

BETAGRO BTG TB

THAILAND / FOOD & BEVERAGE

BUY
 UNCHANGED

Outstanding in growth and ESG

- Expect 4Q24 profit to be the best in the meat sector, with growth continuing in 1Q25.
- Currently, meat prices have increased even after Chinese New Year.
- We have raised 2025E profit by 13% and our TP to THB24.

4Q24 profit may surpass our previous expectation

We expect a 4Q24 net profit of THB990m (+1% q-q, turning from a loss of THB656m in 4Q23). Despite a q-q drop in meat prices, including a 9.3% decline in chicken prices, a 1-2% drop in Cambodian and Laos swine prices, and stable Thai pork prices, this would be offset by an increase in sales volumes, both domestic and export, opposite to the seasonal trend. We project the 4Q24 gross margin to continue improving q-q and y-y, reaching the highest in eight quarters, driven by lower raw material prices and increased sales through food service customers.

Expect 1Q25 profit to continue increasing

In the short term, the outlook for 1Q25 remains positive, supported by a recovery in meat prices, led by chicken prices (+10% q-q) in January and the swine price (+7.6% q-q). Although corn prices are up 12% q-q due to the low season for crops, soybean prices have decreased by 8% q-q, and BTG is still stocked with low-priced inventory. In addition, the Singapore egg business will be included in 1Q25, hence, revenue and gross margins are likely to continue rising.

Meat prices remain strong even after Chinese New Year

Not only BTG, but CPF and TFG also maintain a positive outlook on sustained high meat prices, even after the Chinese New Year, particularly for Thai swine, as the supply remains tight due to the impact of flooding in 4Q24 and ongoing ASF outbreaks. BTG aims for continued growth in 2025 and expects its gross margin be at least as high as in 2024, with a slight y-y decrease in raw material prices. BTG plans to expand its midstream business and focus more on chicken processing for export, as well as grow its food service customer base.

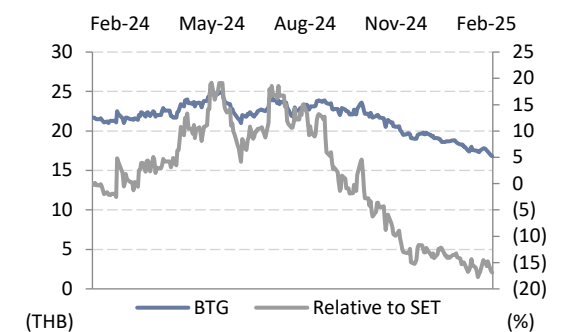
Maintain BUY call with higher TP to THB24

We have raised our 2024-25E net profit by 12-13% to THB2.47b (turning from a loss in 2023) and THB2.77b (+12% y-y), respectively. While the rising meat price trend may not be as strong as in the previous year due to the recovery from a low base, BTG has recently been selected for the SET ESG rating in 2024 with the highest AAA rating. Therefore, we maintain our target P/E of 17x, the highest in the meat sector, and raise our TP to THB24 (from THB22).

TARGET PRICE	THB24.00
CLOSE	THB16.80
UP/DOWNSIDE	+42.9%
PRIOR TP	THB22.00
CHANGE IN TP	+9.1%
TP vs CONSENSUS	+3.0%

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	108,638	114,386	122,344	124,682
Net profit	(1,398)	2,472	2,768	2,869
EPS (THB)	(0.72)	1.28	1.43	1.49
vs Consensus (%)	-	10.1	(5.5)	(8.2)
EBITDA	4,319	8,991	9,481	10,007
Recurring net profit	(1,310)	2,350	2,768	2,869
Core EPS (THB)	(0.66)	1.18	1.38	1.43
Chg. In EPS est. (%)	nm	11.0	13.0	9.8
EPS growth (%)	nm	nm	17.7	3.7
Core P/E (x)	(25.6)	14.3	12.1	11.7
Dividend yield (%)	1.5	3.1	3.4	3.5
EV/EBITDA (x)	12.9	5.8	5.3	4.9
Price/book (x)	1.3	1.2	1.1	1.1
Net debt/Equity (%)	90.9	71.8	60.9	52.0
ROE (%)	(4.9)	9.1	10.1	9.7



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(9.2)	(20.0)	(22.2)
Relative to country (%)	(3.3)	(10.0)	(17.3)
Mkt cap (USD m)	961		
3m avg. daily turnover (USD m)	0.5		
Free float (%)	37		
Major shareholder	Betagro Holding Company Limited (38%)		
12m high/low (THB)	25.50/16.30		
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 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

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 2025 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 (%)	5.3	7.0	1.9
Gross margin (%)	13.4	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 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

