

8 FEBRUARY 2021

THAILAND / AUTOMOTIVES

AAPICO HITECH AH TB

**BUY**  
 UNCHANGED

TARGET PRICE	THB24.40
CLOSE	THB20.70
UP/DOWNSIDE	+17.9%
PRIOR TP	THB22.00
CHANGE IN TP	+10.9%
TP vs CONSENSUS	+18.1%

## แนวโน้มที่ดีขึ้นก่อให้เกิดความมั่นใจ

### คาดการณ์เติบโตที่ดีใน 4Q20...

เราคาดว่ากำไรจากการดำเนินงานของ AH จะโตต่อเนื่องใน 4Q20 ไปอยู่ที่ 287 ลบ. (-28% y-y, +15% q-q) จากการผลิตรถยนต์รายไตรมาสของประเทศไทยและยอดขายในประเทศ ซึ่งสูงที่สุดในรอบ 5 ไตรมาส (+5% y-y, +30% q-q) การดำเนินงานของโรงงานในโปรตุเกสยังคงอยู่ในระดับที่ดีต่อเนื่อง ซึ่งอาจทำให้รายได้ 4Q20 เพิ่มขึ้นเป็น 5.1 พัน ลบ. (-3% y-y, +8% q-q) ในขณะที่เราคาดว่าอัตรากำไรของบริษัท จะอยู่ที่ในระดับที่สูงกว่า 10% เป็นไตรมาสที่สอง จากปริมาณการผลิตที่สูงขึ้น

### ... รวมถึงไตรมาส 1Q21

1Q21 ควรเป็นอีกไตรมาสที่ดีของบริษัท เนื่องจากโดยปกติ Q1 เป็นช่วง High season ที่ดีสำหรับอุตสาหกรรมยานยนต์ไทย ตัวเลขการผลิตรถยนต์รวมถึงยอดขายในประเทศควรโตต่อเนื่องจาก 4Q20 ทำให้เราคาดว่าแนวโน้มของบริษัท จะยังคงดีตลอด 1Q21 ก่อนอ่อนตัวลงใน 2Q21 จากปัจจัยด้านฤดูกาล โดยเราคาดการณ์การแพร่ระบาด COVID-19 รอบ 2 อาจส่งผลกระทบต่อเพียงเล็กน้อยต่อยอดขายรถยนต์ในประเทศในเดือน ม.ค. 2021 อย่างไรก็ตาม เราเชื่อมั่นว่าตัวเลขต่าง ๆ ควรเริ่มฟื้นตัวได้ในเดือนถัดมา เนื่องจากสถานการณ์เริ่มดีขึ้นในปัจจุบัน

### มีปัจจัยบวกดีกว่าเพื่อน

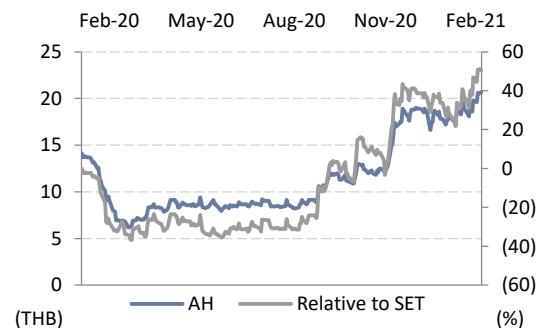
ใน 2021 แนวโน้มของ AH อาจได้ปัจจัยบวกสำคัญจาก 1) การผลิตรถยนต์ของประเทศไทยที่คาดว่าจะฟื้นตัว 6% y-y และยอดขายในประเทศที่คาดว่าจะฟื้นตัว 1% y-y; 2) การเติบโตอย่างต่อเนื่องของระดับการผลิตรถกระบะของอีซูซุ (ลูกค้ารายใหญ่ที่สุดของ AH) ซึ่งเปิดตัวรถกระบะรุ่นใหม่; และ 3) ผลการดำเนินงานที่ดีจากโรงงานในโปรตุเกส ซึ่งปัจจัยที่ 2 และ 3 เป็นปัจจัยเฉพาะของ AH และเราเห็นว่าปัจจัยดังกล่าวอาจจะเป็นปัจจัยสำคัญที่สุดสำหรับบริษัท ทั้งในระยะสั้นและระยะยาว

