

Wee Hur Holdings Ltd

The wait is over - special dividends are here



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SINGAPORE | CONSTRUCTION | UPDATE

- On 1 April 2025, Wee Hur announced that the disposal of 37.1% stake in WH PBSA Master Trust (Fund I) has completed (net proceeds ~S\$300mn). S\$0.07 special dividend per share (~14% dividend yield) was declared and will be paid in May 2025.
- Following the disposal, Wee Hur will continue to own 13% of Fund I, its stake valued at ~S\$175mn (~38% of market capitalisation). Wee Hur's stake in Fund II is valued at ~S\$57mn (~13% of market capitalisation). Wee Hur's NAV per share is expected to increase from S\$0.71 to S\$0.75 post-transaction due to S\$37mn net gain from sale.
- We maintain BUY with an unchanged target price of S\$0.62. Using SOTP, we reduced Fund I's stake to 13% (prev. 50.1%) as the disposal of 37.1% of Fund I has completed. With balance sheet strengthened with an expected ~S\$122mn net cash post-special dividends, we lowered WACC of workers' dormitory segment to 9.7% (prev. 13.7%) and raised EV/EBITDA assumption to 7.3x (prev. 3x) to be more in-line with Wee Hur's FY24 EV/EBITDA of 8.6x. Fund II's discount to RNAV assumption is lowered to 40% (prev. 60%) to reflect an intent to dispose of the asset, timeline uncertain. At S\$0.62 target price, Wee Hur would be trading at a ~17% discount to its expected NAV per share of S\$0.75.

Key Highlights

- Wee Hur announced S\$0.07 of special dividend per share.** The amount was 8% higher than our initial expectations of S\$0.065 per share. The special dividend represents a dividend yield of ~14%. We are forecasting FY25e dividend yield of 15.5% (inclusive of special dividend).
- Wee Hur received S\$300mn in net proceeds and S\$37mn in net gains from its PBSA disposal.** The substantial net proceeds (~65% of its market capitalization) is expected to boost its balance sheet from a net debt of S\$114mn to an expected net cash of ~S\$122mn after giving out special dividends. The gain on sale is expected to boost Wee Hur's NAV per share from S\$0.71 to ~S\$0.75.
- Going forward, Wee Hur still has ~S\$232mn worth of assets (~50% of its market cap) to be sold.** Following the transaction, Wee Hur owns 13% of the units in the WH PBSA Master Trust (Fund I), with its stake valued at ~S\$175mn (Figure 1). Wee Hur also owns 30% of Fund II, which holds a 409-bed PBSA asset in Sydney, its stake valued at ~S\$57mn. We believe Wee Hur will eventually implement an exit strategy for these assets, although the timeline is uncertain. Assuming ~14% of fair value paid out as special dividends as in this case, we expect a possible special dividend of S\$0.035 per share (yield: ~7%) from sale of remaining assets.

Figure 1: Wee Hur's total remaining stake in its PBSA assets are ~S\$232mn

Properties	Fund	Fair Value (\$\$mn)	Effective Group Interest (%)	Group Interest Fair Value (\$\$mn)	no. of beds	Approx. land area (Sq. Metres)
UniLodge Park Central	Fund I (WH PBSA Trust)	264.1	13%	34.3	1,578	3,976
Y Suites City Gardens	Fund I (WH PBSA Trust)	123.4	13%	16.0	772	2,470
Y Suites on Waymouth	Fund I (WH PBSA Trust)	136.1	13%	17.7	811	1,810
Y Suites on A'Beckett	Fund I (WH PBSA Trust)	227.4	13%	29.6	888	1,029
Y Suites on Gibbons	Fund I (WH PBSA Trust)	219.8	13%	28.6	472	1,365
Y Suites on Moore	Fund I (WH PBSA Trust)	172.4	13%	22.4	733	1,431
Y Suites on Regent	Fund I (WH PBSA Trust)	202.8	13%	26.4	408	1,368
Y Suites on Margaret	Fund II (WH PBSA II Trust)	190.9	30%	57.3	409	1,366
Group Interest fair value (\$\$mn)				232.3		

