

18 NOVEMBER 2021

THAILAND / UTILITIES - RENEWABLES

## ENERGY ABSOLUTE EA TB

BUY

UNCHANGED

TARGET PRICE	THB88.00
CLOSE	THB70.00
UP/DOWNSIDE	+25.7%
PRIOR TP	THB76.00
CHANGE IN TP	+15.8%
TP vs CONSENSUS	+19.5%

## EV เป็นปัจจัยผลักดันการเติบโตในปัจจุบัน

การส่งมอบรถโดยสารไฟฟ้าครั้งแรกจำนวน 77 คันอาจตามมาด้วยการขายตามสัญญา หลังส่งมอบรถโดยสารไฟฟ้า (e-bus) จำนวน 77 คันและได้กำไร 0.1 พัน ลบ. ใน 3Q21 เราคาดว่ากิจการร่วมค้าที่ประกอบธุรกิจ e-bus ของ EA จะสร้างกำไรสุทธิมากถึง 0.5 พัน ลบ. ใน 4Q21 และ 4 พัน ลบ. ในปี 2022 จาก 1) การขาย e-bus 2,000 คันและรถบรรทุกไฟฟ้า (e-truck) 1,000 คันต่อปี; 2) ราคาขายเฉลี่ยที่ 5 ลบ. ต่อ e-bus และ 3 ลบ. ต่อ e-truck; 3) อัตรากำไรสุทธิที่คาดว่าจะอยู่ที่ 15%; และ 4) หน้าที่ EA ถืออยู่ 40% ใน Nex Point (NEX TB, BUY, TP THB13.4) และ 73% ใน Absolute Assembly (AAB, not listed) จากข้อมูลของผู้บริหาร EA กำลังอยู่ระหว่างการเซ็นสัญญาหลายฉบับเพื่อส่ง e-bus 2,500-3,000 คันให้แก่ลูกค้าในภาคเอกชนประกอบด้วย ผู้ประกอบการรถโดยสารประจำทางระหว่างเมือง รถโดยสารภายใต้สัญญาสัมปทานให้แก่ ขสมก และบริษัทเอกชนเพื่อทดแทนรถโดยสารและรถบรรทุกที่ใช้เครื่องยนต์สันดาปภายใน (ICE)

ความเสี่ยงขาขึ้นสำหรับการเติบโตตั้งแต่ปี 2022 เป็นต้นไปอาจรวมถึงแบตเตอรี่ด้วยในเร็ว ๆ นี้

ในฐานะที่เป็นส่วนหนึ่งของการเปลี่ยนแปลงจากรัฐที่มีไฟฟ้าเป็นปัจจัยผลักดันสู่บริษัทที่มียานยนต์ไฟฟ้าเป็นศูนย์กลางตั้งแต่ 3Q21 เป็นต้นไป EA จะเสริมสร้างกิจการ EV เพื่อการพาณิชย์ (ผลิต การตลาด และซ่อมบำรุง) ให้แข็งแกร่งมากยิ่งขึ้นด้วยการเริ่มดำเนินงานเชิงพาณิชย์ (COD) ของโรงงานแบตเตอรี่ระยะที่ 1 ที่มีกำลังการผลิต 1GWh ในเดือน ธ.ค. 21 ซึ่งเราคาดว่าจะสร้างกำไรสุทธิได้ 0.1 พัน ลบ. ในปี 2021 และ 0.5 พัน ลบ. ในปี 2022 EA คาดว่าการติดตั้งสถานีชาร์จทั่วประเทศจะบรรลุเป้าหมาย 1,000 สถานีภายในสิ้นปี 2022 โดยจะเพิ่มจาก 600 สถานีในปี 2021

รัฐบาลจะประกาศมาตรการอุดหนุนธุรกิจ EV และแบตเตอรี่ในเร็ว ๆ นี้

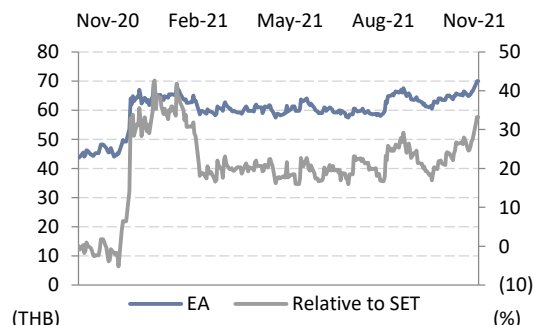
ในฐานะที่เป็นผู้เล่นสำคัญในอุตสาหกรรม EV เพียงรายเดียวที่ประกอบธุรกิจ EV อย่างครบถ้วนในประเทศไทย EA น่าจะได้ประโยชน์จากนโยบายของรัฐบาลในด้านชิ้นส่วนในประเทศที่ 50% ซึ่งจะช่วยให้บริษัทไม่ต้องจ่ายภาษีนำเข้า 40% สำหรับ e-bus และ 20% สำหรับแบตเตอรี่ และจะกระตุ้นให้ความต้องการโตในระดับสูง EA จะใช้แบตเตอรี่ที่ผลิตได้ภายในบริษัท จาก Amita (Thailand) ซึ่งมีกำหนดเริ่ม COD ในเดือน ธ.ค. 21 สำหรับ EV ของบริษัท เพื่อให้ได้ประโยชน์จากการไม่ต้องเสียภาษี

