

AAPICO HITECH AH TB  
THAILAND / AUTOMOTIVES

BUY

FROM HOLD

## ผู้บริหารให้มุมมองเชิงรุก

- AH ตั้งเป้ารายได้ปี 2022 เชิงรุกโดยคาดว่าจะเพิ่มถึง 30%
- อย่างไรก็ดีเรามีมุมมองที่รอบคอบมากกว่าโดยคาดว่าจะรายได้ในปีดังกล่าวจะเพิ่มเพียง 19%
- ปรับเพิ่มคำแนะนำเป็นซื้อที่ราคาเป้าหมายเดิมที่ 28 บาท

TARGET PRICE	THB28.00
CLOSE	THB23.50
UP/DOWNSIDE	+19.1%
PRIOR TP	THB28.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-7.4%

## KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	20,433	24,318	26,499	28,579
Net profit	1,024	1,108	1,305	1,487
EPS (THB)	2.89	3.12	3.68	4.19
vs Consensus (%)	-	0.2	4.2	5.3
EBITDA	1,699	1,674	1,802	1,929
Core net profit	792	1,108	1,305	1,487
Core EPS (THB)	2.23	3.12	3.68	4.19
Chg. In EPS est. (%)	nm	0.0	2.0	nm
EPS growth (%)	393.4	39.9	17.7	13.9
Core P/E (x)	10.5	7.5	6.4	5.6
Dividend yield (%)	2.6	4.7	6.3	7.1
EV/EBITDA (x)	9.3	9.1	7.8	6.8
Price/book (x)	1.0	0.9	0.8	0.8
Net debt/Equity (%)	81.5	68.7	52.0	39.9
ROE (%)	9.9	12.5	13.5	14.2

## มุมมองเชิงรุกจากผู้บริหาร

จากที่ประชุมนักวิเคราะห์ครั้งล่าสุด ผู้บริหารคาดว่ารายได้ของ AH ในปี 2022 จะโต 30% ทั้งในธุรกิจผลิตชิ้นส่วนยานยนต์และตัวแทนจำหน่ายรถยนต์ นอกจากนี้ AH ยังตั้งเป้าอัตรากำไรขั้นต้น (GPM) ในปีนี้ไว้ที่ 11-12% เพิ่มขึ้นจาก 10.8% ในปีที่แล้ว โรงงานในโปรตุเกสน่าจะพลิกมามีกำไรตั้งแต่ 1Q22 เป็นต้นไปเมื่อเทียบกับที่เคยขาดทุนประมาณ 80 ลบ. ในปีที่แล้ว เราเห็นว่าเป้าหมายดังกล่าวมีความท้าทายสูงเนื่องจากการเติบโต 30% ในทั้งสองธุรกิจจะสูงกว่าคาดการณ์การเติบโตของการผลิตรถยนต์และยอดขายในประเทศที่ 6% และ 8% ตามลำดับ

## เรามีมุมมองที่รอบคอบมากกว่า

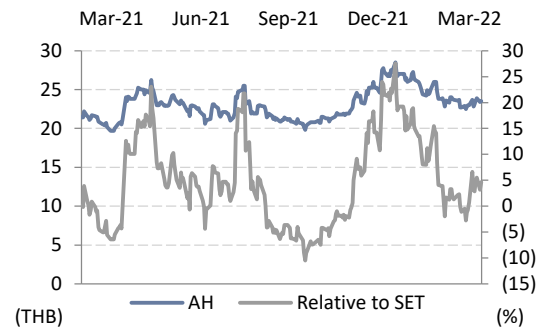
เราเห็นว่าเป้าการเติบโตของรายได้ที่ 30% ในปีนี้ของผู้บริหารมีความท้าทายเป็นอย่างยิ่ง AH จะต้องทำให้สูงกว่าอัตราการเติบโตที่อุตสาหกรรมคาดไว้เกือบ 3x ซึ่งจากข้อมูลในอดีตเป็นเรื่องที่เกิดได้ยาก แม้ว่าบริษัทฯ น่าจะรับรู้ 1) รายได้เพิ่มจากคำสั่งซื้อใหม่เกือบ 700 ลบ. ต่อปี; 2) รายได้จาก Showroom ขายรถยนต์ใหม่เต็มปี; และ 3) Showroom ใหม่สำหรับ Great Wall Motor ที่คาดว่าจะเปิดในปลาย 3Q22 ด้วยเหตุดังกล่าวเราจึงคาดว่ารายได้ของ AH จะโต 19% ในปีนี้ซึ่งต่ำกว่าคาดการณ์ของผู้บริหาร พร้อม GPM ที่ 11.2% และคาดว่ากำไรปกติจะแตะ 1.1 พัน ลบ. (+40% y-y)

