



Charoen Pokphand Foods Plc.



CP FOODS TO
ENRICH LIFE

1H

2015

RESULTS BRIEFING

➤ August 13, 2015

- **Business Overview**
- **1H15 Results Briefing**
- **Financial Highlights**
- **Future Plan**





CPF Investment Highlights

- 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
- 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



Company Facts (as of June 30, 2015)

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 **1,454th** in **Y2015 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 152,193 million or ~USD4.3 billion
(as of August 11, 2015)

FY14 Sales : THB426 billion or ~USD 12.1 billion

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

Operations : 35% Thailand-Domestic
6% Thailand-Export
59% International

Book Value : THB15.93* per share (as of June 30, 2015)

Shareholders : Charoen Pokphand Group Ltd. 46.78%
of Paid-Up Capital (as of May 6, 2015)

Business : 84% Livestock / 16% Aquaculture

Credit Rating : “A+” with “Stable” Outlook (as of July 29, 2015)

Product : 53% Feed / 35% Farm / 12% Food

Note: USD1 = THB 35.17 (as of August 11, 2015)

* Exclude Non-Controlling Interests (NCI)



CPF Operational Structure

CP 1H15 : Results Briefing

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1H15 : Sales: THB 199,902 m

Net Profit: THB 5,939 m

40% of Sales

60% of Sales

CPF Thailand

34% of Sales

Domestic

6% of Sales

Export

CPF International

42% of sales

18% of sales

CPP- HKSE:43

(50.43%)*

25% of sales

China



17% of sales

Vietnam



Turkey

(100.00%)



TW:1215 CPE Taiwan

(32.67%)



India

(99.99%)



CP Cambodia

(100.00%)



Malaysia

(99.99%)



UK

(52.00%)



Russia

(99.99%)



RBPI

(69.70%)



Philippines

(99.99%)



Laos

(99.99%)



China

(100.00%)



**Belgium
(Tops Food)**

(80.02%)



Tanzania

(99.99%)



Associate & Jointly-Controlled Entities

SET: CP ALL

(32.14%)

CPH (Malaysia)

(49.75%)

CP Aqua (India)

(31.70%)

Arbor

(49.98%)

Ross

(49.99%)

Nava84

(25.00%)

CP Meiji

(59.99%)

