

# BETAGRO BTG TB

THAILAND / FOOD & BEVERAGE

# BUY

FROM HOLD

TARGET PRICE	THB22.00
CLOSE	THB19.60
UP/DOWNSIDE	+12.2%
PRIOR TP	THB23.50
CHANGE IN TP	-6.4%
TP vs CONSENSUS	-9.7%

## 2025E profit to continue growing

- The average meat prices for 4QTD have started to weaken, particularly for Thai chicken. This should pressure 4Q24 earnings.
- We cut 2025E net profit by 7%, but still expect growth at 11%.
- Upgrade to BUY after share price has fallen by 18% over the past four months.

### 3Q24 net profit rebounded as expected

BTG posted a 3Q24 net profit of THB979m (+56% q-q, a turnaround from a loss last year). Excluding an FX gain and a biological asset gain, its core profit was THB905m (+45% q-q, a turnaround from a loss in 2Q23), which was close to our estimate. The strong profit recovery came from both increased sales volumes and higher meat prices, driving revenue up by 9.8% q-q and 11% y-y.

### Meat prices have started to weaken

The average meat prices for 4QTD have started to weaken, particularly for Thai chicken, which is currently priced at THB35-36/kg (according to MOC) and THB39/kg (according to OAE). This represents a 9% q-q decline in the average price for 4QTD. Meanwhile, the price of Thai swine has remained stable q-q at THB70-72/kg. We initially forecast the net profit for 4Q24 to be THB727m (-26% q-q, a turnaround from a loss of THB656m in 3Q23). We maintain our 2024E net profit at THB2.2b; a strong recovery from a loss of THB1.4b in 2023.

### More conservative view on meat prices in 2025

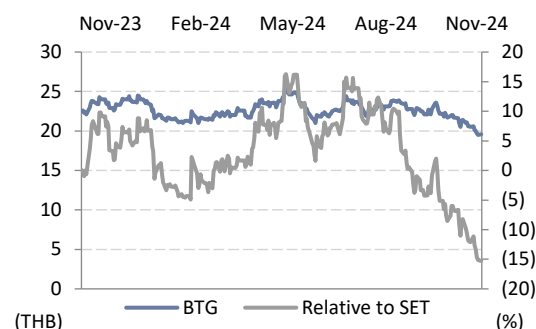
Due to the favorable increase in meat prices in 2H24, with chicken and swine prices rising 6.5% y-y and 14.4% y-y, respectively, the livestock production volume has increased. We expect the number of day-old-chicks in 2025 to rise to 38-39 million per week, up from 36-37 million per week in 2024. Meanwhile, we expect the number of pigs raised to increase by 11.5% y-y to 20.2 million head, up from 18.1 million in 2024, approaching pre-ASF levels from 2022. With raw material prices remaining low, we maintain a cautious outlook for 2025 meat prices, which may soften if demand recovers more slowly than expected.

### Upgrade to BUY after share price has fallen by 18%

We have revised down our 2025E profit by 7%, but still expect growth of 11% y-y, driven by higher sales volumes and the consolidation of the egg business in Singapore. We lower our TP to THB22, based on the same 17x P/E, which is close to the target P/E for CPF and higher than GFPT and TFG, as BTG has diversified its business more toward downstream segments. The stock price has already declined by 18% over the past four months. It is currently trading at a 2025E P/E of 16x, down from 19x previously. At our new target price, there is an upside of 12%, so we upgrade our rating to BUY from Hold.

### KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	108,638	112,801	117,846	123,255
Net profit	(1,398)	2,204	2,449	2,614
EPS (THB)	(0.72)	1.14	1.27	1.35
vs Consensus (%)	-	3.7	(15.9)	(19.0)
EBITDA	4,319	8,656	9,062	9,677
Recurring net profit	(1,310)	2,117	2,449	2,614
Core EPS (THB)	(0.66)	1.06	1.22	1.31
Chg. In EPS est. (%)	nm	-	(7.3)	(7.4)
EPS growth (%)	nm	nm	15.7	6.7
Core P/E (x)	(29.9)	18.5	16.0	15.0
Dividend yield (%)	1.3	2.3	2.6	2.8
EV/EBITDA (x)	14.1	6.6	6.1	5.6
Price/book (x)	1.5	1.4	1.3	1.3
Net debt/Equity (%)	90.9	72.0	60.7	53.9
ROE (%)	(4.9)	8.2	9.0	9.0



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(9.7)	(15.9)	(13.3)
Relative to country (%)	(7.4)	(24.6)	(15.5)
Mkt cap (USD m)	1,089		
3m avg. daily turnover (USD m)	1.6		
Free float (%)	37		
Major shareholder	Betagro Holding Company Limited (38%)		
12m high/low (THB)	25.50/19.30		
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 neighboring countries such as Cambodia, Laos, and Myanmar.

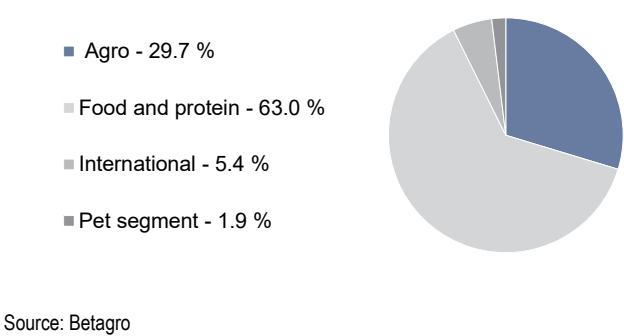
The company has diversified to six distribution channels which consist of Betagro branches, modern trade, traditional trade, food services, industrial customers (OEM business), and the export market (more than 20 countries). The company has strong brand recognition under the well-known BETAGRO brand,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

Company profile

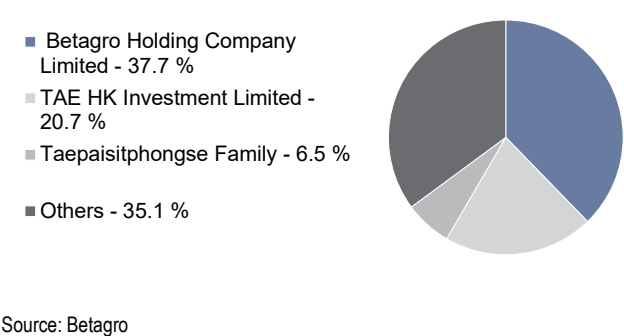
Established in 1967 and listed on the SET in 2022, BTG operates a full range of agro-industry businesses from upstream animal feed, pig and chicken farms, animal health products and supplements, meat processing, and food production to pet products. At the end of 2023, BTG generated revenue from Food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

[www.betagro.com](http://www.betagro.com)

Principal activities (revenue, 2023)



Major shareholders



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 risks to our P/E-based TP include 1) a slower-than-expected purchasing power recovery; 2) a slower-than-expected meat price increase; 3) a slower-than-expected decrease in feed costs; and 4) a stronger-than-expected THB.

Event calendar

Date	Event
February 2025	4Q24 results announcement

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	4.5	4.6
Gross margin (%)	13.2	13.0	13.0
SG&A to sales (%)	10.4	10.4	10.4

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in revenue, we estimate 2025 net profit to rise by 3.1%, and vice versa, all else being equal.
- For every 0.1% increase in GPM, we estimate 2025 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 2025 net profit to fall by 2.9%, and vice versa, all else being equal.

Source: FSSIA estimates

3Q24 net profit rebounded as expected

BTG posted a 3Q24 net profit of THB979m (+56% q-q, a turnaround from a loss last year). Excluding an FX gain and a biological asset gain, its core profit was THB905m (+45% q-q, a turnaround from a loss in 2Q23), which is close to our estimate.

