

**WHA Utilities & Power (WHAUP TB) - BUY, Price Bt4.06, TP Bt5.00** | Results Comment

Rata Limsuthiwanpoom | Email: rata.lim@thanachartsec.co.th

**Weak 4Q21, below expectation**

- WHAUP's 4Q21 net earnings came in at Bt153m. Excluding net FX hidden in its associates' income, its norm earnings would be Bt133m, dropping 21% y-y and 52% q-q. The norm results miss our expectation due to higher-than-expected cost and larger loss from Vietnam utilities business via equity income.
- 12M21 norm profit accounted for only 75% of our 2021 projection. We see downside risk to our number.
- WHAUP announced a cash dividend of Bt0.16/share. XD date is 29 April and payment date is 19 May 2022.
- In 4Q21, total sales contributed mainly by water business in Thailand grew 16% y-y due to higher volume from new and existing customers and water tariff adjustment since early 2021 but flat q-q.
- Norm profit sharing from associates dropped 25% y-y and 30% q-q to Bt227m in 4Q21. Water business in Vietnam contributed a larger loss of Bt97m, vs. loss of Bt36m in 4Q20 and Bt29m in 3Q21, due to higher provisions. Power business contribute a profit of Bt255m, rising 3% y-y but falling 4% q-q.

Income Statement						Income Statement					
(consolidated)						12M as					
Yr-end Dec (Bt m)	4Q20	1Q21	2Q21	3Q21	4Q21	(Bt m)	q-q%	y-y%	% 2021F	2021A	2022F
Revenue	448	603	543	517	518	Revenue	0	16	100	2,181	2,565
<b>Gross profit</b>	<b>125</b>	<b>206</b>	<b>178</b>	<b>180</b>	<b>140</b>	<b>Gross profit</b>	<b>(22)</b>	<b>13</b>	<b>92</b>	<b>705</b>	<b>919</b>
SG&A	68	79	52	50	72	SG&A	44	5	129	253	205
Operating profit	56	126	126	130	68	Operating profit	(47)	22	79	451	714
<b>EBITDA</b>	<b>130</b>	<b>203</b>	<b>207</b>	<b>213</b>	<b>152</b>	<b>EBITDA</b>	<b>(29)</b>	<b>17</b>	<b>87</b>	<b>774</b>	<b>1,059</b>
Other income	12	80	10	17	10	Other income	(40)	(15)	179	390	77
Other expense	0	0	0	0	3	Other expense					
Interest expense	108	111	107	97	95	Interest expense	(1)	(12)	95	409	472
<b>Profit before tax</b>	<b>(39)</b>	<b>96</b>	<b>29</b>	<b>51</b>	<b>(19)</b>	<b>Profit before tax</b>	<b>na</b>	<b>na</b>	<b>77</b>	<b>432</b>	<b>319</b>
Income tax	2	5	1	3	5	Income tax	111	128	35	14	64
Equity & invest. income	210	131	236	227	158	Equity & invest. income	(30)	(25)	73	317	1,224
Minority interests	(0)	(0)	(0)	0	(0)	Minority interests	na	na	18	(0)	(0)
Extraordinary items	90	(91)	(19)	(70)	20	Extraordinary items	na	(78)	na	0	0
<b>Net profit</b>	<b>259</b>	<b>131</b>	<b>246</b>	<b>206</b>	<b>153</b>	<b>Net profit</b>	<b>(26)</b>	<b>(41)</b>	<b>62</b>	<b>736</b>	<b>1,479</b>
<b>Normalized profit</b>	<b>169</b>	<b>222</b>	<b>264</b>	<b>275</b>	<b>133</b>	<b>Normalized profit</b>	<b>(52)</b>	<b>(21)</b>	<b>75</b>	<b>736</b>	<b>1,479</b>
EPS (Bt)	0.07	0.03	0.06	0.05	0.04	EPS (Bt)	(26)	(41)	62	0.19	0.39
Normalized EPS (Bt)	0.04	0.06	0.07	0.07	0.03	Normalized EPS (Bt)	(52)	(21)	75	0.19	0.39

  

