



Charoen Pokphand Foods Plc.

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CP ซีกฟิงเกอร์
สวีทคอสัน

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CP

2014

RESULTS BRIEFING

February 27, 2015

- **Business Overview**
- **2014 Results Briefing**
- **Financial Highlights**
- **Future Plan**





- A leading global integrated agro-industrial and food company
- Well-diversified portfolio with exports to 40 countries and operations in 14 countries catered to 3 billion population
- Capture strong growth opportunity in emerging markets
- Build key presence in developed markets and diversifying business lines
- Financial flexibility
- Stakeholders priorities



Vision : Kitchen of the World

Position

- One of the World's leading listed animal feed manufacturers
- One of the World's leading listed swine producers and shrimp integrated businesses
- Member of “**SET50**”, Ticker “**CPF**” under Agro-Industrial & Food Sector
- Ranked **1,414th** in **Y2014 Forbes Global 2000** list of the World's Biggest Company
- 3 Listed Investments (HKSE:00043, TWSE: 1215, SET:CPALL)
- 16 Series of Debentures listed on Thai Bond Market Association “TBMA”

Highlights

Market Cap : THB 181,748 million or ~USD5.5 billion

(as of February 26, 2014)

FY14 Sales : THB426 billion or ~USD 13.0 billion

Capital : 7,743 million shares (paid-up),
par value of THB.1.00 per share

Operations : 35% Thailand-Domestic
6% Thailand-Export

Book Value : THB22.19 per share (as of December 31, 2014)

59% International

Shareholders : Charoen Pokphand Group Ltd. 43.72%
of Paid-Up Capital (as of August 29, 2014)

Business : 84% Livestock / 16% Aquaculture

Credit Rating : “AA-” with “Negative” Outlook (as of June 20, 2014) **Product** : 53% Feed / 35% Farm / 12% Food

Note: USD1 = THB 32.80 (as of February 26, 2014)

