

**BETAGRO BTG TB**  
THAILAND / FOOD & BEVERAGE**BUY**

UNCHANGED

## หุ้นพลิกมีกำไร ถูกเลื่อนออกไปเป็น 2Q24

- แนวโน้ม 1Q24 อาจยังขาดทุนต่อเป็นไตรมาสที่ 4 ถือว่าฟื้นช้ากว่าคาด
- แต่เริ่มเห็นราคาหมูเดือน เม.ย. ชัยดีขึ้น และสูงกว่าต้นทุนการเลี้ยงแล้ว ยังลุ้น 2Q24 พลิกมีกำไรได้อีกครั้ง
- คงประมาณการกำไรและราคาเป้าหมายที่ 25 บาท ยังแนะนำ ซื้อ

TARGET PRICE	THB25.00
CLOSE	THB21.70
UP/DOWNSIDE	+15.2%
PRIOR TP	THB25.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+3.7%

## KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	108,638	113,631	118,932	124,607
Net profit	(1,398)	2,752	3,158	3,656
EPS (THB)	(0.72)	1.43	1.64	1.89
vs Consensus (%)	-	30.5	8.0	(7.6)
EBITDA	4,319	8,654	9,535	10,528
Recurring net profit	(1,310)	2,752	3,158	3,656
Core EPS (THB)	(0.66)	1.38	1.58	1.83
Chg. In EPS est. (%)	nm	-	-	-
EPS growth (%)	nm	nm	14.7	15.8
Core P/E (x)	(33.1)	15.8	13.7	11.9
Dividend yield (%)	1.2	2.6	3.0	3.5
EV/EBITDA (x)	15.1	7.1	6.1	5.5
Price/book (x)	1.7	1.6	1.5	1.3
Net debt/Equity (%)	90.9	71.0	56.9	48.2
ROE (%)	(4.9)	10.6	11.4	12.1

## 1Q24 อาจยังขาดทุนต่อ ผิดไปจากที่เคยคาดว่าจะพลิกมีกำไร

ขาด 1Q24 ยังเผชิญผลขาดทุนต่อเนื่องเป็นไตรมาสที่ 4 ติดต่อกันราว -128 ลบ. ผิดไปจากที่เคยคาดว่าจะพลิกมีกำไรได้เร็วสุดในกลุ่มหมู มาจากราคาหมูไทยที่ฟื้นตัวช้า โดยราคาหมูเฉลี่ย 1Q24 อยู่ที่ 62.5 บาท/กก. (ทรงตัว q-q, -26% y-y) ยังเป็นระดับที่ต่ำกว่าต้นทุนการเลี้ยงที่ 64-65 บาท กอปรกับประสบผลขาดทุนจากรูจกหมูกัมพูชาจากปัญหาหมูเถื่อน อย่างไรก็ตาม ยังคาดผลการดำเนินงานหลัก 1Q24 จะขาดทุนน้อยลงจาก 4Q23 โดยมาจากปริมาณขายที่ดีขึ้นในทุกกลุ่มธุรกิจทั้ง หมู ไก่ อาหารพร้อมทาน และอาหารสัตว์เลี้ยง กอปรกับราคาวัตถุดิบทยอยปรับลดลง หลังใช้สต็อกราคาสูงหมดไป จึงคาดรายได้รวม 1Q24 จะลดลงเล็กน้อย -1.2% q-q และคาดอัตรากำไรขั้นต้นกลับสู่ระดับสองหลักอีกครั้งที่ 10.7% จาก 8.5% ใน 4Q23

## เริ่มเห็นราคาหมูเดือน เม.ย. กลับมาฟื้นตัว และสูงกว่าต้นทุนการเลี้ยงแล้ว

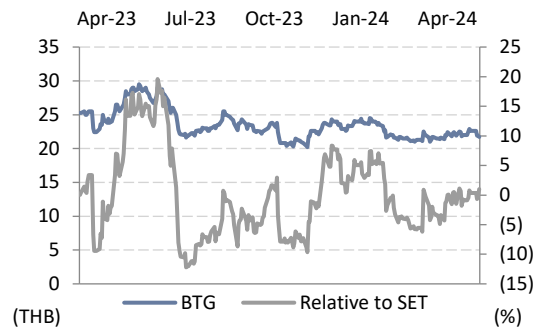
ราคาหมูเดือน เม.ย. ชัยขึ้น +5.6% q-q เป็น 66 บาท/กก. โดย BTG ให้นำหนักไปที่ 1) สถานการณ์หมูเถื่อนที่ดีขึ้น และ 2) ผลของการทยอยตัดวงจรหมูของอุตสาหกรรม และเชื่อว่าแนวโน้มราคาหมูไทยจะปรับตัวขึ้นได้ต่อใน 2H24 สอดคล้องกับการประกาศปรับขึ้นราคาหมูหน้าฟาร์มของสมาคมผู้เลี้ยงสุกรแห่งชาติ ทั้งนี้ที่ราคาปัจจุบัน สูงกว่าต้นทุนการเลี้ยงที่ปรับลงมาอยู่ที่ 63-64 บาท/กก. ใน 2Q24 แล้ว ขณะที่บริษัทระบุว่ามีปัญหาหมูเถื่อนในกัมพูชาเริ่มคลี่คลายเช่นกัน และเริ่มพลิกมีกำไรได้แล้วตั้งแต่เดือนมี.ค. ที่ผ่านมามา ดังนั้นเราจึงคาดหวังผลการดำเนินงาน 2Q24 จะพลิกมีกำไรได้อีกครั้ง

