



AAPICO HITECH PLC (AH)

1Q 2021 EARNINGS RESULT PRESENTATION

WWW.AAPICO.COM



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ir@aapico.com | +66-(0)-2613-1504

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APPENDICES

SECTION 1: COMPANY INFORMATION

AAPICO AT A GLANCE

AAPICO Hitech Public Company Limited



Founded in
1996

Listed in the Stock
Exchange of Thailand (SET)

2002

39.35%

Shares mainly owns by
Mr.Yeap Swee Chuan and
Family (as of 16 Mar 21)



46

Subsidiaries and
Associate Companies
across the World

Remark: Information as of 31 Mar 21

32

Companies in
Thailand

14

Companies in
Overseas

3 Business Units



the OEM
Automotive Parts
Manufacturing



Car Dealership



IoT Connectivity &
Mobility

Ranked

BBB+

From Tris Credit Rating

Rewarded



From National CG
Committee

Listed in



Thailand
Sustainability
Investment 2020

7.5bn

Market
Capitalization as
of 28 May 21

23.4

AH Share Price as
of 28 May 21

OUR VISION AND CORE VALUE

Becoming Lean, Green, Happy and Digital World Class Organization with 4 Fundamental Values

OUR VISION

MANUFACTURING
RESEARCH & DEVELOPMENT
CAR RETAILING



TO BE A LEAN, **GREEN**, **HAPPY**,
DIGITAL WORLD-CLASS
CORPORATION



AAPICO'S KEY FUNDAMENTAL VALUES



**HAPPY
CUSTOMERS**

- S : Safety
- Q : Quality
- C : Cost
- D : Delivery
- E : Engineering
- M : Management
(Focus Digital)



**HAPPY
EMPLOYEES**

- Teamwork
- Look at problems as opportunities
- Love Family, Company and Country
- Loyalty and Honesty
- Mutual Respect



**HAPPY
SHAREHOLDERS**

- Profitability
- Reasonable Dividend



**HAPPY
PUBLIC**

- Corporate Social Responsibility

CORE PILLARS - PRODUCTS

Composing of 3 Core Pillars with OEM Auto Parts as a Main Business



OEM AUTO PARTS MANUFACTURING BUSINESS



Thailand, Portugal and China

- METAL FORMING PARTS
- PLASTIC PARTS
- FORGING & MACHINING PARTS
- CASTING PARTS
- TOOLINGS



75%

Sales and Services Income Contribution¹



CAR DEALERSHIPS BUSINESS



Thailand and Malaysia

• THAILAND



• MALAYSIA



25%

Sales and Services Income Contribution¹



IOT CONNECTIVITY & MOBILITY BUSINESS



Thailand



SMART FACTORY



SMART MOBILITY



SMART LOCATION



SMART LOGISTICS



SMART OFFICE



SMART FARM

<1%

Sales and Services Income Contribution¹

Note:

¹ Sales and Services Income for 3 Month Period Ended 31 March 2021

AYUTTHAYA

Hitech Industrial Estate



- Metal Forming
- Jigs & Dies



- IOT Connectivity & Mobility Business



SAMUTPRAKARN

Bangpli Industrial Estate



- Plastics & Parts



BANGKOK METROPOLITAN REGION

Ford Dealership

- Samutprakarn
- Ramindra



Mitsubishi Dealership

- Navanakorn
- Pakkret
- Pathumthani



CHONBURI

Amata City Industrial Estate Chonburi



- Metal Forming
- Chassis & Structural
- Forging & Machining



RAYONG

Amata City Industrial Estate Rayong



- Metal Forming
- Fuel Tanks & Washer System

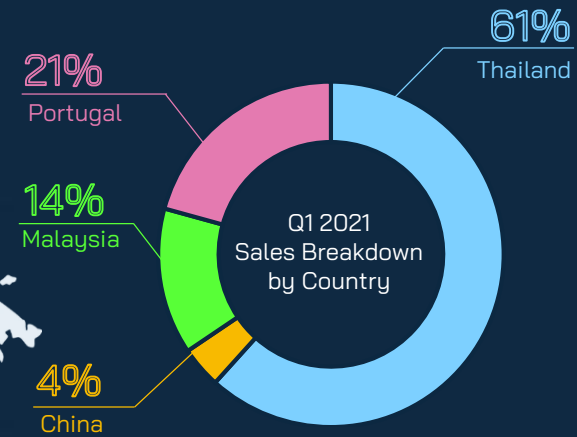


AAPICO'S FOOTPRINT

Thailand and Overseas



- AAPICO Operations
- AAPICO Offices



 **PORTUGAL:** Maia

Production: Iron casting



 **MALAYSIA**

Car dealers:

Honda  Proton 

 **CHINA:** Kunshan

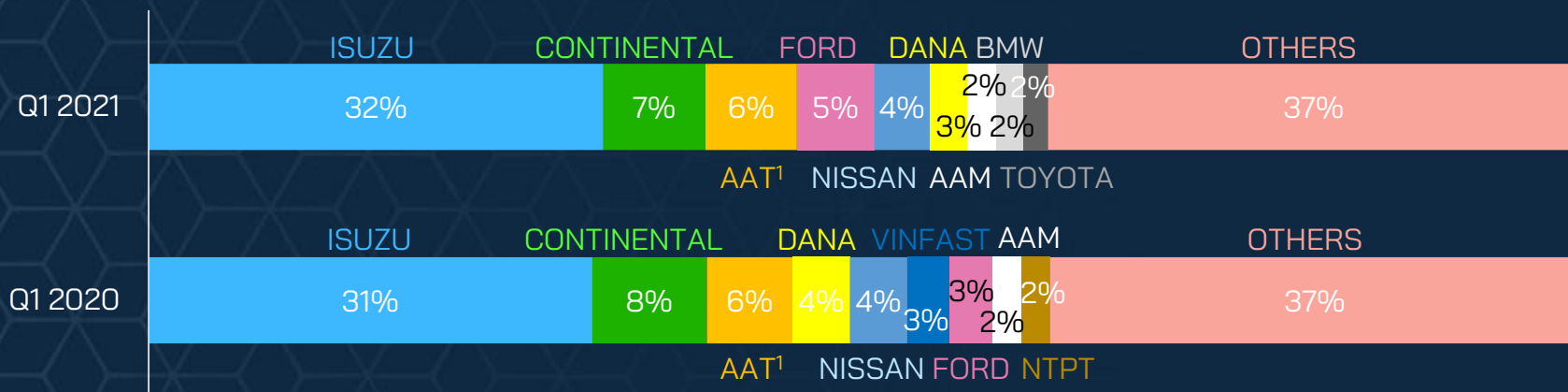
Production: Steel and Copper Forging



MAJOR OEM CUSTOMERS

ISUZU remained as our Main Customer with 32% Sales Contribution in Q1 2021

Q1 2021 VS Q1 2020 OEM Customers Contribution



Note:

¹ Auto Alliance (Thailand) Co., Ltd – a JV between Ford and Mazda.

