

19 MARCH 2021

THAILAND / TOURISM & LEISURE

ASSET WORLD CORP AWC TB

BUY

FROM HOLD

TARGET PRICE	THB6.40
CLOSE	THB5.20
UP/DOWNSIDE	+23.1%
PRIOR TP	THB5.00
CHANGE IN TP	+28.0%
TP vs CONSENSUS	+23.9%

เลือกหุ้นสินทรัพย์ เลือก Asset World

มีศักยภาพที่จะพลิกฟื้นก่อนคาด

เราเชื่อว่า AWC เป็นหนึ่งในหุ้นท่องเที่ยวที่มีศักยภาพในการพลิกฟื้นก่อนเพื่อนและก่อนตลาด คาดเนื่องจาก 1) ครึ่งหนึ่งของพอร์ตของบริษัท ซึ่งเป็นธุรกิจค้าปลีกและอาคารสำนักงาน ได้กลับมารายงาน EBITDA เป็นบวก; และ 2) ค่าเสื่อมอาจลดลงอย่างมีนัยสำคัญถึงประมาณ 30% y-y ในปี 2021 จากวิธีการบันทึกทางบัญชีใหม่ของบริษัท

ค่าเสื่อมลดลงจากวิธีบันทึกทางบัญชีใหม่

AWC ได้ปรับใช้นโยบายทางบัญชีใหม่สำหรับสินทรัพย์เพื่อการลงทุน (42% ของสินทรัพย์ของ AWC ณ สิ้นปี 2020) จากการบันทึกตามต้นทุนเป็นตามมูลค่ายุติธรรม โดยได้เริ่มมาตั้งแต่วันที่ 1 ม.ค. 2021 ภายใต้วิธีการบันทึกตามมูลค่ายุติธรรมดังกล่าว ค่าเสื่อมจะถูกแทนที่ด้วยผลกำไร/ขาดทุนจากการประเมินมูลค่าสินทรัพย์ ทำให้เราคาดว่าค่าเสื่อมของบริษัทจะลดลงประมาณ 700 ลบ. ในขณะที่เราเห็นผลขาดทุนจากการด้อยค่าจำนวนเล็กน้อยนับจากนี้เป็นต้นไป เนื่องจาก 49% ของสินทรัพย์เพื่อการลงทุนเป็นที่ดิน ซึ่งมีแนวโน้มปรับขึ้นทุกปี เนื่องจากที่ดินส่วนมากอยู่ในพื้นที่สำคัญในกรุงเทพฯ ทำให้เรามองว่าวิธีการบันทึกทางบัญชีใหม่จะช่วยให้ AWC พลิกมารายงานกำไรภายในช่วง 2H21

มีอัปเดตจากการซื้อและควบรวมกิจการ

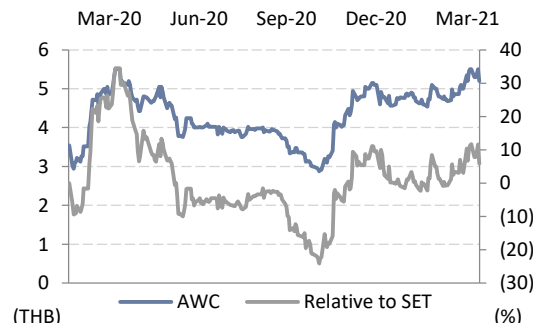
AWC มีฐานะทางการเงินที่ดีโดยมีอัตราส่วนหนี้สินมีดอกเบียดต่อบริษัทที่เพียง 0.6x ณ สิ้นปี 2020 ปัจจัยดังกล่าวจะทำให้บริษัท สามารถเริ่มซื้อสินทรัพย์ใหม่ได้ เมื่อไม่นานมานี้ AWC ได้ประกาศ 3 โครงการใหม่ประกอบด้วย Sigma Hotel Jomtien Pattaya (เงินลงทุน 1.8 พัน ลบ.) Woeng Nakhon Kasem (16.9 พัน ลบ.) และ 8 Rai Lasalle (0.7 พัน ลบ.) ซึ่งเพิ่มจำนวนโครงการที่ AWC กำลังดำเนินการเป็น 11 พร้อมเงินลงทุนรวมที่ 4 หมื่นลบ. การลงทุนดังกล่าวจะเพิ่มขนาดสินทรัพย์ของบริษัท อีก 33% จาก 121 พัน ลบ. ในปัจจุบันเป็น 161 พัน ลบ. เราคาดว่า EBITDA ของบริษัท จะเพิ่มจาก 5.2 พัน ลบ. ในปี 2019 เป็น 10.9 พัน ลบ. ภายในปี 2026

ปรับเพิ่มประมาณการกำไร P/BV มีส่วนลดเมื่อเทียบกับบริษัทอื่นในกลุ่มฯ

เราปรับเพิ่มสมมติฐานกำไรจากการดำเนินงานในปี 2022-23 อีก 32-174% เพื่อสะท้อนค่าเสื่อมที่ลดลงจากวิธีบันทึกทางบัญชีใหม่ นอกจากนี้เรายังรวม 2 โครงการใหม่ไว้ในประมาณการของเรา ทำให้เราปรับเพิ่มคำแนะนำสำหรับ AWC เป็นซื้อจากถือหลังปรับราคาเป้าหมายปี 2022 เป็น 6.4 บาท (DCF, 7.4% WACC, 2.5% LTG) AWC มีการซื้อขายที่ 38.0x ของค่า 2023E EV/EBITDA แม้ว่าจะระดับการประเมินมูลค่าจะสูง เราแนะนำให้นักลงทุนดูค่า P/BV มากกว่า เนื่องจากเรามองว่า AWC เป็นหุ้นสินทรัพย์ ซึ่งส่วนมากมีลักษณะเป็นกรรมสิทธิ์ (freehold) ปัจจุบันหุ้นมีการซื้อขายที่ 2.1x ของค่า 2022E P/BV ต่ำกว่าค่าเฉลี่ยของกลุ่ม ที่ 2.5x

