

ENERGY ABSOLUTE EA TB

THAILAND / UTILITIES - RENEWABLES

BUY

UNCHANGED

Fundamentals over fear sentiment

- Three key investor concerns: 1) share transfer; 2) land purchases; and 3) the construction of and investment in solar farms.
- We believe all three concerns are misleading and lack strong evidence with only partially revealed facts.
- Maintain BUY and our SoTP-based target price of THB122.

TARGET PRICE	THB122.00
CLOSE	THB94.25
UP/DOWNSIDE	+29.4%
PRIOR TP	THB122.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+28.9%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	20,174	33,947	49,993	65,576
Net profit	6,100	10,650	13,543	14,963
EPS (THB)	1.64	2.86	3.63	4.01
vs Consensus (%)	-	26.0	34.0	32.9
EBITDA	9,494	15,185	18,954	20,091
Core net profit	5,983	10,650	13,543	14,963
Core EPS (THB)	1.60	2.86	3.63	4.01
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	16.1	78.0	27.2	10.5
Core P/E (x)	58.8	33.0	26.0	23.5
Dividend yield (%)	0.4	0.7	1.1	1.3
EV/EBITDA (x)	41.3	25.2	19.5	17.8
Price/book (x)	10.8	8.4	6.7	5.5
Net debt/Equity (%)	108.4	62.5	27.8	4.8
ROE (%)	19.8	28.7	28.8	25.8

Share price collapses are highly unjustified

On 5 Apr-22, the share prices of EA, NEX – EA's key marketer and distributor of EVs – and BYD – one of EA's key e-bus customers – plunged by 5.75% for EA, 4.5% for NEX, and 2.1% for BYD. We think the main culprits are three key investor concerns that involve EA's past and present business transactions: 1) the share transfer from local stock holding to foreign stock holding; 2) the land purchase for EA's "Blue Tech" industrial estate; and 3) the construction of and investment in solar farm projects in Nakornsawan. We believe all three concerns are misleading and lack strong evidence with only partially revealed facts which are likely to be misperceptions.

No evidence for major shareholder exits and unfair land purchase

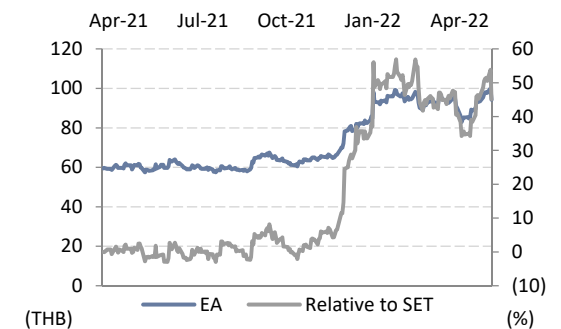
Our analysis indicates that there is no evidence of an exit and stake reduction by major shareholders as of 15 Mar-22 – Mr. Somphote and the other two founders have maintained their holdings in EA as of 15 Mar-22. Only Mr. Somphote has switched his stake holding in EA from under his own name to SF, mostly under the trust UBS AG Singapore Branch. Furthermore, EA's purchase of land from the founder-owned LPH is unlikely to be an unfair and irrational transaction. The land purchase from LPH should not only benefit EA's shareholders by taking on the initial risk of green-to-purple zone land convertibility, but also reduce the acquisition price of the land.

EA's proven track record of investment in solar and wind farms

Our analysis concludes that EA's investment in solar and wind farms are sound, given its proven track record of strong operations and high profitability. Regardless of what EPC companies for EA's solar farms achieve and implement to complete their solar farm projects in time, we believe EA's investment in solar farms is sound and creates value for EA's shareholders, as evidenced by its high profitability.

Any share price correction is a strong Buy

We maintain BUY and our SoTP-based target price of THB122. We believe EA's recent share price plunge on investors' three major concerns are unjustified, and see the share price correction as a strong buying opportunity ahead of EA's strong net profit growth that we project from its new EV and battery S-curve ventures.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	4.7	(5.0)	55.8
Relative to country (%)	2.9	(6.4)	44.7
Mkt cap (USD m)			10,507
3m avg. daily turnover (USD m)			52.2
Free float (%)			40
Major shareholder	Mr. Somphote Ahunai (23%)		
12m high/low (THB)	105.50/57.00		
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.

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.

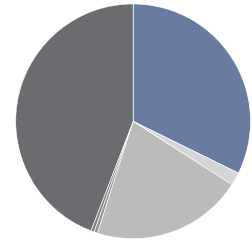
Company profile

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 electricity vehicle (EV) businesses, which we expect to be key earnings growth drivers post 2019.

www.energyabsolute.co.th

Principal activities (revenue, 2021)

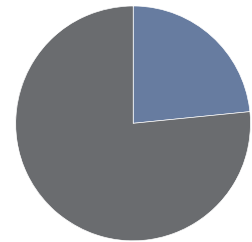
- Methyl ester Biodiesel products - 32.6 %
- Pure glycerine products - 1.8 %
- Electricity from solar and wind power - 21.1 %
- Head office and others - 0.5 %
- Project consultation regarding alternative electric energy - -0.4 %



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
May 2022	1Q22 results announcement

Key assumptions

	2022E	2023E	2024E
Dispatched power (GWh)	9,715	9,715	9,715
Capacity factor - wind farms (%)	26	27	27
Battery sales volume (GWh)	4.7	8.4	13.4
EV car sales (cars)	0	8,500	8,500
EV boat sales (boats)	50	50	50
EV bus sales (buses)	3,900	3,600	4,200
EV charging stations (stations)	1,000	1,000	1,000
Green diesel & PCM (tpd)	124	124	124

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in utilisation rate, we estimate 2022 earnings would rise by 1.3%, and vice versa, all else being equal.
- For every 1% increase in interest rate, we estimate 2022 earnings would decline by 1.3%, and vice versa, all else being equal.

Source: FSSIA estimates

Fundamentals over fear sentiment

On 5 Apr-22, the share prices of EA and two companies with related businesses in the EV value chain – Nex Point (NEX TB, BUY, TP THB26), EA's key marketer and distributor of EVs, and Beyond Securities (BYD TB, not rated), one of EA's key e-bus customers – plunged by 5.75% for EA, 4.5% for NEX, and 2.1% for BYD. We think the main culprits are three key investor concerns that involve EA's past and present business transactions:

- 1) The share transfer from local stock holding to foreign stock holding;
- 2) The land purchase for EA's "Blue Tech" industrial estate;
- 3) The construction of and investment in solar farms projects in Nakornsawan.

We believe all three concerns are misleading and lack strong evidence with only partially revealed facts which are likely to be misperceptions.

Concern #1: Share transfer from local to foreign trust investment

The first concern relates to the change in stake holding by Mr. Somphote Ahunai (later called Mr. Somphote), one of EA's founders, the current CEO, and a major shareholder with stake holdings. The misconception involves a series of events that has led to the market's current misunderstanding, in our view.

Major shareholder exits EA by reducing his stake holding. According to the SET, as of 14 Mar-22, Mr Somphote holds 412.1m shares (11.05%) in his name, dropping from 23.21% or 865.7m EA shares at the end of Dec-21.

