

Charoen Pokphand Foods Public Company Limited



Q1/2022

Results Briefing

Investor Presentation

May 13, 2022



PUT OUR **HEART** INTO FOOD

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A: 3Yr Historical Results



B: Products & Raw Materials Price Trend



C: Group of Associate Companies & Joint Ventures



D: Product Sample & Retail Outlet Format

Why Invest in CPF

Our Vision is...



"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 Leaders

- **Animal feed** manufacturing, swine production, and shrimp integrated business
- **Multi-species animal proteins** mainly swine, poultry, shrimp



Diversified Portfolio

- operations and investment in **17 countries**
- exports to more than **40 countries**
- catered to over **4 billion population**



We are recognized as

- SET 50 in Stock Exchange of Thailand Agro & Food Industry Sector
- Member of Dow Jones Sustainability Indices (Emerging Markets)
- Member of FTSE4Good Index Series
- Ranked "Excellent" for CGR Scoring by Thai Institute of Directors (IOD)
- ASEAN Asset Class PLCs from ASEAN Corporate Governance Scorecard (ACGS)

Sustainability

Commit to support



PEOPLE : Improving Quality of Life



PLANET : Protecting our Planet



PROSPERITY : Creating Prosperity



PEACE : Building Peace



PARTNERSHIP : Partnering for Collaboration



Recognized as
Sustainable company

WE SUPPORT



Member of

**Dow Jones
Sustainability Indices**

Powered by the S&P Global CSA

Silver Class



Climate / Water / Forest



Since 2017



FTSE4Good

Since 2017



Since 2015



SET
AWARDS

Since 2018



Since 2017



Since 2016

Company Highlights

Market Cap THB 214 billion

(or ~USD6.2 billion) *as of May 12, 2022*

- **8,611 million shares** (paid-up) with par THB 1.00 per share
- **Book Value THB 24.41*** per share *as of Mar 31, 2022*
- **Major Shareholder Charoen Pokphand Group Ltd.** with 51.43%** of paid-up capital *as of Mar 14, 2022*

Note: USD 1 = THB 34.69 (as of May 12, 2022)

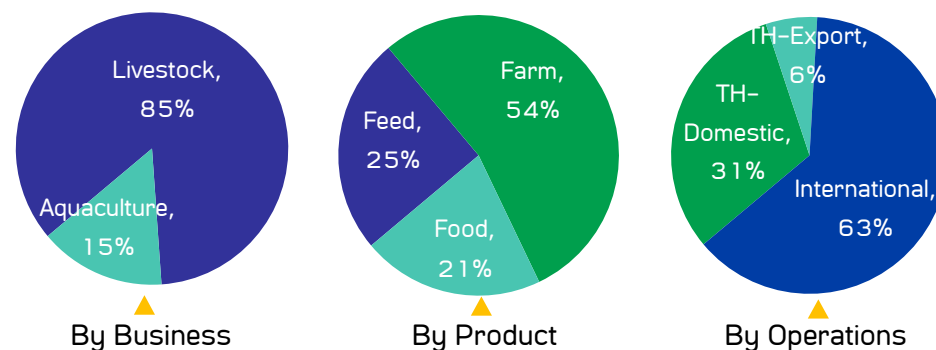
** Exclude Non-Controlling Interests (NCI) and Subordinated Perpetual Debentures*


*** CPG Group is a reporting group to be in compliance with Section 246 and Section 247 of the Securities and Exchange Act of 2535 (as amended)*

Sales in FY2021 THB 513 billion

(or ~USD 15.9 billion)

