recovery of travel and economic activities to pre-Covid-19 levels is uncertain and there could be significant shifts in ridership patterns in a post pandemic environment as more businesses adopt work-from-home practices.
- Lastly, we believe that this paves the way for SBUS to increase DPR in FY22F, given its strong cash generation and robust balance sheet.

**Figure 8: Estimated operating profit impact on SBS Transit for FY21-23F**


(S\$ m)	FY21	FY22F	FY23F	Remarks
1) DTL rail financing framework transition	0.0	30.0	35.0	Fixed licence charge was expected to increased by S\$5m annually, based on our expectations
2) Rail advertising rights expiry	0.0	0.0	0.0	Effective 1 Jan 2024, subject to further consultation
3) Bus contract service fee repricing	0.0	-11.3	-34.0	Effective 1 Sep 2022
4) Early replacement of SBST buses	-15.8	0.0	0.0	One-off impact in FY21. For FY22F and beyond, lower leasing income is offset by lower depreciation expense
5) Others	-3.4	0.0	0.0	Claims forgone
<b>Net incremental impact</b>	<b>-19.2</b>	<b>18.7</b>	<b>1.0</b>	

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

**Figure 9: Financial performance of Downtown Line (S\$ m)**

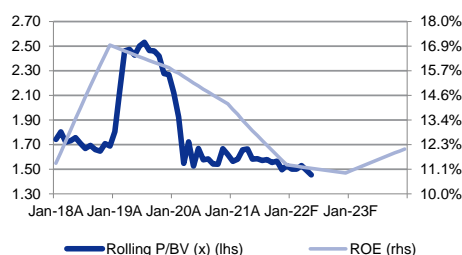
	FY18	FY19	FY20
<b>Revenue</b>	<b>127,715</b>	<b>148,597</b>	<b>112,824</b>
Staff costs	-88,500	-96,393	-66,985
Repairs and maintenance costs	-8,748	-11,901	-16,697
Fuel and electricity costs	-33,290	-29,633	-20,669
Premises costs	-20,204	-19,877	-20,068
Depreciation expense	-3,026	-3,064	-3,191
Other operating costs	-18,871	-33,804	-38,502
<b>Loss before taxation</b>	<b>-44,924</b>	<b>-46,075</b>	<b>-53,288</b>
Tax credit	7,404	7,624	12,855
<b>Loss for the year</b>	<b>-37,520</b>	<b>-38,451</b>	<b>-40,433</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