The strong profit recovery came from both increased sales volumes and higher meat prices, driving revenue up by 9.8% q-q and 11% y-y. To elaborate, the average price of Thai swine in 3Q24 was THB71.5/kg (+3% q-q, +14% y-y), coupled with an improved sales volume, which helped offset the decline in Thai chicken prices, which fell by 1.4% q-q.

The gross margin slightly decreased q-q to 13.9%, but it remains significantly higher than the 8.2% level in 3Q23. Overall, raw material prices continued to decrease. BTG was able to control its expenses well, resulting in SG&A to sales decreasing to 10.1%, down from 10.6% in 2Q24 and 10.8% in 3Q23.

Exhibit 1: BTG – 3Q24 earnings results

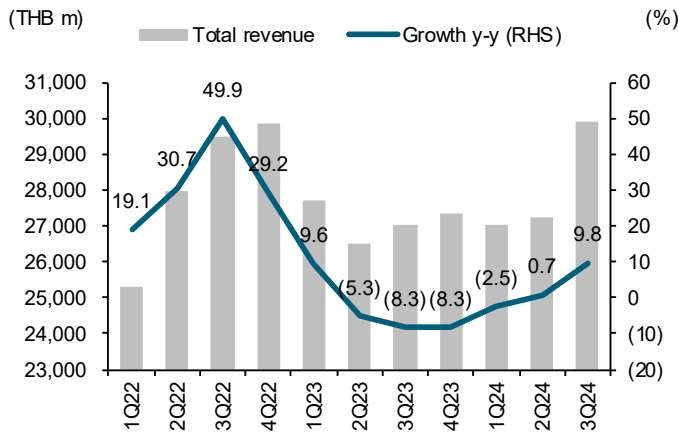
	3Q23	4Q23	1Q24	2Q24	3Q24	----- Change -----		9M23	9M24	Change	2024E	Change	% 9M24
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)	(y-y%)	to 2024E
Sales	27,047	27,365	27,024	27,225	29,889	9.8	10.5	81,273	84,138	3.5	112,801	3.8	74.6
Cost of sales	24,836	25,032	24,102	23,388	25,731	10.0	3.6	72,768	73,222	0.6	97,912	0.1	74.8
Gross profit	2,211	2,333	2,922	3,836	4,158	8.4	88.1	8,505	10,916	28.3	14,890	37.4	73.3
SG&A	2,932	2,623	2,795	2,889	3,019	4.5	2.9	8,956	8,703	(2.8)	11,731	1.3	74.2
Operating profit	(604)	(235)	253	1060	1300	22.6	nm	(13)	2,613	nm	3,638	nm	71.8
Interest expense	170	209	198	199	198	(0.7)	16.5	464	595	28.2	797	18.5	74.6
Tax expense	23	256	195	269	240	(10.7)	953.6	201	705	251.2	846	85.0	83.4
Biological gain (loss)	(23)	14	10	15	24	63.3	nm	(102)	48	nm	49	nm	97.5
Other gain (loss)	9	(2)	(4)	(13)	51	nm	465.0	3	34	1046.9	38	nm	89.0
Reported net profit	(784)	(656)	(124)	628	979	56.0	nm	(742)	1,483	nm	2,204	nm	67.3
Core profit	(770)	(668)	(130)	626	905	44.5	nm	(643)	1,401	nm	2,117	nm	66.2

Key ratios (%)					(ppt)	(ppt)							
Gross margin	8.2	8.5	10.8	14.1	13.9	(0.2)	5.7	10.5	13.0	2.5	13.2	3.2	
SG&A to sales	10.8	9.6	10.3	10.6	10.1	(0.5)	(0.7)	11.0	10.3	(0.7)	10.4	(0.3)	
Operating margin	(2.2)	(0.9)	0.9	3.9	4.3	0.5	6.6	(0.0)	3.1	3.1	3.2	3.5	
Net margin	(2.9)	(2.4)	(0.5)	2.3	3.3	1.0	6.2	(0.9)	1.8	2.7	2.0	3.2	
Core margin	(2.8)	(2.4)	(0.5)	2.3	3.0	0.7	5.9	(0.8)	1.7	2.5	1.9	3.1	

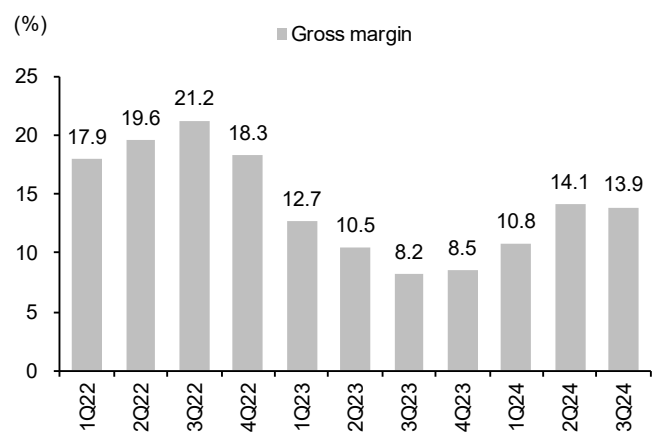
Operating statistics												
Broiler price-TH (THB/kg.)	36.6	37.9	40.8	43.6	43.0	(1.4)	17.5	39.9	42.5	6.5	41.6	5.6
Swine price-TH (THB/kg.)	62.7	62.3	66.3	69.3	71.5	3.1	14.0	73.3	69.0	(5.8)	70.0	0.7
Swine price-Cambodia (KHR/kg.)	8,572	7,237	7,287	9,568	8,866	(7.3)	3.4	8,678	8,574	(1.2)	8,605	3.5
Swine price-Laos (LAK/kg.)	46,341	45,912	47,593	48,745	51,112	4.9	10.3	46,227	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	12.6	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)	23.0	21.3	(7.2)	20.9	(8.1)

Revenue by segment (THB m)										
Agri business	8,171	8,315	7,819	7,885	8,542	8.3	4.5	23,927	24,246	1.3
Food	7,916	7,955	7,852	7,748	8,798	13.6	11.1	23,632	24,398	3.2
Export	2,994	3,150	3,065	3,320	3,510	5.7	17.2	9,026	9,895	9.6
Meat no packaging	1,888	1,934	2,059	2,126	2,331	9.6	23.5	5,552	6,516	17.4
By product and others	2,809	2,896	2,978	3,006	3,267	8.7	16.3	9,049	9,251	2.2
Farm	1,269	1,123	1,232	1,145	1,389	21.3	9.5	4,100	3,766	(8.1)
Overseas	1,464	1,453	1,464	1,543	1,553	0.6	6.1	4,434	4,560	2.8
Pet food	536	538	555	452	499	10.4	(6.9)	1,553	1,506	(3.0)

