

**Digital Telecom. Infra. Fund (DIF TB) - HOLD, Price Bt13.4, TP Bt14.5** | Results Comment

Nuttapop Prasitsuksant | Email: nuttapop.pra@thanachartsec.co.th

**Stable profit in 3Q22, in-line**

- DIF reported Bt3.09bn normalized net investment income in 3Q22, down slightly 3% y-y due to an expiration of small rental contract during the year. The profit was flat q-q in a like-for-like basis.
- Total revenue declined 2% y-y to Bt3.60bn in 2Q22 due to an expiration in one of its small rental contracts. For q-q comparison, revenue was relatively stable given fixed rental volume and unchanged rental during the year.
- Interest expense increased slightly to Bt425m, up 1% y-y due to higher blended interest cost. However, it dropped 2% q-q as DIF refinanced small portion of its debts during the quarter.
- DIF announced a quarterly dividend of Bt0.26/unit for its 3Q22 performance. An indicated XD date is on 11 November and a dividend payment date is on 6 December 2022.
- We maintain HOLD on DIF, seeing the unit price is fairly priced at 7.8% dividend yield.

Income Statement						Income Statement					
Yr-end Dec (Bt m)	3Q21	4Q21	1Q22	2Q22	3Q22	(Bt m)	q-q%	y-y%	9M as		
									% 2022F	2022F	2023F
NET SALES	3,682	3,683	3,602	3,602	3,600	Revenue	(0)	(2)	74	14,506	14,565
<b>GROSS PROFIT</b>	<b>3,682</b>	<b>3,683</b>	<b>3,602</b>	<b>3,602</b>	<b>3,600</b>	<b>Gross profit</b>	<b>(0)</b>	<b>(2)</b>	<b>74</b>	<b>14,506</b>	<b>14,565</b>
SG&A	75	84	75	77	75	SG&A	(2)	(1)	72	316	324
Operating profit	3,606	3,598	3,527	3,525	3,525	Operating profit	0	(2)	75	14,189	14,241
<b>EBITDA</b>	<b>3,606</b>	<b>3,598</b>	<b>3,527</b>	<b>3,525</b>	<b>3,525</b>	<b>EBITDA</b>	<b>0</b>	<b>(2)</b>	<b>75</b>	<b>14,189</b>	<b>14,241</b>
Other income	4	4	4	4	5	Other income	13	17	58	23	23
Other expense	13	10	11	13	(12)	Other expense	na	na	26	44	45
Interest expense	419	441	400	434	425	Interest expense	(2)	1	78	1,611	1,552
<b>Profit before tax</b>	<b>3,179</b>	<b>3,151</b>	<b>3,121</b>	<b>3,083</b>	<b>3,094</b>	<b>Profit before tax</b>	<b>0</b>	<b>(3)</b>	<b>74</b>	<b>12,557</b>	<b>12,667</b>
Income tax	0	0	0	0	0	Income tax	19	131	83	1	1
Equity & invest. income						Equity & invest. income					
Minority interests						Minority interests					
Extraordinary items	(235)	892	(225)	(205)	(229)	Extraordinary items	na	na			
<b>Net Investment Income</b>	<b>2,944</b>	<b>4,044</b>	<b>2,895</b>	<b>2,877</b>	<b>2,864</b>	<b>Net profit</b>	<b>(0)</b>	<b>(3)</b>	<b>69</b>	<b>12,556</b>	<b>12,666</b>
<b>Norm Net Invest. Income</b>	<b>3,179</b>	<b>3,151</b>	<b>3,120</b>	<b>3,082</b>	<b>3,093</b>	<b>Normalized profit</b>	<b>0</b>	<b>(3)</b>	<b>74</b>	<b>12,556</b>	<b>12,666</b>
EPS (Bt)	0.28	0.38	0.27	0.27	0.27	EPS (Bt)	(0)	(3)	69	1.18	1.19
Normalized EPS (Bt)	0.30	0.30	0.29	0.29	0.29	Normalized EPS (Bt)	0	(3)	74	1.18	1.19
NAV (Bt)											
Balance Sheet						Financial Ratios					
Yr-end Dec (Bt m)	3Q21	4Q21	1Q22	2Q22	3Q22	(%)	3Q21	4Q21	1Q22	2Q22	3Q22
Cash & equivalent	2,384	4,397	1,925	3,024	2,892	Sales grow th	0.3	0.2	(2.1)	(2.2)	(2.2)
S-T investments						EBITDA grow th	0.3	(0.1)	(2.2)	(2.3)	(2.3)
A/C receivable	3,399	3,499	3,580	3,656	3,737	Net income grow th	3.0	(17.7)	(2.1)	(2.2)	(2.7)
Other						Norm income grow th	1.1	1.9	(1.9)	(2.4)	(2.7)
Investment & Loans	217,126	215,927	218,019	216,690	217,110	Norm EPS grow th	1.1	1.9	(1.9)	(2.4)	(2.7)
Fixed assets						Gross margin	100.0	100.0	100.0	100.0	100.0
Other assets						Operating margin	98.0	97.7	97.9	97.9	97.9
<b>Total assets</b>	<b>223,004</b>	<b>223,886</b>	<b>223,583</b>	<b>223,427</b>	<b>223,788</b>	EBITDA margin	98.0	97.7	97.9	97.9	97.9
S-T debt	12,326	12,157	11,973	11,789	11,606	Norm net margin	86.3	85.6	86.6	85.6	85.9
A/C payable	497	663	166	332	498	D/E (x)	0.2	0.2	0.2	0.2	0.2
Other current liabilities	3,899	3,898	3,920	3,917	3,942	Net D/E (x)	0.2	0.2	0.2	0.2	0.2
L-T debt	27,444	27,267	27,285	27,225	27,243	Interest coverage (x)	8.6	8.2	8.8	8.1	8.3
Other liabilities						Effective tax rate	0.0	0.0	0.0	0.0	0.0
Minority interest						ROA	5.7	5.6	5.6	5.5	5.5
<b>Net Assets</b>	<b>174,947</b>	<b>176,216</b>	<b>176,336</b>	<b>176,449</b>	<b>176,549</b>	ROE	7.3	7.2	7.1	7.0	7.0
<b>Net debt</b>	<b>37,386</b>	<b>35,028</b>	<b>37,333</b>	<b>35,990</b>	<b>35,956</b>						
Avg outstanding units (shrs)	10,632	10,632	10,632	10,632	10,632						

Sources: Company data, Thanachart estimates

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