

Betagro

(BTG.BK/BTG TB)*

Underperform • Maintained

Price as of 5 Jun 2024	23.80
12M target price (Bt/shr)	21.10
Unchanged/Revised up(down)(%)	17.2
Upside/downside (%)	(11.3)

Key messages

เราคาดว่าผลประกอบการของ BTG จะพลิกฟื้นใน 2Q67F จากราคาหุ้นที่ซบเซาสูงขึ้น โดยเฉพาะในต่างประเทศ ในขณะที่บริษัทกำลังดำเนินงานขยายกิจการในทุกหน่วยธุรกิจ เรา re-rate PER ของ BTG เป็น 15x จากเดิม 12.8x และปรับเพิ่มราคาเป้าหมายปี 2567 เป็น 21.10 บาท จากเดิม 18.00 บาท เพื่อสะท้อนถึงความคาดหวังต่อการฟื้นตัวของผลประกอบการ อย่างไรก็ตาม เราคาดว่า BTG จะได้อานิสงส์จากราคาหมูที่เพิ่มขึ้นในต่างประเทศน้อยกว่าเพื่อน เพราะสัดส่วนของธุรกิจในประเทศมีขนาดเล็กกว่า ดังนั้น เรายังคงคำแนะนำขาย

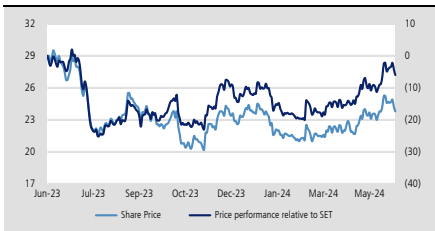
Trading data

Mkt cap (Btmn/US\$m)	46,048/1,151		
Outstanding shares (mn)	1,935		
Foreign ownership (mn)	524		
3M avg. daily trading (mn)	0		
52-week trading range (Bt)	20.2-29.5		
Performance (%)	3M	6M	12M
Absolute	9.7	-0.8	-17.2
Relative	12.5	2.4	-5.5

Quarterly EPS

EPS	Q1	Q2	Q3	Q4
2022	1.31	1.25	1.54	0.93
2023	0.20	(0.18)	(0.41)	(0.72)
2024	(0.06)	NA	NA	NA

Share price chart



Source: SET

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ราคาหุ้นตึงแล้ว

Event

อัปเดตแนวโน้มของบริษัท

Impact

ราคาหมูในต่างประเทศได้แรงหนุนจากการระบาดของโรค ASF

เราคาดว่าธุรกิจของ BTG ในกัมพูชาจะได้านิสงส์จากราคาหมูที่ซบเซาสูงขึ้น เพราะการระบาดของโรค ASF ในช่วงที่ผ่านมาช่วยหนุนราคาหมูในหลาย ๆ ประเทศของเอเชีย โดยราคาหมูในกัมพูชาเพิ่มขึ้นเป็น KHR9,141/กก. ในเดือนเมษายน (+25% QTD) ในขณะที่ราคาหมูในประเทศไทยเพิ่มขึ้น 6% QTD เป็น 72 บาท/กก. ในเดือนพฤษภาคม

เดินหน้าขยายกำลังการผลิตตามแผน

โรงงานอาหารสัตว์แห่งใหม่ของ BTG ในละโว้งจะเริ่มเปิดดำเนินการใน 3Q67F โดยมีกำลังการผลิต 408,000 ตัน/ปี ซึ่งจะทำให้กำลังการผลิตอาหารสัตว์รวมเพิ่มขึ้น 10% นอกจากนี้ บริษัทยังอยู่ระหว่างการเพิ่มกำลังการผลิตในทุกหน่วยธุรกิจ โดยจะเพิ่มกำลังการผลิตหมูอีก 13% เป็น 3.5 ล้านตัว และ จะเพิ่มกำลังการผลิตไก่อีก 7% เป็น 197 ล้านตัว/ปี (Figure 6)

คาดว่าผลประกอบการจะพลิกฟื้นใน 2Q67F

เราคาดว่าผลประกอบการของ BTG จะพลิกฟื้นใน 2Q67F หลังจากที่บริษัทอื่นในกลุ่มพลิกกลับมาทำไรสุทธิได้คิดคาดใน 1Q67 โดยราคาหมูในประเทศที่ฟื้นตัวขึ้น และ ต้นทุนอาหารสัตว์ที่ลดลงจะเป็นปัจจัยสนับสนุนที่สำคัญ ในขณะที่เดียวกัน BTG คาดว่าอุปสงค์จะยังคงแข็งแกร่งต่อเนื่องจาก 1Q67 โดยคาดว่ารายได้จะเพิ่มขึ้นจากปริมาณยอดขายที่เพิ่มขึ้นตามกำลังการผลิตที่สูงขึ้น

Valuation & action

เรา re-rate PER ของ BTG เป็น 15x (เท่ากับ PER ของหุ้นอื่นในกลุ่ม) จากเดิม 12.8x เพื่อสะท้อนถึงความคาดหวังว่าผลประกอบการจะพลิกฟื้นใน 2Q67F เราปรับเพิ่มราคาเป้าหมายปี 2567 เป็น 21.10 บาท จากเดิม 18.00 บาท อย่างไรก็ตาม เราคาดว่าราคาหุ้นในปัจจุบันคิดเป็น PER ที่ 17x ซึ่งดูค่อนข้างตึงแล้ว นอกจากนี้ เรายังคาดว่า BTG จะได้อานิสงส์จากราคาหมูที่เพิ่มขึ้นในต่างประเทศน้อยกว่าเพื่อน เพราะสัดส่วนของธุรกิจในประเทศมีขนาดเล็กกว่า ทั้งนี้ การฟื้นตัวของผลประกอบการ BTG ดูเหมือนจะล่าช้ากว่าบริษัทอื่นในกลุ่ม เพราะค่าใช้จ่าย SG&A สูงกว่า ดังนั้น เรายังคงคำแนะนำขาย BTG

Risks

ความผันผวนของต้นทุนอาหารสัตว์ และ ราคาขาย, เศรษฐกิจชะลอตัวลง

Key financials and valuations

	Dec - 21A	22-Dec	Dec - 23A	Dec - 24F	Dec - 25F
Revenue (Btmn)	85,424	112,626	108,638	124,515	131,055
Gross Profit (Btmn)	11,164	21,731	10,838	15,520	17,031
SG&A (Btmn)	10,914	12,594	11,579	12,638	13,368
Net Profit (Btmn)	1,011	7,938	(1,398)	2,718	3,009
Normalized Profit (Btmn)	1,011	7,499	(1,408)	2,718	3,009
EPS (Bt)	1.53	4.17	(0.72)	1.40	1.56
DPS (Bt)	10.50	8.00	0.25	0.42	0.47
EPS Growth (%)	(61.0)	172.0	(117.3)	NM	10.7
P/E (X)	26.1	8.2	(33.2)	16.9	15.3
P/B (X)	1.7	2.0	1.8	1.4	1.3
EV/EBITDA (X)	17.8	6.6	18.9	10.7	10.0
Net Debt to Equity (%)	266.8	106.9	140.8	109.8	105.9
Dividend Yield (%)	26.3	23.5	1.0	1.8	2.0
Return on Average Equity (%)	6.2	33.5	(5.2)	8.8	9.1