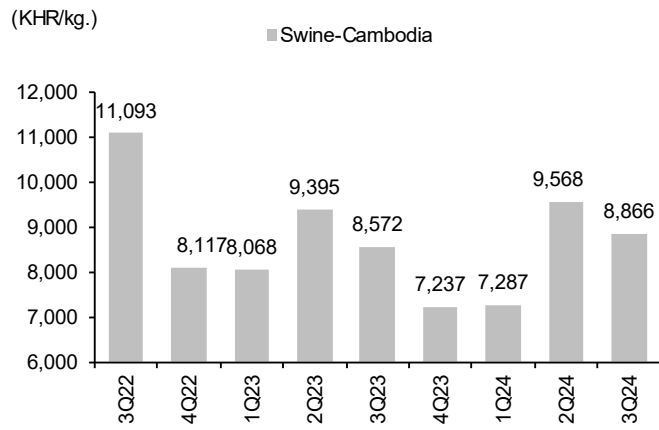
Sources: BTG, FSSIA's compilation

**Exhibit 2: Quarterly total revenue and growth**

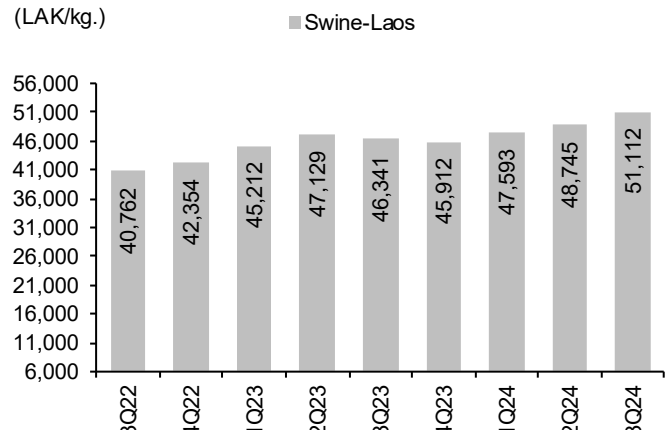
Sources: BTG, FSSIA's compilation

**Exhibit 3: Quarterly gross margin**

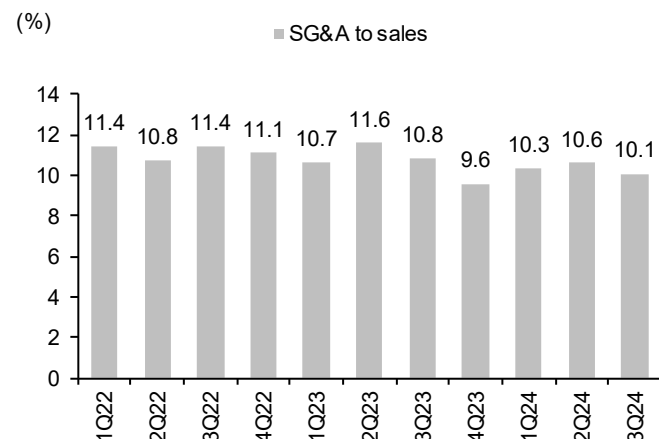
Source: BTG, FSSIA's compilation

**Exhibit 4: Quarterly Cambodian swine price**

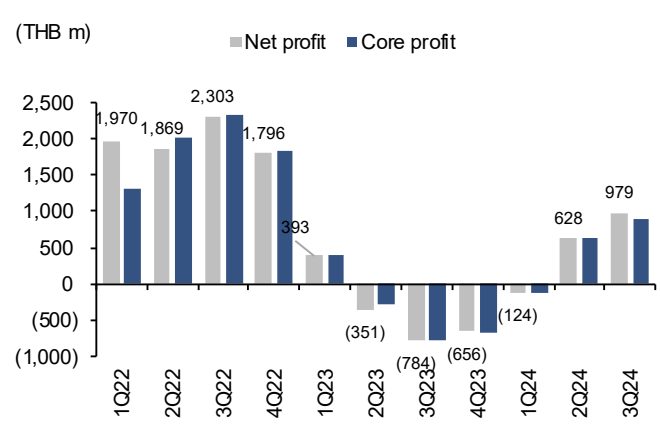
Source: CPF, FSSIA's compilation

**Exhibit 5: Quarterly Laos swine price**

Source: CPF, FSSIA's compilation

**Exhibit 6: Quarterly SG&A to sales**

Sources: BTG, FSSIA's compilation

**Exhibit 7: Quarterly net profit and core profit**

Sources: BTG, FSSIA's compilation

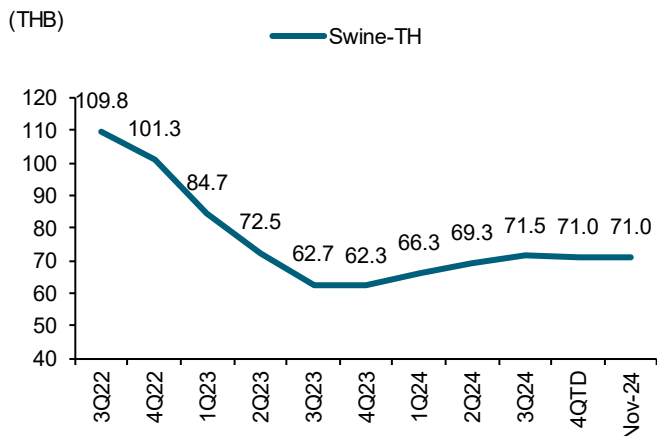
## Expect 4Q24 net profit to decline q-q due to seasonality

The average meat prices for 4QTD have started to weaken, particularly for Thai chicken, which is currently priced at THB35-36/kg (according to the Department of Internal Trade, MOC) and THB39/kg (according to the Office of Agricultural Economics). This represents a 9% q-q decline in the average price for 4QTD, though it is still 6.6% higher compared to 3Q23. The significant price slowdown is partly due to flooding and heavy rains in September and October, which caused small farmers to sell off their supply. This, combined with entering the low season for exports, has put downward pressure on prices. Meanwhile, the price of Thai swine has remained stable q-q at THB70-72/kg.

Although raw material prices, such as for corn (-15.8% q-q, -13.3% y-y) and soybean meal (-4.9% q-q, -9.3% y-y), continue to decrease, we expect this to support gross margins at a strong double-digit level. However, we anticipate a q-q decline due to the reduced sales volume and lower meat prices.

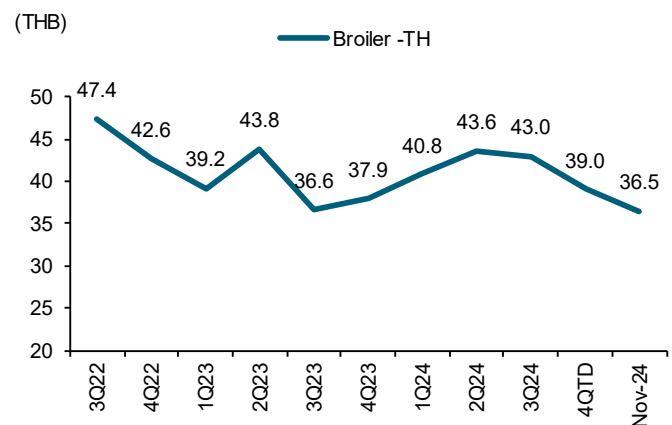
BTG's 9M24 net profit equaled THB1.48b, a turnaround from a loss of THB742m in 9M23, accounting for 67% of our full-year profit estimate. We initially forecast the net profit for 4Q24 to be THB727m (-26% q-q, a turnaround from a loss of THB656m in 3Q23). We are maintaining our 2024 net profit forecast at THB2.2b, a strong recovery from a loss of THB1.4b in 2023.

