

# AAPICO HITECH AH TB

## THAILAND / AUTOMOTIVES

**HOLD**

FROM BUY

### การฟื้นตัวยังเผชิญความท้าทาย

- ยอดผลิตรถในเดือนแรกมีจำนวนเพียง 1.07 แสนคัน -24.6% y-y คิดเป็นเพียง 7% ของเป้าหมายทั้งปี
- แนวโน้มผลประกอบการของ AH ใน 1Q25 น่าจะยังชะลอตัวทั้ง q-q และ y-y และน่าจะฟื้นตัวใน 2H25
- ลดคำแนะนำเป็นถือ ราคาเป้าหมายใหม่ 13.50 บาท.

### ปี 2024 เป็นปีที่ท้าทายสำหรับอุตสาหกรรมยานยนต์ไทย

ปี 2024 เป็นปีที่ไม่สดใสสำหรับอุตสาหกรรมยานยนต์ไทย ยอดผลิตและยอดขายในประเทศปรับลงทุกไตรมาส จากภาวะเศรษฐกิจที่ซบเซา หนี้ครัวเรือสูง และการคุมเข้มของสถาบันการเงิน ทำให้ยอดผลิตยานยนต์ปี 2024 ลดลงถึง 20.2% y-y ยอดขายในประเทศ -26.2% y-y เหลือเพียง 5.73 แสนคัน ต่ำที่สุดในรอบ 15 ปี

### ผู้ประกอบการทุกรายประสบความยากลำบาก

ผู้ผลิตชิ้นส่วนในกลุ่มยานยนต์มีผลประกอบการลดลงทุกราย สำหรับ AH ในปี 2024 มีรายได้รวม 26,588.1 ล้านบาท ซึ่งแบ่งเป็นรายได้จากการผลิตชิ้นส่วนยานยนต์ ลดลง 16.5% y-y ดีกว่าอุตสาหกรรมเล็กน้อย ขณะที่รายได้จากการเป็นตัวแทนจำหน่ายรถ (มี 16 โชว์รูมในไทยและมาเลเซีย) เพิ่มขึ้นเล็กน้อย +1.7% y-y อัตรากำไรขั้นต้นลดลงอย่างรวดเร็วจาก 10.8%-11.7% ในช่วง 3 ปีก่อนหน้าเหลือ 8.7% จากการแข่งขันที่รุนแรงทางด้านราคา ประกอบกับค่าใช้จ่ายในการบริหารและดอกเบี้ยจ่ายที่ยังอยู่ในระดับสูง ส่งผลให้กำไรปกติ -59.3% y-y อยู่ที่ 721.0 ล้านบาท เป็นกำไรที่ต่ำที่สุดในรอบ 4 ปี

### การฟื้นตัวยังมีความท้าทาย

ส.อ.ท. ตั้งเป้าหมายผลิตรถยนต์ปี 2025 ที่ 1.5 ล้านคัน ใกล้เคียงปี 2024 ในขณะที่ยอดผลิตรถในเดือนแรกมีจำนวนเพียง 1.07 แสนคัน -24.6% y-y คิดเป็นเพียง 7% ของเป้าหมายทั้งปี แนวโน้มผลประกอบการของ AH ใน 1Q25 น่าจะยังชะลอตัวทั้ง q-q และ y-y และคาดว่าจะเห็นการทยอยฟื้นตัวใน 2H25 เราปรับประมาณการของ AH ใหม่โดยคาดรายได้ในปี 2025 ก่อนหักทรงตัว แต่กำไรปกติฟื้น +11.6% y-y เป็น 804.2 ล้านบาท จากการลดต้นทุนและรายจ่าย ทั้งนี้ ระดับกำไร 800 ล้านบาทต่อปีเป็นกำไรที่ต่ำกว่าปกติ และ AH ยังมีความเสี่ยงจากค่าใช้จ่ายด้านภาษีที่อาจสูงขึ้นจากเกณฑ์ของ GMT

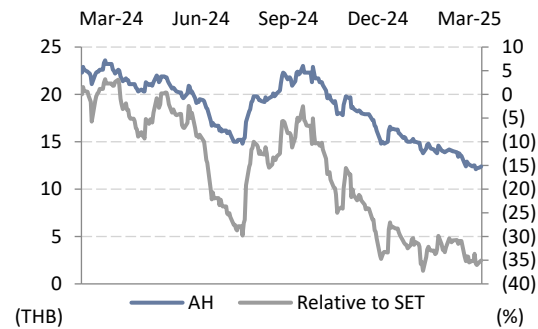
### ลดคำแนะนำเป็นถือ ราคาเป้าหมายใหม่ 13.50 บาท