Balance Sheet						Financial Ratios					
(consolidated)						12M as					
Yr-end Dec (Bt m)	4Q20	1Q21	2Q21	3Q21	4Q21	(%)	4Q20	1Q21	2Q21	3Q21	4Q21
Cash & ST investment	1,784	1,501	1,123	892	905	Sales growth	(4.7)	40.2	34.6	24.1	15.7
A/C receivable	242	440	336	324	295	Operating profit growth	(31.6)	31.2	61.4	63.2	21.9
Inventory	0	0	0	0	0	EBITDA growth	(4.1)	38.4	55.3	27.9	16.7
Other current assets	218	202	204	197	164	Norm profit growth	(47.2)	(0.6)	48.9	40.4	(21.1)
Investment	13,489	13,908	13,507	13,724	13,688	Norm EPS growth	(47.2)	(0.6)	48.9	40.4	(21.1)
Fixed assets	5,039	5,057	5,223	5,272	5,455	Gross margin	27.8	34.1	32.9	34.9	27.1
Other assets	5,400	5,363	5,354	5,343	5,332	Operating margin	12.5	21.0	23.2	25.2	13.2
<b>Total assets</b>	<b>26,172</b>	<b>26,471</b>	<b>25,747</b>	<b>25,753</b>	<b>25,839</b>	EBITDA margin	29.1	33.7	38.0	41.2	29.3
S-T debt	2,639	3,089	2,697	1,999	3,499	Norm net margin	37.6	36.8	48.7	53.3	25.7
A/C payable	342	252	360	273	459	D/E (x)	1.1	1.0	1.0	0.9	0.9
Other current liabilities	88	68	51	1,045	1,092	Net D/E (x)	0.9	0.9	0.9	0.8	0.8
L-T debt	10,227	9,603	9,604	9,101	7,602	Interest coverage (x)	1.2	1.8	1.9	2.2	1.6
Other liabilities	718	767	814	785	803	Interest rate	3.4	3.5	3.4	3.3	3.4
Minority interest	0	0	0	0	0	Effective tax rate	(5.9)	5.3	4.7	5.0	(27.3)
<b>Shareholders' equity</b>	<b>12,157</b>	<b>12,692</b>	<b>12,221</b>	<b>12,550</b>	<b>12,384</b>	ROA	2.6	3.4	4.0	4.3	2.1
Working capital	(101)	189	(23)	50	(163)	ROE	5.6	7.1	8.5	8.9	4.3
Total debt	12,866	12,692	12,301	11,100	11,101						
<b>Net debt</b>	<b>11,082</b>	<b>11,191</b>	<b>11,178</b>	<b>10,208</b>	<b>10,196</b>						

Sources: Company data, Thanachart estimates

---

## General Disclaimers And Disclosures:

This report is prepared and issued by Thanachart Securities Public Company Limited (TNS) as a resource only for clients of TNS, Thanachart Capital Public Company Limited (TCAP) and its group companies. Copyright © Thanachart Securities Public Company Limited. All rights reserved. The report may not be reproduced in whole or in part or delivered to other persons without our written consent.

This report is prepared by analysts who are employed by the research department of TNS. While the information is from sources believed to be reliable, neither the information nor the forecasts shall be taken as a representation or warranty for which TNS or TCAP or its group companies or any of their employees incur any responsibility. This report is provided to you for informational purposes only and it is not, and is not to be construed as, an offer or an invitation to make an offer to sell or buy any securities. Neither TNS, TCAP nor its group companies accept any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

The information and opinions contained herein have been compiled or arrived at from sources believed reliable. However, TNS, TCAP and its group companies make no representation or warranty, express or implied, as to their accuracy or completeness. Expressions of opinion herein are subject to change without notice. The use of any information, forecasts and opinions contained in this report shall be at the sole discretion and risk of the user.

TNS, TCAP and its group companies perform and seek to perform business with companies covered in this report. TNS, TCAP, its group companies, their employees and directors may have positions and financial interest in securities mentioned in this report. TNS, TCAP or its group companies may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any entity mentioned in this report. Therefore, investors should be aware of conflict of interest that may affect the objectivity of this report.

