WHA Corporation (WHA TB)

3Q26 Preview: Improved Land Transfer Mix To Drive Earnings Growth

Highlights

- We expect WHA to post 3Q26 core earnings of Bt936m (+28% yoy, +55% qoq).
- ESIE 5 is set to contribute its first land transfers in 3Q26, supporting higher average selling prices and gross margins.
- Maintain BUY with an unchanged target price of Bt6.10.

3Q26 Results Preview

Year to 31 Dec (Btm)	3Q26F	2Q26	3Q25	qoq%	yoy%
Net turnover	2,830	2,501	1,933	13.1%	46.4%
Gross profit	1,473	1,007	993	46.3%	48.4%
EBIT	944	550	527	71.7%	79.0%
EBITDA	1,381	821	786	68.2%	75.6%
Net profit	936	659	634	42.0%	47.6%
Core profit	936	602	679	55.5%	37.9%
Ratio (%)					
Gross margin	52.1%	40.3%	51.3%		
SG&A to sales	18.7%	18.3%	24.1%		
Net profit margin	33.1%	26.4%	32.8%		

Source: WHA Corporation, UOB Kay Hian

Analysis

- **Earnings to grow yoy and qoq.** We expect WHA Corporation (WHA) to report 3Q26 core earnings of Bt936m, up 38% yoy and 55% qoq. The improvement is mainly driven by higher average selling prices (ASP) and stronger gross margins from industrial land transfers. This reflects the commencement of land transfers from WHA Eastern Seaboard Industrial Estate 5 (ESIE 5), which carries higher selling prices and margins.
- **Revenue to increase yoy and qoq.** We expect 3Q26 revenue to reach Bt2.8b, up 46% yoy and 13% qoq. The improvement is mainly supported by higher industrial estate revenue, driven by higher land transfer volumes and ASP. Meanwhile, recurring revenue should continue to grow, supported by higher utility sales volumes and sustained momentum in the logistics business.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	11,334.8	15,264.9	15,643.1	16,823.8	19,813.0
EBITDA	5,065.4	5,964.2	6,390.4	7,316.6	8,029.2
Operating profit	4,150.4	4,935.1	4,708.3	5,571.4	6,104.0
Net profit (rep./act.)	4,359.4	5,135.0	4,873.0	5,451.4	5,746.4
Net profit (adj.)	4,359.4	5,135.0	4,873.0	5,451.4	5,746.4
EPS	0.3	0.3	0.3	0.4	0.4
PE (x)	16.8	14.3	15.0	13.4	12.8
P/B (x)	2.1	2.0	1.9	1.8	1.7
EV/EBITDA (x)	21.3	18.5	16.4	14.3	13.4
Dividend yield (%)	3.9	4.3	4.0	4.6	4.9
Net margin (%)	38.5	33.6	31.2	32.4	29.0
Net debt/(cash) to equity(%)	88.4	89.8	69.7	64.9	67.8
Interest cover (x)	47.2	9.2	24.6	20.6	20.5
Consensus net profit	n.a	n.a	n.a	n.a	n.a
UOBKH/Consensus (x)	n.a	n.a	n.a	n.a	n.a

Source: WHA Corporation, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	Bt4.88
Target Price	Bt6.10
Upside	25.00%

Stock Data

Sector	Industrial
Bloomberg ticker	WHA TB
Shares issued (m)	n.a
Market cap (Btm)	n.a
Market cap (US$m)	n.a
3-mth avg daily t'over (US$m)	n.a

Price Performance (%)

52-week high/low				Bt5.60/Bt3.08
1mth	3mth	6mth	1yr	YTD
2.09	-0.41	10.41	45.24	48.78

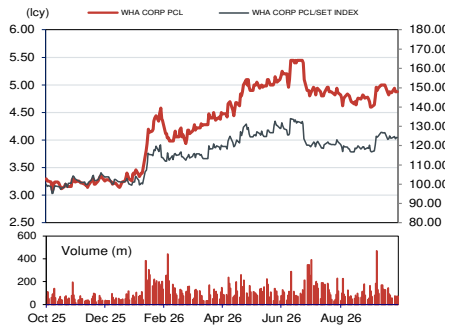
Major Shareholders (%)

Miss Jareeporn Jarukornsakul	23.49
Miss Chatchamol Anantaprayoon	9.07

Balance Sheet Metrics

FY26 NAV/Share (Bt)	2.6
FY26 Net Debt/Share (Bt)	1.8

Price Chart



Source: Bloomberg

Company Description

WHA is one of Thailand's leaders in integrated logistics services, operating through five core business units: Logistics, industrial development, utilities and power, and digital and mobility. The company operates in Thailand and Southeast Asia.

