WHA Corporation (WHA TB)

2Q26: Results Miss; Margin Pressure To Ease From 2027

Highlights

- WHA reported a net profit of Bt659m, down 32.7% yoy, and 56.3% qoq.
- Industrial estate gross margin dropped significantly due to the impact from WHA IER, which we expect to be non-recurring from 2027 onwards.
- We roll over target price to 2027 while maintaining BUY with a lower target price of Bt6.10 (previously Bt6.30).

2Q26 Results

Year to 31 Dec (Btm)	2Q26	1Q26	2Q25	qoq%	yoy%
Net turnover	2,501	3,166	3,333	-21.0%	-25.0%
Gross profit	1,007	1,586	1,576	-36.5%	-36.1%
EBIT	550	1,092	1,058	-49.7%	-48.1%
EBITDA	821	1,352	1,315	-39.3%	-37.6%
Net profit	659	1,508	980	-56.3%	-32.7%
Core profit	602	771	1,164	-21.9%	-48.3%
Ratio (%)					
Gross margin	40.3%	50.1%	47.3%		
SG&A to sales	18.3%	15.6%	15.5%		
Net profit margin	26.4%	47.6%	29.4%		

Source: WHA Corporation, UOB Kay Hian

Analysis

- **Earnings declined yoy and qoq.** WHA Corporation (WHA) reported a net profit of Bt659m (-32.7% yoy, -56.3% qoq), which was 44% and 25% below our and consensus estimates respectively, mainly due to pressure on the gross margin of its industrial estate business.
- **Revenue dropped yoy and qoq.** The company reported 2Q26 revenue of Bt2.5b, down 25% yoy and 21% qoq. This was mainly due to lower revenue from the industrial estate business, reflecting lower land transfers of 208 rai, compared with 301 rai in 2Q25 and 298 rai in 1Q26.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	11,334.8	15,264.9	15,643.1	16,420.8	19,629.0
EBITDA	5,065.4	5,964.2	6,263.6	7,325.3	8,096.2
Operating profit	4,150.4	4,935.1	4,581.5	5,580.2	6,171.0
Net profit (rep./act.)	4,359.4	5,135.0	4,759.8	5,440.8	5,801.1
Net profit (adj.)	4,359.4	5,135.0	4,759.8	5,440.8	5,801.1
EPS	0.3	0.3	0.3	0.4	0.4
PE (x)	16.8	14.3	15.4	13.5	12.6
P/B (x)	2.1	2.0	1.9	1.8	1.7
EV/EBITDA (x)	21.3	18.5	16.7	14.2	13.2
Dividend yield (%)	3.9	4.3	3.9	4.6	4.9
Net margin (%)	38.5	33.6	30.4	33.1	29.6
Net debt/(cash) to equity(%)	88.4	89.8	70.4	64.2	67.1
Interest cover (x)	47.2	9.2	24.2	19.6	20.2
Consensus net profit	n.a	n.a	5,087.4	5,533.9	5,433.8
UOBKH/Consensus (x)	n.a	n.a	0.9	1.0	1.1

Source: WHA Corporation, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	Bt4.90
Target Price	Bt6.10
Upside	24.49%
Previous TP	Bt6.30

Stock Data

Sector	Real Estate
Bloomberg ticker	WHA TB
Shares issued (m)	14,946.8
Market cap (Btm)	80,712.9
Market cap (US$m)	2,387.0
3-mth avg daily t'over (US$m)	16.1

Price Performance (%)

52-week high/low				Bt5.4/Bt3.1
1mth	3mth	6mth	1yr	YTD
6.9	23.8	63.6	55.2	64.6

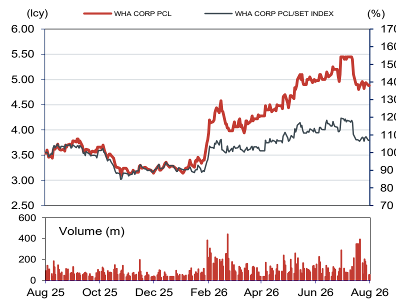
Major Shareholders (%)

Miss Jareeporn Jarukornsakul	23.49
Miss Chatchamol Anantaprayoon	9.07

Balance Sheet Metrics

FY26 NAV/Share (Bt)	2.6
FY26 Net Debt/Share (Bt)	1.8

Price Chart



Source: Bloomberg

Company Description

WHA is one of Thailand's leaders in integrated logistics services, operating through five core business units: logistics, industrial development, utilities and power, and digital and mobility. The company operates in Thailand and Southeast Asia.

