

15 JULY 2021

THAILAND / TECHNOLOGY

NEX POINT NEX TB

BUY

UNCHANGED

TARGET PRICE	THB12.00
CLOSE	THB6.90
UP/DOWNSIDE	+73.9%
PRIOR TP	THB12.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+0.0%

โตถาวร

ผู้ชนะหลักในธุรกิจปลายน้ำในกระแสการเติบโตของตลาดยานยนต์ไฟฟ้า

ในระหว่างการประชุมทางโทรศัพท์กับ FSSIA ผู้บริหารระดับสูงถึง 3 ประเด็นสำคัญที่สนับสนุนมุมมองเชิงบวกของเราเกี่ยวกับการพลิกฟื้นของกำไรสุทธิและแนวโน้มการเติบโตในปี 2021-23 ของบริษัท ประการแรก NEX คาดว่าบริษัท จะบันทึกรายได้จากการส่งมอบรถโดยสารไฟฟ้ารอบแรกจำนวน 120 คันในเดือน ก.ค. 2021 และอีก 400-500 คันใน 2H21 ภายใต้กิจการร่วมค้า Absolute Assembly (AAB) ประการที่สอง NEX จะมีบทบาทสำคัญในฐานะที่เป็นหนึ่งในผู้จัดหา จัดจำหน่าย และให้บริการหลังการขายหลักของ EA โดยจะให้บริการซ่อมบำรุงยานยนต์ไฟฟ้าเชิงพาณิชย์ทั้งหมดของ EA ที่ผลิตภายใต้ AAB (ประกอบด้วยรถโดยสารไฟฟ้า รถบรรทุกไฟฟ้า และรถบรรทุกไฟฟ้าอื่น เช่น รถขนขยะ รถพ่นน้ำ และรถขนแร่) ประการที่สาม ผู้บริหารคาดว่ากิจการร่วมค้าระหว่าง NEX-EA จะไม่เพียงแต่เจาะตลาดยานยนต์เชิงพาณิชย์ของไทย แต่ยังคงส่งออกไปยังตลาดอาเซียนในอีก 3-5 ปีข้างหน้าจากข้อได้เปรียบในด้านความเป็นผู้ประกอบการรายแรกในตลาด รูปแบบการทำธุรกิจที่ครบวงจร และกฎระเบียบที่เอื้อต่อการทำธุรกิจ

ผู้ประกอบการรายแรกจะได้ประโยชน์จากกฎระเบียบที่เอื้อต่อการทำธุรกิจและได้รับความคุ้มครองในด้านภาษี

ฐานะผู้นำของ NEX ในตลาดรถโดยสารของประเทศไทยพร้อมศูนย์บริการซ่อมบำรุงและเครือข่ายตัวแทนจำหน่ายที่มีความครอบคลุมสูงน่าจะมีความเหมาะสมทางยุทธศาสตร์กับสมรรถนะในการผลิตของ EA ในด้านแบตเตอรี่ต้นน้ำ ยานยนต์ไฟฟ้า และสถานีชาร์จ ปัจจุบันยังไม่คู่แข่งโดยตรงในตลาดยานยนต์ไฟฟ้าเพื่อการพาณิชย์ในประเทศไทยสำหรับรถโดยสารและรถบรรทุก เนื่องจากมีภาษีนำเข้า 40% บวกภาษีมูลค่าเพิ่มอีก 7% สำหรับรถโดยสารและรถบรรทุก และภาษีนำเข้า 20% บวกภาษีมูลค่าเพิ่มอีก 7% สำหรับแบตเตอรี่นำเข้า

ผู้ให้บริการและขายสินค้าครบวงจรสำหรับรถโดยสารและรถบรรทุกไฟฟ้า

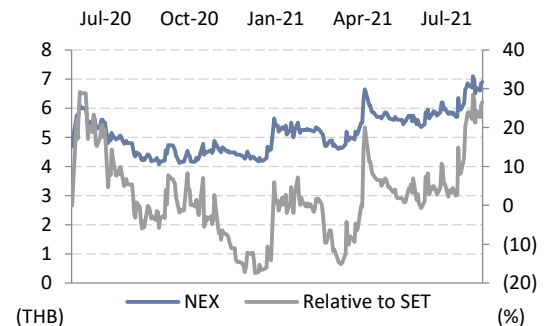
จากข้อมูลที่ NEX นำมาแสดง บริษัท มียานยนต์ไฟฟ้าเชิงพาณิชย์ที่หลากหลายสำหรับตลาดรถโดยสารและรถบรรทุก ในตลาดรถโดยสารไฟฟ้า NEX มีรถโดยสารขนาดเล็กและรถโดยสารตัวถังยาวเพื่อให้บริการในอุตสาหกรรมต่าง ๆ ประกอบด้วย การขนส่งระหว่างเมือง ท่องเที่ยวหน่วยงานรัฐบาล สถานับการศึกษา และผู้ประกอบการรถโดยสารประจำทาง ซึ่งรวมถึง ขสมก ซึ่งเป็นรัฐวิสาหกิจที่ดำเนินกิจการรถโดยสารประจำทางในกรุงเทพฯ และปริมณฑล

หุ้นที่ดีที่สุดในไทยในด้านการเติบโตที่กำลังจะเกิดขึ้นในตลาดรถโดยสารและรถบรรทุกไฟฟ้า