No stake reduced by Mr. Somphote in EA. According to EA's management, Mr. Somphote has switched his stake holding in EA in the amount of 453.7m shares or 12.2% from under his own direct name to UBS AG Singapore Branch, which is a key custodian trust of his three children. In other words, Mr. Somphote reduced his own shares and transferred them into Sotus & Faith (SF) trust under UBS AG Singapore Branch to enhance the wealth of his children. His first child has already turned 21 years old and hence is eligible to be a member of SF trust, based on management's guidance.

According to EA's 2021 annual report 56-1, Mr. Somphote owns a 40.46% stake in EA, with Mr. Somphote himself directly owning under his name 23.21% (865.7m shares), followed by SF trust under four custodians – SF#1 at 8.04%, SF#1 held under UBS AG Singapore at 7.36%, SF#1 held under Morgan Stanley at 1.77%, and SF#2 under UBS AG Singapore at 0.074%.

In addition, the Ahunai family together holds a 3.46% stake in EA, bringing the total holding stake to 43.49% in EA as of 2021.

Exhibit 1: Changes in shareholder structure from 31 December 2021 to 15 March 2022

Rank	Major Shareholders	As of 15 March 2022		As of 31 December 2021		Changes (31 Dec-21 to 15 Mar-22)	
		# Shares (no.)	% Shares (%)	# Shares (no.)	% Shares (%)	# Shares (no.)	% Shares (%)
1	UBS AG Singapore Branch	1,226.8	32.89	478.7	12.83	748.1	20.1
2	Mr. Somphote Ahunai	412.1	11.05	865.7	23.21	(453.7)	(12.2)
3	Sotus & Faith #1	300.0	8.04	300.0	8.04	-	-
4	Thai NVDR	269.9	7.23	241.4	6.47	28.4	0.8
5	Mrs. Mukda Boonsieng	153.0	4.10	153.0	4.10	0.0	0.0
6	Mr. Luchai Phukhan-anan	102.4	2.74	102.3	2.74	0.0	0.0
7	Mr. Amorn Saphaweekul	73.0	1.96	73.0	1.96	-	-
8	Morgan Stanley & Co International PLC	66.1	1.77	66.1	1.77	-	-
9	South East Asia UK (TYPE C) Nominess Limited	65.2	1.75	65.8	1.76	(0.6)	(0.0)
10	Ms Ploysongsang Noparumpa	64.1	1.72	64.1	1.72	-	-
11	Others	997.5	26.74	1,319.9	35.38	(322.3)	(8.6)
	Total	3,730.0	100.00	3,730.0	100.00	-	-
	Number of shareholders	27,061		25,181			

Source: [EA 56-1 One Report for annual report 2021](#), [Set.or.th](#)

Other major shareholders of EA as of Dec-21 include 1) the Chiannikulchai family, one of EA's three founders, at 4.5% (168.37m shares); and 2) the Saphaweekul family, one of EA's three founders and the current CFO of EA (Mr. Amorn Saphaweekul), at 3.86% (144m shares); 3) Thai NVDR owns 6.47% (241.441m shares); and 4) UBS AG Singapore Branch, excluding SF, owns 12.8% (478.688m shares).

Exhibit 2: EA's shareholder structure as of December 2021

Name of Shareholders	As at December 30, 2021	
	Number of shares	Shareholding Percentage
1. Group of "Ahunai"	1,622,040,430	43.4863
1.1 Mr. Somphote Ahunai	865,736,386	23.2101
1.2 Sotus & Faith#1 *	300,000,000	8.0429
1.3 Sotus & Faith#1 * (held under Custodian - UBS AG SINGAPORE BRANCH)	274,700,000	7.3646
1.4 Sotus & Faith#1 * (held under Custodian - MORGAN STANLEY)	66,000,000	1.7694
1.5 Sotus & Faith#2 * (held under Custodian - UBS AG SINGAPORE BRANCH)	2,770,000	0.0743
1.6 Mrs. Blanca Shulan Huang	24,983,607	0.6698
1.7 Mr. Somboon Ahunai	6,992,951	0.1875
1.8 Ms. Supaporn Ahunai	23,997,049	0.6434
1.9 Mr. Julin Ahunai	16,800,000	0.4504
1.10 Mrs. Wilai Ahunai	4,800,000	0.1287
1.11 Mr. Pholsith Ahunai	18,522,237	0.4966
1.12 Mr. Peeraphol Ahunai	16,738,200	0.4487
2. UBS AG SINGAPORE BRANCH (excluded shares held under 1.3, 1.5, and 5.2)	478,688,593	12.8335
3. Thai NVDR Co., Ltd.	241,441,478	6.4730
4. Group of "Chiannikulchai"	168,373,092	4.5140
4.1 Mrs. Mukda Boonsieng	153,040,243	4.1030
4.2 Mr. Wutthilerd Chiannikulchai	15,332,849	0.4111
5. Group of "Saphaweekul"	144,013,109	3.8609
5.1 Mr. Amorn Saphaweekul	72,968,316	1.9563
5.2 Mr. Amorn Saphaweekul (held under Custodian - UBS AG SINGAPORE BRANCH)	17,000,000	0.4558
5.3 Mr. Amorn Saphaweekul (held under Custodian - LGT BANK (SINGAPORE) LTD.)	10,000,000	0.2681
5.4 Ms. Wassa Rimchala	25,823,087	0.6923
5.5 Mr. Anat Saphaweekul	18,221,706	0.4885
6. Mr. Luchai Pukan-Anan	102,348,900	2.7439

Source: [EA 56-1 One Report for annual report 2021](#)

Why has Mr. Somphote recently transferred his shares into SF? Back in 2016, Mr. Somphote decided to set up an SF trust to hold his EA shares in preparation for the wealth transfer from his own EA stakes to his three children.

Exhibit 3: EA's shareholding structure by major shareholders

Major Shareholders	As of 15 March 2022		As of 31 December 2021		Changes (31 Dec-21 to 15 Mar-22)	
	# Shares	% Shares	# Shares	% Shares	# Shares	% Shares
	(no.)	(%)	(no.)	(%)	(no.)	(%)
Mr. Somphote Ahunai	412.1	11.0	865.7	23.2	(453.7)	(12.2)
SF and its custodian funds (UBS & Morgan Stanley)	1,097.1	29.4	643.5	17.3	453.7	12.2
Ahunai group	1,622.0	43.49	1,622.0	43.5	-	-
Chiannikulchai group	168.4	4.51	168.4	4.5	-	-
Saphaweekul group	144.0	3.86	144.0	3.9	-	-

Sources: EA; SET

SF trust is an overseas trust that is intended to create and share the future returns from EA's shares to Mr. Somphote's children. Originally transferring 630m shares of EA or 16.89% to SF on 29 Jan-16, Mr. Somphote later decided to transfer more shares of EA to SF, which now owns 1.1b shares of EA or 29.4%, based on our estimate, in order to solidify the wealth of his children, according to EA's management.

