

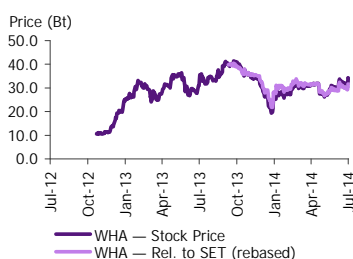
BUY

Stock data

Last close (Jul 21) (Bt)	33.50
12-m target price (Bt)	40.00
Upside (Downside) to TP (%)	19.40
Mkt cap (Btbn)	32.29
Mkt cap (US\$m)	1,011

Bloomberg code	WHA.TB
Reuters code	WHA.BK
Risk rating	L
Mkt cap (% SET)	0.23
Sector % SET	7.01
Shares issued (mn)	964
Par value (Bt)	1
12-m high / low (Bt)	n.a.
Avg. daily 6m (US\$m)	n.a.
Foreign limit / actual (%)	n.a.
Free float (%)	25.4
Dividend policy (%)	≥ 40

Price Performance



Share performance

	1M	3M	12M
Absolute	12.6	5.8	-6.6
Relative to SET	7.5	-2.7	-8.2

Source: SET, SCBS Investment Research

Sirikarn Krisnipat
Securities Fundamental
Investment Analyst
(66-2) 949-1020
Sirikarn.krisnipat@scb.co.th

2Q14F: Expect small improvement QoQ

- Pre-leases: up Bt42.4K sqm in 2Q14; 88.2K for 1H14 or 30% of SCBS 2014F
- Warehouse completion: 13.2K sqm in 2Q14; 55.8K sqm in 1H14 or 18% of SCBS 2014F
- Portfolio up 5% QoQ to 350K sqm; occupancy rate unchanged at 91%, with warehouse farm still idle
- 2Q14F: Bt37mn versus Bt22mn in 2Q13 and Bt32mn in 1Q14
- Earnings to grow QoQ and peak in 4Q14 on sale of assets

Operations to grow marginally QoQ. WHA's preleases increased by 42.4K sqm in 2Q14, -74% YoY and -7% QoQ. This brings total preleases to 88.2K sqm, accounting for 30% of our full year forecast. Warehouse completion slowed to about 13.2K sqm, bringing the total to 55.8K sqm or 18% of our full year forecast. This raises WHA's portfolio by 5% to 350K sqm. Occupancy will be stable at 91%, as ~31K sqm in the warehouse farm was still idle.

2Q14F net profit of Bt37mn, up from Bt22mn in 2Q13 and Bt32mn in 1Q14, backed by its enlarged portfolio. The company starts operations of its solar roof top in 2Q14, but contribution will be insignificant in our view. We expect 3Q14 to grow QoQ on completion of 100K sqm plus acquisition of 50K sqm warehouse space from a third party who leases the property to BJC. We expect a strong jump in 4Q14 upon a sale of assets to a REIT.

Maintain BUY. We like WHA on its good growth outlook and positive link to retailers and modern trade expansion. WHA has least exposure to foreign direct investment (FDI), for which growth is uncertain, and Bol tax privileges, for which implementation of new regulations may be bad news for IE developers. We maintain PT at Bt40/share based on sum-of-the-parts comprised of Bt38/share for its core business and Bt2/share for its investment in WHAPF.

Forecasts and valuation

Year to 31 Dec	Unit	2012	2013	2014F	2015F	2016F
Revenue	(Btmn)	2,169	7,085	5,252	6,220	7,285
EBITDA	(Btmn)	500	2,029	2,225	2,745	3,252
Core Profit	(Btmn)	213	1,463	1,545	1,845	2,201
Reported Profit	(Btmn)	213	1,463	1,545	1,845	2,201
EPS	(Bt)	0.39	1.52	1.60	1.91	2.28
DPS	(Bt)	0.02	0.76	0.80	0.96	1.14
P/E	(x)	85.6	22.1	20.9	17.5	14.7
EPS growth	(%)	(52.2)	287.7	5.6	19.4	19.3
P/BV	(x)	6.3	7.8	6.5	5.5	4.6
ROE	(%)	10.9	41.6	33.9	34.0	34.2
Dividend yield	(%)	0.1	2.3	2.4	2.9	3.4
EV/EBITDA	(x)	42.8	18.1	18.3	15.5	13.7

