

# Thailand EV

## Overcoming regulatory delay for rapid delivery

- Maintain our positive view on the development of EA-NEX's EV venture; we expect EA-NEX to deliver 400 e-buses in 3Q22 and 500 e-buses plus 400 e-trucks in 4Q22.
- EA-NEX's growth plan for the EV venture: 1) strong backlog of over 3,000 e-buses and 500 e-tractor trucks in 4Q22-1H23; and 2) potential growth from e-truck market.
- We expect the share prices of EA and NEX to outperform in the next few months.

### Delivery bottleneck should be the last hurdle for EV growth trajectory

We returned from our site visit to Energy Absolute (EA TB, BUY, TP THB101)'s battery plant and the EV manufacturing plant (owned 60% by EA and 40% by Nex Point (NEX TB, BUY, TP THB21.6)) with a positive view on the development of the EV venture. While the delivery to the major customer, Beyond Securities (BYD TB, NR), has taken longer than expected – even with over 400-500 e-buses produced in August – we think the total order of 900 e-buses and 500 e-trucks will be delivered within 2H22. We expect EA-NEX to deliver 400 e-buses in 3Q22 and 500 e-buses plus 400 e-trucks in 4Q22. Management also plans to expand the battery plant's capacity to 2GW by 1Q23 and 4GW by 2024, up from 1GW, and the EV manufacturing plant's capacity from 3,000 EVs to 50,000 EVs p.a. by 2025.

### NEX's turnaround in 3Q22, with EA's earnings growth from EVs to jump in 2H22

Despite the delivery delay, we remain sanguine on the earnings growth outlook for EA and NEX in 2H22-2024, backed by more visible revenue and earnings from the EV venture, including the manufacture and sales of batteries and EVs, plus the high potential for demand growth in the new tractor truck market. Financially, we project NEX to post a net profit of THB100m-150m in 3Q22, rising to THB0.4b in 4Q22, based on the deliveries of 400 e-buses in 3Q22 and 900 e-buses and e-tractor trucks in 4Q22. EA could post a net profit of THB0.3b in 3Q22 and THB0.8b in 4Q22 on the earnings from its 100%-owned battery plant, 65%-owned EV production plant, and 45%-owned sales and marketing associate, NEX.

### Future growth outlook remains rosy

EA-NEX's growth plan for the EV venture includes 1) a strong backlog of over 3,000 e-buses and 500 e-tractor trucks in 4Q22-1H23; and 2) growth potential of up to 10,000 e-trucks from an e-truck market of over 0.1m annually in Thailand. The business model entails EV sales and fuel charge services (SFS) by selling e-trucks at comparable prices to diesel-based trucks, then allowing customers to pay an agreed-upon, inclusive charging rate of THB10-11/km for the variable costs incurred. The new marketing strategy via SFS could incentivise customers to switch to EA-NEX's EVs and then save on fuel costs by paying a fixed, inclusive rate, which includes the costs of fuel, maintenance, and EV charging fees.

### Dual winners in Thailand's booming commercial EV market

We maintain our positive view on Thailand's EV sector and expect the share prices of EA and NEX to outperform in the next few months, based on 1) more visible earnings growth from the deliveries of e-buses and e-trucks in 2H22-2023; 2) a high e-bus and e-truck backlog in 2023-24; 3) capacity expansions; and 4) the potential for 10,000 e-truck orders.