**Exhibit 8: Quarterly Thai swine price**



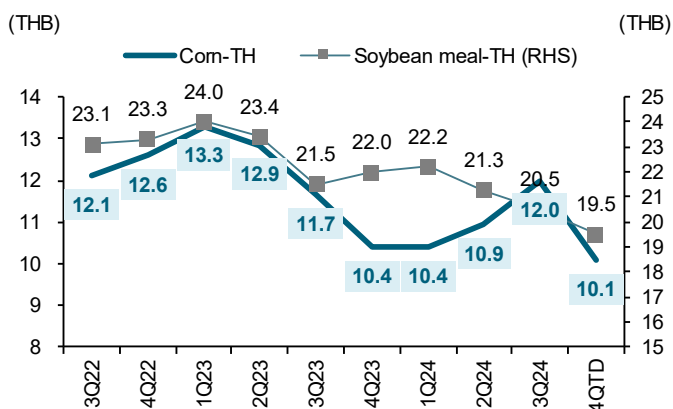
Sources: CPF, OAE, MOC, FSSIA estimates

**Exhibit 9: Quarterly Thai chicken price**



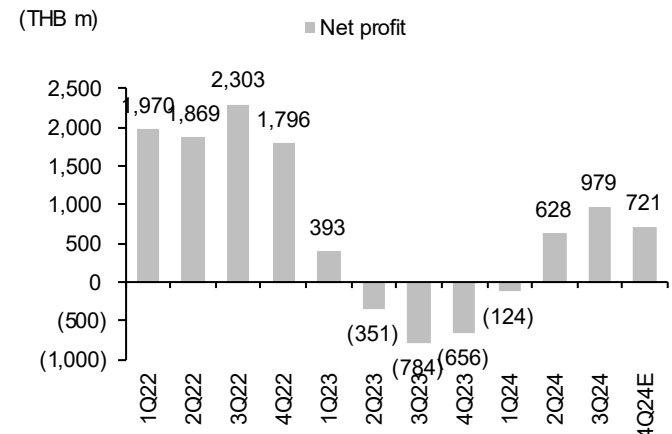
Sources: CPF, OAE, MOC, FSSIA estimates

**Exhibit 10: Quarterly domestic raw material prices**



Sources: CPF, OAE, MOC, FSSIA estimates

**Exhibit 11: Quarterly net profit**



Sources: BTG, FSSIA estimates

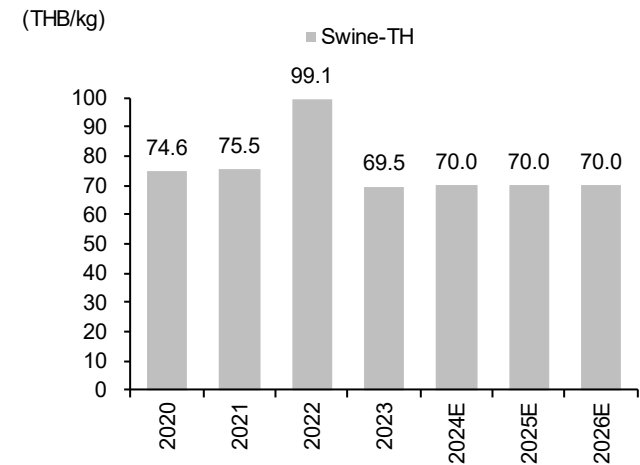
## Maintain our conservative view on meat prices in 2025

From the thriving livestock industry in 2024, driven by the resolution of the illegal pork issue and the effective control of the African Swine Fever (ASF) situation, the price of Thai swine in 2H24 is expected to rise to THB71.5/kg (+5.4% h-h, +14.4% y-y). This price increase is significantly above the breakeven costs, benefiting from the reduction in raw material costs. Meanwhile, chicken prices have remained relatively strong throughout the year, with an average price of THB42.5/kg in 9M24 (+6.5% y-y), driven by a strong recovery in chicken exports. In 9M24, the chicken export volume increased by 5.4% y-y, while the export value grew slightly lower by 4% y-y, primarily due to product mix changes, as the export value of processed chicken expanded more than that of fresh frozen chicken. The good export conditions are partly due to low stock levels among customers in Japan and the EU, combined with shipping delays throughout 2024, which prompted customers to accelerate their purchases.

Due to the reasons mentioned above, there has been an increase in chicken production, with the number of chicks in 2025 expected to rise to 38-39 million per week, up from 36-37 million in 2024. 2024 pig production is expected to increase to 19.4 million pigs, higher than the initial forecast of 18.2 million by The Swine Raisers Association of Thailand (+4% y-y). While the late 2024 flooding has impacted production, operators expect a slight 1% y-y decline in pig production to 19.2 million pigs in 2025. This forecast is lower than the previous expectation of a recovery to pre-ASF levels of 20-21 million pigs.

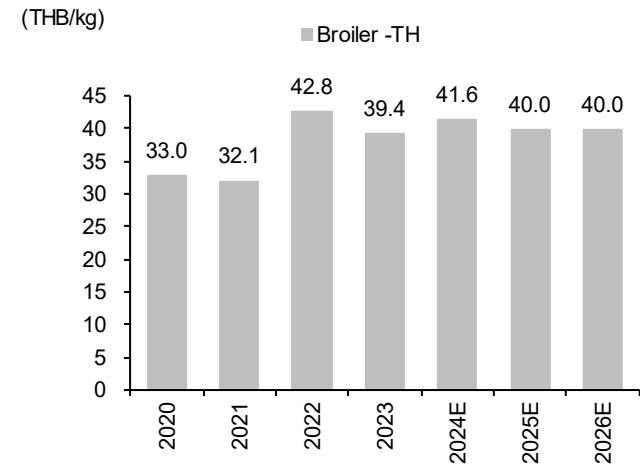
Regarding overall demand, we expect both domestic consumption and exports in 2025 to stabilize, which is a more conservative outlook than management's expectations. In addition, with raw material prices remaining low, there will be limited upward pressure on meat prices. Therefore, we maintain our forecast for Thai swine prices in 2025 at THB70/kg, unchanged from 2024, and live chicken prices at THB40/kg (-4% y-y), which is a more conservative assumption than management's guidance.

Exhibit 12: Yearly Thai swine price



Sources: FSSIA estimates

Exhibit 13: Yearly chicken price



Sources: FSSIA estimates



## Acquiring a leading importer of eggs in Singapore

BTG is acquiring a 75% interest in Eggriculture Foods for HKD444m or THB2.1b. It expects 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. It imports roughly 0.5m-0.6m eggs daily since domestic output is insufficient for local consumption. Specifically, the annual production of Singapore is 2.1b eggs, representing just 32% of the domestic consumption, implying 68% from imports. In the past five years, egg prices have increased by 9.6% CAGR, with an average price of THB9.34/egg in 2023, up from THB6.74/egg in 2021.

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 gains/losses from the revaluation of the fair value of biological assets, such as chicken breeders 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% in additional profit for BTG, excluding future synergies.

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.

### Exhibit 14: Shareholding 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. <sup>/1</sup>	0	0	500,000,000	100.00
2. Radiant Grand International Limited / Mr. Ma Chin Chew	294,800,000	58.96	0 <sup>/2</sup>	0 <sup>/2</sup>
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
<b>Total</b>	<b>500,000,000</b>	<b>100.00</b>	<b>500,000,000</b>	<b>100.00</b>

<sup>/1</sup> Betagro PCL indirectly hold 75.00% of Eggriculture shares through Betagro Foods

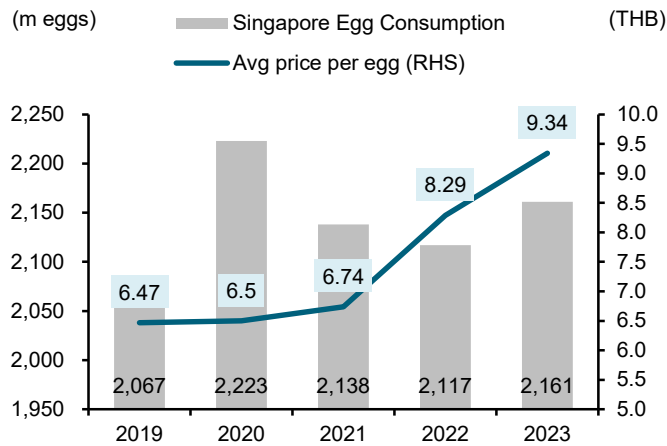
<sup>/2</sup> RGI and/or Mr. Ma Chin Chew indirectly hold 25.00% of Eggriculture shares through Betagro Foods

