

ASSETWISE ASW TB
THAILAND / PROPERTY DEVELOPMENT

BUY

UNCHANGED

คอนโดใหม่ขับเคลื่อนกำไร

- กำไรปกติ 1Q23 อยู่ที่ 172 ลบ. ลดลง 38% q-q จากฐานที่สูงใน 4Q22 แต่กำไรสุทธิเพิ่มขึ้น 113% y-y เนื่องจาก ASW เริ่มรับรู้คอนโดใหม่
- โมเมนต์มรายไตรมาสเชิงบวกทั้งยอดขายและกำไรใน 2Q23
- คงแนะนำซื้อที่ราคาเป้าหมาย 9.6 บาท (8x ของค่า 2023E P/E) จากระดับการประเมินมูลค่าที่น่าสนใจ ศักยภาพในด้านการเติบโต และกลยุทธ์ในการขยายธุรกิจ

TARGET PRICE	THB9.60
CLOSE	THB8.10
UP/DOWNSIDE	+18.5%
PRIOR TP	THB9.60
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	0.0%

ผลประกอบการ 1Q23 โต y-y แต่อ่อนลง q-q

ASW รายงานกำไรสุทธิ 1Q23 ที่ 283 ลบ. (-34% q-q, +25% y-y) ใกล้เคียงกับที่เราคาด หักกำไรจากการลงทุน 111 ลบ. ในโครงการ JV ใหม่ 1 โครงการ กำไรปกติอยู่ที่ 172 ลบ. ลดลง 38% q-q จากฐานที่สูงใน 4Q22 แต่เพิ่มขึ้น 113% y-y จากการโอนโครงการใหม่ 1 โครงการอย่าง Modiz Launch (1.2 พันลบ., ขายได้ 100%) นอกจากนี้บริษัทฯ ยังรับรู้ยอดขายจาก 2 คอนโดสร้างเสร็จใหม่ใน 4Q22 ประกอบด้วย Kave Ava และ Modiz Collection Bangpho หนุนให้ใน 1Q23 ยอดโอนอยู่ที่ 1.5 พันลบ. (-16% q-q, +44% y-y) ส่วนอัตรากำไรขั้นต้นในธุรกิจอสังหาริมทรัพย์อยู่ในระดับที่ดีที่ 40.5% เทียบกับ 38.8% ใน 1Q22

คาดการณ์รายไตรมาสจะเป็นบวกต่อเนื่อง

ผลประกอบการของ ASW ใน 1Q23 คิดเป็น 17% ของประมาณการกำไรปกติปี 2023 ของเรา เรามีมุมมองเชิงบวกเกี่ยวกับ 8 คอนโดสร้างใหม่ที่มีแผนเริ่มโอนในช่วงที่เหลือของปีนี้ (เทียบกับ 1 คอนโดใน 1Q23) โดยใน 2Q23 บริษัทฯ มีแผนโอนกรรมสิทธิ์ 2 คอนโดใหม่อย่าง Atmoz Bangna (JV) และ Modiz Rhyme Hill เราคาดว่ากำไรปกติ 2Q23 จะเพิ่มขึ้น q-q และเร่งตัวขึ้น h-h ในช่วง 2H23 จากการเริ่มรับรู้ 2 คอนโดใหม่ใน 3Q23 และอีก 4 คอนโดใหม่ใน 4Q23

