

Thailand Automotive

Recovery momentum is fast and strong

- Total car production in Sep-22 reached the highest level in the past three years – even higher than in May-19 during the pre-Covid period.
- Auto sector's 3Q22 results should see a solid recovery from the low season in 2Q22.
- Maintain NEUTRAL on sector. Although the sector has a better outlook, some companies are still facing individual risks. AH is our top pick with a TP of THB35.50.

Strong car production in Sep-22 boosts the 3Q22 outlook as well as earnings potential

Thailand's car production in 3Q22 amounted to 494k units (+35% y-y, +27% q-q), the highest number by quarter in the past three years. Domestic car sales surged by 36% y-y and 5% q-q to 206k units. Exports also bounced back to 257k units (+26% y-y, +24% q-q). This was driven by the strong car production/domestic sales/exports in Sep-22 that grew by 28%/30%/36% y-y and 4%/9%/37% q-q. The key reason for the strong output in 3Q22 was the relaxation of the semi-conductor shortage both in Thailand and overseas. The Federation of Thai Industries is still confident that its car production target of 1.75m units is achievable, with a potential upside to 1.8m units if the semi-conductor shortage continues to improve. As a result, we expect every company in the auto sector to post a solid earnings recovery q-q in 3Q22.

Brighter car production outlook for 4Q22 and 2023

We upgrade our car production/domestic sales/export assumptions for 2022 to 1.8m/0.83m/0.97m units. We expect car production this year to grow by 6.8%. Accordingly, for 4Q22, only 145k units per month would need to be produced to reach our estimate, which is lower than the nine-month average of 151.6k units. Hence, we believe this number is achievable. In addition, we expect the car production/domestic sales/exports for 2023 to reach 1.86m/0.86m/1.02m units, growing by 3.4%/3.6%/5.2%. We believe these numbers would support auto companies to post further net profit record highs.

Maintain NEUTRAL; AH remains our top pick

We are more confident on the car production numbers in 4Q22 and 2023. This prompts us to increase our P/E multiple for both Somboon Advance Technology (SAT TB, HOLD, TP THB22) and Aapico Hitech (AH TB, BUY, TP THB35.50) from 8x to 9x, reflecting our moderate view toward the auto sector's outlook for next year. However, we maintain our NEUTRAL call on the auto sector as we only like AH for its 1) higher upside; and 2) stronger earnings outlook. We recommend HOLD for SAT and Namyong Terminal (NYT TB, HOLD, TP THB3.90) as these two companies are still facing individual issues that could pressure their earnings to perform below the industry's level.

FSSIA recommendations

Company	BBG code	share price	Rating		Target Price			
			Current	Previous	Current	Previous	%change	Up/downside
AAPICO Hitech	AH TB	30.25	BUY	unchanged	35.50	29.50	+20.34%	+17.4%
Nam Yong Terminal	NYT TB	3.66	HOLD	unchanged	3.90	3.90	unchanged	+6.6%
Somboon Advance Technology	SAT TB	21.40	HOLD	unchanged	22.00	19.50	+12.82%	+2.8%

Note: Priced at close of business 27/10/2022. Share prices and TPs are in listing currency.; Source: 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 the country’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 has experienced very minor growth over the past five years (pre-Covid-19) at 1.3% p.a.

We expect Thailand’s car production in 2023 to increase to 1.86m units (+3.4% y-y).

Catalyst

- A recovery in car production volume in 2023;
- New car models introduced to the market in 2022;
- New orders.

Risk 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 2023;
- High steel prices that keep rising.

Contens

Thailand’s car industry3

Key assumption changes for Thailand’s car production3

Peers comparison4

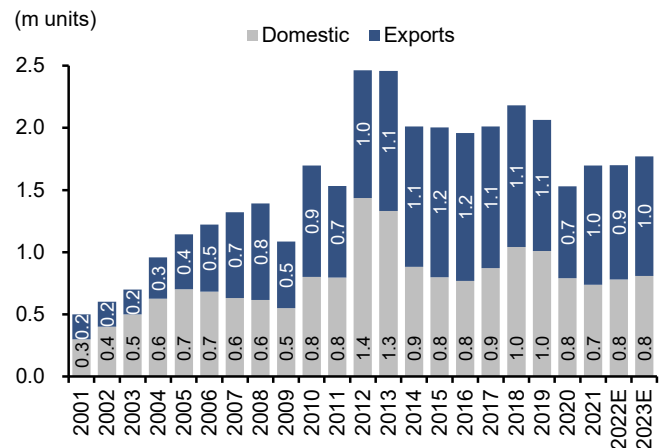
Company reports

Aapico Hitech (AH TB, BUY, TP THB35.50)
 Nam Yong Terminal (NYT TB, HOLD, TP THB3.90)
 Somboon Advance Tech (SAT TB, HOLD, TP THB22.00)

Event Calendar

Date	Event
Nov 2022	3Q22 results announcements
Late Nov 2022	Oct 2022 car production announcement

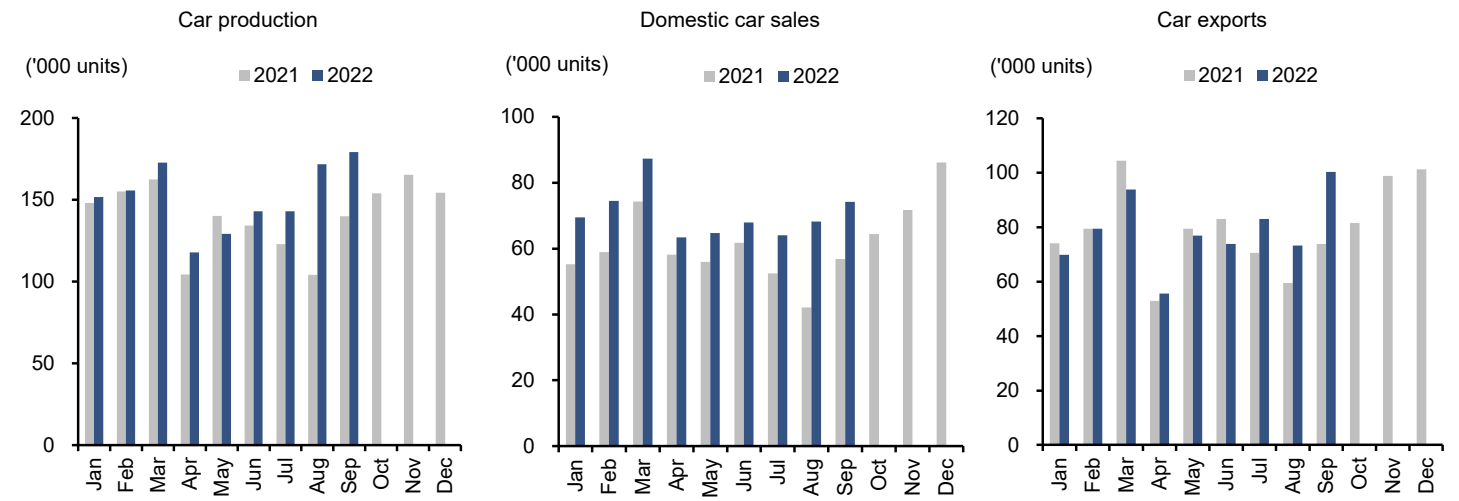
Thailand’s car sales (domestic and export)



Source: Thai Automotive Industry Association; FSSIA estimates

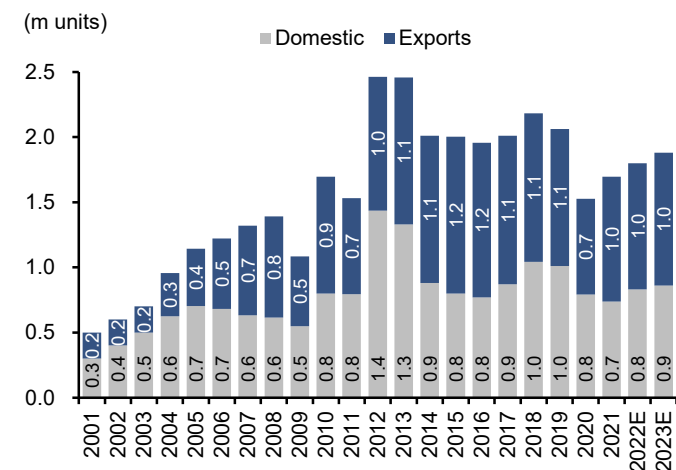
Thailand's car industry

Exhibit 1: Thailand's car industry



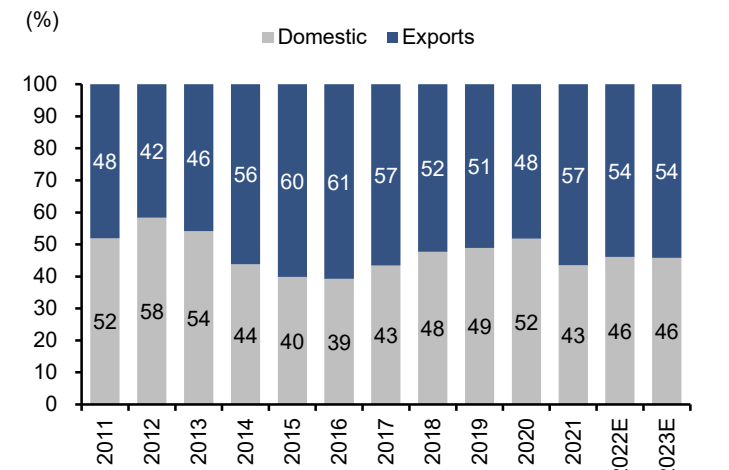
Sources: Thai Automotive Industry Association; FSSIA estimates

