

21/10/2024

RECOMMENDATION	NON-RATED
Current price	12,350
Upside/downside	N/A

STOCK INFORMATION

Outstanding shares (mil)	740.50
Free float (%)	55.53%
Market cap. (billion VND)	9,071.14
3m avg. volume (shares)	2,334,200
Foreign ownership (%)	21.94%
First listing date	25/02/2008

SHAREHOLDER STRUCTURE

Thanh Thanh Cong Investment JSC	21.86%
LEGENDARY VENTURE FUND 1	16.48%
Dang Huynh Uc My	10.12%
Huynh Bich Ngoc	9.35%
Khác	42.19%

KEY ATTRIBUTES

TTM EPS (VND)	834
BVPS (VND)	13,479
Debt/Equity	143.59%
ROA (%)	2.34%
ROE (%)	6.44%
P/E	12.6
P/B	0.92
Dividend yield (%)	#N/A

PRICE PERFORMANCE



COMPANY PROFILE

Thanh Thanh Cong - Bien Hoa JSC (HSX: SBT) was established in 1995, operates in sugar production and trading, as well as by-products from the sugar production process. SBT currently owns 09 sugar refining plants from raw sugar and sugarcane, including 4 major raw sugar refining centers: TTCS, Bien Hoa - Ninh Hoa, Bien Hoa - Tri An and Bien Hoa - Dong Nai, with a total refining capacity of about 300,000 tons of sugar/year. Its products are distributed nationwide via supermarkets, agents, and distributors

RESEARCH DIVISION

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COMPANY MEETING – THE TRANSFORMATION STRATEGY

- The company is targeting a revenue goal of VND 60,000 billion by 2030 as part of its efforts to build a circular trade value chain and a sustainable agricultural ecosystem.
- SBT will restructure its investment portfolio to focus on its core activities in the agriculture and FBMC sectors.
- As of the closing price on October 21, 2024, SBT is trading at a P/E trailing ratio of 12.6x and a P/B trailing ratio of 0.92x, significantly lower than both its 10-year average and median.
- We need to continue observing SBT's new developments and updating information to fully evaluate its future growth potential.

1. Circular agricultural value chain targeting VND 60,000 billion in revenue by 2030:

TTC Agris aims to achieve VND 60,000 billion in revenue by 2030, doubling its net revenue from the 2023-2024 fiscal year (VND 29,021 billion). Key details of the plan include:

- The sugar segment is projected to contribute 60% of the target revenue, with consumption expected to reach approximately 1.7 million tons by 2030 (+30% increase from the 1.3 million tons consumed during the 2023-2024 fiscal year).
- The FBMC sector (Food - Beverage - Milk - Confectionery) is expected to generate 40% of the total revenue by 2030, in which 8% from food, 28% from beverages, 2.7% from milk, and 1.3% from confectionery.

In the 2023-2024 fiscal year, the sugar segment currently accounts for 92% of SBT's total revenue. However, under the new plan, this share will decrease to 60%, reflecting TTC Agris' strong ambition to expand into the FBMC sector over the next five years:

- Leveraging its expertise in agricultural products like sugarcane and coconut, SBT is optimizing the value chain of these crops to integrate them more effectively into FBMC products.
- The food and beverage sectors are seen as highly promising, with long-term growth potential. Vietnam is currently the fastest-growing market in ASEAN and is expected to account for 20% of the region's market share by 2030, providing significant opportunities for SBT to expand into these new segments.
- Furthermore, the F&B market is projected to evolve in line with trends such as: (i) products of natural origin and health benefits; (ii) "Drink more than eat" culture; and (iii) ESG-focused production. These align well with SBT's existing and developing product lines.

TTC Agris has also been actively pursuing M&A opportunities within the FBMC sector:

- On September 19, 2024, Global Mind Australia (GMAA), a subsidiary of TTC Agris, announced the completion of an AUD 1.5 million investment in East Forged, an F&B company based in Brisbane, Australia, specializing in cold brew tea. This investment aims to accelerate the research and development of natural cold brew tea under the East Forged brand, while also enhancing its presence in both the Australian and ASEAN markets.