

ASSET WORLD CORP

AWC TB

THAILAND / TOURISM & LEISURE

BUY

UNCHANGED

TARGET PRICE	THB5.60
CLOSE	THB4.60
UP/DOWNSIDE	+21.7%
PRIOR TP	THB5.60
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+13.8%

Picking up steam in 2022

- Expect 4Q21 core loss to narrow to THB308m.
- Expect earnings to turn around in 2H22 and grow by 31% CAGR over 2019-25, as ramping-up assets should become mature.
- Maintain BUY with 2022 DCF-based TP of THB5.6; strong earnings growth to support share price to convert to IPO price.

Operations to improve q-q

AWC's hotel OCC rate should improve to 30% in 4Q21 from 14% in 3Q21, driven mainly by non-Bangkok hotels on pent-up demand from domestic travellers. Meanwhile, the discount rate of the retail business should narrow from c50% in 3Q21 to c20% in 4Q21 thanks to the traffic recovery of shopping malls and community markets. Overall, we estimate revenue to more than double q-q in 4Q21, leading EBITDA to turn positive. Its core loss should narrow to THB308m in 4Q21 vs THB698m in 3Q21. Note, AWC should book a gain on changes in the fair value of investment properties in 4Q21, which we have not factored in yet.

Limited impact from Omicron wave

We believe the Omicron wave at the beginning of this year should have a mild impact on AWC. So far, there have only been limited hotel cancellations in Jan-22, while the lack of lockdown restrictions during this wave should translate to a limited impact on its retail business. Therefore, we believe the recovery trend should resume soon. We forecast AWC's core profit (excluding gains on changes in the fair value of assets) to turn profitable in 2H22 when the OCC rate should ramp up to above 60%.

Entering an earnings growth cycle

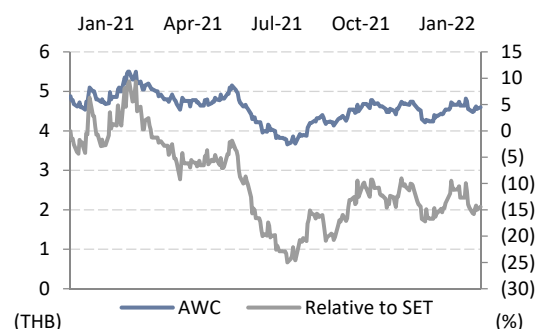
We believe AWC has already passed the bottom and will enter into a growth mode. It plans to open up to 28 hotels with more than 9,000 guest rooms by 2027 from 17 hotels with about 5,000 rooms currently. Meanwhile, 82% of its assets are in the ramping up, re-positioning and development phases. Thus, we expect the rate of return to jump from 1% currently to 8% by 2025, implying that its EBITDA should almost double to THB10.6b from the pre-Covid level of THB5.4b.

Strong earnings growth outlook with inexpensive valuation

AWC's share price is 30% below its IPO price of THB6.0/shr, and has underperformed the SET Index by 14% over the past year, which we believe has already priced in all negative news. AWC is trading at 1.9x 2022E P/BV, lower than its peers' average of 2.1x. If we include gains on changes in the fair value of assets (likely to become a recurring item) of THB2.0b-3.0b p.a., it would trade at 2023E 32x P/E – inexpensive based on strong expected earnings growth of 31% CAGR over 2019-25.

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	5,983	4,691	10,603	16,944
Net profit	(1,881)	(612)	292	2,086
EPS (THB)	(0.06)	(0.02)	0.01	0.07
vs Consensus (%)	-	nm	400.0	48.9
EBITDA	1,040	58	3,328	5,739
Core net profit	(1,881)	(2,450)	292	2,086
Core EPS (THB)	(0.06)	(0.08)	0.01	0.07
Chg. In EPS est. (%)	nm	nm	0.0	0.0
EPS growth (%)	nm	nm	nm	614.5
Core P/E (x)	(78.2)	(60.1)	504.1	70.6
Dividend yield (%)	-	-	0.1	0.6
EV/EBITDA (x)	184.8	3,491.7	63.4	36.6
Price/book (x)	2.1	1.9	1.9	1.9
Net debt/Equity (%)	63.1	73.9	82.2	79.1
ROE (%)	(2.3)	(3.3)	0.4	2.7



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	1.3	(1.7)	(4.6)
Relative to country (%)	(0.8)	(4.0)	(13.5)
Mkt cap (USD m)	4,452		
3m avg. daily turnover (USD m)	6.6		
Free float (%)	25		
Major shareholder	TCC Business Management (47%)		
12m high/low (THB)	5.65/3.60		
Issued shares (m)	32,000.00		

Sources: Bloomberg consensus; FSSIA estimates


Teerapol Udomvej, CFA

 teerapol.udo@fssia.com
 +66 2611 3535

Investment thesis

AWC plans to aggressively expand its hotel portfolio from 17 hotels to 28 hotels by 2027 and expand its commercial property assets with a net leasable area (NLA) of 461k sqm to 560k sqm by 2027.

AWC has a strong balance sheet with an IBD/E of only 0.7x as of 2Q21, 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.

