Betagro (BTG TB)

3Q26: Strong Earnings Rebound

Highlights

- BTG reported 3Q26 core profit of Bt1,268m (3.1% yoy and 80.2% qoq).
- Results are in line with market expectations but 8% below our estimate.
- As domestic swine prices have continued to rise in Nov 26, we expect BTG's earnings to continue improving yoy in 4Q26 while remaining relatively flat qoq.
- Maintain BUY with a target price of Bt27.00.

3Q26 Earnings Results

Year to 31 Dec (Btm)	3Q26	3Q25	2Q26	yoy%	qoq%
Sales	32,796.2	30,514.0	29,348.2	7.5%	11.7%
Gross Profit	4,765.9	4,526.1	4,071.0	5.3%	17.1%
SGA	3,230.0	3,241.7	3,060.5	-0.4%	5.5%
Pre-tax Profit	1,592.5	1,329.3	1,038.2	19.8%	53.4%
Net Profit	1,300.6	1,166.5	598.4	11.5%	117.3%
Core Profit	1,268.1	1,230.4	703.8	3.1%	80.2%
EPS (Bt)	0.67	0.60	0.31	11.5%	117.3%
(%)	**3Q26**	**3Q25**	**2Q26**	**yoy%**	**qoq%**
Gross Margin (%)	14.5%	15.0%	14.1%	-0.5%	0.4%
SG&A/revenue (%)	9.8%	10.6%	10.8%	-0.7%	-1.0%
Net Margin (%)	4.0%	3.8%	2.0%	0.1%	1.9%

Source: BTG, UOB Kay Hian

Analysis

- **Strong earnings rebound.** Betagro (BTG) reported a 3Q26 net profit of Bt1,300m (+11.5% yoy and +117.3% qoq). Excluding one-off items, core profit for 3Q26 was Bt1,268m (+3.1% yoy and +80.2% qoq). The results are in line with market expectations but 8% below our estimate.
- **Revenue up yoy and qoq.** BTG's 3Q26 revenue came in at Bt32.8b (+7.5% yoy, +11.7% qoq), supported by growth across all business segments. Inter-business revenue increased to Bt7.3b (+23.5% yoy, +11.8% qoq), while the food business' revenue came in at Bt16.4b (+4.2% yoy, +13.4% qoq). The pet business reported revenue of Bt841m (+7.3% yoy, +11.7% qoq), and the agro business saw revenue of Bt8.2b (+0.6% yoy, +8.5% qoq).

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	114,231.7	122,370.4	126,184.4	130,899.3	135,514.6
EBITDA	9,041.8	13,666.5	9,116.8	9,798.0	10,513.3
Operating profit	4,069.7	8,285.3	6,059.6	6,512.7	6,943.7
Net profit (rep./act.)	2,466.2	6,684.6	4,807.8	5,205.3	5,654.9
Net profit (adj.)	2,413.3	6,607.5	4,807.8	5,205.3	5,654.9
EPS	1.2	3.4	2.5	2.7	2.9
PE (x)	18.4	6.7	9.3	8.6	7.9
P/B (x)	1.6	1.4	1.3	1.1	1.0
EV/EBITDA (x)	7.2	4.4	6.3	5.6	4.9
Dividend yield (%)	2.2	6.5	3.2	3.5	3.5
Net margin (%)	2.2	5.5	3.8	4.0	4.2
Net debt/(cash) to equity(%)	70.5	38.9	31.9	21.0	12.6
Interest cover (x)	11.3	19.1	14.6	16.6	20.9
ROE (%)	8.9	22.0	15.1	15.4	15.8
Consensus net profit	n.a	n.a	4,595.7	5,289.0	5,432.3
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	1.0

Source: BTG, Bloomberg, UOB Kay Hian

Analyst(s)

Nichapa Ratchabandit
Nichapa@uobkh.co.th
+662 090 3366

BUY (Maintained)

Share Price	Bt22.50
Target Price	Bt27.00
Upside	20.00%

Stock Data

Sector	Consumer Staples
Bloomberg ticker	BTG TB
Shares issued (m)	1,906.0
Market cap (Btm)	38,502.3
Market cap (US$m)	1,145.0
3-mth avg daily t'over (US$m)	2.2

Price Performance (%)

