WHA Corporation (WHA TB)

Stronger Land Sales And Transfers In 2H26; DCs Remain The Key To 3–5 Year Growth

Highlights

- The tone during WHA's session at our Asian Gems Conference was neutral with no major changes to its overall outlook.
- Resilient DC demand provides an additional long-term growth opportunity as regulations become clearer.
- Maintain BUY with an unchanged target price of Bt6.10.

Analysis

- **No changes to overall outlook.** We attended WHA Corporation's (WHA) session at our Asian Gems Conference. The tone was neutral, with no major changes to its overall outlook. Management remained confident in achieving its 2026 land-sales target and highlighted data centres (DC), semiconductors and advanced electronics as key longer-term growth opportunities.
- **Land sales to accelerate in 4Q26, with land transfers concentrated in 2H26.** Management remains confident in achieving its 2,500-rai land-sales target for 2026, with 1,199 rai already sold in 1H26. Management expects 4Q26's land sales to exceed that of 3Q26, supported by several deals under negotiation. In terms of transfers, 505 rai was completed in 1H26, but management expects a stronger 2H26 as more than 1,400 rai of backlog is scheduled for transfer. We see this as supportive of a meaningful pickup in industrial estate earnings in 2H26, particularly toward year-end.
- **DCs remain intact with regulations being the key to near-term outlook.** Management has not seen customers putting DC deals on hold, although some are taking a wait-and-see approach ahead of new regulations that are expected to be announced within the next 4-6 weeks. Management believes the regulations should be neutral/positive for WHA, particularly if stricter zoning, safety and environmental requirements encourage DC projects to locate in industrial estates. WHA is also exploring a dedicated DC industrial park, where centralised water, power and other infrastructure could create economies of scale. We see this as a potential new growth opportunity if DC regulations become more supportive of industrial estate locations. Beyond DCs, management sees semiconductors as the next structural growth opportunity, while demand from automotive, consumer products and electrical appliances should continue to grow.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	11,334.8	15,264.9	15,643.1	16,823.8	19,813.0
EBITDA	5,065.4	5,964.2	6,390.4	7,316.6	8,029.2
Operating profit	4,150.4	4,935.1	4,708.3	5,571.4	6,104.0
Net profit (rep./act.)	4,359.4	5,135.0	4,873.0	5,451.4	5,746.4
Net profit (adj.)	4,359.4	5,135.0	4,873.0	5,451.4	5,746.4
EPS	0.3	0.3	0.3	0.4	0.4
PE (x)	16.8	14.3	15.0	13.4	12.8
P/B (x)	2.1	2.0	1.9	1.8	1.7
EV/EBITDA (x)	21.3	18.5	16.4	14.3	13.4
Dividend yield (%)	3.9	4.3	4.0	4.6	4.9
Net margin (%)	38.5	33.6	31.2	32.4	29.0
Net debt/(cash) to equity(%)	88.4	89.8	69.7	64.9	67.8
Interest cover (x)	47.2	9.2	24.6	20.6	20.5
Consensus net profit	n.a	n.a	5,087.4	5,533.9	5,433.8
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	1.1

Source: WHA Corporation, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	Bt4.78
Target Price	Bt6.10
Upside	27.61%

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

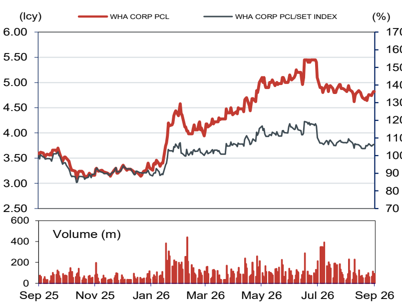
Major Shareholders (%)

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

- **Power availability remains key for DC expansion.** Management highlighted that Thailand cannot accommodate all DC power applications currently under discussion, making government decisions on total power allocation increasingly important. Management expects the new DC tariff to reflect the incremental cost of additional power, potentially linked to LNG costs. In the longer term, higher renewable-energy requirements and captive power could help address the gap. We see this as an additional opportunity for WHA's utilities and power businesses, alongside land sales to data centres which are currently a key revenue stream.
- **Capital allocation remains disciplined, with a balanced recurring/non-recurring income mix.** Management continues to target a roughly 50/50 revenue mix between recurring and non-recurring revenue. WHA targets Bt16.5b in 2026 capex across five business and maintains a net IBD/equity target of around 1.2x, well below its 2.5x bond covenant. Management also intends to maintain a payout ratio of around 60%. Importantly, the capital cycle for industrial development has shortened, with the WHA Eastern Seaboard Industrial Estate 5 (ESIE 5) beginning land transfers roughly two years after land acquisition, allowing WHA to recycle capital more quickly. We believe that the shorter cycle should improve capital turnover and cash flow visibility, while supporting a more efficient use of invested capital.
- **Vietnam continues to improve.** Industrial land sales in Vietnam remained subdued amid tariff uncertainty. However, management saw an improvement in customer activity in 1H26 and expects to close more deals in 2H26. It thus maintains its 200-rai 2026 target. Over the next five years, WHA expects its four Vietnam sites to achieve close to 1,000 rai of land sales per year once all sites are fully developed, making Vietnam increasingly comparable with Thailand. Meanwhile, logistics demand in Thailand remains healthy, while supply of large, high-quality warehouses in prime locations is tight. WHA plans to add warehouse capacity along Highway 331, although suitable land for large-scale warehouses in established locations is increasingly limited.
- **Maintain BUY with SOTP-based target price of Bt6.10.** We value its core businesses (industrial development and logistics) at Bt7.05/share, with industrial development valued at 14.6x 2027F PE (+1SD to the industrial development historical average) and the logistics business valued using GNAV with a logistics and warehouse capitalisation rate of 8%. Meanwhile, investments in associates are valued at Bt1.93/share based on 16x 2027F PE (-0.5SD to the utility and power business).