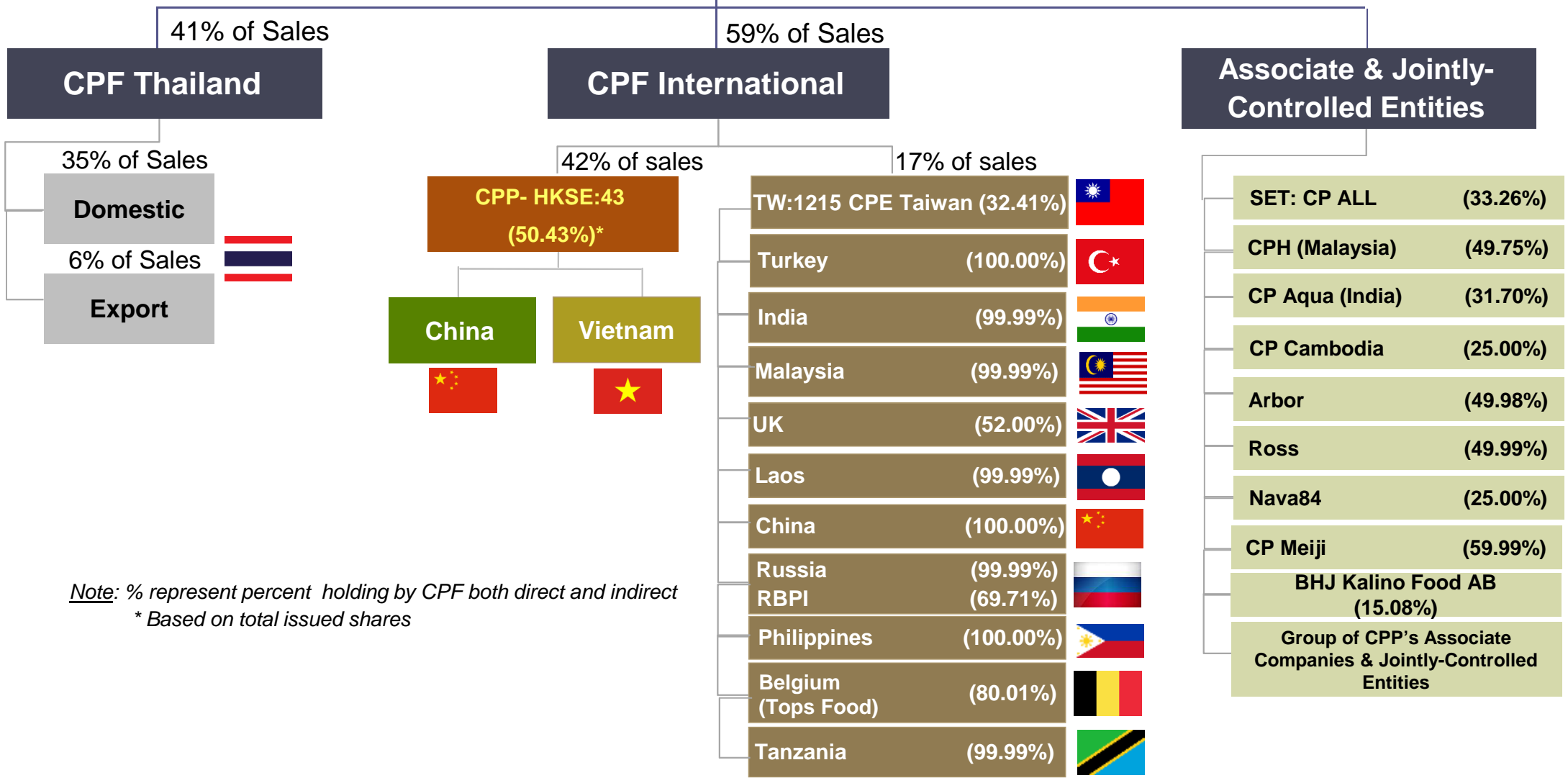


CPF Operational Structure

CPF
(Consolidated)



2014 : Sales: THB 426,039 m
Net Profit: THB 10,562 m

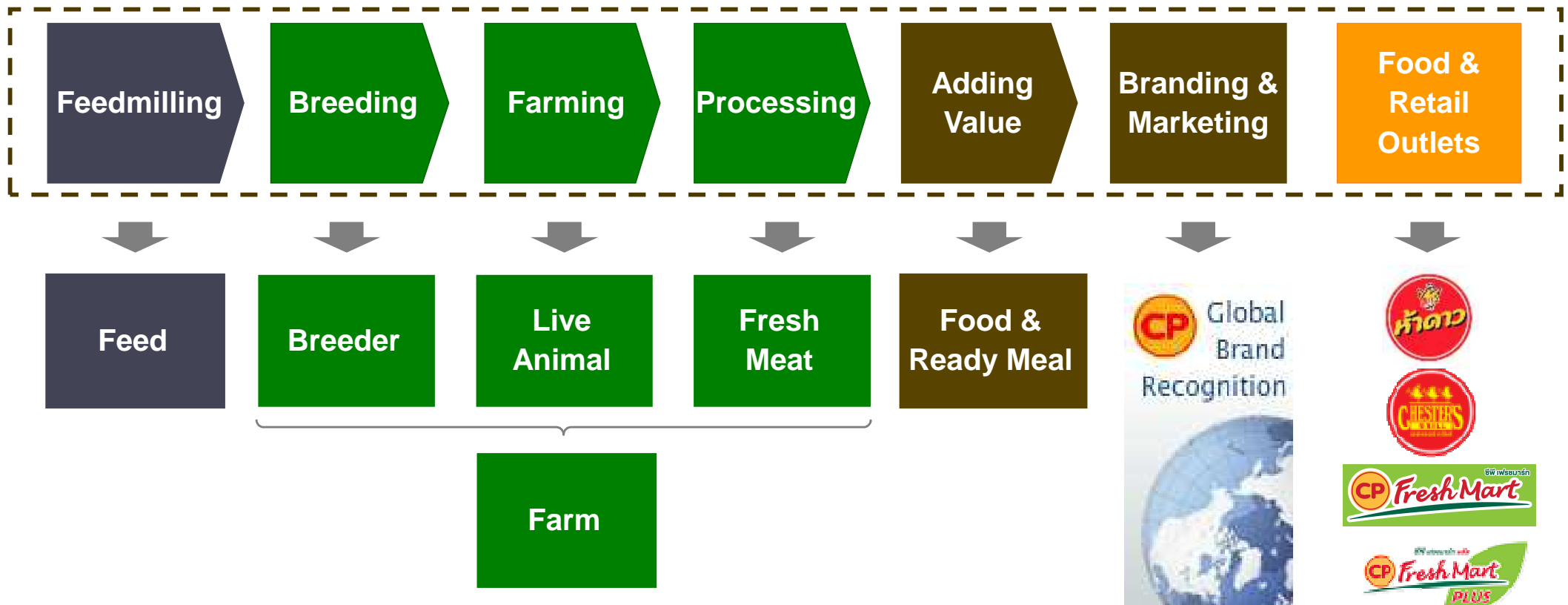


*Note: % represent percent holding by CPF both direct and indirect
* Based on total issued shares*



