

15 DECEMBER 2020

THAILAND / UTILITIES - RENEWABLES

ENERGY ABSOLUTE EA TB

BUY

UNCHANGED

TARGET PRICE	THB56.00
CLOSE	THB47.00
UP/DOWNSIDE	+19.1%
PRIOR TP	THB51.00
CHANGE IN TP	+9.8%
TP vs CONSENSUS	+0.4%

From utility to mobility growth

Tailwinds from EVs and wind farms in 4Q20-2021

After a weak 3Q20 net profit (NP) of THB1.12b, we believe EA's NP growth will start to accelerate again in 4Q20 into 2021, backed by 1) the seasonally high wind speed to drive up the NPs from wind farms; 2) improving NPs from its phase change material (PCM) plant due to a high utilisation rate; and 3) NPs from the soon-to-operate electric vehicle (EV), E-bus, and battery phase 1 (1GWh) plants.

EV buses could emerge as a key growth engine in 2021

While most investors are focused on EA's 4,500 EV cars to be delivered within 2021 – a delay from 2020 due to COVID-19 – we think the real upside could come from the 3,000 potential E-bus sales next year that management expects to achieve via its JV with Nex Point (NEX TB, not rated). EA's THB1.2b acquisition of a 40% stake in NEX in May-20, and the additional THB1.3b investment cost for its E-bus manufacturing plant with a total capacity of 6,000 E-buses annually, should allow EA and NEX to see strong NP growth in 2021. We estimate it to be in the range of 0.8b annually for 3,000 E-bus sales, and is still excluded in our NP forecasts for 2021-22. We think the EA-NEX JV will benefit from the new demand for E-buses under the State Enterprise Policy Office committee's plan to restructure the Bangkok Mass Transit Authority (BMTA); the main public bus operator within greater Bangkok. The Thai cabinet on 8 Jun-20 approved a plan to gradually replace all internal combustion engine buses with natural gas vehicle (NGV) and EV buses domestically, assembled from not less than 50% local content.

The return of wind power

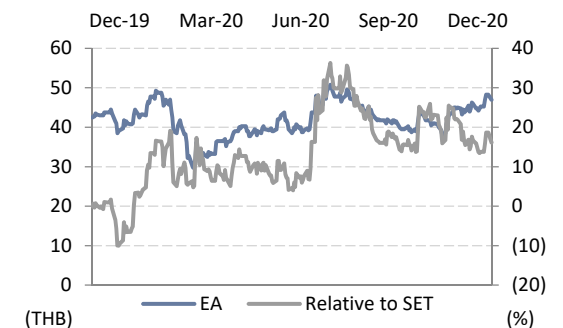
After a 43% y-y lower electricity sales volume for its wind farms to 157GWh in 3Q20 due to delayed seasonal winds, we project the wind speed to sharply recover in 4Q20, driving up the NPs from wind farms by 30-50% q-q, given our projected higher capacity factor to 30-35% in 4Q20, up from 19% in 3Q20.

EV upsides remain overlooked

We maintain BUY and raise our SOTP-based target price from THB51 to THB56 to reflect our valuation rollover to 2021. We believe the market continues to underestimate the potential upsides from EA's E-bus, EV car, and PCM ventures, which we think could be surprising earnings catalysts for the company in 2021 onward.

KEY STOCK DATA

YE Dec (THB m)	2019	2020E	2021E	2022E
Revenue	14,887	14,527	24,179	33,496
Net profit	6,082	4,795	7,342	8,819
EPS (THB)	1.63	1.29	1.97	2.36
vs Consensus (%)	-	(7.1)	7.2	10.5
EBITDA	9,706	9,058	11,854	14,432
Core net profit	6,082	4,795	7,342	8,819
Core EPS (THB)	1.63	1.29	1.97	2.36
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	55.8	(21.2)	53.1	20.1
Core P/E (x)	28.8	36.6	23.9	19.9
Dividend yield (%)	0.5	0.5	0.5	0.5
EV/EBITDA (x)	21.5	23.3	17.4	13.8
Price/book (x)	7.5	6.4	5.2	4.2
Net debt/Equity (%)	128.4	115.6	80.8	50.2
ROE (%)	29.3	19.0	24.1	23.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	4.4	14.6	8.0
Relative to country (%)	(5.1)	0.2	13.7
Mkt cap (USD m)	5,829		
3m avg. daily turnover (USD m)	12.9		
Free float (%)	40		
Major shareholder	Mr. Somphote Ahunai (23%)		
12m high/low (THB)	51.50/27.50		
Issued shares (m)	3,730.00		

Sources: Bloomberg consensus; FSSIA estimates



Suwat Sinsadok
suwat.sin@fssia.com
+66 2611 3558

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

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.