คงแนะนำซื้อที่ราคาเป้าหมาย 12 บาท (SOTP) เราใช้ Forward P/E Multiple ที่ไม่เท่ากันในแต่ละธุรกิจของ NEX เพื่อสะท้อนแนวโน้มอัตราผลตอบแทนต่อความเสี่ยงที่แตกต่างกัน เราเห็นว่า NEX ยังน่าสนใจในฐานะหุ้นยานยนต์ไฟฟ้ารายแรกที่จะพลิกมาโต และเชื่อว่าราคาหุ้นอาจปรับขึ้นในอีก 12 เดือนข้างหน้าเพื่อสะท้อนแนวโน้มการเติบโตของกำไรสุทธิที่อยู่ในระดับสูง

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	1,404	2,774	6,445	10,511
Net profit	(214)	501	1,463	2,093
EPS (THB)	(0.13)	0.30	0.87	1.25
vs Consensus (%)	-	-	-	-
EBITDA	(124)	149	900	1,428
Core net profit	(214)	501	1,463	2,093
Core EPS (THB)	(0.13)	0.30	0.87	1.25
Chg. In EPS est. (%)	nm	-	-	-
EPS growth (%)	nm	nm	191.8	43.1
Core P/E (x)	(54.1)	23.0	7.9	5.5
Dividend yield (%)	-	2.2	7.2	8.7
EV/EBITDA (x)	(83.9)	65.3	9.6	5.2
Price/book (x)	3.9	3.3	2.5	1.9
Net debt/Equity (%)	(43.1)	(55.4)	(64.3)	(69.5)
ROE (%)	(12.4)	15.6	36.0	39.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	19.0	21.1	52.7
Relative to country (%)	23.8	18.8	30.4
Mkt cap (USD m)	354		
3m avg. daily turnover (USD m)	3.0		
Free float (%)	35		
Major shareholder	EA Mobility Holding (40%)		
12m high/low (THB)	7.90/4.06		
Issued shares (m)	1,674.45		

Sources: Bloomberg consensus; FSSIA estimates



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

บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 15 กรกฎาคม 2021

Investment thesis

We believe NEX is a turnaround company due to its business transformation from an electronic parts company into an EV company in 2021 onward. NEX's net profit growth should be driven by the EV industry's growth, its first-mover advantage, and integrated business model to capture Thailand's EV demand growth.

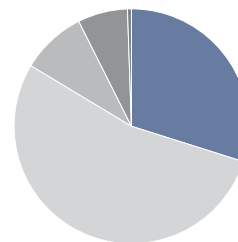
Company profile

NEX is one of the leaders in the comprehensive commercial vehicle industry in Thailand.

www.nexpoint.co.th

Principal activities (revenue, 2020)

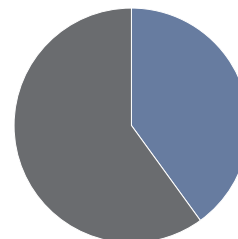
- Electronic sales and service - 30.2 %
- Bus sales - 54.3 %
- Repair and maintenance - 9.1 %
- Transportation - 6.9 %
- Others - -0.5 %



Source: Nex Point

Major shareholders

- EA Mobility Holding - 40.0 %
- Others - 60.0 %



Source: Nex Point

Catalysts

Key potential drivers for NEX are 1) net profit sharing from its EV venture via a 45% stake in Absolute Assembly, a manufacturer of EVs; 2) earnings from the commencement of the marketing and sales of EV buses and e-trucks under NEX as a key trading and marketing arm for the EA group; and 3) sustainable net profits from its high-margin repair and maintenance services covering both ICE and EV clients.

Risks to our call

Downside risks to our SOTP-based TP include: 1) a lower-than-expected bus sales volume; 2) delays in bus deliveries; and 3) risk from regulatory changes.

Event calendar

Date	Event
Aug 2021	2Q21 results announcement

Key assumptions

	2021E	2022E	2023E
EV bus sales (buses)	500	1,000	1,500
E-truck sales (trucks)	0	200	500
Number of vehicles for maintenance services	700	2,000	3,000
E-buses produced & sales (buses) – AAB (no.)	720	1,800	2,400
EV cars produced & sales (cars) – AAB (no.)	750	750	750
E-trucks produced & sales (trucks) – AAB (no.)	720	1,800	2,400
NEX Express (passengers)	157,680	473,040	630,720
NEX Express tickets (THB)	209	209	209

Source: FSSIA estimates

Earnings sensitivity

- Ceteris Paribus, for every 1% increase in AAB's utilisation rate, we estimate 2021 earnings would increase 2%, and vice versa.

