

**Digital Telecom. Infra. Fund (DIF TB) - BUY, Price Bt9.2, TP Bt10.5****Results Comment**

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

**Stable 3Q24 profit, in-line**

- DIF reported Bt2.9bn normalized investment income in 3Q24, flat y-y and q-q, backed by its fixed-price and fixed-volume telecommunication network asset rental contracts.
- Total revenue was stable over past six quarters at Bt3.53bn in 3Q24, given fixed rental price and fixed rental volume natures of its contracts.
- Net operating expense was also stable at Bt67m in 3Q24, due to no changes to the fund's structure.
- Total interest expense rose 2% y-y but dropped 3% q-q to Bt542m in 3Q24. Average financial cost declined slightly to 6.1% this quarter, from 6.2% in 2Q24, following the cut in Thai policy rates. However, the rate was still higher than 5.7% in the same period last year.
- DIF announces Bt0.2222/unit dividend payment from its 3Q24 performance, in-line with our assumption. An indicated XD date is on 14 Nov, with a dividend payment date on 6 Dec 2024.
- We maintain BUY on attractive dividend yield with reversing of global interest rates to falling trend being the key catalyst.

Income Statement						Income Statement					
Yr-end Dec (Bt m)	3Q23	4Q23	1Q24	2Q24	3Q24	(Bt m)	q-q%	y-y%	9M as		
									% 2024F	2024F	2025F
Revenue	3,524	3,523	3,525	3,525	3,525	Revenue	0	0	75	14,053	14,054
<b>Gross profit</b>	<b>3,524</b>	<b>3,523</b>	<b>3,525</b>	<b>3,525</b>	<b>3,525</b>	<b>Gross profit</b>	<b>0</b>	<b>0</b>	<b>75</b>	<b>14,053</b>	<b>14,054</b>
SG&A	73	73	73	72	73	SG&A	2	(0)	72	301	301
Operating profit	3,450	3,450	3,453	3,454	3,452	Operating profit	(0)	0	75	13,751	13,753
<b>EBITDA</b>	<b>3,450</b>	<b>3,450</b>	<b>3,453</b>	<b>3,454</b>	<b>3,452</b>	<b>EBITDA</b>	<b>(0)</b>	<b>0</b>	<b>75</b>	<b>13,751</b>	<b>13,753</b>
Other income	16	15	16	20	16	Other income	(19)	(3)	152	34	28
Other expense	12	29	16	13	10	Other expense	(26)	(16)	87	45	46
Interest expense	530	549	543	556	542	Interest expense	(3)	2	78	2,111	2,016
<b>Profit before tax</b>	<b>2,926</b>	<b>2,887</b>	<b>2,910</b>	<b>2,904</b>	<b>2,917</b>	<b>Profit before tax</b>	<b>0</b>	<b>(0)</b>	<b>75</b>	<b>11,630</b>	<b>11,719</b>
Income tax	1	1	1	1	1	Income tax	12	7	73	4	4
Equity & invest. income						Equity & invest. income					
Minority interests						Minority interests					
Extraordinary items	(230)	(3,229)	(227)	(228)	(220)	Extraordinary items	na	na			
<b>Net Investment Income</b>	<b>2,695</b>	<b>(344)</b>	<b>2,682</b>	<b>2,676</b>	<b>2,696</b>	<b>Net profit</b>	<b>1</b>	<b>0</b>	69	<b>11,626</b>	<b>11,716</b>
<b>Norm Net Invest. Income</b>	<b>2,925</b>	<b>2,886</b>	<b>2,909</b>	<b>2,903</b>	<b>2,916</b>	<b>Normalized profit</b>	<b>0</b>	<b>(0)</b>	75	<b>11,626</b>	<b>11,716</b>
EPS (Bt)	0.25	(0.03)	0.25	0.25	0.25	EPS (Bt)	1	0	69	1.09	1.10
Normalized EPS (Bt)	0.28	0.27	0.27	0.27	0.27	Normalized EPS (Bt)	0	(0)	75	1.09	1.10
NAV (Bt)											
Balance Sheet						Financial Ratios					
Yr-end Dec (Bt m)	3Q23	4Q23	1Q24	2Q24	3Q24	(%)	3Q23	4Q23	1Q24	2Q24	3Q24
Cash & equivalent	3,038	3,131	2,610	2,384	1,522	Sales grow th	(2.1)	(2.2)	(2.4)	(1.8)	0.1
S-T investments						EBITDA grow th	(2.1)	(2.0)	(2.4)	(1.8)	0.1
A/C receivable	4,007	4,036	4,077	4,104	4,145	Net income grow th	(5.9)	na	(4.5)	(3.5)	0.1
Other						Norm income grow th	(5.5)	(5.0)	(4.2)	(3.3)	(0.3)
Investment & Loans	210,134	206,731	207,192	206,716	208,242	Norm EPS grow th	(5.5)	(5.0)	(4.2)	(3.3)	(0.3)
Fixed assets						Gross margin	100.0	100.0	100.0	100.0	100.0
Other assets						Operating margin	97.9	97.9	97.9	98.0	97.9
<b>Total assets</b>	<b>217,205</b>	<b>213,916</b>	<b>213,898</b>	<b>213,222</b>	<b>213,921</b>	EBITDA margin	97.9	97.9	97.9	98.0	97.9
S-T debt	10,823	10,623	10,407	10,190	9,974	Norm net margin	83.0	81.9	82.5	82.4	82.7
A/C payable	497	662	166	331	497	D/E (x)	0.2	0.2	0.2	0.2	0.2
Other current liabilities	2,150	2,478	2,502	2,518	2,541	Net D/E (x)	0.2	0.2	0.2	0.2	0.2
L-T debt	26,514	25,987	26,004	25,395	25,412	Interest coverage (x)	6.5	6.3	6.4	6.2	6.4
Other liabilities						Effective tax rate	0.0	0.0	0.0	0.0	0.0
Minority interest						ROA	5.4	5.4	5.4	5.4	5.5
<b>Net Assets</b>	<b>173,070</b>	<b>170,320</b>	<b>170,596</b>	<b>170,909</b>	<b>171,244</b>	ROE	6.8	6.7	6.8	6.8	6.8
<b>Net debt</b>	<b>34,299</b>	<b>33,479</b>	<b>33,801</b>	<b>33,201</b>	<b>33,864</b>						
Avg outstanding units (shrs)	10,632	10,632	10,632	10,632	10,632						

Sources: Company data, Thanachart estimates

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