

HOLD (From: BUY)

Change in Recommendation

TP: Bt 14.50

(From: Bt 15.00)

Upside : 3.6%**26 MAY 2022**

Digital Telecom. Infra. Fund (DIF TB)

Fairly priced

We downgrade DIF to HOLD as we see now the stock as fairly valued, based on its expiring rental contract lives. Our numbers factor in lower rental income from 2033F along with the assumption of no new demand to improve its occupancy rate.

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Downgrading to HOLD

We downgrade DIF to HOLD (from Buy) as we see limited potential upside to our new DDM-derived 12-month TP (rolled over to 2023F) of Bt14.5 (from Bt15). Our lower TP after the roll-over is because of the diminishing number of years of its telecom-tower and fiber-optic-cable rental contracts (Exhibit 3). We see 3 key prospects for DIF. *First*, backed by secured rental contracts with fixed prices and volumes, we believe DIF can pay a stable annual dividend of Bt1.04/unit until 2033F. *Second*, we assume DIF is able to renew tower rental contracts (42% of revenue) in 2033F but only at a half of the current price to attract its major tenant, True Corporation (TRUE TB, Bt4.52, SELL), to renew. *Third*, we don't expect additional rental demand for DIF's assets.

Sustainable dividends

DIF has two major groups of rental contracts. The first comprises telecom towers plus some fiber-optic systems (42% of revenue) which end in 2033. We expect TRUE to renew those rents but at half the price it is now paying as the current price is very high. The second is a group of fiber-optic cable rental contracts (58% of revenue) which also ends in 2033, but with a 10-year renewal clause to 2043. We thus expect DIF to be able to pay a stable 7% annual dividend yield (Bt0.26 per quarter) until the contracts expire in 2033. We don't expect DIF's growing earnings from falling interest expenses to result in higher dividend payments because that larger operating cash flow is for debt repayment. Rather, we expect its dividend to drop in 2033F from lower rental rates, and fall again when its fiber-optic contracts end in 2043.

Likely no additional demand

We expect neither 5G mass adoption nor consolidation in the Thai telecom sector to result in additional rental demand for DIF's telecom assets. 1) The three telecom operators now have sufficient capability to invest in their own networks, which is cheaper and more flexible than renting from DIF. 2) TRUE rents DIF's assets on a fixed-volume basis and that volume is not yet fully utilized. 3) We believe the "merged-co" will sit on redundant network assets after consolidation rather than renting more.

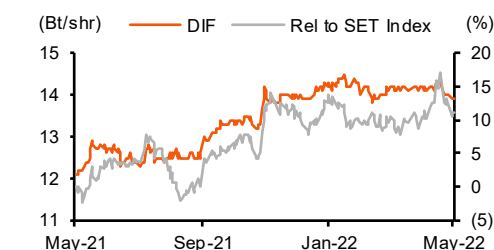
More potential upside with CPNREIT

We prefer CPN Retail Growth Leasehold REIT (CPNREIT TB, Bt19.00, BUY) to DIF for its earnings turnaround story and greater potential upside to our TP of Bt22. Despite CPNREIT offering a slightly lower dividend yield of 6.0% in 2022F, we expect its earnings to improve, thus offering a rising dividend story. CPNREIT owns shopping malls which are recovering fast with the pandemic's end and the country's tourism reopening. Please refer to Rata Limsuthiwannapoom's *CPNREIT – On a recovery path*, dated 26 May 2022.

COMPANY VALUATION

| Y/E Dec (Bt m) | 2021A | 2022F | 2023F | 2024F |
|-----------------------|--------|--------|--------|--------|
| Sales | 14,726 | 14,506 | 14,565 | 14,626 |
| Net profit | 12,888 | 12,556 | 12,666 | 12,786 |
| Consensus NP | — | 12,115 | 12,013 | 12,104 |
| Diff frm cons (%) | — | 3.6 | 5.4 | 5.6 |
| Norm profit | 12,669 | 12,556 | 12,666 | 12,786 |
| Prev. Norm profit | — | 12,687 | 12,829 | 12,971 |
| Chg frm prev (%) | — | (1.0) | (1.3) | (1.4) |
| Norm EPS (Bt) | 1.2 | 1.2 | 1.2 | 1.2 |
| Norm EPS grw (%) | 2.1 | (0.9) | 0.9 | 0.9 |
| Norm PE (x) | 11.8 | 11.9 | 11.8 | 11.7 |
| EV/EBITDA (x) | 11.9 | 12.1 | 12.0 | 11.8 |
| P/NAV (x) | 0.8 | 0.8 | 0.8 | 0.8 |
| Cash div yield (%)* | 7.5 | 7.4 | 7.4 | 7.4 |
| Effective yield (%)** | 7.5 | 7.4 | 7.4 | 7.4 |
| ROE (%) | 7.2 | 7.1 | 7.1 | 7.1 |
| Net D/E (%) | 13.0 | 12.3 | 11.7 | 11.0 |

