

ENERGY ABSOLUTE EA TB

THAILAND / UTILITIES - RENEWABLES

BUY

UNCHANGED

Rich potential upside

- We expect EA's net profit to accelerate over 2022-23, driven by rising EV deliveries and earnings from its solar and wind farms.
- EA's management projects deliveries of 1,000 e-buses and 100 e-trucks in 4Q22.
- We maintain BUY but cut our SoTP-based TP to THB108.

TARGET PRICE	THB108.00
CLOSE	THB96.75
UP/DOWNSIDE	+11.6%
PRIOR TP	THB110.00
CHANGE IN TP	-1.8%
TP vs CONSENSUS	+16.7%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	20,174	20,870	30,003	32,251
Net profit	6,100	9,338	10,353	11,539
EPS (THB)	1.64	2.50	2.78	3.09
vs Consensus (%)	-	36.6	24.9	31.7
EBITDA	9,494	12,668	14,204	16,206
Core net profit	5,983	9,338	10,353	11,539
Core EPS (THB)	1.60	2.50	2.78	3.09
Chg. In EPS est. (%)	-	(21.4)	(12.5)	(9.1)
EPS growth (%)	16.1	56.1	10.9	11.5
Core P/E (x)	60.3	38.6	34.9	31.3
Dividend yield (%)	0.3	0.5	0.5	0.5
EV/EBITDA (x)	42.3	31.1	27.2	23.3
Price/book (x)	11.1	8.9	7.3	6.1
Net debt/Equity (%)	108.4	69.9	42.8	20.2
ROE (%)	19.8	25.5	23.1	21.4

Upside in the pipeline

We expect EA's net profit growth to accelerate over 2022-23, driven by 1) the delivery of over 1,200 e-buses in 2022 and 2,000 e-buses in 2023; 2) the first delivery of 100 e-trucks in 4Q22 and 2,000 in 2023; 3) the capacity expansion of its 1GWh phase 1 battery plant to 2GWh by end-2023 and 4GWh by end-2024; 4) potential wind farm capacity growth of 100-200MW from the upcoming tenders for 5.2GW in renewable energy projects in Thailand; and 5) higher earnings from its solar and wind farms, driven by the increase in the fuel tariff (Ft) from THB0.2477/kWh in May-Aug 2022 to THB0.9343/kWh in Sep-Dec 2022, given that EA's electricity tariff for its solar and wind farms is partly linked to Thailand's Ft.

EVs are a key growth driver in 2022 onward

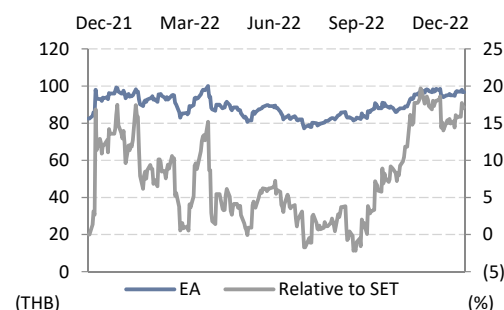
After disappointing production figures and lower-than-expected e-bus deliveries to its customers – only 30 e-buses were delivered in 1Q22 and 251 in 3Q22 – EA's management indicated that the company is on track to deliver 1,000 e-buses and 100 e-trucks in 4Q22. In 2022-24, management guided that it expects to sell over 3,000 EVs in 2023 and over 4,000 EVs in 2024, based on current orders being negotiated.

Potential upside from power portfolio expansion

We believe EA's near-term share price catalyst will come from the upcoming tenders for 5.2GW of renewable energy projects in Thailand, scheduled to be announced on 9 Dec-22. We expect EA to secure regulatory approval to expand its wind and solar farm capacity. We believe this will offset the earnings gap from the adder expirations worth THB6.5/kWh from its solar farms. The increase in the Ft and seasonally higher q-q wind and solar capacity factors should drive up EA's earnings by THB0.1-0.2b in 4Q22, in our view.

Maintain BUY but cut SoTP-based TP to THB108

Maintain BUY but cut our SoTP-TP to THB108 as we revise our 2022-24E EPS by -21%/-13%/-9% to reflect 1) the lower-than-expected e-bus sales volume in 2022; 2) the delayed capacity expansion for green diesel & PCM in 2022; 3) our revised sales volumes in 2022-24 for EV cars; 4) the projected battery plant capacity expansion to 2GWh in 2023; 5) the entire business transfer of Smart Bus and e-ferries; and 6) the projected e-truck sales volumes in 2022-24.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(1.5)	12.5	15.5
Relative to country (%)	(0.8)	13.9	15.4
Mkt cap (USD m)			10,364
3m avg. daily turnover (USD m)			31.6
Free float (%)			40
Major shareholder	Mr. Somphote Ahunai (23%)		
12m high/low (THB)	105.50/76.50		
Issued shares (m)	3,730.00		

Sources: Bloomberg consensus; FSSIA estimates


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

Investment thesis

EA is Thailand’s largest green energy player, operating three business segments of solar, wind and biodiesel; all touted to be the key pillars supporting 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. EA has now evolved to emerge as one of Thailand’s key EV plays, with new S-curve ventures in EV value chains, including the manufacture and sales of commercial e-buses and e-trucks thanks to its first-mover advantage and its fully integrated battery-EV product portfolio. This should allow EA to fully benefit from the highly favourable regulations and incentive packages the government is implementing to transform Thailand’s internal combustion engine automotive industry into an EV industry by 2040 to ensure the sustainability of the country’s key export industry.

