



AAPICO HITECH PCL (AH)

2Q 2021 Quarterly Results Presentation



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

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01

A

ABOUT AAPICO



AAPICO AT A GLANCE

AAPICO Hitech Public Company Limited



Listed in the Stock
Exchange of Thailand (SET)

2002

Founded in
1996

39.35%

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

3 Business Units



the OEM
Automotive Parts
Manufacturing



Car Dealership



IoT Connectivity &
Mobility



47

Subsidiaries and
Associate Companies
across the World

Remark: Information as of 30 Jun 21

33

Companies in
Thailand

14

Companies in
Overseas

Ranked

BBB+

From Tris Credit Rating

Rewarded



From National CG
Committee

Listed in



Thailand
Sustainability
Investment 2020

8.3bn

Market
Capitalization as of
16 Aug 21

23.5

AH Share Price
as of 16 Aug 21



AAPICO BUSINESSES

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



OEM AUTO PARTS
MANUFACTURING BUSINESS

75%

Of Total Sales
contribution



CAR DEALERSHIPS BUSINESS

25%

Of Total Sales
contribution



IOT CONNECTIVITY & MOBILITY
BUSINESS

<1%

Of Total Sales
contribution

Note: Year to date 6-month ended 30 June 2021



AAPICO FOOTPRINT

We have **47 subsidiaries and associates** around the world, with **33 companies in Thailand** and **14 companies overseas**.



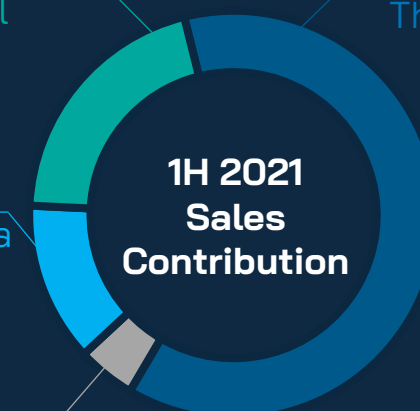
GEOGRAPHIC CONTRIBUTION

20%
Portugal

62%
Thailand

13%
Malaysia

5%
China



Note: Year to date 6-month ended 30 June 2021

Symbol Descriptions:



AAPICO
Headquarter



OEM Facilities



OEM & Dealership Facilities



Dealership Facilities



Offices



OEM AUTO PARTS MANUFACTURING BUSINESS

PRODUCTS

METAL FORMING PARTS



PLASTIC PARTS



CASTING PARTS



FORGING & MACHINING PARTS



TOOLINGS



JOINT VENTURES



TECHNICAL PARTNERS



MAJOR CUSTOMERS

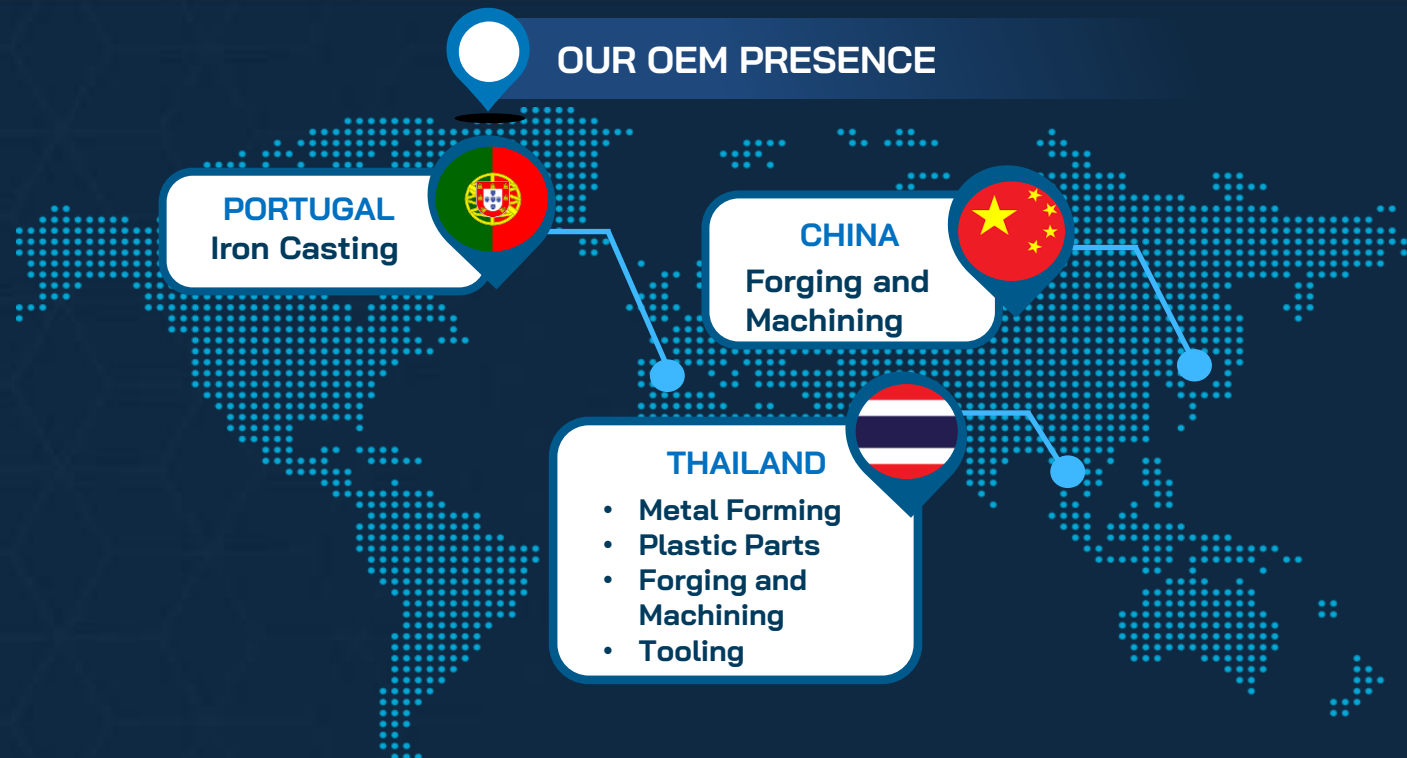
OEM



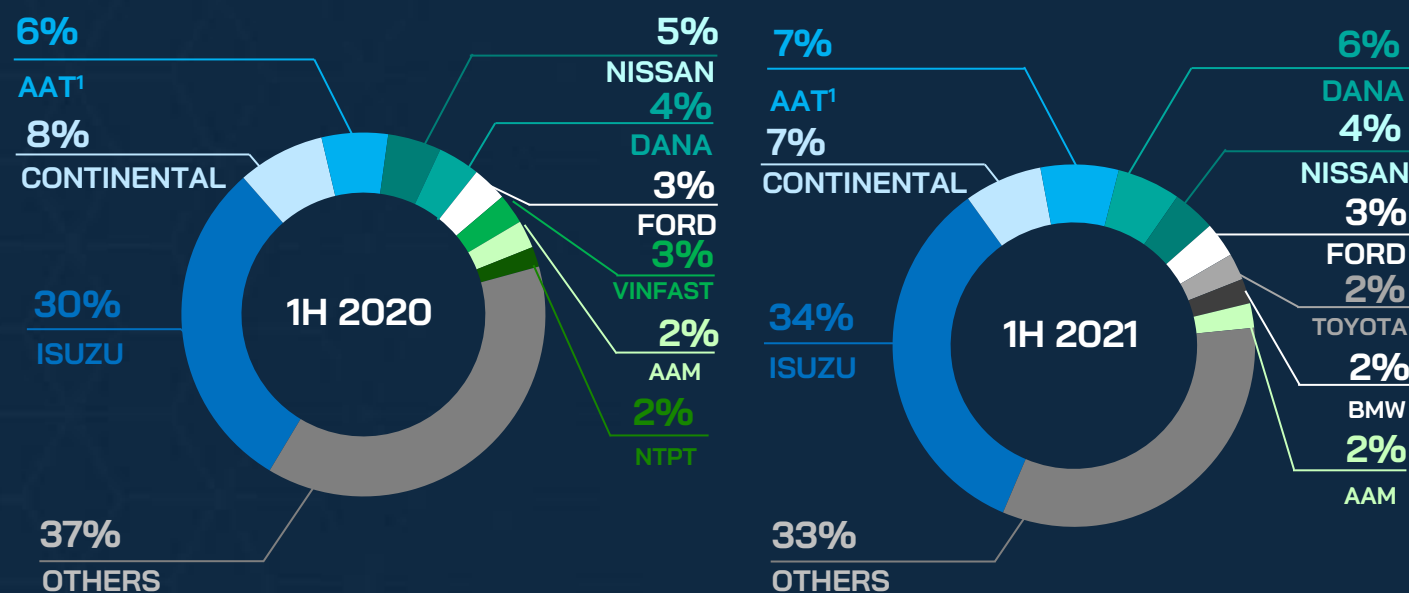
TIER - 1



OUR OEM PRESENCE



1H 2021 VS 1H 2020 OEM CUSTOMERS CONTRIBUTION



Note:

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



CAR DEALERSHIPS BUSINESS

THAILAND DEALERSHIP



Mitsubishi

- Pakkret
- Pathumthani
- Ratchada (Branch)



