

BTS Group Holdings Pcl (BTS TB) - HOLD, Price Bt2.08, TP Bt2.50 | Results Comment

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Higher-than-expected 4QFY26 loss

- BTS reported a normalized loss of Bt746m in 4QFY26 (fiscal year ends in March), versus a profit of Bt125m in 4QFY25 and a loss of Bt797m in 3QFY26. The loss was larger than expected due to higher SG&A expenses and lower interest income following the full repayment of overdue debt by the Bangkok Metropolitan Administration. Including Bt900m reversal of losses after RABBIT sold stake in JV with SIRI, it reported a net loss of Bt67m in 4QFY26.
- We expect BTS to remain loss-making in FY27F due to 1) continued losses from its 75%-owned Pink and Yellow Lines, 2) low interest income, and 3) weak profitability and an unclear business direction at its 34%-owned VGI.
- We see a downside risk to our earnings forecast in FY27F. We therefore need to put our earnings forecast and TP under review.
- BTS's total revenue fell 2% y-y in 4QFY26 due to:
 - 1) Mass transit revenue (42% of total revenue) declining 7% y-y. While O&M and farebox revenues grew 3% and 6% y-y, there was no construction revenue recognized this quarter following the completion of the Pink Line extension.
 - 2) Media revenue (20% of total revenue) decreasing 8% y-y due to a 15% y-y decline in OOH media revenue after the BTS column advertising contract ended.
 - 3) Other revenue (37% of total revenue) falling 7% y-y, due to lower revenue from RABBIT.
- Gross margin improved to 38% in 4QFY26 but SG&A expenses increased by 64% y-y due to the consolidation of RABBIT and ROCTEC. Other income fell by 39% y-y due to lower interest income.

Income Statement						Income Statement					
(consolidated)						12M as					
Yr-end Mar (Bt m)	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	(Bt m)	q-q%	y-y%	% 2026F	2026A	2027F
Revenue	5,799	5,715	5,707	5,967	5,655	Revenue	(5)	(2)	88	23,044	26,366
Gross profit	2,129	1,968	1,950	1,968	2,141	Gross profit	9	1	90	8,027	9,397
SG&A	1,392	1,484	1,705	1,807	2,284	SG&A	26	64	114	7,280	6,460
Operating profit	737	483	245	161	(143)	Operating profit	na	na	29	746	2,937
EBITDA	1,168	1,210	1,103	1,025	825	EBITDA	(20)	(29)	68	4,164	6,662
Other income	1,516	1,498	1,275	1,174	919	Other income	(22)	(39)	117	4,866	2,716
Other expense	20	0	28	6	44	Other expense	650	121	na	78	0
Interest expense	1,820	1,856	2,045	1,982	1,826	Interest expense	(8)	0	106	7,708	6,307
Profit before tax	413	126	(553)	(653)	(1,094)	Profit before tax	na	na	359	(2,174)	(654)
Income tax	561	597	646	251	471	Income tax	88	(16)	78	1,964	2,517
Equity & invest. income	134	78	210	(207)	124	Equity & invest. income	na	(7)	26	206	804
Minority interests	139	219	118	312	695	Minority interests	122	400	245	1,345	400
Extraordinary items	85	(55)	973	(160)	679	Extraordinary items	na	696	154	1,437	0
Net profit	210	(230)	102	(958)	(67)	Net profit	na	na	137	(1,152)	(1,966)
Normalized profit	125	(174)	(871)	(797)	(746)	Normalized profit	na	na	146	(2,588)	(1,966)
EPS (Bt)	0.01	(0.01)	0.01	(0.06)	(0.00)	EPS (Bt)	na	na	137	(0.07)	(0.12)
Normalized EPS (Bt)	0.01	(0.01)	(0.05)	(0.05)	(0.05)	Normalized EPS (Bt)	na	na	146	(0.16)	(0.12)
Balance Sheet						Financial Ratios					
(consolidated)						12M as					
Yr-end Mar (Bt m)	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	(%)	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26
Cash & ST investment	37,647	31,494	20,129	55,351	49,920	Sales growth	49.2	52.6	43.7	12.5	(2.5)
A/C receivable	1,965	1,949	1,808	1,930	2,002	Operating profit growth	na	166.2	51.3	(19.9)	na
Inventory	1,852	2,022	2,272	2,050	2,113	EBITDA growth	186.8	115.4	95.9	(12.7)	(29.4)
Other current assets	11,513	11,186	60,377	12,991	15,272	Norm profit growth	na	na	na	na	na
Investment	34,591	34,848	40,556	39,089	37,076	Norm EPS growth	na	na	na	na	na
Fixed assets	127,449	131,690	131,200	138,396	140,421	Gross margin	36.7	34.4	34.2	33.0	37.9
Other assets	107,392	109,203	70,741	71,931	75,401	Operating margin	12.7	8.5	4.3	2.7	(2.5)
Total assets	322,410	322,393	327,084	321,737	322,206	EBITDA margin	20.1	21.2	19.3	17.2	14.6
S-T debt	24,663	27,509	36,522	31,740	43,697	Norm net margin	2.2	(3.0)	(15.3)	(13.4)	(13.2)
A/C payable	7,077	6,888	6,778	6,003	6,262	D/E (x)	1.7	1.7	1.8	1.9	1.9
Other current liabilities	5,655	6,675	7,592	5,281	5,811	Net D/E (x)	1.3	1.4	1.7	1.3	1.4
L-T debt	154,978	153,380	155,513	155,766	144,808	Interest coverage (x)	0.6	0.7	0.5	0.5	0.5
Other liabilities	24,047	24,486	16,583	23,350	21,531	Interest rate	4.0	4.1	4.4	4.2	3.9
Minority interest	47,845	46,976	46,495	42,293	41,706	Effective tax rate	135.8	474.4	(116.8)	(38.4)	(43.0)
Shareholders' equity	58,145	56,480	57,601	57,303	58,392	ROA	0.2	(0.2)	(1.1)	(1.0)	(0.9)
Working capital	(3,260)	(2,917)	(2,697)	(2,024)	(2,146)	ROE	0.9	(1.2)	(6.1)	(5.6)	(5.2)
Total debt	179,641	180,889	192,036	187,506	188,504						
Net debt	141,994	149,394	171,906	132,155	138,584						

Sources: Company data, ttb wealth estimates

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