

27 OCTOBER 2021

Thailand Automotive

The engine is starting

Car production is starting to recover

Thailand's car production has shown strong signs of a recovery in Sep-21. The Federation of Thai Industries (FTI) announced that the car production volume in Sep-21 was at 140k units (+35% m-m), thanks to the recovery of car exports at 74k units (+24% m-m) and domestic car sales at 57k units (+35% m-m). Moreover, Somboon Advance Technology (SAT TB, BUY, TP THB29) stated that its orders have continued to increase in 4Q21. This could be the key support for our assumption that Thailand's car production volume will hit 1.65m (+16% y-y) in 2021.

No more short-term downside risks

The auto sector's share price has declined continuously since Jul-21. This was due to the various downside risks that pressured the sector's outlook in the short term. However, we believe that most of the drags have improved: 1) the Covid situation in Thailand as well as the rest of the world is getting under control thanks to the vaccination rollouts; 2) the steel price that kept increasing since mid-20 is becoming more stable; 3) the flooding in Thailand is under control; 4) the semiconductor shortage continues to impact many sectors but it should not become more severe than the current situation; and 5) Thailand's car production has shown strong signs of a recovery in Sep-21. Therefore, we believe the overall sentiment for the auto sector should gradually improve.

Maintain OVERWEIGHT; SAT is our top pick

Although the 3Q21 earnings results for auto companies may slow down due to the Covid impact, we believe the worst is over. Thailand's car production should start to gradually recover in the following quarter, and we expect it to reach 1.76m units (+6% y-y) in 2022. We maintain our OVERWEIGHT rating on the auto sector. We believe this is a good time to re-invest in auto companies after they have underperformed the SET for over two months due to the various downside pressures. SAT remains our top pick as we think its earnings in 2021 could reach an all-time high and it should also provide a decent dividend yield of over 7% p.a.

FSSIA recommendations

Company	BBG code	share price	Rating		Target Price			
			Current	Previous	Current	Previous	%change	Up/downside
AAPICO Hitech	AH TB	21.30	BUY	unchanged	29.00	30.80	-5.84%	+36.2%
Somboon Advance Technology	SAT TB	21.10	BUY	unchanged	29.00	29.00	unchanged	+37.4%
Nam Yong Terminal	NYT TB	4.10	BUY	unchanged	5.00	5.50	-9.09%	+22.0%

Note: Priced at close of business 26/10/2021. Share prices and TPs are in listing currency.

Sources: FSSIA estimates



Naruedom Mujjalinkool

naruedom.muj@fssia.com

+66 2611 3566

Investment thesis

Thailand’s automotive industry has played an important role in the country’s economy, especially in terms of exports. Automobiles and auto parts contributed the highest value to Thailand’s exports in 2019; accounting for almost 10% of Thailand’s total exports that year.

Thailand’s total car production capacity is almost 4m units per year, while the country usually produces about 2m units per year. Moreover, Thailand ranked as the 11th largest car producer in 2019; 5th in Asia, and 1st in ASEAN. Thailand is especially proficient in manufacturing commercial vehicles, or pickup trucks, as the country produces around 1.2m units per year, ranking 6th out of commercial vehicle producers globally in 2019.

The car production volume in Thailand experienced very minor growth over the past five years (pre-Covid-19) at 1.3% p.a.

We expect Thailand’s car production in 2021 to increase to 1.65m units (+16% y-y).

Catalysts

- A strong recovery in the car production volume during 4Q21 as well as in 2022;
- New car models introduced to the market in 2021 and 2022;

Risks to our call

- A lower car production volume than expected;
- The faster-than-expected adoption of EVs globally;
- If the semiconductor shortage continues to pressure the number of cars produced in 2022.

Contents

Softer 3Q21 results expected4

Solid recovery expected in 4Q214

Company reports

AAPICO Hitech (AH TB, BUY, TP THB29)

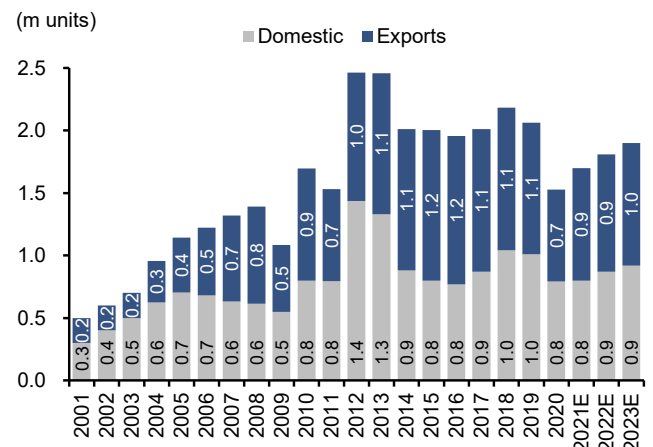
Somboon Advance Technology (SAT TB, BUY, TP THB29)

Namyong Terminal (NYT TB, BUY, TP THB5)

Event Calendar

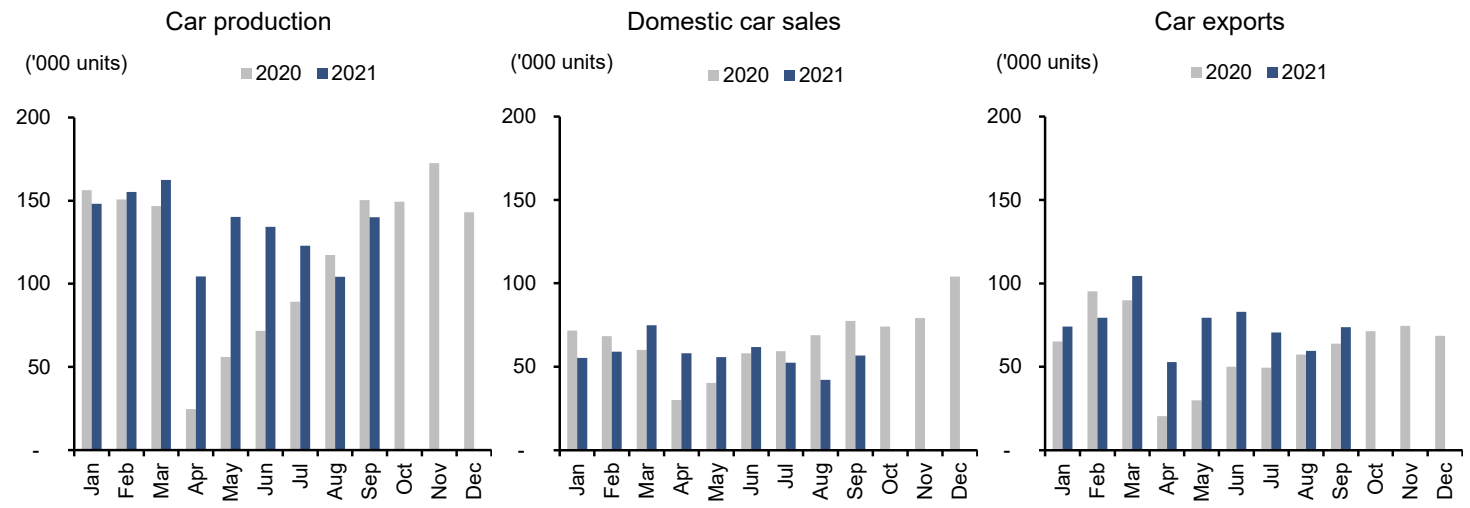
Date	Event
Nov 2021	3Q21 results announcements
Late Nov 2021	Oct 2021 car production announcement

Thailand’s car sales (domestic and export)



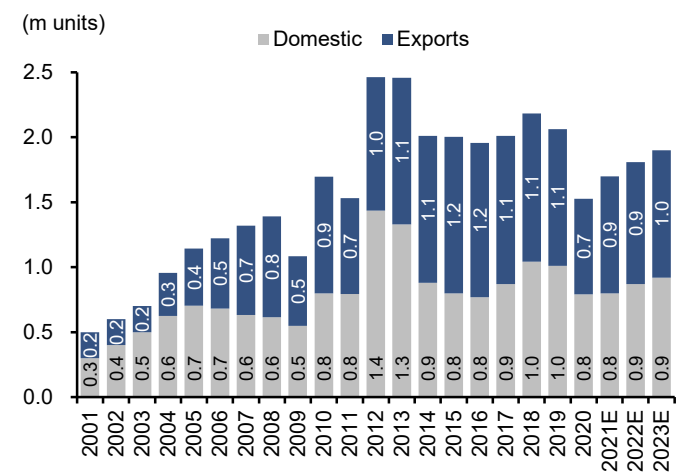
Source: Thai Automotive Industry Association; FSSIA estimates

Exhibit 1: Thailand's car industry



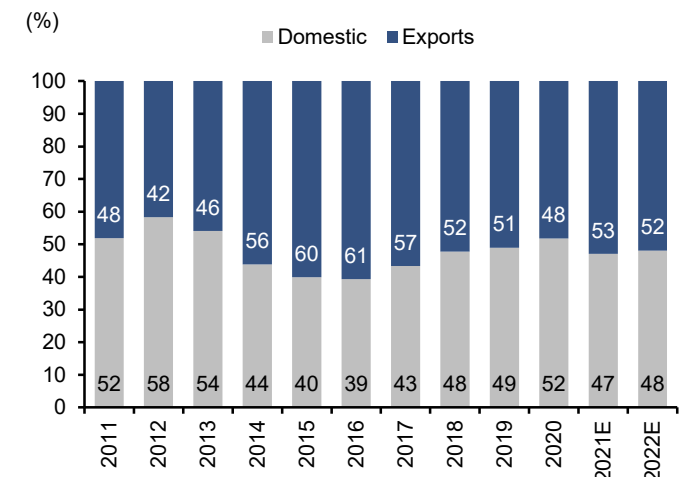
Sources: Thai Automotive Industry Association; FSSIA estimates