OEM



TIER - 1



OUR JOINT VENTURES AND PARTNERS

Core Pillar of AAPICO Business

Joint Venture Companies

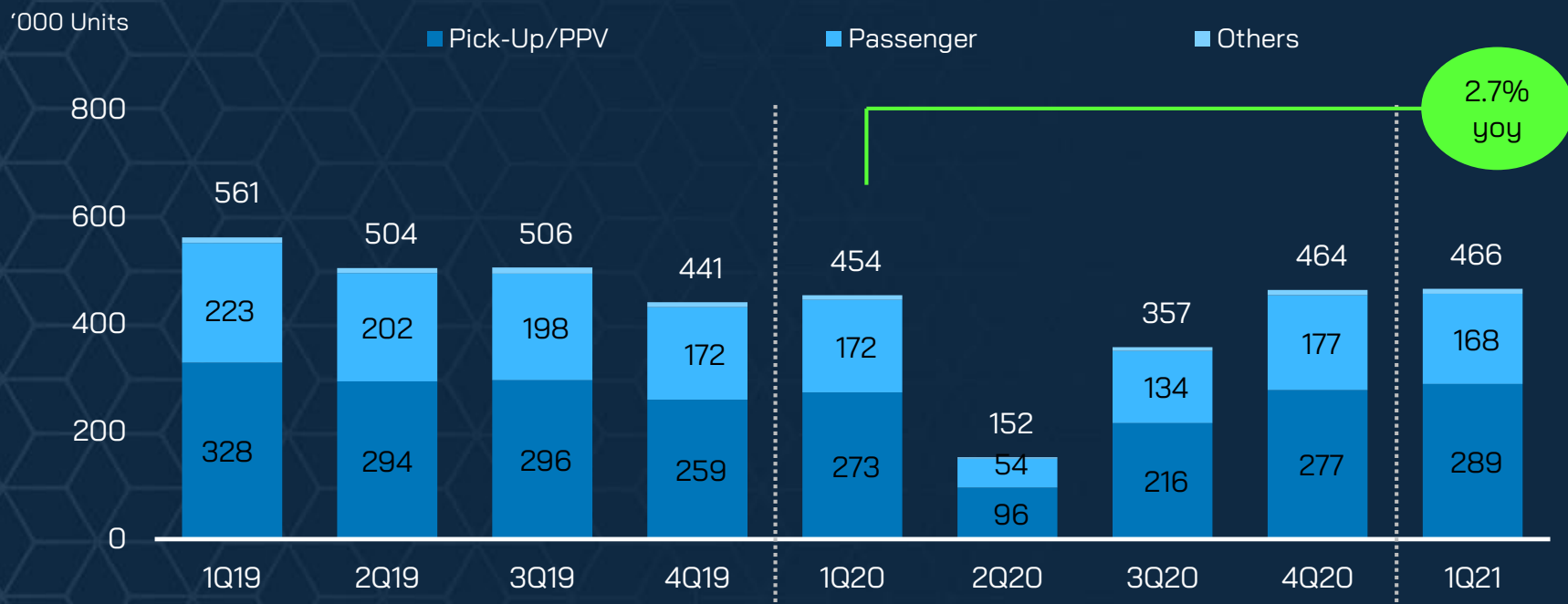


Technical Partner



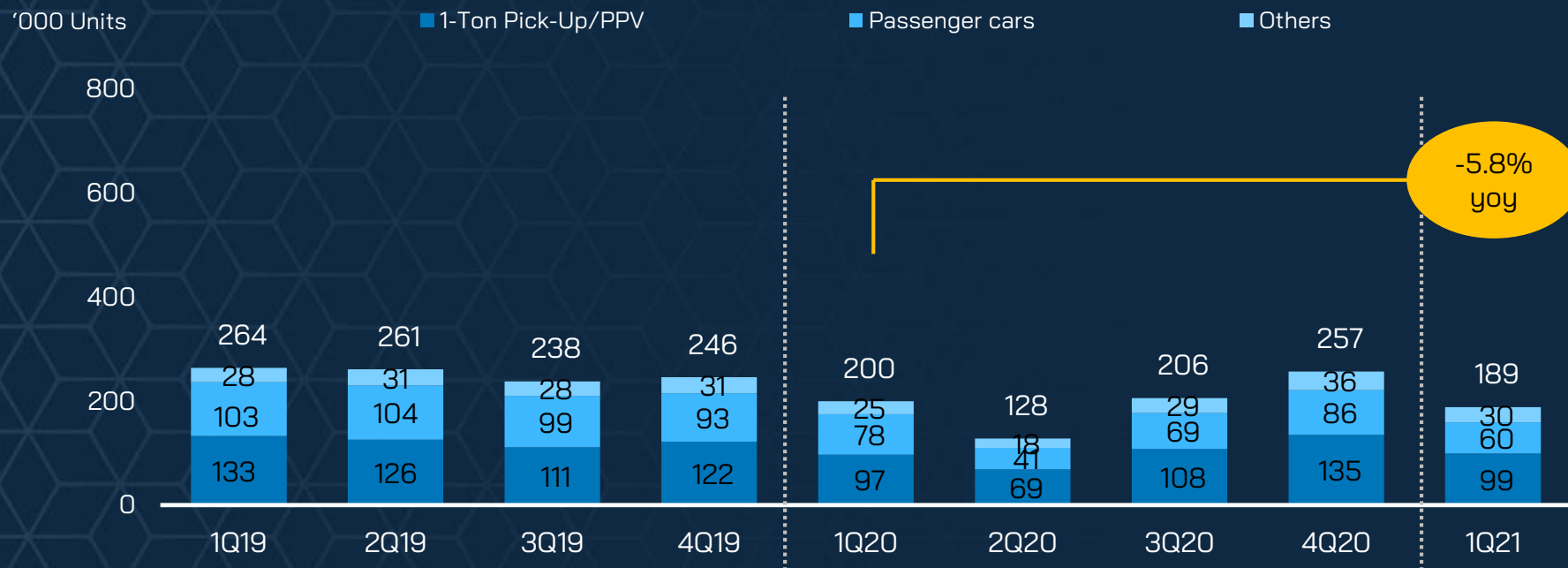
SECTION 2 : AUTOMOTIVE INDUSTRY UPDATES

Total Car Production by Quarter



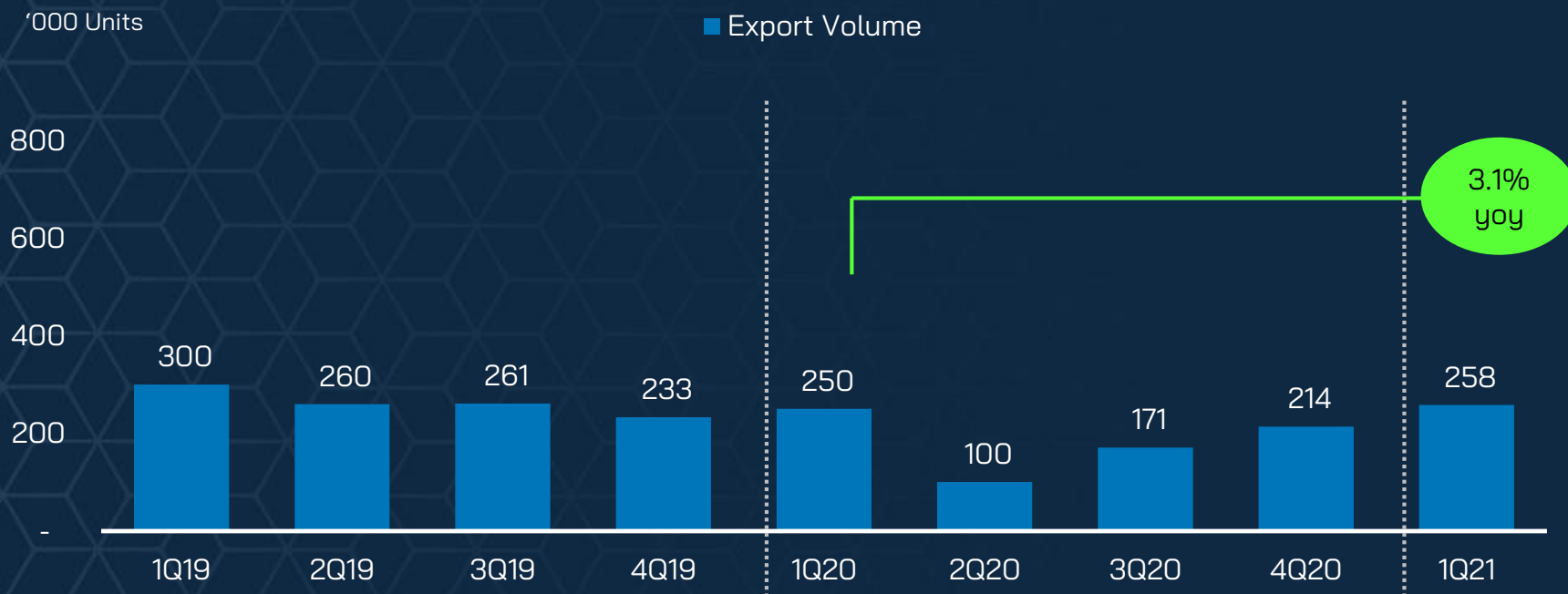
Source: The Federation of Thai Industry (Automotive Industry)

Domestic Car Sales by Quarter



Source: The Federation of Thai Industry (Automotive Industry)

