

## FY 2023/24 HIGHLIGHTS

### EXECUTIVE SUMMARY

In FY 2023/24, BTS Group Holdings PCL (BTS Group or the Company) recorded **Total Reported (consolidated) Revenue** of THB 24,387mn, increasing 1.0% YoY or THB 248mn. The increase was mostly attributed to (i) higher interest income of THB 1,094mn and (ii) an increase in service income and sales of THB 726mn, mainly driven by Advertising revenue growth under MIX business, the initial recognition of farebox revenue of Yellow and Pink Lines coupled with a resilient revenue from O&M contracts under MOVE business. However, the increased revenue was partially offset by lower revenue from contracting works of THB 904mn, mainly from Yellow and Pink Lines projects after the commencement of their commercial operations.

**Total Reported (consolidated) Expenses** increased 24.7% YoY or THB 4,333mn to THB 21,843mn. This was largely from the one-time recorded loss from impairment and disposal of investment in Kerry Express (Thailand) PCL (KEX) of THB 4,363mn.

**Recurring EBITDA** was THB 8,138mn, an increase of 6.1% YoY or THB 469mn. This was due to a stronger recurring EBITDA from MOVE business, driven by higher mass transit related interest income and higher share of profit from investment in BTS Rail Mass Transit Growth Infrastructure Fund (BTSGIF). However, this was partially offset by the weakened recurring EBITDA within MIX business, due to higher SG&A expenses resulting from the expansion of Super Turtle PCL (TURTLE) and Rabbit Cash Co., Ltd. (RCash) business, together with higher share of net loss from investment in associates (higher operational loss from KEX and operational loss from Jaymart Group Holdings PCL (JMART)). Additionally, an increase in Rabbit Holdings PCL (Rabbit Holdings)'s operational loss drove a softer MATCH recurring performance.

**Reported Net Loss Attributable to The Company** was THB 5,241mn, primarily from (i) the impact of the one-time recorded loss from impairment and disposal of investment in KEX, (ii) a record of share of loss from investments in associates (largely from a recognition of share of loss from Rabbit Holdings<sup>1</sup>, coupled with a higher share of loss from investment in KEX) and (iii) higher finance costs. However, if excluding non-recurring items (which covers aforesaid impairments and disposal loss from sales of KEX), the Company reported **the Adjusted Core Net Profit at THB 275mn** and Net Profit Margin (before non-recurring items after NCI) was 1.2%.

### STOCK INFORMATION *(as of 30 May 2024)*

<b>Ticker:</b>	BTS TB Equity
<b>Closing Share Price:</b>	5.85
<b>52-week High:</b>	8.10
<b>52-week Low:</b>	4.92
<b>Shares Outstanding (mn shares):</b>	13,167.6
<b>Market Cap (THB mn):</b>	77,030
<b>Market Cap (USD mn*):</b>	2,092

\*THB/USD = 36.8246

### 3M Business Strategy Overview

Under the 'Sharing Economy' concept, BTS Group provides a unique MATCH solution to its partners, sharing access to both its MOVE network (providing ACCESS to customers) and its MIX network (providing broad and customised audience REACH).

Our MOVE network itself is a pioneering concept whereby we aim to provide convenient and safe door-to-door transportation solutions to customers, which purposefully support UNSDG13 (Climate Action) by reducing carbon emissions and improving living conditions.

Our MIX network has advanced beyond its leading OOH media capability to provide comprehensive O2O solutions combining advertising, digital services and distribution services, incorporating smart DATA for optimising insight and customer satisfaction.

**Total Assets** as of 31 March 2024 stood at THB 272,082mn, an increase of only 0.4% or THB 1,155mn from 31 March 2023, with an increase in receivables from government authorities and provision of Electrical & Mechanical works (E&M) of THB 7,932mn from 31 March 2023.

(1) Including impairment loss on Rabbit Holdings' investment in SINGER and other Rabbit Holdings' non-recurring impairments are reflected through 'share of profit/ (loss) from investment in Rabbit Holdings'

## SIGNIFICANT EVENTS & KEY DEVELOPMENT IN FY 2023/24

### **BTS GROUP**

#### **26 September & 2 November 2023: BTS Group debentures issuance**

- **THB 600mn debenture issued**

BTS Group issued THB 600mn unsubordinated and unsecured debentures to high-net-worth investors. The debentures are 1-year fixed-rate bonds at 3.25% per annum (rated “A-”, “stable” outlook by TRIS Rating Co., Ltd. or TRIS). The proceeds were used for debt repayment.

- **THB 15,057mn debenture issued**

BTS Group issued unsubordinated and unsecured debentures valued at THB 15,057mn (rated “A-”, “stable” outlook by TRIS) to public investors. The debentures consist of 4 tranches due in 2025, 2028, 2033 and 2035 with an average coupon rate of 4.25%. The proceeds were used for debt repayment.

#### **14 February 2024: Non-payment of interim dividend**

BTS Group Board of Directors’ meeting approved not to pay an interim dividend for the performance period from 1 April 2023 to 30 September 2023.

#### **14 February 2024: Restructure VGI shareholding to be directly held by BTS Group**

The Board of Directors’ Meeting of the Company approved the restructuring of the shareholding in VGI. The Company acquired all ordinary shares of VGI currently held by Bangkok Mass Transit System PCL (BTSC) (BTS Group’s subsidiary), which represents 29.66% of VGI’s total issued shares. After the transaction completion, the Company’s direct stakes in VGI increases to 60.97%, with the aim of enhancing efficiency in implementing the 3M Strategy and increasing flexibility in business management.

