

BETAGRO BTG TB

THAILAND / FOOD & BEVERAGE

BUY

FROM HOLD

แนวโน้ม 1Q24 อาจพลิกมีกำไรเร็วกว่าคาด

TARGET PRICE	THB25.00
CLOSE	THB22.50
UP/DOWNSIDE	+11.1%
PRIOR TP	THB23.00
CHANGE IN TP	+8.7%
TP vs CONSENSUS	+5.0%

- คาดหวังผลการดำเนินงาน 1Q24 พลิกมีกำไรได้เร็วกว่าคาด แม้อากาศหมุ้งฝนซ้ำ
- แต่ผู้บริหารยังมองราคาหมู 2H24 ปรับขึ้นเป็น 70-75 บาท หลังอุตสาหกรรมร่วมมือกันลดปริมาณหมูขุนในระบบ
- ปรับเพิ่มกำไรและเป้าหมายขึ้นเป็น 25 บาท และปรับคำแนะนำขึ้นเป็น ชื้อ

เรามีมุมมองเชิงบวกจากประชุมวานนี้ หลังแนวโน้ม 1Q24 ดูดีกว่าคาด

เรามีมุมมองเชิงบวกต่อจากประชุมนักวิเคราะห์วานนี้ (28 ก.พ.) โดยผู้บริหารให้วิว่าผลการดำเนินงานของ 1Q24 เริ่มฟื้นตัวอย่างมีนัยสำคัญ แม้อากาศหมุ้งฝนซ้ำราคาล่าสุด 1QTD อยู่ที่ 64-66 บาท/กก. (+3%-6% q-q) ถือว่าซ้ากว่ามุมมองของผู้ประกอบการที่คาดว่าจะปรับขึ้นได้ในช่วงตรุษจีน และหลังหมูเถื่อนคลี่คลาย แต่ด้วยต้นทุนวัตถุดิบอาหารสัตว์ที่ทยอยปรับลง หลังใช้สต็อกแพงหมดไป กอปรกับราคาไก่ปรับขึ้นได้ดีอยู่ที่ 40 บาท/กก. (+5.5% q-q, -6% y-y) จากการส่งออกไก่ที่ฟื้นตัว รวมถึงการฟื้นตัวของธุรกิจอื่นๆของบริษัท เชื่อว่าจะสามารถหักล้างผลขาดทุนของหมูก็มพูซาได้ เบื้องต้นคาด 1Q24 ลุ้นพลิกมีกำไรได้อีกครั้ง และอาจเร็วสุดในกลุ่มหมู

ผู้บริหารยังให้วิวราคาหมูฟื้นแรงใน 2H24

ผู้บริหารตั้งเป้ารายได้ปี 2024 เติบโต 5-10% y-y มาจากปริมาณขายโต 4-7% y-y และราคาขายเพิ่มขึ้นเล็กน้อย 1-2% y-y และตั้งเป้าอัตรากำไรขั้นต้นขยับขึ้นเป็น 13-15% จากที่ทำได้เพียง 10% ในปี 2023 ผู้บริหารยังมองบวกต่อแนวโน้มราคาหมูไทยใน 2H24 ภายหลังจากสมาคมขอความร่วมมือผู้ประกอบการเลี้ยงหมู (ที่มีขนาด 2,000 ตัวขึ้นไป) ทยอยลดปริมาณหมูขุนทั้งระบบราว 5,000 ตัวต่อวัน เป็นเวลา 90 วัน (เริ่มมี.ค.) รวม 4.5 แสนตัว คิดเป็น 2.5% ของปริมาณหมูขุนทั่วประเทศ คาดจะเริ่มเห็นผลในอีก 6 เดือนข้างหน้า หรือราว 3Q24 ซึ่งผู้บริหารมองราคาหมูในช่วง 2H24 อาจขยับขึ้นไปราว 70-75 บาท/กก. กอปรกับคาดหวังภาพรวมกำลังซื้อฟื้นตัวได้มากขึ้น