### คำแนะนำซื้อจากผลการดำเนินงานที่คาดว่าจะดีกว่าตลาด

จากปัจจัยขับเคลื่อนสำคัญที่อาจช่วยกระตุ้นผลการดำเนินงานของ AH ให้ออกมาดีกว่าอุตสาหกรรมยานยนต์ในปี เราเชื่อว่า AH สมควรมีการซื้อขายในระดับที่สูงกว่าหรือเทียบเท่ากับอุตสาหกรรม เพราะฉะนั้นเราจึงปรับค่า 2021E P/E multiple ของเราเล็กน้อยจาก 9.5x (+0.5SD ของค่าเฉลี่ย P/E) เป็น 10x (+0.75SD) ซึ่งยังต่ำกว่า Sombon Advance Technology, (SAT TB, BUY, TP THB18.50) ซึ่งมีค่า 2021E P/E ที่ 12x (+0.75SD ของค่าเฉลี่ย P/E) เราคงคำแนะนำซื้อ AH ที่ราคาเป้าหมายใหม่เท่ากับ 24.40 บาท นอกจากนี้แนวโน้มการเติบโตที่ดีแล้ว AH อาจจ่ายเงินปันผลที่น่าสนใจโดยให้ผลตอบแทนอยู่ที่ >4% ในปี 2021 จากอัตราการจ่ายเงินปันผลที่เพียง 35%

## 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 (%)	-	55.5	27.7	11.5
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. (%)	-	-	-	-
EPS growth (%)	(28.4)	(86.7)	530.4	42.8
Core P/E (x)	7.1	53.5	8.5	5.9
Dividend yield (%)	4.6	-	4.1	5.9
EV/EBITDA (x)	11.3	30.8	14.2	11.5
Price/book (x)	0.9	0.9	0.8	0.8
Net debt/Equity (%)	103.2	98.2	83.6	68.0
ROE (%)	12.6	1.7	10.2	13.4



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	18.3	65.6	48.9
Relative to country (%)	19.1	39.9	52.7
Mkt cap (USD m)	222		
3m avg. daily turnover (USD m)	2.0		
Free float (%)	50		
Major shareholder	Thai NVDR (14%)		
12m high/low (THB)	21.20/5.90		
Issued shares (m)	322.58		

Sources: Bloomberg consensus; FSSIA estimates


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บทความฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 8 กุมภาพันธ์ 2021

### 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 with the 2020 production level of 1.4m units – which could directly benefit AH because 65% of its operational revenue comes from Thailand.

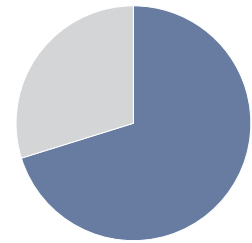
### Company profile

The company’s main businesses are the manufacture of OEM automotive parts and 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](http://www.aapico.com)

### Principal activities (revenue, 2019)

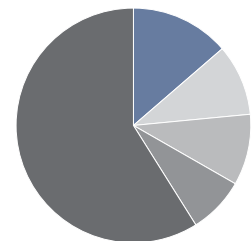
- Manufacture of auto parts - 70.2 %
- Car dealership and others - 29.8 %



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 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.

### Risk 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 Feb 2021	Thailand’s January car production announcement
March 2021	4Q20 results announcement

### Key assumptions

	2020	2021E	2022E
	(%)	(%)	(%)
Thailand car production growth	(29)	9	8
Domestic car sales	(22)	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