#### **22 March 2024: Divestment in KEX**

BTS Group and VGI sold shares in Kerry Express (Thailand) PCL (KEX) through the tender offer process, reducing their combined holding from 21.2% to 3.0% at the price of THB 5.5 per share. The decision to divest was prompted by heightened competition in the logistics industry, aiming to avoid the risk of recognising further share of loss from investment in KEX.

#### **24 May 2024: TRIS annual rating**

TRIS Rating downgraded the Company rating on BTS Group and the ratings on BTS’s outstanding senior unsecured debentures to “BBB+” from “A-” with a “stable” outlook, reflecting Yellow and Pink lines’ weaker-than-expected operating results and high financial leverage stemming from various investments made over recent years. Despite rating downgrade, the BBB+ rating continues to reflect the Company’s strong business profile as characterised by steady service income from mass transit business, sizable cash flow received from the investment in BTSGIF, and a well-established position in the advertising media business.

### **MOVE**

#### **RAIL**

#### **3 July 2023: Yellow Line commercial operation**

The Yellow Line (Lat Phrao – Samrong stations) began commercial operations. The monorail covers a total distance of 30.4km with 23 stations and fares ranging from THB 15 – 45. This line improves accessibility to facilitate the expansion of socio-economic opportunities to peri-urban areas utilising low-carbon mobility.

#### **7 January 2024: Pink Line commercial operation**

The Pink Line Monorail (Khae Rai – Min Buri stations) began commercial operations. The monorail covers a total distance of 34.5km with 30 stations and fares ranging from THB 15 – 45. This line promotes low-carbon mobility through sustainable transportation, aiming for eco-friendly door-to-door solutions and expansion towards peri-urban areas. In the meantime, the construction of the Pink Line extension to Muang Thong Thani is currently 54.5% completion, and is anticipated to commence commercial operations in 2025.

#### **2 April 2024: BMA’s E&M Debt Repayment**

The Bangkok Metropolitan Administration (BMA) settled the outstanding E&M debt principal and interest for the Green Line (extension 2) with BTSC, amounting to THB 23bn, on 2 April 2024. The proceeds will strengthen the Company’s liquidity and will mainly be used to reduce its outstanding leverage.

### **NON-RAIL**

#### **30 April 2024: BTSC and the BMA signed 64-month O&M contract for BRT (electric bus)**

BTSC signed a 64-month O&M contract with the BMA for the BRT (electric bus) project. The contract splits into 2 phases; first phase (4 months period from contract signing date) - BTSC is required to provide at least 23 electric buses to accommodate BRT patrons, and the second phase - BTSC will provide the O&M services for another 60 months. The Bus Rapid Transit or BRT is an electric bus project pioneered by the BMA to link various Bangkok mass transit systems and provide an integrated public service for the city and its suburbs. It covers 14 stations (12 original stations and 2 new bus stops), 15km (running from Sathorn to Ratchapruerk) and connects with BTS station at Chong Nonsi and Talad Phlu.

## **MIX**

### **ADVERTISING**

#### **3 July 2023: Exclusive rights to manage advertising spaces on the Yellow Line**

VGI was granted exclusive rights to manage media across the Yellow Line. The rights included media on 30 trains and 23 BTS stations (Lat Phrao – Samrong stations). This expansion will enhance VGI's media capacity and extend media reach to new audiences.

#### **28 December 2023: MACO rebranded to 'ROCTEC'**

Master Ad Public Co., Ltd. (MACO), an associate company held 44.3% by BTS Group and VGI, rebranded its corporate identity and logo, along with the announcement of a new company name to ROCTEC Global PCL (ROCTEC). Subsequently, to reflect the change in its company name, its securities symbols have also changed accordingly: from "MACO" to "ROCTEC". These decisions signify its strategic shift to become a leader in Transformative Innovation & Communication Solutions.

### **DIGITAL SERVICES**

#### **31 August 2023: Disposal of Rabbit LINE Pay**

RabbitPay System Co., Ltd., a subsidiary of VGI, entered into an agreement for the disposition of all ordinary shares in Rabbit Line Pay Co., Ltd. The transaction was completed on 31 August 2023. Following the disposition, VGI will continue to develop its e-payment infrastructure to fortify VGI's close-loop payment business and meet the evolving needs of its clients.

### **DISTRIBUTION**

#### **March 2024: Continue expansion of Turtle shops across BTS stations**

Super Turtle PCL (TURTLE), a subsidiary of VGI, has continued to expand its Turtle and SuperRich Turtle shops across the BTS network. Currently, there are 22 Turtle shops across 20 BTS stations and 7 branches of SuperRich Turtle, making it even more convenient for customers travelling by BTS SkyTrain.

## **MATCH**

#### **18 March 2024: A restructure of UTB stakes**

BTS Group sold its ordinary shares in UTB Company Limited or UTB (a subsidiary engaged in the airport city management in the U-Tapao Airport and Eastern Aviation City Development project), representing 15.0% of UTB's total issued shares to Bangkok Airways PCL (BA). Following the transaction, the Company's ownership in UTB decreased from 55.0% to 40.0%. The aim of this share sale is to equalise both BTS Group and BA shareholding in both UTA (BTSG's joint venture to build and develop U-Tapao Airport project) and UTB to 40.0%.

