

# AAPICO HITECH AH TB

## THAILAND / AUTOMOTIVES

# BUY

UNCHANGED

## Manageable impact from VinFast

- We think the risk of lost revenue from VinFast is limited as its orders should amount to only 3.5% of AH's 2023E revenue.
- In our worst-case scenario, we estimate that AH's earnings in 2023 could drop to THB1,330m for a potential 20% downside.
- Maintain BUY with the same TP of THB42.

TARGET PRICE	THB42.00
CLOSE	THB29.25
UP/DOWNSIDE	+43.6%
PRIOR TP	THB42.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+0.1%

### 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 (%)	-	6.4	0.6	(1.9)
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. (%)	-	-	-	-
EPS growth (%)	393.4	89.1	10.5	5.2
Core P/E (x)	13.1	6.9	6.3	6.0
Dividend yield (%)	2.1	5.6	6.4	6.7
EV/EBITDA (x)	10.5	8.7	7.7	7.1
Price/book (x)	1.2	1.1	1.0	0.9
Net debt/Equity (%)	81.5	63.0	43.6	30.8
ROE (%)	9.9	16.5	16.3	15.6

### Market concern about VinFast's alleged woes

According to [Bloomberg](#), the founder of VinFast, an electric vehicle (EV) maker from Vietnam and one of AH's customers, does not plan to personally invest any more money in VinFast, which lost USD1.3b in 2021 and close to USD1.5b in 9M22, amid lower-than-expected sales volumes for its VF8 model. We believe this recent report was the key source of pressure on AH's share price which has fallen by over 10% MTD to its lowest level in the past four months.

### Minimal impact on AH

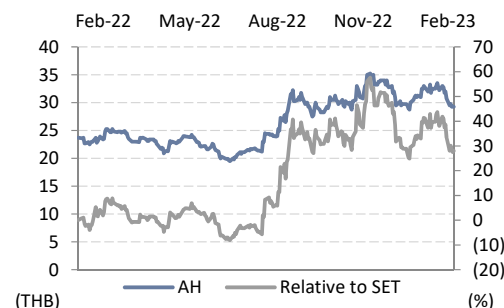
We expect a minimal impact on AH's revenue for 2023, as VinFast's orders are expected to be worth around THB1b for this year, or just 3.5% of AH's total revenue. Moreover, AH has confirmed that it is currently producing EV parts for VinFast as normal. In this case, if VinFast's alleged financial woes deepen, starting from 2Q23 for example, AH may lose around THB750m in revenue this year as the company has recognised some VinFast orders already. With accounts receivable for AH at around 60-90 days, a delay of over 60 days would see the company terminate the contract and book any outstanding balance as bad debt. AH added that all the tooling and raw materials for the VinFast orders were shipped from Vinfast itself.

### Still some upside, even under our worst-case scenario

Under our base case scenario, the risk of losing THB750m, or 2.6% of AH's projected revenue this year, represents a 3.2% downside risk for the company's earnings in 2023, which would slip from THB1,655m to THB1,603m. In our worst-case scenario, the company would book about THB332m in bad debt, with AH's earnings falling by 19.7% to THB1,330m. As a result, our TP for AH would drop by 3.1% from THB42 to THB40.7 under the base case or to THB33.75 under our worst case.

### Maintain BUY with the same TP of THB42

We believe AH's core earnings in 4Q22 should remain solid and hit a record high of THB430m (+1% q-q, +187% y-y). For 2023, we believe the company should continue to generate some growth despite the risk of lost orders from VinFast and see the 10% MTD drop in its share price as an opportunity to re-invest. Maintain BUY with the same TP of THB42.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(10.0)	(8.6)	22.9
Relative to country (%)	(8.4)	(10.6)	27.4
Mkt cap (USD m)	300		
3m avg. daily turnover (USD m)	2.4		
Free float (%)	50		
Major shareholder	Thai NVDR (14%)		
12m high/low (THB)	35.75/19.40		
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.