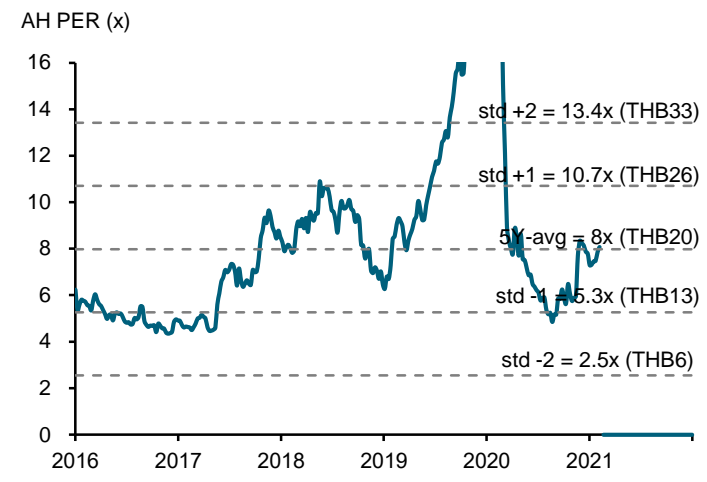


**Exhibit 1: 4Q20E results preview**

	4Q19	3Q20	4Q20E	-----Change-----		2020E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)
Auto parts	3,794	3,189	3,550	11.3	(6.4)	12,480
Car dealership and others	1,434	1,492	1,510	1.2	5.3	3,263
<b>Revenue</b>	<b>5,228</b>	<b>4,682</b>	<b>5,060</b>	<b>8.1</b>	<b>(3.2)</b>	<b>15,743</b>
Operating costs	(4,656)	(4,214)	(4,541)	7.8	(2.5)	(14,563)
<b>Gross profit</b>	<b>571</b>	<b>468</b>	<b>519</b>	<b>10.7</b>	<b>(9.2)</b>	<b>1,181</b>
SG&A expenses	(370)	(300)	(316)	5.5	(14.7)	(1,324)
<b>EBIT</b>	<b>201</b>	<b>169</b>	<b>203</b>	<b>20.0</b>	<b>0.8</b>	<b>(143)</b>
Deprn & amort.	257	315	310	(1.6)	20.7	(614)
<b>EBITDA</b>	<b>458</b>	<b>484</b>	<b>513</b>	<b>6.0</b>	<b>12.0</b>	<b>(758)</b>
EBITDA margin (%)	9	10	10	nm	nm	(5)
Interest expense	(94)	(93)	(95)	1.9	1.5	(348)
Other income	236	163	164	0.8	(30.6)	564
Extra item	(1,083)	0	0	n.a.	n.a.	0
Associates	164	49	50	1.9	n.a.	65
Gain/Loss from exchange	(58)	52	0	(100.0)	(100.0)	113
<b>Pretax profit</b>	<b>(633)</b>	<b>340</b>	<b>322</b>	<b>(5.3)</b>	<b>n.a.</b>	<b>251</b>
Tax	(95)	(29)	(26)	(8.0)	(72.2)	(5)
Tax rate (%)	15	(8)	(8)	nm	nm	(2)
Minority interests	14	9	8	(12.5)	(44.2)	8
<b>Net profit</b>	<b>(742)</b>	<b>302</b>	<b>287</b>	<b>(4.8)</b>	<b>n.a.</b>	<b>238</b>
<b>Core net profit</b>	<b>399</b>	<b>250</b>	<b>287</b>	<b>15.1</b>	<b>(28.0)</b>	<b>125</b>
EPS (THB)	(2.30)	0.94	0.89	(4.8)	n.a.	0.74
Core EPS (THB)	1.24	0.77	0.89	15.1	(28.0)	0.39

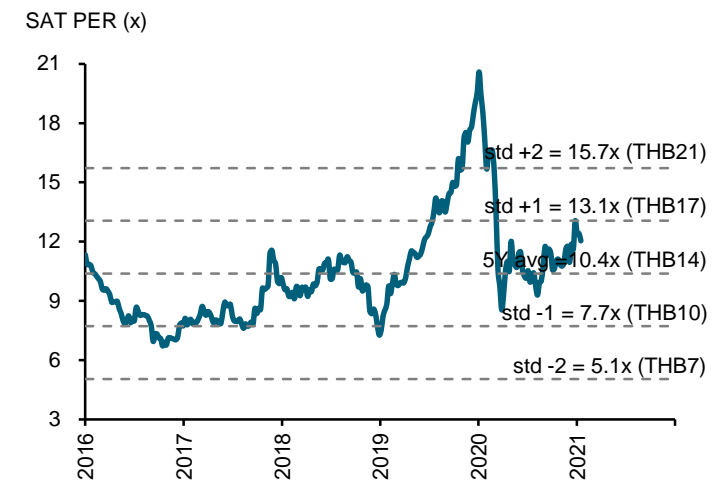
Sources: AH; FSSIA estimates

**Exhibit 2: AH's one-year prospective P/E band**



Sources: Bloomberg; FSSIA estimates

**Exhibit 3: SAT's one-year prospective P/E band**



Sources: Bloomberg; FSSIA estimates

**Attractive valuation compared with its peers**

Compared with its local peers, AH still looks attractive in terms of valuation and ratio. The company has the lowest 2021E P/E and ROE, while its expected dividend yield and P/BV are among the highest. We think AH now deserves to trade at least in line with its peers after always trading at a discount due to the uncertainty of its overseas investments. Its overseas operation should turn from a burden into a key driver after the company wrote-off most of its underperforming operations in the US, while its operation in Portugal is quite impressive.