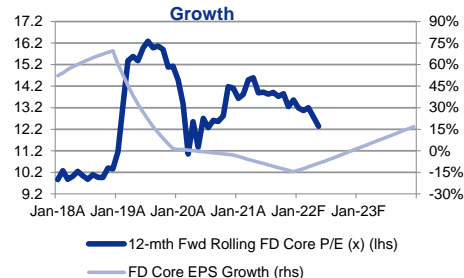
ESG in a nutshell		Refinitiv ESG Scores					
		 <div> <div>C+</div> <div>ESG Score</div> </div> <div> <div>B+</div> <div>ESG Controversies Score</div> </div> <div> <div>C+</div> <div>ESG Combined Score</div> </div> <div> <div>C-</div> <div>ESG Environment Pillar Score</div> </div> <div> <div>C</div> <div>ESG Social Pillar Score</div> </div> <div> <div>B</div> <div>ESG Government Pillar Score</div> </div>					
<p>SBS Transit Ltd (SBUS) has a strong commitment to ESG, especially in the area of environment, which is demonstrated by its increase in its Euro 5-compliant bus fleet size to 80.0% of total fleet size in FY20 (from 72.5% in FY16). SBUS's bus and rail operations (North East Line and Downtown Line) are ISO 45001-certified, underscoring its standards in workplace safety, and it has reduced its electricity and water consumption by 15% and 16%, respectively, in FY20. SBUS has also achieved improvements in accident rates, which decreased from 0.12 cases (310 accidents per 100,000 bus km) in FY18 and FY19 to 0.09 (220 accidents per 100,000 bus km) cases in FY20. Continued improvements in accident rates are an indicator of high quality transport services.</p>							
<b>Keep your eye on</b>		<b>Implications</b>					
<p>SBUS's bus accident rate was 0.09 cases in FY20, improving from 0.12 in FY19 and FY18.</p>		<p>As SBUS operates under the Bus Contracting Model, it has to provide quality transportation and service to commuters as part of the requirements. If accident rates remain high, this may result in fines and impair SBUS's chances of winning future bus tenders, negatively impacting earnings.</p>					
<b>ESG highlights</b>		<b>Implications</b>					
<p>SBUS's Ulu Pandan Bus Depot is the first bus depot in Singapore to adopt solar panels to generate electricity and piped-in NEWater for bus washing. In FY20, SBUS's electricity and water consumption fell by 15% and 16%, respectively. Its bus division, as well as the North East Line and Downtown Line, are certified under ISO45001 Occupational Health and Safety Management Systems, underscoring its commitment to employee safety and safe working conditions. The Downtown Line was awarded the "Safe Rail Line of the Year (Excellence)" award by LTA in FY20.</p>		<p>This demonstrates SBUS's strong commitment to ESG practices. A reduction in utility consumption also results in cost savings for the company. A focus on safe work conditions also ensures low accident frequencies, which raises the quality of transport services that SBUS provides under the Bus Contracting Model.</p>					
<b>Trends</b>		<b>Implications</b>					
<p>The percentage of SBUS's total bus fleet that is at least Euro 5-compliant has been steadily rising, from 72.5% in FY16 to 80% in FY20.</p>		<p>This is positive for SBUS as it demonstrates the company's commitment to the environment. Any non-compliance with environmental laws in Singapore may result in fines, which will negatively impact earnings.</p>					
		<small>SOURCES: CGS-CIMB RESEARCH, REFINITIV</small>					

## BY THE NUMBERS

**P/BV vs ROE**



**12-mth Fwd FD Core P/E vs FD Core EPS Growth**



### Profit & Loss

(\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>Total Net Revenues</b>	<b>1,231</b>	<b>1,311</b>	<b>1,449</b>	<b>1,482</b>	<b>1,439</b>
<b>Gross Profit</b>	<b>1,231</b>	<b>1,311</b>	<b>1,449</b>	<b>1,482</b>	<b>1,439</b>
<b>Operating EBITDA</b>	<b>189</b>	<b>159</b>	<b>193</b>	<b>208</b>	<b>213</b>
Depreciation And Amortisation	(109)	(105)	(109)	(111)	(107)
<b>Operating EBIT</b>	<b>80</b>	<b>54</b>	<b>83</b>	<b>97</b>	<b>107</b>
Financial Income/(Expense)	(3)	(1)	(2)	(2)	(2)
Pretax Income/(Loss) from Assoc.	0	0	0	0	0
Non-Operating Income/(Expense)	0	0	0	0	0
<b>Profit Before Tax (pre-EI)</b>	<b>77</b>	<b>53</b>	<b>82</b>	<b>95</b>	<b>105</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>77</b>	<b>53</b>	<b>82</b>	<b>95</b>	<b>105</b>
Taxation	2	(1)	(14)	(16)	(18)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>79</b>	<b>52</b>	<b>68</b>	<b>79</b>	<b>87</b>
Minority Interests	0	0	0	0	0
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>79</b>	<b>52</b>	<b>68</b>	<b>79</b>	<b>87</b>
Recurring Net Profit	79	67	68	79	87
<b>Fully Diluted Recurring Net Profit</b>	<b>79</b>	<b>67</b>	<b>68</b>	<b>79</b>	<b>87</b>

