

AAPICO HITECH AH TB  
THAILAND / AUTOMOTIVES**HOLD**

FROM BUY

## โปรตุเกสกำลังกลายเป็นปัจจัยกดดัน

- คาดกำไรสุทธิจากการดำเนินงานใน 4Q21 จะออกมาในระดับที่ไม่น่าสนใจ โดยจะเพิ่ม 71% q-q แต่ยังคงลดลง y-y
- โรงงานในโปรตุเกสอาจกลายเป็นปัจจัยกดดันในระยะสั้นสำหรับ AH
- ปรับลดคำแนะนำเป็นถือจากซื้อที่ราคาเป้าหมายใหม่ที่ 28 บาท

TARGET PRICE	THB28.00
CLOSE	THB26.00
UP/DOWNSIDE	+7.7%
PRIOR TP	THB29.00
CHANGE IN TP	-3.4%
TP vs CONSENSUS	-8.3%

## KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	17,172	20,073	22,606	23,772
Net profit	148	1,117	1,108	1,279
EPS (THB)	0.46	3.15	3.12	3.61
vs Consensus (%)	-	19.8	(5.9)	(0.8)
EBITDA	783	1,459	1,680	1,823
Core net profit	146	877	1,108	1,279
Core EPS (THB)	0.45	2.47	3.12	3.61
Chg. In EPS est. (%)	-	(3.7)	(3.0)	3.2
EPS growth (%)	(84.5)	446.1	26.4	15.5
Core P/E (x)	57.5	10.5	8.3	7.2
Dividend yield (%)	0.6	4.2	4.2	5.5
EV/EBITDA (x)	22.2	11.4	9.3	8.0
Price/book (x)	1.1	1.1	1.0	0.9
Net debt/Equity (%)	113.1	83.7	67.3	50.6
ROE (%)	2.0	11.2	12.9	13.7

## คาดผลประกอบการ 4Q21 จะออกมาในระดับที่ไม่น่าสนใจ

เราคาดว่ากำไรของ AH ใน 4Q21 จะฟื้นตัว 71% q-q แต่ยังคงลดลง 20% y-y มาอยู่ที่ 217 ลบ. โดยรายได้น่าจะฟื้นตัว 28% q-q เป็น 5.4 พัน ลบ. จาก 1) ธุรกิจชิ้นส่วนยานยนต์ที่ฟื้นตัว 4% q-q หลังการผลิตรถยนต์ของประเทศไทยได้อย่างมีนัยสำคัญใน 4Q21; และ 2) ธุรกิจตัวแทนจำหน่ายรถยนต์ที่ฟื้นตัว 136% q-q หลัง AH เปิดสำนักงานขาย Mazda ใหม่ รวมถึงการฟื้นตัวของยอดขายรถยนต์ในประเทศไทยและมาเลเซีย อย่างไรก็ตามเราคาดว่าอัตรากำไรขั้นต้น GPM จะอยู่ที่ 10.2% โดยจะยังไม่ฟื้นตัวสู่ระดับปกติที่ 11-12% จาก 1) สัดส่วนยอดขายที่สูงขึ้นของธุรกิจตัวแทนจำหน่ายรถยนต์ที่มีอัตรากำไรต่ำ; และ 2) ผลประกอบการที่ตกต่ำของโรงงานในโปรตุเกส ซึ่งอาจรายงานผลขาดทุน

