

4 DECEMBER 2020

THAILAND / AUTOMOTIVES

AAPICO HITECH AH TB

BUY

UNCHANGED

TARGET PRICE	THB22.00
CLOSE	THB18.40
UP/DOWNSIDE	+19.6%
PRIOR TP	THB17.60
CHANGE IN TP	+25.0%
TP vs CONSENSUS	+29.8%

Cruising down the highway

ผู้บริหารให้แนวโน้มเชิงบวก

จากการประชุมครั้งล่าสุด เรามอง AH เป็นบวก โดยผู้บริหารคาดว่าจะการผลิตรถยนต์ของไทยในปี 2021 จะสูงถึง 1.5-1.6 ล้านคัน (+10-15% y-y) เนื่องจากบริษัท เชื่อว่าแนวโน้มการผลิตรถยนต์ที่ดีใน 3Q20 จะต่อเนื่องไปในช่วง 4Q20 และปี 2021 ตัวเลขประมาณการของบริษัท สูงกว่าคู่แข่งและสมมติฐานของเราที่ 1.5 ล้านคัน นอกจากนี้บริษัท ยังมีมุมมองที่เป็นบวกเกี่ยวกับธุรกิจต่างประเทศ ประกอบด้วย โปรตุเกส มาเลเซีย และจีน รวมถึงคาดว่าจะธุรกิจดังกล่าวจะเริ่มฟื้นตัวในปีหน้าหลังการแพร่ระบาด COVID-19 เริ่มลดลงจากวัคซีนที่กำลังพัฒนาอยู่

คำสั่งซื้อใหม่กำลังรออยู่

พร้อมกับการฟื้นตัวที่สูงกว่าคาดในกลุ่มยานยนต์ บริษัท ได้รับคำสั่งซื้อทั้งในประเทศไทยและต่างประเทศรวมมูลค่า 300 ลบ. ซึ่งเริ่มจาก 4Q20 และคำสั่งซื้อระยะยาวใหม่จากผู้ผลิตรถยนต์รายหนึ่งเป็นจำนวนประมาณ 1.5 พัน ลบ. ต่อปีเริ่มจากปี 2022 (7% ของคาดการณ์รายได้รวมในปี 2022) คำสั่งซื้อดังกล่าวแสดงให้เห็นว่าบริษัท ยังสามารถหาคำสั่งซื้อใหม่ ซึ่งเราคาดว่าจะเพิ่มขึ้นในอนาคต ปัจจุบันบริษัท มีโรงงาน OEM 3 แห่งในประเทศไทย โปรตุเกส และจีน ซึ่งทั้งหมดเป็นประเทศสำคัญในอุตสาหกรรมยานยนต์

ปรับเพิ่มประมาณการกำไรจากแนวโน้มที่เป็นบวก

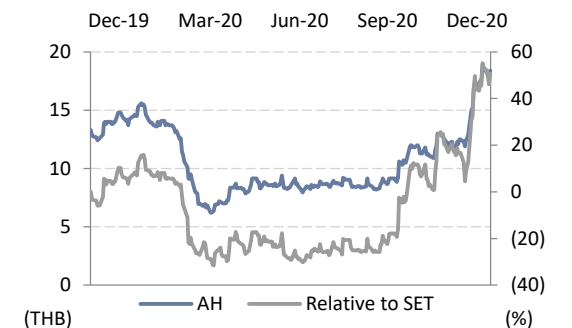
ผู้บริหารมีความมั่นใจว่าระดับอัตรากำไรขั้นต้นปกติใหม่ที่ 10% ใน 3Q20 ซึ่งสูงเป็นอันดับสองในช่วงทศวรรษที่ผ่านมาแม้ว่ารายได้จะอ่อนแอเมื่อเทียบกับในอดีต ควรเกิดขึ้นต่อเนื่องและอาจสูงขึ้นได้หากปริมาณการผลิตรถยนต์ของประเทศไทยกลับสู่ระดับก่อน COVID ด้วยเหตุผลดังกล่าวเราจึงปรับเพิ่มประมาณการรายได้และอัตรากำไรขั้นต้นของเราสำหรับ AH ในปี 2021 ซึ่งทำให้ประมาณการกำไรปกติในปี 2021 เพิ่มขึ้นเป็น 787 ลบ. (+530% y-y) จากประมาณการเดิมของเราที่ 622 ลบ.