Source: FSSIA estimates

Lasting growth, not a fleeting trend

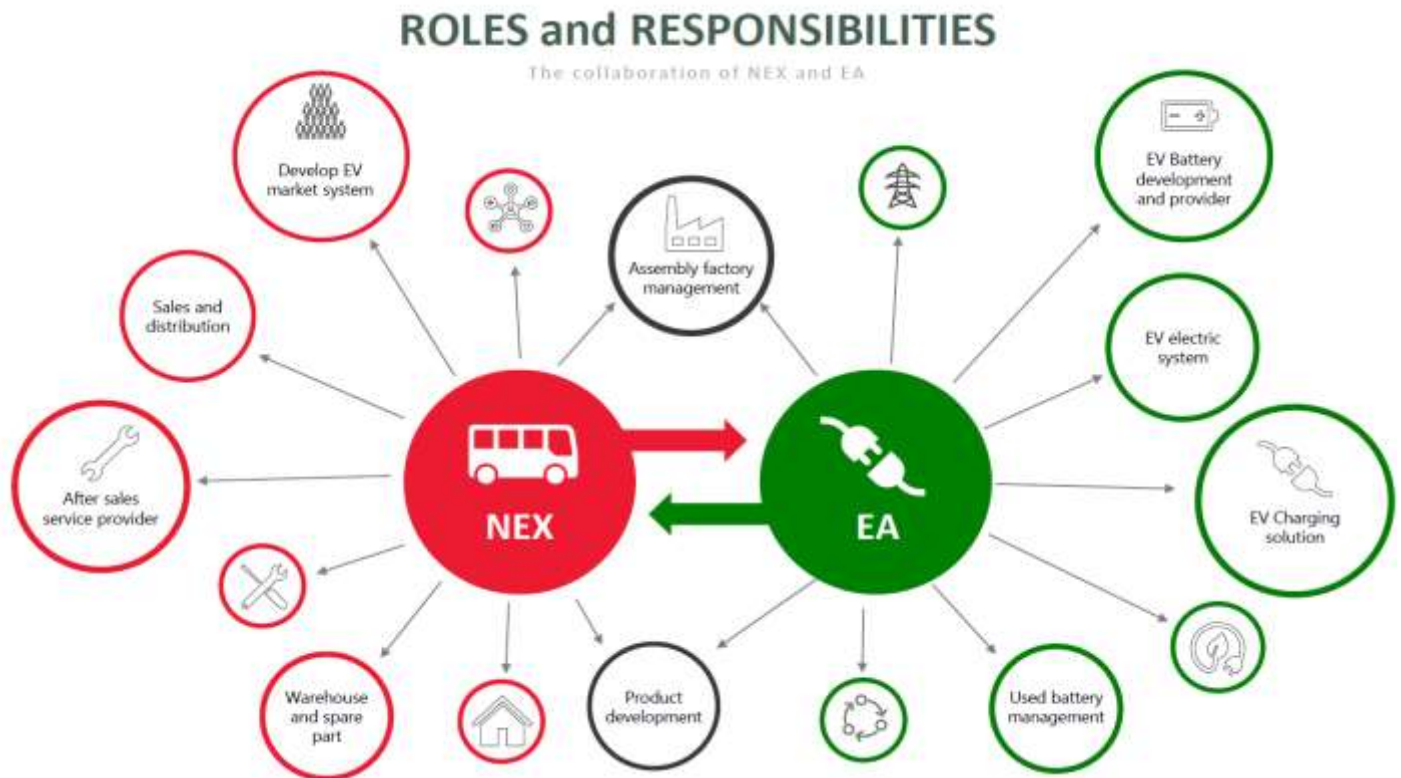
During our FSSIA conference call, management indicated three key points to support our bullish view on its net profit turnaround and growth outlook in 2021-23.

First, NEX expects to book revenue from its first 120 e-bus delivery in July 2021 and the additional 400-500 e-buses to be delivered in 2H21 under the AAB JV, owned 45% by NEX and 55% by Energy Absolute (EA TB, BUY, TP THB76).

Second, NEX will play a major role as one of EA's key marketers, distributors, and after-sales service providers for the maintenance and repair of all of EA's commercial fleet EVs manufactured under AAB, including e-buses, e-trucks, and other commercial EV trucks such as garbage, sprinkler, and mining trucks.

Third, management expects the NEX-EA JV to penetrate not only Thailand's commercial fleet market (e-buses and e-trucks) but also export to ASEAN markets in the next 3-5 years, thanks to its first-mover advantage, fully integrated business model, and favourable regulations that would allow the NEX-EA JV to capture the high-margin commercial EV markets in Thailand and ASEAN countries.

Exhibit 1: A strategic fit for the strengths and roles of NEX and EA



Source: NEX

A happy marriage between NEX and EA. Management believes that NEX's incumbent leading position in Thailand's bus market, with extensive maintenance and repair service centre coverage and a comprehensive sales distribution network, is a strategic fit with EA's manufacturing capabilities in terms of its upstream batteries, EVs, and fast-charging stations.

No direct competitors in Thailand yet. According to NEX's management, there are no direct competitors in the EV commercial vehicle market in Thailand for buses and trucks given the 40% import tax plus 7% VAT for buses and trucks and 20% import tax plus 7% VAT for imported batteries. Hence, management believes the 47% and 27% tax barriers for the import of commercial EVs and batteries will play a significant role in allowing Thai companies like NEX-EA JV to penetrate the market and capture market share in the next five years before the Thai government might relax the tax protections.

Thailand’s EV market growth outlook

On 24 March 2021, Thailand’s National Electric Vehicle Policy Committee (NEVPC) announced a new zero-emission vehicle (ZEV) consumption and production target for the country’s EV industry. ZEVs include battery EVs (BEV) and fuel cell EVs (FCEV) but exclude plug-in EVs (PHEV) and hybrid EVs (HEV).