## **THANULUX PCL**

In FY 2023, Thanulux PCL (TNL), BTS Group's joint venture with shareholding of 42.1%, recorded a total revenue of THB 2,870mn and a robust net profit of THB 513mn.

In July 2023, TNL Alliance Co., Ltd. (TNLA), a subsidiary of TNL disposed all ordinary shares of its two JVs - operating a real estate development business, to Proud Real Estate PCL (PROUD). Also, TNL completed the partial business transfer transaction (specifically, the textile and apparel business) to TNLX Co., Ltd (TNLX). This partial business transfer transaction will help enhance TNLX's competitiveness in the changing market conditions.

Additionally, TNL successfully issued 2-year fixed-rate bonds of THB 500mn at 6.10% per annum to institutional and high net worth investors. The interest will be paid on a quarterly basis throughout the bond's terms, in which the redemption is scheduled in 2025. The proceeds are intended for business expansion, particularly in secured lending and management of its NPLs/NPAs businesses.

### **Rabbit Holdings PCL**

In FY 2023, Rabbit Holdings PCL (Rabbit Holdings), BTS Group's associate company with shareholding of 47.7%, experienced significant growth in its financial services businesses and has expanded its presence within the Asset Management business landscape. This was done through a 70.0% investment in Prime Zone Asset Management (Prime Zone), that specialises in debt collateral and non-performing asset management, where it witnessed a portfolio growth of 123.0%. Additionally, Rabbit Holdings also acquired a 50.0% investment stake in Metha Asset Management (Metha), through a subsidiary company, a private fund management company, aimed at providing long-term investment solutions for institutions and accredited investors.

Rabbit Holding's life insurance business under Rabbit Life Insurance Public Company Limited (Rabbit Life), successfully reached in line with its targets, achieving THB 2,500mn in total gross premiums goals in 2023, supported by its contemporary rebranding and effective marketing strategies.

In real estate, Rabbit Holdings' divestment continued to progress well, generating a total of THB 6,400mn through the disposition of its real estate assets (since 2021). Moreover, the construction of the Unicorn, a 51-story building was officially completed in May 2023; offering top-notch office spaces, a hotel operating under Eastin Grand Phayathai and an engaging F&B retail zone.

## SUSTAINABILITY AT BTS GROUP

Within FY 2023/24 BTS Group has made significant strides towards enhancing its Environmental, Social and Governance (ESG) performance for sustainable development. As BTS Group continues its decarbonisation effort, the Company has seen good progress in our **Environmental** Sustainability initiatives. Within the rail business, these initiatives include the improvements of operational energy efficiency. In accordance with our long-term climate strategy at least 10% of electricity consumption in our operations are sourced from renewable sources. By doing so, the Company was able to register a total reduction of 12,772 tonnes of carbon dioxide equivalent, representing a 14.8% reduction in its Scope 2 emissions within this year. As for our non-rail business segment, the Group has expanded its operations to other sustainable modes of transport with the “Pinto”, an electric motorcycle (EV-Bike) public transportation feeder system for motorcycle users. The Pinto leasing model aims to promote the economical electrification of fleets for taxi motorcyclists, contributing to the accelerated decarbonisation of the transportation sector. In addition, as part of our newly signed O&M contract for the BRT project (electric bus), traditional NGV BRT buses will undergo total fleet electrification within the next fiscal year.

BTS Group has accelerated its part in empowering public-private collaboration for Climate Action. Leveraging our platforms to be the voice for sustainable transformation, BTS Group, in partnership with the Bangkok Metropolitan Administration (BMA), Thai Health Promotion Foundation (Thai Health), VGI, various government agencies and communities hosted the “Air We Share” exhibition at the BTS SkyTrain National Stadium station walkway. This was a public-private sector partnership (PPP) to provide public awareness on the dangers of PM2.5 and the role of sustainable transportation in alleviating air pollution. The 13-day long exhibition was launched with an opening ceremony that included workshop activities, panel discussions and an extensive media campaign across our platforms. Building upon our local excellence in environmental sustainability, BTS Group was invited to participate on the international stage at the 28th United Nations Climate Change Conference (COP28) which was held in Dubai, United Arab Emirates. The keynote session by BTS Group highlighted the Company’s role in pioneering Thailand’s Net Zero Transport Transformation. Aside from our public Climate Action awareness campaigns, under our **Social** dimension, BTS Group held our annual calendar donation activity “Heroes Give”, this year expanding participation to the public. As a result, we were able to donate over 21,000 desktop calendars from employees and BTS SkyTrain passengers to Foundation for the Blind in Thailand (under the Royal Patronage of H.H. the Queen) to support Braille education. In addition, the campaign successfully raised a total of THB 786,450 in financial aid, a joint donation effort between BTS Group, its subsidiaries, and passengers, to finance the Centre’s purchase of printing equipment to accelerate the production and free distribution of Braille books to blind students across Thailand.

Good **Governance** has served an essential role in the sustainable growth of BTS Group. As such, we strive towards cultivating a people-centric workplace, promoting equality and transparency across all aspects of our operations. The Company’s good governance and zero-tolerance for corruption is reflected in the transparent disclosure of our ESG performance. BTS Group has been ranked with a “5-Star Rating” or “Excellent” Corporate Governance rating for the 12th consecutive year by the Thai Institute of Directors.

