Asset World Corporation (AWC TB)

3Q26: Robust Results In Line

Highlights

- AWC reported a robust 3Q26 core profit of Bt457m (up from Bt265m in 3Q25 and Bt177m in 2Q26), which is in line with our forecast and the consensus.
- We remain optimistic about AWC going forward as forward bookings in 4Q26 remain strong across most of the hotel segments.
- Moreover, we expect to see large events in Bangkok and Pattaya to continue supporting robust hotel performance in 4Q26. AWC remains our top pick. Maintain BUY with a target price of Bt3.90.

3Q26 Results

Year to 31 Dec (Btm)	3Q25	2Q26	3Q26	yoy (%)	qoq (%)	9M25	9M26	yoy (%)
Hotel sales	2,806	2,748	3,301	17.6	20.1	8,969	10,103	12.6
Retail sales	1,091	1,060	1,089	(0.1)	2.8	2,978	3,230	8.5
Total Revenue	4,080	3,879	4,447	9.0	14.6	12,388	13,528	9.2
Operating EBITDA	1,376	1,203	1,537	11.7	27.8	4,390	4,672	6.4
Core profit	265	177	457	72.6	158.6	1,174	1,364	16.1
Net profit	1,148	1,468	1,332	16.0	(9.3)	4,522	4,787	5.9
EPS (Bt)	0.04	0.05	0.04	16.0	(9.3)	0.14	0.15	5.9
(%)	**2Q25**	**1Q26**	**3Q26**	**yoy (ppt)**	**qoq (ppt)**	**9M25**	**9M26**	**yoy (ppt)**
Gross margin	49.6	48.1	51.7	2.1	3.7	51.8	52.6	0.8
SG&A to sales	29.7	32.3	30.5	0.8	(1.8)	29.0	31.2	2.2
EBITDA margin	33.7	31.0	34.6	0.9	3.6	35.4	34.5	(0.9)
Core profit margin	6.5	4.6	10.3	3.8	5.7	9.5	10.1	0.6

Source: AWC, UOB Kay Hian

Analysis

- **3Q26's strong results in line.** Asset World Corporation (AWC) reported a robust 3Q26 core profit of Bt457m (up from Bt265m in 3Q25 and Bt177m in 2Q26), which is in line with our forecast and the consensus. Total revenue is at Bt4.45b (+9.0% yoy, +14.6% qoq) with the growth mainly from the hotel business, showing revenue growth of 17.6% yoy, supported by overall RevPar growth of a massive 25.4% yoy. This robust performance is attributable to an uplift from all hotel segments, contributed by the continuous recovery of Chinese arrivals which resulted in a 46% yoy increase in Chinese revenue and large events such as Gastech which provided a traffic boost. Interest expense fell by a massive 17.2% yoy but rose slightly by 2.1% qoq due to increasing loan amounts. EBITDA margins expanded 0.9 ppt yoy, supported by gross margin expansion of both hotel and retail businesses.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	15,902.3	17,356.2	21,219.0	23,590.1	26,368.1
EBITDA	5,688.5	6,344.9	7,800.2	8,822.8	9,886.7
Operating profit	3,805.7	4,107.4	5,662.5	6,422.2	7,386.1
Net profit (rep./act.)	5,850.3	6,388.0	6,665.1	7,260.4	8,090.0
Net profit (adj.)	1,696.8	1,842.4	2,693.0	3,288.2	3,991.3
EPS (Bt)	0.1	0.1	0.1	0.1	0.1
PE (x)	60.0	55.2	37.8	30.9	25.5
P/B (x)	1.1	1.1	1.0	1.0	0.9
EV/EBITDA (x)	33.3	29.9	24.3	21.5	19.2
Dividend yield (%)	2.4	2.5	2.6	2.9	3.2
Net margin (%)	36.8	36.8	31.4	30.8	30.7
Net debt/(cash) to equity (%)	84.5	93.8	87.9	80.2	71.7
Interest cover (x)	3.0	3.3	3.2	3.6	4.1
ROE (%)	6.5	6.8	6.8	7.1	7.6
Consensus net profit (Btm)	-	-	5,814	6,080	5,505
UOBKH/Consensus (x)	-	-	0.46	0.54	0.73

Source: AWC, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	Bt3.18
Target Price	Bt3.90
Upside	+22.6%

Stock Data

Sector	Consumer Discretionary
Bloomberg ticker	AWC TB
Shares issued (m)	32,026.5
Market cap (Btm)	101,844.4
Market cap (US$m)	3,019.6
3-mth avg daily t'over (US$m)	6.5

Price Performance (%)

52-week high/low				Bt3.34/Bt1.90
1mth	**3mth**	**6mth**	**1yr**	**YTD**
3.2	9.5	54.3	47.3	52.8

