

WHA CORPORATION PLC

No. 18/2024
6 March 2024

CORPORATES

Company Rating:	A-
Issue Ratings:	
Senior unsecured	A-
Outlook:	Stable

Last Review Date: 31/10/23

Company Rating History:

Date	Rating	Outlook/Alert
27/10/21	A-	Stable
27/09/19	A-	Negative
14/11/17	A-	Stable

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RATIONALE

TRIS Rating affirms the company rating on WHA Corporation PLC (WHA) and the ratings on WHA's outstanding senior unsecured debentures at "A-" with a "stable" outlook. At the same time, TRIS Rating assigns the rating of "A-" to WHA's proposed issue of up to THB5 billion senior unsecured debentures and an additional greenshoe portion of up to THB2 billion, with a tenor of up to five years. The proceeds from the new debentures will be used to refinance WHA's outstanding debts, and/or fund its working capital and investments, as well as fund its subsidiaries' investments.

The ratings reflect WHA's strong competitive position and proven track record in built-to-suit warehouses and industrial estate development. The ratings also incorporate the sizable base of the recurring income from rental properties, utility services, and dividends from power plants. These cash streams, plus the sale of assets to real estate investment trusts (REITs), should provide adequate cushion against the volatility inherent in the sale of industrial land.

WHA posted satisfactory operating results in 2023. The company's operating revenue rose by 1.5% year-on-year (y-o-y) to THB15.2 billion in 2023. Earnings before interest, taxes, depreciation, and amortization (EBITDA) increased by 7.3% y-o-y to THB7.2 billion in 2023. EBITDA margin was 47.6% in 2023, up from 45% in 2022. Adjusted debt was THB34.9 billion in 2023, compared with THB33.6 billion in 2022. The adjusted debt to EBITDA ratio was 4.8 times in 2023, slightly down from 5.0 times in 2022.

According to the financial covenant on debentures, the company is obliged to maintain its net interest-bearing debt to equity ratio below 2.5 times. At the end of 2023, the ratio was 0.9 times.

RATING OUTLOOK

The "stable" outlook reflects our expectation that WHA will be able to maintain its leading position in the industrial estate development and warehouses for rent, as well as keep its leverage at a level commensurate with the assigned ratings.

RATING SENSITIVITIES

We could upgrade WHA if the company adopts a more conservative financial policy such that its adjusted debt to EBITDA ratio is sustained well below 5 times. On the contrary, we could lower the ratings on WHA if its debt to EBITDA ratio stays sustainably above 7 times.

RELATED CRITERIA

- Corporate Rating Methodology, 15 July 2022
- Key Financial Ratios and Adjustments for Corporate Issuers, 11 January 2022
- Issue Rating Criteria, 15 June 2021

CreditUpdate, reviews ratings of companies or debt issues that have already been rated by TRIS Rating. The CreditUpdate occurs when new debt instruments are issued or if significant events have taken place that may impact a company's current ratings or when current ratings are cancelled. The CreditUpdate announces whether a rating has been "upgraded," "downgraded," "affirmed" or "cancelled." The update includes information to supplement the previously published ratings.

Credit Updates are part of TRIS Rating's monitoring process. TRIS Rating monitors every rating it assigns until either the debt instrument matures or the rating contract ends. To keep the public informed of changing situations, TRIS Rating periodically issues announcements about the credit ratings it monitors.

WHA Corporation PLC (WHA)

Company Rating:	A-
Issue Ratings:	
WHA244A: THB1,000 million senior unsecured debentures due 2024	A-
WHA244B: THB2,000 million senior unsecured debentures due 2024	A-
WHA247B: THB1,450 million senior unsecured debentures due 2024	A-
WHA253A: THB2,500 million senior unsecured debentures due 2025	A-
WHA257A: THB500 million senior unsecured debentures due 2025	A-
WHA250A: THB2,380 million senior unsecured debentures due 2025	A-
WHA263A: THB3,800 million senior unsecured debentures due 2026	A-
WHA264A: THB400 million senior unsecured debentures due 2026	A-
WHA264B: THB1,000 million senior unsecured debentures due 2026	A-
WHA273A: THB4,000 million senior unsecured debentures due 2027	A-
WHA283A: THB1,200 million senior unsecured debentures due 2028	A-
Up THB5,000 million senior unsecured debentures and additional greenshoe portion of up to THB2,000 million due within 5 years	A-
Rating Outlook:	Stable

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