INITIATED REPORT

WHA UTILITIES AND POWER (WHAUP TB)

THAILAND / SET / ENERGY & UTILITIES

25 June 2026

A growing fish in AI water flow

- End of power doldrums, beginning of water drivers
- Steady power base, Striking water growth ahead
- Initiated with BUY and a SoTP of THB9.2

End of power-driven doldrums, beginning of water-driven driver

After multi-years of earnings doldrums due mainly to the sharp declines in net profit contributions from its power associates, we think WHAUP is now poised to see structural change in its business model, shifting from power-driven to water-driven company thanks to the influx of water demands for data centers now mushrooming in Thailand, particularly for many Industrial Estates (IE) which are owned and operated by WHA - WHAUP's parent company.

SPPs and water are dual growth engines

In 2026E-28E, we project WHAUP's net profit to be gradually shifted from power-centric to water-centric profit portfolio, with net profit contribution from water (utilities) business to grow from THB42m in 2025 to THB605m by 2028E. While net profit from SPPs remains WHAUP's core business, earnings from water is projected to rise consistently and significantly, propelling net profit growth of 20.4% CAGR in 2025-28E.

Water for growth on data centers

In 2026-28, we project WHAUP's net profit from water business to jump markedly from THB254m in 2025 to THB672m in 2028, propelled by 1) higher demands mostly from data centers, which we estimate that 70-80% of 1,340 rais of land sold and 40% of 2,074 rais of lands transferred in 2025 being AI-related data centers; and 2) higher water consumption intensity, with water consumption by data center customers will outweigh those of traditional industrial factories by 10-12x (40-50 m3/day vs only 3-4 m3/day).

Power earnings is stagnant but still healthy

Power earnings has now been relatively stagnant at around THB1.0b annually, comprising THB0.8b from SPPs, THB0.1b from IPP, and THB0.1b from renewable. In 2027-30, WHAUP already secured 136MW of FiT-based solar projects. More upside could come from the 2GW Direct PPA renewable scheme for data centers.

Initiated with BUY and a TP of THB9.2

We initiated coverage on WHAUP with BUY and a SoTP TP of THB9.2. We derived our values for each asset and projects using DCF with WACC of 6.2%, which could be divided into 1) THB6.70 for water business in Thailand; 2) THB1.10 for water business in Vietnam; and 3) THB1.40 for power business in Thailand, net of net debt as most of WHAUP's debt is used to fund the power business. Our THB9.2 reflects an implied 2027E P/E of 22x, justified by WHAUP's higher earnings growth, higher margins, and rising ROEs on the back of growing earnings of the high-margin water business (50% GPM).

Analyst

Suwat Sinsadok, CFA, FRM, ERP
suwat.s@globlex.co.th,
+662 687 7026

ESG Rating : AAA

CG Rating :

BUY

Target Price 12M (THB)	9.20
VS. BB Consensus TP (%)	+36.9%
Share Price (THB)	6.80
Upside/Downside	+35.3%

Share Data

Market Cap (THB m)	26,010.00
Par (THB)	1.00
Free Float (%)	25.58
Issued shares (m shares)	3,825.00

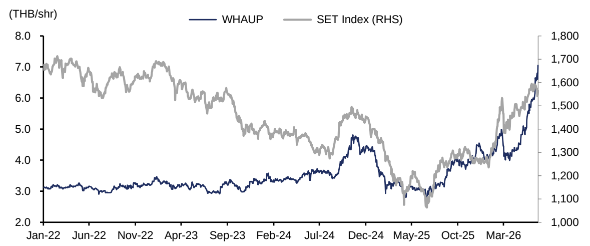
Financial forecast

YE Dec (THB m)	2025	2026E	2027E	2028E
Revenue	3,194	3,557	4,150	4,498
Net profit	1,016	1,250	1,562	1,772
Core net profit	1,016	1,250	1,562	1,772
vs Consensus (%)		(9.5)	(9.4)	(4.6)
Net profit growth (%)	(9.2)	23.0	25.0	13.4
Core net profit growth (%)	(9.2)	23.0	25.0	13.4
EPS (THB)	0.27	0.33	0.41	0.46
Core EPS (THB)	0.27	0.33	0.41	0.46
Chg from previous (%)		0.00	0.00	0.00
DPS (THB)	0.26	0.13	0.16	0.19
P/E (x)	15.81	20.80	16.65	14.67
P/BV (x)	1.19	1.86	1.73	1.61
ROE (%)	6.19	1.92	2.40	2.73
Dividend yield (%)	7.51	9.10	10.77	11.35

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	22.52	61.90	52.47	61.90
Market	21.77	47.49	25.59	31.73
12M High/Low (THB)				6.95 / 3.02



Major Shareholders (%) as of 29 Apr 2026

WHA Industrial Development PCL	70.45

Company Profile

The Company?s core business relates to the: (i) utility business of distributing raw water, producing and distributing industrial water and providing wastewater treatment services to operators in industrial estates and industrial lands; and (ii) power business through investment in power generation business, both domestically and abroad.