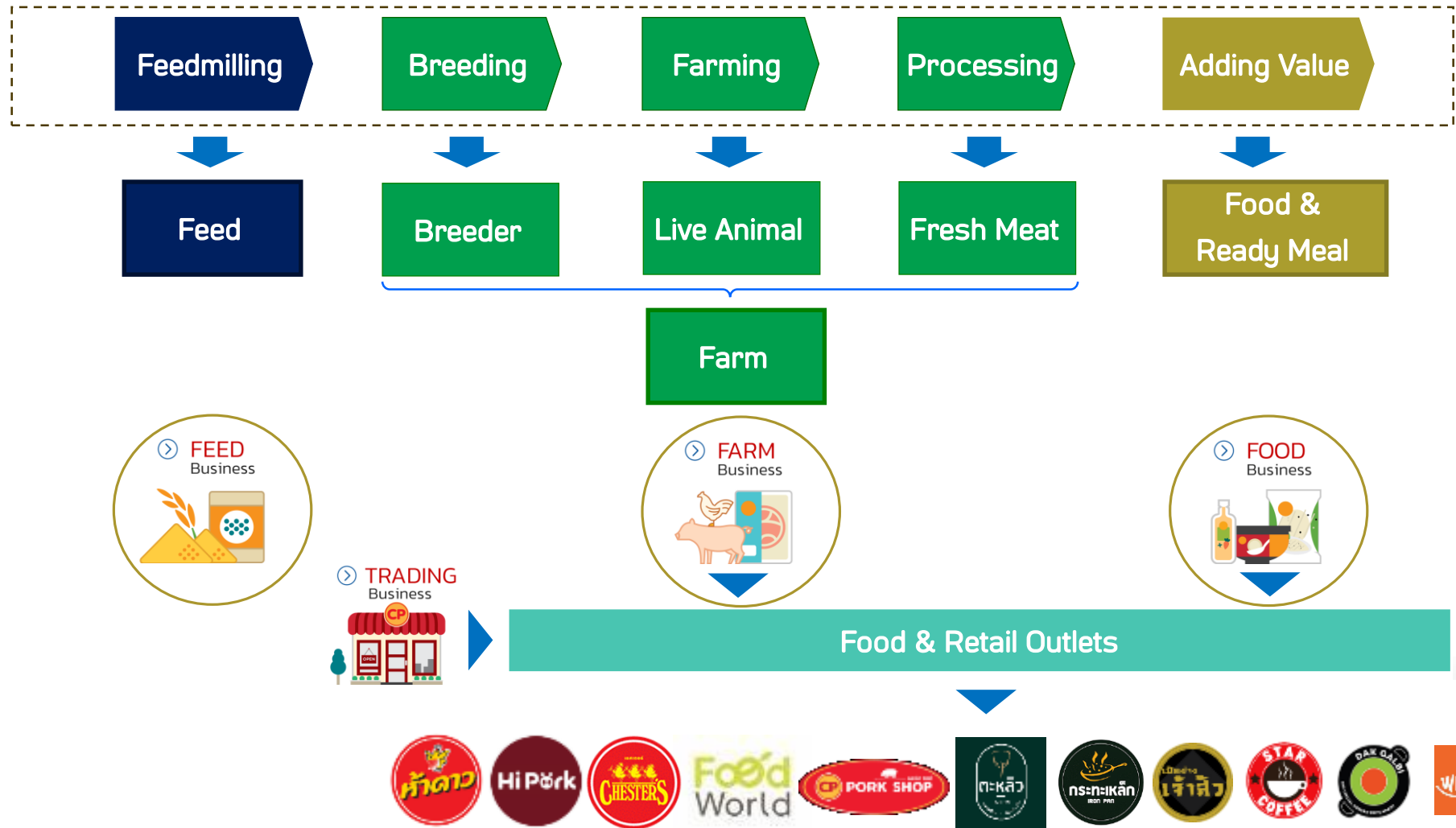
Sales Breakdown



- **4 listed** investments onboard ([HKSE:3839](#), [TWSE:1215](#), [SET:CPALL](#), [SET:MAKRO](#))
- **41 series of debentures** listed on Thai Bond Market Association
- **1 exchangeable Bonds** on 
- **Credit Rating A+** with "Stable" Outlook by TRIS Rating *as of Mar 31, 2022*

Vertically Integrated Business in Thailand

The integrated food process to offer **top-quality products** in terms of nutrition, taste, food safety, and **traceability** with the focus to maintain world-class, modern production process as well as **efficient and ecofriendly consumption of natural resources**.



CPF Geographical Footprints

- *Operations and investment in 17 countries catered to > 4 billion population*
- *Export to more than 40 countries across 5 continents*

Russia 

- Livestock feed
- Swine farming
- Chicken integrated business

UK 

- Food & Trading business

Belgium 

- Ready to eat foods

Brazil 

- Shrimp farming & primary processing

Turkey 

- Chicken integrated business

Poland 

- Hatchery farm
- Food processing plants
- Seafood business
- Plant-based meat

Sri Lanka 

- Ready to eat foods

India 

- Chicken integrated business
- Aquatic feed, Shrimp Hatchery & Processing

China 

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

ROC (Taiwan) 

- 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 integrated business and aquaculture feed and farming