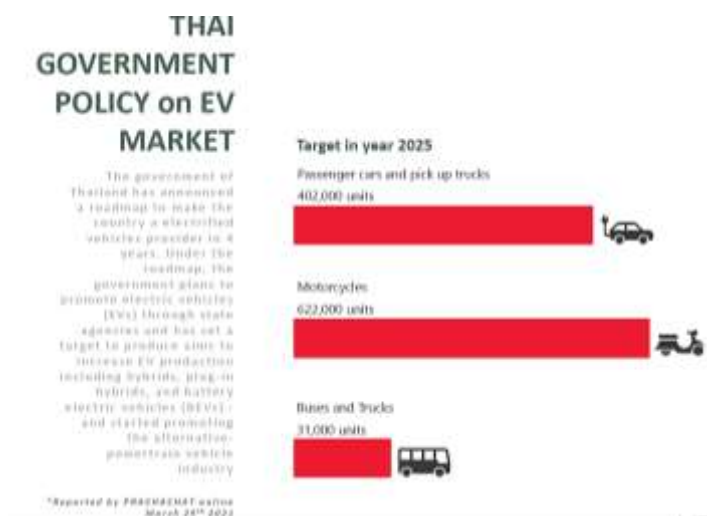
Exhibit 2: ZEV targets for Thailand’s EV industry

	2022E	2025E	2030E	2035E	Unit
Usage					
No. of EVs	30,000	225,000	440,000	1,154,000	EV
% of total vehicles in use	4	30	50	100	%
Production					
No. of EVs	30,000	225,000	725,000	1,350,000	EV
Accumulated	50,000	400,000	2,935,000	8,265,000	EV
% of total vehicle production	2	10	30	50	%

Source: NEVPC

In essence, there are two targets. The first is a national ZEV usage target of 30k EVs (4% of total vehicles used) in 2022, rising to 225k in 2025 (30%), 440k in 2030 (50%), and reaching 1.154m in 2035, representing 100% of total vehicles used. The second is to achieve a national ZEV production level of 30k in 2022 (2% of total vehicle production), increasing to 225k in 2025 (10%), 725k in 2030 (30%), and reaching 1.35m in 2035 (50%).

Exhibit 3: EV target in 2025



Source: NEPVC

Exhibit 4: Absolute Assembly



Source: NEX

NEX-EA JV has been the only domestic player in the EV market in Thailand with a fully integrated EV value chain from an upstream battery plant and manufacturing plants for EVs (AAB) to EA’s successful development to connect the downstream marketing, distribution, and after-sales services from NEX’s decade-long experience in Thailand’s bus market.

AAB is set to become a leading manufacturing plant, producing 3,000 e-buses annually based one 8-hour work shift and could be expandable to 6,000 EVs annually based on two 8-hour work shifts. Unlike other global leading EV players focusing on the mass consumer market with a hefty investment in large-scale manufacturing plants, AAB invested less than THB2b for its semi-automatic plant with a low production capacity to match the gradual rise in the EV demand in Thailand.

Hence, we think that once the AAB plant starts its first production and delivery, it should be able to become a profitable venture with a low breakeven cost of only THB80m in depreciation and a total breakeven cost of THB0.1b annually, implying an annual breakeven sales volume of only 50-100 e-buses and a shorter than one-year payback period, based on our estimate.

Comprehensive after-sales service. NEX has been operating in Thailand's bus market for over 10 years, importing completely-built-up (CBU) buses from China to sell to domestic buyers, with over 20 maintenance and repair service centres nationwide.

Exhibit 5: Gold SC, NEX's subsidiary, is a service company providing after sales services and has a spare parts centre in the Bangkok metropolitan area



Source: NEX

Under NEX's after-sales service network, the company has long provided repair and maintenance services with ready-to-change spare parts for most of its bus models sold under NEX in Bangkok and its vicinity. The comprehensive and proven track record of NEX's after-sales services for the bus market in Thailand should be one of the key strengths for the NEX-EA JV to successfully penetrate Thailand's bus market and gain market share in 2021-23, in our view.

Exhibit 6: BELI Service, NEX's subsidiary, is a contract company providing contract services to mass transportation and spare parts centres to support over 300 buses at once with 10 depots in the Bangkok metropolitan area