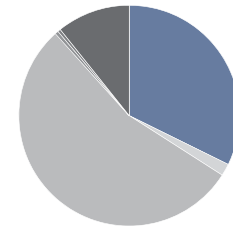
Company profile

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 EV businesses, which we expect to be key earnings growth drivers post 2021.

www.energyabsolute.co.th

Principal activities (revenue, 2021)

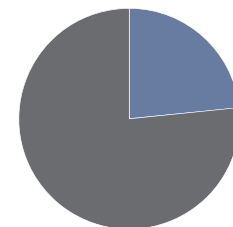
- Methyl ester Biodiesel products - 32.6 %
- Pure glycerine products - 1.8 %
- Electricity from solar and wind power - 54.8 %
- Head office and others - 0.5 %
- Project consultation regarding alternative electric energy - (0.4) %



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
Feb 2023	4Q22/2022 results announcement

Key assumptions

	2022E	2023E	2024E
Dispatched power (GWh)	9,715	9,715	9,715
Battery sales volume (GWh)	0.9	1.8	3.9
EV car sales (cars)	0	0	0
EV boat sale (boats)	50	50	50
EV bus sales (buses)	1,281	2,000	350
EV truck sales (trucks)	100	2,000	4,000
Green diesel & PCM (tpd)	62	124	124

Source: FSSIA estimates

Earnings sensitivity

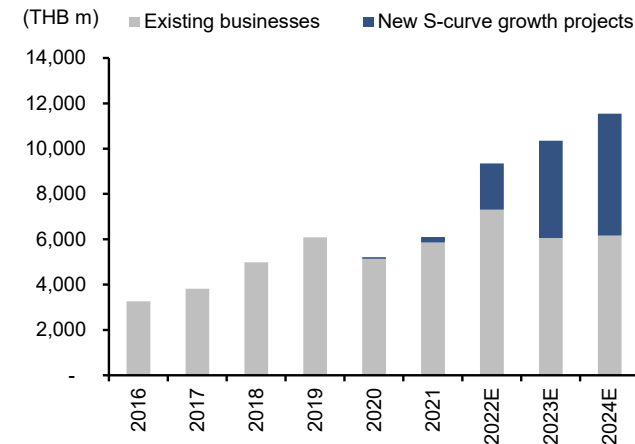
- For every 1% increase in utilisation rate, we estimate 2023 earnings would rise by 1.3%, and vice versa, all else being equal.
- For every 1% increase in interest rate, we estimate 2023 earnings would decline by 1.3%, and vice versa, all else being equal.

Source: FSSIA estimates

Rich potential upside from EV business

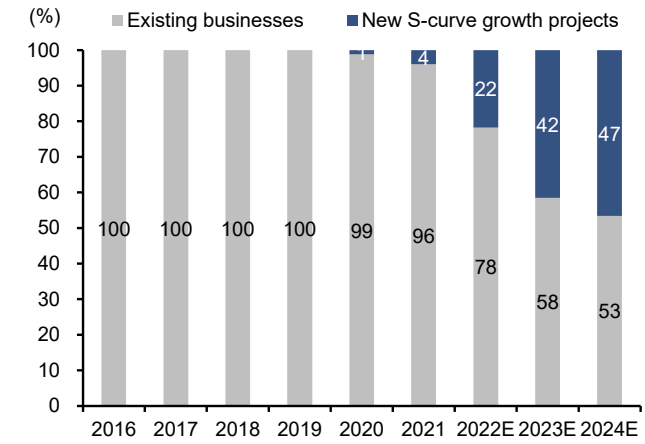
We expect EA’s net profit growth to accelerate over 2022-23, driven by 1) the delivery of over 1,200 e-buses in 2022 and 2,000 e-buses in 2023; 2) the first delivery of 100 e-trucks in 4Q22 and 2,000 e-trucks in 2023; 3) the capacity expansion of its 1GWh phase 1 battery plant to 2GWh in 2023 and 4GWh in 2024; 4) higher earnings from its solar and wind farms, driven by the increase in the Ft from THB0.2477/kWh in May-Aug 2022 to THB0.9343/kWh in Sep-Dec 2022, given that EA’s electricity tariff for its solar and wind farms is partly linked to Thailand’s Ft; and 5) the potential growth in its wind and solar farm capacity from the upcoming tenders for 5.2GW of renewable energy projects in Thailand.

