

## BTS Group Holdings – BTS

Phillip Securities Research Pte Ltd  
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**Market** Stock Exchange of Thailand  
**Sector** Transportation & Logistics  
**Reuters** BTS.BK  
**Bloomberg** BTS TB

**BUY**  
**(Unchanged)**

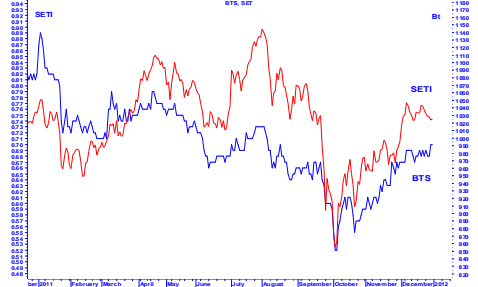
**Closing Price**  
Bt0.70  
**Target Price**  
Bt0.90 (+28.6%)

### Price

Last Price 0.70  
52wk High (05/01/2011) 0.89  
52wk Low (05/10/2011) 0.52  
Shares Outstanding (mil) 57,188.27  
Market Cap (Btm) 40,031.79  
Avg. Daily Turnover (Btm) 81.47  
Free float (%) 22.25  
PE (X) 87.50  
PB (X) 1.04

### Price performance %

	1M	3M	6M
Absolute	4.5%	18.6%	2.9%
Relative	1.5%	6.7%	4.5%



### Major Shareholders (05/07/11)

Rank	Shareholder	%
1	Mr. Keeree Kanjanapas	37.77
2	Nortrust Nominees Ltd.	6.12
3	Goldman Sachs & Co	4.05

### Oct-Nov ridership down 10.04% compared to Aug-Sep period due to flooding impact

- BTS reported that its average daily ridership in Oct-Nov 2011 rose 4.71% YoY thanks to the opening of On Nut-Baring extension line this year but dropped 10.04% compared to the Aug-Sep period due chiefly to the impact of the widespread flooding in Bangkok. Ridership numbers are likely to pick up in Dec after the end of the flooding.
- Bangkok Metropolitan Administration (BMA) approved an extension of free rides on the On Nut-Baring extension line to Apr 30, 2012 from Dec 31, 2011, a move that would keep passenger traffic at high levels. The Mass Rapid Transit Authority (MRTA) also lately signed a contract with CK for construction of the green line from Baring to Samut Prakarn.
- We keep our FY2012 net profit outlook for BTS at Bt1,639.03m. Ex-items in FY2Q12 are already built into the forecast. At current prices, we maintain a 'BUY' call on BTS with FY2012 price target of Bt0.90/share.

### Oct-Nov ridership down 10.04% compared to Aug-Sep period due to flooding impact

BTS reported that its total ridership in Nov 2011 dropped 5.33% MoM to 13.48m commuters or a daily average of 449,000 commuters as the widespread flooding in Bangkok disrupted travel. In YoY terms, Nov ridership numbers however continued to grow 1.34% thanks to the opening of On Nut-Baring extension line this year. In the first two months of FY3Q12, its total ridership rose 4.71% YoY to 27.73m commuters or a daily average of 455,000 commuters but the Oct-Nov figures however represented a drop of up to 10.04% compared to the Aug-Sep period when daily ridership averaged 505,000 commuters after the On Nut-Baring extension line began service and the floods had not yet reached Bangkok. Ridership numbers in Dec are likely to return to near the levels seen in Aug-Sep period after the end of the flooding. In addition, ad budget cuts caused by the impact of flooding have also hurt ad revenue. On this basis, we expect BTS' FY3Q12 operating profit will be lower than FY2Q12 at Bt232.13m, excluding ex-items of Bt1,090m but higher than FY3Q11 when it reported an operating profit of a mere Bt23.78m.