แม้ว่าราคาหุ้นปัจจุบันจะเทรดที่ -1SD ของค่าเฉลี่ย 5 ปี แต่ด้วยอุตสาหกรรมยานยนต์ไทยที่ยังอยู่ระหว่างปรับฐานอีก 1 ปี เราจึงประเมินราคาเป้าหมายโดยอ้างอิง 2025E P/E 6.0x หรือ -0.5SD ของค่าเฉลี่ย 5 ปี ได้ราคาเป้าหมายใหม่ 13.50 บาท ลดคำแนะนำจากซื้อ เป็นถือเพื่อรับเงินปันผล

TARGET PRICE	THB13.50
CLOSE	THB12.40
UP/DOWNSIDE	+8.9%
PRIOR TP	THB29.00
CHANGE IN TP	-53.4%
TP vs CONSENSUS	-14.0%

### KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	26,588	27,204	28,156	29,474
Net profit	747	804	977	1,284
EPS (THB)	2.11	2.27	2.75	3.62
vs Consensus (%)	-	(18.4)	(10.8)	29.3
EBITDA	1,851	1,995	2,214	2,512
Recurring net profit	721	804	977	1,284
Core EPS (THB)	2.03	2.27	2.75	3.62
Chg. In EPS est. (%)	nm	(52.8)	(46.7)	nm
EPS growth (%)	(59.3)	11.6	21.5	31.3
Core P/E (x)	6.1	5.5	4.5	3.4
Dividend yield (%)	10.0	6.6	8.0	10.5
EV/EBITDA (x)	5.2	4.7	4.1	3.4
Price/book (x)	0.4	0.4	0.4	0.4
Net debt/Equity (%)	42.5	39.6	34.7	27.8
ROE (%)	6.8	7.5	8.6	10.6



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(12.1)	(17.3)	(44.4)
Relative to country (%)	(6.0)	(1.7)	(34.5)
Mkt cap (USD m)			124
3m avg. daily turnover (USD m)			0.1
Free float (%)			50
Major shareholder			Thai NVDR (15%)
12m high/low (THB)			23.70/12.00
Issued shares (m)			354.84

Sources: Bloomberg consensus; FSSIA estimates



**Jitra Amornthum**

Fundamental Investment Analyst at Securities; License no. 014530  
jitra.a@fssia.com, +66 2646 9966

### Investment thesis

The Federation of Thai Industries (FTI) has set a 2025 vehicle production target of 1.5m units, similar to the previous year. However, in the first month of 2025, only 107,000 units were produced, representing a 24.6% y-y decline and accounting for just 7% of the annual target. We expect AH's 1Q25 performance to remain weak both q-q and y-y, with a gradual recovery anticipated in 2H25. However, we cut our profit estimates by 52%/46%/20% in 2025-27.

The Thai automotive industry is likely to endure a bumpy road for another year. We revise our TP based on a 2025E P/E of 6.0x, (-0.5SD of its 5-year average), arriving at a new TP of THB13.50, and downgrade to HOLD from Buy, focusing on dividend returns instead.

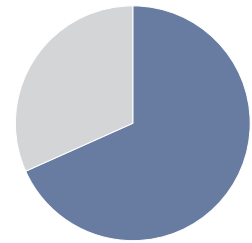
### Company profile

Established in 1996, AH's business is to manufacture and distribute automotive parts to automobile manufacturers in Thailand and overseas. The products and services of AH and its subsidiaries include 1) OEM auto parts manufacturing; 2) car dealerships; and 3) Internet of Things (smart factory, smart logistics, smart office).

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

### Principal activities (revenue, 2024)

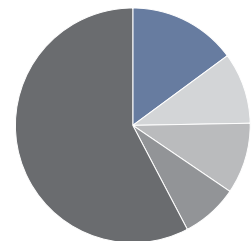
- Manufacture of auto parts - 68.3 %
- Car dealership and others - 31.7 %



Source: AAPICO Hitech

### Major shareholders

- Thai NVDR - 14.9 %
- Teo Lee Ngo - 9.8 %
- Yeap Swee Chuan - 9.8 %
- Yeap Xin Rhu - 7.8 %
- Others - 57.7 %



Source: AAPICO Hitech

### Catalysts

Key potential catalysts include 1) better-than-expected economic conditions; 2) falling interest rates; 3) more new models from global automakers; and 4) government incentives to stimulate demand.