- **Revenue from Industrial estate business down yoy and qoq.** Land sales revenue came in at Bt949m, down 23% yoy and 30% qoq, mainly due to lower land transfers. Gross margin also declined significantly to 28.3%, from 38.5% in 1Q26 and 55.7% in 2Q25, mainly pressured by the lower margin of WHA Industrial Estate Rayong (WHA IER) , which accounted for approximately 150 rai of the 207 rai of land transferred. However, we expect the impact from WHA IER's lower-margin land transfers to mostly be reflected in 2026 results, with gross margin expected to improve from 2027 onwards.
- **1H26 land sales accounted for 48% of 2026 land sales target.** WHA delivered land sales of 1,199 rai in 1H26, achieving around 48% of its full-year target. We expect the land sales momentum to continue in 2H26, allowing the company to achieve its Thailand land sales target. However, given the absence of land transfers in Vietnam in 1H26, we expect part of WHA's 2026 Vietnam land sales target to slip into 2027, reflecting potential delays in deal closures.
- **Resilient revenue growth in other businesses.** WHA reported rental business revenue of Bt636m, up 14% yoy, driven by higher leasable area and occupancy rates. Utilities revenue also increased to Bt856m from Bt799m, supported by higher sales volumes across all water categories. Revenue from the solar business rose 41% yoy to Bt173m, driven by higher electricity sales.
- **Share of profit improved significantly qoq.** 2Q26 share of profit turned positive at Bt414m, compared with a loss of Bt139m in 1Q26, supported by the resumption of operations and improved operating performance at Gheco-One.
- **Gross margin dropped significantly yoy and qoq.** Gross margin dropped to 40.3%, from 50.1% in 1Q26 and 47.3% in 2Q25, mainly dragged down by the industrial estate business. The decline was primarily due to the higher contribution from WHA IER, which carries a lower margin.

Valuation/Recommendation

- **Maintain BUY with a lower target price of Bt6.10 (previously Bt6.30),** as we roll over our valuation to 2027. Our target price is based on the SOTP methodology. We value its core businesses (industrial land development and logistics) at Bt7.36 per share, with the industrial estate business valued at 14.6x 2027F PE and the logistics business valued using the GNAV method. Meanwhile, its investments in associates are valued at Bt2.52 per share.

Earnings Revision/Risk

- We revise our 2026-28 earnings forecasts down by 13.6%, 4.9%, and 6.9% respectively, to reflect a lower gross margin in 2026 and the potential delay in Vietnam land sales. The draft data centre regulations could put pressure on land sales, potentially causing further delays.

Share Price Catalyst

- a) Higher-than-expected land presales volume, b) continued FDI momentum driven by the relocation theme.

Environment, Social, Governance (ESG) Updates

CG Report: 5
SET ESG Rating: AAA

Environmental

- Focuses on conducting business operations in harmony with surrounding communities and the environment, with an emphasis on sustainability.

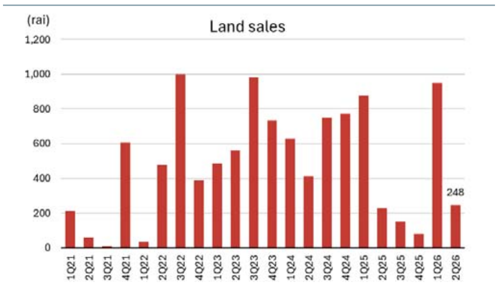
Social

- Starting to integrate the vision of "Future of Work" into its workforce strategy, to be inclusive, and to develop employees both personally and professionally, as well as prepare them for future challenges they may encounter.

Governance

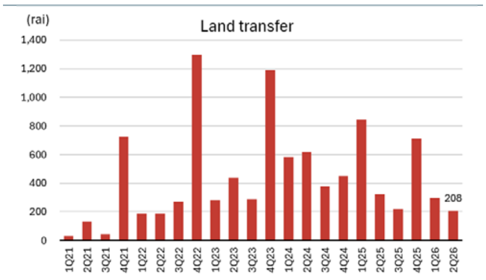
- Transparency, accountability, responsibility, and fairness serve as the foundation for the development of core corporate governance principles.