- **Gross margin to improve yoy and qoq.** We expect gross margin to expand to 52.1% in 3Q26 from 40.3% in 2Q26. The qoq improvement is mainly driven by a lower contribution from WHA Industrial Estate Rayong, which pressured margins in 2Q26. Meanwhile, the higher contribution from ESIE 5 land transfers should support margins both yoy and qoq.
- **Big plot land sales expected to materialise in 4Q26.** We expect 3Q26 land sales of 241 rai (2Q26: 248 rai; 3Q25: 154 rai). This would bring 9M26 land sales to 1,440 rai, representing 58% of the full-year target of 2,500 rai. We forecast land transfers of 241 rai, up 9% yoy and 16% qoq. Approximately 70-75% of land transfers are expected to come from ESIE 5. Management expects big plot land sales transactions to be finalised in 4Q26 and reiterates its Thailand land sales target of 2,300 rai. However, Vietnam's target of 200 rai remains challenging despite outstanding letters of intent (LOIs) of around 80-90 rai.
- **Asset monetisation scheduled for 4Q26.** WHA's asset monetisation transactions to WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust (WHART) and WHA Industrial Leasehold Real Estate Investment Trust (WHAIR) are scheduled in 4Q26. WHA expects to complete the Bt1.1b asset sale to WHAIR in mid-December, with an estimated gross profit margin of around 55%. In addition, 4Q26 earnings will benefit from a strong land transfer pipeline.
- **Data centre regulations are unlikely to disrupt investment momentum.** The Data Center Board is expected to announce a code of practice later in November. Management sees limited regulatory concerns for hyperscalers operating within industrial estates as most are already familiar with the requirements. Some customers have continued their investment plans without waiting for regulatory clarity. Meanwhile, semiconductor investment is progressing more slowly than data centre investment. Greater regulatory clarity could help facilitate data centre investments and support semiconductor investment over the longer term.

Valuation/Recommendation

- **Maintain BUY with an unchanged target price of Bt6.10.** Our target price is based on the SOTP methodology. We value its core businesses (industrial development and logistics) at Bt7.05/share, with industrial development valued at 14.6x 2027F PE (+1SD to the industrial development historical average) and the logistics business valued using GNAV with a logistics and warehouse capitalisation rate of 8%, in line with Thailand's warehouse industry average. Meanwhile, investments in associates are valued at Bt1.93/share based on 16x 2027F PE (-0.5SD to the utility and power business).

Earnings Revision/Risk

- No earnings revision.

Share Price Catalyst

- Higher-than-expected land presales volume, and b) continued FDI momentum driven by the relocation theme.

Environment, Social, Governance (ESG) Updates

CG Report: 5
SET ESG Rating: AAA

Environmental

- Focuses on conducting business operations in harmony with surrounding communities and the environment, with an emphasis on sustainability.

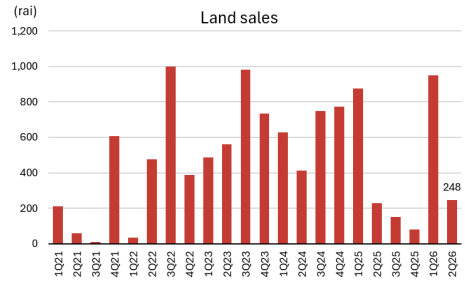
Social

- Starting to integrate the vision of "Future of Work" into its workforce strategy, to be inclusive, and to develop employees both personally and professionally, as well as prepare them for future challenges.

Governance

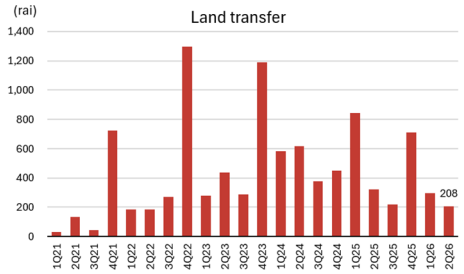
- Transparency, accountability, responsibility, and fairness serve as the foundation for the development of core corporate governance principle.

