

13 DECEMBER 2021

THAILAND / TECHNOLOGY

NEX POINT NEX TB

BUY

UNCHANGED

| | |
|-----------------|----------|
| TARGET PRICE | THB25.00 |
| CLOSE | THB13.80 |
| UP/DOWNSIDE | +81.2% |
| PRIOR TP | THB13.40 |
| CHANGE IN TP | +86.6% |
| TP vs CONSENSUS | +86.6% |

การเติบโตอย่างที่ไม่เคยเห็นมาก่อนรออยู่ข้างหน้า

จากพลิกฟื้นเป็นโตอย่างที่ไม่เคยปรากฏจากกระแส EV โลก

แม้ว่าราคาหุ้นจะปรับตัวขึ้นถึง 2x มาตั้งแต่วันที่ 23 มิ.ย. 21 เราเชื่อว่าแนวโน้มการเติบโตของกำไรสุทธิของ NEX จะยังดีและคาดว่าจะโตในระดับสูงในปี 2022-23 จาก 1) ปริมาณขายที่ชัดเจนมากขึ้นและเพิ่มขึ้นเพื่อป้อนคำสั่งซื้อรถโดยสารไฟฟ้า (e-bus) จำนวน 3,000-4,000 คันในปี 2022 ในขณะที่เราคิดว่าการเริ่มขายรถบรรทุกไฟฟ้า (e-truck) ซึ่งคาดว่าจะอยู่ในปี 2022 อาจเป็นโอกาสให้กำไรสุทธิของ NEX เพิ่มขึ้นได้อีก; และ 2) ความเสี่ยงขาขึ้นที่อาจมีได้จากความต้องการผู้ขายยานยนต์เพื่อการพาณิชย์ (รถโดยสารและรถบรรทุก) ที่เกิดโดยไม่ได้คาดหมายจากมาตรการจูงใจของรัฐที่ใกล้จะประกาศเพื่อส่งเสริมการพัฒนาอุตสาหกรรม EV จากราคาน้ำมันและก๊าซที่สูงอย่างต่อเนื่อง EV อาจมีความน่าสนใจทางการเงินมากกว่ายานยนต์ที่ใช้เครื่องยนต์สันดาปภายใน (ICE)

บริษัทผู้ทำตลาด e-bus ที่ไร้คู่ต่อสู้ของไทย

ในฐานะที่เป็นหนึ่งในบริษัทผู้ทำตลาดและให้บริการยานยนต์เพื่อการพาณิชย์ชั้นนำในประเทศไทย NEX ได้ประสบความสำเร็จในการเจาะตลาดรถโดยสารและรถบรรทุก ICE ที่ได้รับการปกป้องมาอย่างยาวนานจากต้นทุนที่แข่งขันได้ สินค้าที่นำเชื่อก็คือ และเครือข่ายบริการเต็มรูปแบบที่จะสนับสนุนบริการหลังการขายให้แก่ลูกค้า อย่างไรก็ตามเราเห็นว่าปัจจัยที่สำคัญที่สุดที่จะทำให้ NEX ผ่านกิจการร่วมกับ EA เป็นตัวเร่งที่จะชนะในตลาด EV จะอยู่ที่หัวขาร์จความเร็วสูงที่บริษัทฯ กล่าวว่าจะช่วยย่นระยะเวลาในการชาร์จของแบตเตอรี่ทุกขนาด (25kWh สำหรับ EV ขนาดยอมาถึง 800kWh สำหรับเรือไฟฟ้า)

ปรับเพิ่มประมาณการกำไรต่อหุ้น (EPS) จากปริมาณขาย e-bus และ e-truck ที่กำลังเพิ่มอย่างเห็นได้ชัด

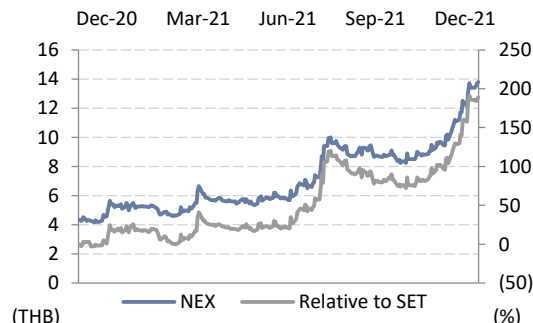
เราปรับเพิ่มประมาณการปริมาณขาย e-bus ในปี 2022-23 อีก 67-75% และประมาณการตัวเลข EV สำหรับบริการซ่อมบำรุงอีก 40-50% เพื่อสะท้อนสมมติฐานปริมาณขาย e-bus และ e-truck ที่สูงขึ้น ปัจจุบันเราเชื่อว่า NEX น่าจะสามารถขาย e-bus และ e-truck ได้กว่า 3,000 คันตั้งแต่ปี 2022 เป็นต้นไปจากสัดส่วนยอดขาย EV ต่อยานยนต์ใหม่ที่จะเพิ่มจากต่ำกว่า 2% ในปี 2021 เป็นกว่า 5% ในปี 2022 และกว่า 10% ในปี 2023