Laos 

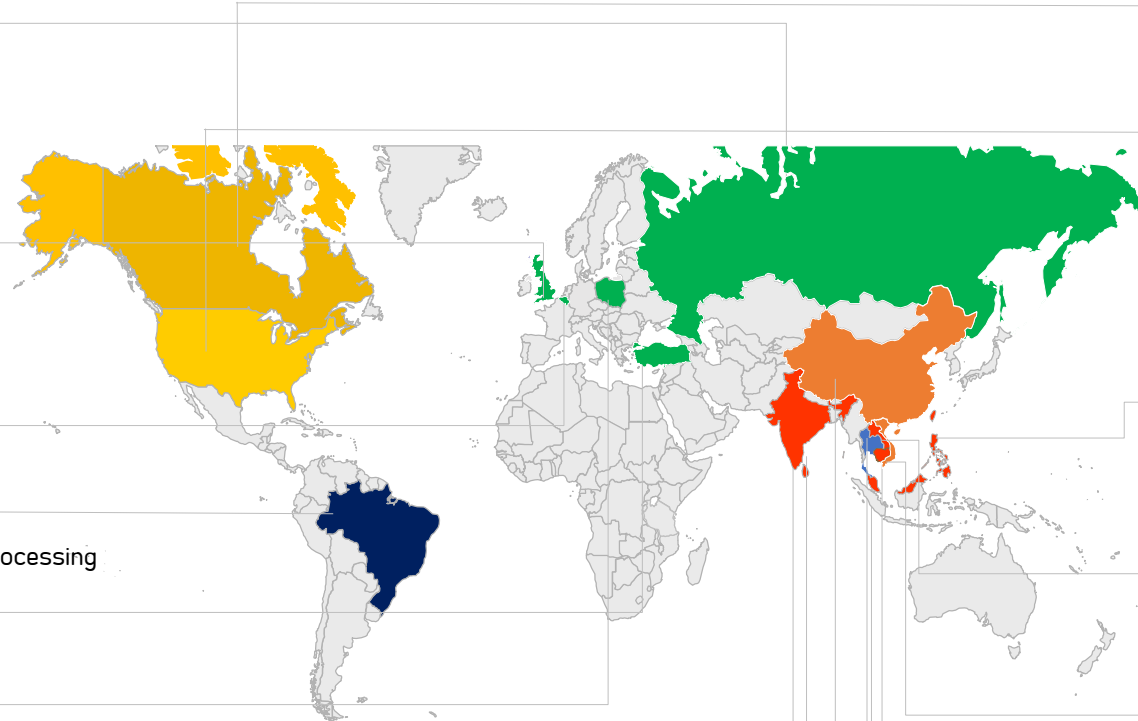
- Livestock integrated business

Cambodia 

- Livestock integrated business

Vietnam 

- Livestock and aquaculture integrated businesses



Our Strategy for Growth

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

4

Digital Transformation utilize digital tools to improve operation efficiency and to better serve needs of customer.

5

Sustainability ensure sustainable growth by creating shared value for society, environment and well as economic value.

Feed Business

Feed Manufacturing and Distribution



Farm Business

Animal Breeding, Animal Farming, and Primary Processing



Food business

Production of Cooked and Ready Meal Products



Expand Market in 17 Countries



Smart Farm



Smart Factory



"Robot Accountant"



Fight against Covid-19

Promote Food Security & Good Corporate Citizen

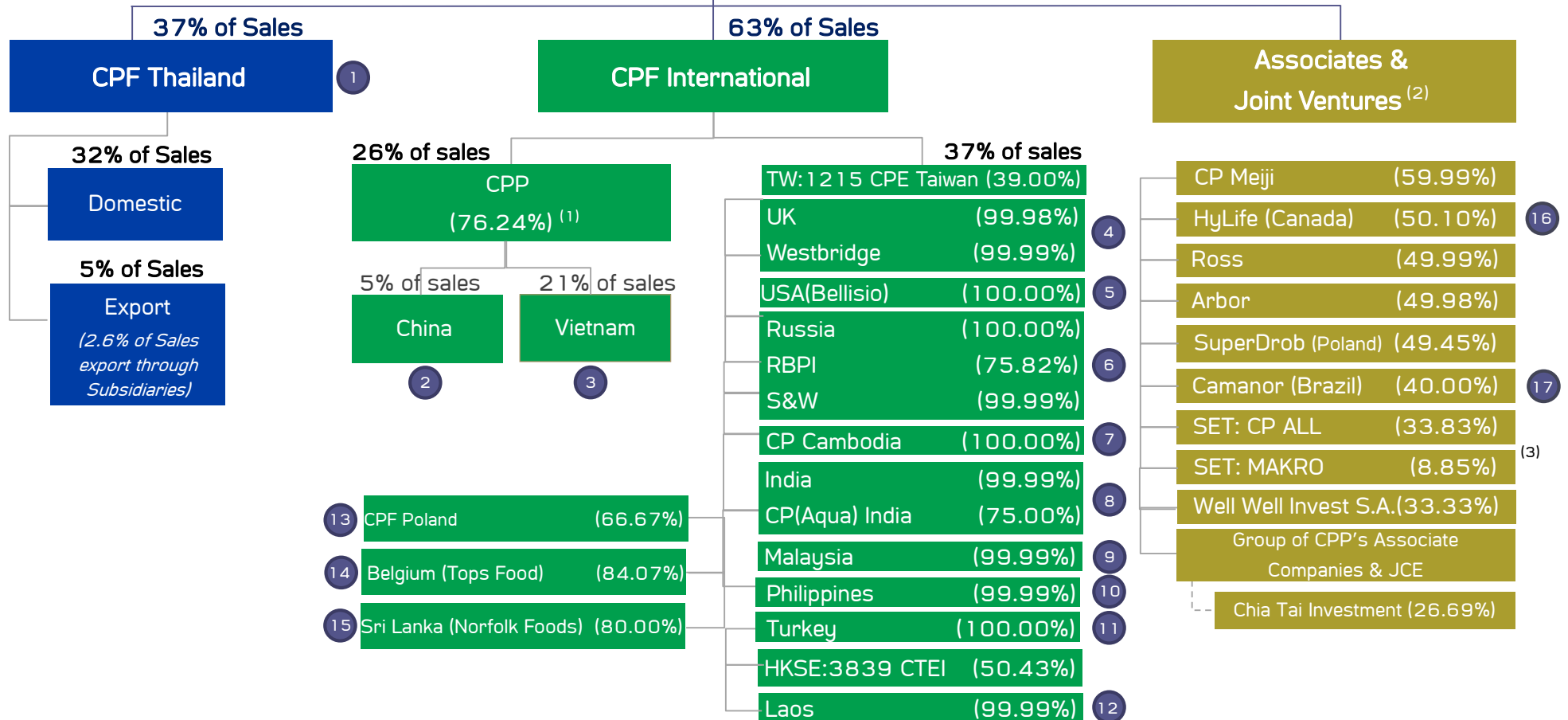


CPF Operation Structure (as of Mar 31, 2022)



