

16 SEPTEMBER 2021

THAILAND / TECHNOLOGY

NEX POINT NEX TB

BUY

UNCHANGED

TARGET PRICE	THB13.40
CLOSE	THB8.80
UP/DOWNSIDE	+52.3%
PRIOR TP	THB13.40
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-5.6%

## การพลิกฟื้นของธุรกิจยานยนต์ไฟฟ้า (EV) กำลังจะเป็นความจริง

## ส่งมอบรถโดยสารไฟฟ้า 87 คันแรกให้แก่ Lotte Rent-A-Car (Thailand)

จากข้อมูลของบ้านเมือง ซึ่งเป็นหนังสือพิมพ์ท้องถิ่น ประธานเจ้าหน้าที่บริหารของ NEX ประกาศเมื่อวันที่ 14 ก.ย. 21 ว่าบริษัทฯ ได้ขายรถโดยสารไฟฟ้าขนาดเล็กจำนวน 87 คันให้แก่ Lotte Rent-A-Car (Thailand; 'LRT') ซึ่งเป็นบริษัทให้เช่ารถยนต์อันดับ 1 ในเอเชียและเป็นบริษัทย่อยของ Lotte group ประเทศเกาหลีใต้ บริษัทฯ ขายรถดังกล่าวพร้อมสัญญาซ่อมบำรุงครบวงจร LRT จะปล่อยเช่ารถทั้ง 87 คันดังกล่าวให้แก่ผู้ประกอบการรถประจำทางระหว่างเมืองท้องถิ่นในฐานะที่เป็นรถที่เป็นมิตรต่อสิ่งแวดล้อมเพื่อตอบสนองต่อเป้าหมายการปล่อยคาร์บอนของรัฐบาลไทย จากข้อมูลของประธานเจ้าหน้าที่บริหารของ NEX การซื้อรถประจำทางไฟฟ้าขนาด 20 ที่นั่งของ LRT รวมมูลค่า 300 ลบ. เป็นเพียงขั้นแรกของการซื้อที่จะตามมา บริษัทฯ มีกำหนดส่งมอบรถในเดือน ธ.ค. 21 ในขณะที่รถต้องใช้เวลา 30 นาทีในการชาร์จแบตเตอรี่ขนาด 150kWh ให้เต็ม ซึ่งจะทำให้สามารถวิ่งได้อย่างน้อย 200 ก.ม. ในแต่ละครั้ง

## คำสั่งซื้อกำลังเพิ่มขึ้นจาก 120 คันใน 3Q21 เป็นประมาณ 3,000 คันในปี 2022

จากข้อมูลของผู้บริหาร NEX วางแผนส่งมอบรถโดยสารไฟฟ้า 120 คันใน 3Q21 บริษัทฯ ได้ส่งมอบในรอบแรกเป็นจำนวน 80 คันจากคำสั่งซื้อ 120 คันไปแล้วในเดือน ก.ย. 21 ให้แก่ลูกค้าเพื่อใช้เป็นรถประจำทางสาย 35 ดังนั้นเราจึงคิดว่า NEX น่าจะสามารถส่งมอบรถ 120 คันได้ภายใน 3Q21 ตามแผน NEX วางแผนส่งมอบรถโดยสารไฟฟ้า 400 คันใน 4Q21 รวมถึงรถโดยสารและรถบรรทุกไฟฟ้าอีกประมาณ 3,000 คันในปี 2022 บริษัทฯ ได้รับคำสั่งซื้อล่วงหน้าทั้งหมดแล้ว และกิจการร่วมค้าระหว่าง NEX และ EA คาดว่าจะส่งมอบคำสั่งซื้อได้ภายในกำหนดโดยไม่มีปัญหาใด ๆ เนื่องจาก Absolute Assembly (AAB, not listed) ซึ่ง NEX ถือหุ้น 45% และ EA ถือหุ้น 55% กำลังการผลิตรถโดยสารไฟฟ้าต่อปีที่ 3,000 คันได้สร้างโรงงานผลิตมูลค่า 1.5 พัน ลบ. สำเร็จเรียบร้อยแล้ว