Exhibit 1: BTG – 4Q24 earnings preview

	4Q23	1Q24	2Q24	3Q24	4Q24E	Change		2023	2024E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Sales	27,365	27,024	27,225	29,889	30,248	1.2	10.5	108,638	114,386	5.3
Cost of sales	25,032	24,102	23,388	25,731	25,802	0.3	3.1	97,800	99,024	1.3
Gross profit	2,333	2,922	3,836	4,158	4,446	6.9	90.6	10,838	15,362	41.7
SG&A	2,623	2,795	2,889	3,019	3,237	7.2	23.4	11,579	11,939	3.1
Operating profit	(235)	253	1060	1300	1360	4.6	(678.9)	(248)	3,973	nm
Interest expense	209	198	199	198	200	1.1	(4.1)	673	795	18.2
Tax expense	256	195	269	240	233	(3.0)	(9.0)	457	938	105.3
Biological gain (loss)	14	10	15	24	0	nm	nm	(88)	48	nm
Other gain (loss)	(2)	(4)	(13)	51	40	(21.3)	nm	1	74	nm
Reported net profit	(656)	(124)	628	979	990	1.0	nm	(1398)	2,472	nm
Core profit	(668)	(130)	626	905	950	5.0	nm	(1310)	2,350	nm

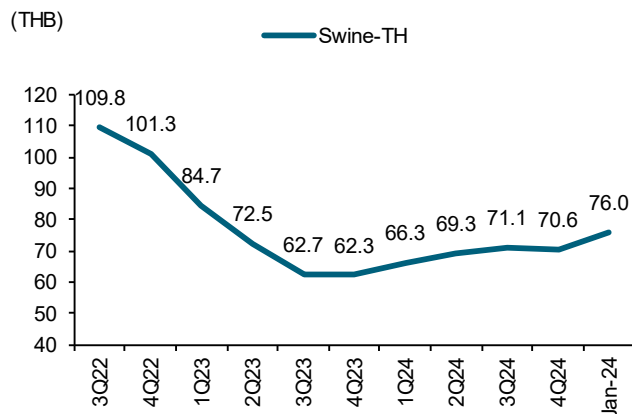
Key ratios (%)						(ppt)	(ppt)			
Gross margin	8.5	10.8	14.1	13.9	14.7	0.8	6.2	10.0	13.4	3.5
SG&A to sales	9.6	10.3	10.6	10.1	10.7	0.6	1.1	10.7	10.4	(0.2)
Operating margin	(0.9)	0.9	3.9	4.3	4.5	0.1	5.4	(0.2)	3.5	3.7
Net margin	(2.4)	(0.5)	2.3	3.3	3.3	(0.0)	5.7	(1.3)	2.2	3.4
Core margin	(2.4)	(0.5)	2.3	3.0	3.1	0.1	5.6	(1.2)	2.1	3.3

Operating statistics										
Broiler price-TH (THB/kg.)	37.9	40.8	43.6	42.7	38.1	(10.8)	0.5	39.4	41.6	5.6
Swine price-TH (THB/kg.)	62.3	66.3	69.3	71.1	70.6	(0.7)	13.3	69.5	70.0	0.7
Swine price-Cambodia (KHR/kg.)	7,237	7,287	9,568	8,866	8,758	(1.2)	21.0	8,318	8,605	3.5
Swine price-Laos (LAK/kg.)	45,912	47,593	48,745	51,112	51,134	0.0	11.4	46,130	47,000	1.9
Corn price-TH (THB/kg.)	10.4	10.4	10.9	12.0	10.1	(15.8)	(2.9)	12.1	11.0	(9.3)
Soybean meal price-TH (THB/kg.)	22.0	22.2	21.3	20.5	19.5	(4.9)	(11.4)	22.7	20.9	(8.1)

Revenue by segment (THB m)										
Agri business	8,315	7,819	7,885	8,542	8,436	(1.2)	1.5	32,242	32,682	1.4
Food	7,955	7,852	7,748	8,798	8,948	1.7	12.5	31,587	33,346	5.6
Export	3,150	3,065	3,320	3,510	3,791	8.0	20.3	12,176	13,686	12.4
Meat no packaging	1,934	2,059	2,126	2,331	2,415	3.6	24.9	7,486	8,931	19.3
By product and others	2,896	2,978	3,006	3,267	3,256	(0.3)	12.4	11,945	12,507	4.7
Farm	1,123	1,232	1,145	1,389	1,301	(6.3)	15.9	5,223	5,067	(3.0)
Overseas	1,453	1,464	1,543	1,553	1,652	6.4	13.7	5,887	6,212	5.5
Pet food	538	555	452	499	450	(9.8)	(16.4)	2,091	1,956	(6.5)