Q1/2022 : Sales: THB 138,887 m

Net Profit: THB 2,842 m



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

(1) Based on total issued shares (The privatization of CPP completed on 18 January 2022)

(2) See Appendix C for full list of associates & joint ventures

(3) CPF holds 8.85% in MAKRO after PO in December 2021

Performance Summary

Unit: THB, m	Q1/2021	Q1/2022	%Chg.
SALES REVENUE	119,346	138,887	16%
<i>Gross Profit Margin</i>	19.9%	12.8%	
EBITDA	19,486	13,615	-30%
<i>EBITDA Margin</i>	16.3%	9.8%	
G/L on FV of Biological Assets	-74	1,098	1584%
Share in Profit of Associates	2,043	-336	-116%
NET PROFIT	6,945	2,842	-59%
<i>Net Profit Margin</i>	5.8%	2.0%	

Q1/2022 vs Q1/2021

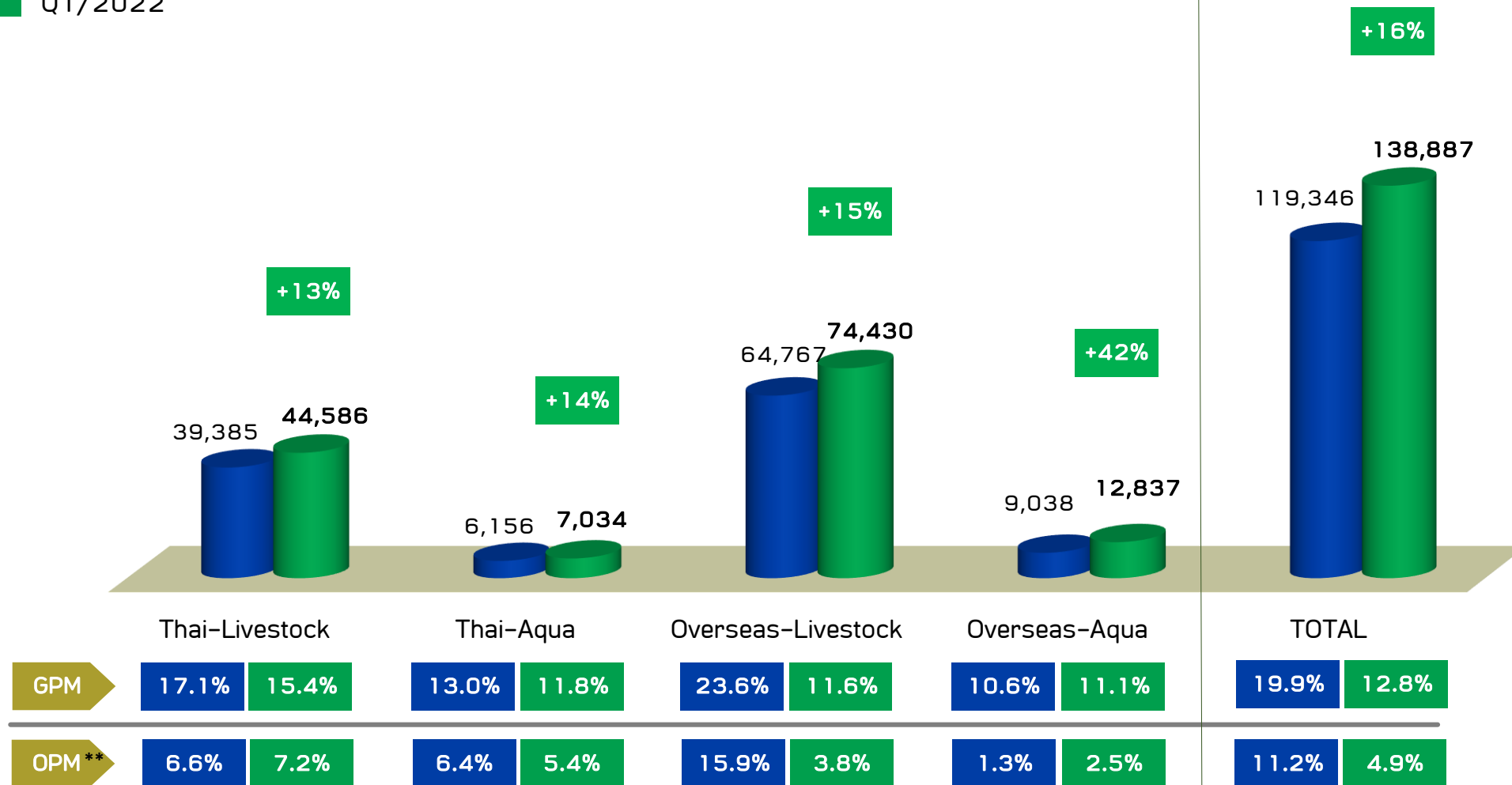
- **Revenue continues to grow**
 - Thailand operation up 13%, international operation up 18%
- **Gross profit margin weaken especially from Vietnam**
 - Vietnam swine prices declined YoY
 - Raw material increased partly from Russia-Ukraine situation
- **Share in profit of associates down mainly from weak CTI performance**

