

BETAGRO BTG TB

THAILAND / FOOD & BEVERAGE

HOLD

UNCHANGED

TARGET PRICE	THB23.50
CLOSE	THB21.70
UP/DOWNSIDE	+8.3%
PRIOR TP	THB23.00
CHANGE IN TP	+2.2%
TP vs CONSENSUS	-7.5%

Expect 3Q to be the peak this year

- We expect 3Q24 net profit to hit a seven-quarter high – the peak of this year.
- More conservative view on meat price trend in 2025; we have cut our 2024-25E net profit by 13%.
- Maintain HOLD call with 2025 TP at THB23.5.

Expect 3Q24 net profit to hit a seven-quarter high

We expect a 3Q24 net profit of THB988m (+57% q-q, reversing from a loss last year). Excluding an FX gain of THB55m and a gain from biological assets of THB25m, its core profit would equal THB908m (+45% q-q, turning from a loss of THB770m in 3Q23). This growth is supported by a 3% q-q and 14% y-y increase in Thai pork prices, along with expected increases in pork, chicken, and animal feed sales volumes both q-q and y-y. This growth can fully offset the decline in chicken and animal feed prices. We project 3Q24 revenue to grow by 9.2% q-q and 9.9% y-y.

Raw material prices remain low, supporting the gross margin

Overall, raw material prices remain low. Although corn prices have increased, BTG still has low-cost stock to utilize. Hence, its 3Q24 gross margin should remain stable q-q at 14.1%, improving from a low base of 8.2% in 3Q23. While we expect total expenses to rise slightly q-q and y-y, the stronger revenue growth should lead to a decrease in SG&A to sales, projected at 10.2%, down from 10.6% in 2Q24 and 10.8% in 3Q23.

Passing the peak this year in 3Q, with declining profit trend in 4Q

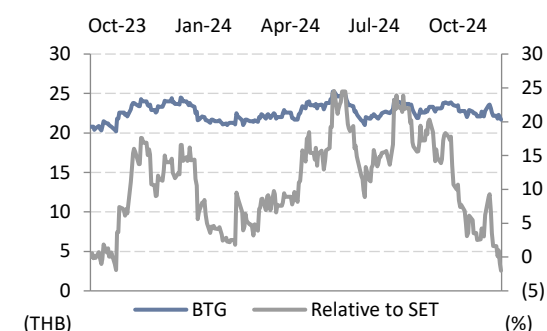
We anticipate BTG's 4Q24 profit to decline q-q due to the low season, particularly in exports, and meat prices have decreased, especially chicken prices. Currently, chicken prices are at THB37/kg, resulting in an average price for 4QTD of THB39/kg (-10% q-q). Similarly, pork prices in 4QTD have fallen to THB70-71/kg, down q-q. We are becoming more cautious about the trend of meat prices in 2025 due to higher production volumes of both pork and chicken, combined with feed ingredient prices that are expected to remain stable or decrease slightly. Therefore, we have cut our 2024-25E net profit by 13%, to THB2.2b and THB2.6b (+20% y-y), respectively.

Roll forward TP to 2025 at THB23.5 and maintain HOLD call

We roll forward our TP to 2025 at THB23.5, based on a P/E ratio of 17x. The stock still has a limited upside, so we maintain our HOLD call and keep a neutral outlook on the meat prices in 2025. Meanwhile, BTG is in the process of acquiring an egg business in Singapore – expected to be completed and reflected in the financial statements starting in 1Q25. We anticipate this profit to account for c5% of BTG's profits in 2025.

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	108,638	112,801	118,023	123,652
Net profit	(1,398)	2,204	2,643	2,822
EPS (THB)	(0.72)	1.14	1.37	1.46
vs Consensus (%)	-	5.8	(10.1)	(16.0)
EBITDA	4,319	8,656	9,304	9,937
Recurring net profit	(1,310)	2,117	2,643	2,822
Core EPS (THB)	(0.66)	1.06	1.32	1.41
Chg. In EPS est. (%)	nm	(16.6)	(13.4)	(18.6)
EPS growth (%)	nm	nm	24.9	6.8
Core P/E (x)	(33.1)	20.5	16.4	15.4
Dividend yield (%)	1.2	2.1	2.5	2.7
EV/EBITDA (x)	15.1	7.1	6.4	5.9
Price/book (x)	1.7	1.6	1.5	1.4
Net debt/Equity (%)	90.9	72.0	60.1	52.8
ROE (%)	(4.9)	8.2	9.7	9.7



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(1.4)	(11.1)	(3.1)
Relative to country (%)	(4.9)	(20.9)	(6.5)
Mkt cap (USD m)	1,267		
3m avg. daily turnover (USD m)	1.7		
Free float (%)	37		
Major shareholder	Betagro Holding Company Limited (38%)		
12m high/low (THB)	25.50/20.00		
Issued shares (m)	1,934.80		

