

BETAGRO BTG TB

THAILAND / FOOD & BEVERAGE

HOLD

UNCHANGED

ยังติดตามราคาหมูไทย และหมูเถื่อนกัมพูชา

- คาด 4Q23 ขาดทุนลดลงเล็กน้อยจาก 3Q23 จากราคาวัตถุดิบเริ่มลง
- บริษัทส่งสัญญาณว่าปัจจุบันหมูไทยเริ่มมีกำไรแล้ว แต่เรายังคงมุมมองระยะยาวระมัดระวังต่อ 1Q24 เพราะหมูเถื่อนกัมพูชายังคง
- ยังคงประมาณการปี 2024 พลิกมีกำไรตามเดิม แต่แนะนำติดตามสถานการณ์ราคาหมูไทยและกัมพูชาต่อไป

TARGET PRICE	THB23.00
CLOSE	THB21.70
UP/DOWNSIDE	+6.0%
PRIOR TP	THB23.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-2.5%

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	112,626	108,357	113,597	118,812
Net profit	7,938	(1,345)	2,621	2,817
EPS (THB)	4.11	(0.70)	1.36	1.46
vs Consensus (%)	-	nm	37.4	26.6
EBITDA	14,018	4,182	8,043	8,861
Recurring net profit	7,477	(1,275)	2,121	2,417
Core EPS (THB)	3.74	(0.64)	1.06	1.21
Chg. In EPS est. (%)	-	nm	-	-
EPS growth (%)	416.1	nm	nm	14.0
Core P/E (x)	5.8	(34.0)	20.5	18.0
Dividend yield (%)	11.6	-	3.8	4.0
EV/EBITDA (x)	4.3	14.7	7.5	6.6
Price/book (x)	1.5	1.5	1.5	1.4
Net debt/Equity (%)	61.9	69.7	63.2	56.3
ROE (%)	33.8	(4.5)	7.5	8.2

คาด 4Q23 จะขาดทุนลดลง q-q เล็กน้อย

คาดการณ์การดำเนินงาน 4Q23 จะขาดทุนราว -659 ลบ. ดีขึ้นเล็กน้อยจาก -784 ลบ. ใน 3Q23 จากต้นทุนวัตถุดิบที่ลดลง โดยข้าวโพด -11% q-q, -17.5% y-y ส่วนกากถั่วเหลือง +2.3% q-q แต่ -5.6% y-y ทำให้ต้นทุนการเลี้ยงเริ่มปรับลง คาดอัตรากำไรขั้นต้นขยับขึ้น q-q ได้ แต่ด้วยราคาหมูไทยเฉลี่ยที่ยังปรับลง -4.2% q-q, -38.5% y-y และหมูกัมพูชา -15% q-q, -11% y-y ขณะที่สถานการณ์หมูเถื่อนในกัมพูชาเริ่มหนักขึ้น จึงกดดันให้ราคาหมูเดือน ธ.ค. ปรับลงต่ำสุดในรอบ 6 ปีอยู่ที่ KHR6,200 ต่อกก. -20% y-y สภาพภาพ 4Q23 คือ หมูไทยจะขาดทุนน้อยลง แต่คาดหมูกัมพูชาขาดทุนมากขึ้น จบปี 2023 คาดขาดทุนราว 1.3 พันลบ. พลิกจากที่มีกำไร 7.9 พันลบ. ในปี 2022