Exhibit 1: Net profit breakdown by existing and new businesses



Sources: EA; FSSIA estimates

Exhibit 2: Net profit breakdown by existing and new businesses (%)

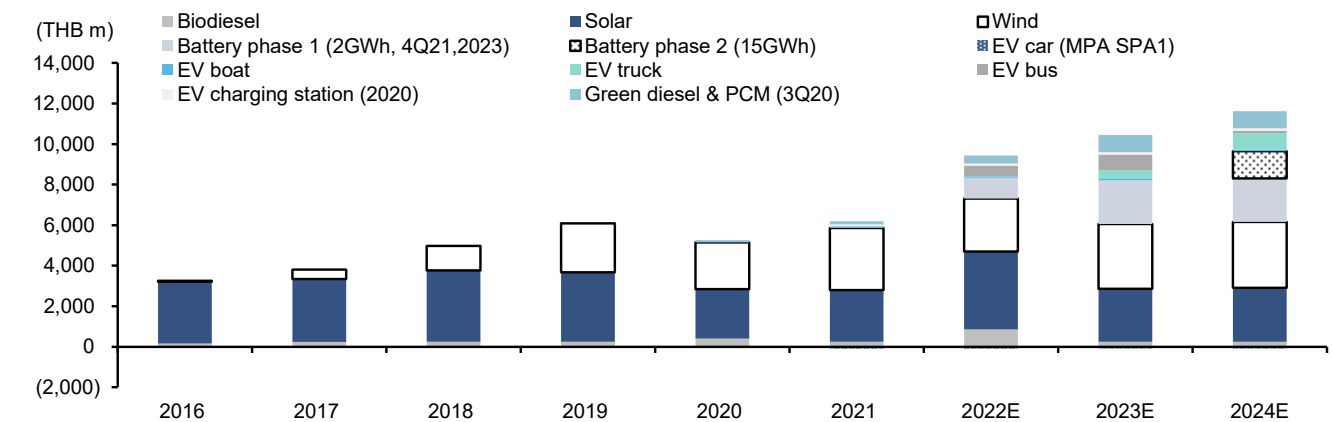


Sources: EA; FSSIA estimates

We think EA’s net profit growth should accelerate on the strength of its EV venture, rising from a mere 2% of total earnings in 2021 to nearly 50% by 2024. The major drivers should come from earnings growth from EA’s battery plant, its EV manufacturing plant, and sales of commercial EVs.

In the past nine months, EA has been impacted by unexpected delays in the production and delivery of its e-buses to customers in 1Q22-3Q22, resulting in lower-than-expected net profits over the same period.

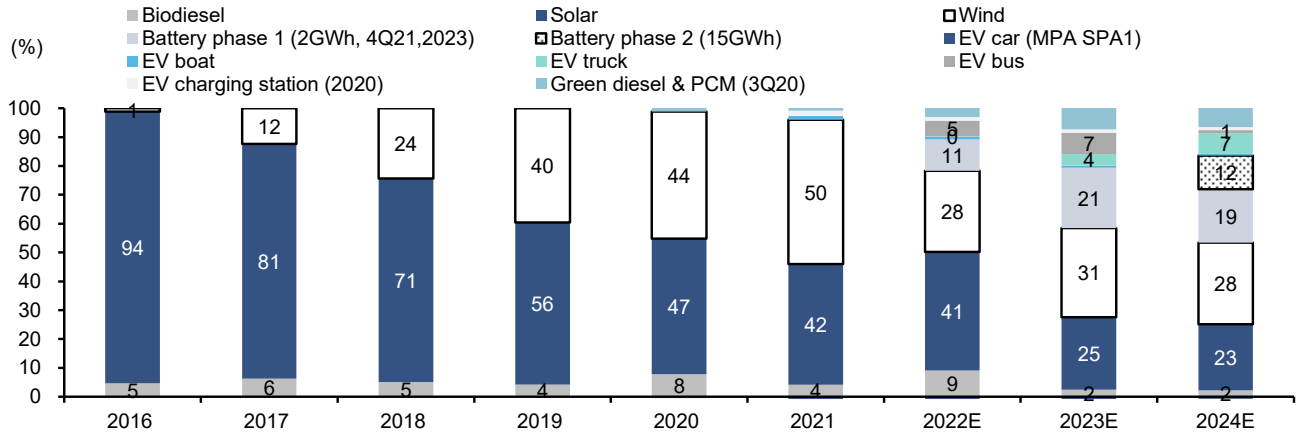
Exhibit 3: Net profit breakdown by business



Sources: EA; FSSIA estimates

However, after disappointing production figures and lower-than-expected e-bus deliveries to its customers – only 30 e-buses were delivered in 1Q22 and 251 in 3Q22 – EA’s management indicated that the company expects to deliver 1,000 e-buses and start its first delivery of 100 e-trucks in 4Q22, with an average selling price of THB3m per e-truck and an estimated net profit margin of 15%. Management guided that it expects to sell over 3,000 EVs in 2023 and over 4,000 in 2024, based on the current potential orders under negotiation.

