

# WHA CORPORATION

  
 THAILAND / REAL ESTATE

# WHA TB

# BUY

UNCHANGED

TARGET PRICE	THB4.40
CLOSE	THB3.42
UP/DOWNSIDE	+28.7%
PRIOR TP	THB4.40
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+8.8%

## The return of IE land

- Land sales could exceed pre-Covid level in 2022, the logistics unit should continue to deliver solid performance.
- Expect 4Q21 earnings at THB2.2b, driven by a gain on asset monetisation of THB1.7b.
- Maintain BUY rating with SoTP-based TP of THB4.4.

### Positive outlook in 2022

Management's 2022 outlook reaffirms our view that WHA should have a crystal-clear recovery this year. The industrial estate (IE) business should see solid growth in both presales and transfers. Presales jumped to c230 rai in 4Q21 (vs 285 rai of IE land and 340 rai of non-IE land in 9M21) after Thailand's reopening since Nov-21. Meanwhile, WHA expects the logistics business to deliver outstanding performance in 2022. Overall, we expect WHA to post solid earnings growth of 20.7%/13.2% in 2022/23.

### Targeting land sales of 1,250 rai, above pre-Covid level

We believe 2022 will be a good year for the IE business, driven by pent-up demand after the travel restriction easing. WHA is targeting IE presales of 1,250 rai (950 rai from Thailand and 300 rai from Vietnam), growing 46% y-y from 855 rai in 2021 and above our estimate of 900 rai. Note that our forecast does not include 100 rai of non-IE presales. We see an upside risk from IE presales in Thailand which could exceed 1,000 rai, as WHA potentially has 1,500 rai which is currently under negotiation. For IE presales in Vietnam, we expect 300 rai in presales which should mainly be recognised in late 2022 due to the land supply limit. WHA has 300 rai of land available for sale in Nghe An phase 1, while phase 2 with 1,300-1,400 rai should be ready to sell by late 2022.

### Logistics unit should continue to deliver impressive performance

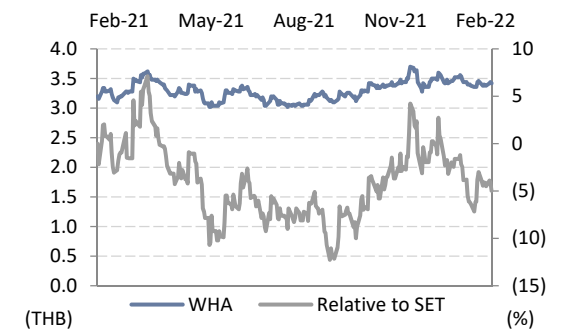
WHA's logistics business should continue to deliver solid performance in 2022. WHA signed long/short-term tenants for 166k sqm/177k sqm respectively (vs 2021 target of 175k/50k sqm). WHA aims to sign 185k/100k sqm to long/short-term tenants in 2022, in line with our estimate. For asset monetisation, WHA plans to divest a total area of 180k sqm to its REITs, comparable to 2021 at 184k sqm but with a lower GPM at 25-30% vs (c40% GPM in 2021).

### Near-term catalyst from the potentially highest quarterly earnings

We maintain BUY with our SoTP-based TP of THB4.4. WHA's current share price is attractive, trading at 15.3x 2022E P/E, a discount to its 5-year average of 18.2x, despite IE land sales entering a new upcycle. We see a near-term catalyst from the solid demand for IE land sales and WHA's 4Q21 earnings, which we expect to be the highest in 2021.

### KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	6,914	10,377	10,207	11,446
Net profit	2,524	2,763	3,335	3,776
EPS (THB)	0.17	0.18	0.22	0.25
vs Consensus (%)	-	(5.3)	(5.6)	(13.5)
EBITDA	3,645	4,093	4,901	5,535
Core net profit	2,524	2,763	3,335	3,776
Core EPS (THB)	0.17	0.18	0.22	0.25
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	(21.8)	9.5	20.7	13.2
Core P/E (x)	20.3	18.5	15.3	13.5
Dividend yield (%)	4.0	3.2	3.9	4.4
EV/EBITDA (x)	25.2	22.9	19.3	17.3
Price/book (x)	1.8	1.9	1.7	1.6
Net debt/Equity (%)	116.5	123.7	113.6	105.4
ROE (%)	8.7	9.8	11.7	12.3



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(2.8)	(0.6)	10.3
Relative to country (%)	(3.4)	(3.9)	(2.0)
Mkt cap (USD m)	1,540		
3m avg. daily turnover (USD m)	9.8		
Free float (%)	62		
Major shareholder	Ms Jareeporn Jarukornsakul (22%)		
12m high/low (THB)	3.78/2.98		
Issued shares (m)	14,946.83		

Sources: Bloomberg consensus; FSSIA estimates


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## Investment thesis

WHA is a leading industrial estate (IE) and logistics player in Thailand, with a diversified portfolio in the utilities business which generates a stable revenue stream and could provide a cushion against the downside risk during the economic downturn. We believe WHA will be one of the stocks to capture the benefits from the economic reopening scheme, riding the new post-Covid CAPEX cycle in Thailand. Moreover, the stock should be a good candidate to ride the CAPEX cycle in Vietnam – the country with one of the highest economic growth rates in Asia.

