

# ASSETWISE ASW TB

## THAILAND / PROPERTY DEVELOPMENT

# BUY

UNCHANGED

## Impressive 1Q24 presales

- The 1Q24 presales hit a quarterly high of THB6.3b (+33% q-q, +65% y-y), supported by the success of its new launch in Phuket.
- We expect the 1Q24 core profit to decrease q-q but increase y-y, supported by the realization of its backlog and new condo.
- Maintain our 2024E core profit growth of 37% y-y and a BUY call at our TP of THB9.50.

TARGET PRICE	THB9.50
CLOSE	THB8.05
UP/DOWNSIDE	+18.0%
PRIOR TP	THB9.50
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-1.6%

## KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	6,770	8,484	10,294	11,909
Net profit	1,092	1,121	1,326	1,452
EPS (THB)	1.21	1.19	1.41	1.55
vs Consensus (%)	-	2.6	-	-
EBITDA	1,423	1,579	2,068	2,449
Recurring net profit	818	1,121	1,326	1,452
Core EPS (THB)	0.91	1.19	1.41	1.55
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	13.2	31.1	18.4	9.5
Core P/E (x)	8.8	6.7	5.7	5.2
Dividend yield (%)	3.1	6.5	7.0	7.7
EV/EBITDA (x)	13.8	10.0	7.7	6.3
Price/book (x)	1.1	1.0	0.9	0.8
Net debt/Equity (%)	154.1	89.1	82.9	71.6
ROE (%)	13.4	16.2	17.4	17.1

## 1Q24 presales jump by 33% q-q and 65% y-y, driven by Phuket

ASW reported quarterly high presales of THB6.3b (+33% q-q, +65% y-y) in 1Q24, comprising condo presales of THB5.8b (+33% q-q, +70% y-y) and low-rises of THB502m (+35% q-q, +25% y-y), boosted by the success of a TITLE condo in Phuket. During the quarter, ASW introduced four new projects with a combined value of THB12b. Three were condos (one ASW and two TITLES) with a combined value of THB11b. Since the 1Q24 presales have already secured 35%, it should not be difficult for ASW to achieve its 2024 target of THB17.8b (+8% y-y). In 2Q24, ASW plans to launch two Campus Condos with a combined value of THB2.5b, which we expect a satisfactory response.

## The demand and presales outlook in Phuket remain solid

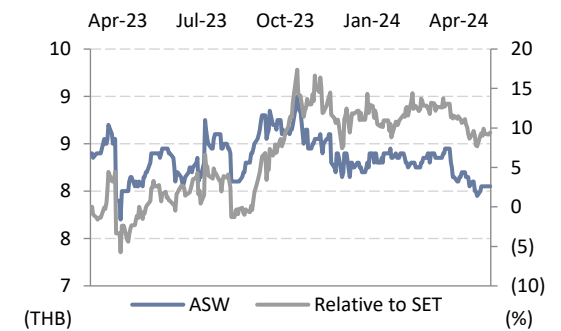
The 1Q24 presales momentum of its project in Phuket remained robust. It benefited from a high tourism season and solid demand, especially from Russian customers, reflecting the progress of its Title Legendary Bangtao condo presales (THB4.5b). It currently has a take-up rate of 84%, up from 70% in 4Q23, when presales started. Also, the two new condos launched in 1Q24, including The Title Heritage Bangtao (THB6b, 52% take-up rate) and The Title Serenity Naiyang (THB4b, 25% take-up rate), had a better-than-expected response. It drove confidence in the transfer of The Title Halo 1 in 2Q24, which has a backlog of THB1.35b (vs the THB1.5b project value).

## The 1Q24 core profit should weaken q-q but grow y-y

Preliminary, we expect the 1Q24 core profit to decrease q-q but increase y-y to THB200-250m (vs THB402m in 4Q23 and THB172m in 1Q23) due to continued transfers of Kave Colony from 4Q23. Also, ASW completed Atmoz Kanaal Rangsit condo (THB1.6b, 54% sold), while its JV finished Kave Seed Kaset (THB1.3b, 68% sold), resulting in sooner-than-expected transfers from its original plan in 2Q24. Finally, ASW expected an extra gain from a new JV project. In 2Q24, the profit momentum should accelerate due to the transfer of three new condo projects.