Source: Company, PSR

BUY (Maintained)

CLOSING PRICE	SGD 0.500
FORECAST DIV	SGD 0.080
TARGET PRICE	SGD 0.62
TOTAL RETURN	40.0%

COMPANY DATA

Bloomberg CODE:	WHUR SP Equity
O/S SHARES (MN):	919.2
MARKET CAP (USD mn / SGD mn):	343 / 460
52 - WK HI/LO (SGD):	0.56 / 0.17
3M Average Daily T/O (mn):	7.33

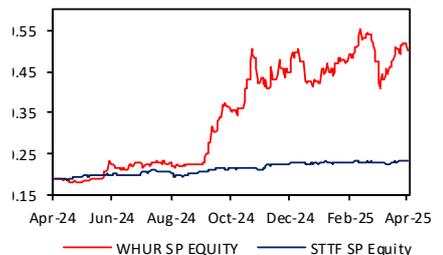
MAJOR SHAREHOLDERS

GSC Holdings Pte Ltd	38.0%
Goh Yeow Lian	7.1%

TOTAL RETURN (%)

	1MTH	3MTH	YTD
COMPANY	5.3	19.0	19.0
STTF RETURN	1.9	4.5	5.3

PRICE VS. STTF



Source: Bloomberg, PSR

KEY FINANCIALS

Y/E Dec, \$\$mn	FY23	FY24	FY25e	FY26e
Revenue	224.8	200.8	203.2	199.4
EBITDA	174.0	69.5	67.5	67.5
Adj. net profit	71.6	91.4	113.5	149.1
EPS (cents)	10.7	5.9	12.3	16.2
P/E (X)	4.2	7.7	4.2	3.2
Dividend Yield	1.3%	2.2%	15.5%	1.9%
ROE	14.8%	8.4%	17.4%	22.4%
ROA	8.3%	5.4%	11.7%	15.6%

Source: Company, PSR

VALUATION METHOD

SOTP Valuation

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Maintain BUY with unchanged TP of S\$0.62

Within our SOTP model, we reduced Fund I’s stake to 13% (prev. 50.1%) as the disposal of 37.1% of Fund I is complete. With the balance sheet strengthened with an expected ~S\$122mn net cash post-special dividends, we lowered WACC of workers’ dormitory segment to 9.7% (prev. 13.7%) and raised EV/EBITDA assumption to 7.3x (prev. 3x) to be more in-line with Wee Hur’s FY24 EV/EBITDA of 8.6x. Fund II’s discount to RNAV assumption is lowered to 40% (prev. 60%) to reflect an intent to dispose of the asset, timeline is uncertain.

SOTP Valuation S\$'000	Basis	% owned	Multiple (x)	Sales / Market Cap / Book value / RNAV	Share of Sales / Market Cap / Book value / RNAV	Per Share (S\$)
Business Segments						
Building construction	0.3x FY24e sales	100%	0.3	63,924	19,177	0.02
Workers' dormitory	DCF, WACC 9.7%, EV/EBITDA 7.3x	60%	0.6	674,021	404,412	0.44
Property development						
- Bartley Vue	0.9x FY24e P/B	75%	0.68	579	391	0.0004
- Mega@Woodlands	0.9x FY24e P/B	60%	0.54	14,275	7,709	0.008
Fund management						
- Fund I	40% discount to RNAV	13%	0.08	1,345,981	104,987	0.11
- Fund II	40% discount to RNAV	30%	0.18	174,978	31,496	0.03
Fair value of Wee Hur Holdings						0.62