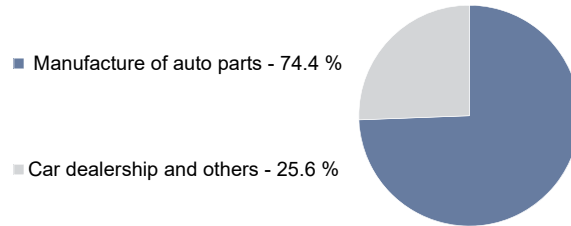
Thailand’s automobile manufacturing industry is one of the largest drivers of the country’s economy. The demand for new cars in Thailand has consistently remained at 0.8m-1m units per year, according to historical data. Its average car production is also high at 1.9m-2m units per year. Therefore, when the economy returns to normal, we expect Thailand’s automobile production volume to return to its normal level – compared with the 2022 production level of 1.88m 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.

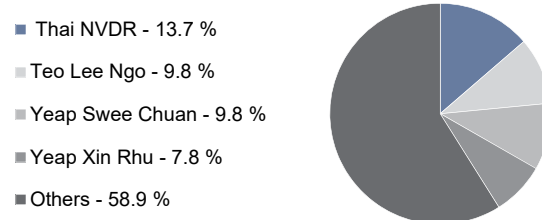
[www.aapico.com](http://www.aapico.com)

### Principal activities (revenue, 2021)



Source: AAPICO Hitech

### Major shareholders



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.

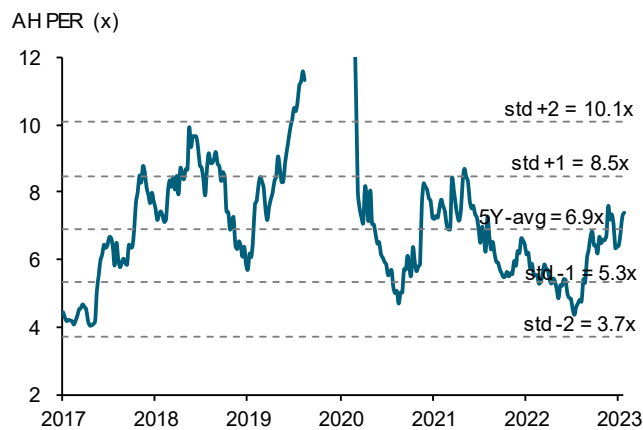
Source: FSSIA estimates

**Exhibit 1: Scenario analysis of the potential impact from VinFast**

	Current assumption (THB m)	Base case (THB m)	Worst case (THB m)	----- Downside -----	
				Base case (%)	Worst case (%)
Revenue	29,328	28,578	28,578	(2.6)	(2.6)
Write off	0	0	(332)	<i>n.a.</i>	<i>n.a.</i>
Net profit	1,655	1,603	1,330	(3.2)	(19.7)
<b>TP (THB)</b>	<b>42</b>	<b>40.7</b>	<b>33.75</b>	<b>(3.1)</b>	<b>(19.6)</b>