Exhibit 2: Thailand's car sales (domestic and export)



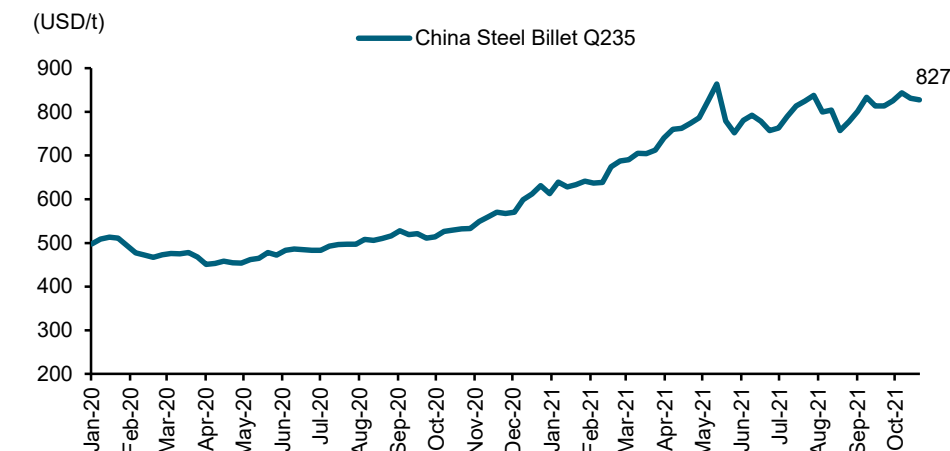
Sources: Thai Automotive Industry Association; FSSIA estimates

Exhibit 3: Thailand's domestic sales vs exports



Sources: Thai Automotive Industry Association; FSSIA estimates

Exhibit 4: China Steel Billet price



Source: Bloomberg

Softer 3Q21 results expected

The auto sector was directly hit by the new wave of Covid since the beginning of 3Q21. The domestic demand for new cars fell significantly which directly hurt Aapico Hitech (AH TB, BUY, TP THB29), which also has a car dealership business in Thailand and Malaysia besides its auto parts production business. Thailand's car production volume in 3Q21 dropped by 3% q-q, despite 2Q normally being the low season for car production. Domestic sales and exports of new cars also dropped by 14% and 5% q-q, respectively.

Therefore, we believe the auto sector's earnings, along with Namyong Terminal (NYT TB, BUY, TP THB5), a roll-on/roll-off operator, will slow down in 3Q21. We expect that SAT, our top pick, will be the company with the lowest decrease in earnings in the sector (only 13%), thanks to the strong sales volume for Kubota tractors.

Solid recovery expected in 4Q21

We are confident that the car production volume in 4Q21 should surge by 20% q-q and hit our full-year estimate of 1.65m units. This is due to the strong recovery in Sep-21 and the confirmation from auto companies that the production volumes they are receiving from auto makers in 4Q21 are higher than in 3Q21. Domestic car sales in 2021 might be slightly lower than our expectation, but they should be offset by stronger car exports. Monthly car production for the last three months would need to hit 146k units to match our 2021 forecast, which is only 4% higher than the output in Sep-21. Therefore, we believe the auto sector should post a strong recovery in its earnings during 4Q21.

Exhibit 5: Monthly car output

	YTD (units)	Monthly average (units)	2021 estimate (units)	Monthly required (units)
Car production	1,211,635	134,626	1,650,000	146,122
Domestic sales	516,400	57,378	800,000	70,900
Exports	677,481	75,276	900,000	55,630

Sources: Thai Automotive Industry Association; FSSIA estimates

Exhibit 6: Peers comparison as of 26 Oct 2021

Company	BBG	Rec	Market Cap (USD m)	3Y EPS CAGR (%)	PE		DivYld		ROE		PBV	
					21E (x)	22E (x)	21E (%)	22E (%)	21E (x)	22E (x)	21E (x)	22E (x)
Aapico Hitech	AH TB	BUY	228	(98)	8.3	6.6	4.2	5.3	11.7	13.5	0.9	0.9
Somboon Advance Technology	SAT TB	BUY	271	47	9.3	8.0	7.6	8.8	13.0	14.0	1.2	1.1
Coverage			500	67	8.8	7.3	5.9	7.1	12.4	13.8	1.0	1.0
Pcs Machine Group Holding	PCSGH TB	n/a	248	(45)	14.2	11.7	4.6	5.9	12.0	14.0	1.7	1.6
Thai Stanley Electric	STANLY TB	n/a	414	8	14.5	9.7	2.6	3.8	5.3	8.0	0.7	0.7
Local peers			661	(7)	14.4	10.7	3.6	4.9	8.6	11.0	1.2	1.1
Gabriel India	GABR IN	n/a	1,075	n/a	43.0	23.1	0.6	0.9	8.1	11.6	n/a	3.1
Mahindra Cie Automotive	MACA IN	n/a	1,415	(89)	93.2	17.5	0.7	0.9	2.0	11.8	n/a	n/a
Shanghai Daimay Automotive-A	603730 CH	n/a	2,167	(35)	20.4	16.7	n/a	n/a	15.7	17.1	3.2	2.8
Bethel Automotive Safety S-A	603596 CH	n/a	3,713	(27)	41.7	33.1	0.5	0.6	17.8	18.6	7.3	6.0
Great Wall Motor Co Ltd-A	601633 CH	n/a	78,089	(47)	71.9	50.0	0.6	0.9	13.7	17.8	9.6	8.5
Geely Automobile Holdings	175 HK	n/a	33,523	(37)	30.2	21.1	1.1	1.5	10.3	13.3	3.1	2.7
Regional peers			119,981	42	50.1	26.9	0.7	0.9	11.3	15.0	5.8	4.6
Average			121,142	50	34.7	19.8	2.5	3.2	11.0	14.0	3.5	3.0

Sources: Bloomberg; FSSIA estimates

27 OCTOBER 2021

THAILAND / AUTOMOTIVES

AAPICO HITECH AH TB

BUY

UNCHANGED

TARGET PRICE	THB29.00
CLOSE	THB21.30
UP/DOWNSIDE	+36.2%
PRIOR TP	THB30.80
CHANGE IN TP	-5.8%
TP vs CONSENSUS	-3.3%

A hiccup before the recovery

Sluggish 3Q21 results expected

We expect AH's core net profit in 3Q21 to fall by 35% q-q to THB135m. The company's revenue should drop by 8% q-q to THB4.4b due to 1) a slowdown in its auto parts production revenue in Thailand on the holiday season and the chip shortage in Portugal; and 2) weak car dealership revenue in both Thailand and Malaysia during the lockdown period. We expect AH's GPM to drop significantly to 10.5% in 3Q21 vs 11.6% in 2Q21, in line with the slowdown in both the car production and sales volumes. Note that AH has the potential to book a significant exchange rate gain following the Thai Baht's continuing depreciation in 3Q21.

Semi-conductor shortage

The semi-conductor shortage is continuing to hurt the car production volume, especially in Portugal. AH's management admits that the impact may continue into next year (they had previously expected that the situation would improve in 4Q21). This could continue to have a negative impact on Portugal's performance until next year. Note that the revenue from Portugal contributes about 20% of AH's total revenue.

Earnings revisions

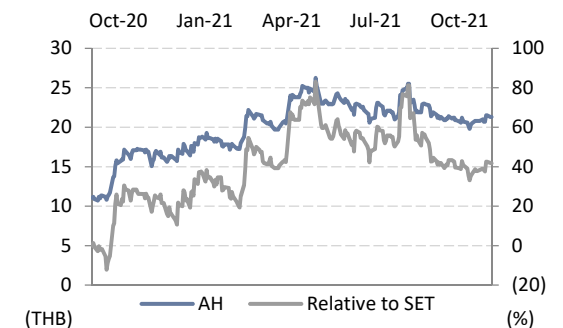
We cut our assumptions on AH's other income significantly for 2021-22 after it changed the accounting methodology for scrap sales which were previously recognised as other income into its revenue. Our GPM forecasts improved from this change. However, we revise down our assumptions on AH's financial performance in 2021 and 2022 in order to reflect the negative impact of Covid-19 on the company's revenue, especially its car dealership business. Consequently, our 2021 net profit estimate has fallen by 8% from our previous expectation to THB910m.

Maintain BUY with a revised TP of THB29

We slightly cut our 2022 TP for AH from THB30.80 to THB29, pegged to 9x 2022E P/E (+0.5 SD), in order to reflect the Covid and chip shortage impacts that continue to pressure the car production volume. However, we still like AH given that the company is trading at a lower valuation than Somboon Advance Technology (SAT TB, BUY, TP THB29), our top pick. AH is now trading at 6.6x 2022E P/E compared with SAT at 8.0x. Maintain BUY on AH as we expect the worst of its earnings to be over and believe it is now entering a recovery stage.

