



# BETAGRO PCL

## Opportunity Day 2Q24

August 23, 2024



# AGENDA

- ▶ **1. Company Overview**

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- ▶ **2. Financial Summary**

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- ▶ **3. Business Highlights**

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- ▶ **4. Strategic Focus on Food Business**





# COMPANY OVERVIEW



Since our founding in 1967, Betagro Group has been driven by its purpose, belief and core values



## PURPOSE

Help enrich people's lives  
with **Better Food**

"Better Food" means:

Highest Food Safety Standards

Superior Quality and Deliciousness

Fair Prices

Produced Sustainably



## BELIEF

People must have choices,  
and we must work hard  
to deserve people's trust

## CORE VALUES



Professional Innovation

Integrity Quality

People & Customer Centric

### Phase I

*Laying Business Foundation*

### Phase II

*Growth through Expansion*

### Phase III

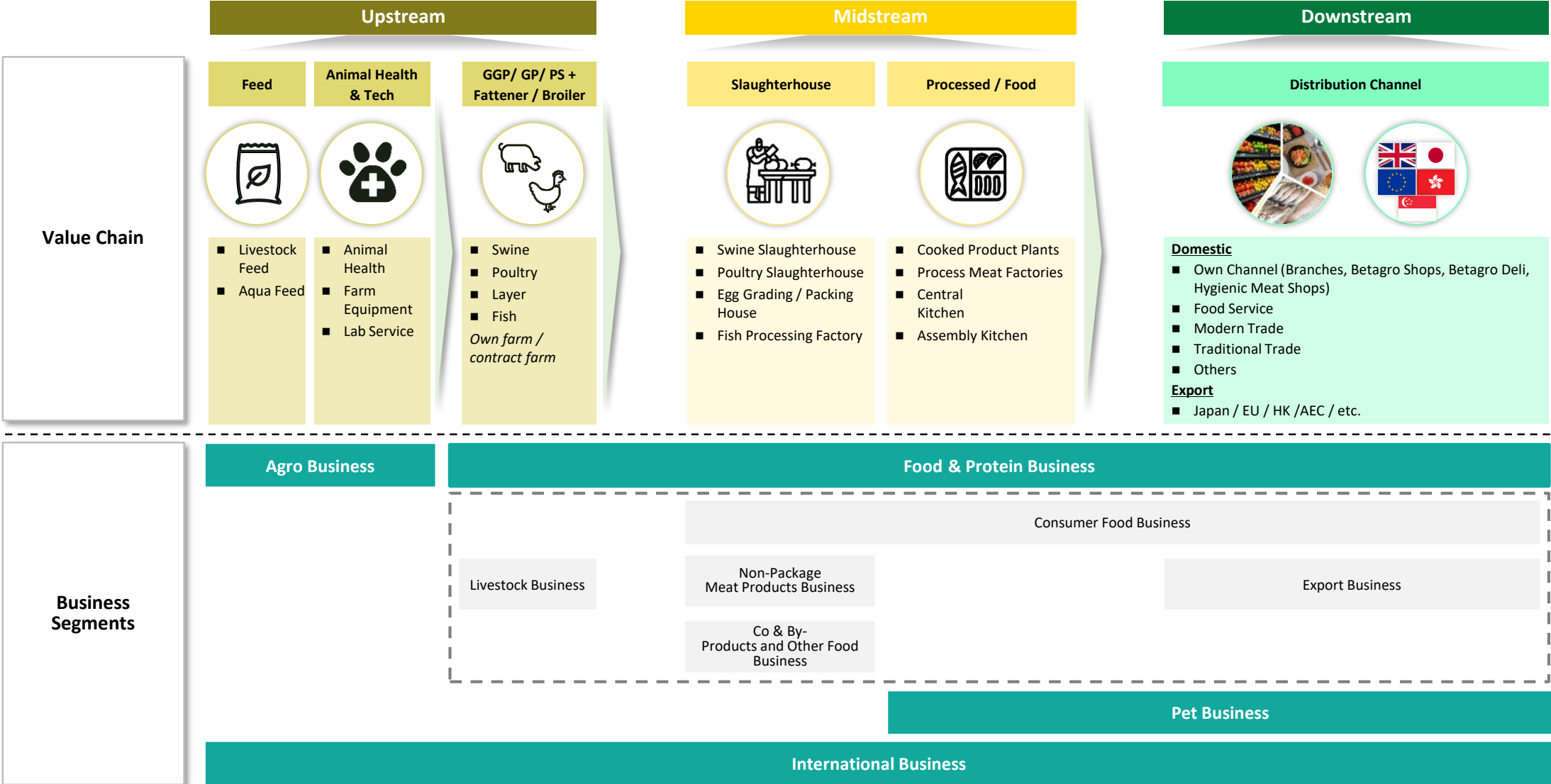
*Striving to Upgrade Food Industry*



# Physical Footprint Extends Across 4 Countries in Southeast Asia with International Presence in 20+ Countries Globally through Export

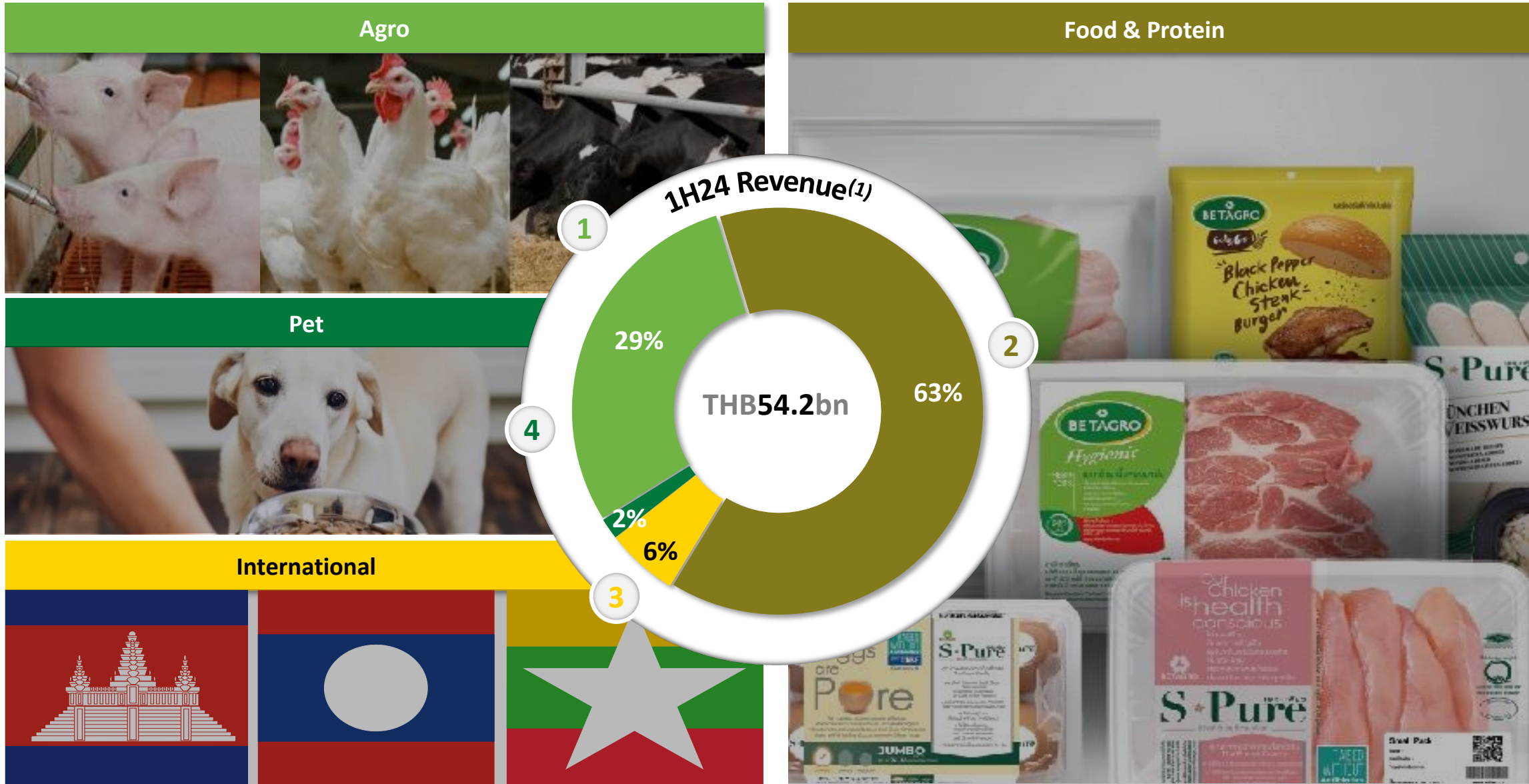


# Our Business Model Covers All Stages of the Food Value Chain





# Summary of Betagro Business



(1) Revenue = Revenue from Sales of Goods and Rendering of Services



**BETAGRO**

# **FINANCIAL SUMMARY**

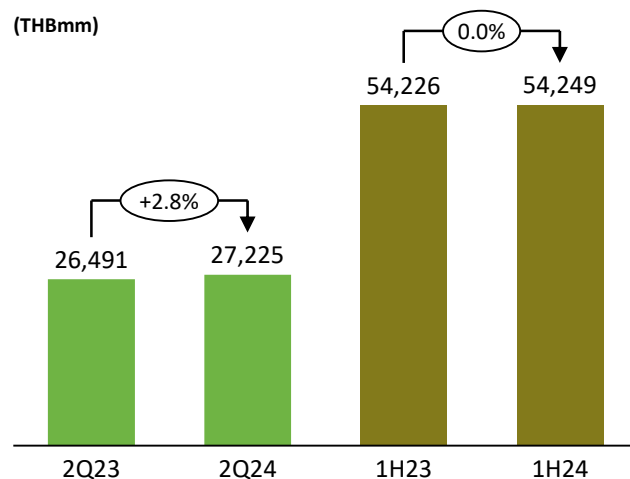




# Overall Performance in 2Q24

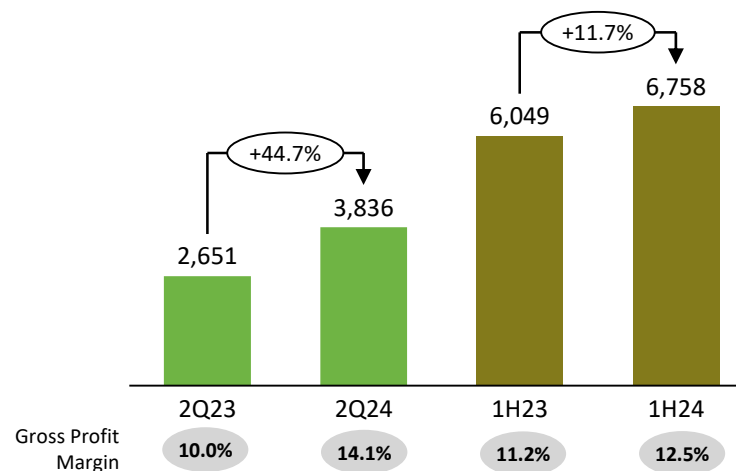
## Revenue<sup>(1)</sup>

(THBmm)