We expect WHA's earnings could surpass their pre-Covid peak of THB3.3b by 2022, driven by triple engines: 1) the economic reopening and new CAPEX cycle to boost IE domestic land sales; 2) riding the highly attractive foreign direct investment in Vietnam; and 3) recurring income streams from its power and utilities businesses, as well as asset monetisation.

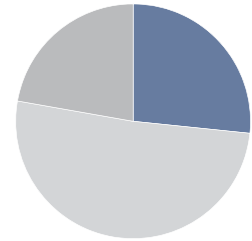
## Company profile

WHA is a leading industrial estate and logistics player in Thailand. Its diversified portfolio in the utilities business generates a stable revenue stream that can provide a cushion from the economic cycle downturn.

[www.wha.co.th](http://www.wha.co.th)

## Principal activities (revenue, 2020)

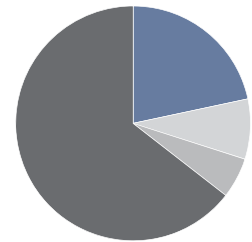
- Rental - 26.6 %
- Land sales - 51.1 %
- Utilities - 22.2 %



Source: WHA Corporation

## Major shareholders

- Ms Jareeporn Jarukornsakul - 21.6 %
- Ms Chatchamol Anantaprayoon - 8.3 %
- Thai NVDR - 5.6 %
- Others - 64.5 %



Source: WHA Corporation

## Catalysts

Key potential drivers for WHA are:

- 1) Positive developments from Eastern Economic Corridor projects;
- 2) Trade disputes between China and the US causing a capital investment relocation to ASEAN;
- 3) Government stimulus packages to boost private investment.

## Risks to our call

Downside risks to our SoTP-derived TP include 1) lower-than-expected IE land sales and transfers in Thailand and Vietnam; and 2) a lower-than-expected utilisation rate from the utilities business in Vietnam.

## Event calendar

Date	Event
February 2022	4Q21 results announcement

## Key assumptions

	2021E	2022E	2023E
<b>Revenue (THB b)</b>	<b>10.4</b>	<b>10.2</b>	<b>11.4</b>
IE land sales (Thailand) (rai)	386	640	760
IE land sales (Vietnam) (rai)	112	280	340
Asset monetisation (THB b)	5.4	3.8	4.2
Rental revenue (THB b)	1.9	2.0	2.2
<b>Gross margin (%)</b>	<b>48.1</b>	<b>56.2</b>	<b>56.1</b>
<b>Equity income (THB b)</b>	<b>1.2</b>	<b>1.2</b>	<b>1.3</b>
<b>Net profit (THB m)</b>	<b>2,763</b>	<b>3,335</b>	<b>3,776</b>

Source: FSSIA estimates

## Earnings sensitivity

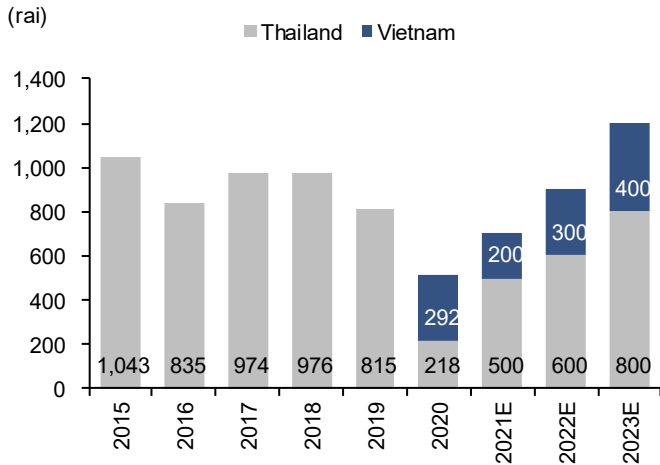
- For every 100-rai increase in IE land transfers in Thailand, we estimate 2022 net profit to rise 3.1%, and vice versa, all else being equal.
- For every 100-rai increase in IE land sales in Vietnam, we estimate 2022 net profit to rise 1.4%, and vice versa, all else being equal.

Source: FSSIA estimates

## The return of IE land sales

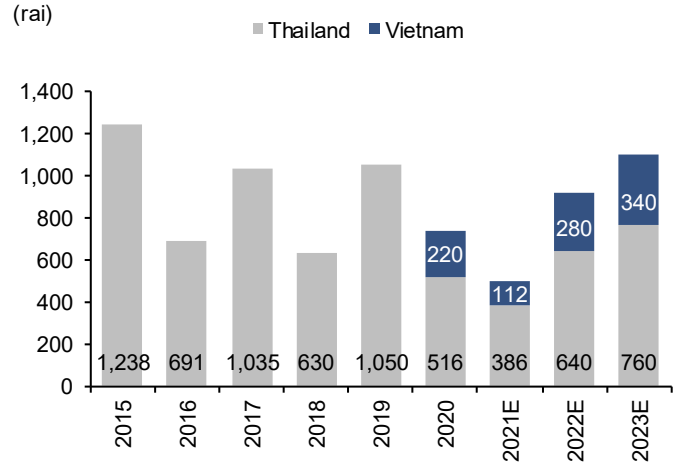
We believe 2022 will be a good year for the IE business, driven by pent-up demand after the travel restriction easing. WHA is targeting IE presales of 1,250 rai (950 rai from Thailand and 300 rai from Vietnam), growing 46% y-y from 855 rai in 2021 and above our estimate of 900 rai. Note that our forecast does not include 100 rai of non-IE presales. We see an upside risk from IE presales in Thailand which could exceed 1,000 rai, as WHA potentially has 1,500 rai which is currently under negotiation. WHA plans to continuously develop c1,000-2,000 rai of new IE land in Thailand each year over the next five years. Hence, the land available for sale would be at 4,000-5,000 rai, which should be sufficient for a new wave of foreign demand. For land transfers, WHA had a total backlog of c500 rai as of 4Q21, which should be recognised in 2022.