คาด 1Q24 พลิกมีกำไรครั้งแรกในรอบ 4 ไตรมาส

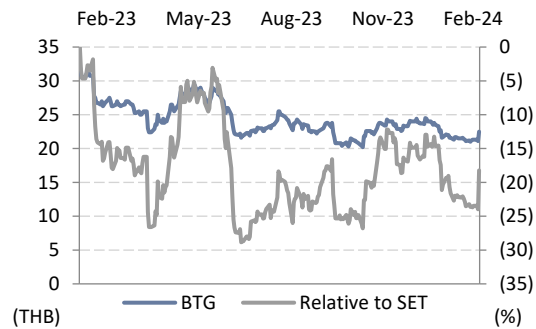
เราปรับเพิ่มประมาณการกำไรสุทธิปี 2024-25 ขึ้น 3-10% เป็น 2.75 พันลบ. (พลิกจากที่ขาดทุน -1.39 พันลบ. ในปี 2023) และ 3.16 พันลบ. (+14.7% y-y) เพื่อสะท้อนราคาวัตถุดิบที่ปรับลงกว่าคาด โดยเฉพาะราคาข้าวโพด เราปรับลงเป็น 10 บาท/กก. จากเดิม 11.5 บาท/กก. จึงปรับเพิ่มอัตรากำไรขั้นต้นขึ้นเป็น 13.5% ในปี 2024 จากเดิม 12.8% ขณะที่คงสมมติฐานราคาเนื้อสัตว์ตามเดิม และคาดว่าผลการดำเนินงาน 1Q24 จะต้องพลิกมีกำไรอีกครั้ง เป็นมุมมองดีขึ้นกว่าเดิมที่คาดว่าจะขาดทุนอยู่

ปรับคำแนะนำขึ้นเป็น ชื้อ ด้วยราคาเป้าหมายใหม่ที่ 25 บาท

ปรับเพิ่มราคาเป้าหมายปี 2024 ขึ้นเป็น 25 บาท จากเดิม 23 บาท โดยอิง P/E ที่ 17x ตามเดิม ขณะที่สภาพคล่องดูดีที่สุดในกลุ่มหมู สิ้นปี 2023 มี D/E ratio และ IBD/E ratio เท่ากับ 1.29x และ 0.79x ตามลำดับ (ไม่รวมหนี้สินสัญญาเช่า) และบริษัทประกาศจ่ายปันผลงวดปี 2023 หุ้นละ 0.25 บาท คิดเป็น Yield 1.1% จึงปรับคำแนะนำขึ้นเป็น ชื้อ

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 (%)	-	nm	55.3	626.9
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	29.8	30.6	nm
EPS growth (%)	nm	nm	14.7	15.8
Core P/E (x)	(34.3)	16.3	14.2	12.3
Dividend yield (%)	1.1	2.5	2.9	3.4
EV/EBITDA (x)	15.4	7.3	6.3	5.6
Price/book (x)	1.7	1.6	1.5	1.4
Net debt/Equity (%)	90.9	71.0	56.9	48.2
ROE (%)	(4.9)	10.6	11.4	12.1



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	3.7	(4.3)	(32.8)
Relative to country (%)	2.6	(2.9)	(21.2)
Mkt cap (USD m)	1,207		
3m avg. daily turnover (USD m)	1.0		
Free float (%)	37		
Major shareholder	Betagro Holding Company Limited (38%)		
12m high/low (THB)	33.50/20.00		
Issued shares (m)	1,934.80		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

บริษัทถือเป็นผู้ประกอบการธุรกิจอาหารครบวงจรชั้นนำของไทย ครอบคลุมตั้งแต่ต้นน้ำ กลางน้ำ จนถึงปลายน้ำ โดยมีฐานการผลิต และจัดจำหน่ายอยู่ทั่วภูมิภาคของไทย และส่งออกไปยังตลาด ต่างประเทศ นอกจากนี้ยังมีฐานการผลิตในประเทศเพื่อนบ้านได้แก่ กัมพูชา ลาว และพม่า

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

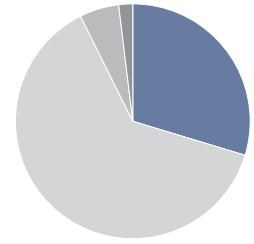
Company profile

BTG ก่อตั้งขึ้นในปี 1967 และจดทะเบียนเข้าตลาดในปี 2022 ถือเป็น ผู้ดำเนินธุรกิจอุตสาหกรรมเกษตรอย่างครบวงจร เริ่มตั้งแต่ต้นน้ำอย่างอาหารสัตว์บก การทำธุรกิจฟาร์มเลี้ยงหมูและไก่ รวมถึงเวชภัณฑ์และสารเสริมสำหรับสัตว์ ต่อเนื่องไปจนถึงการแปรรูป เนื้อสัตว์ ผลิตภัณฑ์ที่มีคุณภาพให้แก่ผู้บริโภค รวมถึงผลิตภัณฑ์ สำหรับสัตว์เลี้ยง โดยสิ้นปี 2023 มีสัดส่วนรายได้จาก Food & Protein 63% รองมาคือ Agro 30%, International 5% และ Pets 2% ของรายได้รวม ตามลำดับ

