



PUT OUR
HEART
INTO FOOD

1Q/2020 Results Briefing

Investor Presentation

May 14, 2020

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


FTSE4Good



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Why Invest in CPF




“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)

Company Facts

Vision : "Kitchen of the World"

- 4 listed investments onboard (HKSE:00043, HKSE:3839, TWSE: 1 2 1 5, SET:CPALL)
- 39 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 : THB239 billion or ~USD7.4 billion

(as of May 13, 2020)

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

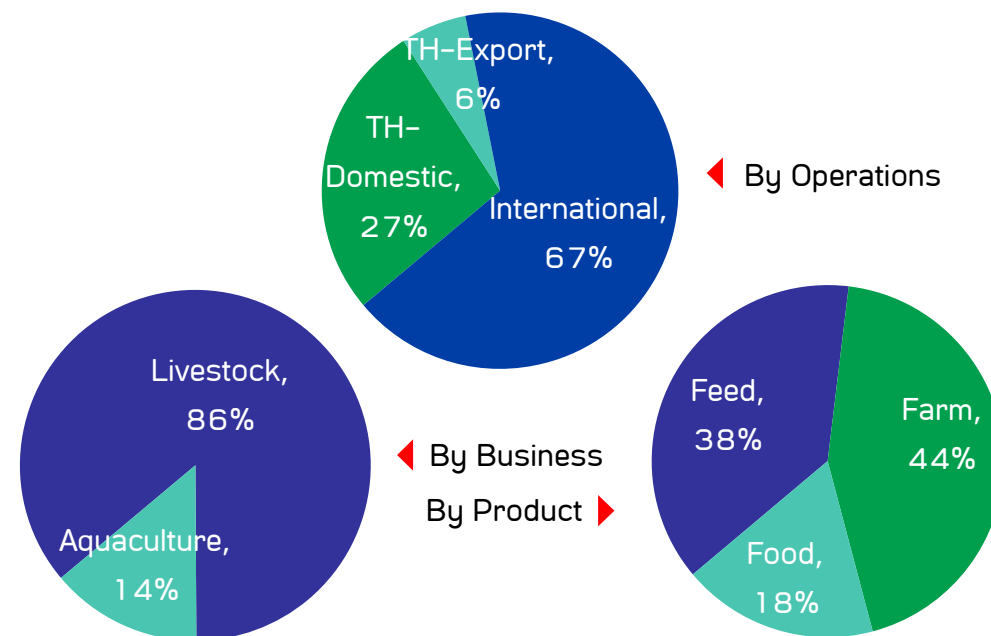
Book Value : THB21.40* per share *(as of Mar 31, 2020)*

Shareholders: Charoen Pokphand Group Ltd. 53.88%

of Paid-Up Capital *(as of Mar 9, 2020)*

Credit Rating : "A+" with "Negative" Outlook *(as of Mar 31, 2020)*

2019 Sales Breakdown

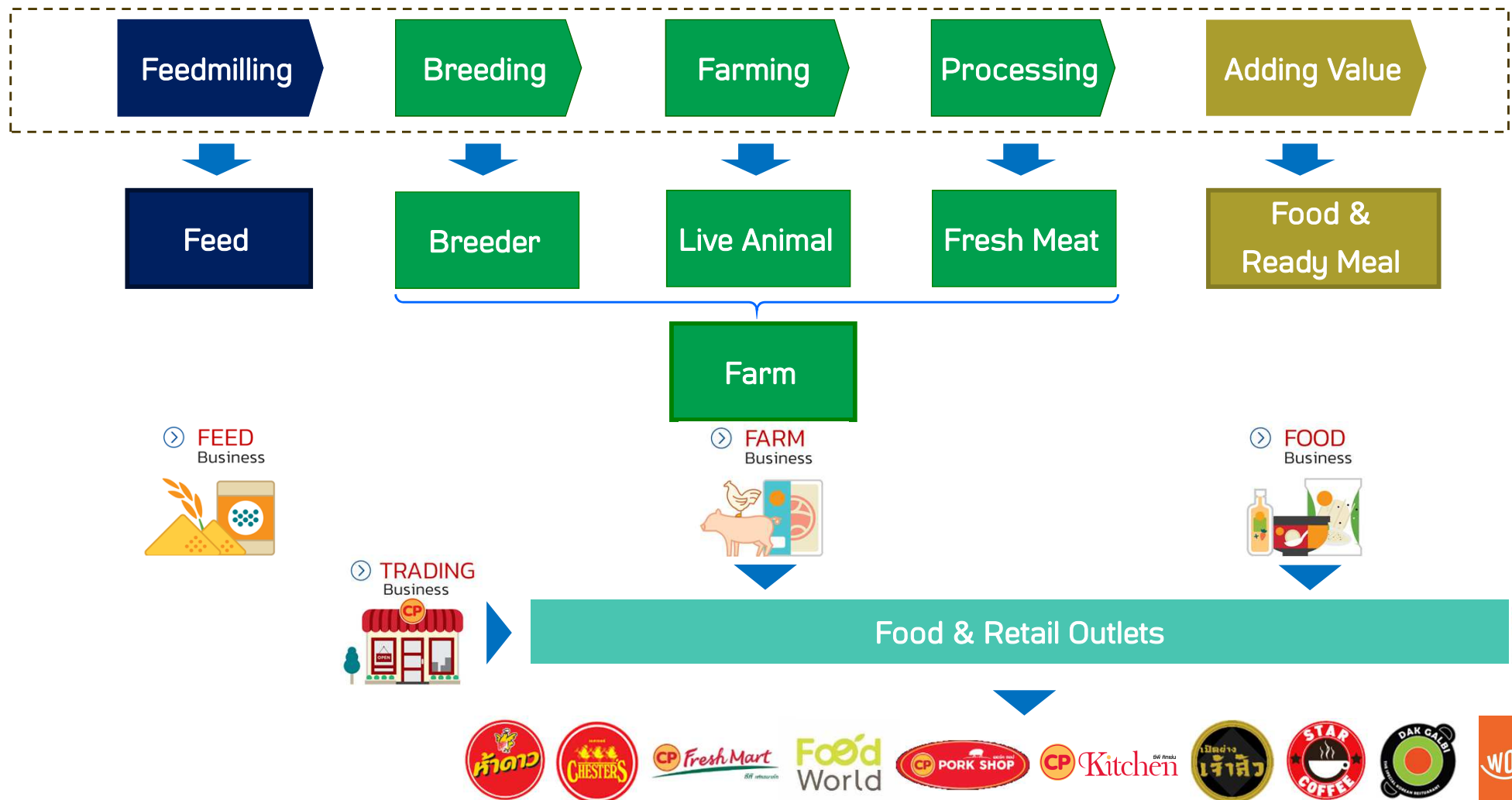


Note: USD1 = THB 32.47 (as of May 13, 2020)

** Exclude Non-Controlling Interests (NCI) and Subordinated Perpetual Debentures*

Vertically Integrated Business in Thailand

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.



CPF Geographical Footprints

- 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 

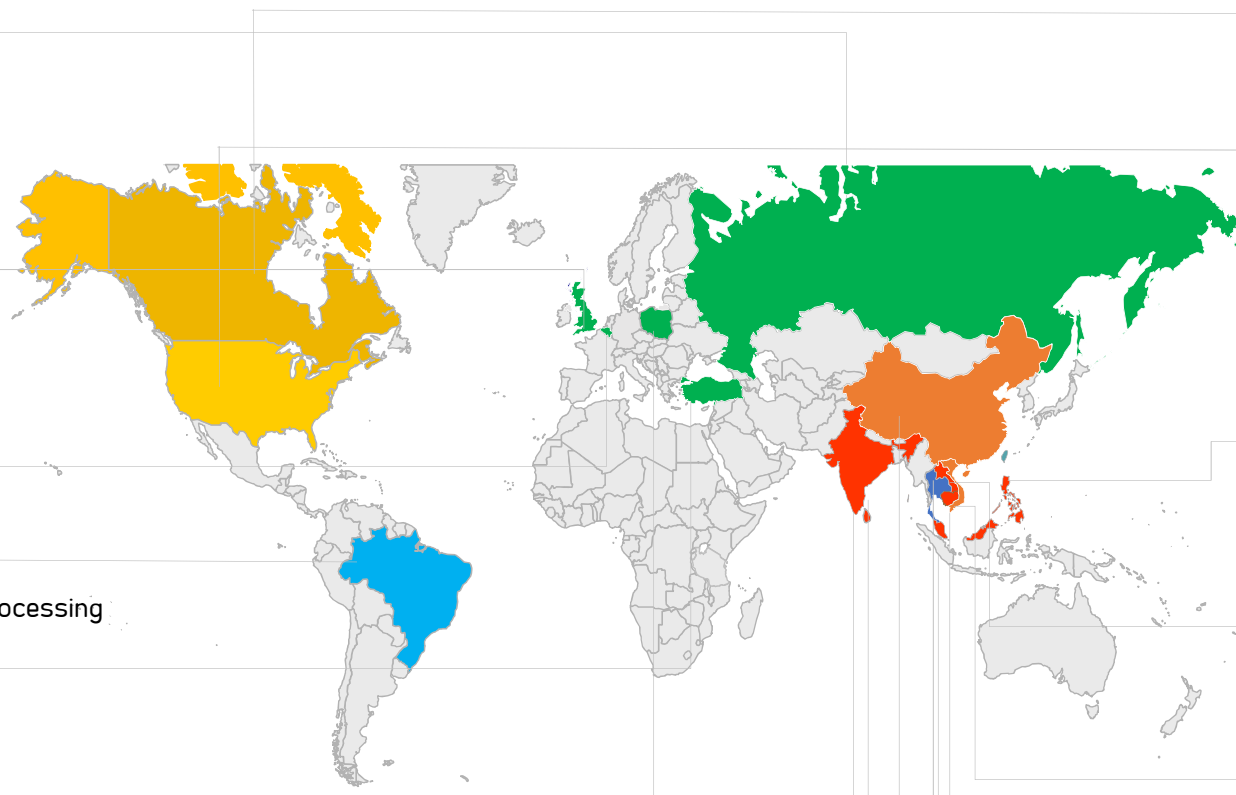
- Livestock integrated business

Cambodia 

- Livestock integrated business

Vietnam 

- Livestock and aquaculture integrated businesses



Our Strategy



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.

Sustainability



CPF commits to support

11 of 17

Sustainable Development Goals which align with our capacity and potential.



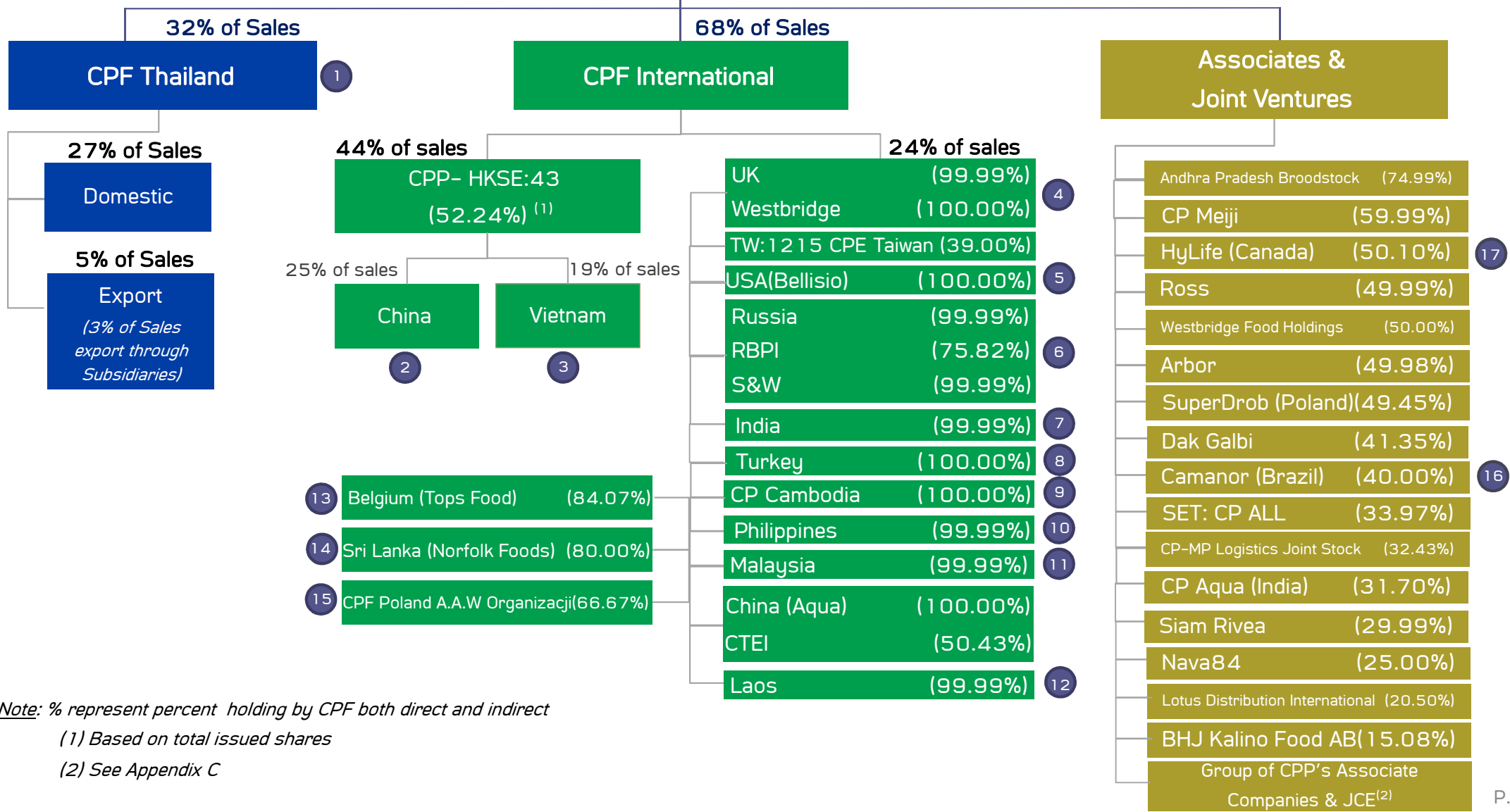
CPF is a participant in the United Nations Global Compact



