CLSA

WHA

Bt4.02 - OUTPERFORM

Initiating coverage

Soraphob Panpiemras, CFA
soraphob.panpiemras@clsa.com
+66 2 257 4633

23 June 2015

Thailand
Property

Reuters	WHA.BK
Bloomberg	WHA TB

Priced on 22 June 2015
Thai SET @ 1,504.1

12M hi/lo Bt4.20/2.62

12M price target Bt4.50
±% potential +12%

Shares in issue 13,144.0m
Free float (est.) 61.8%

Market cap US$1,532m

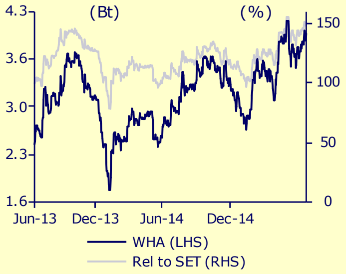
3M average daily volume
Bt167.8m (US$5.1m)

Foreign s'holding 16.3%

Major shareholders
Anantaprayoon family 57.7%

Stock performance (%)

	1M	3M	12M
Absolute	8.1	18.2	48.2
Relative	9.5	20.3	44.5
Abs (US$)	7.3	14.5	42.9



Source: Bloomberg

www.clsa.com

Built to grow

Still on track post HEMRAJ acquisition - Initiate with O-PF

We initiate coverage on WHA with an Outperform rating and a Bt4.5 target price, which implies a 12% expected total return. Its recent acquisition of Hemaraj complements well with its existing rental business and adds new steady income from the power/utilities business to WHA. As this leveraged buyout leads to a significant jump in net gearing, management puts debt repayment via asset sales as its key priority post acquisition. To date, the progress is still on track with net gearing set to fall from 2.7x in 1Q15 to 2.3x by the year-end.

Built-to-suit growth fuelled by Reits

Thanks to WHA's early focus on the niche built-to-suit warehouse market and its effective use of property fund/Reits, the company was able to expand its rental portfolio by a 37% Cagr over 2006-14. As of 1Q15, WHA remained the largest built-to-suit warehouse developer with over 1.1m sqm rental space in its portfolio, half of which was injected into property fund/Reits.

Immediate priority on debt repayment

WHA successfully acquired 93% of HEMRAJ shares in April 2015. To finance this Bt41bn deal, WHA raised Bt9bn through a rights offering and Bt32bn in bank loans. Its net gearing rose from 1.9x in 4Q14 to 2.7x in 1Q15. To ensure that its debts stay below 2.5x gross gearing covenants, the company's priority is asset sales. To date, WHA has already raised Bt3bn from HEMRAJ's sale of non-core assets, on track with its debt-repayment plan. The remaining Bt12bn 2015 debt repayment will come mainly from more asset sales into property funds.

Start building business synergy

Through HEMRAJ's acquisition, WHA can immediately benefit from HEMRAJ's steady utilities and power earnings. HEMRAJ's industrial estates in the Eastern Seaboard and its large auto customer base will nicely complement WHA's stronghold in Eastern Bangkok and its consumer producer base. With a larger scale from the combined portfolio, construction costs can also come down.

Initiate with O-PF and Bt4.5 target price

Our 2016 Bt4.5 target price is based on a sum-of-the-part methodology. Debt repayment can heavily impact our valuation, ranging from Bt3.9 to Bt4.5 depending on the debt-repayment speed. Key risks are delayed debt repayment if asset injections are postponed by unfavourable market conditions or if HEMRAJ/WHA cannot replenish its rental area quickly enough.

Financials

Year to 31 December	13A	14A	15CL	16CL	17CL
Revenue (Btm)	7,085	4,888	19,719	16,092	13,895
Net profit (Btm)	1,463	979	3,731	4,258	4,192
EPS (Bt)	0.1	0.1	0.3	0.3	0.3
CL/consensus (5) (EPS%)	-	-	95	98	114
EPS growth (% YoY)	586.1	(33.1)	281.3	14.1	(1.5)
PE (x)	36.1	54.0	14.2	12.4	12.6
Dividend yield (%)	1.3	0.0	0.0	0.0	0.0
FCF yield (%)	(1.8)	(5.2)	(79.6)	8.5	7.4
PB (x)	12.7	11.8	3.1	2.5	2.1
ROE (%)	40.7	22.7	34.5	22.1	17.8
Net debt/equity (%)	84.4	152.3	228.7	169.1	130.0

Source: CLSA

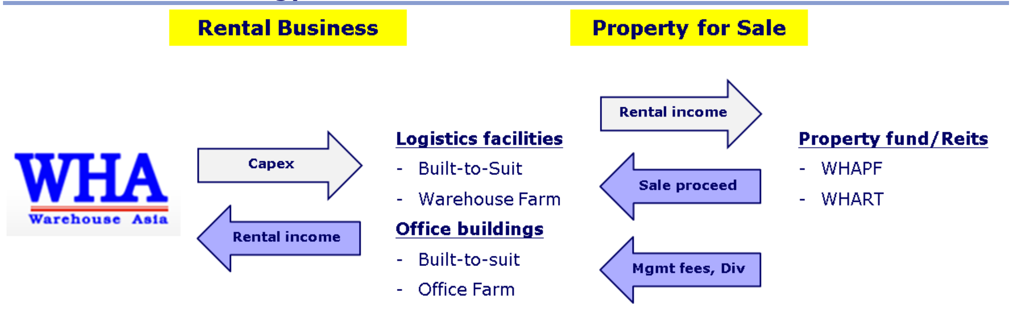
Built-to-suit growth fuelled by Reits

Built-to-suit model and property fund/Reits are integral parts of WHA's business strategy

WHA was established in 2003 by the Anantaprayoon family. The company focuses mainly on the built-to-suit (ie, customised) warehouse business. Unlike mainstream general warehouses, built-to-suit warehouses cater to specific demand of customers and usually involve special features such as burnished floor finish, continuous metal sheet roof, air gap roof insulation, temperature/humidity control, etc. To achieve this objective, WHA needs to get the customers involved and the demand locked in prior to construction. Hence, its built-to-suit business model is more demand driven than the general warehouse business model, where developers will construct the warehouse first and is more supply driven. Its warehouses generally come in larger sizes (10,000-70,000sqm) than normal warehouses with longer contract terms of 10-15 years and rental escalation every three years.

Figure 1

WHA's business strategy



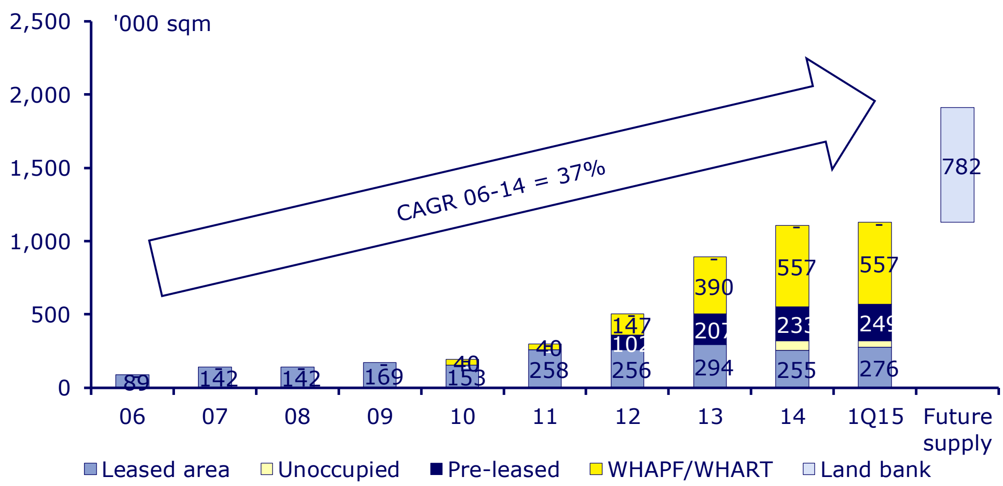
Source: CLSA

WHA currently has more than 1.1m sqm of rental warehouse area

WHA is the largest player in built-to-suit warehouse with over 1.1m sqm in its current portfolio (own and under property fund/Reits). The majority of its tenants are fast-moving consumer goods (FMCG) companies and third-party logistics (3PLs) providers. Examples of its well-known tenants are 3M, Johnson & Johnson, Kao, DKSH, DHL and Unilever. WHA also plans to explore warehouse demand from new areas such as data centre and in neighbouring countries (where its existing clients expand their business to). Its warehouses are mainly located in the Eastern Suburb of Bangkok, providing easy access to Bangkok Airport and Port as well as to end-user markets.

