Asset World Corp. Pcl (AWC TB) - HOLD

Analyst Meeting

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Key takeaways from the analyst meeting

- **AWC's 2H26F earnings outlook is strong, driven by…**
- **…a tourism recovery and several major events in Thailand.**
- **AWC plans to list a REIT worth up to Bt50bn on the SET.**
- **We still expect AWC's low ROA and ROE in 2026–28F.**

We attended AWC's analyst meeting last Friday, and the key takeaways are as follows;

- Following 5% y-y normalized earnings growth in 1H26, driven by 2% y-y RevPAR growth and 4% y-y room-count growth in the hotel business and flat rental rates and 3% y-y growth in the retail and commercial business, AWC expects stronger growth in 2H26F, supported by a recovery in tourism and several major events in Thailand, including Gastech (14–17 September 2026), the IMF–World Bank Annual Meetings (12–18 October 2026), and Tomorrowland (11–13 December 2026).
- In July 2026, AWC estimates that overall occupancy, ADR, and RevPAR grew 8% y-y, 11% y-y, and 26% y-y, respectively. Meanwhile, 2H26F on-the-books room revenue as of 3 August 2026 was up 30% y-y. Strong booking has been seen for the hotels in Bangkok (up 45% y-y), Pattaya (up 283% y-y), and Chiang Mai (up 39% y-y). However, as the strong growth was mainly driven by advance bookings for these events, AWC expects growth to moderate and normalize toward year-end.
- AWC plans to open Fairmont Bangkok Sukhumvit, Lannatique Kalare Phase 1, and Woeng Nakorn Kasem Yaowaraj in 2H26, followed by The Plaza Athenee Nobu Bangkok, Hotel Plaza Athenee Nobu New York, The Ritz-Carlton Phuket, Lannatique Kalare Phase 2, and Laselle's Square in 2027.
- AWC also plans to list a freehold REIT, Asset World Corp REIT (AWR), with a target size of up to Bt50bn on the SET by late this year or early next year. Under this strategy, AWC will focus on asset development, while AWR will hold stabilized, income-generating assets. AWC plans to inject developed assets into AWR annually, providing an additional funding source beyond bank loans to support its Bt100bn five-year capex plan.
- we believe AWC's earnings outlook remains in line with our forecast. Even though we like AWC's business model given its high proportion of freehold assets, diversified portfolio, and 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. We expect its ROA of 1% and ROE of 2–3% during 2026–28F.
- The stock also trades at 44x 2026F PE and 1.0x P/BV, so we maintain our HOLD call on AWC.

Key Valuations

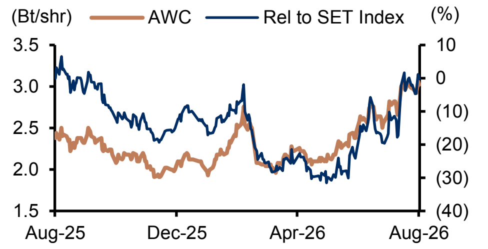
Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Revenue	17,356	18,693	20,380	22,085
Net profit	6,388	2,192	2,327	2,475
Norm net profit	1,944	2,192	2,327	2,475
Norm EPS (Bt)	0.06	0.07	0.07	0.08
Norm EPS gr (%)	4.5	12.8	6.1	6.4
Norm PE (x)	49.7	44.1	41.5	39.1
EV/EBITDA (x)	28.6	27.1	25.5	24.0
P/BV (x)	1.0	1.0	1.0	1.0
Div. yield (%)	2.6	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)	3.02
Target price (Bt)	2.10
Market cap (US$ m)	2,918
Avg daily turnover (US$ m)	4.9
12M H/L price (Bt)	3.06/1.91

Price Performance



Source: Bloomberg

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