

4 MARCH 2025

EQUITY RESEARCH - COMPANY REPORT

ASSET WORLD CORP

THAILAND / PROPERTY DEVELOPMENT

AWC TB

FINANSIA

FSS INTERNATIONAL INVESTMENT ADVISORY

FSSIA ESG rating



BUY

UNCHANGED

TARGET PRICE	THB5.20
CLOSE	THB2.88
UP/DOWNSIDE	+80.6%
PRIOR TP	THB5.20
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+15.8%

Growth story continues in 2025

- Expect OCC rate to increase to 75% (from 72% in 2024) and RevPAR to grow by more than 10% in 2025.
- Acquired Swissotel Bangkok Ratchada and plans to rebrand to JW Marriott.
- Maintain BUY with a DCF-based TP of THB5.2/shr.

Positive feedback from analyst meeting on 27 Feb

Management expects the RevPAR growth momentum to continue by more than 10% in 2025. The OCC rate should improve to 75% (vs 72% in 2024). Hotel inventory should also rise by 22% to 7,378 rooms following the opening of the Meliá Pattaya City, Pattaya Marriott, Fairmont Bangkok Sukhumvit and the acquisition of Swissotel Bangkok Ratchada. We estimate hotel revenue to grow by 21% to THB15.0b. Also, the BOI recently approved "Jurassic World: The Experience" project at Asiatique with capex of THB1.2-1.4b. This should generate revenue and boost traffic to Asiatique, with a target OCC rate of 85% (vs 71% in 2024).

Acquisition of Swissotel Bangkok Ratchada

AWC recently announced it would acquire all shares in Le Concorde Hotel, the owner of Swissotel Bangkok Ratchada (407 rooms) and Le Concorde Office Tower (45,792 sqm) with a total net value of THB4.4b. Additionally, AWC plans to invest THB4.3b in redevelopment, bringing the total investment for this project to THB8.7b. AWC plans to develop a project under the name Jubilee Prestige Tower, transforming it into a new-generation lifestyle office building and a luxury hotel under the JW Marriott brand. It is scheduled to fully operate by 2028 and AWC expects ADR to rise from THB2,500 currently to THB7,500 after rebranding. We estimate Le Concorde Hotel to generate EBITDA of cTHB200m/year. Assuming AWC finances the acquisition entirely with bank loans, interest expenses would be THB150-180m/year. Thus, this project is likely to remain accretive at the EBITDA level during the development period.

Expect core profit to jump by 20% y-y in 2025

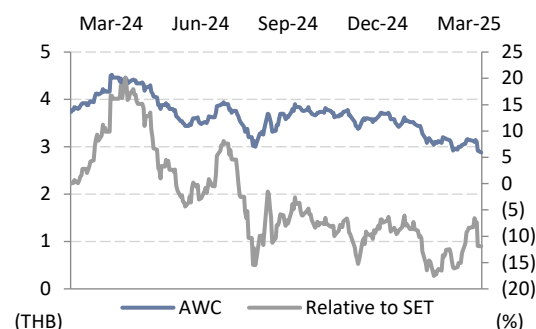
We expect core profit to jump by 20% to THB2.2b in 2025. In addition, the total asset size should increase to more than THB210b in 2025 (vs THB199b in 2024 and 96b in 2019). The EBITDA yield should also continue to improve from 5% excluding fair value gains and 8% including fair value gains to the long-term target of 10-15%.

Attractive valuation to capture long-term growth

AWC trades at a 41x 2025E core profit P/E (vs peers' average of 27x). Including an estimated fair value gain of THB3.0b in 2025, it would come down to only 18x P/E. The weak share price during the volatile market is an opportunity to buy the stock to capture promising long-term growth.

KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	15,729	19,465	27,048	30,588
Net profit	5,850	5,735	5,803	5,999
EPS (THB)	0.18	0.18	0.18	0.19
vs Consensus (%)	-	157.1	127.8	71.2
EBITDA	5,804	7,035	8,778	10,334
Recurring net profit	1,860	2,235	2,803	3,499
Core EPS (THB)	0.06	0.07	0.09	0.11
Chg. In EPS est. (%)	nm	0.0	0.0	nm
EPS growth (%)	63.9	20.2	25.4	24.8
Core P/E (x)	49.6	41.2	32.9	26.3
Dividend yield (%)	2.6	3.1	3.1	3.3
EV/EBITDA (x)	29.2	26.6	23.0	21.1
Price/book (x)	1.0	1.0	0.9	0.9
Net debt/Equity (%)	84.5	99.5	112.2	124.7
ROE (%)	2.1	2.4	2.9	3.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(8.3)	(21.3)	(24.2)
Relative to country (%)	0.7	(3.7)	(12.8)
Mkt cap (USD m)	2,698		
3m avg. daily turnover (USD m)	4.3		
Free float (%)	25		
Major shareholder	TCC Business Management (45%)		
12m high/low (THB)	4.58/2.84		
Issued shares (m)	32,004.96		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

AWC plans to aggressively expand its hotel portfolio from 18 hotels in 2022 to 38 hotels by 2031 and expand its commercial property assets with a net leasable area (NLA) of 427k sqm to 673k sqm by 2027.

AWC has a strong balance sheet with an IBD/E of only 0.8x as of 3Q24, with ample room for M&A deals. It also has a competitive advantage since 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 the value of those assets will likely appreciate in the future, which should support its balance sheet's gearing ratio for expansion projects.

