



## Thai Conglomerate: BTS Group Holdings PCL (BTSG)



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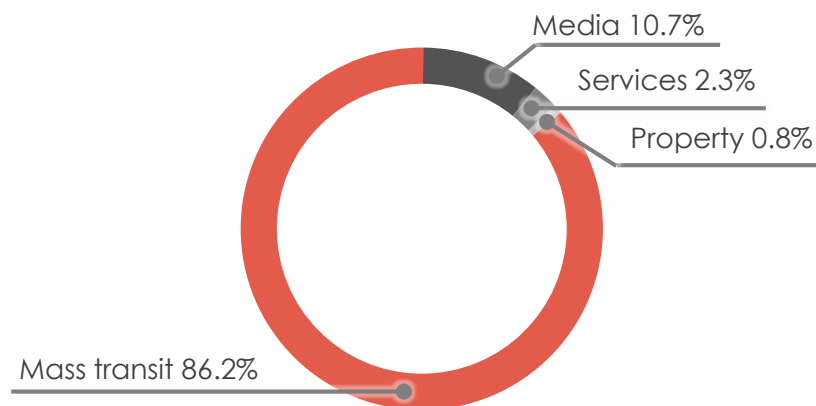
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# Company Profile

## About BTS Group Holdings PCL (BTSG)

- BTSG was initially founded as a property developer named 'Tanayong' in 1968. The company was listed on the Stock Exchange of Thailand (SET) in 1991.
- One of the important milestones for BTSG is the winning of a 30-year concession bid to design, build, and operate the BTS SkyTrain, Bangkok's first mass rapid transit system<sup>[1]</sup>, in 1992. The commercial operation of the sky train began in 1999 and mass transit operation has become the main business of the Group since then.
- The group has expanded into the related businesses mainly through M&A and joint venture.
- Today, BTSG engages in four major businesses: mass transit, media, property, and services. The Group is regarded as one of the top privately-owned conglomerates in the Thai mass transit sector, generated a total revenue of 49.06 billion THB and held about 144.32 billion THB in assets at the end of its FY2018<sup>[2]</sup>.

### BTSG's 2018 Operating Revenue Contribution



Note:

[1] The mass rapid transit system in Bangkok Metropolitan Region (BMR) currently consists of three systems: BTS SkyTrain, MRT subway, and Airport Rail Link.

[2] BTSG's financial year begins on April 1 and ends on March 31.

Source: BTSG Annual Report

#### Company Name

BTS Group Holdings PCL (BTSG)

#### Registered Capital (as of Jul 2019)

62,618 million THB

#### Representative

**Chairman and Founder:** Keeree Kanjanapas  
**Chief Executive Officer:** Kavin Kanjanapas

#### Headcount (as of Mar 2019)

4,208 employees

#### Major shareholders (as of Jan 2020)

Name	% Share
Kanjanapas Family	28.83%
Individual Investors	10.87%
K2J Holding Co., Ltd.	3.04%
UBS AG (Hong Kong)	2.66%
UBS AG (Singapore)	2.51%
South East Asia UK (Type C) Nominees Ltd.	2.13%
<b>TOTAL</b>	<b>50.04%</b>

Source: Ministry of Commerce (MOC)

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## Mass Transit Business: Main Companies

- BTSG's mass transit business is operated mainly through its majority-owned subsidiary, Bangkok Mass Transit System Co., Ltd. (BTSC), and two joint venture companies, Northern Bangkok Monorail Co., Ltd. and Eastern Bangkok Monorail Co., Ltd.
- BTSG started the mass transit business since 1992 when BTSC was awarded the concession to design, build, and operate the first mass transit system in the country. The operation was commenced in 1999 with a distance of 23.5 km.
- In 2013, BTSC sold its future net farebox revenues of the BTS core network to the BTS Rail Mass Transit Growth Infrastructure Fund (BTSGIF), while remains the operator of the core network. BTSG holds the largest share of BTSGIF at 33.3%. Accordingly, BTSC earns from O&M service fees from BTSGIF, while BTSG earns from the share of net profit from BTSGIF.
- In 2017, Northern Bangkok Monorail Co., Ltd. and Eastern Bangkok Monorail Co., Ltd., which are the joint venture company with Sino-Thai Engineering & Construction PCL (STEC) and Ratchaburi Electricity Generating Holding PCL (RATCH), was awarded the concession contracts to build and operate two monorail networks for 33 years and 3 months.

### BTSG Companies and Shareholding Structure of MASS TRANSIT BUSINESS

Business Entity Name	% of share held by BTSG	Business Activities
Bangkok Mass Transit System PCL.	97.5%	Mass transit operation <ul style="list-style-type: none"> <li>• <b>BTS skytrain core network:</b> operate Light Green Line and Dark Green Line and the extension covering a distance of 53.9 km. under PPP net cost<sup>(1)</sup> and O&amp;M contract<sup>(2)</sup>, which will be ended in 2042</li> <li>• <b>Monorail:</b> sale and installation of E&amp;M works and operate Gold Line covering a distance of 1.8 km. under O&amp;M contract for 30 years from 1st commercial operation date, which is expected to be within 2020</li> </ul>
Northern Bangkok Monorail Co., Ltd.	75%	Mass transit operation <ul style="list-style-type: none"> <li>• <b>Monorail:</b> design, construction, E&amp;M works, trains procurement, and operate Pink monorail line, which covering a distance of 34.5 km. under PPP net cost contract  <u>1<sup>st</sup> phase:</u> 3 year 3 months for construction  <u>2<sup>nd</sup> phase:</u> 30 years for operation, which is expected to commence in 2021</li> </ul>
Eastern Bangkok Monorail Co., Ltd.	75%	Mass transit operation <ul style="list-style-type: none"> <li>• <b>Monorail:</b> design, construction, E&amp;M works, trains procurement, and operate Yellow monorail line, which covering a distance of 30.4 km. under PPP net cost contract  <u>1<sup>st</sup> phase:</u> 3 year 3 months for construction  <u>2<sup>nd</sup> phase:</u> 30 years for operation, which is expected to commence in 2021</li> </ul>
BTS Infrastructure Development Co., Ltd.	100%	Consultancy service for architecture and engineering works
BTS Rail Mass Transit Growth Infrastructure Fund (BTSGIF)	33.3%	An infrastructure fund that invested in the net farebox revenues to be generated from the BTS skytrain core network during 2013-2029

Note: (1) Public-Private Partnership (PPP) Net Cost = Private obtains farebox revenue and commercial development

(2) O&M Contract = operate and maintenance the mass transit system and earn the service fees in returns