### Risks to our call

Downside risks to our P/E-based TP include 1) weak global automotive demand; 2) higher raw material prices and utility costs; 3) global semiconductor shortages; and 4) fluctuations in the THB. Upside risks to our P/E-based TP include 1) consumer spending recovering quicker than anticipated; 2) financial institutions easing lending restrictions; and 3) the government implementing policies to boost automotive sales.

### Event calendar

Date	Event
23 May 2025	Dividend payment date

### Key assumptions

	2025E (y-y %)	2026E (y-y %)	2027E (y-y %)
Revenue from OEM	2.0	3.5	5.0
Revenue from car dealership	3.0	3.5	4.0
Total revenue	2.3	3.5	4.7
Key ratio	(%)	(%)	(%)
Blended gross margin	9.0	9.5	10.1
SG&A to sales	6.5	6.4	6.2
Core profit margin	3.0	3.5	4.4

Source: FSSIA estimates

### Earnings sensitivity

- For every 1% change in revenue, we project AH's 2025 net profit to change by 0.9%, all else being equal.
- For every 0.5% change in gross margin, we project AH's 2025 net profit to change by 7%, all else being equal.
- For every 1% change in SG&A expense to revenue, we project AH's 2025 net profit to change by 8%, all else being equal.

Source: FSSIA estimates

**Exhibit 1: AH – 4Q24 earnings summary**

	4Q23	1Q24	2Q24	3Q24	4Q24	Change		2023	2024	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Sales revenue	7,131	7,452	6,436	6,530	6,169	(5.5)	(13.5)	30,034	26,588	(11.5)
Operating costs	(6,313)	(6,745)	(5,881)	(5,957)	(5,696)	(4.4)	(9.8)	(26,522)	(24,277)	(8.5)
Gross profit	819	708	556	573	474	(17.4)	(42.1)	3,512	2,311	(34.2)
SG&A expenses	(538)	(460)	(456)	(442)	(401)	(9.3)	(25.4)	(1,881)	(1,759)	(6.5)
EBIT	281	248	100	131	73	(44.5)	(74.1)	1,632	552	(66.2)
EBITDA	611	569	420	144	717	397.3	17.4	2,894	1,851	(36.1)
Interest expense	(138)	(107)	(110)	(91)	(103)	12.9	(25.2)	(464)	(412)	(11.2)
Other income	101	139	84	85	326	282.5	223.4	373	487	30.6
Associates	(103)	44	50	80	58	(27.9)	nm	132	232	75.6
Gain/Loss from exchange	(153)	19	3	(7)	12	nm	nm	(9)	26	nm
<b>Net profit</b>	<b>138</b>	<b>319</b>	<b>103</b>	<b>205</b>	<b>120</b>	<b>(41.5)</b>	<b>(12.9)</b>	<b>1,610</b>	<b>747</b>	<b>(53.6)</b>
<b>Core profit</b>	<b>421</b>	<b>301</b>	<b>100</b>	<b>212</b>	<b>108</b>	<b>(49.0)</b>	<b>(74.3)</b>	<b>1,771</b>	<b>721</b>	<b>(59.3)</b>
EPS (THB)	0.38	0.90	0.29	0.59	0.37	(37.3)	(3.4)	4.54	2.11	(53.6)
Core EPS (THB)	1.19	0.85	0.28	0.60	0.30	(49.0)	(74.3)	4.99	2.03	(59.3)
<b>Key ratios</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>
Gross margin	11.5	9.5	8.6	8.8	7.7	(1.1)	(3.8)	11.7	8.7	(3.0)
SG&A to sales	7.5	6.2	7.1	6.8	6.5	(0.3)	(1.0)	6.3	6.6	0.4
Operating margin	3.9	3.3	1.6	2.0	1.2	(0.8)	(2.8)	5.4	2.1	(3.4)
EBITDA margin	8.6	7.6	6.5	2.2	11.6	9.4	3.1	9.6	7.0	(2.7)
Core profit margin	5.9	4.0	1.6	3.2	1.8	(1.5)	(4.1)	5.9	2.7	(3.2)
<b>Revenue breakdown</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>
Auto parts (OEM business)	5,057	5,117	4,409	4,481	4,154	(7.3)	(17.9)	21,744	18,161	(16.5)
Car dealership business	2,077	2,331	2,027	2,049	2,020	(1.4)	(2.7)	8,290	8,427	1.7