Land Sales



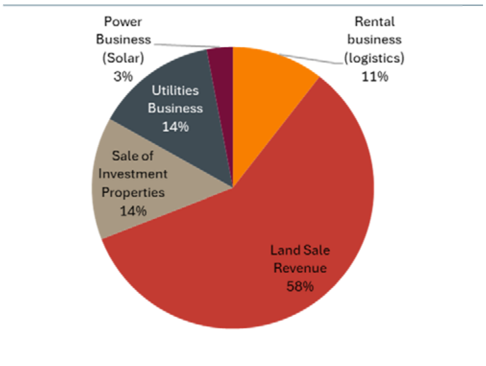
Source: WHA, UOB Kay Hian

Land Transfer



Source: WHA, UOB Kay Hian

Revenue Breakdown



Source: WHA, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	15,265	15,643	16,421	19,629
EBITDA	5,964	6,264	7,325	8,096
Deprec. & amort.	1,029	1,682	1,745	1,925
EBIT	4,935	4,581	5,580	6,171
Associate contributions	1,800	780	1,135	912
Net interest income/(expense)	(646)	(259)	(375)	(401)
Pre-tax profit	6,089	5,103	6,340	6,682
Tax	(553)	(565)	(444)	(468)
Minorities	(401)	(515)	(456)	(414)
Net profit	5,135	4,760	5,441	5,801
Net profit (adj.)	5,135	4,760	5,441	5,801

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	25,456	25,641	26,410	26,998
Other LT assets	50,524	50,524	50,524	50,524
Cash/ST investment	3,561	7,918	8,406	8,748
Other current assets	21,863	20,240	21,256	27,417
Total assets	101,404	104,323	106,596	113,688
ST debt	1,150	1,150	1,150	1,150
Other current liabilities	16,653	18,669	18,968	20,442
LT debt	35,563	34,063	33,513	36,513
Other LT liabilities	7,439	7,439	7,439	7,439
Shareholders' equity	36,911	38,799	40,866	43,071
Minority interest	3,689	4,204	4,660	5,073
Total liabilities & equity	101,404	104,323	106,596	113,688

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	(537)	10,596	6,925	3,453
Pre-tax profit	6,089	5,103	6,340	6,682
Tax	(553)	(565)	(444)	(468)
Deprec. & amort.	1,029	1,682	1,745	1,925
Working capital changes	(6,369)	3,639	(716)	(4,687)
Non-cash items	(342)	0	0	0
Other operating cashflows	(391)	737	0	0
Investing	(1,878)	(1,867)	(2,514)	(2,514)
Capex (growth)	(1,570)	(1,867)	(2,514)	(2,514)
Investments	(230)	0	0	0
Others	(78)	0	0	0
Financing	(2,201)	(4,372)	(3,923)	(597)
Dividend payments	(2,849)	(2,872)	(3,373)	(3,597)
Issue of shares	0	0	0	0
Proceeds from borrowings	929	(1,500)	(550)	3,000
Loan repayment	(207)	0	0	0
Others/interest paid	(73)	0	0	0
Net cash inflow (outflow)	(4,616)	4,358	488	342
Beginning cash & cash equivalent	8,176	3,561	7,918	8,406
Ending cash & cash equivalent	3,561	7,918	8,406	8,748

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	39.1	40.0	44.6	41.2
Pre-tax margin	39.9	32.6	38.6	34.0
Net margin	33.6	30.4	33.1	29.6
Growth				
Turnover	60.4	64.4	72.6	106.3
EBITDA	81.7	90.8	123.2	146.6
Pre-tax profit	48.9	24.8	55.0	63.4
Net profit	57.2	45.7	66.6	77.6
Net profit (adj.)	17.8	(7.3)	14.3	6.6
EPS	50.7	39.6	59.6	70.2
Leverage				
Debt to total capital	90.4	81.9	76.1	78.2
Debt to equity	99.5	90.8	84.8	87.4
Net debt/(cash) to equity	89.8	70.4	64.2	67.1
Interest cover	9.2	24.2	19.6	20.2