**Exhibit 1: IE land sales - yearly**



Sources: WHA; FSSIA estimates

**Exhibit 2: IE land transfers - yearly**



Sources: WHA; FSSIA estimates

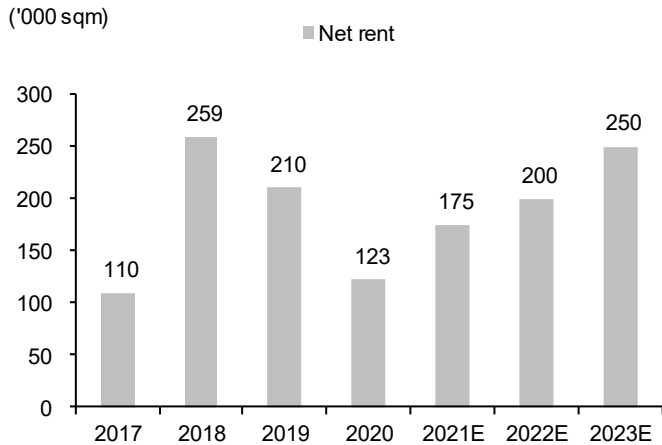
For IE presales in Vietnam, we expect 300 rai in presales which should mainly be recognised in late 2022 due to the land supply limit. WHA has 300 rai of land available for sale in Nghe An phase 1, while phase 2 with 1,300-1,400 rai should be ready to sell by late 2022. For Thanh Hoa province, WHA is developing two IEs comprising a total area of 6,000 rai, and expects it to be ready to sell by 2024.

For property tax in 2022, expenses related to property tax (100% applied) would be THB100m vs THB10m in 2021 (90% discount), implying a 3% downside risk to our 2022E net profit of THB3.3b.

## Logistics unit should continue to deliver impressive performance

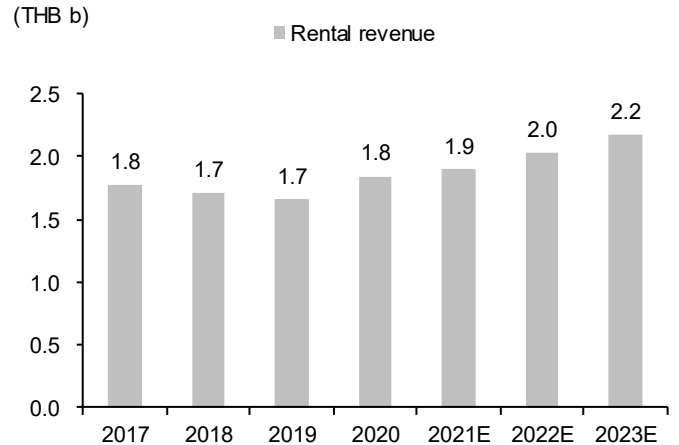
WHA’s logistics business should continue deliver solid performance in 2022. WHA signed long/short-term tenants for 166k sqm/177k sqm respectively (vs 2021 target of 175k/50k sqm). WHA aims to sign 185k/100k sqm to long/short-term tenants in 2022, in line with our estimate. For asset monetisation, WHA plans to divest a total area of 180k sqm to its REITs, comparable to 2021 at 184k sqm but with a lower GPM at 25-30% vs (c40% GPM in 2021).