คงแนะนำซื้อหลังปรับราคาเป้าหมายเป็น 88 บาท

เราคงคำแนะนำซื้อหลังปรับราคาเป้าหมายจาก 76 เป็น 88 บาท (SoTP) ตาม 1) การปรับการประเมินมูลค่าไปในปี 2022; และ 2) การปรับราคา 2022E P/E ให้สูงขึ้นจาก 15x เป็น 24x สำหรับธุรกิจ e-bus ของ EA ซึ่งกำลังเปลี่ยนจากธุรกิจที่มีความเสี่ยงสูงเป็นเสี่ยงต่ำหลังประสบความสำเร็จในการส่งมอบ e-bus จำนวน 122 คันในเดือน ก.ย. - ต.ค. 2021 เราคิดว่า การเติบโตของกำไรสุทธิของ EA มีความชัดเจนสูง และโอกาสที่จะประสบความสำเร็จในการได้รับคำสั่งซื้อ EV เพิ่มเติมจะไม่เพียงแต่เพิ่มกำไร แต่ยังจะช่วยลดความเสี่ยงในด้านความต้องการสำหรับธุรกิจแบตเตอรี่ของบริษัทอีกด้วย ซึ่งจะพิสูจน์ได้ว่า EA สามารถแข่งขันกับผู้ผลิต EV รายอื่นได้

## KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	17,080	24,179	33,496	49,254
Net profit	5,205	8,192	9,742	11,143
EPS (THB)	1.40	2.20	2.61	2.99
vs Consensus (%)	-	29.0	25.6	24.4
EBITDA	9,211	11,854	14,432	16,415
Core net profit	5,155	8,192	9,742	11,143
Core EPS (THB)	1.38	2.20	2.61	2.99
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	(12.7)	58.9	18.9	14.4
Core P/E (x)	50.6	31.9	26.8	23.4
Dividend yield (%)	0.4	0.4	0.4	0.4
EV/EBITDA (x)	32.5	24.6	19.5	16.2
Price/book (x)	9.4	7.5	6.0	4.8
Net debt/Equity (%)	121.9	76.5	37.3	5.0
ROE (%)	20.1	26.1	24.8	22.8



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	10.2	20.2	61.8
Relative to country (%)	9.8	12.8	32.8
Mkt cap (USD m)	7,980		
3m avg. daily turnover (USD m)	24.3		
Free float (%)	40		
Major shareholder	Mr. Somphote Ahunai (23%)		
12m high/low (THB)	71.75/42.50		
Issued shares (m)	3,730.00		

Sources: Bloomberg consensus; FSSIA estimates



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The President of Finansia Syrus Securities PCL is also EA's Independent Director and on EA's Audit Committee.

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 18 พฤศจิกายน 2021

## Investment thesis

EA is Thailand's largest green energy player, operating through its three business segments of solar, wind and biodiesel; all touted to be the key pillars of Thailand's energy growth over the next 10 years. A biodiesel producer since 2012 with an 800k litre-per-day (lpd) capacity, EA later ventured into the solar and wind businesses. We believe EA's solar farms will be key earnings growth drivers, as they stand to gain from: 1) a high-margin THB6.5/kWh adder; and 2) a 40% decline in the cost of solar panels since 2010.

EA has evolved from being a pure biodiesel player to emerge as one of Thailand's key players in renewable energy. While its biodiesel segment has been struggling at a mere 50% utilisation rate due to the country's oversupply, EA's solar and wind farm businesses have benefited from high-margin electricity tariffs and the declining cost of solar panels.

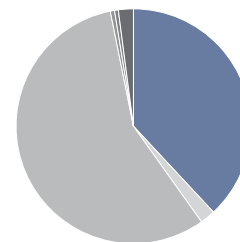
## Company profile

Energy Absolute (EA) is a leading green energy company in Thailand with business interests in biodiesel, solar and wind energy. EA has expanded into the battery storage and electric vehicle (EV) businesses, which we expect to be key earnings growth drivers post-2019.