CPF Operation Structure (as of Mar 31, 2020)



1Q20 : Sales: THB 138,135 m
Net Profit: THB 6,111 m



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

(1) Based on total issued shares

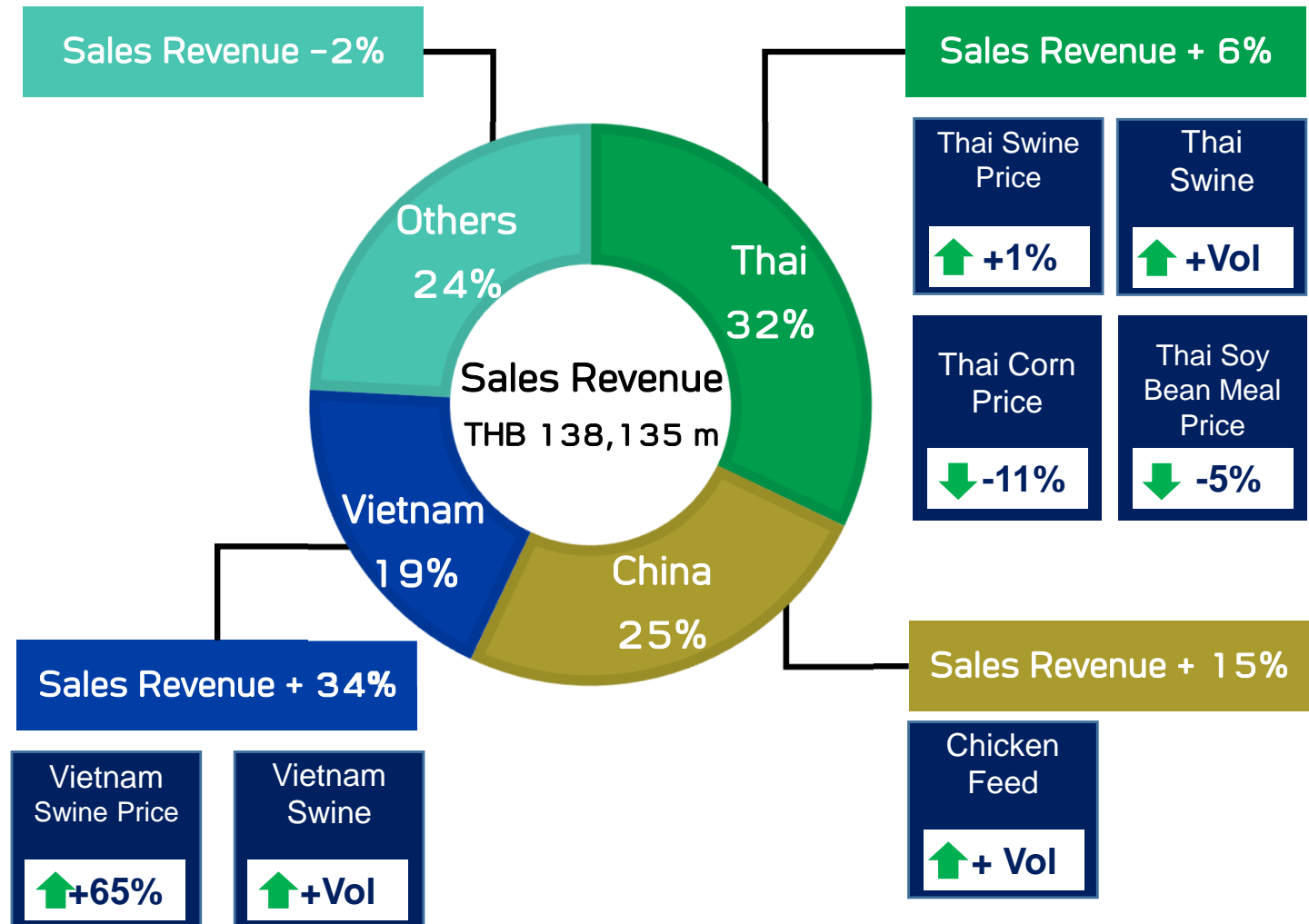
(2) See Appendix C

1Q/2020 Performance Summary

1Q/2020 VS 1Q/2019

Sales Revenue	↑	10%
Gross Profit	↑	+43%
Margin:		
1Q/19:		14%
1Q/20:		18%
EBITDA	↑	+66%
Margin:		
1Q/19:		9%
1Q/20:		14%
Net Profit	↑	+43%
Margin:		
1Q/19:		3%
1Q/20:		4%

Sales Revenue Breakdown

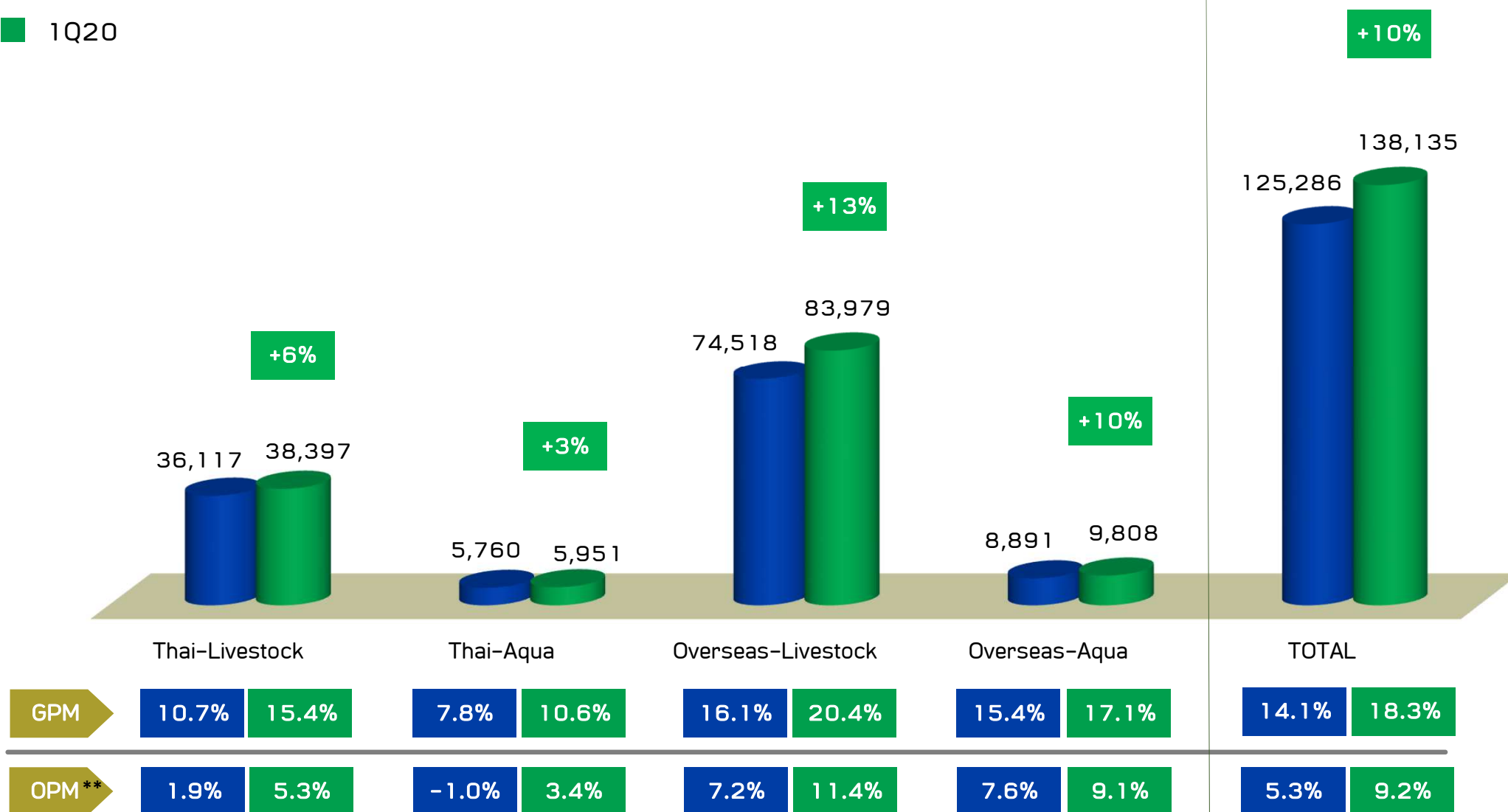


1Q20: Sales & Profit Margin by Business

In THB, m

■ 1Q19

■ 1Q20



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

1Q20: Sales Structure by Business

Sales Breakdown									
	Livestock			Aqualculture			Total		
	1Q19	1Q20	%Change	1Q19	1Q20	%Change	1Q19	1Q20	%Change
Thailand	36,117	38,397	6%	5,760	5,951	3%	41,877	44,348	6%
<i>Domestic</i>	30,180	32,491	8%	4,716	5,025	7%	34,896	37,516	8%
<i>Export</i>	5,937	5,906	-1%	1,044	926	-11%	6,981	6,832	-2%
China	28,991	33,390	15%	948	1,011	7%	29,939	34,401	15%
Vietnam	16,321	22,153	36%	3,120	3,873	24%	19,441	26,026	34%
Others	29,206	28,436	-3%	4,823	4,924	2%	34,029	33,360	-2%
Total	110,635	122,376	11%	14,651	15,759	8%	125,286	138,135	10%
% of Total Sales	88%	89%		12%	11%		100%	100%	

- Thailand
- China
- Vietnam

➔

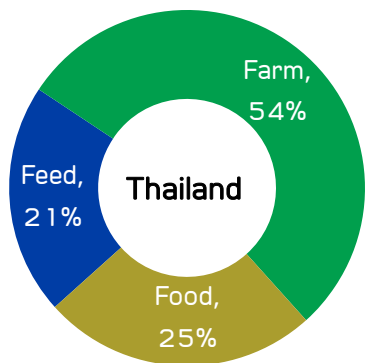
76%

of Sale Revenue

1Q20: Sales Structure by Products

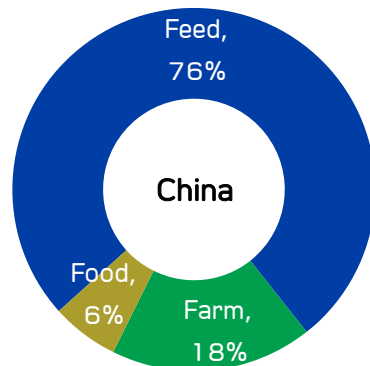
Sales Breakdown by Products

	Feed			Farm			Food			Total		
	1Q19	1Q20	%Change	1Q19	1Q20	%Change	1Q19	1Q20	%Change	1Q19	1Q20	%Change
Thailand	9,148	9,434	3%	21,301	24,003	13%	11,428	10,911	-5%	41,877	44,348	6%
<i>Domestic</i>	9,132	9,429	3%	19,811	22,261	12%	5,953	5,826	-2%	34,896	37,516	8%
<i>Export</i>	16	5	-69%	1,490	1,742	17%	5,475	5,085	-7%	6,981	6,832	-2%
China	23,804	26,360	11%	4,286	6,074	42%	1,849	1,967	6%	29,939	34,401	15%
Vietnam	6,656	6,313	-5%	12,128	18,730	54%	657	983	50%	19,441	26,026	34%
Others	7,899	8,303	5%	16,925	15,934	-6%	9,205	9,123	-1%	34,029	33,360	-2%
Total	47,507	50,410	6%	54,640	64,741	18%	23,139	22,984	-1%	125,286	138,135	10%