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	17,172	19,558	22,293	23,056
Net profit	148	910	1,143	1,240
EPS (THB)	0.46	2.56	3.22	3.49
vs Consensus (%)	-	(8.8)	(7.3)	(10.7)
EBITDA	783	1,538	1,717	1,773
Core net profit	146	910	1,143	1,240
Core EPS (THB)	0.45	2.56	3.22	3.49
Chg. In EPS est. (%)	-	(8.5)	(14.6)	(17.6)
EPS growth (%)	(84.5)	466.9	25.6	8.5
Core P/E (x)	47.1	8.3	6.6	6.1
Dividend yield (%)	0.7	4.2	5.3	6.6
EV/EBITDA (x)	20.3	9.8	8.2	7.4
Price/book (x)	0.9	0.9	0.9	0.8
Net debt/Equity (%)	113.1	85.9	68.4	51.8
ROE (%)	2.0	11.7	13.5	13.4



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	1.9	(3.6)	95.3
Relative to country (%)	1.6	(9.0)	44.2
Mkt cap (USD m)	228		
3m avg. daily turnover (USD m)	1.8		
Free float (%)	50		
Major shareholder	Thai NVDR (14%)		
12m high/low (THB)	27.25/10.45		
Issued shares (m)	354.84		

Sources: Bloomberg consensus; FSSIA estimates



Naruedom Mujjalinkool

naruedom.muj@fssia.com
+66 2611 3566

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.

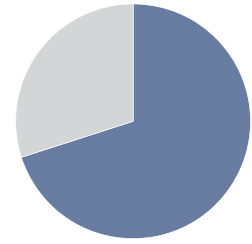
Company profile

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

Principal activities (revenue, 2020)

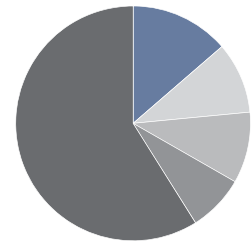
- Manufacture of auto parts - 70.0 %
- Car dealership and others - 30.0 %



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
Nov 2021	3Q21 results announcement

Key assumptions

	2021E	2022E	2023E
	(%)	(%)	(%)
Thailand car production growth	9.2	4.7	8.1
Domestic car sales	2.3	6.2	4.7
Malaysia car sales	10.1	7.2	5.3

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 7: 3Q21E results preview

	3Q20	2Q21	3Q21E	Change		9M20	9M21E	Change	2021E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)
Revenue	4,682	4,833	4,436	(8.2)	(5.3)	11,585	14,855	28.2	19,558
Operating costs	(4,214)	(4,273)	(3,970)	(7.1)	(5.8)	(10,879)	(13,155)	20.9	(17,250)
Gross profit	468	559	466	(16.8)	(0.6)	706	1,700	140.6	2,308
SG&A expenses	(300)	(391)	(362)	(7.4)	20.8	nm	(1,143)	22.2	(1,506)
EBIT	169	168	104	(38.4)	(38.6)	(229)	557	nm	802
Depn & amort.	315	259	247	(4.5)	(21.5)	763	754	(1.2)	736
EBITDA	484	427	351	(17.9)	(27.5)	534	1,311	145.5	1,538
EBITDA margin (%)	10	9	8	nm	nm	5	9	nm	8
Interest expense	(93)	(89)	(86)	(3.6)	(7.7)	(276)	(263)	(4.7)	(340)
Other income	163	104	67	(35.9)	(58.9)	408	223	(45.4)	278
Associates	49	57	62	7.9	26.3	33	207	n.a.	268
Gain/Loss from exchange	52	42	0	n.a.	n.a.	113	145	28.3	0
Pretax profit	340	283	147	(48.3)	(56.8)	49	868	1,684.9	1,008
Tax	(29)	(33)	(12)	(64.1)	(59.1)	(51)	(71)	38.8	(81)
Tax rate (%)	(8)	(12)	(8)	nm	nm	(105)	(8)	nm	(8)
Minority interests	9	0	0	n.a.	n.a.	7	3	n.a.	17
Net profit	302	250	135	(46.1)	(55.3)	(9)	795	n.a.	910
Core net profit	250	208	135	(35.1)	(46.0)	(122)	650	nm	910
EPS (THB)	0.94	0.78	0.38	(51.0)	(59.4)	(0.03)	2.24	nm	2.56
Core EPS (THB)	0.77	0.64	0.38	(41.0)	(50.9)	(0.38)	1.83	nm	2.56

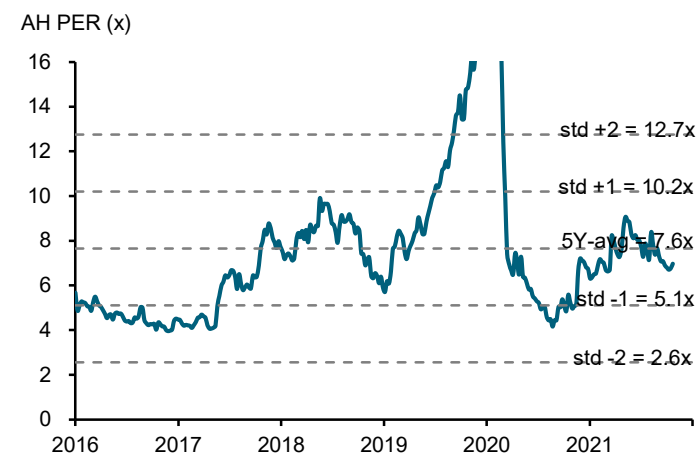
Sources: AH; FSSIA estimates

Exhibit 8: Assumption and forecast changes

	New		Previous		Change	
	2021E	2022E	2021E	2022E	2021E	2022E
	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)
Revenue	19,558	22,293	19,049	22,742	3	(2)
Gross profit	2,308	2,675	2,000	2,456	15	9
Other income	506	553	847	1,018	(40)	(46)
EBITDA	1,538	1,717	1,289	1,465	19	17
Net profit	910	1,143	994	1,337	(8)	(15)
Margin	(%)	(%)	(%)	(%)	(ppt)	(ppt)
GPM	11.8	12.0	10.5	10.8	1.3	1.2
NPM	4.7	5.1	5.2	5.9	(0.6)	(0.8)

Source: FSSIA estimates

Exhibit 9: Rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 10: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Financial Statements

AAPICO Hitech

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	18,389	17,172	19,558	22,293	23,056
Cost of goods sold	(16,005)	(15,057)	(16,514)	(18,910)	(19,561)
Gross profit	2,384	2,116	3,044	3,383	3,495
Other operating income	-	-	-	-	-
Operating costs	(1,091)	(1,333)	(1,506)	(1,665)	(1,722)
Operating EBITDA	1,293	783	1,538	1,717	1,773
Depreciation	(699)	(998)	(736)	(708)	(682)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	594	(215)	802	1,010	1,091
Net financing costs	(101)	(338)	(300)	(292)	(288)
Associates	115	101	268	292	302
Recurring non-operating income	685	726	506	553	583
Non-recurring items	(1,122)	2	0	0	0
Profit before tax	57	175	1,008	1,270	1,385
Tax	(224)	(12)	(81)	(108)	(125)
Profit after tax	(168)	163	927	1,162	1,260
Minority interests	(13)	(15)	(17)	(20)	(21)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	(181)	148	910	1,143	1,240
Non-recurring items & goodwill (net)	1,122	(2)	0	0	0
Recurring net profit	941	146	910	1,143	1,240
Per share (THB)					
Recurring EPS *	2.92	0.45	2.56	3.22	3.49
Reported EPS	(0.56)	0.46	2.56	3.22	3.49
DPS	0.94	0.15	0.90	1.13	1.40
Diluted shares (used to calculate per share data)	323	323	355	355	355
Growth					
Revenue (%)	9.9	(6.6)	13.9	14.0	3.4
Operating EBITDA (%)	27.2	(39.4)	96.4	11.7	3.2
Operating EBIT (%)	41.2	nm	nm	25.9	8.0
Recurring EPS (%)	(28.4)	(84.5)	466.9	25.6	8.5
Reported EPS (%)	nm	nm	459.7	25.6	8.5
Operating performance					
Gross margin inc. depreciation (%)	9.2	6.5	11.8	12.0	12.2
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	7.0	4.6	7.9	7.7	7.7
Operating EBIT margin (%)	3.2	(1.3)	4.1	4.5	4.7
Net margin (%)	5.1	0.8	4.7	5.1	5.4
Effective tax rate (%)	(396.2)	(2.0)	(8.0)	(8.5)	(9.0)
Dividend payout on recurring profit (%)	32.3	33.2	35.0	35.0	40.0
Interest cover (X)	12.7	1.5	4.4	5.4	5.8
Inventory days	49.3	66.7	57.4	51.0	48.4
Debtor days	43.5	51.2	50.6	45.1	46.7
Creditor days	80.9	103.2	89.9	80.3	81.5
Operating ROIC (%)	7.9	(2.5)	9.1	11.7	12.8
ROIC (%)	8.6	3.1	7.9	9.7	10.5
ROE (%)	12.6	2.0	11.7	13.5	13.4
ROA (%)	5.4	2.3	5.5	6.5	6.6
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
2019	2020	2021E	2022E	2023E	
Manufacture of auto parts	12,908	12,028	14,875	16,277	17,525
Car dealership and others	5,481	5,144	4,683	6,016	5,530