คงคำแนะนำซื้อหลังปรับราคาเป้าหมายเป็น 22 บาท

จากแนวโน้มที่เป็นบวกของผู้บริหาร คำสั่งซื้อใหม่ และการปรับเพิ่มประมาณการกำไรของเรา เราปรับเพิ่มราคาเป้าหมายของเราเป็น 22 บาท (จาก 17.60 บาท) และคงคำแนะนำซื้อ ราคาเป้าหมายใหม่ของเราคิดจากค่า 2021E P/E ที่ 9x (+0.5SD ของค่าเฉลี่ย 3 ปี) ผู้บริหารได้ระบุว่าบริษัท อาจจ่ายเงินปันผลสูงขึ้นในปี 2021 จากสมมติฐานที่ว่าผลประกอบการของบริษัท จะดีต่อเนื่องในปีหน้า จากข้อมูลดังกล่าว เราปรับเพิ่มสมมติฐานอัตราการจ่ายเงินปันผลของเราในปี 2021 จาก 20% เป็น 40% โดยเพิ่มเป็น 0.98 บาทต่อหุ้น คิดเป็นอัตราผลตอบแทนในรูปเงินปันผลที่น่าสนใจถึง 5.3% ต่อปี

KEY STOCK DATA

YE Dec (THB m)	2019	2020E	2021E	2022E
Revenue	18,389	15,743	19,048	22,757
Net profit	(181)	238	787	1,124
EPS (THB)	(0.56)	0.74	2.44	3.48
vs Consensus (%)	-	nm	61.1	56.1
EBITDA	1,293	471	976	1,134
Core net profit	941	125	787	1,124
Core EPS (THB)	2.92	0.39	2.44	3.48
Chg. In EPS est. (%)	-	24.4	26.6	18.3
EPS growth (%)	(28.4)	(86.7)	530.4	42.8
Core P/E (x)	6.3	47.5	7.5	5.3
Dividend yield (%)	5.1	-	5.3	7.6
EV/EBITDA (x)	10.8	29.3	13.5	11.0
Price/book (x)	0.8	0.8	0.7	0.7
Net debt/Equity (%)	103.2	98.2	84.5	69.8
ROE (%)	12.6	1.7	10.2	13.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	49.6	101.1	37.3
Relative to country (%)	27.0	83.4	49.7
Mkt cap (USD m)	197		
3m avg. daily turnover (USD m)	2.0		
Free float (%)	50		
Major shareholder	Thai NVDR (14%)		
12m high/low (THB)	19.40/5.90		
Issued shares (m)	322.58		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 4 ธันวาคม 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 0.8m-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.

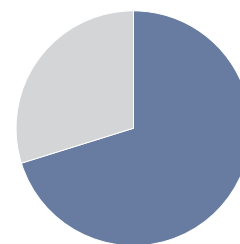
Company profile

The company's main businesses are the manufacture of OEM automotive parts, designing, producing, and installing assembly jigs and stamping dies. The company has invested in other businesses associated with the automotive industry, including car dealerships and IoT connectivity and mobility businesses.

www.aapico.com

Principal activities (revenue, 2019)

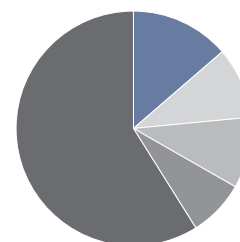
- Manufacture of auto parts - 70.2 %
- Car dealership and others - 29.8 %



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

Catalysts

- The strong recovery of Thailand's car manufacturing industry;
- Trading at a low P/BV (lower than 1x its P/BV);
- If the company can maintain or improve upon its "new normal" GPM.