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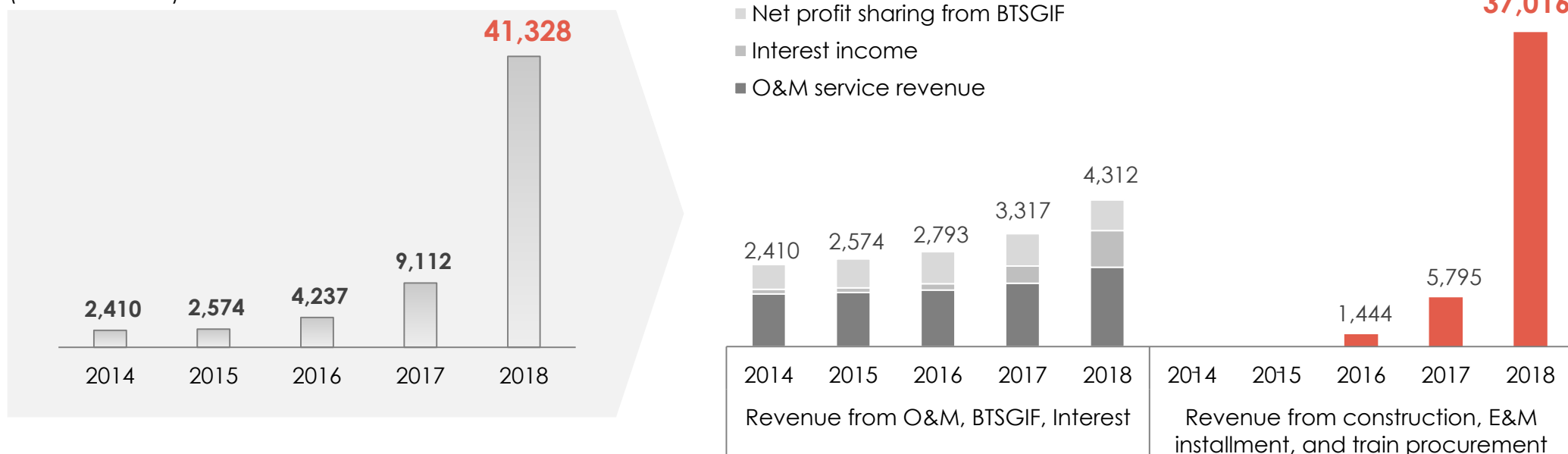
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# Mass Transit Business: Main Sources of Income

- The BTS's operating revenue from mass transit business is categorized into four main sources, including O&M services fee, interest income, net profit share from BTSGIF, and construction, revenue from construction, E&M installment, and train procurement.
  - O&M services fee:** The revenue from operation and maintenance of the mass transit system has growth steadily with CAGR at 11% during 2014-2018 due to the growing ridership as well as the line extension. In addition, the revenue from O&M tend to lift up progressively in the 2021 from the operation of the new pink and yellow monorail lines.
  - Interest income:** The interest income has risen in the last two years from the purchase and installation of electrical and mechanical system agreement of the extension lines with BMA.
  - Net profit sharing from BTSGIF:** Since 2013 when BTSG sold the rights to receive future net farebox revenues of the BTS core network to BTSGIF, BTSG has earned the net profit sharing from BTSGIF as the shareholder of the fund.
  - Construction, E&M installation, and train procurement:** In 2018, BTSG recognized the revenue from construction of two new secured mass transit networks, which resulted in remarkable increasing revenue.

## BTSG's Mass Transit Revenues

(Unit: Million THB)



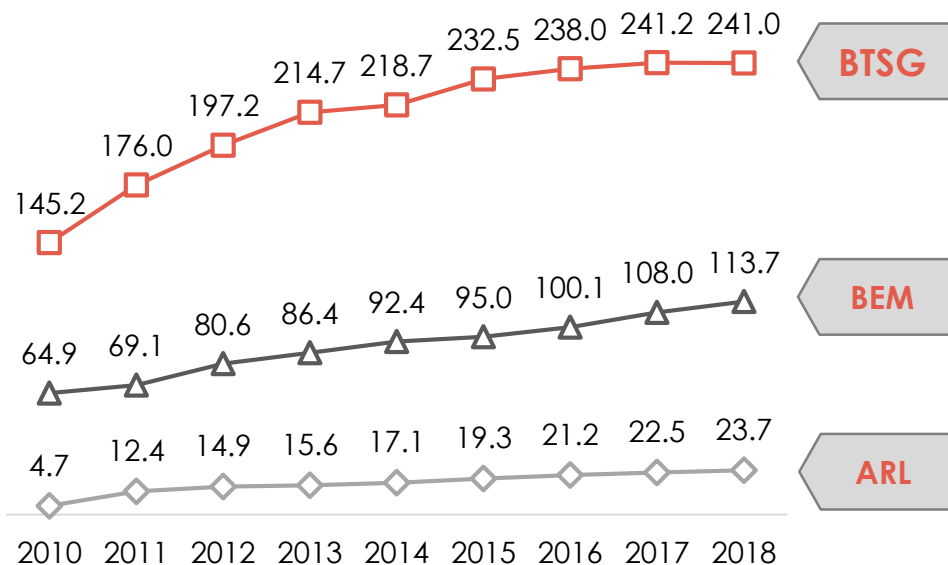
Source: BTSG Annual Reports

# Mass Transit Business: Competitor Comparison

- Compared to other mass transit operators in Bangkok, BTSG holds the largest share of ridership and farebox revenue in Bangkok's mass transit system.
- As of December 2019, around 153 kilometers with a total of 110 stations have been completed, managed by 3 operators, which are Bangkok Expressway and Metro (BEM), State Railway of Thailand (SRT) and BTS Group (BTSG).
- BEM is the operator of Blue and Purple Lines operated 54 stations (70 km) at the end of 2019, while BTSG operated 48 stations (53.9 km) of both Dark and Light Green Lines. SRT was originally the operator of Airport Rail Link (ARL) that runs between Phaya Thai to Suvarnabhumi Airport, 8 stations (28.5 km). However, it has been handed over to CPH, the consortium led by one of Thailand's biggest conglomerates CP, after the Group won bidding project to build high-speed trains connecting three airports in October 2019.
- Dark Green and Light Green Lines that are both operated by BTSG are currently the most popular mass transit line with an annual ridership of 241 million trips, followed by BEM at 113.7 million trips in 2018.

## Ridership of Mass Transit Systems in Bangkok

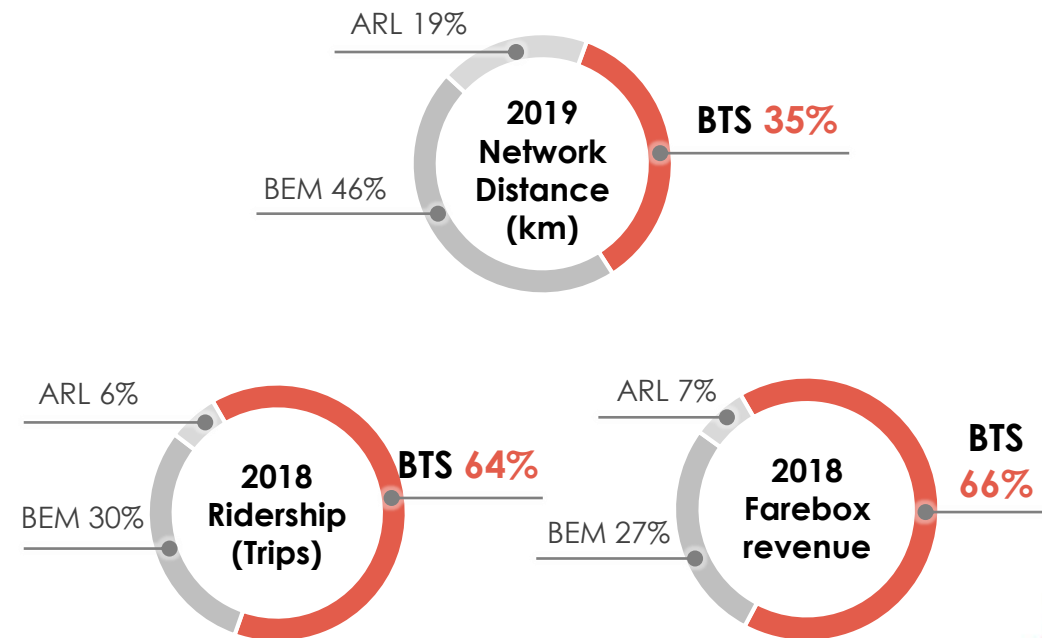
Unit: Million trips



Source: Mass transit system operators' annual reports (BTSG, BEM, and SRTET)

