

**BTS Group Holdings Pcl (BTS TB) - HOLD, Price Bt4.60, TP Bt5.10****Results Comment**

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**Faster-than-expected turnaround**

- BTS reported a normalized profit of Bt277m in 4QFY25 (fiscal year ends in March) from a normalized loss of Bt289m in 4QFY24 and Bt167m in 3QFY25. Its earnings turnaround was mainly due to its revenue growth from the consolidation of RABBIT (RABBIT TB, Bt0.36, non-rated) and ROCTEC (ROCTEC TB, Bt0.65, non-rated), improving gross margin, lower SG&A expenses, and positive equity income.
- We expect BTS's earnings turnaround this year (FY26F) onward, mainly driven by its revenue growth from higher ridership and full-year effect of the consolidation of RABBIT and ROCTEC and sustained high gross margin. After getting Bt38bn debt repayment from BMA, its balance sheet was solid with Bt45bn cash and liquidity investments at end FY25.
- Despite that, we have a HOLD call on BTS as its valuation is not cheap with the share trading at 85/56/34x PEs in FY26-28F.
- BTS's total revenue grew 50% y-y in 4QFY25 mainly due to;
  - a 12% y-y growth in the mass transit revenue (43% of total) as a 8% y-y rise in O&M revenue, a 20% y-y rise in the farebox revenue, and a 30% y-y rise in construction revenue.
  - a 2% y-y fall in the media revenue (21%) mainly due to a decline in revenue from the distribution business.
  - A 786% y-y rise in the other revenue (36%) due to the consolidation of RABBIT and ROCTEC.
- Its gross margin improved to 36% in 4QFY25 vs. 30% in 4QFY24 due to lower proportion of low-margin construction revenue and consolidation of ROCTEC.
- Its equity income in 4QFY25 turned to a positive Bt134m due to no loss contribution from KEX and a higher profit contribution from JMART.

Income Statement (consolidated)					
Yr-end Mar (Bt m)	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Revenue	3,887	3,744	3,972	5,475	5,821
<b>Gross profit</b>	<b>1,155</b>	<b>1,102</b>	<b>1,288</b>	<b>1,676</b>	<b>2,117</b>
SG&A	1,181	954	1,161	1,669	1,351
Operating profit	(26)	149	128	7	766
<b>EBITDA</b>	<b>407</b>	<b>529</b>	<b>529</b>	<b>981</b>	<b>1,197</b>
Other income	1,462	1,512	1,473	1,852	1,527
Other expense	0	0	0	0	0
Interest expense	1,782	1,697	1,653	1,797	1,790
<b>Profit before tax</b>	<b>(346)</b>	<b>(36)</b>	<b>(52)</b>	<b>62</b>	<b>504</b>
Income tax	243	471	485	481	507
Equity & invest. income	(68)	199	(92)	213	134
Minority interests	369	230	238	39	147
Extraordinary items	325	(304)	(64)	3,209	(363)
<b>Net profit</b>	<b>36</b>	<b>(382)</b>	<b>(456)</b>	<b>3,042</b>	<b>(87)</b>
<b>Normalized profit</b>	<b>(289)</b>	<b>(78)</b>	<b>(391)</b>	<b>(167)</b>	<b>277</b>
EPS (Bt)	0.00	(0.03)	(0.03)	0.23	(0.01)
Normalized EPS (Bt)	(0.02)	(0.01)	(0.03)	(0.01)	0.02

Balance Sheet (consolidated)					
Yr-end Mar (Bt m)	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Cash & ST investment	11,143	19,269	9,477	47,299	38,573
A/C receivable	1,446	1,376	1,444	2,273	1,965
Inventory	842	818	839	2,739	1,880
Other current assets	33,679	21,342	22,351	12,148	11,200
Investment	41,044	40,685	41,594	32,274	35,341
Fixed assets	83,269	83,396	84,526	120,748	126,843
Other assets	100,658	90,594	90,686	108,949	106,663
<b>Total assets</b>	<b>272,082</b>	<b>257,480</b>	<b>250,916</b>	<b>326,430</b>	<b>322,465</b>
S-T debt	41,026	30,796	23,393	36,269	24,666
A/C payable	5,575	4,706	4,685	6,568	7,098
Other current liabilities	5,097	3,270	4,825	6,479	6,102
L-T debt	143,332	143,517	142,741	144,702	154,980
Other liabilities	10,658	10,116	10,978	23,971	23,863
Minority interest	19,851	19,477	19,396	48,899	47,650
<b>Shareholders' equity</b>	<b>46,542</b>	<b>45,599</b>	<b>44,899</b>	<b>59,541</b>	<b>58,106</b>
Working capital	(3,287)	(2,513)	(2,402)	(1,555)	(3,253)
Total debt	184,359	174,312	166,134	180,972	179,647
<b>Net debt</b>	<b>173,216</b>	<b>155,043</b>	<b>156,658</b>	<b>133,673</b>	<b>141,074</b>

Sources: Company data, Thanachart estimates

Income Statement			12M as		
(Bt m)	q-q%	y-y%	% 2025F	2025A	2026F
Revenue	6	50	103	19,012	18,759
<b>Gross profit</b>	<b>26</b>	<b>83</b>	<b>109</b>	<b>6,184</b>	<b>6,210</b>
SG&A	(19)	14	95	5,135	5,440
Operating profit	10,970	na	464	1,049	770
<b>EBITDA</b>	<b>22</b>	<b>194</b>	<b>175</b>	<b>3,235</b>	<b>3,383</b>
Other income	(18)	5	95	6,365	4,810
Other expense					
Interest expense	(0)	0	101	6,936	6,005
<b>Profit before tax</b>	<b>709</b>	<b>na</b>	<b>1,118</b>	<b>478</b>	<b>(425)</b>
Income tax	5	109	102	1,945	0
Equity & invest. income	(37)	na	89	454	724
Minority interests	279	(60)	119	653	561
Extraordinary items	na	na	88	2,477	0
<b>Net profit</b>	<b>na</b>	<b>na</b>	<b>106</b>	<b>2,117</b>	<b>860</b>
<b>Normalized profit</b>	<b>na</b>	<b>na</b>	<b>45</b>	<b>(360)</b>	<b>860</b>
EPS (Bt)	na	na	120	0.16	0.05
Normalized EPS (Bt)	na	na	58	(0.03)	0.05

Financial Ratios (%)					
	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Sales growth	(22.4)	(27.4)	(0.2)	6.4	49.8
Operating profit growth	na	(66.3)	(41.3)	(93.9)	na
EBITDA growth	(36.6)	(23.1)	3.9	117.4	194.0
Norm profit growth	na	na	na	na	na
Norm EPS growth	na	na	na	na	na
Gross margin	29.7	29.4	32.4	30.6	36.4
Operating margin	(0.7)	4.0	3.2	0.1	13.2
EBITDA margin	10.5	14.1	13.3	17.9	20.6
Norm net margin	(7.4)	(2.1)	(9.9)	(3.1)	4.8
D/E (x)	2.8	2.7	2.6	1.7	1.7
Net D/E (x)	2.6	2.4	2.4	1.2	1.3
Interest coverage (x)	0.2	0.3	0.3	0.5	0.7
Interest rate	3.8	3.8	3.9	4.1	4.0
Effective tax rate	(70.2)	(1,297.7)	(940.1)	773.6	100.8
ROA	(0.4)	(0.1)	(0.6)	(0.2)	0.3
ROE	(2.5)	(0.7)	(3.5)	(1.3)	1.9

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