

BETAGRO BTG TB

THAILAND / FOOD & BEVERAGE

HOLD

UNCHANGED

TARGET PRICE	THB23.00
CLOSE	THB23.00
UP/DOWNSIDE	+0.0%
PRIOR TP	THB23.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-9.9%

M&A is coming

- BTG is acquiring a 75% interest in an egg business in Singapore for THB2.1b. Expect to complete the deal and start consolidating the unit from 1Q25 onwards.
- It may provide c5% additional profit to BTG, excluding future synergies.
- However, it is subject to risks from fluctuations in farming costs and egg prices and changes in the price of breeders and other agricultural product prices.

Acquiring a leading importer of eggs in Singapore

BTG is acquiring a 75% interest in Eggriculture Foods for HKD444m or THB2.1b. It expected to complete the deal and start consolidating the business in its financial statements from 1Q25. Eggriculture produces and distributes fresh and processed eggs in Singapore. It leads the market with a share of c20%, with a daily production capacity of 0.9m eggs. Also, it imports roughly 0.5m-0.6m eggs daily since domestic output is insufficient for local consumption. Specifically, the annual production of Singapore was 2.1b eggs, representing just 32% of the domestic consumption, implying 68% was from imports. In the past five years, egg prices increased by 9.6% CAGR, with an average price of THB9.34/egg in 2023, up from THB6.74/egg in 2021.

Eggs may generate more than 5% additional profit for BTG

Based on financial data from annual reports and BTG, Eggriculture recorded revenue of SGD108m or THB2.9b, 2.6% of BTG's, and a net profit of SGD19.3m. Excluding gain/loss from the revaluation of the fair value of biological assets, such as chicken breeder and other agricultural products, as well as their impacts on COGS, the profit was SGD9.8m or THB265m (see Annual report, page 4). Assuming a 75% stake and a 3% loan interest rate, the deal would generate no less than 5% additional profit for BTG, excluding future synergies.

Future synergies

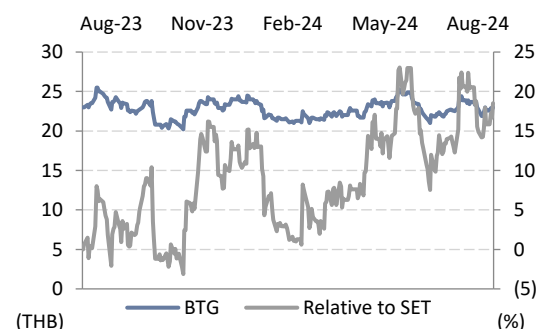
BTG has expansion plans for Eggriculture, including brands and value-added products through its distribution channels, mainly HORECA and modern trade. Also, it plans to help increase farming and production efficiencies, such as feed reformulation or animal health management. Valuation-wise, the purchase price of THB2.1b for a 75% ownership is higher than the market cap of Eggriculture (HKD245m) by 2.4x. However, it implies an undemanding PE of 10.5x (based on a profit excluding the revaluation of the fair value of biological assets).

Further monitoring of synergies and risks

We initially have a favorable view of this deal based on historical financial data in annual reports and potential synergies. However, we will keep monitoring its operating results since it is subject to risks from fluctuations in farming costs and egg prices in Singapore and changes in the price of breeders and other agricultural product prices requiring a mark-to-market.

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	108,638	111,105	116,281	121,831
Net profit	(1,398)	2,538	3,051	3,466
EPS (THB)	(0.72)	1.32	1.58	1.80
vs Consensus (%)	-	24.5	3.9	3.6
EBITDA	4,319	8,618	9,538	10,426
Recurring net profit	(1,310)	2,538	3,051	3,466
Core EPS (THB)	(0.66)	1.27	1.53	1.73
Chg. In EPS est. (%)	nm	-	-	-
EPS growth (%)	nm	nm	20.2	13.6
Core P/E (x)	(35.1)	18.1	15.1	13.3
Dividend yield (%)	1.1	2.3	2.7	3.1
EV/EBITDA (x)	15.6	7.4	6.4	5.7
Price/book (x)	1.8	1.7	1.6	1.4
Net debt/Equity (%)	90.9	70.6	56.7	48.4
ROE (%)	(4.9)	9.8	11.0	11.6



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	0.0	0.0	1.8
Relative to country (%)	2.9	6.2	20.0
Mkt cap (USD m)	1,273		
3m avg. daily turnover (USD m)	1.3		
Free float (%)	37		
Major shareholder	Betagro Holding Company Limited (38%)		
12m high/low (THB)	26.00/20.00		
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 earnings growth are 1) sales volume growth in line with a 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 slower 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
November 2024	3Q24 results announcement

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)	7,500	7,800	8,000
Total revenue growth (%)	2.3	4.7	4.8
Gross margin (%)	13.3	13.6	13.8
SG&A to sales (%)	10.7	10.7	10.7

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

The setting up of subsidiaries and acquisition of an egg business in Singapore

BTG will set up two subsidiaries in Singapore and acquire an egg business in Singapore, but listed in Hong Kong. Details are as below.