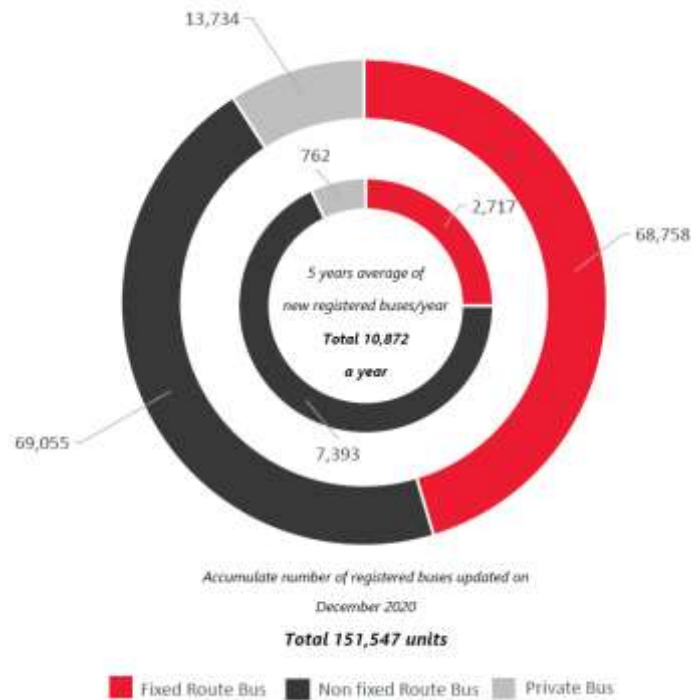
Source: NEX

Winning products to ride industry growth

According to the Department of Land Transportation of Thailand (DLT), the country had a total of 151,547 registered buses at end-2020, comprising 68,758 fixed route buses, 69,055 non-fixed route buses, and 13,734 private buses. According to management, NEX will focus on fixed route buses first as its key market, as cost competitiveness and the fast-charge advantage would be key selling points to this fleet market.

In Thailand, management expects to gain a 30-40% market share out of the 10k-11k new bus market annually, thanks to the government’s clear policy to increase the number of EV buses and trucks in Thailand.

Exhibit 7: Thailand’s bus market as of 2020



Sources: NEX; Department of Land Transportation of Thailand (DLT)

Exhibit 8: NEX’s buses



Fixed Route Bus

Implemented under Land Transport Act 1979 (B.E. 2522) by having Land transport, pick up and drop off at designated bus stops and times such a BMTA and The transport company

Non - Fixed Route Bus

The purpose to transport non fixed route such a tourism, employee, medical, education and government department



Private Bus

The bus is registered to operate in private area or specific purpose such an ambulance, AOT bus etc. This segment is smallest but considered as a potential market

Source: NEX

Overseas market opportunity. In the medium term in 2023-25, NEX also plans to export its EV buses to other ASEAN countries, given the zero import tax and tariffs among ASEAN countries under the ASEAN free trade agreement. In addition, NEX could export EV buses to other emerging markets such as Australia, as Thailand is currently one of the key production hubs for vehicle exports to Australia, with an annual production of over 1.5m vehicles.

Exhibit 9: ASEAN EV markets



Source: NEX

Exhibit 10: A flagship model Stream X EV minibus



Source: NEX

A wide variety of EV products. Based on NEX’s presentation, the company has a variety of EV commercial products for the bus and truck markets. In the bus market, NEX offers a minibus and long-length buses to serve a full range of industries, including intercity transportation, tourism, government agencies, educational institutions, and fixed-route bus operators, including BMTA, the state-owned enterprise that operates the buses in Bangkok and its vicinity.

Exhibit 11: Polestar EV minibus for tourism, hospitals, government agencies, and educational institutions



Source: NEX

Exhibit 12: NEX6110EV and NEX6126EV buses for BMTA, educational institutions, and government agencies



Source: NEX

Exhibit 13: Navigator EV coach for intercity transportation, tourism, hospitals, and government agencies



Source: NEX

Exhibit 14: EV tractor for container transportation at ports



รายการ	รายละเอียด	รายการ	รายละเอียด
ประเภท	รถหัวลาก 10 ล้อ	ระบบเชื้อเพลิง	100% BEV
น้ำหนักรวม	50,500 kg	ความจุแบตเตอรี่	281.9 kWh
น้ำหนักบรรทุก	36,000 kg	ระยะทางวิ่ง	290 km.
ความเร็วสูงสุด	80 กม/ชม.	ระยะเวลาชาร์จ	30-60 นาที

Source: NEX

Truck products cover many heavy-duty truck markets. In addition, NEX provides a range of made-to-order truck products for a number of industrial users, including port operators (container trucks), municipality agencies (garbage trucks, sprinkler trucks, sweeper trucks, and dump trucks), and mining (mining trucks).

Exhibit 15: EV garbage truck



รายการ	รายละเอียด	รายการ	รายละเอียด
ประเภท	รถถังขยะ	ระบบเชื้อเพลิง	100% BEV
น้ำหนักรวม	15,000 kg	ความจุแบตเตอรี่	109-218.54 kWh
น้ำหนักบรรทุก	4,500 - 5,200 kg	ระยะทางวิ่ง	100-200 km.
ความจุ	6.5 ลบ.ม	ระยะเวลาชาร์จ	30-60 นาที

Source: NEX

Exhibit 16: EV sprinkler



รายการ	รายละเอียด	รายการ	รายละเอียด
ประเภท	รถฉีดน้ำ	ระบบเชื้อเพลิง	100% BEV
น้ำหนักรวม	15,000 kg	ความจุแบตเตอรี่	218 kWh
อัตราไหล	50 ลบ.ม/ชม	ระยะทางวิ่ง	100-200 km.
ความจุ	9.04 ลบ.ม	ระยะเวลาชาร์จ	30-60 นาที

Source: NEX

Exhibit 17: EV sweeper



รายการ	รายละเอียด	รายการ	รายละเอียด
ประเภท	รถกวาดถนน	ระบบเชื้อเพลิง	100% BEV
น้ำหนักรวม	15,000 kg	ความจุแบตเตอรี่	218 kWh
ความเร็วในการทำความสะอาด	87,500 ตร.ม./ชม	ระยะทางวิ่ง	100-200 km.
ระยะทางสูงสุด	8.5 เมตร	ระยะเวลาชาร์จ	80-90 นาที

Source: NEX

Exhibit 18: EV dump truck



รายการ	รายละเอียด	รายการ	รายละเอียด
ประเภท	รถกวาดถนน	ระบบเชื้อเพลิง	100% BEV
น้ำหนักรวม	80,000 kg	ความจุแบตเตอรี่	282 kWh
น้ำหนักบรรทุก	9,500 kg	ระยะทางวิ่ง	200 km.
ความเร็วสูงสุด	80 km/h	ระยะเวลาชาร์จ	60 นาที

Source: NEX

In addition, NEX also markets four-wheel (4W) cargo minitrucks for small and medium enterprises and minivans for logistics companies, allowing NEX to cover a variety of customers' needs in the bus and truck markets.

