

# BTS GROUP HOLDINGS PLC

No. 86/2025  
28 May 2025

## CORPORATES

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

**Last Review Date:** 21/06/24

### 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 BTS Group Holdings PLC (BTS) and the ratings on BTS's outstanding senior unsecured debentures at "BBB+" with a "stable" outlook. The ratings reflect the company's strong business profile, characterized by steady service income generated from long-term contracts for mass transit train operating and maintenance (O&M) services, sizable cash flow from its 33.33% investment in the BTS Rail Mass Transit Infrastructure Fund (BTSGIF), and a well-established position in the advertising media business. However, the ratings are weighed down by its high financial leverage stemming from sizable various investments made over recent years, the weaker-than-expected operating performances of the Pink Line and the Yellow Line monorails, and the consolidation of other non-mass transit businesses, which inherently carry higher risk.

## KEY RATING CONSIDERATIONS

### Growing, predictable income from O&M services

BTS benefits from a stable revenue stream and predictable cash flow derived from its O&M service contracts. Through its subsidiary, Bangkok Mass Transit System PLC (BTSC), the company provides O&M services for the Green Line metro rail and its extensions. For the first nine months of fiscal year (FY) 2025, BTS reported O&M service revenue amounting to THB5.4 billion, representing a roughly 4% increase compared with the corresponding period in the previous fiscal year. The structure of the O&M service agreements, largely characterized by fixed fees as stipulated in the contracts with no ridership risk, ensures a high degree of income predictability. We project an upward trajectory for annual O&M service fees, ranging from THB7.3 billion to THB8.1 billion during FY2025 through FY2028.

### Yellow and Pink Lines continue to weigh on performance

The Yellow Line and Pink Line have exhibited passenger volumes below prior expectations following the commencement of their commercial operations in July 2023 and January 2024, respectively. The average daily ridership for FY2024/2025 numbered around 39,000 for the Yellow Line and 55,000 for the Pink Line. Going forward, we forecast a gradual increase in ridership and revenue generation for both lines over the medium term. Revenue from the Yellow Line is projected to grow to THB900 million in FY2028 from around THB440 million in FY2025, while revenue from the Pink Line is anticipated to rise to THB1.2 billion in FY2028 from THB650 million in FY2025. Based on these projections, both the Yellow Line and the Pink Line are expected to continue weighing the financial performance of the BTS Group throughout the forecast period.

### BTSGIF's cash flow recovery to continue

The core Green Line train network experienced continued recovery in passenger ridership throughout FY2025. During the first nine months of FY2025, passenger volume demonstrated a year-on-year (y-o-y) increase of 6%, reaching around 86% of pre-pandemic levels. This growth in ridership, coupled with the fare adjustment implemented at the beginning of calendar year 2023, has resulted in improved revenue generation for the core Green Line operations. Despite an increase in maintenance expenses that contributed to a lower net profit for BTSGIF, the cash flow received by BTS remained stable at around THB1.1 billion during the first nine months of

FY2025. We project a further gradual increase in cash flow from BTSGIF, to range between THB1.4 billion and THB1.7 billion per annum during FY2025 through FY2028. This forecast anticipates continued gradual increase of mass transit ridership and moderation of maintenance costs associated with the core Green Line infrastructure.

### **Revenue from MIX business to gradually increase**

The MIX business of BTS, encompassing media, distribution, and digital services, reported stagnant revenue growth during the first nine months of FY2025. This flat performance resulted from the expansion within the advertising media business being offset by a contraction in non-advertising businesses, notably “Rabbit Rewards”, following a revision in revenue recognition accounting practices.

Looking ahead, revenue from the MIX business is projected to increase at an annual rate of 4%-5% in FY2026-FY2028. This projected growth is underpinned by the continued recovery of passenger volumes on the BTS network, despite heightened competition from emerging media platforms, particularly online channels. Furthermore, the distribution business is expected to contribute increased revenue through the ongoing expansion of “Turtle” convenience stores.

In November 2024, VGI PLC (VGI), a key subsidiary of BTS within its MIX business, executed a capital raising through the private placement of new shares, generating proceeds of THB13.2 billion. VGI has articulated its intention to allocate these funds towards investments in a virtual banking venture, business expansion initiatives, and related strategic investments aimed at fostering future growth and ensuring the long-term sustainability of VGI’s operations. VGI has joined a consortium to apply for a virtual banking license from the Bank of Thailand. We view the proposed investment in virtual banking carries a degree of uncertainty, contingent upon the successful acquisition of the requisite license from regulatory authorities.