## Maintain profit estimate and BUY rating at our TP of THB9.50

We retain our 2024E core profit of THB1.1b (+37% y-y) and a BUY call at our TP of THB9.50. ASW traded on a 2024 PE of 6.7x (vs its historical average of 8.7x). Also, it announced a 2023 DPS of THB0.25, implying a 3% yield, with an XD on April 30.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(1.2)	(4.7)	(6.4)
Relative to country (%)	(1.8)	(1.0)	8.9
Mkt cap (USD m)	197		
3m avg. daily turnover (USD m)	0.1		
Free float (%)	0		
Major shareholder	Vipanpong Family (71%)		
12m high/low (THB)	9.10/7.65		
Issued shares (m)	856.12		

Sources: Bloomberg consensus; FSSIA estimates



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### Investment thesis

Besides project developments in Bangkok and its vicinity and the EEC, ASW also pressed ahead to diversify locations and target customers of its portfolio. At the end of 2022, it partnered with a local property developer to develop a luxury pool villa in Phuket. In 3Q23, ASW also announced its investment in a 67.61% stake in TITLE. It develops leisure condos in Phuket and has strength in its land bank, which can develop up to THB14b in project value. Also, it has extensive experience and a solid agent network, which would help contribute to a rapid expansion and drive growth potential from 2024 onwards.

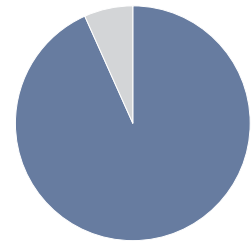
### Company profile

Established in 2005, ASW develops mainly property projects for sale. They comprise high-rise (i.e., low-rise and high-rise condos) and low-rise (i.e., detached houses, townhomes, and home offices). Also, it operates property-related service businesses, such as property for rent, real estate agency, and intermediary for international payments. ASW's strengths lie in its project design that answers customer needs, complete facilities, and useful functions.

[www.assetwise.co.th](http://www.assetwise.co.th)

### Principal activities (revenue, 2023)

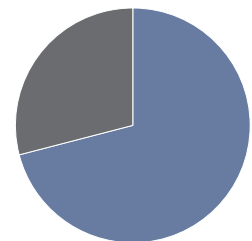
- Project sales - 93.3 %
- Rental and services - 6.7 %



Source: Assetwise

### Major shareholders

- Vipanpong Family - 71.0 %
- Others - 29.0 %



Source: Assetwise

### Catalysts

Key potential growth drivers include 1) success in new project launches and inventory sales progress and 2) the business expansion plan, including its acquisition of TITLE shares to penetrate the property market in Phuket, its significantly higher new project launches in prime locations in Bangkok and new provinces, and its partnership in new JV projects, which could result in an extra gain from share premium.

### Risks to our call

Downside risks to our P/E-based TP include 1) slower backlog realization than planned and a delay in new condo transfers, 2) lower new project launches than planned, 3) a lower-than-expected take-up rate of new projects, 4) a slowdown in the economy and purchasing power, 5) a construction delay and fierce competition, and 6) a higher rejection and cancellation rate.

### Event calendar

Date	Event
May 2024	1Q24 results announcement

### Key assumptions

	2024E	2025E	2026E
Project sales (THB m)	8,094	9,904	11,519
Rental and services income (THB m)	390	390	390
Property GPM (%)	38.6	38.6	38.5
GPM (%)	38.9	39.3	39.2
SG&A to sales (%)	23.1	21.2	20.4

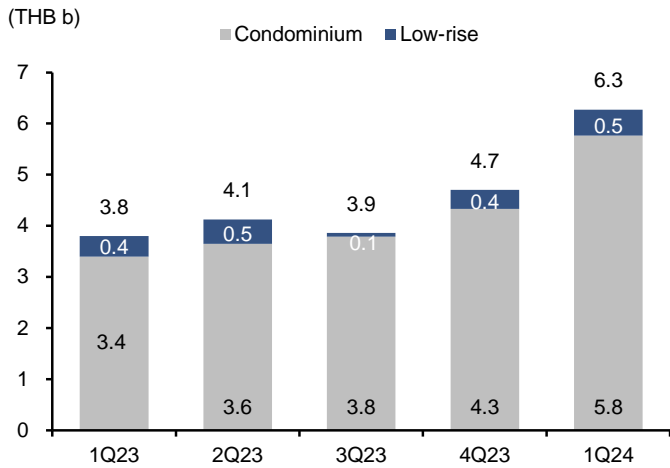
Source: FSSIA estimates

### Earnings sensitivity

- For every 5% increase in transfers, we estimate 2024 net profit to rise by 7%, and vice versa, all else being equal.
- For every 0.5% increase in property GPM, we estimate 2024 net profit to rise by 2.6%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A to sales, we estimate 2024 net profit to fall by 3.1%, and vice versa, all else being equal.