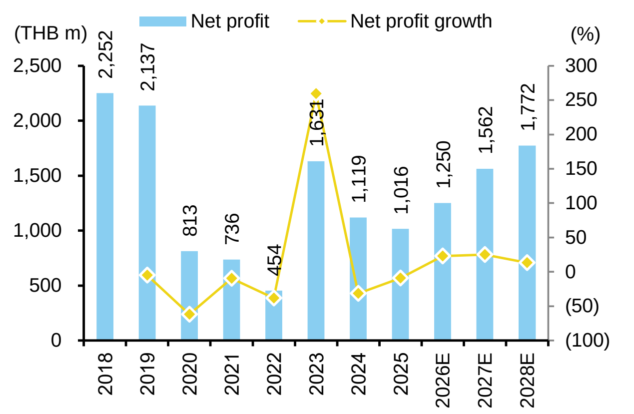
Source: SETSMART, SET

A growing fish in AI water flow

End of power doldrums, beginning of water drivers

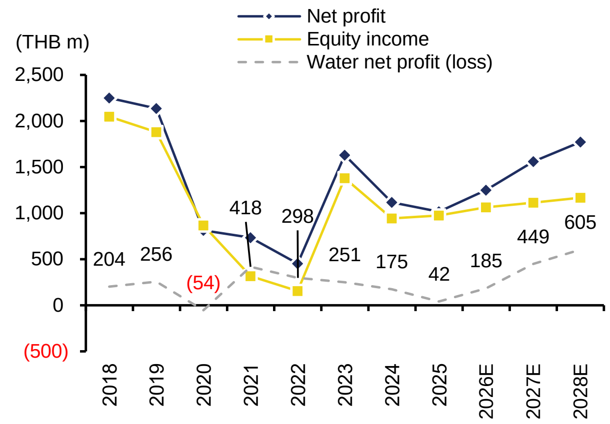
After multi-years of earnings doldrums due mainly to the sharp declines in net profit contributions from its power associates, namely Gheco-One IPP and the shrinking margins of its SPPs as a result of the mismatch between the gas cost and the electricity tariff, we think WHAUP is now poised to see structural change in its business model, shifting from power-driven to water-driven company thanks to the influx of water demands for data centers now mushrooming in Thailand, particularly for many Industrial Estates (IE) which are owned and operated by WHA - WHAUP's parent company.

Exhibit 1: Net profit vs net profit growth



Sources: WHAUP; Globlex Research

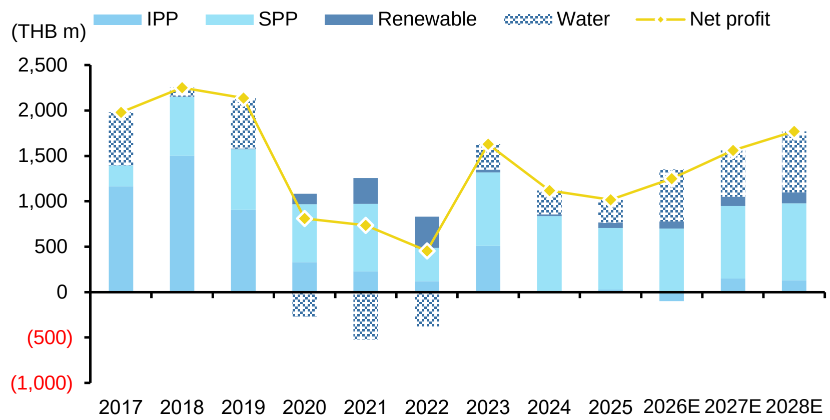
Exhibit 2: Net profit, equity income (power), water net profit



Sources: WHAUP; Globlex Research

In 2026E-28E, we project WHAUP's net profit to be gradually shifted from power-centric to water-centric profit portfolio, with net profit contribution from water (utilities) business to grow from THB42m in 2025 to THB605m by 2028E. While net profit from SPPs remains WHAUP's core business, earnings from water is projected to rise consistently and significantly, propelling net profit growth of 20.4% CAGR in 2025-28E.

