

BANGKOK MASS TRANSIT SYSTEM PLC

No. 87/2025
28 May 2025

CORPORATES

Company Rating: BBB+
Issue Ratings:
Senior unsecured BBB+
Outlook: Stable

Last Review Date: 24/05/24

Company Rating History:

Date	Rating	Outlook/Alert
24/05/24	BBB+	Stable
24/05/23	A-	Stable
28/05/20	A	Negative
17/05/16	A	Stable

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RATIONALE

TRIS Rating affirms the company rating on Bangkok Mass Transit System PLC (BTSC) and the ratings on BTSC's outstanding senior unsecured debentures at "BBB+" with a "stable" rating outlook. The ratings on BTSC primarily reflect its group status as the core subsidiary of BTS Group Holding PLC (BTS) (rated BBB+/Stable outlook). According to our "Group Rating Methodology", a core subsidiary is generally rated at the same level as the group's credit profile.

KEY RATING CONSIDERATIONS

Core subsidiary of BTS

We assess BTSC as the core subsidiary of BTS. BTSC holds the concession rights to operate the Green Line metro rail and provides operating and maintenance (O&M) services for all the rail systems operated by the BTS Group. As of December 2024, BTS held a 98% equity interest in BTSC. The management and group strategies of the two companies are highly integrated and interdependent. BTSC is the core source of revenue and profit for the BTS Group. BTSC's revenue constituted around 67% of the BTS Group's consolidated revenue in the first nine months of fiscal year (FY) 2025. In terms of profit, it represented nearly all of BTS's EBITDA in the first nine months of FY2025. We expect BTSC to continue its dominant revenue and profit contribution to the BTS Group, thanks to its predictable O&M service income, despite the BTS Group starting to consolidate the performance of Rabbit Holdings PLC (RABBIT) and Roctec Global PLC (ROCTEC) since November 2024. We still expect BTSC's EBITDA contribution to the BTS Group to remain substantial at around 75%-87% in FY2026-FY2028.

Concession and O&M contracts for rail operations

BTSC holds a 30-year concession for the core section of the metro Green Line. The concession was awarded by the Bangkok Metropolitan Administration (BMA), spanning the 1999-2029 period. In 2013, the company sold future net farebox revenues from train operations under the concession to the BTS Rail Mass Transit Growth Infrastructure Fund (BTSGIF), an infrastructure investment fund, for THB61 billion. BTSC entered into two O&M contracts with Krungthep Thanakom Co., Ltd. (KT), the business arm of BMA. The first contract, signed in 2012, covers the first rail extension and the core section, while the second contract, signed in 2017, covers the second rail extension. Both contracts will expire in 2042.

BTSC has also entered into O&M agreements with Northern Bangkok Monorail Co., Ltd. and Eastern Bangkok Monorail Co., Ltd., the two joint ventures (JVs) between BTS and its two partners, to operate the Pink Line and the Yellow Line monorails. The Yellow Line commenced commercial service in July 2023, with the Pink Line operational since January 2024.

BTSC's revenue from O&M services is a key contributor to the BTS Group's revenue. In the first nine months of FY2025, O&M service income accounted for around 46% of the BTS Group's revenue. O&M service income is expected to continue to rise due to the increasing schedule for the Green Line O&M service fees.

Well positioned to bid for new mass transit projects

BTSC is positioned as the primary entity within the BTS Group for pursuing new infrastructure projects, particularly within the mass transit sector. This

designation is primarily due to BTSC's extensive operational experience and established track record in managing electric rail systems, factors considered to be crucial in competitive bidding processes. With over two decades of experience in the operation of electric rail systems, BTSC stands as one of the two principal electric train operators in Thailand. This extensive operational history represents a key competency for the BTS Group, significantly enhancing its competitive standing in pursuit of new mass transit development opportunities.

Adequate liquidity

We assess BTSC to have adequate liquidity over the next 12 months. As of December 2024, the company had cash and cash equivalents of around THB14 billion. Funds from operations (FFO) for the next 12 months are projected to be around THB4.5 billion. Also, the company has undrawn credit facilities from commercial banks of THB14 billion. Uses of funds include THB2.4 billion in short-term loans coming due and expected capital expenditures of THB500 million in FY2026.

Debt structure

BTSC had no priority debt as of December 2024.

RATING OUTLOOK

The "stable" outlook on BTSC is based on the rating outlook assigned to BTS.

RATING SENSITIVITIES

The ratings on BTSC and its debentures and/or outlook could be revised upward or downward should there be changes in BTS's credit standing or if TRIS Rating assesses changes in BTSC's group status.

COMPANY OVERVIEW

Established in 1992, BTSC is currently owned (98%) by BTS. BTSC was initially set up to build and operate the BTSC (BTS Skytrain) under a 30-year concession (1999-2029) awarded by the BMA. In 2013, the company sold future net farebox revenues from train operations under the concession to the BTSGIF, an infrastructure investment fund, for THB61 billion. BTS, its parent company, holds 33% of the investment units of BTSGIF. BTSC has two O&M contracts with KT, the business arm of the BMA, covering two extensions of the BTS Skytrain.

Previously, the company operated a business segment known as MIX, which evolved from its media operations and functioned as an omni-channel marketing platform. Through its subsidiary, VGI PLC, BTSC offered advertising services and rented retail space across the BTS Skytrain network. However, following a restructuring of VGI's shareholding in February 2024, BTSC divested its entire 29.66% stake in VGI to BTS.

FINANCIAL STATISTICS AND KEY FINANCIAL RATIOS*

Unit: Mil. THB

	Apr-Dec 2024	-----Year Ended 31 March -----			
		2024	2023	2022	2021
Total operating revenues	7,934	9,052	7,693	11,151	8,421
Earnings before interest and taxes (EBIT)	6,814	8,935	7,410	6,475	7,534
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	7,045	9,950	8,454	7,599	8,062
Funds from operations (FFO)	5,325	7,169	5,853	5,653	6,019
Adjusted interest expense	258	1,156	871	784	730
Capital expenditures	31	749	561	635	493
Total assets	68,463	80,239	103,416	102,433	78,404
Adjusted debt	0	26,100	18,769	38,914	17,274
Adjusted equity	48,617	43,502	65,871	50,491	46,329
Adjusted Ratios					
EBITDA margin (%)	88.8	109.9	109.9	68.1	95.7
Pretax return on permanent capital (%)	12.2 **	10.9	8.1	8.2	12.3
EBITDA interest coverage (times)	27.3	8.6	9.7	9.7	11.0
Debt to EBITDA (times)	0.0 **	2.6	2.2	5.1	2.1
FFO to debt (%)	n.m. **	27.5	31.2	14.5	34.8
Debt to capitalization (%)	0.0	37.5	22.2	43.5	27.2

* Consolidated financial statements

** Annualized with the trailing 12 months

n.m. = Not meaningful

RELATED CRITERIA

- Issue Rating Criteria, 26 December 2024
- Group Rating Methodology, 7 September 2022
- Corporate Rating Methodology, 15 July 2022
- Key Financial Ratios and Adjustments for Corporate Issuers, 11 January 2022

Bangkok Mass Transit System PLC (BTSC)

Company Rating:	BBB+
Issue Ratings:	
BTSC26NB: THB1,500 million senior unsecured debentures due 2026	BBB+
BTSC28NA: THB2,500 million senior unsecured debentures due 2028	BBB+
BTSC31NA: THB4,200 million senior unsecured debentures due 2031	BBB+
Rating Outlook:	Stable

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