Q1/2022: Sales & Profit Margin by Business

In THB, m

■ Q1/2021

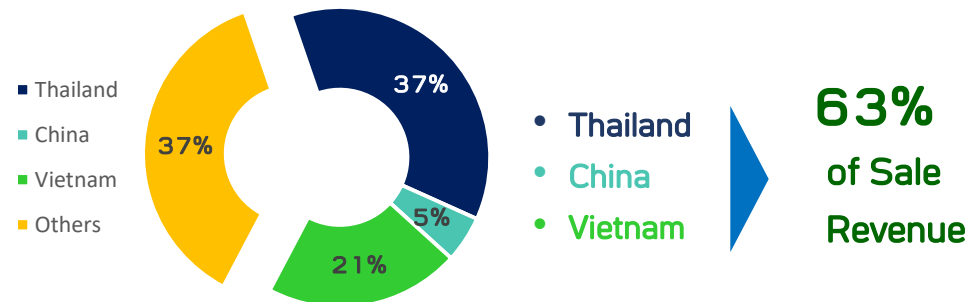
■ Q1/2022



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

Q1/2022: Sales Structure by Business

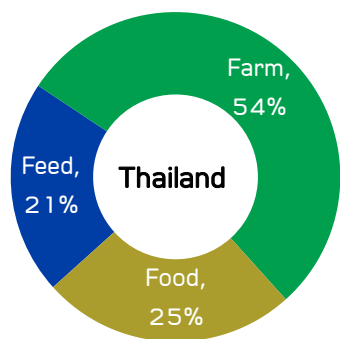
Sales Breakdown									
	Livestock			Aquaculture			Total		
	Q1/21	Q1/22	%Change	Q1/21	Q1/22	%Change	Q1/21	Q1/22	%Change
Thailand	39,385	44,586	13%	6,156	7,034	14%	45,541	51,620	13%
Domestic	33,483	38,379	15%	5,146	5,941	15%	38,629	44,320	15%
Export	5,902	6,207	5%	1,010	1,093	8%	6,912	7,300	6%
China	6,145	7,406	21%	96	111	16%	6,241	7,517	20%
Vietnam	24,004	23,666	-1%	3,937	5,288	34%	27,941	28,954	4%
Others	34,618	43,358	25%	5,005	7,438	49%	39,623	50,796	28%
Total	104,152	119,016	14%	15,194	19,871	31%	119,346	138,887	16%
% of Total Sales	87%	86%		13%	14%		100%	100%	



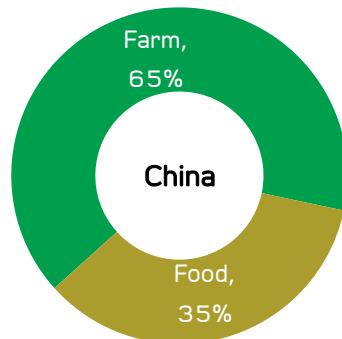
Q1/2022: Sales Structure by Products

Sales Breakdown by Products

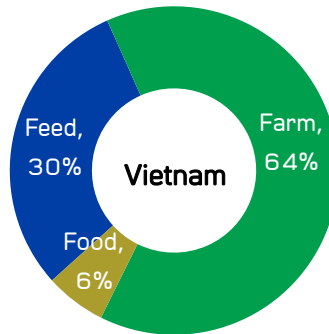
	Feed			Farm			Food			Total		
	Q1/21	Q1/22	%Change	Q1/21	Q1/22	%Change	Q1/21	Q1/22	%Change	Q1/21	Q1/22	%Change
Thailand	10,036	11,044	10%	24,695	27,879	13%	10,810	12,697	17%	45,541	51,620	13%
Domestic	10,024	11,025	10%	22,663	26,479	17%	5,942	6,816	15%	38,629	44,320	15%
Export	12	19	58%	2,032	1,400	-31%	4,868	5,881	21%	6,912	7,300	6%
China	0	0	0%	4,032	4,892	21%	2,209	2,625	19%	6,241	7,517	20%
Vietnam	6,791	8,771	29%	19,850	18,469	-7%	1,300	1,714	32%	27,941	28,954	4%
Others	10,204	13,314	30%	19,655	25,261	29%	9,764	12,221	25%	39,623	50,796	28%
Total	27,031	33,129	23%	68,232	76,501	12%	24,083	29,257	21%	119,346	138,887	16%