Exhibit 3: Net profit breakdown by IPP, SPP, Renewable vs Water

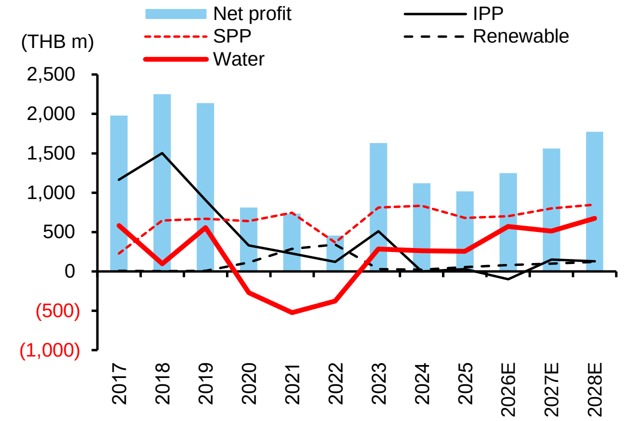


Sources: WHAUP; Globlex Research

Water for growth: captive and captivating

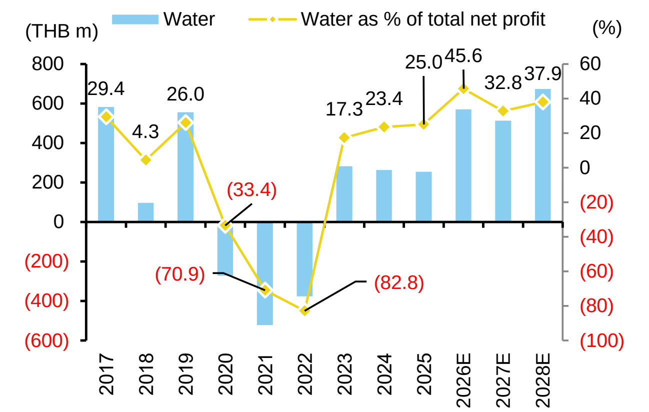
In the past, earnings from water for WHAUP has seen the creeping growth trajectory, given the loss from its Vietnam-based water assets and the low-growth demands in Thailand. During 2020-22, water business in Vietnam even made net losses as a result of poor demands, dragging WHAUP's overall net profit down from THB2.2b in 2019 to THB0.8b in 2020, THB0.7b in 2021, and hitting the bottom at THB454m in 2022 before starting recovering from the rising earnings from SPPs as margins recuperated.

Exhibit 4: Net profit breakdown by IPP, SPP, Renewable, Water



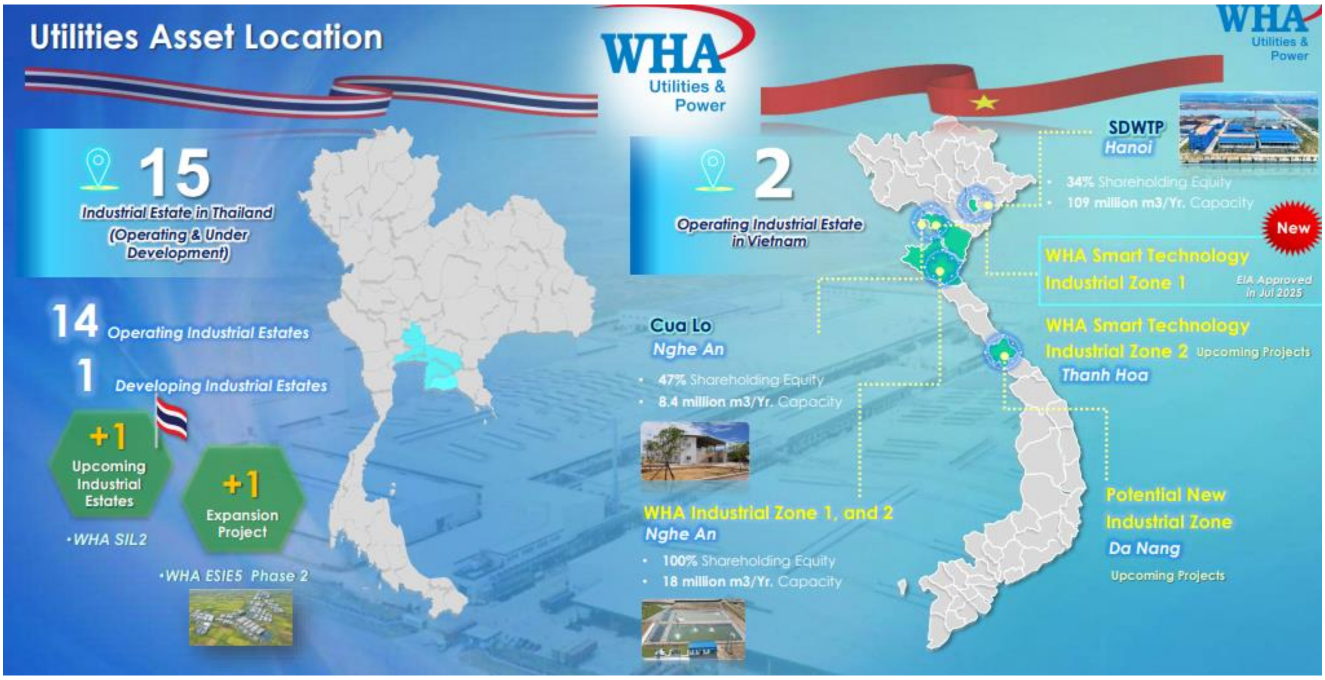
Sources: WHAUP; Globlex Research

Exhibit 5: Water net profit, % of total net profit



Sources: WHAUP; Globlex Research

Exhibit 6: WHAUP's water (utilities) asset portfolio and locations



Sources: WHAUP; Globlex Research

However, starting 2026E onwards, we project WHAUP's net profit from water business to jump markedly, propelled by

