

(Translation)

Significant events in the third quarter of the year 2020

1. The Recovery of Traveling Trips

After the government relief measures for the outbreak of COVID-19, the traveling trips both in traffic and ridership volume increased significantly. In this quarter, the average traffic volume was at 1,135,400 trips/day, representing an increase from the second quarter (QoQ) of 40 percent, and the average ridership was at 283,700 trips/day, representing an increase from the second quarter of 113 percent. When compared the latest traffic and the ridership volume in October 2020 with the lowest in April 2020, traffic and ridership volume increased 92 percent and 282 percent, respectively.

2. Toll Free on Official Holidays

The Company cooperated to waive the toll fee on official holiday announced by the Prime Minister's Office in 3 expressways, the First Stage Expressway, the Second Stage Expressway and the Bang Pa-In - Pak Kret Expressway. There are 19 official holidays in year 2020, 7 days were in the third quarter which are Asarnha Bucha Day, Buddhist Lent Day, Substitute for Songkran Day (3 days), H.M. The King's Birthday, and H.M. The Queen Sirikit's Birthday / Mother's Day.

Overview Operational Results Between the Third Quarter and the Nine-Month Period of the Year 2020 and 2019

In the third quarter of the year 2020, the Company had the net profit attributable to equity holders of the Company in the amount of Baht 822 Million, when compared to net profit of the second quarter of the year 2020 (QoQ) at Baht 152 Million, net profit increased by Baht 670 Million or 440.8 percent. However, when compared to net profit of the same quarter of the previous year (YoY), net profit decreased by Baht 115 Million or 12.3 percent mainly from the decrease in revenue from the effect of COVID-19 outbreak in the year 2020 whereas there was an increase in expenses related to the operation of the MRT Blue Line which was operated in full commercial service on March 30, 2020.

The Company had revenue from main business of Baht 3,572 Million representing a decrease from the same quarter of the previous year by Baht 503 Million or 12.3 percent. Toll revenue decreased by Baht 461 Million, revenue from Rail business decreased by Baht 56 Million whereas revenue from Commercial Development business increased by Baht 14 Million. Other revenue of Baht 230 Million representing a decrease from the same quarter of the previous year by Baht 32 Million due to there was no gain on sale of investment in this quarter.

Cost of service amounted to Baht 2,026 Million represented a decrease from the same quarter of the previous year by Baht 565 Million or 21.8 percent mainly from the decrease in amortization expense due to cost of rights to operated expressway sectors of Si Rat Expressway Sector A, B, C were fully amortized in the first quarter of the year 2020 whereas there was an increase in expenses related to the operation of the MRT Blue Line which was operated in full commercial service on March 30, 2020. Selling and administrative expenses slightly increased from the same quarter of the previous year.

Finance cost, after the full operated in commercial service of the MRT Blue Line, the Company recorded interest cost of the project, which formerly recorded as cost of construction, as interest expenses in the income statement in accordance to accounting standard, resulting to the increase of interest expense from the same quarter of the previous year.

(Translation)

Bangkok Expressway and Metro Public Company Limited
Management Discussion and Analysis for the Quarter Ended on September 30, 2020



For the nine-month period of the year 2020, the Company had the net profit attributable to equity holders of the Company in the amount of Baht 1,482 Million representing a decrease from the same period of the previous year by Baht 3,431 Million or 69.8 percent mainly from gain on reclassification of investment in the year 2019 but no such transaction in this year together with the effect from COVID-19 outbreak which led to the decrease in traffic and ridership volume resulting to the decrease in revenue. Cost of service amounted to Baht 6,342 Million representing a decrease from the previous year by Baht 1,180 Million or 15.7 percent and finance cost amounted to Baht 1,563 Million representing an increase from the previous year by Baht 317 Million or 25.4 percent.