Source: Company data, KGI Securities Research

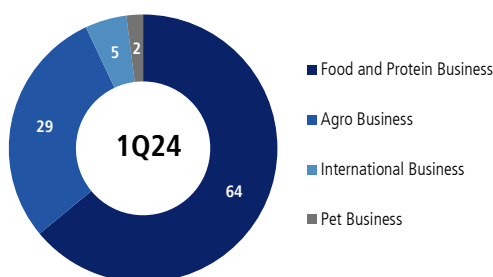
Figure 1: Key assumptions

Our assumption	2021	2022	2023	2024F	2025F	1Q23	2Q23	3Q23	4Q23	1Q24	1Q24 % change	
											YoY	QoQ
Revenue break down by Business (Bt mn)												
Food and Protein Business	54,171	75,758	68,417	80,455	84,478	17,794	16,689	16,875	17,059	17,186	-3	1
Agro Business	24,795	28,403	32,242	34,970	35,669	7,957	7,799	8,171	8,315	7,819	-2	-6
International Business	4,881	6,236	5,887	6,517	7,820	1,443	1,527	1,465	1,453	1,464	1	1
Pet Business	1,491	2,211	2,091	2,574	3,088	542	475	536	539	555	2	3
Others	85	17	-	-	-	-	-	-	-	-	-	-
Meat prices												
Broiler (Bt/kg)	32.1	42.8	40.3	42.0	42.0	40.4	42.8	40.3	37.8	40.8	1	8
Swine (Bt/kg)	75.5	99.1	75.2	78.0	78.0	88.0	79.0	68.2	65.7	66.3	-25	1
Feed prices												
Imported soybean meal (Bt/kg)	19.2	22.5	22.5	22.4	22.4	23.5	23.1	21.2	22.0	21.4	-9	-3
Corn (Bt/kg)	10.0	12.3	12.0	11.0	11.0	13.2	12.9	11.5	10.4	10.4	-21	0
Biological asset gain (loss), Bt mn												
	178	91	(88)	200	0	(59)	(20)	(23)	14	10	NM	-29

Source: Company data, KGI Securities Research

Figure 2: Sales breakdown by business

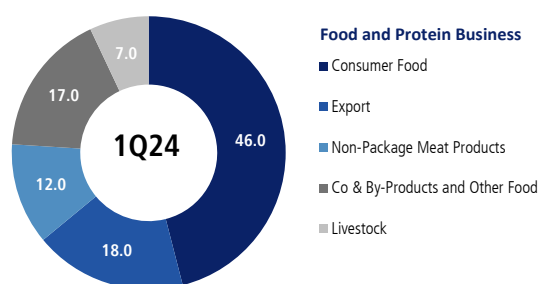
Percent



Source: Company data, KGI Securities Research

Figure 3: Food and protein business breakdown

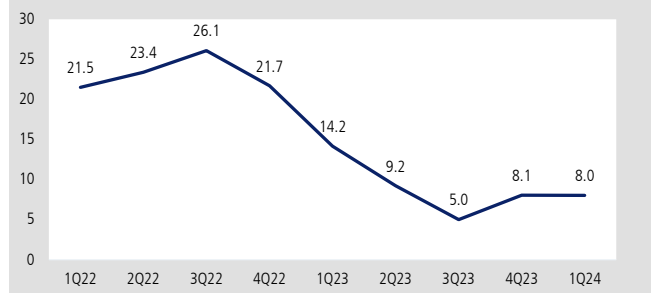
Percent



Source: Company data, KGI Securities Research

Figure 4: Food and protein business GPM

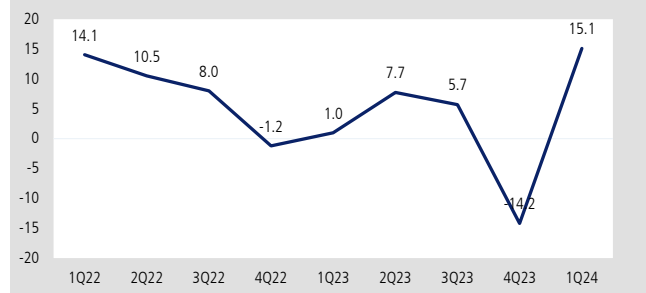
Percent



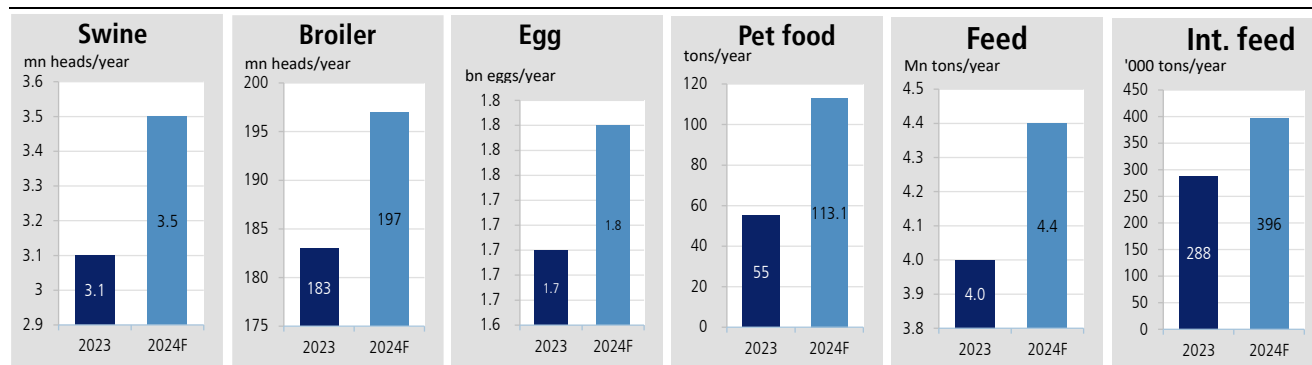
Source: Company data, KGI Securities Research

Figure 5: International business GPM

Percent



Source: Company data, KGI Securities Research

Figure 6: Capacity expansion


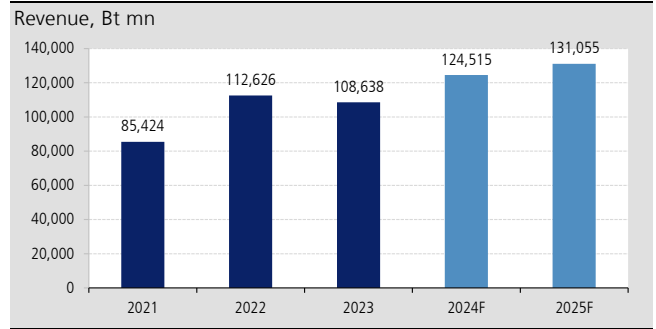
Source: Company data, KGI Securities Research

Figure 7: Company profile

Betagro (BTG) is a fully-integrated food producer whose revenue can be divided into five segments: i) food and protein, ii) agro, iii) international, iv) pet, and v) other. BTG has well-known brands, especially for its food and protein business, i.e., S-Pure and Itoham for premium products, Betagro for standard products and Kratak, B Food and B-One for value products. BTG's export market covers over 20 countries with large markets including Japan, Hong Kong, Singapore, EU and UK.