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

Key assumption changes for Thailand's car production

Exhibit 4: Key assumption changes for Thailand's car production

	Current			Previous		Change	
	2021 (Unit)	2022E (Unit)	2023E (Unit)	2022E (Unit)	2023E (Unit)	2022E (%)	2023E (%)
Domestic car sales	738,107	830,000	860,000	780,000	810,000	6.4	6.2
Exports	959,194	970,000	1,020,000	920,000	960,000	5.4	6.3
Car production	1,685,394	1,800,000	1,861,200	1,683,000	1,752,300	7.0	6.2
Change y-y		(%)	(%)	(%)	(%)	(ppt)	(ppt)
Domestic car sales		12.4	3.6	5.7	(2.4)	6.8	6.0
Exports		1.1	5.2	(4.1)	4.3	5.2	0.8
Car production		6.8	3.4	(0.1)	4.1	6.9	(0.7)

Note: Total car production is not equal to total car sales for both domestic and export as domestic car sales include car imports

Sources: Thai Automotive Industry Association; FSSIA estimates

Peers comparison

Exhibit 5: Peers comparison as of 27 Oct-22

Company	BBG	Rec	Market Cap (USD m)	3Y EPS CAGR (%)	----- PE -----		----- DivYld -----		----- ROE -----		----- PBV -----	
					22E (x)	23E (x)	22E (%)	23E (%)	22E (x)	23E (x)	22E (x)	23E (x)
Aapico Hitech*	AH TB	BUY	284	23	8.2	7.7	4.2	5.2	14.6	14.2	1.1	1.0
Nam Yong Terminal*	NYT TB	HOLD	120	13	22.0	17.4	4.1	5.2	6.3	7.9	1.4	1.4
Somboon Advance Technology*	SAT TB	HOLD	241	6	9.4	8.8	7.0	7.5	12.4	12.7	1.1	1.1
Coverage			645	15	13.2	11.3	5.1	6.0	11.1	11.6	1.2	1.2
Pcs Machine Group Holding	PCSGH TB	n/a	200	n/a	10.5	9.5	8.5	9.5	15.0	17.0	1.6	1.5
Thai Stanley Electric	STANLY	n/a	353	14	8.5	7.7	3.8	5.4	7.8	8.6	0.7	0.6
Local peers			552	43	9.5	8.6	6.2	7.5	11.4	12.8	1.1	1.1
Gabriel India	GABR IN	n/a	266	n/a	25.5	17.2	0.9	1.0	11.4	15.5	2.84	2.5
Mahindra Cie Automotive	MACA IN	n/a	1,391	33	19.2	17.2	1.1	1.3	10.9	11.0	n/a	n/a
Shanghai Daimay Automotive-A	603730 CH	n/a	2,045	14.2	24.6	20.3	3.51	3.9	14.1	15.5	3.4	3.1
Bethel Automotive Safety S-A	603596 CH	n/a	5,026	30	54.1	37.6	0.2	0.3	16.9	20.3	8.9	7.5
Great Wall Motor Co Ltd-A	601633 CH	n/a	27,881	26	26.9	24.2	1.3	1.5	14.7	15.3	3.9	3.5
Geely Automobile Holdings	175 HK	n/a	10,970	24	14.7	9.6	2.0	3.4	7.1	11.1	1.1	1.0
Regional peers			47,579	32	27.5	21.0	1.5	1.9	12.5	14.8	4.0	3.5
Simple average			48,775	24	20.3	16.1	3.3	4.0	11.9	13.6	2.6	2.3

Sources: Bloomberg; * FSSIA estimates

AAPICO HITECH AH TB

THAILAND / AUTOMOTIVES

BUY

UNCHANGED

A solid vehicle for growth

- We expect AH's 3Q22 core earnings continue to grow to THB339m (+21% q-q, +167% y-y) thanks to a solid car production volume in Thailand and high car sales in Malaysia.
- We increase our 2022 earnings forecast for AH by 18% to THB1.3b.
- Maintain BUY with a new TP of THB35.50; remains our top pick.

TARGET PRICE	THB35.50
CLOSE	THB30.25
UP/DOWNSIDE	+17.4%
PRIOR TP	THB29.50
CHANGE IN TP	+20.3%
TP vs CONSENSUS	+4.4%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	20,433	25,783	26,974	28,573
Net profit	1,024	1,302	1,396	1,490
EPS (THB)	2.89	3.67	3.94	4.20
vs Consensus (%)	-	8.7	2.3	(4.0)
EBITDA	1,699	1,903	1,943	1,971
Core net profit	792	1,302	1,396	1,490
Core EPS (THB)	2.23	3.67	3.94	4.20
Chg. In EPS est. (%)	-	17.5	7.0	0.2
EPS growth (%)	393.4	64.5	7.2	6.7
Core P/E (x)	13.6	8.2	7.7	7.2
Dividend yield (%)	2.0	4.2	5.2	5.6
EV/EBITDA (x)	10.7	9.2	8.4	7.8
Price/book (x)	1.3	1.1	1.0	1.0
Net debt/Equity (%)	81.5	66.5	48.8	36.8
ROE (%)	9.9	14.6	14.2	13.9

Expect solid 3Q22 results

With Thailand's car production in 3Q22 reaching 494k units (+27% q-q, +35% y-y) – the highest quarterly car production in the past three years – and the strong car sales in both Thailand and Malaysia (MY), we expect AH's core earnings in 3Q22 to hit THB339m (+21% q-q, +167% y-y). We think AH's 3Q22 revenue will grow significantly by 9% q-q and 58% y-y to THB6.7b, driven by both auto parts manufacturing and its car dealership business. On top off that, we expect its GPM to slightly improve to 10.5% vs 10.1% in 2Q22 following the stronger revenue. Note that the company also expects to book a significant exchange gain in 3Q22, much like in the previous quarter when it booked a gain of THB129m.

Earnings upgrade

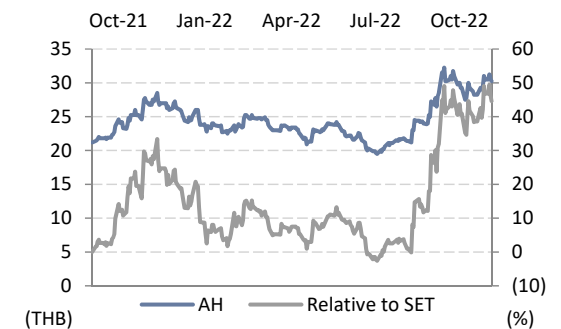
We finally have an earnings upgrade for AH for the first time this year as the revenue from both auto parts and car sales has been slightly better than previously expected. The demand for new cars has bounced back impressively after the improvement of the semi-conductor shortage, and the car promotion from the MY government could stimulate this year's total car sales in MY to reach the highest number of all time. Therefore, we expect AH's core earnings in 2022 to hit THB1,302m (+64% y-y), higher than our previous expectation by 18%.

Softening expected in 4Q22

Although 3Q22 could be a great quarter for AH, 4Q22, however, could see a slight slowdown as 1) the Portugal factory is expected to enter the low season; 2) the car sales in MY could slow down; and 3) there could be higher electricity costs. Nevertheless, we still believe that AH should post y-y growth in 4Q22 thanks to cost controls in Portugal and a higher auto parts volume.

Maintain BUY with a new 2023 TP of THB35.50

AH's outlook remains strong. We expect its 2023 core earnings to grow by 7% – another record high – thanks to the continuous recovery of the auto industry, as we expect total car production to grow by 3% in 2023. Maintain BUY on AH with a new 2023 TP of THB35.50, pegged to 9x 2023E P/E (+1SD). AH remains our top pick in the auto sector.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	0.8	43.4	42.0
Relative to country (%)	1.4	41.0	44.3
Mkt cap (USD m)	284		
3m avg. daily turnover (USD m)	2.8		
Free float (%)	50		
Major shareholder	Thai NVDR (14%)		
12m high/low (THB)	34.25/19.40		
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. 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.

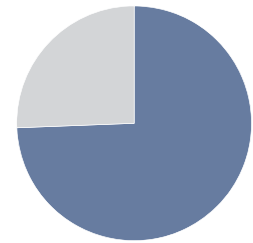
Company profile

Main businesses of AH 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)

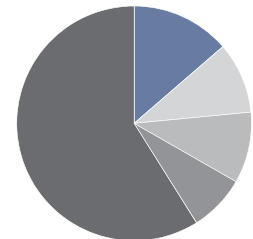
- Manufacture of auto parts - 74.4 %
- Car dealership and others - 25.6 %



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
Nov-22	3Q22 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 2023 earnings to rise by 0.5%, and vice versa, all else being equal.
- For every 10 bps increase in gross profit margin, we project 2023 earnings to rise by 5.1%, and vice versa, all else being equal.

Source: FSSIA estimates

Car sales in MY for 2022 are expected to be at an all-time high

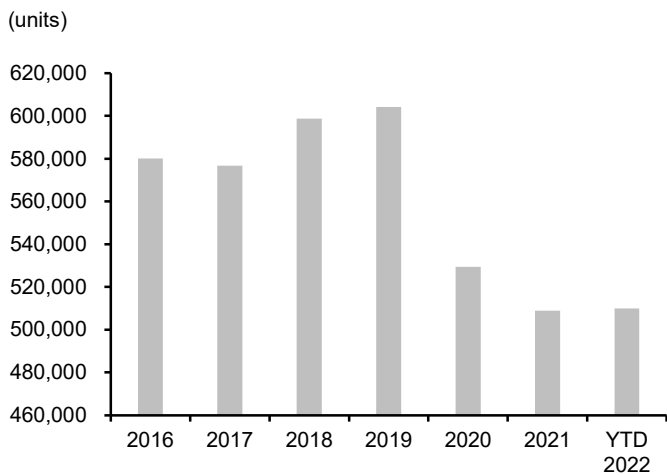
The MY government has announced a current sales tax (SST) exemption for new vehicles, with a 100% exemption for locally-assembled (CKD) cars and 50% for fully-imported (CBU) cars. The exemption has resulted in reduced prices for passenger cars by a moderate amount.

It was originally scheduled to end in Jun-21, but the government extended this package twice and it finished at the end of Jun-22. Toward the end of the exemption, according to the company, there was a huge demand for new cars in MY as it was the last chance to get a tax exemption. Therefore, there are still a lot of new cars to be booked and awaiting delivery to customers by the end of this year, according to the company.