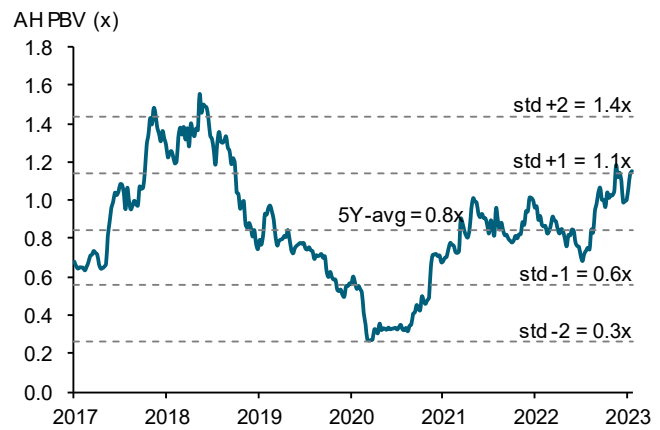
Source: FSSIA estimates

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



Sources: Bloomberg; FSSIA estimates

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



Sources: Bloomberg; FSSIA estimates

## Financial Statements

AAPICO Hitech

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	17,172	20,433	27,684	29,328	31,059
Cost of goods sold	(15,057)	(17,194)	(23,938)	(25,366)	(26,926)
<b>Gross profit</b>	<b>2,116</b>	<b>3,239</b>	<b>3,746</b>	<b>3,962</b>	<b>4,133</b>
Other operating income	-	-	-	-	-
Operating costs	(1,333)	(1,540)	(1,799)	(1,936)	(2,096)
<b>Operating EBITDA</b>	<b>783</b>	<b>1,699</b>	<b>1,947</b>	<b>2,026</b>	<b>2,037</b>
Depreciation	(998)	(1,031)	(743)	(715)	(686)
Goodwill amortisation	-	-	-	-	-
<b>Operating EBIT</b>	<b>(215)</b>	<b>668</b>	<b>1,204</b>	<b>1,311</b>	<b>1,351</b>
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
<b>Profit before tax</b>	<b>175</b>	<b>1,151</b>	<b>1,883</b>	<b>1,892</b>	<b>1,985</b>
Tax	(12)	(113)	(183)	(206)	(212)
<b>Profit after tax</b>	<b>163</b>	<b>1,037</b>	<b>1,701</b>	<b>1,685</b>	<b>1,773</b>
Minority interests	(15)	(13)	(28)	(30)	(32)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>148</b>	<b>1,024</b>	<b>1,672</b>	<b>1,655</b>	<b>1,741</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(2)</b>	<b>(232)</b>	<b>(175)</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>146</b>	<b>792</b>	<b>1,498</b>	<b>1,655</b>	<b>1,741</b>
<b>Per share (THB)</b>					
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
<b>Growth</b>					
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
<b>Operating performance</b>					
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					
<b>Revenue by Division (THB m)</b>					
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)
<b>Cash flow from operations</b>	<b>316</b>	<b>3,299</b>	<b>1,945</b>	<b>2,772</b>	<b>2,419</b>
Capex - maintenance	(446)	(929)	(336)	(476)	(476)
Capex - new investment	(191)	(398)	(144)	(204)	(204)
Net acquisitions & disposals	84	73	0	0	0
Other investments (net)	145	463	5	5	4
<b>Cash flow from investing</b>	<b>(408)</b>	<b>(791)</b>	<b>(475)</b>	<b>(675)</b>	<b>(676)</b>
Dividends paid	0	(215)	(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
<b>Cash flow from financing</b>	<b>281</b>	<b>(2,277)</b>	<b>(146)</b>	<b>(732)</b>	<b>(865)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	14	0	0	0
<b>Net other adjustments</b>	<b>(92)</b>	<b>(178)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>97</b>	<b>52</b>	<b>1,323</b>	<b>1,364</b>	<b>879</b>
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)
<b>Tangible fixed assets (net)</b>	<b>7,773</b>	<b>8,222</b>	<b>8,041</b>	<b>8,110</b>	<b>8,208</b>
<b>Intangible fixed assets (net)</b>	<b>3,143</b>	<b>3,317</b>	<b>3,159</b>	<b>3,055</b>	<b>2,951</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	3,716	4,150	4,150	4,150	4,150
Cash & equivalents	690	742	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
<b>Current assets</b>	<b>6,566</b>	<b>6,286</b>	<b>9,377</b>	<b>10,727</b>	<b>12,032</b>
Other assets	1,148	746	368	380	393
<b>Total assets</b>	<b>22,346</b>	<b>22,722</b>	<b>25,096</b>	<b>26,422</b>	<b>27,734</b>
Common equity	7,473	8,513	9,628	10,651	11,728
Minorities etc.	268	302	330	360	392
<b>Total shareholders' equity</b>	<b>7,741</b>	<b>8,815</b>	<b>9,958</b>	<b>11,011</b>	<b>12,120</b>
Long term debt	5,597	4,238	4,700	4,600	4,500
Other long-term liabilities	562	512	734	767	801
<b>Long-term liabilities</b>	<b>6,158</b>	<b>4,750</b>	<b>5,434</b>	<b>5,367</b>	<b>5,301</b>
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
<b>Current liabilities</b>	<b>8,446</b>	<b>9,158</b>	<b>9,703</b>	<b>10,043</b>	<b>10,313</b>
<b>Total liabilities and shareholders' equity</b>	<b>22,346</b>	<b>22,722</b>	<b>25,096</b>	<b>26,422</b>	<b>27,734</b>
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
<b>Recurring P/E (x) *</b>	<b>64.7</b>	<b>13.1</b>	<b>6.9</b>	<b>6.3</b>	<b>6.0</b>
<b>Recurring P/E @ target price (x) *</b>	<b>92.9</b>	<b>18.8</b>	<b>10.0</b>	<b>9.0</b>	<b>8.6</b>
Reported P/E (x)	63.9	10.1	6.2	6.3	6.0
Dividend yield (%)	-	2.1	5.6	6.4	6.7
Price/book (x)	1.3	1.2	1.1	1.0	0.9
Price/tangible book (x)	2.2	2.0	1.6	1.4	1.2
EV/EBITDA (x) **	23.6	10.5	8.7	7.7	7.1
EV/EBITDA @ target price (x) **	28.8	13.2	11.0	9.9	9.3
EV/invested capital (x)	1.1	1.1	1.0	0.9	0.9

