

# BTS Group Holdings PCL



## FY 11/12 and 4Q 11/12 earnings presentation

30 May 2012



# Disclaimer

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Investment involves risk. Prospective should understand the characteristics of Securities and study information about BTS Group Holdings Public Company Limited (the “Company”) before making a decision to invest in Securities.

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# 2011/12 Overview

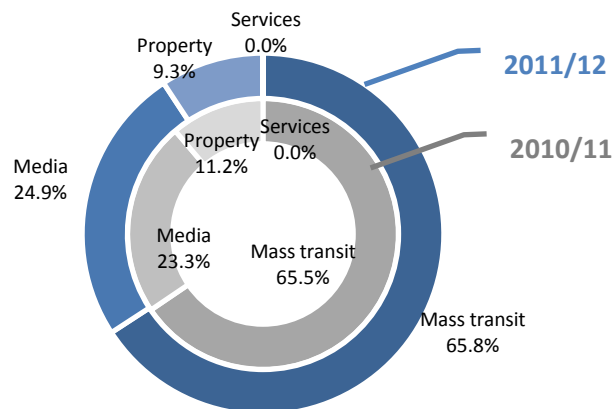


## P&L snapshot 2011/12 (THB mn)

Income Statement (THB mn)	2011/12	2010/11	%YoY
Operating revenues	7,864.8	5,892.5	33.5%
Gross profit	3,861.5	2,534.6	52.4%
Operating EBITDA	4,249.3	2,548.9	66.7%
EBITDA	5,343.6	3,206.1	66.7%
Net income (loss)*	2,105.6	252.0	735.0%
<hr/>			
Gross profit margin (%)	49.1%	43.0%	
Operating EBITDA margin (%)	54.0%	43.3%	
EBITDA margin (%)	57.8%	47.0%	
Net profit margin (%)	22.8%	3.7%	

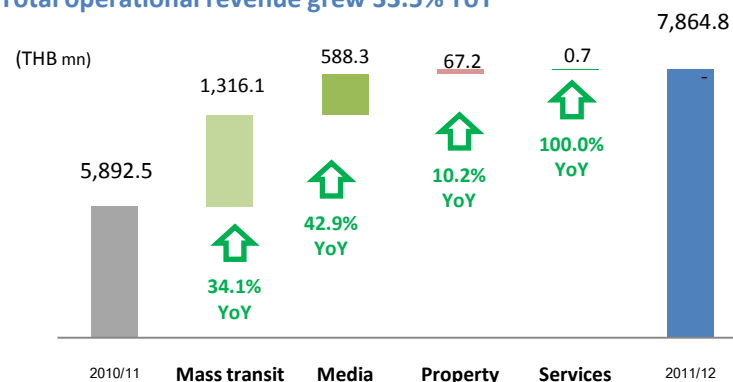
\*to equity holders of the parent

## Operating revenue 2011/12

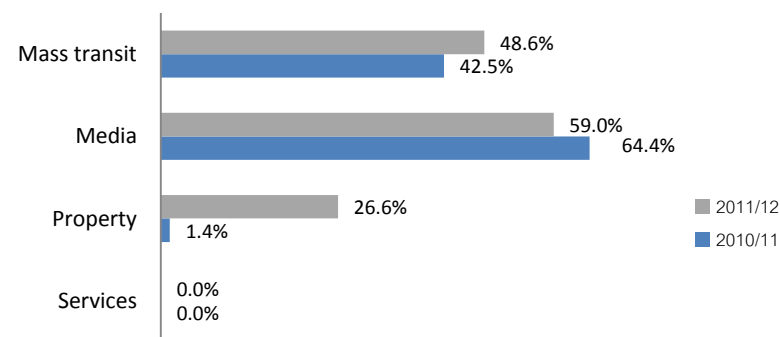


## Revenue comparison (YoY)

Total operational revenue grew 33.5% YoY



## Gross profit margin (%) by unit



# 2011/12 Highlights



## Major developments by business unit in 2011/12

### Mass transit

- ❖ 2011/12 annual ridership grew 21.3% to 176.0mn passengers, exceeding the target of “at least 15.0% growth”
- ❖ A new record of 602,261 passengers per weekday achieved in Mar 2012
- ❖ O&M revenue growth, now 17% of mass transit revenue
- ❖ Signed a 30 year O&M contract agreement with KT



