

COMPANY RESULTS

BTS Group Holdings (BTS TB)

4QFY24: Pink Line And Yellow Line Continue To Impact Earnings

BTS reported a 4QFY24 net profit of Bt36m. BTS announced the absence of dividend payment in FY24 and also the utilisation of legal reserves to offset the negative retained earnings. We revised down our FY25-26 forecasts to factor in a slower-than-expected ramp-up of average daily ridership for the Pink Line and Yellow Line. We do not expect any share price catalysts. Maintain HOLD. Target price: Bt4.52.

4QFY24 RESULTS

Year to 31 Dec (Btm)	4QFY24	4QFY23	3QFY24	yoy % chg	qoq % chg
Sales	3,966	5,007	5,148	-21%	-23%
Gross Profit	1,247	1,655	1,449	-25%	-14%
EBITDA	(355)	667	1,050	NA	NA
Pre-tax Profit	(90)	(38)	(5,803)	NA	NA
Net Profit	36	(222)	(4,762)	NA	NA
Core Profit	224	205	144	9%	56%
EPS (Bt)	0.003	(0.016)	(0.362)	NA	NA
Ratio (%)					
Gross Margin (%)	31.4%	33.0%	28.1%		
EBITDA Margin (%)	-8.9%	13.3%	20.4%		
Net Margin (%)	0.9%	-4.4%	-92.5%		

Source: BTS Group Holdings, UOB Kay Hian

RESULTS

- 4QFY24 results.** BTS Group Holdings (BTS) reported 4QFY24 net profit of Bt36m, up from a net loss of Bt4,762m and Bt222m in 3QFY24 and 4QFY23. BTS' service income increased by 9.6% yoy and 5.4% qoq in 1Q24 while the revenue from contract work dropped significantly due to the absence of construction revenue after the commencement of Pink Line from Jan 24 and Yellow Line from early-2QFY24.
- BTS made three announcements:** a) no dividend payment for FY23/24, b) the utilisation of legal reserves to offset the negative retained earnings (R/E) in the company's separate financial statements, and c) the approval for the issuance of additional shares under the general mandate for private placement purposes amounting to 650m shares, equivalent to 4.94% of paid-up capital.

KEY FINANCIALS

Year to 31 Mar (Btm)	2023	2024	2025F	2026F	2027F
Net turnover	18,311	18,175	14,968	15,627	16,759
EBITDA	3,056	2,208	2,929	4,190	5,222
Operating profit	2,089	899	1,044	1,853	2,602
Net profit (rep./act.)	1,836	(5,241)	127	1,205	2,322
Net profit (adj.)	2,078	275	127	1,205	2,322
EPS (Bt)	0.1	0.0	0.0	0.1	15.3
PE (x)	41.0	310.2	672.7	70.8	0.3
P/B (x)	1.1	1.4	1.3	1.3	0.0
EV/EBITDA (x)	84.3	116.6	87.9	61.5	49.3
Dividend yield (%)	6.5	3.3	0.2	1.4	2.8
Net margin (%)	10.0	(28.8)	0.8	7.7	13.9
Net debt/(cash) to equity (%)	283.1	374.9	314.8	292.7	269.6
Interest cover (x)	0.8	0.4	0.5	0.8	1.0
ROE (%)	3.1	n.a.	0.3	2.5	4.7
Consensus net profit	-	-	1,064	1,676	2,319
UOBKH/Consensus (x)	-	-	0.12	0.72	1.00

Source: BTS Group Holdings, Bloomberg, UOB Kay Hian
n.m. : not meaningful; negative P/E, EV/EBITDA reflected as "n.m."

HOLD

(Maintained)

Share Price	Bt4.80
Target Price	Bt4.52
Upside	-5.8%
(Previous TP)	Bt6.70)

COMPANY DESCRIPTION

BTS Group Holdings is a multi-industry conglomerate specialised in mass transit business, especially rail transport, media, digital services and property businesses seeking to amplify value from data integration and cross-business synergies.