It is a common practice for successful entrepreneurs to transfer wealth to trusts in order to deploy the future returns for hires, children, or any other successors, similar to how Bill Gates, the founder and major shareholder of Microsoft, transferred his wealth to the USD49.8b Gates Foundation and the Gates Learning Foundation, with the purpose being charity.

While Bill Gates and his wife Melinda French Gates transferred their wealth not to their children but for charity, it is a legal and transparent practice to transfer wealth from local status to overseas status and from a founder's holding to a trust's holding, in our view.

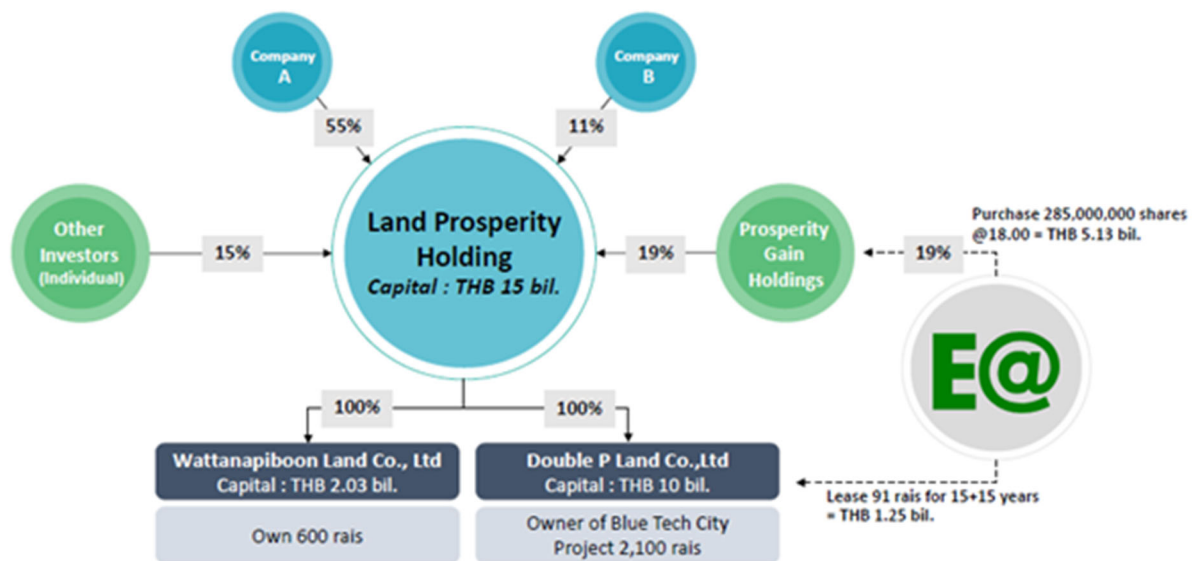
Conclusion for concern #1: No exit and stake reduction by major shareholders as of 15 Mar-22. In our analysis, Mr. Somphote and the other two founders still maintain their stake holdings in EA as of 15 Mar-22. Only Mr. Somphote has switched his EA stake holding from under his own name to SF, mostly under the trust UBS AG Singapore Branch.

Concern #2: The land purchase for EA's "Blue Tech" industrial estate

The second concern involves the land purchase transaction and investment by EA in its Blue Tech City Industrial Estate (BTIE), which has been perceived as unfair and unreasonable, according to EA's management.

Background on the land purchase for EA's Blue Tech City industrial estate. On 27 Feb-19, EA announced two transactions related to its land acquisitions, including 1) investment in Land Prosperity Holding (LPH, not listed), owned by EA's major shareholder and CEO Mr. Somphote Ahunai and his son, at THB5.13b for a 19% stake, or 285m shares. LPH owns a total of 2,700 rais (1,080 acres) in Chachoengsao province, one of the three provinces in the Eastern Economic Corridor (EEC); and 2) the acquisition of the leasehold right to a 91-rai land plot for its 1GWh first phase battery plant.

Exhibit 4: EA's land acquisition transactions and acquisitions



Source: EA

Rationale for the transactions. During EA's analyst meeting post 4Q19 results, management stated that the transactions announced are intended to 1) allow EA to participate in land preparation for the future development of industrial estate (IE) and utilities ventures for the upcoming EEC – the 2,100-rai land plots allocated for IE projects are in Chachoengsao province; and 2) the land lease agreement for 91 rais is to prepare for EA's 1GWh battery plant, scheduled to start-up in 4Q20.

We believe the two transactions are reasonable, considering: 1) the acquisition price of THB18/share is fair, in our view, as the premium of THB5/share over the THB13/share liquidation price would be justified by the fully paid-up price of THB18/share by the remaining 81% shareholders in LPH to fully fund the Blue Tech City IE development using 2,100 rais for development in the EEC; and 2) we think the leasehold agreement for 91 rais from LPH's 100% subsidiary Double P Land (not listed) for 30 years at THB1.25b, starting with a THB26m annual rental expense, will be inflated by up to 10% every three years.

What is the Eastern Economic Corridor? According to the [Royal Thai Embassy at Washington D.C.](#), the EEC development lies at the heart of the Thailand 4.0 scheme. The project is an area-based development initiative, aiming to revitalise the well-known Eastern Seaboard where, for 30 years, numerous business developers have experienced a rewarding investment journey and exceptional achievements.

Exhibit 5: EEC comprehensive infrastructure



Sources: [Royal Thai Embassy, Washington D.C.](#)

The project initially focused on the three eastern provinces, namely Rayong, Chonburi, and Chachoengsao. The EEC development plan envisages a significant transformation of both physical and social development, playing an important role as a regulatory sandbox and uplifting the country's competitiveness.

The EEC's 12 targeted S-curve industries are: cars; smart electronics; affluent, medical and wellness tourism; agriculture and biotechnology; food; robotics for industry; logistics and aviation; biofuels and biochemicals; digital; medical services; defense; and education development.

The EEC aims to bring innovation to improve the quality of living, through "7 Smarts" solutions – Smart Mobility, Smart People, Smart Living, Smart Economy, Smart Governance, Smart Energy and Smart Environment. The overall plan is to create a "Livable Smart City" for its residents and investors where technological integration, low carbon emissions, a circular economy, and access to good public healthcare and education will not only create an environment suited for innovation, but also for sustainable living.