Risks to our call

Key downside risks to our P/E-derived TP include lower-than-expected car production volumes and lower 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 Dec-20	Thailand's November car production announcement

Key assumptions

	2020E	2021E	2022E
	(%)	(%)	(%)
Thailand car production growth	(31)	9	8
Domestic car sales	(26)	5	9
Malaysia car sales	(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

No impact from postponement of car trade-in policy

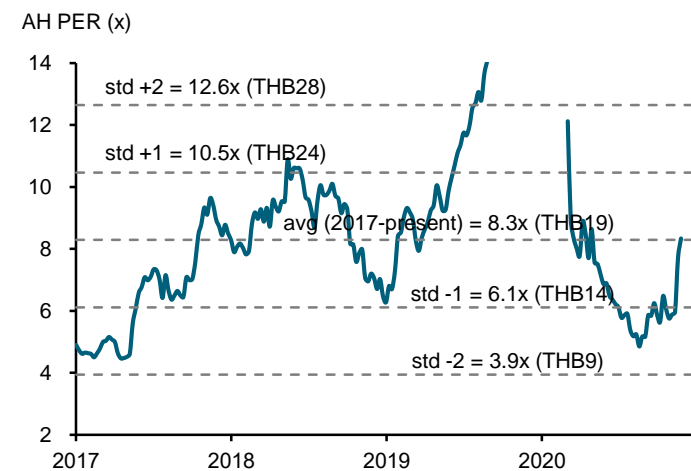
We think the postponement of the car trade-in policy by the cabinet will have no negative impact on AH's catalysts and outlook, given that most of the new cars that would qualify for this policy are likely to be EV cars. However, there is a chance that the Euro 5 emissions standard might also qualify for this policy, and most pick-up trucks already comply with this standard. Therefore, we don't anticipate any negative impact on automotive companies, as well as AH, if this policy is postponed or even cancelled.

Exhibit 1: Assumption and forecast changes

	----- New -----		----- Previous -----		----- Change -----	
	2020E	2021E	2020E	2021E	2020E	2021E
	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)
Revenue	15,743	19,048	15,743	18,740	0	2
Gross profit	1,181	1,905	1,181	1,762	(0)	8
EBITDA	471	976	471	885	0	10
Net profit	238	787	213	622	12	32
Core profit	125	787	100	622	25	27
Core EPS	0.39	2.44	0.31	1.93	25	27
Margin	(%)	(%)	(%)	(%)	(ppt)	(ppt)
Gross profit margin	7.5	10.0	7.5	9.4	0	0.6
Net profit margin	1.5	4.1	1.4	3.3	0.1	0.8

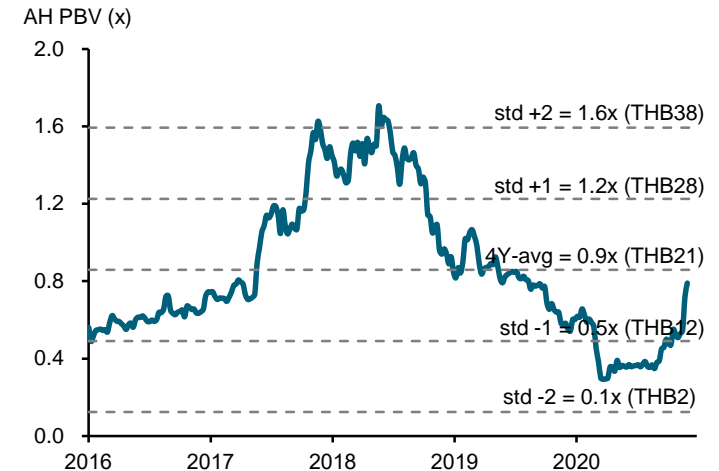
Source: FSSIA estimates

Exhibit 2: Rolling one-year forward P/E band



Note: Excluding an abnormal period
Sources: Bloomberg; FSSIA estimates

Exhibit 3: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Financial Statements