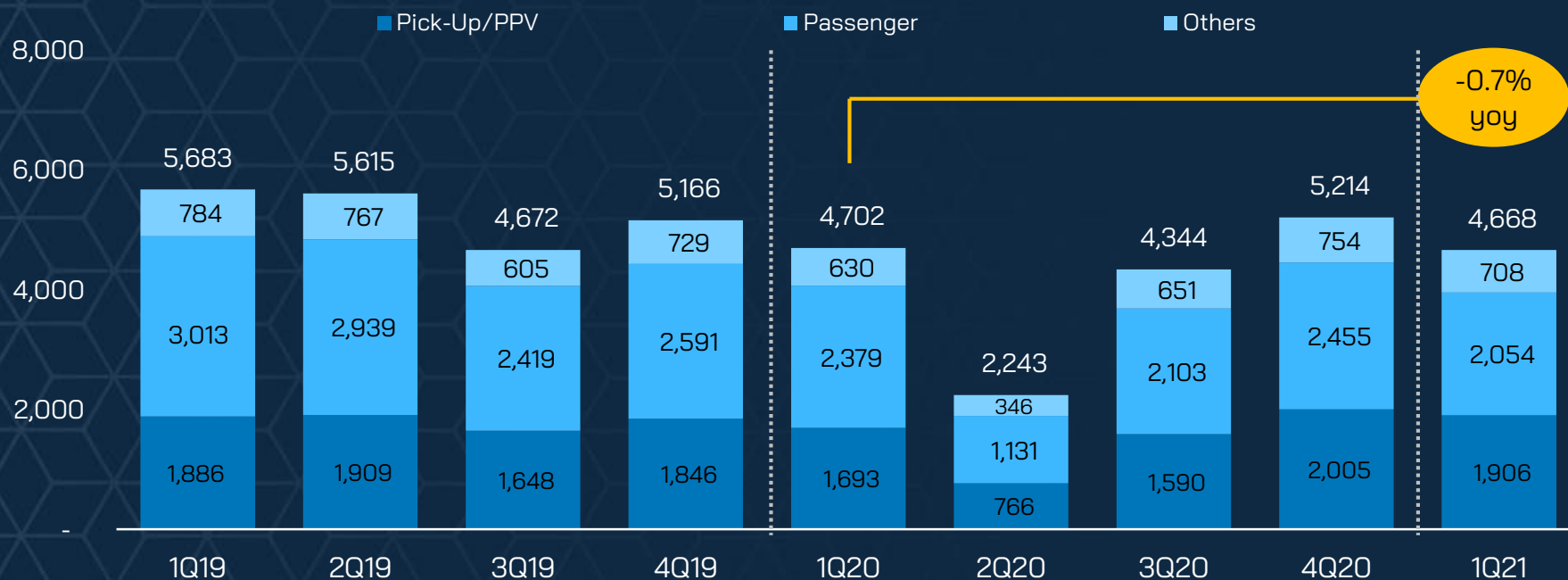
Export Volumes by Quarter



Source: The Federation of Thai Industry (Automotive Industry)

Total Car Production by Quarter












'000 Units



Source: IHS Markit – March 2021 (Automotive Industry)

THAILAND TOTAL INDUSTRY VOLUME (JAN-MAR)










Total Volume Decreased 3.0% YoY Compared to Q1 2020

No.	Brand	Q1 2021	Q1 2020	%
1	 Toyota	55,772	56,053	-0.5% ↓
2	 Isuzu	49,248	42,398	16.2% ↑
3	 Honda	24,959	28,678	-13.0% ↓
4	 Mitsubishi	12,085	16,974	-28.8% ↓
5	 Mazda	10,890	10,152	7.3% ↑
6	 Ford	8,120	7,209	12.6% ↑
7	 Nissan	8,557	13,504	-36.6% ↓
8	 MG	7,519	6,129	22.7% ↑
9	 Suzuki	5,186	6,529	-20.6% ↓
10	 Hino	3,380	2,078	62.7% ↑
11	 Others	8,421	10,360	-18.7% ↓
	Total	194,137	200,064	-3.0% ↓

Source: Toyota

MALAYSIA TOTAL INDUSTRY VOLUME (JAN-MAR)

Total Volume Surged 32.2% YoY Compared to Q1 2020

No.	Brand	Q1 2021	Q1 2020	%	
1	 PERODUA	Perodua	57,909	44,977	28.8% ↑
2		Proton	32,420	21,757	49.0% ↑
3	 HONDA	Honda	14,771	11,100	33.1% ↑
4	 TOYOTA	Toyota	16,990	10,415	63.1% ↑
5	 MITSUBISHI MOTORS	Mitsubishi	4,156	1,765	135.5% ↑
6	   	Others	13,253	15,519	-14.6% ↓
	Total	139,499	105,533	32.2%	↑

Total industry volume is expected to rise 8% to 570,000 units in 2021 as Malaysia Government has extended the Sales and Services Tax exemption for passenger vehicles for six months until end of June 2021.

Source: MAA

SECTION 3 : FINANCIAL PERFORMANCE

FINANCIAL HIGHLIGHTS

AH Group Consolidated Income Statement

(Unit: THB million)	Q1 2020	Q1 2021
Total Revenues	5,208	5,739
Sales and services income	4,920	5,586
Gain on Exchange Rate	199	102
Other Income	89	50
Cost of sales and services	4,421	4,912
Gross Profit	500	675
Gross Profit (%)	10.15%	12.08%
SG&A expenses	389	390
EBIT before share of profit from investment in Associates and JVs	398	438
Share of profit from investment in Associates and JVs	74	87
EBIT	472	525
Interest income	10	1
Finance cost	(94)	(87)
Income Tax Expenses	(66)	(25)
Net Profit to Equity Holders	321	411
Net Profit Margin (%)	6.16%	7.16%
EBITDA	707	773

Q1 2021 Key Financial Summary

- **Revenue** increased by 10.21% YOY.
- **Gross profit margin** increased from 10.15% in Q1 2020 to 12.08% in Q1 2021.
- **Selling and administrative expenses** increased by only 0.15% YOY
- **Core Operating Profit¹** reached Baht 422.68 million in Q1 2021.
- **Gain on foreign currency exchange rate** was at Baht 102.37 million in Q1 2021, compared to a gain of Baht 198.68 million in Q1 2020,
- **Net profit attributable to equity holders** was Baht 410.73 million, increased by 28.1% % YOY and reached Net Profit Margin of 7.16%

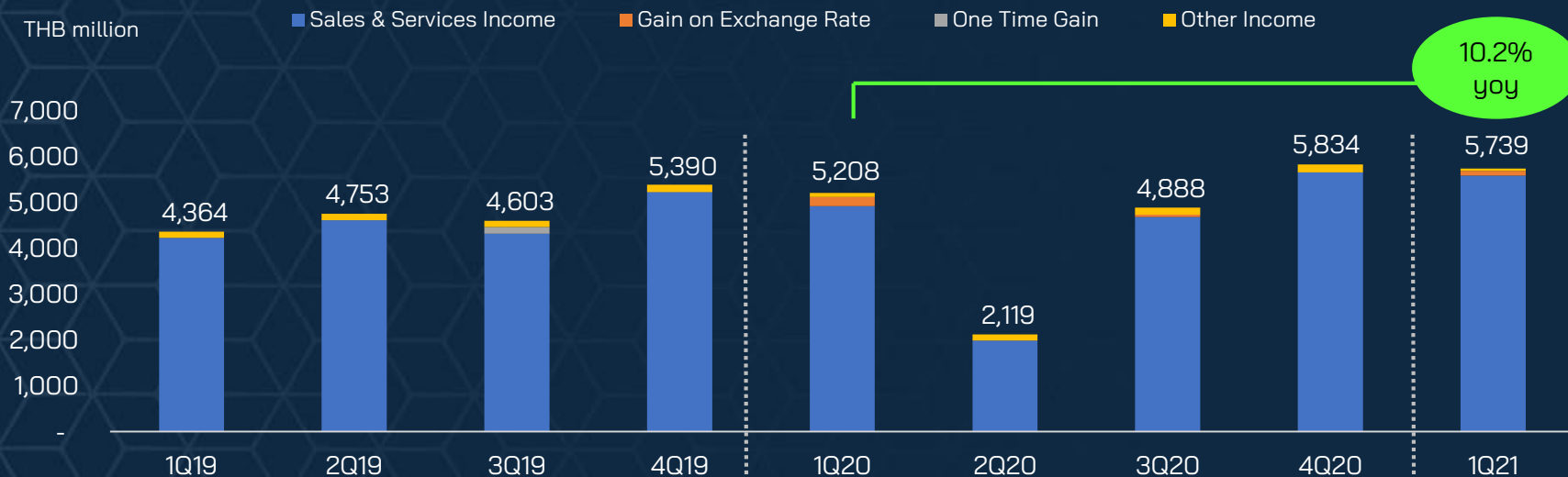
Note:

¹ Defined as EBIT exclude interest income, gain (loss) on exchange rate and other irregular items