Source: SCBS Investment Research

Financial statement

Profit and Loss Statement (Btmn)

FY December 31	2012	2013	2014F	2015F	2016F
Total revenue	2,169	7,085	5,252	6,220	7,285
Cost of goods sold	(1,743)	(5,141)	(3,127)	(3,649)	(4,235)
Gross profit	426	1,945	2,125	2,571	3,050
SG&A	(68)	(132)	(171)	(223)	(289)
Other income	45	84	103	153	211
Interest expense	(149)	(183)	(214)	(233)	(273)
Pre-tax profit	253	1,714	1,843	2,268	2,699
Corporate tax	(40)	(249)	(298)	(423)	(497)
Equity a/c profits	-	-	-	-	-
Minority interests	-	(1)	-	-	-
Core profit	213	1,463	1,545	1,845	2,201
Extra-ordinary items	-	-	-	-	-
Net Profit	213	1,463	1,545	1,845	2,201
EBITDA	500	2,029	2,225	2,745	3,252
Core EPS	0.39	1.52	1.60	1.91	2.28
Net EPS	0.39	1.52	1.60	1.91	2.28
DPS	0.02	0.76	0.80	0.96	1.14

Profit and Loss Statement (Btmn)

FY December 31	1Q13	2Q13	3Q13	4Q13	1Q14
Total revenue	2,143	107	140	4,696	116
Cost of goods sold	(1,962)	(34)	(45)	(3,099)	(37)
Gross profit	180	72	95	1,597	79
SG&A	(21)	(31)	(34)	(47)	(28)
Other income	22	19	18	25	33
Interest expense	(37)	(36)	(47)	(63)	(48)
Pre-tax profit	145	25	32	1,512	36
Corporate tax	(23)	(3)	(2)	(221)	(1)
Equity a/c profits	-	-	-	-	(3)
Minority interests	-	-	-	(1)	-
Core profit	122	22	30	1,290	32
Extra-ordinary items	-	-	-	-	-
Net Profit	122	22	30	1,290	32
EBITDA	213	86	119	1,616	113
Core EPS (Bt)	0.13	0.02	0.03	1.34	0.03
Net EPS (Bt)	0.13	0.02	0.03	1.34	0.03

Balance Sheet (Btmn)

FY December 31	2012	2013	2014F	2015F	2016F
Total current assets	3,431	3,332	4,294	5,368	5,900
Total fixed assets	4,867	7,717	10,152	12,394	15,000
Total assets	8,298	11,049	14,446	17,763	20,901
Total loans	6,284	4,488	5,072	6,702	9,502
Total current liabilities	2,386	2,530	5,609	10,133	13,170
Total long-term liabilities	3,025	4,365	3,870	1,740	740
Total liabilities	5,410	6,895	9,479	11,873	13,910
Paid-up capital	510	918	964	964	964
Total equity	2,887	4,154	4,967	5,890	6,990
BVPS (Bt)	5.3	4.3	5.2	6.1	7.3

Balance Sheet (Btmn)

FY December 31	1Q13	2Q13	3Q13	4Q13	1Q14
Total current assets	2,177	1,851	3,609	3,332	3,280
Total fixed assets	5,038	6,827	8,396	7,717	8,300
Total assets	7,215	8,678	12,006	11,049	11,580
Total Loans	1,659	2,572	5,667	4,487	4,975
Total current liabilities	2,655	3,050	3,973	2,530	2,718
Total long-term liabilities	1,576	2,690	5,111	4,365	4,688
Total liabilities	4,232	5,740	9,084	6,895	7,406
Paid-up capital	510	612	918	918	918
Total equity	2,984	2,937	2,922	4,154	4,174
BVPS (Bt)	3.1	3.0	3.0	4.3	4.3

Cash Flow Statement (Btmn)