(Unit: Million Baht)

Description	3 rd Quarter		Changes %	For the nine months		Changes %
	2020	2019		2020	2019	
Revenue from expressway business	2,147	2,608	-17.7	5,953	7,711	-22.8
Revenue from rail business	1,210	1,266	-4.4	3,319	3,639	-8.8
Revenue from commercial development business	215	201	7.0	586	562	4.3
Total revenue from main business	3,572	4,075	-12.3	9,858	11,912	-17.2
<i>Interest income from the MRT Purple Line Project</i>	65	94	-30.9	215	290	-25.9
Other income	230	238	-3.4	516	311	65.9
Gains on sale of investments	-	24	-100.0	-	177	-100.0
Gain on reclassification of investment	-	-	-	-	3,409	-100.0
Total revenues	3,867	4,431	-12.7	10,589	16,099	-34.2
Cost of service	2,026	2,591	-21.8	6,342	7,522	-15.7
Selling and administrative expenses	309	303	2.0	955	947	0.8
Total expenses	2,335	2,894	-19.3	7,297	8,469	-13.8
Profit before finance cost and tax expenses	1,532	1,537	-0.3	3,292	7,630	-56.9
Finance cost	487	328	48.5	1,339	956	40.0
<i>Interest expense from the MRT Purple Line Project *</i>	73	94	-22.3	224	290	-22.8
Profit before income tax expenses	972	1,115	-12.8	1,729	6,384	-72.9
Income tax (revenue) expenses	148	175	-15.4	242	1,629	-85.1
Profit before share of profit from associates and NCI	824	940	-12.3	1,487	4,755	-68.7
Share of profit from investments in associates, net	-	-	-	-	173	-100.0
NCI	(2)	(3)	33.3	(5)	(15)	66.7
Profit attributable to Equity holders of the Company	822	937	-12.3	1,482	4,913	-69.8
Basic earnings per share (Baht)	0.05	0.06		0.10	0.32	

* According to the adoption of Thai Financial Reporting Standard No.9 Financial Instruments since January 1, 2020, the Company reclassified loan from financial institution for the MRT Purple Line Project (the MRTA is fully responsible for both loan repayment and interest expense in accordance to the concession agreement) to financial liabilities which measured at amortized cost with effective interest rate. The Company recorded interest expense from the MRT Purple Line Project in the third quarter and the nine-month period of the year 2020 in the amount of Baht 73 Million and 224 Million, respectively whereas recorded interest income as actual receipt in the amount of Baht 65 Million and 215 Million, respectively.

(Translation)

Segmental performance

1. Expressway business

The Company had revenue from Expressway business of Baht 2,147 Million, representing an increase from the second quarter of the year 2020 (QoQ) by Baht 641 Million or 42.6 percent, however, revenue decreased from the same quarter of the previous year (YoY) by Baht 461 Million or 17.7 percent. Toll revenue decreased in all sectors because of the effect of the COVID-19 outbreak in the year 2020 which effected to the decreased in traffic volume. The average traffic volume was at 1,135,400 trips/day representing an increase 40.8 percent QoQ from the government relief measures for the outbreak of COVID-19 but decreased 8.5 percent YoY, however, traffic volume of the Si Rat-Outer Ring Road Expressway (SOE) and the Udon Rattaya Expressway (C+), which the Company received 100 percent revenue sharing, was nearly to the prior year.

Cost of service for operation of Expressway business consisted of costs of toll and amortization on rights to operate completed expressway sectors. For the third quarter of the year 2020, the cost was at Baht 647 Million, representing a decrease from the same quarter of the previous year by Baht 883 Million or 57.7 percent mainly from the decrease in amortization due to cost of right to operate expressway sector A, B, C were fully amortized in the first quarter of the year 2020 as well as efficient cost management which suitable for the situation.

2. Rail business

The Company had revenue from Rail business of Baht 1,210 Million, representing an increase from the second quarter of the year 2020 (QoQ) by Baht 394 Million or 48.2 percent, but decreased from the same quarter of the previous year (YoY) by Baht 56 Million or 4.4 percent. The average ridership was at 283,700 trips/day representing an increase 113 percent QoQ from the government relief measures for the outbreak of COVID-19 especially the social distancing but decreased 15.4 percent YoY. The average ridership per working day was at 338,800 trips/day

Cost of Rail business consisted of costs of farebox, O&M cost and amortization on intangible asset under concession agreement of the MRT Blue Line Project. For the third quarter of the year 2020, the cost was at Baht 1,312 Million, representing an increase from the same quarter of the previous year by Baht 318 Million or 32 percent mainly from expenses related to the full operation of the MRT Blue Line Extension.

3. Commercial Development business

In the third quarter of the year 2020, total Commercial Development revenue was at Baht 215 Million, representing an increase from the same quarter of the previous year by Baht 14 Million or 7 percent, mainly from the increase in telecommunication and advertising revenue from the operation of the MRT Blue Line Extension Project. Cost of Commercial Development business was equal to the same quarter of the previous year at Baht 67 Million.

