AgriS

INVESTOR RELATIONS NEWS

HOSE: SBT

August 2024

NATURE NOURISHMENT

ELEVATING SUSTAINABLE AGRICULTURE

AgriS

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Macroeconomic & Stock market overview

01 Global macroeconomic highlights

- In the context of **political instability, intense competition among major countries, escalating conflicts** in Ukraine, the Red Sea, and the Gaza, and significant global economic risks, there are **signs of recovery but it remains unstable** and uncertain, with high USD and gold prices, strong fluctuations in crude oil, basic commodities, and transportation services, and inflation not yet meeting target levels in many countries.
- The Fed ended its latest policy meeting with a decision to hold its benchmark interest rate steady in the 5.25%-5.50% range that was set a year ago and put September rate cut on table.

Canada

The Bank of Canada has reduced its key interest rate by 25 basis points for the second consecutive month, bringing it down to 4.5% as of June 24, in the context of weakening economic activity and cooling inflation.

EU

The divergence between core and peripheral economies of Eurozone continues, with economic activity in Germany gradually weakening while Spain reports significant growth.

USA

The (CPI) for July 2024 is expected to increase by 0.2% compared to June 2024.

The July 2024 employment report shows that the unemployment rate has risen for the fourth consecutive month, signaling a key recession indicator and contributing to the global stock market sell-off.

China

GDP grew by 4.7% in Q2 2024, the lowest level since Q1 2023. The prolonged weakening in the real estate sector and labor market is seen as the cause of the slowdown in growth, putting pressure on domestic demand with June retail sales hitting an 18-month low of 2% YoY.

Source: Reuters, August 2024 strategy report by securities companies.

02 Vietnam macroeconomic highlights

The Vietnam's macroeconomic continues to show a positive trend, with overall results for July exceeding those of June, and the cumulative performance for the first seven months of 2024 improving compared to the same period in 2023 across most sectors.

- **The macroeconomic situation remains stable**, with inflation well-controlled and major balances maintained. The average CPI for the first seven months increased by 4.12%, up 0.04% compared to June (core inflation increased by 2.73%, up 0.02% compared to June) amid a basic wage increase.
- **Vietnam remains an attractive destination for FDI inflows**, with industrial production expected to continue improving. Thanks to robust FDI inflows, exports and industrial production continue to improve. Exports to the U.S., EU, and ASEAN continue to lead export growth, driven by rising demand in these markets. The S&P Global Manufacturing PMI continues to increase strongly for the fourth consecutive month.
- **Retail sales improved in July**: Retail growth improved in July (+9.4% YoY; compared to +9.1% YoY in June), driven by growth in retail sales of goods (+8.6% YoY; compared to +8.1% YoY in June). In the first seven months of the year, retail sales remained stable with a growth rate of 8.7% YoY.
- **Public investment will be boosted in the coming months**: The disbursement of public investment capital - an important driver of economic growth in 2024 - continued to slow down in the first seven months of the year, completing 34.7% of the plan by the Prime Minister.

CPI

CPI July 2024

⬆0.48% MoM ⬆4.36% YoY

The average CPI in the first 7 months

⬆ 4.12%YoY

INFLATION

Inflation July 2024

⬆0.36% MoM ⬆2.61% YoY

The average core inflation in the first 7 months

⬆2.73% YoY

FDI

The total registered FDI in the first 7 months

⬆10.9% YoY

> 18 bil USD

The total disbursed FDI in the first 7 months

⬆8.4% YoY

> 12.55 bil USD

Source: Compiled by TTC AgriS

Macroeconomic & Stock market overview

03 Vietnam's stock market

Stock market highlights for July 2024: The decline in July caused the P/E ratio of the VN-Index to return to an attractive valuation range, opening up opportunities for medium-term investment.

According to BIDV Securities (BSC)'s strategic report:

VN-Index experienced a **relatively good recovery**, **but selling pressure emerged** due to negative market news, leading the index into a correction phase starting from July 10, 2024. By the end of July, the VN-Index had risen slightly by 6.19 points (+0.5%) compared to June 2024.

BSC noted that while Q2/24 business results were reflected in stock prices, they were not strong enough to drive the market upward, given the lack of supportive positive news.

