

ASSET WORLD CORP

AWC TB

THAILAND / TOURISM & LEISURE

BUY

UNCHANGED

ฟื้นตัวอย่างรวดเร็วในช่วงฤดูการขาย

- คาด RevPAR จะฟื้นตัวเป็น 80-85% ของระดับก่อนโควิดใน 4Q22 (เทียบกับ 68% ใน 3Q22) ซึ่งจะทำให้กำไรปกติโตดี q-q
- AWC ตั้งเป้าให้ EBITDA yield ปรับตัวดีขึ้นเป็น 15% ในระยะยาว (จาก 2.4% ในปัจจุบัน)
- คงแนะนำซื้อหลังปรับราคาเป้าหมายปี 2023 ขึ้นเป็น 6.8 บาท (DCF)

TARGET PRICE	THB6.80
CLOSE	THB6.10
UP/DOWNSIDE	+11.5%
PRIOR TP	THB6.50
CHANGE IN TP	+4.6%
TP vs CONSENSUS	+18.5%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	4,245	8,994	14,510	21,881
Net profit	861	3,580	4,607	6,185
EPS (THB)	0.03	0.11	0.14	0.19
vs Consensus (%)	-	307.4	233.3	115.9
EBITDA	55	2,533	5,494	7,827
Core net profit	(2,248)	(220)	2,107	3,685
Core EPS (THB)	(0.07)	(0.01)	0.07	0.12
Chg. In EPS est. (%)	nm	nm	1.0	3.7
EPS growth (%)	nm	nm	nm	74.8
Core P/E (x)	(86.8)	(886.7)	92.6	53.0
Dividend yield (%)	0.2	-	0.4	0.8
EV/EBITDA (x)	4,475.2	99.3	45.5	31.1
Price/book (x)	2.5	2.4	2.2	2.1
Net debt/Equity (%)	62.4	68.5	62.6	51.9
ROE (%)	(3.0)	(0.3)	2.5	4.1

คาดการณ์การพลิกฟื้นที่ดีใน 4Q22

AWC รายงานผลประกอบการพลิกฟื้นเป็นกำไรปกติใน 3Q22 จากการฟื้นตัวของธุรกิจโรงแรมหลัง RevPAR ฟื้นตัวเป็น 68% ของระดับก่อนโควิด เราคาดว่ากระแสการฟื้นตัวดังกล่าวจะเร่งตัวขึ้นจากการฟื้นตัวของตัวเลขนักท่องเที่ยวต่างชาติและคาดว่า RevPAR จะฟื้นตัวเป็น 80-85% ของระดับก่อนโควิดใน 4Q22 จากข้อมูลของ AWC บริษัทฯ มีส่วนแบ่งตลาด 22% ของความต้องการจากต่างประเทศในช่วง 9M22 ในกลุ่มโรงแรมระดับหรูและระดับกลาง บน ในขณะที่บริษัทฯ มีจำนวนห้องคิดเป็นเพียง 2% เราเห็นว่าความต้องการที่อยู่ระดับสูงน่าจะหมายถึงค่าห้องรายวันเฉลี่ย (ADR) ที่เพิ่มขึ้นด้วย นอกจากนี้ EBITDA margin ของธุรกิจโรงแรมยังฟื้นตัวเป็น 27% ใน 3Q22 (เทียบกับ 33% ใน 3Q19) กระแสดังกล่าวน่าจะมีต่อเนื่องจากอัตราค่าที่เพิ่มขึ้น (Flow-through ratio) สูงถึง 59% ในธุรกิจโรงแรม (ณ. สิ้นไตรมาส 3Q22 เทียบกับ 3Q19) เราคาดว่ากำไรปกติใน 4Q22 จะปรับตัวดีขึ้นเป็นประมาณ 200-250 ลบ. (เทียบกับ 36 ลบ. ใน 3Q22)

ซื้อสินทรัพย์ใหม่ 3 แห่ง

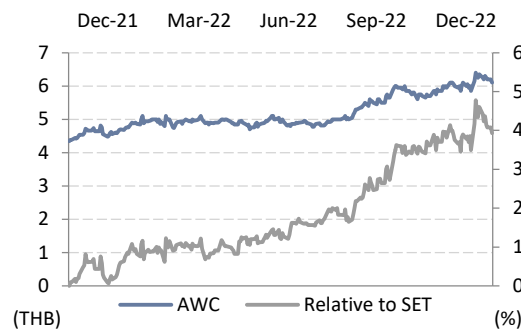
เมื่อไม่นานมานี้ AWC ได้ซื้อสินทรัพย์ใหม่ 3 แห่ง แห่งแรกคือ Westin Siray Bay Resort and Spa (264 ห้อง/งบลงทุน 2.5 พัน ลบ.) ซึ่ง AWC วางแผนเปลี่ยนเป็นแบรนด์โรงแรมระดับหรูขึ้นที่ชื่อคือ Grand Mercure Bangkok Windsor (458 ห้อง/งบลงทุน 3.2 พัน ลบ.) ซึ่ง AWC วางแผนเปลี่ยนเป็นแบรนด์โรงแรมระดับหรูและจะเปิดทำการในปี 2024 เพื่อจับความต้องการในตลาด MICE ที่อยู่ในระดับสูงในบริเวณตัวเมือง แห่งที่สามคือ Gateway Ekamai (งบลงทุน 4.2 พัน ลบ.) ซึ่งจะช่วยเพิ่มพื้นที่เข้าสู่พื้นที่ (NLA) ของธุรกิจศูนย์การค้า (Retail) และอาคารสำนักงาน (Commercial) ได้ 8%

กำลังเข้าสู่วัฏจักรการเติบโตพร้อมจำนวนห้องพักในธุรกิจโรงแรมที่เพิ่มขึ้น 50-60%

AWC มีโครงการที่อยู่ระหว่างการดำเนินงานเป็นจำนวนมากโดยมีแผนที่จะเปิดโรงแรมมากถึง 34 แห่งพร้อมห้องพักอีกมากกว่า 10,000 ห้องภายในปี 2027 จากที่มีโรงแรม 19 แห่งพร้อมห้องพัก 5,400 ห้องในปัจจุบัน เราคาดว่า EBITDA margin จะปรับตัวดีขึ้นจาก 28% ในปี 2022E เป็น 43% ในปี 2027E คิดเป็น EBITDA ที่ 14.2 พัน ลบ. และ 2027E EBITDA yield ที่ 11% หมายเหตุ AWC ตั้งเป้าให้ EBITDA yield ปรับตัวดีขึ้นเป็น 15% ในระยะยาว ด้วยเหตุผลดังกล่าวเราจึงคิดว่าประมาณการของเรา Upside