## ราคาเหล็กและปัญหาการขาดแคลนเซมิคอนดักเตอร์ยังเป็นความเสี่ยงสำคัญ

แม้ว่าจะให้แนวโน้มเชิงรุก ผู้บริหารยังมีความกังวลบางประการเกี่ยวกับความเสี่ยงจากราคาวัตถุดิบที่สูงขึ้นและปัญหาการขาดแคลนเซมิคอนดักเตอร์ ซึ่งอาจส่งผลกระทบต่อ GPM และรายได้ ทั้ง 2 ปัจจัยเป็นเหตุผลหลักที่โรงงานในโปรตุเกสพลิกมาขาดทุนในปีที่แล้ว เพราะฉะนั้นผลกระทบของการขาดแคลนเซมิคอนดักเตอร์จะขึ้นอยู่กับปัจจัยทั้ง 2 ประการเป็นหลัก

## ปรับเพิ่มคำแนะนำเป็นซื้อที่ราคาเป้าหมายเดิมที่ 28 บาท

เราปรับประมาณการรายได้ปี 2022-23 สำหรับ AH แต่คงประมาณการกำไรปกติปี 2022 ไว้ที่ 1.1 พัน ลบ. ราคาหุ้นของ AH ได้ปรับตัวลดลงเกือบ 13% นับจากต้นปี เราเห็นว่าราคาที่ลดลงดังกล่าวเป็นโอกาสที่ดีในการกลับเข้าลงทุนใน AH เนื่องจากแนวโน้มการเติบโตน่าจะยังดีจากการเติบโตของการผลิตรถยนต์ของไทย ดังนั้นเราจึงปรับเพิ่มคำแนะนำสำหรับ AH เป็นซื้อจากถือที่ราคาเป้าหมายเดิมที่ 28 บาท ราคาดังกล่าวคิดเป็น 9x ของค่า 2022E P/E (+1SD ของค่า P/E เฉลี่ย)



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(2.1)	(14.5)	25.0
Relative to country (%)	1.3	(14.5)	18.9
Mkt cap (USD m)	249		
3m avg. daily turnover (USD m)	1.9		
Free float (%)	50		
Major shareholder	Thai NVDR (14%)		
12m high/low (THB)	28.50/18.50		
Issued shares (m)	354.84		

Sources: Bloomberg consensus; FSSIA estimates



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PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 16 มีนาคม 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 0.8-1m units per year, according to historical data. Its average car production is also high at 1.9-2m units per year. Therefore, when the economy returns to normal, we expect Thailand’s automobile production volume to also return to its normal level – compared with the 2021 production level of 1.7m units – which could directly benefit AH because 65% of its operational revenue comes from Thailand.

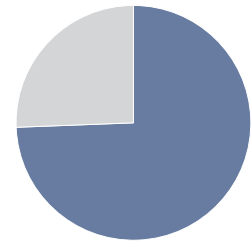
### Company profile

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, 2021)

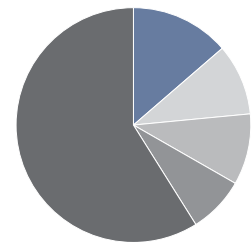
- Manufacture of auto parts - 74.4 %
- Car dealership and others - 25.6 %



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;
- New orders.

### 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, higher steel prices, semiconductor shortages, and exchange rate risk.