### Media

- ❖ New record revenue per annum of THB 1,958.8mn, growth 42.9% YoY
- ❖ Outstanding improvement in In-store media segment (new contracts)
- ❖ Strong increase in BTS related media



### Property

- ❖ Revenue recognition of THB 201.2mn from inaugural Abstracts condominium development
- ❖ Construction completion of Eastin Grand Sathorn Hotel
- ❖ Completion of National Housing Association contract



### Services

- ❖ In May 2012 launched Rabbit Card and Carrot Rewards programme (common ticketing system and retail e-payment card)

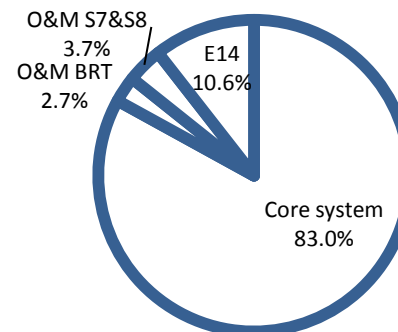


# Mass transit

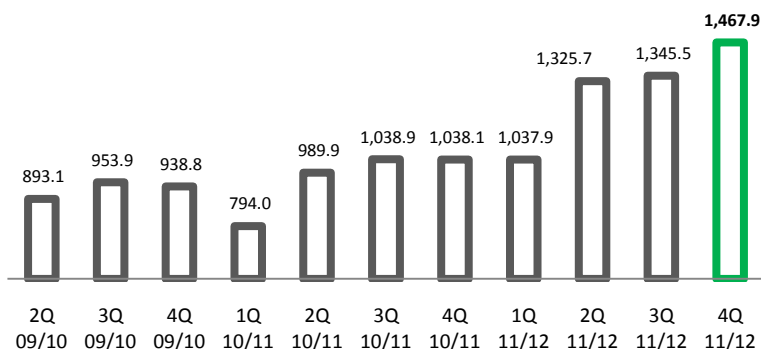
## Performance

Mass transit (THB mn)	FY 11/12	FY 10/11	YoY	4Q 11/12	YoY
Revenue	5,176.9	3,860.8	34.1%	1,467.9	41.4%
Costs of revenue	2,660.6	2,218.2	19.9%	673.8	17.9%
Gross Profit	2,516.4	1,642.7	53.2%	794.1	70.2%
EBIT	2,001.2	1,088.5	83.8%	672.5	106.6%
<b>Operating EBITDA</b>	<b>3,459.7</b>	<b>2,169.0</b>	<b>59.5%</b>	<b>1,065.4</b>	<b>70.8%</b>
Gross margin (%)	48.6%	42.5%		54.1%	
EBIT margin (%)	38.7%	28.2%		45.8%	
Operating EBITDA margin (%)	66.8%	56.2%		72.6%	

## Revenue breakdown



## Historical revenue (THB mn)



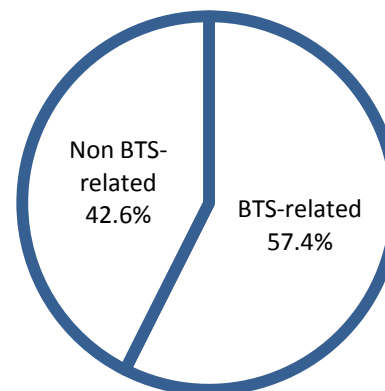
## Key factors

- 21.3% ridership growth vs FY 2010/11 to 176.0mn passengers. Average weekday ridership 547,701 passengers.
- Income from train operating management also showed rapid growth of 178.5% to THB 880.1mn in 2011/12
- Average fare stable at THB 24.4 per trip