- **Higher demands for water.** Majority of water demands will come mainly from data centers owned and operated by hyperscalers that have already signed and bought lands in WHA's IEs. We estimate that out of 1,340 rais of land sold and 2,074 rais of lands transferred in 2025, around 70-80% being the lands sold and 40% lands transferred to AI-related data centers
- **Higher water consumption intensity.** Compared to water consumption by traditional industrial factories like electronics, food, electrical appliances, data center customers will consumer water at 10-12x higher at 40-50 m3/day vs only 3-4 m3/day for traditional industries

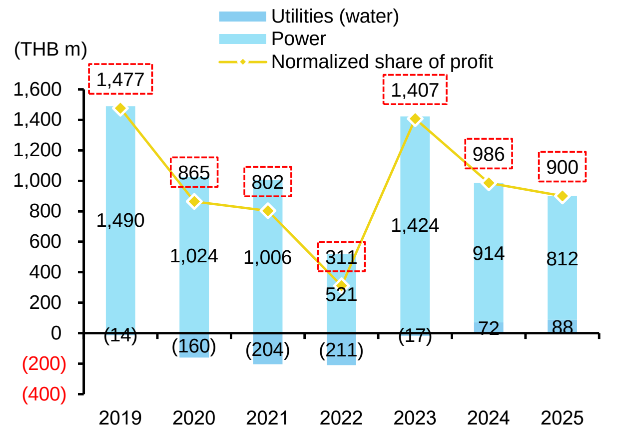
Exhibit 7: Lands sold and transferred by WHA's IEs and WHAUP's capacities of water and power

	Unit	2025	2026E	1Q26
Total land sales	rai	1,340	2,500	951
Thailand	rai	1,316	2,300	
Vietnam	rai	24	200	
Total land transfer	rai	2,074	2,000	296
Thailand	rai	2,045	1,950	
Vietnam	rai	29	50	
Outstanding LOI	rai	1,632	1,500	1,426
Ready built factory and warehouse under owned & managed	sqm	855,748	908,800	855,748
Water and power				
Utilities sales and management	m m3	160	170	43
Secured PPA equity capacity	MW	1,026	1,124	1,058

Sources: WHAUP; Globlex Research

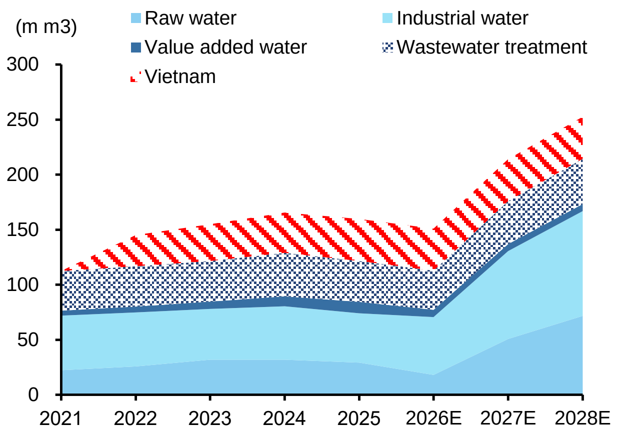
In 2026-28, we project earnings from water to rise substantially to THB0.6-1.0b as revenue grows in tandem with the stages of development for data centers in WHA's IEs. Meanwhile, equity income from its 35%-owned water facilities in Vietnam are expected to stay healthy at THB0.1b annually, further strengthening net profit generated from water business.

Exhibit 8: Normalised equity net profit (utilities vs power)