**Exhibit 3: Net rent from its logistics business**



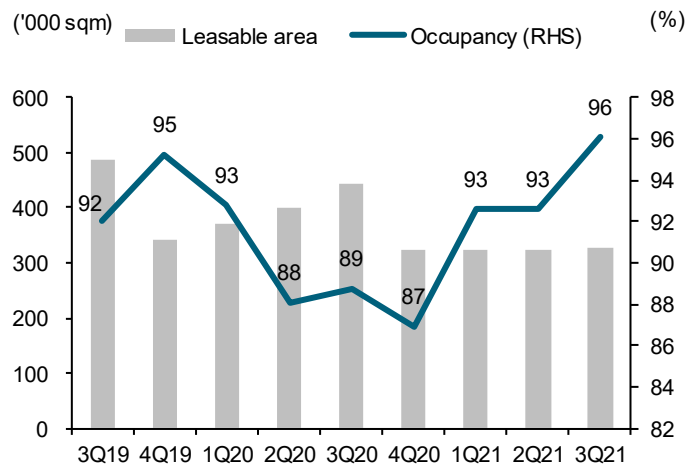
Sources: WHA; FSSIA estimates

**Exhibit 4: Rental revenue**



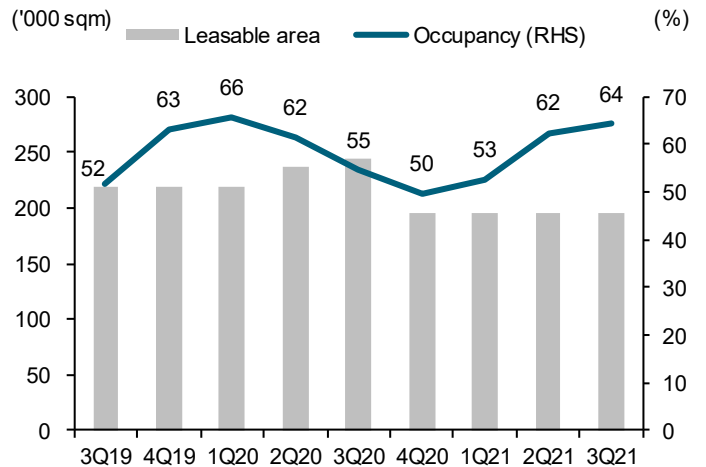
Sources: WHA; FSSIA estimates

**Exhibit 5: Logistics warehouse area and occupancy rate**



Sources: WHA; FSSIA estimates

**Exhibit 6: Industrial warehouse area and occupancy rate**



Sources: WHA; FSSIA estimates

## 4Q21 earnings could be the highest quarterly net profit in 2021

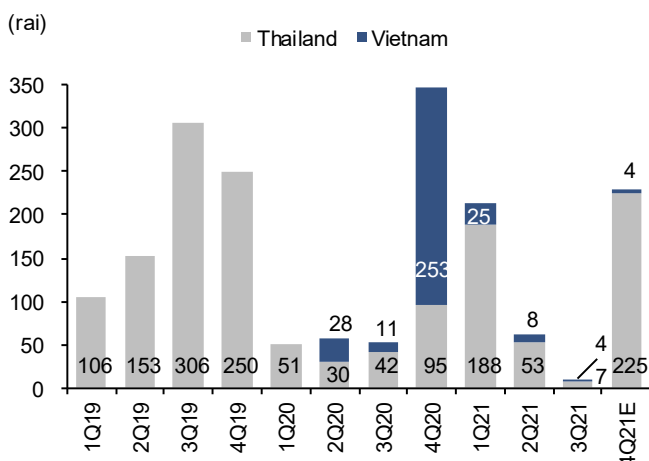
We expect WHA's 4Q21 earnings to be the highest quarterly net profit in 2021 at THB2.2b. IE land transfers should be at 80 rai, while non-IE land transfers should be at 340 rai. Rental revenue should continue to grow q-q, supported by an increase in net leasable area by 53k sqm for long-term contracts and c120k sqm for short-term contracts. The occupancy rate of its logistics properties could be flat q-q at 96% in 4Q21. Equity income from its power business will likely recover to THB250m following the resumption of normal operations at Gheco One after the 30-day unplanned maintenance shutdown in 3Q21. WHA will book an asset monetisation gain of THB1.7b from THB5.5b (180k sqm, 40% GPM) to its real estate investment trust (REIT).

### Exhibit 7: 4Q21E earnings preview

Year-end 31 Dec	4Q20	1Q21	2Q21	3Q21	4Q21E	Change		2021E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)
Sales & Service revenue	3,644	1,045	1,495	1,109	1,896	71	(48)	10,377
Cost of Sales & Service	2,120	564	822	575	892	55	(58)	6,504
<b>Gross profit</b>	<b>1,523</b>	<b>481</b>	<b>674</b>	<b>534</b>	<b>1,004</b>	<b>88</b>	<b>(34)</b>	<b>3,873</b>
SG&A	423	318	363	318	370	16	(13)	1,447
EBITDA	1,257	311	468	374	634	70	(50)	3,002
Interest expense	289	281	298	289	293	1	1	1,066
Other income	149	411	228	337	2,140	535	1341	1,091
<b>Pre-tax profit (loss)</b>	<b>960</b>	<b>292</b>	<b>241</b>	<b>265</b>	<b>2,481</b>	<b>838</b>	<b>158</b>	<b>2,452</b>
Income tax	163	53	40	29	445	1,420	172	319
Equity income	762	(50)	150	0	250	nm	(67)	1,163
Minorities interest	105	55	91	75	80	7	(24)	533
<b>Net profit (loss)</b>	<b>1,454</b>	<b>135</b>	<b>260</b>	<b>160</b>	<b>2,206</b>	<b>1,276</b>	<b>52</b>	<b>2,763</b>
<b>Key Ratios</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(q-q ppt)</b>	<b>(y-y ppt)</b>	<b>(%)</b>
Gross margin	41.8	46.0	45.1	48.2	53.0	4.8	11.2	37.3
SG&A to sales	11.6	30.5	24.3	28.7	19.5	(9.1)	7.9	13.9
EBITDA margin	34.5	29.8	31.3	33.7	33.4	(0.3)	(1.0)	28.9
Net margin	39.9	12.9	17.4	14.5	116.4	101.9	76.5	26.6
<b>Operating statistics</b>								
<b>Land sales (rai)</b>	<b>348</b>	<b>213</b>	<b>61</b>	<b>11</b>	<b>229</b>			
Thailand	95	188	53	7	225			
Vietnam	253	25	8	4	4			
<b>Land transfer (rai)</b>	<b>300</b>	<b>8</b>	<b>180</b>	<b>50</b>	<b>420</b>			
Thailand	85	8	100	30	420			
Vietnam	215	0	80	20	0			