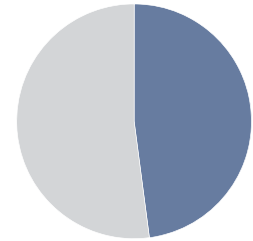
Company profile

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

assetworldcorp-th.com

Principal activities (revenue, 2020)

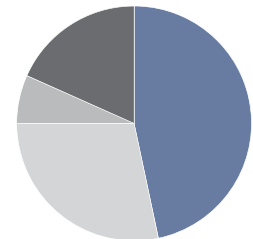
- Hotel revenue - 47.9 %
- Retail and office revenue - 52.1 %



Source: Asset World Corp

Major shareholders

- TCC Business Management - 46.7 %
- TCC Group International Limited - 28.3 %
- UBS AG Singapore branch - 6.7 %
- Others - 18.3 %



Source: Asset World Corp

Catalysts

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.

Risks 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
Feb 2022	4Q21 results announcement

Key assumptions

	2021E	2022E	2023E
Hotel - Number of rooms (no.)	4,941	6,175	6,724
Hotel - Occupancy rate (OCC %)	19	51	68
Hotel - RevPAR growth (%)	(30)	216	67
Retail - NLA ('000 sqm)	190.9	224.1	244.1
Retail - Occupancy rate (OCC %)	32	52	60
Retail - Rental rate growth (%)	(29)	21	35
Office - NLA ('000 sqm)	270.6	270.6	270.6
Office - Occupancy rate (OCC %)	76.0	77.0	78.0
Office - Rental rate growth (%)	(5)	2.0	2.0

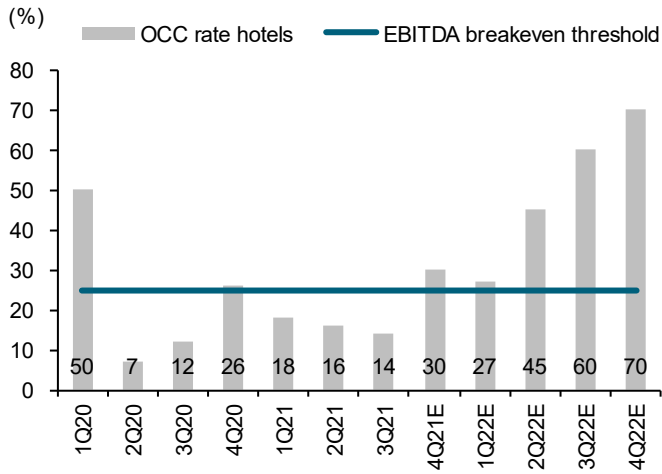
Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in hotel OCC, we project a 2023 profit increase of 4%, and vice versa, all else being equal.
- For every 1% increase in retail OCC, we project a 2023 profit increase of 5%, and vice versa, all else being equal.