Exhibit 6: EA’s EV and battery ventures are one of the EEC’s 12 targeted industries



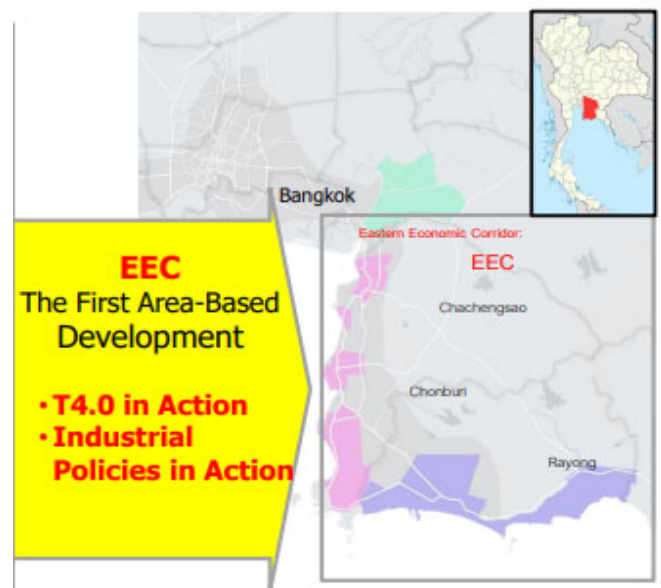
Source: [Royal Thai Embassy, Washington D.C.](#)

The EEC project includes three main activities:

- Upgrading of Thailand’s transport and logistics infrastructure in order to provide a solid connectivity platform to link the EEC region with markets of the Asia Pacific, the Indian Ocean Rim, and beyond.
- Establishing areas of concentration for investments in the “New S-Curve” industries (robotics, aviation and logistics, digital, biofuels and biochemical, and medical services), such as “EECi” to promote innovation, and “EECd” to promote the digital economy. A new EEC Office has been established to facilitate investments and provide novel incentives in addition to those offered by the Board of Investment.
- Creating areas for sustainable economic and social development through the use of new and environmentally friendly technologies to enhance the quality of life.

Exhibit 7: Key industrial zones under the EEC

Exhibit 8: Area-based development for the EEC



Source: [Royal Thai Embassy, Washington D.C.](#)

Source: [Set.or.th](#)

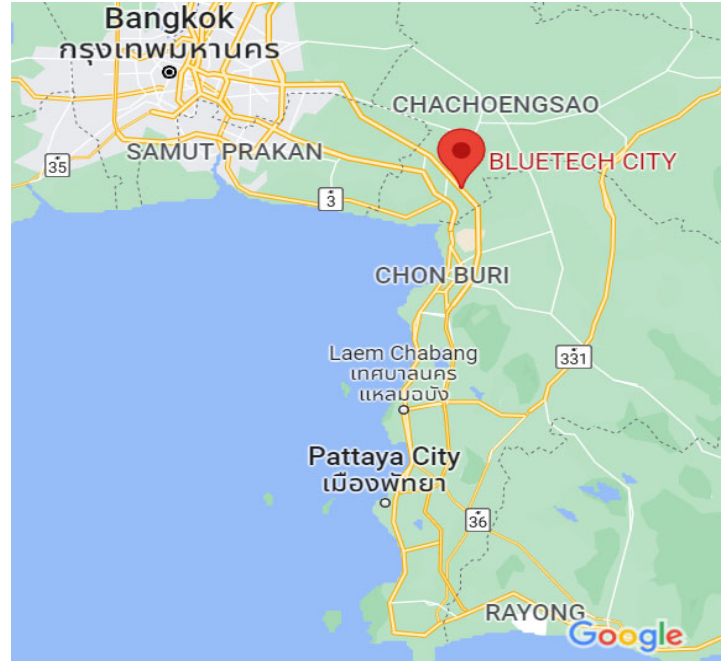
EEC's promoted zones for targeted industries. The EEC has designated 21 promoted zones as the locations for the 12 targeted industries. Investors will be eligible to receive both tax and non-tax privileges. The EEC's promoted zones for specific industries include: 1) EECh, High-Speed Rail Ribbon Sprawl; 2) EECd, Digital Park; 3) EECmd, Medical Hub; 4) EECi, Innovation Platform; 5) EECa, Eastern Airport City; and 6) EECg, Genomics Thailand.

Exhibit 9: Blue Tech City Industrial Estate aerial view



Source: [MReport](#)

Exhibit 10: Blue Tech City Industrial Estate area in Chachoengsao province



Source: [Google Maps](#)

EA's Blue Tech City Industrial Estate.

With the high growth potential under the EEC, EA has timely captured the growth opportunity in one of the 12 targeted industries under the EEC in the next-generation automotive industry, which includes manufacturing plants for batteries, EV assembly, and other EV parts.

While the EEC campaign has long been promoted by the Thai government since 2010, it was not until 11 Aug-21 that the Industrial Estate Authority of Thailand (IEA) approved the BTIE as an industrial estate under the EEC for next-generation automotive production with an estimated investment of THB33.2b and up to 8,300 new employments, according to the EEC.

Located just 44km away from Thailand's major airport Suvarnabhumi Airport and 60km from Laemchabang Port, Thailand's largest deep-sea port, and 119km from Maptaphut Port in Rayong province, BTIE's initial land use will be 1,181 rais with a THB4.9b investment.

It has taken five years from LPH's land acquisition from 2016 to Aug-21 for the IEA to approve BTIE as an IE under the EEC, which effectively allows the designated areas surrounding BTIE to legally change from agricultural green zones to industrial purple zones.

Why was LPH required as a land owner before selling to EA?

According to EA's management, there are three reasons that led to Mr. Somphote and his son setting up LPH to purchase land plots in preparation for BTIE to effectively reduce the initial risk for EA's shareholders to purchase green zone land under the worst-case scenario that the IEA may not eventually approve the BTIE project.

High risk for the change from a green to purple zone land asset. Prior to 2017, EA planned to build BTIE in Chachoengsao province, which is one of three major provinces under Thai government's EEC investment campaign. However, in 2016, the land targets for BTIE were all marked as "green" zone areas, as Chachoengsao is a zone for agriculture, not heavy industries.

Hence, EA's board then believed that if EA acquired that land, it may face a grave risk under the circumstance that the EEC campaign may not eventually materialise, thereby prohibiting the land targets changing from "green" zone, an agricultural area, to "purple" zone, an industrial area.

We believe the share premium of THB5/share (THB1.4b out of the THB5.13b acquisition cost) paid over liquidation value is fully justified, given the high initial risk to acquire the land under green zone status pending the IEA's approval to change the land plots from agricultural green to industrial purple zones.

In our view, it was rational for LPH to purchase the green land at a lower price in 2016 and later sell the green-to-purple zone land at a higher price five years later at selling prices comparable to the nearby IE land selling price of the then-known-as Thai Factory Development (TFD TB), currently named JCK International, which was then developing its new TFD IE 2 in Chachoengsao province not far from BTIE.

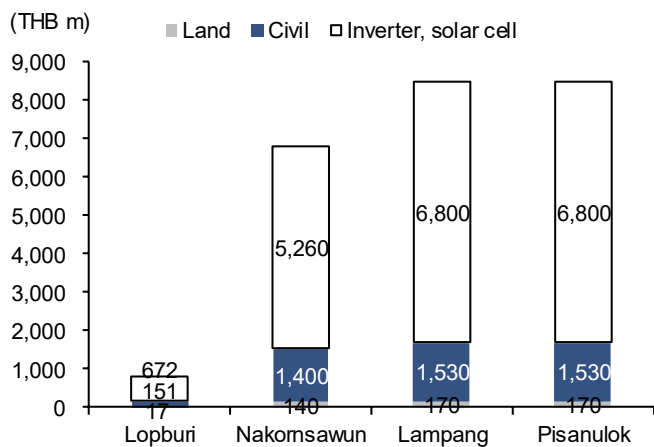
According to management, the land price purchased by EA from LPH was assessed by a third-party company at a discount to TFD's IE land sales; we estimate by 30-50%.