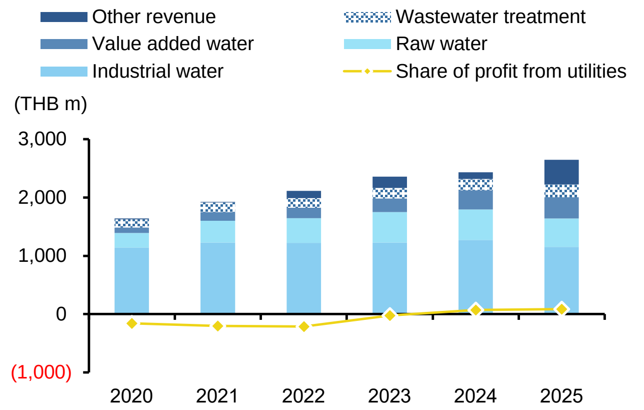
Sources: WHAUP; Globlex Research

Exhibit 9: Water sales volume breakdown by type



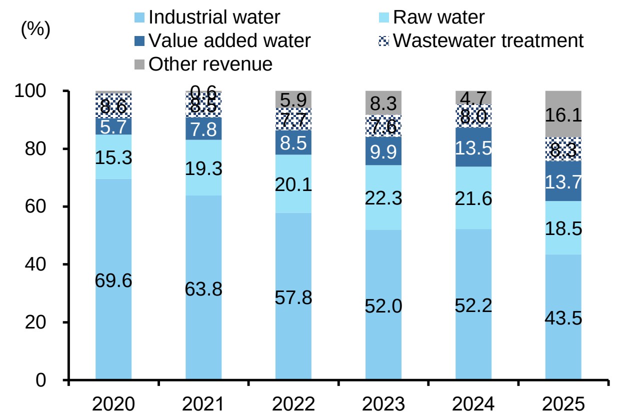
Sources: WHAUP; Globlex Research

Exhibit 10: Water revenue breakdown by type



Sources: WHAUP; Globlex Research

Exhibit 11: Water revenue breakdown by type (%)

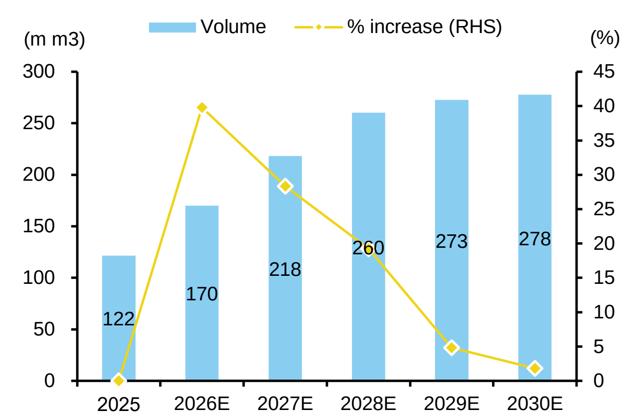


Sources: WHAUP; Globlex Research

We highlight that the revenue and earnings stream from water business will come in many different forms

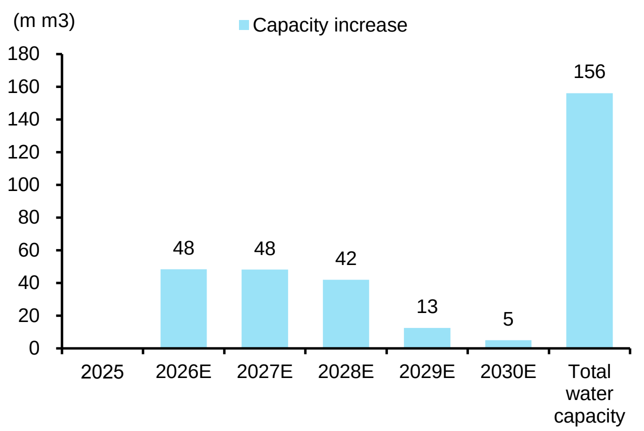
- **Industrial water** will be the main water type that will be consumed by industrial customers, estimated at 3-4 m3/day for non-data center and 40-50 m3/day for data center
- **Waste water** will be naturally complemented demand with industrial water with 75 m3/day waste water to be treated services for every 100 m3/day industrial consumption
- **Value-added water**, currently contributing 10% of total water sales volumes, is an on-demand service, not a mandate demand like industrial and waster water treatment service, to customers. However, we think as the environmental requirement and the process complexity of new industry customers will naturally mandate higher demands for special treatment for water, we think demands for value-added water service will rise
- **Raw water** demand is demand that is more difficult to predict given the requirement of customers in each industry. However, we think raw water demand will grow meaningfully in 2026-28, in line with the growths in demands for industrial water and waste water treatment services

Exhibit 12: Water capacity growth projection



Sources: WHAUP; Globlex Research

Exhibit 13: Water capacity growth during 2026-30

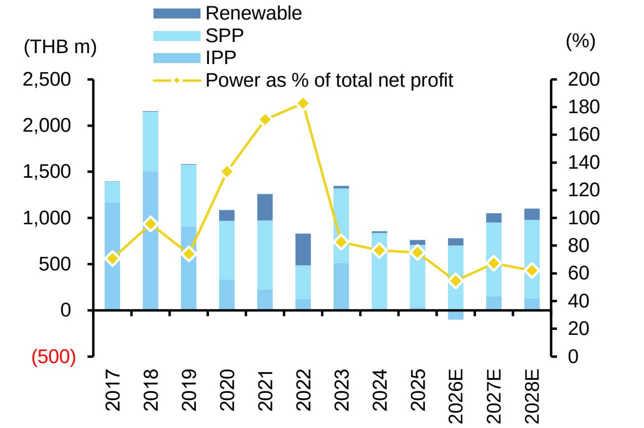


Sources: WHAUP; Globlex Research

Power for base load: Growth is as good as it gets

Not until 2020 have power business been WHAUP's core earnings driver, generating over THB1.5-2.5b annual net profit. However, since 2020 when the Availability Payment (AP) and the margins of SPPs had been sharply dropped, power earnings contribution has now been relatively stagnant at around THB1.0b annually, comprising THB0.8b from SPPs, THB0.1b from IPP, and THB0.1b from renewable.

