

# BANGKOK EXPRESSWAY AND METRO PLC

No. 67/2024  
26 July 2024

## CORPORATES

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

**Last Review Date:** 30/04/24

### Company Rating History:

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

### Contacts:

Chanaporn Pinphithak  
chanaporn@trisrating.com

Tulyawat Chatkam  
tulyawatc@trisrating.com

Parat Mahuttano  
parat@trisrating.com

Pramuansap Phonprasert  
pramuansap@trisrating.com



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## RATIONALE

TRIS Rating assigns a rating of “A-” to Bangkok Expressway and Metro PLC (BEM)’s proposed issue of up to THB5 billion senior unsecured debentures and an additional greenshoe portion of up to THB3 billion. The company rating and the ratings on BEM’s existing senior unsecured debentures remain unchanged at “A-”, with a “stable” outlook. The proceeds from the new debentures are intended to be used to refinance its maturing debts and to fund general business operations.

The ratings continue to reflect BEM’s strong business profile, supported by its portfolio of high-quality concessional assets, steady operating cash flow from its expressway operation, and growth prospects of its mass rapid transit (MRT) operation. Our baseline forecast incorporates the investment in the MRT Orange Line. Given the long-term nature of the contractual concessionaire business, we see BEM as having some headroom for temporary spikes in financial leverage during the investment phase. We project that BEM’s adjusted debt to EBITDA ratio could hover in the mid-teen levels over the next 5 years. Nevertheless, we expect the company to manage its funding prudently to maintain control over its debt levels and avoid excessive leverage.

The company’s expressway business continues to demonstrate resilience. For the first six months of 2024, average daily traffic volume on the expressway was 1.11 million trips, while average daily toll revenue was THB25.4 million, on par with the same period last year. Meanwhile, the MRT Blue Line ridership increased 12% year-on-year with average daily ridership of 412,005 trips and average daily revenue of THB11.3 million. We expect the ridership growth momentum to continue in the second half of the year and fare adjustments starting from July 2024 should have positive impact on daily revenue.

For the first three months of 2024, BEM’s operating results remained in line with our expectations. The company reported THB4.3 billion in revenue and THB1.4 billion in EBITDA. Adjusted debt was THB63.1 billion and the adjusted debt to EBITDA ratio was 11.1 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. We also expect the company to keep its debt level aligned with our baseline forecast.

## RATING SENSITIVITIES

The rating upside is limited in the near term considering BEM’s current leverage level and sizable investment required for the MRT Orange Line and the Double Deck Expressway. A rating downgrade could materialize if BEM’s financial metrics weaken significantly which could occur from excessive debt-funded investments.

## 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>	
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-
BEM272A: THB1,000 million senior unsecured debentures due 2027	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-
BEM292A: THB1,500 million senior unsecured debentures due 2029	A-
BEM295A: THB1,000 million senior unsecured debentures due 2029	A-
BEM306A: THB1,300 million senior unsecured debentures due 2030	A-
BEM312A: THB1,000 million senior unsecured debentures due 2031	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-
BEM342A: THB1,000 million senior unsecured debentures due 2034	A-
BEM349A: THB1,000 million senior unsecured debentures due 2034	A-
BEM354A: THB1,000 million senior unsecured debentures due 2035	A-
BEM362A: THB500 million senior unsecured debentures due 2036	A-
Up to THB5,000 million senior unsecured debentures and additional greenshoe portion of up to THB3,000 million due within 12 years	A-
<b>Rating Outlook:</b>	Stable

**TRIS Rating Co., Ltd.**

Silom Complex Building, 24th Floor, 191 Silom Road, Bangkok 10500, Thailand Tel: +66 2 098 3000

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