

AAPICO HITECH

THAILAND / AUTOMOTIVES

AH TB

BUY

UNCHANGED

จากปีที่ดีสู่ปีที่ยอดเยี่ยม

- แนวโน้ม 4Q22 ยังอยู่ในเกณฑ์ดี กำไรที่ทำสถิติสูงสุดเป็นประวัติการณ์ใน 3Q22 น่าจะปรับตัวดีขึ้นต่อเนื่องในปี 2023
- เราปรับเพิ่มประมาณการกำไรปี 2022/2023 สำหรับ AH ขึ้น 15%/19% เป็น 1.5 พัน ลบ. (+89% y-y) และ 1.7 พัน ลบ. (+11% y-y)
- คงแนะนำซื้อที่ราคาเป้าหมายใหม่ที่ 42 บาท AH ยังเป็นหุ้นเด่นของเรา

TARGET PRICE	THB42.00
CLOSE	THB33.25
UP/DOWNSIDE	+26.3%
PRIOR TP	THB35.50
CHANGE IN TP	+18.3%
TP vs CONSENSUS	+14.4%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	20,433	27,684	29,328	31,059
Net profit	1,024	1,672	1,655	1,741
EPS (THB)	2.89	4.71	4.67	4.91
vs Consensus (%)	-	22.1	16.1	12.2
EBITDA	1,699	1,947	2,026	2,037
Core net profit	792	1,498	1,655	1,741
Core EPS (THB)	2.23	4.22	4.67	4.91
Chg. In EPS est. (%)	-	15.0	18.5	16.9
EPS growth (%)	393.4	89.1	10.5	5.2
Core P/E (x)	14.9	7.9	7.1	6.8
Dividend yield (%)	1.8	5.0	5.6	5.9
EV/EBITDA (x)	11.3	9.5	8.4	7.8
Price/book (x)	1.4	1.2	1.1	1.0
Net debt/Equity (%)	81.5	63.0	43.6	30.8
ROE (%)	9.9	16.5	16.3	15.6

แนวโน้ม 4Q22 และปี 2023 อยู่ในเกณฑ์ดี

ผู้บริหารของ AH คาดว่ารายได้ของบริษัทฯ ใน 4Q22 ยังอยู่ในเกณฑ์ดีพร้อมศักยภาพที่จะโตอย่างต่อเนื่องจากจุดสูงสุดตลอดกาลใน 3Q22 จาก 1) การปรับการตั้งราคาของโรงงานในโปรตุเกสให้ใกล้เคียงกับราคาเหล็กที่ปรับขึ้น; และ 2) คำสั่งซื้อเพิ่มเติมจากลูกค้าในปัจจุบันสำหรับในปี 2023 บริษัทฯ ตั้งเป้าอัตราการเติบโตของรายได้ไว้ที่ 10-15% พร้อมคงสมมติฐานอัตรากำไรขั้นต้น (GPM) และอัตรากำไรสุทธิ (NPM) ไว้ตามเดิม

คำสั่งซื้อใหม่จาก Vinfast

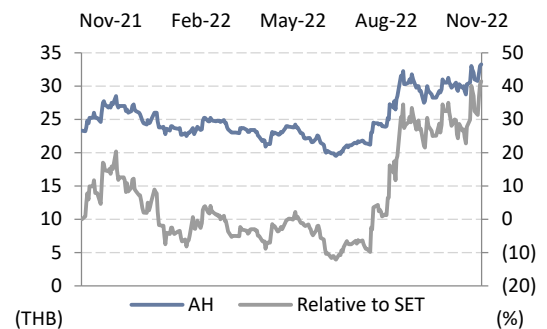
AH ประกาศว่าบริษัทฯ จะเริ่มการผลิตชิ้นส่วนยานยนต์ไฟฟ้า (EV) สำหรับ Vinfast ซึ่งเป็นบริษัทรถยนต์สัญชาติเวียดนามซึ่งจะมีมูลค่าประมาณ 500-600 ลบ. ต่อปีพร้อมวงจรชีวิตคำสั่งซื้อ (Order life cycle) ที่ 3 ปี แม้ว่าข้อตกลงดังกล่าวจะน้อยกว่ารายได้ชิ้นส่วนยานยนต์ของ AH ที่กว่า 20 พัน ลบ. ต่อปีอยู่มาก เรามองประเด็นดังกล่าวเป็นบวกเนื่องจากคำสั่งซื้อดังกล่าวแสดงให้เห็นถึงความสามารถในการปรับตัวของ AH เพื่อให้ได้คำสั่งซื้อใหม่จากผู้ผลิต EV ซึ่งเป็นอนาคตของตลาดยานยนต์ ชิ้นส่วนซึ่งจะประกอบด้วยกรอบกล่องแบตเตอรี่แสดงให้เห็นถึงทิศทางใหม่สำหรับ AH