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	5,983	8,521	13,100	17,418
Net profit	(1,881)	(570)	899	2,384
EPS (THB)	(0.06)	(0.02)	0.03	0.07
vs Consensus (%)	-	nm	(23.1)	4.5
EBITDA	1,040	2,142	4,049	6,048
Core net profit	(1,881)	(570)	899	2,384
Core EPS (THB)	(0.06)	(0.02)	0.03	0.07
Chg. In EPS est. (%)	nm	nm	173.6	31.8
EPS growth (%)	nm	nm	nm	165.2
Core P/E (x)	(88.5)	(291.9)	185.1	69.8
Dividend yield (%)	-	-	0.2	0.6
EV/EBITDA (x)	203.3	106.9	56.7	38.0
Price/book (x)	2.3	2.2	2.1	2.1
Net debt/Equity (%)	63.1	80.9	80.7	78.9
ROE (%)	(2.3)	(0.8)	1.2	3.0



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	11.1	2.0	66.7
Relative to country (%)	6.6	(3.4)	11.3
Mkt cap (USD m)	5,398		
3m avg. daily turnover (USD m)	24.6		
Free float (%)	25		
Major shareholder	TCC Group International Limited (28%)		
12m high/low (THB)	5.65/2.86		
Issued shares (m)	32,000.00		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 19 มีนาคม 2021

Investment thesis

AWC plans to aggressively expand its hotel portfolio from 18 hotels to 27 hotels by 2025, and expand its commercial property assets with a net leasable area (NLA) of 646k sqm to 686k sqm by 2025.

AWC has a strong balance sheet with an IBD/E of only 0.6x as of 4Q20, with ample room for M&A deals. AWC also has a competitive advantage, as it has a grant of rights (GOR) agreement with its major shareholder, Thai Charoen Corporation Group (TCC, not listed). Under the GOR, AWC has the right of first offer on assets that TCC plans to sell, and the right of first refusal on assets when any third party makes an offer.

Most of AWC's assets are classified as freehold, with about half of its asset value in land located in prime areas across Thailand. We believe those assets will likely appreciate in the future, which should support its balance sheet's gearing ratio for expansion projects.

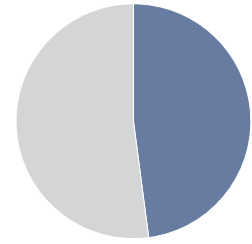
Company profile

AWC is the pure-play leader in the Thai hospitality and commercial property business.

assetworldcorp-th.com

Principal activities (revenue, 2020)

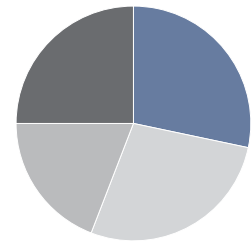
- Hotel revenue - 47.9 %
- Retail and office revenue - 52.1 %



Source: Asset World Corp

Major shareholders

- TCC Group International Limited - 28.3 %
- Charoen Sirivadhanabhakdi - 27.6 %
- Wanna Sirivadhanabhakdi - 19.1 %
- Others - 25.0 %



Source: Asset World Corp

Catalyst

Key growth drivers include 1) a faster OCC ramp-up rate following a global tourism recovery; 2) improving consumption and economic growth resulting in a strong retail business; and 3) the availability of a COVID-19 vaccine.

Risk to our call

Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.

Event calendar

Date	Event
May 2021	1Q21 results announcement

Key assumptions

	2021E	2022E	2023E
Hotel - Number of rooms (no.)	4,941	6,176	6,695
Hotel - Occupancy rate (OCC %)	40	60	68
Hotel - RevPAR growth (%)	81	55	30
Retail - NLA ('000 sqm)	375.5	375.5	395.5
Retail - Occupancy rate (OCC %)	45	54	61
Retail - Rental rate growth (%)	(10)	13	16
Office - NLA ('000 sqm)	270.6	270.6	270.6
Office - Occupancy rate (OCC %)	80.6	80.6	81.6
Office - Rental rate growth (%)	1.0	2.0	2.0

Source: FSSIA estimates

Earnings sensitivity

- For every 5% increase in hotel OCC, we project a 2021 loss reduction of 24%, and vice versa, all else being equal.
- For every 5% increase in retail OCC, we project a 2021 loss reduction of 7%, and vice versa, all else being equal.

Source: FSSIA estimates

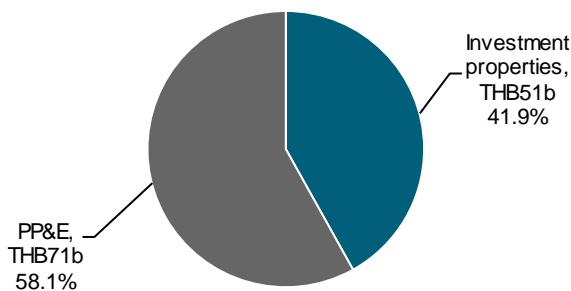
Change in accounting policy should lift core profit

AWC has announced a change in its accounting policy for its investment property assets from a cost method to a fair value method, effective 1 Jan 2021. Investment properties accounted for 42% of AWC’s total assets as of 2020. Most of the assets under investment properties are retail and commercial properties. Under the fair value method, investment properties are re-measured regularly to reflect the fair value of the assets.

The adoption of the new accounting method should lead to two positives. First, AWC would book a revaluation gain of THB6.5b in retained earnings. This should result in the reversal of a THB1.0b deficit in retained earnings to a THB5.5b surplus, which should enable AWC to pay dividends going forward. Second, the depreciation under investment properties of cTHB770m (accounted for 33% of total depreciation in 2020) would be removed from its P&L. The depreciation would be replaced by impairment gains/losses. We believe if there is impairment loss going forward, it would be small given that 49% of investment property is land, which tend to appreciate every year as most of land located in prime area of Bangkok.

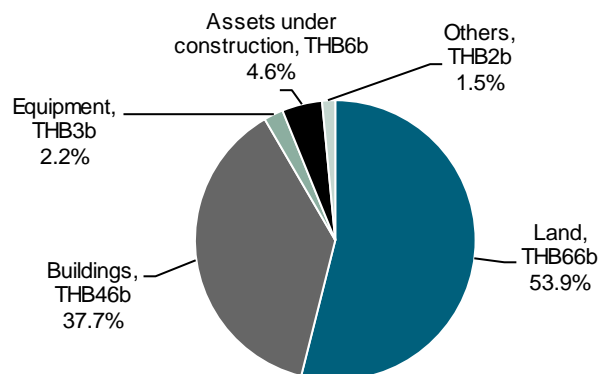
Although The new accounting does not effect DCF valuation, it would be positive sentiment for AWC given that it would lead to the earlier-than-expected turnaround for AWC, possibly in 3Q21.