โมเมนต์มรายไตรมาสโครงการเร่งขึ้นจากการเปิดโครงการใหม่

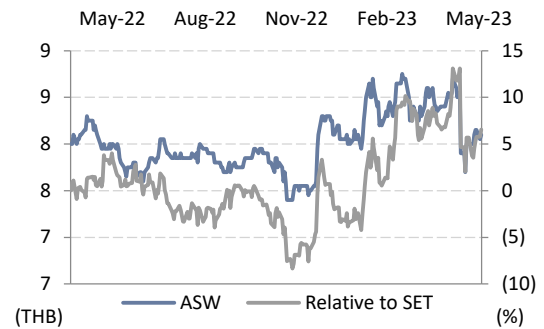
ในที่ประชุมนักวิเคราะห์วานนี้ ผู้บริหารมองว่ายอดขายจะมีโมเมนต์เชิงบวกเพิ่มขึ้นใน 2Q23 แม้ยอดขาย QTD จะอ่อนลงเป็น 2 พันลบ. (เทียบกับ 3.5 พันลบ. ใน 1Q23) เนื่องจากมีวันหยุดยาวและบริษัทมีโครงการใหม่เพียง 1 โครงการ มูลค่า 500 ลบ. อย่างไรก็ตาม ยอดขายคาดว่าจะปรับตัวดีขึ้นในช่วงที่เหลือของไตรมาสจากแผนเปิดโครงการใหม่ 3 คอนโดขนาดใหญ่ในทำเลที่มีศักยภาพ มูลค่ารวม 4.9 พันลบ. นอกจากนี้ การทยอยกลับมาเปิดภาคการศึกษาของมหาวิทยาลัย คาดจะช่วยกระตุ้นยอดขายของโครงการคอนโดใกล้มหาวิทยาลัย อาทิ Kave Ava และ Kave Salaya ในขณะที่ ASW ยังตั้งเป้าขยายธุรกิจทั้งรูปแบบการพัฒนาโครงการ JV นอกจากโครงการ Botanica Grand Avenue (ที่ ASW จับมือกับบริษัทพัฒนาอสังหาริมทรัพย์) ในภูเก็ตแล้ว บริษัทฯ ยังมองหาโอกาสในการพัฒนาโครงการเพิ่มในพื้นที่ดังกล่าวอย่างต่อเนื่อง อาทิ คอนโด Leisure (ราคาขาย 3-5 ลบ.) เพื่อตอบสนองต่อความต้องการจากผู้ซื้อต่างชาติที่อยู่ระดับสูง.

คงแนะนำซื้อ ราคาเป้าหมาย 9.6 บาท

เราคงประมาณการกำไรปกติปี 2023 ของเราไว้ที่ 1 พันลบ. (+48% y-y) เนื่องจากมูลค่างานในมือในปัจจุบันมีมากพอสำหรับ 95% ของยอดโอนที่คาดว่าจะได้ในปี 2023 ปัจจุบันหุ้นมีการซื้อขายที่ 6.8x ของค่า 2023E PE ต่ำกว่าค่าเฉลี่ยของกลุ่มที่ 8.3x พร้อมผลตอบแทนในรูปเงินปันผลที่ดีถึง 6.6% นอกจากนี้หุ้นยังมี Upside จากเซ็นโครงการ JV ใหม่และขยายธุรกิจในภูเก็ต

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	5,483	7,420	8,017	8,450
Net profit	1,119	1,020	1,119	1,187
EPS (THB)	1.31	1.19	1.25	1.32
vs Consensus (%)	-	-	-	-
EBITDA	1,332	1,355	1,381	1,466
Core net profit	688	1,020	1,119	1,187
Core EPS (THB)	0.80	1.19	1.25	1.32
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	(22.2)	48.3	4.8	6.1
Core P/E (x)	10.1	6.8	6.5	6.1
Dividend yield (%)	6.5	6.6	6.9	7.4
EV/EBITDA (x)	9.8	10.1	10.5	10.1
Price/book (x)	1.3	1.1	1.1	1.0
Net debt/Equity (%)	103.2	104.7	102.4	96.6
ROE (%)	13.3	17.6	17.5	16.8



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(3.6)	(1.8)	0.6
Relative to country (%)	(0.3)	5.7	3.5
Mkt cap (USD m)			204
3m avg. daily turnover (USD m)			0.3
Free float (%)			0
Major shareholder		Vipapong Family (71%)	
12m high/low (THB)			8.90/7.35
Issued shares (m)			856.12

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 17 พฤษภาคม 2023

Investment thesis

Management has a positive view on the outlook for the property market and has unveiled an aggressive 2023 business plan with the aim of breaking company records in the following key areas: 1) 12 new project launches with a combined value of THB22.5b (+2.1x y-y), 70% of which will be condos under the Kave brand, along with three low-rise projects; 2) a presales target of THB15.0b (+6% y-y); and 3) transfer revenue growth to THB7.2b vs our estimate of THB5.2b in 2022.