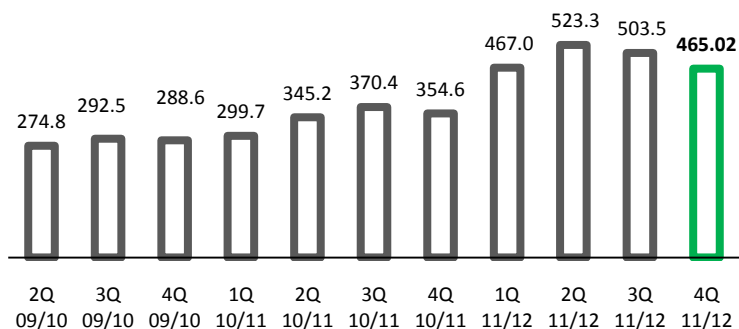
## Performance

Media (THB mn)	FY 11/12	FY 10/11	YoY	4Q 11/12	YoY
Revenue	1,958.8	1,370.6	42.9%	465.0	30.9%
Costs of revenue	803.1	487.7	64.7%	229.4	67.1%
Gross Profit	1,155.7	882.9	30.9%	235.6	8.1%
EBIT	897.6	651.0	37.9%	173.0	20.2%
<b>Operating EBITDA</b>	<b>1,023.9</b>	<b>750.6</b>	<b>36.4%</b>	<b>204.2</b>	<b>20.4%</b>
Gross margin (%)	59.0%	64.4%		50.7%	
EBIT margin (%)	45.8%	47.5%		37.2%	
Operating EBITDA margin (%)	52.3%	54.8%		43.9%	

## Revenue breakdown



## Historical revenue (THB mn)



## Key factors

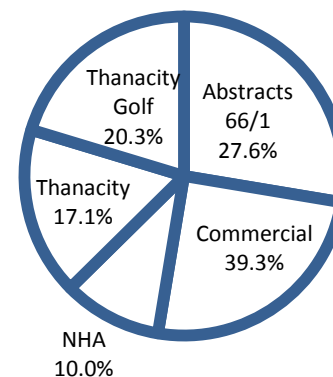
- Revenue of non-BTS business jumped 66.8% YoY to THB 834.2mn, driven by new contracts and full year effect of new contracts signed with modern trade partners.
- Non BTS revenue comprised 42.6% of Media revenue in FY11/12
- Revenue from BTS business also grew strongly rising by 29.2% to THB 1,124.7mn

# Property

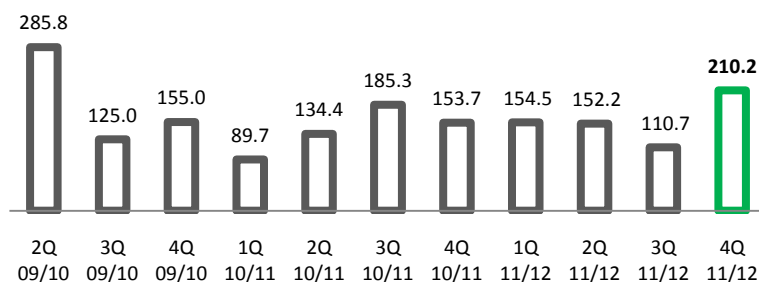
## Performance

Property (THB mn)	FY 11/12	FY 10/11	YoY	4Q 11/12	YoY
Revenue	728.3	661.1	10.2%	210.2	12.8%
Costs of revenue	534.4	652.0	-18.0%	150.7	-13.3%
Gross Profit	193.9	9.1	2040.1%	59.6	377.7%
EBIT	(150.0)	(296.5)	49.4%	(49.9)	-21.6%
<b>Operating EBITDA</b>	<b>(55.7)</b>	<b>(207.5)</b>	<b>73.2%</b>	<b>(26.7)</b>	<b>19.2%</b>
Gross margin (%)	26.6%	1.4%		28.3%	
EBIT margin (%)	-20.6%	-44.8%		-23.8%	
Operating EBITDA margin (%)	-7.6%	-31.4%		-12.7%	

## Revenue breakdown



## Historical revenue (THB mn)



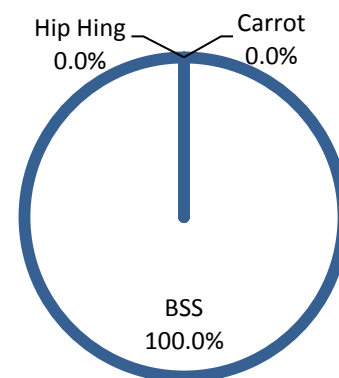
## Key factors

- Revenue increased 10.2% due to the result of an increase in sales of real estate from the transfer of the Group's inaugural Abstracts condominium project.
- SG&A rose 12.5% to THB 343.9mn driven by the new staff hired for Eastin Grand Hotel

