

AAPICO HITECH AH TB

THAILAND / AUTOMOTIVES

BUY

UNCHANGED

TARGET PRICE	THB29.50
CLOSE	THB21.10
UP/DOWNSIDE	+39.8%
PRIOR TP	THB28.00
CHANGE IN TP	+5.4%
TP vs CONSENSUS	-3.0%

A perfect off-road vehicle

- We expect AH's core earnings in 2Q22 to remain strong, despite some obstacles, growing by 3% y-y to THB213m.
- AH should overcome the negative downside from the industry.
- Maintain BUY with a new 2023 TP of THB29.50. AH remains our top pick.

Expect continuous growth in 2Q22

Despite a one-month shutdown of AH's Shanghai factory in 2Q22 due to the lockdown policy, plus the semiconductor shortage and the high steel price, we believe AH's core earnings in 2Q22 should grow by 3% y-y to THB213m. Its new order worth about THB700m per year has already started full production. Car dealerships should also have a strong performance thanks to Thailand's domestic car sales during 2Q22 which grew by 12% y-y. Therefore, we expect AH's 2Q22 revenue to grow significantly by 25% y-y to THB6b. The company's GPM should stay at 10%. Lastly, with the huge depreciation in Thai Baht, we expect AH to have an exchange gain of over THB103m in 2Q22.

Negative sentiment from the industry...

Total car production in Thailand is at risk of slowing down in 2H22 because of the economic slowdown globally as well as in Thailand. High inflation, with increasing interest rates all over the world, will be the key pressure point on the demand for new cars, in our view. Therefore, we revise our target for Thailand's car production in 2022 from 1.78m units to 1.68m units, flattish from last year.

... But we believe AH should overcome the industry's downside

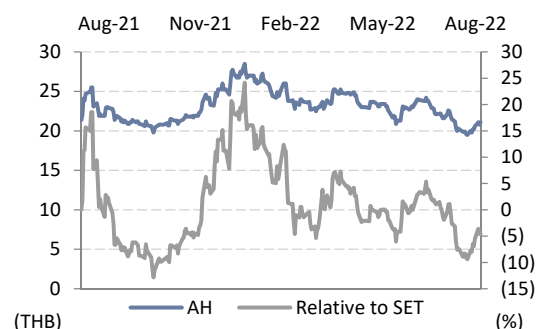
Although there could be a key challenge in 2H22 from the risk of an economic slowdown, we believe AH should still generate strong core earnings growth in 2022 at THB1.1b (+40% y-y). We expect AH's core earnings in 1H22 to contribute 56% of our full-year forecast. We believe the company should continue to post y-y growth in 2H22 thanks to 1) a strong volume from its customers; 2) the Portugal factory should not be loss-making like last year; and 3) no more lockdowns, which should help the car dealership business to generate better revenue.

Maintain BUY with a new 2023 TP of THB29.50

We see AH as an off-road vehicle at the moment, able to overcome all of the obstacles ahead to post solid earnings growth this year and next. We maintain our BUY call on AH with a new 2023 TP of THB29.50, pegged to 8x P/E (+0.5SD of its mean). AH remains our top pick in the sector.

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 (%)	-	(0.8)	1.1	2.2
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. (%)	-	-	-	-
EPS growth (%)	393.4	39.9	17.7	13.9
Core P/E (x)	9.5	6.8	5.7	5.0
Dividend yield (%)	2.9	5.2	7.0	7.9
EV/EBITDA (x)	8.8	8.6	7.3	6.4
Price/book (x)	0.9	0.8	0.7	0.7
Net debt/Equity (%)	81.5	68.7	52.0	39.9
ROE (%)	9.9	12.5	13.5	14.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(4.5)	(8.7)	(3.7)
Relative to country (%)	(4.3)	(3.7)	(6.0)
Mkt cap (USD m)	203		
3m avg. daily turnover (USD m)	0.5		
Free float (%)	50		
Major shareholder	Thai NVDR (14%)		
12m high/low (THB)	28.50/19.40		
Issued shares (m)	354.84		

Sources: Bloomberg consensus; FSSIA estimates



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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. Its average car production is also high at 1.9m-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.

