

# BANGKOK EXPRESSWAY AND METRO PLC

No. 3/2024

8 January 2024

## CORPORATES

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

**Last Review Date:** 27/04/23

### 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 THB5 billion senior unsecured debentures. The rating outlook remains "stable". The proceeds from the new debentures will be used to refinance its maturing debts.

The ratings continue to reflect BEM's strong business profile, underpinned 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 factor in BEM's high leverage, resulting from front-loaded investment in the MRT Blue Line made over the past few years.

BEM's operating performance continued improving alongside economic and tourism recovery. The expressway operation showed steady recovery. For the first 11 months of 2023, average daily traffic volume on the expressway was 1.12 million trips, compared with 1.04 million trips in 2022. Average daily toll revenue increased to THB25.5 million, from 23.5 million in 2022.

Meanwhile, the MRT operation reached a record high ridership number, attributed to the resurgence of tourism, resumption of events and activities along the MRT Blue Line, and passenger feeders from the newly opened MRT Yellow Line. For the first 11 months of 2023, average daily ridership on MRT rose to 388,913 trips with average daily revenue of THB10.6 million, compared with 270,617 trips with average daily revenue of THB7.4 million in 2022.

For the first nine months of 2023, BEM's operating result was in line with our expectation. The company reported THB12.9 billion in revenue and THB4.2 billion in earnings before interest, taxes, depreciation, and amortization (EBITDA). Adjusted debt was THB63.5 billion and the adjusted debt to EBITDA ratio was 12.1 times (annualized from the trailing 12 months).

## RATING OUTLOOK

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

## RATING SENSITIVITIES

The rating upside is limited in the near term considering BEM's current leverage level and potential sizable investment required for the MRT Orange Line and the Double Deck Expressway. Rating downgrade pressure could materialize if BEM's financial metrics persistently fall short of our expectations.

## RELATED CRITERIA

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

**CreditUpdate**, reviews ratings of companies or debt issues that have already been rated by TRIS Rating. The CreditUpdate occurs when new debt instruments are issued or if significant events have taken place that may impact a company's current ratings or when current ratings are cancelled. The CreditUpdate announces whether a rating has been "upgraded," "downgraded," "affirmed" or "cancelled." The update includes information to supplement the previously published ratings.

Credit Updates are part of TRIS Rating's monitoring process. TRIS Rating monitors every rating it assigns until either the debt instrument matures or the rating contract ends. To keep the public informed of changing situations, TRIS Rating periodically issues announcements about the credit ratings it monitors.

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

<b>Company Rating:</b>	A-
<b>Issue Ratings:</b>	
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-
BEM259A: THB1,000 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-
BEM264B: THB1,800 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-
BEM279A: THB1,500 million senior unsecured debentures due 2027	A-
BEM270A: THB3,000 million senior unsecured debentures due 2027	A-
BEM284A: THB1,000 million senior unsecured debentures due 2028	A-
BEM284B: THB300 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-
BEM329A: THB1,000 million senior unsecured debentures due 2032	A-
BEM334A: THB3,400 million senior unsecured debentures due 2033	A-
BEM349A: THB1,000 million senior unsecured debentures due 2034	A-
BEM354A: THB1,000 million senior unsecured debentures due 2035	A-
Up to THB5,000 million senior unsecured debentures due within 12 years	A-
<b>Rating Outlook:</b>	Stable

**TRIS Rating Co., Ltd.**

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