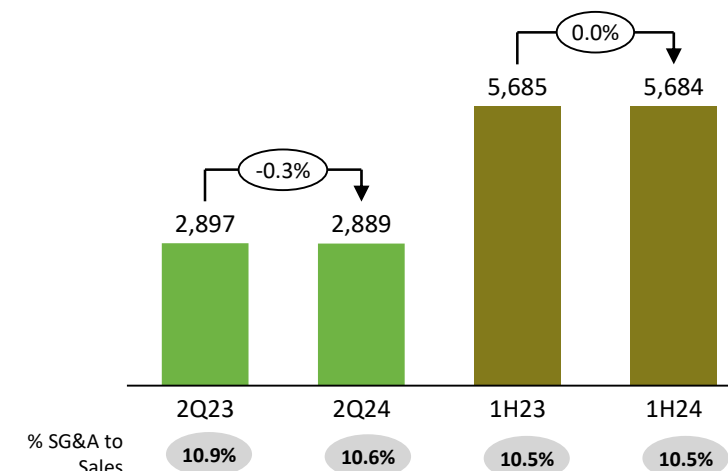
## Gross Profit

(THBmm)



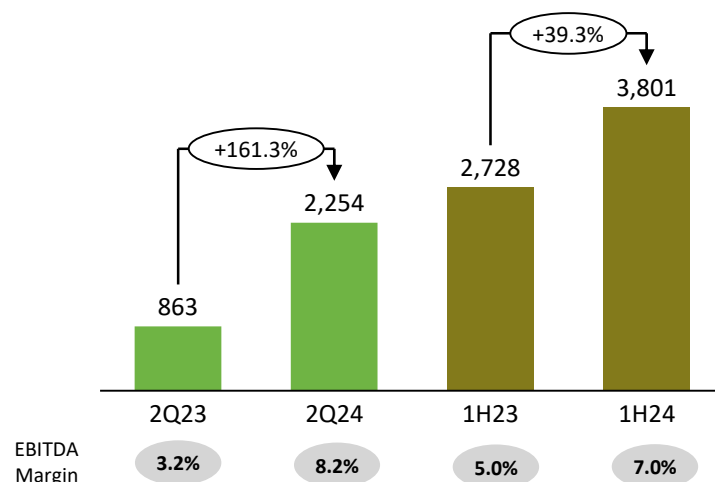
## Selling & Administrative Expenses

(THBmm)



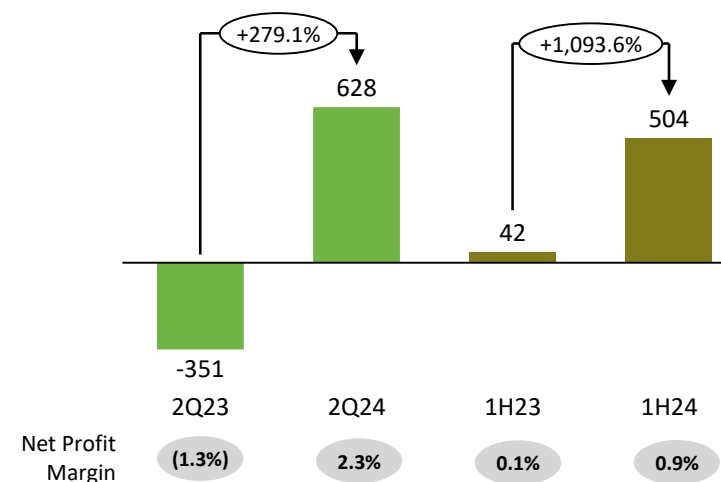
## EBITDA

(THBmm)



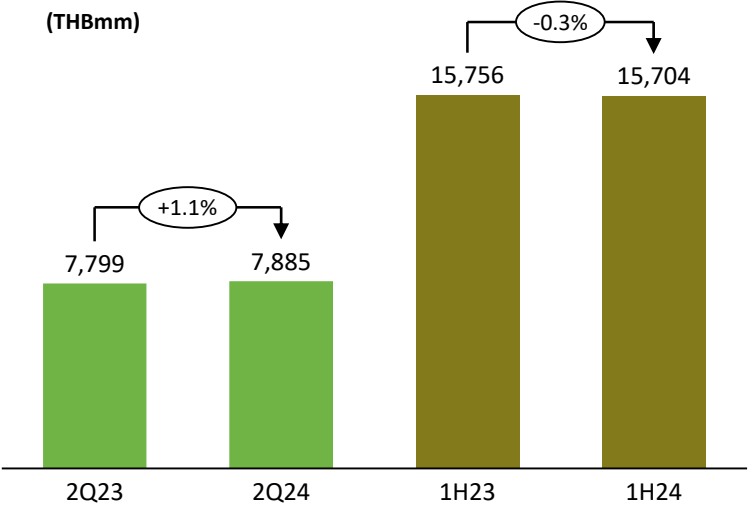
## Net Profit

(THBmm)

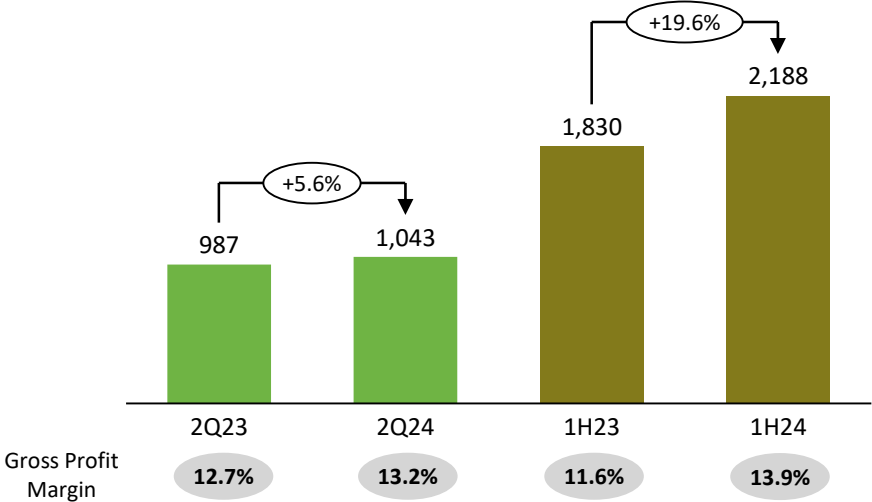


(1) Revenue = Revenue from Sales of Goods and Rendering of Services

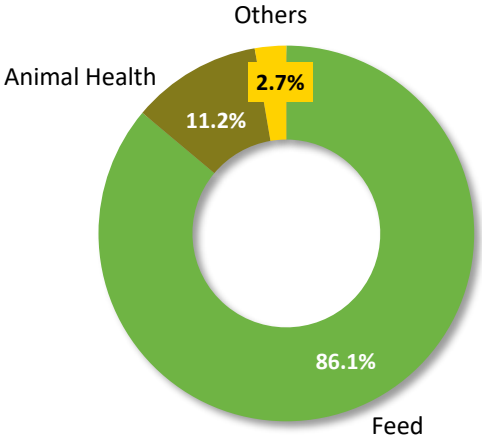
**Revenue**  
(THBmm)



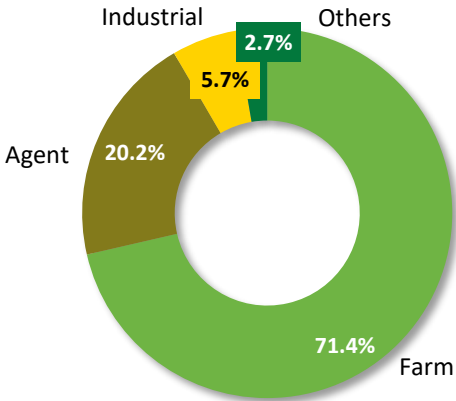
**Gross Profit**  
(THBmm)