**Suwat Sinsadok, CFA, FRM, ERP**  
 suwat.sin@fssia.com  
 +66 2611 3558

**Siriluck Pinthusoonthorn**  
 siriluck.pin@fssia.com  
 +66 2611 3562



**Exhibit 1: E-bus during the manufacturing process**



Source: EA

**Exhibit 2: Finished e-buses waiting to be delivered**



Source: EA

**Exhibit 3: EV passenger car to be adapted to logistics carrier**



Source: EA

**Exhibit 4: EV assembly line**



Source: EA

**Exhibit 5: Welders working on the production line**



Source: EA

**Exhibit 6: Painting and welding line**



Source: EA

## Corporate Governance report of Thai listed companies 2021

| EXCELLENT LEVEL – Score range 90-100 |        |        |        |        |        |        |         |        |       |        |
|--------------------------------------|--------|--------|--------|--------|--------|--------|---------|--------|-------|--------|
| AAV                                  | BCPG   | CPALL  | GCAP   | K      | MSC    | PLANET | SAMART  | SPI    | THRE  | TVD    |
| ADVANC                               | BDMS   | CPF    | GFPT   | KBANK  | MST    | PLAT   | SAMTEL  | SPRC   | THREL | TVI    |
| AF                                   | BEM    | CPI    | GGC    | KCE    | MTC    | PORT   | SAT     | SPVI   | TIPCO | TVO    |
| AH                                   | BGC    | CPN    | GLAND  | KKP    | MVP    | PPS    | SC      | SSSC   | TISCO | TWPC   |
| AIRA                                 | BGRIM  | CRC    | GLOBAL | KSL    | NCL    | PR9    | SCB     | SST    | TK    | U      |
| AKP                                  | BIZ    | CSS    | GPI    | KTB    | NEP    | PREB   | SCC     | STA    | TKT   | UAC    |
| AKR                                  | BKI    | DDD    | GPSC   | KTC    | NER    | PRG    | SCCC    | STEC   | TMT   | UBIS   |
| ALT                                  | BOL    | DELTA  | GRAMMY | LALIN  | NKI    | PRM    | SCG     | STI    | TNDT  | UV     |
| AMA                                  | BPP    | DEMCO  | GULF   | LANNA  | NOBLE  | PROUD  | SCGP    | SUN    | TNITY | VGI    |
| AMATA                                | BRR    | DRT    | GUNKUL | LH     | NSI    | DRS    | SCM     | SUSCO  | TOA   | VIH    |
| AMATAV                               | BTS    | DTAC   | HANA   | LHFG   | NVD    | PSL    | SDC     | SUTHA  | TOP   | WACOAL |
| ANAN                                 | BTW    | DUSIT  | HARN   | LIT    | NWR    | PTG    | SEAFECO | SVI    | TPBI  | WAVE   |
| AOT                                  | BWG    | EA     | HMPRO  | LPN    | NYT    | PTT    | SEAOIL  | SYMC   | TQM   | WHA    |
| AP                                   | CENTEL | EASTW  | ICC    | MACO   | OISHI  | PTTEP  | SE-ED   | SYNTEC | TRC   | WHAUP  |
| ARIP                                 | CFRESH | ECF    | ICHI   | MAJOR  | OR     | PTTGC  | SELIC   | TACC   | TRU   | WICE   |
| ARROW                                | CHEWA  | ECL    | III    | MAKRO  | ORI    | PYLON  | SENA    | TASCO  | TRUE  | WINNER |
| ASP                                  | CHO    | EE     | ILINK  | MALEE  | OSP    | Q-CON  | SHR     | TCAP   | TSC   | ZEN    |