## การพลิกฟื้นใน 3Q21 ดูเป็นไปได้มากยิ่งขึ้น

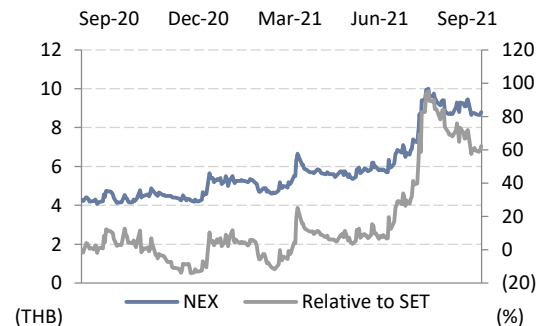
จากข้อมูลของผู้บริหาร เราเชื่อว่าสมมติฐานปริมาณยอดขายรถโดยสารและรถกระบะไฟฟ้าที่ผลิตโดย AAB และขายโดย NEX ที่ 120 คันใน 3Q21, 400 คันใน 4Q21, 2,800 คันใน 2022, และ 3,400 คันใน 2023 เป็นไปได้เมื่อพิจารณาจากคำสั่งซื้อที่ความชัดเจนสูง มีการจองล่วงหน้า และใกล้ผลิตเสร็จ เราคาดว่ากำไรของ NEX จะพลิกฟื้นเต็มตัวกลายเป็นกำไรสุทธิ 40 ลบ. ใน 3Q21 จากนั้นจะพุ่งเป็น 470 ลบ. ใน 4Q21, 1.5 พัน ลบ. ในปี 2022, และ 2.1 พัน ลบ. ในปี 2023 เราคิดว่ากำไรที่เพิ่มขึ้นดังกล่าวจะเป็นปัจจัยบวกสำคัญสำหรับราคาหุ้นของ NEX ในอีก 12 เดือนข้างหน้า

## น่าสนใจในฐานะหุ้น พลิกฟื้น เต็บโตและ EV

เราคงคำแนะนำซื้อที่ราคาเป้าหมาย 13.4 บาท (SOTP) ซึ่งรวมมูลค่า 1.3 บาท/หุ้นสำหรับยอดขายรถบรรทุกไฟฟ้าและ 1.6 บาท/หุ้นสำหรับการผลิตรถบรรทุกไฟฟ้าของ AAB เราเชื่อว่า NEX ยังมีความน่าสนใจในฐานะที่จะรายงานการพลิกฟื้น เต็บโตและอยู่ในกลุ่ม EV

## KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	1,404	3,036	6,599	10,671
Net profit	(214)	439	1,473	2,104
EPS (THB)	(0.13)	0.26	0.88	1.26
vs Consensus (%)	-	25.6	22.2	4.4
EBITDA	(124)	122	913	1,442
Core net profit	(214)	439	1,473	2,104
Core EPS (THB)	(0.13)	0.26	0.88	1.26
Chg. In EPS est. (%)	nm	-	-	-
EPS growth (%)	nm	nm	235.4	42.8
Core P/E (x)	(69.0)	33.6	10.0	7.0
Dividend yield (%)	-	1.7	5.7	6.8
EV/EBITDA (x)	(109.6)	106.5	13.0	7.4
Price/book (x)	5.0	4.3	3.2	2.5
Net debt/Equity (%)	(43.1)	(54.2)	(63.7)	(69.1)
ROE (%)	(12.4)	13.8	36.7	40.0



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(0.6)	50.4	106.6
Relative to country (%)	(6.5)	50.1	64.1
Mkt cap (USD m)	448		
3m avg. daily turnover (USD m)	4.2		
Free float (%)	35		
Major shareholder	EA Mobility Holding (40%)		
12m high/low (THB)	10.00/4.06		
Issued shares (m)	1,674.45		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 16 กันยายน 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.