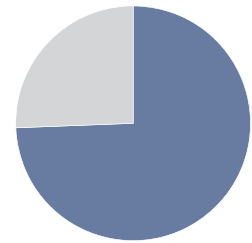
Company profile

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

Principal activities (revenue, 2021)

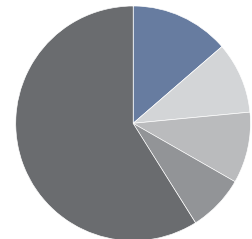
- Manufacture of auto parts - 74.4 %
- Car dealership and others - 25.6 %



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
Aug-22	2Q22 results announcement

Key assumptions

	2020	2021	2022E	2023E	2024E
	(%)	(%)	(%)	(%)	(%)
Auto parts revenue growth	(6.8)	26.4	16.1	10	6.9
Car dealership revenue growth	(6.1)	1.7	27.4	6.2	10.6

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.

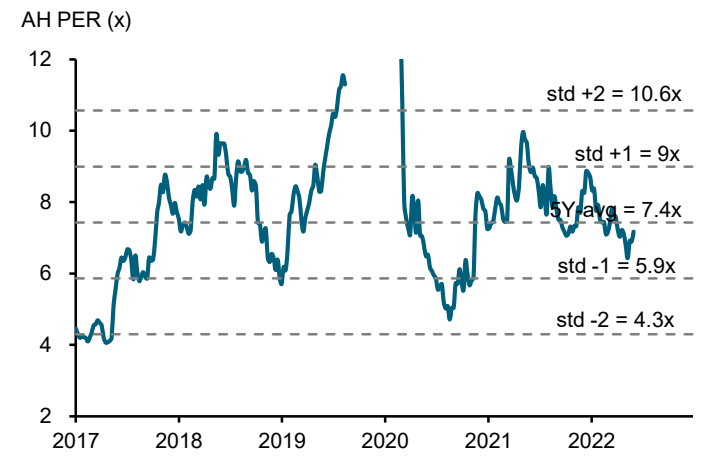
Source: FSSIA estimates

Exhibit 1: AH - 2Q22 results preview

	2Q21	1Q22	2Q22E	-----Change-----		1H21	1H22E	Change	2022E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)
Auto parts	3,663	5,134	4,650	(9.4)	26.9	7,836	9,784	24.9	17,654
Car dealership and others	1,167	1,596	1,372	(14.0)	17.6	2,580	2,968	15.0	6,664
Revenue	4,833	6,730	6,022	(10.5)	24.6	10,419	12,752	22.4	24,318
Operating costs	(4,273)	(5,985)	(5,420)	(9.4)	26.8	(9,185)	(11,404)	24.2	(21,594)
Gross profit	559	746	602	(19.3)	7.6	1,234	1,348	9.2	2,724
SG&A expenses	(391)	(392)	(398)	1.5	1.8	(781)	(790)	1.2	(1,792)
EBIT	168	354	204	(42.2)	21.3	453	558	n.a.	931
Depreciation & amortisation	259	273	268	(1.7)	n.a.	448	507	13.1	743
EBITDA	427	626	472	(24.6)	10.5	902	1,065	18.1	1,674
EBITDA margin (%)	9	9	8	nm	nm	9	8	nm	7
Interest expense	(89)	(81)	(81)	(1.0)	(9.8)	(177)	(162)	(8.4)	(332)
Other income	104	87	80	(7.7)	(23.3)	156	167	7.0	358
Extra item	0	0	0	n.a.	n.a.	0	0	n.a.	0
Associates	57	82	72	(12.6)	25.3	145	154	6.6	306
Gain/Loss from exchange	42	(4)	103	n.a.	143.1	145	99	n.a.	0
Pretax profit	283	438	379	(13.5)	33.7	722	816	13.1	1,263
Tax	(33)	(29)	(57)	98.1	74.0	(59)	(85)	45.1	(139)
Tax rate (%)	(12)	(7)	(15)	nm	nm	(8)	(10)	nm	(11)
Minority interests	0	7	6	(11.4)	1,375.8	3	12	n.a.	16
Net profit	250	402	316	(21.5)	26.3	660	719	8.9	1,108
Core net profit	208	406	213	(47.5)	2.5	515	619	20.2	1,108
EPS (THB)	0.78	1.25	0.89	(28.6)	14.9	2.05	2.03	(1.0)	3.12
Core EPS (THB)	0.64	1.26	0.60	(52.3)	(6.8)	1.60	1.74	9.2	3.12