AAPICO Hitech

Profit and Loss (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Revenue	16,738	18,389	15,743	19,048	22,757
Cost of goods sold	(14,868)	(16,005)	(13,948)	(16,558)	(19,923)
Gross profit	1,870	2,384	1,795	2,490	2,834
Other operating income	-	-	-	-	-
Operating costs	(854)	(1,091)	(1,324)	(1,514)	(1,700)
Operating EBITDA	1,016	1,293	471	976	1,134
Depreciation	(596)	(699)	(614)	(585)	(558)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	421	594	(143)	390	576
Net financing costs	171	(101)	(308)	(300)	(292)
Associates	104	115	65	158	189
Recurring non operating income	735	685	589	776	957
Non recurring items	(15)	(1,122)	113	0	0
Profit before tax	1,312	57	251	866	1,241
Tax	30	(224)	(5)	(69)	(105)
Profit after tax	1,342	(168)	246	797	1,136
Minority interests	(43)	(13)	(8)	(10)	(12)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	1,299	(181)	238	787	1,124
Non recurring items & goodwill (net)	15	1,122	(113)	0	0
Recurring net profit	1,314	941	125	787	1,124
Per share (THB)					
Recurring EPS *	4.07	2.92	0.39	2.44	3.48
Reported EPS	4.03	(0.56)	0.74	2.44	3.48
DPS	1.28	0.94	0.00	0.98	1.39
Diluted shares (used to calculate per share data)	323	323	323	323	323
Growth					
Revenue (%)	6.1	9.9	(14.4)	21.0	19.5
Operating EBITDA (%)	44.7	27.2	(63.6)	107.1	16.2
Operating EBIT (%)	501.5	41.2	nm	nm	47.4
Recurring EPS (%)	24.0	(28.4)	(86.7)	530.4	42.8
Reported EPS (%)	12.2	nm	nm	231.1	42.8
Operating performance					
Gross margin inc depreciation (%)	7.6	9.2	7.5	10.0	10.0
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	6.1	7.0	3.0	5.1	5.0
Operating EBIT margin (%)	2.5	3.2	(0.9)	2.1	2.5
Net margin (%)	7.9	5.1	0.8	4.1	4.9
Effective tax rate (%)	2.3	-396.2	-2.0	-8.0	-8.5
Dividend payout on recurring profit (%)	31.3	32.3	-	40.0	40.0
Interest cover (X)	(6.8)	12.7	1.4	3.9	5.3
Inventory days	31.2	49.3	69.4	54.9	49.4
Debtor days	50.5	43.5	46.8	43.8	44.1
Creditor days	60.5	80.9	104.5	83.6	77.7
Operating ROIC (%)	6.6	7.9	(1.7)	4.5	6.7
ROIC (%)	9.0	8.6	2.8	7.4	9.8
ROE (%)	17.9	12.6	1.7	10.2	13.5
ROA (%)	7.3	5.4	2.1	5.2	6.4

* 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	12,480	14,366	17,468
Car dealership and others	6,097	5,481	3,263	4,682	5,288

