

BETAGRO BTG TB

THAILAND / FOOD & BEVERAGE

BUY

UNCHANGED

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

Bet on delayed profit turnaround in 2Q24

- The loss may extend in 1Q24 for the fourth straight quarter, implying a slower-than-expected recovery.
- Swine prices, however, increased in April and have surpassed production costs. Hence, we could still bet on a profit turnaround in 2Q24.
- Maintain our profit forecast and a BUY call at our TP of THB25.

The loss may continue in 1Q24, missing our previous profit forecast

We expect BTG to post a continued loss in 1Q24, the fourth in a row, at THB128m, missing our previous forecast for a profit turnaround, the first in the sector, due to a slow recovery in Thai swine prices. In 1Q24, the average swine price was THB62.5/kg. (flat q-q, -26% y-y), lower than their raising costs of THB64-65. Also, BTG should suffer a loss from its swine unit in Cambodia due to illegal pork problems. However, it should report a lower loss from its core operation in 1Q24 from 4Q23 due to improved sales volume in all units, including swine, broilers, ready-to-eat, and pet food. Also, feed costs gradually decreased after BTG had depleted its high-priced inventory. Therefore, we expect 1Q24 revenue to ease 1.2% q-q and the double-digit gross margin to return at 10.7% from 8.5% in 4Q23.

Swine prices recovered in April and have surpassed farming costs

Swine prices increased 5.6% q-q to THB66/kg. in April. BTG believes it was due mainly to 1) an improved illegal pork situation and 2) the impact of an industry-wide piglet supply cut. We expect Thai swine prices to extend gain in 2H24, in tandem with a rise in the published ex-farm swine price of the Swine Raisers Association of Thailand. The current market prices are higher than raising costs, which have decreased to THB63-64/kg. in 2Q24. Meanwhile, BTG disclosed that the illegal pork problems in Cambodia also eased, and the unit has turned profitable since March. Hence, we expect a profit turnaround from its core operation in 2Q24.

Maintain 2024E profit despite a slow recovery in 1Q24

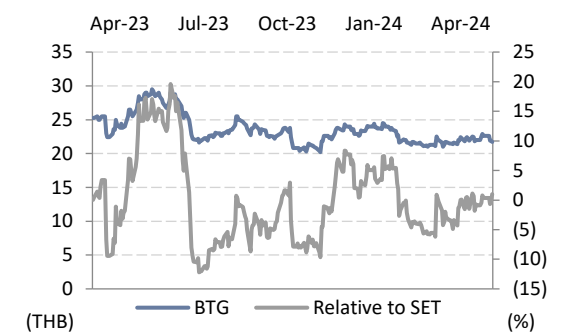
Although recovery may come slower than expected in 1Q24, if Thai swine price rallies continue, it could help support a sharp earnings recovery in the remainder of this year. Also, we maintain our bullish view of the 2H24 growth, that it will be brighter than 1H24. As a result, we retain our 2024 estimate for a turnaround to a profit of THB2.75b from the THB1.4b loss in 2023, assuming an average swine price of THB72/kg., and broiler price of THB41/kg. Also, we anticipate 2024 revenue growth of 4.6% y-y and a gross margin of 13.5%, slightly lower than the guidance of 5-10% y-y and 13-15%, respectively.

Retain a BUY call at the same TP of THB25

We reaffirm our TP of THB25 (PE 17x, unchanged). We maintain our bullish view of the profit outlook from 2Q24 onwards from swine price recoveries. Also, the liquidity is the highest in the swine sector. At the end of 2023, BTG had a D/E ratio and IBD/E ratio of 1.29x and 0.79x, respectively, excluding operating leases. The stock currently offers a 15% upside. We keep our BUY call unchanged.

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



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 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

BTG operates a fully integrated food business covering the entire production chain from upstream, mid-stream to downstream. Its production and distribution bases are located in every region of Thailand, and it exports its products to overseas markets. BTG also produces in neighbouring countries such as Cambodia, Laos, and Myanmar.

The company has diversified to six distribution channels which consist of Betagro branches, modern trade, traditional trade, food services, industrial customers (OEM business), and the export market (more than 20 countries). The company has strong brand recognition under the well-known BETAGRO brand, S-Pure for hygienic fresh meat, Perfecta, etc.