Conclusion for concern #2: Unlikely to be an unfair and irrational transaction for EA to purchase land from the founder-owned LPH. The developments of LPH and other companies owned by Mr Somphote and his associates should not only benefit EA's shareholders by taking on the initial risk for green-to-purple zone land convertibility, but also effectively reduce the acquisition price of the land due to the individual, sporadic acquisitions of land by LPH rather than by EA, which we think could trigger a much higher selling price for the remaining land after the first land purchase. Other land owners would likely raise their selling prices in response to BTIE's requirement to buy land from them.

Concern #3: Construction of and investment in solar farms projects

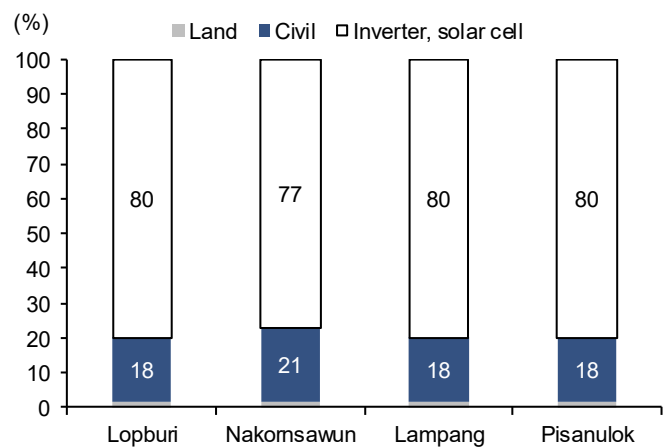
The third concern surrounds the construction and investment by EA in its solar and wind farms, in particular EA's and Thailand's first large-scale 90MW solar farm in Nakornsawan, which commenced its commercial operation date (COD) in 2013.

Exhibit 11: EA's solar farm construction cost breakdown



Sources: EA; FSSIA estimates

Exhibit 12: EA's solar farm construction cost breakdown (%)



Sources: EA; FSSIA estimates

Essentially, the concern is focused on the cost of construction and procurement of the components of solar farms at Nakornsawan (NK), including solar photovoltaic panels, inverters, and cables and connectors.

We find no evidence for excessive costs or irrational investments in EA's solar farms. Based on our analysis, we find that EA had invested in its Nakornsawan solar farms at a reasonable cost and with a transparent approach. According to management, EA had decided to implement a "turnkey" approach for its solar farms, including NK and two other large-scale 90MW solar farms at Lampang and Phitsanulok, which commenced their CODs in 2015 and 2016, respectively.

A fixed investment cost under turnkey EPC for solar farms. Under the turnkey approach for the engineering, procurement, and construction (EPC), EA negotiated with EPC companies for a total, inclusive investment cost. For NK, EA invested a total of THB6.8b for a 126MW installed capacity and only a 90MW contract capacity to sell the electricity produced to the Electricity Generating Authority of Thailand (EGAT) at a total THB9-10/kWh. The high tariff came from the Thai government's promotion of the first phase of renewable energy in Thailand.

Even using the 90MW contract capacity, we estimate that EA invested only THB76m per MW capacity for NK, which is lower than the THB80-100m per MW capacity for other local peers, based on our estimate.

Exhibit 13: Analysis of EA's solar farms and its profitability and operational performance

Solar project	Nakornsawan	Lampang	Phitsanulok	Unit
Contract capacity	90	90	90	MW
Investment per MW	76	94	100	THB m/MW
Total investment	6,800	8,500	9,000	THB m
Solar light tracker	None	Yes	Yes	
Est. production	0.55	0.65	0.70	MWh per day
Est. production	201	237	256	GWh
% production increase	na	18%	27%	
% cost increase	na	25%	25%	
Est. annual profit	1,363	1,672	1,686	THB m
Est. annual profit	15.1	18.6	18.7	THB m per MW

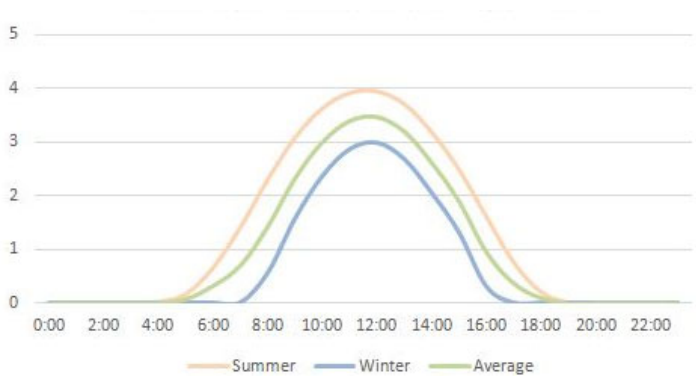
Sources: EA; FSSIA estimates

High profitability and returns for solar farms, including at Nakornsawan. With a 126MW capacity to produce a high level of electricity at over 90MW during the strong sunshine period from 10 am to 2 pm, EA is able to generate a “longer” period of 90MW electricity production for a maximum sales volume under the power purchase agreement with EGAT.

EA has generated a much higher level of profitability for its solar farms at THB9.5-9.9/kWh in 2017-21. We estimate that EA’s four solar farms with a total of 278MW, including the 90MW NK, generated over THB3b in annual net profits and THB7b EBITDA for EA since 2016 when its four solar farms were in operation.

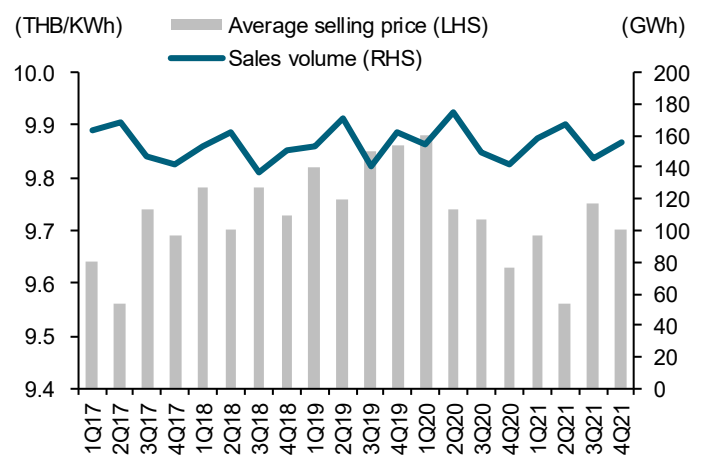
With a total investment of THB26b for four solar farms with a capacity of 278MW, we estimate that EA reached the financial breakeven point for its solar farms within only four years and generated an EIRR of over 30%. This strong profitability, short payback period, and high EIRR, should clearly manifest EA’s sound investment in its solar farms, including NK, Lampang, and Phitsanulok.

Exhibit 14: Solar production from 5KW solar farm



Source: [Solar Power Australia](#)

Exhibit 15: EA’s actual average selling price and electricity sales volume for solar farms



Source: EA

Similar to its solar farms, we believe EA’s investment in wind farms is sound and can create high profitability for EA’s shareholders, considering that 1) the investment per MW is reasonable at THB75m per MW capacity, which is on par with industry peers, based on our estimate; 2) the high operating performance with high capacity factors; and 3) high profitability of over THB10m per MW compared to local peers’ THB5-7m per MW.