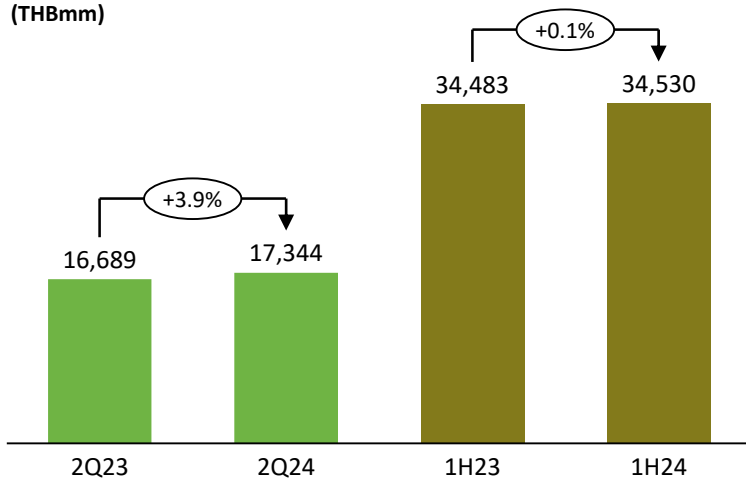
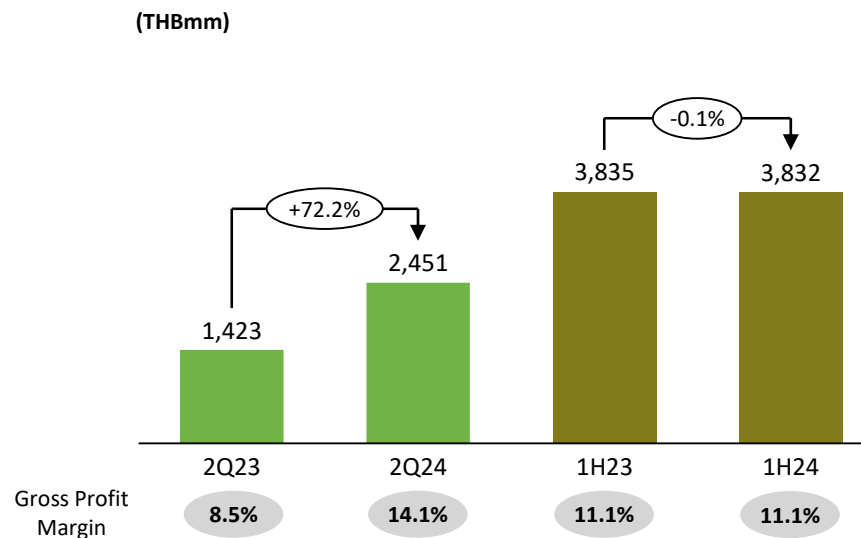
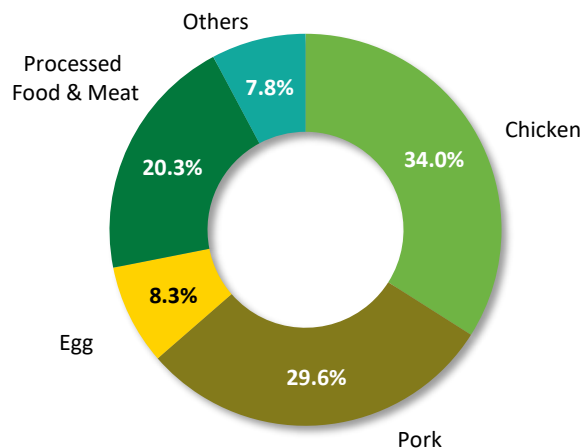
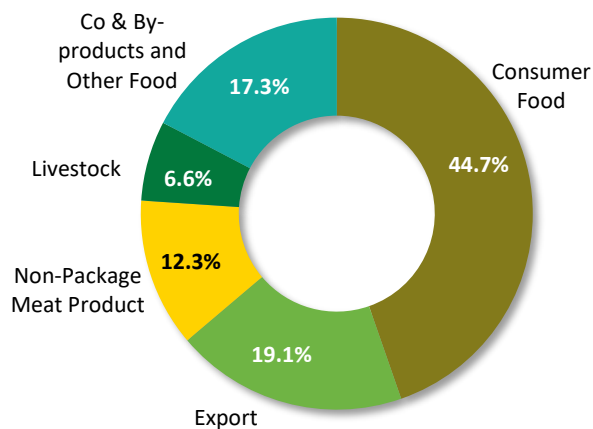
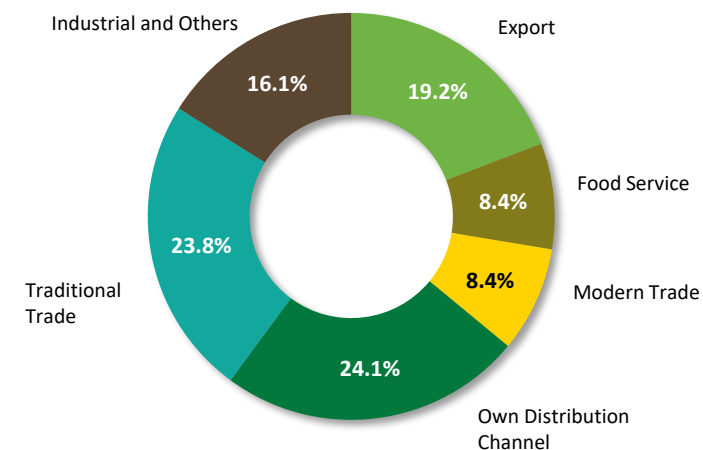


**Revenue by Product**



**Revenue by Distribution Channel**

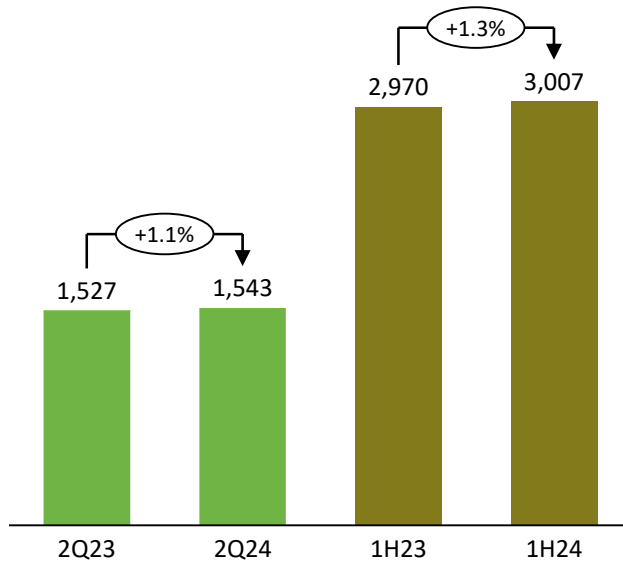


**Revenue**  
(THBmm)

**Gross Profit**  
(THBmm)

**Revenue by Species**

**Revenue by Product**

**Revenue by Distribution Channel**


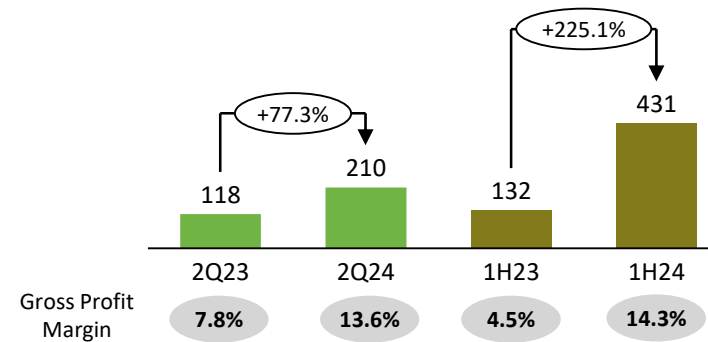


### 3 International Business – Financial Summary

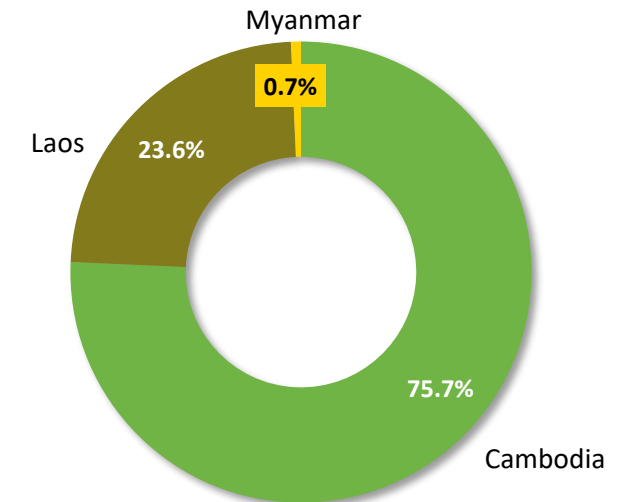
**Revenue**  
(THBmm)



**Gross Profit**  
(THBmm)

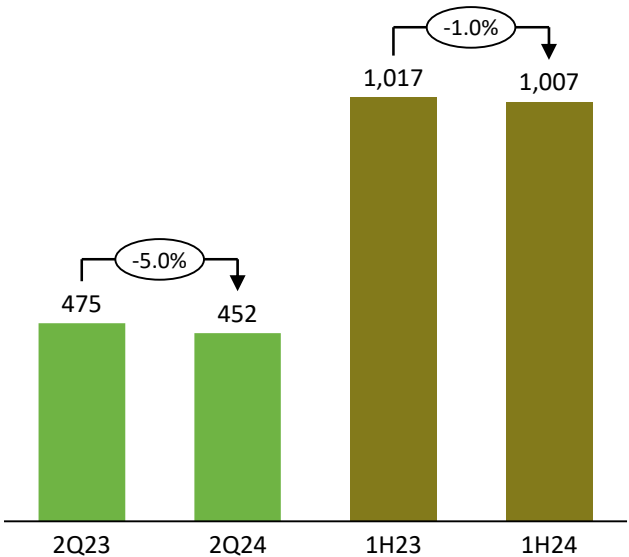


**Revenue by Country**

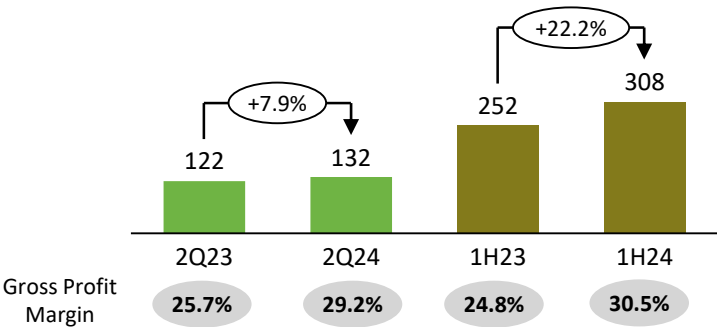


Remark: Revenue from Myanmar as a Percentage of International Business Revenue = 100% - Percentage of Revenue from Cambodia – Percentage of Revenue from Laos

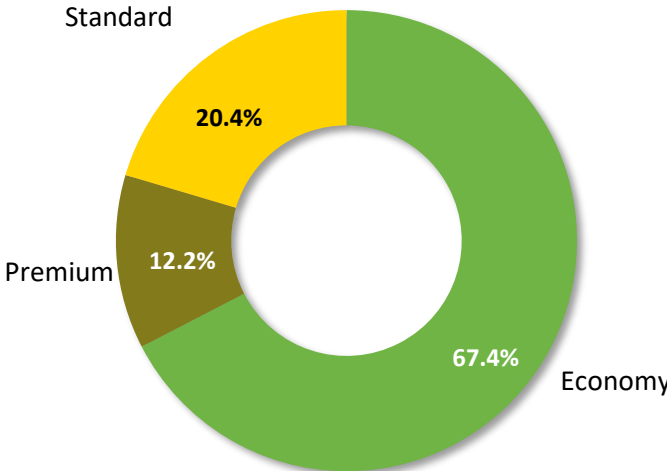
**Revenue**  
(THBmm)