PRICE PERFORMANCE

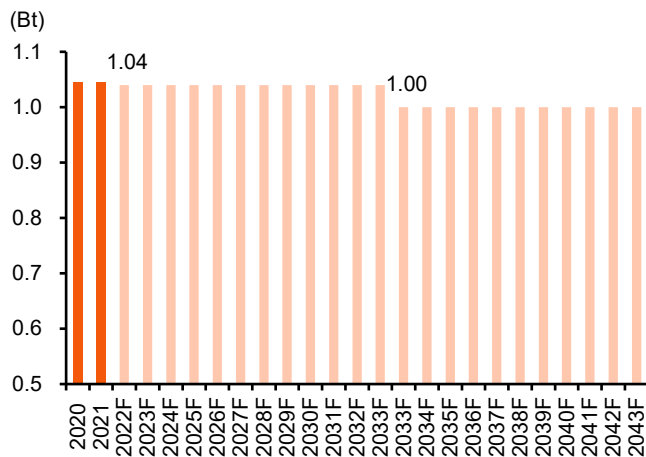


COMPANY INFORMATION

| | |
|-----------------------------|-------------------------|
| Price as of 26-May-22 (Bt) | 14.00 |
| Market Cap (US\$ m) | 4,356.5 |
| Listed Shares (m shares) | 10,631.7 |
| Free Float (%) | 76.3 |
| Avg Daily Turnover (US\$ m) | 4.3 |
| 12M Price H/L (Bt) | 14.50/12.10 |
| Sector | Telecom |
| Major Shareholder | TRUE Corporation 23.38% |

Sources: Bloomberg, Company data, Thanachart estimates

Ex 1: We Project Stable Dividend Payments...



Sources: Company data, Thanachart estimates

Ex 2: ...Despite Higher Earnings From Falling Interest



Sources: Company data, Thanachart estimates

Ex 3: DIF's Network Asset Rental Contracts

| Structure | Sale of rights to net revenues + Call option | | Ownership | | | | Long-term leasehold + Call Option | | Total |
|--|--|---|--------------|--|-------------------------------------|--|-----------------------------------|--|---|
| | AWC | BFKT | TRUE | TICC | TUC | TMV | AWC | TICC | |
| Towers | 4,847 towers | 1,485 towers | 6,000 towers | | 2,939 towers | | | | 15,271 towers |
| Fiber-optic cables (FOC) and transmission system equipment | | 9,169 links and 47,250km of FOC (680,400 core km) | | 5,112km of FOC (122,974 core km) | 9,130km of FOC (314,600 core km) | 542km (117,147 core km) + 6,479km of FOC (338,299 core km) | 7,981km of FOC (303,453 core km) | 670km (80,014 core km) + 12,872km of FOC (619,986 core km) | 9,169 links and 90,036km of FOC (2,576,873 core km) |
| Upcountry broadband system | | | | 1.2 million ports encompassing 6,114 km of FOC (198,085 core km) | | | | | 1.2 million ports encompassing 6,114km of FOC (198,085 core km) |
| Leaseback contract terms | 2033 | | 2033 | 2033 + 10 Yrs | 2033 (tower) 2033 + 10 Yrs (FOC) | 2033 + 10 Yrs | 2033 + 10 Yrs | 2033 + 10 Yrs | |
| | Group 1 | | | Group 2 | | | | | |