Figure 2

WHA's rental warehouse area



Source: WHA

Recently, WHA also began to develop warehouse farms (combination of built-to-suit and ready-built warehouse on the same site) to increase land-use efficiency. In addition, the company entered into the office rental business with the acquisition of SJ Infinite 1 (21,200sqm net leasable area) office building from Major Development in July 2014. In addition, it is also developing new built-to-suit office buildings in Bangkok suburb.

To shorten the capital payback period, WHA sells its assets into property fund and Reits. The freed-up capital (together with profit from mark-to-market valuation) is used to finance the development of new warehouses. This enables the company to grow its rental portfolio very quickly. Currently, WHA owns 15% of WHA Premium Factory and Warehouse property fund (WHAPF TB) and 15% of WHA Premium Reit (WHART TB).

Figure 3

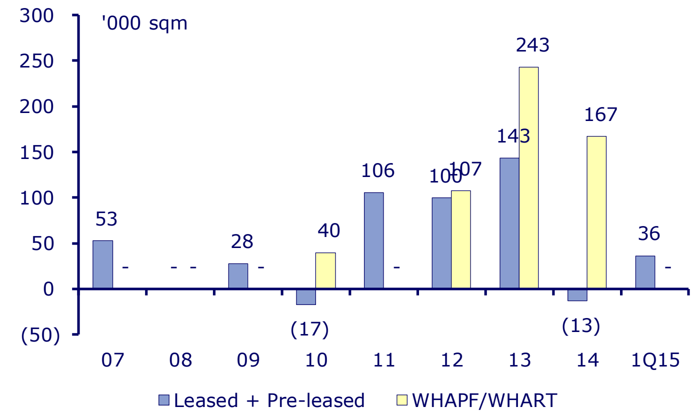
Rental area injection into property fund/Reits

Fund	Net leasable area (sqm)	Year	Transaction value (Btbn)	Value per sqm (Bt)
WHAPF	39,809	Dec 10	1.3	32,200
WHAPF	107,277	Feb 12	1.8	17,000
WHAPF	69,529	Mar 13	2.1	30,800
WHAPF	173,367	Nov 13	4.5	26,200
WHART	167,107	Dec 14	4.4	26,200
Total - WHAPF	**389,982**		**9.8**	**25,100**
Total - WHART	**167,107**		**4.4**	**26,200**
Grand total	**557,089**		**14,2**	**25,400**

Source: WHA

Figure 4

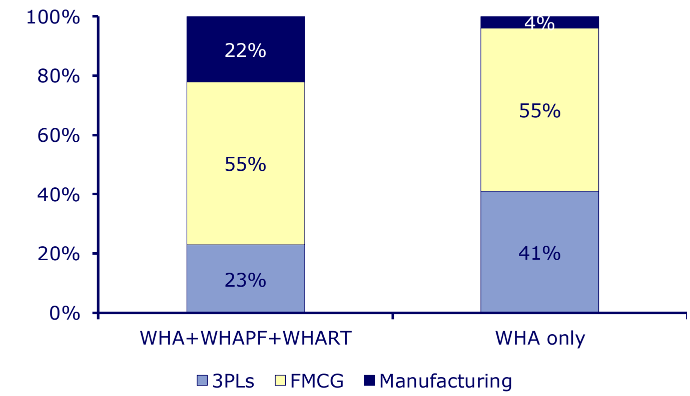
Changes in rental area



Source: WHA

Figure 5

WHA's tenant profile by industry



Source: WHA

Immediate priority on debt repayment

WHA successfully acquired 93% of HEMRAJ shares in April 2015 through HEMRAJ's major shareholders and a public tender offer. To finance this Bt41bn deal, WHA raised Bt9bn capital through a rights offering and Bt32bn in bank loans (Figure 6).

WHA already consolidated HEMRAJ's balance sheet in 1Q15. Its interest bearing debts rose from Bt8.8 bn in 4Q14 to Bt48.0 in 1Q15 (Figure 7). Its net gearing rose from 1.9x to 2.7x during the same period. WHA also set aside Bt10.3 bn account payable for investment in HEMRAJ in 1Q15, which represented the outstanding payment for HEMRAJ's remaining shares. This amount will also be financed through bank loans.

Figure 6

Acquisition of HEMRAJ by WHA: Uses and sources of funds

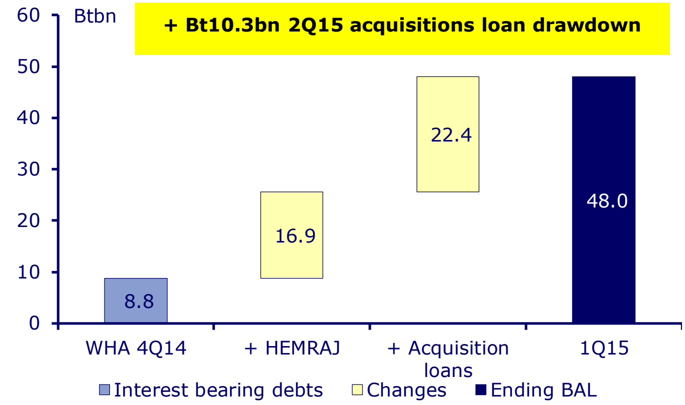
Item	Amount (Btbn)	Description
Total deal consideration	40.8	Acquisition of 92.88% of HEMRAJ shares @ Bt4.5/sh including up-front fees
Sources of fund		
Capital increase	8.9	2.75:1 right offerings at Bt25.5 per share (350 mm new shares)
Bridging loan (2 year)	25.9	Weighted average cost of debt = 5.22%
Long-term loan (7 year)	6.0	
Total	**40.8**	

Source: WHA

Note: The Bt25.5 capital increase was prior to WHA's par value reduction from Bt1/share to Bt0.1/share in April 2015. In addition, WHA issued 116.8m free warrants (1 warrant: 3 new right offerings shares) at Bt35.0/share exercise price with 5 year expiry (4 March 2020).

Figure 7

Changes in WHA's interest-bearing debts

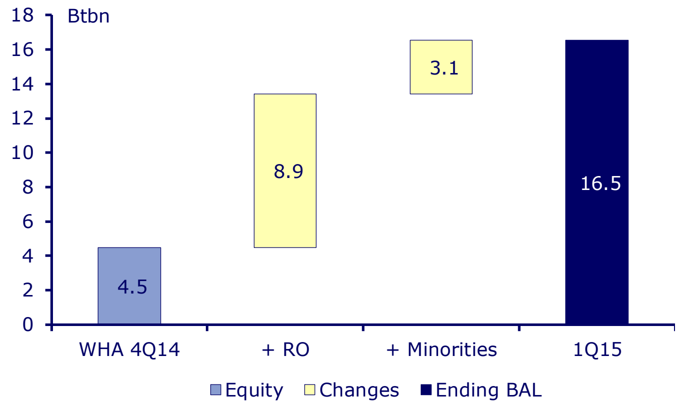


Source: WHA, CLSA

Note: WHA had Bt10.3bn under A/P for investment in subsidiaries in 1Q15, which refers to the remaining amount to be paid for 93% of HEMRAJ share. This shall be converted to financial loans in 2Q15.