Conservative view on MY's revenue for 2023

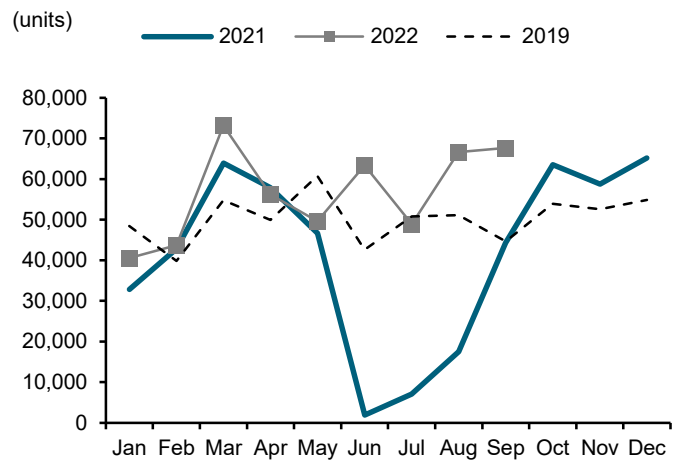
Car sales in MY could reach an all-time high for this year thanks to the MY government's stimulus package which made demand jump significantly in late 2Q22 and 3Q22. Monthly car sales during those periods already beat the sales volume in the pre-Covid period during 2019. We expect that this momentum could continue throughout this year and possibly into 1Q23, given that there is pent-up demand.

Exhibit 6: Yearly car sales in Malaysia



Note: YTD 2022 = Jan-Sep
Source: Malaysian Automotive Association

Exhibit 7: Monthly car sales in Malaysia vs 2019

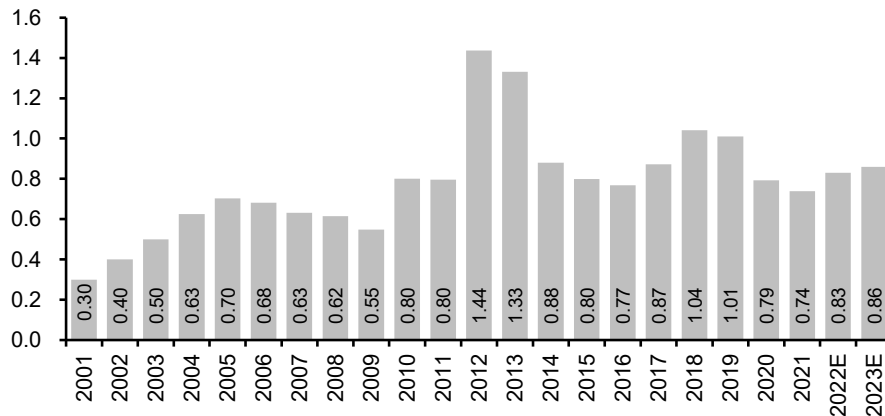


Sources: Malaysian Automotive Association; FSSIA compilation

However, we believe the demand for new cars in MY will drop dramatically next year, similar to the first-car purchase tax policy in Thailand that was applied in 2012-13. During that period, Thailand's car sales spiked by 81% y-y to 1.44m units, but started to decline in 2013. They then returned to the normal level in 2014. We believe MY car sales in 2023 will face the same trend.

Exhibit 8: Thailand domestic car sales

(m units)



Sources: Thailand Automotive Association; FSSIA estimates

Therefore, we cut our car dealership revenue assumption down by 7% in 2023 in order to reflect the potential slowdown in MY car sales by 15%. Note that the revenue from MY contributes about 10-12% of AH’s revenue. However, we increase our auto parts revenue estimate for AH by 5% in 2023 as 1) the Portugal factory is getting more new orders for this year and next; 2) we have an expectation of no lockdowns in China, which could allow Chinese factories to manufacture at 100% capacity through 2023; and 3) we expect continuous growth in Thailand’s car production by 3% to 1.86m units.

As a result, we expect that AH’s revenue for 2023 could slightly increase by 2% compared to our previous expectation. Its cost control and the alleviation of the steel price situation, especially for the Portugal factory, should drive AH’s earnings in 2023 to hit THB1.4b (+7% y-y)

Exhibit 9: Key assumption changes

	Current			Previous			Change		
	2022E (THB m)	2023E (THB m)	2024E (THB m)	2022E (THB m)	2023E (THB m)	2024E (THB m)	2022E (%)	2023E (%)	2024E (%)
Auto parts	19,119	20,414	21,527	17,654	19,419	20,752	8	5	4
Car dealership and others	6,664	6,559	7,046	6,664	7,079	7,827	0	(7)	(10)
Revenue	25,783	26,974	28,573	24,318	26,499	23,772	6	2	20
Gross profit	2,836	3,021	3,214	2,724	3,021	2,853	4	0	13
EBITDA	1,903	1,943	1,971	1,674	1,802	1,823	14	8	8
Net profit	1,302	1,396	1,490	1,108	1,305	1,279	18	7	16
Margin	(%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(ppt)
GPM	11.0	11.2	11.3	11.2	11.4	12.0	(0.2)	(0.2)	(0.8)
NPM (Core)	5.1	5.2	5.2	4.6	4.9	5.4	0.5	0.3	(0.2)

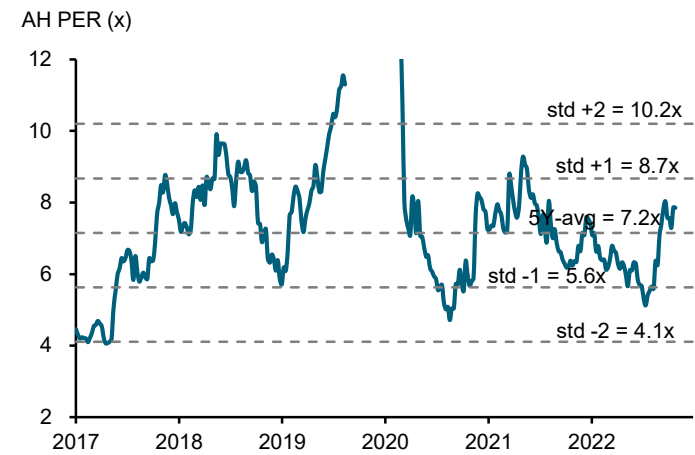
Source; FSSIA estimates

Exhibit 10: 3Q22 results preview

	3Q21	2Q22	3Q22E	Change		9M21	9M22E	Change	2022E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)
Auto parts	3,447	4,522	5,044	11.5	46.3	11,283	14,700	30.3	19,119
Car dealership and others	795	1,623	1,672	3.0	110.3	3,375	4,891	44.9	6,664
Revenue	4,244	6,145	6,715	9.3	58.2	14,663	19,591	33.6	25,783
Operating costs	(3,848)	(5,523)	(6,010)	8.8	56.2	(13,033)	(17,518)	34.4	(22,896)
Gross profit	396	622	705	13.4	78.0	1,630	2,073	27.1	2,888
SG&A expenses	(310)	(412)	(422)	2.3	36.1	(1,091)	(1,227)	12.4	(1,766)
EBIT	86	209	283	35.3	228.3	540	846	n.a.	1,122
Depreciation & amortisation	261	297	272	(8.5)	n.a.	763	768	0.6	743
EBITDA	347	506	555	9.6	59.7	1,303	1,614	23.9	1,864
EBITDA margin (%)	8	8	8	nm	nm	9	8	nm	7
Interest expense	(87)	(77)	(73)	(5.7)	(16.5)	(264)	(231)	(12.4)	(315)
Other income	82	74	90	22.0	10.0	237	250	5.3	349
Extra item	0	0	0	n.a.	n.a.	0	0	n.a.	0
Associates	64	122	82	(32.5)	28.3	209	287	37.1	323
Gain/Loss from exchange	108	129	0	n.a.	n.a.	253	125	(50.4)	0
Pretax profit	253	457	383	(16.2)	51.2	975	1,277	31.0	1,494
Tax	(22)	(43)	(37)	(13.6)	70.7	(80)	(108)	34.2	(164)
Tax rate (%)	(9)	(9)	(10)	nm	nm	(8)	(8)	nm	(11)
Minority interests	(3)	4	7	68.1	n.a.	0	18	15,451.7	27
Net profit	235	410	339	(17.4)	44.4	894	1,151	28.7	1,302
Core net profit	127	281	339	20.6	167.3	642	1,025	59.8	1,302
EPS (THB)	0.73	1.27	0.95	(24.9)	31.2	2.77	3.24	17.0	3.67
Core EPS (THB)	0.39	0.87	0.95	9.6	143.0	1.99	2.89	45.2	3.67