(Translation)

Financial Position

(Unit: Million Baht)

Description	30 Sep 20	31 Dec 19	Changes	
			Amount	%
Total assets	115,698	111,697	4,001	3.6
Total liabilities	76,605	72,874	3,731	5.1
Total shareholders' equity	39,093	38,823	270	0.7

As at September 30, 2020, the Company and its subsidiaries had total assets amounted to Baht 115,698 Million, representing an increase by Baht 4,001 Million or 3.6 percent when compared with total assets as at December 31, 2019 mainly from the increase in the construction of the Blue Line Extension Project which was completed and operated in full commercial service on March 30, 2020. Total liabilities amounted to Baht 76,605 Million, representing an increase from the previous year by Baht 3,731 Million or 5.1 percent from the withdrawal of loan for the Blue Line Extension Project. Total shareholders' equity amounted to Baht 39,093 Million, representing an increase from the previous year by Baht 270 Million or 0.7 percent when compared to the end of the year 2019 mainly from the net profit from operation, unrealized gain on fair value adjustment of investments in available-for-sale securities and dividend payment in May 2020.

Cash Flows

As at September 30, 2020, the Company and its subsidiaries had cash and cash equivalents amounting to Baht 2,283 Million, representing an increase from the end of the previous year by Baht 1,579 Million.

(Unit: Million Baht)

Description	For the nine months of the year 2020
Net cash flows operating activities	4,065
Net cash flows investing activities	(3,096)
Net cash flows financing activities	610
Net increase in cash and cash equivalents	1,579
Cash and cash equivalents at beginning of period	704
Cash and cash equivalents at end of period	2,283

(Translation)

Cash used in investing activities mainly resulted from payment for the M&E equipment of the MRT Blue Line Extension Project in the amount of Baht 3,065 Million, payment for constructions of the expressway and fixed asset for the operation in the amount of Baht 775 Million, receipt from sale of investment in the net amount of Baht 261 Million and dividend receipt in the amount of Baht 483 Million.

Cash from financing activities resulted from the issuance of debenture and the withdrawal of loan in the net amount of Baht 3,237 Million, dividend payment in the amount of Baht 1,376 Million, interest payment and financial cost in the amount of Baht 1,251 Million.

Significant Financial Ratios*

Description	Unit	3 rd Quarter	
		2020	2019
Net Profit Margin ratio (NPM)	%	21.61	21.60
Return on Equity ratio (ROE)	%	5.13	8.24
Return on Total Assets ratio (ROA)	%	1.94	3.22
Debt to Equity ratio (D/E)	Time	1.73	1.59
Net Interest Bearing Debt to Equity ratio (Net IBD/E)	Time	1.44	1.33

Although revenue from main business decreased according to the COVID-19, but the decrease in amortization on rights to operate completed expressway sectors of the Second Stage Expressway together with cost management resulted to Net Profit Margin ratio being at the same rate as in the prior year, whereas ROE and ROA decreased from the prior year as a result from the decrease in net profit. D/E ratio increased from the withdrawal of loan for the Blue Line Extension Project but lower than 2.5 times as stated in loan and debenture agreement.