ปรับเพิ่มประมาณการกำไร

เราเพิ่มประมาณการกำไรสำหรับ AH ในปี 2022/2023 ขึ้น 15%/19% เป็น 1.5 พัน ลบ./1.7 พัน ลบ. เพื่อสะท้อน 1) คำสั่งซื้อใหม่จาก Vinfast ซึ่งคาดว่าจะสร้างรายได้เพิ่มเติมตั้งแต่ปี 2023; 2) กำไรที่ดีกว่าคาดใน 3Q22; 3) ส่วนแบ่งจากบริษัทร่วมที่สูงเกินคาดส่วนมากอยู่ในอินเดีย; และ 4) คำสั่งซื้อปัจจุบันที่จะเพิ่มในปีหน้า ปัจจุบันเราคาดว่ากำไรปกติของ AH ในปี 2022 จะเพิ่ม 89% y-y สู่ระดับสูงสุดตลอดกาลพร้อมผลประกอบการในปีหน้าที่คาดว่าจะกลับมาโตทำลายสถิติที่ 11% นอกจากนี้บริษัทฯ กำลังพิจารณาลงทุนในบริษัทผลิตชิ้นส่วนยานยนต์ในมาเลเซียในปีหน้า

คงแนะนำซื้อที่ราคาเป้าหมายใหม่ที่ 42 บาท

ในขณะที่กำไรของ AH ใน 3Q22 ทำสถิติสูงสุดตลอดกาลและสูงกว่าที่เราคาด แนวโน้มปี 2023 ก็ยังสดใส การขาดแคลนเซมิคอนดักเตอร์และราคาเหล็กที่พุ่งสูงขึ้นไม่ได้ส่งผลกระทบต่อผลประกอบการของบริษัทฯ ในขณะที่คู่แข่งได้รับผลกระทบอย่างรุนแรง ด้วยเหตุผลดังกล่าวเราจึงคาดว่าแนวโน้มของ AH ยังอยู่ในเกณฑ์ดีหลังคาดว่า Downside ทั้งสองประการดังกล่าวกำลังปรับตัวดีขึ้น เราคงแนะนำซื้อที่ราคาเป้าหมายใหม่ที่ 42 บาทซึ่งคิดเป็น 9x ของค่า 2023E P/E (+1.5SD) ตามเดิม AH ยังเป็นหุ้นเด่นของเราในกลุ่มยานยนต์



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	9.0	36.8	37.4
Relative to country (%)	7.4	38.4	39.4
Mkt cap (USD m)	330		
3m avg. daily turnover (USD m)	3.5		
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



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

บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 25 พฤศจิกายน 2022

Investment thesis

Aapico Hitech (AH TB) is Thailand's biggest automotive company in terms of revenue. It has various investments overseas, mainly in China, Portugal, and Malaysia.

Thailand's automobile manufacturing industry is one of the largest drivers of the country's economy. The demand for new cars in Thailand has consistently remained at 0.8m-1m units per year, according to historical data. 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.