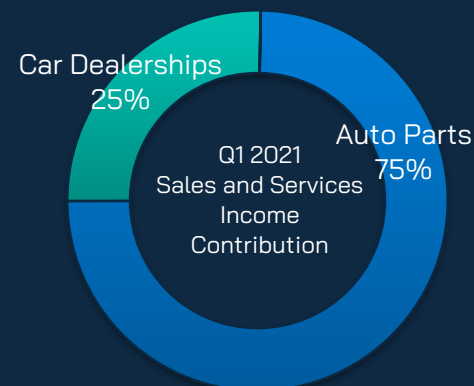
AH GROUP : REVENUE

AH Group Consolidated Income Statement

Revenue by Quarter



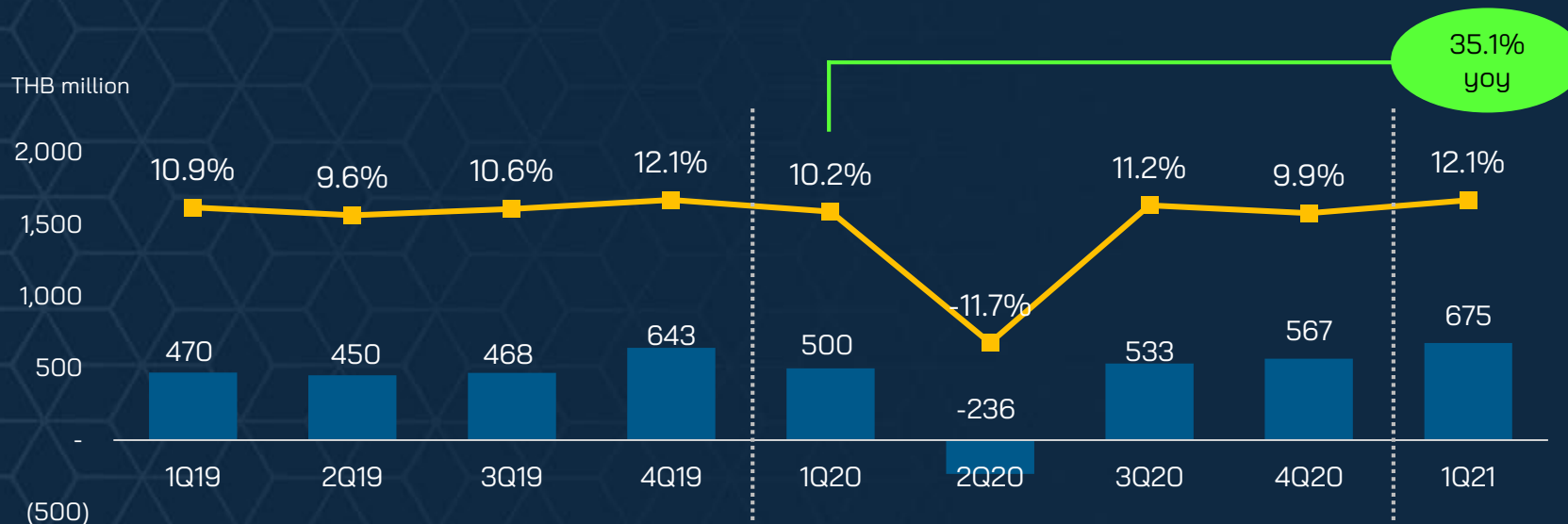
- Q1 2021 **Revenue** increased by 10.21% year-on-year. Sales and service income increased by 13.54%, with 9.39% increase in automotive parts businesses and 27.76% increase in dealership businesses respectively. The increase in revenue was higher than the industry growth (in terms of volume) of 2.68% year-on-year.



AH GROUP : GROSS PROFIT

AH Group Consolidated Income Statement

Gross Profit by Quarter

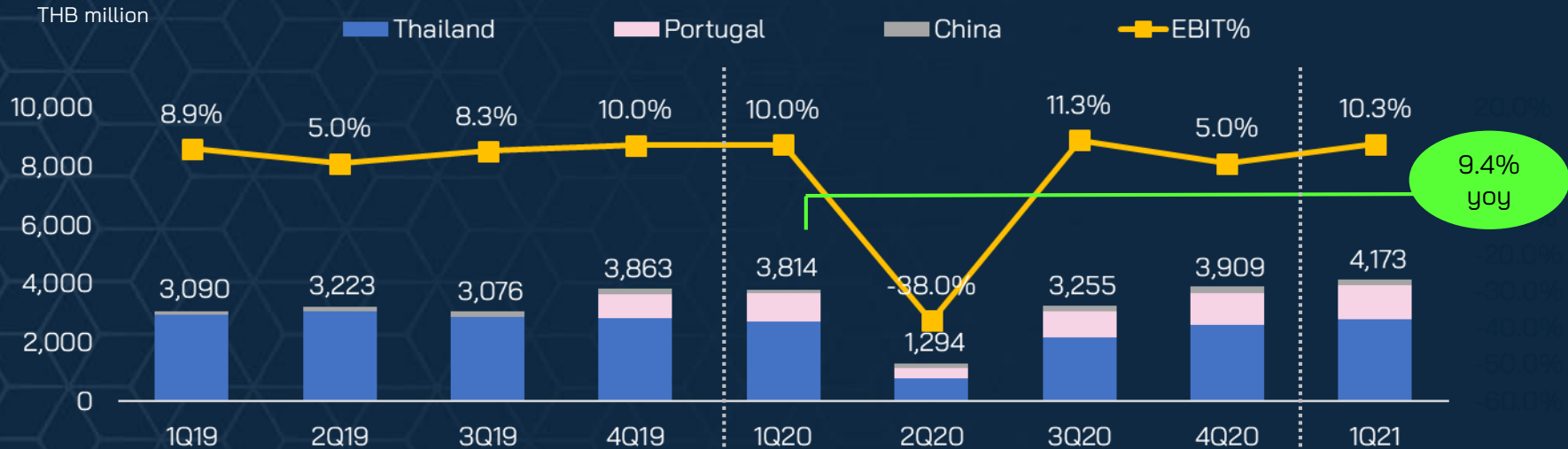


- Q1 2021 **Gross Profit Margin** increased from 10.15% in Q1 2020 to 12.08% in Q1 2021. As a result of an increase sales volume, internal cost reduction activities, productivity improvement and turnaround of Portugal contributed to the improvement of gross profit margin.

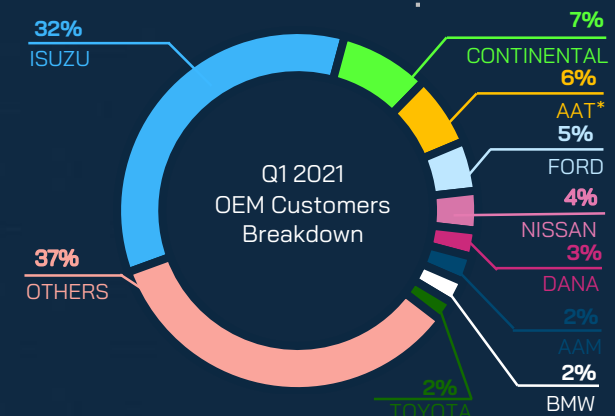
AH GROUP : AUTO PART SALES

AH Group Consolidated Income Statement

Auto Parts Sales by Quarter



- Q1 2021 sales increased by 9.4% YOY to Baht 4.2bn, largely from an increase in customer orders from existing clients and orders due to higher demand for cars and new businesses from closure of financially challenged competitors due to Covid-19.

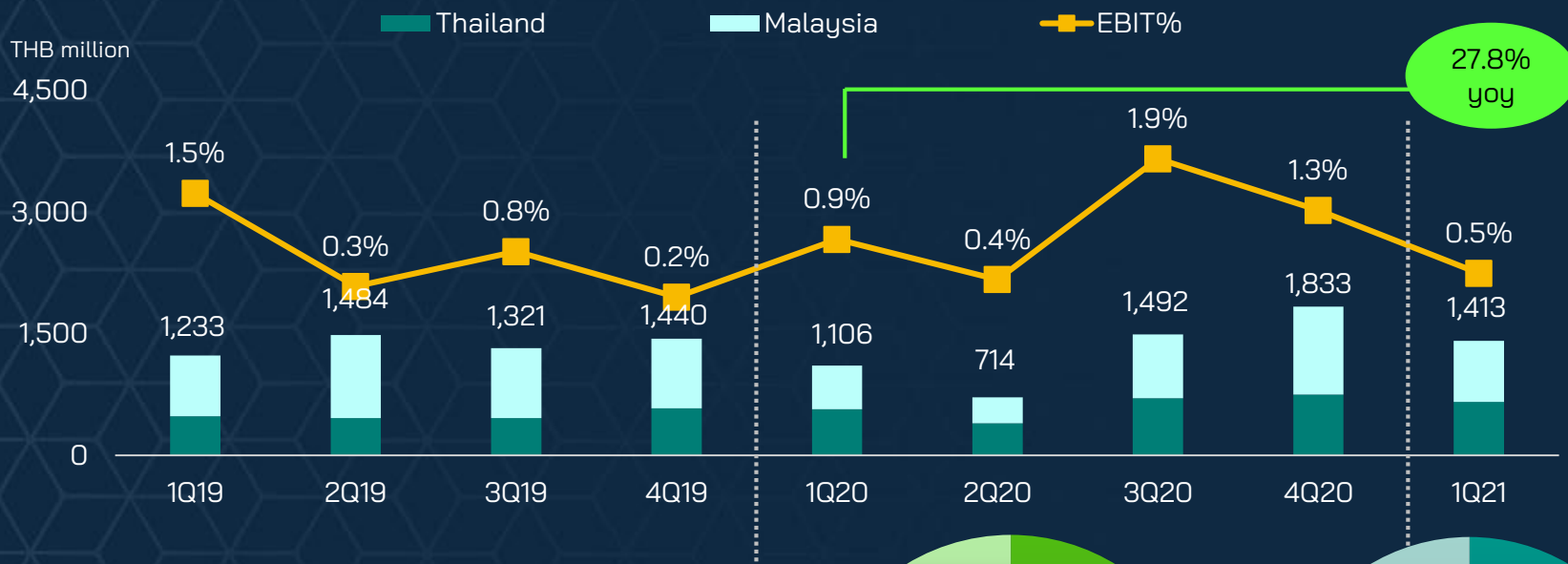


"Isuzu, our major customer, is the best performer in Q1 2021 in Thailand"