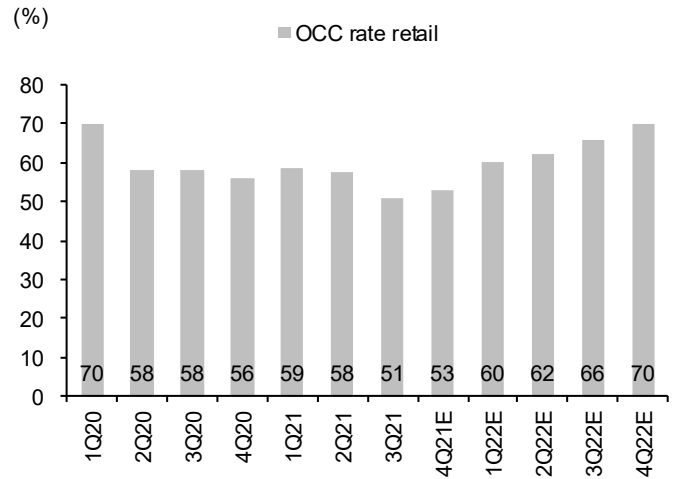
Source: FSSIA estimates

Exhibit 1: OCC rate of hotel business



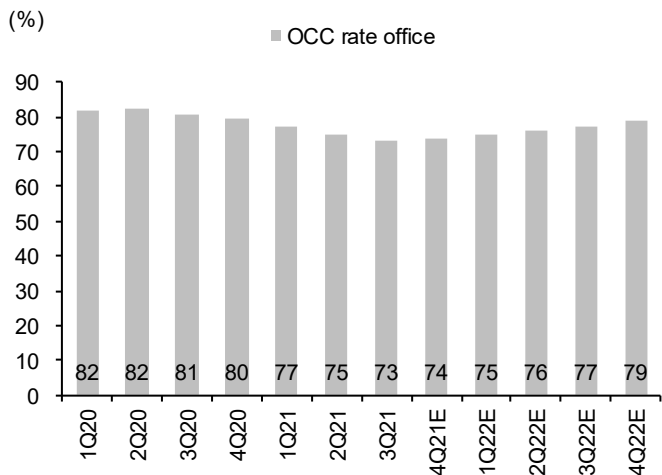
Sources: AWC; FSSIA estimates

Exhibit 2: OCC rate of retail business



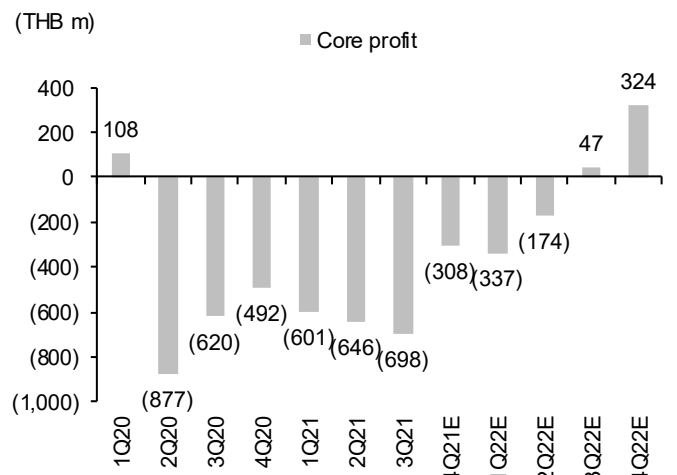
Sources: AWC; FSSIA estimates

Exhibit 3: OCC rate of office buildings



Sources: AWC; FSSIA estimates

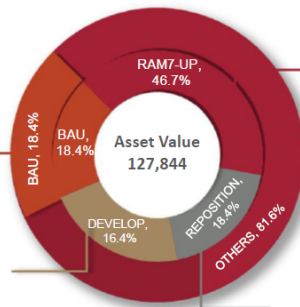
Exhibit 4: Core profit forecast, quarterly



Sources: AWC; FSSIA estimates

Exhibit 5: AWC asset breakdown

- DOUBLETREE BY HILTON SUKHUMVIT BANGKOK
- HILTON SUKHUMVIT BANGKOK
- BANYAN TREE SAMUI
- THE ATHENE HOTEL BANGKOK, THE LUXURY COLLECTION
- THE OKURA PRESTIGE BANGKOK HOTEL
- TAWANNA BANGKAPI
- 208 WIRELESS
- ATHENE TOWER
- EMPIRE ROOF TOP
- INNSIDE BANGKOK SUKHUMVIT
- 17 CONDOMINIUM UNITS IN THE MAJESTIC MANSION
- JW MARRIOTT MARQUIS HOTEL ASIATIQUE BANGKOK AND A RITZ-CARLTON RESERVE BRANDED HOTEL
- PATTAYA MARRIOTT RESORT & SPA AT JOMTIEN BEACH
- HUAHIN BEACHFRONT
- GRANDSOLE HOTEL
- INTERCONTINENTAL CHIANG MAI
- MELIA CHIANG MAI
- BANYAN TREE JOMTIEN PATTAYA
- PATTAYA MARRIOTT MARQUIS HOTEL
- THE ASIATIQUE BANGKOK, AUTOGRAPH COLLECTION
- EAC PROJECT
- OP PLACE
- COMMUNITY MARKET BANGKAPI



- LE MERIDIEN BANGKOK
- LE MERIDIEN CHIANG MAI
- THE METROPOLE HOTEL PHUKET
- ASIATIQUE THE RIVERFRONT
- PANTIP NGAMWONGWAN
- PANTIP CHIANGMAI
- INTERLINK TOWER
- AEC TRADE CENTER

- VANA BELLE, A LUXURY COLLECTION RESORT, KOH SAMUI
- BANGKOK MARRIOTT MARQUIS QUEEN'S PARK HOTEL
- SHERATON SAMUI RESORT
- MELIA KOH SAMUI, THAILAND
- BANGKOK MARRIOTT HOTEL THE SURAWONGSE
- PHUKET MARRIOTT RESORT&SPA, NAI YANG BEACH
- HUA HIN MARRIOTT RESORT&SPA

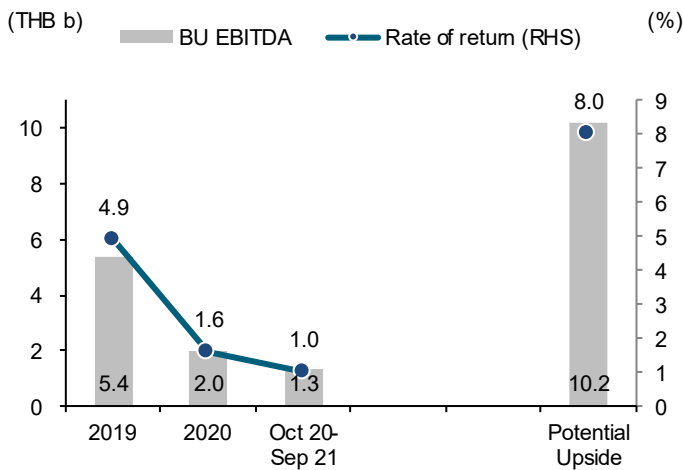
- BANYAN TREE KRABI
- SIRIMAHANNOP TALL SHIP
- HOLIDAY INN EXPRESS BAGKOK SATHORN
- GATEWAY AT BANGSUE
- LASALLE'S AVENUE PHASE 1
- LASALLE'S AVENUE PHASE 2
- EMPIRE TOWER
- AEC TRADE CENTER PANTIP WHOLESALE DESTINATION
- TORYOD ONLINE

■ WEIGHTED AVERAGE RATE OF RETURN
■ PROPORTION OF ASSET VALUE

ASSET	ASSET VALUE			RATE OF RETURN from operating performance AT 30 SEP 21 (PAST 12 MONTHS)	RATE OF RETURN from operating performance FOR 2020	RATE OF RETURN from Financial Statement AT 30 SEP 21 (PAST 12 MONTHS)	RATE OF RETURN from Financial Statement FOR 2020
	NET OPERATING PROFIT	AMOUNT	%				
ASSET IN BUSINESS AS USUAL PERIOD (BAU)	202.5	23,549.9	18.4%	0.9%	2.1%	10.4%	5.8%
ASSET IN INITIAL PERIOD (RAMP UP)	574.9	59,706.8	46.7%	1.0% 0.8%	2.1% 1.7%	-0.2% 3.0%	2.1% 2.0%
ASSET UNDER REPOSITIONING (REPOSITIONING)	216.8	23,585.5	18.4%	0.9%	2.0%	6.7%	4.2%
ASSET UNDER DEVELOPMENT (DEVELOPMENT)	16.4	21,001.7	16.4%	0.1%	-0.3%	-1.6%	-5.9%
GRAND TOTAL	1,010.7	127,844.0	100.0%	0.8%	1.6%	2.8%	2.0%