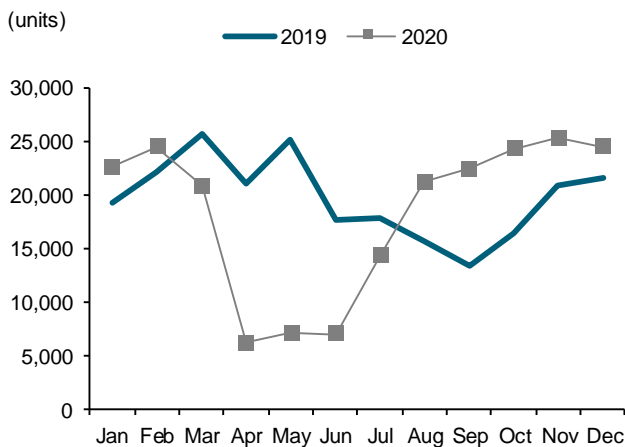
Exhibit 4: Peers comparison as of 5 Feb 2021

Company	BBG	Rec	Current	Target	Up	Market	3Y EPS	PE		DivYld		ROE		PBV	
			Price	Price				side	Cap	CAGR	20E	21E	20E	21E	20E
			(LCY)	(LCY)	(%)	(USD m)	(%)	(x)	(x)	(%)	(%)	(%)	(%)	(x)	(x)
Aapico Hitech Pcl	AH TB	BUY	20.70	24.40	18	222	6	53.5	8.5	0.0	4.1	1.7	10.2	0.9	0.8
Somboon Advance Technology	SAT TB	BUY	16.90	18.50	9	235	(5)	22.0	11.0	2.8	5.5	4.6	9.1	1.0	1.0
<b>Coverage</b>						<b>457</b>	<b>2</b>	<b>37.7</b>	<b>9.7</b>	<b>1.4</b>	<b>4.8</b>	<b>3.2</b>	<b>9.7</b>	<b>1.0</b>	<b>0.9</b>
Pcs Machine Group Holding Pc	PCSGH TB	n/a	4.62	n/a	n/a	234	n/a	115.0	20.0	0.7	3.5	1.0	7.0	1.4	1.4
Thai Stanley Electric Pub Co	STANLY	n/a	194.00	n/a	n/a	487	(8)	8.0	14.1	3.8	2.4	10.9	5.8	0.8	0.8
<b>Local peers</b>						<b>721</b>	<b>15</b>	<b>49.6</b>	<b>13.4</b>	<b>1.8</b>	<b>3.9</b>	<b>4.6</b>	<b>8.0</b>	<b>1.0</b>	<b>1.0</b>
Gabriel India Ltd	GABR IN	n/a	117.95	n/a	n/a	238	n/a	24.1	48.2	n/a	1.2	11.0	5.5	2.7	n/a
Mahindra Cie Automotive Ltd	MACA IN	n/a	162.35	n/a	n/a	870	10	72.5	16.7	1.0	1.5	1.8	7.6	1.3	1.2
Shanghai Daimay Automotive-A	603730 CH	n/a	24.96	n/a	n/a	2,270	20	22.8	16.7	n/a	n/a	14.7	17.7	3.5	3.0
Bethel Automotive Safety S-A	603596 CH	n/a	31.11	n/a	n/a	2,135	23	31.1	24.4	n/a	n/a	16.5	17.5	5.1	4.3
Great Wall Motor Co Ltd-A	601633 CH	n/a	38.13	n/a	n/a	47,700	34	72.8	42.7	0.6	1.0	8.9	13.7	6.4	5.8
Geely Automobile Holdings Lt	175 HK	n/a	28.10	n/a	n/a	35,841	291	31.5	21.4	0.8	1.3	12.2	15.1	3.5	3.1
<b>Regional peers</b>						<b>89,055</b>	<b>10</b>	<b>42.5</b>	<b>28.4</b>	<b>0.8</b>	<b>1.2</b>	<b>10.8</b>	<b>12.8</b>	<b>3.7</b>	<b>3.5</b>
<b>Average</b>						<b>90,233</b>	<b>5</b>	<b>43.3</b>	<b>17.2</b>	<b>1.3</b>	<b>3.3</b>	<b>6.2</b>	<b>10.2</b>	<b>1.9</b>	<b>1.8</b>