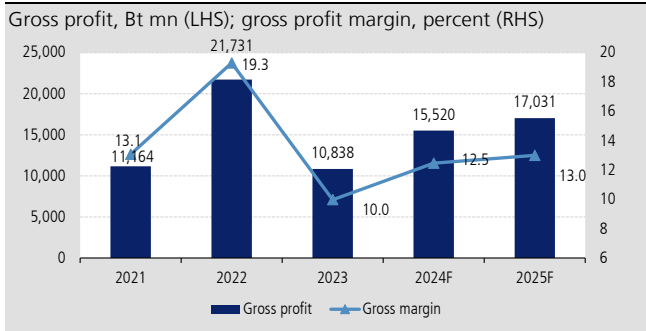
Source: Company data

Figure 8: Revenue



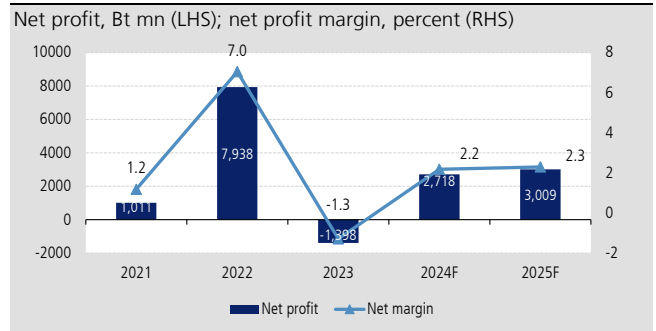
Source: Company data, KGI Securities Research

Figure 9: Gross profit



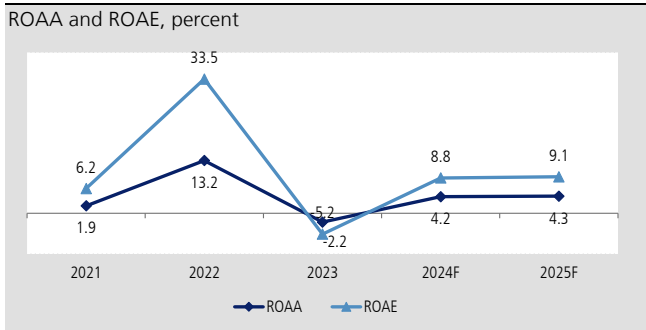
Source: Company data, KGI Securities Research

Figure 10: Net profit



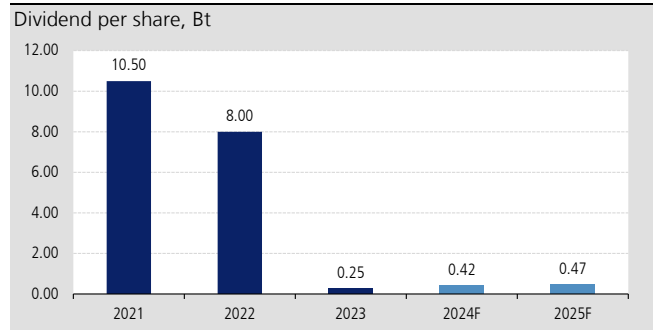
Source: Company data, KGI Securities Research

Figure 11: Company ROAA and ROAE



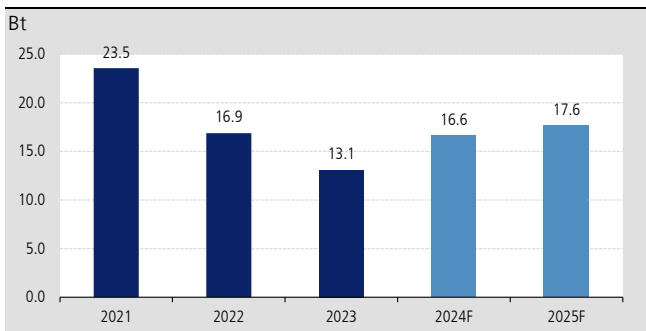
Source: Company data, KGI Securities Research

Figure 12: Dividend



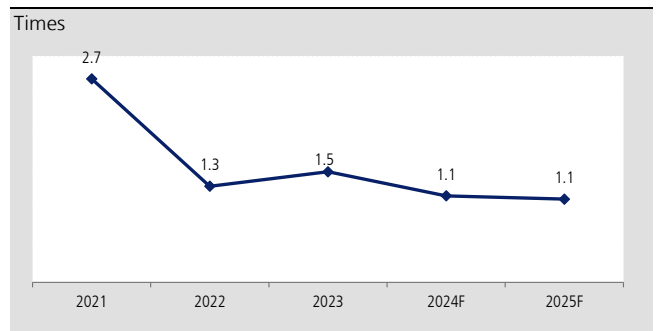
Source: Company data, KGI Securities Research

Figure 13: BVPS



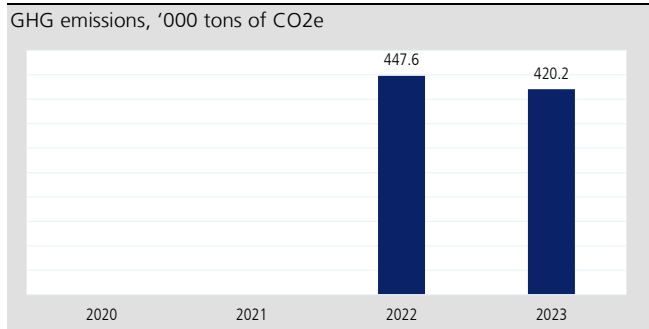
Source: Company data, KGI Securities Research

Figure 14: D/E



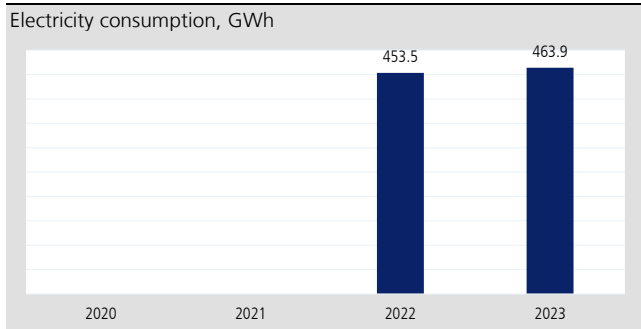
Source: Company data, KGI Securities Research

Figure 15: Total GHG emissions



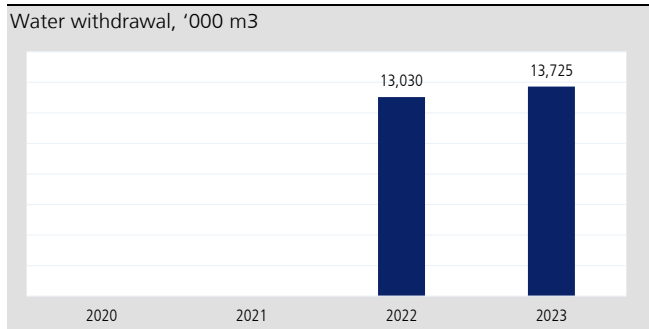
Source: Company data, SETSMART, KGI Securities Research