Exhibit 1: Breakdown of AWC’s assets as of 2020



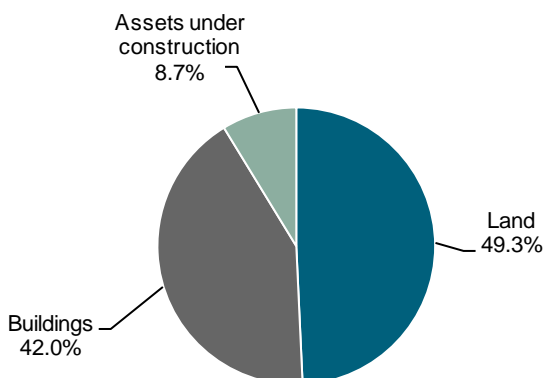
Source: AWC

Exhibit 2: Breakdown of AWC’s assets by type as of 2020



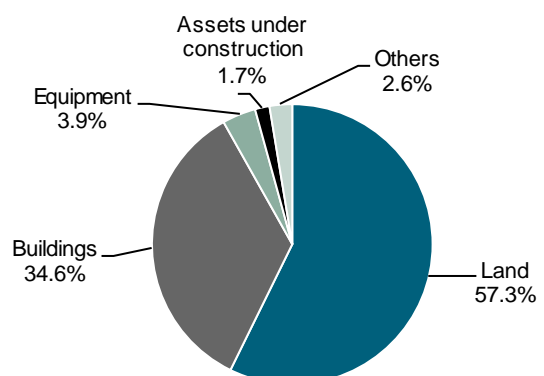
Source: AWC

Exhibit 3: Breakdown of investment property assets as of 2020



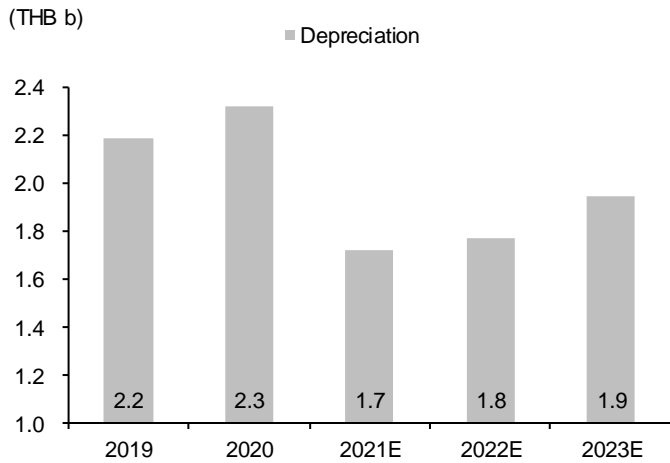
Source: AWC

Exhibit 4: Breakdown of PP&E assets as of 2020



Source: AWC

Exhibit 5: Estimated depreciation



Sources: AWC; FSSIA estimates

Exhibit 6: Asset value of investment properties as of 2019

Investment properties	Value (THB b)	Asset type
Asiatique	5.2	Freehold
Gateway at Bangsue	2.3	Freehold/Leasehold
Pantip Plaza Pratunam	6.2	Freehold
Pantip Plaza Ngamwongwan	2.9	Freehold
Pantip Plaza Chiang Mai	0.4	Freehold
OP Place Bangkok	0.3	Freehold
Tawanna Bangkokpi	2.8	Freehold
Lasalle's Avenue	0.3	Leasehold
Bangkapi Community Market	2.9	Freehold
AEC Trade Center	4.9	Freehold/Leasehold
Empire Tower	15.3	Freehold
Athenee Tower	2.7	Leasehold
208 Wireless Road	1.3	Freehold
Interlink Tower	2.5	Freehold
Total	49.8	

Source: AWC

TP and assumption revisions

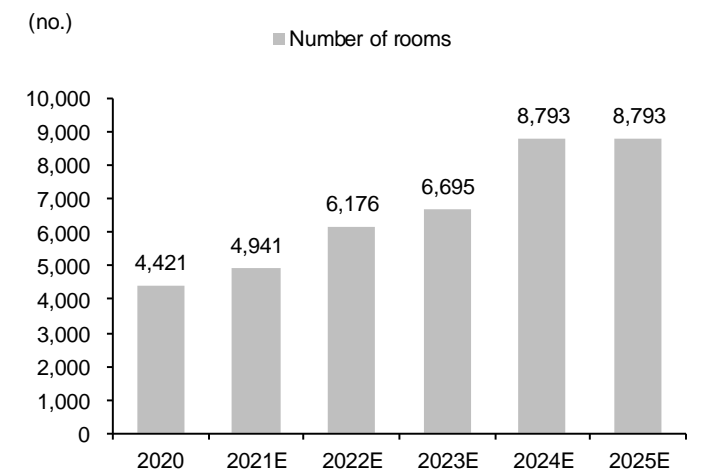
We have factored the new accounting policy into our model. Our core profit assumptions for 2022-23 are raised by 32-174%. In addition, we have also incorporated the Woeng Nakhon Kasem project with an investment value of THB16.9b and Lasalle Avenue with an investment value of THB712m into to our model. AWC has not yet provided the details of the Woeng Nakhon Kasem project, but we assume 700 hotel rooms and an NLA of 30k sqm for this project. As a result, we raise our TP to THB6.4/shr (7.4% WACC, 2.5% LTG). Our TP implies 2.6x 2022E P/BV, relatively in line with its peers' average.