1. BTG will set up two subsidiaries in Singapore. One will be a holding company to expand businesses abroad, with expected revenue starting from 1Q25. Another one will be a trading company, with expected revenue beginning from 2Q25.
2. BTG is acquiring a 75% stake in Eggriculture Foods Limited, a listed company in HK (8609 HK). Eggriculture produces and distributes fresh and processed eggs in Singapore. The total investment is HKD444m or THB2.1b (to be funded by borrowings). RGI, the existing shareholder, will hold the 25% remainder. BTG expected to complete the deal, including delisting Eggriculture Foods from the Hong Kong Stock Exchange, and consolidate the egg unit in its financial statements from 1Q25 onwards.

Exhibit 1: Shareholders structure and director of Eggriculture

Shareholding structure of Eggriculture before and after acquisition:

Name of shareholders	Before the acquisition		After the acquisition	
	No. of shares	Percentage	No. of shares	Percentage
1. Betagro Foods (Singapore) Pte. Ltd. ^{/1}	0	0	500,000,000	100.00
2. Radiant Grand International Limited / Mr. Ma Chin Chew	294,800,000	58.96	0 ^{/2}	0 ^{/2}
3. Elite Ocean Ventures Limited / Mr. Lim Joo Boo	80,200,000	16.04	0	0
4. Other public shareholders	125,000,000	25.00	0	0
Total	500,000,000	100.00	500,000,000	100.00

^{/1} Betagro PCL indirectly hold 75.00% of Eggriculture shares through Betagro Foods

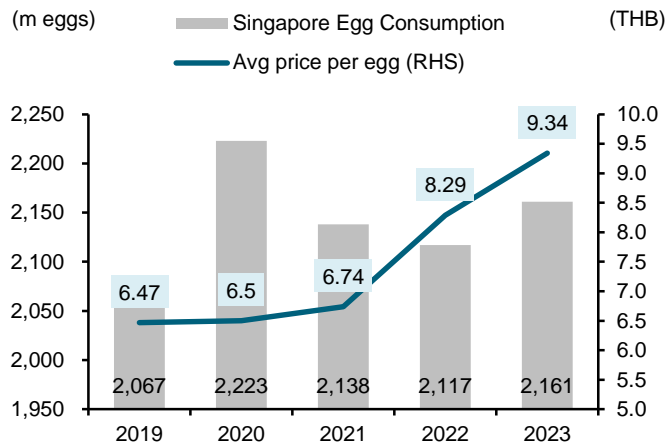
^{/2} RGI and/or Mr. Ma Chin Chew indirectly hold 25.00% of Eggriculture shares through Betagro Foods

The lists of Eggriculture's directors before and after acquisition shall be as below:

Before the acquisition	After the acquisition
1. Mr. Ma Chin Chew	1. Mr. Vasit Taepaisitphongse
2. Ms. Lim Siok Eng	2. Mr. Chayadhorn Taepaisitphongse
3. Mr. Tang Hong Lai	3. Mr. Worrawut Vanitkulbodee
4. Mr. Sneddon Donald William	4. Mr. Ma Chin Chew
5. Mr. Yuen Ka Lok Ernest	Note that No. 1-3 above are the representatives
6. Mr. Lew Chern Yong	of the Company.

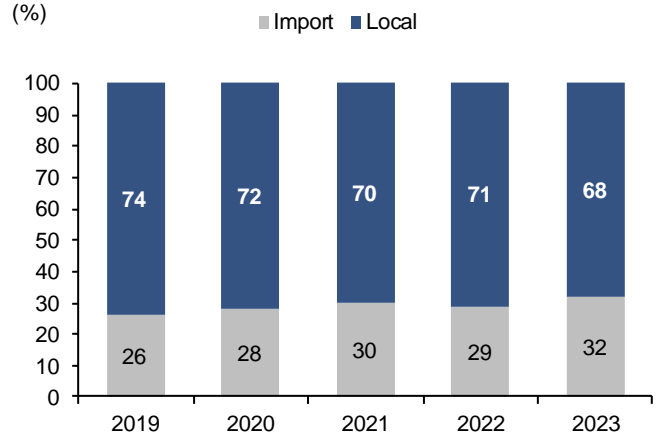
Source: BTG

Exhibit 2: Singapore Egg Consumptions and average price



Sources: Singapore Department of Statistics, Singapore Food Agency

Exhibit 3: Singapore Egg Supply



Sources: Singapore Department of Statistics, Singapore Food Agency

Exhibit 4: Profit and loss statement of Eggriculture Foods from 2024 Annual Report