Figure 8

Changes in WHA's equity



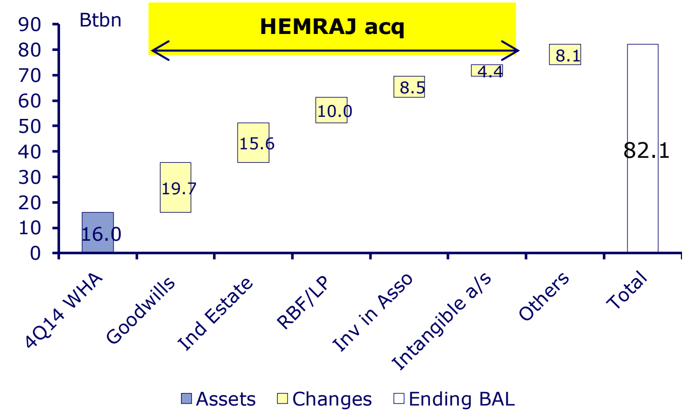
Source: WHA, CLSA

To ensure that its debts stay below 2.5x gross gearing covenants, the company's immediate priority is asset sales (from both itself and HEMRAJ's assets). To date, WHA already raised Bt3bn from HEMRAJ's sale of non-core assets (Koh Lan land plot and HEMRAJ's office building in Bangkok). The remaining Bt12bn 2015 debt repayment will come mainly from more asset sales into property funds, whose progress remains on track so far. As HEMRAJ's total net leasable area (including pre-leased) stood at around 280k sqm in 1Q15 (197k sqm ready-built factory and 88k sqm logistics park) and WHA plans to sell around 250k sqm into Reits, unless HEMRAJ can replenish the net leasable area by a similar amount, next year's asset injection from HEMRAJ may be lower than expected. We currently assume the sale of 250k sqm and 150k sqm of HEMRAJ's asset into Reits in 2015 and 2016 respectively. Our 2016 proceeds are lower than WHA's plan given our more conservative outlook on the rental business this year.

WHA's assets increased from Bt16.0bn in 4Q14 to Bt82.1bn in 1Q15 after consolidating HEMRAJ's balance sheet. The majority of the increase came from goodwills, HEMRAJ's industrial estate and rental business asset values, and HEMRAJ's investment in power companies.

Figure 9

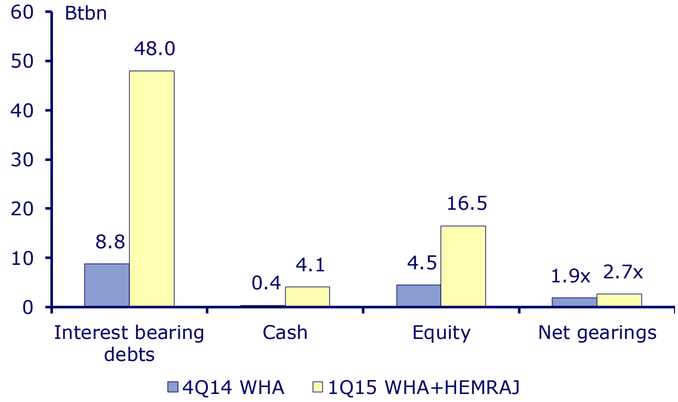
Changes in WHA assets



Source: WHA, CLSA

Figure 10

Changes in net gearing



Source: WHA, CLSA

Figure 11

Debt repayment plan by WHA

Item	Net amount - WHA portion (Btbn)	Time line
Sale of HEMRAJ's non-core assets	2.8	Completed in April 2015
Sale of WHA office building into the new Reits	1.8	Sep 2015
Sales of HEMRAJ's RBF and LP	6.0	Nov 15
Sales of HEMRAJ's RBF and LP	6.0	Nov 16
Sales of WHA's LP	4.0	Dec 15
Sales of WHA's LP	4.0	Dec 16
Listing of HEMRAJ's utilities/power or finding strategic partners	2.7	2016-17
Grand total	**27.4**	
Total FY15	**14.6**	
Total FY16	**12.7**	

Source: WHA

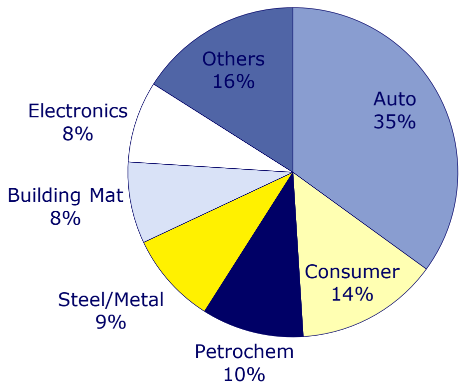
Start building business synergy

As debt repayment is the immediate priority of WHA after acquiring HEMRAJ, we expect to see business synergy more prominently over the next few years once the two organisations are fully integrated and the debt level returns to a more reasonable level. Potential sources of business synergy can come from:

1. HEMRAJ immediately provides additional recurring income from its utilities and power business to WHA (Figure 13). The utilities revenue was Bt1.8bn in 2014 and came from raw water, potable water, clarified water, waste-water treatment and industrial-estate maintenance services. For the power business, HEMRAJ has equity investment in a number of power plants with Bt1.6bn equity income in 2014. These income streams are relatively stable and can be used to finance WHA's expansion plan.

Figure 12

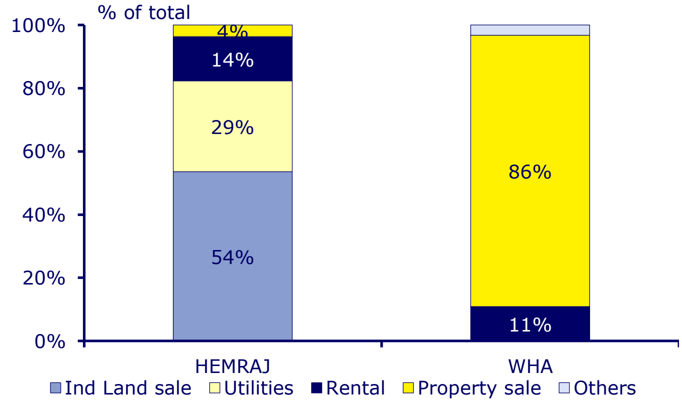
HEMRAJ's tenant's profile (by customer number)



Source: HEMRAJ

Figure 13

Revenue breakdown (HEMRAJ and WHA)



