

# BTS GROUP HOLDINGS PLC

No. 34/2019  
23 May 2019

## CORPORATES

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

**Last Review Date:** 15/05/19

### Company Rating History:

Date	Rating	Outlook/Alert
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 "A". At the same time, TRIS Rating assigns the "A" rating to BTS's proposed issue of up to Bt13,000 million in senior unsecured debentures. The new issue rating replaces the issue rating previously assigned on 15 May 2019, following BTS's request to increase the issue size to up to Bt13,000 million, from Bt10,000 million. The proceeds from the new debentures will be used to repay existing debt.

The ratings reflect the company's strong business profile based on the high predictability of the service income from the mass transit train operation, stable dividend income received from its 33.33% investment in the BTS Rail Mass Transit Growth Infrastructure Fund (BTSGIF), and its entrenched position in the media business. The ratings, however, are constrained by high financial leverage due to the investments it has made in a number of large mass transit projects. In addition, there is uncertainty surrounding the conversion of two operating and maintenance (O&M) agreements to a new concession agreement covering the Green Line Skytrain. TRIS Rating will closely monitor the terms and conditions of the new concession since the new concession could affect BTS's financial profile.

## RATING OUTLOOK

The "stable" outlook reflects the expectation that the company will achieve steady growth in revenues and cash flow from operations. Total debt is expected to rise substantially because of the new mass transit projects undertaken through its subsidiaries. However, the adjusted net debt to EBITDA ratio is expected to decline to below 5 times in FY2020.

## RATING SENSITIVITIES

The prospect for a rating upgrade is unlikely over the next couple of years because leverage will remain high. The ratings and/or outlook could be revised downward if the adjusted net debt to EBITDA ratio stays over 5 times on a sustainable basis. For example, aggressive debt-funded investments or a significant drop in operating performance could cause the financial profile to deteriorate.

## RELATED CRITERIA

- Key Financial Ratios and Adjustments, 5 September 2018
- Rating Methodology – Corporate, 31 October 2007

**BTS Group Holdings PLC (BTS)**

<b>Company Rating:</b>	A
<b>Issue Ratings:</b>	
BTS20DA: Bt1,500 million senior unsecured debentures due 2020	A
BTS22DA: Bt1,500 million senior unsecured debentures due 2022	A
BTS27DA: Bt2,000 million senior unsecured debentures due 2027	A
BTS29DA: Bt2,000 million senior unsecured debentures due 2029	A
BTS209A: Bt3,550 million senior unsecured debentures due 2020	A
BTS239A: Bt1,290 million senior unsecured debentures due 2023	A
BTS289A: Bt4,660 million senior unsecured debentures due 2028	A
Up to Bt13,000 million senior unsecured debentures due within 10 years	A
<b>Rating Outlook:</b>	Stable

**TRIS Rating Co., Ltd.**

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