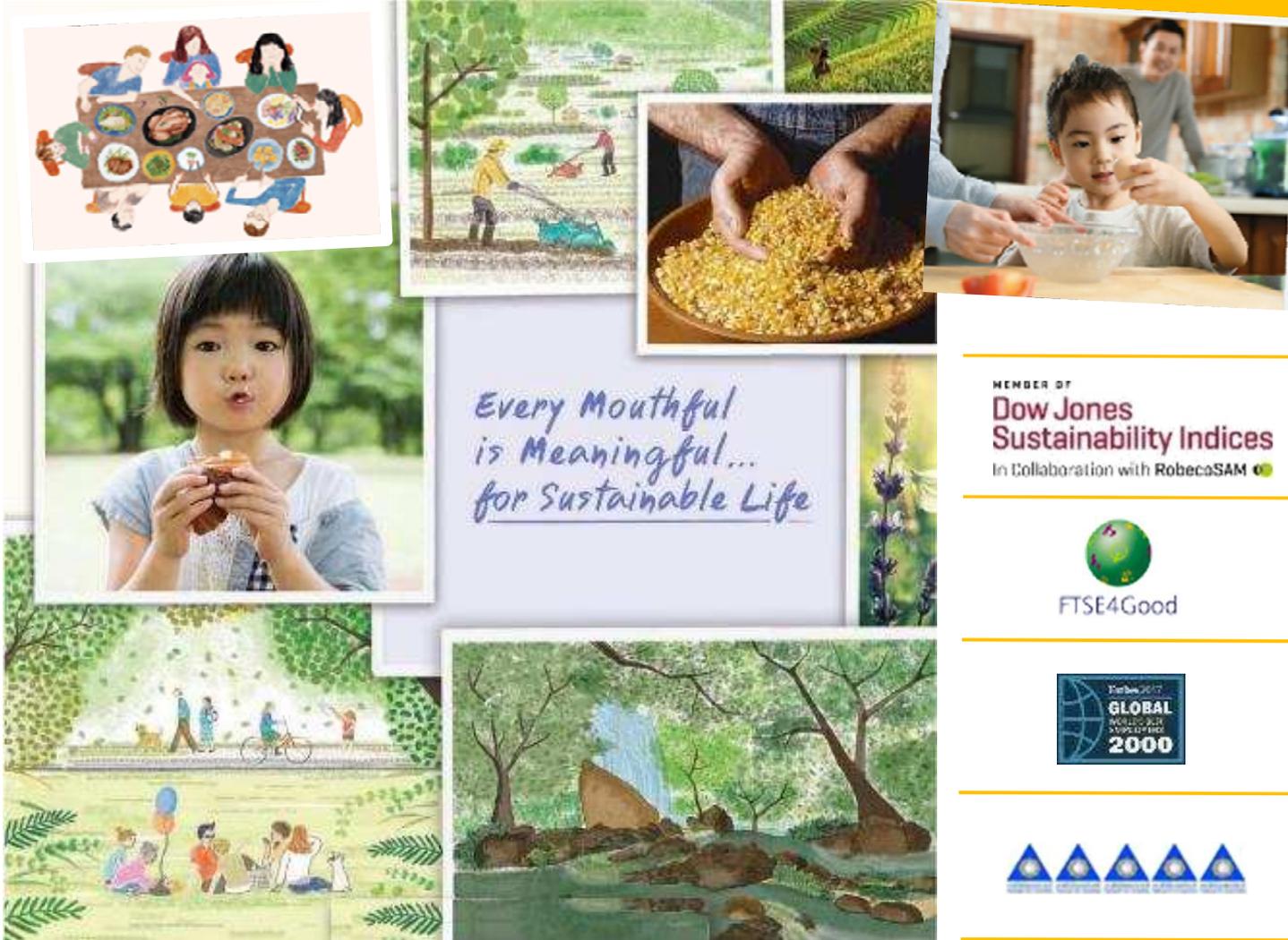




Charoen Pokphand Foods PCL.



MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM



FTSE4Good



1H18 RESULTS BRIEFING

Investor Presentation
August 14, 2018



Kitchen of the World

 Business Overview

02

 1H18 Financial Results

09

 Y2018 Outlook

18

 Appendix

A: 3Yr Historical Results

B: Products & Raw Materials Price Trend

C: Highlights 2Q18 Results

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

E: Product Sample & Retail Outlet Format



“Kitchen of the World”

- 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 #191 on Forbes Global 2000: World’s Best Employers 2017
- 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)
 - 30 series of debentures listed on Thai Bond Market Association “TBMA”
 - 1 exchangeable Bond “EBs” on 

Highlights

FY17 Sales : THB501 billion or ~USD15.0 billion

Market Cap : THB217 billion or ~USD6.5 billion
(as of August 10, 2018)

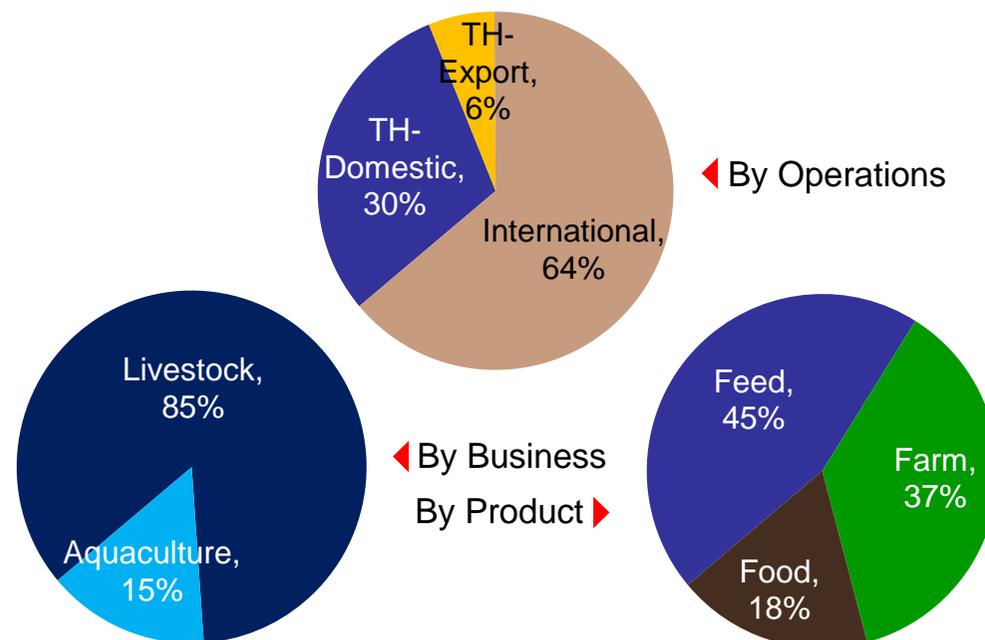
Capital : 8,611 million shares (paid-up) *(as of Jun 30, 2018)*
: 7,743 million shares (paid-up) *(as of Jun 30, 2017)*
par value of THB.1.00 per share

Book Value : THB19.01* per share *(as of Jun 30, 2018)*

Shareholders : Charoen Pokphand Group Ltd. 53.9%
of Paid-Up Capital *(as of Mar 13, 2018)*

Credit Rating : “A+” with “Stable” Outlook *(as of May 11, 2018)*

2017 Sales Breakdown

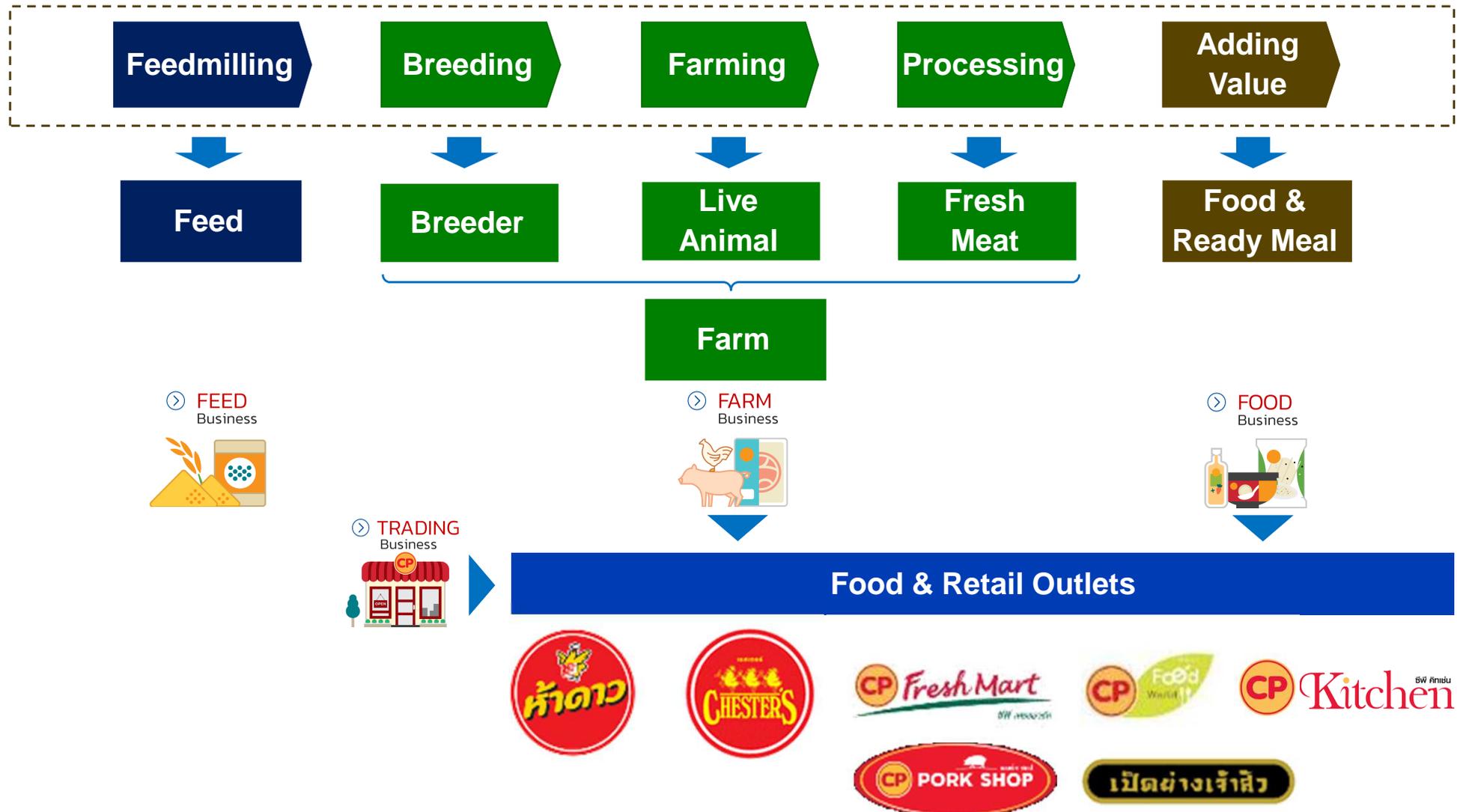


Note: USD1 = THB 33.34 (as of August 10, 2018)