Exhibit 7: Projects in pipeline

No	Project	Investment	Value (THB m)	Note
1	Gateway Ekamai	Acquisition/Renovation	4,996	
2	Asiatique 2.2	Development	5,815	
3	Aquatique by the Beach	Development	8,130	
4	Courtyard by Marriott Phuket Town	Renovation/Rebranding	630	
5	Le Meridien Bangkok	Renovation	200	
6	Marriott Chiang Mai	Renovation/Rebranding	428	
7	Empire Tower Rooftop	Renovation	420	
8	Tawanna Bangkok 2	Renovation	69	
9	Sigma Resort Jomtien	Acquisition/Renovation	1,838	
10	Woeng Nakhon Kasem	Acquisition/Development	16,861	Subject to shareholder meeting approval
11	8 Rai Lasalle project	Acquisition/Development	712	Subject to shareholder meeting approval
Total			40,098	

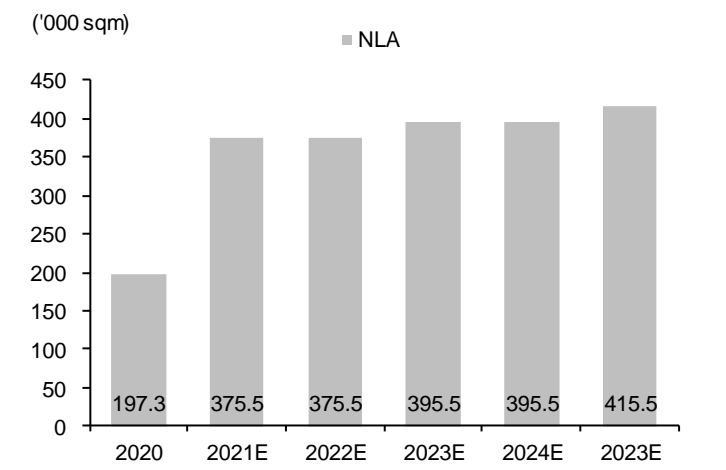
Sources: AWC; FSSIA compilation

Exhibit 8: Expect room capacity to almost double over the next five years

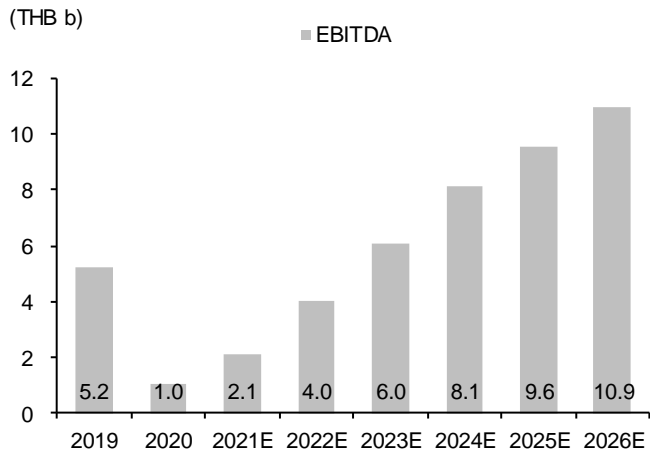


Sources: AWC; FSSIA estimates

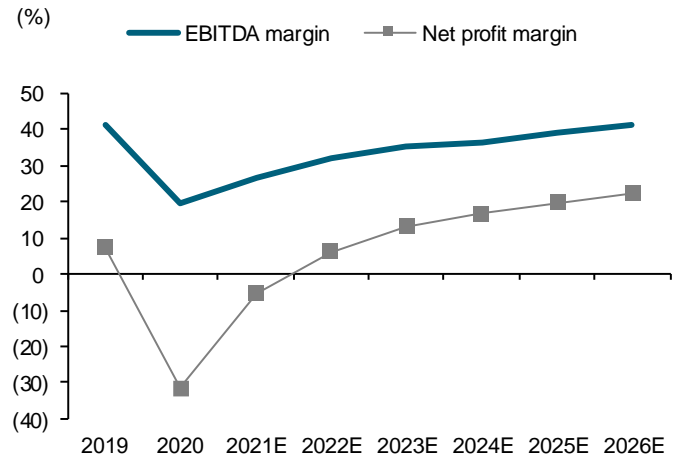
Exhibit 9: Expansion of net leasable area (NLA)



Sources: AWC; FSSIA estimates

Exhibit 10: EBITDA expected to double

Sources: AWC; FSSIA estimates

Exhibit 11: Improving margin trend

Sources: AWC; FSSIA estimates

Exhibit 12: Forecast revisions

	Current			Previous			Change		
	2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E
Hotel - OCC (%)	40.0	60.3	68.2	40.0	60.3	68.2	0.0	0.0	0.0
Hotel - RevPar (THB)	1,713	2,653	3,458	1,713	2,653	3,458	0.0	0.0	0.0
Retail - OCC (%)	44.6	53.9	61.2	44.6	53.9	61.2	0.0	0.0	0.0
Retail - Rental rate (THB/sqm/month)	1,192	1,620	2,244	1,192	1,620	2,244	0.0	0.0	0.0
Office - OCC (%)	80.6	80.6	81.6	80.6	80.6	81.6	0.0	0.0	0.0
Office - Rental rate (THB/sqm/month)	728	743	758	728	743	758	0.0	0.0	0.0
Revenue (THB b)	8.5	13.1	17.4	8.5	13.1	17.4	0.0	0.0	0.0
EBITDA margin (%)	26.6	31.9	35.5	26.6	31.9	35.5	0.0	(0.0)	(0.0)
Core earnings (THB m)	(570)	899	2,384	(1,096)	329	1,808	(48.0)	173.6	31.8

