

# BTS Group Holdings PCL



## 1Q 12/13 earnings presentation

15 August 2012



# Disclaimer



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.

This Presentation is not intended to provide the basis for any investment decision, nor to substitute your own analysis and investigation, and should not be considered as a recommendation to any recipient of this Presentation. Some statements made in this presentation are forward-looking statements, which are subject to various risks and uncertainties. These include statements with respect to the Company’s corporate plans, strategies and beliefs and other statement that are not historical facts. These statement can be identified by the use of forward-looking terminology such as “may”, “will”, “expect” , “intend”, “estimate”, “continue”, “plan” or other similar words. The statements are based on the assumptions and beliefs of the Company’s management in light of the information currently available to the Company. These assumptions involve risks and uncertainties which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Nothing in this Presentation is, or should be relied on as promise or representation of the Company as to the future.

# 1Q 2012/13 Overview

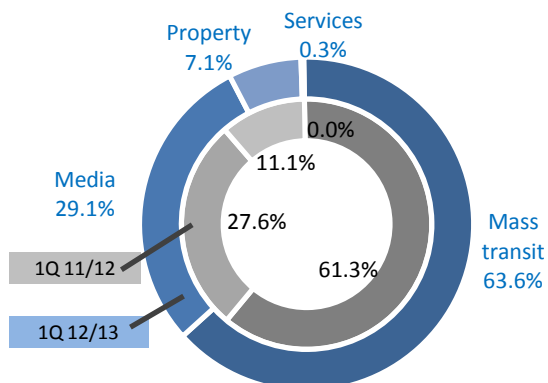


## P&L snapshot 1Q 12/13 (THB mn)

Income Statement (THB mn)	1Q 12/13	1Q 11/12	% YoY
Operating revenues	2,192	1,693	29.5%
Operating gross profits	1,088	798	36.3%
EBITDA	1,175	873	34.5%
Operating EBITDA	1,168	859	35.9%
Net income (loss)*	309	136	126.8%
Gross operating profit margin (%)	49.6%	47.1%	
EBITDA margin (%)	52.6%	49.4%	
Operating EBITDA margin (%)	53.3%	50.8%	
Operating net profit margin (%)	14.4%	7.0%	