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Principal activities (revenue, 2023)

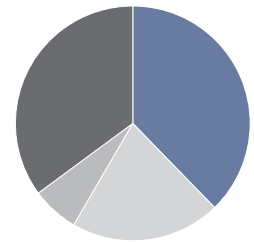
- Agro - 29.7 %
- Food and protein - 63.0 %
- International - 5.4 %
- Pet segment - 1.9 %



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) การเติบโตของปริมาณขาย ตามกำลังซื้อและการท่องเที่ยวที่ฟื้นตัว 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
May 2024	1Q24 results announcement

Key assumptions

	2024E	2025E	2024E
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 - 4Q23 results earnings

	4Q22	1Q23	2Q23	3Q23	4Q23	Change		2022	2023	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Sales	29,850	27,736	26,491	27,047	27,365	1.2	(8.3)	112,626	108,638	(3.5)
Cost of sales	24,393	24,219	23,714	24,836	25,032	0.8	2.6	90,894	97,800	7.6
Gross profit	5,457	3,517	2,777	2,211	2,333	5.5	(57.3)	21,731	10,838	(50.1)
SG&A	3,315	2,955	3,069	2,932	2,623	(10.6)	(20.9)	12,594	11,579	(8.1)
Operating profit	2,340	729	(138)	(604)	(235)	(61.1)	(110.0)	9,775	(248)	nm
Interest expense	165	146	148	170	209	22.9	26.3	619	673	8.7
Tax expense	348	196	(18)	23	256	1023.3	(26.4)	1,549	457	(70.5)
Biological gain (loss)	(5)	(59)	(20)	(23)	14	(160.0)	(384.8)	91	(88)	nm
Other gain (loss)	(32)	56	(62)	9	(2)	(125.7)	(92.7)	369	1	nm
Reported net profit	1,796	393	(351)	(784)	(656)	nm	nm	7,938	(1,398)	nm
Core profit	1,833	395	(268)	(770)	(668)	nm	nm	7,477	(1,310)	nm
Key ratios (%)						(ppt)	(ppt)			
Gross margin	18.3	12.7	10.5	8.2	8.5	0.3	(9.8)	19.3	10.0	(9.3)
SG&A to sales	11.1	10.7	11.6	10.8	9.6	(1.3)	(1.5)	11.2	10.7	(0.5)
Operating margin	7.8	2.6	(0.5)	(2.2)	(0.9)	1.4	(8.7)	8.7	(0.2)	(8.9)
Net margin	6.0	1.4	(1.3)	(2.9)	(2.4)	0.5	(8.4)	7.0	(1.3)	(8.3)
Core margin	6.1	1.4	(1.0)	(2.8)	(2.4)	0.4	(8.6)	6.6	(1.2)	(7.8)
Operating statistics										
Broiler price-TH (THB/kg.)	42.6	39.2	43.8	36.6	37.9	3.6	(11.0)	42.8	39.4	(7.9)
Swine price-TH (THB/kg.)	101.3	84.7	72.5	62.7	62.3	(0.6)	(38.5)	99.1	70.5	(28.9)
Swine price-Cambodia (KHR/kg.)	8,117	8,068	9,395	8,572	7,237	(15.6)	(10.8)	10,864	8,318	(23.4)
Corn price-TH (THB/kg.)	12.6	13.3	12.9	11.7	10.4	(10.7)	(17.5)	12.3	12.1	(1.7)
Soybean meal price-TH (THB/kg.)	23.3	24.0	23.4	21.5	22.0	2.3	(5.6)	22.5	22.7	1.0

