

WHA CORPORATION PLC

No. 30/2023
3 March 2023

CORPORATES

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

Last Review Date: 17/10/22

Company Rating History:

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

Contacts:

Nauwarut Temwattanangkul

nauwarut@trisrating.com

Suchana Chantadisai

suchana@trisrating.com

Parat Mahuttano

parat@trisrating.com

Sasiporn Vajarodaya

sasiporn@trisrating.com



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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 due within five years. The proceeds from the new debentures will be used to refinance its outstanding debts, and/or fund its working capital, its investments, and subsidiaries' investments.

The ratings continue to 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 WHA's 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 reported satisfactory operating results in 2022. Thanks to sizable land sales and transfers during the year, the company's operating revenue rose by 28.7% year-on-year (y-o-y) to THB15.0 billion in 2022. Earnings before interest, taxes, depreciation, and amortization (EBITDA) increased by 5.2% y-o-y to THB6.7 billion in 2022. WHA's adjusted debt was THB33.6 billion in 2022, down from THB35.4 billion in 2021. The adjusted debt to EBITDA ratio was to 5 times in 2022, compared with 5.5 times in 2021.

According to the key financial covenant on WHA's debentures, the company must maintain its net interest-bearing debt to equity ratio below 2.5 times. At the end of 2022, WHA's net debt to equity ratio was 0.9 times. We expect the company to remain in compliance with the covenant over the forecast period of 2023-2024.

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 under control.

RATING SENSITIVITIES

The ratings on WHA could come under downward pressure if private investment stays persistently low nationwide, causing revenues and cash flow from operations to fall significantly below expectations. Any sizeable, debt-funded investments, which materially deteriorate its balance sheet and debt serviceability, with adjusted debt to EBITDA rising above 7 times for a sustained period, could also lead to a negative rating revision.

On the contrary, the ratings could be revised upward should the company demonstrate significant, sustainable increases in cash generation while improving its balance sheet, with adjusted debt to EBITDA sustained below 5 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

WHA Corporation PLC (WHA)

Company Rating:	A-
Issue Ratings:	
WHA234A: THB1,100 million senior unsecured debentures due 2023	A-
WHA234B: THB1,000 million senior unsecured debentures due 2023	A-
WHA237A: THB2,050 million senior unsecured debentures due 2023	A-
WHA230A: THB328 million senior unsecured debentures due 2023	A-
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-
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-
Up to THB5,000 million senior unsecured debentures due within 5 years	A-
Rating Outlook:	Stable

TRIS Rating Co., Ltd.

Silom Complex Building, 24th Floor, 191 Silom Road, Bangkok 10500, Thailand Tel: +66 2 098 3000

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