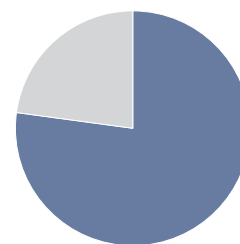
Company profile

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

assetworldcorp-th.com

Principal activities (revenue, 2024)

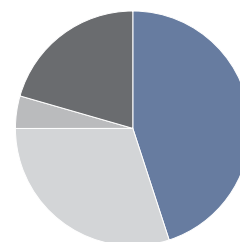
- Hotel revenue - 77.1 %
- Retail and office revenue - 22.9 %



Source: Asset World Corp

Major shareholders

- TCC Business Management - 45.0 %
- TCC Retail - 30.0 %
- NOMURA SINGAPORE LIMITED - 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) pent-up demand from Chinese tourists.

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
May 2025	1Q25 results announcement

Key assumptions

	2025E	2026E	2027E
Hotel - Number of rooms (no.)	7,248	8,741	8,974
Hotel - Occupancy rate (OCC %)	71.7	71.3	73.5
Hotel - RevPAR growth (%)	0.8	22.4	8.8
Retail - NLA ('000 sqm)	377.6	377.6	402.8
Retail - Occupancy rate (OCC %)	59.6	66.4	70.0
Retail - Rental rate growth (%)	(21.0)	8.7	9.3
Office - NLA ('000 sqm)	270.6	270.6	270.6
Office - Occupancy rate (OCC %)	66.5	67.0	67.5
Office - Rental rate growth (%)	3.0	3.0	3.0

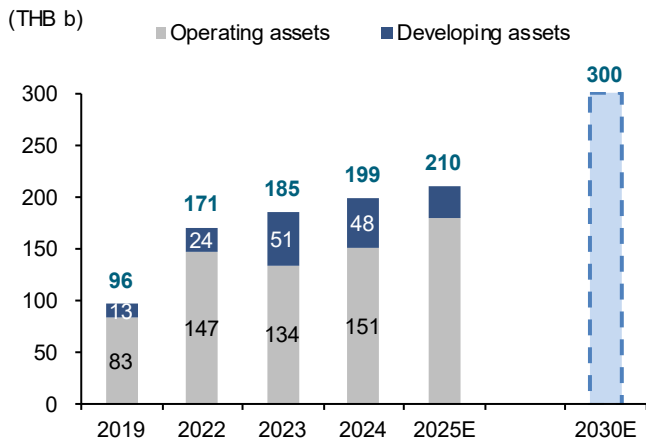
Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in hotel OCC, we project a 2025 profit increase of 4%, and vice versa, all else being equal.
- For every 1% increase in retail OCC, we project a 2025 profit increase of 5%, and vice versa, all else being equal

Source: FSSIA estimates

Exhibit 1: AWC's asset size



Sources: AWC; FSSIA estimates

Exhibit 2: BU EBITDA and EBITDA yield (rate of return)

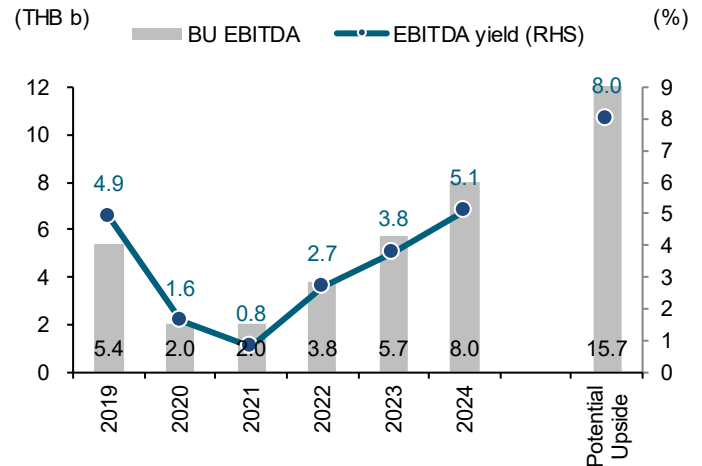
Note: BU EBITDA (business unit EBITDA) is EBITDA before corporate expenses
Sources: AWC; FSSIA estimates

Exhibit 3: BU EBITDA forecast

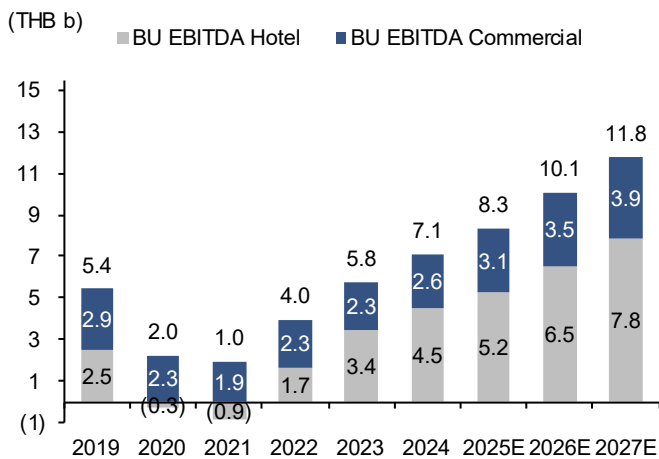
Note: BU EBITDA (business unit EBITDA) is EBITDA before corporate expenses
Sources: AWC; FSSIA estimates

