

## WHA UTILITIES AND POWER

THAILAND / UTILITIES

## WHAUP TB

BUY

FROM HOLD

## Expect 4Q24 net profit recovery q-q

- Expect 4Q24 net profit to rise 301% q-q, supported by an FX gain vs the FX loss in 3Q24, a higher SPP margin and a declining loss from GHECO-One.
- Cut our 2024-26E net profit by 16-25% to reflect lower tariff assumptions on regulatory concerns.
- Despite the share price reaching its 52-week low today with a 30% upside gain on our new TP of THB4.50, we upgrade to BUY for the long term as there is a high potential upside from the promising AI data center investment in WHA's industrial estate.

TARGET PRICE	THB4.50
CLOSE	THB3.46
UP/DOWNSIDE	+30.1%
PRIOR TP	THB5.30
CHANGE IN TP	-15.1%
TP vs CONSENSUS	-21.6%

## KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	2,782	2,901	3,084	3,203
Net profit	1,631	1,224	1,341	1,395
EPS (THB)	0.43	0.32	0.35	0.36
vs Consensus (%)	-	(3.0)	(17.3)	(18.7)
EBITDA	975	1,306	1,535	1,577
Recurring net profit	1,443	1,103	1,341	1,395
Core EPS (THB)	0.38	0.29	0.35	0.36
Chg. In EPS est. (%)	nm	nm	nm	nm
EPS growth (%)	217.6	(23.6)	21.6	4.0
Core P/E (x)	9.2	12.0	9.9	9.5
Dividend yield (%)	7.2	7.2	7.2	8.7
EV/EBITDA (x)	27.3	21.4	19.1	19.4
Price/book (x)	1.0	1.0	0.9	0.9
Net debt/Equity (%)	98.5	106.1	112.4	117.2
ROE (%)	11.0	8.0	9.5	9.6

## Lower tariff challenges vs utilities investment for DC opportunities

The Thai government continues to explore various strategies to reduce electricity costs, aiming to provide immediate relief for consumers without increasing subsidies. However, achieving this balance may be challenging, particularly when considering adjustments to existing PPAs with IPPs, SPPs, and VSPPs, which could result in only minimal cost reductions. In contrast, the rapid growth of AI data center investments, with the BOI approving THB140b in projects last year and THB170b so far this year, presents a significant investment opportunity in the power and utilities sector, enabling WHA Group to expand its power and water supply business to support its growing data center customer base.

## Expect 4Q24 net profit to jump 301% q-q

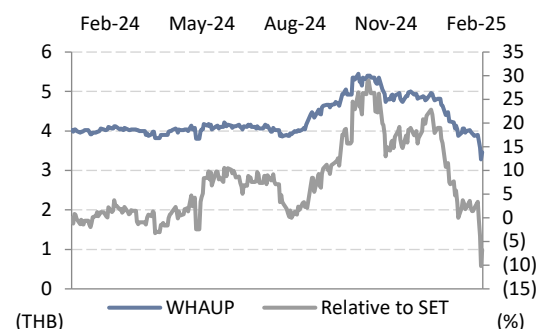
We expect WHAUP's 4Q24 core profit to decline to THB209m (-24% q-q, -55% y-y) due to lower utility revenue from some IUs' petrochemical customers undergoing maintenance shutdowns in WHA's industrial estates and a reduction in excessive charges. However, WHAUP is likely to recognize higher profit sharing from the Dong Nai River project in Vietnam, driven by water volume growth from its service area expansion. Meanwhile, utility profits from associates should decline due to GHECO-One, which continues to struggle with high coal costs, while SPPs should see higher margins from slightly lower gas costs, though tariffs remain unchanged. Additionally, we project an FX gain from net USD assets extended to associates, benefiting from the Thai baht weakening, leading to an estimated 4Q24 net profit of THB324m (+301% q-q, -15% y-y).

## Cut our 2024-26 net profit forecasts on tariff reduction risk

We have revised down our 2024-26 net profit forecasts by 16-25%, now expecting -24% y-y in 2024, +21.6% y-y in 2025, and +4% y-y in 2026 due to lower profit sharing from SPP associates, following an extended period of low margins as we adjust our tariff assumptions to reflect regulatory risks. These downward revisions outweigh the potential upside from higher utility sales to IU customers and the improvement in IPP earnings, driven by the positive impact of lower coal costs on IPPs.