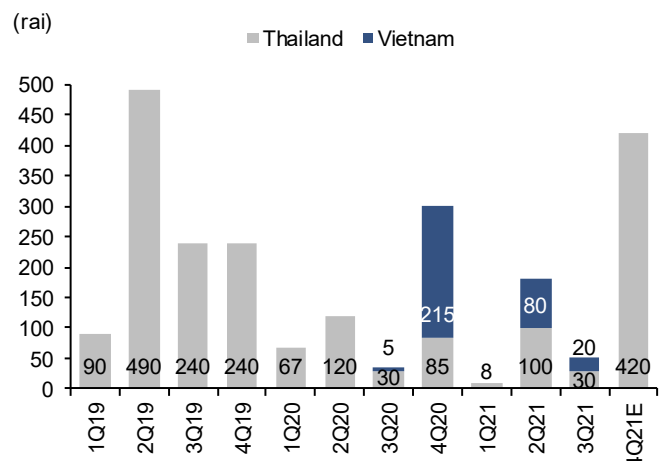
Sources: WHA; FSSIA estimates

### Exhibit 8: IE land sales - quarterly



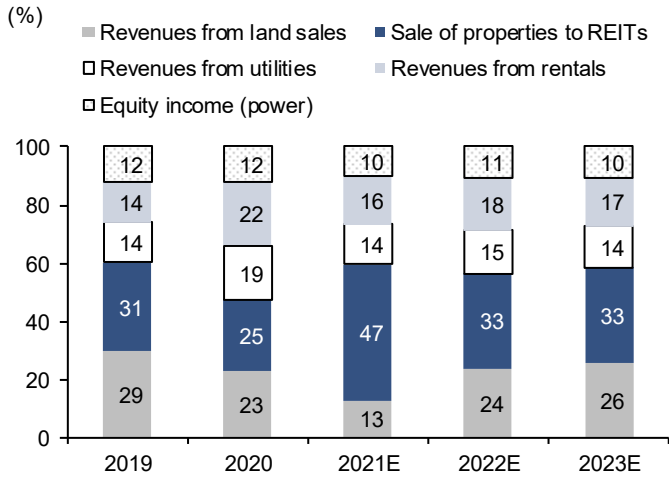
Sources: WHA; FSSIA estimates

### Exhibit 9: IE land transfers - quarterly



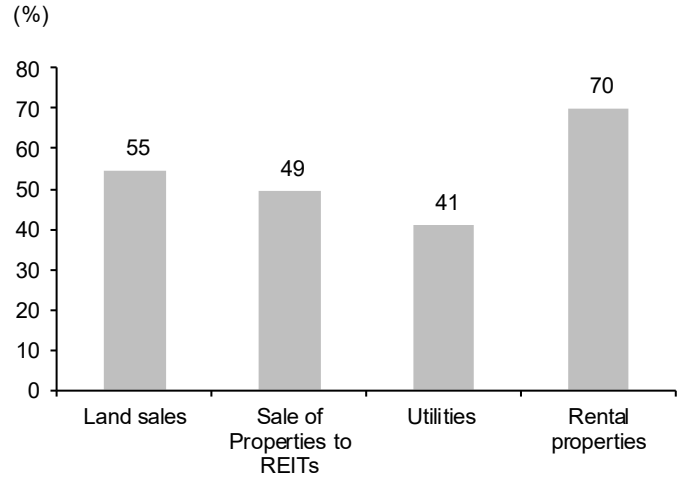
Sources: WHA; FSSIA estimates

**Exhibit 10: WHA's revenue structure**



Note: We include equity income from the power business into the revenue structure  
Sources: WHA; FSSIA estimates

**Exhibit 11: GPM of each business**



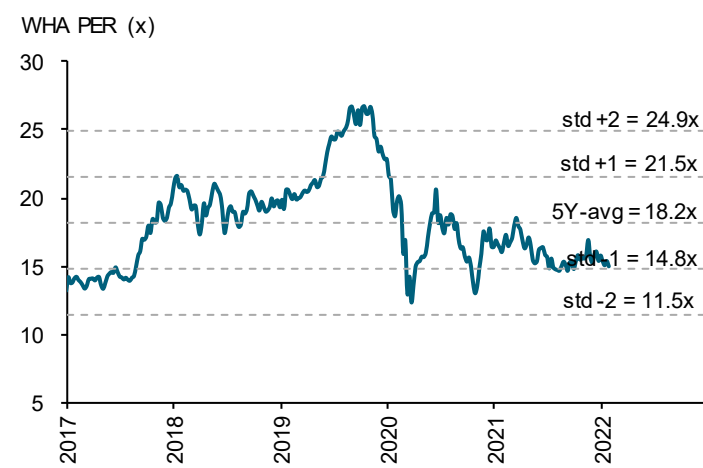
Sources: WHA; FSSIA estimates

**Exhibit 12: Peer valuation comparison**

	AMATA	WHA
Current price (THB)	21.8	3.42
TP (THB)	27.5	4.4
Upside (%)	26	29
No. of shares (m shares)	1,150	14,947
2021E NP (THB m)	1,054	2,763
2022E NP (THB m)	1,520	3,335
2023E NP (THB m)	1,792	3,776
2021E EPS (THB/share)	0.92	0.18
2022E EPS (THB/share)	1.32	0.22
2023E EPS (THB/share)	1.56	0.25
2021E P/E (x)	23.8	18.5
2022E P/E (x)	16.5	15.3
2023E P/E (x)	14.0	13.5
5-Year Average (x)	16.2	17.8
2022E EPS growth (%)	44.2	20.7
2023E EPS growth (%)	17.9	13.2