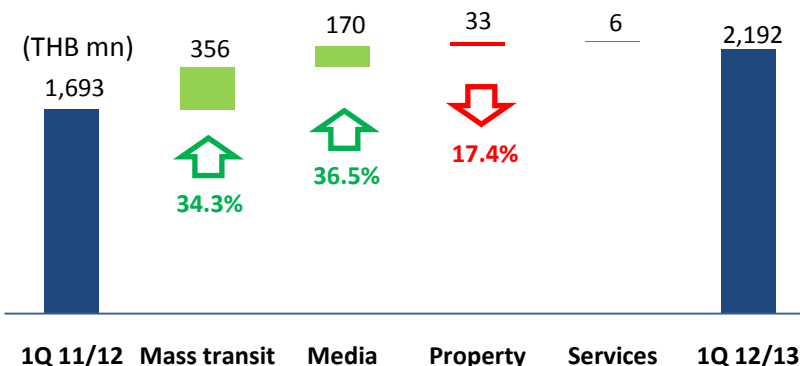
\*to equity holders of the parent

## Operating revenue 1Q 12/13

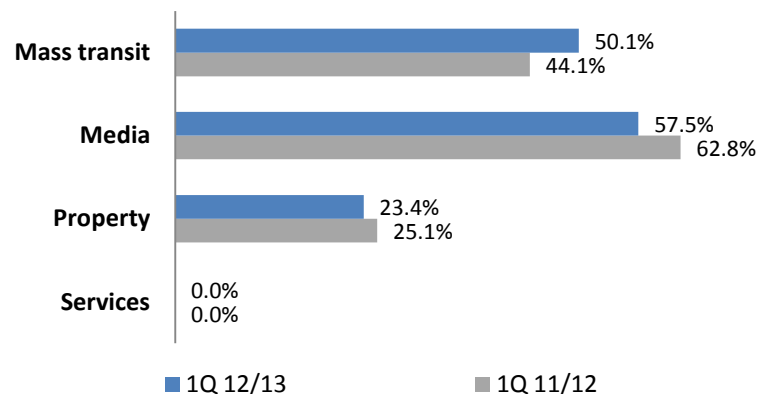


## Revenue comparison (YoY)

Total operational revenue grew 29.5% YoY



## Gross profit margin (%) by unit



# 1Q 12/13 Highlights



## Major developments by business unit in 1Q 12/13

### Mass transit

- ❖ **Strong YoY revenue growth:** revenue grew 34.3% YoY to THB 1,393.6mn
- ❖ **Strong YoY ridership growth:** total quarterly ridership grew 17.7% YoY to 46.4mn passengers in 1Q 12/13
- ❖ **Improving Profit margin:** operating EBITDA margin improved YoY to 68.4% compared to 60.1% in 1Q 11/12



### Media

- ❖ **New record quarterly revenue** of THB 637.4mn
- ❖ **Strong YoY revenue growth:** revenue grew 36.5% YoY to THB 637.4mn
- ❖ **High contribution from non-BTS business:** revenue from non-BTS business grew 91.4% YoY to THB 324.7mn



### Property

- ❖ Revenue fell by 17.4% YoY to THB 155.1mn due to completion of National Housing Association contract
- ❖ Revenue from commercial property grew 52.8% YoY to 92.9mn due to the increased revenue from the opening of Eastin Grand hotel



### Services

- ❖ Revenue increased by THB 5.1mn to THB 5.8mn driven by the sale of rabbit cards

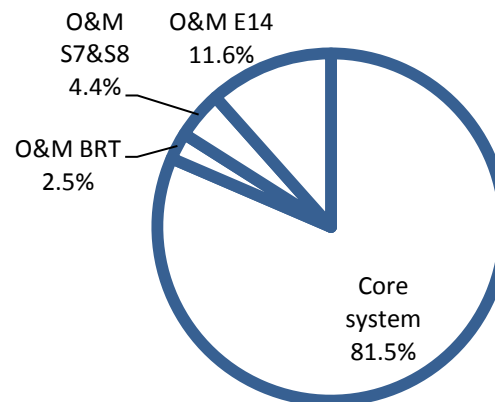


# Mass transit

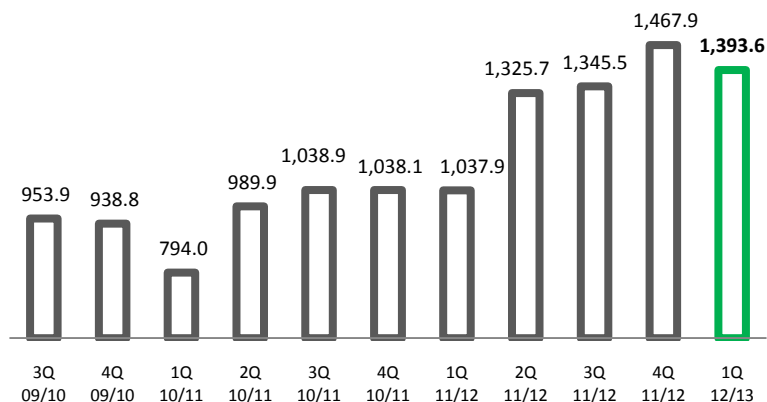
## Performance

Mass transit (THB mn)	1Q 12/13	1Q 11/12	YoY	4Q 11/12	QoQ
Revenue	1,393.6	1,037.9	34.3%	1,467.9	-5.1%
Costs of revenue	695.0	580.5	19.7%	673.8	3.1%
Operating gross profit	698.6	457.4	52.7%	794.1	-12.0%
EBIT	592.3	325.0	82.2%	672.5	-11.9%
<b>Operating EBITDA</b>	<b>953.4</b>	<b>623.8</b>	<b>52.8%</b>	<b>1,065.4</b>	<b>-10.5%</b>
Operating gross margin (%)	50.1%	44.1%		54.1%	
EBIT margin (%)	42.5%	31.3%		45.8%	
Operating EBITDA margin (%)	68.4%	60.1%		72.6%	