Sources: Bloomberg consensus; FSSIA estimates


Sureeporn Teewasuwet

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

Investment thesis

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 2024-25 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
12 November 2024	3Q24 results announcement
14 November 2024	3Q24 analyst meeting

Key assumptions

	2024E	2025E	2026E
Broiler price-TH (THB)	41.6	40.0	40.0
Swine price-TH (THB)	70.0	70.0	70.0
Swine price-Cambodia (KHR)	8,605	8,400	8,200
Total revenue growth (%)	3.8	4.6	4.8
Gross margin (%)	13.2	13.2	13.2
SG&A to sales (%)	10.4	10.4	10.4

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 – 3Q24 earnings preview

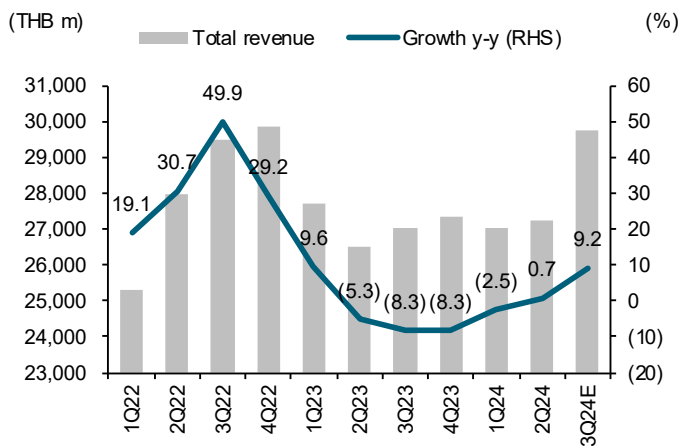
	3Q23	4Q23	1Q24	2Q24	3Q24E	----- Change -----		9M24E	Change	2024E	Change	% 9M24E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(y-y%)	(THB m)	(y-y%)	to 2024E
Sales	27,047	27,365	27,024	27,225	29,724	9.2	9.9	83,973	3.3	112,801	3.8	74.4
Cost of sales	24,836	25,032	24,102	23,388	25,548	9.2	2.9	73,038	0.4	97,912	0.1	74.6
Gross profit	2,211	2,333	2,922	3,836	4,176	8.9	88.9	10,934	28.6	14,890	37.4	73.4
SG&A	2,932	2,623	2,795	2,889	3,032	4.9	3.4	8,716	(2.7)	11,731	1.3	74.3
Operating profit	(604)	(235)	253	1060	1269	19.7	nm	2,583	nm	3,638	nm	71.0
Interest expense	170	209	198	199	200	0.4	17.8	597	28.7	797	18.5	74.9
Tax expense	23	256	195	269	215	(20.3)	840.3	679	238.3	846	85.0	80.3
Biological gain (loss)	(23)	14	10	15	25	71.7	nm	49	nm	49	nm	100.0
Other gain (loss)	9	(2)	(4)	(13)	55	nm	511.1	38	1188.1	38	nm	100.0
Reported net profit	(784)	(656)	(124)	628	988	57.3	nm	1,492	nm	2,204	nm	67.7
Core profit	(770)	(668)	(130)	626	908	45.0	nm	1,404	nm	2,117	nm	66.3

Key ratios (%)	(ppt)		(ppt)		(ppt)		(ppt)		(ppt)		(ppt)	
Gross margin	8.2	8.5	10.8	14.1	14.1	(0.0)	5.9	13.0	2.6	13.2	3.2	
SG&A to sales	10.8	9.6	10.3	10.6	10.2	(0.4)	(0.6)	10.4	(0.6)	10.4	(0.3)	
Operating margin	(2.2)	(0.9)	0.9	3.9	4.3	0.4	6.5	3.1	3.1	3.2	3.5	
Net margin	(2.9)	(2.4)	(0.5)	2.3	3.3	1.0	6.2	1.8	2.7	2.0	3.2	
Core margin	(2.8)	(2.4)	(0.5)	2.3	3.1	0.8	5.9	1.7	2.5	1.9	3.1	

Operating statistics												
Broiler price-TH (THB/kg.)	36.6	37.9	40.8	43.6	43.0	(1.4)	17.5	42.5	6.5	41.6	5.6	
Swine price-TH (THB/kg.)	62.7	62.3	66.3	69.3	71.5	3.1	14.0	69.0	(5.8)	70.0	0.7	
Swine price-Cambodia (KHR/kg.)	8,572	7,237	7,287	9,568	8,866	(7.3)	3.4	8,574	(1.2)	8,605	3.5	
Swine price-Laos (LAK/kg.)	46,341	45,912	47,593	48,745	51,112	4.9	10.3	49,150	6.3	47,000	1.9	
Corn price-TH (THB/kg.)	11.7	10.4	10.4	10.9	12.0	9.8	3.0	11.1	(11.8)	11.0	(9.3)	
Soybean meal price-TH (THB/kg.)	21.5	22.0	22.2	21.3	20.5	(3.6)	(4.7)	21.3	(7.2)	20.9	(8.1)	