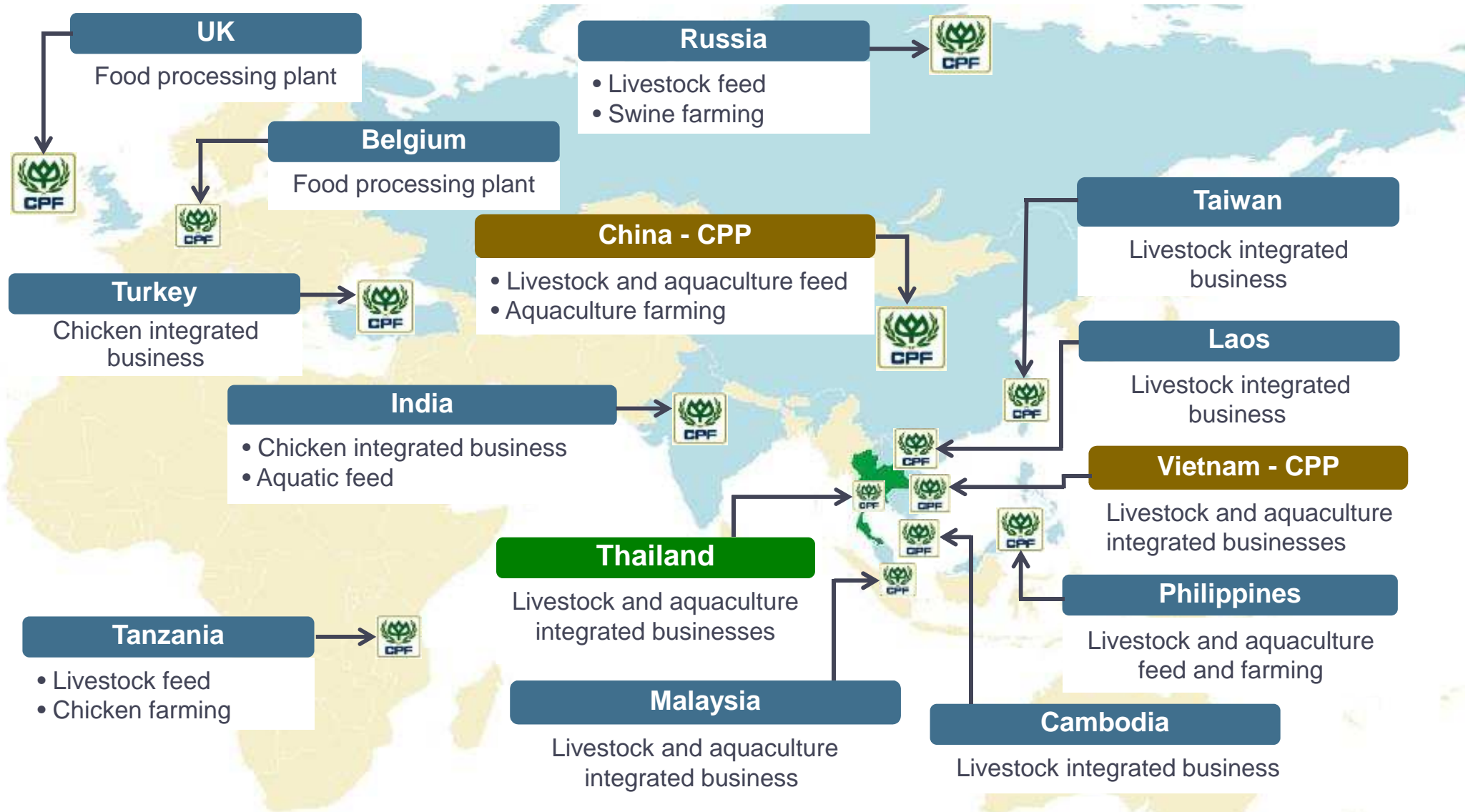
Vertically Integrated Business Model

Integrated operating platform for safety & quality control
Livestock (Broiler, Layer, Swine, Duck) and aquaculture (Shrimp & Fish)