Exhibit 4: Corporate EBITDA margin

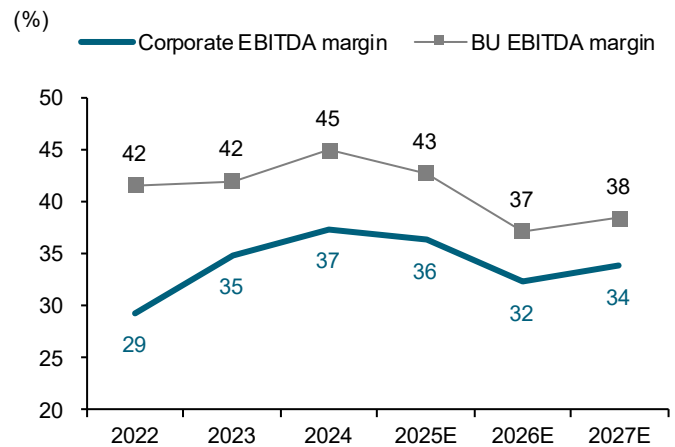
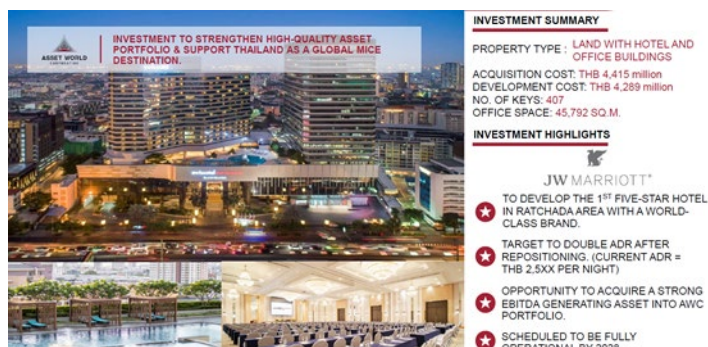
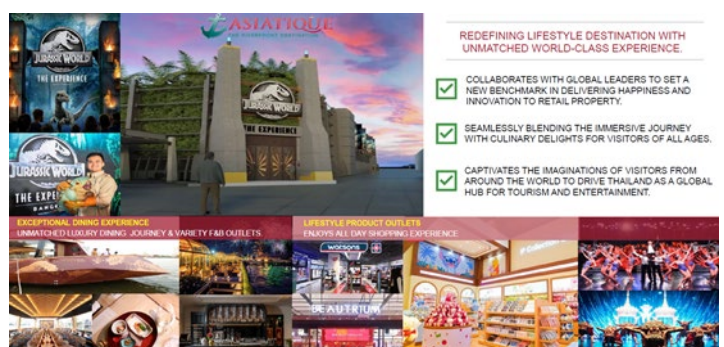
Note: Includes corporate expenses
Sources: AWC; FSSIA estimates

Exhibit 5: Acquisition of Swissotel Bangkok Ratchada



Source: AWC

Exhibit 6: Retail asset enhancement



Source: AWC

Recap: 4Q24 results review

AWC reported a 4Q24 core profit of THB688m (+43% y-y, +138% q-q), beating our estimate by 25% due to a higher-than-expected group EBITDA margin (38% vs our forecast of 37%) and lower-than-expected interest expenses.

Including a THB1.2b gain on changes in the fair value of investment properties, AWC booked a net profit of THB1.9b (+37% y-y, +63% q-q).

Hospitality business: Hotel revenue grew by 21% y-y. RevPAR grew by 22% y-y with an OCC rate of 73% (65% in 4Q23). MICE hotels were the key driver in this quarter, with revenue growth of 27% y-y and the strong performance of Bangkok Marriott Hotel The Surawongse.

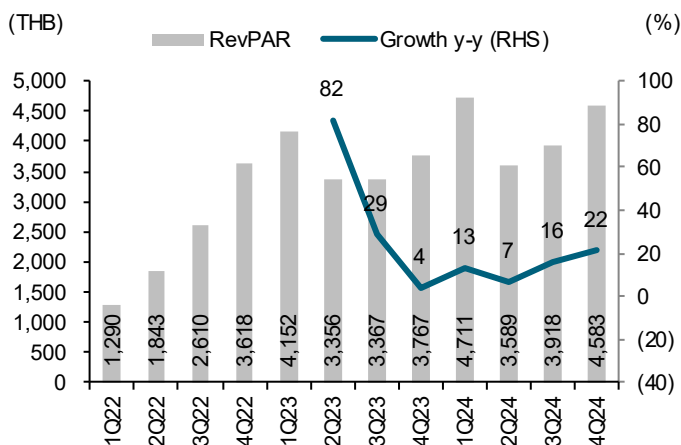
Retail and commercial business: Revenue grew by 6% y-y, led by revenue from tourist lifestyle destinations (+10% y-y). Revenue of office buildings grew by 2% y-y.

EBITDA of the operating assets (BU EBITDA) improved to THB1.9b (vs THB1.6b in 4Q23), consisting of THB1.3b for the hotel business, THB0.2b for the retail business and THB0.4b for office properties.

The EBITDA margin of the hotel business improved to 37% (vs 34% in 4Q23), while the EBITDA margin of the retail and commercial business slightly declined to 67% (vs 69% in 4Q23).