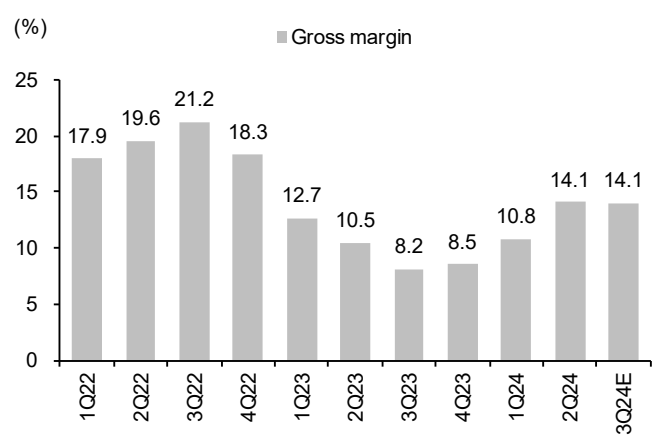
Sources: BTG, FSSIA estimates

Exhibit 2: Quarterly total revenue and growth

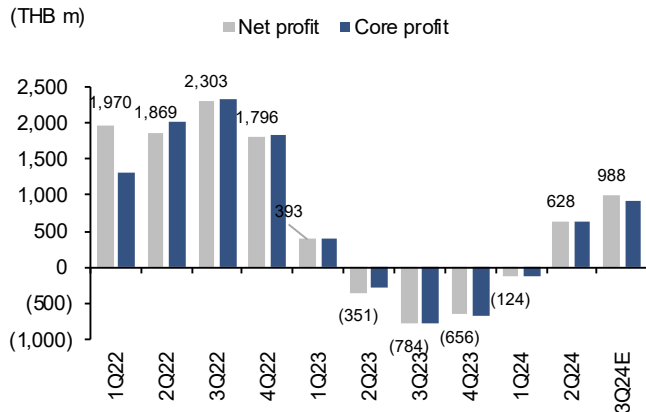


Sources: BTG, FSSIA's compilation

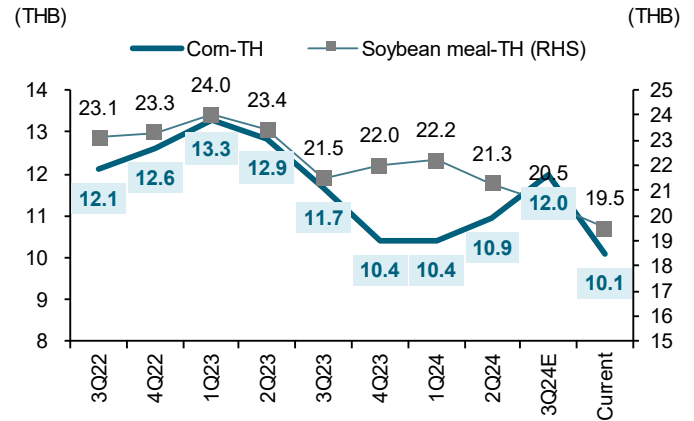
Exhibit 3: Quarterly gross margin



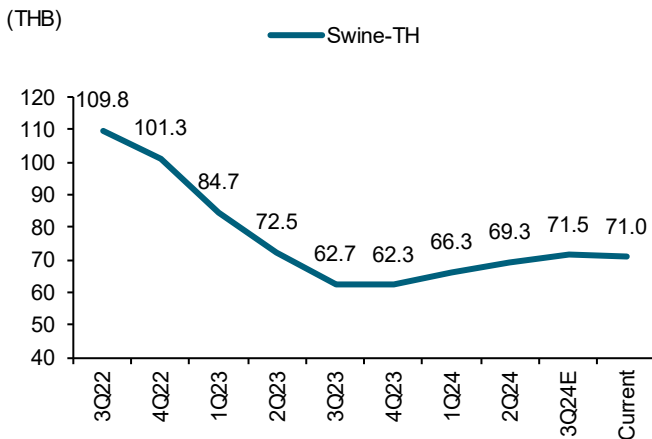
Sources: BTG, FSSIA's compilation

Exhibit 4: Quarterly net profit and core profit

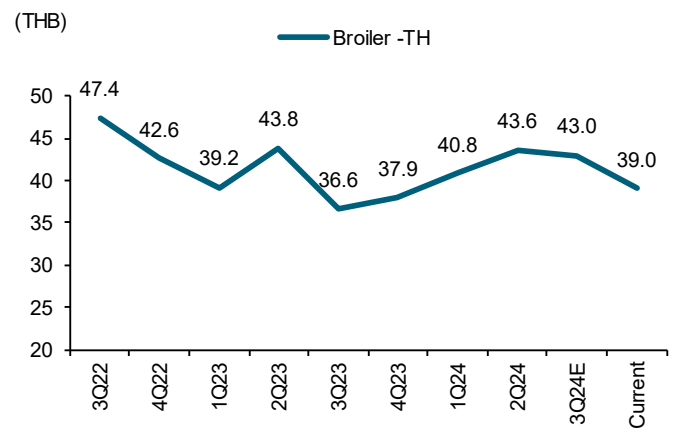
Sources: BTG, FSSIA's compilation

Exhibit 5: Quarterly raw material prices

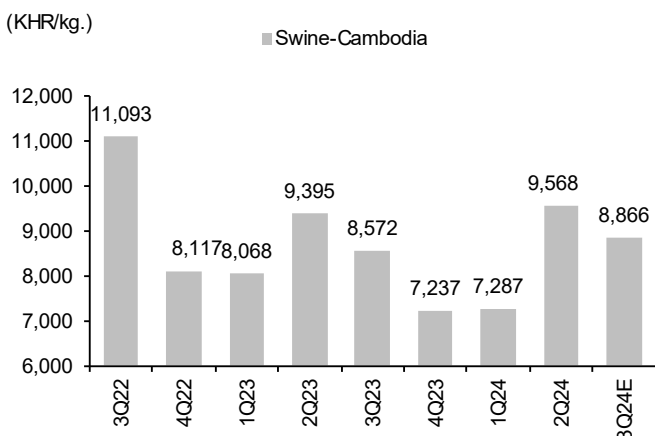
Sources: BTG, FSSIA's compilation

Exhibit 6: Quarterly Thai swine price

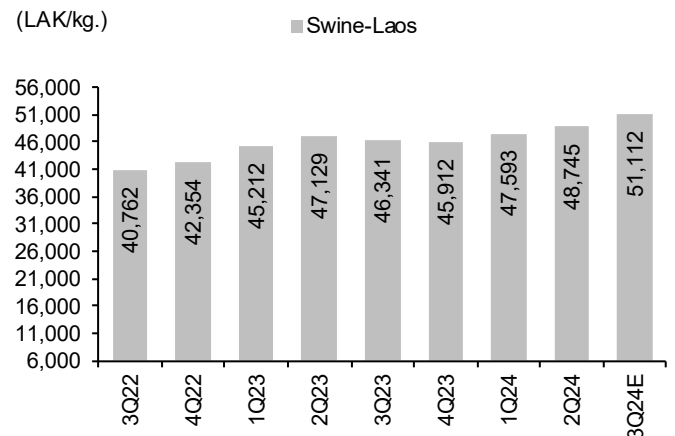
Sources: OAE, CPF, FSSIA's compilation

Exhibit 7: Quarterly Thai broiler price

Sources: OAE, CPF, FSSIA's compilation

Exhibit 8: Quarterly Cambodia swine price

Sources: CPF, FSSIA's compilation

Exhibit 9: Quarterly Laos swine price

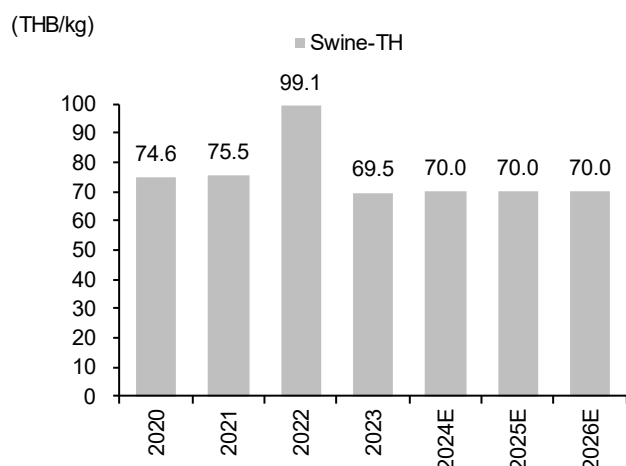
Sources: CPF, FSSIA's compilation

Exhibit 10: Changes in key assumptions for BTG

	Current			Previous			Change		
	2024E (THB m)	2025E (THB m)	2026E (THB m)	2024E (THB m)	2025E (THB m)	2026E (THB m)	2024E (%)	2025E (%)	2026E (%)
Total revenue	112,801	118,023	123,652	111,105	116,281	121,831	1.5	1.5	1.5
Cost of sales	97,912	102,444	107,330	96,284	100,467	105,018	1.7	2.0	2.2
Gross profit	14,890	15,579	16,322	14,821	15,814	16,813	0.5	(1.5)	(2.9)
SG&A expenses	11,731	12,274	12,860	11,888	12,442	13,036	(1.3)	(1.3)	(1.4)