Source: Company data

Ex 4: 12-month DDM-based Valuation Using A Base Year Of 2023F

| (Bt m) | 2023F | 2024F | 2025F | 2026F | 2027F | 2028F | 2029F | 2030F | 2031F | 2032F | 2033F |
|---------------------------------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Dividend of common stock | 11,090 | 11,090 | 11,090 | 11,090 | 11,090 | 11,090 | 11,090 | 11,090 | 11,090 | 11,090 | 11,090 |
| Dividend from capital reduction | — | — | — | — | — | — | — | — | — | — | — |
| Dividend payment | 11,090 | 11,090 | 11,090 | 11,090 | 11,090 | 11,090 | 11,090 | 11,090 | 11,090 | 11,090 | 11,090 |
| Cost of equity (%) | 8.6 | | | | | | | | | | |
| Terminal growth (%) | 2.0 | | | | | | | | | | |
| PV of dividend | 10,307 | 9,576 | 8,775 | 8,117 | 7,508 | 6,943 | 6,422 | 5,940 | 5,270 | 4,851 | 4,466 |
| Equity value (m) | 154,233 | | | | | | | | | | |
| No. of units (m) | 10,663 | | | | | | | | | | |
| Equity value / unit (Bt) | 14.5 | | | | | | | | | | |

Sources: Company data, Thanachart estimates

Valuation Comparison

Ex 5: Valuation Comparison With Regional Peers

| Name | BBG Code | Country | EPU growth | | PE | | P/NAV | | EV/EBITDA | | Div yield | |
|-----------------------------|------------|-----------|-------------|-------------|-------------|-------------|------------|------------|-------------|-------------|------------|------------|
| | | | 22F (%) | 23F (%) | 22F (x) | 23F (x) | 22F (x) | 23F (x) | 22F (x) | 23F (x) | 22F (%) | 23F (%) |
| Link REIT/The | 823 HK | Hong Kong | 444.9 | 3.9 | 22.5 | 21.7 | 0.9 | 0.9 | 21.7 | 20.3 | 4.5 | 4.6 |
| Yuexiu Real Estate | 405 HK | Hong Kong | (38.2) | (0.5) | 16.6 | 16.7 | 0.5 | 0.5 | 18.8 | 18.5 | 6.1 | 6.3 |
| Fortune Real Estate | 778 HK | Hong Kong | (7.9) | 5.7 | 17.6 | 16.6 | 0.8 | 0.8 | 22.1 | 21.6 | 7.0 | 7.0 |
| CapitaLand Mall Trust | CT SP | Singapore | na | 8.6 | na | na | na | na | na | na | na | na |
| Frasers Centrepoint Trust | FCT SP | Singapore | 23.8 | 3.2 | 18.2 | 17.7 | 1.0 | 1.0 | 24.5 | 23.8 | 5.6 | 5.6 |
| Mapletree Commercial | MCT SP | Singapore | (19.6) | 13.1 | 20.7 | 18.3 | 1.0 | 1.0 | 24.6 | 20.0 | 5.3 | 5.6 |
| Suntec Real Estate | SUN SP | Singapore | (51.7) | 1.3 | 21.1 | 20.9 | 0.8 | 0.8 | 35.5 | 34.1 | 5.6 | 5.8 |
| Starhill Global REIT | SGREIT SP | Singapore | 66.0 | 2.4 | 13.9 | 13.6 | 0.7 | 0.7 | 17.9 | 17.2 | 6.8 | 7.4 |
| CapitaLand Commercial | CCT SP | Singapore | (24.0) | 14.9 | na | na | na | na | na | na | na | na |
| Keppel REIT | KREIT SP | Singapore | (18.4) | 1.9 | 22.1 | 21.7 | 0.9 | 0.9 | 48.2 | 45.1 | 5.2 | 5.3 |
| CapitaLand Retail China | CRCT SP | Singapore | na | 43.1 | na | na | na | na | 15.3 | 14.3 | na | na |
| Ascendas Real Estate | AREIT SP | Singapore | (30.3) | 3.8 | 16.8 | 16.1 | 1.1 | 1.1 | 20.7 | 19.7 | 6.0 | 6.2 |
| Mapletree Industrial Trust | MINT SP | Singapore | (17.0) | (10.7) | 17.2 | 19.3 | 1.3 | 1.3 | 22.2 | 20.7 | 5.7 | 5.8 |
| Mapletree Logistics Trust | MLT SP | Singapore | (55.3) | 9.1 | 20.6 | 18.9 | 1.2 | 1.1 | 25.7 | 22.7 | 5.5 | 5.7 |
| Ascott Residence Trust | ART SP | Singapore | (67.9) | 53.3 | 37.3 | 24.3 | 1.0 | 1.0 | 29.3 | 23.2 | 4.9 | 5.8 |
| CDL Hospitality Trusts | CDREIT SP | Singapore | (0.5) | 20.0 | 22.5 | 18.8 | 0.9 | 0.9 | 29.4 | 22.8 | 4.6 | 5.7 |
| Axis Real Estate | AXRB MK | Malaysia | (29.7) | 7.2 | 19.6 | 18.3 | 1.2 | 1.2 | 19.5 | 18.2 | 5.0 | 5.3 |
| Sunway Real Estate | SREIT MK | Malaysia | 170.4 | 10.8 | 18.8 | 17.0 | 1.0 | 1.0 | 20.8 | 19.3 | 4.9 | 5.5 |
| KLCCP Stapled Group | KLCCSS MK | Malaysia | 431.1 | 7.3 | 18.3 | 17.0 | 0.9 | 0.9 | 23.9 | 22.8 | 5.1 | 5.5 |
| IGB Real Estate | IGBREIT MK | Malaysia | 49.7 | 8.3 | 19.4 | 17.9 | 1.5 | 1.5 | 19.6 | 18.3 | 5.0 | 5.4 |
| Pavilion Real Estate | PREIT MK | Malaysia | 77.6 | 6.8 | 18.8 | 17.6 | 1.1 | 1.1 | 20.0 | 19.0 | 5.3 | 5.7 |
| BTS Rail Mass Transit ** | BTSGIF TB | Thailand | 186.9 | 27.4 | 6.5 | 5.1 | 0.6 | 0.6 | 6.5 | 5.1 | 15.4 | 19.6 |
| Digital Telecom Int. * | DIF TB | Thailand | (0.9) | 0.9 | 11.9 | 11.8 | 0.8 | 0.8 | 12.1 | 12.0 | 7.4 | 7.4 |
| Jasmine Broadband Int. * | JASIF TB | Thailand | (1.2) | 1.1 | 10.1 | 10.0 | 0.9 | 0.9 | 10.1 | 10.1 | 9.1 | 9.2 |
| IMPACT Growth REIT ** | IMPACT TB | Thailand | 558.4 | 14.4 | 23.0 | 20.1 | 1.5 | 1.5 | 23.3 | 20.7 | 4.2 | 4.8 |
| Frasers Property Thailand * | FTREIT TB | Thailand | (7.3) | 3.2 | 14.5 | 14.1 | 1.0 | 1.0 | 17.4 | 17.0 | 6.4 | 7.1 |
| WHA Premium Growth * | WHART TB | Thailand | 13.4 | 0.9 | 14.3 | 14.2 | 1.1 | 1.0 | 18.4 | 17.9 | 6.4 | 6.7 |
| CPN Retail Growth * | CPNREIT TB | Thailand | 68.6 | 30.2 | 15.2 | 11.7 | 1.4 | 1.4 | 18.7 | 14.9 | 6.0 | 7.8 |
| Lotus's Retail Growth** | LPF TB | Thailand | 15.5 | 14.8 | 15.9 | 13.9 | 1.1 | 1.1 | 16.5 | 14.3 | 5.6 | 6.5 |
| Average | | | 64.3 | 10.6 | 18.2 | 16.7 | 1.0 | 1.0 | 21.6 | 19.8 | 6.1 | 6.7 |