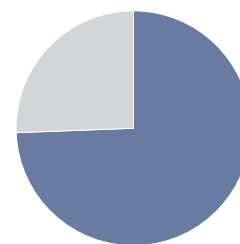
Company profile

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)

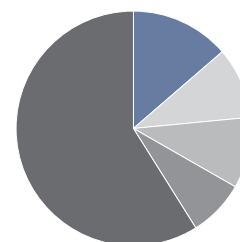
- Manufacture of auto parts - 74.4 %
- Car dealership and others - 25.6 %



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
Feb-23	2022 results announcement

Key assumptions

	2020	2021	2022E	2023E	2024E
	(%)	(%)	(%)	(%)	(%)
Auto parts revenue growth	(6.8)	26.4	33.4	9.1	5.4
Car dealership revenue growth	(6.1)	1.7	41.6	(2.7)	7.3

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.

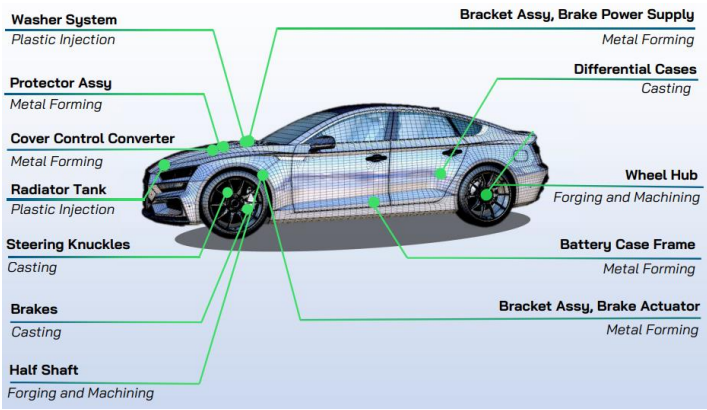
Source: FSSIA estimates

Potential to grow with Vinfast

AH's new orders from Vinfast include thrust panels and battery shields for the models e35 and e36. The company's expectation of THB500m-600m in additional revenue from Vinfast is very conservative given that Vinfast gave AH a much higher potential order figure. The two EVs will be sold in the US at a starting price of around USD40,700 for the e35 and USD55,500 for the e36. Vinfast, which commenced a reservation program in early 2022, expects the two EV models to begin selling in Dec-22.

The THB500m-600m in revenue that AH expects to receive from Vinfast in 2023 is its largest EV order ever as a proportion of overall revenue. Vinfast has an aggressive plan to expand these two EV models in the US, EU, and Canada. We have a positive view on this deal because if Vinfast can gain more recognition in the US and achieve a high sales volume, AH will also benefit.

Exhibit 1: Current EV and HEC parts



Source: AH

Exhibit 2: Current EV parts and customers (local)

PARTS	MODEL	
Half Shaft	Jaguar I-Pace	
Hub FR Axle	FOMM ONE	
Hub Assy FR	Mine Mobility MPV SPA 1	
Thrust Panel Battery Shield	Vinfast SUV e35,e36	

Source: AH

Exhibit 3: Current Hybrid (HEV) parts (local)

PARTS	MODEL	
<ul style="list-style-type: none">Battery Case FrameDrive Shaft (Component Part)	Honda HR-V	
<ul style="list-style-type: none">Bracket AssyBrake Power Supply	Toyota CAMRY Hybrid	
<ul style="list-style-type: none">Battery Case FrameWasher SystemRadiator TankDrive Shaft (Component Part)	Nissan Kicks	
<ul style="list-style-type: none">Protector & Battery CoverBracket wiring support	Toyota Hilux REVO Hybrid	
<ul style="list-style-type: none">Washer System	Mitsubishi Xpander	

Source: AH

Exhibit 4: Current EV parts orders (overseas)

PARTS	MODEL	
	BMW iX, i7	
<ul style="list-style-type: none">Differential casesBrakesSteering knuckles	LORDSTOWN All-electric Commercial Pick Up	
	Maserati BEV	
	Porsche BEV	
	e.Go	

Source: AH

Earnings upgrade

We increase both our auto parts and car dealership revenue forecasts for AH from 2022 onward. Starting from 2023, we include the additional revenue from Vinfast into our forecast. Moreover, AH mentioned that the new Proton car showroom that it opened in Kuala Lumpur in Oct-22 is the biggest in the city. The company now has six car showrooms in Malaysia, two for Honda vehicles, and four for Proton. Thus, we increase our revenue forecasts by 7%/9% for 2022/2023 to THB28b/THB29b.