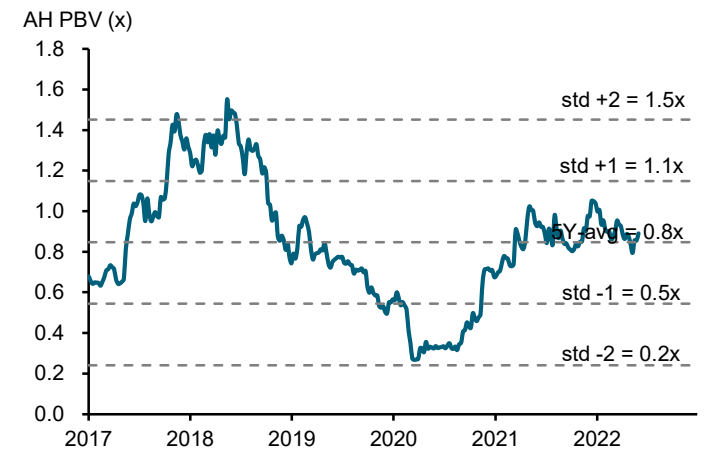
Sources: AH; FSSIA estimates

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

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)
Gross profit	2,116	3,239	3,466	3,736	4,001
Other operating income	-	-	-	-	-
Operating costs	(1,333)	(1,540)	(1,792)	(1,934)	(2,072)
Operating EBITDA	783	1,699	1,674	1,802	1,929
Depreciation	(998)	(1,031)	(743)	(715)	(686)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	(215)	668	931	1,086	1,243
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
Profit before tax	175	1,151	1,263	1,477	1,686
Tax	(12)	(113)	(139)	(155)	(180)
Profit after tax	163	1,037	1,124	1,322	1,505
Minority interests	(15)	(13)	(16)	(17)	(19)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	148	1,024	1,108	1,305	1,487
Non-recurring items & goodwill (net)	(2)	(232)	0	0	0
Recurring net profit	146	792	1,108	1,305	1,487
Per share (THB)					
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
Growth					
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
Operating performance					
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					
Revenue by Division (THB m)					
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)
Cash flow from operations	316	3,299	1,456	2,351	2,142
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
Cash flow from investing	(408)	(791)	(475)	(675)	(676)
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
Cash flow from financing	281	(2,277)	39	(604)	(776)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	14	0	0	0
Net other adjustments	(92)	(178)	0	0	0
Movement in cash	97	52	1,020	1,071	690
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)
Tangible fixed assets (net)	7,773	8,222	8,041	8,110	8,208
Intangible fixed assets (net)	3,143	3,317	3,159	3,055	2,951
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
Current assets	6,566	6,286	8,209	9,445	10,638
Other assets	1,148	746	334	351	368
Total assets	22,346	22,722	23,894	25,111	26,316
Common equity	7,473	8,513	9,249	10,050	10,960
Minorities etc.	268	302	318	335	354
Total shareholders' equity	7,741	8,815	9,567	10,385	11,315
Long term debt	5,597	4,238	4,700	4,600	4,500
Other long-term liabilities	562	512	667	710	752
Long-term liabilities	6,158	4,750	5,367	5,310	5,252
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
Current liabilities	8,446	9,158	8,960	9,416	9,749
Total liabilities and shareholders' equity	22,346	22,722	23,894	25,111	26,316
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
Recurring P/E (x) *	46.6	9.5	6.8	5.7	5.0
Recurring P/E @ target price (x) *	65.2	13.2	9.4	8.0	7.0
Reported P/E (x)	46.1	7.3	6.8	5.7	5.0
Dividend yield (%)	-	2.9	5.2	7.0	7.9
Price/book (x)	0.9	0.9	0.8	0.7	0.7
Price/tangible book (x)	1.6	1.4	1.2	1.1	0.9
EV/EBITDA (x) **	20.2	8.8	8.6	7.3	6.4
EV/EBITDA @ target price (x) **	23.7	10.6	10.4	9.0	8.0
EV/invested capital (x)	0.9	0.9	0.9	0.8	0.7