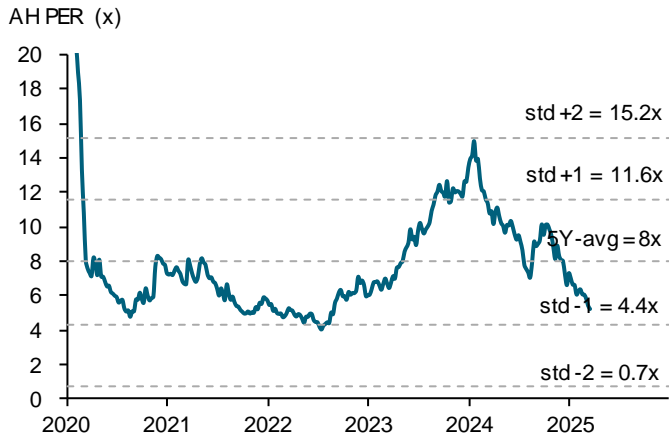
Sources: AH, FSSIA's compilation

**Exhibit 2: Key changes in assumptions**

	Current			Previous			Change		
	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
Total revenue	27,204	28,156	29,474	31,206	32,271	32,763	(12.8)	(12.8)	(10.0)
OEM business	18,524	19,173	20,131	21,867	22,685	22,934	(15.3)	(15.5)	(12.2)
Car dealership	8,680	8,984	9,343	9,339	9,586	9,828	(7.1)	(6.3)	(4.9)
Cost of goods sold	(24,756)	(25,481)	(26,497)	(27,648)	(28,576)	(28,913)	(10.5)	(10.8)	(8.4)
Gross profit	2,448	2,675	2,977	3,557	3,695	3,850	(31.2)	(27.6)	(22.7)
SG&A	(1,755)	(1,788)	(1,813)	(1,851)	(1,872)	(2,211)	(5.2)	(4.5)	(18.0)
EBIT	694	887	1,164	1,707	1,823	1,638	(59.4)	(51.4)	(28.9)
Interest expense	(391)	(361)	(258)	(340)	(313)	(330)	15.0	15.4	(21.8)
Equity income	239	247	260	180	186	188	33.0	32.7	37.8
Core profit	804	977	1,284	1,675	1,802	1,605	(52.0)	(45.8)	(20.0)
Core EPS (THB)	2.27	2.75	3.62	4.72	5.08	4.52	(52.0)	(45.8)	(20.0)
<b>Key ratios</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(ppt)</b>
Gross margin	9.0	9.5	10.1	11.4	11.5	11.8	(2.4)	(2.0)	(1.7)
EBITDA margin	7.3	7.9	8.5	9.7	9.8	9.1	(2.3)	(1.9)	(0.6)
EBIT margin	2.5	3.1	3.9	5.5	5.7	5.0	(2.9)	(2.5)	(1.1)
Core profit margin	3.0	3.5	4.4	5.4	5.6	4.9	(2.4)	(2.1)	(0.5)