Source: Company, PSR

Financials

Income Statement

Y/E Dec, SGD '000	FY22	FY23	FY24	FY25e	FY26e
Revenue	215,890	224,842	200,794	203,168	205,248
Gross profit	25,355	53,601	83,009	48,434	48,930
EBITDA	(23,048)	174,043	69,491	67,505	67,505
Depreciation & amortisation	(2,023)	(2,243)	(1,986)	(2,200)	(2,109)
EBIT	(25,071)	171,800	67,505	65,305	65,396
Net Finance Inc/(Exp)	(30)	(2,702)	-	(2,836)	(2,884)
Net fair value gains	(14,667)	26,923	(37,353)	-	-
share of assoc and JVs	531	126,390	65,340	117,837	61,574
Admin expense	(26,990)	(26,939)	(1,505)	(24,380)	(24,630)
Others	41,126	(126,374)	(29,964)	(25,006)	(24,822)
Profit before tax	(25,101)	169,098	64,023	130,921	74,635
Taxation	(3,067)	(8,860)	(7,044)	(14,401)	(8,210)
Minority interest	(68,117)	(26,199)	(2,949)	(3,048)	(3,079)
PATMI	67,923	98,566	54,030	113,472	151,046
Net fair value gains	14,667	(26,923)	37,353	-	-
PATMI, adjusted	82,590	71,643	91,383	113,472	151,046

Per share data (SGD Cents)

Y/E Dec	FY22	FY23	FY24	FY25e	FY26e
EPS, Reported	7.4	10.7	5.9	12.3	16.4
EPS, Adjusted	9.0	7.8	9.9	12.3	16.4
DPS	0.5	0.6	1.0	8.0	1.0
BVPS	0.53	0.66	0.71	0.73	0.72

Cash Flow

Y/E Dec, SGD '000	FY22	FY23	FY24	FY25e	FY26e
CFO					
Profit before tax	(25,101)	169,098	64,023	130,921	74,635
Adjustments	(134,458)	(93,811)	(13,118)	(118,704)	(62,532)
WC changes	14,449	50,004	36,747	23,172	55,123
Cash generated from ops	45,462	90,177	87,652	27,533	62,747
Tax paid	(3,308)	(5,415)	(7,055)	(1,877)	(3,637)
Cashflow from ops	42,154	84,762	80,597	25,657	59,110
CFI					
CAPEX, net	(386)	(1,107)	(864)	(970)	(979)
Addns to investmt property	(80,186)	(26,513)	(55,487)	(43,884)	(30,787)
Cash from disposal of PBSA	-	-	1	-	319,849
Others	61,980	(1,063)	(28,635)	4,045	4,345
Cashflow from investments	(18,592)	(28,683)	(84,985)	(40,809)	292,427
CFE					
Repayment of lease liability	(6,304)	(6,711)	(31,839)	(6,612)	(6,513)
Loans, net of repayments	10,835	33,497	48,661	26,507	36,510
Dividends	(6,277)	(20,996)	(22,262)	(20,996)	(21,400)
Others	(27,824)	(7,996)	12,897	(23,292)	(23,292)
Cashflow from financing	(29,570)	(2,206)	7,457	(24,393)	(14,695)
Net change in cash	(6,008)	53,873	3,069	(39,545)	336,842
Cash at start of period	53,430	47,258	100,644	100,644	60,649
FX charges	(164)	(487)	(1,864)	(450)	(542)
CCE, end	47,258	100,644	101,849	60,649	396,949

Source: Company, Phillip Securities Research (Singapore) Estimates

Balance Sheet

Y/E Dec, SGD '000	FY22	FY23	FY24	FY25e	FY26e
ASSETS					
Trade and other receivables	86,506	124,902	100,652	91,425	92,362
Cash	38,525	107,316	101,849	401,849	341,849
Development properties	168,818	134,794	109,296	90,000	83,957
Disposal group	996,697	-	-	-	-
Others	246	250	-	0	(0)
Total current assets	1,290,792	367,262	311,797	583,274	518,168
PPE	30,954	29,784	28,660	28,554	27,424
Investment properties	25,796	166,563	185,946	146,281	205,248
Investments in JV	-	355,727	395,836	113,010	113,010
Others	44,638	54,439	109,580	96,367	97,354
Total non-current assets	101,388	606,513	720,022	384,212	443,036
Total Assets	1,392,180	973,775	1,031,819	967,486	961,204
LIABILITIES					
Accounts payable	92,889	122,380	115,251	96,810	97,802
Bank borrowings	34,826	116,370	71,813	40,634	41,050
Liabilities of disposal grp	472,395	-	-	-	-
Others	4,057	6,677	5,735	6,095	6,157
Total current liabilities	604,167	245,427	192,799	143,539	145,009
Deferred tax liabilities	3,604	2,443	2,386	2,937	2,052
Long-term borrowings	69,022	82,494	143,873	121,901	123,149
Others	12,000	14,567	30,703	20,317	20,525
Total non-current liabilities	84,626	99,504	176,962	145,154	145,726
Total Liabilities	688,793	344,931	369,761	288,693	290,735
Equity					
Share capital	125,733	125,733	125,733	125,733	125,733
Shareholder Equity	703,387	628,844	662,058	678,793	670,469