## ผลประกอบการที่ตกต่ำในโปรตุเกสอาจเป็นปัจจัยกดดันในอนาคต

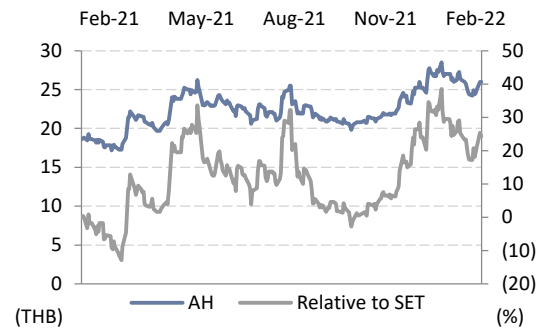
โรงงานชิ้นส่วนยานยนต์ในโปรตุเกสได้กลายเป็นปัจจัยถ่วงสำคัญสำหรับ AH มาตั้งแต่ 3Q21 จาก 1) ปัญหาขาดแคลนเซมิคอนดักเตอร์ที่รุนแรงกว่าในประเทศไทย; 2) ช่วงวันหยุดที่ยาวนานใน 3Q และ 4Q; และ 3) ราคาเหล็กที่สูงขึ้น จากข้อมูลของ AH ปริมาณการผลิตได้ชะลอตัวลงอย่างต่อเนื่อง จากตัวเลขรถยนต์จดทะเบียนใหม่ในยุโรปที่ยังอ่อนแอ ผลประกอบการของโรงงานในโปรตุเกสอาจเป็นปัจจัยกดดันสำหรับ AH ในระยะสั้น

## ปรับประมาณการกำไรเล็กน้อย

จากผลประกอบการของโรงงานในโปรตุเกสที่อ่อนแอเกินคาด โดยอาจค่อย ๆ ฟื้นตัวในอัตราที่ช้ากว่าที่เคยคาด เราปรับประมาณการกำไรจากการดำเนินงานปี 2021 ลง 4% เป็น 877 ลบ. ในปี 2022 เราปรับลดประมาณการกำไรลง 3% เป็น 1.1 พัน ลบ. แม้ว่าสัดส่วนรายได้จะเปลี่ยนแปลงเล็กน้อย เราลดประมาณการ GPM ปี 2022 เป็น 11.4% จากที่เคยคาดไว้ก่อนหน้านี้ที่ 12% จากผลประกอบการที่อ่อนแอในโปรตุเกสและสัดส่วนที่สูงขึ้นของยอดขายในธุรกิจตัวแทนจำหน่ายรถยนต์ที่ให้อัตรากำไรต่ำ

## ปรับลดคำแนะนำเป็นถือที่ราคาเป้าหมายใหม่ที่ 28 บาท

แม้ว่าผลการดำเนินงานในประเทศไทย มาเลเซีย และจีนอาจฟื้นตัวดีในปี 2022 จากคำสั่งซื้อใหม่ ระดับการผลิตรถยนต์ที่สูงขึ้นและปริมาณขาย โปรตุเกส (ซึ่งคิดเป็นเกือบ 20% ของรายได้รวมของ AH) ยังขาดแนวโน้มที่ชัดเจน เพราะฉะนั้นเราจึงปรับลดคำแนะนำเป็นถือจากซื้อที่ราคาเป้าหมายใหม่ที่ 28 จาก 29 บาทเพื่อสะท้อนการปรับลดประมาณการกำไรปี 2022 ราคาเป้าหมายของเราคิดจาก 9x ของค่า 2022E P/E (+1SD ของค่า P/E เฉลี่ย) แม้เราจะคิดว่า AH มีแนวโน้มที่ดี โปรตุเกสอาจเป็นข้อจำกัดข้อหนึ่งของบริษัท



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(3.7)	21.5	45.9
Relative to country (%)	(3.9)	18.3	30.5
Mkt cap (USD m)			278
3m avg. daily turnover (USD m)			2.5
Free float (%)			50
Major shareholder			Thai NVDR (14%)
12m high/low (THB)			28.50/17.00
Issued shares (m)			354.84

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 2 กุมภาพันธ์ 2022

### 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.

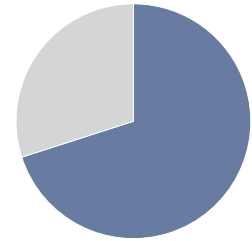
### Company profile

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, 2020)

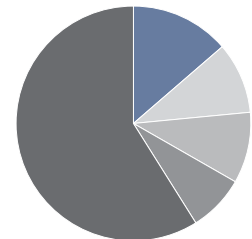
- Manufacture of auto parts - 70.0 %
- Car dealership and others - 30.0 %



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 lower P/E compared to its peers;
- If the company can maintain or improve upon its “new normal” GPM.