| AUCT                                 | CIMBT  | EGCO   | ILM    | MBK    | OTO    | QH     | SIRI    | TEAMG  | TSR   |        |
| AWC                                  | CK     | EPG    | INTUCH | MC     | PAP    | QTC    | SIS     | TFMAMA | TSTE  |        |
| AYUD                                 | CKP    | ETC    | IP     | MCOT   | PCSGH  | RATCH  | SITHAI  | TGH    | TSTH  |        |
| BAFS                                 | CM     | FPI    | IRPC   | METCO  | PDG    | RS     | SMK     | THANA  | TTA   |        |
| BANPU                                | CNT    | FPT    | ITEL   | MFEC   | PDJ    | S      | SMPC    | THANI  | TTB   |        |
| BAY                                  | COM7   | FSMART | IVL    | MINT   | PG     | S & J  | SNC     | THCOM  | TTCL  |        |
| BBL                                  | COMAN  | GBX    | JSP    | MONO   | PHOL   | SAAM   | SONIC   | THG    | TTW   |        |
| BCP                                  | COTTO  | GC     | JWD    | MOONG  | PLANB  | SABINA | SPALI   | THIP   | TU    |        |
| VERY GOOD LEVEL – Score range 80-89  |        |        |        |        |        |        |         |        |       |        |
| 2S                                   | ASIMAR | CHOW   | FLOYD  | IT     | LOXLEY | OCC    | RPC     | SKY    | TCC   | TVT    |
| 7UP                                  | ASK    | CI     | FN     | ITD    | LRH    | OGC    | RT      | SLP    | TCMC  | TWP    |
| ABICO                                | ASN    | CIG    | FNS    | J      | LST    | PATO   | RWI     | SMIT   | TEAM  | UEC    |
| ABM                                  | ATP30  | CMC    | FORTH  | JAS    | M      | PB     | S11     | SMT    | TFG   | UMI    |
| ACE                                  | B      | COLOR  | FSS    | JCK    | MATCH  | PICO   | SA      | SNP    | TFI   | UOBKH  |
| ACG                                  | BA     | CPL    | FTE    | JCKH   | MBAX   | PIMO   | SAK     | SO     | TIGER | UP     |
| ADB                                  | BAM    | CPW    | FVC    | JMART  | MEGA   | PJW    | SALEE   | SORKON | TITLE | UPF    |
| AEONTS                               | BC     | CRD    | GEL    | JMT    | META   | PL     | SAMCO   | SPA    | TKN   | UPOIC  |
| AGE                                  | BCH    | CSC    | GENCO  | KBS    | MFC    | PM     | SANKO   | SPC    | TKS   | UTP    |
| AHC                                  | BEC    | CSP    | GJS    | KCAR   | MGT    | PMTA   | SAPPE   | SPCG   | TM    | VCOM   |
| AIT                                  | BEYOND | CWT    | GYT    | KEX    | MICRO  | PPP    | SAWAD   | SR     | TMC   | VL     |
| ALL                                  | BFIT   | DCC    | HEMP   | KGI    | MILL   | PPP    | SCI     | SRICHA | TMD   | VPO    |
| ALLA                                 | BJC    | DCON   | HPT    | KIAT   | MITSIB | PRIME  | SCN     | SSC    | TMI   | VRANDA |
| ALUCON                               | BJCHI  | DHOUSE | HTC    | KISS   | MK     | PRIN   | SCP     | SSF    | TMILL | WGE    |