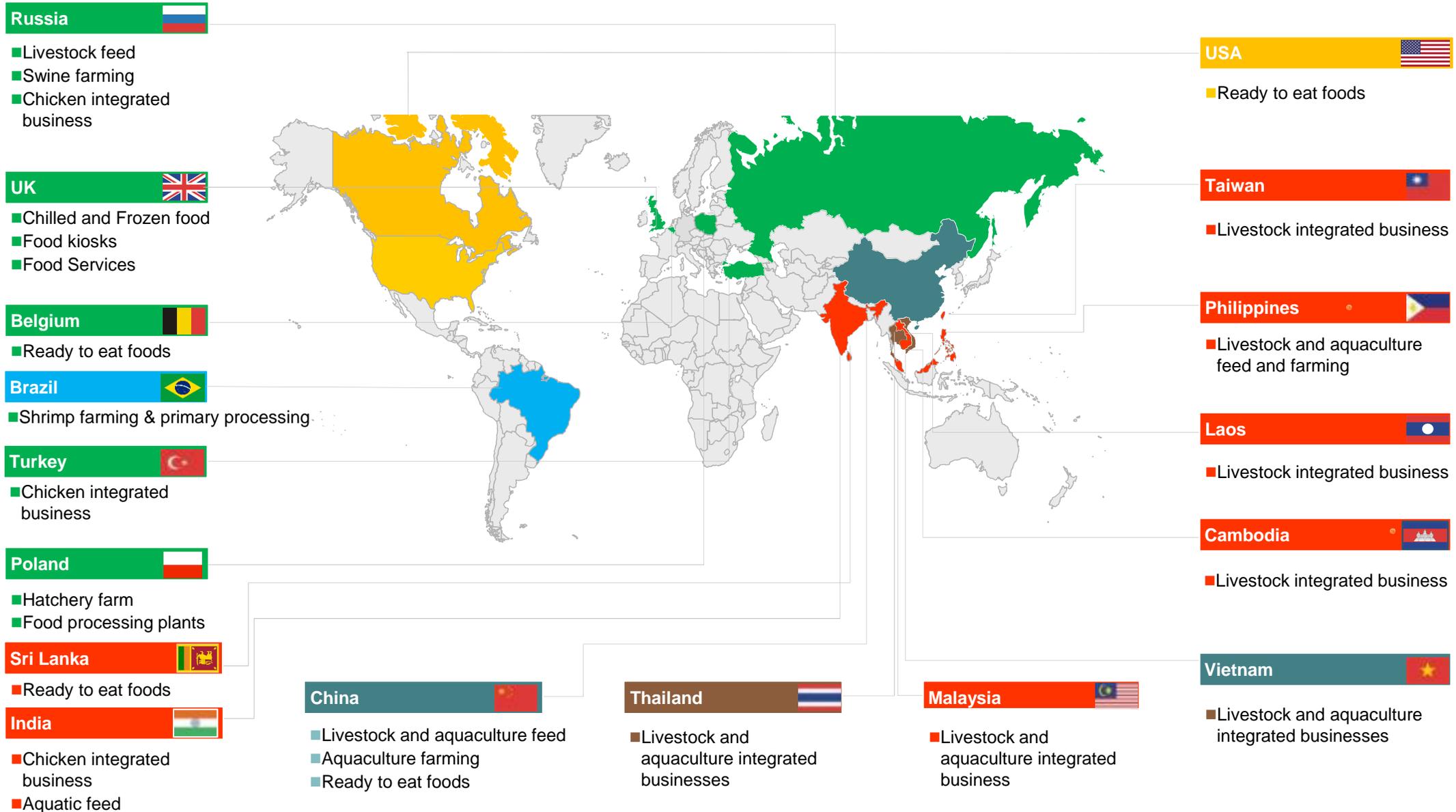
* Exclude Non-Controlling Interests (NCI)

Vertically Integrated Business Model in Thailand

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



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



From Feed, Farm to Food

- Innovation
- Food Safety with traceability
- Quality Control in every process

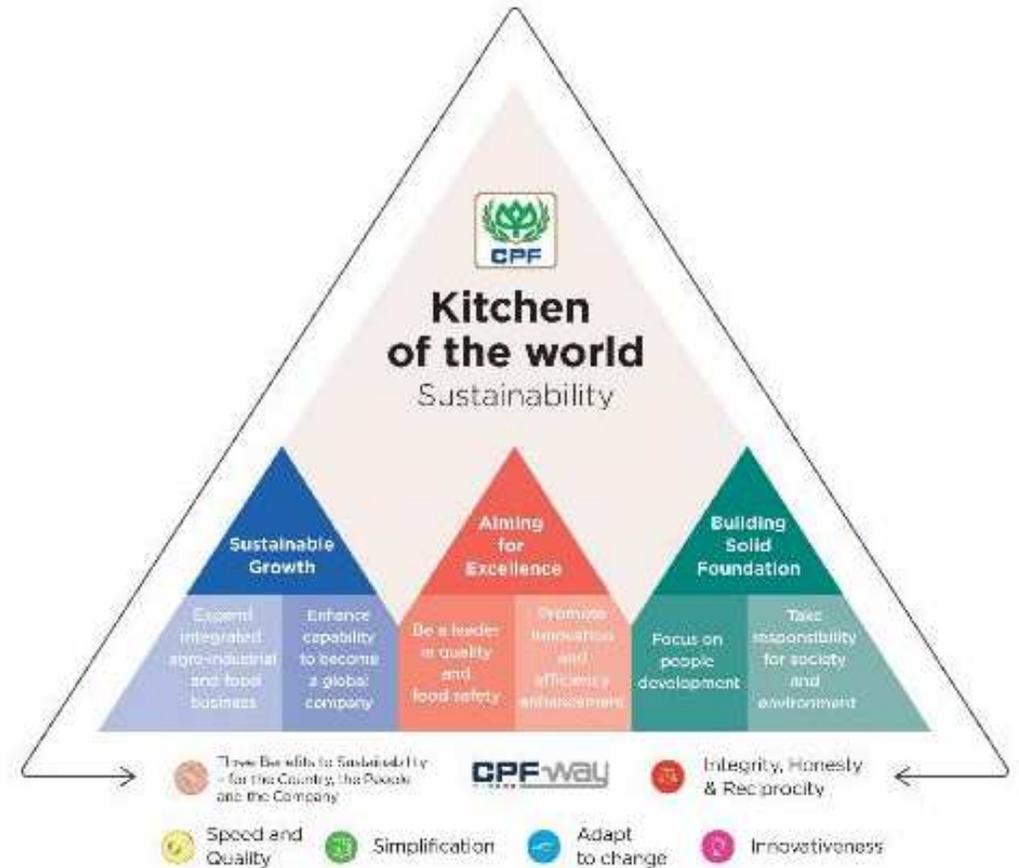
3 Strategies to be “Kitchen of the World”

- Sustainable Growth
- Aiming for Excellence
- Building Solid Foundation

3 Pillars to Sustainability



Strategic Direction for Sustainable Growth

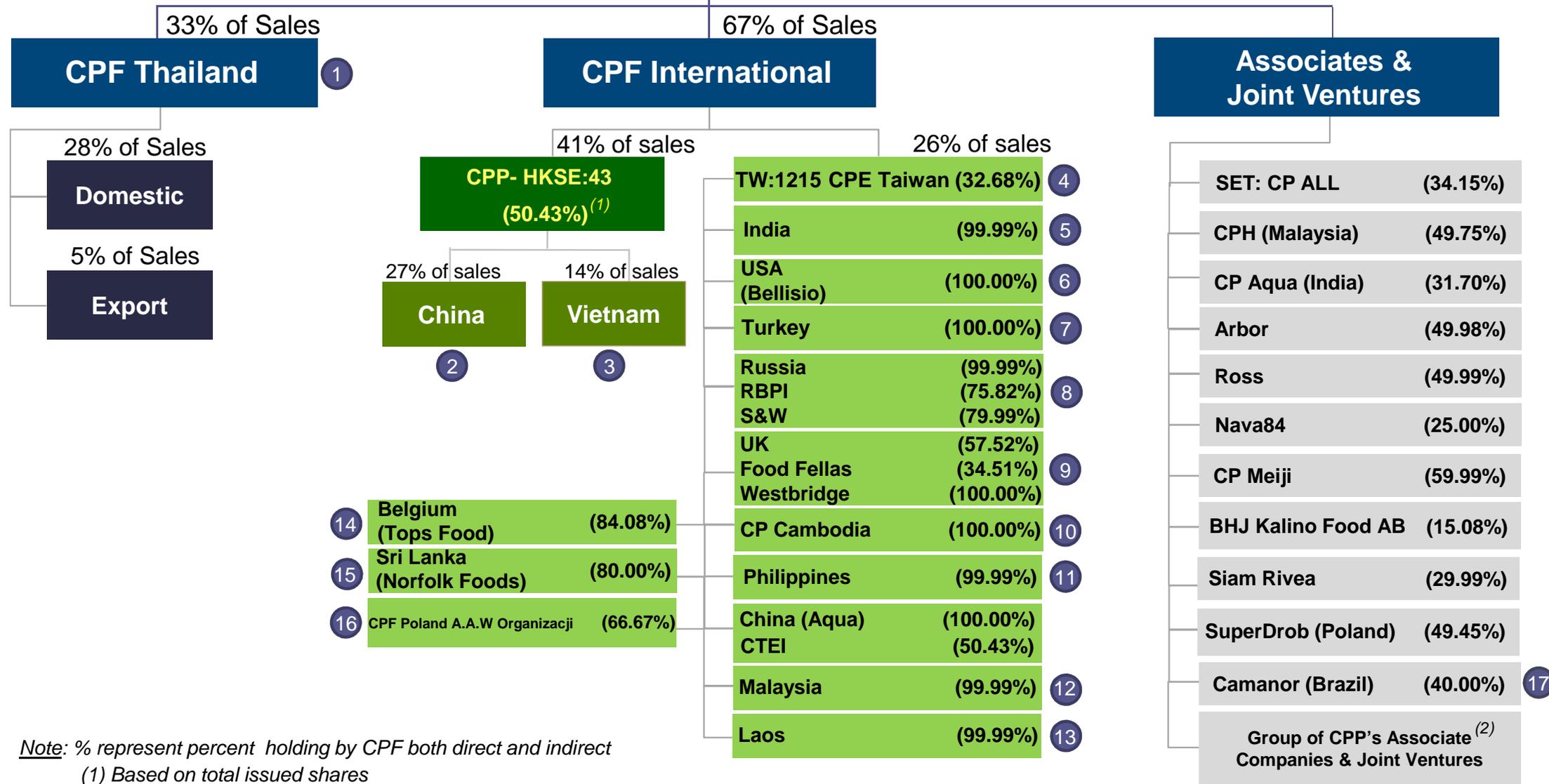




CPF Operational Structure (As of June 30, 2018)