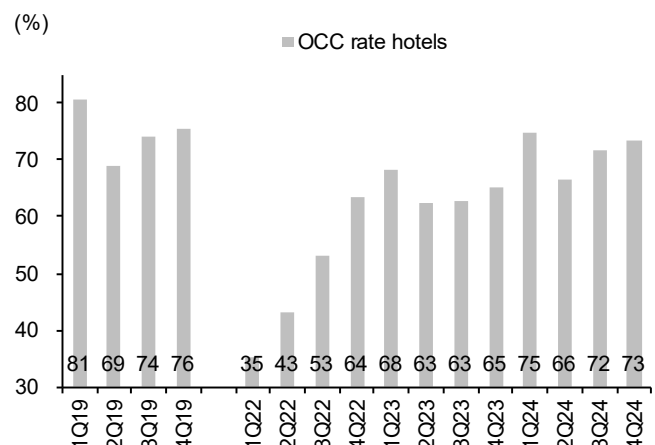
Including corporate expenses, group EBITDA improved to THB1.7b in 4Q24 from THB1.5b in 4Q23, with an EBITDA margin of 38% (vs 40% in 4Q23).

Exhibit 7: RevPAR trend, quarterly



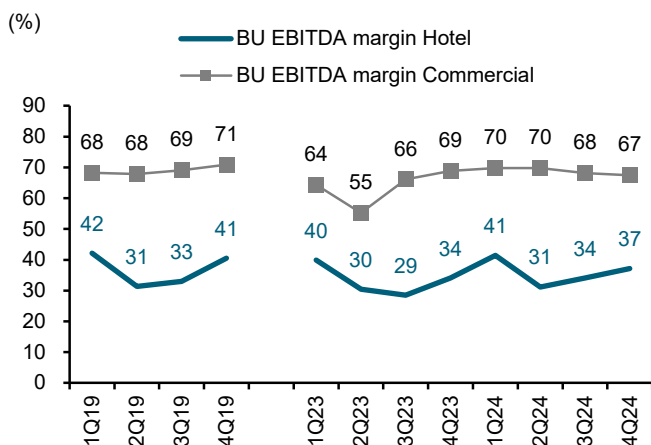
Sources: AWC; FSSIA's compilation

Exhibit 8: OCC rate trend, quarterly



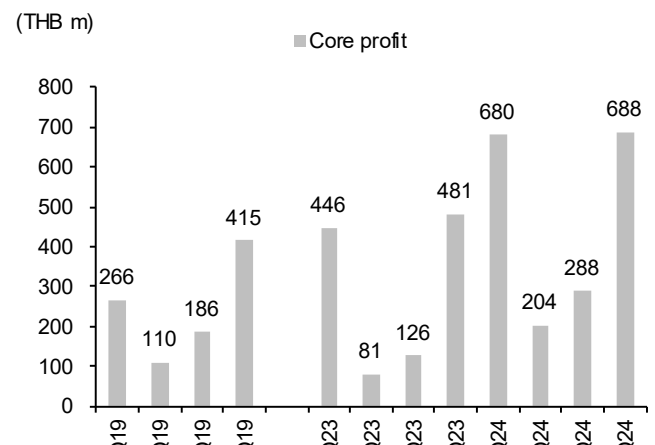
Source: AWC; FSSIA's compilation

Exhibit 9: EBITDA margins



Sources: AWC; FSSIA's compilation

Exhibit 10: Core profit, quarterly



Sources: AWC; FSSIA's compilation

Exhibit 11: AWC – 4Q24 results review

	4Q23	1Q24	2Q24	3Q24	4Q24	Change		2023	2024	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Sales	3,702	4,194	3,448	3,736	4,351	16	18	13,702	15,729	15
- Hotel	2,818	3,317	2,572	2,830	3,414	21	21	10,175	12,133	19
- Commercial	884	877	876	906	937	3	6	3,526	3,596	2
COGS (Incl. depreciation)	(1,723)	(1,738)	(1,654)	(1,765)	(1,963)	11	14	(6,509)	(7,119)	9
Gross Profit	1,978	2,457	1,794	1,970	2,389	21	21	7,193	8,610	20
SG&A	(975)	(1,188)	(1,127)	(1,270)	(1,270)	(0)	30	(4,247)	(4,856)	14
Net management income	49	7	5	23	16	(31)	(67)	102	52	(50)
Operating Profit	1,053	1,276	671	724	1,135	57	8	3,048	3,806	25
Other income	19	32	54	12	17	47	(6)	47	115	147
Interest income	2	1	2	1	2	222	2	4	6	29
Interest expenses	(476)	(471)	(484)	(488)	(432)	(11)	(9)	(1,686)	(1,875)	11
Pretax profit	598	838	243	249	722	190	21	1,413	2,051	45
Income Tax	(90)	(202)	(40)	25	(46)	(281)	(49)	(243)	(263)	8
Associates	(26)	44	1	15	11	(21)	(143)	(35)	71	(301)
Minority interest										
Core profit	481	680	204	288	688	138	43	1,134	1,860	64
Extraordinaries, GW & FX	877	925	1,044	850	1,172	38	34	3,904	3,991	2
Reported net profit	1,358	1,605	1,247	1,139	1,860	63	37	5,038	5,850	16
Shares out (end Q, m)	32,000	32,000	32,000	32,000	32,000	0	0	32,002	32,005	0
Core EPS (THB)	0.02	0.02	0.01	0.01	0.02	138	43	0.04	0.06	64
EPS (THB)	0.04	0.05	0.04	0.04	0.06	63	37	0.16	0.18	16
COGS (Excl. depreciation)	(1,276)	(1,284)	(1,193)	(1,291)	(1,468)	14	15	(4,791)	(5,236)	9
Depreciation	(448)	(454)	(461)	(474)	(495)	4	10	(1,718)	(1,883)	10
EBITDA	1,493	1,806	1,187	1,224	1,658	35	11	4,813	5,804	21
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Gross margin	53	59	52	53	55	2	1	52	55	2
SG&A/Revenue	26	28	33	34	29	(5)	3	31	31	(0)
EBITDA margin	40	43	34	33	38	5	(2)	35	37	2
Hotel	34	41	31	34	37	3	3			
Retail	58	61	60	59	57	(2)	(1)			
Office	77	75	76	75	75	0	(2)			
Net profit margin	37	38	36	30	43	12	6	37	37	0
Operating stats										
Hotel										
OCC (%)	65	75	66	72	73					
ADR (THB)	5,773	6,298	5,409	5,467	6,254					
RevPar (THB)	3,767	4,711	3,589	3,918	4,583					
RevPAR growth y-y (%)	4	13	7	16	22					
Retail										
OCC (%)	68	67	66	66	68					
Rental rate (THB)	789	800	806	814	814					

