

# BTS GROUP HOLDINGS PLC

No. 102/2022  
19 September 2022

## CORPORATES

<b>Company Rating:</b>	A
<b>Issue Ratings:</b>	
Senior unsecured	A
<b>Outlook:</b>	Negative

**Last Review Date:** 26/05/22

### Company Rating History:

Date	Rating	Outlook/Alert
28/05/20	A	Negative
17/05/16	A	Stable

### Contacts:

Pramuansap Phonprasert  
pramuansap@trisrating.com

Chanaporn Pinphithak  
chanaporn@trisrating.com

Parat Mahuttano  
parat@trisrating.com

Thiti Karoonyanont, Ph.D., CFA  
thiti@trisrating.com



WWW.TRISRATING.COM

## RATIONALE

TRIS Rating affirms the company rating on BTS Group Holdings PLC (BTS) and the ratings on BTS's outstanding senior unsecured debentures at "A", with a "negative" outlook. At the same time, TRIS Rating assigns a "A" rating to BTS's proposed issue of up to THB20 billion in senior unsecured debentures. The proceeds from the new debentures will be used for debt repayment.

The ratings continue to reflect the company's strong business profile based on the steady service income from its sky train operation, the sizable cash flow received from its 33.33% investment in BTS Rail Mass Transit Growth Infrastructure Fund (BTSGIF), and its entrenched position in the media business. The ratings, however, are constrained by the surge in BTS's financial leverage to fund several investment projects.

In the first quarter of fiscal year (FY) 2023 (April-June 2022), BTS's revenue (excluding revenue from installation and construction services and train procurement service) increased by 27% to THB3.0 billion. The rise was mainly attributed to the consolidation of Fanslink Communication Co., Ltd. However, BTS's earnings before interest, taxes, depreciation, and amortization (EBITDA) dropped by 5% to THB2.1 billion in the first quarter of FY2023. BTS's debt to EBITDA ratio, inclusive of debts to finance account receivable from Bangkok Metropolitan Administration (BMA), declined to 12.4 times (annualized, from the trailing 12 months) in the first quarter of FY2023, compared with 13.4 times in FY2022. Adjusted for accounts receivable from the BMA in the calculation of debt, the company's debt to EBITDA ratio was at 7.4 times in the first quarter of FY2023.

As of June 2022, BTS's total interest-bearing debt of THB112 billion included the priority debt of THB37 billion. The priority debt comprised secured debts and unsecured debts at the subsidiary level. The company's priority debt to total debt ratio was 33%.

## RATING OUTLOOK

The "negative" outlook reflects the likelihood of a significant rise in BTS's financial leverage from its planned investments which could lead to material deterioration in credit metrics to a degree that may not be commensurate with current ratings.

## RATING SENSITIVITIES

A rating upgrade is unlikely over the next few years as we expect the company's leverage to remain high. The outlook could be revised to "stable" if BTS's leverage significantly declines which is possible if the company is repaid all amounts owed by the BMA and the performance of its media business quickly recovers. The ratings could be revised downward if its adjusted net debt to EBITDA ratio stays over 8 times on a sustained basis.

## RELATED CRITERIA

- Corporate Rating Methodology , 15 July 2022
- Key Financial Ratio and Adjustments for Corporate Issuers, 11 January 2022
- Issue Rating Criteria, 15 June 2021

## BTS Group Holdings PLC (BTS)

<b>Company Rating:</b>	<b>A</b>
<b>Issue Ratings:</b>	
BTSG22NA: THB500 million senior unsecured debentures due 2022	A
BTSG22DA: THB1,500 million senior unsecured debentures due 2022	A
BTSG239A: THB1,290 million senior unsecured debentures due 2023	A
BTSG23NA: THB4,000 million senior unsecured debentures due 2023	A
BTSG245A: THB3,000 million senior unsecured debentures due 2024	A
BTSG247A: THB1,500 million senior unsecured debentures due 2024	A
BTSG255A: THB700 million senior unsecured debentures due 2025	A
BTSG25NA: THB1,500 million senior unsecured debentures due 2025	A
BTSG265A: THB2,700 million senior unsecured debentures due 2026	A
BTSG267A: THB3,500 million senior unsecured debentures due 2026	A
BTSG275A: THB2,800 million senior unsecured debentures due 2027	A
BTSG27NA: THB2,000 million senior unsecured debentures due 2027	A
BTSG27DA: THB2,000 million senior unsecured debentures due 2027	A
BTSG289A: THB4,660 million senior unsecured debentures due 2028	A
BTSG295A: THB5,000 million senior unsecured debentures due 2029	A
BTSG295B: THB3,800 million senior unsecured debentures due 2029	A
BTSG29DA: THB2,000 million senior unsecured debentures due 2029	A
BTSG30NA: THB600 million senior unsecured debentures due 2030	A
BTSG317A: THB8,000 million senior unsecured debentures due 2031	A
BTSG325A: THB3,700 million senior unsecured debentures due 2032	A
Up to THB20,000 million senior unsecured debentures due within 10 years	A
<b>Rating Outlook:</b>	<b>Negative</b>

### TRIS Rating Co., Ltd.

Silom Complex Building, 24th Floor, 191 Silom Road, Bangkok 10500, Thailand Tel: +66 2 098 3000

© Copyright 2022, TRIS Rating Co., Ltd. All rights reserved. Any unauthorized use, disclosure, copying, republication, further transmission, dissemination, redistribution or storing for subsequent use for any purpose, in whole or in part, in any form or manner or by any means whatsoever, by any person, of the credit rating reports or information is prohibited, without the prior written permission of TRIS Rating Co., Ltd. The credit rating is not a statement of fact or a recommendation to buy, sell or hold any debt instruments. It is an expression of opinion regarding credit risks for that instrument or particular company. The opinion expressed in the credit rating does not represent investment or other advice and should therefore not be construed as such. Any rating and information contained in any report written or published by TRIS Rating has been prepared without taking into account any recipient's particular financial needs, circumstances, knowledge and objectives. Therefore, a recipient should assess the appropriateness of such information before making an investment decision based on this information. Information used for the rating has been obtained by TRIS Rating from the company and other sources believed to be reliable. Therefore, TRIS Rating does not guarantee the accuracy, adequacy, or completeness of any such information and will accept no liability for any loss or damage arising from any inaccuracy, inadequacy or incompleteness. Also, TRIS Rating is not responsible for any errors or omissions, the result obtained from, or any actions taken in reliance upon such information. All methodologies used can be found at [www.trisrating.com/rating-information/rating-criteria](http://www.trisrating.com/rating-information/rating-criteria)