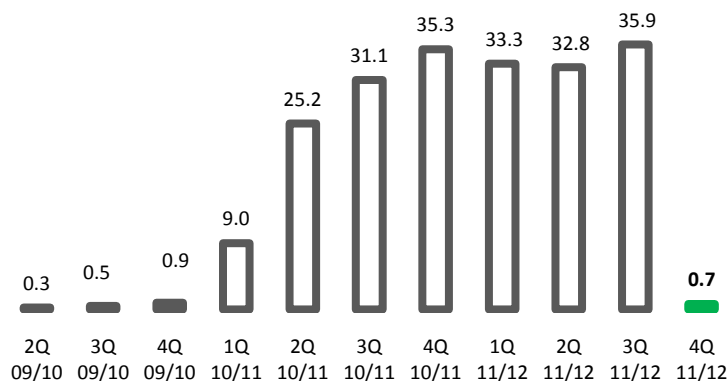
## Performance

Service	FY 11/12	FY 10/11	YoY	4Q 11/12	YoY
Revenue	0.7	0.0	-	0.7	-
Costs of revenue	5.2	0.0	-	4.3	-
Gross Profit	(4.4)	-	-	(3.6)	-
EBIT	(150.0)	(296.5)	-49.4%	(15.6)	126.0%
<b>Operating EBITDA</b>	<b>(39.9)</b>	<b>(15.7)</b>	<b>-153.5%</b>	<b>(11.0)</b>	<b>-462.1%</b>
Gross margin (%)	-601.4%			-486.9%	
EBIT margin (%)	-20277.8%			-2115.8%	
Operating EBITDA margin (%)	-5393.2%			-1492.5%	

## Revenue breakdown



## Historical revenue (THB mn)



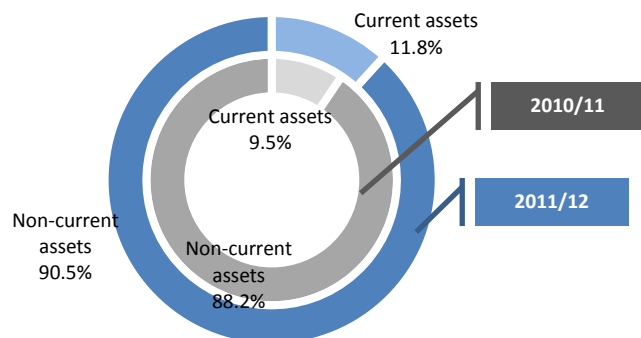
## Key factors

- Excluded Thana City Golf course from the service business.
- The revenue of THB 0.7mn came from the sale of Rabbit cards (common ticketing cards for Bangkok's mass transit network plus retail e-payment card)