Sources: AWC; FSSIA estimates

Exhibit 12: Forecast revisions

	Current			Previous			Change		
	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
Hotel - OCC (%)	71.7	71.3	73.5	71.3	71.0	71.0	0.4	0.3	-
Hotel - RevPar (THB)	4,232	5,179	5,633	4,413	5,188	5,188	(4.1)	(0.2)	-
Retail - OCC (%)	59.6	66.4	70.0	59.0	65.7	65.7	0.6	0.7	-
Retail - Rental rate (THB/sqm/month)	628	683	746	638	700	700	(1.6)	(2.5)	-
Office - OCC (%)	66.5	67.0	67.5	66.5	67.0	67.0	0.0	0.0	-
Office - Rental rate (THB/sqm/month)	836	861	887	836	861	861	(0.0)	(0.0)	-
Revenue (THB b)	19.5	27.0	30.6	19.4	27.3	27.3	0.1	(0.9)	-
EBITDA margin (%)	36.3	32.3	33.8	36.7	32.6	32.6	(0.4)	(0.3)	-
Core earnings (THB m)	2,235	2,803	3,499	2,235	2,803	2,804	0.0	0.0	-

Note: Change of items in % terms are represented in ppt

Source: FSSIA estimates

Exhibit 13: DCF valuation

Cost of equity assumptions		(%)	Cost of debt assumptions		(%)
Risk-free rate		3.0	Pre-tax cost of debt		3.8
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		7.8			
DCF valuation estimate		(THB b)	(THB/share)	Comments	
NPV		39.4	1.2	WACC 7.8%, risk-free rate 3%, risk premium 8%	
Terminal value		219.0	6.8	Terminal growth 2.5%	
Cash & liquid assets		3.3	0.1	At end-2025E	
Investments		2.0	0.1	At end-2025E	
Debt		(98.0)	(3.1)	At end-2025E	
Minorities		0.0	0.0	At end-2025E	
Residual ordinary equity		165.7	5.2		