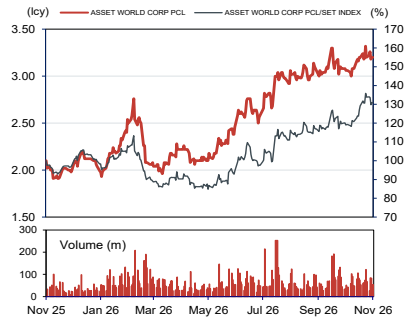
Major Shareholders (%)

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

Balance Sheet Metrics

FY26 NAV/Share (Bt)	3.12
FY26 Net Debt/ Share (Bt)	2.74

Price Chart



Source: Bloomberg

Company Description

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

- **Declining interest rates to support earnings growth.** Despite an increase in outstanding loans, AWC's interest expenses declined by 17.2% yoy in 3Q26, reflecting the benefits of refinancing at lower interest rates. Its cost of debt dropped significantly to 2.46% in 2Q26 from an average of 3.35% in 2Q25. With most of its debt refinancing completed, further interest savings are expected throughout the year. Management also confirmed that no prepayment fees were incurred, as most refinancing activities were conducted close to the original debt maturity dates. We view the lower cost of debt as a strong earnings tailwind in 2H26, supporting further qoq and yoy reductions in interest expense. Meanwhile, AWC's debt-to-equity ratio remains relatively low at 0.92x, with management targeting a gradual reduction to 0.60x over the long term.
- **Strong booking momentum to continue into 4Q26.** We expect the positive spillover from the Gastech event to be a key driver of robust hotel performance in 3Q26. Based on our channel checks, booking momentum for 4Q26 remains strong, with room revenue currently indicating 20% yoy growth. Similar to Gastech, hotel performance in 4Q26 should benefit from several major events, including the IMF-World Bank Group Annual Meetings and Tomorrowland Pattaya. We view AWC as a key beneficiary of Tomorrowland Pattaya, with JW Marriott Pattaya and Meliá Pattaya already recording a combined 283% yoy increase in room revenue in 2H26. Furthermore, hotels in Bangkok, Chiang Mai, Pattaya, and Krabi are expected to deliver strong room revenue growth of 39%, 31%, 30%, and 20% yoy, respectively, in 4Q26. These positive booking trends reinforce our optimistic outlook for AWC's hotel business and overall growth prospects in 4Q26.
- **Chinese tourists remain a key growth driver, supported by a strong recovery in arrivals.** Following a 33.4% yoy decline in 2025, Chinese tourist arrivals have staged a strong recovery since early-26, growing 9% yoy on a YTD basis and indicating sustained positive momentum. With long-haul travel demand remaining subdued, Chinese tourists, as a key short-haul market, continue to play an important role in supporting hotel operators, particularly upcountry hotels in 3Q26. AWC's room revenue from Chinese guests grew by a robust 30-40% yoy in 9M26, making them the company's largest revenue contributor once again.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt3.90.** Our valuation is based on 2027F earnings, applying an EV/EBITDA multiple of 24.2x, equivalent to 1SD above its three-year historical average. We remain optimistic on AWC, supported by: a) several major events expected to drive hotel demand; b) a strong recovery in Chinese tourist arrivals, AWC's largest revenue contributor; and c) sustained strength in forward bookings, underpinning a positive outlook for hotel performance.

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.

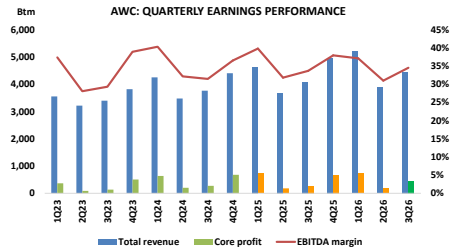
Social

- 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.