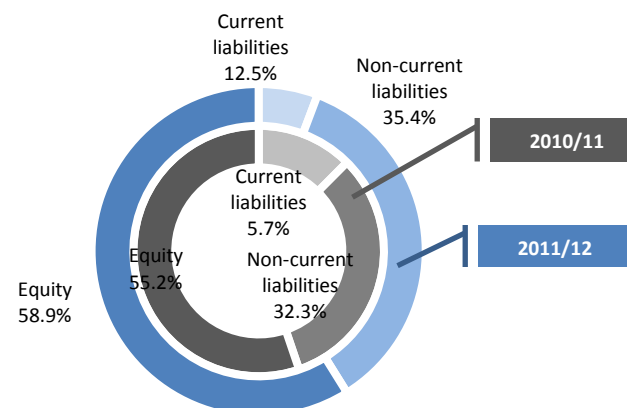


# 2011/12 Balance sheet

## Assets breakdown



## Liability and equity breakdown



## Key figures

### Net Debt to equity

2011/12: 0.67x  
2010/11: 0.56x

**0.11x**



### Interest Coverage

2011/12: 2.97x  
2010/11: 1.59x

**1.38x**



### Book value per share

2011/12: THB 0.65  
2010/11: THB 0.67

**0.02**



# Our 2012/13 Financial Goals



## Ridership

From 176.0mn passengers in FY 11/12  
TO GROW



12.0-15.0%

## Media revenue

From THB 1,958.8mn in FY 11/12  
TO GROW



40.0%

## Property

**Abstracts Sukhumvit 66/1:** All units sold and transferred by CY2012

**Abstracts Phahonyothin Park:** 70% units sold CY2012 and 15% units transferred in FY 12/13

## Service

1-1.5mn

card holders in FY 12/13

## Forecast CAPEX

THB 3.4bn

# Q&A

# Appendix

# Financial Statement - Income Statement



Income Statement (THB mn)	4Q 11/12	4Q 10/11	% YoY	3Q 11/12	% QoQ	2011/12	2010/11	% YoY
Operating revenues	2,143.9	1,579.7	35.7%	1,994.3	7.5%	7,864.8	5,892.5	33.5%
Other recurring incomes	54.6	42.9	27.0%	83.3	-34.5%	227.6	123.2	84.8%
<b>Total recurring revenues</b>	<b>2,198.4</b>	<b>1,622.7</b>	<b>35.5%</b>	<b>2,077.6</b>	5.8%	8,092.4	6,015.6	34.5%
Operating costs	1,058.2	882.7	19.9%	1,048.4	0.9%	4,003.3	3,357.9	19.2%
Selling and Administrative expenses	345.5	323.9	6.7%	340.3	1.5%	1,328.0	1,281.0	3.7%
Other operational expenses	-	-	N.A.	-	N.A.	5,331.3	4,638.9	14.9%
Income (loss) from investment in associates	(0.2)	1.3	-114.5%	0.4	-152.7%	(2.3)	1.3	-283.5%
<b>EBITDA</b>	<b>1,200.6</b>	<b>723.5</b>	<b>65.9%</b>	<b>1,143.2</b>	<b>5.0%</b>	<b>5,330.7</b>	<b>3,189.6</b>	<b>67.1%</b>
<b>Operating EBITDA</b>	<b>1,196.0</b>	<b>739.9</b>	<b>61.7%</b>	<b>1,068.2</b>	<b>12.0%</b>	<b>4,249.3</b>	<b>2,548.9</b>	<b>66.7%</b>
Finance cost	365.6	473.5	-22.8%	357.4	2.3%	1,431.9	1,601.9	-10.6%
Non-operating gain (loss)	4.5	16.4	-72.8%	53.5	-91.7%	1,081.4	640.7	68.8%
<b>EBT</b>	<b>433.4</b>	<b>(73.7)</b>	<b>N.A.</b>	<b>406.5</b>	<b>6.6%</b>	<b>1,326.9</b>	<b>(224.0)</b>	<b>692.4%</b>
Income tax	40.8	23.3	74.9%	37.3	9.4%	172.6	106.3	62.4%
Minority interests	34.2	22.0	55.6%	19.3	76.8%	130.0	58.3	123.0%
<b>Net income(loss) to equity holders of the parent</b>	<b>358.4</b>	<b>(84.9)</b>	<b>N.A.</b>	<b>328.8</b>	<b>9.0%</b>	<b>2,105.6</b>	<b>252.2</b>	<b>735.0%</b>
<b>EPS (THB per share)</b>	<b>0.0063</b>	<b>(0.0015)</b>	<b>N.A.</b>	<b>0.0057</b>	<b>9.0%</b>	<b>0.0370</b>	<b>0.0049</b>	<b>662.3%</b>