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

## Principal activities (revenue, 2020)

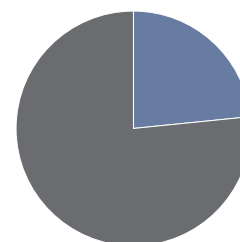
- Methyl ester Biodiesel products - 38.5 %
- Pure glycerine products - 2.1 %
- Electricity from solar and wind power - 57.3 %
- Head office and others - 0.6 %
- Project consultation regarding alternative electric energy - -0.5 %



Source: Energy Absolute

## Major shareholders

- Mr. Somphote Ahunai - 23.4 %
- Others - 76.6 %



Source: Energy Absolute

## Catalysts

Higher utilisation rates of power plants and rising demand for electricity in Thailand are key potential growth drivers.

## Risks to our call

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.

## Event calendar

Date	Event
Feb 2022	4Q21/2021 results announcement

## Key assumptions

	2021E	2022E	2023E
Dispatched power (GWh)	9,715	9,715	9,715
Capacity factor - wind farms (%)	26	26	27
Battery sales volume (GWh)	0.7	3.1	6.1
EV car sales (cars)	5,000	5,500	8,500
EV boat sales (boats)	50	50	50
EV bus sales (buses)	2,640	3,000	3,000
EV charging stations (stations)	1,000	1,000	1,000
Green diesel & PCM (tpd)	61	124	124

Source: FSSIA estimates

## Earnings sensitivity

- For every 1% increase in utilisation rate, we estimate 2021 earnings would rise by 1.3%, and vice versa, all else being equal.
- For every 1% increase in interest rate, we estimate 2021 earnings would decline by 1.3%, and vice versa, all else being equal.

Source: FSSIA estimates

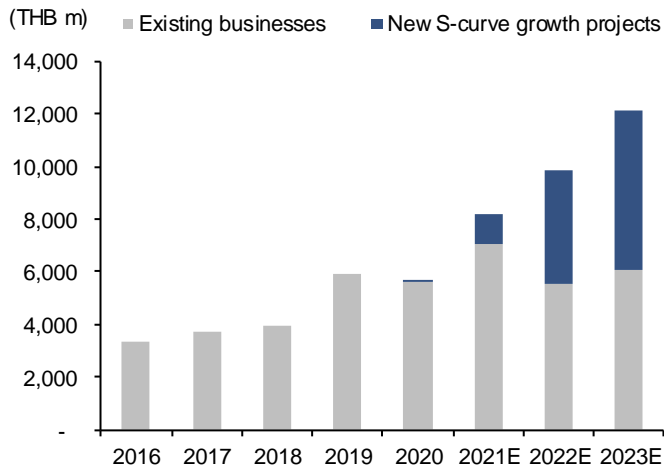


## EV venture is now a growth driver

After delivering 77 e-buses and earning a profit of THB0.1b in 3Q21, we expect EA's e-bus JV to generate a net profit of up to THB0.5b in 4Q21 and THB4b in 2022, based on 1) 2,000 e-buses and 1,000 e-trucks sold annually; 2) an average selling price of THB5m per e-bus and THB3m per e-truck; 3) an estimated net profit margin of 15%; and 4) EA's stake of 40% in NEX and 73% in AAB.

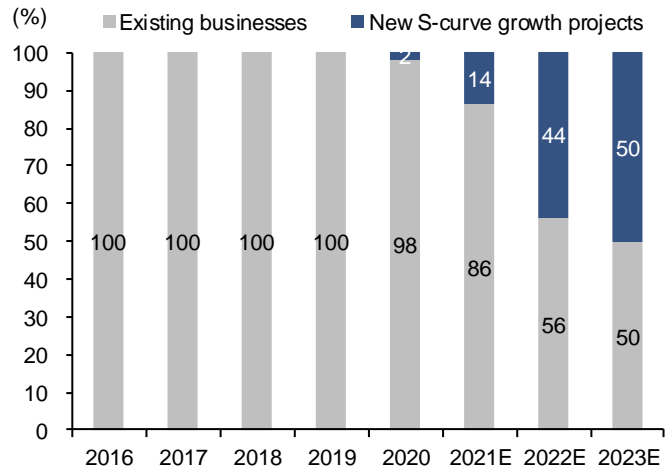
According to management, EA is in the process of signing multiple contracts to supply 2,500-3,000 e-buses to private clients, including intercity bus operators, buses under concession to BMTA, and private companies to replace existing ICE bus and truck fleets.