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

Sources: AAPICO Hitech; FSSIA estimates

Corporate Governance report of Thai listed companies 2022

**EXCELLENT LEVEL – Score range 90-100**

AAV	BAM	CIMBT	ECL	HENG	LALIN	NEP	PRG	SCC	SPRC	THRE	TTW
ADVANC	BANPU	CK	EE	HMPRO	LANNA	NER	PRM	SCCC	SPVI	THREL	TU
AF	BAY	CKP	EGCO	ICC	LHFG	NKI	PSH	SCG	SSC	TIPCO	TVDH
AH	BBIK	CM	EPG	ICHI	LIT	NOBLE	PSL	SCGP	SSSC	TISCO	TVI
AIRA	BBL	CNT	ETC	III	LOXLEY	NSI	PTG	SCM	SST	TK	TVO
AJ	BCP	COLOR	ETE	ILINK	LPN	NVD	PTA	SCN	STA	TKN	TPWC
AKP	BCPG	COM7	FN	ILM	LRH	NYT	PTTEP	SDC	STEC	TKS	UAC
AKR	BDMS	COMAN	FNS	IND	LST	OISHI	PTTGC	SEAFCO	STGT	TKT	UBIS
ALLA	BEM	COTTO	FPI	INTUCH	MACO	OR	PYLON	SEAOIL	STI	TMILL	UPOIC
ALT	BEYOND	CPALL	FPT	IP	MAJOR	ORI	Q-CON	SE-ED	SUN	TMT	UV
AMA	BGC	CPF	FSMART	IRC	MAKRO	OSP	QH	SELIC	SUSCO	TNDT	VCOM
AMARIN	BGRIM	CPI	FVC	IRPC	MALEE	OTO	QTC	SENA	SUTHA	TNITY	VGI
AMATA	BIZ	CPN	GC	ITEL	MBK	PAP	RABBIT	SENAJ	SVI	TOA	VIH
AMATAV	BKI	CRC	GEL	IVL	MC	PCSGH	RATCH	SGF	SYMC	TOP	WACOAL
ANAN	BOL	CSS	GFPT	JTS	MCOT	PDG	RBF	SHR	SYNTEC	TPBI	WAVE
AOT	BPP	DDD	GGC	JWD	METCO	PDJ	RS	SICT	TACC	TQM	WHA
AP	BRR	DELTA	GLAND	K	MFEC	PG	S	SIRI	TASCO	TRC	WHAUP
APURE	BTS	DEMCO	GLOBAL	KBANK	MINT	PHOL	S&J	SIS	TCAP	TRUE	WICE
ARIP	BTW	DOHOME	GPI	KCE	MONO	PLANB	SAAM	SITHAI	TEAMG	TSC	WINNER
ASP	BWG	DRT	GPSC	KEX	MOONG	PLANET	SABINA	SMPC	TFMAMA	TSR	XPG
ASW	CENTEL	DTAC	GRAMMY	KGI	MSC	PLAT	SAMART	SNC	THANA	TSTE	ZEN
AUCT	CFRESH	DUSIT	GULF	KKP	MST	PORT	SAMTEL	SONIC	THANI	TSTH	
AWC	CGH	EA	GUNKUL	KSL	MTC	PPS	SAT	SORKON	THCOM	TTA	
AYUD	CHEWA	EASTW	HANA	KTB	MVP	PR9	SC	SPALI	THG	TTB	
BAFS	CHO	ECF	HARN	KTC	NCL	PREB	SCB	SPI	THIP	TTCL	