## Upgrade to BUY rating with our new TP of THB4.50

Given our lower 2024-26 earnings forecast, we revise our SoTP-based TP to THB4.50. However, WHAUP has declined by approximately 30% over the past two months, presenting a notable upside potential relative to our new TP. As a result, we upgrade our rating to BUY, capitalizing on its strong growth prospects, supported by continued expansion in WHA Group's industrial estate unit and rising data center investments in Thailand, which have yet to be incorporated into our estimates.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(22.4)	(33.5)	(13.5)
Relative to country (%)	(15.8)	(23.7)	(5.5)
Mkt cap (USD m)	393		
3m avg. daily turnover (USD m)	0.8		
Free float (%)	28		
Major shareholder	WHA Industrial Development Plc (69%)		
12m high/low (THB)	5.50/3.16		
Issued shares (m)	3,825.00		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

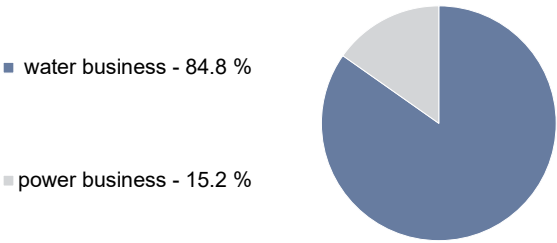
WHAUP is Thailand's largest utility company, offering comprehensive services to businesses in industrial estates. Also, it has the right to provide utility services to companies in WHA's industrial parks. WHAUP has continued expansion plans to increase its capacity for industrial water, electricity, and water treatment, corresponding with business operator growth in WHA's industrial estates in Thailand and Vietnam. It has an industrial water capacity of 84m CBM in 1H24 and an electricity-generating capacity of 932MW as of end-2Q24, based on its equity comprising 682MW from operating plants and 250MW under construction. By type, 57% was conventional energy, and 43% was renewable. WHAUP aims to sign 1,000MW more PPAs by the end of 2024 and targets 2024 water volume sales of 178m CBM, up 15% y-y due to an expansion of WHA's industrial estates and customer base.

Company profile

WHAUP is under the WHA group. Established in 2008, it provides comprehensive utility services to WHA's customers in industrial parks, with continued expansion plans to increase its capacity for industrial water and provide water treatment services to operators in and out of industrial estates.

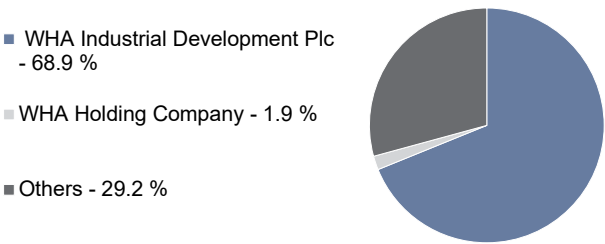
[www.wha-up.com](http://www.wha-up.com)

Principal activities (revenue, 2023)



Source: WHA Utilities and Power

Major shareholders



Source: WHA Utilities and Power

Catalysts

- The expansion outlook of WHA's industrial estates from expanding new customer base, rising water and electricity demand from factories in industrial estates, signing contracts to sell water to new customers, and higher water charges.
- Insufficient water and electricity supply in Vietnam, providing future growth opportunities for WHA's industrial estates.
- The potential to participate in 3,660MW renewable auctions in line with the 2024 PDP due for a release in 2024.

Risks to our call

- Higher gas prices with lower electricity tariffs, pressured by government policies, resulting in significantly lower power margins
- Changes in state energy policies or regulatory risk.

Event calendar

Date	Event
21 Feb-2025	4Q24 earnings results announcement

Key assumptions

Key assumptions	2024E	2025E	2026E
Electricity tariff	4.18	3.75	3.56
Electricity capacity - Equity PPA (MW)	1,000	1,200	1,500
Water sales & managed volume (MM3)	178	185	200
Equity income	845	764	846

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in gas price, we estimate 2025 earnings would rise by 1.1%, and vice versa, all else being equal.
- For every 1% increase in interest rate, we estimate 2025 earnings would decline by 1.3%, and vice versa, all else being equal.

