



Charoen Pokphand Foods PCL.



2019 Results Briefing
Investor Presentation
February 21, 2020

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM



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“Aiming to compete in the front line of the food industry, we use resources properly and environmental friendly. The Company takes into account the interests of all stakeholders to ensure sustainable growth, while being able to generate appropriate return to shareholders”

- One of the world’s recognized leaders in animal feed manufacturing, swine production, and shrimp integrated business
- Diversified portfolio with operations and investment in 17 countries catered to over 4 billion population, and exports to more than 30 countries
- Multi-species animal proteins (mainly poultry, swine and shrimp)
- Member of “SET 50” under Agro & Food Industry Sector (Ticker: CPF)
- Member of Dow Jones Sustainability Index (Emerging Markets)
- Member of FTSE4Good Index Series
- Ranked “Excellent” for CGR Scoring by Thai Institute of Directors (IOD)



Vision : “Kitchen of the World”

- Portfolio**
- 4 listed investments onboard (HKSE:00043, HKSE:3839, TWSE: 1215, SET:CPALL)
 - 40 series of debentures listed on Thai Bond Market Association “TBMA”
 - 1 exchangeable Bond “EBs” on 

Highlights

FY19 Sales : THB532 billion or ~USD17.1 billion

Market Cap : THB248 billion or ~USD7.9 billion
(as of Feb 20, 2019)

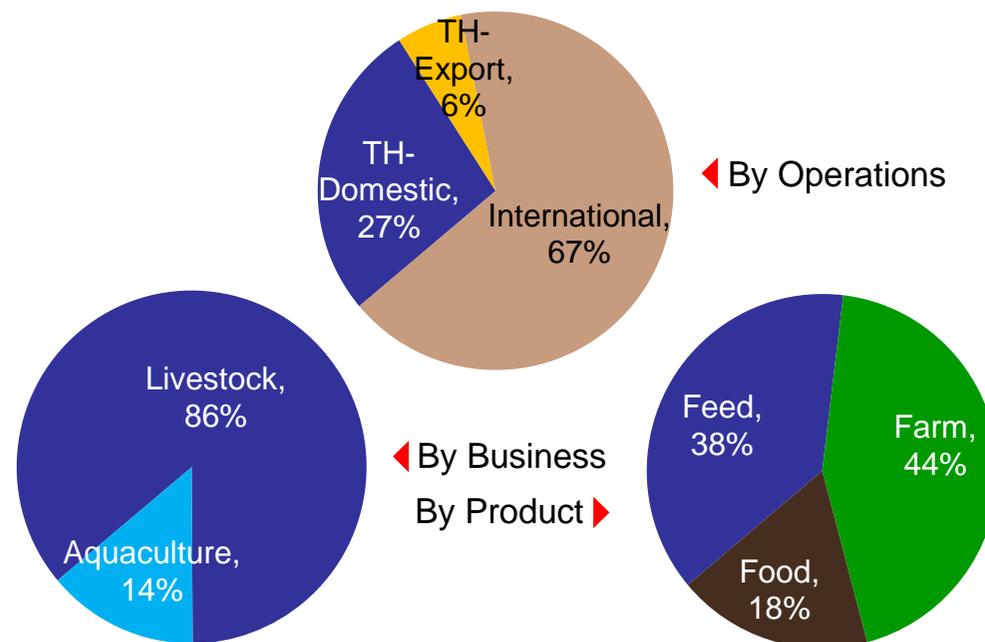
Capital : 8,611 million shares (paid-up) *(as of Dec 31, 2019)*
par value of THB.1.00 per share

Book Value : THB18.70* per share *(as of Dec 31, 2019)*

Shareholders : Charoen Pokphand Group Ltd. 53.88%
of Paid-Up Capital *(as of Aug 29, 2019)*

Credit Rating : “A+” with “Stable” Outlook *(as of May 8, 2019)*

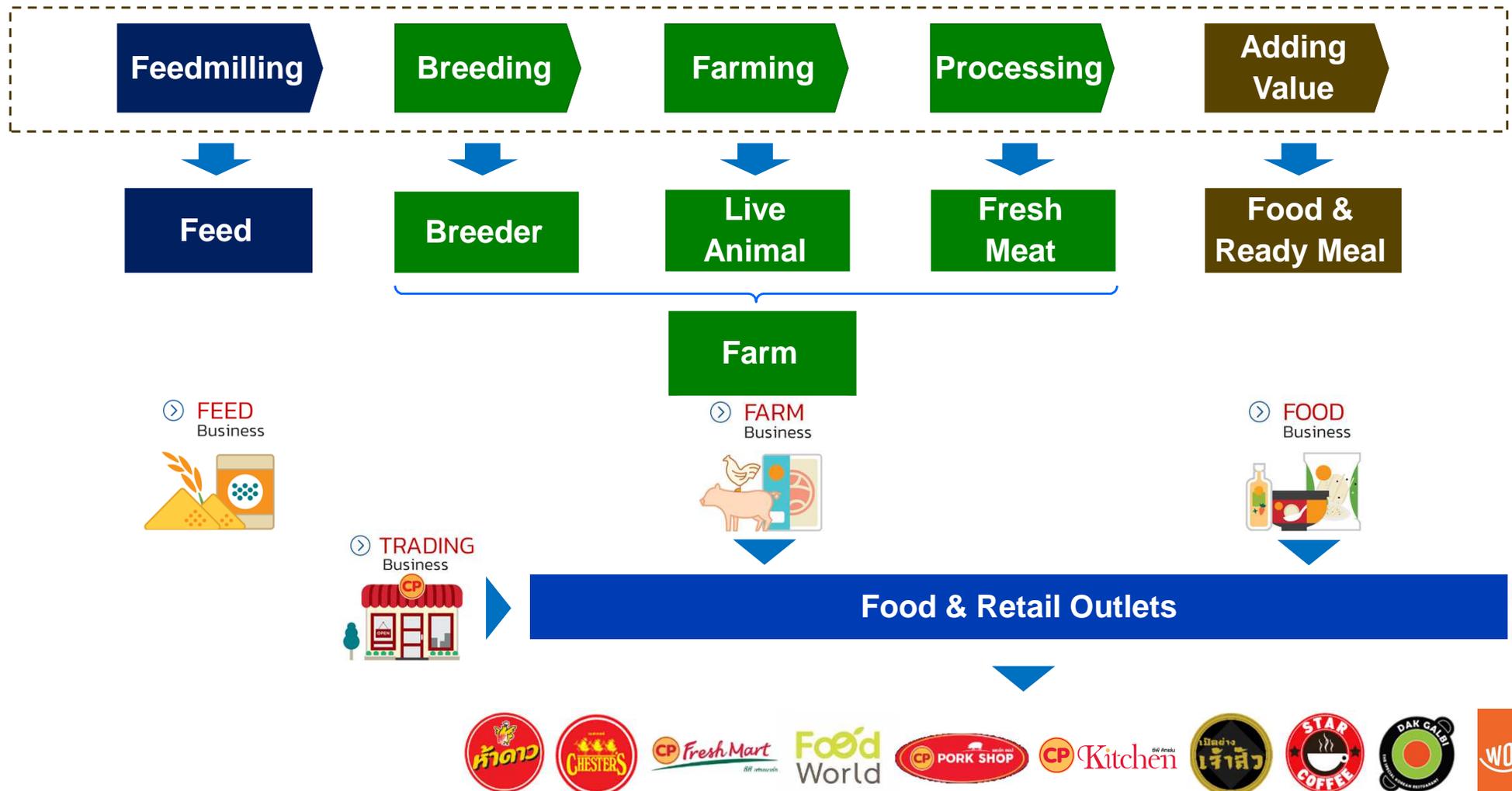
2019 Sales Breakdown



Note: USD1 = THB 31.17 (as of Feb 20, 2019)

* Exclude Non-Controlling Interests (NCI)

CPF operates integrated agro-industrial and food business including **swine, broiler, layer, duck, shrimp and fish**. The integrated food process involves advanced production technology, qualified international standard chemical-free production, safe with hygiene, while being environmental friendly, and systematically traceable throughout the whole food chain.



- Operations and investment in 17 countries catered to > 4 billion population
- Export to more than 30 countries across 5 continents

Russia 

- Livestock feed
- Swine farming
- Chicken integrated business

UK 

- Chilled and Frozen food
- Food kiosks
- Food Services

Belgium 

- Ready to eat foods

Brazil 

- Shrimp farming & primary processing

Turkey 

- Chicken integrated business

Poland 

- Hatchery farm
- Food processing plants

Sri Lanka 

- Ready to eat foods

India 

- Chicken integrated business
- Aquatic feed

China 

- Livestock and aquaculture feed
- Aquaculture farming
- Ready to eat foods

Taiwan, China 

- Livestock integrated business

Thailand 

- Livestock and aquaculture integrated businesses

Malaysia 

- Livestock and aquaculture integrated business

Canada 

- Swine integrated business

USA 

- Ready to eat foods

Philippines 

- Livestock and aquaculture feed and farming

Laos 

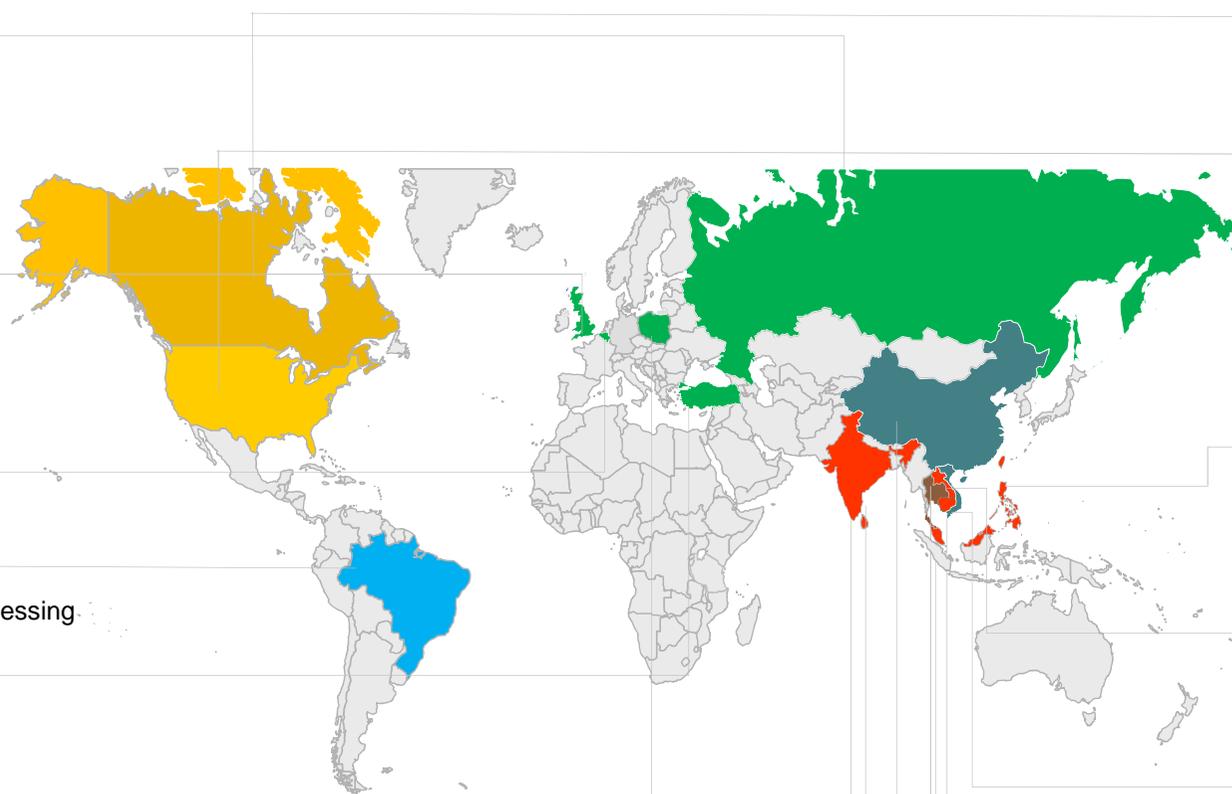
- Livestock integrated business

Cambodia 

- Livestock integrated business

Vietnam 

- Livestock and aquaculture integrated businesses



Strategy for Growth



- Fully integrated business model
- Globalization by establishing a proper business model suitable for each strategic market
- Value-added business by expanding portfolio towards innovative products and services to serve rising demands

Execution Plan



- **Create value** -use innovation in order to add value to product, process, and business model.
- **Digital Transformation** – utilize digital tools to improve operation efficiency and to better serve needs of customer.
- **Sustainability** – ensure sustainable growth by creating shared value for society, environment and well as economic value.