### Risks to our call

Key downside and upside risks to our P/E-derived TP include lower or higher-than-expected car production volumes, lower or higher car sales in both Thailand and Malaysia, and if the Portugal factory’s recovery is better or worse than our expectation.

### Event calendar

Date	Event
Feb 2022	2021 results announcement

### Key assumptions

	2021E	2022E	2023E
	(%)	(%)	(%)
Thailand car production growth	18.1	3.6	5.6
Domestic car sales	(6.7)	8.3	6.3
Malaysia car sales	(16.1)	10	7

Source: FSSIA estimates

### Earnings sensitivity

- For every 1% increase in revenue, we project 2022 earnings to rise by 0.4%, and vice versa, all else being equal.
- For every 10 bps increase in gross profit margin, we project 2022 earnings to rise by 4.8%, and vice versa, all else being equal.

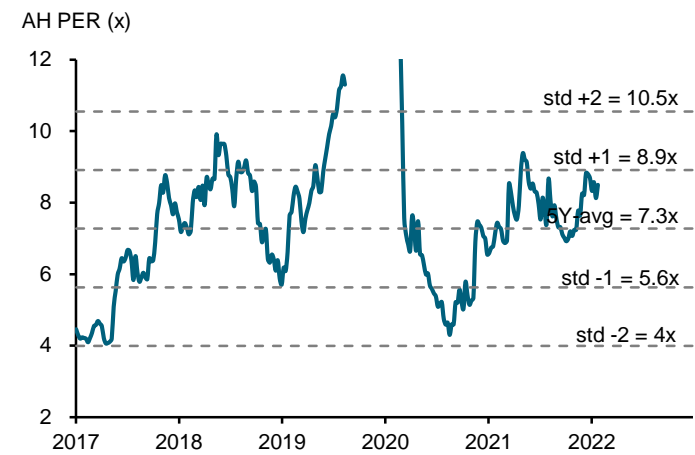
Source: FSSIA estimates

Exhibit 1: 4Q21 results forecast

	4Q20	3Q21	4Q21E	Change		2020	2021E	Change	2022E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)
Auto parts	3,909	3,448	3,580	3.8	(8.4)	12,025	14,875	23.7	16,082
Car dealership and others	1,833	790	1,860	135.6	1.5	5,144	5,198	1.0	6,524
<b>Revenue</b>	<b>5,522</b>	<b>4,244</b>	<b>5,440</b>	<b>28.2</b>	<b>(1.5)</b>	<b>17,172</b>	<b>20,073</b>	<b>16.9</b>	<b>22,606</b>
Operating costs	(5,176)	(3,848)	(4,885)	27.0	(5.6)	(16,054)	(17,885)	11.4	(20,029)
<b>Gross profit</b>	<b>347</b>	<b>396</b>	<b>555</b>	<b>40.0</b>	<b>60.1</b>	<b>1,118</b>	<b>2,188</b>	<b>95.7</b>	<b>2,577</b>
SG&A expenses	(397)	(310)	(360)	16.1	(9.3)	(1,333)	(1,465)	10.0	(1,605)
<b>EBIT</b>	<b>(50)</b>	<b>86</b>	<b>195</b>	<b>126.0</b>	<b>(486.2)</b>	<b>(215)</b>	<b>723</b>	<b>(436.6)</b>	<b>972</b>
Depn & amort.	234	261	246	(5.7)	5.0	998	736	(26.2)	708
<b>EBITDA</b>	<b>184</b>	<b>347</b>	<b>441</b>	<b>27.0</b>	<b>139.7</b>	<b>783</b>	<b>1,459</b>	<b>86.3</b>	<b>1,680</b>
EBITDA margin (%)	3	8	8	nm	nm	5	7	nm	7
Interest expense	(97)	(87)	(85)	(2.1)	(12.7)	(373)	(340)	(8.8)	(332)
Other income	317	82	61	(25.3)	(80.7)	660	334	(49.4)	297
Extra item	15	0	0	n.a.	n.a.	15	240	1,484.7	1
Associates	69	64	65	1.3	(5.3)	101	261	157.5	284
Gain/Loss from exchange	(126)	108	0	n.a.	n.a.	(13)	0	n.a.	0
<b>Pretax profit</b>	<b>127</b>	<b>253</b>	<b>236</b>	<b>(6.8)</b>	<b>86.4</b>	<b>175</b>	<b>1,218</b>	<b>594.9</b>	<b>1,222</b>
Tax	39	(22)	(19)	(12.4)	(148.7)	(12)	(101)	731.6	(104)
Tax rate (%)	31	(9)	(8)	nm	nm	(7)	(8)	nm	(9)
Minority interests	7	(3)	0	n.a.	n.a.	15	0	n.a.	10
<b>Net profit</b>	<b>158</b>	<b>235</b>	<b>217</b>	<b>(7.5)</b>	<b>36.9</b>	<b>148</b>	<b>1,117</b>	<b>655.6</b>	<b>1,108</b>
<b>Core net profit</b>	<b>269</b>	<b>127</b>	<b>217</b>	<b>71.3</b>	<b>(19.5)</b>	<b>146</b>	<b>877</b>	<b>500.8</b>	<b>1,108</b>
EPS (THB)	0.49	0.73	0.61	(15.9)	24.5	0.46	3.15	655.6	3.12
Core EPS (THB)	0.84	0.39	0.61	55.7	(26.8)	0.45	2.47	500.8	3.12