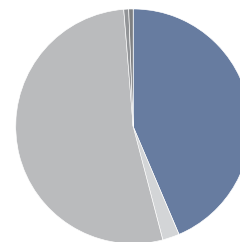
Company profile

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, 2019)

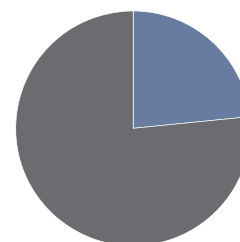
- Methyl ester Biodiesel products - 44.1 %
- Pure glycerine products - 2.4 %
- Electricity from solar and wind power - 53.4 %
- Head office and others - 0.7 %
- Project consultation regarding alternative electric energy - -0.6 %



Source: Energy Absolute

Major shareholders

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



Source: Energy Absolute

Catalyst

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

Risk 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 2021	4Q20/2020 results announcement

Key assumptions

	2020E	2021E	2022E
Dispatched power (GWh)	9,229	9,715	9,715
Capacity factor - wind farms (%)	25	26	26
Battery sales volume (GWh)	0.0	0.7	3.1
EV car sales (cars)	0	5,000	5,500
EV boat sales (boats)	0	50	50
EV charging stations (stations)	0	1,000	1,000
Green diesel & PCM (tpd)	10	61	124

Source: FSSIA estimates

Earnings sensitivity

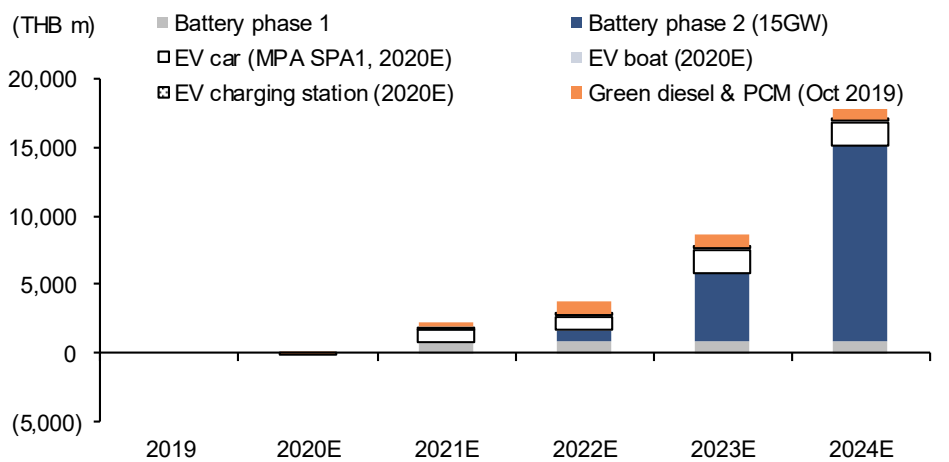
- For every 1% increase in utilisation rate, we estimate 2021 earnings would rise by 1.3%, and vice versa, all else being equal.
- For every 1% increase in interest rate, we estimate 2021 earnings would decline by 1.3%, and vice versa, all else being equal.

Source: FSSIA estimates

From utility to mobility growth

After a weak 3Q20 NP of THB1.12b, we believe EA's NP growth will start to accelerate again in 4Q20 into 2021, backed by 1) the seasonally high wind speed to drive up the NPs from wind farms; 2) improving NPs from its PCM plant due to a high utilisation rate; and 3) NPs from the soon-to-operate EV, E-bus, and battery phase 1 (1GWh) plants.

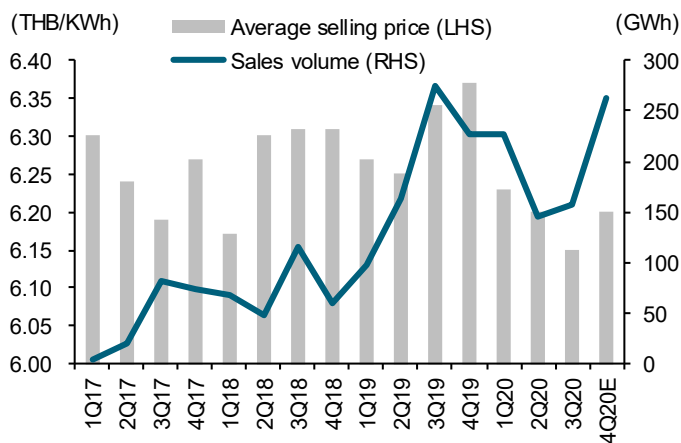
Exhibit 1: Net profit breakdown by business from EA's new S-curve ventures



Sources: EA; FSSIA estimates

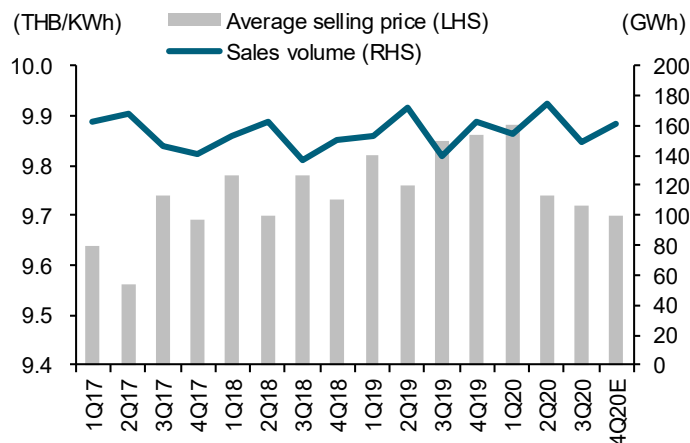
After a 43% y-y lower electricity sales volume for its wind farms to 157GWh in 3Q20 due to delayed seasonal winds, we project the wind speed to sharply recover in 4Q20, driving up the NPs from wind farms by 30-50% q-q, given our projected higher capacity factor to 30-35% in 4Q20, up from 19% in 3Q20.