1H18 : Sales: THB 256,869 m
Net Profit: THB 8,943 m



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

(1) Based on total issued shares

(2) see Appendix C



1. Fully integrated business model

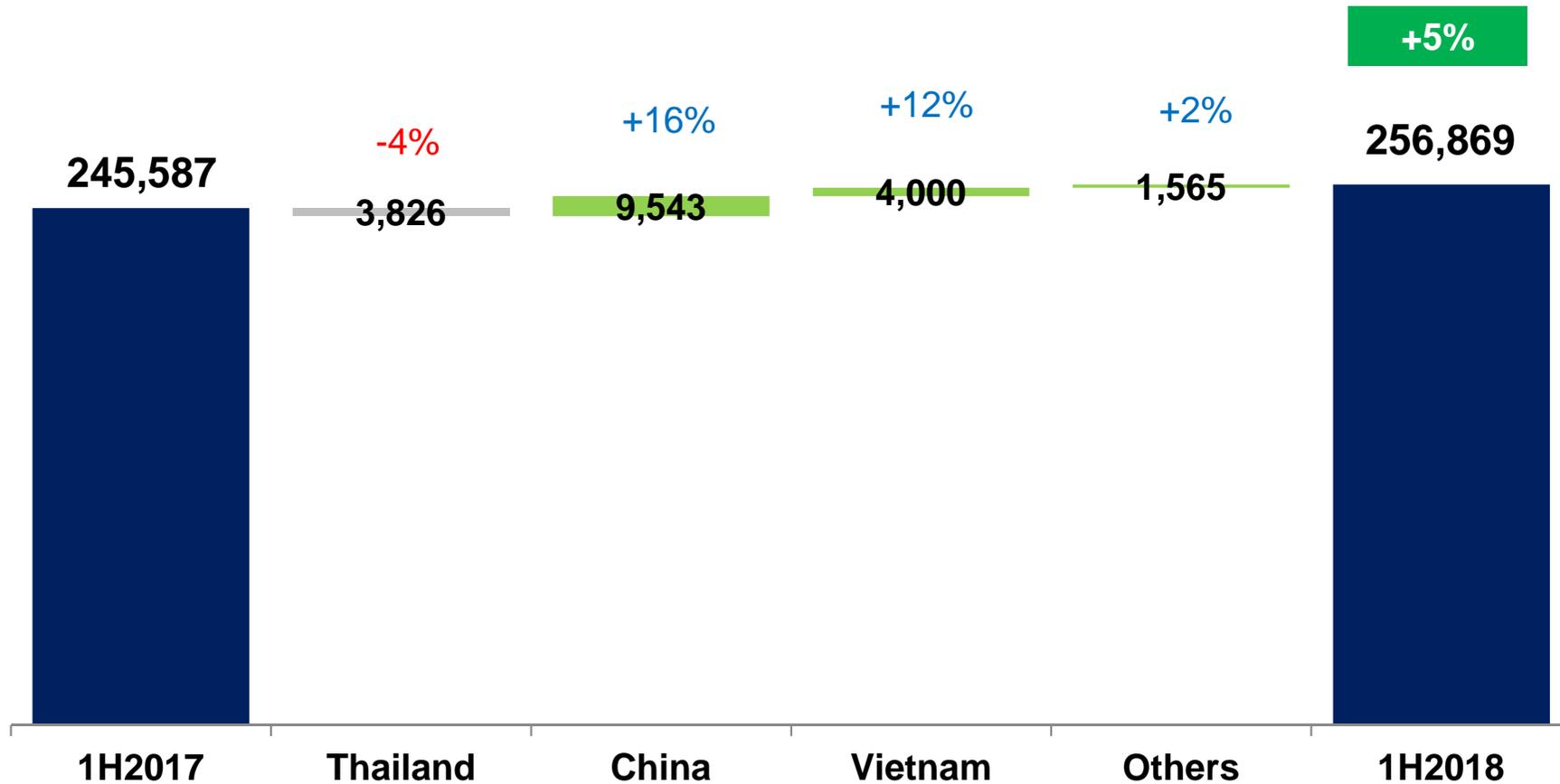
2. Globalization by establishing a proper business model suitable for each strategic market

3. Value-added business by expanding portfolio towards innovative products and services to serve rising demands



1H18: Revenue increased by 5% mainly by international operation

- **Thailand's** Revenue declined by 4% mainly due to declining swine and chicken price
- **China's** Revenue increased by 16% mainly from feed sales and farm businesses
- **Vietnam's** Revenue increased by 12% mainly due to increasing swine price
- **Other international operation's** revenue increased by 2% y-o-y mainly from newly acquired operations (Westbridge, Paulsen Foods)



Profitability

- **Gross profit** decreased from THB 29,915m in 1H17 to THB **27,990m** in 1H18, due to lower swine and chicken prices in Thailand.
- **EBITDA** decreased by 9% y-o-y to THB **15,378m** in 1H18
- **Net Profit** increased by 12% y-o-y to THB **8,943m** in 1H18

Latest Activities

Financing Activities





Camanor Produtos Marinhos Ltda.
Shrimp farming & primary processing
40%
THB 547 m

CP HiLai Harbour Co., Ltd.
Restaurant
51%
THB 66 m

Expected to open in October, 2018

Apr'18

Jul'18



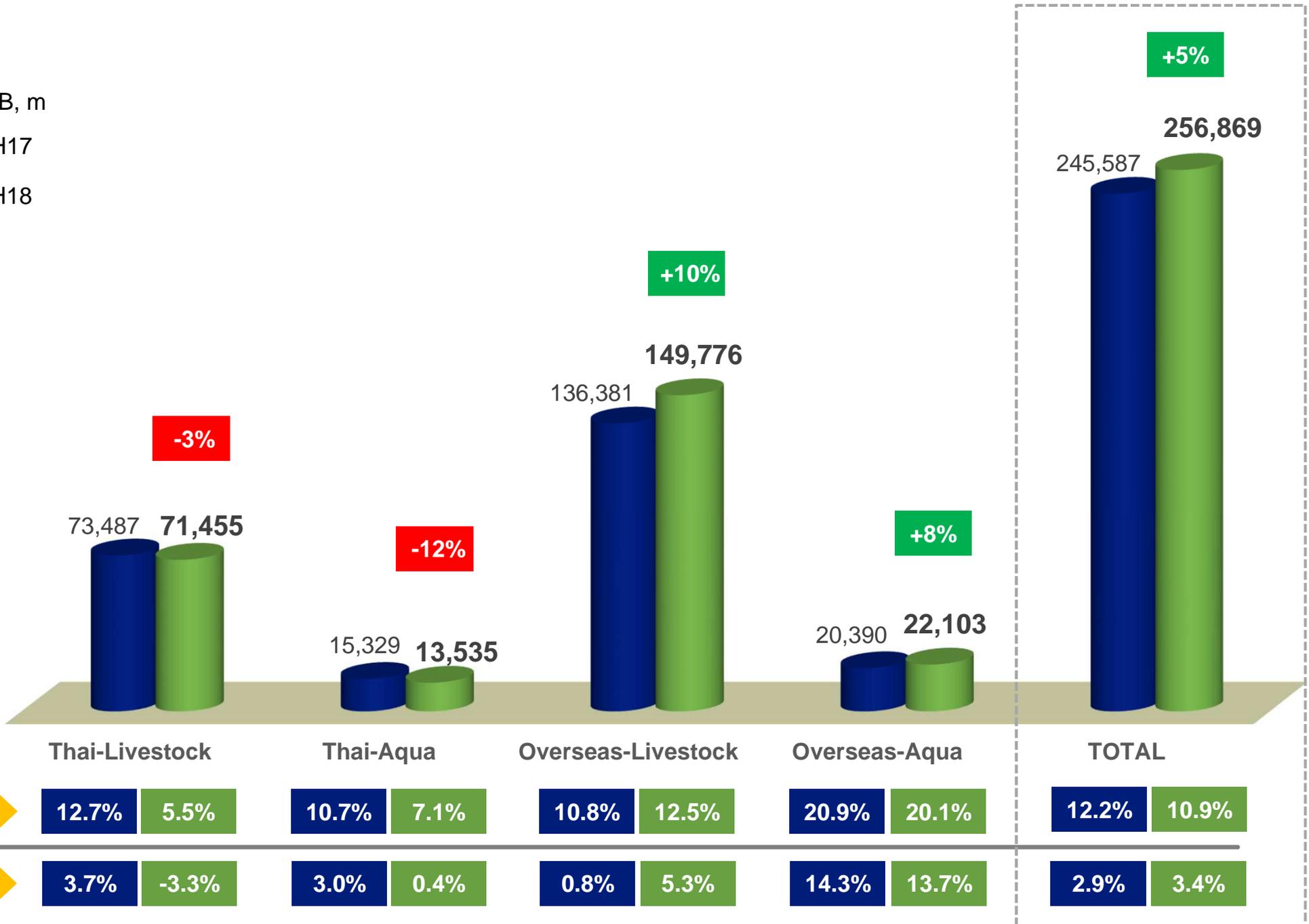


1H18: Sales & Profit Margin by Business

In THB, m

■ 1H17

■ 1H18





1H18: Consolidated Sales Structure by Business

Sales Breakdown

	Livestock			Aquaculture			Total		
	1H17	1H18	%Change	1H17	1H18	%Change	1H17	1H18	%Change
Thailand	73,487	71,455	-3%	15,359	13,535	-12%	88,846	84,990	-4%
<i>Domestic</i>	61,993	60,616	-2%	12,603	11,290	-10%	74,596	71,906	-4%
<i>Export</i>	11,494	10,839	-6%	2,756	2,245	-19%	14,250	13,084	-8%
China	54,249	63,291	17%	3,985	4,485	13%	58,233	67,776	16%
Vietnam	27,285	30,032	10%	5,300	6,552	24%	32,585	36,584	12%
Others	54,847	56,453	3%	11,075	11,066	0%	65,922	67,519	2%
Total	209,868	221,231	5%	35,719	35,638	0%	245,587	256,869	5%
		▼			▼			▼	
% of Total Sales	85%	86%		15%	14%		100%	100%	

- Thailand
- China
- Vietnam

74%

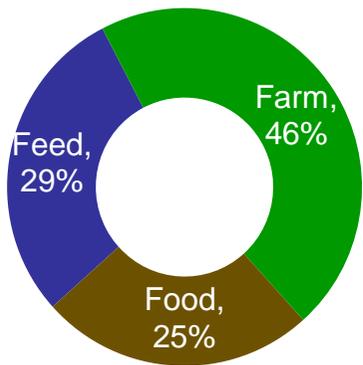
of Sale Revenue



1H18: Consolidated Sales by Products

Sales Breakdown by Products

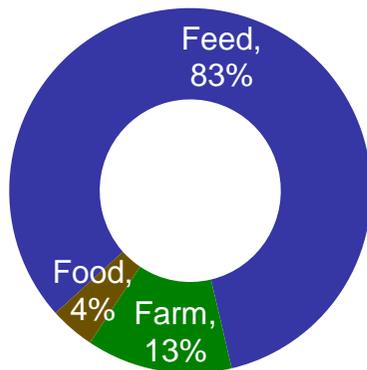
	Feed			Farm			Food			Total		
	1H17	1H18	%Change	1H17	1H18	%Change	1H17	1H18	%Change	1H17	1H18	%Change
Thailand	25,082	24,644	-2%	41,913	39,067	-7%	21,821	21,279	-2%	88,816	84,990	-4%
<i>Domestic</i>	24,954	24,617	-1%	38,004	35,526	-7%	11,638	11,763	1%	74,596	71,906	-4%
<i>Export</i>	128	27	-79%	3,909	3,541	-9%	10,183	9,516	-7%	14,220	13,084	-8%
China	52,267	56,524	8%	3,910	8,550	119%	2,056	2,702	31%	58,233	67,776	16%
Vietnam	15,031	12,780	-15%	16,622	22,800	37%	932	1,004	8%	32,584	36,584	12%
Others	19,324	17,945	-7%	29,798	32,893	10%	16,831	16,681	-1%	65,954	67,519	2%
Total	111,704	111,893	0%	92,243	103,310	12%	41,640	41,666	0%	245,587	256,869	5%



Thailand

THB 84,990 m

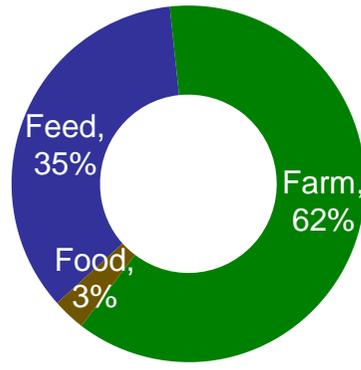
% to sales **33%**



China

THB 67,776 m

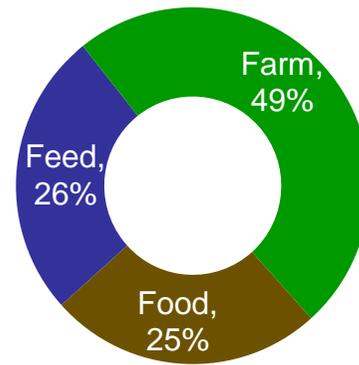
27%



Vietnam

THB 36,584 m

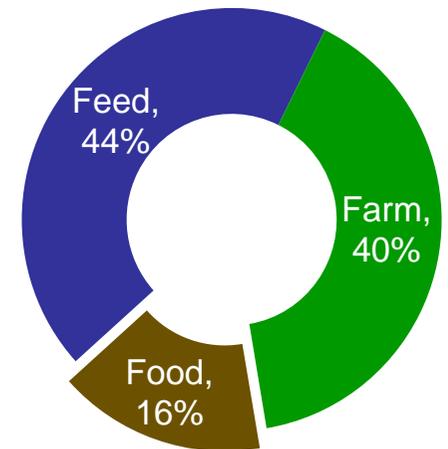
14%



Others

THB 67,519 m

26%



Total

THB 256,869 m

100%

Note: China's revenue is recognized under Thai Accounting Standard (TAS18), which is different from IFRS15 adopted by CPP (HKSE:0043)