We trim AH's GPM by 10bps for 2022/2023 due to the higher contribution from its car dealerships, which as a low-margin business, could level off its GPM for 2022/2023 at 10.9%/11.1%.

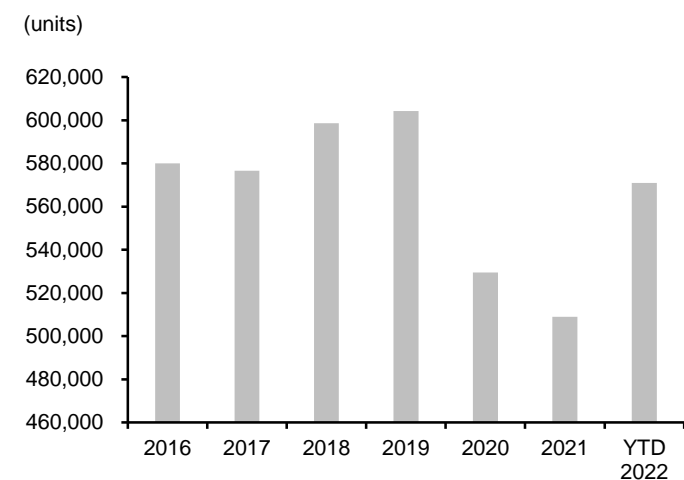
Lastly, we increase our share of profit from associates estimates significantly by 47%/53% for 2022/2023 to reflect the strong outlook for its subsidiary companies, mainly in India. The company said that the demand for new cars in India is currently very strong. Based on AH's solid recovery momentum after hitting bottom during Covid in 2021 and 2022, we increase our core earnings forecasts for 2022/2023 by 15%/19% to THB1.5b/THB1.7b. According to our new expectation, AH's core earnings could surge by 89% y-y in 2022 to an all-time high.

Exhibit 5: 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	20,276	22,123	23,327	19,119	20,414	21,527	6	8	8
Car dealership and others	7,408	7,205	7,732	6,664	6,559	7,046	11	10	10
Revenue	27,684	29,328	31,059	25,783	26,974	28,573	7	9	9
Gross profit	3,004	3,247	3,448	2,836	3,021	3,214	6	7	7
EBITDA	1,947	2,026	2,037	1,903	1,943	1,971	2	4	3
Share of profit	474	517	545	323	337	357	47	53	53
Core net profit	1,498	1,655	1,741	1,302	1,396	1,490	15	19	17
Margin	(%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(ppt)
GPM	10.9	11.1	11.1	11.0	11.2	11.3	(0.1)	(0.1)	(0.2)
NPM (Core)	5.4	5.6	5.6	5.1	5.2	5.2	0.4	0.5	0.4