Note: (\*) BTSG data covers from April to March of the following year

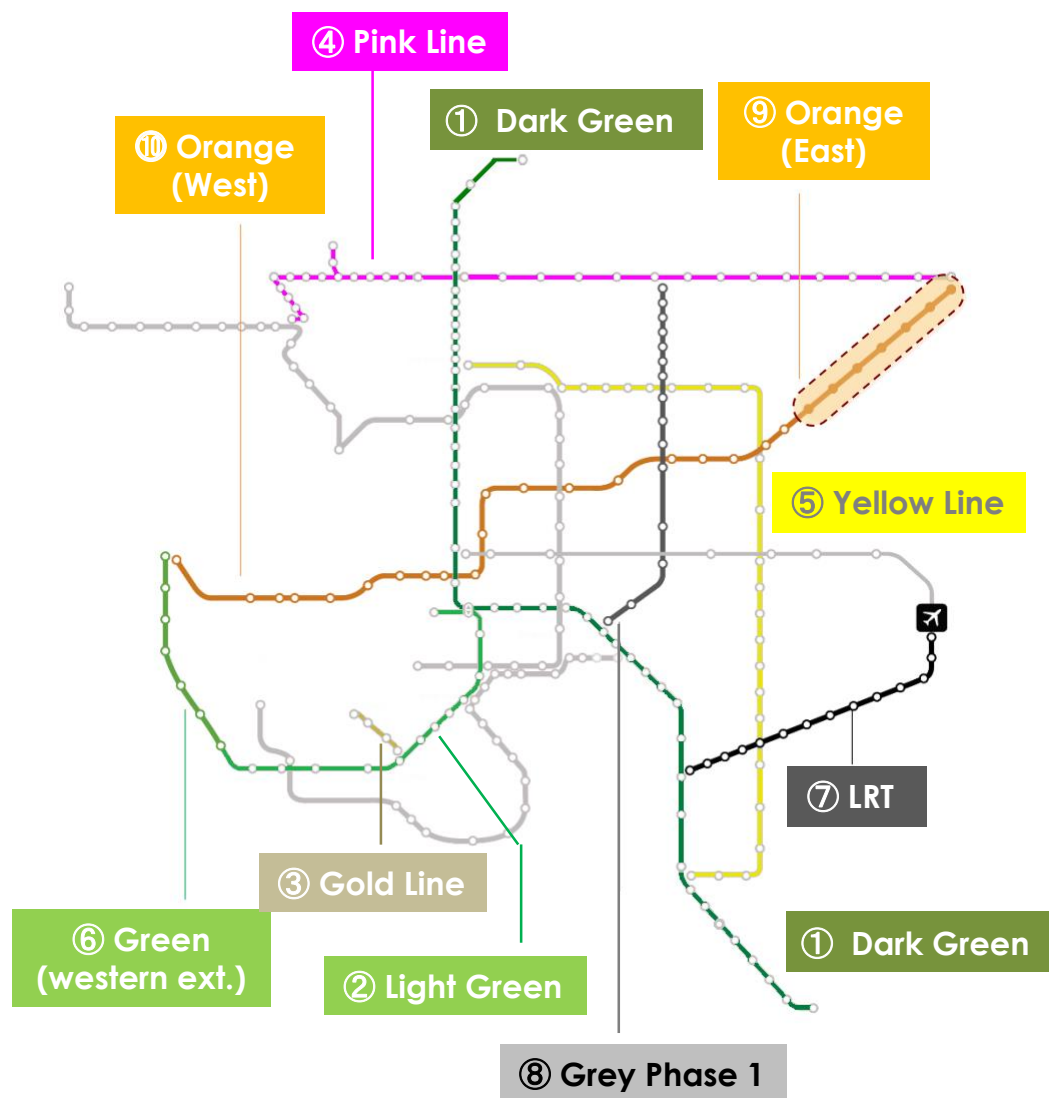
## Market Share in Bangkok Mass Transit



Source: Mass transit system operators' annual reports &amp; IR documents

## Mass Transit Business: Target Routes

## BTS Group's Current Operating and 5-Year Target Mass Transit Routes



Line	Route	Authority	Distance (km)	Expected operating
<b>Current Operating/ Secured Routes</b>			<b>133.4</b>	
① Dark Green	Kasetsart University – Khe Ha	BMA	39.9	operating
	Kasetsart University – Khu Kot (North ext.)	BMA	12.8	2020
② Light Green	National stadium – Bang Wa	BMA	14	operating
③ Gold	Krung Thonburi – Khlong San	BMA	1.8	2020
④ Pink	Khae Rai – Min Buri	MRTA	34.5	2021
⑤ Yellow	Lat Phrao – Sam Rong	MRTA	30.4	2021
<b>BTS Target Routes</b>			<b>77.5</b>	
⑥ Green (western ext.)	Bang Wa – Talingchan	BMA	7.0	2024
⑦ LRT	Bang Na – Suvarnabhumi	BMA	18.3	2023
⑧ Grey Phase 1	Watcharaphon – Thong Lo	BMA	16.3	2023
⑨ Orange (East)	Thailand Cultural Center – Min Buri	MRTA	22.5	2023
⑩ Orange (West)	Bang Khun Non – Thailand Cultural Center	MRTA	13.4	2026

Source: BTS Group's IR documents

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# Mass Transit Business: Diversify to other Infrastructure development

- Other than the mass rapid transit lines, BTSG has also expressed its interest in other infrastructure projects, namely the expansion of U-Tapao International Airport and two construction projects of intercity motorways. The group and its partners offered the best bid and recently won all three of them.

## Expansion of U-Tapao International Airport

<b>Location</b>	Rayong, U-Tapao International Airport
<b>Land Area</b>	Approximately 1,600 rai (633 acres)
<b>Contract Type</b>	50-year Public Private Partnership (PPP) Net Cost
<b>Authority</b>	Royal Thai Navy
<b>BBS Consortium Member</b>	BTSG – 35% Bangkok Airways – 45% Sino-Thai Engineering & Construction 20%
<b>Project Scope</b>	Expansion includes: 1. Passenger Terminal Building 3 2. Commercial Gateway 3. Cargo Village as a Free Zone 4. Cargo Complex Excludes: 5. Maintenance, Repair & Overhaul Facilities 6. Aviation Training Center 7. Passenger Terminal Building 1 & 2
<b>Status</b>	Jan 2020 – BBS consortium was announced the winner Jun 2020 – Expected contract signing

## Construction of Intercity Motorways

<b>Location</b>	1) Bang Pa In – Nakhon Ratchasima 2) Bang Yai – Kanchanaburi
<b>Distance</b>	1) 196 kilometers 2) 96 kilometers
<b>Contract Type</b>	Public Private Partnership (PPP) Gross Cost
<b>Authority</b>	Department of Highways
<b>BGSR Consortium Member</b>	BTSG – 40% Gulf Energy Development – 40% Sino-Thai Engineering & Construction – 10% Ratch Group – 10%
<b>Project Scope</b>	Phase I: Design and Construction (3 years) • Toll Collection System • Traffic Management and Control System • Other infrastructure  Phase 2: Operation and Maintenance (30 years)
<b>Status</b>	1Q 2020 – Expected contract signing 2023 – Expected commercial operation date



## Media Business: Main Companies

- BTSG operates its media business mainly through VGI Global Media PCL. (VGI) and VGI's subsidiaries.
- VGI started its business in 1999 as a sole media rental company by obtaining a 30-year exclusive rights to manage advertising and commercial spaces across the BTS Skytrain stations.
- After the successful in media business in mass transit system, the company has expanded its business extensively through share acquisition and joint venture.

