

1 OCTOBER 2020

THAILAND / AUTOMOTIVES

AAPICO HITECH AH TB

HOLD

TARGET PRICE	THB11.60
CLOSE	THB11.30
UP/DOWNSIDE	+2.7%
TP vs CONSENSUS	+28.2%

เริ่มต้นด้วยคำแนะนำถือ

ผลประกอบการน่าจะเท่าทุนใน 3Q20

ผู้บริหารของ AH ระบุว่าผลประกอบการใน 2H20 ควรกลับมาดีกว่าไตรมาสก่อนบริษัท บันทึกผลขาดทุนจำนวนมากใน 2Q20 และยังคงกล่าวอีกว่าแนวโน้มของบริษัทฯ ใน 3Q20 ดูมีความหวังมากกว่าที่เคยคาด โดยบริษัทฯ ได้รับคำสั่งซื้อมากเกือบจะเท่ากับปริมาณใน 1Q20 ทำให้อัตราการใช้จ่ายการผลิตสามารถฟื้นตัวได้ใกล้เคียงเช่นเดียวกัน จากข้อมูลดังกล่าว เราคาดว่าผลประกอบการของ AH ใน 3Q20 จะเท่าทุนหรืออาจพลิกเป็นกำไรได้เล็กน้อยในกรณี Best-Case

ขาดทุนใน 2020E แต่กำไรใน 2021E

แม้ผู้บริหารจะเชื่อว่าบริษัทฯ จะกำไรใน 2H20 เรายังคาดว่าผลประกอบการของ AH ใน 2020 จะยังขาดทุนเนื่องจาก 1) การผลิตรถยนต์รวมของประเทศไทยอาจลดลงเหลือ 1.3 ล้านคัน (-35% y-y) ในปีนี้; 2) ยอดขายรถยนต์ในประเทศอาจลดลงเหลือ 0.71 ล้านคัน (-29% y-y); และ 3) ยอดขายรถยนต์ในมาเลเซียอาจลดลง 22% y-y เหลือ 0.47 ล้านคัน จากข้อมูลของสมาคมยานยนต์มาเลเซีย (The Malaysian Automotive Association) ทำให้เราคาดว่า AH จะบันทึกผลขาดทุนจากการดำเนินงานหลักจำนวน 360 ลบ. ในปี 2020 ก่อนพลิกฟื้นกลับมาเป็นกำไร 347 ลบ. ในปี 2021 ตามประมาณการฟื้นตัวของอุตสาหกรรมยานยนต์โลก

การขยายธุรกิจ在不同ประเทศจะเป็นปัจจัยผลักดันหลักในระยะยาว

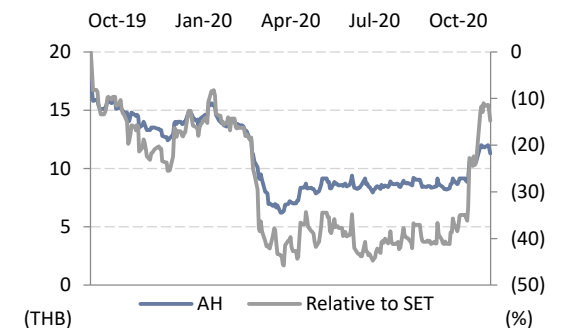
เราชอบ AH ในแง่ของการขยายธุรกิจ在不同ประเทศอย่างต่อเนื่อง บริษัทฯ ได้ลงทุนใน Sakthi Global Auto Holding (SGAH) ในปี 2017 และเปิดตัวแทนจำหน่ายรถยนต์ Proton ในมาเลเซียในปี 2019 ใน 1H20 35% ของรายได้ของ AH มาจากการดำเนินงานนั้นมาจากต่างประเทศ โดยมีประเทศ โปรตุเกส มาเลเซีย และจีน ซึ่งทำให้สัดส่วนรายได้จากไทยลดลงเหลือ 65% จาก 77% ใน 9M19 เรามองว่ากลยุทธ์การกระจายธุรกิจไปต่างประเทศของ AH เป็นจุดแข็งหลักของบริษัทฯ เนื่องจากเราเชื่อว่าการผลิตรถยนต์รวมของไทยผ่านจุดสูงสุดไปแล้วที่ 2.5 ล้านคันในปี 2013 ในระยะยาว เราเชื่อว่าบริษัทฯ จะใช้กลยุทธ์ขยายธุรกิจไปต่างประเทศอย่างต่อเนื่องเพื่อกระตุ้นการเติบโตในอนาคต

เริ่มต้นด้วยคำแนะนำถือที่ราคาเป้าหมาย 11.6 บาท

เรามองว่าราคาหุ้นที่ปรับขึ้นถึง 40% ภายใน 1 เดือนนี้นั้นมากเกินไปสำหรับผลประกอบการของ AH ใน 3Q20 เราคาดว่าผลประกอบการของบริษัทฯ จะเท่าทุนหรือมีกำไรเล็กน้อยใน 3Q20 ในขณะที่ผลประกอบการในปี 2020E น่าจะขาดทุน นอกจากนี้ แนวโน้มของอุตสาหกรรมยานยนต์ในปีหน้ายังไม่ชัดเจน โดยเราคาดว่าผลผลิตรถยนต์ในปี 2021 จะอยู่ที่เพียง 1.45 ล้านคัน (+12% y-y) ดังนั้นเราจึงเริ่มรายงาน AH ด้วยคำแนะนำถือที่ราคาเป้าหมาย 11.6 บาท โดยคิดจาก FY21E P/BV ที่ 0.5x (-1SD ของ P/BV เฉลี่ยของบริษัทฯ)