Sources: Bloomberg; FSSIA estimates

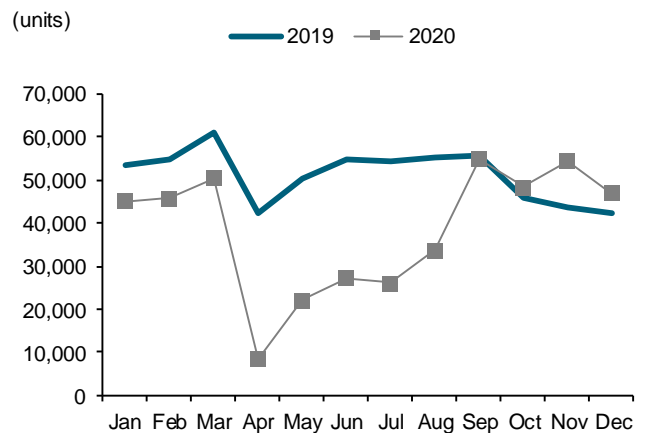
The launch of the all-new Isuzu D-max, the product champion of Isuzu's pickup trucks, at the beginning of 2020 became the key success factor that enabled it to outperform the other two biggest pickup truck producers in Thailand. Isuzu's total pickup truck production (including pickup passenger vehicles) dropped only 7% y-y vs the 36% and 18% y-y decrease in pickup truck production for Mitsubishi and Toyota, respectively. Isuzu's production numbers have shown positive growth y-y since Aug-20. Noted that during 9M20, Isuzu contributed at 38% of AH's OEM revenue compare to 30% in 9M19

Exhibit 5: Monthly Isuzu pickup truck production



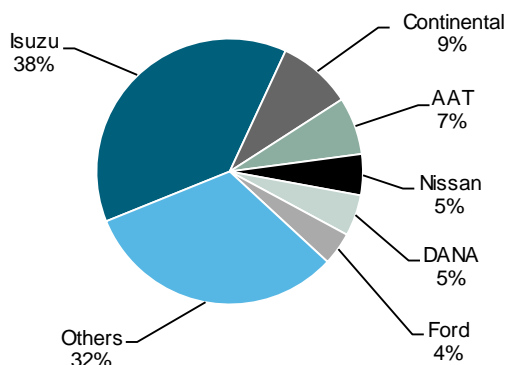
Source: Thai Automotive Industry Association

Exhibit 6: Monthly Toyota and Mitsubishi pickup truck production



Source: Thai Automotive Industry Association

Exhibit 7: Major OEM customers (9M20)