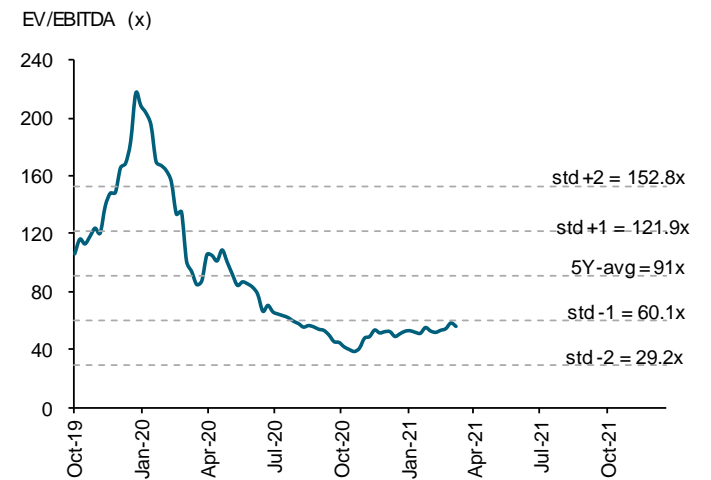
Sources: FSSIA estimates

Exhibit 13: DCF valuation

Cost of equity assumptions		Cost of debt assumptions		
	(%)		(%)	
Risk-free rate	3.0	Pre-tax cost of debt	2.6	
Market risk premium	8.0	Marginal tax rate	20.0	
Stock beta	1.0			
Cost of equity, Ke	11.0	Net cost of debt, Kd	2.1	
Weight applied	60.0	Weight applied	40.0	
WACC	7.4			
DCF valuation estimate		(THB b)	(THB/share)	Comments
NPV	63.0	2.0		WACC 7.4%, risk-free rate 3%, risk premium 8%
Terminal value	204.6	6.4		Terminal growth 2.5%
Cash & liquid assets	2.1	0.1		At end-2022E
Investments	0.0	0.0		At end-2022E
Debt	(65.2)	(2.0)		At end-2022E
Minorities	0.0	0.0		At end-2022E
Residual ordinary equity	204.6	6.4		

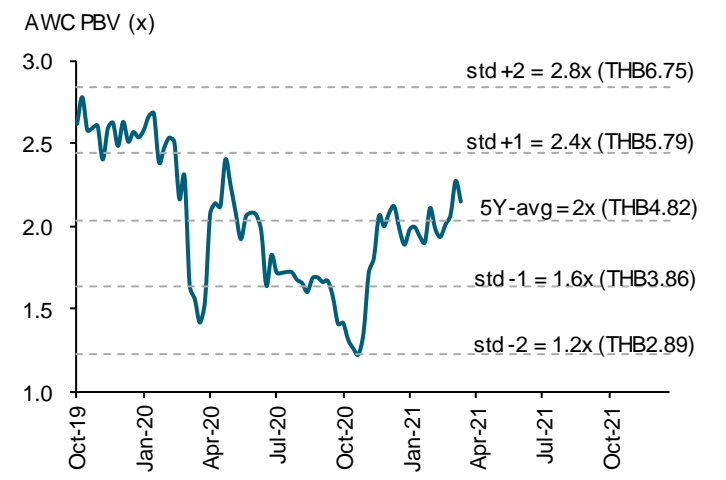
Source: FSSIA estimates

Exhibit 14: Rolling one-year forward EV/EBITDA band



Sources: Bloomberg; FSSIA estimates

Exhibit 15: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 16: Peer comparisons as of 19 Mar 2021

Company	BBG	Rec	-----Share price-----			Market Cap (USD m)	----- PE -----		---- PBV ----		-- EV/EBITDA --	
			Current (LCY)	Target (LCY)	Upside (%)		21E (x)	22E (x)	21E (x)	22E (x)	21E (x)	22E (x)
Thailand												
Asset World Corp Pcl	AWC TB	BUY	5.20	6.40	23	5,398	(291.9)	185.1	2.2	2.1	106.9	56.7
Minor International Pcl	MINT TB	BUY	31.00	40.00	29	5,787	(17.7)	56.5	2.8	2.6	31.1	13.3
Central Plaza Hotel Pcl	CENTEL TB	BUY	34.25	40.00	17	1,500	(102.3)	55.4	4.9	4.5	21.6	13.6
Erawan Group Pcl/The	ERW TB	BUY	4.40	5.30	20	359	(12.0)	260.8	2.3	2.2	38.3	14.3
S Hotels & Resorts Pcl	SHR TB	BUY	3.32	4.40	33	387	(12.6)	114.5	0.9	0.8	36.0	13.0
Thailand average						13,430	(87.3)	134.5	2.6	2.5	46.8	22.2
Regional												
Shanghai Jin Jiang Capital-H	2006 HK	n/a	1.58	n/a	n/a	1,132	15.2	13.2	1.0	1.9	7.5	6.7
Btg Hotels Group Co Ltd-A	600258 CH	n/a	26.68	n/a	n/a	4,050	27.7	22.8	2.8	2.5	12.4	10.7
Sh Jinjiang Intl Hotels - B	900934 CH	n/a	2.10	n/a	n/a	6,730	10.2	7.5	0.9	0.8	17.6	13.4
Huangshan Tourism Develop-B	900942 CH	n/a	0.76	n/a	n/a	1,050	10.0	8.9	0.8	0.7	7.6	7.0
Genting Bhd	GENT MK	n/a	5.53	n/a	n/a	5,177	20.4	11.7	0.6	0.6	9.3	6.7
Greentree Hospitality Gr-Adr	GHG US	n/a	13.20	n/a	n/a	1,349	15.8	13.3	3.9	3.3	11.1	9.1
Huazhu Group Ltd-Adr	HTHT US	n/a	60.30	n/a	n/a	19,327	57.4	37.9	10.3	8.5	29.0	20.8
Indian Hotels Co Ltd	IH IN	n/a	116.35	n/a	n/a	1,871	n/a	119.4	3.7	3.6	n/a	21.7
Lemon Tree Hotels Ltd	LEMONTRE IN	n/a	36.55	n/a	n/a	394	n/a	n/a	4.2	4.5	81.3	28.4
Lippo Karawaci Tbk Pt	LPKR IJ	n/a	204.00	n/a	n/a	1,002	34.2	24.3	0.5	0.5	11.3	13.4
Regional average						42,081	23.9	28.8	2.9	2.7	20.8	13.8
Overall average						55,511	(18.9)	66.5	2.8	2.6	30.1	16.6