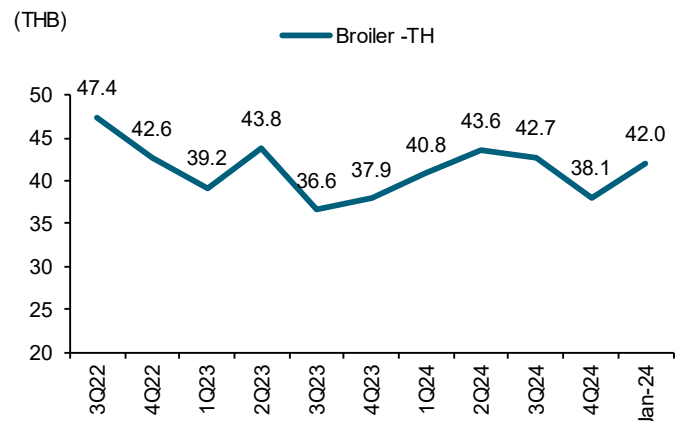
Sources: BTG, FSSIA estimates

Exhibit 2: Quarterly Thai swine price

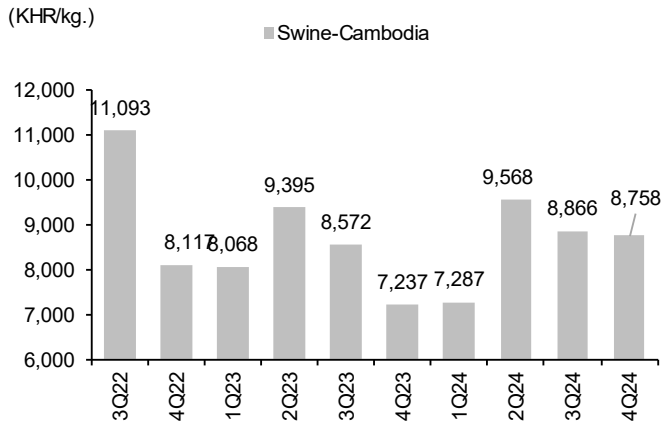


Sources: CPF, OAE, MOC, FSSIA estimates

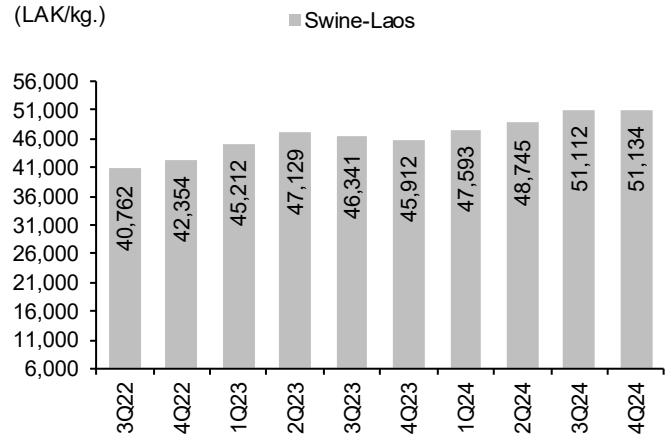
Exhibit 3: Quarterly Thai chicken price



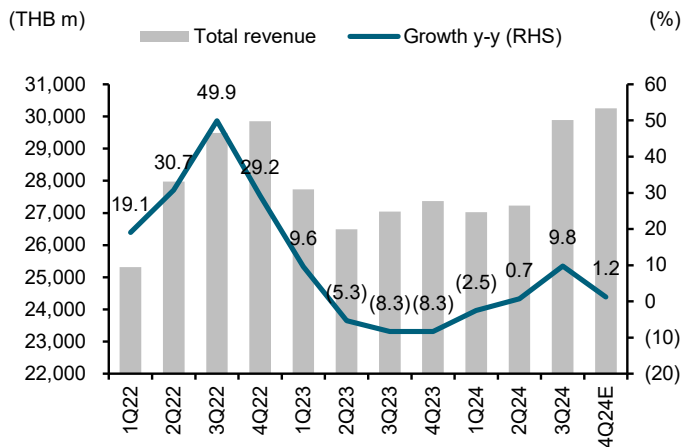
Sources: CPF, OAE, MOC, FSSIA estimates

Exhibit 4: Quarterly Cambodian swine price

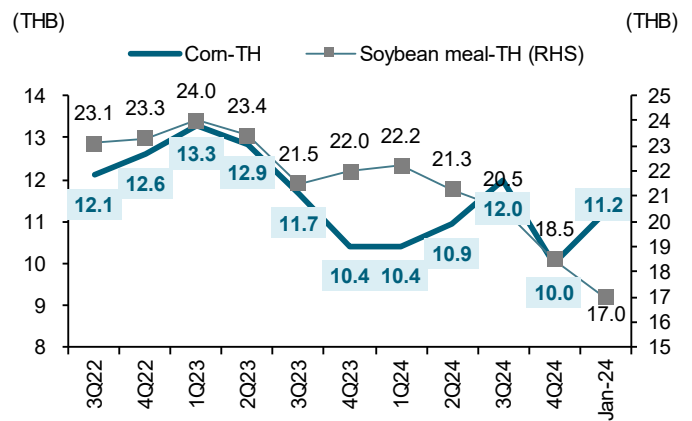
Source: CPF, FSSIA's compilation

Exhibit 5: Quarterly Laos swine price

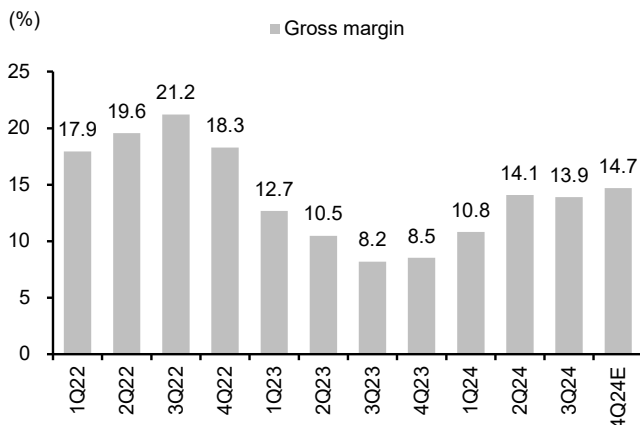
Source: CPF, FSSIA's compilation

Exhibit 6: Quarterly total revenue and growth

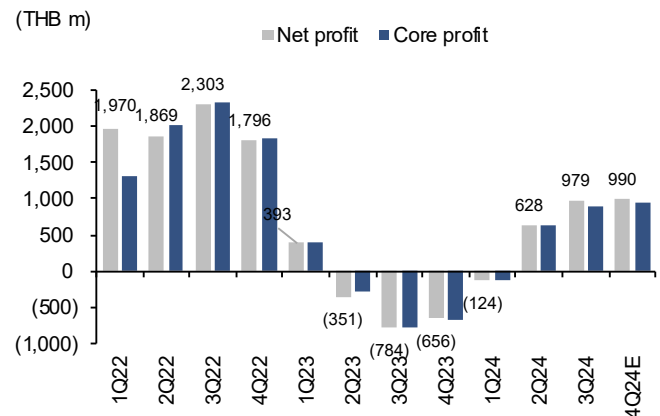
Sources: BTG, FSSIA estimates

Exhibit 7: Quarterly domestic raw material prices

Source: BTG, FSSIA estimates

Exhibit 8: Quarterly gross margin

Sources: BTG, FSSIA estimates

Exhibit 9: Quarterly net profit and core profit

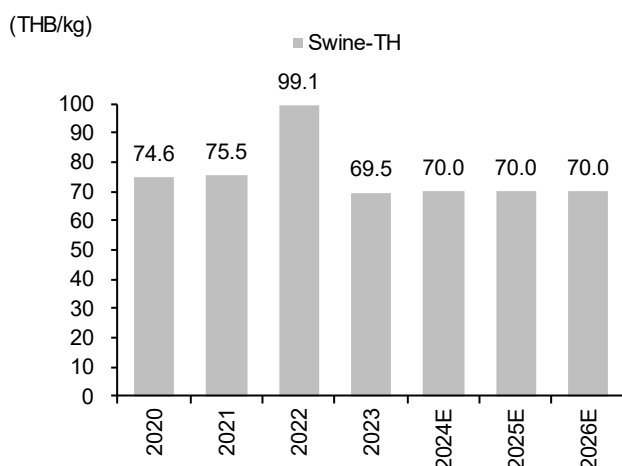
Sources: BTG, FSSIA estimates

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	114,386	122,344	124,682	112,801	117,846	123,255	1.4	3.8	1.2