Market statistics for July 2024

VN-Index	VNAllshare	VN30
1,251.5	1,298.4	1,299.1
⬆ 0.5 % MoM	⬆ 0.24% MoM	⬆ 1.62% MoM
⬆ 2.34% YoY	⬆ 7.62% YoY	⬆ 5.55% YoY

AVG. VOLUME	AVG. VALUE
633 Mil shares/day	16,846 Bil VND/day
⬇ 26.12% MoM	⬇ 26.47 % MoM

Source: Statistics from the Ho Chi Minh Stock Exchange (HOSE)

Foreign selling pressure has weakened, with net selling value decreasing to half

Net selling pressure from foreign investors persists amid a slowdown in domestic individual investor flows. Foreign investors recorded net sales of **VND 8,372.15 billion** in which, net sales from matching transactions alone reaching **VND 9,267.3 billion, reduced by half** compared to the previous month.

Two-year record: Domestic investors opened 330,000 new securities accounts in July.

According to data from the Vietnam Securities Depository (VSD), **domestic investors** opened nearly **330,000 new accounts** in July, three times higher than the previous month and the **highest level in the past two years.**

330,000
new accounts
2-year **record**

04 News & forecast

BSC: Forecasts Three Scenarios for the VN-Index

In its newly released report on the macroeconomic and stock market for August 2024, BIDV Securities (BSC) noted that the VN-Index began a correction phase starting from July 10, 2024, as unfavorable news emerged in the market. Following this correction, BSC forecasts three scenarios for the VN-Index in 2024.

Negative scenario: VN-Index approaches 1,200

Base case scenario: VN-Index approaches 1,298

Positive scenario: VN-Index targets 1,425 points, with the P/E ratio of the VN-Index expected to move within the range of 14.5 - 15.25.

MASVN: Expecting the VN-Index to find support within the range of 1,050 - 1,150 points

With the global stock market experiencing a sharp decline in early August 2024, Mirae Asset Securities Vietnam (MASVN) has provided some assessments of the market outlook for the month as follows:

(1) **The early August market movements may not fully reflect Q2 earnings and July macroeconomic data;**

(2) **The risk of a market downturn remains due to international pressures**, including the weakening U.S. labor market, expectations of significant Fed rate cuts, and geopolitical risks in the Middle East,…

(3) **VN-Index is expected to find support in the 1,050 – 1,150 range**, which corresponds to an attractive valuation compared to the 10-year average P/E ratio.

Notable Stock Market Events for August 2024

01/08	- PMI announcement - Fed announces FOMC meeting results
05/08	VN30 portfolio restructuring takes effect
13/08	MSCI index rebalancing announcement
14/08	Deadline for audited semi-annual financial statements for 2024
15/08	Expiration of VN30F2408
29/08	Deadline for audited semi-annual financial statements for 2024 (consolidated)

Sugar industry - Overview and prospects

01 Global sugar industry

Market fluctuations in major sugar-producing countries worldwide

Brazil

Brazil's sugar production decreases by 9.7% in early July 2024

The Brazilian Sugarcane Industry Association (UNICA) reported that sugar production in the country's Central-South region reached only 2.94 million tons in the first half of July 2024, a 9.7% decrease compared to the same period in 2023. This decline was due to rain, which slowed the sugarcane harvesting process.

India

India to continue sugar export restrictions

The Indian government will continue to maintain sugar export restrictions to ensure sufficient supply for domestic demand and to boost ethanol production. This move aims to keep domestic sugar prices reasonable and to meet the goal of increasing the ethanol blend in gasoline to 20% by 2026.

This decision will pose challenges for domestic sugar mills that are looking for a relaxation of export restrictions but will support global sugar prices, which have already dropped by around 12% this year. India currently is the world's second-largest sugar producer.

USA

Increased production and imports boost sugar supply

The U.S. Department of Agriculture (USDA) has raised the U.S. sugar supply forecast for the 2024/25 season to 14.25 million tons.

Philippines

200,000 tons of sugar imports expected in September 2024

According to the Philippine Secretary of Agriculture, this import is intended to offset supply shortages in August and September, ahead of the harvest season.

02 Vietnam's sugar industry

Significant increase in sugarcane area and production

According to the Vietnam Sugarcane Association (VSSA), the 2023-2024 sugarcane crushing season is expected to have 25 sugar mills operating, with a total designed capacity of 122,200 tons of cane per day.