	Note	2024			2023		
		Results before biological assets and agricultural produce fair value adjustments	Biological assets and agricultural produce fair value adjustments	Total	Results before biological assets and agricultural produce fair value adjustments	Biological assets and agricultural produce fair value adjustments	Total
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	5	108,417	-	108,417	95,766	-	95,766
Cost of sales	8	(79,678)	(26,458)	(106,136)	(75,511)	(16,844)	(92,355)
Gross profit		28,739	(26,458)	2,281	20,255	(16,844)	3,411
Other income							
- Interest	6	3	-	3	49	-	49
- Others	6	503	-	503	998	-	998
Other losses - net							
- Impairment loss on financial assets		(113)	-	(113)	(116)	-	(116)
- Others	7	(79)	-	(79)	(42)	-	(42)
Gain arising from initial recognition of agricultural produce at fair value less estimated costs to sell at point of harvest		-	27,053	27,053	-	16,880	16,880
Gain arising from changes in fair value of biological assets less estimated costs to sell	14	-	8,842	8,842	-	3,593	3,593
Selling and distribution expenses	8	(6,913)	-	(6,913)	(6,980)	-	(6,980)
Administrative expenses	8	(7,122)	-	(7,122)	(6,813)	-	(6,813)
Finance costs	10	(1,238)	-	(1,238)	(607)	-	(607)
Profit before income tax		13,780	9,437	23,217	6,744	3,629	10,373
Income tax expense	11	(3,993)	-	(3,993)	(1,698)	-	(1,698)
Profit after tax and total comprehensive income for the year		9,787	9,437	19,224	5,046	3,629	8,675
Profit after tax and total comprehensive income attributable to:							
Owners of the Company		9,878	9,437	19,315	5,011	3,629	8,640
Non-controlling interests		(91)	-	(91)	35	-	35
		9,787	9,437	19,224	5,046	3,629	8,675

Sources: Eggriculture's 2024 Annual Report

Financial Statements

Betagro

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	112,626	108,638	111,105	116,281	121,831
Cost of goods sold	(90,894)	(97,800)	(96,284)	(100,467)	(105,018)
Gross profit	21,731	10,838	14,821	15,814	16,813
Other operating income	637	493	667	698	731
Operating costs	(12,594)	(11,579)	(11,888)	(12,442)	(13,036)
Operating EBITDA	14,018	4,319	8,618	9,538	10,426
Depreciation	(4,243)	(4,568)	(5,018)	(5,468)	(5,918)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	9,775	(248)	3,600	4,070	4,508
Net financing costs	(619)	(673)	(712)	(611)	(580)
Associates	37	102	111	116	122
Recurring non-operating income	37	102	111	116	122
Non-recurring items	460	(88)	0	0	0
Profit before tax	9,654	(906)	2,999	3,575	4,049
Tax	(1,549)	(457)	(450)	(536)	(607)
Profit after tax	8,104	(1,364)	2,549	3,039	3,442
Minority interests	(167)	(35)	(11)	12	24
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	7,938	(1,398)	2,538	3,051	3,466
Non-recurring items & goodwill (net)	(460)	88	0	0	0
Recurring net profit	7,477	(1,310)	2,538	3,051	3,466
Per share (THB)					
Recurring EPS *	3.74	(0.66)	1.27	1.53	1.73
Reported EPS	4.11	(0.72)	1.32	1.58	1.80
DPS	2.52	0.25	0.53	0.63	0.72
Diluted shares (used to calculate per share data)	2,000	2,000	2,000	2,000	2,000
Growth					
Revenue (%)	31.8	(3.5)	2.3	4.7	4.8
Operating EBITDA (%)	188.2	(69.2)	99.5	10.7	9.3
Operating EBIT (%)	1,125.0	nm	nm	13.1	10.8
Recurring EPS (%)	416.1	nm	nm	20.2	13.6
Reported EPS (%)	34.4	nm	nm	20.2	13.6
Operating performance					
Gross margin inc. depreciation (%)	19.3	10.0	13.3	13.6	13.8
Gross margin exc. depreciation (%)	23.1	14.2	17.9	18.3	18.7
Operating EBITDA margin (%)	12.4	4.0	7.8	8.2	8.6
Operating EBIT margin (%)	8.7	(0.2)	3.2	3.5	3.7
Net margin (%)	6.6	(1.2)	2.3	2.6	2.8
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)	5.2	6.9	8.0
Inventory days	60.7	52.5	48.0	46.6	46.7
Debtor days	18.4	21.0	20.7	19.6	19.5
Creditor days	23.2	22.0	23.7	25.9	25.9
Operating ROIC (%)	18.1	(0.4)	6.5	7.6	8.5
ROIC (%)	16.1	(0.2)	6.0	7.0	7.7
ROE (%)	33.8	(4.9)	9.8	11.0	11.6
ROA (%)	13.3	(1.2)	5.0	5.8	6.3