CPF commits to support
11 of 17

Sustainable Development Goals which align with
our capacity and potential.



CPF is a participant in
the United Nations
Global Compact

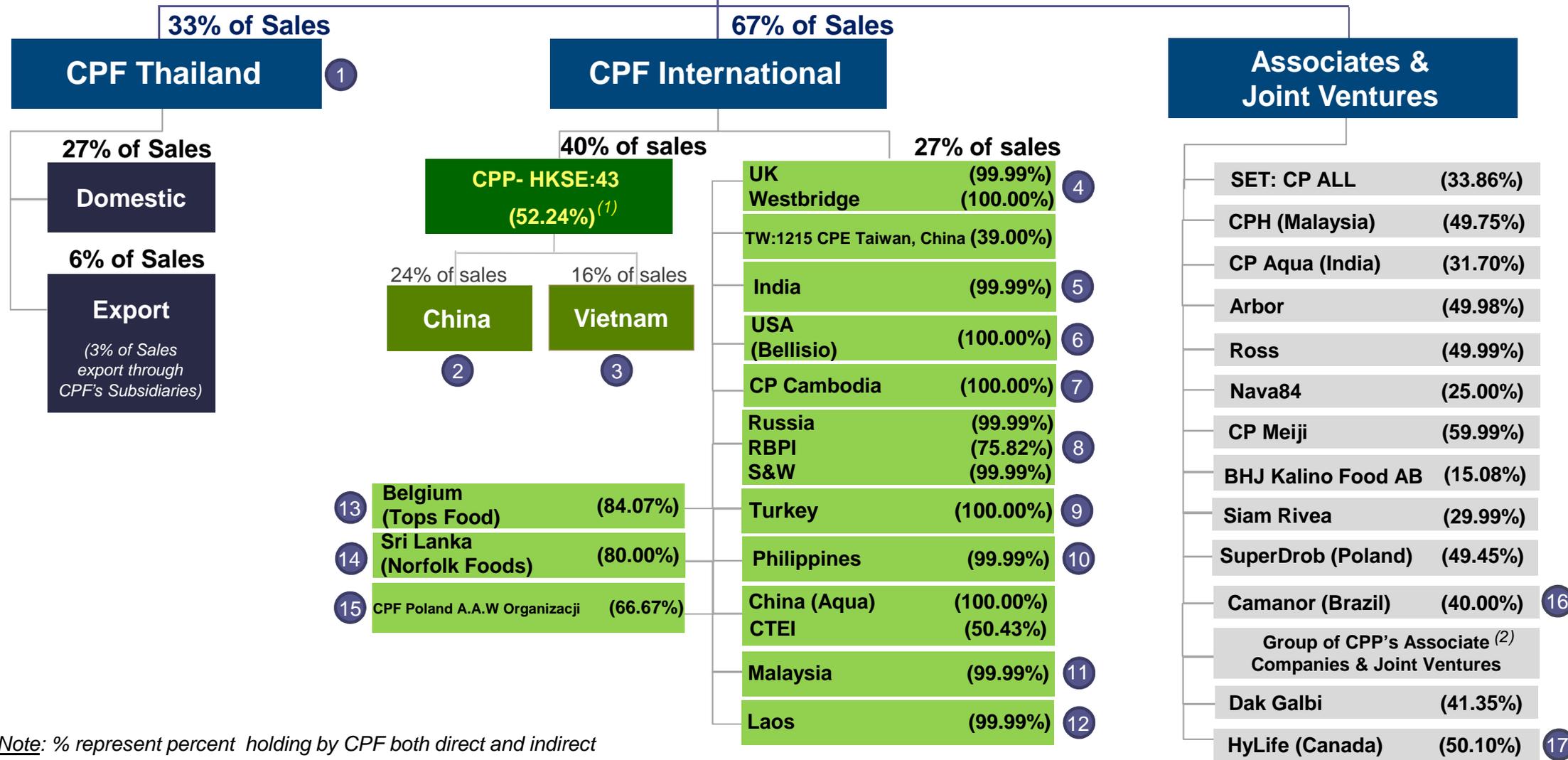




CPF Operational Structure (As of Dec 31, 2019)



2019 : Sales: THB 532,573 m
Net Profit: THB 18,456 m



Note: % represent percent holding by CPF both direct and indirect
(1) Based on total issued shares
(2) See Appendix C



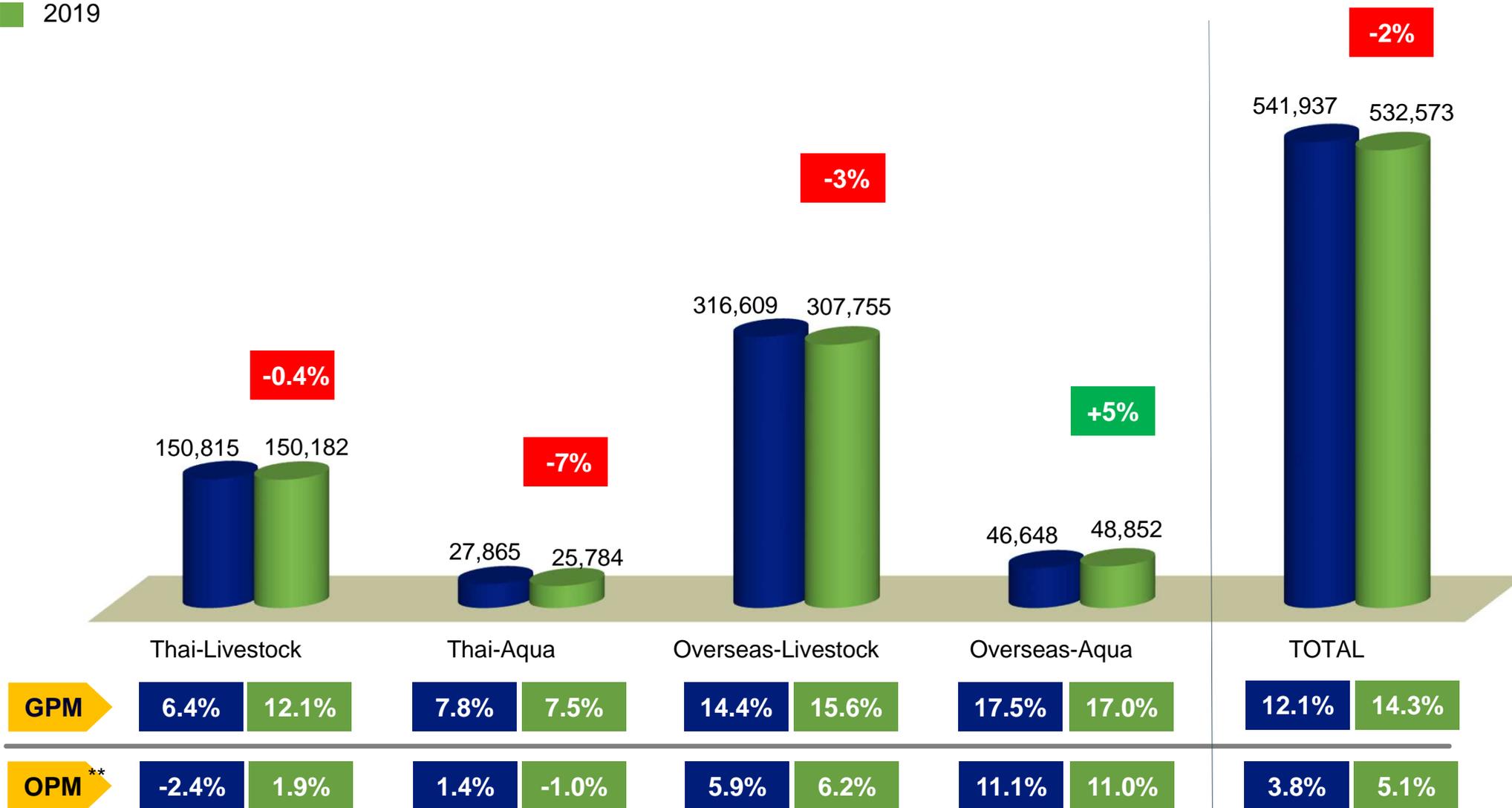
2019: Sales & Profit Margin by Business

In THB, m

■ 2018

■ 2019

Revenue exclude impact of TFRS15 & FX translation **+8%**
586,066



** Exclude gain/loss from fair value adjustment of biological assets

Sales Breakdown

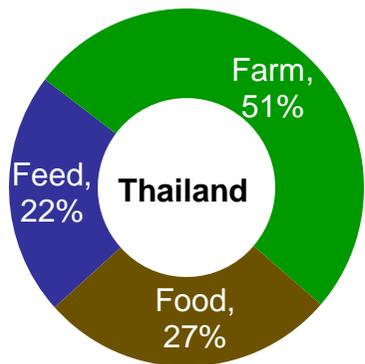
	Livestock			Aquaculture			Total		
	2018	2019	%Change	2018	2019	%Change	2018	2019	%Change
Thailand	150,815	150,182	0%	27,865	25,784	-7%	178,680	175,966	-2%
<i>Domestic</i>	127,531	123,440	-3%	22,120	20,470	-7%	149,651	143,910	-4%
<i>Export</i>	23,284	26,742	15%	5,745	5,314	-8%	29,029	32,056	10%
China	132,656	120,949	-9%	10,322	8,508	-18%	142,978	129,457	-9%
Vietnam	67,725	68,955	2%	14,050	16,435	17%	81,775	85,390	4%
Others	116,228	117,851	1%	22,276	23,909	7%	138,504	141,760	2%
Total	467,424	457,937	-2%	74,513	74,636	0%	541,937	532,573	-2%
	▼			▼			▼		
% of Total Sales	86%	86%		14%	14%		100%	100%	

- Thailand
- China
- Vietnam

73%
of Sale
Revenue

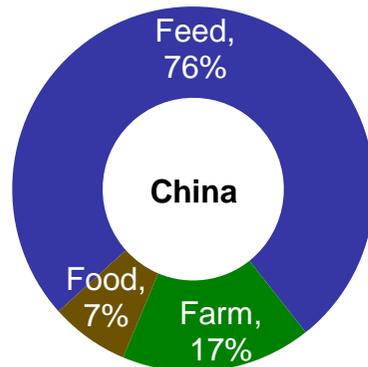
Sales Breakdown by Products

	Feed			Farm			Food			Total		
	2018	2019	%Change	2018	2019	%Change	2018	2019	%Change	2018	2019	%Change
Thailand	49,594	38,502	-22%	83,818	89,409	7%	45,268	48,055	6%	178,680	175,966	-2%
<i>Domestic</i>	49,527	38,427	-22%	76,346	81,371	7%	23,778	24,112	1%	149,651	143,910	-4%
<i>Export</i>	67	75	12%	7,472	8,038	8%	21,490	23,943	11%	29,029	32,056	10%
China	117,151	98,189	-16%	18,613	22,139	19%	7,214	9,129	27%	142,978	129,457	-9%
Vietnam	27,639	27,552	0%	51,834	54,759	6%	2,302	3,079	34%	81,775	85,390	4%
Others	35,155	35,624	1%	67,269	69,634	4%	36,080	36,502	1%	138,504	141,760	2%
Total	229,539	199,867	-13%	221,534	235,941	7%	90,864	96,765	6%	541,937	532,573	-2%