# Financial Statement - Balance Sheet



Balance Sheet (THB mn)	31-Mar-12	31-Dec-12	%QoQ	31-Mar-11	%YoY
Cash and cash equivalents	1,333.2	1,374.6	-3.0%	1,825.4	-27.0%
Trade and other receivables	1,106.7	979.0	13.0%	608.2	81.9%
Real estate development costs	3,349.1	3,242.7	3.3%	2,855.3	17.3%
Other current assets	2,078.7	2,187.0	-5.0%	735.4	182.7%
<b>Total current assets</b>	<b>7,867.7</b>	<b>7,783.3</b>	<b>1.1%</b>	<b>6,024.4</b>	<b>30.6%</b>
Elevated project costs	45,144.2	45,447.5	-0.7%	44,443.0	1.6%
Land and project under development	2,676.3	2,825.9	-5.3%	2,659.7	0.6%
Investment properties	2,461.0	2,316.4	6.2%	2,497.3	-1.5%
Property, plant and equipment	6,039.2	5,938.5	1.7%	5,311.4	13.7%
Other non-current assets	2,700.4	2,859.6	-5.6%	2,766.8	-2.4%
<b>Total non-current assets</b>	<b>59,021.2</b>	<b>59,387.9</b>	<b>-0.6%</b>	<b>57,678.2</b>	<b>2.3%</b>
<b>Total assets</b>	<b>66,888.9</b>	<b>67,171.3</b>	<b>-0.4%</b>	<b>63,702.6</b>	<b>5.0%</b>
Short-term loan from financial institution	1,941.5	941.5	106.2%	500.0	288.3%
Account Payable	1,452.4	382.1	280.1%	1,170.2	24.1%
Account Payable from subsidiaries' acquisition	0.0	0.0	N.A.		N.A.
Current portion of long-term loan	583.4	583.4	0.0%	151.8	284.4%
Current portion of long-term debentures	2,495.8	2,493.2	0.1%	0.0	N.A.
Other current liabilities	1,864.9	3,142.6	-40.7%	1,839.8	1.4%
<b>Total current liabilities</b>	<b>8,338.0</b>	<b>7,542.8</b>	<b>10.5%</b>	<b>3,661.7</b>	<b>127.7%</b>
Long-term loan - net of current portion	2,934.0	2,907.8	0.9%	1,785.3	64.3%
Long-term debenture - net of current portion	9,443.8	9,438.1	0.1%	11,906.6	-20.7%
Convertible debentures - liability component	8,648.3	8,709.2	-0.7%	8,363.2	3.4%
Other non-current liabilities	592.5	569.0	4.1%	476.3	24.4%
<b>Total non-current liabilities</b>	<b>21,618.6</b>	<b>21,624.1</b>	<b>0.0%</b>	<b>22,531.4</b>	<b>-4.1%</b>
<b>Total liabilities</b>	<b>29,956.6</b>	<b>29,166.9</b>	<b>2.7%</b>	<b>26,193.1</b>	<b>14.4%</b>
Registered capital at Par THB 1 each	74,815.3	74,815.3	0.0%	55,889.3	2.3%
Issued and fully paid capital at Par THB 0.64 each	36,600.5	36,600.5	0.0%	77,219.1	-3.1%
Convertible debentures - equity component	1,356.6	1,356.6	0.0%	1,356.6	0.0%
Share premium (discount)	350.7	350.7	0.0%	0.0	N.A.
Retained earnings	-2,032.6	0.0	N.A.	-1,475.8	37.7%
Other shareholders' equity	(985.4)	(988.4)	-0.3%	(874.9)	12.6%
Equity attributable to company's shareholders	35,289.8	36,296.0	-2.8%	34,775.1	1.5%
Non-controlling interest - equity attributable to minority	1,642.5	1,708.4	-3.9%	2,734.4	-39.9%
<b>Total shareholders' equity</b>	<b>36,932.3</b>	<b>38,004.3</b>	<b>-2.8%</b>	<b>37,509.5</b>	<b>-1.5%</b>
<b>Total liabilities and shareholders' equity</b>	<b>66,888.9</b>	<b>67,171.3</b>	<b>-0.4%</b>	<b>63,702.6</b>	<b>5.0%</b>