Source: FSSIA estimates

**Exhibit 3: One-year rolling forward P/E band**



Sources: Bloomberg, FSSIA estimates

**Exhibit 4: One-year rolling forward P/BV band**



Sources: Bloomberg, FSSIA estimates

## Financial Statements

### AAPICO Hitech

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	30,034	26,588	27,204	28,156	29,474
Cost of goods sold	(26,522)	(24,277)	(24,756)	(25,481)	(26,497)
<b>Gross profit</b>	<b>3,512</b>	<b>2,311</b>	<b>2,448</b>	<b>2,675</b>	<b>2,977</b>
Other operating income	-	-	-	-	-
Operating costs	(1,729)	(1,759)	(1,755)	(1,788)	(1,813)
<b>Operating EBITDA</b>	<b>3,046</b>	<b>1,851</b>	<b>1,995</b>	<b>2,214</b>	<b>2,512</b>
Depreciation	(1,262)	(1,299)	(1,301)	(1,327)	(1,348)
Goodwill amortisation	-	-	-	-	-
<b>Operating EBIT</b>	<b>1,784</b>	<b>552</b>	<b>694</b>	<b>887</b>	<b>1,164</b>
Net financing costs	(446)	(313)	(356)	(324)	(220)
Associates	132	232	239	247	260
Recurring non-operating income	488	620	609	631	622
Non-recurring items	(161)	26	0	0	0
<b>Profit before tax</b>	<b>1,664</b>	<b>884</b>	<b>947</b>	<b>1,193</b>	<b>1,567</b>
Tax	(82)	(137)	(142)	(215)	(282)
<b>Profit after tax</b>	<b>1,583</b>	<b>748</b>	<b>805</b>	<b>978</b>	<b>1,285</b>
Minority interests	28	(1)	(1)	(1)	(1)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>1,610</b>	<b>747</b>	<b>804</b>	<b>977</b>	<b>1,284</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>161</b>	<b>(26)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>1,771</b>	<b>721</b>	<b>804</b>	<b>977</b>	<b>1,284</b>
<b>Per share (THB)</b>					
Recurring EPS *	4.99	2.03	2.27	2.75	3.62
Reported EPS	4.54	2.11	2.27	2.75	3.62
DPS	1.65	1.24	0.82	0.99	1.30
Diluted shares (used to calculate per share data)	355	355	355	355	355
<b>Growth</b>					
Revenue (%)	7.4	(11.5)	2.3	3.5	4.7
Operating EBITDA (%)	16.0	(39.2)	7.8	11.0	13.5
Operating EBIT (%)	21.2	(69.1)	25.8	27.9	31.3
Recurring EPS (%)	3.7	(59.3)	11.6	21.5	31.3
Reported EPS (%)	(11.7)	(53.6)	7.7	21.5	31.3
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	11.7	8.7	9.0	9.5	10.1
Gross margin exc. depreciation (%)	15.9	13.6	13.8	14.2	14.7
Operating EBITDA margin (%)	10.1	7.0	7.3	7.9	8.5
Operating EBIT margin (%)	5.9	2.1	2.5	3.2	4.0
Net margin (%)	5.9	2.7	3.0	3.5	4.4
Effective tax rate (%)	4.9	15.4	15.0	18.0	18.0
Dividend payout on recurring profit (%)	33.1	61.1	36.0	36.0	36.0
Interest cover (X)	5.1	3.7	3.7	4.7	8.1
Inventory days	53.3	55.5	52.8	51.5	50.1
Debtor days	50.3	50.4	48.2	49.6	48.9
Creditor days	100.0	98.0	88.3	87.9	84.7
Operating ROIC (%)	19.1	5.4	6.6	8.3	10.6
ROIC (%)	13.7	7.2	7.9	9.0	10.4
ROE (%)	17.3	6.8	7.5	8.6	10.6
ROA (%)	8.6	4.3	5.0	5.4	6.2
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Manufacture of auto parts	21,744	18,161	18,524	19,173	20,131
Car dealership and others	8,290	8,427	8,680	8,984	9,343

Sources: AAPICO Hitech; FSSIA estimates

## Financial Statements

### AAPICO Hitech

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	1,771	721	804	977	1,284
Depreciation	1,262	1,299	1,301	1,327	1,348
Associates & minorities	(28)	1	1	1	1
Other non-cash items	1,582	151	(903)	(110)	77
Change in working capital	(1,022)	(602)	(158)	(227)	(235)
<b>Cash flow from operations</b>	<b>3,565</b>	<b>1,570</b>	<b>1,045</b>	<b>1,969</b>	<b>2,474</b>
Capex - maintenance	(617)	(812)	(399)	(350)	(350)
Capex - new investment	(265)	(348)	(171)	(150)	(150)
Net acquisitions & disposals	2,535	79	1	2	3
Other investments (net)	(1,162)	255	(36)	(39)	(58)
<b>Cash flow from investing</b>	<b>492</b>	<b>(826)</b>	<b>(605)</b>	<b>(537)</b>	<b>(555)</b>
Dividends paid	(589)	(441)	(290)	(352)	(462)
Equity finance	0	0	0	0	0
Debt finance	(1,320)	(714)	(94)	(252)	(635)
Other financing cash flows	(598)	(937)	1	1	1
<b>Cash flow from financing</b>	<b>(2,507)</b>	<b>(2,092)</b>	<b>(383)</b>	<b>(603)</b>	<b>(1,096)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>(250)</b>	<b>73</b>	<b>(38)</b>	<b>(739)</b>	<b>(841)</b>
<b>Movement in cash</b>	<b>1,300</b>	<b>(1,274)</b>	<b>19</b>	<b>90</b>	<b>(17)</b>
Free cash flow to firm (FCFF)	4,520.66	1,155.40	830.91	1,792.89	2,177.93
Free cash flow to equity (FCFE)	1,888.81	(833.75)	309.01	441.72	444.76