Valuation Ratios

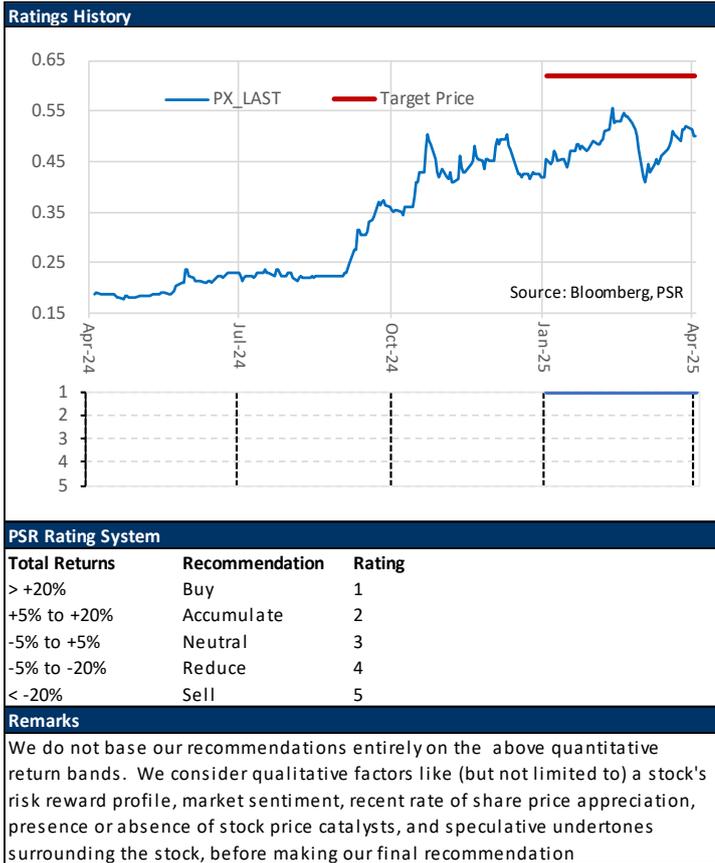
Y/E Dec	FY22	FY23	FY24	FY25e	FY26e
P/E (X) - Reported	7.0	4.8	8.8	4.2	3.1
P/B (X)	1.0	0.8	0.7	0.7	0.7
EV/EBITDA (X)	-32.6	3.4	8.6	3.6	4.5
Dividend Yield	1.0%	1.2%	1.9%	15.5%	1.9%

Growth & Margins

Growth					
Revenue	7.7%	4.1%	-10.7%	1.2%	1.0%
EBITDA	-43.6%	-855.1%	-60.1%	-2.9%	0.0%
EBIT	-41.3%	-785.3%	-60.7%	-3.3%	0.1%
Net profit, adj	-240.0%	-13.3%	27.6%	24.2%	33.1%
Margins					
Gross margin	11.7%	23.8%	41.3%	23.8%	23.8%
EBITDA margin	-10.7%	77.4%	34.6%	33.2%	32.9%
EBIT margin	-11.6%	76.4%	33.6%	32.1%	31.9%
Net profit margin, adj	38.3%	31.9%	45.5%	55.9%	73.6%

Key Ratios

Key Ratios					
ROE	10.3%	14.8%	8.4%	17.4%	22.4%
ROA	4.9%	8.3%	5.4%	11.7%	15.7%
Net Gearing (%)	9.3%	14.6%	0.0%	Net cash	Net cash
Net Debt/EBITDA (X)	-2.8	0.5	0.0	-3.5	-2.6



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