ปรับเพิ่มราคาเป้าหมายเป็น 25 บาทจากมูลค่ากิจการ e-bus ที่สูงขึ้น

เราปรับเพิ่มราคาเป้าหมายจาก 13.4 เป็น 25 บาท (SOTP) เพื่อสะท้อน 1) การปรับเพิ่มประมาณการ EPS ในปี 2022-23; และ 2) ระดับการประเมินมูลค่า forward P/E ที่สูงขึ้นสำหรับยอดขาย e-bus จาก 12x เป็น 15x และสำหรับ Absolute Assembly (AAB) ซึ่งประกอบกิจการโรงงานผลิต e-bus จาก 10x เป็น 17x จากตัวเลขการขายและส่งมอบ e-bus ที่เพิ่มขึ้นอย่างเห็นได้ชัด หมายเหตุปัจจุบัน 65% ของราคาเป้าหมายที่ 25 บาทมาจากธุรกิจ e-bus ซึ่งเราคิดว่าจะกลายเป็นธุรกิจหลักของ NEX ตั้งแต่ปี 2022 เป็นต้นไป ในขณะที่ความเสี่ยงขาขึ้นที่เหลือน่าจะมาจาก e-truck

KEY STOCK DATA

| YE Dec (THB m) | 2020 | 2021E | 2022E | 2023E |
|----------------------|---------|--------|--------|--------|
| Revenue | 1,404 | 3,036 | 6,924 | 11,061 |
| Net profit | (214) | 439 | 1,952 | 2,800 |
| EPS (THB) | (0.13) | 0.26 | 1.17 | 1.67 |
| vs Consensus (%) | - | - | 33.0 | 32.5 |
| EBITDA | (124) | 122 | 1,005 | 1,553 |
| Core net profit | (214) | 439 | 1,952 | 2,800 |
| Core EPS (THB) | (0.13) | 0.26 | 1.17 | 1.67 |
| Chg. In EPS est. (%) | nm | - | 32.5 | 33.1 |
| EPS growth (%) | nm | nm | 344.5 | 43.4 |
| Core P/E (x) | (108.2) | 52.6 | 11.8 | 8.3 |
| Dividend yield (%) | - | 1.1 | 3.6 | 4.3 |
| EV/EBITDA (x) | (177.2) | 175.2 | 19.7 | 11.6 |
| Price/book (x) | 7.8 | 6.8 | 4.5 | 3.3 |
| Net debt/Equity (%) | (43.1) | (54.2) | (66.5) | (73.7) |
| ROE (%) | (12.4) | 13.8 | 45.9 | 46.0 |



| Share price performance | 1 Month | 3 Month | 12 Month |
|--------------------------------|---------------------------|---------|----------|
| Absolute (%) | 46.0 | 57.7 | 213.6 |
| Relative to country (%) | 47.2 | 58.8 | 187.4 |
| Mkt cap (USD m) | 690 | | |
| 3m avg. daily turnover (USD m) | 5.5 | | |
| Free float (%) | 35 | | |
| Major shareholder | EA Mobility Holding (40%) | | |
| 12m high/low (THB) | 14.10/4.14 | | |
| Issued shares (m) | 1,674.45 | | |

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 13 ธันวาคม 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.