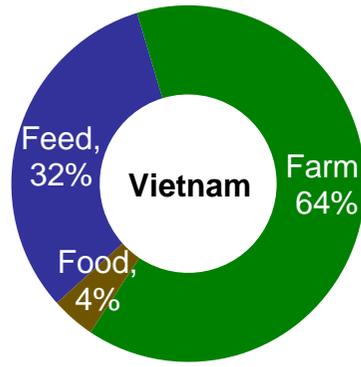
THB 175,966 m

% to sales 33%



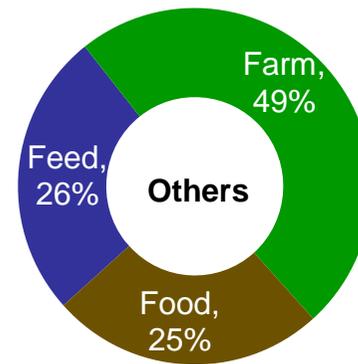
THB 129,457 m

24%



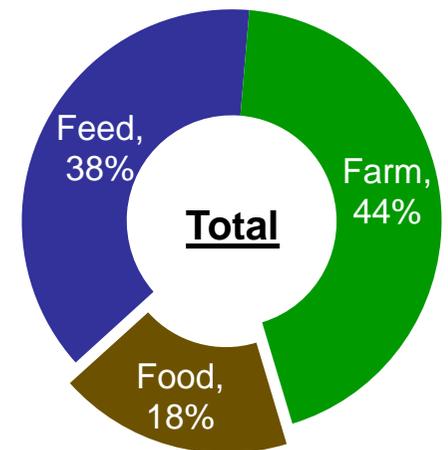
THB 85,390 m

16%



THB 141,760 m

27%



THB 532,573 m

100%



2019: Consolidated Income Statement Highlight

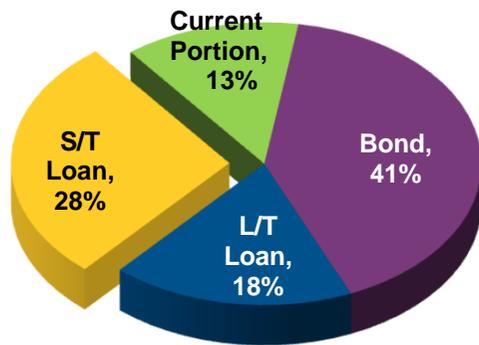
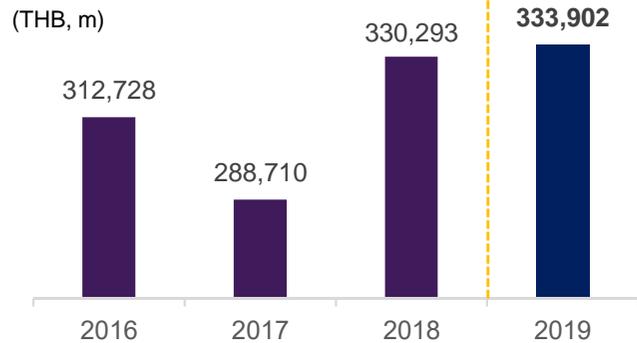
	Quarter 1			Quarter 2			Quarter 3			Quarter 4			Full Year		
	2018	2019	% Chg.	2018	2019	% Chg.	2018	2019	% Chg.	2018	2019	% Chg.	2018	2019	% Chg.
Net sales	120,516	125,286	4%	136,353	133,896	-2%	141,393	132,597	-6%	143,676	140,794	-2%	541,937	532,573	-2%
Gross Profit Margin	9.4%	14.1%		12.2%	13.9%		13.9%	13.5%		12.6%	15.7%		12.1%	14.3%	
EBITDA	5,496	11,585	111%	9,883	10,590	7%	13,058	10,871	-17%	11,124	14,506	30%	39,559	47,551	20%
EBITDA Margin	4.6%	9.2%		7.2%	7.9%		9.2%	8.2%		7.7%	10.3%		7.3%	8.9%	
EBIT	44	5,979	13,489%	4,354	5,106	17%	7,388	5,085	-31%	5,366	8,346	56%	17,151	24,515	43%
EBIT Margin	0.0%	4.77%		3.2%	3.8%		5.2%	3.8%		3.7%	5.9%		3.2%	4.6%	
G/L on FV of Biological Assets	360	(1,431)	-498%	2,706	124	-95%	518	644	24%	390	3,899	900%	3,974	3,235	-19%
Share in Profit of Associates	2,217	2,348	6%	1,942	1,870	-4%	2,096	2,260	8%	2,089	2,415	16%	8,343	8,893	7%
Financial Costs	(2,783)	(3,414)	23%	(2,835)	(3,467)	22%	(2,746)	(3,380)	23%	(3,340)	(3,524)	6%	(11,703)	(13,785)	18%
Income Taxes Expense	(285)	(687)	141%	(1,315)	(1,172)	-11%	(1,573)	(1,400)	-11%	(3,039)	(2,187)	-28%	(6,212)	(5,446)	-12%
NET PROFIT	3,049	4,279	40%	5,894	4,105	-30%	4,912	6,062	23%	1,677	4,010	139%	15,531	18,456	19%
EPS (THB)	0.35	0.50		0.70	0.48		0.58	0.72		0.19	0.47		1.82	2.18	
# of capital shares	8,185	8,185		8,185	8,185		8,185	8,185		8,185	8,185		8,185	8,185	
Paid-Up Capital	8,611	8,611		8,611	8,611		8,611	8,611		8,611	8,611		8,611	8,611	
Dividend (THB/Share)													0.65	0.70	

Note: (1) # of capital shares = No. of the weighted-avg. shares

(2) One time expense from the amendment of the Thailand 's Labour Protection Act in the amount of THB 2,126 m in 2019



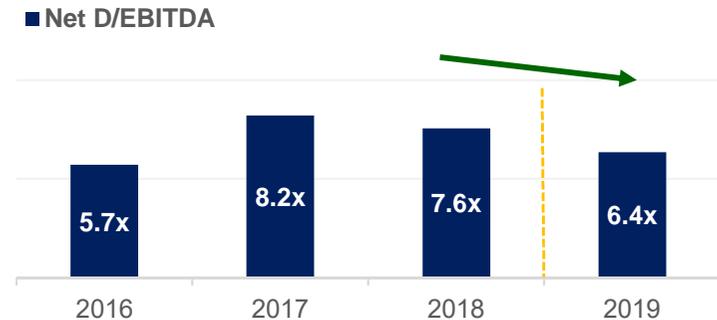
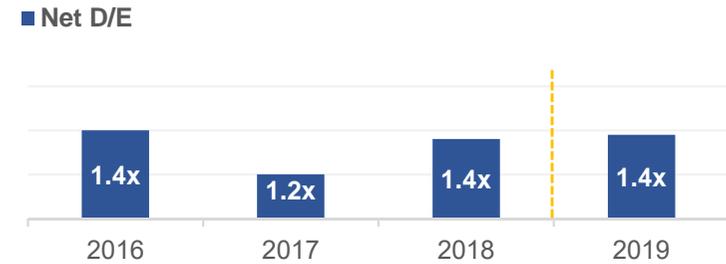
Interest Bearing Debt: THB 333,902 m



Cost of Debts	2016	2017	2018	2019
	3.87%	3.84%	4.05%	3.94%

Bond Rating “A+” with “Stable” Outlook by Tris Rating Co., Ltd

Net Debt to Equity & Net Debt to EBITDA



Remark : Net Debt = Interest Bearing Debt - Cash and Cash Equivalents

EBITDA = Revenue from Sales of Goods - Cost of Sales of Goods + Other Income - Selling Expense - Administrative Expense - Other Expense + Gain (Loss) from Foreign Exchange + Gain (Loss) on sales of property, plant & equipment + Depreciation & Amortization + Depreciation of biological asset





CPF's Investment in Listed Companies

	Stock Price (Local Curr.)		Market Cap. (THB mm)	CPF Holding %	Holding Value (THB mm)
	(As of Dec 31, 2019)				
CPALL (SET:CPALL)	THB	72.25	649,029	33.86%	219,761
CPP (HKSE:0043)	HKD	0.64	61,778	52.24%	32,273
TRUE (SET:TRUE)	THB	4.60	153,494	2.21%	3,392
CPE (TWSE:1215)	TWD	66.20	18,273	39.00%	7,127
CTEI (HKSE:3839)	HKD	1.50	1,448	50.43%	730
Total					263,283

Growth Target

- Expected sales growth of approximately 5-8 % excluding FX translation impact

Key Drivers & Focus

- Higher average domestic meat prices both swine and chicken
- Swine shortage due to African swine fever (ASF), rising momentum of swine prices especially in Vietnam
- Higher revenue and profitability of overseas aquaculture businesses
- Focusing on efficiency improvement

Key Challenges

- Balancing domestic chicken parts for different markets
- African swine fever (ASF) outbreak in multiple countries
- Foreign exchange volatility
- Impact of COVID-19 on consumption
- Global economic uncertainty

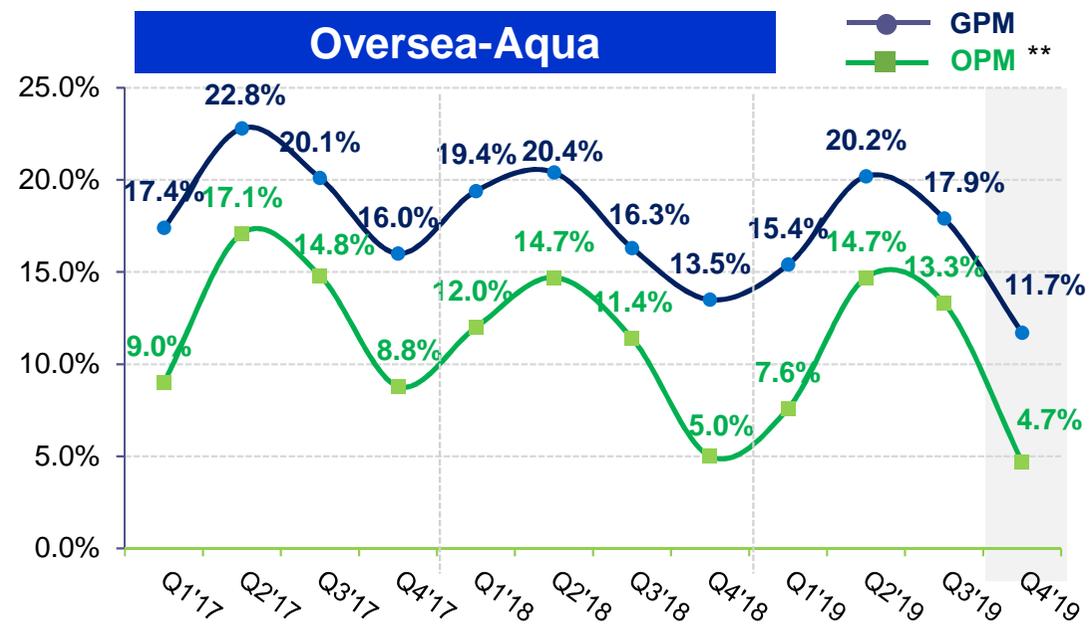
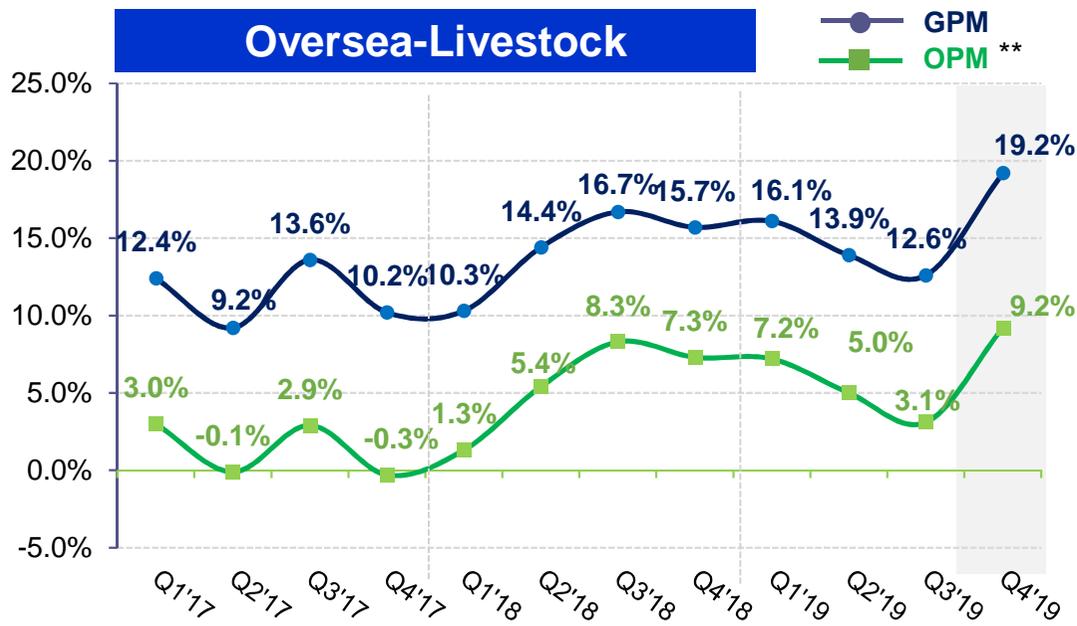
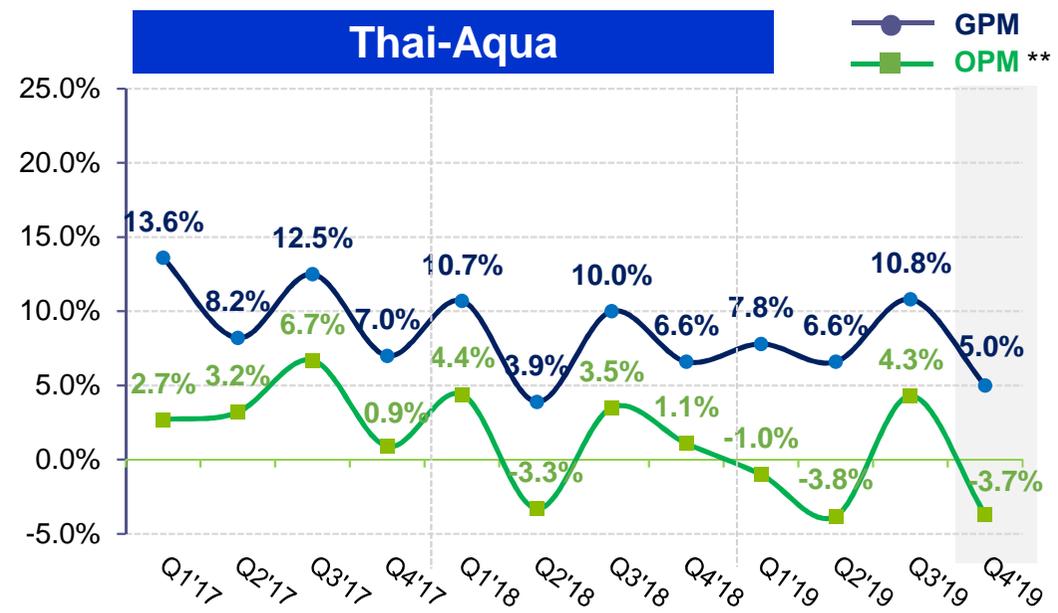
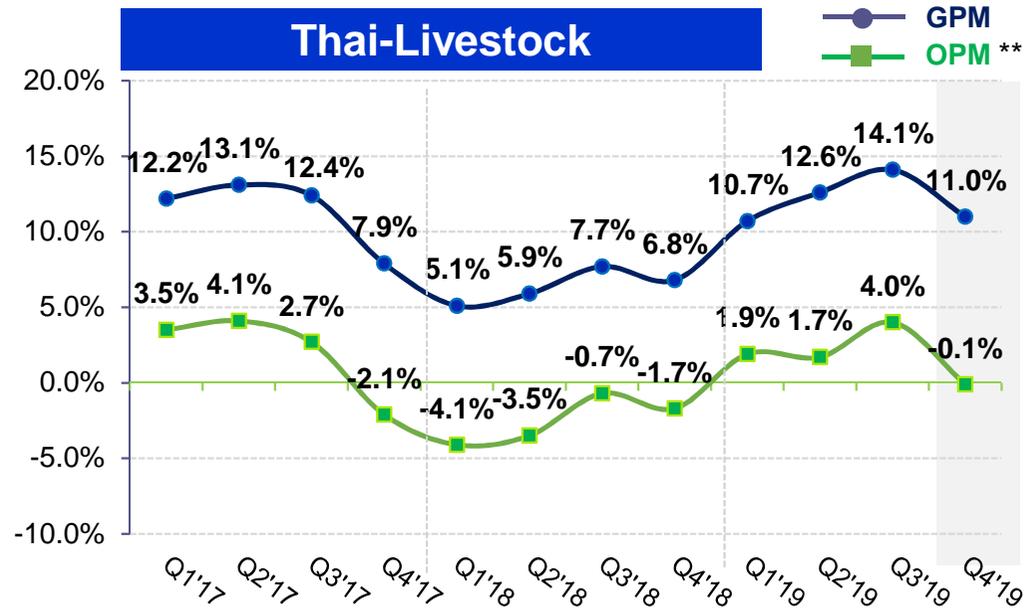
Investment