Earnings Revision/Risk

- No earning revision.

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.

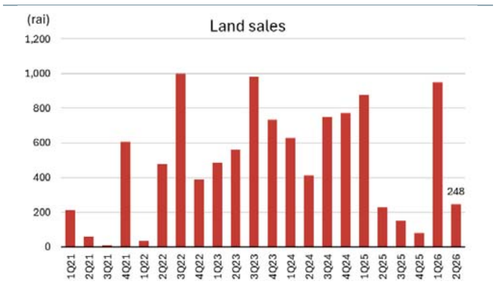
Social

- 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.

Governance

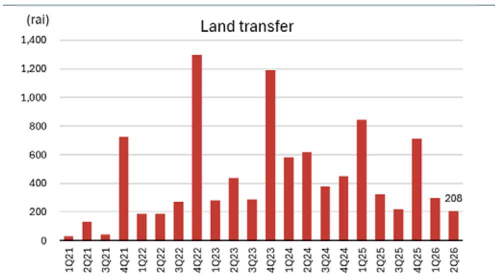
- Transparency, accountability, responsibility, and fairness serve as the foundation for the development of core corporate governance principle.

Land Sales



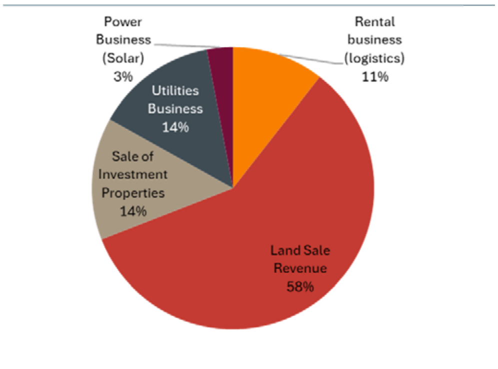
Source: WHA, UOB Kay Hian

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	16,824	19,813
EBITDA	5,964	6,390	7,317	8,029
Deprec. & amort.	1,029	1,682	1,745	1,925
EBIT	4,935	4,708	5,571	6,104
Associate contributions	1,800	780	1,135	912
Net interest income/(expense)	(646)	(260)	(354)	(392)
Pre-tax profit	6,089	5,228	6,352	6,624
Tax	(553)	(577)	(445)	(464)
Minorities	(401)	(515)	(456)	(414)
Net profit	5,135	4,873	5,451	5,746
Net profit (adj.)	5,135	4,873	5,451	5,746

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	8,148	8,110	8,434
Other current assets	21,863	19,985	21,724	27,882
Total assets	101,404	104,298	106,768	113,839
ST debt	1,150	1,150	1,150	1,150
Other current liabilities	16,653	18,599	19,091	20,565
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	38,844	40,915	43,099
Minority interest	3,689	4,204	4,660	5,073
Total liabilities & equity	101,404	104,298	106,768	113,839

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	(537)	10,894	6,405	3,401
Pre-tax profit	6,089	5,228	6,352	6,624
Tax	(553)	(577)	(445)	(464)
Deprec. & amort.	1,029	1,682	1,745	1,925
Working capital changes	(6,369)	3,824	(1,247)	(4,684)
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)	(4,440)	(3,930)	(563)
Dividend payments	(2,849)	(2,940)	(3,380)	(3,563)
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)	4,588	(38)	324
Beginning cash & cash equivalent	8,176	3,561	8,148	8,110
Ending cash & cash equivalent	3,561	8,148	8,110	8,434

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	39.1	40.8	43.5	40.5
Pre-tax margin	39.9	33.4	37.8	33.4
Net margin	33.6	31.2	32.4	29.0
Growth				
Turnover	60.4	64.4	76.8	108.3
EBITDA	81.7	94.7	122.9	144.6
Pre-tax profit	48.9	27.8	55.3	62.0
Net profit	57.2	49.2	66.9	75.9
Net profit (adj.)	17.8	(5.1)	11.9	5.4
EPS	50.7	43.0	59.9	68.6
Leverage				
Debt to total capital	90.4	81.8	76.1	78.2
Debt to equity	99.5	90.6	84.7	87.4
Net debt/(cash) to equity	89.8	69.7	64.9	67.8
Interest cover	9.2	24.6	20.6	20.5