**2009:** Acquired stakes in Point of View Media Group to expand into the advertising in the office buildings

**2016:** Acquired stakes in several companies to expand the advertising on street, airports, and etc.

**2018:** Acquired stakes in Kerry Express (Thailand) to enter the logistics business

- Through strategic alliances, joint ventures, and acquisitions with both local and foreign partners, VGI has successfully transformed its business model from a traditional offline out-of-home (OOH) media company to be a fully integrated offline-to-online solutions provider.

### BTSG's Main Companies in MEDIA BUSINESS

Main Business	Company Name	% of share held by BTSG	Business Activities
VGI PCL.		<b>66.2%</b> (as of July 2019)	<b>Provides out-of-home marketing &amp; advertising services</b>
		<b>% of share held by VGI*</b>	
Out-of-home media	● Point of View Media Group Co., Ltd.	100%	Provides advertising service across premier office buildings in Bangkok CBD
	● Demo Power (Thailand) Co., Ltd.	40%	Provides product sampling demonstration promotion for in-store and mass transit channels
	● Aero Media Group Co., Ltd.	30%	Aviation media provider
	● Master Ad PCL.	27%	Provides out-of-home marketing & advertising services (i.e. billboard, LED digital screen and light box on the BTS skytrain pillars)
	● Plan B Media PCL.	19%	Provides out-of-home marketing & advertising services (i.e. billboard, digital media, airport media, transit media)
Digital services	● Bangkok Smartcard System Co., Ltd.	90%	Rabbit Group; e-payment, e-wallet provider
	● BSS Holdings Co., Ltd.	90%	Rabbit Group; e-payment, e-wallet provider
Logistics	● Kerry Express (Thailand) PCL.	23%	Parcel delivery service provider

Source: Company's annual reports and IR documents

Note: \* as stated in Company's annual report 2018

## Media Business: Main Sources of Income

- Revenue of the media business continued to increase progressively over the past few years and hit a record high of 5.1 billion THB with excellent performance across all sectors in its latest FY2018. Out-of-home media remains the major source of income, contributed 75% of the revenue from the media segment.
- The company recently expanded to cover 3 main businesses, 1) out-of-home media, 2) digital services, and 3) logistics.

### (1) Out-of-home Media (75%)

- Transit:** A continuous increase was mainly from the BTS route extension, higher occupancy of digital media, and merchandising space at the stations.
- Outdoor:** Outstanding growth was driven by domestic merger and acquisition as well as international expansion across ASEAN markets.
- Office & Others:** The revenue growth was from a higher utilization rates and greater number of contracts with office buildings VGI was able to secure.

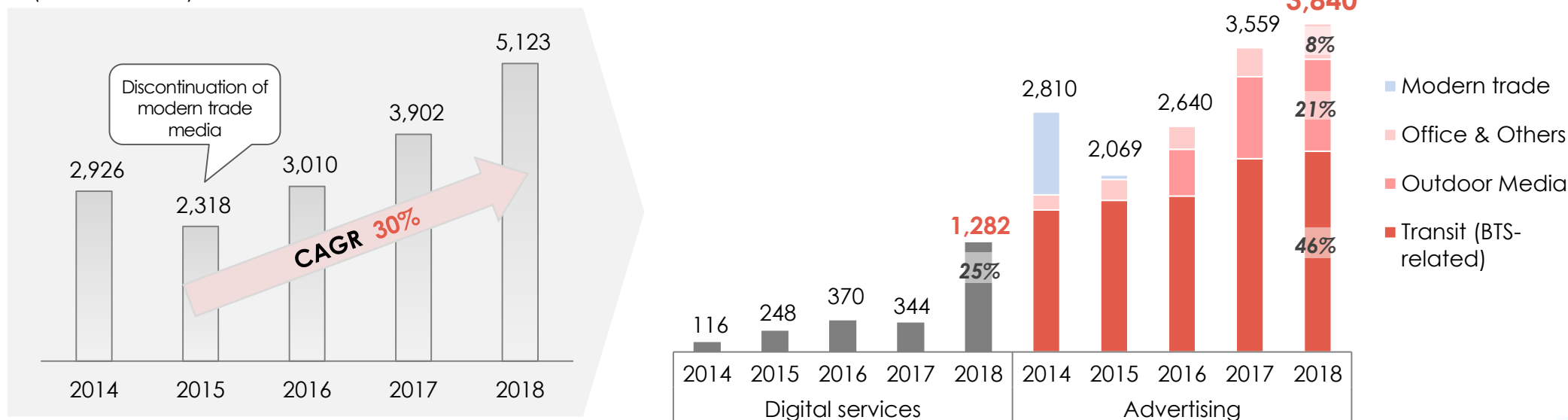
**(2) Digital services (25%):** The digital services segment grew tremendously from a consolidation of the group's company as well as a growth from Rabbit Group.

**(3) Logistics<sup>(1)</sup>:** The investment in Kerry Express will strengthen the company's competitiveness and promote its media business through the expansive logistics network.

Note: (1) The revenue from logistics business does not appear in the operating revenue as most of the logistics performance were recorded under the equity method.

### BTSG's Operating Revenues of Media Business

(Unit: Million THB)



Source: BTSG's and VGI's investor relation materials

Note: \*The operation of modern trade media was discontinued since May 2015.

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## Media Business: Out-of-Home Media

- VGI's advertising portfolio covers all forms of OOH advertising such as transit, billboards, street furniture, buildings and airports. This business unit is expected to see substantial continued growth from mass transit line expansion, increased building supply, billboard and street portfolio expansion through new licensing agreements and external collaborations.
- The group is also focusing on expanding its presence in key ASEAN markets, namely Malaysia, Indonesia, and Vietnam as well as other countries in the region.

### VGI's Out-of-Home Media Portfolio

Transit	Buildings	Outdoor	Airport
<p><b>① Media space rental</b>  <b>Products:</b>            - Static (over 20,000 static displays)*            - Digital media (over 2,000 digital screens in trains and on stations)  <b>Place:</b>            - All transit network (BTS Skytrain core network and extensions)              - 30 BTS stations and 52 BTS trains (208 carriages)            - 2,500 buses</p> <p><b>② Merchandising space rental</b>  <b>Products:</b>            - Short-term (3-6 months) and medium-term (1-3 years) rental contracts  <b>Place:</b>            30 BTS stations</p>	<p><b>① Office media</b>  <b>Products:</b>            Digital screens (inside office buildings, mostly inside the elevators)  <b>Place:</b>            Over 180 office buildings in Bangkok prime areas</p> <p><b>② Residential building media</b>  <b>Products:</b>            Digital screens (inside residential buildings, mostly inside the elevators)  <b>Place:</b>            Over 300 residential buildings under leading developers, e.g. AP, LPN, Grand Unity Development</p> <p><b>③ Mall/ In-store</b>  <b>Products:</b>            Digital screens (over 900 screens), static platforms, and digital kiosk  <b>Place:</b>            Malls (over 110 branches)</p>	<p><b>① Billboards</b>  <b>Products:</b>            - Large-format billboards (over 250 panels both in Bangkok and upcountry)            - Nationwide billboards (over 700 panels nationwide)            - Billboards at gas stations (Over 250 panels at PTT and Jiffy gas stations nationwide)</p> <p><b>② Street furniture</b>  <b>Products:</b>            Over 200 advertising panels under BTS stations and over 300 advertising panels under 19 street flyovers in Bangkok.</p>	<p><b>Aviation Media</b>  <b>Products:</b>            LED screens, jet bridges (passenger boarding bridges), trolleys, and inflight media.  <b>Place:</b>            Don Muang and Suvarnabhumi airports</p> <p><b>Activation</b></p> <p><b>Sampling and demonstration promotion</b>  <b>Service:</b>            direct samplings  <b>Place:</b> Modern trade outlets (Big C, Tesco Lotus, Tops, and Villa Market) and BTS stations.</p>

Source: BTS' and VGI's investor relation materials

Note: Examples of static displays are train wraps (both inside and outside), stairs, ticket office, and station platforms.