แนวโน้มหมูไทย 1Q24 ดูดีขึ้น บริษัทส่งสัญญาณว่าพลิกมีกำไรแล้ว

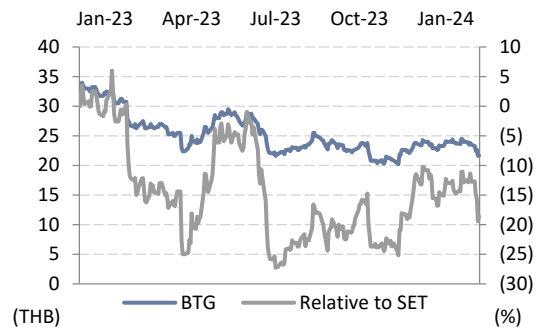
แนวโน้มหมูไทย 1Q24 ดูดีขึ้น น่าจะเริ่มพลิกมีกำไรได้ หลังจากราคาหมูล่าสุดขยับขึ้นแตะ 68-70 บาท/กก. +12.3% q-q ขณะที่ราคาข้าวโพดยังคงต่ำสุดอยู่ที่ 10.1 บาท/กก. -3% q-q แต่ราคากากถั่วเหลืองขยับขึ้น +3.6% q-q บริษัทให้มุมมองเชิงบวกต่อราคาหมูไทยในช่วงถัดไป น่าจะปรับขึ้นได้ต่อเนื่องจากเทศกาลตรุษจีนเป็นหลัก และสถานการณ์หมูเถื่อนที่เริ่มคลี่คลาย ส่วนธุรกิจไก่ส่งออก แม้จะมีปัญหาขนส่งเส้นทาง Red Sea อาจกระทบต่อรายได้ส่งออกไปยุโรปของบริษัท เพราะส่วนใหญ่เป็นการขายแบบ CIF (ราคาขายรวมค่าขนส่ง) แต่คาดผลกระทบจำกัด เพราะมีส่วนรายได้เพียง 4% ของรายได้รวม และเตรียมเจรจาปรับขึ้นราคากับลูกค้า หากสถานการณ์ยืดเยื้อ

แต่สถานการณ์หมูเถื่อนกัมพูชายังคง ล่าสุดราคาหมูต่ำสุดในรอบ 6 ปี

แนวโน้ม 1Q24 อาจฟื้นตัวช้ากว่าที่เคยคาด มีความเป็นไปได้ที่จะยังขาดทุนต่อ หากสถานการณ์หมูเถื่อนในกัมพูชายังคง แม้สัดส่วนรายได้ของหมูกัมพูชา จะคิดเป็นเพียง 3-4% ของรายได้รวม แต่ผลขาดทุนถือว่ามีความสำคัญต่อบริษัทพอสมควร และเริ่มขาดทุนมาในปี 2023 และขาดทุนหนักขึ้นใน 4Q23 เรายังต้องติดตามพัฒนาการหมูเถื่อนกัมพูชาว่าจะแย่งและกินเวลานานคล้ายไทย (ราว 2 ปี) หรือไม่ ถือเป็นประเด็นที่เป็น Downside ต่อประมาณการของเรา

คงประมาณการกำไร แต่มีมุมมองระยะยาวมากขึ้น

เบื้องต้นเรายังคงประมาณผลการดำเนินงานปี 2024 ตามเดิม โดยคาดจะพลิกมีกำไรอีกครั้งที่ระดับ 2.6 พันลบ. และคงราคาเป้าหมายสิ้นปี 2024 ที่ 23 บาท (อิง PE เดิม 17x) แต่เรามองมุมมองระยะยาวมากขึ้นต่อการฟื้นตัวของกำไรที่อาจช้ากว่าคาด เพราะมีปัจจัยลบเพิ่มขึ้นจากปัญหาหมูเถื่อนในกัมพูชา ขณะที่ยังต้องติดตามรอยการฟื้นตัวของราคาเนื้อสัตว์ในไทยต่อไป จึงคงคำแนะนำ ถือ ตามเดิม



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(8.4)	6.4	(34.7)
Relative to country (%)	(5.4)	6.6	(20.3)
Mkt cap (USD m)	1,180		
3m avg. daily turnover (USD m)	1.1		
Free float (%)	37		
Major shareholder	Betagro Holding Company Limited (38%)		
12m high/low (THB)	34.25/20.00		
Issued shares (m)	1,934.80		

Sources: Bloomberg consensus; FSSIA estimates



Sureeporn Teewasuwet

Fundamental Investment Analyst on Securities; License no. 040694
sureeporn.t@fssia.com, +66 2646 9972

Investment thesis

บริษัทถือเป็นผู้ประกอบการธุรกิจอาหารครบวงจรชั้นนำของไทย ครอบคลุมตั้งแต่ต้นน้ำ กลางน้ำ จนถึงปลายน้ำ โดยมีฐานการผลิต และจัดจำหน่ายอยู่ทั่วภูมิภาคของไทย และส่งออกไปยังตลาดต่างประเทศ นอกจากนี้ยังมีฐานการผลิตในประเทศเพื่อนบ้านได้แก่ กัมพูชา ลาว และพม่า