KEY STOCK DATA

YE Dec (THB m)	2019	2020E	2021E	2022E
Revenue	18,389	14,702	17,501	19,984
Net profit	(181)	(299)	347	685
EPS (THB)	(0.56)	(0.93)	1.08	2.12
vs Consensus (%)	-	(100.0)	(7.5)	39.5
EBITDA	1,293	63	620	824
Core net profit	941	(360)	347	685
Core EPS (THB)	2.92	(1.12)	1.08	2.12
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	(28.4)	(138.3)	(196.4)	97.2
Core P/E (x)	3.9	(10.1)	10.5	5.3
Dividend yield (%)	8.3	-	2.4	4.7
EV/EBITDA (x)	9.0	188.6	18.6	13.3
Price/book (x)	0.5	0.5	0.5	0.5
Net debt/Equity (%)	103.2	112.2	102.0	87.9
ROE (%)	12.6	(5.1)	4.9	9.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	30.6	32.2	(36.9)
Relative to country (%)	38.4	43.1	(16.4)
Mkt cap (USD m)	115		
3m avg. daily turnover (USD m)	1.1		
Free float (%)	50		
Major shareholder	Thai NVDR (14%)		
12m high/low (THB)	17.90/5.90		
Issued shares (m)	322.58		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 1 ตุลาคม 2020

Investment thesis

Aapico Hitech (AH TB) is Thailand’s biggest automotive company in terms of revenue. It has various investments overseas, mainly in China, Portugal, and Malaysia.

Thailand’s automobile manufacturing industry is one of the largest drivers of the country’s economy. The demand for new cars in Thailand has consistently remained at 0.8-1m units per year, according to historical data. Therefore, when the economy returns to normal, we expect Thailand’s automobile production volume to also return to its normal level – compared to the 2020E production level of 1.3m units – which could directly benefit AH because 65% of its operational revenue comes from Thailand.

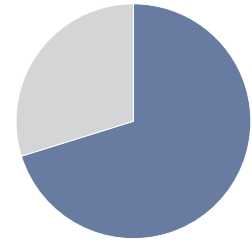
Company profile

The Company’s main businesses are to manufacture OEM automotive parts, design, produce, and install assembly jigs and stamping die. The company has invested in other businesses associated with the automotive industry including car dealerships and IoT connectivity and mobility business.

www.aapico.com

Principal activities (revenue, 2019)

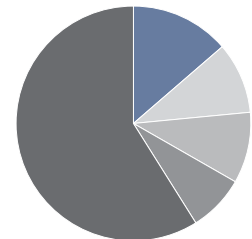
- Manufacture of auto parts - 70.2 %
- Car dealership and others - 29.8 %



Source: AAPICO Hitech

Major shareholders

- Thai NVDR - 13.7 %
- Teo Lee Ngo - 9.8 %
- Yeap Swee Chuan - 9.8 %
- Yeap Xin Rhu - 7.8 %
- Others - 58.9 %



Source: AAPICO Hitech

Catalyst

- The gradual recovery of Thailand’s car manufacturing industry;
- Trading at a low P/BV (lower than 1x of its PBV).

Risk to our call

Key downside and upside risks to our P/BV TP include lower- or higher-than-expected car production volumes and lower or higher car sales in both Thailand and Malaysia. Additional downside risks include a faster-than-expected EV adoption rate in Thailand, and exchange rate risk.

Event calendar

Date	Event
Late Oct-20	Thailand’s September car production announcement
Nov-20	3Q20 results announcement

Key assumptions

	2018	2019	2020E	2021E	2022E
	(%)	(%)	(%)	(%)	(%)
Thailand car production growth	0	1	(35)	12	12
Domestic car sales	20	(3)	(29)	10	10
Malaysia car sales	4	1	(22)	10	7

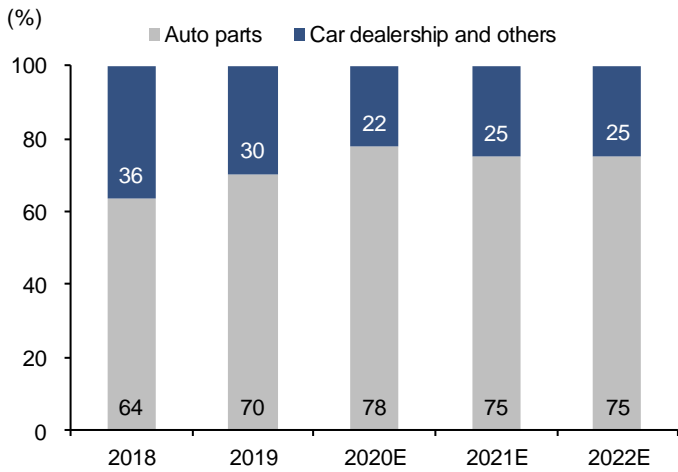
Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in revenue, we project 2021 earnings to rise by 0.3%, and vice versa, all else being equal.
- For every 10 bps increase in gross profit margin, we project 2021 earnings to rise by 4.6%, and vice versa, all else being equal.