- Capex of approximately THB 25 billion (excluding M&A)

Appendix A: Highlights : 3Yr Historical Results

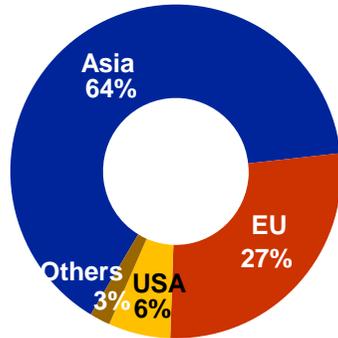


Gross Profit Margin & Operating Profit Margin



** Exclude gain/loss from fair value adjustment of biological assets

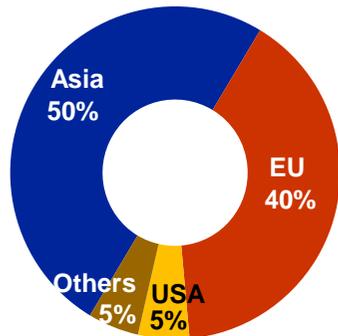
Y2017



■ Asia ■ EU ■ USA ■ Others

Farm

THB 8,531 million ↑ +15%

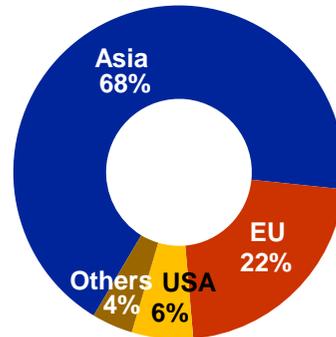


■ Asia ■ EU ■ USA ■ Others

Food

THB 21,796 million ↑ +3%

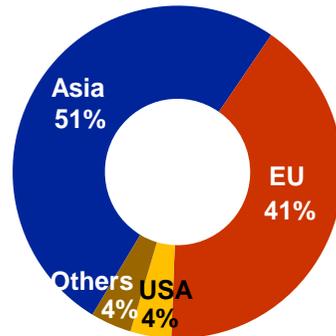
Y2018



■ Asia ■ EU ■ USA ■ Others

Farm

THB 7,473 million ↓ -12%

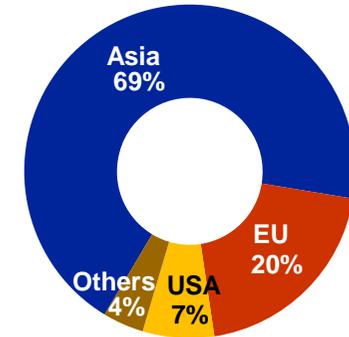


■ Asia ■ EU ■ USA ■ Others

Food

THB 21,490 million ↓ -1%

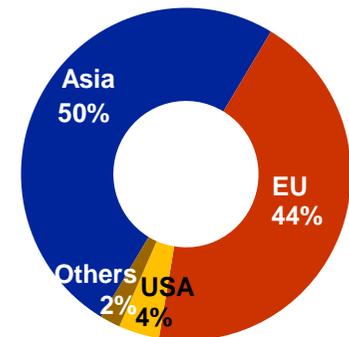
Y2019



■ Asia ■ EU ■ USA ■ Others

Farm

THB 8,038 million ↑ +8%



■ Asia ■ EU ■ USA ■ Others

Food

THB 23,943 million ↑ +11%



Consolidated Income Statement Highlight

	Full Year				
	2017	2018	% Change	2019	% Change
Net sales	501,507	541,937	8%	532,573	-2%
Gross Profit Margin (%)	12.0%	12.1%		14.3%	
EBITDA	32,420	39,559	22%	47,551	20%
EBIT	11,172	17,151	54%	24,515	43%
Share in Profit of Associates	7,983	8,343	5%	8,893	7%
Financial Costs	(11,743)	(11,703)	-0%	(13,785)	18%
Income Taxes Expense	(251)	(6,212)	2,375%	(5,446)	-12%
Gain / (Loss) from FX	(21)	(203)	-867%	(10)	95%
NET PROFIT	15,259	15,531	2%	18,456	19%
EPS (THB)	1.91	1.82		2.18	
# of capital shares*	7,720	8,185		8,185	
Paid-Up Capital	8,611	8,611		8,611	
Dividend (THB/Share)	0.75	0.65		0.70	