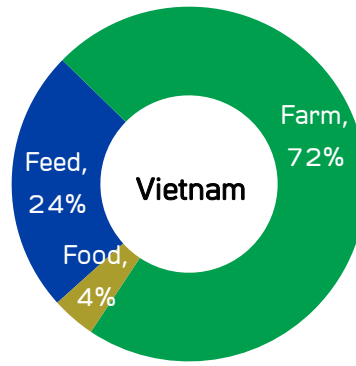
THB 44,348 m

% to sales 32%



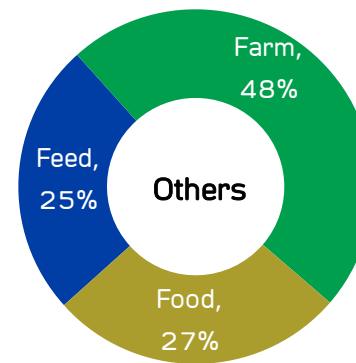
THB 34,401 m

25%



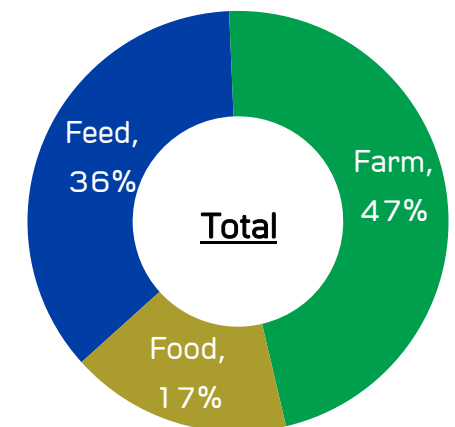
THB 26,026 m

19%



THB 33,360 m

24%



THB 138,135 m

100%

1Q20: Consolidated Income Statement Highlight

	Quarter 1			Full Year		
	2019	2020	%Chg.	2018	2019	%Chg.
Net sales	125,286	138,135	10%	541,937	532,573	-2%
<i>Gross Profit Margin</i>	<i>14.1%</i>	<i>18.3%</i>		<i>12.1%</i>	<i>14.3%</i>	
EBITDA	11,585	19,224	66%	39,559	47,551	20%
<i>EBITDA Margin</i>	<i>9.2%</i>	<i>13.9%</i>		<i>7.3%</i>	<i>8.9%</i>	
EBIT	5,979	12,355	107%	17,151	24,515	43%
<i>EBIT Margin</i>	<i>4.8%</i>	<i>8.9%</i>		<i>3.2%</i>	<i>4.6%</i>	
G/L on FV of Biological Assets	(1,431)	(1,762)	23%	3,974	3,235	-19%
Share in Profit of Associates	2,348	2,680	14%	8,343	8,893	7%
Financial Costs	(3,414)	(3,665)	7%	(11,703)	(13,785)	18%
Income Taxes Expense	(687)	(1,996)	191%	(6,212)	(5,446)	-12%
NET PROFIT	4,279	6,111	43%	15,531	18,456	19%
EPS (THB)	0.50	0.73		1.82	2.18	
# of capital shares	8,185	8,185		8,185	8,185	
Paid-Up Capital	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

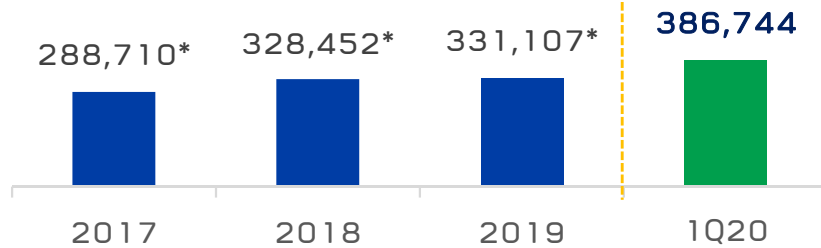
(2) One time expense from the amendment of the Thailand 's Labour Protection Act in the amount of THB 2,126 m in 2019

(3) Financial costs includes impact from the adoption of TFRS 16, interest on lease liabilities in the amount of THB 629 m in 1Q20

Financial Status (As of Mar31,2020)

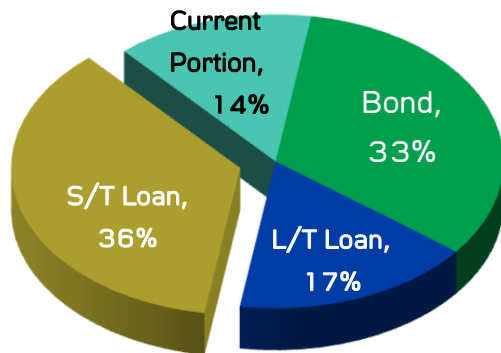
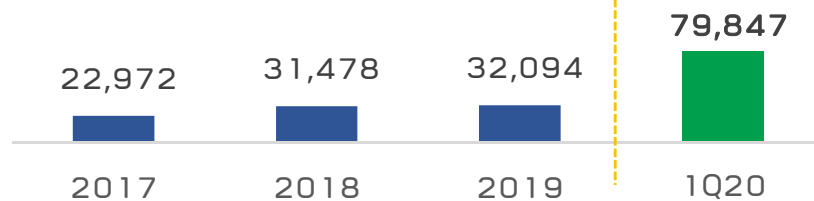
Interest Bearing Debt: THB 386,744 m

(THB, m)



Cash and Cash Equivalent

(THB, m)



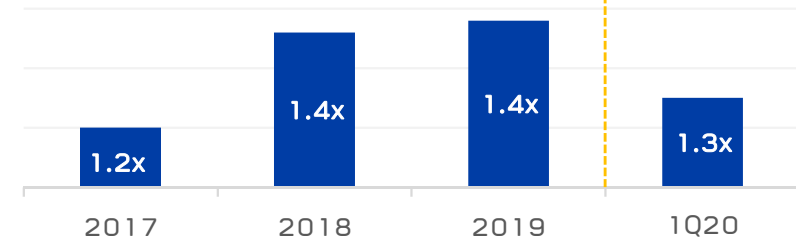
Cost of Debts

Year	2017	2018	2019	1Q20
Cost of Debts	3.84%	4.02%	3.90%	3.52%

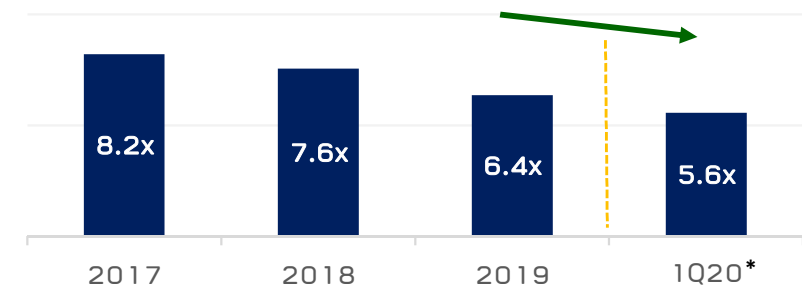
*Remark: Adjusted to exclude lease liabilities according to TFRS 16 for comparison purpose

Net Debt to Equity & Net Debt to EBITDA

■ Net D/E



■ Net D/EBITDA



Bond Rating "A+" with "Negative" Outlook
by Tris Rating Co., Ltd

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 basis

CPF's Investment in Listed Companies

	Stock Price (Local Curr.)		Market Cap. (THB mm)	CPF Holding %	Holding Value (THB mm)
	(As of Mar 31, 2020)				
CPALL (SET:CPALL)	THB	61.00	547,969	33.97%	186,145
CPP (HKSE:0043)	HKD	0.61	61,966	52.24%	32,371
TRUE (SET:TRUE)	THB	3.14	104,776	2.21%	2,316
CPE (TWSE:1215)	TWD	59.10	17,264	39.00%	6,733
CTEI (HKSE:3839)	HKD	1.46	1,483	50.43%	748
Total					228,312

Y2020 Outlook



Growth Target

- Expected sales growth of approximately 8-12% excluding FX translation impact



Key Drivers & Focus

- Higher average domestic meat prices of swine
- Swine shortage due to African swine fever (ASF), rising momentum of swine prices especially in Vietnam
- Improving overseas aquaculture businesses performance
- Opportunities from **new normal** after COVID-19 raise demand for food safety products.
- Focusing on efficiency improvement and prudent investment



Key Challenges

- Impact of COVID-19 on consumption and global economy
- Impact of drought in Thailand
- Balancing domestic chicken parts for different markets
- African swine fever (ASF) outbreak in multiple countries
- Foreign exchange volatility