Sources: AAPICO Hitech; FSSIA estimates

Financial Statements

AAPICO Hitech

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	941	146	910	1,143	1,240
Depreciation	699	998	736	708	682
Associates & minorities	13	15	17	20	21
Other non-cash items	(76)	134	405	27	8
Change in working capital	(69)	(928)	144	(133)	283
Cash flow from operations	1,507	364	2,213	1,764	2,233
Capex - maintenance	(702)	(446)	(263)	(336)	(476)
Capex - new investment	(301)	(191)	(113)	(144)	(204)
Net acquisitions & disposals	40	84	0	0	0
Other investments (net)	(652)	145	32	30	29
Cash flow from investing	(1,615)	(408)	(343)	(450)	(651)
Dividends paid	(304)	(48)	(318)	(400)	(496)
Equity finance	108	0	0	0	0
Debt finance	484	755	(915)	(200)	(100)
Other financing cash flows	(329)	(474)	17	20	21
Cash flow from financing	(40)	232	(1,216)	(580)	(575)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	125	(92)	0	0	0
Movement in cash	(22)	97	654	734	1,006
Free cash flow to firm (FCFF)	188.48	329.01	2,210.09	1,646.38	1,909.71
Free cash flow to equity (FCFE)	173.21	145.30	972.07	1,134.27	1,502.27

Per share (THB)	2019	2020	2021E	2022E	2023E
FCFF per share	0.53	0.93	6.23	4.64	5.38
FCFE per share	0.49	0.41	2.74	3.20	4.23
Recurring cash flow per share	4.89	4.01	5.83	5.35	5.50

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Tangible fixed assets (gross)	18,640	19,021	19,298	19,698	20,298
Less: Accumulated depreciation	(10,612)	(11,248)	(11,810)	(12,343)	(12,852)
Tangible fixed assets (net)	8,028	7,773	7,488	7,355	7,446
Intangible fixed assets (net)	2,209	3,143	3,043	2,949	2,856
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	3,994	3,716	3,716	3,716	3,716
Cash & equivalents	592	690	1,343	2,077	3,083
A/C receivable	1,968	2,846	2,572	2,932	2,969
Inventories	2,909	2,596	2,599	2,687	2,496
Other current assets	386	435	456	479	503
Current assets	5,856	6,566	6,970	8,175	9,051
Other assets	1,159	1,148	801	798	777
Total assets	21,246	22,346	22,019	22,993	23,846
Common equity	7,228	7,473	8,082	8,844	9,609
Minorities etc.	252	268	286	305	326
Total shareholders' equity	7,480	7,741	8,368	9,150	9,935
Long term debt	4,788	5,597	4,800	4,700	4,600
Other long-term liabilities	578	562	628	683	698
Long-term liabilities	5,367	6,158	5,428	5,383	5,298
A/C payable	4,397	4,119	4,017	4,300	4,437
Short term debt	3,522	3,852	3,733	3,633	3,633
Other current liabilities	480	476	473	528	543
Current liabilities	8,399	8,446	8,223	8,461	8,613
Total liabilities and shareholders' equity	21,246	22,346	22,019	22,993	23,846
Net working capital	386	1,282	1,138	1,271	988
Invested capital	15,777	17,062	16,186	16,089	15,783

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

Per share (THB)	2019	2020	2021E	2022E	2023E
Book value per share	22.41	23.17	22.78	24.93	27.08
Tangible book value per share	15.56	13.42	14.20	16.61	19.03

Financial strength	2019	2020	2021E	2022E	2023E
Net debt/equity (%)	103.2	113.1	85.9	68.4	51.8
Net debt/total assets (%)	36.3	39.2	32.7	27.2	21.6
Current ratio (x)	0.7	0.8	0.8	1.0	1.1
CF interest cover (x)	5.7	2.0	4.6	5.4	6.9

Valuation	2019	2020	2021E	2022E	2023E
Recurring P/E (x) *	7.3	47.1	8.3	6.6	6.1
Recurring P/E @ target price (x) *	9.9	64.1	11.3	9.0	8.3
Reported P/E (x)	(37.9)	46.5	8.3	6.6	6.1
Dividend yield (%)	4.4	0.7	4.2	5.3	6.6
Price/book (x)	1.0	0.9	0.9	0.9	0.8
Price/tangible book (x)	1.4	1.6	1.5	1.3	1.1
EV/EBITDA (x) **	11.5	20.3	9.8	8.2	7.4
EV/EBITDA @ target price (x) **	13.4	23.5	11.6	9.8	8.9
EV/invested capital (x)	0.9	0.9	0.9	0.9	0.8

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

Sources: AAPICO Hitech; FSSIA estimates

27 OCTOBER 2021

THAILAND / AUTOMOTIVES

SOMBOON ADVANCE TECHNOLOGY

SAT TB

BUY

UNCHANGED

TARGET PRICE	THB29.00
CLOSE	THB21.10
UP/DOWNSIDE	+37.4%
PRIOR TP	THB29.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+13.5%

No more speed limit

3Q21 results should hit the bottom

We expect SAT's core net profit in 3Q21 to dip by 13% q-q to THB205m. The company's revenue should be flat at THB2b, despite a 3% q-q decline in Thailand's car production. Kubota tractors still had a strong production volume q-q, which should help SAT's revenue remain flat. However, we expect the company's GPM to drop significantly to 17.6% in 3Q21 vs 19.4% in 2Q21. This is due to the higher steel price which contributes almost 60% of its COGS, which may pressure its GPM.

Thailand's car production is starting to pick up

Although the car production volume in Thailand in 3Q21 dropped by 3% q-q due to the Covid impact, we have seen signs of a solid car production recovery in Sep-21, as the volume has recovered significantly from the bottom in Aug-21 by 35% q-q. Moreover, the company thinks that the car production volume during 4Q21 will have clear signs of a recovery. SAT is still confident that it should reach 1.65m units (+16%) in 2021, while Kubota tractors have the potential to beat its expectation of over 90k units (+20%).

Headwinds are gone

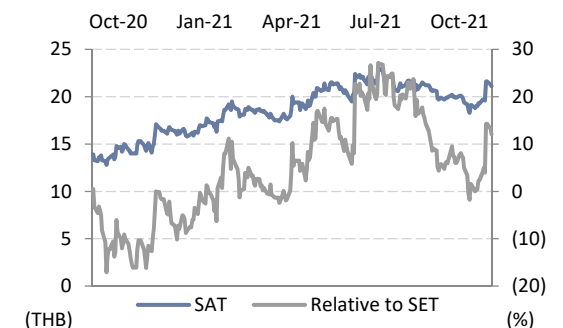
SAT's share price underperformed the market during 3Q21 due to various key downside risks that pressured its outlook. We believe those downside risks are now gone, including 1) the improvement of the flooding situation in Thailand, as the country is now entering the cool season; 2) the steel price is now more stable and most of the higher costs have been passed through to its customers; and 3) car production has already bottomed in Sep-21.

Maintain BUY with TP of THB29

We like SAT considering that 1) its 2021 earnings could hit a new record high; 2) its 2022 outlook remains strong thanks to the expectation of a continuous recovery in the car production level; 3) it has new orders awaiting mass production in 2Q22 at THB200m per year; and 4) it has an attractive dividend yield at above 7% p.a. We believe this is a great time to reinvest in SAT, after its share price declined by 20% from early Aug-21. We maintain BUY on SAT with our TP of THB29, pegged to 11x P/E (+1.7SD of its mean P/E). The company also has a healthy amount of cash on hand of over THB2.6b waiting for future investments.

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	5,883	8,010	8,842	9,461
Net profit	371	964	1,117	1,218
EPS (THB)	0.87	2.27	2.63	2.86
vs Consensus (%)	-	1.1	5.4	(0.2)
EBITDA	910	1,437	1,581	1,682
Core net profit	385	964	1,117	1,218
Core EPS (THB)	0.91	2.27	2.63	2.86
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	(56.9)	150.1	15.9	9.0
Core P/E (x)	23.3	9.3	8.0	7.4
Dividend yield (%)	2.8	7.6	8.8	9.6
EV/EBITDA (x)	7.9	4.5	3.9	3.5
Price/book (x)	1.3	1.2	1.1	1.0
Net debt/Equity (%)	(26.1)	(32.0)	(34.5)	(35.9)
ROE (%)	5.4	13.0	14.0	14.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	6.0	(4.5)	52.9
Relative to country (%)	5.7	(9.8)	12.9
Mkt cap (USD m)	271		
3m avg. daily turnover (USD m)	1.7		
Free float (%)	64		
Major shareholder	Kitapanich Family (44%)		
12m high/low (THB)	23.50/12.80		
Issued shares (m)	425.19		

Sources: Bloomberg consensus; FSSIA estimates


Naruedom Mujjalinkool

 naruedom.muj@fssia.com
 +66 2611 3566

Investment thesis

SAT is the largest producer of axle shafts (76% market share), which are used in the manufacturing of one-tonne pickup trucks and large commercial cars.

SAT is the safest company in the automotive sector, in our view, as it has no debt and holds more than THB2.5b in cash, equal to THB6 per share. The company has a solid earnings outlook, as 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 in 2022, which would directly benefit SAT.

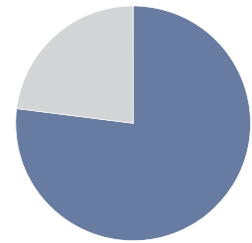
Company profile

SAT manufactures parts for the motor vehicle industry. These parts are for: passenger cars, pickup trucks, and the agricultural industry. Its major customers are original equipment manufacturers (OEMs) on long-term purchase contracts, as well as the replacement equipment manufacturer (REM) segment.

www.satpcl.co.th

Principal activities (revenue, 2020)

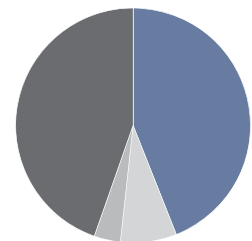
■ Auto - 77.0 % ■ Non-auto - 23.0 %



Source: Somboon Advance Technology

Major shareholders

■ Kitapanich Family - 44.0 %
 ■ Thai NVDR - 7.7 %
 ■ NORTRUST NOMINEES - 3.6 %
 ■ Others - 44.6 %



Source: Somboon Advance Technology

Catalysts

- The strong recovery of Thailand's car manufacturing industry in 2021;
- Cost reduction program;
- Solid dividend yield track record at 5-7% p.a.