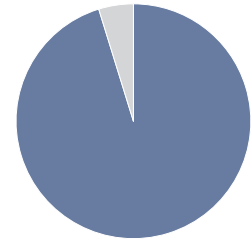
Company profile

Established in 2005, AssetWise currently operates as a holding company principally engaged in the business of real estate development for sale and lease. It also operates a real estate agency and offers intermediary services for international payments. ASW listed on the Stock Exchange of Thailand on 28 Apr-21.

www.assetwise.co.th

Principal activities (revenue, 2022)

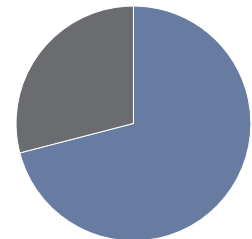
- Project sales - 95.2 %
- Rental and services - 4.8 %



Source: Assetwise

Major shareholders

- Vipanpong Family - 71.0 %
- Others - 29.0 %



Source: Assetwise

Catalysts

Key potential growth drivers include 1) higher-than-expected take-up rates for new projects and inventory; 2) faster-than-expected backlog realisation; 3) new business expansions; and; 4) new JV project developments so that it might book one-time gains on investments.

Risks to our call

Downside risks to our P/E-based TP include 1) weaker than expected consumer purchasing power; 2) cancellation of presales; 3) customer loan rejections; 4) delays in construction; 5) intense competition; and 6) rising construction costs.

Event calendar

Date	Event
August 2023	2Q23 results announcement

Key assumptions

	2023E	2024E	2025E
Project sales (THB m)	7,105	7,690	8,109
Rental and services income (THB m)	315.0	327.0	341.4
Property GPM (%)	38.0	37.6	37.2
GPM (%)	39.6	39.2	38.9
SG&A to sales (%)	23.4	24.1	23.7

Source: FSSIA estimates

Earnings sensitivity

- For every 5% increase in transfers, we estimate 2023 net profit to rise by 6.5%, and vice versa, all else being equal.
- For every 0.5% increase in property GPM, we estimate 2023 net profit to rise by 2.8%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A to sales, we estimate 2023 net profit to fall by 2.7%, and vice versa, all else being equal.