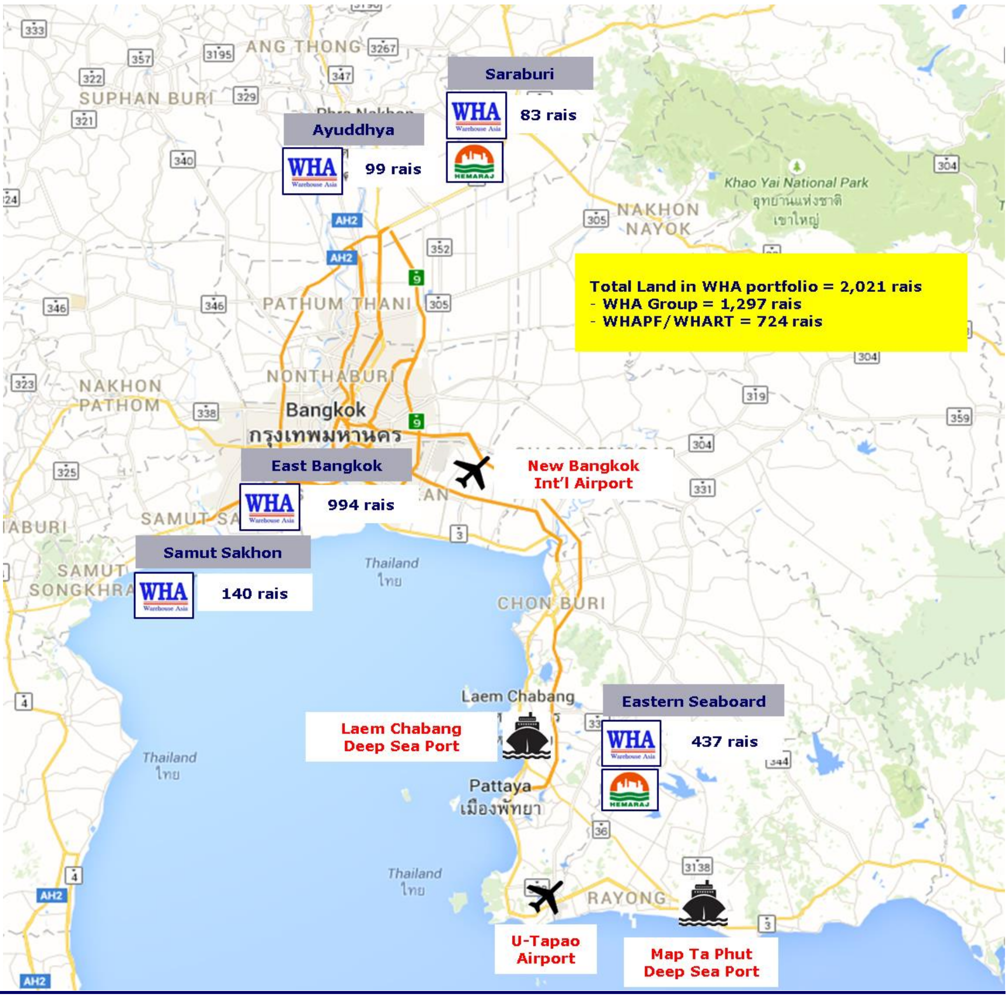
Source: HEMRAJ

* HEMRAJ: Excluding equity profit from its investment in power plants

WHA and HEMRAJ businesses complement each other in term of location

Figure 14

HEMRAJ and WHA's property locations



Source: CLSA, HEMRAJ, WHA

2. WHA can now recognise the income from HEMRAJ's industrial land sale (Bt3.4bn in 2014) as well as its rental income from ready-built factory and logistics park (Bt0.9bn in 2014). Given HEMRAJ's property locations

are concentrated in the Eastern Seaboard area (the industrial base of auto hub of Thailand), they complement well with WHA's properties, which are mainly located in the Eastern suburb of Bangkok, closer to the end users. In addition, HEMRAJ's focus on the auto customer base (Figure 12) will help WHA further expand its core tenant base beyond its current consumer/logistics group. Lastly, HEMRAJ's rental warehouse is not the built-to-suit type, so now WHA can also offer a whole range of products to an enlarged customer base in various locations.

3. Lastly, given the larger size of the combined entity, WHA should be able to negotiate for both lower construction and financial costs. WHA estimates construction cost of Bt800-1,000 per sqm or around 7%.

Initiate with O-PF

Our 2016 Bt4.5 target price is based on sum-of-the-part methodology and is shown in Figure 15. Debt repayment can heavily impact our valuation, which ranges from Bt3.9 to Bt4.5 depending on the repayment speed. Key risks are delayed debt repayment if asset injections are postponed by unfavourable market conditions or if HEMRAJ/WHA cannot replenish its rental area quickly enough and 2016's asset sale is lower than planned.

Figure 15

Target-price calculation

	Value (Btm)	Bt/sh	% of total	Note
Rental business (HEMRAJ + WHA)	25,996	2.0	44%	Cap rate = 7%
Real estate sale (HEMRAJ + WHA)	35,362	2.7	59%	17CL PER = 12.0x, a premium to HEMRAJ given business syngery
Power business (HEMRAJ)	13,408	1.0	23%	DCF (same as those used in HEMRAJ's valuation)
Property fund	**22,577**	**1.7**	**38%**	
HPF	1,087	0.1	2%	Bt10/ unit par value
WHPF	1,409	0.1	2%	Bt10/ unit par value
WHART (incl new asset injection)	18,177	1.4	31%	Bt10/ unit par value
HRT (incl new asset injection)	1,905	0.1	3%	Bt10/ unit par value
Total	**97,344**	**7.4**	**164%**	
Deduct: Net debt 2017	(37,911)	(2.9)	(64%)	
Grand total	**59,433**	**4.5**	**100%**	
# shares (m)	13,144			
Target price based on 2015 and 2016 net debt				
Deduct: Net debt 2016	(41,809)	(3.2)		
Target price	**55,534**	**4.2**		
Deduct: Net debt 2015	(46,304)	(3.5)		
Target price	**51,040**	**3.9**		

Source: CLSA

WHA only consolidated 15 days of HEMRAJ's 1Q15 performance in its income statement. Out of the Bt5m net loss of WHA's 1Q15 consolidated income statement, Bt107m profit came from HEMRAJ, Bt103m net loss came from WHA and Bt8m in minority interest. WHA on a standalone basis incurred a net loss mainly because of 1) increasing interest expenses from the acquisition deal (Bt175m in 1Q15 vs Bt48m in 1Q14), and 2) no asset sale in 1Q15. We estimate around Bt2.3bn 2015 total interest expenses, Bt1.2bn of which came from the acquisition deal, Bt0.7m from HEMRAJ's operation and Bt0.3bn from WHA's normal operation.