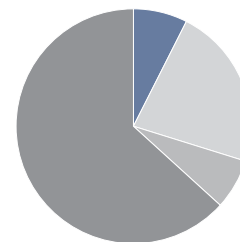
Company profile

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

www.nexpoint.co.th

Principal activities (revenue, 2020)

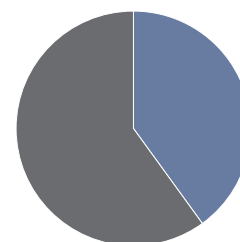
- Electronic products - 7.4 %
- Computer and software system - 22.4 %
- Logistic service - 6.9 %
- Bus business - 63.2 %



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 |
|----------|--------------------------------|
| Feb 2022 | 4Q21/2021 results announcement |

Key assumptions

| | 2021E | 2022E | 2023E |
|--|--------|---------|---------|
| EV bus sales (buses) | 500 | 1,000 | 1,500 |
| E-truck sales (trucks) | 0 | 250 | 550 |
| Number of vehicles for maintenance service | 700 | 3,000 | 4,200 |
| E-buses produced & sales (buses) - AAB | 600 | 3,000 | 4,200 |
| E-trucks produced & sales (trucks) - AAB | 50 | 1,000 | 1,000 |
| NEX Express (passengers) | 70,080 | 473,040 | 630,720 |
| NEX Express bus 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

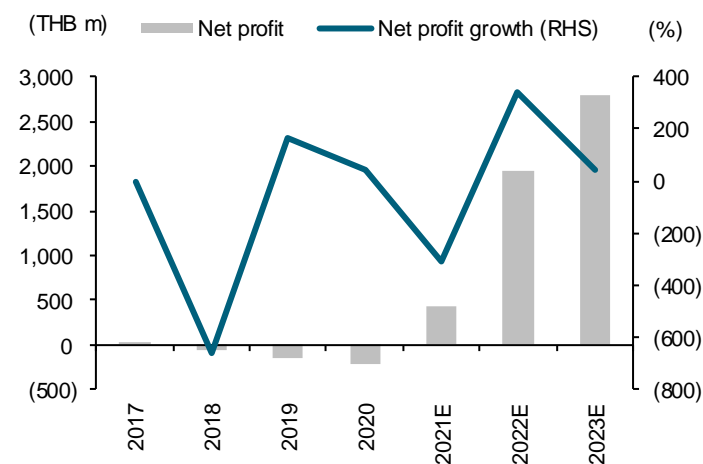
From a turnaround to groundbreaking growth

Despite a 2x share price rally since 23 Jun-21, we believe NEX's net profit growth momentum remains strong, and we expect a marked rise in its earnings in 2022-23. We believe NEX is now moving from a turnaround company, from a multi-year loss-maker in 2016-20, to a profitable and strong net profit growth company in 2021 onward.

We project its net profit margins to stay positive in 2022 onward thanks to the narrower losses from the legacy electronics and computer software businesses and growing earnings from the EV business. We now project NEX's net profit to grow by 32.5% in 2022 and 33.1% in 2023, backed by:

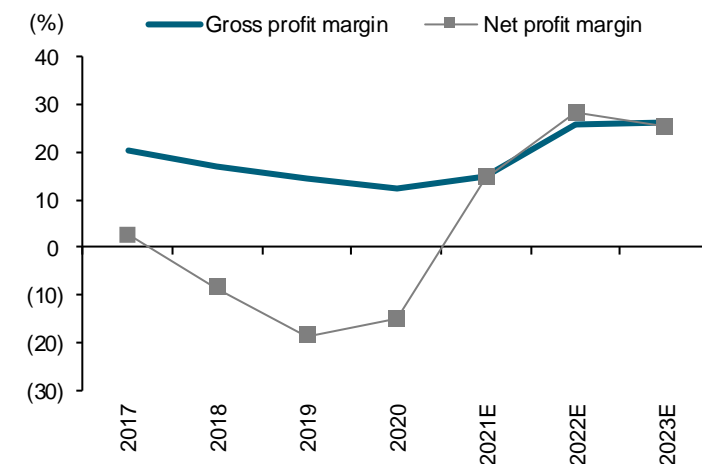
More visible and higher sales volumes for e-bus orders of up to 3,000-4,000 in 2022, while we think the start of e-truck sales, likely in 2022, could provide even higher upsides to NEX's net profit.

Exhibit 1: Net profit vs net profit growth



Source: FSSIA estimates

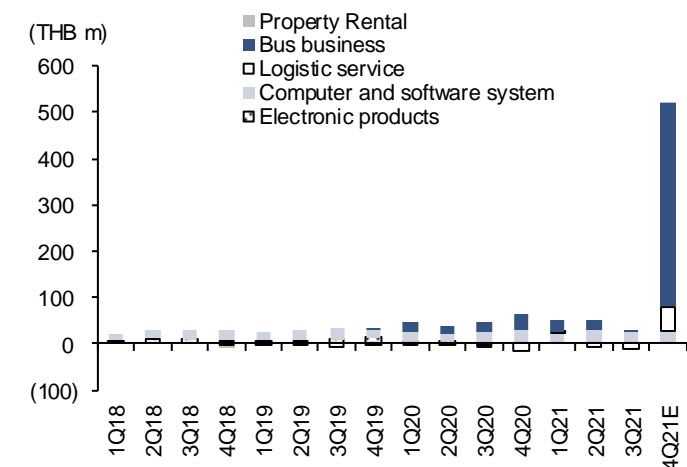
Exhibit 2: Gross profit margin vs net profit margin