## แม้ 1Q24 ฟื้นช้า แต่ยังคงประมาณการกำไรปี 2024 ไว้ตามเดิม

แม้แนวโน้ม 1Q24 จะฟื้นตัวช้ากว่าคาด แต่หากราคาหมูไทยยังปรับตัวขึ้นได้ต่อ อาจช่วยหนุนให้ผลประกอบการฟื้นตัวได้แรงในช่วงที่เหลือของปี และเรายังคงมุมมองเชิงบวกต่อการเติบโตใน 2H24 จะสดใสมากกว่า 1H24 เราจึงยังคงประมาณการผลการดำเนินงาน 2024 พลิกมีกำไรราว 2.75 พันลบ. จากที่ขาดทุน -1.4 พันลบ. ใน 2023 ด้วยสมมติฐานราคาหมูที่ 72 บาท/กก. และราคาไก่ 41 บาท/กก. โดยคาดรายได้ปี 2024 เติบโต 4.6% y-y และอัตรากำไรขั้นต้นที่ 13.5% ต่ำกว่าเป้าหมายของบริษัทเล็กน้อยที่ 5-10% y-y และ 13-15% ตามลำดับ

## คงเป้าเดิมที่ 25 บาท ยังแนะนำ ซื้อ

ยังคงราคาเป้าหมายที่ 25 บาท (อิง PE เดิม 17x) คงมุมมองเชิงบวกต่อแนวโน้มกำไร 2Q24 เป็นต้นไป จากราคาหมูที่เริ่มกลับมาฟื้นตัวอีกครั้ง ขณะที่สภาพคล่องยังดูดีที่สุดในกลุ่มหมู ลุ้นปี 2023 มี D/E ratio และ IBD/E ratio เท่ากับ 1.29x และ 0.79x ตามลำดับ (ไม่รวมหนี้สินสัญญาเช่า) ราคาเป้าหมายยังมี Upside 15% คงคำแนะนำ ซื้อ



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(1.4)	(7.7)	(16.5)
Relative to country (%)	2.4	(4.2)	(1.0)
Mkt cap (USD m)	1,139		
3m avg. daily turnover (USD m)	0.8		
Free float (%)	37		
Major shareholder	Betagro Holding ยัง Company Limited (38%)		
12m high/low (THB)	29.75/20.00		
Issued shares (m)	1,934.80		

Sources: Bloomberg consensus; FSSIA estimates



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## Investment thesis

บริษัทถือเป็นผู้ประกอบการธุรกิจอาหารครบวงจรชั้นนำของไทย ครอบคลุมตั้งแต่ต้นน้ำ กลางน้ำ จนถึงปลายน้ำ โดยมีฐานการผลิต และจัดจำหน่ายอยู่ที่ภูมิภาคของไทย และส่งออกไปยังตลาดต่างประเทศ นอกจากนี้ยังมีฐานการผลิตในประเทศเพื่อนบ้านได้แก่ กัมพูชา ลาว และพม่า

บริษัทมีช่องทางการจำหน่ายกระจายถึง 6 ช่องทางประกอบด้วย เบทาโกรช้อป, Modern Trade, Traditional Trade, Food Service, ลูกค้าอุตสาหกรรม (OEM) และช่องทางส่งออก (มากกว่า 20 ประเทศ) ทั้งนี้บริษัทได้สร้างแบรนด์ที่แข็งแกร่งภายใต้แบรนด์ BETAGRO, S-Pure, Perfecta เป็นต้น

