

# BANGKOK EXPRESSWAY AND METRO PLC

No. 77/2022  
26 July 2022

## CORPORATES

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

**Last Review Date:** 05/04/22

### 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 THB3 billion in senior unsecured debentures. The rating outlook remains "stable". 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 six months of 2022, daily traffic volume on the expressway network grew 14% year-on-year (y-o-y), averaging 0.99 million trips per day, and daily toll revenue grew 17% y-o-y, averaging THB22.33 million per day. We expect the average daily traffic volume to recover to over 1 million trips per day in 2022.

MRT performance has also shown gradual improvement. Average daily ridership on MRT rose by 26% y-o-y to 209,382 trips and average daily revenue was THB5.7 million for the first six months of 2022. Average daily ridership in June 2022 leaped from previous months to 283,289 trips after the reopening of on-site schools. We expect the ridership figures to continue improving in the second half of the year consolidated by the return of tourism activities.

In the first quarter of 2022, BEM reported THB3.1 billion in revenue and THB686 million in earnings before interest, taxes, depreciation, and amortization (EBITDA). Adjusted debt was THB63 billion and adjusted debt to EBITDA ratio was 33 times (annualized with the 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 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.

**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.

## 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 THB3,000 million senior unsecured debentures due within 10 years	A-
<b>Rating Outlook:</b>	Stable

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