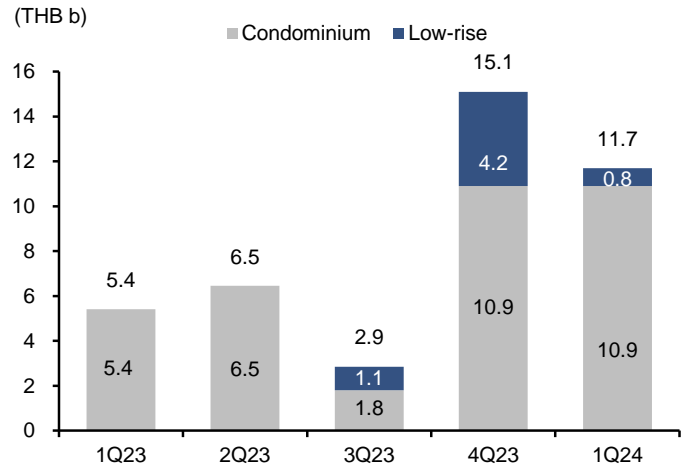
Source: FSSIA estimates

### Exhibit 1: Quarterly presales



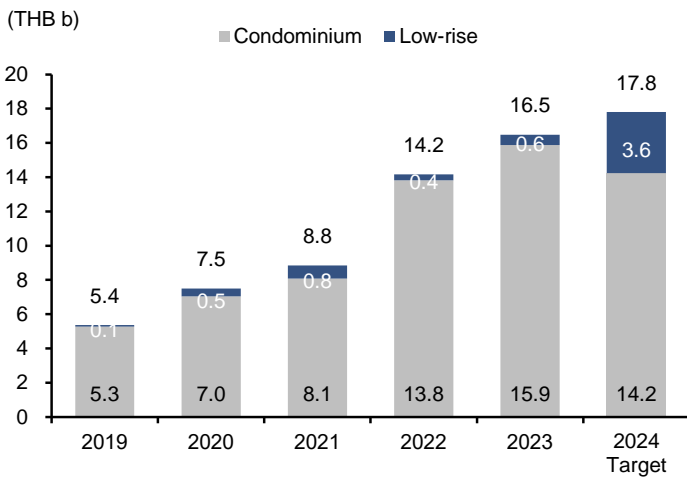
Sources: ASW; FSSIA's compilation

### Exhibit 2: Quarterly new launches



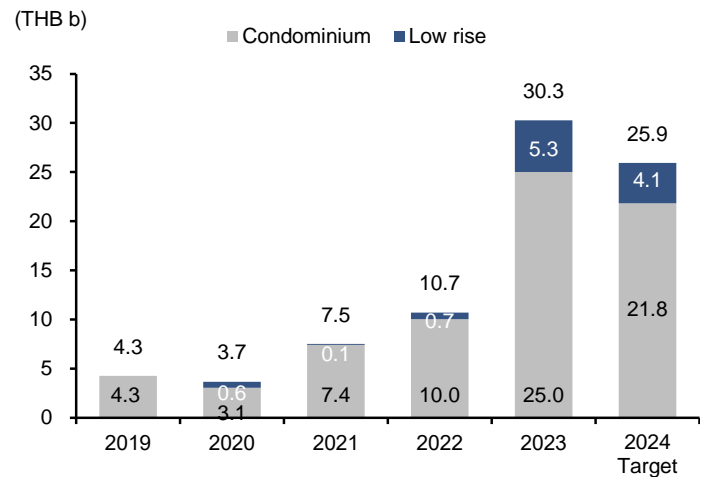
Sources: ASW; FSSIA's compilation

### Exhibit 3: Yearly presales



Sources: ASW; FSSIA's compilation

### Exhibit 4: Yearly new launches



Sources: ASW; FSSIA's compilation

### Exhibit 5: New ASW projects in 1Q24



**MAROON**  
RATCHADA 32

PROJECT VALUE  
**900 MB**

**353 UNITS**  
START 1.99 MB