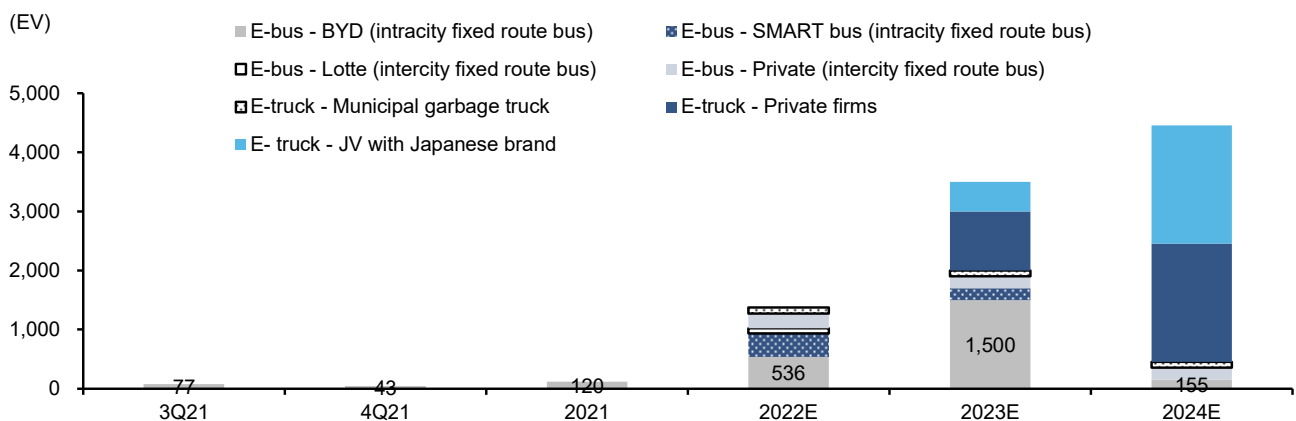
Exhibit 4: Net profit breakdown by business (%)



Sources: EA; FSSIA estimates

We project EA’s 1GWh plant – which produces lithium-ion batteries (LIB) based on Amita’s technology – to gradually increase its utilisation rate from 60% in 4Q21 to over 90% by end-2022. Furthermore, EA’s management has confirmed the capacity expansion of its 1GWh phase1 battery plant to 2GWh by 3Q23 and 4GWh by 1Q24. The captive demand for LIB for e-buses and e-trucks in 2022 onward should be adequately filled by EA’s capacity expansion in 2023, and the expanded 4GWh battery plant should be supported by the captive demand from up to 12,000 EVs produced and sold in 2024-25. This represents less than 15% of Thailand’s commercial vehicle market where around 90,000-120,000 vehicles are sold annually, based on our estimates.

Exhibit 5: E-bus order projections broken down by client

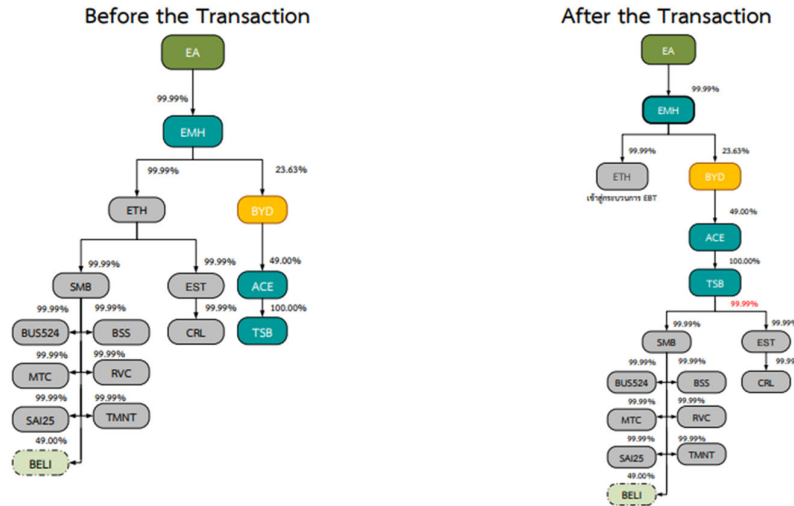


Sources: EA; NEX; FSSIA estimates

Entire business transfer of Smart Bus and e-ferries

In 3Q22, E Transport Holding Co., Ltd. (ETH, not listed), a subsidiary of EA, underwent an entire business transfer (EBT), transferring all its operations to Thai Smile Bus Co., Ltd. (TSB, not listed), resulting in 9 subsidiaries and an associate ceasing to be under ETH's shareholding. As a result, EA has booked a gain of THB1.8b from this EBT.

Exhibit 6: Shareholding structure



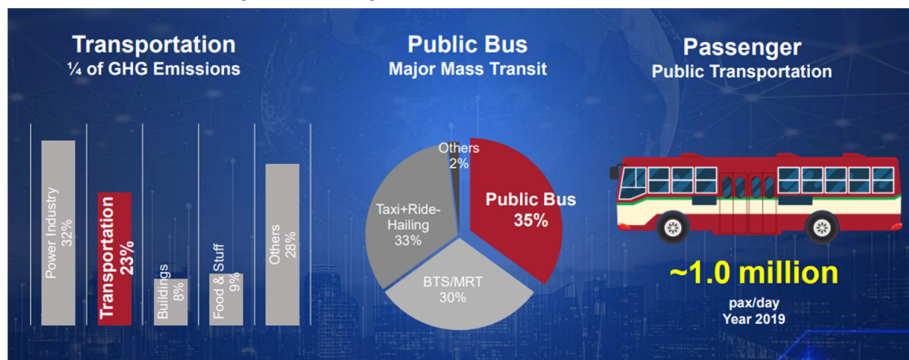
Source: EA

TSB, a subsidiary of BYD, a listed broker company, currently owns 82 bus lines, including 1) 11 operating bus lines with 112 buses in operation using the “MINEBUS” model, produced by Absolute Assembly (AAB, not listed) – an EV manufacturing plant owned 55% by EA and 45% by Nex Point (NEX TB, not rated) – to run its bus lines since 5 Oct-21; and 2) 71 licenses won in Apr-22 to operate 71 bus lines from the Department of Land Transport (DLT), for which 800 buses were required to begin operating within 180 days until the beginning of Oct-22.