No	Criteria	22-23 crop	23-24 crop	%
1	Planned cultivation area (ha)	141,904	159,159	+12%
2	Processed sugarcane output (ton)	9,645,424	10,918,307	+13%
3	Yield (ton/ha)	69.3	70.0	+1%
4	Average CCS	10.1	10.1	-
5	Sugar output (ton)	935,204	1,026,719	+10%

Domestic sugar prices may remain high before slightly declining in line with global sugar prices

Domestic sugar prices were relatively stable in the first half of 2024, projected to remain in the range of 20,000 – 21,000 VND/kg. This price level is higher than the average price of the previous season, thanks to the recovery of sugarcane cultivation areas and gradually achieving self-sufficiency in sugar production

20,000 – 21,000 VND/kg

until the end of the 2023-2024 crop year

According to VCBS, sugar prices in Vietnam will depend on domestic supply and demand and will be less directly influenced by global prices in the short term. **This is due to effective government management of sugar imports and trade defense policies.**

Positive business results of sugar companies

Many sugar companies have released Financial statements with impressive figures. The Vietnamese sugar industry is expected to continue its strong momentum in the 2023-2024 season, with a significant increase in planted area and processed sugarcane production, promising a year of great prospects for companies in the sector.

SBT reported **positive business results** with **record-breaking revenue and profits**, far exceeding the annual plan:

Net revenue	Profit before tax	Profit after tax
29,035 BIL VND	906 BIL VND	796 BIL VND
⬆ 17% YoY ⬆ 41% compared with the plan	⬆ 26% YoY ⬆ 7% compared with the plan	⬆ 32% YoY

Stock information

SBT

12,900 ↑
+ 1,100 VND (9%)
compared with end of June

HOSE, Jul 31st, 2024

Market cap (July 31st, 2024)
9,552 bil VND

Outstanding shares	Listed shares
762,112,326	**740,500,993**

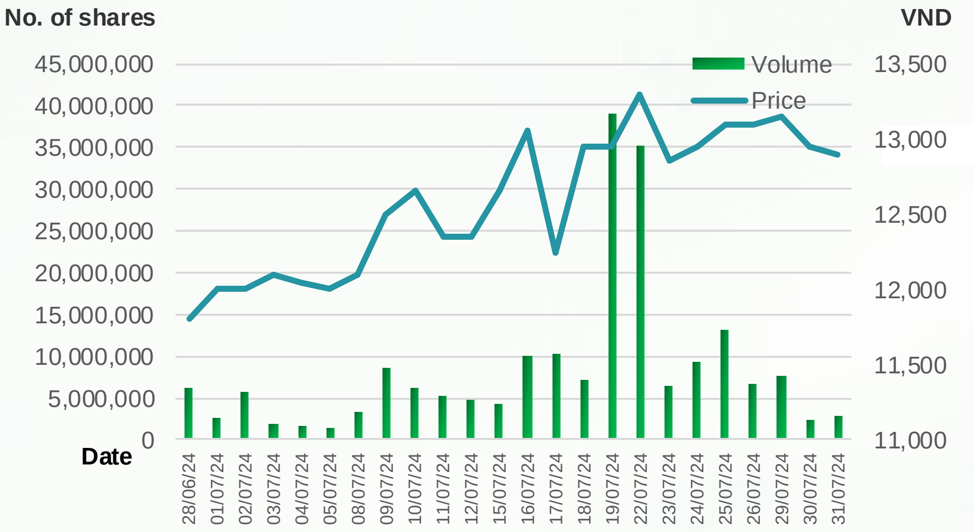
Avg. trading vol July	Avg. trading value July
8,524,260 shares/day	**108.3** bil VND/day

Foreign ownership
21.78% (as of July 31st, 2024)

Net foreign trading value
~ 903 bil VND

EPS	P/E	P/B	BVPS
947	**13.62**	**0.85**	**15,039**

Price and liquidity movements from June 28th - July 31st, 2024



*Data as of July 31st, 2024. **Source:** Vietstock

Highest	Lowest	Highest vol	Lowest vol
13,300 VND	11,000 VND	38,977,700 shares	1,142,200 shares
July 22nd	June 28th	July 22nd	August 7th

Transparent and proactive IR practices

- Continue maintaining relationships and collaborating with reputable securities companies and financial institutions to explore further investment opportunities in TTC AgriS and foster mutual development.
- TTC AgriS remains committed to fully complying with information disclosure regulations in the stock market, ensuring transparency, timeliness, and accuracy in its communication with Investors and Stakeholders.