The national and international recognition for BTS Group’s exemplary ESG performance is testament to the Company’s integration of sustainability practices within our business model for sustainable growth. In doing so, BTS Group has been included within the DJSI (Emerging Markets) for the 6<sup>th</sup> year running and was recognised in the S&P Global Sustainability Yearbook 2024 as “**the World’s Most Sustainable Transportation Company**” for the 4<sup>th</sup> consecutive year and the sole company in the “**Top 1% S&P Global ESG Score 2023**” in the Transportation and Transportation Infrastructure sector. Aside from this, BTS Group was also included in the the Stock Exchange of Thailand’s (SET) SET ESG Index list for the 5<sup>th</sup> consecutive year.

Venturing into the new fiscal year, BTS Group’s Board of Directors concluded its approval of the Company’s direction towards Net Zero by 2050, in support of global goal set by the United Nations and the 2015 Paris Agreement to limit global warming to no more than 1.5°C, and ahead of Thailand’s goal of achieving Net Zero by 2065. As part of its plan to reach Net Zero by 2050, BTS Group will formulate its near-term and Net Zero science-based targets under the Science Based Targets Initiative (SBTI). Within the framework of our decarbonisation journey towards Net Zero, a feasibility study is currently underway for the installation of solar rooftops, starting from the Yellow and Pink Line depots.

**BUSINESS TARGETS ASSESSMENT FY 2023/24**

<b>MOVE (Rail Business)</b>	<b>FY 2023/24 Targets</b>	<b>Results</b>
<b><u>Train O&amp;M revenue</u></b> Operating and Maintenance (O&M) revenue increased 2.4% YoY or THB 0.16bn to THB 7.0bn, exceeding its target.	THB 6.9bn	<b>THB 7.0bn</b> <i>Target exceeded</i>
<b><u>Construction revenue for Pink and Yellow Lines</u></b> The Company continued to recognise THB 4.4bn construction revenue for the Pink and Yellow Lines in FY 2023/24	THB 2.9bn	<b>THB 4.4bn</b> <i>Target exceeded</i>
<b><u>Mass transit related interest income</u></b> Mass Transit related interested income of THB 5.4bn was recognised in FY 2023/24, exceeding its target.	THB 5.2bn	<b>THB 5.4bn</b> <i>Target exceeded</i>
<b><u>CAPEX</u></b> The Company invested THB 4.2bn in the construction of the Pink and Yellow lines, surpassing its target.	THB 3.1bn	<b>THB 4.2bn</b> <i>Target exceeded</i>

**FY 2023/24 PERFORMANCE**

<b>(THB mn)</b>	<b>FY 2023/24</b>	<b>FY 2022/23</b>	<b>% YoY</b>
Reported Revenue	24,387	24,139	1.0%
Operating Revenue	17,966	18,073	(0.6)%
<b>Recurring EBITDA<sup>1</sup></b>	<b>8,138</b>	<b>7,669</b>	<b>6.1%</b>
<b>Recurring Net Profit</b>	<b>275</b>	<b>2,004</b>	<b>(86.3)%</b>
<b>Reported Net Profit (loss)</b>	<b>(5,241)</b>	<b>1,836</b>	<b>n/a</b>

<sup>1</sup> Recurring EBITDA calculated from the operational performance of 3 BUs, interest income, dividend income, other income, net share of recurring profit/(loss) from associates/ JV, yet, excludes other non-recurring items.

## OPERATIONAL PERFORMANCE

	Contribution FY 2023/24	Operating Revenue (THB mn)			GP margin (%)	
		FY 2023/24	FY 2022/23	% YoY	FY 2023/24	FY 2022/23
<b>MOVE</b>	67%	12,003	12,293	(2.4)%	35.8%	38.1%
<b>MIX</b>	28%	5,112	5,138	(0.5)%	32.4%	29.2%
<b>MATCH</b>	5%	851	642	32.7%	0.5%	n/a
<b>Total</b>	<b>100%</b>	<b>17,966</b>	<b>18,073</b>	<b>(0.6)%</b>	<b>33.1%</b>	<b>34.0%</b>

In FY 2023/24, **Total Operating Revenues** were THB 17,966mn, a slight decrease of 0.6% YoY or THB 107mn. Revenues from MOVE, MIX and MATCH businesses accounted respectively for 67%, 28% and 5% of total operating revenues (as opposed to 68%, 28% and 4%, respectively in the previous year).

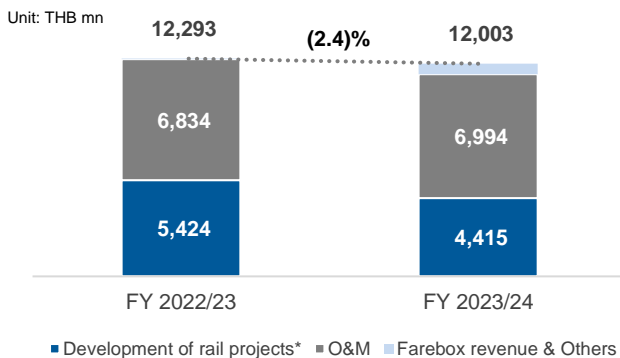
The slight decrease in operating revenue was mainly attributed to a lower contracting works revenues under **MOVE** businesses from the Yellow and Pink Lines after the commencement of their commercial operations. However, the decrease was partially offset by recognition of farebox revenue from the Yellow and Pink Lines as well as steady growth in O&M revenue.