FY December 31	2012	2013	2014F	2015F	2016F
Core Profit	213	1,463	1,535	1,845	2,201
Depre. and amortization	98	132	168	243	279
Operating cash flow	(129)	214	1,093	1,848	2,202
Investing cash flow	(1,839)	(1,753)	(2,603)	(2,486)	(2,885)
Financing cash flow	2,917	884	1,498	1,207	639
Net cash flow	949	(655)	(12)	569	(44)

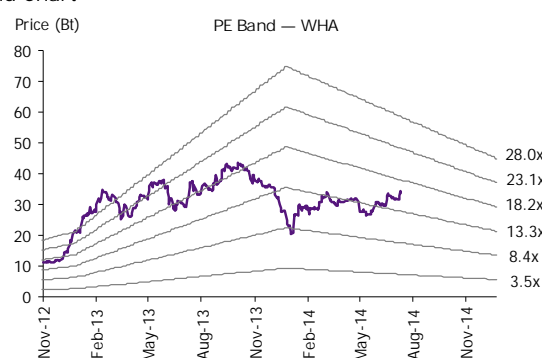
Main Assumptions

	2012	2013	2014F	2015F	2016F
Ending rental space ('000 Sqm)	358	294	439	563	705
Sales ('000 Sqm)	207	386	300	345	397
Average rent (Bt/Sqm/Mo)	107	243	167	192	221
Gross margin rent (%)	n.a.	-	155	158	161
Gross margin sale (%)	65	64	70	70	70
Corporate tax (%)	11	25	36	36	36

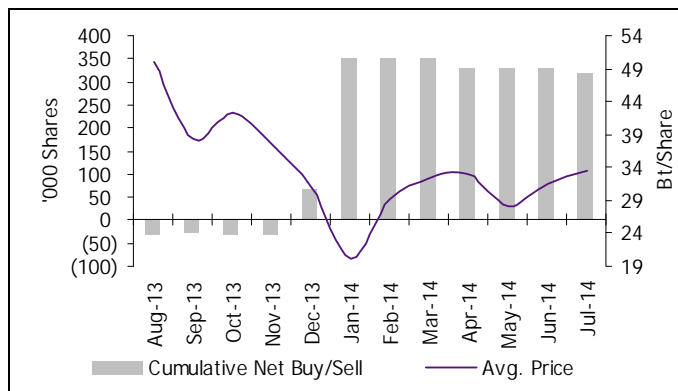
Key Financial Ratios

	2012	2013	2014F	2015F	2016F
Gross margin	19.6	27.4	40.5	41.3	41.9
Operating margin	22.8	29.3	43.7	44.9	45.8
EBITDA margin	23.1	28.6	42.4	44.1	44.6
EBIT margin	4.8	21.6	31.0	32.7	33.3
Net profit margin	9.8	20.7	29.4	29.7	30.2
ROE	10.9	41.6	33.9	34.0	34.2
ROA	3.2	15.1	12.1	11.5	11.4
D/E	1.9	1.7	1.9	2.0	2.0
Payout Ratio	5.3	47.7	49.7	50.0	50.0