Exhibit 19: EV mining truck



รายการ	รายละเอียด	รายการ	รายละเอียด
ประเภท	รถกวาดถนน	ระบบเชื้อเพลิง	100% BEV
น้ำหนักรวม	99,000 kg	ความจุแบตเตอรี่	250-450 kWh
น้ำหนักบรรทุก	35,000 kg	ระยะทางวิ่ง	100-200 km.
ความเร็วสูงสุด	40 km/h	ระยะเวลาชาร์จ	60-120 นาที

Source: NEX

Exhibit 20: EV 4W cargo minitruck



รายการ	รายละเอียด	รายการ	รายละเอียด
ประเภท	รถกวาดถนน	ระบบเชื้อเพลิง	100% BEV
น้ำหนักรวม	2,510 kg	ความจุแบตเตอรี่	41.86 kWh
น้ำหนักบรรทุก	1,000 kg	ระยะทางวิ่ง	310 km.
ความเร็วสูงสุด	80 km/h	ระยะเวลาชาร์จ	60 นาที

Source: NEX

Exhibit 21: EV 4W minivan



Source: NEX

Exhibit 22: NEX Express



Source: NEX

NEX Express as a key showcase for its products. On 7 April 2021, NEX launched its first intercity bus operation between Bangkok-Nakornratchasima with over a 200km distance and 20 round trips serviced. According to management, NEX plans to operate this NEX Express route to mainly showcase its product quality and reliability to potential customers: the operators of intercity buses. Hence, in the future, NEX may divest NEX Express once its EV products are successful in the market, in our view.

Valuation remains attractive as a turnaround and growth company

We maintain BUY on NEX with our SOTP-based TP of THB12. We apply different forward P/E multiples for each of NEX’s business segments to reflect their different risk-reward outlooks. We think NEX remains attractive as a turnaround-to-growth, first-mover EV play, and believe its share price could rerate in the next 12 months to reflect its strong net profit growth outlook.

Exhibit 23: SOTP valuation

SOTP valuation estimate	THB m	THB/share	Valuation methodology
Electronics & computers	2,953	1.8	2022E P/E at 7x
EV bus - seller	8,998	5.4	2022E P/E at 12x
Maintenance service	2,238	1.3	2022E P/E at 15x
NEX Express (BKK-Korat route)	286	0.2	2022E P/E at 10x
AAB - EV bus (2Q21E)	5,451	3.3	2022E P/E at 10x
AAB - EV car (4Q21E)	117	0.1	2022E P/E at 10x
Net debt	2,031	1.2	At end -2021E
Minorities	(204)	(0.1)	At end -2021E
Residual ordinary equity (TP)	20,086	12.0	
E-truck - seller	1,728	1.0	2022E P/E at 12x
AAB - EV truck (2Q21E)	2,727	1.6	2022E P/E at 12x
Residual ordinary equity	24,541	14.6	

Sources: NEX; FSSIA estimates

Financial Statements

Nex Point

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	783	1,404	2,774	6,445	10,511
Cost of goods sold	(695)	(1,168)	(2,347)	(4,772)	(7,822)
Gross profit	88	236	426	1,673	2,690
Other operating income	-	-	-	-	-
Operating costs	(196)	(360)	(277)	(773)	(1,261)
Operating EBITDA	(107)	(124)	149	900	1,428
Depreciation	(25)	(63)	(64)	(74)	(81)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	(132)	(187)	85	826	1,348
Net financing costs	(10)	(16)	(2)	(2)	(2)
Associates	0	(6)	419	788	1,001
Recurring non-operating income	15	11	439	808	1,021
Non-recurring items	0	0	0	0	0
Profit before tax	(126)	(192)	522	1,632	2,367
Tax	(15)	(8)	(21)	(169)	(273)
Profit after tax	(141)	(200)	501	1,463	2,093
Minority interests	(5)	(13)	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	(147)	(214)	501	1,463	2,093
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	(147)	(214)	501	1,463	2,093
Per share (THB)					
Recurring EPS *	(0.09)	(0.13)	0.30	0.87	1.25
Reported EPS	(0.09)	(0.13)	0.30	0.87	1.25
DPS	0.00	0.00	0.15	0.50	0.60
Diluted shares (used to calculate per share data)	1,674	1,674	1,674	1,674	1,674
Growth					
Revenue (%)	19.5	79.2	97.6	132.4	63.1
Operating EBITDA (%)	nm	nm	nm	503.8	58.8
Operating EBIT (%)	nm	nm	nm	871.0	63.2
Recurring EPS (%)	nm	nm	nm	191.8	43.1
Reported EPS (%)	nm	nm	nm	191.8	43.1
Operating performance					
Gross margin inc. depreciation (%)	8.2	12.3	13.1	24.8	24.8
Gross margin of key business (%)	8.2	12.3	13.1	24.8	24.8
Operating EBITDA margin (%)	(13.7)	(8.8)	5.4	14.0	13.6
Operating EBIT margin (%)	(16.8)	(13.3)	3.1	12.8	12.8
Net margin (%)	(18.7)	(15.2)	18.1	22.7	19.9
Effective tax rate (%)	-11.9	-4.3	20.0	20.0	20.0
Dividend payout on recurring profit (%)	-	-	50.1	57.2	48.0
Interest cover (X)	(12.0)	(11.1)	291.7	909.6	1,318.8
Inventory days	10.8	22.3	29.1	29.0	31.3
Debtor days	58.0	32.7	17.6	8.6	6.4
Creditor days	55.8	38.7	35.2	35.0	37.8
Operating ROIC (%)	(41.4)	(27.3)	10.1	102.8	141.9
ROIC (%)	(15.5)	(10.7)	22.2	70.5	96.1
ROE (%)	(32.5)	(12.4)	15.6	36.0	39.5
ROA (%)	(15.6)	(8.3)	12.6	28.0	29.6
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Electronic sales and service	622	424			
Bus sales	48	763			
Repair and maintenance	0	127			
Transportation	119	97			