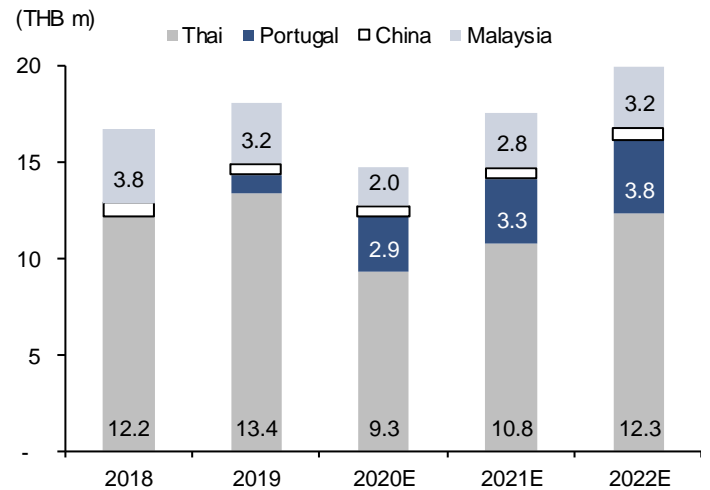
Source: FSSIA estimates

Exhibit 1: AH revenue by business



Sources: AH; FSSIA estimates

Exhibit 2: AH revenue by country



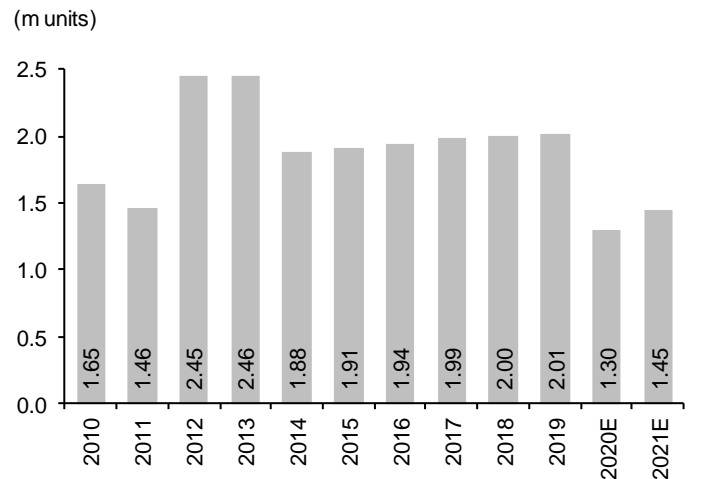
Sources: AH; FSSIA estimates

Exhibit 3: Thailand's car sales, production and growth

(unit)	2016	2017	2018	2019	2020E	2021E
	(m)	(m)	(m)	(m)	(m)	(m)
Domestic sales	0.77	0.87	1.04	1.01	0.71	0.78
Exports	1.19	1.14	1.14	1.05	0.70	0.77
Total sales	1.96	2.01	2.18	2.06	1.41	1.55
Production	1.94	1.99	2.00	2.01	1.30	1.45
Growth	(%)	(%)	(%)	(%)	(%)	(%)
Domestic sales	(4)	13	19	(3)	(29)	10
Exports	(1)	(4)	0	(8)	(34)	11
Total sales	(2)	3	8	(6)	(32)	10
Production	2	2	0	1	(35)	12

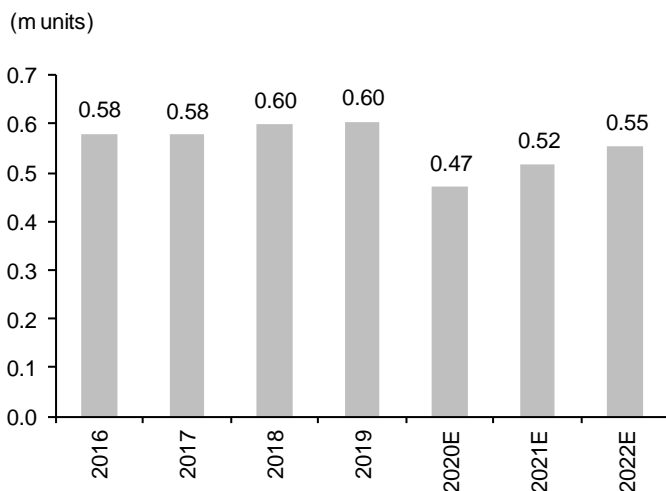
Sources: Thai Automotive Industry Association; FSSIA estimate