Source: FSSIA estimates

## Exhibit 1: WHAUP – 4Q24 earnings preview

Profit & Loss Statement	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24E	Change	
Year to Dec 31	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)
Revenue	633	780	690	678	721	722	769	764	(1)	13
Operating costs	(402)	(463)	(460)	(452)	(437)	(461)	(610)	(606)	(1)	34
SG&A	(57)	(58)	(62)	(101)	(61)	(63)	(117)	(83)	(29)	(18)
<b>EBIT</b>	<b>174</b>	<b>259</b>	<b>168</b>	<b>126</b>	<b>222</b>	<b>198</b>	<b>175</b>	<b>213</b>	<b>22</b>	<b>69</b>
Interest expense	(110)	(115)	(123)	(117)	(126)	(130)	(142)	(142)	0	21
Associates' contribution	229	183	361	607	159	212	244	140	(43)	(77)
Pre-tax profit	268	496	521	378	487	333	85	326	286	(14)
Tax	(11)	(15)	(9)	4	(17)	(1)	(4)	(2)	n/a	n/a
<b>Net profit</b>	<b>257</b>	<b>481</b>	<b>511</b>	<b>382</b>	<b>470</b>	<b>332</b>	<b>81</b>	<b>324</b>	<b>301</b>	<b>(15)</b>
Non-recurring items	(32)	159	32	(253)	232	53	(193)	115	n/a	n/a
Core profit	229	419	475	464	388	310	274	209	(24)	(55)
<b>Key ratios (%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>
EBITDA margin (%)	43.64	46.76	40.71	35.54	46.75	44.29	40.11	45.99	5.88	10.45
EBIT margin (%)	27.55	33.19	24.36	18.55	30.80	27.46	22.79	27.90	5.11	9.35
Net profit margin (%)	40.65	61.62	74.12	56.27	65.18	46.02	10.52	42.42	31.91	(13.85)

Sources: WHAUP; FSSIA estimates

## Exhibit 2: Key changes in assumptions and earnings revisions

	Current			Previous			Change (%)		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
Revenue	2,901	3,084	3,203	3,165	3,392	3,554	(8.3)	(18.0)	(18.4)
Net profit	1,224	1,341	1,395	1,454	1,742	1,856	(15.8)	(23.0)	(24.9)
<b>Key assumptions</b>									
Electricity tariff (kWh)	4.18	3.75	3.56	4.18	4.15	4.15	0.0	(9.6)	(14.2)
Equity income	845	764	846	807	862	921	4.6	(11.4)	(8.2)

Source: FSSIA estimate

## Valuation

We value WHAUP using the sum-of-the-parts (SOTP) method, based on our new tariff assumption and the DCF method, revised up the WACC to 7.2% from 6.5, with a risk-free rate of 3%, risk premium of 9%, and zero terminal growth rate. We derive a TP of THB4.50, with details as follows:

### Exhibit 3: Sum-of-the-parts target price

Cost of equity assumptions		(%)	Cost of debt assumptions		(%)
Risk free rate		3.0	Pre-tax cost of debt		5.0
Market risk premium		11.0	Marginal tax rate		20.0
Stock beta		1.1			
Cost of equity, Ke		12.9	Net cost of debt, Kd		3.8
Weight applied		30.0	Weight applied		70.0
<b>WACC (%)</b>		<b>7.2</b>			

DCF valuation estimate	MW	(%)	Equity Capacity	Type	(THB m)	(THB/share)	Comments
Gheco-1 (Aug,2012) - Coal	660	35%	231	IPP	3,159	0.8	WACC 7.2%, Risk free rate 3%, Risk premium 9%, Zero terminal growth
GLOW IPP (Jan,03)-Gas	713	5%	36	IPP	153	0.0	WACC 7.2%, Risk free rate 3%, Risk premium 9%, Zero terminal growth
Houay Ho (Sep,99)-Hydro	152	13%	19	IPP	389	0.1	WACC 7.2%, Risk free rate 3%, Risk premium 9%, Zero terminal growth
GJP NLL (May, 2013) - Gas	123	25%	31	SPP	1,145	0.3	WACC 7.2%, Risk free rate 3%, Risk premium 9%, Zero terminal growth
GULF SOLAR (2014) - solar	1	25%	0	VSPP	4	0.0	WACC 7.2%, Risk free rate 3%, Risk premium 9%, Zero terminal growth
WHA GUNKUL (2014) - solar	3	75%	2	VSPP	72	0.0	WACC 7.2%, Risk free rate 3%, Risk premium 9%, Zero terminal growth
BGRIM POWER ( Nov, 2016)	121	25%	30	Gas Co-gen	553	0.1	WACC 7.2%, Risk free rate 3%, Risk premium 9%, Zero terminal growth
GULF VTP (2017)	130	25%	33	Gas Co-gen	1,177	0.3	WACC 7.2%, Risk free rate 3%, Risk premium 9%, Zero terminal growth
GULF TS1 (2017)	130	25%	33	Gas Co-gen	2,687	0.7	WACC 7.2%, Risk free rate 3%, Risk premium 9%, Zero terminal growth
GULF TS2 (2017)	130	25%	33	Gas Co-gen	2,654	0.7	WACC 7.2%, Risk free rate 3%, Risk premium 9%, Zero terminal growth
GULF TS3 (2017)	125	25%	31	Gas Co-gen	2,346	0.6	WACC 7.2%, Risk free rate 3%, Risk premium 9%, Zero terminal growth
GULF TS4 (2018)	125	25%	31	Gas Co-gen	2,509	0.7	WACC 7.2%, Risk free rate 3%, Risk premium 9%, Zero terminal growth
GULF NLL2 (2019)	120	25%	30	Gas Co-gen	1,650	0.4	WACC 7.2%, Risk free rate 3%, Risk premium 9%, Zero terminal growth
Solar Rooftop Projects	142	100%	142	Solar Rooftop	4,066	1.1	WACC 7.2%, Risk free rate 3%, Risk premium 9%, Zero terminal growth
Chonburi Xean Energy (Waste Heat,2019)	7	33%	2		555	0.1	WACC 7.2%, Risk free rate 3%, Risk premium 9%, Zero terminal growth
Water in Thailand (cmpd)	394	100%	394		7,820	2.0	WACC 7.2%, Risk free rate 3%, Risk premium 9%, Zero terminal growth
Duong River - Vietnam Utilities	300	34%	102		1,009	0.3	WACC 7.2%, Risk free rate 3%, Risk premium 9%, Zero terminal growth
Net debt					(14,714)	(3.8)	
<b>Residual ordinary equity</b>					<b>17,234</b>	<b>4.5</b>	

