

Digital Telecom. Infra. Fund (DIF TB) - BUY, Price Bt14.1, TP Bt15

Results Comment

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4Q21's result came in-line

- DIF reported Bt3.15bn net investment income in 4Q21, up slightly 2% y-y due to lower interest expense after refinancing but down 1% q-q on higher operating cost and other expense. The result was in-line with our expectation.
- Total revenue was at Bt3.68bn in 4Q21, flat both y-y and q-q given there was no changes to its long-term network asset rental contracts.
- SG&A increased 13% y-y and 12% q-q to Bt84m due to higher operating costs, likely from utility cost and rental expense.
- Note that DIF had paid an unchanged quarterly dividend at Bt0.26/unit for its 4Q21 performance.
- We flag that DIF's revenue may fall slightly in 2022F due to an expiration of one of its small rental contracts. However, we don't expect a change to its dividend payment since we believe this lower revenue base will be offset by its lower interest cost.
- We still value DIF at Bt15.0/unit.

Income Statement						Income Statement					
Yr-end Dec (Bt m)	4Q20	1Q21	2Q21	3Q21	4Q21	(Bt m)	q-q%	y-y%	12M as		
									% 2021F	2020A	2022F
NET SALES	3,675	3,681	3,681	3,682	3,683	Revenue	0	0	100	14,689	14,726
GROSS PROFIT	3,675	3,681	3,681	3,682	3,683	Gross profit	0	0	100	14,689	14,726
SG&A	75	75	74	75	84	SG&A	12	13	100	301	315
Operating profit	3,600	3,606	3,607	3,606	3,598	Operating profit	(0)	(0)	100	14,389	14,411
EBITDA	3,600	3,606	3,607	3,606	3,598	EBITDA	(0)	(0)	100	14,389	14,411
Other income	4	4	4	4	4	Other income	0	12	197	17	3
Other expense	10	10	10	13	(10)	Other expense	na	na	52	42	43
Interest expense	500	418	442	419	441	Interest expense	5	(12)	98	1,957	1,682
Profit before tax	3,094	3,181	3,159	3,179	3,151	Profit before tax	(1)	2	101	12,407	12,689
Income tax	0	0	0	0	0	Income tax	170	(1)	83	2	2
Equity & invest. income						Equity & invest. income					
Minority interests						Minority interests					
Extraordinary items	1,819	(224)	(216)	(235)	892	Extraordinary items	na	(51)		1,018	
Net Investment Income	4,913	2,957	2,943	2,944	4,044	Net profit	37	(18)	103	13,424	12,687
Norm Net Invest. Income	3,094	3,181	3,159	3,179	3,151	Normalized profit	(1)	2	101	12,406	12,687
EPS (Bt)	0.46	0.28	0.28	0.28	0.38	EPS (Bt)	37	(18)	103	1.26	1.19
Normalized EPS (Bt)	0.29	0.30	0.30	0.30	0.30	Normalized EPS (Bt)	(1)	2	101	1.16	1.19
NAV (Bt)											
Balance Sheet						Financial Ratios					
Yr-end Dec (Bt m)	4Q20	1Q21	2Q21	3Q21	4Q21	(%)	4Q20	1Q21	2Q21	3Q21	4Q21
Cash & equivalent	4,034	2,262	452	2,384	4,397	Sales grow th	0.3	0.3	0.3	0.3	0.2
S-T investments						EBITDA grow th	0.4	0.3	0.3	0.3	(0.1)
A/C receivable	3,092	3,196	3,297	3,399	3,499	Net income grow th	(31.3)	5.2	3.5	3.0	(17.7)
Other						Norm income grow th	1.2	4.6	1.0	1.1	1.9
Investment & Loans	215,752	217,209	218,733	217,126	215,927	Norm EPS grow th	1.2	4.6	1.0	1.1	1.9
Fixed assets						Gross margin	100.0	100.0	100.0	100.0	100.0
Other assets						Operating margin	98.0	98.0	98.0	98.0	97.7
Total assets	222,984	222,772	222,587	223,004	223,886	EBITDA margin	98.0	98.0	98.0	98.0	97.7
S-T debt	12,832	12,663	12,494	12,326	12,157	Norm net margin	84.2	86.4	85.8	86.3	85.6
A/C payable	663	166	332	497	663	D/E (x)	0.2	0.2	0.2	0.2	0.2
Other current liabilities	3,853	3,870	3,899	3,899	3,898	Net D/E (x)	0.2	0.2	0.2	0.2	0.2
L-T debt	27,586	27,604	27,426	27,444	27,267	Interest coverage (x)	7.2	8.6	8.2	8.6	8.2
Other liabilities						Effective tax rate	0.0	0.0	0.0	0.0	0.0
Minority interest						ROA	5.6	5.7	5.7	5.7	5.6
Net Assets	174,427	174,609	174,778	174,947	176,216	ROE	7.1	7.3	7.2	7.3	7.2
Net debt	36,384	38,005	39,469	37,386	35,028						
Avg outstanding units (shrs)	10,632	10,632	10,632	10,632	10,632						

Sources: Company data, Thanachart estimates

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