Exhibit 4: Thailand's car production volume



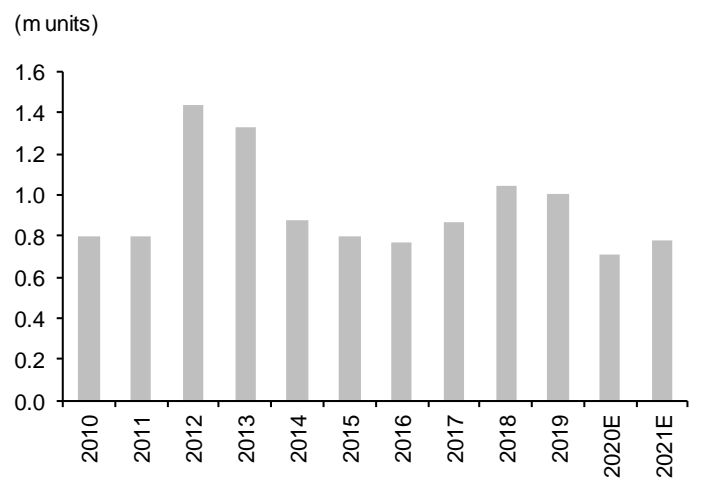
Sources: Thai Automotive Industry Association; FSSIA estimates

Exhibit 5: Malaysia's car sales



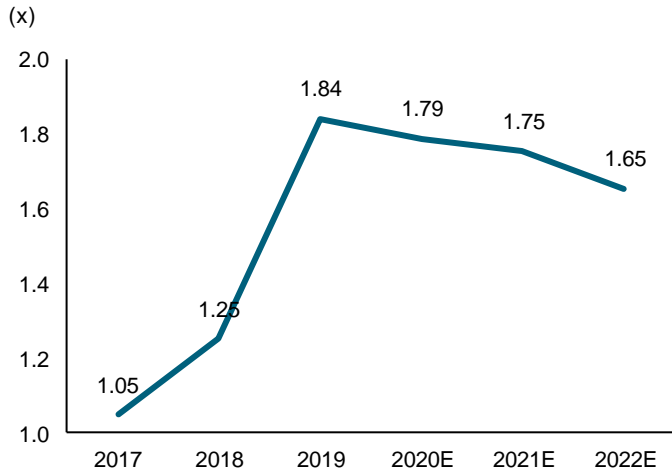
Sources: The Malaysian Automotive Association; FSSIA estimates

Exhibit 6: Thailand's domestic car sales



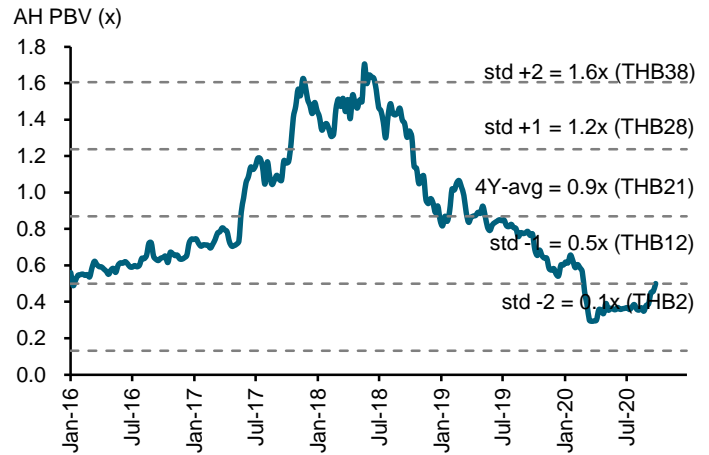
Sources: Thai Automotive Industry Association; FSSIA estimates

Exhibit 7: AH's D/E



Sources: AH; FSSIA estimates

Exhibit 8: One-year prospective P/BV band



Source: Bloomberg; FSSIA estimates

Exhibit 9: Peers comparison as of 30 Sep 2020

Company	BBG	Rec	Share price			Market Cap (USD m)	PE		DivYld		ROE		PBV	
			Current (LCL)	Target (LCL)	Upside (%)		20E (x)	21E (x)	20E (%)	21E (%)	20E (%)	21E (%)	20E (x)	21E (x)
Aapico Hitech	AH TB	HOLD	11.30	11.60	2.7	115	(10.1)	10.5	0.0	2.5	(5.1)	4.9	0.5	0.5
Somboon Advance Tech	SAT TB	HOLD	12.20	12.50	2.5	164	18.3	10.6	0.0	5.7	3.9	6.4	0.7	0.7
Coverage						279	4.1	10.6	0.0	4.1	(0.6)	5.7	0.6	0.6
PCS Machine Group	PCSGH TB	n/a	4.42	n/a	n/a	213	49.1	21.0	3.4	3.3	5.7	6.5	1.4	1.4
Thai Stanley Electric	STANLY	n/a	145.50	n/a	n/a	352	6.1	9.8	5.0	3.2	10.9	6.4	0.6	0.6
Thai auto sector						844	15.8	13.0	2.1	3.7	3.9	6.0	0.8	0.8
Gabriel India Ltd	GABR IN	n/a	105.70	n/a	n/a	206	21.2	23.9	n/a	1.2	11.0	9.0	2.4	2.2
Mahindra CIE Automotive	MACA IN	n/a	138.50	n/a	n/a	693	28.7	14.1	0.9	1.4	2.4	7.2	1.1	1.0
Shanghai Daimay Automotive	603730 CH	n/a	28.12	n/a	n/a	2,394	28.7	21.9	1.3	1.7	13.6	15.7	3.8	3.4
Bethel Automotive Safety	603596 CH	n/a	33.04	n/a	n/a	1,983	29.5	23.4	0.6	0.8	17.0	17.8	5.0	4.2
Great Wall Motor	601633 CH	n/a	19.12	n/a	n/a	20,999	38.8	28.1	1.1	1.5	8.1	10.3	3.1	2.8
Geely Automobile Holdings	175 HK	n/a	15.40	n/a	n/a	19,499	17.5	13.0	1.4	2.0	12.5	14.3	2.0	1.8
Peer group						45,775	27.4	20.7	1.1	1.4	10.8	12.4	2.9	2.6
Average							22.8	17.6	1.5	2.3	8.0	9.8	2.1	1.9