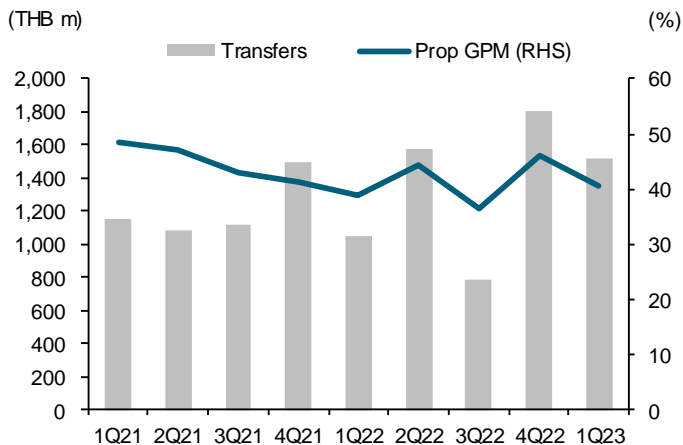
Source: FSSIA estimates

Exhibit 1: 1Q23 results summary

	1Q22	2Q22	3Q22	4Q22	1Q23	Change	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Total revenue	1,118	1,609	881	1,875	1,611	(14.1)	44.1
Cost of sales	660	891	532	996	943	(5.3)	42.8
Gross profit	458	718	349	879	669	(24.0)	46.0
SG&A	271	320	305	350	358	2.4	32.3
Operating profit	187	398	44	530	311	(41.4)	65.7
Tax expense	47	92	18	131	76	(42.2)	59.4
Associates	(36)	(4)	35	(7)	(39)	na	na
Reported net profit	226	273	191	429	283	(34.0)	25.3
Core profit	81	273	59	276	172	(37.9)	112.7
Key ratios (%)						(ppt)	(ppt)
Gross margin	38.8	44.5	36.6	46.2	40.5	(5.7)	1.7
SG&A / Sales	41.0	44.6	39.6	46.9	41.5	(5.4)	0.5
Operating margin	24.2	19.9	34.6	18.6	22.2	3.6	(2.0)
Net margin	16.8	24.7	5.0	28.2	19.3	(9.0)	2.5
Norm margin	20.2	16.9	21.7	22.9	17.6	(5.3)	(2.6)
Revenue breakdown							
Residential	1,050	1,574	791	1,806	1,513	(16.2)	44.1
Rental & Services	68	35	90	69	98	42.3	44.1
Gross margin by business							
Residential	38.8	44.5	36.6	46.2	40.5	(5.7)	1.7
Rental & Services	74.0	51.3	65.8	65.3	56.7	(8.6)	(17.2)