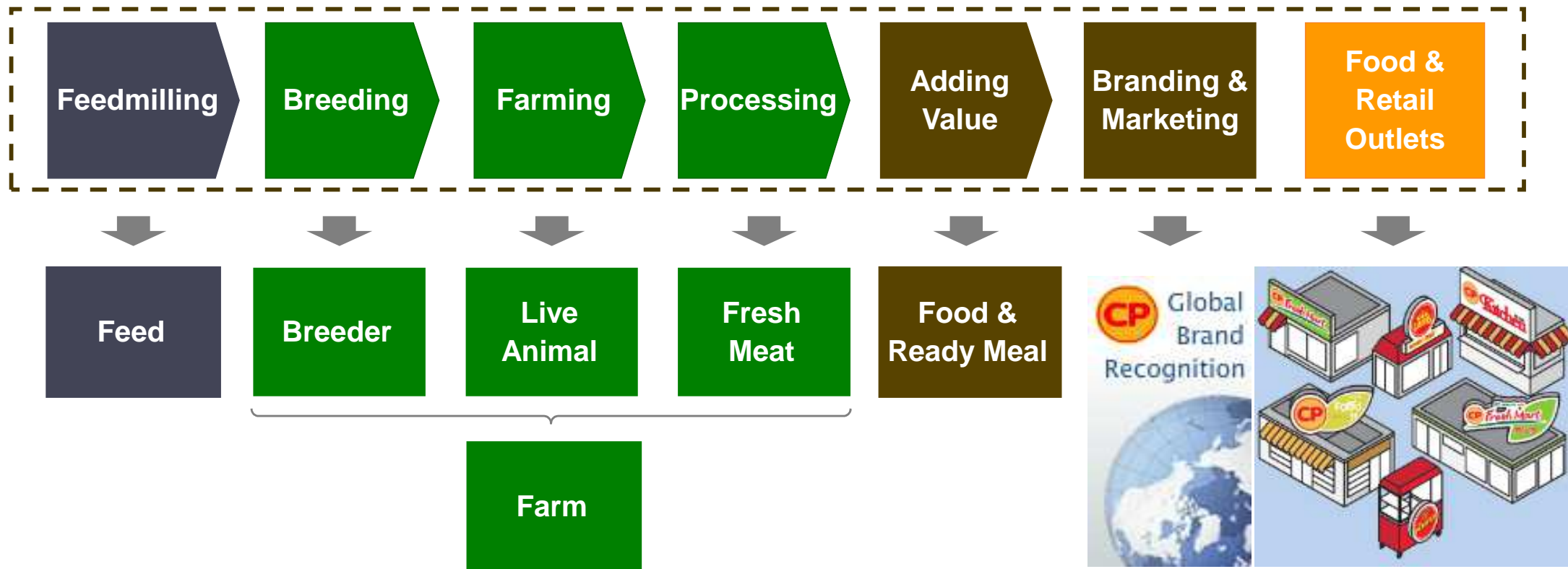
**BHJ Kalino Food AB
(15.08%)**

**Group of CPP's Associate
Companies & Jointly-Controlled
Entities**

Note: % represent percent holding by CPF both direct and indirect

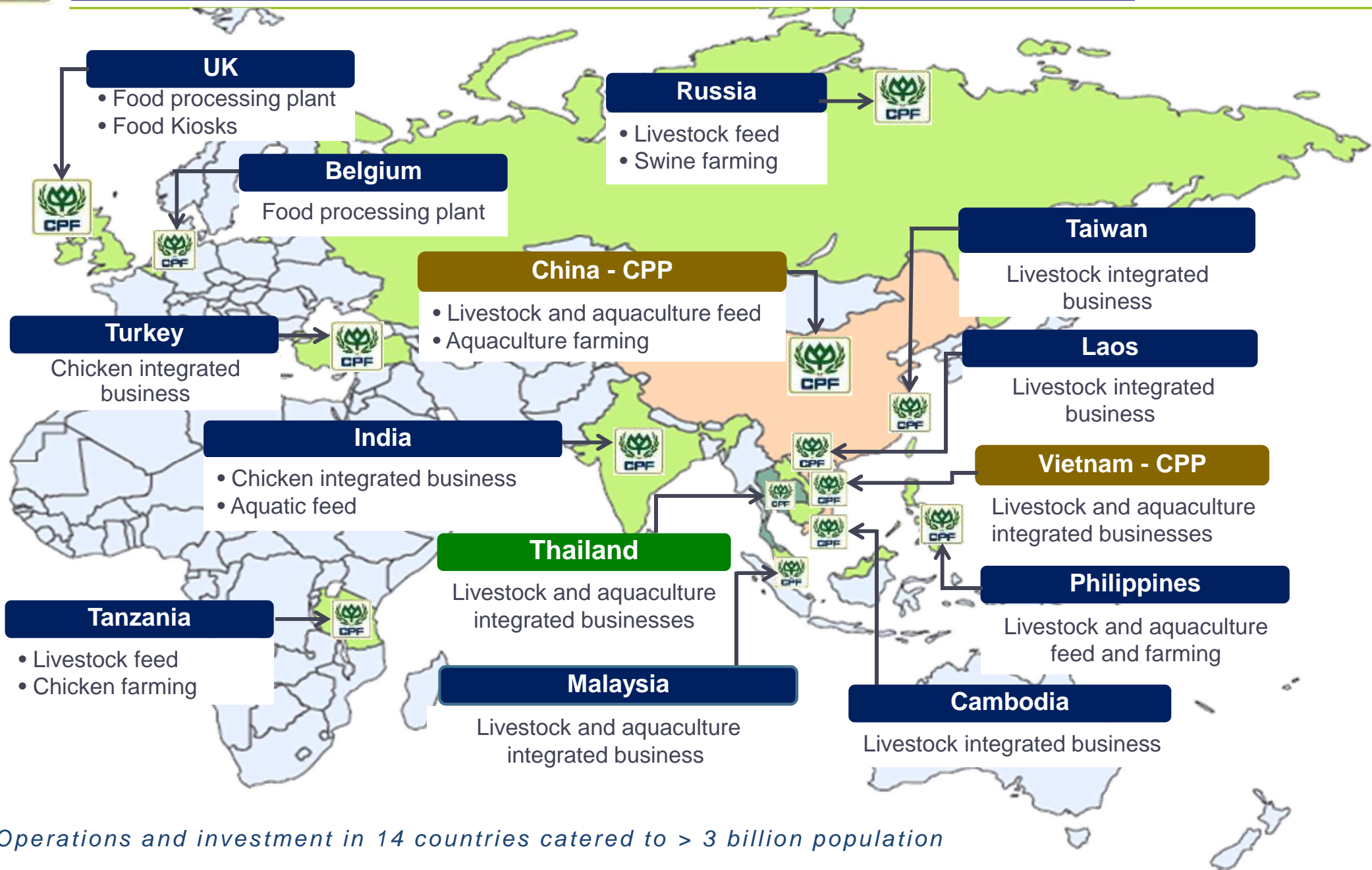
** Based on total issued shares*

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
- Global economic uncertainties
- Thai economic slowdown (i.e. weak exports and sluggish domestic demand)

Latest Activities

Finance

- Issuance of THB 12,000 m debenture on May, 2015 $\left\{ \begin{array}{l} (5\text{Yr THB } 6,500 \text{ m @ } 3.21\%) \\ (8\text{Yr THB } 5,500 \text{ m @ } 3.98\%) \end{array} \right\}$
- Issuance of THB 6,940 m debenture on July, 2015 $\left\{ \begin{array}{l} (8\text{Yr THB } 1,940 \text{ m @ } 3.97\%) \\ (10\text{Yr THB } 3,000 \text{ m @ } 4.28\%) \\ (12\text{Yr THB } 2,000 \text{ m @ } 4.51\%) \end{array} \right\}$

Acquisition

- Acquired C.P. Cambodia on Apr 24, 2015 (approx. THB 2,850)
- Announcing the acquisition of an integrated poultry business in Russia (S&W) on July 24, 2015 (approx. USD 680 m)

Divestment

- Disposal of unutilized land in 1Q15 (approx. THB 1,200 m)



1H15 Results Highlights

- Revenue decreased 2% y-o-y to THB 199,902m in 1H15
- Gross Profit decreased 6% y-o-y to THB 26,138m in 1H15, Gross profit margin decreased from 13.7% in 1H14 to 13.1% in 1H15 due to sluggish domestic consumption demand and lower farm product's price.
- EBITDA decreased 26% y-o-y from THB 14,231m in 1H14 to THB 10,571m in 1H15. (EBITDA margin declined from 7.0% in 1H14 to 5.3% in 1H15)
- Net profit increased 6% y-o-y from THB 5,596m to THB 5,939m in 1H15. (Net profit margin improved from 2.7% in 1H14 to 3.0% in 1H15) from assets divestment