Figure 16

Major financial assumptions

Major assumptions	2013	2014	15CL	16CL	17CL
Revenue					
WHA					
1) Rental & Service revenue	**501**	**551**	**697**	**812**	**868**
- Year-end net occupied rental area (sqm)	294,261	255,462	240,462	255,462	270,462
- Monthly rental rate (Bt/sqm)	151	165	170	175	180
Note: Assume area sold in 4Q					
2) Real estate sale	**6,585**	**4,337**	**4,699**	**4,699**	**4,699**
- Area sold to WHAPF/WHART (sqm)	242,896	167,107	185,000	185,000	185,000
- Selling price (Bt/sqm)	27,110	25,952	25,400	25,400	25,400
3) Others (Div + Fees)	**84**	**170**	**244**	**318**	**390**
Total revenue - WHA	**7,169**	**5,058**	**5,639**	**5,829**	**5,957**
HEMRAJ					
1) Rental & Service revenue			**2,231**	**2,639**	**2,875**
Note: Already excluded rental from areas sold to Reits					
2) Real estate sale			**12,092**	**7,943**	**5,453**
- Industrial land sale			2,742	4,133	5,453
- RBF/LP sold to Reits			6,350	3,810	
- Area sold to Reits (sqm)			250,000	150,000	
- Sale of non-core assets			3,000		
Total revenue - HEMRAJ			**14,323**	**10,581**	**8,327**
Total revenue	**7,169**	**5,058**	**19,962**	**16,410**	**14,285**
% WHA	100%	100%	28%	36%	42%
% HEMRAJ	0%	0%	72%	64%	58%
Gross margin					
Rental & Service - WHA	64%	60%	51%	60%	63%
Rental & Service - HEMRAJ	0%	0%	40%	45%	45%
Rental & Service - Total	**64%**	**60%**	**43%**	**49%**	**49%**
Real estate sale - WHA	25%	30%	30%	30%	30%
Real estate sale - HEMRAJ	0%	0%	30%	45%	56%
Real estate sale - Total	**0%**	**0%**	**30%**	**39%**	**44%**
Gross profit - Total	**1,945**	**1,619**	**6,285**	**6,658**	**6,304**
% WHA	100%	100%	28%	28%	31%
% HEMRAJ	0%	0%	72%	72%	69%
Outstanding net debts (Btm)	**3,504**	**6,822**	**46,304**	**41,809**	**37,911**
Debt repayment	**-**	**-**	**(14,600)**	**(7,500)**	**(4,000)**
- Sale of HEMRAJ's non-core assets	-	-	(2,800)	-	-
- WHA office Reits	-	-	(1,800)	-	-
- HEMRAJ's Reit	-	-	(6,000)	(3,500)	-
- WHA Reits	-	-	(4,000)	(4,000)	(4,000)
Gross profit - WHA	1,945	1,619	1,765	1,897	1,957
Gross profit - HEMRAJ	-	-	4,520	4,762	4,347

Source: CLSA

As HEMRAJ's assets were revalued to its fair value before consolidating into WHA's financial statement, 2015 gross margin from HEMRAJ recorded in WHA's consolidated income statement will be lower than the number reported in HEMRAJ's income statement on a standalone basis. As such, we expect HEMRAJ's real estate sale gross margin of only 30% in 2015, lower than its normal 55%, We also note that WHA's rental & service gross margin fell to 51% in 1Q15 from the usual level of 60% as a result of currently low occupancy for its recently acquired office building. We expect the gross margin to be restored next year after the sale of this office building into the new Reits.

Lastly, we expect real estate revenue (including asset injection into Reits and industrial land sale) to contribute around 80% of total consolidated revenue in 2015-16. Hence, timely asset divestments to repay the acquisition have a significant impact on both our financial forecast and WHA's target price. As we expect asset sales to concentrate in 4Q15 based on WHA's debt repayment plan, its consolidated net profit will start improving from 2Q15 (thanks to a full-quarter consolidation of HEMRAJ's performance) and is likely to peak in 4Q15. 4Q15, therefore, is the critical quarter which determines whether WHA can meet our 2015 earnings and can keep gearing below its debt covenant.

Figure 17

Peers comparison

Company	B'berg	Rec	Avg daily T/O (US$m)	Mkt cap (US$m)	Price (Bt)	Target (Bt)	+/-%	PE (x) 2015	Yield (%) 2015
Amata*	AMATA TB	na	1.5	492	13.7	na	na	11.2	3.7%
Hemaraj	HEMRAJ TB	O-PF	1.7	1,316	4.6	5.0	9.2%	14.3	2.8%
Rojana*	ROJNA TB	na	0.7	436	7.5	na	na	18.1	2.8%
Warehouse Asia	WHA TB	O-PF	5.0	1,532	4.0	4.50	11.9%	14.2	0.0%
Average								**14.4**	**2.3%**

*I/B/E/S data. Source: CLSA, I/B/E/S

Valuation details

Our Bt4.5 2016 target price is based on a sum-of-the-part methodology. We value its rental business based on a 7% cap rate. Real-estate sale, which accounts for both the sale of rental warehouse/factory and industrial land sale, is valued at 12.5x, which is a premium to the 11.5x we use for HEMRAJ given the combined business synergy. For the power business, which belongs to HEMRAJ, the valuation is based on a DCF approach and is the same numbers used for our HEMRAJ valuation. Lastly, the value of property fund and Reits is based on a Bt10/unit par value, including the expected capital increase for new asset injections.

Investment risks

The key risk for WHA after the acquisition of HEMRAJ is debt repayment, which requires the timely disposal of both HEMRAJ and WHA's assets. If the companies cannot increase their occupied rental area (to be later injected into property fund) as expected, debt repayment for next year can be slower than planned. Nevertheless, once the debt level is brought down to a more reasonable level, the combined entity's overall business risks will be lower than pre-acquisition as HEMRAJ's utilities and power business provides more steady cashflow to the company.

Summary financials

Year to 31 December	2013A	2014A	2015CL	2016CL	2017CL
Summary P&L forecast (Btm)					
Revenue	**7,085**	**4,888**	**19,719**	**16,092**	**13,895**
Op Ebitda	2,034	1,684	5,601	6,060	5,701
Op Ebit	1,896	1,505	5,226	5,530	5,126
Interest income	0	0	0	0	0
Interest expense	(183)	(295)	(2,336)	(2,321)	(2,007)
Other items	(1)	(8)	1,353	1,650	1,705
Profit before tax	**1,712**	**1,203**	**4,242**	**4,859**	**4,823**
Taxation	(249)	(224)	(347)	(385)	(374)
Minorities/Pref divs	-	-	(164)	(216)	(257)
Net profit	**1,463**	**979**	**3,731**	**4,258**	**4,192**
Summary cashflow forecast (Btm)					
Operating profit	**1,896**	**1,505**	**5,226**	**5,530**	**5,126**
Operating adjustments	-	-	-	-	-
Depreciation/amortisation	137	179	376	529	576
Working capital changes	136	(69)	(16,150)	1,891	3,079
Net interest/taxes/other	(1,956)	(1,611)	(21,533)	(2,706)	(2,382)
Net operating cashflow	**214**	**4**	**(32,082)**	**5,245**	**6,398**
Capital expenditure	(1,141)	(2,777)	(10,000)	(750)	(2,500)
Free cashflow	**(927)**	**(2,773)**	**(42,082)**	**4,495**	**3,898**
Acq/inv/disposals	(15)	(294)	(8,471)	-	-
Int, invt & associate div	(598)	(1,529)	-	-	-
Net investing cashflow	**(1,753)**	**(4,599)**	**(18,471)**	**(750)**	**(2,500)**
Increase in loans	986	5,305	42,855	(5,003)	(4,200)
Dividends	(96)	(652)	0	0	0
Net equity raised/other	(5)	(7)	8,132	0	0
Net financing cashflow	**884**	**4,647**	**50,987**	**(5,003)**	**(4,200)**
Incr/(decr) in net cash	**(655)**	**51**	**433**	**(508)**	**(302)**
Exch rate movements	0	0	0	0	0
Opening cash	**1,638**	**2,135**	**2,186**	**2,619**	**2,111**
Closing cash	**983**	**2,186**	**2,619**	**2,111**	**1,810**
Summary balance sheet forecast (Btm)					
Cash & equivalents	983	2,186	2,619	2,111	1,810
Debtors	48	104	306	250	216
Inventories	0	0	23,512	21,842	19,993
Other current assets	2,301	3,392	3,901	3,901	3,901
Fixed assets	6,210	8,026	17,650	17,871	19,795
Intangible assets	64	53	19,706	19,706	19,706
Other term assets	1,443	2,191	12,016	13,666	15,371
Total assets	**11,049**	**15,952**	**79,711**	**79,348**	**80,792**
Short-term debt	290	641	5,157	7,654	7,454
Creditors	1,123	597	3,535	2,482	1,997
Other current liabs	1,118	1,693	6,828	8,046	9,726
Long-term debt/CBs	4,197	8,367	43,767	36,267	32,267
Provisions/other LT liabs	167	174	174	174	174
Minorities/other equity	0	0	3,103	3,320	3,576
Shareholder funds	4,154	4,480	17,147	21,405	25,597
Total liabs & equity	**11,049**	**15,952**	**79,711**	**79,348**	**80,792**
Ratio analysis					
Revenue growth (% YoY)	226.7	(31.0)	303.4	(18.4)	(13.7)
Ebitda growth (% YoY)	301.3	(17.2)	232.6	8.2	(5.9)
Ebitda margin (%)	28.7	34.5	28.4	37.7	41.0
Net profit margin (%)	20.7	20.0	18.9	26.5	30.2
Dividend payout (%)	48.0	0.0	0.0	0.0	0.0
Effective tax rate (%)	14.5	18.6	8.2	7.9	7.8
Ebitda/net int exp (x)	11.1	5.7	2.4	2.6	2.8
Net debt/equity (%)	84.4	152.3	228.7	169.1	130.0
ROE (%)	40.7	22.7	34.5	22.1	17.8
ROIC (%)	28.0	15.5	15.0	9.4	9.0
EVA®/IC (%)	20.6	8.3	7.4	1.9	1.5

