AgriS

Investor Relations News

HOSE: SBT

June 2024

NATURE NOURISHMENT

ELEVATING SUSTAINABLE AGRICULTURE

AgriS

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Macroeconomic & stock market overview

01 Global macroeconomic highlights

❖ Overall highlights:

- **OPEC+ extends oil supply cuts until end of 2025:** On June 2nd, OPEC+ agreed to extend the cut by a year until the end of 2025 to drive oil prices up, given the current prices are below the minimum levels for members to balance their budgets.
- **Global gold prices rise for four consecutive months:** Despite a decline at the close of trading on May 31st, gold prices overall increased by 1.8% for the month. On May 20th, gold prices hit an all-time high of USD 2,449.89 per ounce.

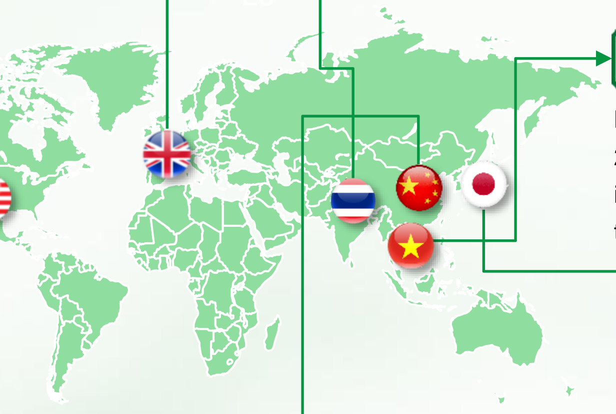
❖ Macroeconomic situation in various countries worldwide

England

Inflation in England cooled down to 2.3% in April 2024, nearing the Bank of England's (BoE) target.

Thailand

Thailand is facing a credit default risk as the Bank of Thailand (BoT) has raised the minimum payment rate.



Vietnam

Became one of the top 20 countries in the world in terms of international trade scale

Canada

Canada cuts interest rates for the first time since the COVID-19 pandemic.

USA

The US economy created more jobs than expected in May 2024, indicating a still robust labor market, which could lead the Fed to maintain high interest rates for a longer period.

China

- The real estate market continues to show positive signals.
- Stopped purchasing additional gold reserves after 18 months

Japan

Japan's economy contracted by 2% YoY in Q1 2024, a sharper decline than forecasted.

Source: Compiled by TTC AgriS

02 Vietnam's macroeconomic highlights

❖ The economy regains its growth momentum, driving progress in the last 6M/2024

The economy is recovering, particularly in the manufacturing and import-export sectors, with order volumes have increased to the number of the peak period of 2022. Numerous domestic and international economic organizations forecast that Vietnam's GDP growth in Q2 and throughout 2024 will be among the fastest-growing countries.

CPI

CPI in 5/2024

↑0.05% MoM ↑4.44% YoY

Average CPI for 5 months of 2024

↑4.03% YoY

INFLATION

Inflation in 5/2024

↑0.15% MoM ↑2.68% YoY

Average inflation for 5 months of 2024

↑2.78% YoY

FDI

Total registerd capital 1/1 – 20/5/2024

↑2.0% YoY

USD 11.07 billion

Total implemented capital 1/1 – 20/5/2024

↑7,8% YoY

USD 8.25 billion

Source: General Statistics Office of Vietnam (Report on Economic and Social Situation in May and the First 5 Months of 2024)

❖ Inflation remains a concern as the average for the first 5M/2024 reaches 4%

ACB Securities (according to the Quick Macroeconomic Update Report dated May 30th, 2024) assesses that **Vietnam's inflation could still reach the government's target of 4.5%.** The government will implement various regulatory measures to help stabilize prices if there are fluctuations beyond the permissible limits.

❖ Continuing solutions to alleviate difficulties for businesses

The economic recovery is also reflected in the relatively positive number of businesses resuming operations. In the first five months of the year, 98,800 new and returning businesses were established, an increase of 4.1% YoY, which is higher than the 97,300 businesses that exited the market.

Macroeconomic & stock market overview (cont.)

03 Vietnam's stock market highlights

❖ Positive signals from the capital flow

Despite geopolitical concerns worldwide, the Federal Reserve has been cautious in **reducing interest rates**, and domestic exchange rates and gold prices have **fluctuated**. Investor confidence has been reinforced, and there has been a **positive improvement** in market participation rate in May 2024.