According to BYD’s management, TSB plans to increase the number of operating buses using EA’s e-buses from 112 to a maximum of 377 buses by end-2023 for the 11 operating bus lines. On top of that, the maximum number of e-buses allowed by the DLT is up to 2,130 e-buses for the 71 bus lines.

Smart Bus (SMB, not listed), an operator and owner of licenses to operate blue buses, currently owns 37 bus lines. EA plans to deliver up to 800 e-buses to SMB, partly for the 414 NGV-to-EV buses, with the remaining almost 400 e-buses to be added to reach the maximum number of e-buses in operation for the entire 37 bus lines.

Exhibit 7: Thailand’s public transportation

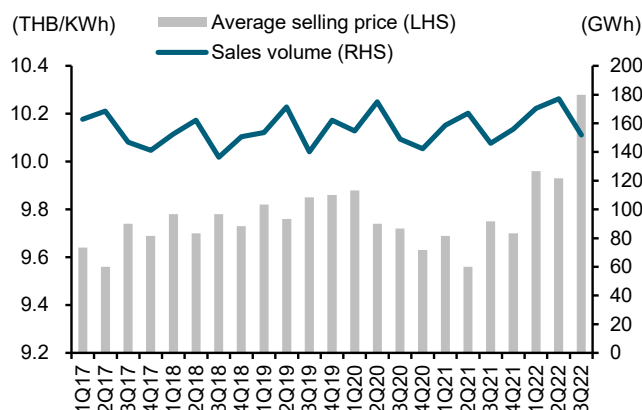


Source: EA

Rich potential upside from power business

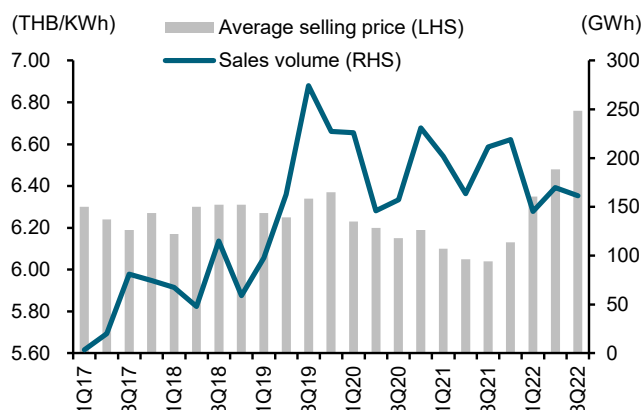
We expect EA's existing solar and wind farms to post solid earnings in 4Q22, driven by 1) seasonally higher q-q wind and solar capacity factors; and 2) the increase in the Ft from THB0.2477/kWh in May-Aug 2022 to THB0.9343/kWh in Sep-Dec 2022, given that EA's electricity tariff for its solar and wind farms is partly linked to Thailand's Ft, which should drive up EA's earnings by THB0.1-0.2b in 4Q22.

Exhibit 8: Average selling prices and sales volumes of solar farms (278MW)



Source: EA

Exhibit 9: Average selling prices and sales volumes of wind farms (386MW)



Source: EA

We believe EA's near-term share price catalyst will come from the upcoming tenders for 5.2GW of renewable energy projects in Thailand, scheduled to be announced on 9 Dec-22. We expect EA to secure regulatory approval for wind farm capacity based on its land possessions prepared for a potential 0.4GW out of the 1.5GW available in the wind farm bidding process. Furthermore, EA may secure regulatory approval for additional solar farm capacity from the 3.4GW available for solar farms.

The projects scheduled to commence their commercial operation dates (COD) during 2024-30 will be paid the lowest-ever FIT structure for renewable energy projects in Thailand at THB3.1/kWh for wind farms and THB2.17/kWh for solar farms, with a power purchase agreement life of 20-25 years.