MG

- Pathum Thani



Ford

- Samutprakarn
- Ramindra

MALAYSIA DEALERSHIP



Honda

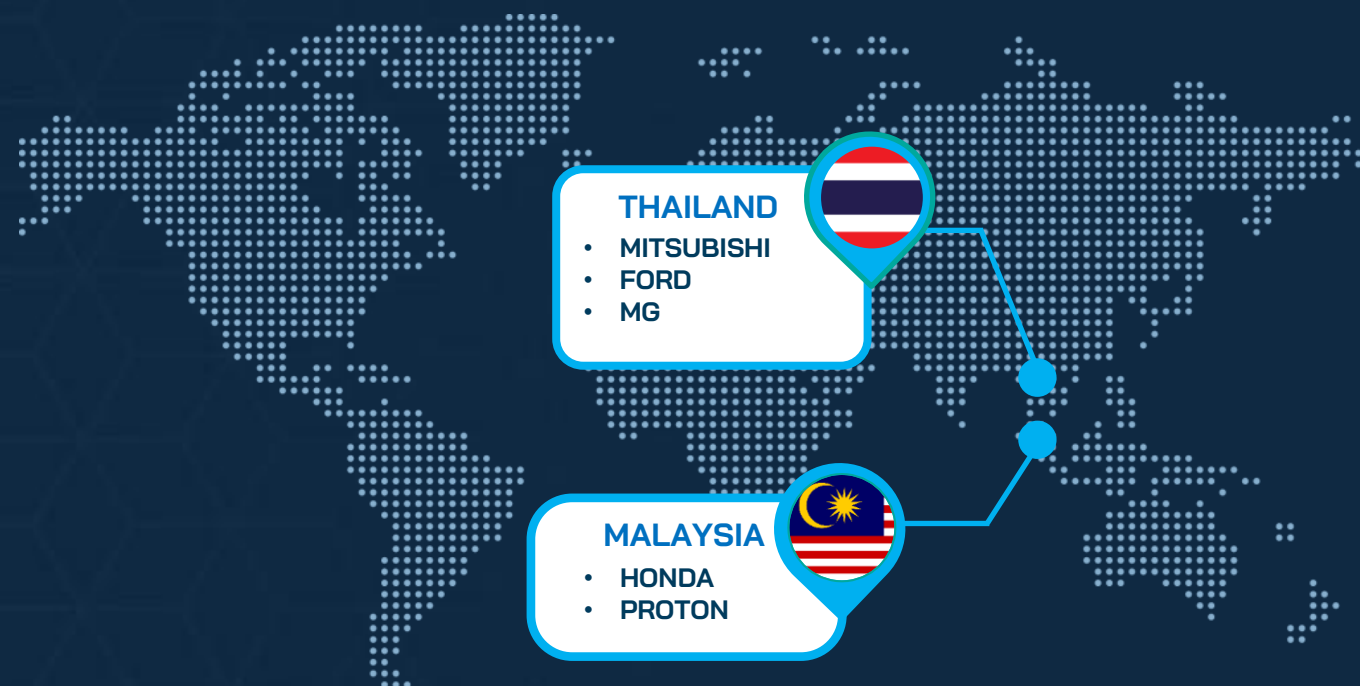
- Kajang
- Petaling Jaya



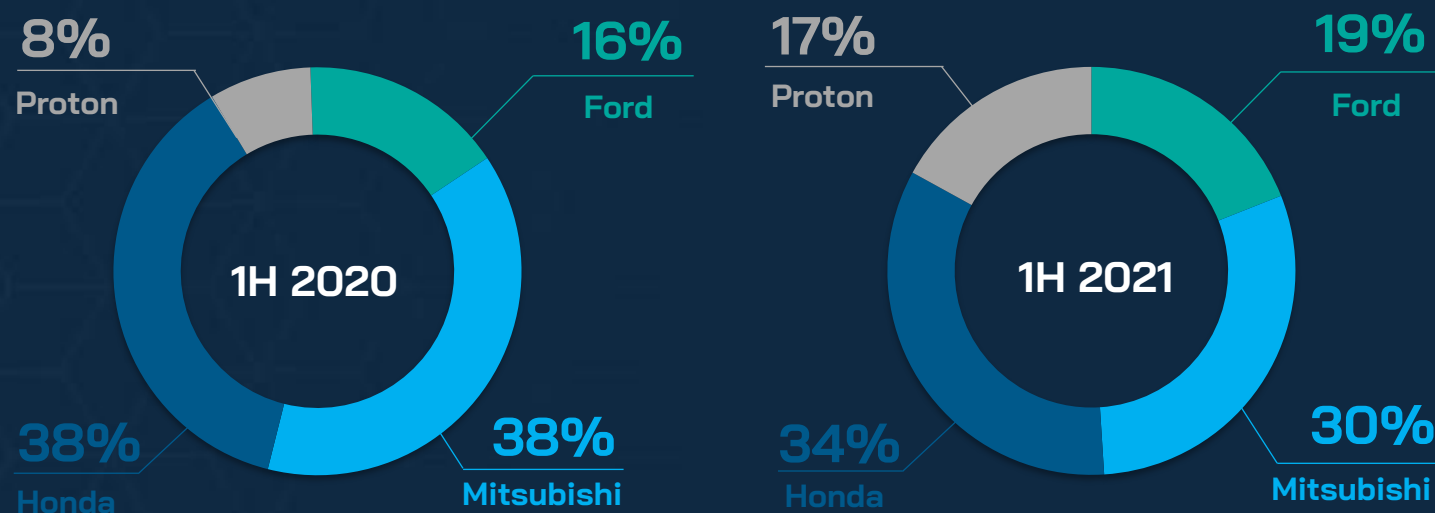
Proton

- Jalan Cheras
- Kuantan
- Temerloh

OUR CAR DEALERSHIP PRESENCE



1H 2021 VS 1H 2020 DEALERSHIPS CONTRIBUTION





IOT CONNECTIVITY & MOBILITY BUSINESS

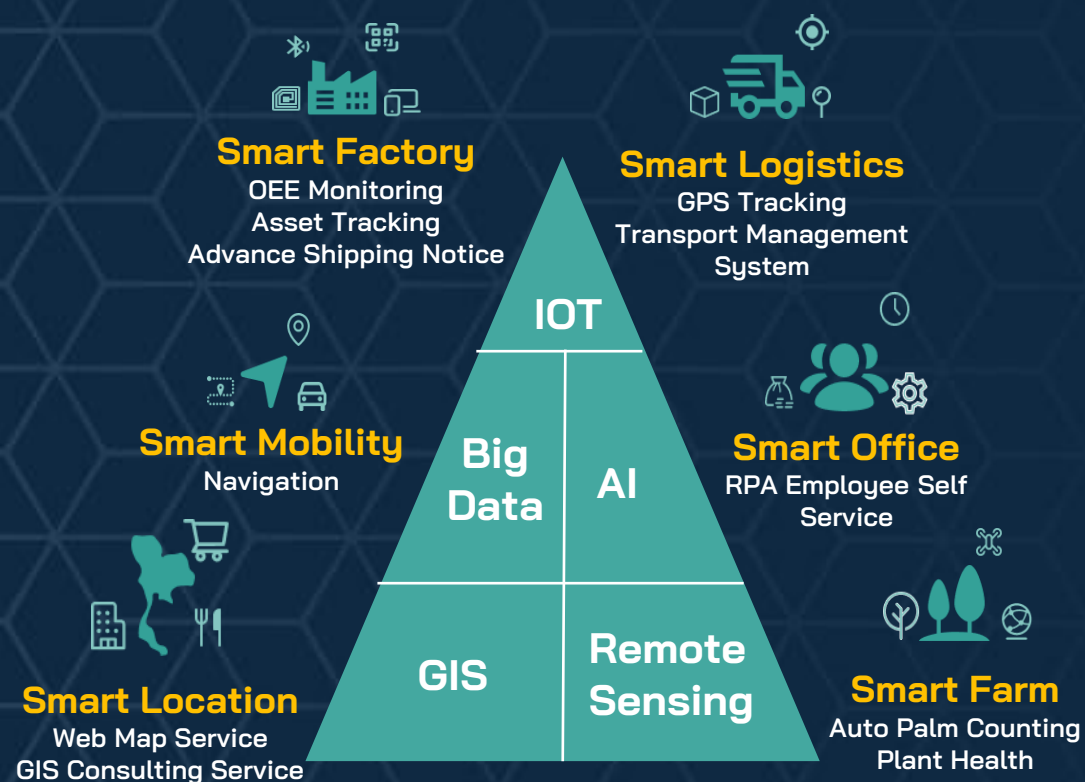
PRODUCTS & SERVICES



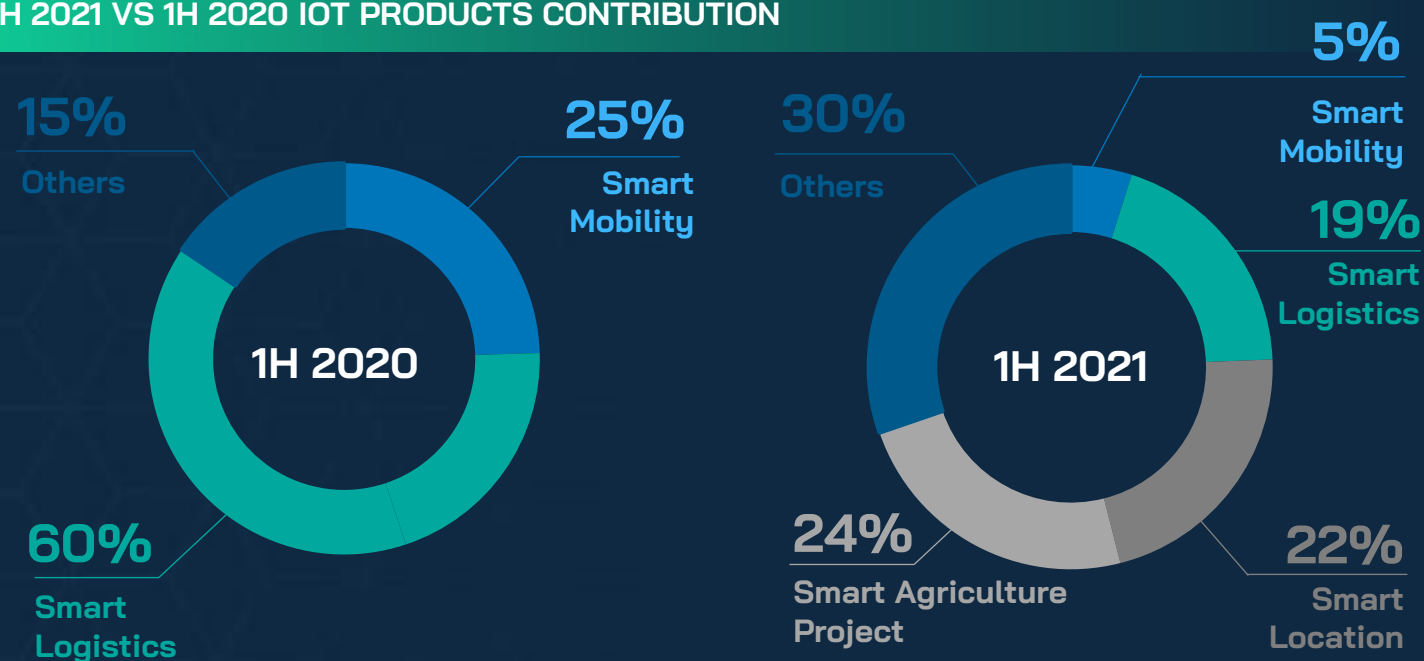
PARTNER



IOT CONNECTIVITY AND MOBILITY PRESENCE



1H 2021 VS 1H 2020 IOT PRODUCTS CONTRIBUTION



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01 **A**

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FINANCIAL INFORMATION



WHAT WE ARE DOING WELL:

TOP LINE GROWTH



- ❖ Q2 2021 sales growth of 139.5%YOY or Baht 2,815 mn as a result of higher demand in overseas as well as robust improvement from last year.

MAINTAINING GOOD PERFORMANCE

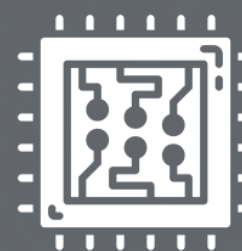


- ❖ Gross profit margin is still in tandem with our target of 10% - 12% even during the slow quarter of Thailand automotive industry. In Q2 2021, gross profit margin stood at 11.6%
- ❖ Core operating profit (EBIT) as of Q2 2021 stood at Baht 328.6 mn compared to Baht -463.1 mn in Q2 2021

Note: EBIT defined as Earnings before Interests and Taxes exclude interest income, gain (loss) on exchange rate and other irregular items.

WHAT COULD HAVE GONE BETTER

CHIP SHORTAGE



- ❖ Global semiconductor shortage is one of the risks that could impact indirectly to the company, however, it is expected to normalize by Q4 2021.

RAW MATERIAL PRICE



- ❖ Steel price contributed roughly 70%-80% of total cost of good sold. In Thailand, the company can pass through the price to the OEMs but in Portugal, the company can adjust the price in a longer period.

COVID-19 PANDEMIC

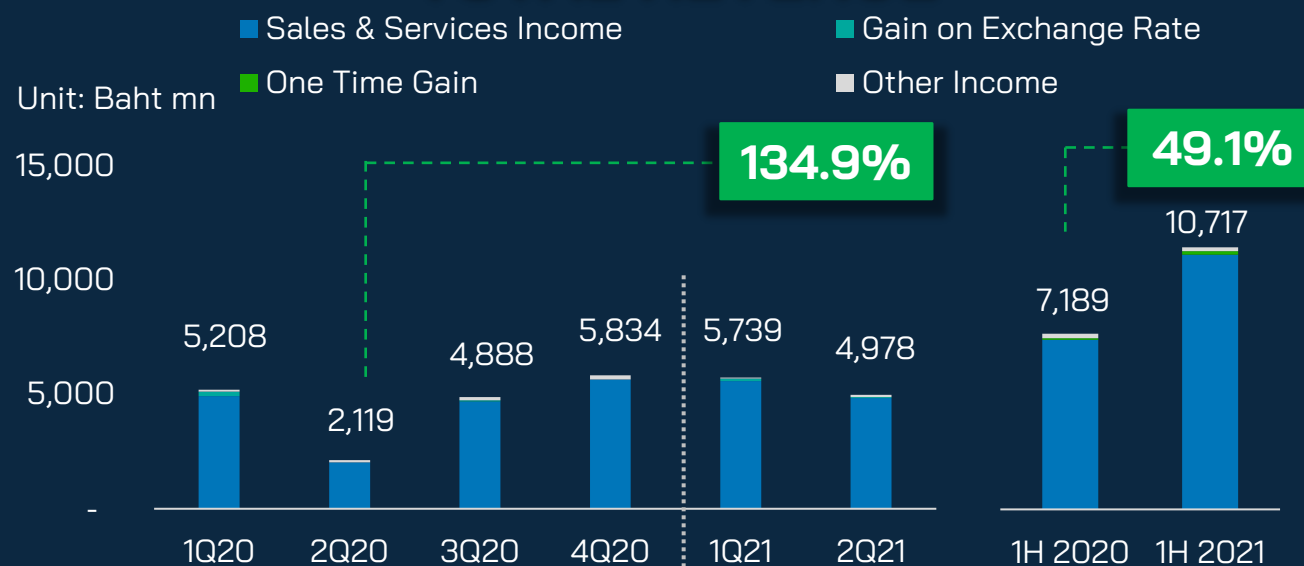


- ❖ Rising number of COVID-19 cases in Southeast Asia impacted our dealership business due to movement control order in Malaysia and soft lockdown in Thailand.