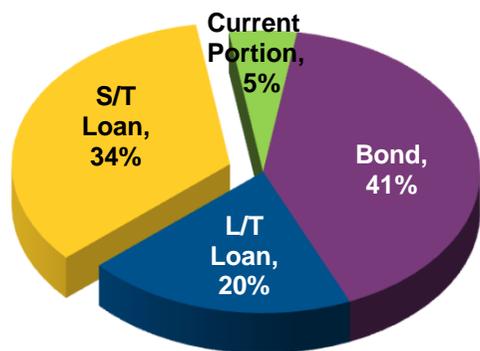
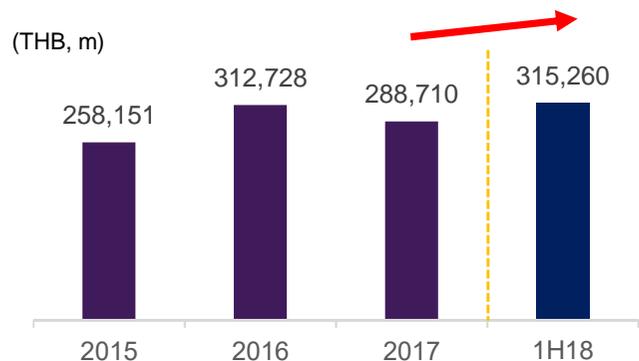


1H18: Consolidated Income Statement Highlight

	Quarter 1			Quarter 2			6 Months		
	2017	2018	% Chg.	2017	2018	% Chg.	2017	2018	% Chg.
Net sales	119,617	120,516	1%	125,970	136,353	8%	245,587	256,869	5%
Gross Profit Margin	12.7%	9.4%		11.7%	12.2%		12.2%	10.9%	
EBITDA	8,535	5,496	-36%	8,446	9,882	17%	16,980	15,378	-9%
EBITDA Margin	7.1%	4.6%		6.7%	7.2%		6.9%	6.0%	
EBIT	3,353	45	-99%	3,195	4,353	36%	6,547	4,398	-33%
EBIT Margin	2.8%	0.04%		2.5%	3.2%		2.7%	1.7%	
Share in Profit of Associates	1,954	2,216	13%	1,861	1,943	4%	3,815	4,159	9%
Financial Costs	(3,071)	(2,783)	-9%	(3,003)	(2,835)	-6%	(6,074)	(5,618)	-8%
Income Taxes Expense	(67)	(285)	325%	(725)	(1,315)	81%	(792)	(1,600)	102%
NET PROFIT	3,955	3,049	-23%	4,064	5,894	45%	8,020	8,943	12%
EPS (THB)	0.53	0.33		0.53	0.70		1.06	1.03	
# of capital shares ⁽¹⁾	7,388	8,185		7,388	8,185		7,388	8,185	
Paid-Up Capital	7,743	8,611		7,743	8,611		7,743	8,611	
Dividend (THB/Share)							0.50	0.35	

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

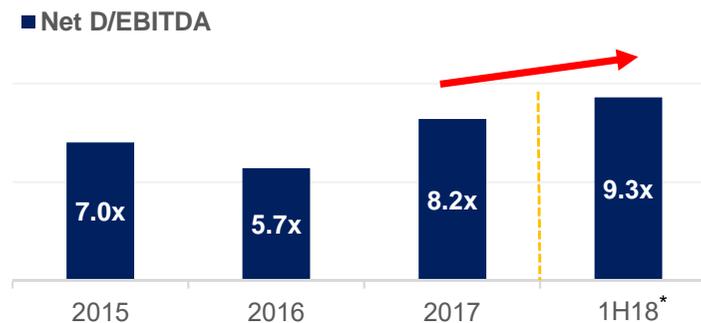
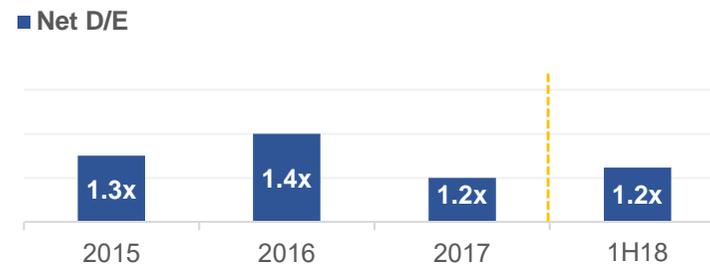
Interest Bearing Debt: THB 315,260 m



Cost of Debts	2015	2016	2017	1H18
	4.14%	3.87%	3.84%	3.88%

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

* LTM EBITDA



CPF's Investment in Listed Companies

	Stock Price (Local Curr.)		Market Cap. (THB mm)	CPF Holding %	Holding Value (THB mm)
	(As of June 30, 2018)				
CPALL (SET:CPALL)	THB	73.5	660,258	34.2%	226,072
CPP (HKSE:0043)	HKD	0.7	72,844	50.4%	36,735
TRUE (SET:TRUE)	THB	5.3	176,851	2.2%	3,908
CPE (TWSE:1215)	TWD	60.1	17,559	32.7%	5,738
CTEI (HKSE:3839)	HKD	2.4	2,432	50.4%	1,226
Total					273,680



Growth Target

- Expected sales growth of approximately 5-8 %

Key Drivers & Focus

- Easing oversupply of swine in Vietnam
- Focusing on efficiency improvement
- Expanding of international operations

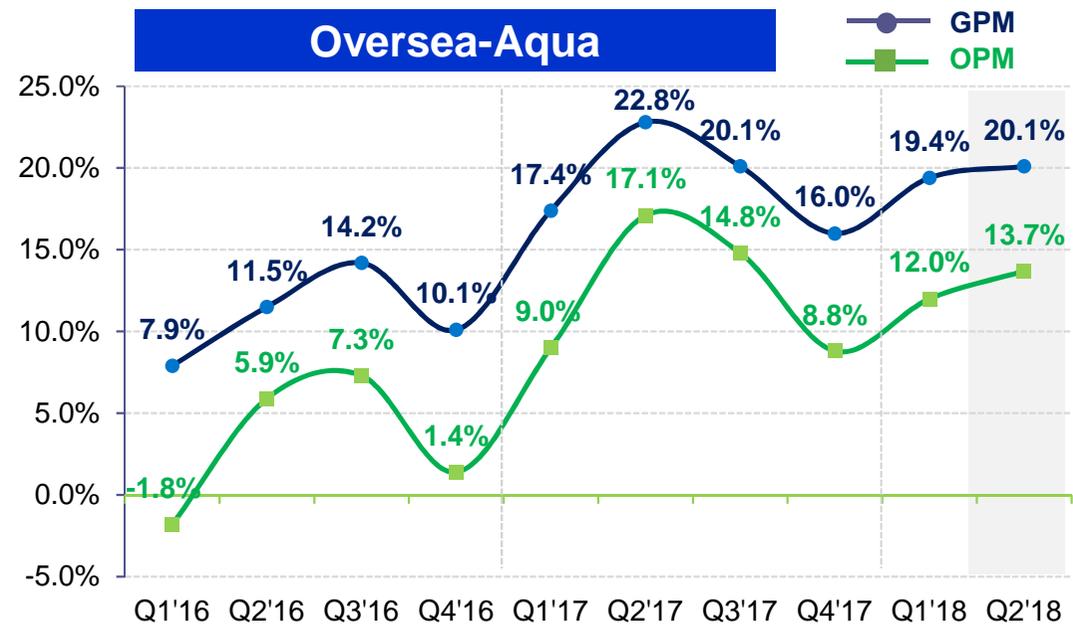
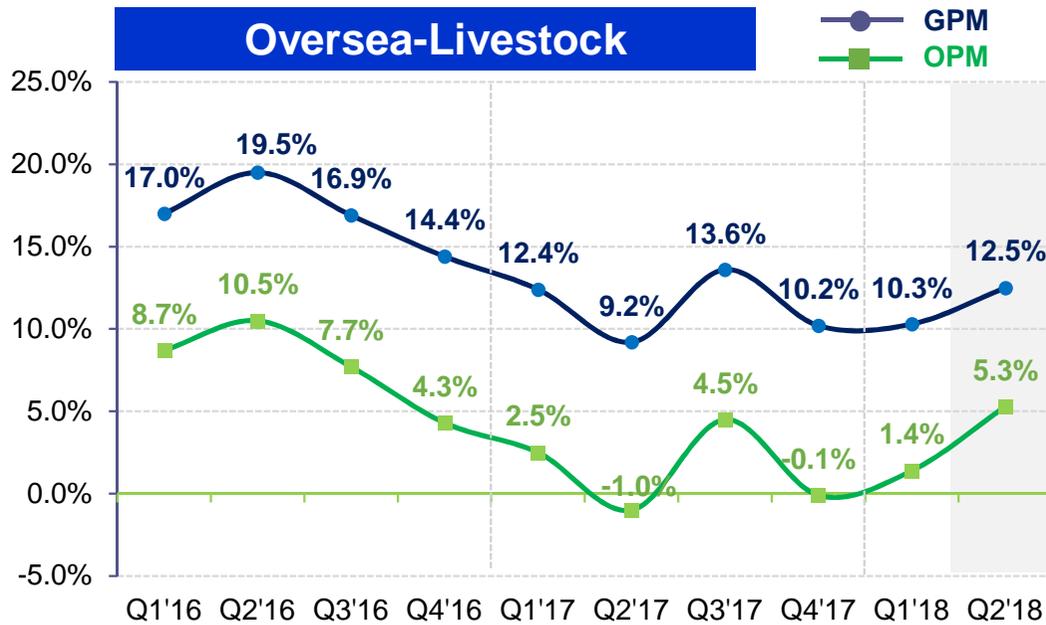
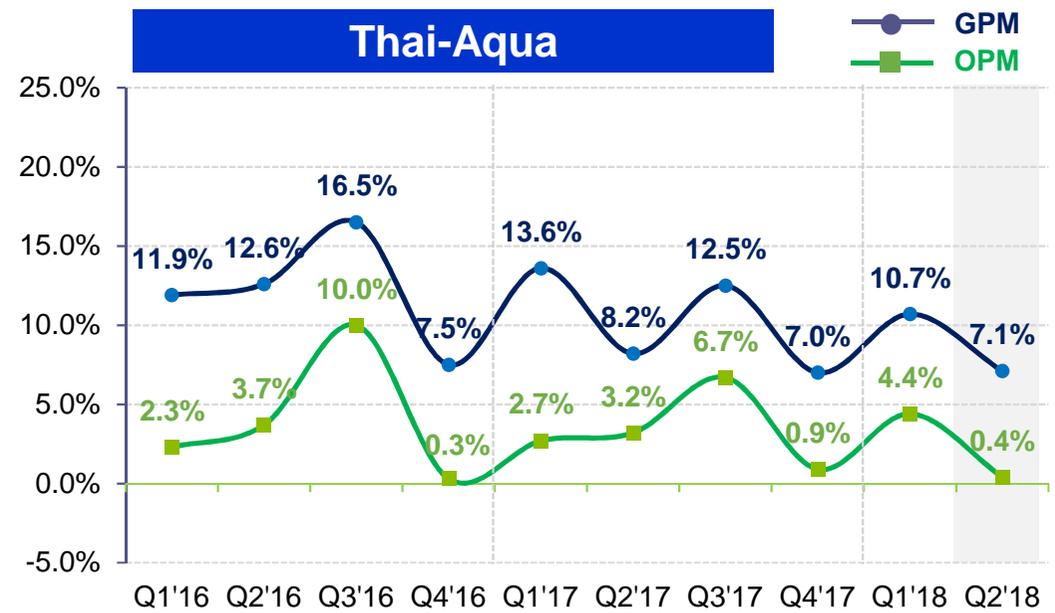
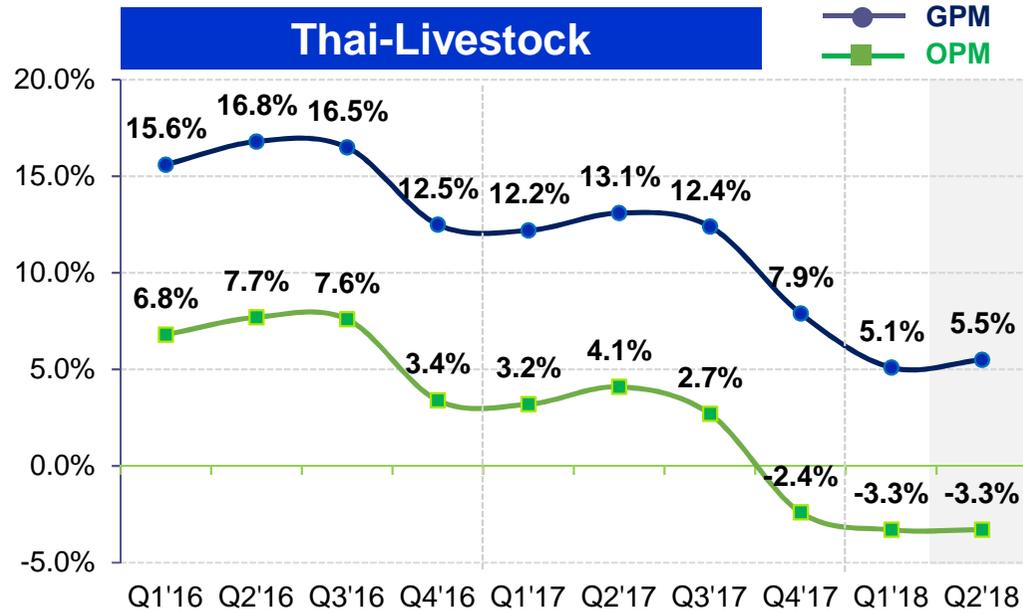
Key Challenges