**Gross Profit**  
(THBmm)



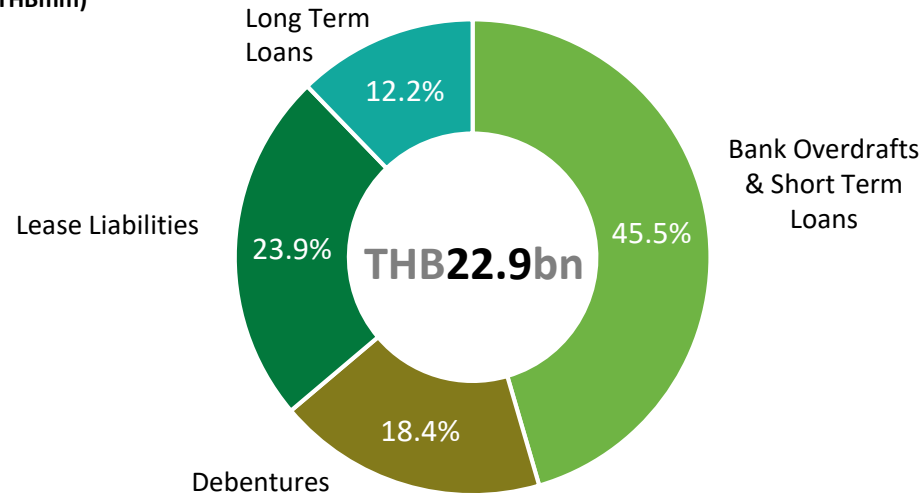
**Revenue by Market Segment**



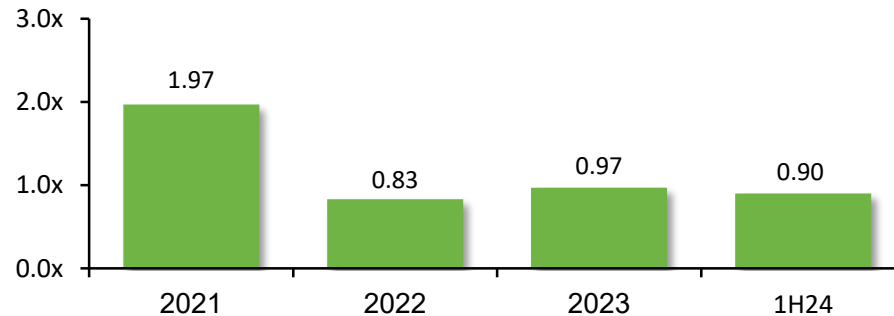
# Financial Position & Capital Expenditure Plan

## Interest-Bearing Debt Breakdown

(THBmm)

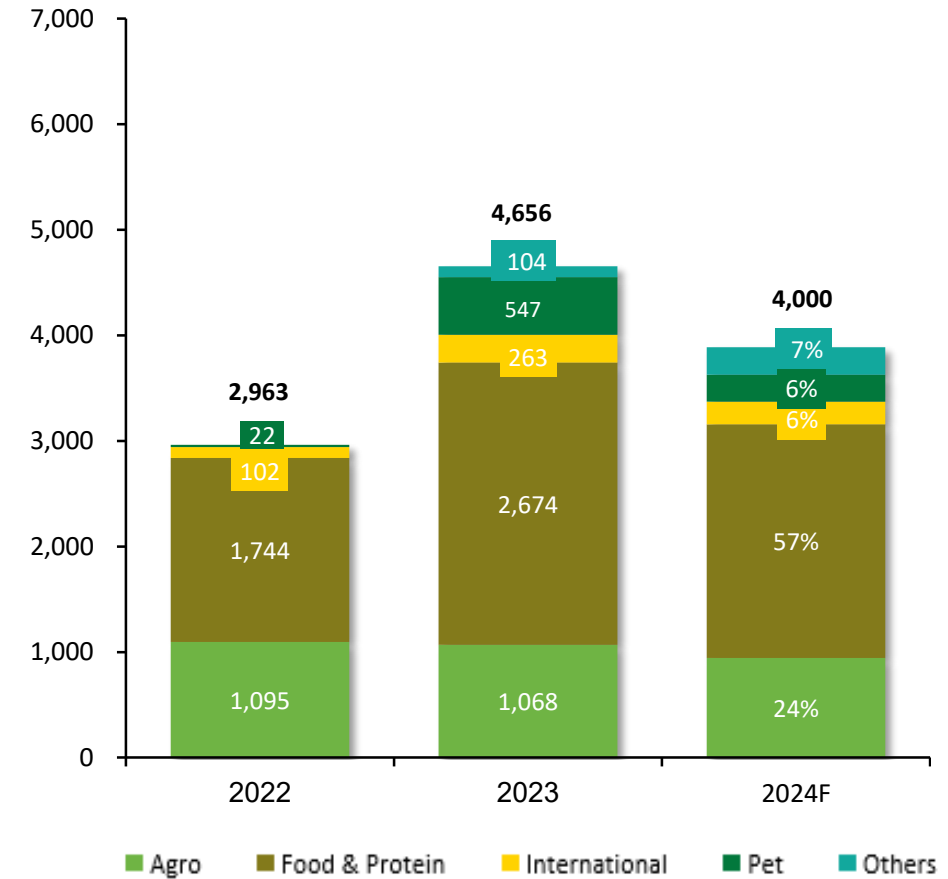


## Interest-Bearing Debt to Equity Ratio



## Capital Expenditure Plan

(THBmm)







**BETAGRO**

# **BUSINESS HIGHLIGHTS**



# BETAGRO won 3 Food Industry Awards in 1H24



1

**Superior Taste Award 2024** awarded to "S-Pure Chilled Eggs" with 3-star rating and "Betagro Chicken Green Curry Coconut Milk Rice" with 2-star rating from the International Taste Institute

2

**THAIFEX - Anuga Taste Innovation Show 2024** from "Green Curry with Ready-to-Eat Plant-Based Meat" brand Meatly! from THAIFEX - Anuga Asia 2024

3

**Thai Select Emblem 2024** from 12 menus of Ready-to-Eat food under the brand "Betagro" and "Meatly!" such as Chicken Massaman Curry Rice, Green Curry Rice with Chicken, and Chicken Satay from the Ministry of Commerce



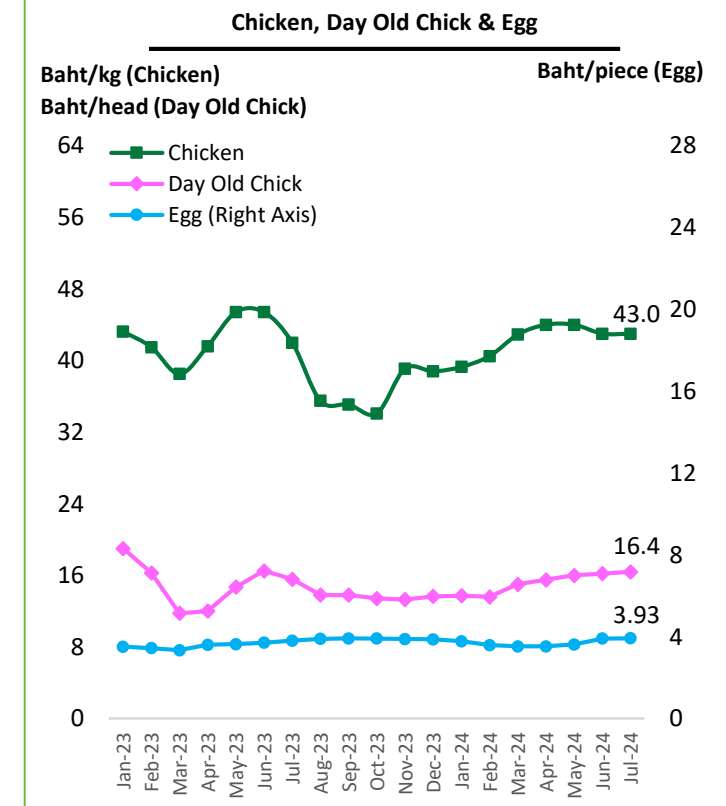
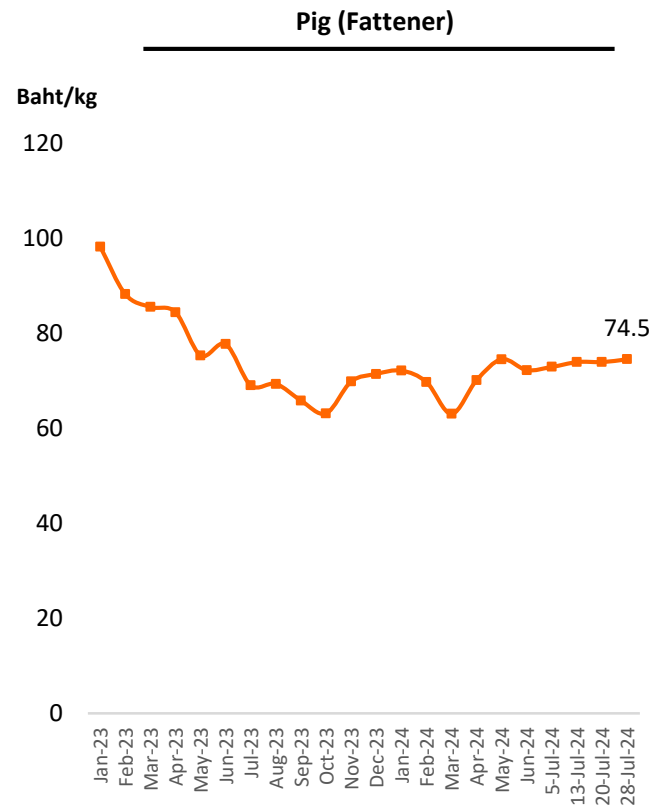
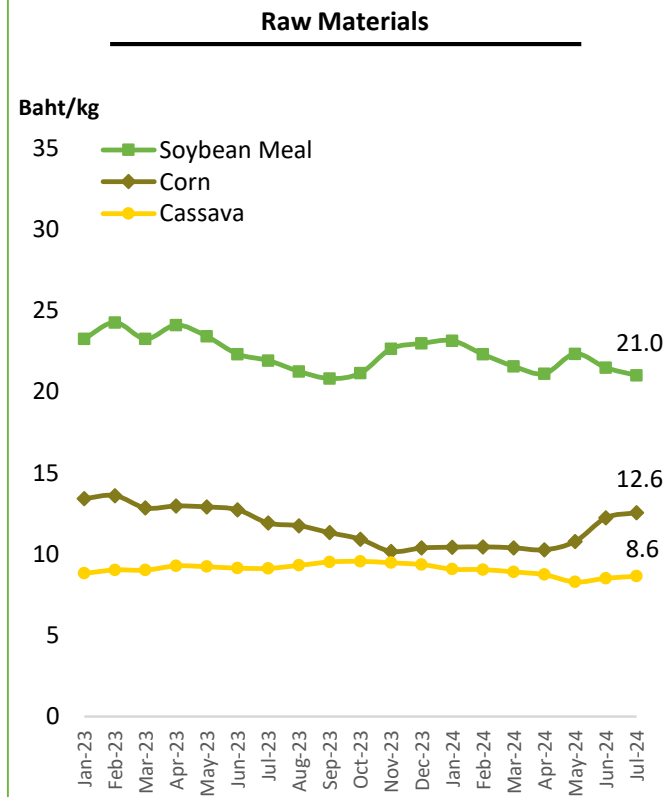
**Betagro was certified to be a member of the Thai Private Sector Collective Action Against Corruption (CAC) on June 30, 2024** which demonstrates the company's commitment to run business with good governance, fairness, honesty, transparency and responsibility to all stakeholders for sustainability