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

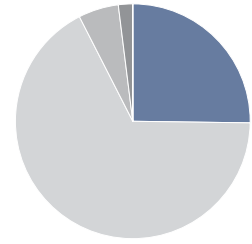
Company profile

BTG ก่อตั้งขึ้นในปี 1967 และจดทะเบียนเข้าตลาดในปี 2022 ถือเป็นผู้นำด้านธุรกิจอุตสาหกรรมเกษตรอย่างครบวงจร เริ่มตั้งแต่ต้นน้ำอย่างอาหารสัตว์บก การทำธุรกิจฟาร์มเลี้ยงหมูและไก่ รวมถึงเวชภัณฑ์และสารเสริมสำหรับสัตว์ ต่อเนื่องไปจนถึงการแปรรูปเนื้อสัตว์ ผลิตอาหารที่มีคุณภาพให้แก่ผู้บริโภค รวมถึงผลิตภัณฑ์สำหรับสัตว์เลี้ยง โดยสิ้นปี 2022 มีสัดส่วนรายได้จาก Food & Protein 67.3% รองมาคือ Agro 25.2%, International 5.5% และ Pets 2% ของรายได้รวม ตามลำดับ

www.betagro.com

Principal activities (revenue, 2022)

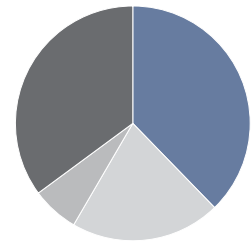
- Agro - 25.2 %
- Food and protein - 67.3 %
- International - 5.5 %
- Pet segment - 2.0 %
- Others - 0.0 %



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) ธุรกิจในตลาดต่างประเทศฟื้นตัว

Risks to our call

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

Event calendar

Date	Event
27 February 2024	4Q23 results announcement
28 February 2024	4Q23 analyst meeting

Key assumptions

	2023E	2024E	2025E
Broiler price-TH (THB)	39.5	41.0	42.0
Swine price-TH (THB)	71.1	72.0	72.0
Swine price-Cambodia (KHR)	8,325	8,500	8,700
Total revenue growth (%)	(3.8)	4.8	4.6
Gross margin (%)	10.1	12.8	13.0
SG&A to sales (%)	11.2	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: 4Q23 earnings preview

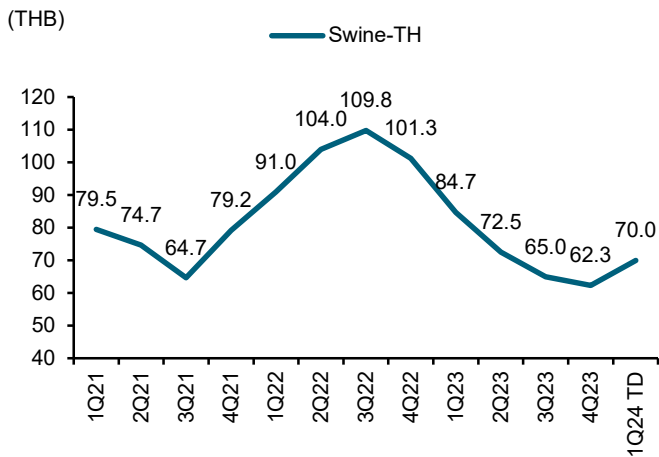
	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23E	----- Change -----	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Sales	25,312	27,973	29,492	29,850	27,736	26,491	27,047	27,302	0.9	(8.5)
Cost of sales	20,771	22,498	23,233	24,393	24,219	23,714	24,836	24,873	0.1	2.0
Gross profit	4,541	5,474	6,259	5,457	3,517	2,777	2,211	2,430	9.9	(55.5)
SG&A	2,895	3,008	3,376	3,315	2,955	3,069	2,932	3,167	8.0	(4.5)
Operating profit	1,807	2,600	3,029	2,340	729	(138)	(604)	(582)	(3.7)	(124.9)
Interest expense	150	152	151	165	146	148	170	170	0.2	2.9
Tax expense	361	373	467	348	196	(18)	23	(43)	(289.9)	(112.4)
Biological gain (loss)	177	(75)	(7)	(5)	(59)	(20)	(23)	0	(100.0)	(100.0)
Other gain (loss)	490	(70)	(19)	(32)	56	(62)	9	0	(100.0)	(100.0)
Reported net profit	1,970	1,869	2,303	1,796	393	(351)	(784)	(687)	nm	nm
Core profit	1,302	2,014	2,329	1,833	395	(268)	(770)	(687)	nm	nm