CPF Leading Footprints



- Operations and investment in 14 countries catered to > 3 billion population
- Export to more than 40 countries across 5 continents with 17 representative offices



Challenges

- Managing shrimp recovery against EMS disease

Latest Activities

Finance

- Issued 0.5% exchangeable bonds (“EB”) on Jan 15, 2014 (USD 290.4 m, EB due 2019)

Acquisition

- Acquired 80.02% stake in Tops Foods, Belgium on Jan 20, 2014 (THB 408 m)
- Acquired 15.08% BHJ Kalino Food AB, Sweden on Mar 6, 2014 (approx. THB 25 m)
- Acquired Hefei Chia Tai on Mar 13, 2014 (approx. USD 36.4 m)
- Acquired Kaifeng Chia Tai on Aug 5, 2014 (approx. USD 49.5 m)
- Announcing the 75% acquisition of C.P. Cambodia on Feb 27, 2015 (approx. THB 2,850 m)

Divestment

- Divested Rapid Thrive (Luoyang) on July 10, 2014 (approx. THB 1,586 m)
- Divested 25% stake in CPP (43:HK) on Sep 18, 2014 (approx. THB 27,397 m)

Others

- Proposed the spin-off and separate listing of biochemical business and interests in industrial business on the Main Board of the HKSE (Jun 30, 2014)



- Revenue increased 9% y-o-y to THB 426,039m in 2014
- Gross Profit increased 47% y-o-y to THB 57,279m in 2014, Gross profit margin increased from 10.0% in 2013 to 13.4% in 2014 due to improvement from the livestock farming operations in Thailand and Vietnam
- EBITDA increased 111% y-o-y from THB 13,039m in 2013 to THB 27,487m in 2014. (EBITDA margin improved from 3.3% in 2013 to 6.5% in 2014)
- Net profit increased 49% y-o-y from THB 7,065m to THB 10,562m in 2014. (Net profit margin improved from 1.8% in 2013 to 2.5% in 2014)

