Asset World Corp. Pcl (AWC TB) – U.R.

Earnings Preview

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Expected 7% y-y 2Q26F norm earnings growth

- **Its average RevPAR grew 3% y-y in 2Q26F driven by…**
- **…occupancy rate growth of 1% y-y and ADR of 2% y-y.**
- **RevPAR growth is expected to accelerate in 2H26F given…**
- **…a series of major events taking place in Thailand.**

- We forecast AWC's 2Q26F normalized earnings of Bt223m, up 7% y-y, driven by a 3% y-y increase in average RevPAR, but down 71% q-q due to seasonal effect.

  1) MICE & F&B Destination Hotels' RevPAR (52% of hotel revenue) was flat YoY. Although most hotels in this segment recorded RevPAR growth, the Bangkok Marriott Marquis posted weaker performance due to the absence of group tours during the quarter. Management expects the hotel's RevPAR to improve in 3Q26F, supported by the return of group tour bookings.

  2) Driven by the recovery in Chinese tourist arrivals and limited impact from the Middle East conflict, the Bangkok city hotel segment (10% of hotel revenue) recorded solid RevPAR growth of 7% y-y during the quarter. The luxury resort segment (14% of hotel revenue) and other non-Bangkok hotels (24%) also posted healthy RevPAR growth of 6% YoY and 9% YoY, respectively.

- Management expects several major events in 2H26F, including Gastech (14-17 September 2026), the IMF–World Bank Annual Meetings (12-18 October 2026), and Tomorrowland (11-13 December 2026), to support stronger RevPAR growth in 2H26F than in 1H26F.

- Thus, we believe AWC's earnings outlook remains in line with our forecast, with norm profit expected to grow 13% YoY in 2026F. We like AWC's business model given its high proportion of freehold assets, diversified portfolio spanning hotels, retail malls, and office buildings, as well as strategic partnerships with leading global hospitality brands. However, around 77% of its assets remain in the development, ramp-up, or repositioning phases, where returns are still low. With its planned Bt100bn capex over 2026–30F to expand capacity, we expect returns to remain subdued, with ROA of around 1% and ROE of 2–3% during 2026–28F.

- The stock is currently trading at 44x 2026F PE and 1.0x P/BV. As the share price has risen above our TP of Bt2.10, we are placing our recommendation under review (previously HOLD).

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Key Valuations

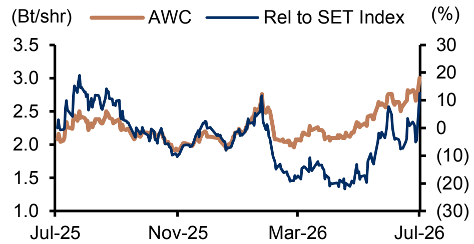
Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Revenue	17,356	18,693	20,380	22,085
Net profit	6,388	2,192	2,327	2,475
Norm net profit	1,944	2,192	2,327	2,475
Norm EPS (Bt)	0.06	0.07	0.07	0.08
Norm EPS gr (%)	4.5	12.8	6.1	6.4
Norm PE (x)	49.4	43.8	41.3	38.8
EV/EBITDA (x)	28.5	27.0	25.4	23.9
P/BV (x)	1.0	1.0	1.0	1.0
Div. yield (%)	2.7	0.9	1.0	1.0
ROE (%)	2.1	2.3	2.4	2.5
Net D/E (%)	88.9	103.0	116.1	128.0

Source: ttb wealth estimates

Stock Data

Closing price (Bt)	3.00
Target price (Bt)	2.10
Market cap (US$ m)	2,862
Avg daily turnover (US$ m)	4.5
12M H/L price (Bt)	2.82/1.91

Price Performance



Source: Bloomberg

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