Sources: Bloomberg; FSSIA estimates

Financial Statements

Asset World Corp

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	12,890	5,983	8,521	13,100	17,418
Cost of goods sold	(4,094)	(2,531)	(3,826)	(5,910)	(7,194)
Gross profit	8,797	3,453	4,695	7,190	10,224
Other operating income	81	3	3	3	4
Operating costs	(3,641)	(2,416)	(2,556)	(3,144)	(4,180)
Operating EBITDA	5,237	1,040	2,142	4,049	6,048
Depreciation	(2,190)	(2,323)	(1,720)	(1,773)	(1,943)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	3,047	(1,283)	422	2,276	4,105
Net financing costs	(2,106)	(1,140)	(1,318)	(1,325)	(1,328)
Associates	0	0	0	0	0
Recurring non operating income	65	122	126	132	139
Non recurring items	(44)	0	0	0	0
Profit before tax	962	(2,301)	(770)	1,083	2,915
Tax	(313)	420	200	(184)	(532)
Profit after tax	649	(1,881)	(570)	899	2,384
Minority interests	283	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	932	(1,881)	(570)	899	2,384
Non recurring items & goodwill (net)	44	0	0	0	0
Recurring net profit	977	(1,881)	(570)	899	2,384
Per share (THB)					
Recurring EPS *	0.03	(0.06)	(0.02)	0.03	0.07
Reported EPS	0.03	(0.06)	(0.02)	0.03	0.07
DPS	0.01	0.00	0.00	0.01	0.03
Diluted shares (used to calculate per share data)	32,000	32,000	32,000	32,000	32,000
Growth					
Revenue (%)	16.8	(53.6)	42.4	53.7	33.0
Operating EBITDA (%)	10.6	(80.1)	106.0	89.1	49.4
Operating EBIT (%)	6.6	nm	nm	439.2	80.4
Recurring EPS (%)	56.3	nm	nm	nm	165.2
Reported EPS (%)	49.2	nm	nm	nm	165.2
Operating performance					
Gross margin inc depreciation (%)	51.3	18.9	34.9	41.3	47.5
Gross margin of key business (%)	51.3	18.9	34.9	41.3	47.5
Operating EBITDA margin (%)	40.6	17.4	25.1	30.9	34.7
Operating EBIT margin (%)	23.6	(21.4)	5.0	17.4	23.6
Net margin (%)	7.6	(31.4)	(6.7)	6.9	13.7
Effective tax rate (%)	31.1	18.2	18.2	17.0	18.2
Dividend payout on recurring profit (%)	41.0	-	-	40.0	40.0
Interest cover (X)	1.5	(1.0)	0.4	1.8	3.2
Inventory days	5.2	7.4	5.9	5.8	6.4
Debtor days	40.8	55.5	23.6	10.6	8.0
Creditor days	228.0	290.0	185.2	183.7	203.1
Operating ROIC (%)	1.8	(0.9)	0.3	1.3	2.3
ROIC (%)	1.9	(0.8)	0.3	1.3	2.3
ROE (%)	1.5	(2.3)	(0.8)	1.2	3.0
ROA (%)	1.7	(0.7)	0.4	1.3	2.2
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue By Division (THB m)					
Hotel revenue	8,692	2,867	4,560	8,642	12,005
Retail and office revenue	4,198	3,116	3,961	4,457	5,413

Sources: Asset World Corp; FSSIA estimates

Financial Statements

Asset World Corp

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	977	(1,881)	(570)	899	2,384
Depreciation	2,190	2,323	1,720	1,773	1,943
Associates & minorities	-	-	-	-	-
Other non-cash items	986	(815)	7,951	(225)	(225)
Change in working capital	584	(503)	1,501	1,497	1,009
Cash flow from operations	4,736	(876)	10,601	3,944	5,110
Capex - maintenance	(9,876)	(4,362)	(28,114)	(4,540)	(4,888)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	0	0	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(9,876)	(4,362)	(28,114)	(4,540)	(4,888)
Dividends paid	0	(400)	0	0	(360)
Equity finance	47,316	(7,978)	0	0	0
Debt finance	(34,867)	8,440	20,000	0	0
Other financing cash flows	5,848	(9,265)	0	0	0
Cash flow from Financing	18,297	(9,204)	20,000	0	(360)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	13,158	(14,442)	2,487	(597)	(137)
Free cash flow to firm (FCFF)	(2,985.97)	(4,094.95)	(16,193.93)	741.78	1,560.85
Free cash flow to equity (FCFE)	(34,158.70)	(6,063.68)	2,486.96	(596.70)	222.37

Per share (THB)

FCFF per share	(0.09)	(0.13)	(0.51)	0.02	0.05
FCFE per share	(1.07)	(0.19)	0.08	(0.02)	0.01
Recurring cash flow per share	0.13	(0.01)	0.28	0.08	0.13

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Tangible fixed asset (gross)	128,584	133,144	153,383	158,149	163,262
Less: Accumulated depreciation	(9,179)	(11,466)	(5,085)	(6,859)	(8,802)
Tangible fixed assets (Net)	119,405	121,678	148,298	151,291	154,460
Intangible fixed assets (Net)	0	0	0	0	0
Long-term financial assets	-	-	-	-	-
Invest. In associates & subsidiaries	0	0	0	0	0
Cash & equivalents	14,671	230	2,717	2,120	1,983
A/C receivable	1,099	722	381	381	381
Inventories	54	49	74	114	139
Other current assets	114	52	655	1,008	1,340
Current assets	15,938	1,052	3,827	3,623	3,842
Other assets	1,151	1,736	1,736	1,736	1,736
Total assets	136,493	124,467	153,861	156,649	160,039
Common equity	90,806	71,186	77,173	78,072	80,096
Minorities etc.	0	0	0	0	0
Total Shareholders' equity	90,806	71,186	77,173	78,072	80,096
Long term debt	28,000	43,633	63,633	63,633	63,633
Other long-term liabilities	6,326	6,427	8,046	8,046	8,046
Long-term liabilities	34,326	50,060	71,679	71,679	71,679
A/C payable	2,475	1,546	2,337	3,610	4,394
Short term debt	8,718	1,525	1,525	1,525	1,525
Other current liabilities	168	150	1,147	1,763	2,345
Current liabilities	11,361	3,221	5,010	6,899	8,264
Total liabilities and shareholders' equity	136,493	124,467	153,861	156,649	160,039
Net working capital	(1,377)	(873)	(2,374)	(3,871)	(4,879)
Invested capital	119,179	122,541	147,660	149,156	151,317