ปรับเพิ่มประมาณการกำไรปกติ

เราปรับเพิ่มประมาณการกำไรปกติขึ้น 1-25% ในช่วงปี 2022-24 เพื่อสะท้อนแนวโน้มที่ดีขึ้นและรวม 3 สินทรัพย์ใหม่ไว้ในประมาณการของเรา เราได้ราคาเป้าหมายปี 2023 ใหม่ที่ 6.8 บาท (DCF) AWC มีการซื้อขายในระดับการประเมินมูลค่าที่น่าสนใจที่ 32x ของค่า 2024E P/E (รวมมูลค่ายุติธรรมที่เพิ่มขึ้นประมาณ 2-3 พัน ลบ. ต่อปี) ในขณะที่เราคาดว่ากำไรจะโตในระดับสูงถึง 30% CAGR ในช่วงปี 2019-25



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	1.7	7.0	43.9
Relative to country (%)	1.1	7.5	41.8
Mkt cap (USD m)	5,570		
3m avg. daily turnover (USD m)	8.4		
Free float (%)	25		
Major shareholder	TCC Business Management (47%)		
12m high/low (THB)	6.55/4.32		
Issued shares (m)	32,000.00		

Sources: Bloomberg consensus; FSSIA estimates



Teerapol Udomvej, CFA

teerapol.udo@fssia.com

+66 2611 3535

PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 7 ธันวาคม 2022

Investment thesis

AWC plans to aggressively expand its hotel portfolio from 19 hotels to 34 hotels by 2027 and expand its commercial property assets with a net leasable area (NLA) of 427k sqm to 560k sqm by 2027.

AWC has a strong balance sheet with an IBD/E of only 0.8x as of 2Q22, 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.

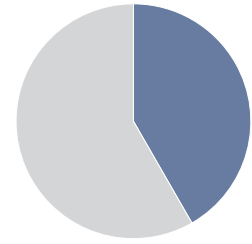
Company profile

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

assetworldcorp-th.com

Principal activities (revenue, 2021)

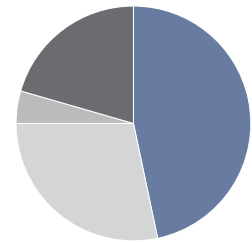
- Hotel revenue - 41.7 %
- Retail and office revenue - 58.3 %



Source: Asset World Corp

Major shareholders

- TCC Business Management - 46.7 %
- TCC Group International Limited - 28.3 %
- Bank of Singapore Limited - THB SEG AC - 4.5 %
- Others - 20.5 %



Source: Asset World Corp

Catalysts

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 relaxation of travel restrictions between countries

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 2023	4Q22/2022 results announcement

Key assumptions

	2022E	2023E	2024E
Hotel - Number of rooms (no.)	5,409	6,053	9,600
Hotel - Occupancy rate (OCC %)	46.7	66.5	67.6
Hotel - RevPAR growth (%)	200.6	66.4	6.0
Retail - NLA ('000 sqm)	212.6	212.6	232.6
Retail - Occupancy rate (OCC %)	30.7	50.0	53.3
Retail - Rental rate growth (%)	(5.3)	108.9	9.2
Office - NLA ('000 sqm)	270.6	270.6	270.6
Office - Occupancy rate (OCC %)	70.0	71.0	72.0
Office - Rental rate growth (%)	7.0	0.0	0.0

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: Asset rate of return

Unit: THB m

ASSET	ASSET VALUE			RATE OF RETURN from operating performance AS OF 30 SEP 22 (PAST 12 MONTHS)	RATE OF RETURN from operating performance FOR 2021	RATE OF RETURN from operating performance FOR 2020	RATE OF RETURN from operating performance FOR 2019	RATE OF RETURN from Financial Statement AS OF 30 SEP 22 (PAST 12 MONTHS)	RATE OF RETURN from Financial Statement FOR 2021
	NET OPERATING PROFIT	AMOUNT	%						
ASSET IN BUSINESS AS USUAL PERIOD (BAU)	2,070.0	37,062.7	28.4%	5.6%	4.0%	2.1%	8.3%	14.0%	11.1%
ASSET IN INITIAL PERIOD (RAMP UP)	421.8	43,265.1	33.1%	1.0%	-1.2%	2.1%	5.8%	2.4%	-1.3%
ASSET UNDER REPOSITIONING (REPOSITIONING)	266.2	32,254.4	24.7%	0.8%	0.0%	2.0%	6.0%	5.4%	4.1%
ASSET UNDER DEVELOPMENT (DEVELOPMENT)	8.5	18,124.4	13.8%	0.0%	0.1%	-0.3%	-1.4%	0.0%	0.1%
GRAND TOTAL	2,766.5	130,706.5	100.0%	1.4%	0.8%	1.6%	5.6%	6.1%	3.8%

Source: AWC

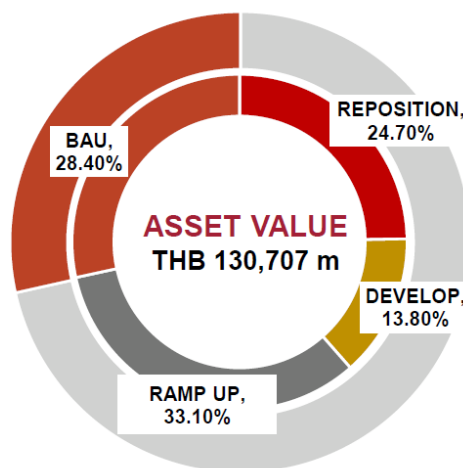
Exhibit 2: Asset breakdown

BAU ASSETS

- HUA HIN MARRIOTT RESORT AND SPA
- HILTON SUKHUMVIT
- THE ATHENEE HOTEL BANGKOK
- THE OKURA PRESTIGE BANGKOK HOTEL
- LASALLE'S AVENUE PHASE 1
- EMPIRE TOWER BUILDING
- 208 BUILDING WIRELESS ROAD
- INTERLINK TOWER BANKNA
- ATHENEE TOWER BUILDING

RAMP UP ASSETS

- VANA BELLE A LUXURY KOH SAMUI
- BANYAN TREE SAMUI
- MARRIOTT MARQUIS QUEEN'S PARK
- MELIA KOH SAMUI
- BANGKOK MARRIOTT HOTEL THE SURAWONGSE
- PHUKET MARRIOTT RESORT & SPA, NAI YANG BEACH
- DOUBLETREE BY HILTON SUKHUMVIT
- BANYAN TREE KRABI
- LÉ MÉRIDIEN BANGKOK HOTEL
- COURTYARD BY MARRIOTT PHUKET TOWN
- MELIA CHIANG MAI
- SIRIMAHANNOP
- GATEWAY AT BANGSUE
- LASALLE'S AVENUE PHASE 2
- TORYOD ONLINE