**Exhibit 1: Net profit breakdown by existing and new S-curve businesses**



Sources: EA; FSSIA estimates

**Exhibit 2: Net profit breakdown by existing and new S-curve businesses (%)**



Sources: EA; FSSIA estimates

For e-trucks, management indicated that EA is in the process of testing products for a number of potential clients, including one leading Japanese truck producer in Thailand, garbage trucks for many local and municipal governments, and light trucks for logistics companies.

In 2022, we think EA, via its 40%-owned NEX, could sell up to 3,000-4,000 e-buses and e-trucks, potentially leading to a full capacity utilisation rate for its 3,000-EV one-shift and 6,000-EV two-shift operations.

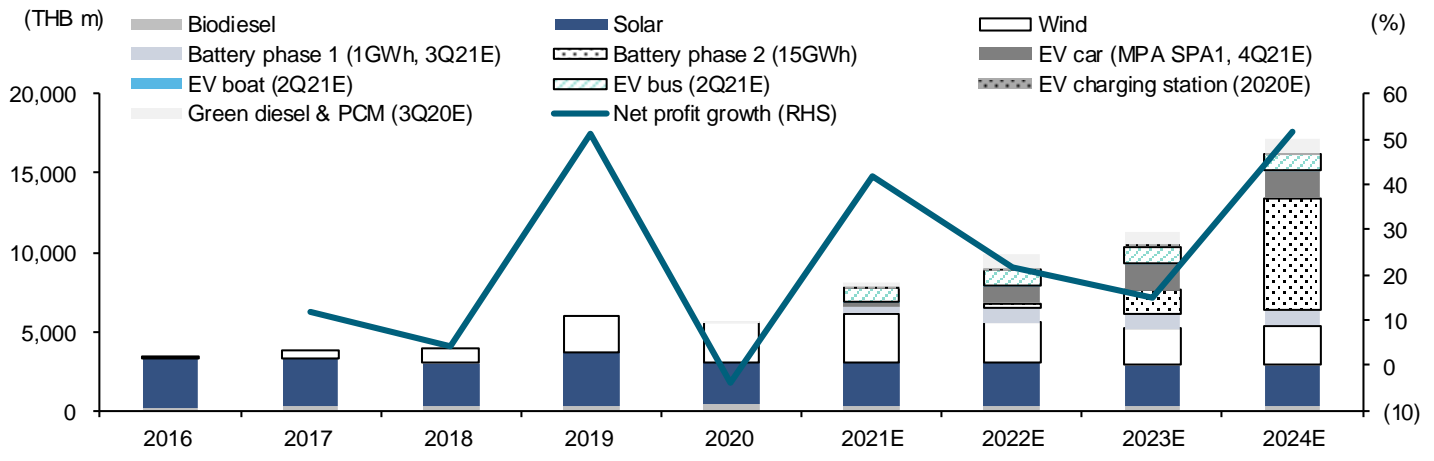
We expect EA's net profit growth to accelerate in 2021 onward, rising from THB8.1b in 2021 to THB11.1b in 2023, mainly driven by earnings growth from its EV ventures, including EV manufacturing, sales, and maintenance, its battery manufacturing plant, and EV charging stations.

We project EA's earnings from new S-curve ventures to contribute 50% of its net profit in 2023, up from a mere 2% in 2020 from its phase change material business. Most of the earnings growth would likely come from the manufacturing and sales of e-buses and e-trucks.

While the demand from the manufacture of batteries at its 1GWh capacity battery plant would be fully captive for EA's internal use to produce c3,000 e-buses and e-trucks, we believe that under the upcoming Power Development Plan 2022, EA should emerge as one of the key beneficiaries to ride the strong demand for renewable energy and energy storage systems using domestically produced batteries. As of 3Q21, EA is the only producer of batteries in Thailand, and hence, in its position as a first mover, should capture the financial benefits from the government's policy to clearly focus on promoting the transformation of the ICE automotive industry into an EV industry.

As part of its transformation from an electricity-driven company into an EV-centric firm starting from 3Q21 on, EA will strengthen its commercial EV ventures (manufacturing, marketing, and maintenance) with the COD of its 1GWh capacity battery plant phase 1 in Dec-21, which we project to generate a net profit of THB0.1b in 2021 and THB0.5b in 2022. On top of its current e-ferry operations, EA expects its nationwide charging station installations to reach its goal of 1,000 by end-2022, up from 600 in 2021.