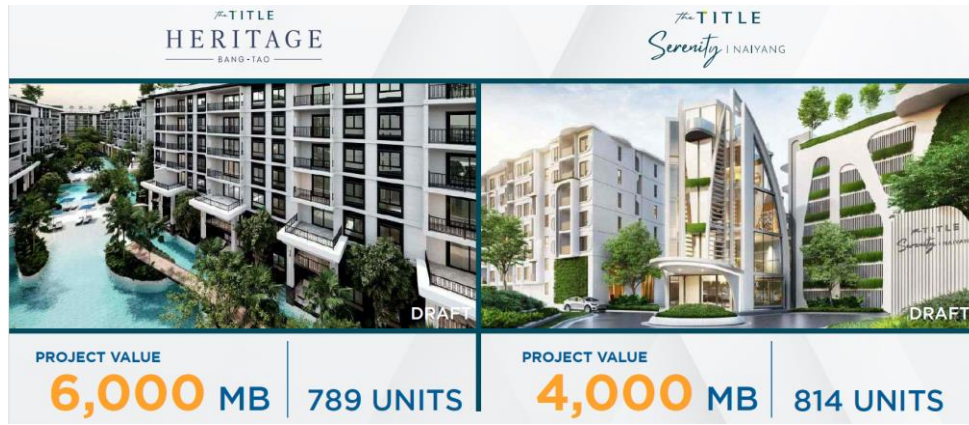
**ESTA**  
SERENITY

PROJECT VALUE  
**800 MB**

**137 UNITS**  
START 4.69 MB

Source: ASW

**Exhibit 6: New TITLE projects in 1Q24**



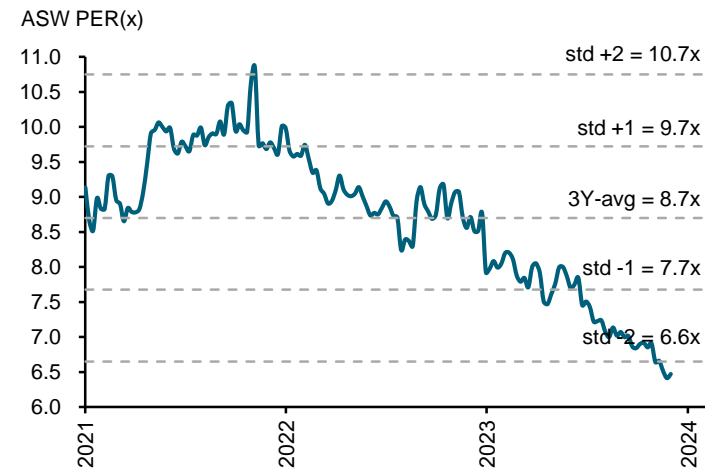
Source: ASW

**Exhibit 7: Value of expected transfers by condo project in 2024**

Transfer	Project	Value (THB m)	% Sold (%)
1Q24	Atmoz Kanaal Rangsit	1,650	54
	Kave Seed Kaset (JV)	1,350	68
2Q24	The Title Halo 1	1,530	88
	Kave Universe	520	76
	Kave Town Island	3,200	76
3Q24	Kave Pop Salaya	500	52
4Q24	Kave Embryo Rangsit	800	70