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

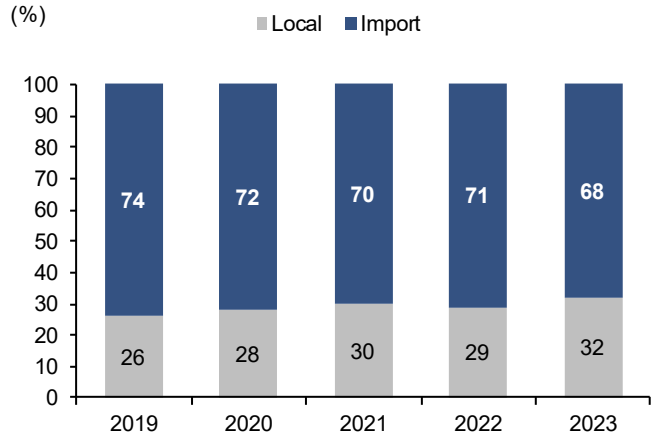
Source: BTG

Exhibit 15: Singapore egg consumption and average price



Sources: Singapore Department of Statistics, Singapore Food Agency

Exhibit 16: Singapore egg supply



Sources: Singapore Department of Statistics, Singapore Food Agency

Exhibit 17: 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

Source: Eggriculture's 2024 Annual Report



## Revise down 2025E profit on potential narrowing of spread margin

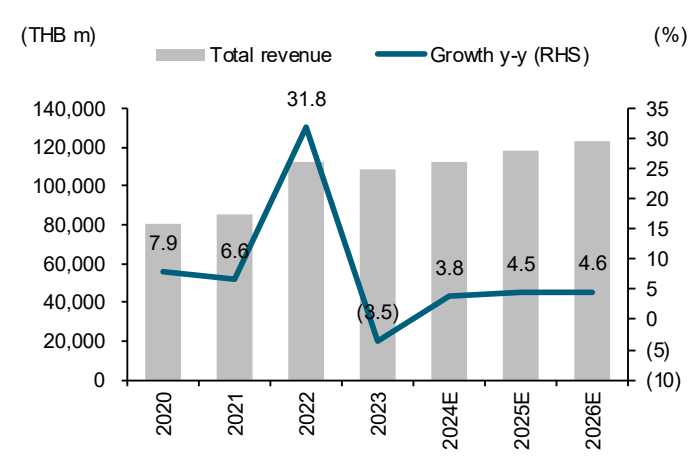
We have revised down 2025E net profit by 7% to THB2.45b (+11% y-y), adjusting the spread margin downward due to the expected softening of meat prices. We have also reduced our gross margin assumption for 2025 by 20 bps to 13%. However, there is still y-y profit growth expected, driven by higher sales volumes from expanded production capacity and the consolidation of the egg business in Singapore. We expect that the majority of revenue will continue to come from the food and protein segment, accounting for 63% of total revenue, followed by agro at 29.3%, international at 5.3%, and the pet segment at 2.2%.

### Exhibit 18: 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	117,846	123,255	112,801	118,023	123,652	0.0	(0.2)	(0.3)
Cost of sales	97,912	102,526	107,232	97,912	102,444	107,330	0.0	0.1	(0.1)
Gross profit	14,890	15,320	16,023	14,890	15,579	16,322	0.0	(1.7)	(1.8)
SG&A expenses	11,731	12,256	12,819	11,731	12,274	12,860	0.0	(0.2)	(0.3)
Operating profit	3,638	3,594	3,759	3,638	3,836	4,019	0.0	(6.3)	(6.5)
Interest expense	797	683	649	797	683	649	0.0	0.0	0.0
Reported net profit	2,204	2,449	2,614	2,204	2,643	2,822	0.0	(7.3)	(7.4)
Core profit	2,117	2,449	2,614	2,117	2,643	2,822	0.0	(7.3)	(7.4)
<b>Key ratios (%)</b>									
Total revenue growth	3.8	4.5	4.6	3.8	4.6	4.8			
Net profit growth	nm	11.1	6.7	nm	19.9	6.8			
Core profit growth	nm	15.7	6.7	nm	24.9	6.8			
Gross margin	13.2	13.0	13.0	13.2	13.2	13.2	0.0	(0.2)	(0.2)
SG&A to sales	10.4	10.4	10.4	10.4	10.4	10.4	0.0	0.0	0.0
Operating margin	3.2	3.1	3.1	3.2	3.3	3.3	0.0	(0.2)	(0.2)
Net margin	2.0	2.1	2.1	2.0	2.2	2.3	0.0	(0.2)	(0.2)
Core margin	1.9	2.1	2.1	1.9	2.2	2.3	0.0	(0.2)	(0.2)
<b>Key assumptions</b>									
<b>Revenue breakdown (THB m)</b>									
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	71,311	74,358	77,542	0.0	0.0	0.0
International business	6,096	6,277	6,561	6,096	6,277	6,561	0.0	0.0	0.0
Pet business	2,415	2,612	2,825	2,415	2,789	3,222	0.0	(6.4)	(12.3)
Price									
Broiler price-TH (THB/kg.)	41.6	40.0	40.0	41.6	40.0	40.0	0.0	0.0	0.0
Swine price-TH (THB/kg.)	70.0	70.0	70.0	70.0	70.0	70.0	0.0	0.0	0.0
Swine price-Cambodia (KHR/kg.)	8,605	8,400	8,200	8,605	8,400	8,200	0.0	0.0	0.0
Corn price-TH (THB/kg.)	11.0	10.0	10.0	11.0	10.0	10.0	0.0	0.0	0.0
Soybean meal price-TH (THB/kg.)	20.9	19.5	19.0	20.9	19.5	19.0	0.0	0.0	0.0