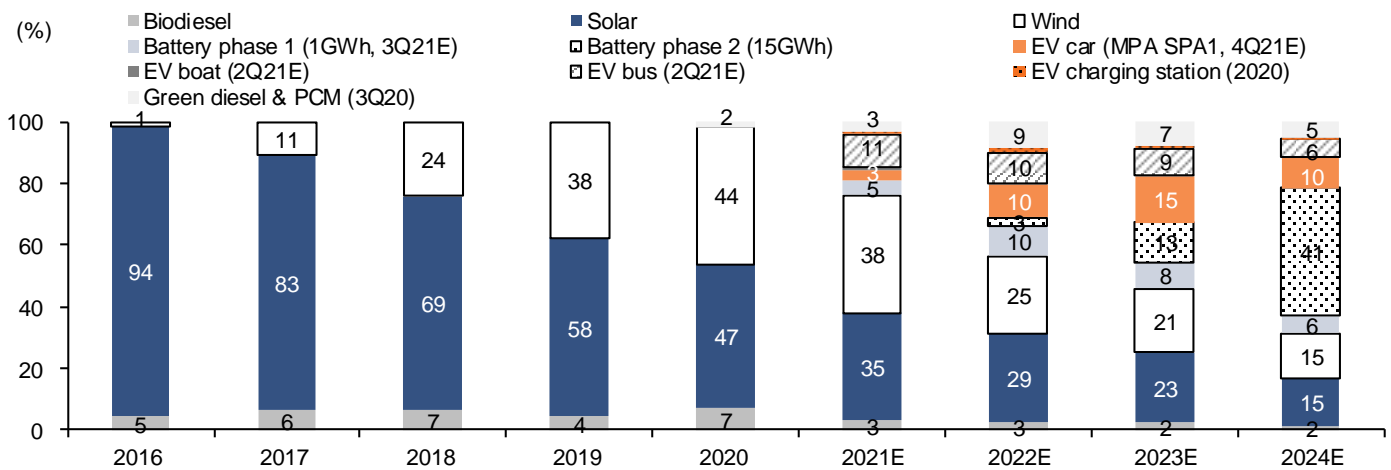
**Exhibit 3: Net profit and net profit growth**



Sources: EA; FSSIA estimates

As the only major EV player with a fully integrated EV value chain in Thailand, EA should benefit from the government's policy of 50% local content, enabling it to be tax exempt from the 40% import tax for e-buses and 20% import tax for batteries, thus prompting strong demand growth. EA will use its in-house produced batteries from Amita (Thailand), COD scheduled in Dec-21, for its EVs to achieve a zero-tax benefit.

**Exhibit 4: Net profit breakdown by project**



Sources: EA; FSSIA estimates

## Target price raised to THB88

While we maintain our BUY call and our EPS forecasts for 2021-23, we lift our SoTP-based TP from THB76 to THB88, based on 1) our valuation rollover to 2022; and 2) higher 2022E P/E from 15x to 24x for EA's e-bus venture, which is turning from a high-risk to a low-risk business after the successful delivery of 122 e-buses in Sep-Oct 2021. We think EA's net profit growth is highly visible, and its potential success in securing additional EV orders would not only boost its earnings but also reduce the demand risk for its batteries, thus proving that EA can compete with other EV producers.