### Event calendar

Date	Event
May 2022	1Q22 results announcement

### Key assumptions

	2020	2021	2022E	2023E	2024E
	(%)	(%)	(%)	(%)	(%)
Thailand car production growth	(29.1)	18.1	5.7	5.6	3.7
Domestic car sale	(21.4)	(6.7)	8.3	6.3	8.2
Malaysia car sale	(12.4)	10.0	10.0	8.0	5.0

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

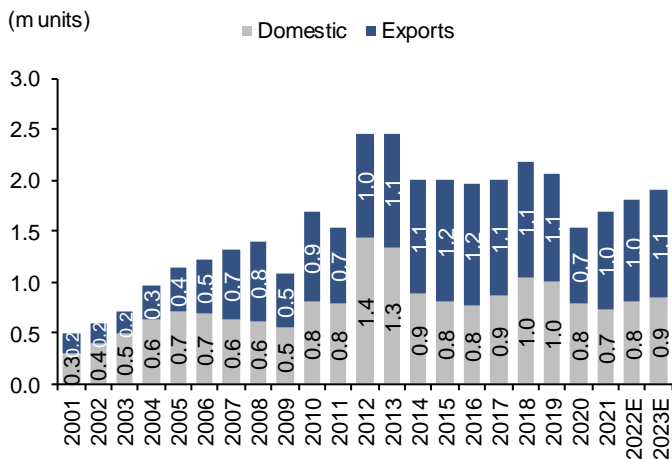


### Three key highlights

#### 1) New orders and more orders

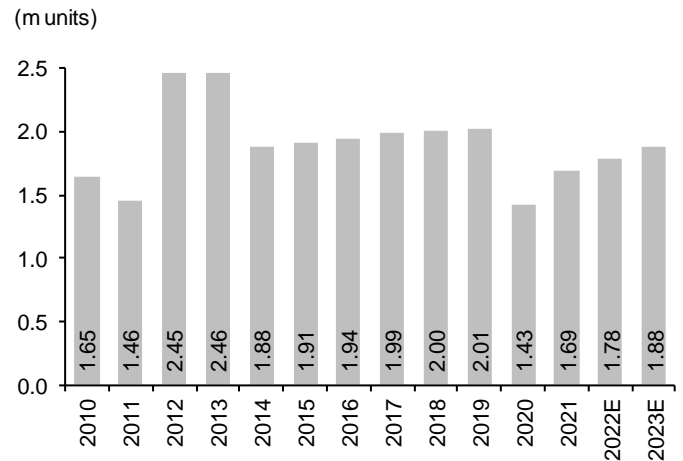
The company said that the new order that it got last year with a total value of cTHB700m per year has already entered mass production. This would be another key driver for the company this year given that THB700m of additional revenue would add over 3% in additional revenue from 2021. Moreover, the company believes that its key customer – which just had a minor change in its pick-up trucks at the end of last year and would have a higher sales volume this year – will be the key driver for AH to achieve its target of 30% growth in 2022.

Exhibit 1: Thailand domestic sales and exports



Sources: Thai Automotive Industry Association; FSSIA's compilation

Exhibit 2: Thailand total car production



Sources: Thai Automotive Industry Association; FSSIA's compilation

#### 2) Portugal factory should turn profitable

The performance of the Portugal factory was disappointing last year. It contributed a huge loss of THB80m to AH. Moreover, in 4Q21 alone, Portugal made a big loss of almost THB100m. AH believes the factory should turn profitable starting from 1Q22 onward compared to its loss of about THB100m last year. The company anticipates that it was due to the seasonal effect of the long holiday and the lower volume compared to 3Q21.

However, this year, management believes the Portugal factory should hit its breakeven point in 1Q22, and expects it to make a higher profit every quarter throughout the year. This is premised on the expectation of a recovery in European car production which is estimated to recover from a 5% decrease in 2021. Moreover, AH also expects non-auto products such as sports equipment and machinery parts in its Portugal factory to capitalise on the low utilisation factory in order to gain more revenue and profit. The company said it there would be more information about these new products in the near future. It is targeting non-auto products to contribute about 20% of the Portugal factory's revenue.

#### 3) Full-year recognition of new showrooms

Last year, the company aggressively expanded its new car showrooms in both Thailand and Malaysia. The launch of two new showrooms in Thailand comprising MG and Mazda vehicles in 4Q21 and two Proton showrooms in Malaysia. With the expectation of 8% and 10% growth in domestic car sales in Thailand and Malaysia, respectively, we believe the new showroom should be the key driver for AH's car dealership business in 2022.