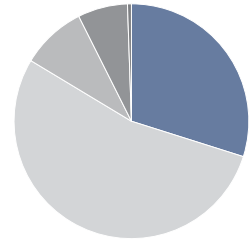
## Company profile

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

[www.nexpoint.co.th](http://www.nexpoint.co.th)

## Principal activities (revenue, 2020)

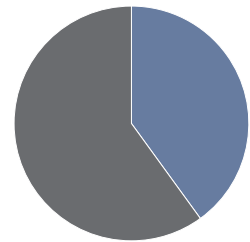
- Electronic sales and service - 30.2 %
- Bus sales - 54.3 %
- Repair and maintenance - 9.1 %
- Transportation - 6.9 %
- Others - -0.5 %



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
Nov 2021	3Q21 results announcement

## Key assumptions

	2021E	2022E	2023E
EV bus sales (buses)	520	1,000	1,500
E-truck sales (trucks)	0	250	550
Number of vehicles for maintenance services	700	2,000	3,000
E-buses produced & sales (buses) - AAB	600	1,800	2,400
E-trucks produced & sales (trucks) - AAB	50	1,000	1,000
NEX Express (passengers)	70,080	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



## EV turnaround is materialising

According to the local newspaper [Banmuang](#), on 14 September 2021, NEX's CEO Mr. Kanit Srivachiraprapha announced that NEX had sold 87 EV minibuses to Lotte Rent-A-Car (Thailand; LRT), the number one rental car company in Asia and a subsidiary of the Lotte group in South Korea.

The sale comes with a full maintenance contract. LRT will rent the fleet of 87 EV minibuses for a local intercity bus operator to deploy as 'green' vehicles to comply with the Thai government's carbon emissions goal.

According to NEX's CEO, LRT's purchase of 87 of the 20-seat EV minibuses worth THB300m comprises the first stage of purchases. They are scheduled for delivery in December 2021. NEX will be fully responsible for the maintenance of the EV minibuses for LRT, and we estimate that NEX will charge a THB3.0-3.5/km maintenance service fee to LRT.

The EV minibuses require 30 minutes to fully charge their 150kWh batteries, which can run for at least 200km on each charge. On top of the e-buses being cleaner and greener vehicles, LRT expects to save up to 70% on its maintenance and fuel expenses annually, which could amount to THB0.5m-1m per year.

### Exhibit 1: NEX's minibuses for Lotte Rent-A-Car (Thailand)



Source: [Banmuang Newspaper](#)

### Exhibit 2: NEX's CEO with the management of Lotte Rent-A-Car (Thailand)



Source: [Banmuang Newspaper](#)

Mr. Chang Ho Yun, CEO of LRT, indicated that by deploying NEX's EV minibuses, the Lotte group and LRT could achieve the group's environmental, social, and governance (ESG) targets. The Lotte group and LRT plan to further convert their rental vehicle fleet from the current internal combustion engine (ICE)-based vehicles to EVs for future intercity buses on a number of other routes in Thailand and Asia. In addition, LRT has a plan to deploy NEX's EVs for both its commercial (EV bus) and passenger EVs, depending on the clients' needs, according to Banmuang.

**A series of e-bus deliveries in 3Q21-2022.** According to management, NEX plans to deliver 120 e-buses in 3Q21, 400 in 4Q21, and 3,000 in 2022. All pre-booked orders have been secured, and the NEX-EA JV expects to deliver the orders within the timeline without any difficulty, given the completion of the THB1.5b manufacturing plant under AAB, owned 45% by NEX and 55% by Energy Absolute (EA TB, BUY, TP THB76), with an annual capacity of 3,000 e-buses.

**120 e-buses to be delivered in 3Q21.** The first batch of 80 e-buses out of the 120 e-bus order has already been delivered in Sep-21 to its client to be used as fixed-route buses under Route 35. Hence, we think NEX should be able to deliver the 120 e-buses within 3Q21 as planned.

**400 e-buses and e-trucks in 4Q21.** Management also clarified that NEX has now secured orders for 400 e-buses and e-trucks to be delivered to clients in 4Q21, including the 87 EV-minibuses for LRT. With a monthly production capacity of 300 e-buses and e-trucks, we see no difficulty for AAB to deliver the full order of 400 e-buses and e-trucks by end-2021.