Exhibit 2: Electricity sales volume and ASP for wind farms



Sources: EA; FSSIA estimates

Exhibit 3: Electricity sales volume and ASP for solar farms



Sources: EA; FSSIA estimates

EV cars and E-buses are key growth engines

While most investors are focused on EA's 4,500 EV cars to be delivered within 2021 – a delay from 2020 due to COVID-19 – we think the real upside could come from the 3,000 potential E-bus sales next year that management expects to achieve via its JV with NEX. EA's THB1.2b acquisition of a 40% stake in NEX in May-20, and the additional THB1.3b investment cost for its E-bus manufacturing plant with a total capacity of 6,000 E-buses annually, should allow EA and NEX to see strong NP growth in 2021. We estimate it to be in the range of 0.8b annually for 3,000 E-bus sales, and is still excluded in our NP forecasts for 2021-22.

Exhibit 4: EV bus by EA



Source: EA

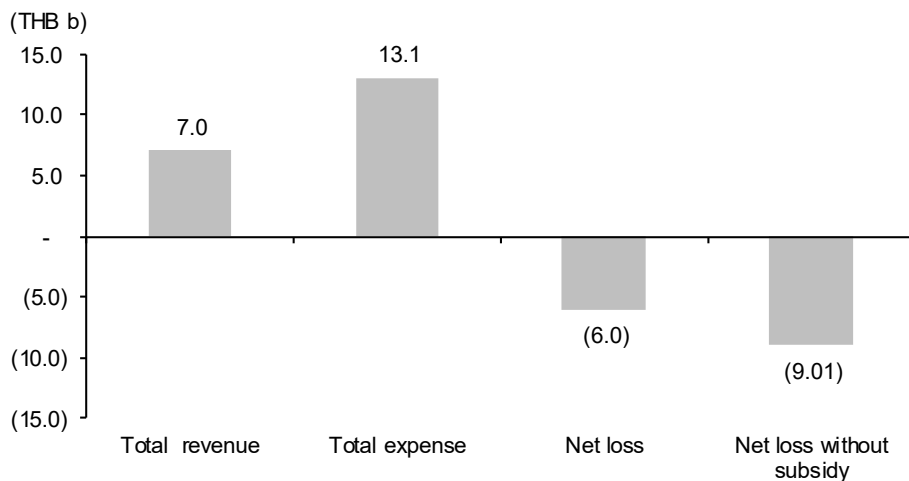
Exhibit 5: EA's SPA1 model



Source: EA

A game changer for Thailand's bus industry. Under the rehabilitation plan led by the State Enterprise Policy Office committee to restructure BMTA, the main operator of public buses within the greater Bangkok area, the Thai cabinet on 8 Jun-20 approved a plan to gradually replace all internal combustion engine buses with NGV and EV buses domestically, assembled from not less than 50% local content.

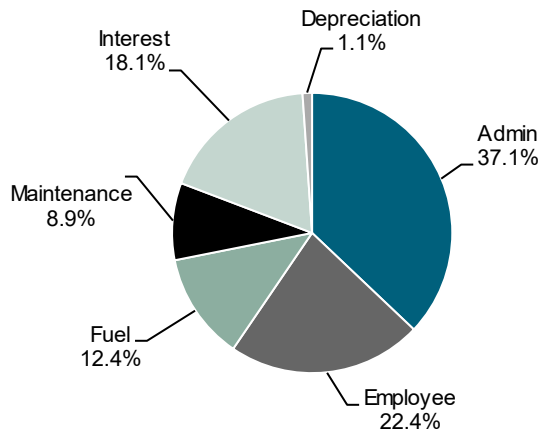
Exhibit 6: BMTA incurred a net loss of THB6b in 2019



Source: BMTA

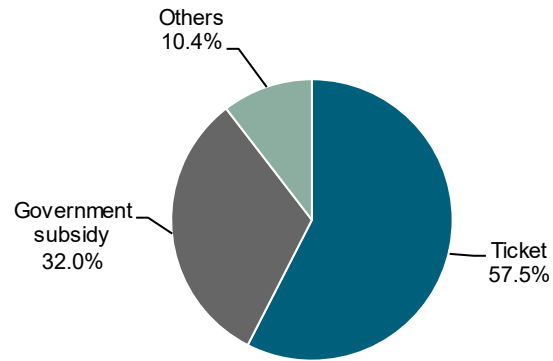
In the past 40 years since 1976, BMTA has accumulated net losses of up to THB120b, with a reported net loss of THB6b in 2019. Its total operating expense of THB5.9b and interest expense of THB2.9b far exceeded its total revenue of THB7b. The main factors were the high employee expense of THB3.6b and the maintenance expense of THB1.4b vs a fuel expense of only THB2b.

Exhibit 7: BMTA’s expense breakdown (2019)



Source: BMTA

Exhibit 8: Revenue breakdown



Source: BMTA

One of the main reasons for BMTA’s large operating losses is its high maintenance expenses as a result of its aging bus fleet with an average of 22 working years, based on our estimate as of Feb-20. Most of BMTA’s common buses have over 26 working years, leading to high maintenance costs.

Exhibit 9: Average age of BMTA’s buses

As of Feb-20	Number of buses	Working years
Common bus	1,520	29
Air-conditioned common bus	179	26
NGV bus	201	22
Air-conditioned NGV bus	175	19
NGV bus (second phase)	489	2
Others	441	22
Total	3,005	22

Source: BMTA

The key points under the rehabilitation plan to turnaround BMTA by 2030 are as follows:

- Lease and rent 2,511 EV buses to reduce maintenance and operating expenses;
- Outsource the operation of 1,500 buses to private companies (on already approved routes) using only EV or NGV buses manufactured in Thailand with a minimum of 50% local content;
- A fixed and flat rate bus fare of THB30/person per day without any restriction for the distance and number of rides;
- Reduce the number of operating routes from the current 269 routes down to 162 routes (BMTA operates 108 routes and private firms operate 54 routes).