Moreover, the company also aims to expand at least one new showroom in 3Q22. The new showroom will be for Great Wall Motor vehicles, which just entered the Thai market recently.

**Exhibit 3: Comparison between industry growth and AH's revenue growth**

	2017	2018	2019	2020	2021	2022E	2023E	2024E
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Thailand car production growth	2.3	0.5	0.8	(29.1)	18.1	5.7	5.6	3.7
Domestic car sales	13.4	19.5	(3.3)	(21.4)	(6.7)	8.3	6.3	8.2
Malaysia car sales	(0.6)	3.8	0.9	(12.4)	10.0	10.0	8.0	5.0
AH's revenue growth	7.1	6.1	9.9	(6.6)	19	19	9	8

Sources: AH; Thai Automotive Industry Association; FSSIA estimates

**4Q21 results review**

AH's reported net profit dropped by 45% q-q to THB129m. The company's core net profit was at THB150m (+18% q-q), lower than our expectation of THB217m. The company had an exchange loss of THB31m and THB10m from the reversal of an expected credit loss. The key reason why AH had soft earnings results was due to the higher-than-expected SG&A expense that jumped to THB449m in 4Q21 vs THB310m in 3Q21.

The automotive parts businesses in Thailand and China were strong, growing by 6.6% and 39.5% y-y, respectively, and outperforming the industry. Portugal, however, reported a reduction in volume by 25.4% y-y due to the semi-conductor shortage, which has negatively impacted the European car production volume.

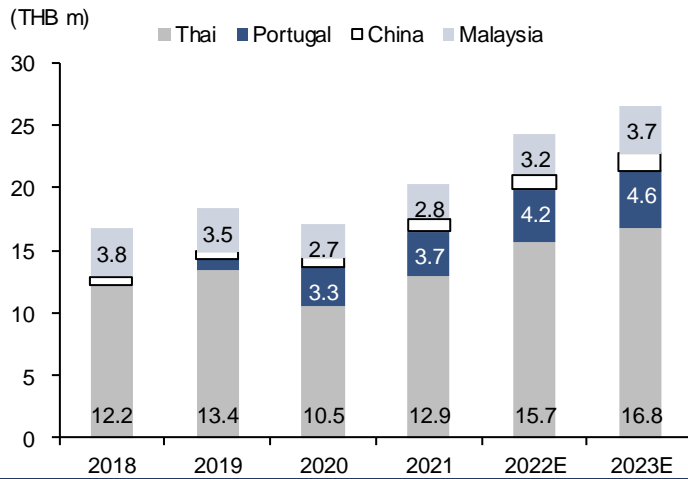
AH's core profit in 2021 surged to THB792m (+443% y-y), lower than our expectation of THB877m due to the higher-than-expected SG&A expense.