- Oversupply of swine in Vietnam and Thailand continuing from 2017 to 1Q18
- Low chicken and swine prices in Thailand
- Rising raw material costs
- Foreign exchange volatility
- Increasing interest rates

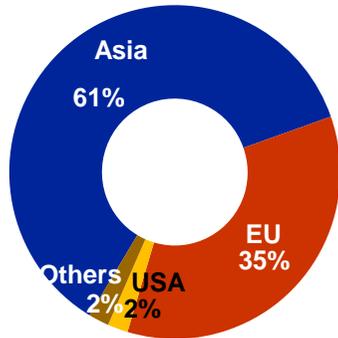
Investment

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

Appendix A: Highlights : 3Yr Historical Results



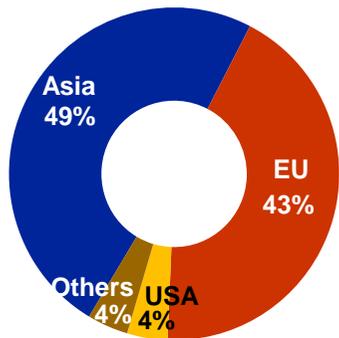
2016



■ Asia ■ EU ■ USA ■ Others

Farm

THB 7,393 million +21%

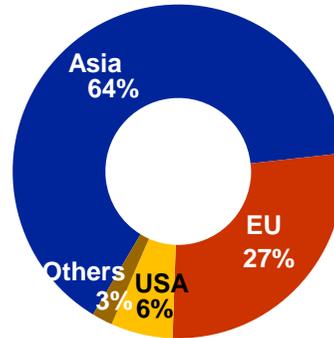


■ Asia ■ EU ■ USA ■ Others

Food

THB 21,179 million +5%

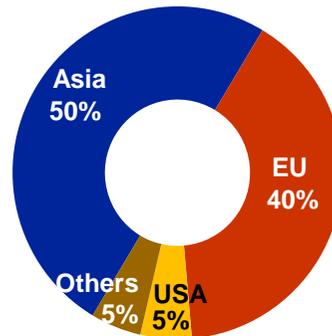
Y2017



■ Asia ■ EU ■ USA ■ Others

Farm

THB 8,531 million +15%

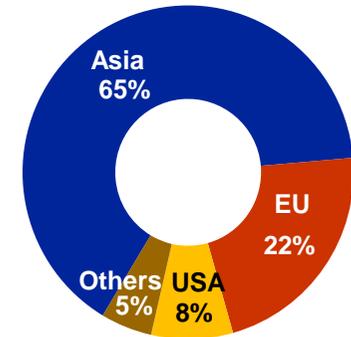


■ Asia ■ EU ■ USA ■ Others

Food

THB 21,796 million +3%

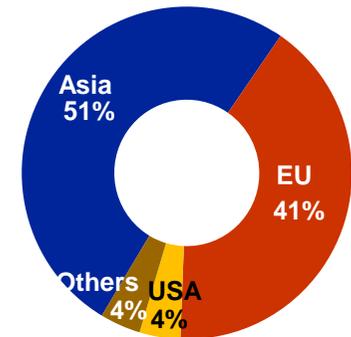
1H18



■ Asia ■ EU ■ USA ■ Others

Farm

THB 3,542 million -10%



■ Asia ■ EU ■ USA ■ Others

Food

THB 9,516 million -7%



Consolidated Income Statement Highlight

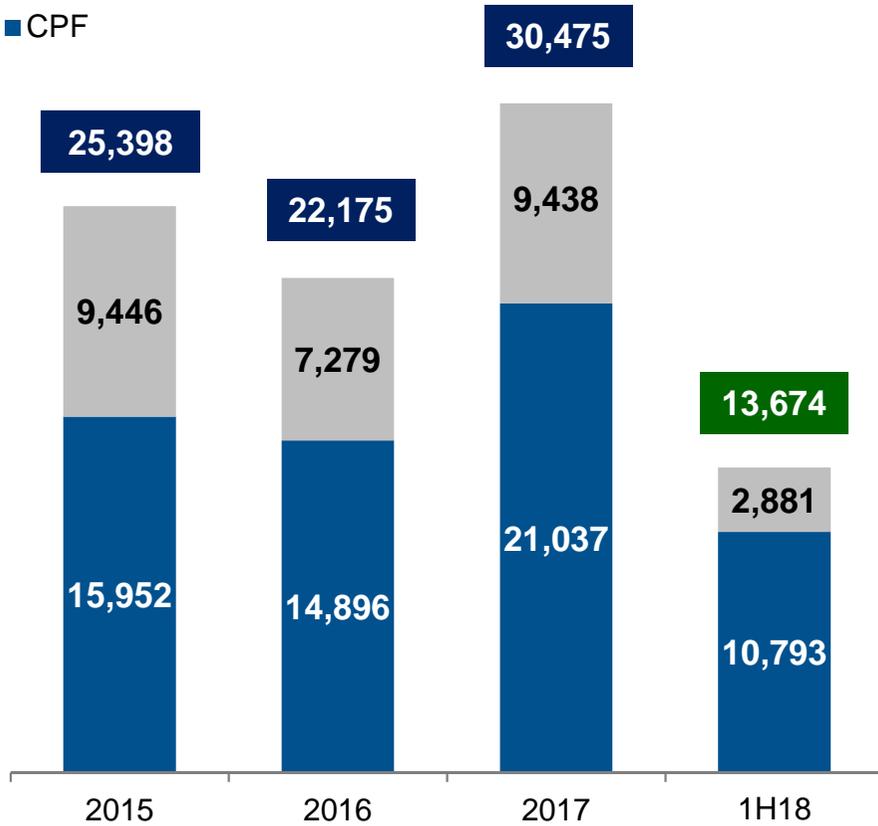
	Full Year				
	2015	2016	% Change	2017	% Change
Net sales	421,355	464,465	10%	501,507	8%
Gross Profit Margin (%)	13.8%	15.6%		12.0%	
EBITDA	31,809	48,464	52%	32,420	-33%
EBIT	15,963	29,956	88%	11,172	-63%
Share in Profit of Associates	5,221	6,512	25%	7,983	23%
Financial Costs	(9,614)	(10,601)	10%	(11,743)	11%
Income Taxes Expense	(3,654)	(7,212)	97%	(251)	-97%
Gain / (Loss) from FX	1,348	388	-71%	(21)	-105%
NET PROFIT	11,059	14,703	33%	15,259	4%
EPS (THB)	1.50	1.99		1.91	
# of capital shares*	7,388	7,388		7,720	
Paid-Up Capital	7,743	7,743		8,611	
Dividend (THB/Share)	0.75	0.95		0.75	