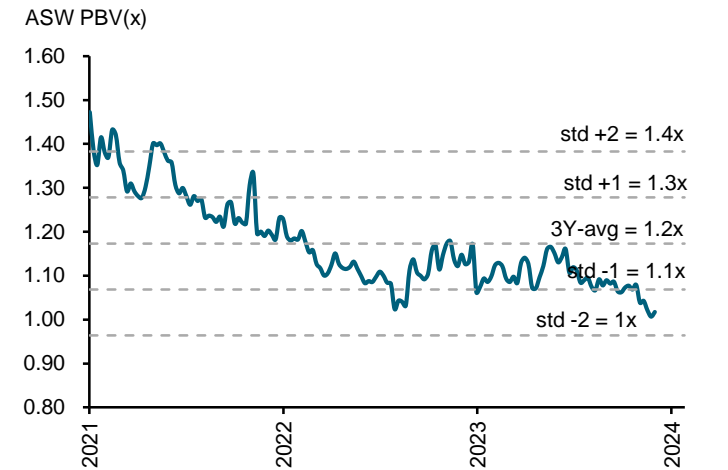
Source: ASW

**Exhibit 8: Historical P/E band**



Sources: Bloomberg; FSSIA estimates

**Exhibit 9: Historical P/BV band**



Sources: Bloomberg; FSSIA estimates

## Financial Statements

### Assetwise

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	5,483	6,770	8,484	10,294	11,909
Cost of goods sold	(3,079)	(4,006)	(5,181)	(6,244)	(7,244)
<b>Gross profit</b>	<b>2,404</b>	<b>2,764</b>	<b>3,303</b>	<b>4,049</b>	<b>4,665</b>
Other operating income	66	130	95	95	95
Operating costs	(1,245)	(1,619)	(1,914)	(2,181)	(2,425)
<b>Operating EBITDA</b>	<b>1,332</b>	<b>1,423</b>	<b>1,579</b>	<b>2,068</b>	<b>2,449</b>
Depreciation	(107)	(148)	(96)	(104)	(113)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>1,225</b>	<b>1,275</b>	<b>1,483</b>	<b>1,964</b>	<b>2,335</b>
Net financing costs	(4)	(11)	(7)	(8)	(8)
Associates	(11)	(16)	115	74	16
Recurring non-operating income	(11)	(16)	115	74	16
Non-recurring items	431	274	0	0	0
<b>Profit before tax</b>	<b>1,641</b>	<b>1,521</b>	<b>1,591</b>	<b>2,029</b>	<b>2,343</b>
Tax	(288)	(308)	(354)	(469)	(558)
<b>Profit after tax</b>	<b>1,353</b>	<b>1,213</b>	<b>1,237</b>	<b>1,560</b>	<b>1,784</b>
Minority interests	(234)	(121)	(116)	(234)	(332)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>1,119</b>	<b>1,092</b>	<b>1,121</b>	<b>1,326</b>	<b>1,452</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(431)</b>	<b>(274)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>688</b>	<b>818</b>	<b>1,121</b>	<b>1,326</b>	<b>1,452</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.80	0.91	1.19	1.41	1.55
Reported EPS	1.31	1.21	1.19	1.41	1.55
DPS	0.52	0.25	0.52	0.56	0.62
Diluted shares (used to calculate per share data)	856	899	939	939	939
<b>Growth</b>					
Revenue (%)	11.3	23.5	25.3	21.3	15.7
Operating EBITDA (%)	(6.5)	6.8	11.0	30.9	18.4
Operating EBIT (%)	(9.8)	4.0	16.4	32.4	18.9
Recurring EPS (%)	(22.2)	13.2	31.1	18.4	9.5
Reported EPS (%)	17.6	(7.0)	(1.8)	18.4	9.5
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	43.8	40.8	38.9	39.3	39.2
Gross margin exc. depreciation (%)	45.8	43.0	40.1	40.3	40.1
Operating EBITDA margin (%)	24.3	21.0	18.6	20.1	20.6
Operating EBIT margin (%)	22.3	18.8	17.5	19.1	19.6
Net margin (%)	12.5	12.1	13.2	12.9	12.2
Effective tax rate (%)	17.6	20.3	22.3	23.1	23.8
Dividend payout on recurring profit (%)	65.0	27.5	43.6	40.0	40.0
Interest cover (X)	341.0	111.5	223.1	240.4	277.1
Inventory days	1,231.5	1,351.5	1,154.1	948.7	866.4
Debtor days	30.3	39.6	36.3	28.0	28.6
Creditor days	199.4	252.1	225.0	175.5	179.8
Operating ROIC (%)	9.5	7.4	7.7	10.2	(2.9)
ROIC (%)	9.0	6.7	7.8	10.3	(2.8)
ROE (%)	13.2	13.4	16.2	17.4	17.1
ROA (%)	6.9	5.0	5.9	7.6	8.1
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Project sales	5,221	6,316	8,094	9,904	11,519
Rental and services	262	454	390	390	390