Exhibit 14: Power net profit by segment



Sources: WHAUP; Globlex Research

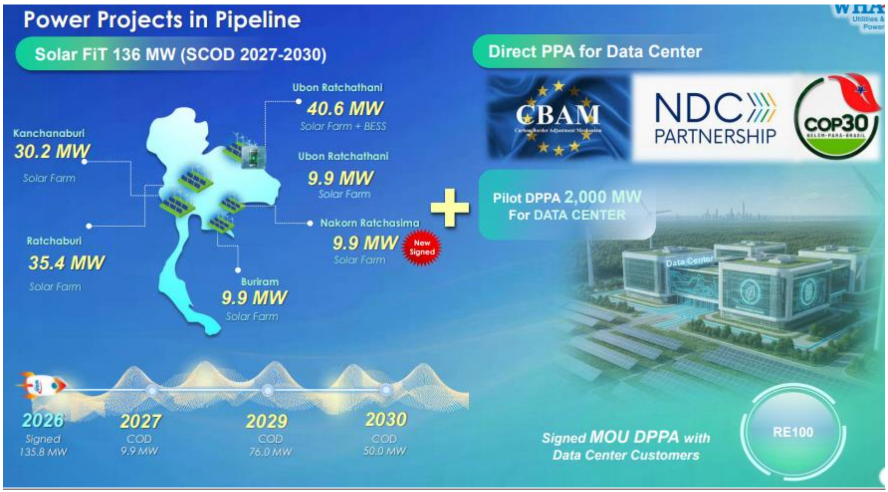
Exhibit 15: Power capacity

Sources: WHAUP; Globlex Research

In 2027-30, WHAUP already secured 136MW of the Feed-in-Tariff (FiT)-based solar projects, which comprises solar farms and solar farm + BESS (40.6MW), all being projected to start operations staggeringly.

In addition, WHAUP is one of the key players in Thailand's power sector to stand benefiting from the recently approved Direct PPA 2GW renewable scheme for data centers. We think this could add more growth but since the details remain unclear, we still exclude this upside into our EPS forecasts and SoTP TP.

Exhibit 16: Power growth projects in pipeline



Sources: WHAUP; Globlex Research

Initiated with BUY and a TP of THB9.2

We initiated coverage on WHAUP with BUY and a SoTP TP of THB9.2. We derived our values for each asset and projects using DCF with WACC of 6.2%, which could be divided into

- Water business in Thailand at THB6.70, WHAUP's key growth driver
- Water business in Vietnam at THB1.10
- Power business in Thailand at THB1.40, net of net debt as most of WHAUP's debt is used to fund the power business

Our THB9.2 reflects an implied 2027E P/E of 22x, which we think is justified by WHAUP's higher earnings growth, higher margins, and rising ROEs on the back of growing earnings of the high-margin water business (50% GPM).

Exhibit 17: P/E valuation

P/E (x)	(THB/share)	18	19	20	21	22	23	24
2026E EPS	0.33	5.9	6.2	6.5	6.9	7.2	7.5	7.8
2027E EPS	0.41	7.4	7.8	8.2	8.6	9.0	9.4	9.8

Sources: WHAUP; Globlex Research

Exhibit 18: SoTP valuation

Cost of equity assumptions (%)		Cost of debt assumptions (%)	
Risk free rate	2.3	Pretax cost of debt	3.4
Market risk premium	8.5	Marginal tax rate	20.0
Stock beta	1.10		
Cost of equity, Ke	11.7	Net cost of debt, Kd	2.6
Weight applied	40.0	Weight applied	60.0
WACC (%)	6.2		

