



Charoen Pokphand Foods Plc.

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CP Foods target growth 8-10 percent for 2019 performance mainly driven by overseas operation.

Bangkok Post, February 21, 2019

Charoen Pokphand Foods Plc (CPF), Thailand's biggest agro-industrial and food conglomerate, posted a 1.8% year-on-year rise in net profit last year, attributed to an increase in sales revenue in aquatic and non-aquatic businesses.

The company posted a net profit of 15.5 billion baht in 2018, up from 15.3 billion the previous year. Sales revenue expanded by 8% year-on-year to 542 billion baht from 502 billion. Overseas business contributed 67% of total sales revenue.

Sooksunt Jiumjaiswanglerg, chief executive for agro-industrial business and co-president of CPF, said the company's sales revenue will expand by 12% year-on-year, based on assessments of local currencies in each country.

CPF operates in 17 countries, including China, the US, Britain, Malaysia and Russia.

The company exports many products from Thailand to more than 30 countries, involving more than 4 billion people worldwide.

This year's annual sales revenue should continue to grow by 8-10%, thanks to continuous growth in overseas business operations after the company's expansion in aquatic and non-aquatic businesses, Mr Sooksunt said.

Sujint Thammasart, chief operating officer for aquatic business, said the outbreak of early mortality syndrome and local diseases in several Asian countries has motivated the company to expand its aquatic production base.

The company's aquatic business is located in eight countries: Thailand, China, Vietnam, India, Malaysia, the Philippines, Brazil and the US.

In 2018, the aquatic business generated 74.5 billion baht in sales revenue.

The segment's revenue is expected to rise by more than 15% in 2019, with net profit anticipated to grow accordingly, particularly the aquatic operations in Thailand, Mr Sujint said.

Due to profound changes in consumer behavior, CPF has emphasised R&D to introduce food products that are compatible with consumers' palates in various countries, said Sukhawat Dansersuk, chief executive of food business and co-president of CPF.

The company's R&D programme also focuses on the quality of raw materials throughout the production chain and environmentally friendly packaging, Mr Sukhawat said.

As distribution channels will complement these strategies, the company has teamed up with Taiwan based HiLai Group to open Harbour, a seafood buffet restaurant, at Iconsiam, he said.

The restaurant is operated by joint venture company CP-HiLai Harbour Co, established recently with registered capital of 160 million baht.

CPF, CP's flagship subsidiary, holds a 51% stake, while the Taiwanese firm owns 49%.

Chester's makes foray into neighboring countries

Bangkok Post, February 25, 2019

Charoen Pokphand Foods Plc (CPF), the SET-listed flagship subsidiary of agribusiness giant Charoen Pokphand Group, is branching out its Chester's restaurant business into neighboring countries this year.

Satit Sangkanarubordee, the company's chief operating officer for restaurant business, said the company is ready to expand Chester's abroad after getting a better-than-expected response after opening the first Chester's branch in Laos three years ago.

"We are quite satisfied with Chester's performance in Laos, with sales of 1 million baht per month, some 10-15% higher than Chester's in Thailand," Mr Satit said.

In addition, the company is conducting a feasibility study for market opportunities in the Philippines because local dining behavior is similar to Thailand's.

On the domestic front, the company plans to open 20 Chester's restaurants this year. Half of the new expansion will be under its own investment and the rest will be franchised.

Each restaurant requires an investment of 5-6 million baht. With the plan, the number of Chester's branches in the domestic market will rise to 220 in total this year. Apart from new restaurants, the company also plans to spend about 60 million baht to renovate 10 existing Chester's branches this year.

Given the impact of technology disruption, Mr Satit said that as fewer customers visit shopping malls, the company has reduced business risk by opening more restaurants outside retail complexes.

The company will also put more focus on the delivery channel, aiming to double the size of Chester's delivery business to 30% of total sales over the next two years.

"We dare move faster than in 2018, when we opened only 14 new restaurants, because we are confident about the overall economy and believe that consumers, particularly the middle income level, will have more confidence spending more money," Mr Satit said. "And after the government officially announced the national election date on March 24, spending power at Chester's overall rose by more than 10% from the regular period."

According to CPF, the quick service restaurant sector in Thailand has grown by 3-4% in the past four consecutive years.

The overall quick service restaurant market was estimated at 35.9 billion baht in 2018.

CP Foods sees opportunity for growth in overseas duck markets

Newsweek, February 24, 2019

Charoen Pokphand Foods Plc (CP Foods) plans to export more duck meat products, citing growing trends toward food safety and high quality product globally.

Mr. Pisit Ohmpornnuwat, Senior Consultant of CP Foods, said the company plans to deliver more growth in Hong Kong and South Korea, two major markets for cooked duck meat products. It is also applying license to export duck meat products to Australia.

Currently, main export markets included the European Union and Japan, where food safety is a prominent concern, followed by New Zealand, Singapore and CLMV countries.

“The company has set a vision to be “Kitchen of the World” that serve the finest quality of foods to consumers worldwide. To accomplish this vision, it plans to further expand its premium duck meat products in potential countries.” He said.

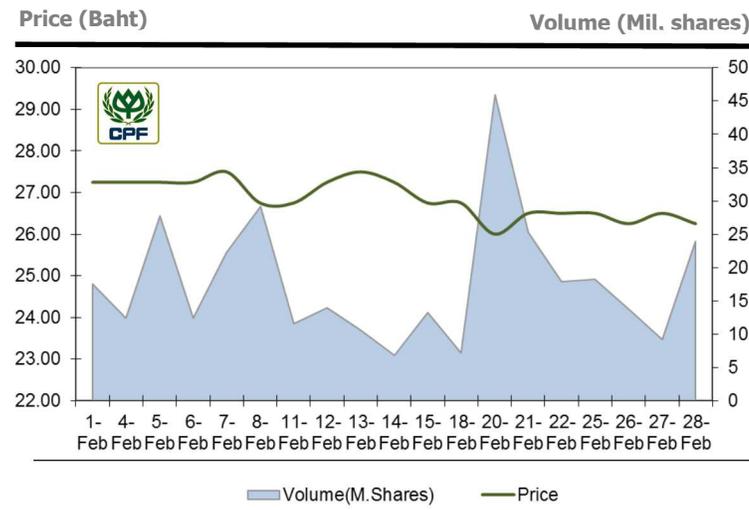
In addition to the export plan, it will set up a new processing plant in the eastern region of Thailand to improve capacity and shorten the trip from farm to production site.

The new state-of-the-art facility will produce a wide range of products with internationally recognized standard to meet customer's demand, particularly in overseas group.

“Food safety and quality have become prominent trends among consumers. As a result, the company is gearing up to introduce high quality foods from Thailand to consumers across the world, helping Thai food product to gain global recognitions,” Mr. Pisit said.

CP Foods exported 5,000 tonnes of duck meat and duck meat products worth THB 1.1 Billion baht in 2018, an increase of 20 percent year-on-year.

Price Performances: CPF



February 2019	
Highest Price	27.75
Lowest Price	26.00
Closed Price	26.25
Average Volume/Day (Shares)	17,845,600

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