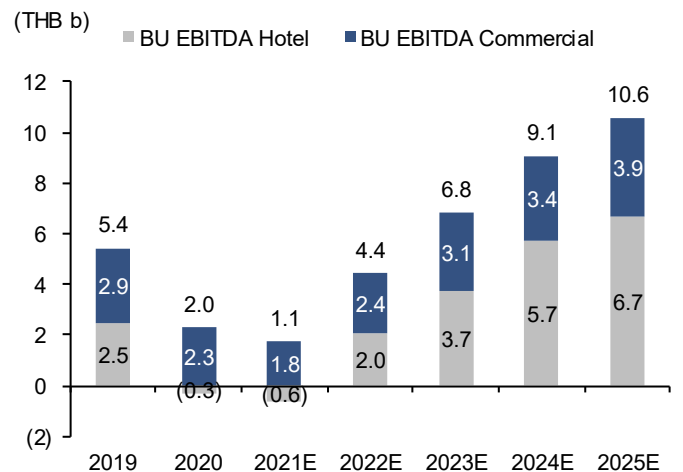
Note: Unit THB m
Source: AWC

Exhibit 6: BU EBITDA and rate of return



Note: BU EBITDA (business unit EBITDA) is EBITDA before corporate expenses
Sources: AWC; FSSIA estimates

Exhibit 7: BU EBITDA forecast



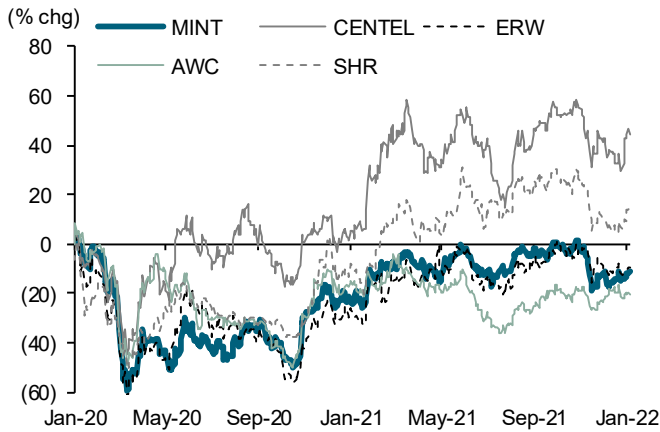
Note: BU EBITDA (business unit EBITDA) is EBITDA before corporate expenses
Sources: AWC; FSSIA estimates

Exhibit 8: 4Q21E results preview

	4Q20	1Q21	2Q21	3Q21	4Q21E	----- Change -----		2020	2021E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Sales	1,510	1,083	920	779	1,635	110	8	5,983	4,691	(22)
- Hotel	762	412	290	261	898	244	18	2,867	1,751	(39)
- Commercial	748	671	630	517	738	43	(1)	3,116	2,940	(6)
COGS (Incl. depreciation)	(1,402)	(928)	(819)	(835)	(1,063)	27	(24)	(4,853)	(3,932)	(19)
Gross profit	108	155	102	(56)	572	(1,117)	430	1,130	759	(33)
SG&A	(416)	(540)	(603)	(550)	(600)	9	44	(2,416)	(2,346)	(3)
Net management income	(2)	1	6	2	1	(33)	(147)	3	3	10
Operating profit	(310)	(385)	(496)	(605)	(27)	(96)	(91)	(1,283)	(1,583)	23
Other income	55	18	20	17	17	0	(68)	122	126	3
Interest income	1	0	0	0	1	99,900	67	3	1	(64)
Interest expenses	(293)	(303)	(334)	(271)	(334)	23	14	(1,143)	(1,344)	18
Pretax profit	(547)	(670)	(809)	(859)	(342)	(60)	(38)	(2,301)	(2,800)	22
Income Tax	55	69	163	161	34	(79)	(38)	420	350	(17)
Associates	0	0	0	0						
Minority interest	0	0	0	0						
Core profit	(492)	(601)	(646)	(698)	(308)	(56)	(37)	(1,881)	(2,450)	30
Extraordinaries, GW & FX	0	7	447	1,385		(100)	0	0	1,839	
Reported net profit	(492)	(594)	(198)	687	(308)	(145)	(37)	(1,881)	(612)	(2)
Shares out (end Q, m)	32,000	32,000	32,000	32,000	32,000	0	0	32,000	32,000	0
Core EPS (THB)	(0.02)	(0.02)	(0.02)	(0.02)	(0.01)	(56)	(37)	(0)	(0.08)	30
EPS (THB)	(0.02)	(0.02)	(0.01)	0.02	(0.01)	(145)	(37)	(0)	(0.02)	(2)
COGS (Excl. depreciation)	(791)	(527)	(423)	(431)	(649)	51	(18)	(2,531)	(2,290)	(9)
Depreciation	(611)	(400)	(395)	(404)	(414)	2	(32)	(2,323)	(1,642)	(29)
EBITDA	356	34	(80)	(184)	405	(320)	14	1,162	184	(84)
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Gross margin	7	14	11	(7)	35	42	28	19	16	(3)
SG&A/Revenue	28	50	66	71	37	(34)	9	40	50	10
EBITDA margin	23	3	(9)	(23)	24	48	2	19	4	(15)
Net profit margin	(33)	(55)	(22)	88	(19)	(107)	14	(31)	(13)	(8)
Operating stats										
MICE										
OCC (%)	20	16	14	11						
ADR (THB)	2,348	2,354	2,257	2,528						
RevPar (THB)	468	381	319	278						
Bangkok City										
OCC (%)	28	25	22	20						
ADR (THB)	1,931	1,875	1,889	1,784						
RevPar (THB)	542	460	419	351						
Luxury Resort										
OCC (%)	25	16	14	7						
ADR (THB)	9,731	9,603	9,780	7,215						
RevPar (THB)	2,423	1,527	1,394	481						
Non-Bangkok										
OCC (%)	35	18	15	18						
ADR (THB)	3,430	3,650	3,748	3,417						
RevPar (THB)	1,184	659	554	621						
Tourist Lifestyle										
OCC (%)	51	53	46	40						
Rental rate (THB)	51	100	68	44						
Community Shopping Malls										
OCC (%)	63	68	66	60						
Rental rate (THB)	550	438	436	244						
Community Market										
OCC (%)	39	40	41	37						
Rental rate (THB)	755	648	531	296						
Commercial (Office)										
OCC (%)	80	77	75	73						
Rental rate (THB)	728	715	705	674						