Sources: WHAUP, FSSIA estimates

## Exhibit 4: Key valuations as of 7 Feb 2025

Company	BBG	Rec	Share	Target	Up	Market	----- PE -----		----- ROE -----		----- PBV -----		-- EV/ EBITDA --	
			Price	price	side		24E	25E	24E	25E	24E	25E	24E	25E
			(LCY)	(LCY)	(%)	(USD m)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
<b>Thailand</b>														
Global Power Synergy*	GPSC TB	HOLD	27.25	30	10	2,284	18.8	20.7	3.8	3.4	0.7	0.7	8.3	9.3
Ratch Group*	RATCH TB	BUY	27.25	36	32	1,761	8.4	7.5	7.0	7.6	0.6	0.6	17.3	19.2
CK Power*	CKP TB	BUY	2.68	3.50	31	647	18.0	12.7	4.4	6.1	0.8	0.8	12.2	13.7
WHA Utilities and Power*	WHAUP TB	BUY	3.46	4.50	30	393	12.0	9.9	8.0	9.5	1.0	0.9	21.4	19.1
Gulf Energy Development	GULF TB	n/a	58.25	n/a	n/a	19,812	35.4	30.4	14.9	15.4	4.9	4.3	29.3	25.4
B Grimm Power	BGRIM TB	n/a	13.00	n/a	n/a	969	17.9	15.9	4.1	4.9	0.8	0.8	11.1	11.0
BCPG	BCPG TB	n/a	6.80	n/a	n/a	592	8.9	14.8	5.2	4.5	0.6	0.6	11.1	11.8
Energy Absolute	EA TB	n/a	2.72	n/a	n/a	574	3.9	8.7	8.6	4.4	0.2	0.4	8.9	10.3
Electricity Generating	EGCO TB	n/a	101.50	n/a	n/a	1,553	6.4	6.1	7.5	7.8	0.5	0.5	9.1	10.4
Banpu Power	BPP TB	n/a	8.55	n/a	n/a	760	7.5	6.7	6.8	7.3	0.5	0.5	14.3	12.4
Gunkul Engineering	GUNKUL TB	n/a	1.84	n/a	n/a	457	9.7	9.4	10.8	11.2	1.1	1.0	7.6	7.2
Absolute Clean Energy	ACE TB	n/a	1.26	n/a	n/a	374	14.0	9.7	6.0	7.7	0.8	0.7	9.4	7.1
<b>Thailand avg</b>						<b>30,177</b>	<b>13.4</b>	<b>12.7</b>	<b>7.3</b>	<b>7.5</b>	<b>1.0</b>	<b>1.0</b>	<b>13.3</b>	<b>13.1</b>