Nevertheless, there was an improvement in **MATCH** revenue of 32.7% YoY or THB 210mn to THB 851mn due to higher recognition of construction revenue from HHT Construction Co., Ltd. **Total Operating Costs** were THB 12,011mn, a slight increase of 0.7% YoY or THB 78mn, primarily from the recognition of Pink and Yellow Lines' operational costs and higher costs in construction services from HHT Construction Co., Ltd., partly offset by an improved in operational efficiency under MIX business.

Consequently, BTS Group booked **Operating Gross Profit** of THB 5,956mn, decreasing by 3.0% YoY and **Operating Gross Profit Margin** of 33.1%, decreasing from 34.0% in FY 2022/23.

## SEGMENTAL PERFORMANCE

### MOVE BUSINESS



(\*) Development of rail projects include Green Line Extensions and Pink and Yellow Lines

Total **MOVE Revenue** was THB 12,003mn, decreasing by 2.4% YoY or THB 290mn mainly due to a lower recognition of Yellow and Pink Line's construction revenue (falling by 16.2% YoY or THB 852mn), after the commencement of its commercial operations on 3 July 2023 and 7 January 2024, respectively. The decrease was partially offset by (i) an inaugurated recognition of farebox revenue from the Yellow Line of THB 359mn and the Pink Line of THB 128mn and (ii) an increase in O&M revenue of THB 161mn or 2.4% YoY to THB 6,994mn from the contractually agreed increase in operating fee of the Green and Gold Lines.

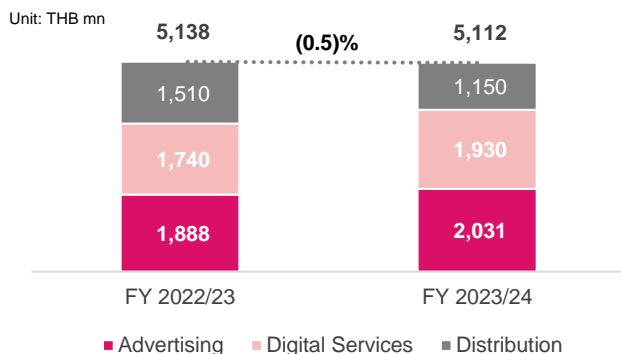
**Gross Margin of MOVE business** declined to 35.8% in FY 2023/24, comparing to 38.1% in FY 2022/23, largely due to losses incurred from the Pink and Yellow Lines' commercial operations.

**Mass Transit related Interest Income** was THB 5,398mn, increasing 20.5% YoY or THB 920mn, resulting from a recognition of higher receivables related to both the delayed payment of the Green Line O&M (extension 1 and 2) as well as the Pink and Yellow projects.

In FY 2023/24, the Company recognised share of profit from investments in BTSGIF of THB 643mn, a substantial increase of 64.7% or THB 253mn from FY 2022/23. BTSGIF's farebox revenue on the Core Line Network increased by 22.8% YoY, predominantly supported by the growth in ridership of 19.0% YoY to 194.4mn due to the relief from the COVID-19 pandemic situation together with the increase in average fare by 3.2% YoY to THB 33.9 per trip.

More commentary on the Core Network performance can be found in FY 2023/24 BTSGIF management discussion and analysis: <https://weblink.set.or.th/dat/news/202405/1126NWS290520241708480878E.pdf>

## MIX BUSINESS



**Total MIX Revenue** in FY 2023/24 was THB 5,112mn, decreasing only THB 26mn or 0.5% YoY, resulting from the revenue decline in Distribution business, partially offset by higher revenue from Advertising and Digital Services businesses.

- **Advertising Revenue** was THB 2,031mn, increasing by 7.6% YoY or THB 144mn. The growth was from a higher utilisation rate across all media channels. In FY 2023/24, the utilisation rate reached 47.1% compared to 45.1% from the same period last year.
- **Digital Services Revenue** was THB 1,930mn, increasing by 10.9% YoY or THB 190mn, mainly driven by a consistent marketing campaign throughout the year with a significant boost in Rabbit card subscription utilisation, a remarkable expansion of the loan portfolio and a rise in insurance policy issuance, ultimately leading to higher revenue.
- **Distribution Revenue** was THB 1,150mn, decreasing by 23.8% YoY or THB 359mn resulting from Fanslink Communication PCL (Fanslink) strategic change, aimed at increasing profitability margin. Fanslink reduced sales of other brands, which had low margins but contributed more to revenue, to favour owned brands with high gross margins. By the end of FY 2023/24, owned brands accounted for 21% of total sales compared to 17% at the end of FY 2022/23. However, revenue from TURTLE mainly surged from retail business, with 19 new shops opened during the year.

**Gross Margin of MIX business** advanced to 32.4% in FY 2023/24, compared to 29.2% in FY2022/23. This improvement resulted from the cost of services and sales decreasing at a higher rate than the revenue. However, SG&A expenses under MIX business rose significantly from the previous year due to the expansion of RCash and TURTLE businesses.

In FY 2023/24, BTS Group recorded Share of Loss from Investments in KEX of THB 905mn. In addition, BTS

Group recognised Share of Profit from Investments in ROCTEC of THB 106mn.