Investment

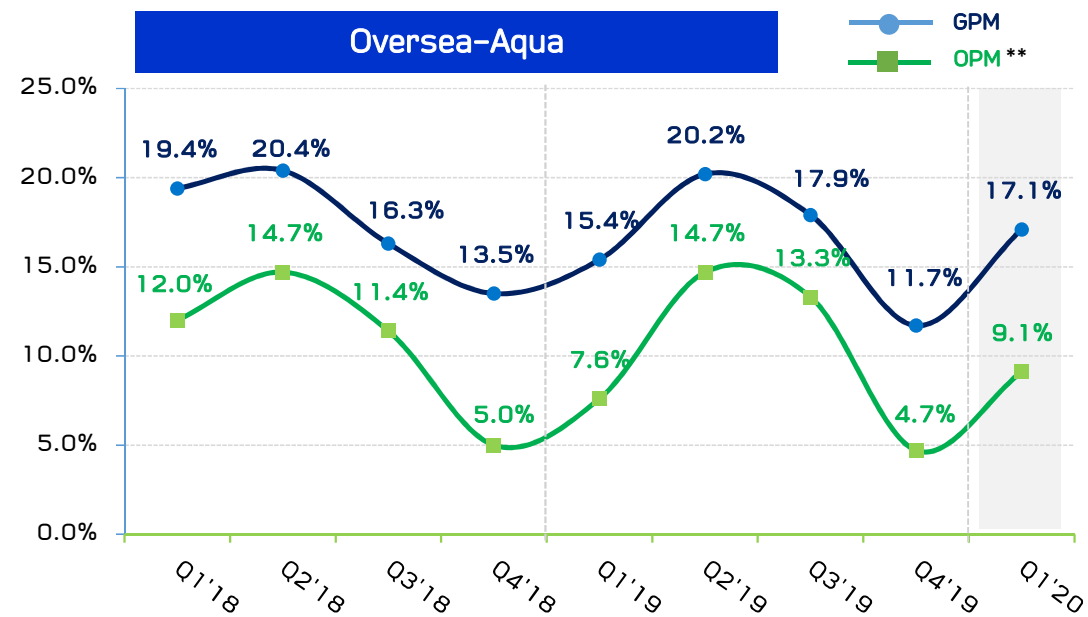
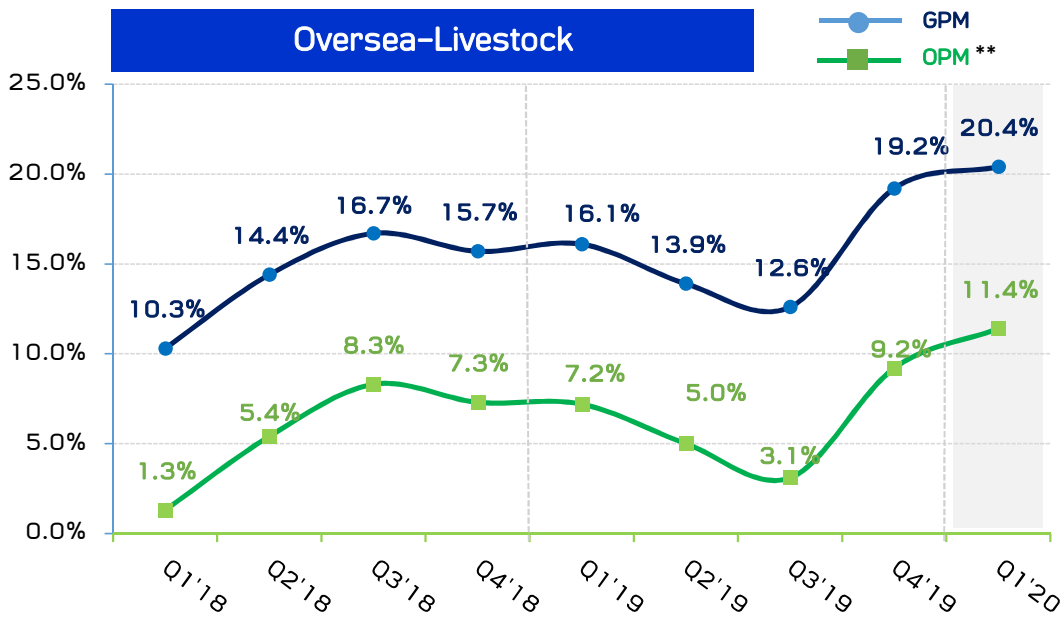
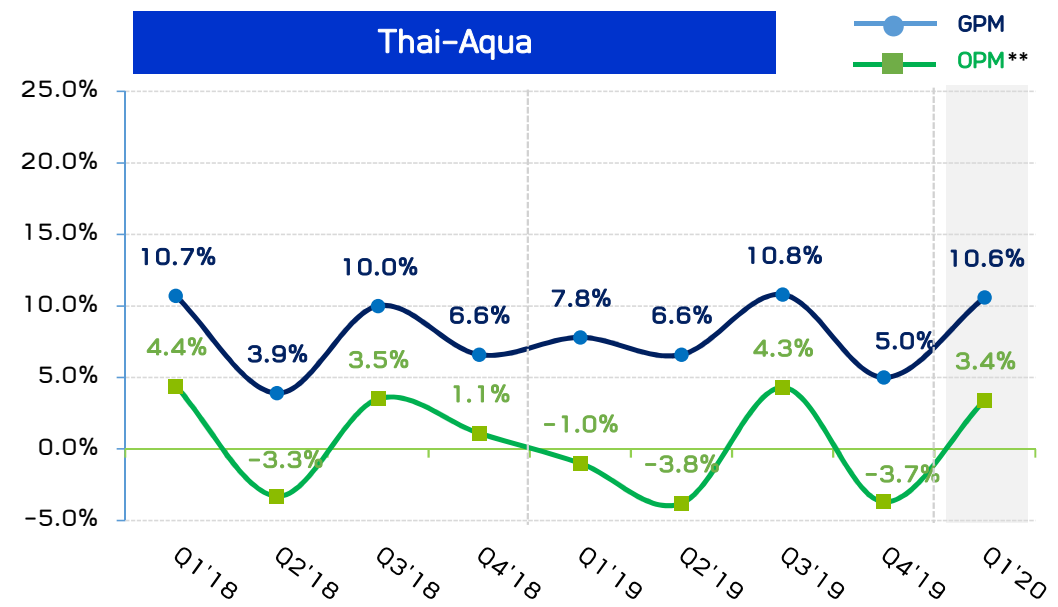
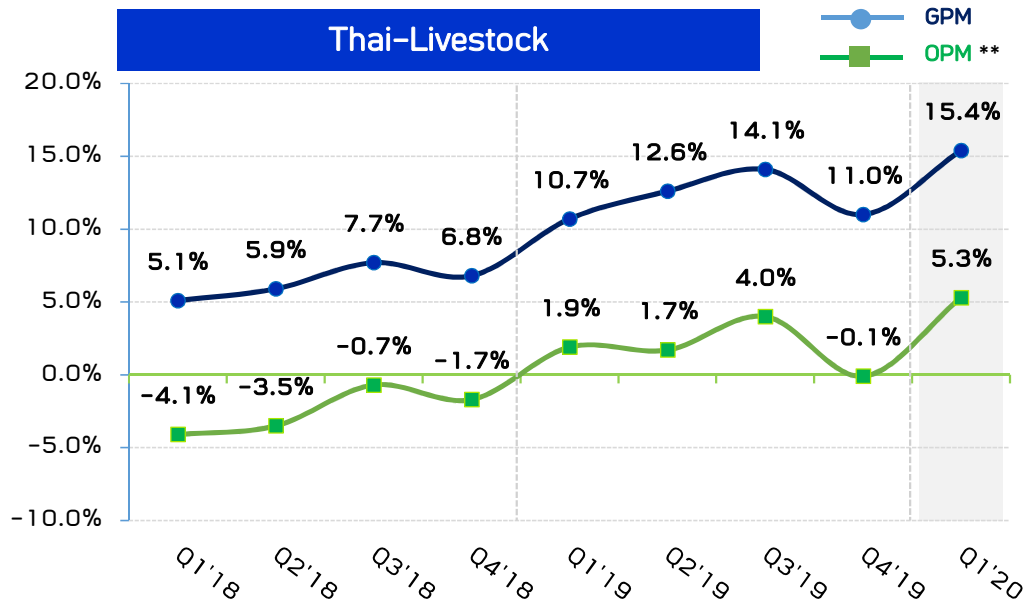
- Capex of approximately THB 25 billion (excluding M&A)

Appendix A

Highlights : 3Yr Historical Results



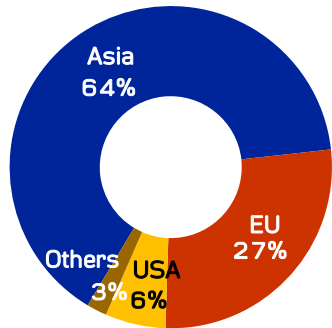
Gross Profit Margin & Operating Profit Margin



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

Thailand Operations – Export Destination

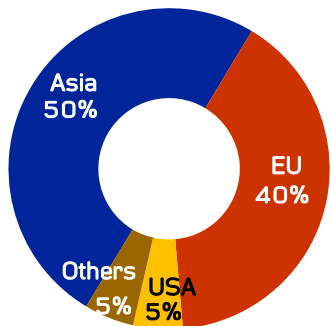
Y2017



■ Asia ■ EU ■ USA ■ Others

Farm

THB 8,531 million +15%

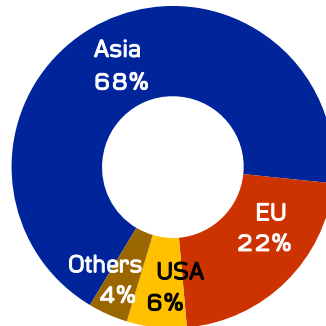


■ Asia ■ EU ■ USA ■ Others

Food

THB 21,796 million +3%

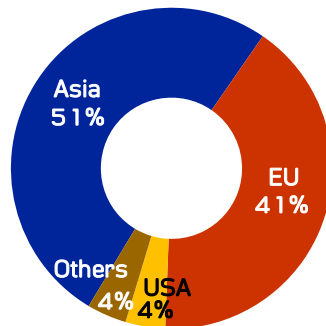
Y2018



■ Asia ■ EU ■ USA ■ Others

Farm

THB 7,473 million -12%

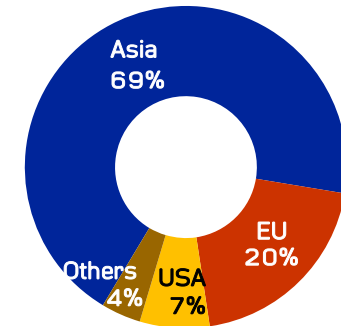


■ Asia ■ EU ■ USA ■ Others

Food

THB 21,490 million -1%

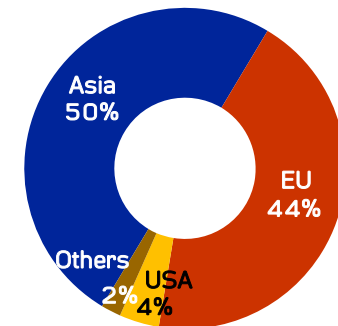
Y2019



■ 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	

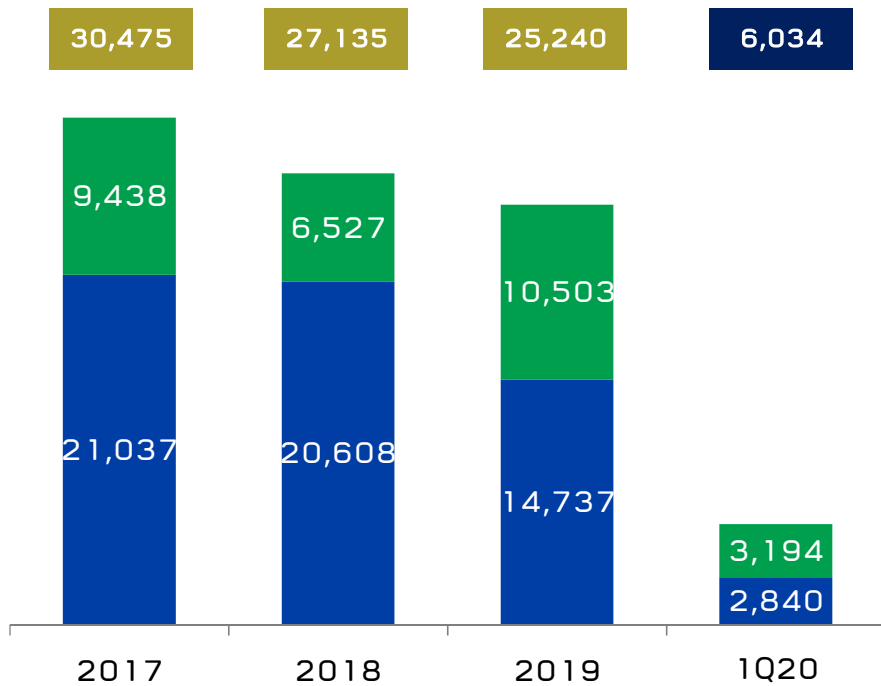
* Note: # of capital shares = No. of the weighted-avg. shares