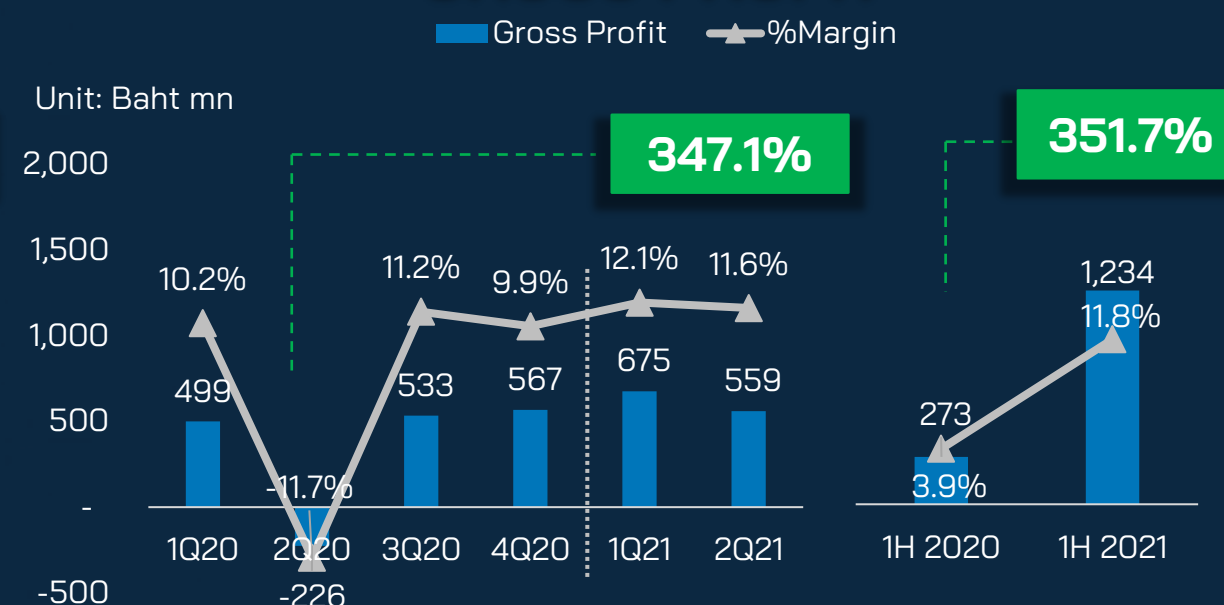
	Q2 2021 (Baht mn)	%YOY
Revenue	4,978	134.9%
Gross Profit	559	347.1%
SG&A	391	58.5%
Core Operating Profit (EBIT)	329	171.0%
Gain (Loss) on Exchange Rate	42	N/A
Net Profit (Loss)	250	139.6%

Note: Q2 2021 Consolidated financial statement for fiscal year ended 30 June 2021

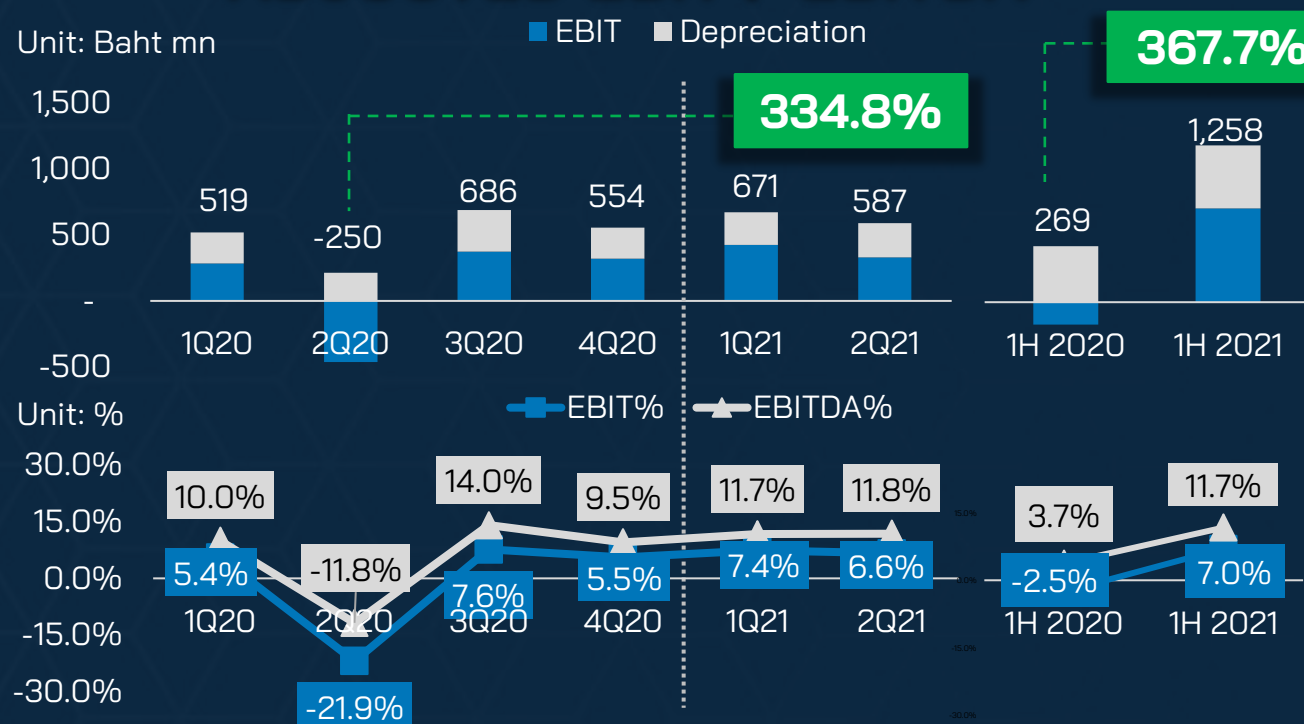
TOTAL REVENUE



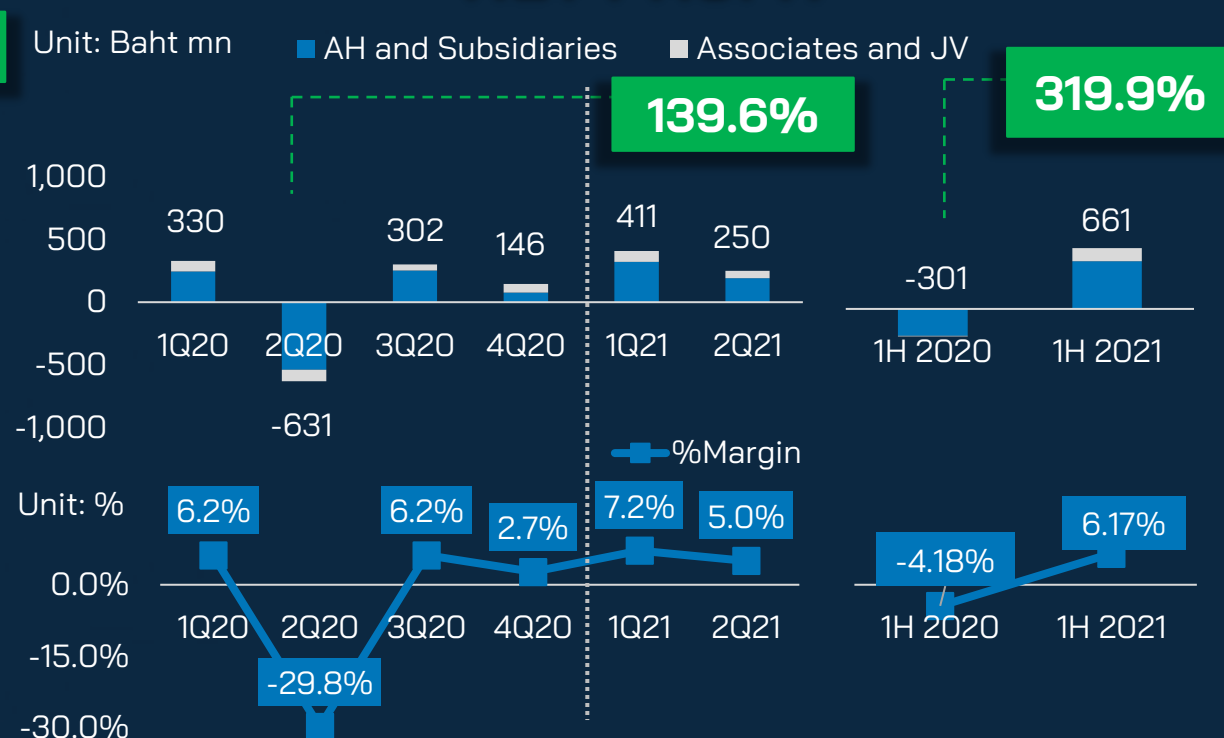
GROSS PROFIT



ADJUSTED EBIT / EBITDA



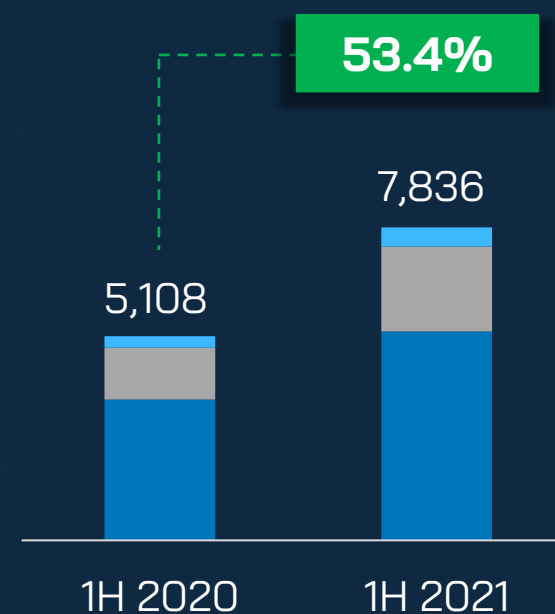
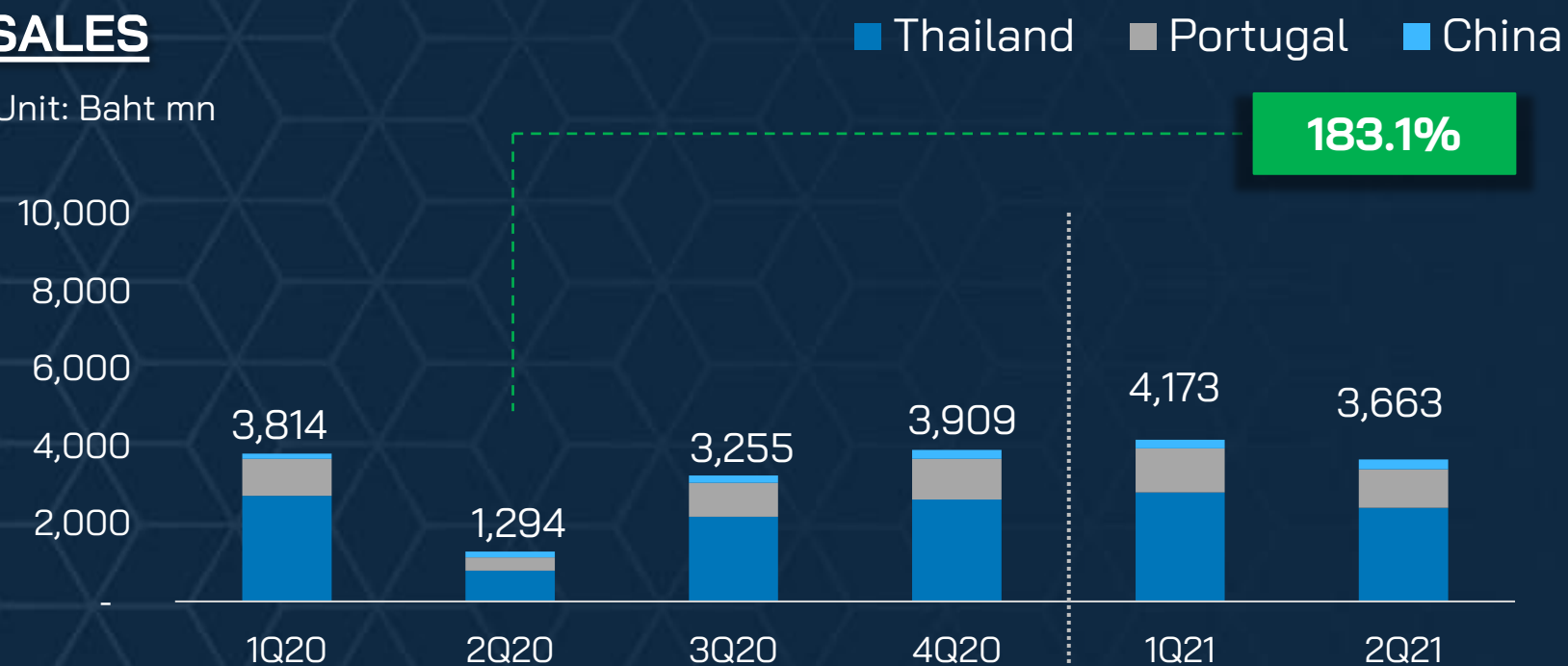
NET PROFIT