Source: Bloomberg

Note: * Thanachart estimates, using Thanachart normalized EPS,

** Fiscal year ends in February for LPF, March for IMPACT and BTSGIF, and we use one-year forward numbers for 23-24F.

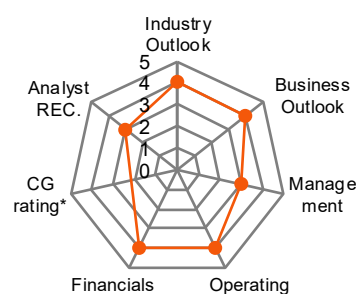
Based on 26 May 2022 closing prices

FUND DETAILS

| | |
|-----------------|---|
| Name | : Digital Telecommunication Infrastructure Fund |
| Ticker | : DIF TB |
| Listed date | : 27 December 2013 |
| Fund size | : Bt58bn (58,000 units @ par Bt10/unit) |
| Type | : Closed-end retail infrastructure fund |
| Investment A/S | : Telecom towers and optical fiber cable |
| Project life | : No specific term |
| Sponsor | : True Corporation (TRUE TB) |
| Fund manager | : SCB Asset Management |
| Dividend policy | : No less than 90% of adjusted net profit |
| Payment date | : Quarterly basis |
| Foreign limit | : No more than 49% of total units |

Source: SET

COMPANY RATING



Rating Scale

| | |
|------------------|----------|
| Excellent | 5 |
| Good | 4 |
| Fair | 3 |
| Weak | 2 |
| Very Weak | 1 |
| None | 0 |

Source: Thanachart; * No CG Rating

THANACHART'S SWOT ANALYSIS

S — Strength

- Top infrastructure fund in the growing mobile business.
- Solid underlying assets.
- Strong financial position of its main sponsor, TRUE.