Key ratios (%)									(ppt)	(ppt)
Gross margin	17.9	19.6	21.2	18.3	12.7	10.5	8.2	8.9	0.7	(9.4)
SG&A to sales	11.4	10.8	11.4	11.1	10.7	11.6	10.8	11.6	0.8	0.5
Operating margin	7.1	9.3	10.3	7.8	2.6	(0.5)	(2.2)	(2.1)	0.1	(10.0)
Net margin	7.8	6.7	7.8	6.0	1.4	(1.3)	(2.9)	(2.5)	0.4	(8.5)
Core margin	5.1	7.2	7.9	6.1	1.4	(1.0)	(2.8)	(2.5)	0.3	(8.7)

Operating statistics										
Broiler price-TH (THB/kg.)	39.0	43.6	47.4	42.6	39.2	43.8	37.0	37.9	2.4	(11.0)
Swine price-TH (THB/kg.)	91.0	104.0	109.8	101.3	84.7	72.5	65.0	62.3	(4.2)	(38.5)
Swine price-Cambodia (KHR/kg.)	11,514	12,732	11,093	8,117	8,068	9,395	8,572	7,265	(15.2)	(10.5)
Corn price-TH (THB/kg.)	11.4	13.1	12.1	12.6	13.3	12.9	11.7	10.4	(10.7)	(17.5)
Soybean meal price-TH (THB/kg.)	21.4	23.1	23.1	23.3	24.0	23.4	21.5	22.0	2.3	(5.6)