REPOSITIONING ASSETS

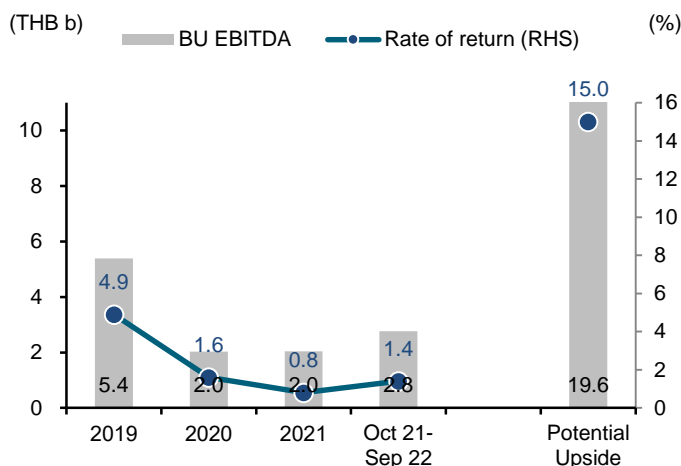
- LE MÉRIDIEN CHIANG MAI
- HOLIDAY INN EXPRESS SATHORN
- SHERATON SAMUI
- COMMUNITY MARKET BANGKAPI
- AEC TRADE CENTER
- AEC TRADE CENTER – PANTIP WHOLESALE DESTINATION
- PANTIP PLAZA IN CHIANGMAI
- ASIATIQUE THE RIVERFRONT
- PANTIP PLAZA AT NGAMWONGWAN
- TAWANNA BANGKAPI

DEVELOPING ASSETS

- EMPIRE TOWER ROOFTOP
- THE RITZ-CARLTON BANGKOK, THE RIVERSIDE
- INSIDE BANGKOK SUKHUMVIT HOTEL
- 17 CONDOMINIUM UNITS IN THE MAJESTIC MANSION
- A RITZ-CARLTON RESERVE HOTEL AT ASIATIQUE
- PATTAYA MARRIOTT RESORT & SPA AT JOMTIEN BEACH
- HUAHIN BEACHFRONT
- VIGNETTE COLLECTION HOTEL
- INTERCONTINENTAL CHIANG MAI MAE PING HOTEL
- BANYAN TREE JOMTIEN PATTAYA
- PATTAYA MARRIOTT MARQUIS HOTEL
- JW MARRIOTT MARQUIS HOTEL ASIATIQUE BANGKOK
- EAC PROJECT