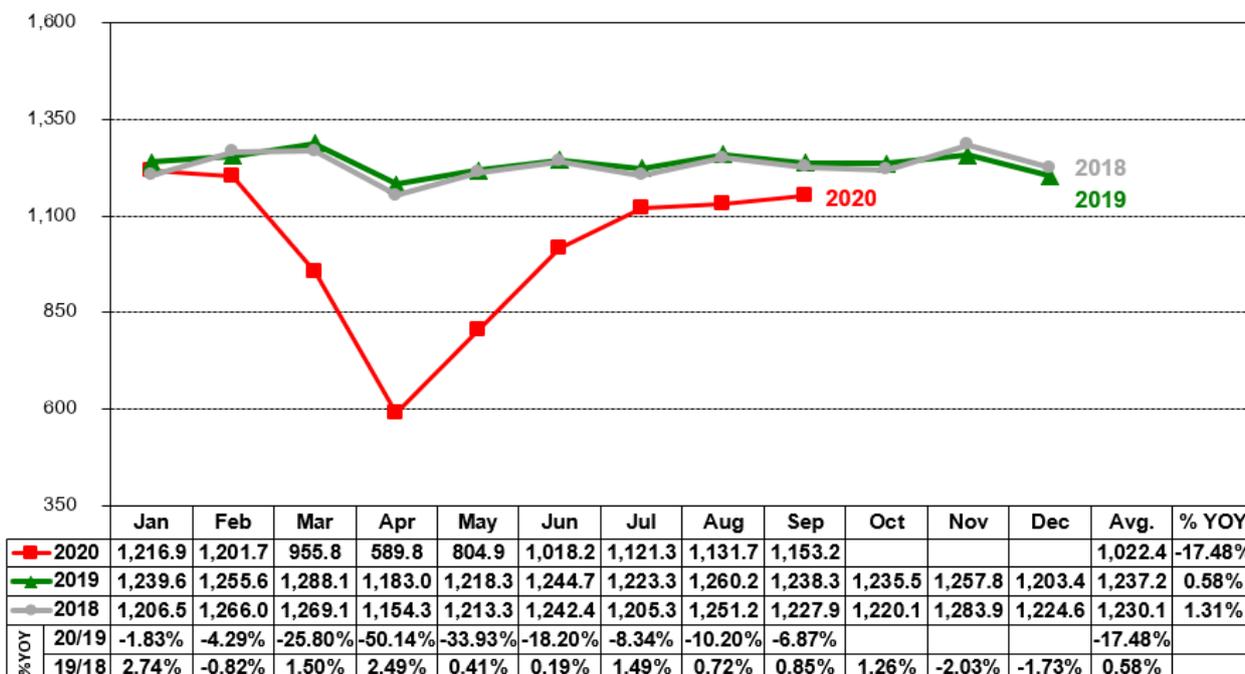
* The operational results were calculated based on the consolidated financial statements which consist of the Expressway Business, Rail Business, Commercial Development Business, and return on investment in other companies. Therefore, there was no similar type of business in the industry that can be used as a benchmark for comparison.

Not include transaction related to the novation of the M&E systems under the concession agreement of the MRT Chalong Ratchadham Line Project which the MRTA is fully responsible for both loan repayment and interest expense in accordance to the concession agreement and gain on fair value adjustment of investment.

(Translation)

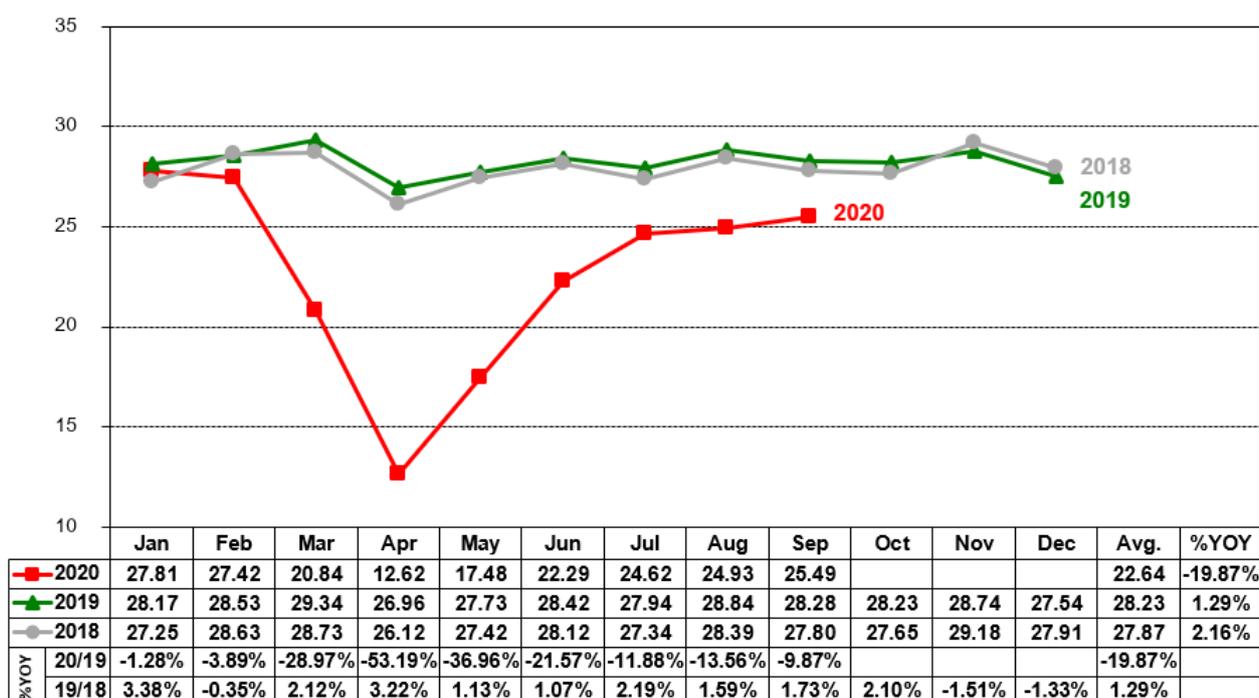
Average Daily Traffic Volume for the First Stage Expressway, the Second Stage Expressway, the Si Rat-Outer Ring Road Expressway and the Bang Pa-in - Pak Kret Expressway