| AMANAH                               | BLA    | DOD    | HYDRO  | KOOL   | MODERN | PRINC  | SE      | STANLY | TNL   | WIJK   |
| AMARIN                               | BR     | DOHOME | ICN    | KTIS   | MTI    | PSG    | SFLEX   | STGT   | TNP   | WP     |
| APCO                                 | BROOK  | DV8    | IFS    | KUMWEL | NBC    | PSTC   | SFP     | STOWER | TOG   | XO     |
| APCS                                 | CBG    | EASON  | IMH    | KUN    | NCAP   | PT     | SFT     | STPI   | TPA   | XPG    |
| APURE                                | CEN    | EFORL  | IND    | KWC    | NCH    | QLT    | SGF     | SUC    | TPAC  | YUASA  |
| AQUA                                 | CGH    | ERW    | INET   | KWM    | NETBAY | RBF    | SIAM    | SWC    | TPCS  |        |
| ASAP                                 | CHARAN | ESSO   | INSET  | L&E    | NEX    | RCL    | SINGER  | SYNEX  | TPS   |        |
| ASEFA                                | CHAYO  | ESTAR  | INSURE | LDC    | NINE   | RICHY  | SKE     | TAE    | TRITN |        |
| ASIA                                 | CHG    | ETE    | IRC    | LEO    | NRF    | RML    | SKN     | TAKUNI | TRT   |        |
| ASIAN                                | CHOTI  | FE     | IRCP   | LHK    | NTV    | ROJNA  | SKR     | TBSP   | TSE   |        |
| GOOD LEVEL – Score range 70-79       |        |        |        |        |        |        |         |        |       |        |
| A                                    | BGT    | CITY   | GIFT   | JTS    | MDX    | PK     | SGP     | SUPER  | TQR   | YGG    |
| AI                                   | BH     | CMAN   | GLOCON | JUBILE | MJD    | PLE    | SICT    | SVOA   | TTI   | ZIGA   |
| AIE                                  | BIG    | CMO    | GREEN  | KASET  | MORE   | PPM    | SIMAT   | TC     | TYCN  |        |
| AJ                                   | BLAND  | CMR    | GSC    | KCM    | MUD    | PRAKIT | SISB    | TCCC   | UKEM  |        |
| ALPHAX                               | BM     | CPT    | GTB    | KK     | NC     | PRAPAT | SK      | THMUI  | UMS   |        |
| AMC                                  | BROCK  | CRANE  | HTECH  | KKC    | NDR    | PRECHA | SMART   | TNH    | UNIQ  |        |
| APP                                  | BSBM   | CSR    | HUMAN  | KWI    | NFC    | PTL    | SOLAR   | TNR    | UPA   |        |
| AQ                                   | BSM    | D      | IHL    | KYE    | NNCL   | RJH    | SPACK   | TOPP   | UREKA |        |
| ARIN                                 | BTNC   | EKH    | IIG    | LEE    | NOVA   | RP     | SPG     | TPCH   | VIBHA |        |
| AS                                   | BYD    | EMC    | INGRS  | LPH    | NPK    | RPH    | SQ      | TPIPL  | W     |        |
| AU                                   | CAZ    | EP     | INOX   | MATI   | NUSA   | RSP    | SSP     | TIPIP  | WIN   |        |
| B52                                  | CCP    | F&D    | JAK    | M-CHAI | PAF    | SABUY  | STARK   | TPLAS  | WORK  |        |
| BEAUTY                               | CGD    | FMT    | JR     | MCS    | PF     | SF     | STC     | TPOLY  | WPH   |        |