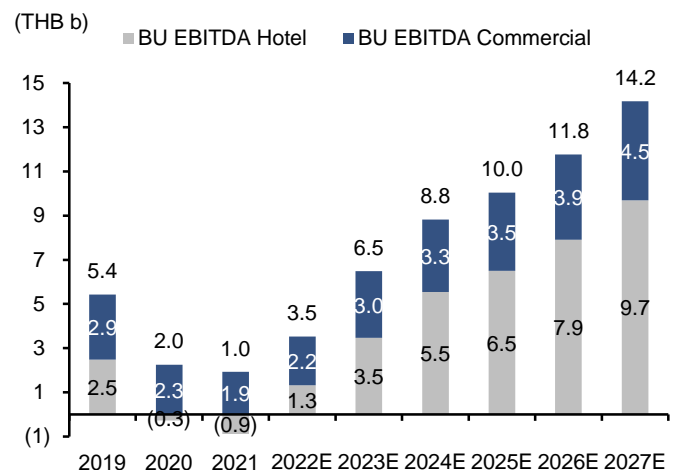
Source: AWC

Exhibit 3: BU EBITDA and rate of return



Note: BU EBITDA (business unit EBITDA) is EBITDA before corporate expenses

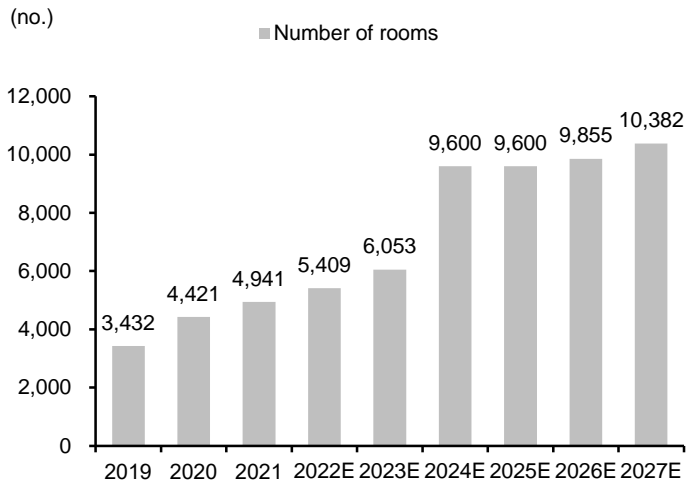
Exhibit 4: BU EBITDA forecast



Note: BU EBITDA (business unit EBITDA) is EBITDA before corporate expenses

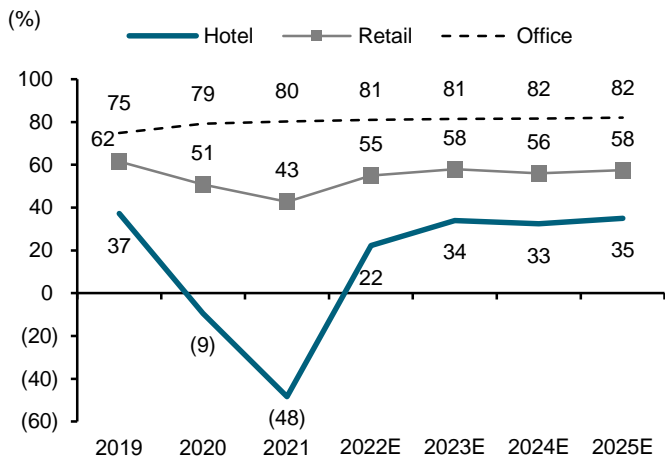
Sources: AWC; FSSIA estimates

Exhibit 5: Hotel room expansion pipeline



Sources: AWC; FSSIA estimates

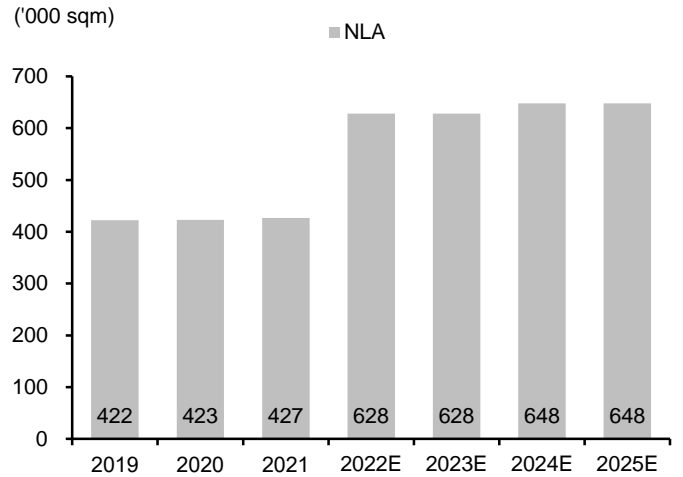
Exhibit 7: BU EBITDA margin by business



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

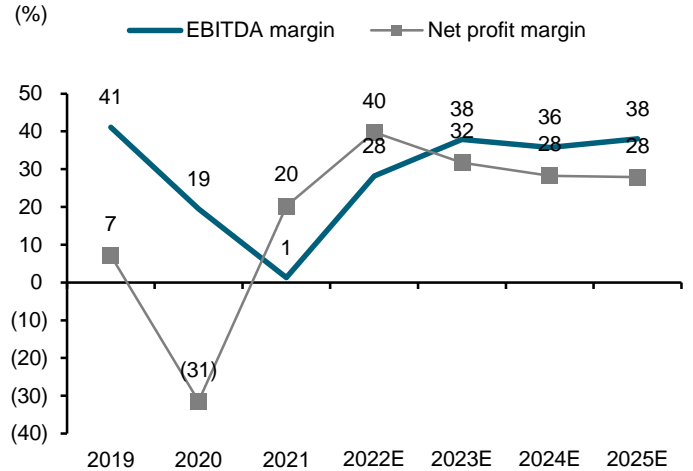
Sources: AWC; FSSIA estimates

Exhibit 6: NLA of retail and commercial expansion



Sources: AWC; FSSIA estimates

Exhibit 8: Corporate EBITDA margin and net profit margin



Sources: AWC; FSSIA estimates

Recap: 3Q22 results review

AWC reported a 3Q22 core profit of THB36m, in line with our forecast and the Bloomberg consensus estimate. Including a THB1.2b gain on changes in the fair value of investment properties (THB1.0b net of tax), AWC booked a net profit of THB1.0b.

Hospitality business: Hotel revenue grew 38% q-q as RevPAR increased by 42% q-q and accounted for 68% of the pre-Covid level. The OCC rate was 53% in 3Q22 (vs 43% in 2Q22), and the average daily rate (ADR) was THB4,920, exceeding the pre-Covid level of THB4,620.

Commercial business: Revenue grew 2% q-q due to the recovery of Asiatique after the company adjusted its strategy to attract more domestic customers. Revenue from the office building business also grew by 1% in 3Q22.

EBITDA of operating assets (BU EBITDA) slightly improved from THB743m in 2Q22 to THB994m in 3Q22, consisting of THB489m from the hotel business, THB129m from the retail business, and THB392m from office properties. Including corporate expenses, group EBITDA improved from THB437m in 2Q22 to THB791m in 3Q22.

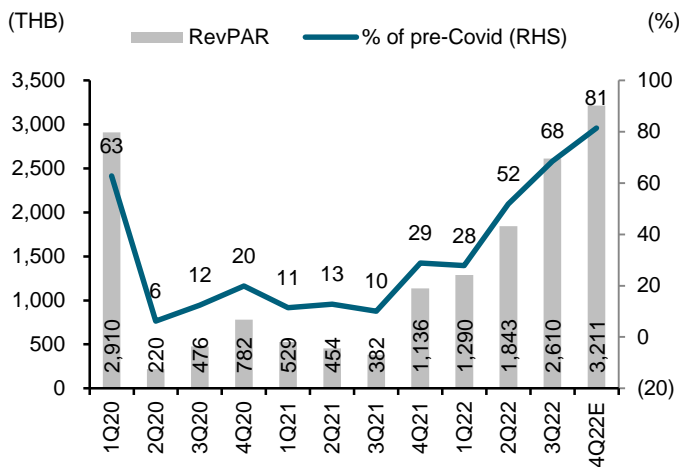
Exhibit 9: 3Q22 results review

	3Q21	4Q21	1Q22	2Q22	3Q22	----- Change -----		2022E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)
Sales	779	1,464	1,600	1,982	2,475	25	218	8,994
- Hotel	261	807	914	1,280	1,762	38	575	5,983
- Commercial	517	657	686	702	713	2	38	3,011
COGS (Incl. depreciation)	(835)	(1,004)	(1,069)	(1,186)	(1,341)	13	61	(5,811)
Gross profit	(56)	460	532	796	1,134	42	2,114	3,183
SG&A	(550)	(611)	(658)	(740)	(818)	10	49	(2,428)
Net management income	2	(2)	1	1	1	(46)	(62)	6
Operating profit	(605)	(154)	(125)	57	317	456	152	761
Other income	17	33	12	14	9	(35)	(49)	93
Interest income	0	0	0	0	0	(85)	4,500	0
Interest expenses	(271)	(272)	(251)	(264)	(336)	28	24	(1,184)
Pretax profit	(859)	(393)	(364)	(193)	(11)	94	99	(330)
Income Tax	161	89	76	4	47	1,185	(71)	110
Associates	0	0	0	0	0			
Minority interest	0	0	0	0	0			
Core profit	(698)	(304)	(288)	(189)	36	119	105	(220)
Extraordinaries, GW & FX	1,385	1,271	933	966	991	3	(28)	3,800
Reported net profit	687	967	645	776	1,026	32	49	3,580
Shares out (end Q, m)	32,000	32,000	32,000	32,000	32,000	0	0	32,000
Core EPS (THB)	(0.02)	(0.01)	(0.01)	(0.01)	0.00	119	105	(0.01)
EPS (THB)	0.02	0.03	0.02	0.02	0.03	32	49	0.11
COGS (Excl. depreciation)	(431)	(598)	(670)	(771)	(928)	20	115	(4,131)
Depreciation	(404)	(406)	(399)	(415)	(413)	(0)	2	(1,680)
EBITDA	(184)	285	286	486	739	52	503	2,533
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)
Gross margin	(7)	31	33	40	46	6	53	35
SG&A/Revenue	71	42	41	37	33	(4)	(38)	27
EBITDA margin	(23)	19	18	24	30	5	53	28
Net profit margin	88	66	40	39	41	2	(47)	40
Operating stats								
MICE								
OCC (%)	11	23	32	42	54			
ADR (THB)	2,528	3,263	3,156	4,048	4,886			
RevPar (THB)	278	756	1,006	1,705	2,658			
Bangkok City								
OCC (%)	20	27	35	48	59			
ADR (THB)	1,784	1,833	1,914	2,450	3,160			
RevPar (THB)	351	488	668	1,163	1,848			
Luxury Resort								
OCC (%)	7	30	34	48	60			
ADR (THB)	7,215	12,938	13,212	13,611	15,466			
RevPar (THB)	481	3,851	4,503	6,518	9,199			
Non-Bangkok								
OCC (%)	18	41	40	42	47			
ADR (THB)	3,417	4,296	3,980	4,173	4,303			
RevPar (THB)	621	1,747	1,602	1,742	2,041			
Tourist Lifestyle								
OCC (%)	40	40	35	38	37			
Rental rate (THB)	44	316	562	538	810			
Community Shopping Malls								
OCC (%)	62	62	61	61	62			
Rental rate (THB)	217	458	571	578	593			
Community Market								
OCC (%)	37	39	40	39	41			
Rental rate (THB)	296	616	675	690	702			
Commercial (Office)								
OCC (%)	73	72	71	71	70			

Rental rate (THB)	674	754	764	770	769		
-------------------	-----	-----	-----	-----	-----	--	--