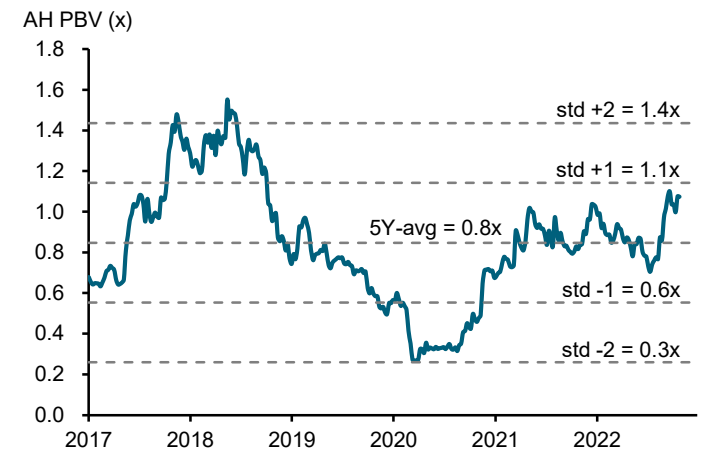
Sources: AH; FSSIA estimates

Exhibit 11: Rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 12: 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	25,783	26,974	28,573
Cost of goods sold	(15,057)	(17,194)	(22,205)	(23,237)	(24,673)
Gross profit	2,116	3,239	3,579	3,736	3,900
Other operating income	-	-	-	-	-
Operating costs	(1,333)	(1,540)	(1,676)	(1,794)	(1,929)
Operating EBITDA	783	1,699	1,903	1,943	1,971
Depreciation	(998)	(1,031)	(743)	(715)	(686)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	(215)	668	1,160	1,227	1,286
Net financing costs	(338)	(343)	(310)	(313)	(303)
Associates	101	281	323	337	357
Recurring non-operating income	726	593	644	685	719
Non-recurring items	2	232	0	0	0
Profit before tax	175	1,151	1,494	1,599	1,702
Tax	(12)	(113)	(164)	(174)	(182)
Profit after tax	163	1,037	1,329	1,425	1,520
Minority interests	(15)	(13)	(27)	(28)	(30)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	148	1,024	1,302	1,396	1,490
Non-recurring items & goodwill (net)	(2)	(232)	0	0	0
Recurring net profit	146	792	1,302	1,396	1,490
Per share (THB)					
Recurring EPS *	0.45	2.23	3.67	3.94	4.20
Reported EPS	0.46	2.89	3.67	3.94	4.20
DPS	0.00	0.61	1.28	1.57	1.68
Diluted shares (used to calculate per share data)	323	355	355	355	355
Growth					
Revenue (%)	(6.6)	19.0	26.2	4.6	5.9
Operating EBITDA (%)	(39.4)	117.0	12.0	2.1	1.5
Operating EBIT (%)	nm	nm	73.6	5.8	4.8
Recurring EPS (%)	(84.5)	393.4	64.5	7.2	6.7
Reported EPS (%)	nm	530.0	27.2	7.2	6.7
Operating performance					
Gross margin inc. depreciation (%)	6.5	10.8	11.0	11.2	11.3
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	4.6	8.3	7.4	7.2	6.9
Operating EBIT margin (%)	(1.3)	3.3	4.5	4.5	4.5
Net margin (%)	0.8	3.9	5.1	5.2	5.2
Effective tax rate (%)	(6.9)	(9.9)	(11.0)	(10.9)	(10.7)
Dividend payout on recurring profit (%)	-	27.2	35.0	40.0	40.0
Interest cover (X)	1.5	3.7	5.8	6.1	6.6
Inventory days	66.7	59.7	50.7	47.9	45.0
Debtor days	51.2	45.4	39.8	46.4	45.7
Creditor days	103.2	95.6	81.5	80.7	79.9
Operating ROIC (%)	(2.5)	7.7	13.3	13.5	14.2
ROIC (%)	3.1	7.5	10.8	11.5	12.1
ROE (%)	2.0	9.9	14.6	14.2	13.9
ROA (%)	2.3	5.1	7.0	7.0	7.0
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Manufacture of auto parts	12,028	15,201	19,119	20,414	21,527
Car dealership and others	5,144	5,232	6,664	6,559	7,046

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	1,302	1,396	1,490
Depreciation	998	1,031	743	715	686
Associates & minorities	15	13	27	28	30
Other non-cash items	86	375	654	12	16
Change in working capital	(928)	1,087	(1,102)	337	(54)
Cash flow from operations	316	3,299	1,624	2,489	2,167
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)	(456)	(559)	(596)
Equity finance	0	0	0	0	0
Debt finance	755	(1,631)	411	(100)	(200)
Other financing cash flows	(474)	(431)	27	28	30
Cash flow from financing	281	(2,277)	(18)	(630)	(766)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	14	0	0	0
Net other adjustments	(92)	(178)	0	0	0
Movement in cash	97	52	1,131	1,184	725
Free cash flow to firm (FCFF)	281.01	2,853.68	1,463.97	2,133.67	1,803.38
Free cash flow to equity (FCFE)	97.30	267.66	1,586.40	1,742.11	1,321.29

Per share (THB)	2020	2021	2022E	2023E	2024E
FCFF per share	0.79	8.04	4.13	6.01	5.08
FCFE per share	0.27	0.75	4.47	4.91	3.72
Recurring cash flow per share	3.86	6.23	7.68	6.06	6.26

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	1,872	3,056	3,781
A/C receivable	2,846	2,237	3,391	3,473	3,679
Inventories	2,596	3,031	3,143	2,953	3,126
Other current assets	435	277	291	306	321
Current assets	6,566	6,286	8,698	9,788	10,908
Other assets	1,148	746	349	356	368
Total assets	22,346	22,722	24,397	25,459	26,585
Common equity	7,473	8,513	9,387	10,253	11,177
Minorities etc.	268	302	329	357	387
Total shareholders' equity	7,741	8,815	9,715	10,610	11,563
Long term debt	5,597	4,238	4,700	4,600	4,500
Other long-term liabilities	562	512	696	720	752
Long-term liabilities	6,158	4,750	5,396	5,320	5,252
A/C payable	4,119	4,884	5,030	5,250	5,558
Short term debt	3,852	3,687	3,636	3,636	3,536
Other current liabilities	476	587	620	644	676
Current liabilities	8,446	9,158	9,285	9,530	9,770
Total liabilities and shareholders' equity	22,346	22,722	24,397	25,459	26,585
Net working capital	1,282	73	1,175	838	892
Invested capital	17,062	16,509	16,875	16,509	16,570

* 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	26.45	28.89	31.50
Tangible book value per share	13.42	14.64	17.55	20.29	23.18

Financial strength	2020	2021	2022E	2023E	2024E
Net debt/equity (%)	113.1	81.5	66.5	48.8	36.8
Net debt/total assets (%)	39.2	31.6	26.5	20.3	16.0
Current ratio (x)	0.8	0.7	0.9	1.0	1.1
CF interest cover (x)	1.9	2.9	6.6	7.2	6.0

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	66.9	13.6	8.2	7.7	7.2
Recurring P/E @ target price (x) *	78.5	15.9	9.7	9.0	8.5
Reported P/E (x)	66.0	10.5	8.2	7.7	7.2
Dividend yield (%)	-	2.0	4.2	5.2	5.6
Price/book (x)	1.3	1.3	1.1	1.0	1.0
Price/tangible book (x)	2.3	2.1	1.7	1.5	1.3
EV/EBITDA (x) **	24.0	10.7	9.2	8.4	7.8
EV/EBITDA @ target price (x) **	26.1	11.8	10.2	9.3	8.7
EV/invested capital (x)	1.1	1.1	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

NAM YONG TERMINAL

NYT TB

THAILAND / TRANSPORT & LOGISTICS

HOLD

UNCHANGED

Ferry business yet to be proven

- We expect NYT's 3Q22 revenue to surge to THB366m (+16% q-q, +21% y-y) thanks to the strong growth in car exports.
- C0 and ferry business may continue to burden the company.
- Maintain our HOLD recommendation on NYT with the same TP of THB3.90.

TARGET PRICE	THB3.90
CLOSE	THB3.66
UP/DOWNSIDE	+6.6%
PRIOR TP	THB3.90
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+1.3%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	1,334	1,336	1,461	1,587
Net profit	243	206	261	326
EPS (THB)	0.20	0.17	0.21	0.26
vs Consensus (%)	-	4.3	10.5	7.0
EBITDA	840	699	742	812
Core net profit	228	206	261	326
Core EPS (THB)	0.18	0.17	0.21	0.26
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	(6.2)	(9.7)	26.3	24.8
Core P/E (x)	19.9	22.0	17.4	14.0
Dividend yield (%)	4.4	4.1	5.2	6.4
EV/EBITDA (x)	8.5	9.7	8.7	7.7
Price/book (x)	1.4	1.4	1.4	1.4
Net debt/Equity (%)	77.5	69.0	61.4	53.4
ROE (%)	7.0	6.3	7.9	9.8

Recovery expected in 3Q22

Thanks to Thailand's 3Q22 car exports surging by 26% y-y and 24% q-q to 257k units, we expect NYT's revenue to jump to THB366m (+16% q-q, +21% y-y). However, other businesses such as rental area and ferries may not see any significant improvement. Its GPM should increase to 38.3% vs 35% in 2Q22, in line with the increase in its revenue. Other operational costs should be maintained. Lastly, we expect that C0 terminal should continue to hit its breakeven point. As a result, we expect NYT's 3Q22 core net profit to improve to THB68m (+29% q-q, +86% y-y).

Seahorse Ferry is still finding its legs

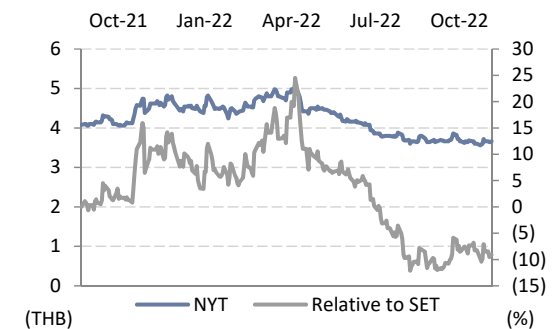
Seahorse Ferry, NYT's new business that started operating from the end of last year, has transformed from a logistics-based business for the B segment to ferry commercial goods for the C segment – it has now rerouted to Sattahip-Koh Samui and is targeting the tourism sector. However, we have to wait and see what the actual performance will be, as this business has been a burden to the company since operations began. On top of that, we are unsure that the demand for this route is high enough to generate any profit because the starting price of THB2.5k per trip is close to the cost of taking a flight to Koh Samui directly.

C0 and ferry business continue to be a burden

Although there are improvements in the industry's outlook – we expect car exports to grow by 1% and 5% in 2022 and 2023, respectively, slightly better than our previous expectation – C0 terminal is still unable to generate a sustainable profit, while Seahorse Ferry could continue to burden NYT's operations. Therefore, we believe NYT's outlook remains questionable.