Cost of sales	99,024	106,195	108,224	97,912	102,526	107,232	1.1	3.6	0.9
Gross profit	15,362	16,149	16,458	14,890	15,320	16,023	3.2	5.4	2.7
SG&A expenses	11,939	12,724	12,967	11,731	12,256	12,819	1.8	3.8	1.2
Operating profit	3,973	4,013	4,090	3,638	3,594	3,759	9.2	11.6	8.8
Interest expense	795	709	662	797	683	649	(0.3)	3.9	2.0
Reported net profit	2,472	2,768	2,869	2,204	2,449	2,614	12.2	13.0	9.8
Core profit	2,350	2,768	2,869	2,117	2,449	2,614	11.0	13.0	9.8
Key ratios (%)									
Total revenue growth	5.3	7.0	1.9	3.8	4.5	4.6			
Net profit growth	nm	11.9	3.7	nm	11.1	6.7			
Core profit growth	nm	17.7	3.7	nm	15.7	6.7			
Gross margin	13.4	13.2	13.2	13.2	13.0	13.0	0.2	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	3.5	3.3	3.3	3.2	3.1	3.1	0.2	0.2	0.2
Net margin	2.2	2.3	2.3	2.0	2.1	2.1	0.2	0.2	0.2
Core margin	2.1	2.3	2.3	1.9	2.1	2.1	0.2	0.2	0.2
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	73,331	79,198	79,038	71,311	74,358	77,542	2.8	6.5	1.9
International business	6,212	6,523	6,561	6,096	6,277	6,561	1.9	3.9	0.0
Pet business	1,956	2,093	2,825	2,415	2,612	2,825	(19.0)	(19.9)	0.0
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