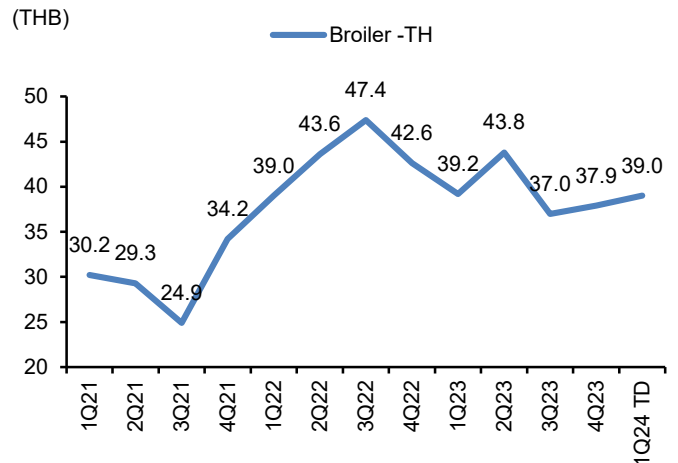
Sources: BTG, FSSIA estimates

Exhibit 2: Domestic swine price



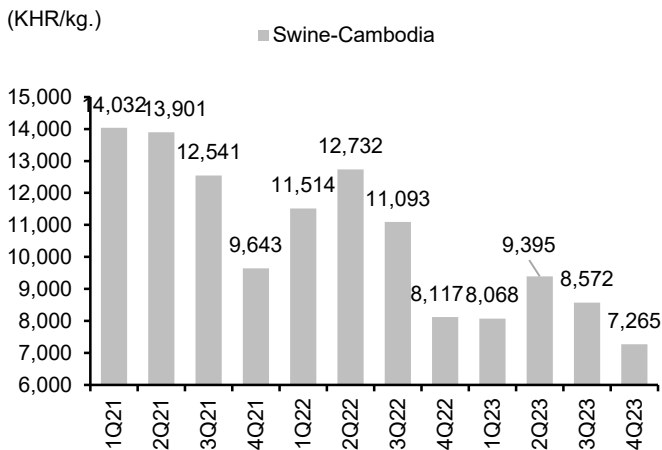
Sources: CPF, FSSIA's compilation

Exhibit 3: Domestic chicken price



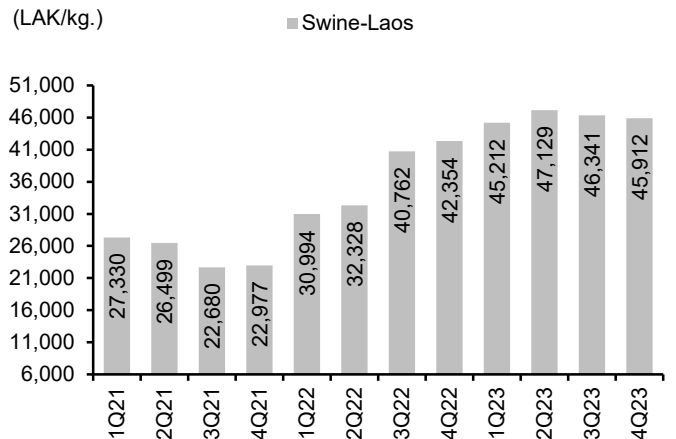
Sources: CPF, FSSIA's compilation

Exhibit 4: Cambodia swine price



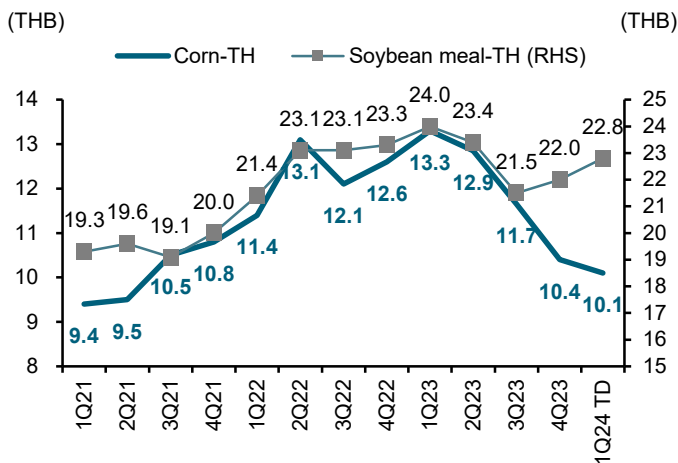
Sources: CPF, FSSIA's compilation

Exhibit 5: Laos swine price



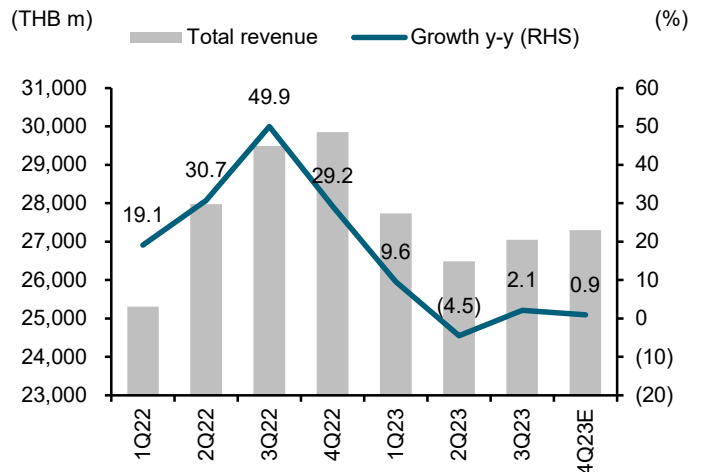
Sources: CPF, FSSIA's compilation

Exhibit 6: Domestic raw material prices



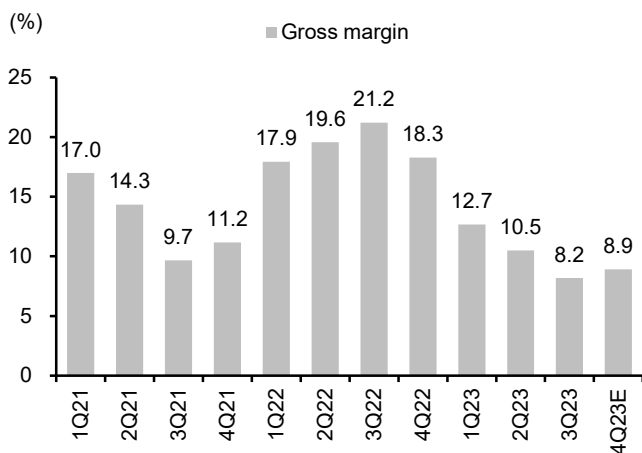
Sources: CPF, OAE, FSSIA's compilation

Exhibit 7: Total revenue and growth



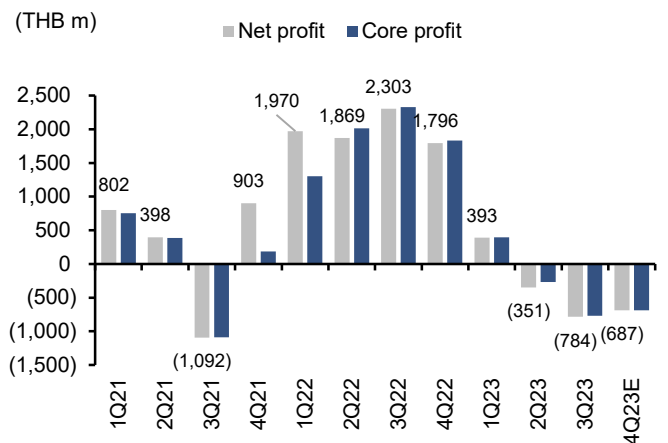
Sources: BTG, FSSIA estimates

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	2021	2022	2023E	2024E	2025E
Revenue	85,424	112,626	108,357	113,597	118,812
Cost of goods sold	(74,260)	(90,894)	(97,413)	(99,057)	(103,367)
Gross profit	11,164	21,731	10,944	14,540	15,446
Other operating income	548	637	621	682	713
Operating costs	(10,914)	(12,594)	(12,136)	(12,382)	(12,951)
Operating EBITDA	4,864	14,018	4,182	8,043	8,861
Depreciation	(4,066)	(4,243)	(4,753)	(5,203)	(5,653)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	798	9,775	(571)	2,840	3,208
Net financing costs	(577)	(619)	(594)	(601)	(562)
Associates	54	37	45	55	58
Recurring non-operating income	54	37	45	55	58
Non-recurring items	771	460	(70)	500	400
Profit before tax	1,047	9,654	(1,189)	2,794	3,104
Tax	(208)	(1,549)	(122)	(344)	(406)
Profit after tax	839	8,104	(1,311)	2,450	2,699
Minority interests	172	(167)	(34)	170	119