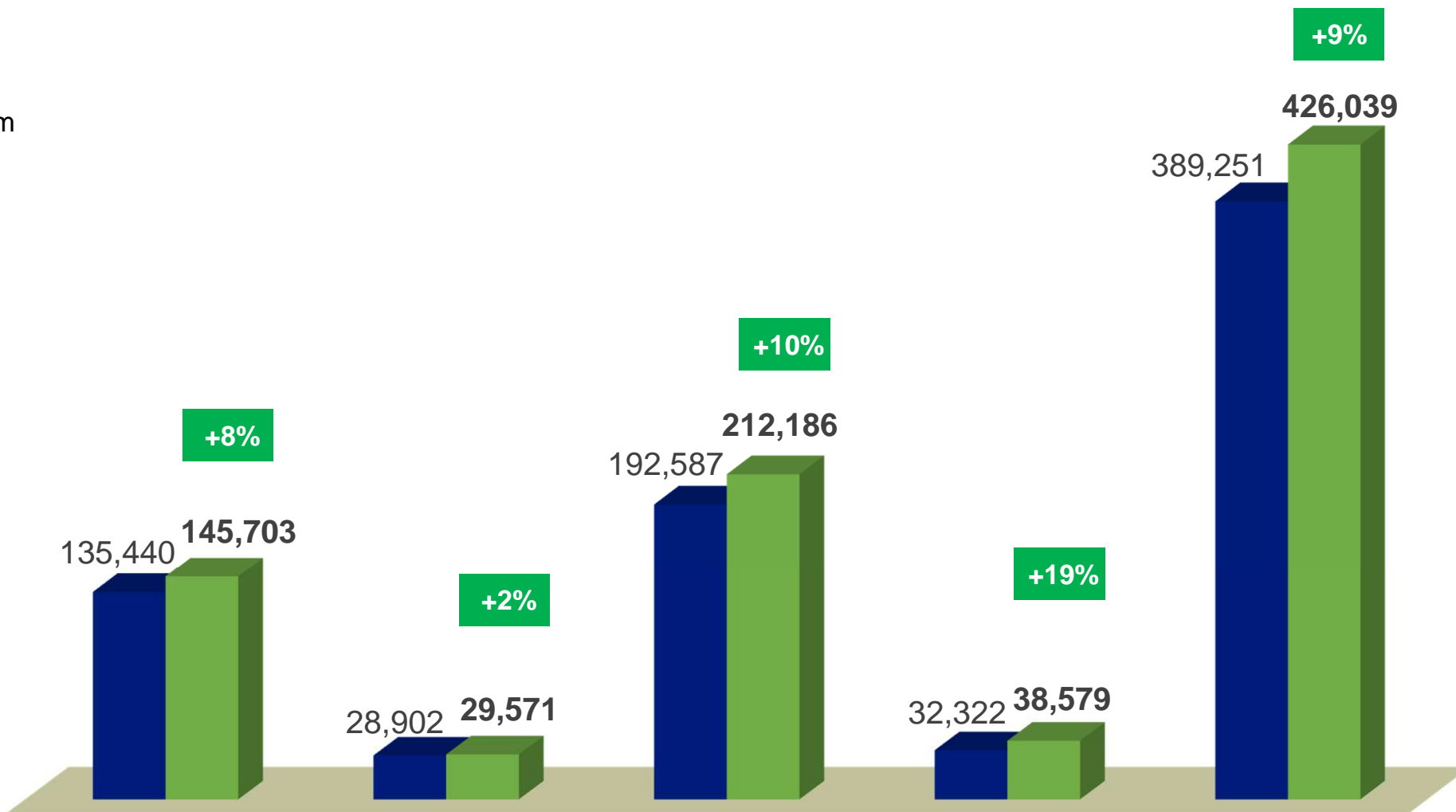


2014: Sales & Gross Profit Margin by Business

In THB, m

■ 2013

■ 2014



Thai-Livestock

Thai-Aqua

Overseas-Livestock

Overseas-Aqua

TOTAL

GPM

12.0% 15.9%

-6.3% -3.3%

11.6% 14.7%

6.1% 9.8%

10.0% 13.4%

OPM

4.2% 7.4%

-14.5% -12.0%

3.2% 5.6%

-0.6% 3.6%

1.9% 4.8%



Sales Breakdown

	2013	% to Sales	2014	% to Sales	% Change
Thailand	164,342	42%	175,274	41%	7%
<i>Domestic</i>	134,362	35%	148,288	35%	10%
<i>Export</i>	29,980	8%	26,986	6%	-10%
China	110,735	28%	115,593	27%	4%
Vietnam	54,796	14%	64,941	15%	19%
Others	59,378	15%	70,231	17%	18%
Total	389,251	100%	426,039	100%	9%



2014: Consolidated Sales Structure by Business

Sales Breakdown

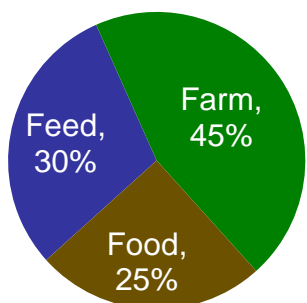
	Livestock			Aqualculture			Total		
	2013	2014	%Change	2013	2014	%Change	2013	2014	%Change
Thailand	135,440	145,703	8%	28,902	29,571	2%	164,342	175,274	7%
<i>Domestic</i>	117,028	125,778	7%	17,334	22,510	30%	134,362	148,288	10%
<i>Export</i>	18,412	19,925	8%	11,568	7,061	-39%	29,980	26,986	-10%
China	100,236	104,676	4%	10,499	10,917	4%	110,735	115,593	4%
Vietnam	45,668	53,215	17%	9,128	11,727	28%	54,796	64,941	19%
Others	46,683	54,295	16%	12,695	15,936	26%	59,378	70,231	18%
Total	328,027	357,889	9%	61,224	68,150	11%	389,251	426,039	9%