Land Sales



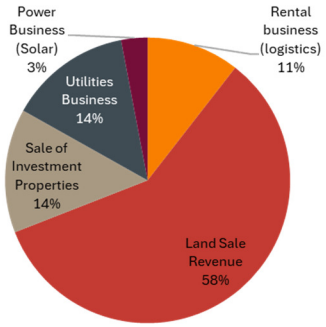
Source: WHA, UOB Kay Hian

Land Transfer



Source: WHA, UOB Kay Hian

Revenue Breakdown



Source: WHA, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	**15,265**	**15,643**	**16,824**	**19,813**
EBITDA	5,964	6,390	7,317	8,029
Deprec. & amort.	1,029	1,682	1,745	1,925
EBIT	4,935	4,708	5,571	6,104
Associate contributions	1,800	780	1,135	912
Net interest income/(expense)	(646)	(260)	(354)	(392)
Pre-tax profit	**6,089**	**5,228**	**6,352**	**6,624**
Tax	(553)	(577)	(445)	(464)
Minorities	(401)	(515)	(456)	(414)
Net profit	**5,135**	**4,873**	**5,451**	**5,746**
Net profit (adj.)	5,135	4,873	5,451	5,746

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	25,456	25,641	26,410	26,998
Other LT assets	50,524	50,524	50,524	50,524
Cash/ST investment	3,561	8,148	8,110	8,434
Other current assets	21,863	19,985	21,724	27,882
Total assets	**101,404**	**104,298**	**106,768**	**113,839**
ST debt	1,150	1,150	1,150	1,150
Other current liabilities	16,653	18,599	19,091	20,565
LT debt	35,563	34,063	33,513	36,513
Other LT liabilities	7,439	7,439	7,439	7,439
Shareholders' equity	36,911	38,844	40,915	43,099
Minority interest	3,689	4,204	4,660	5,073
Total liabilities & equity	**101,404**	**104,298**	**106,768**	**113,839**

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	**(537)**	**10,894**	**6,405**	**3,401**
Pre-tax profit	6,089	5,228	6,352	6,624
Tax	(553)	(577)	(445)	(464)
Deprec. & amort.	1,029	1,682	1,745	1,925
Working capital changes	(6,369)	3,824	(1,247)	(4,684)
Non-cash items	(342)	0	0	0
Other operating cashflows	(391)	737	0	0
Investing	**(1,878)**	**(1,867)**	**(2,514)**	**(2,514)**
Capex (growth)	(1,570)	(1,867)	(2,514)	(2,514)
Investments	(230)	0	0	0
Others	(78)	0	0	0
Financing	**(2,201)**	**(4,440)**	**(3,930)**	**(563)**
Dividend payments	(2,849)	(2,940)	(3,380)	(3,563)
Issue of shares	0	0	0	0
Proceeds from borrowings	929	(1,500)	(550)	3,000
Loan repayment	(207)	0	0	0
Others/interest paid	(73)	0	0	0
Net cash inflow (outflow)	**(4,616)**	**4,588**	**(38)**	**324**
Beginning cash & cash equivalent	**8,176**	**3,561**	**8,148**	**8,110**
Ending cash & cash equivalent	**3,561**	**8,148**	**8,110**	**8,434**

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	39.1	40.8	43.5	40.5
Pre-tax margin	39.9	33.4	37.8	33.4
Net margin	33.6	31.2	32.4	29.0
Growth				
Turnover	60.4	64.4	76.8	108.3
EBITDA	81.7	94.7	122.9	144.6
Pre-tax profit	48.9	27.8	55.3	62.0
Net profit	57.2	49.2	66.9	75.9
Net profit (adj.)	17.8	(5.1)	11.9	5.4
EPS	50.7	43.0	59.9	68.6
Leverage				
Debt to total capital	90.4	81.8	76.1	78.2
Debt to equity	99.5	90.6	84.7	87.4
Net debt/(cash) to equity	89.8	69.7	64.9	67.8
Interest cover	9.2	24.6	20.6	20.5

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