



Monthly Newsletter

Volume 21 Issue 02 – February, 2021

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CPF enjoys 41% net profit jump in 2020, foreseeing continued growth in 2021

Kaohoon, February 26, 2021

Charoen Pokphand Foods PCL (CPF) reported Bt26,022 million net profits in 2020, an increase by 41% from 2019, while the earnings before interest, taxes, depreciation and amortization (EBITDA) jumped 72% on year to Bt81,692 million. The performance improved from the previous year despite the COVID-19 outbreak and African Swine Fever (ASF) thanks mainly to the adoption of advanced technology and innovations including AI in the production process, to attain optimal standards.

Mr. Prasit Boondoungprasert, Chief Executive Officer of CPF, attributed the outstanding results to in-house technology and innovations that involved new animal breeding and farming practices; the integration of Bio-security into the process; and the effective and preventive measures against the spread of diseases especially in the swine and shrimp businesses

CPF's profitability improved significantly as the Company gave importance to efficiency and cost control, banking on technology and innovations in farming, production and distribution. In addition, pork prices in Asia increased particularly in Vietnam and China while the aquaculture business in Thailand showed a significant improvement following adjustments in marketing strategies and an operational efficiency program.

Amid the COVID-19 outbreak which put grave pressure on the economy and consumers' purchasing power, CPF's products remained essential for everyday life. In the year, CPF also modified distribution channels to reach more consumers while the work process embraced more technology. The process had effectively shielded CPF from the pandemic

Looking forward, Mr. Prasit expected an improvement in purchasing power in 2021 as the COVID-19 outbreak is easing. Domestic and international demand for Thai food products will hence increase. Coupled with the Company's capacity expansion and technology-based production efficiency enhancement, CPF is confident of continual competitiveness and expects the continuation in impressive results in 2021.

At the 1/2021 shareholders meeting, the Board of Directors proposed the Bt1 dividend payment for the 2020 performance. (The interim payment of Bt0.40 per share was paid on 11 September 2020)

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CP Foods Wang Somboon Farm certified for cage-free farming practice

The Nation, February 19, 2021

Charoen Pokphand Foods PCL (CPF)'s Wang Somboon Farm becomes the first in Thailand to be certified by Thailand's Department of Livestock Development's for its cage-free farming practices.

The Department of Livestock enforced the cage-free farming standard in early 2021 and invited eligible farms sign up for certification undertaken by Bureau of Livestock Standards and Certification. Under recent inspection by Saraburi Provincial Livestock Office's Muak Lek unit, the provincial livestock standards and certificant unit and other relevant offices, Wang Somboon Farm was certified for its standard, being the first in Saraburi Province and Thailand.

Dr. Nut Sawasrath, D.V.M, Professional level Veterinarian who led the inspection team and represented Saraburi Province, said that Wang Somboon Farm has shown full compliance to the Department of Livestock Development's cage-free standard, making it the first cage-free farm in Saraburi and Thailand to be certified for the standard.

He added that the certification would not only raise confidence among consumers, but also serve as the foundation to lift Thailand's standards in layer hen farming as the knowledge can be extended to other farmers.

The certification affirmed CP Foods commitment to obtaining international standards for Thailand's livestock production and supporting sustainable consumption among Thai consumers.

Mr. Somkid Wannalukkhee, senior vice president for egg business of CP Foods turned Wang Somboon to the prototype cage-free layer hen farm in 2018 and adopted the European Union's standard farming model. The hens are raised in closed chicken houses. Each house has a low stocking density of 9 laying hens per square meter. The chicken houses are controlled by a computerized system, for 24-hour control in temperature and air ventilation.

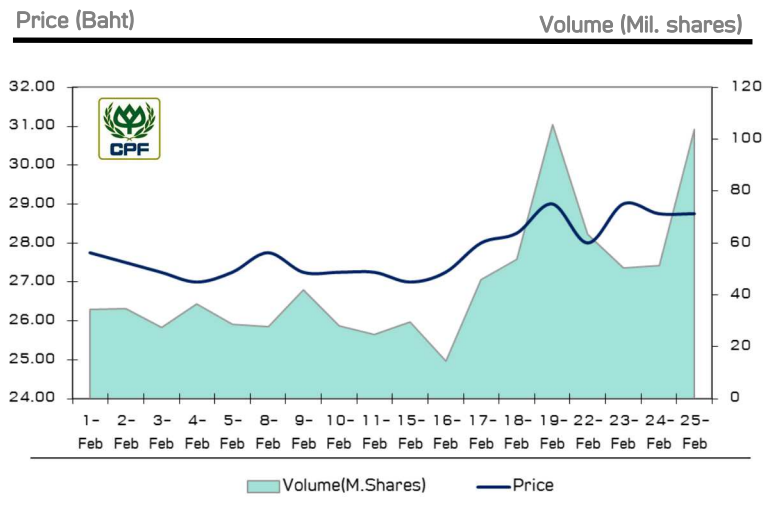
The hen houses offer environmental enrichments which encourage layer hens to express natural behaviors freely. For example, there are perches, at least 15 cm per hen. The flooring supports ferretting and self-cleaning. The environments allow interactions and strict disease control. The Biosecurity Hi-tech Farming standards are applied, to ensure good physical and mental health and zero antibiotics use throughout the life cycle. The products thus are in high demand from famous restaurant chains like Shabu Shabu Buffet Restuarant, Mo-Mo-Paradise and Je Fai Streetfood.

"The Department of Livestock Development's cage-free standard certification is a major milestone for Wang Somboon Farm and Thailand's layer hen farming industry which strives to meet international standards. The certification also reflects CP Foods commitment to strengthen food safety and animal welfare standards in Thailand's agricultural sector which will raise the competitiveness of Thai products and support sustainable consumption," Mr. Somkid stressed.

Wang Somboon Farm operates 12 hen houses with the capacity to produce 10 million eggs per annum. The annual capacity will be raised to 15 million this year under the goal to deliver more quality and safe food that offers full traceability. The eggs - produced in the environment that underlines animal welfare as demanded by consumers - are a healthy choice for the health-conscious.

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Price Performances: CPF



February 2021	
Highest Price	29.50
Lowest Price	27.00
Closed Price	28.75
Average Volume/Day (Shares)	44,548,700

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