Source: FSSIA estimates

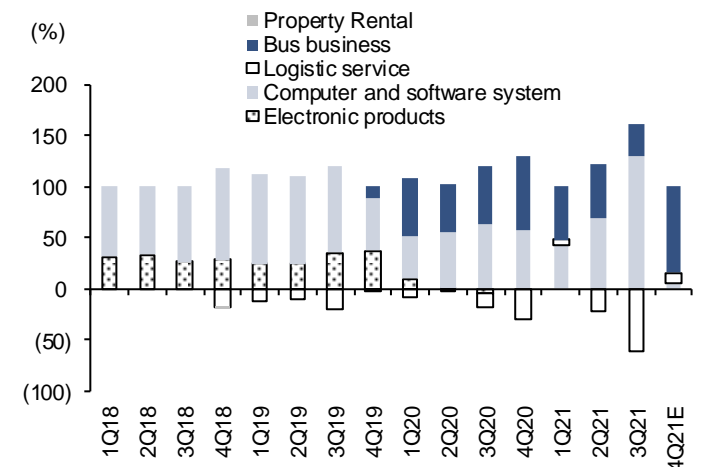
Potential upsides from a windfall demand for commercial fleet vehicles (buses and trucks) thanks to the government's soon-to-announce incentive packages to promote the EV industry's development. Along with the sustainably high prices of oil and gas, EVs could become more financially attractive than ICE vehicles.

Exhibit 3: Gross profit breakdown, quarterly



Source: FSSIA estimates

Exhibit 4: Gross profit breakdown, quarterly (%)

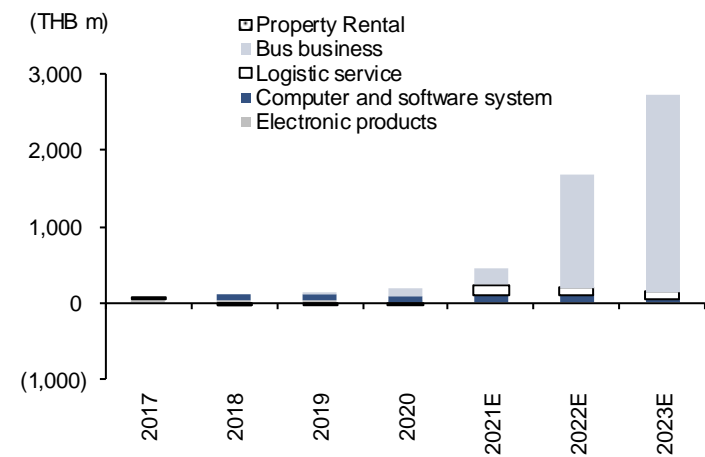


Source: FSSIA estimates

As one of the leading marketers and service providers of commercial vehicles in Thailand, NEX has successfully penetrated the long-protected ICE bus and truck markets, thanks to its competitive cost, reliable products, and full-service network to support after-sales services for its customers.

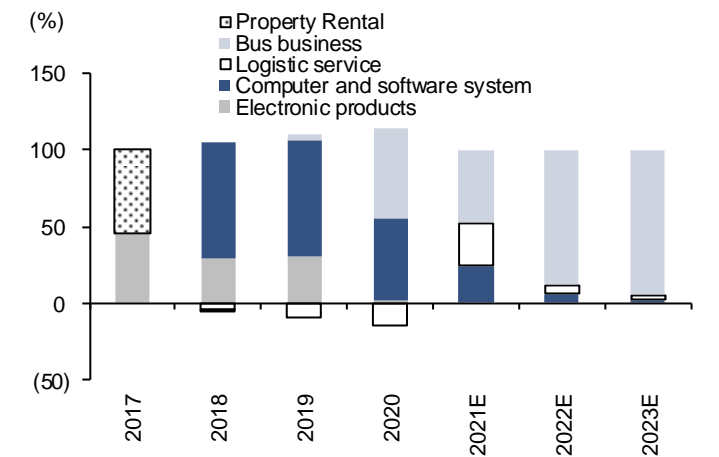
As a result, NEX's quarterly results have gradually improved from net losses of over THB30m a quarter to a net loss of THB20m, despite the delay of 52 out of the 122 e-bus delivery in 3Q21 into 4Q21. However, we remain confident that NEX's 4Q21 net profit should turn profitable and continue to grow exponentially in subsequent quarters in 2022.