Quarterly Performance



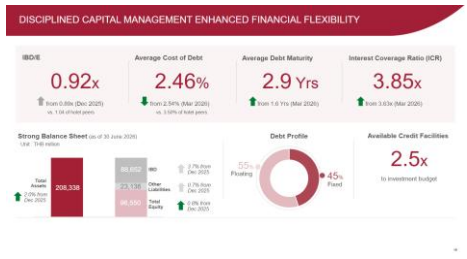
Source: AWC, UOB Kay Hian

Hotel Performance By Segment

The Hospitality Business Key Parameters					
MICE Segment	**3Q26**	**2Q26**	**3Q25**	**% yoy**	**% qoq**
Number of Rooms	3,751	3,335	3,335	12.5%	12.5%
Occupancy Rate (%)	67.7	60.7	62.8	4.9%	7.0%
Average Daily Rate (ADR) (THB/Night)	5,189	4,764	4,539	14.3%	8.9%
Revenue Per Available Room (RevPAR) (THB/Night)	3,512	2,891	2,850	23.2%	21.5%
Bangkok City Segment					
Number of Rooms	1,131	1,131	1,131	0.0%	0.0%
Occupancy Rate (%)	79.9	69.8	71.0	8.9%	10.1%
Average Daily Rate (ADR) (THB/Night)	3,613	3,455	3,472	4.1%	4.6%
Revenue Per Available Room (RevPAR) (THB/Night)	2,887	2,410	2,466	17.1%	19.8%
Luxury Resorts Segment					
Number of Rooms	239	239	239	0.0%	0.0%
Occupancy Rate (%)	80.3	74.0	73.9	6.4%	6.3%
Average Daily Rate (ADR) (THB/Night)	21,000	19,147	18,887	11.2%	9.7%
Revenue Per Available Room (RevPAR) (THB/Night)	16,855	14,169	13,948	20.8%	19.0%
Other Non-Bangkok Segment					
Number of Rooms	2,129	2,129	2,129	0.0%	0.0%
Occupancy Rate (%)	67.3	55.3	57.0	10.3%	12.0%
Average Daily Rate (ADR) (THB/Night)	5,888	5,035	5,149	14.3%	16.9%
Revenue Per Available Room (RevPAR) (THB/Night)	3,962	2,785	2,937	34.9%	42.2%

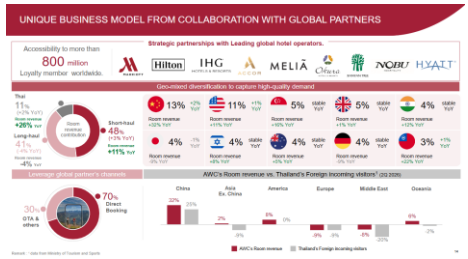
Source: AWC

AWC's Debt Profile



Source: AWC

AWC's Market Source



Source: AWC

No. of Chinese Arrivals vs Non-Chinese

1 Jan - 7 Nov	2025	2026	yoy growth
No. arrival ex. Chinese	23,465,161	21,968,472	-6%
No. of Chinese	3,946,404	4,319,986	9%

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	7,800	8,823	9,887
Deprec. & amort.	2,238	2,138	2,401	2,501
EBIT	4,107	5,662	6,422	7,386
Total other non-op. income	5,679	5,092	5,107	5,123
Associate contributions	2	0	0	0
Net interest income/(expense)	(1,945)	(2,424)	(2,453)	(2,397)
Pre-tax profit	**7,844**	**8,331**	**9,076**	**10,112**
Tax	(1,456)	(1,666)	(1,815)	(2,022)
Minorities	0	0	0	0
Net profit	6,388	6,665	7,260	8,090
Net profit (adj.)	**1,842**	**2,693**	**3,288**	**3,991**

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	194,638	193,583	195,271	196,822
Other LT assets	6,874	5,664	5,829	6,030
Cash/ST investment	386	5,553	10,645	13,636
Other current assets	2,299	2,143	2,429	2,698
Total assets	**204,197**	**206,943**	**214,174**	**219,186**
ST debt	41,497	42,537	41,687	37,518
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	99,818	104,412	109,598
Minority interest	0	0	0	0
Total liabilities & equity	**204,197**	**206,943**	**214,173**	**219,186**

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	**8,190**	**7,972**	**9,676**	**10,928**
Pre-tax profit	7,844	8,331	9,076	10,112
Tax	(1,456)	(1,666)	(1,815)	(2,022)
Deprec. & amort.	2,238	2,138	2,401	2,501
Working capital changes	(537)	(202)	28	334
Non-cash items	142	(603)	(13)	4
Other operating cashflows	(38)	(26)	0	0
Investing	**(18,077)**	**(3,286)**	**(3,067)**	**(2,864)**
Capex (growth)	(17,581)	(1,083)	(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**	**480**	**(1,517)**	**(5,073)**
Dividend payments	(2,400)	(2,560)	(2,666)	(2,904)
Proceeds from borrowings	12,188	3,040	1,149	(2,169)
Loan repayment	0	0	0	0
Others/interest paid	13	0	0	0
Net cash inflow (outflow)	**(85)**	**5,167**	**5,091**	**2,992**
Beginning cash & cash equivalent	**472**	**387**	**5,553**	**10,645**
Ending cash & cash equivalent	**387**	**5,553**	**10,645**	**13,636**

Key Metric

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	36.6	36.8	37.4	37.5
Pre-tax margin	45.2	39.3	38.5	38.4
Net margin	36.8	31.4	30.8	30.7
ROA	3.3	3.2	3.4	3.7
ROE	6.8	6.8	7.1	7.6
Growth (% yoy)				
Turnover	9.1	22.3	11.2	11.8
EBITDA	11.5	22.9	13.1	12.1
Pre-tax profit	10.3	6.2	8.9	11.4
Net profit	9.2	4.3	8.9	11.4
Net profit (adj.)	8.6	46.2	22.1	21.4
EPS	8.6	46.2	22.1	21.4
Leverage				
Debt to total capital	48.5	48.3	47.5	45.7
Debt to equity	94.2	93.4	90.4	84.2
Net debt/(cash) to equity	93.8	87.9	80.2	71.7
Interest cover (x)	3.3	3.2	3.6	4.1

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