

Asset World Corporation (AWC TB)

Robust Recovery Outlook For 1Q26

Highlights

- We attended AWC's analyst meeting to review its 4Q25 earnings, and the tone was positive.
- Despite the tension in the Middle East, the negative impact to AWC should be insignificant given the small contribution from the Middle Eastern guests and measures taken to mitigate impact.
- AWC's 1Q26 outlook is robust, supported by the strong recovery in Chinese arrivals. Maintain BUY with a target price of Bt3.00.

Analysis

- **Positive tone from analyst meeting.** We attended Asset World Corporation's (AWC) analyst meeting to review its 4Q25 earnings and came away with a positive tone.
- **Minimal impact from the tension in Middle East.** In our view, we expect no significant impact from the rising tension in the Middle East on AWC's earnings given the contribution from the Middle East guests is only at 2% of AWC's top-line. The largest revenue contributor from the Middle East is Israel at 4% of AWC's room revenue, which mostly increased after rising tensions between Iran and Israel last year. AWC is proactively giving long-stay offers at their hotels to Middle East guests seeking asylum in Thailand. This will allow AWC to further mitigate the impact from rising tensions in the Middle East. Management will continue to closely monitor the potential impact from the Middle East conflict.
- **2026 guidance.** Management guided for a RevPar growth of mid- to high single-digit growth yoy, with the key expansion to be from the 419 keys of Fairmont Bangkok Sukhumvit. The growth driver for hotel performance will be from the full-year performance of Melia Pattaya, Pattaya Marriott and Jubilee Prestige. Moreover, food and beverage revenue is expected to show double-digit growth. Meanwhile, the occupancy rate of the commercial segment is expected to show strong high single-digit growth yoy, mainly driven by Asiatique. The Asiatique is targeted to reach 91% occupancy rate driven by a strong full-year performance from Jurassic World, Skyflyers, and Jubilee Prestige. Furthermore, Jurassic World is targeted to hit 57,750 monthly ticket sales in 2026 (vs an average of 61,200 monthly ticket sales in 2025).

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	15,902	17,356	21,219	23,590	26,368
EBITDA	5,689	6,345	7,823	8,718	9,492
Operating profit	3,806	4,107	5,685	6,480	6,992
Net profit (rep./act.)	5,850	6,388	6,665	7,260	7,869
Net profit (adj.)	1,697	1,842	2,693	3,288	3,922
EPS (Bt)	0.1	0.1	0.1	0.1	0.1
PE (x)	47.1	43.4	26.9	22.0	20.4
P/B (x)	0.9	0.8	0.7	0.7	0.7
EV/EBITDA (x)	29.7	26.6	17.6	15.8	17.7
Dividend yield (%)	3.0	3.2	3.7	4.0	3.9
Net margin (%)	36.8	36.8	31.4	30.8	29.8
Net debt/(cash) to equity (%)	84.5	93.8	61.1	55.1	71.8
Interest cover (x)	3.0	3.3	3.5	3.7	4.5
ROE (%)	6.5	6.8	6.8	7.1	7.4
Consensus net profit (Btm)	-	-	4,365	4,731	4,820
UOBKH/Consensus (x)	-	-	0.62	0.69	0.81

Source: AWC, Bloomberg, UOB Kay Hian

BUY (Maintained)

Share Price	Bt2.26
Target Price	Bt3.00
Upside	+32.7%

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Stock Data

GICS sector	Consumer Discretionary
Bloomberg ticker:	AWC TB
Shares issued (m):	32,013.0
Market cap (Btm):	80,032.4
Market cap (US\$m):	2,577.9
3-mth avg daily t'over (US\$m):	4.0

Price Performance (%)

52-week high/low	Bt3.02/Bt1.55			
1mth	3mth	6mth	1yr	YTD
13.6	30.2	12.6	(14.4)	17.9

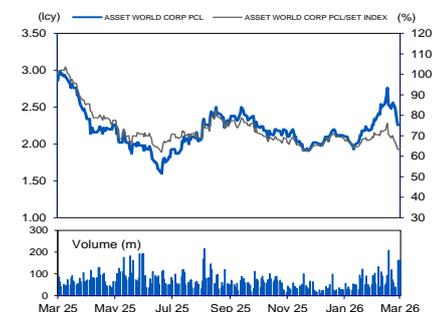
Major Shareholders

TCC Business Management Company	45.0
TCC Retail Co. Ltd.	30.0

Balance Sheet Metrics

FY26 NAV/Share (Bt)	3.11
FY26 Net Debt/ Share (Bt)	2.74

Price Chart



Source: Bloomberg

Company Description

Asset World Corp Public Company focuses on real estate development and investment services. The company offers property management services. Asset World Corp serves customers in Thailand.