Source: AH



## 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)
<b>Gross profit</b>	<b>1,870</b>	<b>2,384</b>	<b>1,795</b>	<b>2,490</b>	<b>2,834</b>
Other operating income	-	-	-	-	-
Operating costs	(854)	(1,091)	(1,324)	(1,514)	(1,700)
<b>Operating EBITDA</b>	<b>1,016</b>	<b>1,293</b>	<b>471</b>	<b>976</b>	<b>1,134</b>
Depreciation	(596)	(699)	(614)	(585)	(558)
Goodwill amortisation	-	-	-	-	-
<b>Operating EBIT</b>	<b>421</b>	<b>594</b>	<b>(143)</b>	<b>390</b>	<b>576</b>
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
<b>Profit before tax</b>	<b>1,312</b>	<b>57</b>	<b>251</b>	<b>866</b>	<b>1,241</b>
Tax	30	(224)	(5)	(69)	(105)
<b>Profit after tax</b>	<b>1,342</b>	<b>(168)</b>	<b>246</b>	<b>797</b>	<b>1,136</b>
Minority interests	(43)	(13)	(8)	(10)	(12)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>1,299</b>	<b>(181)</b>	<b>238</b>	<b>787</b>	<b>1,124</b>
<b>Non recurring items &amp; goodwill (net)</b>	<b>15</b>	<b>1,122</b>	<b>(113)</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>1,314</b>	<b>941</b>	<b>125</b>	<b>787</b>	<b>1,124</b>
<b>Per share (THB)</b>					
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	0.85	1.22
Diluted shares (used to calculate per share data)	323	323	323	323	323
<b>Growth</b>					
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
<b>Operating performance</b>					
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	-	35.0	35.0
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	13.4
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)
<b>Cash flow from operations</b>	<b>1,492</b>	<b>1,507</b>	<b>429</b>	<b>1,237</b>	<b>1,560</b>
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
<b>Cash flow from investing</b>	<b>(2,225)</b>	<b>(1,615)</b>	<b>(310)</b>	<b>(291)</b>	<b>(397)</b>
Dividends paid	(412)	(304)	0	(276)	(393)
Equity finance	1	108	0	0	0
Debt finance	1,468	484	422	(200)	(200)
Other financing cash flows	(201)	(329)	8	10	12
<b>Cash flow from Financing</b>	<b>856</b>	<b>(40)</b>	<b>430</b>	<b>(466)</b>	<b>(582)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	23	0	0	0	0
<b>Net other adjustments</b>	<b>(3)</b>	<b>125</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>119</b>	<b>(22)</b>	<b>549</b>	<b>481</b>	<b>581</b>
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)
<b>Tangible fixed assets (Net)</b>	<b>5,215</b>	<b>8,028</b>	<b>7,739</b>	<b>7,479</b>	<b>7,348</b>
<b>Intangible fixed assets (Net)</b>	<b>451</b>	<b>2,209</b>	<b>2,207</b>	<b>2,188</b>	<b>2,182</b>
Long-term financial assets	-	-	-	-	-
Invest. In associates & subsidiaries	3,963	3,994	3,994	3,994	3,994
Cash & equivalents	615	592	1,141	1,621	2,203
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
<b>Current assets</b>	<b>5,524</b>	<b>5,856</b>	<b>5,972</b>	<b>7,095</b>	<b>8,406</b>
Other assets	2,738	1,159	883	903	929
<b>Total assets</b>	<b>17,891</b>	<b>21,246</b>	<b>20,795</b>	<b>21,659</b>	<b>22,858</b>
Common equity	7,690	7,228	7,474	7,995	8,737
Minorities etc.	257	252	260	269	281
<b>Total Shareholders' equity</b>	<b>7,947</b>	<b>7,480</b>	<b>7,733</b>	<b>8,264</b>	<b>9,018</b>
Long term debt	4,331	4,788	4,600	4,800	4,700
Other long-term liabilities	131	578	392	458	532
<b>Long-term liabilities</b>	<b>4,462</b>	<b>5,367</b>	<b>4,992</b>	<b>5,258</b>	<b>5,232</b>
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
<b>Current liabilities</b>	<b>5,482</b>	<b>8,399</b>	<b>8,069</b>	<b>8,137</b>	<b>8,608</b>
<b>Total liabilities and shareholders' equity</b>	<b>17,891</b>	<b>21,246</b>	<b>20,795</b>	<b>21,659</b>	<b>22,858</b>
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	24.78	27.09
Tangible book value per share	22.44	15.56	16.33	18.00	20.32

#### Financial strength

Net debt/Equity (%)	72.9	103.2	98.2	83.6	68.0
Net debt/total assets (%)	32.4	36.3	36.5	31.9	26.8
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
<b>Recurring P/E (x) *</b>	<b>5.1</b>	<b>7.1</b>	<b>53.5</b>	<b>8.5</b>	<b>5.9</b>
<b>Recurring P/E @ target price (x) *</b>	<b>6.0</b>	<b>8.4</b>	<b>63.0</b>	<b>10.0</b>	<b>7.0</b>
Reported P/E (x)	5.1	(36.9)	28.1	8.5	5.9
Dividend yield (%)	6.2	4.6	-	4.1	5.9
Price/book (x)	0.9	0.9	0.9	0.8	0.8
Price/tangible book (x)	0.9	1.3	1.3	1.1	1.0
EV/EBITDA (x) **	12.5	11.3	30.8	14.2	11.5
EV/EBITDA @ target price (x) **	13.7	12.2	33.4	15.4	12.6
EV/invested capital (x)	0.9	0.9	0.9	0.9	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 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PCSGH	PDJ	PG	PHOL	PLANB	PLANET
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEAOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TMB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TSC	TSR	TSTE	TSTH	TTA
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSIB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIJK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TIPIP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