Sources: Bloomberg; FSSIA estimates

Corporate Governance

Board structure

Number of independent directors (ID)	6 of 8 in 2019 and 5 of 7 in 2020*
Percentage of IDs on the board	75% (6 out of 8) – as of 31 Dec 2020
ID participation/attendance at board meetings	83.3%
ID participation in audit/remuneration committees	3 in audit and 3 remuneration committees
ID terms (years of service, re-election/replacement procedures)	Every annual general meeting, one-third of the Board of Directors (1/3) must vacate their offices. Members who hold their offices for the longest must vacate their offices first. Members who already vacate their office can be re-nominated and re-elected. Consecutively re-elected ID term cannot be more nine years.

Source: AH

Additional comments: One of the independent directors is Chairman of the Board and another has eighteen years of service as of 2020.

Audit Practices

Auditor	EY Office Limited
Length of service	Unchanged since 2002
Reporting incidents	None
Fee track record	2019: THB 9.9m, 2018: THB 9.5m, and 2017: THB 9.0m
Policy on change of audit firm	None

Source: AH

Additional comments: None

Compensation and remuneration

Directors' remuneration vs earnings/ROE/share performance	In 2019, THB2.41m, without bonus given loss making bottomline. For profit generation year, there will also be incentive bonus worth 0.2% of net profit but not exceeding THB3m.
Changes/stability in senior management	Minor changes in consideration with economic conditions and in line with the new business model.
Incidents of termination of senior management	None
Track record on insider sales	None in 2019 and once year-to-date (0.99% of outstanding shares)

Source: AH

Additional comments: None

Shareholders' rights

Communication - shareholder participation in AGMs/EGMs	AGM yearly. In 2020, shareholders attending the meeting represented 37.75% of total outstanding shares and this was deemed enough to satisfy the quorum of the general meeting of shareholders as stipulated in the company's Articles of Association.
Related party transactions	The related transaction will be publicly disclosed and typical transactions include sales and automobile parts and stamping dies, sales and transfers of machines and equipment, rental charge for use of premises, and shared management cost.
Voting issues - policies, incidents of rejected proposals	None

Source: AH

Additional comments: None

Financial Statements

AAPICO Hitech

Profit and Loss (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Revenue	16,738	18,389	14,702	17,501	19,984
Cost of goods sold	(14,868)	(16,005)	(13,353)	(15,516)	(17,627)
Gross profit	1,870	2,384	1,349	1,985	2,356
Other operating income	-	-	-	-	-
Operating costs	(854)	(1,091)	(1,286)	(1,365)	(1,533)
Operating EBITDA	1,016	1,293	63	620	824
Depreciation	(596)	(699)	(614)	(585)	(558)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	421	594	(551)	35	266
Net financing costs	171	(101)	(265)	(266)	(275)
Associates	104	115	0	70	80
Recurring non operating income	735	685	457	595	742
Non recurring items	(15)	(1,122)	61	0	0
Profit before tax	1,312	57	(297)	364	732
Tax	30	(224)	6	(7)	(37)
Profit after tax	1,342	(168)	(291)	357	696
Minority interests	(43)	(13)	(8)	(10)	(11)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	1,299	(181)	(299)	347	685
Non recurring items & goodwill (net)	15	1,122	(61)	0	0
Recurring net profit	1,314	941	(360)	347	685
Per share (THB)					
Recurring EPS *	4.07	2.92	(1.12)	1.08	2.12
Reported EPS	4.03	(0.56)	(0.93)	1.08	2.12
DPS	1.28	0.94	0.00	0.27	0.53
Diluted shares (used to calculate per share data)	323	323	323	323	323
Growth					
Revenue (%)	6.1	9.9	(20.0)	19.0	14.2
Operating EBITDA (%)	44.7	27.2	(95.1)	877.0	32.8
Operating EBIT (%)	501.5	41.2	(192.7)	(106.4)	659.3
Recurring EPS (%)	24.0	(28.4)	(138.3)	(196.4)	97.2
Reported EPS (%)	12.2	(113.9)	65.2	(216.0)	97.2
Operating performance					
Gross margin inc depreciation (%)	7.6	9.2	5.0	8.0	9.0
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	6.1	7.0	0.4	3.5	4.1
Operating EBIT margin (%)	2.5	3.2	(3.7)	0.2	1.3
Net margin (%)	7.9	5.1	(2.4)	2.0	3.4
Effective tax rate (%)	2.3	(396.2)	(2.0)	(2.0)	(5.0)
Dividend payout on recurring profit (%)	31.3	32.3	-	25.0	25.0
Interest cover (X)	(6.8)	12.7	(0.4)	2.4	3.7
Inventory days	31.2	49.3	71.1	55.5	50.9
Debtor days	50.5	43.5	48.4	44.2	45.0
Creditor days	60.5	80.9	107.2	84.6	80.1
Operating ROIC (%)	6.6	7.9	(6.5)	0.4	3.1
ROIC (%)	9.0	8.6	(0.6)	4.0	6.5
ROE (%)	17.9	12.6	(5.1)	4.9	9.2
ROA (%)	7.3	5.4	(0.4)	3.1	4.6