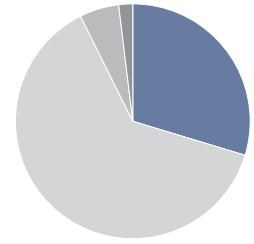
## Company profile

BTG ก่อตั้งขึ้นในปี 1967 และจดทะเบียนเข้าตลาดในปี 2022 ถือเป็นผู้นำด้านธุรกิจอุตสาหกรรมเกษตรอย่างครบวงจร เริ่มตั้งแต่ต้นน้ำอย่างอาหารสัตว์บก การทำธุรกิจฟาร์มเลี้ยงหมูและไก่ รวมถึงเวชภัณฑ์และสารเสริมสำหรับสัตว์ ต่อเนื่องไปจนถึงการแปรรูปเนื้อสัตว์ ผลิตภัณฑ์ที่มีคุณภาพให้แก่ผู้บริโภค รวมถึงผลิตภัณฑ์สำหรับสัตว์เลี้ยง โดยสิ้นปี 2023 มีสัดส่วนรายได้จาก Food & Protein 63% รองมาคือ Agro 30%, International 5% และ Pets 2% ของรายได้รวม ตามลำดับ

[www.betagro.com](http://www.betagro.com)

## Principal activities (revenue, 2023)

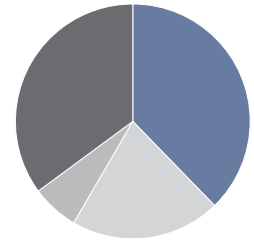
- Agro - 29.7 %
- Food and protein - 63.0 %
- International - 5.4 %
- Pet segment - 1.9 %



Source: Betagro

## Major shareholders

- Betagro Holding Company Limited - 37.7 %
- TAE HK Investment Limited - 20.7 %
- Taepaisitphongse Family - 6.5 %
- Others - 35.1 %



Source: Betagro

## Catalysts

ปัจจัยหนุนการเติบโตในปี 2024 คือ 1) การเติบโตของปริมาณขายตามกำลังซื้อและการท่องเที่ยวที่ฟื้นตัว 2) ราคาเนื้อสัตว์ปรับตัวสูงขึ้น 3) ต้นทุนวัตถุดิบอาหารทรงตัวถึงปรับลดลง และ 4) ธุรกิจในประเทศฟื้นตัว

## Risks to our call

Downside และ Upside risks ต่อราคาเป้าหมายของเราคือ 1) กำลังซื้อฟื้นตัวช้ากว่าหรือเร็วกว่าคาด 2) ราคาเนื้อสัตว์ปรับขึ้นช้ากว่าหรือเร็วกว่าคาด 3) ต้นทุนวัตถุดิบปรับลดลงช้ากว่าหรือเร็วกว่าคาด และ 4) ค่าเงินบาทแข็งค่าหรืออ่อนค่ามากกว่าคาด

## Event calendar

Date	Event
10 May 2024	1Q24 results announcement 1Q24 analyst meeting

## Key assumptions

	2024E	2025E	2026E
Broiler price-TH (THB)	41.0	42.0	43.0
Swine price-TH (THB)	72.0	72.0	72.0
Swine price-Cambodia (KHR)	8,000	8,200	8,500
Total revenue growth (%)	4.6	4.7	4.8
Gross margin (%)	13.5	13.7	13.8
SG&A to sales (%)	10.9	10.9	10.9

Source: FSSIA estimates

## Earnings sensitivity

- For every 1% increase in revenue, we estimate 2024 net profit to rise by 3.1%, and vice versa, all else being equal.
- For every 0.1% increase in GPM, we estimate 2024 net profit to rise by 4.2%, and vice versa, all else being equal.
- For every 0.1% increase in SG&A to sales, we estimate 2024 net profit to fall by 2.9%, and vice versa, all else being equal.

Source: FSSIA estimates

**Exhibit 1: BTG – 1Q24 earnings preview**

	1Q23	2Q23	3Q23	4Q23	1Q24E	----- Change -----		2023	2024E	Change	% 1Q24E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	to 2024E
Sales	27,736	26,491	27,047	27,365	27,042	(1.2)	(2.5)	108,638	113,631	4.6	23.8
Cost of sales	24,219	23,714	24,836	25,032	24,149	(3.5)	(0.3)	97,800	98,291	0.5	24.6
Gross profit	3,517	2,777	2,211	2,333	2,894	24.0	(17.7)	10,838	15,340	41.5	18.9
SG&A	2,955	3,069	2,932	2,623	2,758	5.2	(6.6)	11,579	12,386	7.0	22.3
Operating profit	729	(138)	(604)	(235)	195	(183.1)	(73.2)	(248)	3,636	nm	5.4
Interest expense	146	148	170	209	210	0.6	43.9	673	712	5.9	29.5
Tax expense	196	(18)	23	256	135	(47.3)	(31.0)	457	456	(0.3)	29.6
Biological gain (loss)	(59)	(20)	(23)	14	20	nm	nm	(88)	0	nm	nm
Other gain (loss)	56	(62)	9	(2)	(20)	nm	nm	1	0	nm	nm
Reported net profit	393	(351)	(784)	(656)	(128)	nm	nm	(1,398)	2,752	nm	nm
Core profit	395	(268)	(770)	(668)	(128)	nm	nm	(1,310)	2,752	nm	nm