(Thousand Trips / Day)



Average Daily Toll Revenue for the First Stage Expressway, the Second Stage Expressway, the Si Rat-Outer Ring Road Expressway and the Bang Pa-in - Pak Kret Expressway

(Million Baht / Day)

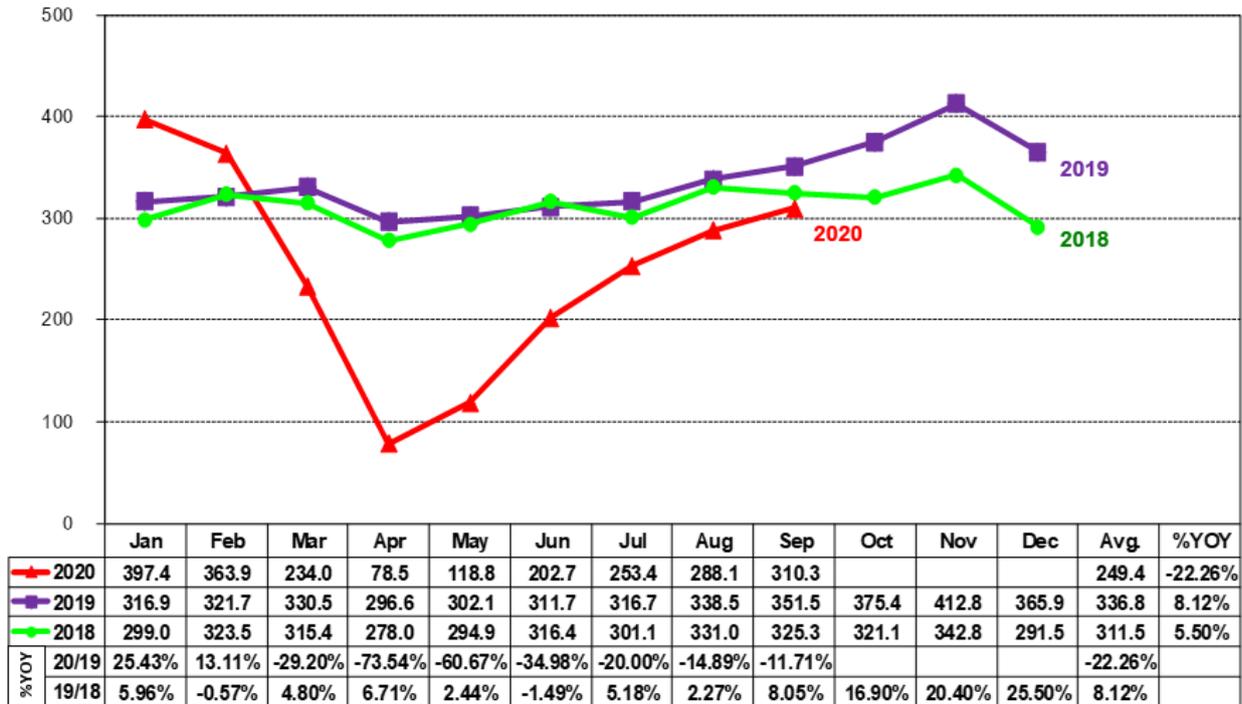


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Average Daily Ridership for Blue Line

(Thousand Trips / Day)



Average Daily Farebox Revenue for Blue Line

(Million Baht / Day)