Figure 16: Total electricity consumption



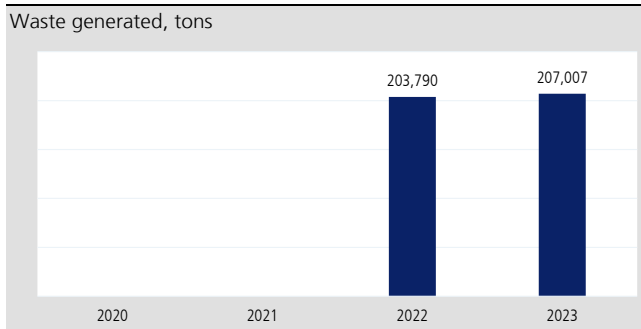
Source: Company data, SETSMART, KGI Securities Research

Figure 17: Total water withdrawal



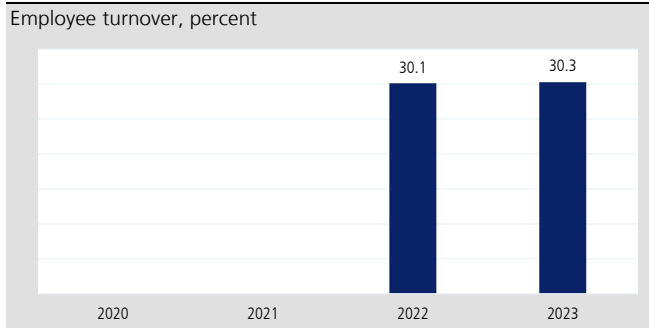
Source: Company data, SETSMART, KGI Securities Research

Figure 18: Total waste



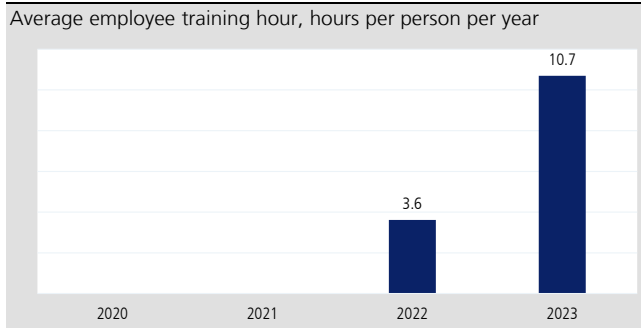
Source: Company data, SETSMART, KGI Securities Research

Figure 19: Employee turnover



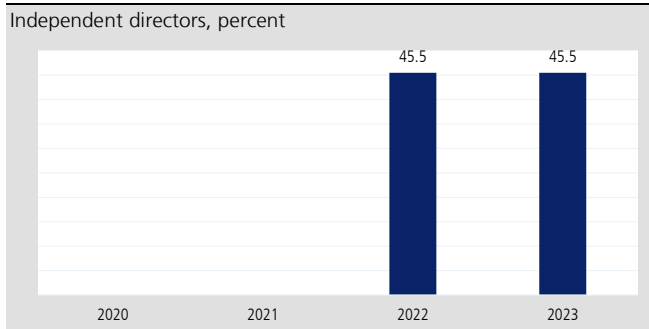
Source: Company data, SETSMART, KGI Securities Research

Figure 20: Average employee training hours



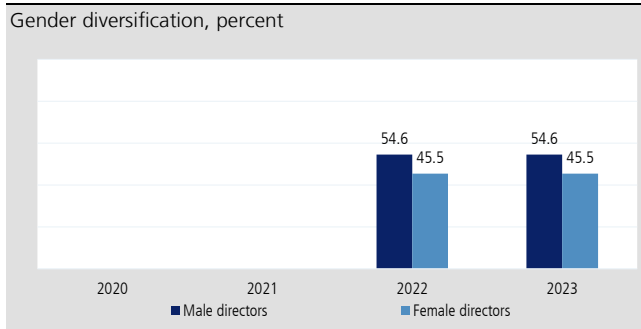
Source: Company data, SETSMART, KGI Securities Research

Figure 21: Proportion of independent directors



Source: Company data, SETSMART, KGI Securities Research

Figure 22: Gender diversification of directors



Source: Company data, SETSMART, KGI Securities Research

Quarterly Income Statement

Bt mn	MAR-21A	JUN-21A	SEP-21A	DEC-21A	MAR-22A	JUN-22A	SEP-22A	DEC-22A	MAR-23A	JUN-23A	SEP-23A	DEC-23A	MAR-24A
Income Statement (Bt mn)													
Revenue	21,258.3	21,396.8	19,671.0	23,097.9	25,311.8	27,972.8	29,491.5	29,849.5	27,735.6	26,490.7	27,046.7	27,365.0	27,024.3
Cost of Good Sold	(17,643.5)	(18,327.8)	(17,771.7)	(20,517.3)	(20,770.6)	(22,498.3)	(23,232.7)	(24,392.7)	(24,218.6)	(23,713.7)	(24,835.8)	(25,032.3)	(24,102.5)
Gross Profit	3,614.8	3,069.0	1,899.3	2,580.6	4,541.2	5,474.5	6,258.9	5,456.8	3,517.0	2,777.0	2,210.9	2,332.6	2,921.8
Operating Expenses	(2,678.6)	(2,628.5)	(3,119.7)	(2,487.1)	(2,894.8)	(3,007.6)	(3,376.5)	(3,314.6)	(2,954.8)	(3,068.8)	(2,932.2)	(2,622.7)	(2,795.2)
Other incomes	113.7	109.8	161.4	715.4	155.2	127.6	141.2	173.0	166.4	140.2	117.1	41.0	126.5
Operating Profit	1,049.9	550.4	(1,059.0)	808.9	1,801.6	2,594.5	3,023.6	2,315.2	728.6	(151.6)	(604.2)	(249.0)	253.1
Depreciation of Fixed assets	NA	NA	1,010.2	1,155.5	1,063.7	988.9	1,073.7	1,116.8	1,084.3	1,111.9	1,151.5	1,220.0	1,206.2
Operating EBITDA	NA	NA	(48.8)	1,964.3	2,865.3	3,583.4	4,097.4	3,432.0	1,812.9	960.4	547.3	971.0	1,459.3
Non-Operating Income	(20.5)	31.7	1.4	29.0	(18.9)	(61.3)	(17.1)	(16.5)	56.3	(53.9)	7.4	9.3	(6.3)
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-op Income	(20.5)	31.7	1.4	29.0	(18.9)	(61.3)	(17.1)	(16.5)	56.3	(53.9)	7.4	9.3	(6.3)
Non-Operating Expenses	(61.7)	(129.2)	(191.2)	37.2	31.1	(231.5)	(135.3)	(154.7)	(188.1)	(159.1)	(157.0)	(154.5)	(166.3)
Interest Expenses	(136.5)	(131.4)	(133.4)	(175.6)	(150.2)	(152.1)	(151.4)	(165.2)	(145.9)	(148.3)	(169.7)	(208.7)	(197.8)
Other Non-Op Expenses	74.2	(17.8)	(16.3)	137.6	177.4	(74.6)	(6.6)	(4.9)	(58.8)	(20.4)	(23.1)	13.9	9.8
Net investment income/(loss)	0.6	20.0	(41.4)	75.2	3.9	(4.8)	22.7	15.3	16.7	9.6	35.8	40.2	21.6
Pre-tax Profit	967.6	452.9	(1,248.8)	875.1	1,813.8	2,301.7	2,871.2	2,143.9	596.8	(364.5)	(753.8)	(394.3)	80.5
Current Taxation	(179.0)	(74.9)	(19.3)	65.4	(361.2)	(372.5)	(467.0)	(348.3)	(195.7)	17.8	(22.8)	(256.3)	(195.4)
Minorities	13.2	17.7	161.6	(20.9)	3.1	(56.7)	(104.3)	(8.9)	(8.3)	(9.2)	(9.0)	(8.2)	(11.3)
Extraordinary items	-	1.9	15.0	(16.9)	514.3	(3.6)	2.9	9.3	-	5.3	1.6	2.5	2.1
Net Profit	801.8	397.5	(1,091.5)	902.7	1,970.0	1,868.9	2,302.8	1,796.0	392.8	(350.6)	(784.1)	(656.3)	(124.1)
EPS (Bt)	1.34	0.66	(1.82)	1.35	1.31	1.25	1.54	0.93	0.20	(0.18)	(0.41)	(0.34)	(0.06)
Margins (%)													
Gross Profit Margin	17.0	14.3	9.7	11.2	17.9	19.6	21.2	18.3	12.7	10.5	8.2	8.5	10.8
Operating EBIT Margin	4.9	2.6	(5.4)	3.5	7.1	9.3	10.3	7.8	2.6	(0.6)	(2.2)	(0.9)	0.9
Operating EBITDA Margin	NA	NA	(0.2)	8.5	NA	NA	13.9	11.5	6.5	3.6	2.0	3.5	5.4
Net Profit Margin	3.8	1.9	(5.5)	3.9	7.8	6.7	7.8	6.0	1.4	(1.3)	(2.9)	(2.4)	(0.5)
Growth (% YoY)													
Revenue Growth	NA	NA	NA	NA	19.1	30.7	49.9	29.2	9.6	(5.3)	(8.3)	(8.3)	(2.6)
Operating EBIT Growth	NA	NA	NA	NA	71.6	371.4	NM	186.2	(59.6)	(105.8)	(120.0)	(110.8)	(65.3)
Operating EBITDA Growth	NA	NA	NA	NA	NA	NA	NM	74.7	(36.7)	(73.2)	(86.6)	(71.7)	(19.5)
Net Profit Growth	NA	NA	NA	NA	145.7	370.1	NM	99.0	(80.1)	(118.8)	(134.0)	(136.5)	(131.6)