Source: CLSA

CLSA evalu@tor card

WHA Corp PCL (WHA TB) Bt4.02

OUTPERFORM

TSR: 11.9%

WHA (WHA TB)	
GICS sector	Real estate
GICS industry	Real estate mgmt
Last price	Bt4.02
12M Hi/Lo	Bt4.20 / Bt2.62
CLSA target	Bt4.50
CLSA rec	Outperform
Analyst	Soraphob Panpiemras
Last model updated	22 Jun 2015
Mkt cap (US$m)	1,532
3M ADTO (US$m)	na
Free float (%)	61.8
Total stock return (%)	11.9

Price performance (%)

	1M	3M	6M	1Y
Local	8.1	18.2	28.8	48.2
US$	7.5	14.5	26.0	42.9

Peak to trough levels (12M fwd)

(x)	PE	PB
Peak	45.6	11.1
Trough	9.2	2.1
Current	12.9	2.7
Average	21.7	5.5

Peak
5Y avg
Current
Trough

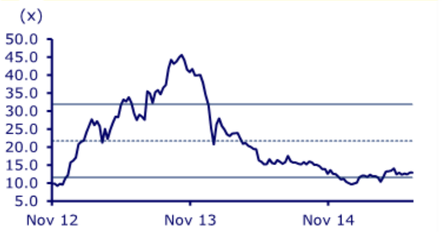
Corporate governance scores

	CG score (%)	Ctry rank	Sector rank
Discipline	46.4	na	na
Transparency	100.0	na	na
Independence	3.6	na	na
Responsibility	55.0	na	na
Fairness	50.0	na	na
ESG	42.1	na	na
Weighted/Ranking	50.1	na	na

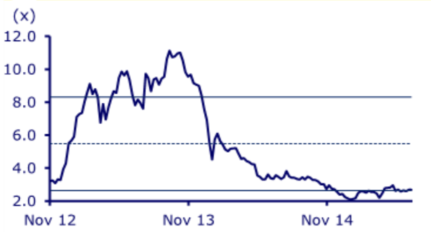
Style analysis represents which quintile (among CLSA universe) the stock falls under based on the following style definitions:

Value - 12M fwd earnings yield, 12M fwd book yield
Growth - 2Y fwd EPS Cagr, sustainable growth
Momentim - 3M price change, EPS change (weighted)
Defensive - 12M fwd dividend yield, earnings certainty
Quality - Avg FY1-FY2 ROE, ROIC
Garp - PE/G, price of sustainable growth

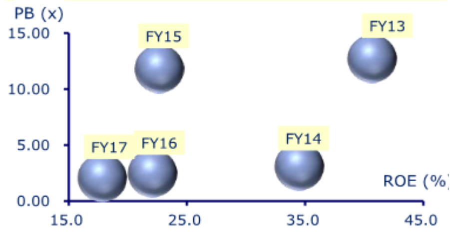
12M forward PE



12M forward PB

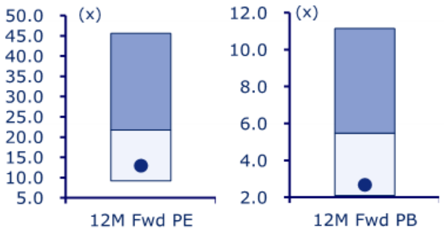


PB versus ROE

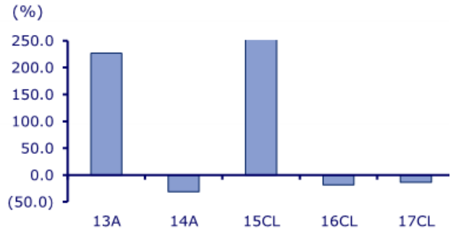


Price chart (5Y)

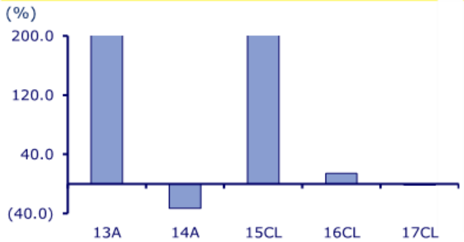
Peak-to-trough analysis (5Y)



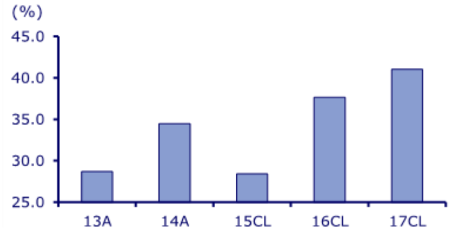
Revenue growth



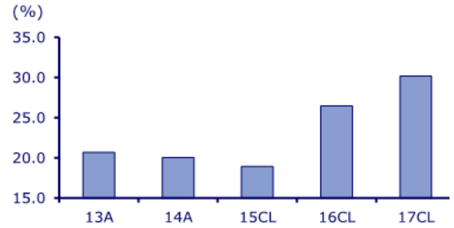
EPS growth



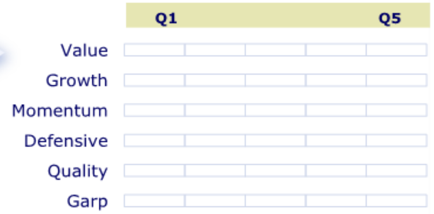
Ebitda margin



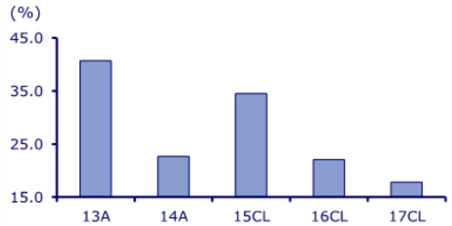
Net profit margin



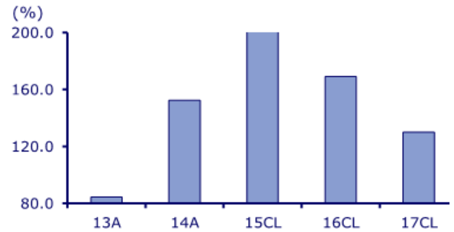
Style analysis



Return on equity



Net debt/(net cash) to equity



Year end: 31 Dec 2014

soraphob.panpiemras@clsa.com

Companies mentioned

WHA (WHA TB - BT4.02 - OUTPERFORM)
3M (N-R)
Amata (N-R)
Hemaraj (HEMRAJ TB - BT4.6 - OUTPERFORM)
Johnson & Johnson (N-R)
Kao (4452 JP - ¥5,938 - BUY)
Major Development (N-R)
Rojana Ind Park (N-R)
Unilever (N-R)

Analyst certification

The analyst(s) of this report hereby certify that the views expressed in this research report accurately reflect my/our own personal views about the securities and/or the issuers and that no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendation or views contained in this research report.