Particularly, there has been stable **inflow of funds into large-cap stocks**, with many stocks demonstrating strong demand and price increases, spreading to stocks outside the VN30 group and into mid-cap and small-cap stocks.

said Le Duc Khanh, Head of Analysis, VPS Securities

Trading statistics by index in May 2024
Source: General statistics from HOSE

	VN-Index	VNAllshare	VN30
Closing May 31, 24	1,261.72 points	1,306.29 points	1,275.97 points
+/- MoM	+4.32%	+5.08%	+2.86%
+/- YoY	-2.40%	-0.45%	-4.25%
Total trading vol (shares)	18,188,103,539	16,851,109,573	456,247,255,000
Total trading val (kVND)	475,074,418,275	456,247,255,000	192,492,972,001

AVG TRADING VOLUME

826 Mil shares/day

⬇ **21.53% MoM**

AVG TRADING VALUE

21,594 Mil VND/day

⬆ **2.11% MoM**

❖ Foreign investors "sell in may," showing highest net selling value since the launch.

Statistics from the HoSE show that foreign investors have net sold over 15.6 trillion VND, with net selling of over **VND 13 trillion** through matching orders, heavily concentrated in the latter half of May.

=> This year's figure surpasses the net selling of nearly **VND 11,800 billion** recorded in May 2021, making May 2024 the strongest "sell-off" month for foreign capital in the 24-year history of the Vietnamese stock market

Foreign investors recorded their strongest net selling month in history on the HOSE

Source: CafeF

04 Stock market forecast

The stock market Vietnam for the second half of 2024 is predicted to be vibrant with various bright spots, coming from the support of the macro economy, business results of businesses and internal factors of the market. GDP for 2024 is forecasted to achieve a growth rate of 5.8 - 6% compared to the previous year. Import-export activities and foreign direct investment (FDI) all show promising signals.

❖ VNDirect Securities: Forecasting VN-Index could reach 1,350 points

VNDirect Securities predicts that the U.S. Federal Reserve (Fed) may lower the policy interest rate in the second half of 2024, with about two rate cuts expected this year.

VN-Index may reach **1,320 – 1,350** at the end of 2024

The profit growth of listed companies on HOSE ⬆ **16 - 18%** compared to 2023

❖ VPBank Securities: 2 outlooks for the market in June 2024

Mr. Nguyen Viet Duc, Head of Digital Business at VPBankS, has outlined two outlooks for the stock market in June 2024:

POSITIVE OUTLOOK

If the VN-Index does not drop below 1,250 points, then in June there is a chance for the market to rise to approximately:

1,320 – 1,350 POINTS

NEGATIVE OUTLOOK

If the market corrects down to 1,250 points and does not recover with sufficient liquidity support, it could enter a prolonged **"summer correction"** phase. In this case, the market might return to **1,200 POINTS**

❖ Notable stock market events in June 2024:

- **June 6th**: The European Central Bank (ECB) is planning to cut interest rates
- **June 7th**: FTSE Russell announces the list of component stocks FTSE Vietnam All-share and FTSE Vietnam Index
- **June 12th**: The Federal Reserve (Fed) will convene to discuss interest rate conditions
- **June 21st**: FTSE Vietnam All-share and FTSE Vietnam Index complete the structure of the entire portfolio

Sugar industry - overview and prospects

01 Global sugar industry

❖ ISO raises its forecast for the global sugar production in the 2023/24 crop season

- ISO rises its forecast for global sugar production for the 2023/24 crop season to 180 million tons, up from a previous forecast of 174.8 million tons.
- The projected global sugar surplus for the 2023/24 crop season is raised to 3 million tons, compared to the previously forecasted 2.1 million tons.

❖ Global Sugar market

At the end of the trading session on May 24, 2024:

Raw sugar for July 2024 delivery ON NEW YORK MARKET — **18.21 US cent/lb**

Over the past month, the highest price reached 19.4 US cents/lb on April 26th, 2024, and the lowest was 18.13 US cents/lb on May 17th, 2024.

White sugar for July 2024 delivery ON LONDON MARKET — **537.8 USD/ton**

Over the past month, the highest price reached 572 USD/ton on May 3rd, 2024, and the lowest was 534.7 USD/ton on May 17th, 2024.

❖ Market fluctuations in major sugar-producing countries worldwide

Brazil

- The UNICA sugar cane association reports that sugar production in the Central-South region of Brazil in the second half of April 2024 reached 1.84 million tons, a strong increase of 84.25% compared to the same period in 2023, while total ethanol production increased by 51.86% to 1.51 billion liters.
- StoneX forecasts sugar production in the Central-South region of Brazil to reach 42.3 million tons in 2024/25. Meanwhile, UNICA estimates this figure to be 42.4 million tons in 2023/24.

India

The Indian government is currently **unprepared to decide on allowing sugar exports for the year** and requires several additional months to reevaluate the situation.