Source: Company data, KGI Securities Research

Balance Sheet

As of 31 Dec (Bt mn)	2021	2022	2023	2024F	2025F
Total Asset	57,475	65,234	62,501	68,417	71,838
Current Asset	28,457	36,781	30,726	35,291	37,030
Cash and ST Investment	542	5,940	1,561	1,632	1,605
Inventories	14,111	14,711	12,115	16,187	17,037
Account Receivable	6,029	6,652	7,480	7,471	7,863
Others	7,775	9,477	9,570	10,001	10,524
Non-Current Assets	29,018	28,453	31,775	33,126	34,808
LT investment	1,452	1,346	1,454	1,352	1,352
Net Fixed Assets	23,828	24,219	27,095	28,416	29,950
Others	3,738	2,888	3,225	3,358	3,506
Total Liabilities	41,953	36,570	37,189	36,586	37,720
Current Liabilities	28,558	25,636	24,494	24,406	24,845
Account Payable	8,276	9,852	9,293	11,206	11,795
ST Borrowings	19,984	15,615	14,878	12,900	12,750
Others	298	168	324	300	300
LT Liabilities	13,395	10,934	12,694	12,180	12,875
Long-term Debts	10,606	8,064	9,690	9,239	9,848
Others	8,654	5,852	3,857	6,740	7,827
Shareholder's Equity	15,522	28,664	25,312	31,831	34,118
Common Stock	7,500	9,674	9,674	9,674	9,674
Capital Surplus	(5)	13,855	13,855	17,495	17,495
Retained Earnings	8,217	4,905	1,583	4,301	6,495
Other Components	(190)	231	201	361	454

Source: KGI Securities Research

Key Ratios

Year to 31 Dec (Bt mn)	2021	2022	2023	2024F	2025F
Forecast Drivers					
Growth (% YoY)					
Sales	6.6	31.8	(3.5)	14.6	5.3
OP	(57.3)	621.0	(102.8)	(1,360.4)	22.4
EBITDA	(23.3)	99.8	(60.3)	68.0	12.5
NP	(57.2)	685.5	(117.6)	(294.4)	10.7
EPS	(61.0)	172.0	(117.3)	(294.4)	10.7
Profitability (%)					
Gross Profit Margin	13.1	19.3	10.0	12.5	13.0
Operating Margin	1.6	8.6	(0.3)	2.8	3.3
Operating EBITDA Margin	6.3	9.6	4.0	5.8	6.2
Net Profit Margin	1.2	7.0	(1.3)	2.2	2.3
ROAA	1.9	13.2	(2.2)	4.2	4.3
ROAE	6.2	33.5	(5.2)	8.8	9.1
Stability					
Gross Debt/Equity (%)	270.3	127.6	146.9	114.9	110.6
Net Debt/Equity (%)	266.8	106.9	140.8	109.8	105.9
Interest coverage (x)	2.8	15.8	(0.4)	5.8	6.8
Interest & ST Debt Coverage (x)	0.1	0.6	(0.0)	0.3	0.3
Cash Flow Interest Coverage (x)	(2.8)	17.3	4.8	5.6	8.9
Cash Flow/Interest & ST Debt (x)	(0.1)	0.7	0.2	0.3	0.4
Current Ratio (x)	1.0	1.4	1.3	1.4	1.5
Quick Ratio (x)	0.2	0.5	0.4	0.4	0.4
Net Debt (Bt mn)	41,411.1	30,629.5	35,628.0	34,954.0	36,115.1
Per Share Data (bt)					
EPS	1.5	4.2	(0.7)	1.4	1.6
CFPS	(2.4)	5.5	1.7	1.9	3.0
BVPS	23.5	14.8	13.1	16.5	17.6
SPS	129.6	58.2	56.1	64.4	67.7
EBITDA/Share	8.6	7.5	2.2	3.9	4.3
DPS	10.5	8.0	0.3	0.4	0.5
Activity					
Asset Turnover (x)	1.6	1.8	1.7	1.9	1.9
Day Receivables	24.5	20.5	23.7	21.9	21.4
Day Inventories	61.7	57.9	50.1	47.4	53.2
Day Payable	38.2	36.2	36.7	33.1	36.5
Cash Cycle	47.9	42.3	37.1	36.2	38.0