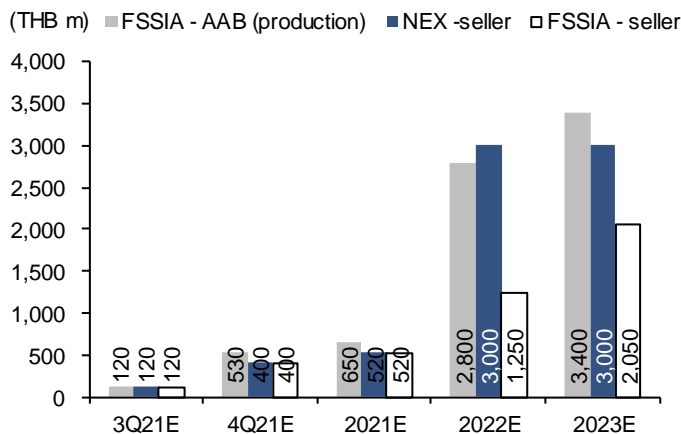
**3,000 e-buses and e-trucks in 2022.** According to both NEX's and EA's management, AAB plans to produce 3,000 e-buses and e-trucks in 2022, as NEX has booked around 3,000 EV orders to be delivered in 2022. The orders comprise 1,000-2,000 e-buses for fixed-route bus operators; 2) 500 e-buses for intercity bus operators; and 3) up to 200-500 e-buses and e-trucks as a pilot batch for a number of private companies to deploy in their fleets. These could later fully replace those companies' fleets if the pilot EVs have satisfactory performance.

**Exhibit 3: The first e-bus produced by AAB and delivered to a customer to be used as a fixed-route bus on Line 35**



Sources: NEX; FSSIA estimates

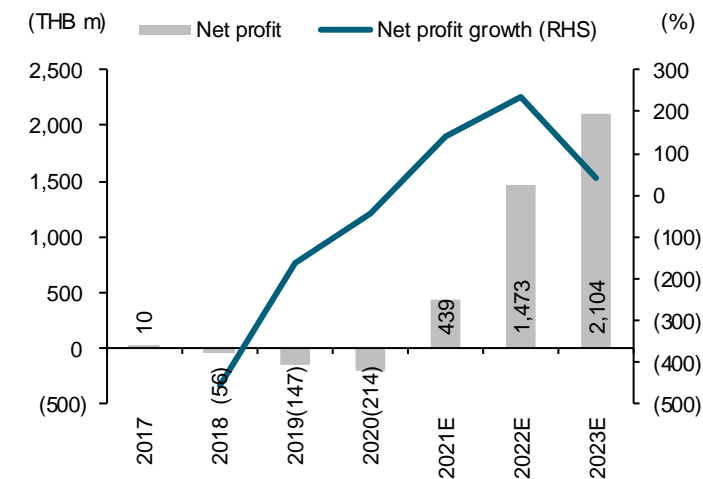
**Exhibit 4: Quarterly gross profit by segment**



Sources: NEX; FSSIA estimates

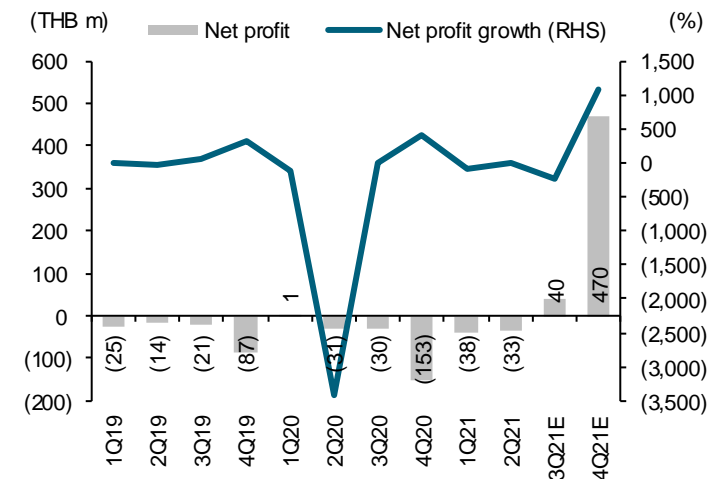
We believe our current e-bus and e-truck sales volume assumptions, for those produced by AAB and sold by NEX – 120 in 3Q21, 400 in 4Q21, 2,800 in 2022, and 3,400 in 2023 – are achievable, based on the high visibility of the orders which were booked in advance and are nearing finalisation, according to management. We expect NEX’s earnings to fully turn around to a net profit of THB40m in 3Q21, then rise to THB470m in 4Q21, THB1.5b in 2022, and THB2.1b in 2023. We think this could be a key catalyst for NEX’s share price in the next 12 months.