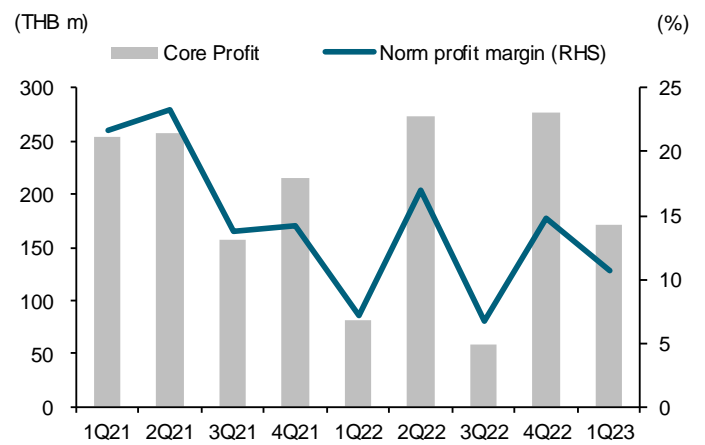
Sources: ASW; FSSIA's compilation

Exhibit 2: Quarterly transfers and property GPM



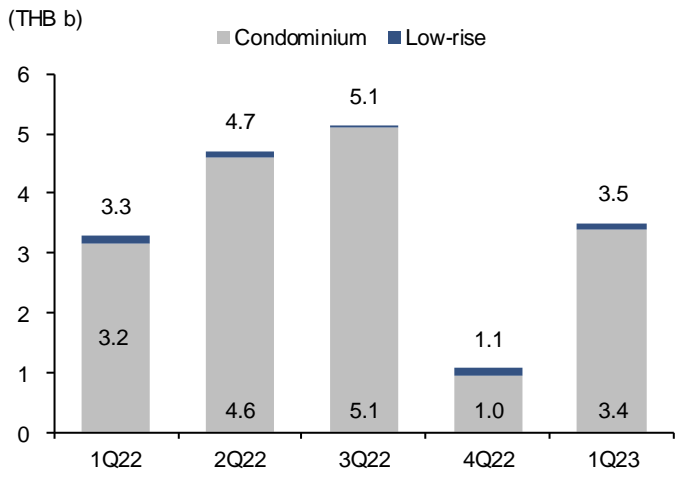
Sources: ASW; FSSIA's compilation

Exhibit 3: Quarterly core profit and normalised profit margin



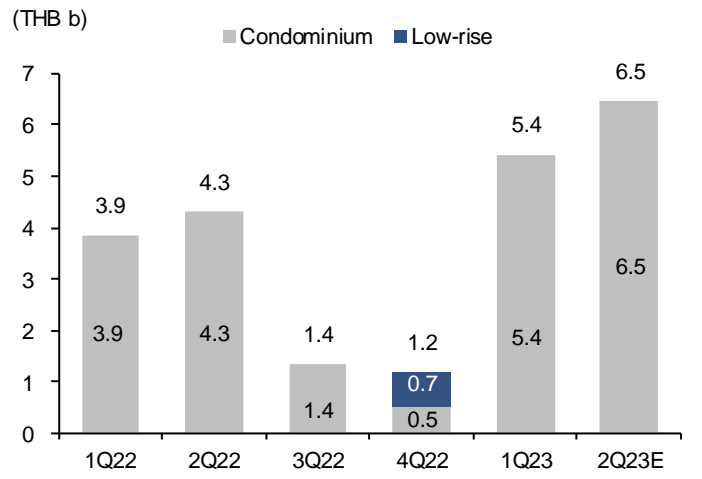
Sources: ASW; FSSIA's compilation

Exhibit 4: Quarterly presales



Sources: ASW; FSSIA's compilation

Exhibit 5: Quarterly new launches



Sources: ASW; FSSIA's compilation

Exhibit 6: New launches in 2Q23

- KAVE BALAYN**: PROJECT VALUE 500 MB, 238 UNITS, START 1.59 MB
- atmoz PALATI**: PROJECT VALUE 1,750 MB, 755 UNITS, START 1.79 MB
- KAVE COSO HANGSAEN**: PROJECT VALUE 2,000 MB, 974 UNITS, START 1.59 MB
- modiz VAULT**: PROJECT VALUE 2,200 MB, 804 UNITS, START 1.99 MB

Source: ASW

Exhibit 7: Value of expected transfers by condo project in 2023

Transfer	Project	Value	% Sold
		(THB m)	(%)
1Q23	Modiz Launch	1,225	100
2Q23	Atmoz Bangna (JV)	2,295	57
	Modiz Rhyme Hill	1,810	58
3Q23	Atmoz Sriracha	1,165	40
	Atmoz Portrait Srisaman	1,215	52
4Q23	Atmoz Kanaal Rangsit	1,700	46
	Atmoz Oasis Onnut (JV)	2,220	51
	Atmoz Flow Minburi	1,390	61
	Kave Town Colony	1,810	100

Sources: ASW; FSSIA's compilation

Exhibit 8: Botanica Grand Avenue project in Phuket



Source: ASW

Financial Statements

Assetwise

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	4,928	5,483	7,420	8,017	8,450
Cost of goods sold	(2,660)	(2,972)	(4,405)	(4,786)	(5,070)
Gross profit	2,268	2,511	3,014	3,230	3,380
Other operating income	39	66	80	80	85
Operating costs	(882)	(1,245)	(1,739)	(1,930)	(1,999)
Operating EBITDA	1,426	1,332	1,355	1,381	1,466
Depreciation	(67)	(107)	(77)	(84)	(91)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	1,359	1,225	1,277	1,297	1,375
Net financing costs	(4)	(4)	(10)	(12)	(14)
Associates	(33)	(11)	115	155	122
Recurring non-operating income	(33)	(11)	115	155	122
Non-recurring items	66	431	0	0	0
Profit before tax	1,388	1,641	1,383	1,440	1,484
Tax	(302)	(288)	(254)	(263)	(272)
Profit after tax	1,087	1,353	1,129	1,177	1,211
Minority interests	(135)	(234)	(109)	(57)	(24)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	951	1,119	1,020	1,119	1,187
Non-recurring items & goodwill (net)	(66)	(431)	0	0	0
Recurring net profit	885	688	1,020	1,119	1,187
Per share (THB)					
Recurring EPS *	1.03	0.80	1.19	1.25	1.32
Reported EPS	1.11	1.31	1.19	1.25	1.32
DPS	0.55	0.52	0.54	0.56	0.60
Diluted shares (used to calculate per share data)	856	856	856	896	896
Growth					
Revenue (%)	17.2	11.3	35.3	8.0	5.4
Operating EBITDA (%)	27.4	(6.5)	1.7	1.9	6.2
Operating EBIT (%)	26.7	(9.8)	4.3	1.5	6.0
Recurring EPS (%)	(34.4)	(22.2)	48.3	4.8	6.1
Reported EPS (%)	(29.4)	17.6	(8.8)	4.8	6.1
Operating performance					
Gross margin inc. depreciation (%)	44.7	43.8	39.6	39.2	38.9
Gross margin of key business (%)	44.7	43.8	39.6	39.2	38.9
Operating EBITDA margin (%)	28.9	24.3	18.3	17.2	17.4
Operating EBIT margin (%)	27.6	22.3	17.2	16.2	16.3
Net margin (%)	18.0	12.5	13.8	14.0	14.1
Effective tax rate (%)	21.7	17.6	18.3	18.3	18.3
Dividend payout on recurring profit (%)	52.9	65.0	45.0	45.0	45.0
Interest cover (X)	316.6	341.0	145.8	121.6	110.4
Inventory days	1,031.8	1,202.7	1,002.2	1,029.1	1,047.5
Debtor days	26.1	29.2	26.7	29.5	29.9
Creditor days	217.9	196.7	163.4	180.5	182.0
Operating ROIC (%)	14.8	9.7	8.5	7.8	7.7
ROIC (%)	14.2	9.5	9.1	8.6	8.2
ROE (%)	24.7	13.3	17.6	17.5	16.8
ROA (%)	10.5	7.1	7.3	6.9	6.6
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Project sales	4,851	5,221	7,105	7,690	8,109
Rental and services	78	262	315	327	341