Description	Score Range
Excellent	90-100
Very Good	80-89
Good	70-79

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 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANAH	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOIL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	TMB	TMD	TMILL	TMT
TNITY	TNL	TNP	TNR	TOG	TOP	TPA	TPCORP	TPP	TRU	TSC
TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS	UEC	UKEM
UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIJK	XO
ZEN	TRUE									
DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

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 Thaipat 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. Thaipat 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 Thaipat 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

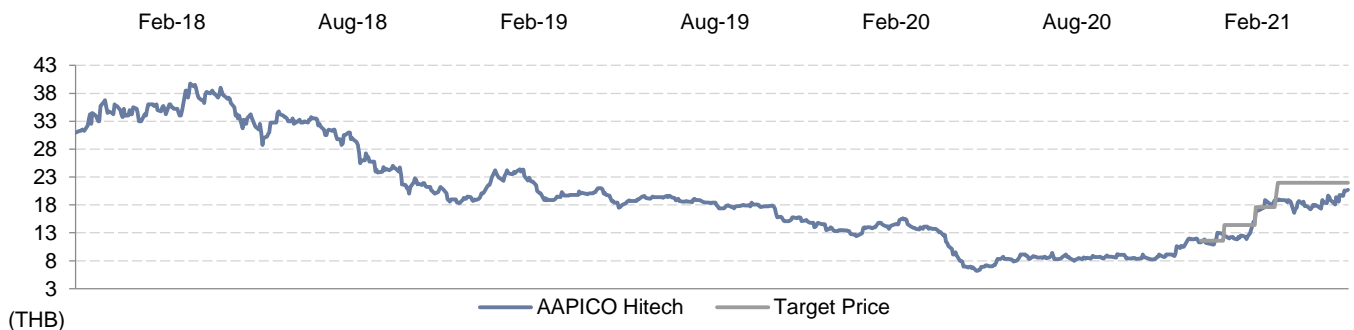
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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**History of change in investment rating and/or target price**

**AAPICO Hitech (AH TB)**



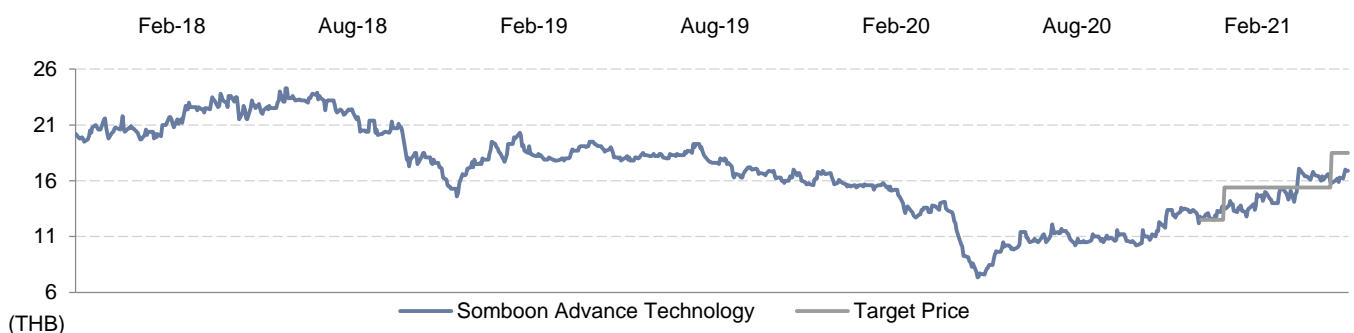
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
01-Oct-2020	HOLD	11.60	17-Nov-2020	BUY	17.60	-	-	-
21-Oct-2020	BUY	14.40	04-Dec-2020	BUY	22.00			

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

Price and TP are in local currency

Source: FSSIA estimates

**Somboon Advance Technology (SAT TB)**



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
01-Oct-2020	HOLD	12.50	21-Oct-2020	BUY	15.40	21-Jan-2021	BUY	18.50

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 20.70	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.
Somboon Advance Technology	SAT TB	THB 16.90	BUY	The key downside risks to our P/E-based TP are the domestic car manufacturing industry recovering more slowly than expected, a slower-than-expected adoption rate for electric vehicles in Thailand, and 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

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 05-Feb-2021 unless otherwise stated.

**RECOMMENDATION STRUCTURE****Stock ratings**

Stock ratings are based on absolute upside or downside, which we define as  $(\text{target price}^* - \text{current price}) / \text{current price}$ .

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.