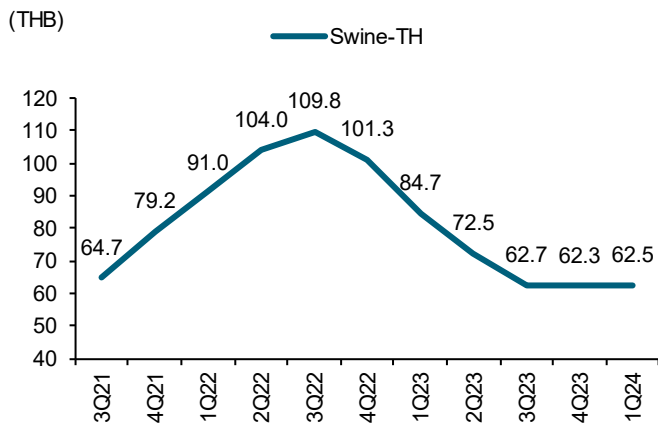
Key ratios (%)			(ppt)	(ppt)							
Gross margin	12.7	10.5	8.2	8.5	10.7	2.2	(2.0)	10.0	13.5	3.5	3.5
SG&A to sales	10.7	11.6	10.8	9.6	10.2	0.6	(0.5)	10.7	10.9	0.2	0.2
Operating margin	2.6	(0.5)	(2.2)	(0.9)	0.7	1.6	(1.9)	(0.2)	3.2	3.4	3.4
Net margin	1.4	(1.3)	(2.9)	(2.4)	(0.5)	1.9	(1.9)	(1.3)	2.4	3.7	3.7
Core margin	1.4	(1.0)	(2.8)	(2.4)	(0.5)	2.0	(1.9)	(1.2)	2.4	3.6	3.6

Operating statistics											
Broiler price-TH (THB/kg.)	39.2	43.8	36.6	37.9	41.7	10.0	6.4	39.4	41.0	4.1	4.1
Swine price-TH (THB/kg.)	84.7	72.5	62.7	62.3	62.5	0.3	(26.2)	70.5	72.0	2.1	2.1
Swine price-Cambodia (KHR/kg.)	8,068	9,395	8,572	7,237	7,430	2.7	(7.9)	8,318	7,500	(9.8)	(9.8)
Corn price-TH (THB/kg.)	13.3	12.9	11.7	10.4	10.4	0.0	(21.8)	12.1	10.0	(17.4)	(17.4)
Soybean meal price-TH (THB/kg.)	24.0	23.4	21.5	22.0	22.7	3.2	(5.4)	22.7	20.5	(9.7)	(9.7)