# Financial Statement - Cash Flow Statement



Cash Flow Statement (THB mn)	4Q 11/12	4Q 10/11	% YoY	2011/12	2010/11	%YoY
Income (loss) before tax	434.0	(4.5)	N.A.	2,408.3	416.8	477.8%
Adjustment to reconcile income (loss) before tax:						
Depreciation and amortisation	70.7	70.8	-0.1%	284.2	260.9	8.9%
Spare parts and elevated project costs amortisation	338.9	256.5	32.1%	1,219.2	926.6	31.6%
Other adjustments	386.2	429.9	-10.2%	455.8	1,021.6	-55.4%
Decrease (Increase) in operating assets	(235.9)	(274.7)	N.A.	(1,377.9)	(301.7)	N.A.
Increase (Decrease) in operating liabilities	0.9	557.6	-99.8%	57.0	705.5	-91.9%
Cash paid for interest expenses	(492.8)	(479.9)	N.A.	(1,156.8)	(1,522.7)	N.A.
Cash paid for corporate income tax	(93.6)	(21.4)	N.A.	(208.9)	(146.0)	N.A.
Cash received for withholding tax deducted at source	25.6	0.0	N.A.	35.1	0.0	N.A.
Cash received for interest income	29.8	3.6	736.2%	39.9	28.7	39.1%
<b>Net cash from (used in) operating activities</b>	<b>463.8</b>	<b>537.9</b>	<b>-13.8%</b>	<b>1,755.8</b>	<b>1,389.7</b>	<b>26.4%</b>
Increase in elevated rail project costs	(217.6)	(92.5)	N.A.	(577.6)	(1,325.1)	N.A.
Increase (Decrease) in advances for asset acquisitions	(5.4)	(164.1)	N.A.	(472.9)	(1,103.9)	N.A.
Cash paid for purchases of property, plant and equipment	(14.6)	(578.7)	N.A.	(888.3)	(1,620.0)	N.A.
Cash paid for purchase of land and projects awaiting development	22.2	(4.0)	N.A.	(13.6)	(34.5)	N.A.
Cash paid for purchases of condominiums and fixtures for lease	0.0	(0.1)	N.A.	(9.3)	0.0	N.A.
Cash paid for intangible assets	(0.8)	0.0	N.A.	(15.4)	(4.4)	N.A.
Cash paid for purchase of investment in subsidiaries	0.0	0.0	-100.0%	0.0	(20,665.7)	N.A.
Rights of claim from acquisition of debts per rehabilitation plan	0.0	0.0	N.A.	(741.5)	0.0	N.A.
Others	295.1	(271.9)	N.A.	399.0	(55.1)	222.2%
<b>Net cash used in investing activities</b>	<b>78.9</b>	<b>(1,111.3)</b>	<b>N.A.</b>	<b>(2,319.6)</b>	<b>(24,808.7)</b>	<b>N.A.</b>
Cash paid for short-term loan from financial institution	0.0	(400.0)	N.A.	(300.0)	(500.0)	N.A.
Increase in short-term loan from financial institution	1,000.0	0.0	N.A.	1,741.5	0.0	N.A.
Increase in long-term loan	172.0	203.1	-15.3%	1,732.1	22,541.4	-92.3%
Cash paid for long-term loans	(145.9)	(8,755.5)	N.A.	(151.8)	(20,760.9)	N.A.
Dividend paid to shareholder of subsidiaries before acquisition	(86.0)	0.0	N.A.	(140.6)	(305.3)	N.A.
Cash paid for LC of convertible debentures	(163.5)	(150.9)	N.A.	(163.5)	(150.9)	N.A.
Cash paid for convertible debentures issuance fees	0.0	(183.5)	N.A.	0.0	(183.5)	N.A.
Cash received from issuance of convertible debentures	0.0	10,000	-100.0%	0.0	10,000.0	-100.0%
Dividend paid	(1,360.4)	(717.6)	N.A.	(2,647.1)	(717.6)	N.A.
Cash received from issuance of ordinary shares	0.0	0.0	-100.0%	0.0	12,837.5	-100.0%
Cash received from conversion of warrant	0.0	0.0	N.A.	0.0	0.0	N.A.
Cash received from issuance of debenture	0.0	0.0	N.A.	0.0	0.0	N.A.
Others	0.0	(265.5)	N.A.	0.0	6.7	N.A.
<b>Net cash from (used in) financial activities</b>	<b>(583.8)</b>	<b>(270.0)</b>	<b>N.A.</b>	<b>70.6</b>	<b>22,767.4</b>	<b>-99.7%</b>
Increase in transition adjustment	(0.3)	3.2	-107.8%	0.9	(0.7)	N.A.
Net increase (decrease) in cash and cash equivalents	(41.4)	(840.2)	N.A.	(492.2)	(652.3)	N.A.
Cash and cash equivalents at beginning of the period	1,374.6	2,665.6	-48.4%	1,825.4	2,477.7	-26.3%
<b>Cash and cash equivalents at the end of the period</b>	<b>1,333.2</b>	<b>1,825.4</b>	<b>-27.0%</b>	<b>1,333.2</b>	<b>1,825.4</b>	<b>-27.0%</b>

# Convertible Bonds



<b>Convertible Bonds</b>	<b>Summary Terms and Conditions</b>
Amount	THB 10,000mn (THB-Denominated, USD-Settled)
Denomination	THB 5mn per bond
Secondary Market	Singapore Exchange Securities Trading Limited (SGX-ST)
Trustee	DB Trustee (Hong Kong) Limited
Settlement Date	25-Jan-2011
Maturity Date	25-Jan-2016
Investor Put Option Date	25-Jan-2013
Coupon Rate	1.00% per annum (payable semi-annually for the first 2 years), 0.0% (year 3-5)
First Coupon Date	25-Jul-11
LC Rate	1.50% (annually for the first 2 years)
Conversion Premium	13%
Current Conversion Price	THB 0.85 a share
Conversion Period	Any time on or after 40th day following the closing date to 15 days prior to the maturity date
<b><u>Other Options for BTS Group</u></b>	
Issuer Call Option	After 3 years, callable (in whole only) if closing share price is at least 130% of prevailing conversion price
Cash Settlement Option	Yes, at the option of BTS Group
Security Code	ISIN: X0580087376 COMMON: 058008737 SEDOL: B3WJHS2