PE Band Chart

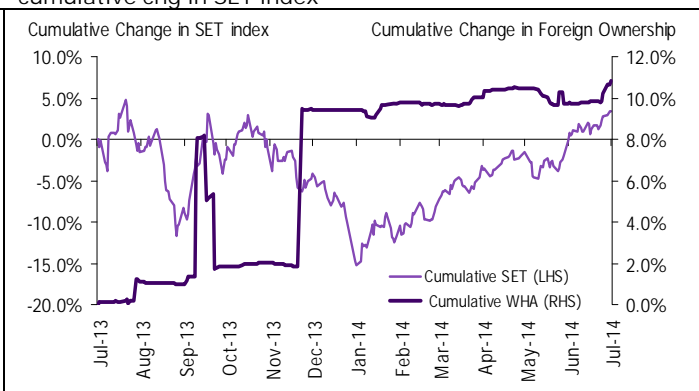


12-month cumulative directors trade



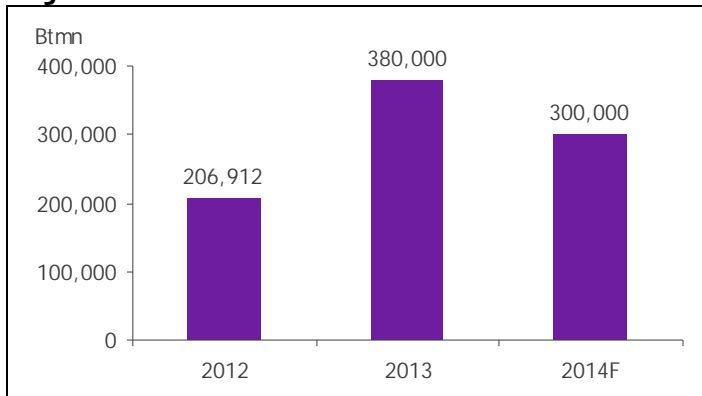
Source: SEC

12-month cumulative chg in foreign ownership versus cumulative chg in SET index



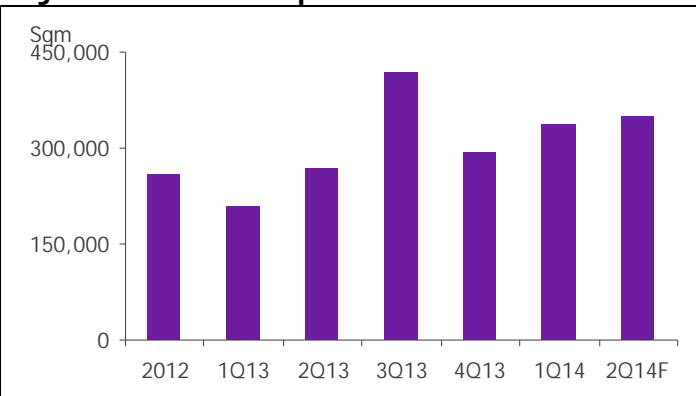
Source: SET, SCBS Investment Research

Figure 1: Pre-lease contracts



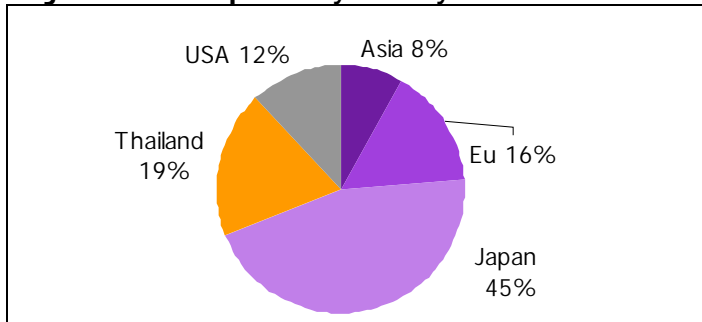
Source: WHA, SCBS Investment Research

Figure 2: Total leased space



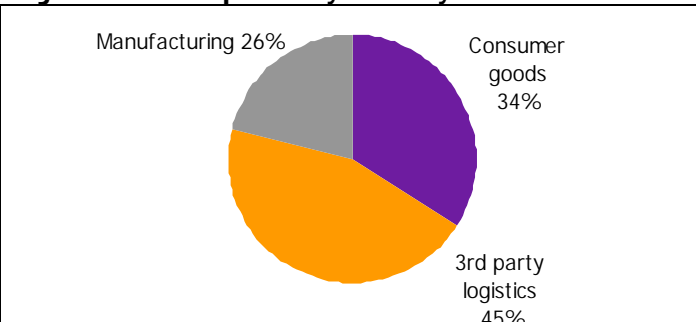
Source: WHA, SCBS Investment Research

Figure 3: Tenant profile by country



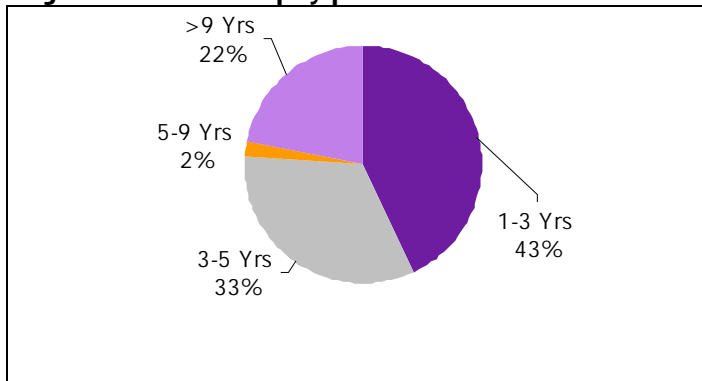
Source: WHA As of March 31, 2014

Figure 4: Tenant profile by industry



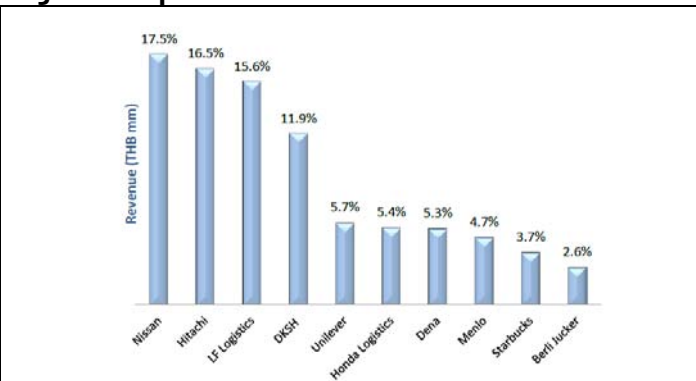
Source: WHA As of March 31, 2014

Figure 5: Contract expiry profile



Source: WHA As of March 31, 2014

Figure 6: Top 10 tenants



Source: WHA As of March 31, 2014

Figure 7: Asset divestment plan

Asset	Leasable area (sqm)	Tenant
Distribution center Lard Krabang phase 1&2	35,093	LF Logistics