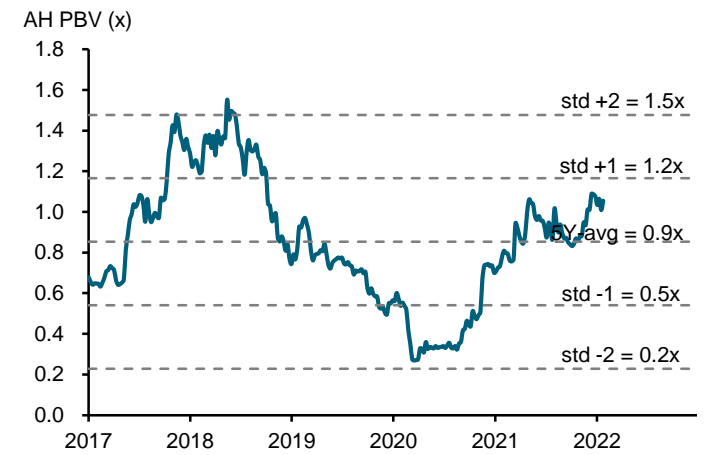
Sources: AH; FSSIA estimates

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



Sources: Bloomberg; FSSIA estimates

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



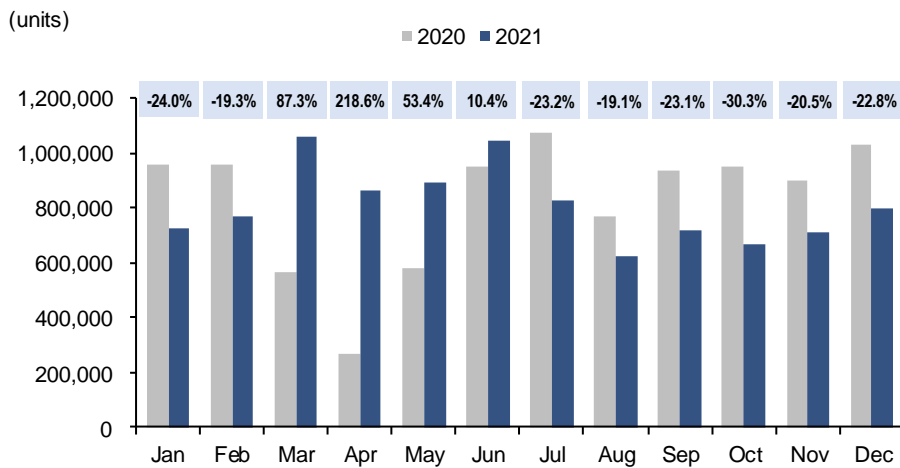
Sources: Bloomberg; FSSIA estimates

### Weak performance in Portugal could be a future overhang

Its auto parts factory in Portugal has been a key drag for AH since 3Q21 due to 1) the semiconductor shortage that is worse than in Thailand; 2) the long holiday periods in 3Q and 4Q; and 3) the higher steel price. The production volume has continued to slow down, according to the company.