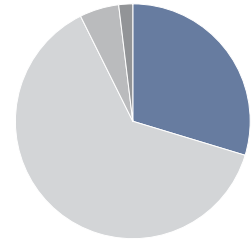
Company profile

Established in 1967 and listed on the SET in 2022, BTG operates a full range of agro-industry businesses from upstream animal feed, pig and chicken farms, animal health products and supplements, meat processing, and food production to pet products. At the end of 2023, BTG generated revenue from Food & Protein (63% of total revenue), followed by Agro (30%), International (5%) and Pets (2%).

www.betagro.com

Principal activities (revenue, 2023)

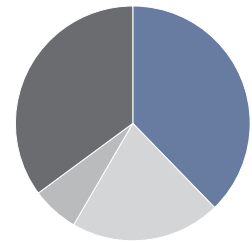
- Agro - 29.7 %
- Food and protein - 63.0 %
- International - 5.4 %
- Pet segment - 1.9 %



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

Potential catalysts for BTG’s 2024 earning growth are 1) sales volume growth in line with purchasing power and tourism recovery, 2) meat price increases, 3) flat or declining feed costs, and 4) an international business recovery.

Risks to our call

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.

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

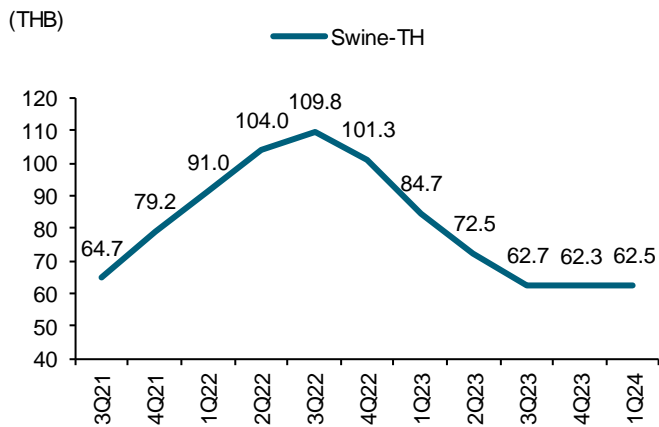
	1Q23	2Q23	3Q23	4Q23	1Q24E	---- Change ----		2023	2024E	Change	% 1Q24E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	to 2024E
Sales	27,736	26,491	27,047	27,365	27,042	(1.2)	(2.5)	108,638	113,631	4.6	23.8
Cost of sales	24,219	23,714	24,836	25,032	24,149	(3.5)	(0.3)	97,800	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)