Sources: Assetwise; FSSIA estimates

## Financial Statements

### Assetwise

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	688	818	1,121	1,326	1,452
Depreciation	107	148	96	104	113
Associates & minorities	-	-	-	-	-
Other non-cash items	0	0	0	0	0
Change in working capital	(2,846)	(4,566)	1,458	(904)	(438)
<b>Cash flow from operations</b>	<b>(2,051)</b>	<b>(3,600)</b>	<b>2,675</b>	<b>527</b>	<b>1,127</b>
Capex - maintenance	-	-	-	-	-
Capex - new investment	(1,276)	-	-	(147)	(158)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	-	(1,732)	2,034	-	-
<b>Cash flow from investing</b>	<b>(1,276)</b>	<b>(1,732)</b>	<b>2,034</b>	<b>(147)</b>	<b>(158)</b>
Dividends paid	-	(172)	(488)	(531)	(581)
Equity finance	235	885	40	0	0
Debt finance	2,963	5,164	(4,071)	310	(290)
Other financing cash flows	93	-	-	-	-
<b>Cash flow from financing</b>	<b>3,292</b>	<b>5,877</b>	<b>(4,519)</b>	<b>(221)</b>	<b>(871)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>(35)</b>	<b>544</b>	<b>190</b>	<b>159</b>	<b>98</b>
Free cash flow to firm (FCFF)	(3,322.70)	(5,320.99)	4,716.43	387.99	977.63
Free cash flow to equity (FCFE)	(269.85)	(168.33)	638.36	689.52	679.15

### Per share (THB)

FCFF per share	(3.88)	(6.22)	5.51	0.45	1.14
FCFE per share	(0.32)	(0.20)	0.75	0.81	0.79
Recurring cash flow per share	0.93	1.07	1.30	1.52	1.67

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	1,185	1,633	1,403	1,515	1,636
Less: Accumulated depreciation	(158)	(210)	(274)	(344)	(421)
<b>Tangible fixed assets (net)</b>	<b>1,027</b>	<b>1,424</b>	<b>1,129</b>	<b>1,171</b>	<b>1,215</b>
<b>Intangible fixed assets (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Long-term financial assets	11	12	12	12	12
Invest. in associates & subsidiaries	664	1,128	120	121	122
Cash & equivalents	751	1,295	1,485	1,644	1,743
A/C receivable	494	976	713	865	1,000
Inventories	11,768	16,807	15,352	16,567	17,283
Other current assets	407	475	594	721	834
<b>Current assets</b>	<b>13,420</b>	<b>19,553</b>	<b>18,144</b>	<b>19,796</b>	<b>20,859</b>
Other assets	173	348	255	309	357
<b>Total assets</b>	<b>15,296</b>	<b>22,465</b>	<b>19,660</b>	<b>21,410</b>	<b>22,566</b>
Common equity	5,617	6,573	7,246	8,041	8,913
Minorities etc.	333	908	908	908	908
<b>Total shareholders' equity</b>	<b>5,950</b>	<b>7,481</b>	<b>8,153</b>	<b>8,949</b>	<b>9,821</b>
Long term debt	5,398	9,797	5,440	5,630	5,640
Other long-term liabilities	48	291	65	79	92
<b>Long-term liabilities</b>	<b>5,445</b>	<b>10,088</b>	<b>5,505</b>	<b>5,709</b>	<b>5,732</b>
A/C payable	1,715	3,616	2,655	3,248	3,778
Short term debt	2,259	3,024	3,310	3,430	3,130
Other current liabilities	164	152	170	206	238
<b>Current liabilities</b>	<b>4,138</b>	<b>6,792</b>	<b>6,135</b>	<b>6,884</b>	<b>7,146</b>
<b>Total liabilities and shareholders' equity</b>	<b>15,534</b>	<b>24,361</b>	<b>19,793</b>	<b>21,543</b>	<b>22,699</b>
Net working capital	10,791	14,489	13,834	14,698	15,100
Invested capital	12,666	17,402	15,350	16,311	16,807

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

### Per share (THB)

Book value per share	6.56	7.31	7.72	8.56	9.49
Tangible book value per share	6.56	7.31	7.72	8.56	9.49