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	1,011	7,938	(1,345)	2,621	2,817
Non-recurring items & goodwill (net)	(771)	(460)	70	(500)	(400)
Recurring net profit	239	7,477	(1,275)	2,121	2,417
Per share (THB)					
Recurring EPS *	0.72	3.74	(0.64)	1.06	1.21
Reported EPS	3.06	4.11	(0.70)	1.36	1.46
DPS	24.50	2.52	0.00	0.81	0.88
Diluted shares (used to calculate per share data)	330	2,000	2,000	2,000	2,000
Growth					
Revenue (%)	6.6	31.8	(3.8)	4.8	4.6
Operating EBITDA (%)	(31.4)	188.2	(70.2)	92.3	10.2
Operating EBIT (%)	(74.9)	1,125.0	nm	nm	13.0
Recurring EPS (%)	(90.6)	416.1	nm	nm	14.0
Reported EPS (%)	(61.1)	34.4	nm	nm	7.5
Operating performance					
Gross margin inc. depreciation (%)	13.1	19.3	10.1	12.8	13.0
Gross margin exc. depreciation (%)	17.8	23.1	14.5	17.4	17.8
Operating EBITDA margin (%)	5.7	12.4	3.9	7.1	7.5
Operating EBIT margin (%)	0.9	8.7	(0.5)	2.5	2.7
Net margin (%)	0.3	6.6	(1.2)	1.9	2.0
Effective tax rate (%)	19.9	16.0	(10.2)	12.3	13.1
Dividend payout on recurring profit (%)	3,382.1	67.4	-	76.9	72.5
Interest cover (X)	1.5	15.9	(0.9)	4.8	5.8
Inventory days	65.3	60.7	60.5	62.8	62.1
Debtor days	21.6	18.4	20.1	19.5	19.6
Creditor days	24.6	23.2	24.9	26.2	25.9
Operating ROIC (%)	1.6	18.1	(1.0)	5.1	5.8
ROIC (%)	1.5	16.1	(0.9)	4.7	5.3
ROE (%)	1.5	33.8	(4.5)	7.5	8.2
ROA (%)	1.0	13.3	(1.2)	3.9	4.4
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
	2021	2022	2023E	2024E	2025E
Agro	24,795	28,403	28,766	30,098	31,495
Food and protein	54,171	75,758	71,201	74,510	77,725
International	4,881	6,236	6,004	6,242	6,428
Pet segment	1,491	2,211	2,322	2,681	3,097