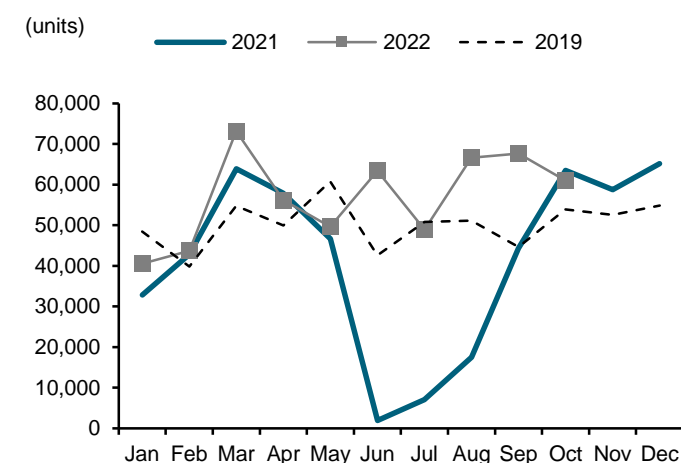
Source: FSSIA estimates

Exhibit 6: Annual car sales in Malaysia



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

Exhibit 7: Monthly car sales in Malaysia vs 2019



Sources: Malaysian Automotive Association; FSSIA's compilation

3Q22 results review

AH's core profit in 3Q22 was THB426m (+52% q-q, +236% y-y) – a record high in terms of quarterly results. The company's core profit was higher than the Bloomberg consensus estimate of THB327m and ours at THB339m. Note that the company's reported net profit in 3Q22 was THB601m thanks to an exchange gain of THB175m. The company's revenue, which surged to THB7.3b (+19% q-q, +72% y-y) – higher than our expectation of THB6.7b – was comprised of:

- 1) Auto parts revenue of THB5.2b (+15% q-q, +51% y-y) that outperformed the industry overall, as Thailand's car production grew by only 34.6% y-y. All of AH's operations in Thailand, China, and Portugal saw solid y-y improvements, with growth of 68.3%, 27.5%, and 12.7%, respectively.
- 2) Car dealership revenue of THB2.1b (+29% q-q, +163% y-y) that also outperformed the industry thanks to the opening of the new Mitsubishi and Ford showrooms in Apr-22 and Aug-22, respectively. Over the same period, Thailand's car sales grew by only 5% q-q and 36% y-y.

The company's GPM also improved to 11.1% in 3Q22 vs 10.1% in the previous quarter, despite the higher contribution from the low-margin car dealership business. This was due to 1) the price adjustment by its Portugal operation in 3Q22; and 2) the higher sales volumes, new model launches, and new product launches by its auto parts manufacturing business.

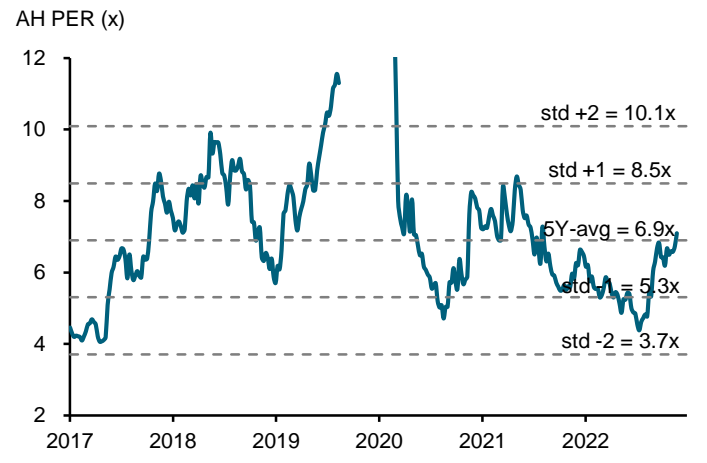
AH's 9M22 core profit at THB1.1b accounts for 74% of our full-year estimate of THB1.5b.