Sources: Bloomberg; \*FSSIA estimates

## Financial Statements

### WHA Utilities and Power

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	2,443	2,782	2,901	3,084	3,203
Cost of goods sold	(1,661)	(1,965)	(1,880)	(1,651)	(1,718)
<b>Gross profit</b>	<b>782</b>	<b>816</b>	<b>1,021</b>	<b>1,433</b>	<b>1,485</b>
Other operating income	-	-	-	-	-
Operating costs	(279)	(277)	(232)	(278)	(320)
<b>Operating EBITDA</b>	<b>871</b>	<b>975</b>	<b>1,306</b>	<b>1,535</b>	<b>1,577</b>
Depreciation	(367)	(436)	(517)	(379)	(412)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>504</b>	<b>539</b>	<b>789</b>	<b>1,155</b>	<b>1,165</b>
Net financing costs	(280)	(483)	(492)	(517)	(558)
Associates	156	1,380	845	764	846
Recurring non-operating income	277	1,418	853	774	856
Non-recurring items	0	188	121	0	0
<b>Profit before tax</b>	<b>500</b>	<b>1,662</b>	<b>1,270</b>	<b>1,412</b>	<b>1,462</b>
Tax	(46)	(31)	(47)	(71)	(68)
<b>Profit after tax</b>	<b>454</b>	<b>1,631</b>	<b>1,224</b>	<b>1,341</b>	<b>1,395</b>
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>454</b>	<b>1,631</b>	<b>1,224</b>	<b>1,341</b>	<b>1,395</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>0</b>	<b>(188)</b>	<b>(121)</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>454</b>	<b>1,443</b>	<b>1,103</b>	<b>1,341</b>	<b>1,395</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.12	0.38	0.29	0.35	0.36
Reported EPS	0.12	0.43	0.32	0.35	0.36
DPS	0.25	0.25	0.25	0.25	0.30
Diluted shares (used to calculate per share data)	3,825	3,825	3,825	3,825	3,825
<b>Growth</b>					
Revenue (%)	12.0	13.9	4.3	6.3	3.8
Operating EBITDA (%)	(3.8)	12.0	33.9	17.5	2.7
Operating EBIT (%)	(13.1)	7.1	46.3	46.4	0.8
Recurring EPS (%)	(47.4)	217.6	(23.6)	21.6	4.0
Reported EPS (%)	(38.2)	259.0	(25.0)	9.6	4.0
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	32.0	29.3	35.2	46.5	46.4
Gross margin exc. depreciation (%)	47.1	45.0	53.0	58.8	59.2
Operating EBITDA margin (%)	35.7	35.1	45.0	49.8	49.2
Operating EBIT margin (%)	20.6	19.4	27.2	37.5	36.4
Net margin (%)	18.6	51.9	38.0	43.5	43.5
Effective tax rate (%)	13.3	11.1	11.0	11.0	11.0
Dividend payout on recurring profit (%)	210.5	66.3	86.7	71.3	82.3
Interest cover (X)	2.8	4.1	3.3	3.7	3.6
Inventory days	-	-	-	-	-
Debtor days	52.3	59.3	69.1	77.2	86.6
Creditor days	131.8	119.8	136.5	142.3	142.1
Operating ROIC (%)	7.3	6.7	8.5	11.0	9.9
ROIC (%)	2.7	6.4	5.1	5.6	5.6
ROE (%)	3.6	11.0	8.0	9.5	9.6
ROA (%)	2.6	6.5	5.1	5.8	5.7

\* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
water business	2,111	2,358	2,368	2,500	2,500
power business	332	424	507	578	660
service income			26	6	43