Maintain HOLD with the same TP of THB3.90

Despite the announcement of the strongest car export volume in the past nine months last week, NYT's share price has not changed much, rising by only 2%. We believe this is due to the C0 and ferry business weighing down sentiment. We maintain our HOLD recommendation on NYT with the same TP of THB3.90, pegged to 18.6x 2023E P/E (-0.5SD of its mean P/E). We suggest investors monitor the progress of its ferry business before making an investment decision on NYT.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(1.6)	(3.7)	(10.3)
Relative to country (%)	(1.1)	(5.2)	(8.9)
Mkt cap (USD m)	120		
3m avg. daily turnover (USD m)	0.1		
Free float (%)	41		
Major shareholder	Nam Yuen Yong Shipping (25%)		
12m high/low (THB)	5.10/3.52		
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.

During the pre-Covid period, the company had 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.

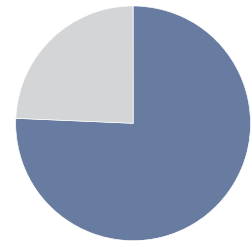
Company profile

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, 2021)

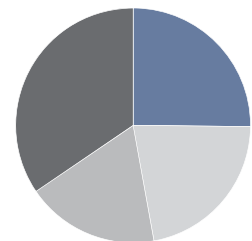
- Seaport and related - 75.7 %
- Warehouse service - 24.3 %



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 in the future that would boost the demand for cars from Thailand.

Risks to our call

The key downside and supdie risks to our P/E-multiple TP include 1) weaker or stronger-than-expected Thai car exports; 2) Seahorse ferries can turn into profit faster or slower than our expectation; and 3) NYT's inability to secure an A5 contract extension.

Event calendar

Date	Event
Nov-22	3Q22 results announcement

Key assumptions

	2021 (%)	2022E (%)	2023E (%)	2024E (%)
Thailand's car export growth	30.4	(4.1)	4.3	4.2
NYT's revenue growth	17	0.2	9.4	8.6

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in Thailand's car exports, we project 2022 earnings to rise by 1.5%, and vice versa, all else being equal.
- For every 1% increase in rental space revenue, we project 2022 earnings to rise by 0.3%, and vice versa, all else being equal.

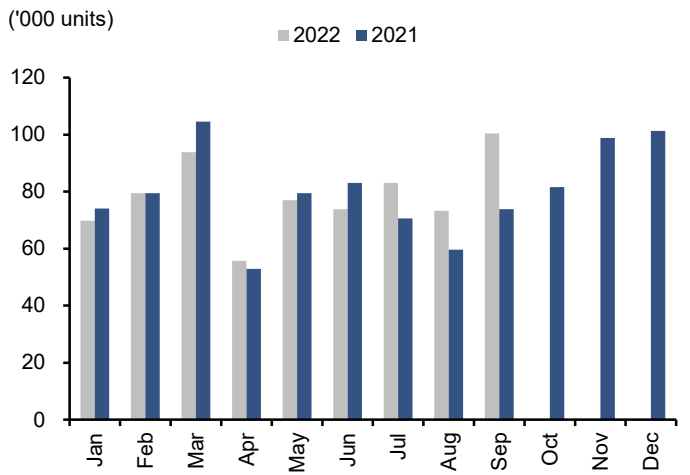
Source: FSSIA estimates

Exhibit 13: 3Q22 results preview

	3Q21	2Q22	3Q22E	Change		9M21	9M22E	Change	2022E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)
Revenue	303	316	366	16	21	953	1,010	6	1,336
Cost of service	(175)	(205)	(226)	10	29	(468)	(541)	16	(856)
Gross profit	128	111	140	26	9	485	469	(3)	480
SG&A expenses	(56)	(35)	(39)	10	(31)	(120)	(145)	21	(170)
EBIT	72	76	101	34	41	365	324	(11)	310
Depreciation & amortization	120	116	119	2	(1)	320	343	7	382
EBITDA	192	192	220	15	15	685	666	(3)	692
<i>EBITDA margin (%)</i>	63.3	60.8	60.2	<i>nm</i>	<i>nm</i>	71.9	66.0	<i>nm</i>	51.8
Interest expense	(26)	(25)	(25)	(0)	(5)	(57)	(67)	18	(103)
Other income	6	5	5	(9)	(19)	21	16	(26)	26
Associates	(10)	0	0	(100)	(100)	(48)	(16)	(66)	(19)
Extra items	2	(11)	0	<i>n/a</i>	<i>n/a</i>	(26)	11	(141)	0
Pretax profit	43	45	81	78	88	255	266	4	214
Tax	(15)	(13)	(21)	63	45	(48)	(59)	23	(56)
<i>Tax rate (%)</i>	(33.9)	(28.5)	(26.0)	<i>nm</i>	<i>nm</i>	(18.8)	(22.1)	<i>nm</i>	(26)
Minority interests	(10)	(9)	(8)	(15)	(18)	(1)	(24)	(93)	(48)
Net profit	38	42	68	62	78	208	231	11	206
Core net profit	36	52	68	29	86	234	220	(6)	206
EPS (THB)	0.03	0.03	0.05	62	78	0.17	0.19	11	0.17
Core EPS (THB)	0.03	0.04	0.05	29	86	0.19	0.18	(6)	0.17

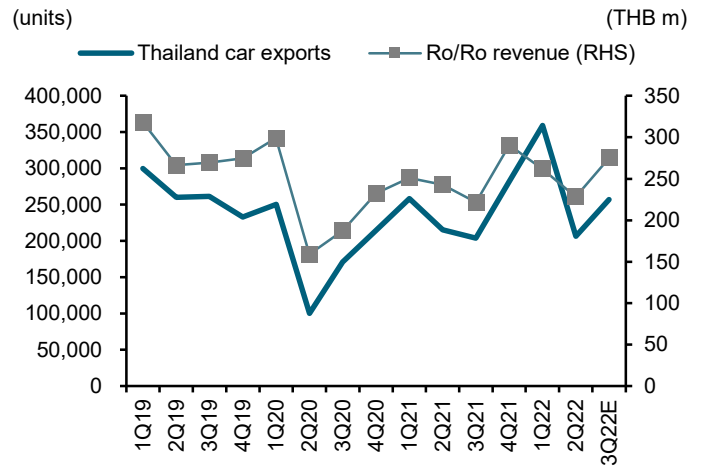
Sources: NYT; FSSIA estimates

Exhibit 14: Monthly car exports



Source: Thai Automotive Industry Association

Exhibit 15: Thailand car exports vs NYT's Ro/Ro revenue



Sources: Thai Automotive Industry Association; FSSIA's estimate

Exhibit 16: Seahorse Ferry price list




TRAVEL CLASS

Price List (One way)

- STANDARD  ฿ 2,500
- VIP  ฿ 2,800
- COMFORT  ฿ 3,300
- FIRST  ฿ 8,000
- SUITE  ฿ 10,000
- PREMIER  ฿ 12,000
- FAMILY  ฿ 14,000



CHILDREN FARE

- INFANT (under the age of 2 (two) years or under 24 months old): FREE TICKET [“One Per Adult Policy” apply with no seat occupy or +฿500 for seating arrangement]
- Children from 2 - 15 years of age: ฿ 1,500 / children [+฿300 for VIP seat / +฿800 for COMFORT CLASS]
- Over 15 years of age: ADULT FARE

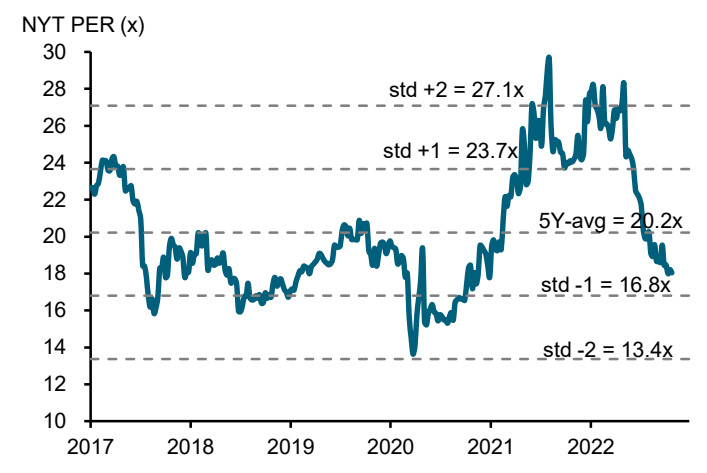
VEHICLE

Price List

- PASSENGER VEHICLE (Up to 5.5 meters) ฿ 2,000
- MOTORCYCLE (400cc and over) ฿ 1,500
- MOTORCYCLE (Under 400cc) ฿ 1,000
- TRAILER for BOAT/JETSKI/MOTORCYCLE (Up to 5 meters) ฿ 2,000
(Extra Charge ฿300/meter for TRAILER over 5 meter)

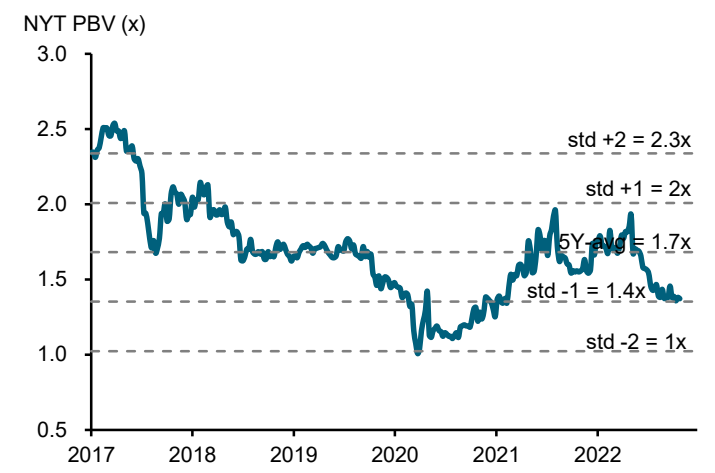
Source: NYT

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



Sources: Bloomberg; FSSIA estimates

Exhibit 18: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Financial Statements