**VERY GOOD LEVEL – Score range 80-89**

2S	ASIMAR	CHOTI	ESSO	INSURE	LH	NRF	PROEN	SCI	SR	TMC	UMI
7UP	ASK	CHOW	ESTAR	IRCP	LHK	NTV	PROS	SCP	SRICHA	TMD	UOBKH
ABM	ASN	CI	FE	IT	M	NUSA	PROUD	SE	SSF	TMI	UP
ACE	ATP30	CIG	FLOYD	ITD	MATCH	NWR	PSG	SECURE	SSP	TNL	UPF
ACG	B	CITY	FORTH	J	MBAX	OCC	PSTC	SFLEX	STANLY	TNP	UTP
ADB	BA	CIVIL	FSS	JAS	MEGA	OGC	PT	SFP	STC	TNR	VIBHA
ADD	BC	CMC	FTE	JCK	META	ONEE	PTC	SFT	STPI	TOG	VL
AEONTS	BCH	CPL	GBX	JCKH	MFC	PACO	QLT	SGP	SUC	TPA	VPO
AGE	BE8	CPW	GCAP	JMT	MGT	PATO	RCL	SIAM	SVOA	TPAC	VRANDA
AHC	BEC	CRANE	GENCO	JR	MICRO	PB	RICHY	SINGER	SVT	TPCS	WGE
AIE	BH	CRD	GJS	KBS	MILL	PICO	RJH	SKE	SWC	TIPL	WIHK
AIT	BIG	CSC	GTB	KCAR	MTSIB	PIMO	ROJNA	SKN	SYNEX	TIPIP	WIN
ALUCON	BJC	CSP	GYT	KGEN	MK	PIN	RPC	SKR	TAE	TPLAS	WINMED
AMANAH	BJCHI	CV	HEMP	KIAT	MODERN	PJW	RT	SKY	TAKUNI	TPS	WORK
AMR	BLA	CWT	HPT	KISS	MTI	PL	RWI	SLP	TCC	TQR	WP
APCO	BR	DCC	HTC	KK	NATION	PLE	S11	SMART	TCMC	TRITN	XO
APCS	BRI	DHOUSE	HUMAN	KOOL	NCAP	PM	SA	SMD	TFG	TRT	YUASA
AQUA	BROOK	DITTO	HYDRO	KTIS	NCH	PMTA	SABUY	SMIT	TFI	TRU	ZIGA
ARIN	BSM	DMT	ICN	KUMWEL	NDR	PPP	SAK	SMT	TFM	TRV	
ARROW	BYD	DOD	IFS	KUN	NETBAY	PPPM	SALEE	SNNP	TGH	TSE	
AS	CBG	DPAINT	IIG	KWC	NEX	PRAPAT	SAMCO	SNP	TIDLOR	TVT	
ASAP	CEN	DV8	IMH	KWM	NINE	PRECHA	SANKO	SO	TIGER	TWP	
ASEFA	CHARAN	EASON	INET	L&E	NNCL	PRIME	SAPPE	SPA	TIPH	UBE	
ASIA	CHAYO	EFORL	INGRS	LDC	NOVA	PRIN	SAWAD	SPC	TITLE	UBC	
ASIAN	CHG	ERW	INSET	LEO	NPK	PRINC	SCAP	SPCG	TM	UKEM	