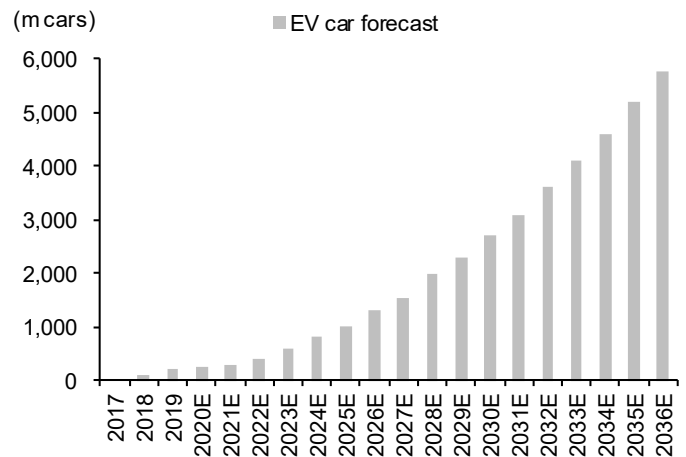
Coupled with the projected increase in EV cars in Thailand under the Power Development Plan 2018 (PDP 2018), we think the EA-NEX JV will be a key beneficiary from the new demand for E-buses, which we estimate to be 3,000-10,000 E-buses annually.

Exhibit 10: Analysis of E-bus financials and profitability

Analysis of EA's E-bus financials	Unit	Value
Estimated number of buses sold annually	bus	3,000
Price range	THB m	3-6
Average selling price	THB m	5
Estimated net margin	%	15
Net profit	THB m	2,025
EA's stake	%	40
EA's net profit from E-buses	THB m	810
Net profit per E-bus	THB m	0.68

Sources: EA; NEX; FSSIA estimates

Exhibit 11: EV car projections under PDP 2018



Source: PDP 2018

For EA, we estimate that the E-bus JV could generate an NP of up to THB0.8b in 2021, based on 1) 3,000 buses sold annually; 2) an average selling price per bus of THB5m; 3) an estimated NP margin of 15%; and 4) EA's stake of 40% in NEX.

In addition, if NEX wins the maintenance contract for the E-buses sold to BMTA, we estimate that EA could add an additional NP of up to THB0.4b annually from the maintenance income.

Exhibit 12: EA-NEX JV for E-bus growth opportunity

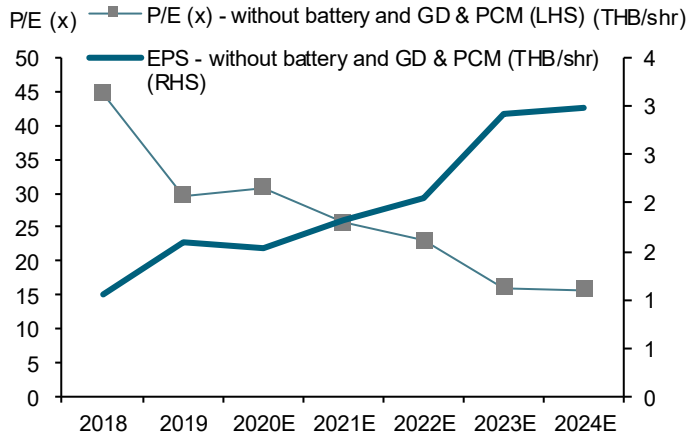


Source: <https://hoonsmart.com/archives/125510>

Maintain BUY; TP raised to THB56

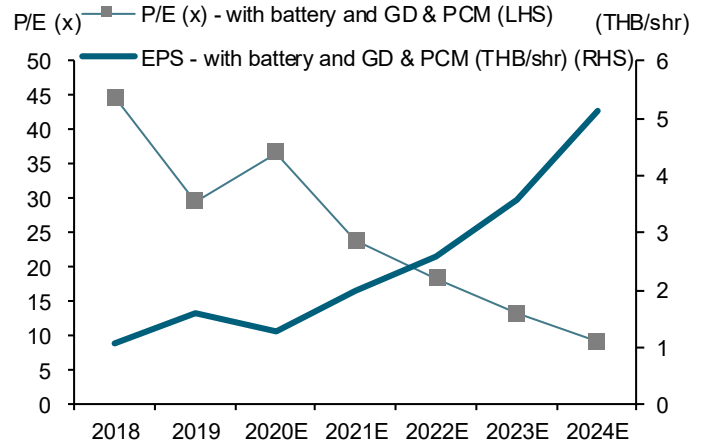
We maintain BUY and raise our SOTP-based target price from THB51 to THB56 to reflect our valuation rollover to 2021. We believe the market continues to underestimate the potential upsides from EA's E-bus, EV car, and PCM ventures, which we think could be surprising earnings catalysts for the company in 2021 onward.