Exhibit 8: 3Q22 results review

	3Q21	2Q22	3Q22	----- Change -----		9M21	9M22	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	5,211	15.2	51.2	11,283	14,867	31.8	20,276
Car dealership and others	795	1,623	2,089	28.7	162.8	3,375	5,308	57.3	7,408
Revenue	4,244	6,145	7,300	18.8	72.0	14,663	20,175	37.6	27,684
Operating costs	(3,848)	(5,523)	(6,486)	17.4	68.6	(13,033)	(17,994)	38.1	(24,680)
Gross profit	396	622	813	30.9	105.3	1,630	2,181	33.8	3,004
SG&A expenses	(310)	(412)	(455)	10.4	46.9	(1,091)	(1,260)	15.5	(1,799)
EBIT	86	209	358	71.1	315.1	540	921	n.a.	1,204
Depreciation & amortisation	261	297	276	(7.1)	5.6	763	768	0.6	743
EBITDA	347	506	634	25.2	82.5	1,303	1,689	29.6	1,947
<i>EBITDA margin (%)</i>	<i>8</i>	<i>8</i>	<i>9</i>	<i>nm</i>	<i>nm</i>	<i>9</i>	<i>8</i>	<i>nm</i>	<i>7</i>
Interest expense	(87)	(77)	(86)	11.7	(1.0)	(264)	(244)	(7.3)	(315)
Other income	82	74	78	6.1	(4.4)	237	238	0.4	346
Extra item	0	0	0	n.a.	n.a.	0	0	n.a.	0
Associates	64	122	152	24.9	137.3	209	357	70.6	474
Gain/Loss from exchange	108	129	175	n.a.	62.0	253	300	18.8	175
Pretax profit	253	457	677	48.3	167.5	975	1,572	61.2	1,883
Tax	(22)	(43)	(68)	60.2	216.3	(80)	(139)	73.1	(183)
<i>Tax rate (%)</i>	<i>(9)</i>	<i>(9)</i>	<i>(10)</i>	<i>nm</i>	<i>nm</i>	<i>(8)</i>	<i>(9)</i>	<i>nm</i>	<i>(10)</i>
Minority interests	(3)	4	8	90.4	n.a.	0	19	nm	28
Net profit	235	410	601	46.6	156.1	894	1,413	58.0	1,672
Core net profit	127	281	426	51.6	236.2	642	1,113	73.4	1,498
EPS (THB)	0.73	1.27	1.69	33.3	132.8	2.77	3.98	43.6	4.71
Core EPS (THB)	0.39	0.87	1.20	37.9	205.6	1.99	3.14	57.6	4.22