**GOOD LEVEL – Score range 70-79**

A	BEAUTY	CMAN	EMC	HL	KWI	MORE	PF	RSP	SUPER	TOPP	VARO
A5	BGT	CMO	EP	HTECH	KYE	MPIC	PK	SIMAT	TC	TPCH	W
AI	BLAND	CMR	EVER	IHL	LEE	MUD	PPM	SISB	TCCC	TPOLY	WFX
ALL	BM	CPANEL	F&D	INOX	LPH	NC	PRAKIT	SK	TCJ	TRUBB	WPH
ALPHAX	BROCK	CPT	FMT	JAK	MATI	NEWS	PTECH	SOLAR	TEAM	TTI	YGG
AMC	BSBM	CSR	GIFT	JMART	M-CHAI	NFC	PTL	SPACK	THE	TYCN	
APP	BTNC	CTW	GLOCON	JSP	MCS	NSL	RAM	SPG	THMUI	UMS	
AQ	CAZ	D	GLORY	JUBILE	MDX	NV	ROCK	SQ	TKC	UNIQ	
AU	CCP	DCON	GREEN	KASET	MENA	PAF	RP	STARK	TNH	UPA	
B52	CGD	EKH	GSC	KCM	MJD	PEACE	RPH	STECH	TNPC	UREKA	

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

### DECLARED

AH	CHG	DHOUSE	EVER	J	KUMWEL	NRF	RS	SUPER	TQM	VIBHA
ALT	CI	DOHOME	FLOYD	JMART	LDC	NUSA	SAK	SVT	TRT	W
APCO	CPR	ECF	GLOBAL	JMT	MEGA	OR	SIS	TKN	TSI	WIN
ASW	CPW	EKH	ILM	JTS	NCAP	PIMO	SSS	TMD	VARO	
B52	DDD	ETC	INOX	KEX	NOVA	PLE	STECH	TMI	VCOM	

### 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

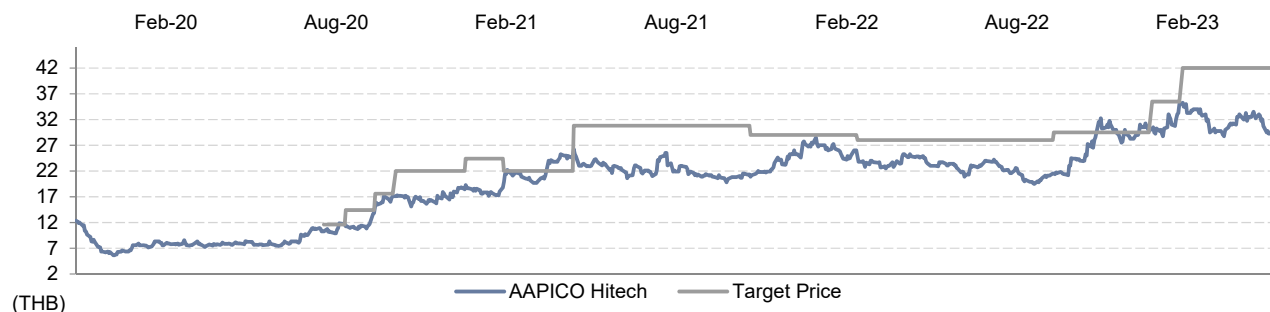
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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	15-Mar-2021	BUY	22.00	01-Aug-2022	BUY	29.50
21-Oct-2020	BUY	14.40	18-May-2021	BUY	30.80	28-Oct-2022	BUY	35.50
17-Nov-2020	BUY	17.60	27-Oct-2021	BUY	29.00	25-Nov-2022	BUY	42.00
04-Dec-2020	BUY	22.00	02-Feb-2022	HOLD	28.00			
08-Feb-2021	BUY	24.40	16-Mar-2022	BUY	28.00			

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

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
AAPICO Hitech	AH TB	THB 29.25	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.

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 17-Feb-2023 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.