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

CAPEX

Unit: THB, m

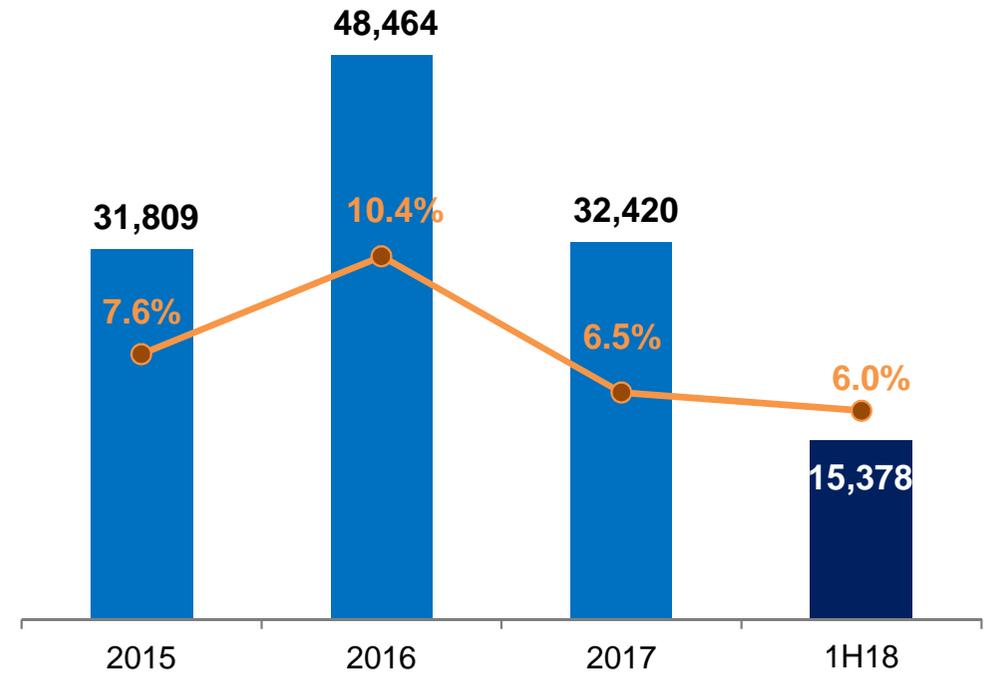
- CPP
- CPF



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

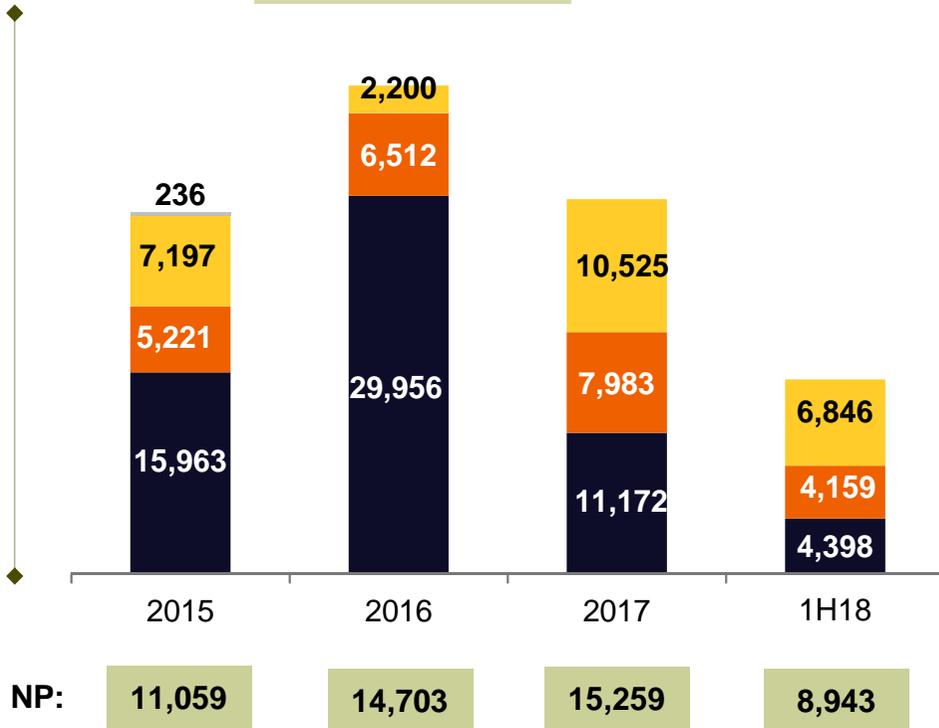
Net Profit

Unit: THB, m

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

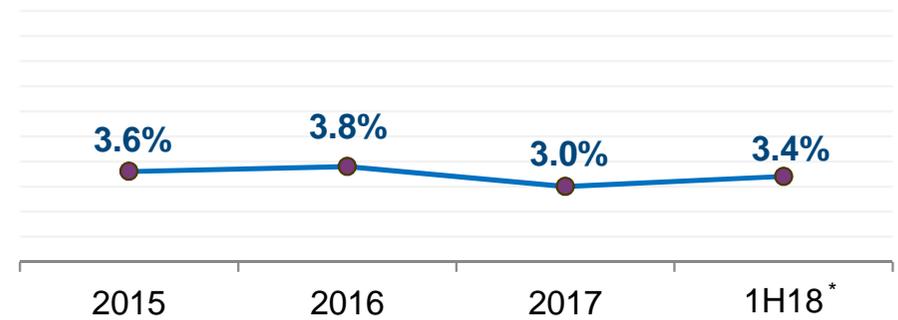
CAGR +17%

Before Tax



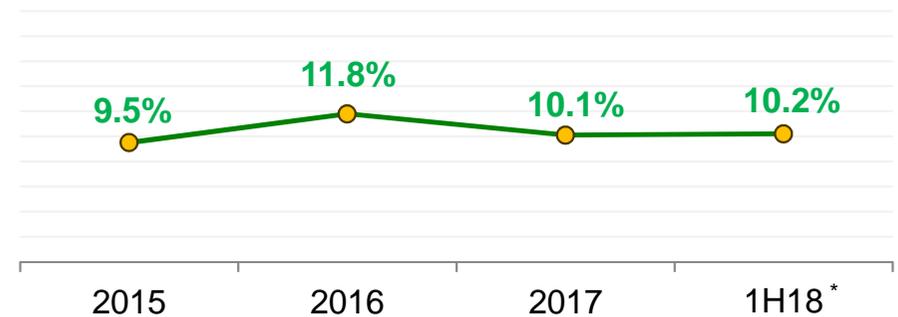
ROA & ROE

● ROA



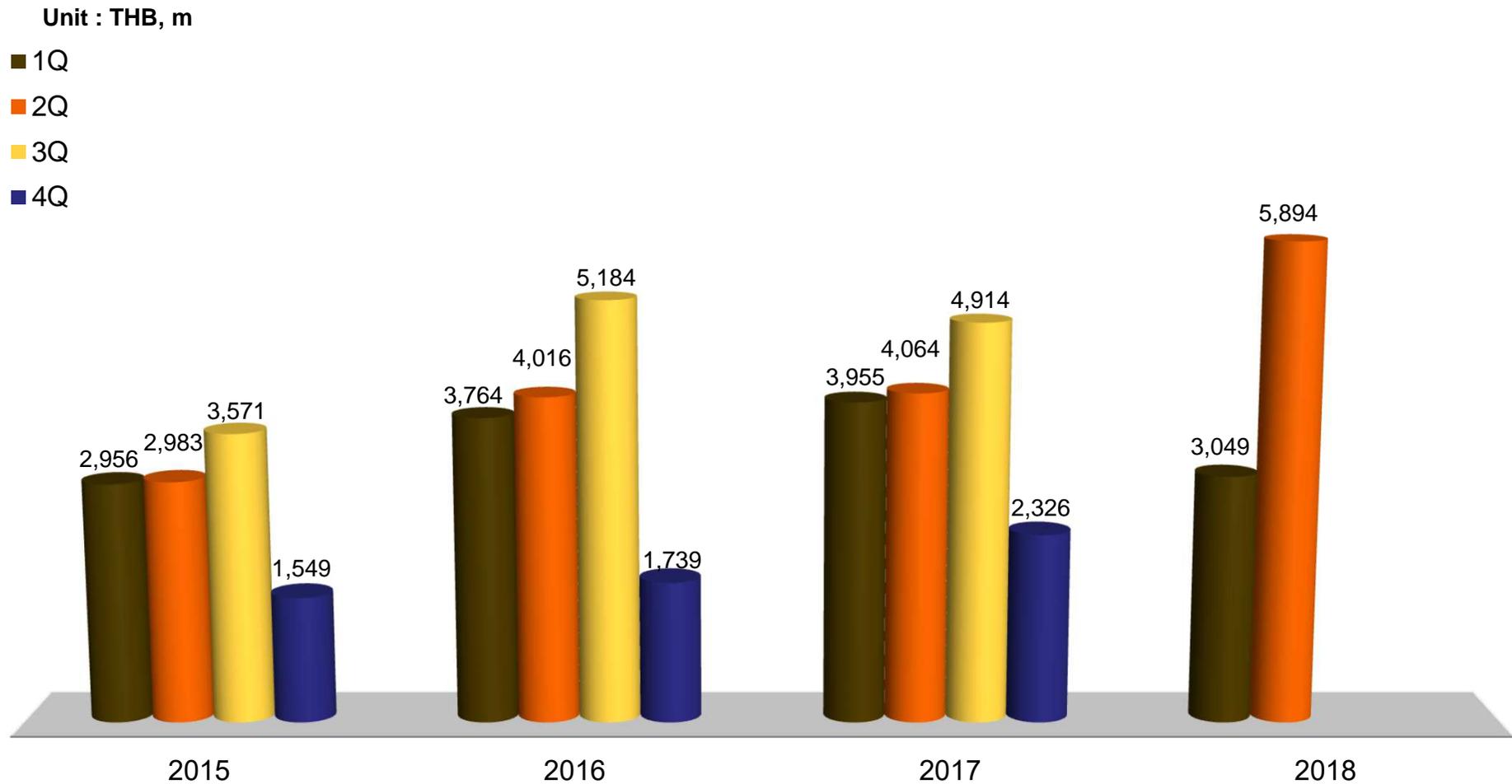
ROA = Net Income (include Non-Controlling Interest) / Average Total Asset

● ROE



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

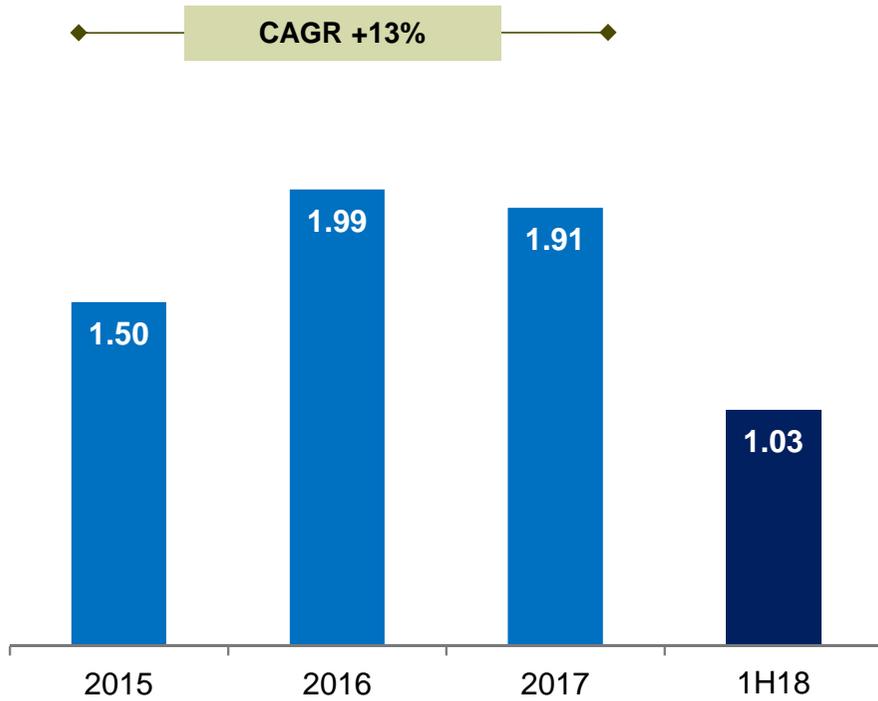
* Annualized basis



2Q15 : Included gain on fair value adjustment of investments in associates = 236 MB

Earnings Per Share

Unit : THB Per Share

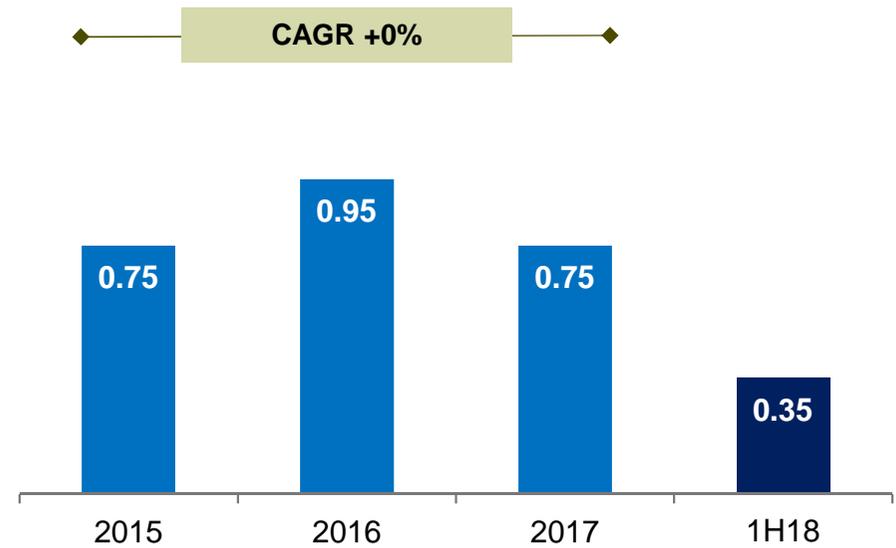


Dividends

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		
2016	2017	2018
35.6	35.8	29.7
% Chg	+1%	-17%

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



Average Price		
2016	2017	2018
66.7	56.1	51.1
% Chg	-16%	-9%

Thailand's Fresh Egg price (THB/piece)



Average Price		
2016	2017	2018
2.8	2.3	2.3
% Chg	-19%	+3%



Thailand's White Shrimp price (THB/Kg)