Operating profit	3,638	3,836	4,019	3,600	4,070	4,508	1.1	(5.8)	(10.8)
Interest expense	797	683	649	712	611	580	11.9	11.8	11.8
Reported net profit	2,204	2,643	2,822	2,538	3,051	3,466	(13.2)	(13.4)	(18.6)
Core profit	2,117	2,643	2,822	2,538	3,051	3,466	(16.6)	(13.4)	(18.6)
Key ratios (%)									
Total revenue growth	3.8	4.6	4.8	2.3	4.7	4.8			
Net profit growth	nm	19.9	6.8	nm	20.2	13.6			
Core profit growth	nm	24.9	6.8	nm	20.2	13.6			
Gross margin	13.2	13.2	13.2	13.3	13.6	13.8	(0.1)	(0.4)	(0.6)
SG&A to sales	10.4	10.4	10.4	10.7	10.7	10.7	(0.3)	(0.3)	(0.3)
Operating margin	3.2	3.3	3.3	3.2	3.5	3.7	(0.0)	(0.3)	(0.4)
Net margin	2.0	2.2	2.3	2.3	2.6	2.8	(0.3)	(0.4)	(0.6)
Core margin	1.9	2.2	2.3	2.3	2.6	2.8	(0.4)	(0.4)	(0.6)
Key assumptions									
Revenue breakdown (THB m)									
Agro business	32,887	34,531	36,258	32,887	34,531	36,258	0.0	0.0	0.0
Food & protein business	71,311	74,358	77,542	69,727	72,702	75,811	2.3	2.3	2.3
International business	6,096	6,277	6,561	6,012	6,191	6,471	1.4	1.4	1.4
Pet business	2,415	2,789	3,222	2,415	2,789	3,222	0.0	0.0	0.0
Price									
Broiler price-TH (THB/kg)	41.6	40.0	40.0	41.0	42.0	43.0	1.5	(4.8)	(7.0)
Swine price-TH (THB/kg)	70.0	70.0	70.0	72.0	72.0	72.0	(2.8)	(2.8)	(2.8)
Swine price-Cambodia (KHR/kg)	8,605	8,400	8,200	7,500	7,800	8,000	14.7	7.7	2.5
Corn price-TH (THB/kg)	11.0	10.0	10.0	10.0	10.0	10.0	9.8	0.0	0.0
Soybean meal price-TH (THB/kg)	20.9	19.5	19.0	20.5	20.0	19.0	1.8	(2.5)	0.0

