

**Jasmine Broadband Int. (JASIF TB) - HOLD, Price Bt8.15, TP Bt8.5****Results Comment**

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

- JASIF reported normalized investment income (excluding loss from accounting value adjustment) at Bt2.2bn in 3Q22, up 2% y-y but flat q-q. The y-y growth was driven by higher rental rate, adjusted in early of each year with trailing inflation rate, while rental volume was stable.
- Total revenue was at Bt2.57bn in 3Q22, up 1% y-y due to an adjusted up rental rate with higher inflation according to its rental contracts, but it was flat q-q as the adjustment is done just once early each year.
- Total operating costs (including interest expenses) were also stable at Bt344m, down 3% y-y but flat q-q, given there were no changes in its overall cost structure.
- We maintain our HOLD rating on JASIF in spite of its extraordinarily high dividend yield as we believe it is difficult for JASIF to renew its rental contracts at attractive rate beyond its nine-years remaining contract life.

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	2,536	2,536	2,567	2,567	2,567	Revenue	-	1	75	10,235	8,317
<b>GROSS PROFIT</b>	<b>2,536</b>	<b>2,536</b>	<b>2,567</b>	<b>2,567</b>	<b>2,567</b>	<b>Gross profit</b>	-	1	<b>75</b>	<b>10,235</b>	<b>8,317</b>
SG&A	163	141	165	165	166	SG&A	0	2	52	948	884
Operating profit	2,373	2,395	2,402	2,402	2,401	Operating profit	(0)	1	78	9,286	7,432
<b>EBITDA</b>	<b>2,373</b>	<b>2,395</b>	<b>2,402</b>	<b>2,402</b>	<b>2,401</b>	<b>EBITDA</b>	<b>(0)</b>	<b>1</b>	<b>78</b>	<b>9,286</b>	<b>7,432</b>
Other income	5	5	5	5	6	Other income	14	21	73	22	25
Other expense	4	1	3	6	4	Other expense	(37)	0	135	9	8
Interest expense	200	197	190	189	188	Interest expense	(1)	(6)	76	743	590
<b>Profit before tax</b>	<b>2,175</b>	<b>2,203</b>	<b>2,215</b>	<b>2,212</b>	<b>2,215</b>	<b>Profit before tax</b>	<b>0</b>	<b>2</b>	<b>78</b>	<b>8,556</b>	<b>6,860</b>
Income tax						Income tax					
Equity & invest. income						Equity & invest. income					
Minority interests						Minority interests					
Extraordinary items	(500)	300	(600)	(800)	(800)	Extraordinary items					
<b>Net Investment Income</b>	<b>1,675</b>	<b>2,503</b>	<b>1,614</b>	<b>1,412</b>	<b>1,415</b>	<b>Net profit</b>	<b>0</b>	<b>(15)</b>	<b>52</b>	<b>8,556</b>	<b>6,860</b>
<b>Norm Net Invest. Income</b>	<b>2,175</b>	<b>2,203</b>	<b>2,215</b>	<b>2,212</b>	<b>2,215</b>	<b>Normalized profit</b>	<b>0</b>	<b>2</b>	<b>78</b>	<b>8,556</b>	<b>6,860</b>
EPS (Bt)	0.21	0.31	0.20	0.18	0.18	EPS (Bt)	0	(15)	52	1.07	0.86
Normalized EPS (Bt)	0.27	0.28	0.28	0.28	0.28	Normalized EPS (Bt)	0	2	78	1.07	0.86
Balance Sheet						Financial Ratios					
Yr-end Dec (Bt m)	3Q21	4Q21	1Q22	2Q22	3Q22	(%)	3Q21	4Q21	1Q22	2Q22	3Q22
Cash & equivalent	55	202	84	118	102	Sales growth	-	-	1.2	1.2	1.2
S-T investments						EBITDA growth	(0.0)	(0.4)	1.1	1.2	1.2
A/C receivable	0	0	0	0	0	Net income growth	(32.2)	(3.8)	(9.1)	(32.0)	(15.5)
Other						Norm income growth	0.2	0.0	1.7	1.7	1.9
Investment & Loans	103,773	104,178	103,583	102,893	102,257	Norm EPS growth	0.2	0.0	1.7	1.7	1.9
Fixed assets						Gross margin	100.0	100.0	100.0	100.0	100.0
Other assets						Operating margin	93.6	94.5	93.6	93.6	93.5
<b>Total assets</b>	<b>103,840</b>	<b>104,397</b>	<b>103,683</b>	<b>103,023</b>	<b>102,369</b>	EBITDA margin	93.6	94.5	93.6	93.6	93.5
S-T debt						Norm net margin	85.7	86.9	86.3	86.2	86.3
A/C payable	236	247	178	204	233	D/E (x)	0.2	0.2	0.2	0.2	0.2
Other current liabilities	817	817	817	817	817	Net D/E (x)	0.2	0.2	0.2	0.2	0.2
L-T debt	14,513	14,317	14,058	13,800	13,541	Interest coverage (x)	11.9	12.2	12.6	12.7	12.8
Other liabilities						Effective tax rate	-	-	-	-	-
Minority interest						ROA	8.4	8.5	8.5	8.6	8.6
<b>Net Assets</b>	<b>88,274</b>	<b>89,016</b>	<b>88,631</b>	<b>88,203</b>	<b>87,778</b>	ROE	9.8	9.9	10.0	10.0	10.1
<b>Net debt</b>	<b>14,458</b>	<b>14,115</b>	<b>13,974</b>	<b>13,682</b>	<b>13,438</b>						
Avg outstanding units (shrs)	8,000	8,000	8,000	8,000	8,000						

Sources: Company data, Thanachart estimates

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