Risks to our call

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.

Event calendar

Date	Event
Nov 2021	3Q21 results announcement

Key assumptions

	2021E (%)	2022E (%)	2023E (%)
Car production growth	29	9	7
Kubota tractor growth	20	4	7

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in auto-part revenue, we project 2021 earnings to rise by 0.5%, and vice versa, all else being equal.
- For every 1 bp increase in gross profit margin, we project 2021 earnings to rise by 1.1%, and vice versa, all else being equal.

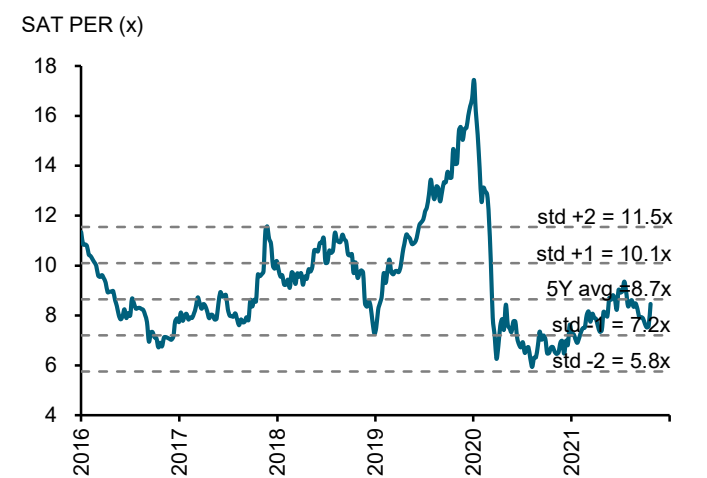
Source: FSSIA estimates

Exhibit 11: 3Q21E results preview

	3Q20	2Q21	3Q21E	Change		9M20	9M21E	Change	2021E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)
Revenue	1,529	2,041	2,043	0.1	33.6	4,114	6,291	52.9	8,010
Operating costs	(1,298)	(1,645)	(1,684)	2.4	29.8	(3,589)	(5,071)	41.3	(6,408)
Gross profit	230	396	359	(9.4)	55.6	525	1,220	132.2	1,602
SG&A expenses	(163)	(181)	(175)	(3.3)	7.2	(444)	(553)	24.7	(769)
EBIT	67	215	184	(14.6)	172.9	82	667	717.0	833
Depn & amort.	150	147	148	0.9	(1.3)	461	440	(4.6)	604
EBITDA	217	362	332	(8.3)	52.6	543	1,107	103.9	1,437
EBITDA margin (%)	14	18	16	(1.5)	2.0	13	18	nm	18
Interest expense	(1)	(2)	(2)	(12.3)	2.8	(6)	(4)	(22.9)	(5)
Other income	48	30	26	(13.0)	(45.4)	104	90	(13.1)	144
Associates	(12)	21	23	7.0	(286.6)	(24)	92	n.a.	120
Gain/Loss from exchange	(1)	2	0	n.a.	n.a.	2	8	396.3	0
Pretax profit	100	266	231	(13.3)	131.3	157	853	444.1	1,092
Tax	(14)	(27)	(24)	(12.0)	73.1	(27)	(85)	209.6	(120)
Tax rate (%)	(14)	(10)	(10)	(0.1)	3.4	(17)	(10)	nm	(11.00)
Minority interests	(5)	2	2	(5.6)	(140.7)	1	5	n.a.	8
Net profit	92	237	205	(13.5)	123.9	128	763	496.8	964
Extra items	(1)	2	0	n.a.	n.a.	2	8	396.3	0
Core net profit	93	235	205	(12.8)	121.1	126	755	498.0	964
EPS (THB)	0.22	0.56	0.48	(13.5)	123.9	0.30	1.79	496.8	2.27
Core EPS (THB)	0.22	0.55	0.48	(12.8)	121.1	0.30	1.78	498.0	2.27

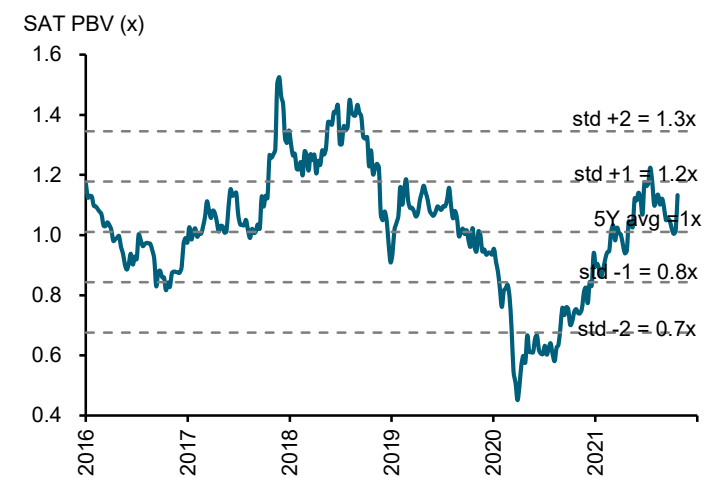
Sources: SAT; FSSIA estimates

Exhibit 12: Rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 13: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Financial Statements

Somboon Advance Technology

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	8,006	5,883	8,010	8,842	9,461
Cost of goods sold	(5,869)	(4,372)	(5,804)	(6,456)	(6,928)
Gross profit	2,137	1,511	2,206	2,386	2,533
Other operating income	-	-	-	-	-
Operating costs	(736)	(601)	(769)	(805)	(852)
Operating EBITDA	1,401	910	1,437	1,581	1,682
Depreciation	(643)	(620)	(604)	(618)	(622)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	757	290	833	964	1,060
Net financing costs	(11)	(8)	(5)	(4)	(4)
Associates	59	3	120	133	142
Recurring non-operating income	252	147	264	309	331
Non-recurring items	0	(15)	0	0	0
Profit before tax	998	415	1,092	1,269	1,386
Tax	(100)	(40)	(120)	(140)	(153)
Profit after tax	899	374	972	1,129	1,234
Minority interests	(4)	(4)	(8)	(12)	(16)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	895	371	964	1,117	1,218
Non-recurring items & goodwill (net)	0	15	0	0	0
Recurring net profit	894	385	964	1,117	1,218
Per share (THB)					
Recurring EPS *	2.10	0.91	2.27	2.63	2.86
Reported EPS	2.10	0.87	2.27	2.63	2.86
DPS	1.35	0.60	1.60	1.86	2.03
Diluted shares (used to calculate per share data)	425	425	425	425	425
Growth					
Revenue (%)	(2.3)	(26.5)	36.2	10.4	7.0
Operating EBITDA (%)	(6.0)	(35.0)	57.9	10.0	6.3
Operating EBIT (%)	(8.5)	(61.7)	186.9	15.7	9.9
Recurring EPS (%)	(1.9)	(56.9)	150.1	15.9	9.0
Reported EPS (%)	(2.3)	(58.6)	159.9	15.9	9.0
Operating performance					
Gross margin inc. depreciation (%)	18.7	15.1	20.0	20.0	20.2
Gross margin of key business (%)	0.2	0.2	0.2	0.2	0.2
Operating EBITDA margin (%)	17.5	15.5	17.9	17.9	17.8
Operating EBIT margin (%)	9.5	4.9	10.4	10.9	11.2
Net margin (%)	11.2	6.6	12.0	12.6	12.9
Effective tax rate (%)	(10.0)	(9.7)	(11.0)	(11.0)	(11.0)
Dividend payout on recurring profit (%)	64.2	66.2	70.6	70.8	70.9
Interest cover (X)	94.6	56.4	202.1	293.2	320.3
Inventory days	32.5	47.4	34.3	31.3	31.7
Debtor days	66.7	85.6	64.9	64.7	63.8
Creditor days	88.9	111.7	86.2	83.5	84.4
Operating ROIC (%)	15.0	6.2	18.8	21.7	23.8
ROIC (%)	16.5	7.5	19.7	22.4	23.8
ROE (%)	12.7	5.4	13.0	14.0	14.5
ROA (%)	9.9	4.3	10.5	11.3	11.6
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Auto	6,404	4,530	6,393	7,169	7,670
Non-auto	1,601	1,353	1,617	1,674	1,791

Sources: Somboon Advance Technology; FSSIA estimates

Financial Statements

Somboon Advance Technology

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	894	385	964	1,117	1,218
Depreciation	643	620	604	618	622
Associates & minorities	-	4	8	12	16
Other non-cash items	(88)	(109)	47	12	16
Change in working capital	(153)	128	(48)	23	(50)
Cash flow from operations	1,297	1,028	1,575	1,782	1,822
Capex - maintenance	(253)	(283)	(357)	(427)	(427)
Capex - new investment	(108)	(121)	(153)	(183)	(183)
Net acquisitions & disposals	4	17	0	0	0
Other investments (net)	121	329	(120)	(133)	(142)
Cash flow from investing	(237)	(59)	(630)	(743)	(752)
Dividends paid	(574)	(476)	(262)	(680)	(791)
Equity finance	0	0	0	0	0
Debt finance	0	(187)	(35)	0	0
Other financing cash flows	(11)	(29)	(11)	0	0
Cash flow from financing	(585)	(692)	(309)	(680)	(791)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	(136)	0	(12)	0	0
Movement in cash	340	277	624	359	280
Free cash flow to firm (FCFF)	1,071.31	977.18	950.33	1,043.37	1,074.58
Free cash flow to equity (FCFE)	913.90	753.56	886.06	1,039.03	1,070.24