## Media Business – Diversify to Digital Services and Logistics Business (1)

- VGI acquired Rabbit Group, Thailand's largest micropayment service provider, in 2017. Rapid growth in the number of smartphones, internet and innovative payment products, has driven the e-money market in Thailand to evolve and experience high growth over the past years. This has benefited VGI's advertising business as they can use Rabbit Group's data analytics to offer measurable and targeted advertising.
- As for logistics, the Group successfully acquired 23% stakes in Kerry Express Thailand in 2018 to capture business opportunities in Thailand's logistics market and strengthen its payment business. With Thailand being the largest e-commerce market in ASEAN region because of the high internet penetration rate, the rise of e-commerce is fueling enormous growth in logistics.

### Digital Services (Payment)

Payments on the mass rapid transit system and retail stores through 'Rabbit Card' and 'Rabbit LinePay', an e-wallet for both offline and online payments.

#### Offline payment: Rabbit Card

- Business:** A rechargeable smart card to make electric payments across Bangkok's mass rapid transit networks and at selected food & beverages outlets and retail shops.
- User:** Rabbit Card user base has grown impressively to over 12.5 million cards by the end of 2019 and is expected to reach a full-year target of 15.0 million user in 2020.
- Network:** There were approximately 12,000 participating retailer points in December 2019. The Group hopes to expand and strengthen its network to 20,000 locations within this year.

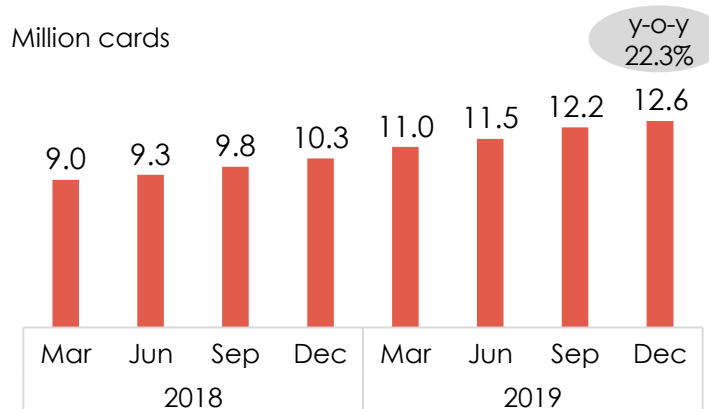
#### Online payment: Rabbit Line Pay

- Business:** A mobile e-wallet solution embedded in the leading chat messenger application called Line.
- User:** Rabbit Line Pay (RLP) currently serves more than 7.0 million users in 2019, representing an increase of almost 40% compared to the previous year. This number is anticipated to go up to 10.0 million users in 2020.
- Network:** BTSG has rolled out the use of RLP e-wallet across 50,000 online and offline merchants combined over the past few years.

Source: BTSG's and VGI's investor relation materials

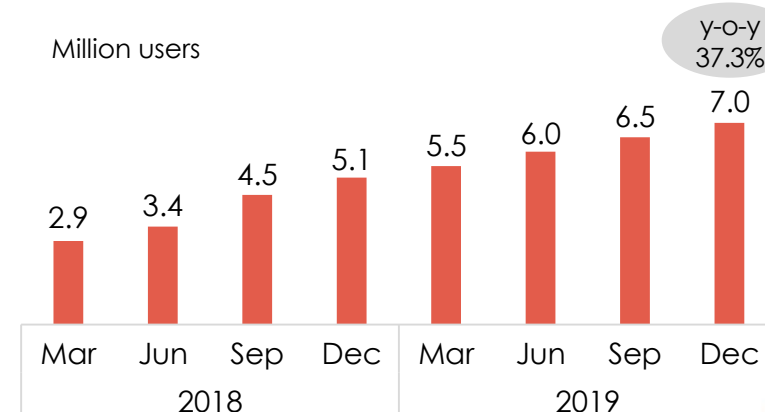
### Number of Rabbit Card Issued

Million cards



### Number of Rabbit Line Pay Users

Million users



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## Media Business – Diversify to Digital Services and Logistics Business (2)

## Digital Services (other finance services)

<b>Online Insurance Broker: Rabbit Finance</b>	<ul style="list-style-type: none"> <li>▪ <b>Business:</b> <ol style="list-style-type: none"> <li>1) <b>B2C</b> Online brokerage and comparative website for life and non-life insurance, i.e. car, life, health, and travel insurance under 'Rabbit Finance' brand.</li> <li>2) <b>B2B</b> Providing services for corporations such as employee health, motor, fleet, director liability and warehouse insurance solutions.</li> </ol> </li> <li>▪ <b>User:</b> There are currently 2.0 million Rabbit Finance users, providing data regarding their lifestyle and spending behavior.</li> <li>▪ <b>Network:</b> Launched in 2016, Rabbit Finance is now already the trusted partner to over 30 well known insurance companies and financial institutions in Thailand.</li> </ul>
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<b>Micro Lender: Rabbit AEON Loan</b>	<ul style="list-style-type: none"> <li>▪ <b>Business:</b> Microlender through a partnership with AEON under 'Rabbit AEON loan', providing co-branded credit card and personal loan, merging the services and benefits of BTSG and AEON into one card.</li> <li>▪ <b>User:</b> The outstanding loan balance as of 2019 was approximately THB 1,600 million THB with around 100,000 users and the Group is hoping to achieve 1,700-1,800 million THB in 2020.</li> </ul>
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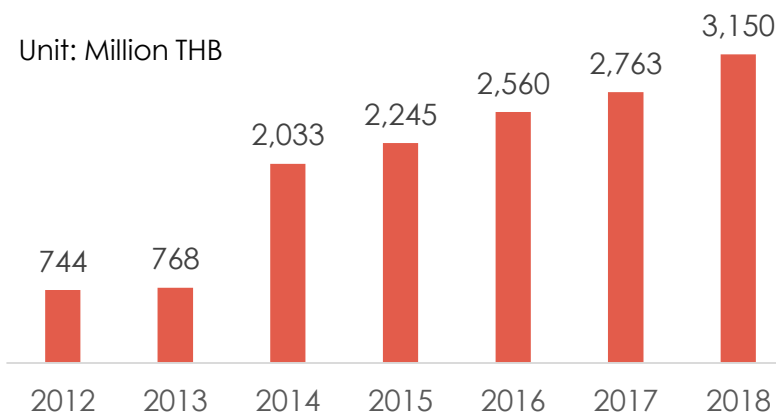
## Logistics

<b>Parcel Delivery Service: Kerry</b>	<ul style="list-style-type: none"> <li>▪ <b>Business:</b> Thailand's leading parcel delivery service provider, delivering capacity of over 2,000,000 parcels per day and has over 1,100 distribution centers and 10,000 retail service points at alliance shops nationwide. Service channels include <ol style="list-style-type: none"> <li>1) <b>B2B</b> delivering parcels from company to designated places</li> <li>2) <b>B2C</b> delivering parcels from e-market place to individual shoppers</li> <li>3) <b>C2C</b> delivering letters and parcels from online retailers to individuals</li> </ol> </li> </ul>
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Source: BTSG's and VGI's investor relation materials

## Value of E-Commerce Market in Thailand

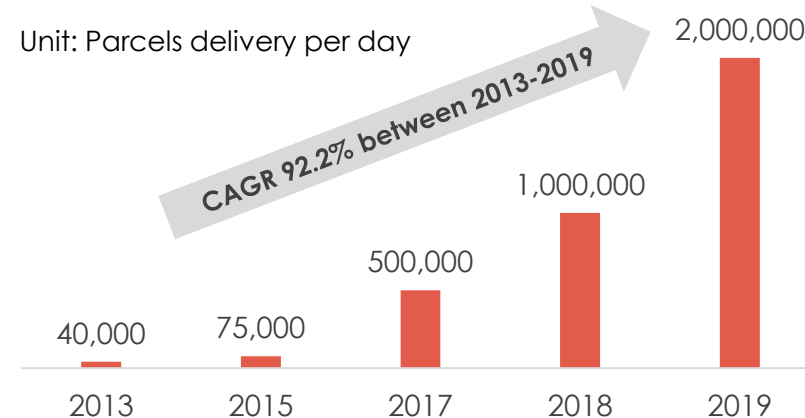
Based on 2018 figures, B2B accounted for 54.59% of the market value, followed by B2C and B2G at 27.47% and 17.94%, respectively.