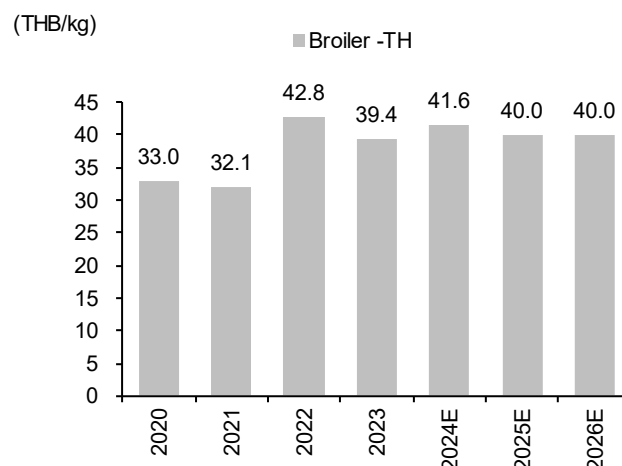
Source: FSSIA estimates

Exhibit 11: Yearly Thai swine price



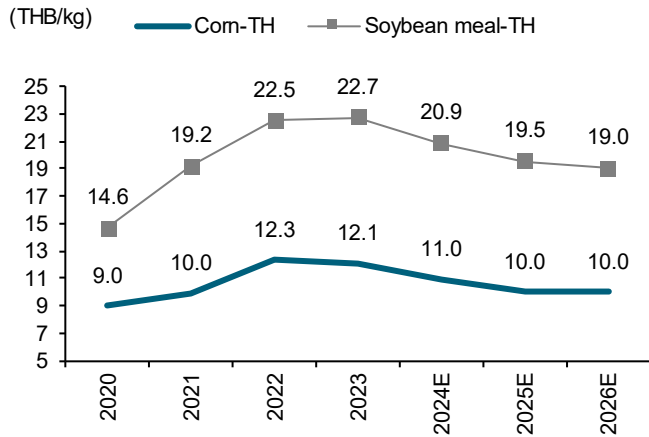
Sources: BTG; FSSIA estimates

Exhibit 12: Yearly Thai broiler price



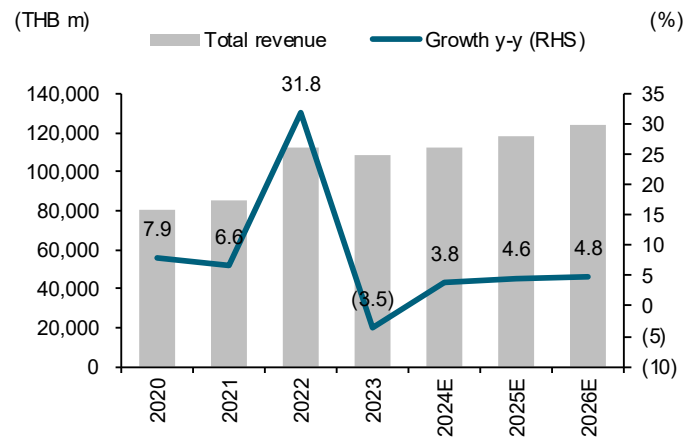
Sources: BTG; FSSIA estimates

Exhibit 13: Yearly raw material prices



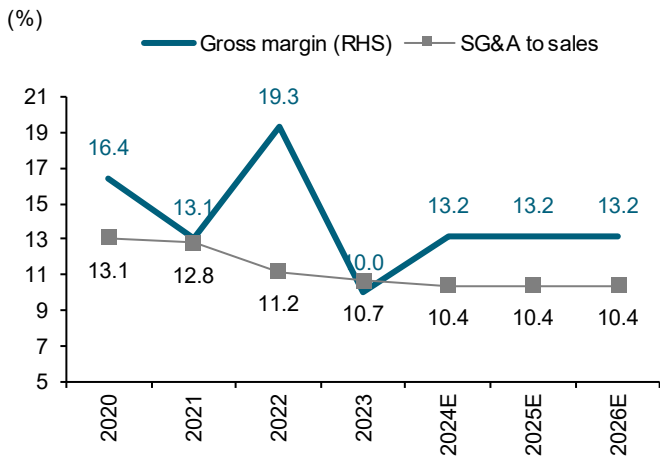
Sources: BTG; FSSIA estimates

Exhibit 14: Yearly total revenue and growth