Sources: WHA Utilities and Power; FSSIA estimates

## Financial Statements

### WHA Utilities and Power

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	454	1,443	1,103	1,341	1,395
Depreciation	367	436	517	379	412
Associates & minorities	156	1,380	845	764	846
Other non-cash items	-	-	-	-	-
Change in working capital	(102)	(90)	(144)	(102)	(102)
<b>Cash flow from operations</b>	<b>876</b>	<b>3,169</b>	<b>2,320</b>	<b>2,382</b>	<b>2,551</b>
Capex - maintenance	(1,513)	(1,422)	(1,422)	(1,422)	(1,422)
Capex - new investment	(45)	(36)	0	0	0
Net acquisitions & disposals	632	640	600	600	600
Other investments (net)	-	-	-	-	-
<b>Cash flow from investing</b>	<b>(926)</b>	<b>(818)</b>	<b>(822)</b>	<b>(822)</b>	<b>(822)</b>
Dividends paid	(3,252)	(3,251)	(956)	(956)	(956)
Equity finance	0	0	0	0	0
Debt finance	1,399	1,159	500	1,001	1,490
Other financing cash flows	1,853	109	(882)	(1,300)	(1,356)
<b>Cash flow from financing</b>	<b>0</b>	<b>(1,983)</b>	<b>(1,338)</b>	<b>(1,255)</b>	<b>(823)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	206	0	0	0
<b>Net other adjustments</b>	<b>(133)</b>	<b>206</b>	<b>(1,012)</b>	<b>(635)</b>	<b>(660)</b>
<b>Movement in cash</b>	<b>(183)</b>	<b>574</b>	<b>(851)</b>	<b>(329)</b>	<b>246</b>
Free cash flow to firm (FCFF)	363.12	2,816.09	1,990.89	2,077.86	2,287.27
Free cash flow to equity (FCFE)	3,068.47	3,824.89	105.46	627.50	1,202.60
<b>Per share (THB)</b>					
FCFF per share	0.09	0.74	0.52	0.54	0.60
FCFE per share	0.80	1.00	0.03	0.16	0.31
Recurring cash flow per share	0.26	0.85	0.64	0.65	0.69
Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	8,229	9,631	11,053	12,474	13,896
Less: Accumulated depreciation	(1,584)	(1,964)	(2,481)	(2,860)	(3,272)
<b>Tangible fixed assets (net)</b>	<b>6,645</b>	<b>7,668</b>	<b>8,572</b>	<b>9,614</b>	<b>10,624</b>
<b>Intangible fixed assets (net)</b>	<b>4,681</b>	<b>4,642</b>	<b>4,642</b>	<b>4,642</b>	<b>4,642</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	14,321	14,961	15,561	16,161	16,761
Cash & equivalents	721	1,295	444	115	362
A/C receivable	405	500	599	705	815
Inventories	0	0	0	0	0
Other current assets	199	245	255	271	282
<b>Current assets</b>	<b>1,325</b>	<b>2,040</b>	<b>1,299</b>	<b>1,092</b>	<b>1,458</b>
Other assets	674	507	507	507	507
<b>Total assets</b>	<b>27,645</b>	<b>29,817</b>	<b>30,580</b>	<b>32,015</b>	<b>33,992</b>
Common equity	12,621	13,567	13,864	14,279	14,747
Minorities etc.	0	0	0	0	0
<b>Total shareholders' equity</b>	<b>12,621</b>	<b>13,567</b>	<b>13,864</b>	<b>14,279</b>	<b>14,747</b>
Long term debt	9,111	10,959	11,459	12,159	13,149
Other long-term liabilities	931	948	948	948	948
<b>Long-term liabilities</b>	<b>10,042</b>	<b>11,908</b>	<b>12,408</b>	<b>13,108</b>	<b>14,098</b>
A/C payable	475	529	490	502	515
Short term debt	4,389	3,699	3,699	4,000	4,500
Other current liabilities	118	114	119	127	132
<b>Current liabilities</b>	<b>4,982</b>	<b>4,343</b>	<b>4,308</b>	<b>4,629</b>	<b>5,147</b>
<b>Total liabilities and shareholders' equity</b>	<b>27,645</b>	<b>29,817</b>	<b>30,580</b>	<b>32,015</b>	<b>33,992</b>
Net working capital	10	101	245	348	449
Invested capital	26,331	27,878	29,527	31,271	32,983
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	3.30	3.55	3.62	3.73	3.86
Tangible book value per share	2.08	2.33	2.41	2.52	2.64
<b>Financial strength</b>					
Net debt/equity (%)	101.2	98.5	106.1	112.4	117.2
Net debt/total assets (%)	46.2	44.8	48.1	50.1	50.9
Current ratio (x)	0.3	0.5	0.3	0.2	0.3
CF interest cover (x)	12.1	9.0	1.2	2.2	3.2
Valuation	2022	2023	2024E	2025E	2026E
<b>Recurring P/E (x) *</b>	<b>29.1</b>	<b>9.2</b>	<b>12.0</b>	<b>9.9</b>	<b>9.5</b>
<b>Recurring P/E @ target price (x) *</b>	<b>37.9</b>	<b>11.9</b>	<b>15.6</b>	<b>12.8</b>	<b>12.3</b>
Reported P/E (x)	29.1	8.1	10.8	9.9	9.5
Dividend yield (%)	7.2	7.2	7.2	7.2	8.7
Price/book (x)	1.0	1.0	1.0	0.9	0.9
Price/tangible book (x)	1.7	1.5	1.4	1.4	1.3
EV/EBITDA (x) **	29.9	27.3	21.4	19.1	19.4
EV/EBITDA @ target price (x) **	34.4	31.4	24.4	21.7	21.9
EV/invested capital (x)	1.0	1.0	0.9	0.9	0.9
* Pre-exceptional, pre-goodwill and fully diluted    ** EBITDA includes associate income and recurring non-operating income					

Sources: WHA Utilities and Power; FSSIA estimates

# Wha Utilities and Power PCL (WHAUP TB)

## FSSIA ESG rating


**61.21 / 100**

### Exhibit 5: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★★	>59-79	<b>A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.</b>
★★★	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