Moreover, according to the data from European Automobile Manufacturers' Association, the number of car registrations in Europe saw a significant decline y-y in 2H21. Sales of new cars in the EU fell by 2.4% to 9.7m units, despite the record low base of comparison in 2020. This fall was the result of the semiconductor shortage that negatively impacted car production throughout the year, but especially during 2H21. Therefore, with the weak car production in Europe that may continue in 1Q22 and 2Q22 due to the semiconductor shortage which may not improve or even worsen, we believe the performance of the factory in Portugal should remain weak until 2H22, and could be AH's short-term overhang.

#### Exhibit 4: Passenger car registrations in the EU (units)



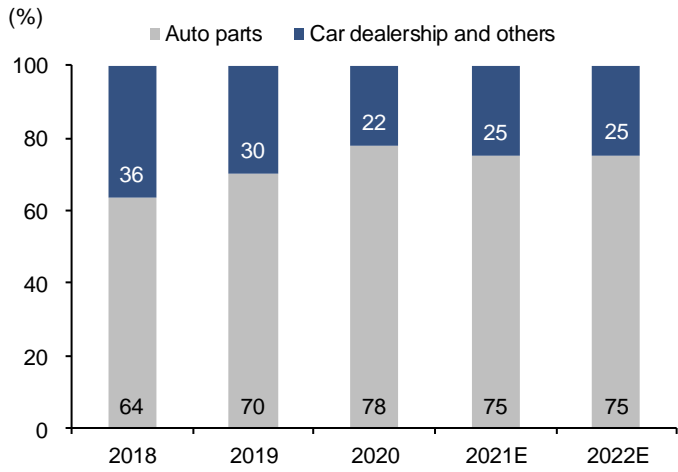
Sources: European Automobile Manufacturers' Association

#### Exhibit 5: Assumption and forecast changes

	New		Previous		Change	
	2021E (THB m)	2022E (THB m)	2021E (THB m)	2022E (THB m)	2021E (%)	2022E (%)
Auto parts	14,875	16,082	14,366	17,468	4	(8)
Car dealership and others	5,198	6,524	4,683	5,273	11	24
Revenue	20,073	22,606	19,558	22,293	3	1
Gross profit	2,188	2,577	2,308	2,675	(5)	(4)
Other income	506	553	506	553	0	0
EBITDA	1,459	1,680	1,538	1,717	(5)	(2)
Net profit	1,117	1,108	910	1,143	23	(3)
Core profit	877	1,108	910	1,143	(4)	(3)
<b>Margin</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>
GPM	10.9	11.4	11.8	12.0	(0.9)	(0.6)
NPM (Core)	4.4	4.9	4.7	5.1	(0.3)	(0.2)