## Revenue breakdown



## Historical revenue (THB mn)



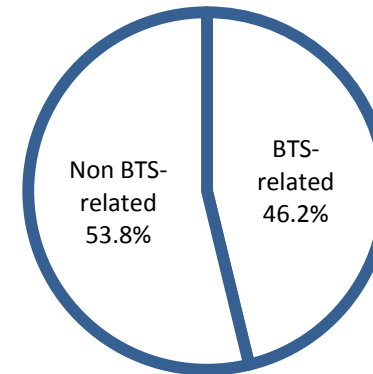
## Key factors

- Revenue and ridership increased 34.3% YoY to THB 1,393.6mn, and 17.7% YoY to 46.4mn respectively due to On-Nut Bearing extension
- O&M revenue increased 215.1% YoY to THB 258.3mn due to On-Nut Bearing extension
- Operating EBITDA increased 52.8% YoY to THB 953.4mn due to improved operational efficiencies
- Ridership fell by 3.4% QoQ due to a seasonal decline (several public holidays and school holidays)

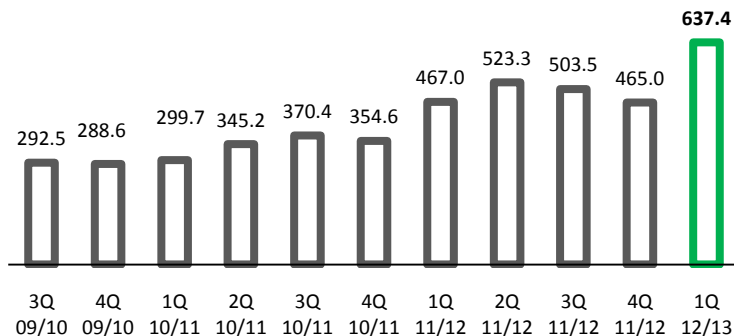
## Performance

Media (THB mn)	1Q 12/13	1Q 11/12	YoY	4Q 11/12	QoQ
Revenue	637.4	467.0	36.5%	465.0	37.1%
Costs of revenue	270.7	173.8	55.7%	229.4	18.0%
Operating gross profit	366.7	293.2	25.1%	235.6	55.6%
EBIT	276.4	238.2	16.0%	173.0	59.8%
<b>Operating EBITDA</b>	<b>304.3</b>	<b>270.3</b>	<b>12.6%</b>	<b>204.2</b>	<b>49.0%</b>
Operating gross margin (%)	57.5%	62.8%		50.7%	
EBIT margin (%)	43.4%	51.0%		37.2%	
Operating EBITDA margin (%)	47.7%	57.9%		43.9%	

## Revenue breakdown



## Historical revenue (THB mn)



## Key factors

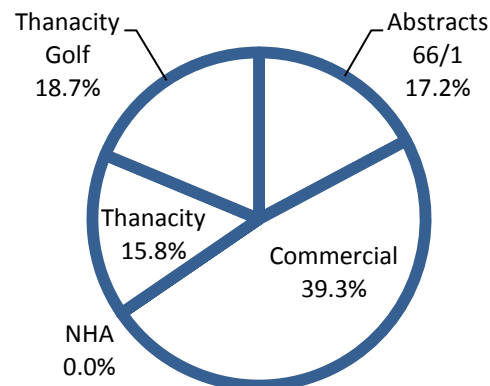
- Revenue of non-BTS business jumped 91.4% YoY to THB 342.7mn, driven by new contracts signed with modern trade partners
- Non BTS revenue comprised 53.8% of Media revenue in 1Q 12/13
- Revenue from BTS business rose by 19.4% QoQ to THB 294.7mn