STOCK DATA

GICS sector	Industrials
Bloomberg ticker:	BTS TB
Shares issued (m):	13,167.6
Market cap (Btm):	63,204.7
Market cap (US\$m):	1,714.8
3-mth avg daily t'over (US\$m):	14.2

Price Performance (%)

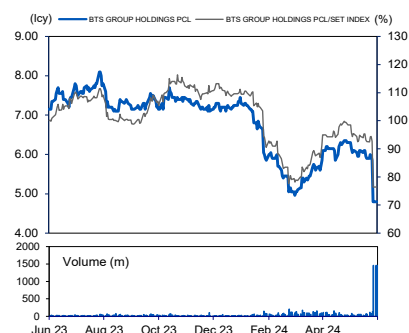
52-week high/low	Bt8.10/Bt4.80			
1mth	3mth	6mth	1yr	YTD
(23.8)	(5.0)	(32.4)	(32.9)	(33.8)

Major Shareholders

	%
Kanjanapas Group	24.8
THAI NVDR COMPANY LIMITED	10.6
UBS AG SINGAPORE BRANCH	7.1

FY25 NAV/Share (Bt)	3.57
FY25 Net Debt/Share (Bt)	11.25

PRICE CHART



Source: Bloomberg

ANALYST(S)

Kampon Akaravarinchai
+662 659 8031
kampon@uobkayhian.co.th

STOCK IMPACT

- Pink Line and Yellow Line ridership remains weak.** Currently, we still see weak daily passenger trips for both Pink Line and Yellow Line, compared with the commencement months of Jan 24 and Jul 23 for Pink Line and Yellow Line respectively. Daily ridership in Apr 24 for Pink Line and Yellow Line averaged 45,695 trips/day and 29,449 trips/day, down 7.7% and 25.4% mom respectively. This was significantly lower than the average daily ridership during the trial run period for both lines. The Yellow Line's average daily ridership experienced a sharp drop due to a technical disruption which is expected to be solved by mid-Jun 24. Thus, we expect the average ridership in May 24 and Jun 24 to remain weak.
- U-Tapao International Airport project still unclear.** U-Tapao International Aviation (UTA), which is 40%-owned by BTS, 40%-owned by Bangkok Airways (BA), and 20%-owned by Sino Thai Engineering and Construction (STEC) is still waiting for the Notice to Proceed (NTP) to begin the development of U-Tapao International Airport. Currently, the parallel project Don Mueang–Suvarnabhumi–U-Tapao high-speed railway, under CP group, is still negotiating further support terms with government authorities. UTA's management expects the problem of the high-speed railway will finally be solved and expects to launch the new UTA airport by 2028 if the company receives the NTP this year. We are positive on the long-term economic value of this project for BTS as this will allow the company to grasp new opportunities such as the potential casino project, as well as the cargo and free trade zone.

EARNINGS REVISION/RISK

- Forecast revised.** We revise our FY25-26 earnings downward mainly due to the lower Yellow Line and Pink Line ridership.

EARNINGS REVISION

(Btm)	2025F			2026F		
	Old	New	Chg %	Old	New	Chg %
Sales	15,167	14,968	-1.3%	15,939	15,627	-2.0%
Net Profit	607	127	-79.1%	1,493	1,205	-19.3%
Core Profit	607	127	-79.1%	1,493	1,205	-19.3%

Source: BTS, UOB Kay Hian

VALUATION/RECOMMENDATION

- Maintain HOLD with a lower SOTP-based target price of Bt4.52.** We maintain our HOLD rating on BTS as we still see a lack of share price catalysts and unattractive valuation.

SHARE PRICE CATALYST

- a) Yellow Line ridership and pass-through ridership from other monorail lines, and b) better associate and JV performance.

ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG)

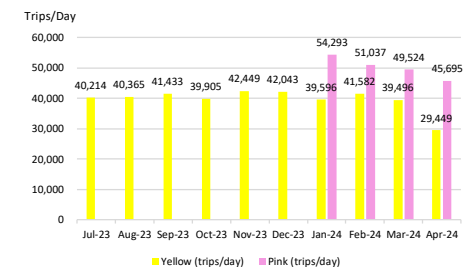
CG Report: 5 SET ESG Rating: AA
• Environmental - Net zero. BEM aims to be a carbon neutral and net zero company by 2050 and 2065 respectively. It is committed to developing the business sustainably and growing according to the sustainable development framework, in order to comply with Sustainable Development Goals (SDGs).
• Social - The company emphasises business operations with social responsibility in every operation by treating every stakeholder with respect for human rights as a basis. It also emphasises fair and equal treatment of workers, and strictly complies with relevant laws.
• Governance - Good governance practices. BTS is committed to operating its business in accordance with good corporate governance policy and management excellence. BTS received the "Excellent" rating on good corporate governance from the Thai Institute of Directors (IOD).