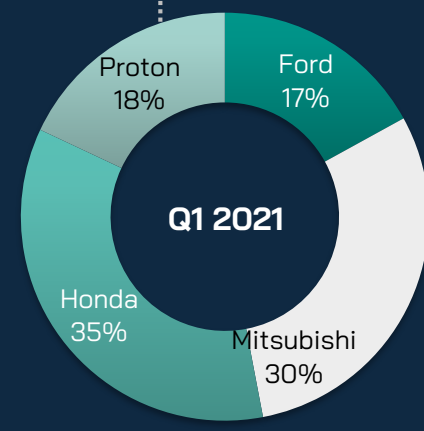
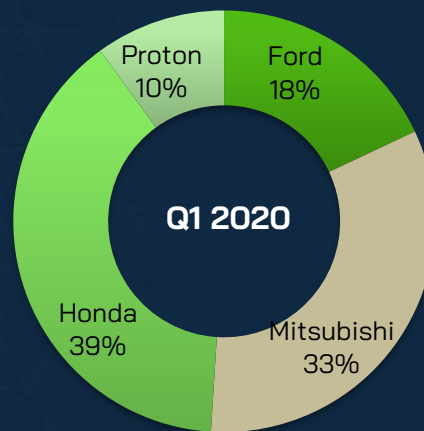
AH GROUP : CAR DEALERSHIPS SALES

AH Group Consolidated Income Statement

Car Dealership Sales by Quarter

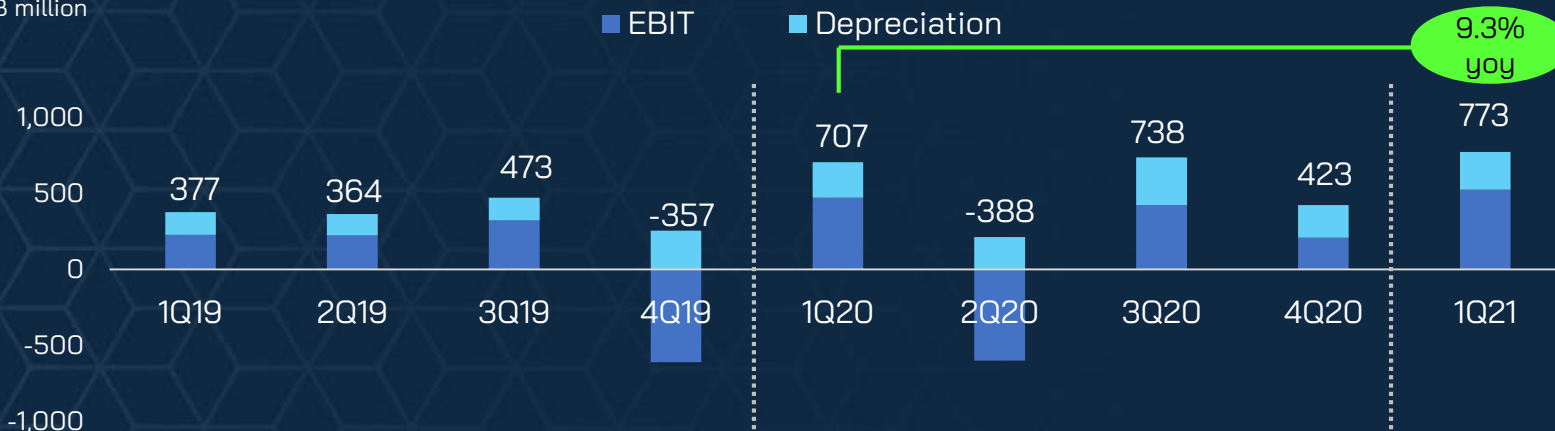


- Q1 2021 sales increased by 27.8% year on year due to Stronger sales of both dealerships in Thailand and Malaysia and openings of two new Proton dealerships in Malaysia which started in October 2020.