Source: FSSIA estimates

Exhibit 14: Peer comparisons as of 3 Mar 2025

Company	BBG	Rec	Share price			Market cap	PE			ROE		PBV		EV/ EBITDA	
			Current (LCY)	Target (LCY)	Upside (%)		24 (x)	25E (x)	26E (x)	24 (%)	25E (%)	24 (x)	25E (x)	24 (x)	25E (x)
Thailand															
Asset World Corp	AWC TB	BUY	2.88	5.20	81	2,698	49.6	41.2	32.9	2.1	2.4	1.0	1.0	29.2	26.6
Minor International	MINT TB	BUY	28.75	45.00	57	4,772	19.7	17.5	15.8	10.2	10.3	1.9	1.7	8.4	7.6
Central Plaza Hotel	CENTEL TB	BUY	32.75	48.00	47	1,294	27.4	24.8	21.0	7.9	8.1	2.1	2.0	14.0	13.2
Erawan Group	ERW TB	BUY	3.20	6.20	94	458	18.2	16.6	15.6	11.0	9.8	1.7	1.6	11.6	10.6
S Hotels & Resorts	SHR TB	BUY	1.91	3.80	99	201	40.3	18.1	13.3	1.1	2.3	0.4	0.4	8.2	7.4
Dusit Thani	DUSIT TB	BUY	8.80	15.00	70	219	(39.9)	28.3	4.4	(5.7)	8.1	2.4	2.2	54.7	26.7
Bound and Beyond	BEYOND TB	BUY	7.35	18.00	145	62	28.4	10.9	8.3	1.2	3.1	0.3	0.3	8.6	7.0
Thailand average						9,704	20.5	22.5	15.9	4.0	6.3	1.4	1.3	19.3	14.2
Regional															
Btg Hotels Group	600258 CH	n/a	13.05	n/a	n/a	2,003	17.4	15.7	13.9	7.2	7.6	1.2	1.2	8.5	8.2
Sh Jinjiang Intl Hotels	900934 CH	n/a	1.52	n/a	n/a	3,529	9.6	9.0	7.6	7.1	7.4	0.7	0.6	10.2	10.0
Huangshan Tourism Dev.	900942 CH	n/a	0.74	n/a	n/a	978	11.4	10.0	9.2	7.4	7.9	0.8	0.8	8.2	7.7
Genting Bhd	GENT MK	n/a	3.08	n/a	n/a	2,655	7.6	7.6	6.7	4.7	4.5	0.3	0.3	5.5	5.4
Huazhu Group	HTHT US	n/a	36.32	n/a	n/a	11,578	21.3	18.4	16.0	28.4	28.4	5.9	5.0	12.4	11.1
Indian Hotels	IH IN	n/a	726.75	n/a	n/a	11,671	78.6	60.5	47.5	14.8	16.5	11.1	9.1	45.6	36.0
Lemon Tree Hotels	LEMONTRE IN	n/a	125.86	n/a	n/a	1,134	72.0	50.4	34.3	14.6	17.3	10.1	7.2	23.6	19.5
Lippo Karawaci	LPKR IJ	n/a	89.00	n/a	n/a	358	0.6	7.5	6.9	3.2	8.1	0.2	0.2	2.7	n/a
Regional average						33,907	27.3	22.4	17.8	10.9	12.2	3.8	3.1	14.6	14.0
Global															
Nh Hotel Group	NHH SM	n/a	6.30	n/a	n/a	2,887	16.9	15.8	15.6	11.4	11.3	2.6	2.2	7.9	7.6
Melia Hotels International	MEL SM	n/a	7.34	n/a	n/a	1,660	11.9	10.7	9.9	20.6	18.0	2.6	2.1	7.9	7.6
Intercontinental Hotels G.	IHG LN	n/a	9,932	n/a	n/a	19,616	28.8	24.9	22.1	(32.6)	(31.3)	n/a	n/a	18.7	16.9
Whitbread	WTB LN	n/a	2,667	n/a	n/a	5,868	12.0	13.1	12.0	10.6	10.6	1.3	1.3	8.8	8.8
Accor	ACRFF US	n/a	49.57	n/a	n/a	12,079	21.1	19.3	16.7	12.4	13.3	2.4	2.4	12.9	11.8
Choice Hotels	CHH US	n/a	144.07	n/a	n/a	6,732	21.1	20.2	18.8	(665.6)	(436.7)	n/a	59.0	14.2	13.7
Hilton Worldwide Holdings	HLT US	n/a	263.58	n/a	n/a	63,416	37.3	33.0	28.4	(57.6)	(45.1)	n/a	n/a	21.5	19.7
Hyatt Hotels Corp	H US	n/a	139.88	n/a	n/a	13,451	36.1	42.2	32.2	10.9	10.0	3.9	3.9	14.5	14.1
Marriott International	MAR US	n/a	277.72	n/a	n/a	76,566	29.9	27.0	24.0	(168.4)	(84.5)	n/a	n/a	18.3	16.9
Global average						202,275	23.9	22.9	20.0	(95.4)	(59.4)	2.5	11.8	13.9	13.0
Overall average						245,886	24.1	22.6	18.0	(31.0)	(16.3)	2.6	5.0	15.7	13.7

Sources: Bloomberg; FSSIA estimates

Financial Statements

Asset World Corp

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	13,702	15,729	19,465	27,048	30,588
Cost of goods sold	(6,509)	(7,119)	(8,724)	(12,516)	(13,719)
Gross profit	7,193	8,610	10,742	14,531	16,869
Other operating income	149	167	172	177	182
Operating costs	(4,247)	(4,856)	(5,990)	(8,296)	(9,351)
Operating EBITDA	4,813	5,804	7,035	8,778	10,334
Depreciation	(1,718)	(1,883)	(2,111)	(2,365)	(2,633)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	3,095	3,921	4,924	6,413	7,700
Net financing costs	(1,682)	(1,870)	(2,235)	(2,904)	(3,343)
Associates	(35)	71	30	(39)	13
Recurring non-operating income	(35)	71	30	(39)	13
Non-recurring items	3,904	3,991	3,500	3,000	2,500
Profit before tax	5,281	6,113	6,219	6,470	6,871
Tax	(243)	(263)	(484)	(667)	(872)
Profit after tax	5,038	5,850	5,735	5,803	5,999
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	5,038	5,850	5,735	5,803	5,999
Non-recurring items & goodwill (net)	(3,904)	(3,991)	(3,500)	(3,000)	(2,500)
Recurring net profit	1,134	1,860	2,235	2,803	3,499
Per share (THB)					
Recurring EPS *	0.04	0.06	0.07	0.09	0.11
Reported EPS	0.16	0.18	0.18	0.18	0.19
DPS	0.05	0.08	0.09	0.09	0.09
Diluted shares (used to calculate per share data)	32,002	32,005	32,005	32,005	32,005
Growth					
Revenue (%)	44.1	14.8	23.8	39.0	13.1
Operating EBITDA (%)	72.7	20.6	21.2	24.8	17.7
Operating EBIT (%)	169.2	26.7	25.6	30.2	20.1
Recurring EPS (%)	nm	63.9	20.2	25.4	24.8
Reported EPS (%)	30.7	16.1	(2.0)	1.2	3.4
Operating performance					
Gross margin inc. depreciation (%)	52.5	54.7	55.2	53.7	55.1
Gross margin exc. depreciation (%)	65.0	66.7	66.0	62.5	63.8
Operating EBITDA margin (%)	35.1	36.9	36.1	32.5	33.8
Operating EBIT margin (%)	22.6	24.9	25.3	23.7	25.2
Net margin (%)	8.3	11.8	11.5	10.4	11.4
Effective tax rate (%)	17.2	12.8	18.0	19.0	20.0
Dividend payout on recurring profit (%)	141.1	129.1	128.3	103.5	85.7
Interest cover (X)	1.8	2.1	2.2	2.2	2.3
Inventory days	5.1	6.1	6.4	5.9	6.8
Debtor days	24.4	25.9	23.6	17.0	15.0
Creditor days	183.0	214.6	211.1	194.6	225.7
Operating ROIC (%)	1.6	2.0	2.2	2.5	2.7
ROIC (%)	1.6	2.0	2.1	2.4	2.7
ROE (%)	1.3	2.1	2.4	2.9	3.5
ROA (%)	1.5	1.9	2.1	2.3	2.6