We believe the secured projects will offset the earnings gap from its adder expirations in a timely manner. These include:

Solar farms (THB6.5/kWh adder expirations)

- 8MW solar farm in Lop Buri, expiring in Oct-22
- 90MW solar farm in Nakornsawan, expiring in Dec-23
- 90MW solar farm in Lumpang, expiring in Feb-25
- 90MW solar farm in Pisanuloak, expiring in 2026

Wind farms (THB3.5/kWh adder expirations)

- 36MW Hanuman1 wind farm, expiring in Mar-27
- 90MW Hanuman 2&3 wind farms, expiring in Jun-27
- 260MW Had Gunghun wind farm, expiring in 2029

EPS and target price revisions

We revise our 2022-24E EPS by -21%/-13%/-9% to reflect:

- 1) our revised lower sales volumes for e-buses to incorporate the delays in the production and deliveries of e-buses in 2022 due to the lack of skilled workers;
- 2) our revised lower sales volumes for green diesel & PCM in 2022 due to the delayed capacity expansion;
- 3) our revised sales volumes in 2022-24 for EV cars to incorporate the poor demand due to the Covid-19 situation;
- 4) our higher battery sales volume assumption in 2023 due to the capacity expansion of the 1GWh phase 1 battery plant to 2GWh by end-2023;
- 5) the entire business transfer of Smart Bus and the e-ferry business to TSB, a subsidiary of BYD;
- 6) the e-truck sales volumes estimated in 2022-24.

Exhibit 10: Key changes in assumptions

	Current			Previous			Change		
	2022E (THB m)	2023E (THB m)	2024E (THB m)	2022E (THB m)	2023E (THB m)	2024E (THB m)	2022E (%)	2023E (%)	2024E (%)
Revenue	20,870	30,003	32,251	23,291	31,763	47,418	(10)	(6)	(32)
Gross profit	14,129	16,004	18,464	16,569	17,244	20,007	(15)	(7)	(8)
Operating profit	10,173	10,904	12,707	12,445	12,039	13,147	(18)	(9)	(3)
Net profit	9,338	10,353	11,539	11,873	11,834	12,693	(21)	(13)	(9)
EPS (THB/shr)	2.5	2.8	3.1	3.2	3	3.4	(21)	(13)	(9)
Key assumptions									
Dispatched power (GWh)	9,715	9,715	9,715	9,715	9,715	9,715	0	0	0
Battery sales volume (GWh)	0.9	1.8	3.9	0.9	0.9	3.9	0	100	0
EV car sales (cars)	0	0	0	0	5,000	8,500	nm	nm	nm
EV boat sales (boats)	50	50	50	50	50	50	0	0	0
EV bus sales (buses)	1,281	2,000	350	2,010	3,000	2,100	(36)	(33)	(83)
EV truck sales (trucks)	100	2,000	4,000	0	0	0	nm	nm	nm
Green diesel & PCM (tpd)	62	124	124	124	124	124	(50)	0	0

Sources: EA; FSSIA estimates

We cut our SoTP-based target price from THB110 to THB108 to reflect our lower DCF-based values for 1) EA's EV cars due to the poor demand resulting from the Covid-19 situation; and 2) EA's e-buses for both the manufacturing plant (AAB) and the marketer (NEX).

Exhibit 11: SoTP valuation

Cost of equity assumptions	(%)	Cost of debt assumptions	(%)
Risk free rate	2.3	Pretax cost of debt	4.1
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	3.1
Weight applied	25.0	Weight applied	75.0
WACC (%)	3.7		
SOTP valuation estimate	(THB m)	(THB/share)	Valuation methodology
Biodiesel	4,592	1.2	DCF with WACC 3.7%, Risk free rate 2.3%, Risk premium 8.5%
Solar			
Lopburi	1,367	0.4	DCF with WACC 3.7%, Risk free rate 2.3%, Risk premium 8.5%
Nakhon Sawan	12,548	3.4	DCF with WACC 3.7%, Risk free rate 2.3%, Risk premium 8.5%
Lampang	19,370	5.2	DCF with WACC 3.7%, Risk free rate 2.3%, Risk premium 8.5%
Phitsanulok	19,666	5.3	DCF with WACC 3.7%, Risk free rate 2.3%, Risk premium 8.5%
Total solar	52,950	14.2	
Wind			
- Southern (COD 2017)			
Had Gunghun 1	4,320	1.2	DCF with WACC 3.7%, Risk free rate 2.3%, Risk premium 8.5%
Had Gunghun 2	5,271	1.4	DCF with WACC 3.7%, Risk free rate 2.3%, Risk premium 8.5%
Had Gunghun 3	5,284	1.4	DCF with WACC 3.7%, Risk free rate 2.3%, Risk premium 8.5%
Had Gunghun 4	6,480	1.7	DCF with WACC 3.7%, Risk free rate 2.3%, Risk premium 8.5%
Total wind farm Southern	21,355	5.7	
- Northeastern (COD 2018)			
Hanuman 1	8,407	2.3	DCF with WACC 3.7%, Risk free rate 2.3%, Risk premium 8.5%
Hanuman 5	8,944	2.4	DCF with WACC 3.7%, Risk free rate 2.3%, Risk premium 8.5%
Hanuman 8	9,839	2.6	DCF with WACC 3.7%, Risk free rate 2.3%, Risk premium 8.5%
Hanuman 9	9,183	2.5	DCF with WACC 3.7%, Risk free rate 2.3%, Risk premium 8.5%
Hanuman 10	17,538	4.7	DCF with WACC 3.7%, Risk free rate 2.3%, Risk premium 8.5%
Total wind farm Northeastern	53,910	14.5	
Battery phase 1 (2GWh)	31,539	8.5	DCF with WACC 2%, Risk free rate 5.3%, Risk premium 8.5%
Battery phase 2 (15GWh)	174,553	46.8	DCF with WACC 2%, Risk free rate 5.3%, Risk premium 8.5%
EV car (MPA SPA1)	(1,314)	(0.4)	FY23E P/E at 15x
EV charging station (2020)	1,166	0.3	DCF with WACC 3.7%, Risk free rate 2.3%, Risk premium 8.5%
EV boat (1Q21)	1,219	0.3	FY23E P/E at 15x
EV bus (3Q21)	46,515	12.5	FY23E P/E at 24x
EV truck (4Q22)	23,040	6.2	FY23E P/E at 24x
Total EV and battery	276,717	74.2	
Green diesel & PCM	12,654	3.4	FY23E P/E at 15x
Net debt	(22,382)	(6.0)	
Minorities	3,212	0.9	
Residual ordinary equity	403,009	108.0	