* 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 2021

 EXCELLENT LEVEL – Score range 90-100										
AAV	BCPG	CPALL	GCAP	K	MSC	PLANET	SAMART	SPI	THRE	TVD
ADVANC	BDMS	CPF	GFPT	KBANK	MST	PLAT	SAMTEL	SPRC	THREL	TVI
AF	BEM	CPI	GGC	KCE	MTC	PORT	SAT	SPVI	TIPCO	TVO
AH	BGC	CPN	GLAND	KKP	MVP	PPS	SC	SSSC	TISCO	TWPC
AIRA	BGRIM	CRC	GLOBAL	KSL	NCL	PR9	SCB	SST	TK	U
AKP	BIZ	CSS	GPI	KTB	NEP	PREB	SCC	STA	TKT	UAC
AKR	BKI	DDD	GPSC	KTC	NER	PRG	SCCC	STEC	TMT	UBIS
ALT	BOL	DELTA	GRAMMY	LALIN	NKI	PRM	SCG	STI	TNDT	UV
AMA	BPP	DEMCO	GULF	LANNA	NOBLE	PROUD	SCGP	SUN	TNITY	VGI
AMATA	BRR	DRT	GUNKUL	LH	NSI	DRSH	SCM	SUSCO	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SUTHA	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFCO	SVI	TPBI	WAVE
AOT	BWG	EA	HMPRO	LPN	NYT	PTT	SEAOIL	SYMC	TQM	WHA
AP	CENTEL	EASTW	ICC	MACO	OISHI	PTTEP	SE-ED	SYNTEC	TRC	WHAUP
ARIP	CFRESH	ECF	ICHI	MAJOR	OR	PTTGC	SELIC	TACC	TRU	WICE
ARROW	CHEWA	ECL	III	MAKRO	ORI	PYLON	SENA	TASCO	TRUE	WINNER
ASP	CHO	EE	ILINK	MALEE	OSP	Q-CON	SHR	TCAP	TSC	ZEN
AUCT	CIMBT	EGCO	ILM	MBK	OTO	QH	SIRI	TEAMG	TSR	
AWC	CK	EPG	INTUCH	MC	PAP	QTC	SIS	TFMAMA	TSTE	
AYUD	CKP	ETC	IP	MCOT	PCSGH	RATCH	SITHAI	TGH	TSTH	
BAFS	CM	FPI	IRPC	METCO	PDG	RS	SMK	THANA	TTA	
BANPU	CNT	FPT	ITEL	MFEC	PDJ	S	SMPC	THANI	TTB	
BAY	COM7	FSMART	IVL	MINT	PG	S & J	SNC	THCOM	TTCL	
BBL	COMAN	GBX	JSP	MONO	PHOL	SAAM	SONIC	THG	TTW	
BCP	COTTO	GC	JWD	MOONG	PLANB	SABINA	SPALI	THIP	TU	

 VERY GOOD LEVEL – Score range 80-89										
2S	ASIMAR	CHOW	FLOYD	IT	LOXLEY	OCC	RPC	SKY	TCC	TVT
7UP	ASK	CI	FN	ITD	LRH	OGC	RT	SLP	TCMC	TWP
ABICO	ASN	CIG	FNS	J	LST	PATO	RWI	SMIT	TEAM	UEC
ABM	ATP30	CMC	FORTH	JAS	M	PB	S11	SMT	TFG	UMI
ACE	B	COLOR	FSS	JCK	MATCH	PICO	SA	SNP	TFI	UOBKH
ACG	BA	CPL	FTE	JCKH	MBAX	PIMO	SAK	SO	TIGER	UP
ADB	BAM	CPW	FVC	JMART	MEGA	PJW	SALEE	SORKON	TITLE	UPF
AEONTS	BC	CRD	GEL	JMT	META	PL	SAMCO	SPA	TKN	UPOIC
AGE	BCH	CSC	GENCO	KBS	MFC	PM	SANKO	SPC	TKS	UTP
AHC	BEC	CSP	GJS	KCAR	MGT	PMTA	SAPPE	SPCG	TM	VCOM
AIT	BEYOND	CWT	GYT	KEX	MICRO	PPP	SAWAD	SR	TMC	VL
ALL	BFIT	DCC	HEMP	KGI	MILL	PPPM	SCI	SRICHA	TMD	VPO
ALLA	BJC	DCON	HPT	KIAT	MTSIB	PRIME	SCN	SSC	TMI	VRANDA
ALUCON	BJCHI	DHOUSE	HTC	KISS	MK	PRIN	SCP	SSF	TMILL	WGE
AMANAH	BLA	DOD	HYDRO	KOOL	MODERN	PRINC	SE	STANLY	TNL	WIK
AMARIN	BR	DOHOME	ICN	KTIS	MTI	PSG	SFLEX	STGT	TNP	WP
APCO	BROOK	DV8	IFS	KUMWEL	NBC	PSTC	SFP	STOWER	TOG	XO
APCS	CBG	EASON	IMH	KUN	NCAP	PT	SFT	STPI	TPA	XPG
APURE	CEN	EFORL	IND	KWC	NCH	QLT	SGF	SUC	TPAC	YUASA
AQUA	CGH	ERW	INET	KWM	NETBAY	RBF	SIAM	SWC	TPCS	
ASAP	CHARAN	ESSO	INSET	L&E	NEX	RCL	SINGER	SYNEX	TPS	
ASEFA	CHAYO	ESTAR	INSURE	LDC	NINE	RICHY	SKE	TAE	TRITN	
ASIA	CHG	ETE	IRC	LEO	NRF	RML	SKN	TAKUNI	TRT	
ASIAN	CHOTI	FE	IRCP	LHK	NTV	ROJNA	SKR	TBSP	TSE	