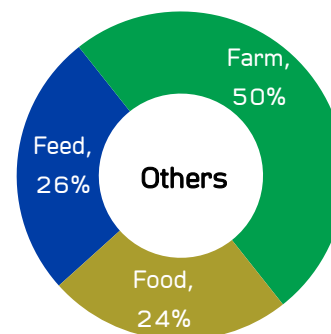
THB 51,620 m
% to sales 37%



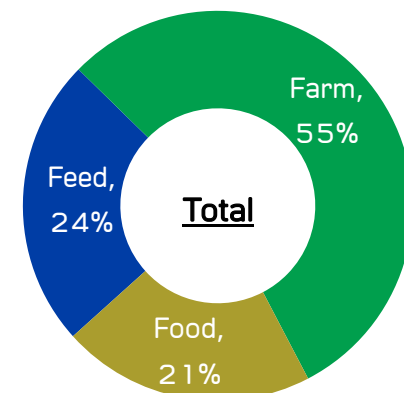
THB 7,517 m
5%



THB 28,954 m
21%



THB 50,796 m
37%



THB 138,887 m
100%

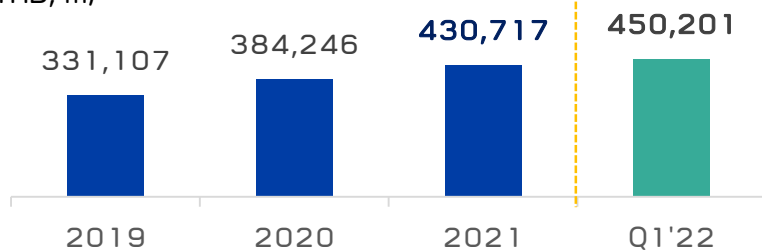
Consolidated Income Statement Highlight

Unit: THB, m	Q1/2021	Q1/2022	%Chg.
Net sales	119,346	138,887	16%
<i>Gross Profit Margin</i>	<i>19.9%</i>	<i>12.8%</i>	
EBIT	12,708	6,134	-52%
<i>EBIT Margin</i>	<i>10.6%</i>	<i>4.4%</i>	
EBITDA	19,486	13,615	-30%
<i>EBITDA Margin</i>	<i>16.3%</i>	<i>9.8%</i>	
G/L on FV of Biological Assets	(74)	1,098	1584%
Financial Costs	(4,098)	(4,469)	9%
Income Taxes Expense	(2,117)	(1,158)	-45%
Share in Profit of Associates	2,043	(336)	-116%
G/L on Sales of Invt. & Div.	0	1,595	100%
NET PROFIT	6,945	2,842	-59%
<i>Net Profit Margin</i>	<i>5.8%</i>	<i>2.0%</i>	
EPS (THB)	0.85	0.34	
# of capital shares	7,988	7,937	
Paid-Up Capital	8,611	8,611	

Financial Status (As of Mar 31, 2022)

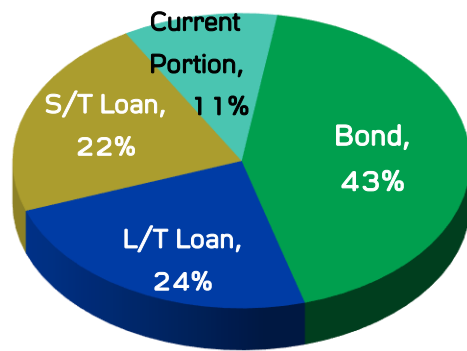
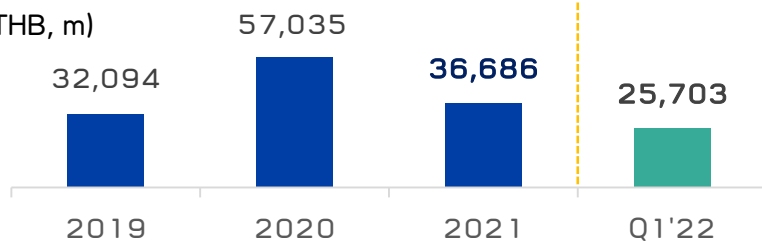
Interest Bearing Debt: THB 450,201 m *

(THB, m)



Cash and Cash Equivalent

(THB, m)

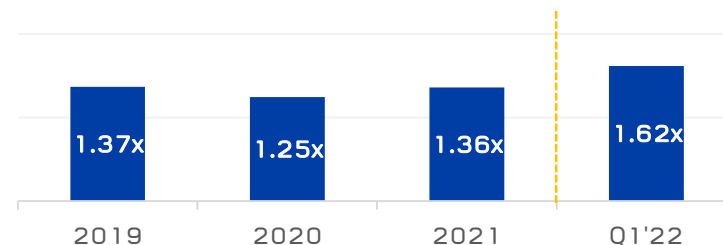


Cost of
Debts

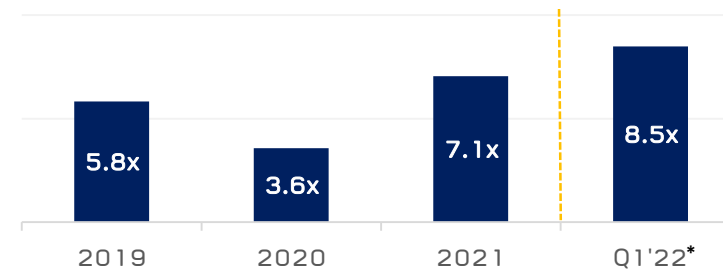
Y2019	Y2020	Y2021	Q1'22
3.90%	3.31%	3.48%	3.54%