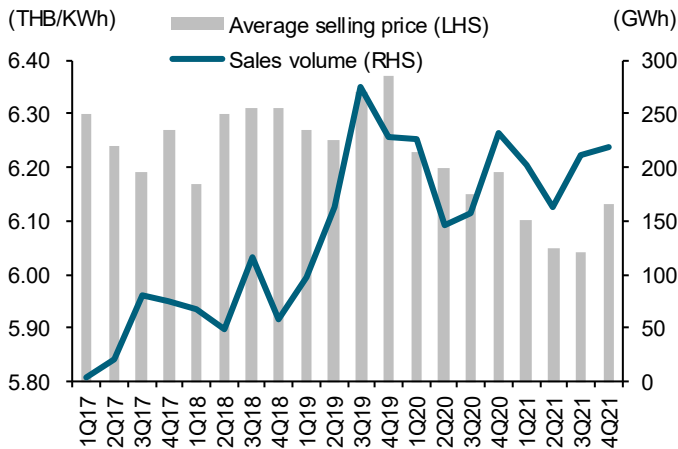
Exhibit 16: Analysis of EA’s solar and wind farms

	Units	Solar phase #1	Solar phase #2	Solar phase #3	Solar phase #4	Wind southern	Wind Northeastern
Total capacity	MW	8	90	90	90	126	260
% of total capacity	%	1	14	14	14	19	39
Capacity factor	%	20	25	31	31.5	30	31
Investment cost	THB m/MW	105	76	94	94	75	75
Total project investment cost	THB m	840	6,800	8,500	8,500	9,450	19,500
Net profit	THB m/MW	12	13	16	17	10	12
Technology		Conventional	Conventional	Tracking system	Tracking system	Turbine class 3	Turbine class 3
Est. Commercial Operation Date		Operational	Operational	Operational	Operational	Operational	Operational

Sources: EA; FSSIA estimates

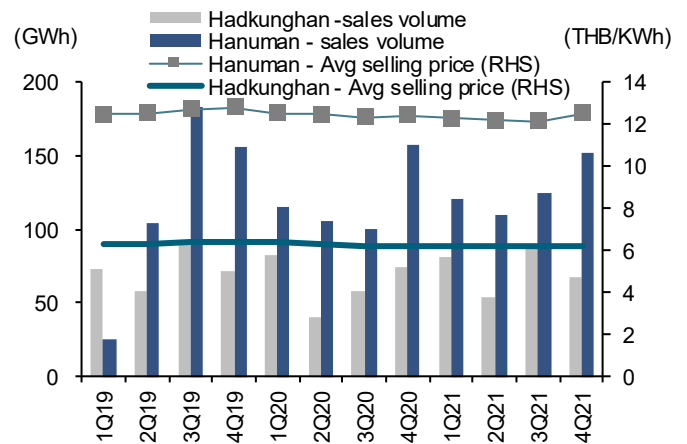
In 2017-21, EA's wind farms have continued to generate high operating performance with high sales volumes and capacity factors and a high average selling price of over THB6/kWh (add THB3.5/kWh) compared to over THB9/kWh (add THB6.5/kWh) for solar farms.

Exhibit 17: EA's electricity average selling price and sales volume for wind farms



Source: EA

Exhibit 18: EA's electricity sales volume and average selling price for Hadkunghan and Hanuman wind farms



Source: EA

Exhibit 19: Analysis of EA's wind farms

Wind project	Southern (Hadkunghan 1-4)	Northeastern (Hanuman 1-14)	Units
Wind turbine	Class 3	Class 3	
Location	Nakhonsrithammarat/Songkla	Chaiyaphom	
Turbine pole height	137	137	m
Size of wind turbine	1.8	2.5	MW
Number of turbines	70.0	104	Turbine
Capacity	126	260	MW
Investment per MW	79	75	THB m/MW
Total investment	9,954	19,500	THB m
Average wind speed	5.5	6.5	m/s
Wind speed range	3-10	4-8	m/s
Tariff			
On-peak	3.30	3.30	THB/kWh
Off-peak	2.20	2.20	THB/kWh
Weighted average tariff	2.81	2.64	THB/kWh
Adder	3.50	3.50	THB/kWh
Weighted average tariff	6.31	6.14	THB/kWh
On-peak period a day	55%	40%	
Off-peak period a day	45%	60%	
Average wind speed	5.5	6.5	m/s
Est. adjusted wind speed	34.7	39.9	THB/kWh per wind speed m/s
Est. profit per MW	7.0	2.7	THB m/MW
Contract status	PPA signed	PPA signed	
Operation status	Under construction	Planning	
COD	2Q17 onwards, delayed by 3 months	4Q18 onwards, delayed by 6 months	
Est. capacity factor	30%	31%	

Sources: EA; FSSIA estimates

Conclusion for concern #3: Sound investment for solar and wind farms with proven track record of strong operations, high efficiency, and high profitability.

Regardless of what EPC companies for EA’s solar farms achieve and implement to complete their solar farm projects in time, with a period of warranty for operational performance, we believe EA’s investment in solar farms is sound and creates value for EA’s shareholders, as evidenced by its high profitability in solar and wind farms.

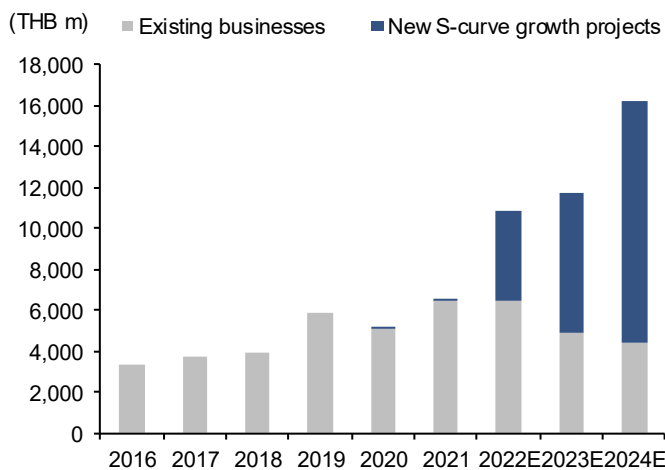
EA: A proven success and leading player in renewables and EVs in Thailand

We believe EA’s recent share price plunge on investors’ three major concerns are unjustified, and see the share price correction as a strong buying opportunity ahead of EA’s strong net profit growth that we project from its new EV and battery S-curve ventures in 2Q22 onward.

After commencing operations at its 1GWh battery phase 1 plant on 12 Dec-21, delivering 122 e-buses in Sep-Oct 2021, and securing over 300 e-bus orders for delivery in 4Q21-2022, we are now more confident about EA’s sales volume outlook for its EVs in 2022-23.

