

# BANGKOK EXPRESSWAY AND METRO PLC

No. 89/2022  
25 August 2022

## CORPORATES

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

Last Review Date: 26/07/22

### Company Rating History:

Date	Rating	Outlook/Alert
01/04/21	A-	Stable
28/05/20	A	Negative
05/04/16	A	Stable

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## RATIONALE

TRIS Rating affirms the company rating on Bangkok Expressway and Metro PLC (BEM) and the issue ratings on BEM's outstanding senior unsecured debentures at "A-". At the same time, we assign the rating of "A-" to BEM's proposed issue of up to THB4.5 billion senior unsecured debentures. The rating outlook remains "stable". The new issue rating replaces the issue rating previously assigned on 26 July 2022, following BEM's request to change the issue size from the previously announced size of THB3 billion. The proceeds from the new debentures will be used to refinance its debt coming due.

The ratings continue to reflect BEM's strong business profile, supported by a portfolio of quality concessional assets, steady operating cash flow from its expressway operation, and the growth prospects of the mass rapid transit (MRT) operation. The ratings also reflect BEM's high leverage, the result of front-loaded investment in the MRT Blue Line made in the past few years.

Having been negatively hit by the pandemic in the past two years, BEM's operating performance is expected to gradually recover alongside the resumption of social and economic normality. For the first seven months of 2022, average daily traffic volume on the expressway network grew 19% year-on-year (y-o-y) to 1 million trips, and average daily toll revenue grew 23% y-o-y to THB22.47 million. We expect the average daily traffic volume to recover to over 1 million trips in 2022.

MRT performance has also shown gradual improvement. Average daily ridership on MRT rose by 43% y-o-y to 218,925 trips and average daily revenue was THB6 million for the first seven months of 2022. Average daily ridership jumped significantly after the reopening of on-site schools. BEM reported average daily ridership of 274,623 trips in July 2022. We expect the ridership trend to continue improving in the second half of the year consolidated by the return of tourism activities.

For the first six months of 2022, BEM reported THB6.4 billion in revenue and THB1.6 billion in earnings before interest, taxes, depreciation, and amortization (EBITDA). Adjusted debt was THB64 billion and adjusted debt to EBITDA ratio was 25.6 times (annualized based on trailing 12 months). We expect BEM's performance to pick up along with expressway traffic volume and MRT ridership. Improving earnings should help lower the leverage ratio to mid-teen levels in 2022.

## RATING OUTLOOK

The "stable" outlook reflects our expectation that BEM's business profile will remain strong with operating cash flows from both the expressway and the mass transit businesses as well as the level of debt in accordance with our baseline forecast.

## RATING SENSITIVITIES

The ratings could be revised upward if BEM's operating performance and financial metrics improve substantially such that the adjusted debt to EBITDA ratio stays below 7 times for a sustained period. The ratings could come under downward pressure if BEM's financial metrics are materially weaker than our

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expectation either from prolonged deteriorating operating performance or a sizable debt-funded investment such that its adjusted debt to EBITDA ratio stays considerably above 10 times over a sustained period.

#### 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

#### Bangkok Expressway and Metro PLC (BEM)

<b>Company Rating:</b>	A-
<b>Issue Ratings:</b>	
BEM229A: THB2,000 million senior unsecured debentures due 2022	A-
BEM234A: THB3,500 million senior unsecured debentures due 2023	A-
BEM236A: THB2,000 million senior unsecured debentures due 2023	A-
BEM244A: THB2,000 million senior unsecured debentures due 2024	A-
BEM245A: THB2,000 million senior unsecured debentures due 2024	A-
BEM246A: THB1,000 million senior unsecured debentures due 2024	A-
BEM249A: THB3,000 million senior unsecured debentures due 2024	A-
BEM254A: THB3,500 million senior unsecured debentures due 2025	A-
BEM250A: THB2,500 million senior unsecured debentures due 2025	A-
BEM264A: THB2,000 million senior unsecured debentures due 2026	A-
BEM265A: THB1,000 million senior unsecured debentures due 2026	A-
BEM266A: THB3,335 million senior unsecured debentures due 2026	A-
BEM270A: THB3,000 million senior unsecured debentures due 2027	A-
BEM284A: THB1,000 million senior unsecured debentures due 2028	A-
BEM286A: THB2,750 million senior unsecured debentures due 2028	A-
BEM286B: THB500 million senior unsecured debentures due 2028	A-
BEM295A: THB1,000 million senior unsecured debentures due 2029	A-
BEM306A: THB1,300 million senior unsecured debentures due 2030	A-
BEM314A: THB1,000 million senior unsecured debentures due 2031	A-
BEM326A: THB700 million senior unsecured debentures due 2032	A-
Up to THB4,500 million senior unsecured debentures due within 12 years	A-
<b>Rating Outlook:</b>	Stable

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