DCF valuation estimate	MW	%	Equity Capacity	THB m	THB/share	Comments
Gheco-1 (Aug,2012) - Coal	660	35%	231	2,769	0.7	WACC 6.2%, RF 2.3%, RPM 8.5%
GLOW IPP (Jan,03)-Gas	713	5%	36	60	0.0	WACC 6.2%, RF 2.3%, RPM 8.5%
Houay Ho (Sep,99)-Hydro	152	13%	19	622	0.2	WACC 6.2%, RF 2.3%, RPM 8.5%
GJP NLL (May, 2013) - Gas	123	25%	31	1,509	0.4	WACC 6.2%, RF 2.3%, RPM 8.5%
GULF SOLAR (2014) - solar	1	25%	0	5	0.0	WACC 6.2%, RF 2.3%, RPM 8.5%
WHA GUNKUL (2014) - solar	3	75%	2	89	0.0	WACC 6.2%, RF 2.3%, RPM 8.5%
BGRIM POWER1 Nov, 2016) - Gas	130	25%	33	1,182	0.3	WACC 6.2%, RF 2.3%, RPM 8.5%
GULF VTP (2017)	137	25%	34	610	0.2	WACC 6.2%, RF 2.3%, RPM 8.5%
GULF TS1 (2017)	134	25%	34	1,173	0.3	WACC 6.2%, RF 2.3%, RPM 8.5%
GULF TS2 (2017)	134	25%	34	1,270	0.3	WACC 6.2%, RF 2.3%, RPM 8.5%
GULF TS3 (2017)	130	25%	33	1,195	0.3	WACC 6.2%, RF 2.3%, RPM 8.5%
GULF TS4 (2018)	130	25%	33	1,828	0.5	WACC 6.2%, RF 2.3%, RPM 8.5%
GULF NLL2 (2019)	127	25%	32	1,248	0.3	WACC 6.2%, RF 2.3%, RPM 8.5%
Solar rooftop project	1	100%	1	6,106	1.6	WACC 6.2%, RF 2.3%, RPM 8.5%
Chonburi Clean Energy (Waste Heat,2019)	9	33%	3	157	0.0	WACC 6.2%, RF 2.3%, RPM 8.5%
Water in Thailand (cmpd)	**546**	**100%**	**546**	**25,584**	**6.7**	**WACC 6.2%, RF 2.3%, RPM 8.5%**
Nghe An - water (cmpd)	46	100%	46	3,358	0.9	
Duong River - water (cmpd)	300	34%	102	939	0.2	
Net debt				(14,634)	(3.8)	2027E
Minorities				(5)	(0.0)	2027E
Residual ordinary equity				**35,064**	**9.2**	

Sources: Globlex Research

Balance sheet (THB m)					
Year ending Dec	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Current assets					
Cash & ST investment	1,598	1,201	2,027	2,213	2,409
Account receivable	484	616	762	933	1,118
Inventories	0	0	0	0	0
Others	307	345	384	448	485
Non-current assets					
Net fixed assets	8,960	9,861	9,786	10,574	11,325
Others	19,898	19,626	19,626	19,626	19,626
Total Assets	**31,247**	**31,648**	**32,585**	**33,794**	**34,964**
Current liabilities					
Account payable	569	581	1,010	1,123	1,125
ST borrowing	3,219	3,849	3,849	3,849	3,849
Others	123	170	189	221	239
Long-term liabilities					
Long-term debts	13,284	12,998	12,998	12,998	12,998
Others	489	558	558	558	558
Total liabilities	**17,685**	**18,156**	**18,605**	**18,749**	**18,770**
Pai-up capital	3,825	3,825	3,825	3,825	3,825
Retained earnings	4,117	4,168	4,653	5,715	6,863
Others	5,620	5,500	5,500	5,500	5,500
Minority interest	0	0	3	5	7
Shareholders' equity	**13,562**	**13,492**	**13,980**	**15,044**	**16,194**

Profit & loss (THB m)					
Year ending Dec	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Revenue	**2,926**	**3,194**	**3,557**	**4,150**	**4,498**
Cost of goods sold	(1,415)	(1,309)	(2,276)	(2,530)	(2,534)
Gross profit	**1,511**	**1,886**	**1,280**	**1,620**	**1,963**
Operating expenses	(344)	(410)	(391)	(415)	(450)
Operating profit	**1,166**	**1,476**	**889**	**1,205**	**1,514**
EBIT	**709**	**901**	**515**	**793**	**1,065**
Depreciation	(457)	(575)	(374)	(411)	(449)
EBITDA	**1,166**	**1,476**	**889**	**1,205**	**1,514**
Non-operating income	**18**	**(222)**	**300**	**400**	**350**
Other incomes	18	(222)	300	400	350
Other non-op income	0	0	0	0	0
Non-operating expense	**(536)**	**(545)**	**(551)**	**(551)**	**(551)**
Interest expense	(536)	(545)	(551)	(551)	(551)
Other non-op expense	0	0	0	0	0
Equity income/(loss)	944	975	1,065	1,114	1,167
Pre-tax Profit	**1,136**	**1,109**	**1,330**	**1,756**	**2,031**
Extraordinary items	0	0	0	0	0
Current taxation	(17)	(92)	(77)	(192)	(256)
Minorities	(0)	(0)	(3)	(2)	(2)
Net Profit	**1,119**	**1,016**	**1,250**	**1,562**	**1,772**
Core net profit	**1,119**	**1,016**	**1,250**	**1,562**	**1,772**
EPS (THB)	**0.29**	**0.27**	**0.33**	**0.41**	**0.46**
Core EPS (THB)	**0.29**	**0.27**	**0.33**	**0.41**	**0.46**