Exhibit 13: One-year forward P/E without EPS from battery, green diesel & PCM



Sources: EA; FSSIA estimates

Exhibit 14: One-year forward P/E with EPS from battery, green diesel & PCM



Sources: EA; FSSIA estimates

Exhibit 15: SoTP valuation

EA's DCF 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%
<i>Total solar</i>	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%
<i>Total wind farms Southern</i>	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%
<i>Total wind farms Northeastern</i>	47,084	12.6	
EV and battery			
Battery phase 1 (1GWh)	8,360	2.2	DCF with WACC 7%, Risk free rate 5.3%, Risk premium 8.5%
Battery phase 2 (15GWh)	72,881	19.5	DCF with WACC 7%, Risk free rate 5.3%, Risk premium 8.5%
EV cars (MPA SPA1, 1Q21E)	11,124	3.0	FY21E P/E at 12x
EV boats (1Q21E)	779	0.2	FY21E P/E at 12x
EV charging stations (2020)	1,085	0.3	DCF with WACC 4.0%, Risk free rate 2.3%, Risk premium 8.5%
<i>Total EV and battery</i>	94,228	25.3	
Green diesel & PCM (3Q20)	5,616	1.5	FY20E P/E at 15x
Net debt	(28,887)	(9.0)	
Minorities	2,133	5.0	
Residual ordinary equity	190,656	56.0	

Sources: EA; FSSIA estimates

Financial Statements

Energy Absolute

Profit and Loss (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Revenue	11,552	14,887	14,527	24,179	33,496
Cost of goods sold	(3,835)	(4,235)	(4,452)	(10,633)	(16,719)
Gross profit	7,717	10,652	10,075	13,546	16,777
Other operating income	-	-	-	-	-
Operating costs	(805)	(946)	(1,017)	(1,693)	(2,345)
Operating EBITDA	6,912	9,706	9,058	11,854	14,432
Depreciation	(1,833)	(2,517)	(2,416)	(2,494)	(3,694)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	5,079	7,189	6,642	9,360	10,738
Net financing costs	(920)	(1,226)	(1,631)	(1,743)	(1,645)
Associates	(6)	(14)	0	0	0
Recurring non operating income	(140)	53	100	101	101
Non recurring items	1,072	0	0	0	0
Profit before tax	5,091	6,016	5,111	7,718	9,194
Tax	(29)	11	(5)	(55)	(45)
Profit after tax	5,061	6,027	5,106	7,662	9,149
Minority interests	(86)	55	(311)	(320)	(330)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	4,975	6,082	4,795	7,342	8,819
Non recurring items & goodwill (net)	(1,072)	0	0	0	0
Recurring net profit	3,904	6,082	4,795	7,342	8,819
Per share (THB)					
Recurring EPS *	1.05	1.63	1.29	1.97	2.36
Reported EPS	1.33	1.63	1.29	1.97	2.36
DPS	0.20	0.25	0.25	0.25	0.25
Diluted shares (used to calculate per share data)	3,730	3,730	3,730	3,730	3,730
Growth					
Revenue (%)	(0.2)	28.9	(2.4)	66.4	38.5
Operating EBITDA (%)	8.1	40.4	(6.7)	30.9	21.8
Operating EBIT (%)	4.4	41.5	(7.6)	40.9	14.7
Recurring EPS (%)	2.3	55.8	(21.2)	53.1	20.1
Reported EPS (%)	30.3	22.2	(21.2)	53.1	20.1
Operating performance					
Gross margin inc depreciation (%)	50.9	54.6	52.7	45.7	39.1
Gross margin of key business (%)	50.9	54.6	52.7	45.7	39.1
Operating EBITDA margin (%)	59.8	65.2	62.4	49.0	43.1
Operating EBIT margin (%)	44.0	48.3	45.7	38.7	32.1
Net margin (%)	33.8	40.9	33.0	30.4	26.3
Effective tax rate (%)	0.6	-0.2	0.1	0.7	0.5
Dividend payout on recurring profit (%)	19.1	15.3	19.4	12.7	10.6
Interest cover (X)	5.4	5.9	4.1	5.4	6.6
Inventory days	21.8	46.9	63.7	46.3	53.4
Debtor days	74.0	67.1	90.6	71.7	70.3
Creditor days	56.8	70.3	85.9	62.4	72.0
Operating ROIC (%)	10.5	12.1	9.3	(3.1)	(3.4)
ROIC (%)	9.5	11.2	8.7	(2.9)	(3.2)
ROE (%)	23.8	29.3	19.0	24.1	23.5
ROA (%)	9.1	10.8	8.9	9.0	10.0

* Pre-exceptional, pre-goodwill and fully diluted

Revenue By Division (THB m)	2018	2019	2020E	2021E	2022E
Methyl ester Biodiesel products	3,213	6,570	6,570	6,570	6,570
Pure glycerine products	298	350	360	361	361
Electricity from solar and wind power	7,692	7,957	7,231	8,252	15,759
Head office and others	341	100	100	101	101
Project consultation regarding alternative electric energy	50	(90)	(90)	(89)	(89)
Battery and EV	(42)	0	356	8,984	10,794