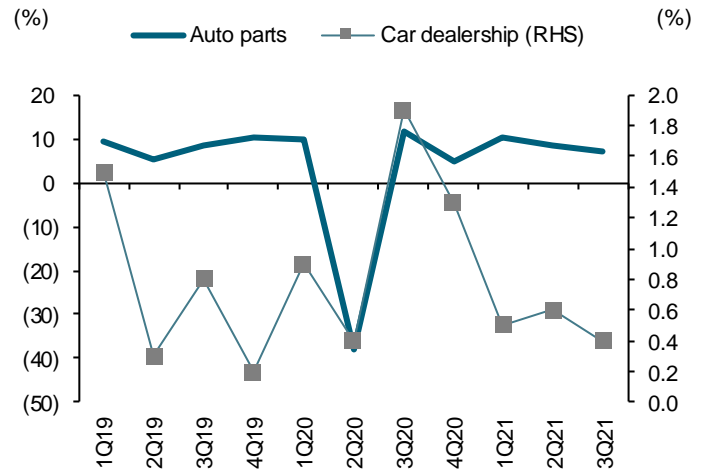
Source: FSSIA estimates

**Exhibit 6: Revenue portion by business**



Source: AH

**Exhibit 7: EBIT margin by business**



Source: AH

## Financial Statements

AAPICO Hitech

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	18,389	17,172	20,073	22,606	23,772
Cost of goods sold	(16,005)	(15,057)	(17,149)	(19,321)	(20,237)
<b>Gross profit</b>	<b>2,384</b>	<b>2,116</b>	<b>2,924</b>	<b>3,285</b>	<b>3,535</b>
Other operating income	-	-	-	-	-
Operating costs	(1,091)	(1,333)	(1,465)	(1,605)	(1,712)
<b>Operating EBITDA</b>	<b>1,293</b>	<b>783</b>	<b>1,459</b>	<b>1,680</b>	<b>1,823</b>
Depreciation	(699)	(998)	(736)	(708)	(682)
Goodwill amortisation	-	-	-	-	-
<b>Operating EBIT</b>	<b>594</b>	<b>(215)</b>	<b>723</b>	<b>972</b>	<b>1,141</b>
Net financing costs	(101)	(338)	(300)	(292)	(288)
Associates	115	101	261	284	299
Recurring non-operating income	685	726	555	542	576
Non-recurring items	(1,122)	2	240	0	0
<b>Profit before tax</b>	<b>57</b>	<b>175</b>	<b>1,218</b>	<b>1,222</b>	<b>1,429</b>
Tax	(224)	(12)	(101)	(104)	(129)
<b>Profit after tax</b>	<b>(168)</b>	<b>163</b>	<b>1,117</b>	<b>1,118</b>	<b>1,301</b>
Minority interests	(13)	(15)	0	(10)	(21)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>(181)</b>	<b>148</b>	<b>1,117</b>	<b>1,108</b>	<b>1,279</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>1,122</b>	<b>(2)</b>	<b>(240)</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>941</b>	<b>146</b>	<b>877</b>	<b>1,108</b>	<b>1,279</b>
<b>Per share (THB)</b>					
Recurring EPS *	2.92	0.45	2.47	3.12	3.61
Reported EPS	(0.56)	0.46	3.15	3.12	3.61
DPS	0.94	0.15	1.10	1.09	1.44
Diluted shares (used to calculate per share data)	323	323	355	355	355
<b>Growth</b>					
Revenue (%)	9.9	(6.6)	16.9	12.6	5.2
Operating EBITDA (%)	27.2	(39.4)	86.3	15.1	8.5
Operating EBIT (%)	41.2	nm	nm	34.5	17.4
Recurring EPS (%)	(28.4)	(84.5)	446.1	26.4	15.5
Reported EPS (%)	nm	nm	586.9	(0.8)	15.5
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	9.2	6.5	10.9	11.4	12.0
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	7.0	4.6	7.3	7.4	7.7
Operating EBIT margin (%)	3.2	(1.3)	3.6	4.3	4.8
Net margin (%)	5.1	0.8	4.4	4.9	5.4
Effective tax rate (%)	(396.2)	(2.0)	(8.3)	(8.5)	(9.0)
Dividend payout on recurring profit (%)	32.3	33.2	44.6	35.0	40.0
Interest cover (X)	12.7	1.5	4.3	5.2	6.0
Inventory days	49.3	66.7	56.3	51.4	48.0
Debtor days	43.5	51.2	49.9	45.3	46.3
Creditor days	80.9	103.2	88.2	80.8	80.9
Operating ROIC (%)	7.9	(2.5)	8.2	11.3	13.4
ROIC (%)	8.6	3.1	7.7	9.4	10.8
ROE (%)	12.6	2.0	11.2	12.9	13.7
ROA (%)	5.4	2.3	5.3	6.2	6.7
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Manufacture of auto parts	12,908	12,028	14,875	16,082	17,312
Car dealership and others	5,481	5,144	5,198	6,524	6,460