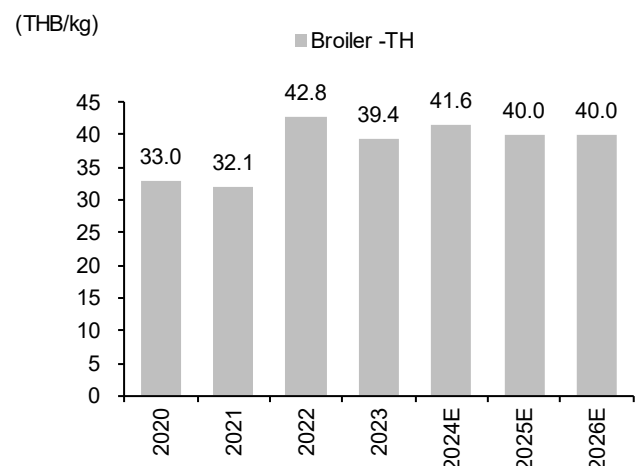
Source: FSSIA estimates

Exhibit 11: Yearly Thai swine price



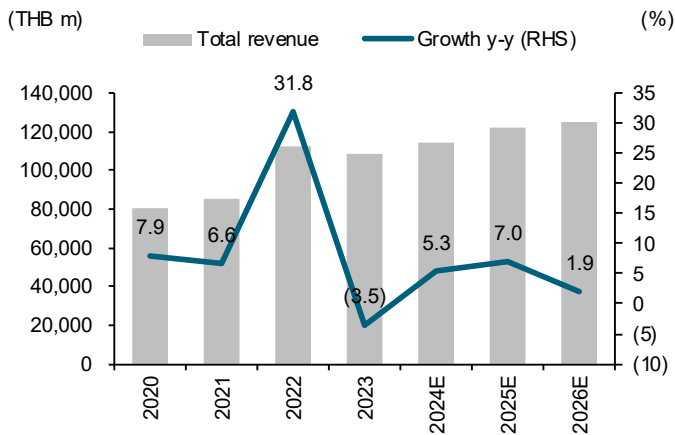
Sources: FSSIA estimates

Exhibit 12: Yearly chicken price



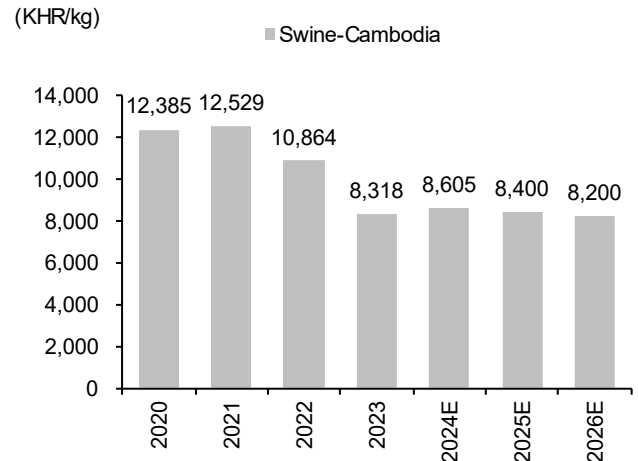
Sources: FSSIA estimates

Exhibit 13: Yearly total revenue and growth



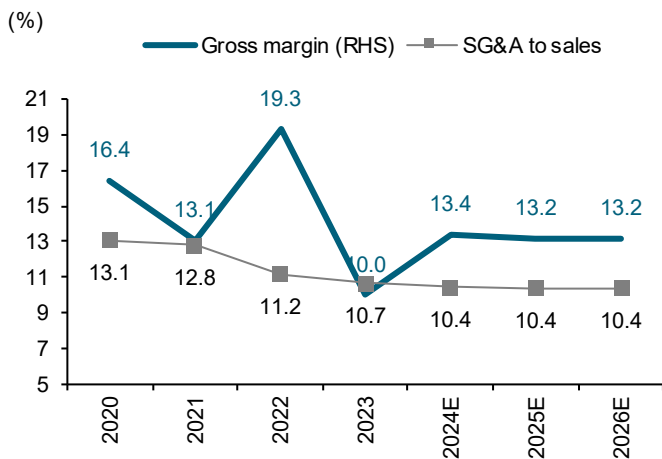
Sources: BTG, FSSIA estimates

Exhibit 14: Yearly Cambodian swine price



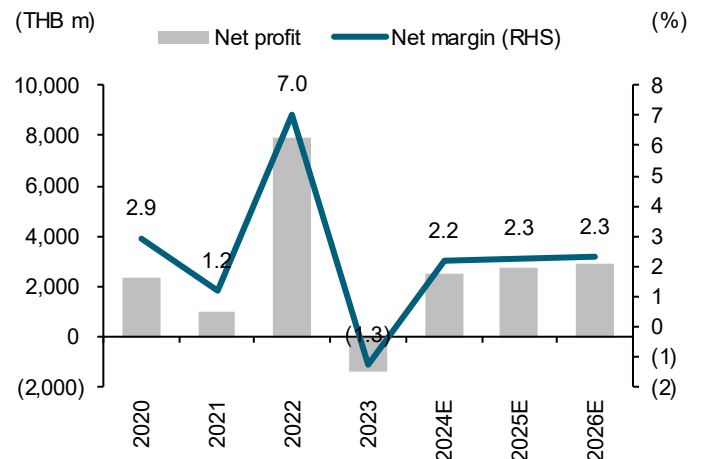
Sources: CPF, FSSIA estimates

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



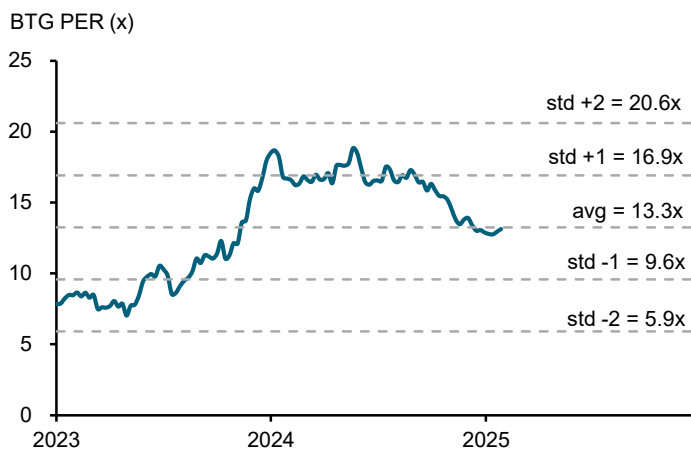
Sources: BTG, FSSIA estimates

Exhibit 16: Yearly net profit and net margin



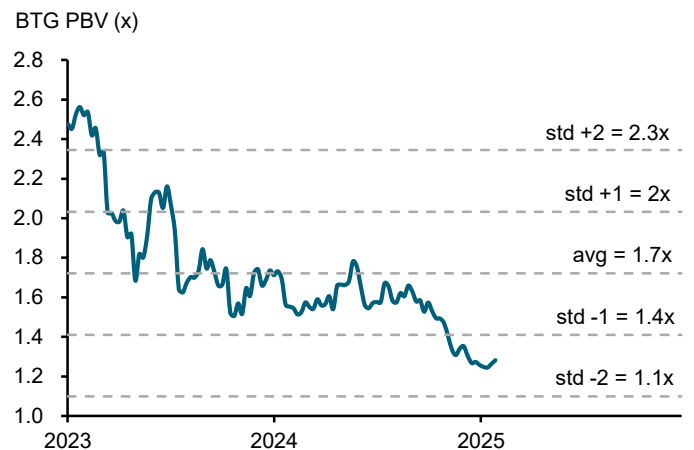
Sources: BTG, FSSIA estimates

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	114,386	122,344	124,682
Cost of goods sold	(90,894)	(97,800)	(99,024)	(106,195)	(108,224)
Gross profit	21,731	10,838	15,362	16,149	16,458
Other operating income	637	493	550	587	598
Operating costs	(12,594)	(11,579)	(11,939)	(12,724)	(12,967)
Operating EBITDA	14,018	4,319	8,991	9,481	10,007
Depreciation	(4,243)	(4,568)	(5,018)	(5,468)	(5,918)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	9,775	(248)	3,973	4,013	4,090
Net financing costs	(619)	(673)	(795)	(709)	(662)
Associates	37	102	143	171	175
Recurring non-operating income	37	102	143	171	175
Non-recurring items	460	(88)	122	0	0
Profit before tax	9,654	(906)	3,443	3,475	3,602
Tax	(1,549)	(457)	(938)	(695)	(720)
Profit after tax	8,104	(1,364)	2,505	2,780	2,882
Minority interests	(167)	(35)	(33)	(12)	(12)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	7,938	(1,398)	2,472	2,768	2,869
Non-recurring items & goodwill (net)	(460)	88	(122)	0	0
Recurring net profit	7,477	(1,310)	2,350	2,768	2,869
Per share (THB)					
Recurring EPS *	3.74	(0.66)	1.18	1.38	1.43
Reported EPS	4.11	(0.72)	1.28	1.43	1.49
DPS	2.52	0.25	0.51	0.57	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)	5.3	7.0	1.9
Operating EBITDA (%)	188.2	(69.2)	108.1	5.5	5.6
Operating EBIT (%)	1,125.0	nm	nm	1.0	1.9
Recurring EPS (%)	416.1	nm	nm	17.7	3.7
Reported EPS (%)	34.4	nm	nm	11.9	3.7
Operating performance					
Gross margin inc. depreciation (%)	19.3	10.0	13.4	13.2	13.2
Gross margin exc. depreciation (%)	23.1	14.2	17.8	17.7	17.9
Operating EBITDA margin (%)	12.4	4.0	7.9	7.7	8.0