**Exhibit 5: Net profit turnaround expected in 2021**



Sources: NEX; FSSIA estimates

**Exhibit 6: 3Q21E net profit of THB40m from 120 e-bus delivery**



Sources: NEX; FSSIA estimates

**Valuation**

We maintain BUY and our SOTP-based target price of THB13.4, incorporating a THB1.3/share value for its e-truck sales and a THB1.6/share value for AAB’s e-truck production, as management has indicated that NEX and AAB have already secured up to a 1,500 e-bus and a 200-400 e-truck backlog in 2022. We believe NEX remains attractive as a turnaround, growth, and EV-themed company in Thailand.

**Exhibit 7: SOTP valuation**

Cost of equity assumptions		Cost of debt assumptions	
	(%)		(%)
Risk-free rate	2.3	Pretax cost of debt	4.6
Market risk premium	8.5	Marginal tax rate	20.0
Stock beta	1.20		
<b>DCF assumptions</b>			
Cost of equity, Ke	12.5	Net cost of debt, Kd	3.4
Weight applied	25.0	Weight applied	75.0
<b>WACC (%)</b>	<b>5.7</b>		
SOTP valuation estimate		Valuation methodology	
	(THB m)	(THB/share)	
Electronics & computer	2,566	1.5	FY22E P/E at 7x
EV bus - seller	8,998	5.4	FY22E P/E at 12x
Maintenance service	2,238	1.3	FY22E P/E at 15x
NEX express (BKK-Korat route)	286	0.2	FY22E P/E at 10x
AAB - EV bus	5,451	3.3	FY22E P/E at 10x
EV truck - seller	2,160	1.3	FY22E P/E at 12x
AAB - EV truck	2,727	1.6	FY22E P/E at 12x
Net debt	3,076	1.8	At end -2022E
Minorities	(204)	(0.1)	At end -2022E
<b>Residual ordinary equity</b>	<b>19,583</b>	<b>13.4</b>	

Source: FSSIA estimates



## Financial Statements

Nex Point

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	783	1,404	3,036	6,599	10,671
Cost of goods sold	(695)	(1,168)	(2,611)	(4,894)	(7,948)
<b>Gross profit</b>	<b>88</b>	<b>236</b>	<b>426</b>	<b>1,704</b>	<b>2,722</b>
Other operating income	-	-	-	-	-
Operating costs	(196)	(360)	(304)	(792)	(1,280)
<b>Operating EBITDA</b>	<b>(107)</b>	<b>(124)</b>	<b>122</b>	<b>913</b>	<b>1,442</b>
Depreciation	(25)	(63)	(64)	(74)	(81)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>(132)</b>	<b>(187)</b>	<b>58</b>	<b>839</b>	<b>1,361</b>
Net financing costs	(10)	(16)	(2)	(2)	(2)
Associates	0	(6)	378	788	1,001
Recurring non-operating income	15	11	398	808	1,021
Non-recurring items	0	0	0	0	0
<b>Profit before tax</b>	<b>(126)</b>	<b>(192)</b>	<b>454</b>	<b>1,644</b>	<b>2,380</b>
Tax	(15)	(8)	(15)	(171)	(276)
<b>Profit after tax</b>	<b>(141)</b>	<b>(200)</b>	<b>439</b>	<b>1,473</b>	<b>2,104</b>
Minority interests	(5)	(13)	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>(147)</b>	<b>(214)</b>	<b>439</b>	<b>1,473</b>	<b>2,104</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>(147)</b>	<b>(214)</b>	<b>439</b>	<b>1,473</b>	<b>2,104</b>
<b>Per share (THB)</b>					
Recurring EPS *	(0.09)	(0.13)	0.26	0.88	1.26
Reported EPS	(0.09)	(0.13)	0.26	0.88	1.26
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
<b>Growth</b>					
Revenue (%)	19.5	79.2	116.3	117.3	61.7
Operating EBITDA (%)	nm	nm	nm	648.4	58.0
Operating EBIT (%)	nm	nm	nm	1,346.7	62.3
Recurring EPS (%)	nm	nm	nm	235.4	42.8
Reported EPS (%)	nm	nm	nm	235.4	42.8
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	8.2	12.3	11.9	24.7	24.8
Gross margin of key business (%)	8.2	12.3	11.9	24.7	24.8
Operating EBITDA margin (%)	(13.7)	(8.8)	4.0	13.8	13.5
Operating EBIT margin (%)	(16.8)	(13.3)	1.9	12.7	12.8
Net margin (%)	(18.7)	(15.2)	14.5	22.3	19.7
Effective tax rate (%)	-11.9	-4.3	20.0	20.0	20.0
Dividend payout on recurring profit (%)	-	-	57.2	56.8	47.8
Interest cover (X)	(12.0)	(11.1)	254.0	916.8	1,326.2
Inventory days	10.8	22.3	28.2	29.8	31.4
Debtor days	58.0	32.7	16.1	8.4	6.3
Creditor days	55.8	38.7	34.0	36.0	37.9
Operating ROIC (%)	(41.4)	(27.3)	6.8	102.1	141.0
ROIC (%)	(15.5)	(10.7)	19.3	70.5	96.1
ROE (%)	(32.5)	(12.4)	13.8	36.7	40.0
ROA (%)	(15.6)	(8.3)	11.1	28.3	29.9
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Electronic sales and service	622	424	174	290	195
Bus sales	48	763	2,500	5,450	9,000
Repair and maintenance	0	127	263	750	1,125
Transportation	119	97	15	99	132