- Strong 1Q26 outlook.** The Chinese remain the second highest revenue contributor for AWC, and are the key driver for the strong 1Q26 outlook. The weekly arrival pace of the Chinese has been very strong and has surpassed last year's by 12% during the Lunar New Year period. Ytd, Chinese tourist arrivals have also exceeded last year's by 5% yoy. Furthermore, AWC indicates that the combined Jan-Feb 26 room revenue rose by around 8-9% from the high base last year which is a good sign. Despite the tensions in the Middle East, AWC's key markets should remain unaffected as the flight routes can be detoured from the conflict. Considering that Chinese tourists travelling to Europe would have to transit in the Middle East, this could be an opportunity for Thai tourism to capture further upside from the Chinese. Therefore, AWC should be able to show a decent yoy earnings growth in 1Q26 given that Mar 25 was a low base caused by the Chinese decline and the earthquake.
- AWC's update on its REIT.** Management revealed that AWC is now exploring the possibility of launching a REIT either this year or next year. However, the size is still under study. AWC will aim to list its REIT in Thailand with a targeted yield of 6.8% which is around the average of its peers'. The main purpose of the REIT is to realise the capital gain from matured assets in the business-as-usual portion of the portfolio. AWC will not be aiming to launch the REIT in a large size as it would hurt its EBITDA and revenue growth outlook. It is more likely to be a gradual addition of matured assets into the REIT such as the non-Bangkok resorts, the Empire Tower, and the Marriott Marquis. Despite a potential higher cost of debt than the current level of around 3%, the launch of the REIT will diversify AWC's funding sources, which are currently 100% from bank loans.
- Strong momentum from the Jurassic World project continues.** The attraction is drawing around 2,100 visitors per day, exceeding AWC's initial expectations and generating roughly Bt2m in daily revenue. While AWC initially targeted a four-year breakeven, current demand points to a potentially faster payback. Asiatique's occupancy increased to 82% in 4Q25 from 75% in 4Q24 and management is targeting to reach 91% occupancy rate in 2026. The attraction also boosted retail traffic by 42% vs its pre-opening, and allowed AWC to increase its rental rate for retail stores by 15% yoy.

Valuation/Recommendation

- Maintain BUY with a target price of Bt3.00.** Our valuation is based on 2026 earnings and based on the three-year historical average EV/EBITDA multiple of 21.0x. We remain optimistic on AWC due to: a) the strong boost to the retail business from the Jurassic World; and b) the very strong recovery in Chinese arrivals, which will enhance the 1Q26 earnings outlook.

Environment, Social, Governance (ESG) Updates

Environmental

- Sustainable building design & operations:** AWC integrates energy-efficient and eco-friendly designs in its hotels, retail spaces, and office buildings.
- Carbon neutrality goal:** Aiming to reduce greenhouse gas emissions in line with Thailand's sustainability targets.

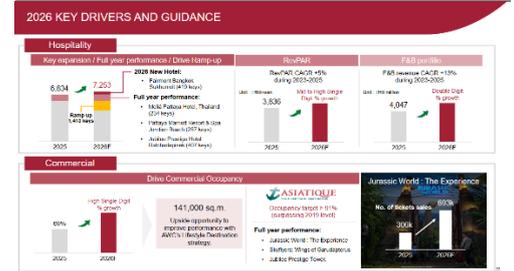
Social

- Community engagement:** Supporting local communities through CSR projects, education initiatives, and tourism development.

Governance

- Strong corporate governance:** Adopting transparent management policies to ensure ethical business practices.
- Risk management:** Robust frameworks to mitigate financial, operational, and environmental risks.