SOTP-BASED VALUATION

Business(es)	Value (Btm)	Note
Mass Transit - Green Line O&M	57,976	DCF, WACC 5.2%
Mass Transit - BTSGIF	17,167	DCF, WACC 6.4%
Mass Transit - Pink Line	15,905	DCF, WACC 4.9%
Mass Transit - Yellow Line	16,043	DCF, WACC 4.9%
MIX Business (Media)	17,871	Based on VGfs Fair value
Thanulux PCL	4,298	Market Price
RABBIT Holdings	12,077	BV
Intercity Motorways	5,274	DCF, WACC 5.0%
- Adjusted Net Debt	(87,087)	
Total Value	59,525	
number of shares (m)	13,168	
Fair Value (Bt)	4.52	

Source: BTS, UOB Kay Hian

AVERAGE DAILY RIDERSHIP IN YELLOW AND PINK LINE



Source: MRTA

PROFIT & LOSS

Year to 31 Mar (Btm)	2024	2025F	2026F	2027F
Net turnover	18,175	14,968	15,627	16,759
EBITDA	2,208	2,929	4,190	5,222
Deprec. & amort.	1,309	1,885	2,337	2,621
EBIT	899	1,044	1,853	2,602
Total other non-operating income	6,053	4,457	4,740	5,040
Associate contributions	(2,063)	585	943	1,303
Net interest income/(expense)	(6,008)	(6,075)	(5,497)	(5,050)
Pre-tax profit	(1,119)	11	2,039	3,894
Tax	(1,707)	(3)	(630)	(1,203)
Minorities	1,992	119	(204)	(370)
Net profit	(5,241)	127	1,205	2,322
Net profit (adj.)	275	127	1,205	2,322

CASH FLOW

Year to 31 Mar (Btm)	2024	2025F	2026F	2027F
Operating	(14,911)	30,915	7,862	10,119
Pre-tax profit	(5,526)	11	2,039	3,894
Tax	(1,707)	(3)	(630)	(1,203)
Deprec. & amort.	1,309	1,885	2,337	2,621
Associates	(2,063)	585	943	1,303
Working capital changes	(7,033)	26,200	3,078	3,404
Non-cash items	109	2,238	95	100
Other operating cashflows	0	0	0	0
Investing	2,884	(4,403)	(811)	(3,229)
Capex (growth)	(6,207)	(5,123)	(638)	(2,823)
Investments	9,376	(620)	(969)	(1,320)
Others	(286)	1,340	797	913
Financing	10,066	(19,908)	(16,370)	(12,801)
Dividend payments	(2,097)	(95)	(904)	(1,741)
Issue of shares	0	0	0	0
Proceeds from borrowings	13,814	0	0	0
Loan repayment	0	(19,813)	(15,466)	(11,060)
Others/interest paid	(1,651)	0	0	0
Net cash inflow (outflow)	(1,962)	6,604	(9,318)	(5,912)
Beginning cash & cash equivalent	13,885	11,923	18,527	9,209
Ending cash & cash equivalent	11,923	18,527	9,209	3,297

BALANCE SHEET

Year to 31 Mar (Btm)	2024	2025F	2026F	2027F
Fixed assets	71,440	74,677	72,978	73,180
Other LT assets	152,935	155,420	153,734	152,083
Cash/ST investment	11,923	18,527	9,209	3,297
Other current assets	35,784	5,468	5,694	5,851
Total assets	272,082	254,092	241,614	234,410
ST debt	42,042	31,676	27,276	33,284
Other current liabilities	9,713	9,575	10,191	10,745
LT debt	144,386	134,938	123,872	106,804
Other LT liabilities	9,549	11,012	11,937	12,986
Shareholders' equity	46,542	47,040	48,488	50,741
Minority interest	19,851	19,851	19,851	19,851
Total liabilities & equity	272,082	254,092	241,614	234,410