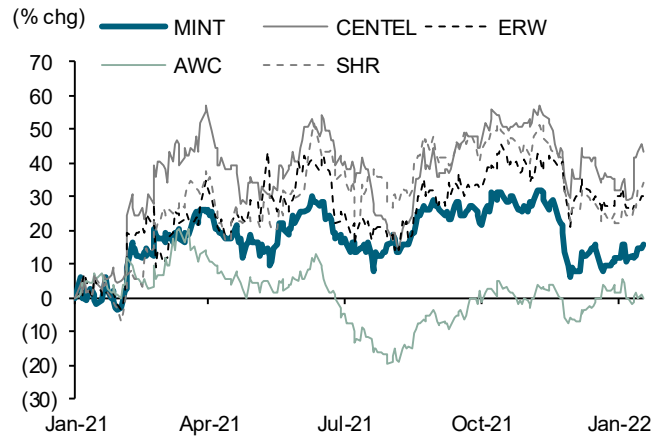
Sources: AWC; FSSIA estimates

Exhibit 9: Share price performance of Thai hotel stocks since Covid pandemic



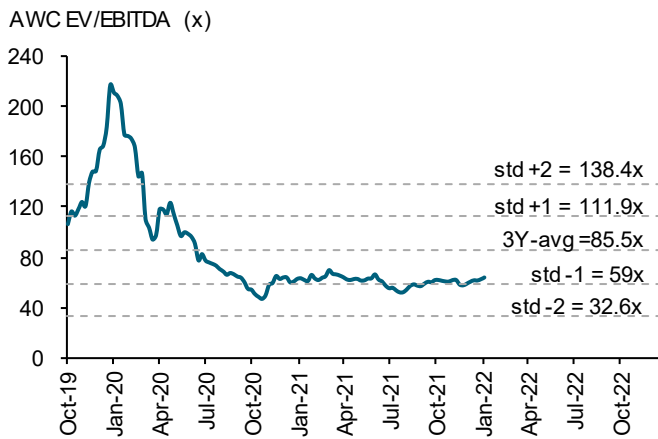
Source: Bloomberg

Exhibit 10: Share price performance of Thai hotel stocks since 2021



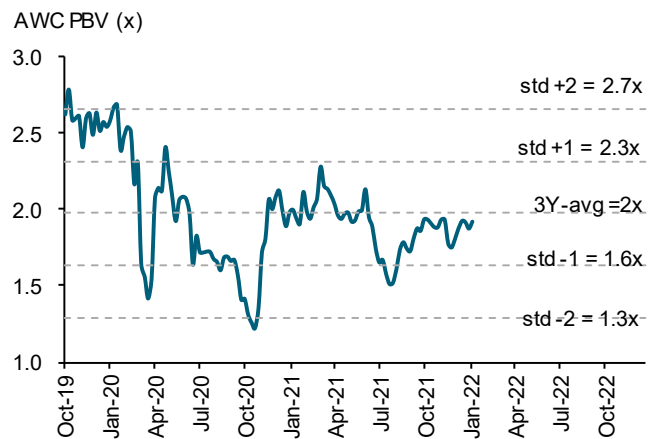
Source: Bloomberg

Exhibit 11: Historical EV/EBITDA band



Sources: Bloomberg; FSSIA estimates

Exhibit 12: Historical P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 13: Peers comparison as of 17 Jan 2022