CAPEX & EBITDA

CAPEX

Unit: THB, m

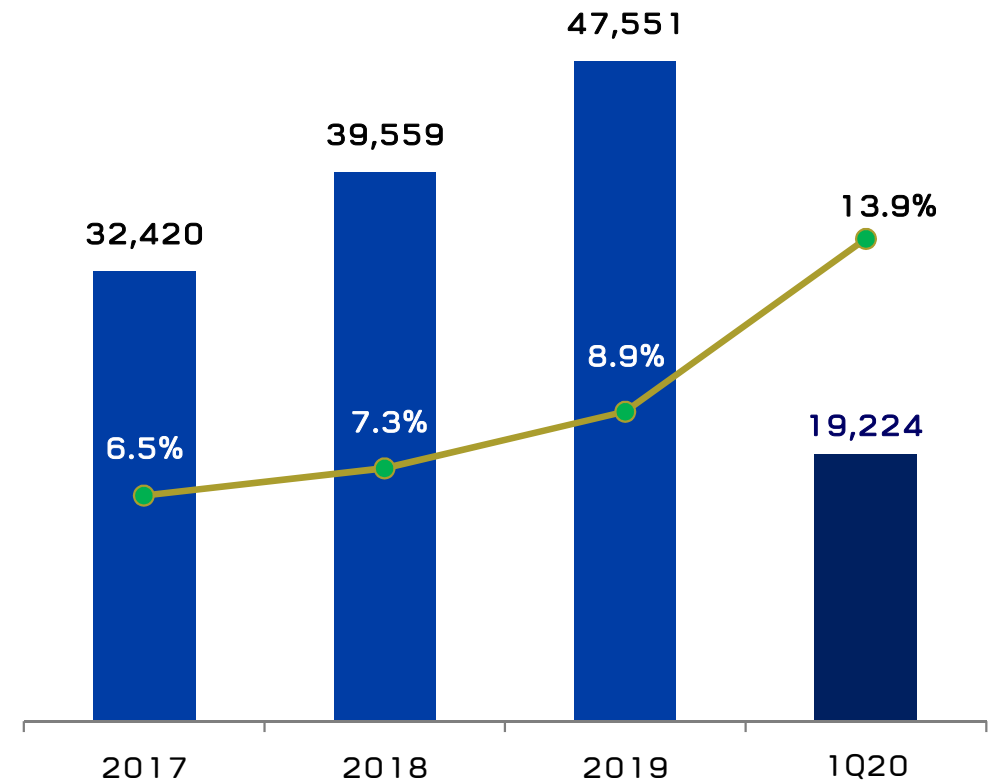
- CPP
- CPF



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

Consolidated Net Profit, ROA and ROE

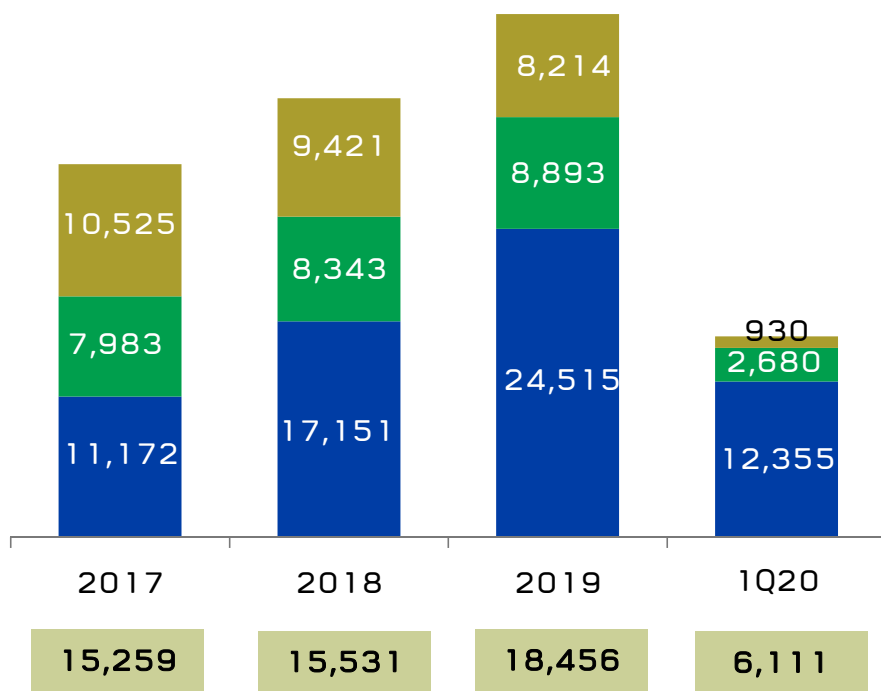
Net Profit

Unit: THB, m

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

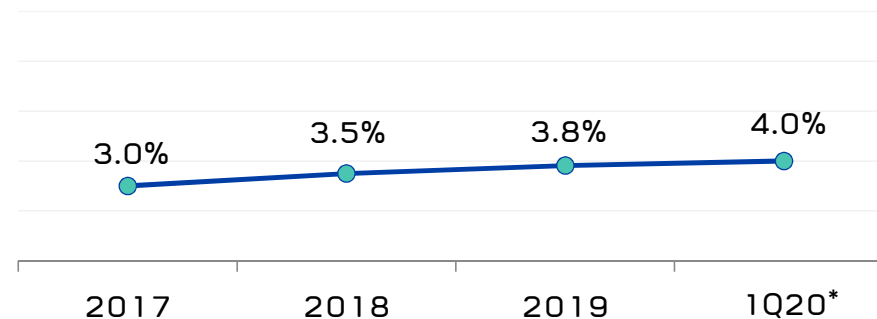
CAGR +10%

Before Tax



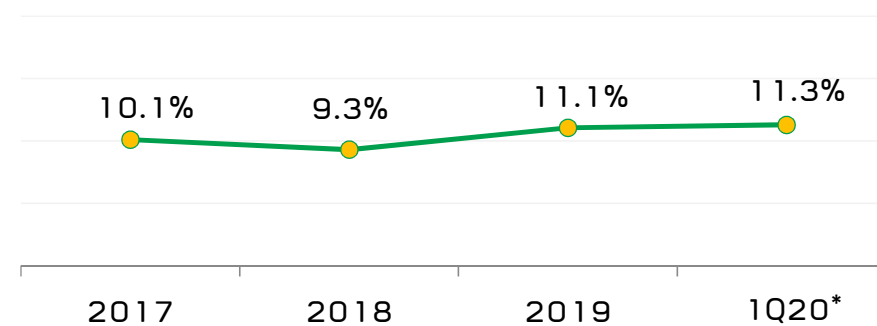
ROA & ROE

● ROA



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

● ROE



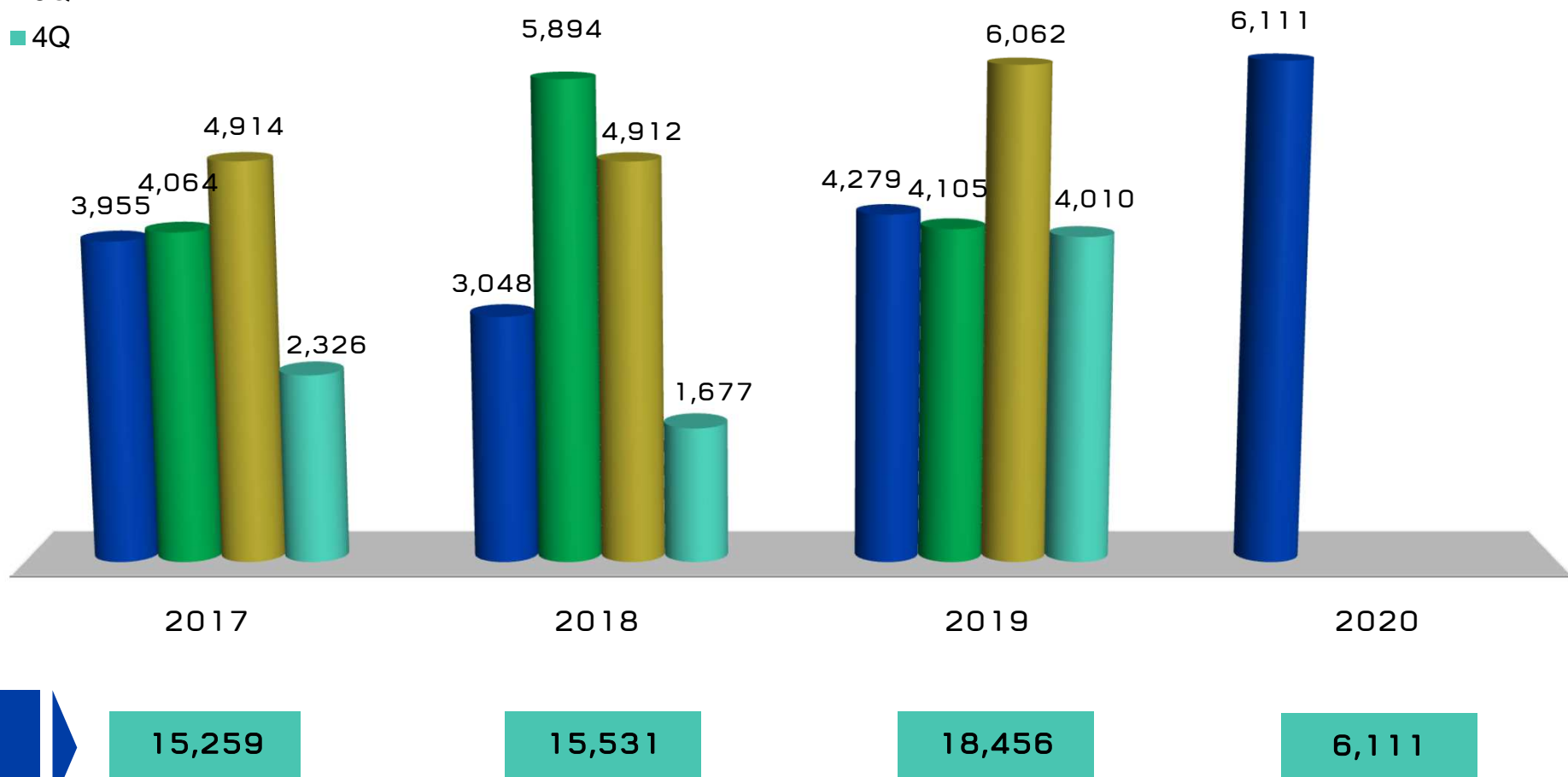
ROE = Net Income (Exclude Non-Controlling Interest) / Average Total Equity (Exclude Non-Controlling Interest)