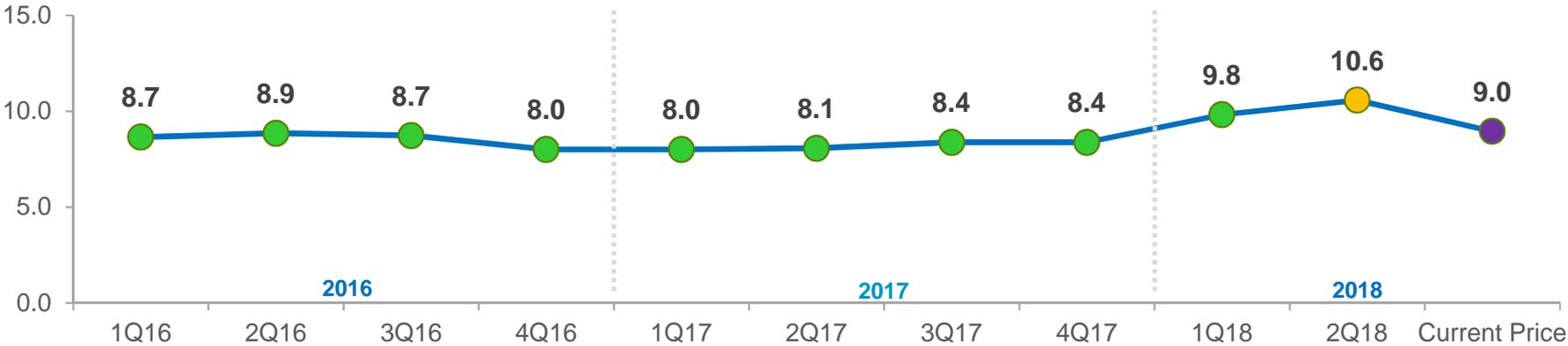


Average Price		
2016	2017	2018
170	175	151
% Chg	+3%	-14%

Size 70 pieces/kg

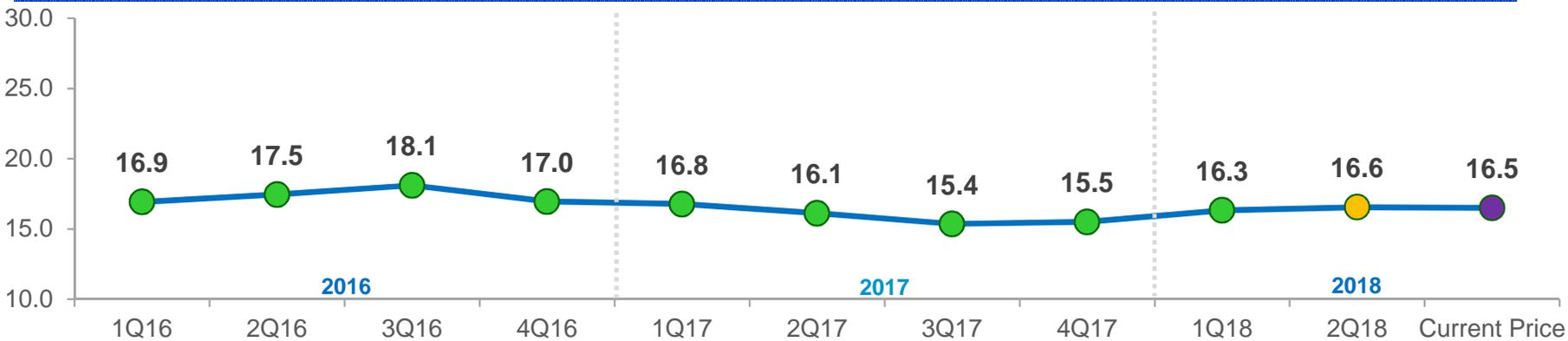


Thailand's Corn price (THB/kg)



Average Price		
2016	2017	2018
8.6	8.2	10.2
% Chg	-5%	+24%

Thailand's Soybean Meal price (THB/kg)



Average Price		
2016	2017	2018
17.4	15.9	16.4
% Chg	-8%	+3%

Thailand's Fishmeal price (THB/kg)



Average Price		
2016	2017	2018
32.3	32.8	45.0
% Chg	+1%	+37%



Vietnam: Average Market Price and Major Feed Raw Materials



Broiler
(VND/kg)

Swine
(VND/kg)

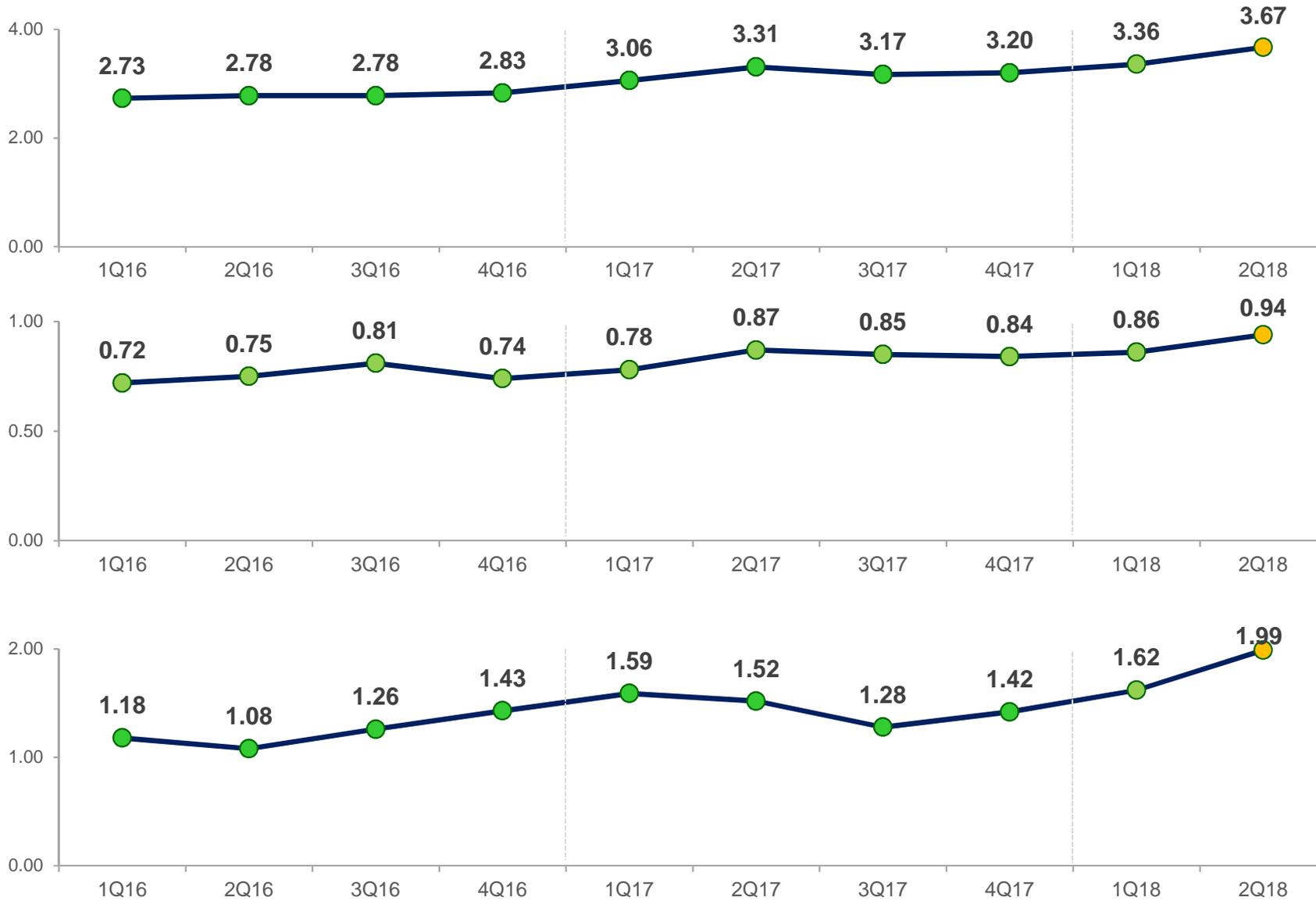
Corn
(VND/kg)

Soybean Meal
(VND/kg)

Source: CPF

VND 1 = THB 0.0014

Turkey: Average Market Price and Major Feed Raw Materials



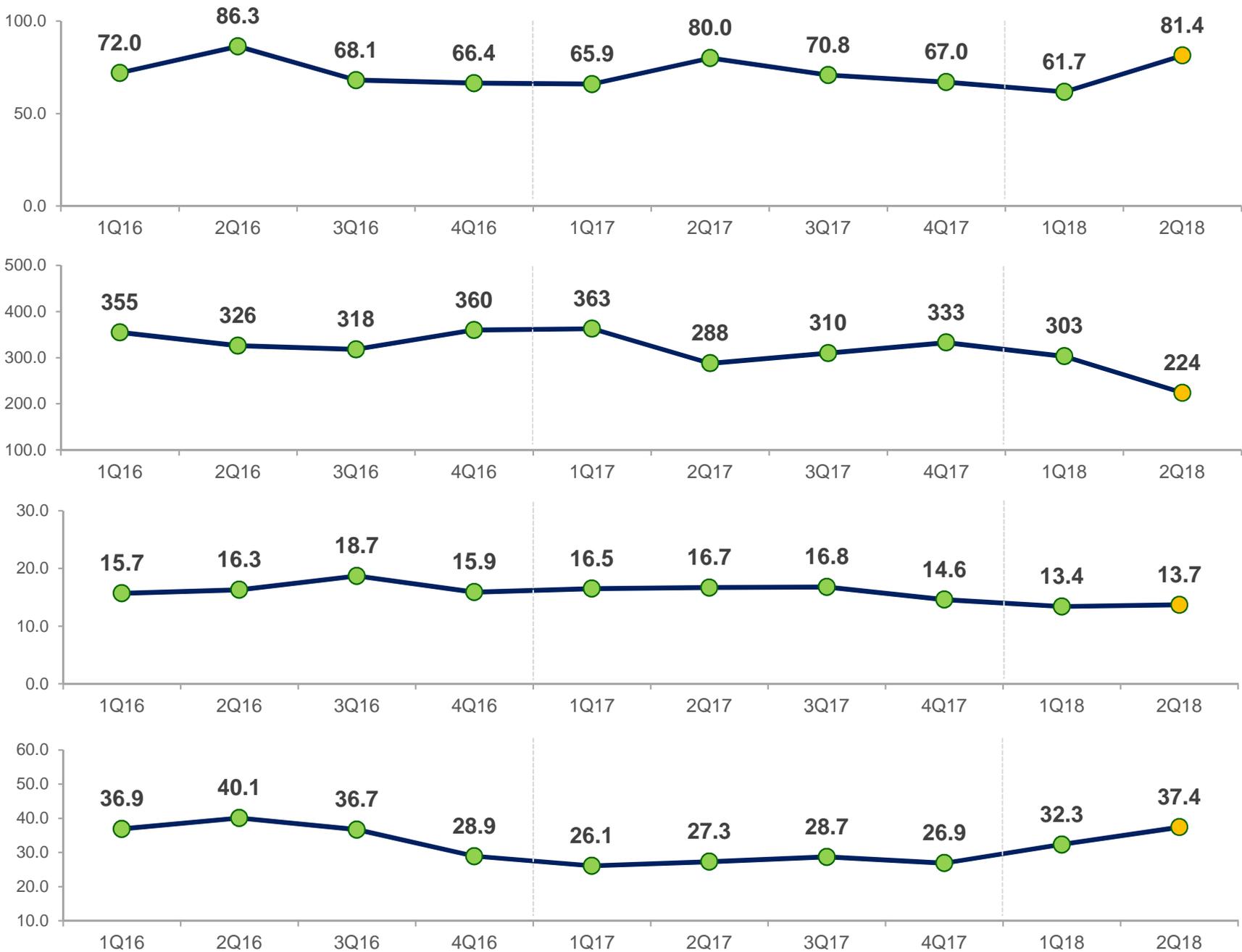
Broiler
(TRY/kg)