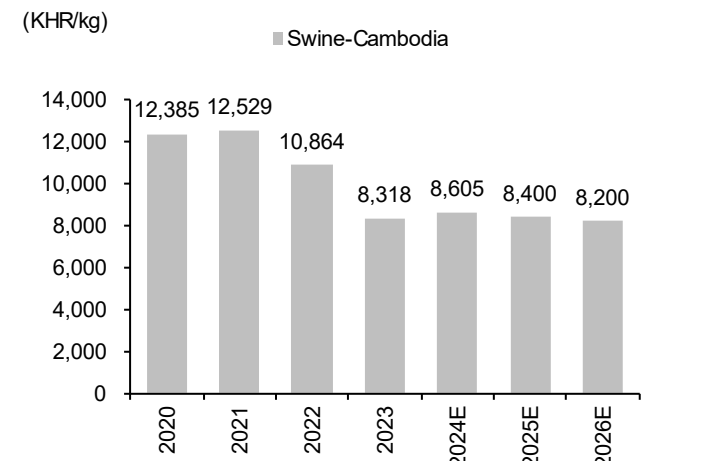
Sources: FSSIA estimates

Exhibit 19: Yearly total revenue and growth



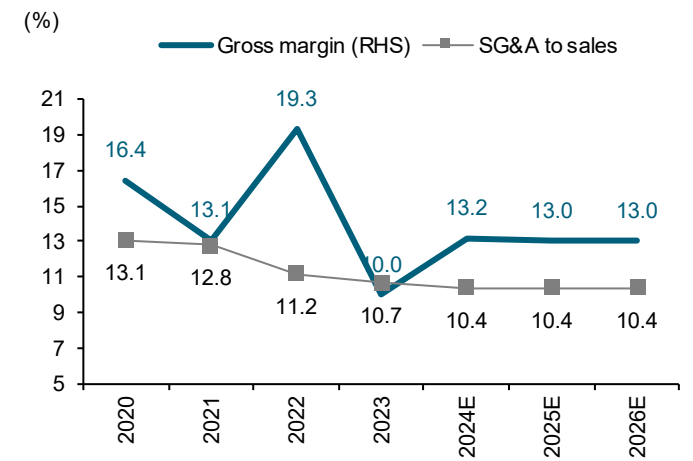
Sources: BTG, FSSIA estimates

Exhibit 20: Yearly Cambodian swine price



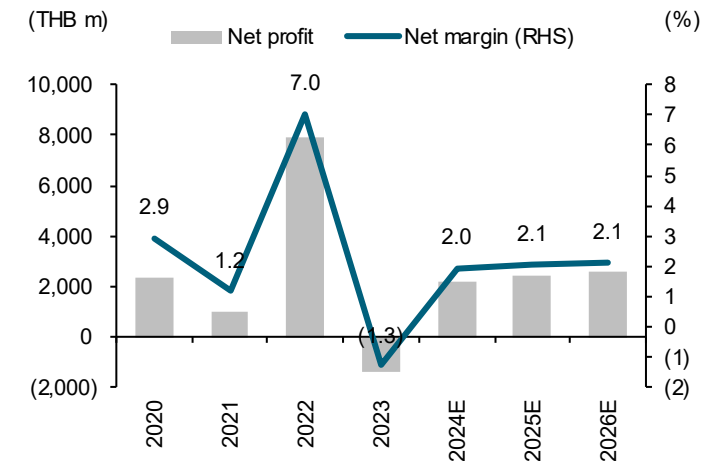
Sources: CPF, FSSIA estimates

Exhibit 21: Yearly gross margin and SG&A to sales



Sources: BTG, FSSIA estimates

Exhibit 22: Yearly net profit and net margin



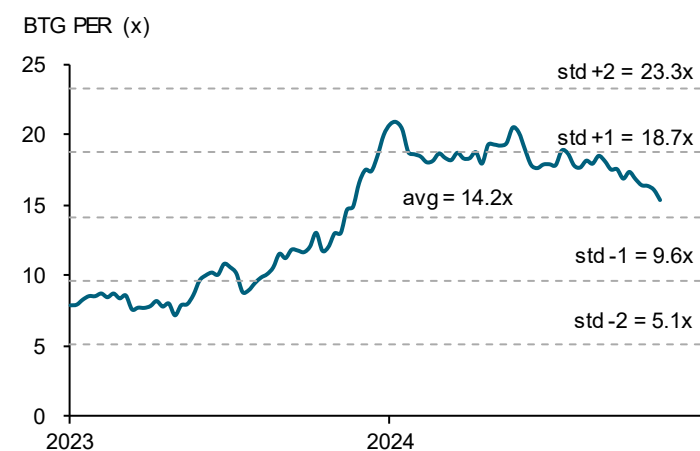
Sources: BTG, FSSIA estimates

## Upgrade to BUY on 18% share price decline over past four months

We have revised down our 2025 target price to THB22 (from THB23.5), based on a P/E of 17x, which is close to the target P/E for CPF and higher than GFPT and TFG. This is because we believe BTG has increasingly diversified its business toward downstream and is focusing on increasing the proportion of value-added revenue, such as ready-to-eat meals, premium meats, and pet food. BTG has been rated "Excellent" (5 stars) for corporate governance by IOD and has shown improvements in ESG development. We expect that BTG will continue to be rated in the SET ESG Rating in the future.

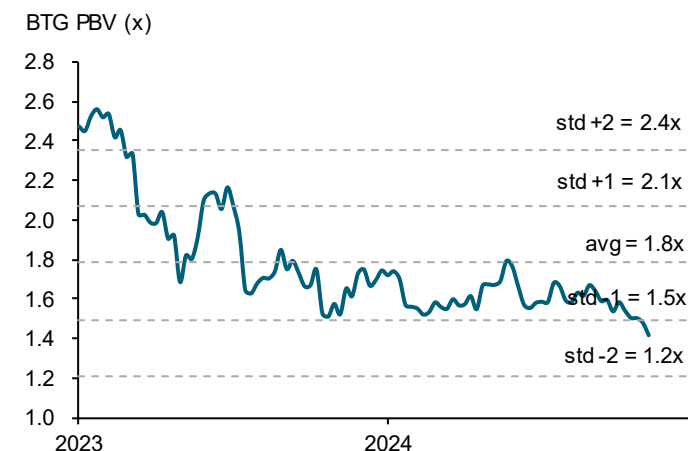
The stock price has already declined by 18% over the past four months. It is currently trading at a 2025E P/E of 16x, down from 19x previously. At our new target price, there is an upside of 12%, so we upgrade our rating to BUY from Hold. However, in the short term, the stock lacks a catalyst due to expected weaker earnings, and we anticipate that a good re-entry point would be when meat prices start to rise again, particularly chicken prices. Initially, we expect to see a recovery in prices by 2Q25.

**Exhibit 23: Historical P/E band**



Sources: Bloomberg, FSSIA estimates

**Exhibit 24: Historical P/BV band**



Sources: Bloomberg, FSSIA estimates

**Exhibit 25: Peers comparisons as of 18 Nov 2024**

Company	BBG	Rec	Share price			Market Cap	PE		ROE		PBV		EV/EBITDA	
			Current	Target	Upside		24E	25E	24E	25E	24E	25E	24E	25E
			(LCY)	(LCY)	(%)	(USD m)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
<b>Thailand</b>														
Charoen Pokphand Foods	CPF TB	BUY	24.30	28.00	15	5,753	11.8	14.5	7.1	5.6	0.8	0.8	11.7	12.9
Thai Union Group	TU TB	BUY	13.60	19.40	43	1,662	12.6	11.3	8.7	9.5	1.1	1.1	9.5	9.0
Betagro	BTG TB	BUY	19.60	22.00	12	1,089	18.5	16.0	8.2	9.0	1.4	1.4	6.6	6.1
Thaifoods Group	TFG TB	BUY	3.78	4.60	22	614	7.7	8.1	20.5	18.7	1.5	1.4	5.0	4.8
GFPT	GFPT TB	HOLD	10.70	12.50	17	385	6.6	8.6	11.0	7.9	0.7	0.7	5.3	5.3
Asian Sea	ASIAN TB	n/a	8.85	n/a	n/a	207	8.7	8.6	13.3	12.2	1.1	1.0	4.7	4.6
<b>Average</b>						<b>9,710</b>	<b>11.0</b>	<b>11.2</b>	<b>11.5</b>	<b>10.5</b>	<b>1.1</b>	<b>1.0</b>	<b>7.2</b>	<b>7.1</b>