# Key Price Trends

- Expect raw material prices to slightly increase in 2H24 from increasing corn price regardless of decreasing soybean meal price
- Expect rising livestock prices in 2H24 due to government's measures on illegal pork smuggling and demand recovery



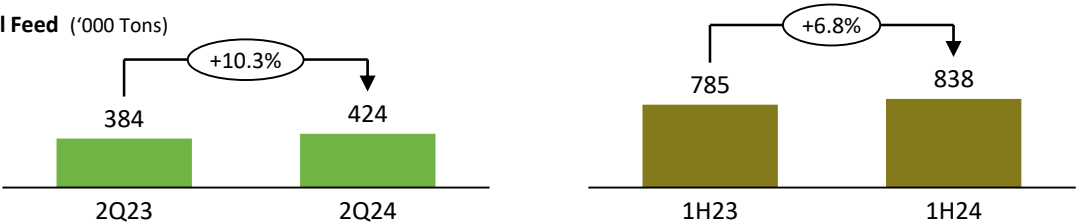
# Sales Volume Growth and Capacity Expansion in 2Q24 & 1H24

## Sales Volume Growth of 6.2% YoY in 2Q24 and 5.8% YoY in 1H24

### Agro Business



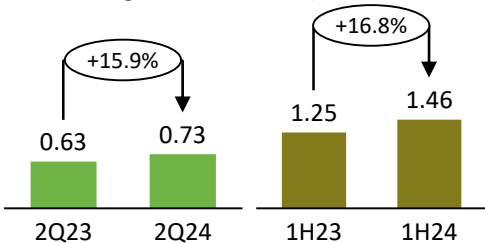
Commercial Feed ('000 Tons)



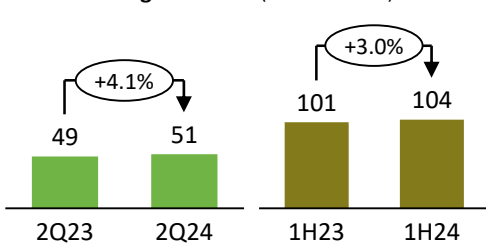
### Food & Protein Business



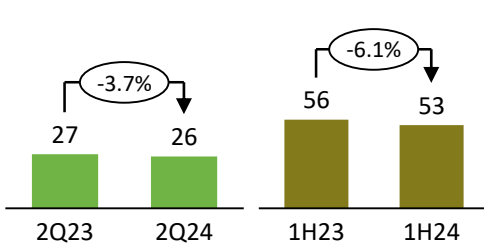
Swine Slaughterhouse (MM Pigs)



Chicken Slaughterhouse (MM Chickens)



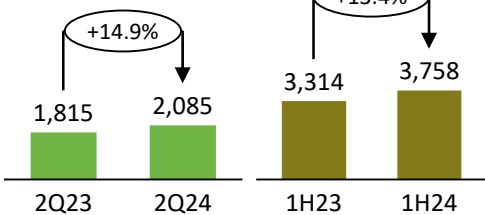
Processed Food & Meat ('000 Tons)



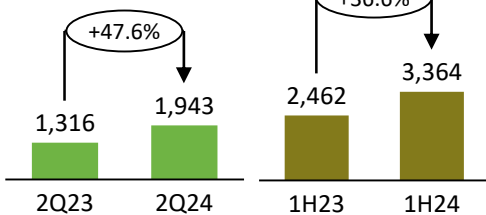
### International Business



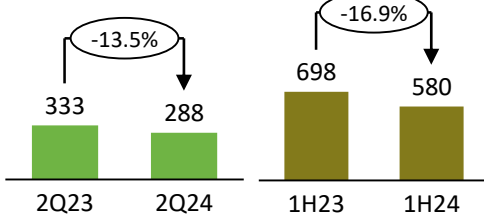
Pork Meat (Tons)



Chicken Meat (Tons)



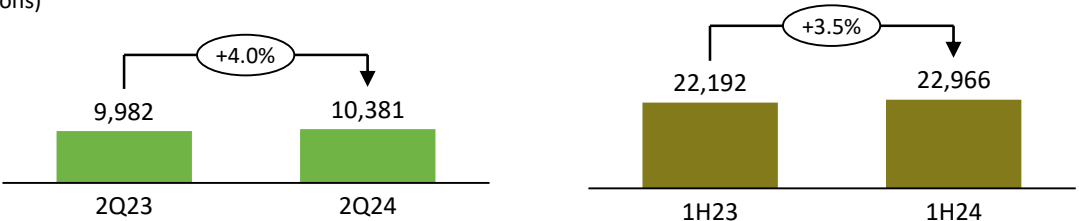
Processed Food & Meat (Tons)



### Pet Business



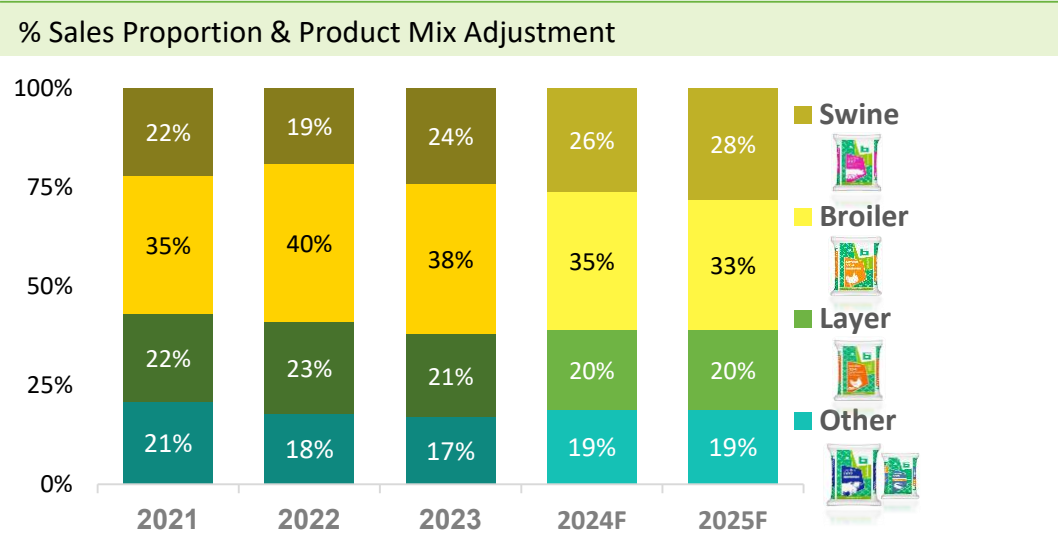
Pet Food (Tons)



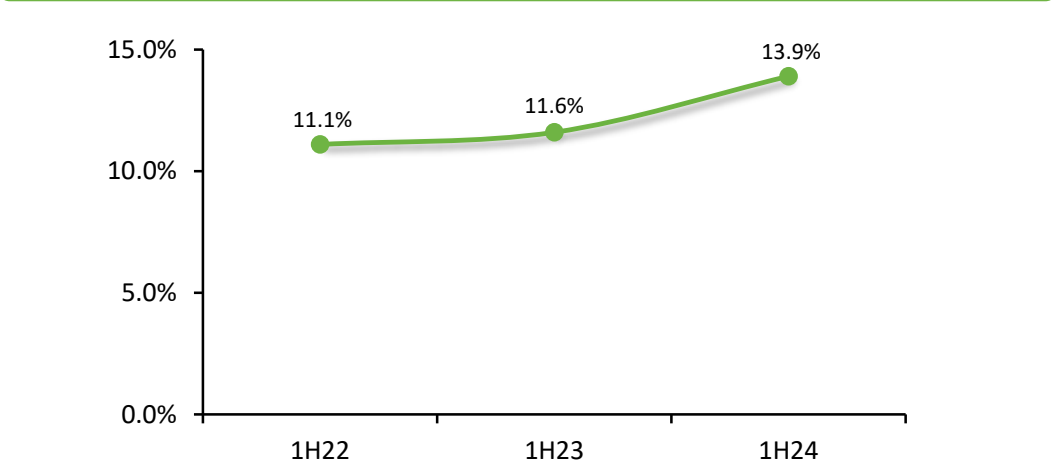
# Agro Business Highlights 2Q24

## Strategy to Shift towards High-Value

Focusing on Swine Feed



## % Gross Profit Margin of Agro Business



## BTG’s 11<sup>th</sup> Feed Mill in Chachoengsao

Smart Factory Model

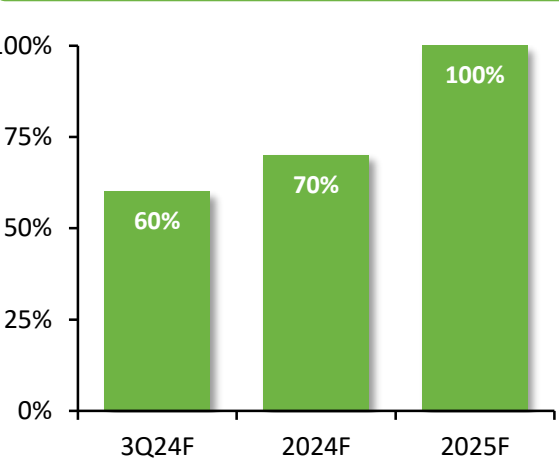


Full capacity  
**408,000 Tons/Year**  
(+10% YoY)



Start operation  
**3Q24**

## % Capacity Utilization

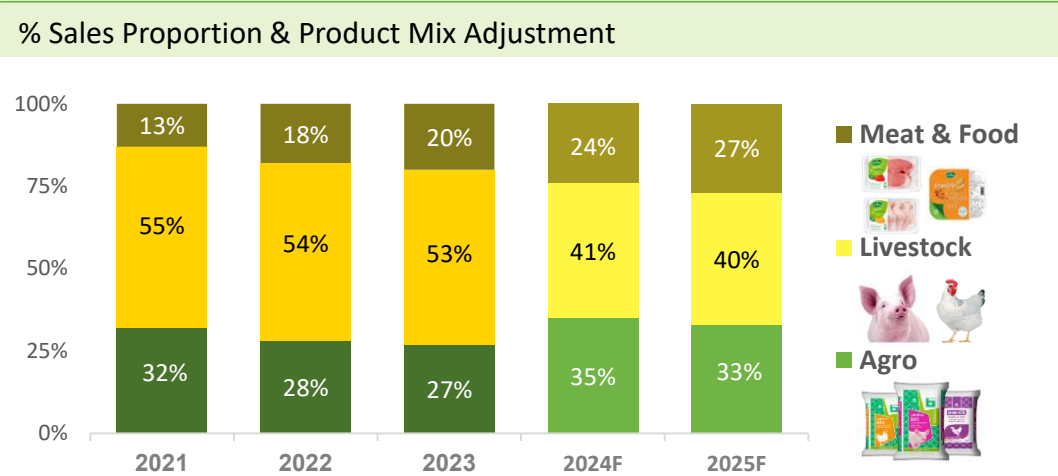


BTG’s 11<sup>th</sup> Feed Mill with capacity of **408,000 tons/year** is under construction and start operation in 3Q24. This will **increase our capacity by 10%** from 4.0 mm tons/year to 4.4 mm ton/year.