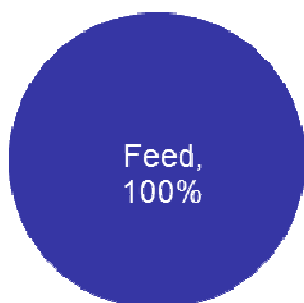
2014: Consolidated Sales by Products

Sales Breakdown by Products

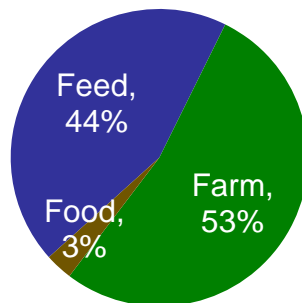
	Feed			Farm			Food			Total		
	2013	2014	%Change	2013	2014	%Change	2013	2014	%Change	2013	2014	%Change
Thailand	51,243	51,850	1%	69,922	79,212	13%	43,177	44,212	2%	164,342	175,274	7%
<i>Domestic</i>	50,870	51,597	1%	63,282	74,115	17%	20,210	22,576	12%	134,362	148,288	10%
<i>Export</i>	373	253	-32%	6,640	5,097	-23%	22,967	21,636	-6%	29,980	26,986	-10%
China	110,735	115,593	4%	0	0	0%	0	0	0%	110,735	115,593	4%
Vietnam	26,245	28,227	8%	27,421	34,609	26%	1,130	2,105	86%	54,796	64,941	19%
Others	27,368	29,628	8%	28,162	35,427	26%	3,848	5,176	35%	59,378	70,231	18%
Total	215,591	225,298	5%	125,505	149,248	19%	48,155	51,493	7%	389,251	426,039	9%



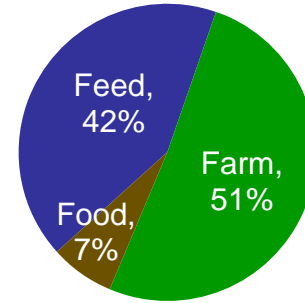
2014 Thailand



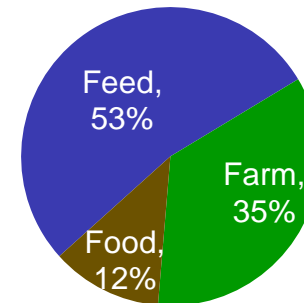
2014 China



2014 Vietnam



2014 Others



2014 Total



2014: Consolidated Income Statement Highlight

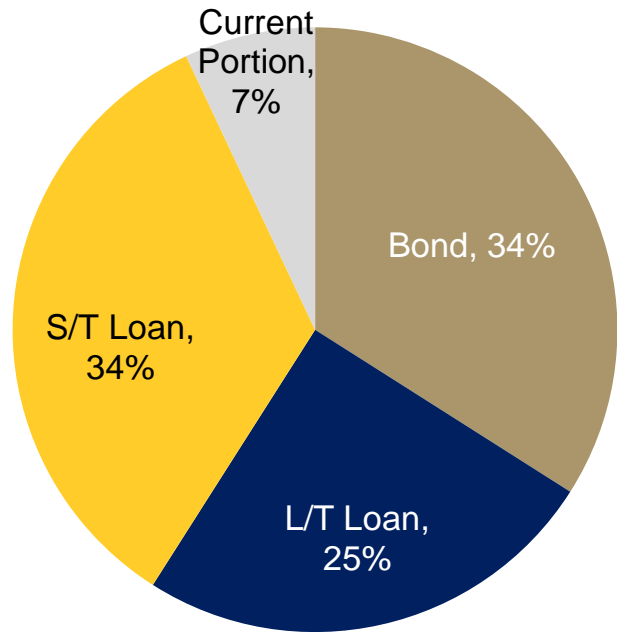
	Quarter 1		Quarter 2		Quarter 3		Quarter 4			2014		
	2013	2014	2013	2014	2013	2014	2013	2014	%Chg.	2013	2014	%Chg.
Net sales	87,424	98,122	93,194	105,834	105,268	112,390	103,365	109,693	6%	389,251	426,039	9%
Gross Profit Margin (%)	9.0%	13.4%	8.5%	14.0%	10.8%	14.3%	11.3%	12.1%		10.0%	13.4%	
EBITDA	1,743	6,414	1,830	7,817	4,965	8,430	4,501	4,826	7%	13,039	27,487	111%
EBITDA Margin	2.0%	6.5%	2.0%	7.4%	4.7%	7.5%	4.4%	4.4%		3.3%	6.5%	
EBIT	(213)	3,949	(212)	5,365	2,726	5,922	2,194	2,286	4%	4,495	17,522	290%
EBIT Margin	-0.2%	4.0%	-0.2%	5.1%	2.6%	5.3%	2.1%	2.1%		1.2%	4.1%	
Share in Profit of Associates	1,398	1,369	1,197	1,265	1,296	1,209	1,056	1,026	-3%	4,947	4,869	-2%
Financial Costs	(1,600)	(2,332)	(2,302)	(1,803)	(2,142)	(2,346)	(1,893)	(2,399)	27%	(7,937)	(8,880)	12%
Income Taxes Expense	(281)	(792)	154	(1,174)	419	(1,219)	(425)	(464)	9%	(133)	(3,649)	2,644%
NET PROFIT	1,026	2,050	1,636	3,546	2,649	4,158	1,754	808	-54%	7,065	10,562	49%