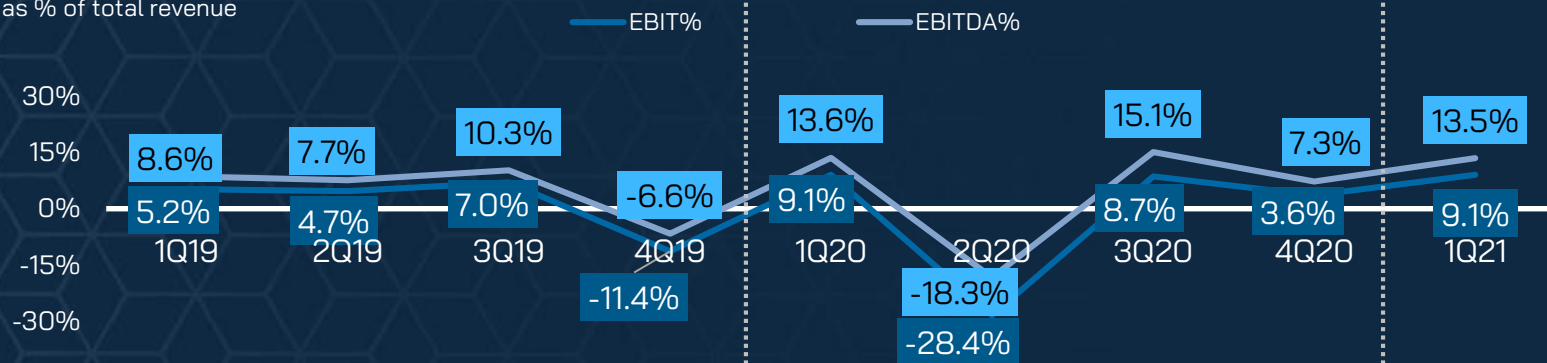
EBIT and EBITDA by quarter

THB million



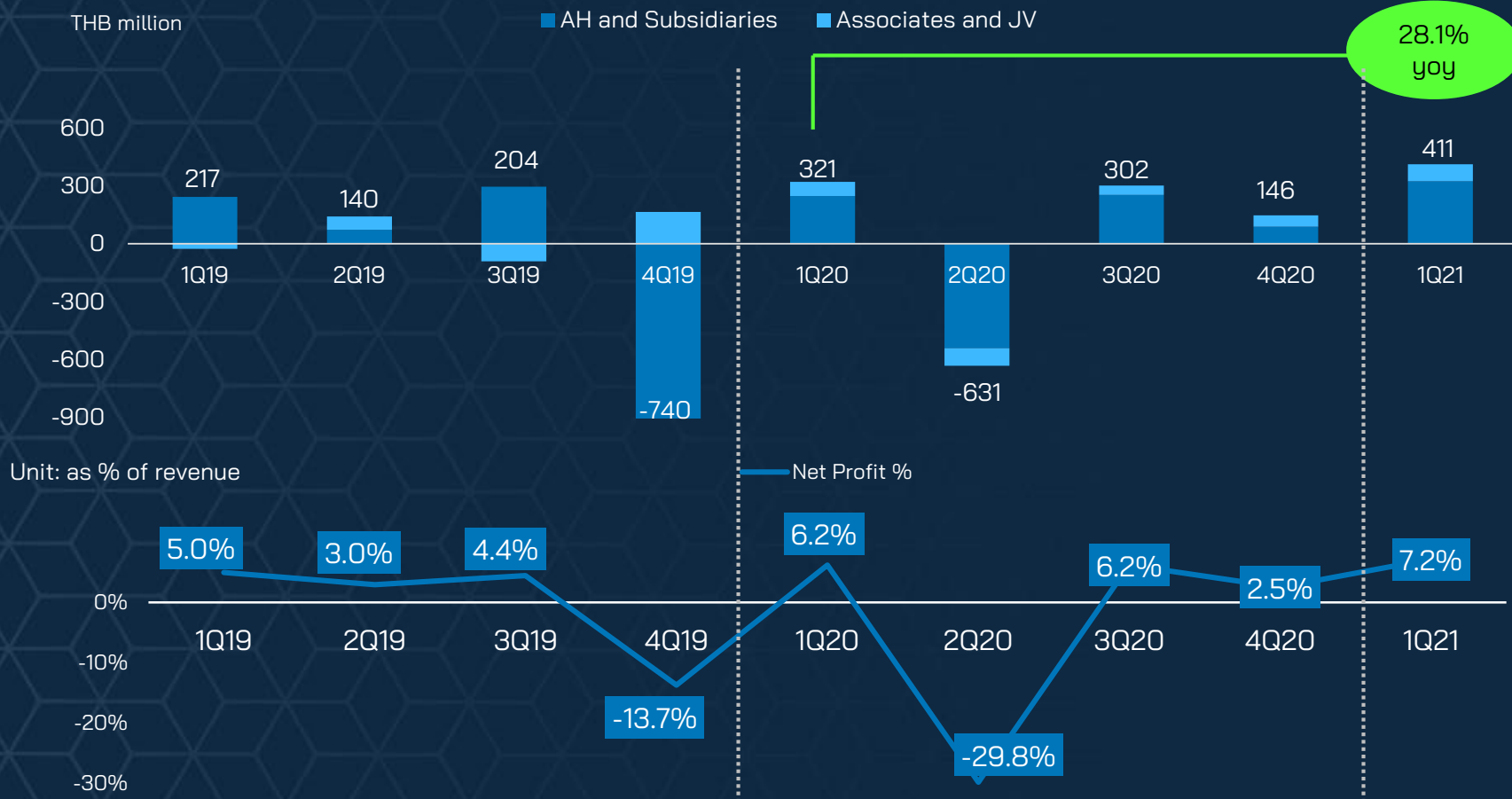
9.3%
yoy

Unit: as % of total revenue

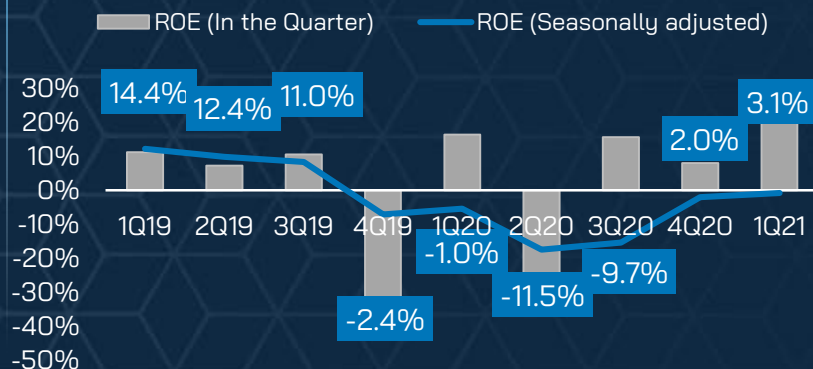


Note: EBIT & EBITDA are excluded interest income

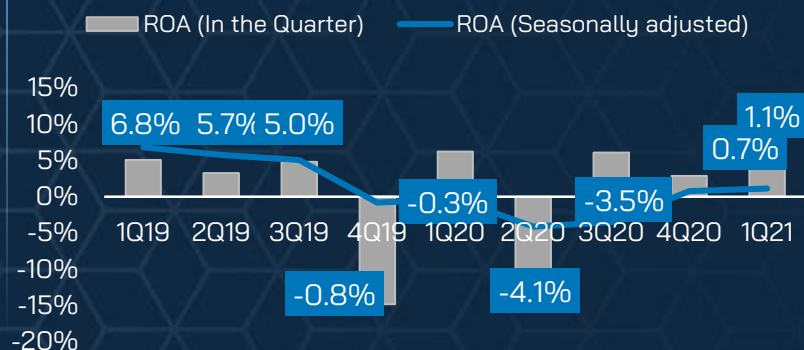
Net Profit by quarter



Return on Equity (ROE)

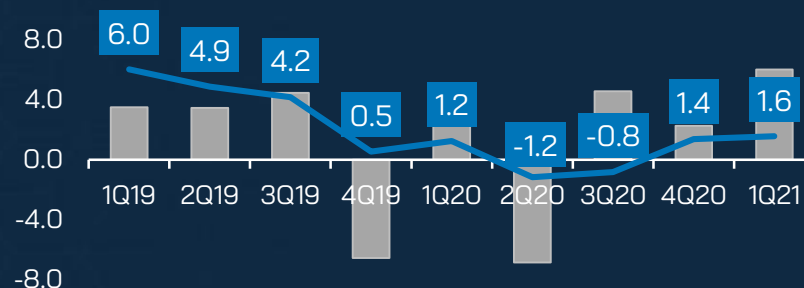


Return on Asset (ROA)

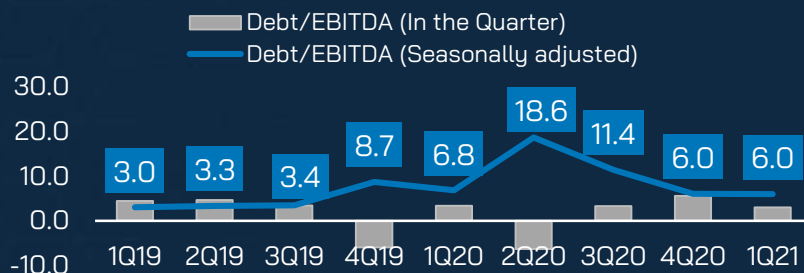


Note: EBIT & EBITDA are excluded interest income

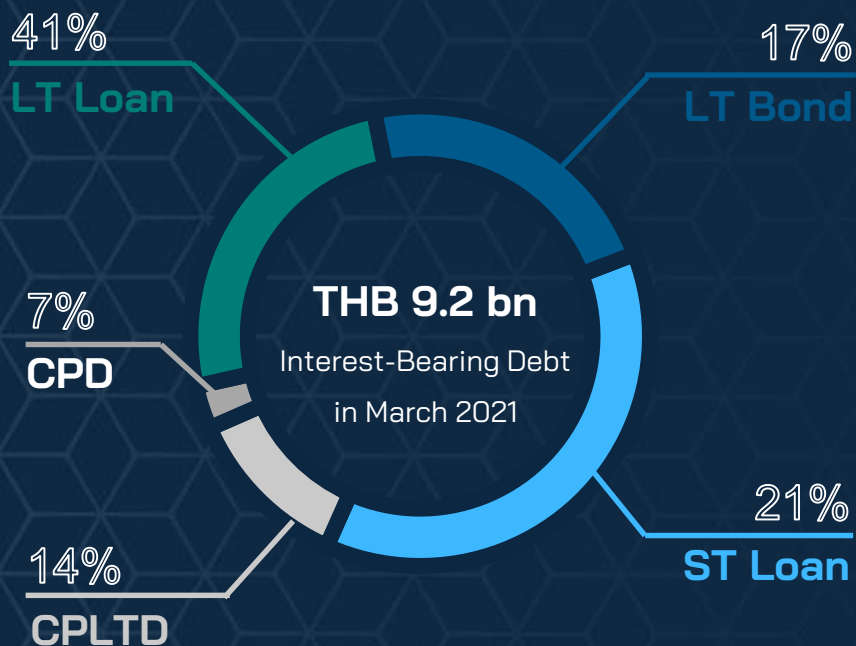
Interest Coverage Ratio (ICR)



Debt to EBITDA

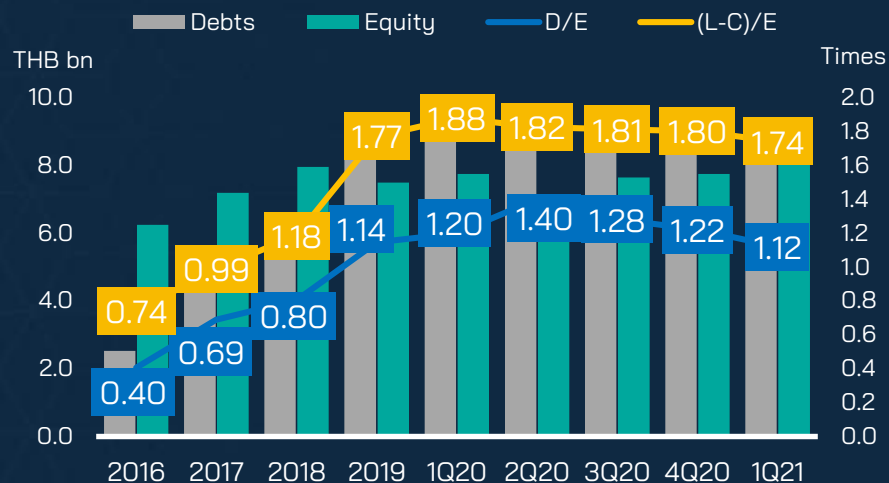


Interest-Bearing Debt



Debt Ratios

- Net interest-bearing debt to equity ratio as of March 2021 was 1.12x, compared to 1.22x as of March 2020.
- Total liabilities net cash (Net debt) to equity ratio as end of March 2021 was 1.74x.