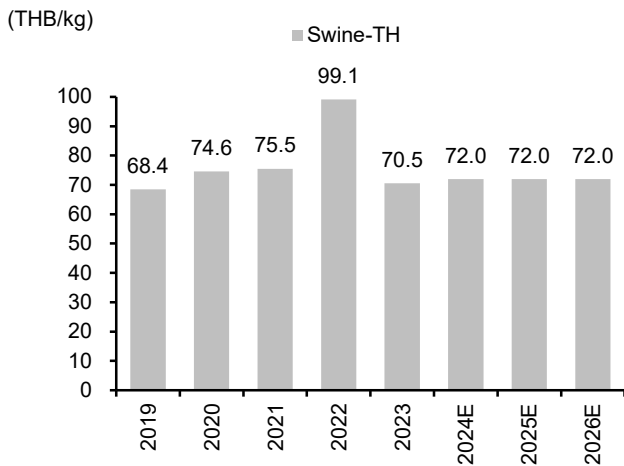
Source: BTG

Exhibit 2: Changes in key assumptions for BTG

	Current			Previous			Change			
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)	
Total revenue	113,631	118,932	124,607	113,597	118,812	123,987	0.0	0.1	0.5	
Cost of sales	98,291	102,615	107,162	99,057	103,367	107,249	(0.8)	(0.7)	(0.1)	
Gross profit	15,340	16,317	17,445	14,540	15,446	16,738	5.5	5.6	4.2	
SG&A expenses	12,386	12,964	13,582	12,382	12,951	13,515	0.0	0.1	0.5	
Operating profit	3,636	4,067	4,610	2,840	3,208	3,968	28.0	26.8	16.2	
Interest expense	712	611	580	539	500	476	32.2	22.2	22.0	
Reported net profit	2,752	3,158	3,656	2,673	2,870	3,543	3.0	10.0	3.2	
Core profit	2,752	3,158	3,656	2,173	2,470	3,543	26.7	27.9	3.2	
Key ratios (%)										
Gross margin	13.5	13.7	14.0	12.8	13.0	13.5	0.7	0.7	0.5	
SG&A to sales	10.9	10.9	10.9	10.9	10.9	10.9	0.0	0.0	0.0	
Operating margin	3.2	3.4	3.7	2.5	2.7	3.2	0.7	0.7	0.5	
Net margin	2.4	2.7	2.9	2.4	2.4	2.9	0.1	0.2	0.1	
Core margin	2.4	2.7	2.9	1.9	2.1	2.9	0.5	0.6	0.1	
Key assumptions										
Broiler price-TH (THB/kg.)	41.0	42.0	43.0	41.0	42.0	43.0	0.0	0.0	0.0	
Swine price-TH (THB/kg.)	72.0	72.0	72.0	72.0	72.0	72.0	0.0	0.0	0.0	
Swine price-Cambodia (KHR/kg.)	8,000	8,200	8,500	8,500	8,700	8,900	(5.9)	(5.7)	(4.5)	
Corn price-TH (THB/kg.)	10.0	10.0	10.0	11.5	11.0	10.5	(13.0)	(9.1)	(4.8)	
Soybean meal price-TH (THB/kg.)	20.5	20.0	19.0	21.0	20.0	19.0	(2.4)	0.0	0.0	