### Financial strength

Net debt/equity (%)	116.1	154.1	89.1	82.9	71.6
Net debt/total assets (%)	45.2	51.3	37.0	34.6	31.1
Current ratio (x)	3.2	2.9	3.0	2.9	2.9
CF interest cover (x)	283.4	(13.9)	90.1	99.7	99.7

Valuation	2022	2023	2024E	2025E	2026E
<b>Recurring P/E (x) *</b>	<b>10.0</b>	<b>8.8</b>	<b>6.7</b>	<b>5.7</b>	<b>5.2</b>
<b>Recurring P/E @ target price (x) *</b>	<b>11.8</b>	<b>10.4</b>	<b>8.0</b>	<b>6.7</b>	<b>6.1</b>
Reported P/E (x)	6.2	6.6	6.7	5.7	5.2
Dividend yield (%)	6.5	3.1	6.5	7.0	7.7
Price/book (x)	1.2	1.1	1.0	0.9	0.8
Price/tangible book (x)	1.2	1.1	1.0	0.9	0.8
EV/EBITDA (x) **	10.6	13.8	10.0	7.7	6.3
EV/EBITDA @ target price (x) **	11.5	14.7	10.8	8.3	6.9
EV/invested capital (x)	1.1	1.1	1.0	1.0	0.9

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

Sources: Assetwise; FSSIA estimates

# ASSETWISE PCL (ASW TB)

**FSSIA ESG rating**

★★

**27.00 /100**

## Exhibit 10: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★☆	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★☆☆	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★☆☆☆	<b>&gt;19-39</b>	<b>Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.</b>
★☆☆☆☆	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Source: FSSIA estimates

## Exhibit 11: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
AP	53.36	--	Y	Y	5.00	5.00	Certified	Low	43.30	--	--	16.91	24.00	1.89	34.26
ASW	27.00	--	Y	Y	5.00	4.00	Declared	--	--	--	--	--	--	--	--
AWC	71.74	--	Y	Y	5.00	5.00	Certified	Low	55.63	AA	--	69.90	73.00	2.11	60.03
BRI	16.00	--	--	--	4.00	4.00	Declared	--	--	--	--	--	--	--	--
CPN	81.38	Y	Y	Y	5.00	5.00	Certified	Low	56.02	BBB	35.00	69.83	81.00	3.59	--

Sources: SETTRADE.com; FSSIA's compilation

## Exhibit 12: ESG disclosure from the company's one report

FY ending Dec 31	FY 2022	FY ending Dec 31	FY 2022
<b>Environmental</b>		<b>Governance</b>	
Climate change policy	Yes	<b>Board size / Independent directors (ID) / Female</b>	<b>9 / 5 / 2</b>
Climate change opportunities discussed	--	No. of board meetings for the year / % attendance	8 / 98.41%
GHG scope 2 location-based policy	Yes	Company conducts board evaluations	Yes
Biodiversity policy	Yes	Number of non-executive directors on board	6
Energy efficiency policy	Yes	Director share ownership guidelines	No
Electricity used	Yes	Board age limit	No
Fuel used - crude oil/diesel	--	Age of the youngest / oldest director	35 / 64
Waste reduction policy	Yes	Number of executives / female	3 / 1
Water policy	Yes	Executive share ownership guidelines	No
Water consumption	Yes	<b>Size of audit committee / ID</b>	<b>3 / 3</b>
<b>Social</b>		Audit committee meetings	4
Human rights policy	Yes	Audit committee meeting attendance (%)	100
Policy against child labor	Yes	<b>Size of compensation committee</b>	<b>3 / 0</b>
Quality assurance and recall policy	Yes	Number of compensation committee meetings	4
Consumer data protection policy	Yes	Compensation committee meeting attendance (%)	100
Equal opportunity policy	Yes	<b>Size of nomination committee / ID</b>	<b>3 / 0</b>
Gender pay gap breakout	--	Number of nomination committee meetings	4
Pct women in workforce	60.49	Nomination committee meeting attendance (%)	100
Business ethics policy	Yes	Board compensation (THB m)	3.6
Anti-bribery ethics policy	Yes	Auditor fee (THB m)	4.7
Health and safety policy	Yes	(DIA International Audit Company Limited)	
Lost time incident rate - employees	--		
Training policy	Yes		
Fair remuneration policy	Yes		
Number of employees - CSR	--		
Total hours spent by firm - employee training	2051		
Social supply chain management	Yes		