WHA Mega Logistics km 18	72,179	Menlo Worldwide Logistics, Yusen Logistics, Hitachi Transport System, Central Retail, DKSH, Kerry Logistics, Kaga Electronics, APL Logistics
WHA Mega Logistics km 23	59,835	Nissan, Menlo Worldwide Logistics
DSG Modification	n.a.	PetPet, Fitti, Certainty, Baby Love
Total	167,107	

Source: WHA

Figure 8: Valuation summary (price as of Jul 21, 2014)

Rating	Price (Bt/Sh)	Target (Bt/Sh)	ETR (%)	P/E (x)			EPS growth (%)			P/BV (x)			ROE (%)			Div. Yield (%)			EV/EBITDA (x)			
				13A	14F	15F	13A	14F	15F	13A	14F	15F	13A	14F	15F	13A	14F	15F	13A	14F	15F	
AMATA	Buy	17.90	20.0	14.8	12.6	12.7	10.6	1	(1)	21	1.87	1.72	1.55	16	14	15	3.1	3.1	3.7	8.8	10.1	8.4
HEMRAJ	Buy	4.06	4.4	11.3	14.7	13.0	12.6	21	13	3	2.69	2.46	2.19	21	20	18	4.2	2.9	3.0	21.4	21.0	20.6
ROJNA	Neutral	8.60	7.3	(9.7)	n.m.	10.1	26.2	n.m.	n.m.	(61)	1.25	1.11	1.11	(9)	12	4	2.6	5.4	2.1	(119.8)	9.8	21.0
TICON	Buy	20.30	30.0	54.1	12.7	10.2	9.3	(2)	24	11	2.07	1.93	1.78	17	20	20	4.9	6.3	7.0	14.8	14.2	13.6
WHA	Buy	33.50	40.0	21.8	22.1	20.9	17.5	288	6	19	7.77	6.50	5.48	42	34	34	2.3	2.4	2.9	18.1	18.3	15.5
Average					15.5	13.4	15.2	77	10	(2)	3.13	2.74	2.42	17	20	18	3.4	4.0	3.7	(11.3)	14.7	15.8

