

Charoen Pokphand Foods PLC

Corporate | Agribusiness and Commodity Foods

9 April 2026

Issuer Credit Rating: A/Stable

Issue Ratings:

Senior Unsecured: A/Stable

Hybrid: BBB+/Stable

Rating Action

TRIS Rating affirms the issuer credit rating on Charoen Pokphand Foods PLC (CPF) and the ratings on its outstanding senior unsecured debentures at “A”, and affirms the ratings on its subordinated capital debentures (hybrid debentures) at “BBB+”. The outlook remains “stable”.

At the same time, TRIS Rating assigns a rating of “A” to CPF’s proposed issues of up to THB7 billion senior unsecured debentures due within 15 years. The proceeds of the new debenture issuances are intended for the following purposes of the company or companies in the CPF Group: (1) general business operations and/or (2) business expansion and/or (3) investment and/or acquisition in shares or assets and/or (4) repayment of debts and/or (5) lending to companies in the CPF Group.

CPF's ratings are supported by its robust market position as a global leader in agribusiness, marked by geographic diversification and an extensive portfolio of products across multiple markets. The company benefits from comprehensive integration spanning feed, farming, and food operations. However, increased financial leverage from ongoing acquisitions and investments remains a significant drawback. Additionally, changes in commodity protein prices cause earnings to fluctuate. Persistent risks such as global economic slowdown and stagflation, fueled by trade conflicts and international tensions, continue to be issues of concern.

Key Rating Considerations

High financial leverage

Given the company's continued investments, leverage is projected to remain elevated over the medium term. Nevertheless, the implementation of more disciplined financial policy is anticipated and should keep the debt to EBITDA ratio below 8 times on sustained basis.

In recent years, CPF’s financial leverage has increased substantially, with adjusted debt rising to THB517 billion in 2025 from about THB450 billion in 2021. This increase has mainly resulted from acquisitions and treasury buybacks, including major purchases of additional stakes in C.P. Pokphand Co., Ltd. (CPP) for about THB30 billion in 2022 and THB36 billion in 2025. Elevated debt and volatility in agricultural earnings have caused CPF's debt to EBITDA ratio to range between 6-12.5 times over the past five years.

Looking ahead, CPF is focusing on improving cost efficiencies, optimizing capacity, and monetizing assets. The company plans to reduce debt through subsidiary spin-offs and public listings. Under base case scenario, assuming no new capital from these spin-offs, CPF’s adjusted debt is projected to remain between THB527 and THB544 billion

from 2026 to 2028, with the debt to EBITDA ratio staying in the range of 7-8 times. The debt to capitalization ratio is expected to hover around 68% during this period.

Improved profitability but challenges expected

CPF is expected to deliver sustained earnings growth through 2028, supported by ongoing efficiency enhancements and rising demand linked to food security concerns. Under our base case scenario, we project its annual operating revenue to range from THB580-THB600 billion for 2026-2028, with EBITDA margins to be maintained between 11% and 12%.

The company's operational performance strengthened in 2025, especially within the livestock segment, capitalizing on reduced feed costs and a rebound in swine prices. However, the aquaculture business experienced a setback due to impairment charges and restructuring efforts. Overall, CPF's EBITDA margin increased to 14.3% from 12% in 2024, and EBITDA grew 17.3% year-on-year (y-o-y) to THB82.1 billion.

Looking ahead, CPF will face several challenges, including an economic slowdown, elevated inflation, and rising fuel costs, the factors intensified by persistent geopolitical tensions and the effects of US tariffs. However, the company's diversified production bases, robust distribution network, and capacity to leverage economies of scale are expected to support its operational stability and reinforce its competitive advantage.

Growth expected for livestock business

CPF's livestock revenue is expected to grow by 2% annually over the next three years, with a projected gross margin of 15% from 2026 to 2028.

Accounting for 89% of total revenue, the livestock segment showed significant improvement in 2024-2025, as gross profit surged to THB90 billion in 2025 from THB55 billion in 2023. These gains were primarily fueled by lower feed costs and the recovery in swine prices across Thailand and Vietnam.

Looking forward, the company will likely continue to face pressure from subdued swine prices in early 2026. Nevertheless, a gradual recovery in swine prices is anticipated in the latter half of the year as market conditions become more balanced. Moreover, increased chicken export volumes are expected to support the livestock business, providing additional resilience during this transition period.