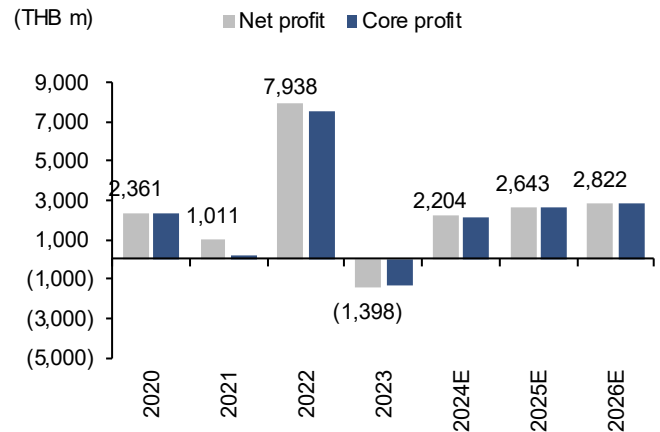
Sources: BTG; FSSIA estimates

Exhibit 15: Yearly gross margin and SG&A to sales



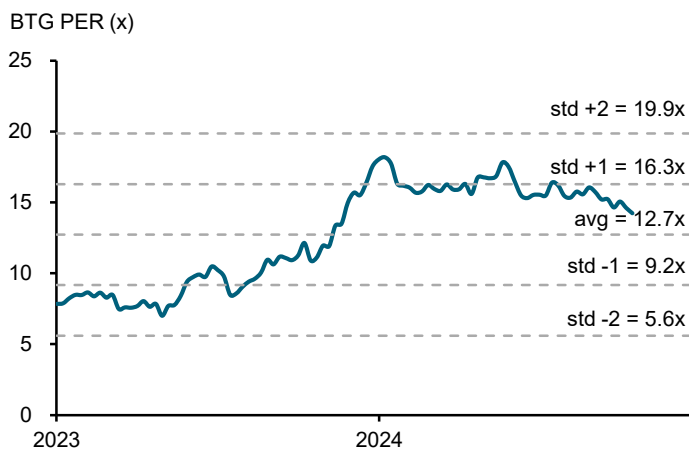
Sources: BTG; FSSIA estimates

Exhibit 16: Yearly net profit and core profit



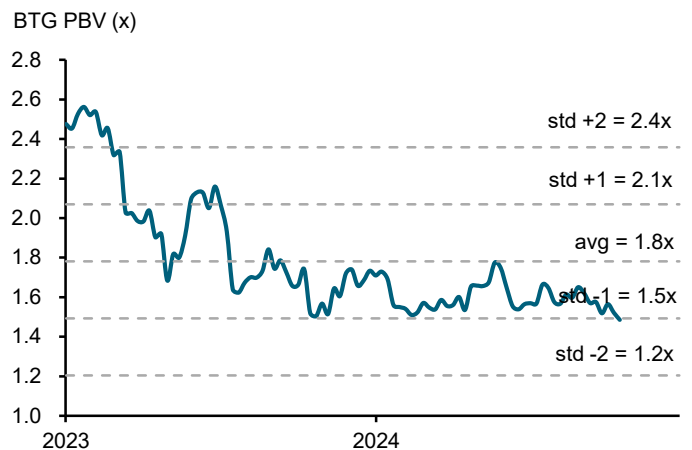
Sources: BTG; FSSIA estimates

Exhibit 17: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 18: Historical P/BV band