Source: SCBS Investment Research

Rating 2013 Companies with CG Rating
 ADVANC, ADT, ASIMAR, BAFS, BANPU, BAV, BBL, BCP, BECL, BKI, BROOK, BVS, CMBT, CK, CP, CPN, CSL, DBT, DTAC, EASTW, EGGD, ERW, GRAMMY, HANA, HEMRAJ, ICC, INTUCH, IRPC, IUL, KBANK, KKP, KTB, LPN, MCOI, MNVT, NKL, NOBLE, PAF, PG, PHOL, PR, PRANDA, PS, PSL, PTT, PTTET, PTTGC, QH, BAYCH, ROBINS, RS, S&I, SAMART, SAMTEL, SAT, SC, SGB, SCC, SCOMG, SE-ED, SIM, SSS, SITHAI, SHL, SPALI, SPS, SSI, SSSC, SSI, SING, TCOI, TRAI, THCOM, THRE, TIP, TRACO, TKI, TMB, INTX, TSP, TRC, TRUB, TTV, TDL, UY, VGI, WATLAN.
 *55, KAAP, AP, PHC, AIT, AIO, AMANAKH, AMARIN, AMATA, AP, APICO, APSCO, ASIA, ASA, ASD, AVIO, BEC, BFT, BHA, BSCG, BIC, BLA, BMO, BVIC, CCEI, CENTEL, CESH, CGS, CHOW, CM, CNT, CPALL, CSC, DCC, DELTA, DTC, ECL, EE, EIC, ESSO, FE, FORTH, GBX, GC, GFFT, GL, GLOW, GOLD, GSTE, GUNNIA, HMPRO, HTC, IEC, INET, ITD, JAS, JIBBLE, KBS, KCE, KGI, KSL, KVIC, L&E, LANNA, LH, LHBANK, LHM, LIME, LLOYD, LSI, LSI, MAO, MAJOR, MARO, MBK, MIBET, MFC, MFC, MODERN, MTL, NCC, NCH, NINE, NING, NSI, NWR, OCC, OFM, OGC, OSHI, PB, POL, PE, PFI, PFM, PPA, PPI, PREB, PRG, PT, PHOLN, QTC, RASA, SABINA, SAMCO, SCCC, SCG, SEAFOD, SFP, SIAM, SINGER, SIRI, SKR, SMT, SNP, SPGC, SPPT, SSF, STANLY, STEC, SUC, SUSCO, SYNTHEC, TASC, TGP, TT, TFD, TH, THANA, THANI, THIP, TICON, TPCO, TK, TUIAE, TMB, TMI, TML, TNG, TPC, TPCOIP, TPPI, TRF, TRU, TSC, TST, TSTH, TTA, TTEL, TUF, TUPV, TTM, UAC, UBI, UMS, UP, SPOK, UT, VIBHA, VHL, VING, VNT, WAKA, ZINCO
 A, AVY, AEC, AEGIS, AFG, AGE, AKI, AL, ARI, ALICOR, ANAN, ARIP, AS, BAI-3K, BEH, BEAUTY, BGT, BLAND, BOL, BROOK, BSBM, CHARAN, CHDO, CL, CIG, CITY, CMB, CNS, CPL, CRANE, CSP, CSR, CTIV, DEMCO, DNA, DRACO, EA, EARTH, EASON, EMC, EPCO, F&D, FNS, FOCUS, FPI, FSS, GENCO, GRM, GUS, GLOBAL, HFT, HTECH, HYDRO, IFS, IHL, ILINK, INOX, IRE, IRCP, IT, IMART, JMT, JTS, JUTHA, KASET, KC, KCAR, KKH, KTC, KVN, LAUN, LEE, MATCH, MATI, MBAX, MDI, PRINC, MIB, MK, MOONG, MPRC, MSC, NC, NIPPON, NNCL, NTV, OSA, PAE, PATO, PICO, PL, POST, PRECHA, PRIN, Q-QON, QLT, RCI, RCL, ROJNA, RPC, SCBLF, SCP, SEMA, SF, SGP, SIMAT, SLC, SMT, SMK, SOLAR, SPC, SPS, SRCHA, SSC, STA, SUPER, SVAO, SWC, SYNEX, TBSR, TCCC, TEAM, TGCI, TIC, TIES, TIW, TKS, TMC, TMD, TMI, TNDT, TNSC, TOSP, TPA, TPT, TS, TTI, TTD, TTV, TWG, UBS, UEG, UOBH, UPS, VANG, VTE, WAVE, WIS, WIS, WOKK.
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