52-week high/low				Bt25.0/Bt15.5
1mth	**3mth**	**6mth**	**1yr**	**YTD**
(4.3)	(5.2)	(12.9)	23.2	11.0

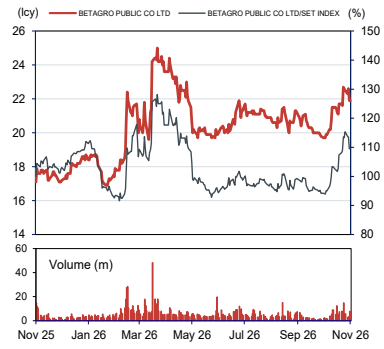
Major Shareholders (%)

Betagro Holding Co., Ltd	37.83
TAE HK Investment Limited	20.67

Balance Sheet Metrics

FY26 NAV/Share (Bt)	18.2
FY26 Net Debt/Share (Bt)	5.8

Price Chart



Source: Bloomberg

Company Description

Betagro is a leading integrated agro-industrial and food company in Thailand. The business covers the production and sale of animal feed, animal health products, livestock, swine and poultry products, eggs, related processed food products and pet food.

- **Profitability up qoq.** 3Q26 gross profit margin came in at 14.5% (vs 15% in 3Q25 and 14.1% in 2Q26). The qoq improvement was primarily driven by stronger food business profitability. SG&A to sales was 9.8% in 3Q26, down yoy and qoq.
- **Foresee a recovery in earnings momentum from now till 1H27**. Domestic swine prices have continued to rise in Nov 26, reaching Bt74/kg (+16% mom, +19% yoy). This reinforces our positive view that Thailand's livestock swine prices will see an upcycle from 4Q26-1H27, driven by stronger demand and limited supply expansion. Hence, we expect BTG's earnings to continue improving yoy in 4Q26 while remaining strong relatively flat qoq.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt27.00.** We use a PE-based valuation, based on 2027F EPS and a target multiple of 10x, in line with its five-year historical average.

Earnings Revision/Risk

- **None.**

Share Price Catalyst

- Upward trend in domestic livestock prices due to stronger demand during the year-end festive season and Chinese New Year.
- Lower raw material costs from imports of US corn.
- Higher chicken export both volume and ASPs.

Environmental, Social, Governance (ESG)

CG Report: 5

SET ESG Rating: AAA

Environmental

- Net zero. BTG aims to be a net-zero company by 2050 and plans to reduce its greenhouse gas emissions by 20% in 2030 from the baseline in 2022.
- Sustainable packaging. BTG plans to achieve 100% eco-friendly packaging by 2030 (reusable, recyclable, and compostable).

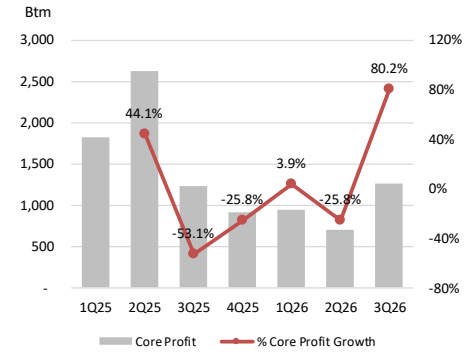
Social

- BTG's S-Pure product is the first brand in the world to receive a Raised Without Antibiotics RWA certification from NSF International.

Governance

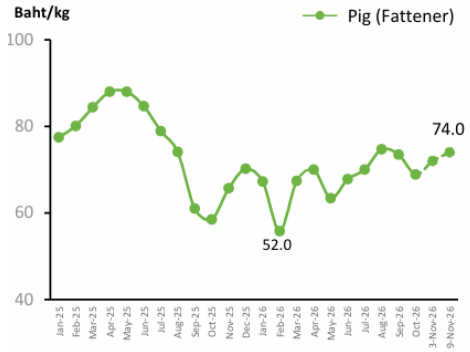
- Good governance practice. BTG is committed to operating its business in accordance with good corporate governance policy and management excellence. BTG received the Collective Action Against Corruption (CAC) declaration in 2023 and was elevated to 3-star status, certified by the Thailand Private Sector CAC in 1Q25.