**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

Sources: Thai Institute of Directors Association (IOD); FSSIA's compilation; data as of 26 October 2021



## Anti-corruption Progress Indicator

| CERTIFIED |        |        |        |        |       |        |        |        |        |        |
|-----------|--------|--------|--------|--------|-------|--------|--------|--------|--------|--------|
| 2S        | BCH    | CPALL  | GC     | K      | MFC   | PE     | QLT    | SNP    | THCOM  | TU     |
| 7UP       | BCP    | CPF    | GCAP   | KASET  | MFEC  | PG     | QTC    | SORKON | THIP   | TVD    |
| ADVANC    | BCPG   | CPI    | GEL    | KBANK  | MILL  | PHOL   | RATCH  | SPACK  | THRE   | TVI    |
| AF        | BE8    | CPN    | GFPT   | KBS    | MINT  | PK     | RML    | SPALI  | THREL  | TVO    |
| AI        | BEYOND | CSC    | GGC    | KCAR   | MONO  | PL     | RWI    | SPC    | TIDLOR | TWPC   |
| AIE       | BGC    | DCC    | GJS    | KCE    | MOONG | PLANB  | S & J  | SPI    | TIPCO  | U      |
| AIRA      | BGRIM  | DELTA  | GPI    | KGI    | MSC   | PLANET | SAAM   | SPRC   | TISCO  | UBE    |
| AKP       | BJCHI  | DEMCO  | GPSC   | KKP    | MST   | PLAT   | SABINA | SRICHA | TKS    | UBIS   |
| ALPHAX    | BKI    | DIMET  | GSTEEL | KSL    | MTC   | PM     | SAPPE  | SSF    | TKT    | UEC    |
| AMA       | BLA    | DRT    | GUNKUL | KTB    | MTI   | PPP    | SAT    | SSP    | TMD    | UKEM   |
| AMANAHA   | BPP    | DTAC   | HANA   | KTC    | NBC   | PPPM   | SC     | SSSC   | TMILL  | UOBKH  |
| AMATA     | BROOK  | DUSIT  | HARN   | KWC    | NEP   | PPS    | SCB    | SST    | TMT    | UPF    |
| AMATAV    | BRR    | EA     | HEMP   | KWI    | NINE  | PR9    | SCC    | STA    | TNITY  | UV     |
| AP        | BSBM   | EASTW  | HENG   | L&E    | NKI   | PREB   | SCCC   | STOWER | TNL    | VGI    |
| APCS      | BTS    | ECL    | HMPRO  | LANNA  | NMG   | PRG    | SCG    | SUSCO  | TNP    | VIH    |
| AQUA      | BWG    | EGCO   | HTC    | LH     | NNCL  | PRINC  | SCN    | SVI    | TNR    | WACOAL |
| ARROW     | CEN    | EP     | ICC    | LHFG   | NOBLE | PRM    | SEAOIL | SYMC   | TOG    | WHA    |
| AS        | CENTEL | EPG    | ICHI   | LHK    | NOK   | PROS   | SE-ED  | SYNTEC | TOP    | WHAUP  |
| ASIAN     | CFRESH | ERW    | IFEC   | LPN    | NSI   | PSH    | SELIC  | TAE    | TOPP   | WICE   |
| ASK       | CGH    | ESTAR  | IFS    | LRH    | NWR   | PSL    | SENA   | TAKUNI | TPA    | WIIK   |
| ASP       | CHEWA  | ETE    | ILINK  | M      | OCC   | PSTC   | SGP    | TASCO  | TPP    | XO     |
| AWC       | CHOTI  | FE     | INET   | MAKRO  | OGC   | PT     | SINGER | TBSP   | TRU    | ZEN    |
| AYUD      | CHOW   | FNS    | INSURE | MALEE  | ORI   | PTG    | SIRI   | TCAP   | TRUE   |        |
| B         | CIG    | FPI    | INTUCH | MATCH  | PAP   | PTT    | SITHAI | TCMC   | TSC    |        |
| BAFS      | CIMBT  | FPT    | IRC    | MBAX   | PATO  | PTTEP  | SKR    | TFG    | TSTE   |        |
| BAM       | CM     | FSMART | IRPC   | MBK    | PB    | PTTGC  | SMIT   | TFI    | TSTH   |        |
| BANPU     | CMC    | FSS    | ITEL   | MC     | PCSGH | PYLON  | SMK    | TFMAMA | TTA    |        |
| BAY       | COM7   | FTE    | IVL    | MCOT   | PDG   | Q-CON  | SMPC   | TGH    | TTB    |        |
| BBL       | COTTO  | GBX    | JKN    | META   | PDJ   | QH     | SNC    | THANI  | TTCL   |        |
| DECLARED  |        |        |        |        |       |        |        |        |        |        |
| AJ        | CHG    | DDD    | ETC    | JR     | MAJOR | NUSA   | RS     | SSS    | TQM    | YUASA  |
| ALT       | CPL    | DHOUSE | FLOYD  | JTS    | NCAP  | NYT    | SAK    | STECH  | TSI    | ZIGA   |
| APCO      | CPR    | DOHOME | GULF   | KEX    | NCL   | OR     | SCGP   | STGT   | VARO   |        |
| B52       | CPW    | ECF    | III    | KUMWEL | NOVA  | PIMO   | SCM    | TKN    | VCOM   |        |
| BEC       | CRC    | EKH    | INOX   | LDC    | NRF   | PLE    | SIS    | TMI    | VIBHA  |        |

| 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 26 October 2021) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Sources: 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