Operating EBIT margin (%)	8.7	(0.2)	3.5	3.3	3.3
Net margin (%)	6.6	(1.2)	2.1	2.3	2.3
Effective tax rate (%)	16.0	-50.4	27.2	20.0	20.0
Dividend payout on recurring profit (%)	67.4	(38.2)	43.6	41.5	41.5
Interest cover (X)	15.9	(0.2)	5.2	5.9	6.4
Inventory days	60.7	52.5	47.2	45.8	47.2
Debtor days	18.4	21.0	20.4	19.3	19.8
Creditor days	23.2	22.0	23.4	25.5	26.2
Operating ROIC (%)	18.1	(0.4)	7.1	7.4	7.6
ROIC (%)	16.1	(0.2)	6.6	6.9	7.0
ROE (%)	33.8	(4.9)	9.1	10.1	9.7
ROA (%)	13.3	(1.2)	4.9	5.4	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	73,331	79,198	79,038
International	6,236	5,887	6,212	6,523	6,561
Pet segment	2,211	2,091	1,956	2,093	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)	2,350	2,768	2,869
Depreciation	4,243	4,568	5,018	5,468	5,918
Associates & minorities	362	(87)	(93)	(155)	(170)
Other non-cash items	91	(88)	48	0	0
Change in working capital	(1,479)	1,271	2,022	(1,113)	(730)
Cash flow from operations	10,694	4,353	9,346	6,968	7,887
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)	495	384	(1,398)
Cash flow from investing	(4,140)	(7,823)	(3,920)	(4,116)	(5,398)
Dividends paid	(11,250)	(1,924)	(989)	(1,107)	(1,148)
Equity finance	16,929	0	0	0	0
Debt finance	(3,487)	880	(3,662)	(2,280)	(1,254)
Other financing cash flows	81	134	(717)	159	47
Cash flow from financing	2,274	(910)	(5,367)	(3,228)	(2,355)
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)	59	(377)	135
Free cash flow to firm (FCFF)	7,173.00	(2,796.77)	6,221.11	3,560.63	3,150.99
Free cash flow to equity (FCFE)	(281.29)	(2,456.03)	1,048.07	730.50	1,282.43
Per share (THB)					
FCFF per share	3.71	(1.45)	3.22	1.84	1.63
FCFE per share	(0.15)	(1.27)	0.54	0.38	0.66
Recurring cash flow per share	6.31	1.60	3.80	4.19	4.47
Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	49,403	53,417	53,982	54,141	53,894
Less: Accumulated depreciation	(26,031)	(27,072)	(28,155)	(29,281)	(30,453)
Tangible fixed assets (net)	23,372	26,345	25,827	24,859	23,442
Intangible fixed assets (net)	882	786	786	786	786
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	1,346	1,454	1,462	1,470	1,472
Cash & equivalents	5,940	1,561	1,620	1,243	1,378
A/C receivable	6,652	7,480	6,840	7,316	7,455
Inventories	14,711	12,115	12,208	13,093	13,343
Other current assets	9,477	9,570	9,837	10,399	10,972
Current assets	36,781	30,726	30,505	32,050	33,148
Other assets	2,852	3,190	2,944	2,723	4,294