Company	BBG	Rec	Share price		Up side (%)	Market Cap (USD m)	PE			PBV		EV/EBITDA	
			Current (LCY)	Target (LCY)			21E (x)	22E (x)	23E (x)	21E (%)	22E (%)	21E (x)	22E (x)
Thailand													
Asset World Corp Pcl	AWC TB	BUY	4.60	5.60	22	4,452	(60.1)	504.8	70.6	1.9	1.9	3,515.4	63.8
Minor International Pcl	MINT TB	BUY	29.50	42.00	42	4,651	(12.5)	63.7	26.0	2.8	2.7	48.0	13.7
Central Plaza Hotel Pcl	CENDEL TB	BUY	34.50	40.00	16	1,409	(22.7)	138.7	23.9	2.7	2.6	46.6	16.4
Erawan Group Pcl/The	ERW TB	BUY	3.00	4.00	33	411	(6.8)	(135.8)	35.5	2.3	2.3	(45.6)	19.5
S Hotels & Resorts Pcl	SHR TB	BUY	3.26	4.60	41	354	(8.9)	118.7	28.6	0.8	0.8	51.5	12.1
Thailand average						11,277	(22.2)	138.0	36.9	2.1	2.1	723.2	25.1
Regional													
Shanghai Jin Jiang Capital-H	2006 HK	n/a	2.92	n/a	n/a	2,093	n/a	36.1	76.9	1.3	1.3	n/a	n/a
Btg Hotels Group Co Ltd-A	600258 CH	n/a	25.95	n/a	n/a	4,486	79.0	25.6	19.0	2.9	2.6	33.4	17.7
Sh Jinjiang Intl Hotels - B	900934 CH	n/a	1.96	n/a	n/a	8,285	32.5	8.9	6.4	0.9	0.8	35.7	20.2
Huangshan Tourism Dev.-B	900942 CH	n/a	0.72	n/a	n/a	955	45.9	12.9	9.8	0.8	0.7	26.5	8.9
Genting Bhd	GENT MK	n/a	4.61	n/a	n/a	4,243	n/a	13.7	10.4	0.5	0.5	15.8	7.6
Greentree Hospitality Gr-Adr	GHG US	n/a	7.21	n/a	n/a	743	13.9	10.4	7.9	2.0	1.7	7.7	5.5
Huazhu Group Ltd-Adr	HTHT US	n/a	34.26	n/a	n/a	11,194	186.8	31.9	20.1	6.2	5.4	42.2	15.9
Indian Hotels Co Ltd	IH IN	n/a	208.95	n/a	n/a	3,719	n/a	n/a	61.9	7.0	6.8	n/a	68.9
Lemon Tree Hotels Ltd	LEMONTRE IN	n/a	49.95	n/a	n/a	533	n/a	n/a	71.0	5.8	4.6	98.2	40.6
Lippo Karawaci Tbk Pt	LPKR IJ	n/a	132.00	n/a	n/a	649	n/a	36.0	12.0	0.5	0.5	8.2	10.1
Regional average						36,900	71.6	21.9	29.5	2.8	2.5	33.5	21.7
Overall average						48,177	24.7	66.6	32.0	2.6	2.3	298.7	22.9

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	4,691	10,603	16,944
Cost of goods sold	(4,094)	(2,531)	(2,290)	(4,416)	(7,480)
Gross profit	8,797	3,453	2,401	6,187	9,463
Other operating income	81	3	3	3	4
Operating costs	(3,641)	(2,416)	(2,346)	(2,863)	(3,728)
Operating EBITDA	5,237	1,040	58	3,328	5,739
Depreciation	(2,190)	(2,323)	(1,642)	(1,694)	(1,858)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	3,047	(1,283)	(1,583)	1,633	3,881
Net financing costs	(2,106)	(1,140)	(1,343)	(1,407)	(1,461)
Associates	0	0	0	0	0
Recurring non-operating income	65	122	126	132	139
Non-recurring items	(44)	0	1,839	0	0
Profit before tax	962	(2,301)	(962)	358	2,558
Tax	(313)	420	350	(66)	(472)
Profit after tax	649	(1,881)	(612)	292	2,086
Minority interests	283	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	932	(1,881)	(612)	292	2,086
Non-recurring items & goodwill (net)	44	0	(1,839)	0	0
Recurring net profit	977	(1,881)	(2,450)	292	2,086
Per share (THB)					
Recurring EPS *	0.03	(0.06)	(0.08)	0.01	0.07
Reported EPS	0.03	(0.06)	(0.02)	0.01	0.07
DPS	0.01	0.00	0.00	0.00	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)	(21.6)	126.0	59.8
Operating EBITDA (%)	10.6	(80.1)	(94.4)	5,589.6	72.5
Operating EBIT (%)	6.6	nm	nm	nm	137.7
Recurring EPS (%)	56.3	nm	nm	nm	614.5
Reported EPS (%)	49.2	nm	nm	nm	614.5
Operating performance					
Gross margin inc. depreciation (%)	51.3	18.9	16.2	42.4	44.9
Gross margin of key business (%)	51.3	18.9	16.2	42.4	44.9
Operating EBITDA margin (%)	40.6	17.4	1.2	31.4	33.9
Operating EBIT margin (%)	23.6	(21.4)	(33.8)	15.4	22.9
Net margin (%)	7.6	(31.4)	(52.2)	2.8	12.3
Effective tax rate (%)	31.1	18.2	18.2	18.5	18.5
Dividend payout on recurring profit (%)	41.0	-	-	40.0	40.0
Interest cover (X)	1.5	(1.0)	(1.1)	1.3	2.8
Inventory days	5.2	7.4	7.4	5.4	5.6
Debtor days	40.8	55.5	48.9	18.4	11.5
Creditor days	228.0	290.0	234.7	169.3	177.3
Operating ROIC (%)	1.8	(0.9)	(1.0)	0.9	2.1
ROIC (%)	1.9	(0.8)	(0.9)	1.0	2.2
ROE (%)	1.5	(2.3)	(3.3)	0.4	2.7
ROA (%)	1.7	(0.7)	(1.0)	1.0	2.1
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Hotel revenue	8,692	2,867	1,751	6,832	12,000
Retail and office revenue	4,198	3,116	2,940	3,770	4,943