Key ratios					
Year ending Dec	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Growth (%YoY)					
Sales	5.2	9.2	11.3	16.7	8.4
Operating profit	4.7	26.5	(39.8)	35.5	25.6
EBITDA	4.7	26.5	(39.8)	35.5	25.6
Net profit	(31.4)	(9.2)	23.0	25.0	13.4
Core net profit	(31.4)	(9.2)	23.0	25.0	13.4
EPS	(31.4)	(9.2)	23.0	25.0	13.4
Core EPS	(31.4)	(9.2)	23.0	25.0	13.4
Profitability (%)					
Gross margin	51.6	59.0	36.0	39.0	43.7
Operation margin	39.9	46.2	25.0	29.0	33.7
EBITDA margin	39.9	46.2	25.0	29.0	33.7
Net margin	38.2	31.8	35.2	37.6	39.4
ROE	8.2	7.5	9.1	10.8	11.4
ROA	5.3	3.8	5.2	5.9	6.3
Stability					
Interest bearing debt/equity (x)	1.2	1.2	1.2	1.1	1.0
Net debt/equity (x)	1.1	1.2	1.1	1.0	0.9
Interest coverage (x)	1.3	1.7	0.9	1.4	1.9
Interest & ST debt coverage (x)	0.2	0.2	0.1	0.2	0.2
Cash flow interest coverage (x)	0.1	0.1	0.2	0.2	0.2
Current ratio (x)	0.6	0.5	0.6	0.7	0.8
Quick ratio (x)	0.5	0.4	0.6	0.6	0.7
Net debt (THB m)	14,906	15,646	14,820	14,634	14,438
Activity					
Asset turnover (X)	0.1	0.1	0.1	0.1	0.1
Days receivables	61.4	62.8	70.7	74.5	83.2
Days inventory	0.0	0.0	0.0	0.0	0.0
Days payable	141.6	160.3	127.6	153.9	161.9
Cash cycle days	(80.2)	(97.5)	(56.9)	(79.3)	(78.7)

Cash flow (THB m)					
Year ending Dec	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Operating cash flow	**2,514**	**2,455**	**2,953**	**2,997**	**3,186**
Net profit	1,119	1,016	1,250	1,562	1,772
Depre.& amortization	457	575	374	411	449
Change in working capital	(7)	(111)	263	(90)	(202)
Others	944	975	1,065	1,114	1,167
Investment cash flow	**(1,910)**	**(1,678)**	**(299)**	**(1,200)**	**(1,200)**
Net CAPEX	(1,749)	(1,476)	(299)	(1,200)	(1,200)
Change in LT investment	0	0	0	0	0
Change in other assets	(161)	(202)	(0)	(0)	(0)
Free cash flow	**604**	**778**	**2,654**	**1,797**	**1,986**
Financing cash flow	**(310)**	**(1,175)**	**(1,827)**	**(1,612)**	**(1,790)**
Change in share capital	0	0	0	0	0
Net change in debt	1,845	343	0	0	0
Divident paid	(3,252)	(3,251)	(765)	(500)	(625)
Others	1,096	1,733	(1,062)	(1,111)	(1,165)
Net cash flow	**294**	**(397)**	**826**	**186**	**196**

Per share (THB)					
EPS	0.29	0.27	0.33	0.41	0.46
Core EPS	0.29	0.27	0.33	0.41	0.46
CFPS	0.41	0.42	0.43	0.52	0.58
BVPS	3.55	3.53	3.65	3.93	4.23
Sales/share	0.76	0.84	0.93	1.09	1.18
EBITDA/share	0.30	0.39	0.23	0.31	0.40
DPS	0.26	0.26	0.13	0.16	0.19
Valuation					
P/E (x)	16.48	15.81	20.80	16.65	14.67
P/BV (x)	1.36	1.19	1.86	1.73	1.61
Dividend yield (%)	5.39	6.19	1.92	2.40	2.73
Divdend payout ratio (%)	88.89	97.85	40.00	40.00	40.00

GENERAL DISCLAIMER

Analyst Certification

Suwat Sinsadok, Register No. 020799, Globlex Securities Public Company Limited

The opinions and information presented in this report are those of the Globlex Securities Co. Ltd. Research Department. No representation or warranty in any form regarding the accuracy, completeness, correctness or fairness of opinions and information of this report is offered by Globlex Securities Co. Ltd. Globlex Securities Co. Ltd. Accepts no liability whatsoever for any loss arising from the use of this report or its contents. This report (in whole or in part) may not be reproduced or published without the express permission of Globlex Securities Co. Ltd.

RECOMMENDATION STRUCTURE

Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY: Expected return of 10% or more over the next 12 months.
HOLD: Expected return between -10% and 10% over the next 12 months.
REDUCE: Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.
* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Sector Recommendations

Overweight: The industry is expected to outperform the relevant primary market index over the next 12 months.
Neutral: The industry is expected to perform in line with the relevant primary market index over the next 12 months.
Underweight: The industry is expected to underperform the relevant primary market index over the next 12 months.

Country (Strategy) Recommendations

Overweight: Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral: Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight: Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.