KEY METRICS

Year to 31 Mar (%)	2024	2025F	2026F	2027F
Profitability				
EBITDA margin	12.2	19.6	26.8	31.2
Pre-tax margin	(6.2)	0.1	13.0	23.2
Net margin	(28.8)	0.8	7.7	13.9
ROA	n.a.	0.0	0.5	1.0
ROE	n.a.	0.3	2.5	4.7
Growth				
Turnover	(0.7)	(17.6)	4.4	7.2
EBITDA	(27.7)	32.6	43.1	24.6
Pre-tax profit	(132.3)	n.a.	18,943.5	91.0
Net profit	(385.4)	n.a.	850.4	92.6
Net profit (adj.)	(86.8)	(53.9)	850.4	92.6
EPS	(86.8)	(53.9)	850.3	22,512.1
Leverage				
Debt to total capital	73.7	71.4	68.9	66.5
Debt to equity	400.6	354.2	311.7	276.1
Net debt/(cash) to equity	374.9	314.8	292.7	269.6
Interest cover (x)	0.4	0.5	0.8	1.0

Disclosures/Disclaimers

This report is prepared by UOB Kay Hian Private Limited ("UOBKH"), which is a holder of a capital markets services licence and an exempt financial adviser in Singapore.

This report is provided for information only and is not an offer or a solicitation to deal in securities or to enter into any legal relations, nor an advice or a recommendation with respect to such securities.

This report is prepared for general circulation. It does not have regard to the specific investment objectives, financial situation and the particular needs of any recipient hereof. Advice should be sought from a financial adviser regarding the suitability of the investment product, taking into account the specific investment objectives, financial situation or particular needs of any person in receipt of the recommendation, before the person makes a commitment to purchase the investment product.

This report is confidential. This report may not be published, circulated, reproduced or distributed in whole or in part by any recipient of this report to any other person without the prior written consent of UOBKH. This report is not directed to or intended for distribution to or use by any person or any entity who is a citizen or resident of or located in any locality, state, country or any other jurisdiction as UOBKH may determine in its absolute discretion, where the distribution, publication, availability or use of this report would be contrary to applicable law or would subject UOBKH and its connected persons (as defined in the Financial Advisers Act, Chapter 110 of Singapore) to any registration, licensing or other requirements within such jurisdiction.

The information or views in the report ("Information") has been obtained or derived from sources believed by UOBKH to be reliable. However, UOBKH makes no representation as to the accuracy or completeness of such sources or the Information and UOBKH accepts no liability whatsoever for any loss or damage arising from the use of or reliance on the Information. UOBKH and its connected persons may have issued other reports expressing views different from the Information and all views expressed in all reports of UOBKH and its connected persons are subject to change without notice. UOBKH reserves the right to act upon or use the Information at any time, including before its publication herein.

Except as otherwise indicated below, (1) UOBKH, its connected persons and its officers, employees and representatives may, to the extent permitted by law, transact with, perform or provide broking, underwriting, corporate finance-related or other services for or solicit business from, the subject corporation(s) referred to in this report; (2) UOBKH, its connected persons and its officers, employees and representatives may also, to the extent permitted by law, transact with, perform or provide broking or other services for or solicit business from, other persons in respect of dealings in the securities referred to in this report or other investments related thereto; (3) the officers, employees and representatives of UOBKH may also serve on the board of directors or in trustee positions with the subject corporation(s) referred to in this report. (All of the foregoing is hereafter referred to as the "Subject Business"); and (4) UOBKH may otherwise have an interest (including a proprietary interest) in the subject corporation(s) referred to in this report.

As of the date of this report, no analyst responsible for any of the content in this report has any proprietary position or material interest in the securities of the corporation(s) which are referred to in the content they respectively author or are otherwise responsible for.

IMPORTANT DISCLOSURES FOR U.S. PERSONS

This research report was prepared by UOBKH, a company authorized, as noted above, to engage in securities activities in Singapore. UOBKH is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution by UOBKH (whether directly or through its US registered broker dealer affiliate named below) to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). All US persons that receive this document by way of distribution from or which they regard as being from UOBKH by their acceptance thereof represent and agree that they are a major institutional investor and understand the risks involved in executing transactions in securities.

Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through UOB Kay Hian (U.S.) Inc ("UOBKHUS"), a registered broker-dealer in the United States. Under no circumstances should any recipient of this research report effect any transaction to buy or sell securities or related financial instruments through UOBKH.

UOBKHUS accepts responsibility for the contents of this research report, subject to the terms set out below, to the extent that it is delivered to and intended to be received by a U.S. person other than a major U.S. institutional investor.

The analyst whose name appears in this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA") and may not be an associated person of UOBKHUS and, therefore, may not be subject to applicable restrictions under FINRA Rules on communications with a subject company, public appearances and trading securities held by a research analyst account.