# Property

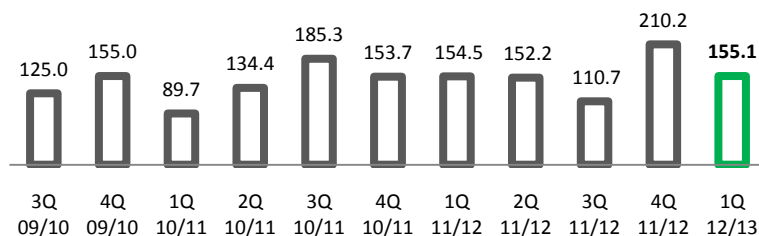
## Performance

Property (THB mn)	1Q 12/13	1Q 11/12	YoY	4Q 11/12	QoQ
Revenue	155.1	187.8	-17.4%	210.2	-26.2%
Costs of revenue	118.8	140.6	-15.5%	150.7	-21.1%
Operating gross profit	36.3	47.1	-22.9%	59.6	-39.0%
EBIT	(68.7)	(23.3)	-195.4%	(49.9)	37.6%
<b>Operating EBITDA</b>	<b>(33.5)</b>	<b>0.2</b>	<b>3517.8%</b>	<b>(26.7)</b>	<b>124.7%</b>
Operating gross margin (%)	23.4%	25.1%		28.3%	
EBIT margin (%)	-44.3%	-12.4%		-23.8%	
Operating EBITDA margin (%)	-21.6%	0.1%		-12.7%	

## Revenue breakdown



## Historical revenue (THB mn)



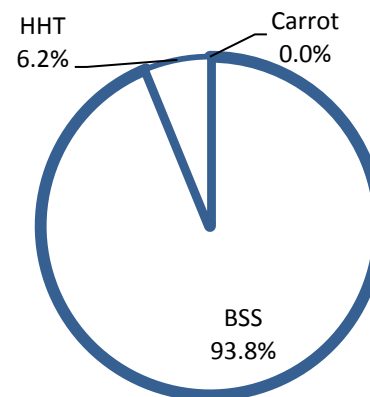
## Key factors

- Revenue fell by 17.4% YoY to THB 155.1mn due to completion of NHA and few units transferred from Abstracts Sukhumvit 66/1
- SG&A rose 49.2% YoY to THB 105mn due to payroll and marketing expenses related to newly completed Eastin Grand Hotel at Sathorn

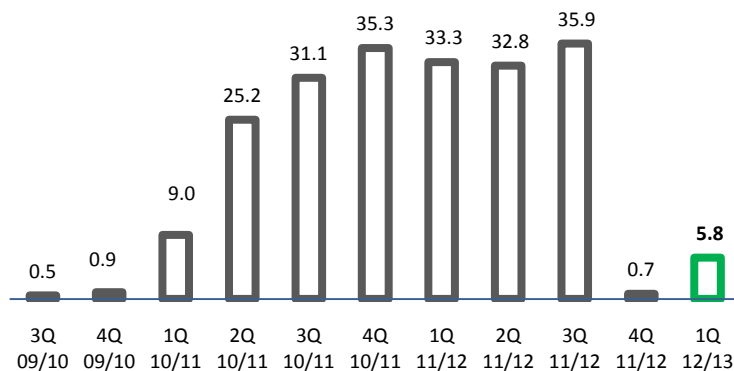
## Performance

Service (THB mn)	1Q 12/13	1Q 11/12	YoY	4Q 11/12	QoQ
Revenue	5.8	(0.0)	N.A.	0.7	690.5%
Costs of revenue	19.9	0.0	N.A.	4.3	358.9%
Operating gross profit	(14.1)	(0.0)	N.A.	(3.6)	290.8%
EBIT	(40.7)	(9.8)	316.4%	(15.6)	160.1%
<b>Operating EBITDA</b>	<b>(30.0)</b>	<b>(7.0)</b>	<b>-153.5%</b>	<b>(11.0)</b>	<b>171.5%</b>
Operating gross margin (%)	-240.6%	100%		-486.9%	
EBIT margin (%)	-696.1%	N.A.		N.A.	
Operating EBITDA margin (%)	-512.5%	N.A.		N.A.	