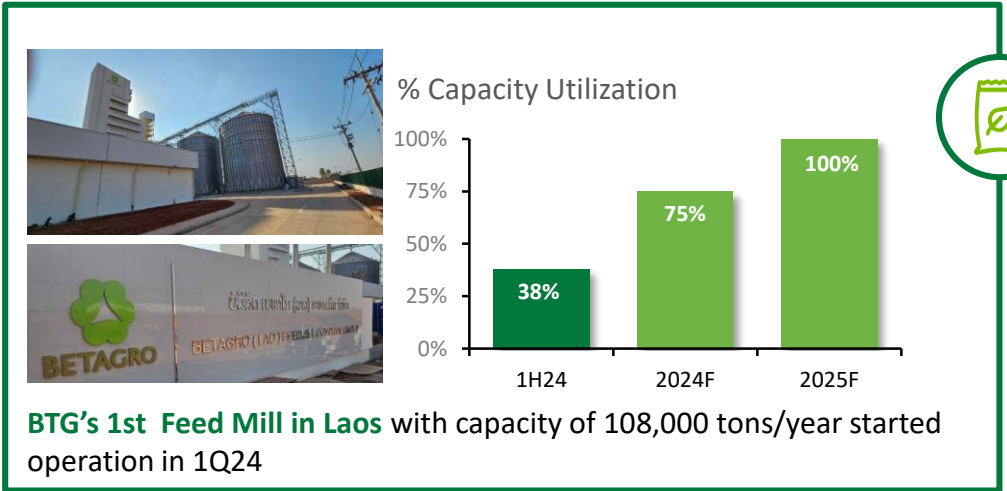


# International Business Highlights 2Q24

## Sales Growth Across the Board, Portfolio Adjustment to Strong Upstream Business by Partnership Model



## Feed Mill in Laos



## Strengthening Brand Communication in Cambodia (B2B & B2C)



### Potato Corner X BETAGRO





### Expand New Customer in Siem Reap

**SIEM REAP MAP CAMBODIA**

- New launching for retails pack product (fresh meat – chicken & pork)
- Location at Siem Reap (the second-largest city of Cambodia)
- Selling type: Bulk pack and Retails pack



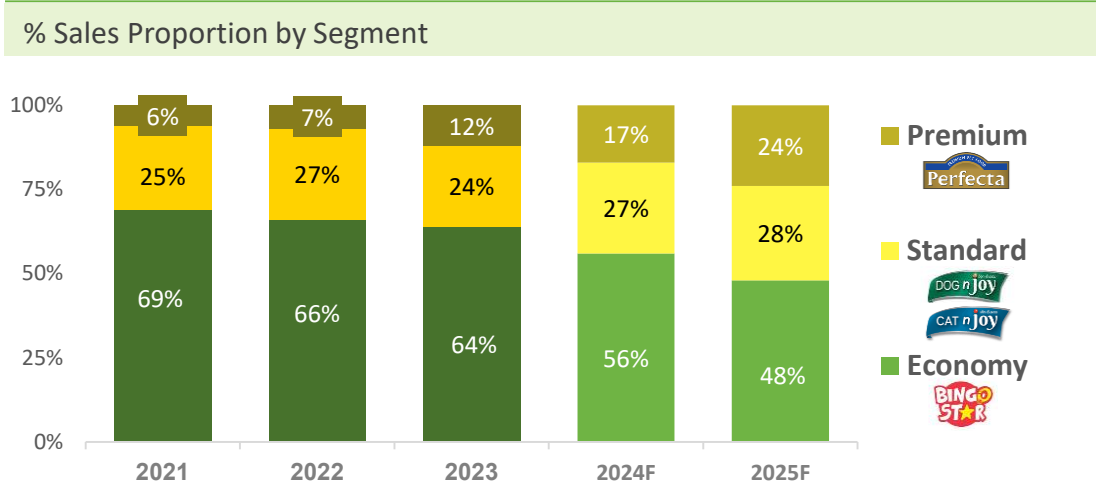
Housewife consumers      PC – promoting products      Expat consumers

**BETAGRO (Cambodia)** has joined marketing activities with Potato Corner to promote processed food products and create brand awareness with local consumers

# Pet Business Highlights 2Q24

## Strategy to Shift towards High-Value Products

Increase Our Presence in International Market



## HVAs Portfolio Growth & International Market Expansion



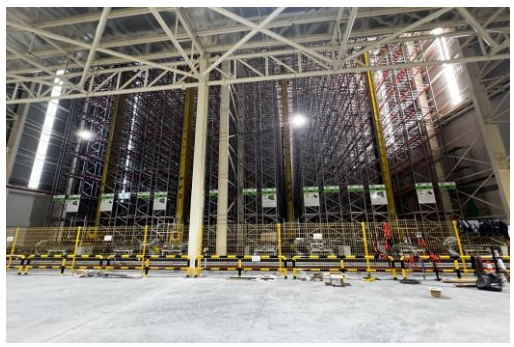
### Perfecta Wellness & Perfecta Care

- Strengthen brand awareness and expand distribution channels to drive growth across online & offline channels
- Launch new product, “Perfecta Holistic Grain Free”, to expand premium product portfolio

### Export Growth from High Potential Markets

- OEM with Japan and SEA Customers focusing on high-margin products
- Branded launched in Kuwait, Bangladesh, Sri-Lanka, Taiwan, Malaysia, Myanmar, Vietnam

## Factory Expansion of Smart Factory to Support Sales Volume



Full capacity  
 58,100 Tons/Year (+105% YoY)



Start operation  
 3Q24





# STRATEGIC FOCUS ON FOOD BUSINESS



## Food Business Strategy Overview



### Expand Internationally

- Increase depth and breadth of sales in core export markets
- Expand into new markets



### Build Brand Strength

- Significantly increase the sale of branded vs. commodity products
- Premiumize sales mix through drive of S-Pure brand



### Drive Food Service Solution Business

- Expand Food Service customer base both domestically and internationally
- Expand into new higher-value market segments



### Asset Optimization and Asset Light Capacity Expansion

- Improve utilization of existing assets & apply lean methodology to significantly improve productivity
- Outsource production of selected products / categories to strategic partners



### Sustainability Transformation

- Continue shift towards sustainable packaging
- Reduce energy footprint by increasing share of renewable energy