Nam Yong Terminal

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	1,195	1,334	1,336	1,461	1,587
Cost of goods sold	(192)	(298)	(474)	(540)	(580)
Gross profit	1,003	1,036	863	921	1,007
Other operating income	5	5	7	7	8
Operating costs	(160)	(201)	(170)	(186)	(202)
Operating EBITDA	848	840	699	742	812
Depreciation	(429)	(469)	(382)	(351)	(324)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	419	371	317	391	489
Net financing costs	(53)	(76)	(84)	(75)	(66)
Associates	(55)	(25)	(19)	(5)	0
Recurring non-operating income	(55)	(25)	(19)	(5)	0
Non-recurring items	(15)	14	0	0	0
Profit before tax	296	283	214	311	423
Tax	(69)	(80)	(56)	(72)	(97)
Profit after tax	227	203	158	240	326
Minority interests	1	39	48	21	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	229	243	206	261	326
Non-recurring items & goodwill (net)	15	(14)	0	0	0
Recurring net profit	243	228	206	261	326
Per share (THB)					
Recurring EPS *	0.20	0.18	0.17	0.21	0.26
Reported EPS	0.18	0.20	0.17	0.21	0.26
DPS	0.20	0.16	0.15	0.19	0.24
Diluted shares (used to calculate per share data)	1,240	1,240	1,240	1,240	1,241
Growth					
Revenue (%)	(15.8)	11.6	0.2	9.4	8.6
Operating EBITDA (%)	22.8	(1.0)	(16.8)	6.2	9.4
Operating EBIT (%)	(13.3)	(11.5)	(14.6)	23.5	25.0
Recurring EPS (%)	(33.7)	(6.2)	(9.7)	26.3	24.8
Reported EPS (%)	(39.3)	6.2	(15.0)	26.3	24.8
Operating performance					
Gross margin inc. depreciation (%)	48.0	42.5	35.9	39.0	43.0
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	71.0	63.0	52.3	50.8	51.2
Operating EBIT margin (%)	35.1	27.8	23.7	26.7	30.8
Net margin (%)	20.4	17.1	15.4	17.8	20.5
Effective tax rate (%)	-	-	-	-	-
Dividend payout on recurring profit (%)	101.9	86.9	90.0	90.0	90.0
Interest cover (X)	6.9	4.5	3.6	5.2	7.4
Inventory days	3.2	4.5	3.2	3.1	3.2
Debtor days	33.4	28.9	31.4	29.5	29.5
Creditor days	46.9	37.5	30.6	27.0	24.6
Operating ROIC (%)	18.4	16.4	13.7	17.2	21.6
ROIC (%)	7.9	6.0	4.9	6.6	8.7
ROE (%)	6.9	7.0	6.3	7.9	9.8
ROA (%)	5.9	4.3	3.7	5.0	6.4
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Seaport and related	878	1,009	959	1,035	1,118
Warehouse service	317	325	338	351	369
Ferries service			40	75	100

Sources: Nam Yong Terminal; FSSIA estimates

Financial Statements

Nam Yong Terminal

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	243	228	206	261	326
Depreciation	429	469	382	351	324
Associates & minorities	54	(14)	(48)	(21)	0
Other non-cash items	47	79	0	0	0
Change in working capital	(118)	(20)	45	(10)	(11)
Cash flow from operations	656	742	586	581	638
Capex - maintenance	(198)	(140)	(70)	(70)	(70)
Capex - new investment	(86)	(64)	(32)	(32)	(32)
Net acquisitions & disposals	31	0	0	0	0
Other investments (net)	460	(174)	0	0	0
Cash flow from investing	206	(379)	(102)	(102)	(102)
Dividends paid	(620)	(248)	(186)	(235)	(293)
Equity finance	0	0	0	0	0
Debt finance	(22)	(186)	(310)	(180)	(180)
Other financing cash flows	(60)	(67)	0	0	0
Cash flow from financing	(701)	(501)	(496)	(415)	(473)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	161	(138)	(12)	64	63
Free cash flow to firm (FCFF)	937.20	456.88	586.68	573.73	623.68
Free cash flow to equity (FCFE)	781.11	110.10	173.52	298.55	356.41

Per share (THB)	2020	2021	2022E	2023E	2024E
FCFF per share	0.76	0.37	0.47	0.46	0.50
FCFE per share	0.63	0.09	0.14	0.24	0.29
Recurring cash flow per share	0.62	0.61	0.44	0.48	0.52

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	2,646	2,836	2,936	3,036	3,136
Less: Accumulated depreciation	(1,444)	(1,562)	(1,705)	(1,840)	(1,970)
Tangible fixed assets (net)	1,202	1,274	1,231	1,196	1,167
Intangible fixed assets (net)	1,724	2,545	2,308	2,094	1,902
Long-term financial assets	189	236	212	224	218
Invest. in associates & subsidiaries	1,072	1,047	1,047	1,047	1,047
Cash & equivalents	255	117	104	168	231
A/C receivable	95	117	113	124	133
Inventories	3	4	4	5	5
Other current assets	1,067	1,227	1,230	1,231	1,233
Current assets	1,420	1,465	1,451	1,527	1,603
Other assets	87	88	88	88	88
Total assets	5,693	6,655	6,337	6,176	6,024
Common equity	3,254	3,248	3,269	3,295	3,328
Minorities etc.	40	23	(25)	(46)	(46)
Total shareholders' equity	3,293	3,272	3,244	3,249	3,282
Long term debt	1,855	2,343	2,163	1,983	1,803
Other long-term liabilities	163	436	451	466	483
Long-term liabilities	2,018	2,780	2,614	2,450	2,286
A/C payable	24	37	42	38	40
Short term debt	195	310	180	180	180
Other current liabilities	163	257	257	259	235
Current liabilities	382	604	479	477	456
Total liabilities and shareholders' equity	5,693	6,655	6,337	6,176	6,024
Net working capital	978	1,055	1,048	1,062	1,095
Invested capital	5,252	6,244	5,934	5,711	5,516

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

Per share (THB)	2020	2021	2022E	2023E	2024E
Book value per share	2.62	2.62	2.64	2.66	2.68
Tangible book value per share	1.23	0.57	0.77	0.97	1.15

Financial strength	2020	2021	2022E	2023E	2024E
Net debt/equity (%)	54.5	77.5	69.0	61.4	53.4
Net debt/total assets (%)	31.5	38.1	35.3	32.3	29.1
Current ratio (x)	3.7	2.4	3.0	3.2	3.5
CF interest cover (x)	17.5	3.3	3.5	5.4	6.9

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	18.6	19.9	22.0	17.4	14.0
Recurring P/E @ target price (x) *	19.9	21.2	23.4	18.6	14.9
Reported P/E (x)	19.9	18.7	22.0	17.4	14.0
Dividend yield (%)	5.5	4.4	4.1	5.2	6.4
Price/book (x)	1.4	1.4	1.4	1.4	1.4
Price/tangible book (x)	3.0	6.5	4.7	3.8	3.2
EV/EBITDA (x) **	7.5	8.5	9.7	8.7	7.7
EV/EBITDA @ target price (x) **	7.9	8.8	10.1	9.1	8.1
EV/invested capital (x)	1.2	1.1	1.1	1.1	1.1

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

Sources: Nam Yong Terminal; FSSIA estimates

SOMBOON ADVANCE TECHNOLOGY

THAILAND / AUTOMOTIVES

SAT TB

HOLD

UNCHANGED

Expect unattractive 3Q22 results

- We expect only a small recovery in SAT's 3Q22 core earnings to THB232m (+11% q-q, +9% y-y).
- Car production industry in 3Q22 has had a solid recovery, but SAT is facing a slowdown in 1) Kubota tractors; and 2) higher expenses.
- Maintain HOLD with a new TP of THB22 from THB19.50.

TARGET PRICE	THB22.00
CLOSE	THB21.40
UP/DOWNSIDE	+2.8%
PRIOR TP	THB19.50
CHANGE IN TP	+12.8%
TP vs CONSENSUS	-4.9%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	8,598	9,375	9,924	10,542
Net profit	953	967	1,039	1,137
EPS (THB)	2.24	2.28	2.44	2.67
vs Consensus (%)	-	4.1	(2.2)	(5.7)
EBITDA	1,490	1,481	1,578	1,696
Core net profit	955	967	1,039	1,137
Core EPS (THB)	2.25	2.28	2.44	2.67
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	147.7	1.3	7.4	9.5
Core P/E (x)	9.5	9.4	8.8	8.0
Dividend yield (%)	7.0	7.0	7.5	8.2
EV/EBITDA (x)	5.0	4.9	4.3	3.8
Price/book (x)	1.2	1.1	1.1	1.0
Net debt/Equity (%)	(21.0)	(23.9)	(26.9)	(29.9)
ROE (%)	13.0	12.4	12.7	13.1

Expect unattractive 3Q22 results

We expect SAT's core earnings in 3Q22 to recover by 11% q-q and 9% y-y to THB232m, thanks to a recovery in both revenue and GPM. However, the recovery momentum should be lower than the industry and its peers due to the slowdown in tractor production volume in 3Q22 to around 20k units vs 27k units in the previous quarter, despite the revenue from auto parts potentially being in line with the industry. We estimate that this would result in SAT's total revenue growing to only 7% q-q and 12% y-y to THB2,250m vs Thailand's total car production that grew 27% q-q and 35% y-y in 3Q22.

Expect GPM to stay at a low level until the end of this year

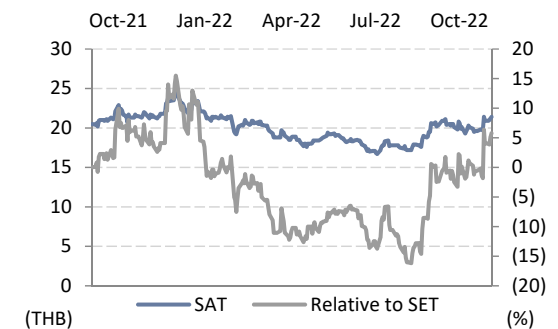
We expect SAT's GPM to improve in 3Q22 to 18% vs 17.6% in 2Q22, thanks to the steel price that has become more stable in 3Q22 and higher utilisation from higher revenue. However, the company admits that in 4Q22 its GPM should be pressured by 1) the steel price which has started to increase again; and 2) a higher electricity cost, which contributes about 6-7% of its operating costs. Therefore, we may not see a continuous improvement in SAT's GPM in 4Q22.