#### Per share (THB)

FCFF per share	12.74	3.26	2.34	5.05	6.14
FCFE per share	5.32	(2.35)	0.87	1.24	1.25
Recurring cash flow per share	12.93	6.12	3.39	6.19	7.63

Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	21,124	22,884	23,884	24,984	26,184
Less: Accumulated depreciation	(13,671)	(14,780)	(15,909)	(17,058)	(18,228)
<b>Tangible fixed assets (net)</b>	<b>7,453</b>	<b>8,104</b>	<b>7,975</b>	<b>7,926</b>	<b>7,957</b>
<b>Intangible fixed assets (net)</b>	<b>3,434</b>	<b>3,200</b>	<b>3,358</b>	<b>3,280</b>	<b>3,201</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	1,309	1,270	1,300	1,330	1,380
Cash & equivalents	2,067	793	812	902	884
A/C receivable	3,950	3,389	3,801	3,857	4,038
Inventories	3,591	3,398	3,391	3,421	3,485
Other current assets	2,102	1,523	1,727	1,814	1,904
<b>Current assets</b>	<b>11,710</b>	<b>9,104</b>	<b>9,731</b>	<b>9,993</b>	<b>10,311</b>
Other assets	1,388	1,399	1,406	1,577	1,567
<b>Total assets</b>	<b>25,293</b>	<b>23,076</b>	<b>23,770</b>	<b>24,105</b>	<b>24,415</b>
Common equity	10,832	10,524	11,039	11,666	12,488
Minorities etc.	484	469	470	471	472
<b>Total shareholders' equity</b>	<b>11,317</b>	<b>10,993</b>	<b>11,510</b>	<b>12,137</b>	<b>12,960</b>
Long term debt	1,851	2,878	2,732	2,530	2,200
Other long-term liabilities	493	686	628	643	665
<b>Long-term liabilities</b>	<b>2,344</b>	<b>3,564</b>	<b>3,360</b>	<b>3,173</b>	<b>2,865</b>
A/C payable	6,832	5,513	5,833	5,794	5,880
Short term debt	4,381	2,585	2,637	2,587	2,282
Other current liabilities	421	421	430	413	428
<b>Current liabilities</b>	<b>11,633</b>	<b>8,519</b>	<b>8,900</b>	<b>8,795</b>	<b>8,590</b>
<b>Total liabilities and shareholders' equity</b>	<b>25,293</b>	<b>23,076</b>	<b>23,770</b>	<b>24,105</b>	<b>24,415</b>
Net working capital	2,391	2,377	2,657	2,884	3,118
Invested capital	15,974	16,350	16,695	16,996	17,223

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

#### Per share (THB)

Book value per share	30.53	29.66	31.11	32.88	35.19
Tangible book value per share	20.85	20.64	21.65	23.63	26.17

#### Financial strength

Net debt/equity (%)	36.8	42.5	39.6	34.7	27.8
Net debt/total assets (%)	16.5	20.2	19.2	17.5	14.7
Current ratio (x)	1.0	1.1	1.1	1.1	1.2
CF interest cover (x)	5.8	(0.6)	2.3	2.8	3.7

Valuation	2023	2024	2025E	2026E	2027E
<b>Recurring P/E (x) *</b>	<b>2.5</b>	<b>6.1</b>	<b>5.5</b>	<b>4.5</b>	<b>3.4</b>
<b>Recurring P/E @ target price (x) *</b>	<b>2.7</b>	<b>6.6</b>	<b>6.0</b>	<b>4.9</b>	<b>3.7</b>
Reported P/E (x)	2.7	5.9	5.5	4.5	3.4
Dividend yield (%)	13.3	10.0	6.6	8.0	10.5
Price/book (x)	0.4	0.4	0.4	0.4	0.4
Price/tangible book (x)	0.6	0.6	0.6	0.5	0.5
EV/EBITDA (x) **	3.0	5.2	4.7	4.1	3.4
EV/EBITDA @ target price (x) **	3.1	5.4	4.9	4.3	3.5
EV/invested capital (x)	0.6	0.6	0.6	0.5	0.5