### Exhibit 6: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings						--- Bloomberg ---	
		DJSI	SET ESG	SET ESG Rating	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	67.71	5.69	4.38	4.05	4.77	4.43	4.02	Medium	57.34	BBB	22.70	60.82	67.31	1.19	35.34
Coverage	66.17	5.16	4.33	3.94	4.81	4.43	3.83	Medium	56.41	BBB	18.92	59.20	65.82	1.38	35.46
BGRIM	65.91	--	Y	AAA	5.00	5.00	Certified	High	62.27	BBB	--	54.54	84.00	--	73.28
CKP	59.10	--	Y	AAA	5.00	5.00	--	High	66.67	BBB	--	69.84	54.00	--	62.95
GPSC	71.89	Y	Y	AA	5.00	5.00	Certified	Medium	64.56	B	--	54.57	86.00	--	--
TTW	53.68	--	Y	AA	5.00	5.00	--	Medium	54.71	BB	--	36.69	49.00	2.74	64.60
WHAUP	61.21	--	Y	AAA	5.00	5.00	Certified	Medium	67.11	BB	--	64.23	--	--	63.71

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation

### Exhibit 7: ESG score by Bloomberg

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>ESG financial materiality scores - ESG score</b>					
BESG environmental pillar score	—	—	1.53	1.56	—
BESG social pillar score	—	—	1.55	2.86	—
BESG governance pillar score	—	—	4.70	5.26	—
<b>ESG disclosure score</b>	<b>58.24</b>	<b>60.69</b>	<b>63.49</b>	<b>62.64</b>	<b>63.71</b>
Environmental disclosure score	55.18	55.51	57.26	57.26	57.26
Social disclosure score	38.36	45.37	45.77	43.20	46.40
Governance disclosure score	81.10	81.10	87.36	87.36	87.36
<b>Environmental</b>					
Emissions reduction initiatives	Yes	Yes	Yes	Yes	Yes
Climate change policy	No	Yes	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	No	No
Risks of climate change discussed	No	No	Yes	Yes	Yes
GHG scope 1	0	1	0	0	0
GHG scope 2 location-based	16	14	13	12	13
GHG Scope 3	—	—	2,166	2,087	2,163
Carbon per unit of production	—	—	—	—	—
Biodiversity policy	Yes	Yes	Yes	Yes	Yes
Energy efficiency policy	Yes	Yes	Yes	Yes	Yes
Total energy consumption	28	28	31	34	31
Renewable energy use	0	0	0	2	2
Electricity used	27	27	30	33	30
Fuel used - natural gas	—	—	—	—	—

Sources: Bloomberg; FSSIA's compilation



**Exhibit 8: ESG score by Bloomberg (cont.)**

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Fuel used - crude oil/diesel	No	No	No	No	No
Waste reduction policy	Yes	Yes	Yes	Yes	Yes
Hazardous waste	0	0	0	0	0
Total waste	4	8	8	7	8
Waste recycled	—	—	4	4	7
Waste sent to landfills	4	5	2	1	0
Environmental supply chain management	Yes	Yes	Yes	Yes	Yes
Water policy	Yes	Yes	Yes	Yes	Yes
Water consumption	—	—	—	—	—
<b>Social</b>					
Human rights policy	Yes	Yes	Yes	Yes	Yes
Policy against child labor	No	Yes	Yes	Yes	Yes
Quality assurance and recall policy	Yes	Yes	Yes	Yes	Yes
Consumer data protection policy	No	Yes	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	Yes	Yes	Yes
Pct women in workforce	16	17	20	22	19
Pct disabled in workforce	0	0	0	0	0
Business ethics policy	Yes	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	1	0	0	0	0
Total recordable incident rate - employees	—	0	1	0	0
Training policy	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No	Yes
Number of employees – CSR	110	127	152	164	194
Employee turnover pct	11	9	7	—	—
Total hours spent by firm - employee training	1,755	2,463	3,871	3,941	5,376
Social supply chain management	Yes	Yes	Yes	Yes	Yes
<b>Governance</b>					
<b>Board size</b>	<b>8</b>	<b>8</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>No. of independent directors (ID)</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>4</b>	<b>4</b>
No. of women on board	2	2	2	2	2
No. of non-executive directors on board	4	4	6	9	9
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	11	8	7	10	8
Board meeting attendance pct	94	100	100	100	100
Board duration (years)	3	3	3	3	3
Director share ownership guidelines	No	No	No	No	No
Age of the youngest director	52	49	50	50	51
Age of the oldest director	67	68	69	70	71
<b>No. of executives / company managers</b>	<b>9</b>	<b>8</b>	<b>8</b>	<b>9</b>	<b>8</b>
No. of female executives	2	2	2	2	1
Executive share ownership guidelines	No	No	No	No	No
<b>Size of audit committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of ID on audit committee	3	3	3	3	3
Audit committee meetings	6	5	5	7	6
Audit meeting attendance %	94	100	100	100	100
<b>Size of compensation committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of ID on compensation committee	2	2	2	2	2
No. of compensation committee meetings	5	3	4	4	4
Compensation meeting attendance %	100	100	100	100	100
<b>Size of nomination committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of nomination committee meetings	5	3	4	4	4
Nomination meeting attendance %	100	100	100	100	100
<b>Sustainability governance</b>					
Verification type	No	No	Yes	Yes	Yes