Per share (THB)

FCFF per share	2.52	2.30	2.24	2.45	2.53
FCFE per share	2.15	1.77	2.08	2.44	2.52
Recurring cash flow per share	3.41	2.12	3.82	4.14	4.40

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Tangible fixed assets (gross)	11,575	11,605	12,105	12,705	13,305
Less: Accumulated depreciation	(7,978)	(8,202)	(8,794)	(9,399)	(10,009)
Tangible fixed assets (net)	3,596	3,403	3,311	3,306	3,296
Intangible fixed assets (net)	74	70	41	39	37
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	973	867	987	1,120	1,262
Cash & equivalents	1,703	1,981	2,604	2,963	3,243
A/C receivable	1,448	1,311	1,536	1,599	1,711
Inventories	570	565	527	581	621
Other current assets	860	550	567	584	601
Current assets	4,581	4,407	5,234	5,727	6,175
Other assets	88	208	138	147	153
Total assets	9,312	8,955	9,712	10,339	10,923
Common equity	7,158	7,042	7,752	8,201	8,644
Minorities etc.	45	48	56	68	84
Total shareholders' equity	7,203	7,091	7,808	8,269	8,729
Long term debt	118	59	109	109	109
Other long-term liabilities	355	305	309	324	340
Long-term liabilities	473	364	417	433	449
A/C payable	1,340	1,337	1,404	1,550	1,655
Short term debt	199	71	0	0	0
Other current liabilities	97	93	82	86	91
Current liabilities	1,636	1,501	1,487	1,637	1,746
Total liabilities and shareholders' equity	9,311	8,955	9,712	10,339	10,923
Net working capital	1,442	996	1,143	1,127	1,187
Invested capital	6,173	5,545	5,621	5,739	5,935

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

Per share (THB)

Book value per share	16.83	16.56	18.23	19.29	20.33
Tangible book value per share	16.66	16.40	18.13	19.20	20.24

Financial strength

Net debt/equity (%)	(19.2)	(26.1)	(32.0)	(34.5)	(35.9)
Net debt/total assets (%)	(14.9)	(20.7)	(25.7)	(27.6)	(28.7)
Current ratio (x)	2.8	2.9	3.5	3.5	3.5
CF interest cover (x)	96.9	113.8	192.4	282.4	289.6

Valuation	2019	2020	2021E	2022E	2023E
Recurring P/E (x) *	10.0	23.3	9.3	8.0	7.4
Recurring P/E @ target price (x) *	13.8	32.0	12.8	11.0	10.1
Reported P/E (x)	10.0	24.2	9.3	8.0	7.4
Dividend yield (%)	6.4	2.8	7.6	8.8	9.6
Price/book (x)	1.3	1.3	1.2	1.1	1.0
Price/tangible book (x)	1.3	1.3	1.2	1.1	1.0
EV/EBITDA (x) **	5.4	7.9	4.5	3.9	3.5
EV/EBITDA @ target price (x) **	7.8	11.6	6.9	6.0	5.5
EV/invested capital (x)	1.2	1.3	1.2	1.1	1.0

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

Sources: Somboon Advance Technology; FSSIA estimates

27 OCTOBER 2021

THAILAND / TRANSPORT & LOGISTICS

NAM YONG TERMINAL NYT TB

BUY

UNCHANGED

TARGET PRICE	THB5.00
CLOSE	THB4.10
UP/DOWNSIDE	+22.0%
PRIOR TP	THB5.50
CHANGE IN TP	-9.1%
TP vs CONSENSUS	-10.7%

Waiting for the green light

Sluggish 3Q21 results expected

We expect NYT's net profit in 3Q21 to drop 25% q-q to THB44m. The weak earnings expected in 3Q21 would come from 1) a 5% q-q decrease in Thailand's car exports due to the Covid impact; 2) the full quarter recognition of the cost and depreciation of its ferry business which has not yet started operating due to the Covid restrictions; and 3) C0 Terminal should continue to be loss-making, as the activity in this port remains low. We expect the company's revenue in this quarter to drop by only 4% q-q to THB311m. The additional cost associated with the ferry business that should be around THB10m per quarter, based on our expectation, may directly hurt NYT's earnings in 3Q21 and the following quarter.

Ferry business has become a short-term burden

We have shifted our expectation for the ferry business to begin its operations in 4Q21 to 1Q22 or 2Q22, in the worst-case scenario. The Port Authority of Thailand might finally allow this business to operate at the beginning of next year, given that Thailand now has fewer Covid restrictions in place. In Nov-21, Thailand will open its borders, reduce the curfews in many provinces, and plans to allow drinking alcohol in restaurants and reopen pubs & bars. Therefore, other activities such as ferry businesses should also be allowed to resume very soon.

Earnings revisions due to ferry business

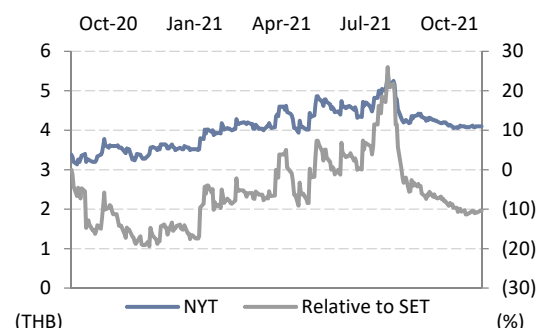
Due to the slower-than-expected start of operations for its ferry business, NYT has to carry over its depreciation and other costs for 2H21. Therefore, we slightly cut our revenue assumptions for 2021-22 to reflect the impact of Covid and the recognition of the ferry cost in 2H21. As a result, our net profit estimate for 2021 has dropped significantly from our previous expectation by 34% to THB258m (+13%).

Maintain BUY with a revised TP of THB5

NYT's core business, which is roll-on/roll-off, remains strong. Thailand's car exports should hit our estimate at 900k units (+22%) this year, and we project growth of 4% next year. We conservatively expect that the ferry business would not hurt NYT's earnings if it can start operating in 2022. Therefore, NYT's earnings should have the potential to grow by over 36% next year. Maintain BUY with our 2022 TP of THB5, pegged to 17.6x 2022E P/E (-0.25SD of its 5-year mean P/E). The company should be able to pay a decent dividend yield of around 6.2% p.a.

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	1,195	1,325	1,419	1,571
Net profit	229	258	352	393
EPS (THB)	0.18	0.21	0.28	0.32
vs Consensus (%)	-	(15.3)	(8.2)	(8.6)
EBITDA	848	728	794	821
Core net profit	243	258	352	393
Core EPS (THB)	0.20	0.21	0.28	0.32
Chg. In EPS est. (%)	-	(33.7)	(15.9)	(15.9)
EPS growth (%)	(33.7)	6.0	36.5	11.5
Core P/E (x)	20.9	19.7	14.4	12.9
Dividend yield (%)	4.9	4.6	6.2	7.0
EV/EBITDA (x)	8.2	9.2	8.1	7.6
Price/book (x)	1.6	1.6	1.6	1.5
Net debt/Equity (%)	54.5	48.9	42.3	35.8
ROE (%)	6.9	7.9	10.8	11.9



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(2.4)	(14.9)	19.9
Relative to country (%)	(2.7)	(19.7)	(11.5)
Mkt cap (USD m)	154		
3m avg. daily turnover (USD m)	1.5		
Free float (%)	41		
Major shareholder	Nam Yuen Yong Shipping (25%)		
12m high/low (THB)	5.50/3.08		
Issued shares (m)	1,240.00		

Sources: Bloomberg consensus; FSSIA estimates



Naruedom Mujjalinkool

naruedom.muj@fssia.com
+66 2611 3566

Investment thesis

NYT is the terminal operator with the highest volume of cars exported through Thailand, and has an approximate market share of 80%, facilitating Thailand's total car exports. NYT provides a full scope of services for car exports and imports through A5 Terminal, which can be categorised as follows:

- 1) Terminal services;
- 2) Supporting car storage areas and warehousing services;
- 3) Other services related to its core business.

The company has a solid dividend yield track record of over 5% p.a. Together with being a low beta stock and having a monopoly business, we believe NYT is a good defensive stock for investors looking for a decent yield.

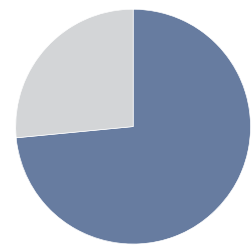
Company profile

NYT is the roll-on/roll-off and general cargo terminal operator of A5 Terminal which is located at Laem-Chabang Port, Sriracha district, Chonburi.

www.namyongterminal.com

Principal activities (revenue, 2020)

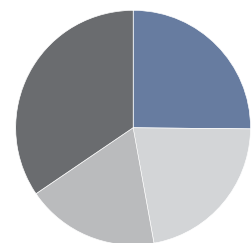
- Seaport and related - 73.5 %
- Warehouse service - 26.5 %



Source: Nam Yong Terminal

Major shareholders

- Nam Yuen Yong Shipping - 25.2 %
- Leungsuwan Family - 22.0 %
- N.Y.K. (Thailand) - 18.3 %
- Others - 34.5 %



Source: Nam Yong Terminal

Catalysts

- The recovery of the global economy should boost the demand for cars from Thailand;
- Decent dividend yield of over 5% p.a.