In FY2023/24, BTS Group recorded a one-time loss from impairment and disposal of investment in KEX, totalling THB 4,363mn, following the divestment in KEX by BTS Group and VGI on 22 March 2024. From this transaction, BTS Group has changed the classification of its investment in KEX from the investment in an associate to equity instrumentally designated at fair value through other comprehensive income since 22 March 2024. More details, please refer to NTFS 16.1.3.

More commentary on VGI can be found in FY 2023/24 VGI's management discussion and analysis:

<https://weblink.set.or.th/dat/news/202405/1102NWS270520240737350805E.pdf>

## MATCH BUSINESS

**Total MATCH revenue** in FY 2023/24 was THB 851mn, increasing by 32.7% YoY or THB 210mn, mainly due to higher construction revenue from HHT Construction Co., Ltd. of THB 169mn and an increase in rental and services revenue of THB 44mn from the operation of Thana City Golf & Sports Club.

In FY 2023/24, the Company recorded a share of loss from investments in Rabbit Holdings of THB 1,916mn, comparing to a share of profit of THB 515mn in the previous year. The declines were primarily from:

- An impairment loss on Rabbit Holdings PCL (Rabbit Holdings) of THB 1,670mn (primarily from Rabbit Holdings investment in SINGER)
- A higher share of loss from investments in associates/JVs compared to the same period last year (mainly SINGER)
- No offsetting recognition of gain from disposition of its properties as it had in FY 2022/23

More commentary on Rabbit Holdings can be found in 1Q 2024 Rabbit Holdings's management discussion and analysis:

<https://weblink.set.or.th/dat/news/202405/0329NWS150520241708300641E.pdf>

However, BTS Group recognised share of profit from investments in TNL of THB 220mn as a result of its business expansion and the recognition of one-off gain from the disposition of TNL Alliance Co., Ltd.'s ordinary shares of two JVs, to PROUD Real Estate PCL.

More commentary on TNL can be found in 1Q 2024 TNL's management discussion and analysis:

<https://weblink.set.or.th/dat/news/202405/0089NWS130520241710490489E.pdf>

## BALANCE SHEET

**Total assets** as of 31 March 2024 stood at THB 272,082mn, an increase of only 0.4% or THB 1,155mn from 31 March 2023. Key line items that increased included:

- Net increase from receivables from government authorities of THB 7,932mn
- Elevated train project costs of THB 4,085mn from the continued construction of the Pink and Yellow Lines
- Investment properties of THB 2,960mn from the development of BTS Visionary Park

These items were largely offset by a net decrease in:

- Investment in associates of THB 9,850mn (divestment in KEX)
- Cash and cash equivalents of THB 4,030mn

**Total liabilities** as of 31 March 2024 stood at THB 205,689mn, an increase of 8.5% or THB 16,084mn from 31 March 2023. The increase was mainly from an increase in:

- Net issuance of long-term debentures of THB 6,263mn, primarily from the issuance of the BTS Group's debentures of THB 15,657mn in FY 2023/24, extracting the repayment of debentures amounting to THB 9,390mn
- Short term loans from financial institutions of THB 6,000mn
- Net long-term loans from financial institutions of THB 1,457mn chiefly from the development of BTS Visionary Park

However, the increase in total liabilities was partly offset by a decrease in:

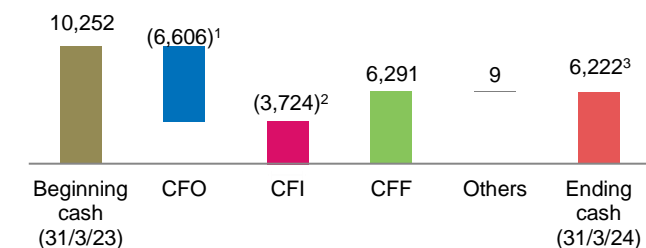
- Bills of exchange payables of 1,916mn

**Total equity** as of 31 March 2024 was THB 66,392mn, a decrease of 18.4% or THB 14,929mn from 31 March 2023. The decrease was primarily attributed to (i) a decrease in retained earnings of THB 7,880mn mainly due to losses in FY 2023/24 performance and dividend payment during the period, (ii) a decrease in non-controlling interest of the subsidiaries of THB 5,398mn, chiefly from (a) additional investments of 894mn ordinary shares in VGI and acquired all ordinary shares of VGI held by BTSC, which represents 29.66% of VGI's total issued shares, resulting in BTS Group's stake reaching 60.97% and (b) a loss performance in FY 2023/24 and (iii) a reduction of surplus from the changes in ownership interests in subsidiaries of 1,042mn.

As of 31 March 2024, issued and fully paid-up shares of BTS Group stood at 13,167.6mn shares, the same as of 31 March 2023.

## CASH FLOW

(THB mn)



<sup>1</sup>CFO after

- Net corporate income tax of THB 1,751mn
- Net interest expenses of THB 6,047mn
- An increase in a receivable under agreements with government authority of THB 8.9bn mainly from the provision of the O&M services for the Green Line extensions
- Investment of construction of the Pink and Yellow Lines of THB 1.1bn

<sup>2</sup>CFI included net investment for construction of the Pink and Yellow Lines of THB 4.0bn

<sup>3</sup>Excluding liquid investments of THB 13.2bn

As of 31 March 2024, cash and cash equivalents stood at THB 6,222mn, a decrease of 39.3% or THB 4,030mn from 31 March 2023. **Cash flow from operating activities was THB 1,192mn** (versus cash used in operating activities THB 1,760mn in FY 2022/23). This was derived from a loss before tax of THB 5,526mn, being supplemented by non-cash reconciling items of THB 8,571mn, albeit partially offset by decrease in net working capital of THB 1,853mn. After deducting cash paid for interest expense of THB 6,047mn (FY 2022/23: THB 4,690mn) and net cash paid for corporate income tax of THB 1,751mn (FY 2022/23: THB 1,410mn), **net cash used in operating activities** was THB 6,606mn.