Earnings Performance



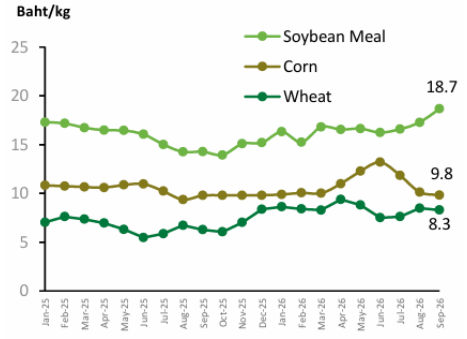
Source: BTG, UOB Kay Hian

Domestic Swine Prices



Source: BTG, The Swine Raisers Association of Thailand, UOB Kay Hian

Raw Material Prices



Source: BTG, Thai Feed Mill Association (TFMA), UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	**122,370**	**126,184**	**130,899**	**135,515**
EBITDA	13,666	9,117	9,798	10,513
Deprec. & amort.	5,381	3,057	3,285	3,570
EBIT	8,285	6,060	6,513	6,944
Total other non-operating income	0	0	0	0
Associate contributions	192	192	192	202
Net interest income/(expense)	(714)	(627)	(590)	(503)
Pre-tax profit	**7,763**	**5,625**	**6,114**	**6,643**
Tax	(1,028)	(739)	(803)	(872)
Minorities	(116)	(79)	(106)	(115)
Preferred dividends	0	0	0	0
Net profit	**6,685**	**4,808**	**5,205**	**5,655**
Net profit (adj.)	6,607	4,808	5,205	5,655

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	22,472	25,533	26,080	27,170
Other LT assets	12,056	11,426	11,485	11,543
Cash/ST investment	1,270	1,574	2,889	2,935
Other current assets	31,122	32,818	33,634	34,457
Total assets	**66,920**	**71,351**	**74,087**	**76,105**
ST debt	7,814	7,315	7,315	7,315
Other current liabilities	11,735	10,828	10,758	11,147
LT debt	5,990	5,490	3,790	1,090
Other LT liabilities	6,322	10,468	11,031	11,077
Shareholders' equity	32,245	35,245	39,114	43,323
Minority interest	868	0	0	0
Total liabilities & equity	**66,920**	**71,351**	**74,087**	**76,105**

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	**14,114**	**5,908**	**7,937**	**9,049**
Pre-tax profit	6,801	5,625	6,114	6,643
Tax	1,028	739	803	872
Deprec. & amort.	5,381	3,057	3,285	3,570
Associates	0	0	0	0
Working capital changes	222	(3,086)	(1,711)	(1,295)
Non-cash items	0	0	0	0
Other operating cashflows	682	(427)	(555)	(741)
Investing	**(4,373)**	**(2,053)**	**(3,490)**	**(4,288)**
Capex (growth)	(2,437)	(2,731)	(3,490)	(4,288)
Capex (maintenance)	0	0	0	0
Investments	(2,032)	0	0	0
Proceeds from sale of assets	62	0	0	0
Others	34	678	0	0
Financing	**(11,407)**	**(3,552)**	**(3,133)**	**(4,714)**
Dividend payments	(967)	(2,902)	(1,442)	(1,562)
Issue of shares	0	0	0	0
Proceeds from borrowings	(8,767)	(1,171)	(2,100)	(3,150)
Loan repayment	0	0	0	0
Others/interest paid	(1,673)	521	410	(3)
Net cash inflow (outflow)	**(1,666)**	**304**	**1,315**	**46**
Beginning cash & cash equivalent	**2,882**	**1,270**	**1,574**	**2,889**
Ending cash & cash equivalent	**1,217**	**1,574**	**2,889**	**2,935**

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	11.2	7.2	7.5	7.8
Pre-tax margin	6.3	4.5	4.7	4.9
Net margin	5.5	3.8	4.0	4.2
ROA	10.1	7.0	7.5	8.0
ROE	22.0	15.1	15.4	15.8
Growth				
Turnover	7.1	3.1	3.7	3.5
EBITDA	51.2	(33.3)	7.5	7.3
Pre-tax profit	126.7	(27.5)	8.7	8.6
Net profit	171.0	(28.1)	8.3	8.6
Net profit (adj.)	173.8	(27.2)	8.3	8.6
EPS	173.8	(27.2)	8.3	8.6
Leverage				
Debt to total capital	41.7	36.3	28.4	19.4
Debt to equity	42.8	36.3	28.4	19.4
Net debt/(cash) to equity	38.9	31.9	21.0	12.6
Interest cover	19.1	14.6	16.6	20.9

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