Source: FSSIA estimates

Financial Statements

Energy Absolute

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	17,080	20,174	20,870	30,003	32,251
Cost of goods sold	(6,591)	(9,242)	(6,741)	(13,999)	(13,787)
Gross profit	10,489	10,931	14,129	16,004	18,464
Other operating income	-	-	-	-	-
Operating costs	(1,278)	(1,437)	(1,461)	(1,800)	(2,258)
Operating EBITDA	9,211	9,494	12,668	14,204	16,206
Depreciation	(2,730)	(2,768)	(2,494)	(3,300)	(3,500)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	6,480	6,726	10,173	10,904	12,707
Net financing costs	(1,627)	(1,322)	(1,232)	(1,128)	(1,061)
Associates	(61)	14	512	775	118
Recurring non-operating income	126	411	762	1,025	368
Non-recurring items	50	117	0	0	0
Profit before tax	5,029	5,933	9,704	10,801	12,013
Tax	18	(3)	(60)	(143)	(159)
Profit after tax	5,047	5,929	9,644	10,658	11,854
Minority interests	157	171	(306)	(305)	(314)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	5,205	6,100	9,338	10,353	11,539
Non-recurring items & goodwill (net)	(50)	(117)	0	0	0
Recurring net profit	5,155	5,983	9,338	10,353	11,539
Per share (THB)					
Recurring EPS *	1.38	1.60	2.50	2.78	3.09
Reported EPS	1.40	1.64	2.50	2.78	3.09
DPS	0.30	0.30	0.50	0.50	0.50
Diluted shares (used to calculate per share data)	3,730	3,730	3,730	3,730	3,730
Growth					
Revenue (%)	14.7	18.1	3.4	43.8	7.5
Operating EBITDA (%)	(3.3)	3.1	33.4	12.1	14.1
Operating EBIT (%)	(7.6)	3.8	51.3	7.2	16.5
Recurring EPS (%)	(12.7)	16.1	56.1	10.9	11.5
Reported EPS (%)	(14.4)	17.2	53.1	10.9	11.5
Operating performance					
Gross margin inc. depreciation (%)	45.4	40.5	55.7	42.3	46.4
Gross margin of key business (%)	45.7	41.0	55.7	42.3	46.4
Operating EBITDA margin (%)	53.9	47.1	60.7	47.3	50.3
Operating EBIT margin (%)	37.9	33.3	48.7	36.3	39.4
Net margin (%)	30.2	29.7	44.7	34.5	35.8
Effective tax rate (%)	(0.4)	0.1	0.6	1.4	1.3
Dividend payout on recurring profit (%)	21.7	18.7	20.0	18.0	16.2
Interest cover (X)	4.1	5.4	8.9	10.6	12.3
Inventory days	44.1	45.7	69.8	43.9	59.8
Debtor days	57.9	58.3	66.4	49.3	49.3
Creditor days	18.2	14.4	16.9	10.6	14.4
Operating ROIC (%)	9.5	(2.3)	(3.3)	(3.5)	(4.0)
ROIC (%)	8.2	(1.9)	(2.8)	(3.0)	(3.3)
ROE (%)	20.1	19.8	25.5	23.1	21.4
ROA (%)	8.5	6.8	10.7	11.0	11.3
* 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	11,047	8,534	8,117	14,914
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	9,338	10,353	11,539
Depreciation	2,730	2,768	2,494	3,300	3,500
Associates & minorities	(61)	14	512	775	118
Other non-cash items	-	-	-	-	-
Change in working capital	4,045	(4,390)	139	(484)	(122)
Cash flow from operations	11,869	4,375	12,484	13,944	15,035
Capex - maintenance	(2,730)	(2,768)	(2,494)	(3,300)	(3,500)
Capex - new investment	(4,486)	(2,564)	(1,006)	(200)	(500)
Net acquisitions & disposals	(1,429)	(84)	0	0	500
Other investments (net)	(7,546)	(711)	512	775	118
Cash flow from investing	(16,192)	(6,127)	(2,988)	(2,725)	(3,383)
Dividends paid	(746)	(746)	(1,119)	(1,865)	(1,865)
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	(769)	(1,295)	29
Cash flow from financing	(2,756)	1,728	(6,143)	(5,195)	(3,871)
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)	3,353	6,024	7,782
Free cash flow to firm (FCFF)	(2,685.77)	(364.69)	10,778.23	12,397.24	12,763.77
Free cash flow to equity (FCFE)	(6,332.72)	721.90	4,472.39	7,888.91	9,647.15