**Net cash used in investing activities** was THB 3,724mn. The key components were (i) increase in elevated train project costs of THB 2,921mn (from the continued development of the Pink and Yellow lines), (ii) net cash paid for purposes of investment properties of THB 2,583mn as well as (iii) cash paid for purchases of property, plant and equipment of THB 799mn. These were partially offset by (i) cash received from return of capital of associate of THB 1,480mn and (ii) net cash received from sales of investments in financial assets of THB 469mn.

**Net cash from financing activities** was THB 6,291mn. The key components were (i) net cash received from long-term loans from financial institutions of THB 1,392mn, (ii) net cash received of THB 6,267mn from issuance of the BTS Group's debentures of THB 15,657mn, extracting the repayment of debentures amounting THB 9,390mn. These were partially offset by (i) cash paid for investments in subsidiaries of THB 4,272mn, (ii) net increase in bills of exchange of THB 2,318mn and (iii) dividend payment of THB 2,097mn (paid from the previous fiscal year performance).



**BTS GROUP FINANCIAL SUMMARY (CONSOLIDATED)**

STATEMENT OF COMPREHENSIVE INCOME (THB mn)	FY 2023/24	FY 2022/23	% YoY
Service and sales income	12,896	12,170	6.0%
Revenues from contracting works	4,945	5,848	(15.5)%
Interest income	5,845	4,751	23.0%
Other income <sup>1</sup>	701	1,370	(48.8)%
<b>Reported revenues</b>	<b>24,387</b>	<b>24,139</b>	<b>1.0%</b>
Expenses <sup>2</sup>	12,804	12,311	4.0%
SG&A expenses	4,631	4,139	11.9%
Other expenses	4,408	1,060	n/a
<b>Reported expenses</b>	<b>21,843</b>	<b>17,510</b>	<b>24.7%</b>
Share of profit/ (loss) from investments in associates / JVs	(2,063)	350	n/a
Finance cost	(6,008)	(3,818)	57.4%
<b>Profit before income tax expenses</b>	<b>(5,526)</b>	<b>3,162</b>	<b>n/a</b>
Income tax	(1,707)	(1,539)	10.9%
<b>Profit for the year</b>	<b>(7,233)</b>	<b>1,623</b>	<b>n/a</b>
<b>Reported net profit attributable to the company<sup>3</sup></b>	<b>(5,241)</b>	<b>1,836</b>	<b>n/a</b>

<sup>1</sup> Other income includes rental income, gain on sale of real estate, dividend income and other income stated in audited financial statement

<sup>2</sup> Expenses include cost of services and sales and cost of contracting works

<sup>3</sup> Before adjusting non-controlling interests of the subsidiaries

<sup>4</sup> Other expenses include loss on impairment of investments and loss on financial instruments

STATEMENT OF FINANCIAL POSITION (THB mn)	31-Mar-24	31-Mar-23	% Change
Current assets	47,707	22,726	109.9%
Non-current assets	224,375	248,201	(9.6)%
<b>Total assets</b>	<b>272,082</b>	<b>270,927</b>	<b>0.4%</b>
Current liabilities	51,754	40,848	26.7%
Non-current liabilities	153,935	148,757	3.5%
<b>Total liabilities</b>	<b>205,689</b>	<b>189,605</b>	<b>8.5%</b>
Issued and fully paid capital	52,671	52,671	0.0%
Retained earnings	(17,190)	(9,310)	84.6%
Other items in shareholders' equity <sup>5</sup>	11,061	12,712	(13.0)%
Non-controlling interest of the subsidiaries	19,851	25,248	(21.4)%
<b>Total shareholders' equity</b>	<b>66,392</b>	<b>81,322</b>	<b>(18.4)%</b>
<b>Total liabilities and shareholders' equity</b>	<b>272,082</b>	<b>270,927</b>	<b>0.4%</b>

<sup>5</sup> Other items in shareholders' equity includes all items that apart from Issued and fully paid capital and retained earnings

DEBT INFORMATION (THB mn)	31-Mar-24	31-Mar-23	% Change
Gross interest-bearing debt	185,120	171,569	7.9%
Adjusted net debt <sup>6</sup>	165,733	150,614	10.0%

<sup>6</sup> Calculated based on interest bearing debt - cash and cash equivalent and liquid investment