### Exhibit 5: 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		0.40			
DCF assumptions					
Cost of equity, Ke		5.7	Net cost of debt, Kd		3.4
Weight applied		25.0	Weight applied		75.0
WACC (%)		4.0			
SOP valuation estimate	(THB m)	(THB/share)	Valuation methodology		
Biodiesel	4,417	1.2	DCF with WACC 4.0%, Risk free rate 2.3%, Risk premium 8.5%		
Solar					
Lop buri	1,331	0.4	DCF with WACC 4.0%, Risk free rate 2.3%, Risk premium 8.5%		
Nakornsawun	12,119	3.2	DCF with WACC 4.0%, Risk free rate 2.3%, Risk premium 8.5%		
Lumpang	18,979	5.1	DCF with WACC 4.0%, Risk free rate 2.3%, Risk premium 8.5%		
Pisanuloak	19,270	5.2	DCF with WACC 4.0%, Risk free rate 2.3%, Risk premium 8.5%		
Total solar	51,699	13.9			
Wind					
<b>Southern (COD 2017)</b>					
Had Gunghun 1	4,175	1.1	DCF with WACC 4.0%, Risk free rate 2.3%, Risk premium 8.5%		
Had Gunghun 2	5,087	1.4	DCF with WACC 4.0%, Risk free rate 2.3%, Risk premium 8.5%		
Had Gunghun 3	5,103	1.4	DCF with WACC 4.0%, Risk free rate 2.3%, Risk premium 8.5%		
Had Gunghun 4	6,301	1.7	DCF with WACC 4.0%, Risk free rate 2.3%, Risk premium 8.5%		
Total wind farm Southern	14,365	5.5			
<b>Northeastern (COD 2018E)</b>					
Hanuman 1	8,160	2.2	DCF with WACC 4.0%, Risk free rate 2.3%, Risk premium 8.5%		
Hanuman 5	8,682	2.3	DCF with WACC 4.0%, Risk free rate 2.3%, Risk premium 8.5%		
Hanuman 8	8,139	2.2	DCF with WACC 4.0%, Risk free rate 2.3%, Risk premium 8.5%		
Hanuman 9	7,596	2.0	DCF with WACC 4.0%, Risk free rate 2.3%, Risk premium 8.5%		
Hanuman 10	14,507	3.9	DCF with WACC 4.0%, Risk free rate 2.3%, Risk premium 8.5%		
<b>Total wind farm Northeastern</b>	<b>47,084</b>	<b>12.6</b>			
Battery phase 1 (1GWh)	11,655	3.1	DCF with WACC 4%, Risk free rate 5.3%, Risk premium 8.5%		
Battery phase 2 (15GWh)	121,234	32.5	DCF with WACC 4%, Risk free rate 5.3%, Risk premium 8.5%		
EV car (MPA SPA1, 2Q21E)	12,355	3.3	FY22E P/E at 12x		
EV boat (1Q21E)	939	0.3	FY22E P/E at 12x		
EV charging station (2020E)	1,085	0.3	DCF with WACC 4.0%, Risk free rate 2.3%, Risk premium 8.5%		
EV bus (3Q21)	59,228	15.9	FY22E P/E at 24x		
<b>Total EV and battery</b>	<b>147,267</b>	<b>55.4</b>			
Green diesel & PCM	12,654	3.4	FY22E P/E at 15x		
Net debt	(17,342)	(4.6)			
Minorities	2,465	0.7			
<b>Residual ordinary equity</b>	<b>262,610</b>	<b>88.0</b>			

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Sources: EA; FSSIA estimates

## Financial Statements

### Energy Absolute

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	14,887	17,080	24,179	33,496	49,254
Cost of goods sold	(4,413)	(6,591)	(10,633)	(16,719)	(29,883)
<b>Gross profit</b>	<b>10,474</b>	<b>10,489</b>	<b>13,546</b>	<b>16,777</b>	<b>19,371</b>
Other operating income	-	-	-	-	-
Operating costs	(946)	(1,278)	(1,693)	(2,345)	(2,955)
<b>Operating EBITDA</b>	<b>9,528</b>	<b>9,211</b>	<b>11,854</b>	<b>14,432</b>	<b>16,415</b>
Depreciation	(2,517)	(2,730)	(2,494)	(3,694)	(4,500)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>7,010</b>	<b>6,480</b>	<b>9,360</b>	<b>10,738</b>	<b>11,916</b>
Net financing costs	(1,226)	(1,627)	(1,753)	(1,706)	(1,443)
Associates	(14)	(61)	860	983	985
Recurring non-operating income	53	126	961	1,084	1,086
Non-recurring items	178	50	0	0	0
<b>Profit before tax</b>	<b>6,016</b>	<b>5,029</b>	<b>8,568</b>	<b>10,116</b>	<b>11,559</b>
Tax	11	18	(55)	(45)	(111)
<b>Profit after tax</b>	<b>6,027</b>	<b>5,047</b>	<b>8,513</b>	<b>10,071</b>	<b>11,448</b>
Minority interests	55	157	(320)	(330)	(305)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>6,082</b>	<b>5,205</b>	<b>8,192</b>	<b>9,742</b>	<b>11,143</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(178)</b>	<b>(50)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>5,903</b>	<b>5,155</b>	<b>8,192</b>	<b>9,742</b>	<b>11,143</b>
<b>Per share (THB)</b>					
Recurring EPS *	1.58	1.38	2.20	2.61	2.99
Reported EPS	1.63	1.40	2.20	2.61	2.99
DPS	0.25	0.30	0.25	0.25	0.25
Diluted shares (used to calculate per share data)	3,730	3,730	3,730	3,730	3,730
<b>Growth</b>					
Revenue (%)	28.9	14.7	41.6	38.5	47.0
Operating EBITDA (%)	37.8	(3.3)	28.7	21.8	13.7
Operating EBIT (%)	38.0	(7.6)	44.4	14.7	11.0
Recurring EPS (%)	51.2	(12.7)	58.9	18.9	14.4
Reported EPS (%)	22.2	(14.4)	57.4	18.9	14.4
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	53.4	45.4	45.7	39.1	30.2
Gross margin of key business (%)	54.6	45.7	45.7	39.1	30.2
Operating EBITDA margin (%)	64.0	53.9	49.0	43.1	33.3
Operating EBIT margin (%)	47.1	37.9	38.7	32.1	24.2
Net margin (%)	39.7	30.2	33.9	29.1	22.6
Effective tax rate (%)	-0.2	-0.4	0.7	0.5	1.1
Dividend payout on recurring profit (%)	15.8	21.7	11.4	9.6	8.4
Interest cover (X)	5.8	4.1	5.9	6.9	9.0
Inventory days	45.0	44.1	37.6	38.0	36.3
Debtor days	52.9	57.9	42.4	32.2	23.4
Creditor days	18.0	18.2	16.8	17.0	16.2
Operating ROIC (%)	11.8	9.5	(3.4)	(4.0)	(4.7)
ROIC (%)	10.9	8.2	(3.0)	(3.4)	(4.0)
ROE (%)	28.4	20.1	26.1	24.8	22.8
ROA (%)	10.6	8.5	9.3	10.0	10.6
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Methyl ester Biodiesel products	6,570	6,570	6,570	6,570	6,570
Pure glycerine products	350	360	361	361	361
Electricity from solar and wind power	7,957	9,784	8,252	15,759	21,648
Head office and others	100	100	101	101	101