Exhibit 5: Gross profit breakdown, annually



Source: FSSIA estimates

Exhibit 6: Gross profit breakdown, annually (%)



Source: FSSIA estimates

But the most important winning factor, in our view, that makes NEX, via its JV with Energy Absolute (EA TB, BUY, TP THB122), a potential winner in the EV market is its fast chargers that could shorten the charging time for any battery size (25kWh for a compact EV to 800kWh for an e-ferry), according to management.

Using Amita-based battery technology, NEX enjoys the unique advantage of its fast chargers that can charge within only 15 minutes (vs competitors' 40-50 minute charging time) to reach at least 80% of battery capacity with four parallel circuits (4C). The enhanced battery quality and density is able to absorb the strong electric current and voltage without sacrificing the battery lifecycle, which could last over eight years and 3,000 cycles, according to EA's management.

Exhibit 7: Superior quality and features of batteries produced by Amita, owned by EA

Amita's Special Battery Features

- ✓ Long cycle life
- ✓ Fast Charging

Durable Charge
~8,000 cycles
Charging 1C/1C
1 Hour Charge

Ultra Fast Charge
~3,000 cycles
Fast Charging 4C/1C
15 Mins Charge

Solid State

AMITA **ITRI**
Advanced Technology Research Institute

2020
500
Award Winner

- ✓ Higher energy density
- ✓ Ultra safety
- ✓ Good conductivity and stability

NOW **All in-house development** **NEXT**

Source: Energy Absolute (EA)

EPS and target price upgrades

We raise our 2022-23 e-bus sales volume forecasts by 67-75% and our estimates on the number of EVs for maintenance services by 40-50% to reflect our higher e-bus and e-truck sales volume expectations. We now believe that NEX should be able to sell over 3,000 e-buses and e-trucks in 2022 onward, based on the EV-to-new vehicle sales ratio potentially rising from lower than 2% in 2021 to over 5% in 2022 and over 10% in 2023, based on the Thai Energy Regulatory Commission's forecast.

Exhibit 8: Key changes in assumptions

| | Current | | | Previous | | | Change | | |
|--|---------|---------|---------|----------|---------|---------|--------|-------|-------|
| | 2021E | 2022E | 2023E | 2021E | 2022E | 2023E | 2021E | 2022E | 2023E |
| | (THB m) | (THB m) | (THB m) | (THB m) | (THB m) | (THB m) | (%) | (%) | (%) |
| Revenue | 3,036 | 6,924 | 11,061 | 3,036 | 6,599 | 10,671 | 0.0 | 4.9 | 3.7 |
| Gross profit | 426 | 1,836 | 2,880 | 426 | 1,704 | 2,722 | 0.0 | 7.7 | 5.8 |
| Operating profit | 58 | 931 | 1,472 | 58 | 839 | 1,361 | 0.0 | 11.1 | 8.2 |
| Net profit | 439 | 1,952 | 2,800 | 439 | 1,473 | 2,104 | 0.0 | 32.5 | 33.1 |
| EPS (THB/shr) | 0.3 | 1.2 | 1.7 | 0.3 | 0.9 | 1.3 | 0.0 | 32.5 | 33.1 |
| Key assumptions | | | | | | | | | |
| EV bus sales (buses) | 500 | 1,000 | 1,500 | 500 | 1,000 | 1,500 | 0.0 | 0.0 | 0.0 |
| E-truck sales (trucks) | 0 | 250 | 550 | 0 | 250 | 550 | 0.0 | 0.0 | 0.0 |
| Number of vehicles for maintenance service | 700 | 3,000 | 4,200 | 700.0 | 2,000.0 | 3,000 | 0.0 | 50.0 | 40.0 |
| E-buses produced & sales (buses) - AAB | 600 | 3,000 | 4,200 | 600 | 1,800 | 2,400 | 0.0 | 66.7 | 75.0 |
| E-trucks produced & sales (trucks) - AAB | 50 | 1,000 | 1,000 | 50 | 1,000 | 1,000 | 0.0 | 0.0 | 0.0 |
| NEX bus express (passengers) | 70,080 | 473,040 | 630,720 | 70,080 | 473,040 | 630,720 | 0.0 | 0.0 | 0.0 |
| NEX Express bus tickets (THB) | 209 | 209 | 209 | 209 | 209 | 209 | 0.0 | 0.0 | 0.0 |