Source: Electronic Transactions Development Agency (ETDA)

## Kerry Parcel Handling

The rise of e-Commerce is also fueling enormous growth in logistics as it is the final platform connecting sellers with end-consumers.



Source: BTSG's and VGI's investor relation materials

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## Property Business

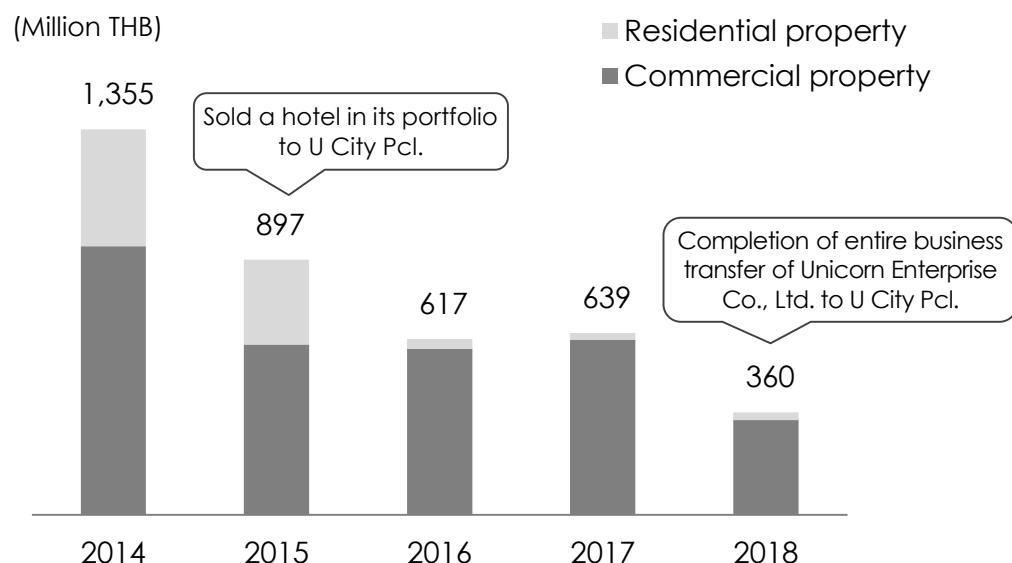
- BTSG has operated property development since 1968 by "Tanayong Co., Ltd.". The property portfolio of the group were diversified ranging from land, low-rise housing, condominium, office buildings, apartments, and hotels. The contribution from the property development business has been less significant after the Group obtaining long-term concession to operate sky train system in Bangkok.
- The Group have more actively invested in property business since 2014 through joint venture and acquisition.

**2014:** Entered into the Strategic Alliance Framework Agreement with Sansiri Pcl. (SIRI) to exclusively partner together on the developments of residential projects. Since then, several joint venture companies have been established to develop condominium projects along mass transit routes.

**2015:** Completion of share acquisition of Natural Park Pcl. (NPARK) and changed the name to U City Pcl. and established Unicorn Enterprise Co., Ltd. to be the main entities in property business

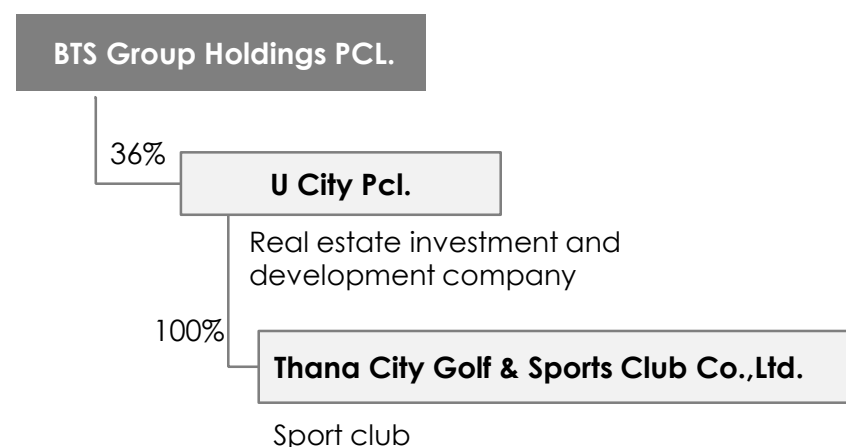
- Currently, BTSG operates the property business mainly through its affiliate, U City Pcl. This was followed by an entire business transaction of BTSG's former subsidiary, Unicorn Enterprise Co., Ltd., to U City Pcl. in 2018.
- BTSG's direct activities in real estate are now limited to land acquisition. Certain assets also remain directly to BTSG, namely Thana City Golf & Sports Club and some residential properties and these will continue to contribute to BTSG's property revenue. Accordingly, BTSG's revenue for property-related income primarily comes from a share of net profit or loss from U City Pcl. and revenue from Thana City Golf & Sports Club.

### BTSG's Operating Revenues of Property Business



Source: BTSG's Annual Report Note: Property revenues in the chart exclude the equity income (share of net profit/ loss) from Sansiri JV and U City Pcl.