EBIT and EBITDA exclude non-operating items such as FX and gain, impairment, etc

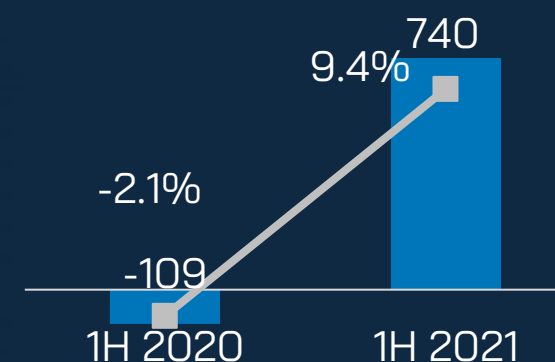
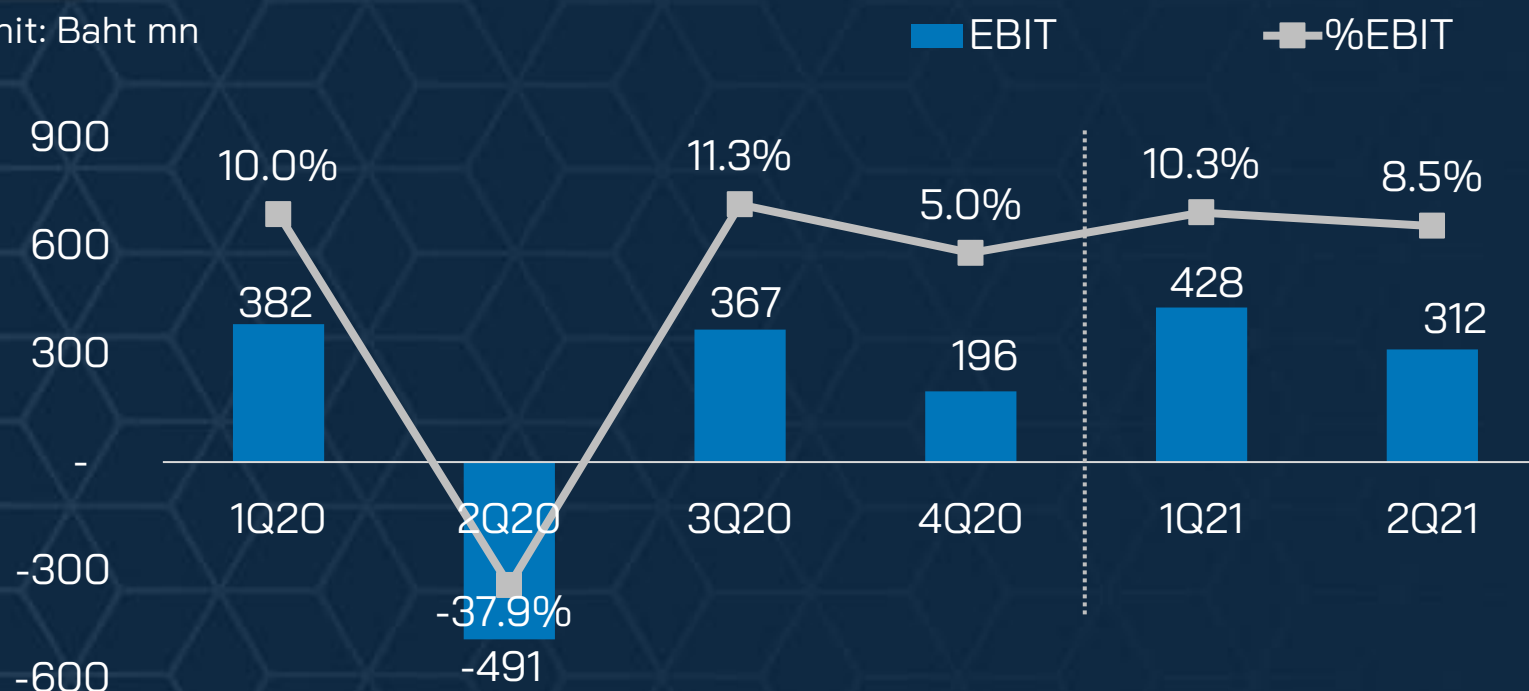
SALES