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	117,846	123,255
Cost of goods sold	(90,894)	(97,800)	(97,912)	(102,526)	(107,232)
<b>Gross profit</b>	<b>21,731</b>	<b>10,838</b>	<b>14,890</b>	<b>15,320</b>	<b>16,023</b>
Other operating income	637	493	479	530	555
Operating costs	(12,594)	(11,579)	(11,731)	(12,256)	(12,819)
<b>Operating EBITDA</b>	<b>14,018</b>	<b>4,319</b>	<b>8,656</b>	<b>9,062</b>	<b>9,677</b>
Depreciation	(4,243)	(4,568)	(5,018)	(5,468)	(5,918)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>9,775</b>	<b>(248)</b>	<b>3,638</b>	<b>3,594</b>	<b>3,759</b>
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
<b>Profit before tax</b>	<b>9,654</b>	<b>(906)</b>	<b>3,081</b>	<b>3,077</b>	<b>3,283</b>
Tax	(1,549)	(457)	(846)	(615)	(657)
<b>Profit after tax</b>	<b>8,104</b>	<b>(1,364)</b>	<b>2,235</b>	<b>2,461</b>	<b>2,627</b>
Minority interests	(167)	(35)	(32)	(12)	(12)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>7,938</b>	<b>(1,398)</b>	<b>2,204</b>	<b>2,449</b>	<b>2,614</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(460)</b>	<b>88</b>	<b>(87)</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>7,477</b>	<b>(1,310)</b>	<b>2,117</b>	<b>2,449</b>	<b>2,614</b>
<b>Per share (THB)</b>					
Recurring EPS *	3.74	(0.66)	1.06	1.22	1.31
Reported EPS	4.11	(0.72)	1.14	1.27	1.35
DPS	2.52	0.25	0.46	0.51	0.54
Diluted shares (used to calculate per share data)	2,000	2,000	2,000	2,000	2,000
<b>Growth</b>					
Revenue (%)	31.8	(3.5)	3.8	4.5	4.6
Operating EBITDA (%)	188.2	(69.2)	100.4	4.7	6.8
Operating EBIT (%)	1,125.0	nm	nm	(1.2)	4.6
Recurring EPS (%)	416.1	nm	nm	15.7	6.7
Reported EPS (%)	34.4	nm	nm	11.1	6.7
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	19.3	10.0	13.2	13.0	13.0
Gross margin exc. depreciation (%)	23.1	14.2	17.6	17.6	17.8
Operating EBITDA margin (%)	12.4	4.0	7.7	7.7	7.9
Operating EBIT margin (%)	8.7	(0.2)	3.2	3.1	3.1
Net margin (%)	6.6	(1.2)	1.9	2.1	2.1
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	5.5	6.1
Inventory days	60.7	52.5	47.5	46.5	46.6
Debtor days	18.4	21.0	20.5	19.6	19.6
Creditor days	23.2	22.0	23.5	25.8	25.9
Operating ROIC (%)	18.1	(0.4)	6.5	6.7	7.0
ROIC (%)	16.1	(0.2)	6.1	6.3	6.5
ROE (%)	33.8	(4.9)	8.2	9.0	9.0
ROA (%)	13.3	(1.2)	4.5	5.0	5.1

\* 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	2,612	2,825

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	2,449	2,614
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	(669)	(1,194)
<b>Cash flow from operations</b>	<b>10,694</b>	<b>4,353</b>	<b>9,329</b>	<b>7,094</b>	<b>7,176</b>
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	409	(1,419)
<b>Cash flow from investing</b>	<b>(4,140)</b>	<b>(7,823)</b>	<b>(3,939)</b>	<b>(4,091)</b>	<b>(5,419)</b>
Dividends paid	(11,250)	(1,924)	(882)	(980)	(1,046)
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)	101	108
<b>Cash flow from financing</b>	<b>2,274</b>	<b>(910)</b>	<b>(5,280)</b>	<b>(3,859)</b>	<b>(1,836)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>(3,430)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>5,398</b>	<b>(4,380)</b>	<b>109</b>	<b>(856)</b>	<b>(80)</b>
Free cash flow to firm (FCFF)	7,173.00	(2,796.77)	6,186.43	3,685.97	2,404.94
Free cash flow to equity (FCFE)	(281.29)	(2,456.03)	990.76	124.16	965.93
<b>Per share (THB)</b>					
FCFF per share	3.71	(1.45)	3.20	1.91	1.24
FCFE per share	(0.15)	(1.27)	0.51	0.06	0.50
Recurring cash flow per share	6.31	1.60	3.67	4.02	4.34
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)
<b>Tangible fixed assets (net)</b>	<b>23,372</b>	<b>26,345</b>	<b>25,827</b>	<b>24,859</b>	<b>23,442</b>
<b>Intangible fixed assets (net)</b>	<b>882</b>	<b>786</b>	<b>786</b>	<b>786</b>	<b>786</b>
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	814	734
A/C receivable	6,652	7,480	6,745	7,047	7,370
Inventories	14,711	12,115	12,071	12,640	13,220
Other current assets	9,477	9,570	9,701	10,017	10,846
<b>Current assets</b>	<b>36,781</b>	<b>30,726</b>	<b>30,187</b>	<b>30,518</b>	<b>32,171</b>
Other assets	2,852	3,190	2,928	2,678	4,265
<b>Total assets</b>	<b>65,234</b>	<b>62,501</b>	<b>61,188</b>	<b>60,307</b>	<b>62,134</b>
Common equity	28,502	25,134	26,542	28,012	30,081
Minorities etc.	163	178	226	236	247
<b>Total shareholders' equity</b>	<b>28,664</b>	<b>25,312</b>	<b>26,768</b>	<b>28,248</b>	<b>30,327</b>
Long term debt	8,064	9,690	7,690	6,690	5,811
Other long-term liabilities	2,871	3,004	2,256	2,357	2,465
<b>Long-term liabilities</b>	<b>10,934</b>	<b>12,694</b>	<b>9,946</b>	<b>9,047</b>	<b>8,276</b>
A/C payable	9,852	9,293	10,880	11,383	11,905
Short term debt	15,615	14,878	13,256	11,276	11,256
Other current liabilities	168	324	338	354	370
<b>Current liabilities</b>	<b>25,636</b>	<b>24,494</b>	<b>24,474</b>	<b>23,012</b>	<b>23,531</b>
<b>Total liabilities and shareholders' equity</b>	<b>65,234</b>	<b>62,501</b>	<b>61,188</b>	<b>60,307</b>	<b>62,134</b>
Net working capital	20,821	19,549	17,299	17,967	19,162
Invested capital	49,274	51,324	48,300	47,756	49,125
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	14.77	13.03	13.76	14.52	15.59
Tangible book value per share	14.32	12.62	13.35	14.11	15.18
<b>Financial strength</b>					
Net debt/equity (%)	61.9	90.9	72.0	60.7	53.9
Net debt/total assets (%)	27.2	36.8	31.5	28.4	26.3
Current ratio (x)	1.4	1.3	1.2	1.3	1.4
CF interest cover (x)	0.5	(2.7)	2.2	1.2	2.5
Valuation	2022	2023	2024E	2025E	2026E
<b>Recurring P/E (x) *</b>	<b>5.2</b>	<b>(29.9)</b>	<b>18.5</b>	<b>16.0</b>	<b>15.0</b>
<b>Recurring P/E @ target price (x) *</b>	<b>5.9</b>	<b>(33.6)</b>	<b>20.8</b>	<b>18.0</b>	<b>16.8</b>
Reported P/E (x)	4.8	(27.0)	17.2	15.4	14.5
Dividend yield (%)	12.9	1.3	2.3	2.6	2.8
Price/book (x)	1.3	1.5	1.4	1.3	1.3
Price/tangible book (x)	1.4	1.6	1.5	1.4	1.3
EV/EBITDA (x) **	4.0	14.1	6.6	6.1	5.6
EV/EBITDA @ target price (x) **	4.3	15.2	7.2	6.6	6.1
EV/invested capital (x)	1.1	1.2	1.2	1.2	1.1
* Pre-exceptional, pre-goodwill and fully diluted    ** EBITDA includes associate income and recurring non-operating income					