### BTSG's Main Companies in Property Business

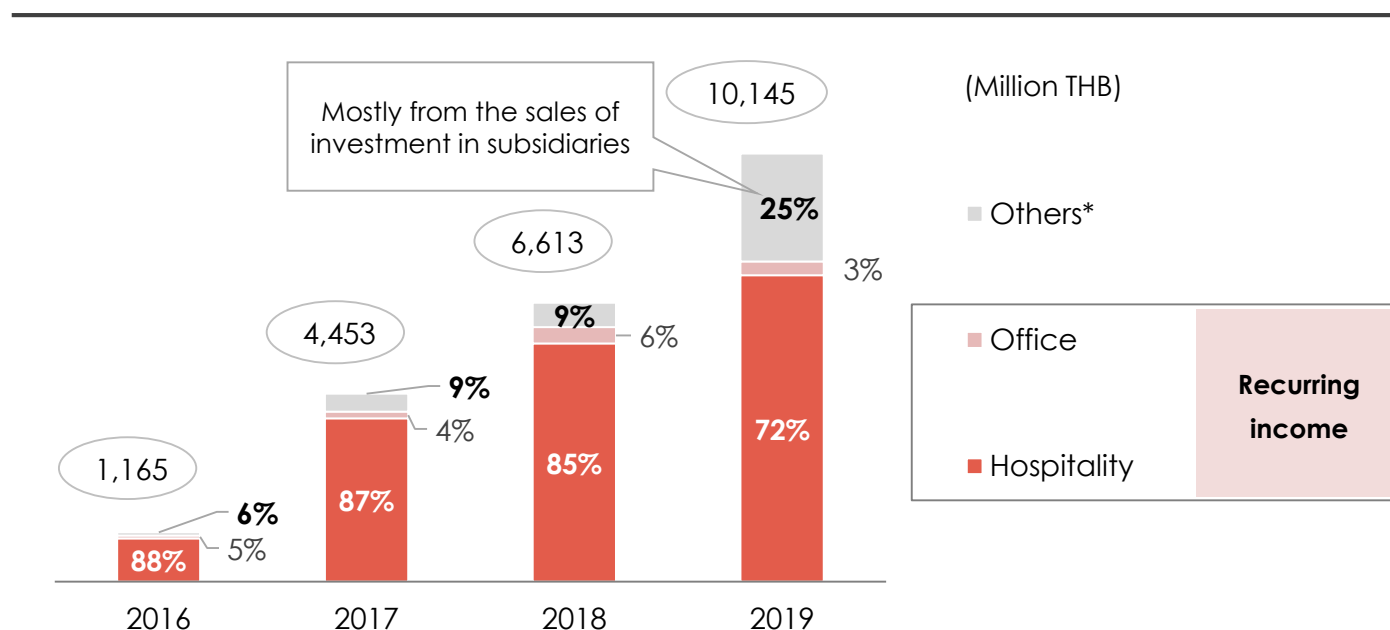




## Property Business: Business of U City PCL. (1)

- After acquisition the entire business of Unicorn Enterprise Co., Ltd., U City has become the sole property arm of BTSG.
- U City's property portfolio consists of recurring income property and residential property.
- The Group's recurring income property comprises mainly hotels and offices, which has its presence in both domestic and international markets. Main source of income of U City is the recurring income from the hospitality property. The overseas acquisitions of hotels have contributed to the company's revenue growth.
- As regards to residential property, the Group earns its revenue through a 50% stake in the BTS-Sansiri joint ventures. The revenues from the sales of residential property are in form of the share of net profit/ loss of JVs, which are recorded under the equity method.
- The company owns significant land bank for future development. As of the end of 2019, the company owns total of 870.5 Rai in three main areas including Nakhon Ratchasima (747.2 Rai), Bangkok and vicinities (121.3 Rai) and Chonburi (2 Rai). Its land bank in Bangkok and vicinities is located adjacent to future or current mass transit lines.

U City's Total Revenues



Source: U City's investor relations materials

Note: \* Other revenues include dividend, interest income, gain on sales of investment in subsidiaries/ associates, gain on sales of assets, and other.

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# Property Business: Business of U City PCL. (2)

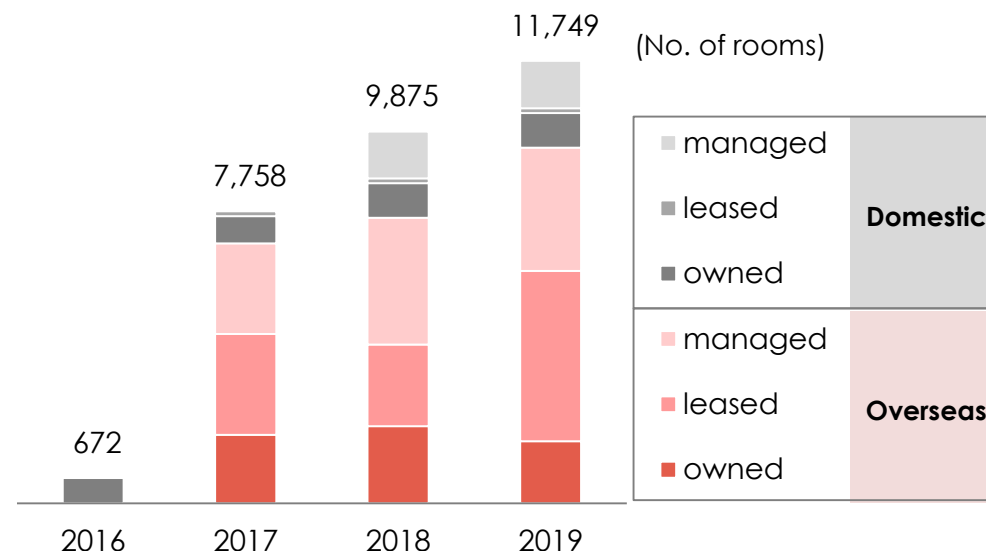
## Recurring Income Property

- Established in 2015 and formerly operating solely in Thailand, U City expanded internationally since 2017 with a presence in 17 countries across Europe, Middle East, and Asia regions by the end of 2019.
- 2017:** Acquired assets of Vienna House, which has 26 hotels with total rooms of 4,500 in various countries in Europe and 2 office buildings in UK
- 2019:** Acquired additional 19 hotels (2,043 rooms) in Germany and Switzerland under Arcona Brand
- Major brands include U Hotels & Resorts, Eastin Residences and Eastin Grand Hotels, Vienna House, and Travelodge Hotels.
- As of 2019 end, the company operated 78 hotels with 11,749 keys and 4 office buildings (2 in UK and 2 in Thailand) across various types of operation, owned, leased, and managed.
- The hotel business of the company will be more contributed to the company's revenue growth from the additional 49 hotels with more than 22,000 keys in pipeline in the next five years (2020-2024).

## Residential Property

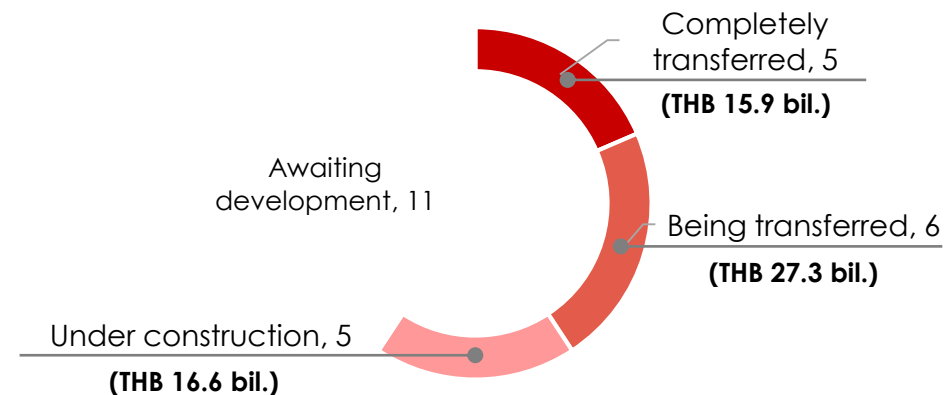
- U City entered into a joint venture agreement with Sansiri Pcl. in 2014 to develop condominium projects in close proximity to mass transit stations.
- Brands of the Sansiri JV include The Line, The Monument, Khun by Yoo, and The Base.
- As of 2019 end, the JV with Sansiri consists of a total of 27 projects, of which 5 have been completely transferred, 6 are currently being transferred, the remaining are under construction and awaiting development.
- It was targeted to develop THB 100 billion worth of condominiums along current and future mass transit lines.

## U City's Hotel Portfolio



Source: U City's investor relations materials

## U City's JV Condominium Projects



Source: U City's investor relations materials

Note: The number in (parenthesis) are the project value.

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# Property Business: Diversify to new businesses

- Key strategy for U City is its openness to direct or indirect partnerships with leading companies to create the synergies as well as to access expertise. Some of U City's pipeline projects that are under development include 'Unicorn', a mixed-use building and 'Verso', an international school through a joint-venture with a leading education services provider in Hong Kong.