Unit: Baht mn



EBIT

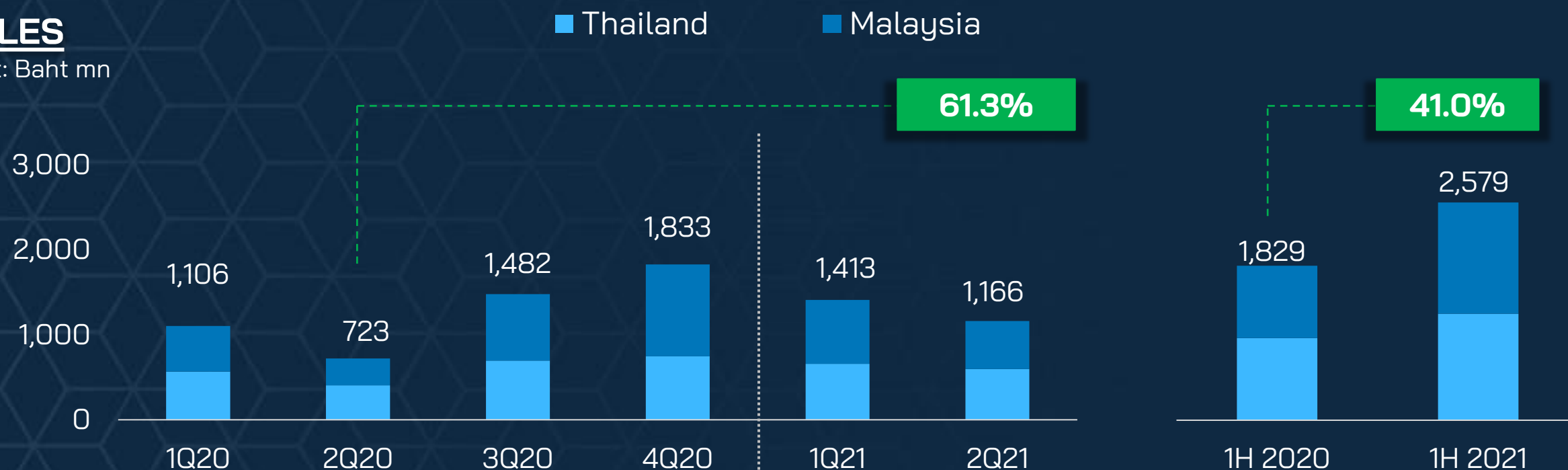
Unit: Baht mn



Financial Highlights

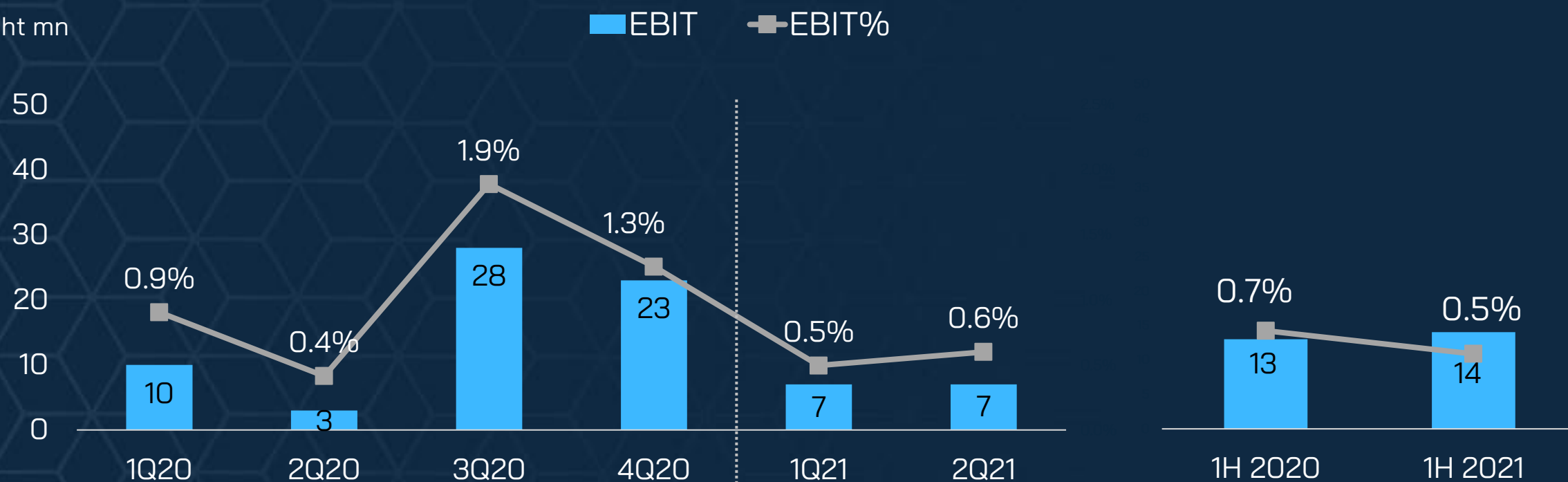
SALES

Unit: Baht mn

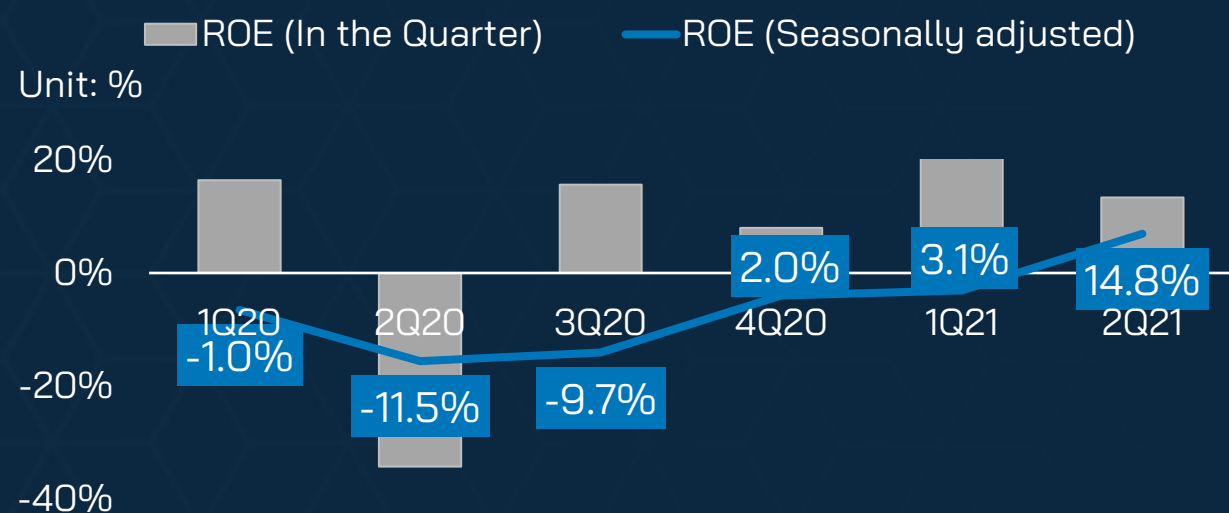


EBIT

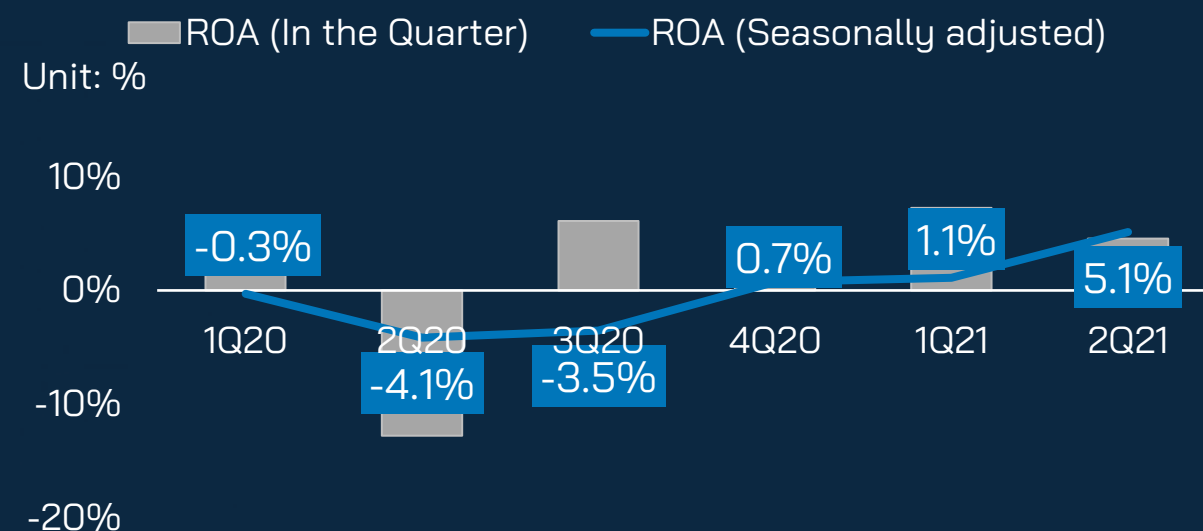
Unit: Baht mn



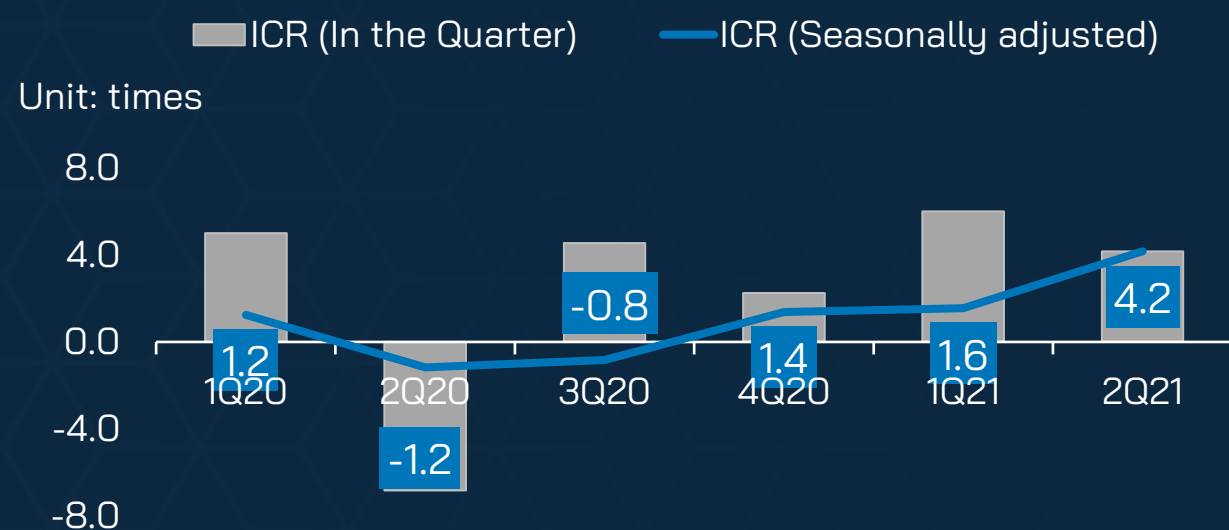
ROE



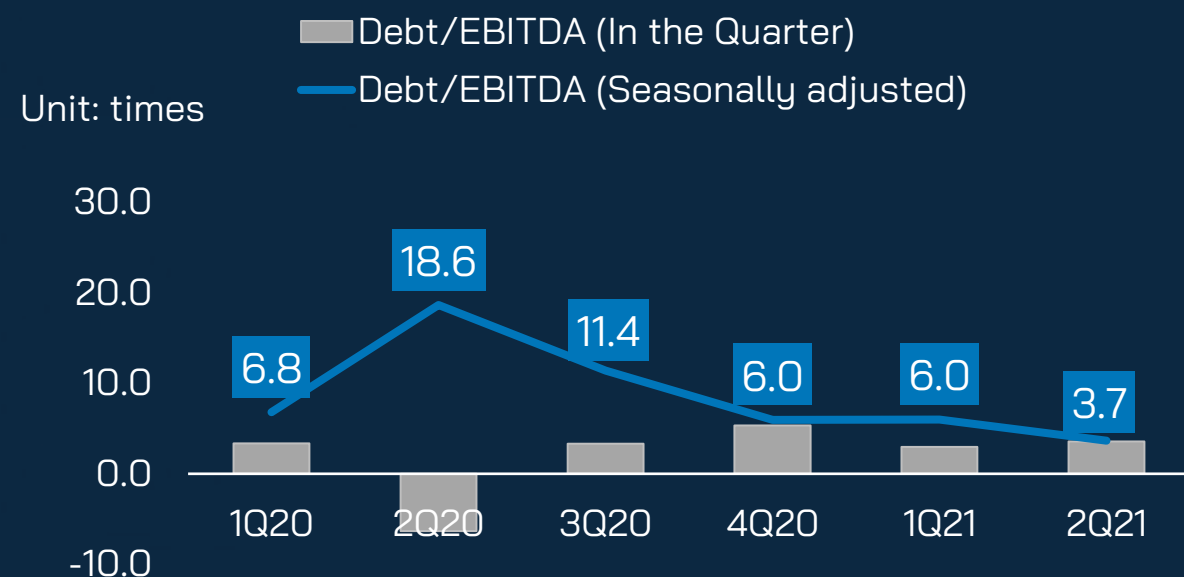
ROA

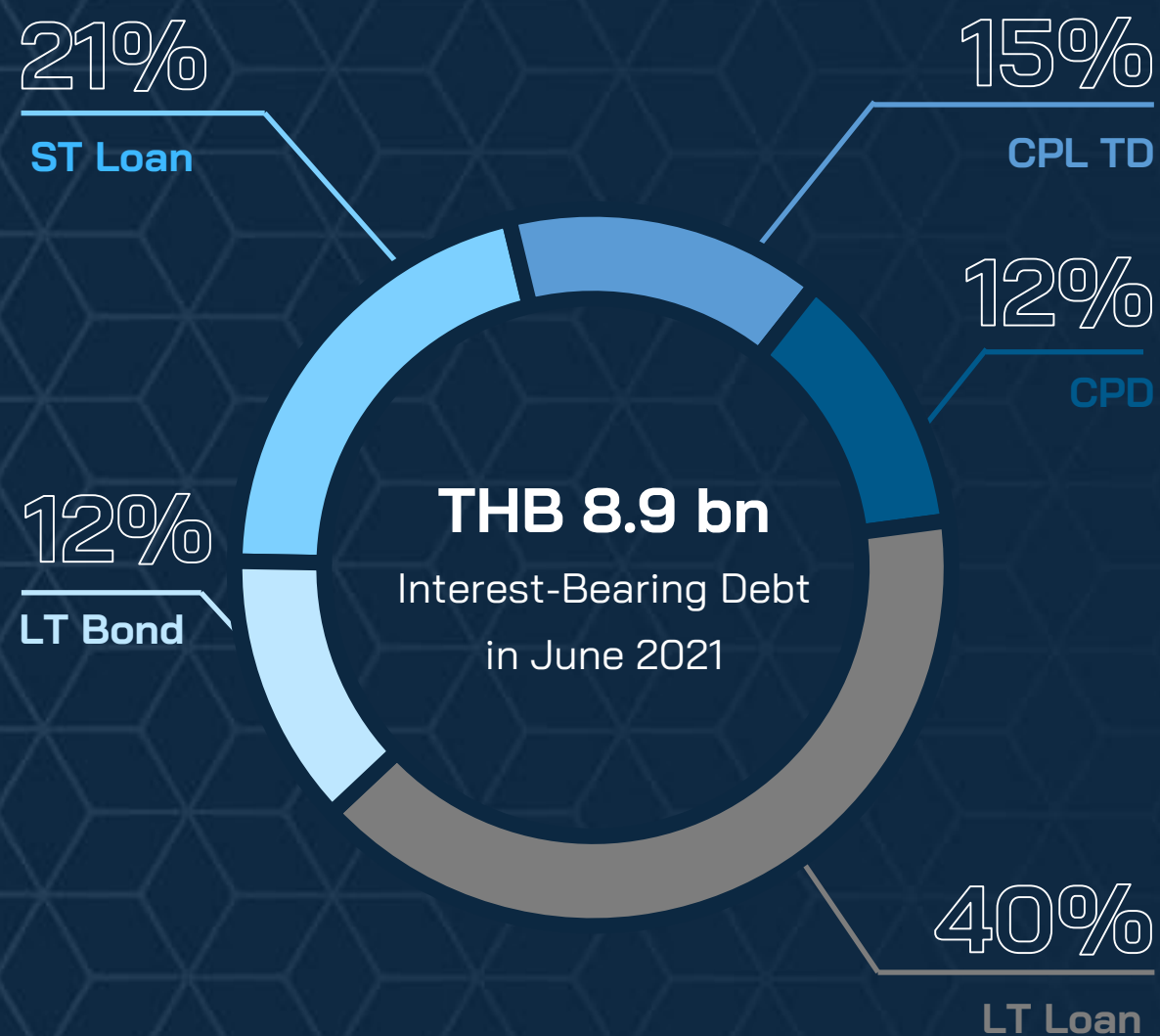


ICR



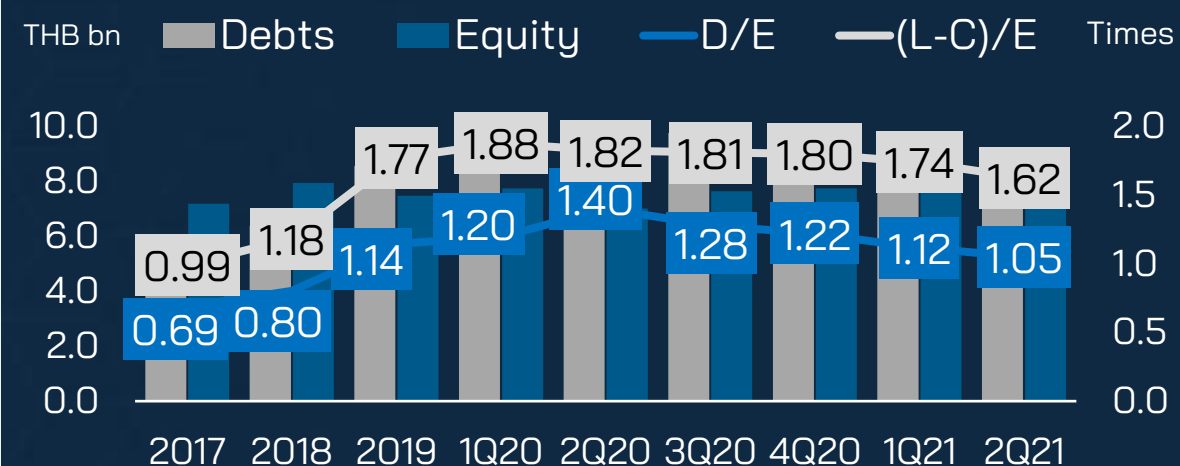
DEBT/EBITDA



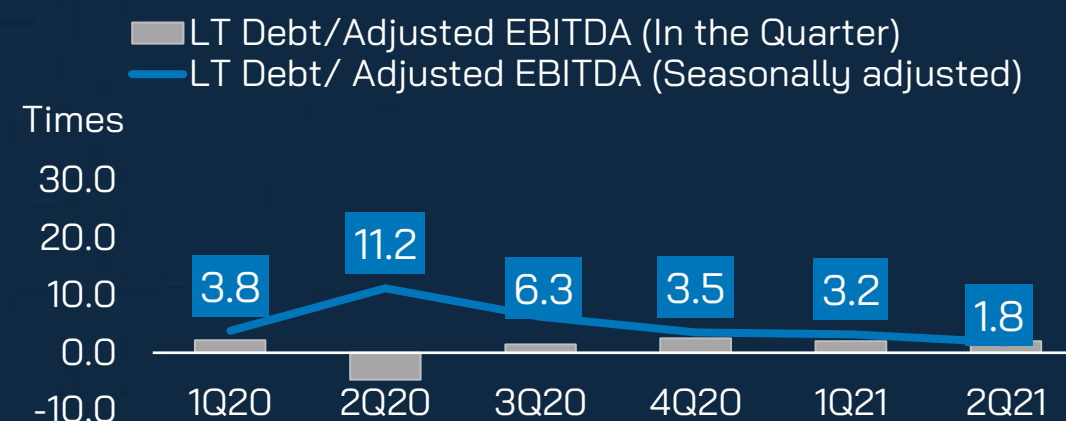


DEBT RATIOS

- Net interest-bearing debt to equity ratio as of June 2021 was 1.05x, compared to 1.82x as of June 2020.
- Total liabilities net cash (Net debt) to equity ratio as ended of June 2021 was 1.62x.