* LTM basis

Consolidated Net Profit- Quarterly

Unit : THB, m

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



Full Year:
Net Profit

15,259

15,531

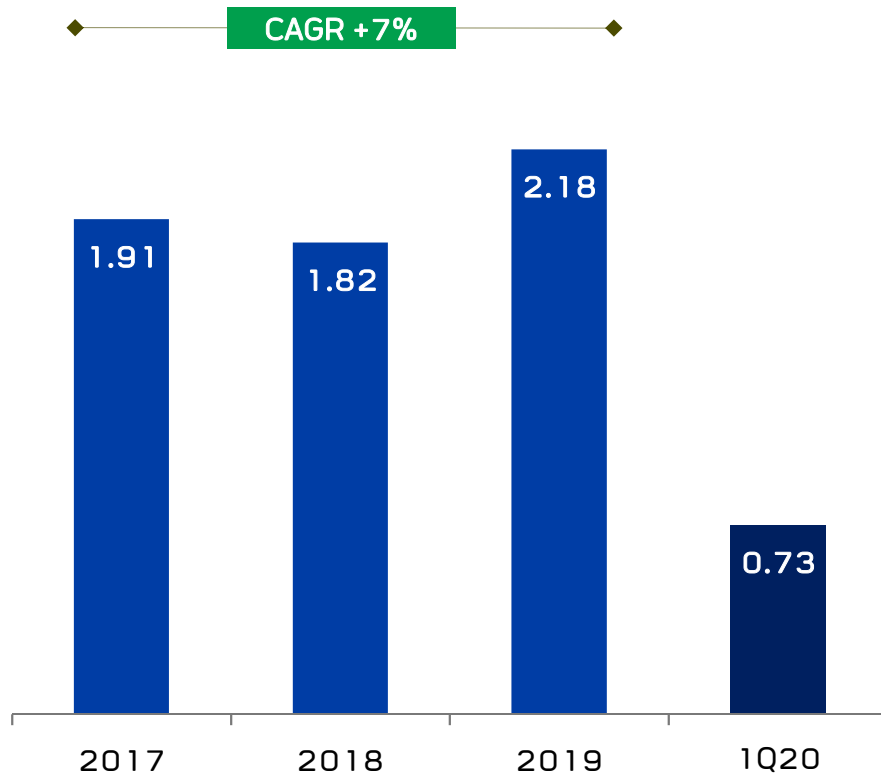
18,456

6,111

EPS & Dividends per Share

Earnings Per Share

Unit : THB Per Share

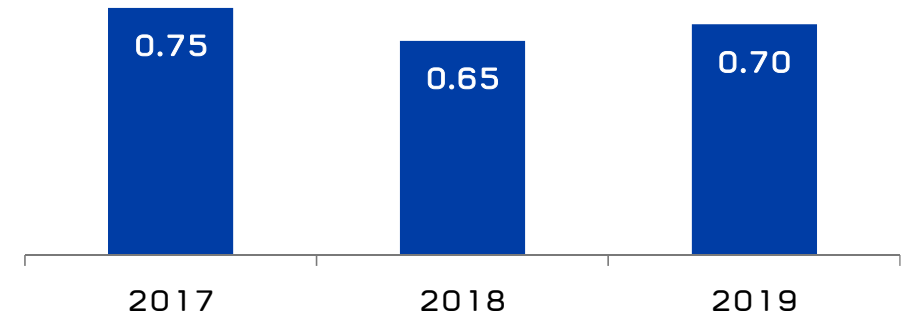


Dividends

Unit : THB Per Share

Dividend
Policy

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



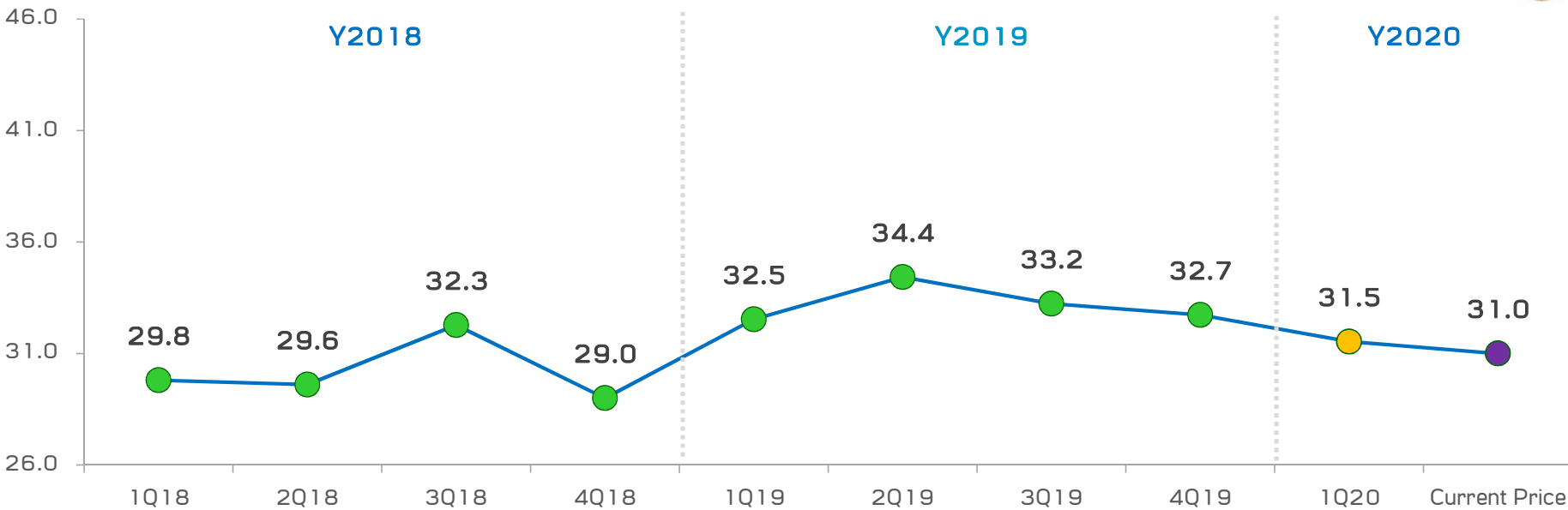
Appendix B

Products & Raw Materials Price Trend



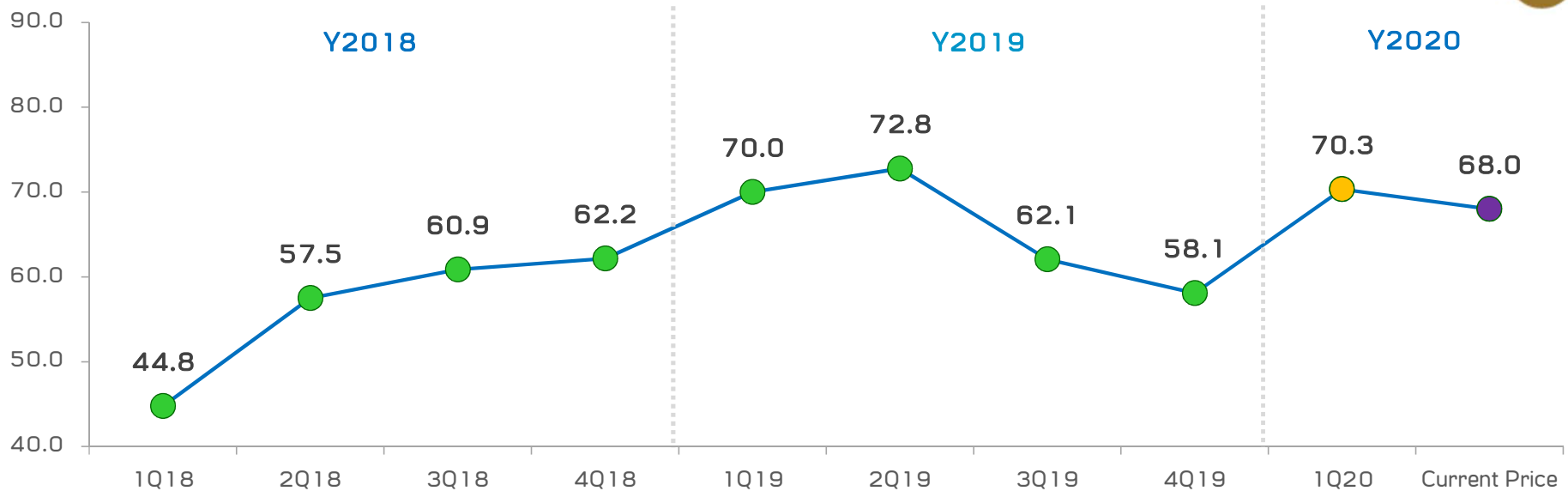
Average Farm Prices - Thailand

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



Average Price		
Y18	Y19	Y20
30.2	33.2	31.5
% Chg	+10%	-5%

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



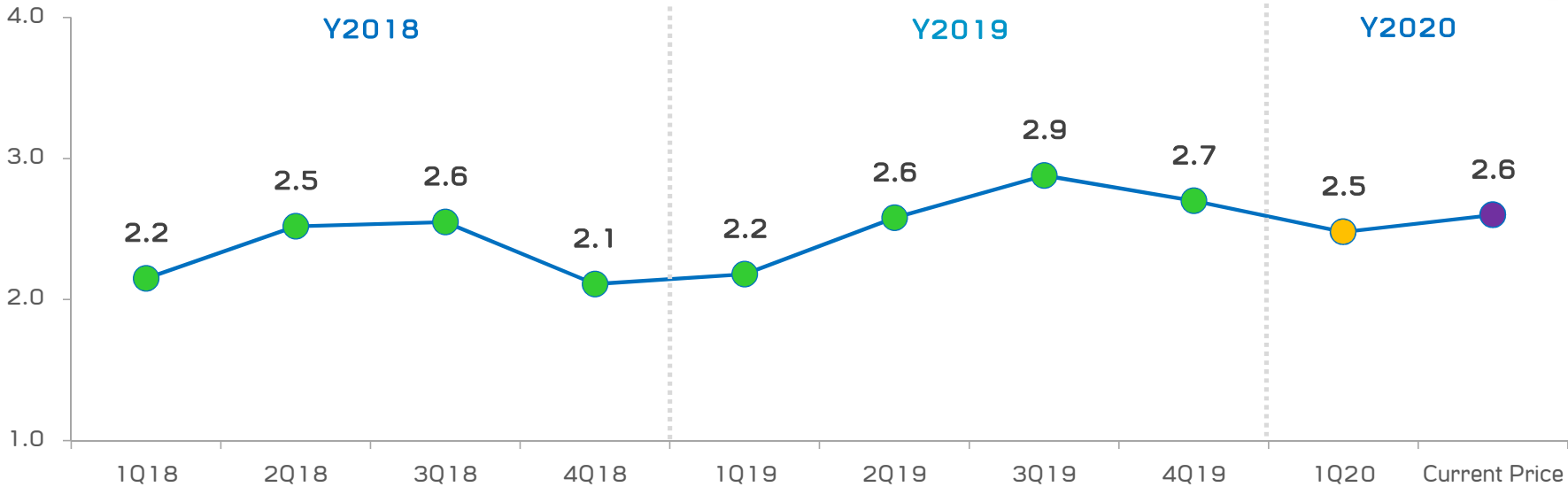
Average Price		
Y18	Y19	Y20
56.3	65.7	70.3
% Chg	+17%	+7%

Average Farm Prices – Thailand

Thailand's **Fresh Egg** price (THB/piece)



Average Price		
Y18	Y19	Y20
2.3	2.6	2.5
<hr/>		
% Chg	+11%	-4%

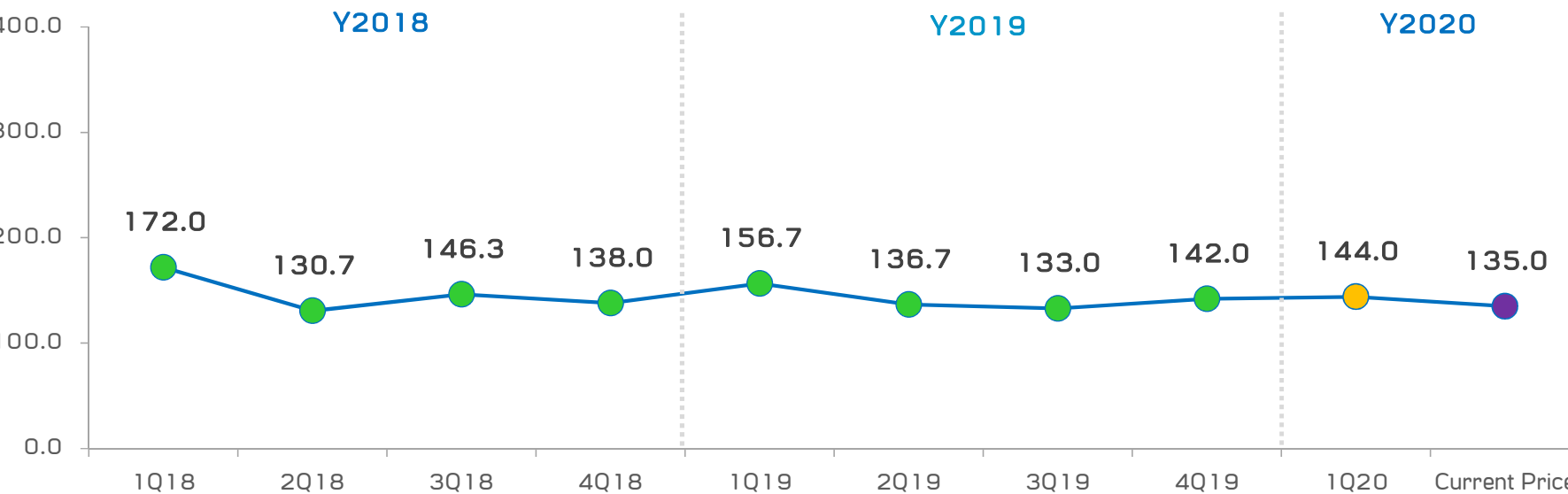


Thailand's **White Shrimp** price (THB/Kg)



Average Price		
Y18	Y19	Y20
147	142	144
<hr/>		
% Chg	-3%	+1%

Size 70 pieces/kg



Source: CPF

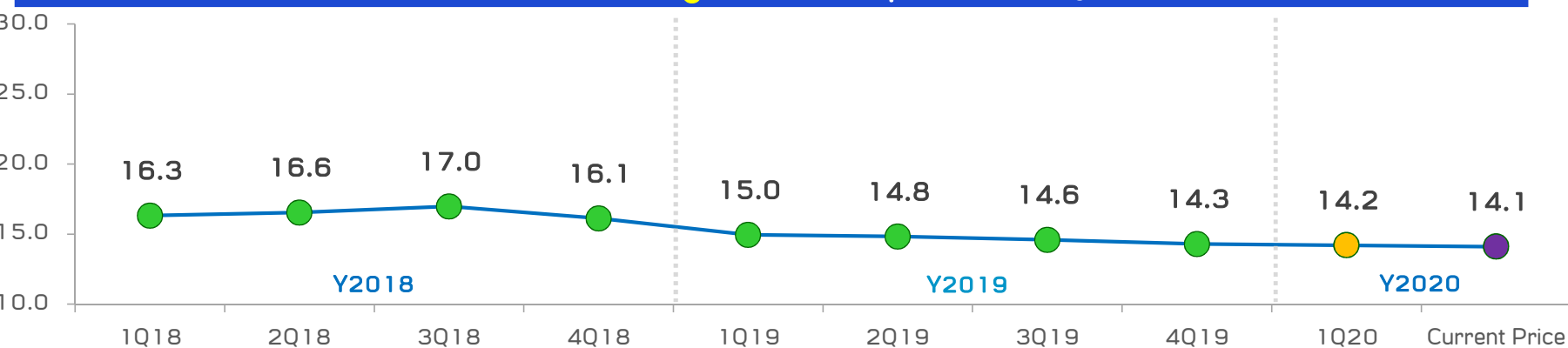
Average Raw material Prices – Thailand

Thailand's Corn price (THB/kg)



Average Price		
Y18	Y19	Y20
9.8	9.2	8.6
% Chg		
	-7%	-7%

Thailand's Soybean Meal price (THB/kg)