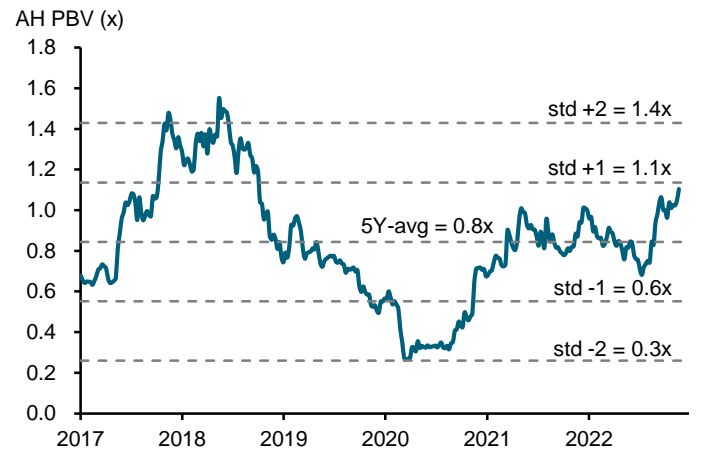
Sources: AH; FSSIA estimates

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



Sources: Bloomberg; FSSIA estimates

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



Sources: Bloomberg; FSSIA estimates

Financial Statements

AAPICO Hitech

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	17,172	20,433	27,684	29,328	31,059
Cost of goods sold	(15,057)	(17,194)	(23,938)	(25,366)	(26,926)
Gross profit	2,116	3,239	3,746	3,962	4,133
Other operating income	-	-	-	-	-
Operating costs	(1,333)	(1,540)	(1,799)	(1,936)	(2,096)
Operating EBITDA	783	1,699	1,947	2,026	2,037
Depreciation	(998)	(1,031)	(743)	(715)	(686)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	(215)	668	1,204	1,311	1,351
Net financing costs	(338)	(343)	(310)	(313)	(303)
Associates	101	281	474	517	545
Recurring non-operating income	726	593	815	893	937
Non-recurring items	2	232	175	0	0
Profit before tax	175	1,151	1,883	1,892	1,985
Tax	(12)	(113)	(183)	(206)	(212)
Profit after tax	163	1,037	1,701	1,685	1,773
Minority interests	(15)	(13)	(28)	(30)	(32)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	148	1,024	1,672	1,655	1,741
Non-recurring items & goodwill (net)	(2)	(232)	(175)	0	0
Recurring net profit	146	792	1,498	1,655	1,741
Per share (THB)					
Recurring EPS *	0.45	2.23	4.22	4.67	4.91
Reported EPS	0.46	2.89	4.71	4.67	4.91
DPS	0.00	0.61	1.65	1.87	1.96
Diluted shares (used to calculate per share data)	323	355	355	355	355
Growth					
Revenue (%)	(6.6)	19.0	35.5	5.9	5.9
Operating EBITDA (%)	(39.4)	117.0	14.6	4.1	0.5
Operating EBIT (%)	nm	nm	80.1	8.9	3.1
Recurring EPS (%)	(84.5)	393.4	89.1	10.5	5.2
Reported EPS (%)	nm	530.0	63.3	(1.0)	5.2
Operating performance					
Gross margin inc. depreciation (%)	6.5	10.8	10.9	11.1	11.1
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	4.6	8.3	7.0	6.9	6.6
Operating EBIT margin (%)	(1.3)	3.3	4.4	4.5	4.4
Net margin (%)	0.8	3.9	5.4	5.6	5.6
Effective tax rate (%)	-6.9	-9.9	-9.7	-10.9	-10.7
Dividend payout on recurring profit (%)	-	27.2	39.1	40.0	40.0
Interest cover (X)	1.5	3.7	6.5	7.0	7.6
Inventory days	66.7	59.7	48.9	47.5	44.9
Debtor days	51.2	45.4	38.7	46.2	45.7
Creditor days	103.2	95.6	78.5	80.0	79.8
Operating ROIC (%)	(2.5)	7.7	13.7	14.3	14.9
ROIC (%)	3.1	7.5	12.1	13.1	13.8
ROE (%)	2.0	9.9	16.5	16.3	15.6
ROA (%)	2.3	5.1	7.7	7.8	7.7

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2020	2021	2022E	2023E	2024E
Manufacture of auto parts	12,028	15,201	20,276	22,123	23,327
Car dealership and others	5,144	5,232	7,408	7,205	7,732

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	1,498	1,655	1,741
Depreciation	998	1,031	743	715	686
Associates & minorities	15	13	28	30	32
Other non-cash items	86	375	848	16	17
Change in working capital	(928)	1,087	(1,171)	355	(57)
Cash flow from operations	316	3,299	1,945	2,772	2,419
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)	(585)	(662)	(696)
Equity finance	0	0	0	0	0
Debt finance	755	(1,631)	411	(100)	(200)
Other financing cash flows	(474)	(431)	28	30	32
Cash flow from financing	281	(2,277)	(146)	(732)	(865)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	14	0	0	0
Net other adjustments	(92)	(178)	0	0	0
Movement in cash	97	52	1,323	1,364	879
Free cash flow to firm (FCFF)	281.01	2,853.68	1,784.77	2,416.34	2,055.38
Free cash flow to equity (FCFE)	97.30	267.66	1,908.46	2,026.47	1,575.07

Per share (THB)

FCFF per share	0.79	8.04	5.03	6.81	5.79
FCFE per share	0.27	0.75	5.38	5.71	4.44
Recurring cash flow per share	3.86	6.23	8.78	6.81	6.98