O — Opportunity

- Increased leasing opportunities from third parties.
- Acquiring more assets from TRUE and other telecom operators.

W — Weakness

- Income guaranteed for only a certain period, until 2025-2035.

T — Threat

- More new telecoms infrastructure funds potentially being listed.
- Regulatory changes.
- The imposition of any taxes.

CONSENSUS COMPARISON

| | Consensus | Thanachart | Diff |
|-----------------------|-----------|------------|---------|
| Target price (Bt) | 16.37 | 14.50 | -11% |
| Net profit 22F (Bt m) | 12,115 | 12,556 | 4% |
| Net profit 23F (Bt m) | 12,013 | 12,666 | 5% |
| Consensus REC | BUY: 6 | HOLD: 3 | SELL: 1 |

HOW ARE WE DIFFERENT FROM THE STREET?

- Our earnings in 2022-23F are 4-5% above the Bloomberg consensus numbers, which we believe is because we assume lower interest costs for DIF in the near term.
- However, our DDM-based TP is 11% lower, which we attribute to us having a bearish view on DIF's prospects after its first lot of contracts expire in 2033.

RISKS TO OUR INVESTMENT CASE

- Our forecast yield is based on guaranteed minimum income from its rental contracts with TRUE. More secured rental contracts from higher-than-expected demand for telecom infrastructure assets represent the key upside risk to our investment case.
- If, for whatever reason, TRUE cannot commit to the minimum income guarantee and the fund is unable to sell capacity to other third parties, this would present the key downside risk to our numbers and investment case.

Sources: Bloomberg consensus, Thanachart estimates

Source: Thanachart

INCOME STATEMENT

Stable rental revenues
over the next 10 years

| FY ending Dec (Bt m) | 2020A | 2021A | 2022F | 2023F | 2024F |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Revenue | 14,689 | 14,726 | 14,506 | 14,565 | 14,626 |
| Selling & administration expenses | 301 | 309 | 316 | 324 | 331 |
| Operating profit | 14,389 | 14,417 | 14,189 | 14,241 | 14,295 |
| % operating margin | 98.0% | 97.9% | 97.8% | 97.8% | 97.7% |
| Depreciation & amortization | 0 | 0 | 0 | 0 | 0 |
| EBITDA | 14,389 | 14,417 | 14,189 | 14,241 | 14,295 |
| % EBITDA margin | 98.0% | 97.9% | 97.8% | 97.8% | 97.7% |
| Non-operating income | 17 | 16 | 23 | 23 | 23 |
| Non-operating expenses | (42) | (43) | (44) | (45) | (46) |
| Interest expense | (1,957) | (1,719) | (1,611) | (1,552) | (1,485) |
| Pre-tax profit | 12,407 | 12,671 | 12,557 | 12,667 | 12,787 |
| Income tax | 2 | 1 | 1 | 1 | 1 |
| After-tax profit | 12,406 | 12,669 | 12,556 | 12,666 | 12,786 |
| % net margin | 84.5% | 86.0% | 86.6% | 87.0% | 87.4% |
| Shares in affiliates' Earnings | 0 | 0 | 0 | 0 | 0 |
| Minority interests | 0 | 0 | 0 | 0 | 0 |
| Extraordinary items | 1,018 | 219 | 0 | 0 | 0 |
| NET INVESTMENT INCOME | 13,424 | 12,888 | 12,556 | 12,666 | 12,786 |
| Normalized Net Invest. Income | 12,406 | 12,669 | 12,556 | 12,666 | 12,786 |
| EPS (Bt) | 1.3 | 1.2 | 1.2 | 1.2 | 1.2 |
| Normalized EPS (Bt) | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 |