**Exhibit 4: 4Q21 results review**

	4Q20	3Q21	4Q21	Change		2020	2021	Chg.	2022E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)
Auto parts	3,909	3,447	3,911	13.5	0.1	12,025	15,201	26.4	17,654
Car dealership and others	1,833	795	1,857	133.6	1.3	5,144	5,232	1.7	6,664
<b>Revenue</b>	<b>5,522</b>	<b>4,244</b>	<b>5,770</b>	<b>36.0</b>	<b>4.5</b>	<b>17,172</b>	<b>20,433</b>	<b>19.0</b>	<b>24,318</b>
Operating costs	(5,176)	(3,848)	(5,192)	34.9	0.3	(16,054)	(18,225)	13.5	(21,594)
<b>Gross profit</b>	<b>347</b>	<b>396</b>	<b>578</b>	<b>45.8</b>	<b>66.7</b>	<b>1,118</b>	<b>2,208</b>	<b>97.5</b>	<b>2,724</b>
SG&A expenses	(397)	(310)	(449)	44.8	13.1	(1,333)	(1,540)	15.5	(1,792)
<b>EBIT</b>	<b>(50)</b>	<b>86</b>	<b>129</b>	<b>49.6</b>	<b>(355.6)</b>	<b>(215)</b>	<b>668</b>	<b>n.a.</b>	<b>931</b>
Depn & amort.	234	261	263	0.7	n.a.	998	1,031	3.3	743
<b>EBITDA</b>	<b>184</b>	<b>347</b>	<b>392</b>	<b>12.8</b>	<b>112.8</b>	<b>783</b>	<b>1,699</b>	<b>117.0</b>	<b>1,674</b>
<i>EBITDA margin (%)</i>	3	8	7	nm	nm	5	8	nm	7
Interest expense	(97)	(87)	(82)	(5.0)	(15.3)	(373)	(346)	(7.2)	(332)
Other income	317	82	78	(4.1)	(75.3)	660	316	(52.1)	358
Extra item	15	0	10	n.a.	(31.2)	15	10	(31.2)	0
Associates	69	64	72	11.5	4.2	101	281	176.7	306
Gain/Loss from exchange	(126)	108	(31)	n.a.	(75.4)	(13)	222	n.a.	0
<b>Pretax profit</b>	<b>127</b>	<b>253</b>	<b>176</b>	<b>(30.5)</b>	<b>38.9</b>	<b>175</b>	<b>1,151</b>	<b>556.7</b>	<b>1,263</b>
Tax	39	(22)	(33)	53.1	(185.1)	(12)	(113)	833.2	(139)
<i>Tax rate (%)</i>	31	(9)	(19)	nm	nm	(7)	(10)	nm	(11)
Minority interests	7	(3)	13	n.a.	94.8	15	13	n.a.	16
<b>Net profit</b>	<b>158</b>	<b>235</b>	<b>129</b>	<b>(44.8)</b>	<b>(18.3)</b>	<b>148</b>	<b>1,024</b>	<b>593.0</b>	<b>1,108</b>
<b>Core net profit</b>	<b>269</b>	<b>127</b>	<b>150</b>	<b>18.4</b>	<b>(44.3)</b>	<b>146</b>	<b>792</b>	<b>442.8</b>	<b>1,108</b>
EPS (THB)	0.49	0.73	0.36	(49.8)	(25.7)	0.46	2.89	530.0	3.12
Core EPS (THB)	0.84	0.39	0.42	7.7	(49.4)	0.45	2.23	393.4	3.12