Total assets	65,234	62,501	61,524	61,889	63,141
Common equity	28,502	25,134	26,704	28,364	30,586
Minorities etc.	163	178	229	245	249
Total shareholders' equity	28,664	25,312	26,932	28,609	30,835
Long term debt	8,064	9,690	7,690	6,690	5,856
Other long-term liabilities	2,871	3,004	2,288	2,447	2,494
Long-term liabilities	10,934	12,694	9,977	9,137	8,350
A/C payable	9,852	9,293	11,015	11,800	12,026
Short term debt	15,615	14,878	13,256	11,976	11,556
Other current liabilities	168	324	343	367	374
Current liabilities	25,636	24,494	24,614	24,143	23,956
Total liabilities and shareholders' equity	65,234	62,501	61,524	61,889	63,141
Net working capital	20,821	19,549	17,527	18,640	19,370
Invested capital	49,274	51,324	48,546	48,478	49,363
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	14.77	13.03	13.84	14.70	15.85
Tangible book value per share	14.32	12.62	13.43	14.29	15.45
Financial strength					
Net debt/equity (%)	61.9	90.9	71.8	60.9	52.0
Net debt/total assets (%)	27.2	36.8	31.4	28.2	25.4
Current ratio (x)	1.4	1.3	1.2	1.3	1.4
CF interest cover (x)	0.5	(2.7)	2.3	2.0	2.9
Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	4.5	(25.6)	14.3	12.1	11.7
Recurring P/E @ target price (x) *	6.4	(36.6)	20.4	17.3	16.7
Reported P/E (x)	4.1	(23.2)	13.1	11.7	11.3
Dividend yield (%)	15.0	1.5	3.1	3.4	3.5
Price/book (x)	1.1	1.3	1.2	1.1	1.1
Price/tangible book (x)	1.2	1.3	1.3	1.2	1.1
EV/EBITDA (x) **	3.6	12.9	5.8	5.3	4.9
EV/EBITDA @ target price (x) **	4.6	16.1	7.3	6.7	6.3
EV/invested capital (x)	1.0	1.1	1.1	1.0	1.0
* 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 19: 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 20: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings						Bloomberg	
		DJSI	SET ESG	SET ESG Rating	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	67.71	5.69	4.38	4.05	4.77	4.43	4.02	Medium	57.34	BBB	22.70	60.82	67.31	1.19	35.34
Coverage	66.17	5.16	4.33	3.94	4.81	4.43	3.83	Medium	56.41	BBB	18.92	59.20	65.82	1.38	35.46
BTG	30.98	--	--	--	5.00	4.00	Certified	High	--	BB	--	--	--	--	57.48
CPF	81.76	Y	Y	AAA	5.00	5.00	Certified	Medium	71.84	BBB	44.00	66.97	85.00	4.43	67.93
GFPT	50.93	--	Y	BBB	5.00	5.00	Certified	High	--	--	--	62.77	24.00	4.22	57.60
TU	69.84	Y	--	--	5.00	5.00	Certified	High	56.97	A	41.00	74.24	85.00	--	77.68
TFG	34.05	--	--	A	5.00	5.00	Certified	High	--	--	--	42.43	--	--	--