* Includes convertibles and preferred stock which is being treated as debt

Per share (THB)

Book value per share	2.84	2.22	2.41	2.44	2.50
Tangible book value per share	2.84	2.22	2.41	2.44	2.50

Financial strength

Net debt/Equity (%)	24.3	63.1	80.9	80.7	78.9
Net debt/total assets (%)	16.2	36.1	40.6	40.2	39.5
Current ratio (x)	1.4	0.3	0.8	0.5	0.5
CF interest cover (x)	(15.2)	(4.3)	2.9	0.5	1.2

Valuation	2019	2020	2021E	2022E	2023E
Recurring P/E (x) *	170.4	(88.5)	(291.9)	185.1	69.8
Recurring P/E @ target price (x) *	209.7	(108.9)	(359.2)	227.8	85.9
Reported P/E (x)	178.5	(88.5)	(291.9)	185.1	69.8
Dividend yield (%)	0.2	-	-	0.2	0.6
Price/book (x)	1.8	2.3	2.2	2.1	2.1
Price/tangible book (x)	1.8	2.3	2.2	2.1	2.1
EV/EBITDA (x) **	36.0	203.3	106.9	56.7	38.0
EV/EBITDA @ target price (x) **	43.3	240.2	124.8	66.1	44.3
EV/invested capital (x)	1.6	1.7	1.5	1.5	1.5

* Pre-exceptional & pre-goodwill are fully diluted ** EBITDA includes associate income and recurring non operating income

Sources: Asset World Corp; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL

AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PCSGH	PDJ	PG	PHOL	PLANB	PLANET
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TMB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TRC	TSC	TSR	TSTE	TSTH
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL

2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSIB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIJK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL

7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TIPIP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

Description

Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

Disclaimer:

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* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; ** delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

Anti-corruption Progress Indicator 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANAH	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOIL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	TMB	TMD	TMILL	TMT
TNITY	TNL	TNP	TNR	TOG	TOP	TPA	TPCORP	TPP	TRU	TSC
TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS	UEC	UKEM
UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIJK	XO
ZEN	TRUE									

DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

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The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; * FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Teerapol Udomvej, CFA FSS International Investment Advisory Securities Co., Ltd

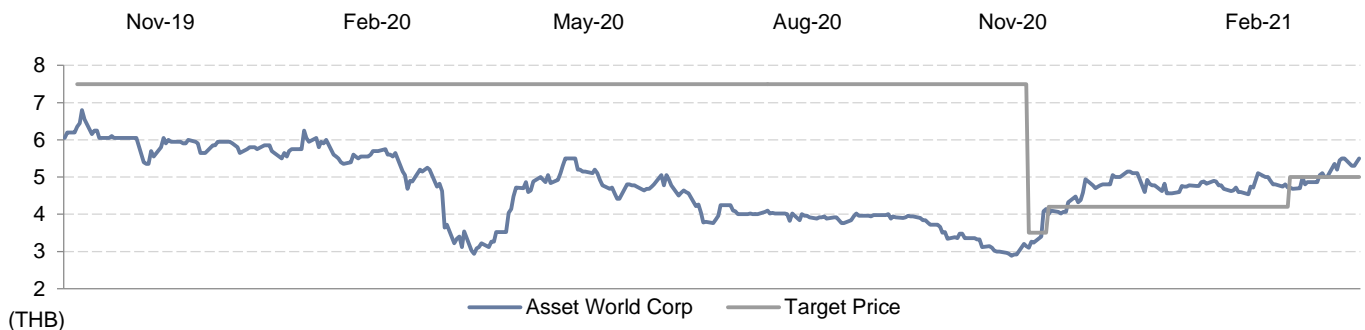
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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History of change in investment rating and/or target price

Asset World Corp (AWC TB)



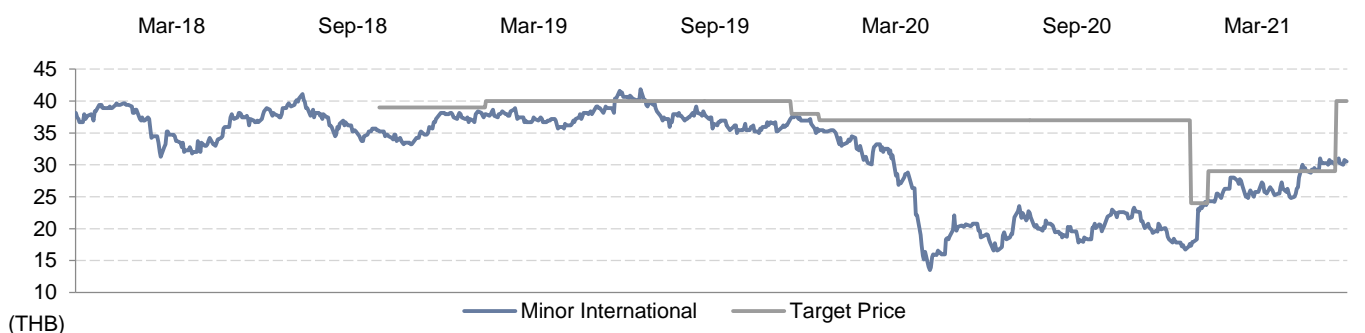
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
15-Oct-2019	BUY	7.50	03-Nov-2020	HOLD	3.50	17-Feb-2021	HOLD	5.00
02-Apr-2020	BUY	7.50	11-Nov-2020	HOLD	4.20			

Teerapol Udomvej, CFA started covering this stock from 03-Nov-2020

Price and TP are in local currency

Source: FSSIA estimates

Minor International (MINT TB)