1H15: Sales & Gross Profit Margin by Business

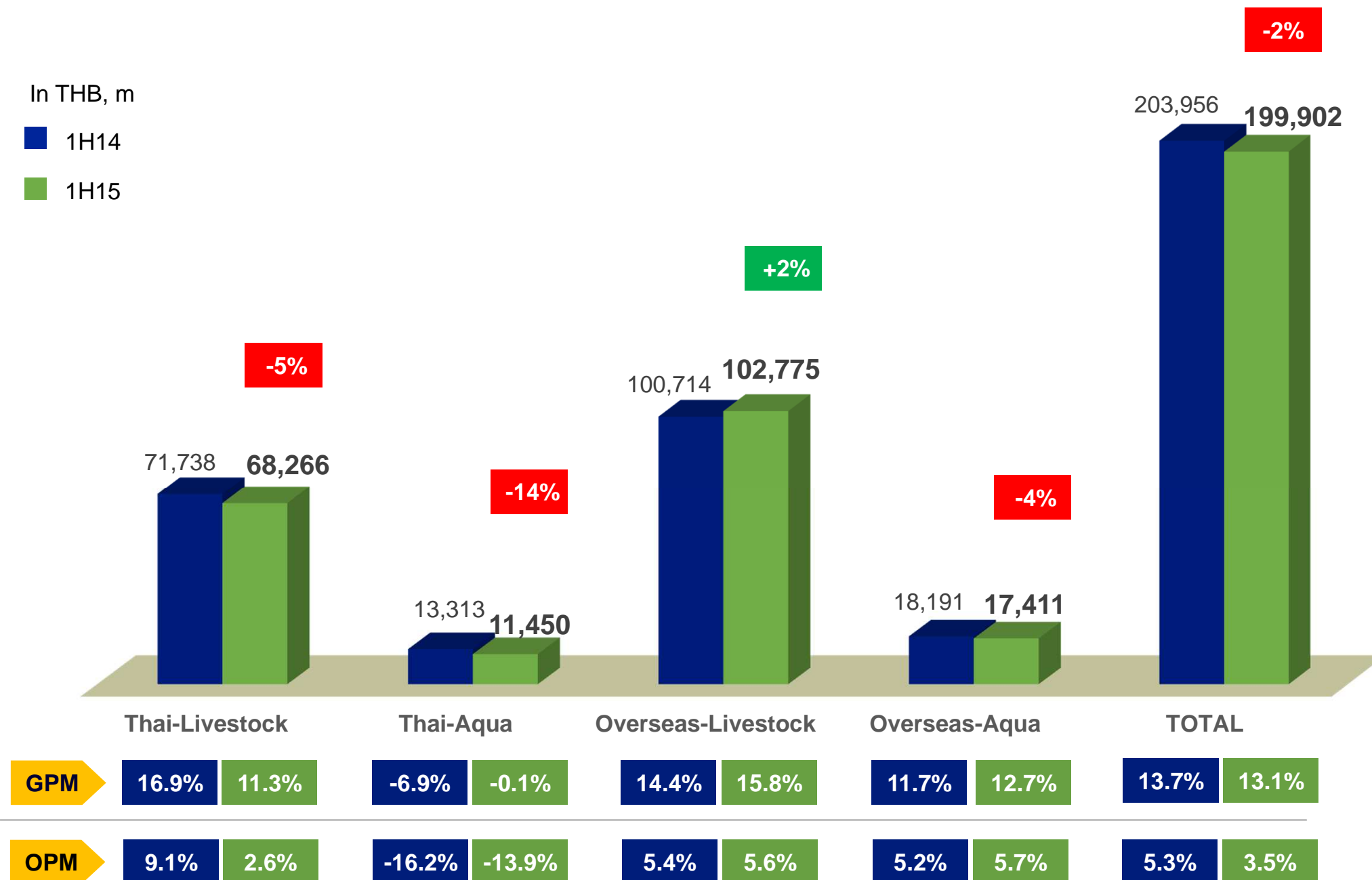
CP 1H15 : Results Briefing

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In THB, m

■ 1H14

■ 1H15





1H15: Consolidated Sales Structure

Sales Breakdown					
	1H14	% to Sales	1H15	% to Sales	% Change
Thailand	85,051	42%	79,716	40%	-6%
<i>Domestic</i>	72,722	36%	68,014	36%	-6%
<i>Export</i>	12,329	6%	11,702	6%	-5%
China	51,906	25%	50,605	25%	-3%
Vietnam	32,046	16%	33,292	17%	4%
Others	34,953	17%	36,289	18%	4%
Total	203,956	100%	199,902	100%	-2%



1H15: Consolidated Sales Structure by Business

Sales Breakdown

	Livestock			Aqualculture			Total		
	1H14	1H15	%Change	1H14	1H15	%Change	1H14	1H15	%Change
Thailand	71,738	68,266	-5%	13,313	11,450	-14%	85,051	79,716	-6%
Domestic	62,402	58,905	-6%	10,320	9,109	-12%	72,722	68,014	-6%
Export	9,336	9,361	0%	2,993	2,341	-22%	12,329	11,702	-5%
China	47,473	46,494	-2%	4,433	4,111	-7%	51,906	50,605	-3%
Vietnam	26,187	28,914	10%	5,859	4,378	-25%	32,046	33,292	4%
Others	27,054	27,367	1%	7,899	8,922	13%	34,954	36,289	4%
Total	172,452	171,041	-1%	31,504	28,861	-8%	203,956	199,902	-2%