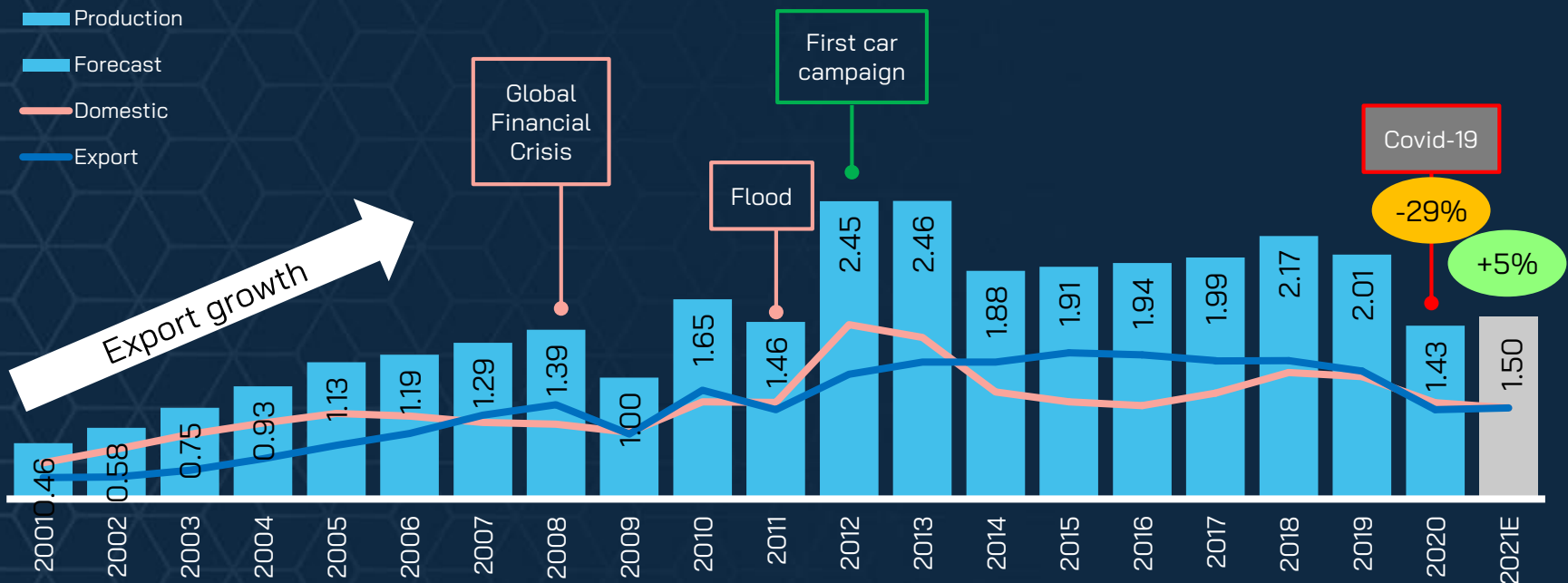
SECTION 4 : STRATEGIES AND DIRECTIONS

THAILAND AUTOMOTIVE OUTLOOK IN 2021

Total Cars Production Volume Estimation of 1.5mn in 2021

Overall Outlook in 2021

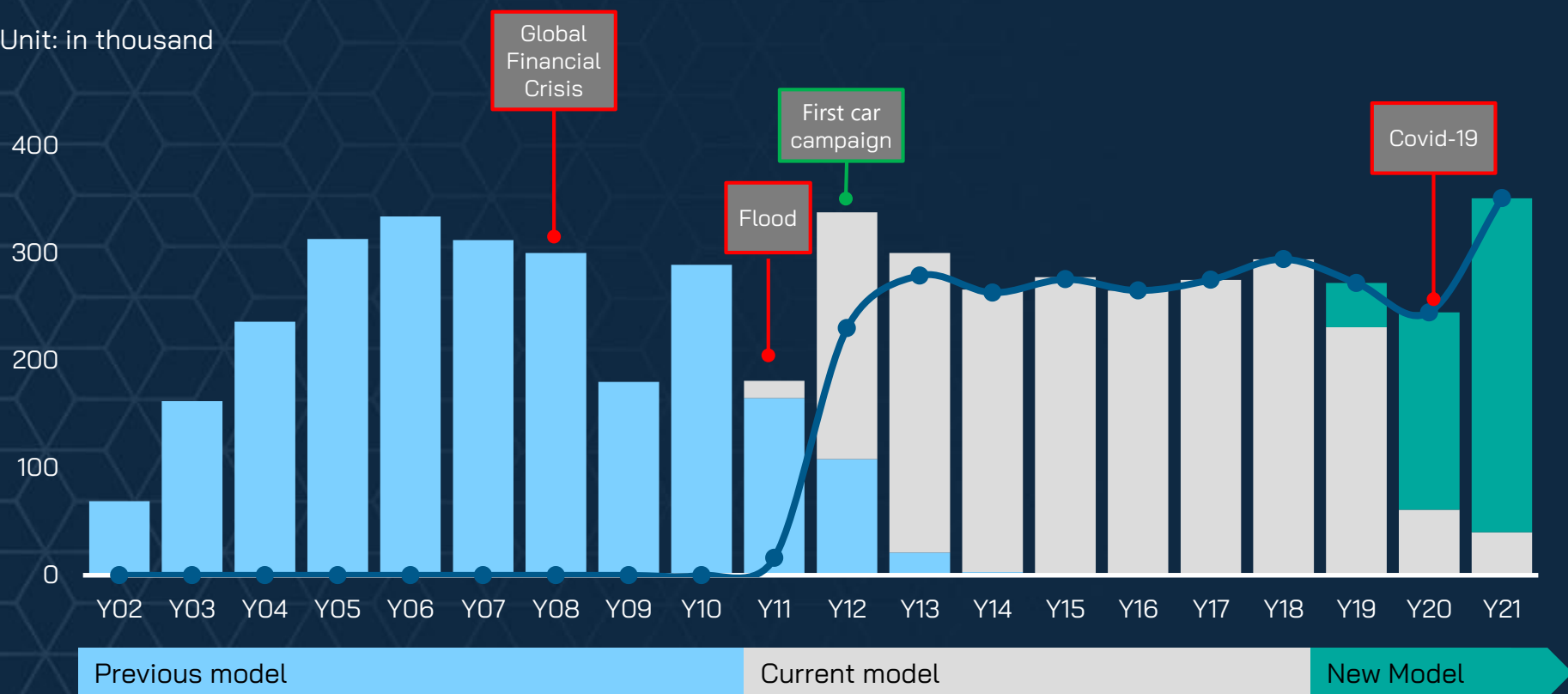
According to FTI, Thailand automotive industry in 2021 is anticipated car production volume to stand at 1.5 million cars which comprised of 750,000 units for export and 750,000 units for the domestic market.



Source: The Federation of Thai Industry (Automotive Industry)

SAMPLE MODEL LIFE FOR PICK UP – 10 YEARS

Unit: in thousand



1. Contractual obligation guarantee by customer
2. Price on material fluctuation absorb by customer

“Stable Sales Volumes and Steady Growth”