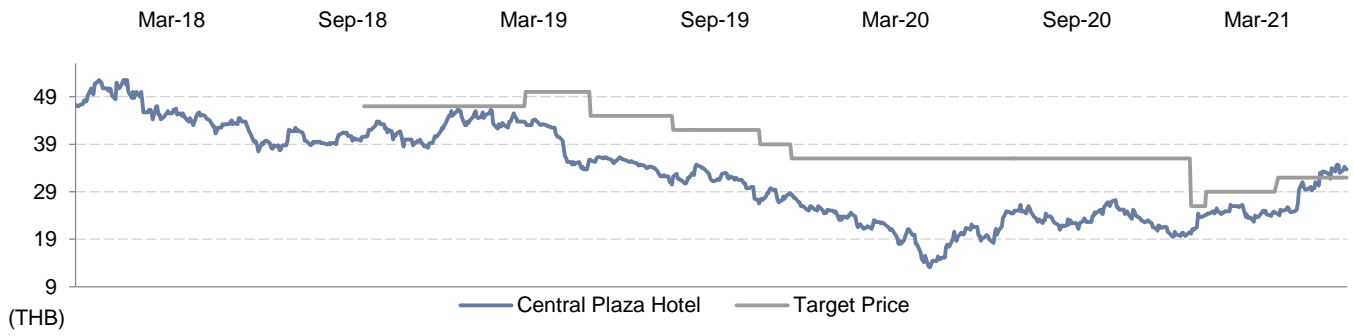
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
06-Dec-2018	HOLD	39.00	20-Dec-2019	HOLD	37.00	18-Nov-2020	BUY	29.00
08-Mar-2019	HOLD	40.00	02-Apr-2020	HOLD	37.00	08-Mar-2021	BUY	40.00
26-Nov-2019	HOLD	38.00	03-Nov-2020	BUY	24.00			

Teerapol Udomvej, CFA started covering this stock from 03-Nov-2020

Price and TP are in local currency

Source: FSSIA estimates

Central Plaza Hotel (CENTEL TB)



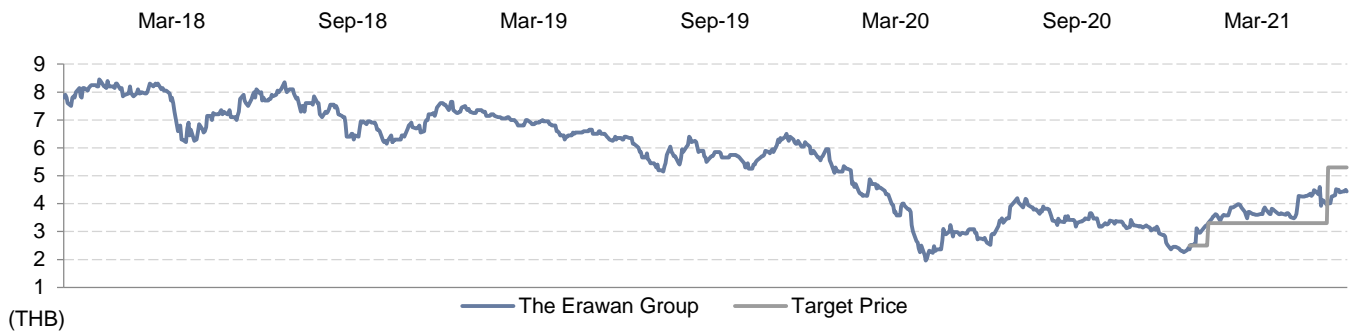
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
23-Nov-2018	BUY	47.00	30-Oct-2019	BUY	39.00	16-Nov-2020	BUY	29.00
11-Apr-2019	BUY	50.00	26-Nov-2019	BUY	36.00	15-Jan-2021	BUY	32.00
06-Jun-2019	BUY	45.00	02-Apr-2020	BUY	36.00			
16-Aug-2019	BUY	42.00	03-Nov-2020	BUY	26.00			

Teerapol Udomvej, CFA started covering this stock from 03-Nov-2020

Price and TP are in local currency

Source: FSSIA estimates

The Erawan Group (ERW TB)



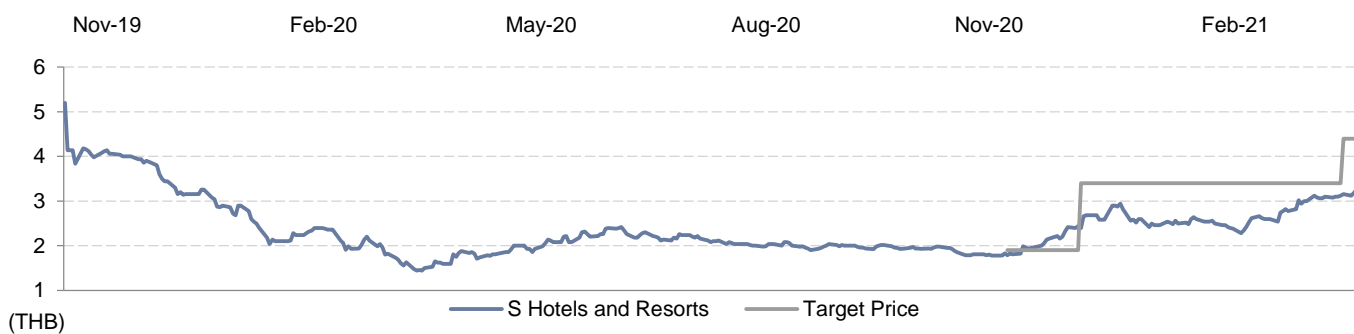
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
03-Nov-2020	HOLD	2.50	19-Nov-2020	HOLD	3.30	01-Mar-2021	BUY	5.30

Teerapol Udomvej, CFA started covering this stock from 03-Nov-2020

Price and TP are in local currency

Source: FSSIA estimates

S Hotels and Resorts (SHR TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
03-Nov-2020	HOLD	1.90	01-Dec-2020	BUY	3.40	11-Mar-2021	BUY	4.40

Teerapol Udomvej, CFA started covering this stock from 03-Nov-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Asset World Corp	AWC TB	THB 5.20	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
Minor International	MINT TB	THB 31.00	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply and higher competition in the F&B business, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
Central Plaza Hotel	CENTEL TB	THB 34.25	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply and higher competition in the F&B business, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
The Erawan Group	ERW TB	THB 4.40	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
S Hotels and Resorts	SHR TB	THB 3.32	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 19-Mar-2021 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a 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.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). 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 (N). 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 (U). 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.