 GOOD LEVEL – Score range 70-79										
A	BGT	CITY	GIFT	JTS	MDX	PK	SGP	SUPER	TQR	YGG
AI	BH	CMAN	GLOCON	JUBILE	MJD	PLE	SICT	SVOA	TTI	ZIGA
AIE	BIG	CMO	GREEN	KASET	MORE	PPM	SIMAT	TC	TYCN	
AJ	BLAND	CMR	GSC	KCM	MUD	PRAKIT	SISB	TCCC	UKEM	
ALPHAX	BM	CPT	GTB	KK	NC	PRAPAT	SK	THMUI	UMS	
AMC	BROCK	CRANE	HTECH	KKC	NDR	PRECHA	SMART	TNH	UNIQ	
APP	BSBM	CSR	HUMAN	KWI	NFC	PTL	SOLAR	TNR	UPA	
AQ	BSM	D	IHL	KYE	NNCL	RJH	SPACK	TOPP	UREKA	
ARIN	BTNC	EKH	IIG	LEE	NOVA	RP	SPG	TPCH	VIBHA	
AS	BYD	EMC	INGRS	LPH	NPK	RPH	SQ	TPIPL	W	
AU	CAZ	EP	INOX	MATI	NUSA	RSP	SSP	TIPIP	WIN	
B52	CCP	F&D	JAK	M-CHAI	PAF	SABUY	STARK	TPLAS	WORK	
BEAUTY	CGD	FMT	JR	MCS	PF	SF	STC	TPOLY	WPH	

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

Sources: Thai Institute of Directors Association (IOD); FSSIA's compilation; data as of 26 October 2021