BALANCE SHEET

We expect no dividend
lifts as DIF still has to
repay debt

| FY ending Dec (Bt m) | 2020A | 2021A | 2022F | 2023F | 2024F |
|----------------------------|----------------|----------------|----------------|----------------|----------------|
| ASSETS: | | | | | |
| Current assets: | 7,233 | 7,959 | 8,140 | 8,154 | 8,170 |
| Cash & cash equivalent | 4,034 | 4,397 | 4,500 | 4,500 | 4,500 |
| Account receivables | 3,092 | 3,499 | 3,577 | 3,591 | 3,607 |
| Inventories | 0 | 0 | 0 | 0 | 0 |
| Others | 107 | 63 | 63 | 63 | 63 |
| Investments & loans | 215,752 | 215,927 | 215,927 | 215,927 | 215,927 |
| Net fixed assets | 0 | 0 | 0 | 0 | 0 |
| Other assets | 0 | 0 | 0 | 0 | 0 |
| Total assets | 222,984 | 223,886 | 224,067 | 224,081 | 224,097 |
| LIABILITIES: | | | | | |
| Current liabilities: | 8,139 | 8,245 | 8,214 | 8,321 | 8,430 |
| Account payables | 663 | 663 | 626 | 630 | 634 |
| Bank overdraft & ST loans | 0 | 0 | 0 | 0 | 0 |
| Current LT debt | 0 | 0 | 0 | 0 | 0 |
| Others current liabilities | 7,477 | 7,583 | 7,588 | 7,691 | 7,796 |
| Total LT debt | 27,586 | 27,267 | 26,409 | 25,440 | 24,350 |
| Others LT liabilities | 0 | 0 | 0 | 0 | 0 |
| Total liabilities | 48,557 | 47,670 | 46,079 | 44,518 | 42,837 |
| Minority interest | 0 | 0 | 0 | 0 | 0 |
| Preferreds shares | 0 | 0 | 0 | 0 | 0 |
| Paid-up capital | 106,317 | 106,317 | 106,633 | 106,633 | 106,633 |
| Share premium | 20,800 | 20,800 | 20,800 | 20,800 | 20,800 |
| Warrants | 0 | 0 | 0 | 0 | 0 |
| Surplus | 0 | 0 | 0 | 0 | 0 |
| Retained earnings | 47,311 | 49,100 | 50,555 | 52,131 | 53,827 |
| Net Assets | 174,427 | 176,216 | 177,987 | 179,564 | 181,259 |

Sources: Company data, Thanachart estimates

CASH FLOW STATEMENT

| FY ending Dec (Bt m) | 2020A | 2021A | 2022F | 2023F | 2024F |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Earnings before tax | 12,407 | 12,671 | 12,557 | 12,667 | 12,787 |
| Tax paid | 75 | 61 | (64) | 21 | 22 |
| Depreciation & amortization | 0 | 0 | 0 | 0 | 0 |
| Chg In working capital | (437) | (407) | (114) | (11) | (11) |
| Chg In other CA & CL / minorities | (4,607) | 35 | 68 | 80 | 82 |
| Cash flow from operations | 7,439 | 12,359 | 12,420 | 12,729 | 12,846 |
| Capex | 0 | 0 | 0 | 0 | 0 |
| ST loans & investments | 9,405 | 44 | 0 | 0 | 0 |
| LT loans & investments | (2,309) | (176) | 0 | 0 | 0 |
| Adj for asset revaluation | 0 | 0 | 0 | 0 | 0 |
| Chg In other assets & liabilities | 412 | (448) | (700) | (700) | (700) |
| Cash flow from investments | 7,508 | (579) | (700) | (700) | (700) |
| Debt financing | (294) | (319) | (859) | (968) | (1,090) |
| Capital increase | 0 | 0 | 316 | 0 | 0 |
| Dividends paid | (11,099) | (11,099) | (11,100) | (11,090) | (11,090) |
| Warrants & other surplus | 0 | 0 | 0 | 0 | 0 |
| Cash flow from financing | (11,393) | (11,418) | (11,643) | (12,058) | (12,180) |
| Free cash flow | 7,439 | 12,359 | 12,420 | 12,729 | 12,846 |