Sources: Energy Absolute; FSSIA estimates

Financial Statements

Energy Absolute

Cash Flow (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Recurring net profit	3,904	6,082	4,795	7,342	8,819
Depreciation	1,833	2,517	2,416	2,494	3,694
Associates & minorities	(6)	(14)	0	0	0
Other non-cash items	-	-	-	-	-
Change in working capital	7,992	(9,651)	(846)	(1,039)	(1,596)
Cash flow from operations	13,722	(1,067)	6,366	8,797	10,918
Capex - maintenance	(1,833)	(2,517)	(2,416)	(2,494)	(3,694)
Capex - new investment	(12,368)	(3,784)	(4,984)	(1,006)	(194)
Net acquisitions & disposals	922	(68)	0	0	0
Other investments (net)	(984)	(49)	0	0	0
Cash flow from investing	(14,263)	(6,418)	(7,400)	(3,500)	(3,888)
Dividends paid	(746)	(746)	(933)	(933)	(933)
Equity finance	0	0	0	0	0
Debt finance	1,525	12,725	(180)	5,946	(10,990)
Other financing cash flows	734	56	311	321	718
Cash flow from Financing	1,513	12,035	(801)	5,334	(11,205)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	972	4,550	(1,836)	10,632	(4,176)
Free cash flow to firm (FCFF)	545.96	(6,098.64)	596.16	7,040.44	8,673.98
Free cash flow to equity (FCFE)	1,718.50	5,296.19	(903.17)	11,564.31	(3,243.20)
Per share (THB)					
FCFF per share	0.15	(1.64)	0.16	1.89	2.33
FCFE per share	0.46	1.42	(0.24)	3.10	(0.87)
Recurring cash flow per share	1.54	2.30	1.93	2.64	3.35
Balance Sheet (THB m) Year Ending Dec					
Tangible fixed asset (gross)	53,646	59,819	67,219	70,719	74,219
Less: Accumulated depreciation	(6,059)	(8,448)	(10,864)	(13,359)	(17,053)
Tangible fixed assets (Net)	47,587	51,371	56,355	57,361	57,166
Intangible fixed assets (Net)	937	3,683	3,683	3,683	3,683
Long-term financial assets	-	-	-	-	-
Invest. In associates & subsidiaries	33	100	100	100	100
Cash & equivalents	5,479	10,029	8,193	18,825	14,649
A/C receivable	2,295	3,175	4,034	5,464	7,445
Inventories	330	758	796	1,902	2,991
Other current assets	47	71	69	115	160
Current assets	8,150	14,033	13,093	26,306	25,245
Other assets	2,501	1,033	1,033	1,033	1,033
Total assets	59,208	70,220	74,264	88,483	87,227
Common equity	18,139	23,365	27,227	33,637	41,524
Minorities etc.	1,379	1,502	1,813	2,133	2,463
Total Shareholders' equity	19,518	24,866	29,040	35,770	43,987
Long term debt	26,139	36,977	36,798	42,744	31,753
Other long-term liabilities	1,049	2,306	2,306	2,306	2,306
Long-term liabilities	27,187	39,283	39,103	45,049	34,059
A/C payable	611	1,021	1,073	2,563	4,031
Short term debt	3,081	4,968	4,968	4,968	4,968
Other current liabilities	8,810	81	79	132	182
Current liabilities	12,503	6,070	6,120	7,663	9,181
Total liabilities and shareholders' equity	59,208	70,220	74,264	88,483	87,227
Net working capital	(6,750)	2,902	3,748	4,787	6,383
Invested capital	44,308	59,089	64,918	66,963	68,365
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	4.86	6.26	7.30	9.02	11.13
Tangible book value per share	4.61	5.28	6.31	8.03	10.15
Financial strength					
Net debt/Equity (%)	121.6	128.4	115.6	80.8	50.2
Net debt/total assets (%)	40.1	45.5	45.2	32.6	25.3
Current ratio (x)	0.7	2.3	2.1	3.4	2.7
CF interest cover (x)	16.3	8.4	3.5	8.2	(0.9)
Valuation					
Recurring P/E (x) *	44.9	28.8	36.6	23.9	19.9
Recurring P/E @ target price (x) *	53.5	34.3	43.6	28.4	23.7
Reported P/E (x)	35.2	28.8	36.6	23.9	19.9
Dividend yield (%)	0.4	0.5	0.5	0.5	0.5
Price/book (x)	9.7	7.5	6.4	5.2	4.2
Price/tangible book (x)	10.2	8.9	7.4	5.9	4.6
EV/EBITDA (x) **	29.0	21.5	23.3	17.4	13.8
EV/EBITDA @ target price (x) **	33.9	25.0	27.0	20.2	16.2
EV/invested capital (x)	4.5	3.5	3.2	3.1	2.9
* Pre-exceptional & pre-goodwill are fully diluted ** EBITDA includes associate income and recurring non operating income					