### **The consolidation of other businesses carries higher business risk**

In October 2024, BTS executed a rights offering, generating proceeds of THB13.2 billion. Of this amount, around THB7 billion was allocated towards the acquisition of additional stakes in Rabbit Holdings PLC (RABBIT) and Roctec Global PLC (ROCTEC) through a Voluntary Tender Offer (VTO). Following these transactions, BTS’s equity holding in RABBIT increased to 65.4% from 47.7%, and its stake in ROCTEC rose to 63.2% from 44.4%. Consequently, the statuses of both RABBIT and ROCTEC have been changed to subsidiaries of BTS from associate companies, and BTS has consolidated their financial performances commencing in early November 2024.

RABBIT’s primary business operations comprise financial services and property development. The financial service business encompasses life insurance through Rabbit Life Insurance PLC and non-performing loan (NPL) management under Prime Zone Asset Management Co., Ltd.. The property business includes hotel business as well as office and commercial property for rent. ROCTEC’s principal business activities are in the areas of system integration and advertising services.

Looking ahead, we expect RABBIT to contribute around 20% and ROCTEC around 10% to BTS’s consolidated revenue and EBITDA in FY2026-FY2028. While the consolidation of RABBIT and ROCTEC is expected to augment the overall EBITDA of BTS, the business risks associated with RABBIT’s hotel operations and financial services and ROCTEC’s system integration business are considered to be higher than those associated with BTS’s core mass transit operations.

### **Operating performance to gradually improve**

BTS’s overall operating revenue is projected to increase to the THB18.5-THB25.8 billion per annum range in FY2025-FY2028 from THB13.4 billion in FY2024. This anticipated increase in revenue is primarily due to the consolidation of the financial performance of RABBIT and ROCTEC, alongside a gradual expansion in revenues from the MOVE and MIX business. EBITDA from core operations, excluding interest income derived from the Pink Line and the Yellow Line and interest income from receivables due from the Bangkok Metropolitan Administration (BMA), is projected to increase to roughly THB6.2-THB6.6 billion per annum in FY2026-FY2028 from THB4.6 billion in FY2025.

### **Financial leverage remains high but a gradual decline expected**

BTS’s financial leverage remained elevated, although a decrease was observed in the first nine months of FY2025. The debt to EBITDA ratio stood at around 14 times, a decrease from around 21 times in FY2024. This decline in financial leverage was primarily driven by the receipt of THB23 billion for electrical and mechanical (E&M) and THB14.5 billion for operation and maintenance (O&M) debt repayment from BMA in April 2024 and December 2024, respectively. The capital increases realized through BTS’s rights offering and VGI’s private placement also contributed to this deleveraging.

We expect that BMA will gradually settle the remaining outstanding O&M fees owed to BTS, which totaled approximately THB30 billion as of December 2024, over FY2026-FY2027. The company’s capital expenditures and investments in affiliates are estimated to total THB32 billion in FY2025-FY2028. Significant capital expenditure items include investments in the new “BTS Visionary Park” office building, the “U-Tapao International Airport” project, and a new hotel project under RABBIT. Furthermore, the divestment of RABBIT’s hotel assets in Europe is forecast for FY2028. Consequently, BTS’s adjusted debt (excluding civil debts related to the Pink Line and the Yellow Line) is projected to decrease to around THB71 billion in FY2027,

down from THB104 billion in the first nine months of FY2025. This deleveraging is expected to result in a decline in the adjusted debt to EBITDA ratio to around 11 times in FY2026-FY2028.

Based on the current projections, we expect BTS to remain in compliance with its debenture covenants over the next 12 to 18 months, which requires maintenance of a net interest-bearing debt to equity ratio of below 2.5 times. As of the end of December 2024, this ratio stood at 0.4 times.

### Adequate liquidity profile

We expect BTS to have adequate liquidity over the next 12 months. As of December 2024, the company's available sources of funds included cash and cash equivalents amounting to THB47.2 billion. Also, the company had access to undrawn credit facilities from commercial banks totaling around THB12 billion. Over the next 12 months, funds from operations (FFO) are projected to be around THB800 million. Furthermore, we expect the company to receive approximately THB20 billion in payment for O&M service debt from BMA in FY2026. These sources of funds are expected to be sufficient to cover the company's long-term debt obligations of THB13 billion maturing within the next 12 months, short-term obligations of THB21 billion, and projected capital expenditures of around THB8 billion in FY2026.

### Debt structure

As of December 2024, BTS's total interest-bearing debt of THB145 billion included priority debt of THB55 billion. This priority debt comprised secured and unsecured debts at the subsidiary level. The priority debt to total debt ratio was 38%.