* Pre-exceptional, pre-goodwill and fully diluted

Revenue By Division (THB m)	2018	2019	2020E	2021E	2022E
Manufacture of auto parts	10,641	12,908	11,436	13,123	15,043
Car dealership and others	6,097	5,481	3,266	4,378	4,941

Sources: AAPICO Hitech; FSSIA estimates

Financial Statements

AAPICO Hitech

Cash Flow (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Recurring net profit	1,314	941	(360)	347	685
Depreciation	596	699	614	585	558
Associates & minorities	43	13	8	10	11
Other non-cash items	(422)	(76)	127	24	12
Change in working capital	(39)	(69)	(441)	(155)	(125)
Cash flow from operations	1,492	1,507	(51)	811	1,141
Capex - maintenance	(640)	(702)	(217)	(221)	(294)
Capex - new investment	(274)	(301)	(93)	(95)	(126)
Net acquisitions & disposals	33	40	0	0	0
Other investments (net)	(1,344)	(652)	0	24	23
Cash flow from investing	(2,225)	(1,615)	(310)	(291)	(397)
Dividends paid	(412)	(304)	0	(87)	(171)
Equity finance	1	108	0	0	0
Debt finance	1,468	484	422	(200)	(200)
Other financing cash flows	(201)	(329)	8	10	11
Cash flow from Financing	856	(40)	430	(277)	(360)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	23	0	0	0	0
Net other adjustments	(3)	125	0	0	0
Movement in cash	119	(22)	68	243	384
Free cash flow to firm (FCFF)	(536.34)	188.48	(56.82)	826.73	1,059.86
Free cash flow to equity (FCFE)	529.92	173.21	68.38	330.25	555.34

Per share (THB)

FCFF per share	(1.66)	0.58	(0.18)	2.56	3.29
FCFE per share	1.64	0.54	0.21	1.02	1.72
Recurring cash flow per share	4.75	4.89	1.21	3.00	3.92

Balance Sheet (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Tangible fixed asset (gross)	13,948	18,640	18,940	19,240	19,640
Less: Accumulated depreciation	(8,733)	(10,612)	(11,201)	(11,760)	(12,292)
Tangible fixed assets (Net)	5,215	8,028	7,739	7,479	7,348
Intangible fixed assets (Net)	451	2,209	2,207	2,188	2,182
Long-term financial assets	-	-	-	-	-
Invest. In associates & subsidiaries	3,963	3,994	3,994	3,994	3,994
Cash & equivalents	615	592	661	904	1,288
A/C receivable	2,416	1,968	1,933	2,302	2,628
Inventories	1,419	2,909	2,296	2,426	2,491
Other current assets	1,075	386	367	386	405
Current assets	5,524	5,856	5,257	6,017	6,812
Other assets	2,738	1,159	872	887	901
Total assets	17,891	21,246	20,069	20,566	21,237
Common equity	7,690	7,228	6,937	7,207	7,731
Minorities etc.	257	252	260	269	280
Total Shareholders' equity	7,947	7,480	7,196	7,476	8,011
Long term debt	4,331	4,788	4,600	4,800	4,700
Other long-term liabilities	131	578	371	427	477
Long-term liabilities	4,462	5,367	4,971	5,227	5,177
A/C payable	2,694	4,397	3,444	3,750	3,986
Short term debt	2,076	3,522	4,133	3,733	3,633
Other current liabilities	713	480	325	381	431
Current liabilities	5,482	8,399	7,902	7,863	8,049
Total liabilities and shareholders' equity	17,891	21,246	20,069	20,566	21,237
Net working capital	1,503	386	828	983	1,107
Invested capital	13,870	15,777	15,640	15,532	15,532

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

Per share (THB)

Book value per share	23.84	22.41	21.50	22.34	23.97
Tangible book value per share	22.44	15.56	14.66	15.56	17.20

Financial strength

Net debt/Equity (%)	72.9	103.2	112.2	102.0	87.9
Net debt/total assets (%)	32.4	36.3	40.2	37.1	33.2
Current ratio (x)	1.0	0.7	0.7	0.8	0.8
CF interest cover (x)	(3.7)	5.7	1.6	2.6	3.5

Valuation	2018	2019	2020E	2021E	2022E
Recurring P/E (x) *	2.8	3.9	(10.1)	10.5	5.3
Recurring P/E @ target price (x) *	2.8	4.0	(10.4)	10.8	5.5
Reported P/E (x)	2.8	(20.1)	(12.2)	10.5	5.3
Dividend yield (%)	11.3	8.3	-	2.4	4.7
Price/book (x)	0.5	0.5	0.5	0.5	0.5
Price/tangible book (x)	0.5	0.7	0.8	0.7	0.7
EV/EBITDA (x) **	9.5	9.0	188.6	18.6	13.3
EV/EBITDA @ target price (x) **	9.6	9.1	190.1	18.8	13.4
EV/invested capital (x)	0.7	0.7	0.8	0.7	0.7