Note: Thanachart Securities Public Company Limited act as a Market Maker and Derivative Warrants Issuer. At present, TNS has issued 117 Derivative Warrants which are ACE16C2202A, ADVA16C2202A, ADVA16C2203A, AMAT16C2206A, AOT16C2202A, AOT16C2204A, BAM16C2206A, BAM16C2204A, BANP16C2205A, BANP16C2202A, BANP16C2204A, BBL16C2203A, BBL16C2204A, BCH16C2203A, BEC16C2202A, BEC16C2204A, BGRI16C2203A, BGRI16C2205A, BLA16C2205A, CBG16C2202A, CBG16C2204A, CBG16C2205A, CHG16C2202A, COM716C2203A, COM716C2205A, CPAL16C2203A, CPAL16C2204A, CPF16C2205A, CPN16C2202A, CRC16C2204A, DELT16C2202A, DELT16C2203A, DOHO16C2202A, DTAC16C2203A, EA16C2206A, EA16C2203A, EA16C2205A, ESSO16C2202A, GLOB16C2203A, GPSC16C2206A, GPSC16C2203A, GPSC16C2205A, GULF16C2202A, GULF16C2203A, GULF16C2205A, GUNK16C2206A, GUNK16C2203A, GUNK16C2205A, HANA16C2202A, HANA16C2204A, HANA16C2205A, HMPR16C2202A, INTU16C2202A, INTU16C2205A, IRPC16C2205A, IVL16C2202A, IVL16C2203A, JAS16C2202A, JMAR16C2206A, JMAR16C2202A, JMAR16C2205A, JMT16C2203A, JMT16C2205A, KBAN16C2206A, KBAN16C2202A, KBAN16C2204A, KCE16C2204A, KCE16C2205A, KCE16C2205B, KTC16C2202A, LH16C2202A, MINT16C2203A, MINT16C2204A, MTC16C2202A, MTC16C2204A, OR16C2202A, OR16C2203A, OR16C2205A, PTG16C2202A, PTG16C2203A, PTL16C2202A, PTL16C2202B, PTT16C2203A, PTT16C2205A, PTTE16C2203A, RBF16C2202A, RCL16C2205A, RS16C2205A, S5016P2206B, S5016C2203A, S5016C2203B, S5016C2206A, S5016P2203A, S5016P2203B, S5016P2206A, SAWA16C2202A, SAWA16C2204A, SAWA16C2205A, SCB16C2202A, SCC16C2204A, SCGP16C2202A, SPAL16C2202A, STA16C2203A, STEC16C2204A, STGT16C2202A, SYNE16C2202A, TOP16C2206A, TOP16C2202A, TRUE16C2205B, TRUE16C2205A, TRUE16C2202A, TRUE16C2203A, TRUE16C2203B, TU16C2202A, TU16C2204A, WHA16C2202A, WHA16C2204A (underlying securities are ACE, ADVANC, AMATA, AOT, BAM, BANPU, BBL, BCH, BEC, BGRIM, BLA, CBG, CHG, COM7, CPALL, CPF, CPN, CRC, DELTA, DOHOME, DTAC, EA, ESSO, GLOBAL, GPSC, GULF, GUNKUL, HANA, HMPRO, INTUCH, IRPC, IVL, JAS, JMART, JMT, KBANK, KCE, KTC, LH, MINT, MTC, OR, PTG, PTL, PTT, PTTEP, RBF, RCL, RS, SAWAD, SCB, SCC, SCGP, SET50, SPALI, STA, STEC, STGT, SYNEX, TOP, TU, WHA, TRUE). Since TNS covers those underlying securities in research report, consequently TNS incurs conflicts of interest. Moreover, Investors are advised to carefully review the details and information in the prospectus before making investment decisions.

**Note:** Thanachart Securities has an indirect financial interest in Ratchthani Leasing Pcl (THANI). Thanachart Securities Pcl is a subsidiary of Thanachart Capital Pcl (TCAP) which holds more than 56% of the shareholding in Ratchthani Leasing Pcl (THANI).

**Note:** Thanachart Capital Public Company Limited (TCAP), TMBThanachart Bank Public Company Limited (TTB), are related companies to Thanachart Securities Public Company Limited (TNS). Thanachart Securities Pcl is a subsidiary of Thanachart Capital Pcl (TCAP) which holds 21.2% of the shareholding in TMBThanachart Bank Pcl.

Thanachart Capital Public Company Limited (TCAP), Ratchthani Leasing Public Company Limited (THANI), TMB Public Company Limited, MBK PUBLIC COMPANY LIMITED (MBK) and PATUM RICE MILL AND GRANARY PUBLIC COMPANY LIMITED (PRG ) are related companies to Thanachart Securities Public Company Limited (TNS) . Since TNS covers those securities in research report, consequently TNS incurs conflicts of interest.

### Disclosure of Interest of Thanachart Securities

#### Investment Banking Relationship

Within the preceding 12 months, Thanachart Securities has lead-managed public offerings and/or secondary offerings (excluding straight bonds) of the securities of the following companies: Saksiam Leasing Pcl. (SAK TB), SCG Packaging Pcl (SCGP TB)