### BASE-CASE ASSUMPTIONS

- O&M revenue is expected to gradually increase to THB8.1 billion in FY2028 from around THB7.3 billion in FY2025.
- Yellow Line's revenue is projected to increase to THB900 million in FY2028 from around THB440 million in FY2025, and Pink Line's revenue is projected to increase to THB1.2 billion in FY2028 from THB650 million in FY2025.
- Revenue from the MIX business is expected to increase by 1% in FY2025 and by 4%-5% per annum in FY2026-FY2028.
- Revenue from RABBIT is projected to be around THB5.3-THB5.7 billion per annum, and revenue from ROCTEC is projected to be around THB2.7-THB2.8 billion per annum in FY2026-FY2028.
- The EBITDA margin is expected to be around 39% in FY2025 and 34% in FY2026, before decreasing to around 25%-27% in FY2027-FY2028 due to lower interest income from BMA receivables.
- Capital expenditures are expected to total around THB32 billion in FY2025-FY2028.

### RATING OUTLOOK

The "stable" outlook reflects our expectation that the company's operating performance will continue to improve in line with our projections, driven by growing contracted O&M fee revenue, the gradually improving performance of the Pink Line and the Yellow Line operations, the recovery of the media business, and the consolidation of RABBIT and ROCTEC performances. The outlook also reflects our assumption that BMA will pay down the remaining debt owed to the company over the next two years.

### RATING SENSITIVITIES

A rating upgrade could occur if the company's financial profile improves substantially, which could be driven by significantly enhanced operating performance or a meaningful reduction in debt obligations. Conversely, the ratings could be revised downward if the company's financial profile deteriorates materially from our projections, which could be caused by a weaker-than-expected operating performance or the company undertaking larger-than-expected debt-funded investments.

### COMPANY OVERVIEW

BTS (formerly known as Tanayong PLC) was established in 1968 as a property development company. BTS became a holding company after it acquired BTSC in 2010. The company was listed on the Stock Exchange of Thailand (SET) in 1991. BTS has developed a 3M strategy, operating three key business segments: MOVE, MIX, and MATCH. In FY2024, the MOVE segment contributed most of the company's EBITDA, while the MIX segment and MATCH segment contributed minimal EBITDA to the company.

For the MOVE segment, the company operates the Green Line metro rail through its core subsidiary, BTSC. BTSC operates the core network of the Green Line metro rail through a 30-year concession. The future net farebox revenue over the remaining concession period (2013-2029) has already been sold to BTSGIF. BTS holds 33.33% of the investment units of BTSGIF. BTSC also has two O&M contracts to provide O&M services for the two Green Line extension routes and the core network from 2012 to 2042. BTS has set up joint ventures (JVs) with its two partners to invest in the Pink Line and the Yellow Line monorail projects at a total cost of around THB90 billion. The JVs receive the rights to operate the rails for a period of

33.3 years. The company and its partners have been granted a 50-year PPP-Net Cost concession for the U-Tapao International Airport Project and two 30-year O&M contracts for two motorway projects (Bang Pa-In – Nakhon Ratchasima (M6) and Bang Yai – Kanchanaburi (M81)).

As part of its offline-to-online (O2O) strategy, the company has transformed its media business into an omni-channel marketing platform, now known as the MIX business, which is primarily operated through its subsidiary VGI. Currently, the MIX business consists of three segments: media, distribution, and digital services. The media segment comprises advertising media inside the BTS trains and commercial spaces in the BTS train stations, as well as other out-of-home (OOH) media. The distribution segment includes O2O commerce (physical offline shops and e-commerce channel), along with retail and leasing spaces. Lastly, the digital service segment comprises insurance e-brokerage, digital lending services, and a loyalty program. The O2O solution is designed to combine all of BTS's offline and online channels to provide comprehensive marketing and distribution coverage for its clients. With these integrated marketing and distribution channels, the company aims to increase its revenue base and create synergies in terms of cross-selling and pooling consumer data.