Anti-corruption Progress Indicator

CERTIFIED										
2S	BCH	CPALL	GC	K	MFC	PE	QLT	SNP	THCOM	TU
7UP	BCP	CPF	GCAP	KASET	MFEC	PG	QTC	SORKON	THIP	TVD
ADVANC	BCPG	CPI	GEL	KBANK	MILL	PHOL	RATCH	SPACK	THRE	TVI
AF	BE8	CPN	GFPT	KBS	MINT	PK	RML	SPALI	THREL	TVO
AI	BEYOND	CSC	GGC	KCAR	MONO	PL	RWI	SPC	TIDLOR	TWPC
AIE	BGC	DCC	GJS	KCE	MOONG	PLANB	S & J	SPI	TIPCO	U
AIRA	BGRIM	DELTA	GPI	KGI	MSC	PLANET	SAAM	SPRC	TISCO	UBE
AKP	BJCHI	DEMCO	GPSC	KKP	MST	PLAT	SABINA	SRICHA	TKS	UBIS
ALPHAX	BKI	DIMET	GSTEEL	KSL	MTC	PM	SAPPE	SSF	TKT	UEC
AMA	BLA	DRT	GUNKUL	KTB	MTI	PPP	SAT	SSP	TMD	UKEM
AMANAHA	BPP	DTAC	HANA	KTC	NBC	PPPM	SC	SSSC	TMILL	UOBKH
AMATA	BROOK	DUSIT	HARN	KWC	NEP	PPS	SCB	SST	TMT	UPF
AMATAV	BRR	EA	HEMP	KWI	NINE	PR9	SCC	STA	TNITY	UV
AP	BSBM	EASTW	HENG	L&E	NKI	PREB	SCCC	STOWER	TNL	VGI
APCS	BTS	ECL	HMPRO	LANNA	NMG	PRG	SCG	SUSCO	TNP	VIH
AQUA	BWG	EGCO	HTC	LH	NNCL	PRINC	SCN	SVI	TNR	WACOAL
ARROW	CEN	EP	ICC	LHFG	NOBLE	PRM	SEAOIL	SYMC	TOG	WHA
AS	CENTEL	EPG	ICHI	LHK	NOK	PROS	SE-ED	SYNTEC	TOP	WHAUP
ASIAN	CFRESH	ERW	IFEC	LPN	NSI	PSH	SELIC	TAE	TOPP	WICE
ASK	CGH	ESTAR	IFS	LRH	NWR	PSL	SENA	TAKUNI	TPA	WIJK
ASP	CHEWA	ETE	ILINK	M	OCC	PSTC	SGP	TASCO	TPP	XO
AWC	CHOTI	FE	INET	MAKRO	OGC	PT	SINGER	TBSP	TRU	ZEN
AYUD	CHOW	FNS	INSURE	MALEE	ORI	PTG	SIRI	TCAP	TRUE	
B	CIG	FPI	INTUCH	MATCH	PAP	PTT	SITHAI	TCMC	TSC	
BAFS	CIMBT	FPT	IRC	MBAX	PATO	PTTEP	SKR	TFG	TSTE	
BAM	CM	FSMART	IRPC	MBK	PB	PTTGC	SMIT	TFI	TSTH	
BANPU	CMC	FSS	ITEL	MC	PCSGH	PYLON	SMK	TFMAMA	TTA	
BAY	COM7	FTE	IVL	MCOT	PDG	Q-CON	SMPC	TGH	TTB	
BBL	COTTO	GBX	JKN	META	PDJ	QH	SNC	THANI	TTCL	
DECLARED										
AJ	CHG	DDD	ETC	JR	MAJOR	NUSA	RS	SSS	TQM	YUASA
ALT	CPL	DHOUSE	FLOYD	JTS	NCAP	NYT	SAK	STECH	TSI	ZIGA
APCO	CPR	DOHOME	GULF	KEX	NCL	OR	SCGP	STGT	VARO	
B52	CPW	ECF	III	KUMWEL	NOVA	PIMO	SCM	TKN	VCOM	
BEC	CRC	EKH	INOX	LDC	NRF	PLE	SIS	TMI	VIBHA	

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 26 October 2021) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Naruedom Mujjalinkool FSS International Investment Advisory Securities Co., Ltd

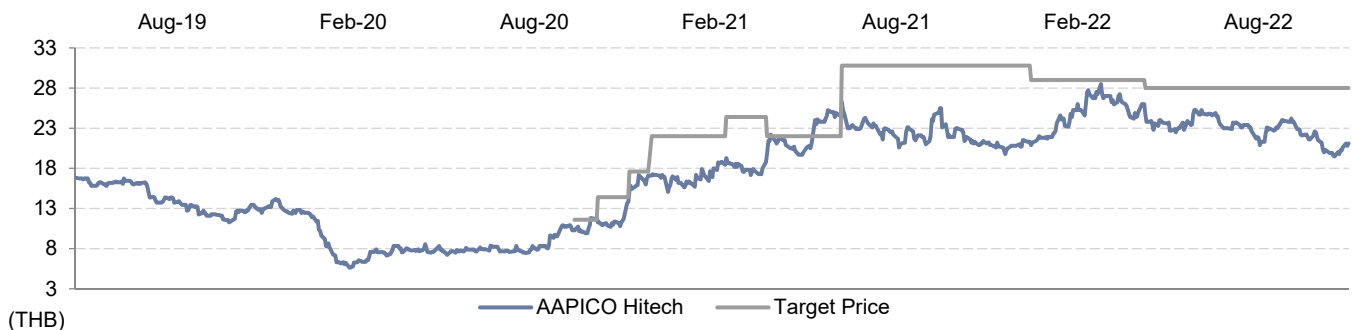
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History of change in investment rating and/or target price

AAPICO Hitech (AH TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
01-Oct-2020	HOLD	11.60	08-Feb-2021	BUY	24.40	02-Feb-2022	HOLD	28.00
21-Oct-2020	BUY	14.40	15-Mar-2021	BUY	22.00	16-Mar-2022	BUY	28.00
17-Nov-2020	BUY	17.60	18-May-2021	BUY	30.80			
04-Dec-2020	BUY	22.00	27-Oct-2021	BUY	29.00			

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 21.10	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 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 27-Jul-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.