Thailand

The USDA's FAS (Foreign Agricultural Service) reported that Thailand's sugar output in the new crop year 2024/25 is expected to reach 10.2 million tons, a 16% increase compared to the 2023/24 crop year, following the recovery in sugarcane production and an increase in the proportion of sugarcane used for sugar production. Meanwhile, Datagro forecasts this figure to be 10.5 million tons.

02 Vietnam's sugar industry

❖ Monthly highlight news

- According to Mr. Nguyen Van Loc, Chairman of the Vietnam Sugarcane Association (VSSA), the Vietnam's sugar industry has completed the planting phase for the 2023/24 winter-spring crop and entered the sugar cane crushing season.
- VSSA estimates that the sugar cane processed in the crop season 2023/24 could reach 10.6 million tons, increases 9%, and produce over 1 million tons of refined sugar, a 10% increase compared to the YoY.

❖ The profit picture of the sugar cane industry has many bright spots

- Optimism about prices somewhat supports the positive business activities of sugar cane enterprises on the stock exchange.
- TTC AgriS (HOSE: SBT) - the leading player in the sugar industry with a 46% market share, recorded a 37% growth in net profit, reaching over VND 204 billion. Gross profit margin is a bright spot, improving to 13%, up more than 1 percentage point YoY, due to **the shift in product structure towards higher value-added products.**
- In the accumulated 9 months, TTC AgriS's total sales volume reached over 910 thousand tons, pre-tax profit was about VND 682 billion, up 17%, and achieved 80% of the annual plan. Net profit increased by 18%, to over VND 553 billion.

Overview of Financial Performance of Sugar Enterprises in the Q3 of crop year 2023-2024

Code	Revenue	+/- YoY	Gross profit	+/- YoY	Net profit	+/- YoY
SBT	5,686	6%	721	14%	204	37%
QNS	1,124	51%	325	94%	532	68%
LSS	726	79%	96	96%	32	351%
SLS	242	-41%	99	-12%	102	-6%
KTS	80	-46%	19	-24%	11	-11%

Source: VietstockFinance

- The 3rd quarter of crop year 2023-2024 extends from 1/1 – 31/3
- Revenue, Gross Profit are calculated only for the Sugar and Molasses segment.
- QNS utilizes annual financial data ending on December 31st.

❖ Experts are optimistic about the prospects of sugar stocks

Summarizing expert opinions, sugar stocks remain promising in the second quarter, due to **increasing sugar production and recovery from favorable weather conditions.**

Stock information

SBT

12,350

VND +400 (3,35%)

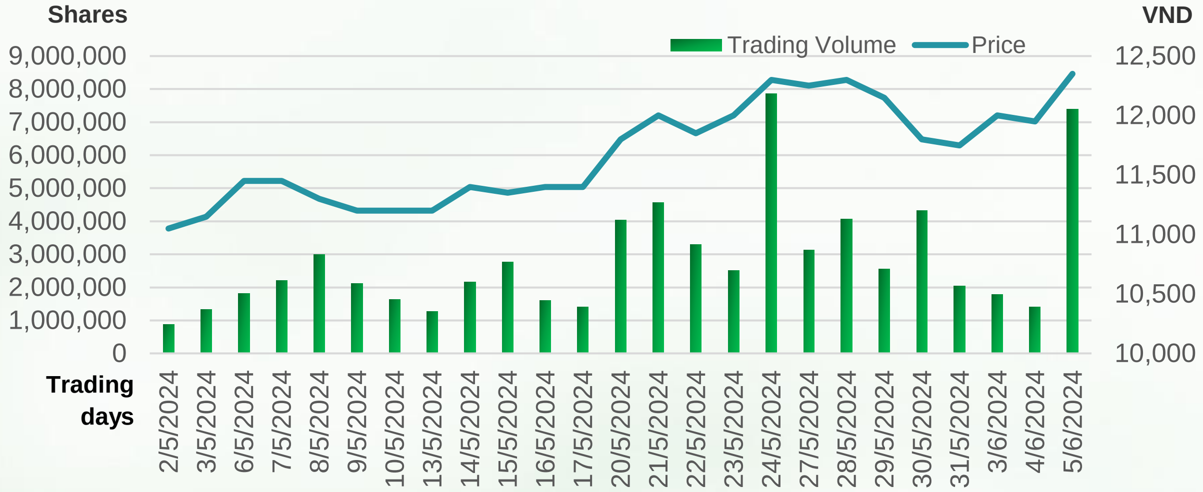
Closed 5/6/2024

Open	11,950	Remain Bid	213,700	Foreign Buy	156,800	EPS	809
Highest	12,500	Remain Ask	469,700	Foreign Owned (%)	13.10	P/E	14.78
Lowest	11,900	52Wk High	17,200	Dividend		F P/E	10.71
Vol	7,398,900	52Wk Low	10,800	Dividend Yield	-	BVPS	15,291
Market Cap.	9,145.19	52Wk Avg Vol	2,821,732	Beta	0.81	P/B	0.78