Gradual recovery expected for aquaculture business

The company's aquaculture sector is expected to recover slowly. While revenue may decline in 2026 due to economic uncertainty, the implementation of restructuring measures, divestment of idle assets, and discontinuation of unprofitable units are expected to position the company for sustainable future growth.

CPF's aquaculture operations, which represent 11% of total revenue and focus primarily on feed production and shrimp business in Thailand, Malaysia, India, and Vietnam, have experienced a substantial contraction. Revenues fell to THB61 billion in 2025 from THB66 billion in 2024, with gross profit falling to THB7 billion in 2025 from THB7.4 billion in previous year. Nevertheless, the strategic shift toward value-added product offerings is expected to enhance profitability. These combined initiatives are forecast to drive annual revenue and profit increases of approximately 3% in 2027-2028.

Sluggish performance from CTI

In 2025, CPF's share of profit from investments in associates and joint ventures fell to THB11.1 billion from THB12.7 billion in 2024. While retailer companies delivered satisfactory profits, the decline was largely attributable to significant losses at Chia Tai Investment Co., Ltd. (CTI), the integrated swine business in China. CTI faced a steep drop in swine prices, driven by oversupply and adverse macroeconomic factors, weighing heavily on overall results.

Looking ahead, we anticipate persistent challenges in China's swine sector, prompting a strategic emphasis on cost efficiency and aggressive cost-cutting to safeguard competitiveness. We expect CTI's share profits to recover and become positive in the next few years. Consequently, CPF's share profit from associates and joint ventures is projected to range between THB12 billion and THB15 billion, with dividend receipts estimated at THB5.6-THB6.6 billion for 2026-2028.

Manageable liquidity

We expect CPF's liquidity to remain manageable over the next 12 months, with a reliance on refinancing. As of December 2025, the company held THB23 billion in cash and anticipates generating approximately THB39 billion in funds from operations in 2026.

Key funding needs include debt repayment and capital expenditures, with capital expenditure projected at THB26 billion for 2026. CPF faces debt maturities within the year, including THB149 billion in short-term loans and bills of exchange (B/E), THB41 billion in debentures, and THB23 billion in long-term loans. CPF plans to refinance a significant portion of its long-term loans and debentures by issuing new debentures, while short-term loans, mainly used for working capital, are expected to be rolled over. Given CPF's good track records of repayment and strong access to capital markets, we view the refinancing risk as significantly mitigated.

Additionally, CPF has sizable equity investments in CP All PLC (CPALL) and CP Aextra PLC (CPAXT). The market values of CPF's equity interest in CPALL and CPAXT were around THB136 billion and THB15 billion, respectively, at the end of 2025. As these equity investments are marketable securities, they represent an additional source of financial flexibility.

The financial covenant on CPF's debenture obligations requires the company to keep its net interest-bearing debt to equity ratio to stay below 2.0 times. As of December 2025, the ratio was 1.7 times. We expect CPF to remain in compliance with the covenant over the next 12-18 months.

Debt structure

At the end of December 2025, CPF's total outstanding debt, including the full amount of hybrid debentures but excluding financial leases, was THB505 billion, of which about THB320 billion was debt at subsidiary level which is considered priority debt. This translates to a priority debt to total debt ratio of 63%. However, given CPF's diversified operations and products through multiple subsidiaries, we consider the senior unsecured debenture holders of CPF are not significantly disadvantaged compared with the unsecured debt holders at subsidiary levels.

Base-case Assumptions

- Operating revenues to range from THB580-THB600 billion during 2026-2028.
- EBITDA of THB67-THB70 billion per annum during 2026-2028.
- Total capital spending of around THB25-THB26 billion per annum, excluding business acquisitions.

Rating Outlook

The "stable" outlook reflects our expectation that CPF will maintain its leading position in the dynamic agribusiness and food industry. We expect the company's diverse range of operations, products, and markets to mitigate the volatile effects of commodity-like farm products and disease epidemics.

Rating Sensitivities

The ratings and/or outlook on CPF could be revised upward if there is significant improvement in its operating performance and substantial reduction in its financial leverage, such that the adjusted debt to EBITDA ratio falls well below 8 times over a sustained period. Conversely, a rating downgrade scenario could emerge if CPF's earnings are

substantially weaker than expected, or if the company makes sizable debt-funded investments and/or acquisitions that materially pushes up its financial leverage.