### Cash Flow

(\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>EBITDA</b>	<b>189.0</b>	<b>158.9</b>	<b>192.5</b>	<b>207.8</b>	<b>213.4</b>
Cash Flow from Inv. & Assoc.					
Change In Working Capital	(46.6)	0.0	(69.3)	(4.7)	1.8
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	28.0	24.0	0.0	0.0	0.0
Other Operating Cashflow	0.3	61.5	0.0	0.0	0.0
Net Interest (Paid)/Received	(3.2)	(1.3)	(1.5)	(1.5)	(1.5)
Tax Paid	(16.2)	(18.7)	28.5	(16.2)	(17.9)
<b>Cashflow From Operations</b>	<b>151.2</b>	<b>224.3</b>	<b>150.2</b>	<b>185.4</b>	<b>195.8</b>
Capex	(18.3)	(33.1)	(26.1)	(26.7)	(25.9)
Disposals Of FAs/subsidiaries	1.9	0.3	0.0	0.0	0.0
Acq. Of Subsidiaries/investments	0.0	0.0	0.0	0.0	0.0
Other Investing Cashflow	0.3	0.3	0.0	0.0	0.0
<b>Cash Flow From Investing</b>	<b>(16.2)</b>	<b>(32.5)</b>	<b>(26.1)</b>	<b>(26.7)</b>	<b>(25.9)</b>
Debt Raised/(repaid)	0.0	0.0	0.0	0.0	0.0
Proceeds From Issue Of Shares	0.0	0.0	0.0	0.0	0.0
Shares Repurchased					
Dividends Paid	(18.4)	(37.6)	(34.6)	(36.6)	(41.6)
Preferred Dividends					
Other Financing Cashflow	(62.5)	(35.8)	0.0	0.0	0.0
<b>Cash Flow From Financing</b>	<b>(80.9)</b>	<b>(73.3)</b>	<b>(34.6)</b>	<b>(36.6)</b>	<b>(41.6)</b>
Total Cash Generated	54.1	118.5	89.5	122.0	128.2
<b>Free Cashflow To Equity</b>	<b>135.0</b>	<b>191.8</b>	<b>124.1</b>	<b>158.7</b>	<b>169.9</b>
<b>Free Cashflow To Firm</b>	<b>138.3</b>	<b>193.1</b>	<b>125.6</b>	<b>160.2</b>	<b>171.4</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS



## BY THE NUMBERS... cont'd

### Balance Sheet

(\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Cash And Equivalents	85.6	204.0	293.6	415.6	543.8
Total Debtors	152.4	253.4	280.2	286.4	278.1
Inventories	112.0	101.5	110.3	111.8	107.5
Total Other Current Assets	137.6	0.0	59.6	60.9	59.1
<b>Total Current Assets</b>	<b>487.6</b>	<b>558.9</b>	<b>743.6</b>	<b>874.7</b>	<b>988.6</b>
Fixed Assets	618.9	563.2	480.0	395.9	315.2
Total Investments	0.0	0.0	0.0	0.0	0.0
Intangible Assets	0.0	0.0	0.0	0.0	0.0
Total Other Non-Current Assets	33.3	31.7	31.7	31.7	31.7
<b>Total Non-current Assets</b>	<b>652.2</b>	<b>594.9</b>	<b>511.7</b>	<b>427.6</b>	<b>346.9</b>
Short-term Debt	37.2	0.0	0.0	0.0	0.0
Current Portion of Long-Term Debt					
Total Creditors	250.1	298.6	324.4	328.9	316.3
Other Current Liabilities	99.5	84.8	84.8	84.8	84.8
<b>Total Current Liabilities</b>	<b>386.8</b>	<b>383.4</b>	<b>409.3</b>	<b>413.7</b>	<b>401.1</b>
Total Long-term Debt	0.0	0.0	0.0	0.0	0.0
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	166.0	168.8	211.2	211.2	211.2
<b>Total Non-current Liabilities</b>	<b>166.0</b>	<b>168.8</b>	<b>211.2</b>	<b>211.2</b>	<b>211.2</b>
Total Provisions	0.0	0.0	0.0	0.0	0.0
<b>Total Liabilities</b>	<b>552.8</b>	<b>552.2</b>	<b>620.5</b>	<b>624.9</b>	<b>612.3</b>
Shareholders' Equity	587.0	601.6	634.8	677.4	723.2
Minority Interests	0.0	0.0	0.0	0.0	0.0
<b>Total Equity</b>	<b>587.0</b>	<b>601.6</b>	<b>634.8</b>	<b>677.4</b>	<b>723.2</b>