Sources: Assetwise; FSSIA estimates

Financial Statements

Assetwise

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	885	688	1,020	1,119	1,187
Depreciation	67	107	77	84	91
Associates & minorities	-	-	-	-	-
Other non-cash items	0	0	0	0	0
Change in working capital	(2,680)	(2,673)	(1,186)	(1,120)	(850)
Cash flow from operations	(1,728)	(1,878)	(88)	84	429
Capex - maintenance	-	-	-	-	-
Capex - new investment	(234)	(187)	(127)	(145)	(125)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	-	-	-	-	-
Cash flow from investing	(234)	(187)	(127)	(145)	(125)
Dividends paid	(408)	-	(459)	(504)	(534)
Equity finance	2,163	99	0	40	0
Debt finance	676	2,401	505	720	310
Other financing cash flows	-	(17)	-	-	-
Cash flow from financing	2,431	2,484	46	256	(224)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	469	419	(169)	195	80
Free cash flow to firm (FCFF)	(1,957.93)	(2,061.15)	(205.41)	(49.30)	317.66
Free cash flow to equity (FCFE)	(1,286.40)	319.71	290.04	658.76	614.10

Per share (THB)

FCFF per share	(2.29)	(2.41)	(0.24)	(0.06)	0.37
FCFE per share	(1.50)	0.37	0.34	0.77	0.72
Recurring cash flow per share	1.11	0.93	1.28	1.34	1.43

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	864	940	1,021	1,108	1,202
Less: Accumulated depreciation	(113)	(158)	(210)	(266)	(328)
Tangible fixed assets (net)	751	781	811	842	874
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	3	3	3	3	3
Invest. in associates & subsidiaries	20	70	90	120	121
Cash & equivalents	785	1,204	1,035	1,230	1,310
A/C receivable	416	461	623	673	710
Inventories	8,289	11,299	12,894	14,096	15,003
Other current assets	948	713	742	802	845
Current assets	10,438	13,677	15,294	16,801	17,868
Other assets	122	121	148	160	169
Total assets	11,335	14,652	16,347	17,926	19,035
Common equity	4,836	5,507	6,068	6,724	7,377
Minorities etc.	101	200	200	200	200
Total shareholders' equity	4,937	5,707	6,268	6,924	7,577
Long term debt	3,665	3,795	4,325	4,320	4,405
Other long-term liabilities	40	42	57	62	65
Long-term liabilities	3,705	3,837	4,382	4,382	4,470
A/C payable	1,533	1,671	2,273	2,461	2,595
Short term debt	1,029	3,300	3,275	4,000	4,225
Other current liabilities	132	137	148	160	169
Current liabilities	2,694	5,108	5,697	6,621	6,989
Total liabilities and shareholders' equity	11,335	14,652	16,347	17,926	19,035
Net working capital	7,987	10,664	11,837	12,950	13,794
Invested capital	8,885	11,639	12,890	14,075	14,961

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

Per share (THB)

Book value per share	5.65	6.43	7.09	7.50	8.23
Tangible book value per share	5.65	6.43	7.09	7.50	8.23

