

WHA CORPORATION PLC

No. 25/2022
14 March 2022

CORPORATES

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

Last Review Date: 14/01/22

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 THB6.5 billion in senior unsecured debentures. 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.

In 2021, WHA's operating results were in line with TRIS Rating's expectations, despite facing travel restriction measures following the prolonged Coronavirus Disease 2019 (COVID-19) pandemic. Total operating revenue rose by 42% year-on-year (y-o-y) to THB11.6 billion in 2021. Earnings before interest, taxes, depreciation, and amortization (EBITDA) increased by 13.2% y-o-y to THB6.4 billion in 2021. Thanks to satisfactory cashflows from the sale of assets to WHA Premium Growth Freehold & Leasehold Real Estate Investment Trust (WHART), the company's debt level against cash generation improved. WHA's adjusted debt was THB35.4 billion in 2021, compared with THB38.0 billion in 2020. The adjusted debt to EBITDA ratio was to 5.5 times in 2021, down from 6.7 times in 2020.

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 2021, WHA's net debt to equity ratio was 1.1 times. We expect the company to remain in compliance with the covenant over the forecast period of 2022-2023.

As of December 2021, WHA had THB15.6 billion priority debt according to TRIS Rating's "Issue Rating Criteria". WHA's priority debts, which were secured debts at the company and subsidiary levels, translated into a ratio of priority debt to total debt of 41%. As the company's priority debt ratio was below the threshold of 50%, we view that the company's senior unsecured creditors are not significantly disadvantaged to its priority debt holders.

RATING OUTLOOK

The "stable" outlook reflects the expectation that WHA can maintain its leading position in the warehouse segment and the industrial property industry and keep its leverage under control, with an adjusted net debt to EBITDA ratio of around 7 times.

RATING SENSITIVITIES

The ratings on WHA could come under downward pressure if its revenues and cash flow from operations fall below our expectations. Any sizeable debt-funded investments, which materially weaken the company's balance sheet and debt serviceability, could also lead to a downgrade scenario. The ratings could be revised upward should the company demonstrate significant and sustainable

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.

increases in cash generation while improving its balance sheet.

RELATED CRITERIA

- Key Financial Ratio and Adjustments for Corporate Issuers, 11 January 2022
- Issue Rating Criteria, 15 June 2021
- Rating Methodology – Corporate, 26 July 2019

WHA Corporation PLC (WHA)

Company Rating:	A-
Issue Ratings:	
WHA224A: THB454.2 million senior unsecured debentures due 2022	A-
WHA224B: THB2,100 million senior unsecured debentures due 2022	A-
WHA226B: THB2,000 million senior unsecured debentures due 2022	A-
WHA231A: THB1,000 million senior unsecured debentures due 2023	A-
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-
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-
Up to THB6,500 million senior unsecured debentures due within 5 years	A-
Rating Outlook:	Stable

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