Note: * # of capital shares = No. of the weighted-avg. shares

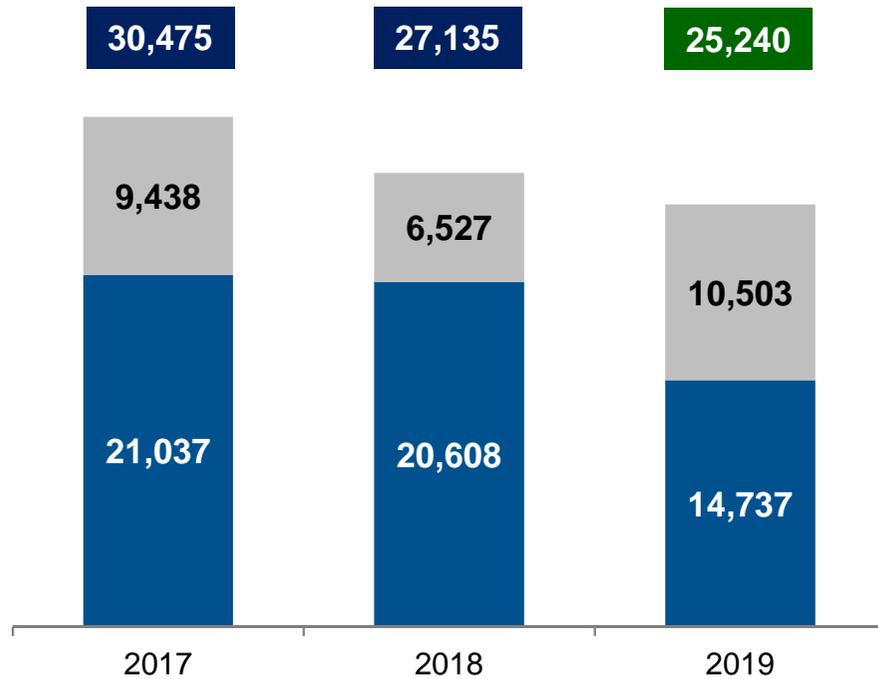


CAPEX & EBITDA

CAPEX

Unit: THB, m

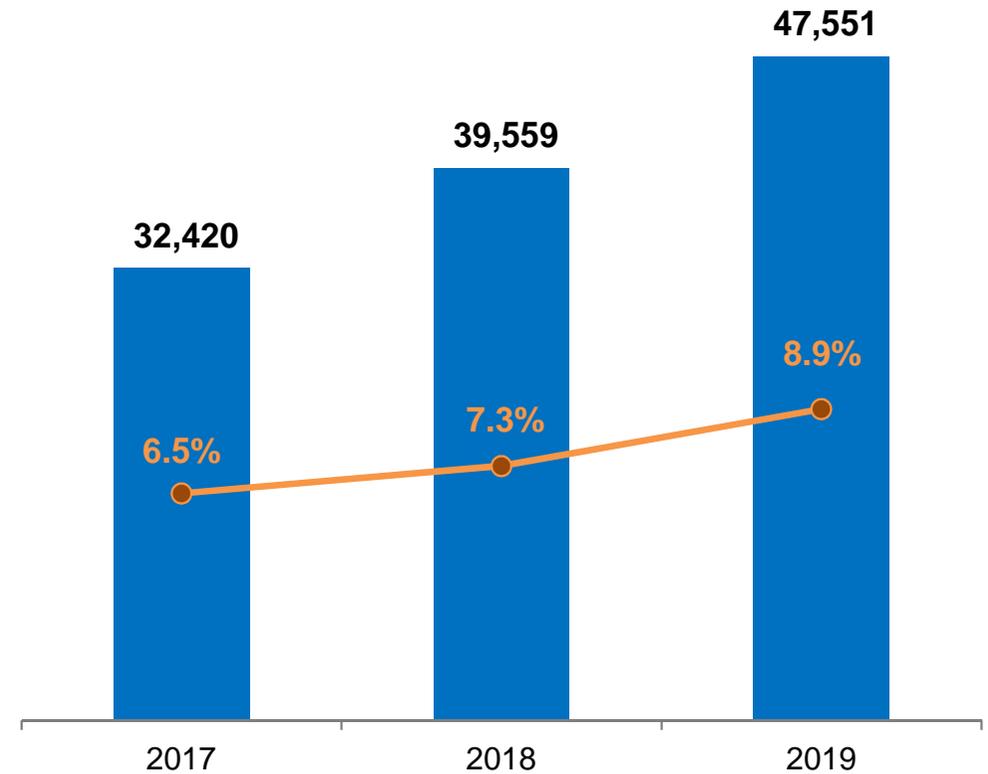
- CPP
- CPF



EBITDA

Unit: THB, m

— EBITDA Margin%



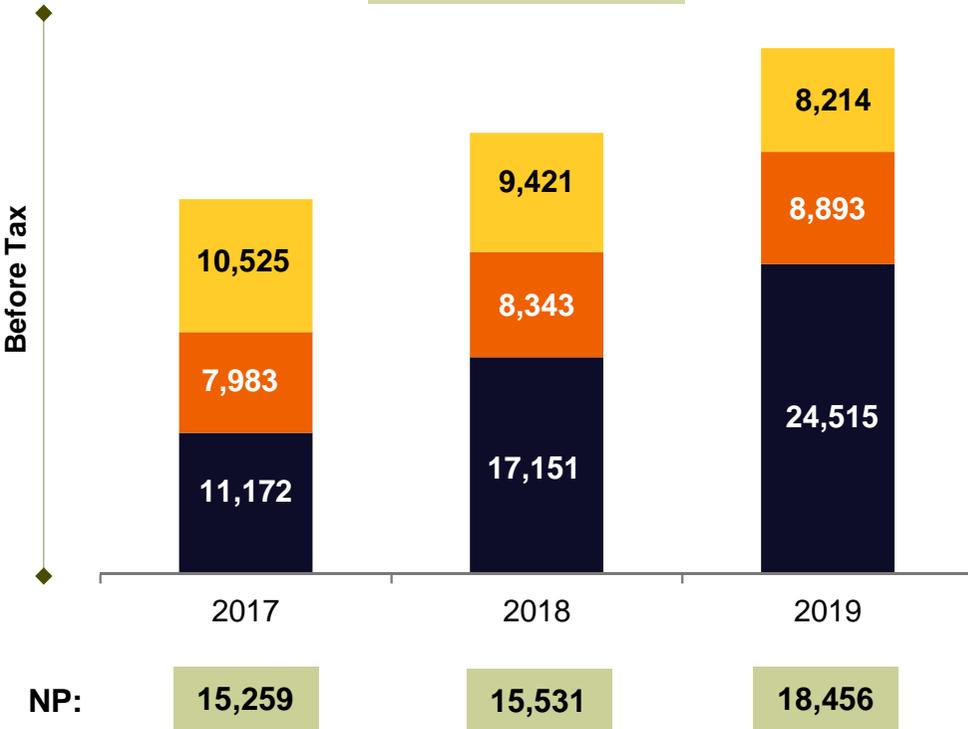
EBITDA = Revenue from Sales of Goods - Cost of Sales of Goods + Other Income - Selling Expense - Administrative Expense - Other Expense + Gain (Loss) from Foreign Exchange + Gain (Loss) on sales of property, plant & equipment + Depreciation & Amortization + Depreciation of biological asset

Net Profit

Unit: THB, m

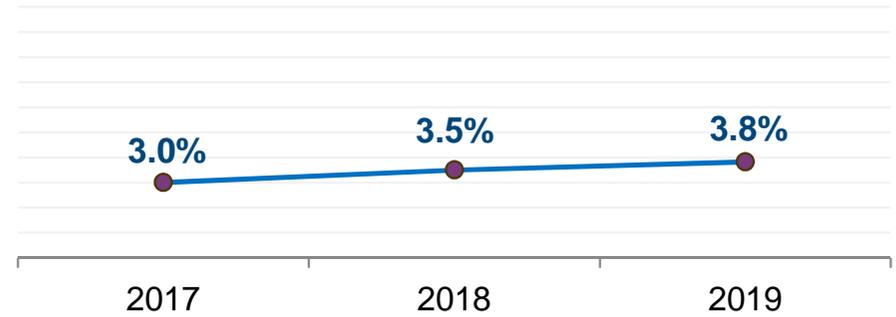
- Gain on fair value adjustment on investment in associates
- Divestment and Dividend
- Equity (Share in Profit of Associates)
- EBIT

CAGR +10%



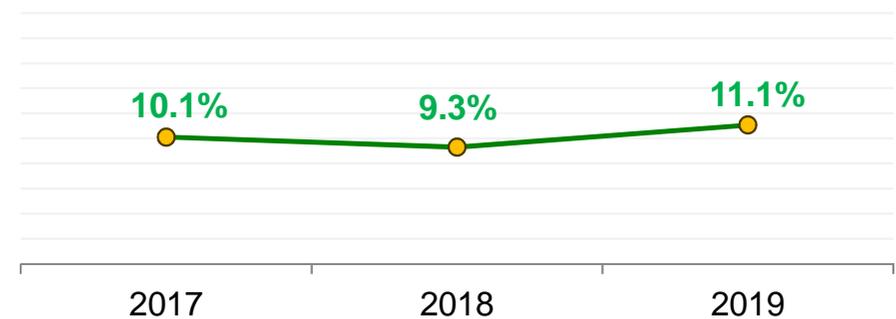
ROA & ROE

● ROA



ROA = Net Income (include Non-Controlling Interest) / Average Total Asset

● ROE



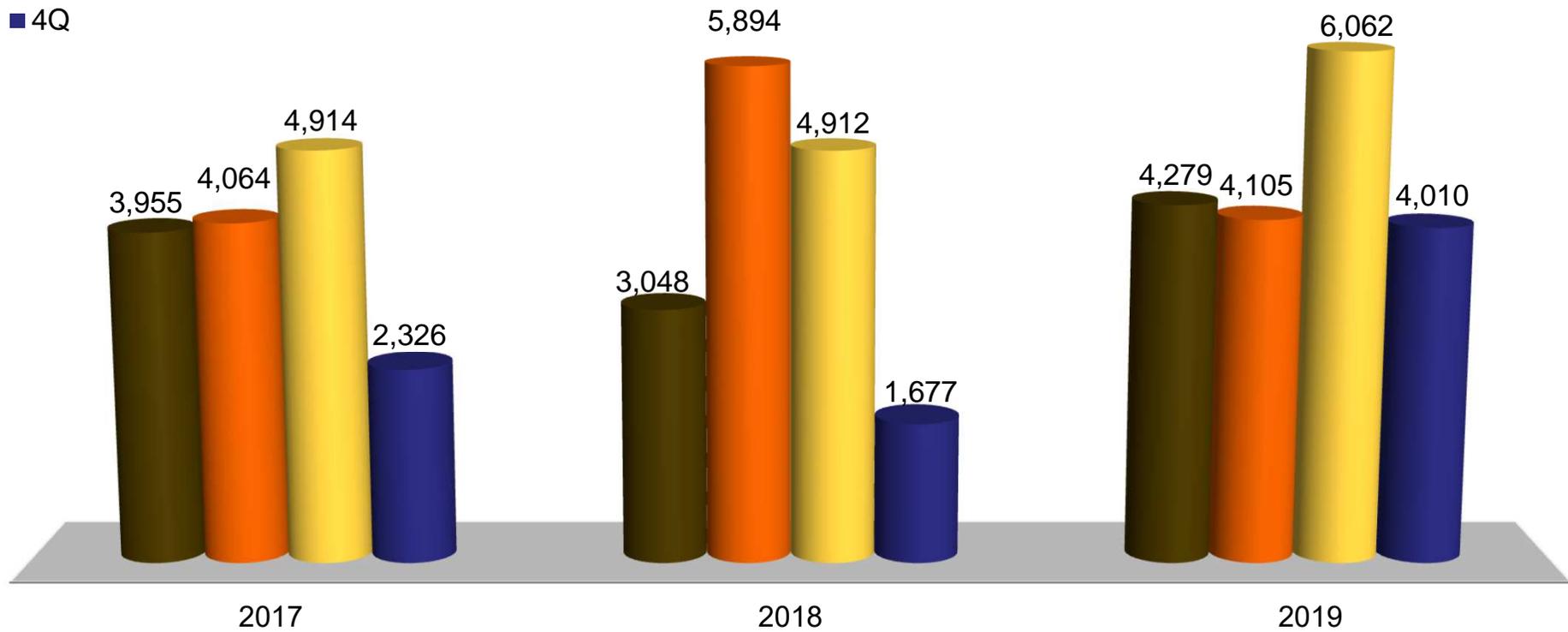
ROE = Net Income (Exclude Non-Controlling Interest) / Average Total Equity (Exclude Non-Controlling Interest)