2026 Guidance



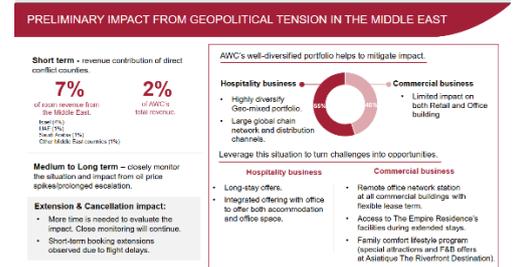
Source: AWC

Jurassic World Performance



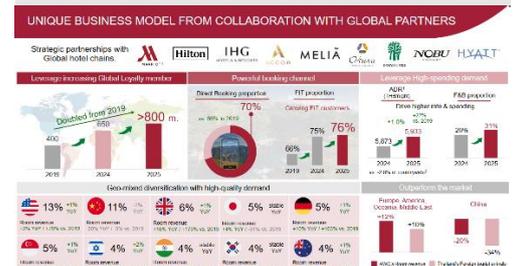
Source: AWC

Mitigate Measures On The Middle East



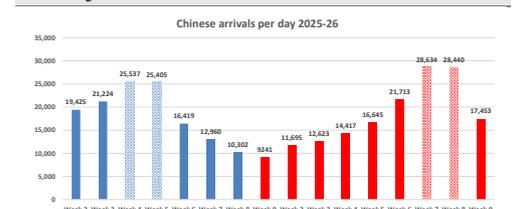
Source: AWC

AWC'S Source Market



Source: AWC

Weekly Chinese Arrivals



Source: Ministry of Tourism and Sports, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	17,356	21,219	23,590	26,368
EBITDA	6,345	7,822	8,718	9,492
Deprec. & amort.	2,238	2,138	2,238	2,501
EBIT	4,107	5,685	6,480	6,992
Total other non-operating income	5,679	5,092	5,107	5,123
Associate contributions	2	0	0	0
Net interest income/(expense)	(1,945)	(2,267)	(2,327)	(2,090)
Pre-tax profit	7,844	8,510	9,259	10,025
Tax	(1,456)	(1,702)	(1,852)	(2,005)
Minorities	0	(143)	(147)	(152)
Net profit	6,388	6,665	7,260	7,869
Net profit (adj.)	1,842	2,693	3,288	3,922

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	8,190	8,283	9,676	10,859
Pre-tax profit	7,844	8,331	9,076	10,025
Tax	(1,456)	(1,666)	(1,815)	(2,005)
Deprec. & amort.	2,238	2,301	2,401	2,501
Working capital changes	(537)	(202)	28	334
Non-cash items	142	(603)	(13)	4
Other operating cashflows	(38)	122	0	0
Investing	(18,077)	(3,441)	(3,067)	(2,864)
Capex (growth)	(17,581)	(1,238)	(4,088)	(4,052)
Investment	4,344	4,344	4,344	4,344
Others	(4,840)	(6,547)	(3,323)	(3,156)
Financing	9,801	(3,349)	(4,480)	(6,769)
Dividend payments	(2,400)	(2,560)	(2,609)	(2,845)
Proceeds from borrowings	12,188	(789)	(1,871)	(3,924)
Loan repayment	0	0	0	0
Others/interest paid	13	0	0	0
Net cash inflow (outflow)	(85)	1,493	2,129	1,226
Beginning cash & cash equivalent	472	387	1,879	4,008
Ending cash & cash equivalent	387	1,879	4,008	5,234

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	194,638	193,576	195,263	196,814
Other LT assets	6,874	5,664	5,829	6,030
Cash/ST investment	386	1,879	4,008	5,234
Other current assets	2,299	2,143	2,429	2,698
Total assets	204,197	203,262	207,530	210,776
ST debt	41,497	38,708	34,837	28,913
Other current liabilities	4,226	3,265	3,566	4,173
LT debt	48,713	50,713	52,713	54,713
Other LT liabilities	14,022	10,610	11,795	13,184
Shareholders' equity	95,739	99,675	104,179	109,203
Minority interest	0	291	438	589
Total liabilities & equity	204,197	203,262	207,529	210,775

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	36.6	36.6	36.3	36.0
Pre-tax margin	45.2	39.3	38.5	38.0
Net margin	36.8	30.7	30.2	29.8
ROA	3.3	3.2	3.5	3.8
ROE	6.8	6.7	7.0	7.4
Growth				
Turnover	9.1	22.3	11.2	11.8
EBITDA	11.5	22.5	10.1	10.9
Pre-tax profit	10.3	6.2	8.9	10.5
Net profit	9.2	2.1	9.1	10.6
Net profit (adj.)	8.6	46.2	22.1	19.3
EPS	8.6	46.2	22.1	19.3
Leverage				
Debt to total capital	48.5	47.2	45.6	43.2
Debt to equity	94.2	89.7	84.0	76.6
Net debt/(cash) to equity	93.8	87.8	80.2	71.8
Interest cover (x)	3.3	3.5	3.9	4.5

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