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	2,065	3,429	4,308
A/C receivable	2,846	2,237	3,641	3,776	3,999
Inventories	2,596	3,031	3,381	3,216	3,404
Other current assets	435	277	291	306	321
Current assets	6,566	6,286	9,377	10,727	12,032
Other assets	1,148	746	368	380	393
Total assets	22,346	22,722	25,096	26,422	27,734
Common equity	7,473	8,513	9,628	10,651	11,728
Minorities etc.	268	302	330	360	392
Total shareholders' equity	7,741	8,815	9,958	11,011	12,120
Long term debt	5,597	4,238	4,700	4,600	4,500
Other long-term liabilities	562	512	734	767	801
Long-term liabilities	6,158	4,750	5,434	5,367	5,301
A/C payable	4,119	4,884	5,409	5,716	6,052
Short term debt	3,852	3,687	3,636	3,636	3,536
Other current liabilities	476	587	658	691	726
Current liabilities	8,446	9,158	9,703	10,043	10,313
Total liabilities and shareholders' equity	22,346	22,722	25,096	26,422	27,734
Net working capital	1,282	73	1,245	890	947
Invested capital	17,062	16,509	16,963	16,585	16,649

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

Per share (THB)

Book value per share	23.17	23.99	27.13	30.02	33.05
Tangible book value per share	13.42	14.64	18.23	21.41	24.73

Financial strength

Net debt/equity (%)	113.1	81.5	63.0	43.6	30.8
Net debt/total assets (%)	39.2	31.6	25.0	18.2	13.4
Current ratio (x)	0.8	0.7	1.0	1.1	1.2
CF interest cover (x)	1.9	2.9	7.6	8.1	6.9

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	73.5	14.9	7.9	7.1	6.8
Recurring P/E @ target price (x) *	92.9	18.8	10.0	9.0	8.6
Reported P/E (x)	72.6	11.5	7.1	7.1	6.8
Dividend yield (%)	-	1.8	5.0	5.6	5.9
Price/book (x)	1.4	1.4	1.2	1.1	1.0
Price/tangible book (x)	2.5	2.3	1.8	1.6	1.3
EV/EBITDA (x) **	25.2	11.3	9.5	8.4	7.8
EV/EBITDA @ target price (x) **	28.8	13.2	11.0	9.9	9.3
EV/invested capital (x)	1.2	1.2	1.1	1.0	1.0

* 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	BDM5	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	PSH	SCM	SUSCO	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SUTHA	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFECO	SVI	TPBI	WAVE
AOT	BWG	EA	HMPRO	LPN	NYT	PTT	SEAOL	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	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	TIPIPP	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	SEAOL	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

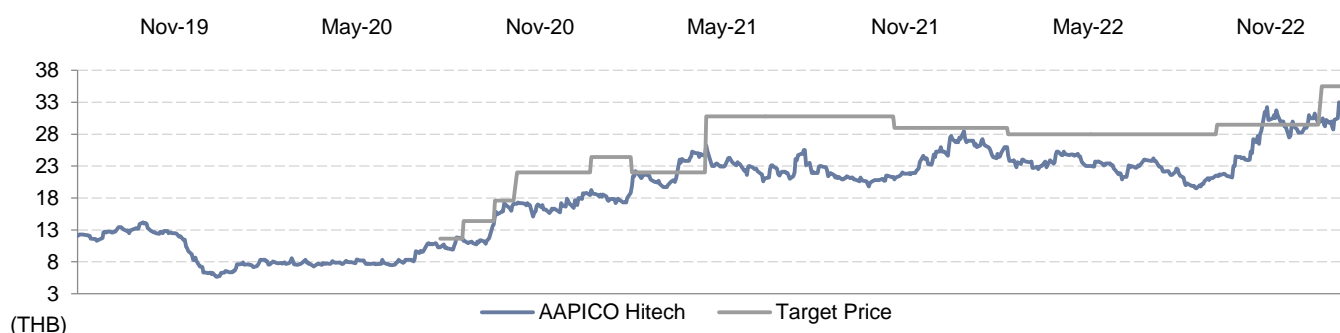
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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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	01-Aug-2022	BUY	29.50
04-Dec-2020	BUY	22.00	27-Oct-2021	BUY	29.00	28-Oct-2022	BUY	35.50

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 33.25	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, semi-conductor 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 24-Nov-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.