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

Sources: AAPICO Hitech; FSSIA estimates

# AAPICO Hitech PCL (AH TB)

**FSSIA ESG rating**

★ ★

**35.14 /100**

## Exhibit 5: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★★	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★★	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★★	<b>&gt;19-39</b>	<b>Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.</b>
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

## Exhibit 6: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings						Bloomberg	
		DJSI	SET ESG	SET ESG Rating	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	67.71	5.69	4.38	4.05	4.77	4.43	4.02	Medium	57.34	BBB	22.70	60.82	67.31	1.19	35.34
Coverage	66.17	5.16	4.33	3.94	4.81	4.43	3.83	Medium	56.41	BBB	18.92	59.20	65.82	1.38	35.46
AH	35.14	--	Y	A	5.00	4.00	Certified	--	--	--	--	30.05	--	--	47.73
IRC	26.17	--	--	A	5.00	5.00	--	--	--	--	--	49.34	--	--	--
SAT	43.39	--	Y	AA	5.00	5.00	Certified	--	--	--	--	55.29	29.00	--	57.08
STANLY	9.00	--	--	--	4.00	--	--	--	--	--	--	--	--	--	--

Sources: [SETTRADE.com](http://SETTRADE.com); FSSIA's compilation

## Exhibit 7: ESG score by Bloomberg

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>ESG financial materiality scores - ESG score</b>	—	—	<b>3.61</b>	<b>3.48</b>	—
BESG environmental pillar score	—	—	3.09	2.27	—
BESG social pillar score	—	—	2.87	3.57	—
BESG governance pillar score	—	—	5.22	5.25	—
<b>ESG disclosure score</b>	<b>39.31</b>	<b>40.71</b>	<b>48.20</b>	<b>48.20</b>	<b>47.73</b>
Environmental disclosure score	15.68	16.52	37.99	37.99	36.58
Social disclosure score	21.01	24.37	25.39	25.39	25.39
Governance disclosure score	81.10	81.10	81.10	81.10	81.10
<b>Environmental</b>					
Emissions reduction initiatives	Yes	Yes	Yes	Yes	Yes
Climate change policy	No	No	No	No	No
Climate change opportunities discussed	No	No	No	No	No
Risks of climate change discussed	No	No	No	No	No
GHG scope 1	2	2	2	0	1
GHG scope 2 location-based	2	2	2	5	6
GHG Scope 3	—	—	0	31	24
Carbon per unit of production	—	—	0	0	—
Biodiversity policy	Yes	Yes	No	No	No
Energy efficiency policy	Yes	Yes	Yes	Yes	Yes
Total energy consumption	5	3	4	4	11
Renewable energy use	—	—	—	—	—
Electricity used	4	3	3	4	11
Fuel used - natural gas	—	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