Sources: Nex Point; FSSIA estimates

Financial Statements

Nex Point

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	(147)	(214)	501	1,463	2,093
Depreciation	25	63	64	74	81
Associates & minorities	0	(6)	419	788	1,001
Other non-cash items	-	-	-	-	-
Change in working capital	(132)	(66)	(99)	(278)	(312)
Cash flow from operations	(254)	(223)	885	2,047	2,862
Capex - maintenance	(24)	(23)	(64)	(74)	(81)
Capex - new investment	(90)	(434)	(264)	(174)	(181)
Net acquisitions & disposals	0	(476)	0	0	0
Other investments (net)	29	(406)	419	788	1,001
Cash flow from investing	(84)	(1,339)	91	540	739
Dividends paid	0	0	0	(251)	(837)
Equity finance	230	2,685	0	0	0
Debt finance	(16)	(54)	0	0	0
Other financing cash flows	116	255	(310)	(1,228)	(1,640)
Cash flow from financing	330	2,886	(310)	(1,479)	(2,477)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(8)	1,324	666	1,108	1,125
Free cash flow to firm (FCFF)	(328.40)	(1,546.22)	977.70	2,588.46	3,603.63
Free cash flow to equity (FCFE)	(238.37)	(1,360.93)	666.27	1,359.03	1,962.19
Per share (THB)					
FCFF per share	(0.20)	(0.92)	0.58	1.55	2.15
FCFE per share	(0.14)	(0.81)	0.40	0.81	1.17
Recurring cash flow per share	(0.07)	(0.09)	0.59	1.39	1.90
Balance Sheet (THB m) Year Ending Dec					
Tangible fixed assets (gross)	277	591	391	291	191
Less: Accumulated depreciation	(89)	(56)	(119)	(193)	(274)
Tangible fixed assets (net)	187	536	272	98	(83)
Intangible fixed assets (net)	120	201	201	201	201
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	0	476	476	476	476
Cash & equivalents	86	1,410	2,076	3,184	4,309
A/C receivable	123	129	139	163	203
Inventories	18	124	250	509	834
Other current assets	192	207	410	952	1,552
Current assets	420	1,871	2,875	4,808	6,897
Other assets	201	534	534	534	534
Total assets	929	3,617	4,358	6,116	8,025
Common equity	486	2,961	3,463	4,674	5,931
Minorities etc.	79	204	204	204	204
Total shareholders' equity	566	3,166	3,667	4,879	6,135
Long term debt	42	0	0	0	0
Other long-term liabilities	84	167	167	167	167
Long-term liabilities	126	167	167	167	167
A/C payable	97	150	302	614	1,006
Short term debt	57	45	45	45	45
Other current liabilities	83	90	178	413	674
Current liabilities	237	285	525	1,072	1,725
Total liabilities and shareholders' equity	929	3,617	4,358	6,117	8,026
Net working capital	154	220	319	597	909
Invested capital	662	1,967	1,802	1,905	2,037
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	0.29	1.77	2.07	2.79	3.54
Tangible book value per share	0.22	1.65	1.95	2.67	3.42
Financial strength					
Net debt/equity (%)	2.2	(43.1)	(55.4)	(64.3)	(69.5)
Net debt/total assets (%)	1.4	(37.7)	(46.6)	(51.3)	(53.1)
Current ratio (x)	1.8	6.6	5.5	4.5	4.0
CF interest cover (x)	(14.3)	(57.5)	519.0	854.7	1,194.3
Valuation					
Recurring P/E (x) *	(78.8)	(54.1)	23.0	7.9	5.5
Recurring P/E @ target price (x) *	(137.0)	(94.1)	40.1	13.7	9.6
Reported P/E (x)	(78.8)	(54.1)	23.0	7.9	5.5
Dividend yield (%)	-	-	2.2	7.2	8.7
Price/book (x)	23.8	3.9	3.3	2.5	1.9
Price/tangible book (x)	31.5	4.2	3.5	2.6	2.0
EV/EBITDA (x) **	(108.6)	(83.9)	65.3	9.6	5.2
EV/EBITDA @ target price (x) **	(188.3)	(152.9)	122.6	19.1	11.2
EV/invested capital (x)	17.6	5.3	5.4	4.5	3.7
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: Nex Point; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PAP	PCSGH	PDJ	PHOL	PLANB	PLANET
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEAOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TMB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TSC	TSR	TSTE	TSTH	TTA
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSIB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIJK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TIPIP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