Analyst Certification/Regulation AC

Each research analyst of UOBKH who produced this report hereby certifies that (1) the views expressed in this report accurately reflect his/her personal views about all of the subject corporation(s) and securities in this report; (2) the report was produced independently by him/her; (3) he/she does not carry out, whether for himself/herself or on behalf of UOBKH or any other person, any of the Subject Business involving any of the subject corporation(s) or securities referred to in this report; and (4) he/she has not received and will not receive any compensation that is directly or indirectly related or linked to the recommendations or views expressed in this report or to any sales, trading, dealing or corporate finance advisory services or transaction in respect of the securities in this report. However, the compensation received by each such research analyst is based upon various factors, including UOBKH's total revenues, a portion of which are generated from UOBKH's business of dealing in securities.

Reports are distributed in the respective countries by the respective entities and are subject to the additional restrictions listed in the following table.

General	This report is not intended for distribution, publication to or use by any person or entity who is a citizen or resident of or located in any country or jurisdiction where the distribution, publication or use of this report would be contrary to applicable law or regulation.
Hong Kong	This report is distributed in Hong Kong by UOB Kay Hian (Hong Kong) Limited ("UOBKHHK"), which is regulated by the Securities and Futures Commission of Hong Kong. Neither the analyst(s) preparing this report nor his associate, has trading and financial interest and relevant relationship specified under Para. 16.4 of Code of Conduct in the listed corporation covered in this report. UOBKHHK does not have financial interests and business relationship specified under Para. 16.5 of Code of Conduct with the listed corporation covered in this report. Where the report is distributed in Hong Kong and contains research analyses or reports from a foreign research house, please note: (i) recipients of the analyses or reports are to contact UOBKHHK (and not the relevant foreign research house) in Hong Kong in respect of any matters arising from, or in connection with, the analysis or report; and (ii) to the extent that the analyses or reports are delivered to and intended to be received by any person in Hong Kong who is not a professional investor, or institutional investor, UOBKHHK accepts legal responsibility for the contents of the analyses or reports only to the extent required by law.
Indonesia	This report is distributed in Indonesia by PT UOB Kay Hian Sekuritas, which is regulated by Financial Services Authority of Indonesia ("OJK"). Where the report is distributed in Indonesia and contains research analyses or reports from a foreign research house, please note recipients of the analyses or reports are to contact PT UOBKH (and not the relevant foreign research house) in Indonesia in respect of any matters arising from, or in connection with, the analysis or report.
Malaysia	Where the report is distributed in Malaysia and contains research analyses or reports from a foreign research house, the recipients of the analyses or reports are to contact UOBKHM (and not the relevant foreign research house) in Malaysia, at +603-21471988, in respect of any matters arising from, or in connection with, the analysis or report as UOBKHM is the registered person under CMSA to distribute any research analyses in Malaysia.
Singapore	This report is distributed in Singapore by UOB Kay Hian Private Limited ("UOBKH"), which is a holder of a capital markets services licence and an exempt financial adviser regulated by the Monetary Authority of Singapore. Where the report is distributed in Singapore and contains research analyses or reports from a foreign research house, please note: (i) recipients of the analyses or reports are to contact UOBKH (and not the relevant foreign research house) in Singapore in respect of any matters arising from, or in connection with, the analysis or report; and (ii) to the extent that the analyses or reports are delivered to and intended to be received by any person in Singapore who is not an accredited investor, expert investor or institutional investor, UOBKH accepts legal responsibility for the contents of the analyses or reports only to the extent required by law.
Thailand	This report is distributed in Thailand by UOB Kay Hian Securities (Thailand) Public Company Limited, which is regulated by the Securities and Exchange Commission of Thailand.
United Kingdom	This report is being distributed in the UK by UOB Kay Hian (U.K.) Limited, which is an authorised person in the meaning of the Financial Services and Markets Act and is regulated by The Financial Conduct Authority. Research distributed in the UK is intended only for institutional clients.
United States of America ('U.S.')	This report cannot be distributed into the U.S. or to any U.S. person or entity except in compliance with applicable U.S. laws and regulations. It is being distributed in the U.S. by UOB Kay Hian (US) Inc, which accepts responsibility for its contents. Any U.S. person or entity receiving this report and wishing to effect transactions in any securities referred to in the report should contact UOB Kay Hian (US) Inc. directly.

Copyright 2024, UOB Kay Hian Pte Ltd. All rights reserved.

<http://research.uobkayhian.com>

RCB Regn. No. 197000447W