Sources: Energy Absolute; FSSIA estimates



## Financial Statements

### Energy Absolute

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	5,903	5,155	8,192	9,742	11,143
Depreciation	2,517	2,730	2,494	3,694	4,500
Associates & minorities	(14)	(61)	860	983	985
Other non-cash items	-	-	-	-	-
Change in working capital	(9,651)	4,045	1,405	1,781	2,847
<b>Cash flow from operations</b>	<b>(1,245)</b>	<b>11,869</b>	<b>12,949</b>	<b>16,200</b>	<b>19,474</b>
Capex - maintenance	(2,517)	(2,730)	(2,494)	(3,694)	(4,500)
Capex - new investment	(3,784)	(4,486)	(1,006)	(194)	(1,000)
Net acquisitions & disposals	(68)	(1,429)	0	0	0
Other investments (net)	(49)	(7,546)	860	983	985
<b>Cash flow from investing</b>	<b>(6,418)</b>	<b>(16,192)</b>	<b>(2,640)</b>	<b>(2,905)</b>	<b>(4,515)</b>
Dividends paid	(746)	(746)	(1,119)	(933)	(933)
Equity finance	0	0	0	0	0
Debt finance	12,725	(2,873)	8,639	(10,990)	(2,035)
Other financing cash flows	235	863	(1,400)	(1,248)	336
<b>Cash flow from financing</b>	<b>12,214</b>	<b>(2,756)</b>	<b>6,120</b>	<b>(13,171)</b>	<b>(2,632)</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>4,551</b>	<b>(7,079)</b>	<b>16,429</b>	<b>124</b>	<b>12,328</b>
Free cash flow to firm (FCFF)	(6,277.07)	(2,685.77)	12,062.78	15,000.28	16,401.89
Free cash flow to equity (FCFE)	5,296.76	(6,332.72)	17,548.47	1,056.25	13,260.02
<b>Per share (THB)</b>					
FCFF per share	(1.68)	(0.72)	3.23	4.02	4.40
FCFE per share	1.42	(1.70)	4.70	0.28	3.55
Recurring cash flow per share	2.25	2.10	3.10	3.87	4.46
<b>Balance Sheet (THB m) Year Ending Dec</b>					
Tangible fixed assets (gross)	59,819	67,122	70,622	74,122	77,622
Less: Accumulated depreciation	(8,448)	(11,265)	(13,759)	(17,453)	(21,953)
<b>Tangible fixed assets (net)</b>	<b>51,371</b>	<b>55,857</b>	<b>56,863</b>	<b>56,669</b>	<b>55,669</b>
<b>Intangible fixed assets (net)</b>	<b>890</b>	<b>1,337</b>	<b>1,337</b>	<b>1,337</b>	<b>1,337</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	100	1,529	1,529	1,529	1,529
Cash & equivalents	10,029	2,951	19,380	19,503	31,831
A/C receivable	2,666	2,750	2,870	3,035	3,279
Inventories	758	833	1,355	2,130	3,807
Other current assets	580	855	1,210	1,677	2,466
<b>Current assets</b>	<b>14,033</b>	<b>7,389</b>	<b>24,815</b>	<b>26,346</b>	<b>41,382</b>
Other assets	3,826	12,371	12,371	12,371	12,371
<b>Total assets</b>	<b>70,220</b>	<b>78,484</b>	<b>96,915</b>	<b>98,252</b>	<b>112,289</b>
Common equity	23,365	27,812	34,885	43,694	53,904
Minorities etc.	1,502	1,815	2,136	2,465	2,771
<b>Total shareholders' equity</b>	<b>24,866</b>	<b>29,627</b>	<b>37,021</b>	<b>46,159</b>	<b>56,675</b>
Long term debt	36,977	31,090	39,729	28,739	26,704
Other long-term liabilities	2,306	4,203	4,203	4,203	4,203
<b>Long-term liabilities</b>	<b>39,283</b>	<b>35,292</b>	<b>43,932</b>	<b>32,941</b>	<b>30,907</b>
A/C payable	285	373	606	952	1,702
Short term debt	4,968	7,983	7,983	7,983	7,983
Other current liabilities	817	5,209	7,374	10,216	15,022
<b>Current liabilities</b>	<b>6,070</b>	<b>13,564</b>	<b>15,963</b>	<b>19,151</b>	<b>24,707</b>
<b>Total liabilities and shareholders' equity</b>	<b>70,220</b>	<b>78,484</b>	<b>96,915</b>	<b>98,252</b>	<b>112,289</b>
Net working capital	2,902	(1,143)	(2,545)	(4,326)	(7,173)
Invested capital	59,089	69,951	69,555	67,580	63,734
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	6.26	7.46	9.35	11.71	14.45
Tangible book value per share	6.03	7.10	8.99	11.36	14.09
<b>Financial strength</b>					
Net debt/equity (%)	128.4	121.9	76.5	37.3	5.0
Net debt/total assets (%)	45.5	46.0	29.2	17.5	2.5
Current ratio (x)	2.3	0.5	1.6	1.4	1.7
CF interest cover (x)	8.4	(0.1)	11.6	1.7	10.9
<b>Valuation</b>					
<b>Recurring P/E (x) *</b>	<b>44.2</b>	<b>50.6</b>	<b>31.9</b>	<b>26.8</b>	<b>23.4</b>
<b>Recurring P/E @ target price (x) *</b>	<b>55.6</b>	<b>63.7</b>	<b>40.1</b>	<b>33.7</b>	<b>29.5</b>
Reported P/E (x)	42.9	50.2	31.9	26.8	23.4
Dividend yield (%)	0.4	0.4	0.4	0.4	0.4
Price/book (x)	11.2	9.4	7.5	6.0	4.8
Price/tangible book (x)	11.6	9.9	7.8	6.2	5.0
EV/EBITDA (x) **	30.9	32.5	24.6	19.5	16.2
EV/EBITDA @ target price (x) **	38.0	39.8	30.3	24.1	20.3
EV/invested capital (x)	5.0	4.3	4.2	4.2	4.2
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: Energy Absolute; 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	PASGH	PDJ	PG	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	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)