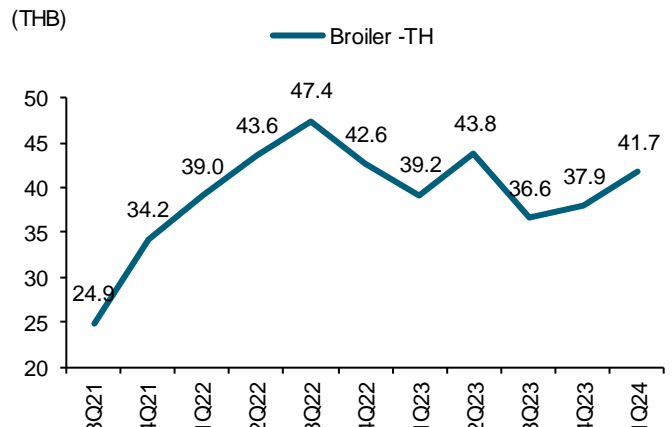
Sources: BTG, FSSIA estimates

Exhibit 2: Domestic swine price



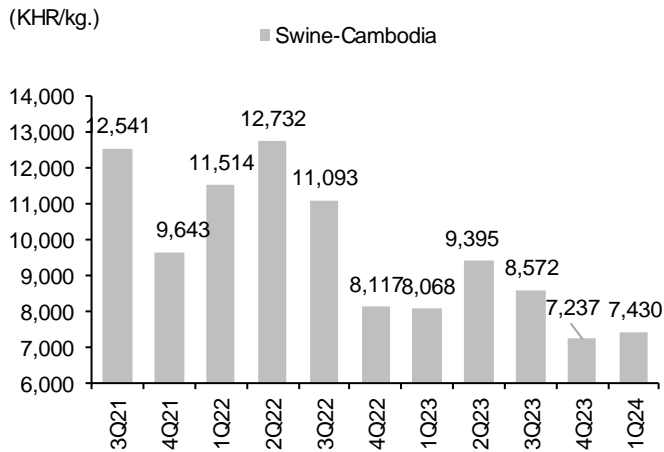
Sources: CPF, FSSIA's compilation

Exhibit 3: Domestic chicken price



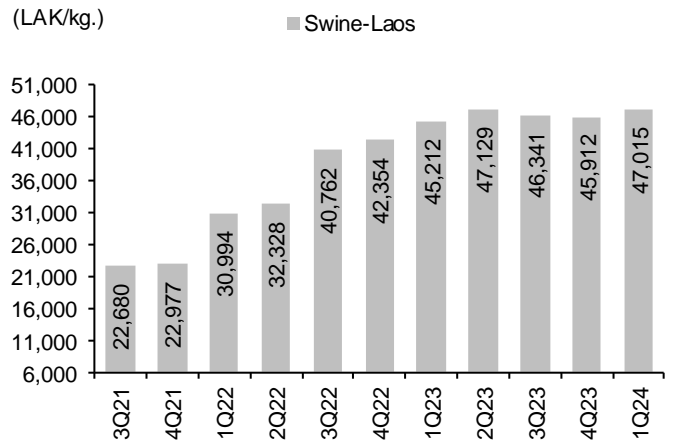
Sources: CPF, FSSIA's compilation

Exhibit 4: Cambodia swine price



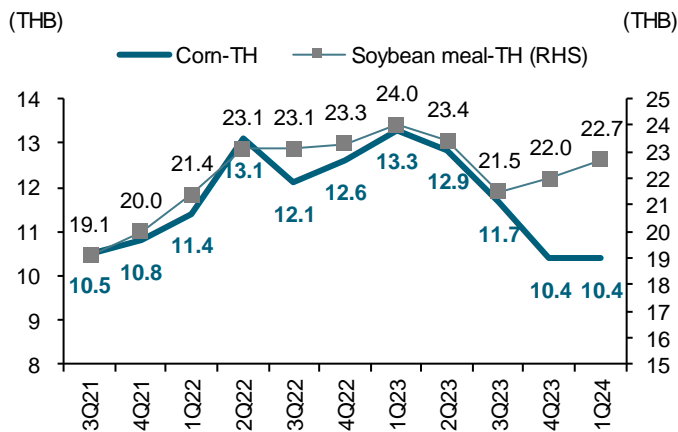
Sources: CPF, FSSIA's compilation

Exhibit 5: Laos swine price



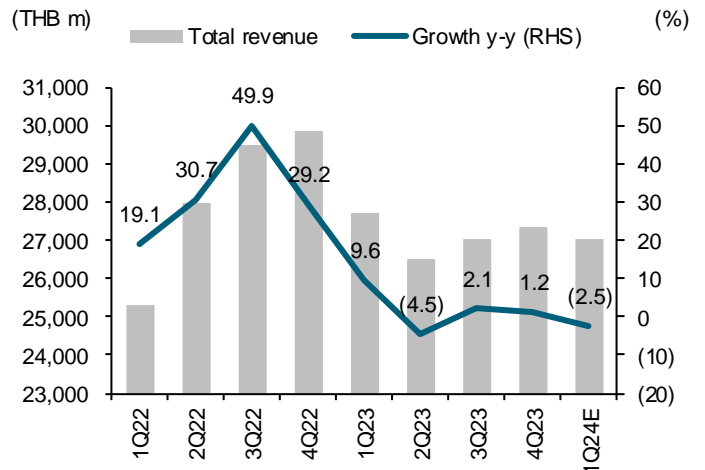
Sources: CPF, FSSIA's compilation

Exhibit 6: Domestic raw material prices



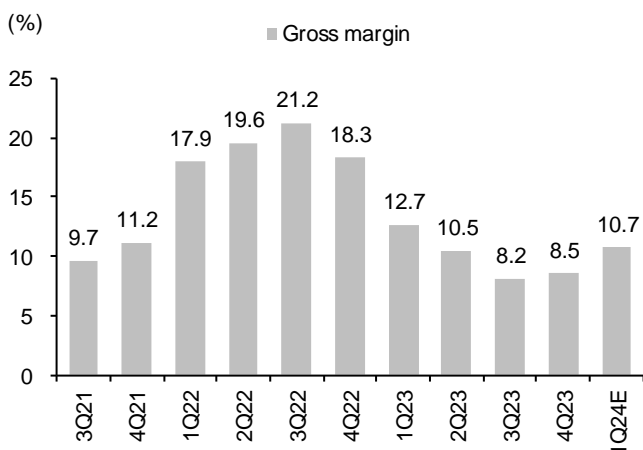
Sources: CPF, OAE, FSSIA's compilation

Exhibit 7: Total revenue and growth



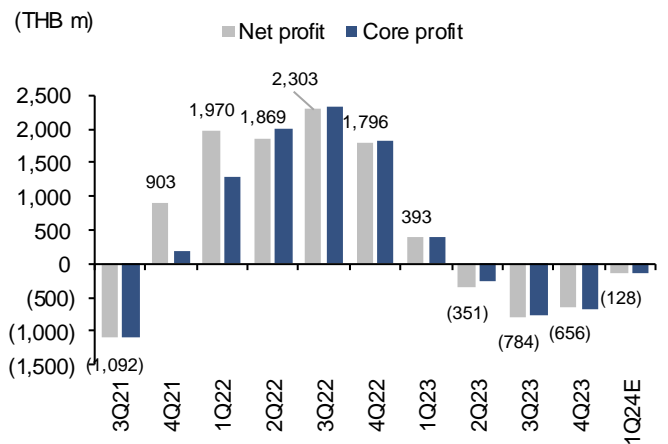
Sources: BTG, FSSIA estimates

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)
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)					
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) *	5.8	(33.1)	15.8	13.7	11.9
Recurring P/E @ target price (x) *	6.7	(38.2)	18.2	15.8	13.7
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 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%). (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.)	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. (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.)	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.																			