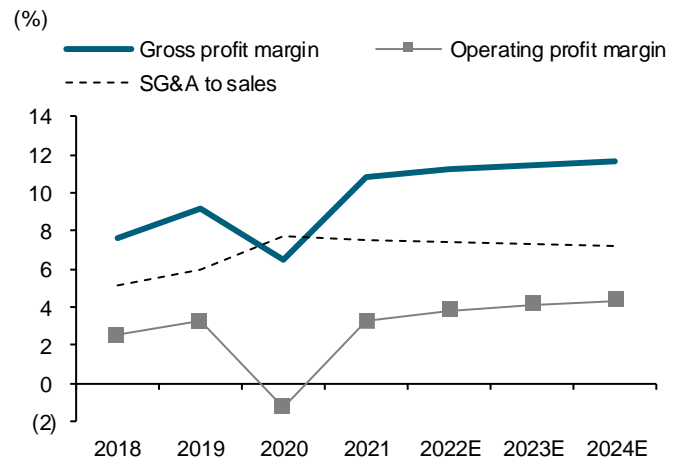
Sources: AH; FSSIA estimates

Exhibit 5: Revenue breakdown by country



Sources: AH; FSSIA estimates

Exhibit 6: AH's keys margins



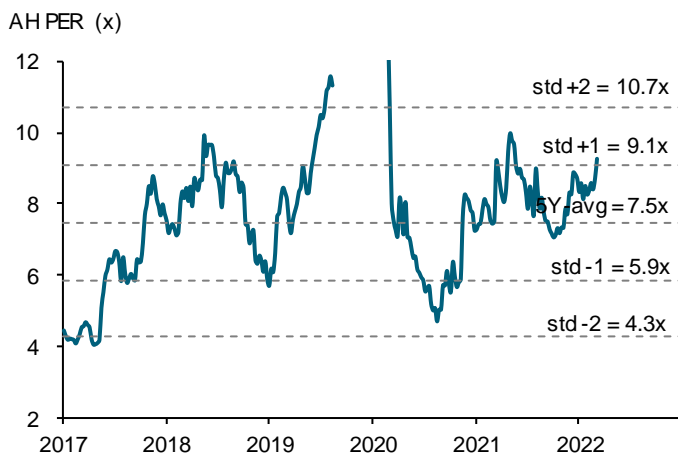
Sources: AH; FSSIA estimates

Exhibit 7: Key assumption changes

	Current		Previous		Change	
	2022E (THB m)	2023E (THB m)	2022E (THB m)	2023E (THB m)	2022E (%)	2023E (%)
Auto parts	17,654	19,419	16,082	17,312	10	12
Car dealership and others	6,664	7,079	6,524	6,460	2	10
Revenue	24,318	26,499	22,606	23,772	8	11
Gross profit	2,724	3,021	2,577	2,853	6	6
EBITDA	1,674	1,802	1,680	1,823	(0)	(1)
Net profit	1,108	1,305	1,108	1,279	0	2
<b>Margin</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>
GPM	11.2	11.4	11.4	12.0	(0.2)	(0.6)
NPM (Core)	4.6	4.9	4.9	5.4	(0.3)	(0.5)

Source: FSSIA estimates

Exhibit 8: Rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

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



Sources: Bloomberg; FSSIA estimates

## Financial Statements

AAPICO Hitech

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	17,172	20,433	24,318	26,499	28,579
Cost of goods sold	(15,057)	(17,194)	(20,852)	(22,762)	(24,578)
<b>Gross profit</b>	<b>2,116</b>	<b>3,239</b>	<b>3,466</b>	<b>3,736</b>	<b>4,001</b>
Other operating income	-	-	-	-	-
Operating costs	(1,333)	(1,540)	(1,792)	(1,934)	(2,072)
<b>Operating EBITDA</b>	<b>783</b>	<b>1,699</b>	<b>1,674</b>	<b>1,802</b>	<b>1,929</b>
Depreciation	(998)	(1,031)	(743)	(715)	(686)
Goodwill amortisation	-	-	-	-	-
<b>Operating EBIT</b>	<b>(215)</b>	<b>668</b>	<b>931</b>	<b>1,086</b>	<b>1,243</b>
Net financing costs	(338)	(343)	(327)	(321)	(311)
Associates	101	281	306	333	359
Recurring non-operating income	726	593	659	712	754
Non-recurring items	2	232	0	0	0
<b>Profit before tax</b>	<b>175</b>	<b>1,151</b>	<b>1,263</b>	<b>1,477</b>	<b>1,686</b>
Tax	(12)	(113)	(139)	(155)	(180)
<b>Profit after tax</b>	<b>163</b>	<b>1,037</b>	<b>1,124</b>	<b>1,322</b>	<b>1,505</b>
Minority interests	(15)	(13)	(16)	(17)	(19)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>148</b>	<b>1,024</b>	<b>1,108</b>	<b>1,305</b>	<b>1,487</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(2)</b>	<b>(232)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>146</b>	<b>792</b>	<b>1,108</b>	<b>1,305</b>	<b>1,487</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.45	2.23	3.12	3.68	4.19
Reported EPS	0.46	2.89	3.12	3.68	4.19
DPS	0.00	0.61	1.09	1.47	1.68
Diluted shares (used to calculate per share data)	323	355	355	355	355
<b>Growth</b>					
Revenue (%)	(6.6)	19.0	19.0	9.0	7.9
Operating EBITDA (%)	(39.4)	117.0	(1.5)	7.6	7.1
Operating EBIT (%)	nm	nm	39.3	16.6	14.4
Recurring EPS (%)	(84.5)	393.4	39.9	17.7	13.9
Reported EPS (%)	nm	530.0	8.2	17.7	13.9
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	6.5	10.8	11.2	11.4	11.6
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	4.6	8.3	6.9	6.8	6.7
Operating EBIT margin (%)	(1.3)	3.3	3.8	4.1	4.4
Net margin (%)	0.8	3.9	4.6	4.9	5.2
Effective tax rate (%)	-6.9	-9.9	-11.0	-10.5	-10.7
Dividend payout on recurring profit (%)	-	27.2	35.0	40.0	40.0
Interest cover (X)	1.5	3.7	4.9	5.6	6.4
Inventory days	66.7	59.7	52.4	46.9	44.6
Debtor days	51.2	45.4	40.8	45.5	45.3
Creditor days	103.2	95.6	84.2	79.2	79.3
Operating ROIC (%)	(2.5)	7.7	10.7	12.0	13.8
ROIC (%)	3.1	7.5	9.5	10.8	12.1
ROE (%)	2.0	9.9	12.5	13.5	14.2
ROA (%)	2.3	5.1	6.2	6.7	7.1
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Manufacture of auto parts	12,028	15,201	17,654	19,419	20,752
Car dealership and others	5,144	5,232	6,664	7,079	7,827