## Revenue breakdown



## Historical revenue (THB mn)



Reclassify Thana City Golf course from services to property in 4Q 11/12

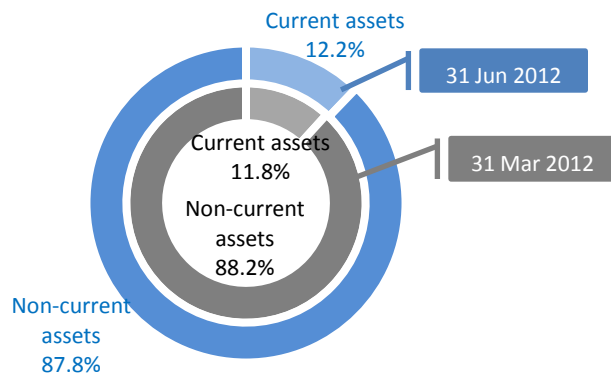
## Key factors

- The revenue of THB 5.8mn mainly came from the sale of Rabbit cards (common ticketing cards for Bangkok's mass transit network plus retail e-payment card)
- SG&A rose by THB 26.6mn due to the establishment of the rabbit card and Carrot Rewards programme

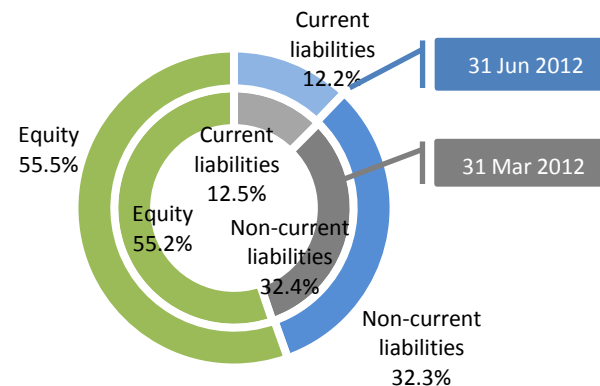


# 1Q 12/13 Balance sheet

## Assets breakdown



## Liability and equity breakdown



## Key figures and Equity Structure

### Net Debt to equity

1Q 12/13: 0.66x  
4Q 11/12: 0.67x

**0.01x**



### Interest Coverage

1Q 12/13 : 3.13x  
4Q 11/12 : 3.27x

**0.14x**



### Book value per share

1Q 12/13 : THB 0.65  
4Q 11/12 : THB 0.65



### Total Debt (Fixed Rate)

**80%**

of Consolidated Group Debt

### Average Interest Rate on Total Debt

**4.9%**

# Q&A

# Appendix

# Financial Statement - Income Statement



Income Statement (THB mn)	1Q 12/13	1Q 11/12	% YoY	4Q 11/12	% QoQ
Operating revenue	2,192.0	1,692.7	29.5%	2,143.9	2.2%
Other recurring income	42.8	44.2	-3.2%	54.6	-21.6%
<b>Total recurring revenue</b>	<b>2,234.8</b>	<b>1,736.8</b>	<b>28.7%</b>	<b>2,198.4</b>	<b>1.7%</b>
Operating costs	1,104.5	895.0	23.4%	1,058.2	4.4%
Selling and Administrative expenses	362.3	301.2	20.3%	345.5	4.9%
Income (loss) from investment in associates	(0.0)	(2.7)	-100.0%	(0.2)	-100.0%
<b>EBITDA</b>	<b>1,147.9</b>	<b>873.5</b>	<b>34.5%</b>	<b>1,200.6</b>	<b>-2.1%</b>
<b>Operating EBITDA</b>	<b>1,167.6</b>	<b>859.1</b>	<b>35.9%</b>	<b>1,196.0</b>	<b>-2.4%</b>
Finance cost	372.9	353.5	5.5%	365.6	2.0%
Non-operating gain (loss) <sup>1</sup>	(13.4)	15.0	-189.3%	4.5	-397.8%
<b>EBT</b>	<b>401.6</b>	<b>199.5</b>	<b>101.3%</b>	<b>433.4</b>	<b>-7.3%</b>
Income tax	55.7	42.5	31.1%	40.8	36.5%
Minority interests	16.8	20.6	-18.4%	34.2	-50.9%
<b>Net income (loss) to equity holders of the parent</b>	<b>309.3</b>	<b>136.4</b>	<b>126.8%</b>	<b>358.4</b>	<b>-13.7%</b>
<b>EPS (THB per share)</b>	<b>0.0054</b>	<b>0.0024</b>	<b>125.0%</b>	<b>0.0063</b>	<b>-14.3%</b>