Consolidated Net Profit - Quarterly

Unit : THB, m

- 1Q
- 2Q
- 3Q
- 4Q



Full Year:
Net Profit

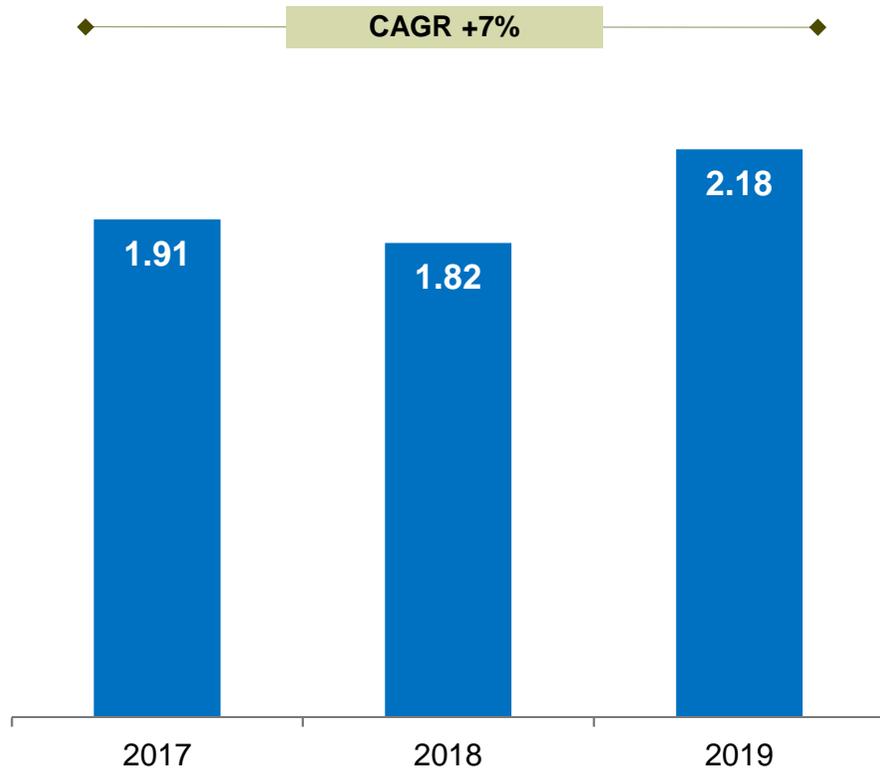
15,259

15,531

18,456

Earnings Per Share

Unit : THB Per Share

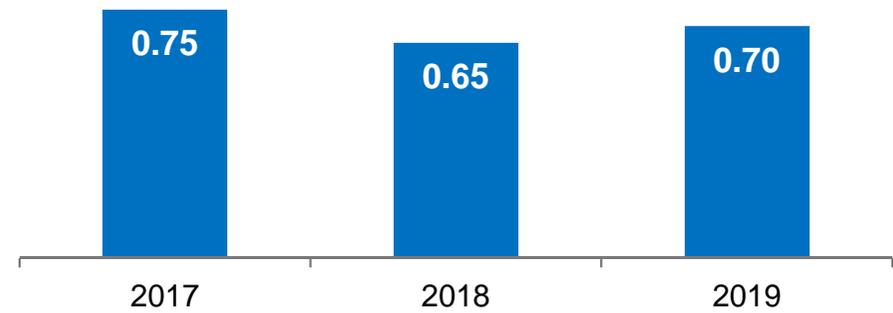


Dividends

Unit : THB Per Share

Dividend Policy

Semi-annually, not less than 30% of consolidated annual net profit



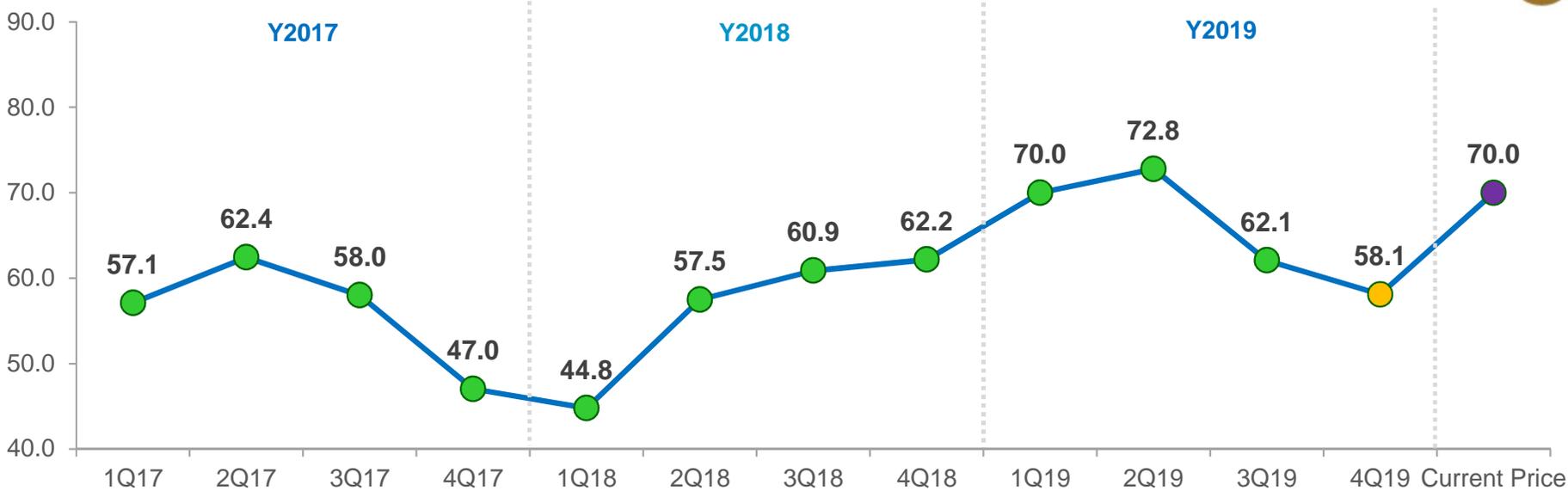
Appendix B: Products & Raw Materials Price Trend

Thailand's **Broiler** price (THB/kg)



Average Price		
Y17	Y18	Y19
35.8	30.2	33.2
% Chg	-16%	+10%

Thailand's **Pork** price (THB/kg)

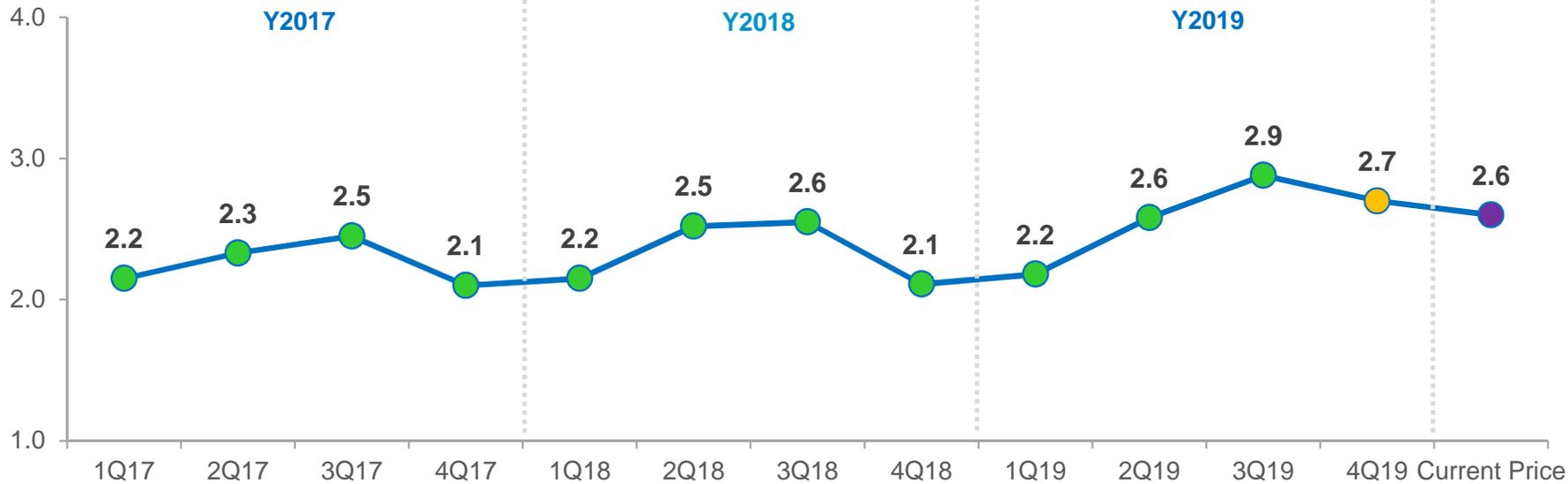


Average Price		
Y17	Y18	Y19
56.1	56.3	65.7
% Chg	0%	+17%

Thailand's Fresh Egg price (THB/piece)



Average Price		
Y17	Y18	Y19
2.3	2.3	2.6
% Chg	+3%	+11%

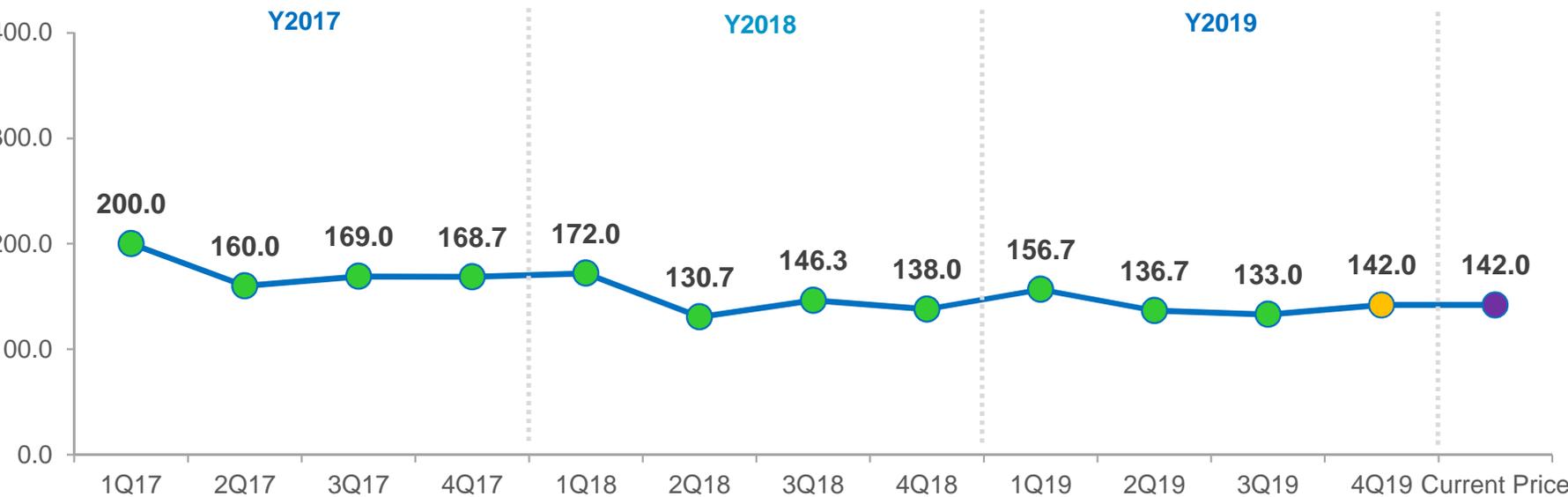


Thailand's White Shrimp price (THB/Kg)



Average Price		
Y17	Y18	Y19
175	147	142
% Chg	-16%	-3%

Size 70 pieces/kg





Average Raw Material Prices – Thailand

Thailand's Corn price (THB/kg)

Average Price

Y17	Y18	Y19
8.2	9.8	9.2
% Chg	+20%	-7%



Thailand's Soybean Meal price (THB/kg)

Average Price

Y17	Y18	Y19
15.9	16.5	14.7
% Chg	+4%	-11%

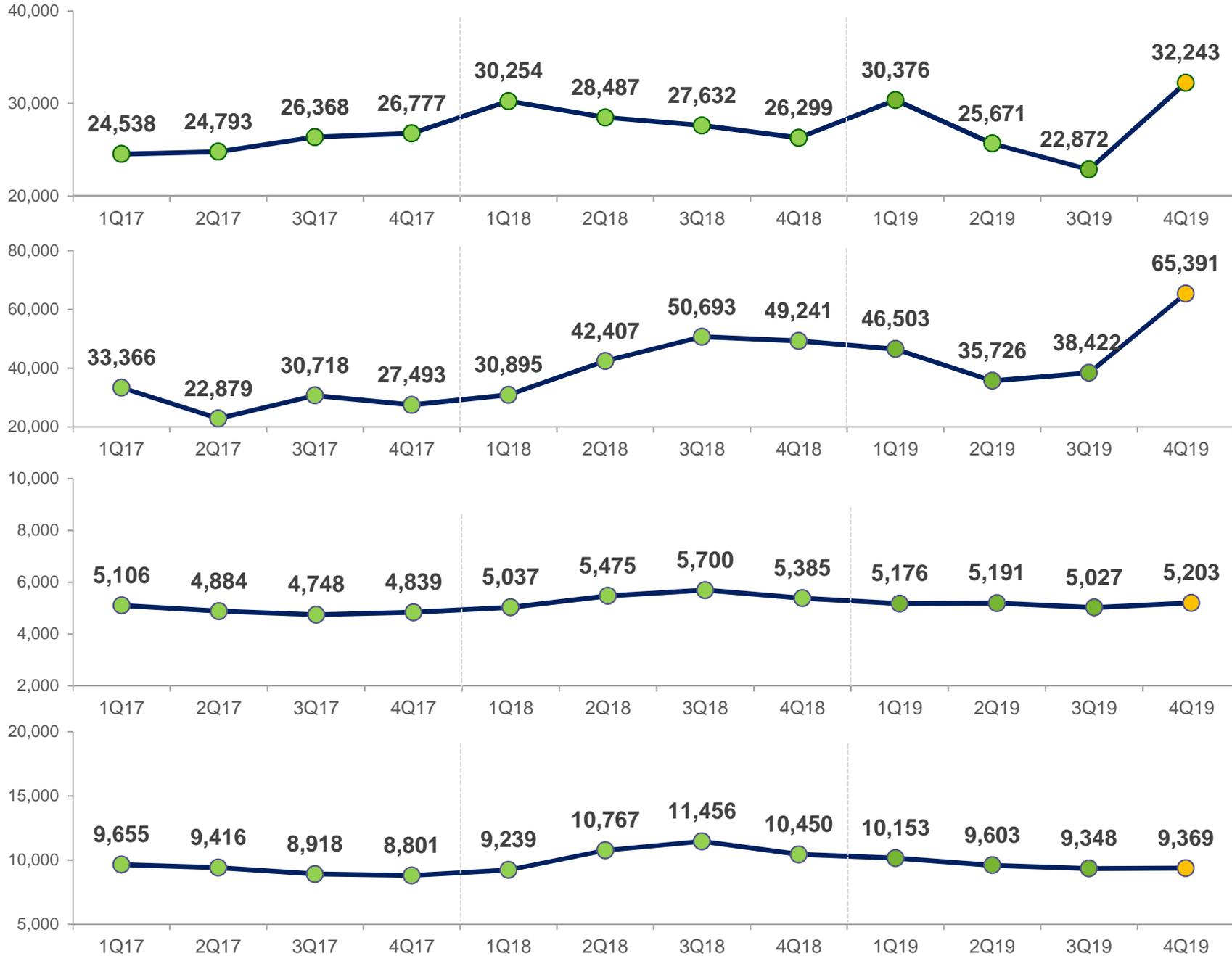


Thailand's Fishmeal price (THB/kg)