### BMA extends free rides on On-Nut - Baring extension line to Apr 30, 2012, MRTA signs contract with CK for construction of green line from Baring to Samut Prakarn

Bangkok Metropolitan Administration (BMA) board at its Dec 26 meeting approved an extension of free riders on the On Nut-Baring extension line to Apr 30, 2012 from Dec 31, 2011, a move that would keep passenger traffic at high levels. On Dec 23, 2011, the Mass Rapid Transit Authority (MRTA) also signed the first Bt14.1b civil works contract of the green line mass transit project from Baring to Samut Prakarn with Ch. Karnchang (CK) with a construction period of three years and seven months. This extension line would help feed more passengers into the sky-train's system in the future. In addition, other extension lines, currently under construction and to be up for bids in the future, including Samut Prakarn-Bangpu, Mochit-Saphan Mai-Lam Luk Ka and National Stadium-Yotse would help further expand its network.

### Phillip Research Team

☎ 65 65311240  
FAX 65 63367607  
✉ research@phillip.com.sg  
Web: www.poems.com.sg

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<b>Conso' Ending</b>	<b>Profits (Btm)</b>	<b>EPS (Bt)</b>	<b>DPS (Bt)</b>	<b>BV (Bt)</b>	<b>ROE (%)</b>	<b>P/E (x)</b>	<b>Yield (%)</b>	<b>P/BV (x)</b>
03/09 A	22	0.003	0.000	0.63	0.55	233.33	0.00	1.11
03/10 A	5,397	0.154	0.000	0.88	39.25	4.55	0.00	0.80
03/11 A	285	0.008	0.036	0.67	1.35	87.50	5.08	1.04
03/12 E	1,639	0.029	0.015	0.67	4.33	24.14	2.14	1.04
03/13 E	1,344	0.024	0.015	0.69	3.47	29.17	2.14	1.01

#### **FY2012 net profit outlook unchanged at Bt1,639.03m**

We maintain our forecast that BTS will achieve a normalized profit of Bt589.55m in FY2012. Including ex-items in FY2Q12, we expect BTS to deliver FY2012 net profit of Bt1,639.03m. Our FY2012 price target for BTS is unchanged at Bt0.90/share. The target is DCF-based. At current prices, we maintain a 'BUY' call on BTS.

## Ratings History

### BTS Group Holdings – BTS

Rating	Date	Closing Price (Bt)	Fair Value (Bt)	Remarks
BUY	18 November 2011	0.64	0.90	Company Update
BUY	19 September 2011	0.67	0.90	Company Update
BUY	22 August 2011	0.68	0.90	Company Update
BUY	2 August 2011	0.73	0.90	1Q12 Preview
BUY	5 July 2011	0.70	0.90	Company Update

Phillip Research Stock Selection Systems	TRADING BUY	Share price may exceed 10% on the upside over the next 3 months, however longer-term outlook remains uncertain
	BUY	>15% upside from the current price
	HOLD	-10% to 15% from the current price
	SELL	>10% downside from the current price
	TRADING SELL	Share price may exceed 10% on the downside over the next 3 months, however longer-term outlook remains uncertain
	We do not base our recommendations entirely on the above quantitative return bands. We consider qualitative factors like (but not limited to) a stock's risk reward profile, market sentiment, recent rate of share price appreciation, presence or absence of stock price catalysts, and speculative undertones surrounding the stock, before making our final recommendation	

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Please contact Phillip Securities Research at [65 65311240] in respect of any matters arising from, or in connection with, this document.

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## Contact Information

### Singapore Research

**Chan Wai Chee**  
CEO, Research  
Special Opportunities  
+65 6531-1231  
[yebo@phillip.com.sg](mailto:yebo@phillip.com.sg)

**Lee Kok Joo, CFA**  
Head of Research  
S-chips, Strategy  
+65 6531-1685  
[leekj@phillip.com.sg](mailto:leekj@phillip.com.sg)

**Joshua Tan**  
Strategy & Macro  
Singapore, US, China  
+65 6531-1249  
[joshuatan@phillip.com.sg](mailto:joshuatan@phillip.com.sg)

**Magdalene Choong**  
Investment Analyst  
SG & US Financials, Gaming  
+65 6531-1791  
[magdalenechoongss@phillip.com.sg](mailto:magdalenechoongss@phillip.com.sg)

**Go Choon Koay Bryan**  
Investment Analyst  
Property  
+65 6531-1792  
[gock@phillip.com.sg](mailto:gock@phillip.com.sg)