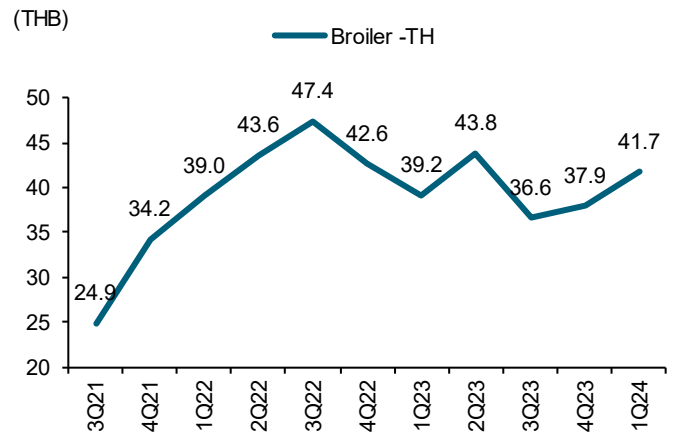
Sources: BTG, FSSIA estimates

**Exhibit 2: Domestic swine price**



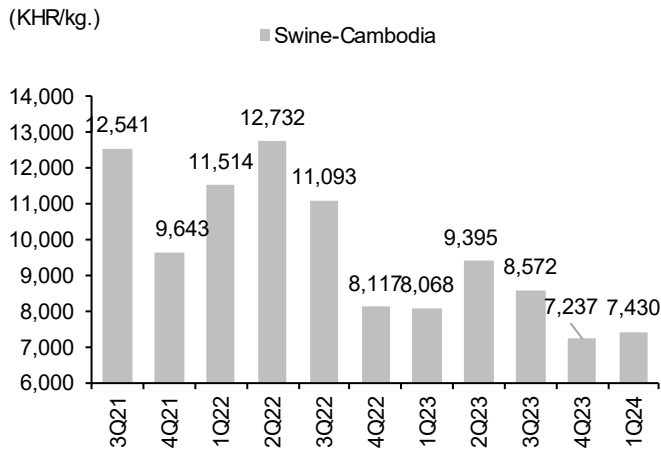
Sources: CPF, FSSIA's compilation

**Exhibit 3: Domestic chicken price**



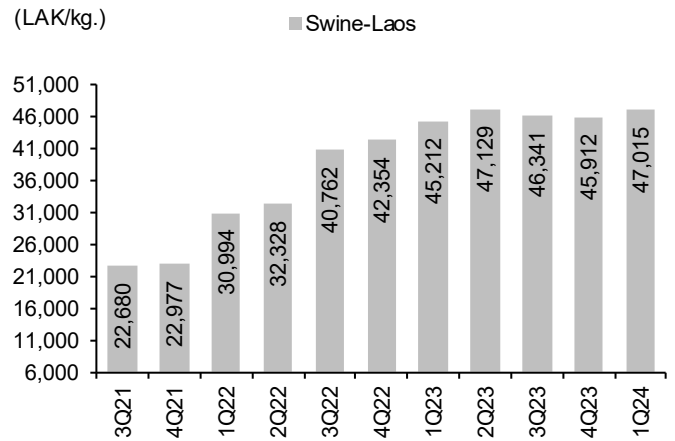
Sources: CPF, FSSIA's compilation

**Exhibit 4: Cambodia swine price**



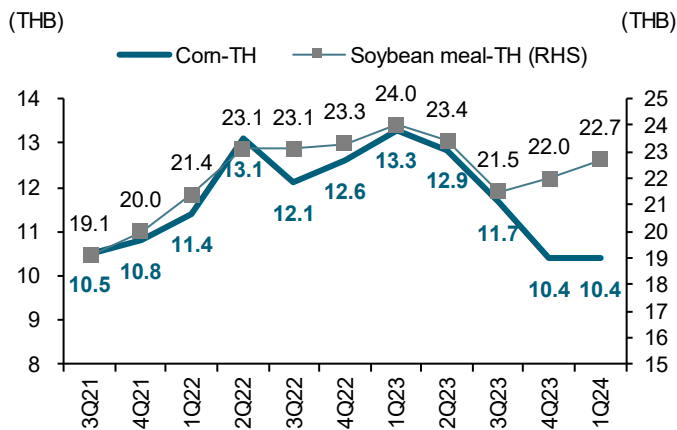
Sources: CPF, FSSIA's compilation

**Exhibit 5: Laos swine price**



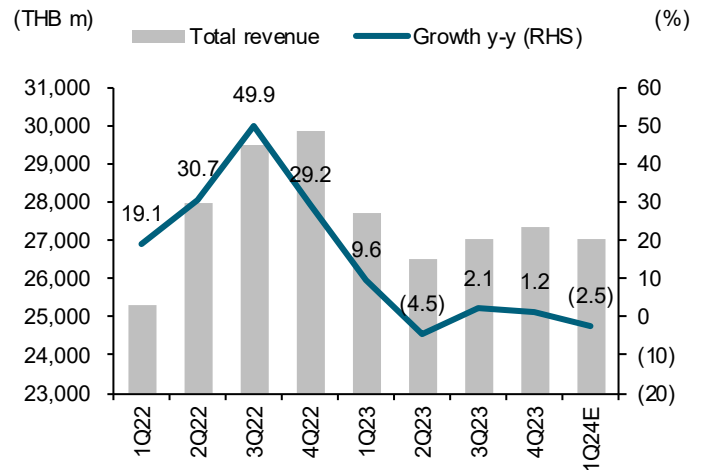
Sources: CPF, FSSIA's compilation

**Exhibit 6: Domestic raw material prices**



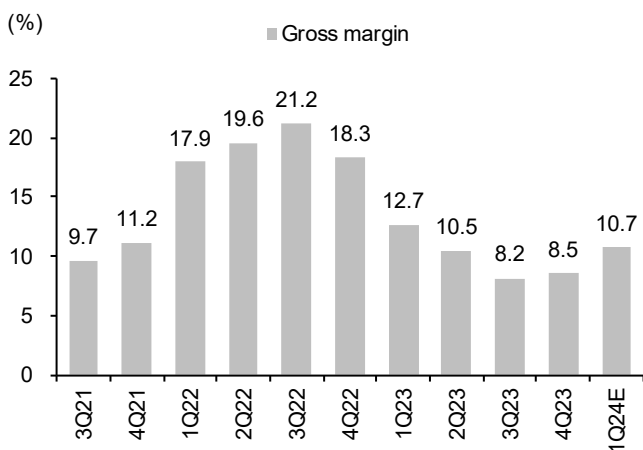
Sources: CPF, OAE, FSSIA's compilation

**Exhibit 7: Total revenue and growth**



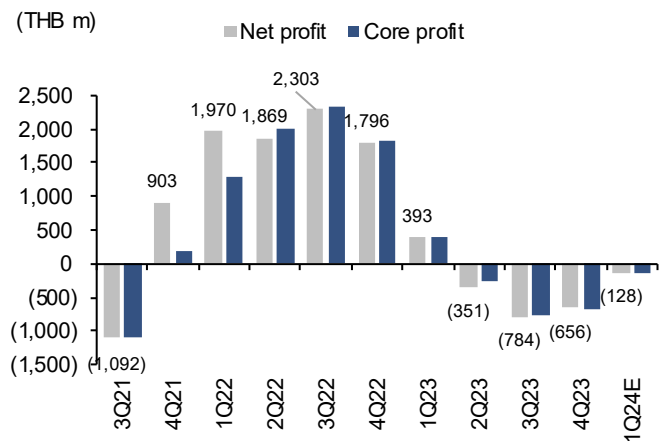
Sources: BTG, FSSIA estimates

**Exhibit 8: Gross margin**



Sources: BTG, FSSIA estimates

**Exhibit 9: Core operation and bottom line**



Sources: BTG, FSSIA estimates

## Financial Statements

Betagro

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	112,626	108,638	113,631	118,932	124,607
Cost of goods sold	(90,894)	(97,800)	(98,291)	(102,615)	(107,162)
<b>Gross profit</b>	<b>21,731</b>	<b>10,838</b>	<b>15,340</b>	<b>16,317</b>	<b>17,445</b>
Other operating income	637	493	682	714	748
Operating costs	(12,594)	(11,579)	(12,386)	(12,964)	(13,582)
<b>Operating EBITDA</b>	<b>14,018</b>	<b>4,319</b>	<b>8,654</b>	<b>9,535</b>	<b>10,528</b>
Depreciation	(4,243)	(4,568)	(5,018)	(5,468)	(5,918)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>9,775</b>	<b>(248)</b>	<b>3,636</b>	<b>4,067</b>	<b>4,610</b>
Net financing costs	(619)	(673)	(712)	(611)	(580)
Associates	37	102	114	119	125
Recurring non-operating income	37	102	114	119	125
Non-recurring items	460	(88)	0	0	0
<b>Profit before tax</b>	<b>9,654</b>	<b>(906)</b>	<b>3,038</b>	<b>3,576</b>	<b>4,155</b>