Source: FSSIA's compilation

## Disclaimer for ESG scoring

ESG score	Methodology	Rating																			
The Dow Jones Sustainability Indices ( <a href="#">DJSI</a> ) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																			
Sustainability Investment List ( <a href="#">THSI</a> ) by The Stock Exchange of Thailand ( <a href="#">SET</a> )	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for <b>THSI inclusion</b> , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. <b>SETTHSI Index</b> is extended from the THSI companies whose 1) market capitalization > 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.																			
<b>CG Score</b> by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																			
<b>AGM level</b> By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&amp;A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																			
<b>Thai CAC</b> By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																			
<a href="#">Morningstar Sustainability</a>	The Sustainability's ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality &amp; peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+									
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0-10	10-20	20-30	30-40	40+																	
<a href="#">ESG Book</a>	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																			
<a href="#">MSCI</a>	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td><b>AAA</b></td> <td>8.571-10.000</td> <td rowspan="3"><b>Leader:</b></td> <td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td><b>AA</b></td> <td>7.143-8.570</td> </tr> <tr> <td><b>A</b></td> <td>5.714-7.142</td> </tr> <tr> <td><b>BBB</b></td> <td>4.286-5.713</td> <td rowspan="3"><b>Average:</b></td> <td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td><b>BB</b></td> <td>2.857-4.285</td> </tr> <tr> <td><b>B</b></td> <td>1.429-2.856</td> </tr> <tr> <td><b>CCC</b></td> <td>0.000-1.428</td> <td><b>Laggard:</b></td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570	<b>A</b>	5.714-7.142	<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285	<b>B</b>	1.429-2.856	<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks
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<a href="#">Moody's ESG solutions</a>	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																				
<a href="#">Refinitiv ESG rating</a>	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																				
<a href="#">S&amp;P Global</a>	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																				
<b>Bloomberg</b>	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																			
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																			

[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**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation



**GENERAL DISCLAIMER**

**ANALYST(S) CERTIFICATION**

Thanyatorn Songwutti FSS International Investment Advisory Securities Co., Ltd

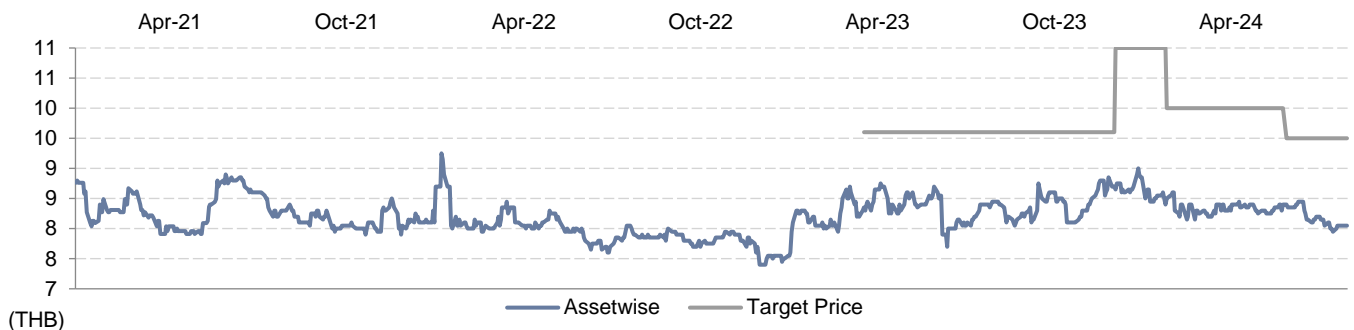
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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**History of change in investment rating and/or target price**

**Assetwise (ASW TB)**



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
20-Feb-2023	BUY	9.60	02-Nov-2023	BUY	10.00	-	-	-
20-Sep-2023	BUY	11.00	09-Feb-2024	BUY	9.50			

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 8.05	BUY	Downside risks to our P/E-based TP include 1) slower backlog realization than planned and a delay in new condo transfers, 2) lower new project launches than planned, 3) a lower-than-expected take-up rate of new projects, 4) a slowdown in the economy and purchasing power, 5) a construction delay and fierce competition, and 6) a higher rejection and cancellation rate.

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.

All share prices are as at market close on 03-Apr-2024 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.