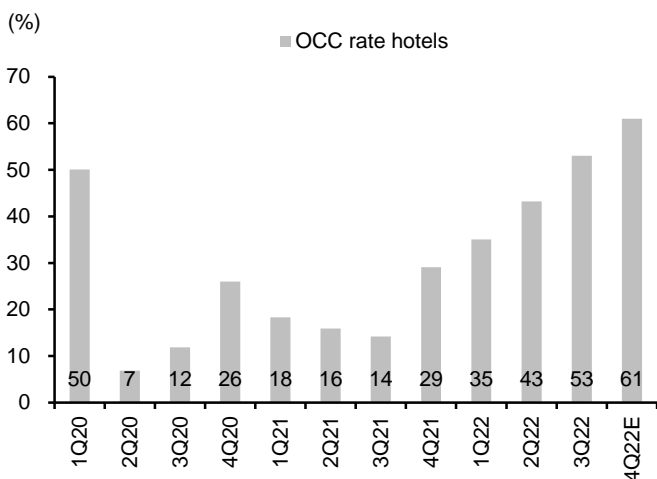
Sources: AWC; FSSIA estimates

Exhibit 10: RevPAR trend, quarterly



Sources: AWC; FSSIA estimates

Exhibit 12: OCC rate trend, quarterly



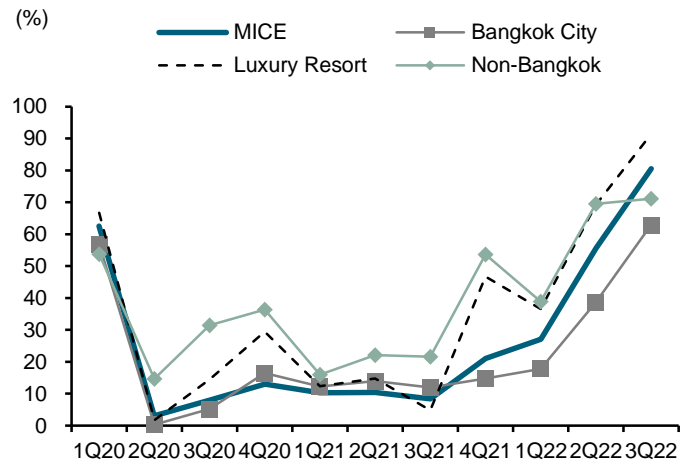
Sources: AWC; FSSIA estimates

Exhibit 14: Forecast revisions

	Current			Previous			Change		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Hotel - OCC (%)	46.7	66.5	67.6	42.8	64.7	69.5	3.8	1.8	(1.9)
Hotel - RevPar (THB)	1,960	3,262	3,457	1,797	3,492	3,906	9.1	(6.6)	(11.5)
Retail - OCC (%)	30.7	50.0	53.3	58.9	63.2	64.0	(28.2)	(13.2)	(10.7)
Retail - Rental rate (THB/sqm/month)	354	740	809	615	952	973	(42.4)	(22.3)	(16.9)
Office - OCC (%)	70.0	71.0	72.0	75.0	76.0	77.0	(5.0)	(5.0)	(5.0)
Office - Rental rate (THB/sqm/month)	762	762	762	719	734	748	5.9	3.9	1.8
Revenue (THB b)	9.0	14.5	21.9	8.8	16.4	22.4	1.9	(11.7)	(2.2)
EBITDA margin (%)	28.2	37.9	35.8	29.1	34.5	35.7	(0.9)	3.3	0.1
Core earnings (THB m)	(220)	2,107	3,685	(295)	2,086	3,553	25.3	1.0	3.7

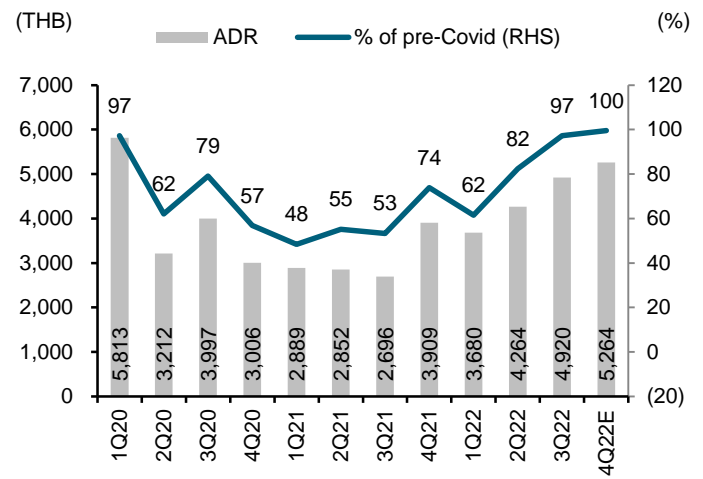
Note: Change of items in % terms are represented in ppt
Source: FSSIA estimates

Exhibit 11: RevPAR breakdown by segment (% of pre-Covid)



Source: AWC

Exhibit 13: ADR trend, quarterly



Sources: AWC; FSSIA estimates

Exhibit 15: 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	69.9	2.2	WACC 7.4%, risk-free rate 3%, risk premium 8%		
Terminal value	200.7	6.3	Terminal growth 2.5%		
Cash & liquid assets	1.0	0.0	At end-2023E		
Investments	0.0	0.0	At end-2023E		
Debt	(55.5)	(1.7)	At end-2023E		
Minorities	0.0	0.0	At end-2023E		
Residual ordinary equity	216.0	6.8			

Source: FSSIA estimates

Exhibit 16: Peers comparison as of 6 December 2022

Company	BBG	Rec	---Share price---		Up side	Market Cap	----- PE -----			---- ROE ----		--- PBV ---		EV/ EBITDA	
			Current (LCY)	Target (LCY)			22E (x)	23E (x)	24E (x)	22E (%)	23E (%)	22E (x)	23E (x)	22E (x)	23E (x)
Thailand															
Asset World Corp	AWC TB	BUY	6.10	6.80	11	5,570	(886.7)	92.6	53.0	(0.3)	2.5	2.4	2.2	99.3	45.5
Minor International	MINT TB	BUY	30.25	40.00	32	4,553	163.7	31.7	24.7	1.6	8.3	2.3	2.7	13.3	11.4
Central Plaza Hotel	CENDEL TB	BUY	48.50	54.00	11	1,868	158.4	31.2	26.6	2.3	10.8	3.5	3.2	21.3	13.8
Erawan Group	ERW TB	BUY	4.56	4.70	3	590	(47.6)	48.5	40.6	(7.5)	7.4	3.7	3.4	42.9	16.7
S Hotels & Resorts	SHR TB	BUY	4.02	5.00	24	412	(89.1)	33.0	21.7	(1.0)	2.8	0.9	0.9	16.8	10.0
Dusit Thani	DUSIT TB	BUY	11.10	18.00	62	269	(14.0)	86.9	25.9	(22.3)	3.9	3.4	3.3	161.1	31.8
Thailand average						13,263	(119.2)	54.0	32.1	(4.5)	5.9	2.7	2.6	59.1	21.5
Regional															
Shanghai Jin Jiang Cap.	2006 HK	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.1	4.2	n/a	n/a	n/a	n/a
Btg Hotels Group	600258 CH	n/a	24.05	n/a	n/a	3,856	n/a	31.5	22.2	(2.5)	7.4	2.5	2.3	24.2	12.5
Sh Jinjiang Intl Hotels	900934 CH	n/a	1.99	n/a	n/a	7,663	87.3	9.0	6.3	1.0	8.5	0.9	0.8	44.0	17.3
Huangshan Tourism Dev.	900942 CH	n/a	0.81	n/a	n/a	1,121	n/a	17.3	12.1	(1.1)	5.6	1.0	0.9	53.6	12.9
Genting Bhd	GENT MK	n/a	4.39	n/a	n/a	3,813	31.0	12.9	10.3	2.2	4.7	0.5	0.5	8.1	6.8
Greentree Hospitality	GHG US	n/a	3.57	n/a	n/a	368	18.2	8.4	6.3	7.7	14.0	1.3	1.1	8.5	5.5
Huazhu Group	HTHT US	n/a	42.75	n/a	n/a	13,758	n/a	57.2	36.0	(9.7)	19.1	11.7	9.5	114.6	23.0
Indian Hotels	IH IN	n/a	327.95	n/a	n/a	5,595	n/a	57.9	43.5	(4.5)	10.6	7.8	5.9	90.1	31.4
Lemon Tree Hotels	LEMONTRE IN	n/a	94.25	n/a	n/a	912	n/a	75.0	49.0	(6.2)	11.1	8.8	8.3	63.8	24.8
Lippo Karawaci	LPKR IJ	n/a	91.00	n/a	n/a	408	n/a	n/a	28.3	(3.0)	(2.0)	0.3	0.3	10.0	8.8
Regional average						37,493	45.5	33.6	23.8	(1.5)	8.3	3.9	3.3	46.3	15.9
Overall average						50,756	(64.3)	42.3	27.1	(2.6)	7.4	3.4	3.0	51.4	18.1