Company Overview

Founded in 1978, CPF is Thailand’s largest agribusiness and food conglomerate. As of March 2026, Charoen Pokphand Group held 49.5% of CPF’s shares. CPF’s business is divided into two segments, livestock and aquaculture, with three types of operations in each segment: feed, farm, and food.

A diverse range of products helps reduce the volatility of earnings. CPF is a fully integrated producer of livestock and aquaculture products. The company’s product portfolio includes animal feed, poultry, swine, and shrimp, as well as food products. In 2025, revenue from farms (poultry, swine, and shrimp) constituted the largest revenue contribution, accounting for 54% of its total revenue, followed by feed (23%) and food products (23%).

As of 31 December 2025, CPF had production bases in 17 countries on four continents. Sales in Thailand represented only 33% of its total sales. The Asian region was the largest source accounting for 47%. The European Union (EU) and the US accounted for 15% and 5%, respectively.

Key Operating Performance

Table 1: CPF’s Revenue Breakdown by Product

Unit: %

Product	2021	2022	2023	2024	2025
Feed	25	24	24	23	23
Farm	54	55	54	55	54
Food	21	21	22	22	23
Total	100	100	100	100	100
Sales (mil. THB)	512,704	614,197	585,844	580,747	571,135

Source: CPF

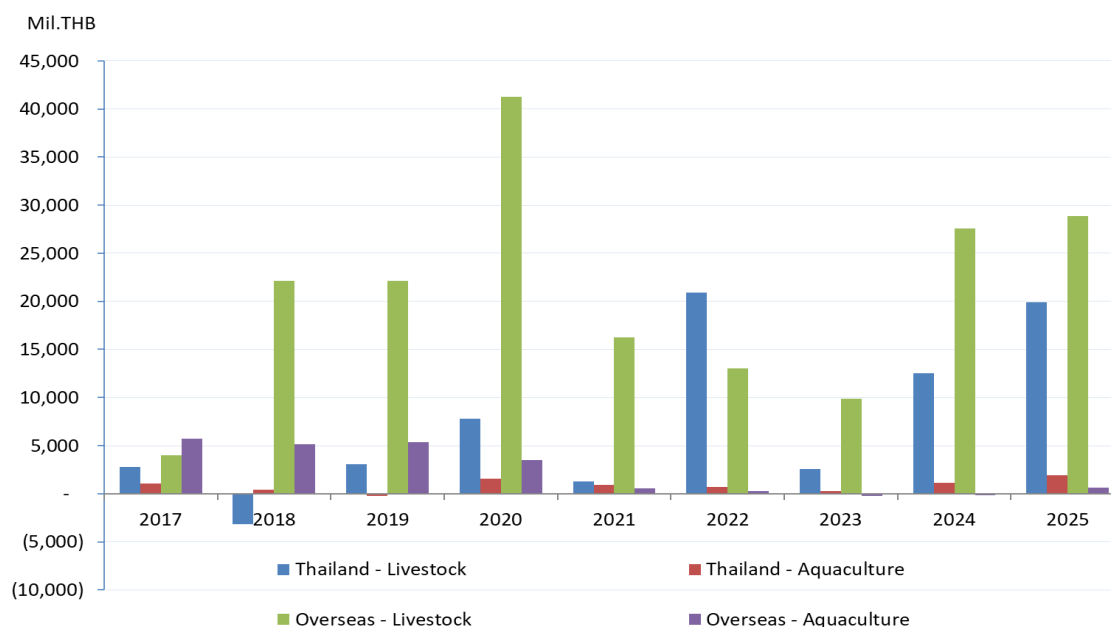
Table 2: CPF’s Revenue Breakdown by Geography

Unit: %

Country	2021	2022	2023	2024	2025
Thailand	31.2	31.1	31.8	31.5	32.6
EU	11.8	13.4	13.7	13.6	14.5
Asia	51.1	49.4	48.9	49.3	47.5
US	5.6	5.8	5.4	5.4	5.2
Others	0.3	0.3	0.2	0.2	0.2
Total	100	100	100	100	100