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)

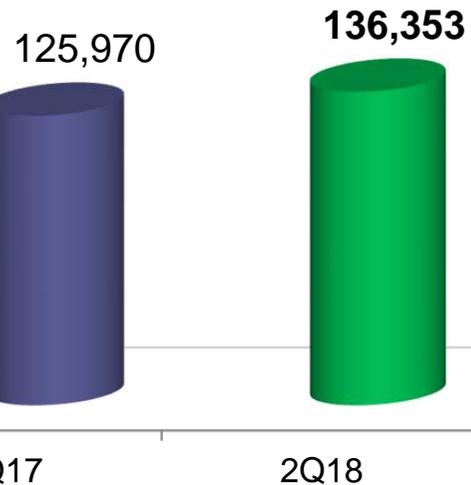
Soybean Meal
(INR/kg)

Appendix C: Highlights: 2Q18 results

2Q18 Results Highlights

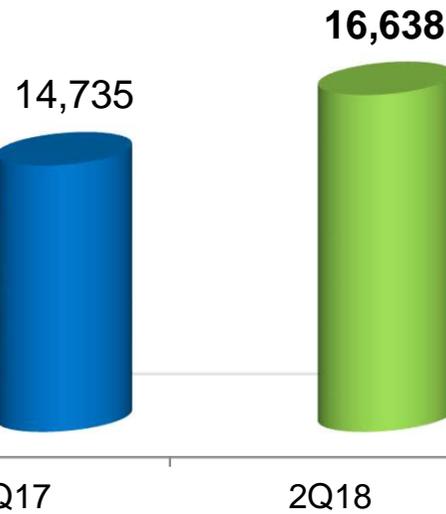
Consolidated Revenue (THB millions)

+8%Y-o-Y



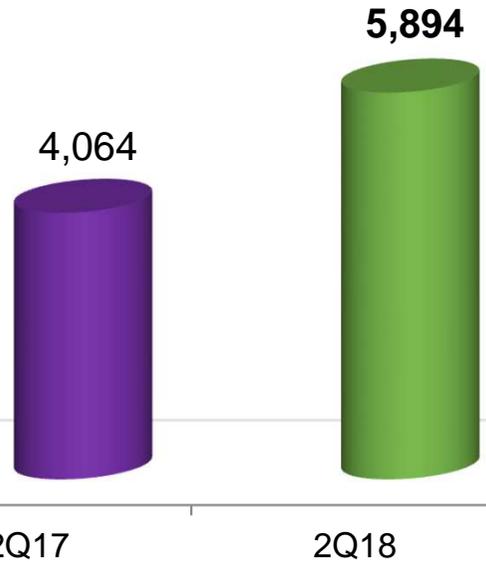
Gross Profit (THB millions)

+13%Y-o-Y



Net Profit (THB millions)

+45%Y-o-Y



Consolidated sales ↑ 8% Y-o-Y

Gross profit margin

2Q17 11.7%

2Q18 12.2%

↑ 0.5%

Net profit margin

2Q17 3.2%

2Q18 4.3%

↑ 1.1%

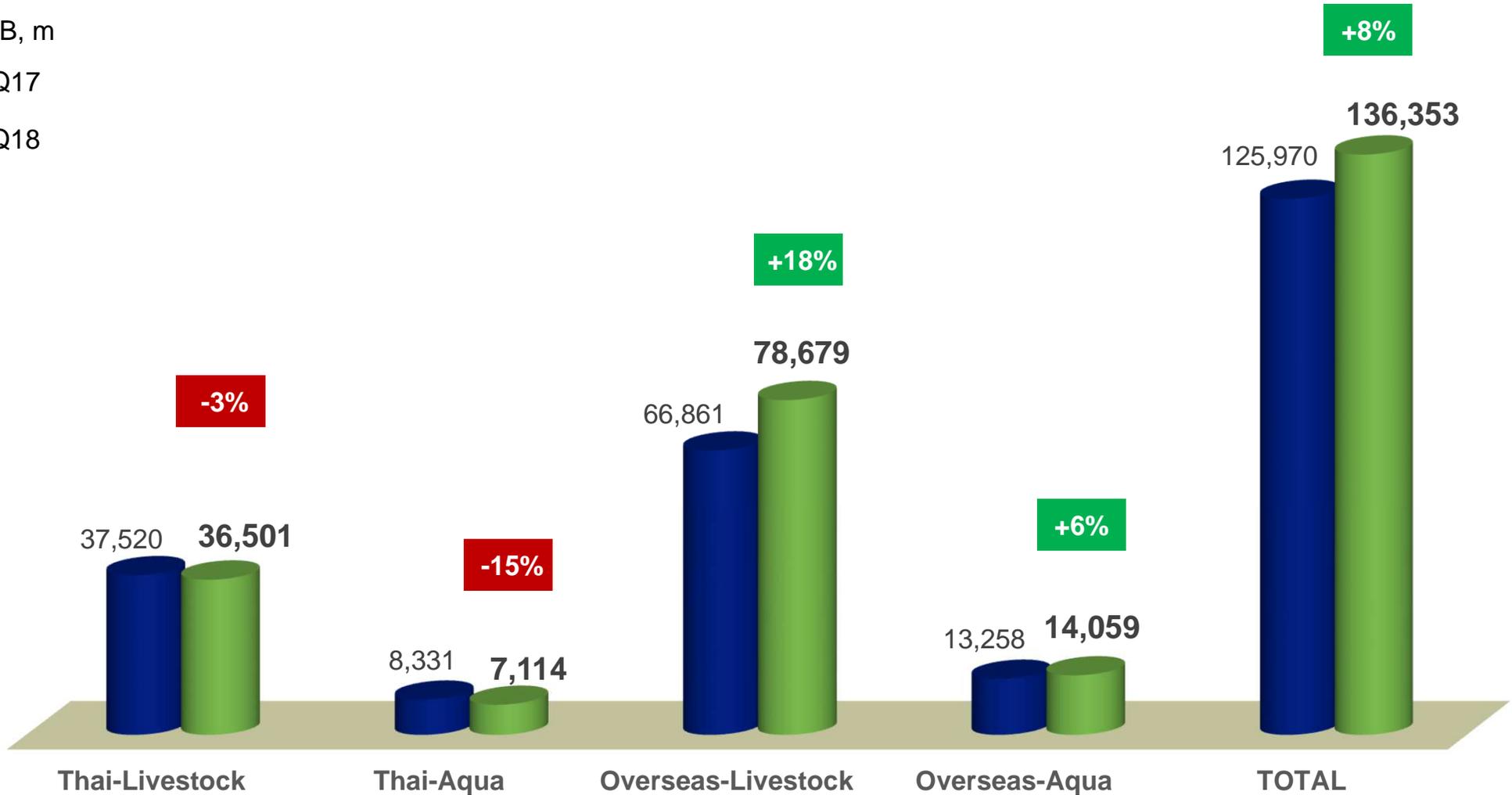


2Q18: Sales & Gross Profit Margin by Business

In THB, m

■ 2Q17

■ 2Q18



	Thai-Livestock	Thai-Aqua	Overseas-Livestock	Overseas-Aqua	TOTAL
GPM	13.1% (2Q17) / 5.9% (2Q18)	8.2% (2Q17) / 3.9% (2Q18)	9.2% (2Q17) / 14.4% (2Q18)	22.8% (2Q17) / 20.4% (2Q18)	11.7% (2Q17) / 12.2% (2Q18)
OPM	4.1% (2Q17) / -3.3% (2Q18)	3.2% (2Q17) / -3.3% (2Q18)	-1.0% (2Q17) / 8.8% (2Q18)	17.1% (2Q17) / 14.7% (2Q18)	2.7% (2Q17) / 5.5% (2Q18)



2Q18: Consolidated Sales Structure by Business

Sales Breakdown

	Livestock			Aquaculture			Total		
	2Q17	2Q18	%Change	2Q17	2Q18	%Change	2Q17	2Q18	%Change
Thailand	37,520	36,501	-3%	8,331	7,114	-15%	45,851	43,615	-5%
<i>Domestic</i>	31,405	31,012	-1%	6,835	5,972	-13%	38,240	36,984	-3%
<i>Export</i>	6,115	5,489	-10%	1,496	1,142	-24%	7,611	6,631	-13%
China	26,912	31,960	19%	3,184	3,467	9%	30,096	35,427	18%
Vietnam	12,111	17,922	48%	3,349	3,988	19%	15,460	21,910	42%
Others	27,838	28,797	3%	6,725	6,604	-2%	34,563	35,401	2%
Total	104,381	115,180	10%	21,589	21,173	-2%	125,970	136,353	8%
		▼			▼			▼	
% of Total Sales	83%	84%		17%	16%		100%	100%	



2Q18: Consolidated Sales by Products

Sales Breakdown by Products

	Feed			Farm			Food			Total		
	2Q17	2Q18	%Change	2Q17	2Q18	%Change	2Q17	2Q18	%Change	2Q17	2Q18	%Change
Thailand	13,010	12,607	-3%	21,493	20,419	-5%	11,348	10,589	-7%	45,851	43,615	-5%
<i>Domestic</i>	12,946	12,591	-3%	19,321	18,576	-4%	5,973	5,817	-3%	38,240	36,984	-3%
<i>Export</i>	64	16	-75%	2,172	1,843	-15%	5,375	4,772	-11%	7,611	6,631	-13%
China	27,119	29,585	9%	1,891	4,497	138%	1,086	1,345	24%	30,096	35,427	18%
Vietnam	7,443	6,983	-6%	7,557	14,424	91%	460	503	9%	15,460	21,910	42%
Others	10,541	9,671	-8%	15,569	17,301	11%	8,454	8,430	0%	34,563	35,401	2%
Total	58,113	58,846	1%	46,509	56,640	22%	21,348	20,867	-2%	125,970	136,353	8%

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



Group of CPP's Associate Companies & Joint Ventures

As of December 31, 2017

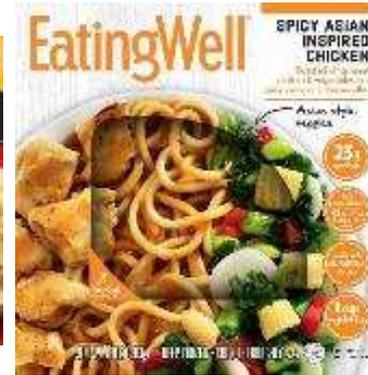
No.	Associates	Type of Business	Direct and Indirect Interest (%)
1	Chia Tai (Cixi) Investment Mangement Ltd.	Provision of Consulting service on economic and trade	25.21
2	Conti Chia Tai International Ltd.	Production and sale of animal feed	25.21
3	Ningxia Xiao Ming Animal Husbandary Co., Ltd.	Production and sale of commercial layer chicks	8.34
4	Qingdao Yi Bang Bio-Engineering Co., Ltd.	Production and sale of animal vaccines	6.05
5	Zhan Jiang Deni Carburetor Co., Ltd.	Motorcycle carburetor and auto parts production and distribution	14.12

No.	Joint Ventures	Type of Business	Direct and Indirect Interest (%)
1	Beijing Chia Tai Feedmill Co., Ltd.	Production and sale of animal feed	25.21
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	25.21
4	Henan East Chai Tai Co., Ltd.	Production and sale of animal feed	25.21
5	Jilin Chia Tai Enterprise Co., Ltd.	Production and sale of animal feed	25.21

Appendix E: Product Samples & Retail Outlet Formats









More Than **5,500** Outlets

Five Star Chicken in Vietnam



Five Star Chicken in India



Five Star Chicken in Cambodia





198 outlets





425 Stores



7 Stores



CHOZEN NOODLE

22 Kiosks



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