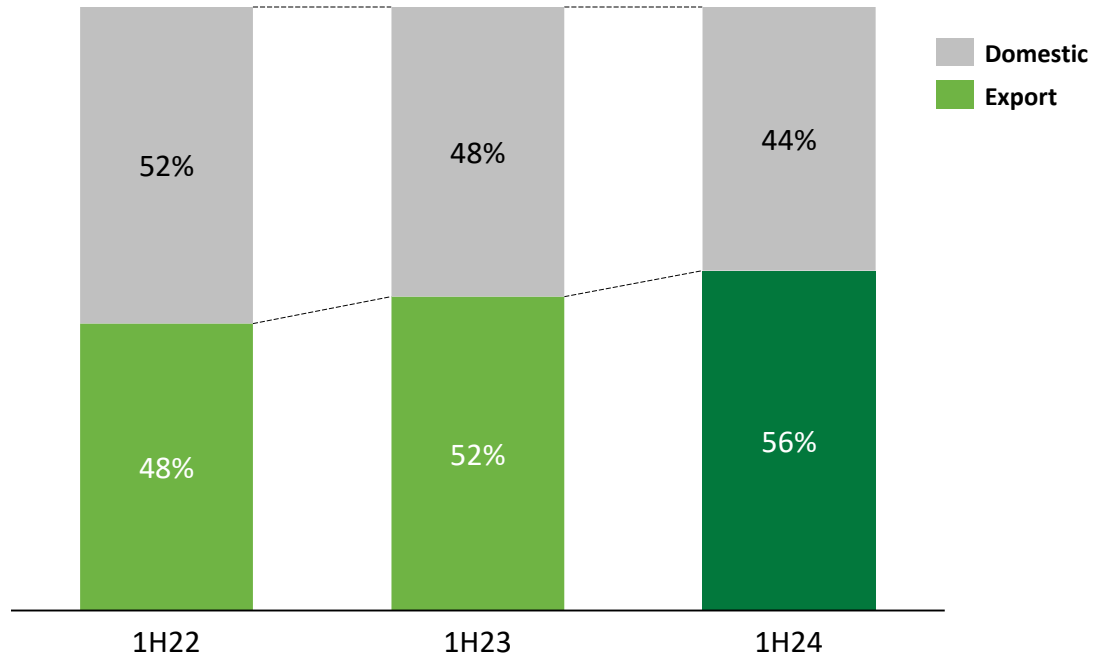
# Food Business Performance 2Q24

Export - Expand Internationally



## Share of Export vs. Domestic Sales

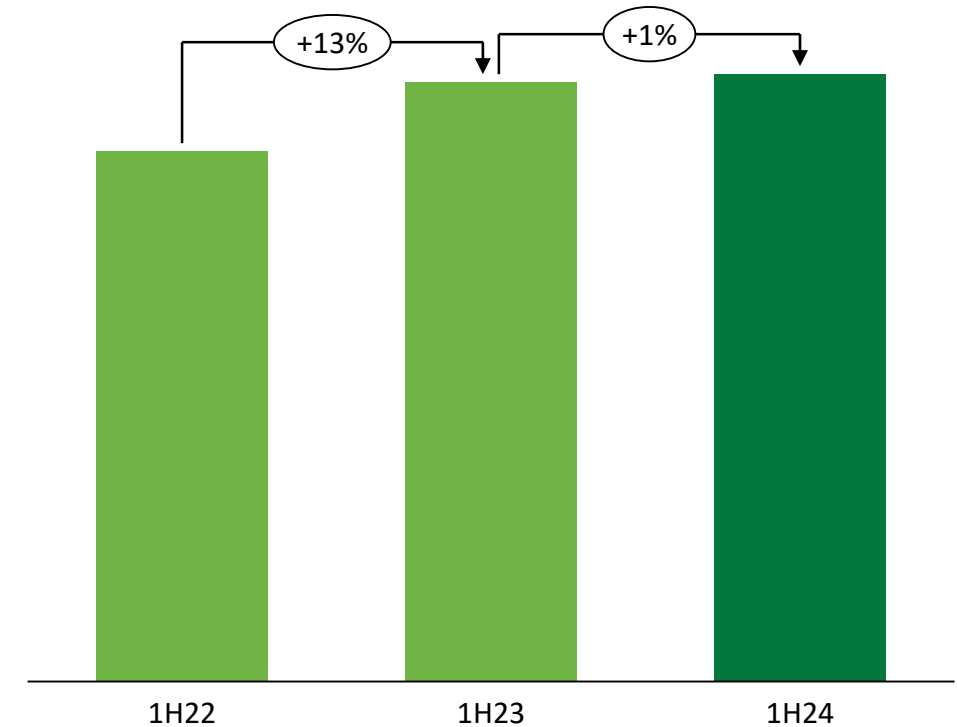
(Percent of Total Value)



- Share of sales value in Export business is continuously increasing
- Export sales continues to grow due to strong order volumes from EU market
- Further upside for 2024 as we continue to de-bottleneck production capacity

## Export Sales Value of Branded Products

(Change in Total Value)



- Branded product sales driven by positive momentum and closer partnership with major retailers in Singapore and Hong Kong
- Further growth expected from launch of new products as well as branded expansion in new geographies



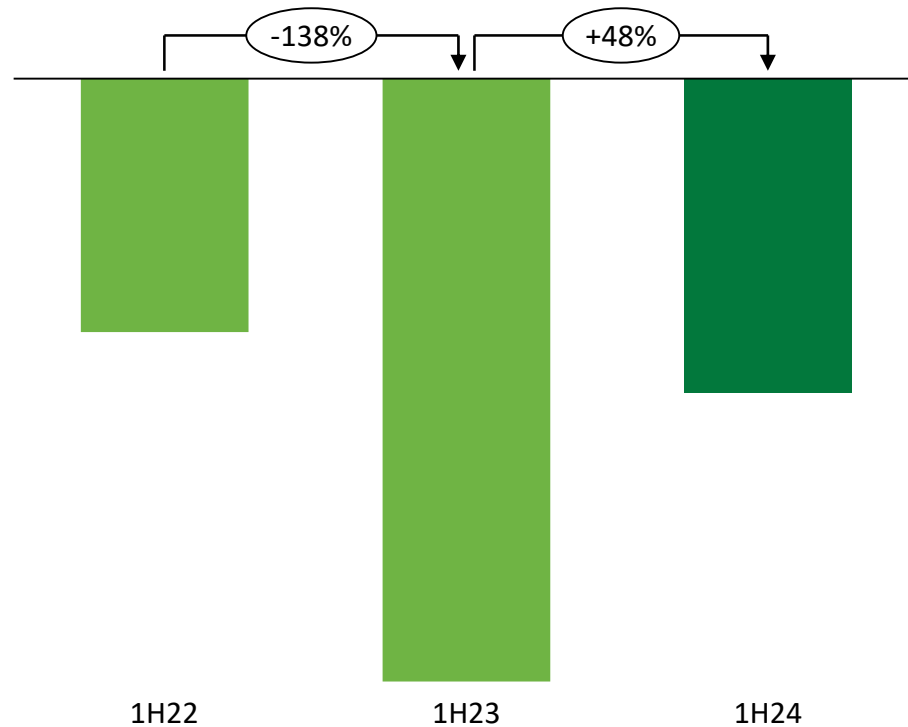
# Food Business Performance 2Q24

## B2C - Build Brand Strength



### Gross Profit of Consignment Business

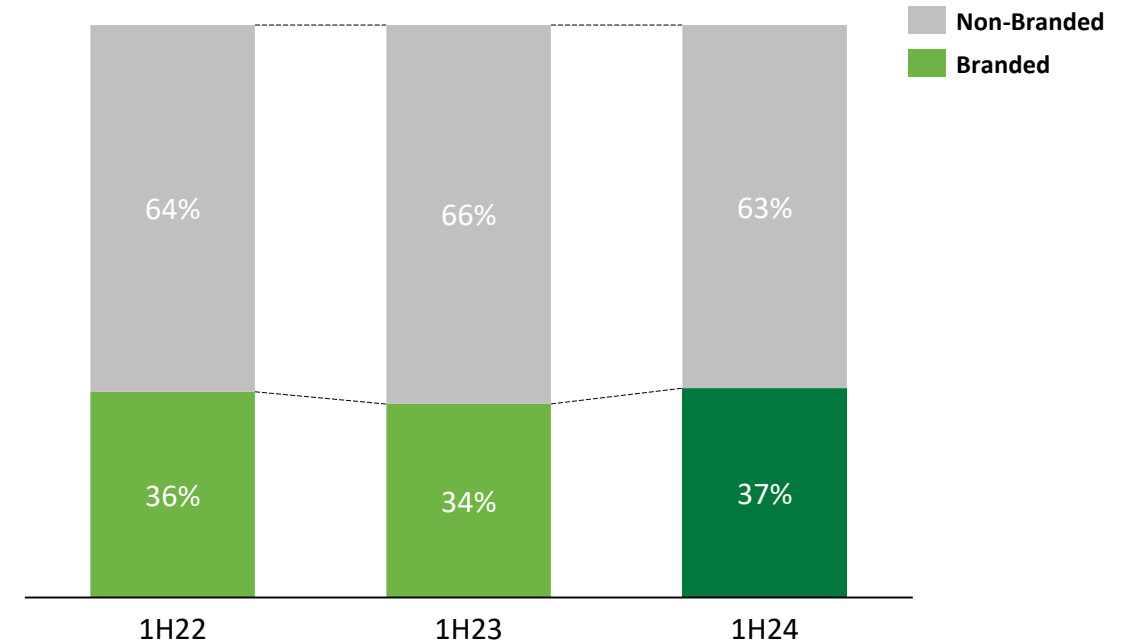
(Change in Absolute Value)



- Reduced losses from Consignment Business by 48% compared to 1H23, driven by the closure of unprofitable stores, revitalizing existing stores and improvement of service levels
- Nearly back to 2022 levels, and aspiration to eliminate losses within 2025

### Share of Branded Sale in B2C

(Change in Absolute Value)



- Increased in % share of branded sales due to two factors:
  - Re-focus on branded sales vs. non-branded (OEM) sales across all channels
  - Reduce OEM sales to Lotus and partially shift to Export instead