Source: CPF

Chart 1: CPF's Operating Profit by Business Unit



Source: CPF

Financial Statistics and Key Financial Ratios*

Unit: Mil. THB

	----- Year Ended 31 December -----				
	2025	2024	2023	2022	2021
Total operating revenues	574,103	583,570	589,617	618,115	516,777
Earnings before interest and taxes (EBIT)	62,447	52,804	16,097	35,736	25,020
Earnings before interest, taxes, depreciation, and amortization (EBITDA)**	82,104	69,972	40,934	59,894	54,796
Funds from operations (FFO)	47,010	37,474	11,091	31,835	30,748
Adjusted interest expense	25,192	25,744	26,425	21,370	17,619
Capital expenditures	17,533	16,492	22,309	27,644	24,455
Total assets	861,796	876,724	887,218	926,987	845,244
Adjusted debt	517,022	492,463	512,555	505,524	446,374
Adjusted equity	238,393	279,758	271,567	292,344	281,852
Adjusted Ratios					
EBITDA margin (%)	14.3	12.0	6.9	9.7	10.6
Pretax return on permanent capital (%)	7.9	6.6	2.0	4.5	3.4
EBITDA interest coverage (times)	3.3	2.7	1.5	2.8	3.1
Debt to EBITDA (times)	6.3	7.0	12.5	8.4	8.1
FFO to debt (%)	9.1	7.6	2.2	6.3	6.9
Debt to capitalization (%)	68.4	63.8	65.4	63.4	61.3

* Consolidated financial statements

** EBITDA is calculated by excluding gains, losses, and depreciation relating to biological assets.

Related Criteria

- Corporate Rating Methodology, 29 December 2025
- Key Financial Ratios and Adjustments for Corporate Issuers, 7 November 2025
- Issue Rating Criteria, 26 December 2024
- Hybrid Securities: Equity Content and Credit Rating Criteria, 20 December 2024

Charoen Pokphand Foods PLC (CPF)

Issuer Credit Rating:	A
Issue Ratings:	
CPF268A: THB4,989.1 million senior unsecured debentures due 2026	A
CPF276A: THB7,164.4 million senior unsecured debentures due 2027	A
CPF276B: THB2,643 million senior unsecured debentures due 2027	A
CPF277A: THB2,000 million senior unsecured debentures due 2027	A
CPF281A: THB6,540 million senior unsecured debentures due 2028	A
CPF281B: THB4,028.7 million senior unsecured debentures due 2028	A
CPF288A: THB3,079.7 million senior unsecured debentures due 2028	A
CPF28NA: THB3,200 million senior unsecured debentures due 2028	A
CPF292A: THB7,060 million senior unsecured debentures due 2029	A
CPF301A: THB14,599 million senior unsecured debentures due 2030	A
CPF301B: THB3,000 million senior unsecured debentures due 2030	A
CPF308A: THB3,806 million senior unsecured debentures due 2030	A
CPF30NA: THB5,300 million senior unsecured debentures due 2030	A
CPF311A: THB5,034.4 million senior unsecured debentures due 2031	A
CPF312A: THB2,190 million senior unsecured debentures due 2031	A
CPF314A: THB2,500 million senior unsecured debentures due 2031	A
CPF321A: THB5,142 million senior unsecured debentures due 2032	A
CPF326A: THB940 million senior unsecured debentures due 2032	A
CPF328A: THB3,845 million senior unsecured debentures due 2032	A
CPF328B: THB4,216 million senior unsecured debentures due 2032	A
CPF331A: THB5,372.4 million senior unsecured debentures due 2033	A
CPF341A: THB4,928 million senior unsecured debentures due 2034	A
CPF342A: THB2,750 million senior unsecured debentures due 2034	A
CPF351A: THB1,901 million senior unsecured debentures due 2035	A
CPF356A: THB3,120 million senior unsecured debentures due 2035	A
CPF358A: THB5,674 million senior unsecured debentures due 2035	A
CPF418A: THB2,465 million senior unsecured debentures due 2041	A
CPF41DA: THB3,580 million senior unsecured debentures due 2041	A
CPF22PA: THB15,000 million subordinated capital debentures	BBB+
CPF23PA: THB11,932 million subordinated capital debentures	BBB+
Up to THB7,000 million senior unsecured debentures due within 15 years	A
Rating Outlook:	Stable

Rating History

Last Review Date: 06 October 2025

Date	Rating	Outlook/Alert
01-Apr-24	A	Stable
14-Sep-23	A+	Negative
08-Dec-20	A+	Stable
13-Mar-20	A+	Alert Negative
31-Mar-15	A+	Stable
20-Jun-14	AA-	Negative
19-May-11	AA-	Stable
30-Apr-10	A+	Positive
22-Jun-06	A+	Stable
20-May-05	A	Positive
12-Jul-04	A	Stable
28-May-04	A	-
01-Mar-01	A+	-

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No. 089/2026

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