Risks to our call

The key downside risks to our P/E multiple TP includes 1) weaker-than-expected Thai car exports; and 2) inability to secure an A5 contract extension.

Event calendar

Date	Event
Nov 2021	3Q21 results announcement

Key assumptions

	2020 (%)	2021E (%)	2022E (%)	2023E (%)
Thailand's car export growth	(30.2)	22.3	4.4	9.0
NYT's revenue growth	(15.8)	10.9	7.1	10.7

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in Thailand's car exports, we project 2021 earnings to rise by 1.5%, and vice versa, all else being equal.
- For every 1% increase in rental space revenue, we project 2021 earnings to rise by 0.3%, and vice versa, all else being equal.

Source: FSSIA estimates

Exhibit 14: 3Q21E results preview

	3Q20	2Q21	3Q21E	Change		9M20	9M21E	chg.	2021E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)
Port operations	188	243	228	(6)	22	645	723	12	983
Rental space	81	82	83	1	2	237	246	4	342
Revenue	268	325	311	(4)	16	883	968	10	1,325
Cost of service	(149)	(186)	(193)	3	30	(468)	(559)	20	(738)
Gross profit	120	138	118	(15)	(1)	415	409	(1)	587
SG&A expenses	(40)	(49)	(53)	7	31	(120)	(142)	18	(195)
EBIT	79	89	66	(26)	(17)	295	268	(9)	392
Deprn & amort.	109	115	119	3	9	320	342	7	333
EBITDA	189	204	185	(10)	(2)	615	610	(1)	725
<i>EBITDA margin (%)</i>	70.4	62.8	59.4	(3.48)	(10.99)	69.6	62.9	(6.69)	54.7
Interest expense	(18)	(24)	(25)	5	38	(57)	(66)	15	(111)
Other income	6	5	5	1	(14)	21	15	(29)	22
Associates	(20)	(5)	(6)	27	(70)	(48)	(12)	(75)	(14)
Extra items	(14)	1	0	(100)	(100)	(26)	9	n.a.	0
Pretax profit	33	67	40	(40)	20	185	214	16	288
Tax	(12)	(18)	(10)	(47)	(21)	(48)	(54)	12	(66)
<i>Tax rate (%)</i>	(36.4)	(27.0)	(24.0)	3.01	12.46	(26.0)	(25.2)	0.76	(23)
Minority interests	(1)	(9)	(13)	46	n.a.	(1)	(27)	n.a.	(36)
Net profit	22	58	44	(25)	96	138	187	36	258
Core net profit	37	57	44	(23)	19	164	178	8	258
EPS (THB)	0.02	0.05	0.04	(25)	96	0.11	0.15	36	0.21
Core EPS (THB)	0.03	0.05	0.04	(23)	19	0.13	0.14	8	0.21

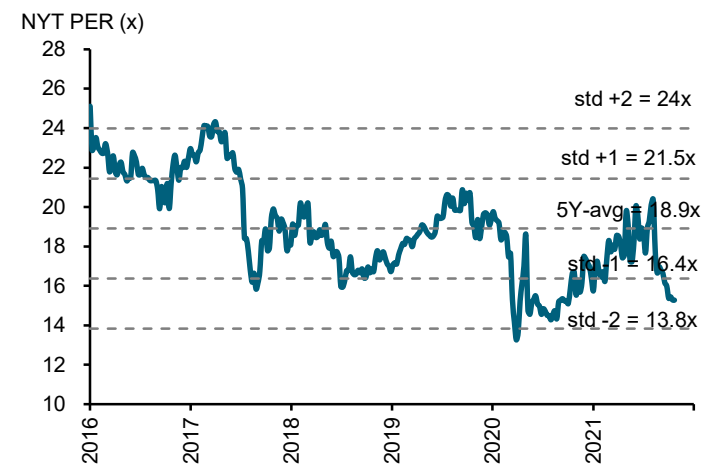
Sources: NYT; FSSIA estimates

Exhibit 15: Key assumption changes

	New		Previous		Change	
	2021E	2022E	2021E	2022E	2021E	2022E
	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)
Revenue	1,325	1,419	1,422	1,526	(7)	(7)
Gross profit	587	661	666	718	(12)	(8)
SG&A expense	(195)	(181)	(165)	(177)	18	2
Interest expense	(111)	(65)	(72)	(65)	55	0
MI	36	6	18	6	100	0
Net profit	258	352	389	419	(34)	(16)
Margin	(%)	(%)	(%)	(%)	(ppt)	(ppt)
GPM	44.3	46.6	46.8	47.1	(2.5)	(0.5)
NPM	19.5	24.8	27.4	27.5	(7.9)	(2.6)

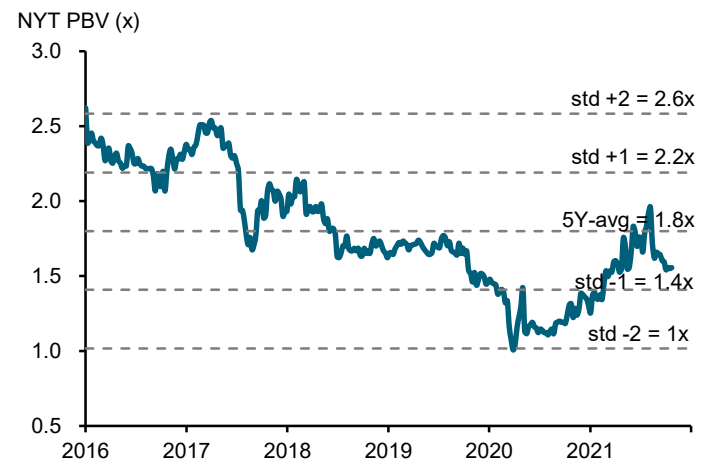
Source: FSSIA estimates

Exhibit 16: Rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 17: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Financial Statements

Nam Yong Terminal

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	1,419	1,195	1,325	1,419	1,571
Cost of goods sold	(575)	(192)	(406)	(451)	(558)
Gross profit	844	1,003	920	968	1,013
Other operating income	7	5	3	7	8
Operating costs	(161)	(160)	(195)	(181)	(200)
Operating EBITDA	690	848	728	794	821
Depreciation	(207)	(429)	(333)	(307)	(284)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	483	419	395	488	537
Net financing costs	22	(53)	(93)	(46)	(40)
Associates	(36)	(55)	(14)	8	13
Recurring non-operating income	(36)	(55)	(14)	8	13
Non-recurring items	9	(15)	0	0	0
Profit before tax	479	296	288	450	510
Tax	(102)	(69)	(66)	(103)	(117)
Profit after tax	377	227	222	346	393
Minority interests	0	1	36	6	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	377	229	258	352	393
Non-recurring items & goodwill (net)	(9)	15	0	0	0
Recurring net profit	367	243	258	352	393
Per share (THB)					
Recurring EPS *	0.30	0.20	0.21	0.28	0.32
Reported EPS	0.30	0.18	0.21	0.28	0.32
DPS	0.50	0.20	0.19	0.26	0.29
Diluted shares (used to calculate per share data)	1,240	1,240	1,240	1,240	1,240
Growth					
Revenue (%)	(0.6)	(15.8)	10.9	7.1	10.7
Operating EBITDA (%)	(0.8)	22.8	(14.2)	9.1	3.4
Operating EBIT (%)	1.4	(13.3)	(5.7)	23.4	10.2
Recurring EPS (%)	(9.4)	(33.7)	6.0	36.5	11.5
Reported EPS (%)	(7.0)	(39.3)	12.9	36.5	11.5
Operating performance					
Gross margin inc. depreciation (%)	44.9	48.0	44.3	46.6	46.4
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	48.7	71.0	54.9	56.0	52.2
Operating EBIT margin (%)	34.1	35.1	29.8	34.4	34.2
Net margin (%)	25.9	20.4	19.5	24.8	25.0
Effective tax rate (%)	-	-	-	-	-
Dividend payout on recurring profit (%)	168.9	101.9	90.0	90.0	90.0
Interest cover (X)	(20.6)	6.9	4.1	10.8	13.7
Inventory days	-	3.2	3.2	3.1	2.8
Debtor days	31.2	33.4	28.4	29.5	29.0
Creditor days	27.6	46.9	25.4	21.1	6.6
Operating ROIC (%)	21.9	18.4	18.2	22.7	25.1
ROIC (%)	12.7	7.9	7.4	10.1	11.6
ROE (%)	9.7	6.9	7.9	10.8	11.9
ROA (%)	7.9	5.9	5.6	7.3	8.3
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Seaport and related	1,129	878	983	1,057	1,183
Warehouse service	290	317	342	362	388

Sources: Nam Yong Terminal; FSSIA estimates

Financial Statements

Nam Yong Terminal

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	367	243	258	352	393
Depreciation	207	429	333	307	284
Associates & minorities	36	54	(36)	(6)	0
Other non-cash items	2	47	0	0	0
Change in working capital	(43)	(118)	24	(25)	(23)
Cash flow from operations	568	656	579	628	654
Capex - maintenance	(59)	(198)	(70)	(70)	(70)
Capex - new investment	(27)	(86)	(32)	(32)	(32)
Net acquisitions & disposals	(907)	31	0	0	0
Other investments (net)	(144)	460	0	0	0
Cash flow from investing	(1,137)	206	(102)	(102)	(102)
Dividends paid	(372)	(620)	(232)	(317)	(354)
Equity finance	0	0	0	0	0
Debt finance	(2)	(22)	(195)	(180)	(180)
Other financing cash flows	0	(60)	(36)	(6)	0
Cash flow from financing	(374)	(701)	(464)	(503)	(534)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(943)	161	13	23	18
Free cash flow to firm (FCFF)	(564.02)	937.20	588.14	591.15	612.15
Free cash flow to equity (FCFE)	(570.75)	781.11	245.34	339.82	371.60