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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

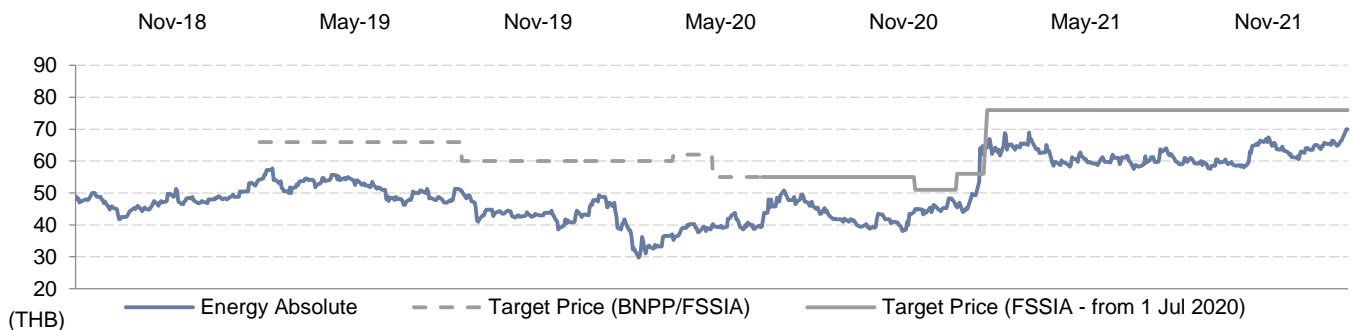
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

##### Energy Absolute (EA TB)



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

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

Price and TP are in local currency

Source: FSSIA estimates

##### 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

Company	Ticker	Price	Rating	Valuation & Risks
Energy Absolute	EA TB	THB 70.00	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.
Nex Point	NEX TB	THB 10.90	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.

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

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All share prices are as at market close on 17-Nov-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.