

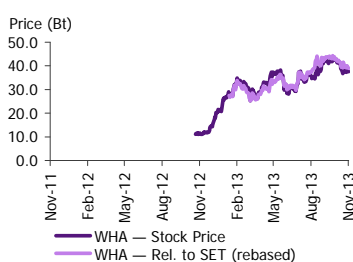
## BUY

## Stock data

Last close (Nov 19) (Bt)	37.50
12-m target price (Bt)	45.00
Upside (Downside) to TP (%)	20.00
Mkt cap (Btbn)	34.42
Mkt cap (US\$mn)	1,091

Bloomberg code	WHA TB
Reuters code	WHA.BK
Risk rating	L
Mkt cap (%) SET	0.28
Sector % SET	7.01
Shares issued (mn)	918
Par value (Bt)	1
12-m high / low (Bt)	n.a.
Avg. daily 6m (US\$mn)	n.a.
Foreign limit / actual (%)	n.a.
Free float (%)	25.4
Dividend policy (%)	≥ 40

## Price Performance



Source: SET, SCBS Investment Research

## Share performance

	1M	3M	12M
Absolute	-9.1	8.2	237.5
Relative to SET	-6.8	5.0	205.0

Source: SET, SCBS Investment Research

## 3Q13A: okay, but 4Q13F good on sale of assets

**3Q13A brings 9M13 to just 13%, but look for strong 4Q13F.** WHA posted a net profit of Bt30mn in 3Q13, doubling YoY and +34.5% QoQ, on a larger portfolio. 9M13 net profit is Bt174mn, a contraction of 7.8% YoY and just 13% of our 2013. We stand by our forecast, as it is selling assets to a fund, which will boost 4Q13 and act as share price catalyst. We maintain a BUY rating.

## Highlights:

- Rental revenue grew 31.4% QoQ to Bt140mn in 3Q13 on a 55% jump in portfolio to 420.1K sqm.
- 9M13 preleases was 386.2K sqm or 77% of our forecast but it is unlikely to reach our forecast of 500K sqm as one client is considering renting a larger area and is thus delaying contract signing to next year. Major clients: By country: Europe 36% and Japan 34%; by industry: consumer products 50%, logistics service providers 26% and manufacturing 24%.
- Sale of Bt4.5bn of assets into a fund is expected on November 29. We estimate profit of ~Bt1.2bn. This underwrites a strong 4Q13F.

**Rooftop solar photovoltaic.** WHA subsidiaries, in which it holds 75% interest, were awarded 8.52MW to produce solar electricity for sale to the government power grid. It will produce only 4.28MW, on which revenue will begin next year. This could generate a net profit of Bt6-7mn p.a. The small size means this is unlikely to go into an infrastructure fund next year, since minimum fund size is Bt2bn. This venture is not in our forecast.

**2014 outlook.** The company guides to preleases of 300K sqm, a 30% drop YoY but in line with our forecast. It will sell ~Bt4bn in assets, a contraction of 38% YoY, but net profit will be flat or show small growth YoY since net margin will be better. We note that the net margin on the Bt2bn asset sales in 1Q13 was very small on accounting factors (marking to market). The company expects its bottom line to grow YoY on higher rental revenue, higher dividend and higher management fees.

## Financial statement

(Btmn)	3Q13	2Q12	YoY%	2Q13	QoQ%	9M13	9M12	YoY%
Revenue	140	84	67.1	107	31.4	2,389	2,050	16.5
Gross profit	95	56	69.0	72	31.7	393	349	12.6
EBITDA	119	75	59.6	86	37.9	379	410	(7.6)
Core profit	30	15	99.7	22	34.5	174	189	(7.8)
Net profit	30	15	99.7	22	34.5	174	189	(7.8)
EPS (Bt/share)	0.0	0.1	(18.2)	0.0	3.2	0.1	0.2	(25.5)
<b>Balance Sheet</b>								
Total Assets	12,006	6,271	91.4	8,678	38.4	12,006	6,271	91.4
Total Liabilities	9,084	4,986	82.2	5,740	58.3	9,084	4,986	82.2
Total Equity	2,922	1,286	127.3	2,937	(0.5)	2,922	1,286	127.3
BVPS (Bt/share)	3.2	3.4	(5.8)	4.8	(33.7)	3.2	3.4	(5.8)
<b>Financial Ratio</b>								
Gross Margin (%)	68.0	67.3	0.74	67.8	0.18	16.4	17.0	-0.58
EBITDA margin (%)	85.0	89.0	-4.01	81.0	3.99	15.8	20.0	-4.13
Net Profit Margin (%)	21.3	17.8	3.48	20.8	0.49	7.3	9.2	-1.92
ROA (%)	1.7	n.a.	n.a.	2.1	-0.46	1.7	n.a.	n.a.
ROE (%)	6.8	n.a.	n.a.	6.3	0.54	6.8	n.a.	n.a.
D/E (X)	3.1	3.9	-0.77	2.0	1.15	3.1	3.9	-0.77

## Forecasts and valuation

Year to 31 Dec	Unit	2011	2012	2013F	2014F	2015F
Revenue	(Btmn)	221	2,169	7,070	6,812	7,543
EBITDA	(Btmn)	539	500	2,085	2,839	3,408
Core Profit	(Btmn)	55	213	1,364	1,727	1,973
Reported Profit	(Btmn)	406	213	1,364	1,727	1,973
EPS	(Bt)	1.1	0.4	1.5	1.9	2.1
DPS	(Bt)	0.0	0.0	0.7	0.8	0.9
P/E	(x)	35.2	89.7	25.2	19.9	17.4
EPS growth	(%)	631.9	(60.7)	255.2	26.6	14.2
P/BV	(x)	13.7	6.6	8.1	6.5	5.3
ROE	(%)	62.7	10.9	38.2	36.2	33.6
Dividend yield	(%)	0.0	0.1	1.9	2.0	2.3
EV/EBITDA	(x)	34.1	46.8	19.4	14.9	12.7

Source: SCBS Investment Research

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★★★★	ANATA, AP, ASP, BEC, BII, BHS, CENTEL, CK, CPALL, CPF, DCC, DELTA, DIAC, ESSO, GPT, GLOW, GUNKUL, HANA, HMPRO, INTUCH, ITO, IUL, KCE, LH, MAKRO, MIBKET, MINY, DISRI, PM, SCCG, SMT, SPALL, STANLEY, STEC, SVI, TCAP, THCOM, THRE, TICON, TRUE, TTW, TUF, UAC
★★★	AEON'S, AGE, AH, BLA, CCEI, JMART, KTC, LHBANK, MAJOR, RCL, ROJNA, SIRI, TPIPL
N/A	AAV, BCH, BGH, CPNRF, EA, NOK, NWR, POPF, QHPF, SSI, TFUND, TLOGIS, WHA, WHAF

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