Sources: Energy Absolute; FSSIA estimates

Corporate Governance report of Thai listed companies 2019

EXCELLENT LEVEL										
AAV	ADVANC	AIRA	AKP	AKR	AMA	AMATA	AMATAV	ANAN	AOT	AP
ARROW	BAFS	BANPU	BAY	BCP	BCPG	BOL	BRR	BTS	BTW	BWG
CFRESH	CHEWA	CHO	CK	CKP	CM	CNT	COL	COMAN	CPALL	CPF
CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC	EA	EASTW	ECF
EGCO	GBX	GC	GCAP	GEL	GFP	GGC	GOLD	GPSC	GRAMMY	GUNKUL
HANA	HARN	HMPRO	ICC	ICHI	III	ILINK	INTUCH	IRPC	IVL	JKN
JSP	K	KBANK	KCE	KKP	KSL	KTB	KTC	KTIS	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	MFEC	MINT	MONO*
MTC	NCH	NCL	NKI	NSI	NVD	NYT	OISHI	OTO	PAP	PCSGH
PDJ	PG	PHOL	PJW	PLANB	PLANET	PORT	PPS	PR9	PREB	PRG
PRM	PSH	PSL	PTG	PTT	PTTEP	PTTGC	PYLON	Q-CON	QH	QTC
RATCH	ROBINS**	RS	S	S & J	SABINA	SAMART	SAMTEL	SAT	SC	SCB
SCC	SCCC	SCN	SDC	SEAFCO	SEAOIL	SE-ED	SELIC	SENA	SIS	SITHAI
SNC	SORKON	SPALI	SPI	SPRC	SSSC	STA	STEC	SVI	SYNTEC	TASCO
TCAP	THAI	THANA	THANI	THCOM	THIP	THREL	TIP	TISCO	TK	TKT
TMB	TMILL	TNDT	TOA	TOP	TRC	TRU	TRUE	TSC	TSR	TSTH
TTA	TTCL	TTW	TU	TVD	TVO	U	UAC	UV	VGI	VIH
WACOAL	WAVE	WHA	WHAUP	WICE	WINNER					
VERY GOOD LEVEL										
2S	ABM	ADB	AF	AGE	AH	AHC	AIT	ALLA	ALT	AMANA
AMARIN	APCO	APCS	AQUA	ARIP	ASAP	ASIA	ASIAN	ASIMAR	ASK	ASN
ASP	ATP30	AUCT	AYUD	B	BA	BBL	BDMS	BEC	BEM	BFIT
BGC	BGRIM	BIZ	BJC	BJCHI	BLA	BPP	BROOK	CBG	CEN	CENDEL
CGH	CHG	CHOTI	CHOW	CI	CIMBT	CNS	COLOR	COM7	COTTO	CRD
CSC	CSP	DCC	DCON	DDD	DOD	EASON	ECL	EE	EPG	ERW
ESTAR	ETE	FLOYD	FN	FNS	FORTH	FPI	FPT	FSMART	FSS	FVC
GENCO	GJS	GL	GLOBAL	GLOW**	GULF	HPT	HTC	HYDRO	ICN	IFS
INET	INSURE	IRC	IRCP	IT	ITD***	ITEL	J	JAS*	JCK	JCKH
JMART	JMT	JWD	KBS	KCAR	KGI	KIAT	KOOL	KWC	KWM	L&E
LALIN	LANNA	LDC	LHK	LOXLEY	LRH	LST	M	MACO	MAJOR	MBAX
MEGA	METCO	MFC	MK	MODERN	MOONG	MPG	MSC	MTI	NEP	NETBAY
NEX	NINE	NOBLE	NOK	NTV	NWR	OCC	OGC	ORI	OSP	PATO
PB	PDG	PDI	PL	PLAT	PM	PPP	PRECHA	PRIN	PRINC	PSTC
PT	QLT	RCL	RICHY	RML	RWI	S11	SAAM	SALEE	SAMCO	SANKO
SAPPE	SAWAD	SCG	SCI	SCP	SE	SFP	SIAM	SINGER	SIRI	SKE
SKR	SKY	SMIT	SMK	SMP	SMT	SNP	SONIC	SPA	SPC	SPCG
SPVI	SR	SRICHA	SSC	SSF	SST	STANLY	STPI	SUC	SUN	SUSCO
SUTHA	SWC	SYMC	SYNEX	T	TACC	TAE	TAKUNI	TBSP	TCC	TCMC
TEAM	TEAMG	TFG	TFMAMA	THG	THRE	TIPCO	TITLE	TIW	TKN	TKS
TM	TMC	TMD	TMI	TMT	TNITY	TNL	TNP	TNR	TOG	TPA
TPAC	TPBI	TPCORP	TPOLY	TRITN	TRT	TSE	TSTE	TVI	TVT	TWP
TWPC	UBIS	UEC	UMI	UOBKH	UP	UPF	UPOIC	UT	UWC	VNT
WIUK	XO	YUASA	ZEN	ZMICO						
GOOD LEVEL										
A	ABICO	ACAP***	AEC	AEONTS	AJ	ALUCON	AMC	APURE	AS	ASEFA
AU	B52	BCH	BEAUTY	BGT	BH	BIG	BLAND	BM	BR	BROCK
BSBM	BSM	BTNC	CCET	CCP	CGD	CHARAN	CHAYO	CITY	CMAN	CMC
CMO	CMR	CPL	CPT	CSR	CTW	CWT	D	DIMET	EKH	EMC
EPCO	ESSO	FE	FTE	GIFT	GLAND	GLOCON	GPI	GREEN	GTB	GYT
HTECH	HUMAN	IHL	INGRS	INOX	JTS	JUBILE	KASET	KCM	KKC	KWG
KYE	LEE	LPH	MATCH	MATI	M-CHAI	MCS	MDX	META	MGT	MJD
MM	MVP	NC	NDR	NER	NNCL	NPK	NUSA	OCEAN	PAF	PF
PICO	PIMO	PK	PLE	PMTA	POST	PPM	PROUD	PTL	RCI	RJH
ROJNA	RPC	RPH	SF	SGF	SGP	SKN	SLP	SMART	SOLAR	SPG
SQ	SSP	STI	SUPER	SVOA	TCCC	THE	THMUI	TIC	TIGER	TNH
TOPP	TPCH	TIPIP	TPLAS	TQM	TTI	TYCN	UTP	VCOM	VIBHA	VPO
WIN	WORK	WP	WPH	ZIGA						
Score Range	Number of Logo					Description				
90-100						Excellent				
80-89						Very Good				
70-79						Good				
60-69						Satisfactory				
50-59						Pass				
Less than 50	No logo given					-				