Sources: Bloomberg; FSSIA's compilation

## Disclaimer for ESG scoring

ESG score	Methodology	Rating																			
The Dow Jones Sustainability Indices ( <a href="#">DJSI</a> ) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																			
SET ESG Ratings List ( <a href="#">SETESG</a> ) by The Stock Exchange of Thailand ( <a href="#">SET</a> )	SET ESG quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for <b>SETESG inclusion</b> , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. <b>SETESG Index</b> is extended from the SET ESG Ratings companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																			
<b>CG Score</b> by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																			
<b>AGM level</b> By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&amp;A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																			
<a href="#">Thai CAC</a> By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																			
<a href="#">Morningstar Sustainalytics</a>	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality &amp; peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+									
NEGL	Low	Medium	High	Severe																	
0-10	10-20	20-30	30-40	40+																	
<a href="#">ESG Book</a>	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																			
<a href="#">MSCI</a>	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table><tr><td><b>AAA</b></td><td>8.571-10.000</td><td rowspan="3"><b>Leader:</b></td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td><b>AA</b></td><td>7.143-8.570</td></tr><tr><td><b>A</b></td><td>5.714-7.142</td></tr><tr><td><b>BBB</b></td><td>4.286-5.713</td><td rowspan="3"><b>Average:</b></td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td><b>BB</b></td><td>2.857-4.285</td></tr><tr><td><b>B</b></td><td>1.429-2.856</td></tr><tr><td><b>CCC</b></td><td>0.000-1.428</td><td><b>Laggard:</b></td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570	<b>A</b>	5.714-7.142	<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285	<b>B</b>	1.429-2.856	<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks
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<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks																		
<a href="#">Moody's ESG solutions</a>	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																				
<a href="#">Refinitiv ESG rating</a>	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																				
<a href="#">S&amp;P Global</a>	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																				
<b>Bloomberg</b>	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																			
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																			

[Rating](#) regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

Songklod Wongchai FSS International Investment Advisory Securities Co., Ltd

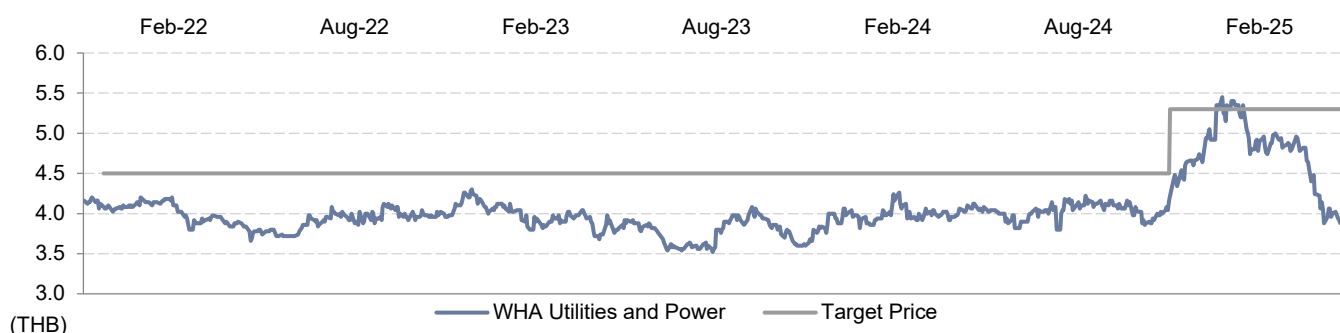
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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 Utilities and Power (WHAUP TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
25-Feb-2022	HOLD	4.50	05-Sep-2024	BUY	5.30	-	-	-
19-May-2022	BUY	4.50	31-Oct-2024	HOLD	5.30			

Songklod Wongchai started covering this stock from 05-Sep-2024

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
WHA Utilities and Power	WHAUP TB	THB 3.46	BUY	<ul style="list-style-type: none"> <li>Higher gas prices with lower electricity tariffs, pressured by government policies, resulting in significantly lower power margins</li> <li>Changes in state energy policies or regulatory risk.</li> </ul>

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.

All share prices are as at market close on 07-Feb-2025 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.