- Long-Term debt to Adjusted EBITDA as of June 2021 was 1.83, compared to 11.23 in June 2020.



Adjusted EBITDA exclude non-operating items such as FX and gain, impairment etc

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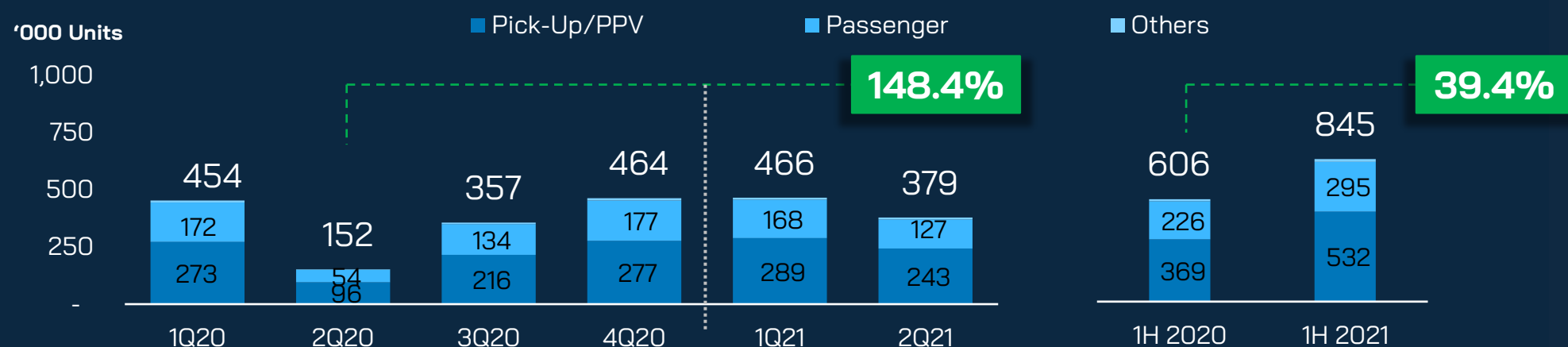


**AUTOMOTIVE INDUSTRY
OVERVIEW**

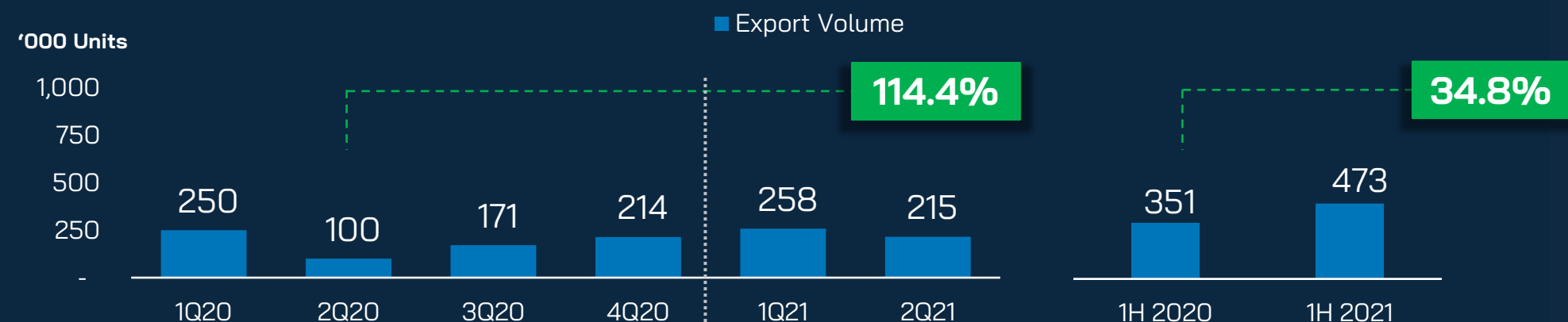




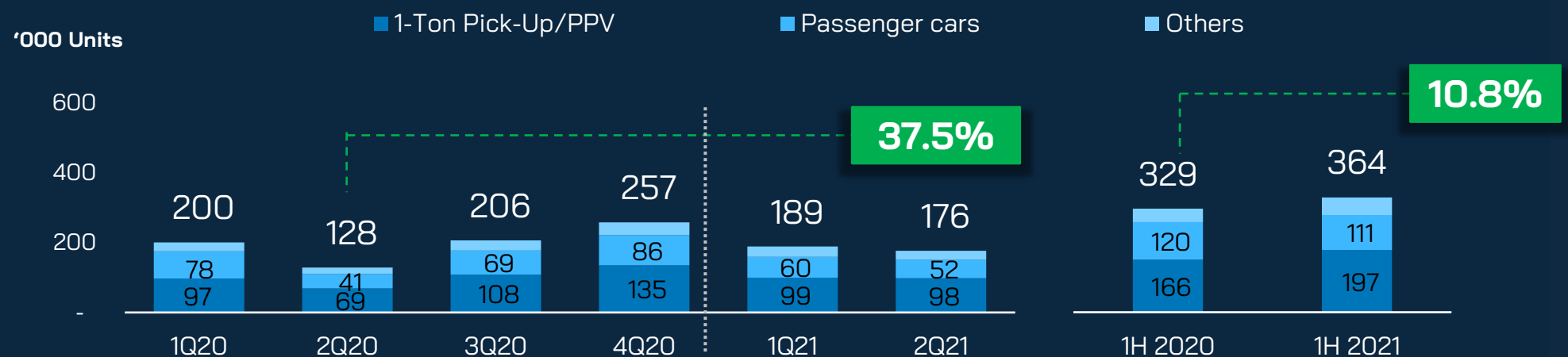
Total Car Production Volume




Exports Volume




Domestic Car Sales Volume



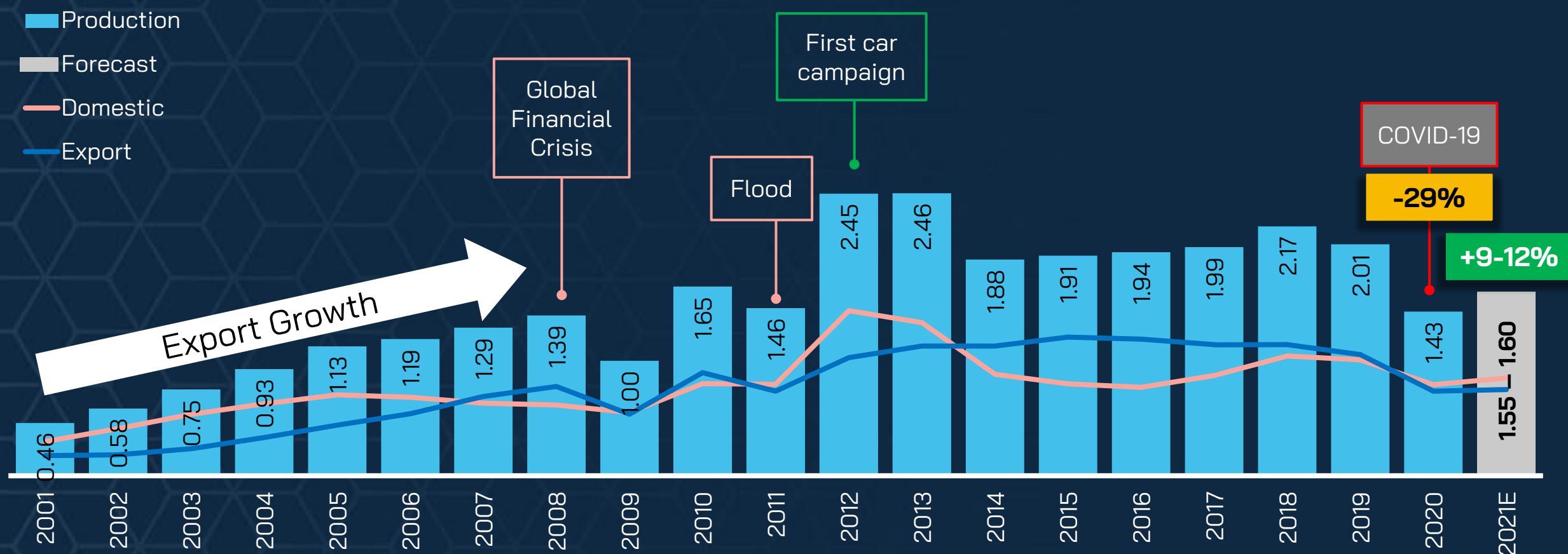
2021 THAILAND AUTOMOTIVE INDUSTRY OUTLOOK

FTI Revised Up Target Total Cars Production Volume to 1.55-1.6 million cars in 2021



Thailand Car Production Outlook 2021

According to FTI, Thailand automotive industry outlook in 2021 **has been revised up** the projection of vehicle production volume from 1.5 million cars to **1.55-1.6 million cars** which comprised of **800,000-850,000** units for export and **750,000** units for the domestic market.
















Source: The Federation of Thai Industry (Automotive Industry)

THAILAND TOTAL INDUSTRY VOLUME (JAN-JUN)

Total Volume Decreased 13.6% YoY Compared to 1H 2020



Thailand Total Industry Volume

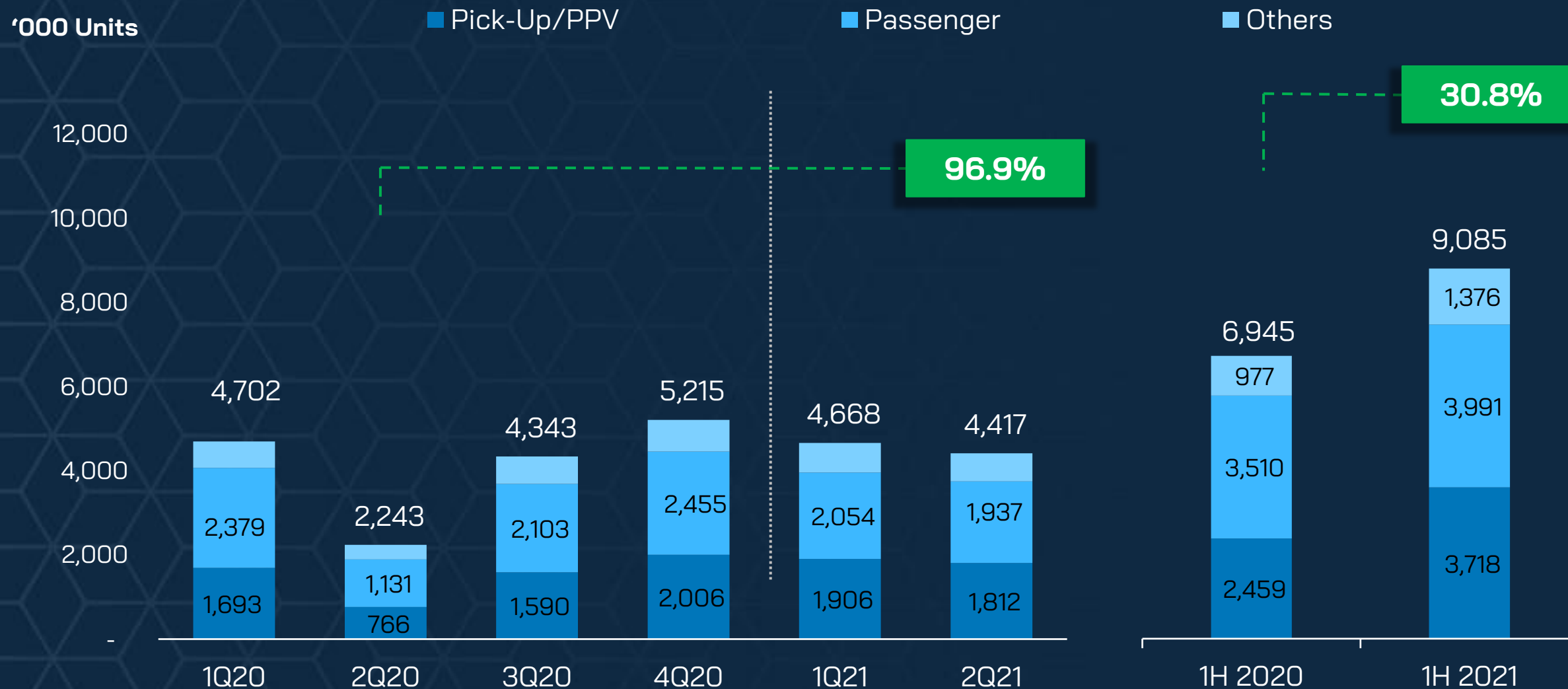
No.	Brand	1H 2021	1H 2020	%
1	 Toyota ¹	117,185	94,222	↑ 24.4%
2	 Isuzu	93,165	76,054	↑ 22.5%
3	 Honda	42,715	41,326	↑ 3.4%
4	 Mitsubishi	23,528	25,762	↓ -8.7%
5	 Mazda	18,908	15,408	↑ 22.7%
6	 Ford	16,330	11,534	↑ 41.6%
7	 MG	14,403	10,902	↑ 32.1%
8	 Nissan	16,027	21,502	↓ -25.5%
9	 Suzuki	10,645	11,089	↓ -4.0%
10	 Hino	6,483	4,193	↑ 54.6%
11	   Others	13,802	16,648	↓ -17.1%
	Total	373,191	328,640	↑ 13.6%