Tax	(1,549)	(457)	(456)	(536)	(623)
<b>Profit after tax</b>	<b>8,104</b>	<b>(1,364)</b>	<b>2,582</b>	<b>3,039</b>	<b>3,532</b>
Minority interests	(167)	(35)	170	119	125
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>7,938</b>	<b>(1,398)</b>	<b>2,752</b>	<b>3,158</b>	<b>3,656</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(460)</b>	<b>88</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>7,477</b>	<b>(1,310)</b>	<b>2,752</b>	<b>3,158</b>	<b>3,656</b>
<b>Per share (THB)</b>					
Recurring EPS *	3.74	(0.66)	1.38	1.58	1.83
Reported EPS	4.11	(0.72)	1.43	1.64	1.89
DPS	2.52	0.25	0.57	0.65	0.76
Diluted shares (used to calculate per share data)	2,000	2,000	2,000	2,000	2,000
<b>Growth</b>					
Revenue (%)	31.8	(3.5)	4.6	4.7	4.8
Operating EBITDA (%)	188.2	(69.2)	100.4	10.2	10.4
Operating EBIT (%)	1,125.0	nm	nm	11.9	13.3
Recurring EPS (%)	416.1	nm	nm	14.7	15.8
Reported EPS (%)	34.4	nm	nm	14.7	15.8
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	19.3	10.0	13.5	13.7	14.0
Gross margin exc. depreciation (%)	23.1	14.2	17.9	18.3	18.7
Operating EBITDA margin (%)	12.4	4.0	7.6	8.0	8.4
Operating EBIT margin (%)	8.7	(0.2)	3.2	3.4	3.7
Net margin (%)	6.6	(1.2)	2.4	2.7	2.9
Effective tax rate (%)	16.0	(50.4)	15.0	15.0	15.0
Dividend payout on recurring profit (%)	67.4	(38.2)	41.5	41.5	41.5
Interest cover (X)	15.9	(0.2)	5.3	6.9	8.2
Inventory days	60.7	52.5	47.4	46.5	46.6
Debtor days	18.4	21.0	20.5	19.6	19.5
Creditor days	23.2	22.0	23.5	25.9	25.9
Operating ROIC (%)	18.1	(0.4)	6.5	7.6	8.6
ROIC (%)	16.1	(0.2)	6.0	6.9	7.8
ROE (%)	33.8	(4.9)	10.6	11.4	12.1
ROA (%)	13.3	(1.2)	5.1	5.7	6.4
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Agro	28,403	32,242	33,854	35,547	37,324
Food and protein	75,758	68,417	71,584	74,645	77,845
International	6,236	5,887	5,713	5,884	6,147
Pet segment	2,211	2,091	2,415	2,789	3,222