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2023	2024	2025E	2026E	2027E
Hotel revenue	10,175	12,133	15,084	21,919	24,984
Retail and office revenue	3,526	3,596	4,382	5,129	5,604

Sources: Asset World Corp; FSSIA estimates

Financial Statements

Asset World Corp

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	1,134	1,860	2,235	2,803	3,499
Depreciation	1,718	1,883	2,111	2,365	2,633
Associates & minorities	-	-	-	-	-
Other non-cash items	5,171	4,905	3,381	2,881	2,381
Change in working capital	788	301	932	2,358	652
Cash flow from operations	8,811	8,949	8,659	10,407	9,165
Capex - maintenance	(15,673)	(13,982)	(23,381)	(22,881)	(22,381)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(1,390)	(660)	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(17,063)	(14,642)	(23,381)	(22,881)	(22,381)
Dividends paid	(1,024)	(1,600)	(2,400)	(2,868)	(2,902)
Equity finance	17	61	0	0	0
Debt finance	8,969	7,197	20,000	15,000	15,000
Other financing cash flows	519	(9)	0	0	0
Cash flow from financing	8,481	5,649	17,600	12,132	12,098
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	230	(45)	2,878	(341)	(1,117)
Free cash flow to firm (FCFF)	(6,565.16)	(3,818.03)	(12,482.13)	(9,532.94)	(9,840.02)
Free cash flow to equity (FCFE)	1,237.13	1,494.71	5,278.15	2,526.19	1,784.11

Per share (THB)

FCFF per share	(0.21)	(0.12)	(0.39)	(0.30)	(0.31)
FCFE per share	0.04	0.05	0.16	0.08	0.06
Recurring cash flow per share	0.25	0.27	0.24	0.25	0.27

Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	179,445	193,430	213,430	233,430	253,430
Less: Accumulated depreciation	(12,777)	(14,544)	(13,155)	(12,520)	(12,653)
Tangible fixed assets (net)	166,667	178,886	200,275	220,910	240,777
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	1,390	2,050	2,050	2,050	2,050
Cash & equivalents	509	464	3,342	3,001	1,883
A/C receivable	971	1,259	1,259	1,259	1,259
Inventories	74	102	129	198	216
Other current assets	159	354	439	609	689
Current assets	1,713	2,180	5,169	5,067	4,048
Other assets	2,667	2,847	2,847	2,847	2,847
Total assets	172,437	185,963	210,341	230,874	249,722
Common equity	87,476	91,778	95,112	98,048	101,146
Minorities etc.	0	0	0	0	0
Total shareholders' equity	87,476	91,778	95,112	98,048	101,146
Long term debt	64,505	70,093	90,093	105,093	120,093
Other long-term liabilities	10,919	12,132	12,132	12,132	12,132
Long-term liabilities	75,424	82,225	102,225	117,225	132,225
A/C payable	2,778	3,380	4,269	6,553	7,157
Short term debt	6,320	7,930	7,930	7,930	7,930
Other current liabilities	439	650	804	1,118	1,264
Current liabilities	9,537	11,960	13,003	15,601	16,351
Total liabilities and shareholders' equity	172,437	185,963	210,341	230,874	249,722
Net working capital	(2,013)	(2,315)	(3,246)	(5,605)	(6,256)
Invested capital	168,711	181,468	201,925	220,202	239,417

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

Per share (THB)

Book value per share	2.73	2.87	2.97	3.06	3.16
Tangible book value per share	2.73	2.87	2.97	3.06	3.16

Financial strength

Net debt/equity (%)	80.4	84.5	99.5	112.2	124.7
Net debt/total assets (%)	40.8	41.7	45.0	47.7	50.5
Current ratio (x)	0.2	0.2	0.4	0.3	0.2
CF interest cover (x)	1.7	1.8	3.4	1.9	1.5

Valuation	2023	2024	2025E	2026E	2027E
Recurring P/E (x) *	81.3	49.6	41.2	32.9	26.3
Recurring P/E @ target price (x) *	146.7	89.5	74.5	59.4	47.6
Reported P/E (x)	18.3	15.8	16.1	15.9	15.4
Dividend yield (%)	1.7	2.6	3.1	3.1	3.3
Price/book (x)	1.1	1.0	1.0	0.9	0.9
Price/tangible book (x)	1.1	1.0	1.0	0.9	0.9
EV/EBITDA (x) **	33.8	29.2	26.6	23.0	21.1
EV/EBITDA @ target price (x) **	49.2	42.0	37.1	31.5	28.3
EV/invested capital (x)	1.0	0.9	0.9	0.9	0.9

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

Sources: Asset World Corp; FSSIA estimates

Asset World Corp PCL (AWC TB)

FSSIA ESG rating


71.74 /100

Exhibit 15: 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.
★★	>19-39	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.
★	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.