Unexciting catalyst

Despite there being better signs of improvement in Thailand's car production outlook for this year and next, SAT still has a key uncertainty in its outlook, specifically the steel price which has pressured its GPM to below its average since 3Q21. The company admits that it is still unable to foresee the trend of the steel price, but expects it to be better starting from 2Q23 onward. Moreover, we also think that SAT has an unexciting earnings outlook in both 3Q and 4Q this year. The only key investment highlight for the company is its expected dividend yield at over 7% p.a.

Maintain HOLD with a new TP of THB22

Although we increase our 2023 TP from THB19.50 to THB22 – pegged to 9x 2023E P/E (its mean P/E) from 8x – with the rising steel price pressuring SAT's GPM, we maintain our HOLD recommendation. We prefer Aapico Hitech (AH TB, BUY, TP THB35.50) over SAT as it has a better earnings growth outlook and higher upside, in our view.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	2.9	20.2	2.9
Relative to country (%)	3.4	18.3	4.5
Mkt cap (USD m)	241		
3m avg. daily turnover (USD m)	1.2		
Free float (%)	64		
Major shareholder	Kitapanich Family (44%)		
12m high/low (THB)	24.80/16.60		
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 2023, which would directly benefit SAT.

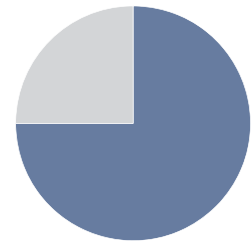
Company profile

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, 2021)

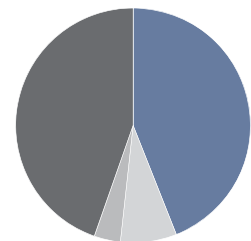
■ Auto - 75.0 % ■ Non-auto - 25.0 %



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 expectation that its earnings should reach another all-time high for 2023;
- Solid dividend yield track record at 5-7% p.a.

Risks to our call

The key downside and upside risks to our P/E-based TP are the domestic car manufacturing industry recovering slower or faster than expected, a faster-than-expected adoption rate for electric vehicles in Thailand, higher raw material prices, and worse global demand for pickup trucks.

Event calendar

Date	Event
Nov-22	3Q22 results announcement

Key assumptions

	2021	2022E	2023E	2024E
Car production growth (%)	18	(0.1)	4.1	6.2
Kubota tractor growth (%)	43	(6)	5	5

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in auto parts revenue, we project 2023 earnings to rise by 0.5%, and vice versa, all else being equal.
- For every 1 bp increase in gross profit margin, we project 2023 earnings to rise by 1.4%, and vice versa, all else being equal.

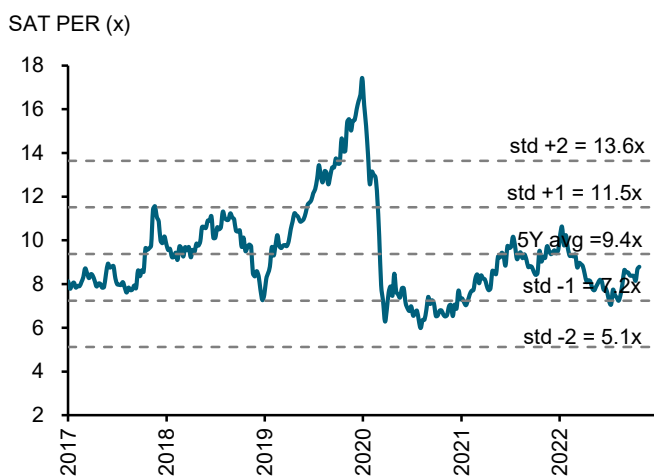
Source: FSSIA estimates

Exhibit 19: SAT – 3Q22 results preview

	3Q21	2Q22	3Q22E	Change		9M21	9M22E	Change	2022E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)
Revenue	2,012	2,106	2,250	6.8	11.8	6,260	6,686	6.8	9,375
Operating costs	(1,641)	(1,736)	(1,845)	6.3	12.4	(5,028)	(5,493)	9.2	(7,688)
Gross profit	371	371	405	9.3	9.3	1,232	1,193	(3.2)	1,688
SG&A expenses	(168)	(164)	(178)	8.3	6.0	(546)	(528)	(3.2)	(764)
EBIT	203	206	227	10.1	12.0	686	665	(3.1)	923
Depreciation & amortisation	143	128	128	(0.3)	(10.9)	461	436	(5.6)	558
EBITDA	346	335	355	6.1	2.6	1,148	1,101	(4.1)	1,481
EBITDA margin (%)	17	16	16	nm	nm	18	16	nm	16
Interest expense	(2)	(1)	(1)	4.6	(60.6)	(5)	(2)	(57.3)	(3)
Other income	28	35	36	3.2	27.1	92	114	22.8	141
Associates	8	1	3	280.3	(56.1)	77	16	(79.5)	47
Gain/Loss from exchange	1	2	0	n/a	n/a	9	2	n/a	0
Extra items	0	0	0	n/a	n/a	0	0	n/a	0
Pretax profit	238	243	266	9.3	11.7	860	794	(7.6)	1,108
Tax	(24)	(33)	(33)	(0.3)	38.5	(85)	(92)	8.7	(133)
Tax rate (%)	(10)	(14)	(13)	nm	nm	(10)	(12)	nm	(12)
Minority interests	(1)	0	1	n/a	n/a	2	1	(51.3)	8
Net profit	215	210	232	10.4	8.0	772	701	(9.3)	967
Core net profit	214	208	232	11.3	8.5	763	699	(8.5)	967
EPS (THB)	0.50	0.49	0.54	10.4	8.0	1.82	1.65	(9.3)	2.28
Core EPS (THB)	0.50	0.49	0.54	11.3	8.5	1.80	1.64	(8.5)	2.28

Sources: SAT; FSSIA estimates

Exhibit 20: Rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 21: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Financial Statements

Somboon Advance Technology

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	5,883	8,598	9,375	9,924	10,542
Cost of goods sold	(4,372)	(6,371)	(7,130)	(7,532)	(7,984)
Gross profit	1,511	2,227	2,245	2,392	2,558
Other operating income	-	-	-	-	-
Operating costs	(601)	(737)	(764)	(814)	(862)
Operating EBITDA	910	1,490	1,481	1,578	1,696
Depreciation	(620)	(572)	(558)	(565)	(576)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	290	918	923	1,013	1,120
Net financing costs	(8)	(6)	(3)	(2)	0
Associates	3	84	47	55	63
Recurring non-operating income	147	204	188	203	221
Non-recurring items	(15)	(2)	0	0	0
Profit before tax	415	1,114	1,108	1,215	1,341
Tax	(40)	(159)	(133)	(164)	(188)
Profit after tax	374	955	975	1,051	1,153
Minority interests	(4)	(3)	(8)	(12)	(16)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	371	953	967	1,039	1,137
Non-recurring items & goodwill (net)	15	2	0	0	0
Recurring net profit	385	955	967	1,039	1,137
Per share (THB)					
Recurring EPS *	0.91	2.25	2.28	2.44	2.67
Reported EPS	0.87	2.24	2.28	2.44	2.67
DPS	0.60	1.50	1.49	1.61	1.76
Diluted shares (used to calculate per share data)	425	425	425	425	425
Growth					
Revenue (%)	(26.5)	46.2	9.0	5.9	6.2
Operating EBITDA (%)	(35.0)	63.7	(0.6)	6.6	7.4
Operating EBIT (%)	(61.7)	216.1	0.6	9.7	10.5
Recurring EPS (%)	(56.9)	147.7	1.3	7.4	9.5
Reported EPS (%)	(58.6)	156.9	1.6	7.4	9.5
Operating performance					
Gross margin inc. depreciation (%)	15.1	19.2	18.0	18.4	18.8
Gross margin of key business (%)	0.2	0.2	0.2	0.2	0.2
Operating EBITDA margin (%)	15.5	17.3	15.8	15.9	16.1
Operating EBIT margin (%)	4.9	10.7	9.8	10.2	10.6
Net margin (%)	6.6	11.1	10.3	10.5	10.8
Effective tax rate (%)	(9.7)	(14.3)	(12.0)	(13.5)	(14.0)
Dividend payout on recurring profit (%)	66.2	66.8	65.5	65.8	65.9
Interest cover (X)	56.4	193.8	444.4	608.4	-
Inventory days	47.4	33.2	31.4	31.4	31.3
Debtor days	85.6	65.0	67.1	64.2	64.1
Creditor days	111.7	86.8	86.5	83.8	83.5
Operating ROIC (%)	6.2	19.3	18.0	19.7	21.6
ROIC (%)	7.5	18.9	17.5	18.9	20.6
ROE (%)	5.4	13.0	12.4	12.7	13.1
ROA (%)	4.3	10.3	9.8	10.2	10.6
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Auto	4,412	6,449	7,355	7,803	8,315
Non-auto	1,471	2,150	2,021	2,122	2,228

Sources: Somboon Advance Technology; FSSIA estimates

Financial Statements

Somboon Advance Technology

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	385	955	967	1,039	1,137
Depreciation	620	572	558	565	576
Associates & minorities	4	3	8	12	16
Other non-cash items	(109)	(10)	(8)	12	16
Change in working capital	128	(157)	(103)	(79)	(86)
Cash flow from operations	1,028	1,363	1,423	1,549	1,660
Capex - maintenance	(283)	(192)	(287)	(357)	(357)
Capex - new investment	(121)	(82)	(123)	(153)	(153)
Net acquisitions & disposals	17	8	0	0	0
Other investments (net)	329	(1,002)	(47)	(55)	(63)
Cash flow from investing	(59)	(1,268)	(457)	(565)	(573)
Dividends paid	(476)	(374)	(621)	(634)	(683)
Equity finance	0	0	0	0	0
Debt finance	(187)	(94)	(13)	0	0
Other financing cash flows	(29)	(22)	(18)	0	0
Cash flow from financing	(692)	(490)	(652)	(634)	(683)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	16	0	0	0
Movement in cash	277	(379)	314	350	404
Free cash flow to firm (FCFF)	977.18	100.92	968.36	985.95	1,086.49
Free cash flow to equity (FCFE)	753.56	(4.93)	934.91	983.95	1,086.49