Per share (THB)	2019	2020	2021E	2022E	2023E
FCFF per share	(0.45)	0.76	0.47	0.48	0.49
FCFE per share	(0.46)	0.63	0.20	0.27	0.30
Recurring cash flow per share	0.49	0.62	0.45	0.53	0.55

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Tangible fixed assets (gross)	2,367	2,646	2,746	2,846	2,946
Less: Accumulated depreciation	(1,339)	(1,444)	(1,581)	(1,711)	(1,836)
Tangible fixed assets (net)	1,029	1,202	1,165	1,135	1,110
Intangible fixed assets (net)	214	1,724	1,530	1,356	1,200
Long-term financial assets	175	189	182	185	183
Invest. in associates & subsidiaries	1,146	1,072	1,072	1,072	1,072
Cash & equivalents	94	255	268	291	309
A/C receivable	124	95	111	118	131
Inventories	0	3	4	4	4
Other current assets	1,519	1,067	1,071	1,070	1,071
Current assets	1,737	1,420	1,454	1,483	1,516
Other assets	55	87	71	79	75
Total assets	4,355	5,693	5,474	5,310	5,155
Common equity	3,792	3,254	3,243	3,273	3,312
Minorities etc.	0	40	4	(2)	(2)
Total shareholders' equity	3,792	3,293	3,247	3,270	3,310
Long term debt	0	1,855	1,675	1,495	1,315
Other long-term liabilities	278	163	175	178	181
Long-term liabilities	278	2,018	1,851	1,674	1,496
A/C payable	25	24	32	20	0
Short term debt	0	195	180	180	180
Other current liabilities	260	163	164	166	169
Current liabilities	286	382	376	366	349
Total liabilities and shareholders' equity	4,355	5,693	5,474	5,310	5,155
Net working capital	1,358	978	990	1,006	1,038
Invested capital	3,976	5,252	5,010	4,833	4,677

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

Per share (THB)	2019	2020	2021E	2022E	2023E
Book value per share	3.06	2.62	2.62	2.64	2.67
Tangible book value per share	2.89	1.23	1.38	1.55	1.70

Financial strength	2019	2020	2021E	2022E	2023E
Net debt/equity (%)	(2.5)	54.5	48.9	42.3	35.8
Net debt/total assets (%)	(2.1)	31.5	29.0	26.1	23.0
Current ratio (x)	6.1	3.7	3.9	4.0	4.3
CF interest cover (x)	26.1	17.5	4.0	9.1	11.1

Valuation	2019	2020	2021E	2022E	2023E
Recurring P/E (x) *	13.9	20.9	19.7	14.4	12.9
Recurring P/E @ target price (x) *	16.9	25.5	24.0	17.6	15.8
Reported P/E (x)	13.5	22.2	19.7	14.4	12.9
Dividend yield (%)	12.2	4.9	4.6	6.2	7.0
Price/book (x)	1.3	1.6	1.6	1.6	1.5
Price/tangible book (x)	1.4	3.3	3.0	2.7	2.4
EV/EBITDA (x) **	7.2	8.2	9.2	8.1	7.6
EV/EBITDA @ target price (x) **	8.8	9.5	10.7	9.5	9.0
EV/invested capital (x)	1.3	1.3	1.3	1.3	1.3

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

Sources: Nam Yong Terminal; 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	PAP	PCSGH	PDJ	PG	PHOL	PLANB
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	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TRC	TSC	TSR	TSTE	TSTH
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	AMANAHA	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	TTB	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

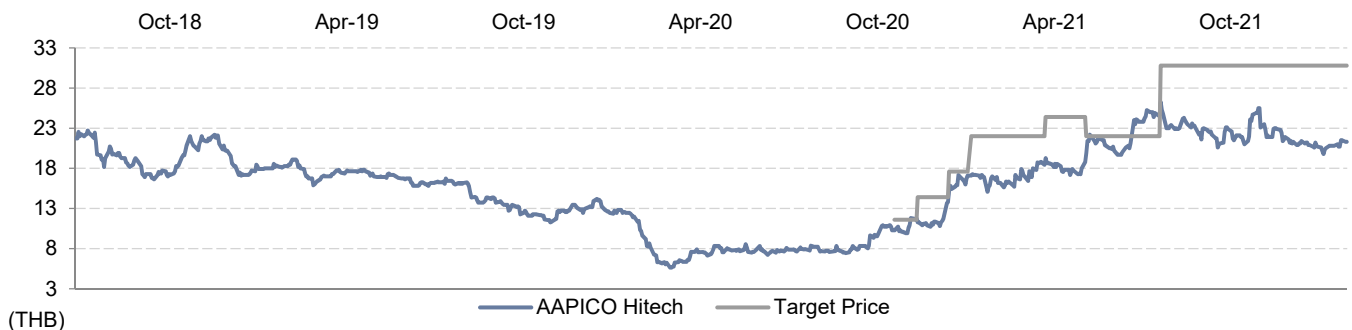
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

This report has been prepared by FSS International Investment Advisory Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSS makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSS has no intention to solicit investors to buy or sell any security in this report. In addition, FSS does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

History of change in investment rating and/or target price

AAPICO Hitech (AH TB)



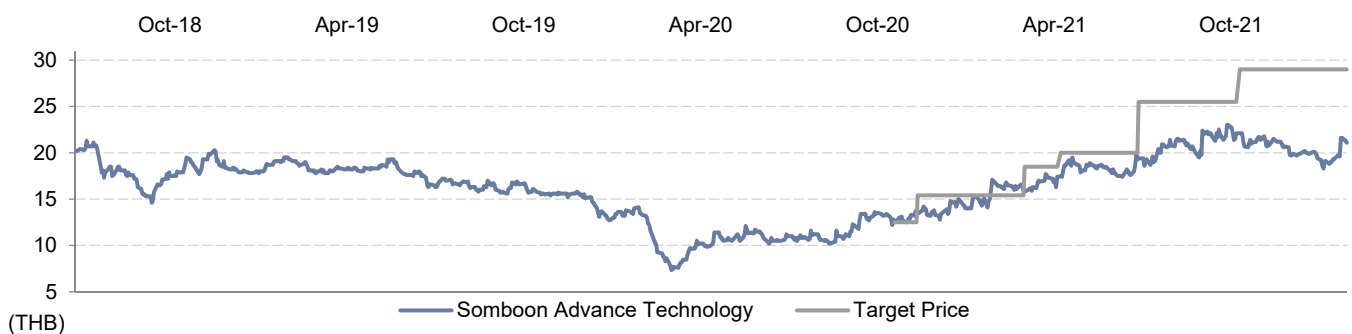
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
01-Oct-2020	HOLD	11.60	04-Dec-2020	BUY	22.00	18-May-2021	BUY	30.80
21-Oct-2020	BUY	14.40	08-Feb-2021	BUY	24.40			
17-Nov-2020	BUY	17.60	15-Mar-2021	BUY	22.00			

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)



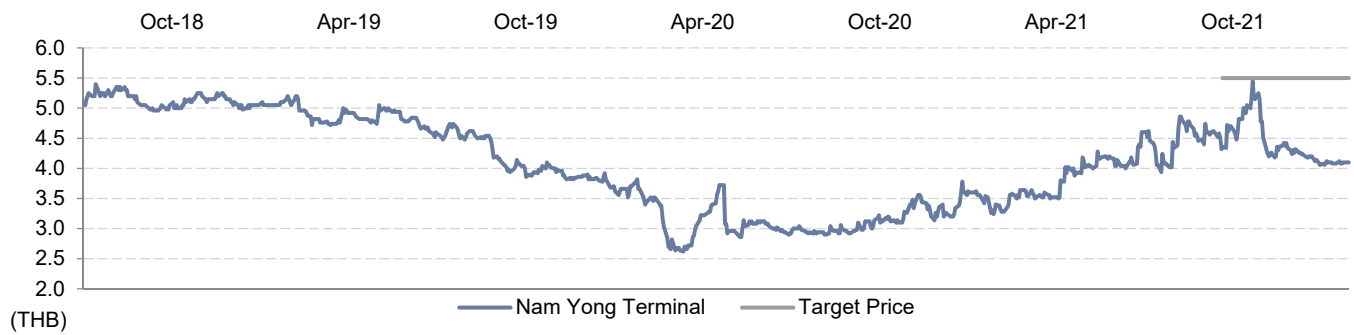
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
01-Oct-2020	HOLD	12.50	21-Jan-2021	BUY	18.50	29-Apr-2021	BUY	25.50
21-Oct-2020	BUY	15.40	19-Feb-2021	BUY	20.00	23-Jul-2021	BUY	29.00

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

Price and TP are in local currency

Source: FSSIA estimates

Nam Yong Terminal (NYT TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
08-Jul-2021	BUY	5.50	-	-	-	-	-	-

Naruedom Mujjalinkool started covering this stock from 08-Jul-2021

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
AAPICO Hitech	AH TB	THB 21.30	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 21.10	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.
Nam Yong Terminal	NYT TB	THB 4.10	BUY	The key downside risks to our P/E multiple TP includes 1) weaker-than-expected Thai car exports; and 2) inability to secure an A5 contract extension.

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 26-Oct-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.