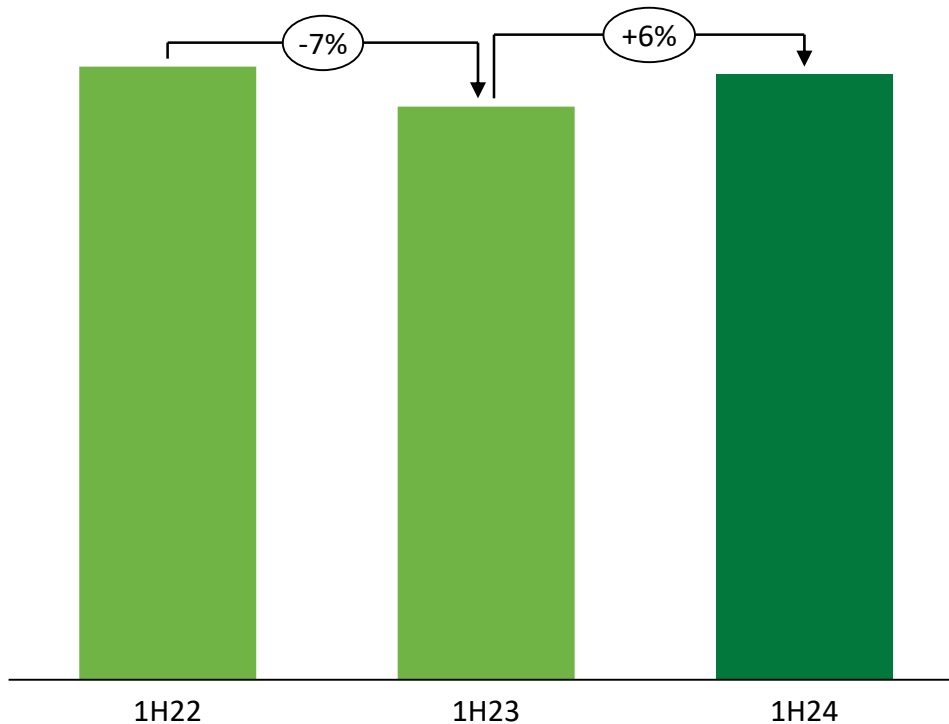
# Food Business Performance 2Q24

B2B - Drive Food Service Solution Business



## Sales Value of B2B Business

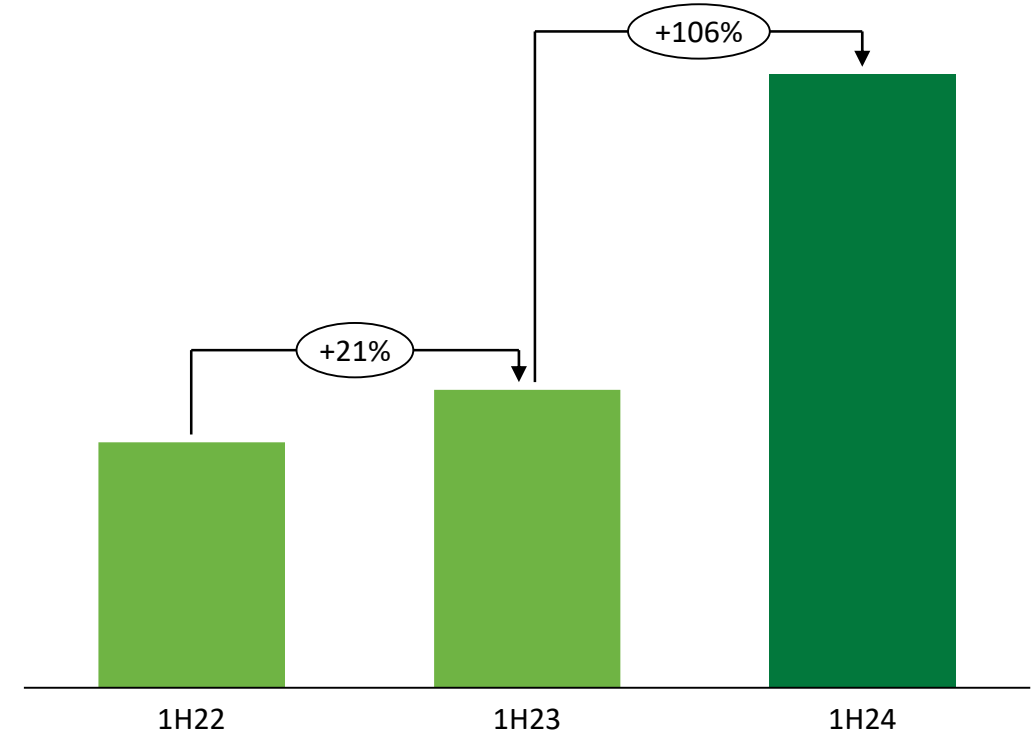
(Change in Absolute Value)



- B2B volume growing 15% from 1H22; value nearly fully recovered from last year's price declines (pork products)
- Strong contribution from industrial customers as well as improving Food Service sales as a main drivers of B2B performance

## Sales Value of Wholesale Business

(Change in Absolute Value)



- Significant growth from strategic alliance with Central's "Go Wholesale"
- Further growth expected as Go Wholesale continues its store network expansion

### Launch of La Comida

New Product Development of Charcuterie



- Locally produced Charcuterie made from S-Pure pork by European expert partners in Thailand
- Leveraging on high quality RWA S-Pure pork meat to maximize profit margins and capturing new consumer trends
- Pilot phase with first retail shop opening at Park Silom in Q3
- Target to food service clients & super premium retail segment

### Brand Relaunch of B-Food

Economy Brand of Processed Meat Products



- Re-launch of "B-Foods" economy brand with affordable price in processed meat category with new modern look and mascot.
- Target to consumers in both Modern Trade and Traditional Trade as well as Food Service
- 360° brand communication & activation will be launched in Sep to drive brand awareness and trial among B2C & B2B customers

### Launch of Inspired

Healthy Meal Choice for Balanced Life



- New RTE Healthy Brand x SIVITT (Siriraj Vittayavijai Co., Ltd.)
- Customized healthy portion plate with environmental-friendly packaging and nutrition labeling ingredients of trusted source
- 1<sup>st</sup> launched in May 2024 via Betagro Deli (NorthPark and Wanglang Market branch), Tops Central Ladprao, and GrabMart
- Serving everyday healthy meal to customers with health-conscious lifestyle

### BiteBro

High Protein Fried Snack



- “Less-guilty” snack with high protein source, targeting teenagers and young adults
- 1<sup>st</sup> launched in June 2024 at Tops Daily ABAC Bangna
- Further expansion planned together with Tops Daily



# Food Business Performance 2Q24

## Export - Branded Cuisine Expansion Across APAC



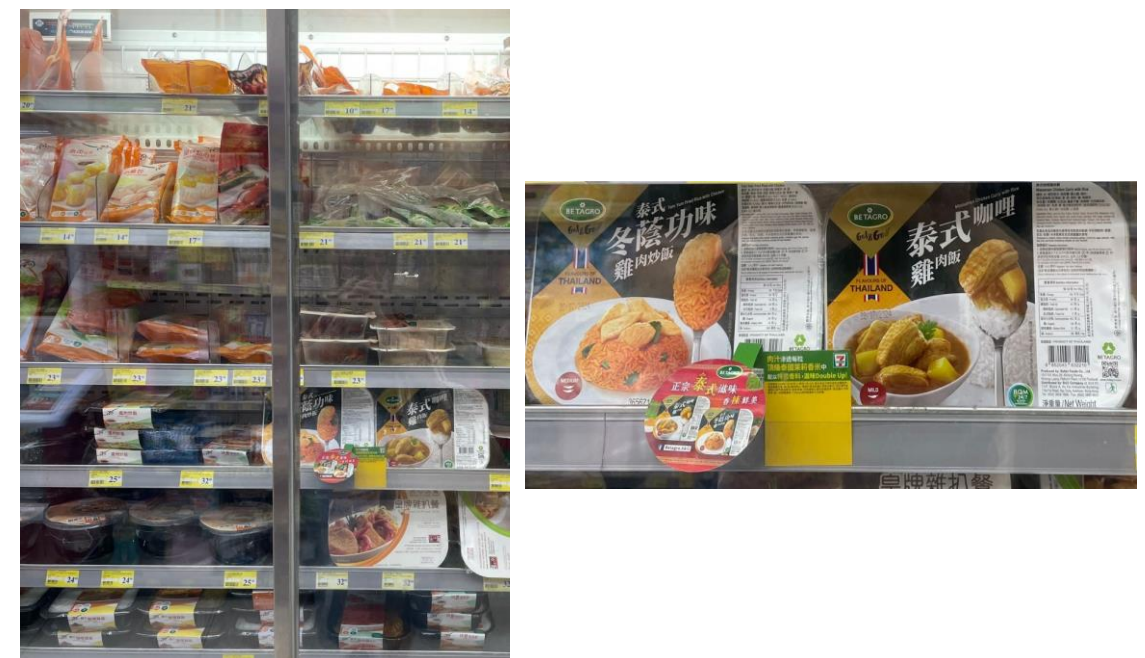
### BTG Brand Launch in Japan

Market Penetration with Betagro Brand Launched in Japan



### Ready Meal Expansion in Hong Kong and Singapore

Continuously Expansion Across APAC



- Cuisine Expansion under Betagro brand (Delica) in Japan
- First launch will be in Okinawa and Kyushu area. Target to be expanding across Japan
- Available in 2 supermarket chains at Delicatessen counter
- Products will also be available in frozen as retail pack

- Ready Meal Expansion to be launched in CVS in Hong Kong (July) and 7-11 in Singapore (September)
- Starting with 4 SKUs:
  - 2 SKUs in Hong Kong: Chicken Tom Yum Fried Rice and Masaman Chicken with Rice
  - 2 SKUs in Singapore: Chicken Tom Kha Gai with Rice and Chicken Panang with Rice



# Food & Protein Business Highlights 2Q24

## Sustainability Transformation



### Environmental



#### Climate Change Management

- Reduce greenhouse gas emissions (scope 1&2) from 2022 at least 20% by 2030 and reach Net Zero by 2050
- Solar power capacity of 38 MW to replace ~10% of total electricity usage



#### Sustainable Packaging

- 100% Eco-Friendly Packaging by 2030 (Reusable, Recyclable and Compostable)



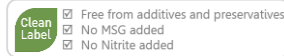
#### Circular Economy

- Organic Waste to Organic Matter Project to support circular economy and sustainable growth
- Join Circular Economy Program with Ministry of Industry

### Social



#### Good Health and Well Being



- S-Pure is the first brand in the world to receive a Raised Without Antibiotics – RWA certification from NSF International
- S-Pure Clean Label for healthier choice



#### Community Development

- Holistic Area Based Community Development (HAB) focuses on 5 areas of development (economic, education, health, social and environment) covering 10,000 households in 33 provinces in Thailand



#### Employee Engagement

- Safety Culture & Process Safety Management
- Happy Workplace – productive & flexible workplace
- Happy Health – physical & mental health program
- Happy Money – financial literacy training

### Governance



#### Betagro Code of Ethics

- Commit to operating our business in accordance with corporate governance policy and management excellence



#### Collective Action Against Corruption (CAC)

- Thai CAC Certification in June 2024



#### Responsible Board of Directors

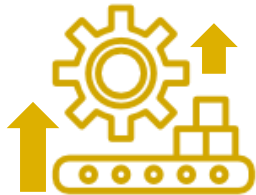
- Highly professional Board of Directors, focusing on corporate governance and integrity

# FY2024 Business Plan & Strategy

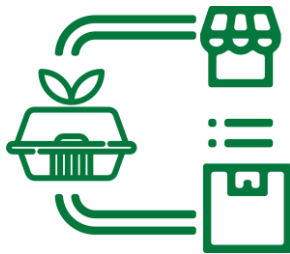


Sales Growth	5 - 10%
%Gross Profit Margin	13 - 15%
%SG&A to Sales	10 - 11%
CAPEX	4,000 MB

## BTG's Target & Key Strategy in FY2024



Capacity Expansion



Product & Channel Mix Adjustment



Cost Transformation

# IR CONTACT



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FACEBOOK

## Betagro Group

<https://www.facebook.com/BetagroGroupOfficial>



LINKEDIN

## Betagro Group

<https://th.linkedin.com/company/betagro-group>



YOUTUBE

## Betagro Group

<https://www.youtube.com/channel/UCagW4zzCJjygyqbc251S9Aw/featured>



WEBSITE

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

<https://www.betagro.com/th/home>



**BETAGRO**


# **APPENDIX**



We have developed several leading household brands in Agro, Food & Protein, and Pet Businesses



Key Brands under Betagro Group

Brand & Segmentation	Agro Business	Food & Protein Business	Pet Business
<div>PREMIUM ★★★★★</div>	<div></div>	<div></div>	<div></div>
<div>STANDARD ★★★★★</div>	<div></div>	<div></div>	<div></div>
<div>ECONOMY ★★★★</div>	<div></div>	<div></div>	<div></div>



# Betagro has been listed on 4 Indexes MSCI, FTSE, SET100, and SETWB



Note: SET Well-Being Index (SETWB) reflects the performance of 30 securities in the seven sectors with high competitiveness, which are instrumental to the nation’s gross domestic product growth or GDP growth, generating income to the Thai people and raising living standards of Thai people