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Agro	28,403	32,242	32,887	34,531	36,258
Food and protein	75,758	68,417	69,727	72,702	75,811
International	6,236	5,887	6,012	6,191	6,471
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)	2,538	3,051	3,466
Depreciation	4,243	4,568	5,018	5,468	5,918
Associates & minorities	362	(87)	(67)	(106)	(111)
Other non-cash items	91	(88)	0	0	0
Change in working capital	(1,479)	1,271	2,519	(660)	(1,197)
Cash flow from operations	10,694	4,353	10,008	7,752	8,077
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)	186	559	(1,658)
Cash flow from investing	(4,140)	(7,823)	(4,229)	(3,941)	(5,658)
Dividends paid	(11,250)	(1,924)	(1,015)	(1,220)	(1,387)
Equity finance	16,929	0	0	0	0
Debt finance	(3,487)	880	(3,622)	(2,980)	(899)
Other financing cash flows	81	134	(782)	104	111
Cash flow from financing	2,274	(910)	(5,420)	(4,097)	(2,174)
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)	360	(285)	245
Free cash flow to firm (FCFF)	7,173.00	(2,796.77)	6,491.24	4,422.24	2,999.56
Free cash flow to equity (FCFE)	(281.29)	(2,456.03)	1,374.67	934.92	1,631.64
Per share (THB)					
FCFF per share	3.71	(1.45)	3.35	2.29	1.55
FCFE per share	(0.15)	(1.27)	0.71	0.48	0.84
Recurring cash flow per share	6.31	1.60	3.88	4.36	4.81
Balance Sheet (THB m) Year Ending Dec					
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	1,459	1,464	1,469
Cash & equivalents	5,940	1,561	1,920	1,635	1,880
A/C receivable	6,652	7,480	6,643	6,953	7,285
Inventories	14,711	12,115	11,871	12,386	12,947
Other current assets	9,477	9,570	9,555	9,884	10,721
Current assets	36,781	30,726	29,989	30,858	32,833
Other assets	2,852	3,190	3,111	2,663	4,437
Total assets	65,234	62,501	61,172	60,629	62,966
Common equity	28,502	25,134	26,743	28,573	31,153
Minorities etc.	163	178	222	233	244
Total shareholders' equity	28,664	25,312	26,965	28,806	31,397
Long term debt	8,064	9,690	7,690	6,690	5,811
Other long-term liabilities	2,871	3,004	2,222	2,326	2,437
Long-term liabilities	10,934	12,694	9,912	9,015	8,248
A/C payable	9,852	9,293	10,706	11,184	11,701
Short term debt	15,615	14,878	13,256	11,276	11,256
Other current liabilities	168	324	333	349	365
Current liabilities	25,636	24,494	24,295	22,809	23,322
Total liabilities and shareholders' equity	65,234	62,501	61,172	60,629	62,966
Net working capital	20,821	19,549	17,030	17,691	18,887
Invested capital	49,274	51,324	48,213	47,462	49,020
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	14.77	13.03	13.86	14.81	16.15
Tangible book value per share	14.32	12.62	13.45	14.40	15.74
Financial strength					
Net debt/equity (%)	61.9	90.9	70.6	56.7	48.4
Net debt/total assets (%)	27.2	36.8	31.1	26.9	24.1
Current ratio (x)	1.4	1.3	1.2	1.4	1.4
CF interest cover (x)	0.5	(2.7)	2.9	2.5	3.8
Valuation					
Recurring P/E (x) *	6.2	(35.1)	18.1	15.1	13.3
Recurring P/E @ target price (x) *	6.2	(35.1)	18.1	15.1	13.3
Reported P/E (x)	5.6	(31.7)	17.5	14.5	12.8
Dividend yield (%)	11.0	1.1	2.3	2.7	3.1
Price/book (x)	1.6	1.8	1.7	1.6	1.4
Price/tangible book (x)	1.6	1.8	1.7	1.6	1.5
EV/EBITDA (x) **	4.4	15.6	7.4	6.4	5.7
EV/EBITDA @ target price (x) **	4.4	15.6	7.4	6.4	5.7
EV/invested capital (x)	1.3	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 Sustainabilitys	The Sustainabilitys' 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><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+										
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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><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="2">Average:</td><td rowspan="2">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><td rowspan="2">Laggard:</td><td rowspan="2">lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr><tr><td>CCC</td><td>0.000-1.428</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	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks	CCC	0.000-1.428
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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

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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	13-Aug-2024	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 23.00	HOLD	Downside and upside risks to our PE-based TP include 1) a slower or faster-than-expected purchasing power recovery; 2) a slower 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 15-Aug-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.