Sources: Betagro; FSSIA estimates

## Financial Statements

### Betagro

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	7,477	(1,310)	2,752	3,158	3,656
Depreciation	4,243	4,568	5,018	5,468	5,918
Associates & minorities	362	(87)	(64)	(108)	(113)
Other non-cash items	91	(88)	0	0	0
Change in working capital	(1,479)	1,271	2,142	(679)	(1,218)
<b>Cash flow from operations</b>	<b>10,694</b>	<b>4,353</b>	<b>9,848</b>	<b>7,839</b>	<b>8,243</b>
Capex - maintenance	(5,576)	(7,586)	(4,414)	(4,500)	(4,000)
Capex - new investment	0	0	0	0	0
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	1,436	(237)	160	561	(1,684)
<b>Cash flow from investing</b>	<b>(4,140)</b>	<b>(7,823)</b>	<b>(4,254)</b>	<b>(3,939)</b>	<b>(5,684)</b>
Dividends paid	(11,250)	(1,924)	(1,101)	(1,263)	(1,462)
Equity finance	16,929	0	0	0	0
Debt finance	(3,487)	880	(3,622)	(2,980)	(899)
Other financing cash flows	81	134	(732)	106	113
<b>Cash flow from financing</b>	<b>2,274</b>	<b>(910)</b>	<b>(5,455)</b>	<b>(4,137)</b>	<b>(2,248)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>(3,430)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>5,398</b>	<b>(4,380)</b>	<b>139</b>	<b>(238)</b>	<b>312</b>
Free cash flow to firm (FCFF)	7,173.00	(2,796.77)	6,305.92	4,510.34	3,139.46
Free cash flow to equity (FCFE)	(281.29)	(2,456.03)	1,239.87	1,025.53	1,774.03

#### Per share (THB)

FCFF per share	3.71	(1.45)	3.26	2.33	1.62
FCFE per share	(0.15)	(1.27)	0.64	0.53	0.92
Recurring cash flow per share	6.31	1.60	3.99	4.41	4.90

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	49,403	53,417	53,982	54,141	53,894
Less: Accumulated depreciation	(26,031)	(27,072)	(28,155)	(29,281)	(30,453)
<b>Tangible fixed assets (net)</b>	<b>23,372</b>	<b>26,345</b>	<b>25,827</b>	<b>24,859</b>	<b>23,442</b>
<b>Intangible fixed assets (net)</b>	<b>882</b>	<b>786</b>	<b>786</b>	<b>786</b>	<b>786</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	1,346	1,454	1,461	1,466	1,472
Cash & equivalents	5,940	1,561	1,699	1,462	1,773
A/C receivable	6,652	7,480	6,795	7,111	7,451
Inventories	14,711	12,115	12,118	12,651	13,212
Other current assets	9,477	9,570	9,772	10,109	10,965
<b>Current assets</b>	<b>36,781</b>	<b>30,726</b>	<b>30,384</b>	<b>31,334</b>	<b>33,401</b>
Other assets	2,852	3,190	3,136	2,689	4,492
<b>Total assets</b>	<b>65,234</b>	<b>62,501</b>	<b>61,595</b>	<b>61,134</b>	<b>63,593</b>
Common equity	28,502	25,134	26,872	28,766	31,460
Minorities etc.	163	178	227	238	249
<b>Total shareholders' equity</b>	<b>28,664</b>	<b>25,312</b>	<b>27,099</b>	<b>29,004</b>	<b>31,709</b>
Long term debt	8,064	9,690	7,690	6,690	5,811
Other long-term liabilities	2,871	3,004	2,273	2,379	2,492
<b>Long-term liabilities</b>	<b>10,934</b>	<b>12,694</b>	<b>9,962</b>	<b>9,068</b>	<b>8,303</b>
A/C payable	9,852	9,293	10,937	11,429	11,950
Short term debt	15,615	14,878	13,256	11,276	11,256
Other current liabilities	168	324	341	357	374
<b>Current liabilities</b>	<b>25,636</b>	<b>24,494</b>	<b>24,534</b>	<b>23,062</b>	<b>23,580</b>
<b>Total liabilities and shareholders' equity</b>	<b>65,234</b>	<b>62,501</b>	<b>61,595</b>	<b>61,134</b>	<b>63,593</b>
Net working capital	20,821	19,549	17,407	18,086	19,304
Invested capital	49,274	51,324	48,618	47,887	49,495