Note: Change of items in percentage terms are represented in ppt change

Source: FSSIA estimates

We lift our SOTP TP from THB13.4 to THB25 to reflect 1) our 2022-23E EPS upgrades; and 2) our higher forward P/E valuations for e-bus sales from 12x to 15x and the AAB e-bus manufacturing plant from 10x to 17x due to the visibly higher number of delivered and sold e-buses. Note that 65% of our TP of THB25 now comes from its e-bus venture, which we think will emerge as NEX's core business in 2022 onward, while the remaining upsides could come from e-trucks.

Exhibit 9: 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 | | | |
| DCF assumptions | | | | |
| Cost of equity, Ke | 12.5 | | Net cost of debt, Kd | 3.4 |
| Weight applied | 25.0 | | Weight applied | 75.0 |
| | | | | |
| WACC (%) | 5.7 | | | |
| SOTP valuation estimate | (THB m) | (THB/share) | Valuation methodology | |
| Electronics & computer | 1,807 | 1.1 | FY22E P/E at 5x | |
| EV bus - seller | 11,248 | 6.7 | FY22E P/E at 15x | |
| Maintenance service | 3,588 | 2.1 | FY22E P/E at 15x | |
| NEX express (BKK-Korat route) | 286 | 0.2 | FY22E P/E at 10x | |
| AAB - EV bus | 16,152 | 9.6 | FY22E P/E at 17x | |
| EV truck - seller | 2,700 | 1.6 | FY22E P/E at 12x | |
| AAB - EV truck | 2,727 | 1.6 | FY22E P/E at 12x | |
| Net debt | 3,531 | 2.1 | At end -2022E | |
| Minorities | (204) | (0.1) | At end -2022E | |
| Residual ordinary equity | 33,124 | 25.0 | | |

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 | 6,924 | 11,061 |
| Cost of goods sold | (695) | (1,168) | (2,611) | (5,088) | (8,181) |
| Gross profit | 88 | 236 | 426 | 1,836 | 2,880 |
| Other operating income | - | - | - | - | - |
| Operating costs | (196) | (360) | (304) | (831) | (1,327) |
| Operating EBITDA | (107) | (124) | 122 | 1,005 | 1,553 |
| Depreciation | (25) | (63) | (64) | (74) | (81) |
| Goodwill amortisation | 0 | 0 | 0 | 0 | 0 |
| Operating EBIT | (132) | (187) | 58 | 931 | 1,472 |
| Net financing costs | (10) | (16) | (2) | (2) | (2) |
| Associates | 0 | (6) | 378 | 1,193 | 1,608 |
| Recurring non-operating income | 15 | 11 | 398 | 1,213 | 1,628 |
| Non-recurring items | 0 | 0 | 0 | 0 | 0 |
| Profit before tax | (126) | (192) | 454 | 2,142 | 3,099 |
| Tax | (15) | (8) | (15) | (190) | (298) |
| Profit after tax | (141) | (200) | 439 | 1,952 | 2,800 |
| Minority interests | (5) | (13) | 0 | 0 | 0 |
| Preferred dividends | 0 | 0 | 0 | 0 | 0 |
| Other items | - | - | - | - | - |
| Reported net profit | (147) | (214) | 439 | 1,952 | 2,800 |
| Non-recurring items & goodwill (net) | 0 | 0 | 0 | 0 | 0 |
| Recurring net profit | (147) | (214) | 439 | 1,952 | 2,800 |
| Per share (THB) | | | | | |
| Recurring EPS * | (0.09) | (0.13) | 0.26 | 1.17 | 1.67 |
| Reported EPS | (0.09) | (0.13) | 0.26 | 1.17 | 1.67 |
| 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 | 116.3 | 128.0 | 59.7 |
| Operating EBITDA (%) | nm | nm | nm | 724.4 | 54.5 |
| Operating EBIT (%) | nm | nm | nm | 1,506.6 | 58.1 |
| Recurring EPS (%) | nm | nm | nm | 344.5 | 43.4 |
| Reported EPS (%) | nm | nm | nm | 344.5 | 43.4 |
| Operating performance | | | | | |
| Gross margin inc. depreciation (%) | 8.2 | 12.3 | 11.9 | 25.5 | 25.3 |
| Gross margin of key business (%) | 8.2 | 12.3 | 11.9 | 25.5 | 25.3 |
| Operating EBITDA margin (%) | (13.7) | (8.8) | 4.0 | 14.5 | 14.0 |
| Operating EBIT margin (%) | (16.8) | (13.3) | 1.9 | 13.5 | 13.3 |
| Net margin (%) | (18.7) | (15.2) | 14.5 | 28.2 | 25.3 |
| Effective tax rate (%) | -11.9 | -4.3 | 20.0 | 20.0 | 20.0 |
| Dividend payout on recurring profit (%) | - | - | 57.2 | 42.9 | 35.9 |
| Interest cover (X) | (12.0) | (11.1) | 254.0 | 1,193.9 | 1,726.5 |
| Inventory days | 10.8 | 22.3 | 28.2 | 29.4 | 31.5 |
| Debtor days | 58.0 | 32.7 | 16.1 | 8.1 | 6.2 |
| Creditor days | 55.8 | 38.7 | 34.0 | 35.5 | 38.1 |
| Operating ROIC (%) | (41.4) | (27.3) | 6.8 | 111.4 | 147.4 |
| ROIC (%) | (15.5) | (10.7) | 19.3 | 91.2 | 123.4 |
| ROE (%) | (32.5) | (12.4) | 13.8 | 45.9 | 46.0 |
| ROA (%) | (15.6) | (8.3) | 11.1 | 35.6 | 35.3 |
| * Pre-exceptional, pre-goodwill and fully diluted | | | | | |
| Revenue by Division (THB m) | | | | | |
| Electronic products | 273 | 105 | 0 | 0 | 0 |
| Computer and software system | 343 | 314 | 174 | 307 | 195 |
| Logistic service | 119 | 97 | 265 | 839 | 1,253 |
| Bus business | 48 | 888 | 2,500 | 5,450 | 9,000 |