Important disclosures

The policy of CLSA (which for the purpose of this disclosure includes subsidiaries of CLSA B.V. and CLSA Americas, LLC ("CLSA Americas")), and Credit Agricole Securities (Taiwan) Company Limited ("CA Taiwan") is to only publish research that is impartial, independent, clear, fair, and not misleading. Analysts may not receive compensation from the companies they cover. Regulations or market practice of some jurisdictions/markets prescribe certain disclosures to be made for certain actual, potential or perceived conflicts of interests relating to a research report as below. This research disclosure should be read in conjunction with the research disclaimer as set out at www.clsa.com/disclaimer.html and the applicable regulation of the concerned market where the analyst is stationed and hence subject to. This research disclosure is for your information only and does not constitute any recommendation, representation or warranty. Absence of a discloseable position should not be taken as endorsement on the validity or quality of the research report or recommendation.

To maintain the independence and integrity of CLSA's research, our Corporate Finance, Sales Trading and Research business lines are distinct from one another. This means that CLSA's Research department is not part of and does not report to CLSA Corporate Finance (or "investment banking") department or CLSA's Sales and Trading business. Accordingly, neither the Corporate Finance nor the Sales and Trading department supervises or controls the activities of CLSA's research analysts. CLSA's research analysts report to the management of the Research department, who in turn report to CLSA's senior management.

CLSA has put in place a number of internal controls designed to manage conflicts of interest that may arise as a result of CLSA engaging in Corporate Finance, Sales and Trading and Research activities. Some examples of these controls include: the use of information barriers and other information controls designed to ensure that confidential information is only shared on a "need to know" basis and in compliance with CLSA's Chinese Wall policies and procedures; measures designed to ensure that interactions that may occur among CLSA's Research personnel, Corporate Finance and Sales and Trading personnel, CLSA's financial product issuers and CLSA's research analysts do not compromise the integrity and independence of CLSA's research.

Neither analysts nor their household members/associates/may have a financial interest in, or be an officer, director or advisory board member of companies covered by the analyst unless disclosed herein. In circumstances where an analyst has a pre-existing holding in any securities under coverage, those holdings are grandfathered and the analyst is prohibited from trading such securities.

Unless specified otherwise, CLSA/CLSA Americas/CA Taiwan did not receive investment banking/non-investment banking income from, and did not manage/co-manage a public offering for, the listed company during the past 12 months, and it does not expect to receive investment banking compensation from the listed company within the coming three months. Unless mentioned otherwise, CLSA/CLSA Americas/CA Taiwan does not own a material discloseable position, and does not make a market, in the securities.

As analyst(s) of this report, I/we hereby certify that the views expressed in this research report accurately reflect my/our own personal views about the securities and/or the issuers and that no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendation or views contained in this report or to any investment banking relationship with the subject company covered in this report (for the past one year) or otherwise any other relationship with such company which leads to receipt of fees from the company except in ordinary course of business of the company. The analyst/s also state/s and confirm/s that he/she/they has/have not been placed under any undue influence, intervention or pressure by any person/s in compiling this research report. In addition, the analysts included herein attest that they were not in possession of any material, nonpublic information regarding the subject company at the time of publication of the report. Save from the disclosure below (if any), the analyst(s) is/are not aware of any material conflict of interest.

Key to CLSA/CLSA Americas/CA Taiwan investment rankings: BUY: Total stock return (including dividends) expected to exceed 20%; O-PF: Total expected return below 20% but exceeding market return; U-PF: Total expected return positive but below market return; SELL: Total return expected to be negative. For relative performance, we benchmark the 12-month total forecast return (including dividends) for the stock against the 12-month forecast return (including dividends) for the market on which the stock trades.

In the case of US stocks, the recommendation is relative to the expected return for the S&P500 of 10%. Exceptions may be made depending upon prevailing market conditions. We define as "Double Baggers" stocks we expect to yield 100% or more (including dividends) within three years at the time the stocks are introduced to our "Double Bagger" list. "High Conviction" Ideas are not necessarily stocks with the most upside/downside, but those where the Research Head/Strategist believes there is the highest likelihood of positive/negative returns. The list for each market is monitored weekly.

Overall rating distribution: Buy / Outperform - CLSA: 61.70%; CLSA Americas: 59.76%; CA Taiwan: 67.53%, Underperform / Sell - CLSA: 38.20%; CLSA Americas: 40.24%; CA Taiwan: 32.47%, Restricted - CLSA: 0%; CLSA Americas: 0%; CA Taiwan: 0%. Data as of 31 March 2015.

Investment banking clients as a % of rating category: Buy / Outperform - CLSA: 0.74%; CLSA Americas:0.13%; CA Taiwan: 0.19%, Underperform / Sell - CLSA: 0.01%; CLSA Americas: 0.02%; CA Taiwan: 0%, Restricted - CLSA: 0%; CLSA Americas: 0%; CA Taiwan: 0%. Data for 12-month period ending 31 March 2015. There are no numbers for Hold/Neutral as CLSA/CLSA Americas/CA Taiwan do not have such investment rankings.

For a history of the recommendations and price targets for companies mentioned in this report, as well as company specific disclosures, please write to: (a) CLSA Americas, Compliance Department, 1301 Avenue of the Americas, 15th Floor, New York, New York 10019-6022; (b) CLSA, Group Compliance, 18/F, One Pacific Place, 88 Queensway, Hong Kong and/or; (c) CA Taiwan Compliance (27/F, 95, Section 2 Dun Hua South Road, Taipei 10682, Taiwan, telephone (886) 2 2326 8188). © 2015 CLSA Limited, CLSA Americas, and/or CA Taiwan.

This publication/communication is subject to and incorporates the terms and conditions of use set out on the www.clsa.com/disclaimer.html. Neither the publication/communication nor any portion hereof may be reprinted, sold, resold, copied, reproduced, distributed, redistributed, published, republished, displayed, posted or transmitted in any form or media or by any means without the written consent of CLSA, CLSA Americas and/or CA Taiwan.

CLSA, CLSA Americas and CA Taiwan have produced this publication/communication for private circulation to professional, institutional and/or wholesale clients only. This publication/communication may not be distributed or redistributed to retail investors. The information, opinions and estimates herein are not directed at, or intended for distribution to or use by, any person or entity in any jurisdiction where doing so would be contrary to law or regulation or which would subject CLSA, CLSA Americas and/or CA Taiwan to any additional registration or licensing requirement within such jurisdiction.

The information and statistical data herein have been obtained from sources we believe to be reliable. Such information has not been independently verified and we make no representation or warranty as to its accuracy, completeness or correctness. Any opinions or estimates herein reflect the judgment of CLSA, CLSA Americas and/or CA Taiwan at the date of this publication/communication and are subject to change at any time without notice. Where any part of the information, opinions or estimates contained herein reflects the views and opinions of a sales person or a non-analyst, such views and opinions may not correspond to the published view of CLSA, CLSA Americas and/or CA Taiwan. This is not a solicitation or any offer to buy or sell. This publication/communication is for information purposes only and does not constitute any recommendation, representation, warranty or guarantee of performance. Any price target given in the report may be projected from one or more valuation models and hence any price target may be subject to the inherent risk of the selected model as well as other external risk factors. This is not intended to provide professional, investment or any other type of advice or recommendation and does not take into account the particular investment objectives, financial situation or needs of individual recipients. Before acting on any information in this publication/communication, you should consider whether it is suitable for your particular circumstances and, if appropriate, seek professional advice, including tax advice. CLSA, CLSA Americas and/or CA Taiwan do/does not accept any responsibility and cannot be held liable for any person's use of or reliance on the information and opinions contained herein.

