BTS Rail Mass Transit (BTSGIF TB) - HOLD, Price Bt2.44, TP Bt2.60 | Results Comment

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1QFY27 earnings flat y-y, in line

- BTSGIF reported normalized profit of Bt1.1bn in 1QFY27 (Apr–Jun 2026), down 1% y-y and 7% q-q, in line with our expectations. The slight y-y decline was mainly due to flat ridership, while the q-q decline reflected seasonally lower ridership during the holidays. With the Bt850m decrease in the non-cash fair value of investments in the "net revenue purchase and transfer agreement" (NRTA), BTSGIF reported a net profit of Bt211m in 1QFY27.
- We forecast a 7% y-y decline in normalized earnings in FY27F, driven by higher maintenance expenses following the rolling stock refurbishment schedule.
- Despite its amortizing bond feature where the value will fall to zero upon concession expiry in December 2029, we maintain our HOLD call. We project total capital returns to unitholders of Bt3.0/unit in FY27-30F for investors who buy BTSGIF and hold until maturity, implying a yield of around 5.5% p.a.
- Income from investment in the NRTA fell 1% y-y in 1QFY27, driven by;
  1) 1% y-y decline in Core Green Line farebox revenue, due to 1% y-y lower ridership and flat average fares
  2) 1% y-y increase in operating and maintenance costs, as a 23% y-y rise in maintenance expenses from higher rolling stock refurbishment costs was partly offset by 5% and 59% y-y declines in employee and selling expenses, respectively
- As the fund had retained deficits, distributable payout for 1QFY27 of Bt0.193/unit will be paid in form of capital return.
- The shortening concession period caused its NAV to fall to Bt17.4bn as of 30 June 2026, equivalent to Bt3.0019 per unit.

Income Statement Yr-end Mar (Bt m)	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
NET SALES	1,081	1,213	1,247	1,146	1,069
GROSS PROFIT	**1,081**	**1,213**	**1,247**	**1,146**	**1,069**
SG&A	11	9	8	12	10
Operating profit	1,069	1,203	1,239	1,134	1,059
EBITDA	**1,069**	**1,203**	**1,239**	**1,134**	**1,059**
Other income	8	5	5	5	5
Other expense	(1)	(4)	(2)	(2)	(2)
Interest expense					
Profit before tax	**1,076**	**1,205**	**1,241**	**1,136**	**1,061**
Income tax					
Equity & invest. income					
Minority interests					
Extraordinary items	(600)	(1,590)	(1,300)	(2,930)	(850)
Net Investment Income	**476**	**(385)**	**(59)**	**(1,793)**	**211**
Norm Net Invest. Income	**1,076**	**1,205**	**1,241**	**1,136**	**1,061**
EPS (Bt)	0.08	(0.07)	(0.01)	(0.31)	0.04
Normalized EPS (Bt)	0.19	0.21	0.21	0.20	0.18

Income Statement (Bt m)	q-q%	y-y%	3M as % 2027F	FY27F	FY28F
Revenue	(7)	(1)	24	4,370	4,628
Gross profit	**(7)**	**(1)**	**24**	**4,370**	**4,628**
SG&A	(20)	(14)	22	44	46
Operating profit	(7)	(1)	24	4,326	4,581
EBITDA	**(7)**	**(1)**	**24**	**4,326**	**4,581**
Other income	1	(39)	30	15	8
Other expense	na	na	27	(9)	(9)
Interest expense					
Profit before tax	**(7)**	**(1)**	**24**	**4,332**	**4,580**
Income tax					
Equity & invest. income					
Minority interests					
Extraordinary items	na	na	14	(5,953)	(5,522)
Net profit	**na**	**(56)**	**na**	**(1,621)**	**(942)**
Normalized profit	**(7)**	**(1)**	**24**	**4,332**	**4,580**
EPS (Bt)	na	(56)	na	(0.28)	(0.16)
Normalized EPS (Bt)	(7)	(1)	24	0.75	0.79

Balance Sheet Yr-end Mar (Bt m)	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Cash & equivalent	121	180	108	111	89
S-T investments					
A/C receivable	342	151	201		185
Other					
Investment & Loans	23,623	22,377	20,973	18,357	17,184
Fixed assets					
Other assets					
Total assets	**24,091**	**22,709**	**21,282**	**18,474**	**17,462**
S-T debt					
A/C payable				48	
Other current liabilities	2	2	2	2	2
L-T debt					
Other liabilities					
Minority interest					
Net Assets	**24,079**	**22,536**	**21,273**	**18,322**	**17,375**
Net debt	(121)	(180)	(108)	(111)	(89)
Avg outstanding units (shrs)	5,788	5,788	5,788	5,788	5,788

Financial Ratios (%)	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Sales growth	11.8	13.5	0.9	(7.9)	(1.1)
EBITDA growth	12.1	13.7	1.1	(8.2)	(1.0)
Net income growth	15.9	na	na	na	(55.7)
Norm income growth	12.0	13.5	0.7	(8.2)	(1.4)
Norm EPS growth	12.0	13.5	0.7	(8.2)	(1.4)
Gross margin	100.0	100.0	100.0	100.0	100.0
Operating margin	99.0	99.2	99.4	98.9	99.1
EBITDA margin	99.0	99.2	99.4	98.9	99.1
Norm net margin	99.6	99.3	99.6	99.1	99.3
D/E (x)	-	-	-	-	-
Net D/E (x)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Interest coverage (x)	na	na	na	na	na
Effective tax rate	-	-	-	-	-
ROA	17.6	20.6	22.6	22.9	23.6
ROE	17.6	20.7	22.7	23.0	23.8

Sources: Company data, ttb wealth estimates

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