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	125	787	1,124
Depreciation	596	699	614	585	558
Associates & minorities	43	13	8	10	12
Other non-cash items	(422)	(76)	190	29	25
Change in working capital	(39)	(69)	(508)	(175)	(158)
Cash flow from operations	1,492	1,507	429	1,237	1,560
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	(315)	(450)
Equity finance	1	108	0	0	0
Debt finance	1,468	484	422	(200)	(200)
Other financing cash flows	(201)	(329)	8	10	12
Cash flow from Financing	856	(40)	430	(505)	(638)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	23	0	0	0	0
Net other adjustments	(3)	125	0	0	0
Movement in cash	119	(22)	549	441	525
Free cash flow to firm (FCFF)	(536.34)	188.48	466.93	1,286.36	1,495.08
Free cash flow to equity (FCFE)	529.92	173.21	548.63	756.04	974.65
Per share (THB)					
FCFF per share	(1.66)	0.58	1.45	3.99	4.63
FCFE per share	1.64	0.54	1.70	2.34	3.02
Recurring cash flow per share	4.75	4.89	2.91	4.38	5.33
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	1,141	1,582	2,107
A/C receivable	2,416	1,968	2,070	2,505	2,993
Inventories	1,419	2,909	2,394	2,583	2,806
Other current assets	1,075	386	367	386	405
Current assets	5,524	5,856	5,972	7,056	8,310
Other assets	2,738	1,159	883	903	929
Total assets	17,891	21,246	20,795	21,620	22,763
Common equity	7,690	7,228	7,474	7,956	8,642
Minorities etc.	257	252	260	269	281
Total Shareholders' equity	7,947	7,480	7,733	8,225	8,923
Long term debt	4,331	4,788	4,600	4,800	4,700
Other long-term liabilities	131	578	392	458	532
Long-term liabilities	4,462	5,367	4,992	5,258	5,232
A/C payable	2,694	4,397	3,591	3,992	4,489
Short term debt	2,076	3,522	4,133	3,733	3,633
Other current liabilities	713	480	346	412	486
Current liabilities	5,482	8,399	8,069	8,137	8,608
Total liabilities and shareholders' equity	17,891	21,246	20,795	21,620	22,763
Net working capital	1,503	386	895	1,069	1,228
Invested capital	13,870	15,777	15,717	15,634	15,681
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	23.84	22.41	23.17	24.66	26.79
Tangible book value per share	22.44	15.56	16.33	17.88	20.03
Financial strength					
Net debt/Equity (%)	72.9	103.2	98.2	84.5	69.8
Net debt/total assets (%)	32.4	36.3	36.5	32.1	27.3
Current ratio (x)	1.0	0.7	0.7	0.9	1.0
CF interest cover (x)	(3.7)	5.7	3.1	3.8	4.8
Valuation	2018	2019	2020E	2021E	2022E
Recurring P/E (x) *	4.5	6.3	47.5	7.5	5.3
Recurring P/E @ target price (x) *	5.4	7.5	56.8	9.0	6.3
Reported P/E (x)	4.6	(32.8)	25.0	7.5	5.3
Dividend yield (%)	6.9	5.1	-	5.3	7.6
Price/book (x)	0.8	0.8	0.8	0.7	0.7
Price/tangible book (x)	0.8	1.2	1.1	1.0	0.9
EV/EBITDA (x) **	11.8	10.8	29.3	13.5	11.0
EV/EBITDA @ target price (x) **	12.9	11.7	31.7	14.7	12.0
EV/invested capital (x)	0.9	0.9	0.9	0.8	0.8
* 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	GGC	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	AMANAH
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	CENTEL
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	PM	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	SMPG	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
WIUK	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:

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

* 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	WIJK
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)

Disclaimer:

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaiapat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaiapat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaiapat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Naruedom Mujjalinkool FSS International Investment Advisory Securities Co., Ltd

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History of change in investment rating and/or target price

AAPICO Hitech (AH TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
01-Oct-2020	HOLD	11.60	21-Oct-2020	BUY	14.40	17-Nov-2020	BUY	17.60

Naruedom Mujjalinkool Started covering this stock from 01-Oct-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
AAPICO Hitech	AH TB	THB 18.40	BUY	Key downside risks to our P/E-derived TP include lower-than-expected car production volumes and lower car sales in both Thailand and Malaysia. Additional downside risks include a faster-than-expected EV adoption rate in Thailand, and exchange rate risk.

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 03-Dec-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.