To the extent permitted by applicable securities laws and regulations, CLSA, CLSA Americas and/or CA Taiwan accept(s) no liability whatsoever for any direct or consequential loss arising from the use of this publication/communication or its contents. Where the publication does not contain ratings, the material should not be construed as research but is offered as factual commentary. It is not intended to, nor should it be used to, form an investment opinion about the non-rated companies.

Subject to any applicable laws and regulations at any given time, CLSA, CLSA Americas, CA Taiwan, their respective affiliates or companies or individuals connected with CLSA/CLSA Americas/CA Taiwan may have used the information contained herein before publication and may have positions in, may from time to time purchase or sell or have a material interest in any of the securities mentioned or related securities, or may currently or in future have or have had a business or financial relationship with, or may provide or have provided investment banking, capital markets and/or other services to, the entities referred to herein, their advisors and/or any other connected parties. As a result, investors should be aware that CLSA, CLSA Americas, CA Taiwan and/or their respective affiliates or companies or such individuals may have one or more conflicts of interest. Regulations or market practice of some jurisdictions/markets prescribe certain disclosures to be made for certain actual, potential or perceived conflicts of interests relating to research reports. Details of the disclosable interest can be found in certain reports as required by the relevant rules and regulation and the full details are available at http://www.clsa.com/member/research_disclosures/. Disclosures therein include the position of CLSA, CLSA Americas and CA Taiwan only. Unless specified otherwise, CLSA did not receive any compensation or other benefits from the subject company covered in this research report.

If investors have any difficulty accessing this website, please contact webadmin@clsa.com on +852 2600 8111. If you require disclosure information on previous dates, please contact compliance_hk@clsa.com.

This publication/communication is distributed for and on behalf of CLSA Limited (for research compiled by non-US and non-Taiwan analyst(s)), CLSA Americas (for research compiled by US analyst(s)) and/or CA Taiwan (for research compiled by Taiwan analyst(s)) in Australia by CLSA Australia Pty Ltd; in Hong Kong by CLSA Limited; in India by CLSA India Private Limited (formerly CLSA India Limited) (Address: 8/F, Dalamal House, Nariman Point, Mumbai 400021. Tel No: +91-22-66505050. Fax No: +91-22-22840271; CIN: U67120MH1994PLC083118; SEBI Registration No: INZ000001735); in Indonesia by PT CLSA Indonesia; in Japan by CLSA Securities Japan Co., Ltd; in Korea by CLSA Securities Korea Ltd; in Malaysia by CLSA Securities Malaysia Sdn Bhd; in the Philippines by CLSA Philippines Inc (a member of Philippine Stock Exchange and Securities Investors Protection Fund); in Thailand by CLSA Securities (Thailand) Limited; in Taiwan by CA Taiwan; in Singapore by CLSA Singapore Pte Ltd and in United Kingdom by CLSA (UK).

India: CLSA India Private Limited, incorporated in November 1994 provides equity brokerage services (SEBI Registration No: INZ000001735), research and merchant banking services (SEBI Registration No.INM000010619) to global institutional investors, pension funds and corporates. CLSA and its associates may have debt holdings in the subject company. Further, CLSA and its associates, in the past 12 months, may have received compensation for non-investment banking securities and/or non-securities related services from the subject company. For further details of "associates" of CLSA India please contact Compliance-India@clsa.com.

United States of America: Where any section of the research is compiled by US analyst(s), it is distributed by

CLSA Americas. Where any section is compiled by non-US analyst(s), it is distributed into the United States by CLSA solely to persons who qualify as "Major US Institutional Investors" as defined in Rule 15a-6 under the Securities and Exchange Act of 1934 and who deal with CLSA Americas. However, the delivery of this research report to any person in the United States shall not be deemed a recommendation to effect any transactions in the securities discussed herein or an endorsement of any opinion expressed herein. Any recipient of this research in the United States wishing to effect a transaction in any security mentioned herein should do so by contacting CLSA Americas.

Canada: The delivery of this research report to any person in Canada shall not be deemed a recommendation to effect any transactions in the securities discussed herein or an endorsement of any opinion expressed herein. Any recipient of this research in Canada wishing to effect a transaction in any security mentioned herein should do so by contacting CLSA Americas.

United Kingdom: In the United Kingdom, this research is a marketing communication. It has not been prepared in accordance with the legal requirements designed to promote the independence of investment research, and is not subject to any prohibition on dealing ahead of the dissemination of investment research. The research is disseminated in the EU by CLSA (UK), which is authorized and regulated by the Financial Conduct Authority. This document is directed at persons having professional experience in matters relating to investments as defined in Article 19 of the FSMA 2000 (Financial Promotion) Order 2005. Any investment activity to which it relates is only available to such persons. If you do not have professional experience in matters relating to investments you should not rely on this document. Where the research material is compiled by the UK analyst(s), it is produced and disseminated by CLSA (UK). For the purposes of the Financial Conduct Rules this research is prepared and intended as substantive research material.

Singapore: In Singapore, research is issued and/or distributed by CLSA Singapore Pte Ltd (Company Registration No.: 198703750W), a Capital Markets Services license holder to deal in securities and an exempt financial adviser, solely to persons who qualify as institutional investor, accredited investor or expert investor, as defined in Section 4A(1) of the Securities and Futures Act (Cap 289). Pursuant to Regulations 33, 34, 35 and 36 of the Financial Advisers (Amendment) Regulations 2005 of the Financial Advisers Act (Cap 110) with regards to an accredited investor, institutional investor, expert investor or overseas investor, Sections 25, 27 and 36 of the Financial Adviser Act (Cap 110) shall not apply to CLSA Singapore Pte Ltd. Please contact CLSA Singapore Pte Ltd (telephone No.: +65 6416 7888) in connection with queries on the report. [MCI (P) 094 11-2014]

The analysts/contributors to this publication/communication may be employed by any relevant CLSA entity, CA Taiwan or a subsidiary of CITIC Securities Company Limited which is different from the entity that distributes the publication/communication in the respective jurisdictions.

MSCI-sourced information is the exclusive property of Morgan Stanley Capital International Inc (MSCI). Without prior written permission of MSCI, this information and any other MSCI intellectual property may not be reproduced, redisseminated or used to create any financial products, including any indices. This information is provided on an "as is" basis. The user assumes the entire risk of any use made of this information. MSCI, its affiliates and any third party involved in, or related to, computing or compiling the information hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of this information. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in, or related to computing or compiling the information have any liability for any damages of any kind. MSCI, Morgan Stanley Capital International and the MSCI indexes are service marks of MSCI and its affiliates. The Global Industry Classification Standard (GICS) was developed by and is the exclusive property of MSCI and Standard & Poor's. GICS is a service mark of MSCI and S&P and has been licensed for use by CLSA.

EVA® is a registered trademark of Stern, Stewart & Co. Unless otherwise noted in the source, "CL" in charts and tables stands for CLSA/CLSA Americas estimates and “CT” stands for CA Taiwan estimates.

Research subscriptions

To change your report distribution requirements, please contact your CLSA sales representative or email us at cib@clsa.com. You can also fine-tune your Research Alert email preferences at https://www.clsa.com/member/tools/email_alert/.