Per share (THB)

FCFF per share	(0.72)	(0.10)	2.89	3.32	3.42
FCFE per share	(1.70)	0.19	1.20	2.11	2.59
Recurring cash flow per share	2.10	2.35	3.31	3.87	4.06

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)	(14,925)	(18,225)	(21,725)
Tangible fixed assets (net)	55,857	58,421	59,426	59,627	59,627
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	6,280	12,304	20,087
A/C receivable	2,750	3,690	3,899	4,199	4,522
Inventories	833	1,483	1,096	2,275	2,241
Other current assets	855	3,549	3,672	5,278	5,674
Current assets	7,389	11,650	14,947	24,057	32,523
Other assets	12,371	12,339	12,339	12,339	12,339
Total assets	78,484	85,476	89,779	99,090	107,556
Common equity	27,812	32,501	40,670	49,108	58,732
Minorities etc.	1,815	2,601	2,907	3,212	3,527
Total shareholders' equity	29,627	35,102	43,577	52,320	62,259
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	265	550	541
Short term debt	7,983	7,200	7,200	7,200	7,200
Other current liabilities	5,209	5,118	5,294	7,612	8,182
Current liabilities	13,564	12,676	12,759	15,361	15,923
Total liabilities and shareholders' equity	78,484	85,476	89,779	99,090	107,556
Net working capital	(1,143)	3,246	3,107	3,591	3,713
Invested capital	69,951	77,073	77,940	78,624	78,746

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

Per share (THB)

Book value per share	7.46	8.71	10.90	13.17	15.75
Tangible book value per share	7.10	8.32	10.51	12.78	15.36

Financial strength

Net debt/equity (%)	121.9	108.4	69.9	42.8	20.2
Net debt/total assets (%)	46.0	44.5	33.9	22.6	11.7
Current ratio (x)	0.5	0.9	1.2	1.6	2.0
CF interest cover (x)	(0.1)	3.5	5.4	8.2	10.6

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	70.0	60.3	38.6	34.9	31.3
Recurring P/E @ target price (x) *	78.1	67.3	43.1	38.9	34.9
Reported P/E (x)	69.3	59.2	38.6	34.9	31.3
Dividend yield (%)	0.3	0.3	0.5	0.5	0.5
Price/book (x)	13.0	11.1	8.9	7.3	6.1
Price/tangible book (x)	13.6	11.6	9.2	7.6	6.3
EV/EBITDA (x) **	43.3	42.3	31.1	27.2	23.3
EV/EBITDA @ target price (x) **	47.9	46.7	34.4	30.2	25.8
EV/invested capital (x)	5.7	5.2	5.1	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 2021

EXCELLENT LEVEL – Score range 90-100										
AAV	BPCG	CPALL	GCAP	K	MSC	PLANET	SAMART	SPI	THRE	TVD
ADVANC	BOMS	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	PSH	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	PPPM	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	UNIQU	
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	TPIPP	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

Siriluck Pinthusoonthorn FSS International Investment Advisory Securities Co., Ltd

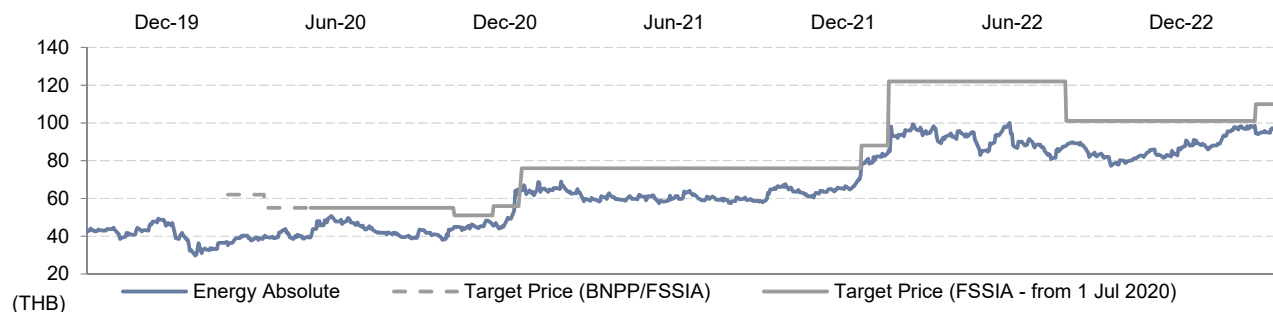
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History of change in investment rating and/or target price

Energy Absolute (EA TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
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
09-Nov-2020	BUY	51.00	18-Nov-2021	BUY	88.00	15-Nov-2022	BUY	110.00

Siriluck Pinthusoonthorn started covering this stock from 15-Nov-2022

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Energy Absolute	EA TB	THB 96.75	BUY	Downside risks to our SoTP-based TP include: 1) lower-than-expected demand for electricity in Thailand; 2) lower crude prices; and 3) lower-than-expected demand for batteries.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 08-Dec-2022 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.