

# BANGKOK MASS TRANSIT SYSTEM PLC

No. 81/2021  
29 September 2021

## CORPORATES

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

**Last Review Date:** 27/05/21

### 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 Bangkok Mass Transit System PLC (BTSC) and the ratings on BTSC's outstanding senior unsecured debentures at "A", with a "negative" rating outlook. At the same time, TRIS Rating assigns the rating of "A" to BTSC's proposed issue of up to THB10.2 billion senior unsecured debentures. The proceeds from the new debentures are intended to repay outstanding debt.

The company rating on BTSC primarily reflects its status as a core subsidiary of BTS Group Holdings PLC (BTS). The rating on BTSC is equivalent to the company rating on BTS (rated "A/Negative" by TRIS Rating). BTSC provides the core source of revenue and profit for the BTS group. BTSC holds the concession rights to operate the "Green Line" metro rail and is the rail mass transit operator that provides operating and maintenance (O&M) services for all the rail systems operated by the BTS group. BTSC also provides media services inside the BTS trains and commercial spaces in the BTS train stations through its subsidiary, VGI PLC (VGI). In terms of financial performance, the company consistently delivers satisfactory operating results and continues to generate most revenue for the group. In fiscal year (FY) 2021, the company's operating revenue accounted for approximately 90% of BTS's operating revenue (excluding revenue from mass transit contracting works).

In the first quarter of FY2022, BTSC's revenue (excluding revenue from contracting works) increased by 38% to THB2.4 billion. This was mainly due to the higher operating and maintenance (O&M) services income. BTS's earnings before interest, tax, depreciation, and amortization (EBITDA) also increased by 14% to THB1.9 billion. Meanwhile, BTSC's debt to capitalization ratio stood at around 27% in the first quarter of FY2022.

As of June 2021, BTSC had total debt of THB17.7 billion (excluding lease obligations), including THB1.2 billion of priority debt. The priority debt was unsecured bank loan at VGI, which translates into a ratio of priority debt to total debt of 7%.

## RATING OUTLOOK

The "negative" outlook reflects the likelihood of a significant increase in the BTS group's financial leverage as a result of BTSC's potential investment in the new "Green Line" concession. The new investment could lead to a material deterioration in credit metrics to a degree that may not be commensurate with the current ratings.

## RATING SENSITIVITIES

The ratings and/or outlook on BTSC could be revised upward or downward should there be any changes in BTS's credit profile or if TRIS Rating perceives any material changes in BTSC's status relative to other subsidiaries or affiliates of BTS.

**RELATED CRITERIA**

- Issue Rating Criteria, 15 June 2021
- Group Rating Methodology, 13 January 2021
- Rating Methodology – Corporate, 26 July 2019
- Key Financial Ratios and Adjustments, 5 September 2018

**Bangkok Mass Transit System PLC (BTSC)**

<b>Company Rating:</b>	A
<b>Issue Ratings:</b>	
BTSC21NA: THB2,200 million senior unsecured debentures due 2021	A
BTSC23NA: THB4,100 million senior unsecured debentures due 2023	A
BTSC26NA: THB10,200 million senior unsecured debentures due 2026	A
Up to THB10,200 million senior unsecured debentures due within 10 years	A
<b>Rating Outlook:</b>	Negative

**TRIS Rating Co., Ltd.**

Silom Complex Building, 24th Floor, 191 Silom Road, Bangkok 10500, Thailand Tel: 0-2098-3000

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