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)	439	1,473	2,104
Depreciation	25	63	64	74	81
Associates & minorities	0	(6)	378	788	1,001
Other non-cash items	-	-	-	-	-
Change in working capital	(132)	(66)	(116)	(272)	(313)
<b>Cash flow from operations</b>	<b>(254)</b>	<b>(223)</b>	<b>765</b>	<b>2,063</b>	<b>2,872</b>
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)	378	788	1,001
<b>Cash flow from investing</b>	<b>(84)</b>	<b>(1,339)</b>	<b>50</b>	<b>540</b>	<b>739</b>
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	(229)	(1,228)	(1,640)
<b>Cash flow from financing</b>	<b>330</b>	<b>2,886</b>	<b>(229)</b>	<b>(1,479)</b>	<b>(2,477)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>(8)</b>	<b>1,324</b>	<b>587</b>	<b>1,124</b>	<b>1,135</b>
Free cash flow to firm (FCFF)	(328.40)	(1,546.22)	817.42	2,604.16	3,613.33
Free cash flow to equity (FCFE)	(238.37)	(1,360.93)	586.98	1,374.73	1,971.90
<b>Per share (THB)</b>					
FCFF per share	(0.20)	(0.92)	0.49	1.56	2.16
FCFE per share	(0.14)	(0.81)	0.35	0.82	1.18
Recurring cash flow per share	(0.07)	(0.09)	0.53	1.39	1.90
<b>Balance Sheet (THB m) Year Ending Dec</b>					
Tangible fixed assets (gross)	277	591	391	291	191
Less: Accumulated depreciation	(89)	(56)	(119)	(193)	(274)
<b>Tangible fixed assets (net)</b>	<b>187</b>	<b>536</b>	<b>272</b>	<b>98</b>	<b>(83)</b>
<b>Intangible fixed assets (net)</b>	<b>120</b>	<b>201</b>	<b>201</b>	<b>201</b>	<b>201</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	0	476	476	476	476
Cash & equivalents	86	1,410	1,997	3,121	4,255
A/C receivable	123	129	140	165	205
Inventories	18	124	278	522	847
Other current assets	192	207	448	974	1,575
<b>Current assets</b>	<b>420</b>	<b>1,871</b>	<b>2,863</b>	<b>4,781</b>	<b>6,883</b>
Other assets	201	534	534	534	534
<b>Total assets</b>	<b>929</b>	<b>3,617</b>	<b>4,346</b>	<b>6,090</b>	<b>8,011</b>
Common equity	486	2,961	3,401	4,623	5,889
Minorities etc.	79	204	204	204	204
<b>Total shareholders' equity</b>	<b>566</b>	<b>3,166</b>	<b>3,605</b>	<b>4,827</b>	<b>6,094</b>
Long term debt	42	0	0	0	0
Other long-term liabilities	84	167	167	167	167
<b>Long-term liabilities</b>	<b>126</b>	<b>167</b>	<b>167</b>	<b>167</b>	<b>167</b>
A/C payable	97	150	336	629	1,022
Short term debt	57	45	45	45	45
Other current liabilities	83	90	195	423	684
<b>Current liabilities</b>	<b>237</b>	<b>285</b>	<b>575</b>	<b>1,097</b>	<b>1,751</b>
<b>Total liabilities and shareholders' equity</b>	<b>929</b>	<b>3,617</b>	<b>4,347</b>	<b>6,091</b>	<b>8,011</b>
Net working capital	154	220	336	608	921
Invested capital	662	1,967	1,819	1,917	2,049
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	0.29	1.77	2.03	2.76	3.52
Tangible book value per share	0.22	1.65	1.91	2.64	3.40
<b>Financial strength</b>					
Net debt/equity (%)	2.2	(43.1)	(54.2)	(63.7)	(69.1)
Net debt/total assets (%)	1.4	(37.7)	(44.9)	(50.5)	(52.6)
Current ratio (x)	1.8	6.6	5.0	4.4	3.9
CF interest cover (x)	(14.3)	(57.5)	474.9	863.4	1,199.7
<b>Valuation</b>					
<b>Recurring P/E (x) *</b>	<b>(100.5)</b>	<b>(69.0)</b>	<b>33.6</b>	<b>10.0</b>	<b>7.0</b>
<b>Recurring P/E @ target price (x) *</b>	<b>(153.0)</b>	<b>(105.1)</b>	<b>51.1</b>	<b>15.2</b>	<b>10.7</b>
Reported P/E (x)	(100.5)	(69.0)	33.6	10.0	7.0
Dividend yield (%)	-	-	1.7	5.7	6.8
Price/book (x)	30.3	5.0	4.3	3.2	2.5
Price/tangible book (x)	40.2	5.3	4.6	3.3	2.6
EV/EBITDA (x) **	(138.3)	(109.6)	106.5	13.0	7.4
EV/EBITDA @ target price (x) **	(210.1)	(171.8)	169.7	21.4	12.8
EV/invested capital (x)	22.4	6.9	7.1	6.2	5.2
* 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	SEOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SE-EDI	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	TTB	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:

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

\* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; \*\* 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	TTB	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)

### Disclaimer:

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of 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)**



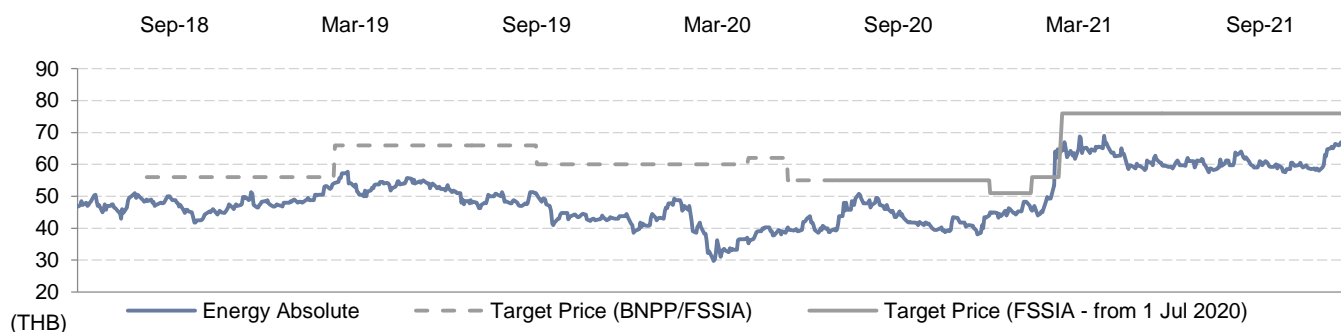
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
23-Jun-2021	BUY	12.00	15-Jul-2021	BUY	12.00	09-Aug-2021	BUY	13.40

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 8.80	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 65.75	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 15-Sep-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.