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

CERTIFIED										
ADVANC	AIE	AKP	AMANAHA	AP	APCS	AQUA	ARROW	ASK	ASP	AYUD
BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG	BGRIM	BJCHI	BKI	BLA
BROOK	BRR	BSBM	BTS	BWG	CEN	CENTEL	CFRESH	CGH	CHEWA	CIG
CIMBT	CM	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FSS	GBX	GC
GCAP	GEL	GFPT	GGC	GJS	GOLD	GPSC	GSTEEL	GUNKUL	HANA	HARN
HMPRO	HTC	ICC	IFS	INET	INSURE	INTUCH	IRPC	IVL	K	KASET
KBANK	KBS	KCAR	KCE	KGI	KKP	KSL	KTB	KTC	KWC	L&E
LANNA	LHK	LPN	LRH	M	MAKRO	MALEE	MBAX	MBK	MBKET	MC
MCOT	MFC	MINT	MONO	MOONG	MSC	MTI	NBC	NINE	NKI	NMG
NNCL	NSI	OCC	OCEAN	OGC	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPS
PREB	PRG	PRINC	PSH	PSTC	PT	PTG	PTT	PTTEP	PTTGC	PYLON
Q-CON	QH	QLT	QTC	RATCH	RML	S & J	SABINA	SAT	SC	SCB
SCC	SCCC	SCG	SCN	SE-ED	SELIC	SENA	SGP	SIRI	SIS	SITHAI
SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK	SPC	SPI	SPRC	SRICHA
SSF	SSI	SSSC	SST	STA	SUSCO	SVI	SYNTEC	TASCO	TCAP	TFG
TFI	TFMAMA	THANI	THCOM	THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT
TMB	TMD	TMILL	TMT	TNITY	TNL	TNP	TNR	TOG	TOP	TPA
TPCORP	TRU	TRUE	TSC	TSTH	TTCL	TU	TVD	TVI	TWPC	U
UBIS	UEC	UKEM	UOBKH	VGI	VIH	VNT	WACOAL	WHA	WICE	WIIK
DECLARED										
2S	ABICO	AF	AI	AIRA	ALT	AMA	AMARIN	AMATA	ANAN	B
BM	BPP	BUI	CHG	CHO	CHOTI	CHOW	CI	CMC	COL	DDD
DELTA	EFORL	EPCO	ESTAR	ETE	FPI	FTE	ICHI	INOX	IRC	ITEL
JAS	JSP	JTS	KWG	LDC	LIT	META	MFEC	MPG	NEP	NOK
NWR	ORI	PRM	PSL	ROJNA	RWI	SAAM	SAPPE	SCI	SEOIL	SHANG
SKR	SPALI	STANLY	SYNEX	TAE	TAKUNI	TMC	TOPP	TPP	TRITN	TVO
UV	UWC	WHAUP	XO	YUASA	ZEN					

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

Disclaimer:

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; * FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Suwat Sinsadok FSS International Investment Advisory Securities Co., Ltd

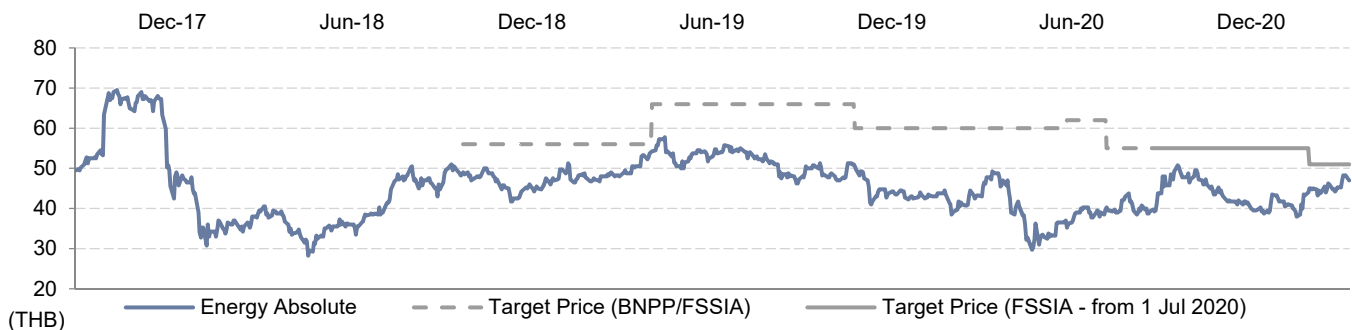
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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
15-Nov-2018	BUY	56.00	16-Apr-2020	BUY	62.00	17-Jul-2020	BUY	55.00
26-Apr-2019	BUY	66.00	20-May-2020	BUY	55.00	09-Nov-2020	BUY	51.00
17-Oct-2019	BUY	60.00	09-Jul-2020	BUY	55.00			

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

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Energy Absolute	EA TB	THB 47.00	BUY	Downside risks to our SoTP-based TP include: 1) lower-than-expected demand for electricity in Thailand; 2) lower crude prices; and 3) lower-than-expected demand for batteries.

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 14-Dec-2020 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.