Financial strength

Net debt/equity (%)	79.2	103.2	104.7	102.4	96.6
Net debt/total assets (%)	34.5	40.2	40.2	39.5	38.5
Current ratio (x)	3.9	2.7	2.7	2.5	2.6
CF interest cover (x)	(250.2)	143.1	44.7	68.3	55.5

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	7.8	10.1	6.8	6.5	6.1
Recurring P/E @ target price (x) *	9.3	11.9	8.1	7.7	7.2
Reported P/E (x)	7.3	6.2	6.8	6.5	6.1
Dividend yield (%)	6.8	6.5	6.6	6.9	7.4
Price/book (x)	1.4	1.3	1.1	1.1	1.0
Price/tangible book (x)	1.4	1.3	1.1	1.1	1.0
EV/EBITDA (x) **	7.7	9.8	10.1	10.5	10.1
EV/EBITDA @ target price (x) **	8.6	10.7	11.1	11.5	11.0
EV/invested capital (x)	1.2	1.1	1.1	1.0	1.0

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

Sources: Assetwise; FSSIA estimates

Public disclosures related to sustainable development evaluation of Thai listed companies

Rating regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**" by the Thai Institute of Directors Association (Thai IOD); 2) "**AGM Checklist**" by the Thai Investors Association (TIA), a "**CAC certified member**" of the Thai Private Sector Collective Action Against Corruption (CAC); and 3) "**Sustainability Investment List (THSI)**" by the Stock Exchange of Thailand. The ratings are updated on an annual basis. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such ratings.

CG Score by the Thai Institute of Directors Association (Thai IOD)¹

The **CG Score** indicates corporate governance (CG) strength in the sustainable development of Thai listed companies. Annually, the Thai IOD, with support from the Stock Exchange of Thailand (SET), surveys and assesses the CG practices of companies and publishes the results on the [Thai IOD website](#) in a bid to promote and enhance the CG of Thai listed companies in order to promote compliance with international standards for better investment decisions. The results are from the perspective of a third party, not an evaluation of operations, as of the date appearing in the report, and may be changed after that date.

The **five underlying categories and weighting** used for the CG scoring in 2022 include the rights of shareholders and equitable treatment of shareholders (weight 25% combined), the role of stakeholders (25%), disclosure and transparency (15%), and board responsibilities (35%).

The CGR report rates CG in six categories: 5 for Excellent (score range 90-100), 4 for Very Good (score range 80-89), 3 for Good (Score range 70-79), 2 for Fair (score range 60-69), 1 for Pass (score range 60-69), and not rated (score below 50).

AGM Checklist by the Thai Investors Association (TIA)²

The "**AGM Checklist**" quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and the extent to which information is sufficiently disclosed and the level of its transparency. All the considered factors form important elements of two out of five the CG components. Annually, the TIA, with support from the SEC, leads the project to evaluate the quality of Annual General Meetings of Shareholders (AGMs) and to rate quality of the meetings.

The **Checklist** contains the minimum requirements under law that companies must comply with, or best practices according to international CG guidance. Representatives of the TIA will attend the meetings and perform the evaluation. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating of how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.

The results are classified into four categories: 5 for Excellent (score 100), 4 for Very Good (score 90-99), 3 for Fair (score 80-89), and not rated (score below 79).

CAC certified member by the Thai Private Sector Collective Action Against Corruption (CAC)³

A **CAC certified member** is a listed company whose Checklist satisfies the CAC Certification's criteria and is approved by the CAC Council. The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. Note that the CAC does not certify the behaviour of the employees nor whether the companies have engaged in bribery, and Certification is good for three years.

Companies deciding to become a CAC certified member **start with** by submitting a Declaration of Intent signed by the Chairman of the Board to kick off the 18-month deadline for companies to submit the CAC Checklist for Certification. The 18-month provision is for risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.

The checklist document will be reviewed by the CAC Certification Committee for adequate information and evidence. It is worth noting that the committee consists of nine professionals in business law, corporate governance, internal audit, financial audit and experienced representatives from certified members.