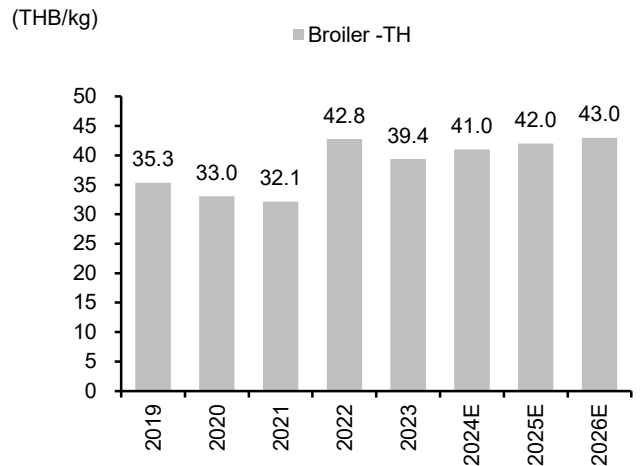
Source: FSSIA estimates

Exhibit 3: Domestic swine price



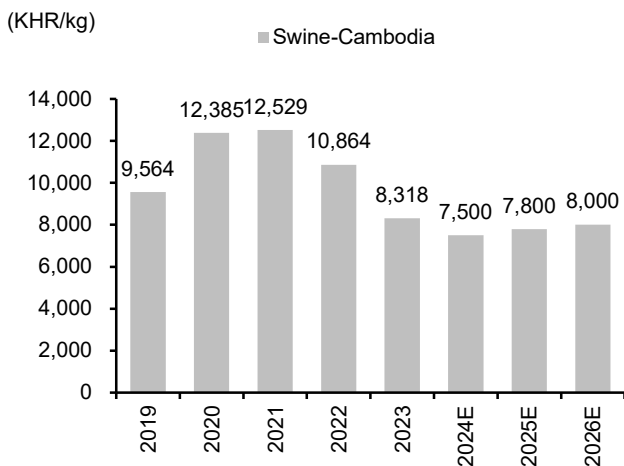
Sources: CPF, FSSIA estimates

Exhibit 4: Domestic chicken price



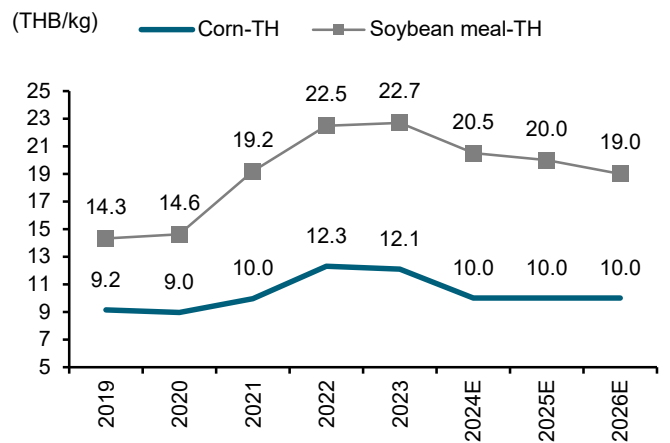
Sources: CPF, FSSIA estimates

Exhibit 5: Cambodian swine price



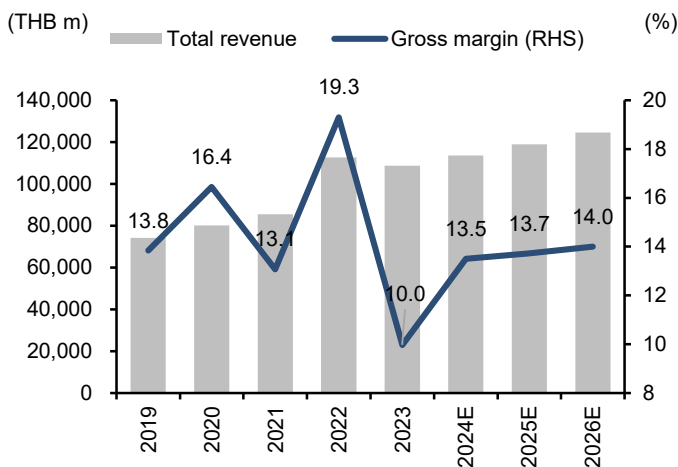
Sources: CPF, FSSIA estimates

Exhibit 6: Domestic raw material prices



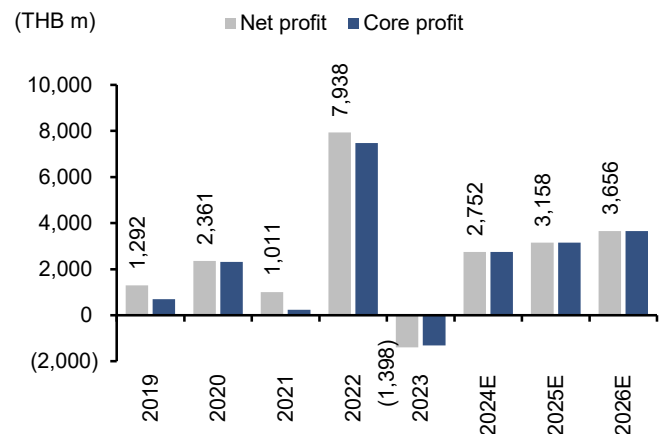
Sources: CPF, OAE, FSSIA's compilation

Exhibit 7: Total revenue and gross margin



Sources: BTG, FSSIA estimates

Exhibit 8: 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)
Gross profit	21,731	10,838	15,340	16,317	17,445
Other operating income	637	493	682	714	748
Operating costs	(12,594)	(11,579)	(12,386)	(12,964)	(13,582)
Operating EBITDA	14,018	4,319	8,654	9,535	10,528
Depreciation	(4,243)	(4,568)	(5,018)	(5,468)	(5,918)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	9,775	(248)	3,636	4,067	4,610
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
Profit before tax	9,654	(906)	3,038	3,576	4,155
Tax	(1,549)	(457)	(456)	(536)	(623)
Profit after tax	8,104	(1,364)	2,582	3,039	3,532
Minority interests	(167)	(35)	170	119	125
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	7,938	(1,398)	2,752	3,158	3,656
Non-recurring items & goodwill (net)	(460)	88	0	0	0
Recurring net profit	7,477	(1,310)	2,752	3,158	3,656
Per share (THB)					
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
Growth					
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
Operating performance					
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