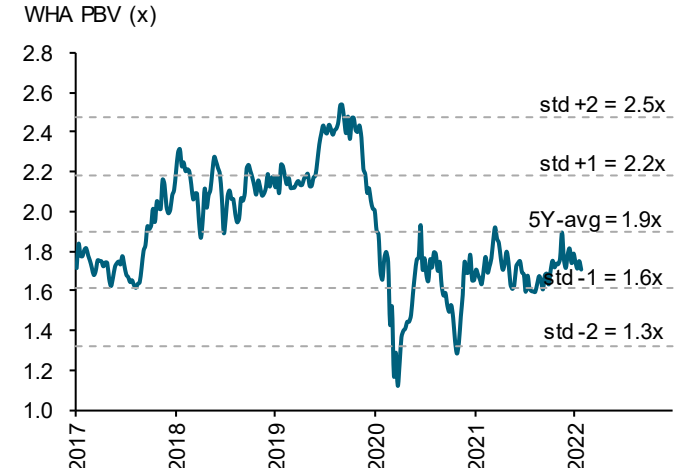
Sources: FSSIA estimates

**Exhibit 13: Rolling one-year forward P/E band**



Sources: Bloomberg; FSSIA estimates

**Exhibit 14: Rolling one-year forward P/BV band**



Sources: Bloomberg; FSSIA estimates

## Financial Statements

WHA Corporation

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	10,463	6,914	10,377	10,207	11,446
Cost of goods sold	(5,941)	(3,249)	(5,928)	(5,021)	(5,629)
<b>Gross profit</b>	<b>4,522</b>	<b>3,665</b>	<b>4,449</b>	<b>5,186</b>	<b>5,817</b>
Other operating income	977	1,284	1,091	1,146	1,203
Operating costs	(1,731)	(1,304)	(1,447)	(1,431)	(1,485)
<b>Operating EBITDA</b>	<b>3,768</b>	<b>3,645</b>	<b>4,093</b>	<b>4,901</b>	<b>5,535</b>
Depreciation	(460)	(592)	(576)	(606)	(630)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>3,308</b>	<b>3,053</b>	<b>3,518</b>	<b>4,295</b>	<b>4,905</b>
Net financing costs	(986)	(1,104)	(1,066)	(1,088)	(1,150)
Associates	1,946	1,209	1,163	1,242	1,326
Recurring non-operating income	1,946	1,209	1,163	1,242	1,326
Non-recurring items	0	0	0	0	0
<b>Profit before tax</b>	<b>4,268</b>	<b>3,158</b>	<b>3,615</b>	<b>4,450</b>	<b>5,081</b>
Tax	(305)	(293)	(319)	(417)	(488)
<b>Profit after tax</b>	<b>3,963</b>	<b>2,865</b>	<b>3,296</b>	<b>4,033</b>	<b>4,593</b>
Minority interests	(733)	(341)	(533)	(698)	(817)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
<b>Reported net profit</b>	<b>3,229</b>	<b>2,524</b>	<b>2,763</b>	<b>3,335</b>	<b>3,776</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>3,229</b>	<b>2,524</b>	<b>2,763</b>	<b>3,335</b>	<b>3,776</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.22	0.17	0.18	0.22	0.25
Reported EPS	0.22	0.17	0.18	0.22	0.25
DPS	0.13	0.14	0.11	0.13	0.15
Diluted shares (used to calculate per share data)	14,947	14,947	14,947	14,947	14,947
<b>Growth</b>					
Revenue (%)	24.4	(33.9)	50.1	(1.6)	12.1
Operating EBITDA (%)	12.9	(3.3)	12.3	19.7	12.9
Operating EBIT (%)	16.5	(7.7)	15.2	22.1	14.2
Recurring EPS (%)	6.5	(21.8)	9.5	20.7	13.2
Reported EPS (%)	6.5	(21.8)	9.5	20.7	13.2
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	38.8	44.4	37.3	44.9	45.3
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	36.0	52.7	39.4	48.0	48.4
Operating EBIT margin (%)	31.6	44.1	33.9	42.1	42.9
Net margin (%)	30.9	36.5	26.6	32.7	33.0
Effective tax rate (%)	3.7	4.6	4.5	4.5	4.5
Dividend payout on recurring profit (%)	61.5	81.1	60.0	60.0	60.0
Interest cover (X)	5.3	3.9	4.4	5.1	5.4
Inventory days	803.4	1,427.6	811.6	996.6	889.6
Debtor days	23.2	36.5	16.6	19.5	21.4
Creditor days	188.6	333.6	162.6	203.6	187.7
Operating ROIC (%)	18.3	15.8	17.5	21.3	24.6
ROIC (%)	6.2	4.8	5.4	6.2	6.7
ROE (%)	11.4	8.7	9.8	11.7	12.3
ROA (%)	6.0	4.6	5.2	6.0	6.4
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Rental	1,658	1,842	1,897	2,030	2,172
Land sales	7,156	3,535	6,881	6,482	7,477
Utilities	1,648	1,537	1,599	1,695	1,796