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	877	1,108	1,279
Depreciation	699	998	736	708	682
Associates & minorities	13	15	0	10	21
Other non-cash items	(76)	134	650	25	12
Change in working capital	(69)	(928)	139	(129)	271
<b>Cash flow from operations</b>	<b>1,507</b>	<b>364</b>	<b>2,402</b>	<b>1,722</b>	<b>2,265</b>
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
<b>Cash flow from investing</b>	<b>(1,615)</b>	<b>(408)</b>	<b>(343)</b>	<b>(450)</b>	<b>(651)</b>
Dividends paid	(304)	(48)	(391)	(388)	(512)
Equity finance	108	0	0	0	0
Debt finance	484	755	(915)	(200)	(100)
Other financing cash flows	(329)	(474)	0	10	21
<b>Cash flow from financing</b>	<b>(40)</b>	<b>232</b>	<b>(1,306)</b>	<b>(578)</b>	<b>(591)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>125</b>	<b>(92)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>(22)</b>	<b>97</b>	<b>753</b>	<b>694</b>	<b>1,023</b>
Free cash flow to firm (FCFF)	188.48	329.01	2,399.31	1,604.06	1,941.99
Free cash flow to equity (FCFE)	173.21	145.30	1,143.84	1,082.06	1,535.15

### Per share (THB)

FCFF per share	0.53	0.93	6.76	4.52	5.47
FCFE per share	0.49	0.41	3.22	3.05	4.33
Recurring cash flow per share	4.89	4.01	6.38	5.22	5.62

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)
<b>Tangible fixed assets (net)</b>	<b>8,028</b>	<b>7,773</b>	<b>7,488</b>	<b>7,355</b>	<b>7,446</b>
<b>Intangible fixed assets (net)</b>	<b>2,209</b>	<b>3,143</b>	<b>3,043</b>	<b>2,949</b>	<b>2,856</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	3,994	3,716	3,716	3,716	3,716
Cash & equivalents	592	690	1,442	2,136	3,160
A/C receivable	1,968	2,846	2,640	2,973	3,061
Inventories	2,909	2,596	2,695	2,744	2,579
Other current assets	386	435	456	479	503
<b>Current assets</b>	<b>5,856</b>	<b>6,566</b>	<b>7,233</b>	<b>8,332</b>	<b>9,303</b>
Other assets	1,159	1,148	806	801	784
<b>Total assets</b>	<b>21,246</b>	<b>22,346</b>	<b>22,287</b>	<b>23,153</b>	<b>24,105</b>
Common equity	7,228	7,473	8,199	8,929	9,718
Minorities etc.	252	268	268	278	299
<b>Total shareholders' equity</b>	<b>7,480</b>	<b>7,741</b>	<b>8,467</b>	<b>9,207</b>	<b>10,017</b>
Long term debt	4,788	5,597	4,800	4,700	4,600
Other long-term liabilities	578	562	638	689	712
<b>Long-term liabilities</b>	<b>5,367</b>	<b>6,158</b>	<b>5,438</b>	<b>5,389</b>	<b>5,312</b>
A/C payable	4,397	4,119	4,165	4,390	4,585
Short term debt	3,522	3,852	3,733	3,633	3,633
Other current liabilities	480	476	483	534	557
<b>Current liabilities</b>	<b>8,399</b>	<b>8,446</b>	<b>8,381</b>	<b>8,557</b>	<b>8,775</b>
<b>Total liabilities and shareholders' equity</b>	<b>21,246</b>	<b>22,346</b>	<b>22,287</b>	<b>23,153</b>	<b>24,105</b>
Net working capital	386	1,282	1,143	1,272	1,001
Invested capital	15,777	17,062	16,196	16,093	15,803

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

### Per share (THB)

Book value per share	22.41	23.17	23.11	25.16	27.39
Tangible book value per share	15.56	13.42	14.53	16.85	19.34