SBT continues to be included in the VNSI20 index

- On July 15th, 2024, Ho Chi Minh City Stock Exchange (HOSE) announced the VNSI (Vietnam Sustainability Index) basket, which includes 20 of the most sustainable stocks within the VN100, as part of the July 2024 review.
- After a rigorous evaluation process based on VNSI20 criteria, SBT has maintained its position in the VNSI20 index. This marks the **7th consecutive year that SBT has been honored by HOSE in this index.**

SBT is included in the Top 10 listed companies (Large-cap group) with the best investor relations (IR) activities in the market.

- On July 29th, 2024, TTC AgriS (HOSE: SBT) surpassed over 700 companies on the stock exchange to be officially nominated for the IR Awards 2024, placing in the Top 10 Listed Companies - Large-Cap Group for Best Investor Relations Practices in 2024 (IR Best Practice Awards 2024).
- TTC AgriS (SBT) has ensured transparency, absolute compliance, and a proactive approach in information disclosure and market interaction. Additionally, the company has maintained corporate governance that not only meets but exceeds compliance requirements, progressively aligning with higher international standards.

Market commentary and notable headlines

CafeF

Outstanding business results, TTC AgriS affirms sustainable capability

Sales volume continues to surpass the million-ton mark. TTC AgriS reports record-high net revenue and pre-tax profit, significantly exceeding the annual plan

At the end of the fiscal year 2023 - 2024, Thanh Thanh Cong - Bien Hoa Joint Stock Company (TTC AgriS, HOSE: SBT, the Company) exceeded the goals set by the General Meeting of Shareholders, with a cumulative net revenue of VND 29,035 billion, an increase of 17% compared to the previous fiscal year and 41% above the plan. Profit before tax reached nearly VND 906 billion, growing 26% year-on-year and exceeding the plan by 7%.

The Leader

Generational transition for a new race

The dedication to strengthening the position of Vietnamese agricultural products in the international market is being carried forward by the new generation of leadership, Ms. Dang Huynh Uc My. She continues this mission, aiming to help TTC AgriS realize its ambitious goals of elevating sustainable national agriculture.

Inheriting the vision of a core 'green' business strategy established by the founding generation, Ms. Dang Huynh Uc My has set the mission of TTC AgriS to build a modern, sustainable agriculture that provides natural-origin energy and nutrition.

Accordingly, the commitment to strengthening the national agricultural position in the global market is being continued by Ms. My, leading the company to establish strong and successful steps within the global commercial value chain.

CafeF

Prof. Dr. Vo Tong Xuan: 'Vietnamese agriculture needs more factors like Đang Huynh Uc My

On July 13, Dang Huynh Uc My was appointed as Chairwoman of Thanh Thanh Cong – Biên Hoà JSC (TTC AgriS, HoSE: SBT). Prof. Dr. Vo Tong Xuan, a member of TTC AgriS's BOD, emphasized: "Vietnam needs more young leadership figures like Dang Huynh Uc My to support modern agriculture, adhering to sustainable management criteria according to ESG standards.

For many years, TTC AgriS has not only achieved sustainable growth in financial performance, scale, and market share but also leads the trends towards green practices and establishing standards for responsible value chains in agriculture with a commitment to sustainable development.

Toquoc.vn

Foreign investors increased their purchases of SBT stocks

Foreign shareholders continue to increase their holdings of SBT shares of Thanh Thanh Cong - Bien Hoa JSC (TTC AgriS, HOSE: SBT), aiming to enhance strategic cooperation with TTC AgriS, focusing on the implementation of 'green' business strategies and sustainable development..

On August 1st, 2024, Legendary Venture Fund 1 (Legendary), a Singaporean investment fund, reported the purchase of an additional 5,700,000 SBT shares, equivalent to 0.77% of the voting rights, bringing its total ownership to 122,010,033 shares, or 16.48% of the voting rights. Earlier in July, the fund had continuously increased its stake in SBT by buying 32.45 million shares and 28.35 million shares on July 19 and 22, 2024, respectively.

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Disclaimer

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The analysis and opinions presented are based on data available at the time of writing and/or reasonably evaluated in the context of current market conditions.

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