Sources: Bloomberg; FSSIA estimates

Financial Statements

Betagro

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	112,626	108,638	112,801	118,023	123,652
Cost of goods sold	(90,894)	(97,800)	(97,912)	(102,444)	(107,330)
Gross profit	21,731	10,838	14,890	15,579	16,322
Other operating income	637	493	479	531	556
Operating costs	(12,594)	(11,579)	(11,731)	(12,274)	(12,860)
Operating EBITDA	14,018	4,319	8,656	9,304	9,937
Depreciation	(4,243)	(4,568)	(5,018)	(5,468)	(5,918)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	9,775	(248)	3,638	3,836	4,019
Net financing costs	(619)	(673)	(797)	(683)	(649)
Associates	37	102	153	165	173
Recurring non-operating income	37	102	153	165	173
Non-recurring items	460	(88)	87	0	0
Profit before tax	9,654	(906)	3,081	3,318	3,543
Tax	(1,549)	(457)	(846)	(664)	(709)
Profit after tax	8,104	(1,364)	2,235	2,655	2,835
Minority interests	(167)	(35)	(32)	(12)	(12)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	7,938	(1,398)	2,204	2,643	2,822
Non-recurring items & goodwill (net)	(460)	88	(87)	0	0
Recurring net profit	7,477	(1,310)	2,117	2,643	2,822
Per share (THB)					
Recurring EPS *	3.74	(0.66)	1.06	1.32	1.41
Reported EPS	4.11	(0.72)	1.14	1.37	1.46
DPS	2.52	0.25	0.46	0.55	0.59
Diluted shares (used to calculate per share data)	2,000	2,000	2,000	2,000	2,000
Growth					
Revenue (%)	31.8	(3.5)	3.8	4.6	4.8
Operating EBITDA (%)	188.2	(69.2)	100.4	7.5	6.8
Operating EBIT (%)	1,125.0	nm	nm	5.4	4.8
Recurring EPS (%)	416.1	nm	nm	24.9	6.8
Reported EPS (%)	34.4	nm	nm	19.9	6.8
Operating performance					
Gross margin inc. depreciation (%)	19.3	10.0	13.2	13.2	13.2
Gross margin exc. depreciation (%)	23.1	14.2	17.6	17.8	18.0
Operating EBITDA margin (%)	12.4	4.0	7.7	7.9	8.0
Operating EBIT margin (%)	8.7	(0.2)	3.2	3.2	3.3
Net margin (%)	6.6	(1.2)	1.9	2.2	2.3
Effective tax rate (%)	16.0	-50.4	27.4	20.0	20.0
Dividend payout on recurring profit (%)	67.4	(38.2)	43.2	41.5	41.5
Interest cover (X)	15.9	(0.2)	4.8	5.9	6.5
Inventory days	60.7	52.5	47.5	46.5	46.5
Debtor days	18.4	21.0	20.5	19.6	19.5
Creditor days	23.2	22.0	23.5	25.8	25.9
Operating ROIC (%)	18.1	(0.4)	6.5	7.1	7.5
ROIC (%)	16.1	(0.2)	6.1	6.7	6.9
ROE (%)	33.8	(4.9)	8.2	9.7	9.7
ROA (%)	13.3	(1.2)	4.5	5.3	5.5