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 | 1,952 | 2,800 |
| Depreciation | 25 | 63 | 64 | 74 | 81 |
| Associates & minorities | 0 | (6) | 378 | 1,193 | 1,608 |
| Other non-cash items | - | - | - | - | - |
| Change in working capital | (132) | (66) | (116) | (296) | (319) |
| Cash flow from operations | (254) | (223) | 765 | 2,923 | 4,170 |
| 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 | 1,193 | 1,608 |
| Cash flow from investing | (84) | (1,339) | 50 | 945 | 1,347 |
| 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 | 256 | (229) | (2,038) | (2,855) |
| Cash flow from financing | 330 | 2,886 | (229) | (2,289) | (3,692) |
| 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 | 587 | 1,579 | 1,825 |
| Free cash flow to firm (FCFF) | (328.40) | (1,546.22) | 817.42 | 3,869.18 | 5,518.76 |
| Free cash flow to equity (FCFE) | (238.37) | (1,360.24) | 586.98 | 1,829.75 | 2,662.32 |
| Per share (THB) | | | | | |
| FCFF per share | (0.20) | (0.92) | 0.49 | 2.31 | 3.30 |
| FCFE per share | (0.14) | (0.81) | 0.35 | 1.09 | 1.59 |
| Recurring cash flow per share | (0.07) | (0.09) | 0.53 | 1.92 | 2.68 |
| 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 | 1,997 | 3,576 | 5,400 |
| A/C receivable | 123 | 129 | 140 | 166 | 208 |
| Inventories | 18 | 124 | 278 | 542 | 872 |
| Other current assets | 192 | 207 | 448 | 1,022 | 1,633 |
| Current assets | 420 | 1,871 | 2,863 | 5,306 | 8,113 |
| Other assets | 201 | 534 | 534 | 534 | 534 |
| Total assets | 929 | 3,617 | 4,346 | 6,615 | 9,241 |
| Common equity | 486 | 2,961 | 3,401 | 5,102 | 7,065 |
| Minorities etc. | 79 | 204 | 204 | 204 | 204 |
| Total shareholders' equity | 566 | 3,166 | 3,605 | 5,306 | 7,269 |
| 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 | 336 | 654 | 1,052 |
| Short term debt | 57 | 45 | 45 | 45 | 45 |
| Other current liabilities | 83 | 90 | 195 | 444 | 709 |
| Current liabilities | 237 | 285 | 575 | 1,143 | 1,806 |
| Total liabilities and shareholders' equity | 929 | 3,617 | 4,347 | 6,616 | 9,242 |
| Net working capital | 154 | 220 | 336 | 632 | 951 |
| Invested capital | 662 | 1,967 | 1,819 | 1,941 | 2,080 |
| * Includes convertibles and preferred stock which is being treated as debt | | | | | |
| Per share (THB) | | | | | |
| Book value per share | 0.29 | 1.77 | 2.03 | 3.05 | 4.22 |
| Tangible book value per share | 0.22 | 1.65 | 1.91 | 2.93 | 4.10 |
| Financial strength | | | | | |
| Net debt/equity (%) | 2.2 | (43.1) | (54.2) | (66.5) | (73.7) |
| Net debt/total assets (%) | 1.4 | (37.7) | (44.9) | (53.4) | (58.0) |
| Current ratio (x) | 1.8 | 6.6 | 5.0 | 4.6 | 4.5 |
| CF interest cover (x) | (14.3) | (57.4) | 474.9 | 1,116.8 | 1,584.1 |
| Valuation | | | | | |
| Recurring P/E (x) * | (157.6) | (108.2) | 52.6 | 11.8 | 8.3 |
| Recurring P/E @ target price (x) * | (285.4) | (196.0) | 95.3 | 21.4 | 14.9 |
| Reported P/E (x) | (157.6) | (108.2) | 52.6 | 11.8 | 8.3 |
| Dividend yield (%) | - | - | 1.1 | 3.6 | 4.3 |
| Price/book (x) | 47.5 | 7.8 | 6.8 | 4.5 | 3.3 |
| Price/tangible book (x) | 63.0 | 8.4 | 7.2 | 4.7 | 3.4 |
| EV/EBITDA (x) ** | (216.4) | (177.2) | 175.2 | 19.7 | 11.6 |
| EV/EBITDA @ target price (x) ** | (391.3) | (328.7) | 329.0 | 38.3 | 23.6 |
| EV/invested capital (x) | 35.0 | 11.2 | 11.7 | 10.2 | 8.6 |
| * 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 | 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) |