Sources: FSSIA estimates

Exhibit 16: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings						Bloomberg	
		DJSI	SET ESG	SET ESG Rating	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
AWC	71.74	--	Y	Y	5.00	5.00	Certified	Low	55.63	AA	--	69.90	73.00	2.11	60.03
CENTEL	62.78	--	Y	Y	5.00	5.00	Certified	Medium	57.54	--	--	71.56	48.00	2.93	54.19
DUSIT	24.81	--	--	--	5.00	4.00	Certified	--	46.50	--	--	--	--	--	--
ERW	39.65	--	--	--	4.00	4.00	Certified	--	54.22	--	--	51.15	21.00	3.90	--
MINT	84.43	Y	Y	Y	5.00	4.00	Certified	Medium	57.57	AA	37.00	91.18	69.00	5.00	--

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation

Exhibit 17: ESG score by Bloomberg

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	1.85	1.81	2.01	2.11
BESG environmental pillar score	0.25	0.60	0.76	0.84
BESG social pillar score	7.50	2.56	2.54	3.03
BESG governance pillar score	3.16	3.65	3.96	3.97
ESG disclosure score	47.54	56.11	56.98	60.03
Environmental disclosure score	33.89	42.13	44.10	46.93
Social disclosure score	45.10	51.30	39.36	45.71
Governance disclosure score	63.58	74.83	87.36	87.36
Environmental				
Emissions reduction initiatives	No	No	No	No
Climate change policy	No	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	No
Risks of climate change discussed	No	Yes	Yes	Yes
GHG scope 1	7	9	10	9
GHG scope 2 location-based	111	91	70	84
GHG Scope 3	—	—	—	48
Carbon per unit of production	—	—	—	—
Biodiversity policy	No	Yes	Yes	Yes
Energy efficiency policy	No	No	No	No
Total energy consumption	241	189	344	404
Renewable energy use	—	0	0	1
Electricity used	231	186	189	208
Fuel used - natural gas	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

Exhibit 18: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No
Waste reduction policy	No	Yes	Yes	Yes
Hazardous waste	—	—	0	0
Total waste	8	8	11	12
Waste recycled	0	0	0	1
Waste sent to landfills	—	7	8	10
Environmental supply chain management	No	No	No	No
Water policy	No	Yes	Yes	Yes
Water consumption	2,440	1,968	1,968,460	939,337
Social				
Human rights policy	Yes	Yes	Yes	Yes
Policy against child labor	No	No	No	No
Quality assurance and recall policy	Yes	Yes	Yes	Yes
Consumer data protection policy	No	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	Yes
Pct women in workforce	50	48	48	49
Pct disabled in workforce	—	—	—	1
Business ethics policy	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes
Lost time incident rate - employees	3	3	2	2
Total recordable incident rate - employees	—	—	—	2
Training policy	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No
Number of employees – CSR	4,829	5,143	5,589	5,343
Employee turnover pct	25	27	19	36
Total hours spent by firm - employee training	201,997	208,308	225,164	283,179
Social supply chain management	No	Yes	Yes	Yes
Governance				
Board size	14	15	15	15
No. of independent directors (ID)	7	8	8	8
No. of women on board	3	3	3	3
No. of non-executive directors on board	13	14	14	14
Company conducts board evaluations	Yes	Yes	Yes	Yes
No. of board meetings for the year	7	10	10	8
Board meeting attendance pct	94	99	99	100
Board duration (years)	—	—	3	3
Director share ownership guidelines	No	No	No	No
Age of the youngest director	—	47	47	48
Age of the oldest director	—	78	78	79
No. of executives / company managers	11	14	10	13
No. of female executives	4	6	4	4
Executive share ownership guidelines	No	No	No	No
Size of audit committee	3	3	3	3
No. of ID on audit committee	3	3	3	3
Audit committee meetings	8	6	5	5
Audit meeting attendance %	100	100	93	100
Size of compensation committee	3	3	3	3
No. of ID on compensation committee	2	2	2	2
No. of compensation committee meetings	8	6	8	7
Compensation meeting attendance %	100	100	100	100
Size of nomination committee	3	3	3	3
No. of nomination committee meetings	8	6	8	7
Nomination meeting attendance %	100	100	100	100
Sustainability governance				
Verification type	No	Yes	Yes	Yes

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating																			
The Dow Jones Sustainability Indices (DJSI) 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.																			
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG 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 SETESG inclusion , 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. SETESG Index is extended from the SET ESG Ratings 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.																			
CG Score 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%).																			
AGM level 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&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.																			
Thai CAC 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.																			
Morningstar Sustainabilitys	The Sustainabilitys' 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 & 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><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+									
NEGL	Low	Medium	High	Severe																	
0-10	10-20	20-30	30-40	40+																	
ESG Book	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.																			
MSCI	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><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="3">Average:</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>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td></tr><tr><td>CCC</td><td>0.000-1.428</td><td>Laggard:</td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
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BB	2.857-4.285																				
B	1.429-2.856																				
CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks																		
Moody's ESG solutions	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.																				
Refinitiv ESG rating	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; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																				
S&P Global	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.																				
Bloomberg	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

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Company	Ticker	Price	Rating	Valuation & Risks
Asset World Corp	AWC TB	THB 2.88	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 28.75	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 32.75	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 more intense competition in the F&B business, which may result in price competition; and 3) a slower-than-expected recovery of international tourist numbers.
The Erawan Group	ERW TB	THB 3.20	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
S Hotels and Resorts	SHR TB	THB 1.91	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 8.80	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.
Bound and Beyond	BEYOND TB	THB 7.35	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.

All share prices are as at market close on 03-Mar-2025 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.