A passed Checklist will move on to the **CAC Council** for granting certification approvals. The CAC Council consists of twelve prominent individuals who are highly respected in professionalism and ethical achievements. Among them are former ministers, a former central bank governor, the former head of the Thai Listed Companies Association, Chairman of Anti-Corruption Organizations (Thailand), Chairman of Thai Institute of Directors, and reputable academic scholars.

Sustainability Investment (THSI)⁴ by the Stock Exchange of Thailand (SET)

Thailand Sustainability Investment (**THSI**) quantifies responsibility in **E**nvironmental, and **S**ocial issues, by managing business with transparency in **G**overnance. The THSI serves as another choice for investors who desire to adopt a responsible investment approach, according to the SET.

Annually, the SET will announce the voluntary participation of the company candidates which pass the preemptive criteria, and whose two key crucial conditions are met, i.e. no irregular trading of the board members and executives and a free float of >150 by the number of shareholders, and combined holding must >15% of paid-up capital. Some key disqualifying criteria include a CG score of below 70%; independent directors and free float violation; executives' wrongdoing related to CG, social and environmental impacts, equity in negative territory, and earnings in the red for more than three years in the last five years. To become eligible for THSI, the candidate must pass three indicators in data declaration: **E**conomic (CG, risk management, customer relation management, supply chain management, and innovation); **E**nvironmental (environmental management, eco-efficiency, and climate risk); **S**ocial (human rights, talent attraction, operational health & safety, community development, and stakeholder engagement); and the incorporation of ESG in business operations.

To be approved for THSI inclusion, verified data must be scored at a 50% minimum for each indicator, unless the company is a part of the Dow Jones Sustainability Indices⁵ (DJSI) during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality.

Note that, from the **THSI list**, the SET further developed a sustainability **SETTHSI Index** in June 2018 from selected THSI companies whose 1) market capitalisation > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.

Sources: [SEC](#); [Thai IOD](#); [Thai CAC](#); [SET](#); FSSIA's compilation

Disclaimer:

¹ Thai Institute of Directors Association ([Thai IOD](#)) was established in December 1999 and is a membership organisation that strives to promote professionalism in directorship. The Thai IOD offers directors certification and professional development courses, provides a variety of seminars, forums and networking events, and conducts research on board governance issues and practices. Membership comprises board members from companies ranging from large publicly listed companies to small private firms.

² Thai Investors Association ([TIA](#)) was established in 1983 with a mission to promote investment knowledge and to protect the investment rights of Thai investors. In 2002, the association was appointed by the Securities and Exchange Commission (SEC) to represent individual shareholders. To obtain information for evaluation, the association recruits volunteer investors to join AGMs and score the meetings. Weightings for each meeting are at a 45:45:10 ratio. They have been applied since 2017 and subject to change.

³ Thai Private Sector Collective Action against Corruption ([CAC](#)) was founded in 2010 and is 100% privately funded. It is an initiative by the Thai private sector to take part in tackling corruption problems via collective action. The CAC promotes the implementation of effective anti-corruption policies in order to create a transparent business ecosystem by developing a unique certification program for large/medium/small companies to apply for and to control corruption risk systematically and efficiently. The CAC's operations are sponsored by the US-based Center for Private Enterprise (CIPE) and the UK Prosperity Fund.

⁴ Sustainability Investment List ([THSI](#)), created by the Stock Exchange of Thailand in 2015, comprises the listed companies that conduct sustainable business operations.

⁵ Dow Jones Sustainability Indices – [Wikipedia](#) – Launched in 1999, DJSI evaluates the sustainability performance of companies based on corporate economic, environmental, and social performance.

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Thanyatorn Songwutti FSS International Investment Advisory Securities Co., Ltd

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History of change in investment rating and/or target price

Assetwise (ASW TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
20-Feb-2023	BUY	9.60	-	-	-	-	-	-

Thanyatorn Songwutti started covering this stock from 20-Feb-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Assetwise	ASW TB	THB 8.10	BUY	Downside risks to our P/E-based TP include 1) weaker-than-expected consumer purchasing power; 2) cancellation of presales; 3) customer loan rejections; 4) delays in construction; 5) intense competition; and 6) rising construction costs.

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 Finasia 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 Finasia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 16-May-2023 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.