Source: Markline Auto

Note: ¹Toyota amount included Lexus



Europe Automotive Industry









MALAYSIA TOTAL INDUSTRY VOLUME (JAN-JUN)

Total Volume Surged 42.6% YoY Compared to 1H 2020



Malaysia Total Industry Volume

No.	Brand	1H 2021	1H 2020	%
1	 Perodua	97,290	74,170	↑ 31.2%
2	 Proton	56,352	37,078	↑ 52.0%
3	 Toyota	33,705	18,199	↑ 85.2%
4	 Honda	24,996	17,124	↑ 46.0%
5	 Mitsubishi	7,743	2,998	↑ 158.3%
6	 Others	29,043	25,106	↑ 15.7%
	Total	249,129	174,675	↑ 42.6%

Source: MAA

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STRATEGY AND DIRECTION



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











SHORT TERM

To optimize our operations through challenging environment due to COVID by **emphasizing efficiency improvement** and **capturing opportunities** that may arise and continue to focus on increasing our **agility** and **adaptability**.



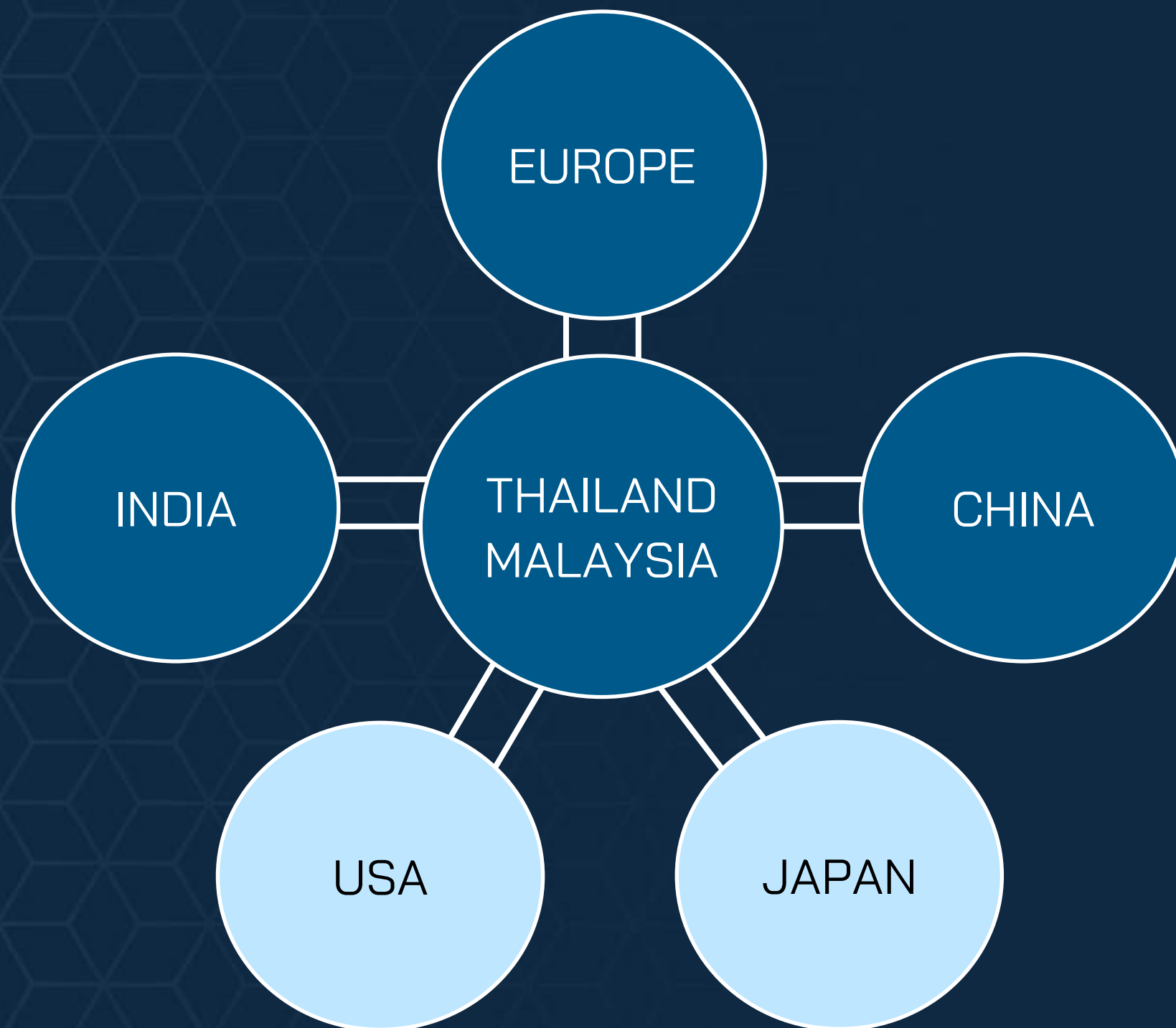
MEDIUM TO LONG TERM

To establish ourselves as a **global player** by further **capitalizing** on our extensive international presence and **leveraging** on strong relationships with OEM clients globally and long-term reputation of AAPICO as a **trusted partner**

Listing for growth		Growth Phase			Toward Globalization		
2002-2004	2005-2007	2008-2012	2013-2016	2017-2018	2019	2020	2021
<ul style="list-style-type: none"> Listed on SET. Acquired a chassis frame factory from Dana Corporation. Established the first Mitsubishi Car Dealership; Able Motor.  <ul style="list-style-type: none"> Expanded to China. 	<ul style="list-style-type: none"> Partnered with Sojitz Corp. Established JV with Mitsuike Corp. Acquired forging business from KPN. 	<ul style="list-style-type: none"> JV partnered with Minth Corporation. JV partnered with Takagi Seiko. Completed the 3S showroom for Honda dealers in Malaysia.  <ul style="list-style-type: none"> Commenced the operation in Kunshan (China). 	<ul style="list-style-type: none"> Established JV with; <ul style="list-style-type: none"> Lemtech (Taiwan) Edscha (Germany) Sumino (Japan) Sodecia (Portugal) Explored opportunity in the start-up business. Established AAPICO Training Center. Issued bond with a BBB+ from TRIS Rating.  <ul style="list-style-type: none"> Achieved 4-star CG rating. 	<ul style="list-style-type: none"> 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%) 	<ul style="list-style-type: none"> 40% JV partnered with Sojitz Group in Vroom for distributing and retailing of KTM, Husqvarna and Bajaj brand  <ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Established AAPICO Hyojin Autotech (AHA), operates the automotive assembly jigs design, manufacturing and robotic integration Established two Proton Car Dealership namely AAPICO Motors Kuantan and AAPICO Motors Temerloh, Malaysia. 	<ul style="list-style-type: none"> Established Thailand an MG Car Dealership namely MG Able Motors, Pathumthani 