Source: KGI Securities Research

Profit & Loss

Year to 31 Dec (Bt mn)	2021	2022	2023	2024F	2025F
Revenue	85,424	112,626	108,638	124,515	131,055
Cost of Goods Sold	(74,260)	(90,894)	(97,800)	(108,995)	(114,024)
Gross Profit	11,164	21,731	10,838	15,520	17,031
Operating Expenses	(10,914)	(12,594)	(11,579)	(12,638)	(13,368)
Other Income	1,100	597	465	600	600
Operating Profit	1,350	9,735	(276)	3,482	4,264
Depreciation of Fixed Asset	4,066	1,084	4,568	3,729	3,846
Operating EBITDA	5,416	10,819	4,292	7,211	8,110
Non-Operating Income	42	(114)	19	40	40
Interest Income	0	0	0	0	0
Other Non-op Income	42	(114)	19	40	40
Non-Operating Expenses	(345)	(490)	(659)	(366)	(566)
Interest Expenses	(577)	(619)	(673)	(656)	(643)
Other Non-Op Expenses	178	91	(88)	200	0
Net investment income/(loss)	54	37	102	90	77
Pre-tax Profit	1,047	9,131	(916)	3,156	3,738
Current Taxation	(208)	(1,549)	(457)	(410)	(635)
Minorities	172	(167)	(35)	(27)	(93)
Extraordinary items	0	523	9	0	0
Net Profit	1,011	7,938	(1,398)	2,718	3,009
EPS (Bt)	1.53	4.17	(0.72)	1.40	1.56

Source: KGI Securities Research

Cash Flow

Year to 31 Dec (Bt mn)	2021	2022	2023	2024F	2025F
Operating Cash Flow	(1,587)	10,735	3,235	3,674	5,710
Net Profit	1,011	7,938	(1,398)	2,718	3,009
Depreciation and Amortizat	4,066	1,084	4,568	3,729	3,846
Change in Working Capital	(6,675)	(2,670)	(981)	(2,800)	(1,238)
Others	12	4,382	1,046	27	93
Investment Cash Flow	(1,177)	(2,004)	(4,426)	(4,815)	(5,380)
Net CAPEX	(1,233)	(2,577)	(4,480)	(5,050)	(5,380)
Change in LT Investment	0	389	(96)	102	0
Change in Other Assets	56	183	150	133	0
Free Cash Flow	(2,820)	8,158	(1,246)	(1,376)	330
Financial Cash Flow	2,702	(3,332)	(3,203)	1,212	(357)
Change in Share Capital	4,500	16,929	0	2,745	0
Net Change in Debt	6,132	(7,907)	(900)	(2,428)	459
Change in other LT Liab.	(7,930)	(12,355)	(2,303)	896	(816)
Net Cash Flow	(61)	5,399	(4,394)	71	(27)

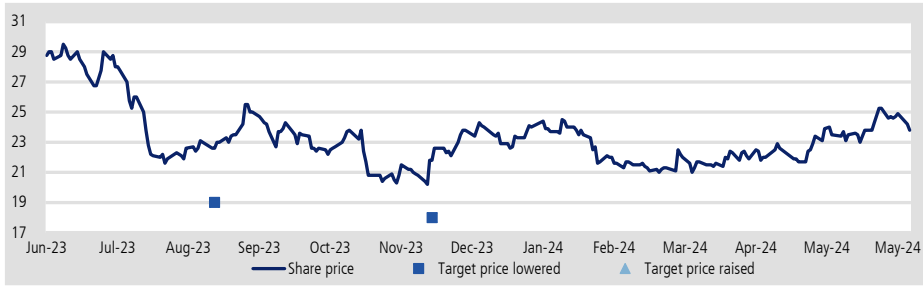
Source: KGI Securities Research

Rates of Return on Invested Capital

Year	1 - $\frac{\text{Cost of Goods Sold}}{\text{Revenue}}$	+ $\frac{\text{Depreciation}}{\text{Revenue}}$	+ $\frac{\text{Op. Expenses}}{\text{Revenue}}$	= Operating Margin
2021	86.9%	0.0%	12.8%	0.3%
2022	80.7%	0.0%	11.2%	8.1%
2023	90.0%	0.0%	10.7%	-0.7%
2024F	87.5%	0.0%	10.2%	2.3%
2025F	87.0%	0.0%	10.2%	2.8%
Year	1/ $\frac{\text{Working Capital}}{\text{Revenue}}$	+ $\frac{\text{Net PPE}}{\text{Revenue}}$	+ $\frac{\text{Other Assets}}{\text{Revenue}}$	= Capital Turnover
2021	0.00	0.28	0.06	2.95
2022	0.10	0.22	0.04	2.84
2023	0.06	0.25	0.04	2.86
2024F	0.09	0.23	0.04	2.83
2025F	0.09	0.23	0.04	2.79
Year	$\frac{\text{Operating Margin}}{\text{X}}$	\times $\frac{\text{Capital Turnover}}{\text{X}}$	\times $\frac{\text{Cash Tax Rate}}{\text{X}}$	= After-tax Return on Inv. Capital
2021	0.3%	3.0	19.9	0.2
2022	8.1%	2.8	16.0	3.7
2023	-0.7%	2.9	-5.0	0.1
2024F	2.3%	2.8	13.0	0.9
2025F	2.8%	2.8	17.0	1.3

Source: KGI Securities Research

Betagro - Recommendation & target price history



Date	Rating	Target	Price
16-Nov-23	Underperform	18.00	21.80
16-Aug-23	Underperform	19.00	22.60

Source: KGI Securities Research

Company's ESG details

Environment

- An air treatment system has been installed and maintained regularly, and the quality of air released from the chimneys continues to be examined to reduce the impact on the environment as well as the health of staff and surrounding communities.
- Three projects have already been implemented to reduce plastic pellet usage by 1,737 tons in 2019-2023, reduce paper usage by 846 tons in 2019-2023 and develop packaging that can be recycled, using monolayer to replace multilayer.
- The company has been in the process of increasing the use of renewable energy such as converting fossil fuels to biomass and increasing the efficiency of biogas systems.
- In 2023, BTG and its subsidiaries controlled the water used per product weight at 2.79 cubic meter per ton of product and reused water by more than 6% of total water withdrawal.

Social

- BTG puts emphasis on creating a great workplace, an organization of happiness with physical and mental care combined with the company's efficient financial management, employees' opinion focus and employees' potential development to respond to their expectations on the following three areas: stability, progress, and fair welfare and remuneration.
- In 2023, there were a total of 10,121 households benefiting from the four main projects as follows:
 - i) Local Products to Farms & Factories Project: Aims at creating income and reducing home expenses for farmers and families living in the surrounding communities.
 - ii) Organic Waste to Organic Matter Project: Enables farmers to reduce production cost and promoting organic farming through the development of remaining organic matters into soil improver.
 - iii) Health Dimension: Supports products used in patients' home visits and donates necessary medical equipment to public health units in the communities.
 - iv) Environmental and Biological Diversity Dimension: Improves the integration capability of native and indigenous chicken resources with advanced technology for food security through the signing of cooperation with Kasetsart University.

Governance

- The company received "Very Good" CG scoring From Thai Institute of Directors Association (IOD)

Climate Management (Subset of Environment)

- In 2023, BTG and its subsidiaries set a target to reduce the amount of direct and indirect greenhouse gas emission (Scope 1&2) by more than 20% by 2030 from the base year 2022 and reach net zero by 2050.
- In 2023, the company and its subsidiaries reduced greenhouse gas emission by 6% from 2022 or approximately 29,000 TonCo2eq was reduced.
- The company and its subsidiaries have utilized solar energy technology to replace electricity in more than 36 operating locations around the country since 2020 as well as biomass to replace fossil fuel, biogas from wastewater treatment system to replace heat and electricity, and various energy management projects to achieve maximum efficiency.
- BTG and its subsidiaries put priority on the management, control and reduction of released pollution such as Nitrogen Oxide (NOx) emission, Sulphur Dioxide (SOx) emission, Total Suspended Particulate (TSP) and Carbon Monoxide (CO), to be within the standard value specified by the laws.
- In 2023, BTG and its subsidiaries received Certification of Carbon Emission Assessments by Thailand Greenhouse Gas Management Organization (Public Organization).