Sources: Betagro; FSSIA estimates

# BETAGRO PCL (BTG TB)

FSSIA ESG rating

n/a

## Exhibit 26: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

## Exhibit 27: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
BTG	28.98	--	--	--	4.00	3.00	Certified	High	--	BB	--	--	--	--	57.48
CPF	80.89	Y	Y	Y	5.00	4.00	Certified	Medium	73.14	BBB	44.00	66.71	85.00	4.43	67.93
GFPT	50.93	--	Y	Y	5.00	5.00	Certified	High	--	--	--	62.77	24.00	4.22	57.60
TU	63.91	Y	--	--	--	5.00	Certified	High	59.31	A	41.00	64.47	85.00	--	77.68
TFG	33.07	--	--	Y	5.00	4.00	Certified	High	--	--	--	42.53	--	--	--

Sources: [SETTRADE.com](https://settrade.com); FSSIA's compilation

## Exhibit 28: ESG score by Bloomberg

FY ending Dec 31	FY 2022	FY 2023
<b>ESG financial materiality scores - ESG score</b>	—	—
BESG environmental pillar score	—	—
BESG social pillar score	—	—
BESG governance pillar score	—	—
<b>ESG disclosure score</b>	<b>50.31</b>	<b>57.48</b>
Environmental disclosure score	34.94	49.65
Social disclosure score	39.78	41.60
Governance disclosure score	76.10	81.10
<b>Environmental</b>		
Emissions reduction initiatives	No	Yes
Climate change policy	Yes	Yes
Climate change opportunities discussed	No	No
Risks of climate change discussed	Yes	Yes
GHG scope 1	234	204
GHG scope 2 location-based	214	217
GHG Scope 3	—	—
Carbon per unit of production	0	0
Biodiversity policy	No	No
Energy efficiency policy	Yes	Yes
Total energy consumption	1,065	1,072
Renewable energy use	73	163
Electricity used	416	421
Fuel used - natural gas	—	—

Sources: Bloomberg; FSSIA's compilation



**Exhibit 29: ESG score by Bloomberg (cont.)**

FY ending Dec 31	FY 2022	FY 2023
Fuel used - crude oil/diesel	No	No
Waste reduction policy	Yes	Yes
Hazardous waste	1	1
Total waste	204	207
Waste recycled	9	9
Waste sent to landfills	9	7
Environmental supply chain management	No	Yes
Water policy	Yes	Yes
Water consumption	7,837	9,000
<b>Social</b>		
Human rights policy	Yes	Yes
Policy against child labor	Yes	Yes
Quality assurance and recall policy	Yes	Yes
Consumer data protection policy	No	Yes
Equal opportunity policy	Yes	Yes
Gender pay gap breakout	Yes	Yes
Pct women in workforce	54	54
Pct disabled in workforce	1	1
Business ethics policy	Yes	Yes
Anti-bribery ethics policy	Yes	Yes
Health and safety policy	Yes	Yes
Lost time incident rate - employees	1	1
Total recordable incident rate - employees	1	1
Training policy	Yes	Yes
Fair remuneration policy	No	No
Number of employees – CSR	33,652	33,514
Employee turnover pct	51	44
Total hours spent by firm - employee training	121,820	358,278
Social supply chain management	No	Yes
<b>Governance</b>		
<b>Board size</b>	<b>11</b>	<b>11</b>
<b>No. of independent directors (ID)</b>	<b>5</b>	<b>5</b>
No. of women on board	5	5
No. of non-executive directors on board	8	8
Company conducts board evaluations	Yes	Yes
No. of board meetings for the year	14	11
Board meeting attendance pct	99	99
Board duration (years)	3	3
Director share ownership guidelines	No	No
Age of the youngest director	—	46
Age of the oldest director	—	70
<b>No. of executives / company managers</b>	<b>10</b>	<b>11</b>
No. of female executives	2	2
Executive share ownership guidelines	No	No
<b>Size of audit committee</b>	<b>3</b>	<b>3</b>
No. of ID on audit committee	3	3
Audit committee meetings	8	6
Audit meeting attendance %	96	100
<b>Size of compensation committee</b>	<b>3</b>	<b>3</b>
No. of ID on compensation committee	2	2
No. of compensation committee meetings	6	5
Compensation meeting attendance %	100	100
<b>Size of nomination committee</b>	<b>3</b>	<b>3</b>
No. of nomination committee meetings	6	5
Nomination meeting attendance %	100	100
<b>Sustainability governance</b>		
Verification type	No	No

Sources: Bloomberg; FSSIA's compilation

## Disclaimer for ESG scoring

ESG score	Methodology	Rating																			
The Dow Jones Sustainability Indices ( <a href="#">DJSI</a> ) 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.																			
SET ESG Ratings List ( <a href="#">SETESG</a> ) by The Stock Exchange of Thailand ( <a href="#">SET</a> )	SET ESG 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 <a href="#">SETESG inclusion</a> , 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. <a href="#">SETESG Index</a> is extended from the SET ESG Ratings 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.																			
<b>CG Score</b> 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%).																			
<b>AGM level</b> 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&amp;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.																			
<a href="#">Thai CAC</a> 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.																			
<a href="#">Morningstar Sustainabilitys</a>	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 &amp; 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+																	
<a href="#">ESG Book</a>	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.																			
<a href="#">MSCI</a>	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><b>AAA</b></td><td>8.571-10.000</td><td rowspan="3"><b>Leader:</b></td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td><b>AA</b></td><td>7.143-8.570</td></tr><tr><td><b>A</b></td><td>5.714-7.142</td></tr><tr><td><b>BBB</b></td><td>4.286-5.713</td><td rowspan="3"><b>Average:</b></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><b>BB</b></td><td>2.857-4.285</td></tr><tr><td><b>B</b></td><td>1.429-2.856</td></tr><tr><td><b>CCC</b></td><td>0.000-1.428</td><td><b>Laggard:</b></td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570	<b>A</b>	5.714-7.142	<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285	<b>B</b>	1.429-2.856	<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks
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<a href="#">Moody's ESG solutions</a>	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.																				
<a href="#">Refinitiv ESG rating</a>	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; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																				
<a href="#">S&amp;P Global</a>	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.																				
<b>Bloomberg</b>	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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Company	Ticker	Price	Rating	Valuation & Risks
Betagro	BTG TB	THB 19.60	BUY	Downside risks to our P/E-based TP include 1) a slower-than-expected purchasing power recovery; 2) a slower-than-expected meat price increase; 3) a slower-than-expected decrease in feed costs; and 4) a stronger-than-expected THB.
Charoen Pokphand Foods	CPF TB	THB 24.30	BUY	Downside risks to our P/E-based TP include 1) slow purchasing power, 2) a slower-than-expected meat price recovery, 3) higher feed costs, 4) Baht strength, and 5) a minimum wage increase and labor shortages.
Thai Union Group	TU TB	THB 13.60	BUY	Downside risks to our SoTP-based 2025 TP include 1) a slower-than-expected revenue recovery; 2) a disruption on shipping routes, resulting in higher-than-expected freight costs; 3) a slower decrease in raw material costs than expected; 4) higher-than-expected labor costs and labor shortages; and 5) stronger Baht than expected.
Thai Foods Group	TFG TB	THB 3.78	BUY	Downside and upside risks to our P/E-based TP are 1) a slower or faster-than-expected consumption recovery; 2) a slower or faster-than-expected decrease in feed costs; 3) a stronger or weaker-than-expected THB.
GFPT	GFPT TB	THB 10.70	HOLD	Downside and upside risks to our P/E-based TP include 1) a slower or faster-than-expected consumption recovery; 2) a slower or faster-than-expected decrease in feed costs; 3) a stronger or weaker-than-expected THB; and 4) a minimum wage increase and/or a labour shortage.

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-Nov-2024 unless otherwise stated.

## RECOMMENDATION STRUCTURE

### Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price\* - current price) / 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.