Average Price

Y17	Y18	Y19
32.8	41.0	28.4
% Chg	+25%	-31%



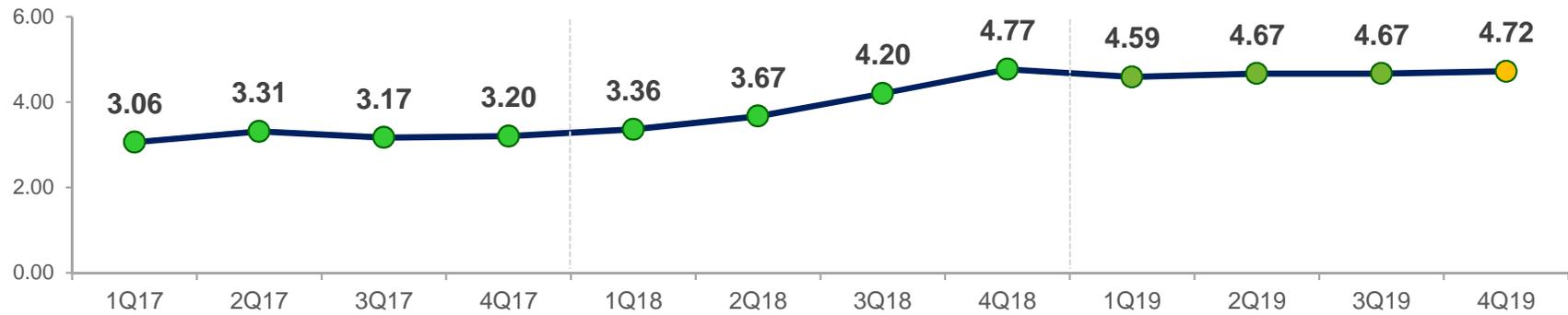


Broiler
(VND/kg)

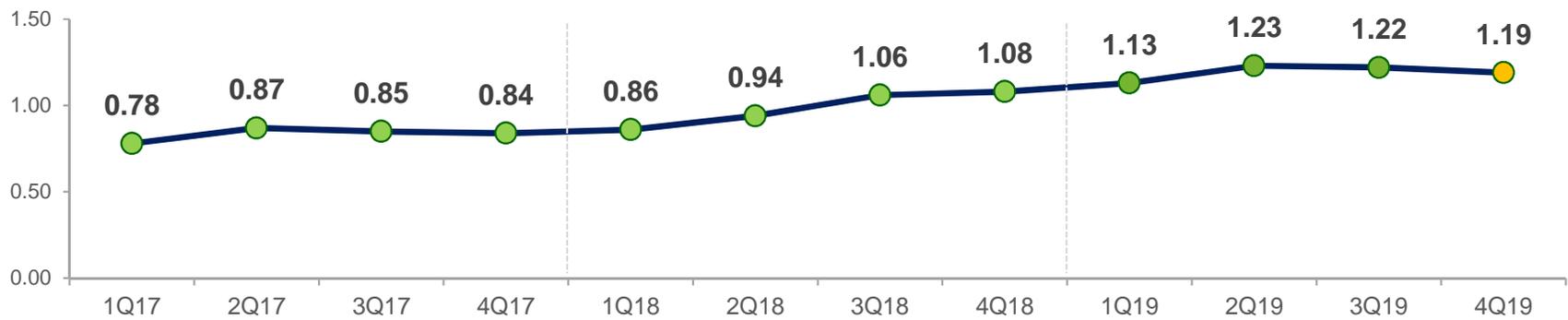
Swine
(VND/kg)

Corn
(VND/kg)

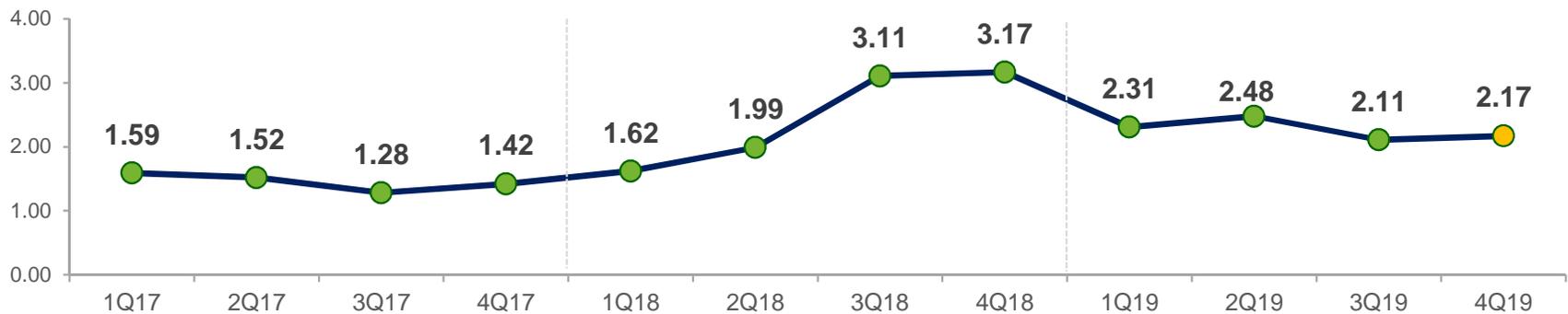
Soybean Meal
(VND/kg)



Broiler
(TRY/kg)



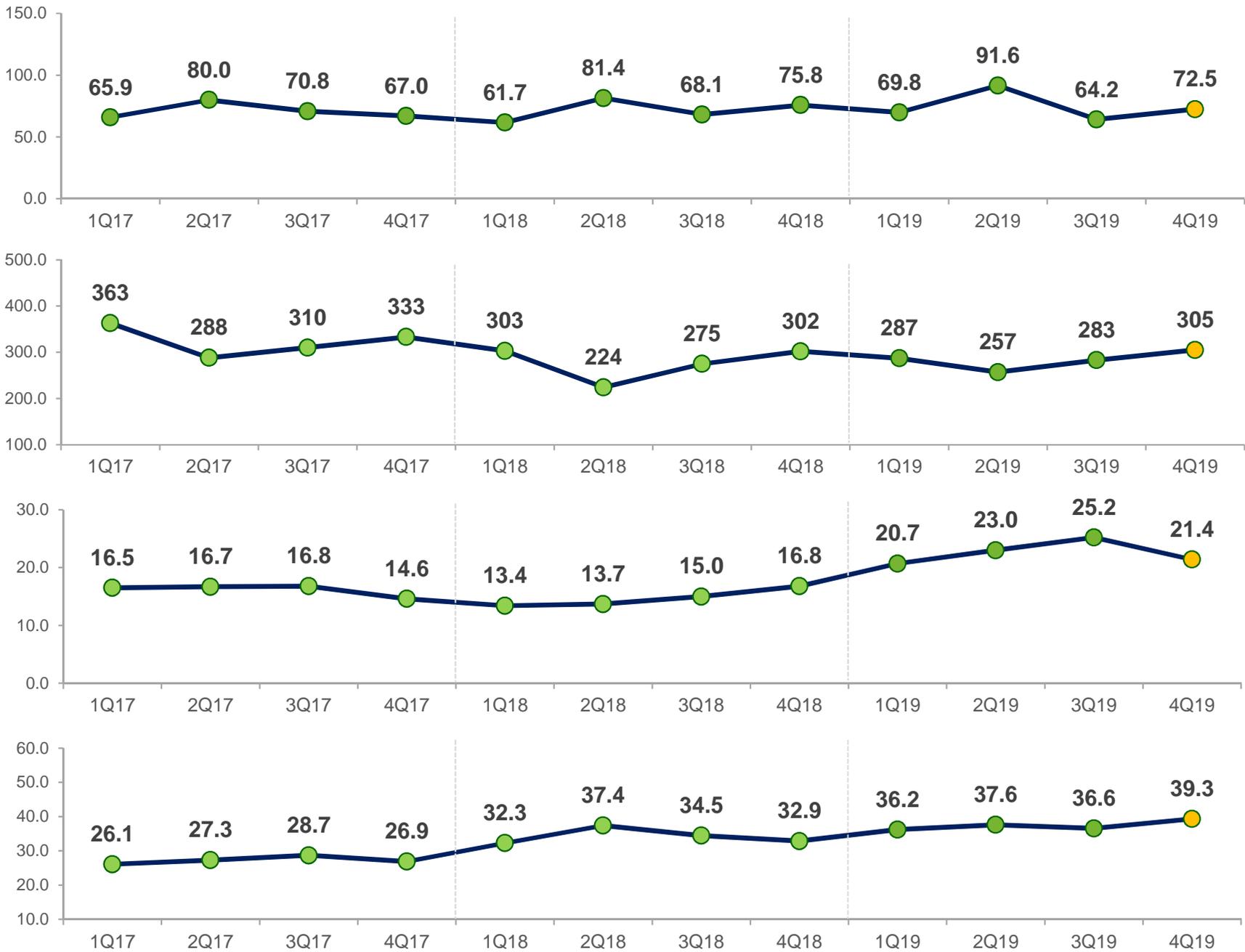
Corn
(TRY/kg)



Soybean Meal
(TRY/kg)



India: Average Market Price and Major Feed Raw Materials



Broiler
(INR/kg)

Shrimp(60 pieces)
(INR/kg)

Corn
(INR/kg)

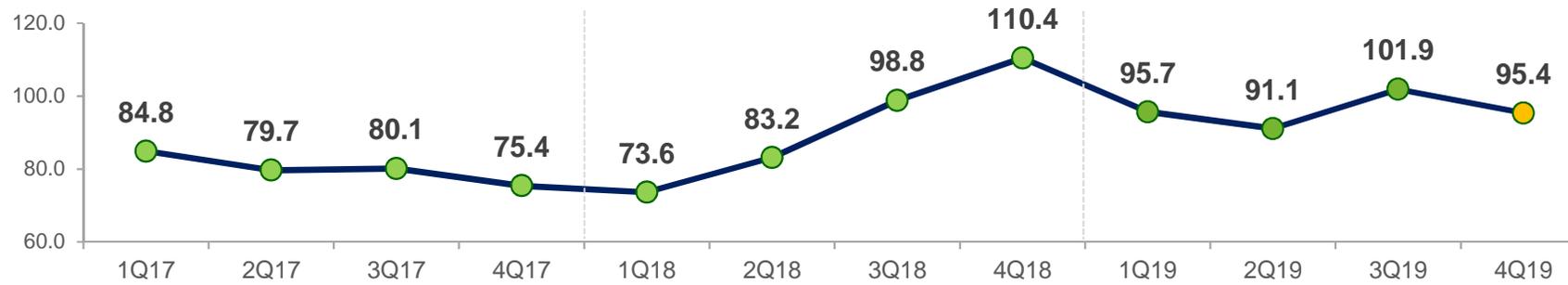
Soybean Meal
(INR/kg)

Source: CPF

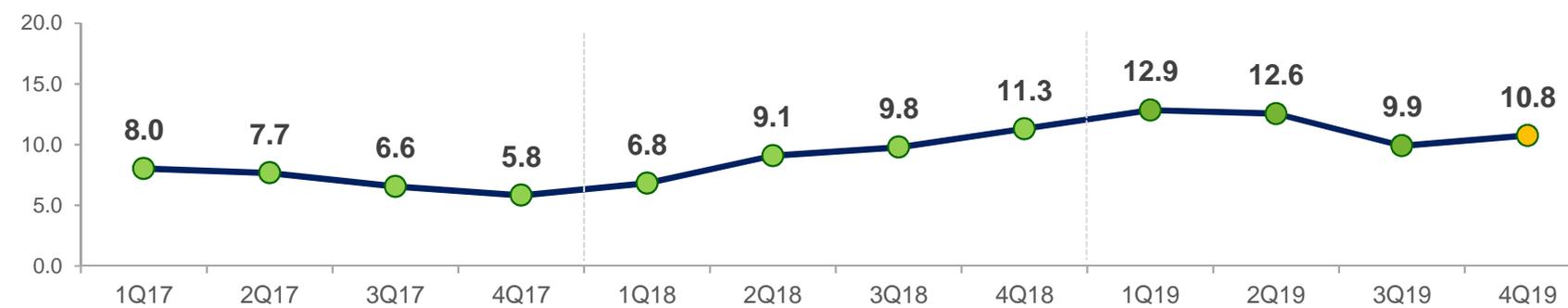
INR 1 = THB 0.44



Swine
(RUB/kg)



Broiler
(RUB/kg)



Wheat
(RUB/kg)



Soybean Meal
(RUB/kg)

Appendix C: Highlights: 4Q19 results

Consolidated Revenue (THB millions)