% of Total Sales	85%	86%	15%	14%	100%	100%
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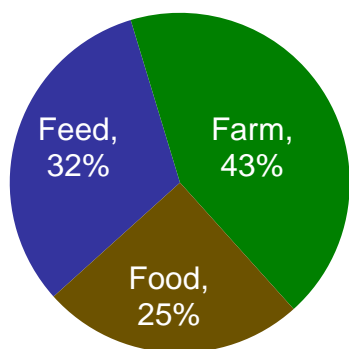
1H15: Consolidated Sales by Products

CP 1H15 : Results Briefing

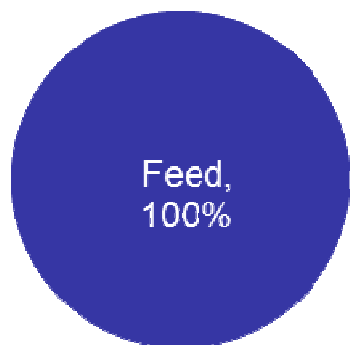
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Sales Breakdown by Products

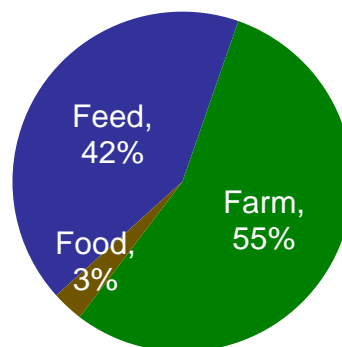
	Feed			Farm			Food			Total		
	1H14	1H15	%Change	1H14	1H15	%Change	1H14	1H15	%Change	1H14	1H15	%Change
Thailand	24,606	25,234	3%	39,129	34,661	-11%	21,316	19,821	-7%	85,051	79,716	-6%
Domestic	24,480	25,129	3%	36,868	31,947	-13%	11,374	10,938	-4%	72,722	68,014	-6%
Export	126	105	-17%	2,261	2,714	20%	9,942	8,883	-11%	12,329	11,702	-5%
China	51,906	50,605	-3%	0	0		0	0		51,906	50,605	-3%
Vietnam	13,997	13,803	-1%	17,227	18,425	7%	822	1,064	29%	32,046	33,292	4%
Others	14,307	15,543	9%	17,931	18,072	1%	2,715	2,674	-2%	34,953	36,289	4%
Total	104,816	105,185	0%	74,287	71,158	-4%	24,853	23,559	-5%	203,956	199,902	-2%



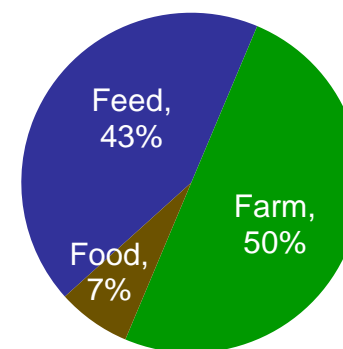
1H14 Thailand



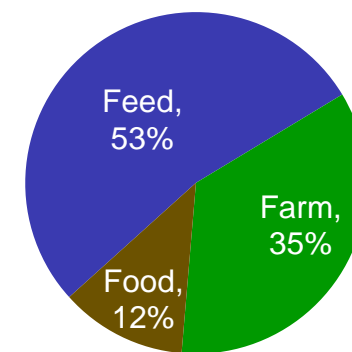
1H14 China



1H14 Vietnam



1H14 Others



1H14 Total



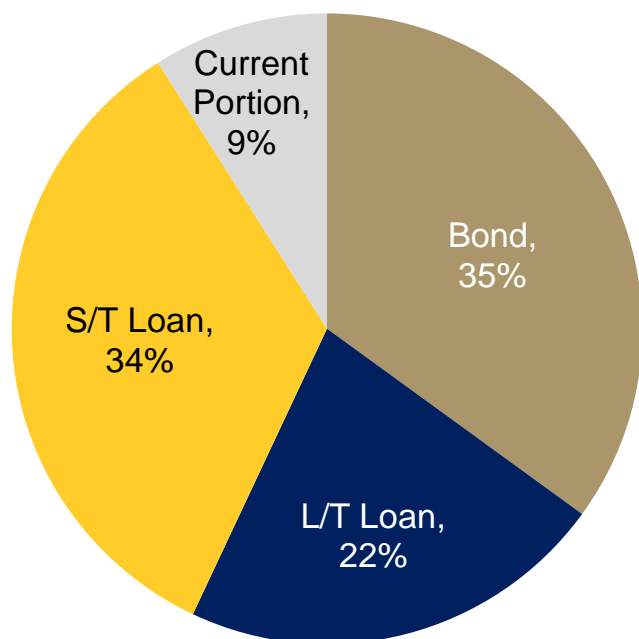
1H15: Consolidated Income Statement Highlight