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.	<table border="1"> <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> <p>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.</p>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+									
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MSCI	<p>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.</p> <table border="1"> <tbody> <tr> <td>AAA</td> <td>8.571-10.000</td> <td rowspan="3">Leader:</td> <td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td rowspan="3">Average:</td> <td rowspan="3">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> </tr> <tr> <td>B</td> <td>1.429-2.856</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> </tbody> </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
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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. (Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)																				
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

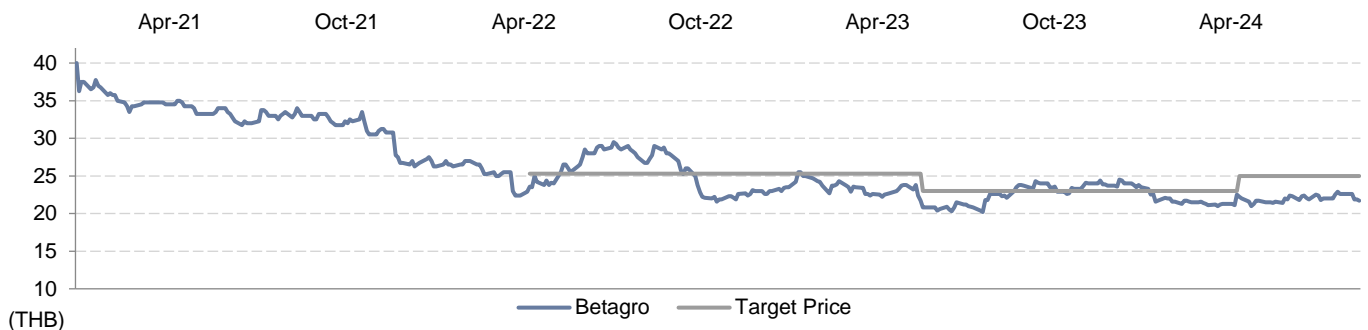
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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	19-Oct-2023	HOLD	23.00	-	-	-
15-May-2023	HOLD	25.30	28-Feb-2024	BUY	25.00			

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	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.