Net Debt to Equity & Net Debt to EBITDA

■ Net D/E



■ Net D/EBITDA



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

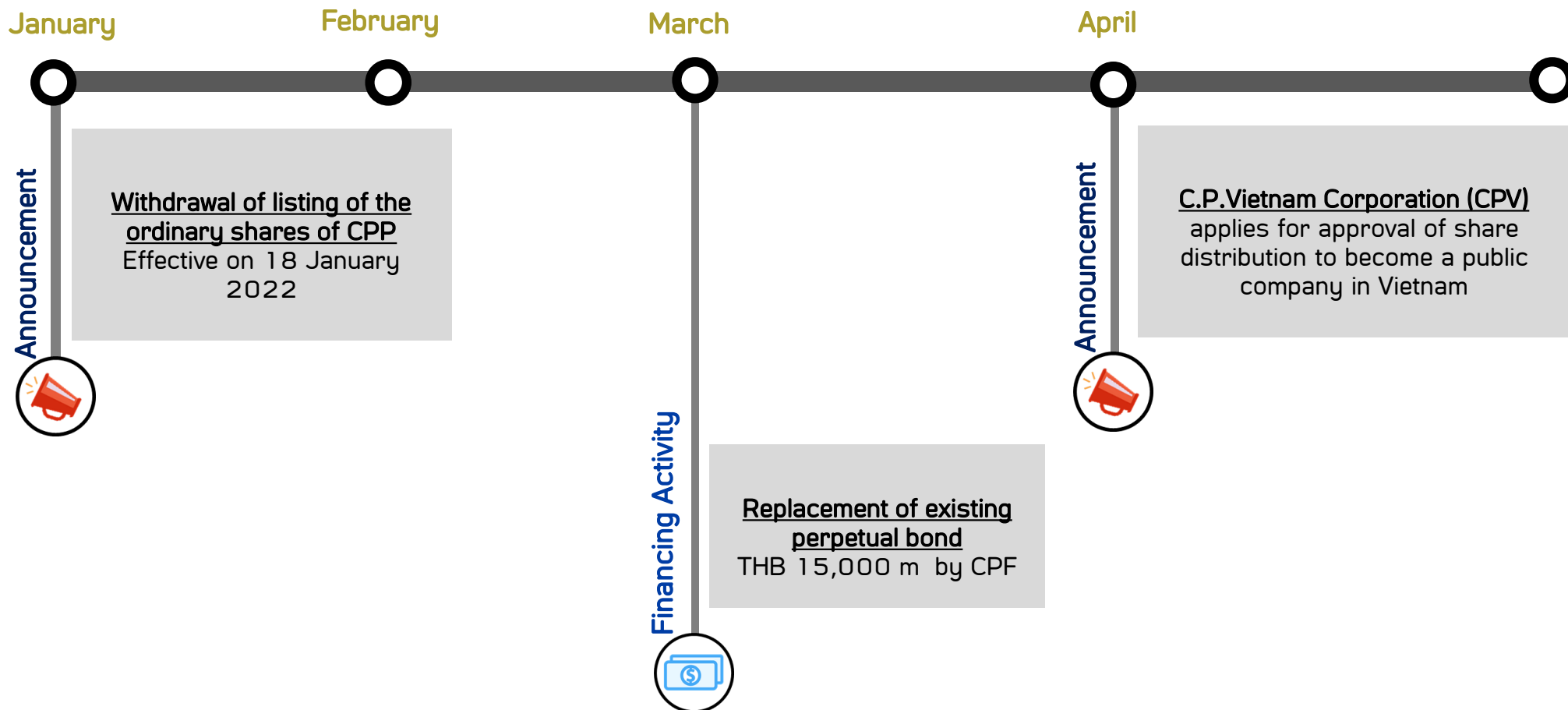
Remark : Net Debt = Interest Bearing Debt – Cash and Cash Equivalents

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 + dividend income from associates & Joint venture

* LTM basis

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

FY2022 Investment and Financing Activities



CPF's Investment in Listed Companies

	Stock Price (Local Curr.)	Market Cap. (THB mm)	CPF Holding (%)	Holding Value (THB mm)
	(As of Mar 31, 2022)			
CPALL (SET:CPALL)	THB 65.00	583,902	33.83%	197,534
Siam Makro (SET:Makro)	THB 39.75	420,567	8.85%	37,220
TRUE (SET:TRUE)	THB 5.15	171,846	2.21%	3,798
CPE (TWSE:1215)	TWD 81.30	25,274	39.00%	9,857
CTEI (HKSE:3839)	HKD 1.25	1,580	50.43%	797
Total				249,205

FY2022 Outlook

Growth Target

- International business expansion continues to drive growth.

Key Drivers & Focus

- Capacity expansion in multiple countries
- Efficiency improvement to reduce cost of production
- Expected higher meat prices in Thailand
- Consumption demand to improve post Covid-19 situation.