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

#### Per share (THB)

Book value per share	14.77	13.03	13.93	14.91	16.31
Tangible book value per share	14.32	12.62	13.52	14.50	15.90

#### Financial strength

Net debt/equity (%)	61.9	90.9	71.0	56.9	48.2
Net debt/total assets (%)	27.2	36.8	31.2	27.0	24.0
Current ratio (x)	1.4	1.3	1.2	1.4	1.4
CF interest cover (x)	0.5	(2.7)	2.7	2.7	4.1

Valuation	2022	2023	2024E	2025E	2026E
<b>Recurring P/E (x) *</b>	<b>5.8</b>	<b>(33.1)</b>	<b>15.8</b>	<b>13.7</b>	<b>11.9</b>
<b>Recurring P/E @ target price (x) *</b>	<b>6.7</b>	<b>(38.2)</b>	<b>18.2</b>	<b>15.8</b>	<b>13.7</b>
Reported P/E (x)	5.3	(29.9)	15.2	13.3	11.5
Dividend yield (%)	11.6	1.2	2.6	3.0	3.5
Price/book (x)	1.5	1.7	1.6	1.5	1.3
Price/tangible book (x)	1.5	1.7	1.6	1.5	1.4
EV/EBITDA (x) **	4.3	15.1	7.1	6.1	5.5
EV/EBITDA @ target price (x) **	4.7	16.5	7.8	6.8	6.1
EV/invested capital (x)	1.2	1.3	1.3	1.2	1.2

\* Pre-exceptional, pre-goodwill and fully diluted \*\* EBITDA includes associate income and recurring non-operating income

Sources: Betagro; FSSIA estimates

## Disclaimer for ESG scoring

ESG score	Methodology	Rating																											
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																											
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for <b>THSI inclusion</b> , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. <b>SETTHSI Index</b> is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																											
<b>CG Score</b> by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (50-59), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																											
<b>AGM level</b> By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&amp;A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																											
<b>Thai CAC</b> By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																											
<b>Morningstar Sustainalytics</b>	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality &amp; peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+																	
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<b>ESG Book</b>	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																											
<b>MSCI</b>	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td><b>AAA</b></td> <td>8.571-10.000</td> <td><b>Leader:</b></td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td><b>AA</b></td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td><b>A</b></td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td><b>BBB</b></td> <td>4.286-5.713</td> <td><b>Average:</b></td> <td>a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td><b>BB</b></td> <td>2.857-4.285</td> <td></td> <td></td> </tr> <tr> <td><b>B</b></td> <td>1.429-2.856</td> <td></td> <td></td> </tr> <tr> <td><b>CCC</b></td> <td>0.000-1.428</td> <td><b>Laggard:</b></td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570			<b>A</b>	5.714-7.142			<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285			<b>B</b>	1.429-2.856			<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks
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<b>Moody's ESG solutions</b>	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																												
<b>Refinitiv ESG rating</b>	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																												
<b>S&amp;P Global</b>	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																												
<b>Bloomberg</b>	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																											
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																											

**Rating** regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

#### Sureporm Teewasuwet FSS International Investment Advisory Securities Co., Ltd

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

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

#### Betagro (BTG TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
08-May-2023	BUY	25.30	19-Oct-2023	HOLD	23.00	-	-	-
15-May-2023	HOLD	25.30	28-Feb-2024	BUY	25.00			

Sureporm Teewasuwet started covering this stock from 08-May-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Betagro	BTG TB	THB 21.70	BUY	Downside and upside risks to our PE-based TP include 1) a slower or faster-than-expected purchasing power recovery, 2) a lower or faster-than-expected meat price increase, 3) a slower or faster-than-expected decrease in feed costs, and 4) a stronger or weaker-than-expected THB.

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.

All share prices are as at market close on 19-Apr-2024 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.