**Derrick Heng**  
Investment Analyst  
Transportation, Telecom  
+65 6531-1221  
[derrickhengch@phillip.com.sg](mailto:derrickhengch@phillip.com.sg)

**Nicholas Low, CFA**  
Investment Analyst  
Commodities, Offshore & Marine  
+65 6531-1535  
[nicholaslowkc@phillip.com.sg](mailto:nicholaslowkc@phillip.com.sg)

**Travis Seah**  
Investment Analyst  
REITS  
+65 6531 1229  
[travisseahhk@phillip.com.sg](mailto:travisseahhk@phillip.com.sg)

**SINGAPORE**

**Phillip Securities Pte Ltd**  
Raffles City Tower  
250, North Bridge Road #06-00  
Singapore 179101  
Tel : (65) 6533 6001  
Fax : (65) 6535 6631  
Website: [www.poems.com.sg](http://www.poems.com.sg)

**HONG KONG**

**Phillip Securities (HK) Ltd**  
Exchange Participant of the Stock Exchange of Hong Kong  
11/F United Centre 95 Queensway  
Hong Kong  
Tel (852) 22776600  
Fax (852) 28685307  
Websites: [www.phillip.com.hk](http://www.phillip.com.hk)

**INDONESIA**

**PT Phillip Securities Indonesia**  
ANZ Tower Level 23B,  
JI Jend Sudirman Kav 33A  
Jakarta 10220 – Indonesia  
Tel (62-21) 57900800  
Fax (62-21) 57900809  
Website: [www.phillip.co.id](http://www.phillip.co.id)

**THAILAND**

**Phillip Securities (Thailand) Public Co. Ltd**  
15th Floor, Vorawat Building,  
849 Silom Road, Silom, Bangrak,  
Bangkok 10500 Thailand  
Tel (66-2) 6351700 / 22680999  
Fax (66-2) 22680921  
Website [www.phillip.co.th](http://www.phillip.co.th)

**UNITED KINGDOM**

**King & Shaxson Capital Limited**  
6th Floor, Candlewick House,  
120 Cannon Street,  
London, EC4N 6AS  
Tel (44-20) 7426 5950  
Fax (44-20) 7626 1757  
Website: [www.kingandshaxson.com](http://www.kingandshaxson.com)

**AUSTRALIA**

**PhillipCapital Australia**  
Level 37, 530 Collins Street,  
Melbourne, Victoria 3000, Australia  
Tel (613) 96298380  
Fax (613) 96148309  
Website: [www.phillipcapital.com.au](http://www.phillipcapital.com.au)

**MALAYSIA**

**Phillip Capital Management Sdn Bhd**  
B-3-6 Block B Level 3 Megan Avenue II,  
No. 12, Jalan Yap Kwan Seng, 50450  
Kuala Lumpur  
Tel (603) 21628841  
Fax (603) 21665099  
Website: [www.poems.com.my](http://www.poems.com.my)

**JAPAN**

**PhillipCapital Japan K.K.**  
Nagata-cho Bldg.,  
8F, 2-4-3 Nagata-cho,  
Chiyoda-ku, Tokyo 100-0014  
Tel (81-3) 35953631  
Fax (81-3) 35953630  
Website: [www.phillip.co.jp](http://www.phillip.co.jp)

**CHINA**

**Phillip Financial Advisory (Shanghai) Co. Ltd**  
No 550 Yan An East Road,  
Ocean Tower Unit 2318,  
Postal code 200001  
Tel (86-21) 51699200  
Fax (86-21) 63512940  
Website: [www.phillip.com.cn](http://www.phillip.com.cn)

**FRANCE**

**King & Shaxson Capital Limited**  
3rd Floor, 35 Rue de la Bienfaisance 75008  
Paris France  
Tel (33-1) 45633100  
Fax (33-1) 45636017  
Website: [www.kingandshaxson.com](http://www.kingandshaxson.com)

**UNITED STATES**

**Phillip Futures Inc**  
141 W Jackson Blvd Ste 3050  
The Chicago Board of Trade Building  
Chicago, IL 60604 USA  
Tel +1.312.356.9000  
Fax +1.312.356.9005