Sources: Bloomberg; FSSIA estimates

Financial Statements

Asset World Corp

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	5,983	4,245	8,994	14,510	21,881
Cost of goods sold	(2,531)	(1,980)	(4,131)	(5,925)	(9,368)
Gross profit	3,453	2,265	4,863	8,584	12,513
Other operating income	125	94	99	102	105
Operating costs	(2,416)	(2,304)	(2,428)	(3,192)	(4,792)
Operating EBITDA	1,162	55	2,533	5,494	7,827
Depreciation	(2,323)	(1,605)	(1,680)	(1,762)	(1,899)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	(1,161)	(1,551)	854	3,732	5,928
Net financing costs	(1,140)	(1,180)	(1,184)	(1,253)	(1,322)
Associates	0	0	0	0	0
Recurring non-operating income	0	0	0	0	0
Non-recurring items	0	3,109	3,800	2,500	2,500
Profit before tax	(2,301)	379	3,470	4,979	7,106
Tax	420	483	110	(372)	(921)
Profit after tax	(1,881)	861	3,580	4,607	6,185
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	(1,881)	861	3,580	4,607	6,185
Non-recurring items & goodwill (net)	0	(3,109)	(3,800)	(2,500)	(2,500)
Recurring net profit	(1,881)	(2,248)	(220)	2,107	3,685
Per share (THB)					
Recurring EPS *	(0.06)	(0.07)	(0.01)	0.07	0.12
Reported EPS	(0.06)	0.03	0.11	0.14	0.19
DPS	0.00	0.01	0.00	0.03	0.05
Diluted shares (used to calculate per share data)	32,000	32,000	32,000	32,000	32,000
Growth					
Revenue (%)	(53.6)	(29.1)	111.9	61.3	50.8
Operating EBITDA (%)	(78.1)	(95.3)	4,535.0	116.9	42.5
Operating EBIT (%)	nm	nm	nm	337.2	58.8
Recurring EPS (%)	nm	nm	nm	nm	74.8
Reported EPS (%)	nm	nm	315.5	28.7	34.2
Operating performance					
Gross margin inc. depreciation (%)	18.9	15.5	35.4	47.0	48.5
Gross margin of key business (%)	18.9	15.5	35.4	47.0	48.5
Operating EBITDA margin (%)	19.4	1.3	28.2	37.9	35.8
Operating EBIT margin (%)	(19.4)	(36.5)	9.5	25.7	27.1
Net margin (%)	(31.4)	(53.0)	(2.4)	14.5	16.8
Effective tax rate (%)	18.2	17.7	18.5	15.0	20.0
Dividend payout on recurring profit (%)	-	(15.3)	-	40.0	40.0
Interest cover (X)	(1.0)	(1.3)	0.7	3.0	4.5
Inventory days	7.4	8.8	6.3	7.3	7.0
Debtor days	55.5	60.0	23.7	12.4	8.2
Creditor days	290.0	285.4	211.4	242.6	233.4
Operating ROIC (%)	(0.8)	(1.0)	0.5	2.2	3.2
ROIC (%)	(0.8)	(1.0)	0.5	2.1	3.2
ROE (%)	(2.3)	(3.0)	(0.3)	2.5	4.1
ROA (%)	(0.7)	(1.0)	0.5	2.1	2.9
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Hotel revenue	2,867	1,770	5,983	10,185	17,036
Retail and office revenue	3,116	2,475	3,011	4,325	4,845

Sources: Asset World Corp; FSSIA estimates

Financial Statements

Asset World Corp

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	(1,881)	(2,248)	(220)	2,107	3,685
Depreciation	2,323	1,605	1,680	1,762	1,899
Associates & minorities	-	-	-	-	-
Other non-cash items	(815)	11,462	3,700	2,400	2,400
Change in working capital	(503)	179	2,063	1,652	3,002
Cash flow from operations	(876)	10,999	7,222	7,921	10,985
Capex - maintenance	(4,362)	(15,760)	(13,943)	(5,978)	(3,525)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	0	0	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(4,362)	(15,760)	(13,943)	(5,978)	(3,525)
Dividends paid	(400)	0	(344)	0	(843)
Equity finance	(7,978)	9	0	0	0
Debt finance	8,440	4,372	8,000	(2,000)	3,000
Other financing cash flows	(9,265)	279	0	0	0
Cash flow from financing	(9,204)	4,660	7,656	(2,000)	2,157
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(14,442)	(101)	935	(57)	9,616
Free cash flow to firm (FCFF)	(4,094.95)	(3,580.50)	(5,536.47)	3,199.01	8,784.62
Free cash flow to equity (FCFE)	(6,063.68)	(110.54)	1,279.23	(57.29)	10,459.30

Per share (THB)

FCFF per share	(0.13)	(0.11)	(0.17)	0.10	0.27
FCFE per share	(0.19)	0.00	0.04	0.00	0.33
Recurring cash flow per share	(0.01)	0.34	0.16	0.20	0.25