	Quarter 1			Quarter 2			6 Months		
	2014	2015	%Chg.	2014	2015	%Chg.	2014	2015	%Chg.
Net sales	98,122	96,224	-2%	105,834	103,678	-2%	203,956	199,902	-2%
Gross Profit Margin (%)	13.4%	12.6%		13.9%	13.4%		13.7%	13.1%	
EBITDA	6,414	5,029	-22%	7,817	5,542	-29%	14,231	10,571	-26%
EBITDA Margin	6.5%	5.2%		7.4%	5.3%		7.0%	5.3%	
EBIT	3,949	2,467	-38%	5,365	2,772	-48%	9,314	5,239	-44%
EBIT Margin	4.0%	2.6%		5.1%	2.7%		4.6%	2.6%	
Share in Profit of Associates	1,369	1,267	-7%	1,265	1,230	-3%	2,634	2,497	-5%
Financial Costs	(2,332)	(2,174)	-7%	(1,803)	(2,365)	31%	(4,135)	(4,539)	10%
Income Taxes Expense	(792)	(612)	-23%	(1,174)	(757)	-36%	(1,966)	(1,369)	-30%
NET PROFIT	2,050	2,956	44%	3,546	2,983	-16%	5,596	5,939	6%

EPS (THB)	0.28	0.40		0.48	0.40		0.76	0.80	
# of capital shares *	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	
Dividend (THB/Share)								0.30	

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

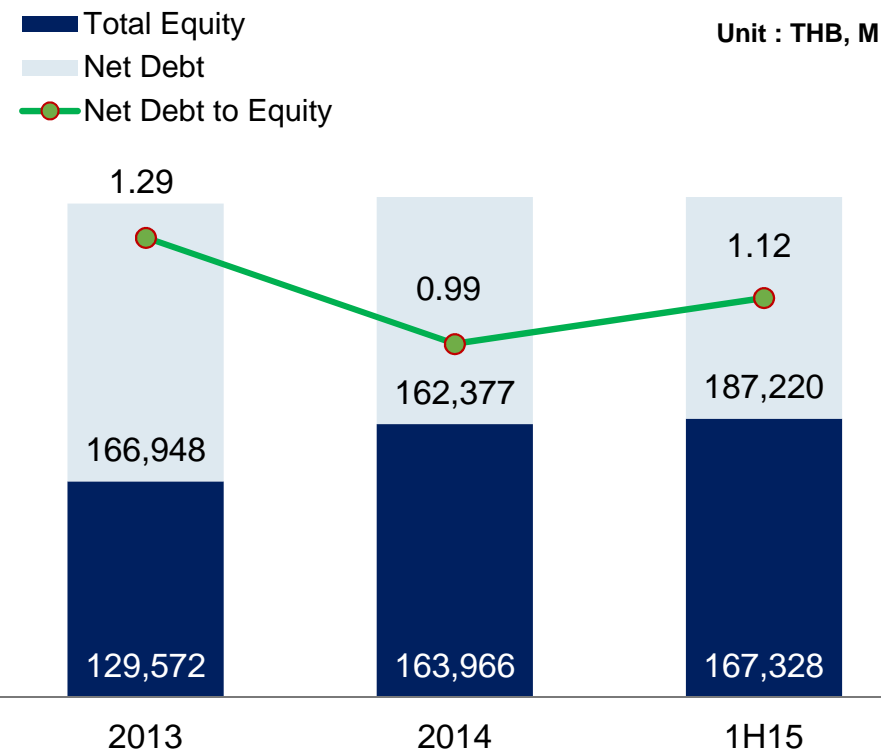
Interest Bearing Debt : THB 212,229 m



Cost of Debts	2013	2014	1H15
	4.65%	4.41%	4.34%

Bond Rating “A+” with “Stable” 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
- Mergers and Acquisitions (M&A)

Investment

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