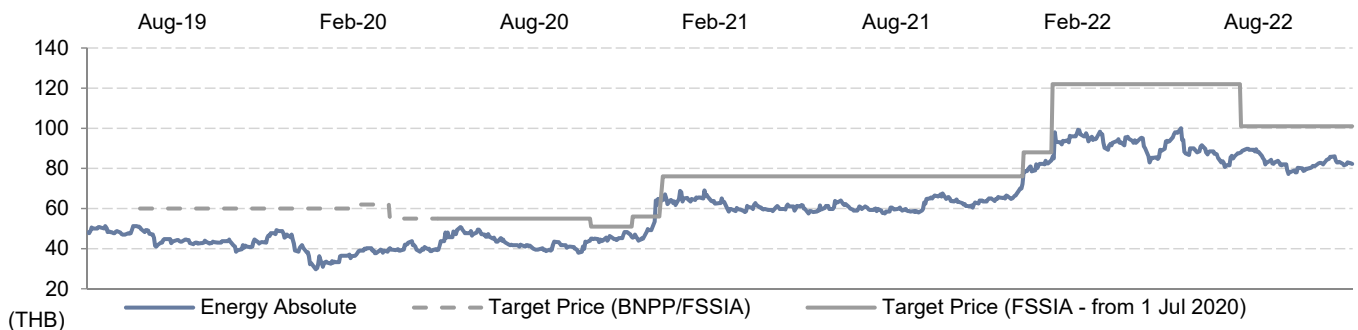
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

This report has been prepared by FSS International Investment Advisory Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSS makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSS has no intention to solicit investors to buy or sell any security in this report. In addition, FSS does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

### History of change in investment rating and/or target price

#### Energy Absolute (EA TB)



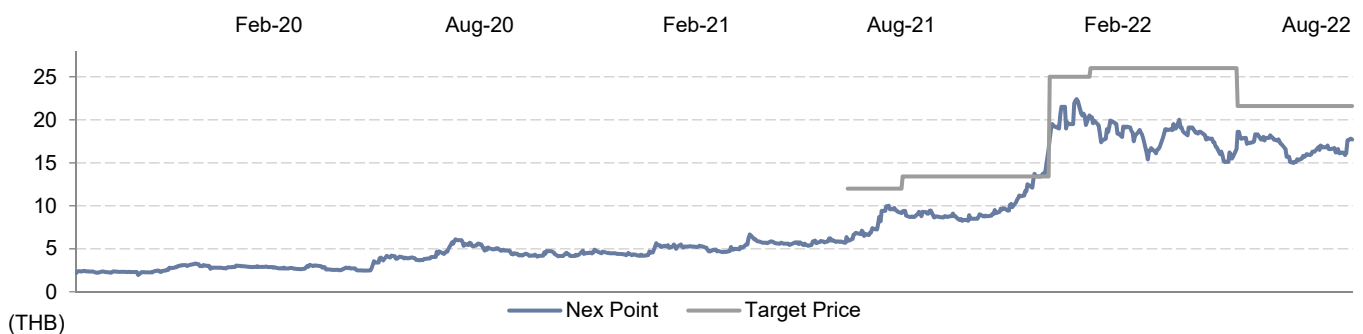
| Date        | Rating | Target price | Date        | Rating | Target price | Date        | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 17-Oct-2019 | BUY    | 60.00        | 09-Nov-2020 | BUY    | 51.00        | 18-Nov-2021 | BUY    | 88.00        |
| 16-Apr-2020 | BUY    | 62.00        | 15-Dec-2020 | BUY    | 56.00        | 13-Dec-2021 | BUY    | 122.00       |
| 20-May-2020 | BUY    | 55.00        | 08-Jan-2021 | BUY    | 76.00        | 25-May-2022 | BUY    | 101.00       |

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        | 23-May-2022 | BUY    | 21.60        |
| 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 82.25 | 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 17.70 | 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 30-Aug-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.