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	133,144	145,402	155,745	160,823	163,449
Less: Accumulated depreciation	(11,466)	(9,406)	(7,385)	(8,147)	(9,046)
Tangible fixed assets (net)	121,678	135,996	148,360	152,677	154,404
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	0	0	0	0	0
Cash & equivalents	230	128	1,063	1,006	10,622
A/C receivable	722	674	494	494	494
Inventories	49	46	97	139	220
Other current assets	52	56	119	192	290
Current assets	1,052	905	1,774	1,832	11,626
Other assets	1,736	1,996	1,996	1,996	1,996
Total assets	124,467	138,897	152,130	156,504	168,026
Common equity	71,186	79,207	82,442	87,050	92,391
Minorities etc.	0	0	0	0	0
Total shareholders' equity	71,186	79,207	82,442	87,050	92,391
Long term debt	43,633	45,717	53,717	51,717	54,717
Other long-term liabilities	6,427	8,332	8,332	8,332	8,332
Long-term liabilities	50,060	54,049	62,049	60,049	63,049
A/C payable	1,546	1,551	3,236	4,641	7,337
Short term debt	1,525	3,812	3,812	3,812	3,812
Other current liabilities	150	279	590	953	1,437
Current liabilities	3,221	5,641	7,638	9,405	12,585
Total liabilities and shareholders' equity	124,467	138,897	152,130	156,504	168,026
Net working capital	(873)	(1,053)	(3,116)	(4,768)	(7,769)
Invested capital	122,541	136,940	147,240	149,905	148,630

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

Per share (THB)

Book value per share	2.22	2.48	2.58	2.72	2.89
Tangible book value per share	2.22	2.48	2.58	2.72	2.89

Financial strength

Net debt/equity (%)	63.1	62.4	68.5	62.6	51.9
Net debt/total assets (%)	36.1	35.6	37.1	34.8	28.5
Current ratio (x)	0.3	0.2	0.2	0.2	0.9
CF interest cover (x)	(4.3)	0.9	2.1	1.0	8.9

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	(103.8)	(86.8)	(886.7)	92.6	53.0
Recurring P/E @ target price (x) *	(115.7)	(96.8)	(988.5)	103.3	59.1
Reported P/E (x)	(103.8)	226.6	54.5	42.4	31.6
Dividend yield (%)	-	0.2	-	0.4	0.8
Price/book (x)	2.7	2.5	2.4	2.2	2.1
Price/tangible book (x)	2.7	2.5	2.4	2.2	2.1
EV/EBITDA (x) **	206.7	4,475.2	99.3	45.5	31.1
EV/EBITDA @ target price (x) **	225.9	4,885.0	108.2	49.5	33.9
EV/invested capital (x)	2.0	1.8	1.7	1.7	1.6

* 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 2021

EXCELLENT LEVEL – Score range 90-100										
AAV	BCPG	CPALL	GCAP	K	MSC	PLANET	SAMART	SPI	THRE	TVD
ADVANC	BDMS	CPF	GFPT	KBANK	MST	PLAT	SAMTEL	SPRC	THREL	TVI
AF	BEM	CPI	GGC	KCE	MTC	PORT	SAT	SPVI	TIPCO	TVO
AH	BGC	CPN	GLAND	KKP	MVP	PPS	SC	SSSC	TISCO	TWPC
AIRA	BGRIM	CRC	GLOBAL	KSL	NCL	PR9	SCB	SST	TK	U
AKP	BIZ	CSS	GPI	KTB	NEP	PREB	SCC	STA	TKT	UAC
AKR	BKI	DDD	GPSC	KTC	NER	PRG	SCCC	STEC	TMT	UBIS
ALT	BOL	DELTA	GRAMMY	LALIN	NKI	PRM	SCG	STI	TNDT	UV
AMA	BPP	DEMCO	GULF	LANNA	NOBLE	PROUD	SCGP	SUN	TNITY	VGI
AMATA	BRR	DRT	GUNKUL	LH	NSI	DRS	SCM	SUSCO	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SUTHA	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFCO	SVI	TPBI	WAVE
AOT	BWG	EA	HMPRO	LPN	NYT	PTT	SEAOIL	SYMC	TQM	WHA
AP	CENTEL	EASTW	ICC	MACO	OISHI	PTTEP	SE-ED	SYNTEC	TRC	WHAUP
ARIP	CFRESH	ECF	ICHI	MAJOR	OR	PTTGC	SELIC	TACC	TRU	WICE
ARROW	CHEWA	ECL	III	MAKRO	ORI	PYLON	SENA	TASCO	TRUE	WINNER
ASP	CHO	EE	ILINK	MALEE	OSP	Q-CON	SHR	TCAP	TSC	ZEN
AUCT	CIMBT	EGCO	ILM	MBK	OTO	QH	SIRI	TEAMG	TSR	
AWC	CK	EPG	INTUCH	MC	PAP	QTC	SIS	TFMAMA	TSTE	
AYUD	CKP	ETC	IP	MCOT	PCSGH	RATCH	SITHAI	TGH	TSTH	
BAFS	CM	FPI	IRPC	METCO	PDG	RS	SMK	THANA	TTA	
BANPU	CNT	FPT	ITEL	MFEC	PDJ	S	SMPC	THANI	TTB	
BAY	COM7	FSMART	IVL	MINT	PG	S & J	SNC	THCOM	TTCL	
BBL	COMAN	GBX	JSP	MONO	PHOL	SAAM	SONIC	THG	TTW	
BCP	COTTO	GC	JWD	MOONG	PLANB	SABINA	SPALI	THIP	TU	
VERY GOOD LEVEL – Score range 80-89										
2S	ASIMAR	CHOW	FLOYD	IT	LOXLEY	OCC	RPC	SKY	TCC	TVT
7UP	ASK	CI	FN	ITD	LRH	OGC	RT	SLP	TCMC	TWP
ABICO	ASN	CIG	FNS	J	LST	PATO	RWI	SMIT	TEAM	UEC
ABM	ATP30	CMC	FORTH	JAS	M	PB	S11	SMT	TFG	UMI
ACE	B	COLOR	FSS	JCK	MATCH	PICO	SA	SNP	TFI	UOBKH
ACG	BA	CPL	FTE	JCKH	MBAX	PIMO	SAK	SO	TIGER	UP
ADB	BAM	CPW	FVC	JMART	MEGA	PJW	SALEE	SORKON	TITLE	UPF
AEONTS	BC	CRD	GEL	JMT	META	PL	SAMCO	SPA	TKN	UPOIC
AGE	BCH	CSC	GENCO	KBS	MFC	PM	SANKO	SPC	TKS	UTP
AHC	BEC	CSP	GJS	KCAR	MGT	PMTA	SAPPE	SPCG	TM	VCOM
AIT	BEYOND	CWT	GYT	KEX	MICRO	PPP	SAWAD	SR	TMC	VL
ALL	BFIT	DCC	HEMP	KGI	MILL	PPPM	SCI	SRICHA	TMD	VPO
ALLA	BJC	DCON	HPT	KIAT	MITSIB	PRIME	SCN	SSC	TMI	VRANDA
ALUCON	BJCHI	DHOUSE	HTC	KISS	MK	PRIN	SCP	SSF	TMILL	WGE
AMANAHA	BLA	DOD	HYDRO	KOOL	MODERN	PRINC	SE	STANLY	TNL	WIJK
AMARIN	BR	DOHOME	ICN	KTIS	MTI	PSG	SFLEX	STGT	TNP	WP
APCO	BROOK	DV8	IFS	KUMWEL	NBC	PSTC	SFP	STOWER	TOG	XO
APCS	CBG	EASON	IMH	KUN	NCAP	PT	SFT	STPI	TPA	XPG
APURE	CEN	EFORL	IND	KWC	NCH	QLT	SGF	SUC	TPAC	YUASA
AQUA	CGH	ERW	INET	KWM	NETBAY	RBF	SIAM	SWC	TPCS	
ASAP	CHARAN	ESSO	INSET	L&E	NEX	RCL	SINGER	SYNEX	TPS	
ASEFA	CHAYO	ESTAR	INSURE	LDC	NINE	RICHY	SKE	TAE	TRITN	
ASIA	CHG	ETE	IRC	LEO	NRF	RML	SKN	TAKUNI	TRT	
ASIAN	CHOTI	FE	IRCP	LHK	NTV	ROJNA	SKR	TBSP	TSE	
GOOD LEVEL – Score range 70-79										
A	BGT	CITY	GIFT	JTS	MDX	PK	SGP	SUPER	TQR	YGG
AI	BH	CMAN	GLOCON	JUBILE	MJD	PLE	SICT	SVOA	TTI	ZIGA
AIE	BIG	CMO	GREEN	KASET	MORE	PPM	SIMAT	TC	TYCN	
AJ	BLAND	CMR	GSC	KCM	MUD	PRAKIT	SISB	TCCC	UKEM	
ALPHAX	BM	CPT	GTB	KK	NC	PRAPAT	SK	THMUI	UMS	
AMC	BROCK	CRANE	HTECH	KKC	NDR	PRECHA	SMART	TNH	UNIQ	
APP	BSBM	CSR	HUMAN	KWI	NFC	PTL	SOLAR	TNR	UPA	
AQ	BSM	D	IHL	KYE	NNCL	RJH	SPACK	TOPP	UREKA	
ARIN	BTNC	EKH	IIG	LEE	NOVA	RP	SPG	TPCH	VIBHA	
AS	BYD	EMC	INGRS	LPH	NPK	RPH	SQ	TPIPL	W	
AU	CAZ	EP	INOX	MATI	NUSA	RSP	SSP	TIPIP	WIN	
B52	CCP	F&D	JAK	M-CHAI	PAF	SABUY	STARK	TPLAS	WORK	
BEAUTY	CGD	FMT	JR	MCS	PF	SF	STC	TPOLY	WPH	