## Recent development in new businesses

### THE UNICORN

#### About the project:

A mixed-use building comprising retail, office, hotel, and residence

**Location:** Phayathai, Bangkok

**Land Area:** 7.3 rai (11,749.6 sqm)

#### Net floor area:

- Hotel & residence 28,274 sqm
- Office 22,499 sqm
- Retail 2,816 sqm

**Investment value:** Approximately 9.3 billion THB

**Project status:** Under construction

**Expected completion year:** 1Q2022



### THE CUSTOMS HOUSE (ROI CHAK SAM)

#### About the project:

An upscale 5-star hotel, restored from the heritage customs house buildings that is situated along the Chao Phraya River

**Location:** Bangrak, Bangkok

**Land Area:** 5.15 rai (8,240 sqm)

**Investment value:** Approximately 4.6 billion THB

**Project status:** On the Fine Arts Department submission process for approval

**Expected completion year:** 2025



### VERSO INTERNATIONAL SCHOOL

#### About the project:

A joint venture agreement with an American International School Management Group in Hong Kong, Keystone Management Co., Ltd. to provide educational services from pre-kindergarten to grade 12

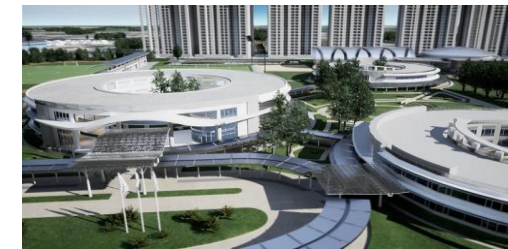
**Location:** Bangna, Bangkok

**Land Area:** 79.4 rai (127,065 sqm)

**Investment value:** Approximately 4.8 billion THB

**Project status:** Under construction

**Expected completion year:** August 2020



Source: U City's investor relation materials

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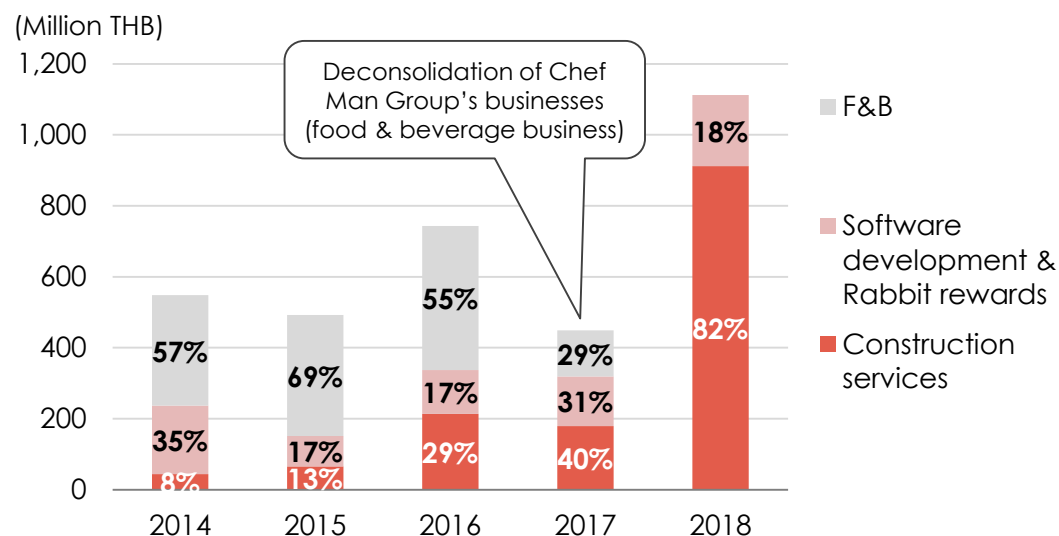
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# Services Business

- BTSG's services business provides strategic support for the rest of the BTS Group. Within this segment are companies engaged in an assortment of businesses such as construction services, software and system development, as well as food and beverage businesses. Some of the Group's main businesses include:
  - HHT Construction** – A joint venture between BTSG and Li Kay Engineering, a Hong Kong based civil and foundation company. HHT engages in construction and construction management business. During FY2018, HHT's revenue of THB 910.6mn was mainly from construction services of 'The Unicorn' a mixed-use building and 'Verso' International School under U City.
  - Bangkok Payment Solutions** – A joint venture between BTSG and VIX Technology, a leader in advanced automated fare collection systems for transportation authorities. The company provide e-payment solutions in Thailand and the region. During FY2018, BPS's revenue was from sales of fully equipped EDC (Electronic Data Capture) machines as well as revenue from software development services.
  - Rabbit Rewards** – One of the companies of BTSG's Rabbit Group. The company provides beneficial services and loyalty program to users of the BTS, Rabbit Card, Rabbit LinePay and Kerry Express.
  - Turtle 23** – Established in 2018, the company's objective is to invest in food and beverage businesses and to engage in investment in securities of other food and beverage companies including restaurant and other related businesses.
  - Man Food Holdings Co., Ltd.** – Joint venture between BTSG and Bangkok Ranch Plc., a leading duck meat processing, to operate a premium Chinese restaurant chain named «Chef Man». Previously, Chef Man restaurant are operated by its subsidiaries. In 2017, the company established the JV with Bangkok Ranch Pcl., the leading duck meat processor, and disposed Chef Man Group subsidiaries to the new JV with the purpose of scaling up its business domestically and internationally.

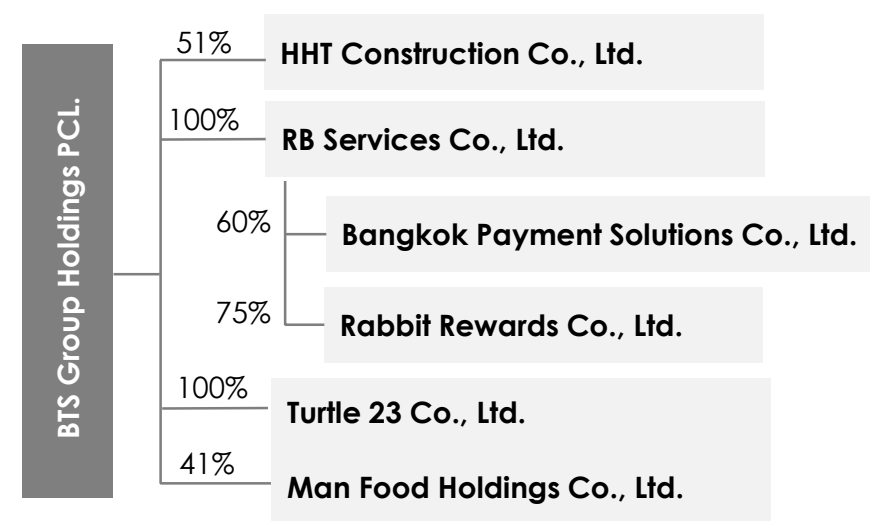
## BTSG's Operating Revenues from Services Business



Source: BTSG's Annual Report

Note: The revenue from food and beverage business has been treated as share of net profit/loss from investment in joint venture (Man Food Holdings) since October 2017.

## BTSG's Main Companies in Service Business



Note: Companies listed above only cover the main companies of BTSG's service business

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## Conclusion

- BTSG's business expansion in all of its four business units has been quite a success over the past years. The Group has employed various strategies through government biddings, merger & acquisition, and strategic alliances. Overseas expansion is also recognized as one of the key movement of BTSG over the recent years.
- According its statement, the company's main focus will be to secure new mass transit lines as those will provide them further opportunities to BTSG's other operating business units, e.g. more transit lines can increase advertising spaces for its media business. Higher user base also can be translated into more customer behavior data. BTSG can also develop its property unit and other infrastructure projects along the new mass transit lines.
- The Group has been known as one of the Thai conglomerates that is very open and active about its collaboration with both local and foreign investors to diversify risk of investment and will continue to do so to strengthen its network and businesses. Besides Thai market, It will also focus on expanding the presence in ASEAN markets. By the end of its 2021/2022, BTSG hopes it earn approximately 31.8 billion THB for its operating revenues.

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