# Financial Statement - Balance Sheet



Balance Sheet (THB mn)	30 Jun 12	31 Mar 12	%Change
Cash and cash equivalents	1,064.8	1,333.2	-20.1%
Trade and other receivables	1,467.1	1,106.7	32.6%
Real estate development costs	3,544.8	3,349.1	5.8%
Other current assets	2,120.5	2,078.7	2.0%
<b>Total current assets</b>	<b>8,197.2</b>	<b>7,867.7</b>	<b>4.2%</b>
Elevated project costs	44,841.0	45,144.2	-0.7%
Land and project under development	2,676.3	2,676.3	0.0%
Investment properties	2,451.3	2,461.0	-0.4%
Property, plant and equipment	6,163.6	6,039.2	2.1%
Other non-current assets	2,946.1	2,700.4	9.1%
<b>Total non-current assets</b>	<b>59,078.4</b>	<b>59,021.2</b>	<b>0.1%</b>
<b>Total assets</b>	<b>67,275.6</b>	<b>66,888.9</b>	<b>0.6%</b>
Short-term loan from financial institution	1,583.1	1,941.5	-18.5%
Account Payable	1,416.1	1,452.4	-2.5%
Current portion of long-term loan	583.4	583.4	0.0%
Current portion of long-term debentures	2,498.3	2,495.8	0.1%
Other current liabilities	2,095.3	1,864.9	12.4%
<b>Total current liabilities</b>	<b>8,176.3</b>	<b>8,338.0</b>	<b>-1.9%</b>
Long-term loan - net of current portion	3,019.1	2,934.0	2.9%
Long-term debenture - net of current portion	9,449.5	9,443.8	0.1%
Convertible debentures - liability component	8,706.7	8,648.3	0.7%
Other non-current liabilities	602.8	592.5	1.7%
<b>Total non-current liabilities</b>	<b>21,778.2</b>	<b>21,618.6</b>	<b>0.7%</b>
<b>Total liabilities</b>	<b>29,954.4</b>	<b>29,956.6</b>	<b>0.0%</b>
Registered capital at Par THB 1 each	74,815.3	74,815.3	0.0%
Issued and fully paid capital at Par THB 0.64 each	36,641.9	36,600.5	0.1%
Share premium (discount)	364.3	350.7	3.9%
Retained earnings	-1,723.3	-2,032.6	N.A.
Other shareholders' equity	378.9	371.2	2.1%
Equity attributable to company's shareholders	35,661.9	35,289.8	1.1%
Non-controlling interest - equity attributable to minority	1,659.2	1,642.5	1.0%
<b>Total shareholders' equity</b>	<b>37,321.1</b>	<b>36,932.3</b>	<b>1.1%</b>
<b>Total liabilities and shareholders' equity</b>	<b>67,275.6</b>	<b>66,888.9</b>	<b>0.6%</b>