### Key Ratios

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	(14.8%)	6.5%	10.6%	2.2%	(2.9%)
Operating EBITDA Growth	(8.9%)	(15.9%)	21.2%	7.9%	2.7%
Operating EBITDA Margin	15.4%	12.1%	13.3%	14.0%	14.8%
Net Cash Per Share (\$\$)	0.16	0.65	0.94	1.33	1.74
BVPS (\$\$)	1.88	1.93	2.04	2.17	2.32
Gross Interest Cover	24.63	40.00	55.49	64.65	71.21
Effective Tax Rate	0.0%	1.7%	17.0%	17.0%	17.0%
Net Dividend Payout Ratio	24.9%	49.5%	50.1%	50.0%	49.9%
Accounts Receivables Days	47.55	56.49	67.18	69.78	71.80
Inventory Days	N/A	N/A	N/A	N/A	N/A
Accounts Payables Days	N/A	N/A	N/A	N/A	N/A
ROIC (%)	10.4%	7.6%	14.7%	17.6%	22.6%
ROCE (%)	13.0%	8.8%	13.5%	14.8%	15.3%
Return On Average Assets	7.20%	4.59%	5.76%	6.31%	6.74%

### Key Drivers

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Bus revenue (\$\$ m)	999.8	1,059.7	1,120.7	1,107.4	1,052.0
Rail revenue (\$\$ m)	196.2	204.2	266.3	310.7	324.8

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS



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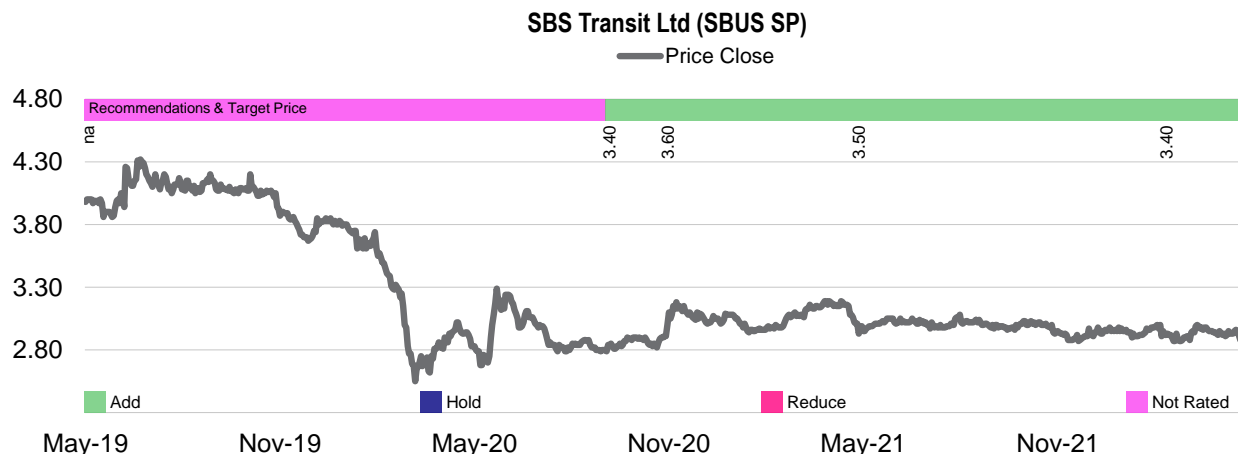
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Distribution of stock ratings and investment banking clients for quarter ended on 31 March 2022		
632 companies under coverage for quarter ended on 31 March 2022		
	Rating Distribution (%)	Investment Banking clients (%)
Add	70.3%	0.8%
Hold	22.0%	0.0%
Reduce	7.8%	0.2%

## Spitzer Chart for stock being researched ( 2 year data )



## Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2021, Anti-Corruption 2021