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

Sources: AAPICO Hitech; FSSIA estimates

Corporate Governance report of Thai listed companies 2019

EXCELLENT LEVEL										
AAV	ADVANC	AIRA	AKP	AKR	AMA	AMATA	AMATAV	ANAN	AOT	AP
ARROW	BAFS	BANPU	BAY	BCP	BCPG	BOL	BRR	BTS	BTW	BWG
CFRESH	CHEWA	CHO	CK	CKP	CM	CNT	COL	COMAN	CPALL	CPF
CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC	EA	EASTW	ECF
EGCO	GBX	GC	GCAP	GEL	GGP	GGC	GOLD	GPSC	GRAMMY	GUNKUL
HANA	HARN	HMPRO	ICC	ICHI	III	ILINK	INTUCH	IRPC	IVL	JKN
JSP	K	KBANK	KCE	KKP	KSL	KTB	KTC	KTIS	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	MFEC	MINT	MONO*
MTC	NCH	NCL	NKI	NSI	NVD	NYT	OISHI	OTO	PAP	PCSGH
PDJ	PG	PHOL	PJW	PLANB	PLANET	PORT	PPS	PR9	PREB	PRG
PRM	PSH	PSL	PTG	PTT	PTTEP	PTTGC	PYLON	Q-CON	QH	QTC
RATCH	ROBINS**	RS	S	S & J	SABINA	SAMART	SAMTEL	SAT	SC	SCB
SCC	SCCC	SCN	SDC	SEAFCO	SEAOL	SE-ED	SELIC	SENA	SIS	SITHAI
SNC	SORKON	SPALI	SPI	SPRC	SSSC	STA	STEC	SVI	SYNTEC	TASCO
TCAP	THAI	THANA	THANI	THCOM	THIP	THREL	TIP	TISCO	TK	TKT
TMB	TMILL	TNDT	TOA	TOP	TRC	TRU	TRUE	TSC	TSR	TSTH
TTA	TTCL	TTW	TU	TVD	TVO	U	UAC	UV	VGI	VIH
WACOAL	WAVE	WHA	WHAUP	WICE	WINNER					

VERY GOOD LEVEL										
2S	ABM	ADB	AF	AGE	AH	AHC	AIT	ALLA	ALT	AMANA
AMARIN	APCO	APCS	AQUA	ARIP	ASAP	ASIA	ASIAN	ASIMAR	ASK	ASN
ASP	ATP30	AUCT	AYUD	B	BA	BBL	BDMS	BEC	BEM	BFIT
BGC	BGRIM	BIZ	BJC	BJCHI	BLA	BPP	BROOK	CBG	CEN	CENDEL
CGH	CHG	CHOTI	CHOW	CI	CIMBT	CNS	COLOR	COM7	COTTO	CRD
CSC	CSP	DCC	DCON	DDD	DOD	EASON	ECL	EE	EPG	ERW
ESTAR	ETE	FLOYD	FN	FNS	FORTH	FPI	FPT	FSMART	FSS	FVC
GENCO	GJS	GL	GLOBAL	GLOW**	GULF	HPT	HTC	HYDRO	ICN	IFS
INET	INSURE	IRC	IRCP	IT	ITD***	ITEL	J	JAS*	JCK	JCKH
JMART	JMT	JWD	KBS	KCAR	KGI	KIAT	KOOL	KWC	KWM	L&E
LALIN	LANNA	LDC	LHK	LOXLEY	LRH	LST	M	MACO	MAJOR	MBAX
MEGA	METCO	MFC	MK	MODERN	MOONG	MPG	MSC	MTI	NEP	NETBAY
NEX	NINE	NOBLE	NOK	NTV	NWR	OCC	OGC	ORI	OSP	PATO
PB	PDG	PDI	PL	PLAT	PNR	PPP	PRECHA	PRIN	PRINC	PSTC
PT	QLT	RCL	RICHY	RML	RWI	S11	SAAM	SALEE	SAMCO	SANKO
SAPPE	SAWAD	SCG	SCI	SCP	SE	SFP	SIAM	SINGER	SIRI	SKE
SKR	SKY	SMIT	SMK	SMP	SMT	SNP	SONIC	SPA	SPC	SPCG
SPVI	SR	SRICHA	SSC	SSF	SST	STANLY	STPI	SUC	SUN	SUSCO
SUTHA	SWC	SYMC	SYNEX	T	TACC	TAE	TAKUNI	TBSP	TCC	TCMC
TEAM	TEAMG	TFG	TFMAMA	THG	THRE	TIPCO	TITLE	TIW	TKN	TKS
TM	TMC	TMD	TMI	TMT	TNITY	TNL	TNP	TNR	TOG	TPA
TPAC	TPBI	TPCORP	TPOLY	TRITN	TRT	TSE	TSTE	TVI	TVT	TWP
TWPC	UBIS	UEC	UMI	UOBKH	UP	UPF	UPOIC	UT	UWC	VNT
WIKI	XO	YUASA	ZEN	ZMICO						