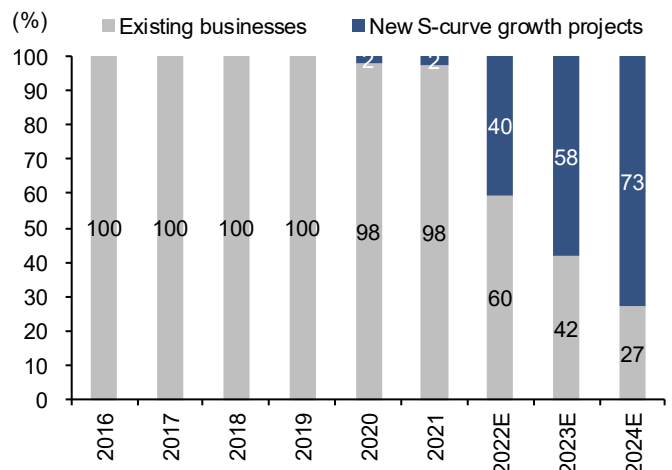
With a solid set of potential e-bus orders from Thai Smile Bus and Thai Smart Bus in 2022-23, we believe EA is likely to achieve our earnings and sales volume assumptions for e-trucks and e-buses on the high pent-up demand for commercial EVs (buses and trucks) and passenger EVs pending the official announcement of the government’s incentive package.

Exhibit 20: Net profit breakdown



Sources: EA; FSSIA estimates

Exhibit 21: Net profit breakdown (%)



Sources: EA; FSSIA estimates

Exhibit 22: 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		

SoTP 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			
Southern (COD 2017)			
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	
Northeastern (COD 2018)			
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%
Total wind farm Northeastern	47,084	12.6	
Battery phase 1 (1GWh)	12,366	3.3	DCF with WACC 4%, Risk free rate 5.3%, Risk premium 8.5%
Battery phase 2 (15GWh)	226,739	60.8	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)	77,342	20.7	FY22E P/E at 24x
Total EV and battery	253,484	88.7	
Green diesel & PCM	12,654	3.4	FY22E P/E at 15x
Net debt	(14,618)	(3.9)	
Minorities	2,465	0.7	
Residual ordinary equity	371,551	122.0	

Sources: EA; FSSIA estimates

Financial Statements

Energy Absolute

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	17,080	20,174	33,947	49,993	65,576
Cost of goods sold	(6,591)	(9,242)	(16,385)	(28,040)	(40,895)
Gross profit	10,489	10,931	17,561	21,954	24,682
Other operating income	-	-	-	-	-
Operating costs	(1,278)	(1,437)	(2,376)	(3,000)	(4,590)
Operating EBITDA	9,211	9,494	15,185	18,954	20,091
Depreciation	(2,730)	(2,768)	(4,494)	(5,300)	(5,300)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	6,480	6,726	10,691	13,654	14,791
Net financing costs	(1,627)	(1,322)	(1,232)	(1,128)	(1,061)
Associates	(61)	14	1,289	1,189	1,395
Recurring non-operating income	126	411	1,539	1,439	1,645
Non-recurring items	50	117	0	0	0
Profit before tax	5,029	5,933	10,998	13,965	15,375
Tax	18	(3)	(41)	(116)	(98)
Profit after tax	5,047	5,929	10,956	13,849	15,277
Minority interests	157	171	(306)	(305)	(314)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	5,205	6,100	10,650	13,543	14,963
Non-recurring items & goodwill (net)	(50)	(117)	0	0	0
Recurring net profit	5,155	5,983	10,650	13,543	14,963
Per share (THB)					
Recurring EPS *	1.38	1.60	2.86	3.63	4.01
Reported EPS	1.40	1.64	2.86	3.63	4.01
DPS	0.30	0.40	0.70	1.00	1.25
Diluted shares (used to calculate per share data)	3,730	3,730	3,730	3,730	3,730
Growth					
Revenue (%)	14.7	18.1	68.3	47.3	31.2
Operating EBITDA (%)	(3.3)	3.1	59.9	24.8	6.0
Operating EBIT (%)	(7.6)	3.8	58.9	27.7	8.3
Recurring EPS (%)	(12.7)	16.1	78.0	27.2	10.5
Reported EPS (%)	(14.4)	17.2	74.6	27.2	10.5
Operating performance					
Gross margin inc. depreciation (%)	45.4	40.5	38.5	33.3	29.6
Gross margin of key business (%)	45.7	41.0	38.5	33.3	29.6
Operating EBITDA margin (%)	53.9	47.1	44.7	37.9	30.6
Operating EBIT margin (%)	37.9	33.3	31.5	27.3	22.6
Net margin (%)	30.2	29.7	31.4	27.1	22.8
Effective tax rate (%)	-0.4	0.1	0.4	0.9	0.7
Dividend payout on recurring profit (%)	21.7	24.9	24.5	27.5	31.2
Interest cover (X)	4.1	5.4	9.9	13.4	15.5
Inventory days	44.1	45.7	46.2	47.0	50.0
Debtor days	57.9	58.3	41.5	31.2	27.0
Creditor days	18.2	14.4	11.2	11.4	12.1
Operating ROIC (%)	9.5	(2.3)	(3.5)	(4.5)	(5.0)
ROIC (%)	8.2	(1.9)	(3.2)	(4.0)	(4.4)
ROE (%)	20.1	19.8	28.7	28.8	25.8
ROA (%)	8.5	6.8	11.9	13.5	13.1
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Methyl ester Biodiesel products	6,570	6,570	6,570	6,570	6,570
Pure glycerine products	360	361	2,387	3,469	3,469
Electricity from solar and wind power	9,784	4,247	14,184	19,279	32,354
Head office and others	100	101	101	101	101

Sources: Energy Absolute; FSSIA estimates

Financial Statements

Energy Absolute

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	5,155	5,983	10,650	13,543	14,963
Depreciation	2,730	2,768	4,494	5,300	5,300
Associates & minorities	(61)	14	1,289	1,189	1,395
Other non-cash items	-	-	-	-	-
Change in working capital	4,045	(4,390)	(163)	(689)	(1,029)
Cash flow from operations	11,869	4,375	16,270	19,344	20,629
Capex - maintenance	(2,730)	(2,768)	(4,494)	(5,300)	(5,300)
Capex - new investment	(4,486)	(2,564)	(994)	(1,800)	(1,800)
Net acquisitions & disposals	(1,429)	(84)	0	0	0
Other investments (net)	(7,546)	(711)	1,289	1,189	1,395
Cash flow from investing	(16,192)	(6,127)	(4,199)	(5,911)	(5,705)
Dividends paid	(746)	(746)	(1,492)	(2,611)	(3,730)
Equity finance	0	0	0	0	0
Debt finance	(2,873)	1,904	(4,255)	(2,035)	(2,035)
Other financing cash flows	863	570	(334)	1,477	1,074
Cash flow from financing	(2,756)	1,728	(6,081)	(3,169)	(4,691)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(7,079)	(24)	5,990	10,264	10,234
Free cash flow to firm (FCFF)	(2,685.77)	(364.69)	13,352.81	14,611.11	16,035.47
Free cash flow to equity (FCFE)	(6,332.72)	721.90	7,481.97	12,874.77	13,963.85

Per share (THB)	2020	2021	2022E	2023E	2024E
FCFF per share	(0.72)	(0.10)	3.58	3.92	4.30
FCFE per share	(1.70)	0.19	2.01	3.45	3.74
Recurring cash flow per share	2.10	2.35	4.41	5.37	5.81