Financial ratios of latest trading date, EPS in the company's 4 latest quarter Financial Statement. **Source**: Vietstock

01 Price and liquidity movements of SBT stocks

From 2/5 - 5/6/2024



Price fluctuation 2/5 - 5/6/2024: **VND +1,300 (+11.76%)**

*Data as of June 5th, 2024. **Source:** Vietstock

Highest closing price: **VND 12,350** (5/6/2024)

Lowest closing price: VND 11,050 (2/5/2024)

AVG trading volume per day: 2,845,564 shares

Highest trading volume: 7,856,300 shares (5/6/2024)

Lowest trading volume: 875,900 shares (2/5/2024)

02 Monthly key activities

❖ **Transparent and proactive investor relations (IR) practices**

- Continue maintain the relationships with securities firms, financial institutions, and investors for investment opportunities and fund raising.
- TTC AgriS actively responds to regulatory agencies by promptly disclosing information on the stock market, ensuring transparency, accuracy, and connectivity, providing timely and accurate information to investors and relevant parties: ASEAN CORPORATE GOVERNANCE, OECD
- On May 28th, 2024, Yuanta Vietnam Securities Company issued the TTC AgriS company report, showing the latest updates on the company's business activities and Yuanta' perspective about SBT. The report compliments the company's performance, financial strength, and strategic development direction, concluding with a positive outlook for SBT.

❖ **TTC AgriS International Partners Day 2024: Global cooperation for a future of sustainable development**

During the 3rd week of May 2024, TTC AgriS continued to welcome **>60 senior leaders from Government agencies and strategic partners** at the event **TTC AgriS International Partners Day 2024** - the largest event of the year celebrating the **55-year journey of TTC AgriS**.

Market commentary and notable headlines

Vietnam Financial Times - VFT

“Sweet” stocks on the market: How are sugar enterprises performing?

After the first quarter of 2024, domestic sugar enterprises are delighted with their positive business results. Sugar stocks have recently shown a vibrant performance on the market. Alongside the positive trend in sugar prices, the revenue and profit of sugar companies listed on the stock exchange have also significantly increased compared to the same period last year.

Specifically, in the Q1/2024 financial report of Thanh Thanh Cong - Bien Hoa Joint Stock Company (stock code: SBT), the company **recorded net revenue of 6,159 billion VND, an 8% increase. Gross profit reached 785 billion VND, with a corresponding profit margin of 12.3%, an improvement from 11.5% in the same period last year. SBT reported a post-tax profit of 188 billion VND, a 23% increase.**

Vietnam Trade and Industry Review

TTC AgriS: Responsible Value Chain - 55 years and beyond, shaping sustainable global agriculture

At the end of May 2024, at Shangri-La, Singapore, Thanh Thanh Cong – Bien Hoa Joint Stock Company (TTC AgriS, HOSE: SBT), Vietnam's leading multinational agricultural enterprise, organized an important event called **"International Partners Day 2024"** with the theme **“Harnessing Innovation - Advancing Together.”**

International Partners Day 2024 marks TTC AgriS **55-year journey: TTC AgriS Responsible Value Chain - 55 years and beyond,** participating in the creation of a sustainable global agriculture sector by TTC AgriS - the region's leading multinational agricultural enterprise, leading the Vietnamese sugar industry with a 46% domestic market share and the familiar “Duong Bien Hoa” brand recognized by millions of consumers.

International media

~300 world-leading prestigious media and press channels reported, Thanh Thanh Cong - Bien Hoa Joint Stock Company (TTC AgriS, Ticker: SBT), Vietnam's leading multinational agricultural enterprise, recently welcomed **>60 senior leaders from Government agencies and strategic partners for exchange and networking at TTC AgriS International Partners Day 2024**, held at Shangri-la, Singapore in late May 2024. This large-scale event also serves as a platform to connect strategic partners, marking the 55th anniversary of the TTC AgriS brand in shaping sustainable global agriculture.

AsiaOne (Singapore): *https://www.asiaone.com/business/ttc-agris-international-partners-day-2024-global-cooperation-future-sustainable*

Yuanta Securities Vietnam

SBT - Company visit report

On May 28th, 2024, Yuanta Securities Vietnam issued the **SBT - Company visit report**. Through visits to TTC AgriS and the latest accurate and timely information provided by TTC AgriS’s Investor Relations team, the analysis team of Yuanta Securities Vietnam has conducted comprehensive and positive evaluations on the business activities, financial status, and development strategy of TTC AgriS.

=> Valuation: SBT trades at 15.1x TTM PER, in line with the regional peer median.

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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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