<sup>1</sup> Non operating gain / (loss) for 1Q 12/13 mainly included loss on exchange at THB 14.3mn

# Financial Statement - Cash Flow Statement



Cash Flow Statement (THB mn)	1Q 12/13	1Q 11/12	% YoY	4Q 11/12	% QoQ
Income (loss) before tax	381.8	199.5	91.4%	434.0	-12.0%
Adjustment to reconcile income (loss) before tax:					
Depreciation and amortisation	80.5	69.9	15.1%	70.7	13.8%
Spare parts and elevated project costs amortisation	319.9	250.6	27.7%	338.9	-5.6%
Other adjustments	398.1	342.4	16.3%	386.2	3.1%
Decrease (Increase) in operating assets	(739.9)	(289.2)	N.A.	(235.9)	N.A.
Increase (Decrease) in operating liabilities	145.8	95.9	52.0%	0.9	16927.7%
Cash paid for interest expenses	(297.1)	(199.8)	N.A.	(492.8)	N.A.
Cash paid for corporate income tax	(21.4)	(23.1)	N.A.	(93.6)	N.A.
Cash received for withholding tax deducted at source	26.5	9.4	181.0%	25.6	3.4%
Cash received for interest income	7.6	4.7	62.7%	29.8	-74.5%
<b>Net cash from (used in) operating activities</b>	<b>247.7</b>	<b>460.2</b>	<b>-46.2%</b>	<b>463.8</b>	<b>-46.6%</b>
Increase in elevated rail project costs	(16.8)	(26.1)	N.A.	(217.6)	N.A.
Increase (Decrease) in advances for asset acquisitions	5.7	(204.9)	N.A.	(5.4)	N.A.
Cash paid for purchases of property, plant and equipment	(240.3)	(317.6)	N.A.	(14.6)	N.A.
Cash paid for purchase of land & project awaiting development	0.0	(25.8)	N.A.	22.2	-100.0%
Cash paid for intangible assets	(3.8)	(1.8)	N.A.	(0.8)	N.A.
Cash paid for purchase of investment in subsidiaries	0.0	0.0	N.A.	0.0	N.A.
Increase in deposit from sale of investment in subsidiary	80.0	0.0	N.A.	0.0	N.A.
Others	(68.1)	8.5	-900.2%	295.1	-123.1%
<b>Net cash used in investing activities</b>	<b>(243.3)</b>	<b>(567.7)</b>	<b>N.A.</b>	<b>78.9</b>	<b>-408.5%</b>
Cash paid for short-term loan from financial institution	(430.0)	0.0	N.A.	0.0	N.A.
Increase in short-term loan from financial institution	71.6	0.0	N.A.	1,000.0	-92.8%
Increase in long-term loan	231.0	391.7	-41.0%	172.0	34.3%
Cash paid for long-term loans	(145.9)	0.0	N.A.	(145.9)	N.A.
Dividend paid to shareholder of subsidiaries before acquisition	0.0	0.0	N.A.	(86.0)	N.A.
Cash paid for LC of convertible debentures	0.0	0.0	N.A.	(163.5)	N.A.
Dividend paid	0.0	0.0	N.A.	(1,360.4)	N.A.
<b>Net cash from (used in) financial activities</b>	<b>(273.2)</b>	<b>389.9</b>	<b>-170.1%</b>	<b>(583.8)</b>	<b>N.A.</b>
Increase in transition adjustment	(0.3)	(4.8)	N.A.	(0.3)	N.A.
Net increase (decrease) in cash and cash equivalents	(269.0)	277.6	-196.9%	(41.4)	N.A.
Cash and cash equivalents at beginning of the period	1,374.6	1,825.4	-24.7%	1,374.6	0.0%
<b>Cash and cash equivalents at the end of the period</b>	<b>1,105.6</b>	<b>2,103.1</b>	<b>-47.4%</b>	<b>1,333.2</b>	<b>-17.1%</b>

# 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