-2%Y-o-Y

143,676

140,794

4Q18

4Q19

Gross Profit (THB millions)

+22%Y-o-Y

18,110

22,083

4Q18

4Q19

Net Profit (THB millions)

+139%Y-o-Y

1,677

4,010

4Q18

4Q19

Consolidated sales ▼ 2% Y-o-Y

Gross profit margin

4Q18 12.6%

4Q19 15.7%

▲ 3.1%

Net profit margin

4Q18 1.2%

4Q19 2.8%

▲ 1.7%

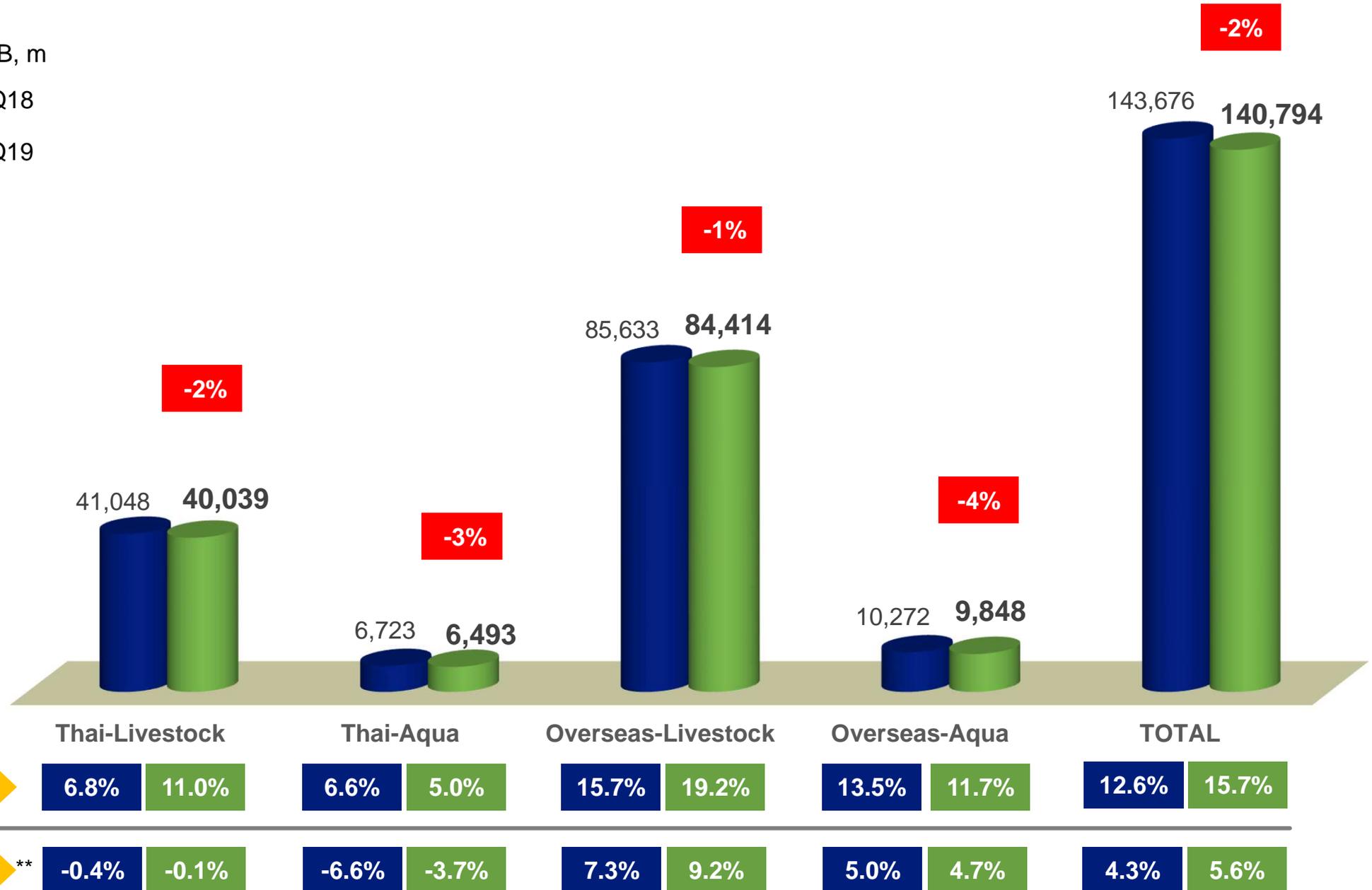


4Q19: Sales & Gross Profit Margin by Business

In THB, m

■ 4Q18

■ 4Q19



** Exclude gain/loss from fair value adjustment of biological assets



4Q19: Consolidated Sales Structure by Business

Sales Breakdown

	Livestock			Aquaculture			Total		
	4Q18	4Q19	%Change	4Q18	4Q19	%Change	4Q18	4Q19	%Change
Thailand	41,048	40,039	-2%	6,723	6,493	-3%	47,771	46,532	-3%
<i>Domestic</i>	34,474	31,935	-7%	5,083	4,852	-5%	39,557	36,787	-7%
<i>Export</i>	6,574	8,104	23%	1,640	1,641	0%	8,214	9,745	19%
China	35,944	32,879	-9%	1,319	1,047	-21%	37,263	33,926	-9%
Vietnam	18,207	21,891	20%	3,583	3,732	4%	21,790	25,623	18%
Others	31,482	29,644	-6%	5,370	5,069	-6%	36,852	34,713	-6%
Total	126,681	124,453	-2%	16,995	16,341	-4%	143,676	140,794	-2%
		▼			▼			▼	
% of Total Sales	88%	88%		12%	12%		100%	100%	



4Q19: Consolidated Sales by Products

Sales Breakdown by Products

	Feed			Farm			Food			Total		
	4Q18	4Q19	%Change	4Q18	4Q19	%Change	4Q18	4Q19	%Change	4Q18	4Q19	%Change
Thailand	12,437	9,695	-22%	22,810	23,608	3%	12,524	13,229	6%	47,771	46,532	-3%
<i>Domestic</i>	12,419	9,682	-22%	20,857	20,987	1%	6,281	6,118	-3%	39,557	36,787	-7%
<i>Export</i>	18	13	-28%	1,953	2,621	34%	6,243	7,111	14%	8,214	9,745	19%
China	29,393	24,243	-18%	5,668	6,580	16%	2,202	3,103	41%	37,263	33,925	-9%
Vietnam	7,594	6,166	-19%	13,501	18,525	37%	695	932	34%	21,790	25,623	18%
Others	8,589	8,314	-3%	17,282	16,901	-2%	10,981	9,497	-14%	36,852	34,713	-6%
Total	58,013	48,419	-17%	59,261	65,614	11%	26,402	26,761	1%	143,675	140,794	-2%

Appendix D: Group of CPP's Associate Companies & Joint Ventures



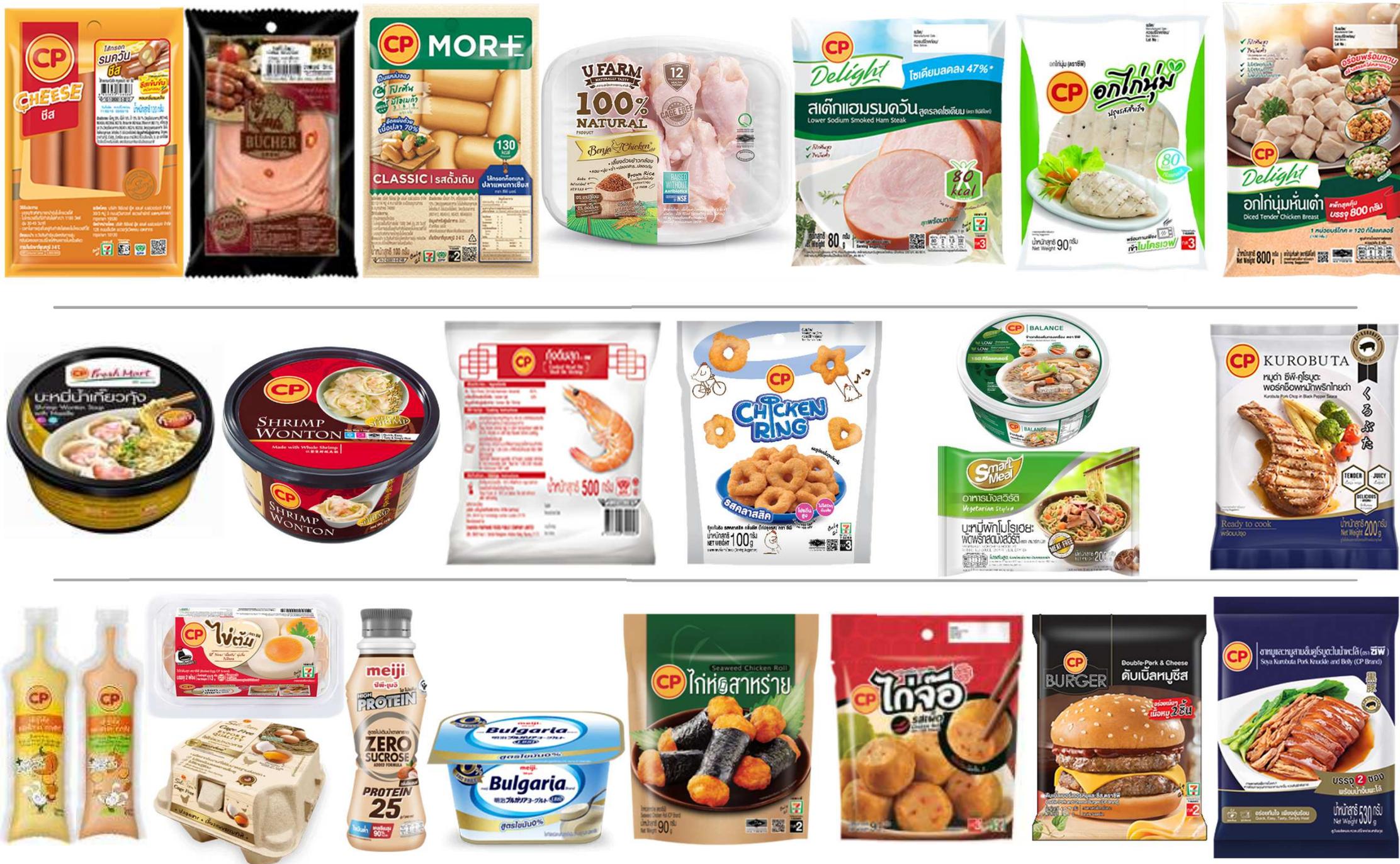
Group of CPP's Associate Companies & Joint Ventures

As of December 31, 2019

No.	Associates	Type of Business	Direct and Indirect Interest (%)
1	Chia Tai (Cixi) Investment Mangement Ltd.	Provision of Consulting service on economic and trade	25.78
2	Conti Chia Tai International Ltd.	Production and sale of animal feed	25.78
3	Ningxia Xiao Ming Animal Husbandary Co., Ltd.	Production and sale of commercial layer chicks	8.29
4	Qingdao Yi Bang Bio-Engineering Co., Ltd.	Production and sale of animal vaccines	6.19
5	Zhan Jiang Deni Carburetor Co., Ltd.	Motorcycle carburetor and auto parts production and distribution	14.12
6	Cixi Zhuda Investment Center (Limited Partnetship)	Investment	0.52

No.	Joint Ventures	Type of Business	Direct and Indirect Interest (%)
1	Beijing Chia Tai Feedmill Co., Ltd.	Production and sale of animal feed	25.78
2	ECI Metro Investment Co., Ltd.	Investment and trade of machinery and spare parts	25.21
3	Handan Chia Tai Feed Co., Ltd.	Production and sale of animal feed	25.78
4	Henan East Chai Tai Co., Ltd.	Production and sale of animal feed	25.78

Appendix E: Product Samples & Retail Outlet Formats



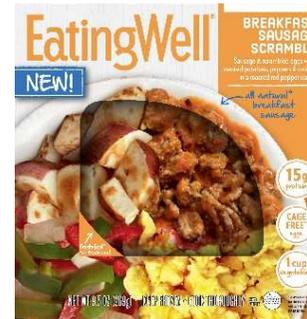


Food Retail Products





Food Retail Products





More
Than
5,000
Outlets

Vietnam

India

Cambodia

Laos

Philippines





188 Outlets





322 Stores



Food World

21 Stores



CHOZEN NOODLE

23 Kiosks



8 Branches



5 Branches



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