Sources: Betagro; FSSIA estimates

Financial Statements

Betagro

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	239	7,477	(1,275)	2,121	2,417
Depreciation	4,066	4,243	4,753	5,203	5,653
Associates & minorities	(373)	362	(99)	(50)	(53)
Other non-cash items	(522)	91	(104)	0	0
Change in working capital	(1,047)	(1,479)	125	(707)	(960)
Cash flow from operations	2,363	10,694	3,400	6,567	7,058
Capex - maintenance	(5,511)	(5,576)	(4,560)	(4,500)	(4,500)
Capex - new investment	0	0	0	0	0
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	4,201	1,436	300	537	381
Cash flow from investing	(1,310)	(4,140)	(4,259)	(3,963)	(4,119)
Dividends paid	(1,257)	(11,250)	0	(1,572)	(1,690)
Equity finance	4,500	16,929	0	0	0
Debt finance	8,881	(3,487)	(2,016)	(1,724)	(1,293)
Other financing cash flows	(14,586)	81	(704)	105	104
Cash flow from financing	(2,462)	2,274	(2,720)	(3,192)	(2,879)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	1,348	0	0	0	0
Net other adjustments	1,348	(3,430)	0	0	0
Movement in cash	(61)	5,398	(3,580)	(587)	59
Free cash flow to firm (FCFF)	1,630.08	7,173.00	(266.20)	3,205.04	3,500.28
Free cash flow to equity (FCFE)	(3,303.76)	(281.29)	(3,579.55)	985.27	1,749.79

Per share (THB)

FCFF per share	0.84	3.71	(0.14)	1.66	1.81
FCFE per share	(1.71)	(0.15)	(1.85)	0.51	0.90
Recurring cash flow per share	10.34	6.31	1.70	3.77	4.16

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	47,575	49,403	50,791	51,171	51,144
Less: Accumulated depreciation	(24,662)	(26,031)	(27,072)	(28,155)	(29,281)
Tangible fixed assets (net)	22,913	23,372	23,719	23,016	21,863
Intangible fixed assets (net)	955	882	882	882	882
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	1,452	1,346	1,347	1,347	1,347
Cash & equivalents	542	5,940	2,361	1,774	1,833
A/C receivable	6,029	6,652	6,587	6,906	7,223
Inventories	14,111	14,711	16,013	16,283	16,992
Other current assets	7,775	9,477	8,669	9,088	9,505
Current assets	28,457	36,781	33,630	34,051	35,553
Other assets	3,697	2,852	2,712	2,730	2,807
Total assets	57,475	65,234	62,289	62,025	62,451
Common equity	15,759	28,502	27,697	28,746	29,873
Minorities etc.	(237)	163	108	114	119
Total shareholders' equity	15,522	28,664	27,806	28,859	29,991
Long term debt	10,606	8,064	7,064	6,064	5,064
Other long-term liabilities	2,789	2,871	2,167	2,272	2,376
Long-term liabilities	13,395	10,934	9,231	8,336	7,440
A/C payable	8,276	9,852	10,465	10,761	11,238
Short term debt	19,984	15,615	14,680	13,956	13,663
Other current liabilities	298	168	108	114	119
Current liabilities	28,558	25,636	25,253	24,830	25,020
Total liabilities and shareholders' equity	57,475	65,234	62,289	62,025	62,451
Net working capital	19,341	20,821	20,696	21,403	22,363
Invested capital	48,360	49,274	49,356	49,377	49,261

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

Per share (THB)

Book value per share	47.75	14.77	14.36	14.90	15.48
Tangible book value per share	44.86	14.32	13.90	14.44	15.03

Financial strength

Net debt/equity (%)	193.6	61.9	69.7	63.2	56.3
Net debt/total assets (%)	52.3	27.2	31.1	29.4	27.1
Current ratio (x)	1.0	1.4	1.3	1.4	1.4
CF interest cover (x)	(4.7)	0.5	(5.0)	2.6	4.1