* 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	71,311	74,358	77,542
International	6,236	5,887	6,096	6,277	6,561
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)	2,117	2,643	2,822
Depreciation	4,243	4,568	5,018	5,468	5,918
Associates & minorities	362	(87)	(105)	(155)	(162)
Other non-cash items	91	(88)	49	0	0
Change in working capital	(1,479)	1,271	2,251	(683)	(1,229)
Cash flow from operations	10,694	4,353	9,329	7,273	7,350
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)	475	408	(1,425)
Cash flow from investing	(4,140)	(7,823)	(3,939)	(4,092)	(5,425)
Dividends paid	(11,250)	(1,924)	(882)	(1,057)	(1,129)
Equity finance	16,929	0	0	0	0
Debt finance	(3,487)	880	(3,650)	(2,980)	(899)
Other financing cash flows	81	134	(748)	104	113
Cash flow from financing	2,274	(910)	(5,280)	(3,933)	(1,915)
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)	109	(752)	9
Free cash flow to firm (FCFF)	7,173.00	(2,796.77)	6,186.43	3,863.59	2,572.89
Free cash flow to equity (FCFE)	(281.29)	(2,456.03)	990.76	305.33	1,138.27
Per share (THB)					
FCFF per share	3.71	(1.45)	3.20	2.00	1.33
FCFE per share	(0.15)	(1.27)	0.51	0.16	0.59
Recurring cash flow per share	6.31	1.60	3.67	4.12	4.45
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	1,460	1,465	1,471
Cash & equivalents	5,940	1,561	1,670	918	927
A/C receivable	6,652	7,480	6,745	7,057	7,394
Inventories	14,711	12,115	12,071	12,630	13,232
Other current assets	9,477	9,570	9,701	10,032	10,881
Current assets	36,781	30,726	30,187	30,637	32,435
Other assets	2,852	3,190	2,928	2,680	4,273
Total assets	65,234	62,501	61,188	60,428	62,406
Common equity	28,502	25,134	26,542	28,128	30,321
Minorities etc.	163	178	226	236	247
Total shareholders' equity	28,664	25,312	26,768	28,364	30,569
Long term debt	8,064	9,690	7,690	6,690	5,811
Other long-term liabilities	2,871	3,004	2,256	2,360	2,473
Long-term liabilities	10,934	12,694	9,946	9,050	8,284
A/C payable	9,852	9,293	10,880	11,384	11,926
Short term debt	15,615	14,878	13,256	11,276	11,256
Other current liabilities	168	324	338	354	371
Current liabilities	25,636	24,494	24,474	23,014	23,553
Total liabilities and shareholders' equity	65,234	62,501	61,188	60,428	62,406
Net working capital	20,821	19,549	17,299	17,982	19,210
Invested capital	49,274	51,324	48,300	47,772	49,181
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	14.77	13.03	13.76	14.58	15.72
Tangible book value per share	14.32	12.62	13.35	14.17	15.31
Financial strength					
Net debt/equity (%)	61.9	90.9	72.0	60.1	52.8
Net debt/total assets (%)	27.2	36.8	31.5	28.2	25.9
Current ratio (x)	1.4	1.3	1.2	1.3	1.4
CF interest cover (x)	0.5	(2.7)	2.2	1.4	2.8
Valuation					
Recurring P/E (x) *	5.8	(33.1)	20.5	16.4	15.4
Recurring P/E @ target price (x) *	6.3	(35.9)	22.2	17.8	16.7
Reported P/E (x)	5.3	(29.9)	19.0	15.8	14.8
Dividend yield (%)	11.6	1.2	2.1	2.5	2.7
Price/book (x)	1.5	1.7	1.6	1.5	1.4
Price/tangible book (x)	1.5	1.7	1.6	1.5	1.4
EV/EBITDA (x) **	4.3	15.1	7.1	6.4	5.9
EV/EBITDA @ target price (x) **	4.5	15.9	7.5	6.7	6.2
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%). <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+										
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><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></table>		AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities																			
AA	7.143-8.570																					
A	5.714-7.142																					
BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers																			
BB	2.857-4.285																					
B	1.429-2.856																					
CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks																			
Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																					
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																					
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																					
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																				
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																				

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

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Sureeporn Teewasuwet FSS International Investment Advisory Securities Co., Ltd

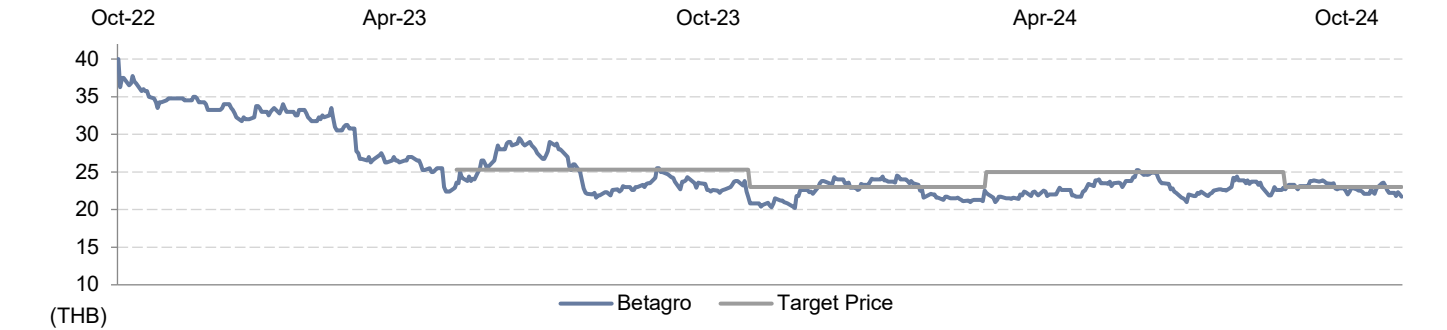
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

This report has been prepared by FSS International Investment Advisory Securities Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSSIA makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSSIA has no intention to solicit investors to buy or sell any security in this report. In addition, FSSIA does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

History of change in investment rating and/or target price

Betagro (BTG TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
08-May-2023	BUY	25.30	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 21.70	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 18-Oct-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.