Per share (THB)	2020	2021	2022E	2023E	2024E
FCFF per share	2.30	0.24	2.28	2.32	2.56
FCFE per share	1.77	(0.01)	2.20	2.31	2.56
Recurring cash flow per share	2.12	3.57	3.59	3.83	4.10

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	11,605	11,370	11,770	12,270	12,770
Less: Accumulated depreciation	(8,202)	(8,301)	(8,847)	(9,400)	(9,964)
Tangible fixed assets (net)	3,403	3,069	2,923	2,870	2,806
Intangible fixed assets (net)	70	39	53	51	49
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	867	1,031	1,078	1,133	1,196
Cash & equivalents	1,981	1,602	1,916	2,266	2,669
A/C receivable	1,311	1,751	1,695	1,795	1,906
Inventories	565	594	632	666	704
Other current assets	550	1,597	1,645	1,694	1,745
Current assets	4,407	5,543	5,887	6,420	7,024
Other assets	208	148	125	130	137
Total assets	8,955	9,830	10,067	10,604	11,212
Common equity	7,042	7,642	7,997	8,414	8,884
Minorities etc.	48	0	8	20	36
Total shareholders' equity	7,091	7,642	8,005	8,434	8,920
Long term debt	59	0	0	0	0
Other long-term liabilities	305	296	291	306	321
Long-term liabilities	364	296	291	306	321
A/C payable	1,337	1,694	1,685	1,775	1,876
Short term debt	71	0	0	0	0
Other current liabilities	93	199	86	90	95
Current liabilities	1,501	1,892	1,771	1,865	1,971
Total liabilities and shareholders' equity	8,955	9,830	10,067	10,604	11,212
Net working capital	996	2,049	2,201	2,289	2,384
Invested capital	5,545	6,336	6,380	6,474	6,572

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

Per share (THB)	2020	2021	2022E	2023E	2024E
Book value per share	16.56	17.97	18.81	19.79	20.89
Tangible book value per share	16.40	17.88	18.68	19.67	20.78

Financial strength	2020	2021	2022E	2023E	2024E
Net debt/equity (%)	(26.1)	(21.0)	(23.9)	(26.9)	(29.9)
Net debt/total assets (%)	(20.7)	(16.3)	(19.0)	(21.4)	(23.8)
Current ratio (x)	2.9	2.9	3.3	3.4	3.6
CF interest cover (x)	113.8	14.3	424.2	569.5	-

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	23.6	9.5	9.4	8.8	8.0
Recurring P/E @ target price (x) *	24.3	9.8	9.7	9.0	8.2
Reported P/E (x)	24.5	9.6	9.4	8.8	8.0
Dividend yield (%)	2.8	7.0	7.0	7.5	8.2
Price/book (x)	1.3	1.2	1.1	1.1	1.0
Price/tangible book (x)	1.3	1.2	1.1	1.1	1.0
EV/EBITDA (x) **	8.0	5.0	4.9	4.3	3.8
EV/EBITDA @ target price (x) **	8.3	5.2	5.0	4.5	4.0
EV/invested capital (x)	1.3	1.2	1.1	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

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	DRS	SCM	SUSCO	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SUTHA	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFCCO	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	PPP	SCI	SRICHA	TMD	VPO
ALLA	BJC	DCON	HPT	KIAT	MITSIB	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	WIJK
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	WIIK
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

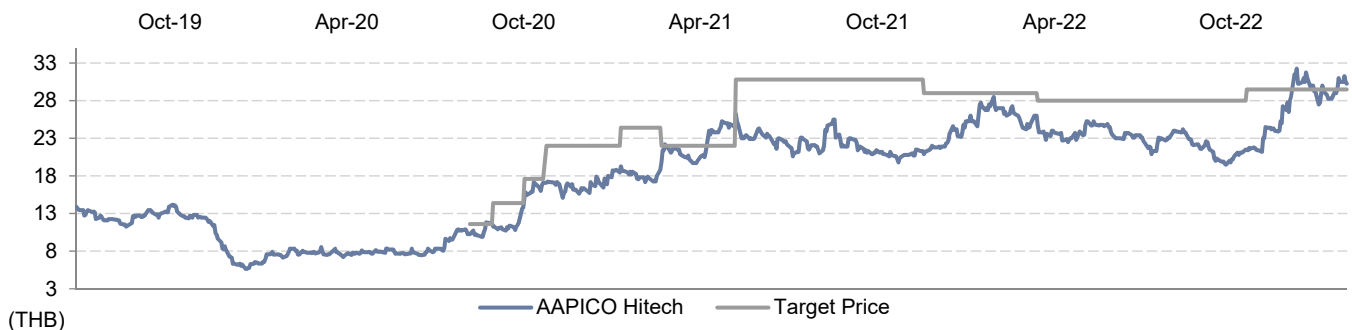
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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)



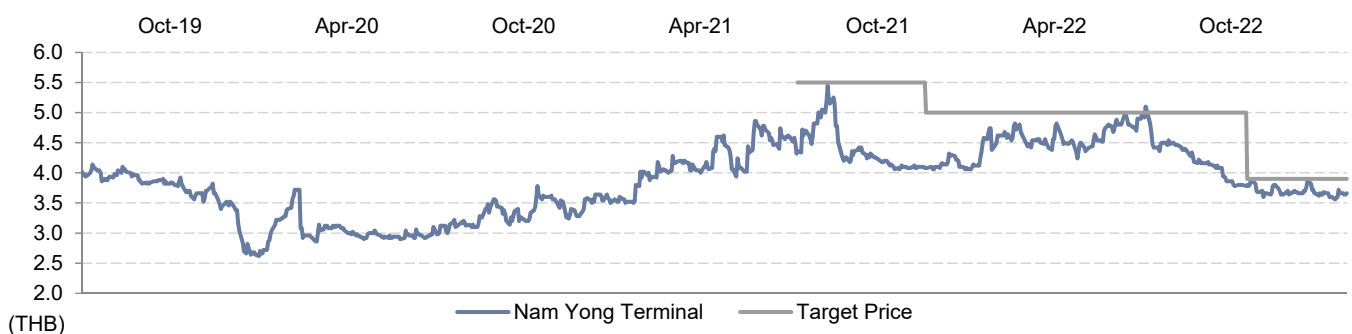
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
01-Oct-2020	HOLD	11.60	08-Feb-2021	BUY	24.40	02-Feb-2022	HOLD	28.00
21-Oct-2020	BUY	14.40	15-Mar-2021	BUY	22.00	16-Mar-2022	BUY	28.00
17-Nov-2020	BUY	17.60	18-May-2021	BUY	30.80	01-Aug-2022	BUY	29.50
04-Dec-2020	BUY	22.00	27-Oct-2021	BUY	29.00			

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

Price and TP are in local currency

Source: FSSIA estimates

Nam Yong Terminal (NYT TB)



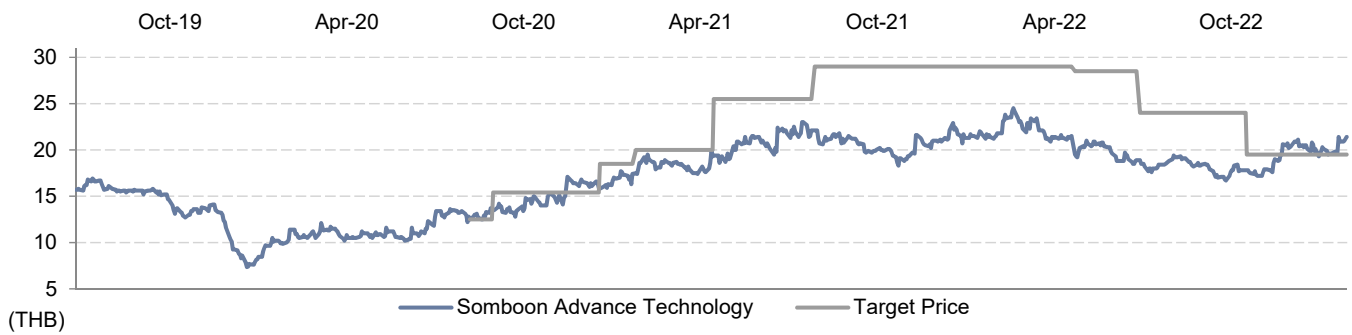
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
08-Jul-2021	BUY	5.50	27-Oct-2021	BUY	5.00	01-Aug-2022	HOLD	3.90

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

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	19-Feb-2021	BUY	20.00	04-Mar-2022	BUY	28.50
21-Oct-2020	BUY	15.40	29-Apr-2021	BUY	25.50	29-Apr-2022	BUY	24.00
21-Jan-2021	BUY	18.50	23-Jul-2021	BUY	29.00	01-Aug-2022	HOLD	19.50

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

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
AAPICO Hitech	AH TB	THB 30.25	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.
Nam Yong Terminal	NYT TB	THB 3.66	HOLD	The key downside and supdie risks to our P/E-multiple TP include 1) weaker or stronger-than-expected Thai car exports; 2) Seahorse ferries can turn into profit faster or slower than our expectation; and 3) NYT's inability to secure an A5 contract extension.
Somboon Advance Technology	SAT TB	THB 21.40	HOLD	The key downside and upside risks to our P/E-based TP are the domestic car manufacturing industry recovering slower or faster than expected, a faster-than-expected adoption rate for electric vehicles in Thailand, higher raw material prices, and worse global demand for pickup trucks.

Source: FSSIA estimates

Additional Disclosures

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

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

All share prices are as at market close on 27-Oct-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.