Sources: AAPICO Hitech; FSSIA estimates

## Financial Statements

### AAPICO Hitech

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	146	792	1,108	1,305	1,487
Depreciation	998	1,031	743	715	686
Associates & minorities	15	13	16	17	19
Other non-cash items	86	375	639	22	21
Change in working capital	(928)	1,087	(1,050)	291	(70)
<b>Cash flow from operations</b>	<b>316</b>	<b>3,299</b>	<b>1,456</b>	<b>2,351</b>	<b>2,142</b>
Capex - maintenance	(446)	(929)	(336)	(476)	(476)
Capex - new investment	(191)	(398)	(144)	(204)	(204)
Net acquisitions & disposals	84	73	0	0	0
Other investments (net)	145	463	5	5	4
<b>Cash flow from investing</b>	<b>(408)</b>	<b>(791)</b>	<b>(475)</b>	<b>(675)</b>	<b>(676)</b>
Dividends paid	0	(215)	(388)	(522)	(595)
Equity finance	0	0	0	0	0
Debt finance	755	(1,631)	411	(100)	(200)
Other financing cash flows	(474)	(431)	16	17	19
<b>Cash flow from financing</b>	<b>281</b>	<b>(2,277)</b>	<b>39</b>	<b>(604)</b>	<b>(776)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	14	0	0	0
<b>Net other adjustments</b>	<b>(92)</b>	<b>(178)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>97</b>	<b>52</b>	<b>1,020</b>	<b>1,071</b>	<b>690</b>
Free cash flow to firm (FCFF)	281.01	2,853.68	1,313.05	2,003.15	1,785.92
Free cash flow to equity (FCFE)	97.30	267.66	1,407.92	1,592.62	1,284.76

Per share (THB)	2020	2021	2022E	2023E	2024E
FCFF per share	0.79	8.04	3.70	5.65	5.03
FCFE per share	0.27	0.75	3.97	4.49	3.62
Recurring cash flow per share	3.86	6.23	7.06	5.80	6.23

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	19,021	20,209	20,585	21,185	21,785
Less: Accumulated depreciation	(11,248)	(11,987)	(12,544)	(13,076)	(13,578)
<b>Tangible fixed assets (net)</b>	<b>7,773</b>	<b>8,222</b>	<b>8,041</b>	<b>8,110</b>	<b>8,208</b>
<b>Intangible fixed assets (net)</b>	<b>3,143</b>	<b>3,317</b>	<b>3,159</b>	<b>3,055</b>	<b>2,951</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	3,716	4,150	4,150	4,150	4,150
Cash & equivalents	690	742	1,762	2,833	3,523
A/C receivable	2,846	2,237	3,198	3,412	3,680
Inventories	2,596	3,031	2,958	2,895	3,115
Other current assets	435	277	291	306	321
<b>Current assets</b>	<b>6,566</b>	<b>6,286</b>	<b>8,209</b>	<b>9,445</b>	<b>10,638</b>
Other assets	1,148	746	334	351	368
<b>Total assets</b>	<b>22,346</b>	<b>22,722</b>	<b>23,894</b>	<b>25,111</b>	<b>26,316</b>
Common equity	7,473	8,513	9,249	10,050	10,960
Minorities etc.	268	302	318	335	354
<b>Total shareholders' equity</b>	<b>7,741</b>	<b>8,815</b>	<b>9,567</b>	<b>10,385</b>	<b>11,315</b>
Long term debt	5,597	4,238	4,700	4,600	4,500
Other long-term liabilities	562	512	667	710	752
<b>Long-term liabilities</b>	<b>6,158</b>	<b>4,750</b>	<b>5,367</b>	<b>5,310</b>	<b>5,252</b>
A/C payable	4,119	4,884	4,733	5,146	5,537
Short term debt	3,852	3,687	3,636	3,636	3,536
Other current liabilities	476	587	591	635	676
<b>Current liabilities</b>	<b>8,446</b>	<b>9,158</b>	<b>8,960</b>	<b>9,416</b>	<b>9,749</b>
<b>Total liabilities and shareholders' equity</b>	<b>22,346</b>	<b>22,722</b>	<b>23,894</b>	<b>25,111</b>	<b>26,316</b>
Net working capital	1,282	73	1,123	832	902
Invested capital	17,062	16,509	16,808	16,498	16,579