### Financial strength

Net debt/equity (%)	103.2	113.1	83.7	67.3	50.6
Net debt/total assets (%)	36.3	39.2	31.8	26.8	21.0
Current ratio (x)	0.7	0.8	0.9	1.0	1.1
CF interest cover (x)	5.7	2.0	5.2	5.2	7.0

Valuation	2019	2020	2021E	2022E	2023E
<b>Recurring P/E (x) *</b>	<b>8.9</b>	<b>57.5</b>	<b>10.5</b>	<b>8.3</b>	<b>7.2</b>
<b>Recurring P/E @ target price (x) *</b>	<b>9.6</b>	<b>61.9</b>	<b>11.3</b>	<b>9.0</b>	<b>7.8</b>
Reported P/E (x)	(46.3)	56.8	8.3	8.3	7.2
Dividend yield (%)	3.6	0.6	4.2	4.2	5.5
Price/book (x)	1.2	1.1	1.1	1.0	0.9
Price/tangible book (x)	1.7	1.9	1.8	1.5	1.3
EV/EBITDA (x) **	12.6	22.2	11.4	9.3	8.0
EV/EBITDA @ target price (x) **	13.1	23.1	11.9	9.8	8.4
EV/invested capital (x)	1.0	1.0	1.0	1.0	0.9

\* Pre-exceptional, pre-goodwill and 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	SEOIL	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	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	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

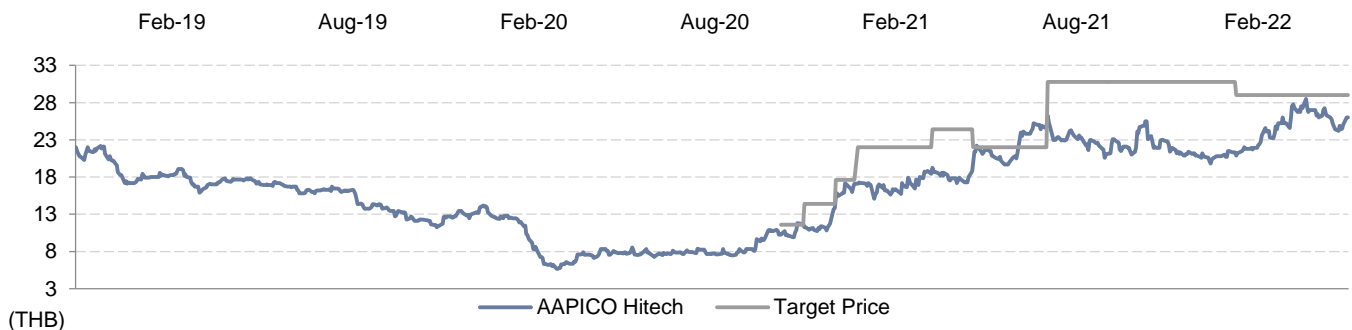
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### History of change in investment rating and/or target price

#### AAPICO Hitech (AH TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
01-Oct-2020	HOLD	11.60	04-Dec-2020	BUY	22.00	18-May-2021	BUY	30.80
21-Oct-2020	BUY	14.40	08-Feb-2021	BUY	24.40	27-Oct-2021	BUY	29.00
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

Company	Ticker	Price	Rating	Valuation & Risks
AAPICO Hitech	AH TB	THB 26.00	HOLD	Key downside and upside risks to our P/E-derived TP include lower or higher-than-expected car production volumes, lower or higher car sales in both Thailand and Malaysia, and if the Portugal factory's recovery is better or worse than our expectation.

Source: FSSIA estimates

### Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited

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All share prices are as at market close on 01-Feb-2022 unless otherwise stated.

## RECOMMENDATION STRUCTURE

### Stock ratings

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

**BUY (B).** The upside is 10% or more.

**HOLD (H).** The upside or downside is less than 10%.

**REDUCE (R).** The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

\* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

### Industry Recommendations

**Overweight.** The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

**Neutral.** The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

**Underweight.** The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

### Country (Strategy) Recommendations

**Overweight (O).** Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Neutral (N).** Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Underweight (U).** Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.