Description

Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

Disclaimer:

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* 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; ** delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

Anti-corruption Progress Indicator 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANAHA	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOIL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	TMB	TMD	TMILL	TMT
TNITY	TNL	TNP	TNR	TOG	TOP	TPA	TPCORP	TPP	TRU	TSC
TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS	UEC	UKEM
UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIJK	XO
ZEN	TRUE									

DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

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)

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Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; * FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Suwat Sinsadok FSS International Investment Advisory Securities Co., Ltd

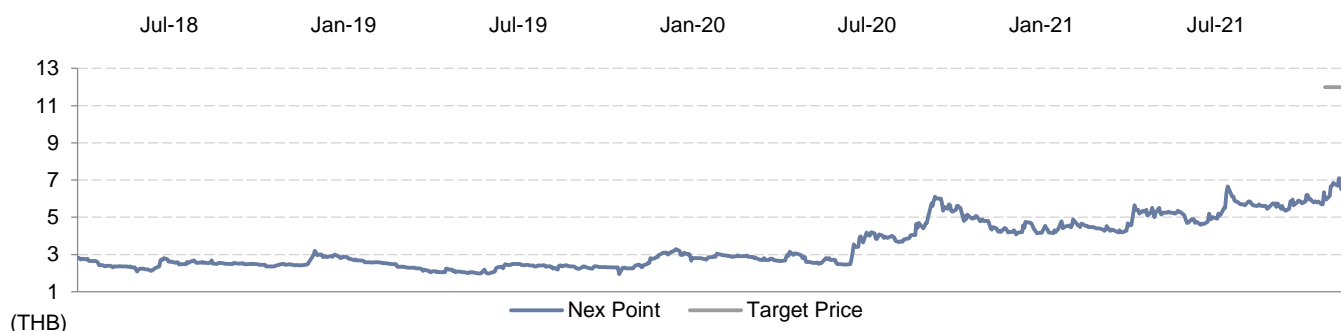
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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

Nex Point (NEX TB)



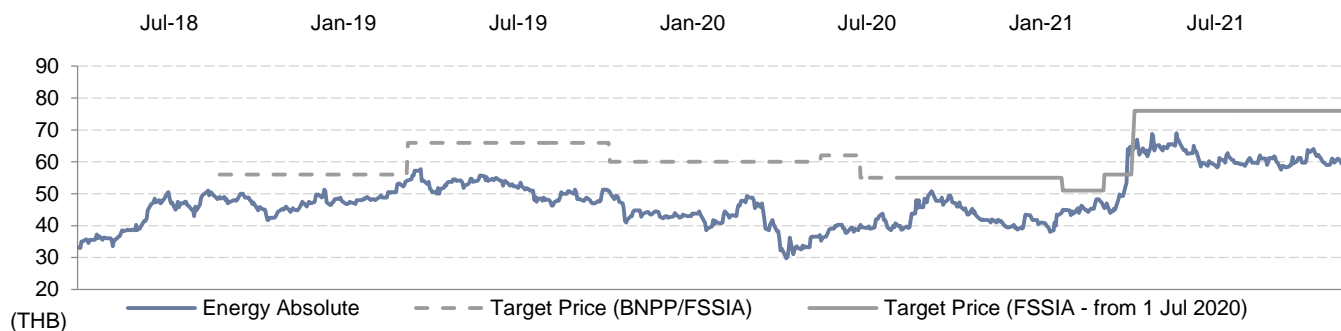
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
23-Jun-2021	BUY	12.00	-	-	-	-	-	-

Suwat Sinsadok started covering this stock from 23-Jun-2021

Price and TP are in local currency

Source: FSSIA estimates

Energy Absolute (EA TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
15-Nov-2018	BUY	56.00	20-May-2020	BUY	55.00	15-Dec-2020	BUY	56.00
26-Apr-2019	BUY	66.00	09-Jul-2020	BUY	55.00	08-Jan-2021	BUY	76.00
17-Oct-2019	BUY	60.00	17-Jul-2020	BUY	55.00			
16-Apr-2020	BUY	62.00	09-Nov-2020	BUY	51.00			

Suwat Sinsadok started covering this stock from 15-Nov-2018

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Nex Point	NEX TB	THB 6.90	BUY	Downside risks to our SOTP-based TP include: 1) a lower-than-expected bus sales volume; 2) delays in bus deliveries; and 3) risk from regulatory changes.
Energy Absolute	EA TB	THB 60.00	BUY	Downside risks to our SoTP-based TP include: 1) lower-than-expected demand for electricity in Thailand; 2) lower crude prices; and 3) lower-than-expected demand for batteries.

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 14-Jul-2021 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.