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

Per share (THB)	2020	2021	2022E	2023E	2024E
Book value per share	23.17	23.99	26.07	28.32	30.89
Tangible book value per share	13.42	14.64	17.16	19.71	22.57

Financial strength	2020	2021	2022E	2023E	2024E
Net debt/equity (%)	113.1	81.5	68.7	52.0	39.9
Net debt/total assets (%)	39.2	31.6	27.5	21.5	17.1
Current ratio (x)	0.8	0.7	0.9	1.0	1.1
CF interest cover (x)	1.9	2.9	5.7	6.6	5.8

Valuation	2020	2021	2022E	2023E	2024E
<b>Recurring P/E (x) *</b>	<b>52.0</b>	<b>10.5</b>	<b>7.5</b>	<b>6.4</b>	<b>5.6</b>
<b>Recurring P/E @ target price (x) *</b>	<b>61.9</b>	<b>12.5</b>	<b>9.0</b>	<b>7.6</b>	<b>6.7</b>
Reported P/E (x)	51.3	8.1	7.5	6.4	5.6
Dividend yield (%)	-	2.6	4.7	6.3	7.1
Price/book (x)	1.0	1.0	0.9	0.8	0.8
Price/tangible book (x)	1.8	1.6	1.4	1.2	1.0
EV/EBITDA (x) **	21.2	9.3	9.1	7.8	6.8
EV/EBITDA @ target price (x) **	23.1	10.3	10.1	8.7	7.7
EV/invested capital (x)	1.0	1.0	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



## 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	ICHI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PCSGH	PDJ	PG	PHOL	PLANB	PLANET
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEAOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	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	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	TPIPP	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:**

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

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

## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

Naruedom Mujjalinkool FSS International Investment Advisory Securities Co., Ltd

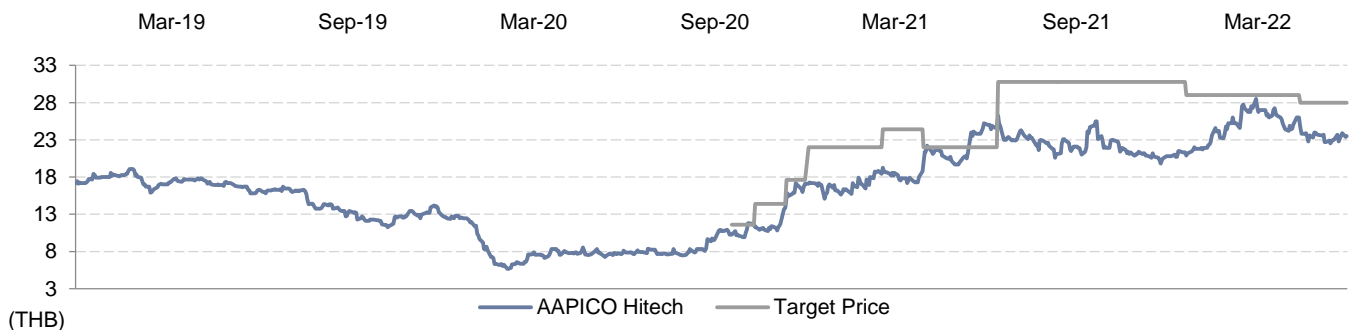
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### History of change in investment rating and/or target price

#### 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	02-Feb-2022	HOLD	28.00

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 23.50	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, higher steel prices, semiconductor shortages, and exchange rate risk.

Source: FSSIA estimates

### Additional Disclosures

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

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All share prices are as at market close on 15-Mar-2022 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.