Stable cash flows, thus sustainable dividends

VALUATION

| FY ending Dec | 2020A | 2021A | 2022F | 2023F | 2024F |
|-------------------------------------|-------|-------|-------|-------|-------|
| Normalized PE (x) | 12.0 | 11.8 | 11.9 | 11.8 | 11.7 |
| Normalized PE - at target price (x) | 12.5 | 12.2 | 12.3 | 12.2 | 12.1 |
| PE (x) | 11.1 | 11.6 | 11.9 | 11.8 | 11.7 |
| PE - at target price (x) | 11.5 | 12.0 | 12.3 | 12.2 | 12.1 |
| EV/EBITDA (x) | 12.0 | 11.9 | 12.1 | 12.0 | 11.8 |
| EV/EBITDA - at target price (x) | 12.4 | 12.3 | 12.4 | 12.3 | 12.2 |
| P/NAV (x) | 0.9 | 0.8 | 0.8 | 0.8 | 0.8 |
| P/NAV - at target price (x) | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 |
| P/CFO (x) | 20.1 | 12.1 | 12.0 | 11.7 | 11.6 |
| Price/sales (x) | 10.1 | 10.1 | 10.3 | 10.2 | 10.2 |
| Effective dividend yield (%) | 7.5 | 7.5 | 7.4 | 7.4 | 7.4 |
| Capital reduction yield (%) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Cash dividend yield (%) | 7.5 | 7.5 | 7.4 | 7.4 | 7.4 |
| FCF Yield (%) | 5.0 | 8.3 | 8.3 | 8.5 | 8.6 |
| (Bt) | | | | | |
| Normalized EPS | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 |
| EPS | 1.3 | 1.2 | 1.2 | 1.2 | 1.2 |
| Effective dividend * | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Capital reduction dividend | - | - | - | - | - |
| Cash dividend ** | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| NAV/unit | 16.4 | 16.5 | 16.7 | 16.8 | 17.0 |
| CFO/unit | 0.7 | 1.2 | 1.2 | 1.2 | 1.2 |
| FCF/unit | 0.7 | 1.2 | 1.2 | 1.2 | 1.2 |

Sources: Company data, Thanachart estimates

A high-yield play may be pressured by the rising interest-rate trend

FINANCIAL RATIOS

| FY ending Dec | 2020A | 2021A | 2022F | 2023F | 2024F |
|----------------------------------|--------|--------|--------|--------|--------|
| Growth Rate | | | | | |
| Sales (%) | 6.0 | 0.3 | (1.5) | 0.4 | 0.4 |
| Net profit (%) | (29.0) | (4.0) | (2.6) | 0.9 | 0.9 |
| EPS (%) | (34.1) | (4.0) | (2.6) | 0.9 | 0.9 |
| Normalized profit (%) | 8.9 | 2.1 | (0.9) | 0.9 | 0.9 |
| Normalized EPS (%) | 1.1 | 2.1 | (0.9) | 0.9 | 0.9 |
| Dividend payout ratio (%)*** | 82.9 | 86.4 | 88.3 | 87.6 | 86.7 |
| Operating performance | | | | | |
| Gross margin (%) | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Operating margin (%) | 98.0 | 97.9 | 97.8 | 97.8 | 97.7 |
| EBITDA margin (%) | 98.0 | 97.9 | 97.8 | 97.8 | 97.7 |
| Net margin (%) | 84.5 | 86.0 | 86.6 | 87.0 | 87.4 |
| D/E (incl. minor) (x) | 0.2 | 0.2 | 0.1 | 0.1 | 0.1 |
| Net D/E (incl. minor) (x) | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Interest coverage - EBIT (x) | 7.4 | 8.4 | 8.8 | 9.2 | 9.6 |
| Interest coverage - EBITDA (x) | 7.4 | 8.4 | 8.8 | 9.2 | 9.6 |
| ROA - using norm profit (%) | 5.5 | 5.7 | 5.6 | 5.7 | 5.7 |
| ROE - using norm profit (%) | 7.2 | 7.2 | 7.1 | 7.1 | 7.1 |
| DuPont | | | | | |
| ROE - using after tax profit (%) | 7.2 | 7.2 | 7.1 | 7.1 | 7.1 |
| - asset turnover (x) | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| - operating margin (%) | 97.8 | 97.7 | 97.7 | 97.6 | 97.6 |
| - leverage (x) | 1.3 | 1.3 | 1.3 | 1.3 | 1.2 |
| - interest burden (%) | 86.4 | 88.1 | 88.6 | 89.1 | 89.6 |
| - tax burden (%) | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Cost of equity (%) | 7.6 | 7.6 | 7.6 | 7.6 | 7.6 |
| ROIC (%) | 7.2 | 7.3 | 7.1 | 7.1 | 7.1 |
| NOPAT (Bt m) | 14,387 | 14,416 | 14,188 | 14,240 | 14,294 |

Sources: Company data, Thanachart estimates

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