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	67,122	70,852	74,352	77,852	81,352
Less: Accumulated depreciation	(11,265)	(12,431)	(16,925)	(22,225)	(27,525)
Tangible fixed assets (net)	55,857	58,421	57,426	55,627	53,827
Intangible fixed assets (net)	1,337	1,453	1,453	1,453	1,453
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	1,529	1,614	1,614	1,614	1,614
Cash & equivalents	2,951	2,927	8,917	19,181	29,415
A/C receivable	2,750	3,690	4,030	4,530	5,186
Inventories	833	1,483	2,663	4,557	6,647
Other current assets	855	3,549	5,972	8,795	11,537
Current assets	7,389	11,650	21,582	37,063	52,784
Other assets	12,371	12,339	12,339	12,339	12,339
Total assets	78,484	85,476	94,415	108,096	122,017
Common equity	27,812	32,501	41,609	52,492	63,675
Minorities etc.	1,815	2,601	2,907	3,212	3,527
Total shareholders' equity	29,627	35,102	44,516	55,704	67,201
Long term debt	31,090	33,777	29,522	27,487	25,452
Other long-term liabilities	4,203	3,921	3,921	3,921	3,921
Long-term liabilities	35,292	37,699	33,443	31,409	29,374
A/C payable	373	358	643	1,101	1,606
Short term debt	7,983	7,200	7,200	7,200	7,200
Other current liabilities	5,209	5,118	8,612	12,683	16,636
Current liabilities	13,564	12,676	16,455	20,984	25,442
Total liabilities and shareholders' equity	78,484	85,476	94,415	108,096	122,017
Net working capital	(1,143)	3,246	3,410	4,098	5,127
Invested capital	69,951	77,073	76,242	75,131	74,360

* Includes convertibles and preferred stock which is being treated as debt

Per share (THB)	2020	2021	2022E	2023E	2024E
Book value per share	7.46	8.71	11.16	14.07	17.07
Tangible book value per share	7.10	8.32	10.77	13.68	16.68

Financial strength	2020	2021	2022E	2023E	2024E
Net debt/equity (%)	121.9	108.4	62.5	27.8	4.8
Net debt/total assets (%)	46.0	44.5	29.4	14.3	2.7
Current ratio (x)	0.5	0.9	1.3	1.8	2.1
CF interest cover (x)	(0.1)	3.5	7.9	14.0	15.9

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	68.2	58.8	33.0	26.0	23.5
Recurring P/E @ target price (x) *	88.3	76.1	42.7	33.6	30.4
Reported P/E (x)	67.5	57.6	33.0	26.0	23.5
Dividend yield (%)	0.3	0.4	0.7	1.1	1.3
Price/book (x)	12.6	10.8	8.4	6.7	5.5
Price/tangible book (x)	13.3	11.3	8.8	6.9	5.7
EV/EBITDA (x) **	42.3	41.3	25.2	19.5	17.8
EV/EBITDA @ target price (x) **	53.5	52.2	32.0	25.0	23.0
EV/invested capital (x)	5.6	5.1	5.0	4.9	4.8

* 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	PAP	PCSGH	PDJ	PG	PHOL	PLANB
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	TRC	TSC	TSR	TSTE	TSTH
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, CFA, FRM, ERP FSS International Investment Advisory Securities Co., Ltd

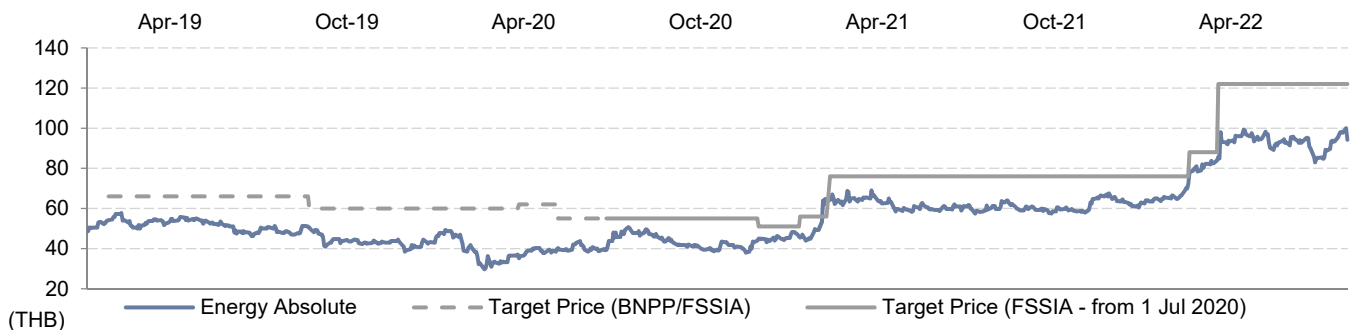
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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



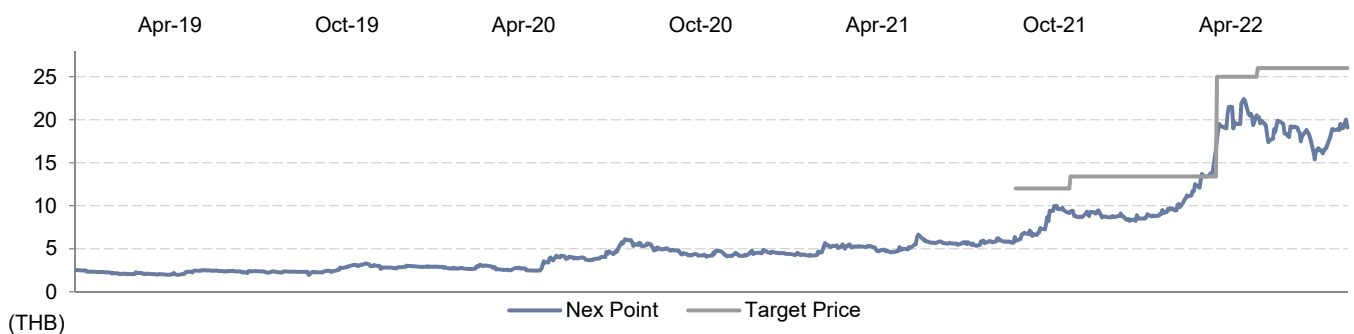
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
26-Apr-2019	BUY	66.00	20-May-2020	BUY	55.00	08-Jan-2021	BUY	76.00
17-Oct-2019	BUY	60.00	09-Nov-2020	BUY	51.00	18-Nov-2021	BUY	88.00
16-Apr-2020	BUY	62.00	15-Dec-2020	BUY	56.00	13-Dec-2021	BUY	122.00

Suwat Sinsadok, CFA, FRM, ERP started covering this stock from 09-Jul-2020

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	13-Dec-2021	BUY	25.00	-	-	-
09-Aug-2021	BUY	13.40	17-Jan-2022	BUY	26.00	-	-	-

Suwat Sinsadok, CFA, FRM, ERP 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 94.25	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 19.10	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 Finasia 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 Finasia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 05-Apr-2022 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / 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.