CASH FLOW STATEMENT (THB mn)	FY 2023/24	FY 2022/23	% YoY
Earnings Before Tax	(5,526)	3,162	n/a
<b>Cash from (used in) operating activities</b>	<b>1,192</b>	<b>(1,760)</b>	<b>(167.7)%</b>
Cash paid for interest expenses	(6,047)	(4,690)	28.9%
Cash paid for corporate income tax	(1,953)	(1,430)	36.6%
Cash received for corporate income tax	202	20	n/a
<b>Net cash from operating activities</b>	<b>(6,606)</b>	<b>(7,860)</b>	<b>(16.0)%</b>
<b>Net cash from investing activities</b>	<b>(3,724)</b>	<b>(13,738)</b>	<b>(72.9)%</b>
<b>Net cash from financial activities</b>	<b>6,291</b>	<b>21,091</b>	<b>(70.2)%</b>
<b>Net changes in cash and cash equivalents</b>	<b>(4,039)</b>	<b>(507)</b>	<b>n/a</b>
Others <sup>7</sup>	9	6,705	n/a
<b>Cash and cash equivalents at beginning of the year</b>	<b>10,252</b>	<b>4,053</b>	<b>152.9%</b>
<b>Cash and cash equivalents at end of the year</b>	<b>6,222</b>	<b>10,252</b>	<b>(39.3)%</b>

<sup>7</sup> Others include effect of exchange rate for cash and cash equivalents

## KEY FINANCIAL RATIOS

<b>Profitability ratios</b>	<b>FY 2023/24</b>	<b>FY 2022/23</b>	<b>FY 2021/22</b>
Gross operating profit margin (%)	33.1%	34.0%	22.2%
Recurring net profit margin (%) <sup>A</sup>	1.2%	8.8%	9.3%
Net profit margin (%) <sup>B</sup>	(21.5)%	7.6%	12.3%
ROA (%) <sup>C</sup>	(2.7)%	0.6%	1.7%
ROE (%) <sup>D</sup>	(9.8)%	2.0%	4.8%
<b>Liquidity ratio</b>			
Current ratio (times)	0.92x	0.56x	0.49x
<b>Leverage ratios</b>			
Interest bearing debt to equity (times)	2.79x	2.11x	1.79x
Adjusted net debt <sup>E</sup> to equity (times)	2.50x	1.85x	1.49x
Interest coverage (times) <sup>F</sup>	1.35x	2.01x	2.52x
<b>Per share ratios<sup>G</sup></b>			
Basic earnings per share (THB)	0.40	0.14	0.29
Book value per share (THB)	5.04	6.18	6.40

**Note:**

<sup>A</sup> Calculated based on recurring net profit / total recurring revenue

<sup>B</sup> Calculated based on accounting net profit (after MI) / total accounting revenue

<sup>C</sup> Calculated based on accounting net profit / total average assets

<sup>D</sup> Calculated based on accounting net profit / total average shareholders' equity

<sup>E</sup> Calculated based on interest bearing debt - cash and cash equivalent and liquid investment, Cash to be received from clearing house - share subscription of subsidiary and Receivable from subscription for newly issued ordinary shares of subsidiary

<sup>F</sup> Calculated based on recurring EBITDA / finance cost

<sup>G</sup> Calculated based on weighted average number of shares at par value of THB 4.0 per share

## MANAGEMENT OUTLOOK

**Thai economic growth** in 2023 disappointed at 1.9%, significantly lower than the originally forecast 3.5%. For 2024, the NESDC<sup>1</sup> is forecasting 2.0 – 3.0% GDP growth<sup>2</sup>, with bright spots coming from private consumption 4.5% and private investment 3.2% but dragged by public investment 1.8% driven by delays in the Government's annual budgetary process. Consensus is that the interest policy rate will be cut by 50bp to 2.0% as inflation decelerates.

BTS Group's business relies largely on inflation protected, contractual revenues from both the City and National Government. In FY 2023/24, cash receipts from these contracts with BMA were withheld under legal disputes, however, these troubles now look to be behind following the settling of E&M debt principal and interest by the BMA, amounting to THB 23.3bn, on 2 April 2024 and the expectation of a similar outcome relating to the O&M debt.

The repayment of the E&M debt on 2 April 2024, expected repayment of THB 36.3bn<sup>3</sup> O&M debt as well as the subsidy payments of THB 4.8bn per annum for the Pink and Yellow line contracts will **strengthen BTS Groups' cash flow considerably**, adding to an already resolute cash and liquid investments balance of THB 19.4bn as of 31 March 2024.

**MOVE** revenue is anticipated to be softer in FY 2024/25 as the completion of the Pink and Yellow line construction leads to a diminution of revenues from contracting works. Profitability will also be constrained as ridership for these lines remains in the ramp up phase. The Company has guided THB 7.3bn of annual O&M revenue, THB 4.9bn for MOVE interest income and THB 0.8bn of construction revenue (Pink line extension) for FY 2024/25.

We see an improved outlook for our **MIX** business, with significant growth expected in revenue, EBITDA and net profit. The laggard recovery of outdoor and digital advertising looks set to play out under a stronger consumption environment this year. VGI is guiding THB 6.0-6.5bn in revenue for FY 2024/25 and has completely divested its stake in Kerry Express (Thailand) PCL on 22 March 2024 which will arrest the losses that plagued the income statement last fiscal year.

**MATCH** is also expected to see a stronger performance in FY 2024/25 driven by Rabbit Holdings and TNL.

Despite the anticipated losses expected from the Pink and Yellow lines, we do not expect to see any further investment impairments in FY 2024/25. As a result of the losses experienced in FY2023/24, the BTS Group Board of Directors have prudently omitted any dividend payment, the first time since 2010. It remains a priority to manage both the retained losses on the balance sheet as well as the return path to profitability so that a dividend payment can be resumed as soon as possible.

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(Ms. Chawadee Rungruang)

Chief Financial Officer

(1) Office of the National Economic and Social Development Council

(2) Data as of 20 May 2024

(3) As of 31 March 2024