GOOD LEVEL										
A	ABICO	ACAP***	AEC	AEONTS	AJ	ALUCON	AMC	APURE	AS	ASEFA
AU	B52	BCH	BEAUTY	BGT	BH	BIG	BLAND	BM	BR	BROCK
BSBM	BSM	BTNC	CCET	CCP	CGD	CHARAN	CHAYO	CITY	CMAN	CMC
CMO	CMR	CPL	CPT	CSR	CTW	CWT	D	DIMET	EKH	EMC
EPCO	ESSO	FE	FTE	GIFT	GLAND	GLOCON	GPI	GREEN	GTB	GYT
HTECH	HUMAN	IHL	INGRS	INOX	JTS	JUBILE	KASET	KCM	KKC	KWG
KYE	LEE	LPH	MATCH	MATI	M-CHAI	MCS	MDX	META	MGT	MJD
MM	MVP	NC	NDR	NER	NNCL	NPK	NUSA	OCEAN	PAF	PF
PICO	PIMO	PK	PLE	PMTA	POST	PPM	PROUD	PTL	RCI	RJH
ROJNA	RPC	RPH	SF	SGF	SGP	SKN	SLP	SMART	SOLAR	SPG
SQ	SSP	STI	SUPER	SVOA	TCCC	THE	THMUI	TIC	TIGER	TNH
TOPP	TPCH	TPIPP	TPLAS	TQM	TTI	TYCN	UTP	VCOM	VIBHA	VPO
WIN	WORK	WP	WPH	ZIGA						

Score Range	Number of Logo	Description
90-100		Excellent
80-89		Very Good
70-79		Good
60-69		Satisfactory
50-59		Pass
Less than 50	No logo given	-

Disclaimer:
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 * CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; ** delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

Anti-corruption Progress Indicator

CERTIFIED										
ADVANC	AIE	AKP	AMANAH	AP	APCS	AQUA	ARROW	ASK	ASP	AYUD
BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG	BGRIM	BJCHI	BKI	BLA
BROOK	BRR	BSBM	BTS	BWG	CEN	CENTEL	CFRESH	CGH	CHEWA	CIG
CIMBT	CM	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FSS	GBX	GC
GCAP	GEL	GFPT	GGC	GJS	GOLD	GPSC	GSTEEL	GUNKUL	HANA	HARN
HMPRO	HTC	ICC	IFS	INET	INSURE	INTUCH	IRPC	IVL	K	KASET
KBANK	KBS	KCAR	KCE	KGI	KKP	KSL	KTB	KTC	KWC	L&E
LANNA	LHK	LPN	LRH	M	MAKRO	MALEE	MBAX	MBK	MBKET	MC
MCOT	MFC	MINT	MONO	MOONG	MSC	MTI	NBC	NINE	NKI	NMG
NNCL	NSI	OCC	OCEAN	OGC	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPS
PREB	PRG	PRINC	PSH	PSTC	PT	PTG	PTT	PTTEP	PTTGC	PYLON
Q-CON	QH	QLT	QTC	RATCH	RML	S & J	SABINA	SAT	SC	SCB
SCC	SCCC	SCG	SCN	SE-ED	SELIC	SENA	SGP	SIRI	SIS	SITHAI
SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK	SPC	SPI	SPRC	SRICHA
SSF	SSI	SSSC	SST	STA	SUSCO	SVI	SYNTEC	TASCO	TCAP	TFG
TFI	TFMAMA	THANI	THCOM	THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT
TMB	TMD	TMILL	TMT	TNITY	TNL	TNP	TNR	TOG	TOP	TPA
TPCORP	TRU	TRUE	TSC	TSTH	TTCL	TU	TVD	TVI	TWPC	U
UBIS	UEC	UKEM	UOBKH	VGI	VIH	VNT	WACOAL	WHA	WICE	WIIK
DECLARED										
2S	ABICO	AF	AI	AIRA	ALT	AMA	AMARIN	AMATA	ANAN	B
BM	BPP	BUI	CHG	CHO	CHOTI	CHOW	CI	CMC	COL	DDD
DELTA	EFORL	EPCO	ESTAR	ETE	FPI	FTE	ICHI	INOX	IRC	ITEL
JAS	JSP	JTS	KWG	LDC	LIT	META	MFEC	MPG	NEP	NOK
NWR	ORI	PRM	PSL	ROJNA	RWI	SAAM	SAPPE	SCI	SEOIL	SHANG
SKR	SPALI	STANLY	SYNEX	TAE	TAKUNI	TMC	TOPP	TPP	TRITN	TVO
UV	UWC	WHAUP	XO	YUASA	ZEN					

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

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Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; * FSSIA's compilation

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Naruedom Mujjalinkool FSS International Investment Advisory Securities Co., Ltd

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Company	Ticker	Price	Rating	Valuation & Risks
AAPICO Hitech	AH TB	THB 11.30	HOLD	Key downside and upside risks to our PBV TP include lower- or higher-than-expected car production volumes and lower or higher car sales in both Thailand and Malaysia. Additional downside risks include a faster-than-expected EV adoption rate in Thailand, and exchange rate risk.
Somboon Advance Technology	SAT TB	THB 12.20	HOLD	The key upside and downside risks to our P/E-based TP are Thailand's car manufacturing industry recovering more slowly or quickly than expected, a faster- or slower-than-expected adoption rate for electric vehicles in Thailand, and better or worse global demand for pickup trucks.

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

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All share prices are as at market close on 30 Sep 2020 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / 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.