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)



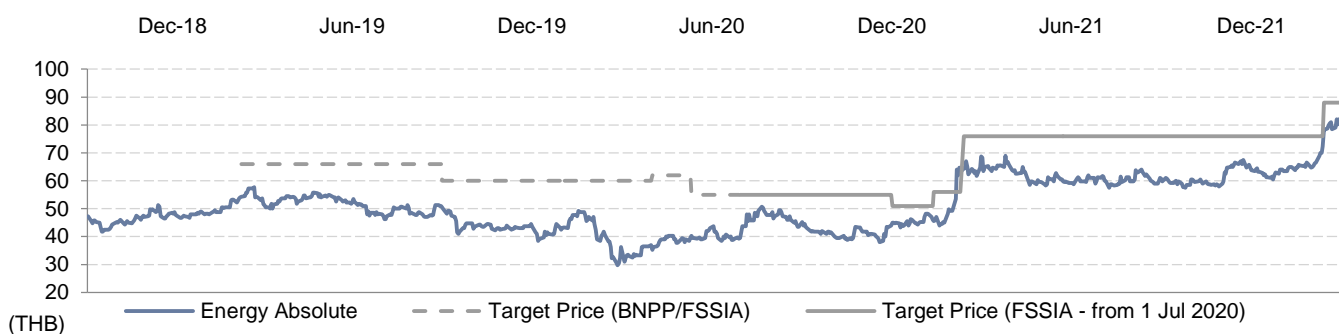
| Date | Rating | Target price | Date | Rating | Target price | Date | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 23-Jun-2021 | BUY | 12.00 | 15-Jul-2021 | BUY | 12.00 | 09-Aug-2021 | BUY | 13.40 |

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 |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 26-Apr-2019 | BUY | 66.00 | 17-Jul-2020 | BUY | 55.00 | 11-May-2021 | BUY | 76.00 |
| 17-Oct-2019 | BUY | 60.00 | 09-Nov-2020 | BUY | 51.00 | 25-Jun-2021 | BUY | 76.00 |
| 16-Apr-2020 | BUY | 62.00 | 15-Dec-2020 | BUY | 56.00 | 25-Aug-2021 | BUY | 76.00 |
| 20-May-2020 | BUY | 55.00 | 08-Jan-2021 | BUY | 76.00 | 03-Sep-2021 | BUY | 76.00 |
| 09-Jul-2020 | BUY | 55.00 | 01-Mar-2021 | BUY | 76.00 | 18-Nov-2021 | BUY | 88.00 |

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 13.80 | 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 82.50 | 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 09-Dec-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.