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)	(2,450)	292	2,086
Depreciation	2,190	2,323	1,642	1,694	1,858
Associates & minorities	-	-	-	-	-
Other non-cash items	986	(815)	9,789	(225)	(225)
Change in working capital	584	(503)	218	1,598	2,179
Cash flow from operations	4,736	(876)	9,199	3,360	5,898
Capex - maintenance	(9,876)	(4,362)	(21,281)	(10,006)	(4,888)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	0	0	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(9,876)	(4,362)	(21,281)	(10,006)	(4,888)
Dividends paid	0	(400)	0	0	(117)
Equity finance	47,316	(7,978)	0	0	0
Debt finance	(34,867)	8,440	15,000	5,000	0
Other financing cash flows	5,848	(9,265)	0	0	0
Cash flow from financing	18,297	(9,204)	15,000	5,000	(117)
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)	2,918	(1,647)	894
Free cash flow to firm (FCFF)	(2,985.97)	(4,094.95)	(10,738.39)	(5,224.12)	2,479.31
Free cash flow to equity (FCFE)	(34,158.70)	(6,063.68)	2,917.71	(1,646.71)	1,010.52

Per share (THB)	2019	2020	2021E	2022E	2023E
FCFF per share	(0.09)	(0.13)	(0.34)	(0.16)	0.08
FCFE per share	(1.07)	(0.19)	0.09	(0.05)	0.03
Recurring cash flow per share	0.13	(0.01)	0.28	0.06	0.12

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Tangible fixed assets (gross)	128,584	133,144	146,550	156,782	161,895
Less: Accumulated depreciation	(9,179)	(11,466)	(5,008)	(6,702)	(8,560)
Tangible fixed assets (net)	119,405	121,678	141,543	150,080	153,335
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	3,147	1,501	2,394
A/C receivable	1,099	722	534	534	534
Inventories	54	49	44	85	144
Other current assets	114	52	361	816	1,303
Current assets	15,938	1,052	4,087	2,936	4,376
Other assets	1,151	1,736	1,736	1,736	1,736
Total assets	136,493	124,467	147,366	154,752	159,447
Common equity	90,806	71,186	77,131	77,423	79,393
Minorities etc.	0	0	0	0	0
Total shareholders' equity	90,806	71,186	77,131	77,423	79,393
Long term debt	28,000	43,633	58,633	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	66,679	71,679	71,679
A/C payable	2,475	1,546	1,399	2,697	4,570
Short term debt	8,718	1,525	1,525	1,525	1,525
Other current liabilities	168	150	632	1,427	2,281
Current liabilities	11,361	3,221	3,556	5,650	8,376
Total liabilities and shareholders' equity	136,493	124,467	147,366	154,752	159,447
Net working capital	(1,377)	(873)	(1,091)	(2,690)	(4,869)
Invested capital	119,179	122,541	142,188	149,126	150,202

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

Per share (THB)	2019	2020	2021E	2022E	2023E
Book value per share	2.84	2.22	2.41	2.42	2.48
Tangible book value per share	2.84	2.22	2.41	2.42	2.48

Financial strength	2019	2020	2021E	2022E	2023E
Net debt/equity (%)	24.3	63.1	73.9	82.2	79.1
Net debt/total assets (%)	16.2	36.1	38.7	41.1	39.4
Current ratio (x)	1.4	0.3	1.1	0.5	0.5
CF interest cover (x)	(15.2)	(4.3)	3.2	(0.2)	1.7

Valuation	2019	2020	2021E	2022E	2023E
Recurring P/E (x) *	150.7	(78.2)	(60.1)	504.1	70.6
Recurring P/E @ target price (x) *	183.5	(95.3)	(73.1)	613.7	85.9
Reported P/E (x)	157.9	(78.2)	(240.6)	504.1	70.6
Dividend yield (%)	0.3	-	-	0.1	0.6
Price/book (x)	1.6	2.1	1.9	1.9	1.9
Price/tangible book (x)	1.6	2.1	1.9	1.9	1.9
EV/EBITDA (x) **	32.3	184.8	3,491.7	63.4	36.6
EV/EBITDA @ target price (x) **	38.4	215.6	4,038.9	73.0	42.2
EV/invested capital (x)	1.4	1.6	1.4	1.4	1.4

* Pre-exceptional, pre-goodwill and 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	PAP	PCSGH	PDJ	PG	PHOL	PLANB
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	SEAOIL	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	TTB	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:

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

* 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	AMANAHA	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	TTB	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)

Disclaimer:

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

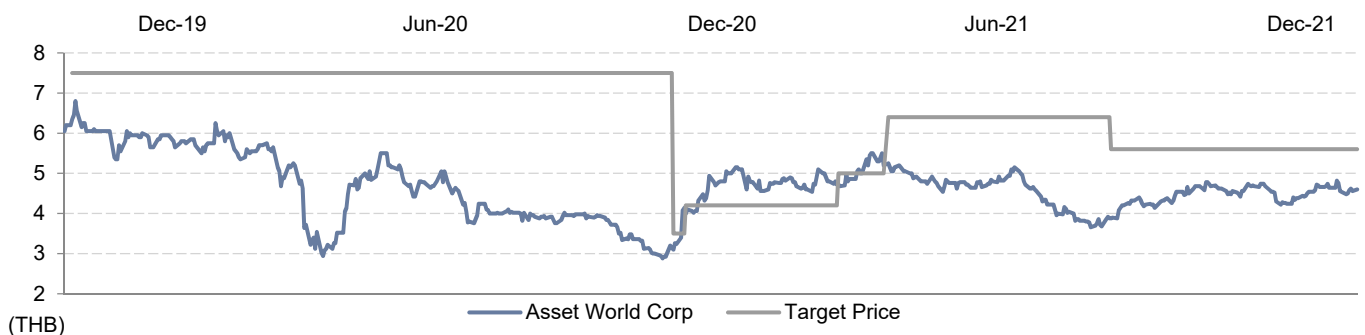
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