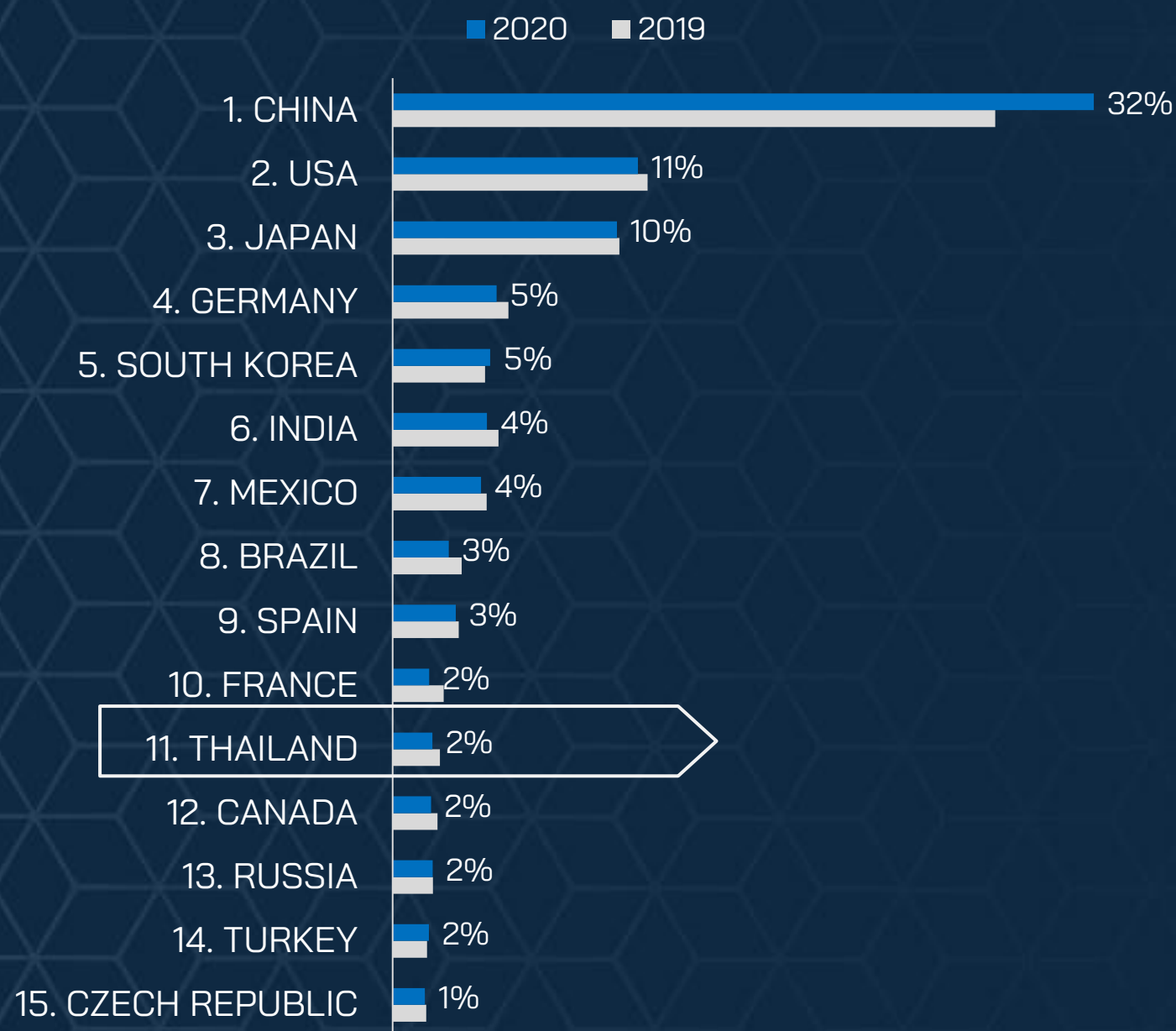
AAPICO STRATEGY

USA and Japan are Investment Opportunities for our Business Expansion

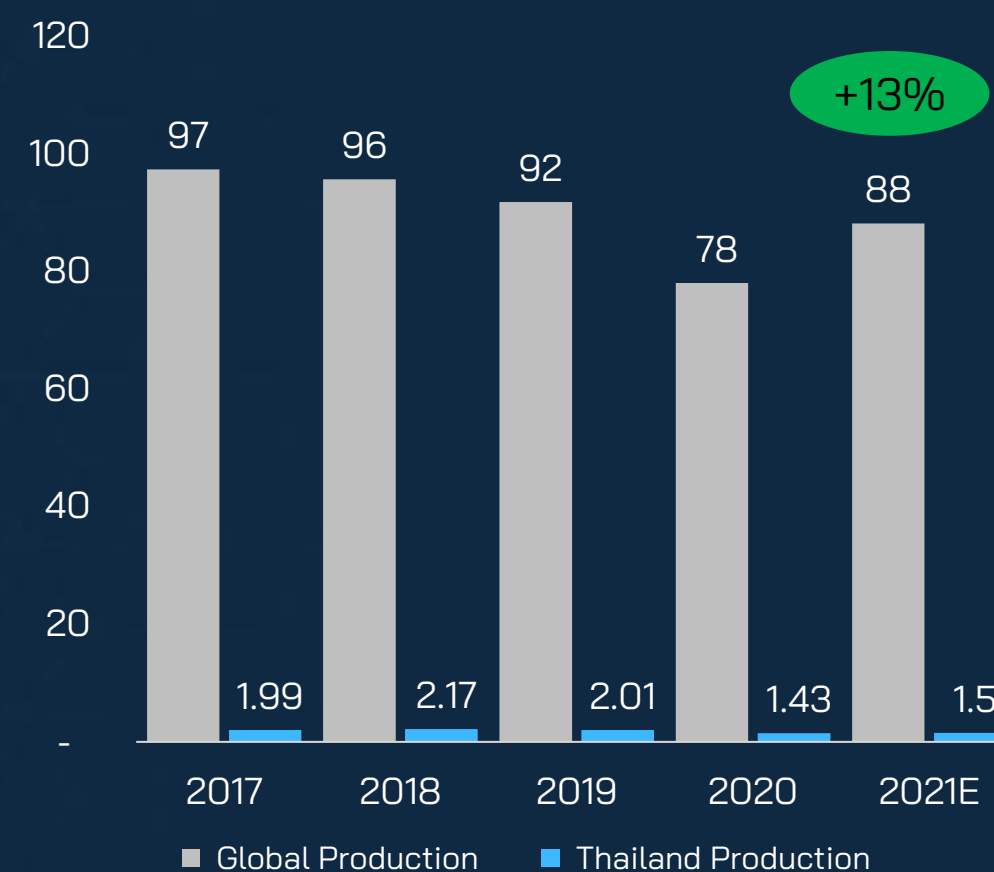




TOP 10 MOTOR VEHICLE PRODUCTION COUNTRY IN 2020



In 2021, according to IHS Markit ² forecast, it is estimated the global vehicle production to stand at 88 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>

COMMITTED 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

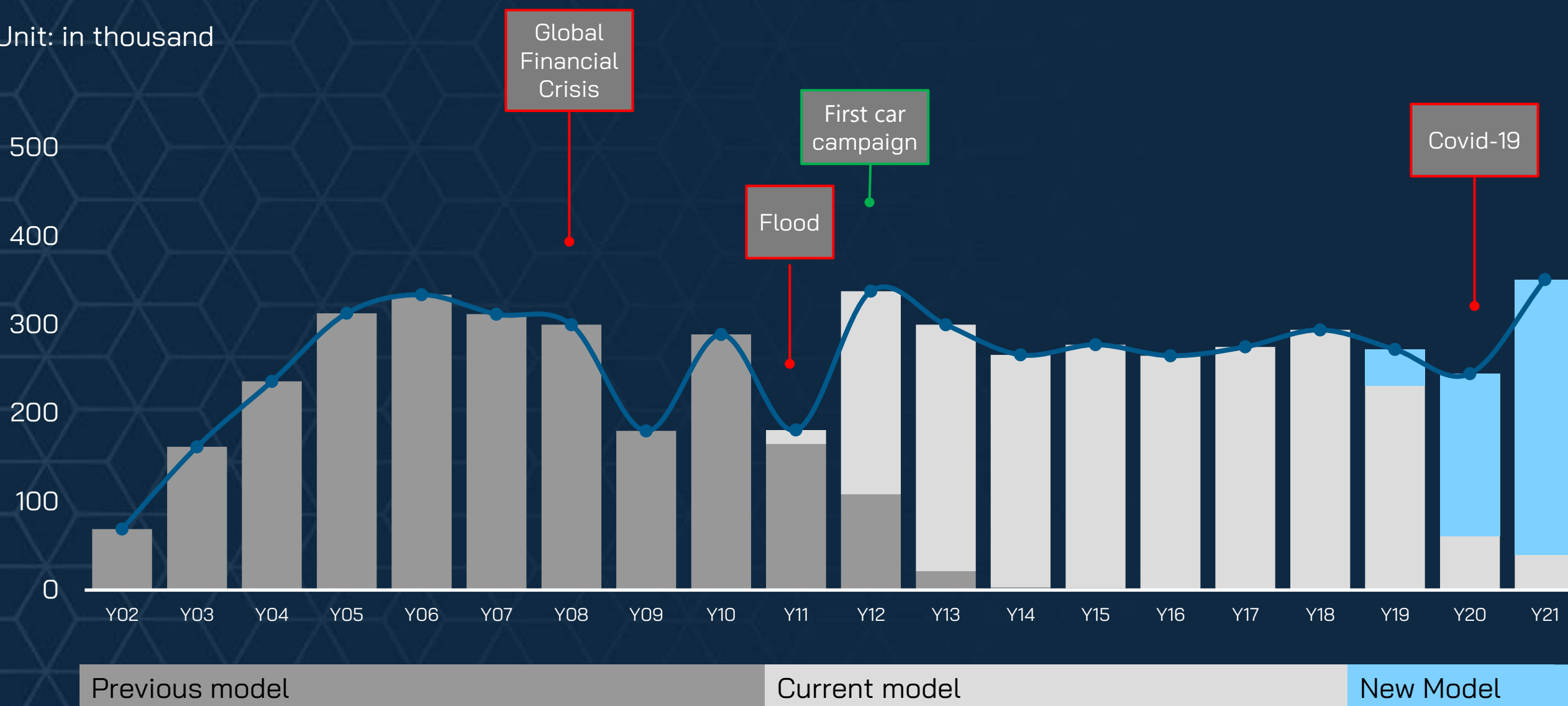


MG

MG – ZS11
MG3 MG5

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”



The spreading of COVID-19 caused a tremendous effect to industry and company inevitably. The company manages the business uncertainty during the pandemic as follows;

Mitigating the Risk from COVID-19:

- Maintain high safety standard including strict health safety procedure and social distancing and regular cleaning/disinfecting of workspace
- Encourage WFH for all back office
- Separate Team A and Team B to ensure continuity of business
- Weekly proactive Antigen test to all employees
- Organized vaccines for all our employees. As at Aug 20, approximately 76% of total employees has been vaccinated.

Managing Business:

- Continue to focus on efficiency improvement through effective cost control and inventory management
- Continue to focus on managing and preserving the liquidity; as at Jun 2021, we have cash on hand of approximately Baht 774mn.

Support Community to Fight Against COVID-19



Support Employees



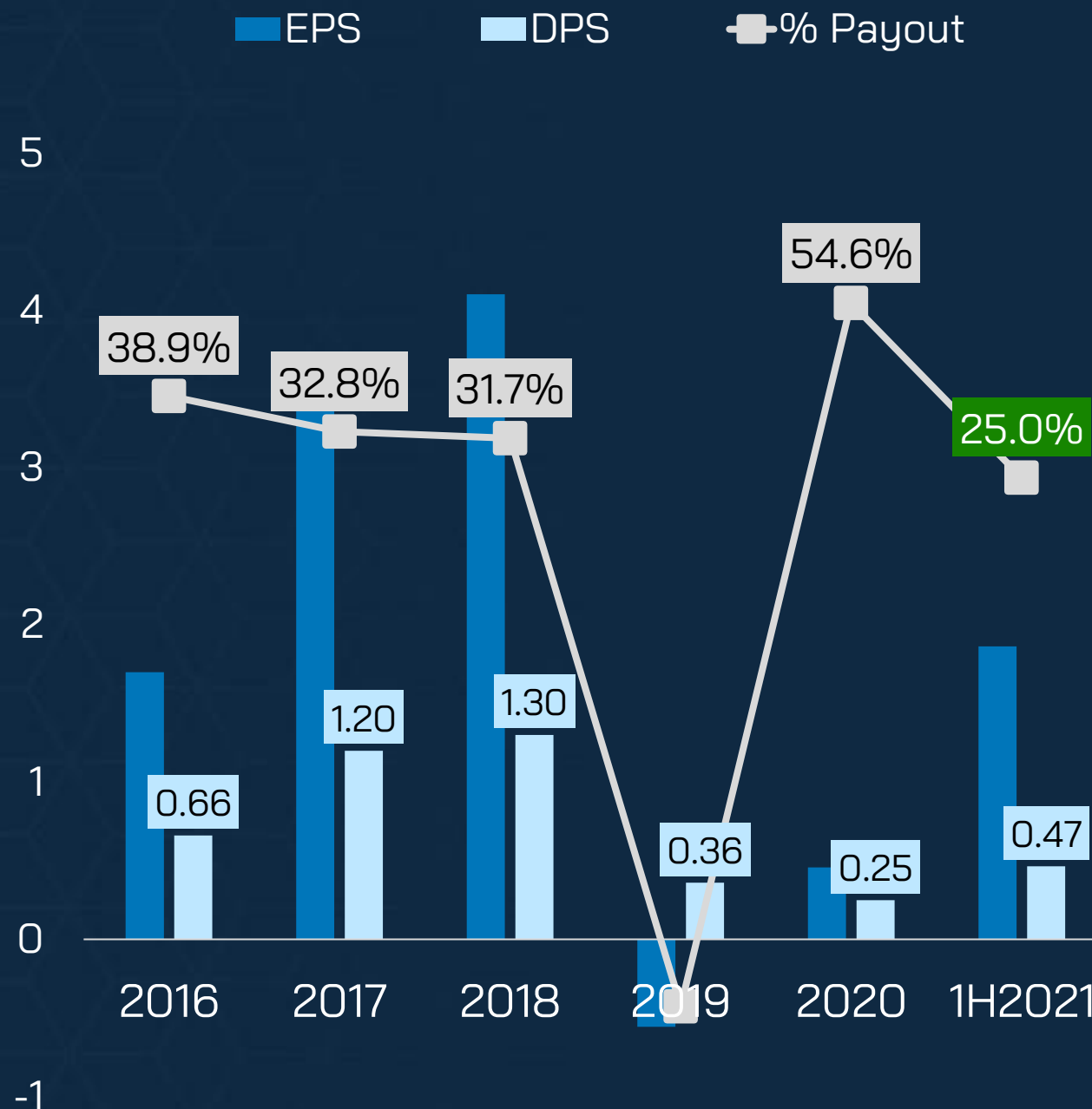


Dividend Policy

- The company's dividend policy is to pay dividend to its shareholders at the rate of not less than **10%** of net profit after taxes.
- However, the decision for dividend payment is subjected to future investment plans and other necessities as the company deems appropriate.

Interim Dividend Payment

- Board of Directors' meeting no.112/2021 resolved the interim dividend payment for the performance of operational between 1 January – 30 June 2021 at the rate of Baht 0.47 per share for equity holders of 354,842,012 shares which equivalent of Baht 166,775,745.64.
- The record date will be held on 31 August 2021 and the cash dividend will be paid on 14 September 2021.




CONTENT

01 **A**



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04 

05  Q&As

IN THE TIMES OF CRISIS,
THE BEST NEVER RESTS



CONTACT:

IR Website:

<https://investor.aapico.com/en>

E-mail:

ir@aapico.com

Tel:

+66(0)-2-613-1504

Facebook Page:



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.



Eco-Efficiency

- Application of innovation for efficient resource management
- Maximize circulation and recycling of resources
- Introduction of environmental care processes and activities within the operation plants and communities
- Strict and efficient management of wastes from manufacturing processes



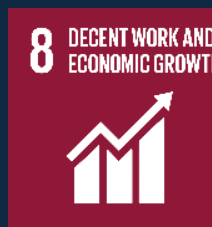
Elevate Quality of Life

- Skill development of the Company's personnel
- Encourage employees' Innovation and creativity
- Creating a happy and safe working environment
- Supporting community's improvement
- Respecting human's rights and enforcing fair treatment of labors



Enhance Economic Value

- Implementation of innovation in manufacturing process to increase productivity and efficiency
- Increase competition channels for small suppliers
- Expand business relations by utilizing win-win strategy
- Ensuring customers' satisfaction on quality, price, and delivery
- Efficient risk management



Annual Report (EN)



SCAN ME

Annual Report (TH)



SCAN ME

Form 56-1



SCAN ME

SD Report (EN)



SCAN ME