**Exhibit 8: ESG score by Bloomberg (cont.)**

<b>FY ending Dec 31</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
Fuel used - crude oil/diesel	No	No	No	No	No
Waste reduction policy	Yes	Yes	Yes	Yes	Yes
Hazardous waste	0	0	0	0	0
Total waste	10	8	8	10	9
Waste recycled	—	—	—	—	—
Waste sent to landfills	—	—	—	—	—
Environmental supply chain management	No	No	Yes	Yes	Yes
Water policy	No	Yes	Yes	Yes	Yes
Water consumption	—	—	—	—	—
<b>Social</b>					
Human rights policy	Yes	Yes	Yes	Yes	Yes
Policy against child labor	Yes	Yes	Yes	Yes	Yes
Quality assurance and recall policy	No	No	Yes	Yes	Yes
Consumer data protection policy	No	No	No	No	No
Equal opportunity policy	Yes	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No	No
Pct women in workforce	31	32	27	54	28
Pct disabled in workforce	1	1	1	4	0
Business ethics policy	Yes	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	3	1	1	0	1
Total recordable incident rate - employees	8	1	1	1	1
Training policy	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No	No
Number of employees – CSR	4,019	2,795	4,699	5,365	5,900
Employee turnover pct	15	8	13	8	12
Total hours spent by firm - employee training	—	11,206	10,632	21,923	21,701
Social supply chain management	No	Yes	Yes	Yes	Yes
<b>Governance</b>					
<b>Board size</b>	<b>8</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
<b>No. of independent directors (ID)</b>	<b>6</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>4</b>
No. of women on board	2	2	2	2	2
No. of non-executive directors on board	6	5	5	5	5
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	4	4	4	7	4
Board meeting attendance pct	88	93	93	100	100
Board duration (years)	1	1	1	1	1
Director share ownership guidelines	No	No	No	No	No
Age of the youngest director	50	51	52	50	51
Age of the oldest director	72	73	74	74	75
<b>No. of executives / company managers</b>	<b>6</b>	<b>5</b>	<b>6</b>	<b>6</b>	<b>6</b>
No. of female executives	2	2	2	2	2
Executive share ownership guidelines	No	No	No	No	No
<b>Size of audit committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of ID on audit committee	3	3	3	3	3
Audit committee meetings	4	4	4	4	4
Audit meeting attendance %	100	92	100	100	100
<b>Size of compensation committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of ID on compensation committee	3	3	3	3	3
No. of compensation committee meetings	2	2	2	5	1
Compensation meeting attendance %	100	83	100	100	100
<b>Size of nomination committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of nomination committee meetings	2	2	2	5	1
Nomination meeting attendance %	100	83	100	100	100
<b>Sustainability governance</b>					
Verification type	No	No	No	No	No

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating																			
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																			
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for <b>SETESG inclusion</b> , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. <b>SETESG Index</b> is extended from the SET ESG Ratings companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																			
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																			
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&amp;A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																			
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																			
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality &amp; peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+									
NEGL	Low	Medium	High	Severe																	
0-10	10-20	20-30	30-40	40+																	
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																			
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td><b>AAA</b></td> <td>8.571-10.000</td> <td rowspan="3"><b>Leader:</b></td> <td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td><b>AA</b></td> <td>7.143-8.570</td> </tr> <tr> <td><b>A</b></td> <td>5.714-7.142</td> </tr> <tr> <td><b>BBB</b></td> <td>4.286-5.713</td> <td rowspan="3"><b>Average:</b></td> <td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td><b>BB</b></td> <td>2.857-4.285</td> </tr> <tr> <td><b>B</b></td> <td>1.429-2.856</td> </tr> <tr> <td><b>CCC</b></td> <td>0.000-1.428</td> <td><b>Laggard:</b></td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570	<b>A</b>	5.714-7.142	<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285	<b>B</b>	1.429-2.856	<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks
<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities																		
<b>AA</b>	7.143-8.570																				
<b>A</b>	5.714-7.142																				
<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers																		
<b>BB</b>	2.857-4.285																				
<b>B</b>	1.429-2.856																				
<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks																		
Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																				
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																				
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																				
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																			
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																			

Rating regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "CG Score"; 2) "AGM Level"; 3) "Thai CAC"; and 4) THSI. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

**GENERAL DISCLAIMER**

**ANALYST(S) CERTIFICATION**

Jitra Amornthum 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 Securities Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSSIA makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSSIA has no intention to solicit investors to buy or sell any security in this report. In addition, FSSIA 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
29-Apr-2022	BUY	28.00	25-Nov-2022	BUY	42.00	29-May-2024	BUY	29.00
01-Aug-2022	BUY	29.50	11-Oct-2023	BUY	45.00			
28-Oct-2022	BUY	35.50	14-Mar-2024	BUY	35.00			

Jitra Amornthum started covering this stock from 11-Oct-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
AAPICO Hitech	AH TB	THB 12.40	HOLD	Downside risks to our P/E-based TP include 1) weak global automotive demand; 2) higher raw material prices and utility costs; 3) global semiconductor shortages; and 4) fluctuations in the THB. Upside risks to our P/E-based TP include 1) consumer spending recovering quicker than anticipated; 2) financial institutions easing lending restrictions; and 3) the government implementing policies to boost automotive sales.

Source: FSSIA estimates

**Additional Disclosures**

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

All share prices are as at market close on 18-Mar-2025 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.