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

Sources: Thai Institute of Directors Association (IOD); FSSIA's compilation; data as of 26 October 2021

Anti-corruption Progress Indicator

CERTIFIED										
2S	BCH	CPALL	GC	K	MFC	PE	QLT	SNP	THCOM	TU
7UP	BCP	CPF	GCAP	KASET	MFEC	PG	QTC	SORKON	THIP	TVD
ADVANC	BCPG	CPI	GEL	KBANK	MILL	PHOL	RATCH	SPACK	THRE	TVI
AF	BE8	CPN	GFPT	KBS	MINT	PK	RML	SPALI	THREL	TVO
AI	BEYOND	CSC	GGC	KCAR	MONO	PL	RWI	SPC	TIDLOR	TWPC
AIE	BGC	DCC	GJS	KCE	MOONG	PLANB	S & J	SPI	TIPCO	U
AIRA	BGRIM	DELTA	GPI	KGI	MSC	PLANET	SAAM	SPRC	TISCO	UBE
AKP	BJCHI	DEMCO	GPSC	KKP	MST	PLAT	SABINA	SRICHA	TKS	UBIS
ALPHAX	BKI	DIMET	GSTEEL	KSL	MTC	PM	SAPPE	SSF	TKT	UEC
AMA	BLA	DRT	GUNKUL	KTB	MTI	PPP	SAT	SSP	TMD	UKEM
AMANAHA	BPP	DTAC	HANA	KTC	NBC	PPPM	SC	SSSC	TMILL	UOBKH
AMATA	BROOK	DUSIT	HARN	KWC	NEP	PPS	SCB	SST	TMT	UPF
AMATAV	BRR	EA	HEMP	KWI	NINE	PR9	SCC	STA	TNITY	UV
AP	BSBM	EASTW	HENG	L&E	NKI	PREB	SCCC	STOWER	TNL	VGI
APCS	BTS	ECL	HMPRO	LANNA	NMG	PRG	SCG	SUSCO	TNP	VIH
AQUA	BWG	EGCO	HTC	LH	NNCL	PRINC	SCN	SVI	TNR	WACOAL
ARROW	CEN	EP	ICC	LHFG	NOBLE	PRM	SEAOIL	SYMC	TOG	WHA
AS	CENTEL	EPG	ICHI	LHK	NOK	PROS	SE-ED	SYNTEC	TOP	WHAUP
ASIAN	CFRESH	ERW	IFEC	LPN	NSI	PSH	SELIC	TAE	TOPP	WICE
ASK	CGH	ESTAR	IFS	LRH	NWR	PSL	SENA	TAKUNI	TPA	WIJK
ASP	CHEWA	ETE	ILINK	M	OCC	PSTC	SGP	TASCO	TPP	XO
AWC	CHOTI	FE	INET	MAKRO	OGC	PT	SINGER	TBSP	TRU	ZEN
AYUD	CHOW	FNS	INSURE	MALEE	ORI	PTG	SIRI	TCAP	TRUE	
B	CIG	FPI	INTUCH	MATCH	PAP	PTT	SITHAI	TCMC	TSC	
BAFS	CIMBT	FPT	IRC	MBAX	PATO	PTTEP	SKR	TFG	TSTE	
BAM	CM	FSMART	IRPC	MBK	PB	PTTGC	SMIT	TFI	TSTH	
BANPU	CMC	FSS	ITEL	MC	PCSGH	PYLON	SMK	TFMAMA	TTA	
BAY	COM7	FTE	IVL	MCOT	PDG	Q-CON	SMPC	TGH	TTB	
BBL	COTTO	GBX	JKN	META	PDJ	QH	SNC	THANI	TTCL	
DECLARED										
AJ	CHG	DDD	ETC	JR	MAJOR	NUSA	RS	SSS	TQM	YUASA
ALT	CPL	DHOUSE	FLOYD	JTS	NCAP	NYT	SAK	STECH	TSI	ZIGA
APCO	CPR	DOHOME	GULF	KEX	NCL	OR	SCGP	STGT	VARO	
B52	CPW	ECF	III	KUMWEL	NOVA	PIMO	SCM	TKN	VCOM	
BEC	CRC	EKH	INOX	LDC	NRF	PLE	SIS	TMI	VIBHA	

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 26 October 2021) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Sources: 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.

Company	Ticker	Price	Rating	Valuation & Risks
Asset World Corp	AWC TB	THB 6.10	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 30.25	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.
Central Plaza Hotel	CENTEL TB	THB 48.50	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 4.56	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 4.02	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.
Dusit Thani	DUSIT TB	THB 11.10	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 06-Dec-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.