**ADVANC** – Excellent, Certified, **AMATA** – Excellent, Certified, **ANAN** – Excellent, n/a, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Excellent, n/a, **AWC** – Excellent, Declared, **AU** – Good, n/a, **BAM** – Very Good, Certified, **BAY** – Excellent, Certified, **BBL** – Excellent, Certified, **BCH** – Very Good, Certified, **BCP** – Excellent, Certified, **BCPG** – Excellent, Certified, **BDMS** – Excellent, n/a, **BEAUTY** – Good, n/a, **BEM** – Excellent, n/a, **BH** – Good, n/a, **BJC** – Very Good, n/a, **BLA** – Very Good, Certified, **BTS** – Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – n/a, n/a, **CENTEL** – Excellent, Certified, **CHAYO** – Very Good, n/a, **CHG** – Very Good, n/a, **CK** – Excellent, n/a, **COM7** – Excellent, Certified, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** – Excellent, Certified, **CPNREIT** – n/a, n/a, **CRC** – Excellent, Declared, **DELTA** – Excellent, Certified, **DDD** – Excellent, n/a, **DIF** – n/a, n/a, **DOHOME** – Very Good, Declared, **DREIT** – n/a, n/a, **DTAC** – Excellent, Certified, **ECL** – Excellent, Certified, **EGCO** – Excellent, Certified, **EPG** – Excellent, Certified, **ERW** – Very Good, Certified, **GFPT** – Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Excellent, n/a, **HANA** – Excellent, Certified, **HMPRO** – Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Certified, **III** – Excellent, Declared, **INTUCH** – Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** – Excellent, Certified, **JASIF** – n/a, n/a, **JKN** – n/a, Certified, **JMT** – Very Good, n/a, **KBANK** – Excellent, Certified, **KCE** – Excellent, Certified, **KEX** – Very Good, Declared, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** – Excellent, Certified, **KTC** – Excellent, Certified, **LH** – Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MAKRO** – Excellent, Certified, **MC** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** – Excellent, Certified, **MTC** – Excellent, Certified, **NETBAY** – Very Good, n/a, **NRF** – Very Good, Declared, **OR** – Excellent, n/a, **ORI** – Excellent, Certified, **OSP** – Excellent, n/a, **PLANB** – Excellent, Certified, **PRINC** – Very Good, Certified, **PR9** – Excellent, Declared, **PSH** – Excellent, Certified, **PTT** – Excellent, Certified, **PTTEP** – Excellent, n/a, **PTTGC** – Excellent, Certified, **QH** – Excellent, Certified, **RAM** – n/a, n/a, **RBF** – Very Good, n/a, **RS** – Excellent, Declared, **RSP** – Good, n/a, **S** – Excellent, n/a, **SAK** – Very Good, Declared, **SAPPE** – Very Good, Certified, **SAWAD** – Very Good, n/a, **SCB** – Excellent, Certified, **SCC** – Excellent, Certified, **SCGP** – Excellent, Declared, **SECURE** – n/a, n/a, **SHR** – Excellent, n/a, **SIRI** – Excellent, Certified, **SPA** – Very Good, n/a, **SPALI** – Excellent, Certified, **SPRC** – Excellent, Certified, **SSP** – Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Very Good, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIDLOR** – n/a, Certified, **TISCO** – Excellent, Certified, **TKN** – Very Good, n/a, **TOP** – Excellent, Certified, **TRUE** – Excellent, Certified, **TTB** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Certified, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – n/a, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

- CG Score 2021 from Thai Institute of Directors Association (IOD)

- Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of August 5, 2021) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.

### Recommendation Framework

#### Stock Ratings

<b>Add</b>	The stock's total return is expected to exceed 10% over the next 12 months.
<b>Hold</b>	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
<b>Reduce</b>	The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

#### Sector Ratings

<b>Overweight</b>	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
<b>Neutral</b>	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
<b>Underweight</b>	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

#### Country Ratings

<b>Overweight</b>	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
<b>Neutral</b>	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
<b>Underweight</b>	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.