

**BTS Group Holdings Pcl (BTS TB) - HOLD, Price Bt2.52, TP Bt2.50**

Results Comment

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**Higher-than-expected 3QFY26 loss**

- BTS reported a normalized loss of Bt797m in 3QFY26 (fiscal year ends in March), compared with a normalized profit of Bt15m in 3QFY25 and a normalized loss of Bt871m in 2QFY26. The loss was higher than our expectation, mainly due to higher SG&A expenses, tax expenses, and a equity loss.
- The higher-than-expected 9MFY26 losses pose downside risk to our earnings forecast.
- We maintain our HOLD call on BTS. Although we expect its O&M business to continue delivering growth, we remain concerned about 1) continued losses from its 75%-owned Pink and Yellow Lines, 2) weak profitability and an unclear business direction at its 34%-owned VGI, and 3) unclear plans for new investments.

- BTS's total revenue grew 5% y-y in 3QFY26 as:
  - 1) mass transit revenue (36% of total) fell by 5% y-y. O&M & farebox revenues grew by 5% and 7% y-y, but there was no construction revenue this quarter following the completion of the Pink Line extension.
  - 2) media revenue (20% of total) fell by 7% y-y, mainly due to an 18% y-y decline following the termination of the selling agent contract for media on BTS columns.
  - 3) other revenue (44% of total) surged 91% y-y, driven by the consolidation of RABBIT and ROCTEC.
- Its gross margin in 3QFY26 sustained y-y at 33% but SG&A expenses increased by 15% y-y.
- Its equity income in 3QFY26 turned to be negative at Bt207m mainly due loss contribution from the international school business.

Income Statement (consolidated)						Income Statement 9M as					
Yr-end Mar (Bt m)	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	(Bt m)	q-q%	y-y%	% 2026F	FY26F	FY27F
Revenue	5,306	5,991	5,715	5,707	5,967	Revenue	5	12	67	26,138	26,366
<b>Gross profit</b>	<b>1,769</b>	<b>1,848</b>	<b>1,968</b>	<b>1,950</b>	<b>1,968</b>	<b>Gross profit</b>	<b>1</b>	<b>11</b>	<b>66</b>	<b>8,954</b>	<b>9,397</b>
SG&A	1,568	1,520	1,484	1,705	1,807	SG&A	6	15	78	6,404	6,460
Operating profit	201	328	483	245	161	Operating profit	(34)	(20)	35	2,550	2,937
<b>EBITDA</b>	<b>1,175</b>	<b>759</b>	<b>1,210</b>	<b>1,103</b>	<b>1,025</b>	<b>EBITDA</b>	<b>(7)</b>	<b>(13)</b>	<b>55</b>	<b>6,125</b>	<b>6,662</b>
Other income	1,852	1,528	1,498	1,275	1,174	Other income	(8)	(37)	95	4,148	2,716
Other expense	8	0	0	28	6	Other expense	(79)	(30)	na	0	0
Interest expense	1,813	1,774	1,856	2,045	1,982	Interest expense	(3)	9	81	7,304	6,307
<b>Profit before tax</b>	<b>231</b>	<b>82</b>	<b>126</b>	<b>(553)</b>	<b>(653)</b>	<b>Profit before tax</b>	<b>na</b>	<b>na</b>	<b>178</b>	<b>(606)</b>	<b>(654)</b>
Income tax	453	536	597	646	251	Income tax	(61)	(45)	59	2,516	2,517
Equity & invest. income	249	(11)	78	210	(207)	Equity & invest. income	na	na	10	801	804
Minority interests	(12)	198	219	118	312	Minority interests	164	na	118	550	400
Extraordinary items	2,828	(554)	(55)	973	(160)	Extraordinary items	na	na	81	930	0
<b>Net profit</b>	<b>2,842</b>	<b>(821)</b>	<b>(230)</b>	<b>102</b>	<b>(958)</b>	<b>Net profit</b>	<b>na</b>	<b>na</b>	<b>129</b>	<b>(841)</b>	<b>(1,966)</b>
<b>Normalized profit</b>	<b>15</b>	<b>(267)</b>	<b>(174)</b>	<b>(871)</b>	<b>(797)</b>	<b>Normalized profit</b>	<b>na</b>	<b>na</b>	<b>104</b>	<b>(1,771)</b>	<b>(1,966)</b>
EPS (Bt)	0.22	(0.05)	(0.01)	0.01	(0.06)	EPS (Bt)	na	na	129	(0.05)	(0.12)
Normalized EPS (Bt)	0.00	(0.02)	(0.01)	(0.05)	(0.05)	Normalized EPS (Bt)	na	na	104	(0.11)	(0.12)
Balance Sheet (consolidated)						Financial Ratios					
Yr-end Mar (Bt m)	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	(%)	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
Cash & ST investment	47,299	38,573	31,494	20,129	55,351	Sales growth	3.1	54.1	52.6	43.7	12.5
A/C receivable	2,273	1,965	1,949	1,808	1,930	Operating profit growth	77.5	na	166.2	51.3	(19.9)
Inventory	2,739	1,852	2,022	2,272	2,050	EBITDA growth	160.4	86.4	115.4	95.9	(12.7)
Other current assets	12,148	10,589	11,186	60,377	12,991	Norm profit growth	na	na	na	na	na
Investment	32,274	34,403	34,848	40,556	39,089	Norm EPS growth	na	na	na	na	na
Fixed assets	120,748	127,449	131,690	131,200	138,396	Gross margin	33.3	30.8	34.4	34.2	33.0
Other assets	108,949	107,392	109,203	70,741	71,931	Operating margin	3.8	5.5	8.5	4.3	2.7
<b>Total assets</b>	<b>326,430</b>	<b>322,224</b>	<b>322,393</b>	<b>327,084</b>	<b>321,737</b>	EBITDA margin	22.1	12.7	21.2	19.3	17.2
S-T debt	36,269	24,663	27,509	36,522	31,740	Norm net margin	0.3	(4.5)	(3.0)	(15.3)	(13.4)
A/C payable	6,568	7,077	6,888	6,778	6,003	D/E (x)	1.7	1.7	1.7	1.8	1.9
Other current liabilities	6,479	5,742	6,675	7,592	5,281	Net D/E (x)	1.2	1.3	1.4	1.7	1.3
L-T debt	144,702	154,978	153,380	155,513	155,766	Interest coverage (x)	0.6	0.4	0.7	0.5	0.5
Other liabilities	23,971	23,771	24,486	16,583	23,350	Interest rate	4.2	3.9	4.1	4.4	4.2
Minority interest	48,899	47,847	46,976	46,495	42,293	Effective tax rate	na	na	na	na	na
<b>Shareholders' equity</b>	<b>59,541</b>	<b>58,145</b>	<b>56,480</b>	<b>57,601</b>	<b>57,303</b>	ROA	0.0	(0.3)	(0.2)	(1.1)	(1.0)
Working capital	(1,555)	(3,260)	(2,917)	(2,697)	(2,024)	ROE	0.1	(1.8)	(1.2)	(6.1)	(5.6)
Total debt	180,972	179,641	180,889	192,036	187,506						
<b>Net debt</b>	<b>133,673</b>	<b>141,068</b>	<b>149,394</b>	<b>171,906</b>	<b>132,155</b>						

Sources: Company data, Thanachart estimates

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