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
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)
Cash flow from operations	10,694	4,353	9,848	7,839	8,243
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)
Cash flow from investing	(4,140)	(7,823)	(4,254)	(3,939)	(5,684)
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
Cash flow from financing	2,274	(910)	(5,455)	(4,137)	(2,248)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	(3,430)	0	0	0	0
Movement in cash	5,398	(4,380)	139	(238)	312
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)
Tangible fixed assets (net)	23,372	26,345	25,827	24,859	23,442
Intangible fixed assets (net)	882	786	786	786	786
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
Current assets	36,781	30,726	30,384	31,334	33,401
Other assets	2,852	3,190	3,136	2,689	4,492
Total assets	65,234	62,501	61,595	61,134	63,593
Common equity	28,502	25,134	26,872	28,766	31,460
Minorities etc.	163	178	227	238	249
Total shareholders' equity	28,664	25,312	27,099	29,004	31,709
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
Long-term liabilities	10,934	12,694	9,962	9,068	8,303
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
Current liabilities	25,636	24,494	24,534	23,062	23,580
Total liabilities and shareholders' equity	65,234	62,501	61,595	61,134	63,593
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
Recurring P/E (x) *	6.0	(34.3)	16.3	14.2	12.3
Recurring P/E @ target price (x) *	6.7	(38.2)	18.2	15.8	13.7
Reported P/E (x)	5.5	(31.0)	15.8	13.7	11.9
Dividend yield (%)	11.2	1.1	2.5	2.9	3.4
Price/book (x)	1.5	1.7	1.6	1.5	1.4
Price/tangible book (x)	1.6	1.8	1.7	1.6	1.4
EV/EBITDA (x) **	4.4	15.4	7.3	6.3	5.6
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	1.3	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 (60-69), 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. 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.	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="vertical-align: top;"> AAA 8.571-10.000 AA 7.143-8.570 A 5.714-7.142 BBB 4.286-5.713 BB 2.857-4.285 B 1.429-2.856 CCC 0.000-1.428 </td> <td style="vertical-align: top; padding-left: 10px;"> Leader: leading its industry in managing the most significant ESG risks and opportunities Average: a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers Laggard: lagging its industry based on its high exposure and failure to manage significant ESG risks </td> </tr> </table>	AAA 8.571-10.000 AA 7.143-8.570 A 5.714-7.142 BBB 4.286-5.713 BB 2.857-4.285 B 1.429-2.856 CCC 0.000-1.428	Leader: leading its industry in managing the most significant ESG risks and opportunities Average: a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers Laggard: lagging its industry based on its high exposure and failure to manage significant ESG risks									
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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

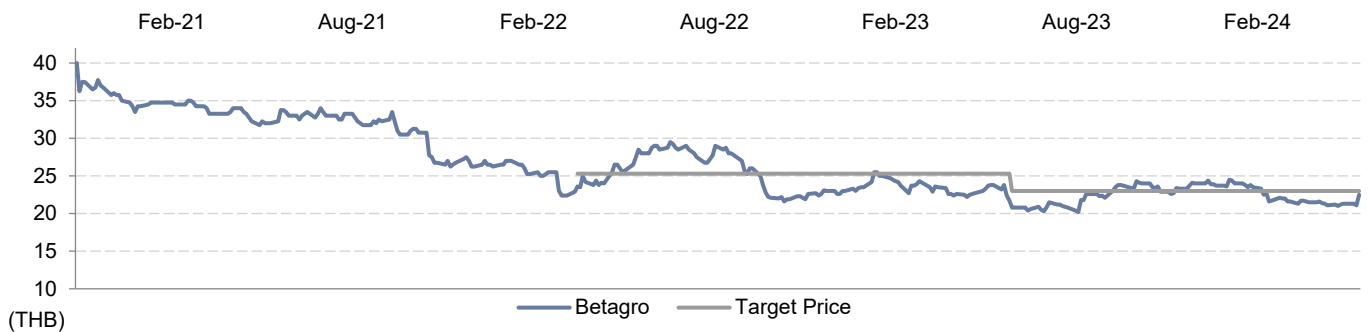
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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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	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 22.50	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 28-Feb-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.