Sources: WHA Corporation; FSSIA estimates

## Financial Statements

### WHA Corporation

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	3,229	2,524	2,763	3,335	3,776
Depreciation	460	592	576	606	630
Associates & minorities	-	-	-	-	-
Other non-cash items	(1,137)	(869)	533	698	817
Change in working capital	(505)	379	1,489	91	(292)
<b>Cash flow from operations</b>	<b>2,047</b>	<b>2,626</b>	<b>5,361</b>	<b>4,730</b>	<b>4,931</b>
Capex - maintenance	-	-	-	-	-
Capex - new investment	(3,367)	(1,802)	(2,332)	(3,148)	(3,463)
Net acquisitions & disposals	(1,035)	273	(177)	(201)	(446)
Other investments (net)	-	-	-	-	-
<b>Cash flow from investing</b>	<b>(4,401)</b>	<b>(1,528)</b>	<b>(2,509)</b>	<b>(3,350)</b>	<b>(3,909)</b>
Dividends paid	(2,868)	(1,733)	(1,216)	(1,334)	(1,510)
Equity finance	1,898	1	(2,875)	0	0
Debt finance	2,965	2,042	(608)	1,305	1,198
Other financing cash flows	0	(293)	(124)	61	62
<b>Cash flow from financing</b>	<b>1,995</b>	<b>17</b>	<b>(4,823)</b>	<b>32</b>	<b>(251)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>(132)</b>	<b>(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>(491)</b>	<b>1,114</b>	<b>(1,971)</b>	<b>1,412</b>	<b>771</b>
Free cash flow to firm (FCFF)	(1,367.89)	2,209.90	3,918.24	2,467.32	2,171.93
Free cash flow to equity (FCFE)	478.39	2,846.18	2,120.01	2,745.97	<b>2,280.93</b>

#### Per share (THB)

FCFF per share	(0.09)	0.15	0.26	0.17	0.15
FCFE per share	0.03	0.19	0.14	0.18	0.15
Recurring cash flow per share	0.17	0.15	0.26	0.31	0.35

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Tangible fixed assets (gross)	8,096	9,673	9,723	9,773	10,073
Less: Accumulated depreciation	(2,737)	(3,111)	(3,561)	(4,015)	(4,499)
<b>Tangible fixed assets (net)</b>	<b>5,359</b>	<b>6,561</b>	<b>6,162</b>	<b>5,758</b>	<b>5,574</b>
<b>Intangible fixed assets (net)</b>	<b>17,575</b>	<b>17,575</b>	<b>17,575</b>	<b>17,575</b>	<b>17,575</b>
Long-term financial assets	10,323	11,970	9,402	9,382	9,423
Invest. in associates & subsidiaries	531	40	44	48	52
Cash & equivalents	2,681	3,794	1,824	3,236	4,006
A/C receivable	921	461	482	609	731
Inventories	12,789	12,626	13,738	13,681	13,756
Other current assets	441	441	521	573	630
<b>Current assets</b>	<b>16,831</b>	<b>17,323</b>	<b>16,564</b>	<b>18,098</b>	<b>19,123</b>
Other assets	31,646	29,153	31,485	34,633	38,097
<b>Total assets</b>	<b>82,264</b>	<b>82,621</b>	<b>81,231</b>	<b>85,494</b>	<b>89,843</b>
Common equity	29,478	28,805	27,477	29,478	31,744
Minorities etc.	3,623	3,362	3,895	4,593	5,410
<b>Total shareholders' equity</b>	<b>33,101</b>	<b>32,167</b>	<b>31,372</b>	<b>34,071</b>	<b>37,153</b>
Long term debt	25,154	29,533	30,123	31,178	31,988
Other long-term liabilities	6,172	6,214	6,090	6,151	6,212
<b>Long-term liabilities</b>	<b>31,326</b>	<b>35,747</b>	<b>36,213</b>	<b>37,328</b>	<b>38,200</b>
A/C payable	3,362	2,577	2,705	2,895	2,895
Short term debt	14,070	11,721	10,522	10,773	11,161
Other current liabilities	405	410	418	426	435
<b>Current liabilities</b>	<b>17,837</b>	<b>14,707</b>	<b>13,645</b>	<b>14,094</b>	<b>14,490</b>
<b>Total liabilities and shareholders' equity</b>	<b>82,264</b>	<b>82,621</b>	<b>81,231</b>	<b>85,494</b>	<b>89,843</b>
Net working capital	10,383	10,542	11,617	11,541	11,788
Invested capital	75,816	75,840	76,284	78,937	82,508

\* Includes convertibles and preferred stock which is being treated as debt

#### Per share (THB)

Book value per share	1.97	1.93	1.84	1.97	2.12
Tangible book value per share	0.80	0.75	0.66	0.80	0.95