EPS (THB)	0.14	0.28	0.22	0.48	0.36	0.56	0.24	0.11		0.96	1.43	
# of capital shares *	7,388	7,388	7,388	7,388	7,388	7,388	7,388	7,388		7,388	7,388	
Paid-Up Capital	7,743	7,743	7,743	7,743	7,743	7,743	7,743	7,743		7,743	7,743	
Dividend (THB/Share)										0.50	0.75	

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



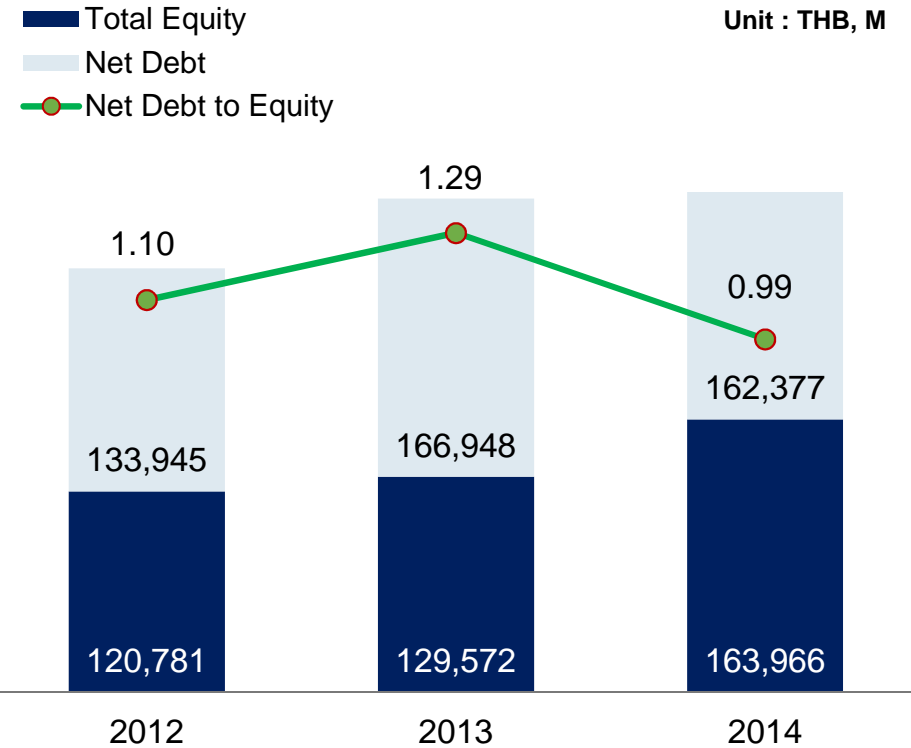
Interest Bearing Debt : THB 195,929 m



Cost of Debts	2012	2013	2014
	4.82%	4.65%	4.41%

Bond Rating "AA-" with "Negative" Outlook by Tris Rating Co., Ltd

Net Debt to Equity



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

Target Growth



Key Drivers

- Gradual improvement of shrimp business
- Expansion of existing international operations
- Higher export volume for Thailand uncooked meat (e.g. Japan, Russia, South Korea, Philippines)
- Mergers and Acquisitions (M&A)

Investment

- 5Yr Capex of THB 50,000 million (excluding CPP) ; cautiously investment for growth
 - **Thailand** : add on value to existing businesses
 - **International** : diversification & market expansion



5-Year Mission

- Increase return by growing value added businesses
- Synergize new investments with existing core operations
- Capitalize growth opportunity in emerging markets
- Strengthen  brand and expand retail-food business
- Build transparent corporate governance
- Moving towards sustainability

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