Average Price		
Y18	Y19	Y20
16.5	14.7	14.2
% Chg		
	-11%	-3%

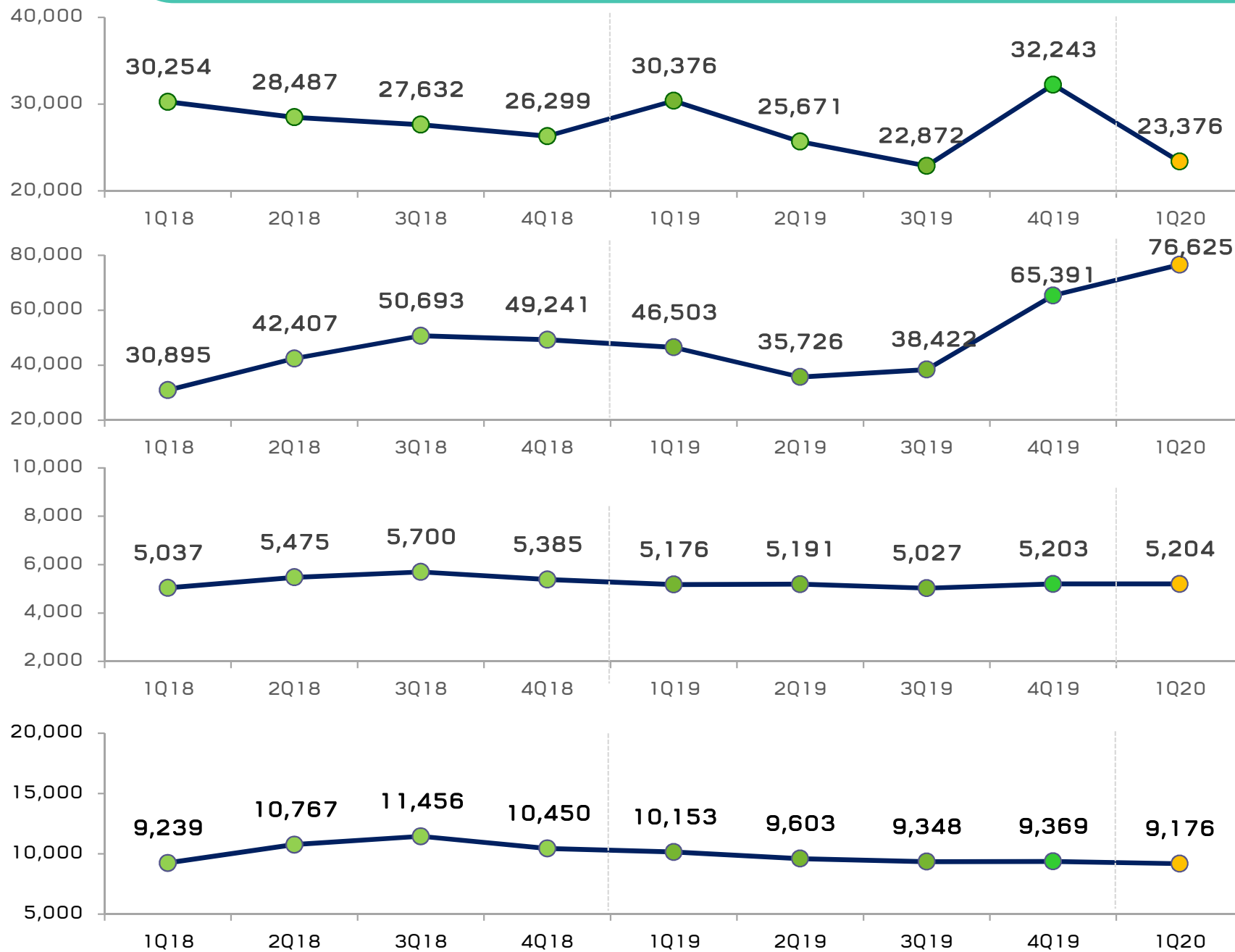
Thailand's Fishmeal price (THB/kg)



Average Price		
Y18	Y19	Y20
41.0	28.4	26.7
% Chg		
	-31%	-6%

Source: CPF

Vietnam: Average Market Price and Major Feed Raw Materials



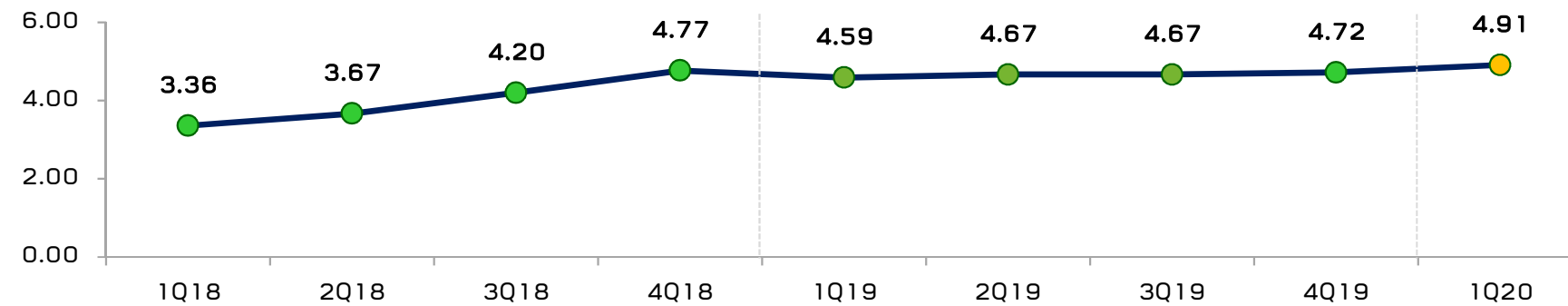
Broiler
(VND/kg)

Swine
(VND/kg)

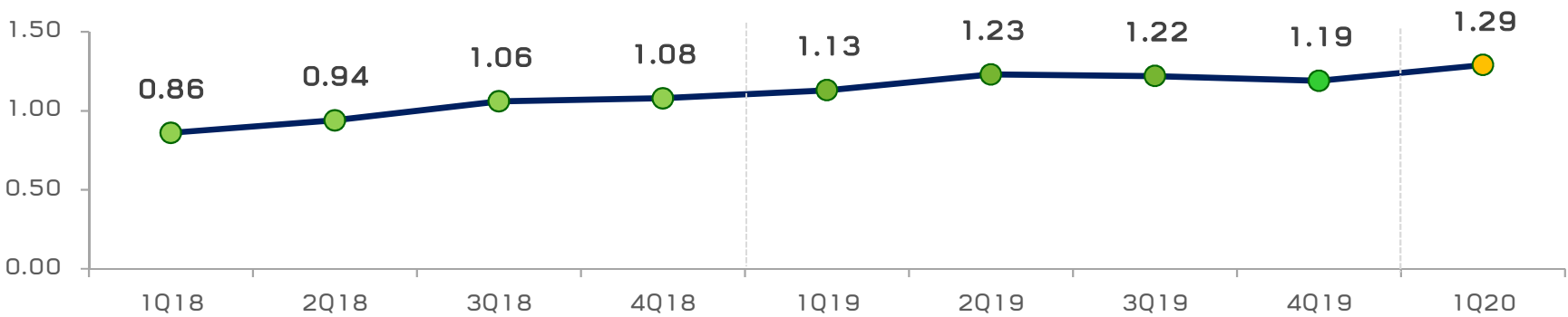
Corn
(VND/kg)

Soybean Meal
(VND/kg)

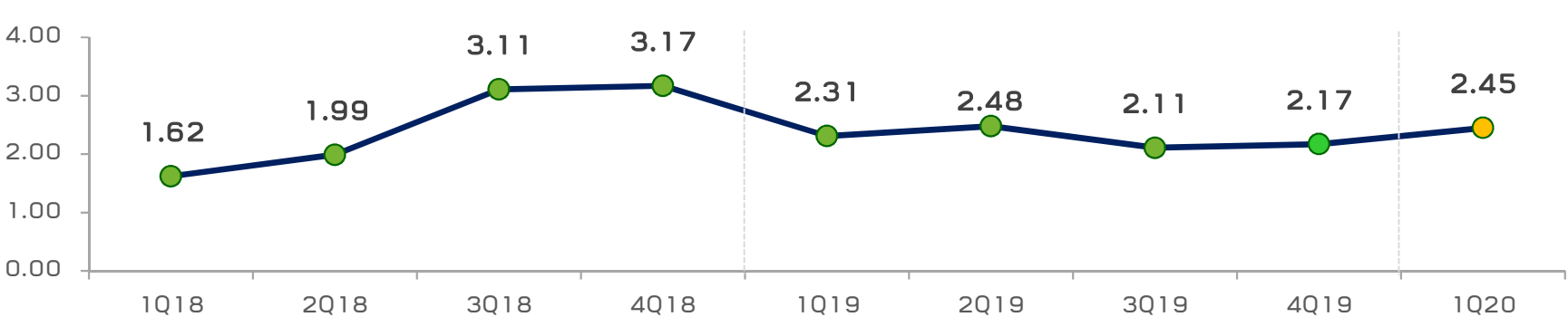
Turkey: Average Market Price and Major Feed Raw Materials



Broiler
(TRY/kg)

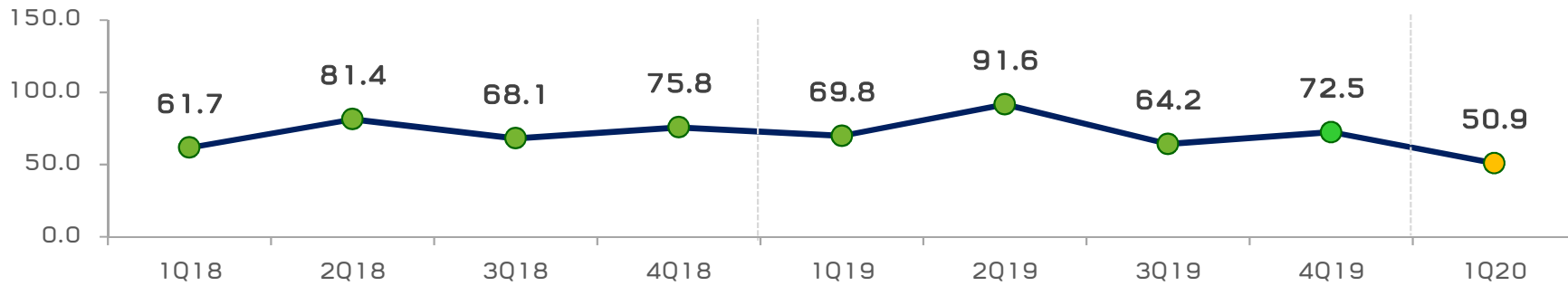


Corn
(TRY/kg)

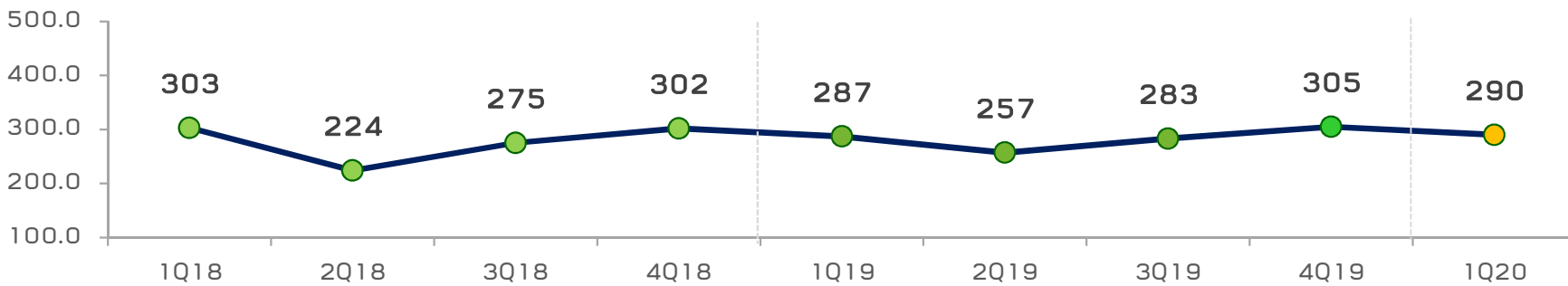


Soybean Meal
(TRY/kg)