Confirmed Orders – 5 Years for Cars and 10-12 Years for Pick-up Truck

ISUZU

D-Max
Mu-X



FORD

Ranger (T6)
Raptor
Everest



NISSAN

Navara
Terra
Kicks



TOYOTA

Hilux Revo
Fortuner



HONDA

NES CRV
HRV BRV



MITSUBISHI

Triton
Pajero Sport
Mirage



MAZDA

BT-50 PRO
Mazda 2
Mazda 3

FORD

Fiesta, Focus
Eco Sport

NISSAN

Almera
Sylphy Note
March

TOYOTA

CHR Camry
Altis Vios
Yaris

HONDA

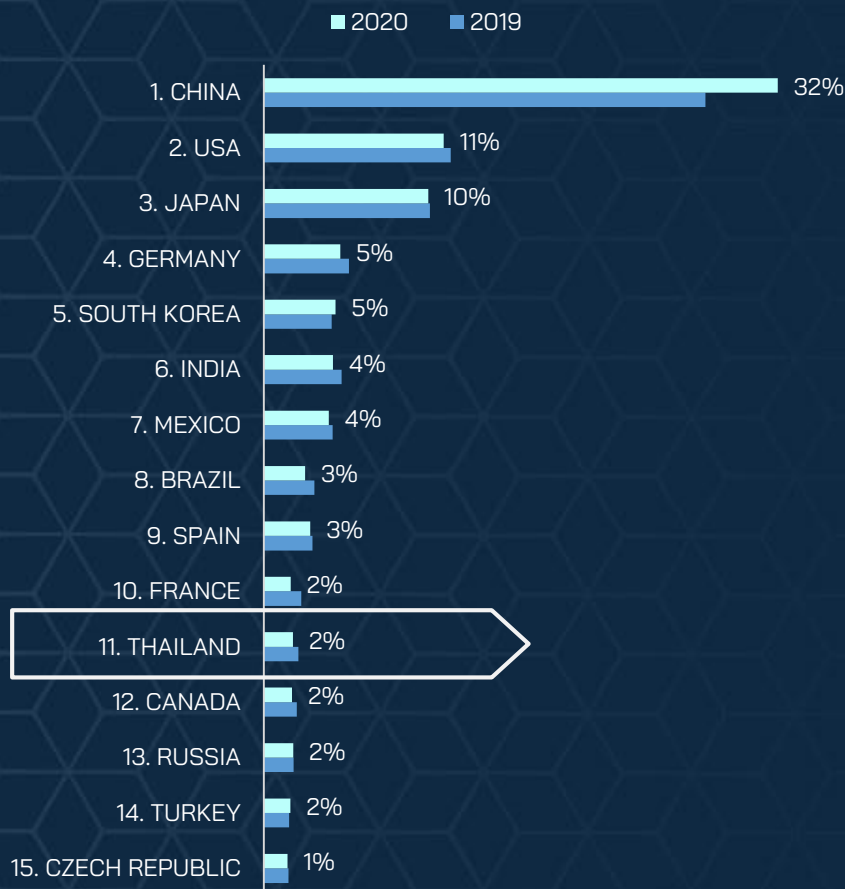
Accord Civic
City

MG

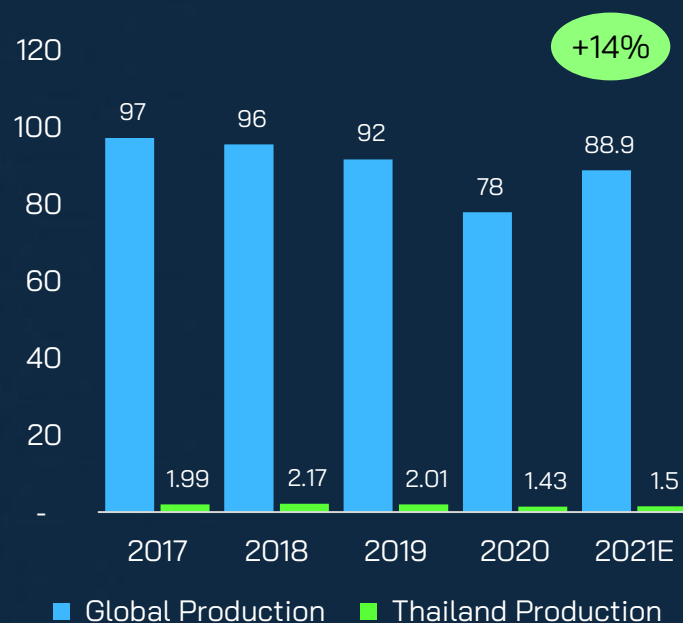
MG – ZS11
MG3 MG5



TOP 10 MOTOR VEHICLE PRODUCTION COUNTRY IN 2020



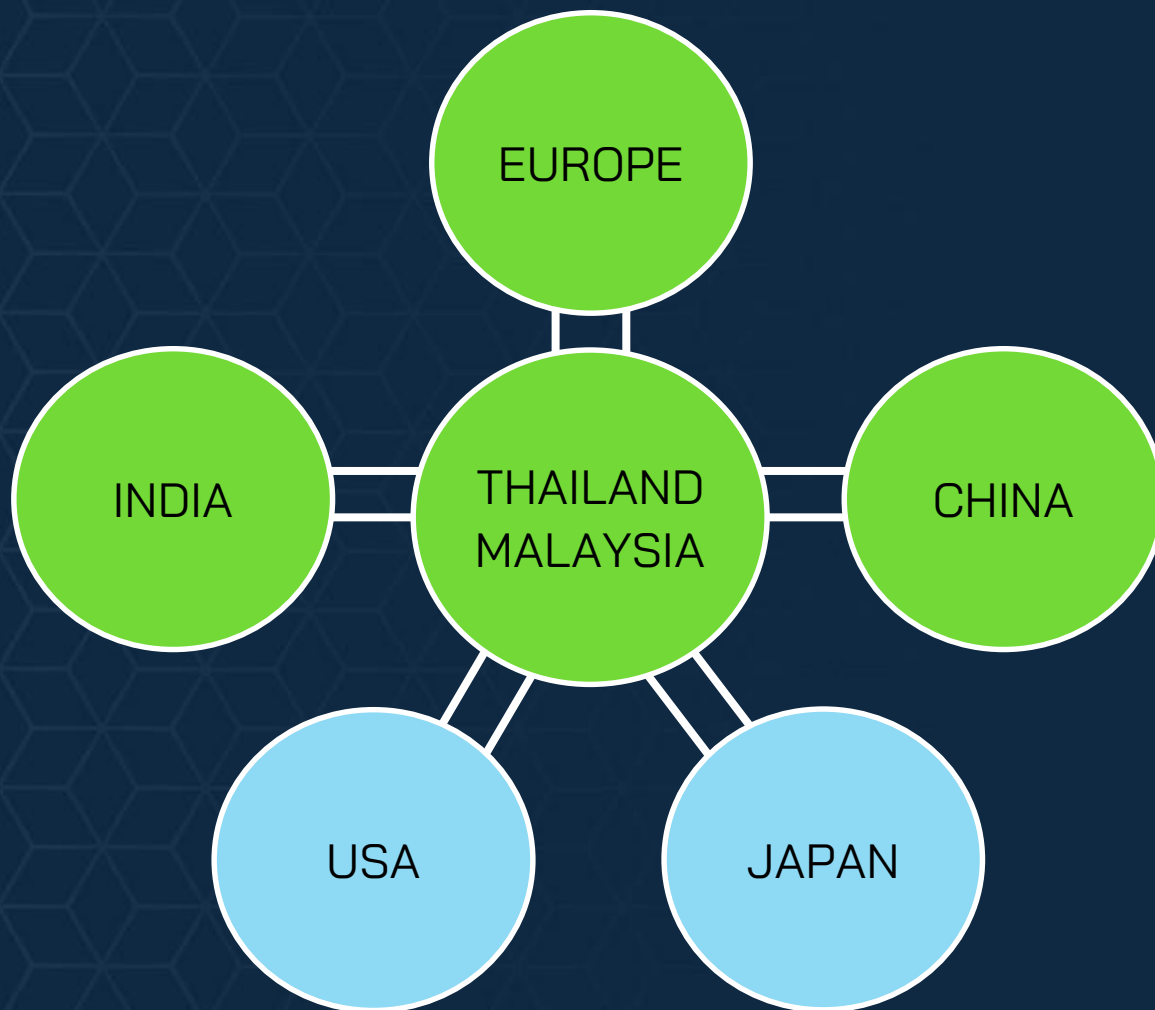
In 2021, according to IHS Markit ² forecast, it is estimated the global vehicle production to stand at 89 million cars



Source:

¹ OICA: <https://www.oica.net/category/production-statistics/2020-statistics/>

² IHS Markit: <https://ihsmarkit.com/research-analysis/light-vehicle-production-outlook-in-2021.html>



AAPICO KEY MILESTONES

Taking Steps Toward Globalization

Listing for growth

Growth Phase

Toward Globalization

2002-
2004

- Listed on SET.
- Acquired a chassis frame factory from Dana Corporation.
- Established the first Mitsubishi Car Dealership; Able Motor.



- Expanded to China.

2005-
2007

- Partnered with Sojitz Corp.
- Established JV with Mitsuike Corp.
- Acquired forging business from KPN.

2008-
2012

- JV partnered with Minth Corporation.
- JV partnered with Takagi Seiko.
- Completed the 3S showroom for Honda dealers in Malaysia.



- Commenced the operation in Kunshan (China).

2013-
2016

- Established JV with;
 - ❖ Lemtech (Taiwan)
 - ❖ Edscha (Germany)
 - ❖ Sumino (Japan)
 - ❖ Sodexia (Portugal)
- Explored opportunity in the start-up business.
- Established AAPICO Training Center.
- Issued bond with a BBB+ from TRIS Rating.



- Achieved 4-star CG rating.

2017-
2018

- Partnered with Sakthi Group and invested 25.10% or US\$100 million in Sakthi Global Auto Holding Limited (SGAH).
- Increased holding in SGAH from 25.10% to 49.99% with total investment of US\$65 million
- Established Proton Dealership in Malaysia (49%)



2019

- 40% JV partnered with Sojitz Group in Vroom for distributing and retailing of KTM, Husqvarna and Bajaj brand



- Appropriated 50.01% shares of SGAH (AH hold 100% in SGAH)
- Acquired AAPICO Maia, S.A. (Portugal) and two subsidiaries (AH directly hold 100%)
- Established two Mitsubishi Car Dealership namely Able Motors Pakkret and Able Motors Pathumthani

2020

- Established AAPICO Hyojin Autotech, a 70% subsidiary, operates the automotive assembly jigs design, manufacturing and robotic integration
- Established two Proton Car Dealership namely AAPICO Motors Kuantan and AAPICO Motors Temerloh, Malaysia.



1. Covid-19 seems to be abating globally. It augurs well for the global economy.
2. The car industry has rebounded starting from Q3 2020 and has gradually gained momentum.
3. Aapico expects revenue to grow from 2020 and expects profit to be significantly better in 2021 vs 2020.
4. Based on forecast, Aapico performance will continue to improve against 2020.
5. Q1 2021 is a reflection of the automotive industry trend locally and globally.
6. Aapico outperformed because of the product mix and winning of new businesses.
7. We have a turnaround in 2021 and are positive going forwards.

8. In China, Portugal and India where we have plant operations, the performance is also improved in 2021 vs 2020.
9. We do not have any large investments in 2021 and expect to repay significant debts in 2021 to bring down interests.
10. Steel prices have increased significantly. Fortunately, not much impact to Aapico as we can pass the price increase to the OEMs.
11. Some shortages of electronic parts. Expect to be resolved by Q3 2021.
12. Sunshine is back again from the very serious concern at the start of Covid-1



THANK YOU

SECTION 5 : APPENDICES

AAPICO Group sees the importance of sustainable business operation. Therefore, the Company has developed this sustainability framework to serve as guidelines and targets for the Company's operation and activities to keep in line with the Company's vision.