#### Financial strength

Net debt/equity (%)	110.4	116.5	123.7	113.6	105.4
Net debt/total assets (%)	44.4	45.3	47.8	45.3	43.6
Current ratio (x)	0.9	1.2	1.2	1.3	1.3
CF interest cover (x)	4.9	5.2	5.2	6.4	6.0

Valuation	2019	2020	2021E	2022E	2023E
<b>Recurring P/E (x) *</b>	<b>15.8</b>	<b>20.3</b>	<b>18.5</b>	<b>15.3</b>	<b>13.5</b>
<b>Recurring P/E @ target price (x) *</b>	<b>20.4</b>	<b>26.1</b>	<b>23.8</b>	<b>19.7</b>	<b>17.4</b>
Reported P/E (x)	15.8	20.3	18.5	15.3	13.5
Dividend yield (%)	3.9	4.0	3.2	3.9	4.4
Price/book (x)	1.7	1.8	1.9	1.7	1.6
Price/tangible book (x)	4.3	4.6	5.2	4.3	3.6
EV/EBITDA (x) **	24.2	25.2	22.9	19.3	17.3
EV/EBITDA @ target price (x) **	28.1	29.2	26.5	22.3	19.9
EV/invested capital (x)	1.2	1.2	1.2	1.2	1.2

\* Pre-exceptional, pre-goodwill and fully diluted \*\* EBITDA includes associate income and recurring non-operating income

Sources: WHA Corporation; FSSIA estimates



## Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PCSGH	PDJ	PG	PHOL	PLANB	PLANET
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEAOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TRC	TSC	TSR	TSTE	TSTH
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSIB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIJK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TIPIP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

## Description

## Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

## Disclaimer:

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

\* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; \*\* delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

## Anti-corruption Progress Indicator 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANAH	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOIL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	TTB	TMD	TMILL	TMT
TNITY	TNL	TNP	TNR	TOG	TOP	TPA	TPCORP	TPP	TRU	TSC
TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS	UEC	UKEM
UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIJK	XO
ZEN	TRUE									

DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

**Disclaimer:**

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Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; \* FSSIA's compilation

**GENERAL DISCLAIMER**

**ANALYST(S) CERTIFICATION**

Karun Intrachai FSS International Investment Advisory Securities Co., Ltd

The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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**History of change in investment rating and/or target price**

**WHA Corporation (WHA TB)**



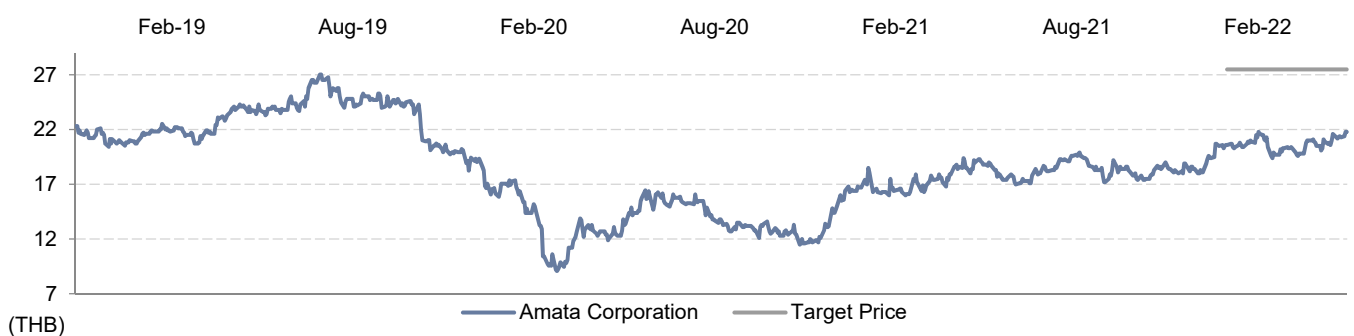
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
29-Jun-2021	BUY	4.40	-	-	-	-	-	-

Karun Intrachai started covering this stock from 29-Jun-2021

Price and TP are in local currency

Source: FSSIA estimates

**Amata Corporation (AMATA TB)**



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
21-Oct-2021	BUY	27.50	-	-	-	-	-	-

Karun Intrachai started covering this stock from 21-Oct-2021

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
WHA Corporation	WHA TB	THB 3.42	BUY	Downside risks to our SoTP-derived TP include 1) lower-than-expected IE land sales and transfers in Thailand and Vietnam; and 2) a lower-than-expected utilization rate from the utilities business in Vietnam.
Amata Corp	AMATA TB	THB 21.80	BUY	Downside risks to our SoTP-derived TP include 1) lower-than-expected IE land sales and transfers in Thailand and Vietnam; and 2) a lower-than-expected utilization rate from the utilities business in Vietnam.

Source: FSSIA estimates

**Additional Disclosures**

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 02-Feb-2022 unless otherwise stated.

**RECOMMENDATION STRUCTURE****Stock ratings**

Stock ratings are based on absolute upside or downside, which we define as  $(\text{target price}^* - \text{current price}) / \text{current price}$ .

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

\* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

**Industry Recommendations**

**Overweight.** The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

**Neutral.** The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

**Underweight.** The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

**Country (Strategy) Recommendations**

**Overweight (O).** Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Neutral (N).** Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Underweight (U).** Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.