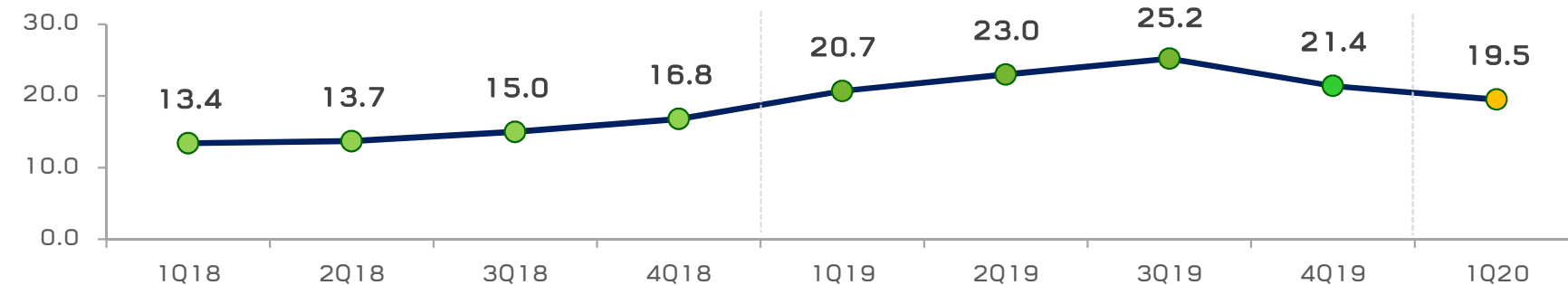
India: Average Market Price and Major Feed Raw Materials



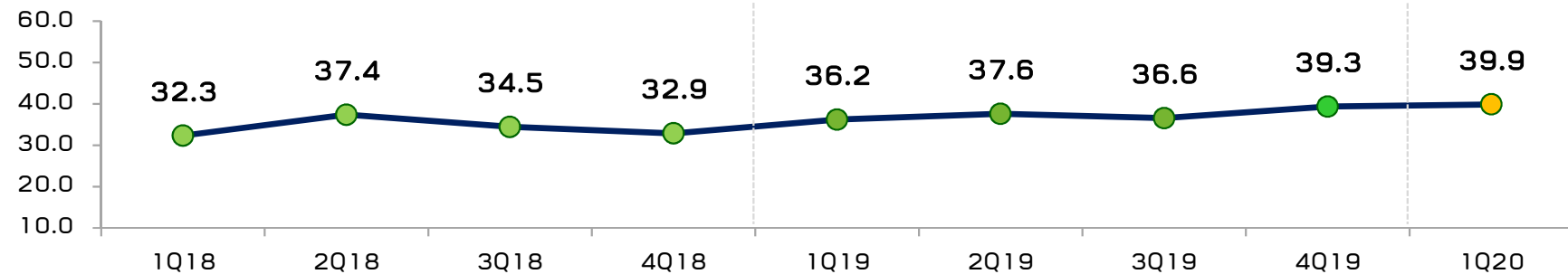
Broiler
(INR/kg)



**Shrimp
(60 pieces)**
(INR/kg)

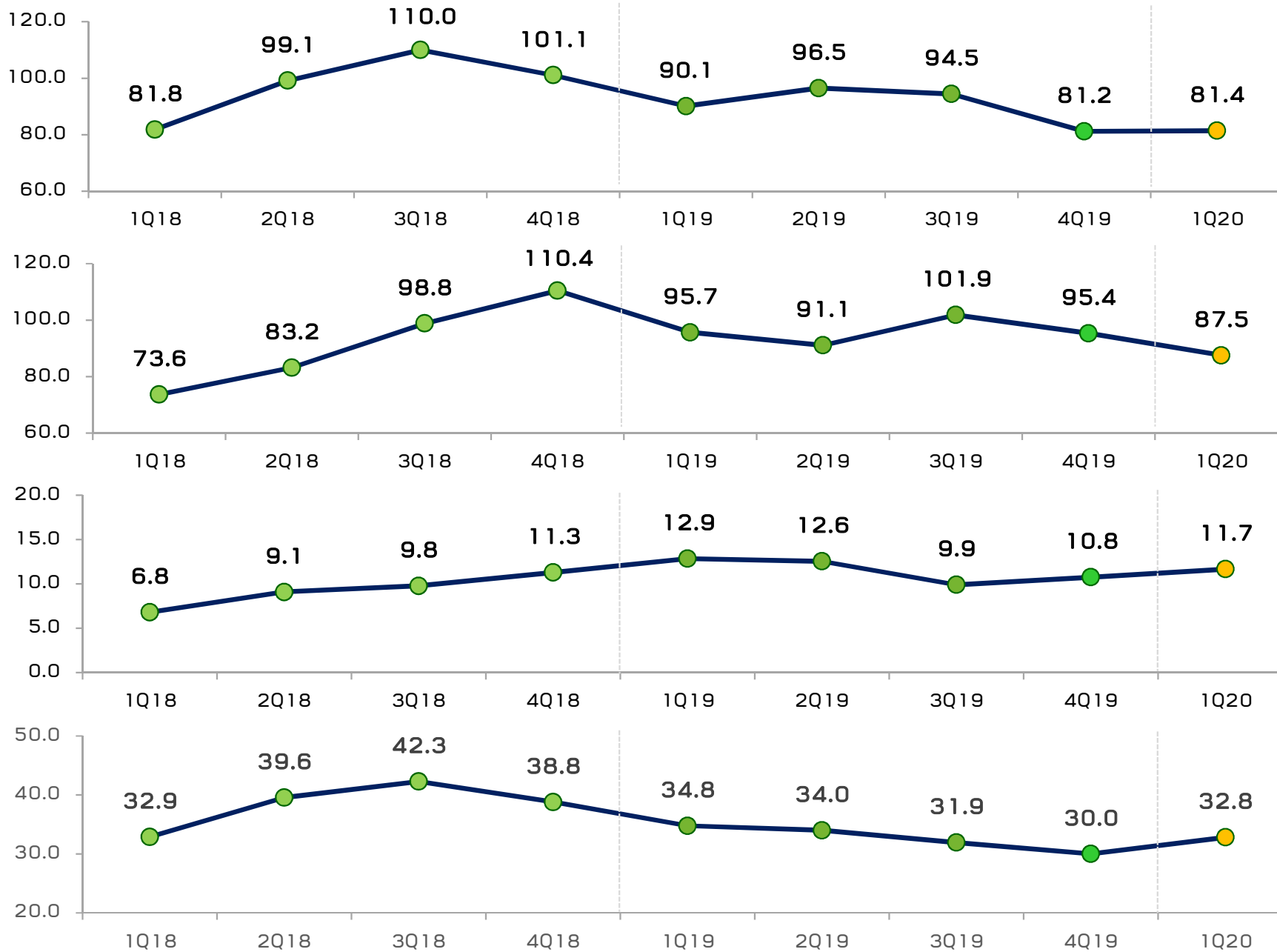


Corn
(INR/kg)



Soybean Meal
(INR/kg)

Russia: Average Market Price and Major Feed Raw Materials



Swine
(RUB/kg)

Broiler
(RUB/kg)

Wheat
(RUB/kg)

Soybean Meal
(RUB/kg)

Appendix C

- Group of CPP&CTEI's Associate Companies & Joint Ventures
- Investment & Financing Activities



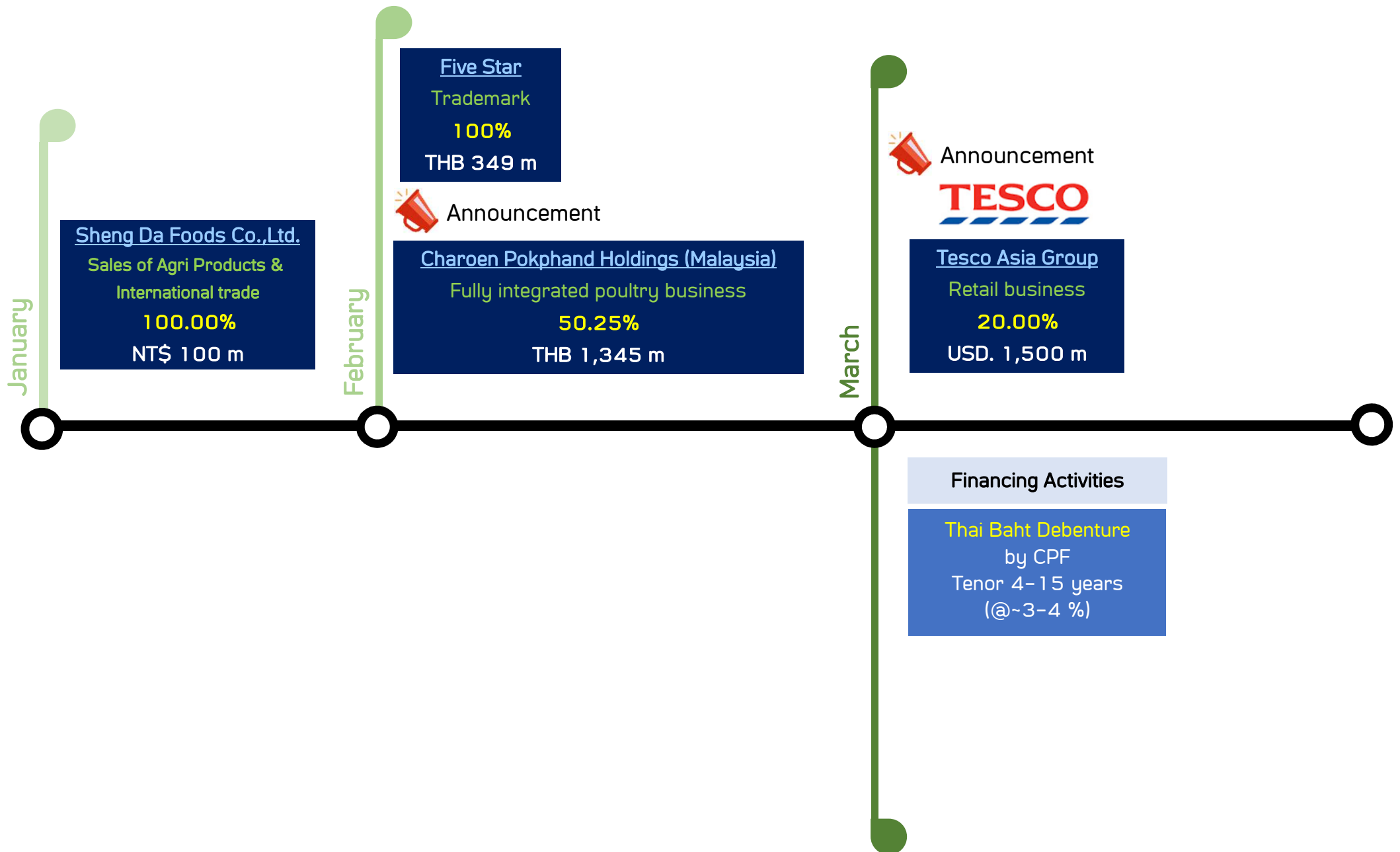
Group of CPP & CTEI's Associate & Joint Ventures

As of December 31, 2019

No.	Associates	Type of Business	Direct and Indirect Interest (%)
1	Chia Tai Conti(Cixi) Investment Management Ltd.	Provision of Consulting service on economic and trade	26.12
2	Conti Chia Tai International Ltd.	Production and sale of animal feed	26.12
3	Ningxia Xiao Ming Animal Husbandary Co., Ltd.	Production and sale of commercial layerchicks	8.40
4	Qingdao Yi Bang Bio-Engineering Co., Ltd.	Production and sale of animal vaccines	6.27
5	Zhan Jiang Deni Carburetor Co., Ltd.	Motorcycle carburetor and auto parts production and distribution	14.12
6	Cixi Zhuda Investment Center (Limited Partnership)	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	26.12
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	26.12
4	Henan East Chia Tai Co., Ltd.	Production and sale of animal feed	26.12

2020 Investment and Financing Activities



Appendix D

Product Samples & Retail Outlet Formats



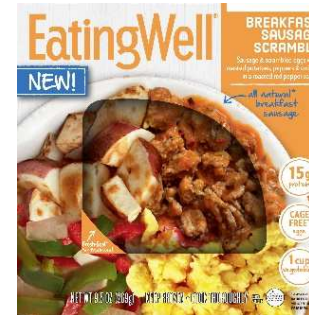
Food Retail Products



Food Retail Products



Food Retail Products



Food Service : Five Stars Chain



More
Than
5,000
Outlets

Vietnam

India

Cambodia

Laos

Philippines



Food Service : Chester's



188 Outlets



Food Retail Outlets



322 Stores



Food World

21 Stores



CP CHOZEN LIMITED

CHOZEN NOODLE

23 Kiosks



Dak Galbi & WOK Station

8 Branches



5 Branches



Disclaimer



PUT OUR
HEART
INTO FOOD

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<https://www.cpfworldwide.com/en/sustainability/report>