Source: Company data, KGI Securities Research

SET ESG Ratings

Stock	Company name	SET ESG Ratings	Stock	Company name	SET ESG Ratings
ADVANC	ADVANCED INFO SERVICE	AAA	KTC	KRUNGTHAI CARD	AAA
AMATA	AMATA CORPORATION	AAA	LH	LAND AND HOUSES	A
AOT	AIRPORTS OF THAILAND	A	MAJOR	MAJOR CINEPLEX GROUP	AA
AP	AP (THAILAND)	AA	MEGA	MEGA LIFESCIENCES	A
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	AA	MINT	MINOR INTERNATIONAL	AA
BAM	BANGKOK COMMERCIAL ASSET MANAGEMEN	AA	MTC	MUANGTHAI CAPITAL	A
BANPU	BANPU	AAA	OR	PTT OIL AND RETAIL BUSINESS	AAA
BBGI	BBGI	AA	ORI	ORIGIN PROPERTY	AA
BBL	BANGKOK BANK	AA	OSP	OSOTSPA	AA
BCH	BANGKOK CHAIN HOSPITAL	AA	PLANB	PLAN B MEDIA	AA
BCP	BANGCHAK CORPORATION	AAA	PSH	PRUKSA HOLDING	BBB
BCPG	BCPG	AA	PTT	PTT	AAA
BDMS	BANGKOK DUSIT MEDICAL SERVICES	AA	PTTEP	PTT EXPLORATION AND PRODUCTION	AAA
BEM	BANGKOK EXPRESSWAY AND METRO	AA	PTTGC	PTT GLOBAL CHEMICAL	AAA
BGRIM	B.GRIMM POWER	AAA	RATCH	RATCH GROUP	AA
BPP	BANPU POWER	AAA	RBF	R&B FOOD SUPPLY	BBB
BTS	BTS GROUP HOLDINGS	AA	SAK	SAKSIAM LEASING	A
CBG	CARABAO GROUP	A	SAPPE	SAPPE	BBB
CENTEL	CENTRAL PLAZA HOTEL	A	SAT	SOMBOON ADVANCE TECHNOLOGY	AA
CK	CH. KARNCHANG	A	SAWAD	SRISAWAD CORPORATION	BBB
CKP	CK POWER	AAA	SCB	SCB X	AA
COM7	COM7	A	SCC	THE SIAM CEMENT	AAA
CPALL	CP ALL	AAA	SCCC	SIAM CITY CEMENT	AA
CPAXT	CP AXTRA	AAA	SCGP	SCG PACKAGING	AAA
CPF	CHAROEN POKPHAND FOODS	AAA	SHR	S HOTELS AND RESORTS	A
CPN	CENTRAL PATTANA	AA	SICT	SILICON CRAFT TECHNOLOGY	A
EGCO	ELECTRICITY GENERATING	AA	SMPC	SAHAMITR PRESSURE CONTAINER	AA
ERW	THE ERWAN GROUP	A	SNC	SNC FORMER	A
GFPT	GFPT	BBB	SPALAI	SUPALAI	AA
GLOBAL	SIAM GLOBAL HOUSE	AA	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION	A
GPSC	GLOBAL POWER SYNERGY	AA	STGT	SRI TRANG GLOVES (THAILAND)	AAA
GULF	GULF ENERGY DEVELOPMENT	AA	TCAP	THANACHART CAPITAL	A
HANA	HANA MICROELECTRONICS	AA	TFG	THAIFOODS GROUP	A
HENG	HENG LEASING AND CAPITAL	A	THCOM	THAICOM	AAA
HMPRO	HOME PRODUCT CENTER	AA	TISCO	TISCO FINANCIAL GROUP	AAA
INTUCH	INTOUCH HOLDINGS	AA	TOP	THAI OIL	AAA
IRPC	IRPC	AA	TTB	TMBTHANACHART BANK	AA
IVL	INDORAMA VENTURES	AA	UBE	UBON BIO ETHANOL	A
KBANK	KASIKORNBANK	AAA	VGI	VGI	AA
KEX	KERRY EXPRESS (THAILAND)	BBB	WHA	WHA CORPORATION	AAA
KKP	KIATNAKIN PHATRA BANK	BBB	WHAUP	WHA UTILITIES AND POWER	AAA
KTB	KRUNG THAI BANK	AAA	ZEN	ZEN CORPORATION GROUP	AA

Source: www.setsustainability.com

Disclaimer: The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made in order to comply with the policy and sustainable development plan for the listed companies. The relevant institution made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of the assessment result.

Corporate Governance Report of Thai Listed Companies



Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	GFPT	GFPT	SAK	SAKSAM LEASING
ADVANC	ADVANCED INFO SERVICE	GGC	GLOBAL GREEN CHEMICALS	SAPPE	SAPPE
AEONTS	AEON THANA SINSAP (THAILAND)	GLOBAL	SIAM GLOBAL HOUSE	SAT	SOMBOON ADVANCE TECHNOLOGY
AMA	AMA MARINE	GPSC	GLOBAL POWER SYNERGY	SCB	SCB X
AMATA	AMATA CORPORATION	GULF	GULF ENERGY DEVELOPMENT	SCC	THE SIAM CEMENT
ANAN	ANANDA DEVELOPMENT	HANA	HANA MICROELECTRONICS	SCCC	SIAM CITY CEMENT
AOT	AIRPORTS OF THAILAND	HENG	HENG LEASING AND CAPITAL	SCGP	SCG PACKAGING
AP	AP (THAILAND)	HMPRO	HOME PRODUCT CENTER	SEAFCO	SEAFCO
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	INTUCH	INTOUCH HOLDINGS	SFT	SHRINKFLEX (THAILAND)
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	IRPC	IRPC	SHR	S HOTELS AND RESORTS
BANPU	BANPU	ITC	i-Tail Corporation	SICT	SILICON CRAFT TECHNOLOGY
BBGI	BBGI	IVL	INDORAMA VENTURES	SMPC	SAHAMITR PRESSURE CONTAINER
BBL	BANGKOK BANK	KBANK	KASIKORNBANK	SNC	SNC FORMER
BCH	BANGKOK CHAIN HOSPITAL	KCE	KCE ELECTRONICS	SNNP	SRINANAPORN MARKETING
BCP	BANGCHAK CORPORATION	KEX	KERRY EXPRESS (THAILAND)	SPALI	SUPALAI
BCPG	BCPG	KKP	KIATNAKIN PHATRA BANK	SPRC	STAR PETROLEUM REFINING
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KTB	KRUNG THAI BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
BEC	BEC WORLD	KTC	KRUNGTHAI CARD	STGT	SRI TRANG GLOVES (THAILAND)
BEM	BANGKOK EXPRESSWAY AND METRO	LH	LAND AND HOUSES	SUN	SUNSWEEP
BGRIM	B. GRIMM POWER	LPN	L. P. N. DEVELOPMENT	SVI	SVI
BH	BUMRUNGRAD HOSPITAL	M	MK RESTAURANT GROUP	TACC	T.A.C. CONSUMER
BPP	BANPU POWER	MAJOR	MAJOR CINEPLEX GROUP	TCAP	THANACHART CAPITAL
BTS	BTS GROUP HOLDINGS	MBK	MBK	TFG	THAIFOODS GROUP
CBG	CARABAO GROUP	MEGA	MEGA LIFESCIENCES	THCOM	THAICOM
CENDEL	CENTRAL PLAZA HOTEL	MINT	MINOR INTERNATIONAL	TIDLOR	NGERN TID LOR
CK	CH. KARNCHANG	MTC	MUANGTHAI CAPITAL	TISCO	TISCO FINANCIAL GROUP
CKP	CK POWER	OR	PTT OIL AND RETAIL BUSINESS	TKN	TAOKAENOI FOOD & MARKETING
COM7	COM7	ORI	ORIGIN PROPERTY	TOP	THAI OIL
CPALL	CP ALL	OSP	OSOTSPA	TTB	TMBTHANACHART BANK
CPAXT	CP AXTRA	PLANB	PLAN B MEDIA	UBE	UBON BIO ETHANOL
CPF	CHAROEN POKPHAND FOODS	PSH	PRUKSA HOLDING	VGI	VGI
CPN	CENTRAL PATTANA	PTT	PTT	WHA	WHA CORPORATION
DELTA	DELTA ELECTRONICS (THAILAND)	PTTEP	PTT EXPLORATION AND PRODUCTION	WHAUP	WHA UTILITIES AND POWER
DOHOM	DOHOME	PTTGC	PTT GLOBAL CHEMICAL	ZEN	ZEN CORPORATION GROUP
EGCO	ELECTRICITY GENERATING	QH	QUALITY HOUSES		
ERW	THE ERAWAN GROUP	RATCH	RATCH GROUP		



Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
BSRC	BANGCHAK SRIRACHA	JMART	JAYMART GROUP HOLDINGS	SINGER	SINGER THAILAND
BTG	BETAGRO	NTSC	Nutrition SC	TNP	THANAPIRIYA
EKH	EKACHAI MEDICAL CARE	PQS	Premier Quality Starch	XO	EXOTIC FOOD
HUMAN	HUMANICA	PYLON	PYLON		



Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
IIG	I&I GROUP	SAWAD	SRISAWAD CORPORATION	SPA	SIAM WELLNESS GROUP
JMT	JMT NETWORK SERVICES	SMD	SAINTMED		

Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
AU	AFTER YOU	PJW	PANJAWATTANA PLASTIC	TGE	THACHANG GREEN ENERGY
CHG	CHULARAT HOSPITAL	PLT	Pilatus Marine	TPCH	TPC POWER HOLDING
LPH	LADPRAO GENERAL HOSPITAL	PTG	PTG ENERGY	TU	THAI UNION GROUP
MENA	MENA TRANSPORT	SFLEX	STARFLEX		
NETBAY	NETBAY	SISB	SISB		

Source: www.thai-iod.com

Disclaimer: The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an assessment of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of such survey result.

Anti-corruption Progress Indicator

Level 5: Extended

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	GLOBAL	SIAM GLOBAL HOUSE	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	GPSC	GLOBAL POWER SYNERGY	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BBL	BANGKOK BANK	HMPRO	HOME PRODUCT CENTER	ROBINS	ROBINSON DEPARTMENT STORE
BCH	BANGKOK CHAIN HOSPITAL	IRPC	IRPC	SCC	THE SIAM CEMENT
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KBANK	KASIKORN BANK	SIRI	SANSIRI
BIGC	BIG C SUPERCENTER	KCE	KCE ELECTRONICS	SPALI	SUPALAI
CK	CH. KARNCHANG	KKP	KIATNAKIN BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
DCC	DYNASTY CERAMIC	KTB	KRUNG THAI BANK	TCAP	THANACHART CAPITAL
DELTA	DELTA ELECTRONICS (THAILAND)	LPH	LADPRAO GENERAL HOSPITAL	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	PACE	PACE DEVELOPMENT CORPORATION	TMT	THAI METAL TRADE
EGCO	ELECTRICITY GENERATING	PTT	PTT	TOP	THAI OIL
GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL		

Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	ERW	THE ERAWAN GROUP	SAPPE	SAPPE
AP	ASIAN PROPERTY DEVELOPMENT	GLOW	GLOW ENERGY	SAWAD	SRISAWAD POWER 1979
BA	BANGKOK AIRWAYS	GUNKUL	GUNKUL ENGINEERING	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	ILINK	INTERLINK COMMUNICATION	SCN	SCAN INTER
BCP	THE BANGCHAK PETROLEUM	KTC	KRUNGTHAI CARD	SEAFECO	SEAFECO
BH	BUMRUNGRAD HOSPITAL	LH	LAND AND HOUSES	SVI	SVI
BJCHI	BJC HEAVY INDUSTRIES	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CBG	CARABAO GROUP	MAKRO	SIAM MAKRO	TKN	TAOKAENOI FOOD & MARKETING
CENDEL	CENTRAL PLAZA HOTEL	MALEE	MALEE SAMPRAN	TMB	TMB BANK
CHG	CHULARAT HOSPITAL	MINT	MINOR INTERNATIONAL	TRT	TIRATHAI
CKP	CK POWER	MODERN	MODERNFORM GROUP	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	NOK	NOK AIRLINES	TVO	THAI VEGETABLE OIL
CPN	CENTRAL PATTANA	PTTEP	PTT EXPLORATION AND PRODUCTION		
DTAC	TOTAL ACCESS COMMUNICATION	PYLON	PYLON		

Level 3: Established

Stock	Company name	Stock	Company name	Stock	Company name
BEM	BANGKOK EXPRESSWAY AND METRO	MTLS	MUANGTHAI LEASING	SPRC	STAR PETROLEUM REFINING
CPALL	CP ALL	SCI	SCI ELECTRIC		

No progress

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	BPP	BANPU POWER	FN	FN FACTORY OUTLET
BPCG	BPCG	BTS	BTS GROUP HOLDINGS	TPCH	TPC POWER HOLDING

Source: www.cgthailand.org

Disclaimer: The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made in order to comply with the policy and sustainable development plan for the listed companies. The relevant institution made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of the assessment result.

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Rating	Definition
Outperform (OP)	The stock's excess return over the next twelve months is ranked in the top 40% of KGI's coverage universe in the related market (e.g. Taiwan)..
Neutral (N)	The stock's excess return over the next twelve months is ranked in the range between the top 40% and the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan)
Under perform (U)	The stock's excess return over the next twelve months is ranked in the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan).
Not Rated (NR)	The stock is not rated by KGI.
Restricted (R)	KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances. Excess return = 12M target price/current price-
Note	When an analyst publishes a new report on a covered stock, we rank the stock's excess return with those of other stocks in KGI's coverage universe in the related market. We will assign a rating based on its ranking. If an analyst does not publish a new report on a covered stock, its rating will not be changed automatically.

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