This report has been prepared by FSS International Investment Advisory Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSS makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSS has no intention to solicit investors to buy or sell any security in this report. In addition, FSS does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

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	11-Nov-2020	HOLD	4.20	19-Mar-2021	BUY	6.40
03-Nov-2020	HOLD	3.50	17-Feb-2021	HOLD	5.00	11-Aug-2021	BUY	5.60

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)



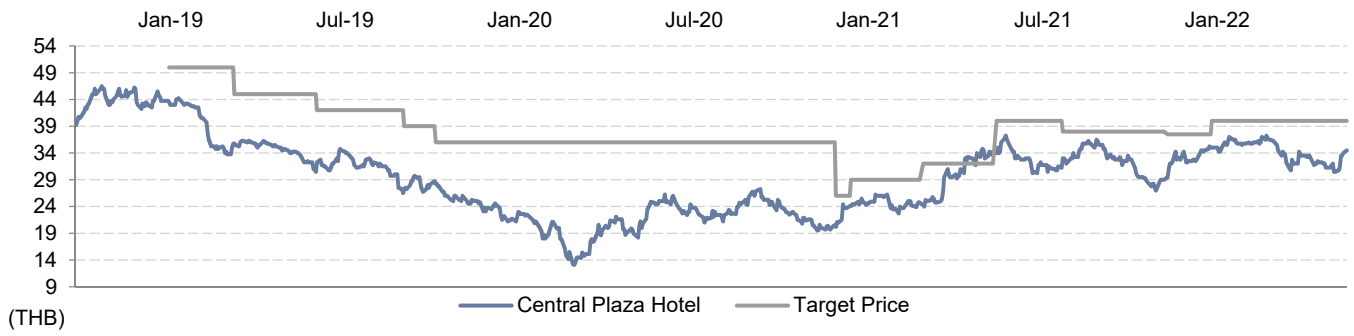
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
08-Mar-2019	HOLD	40.00	03-Nov-2020	BUY	24.00	13-May-2021	BUY	38.00
26-Nov-2019	HOLD	38.00	18-Nov-2020	BUY	29.00	12-Oct-2021	BUY	42.00
20-Dec-2019	HOLD	37.00	08-Mar-2021	BUY	40.00			

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
11-Apr-2019	BUY	50.00	26-Nov-2019	BUY	36.00	19-Mar-2021	BUY	40.00
06-Jun-2019	BUY	45.00	03-Nov-2020	BUY	26.00	17-May-2021	BUY	38.00
16-Aug-2019	BUY	42.00	16-Nov-2020	BUY	29.00	13-Aug-2021	BUY	37.50
30-Oct-2019	BUY	39.00	15-Jan-2021	BUY	32.00	22-Sep-2021	BUY	40.00

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)



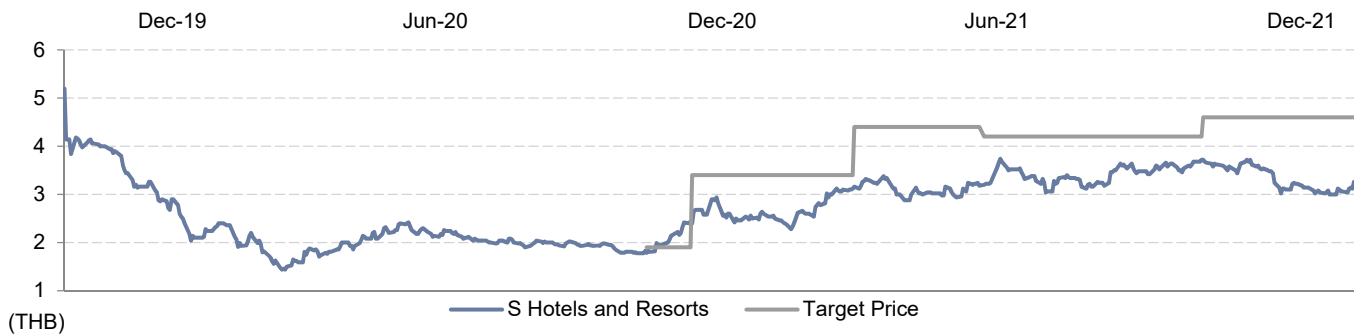
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
03-Nov-2020	HOLD	2.50	01-Mar-2021	BUY	5.30	17-Aug-2021	BUY	3.50
19-Nov-2020	HOLD	3.30	17-May-2021	BUY	3.60	12-Oct-2021	BUY	4.00

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	11-Mar-2021	BUY	4.40	12-Oct-2021	BUY	4.60
01-Dec-2020	BUY	3.40	28-May-2021	BUY	4.20			

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 4.60	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 29.50	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 34.50	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 3.00	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, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
S Hotels and Resorts	SHR TB	THB 3.26	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 17-Jan-2022 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.