In November 2024, BTS increased its ownership stakes in RABBIT and ROCTEC through a VTO. This transaction increased BTS's stake in RABBIT to 65.4% from 47.7% and in ROCTEC to 63.2% from 44.4%, thereby leading to the consolidation of both companies' financial performances into BTS's financial statements. RABBIT operates across two primary business segments: financial services and real estate. The financial service segment includes the life insurance business under Rabbit Life Insurance PLC and the NPL management business through Prime Zone Asset Management. Within the real estate segment, RABBIT holds a portfolio of nine hotels with 1,819 keys in Thailand and Europe, as well as a group of 16 leased hotels in Europe as of December 2024. This segment also encompasses office and commercial properties in Thailand and the United Kingdom (UK), with a total leasable area of 35,478 square meters (sq.m.) as of December 2024. Meanwhile, ROCTEC's core business revolves around Information Communication and Technology (ICT) solutions and system integration services, alongside its traditional advertising services (out-of-home advertising). ROCTEC's ICT expertise is particularly in integrated communication systems and digital display solutions, with strong focus on the transportation industry. Their service offerings span the entire project lifecycle, from initial consultation and design to supply, implementation, installation, and ongoing maintenance.

## FINANCIAL STATISTICS AND KEY FINANCIAL RATIOS\*

Unit: Mil. THB

	Apr-Dec 2024	----- Year Ended 31 March -----			
		2024	2023	2022	2021
Total operating revenues***	11,795	13,390	12,690	11,243	8,513
Earnings before interest and taxes (EBIT)	4,174	3,098	5,871	5,766	4,939
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	5,905	6,681	6,818	7,083	7,682
Funds from operations (FFO)	585	1,077	2,157	3,601	4,152
Adjusted interest expense	3,831	4,048	2,920	2,295	1,966
Capital expenditures	5,289	6,684	8,111	12,136	13,522
Total assets	326,430	272,082	270,927	253,539	212,076
Adjusted debt	103,698	139,605	122,821	115,469	84,774
Adjusted equity	108,440	66,392	81,322	84,311	76,037
<b>Adjusted Ratios</b>					
EBITDA margin (%)	50.1	49.9	53.7	63.0	90.2
Pretax return on permanent capital (%)	2.2 **	1.4	2.8	3.1	3.1
EBITDA interest coverage (times)	1.5	1.7	2.3	3.1	3.9
Debt to EBITDA (times)	13.9 **	20.9	18.0	16.3	11.0
FFO to debt (%)	0.8 **	0.8	1.8	3.1	4.9
Debt to capitalization (%)	48.9	67.8	60.2	57.8	52.7

\* Consolidated financial statements

\*\* Annualized with the trailing 12 months

\*\*\* Excluding revenue from installation and construction services and train procurement services

## 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

**BTS Group Holdings PLC (BTS)**

<b>Company Rating:</b>	BBB+
<b>Issue Ratings:</b>	
BTS25NA: THB1,500 million senior unsecured debentures due 2025	BBB+
BTS25NB: THB6,474.4 million senior unsecured debentures due 2025	BBB+
BTS265A: THB2,700 million senior unsecured debentures due 2026	BBB+
BTS267A: THB3,500 million senior unsecured debentures due 2026	BBB+
BTS271A: THB9,098 million senior unsecured debentures due 2027	BBB+
BTS275A: THB2,800 million senior unsecured debentures due 2027	BBB+
BTS275B: THB1,853.9 million senior unsecured debentures due 2027	BBB+
BTS275C: THB4,951.8 million senior unsecured debentures due 2027	BBB+
BTS27NA: THB2,000 million senior unsecured debentures due 2027	BBB+
BTS27DA: THB2,000 million senior unsecured debentures due 2027	BBB+
BTS289A: THB4,660 million senior unsecured debentures due 2028	BBB+
BTS28NA: THB5,386.6 million senior unsecured debentures due 2028	BBB+
BTS295A: THB5,000 million senior unsecured debentures due 2029	BBB+
BTS295B: THB3,800 million senior unsecured debentures due 2029	BBB+
BTS29DA: THB2,000 million senior unsecured debentures due 2029	BBB+
BTS301A: THB902 million senior unsecured debentures due 2030	BBB+
BTS305A: THB1,941.1 million senior unsecured debentures due 2030	BBB+
BTS305B: THB1,716.8 million senior unsecured debentures due 2030	BBB+
BTS30NA: THB600 million senior unsecured debentures due 2030	BBB+
BTS317A: THB8,000 million senior unsecured debentures due 2031	BBB+
BTS325A: THB3,700 million senior unsecured debentures due 2032	BBB+
BTS32NA: THB1,614 million senior unsecured debentures due 2032	BBB+
BTS32NB: THB2,240.2 million senior unsecured debentures due 2032	BBB+
BTS33NA: THB1,238.5 million senior unsecured debentures due 2033	BBB+
BTS35NA: THB1,957.6 million senior unsecured debentures due 2035	BBB+
<b>Rating Outlook:</b>	Stable

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