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	30.0	5.8	(34.0)	20.5	18.0
Recurring P/E @ target price (x) *	31.8	6.2	(36.1)	21.7	19.0
Reported P/E (x)	7.1	5.3	(31.1)	16.0	14.9
Dividend yield (%)	112.9	11.6	-	3.8	4.0
Price/book (x)	0.5	1.5	1.5	1.5	1.4
Price/tangible book (x)	0.5	1.5	1.6	1.5	1.4
EV/EBITDA (x) **	7.6	4.3	14.7	7.5	6.6
EV/EBITDA @ target price (x) **	7.7	4.4	15.3	7.8	6.9
EV/invested capital (x)	0.8	1.2	1.2	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 THSI inclusion , 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. SETTHSI Index 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.																											
CG Score 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%).																											
AGM level 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&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.																											
Thai CAC 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.																											
Morningstar Sustainalytics	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 & 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+																	
NEGL	Low	Medium	High	Severe																									
0-10	10-20	20-30	30-40	40+																									
ESG Book	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.																											
MSCI	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="0" style="margin-left: 20px;"> <tr> <td style="padding-right: 10px;">AAA</td> <td style="padding-right: 10px;">8.571-10.000</td> <td style="padding-right: 10px;">Leader:</td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td>Average:</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>BB</td> <td>2.857-4.285</td> <td></td> <td></td> </tr> <tr> <td>B</td> <td>1.429-2.856</td> <td></td> <td></td> </tr> <tr> <td>CCC</td> <td>0.000-1.428</td> <td>Laggard:</td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570			A	5.714-7.142			BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285			B	1.429-2.856			CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities																										
AA	7.143-8.570																												
A	5.714-7.142																												
BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers																										
BB	2.857-4.285																												
B	1.429-2.856																												
CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks																										
Moody's ESG solutions	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.																												
Refinitiv ESG rating	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; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																												
S&P Global	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.																												
Bloomberg	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

Sureeporn Teewasuwet FSS International Investment Advisory Securities Co., Ltd

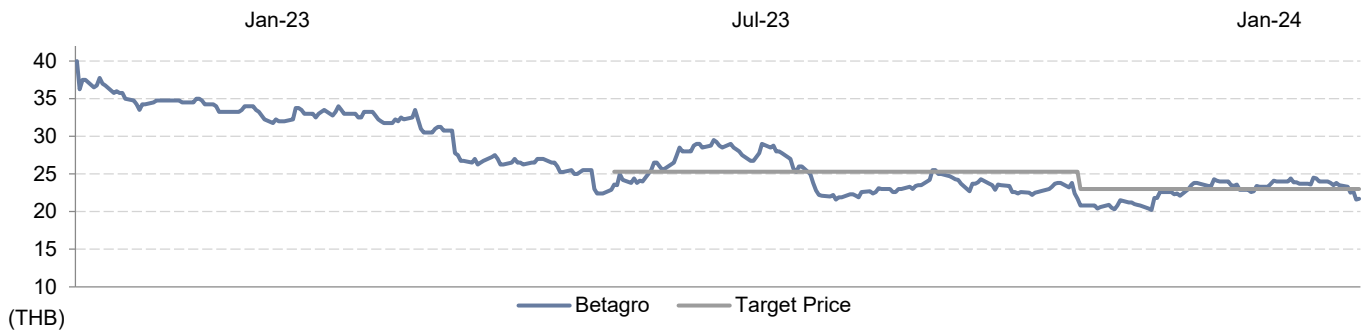
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

This report has been prepared by FSS International Investment Advisory Securities Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSSIA makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSSIA has no intention to solicit investors to buy or sell any security in this report. In addition, FSSIA 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

Betagro (BTG TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
08-May-2023	BUY	25.30	15-May-2023	HOLD	25.30	19-Oct-2023	HOLD	23.00

Sureeporn 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	HOLD	Downside and upside risks to our PE-based TP include 1) a slower or faster-than-expected consumption recovery; 2) a potential rise or fall in meat and raw material prices; and 3) a stronger or weaker-than-expected THB against USD.

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 26-Jan-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.