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

Exhibit 21: ESG score by Bloomberg

FY ending Dec 31	FY 2022	FY 2023
ESG financial materiality scores - ESG score	—	—
BESG environmental pillar score	—	—
BESG social pillar score	—	—
BESG governance pillar score	—	—
ESG disclosure score	50.31	57.48
Environmental disclosure score	34.94	49.65
Social disclosure score	39.78	41.60
Governance disclosure score	76.10	81.10
Environmental		
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 22: 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
Social		
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
Governance		
Board size	11	11
No. of independent directors (ID)	5	5
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
No. of executives / company managers	10	11
No. of female executives	2	2
Executive share ownership guidelines	No	No
Size of audit committee	3	3
No. of ID on audit committee	3	3
Audit committee meetings	8	6
Audit meeting attendance %	96	100
Size of compensation committee	3	3
No. of ID on compensation committee	2	2
No. of compensation committee meetings	6	5
Compensation meeting attendance %	100	100
Size of nomination committee	3	3
No. of nomination committee meetings	6	5
Nomination meeting attendance %	100	100
Sustainability governance		
Verification type	No	No

Sources: Bloomberg; FSSIA's compilation

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.																			
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	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 SETESG 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. SETESG Index 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.																			
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
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																				
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																				
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																				
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																			
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																			

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

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Sureeporn Teewasuwet FSS International Investment Advisory Securities Co., Ltd

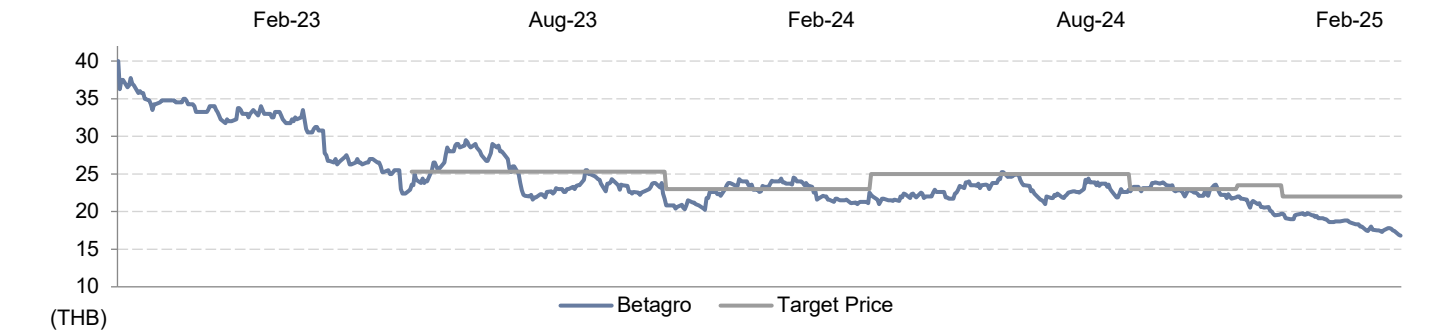
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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History of change in investment rating and/or target price

Betagro (BTG TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
08-May-2023	BUY	25.30	28-Feb-2024	BUY	25.00	19-Nov-2024	BUY	22.00
15-May-2023	HOLD	25.30	13-Aug-2024	HOLD	23.00			
19-Oct-2023	HOLD	23.00	21-Oct-2024	HOLD	23.50			

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 16.80	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.

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 04-Feb-2025 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.