Key Challenges

- Impact of Covid-19 on global economy
- Impact of Russia-Ukraine conflict
- African swine fever (ASF) outbreak in multiple countries

Investment

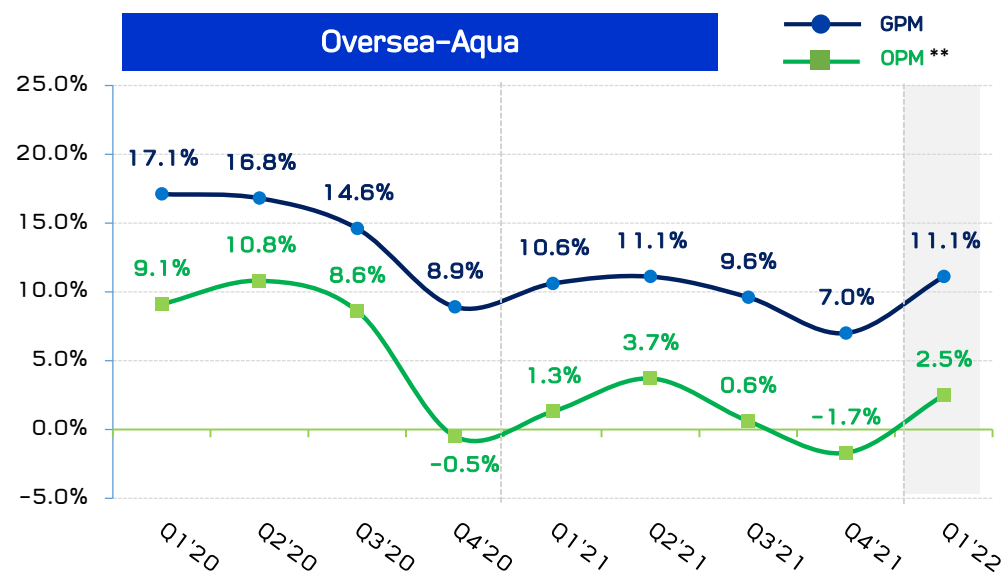
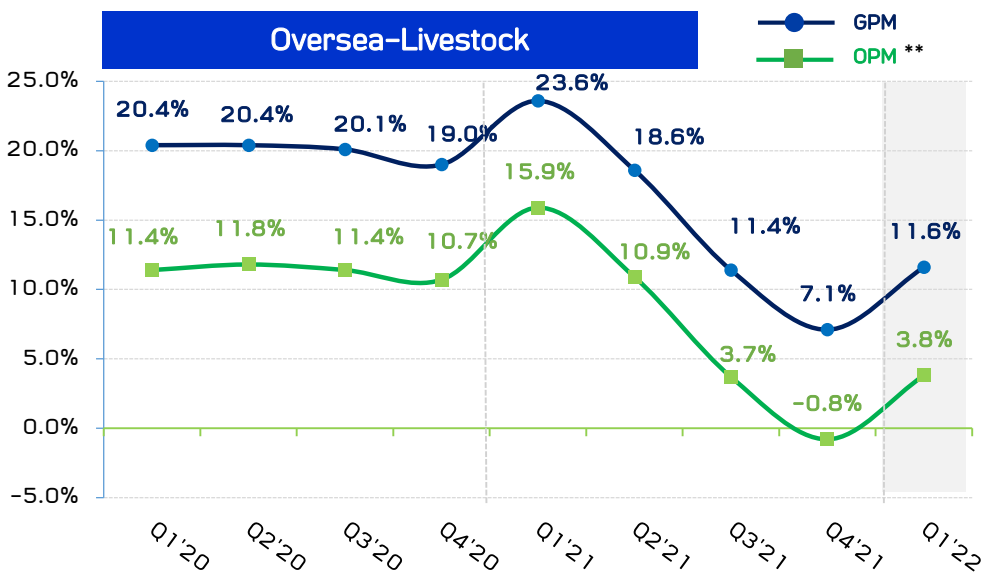
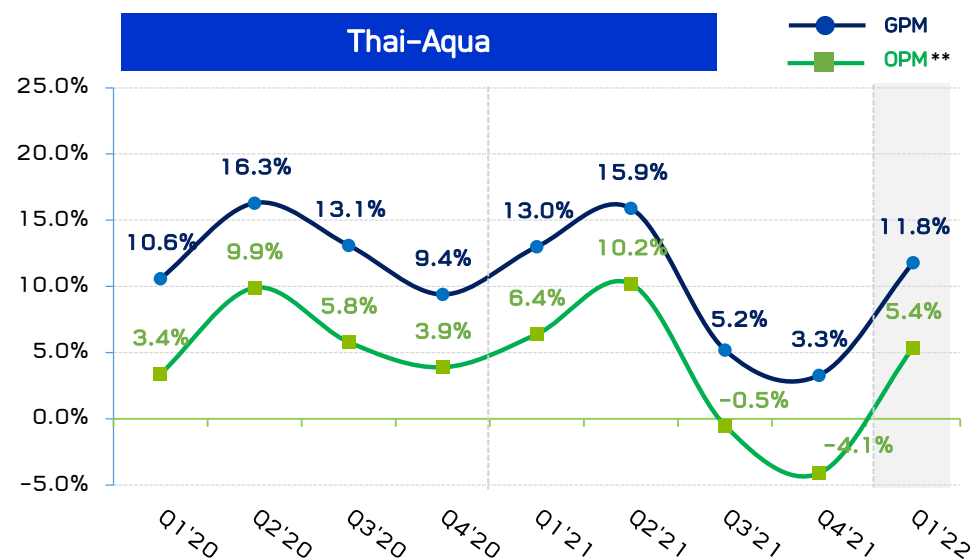
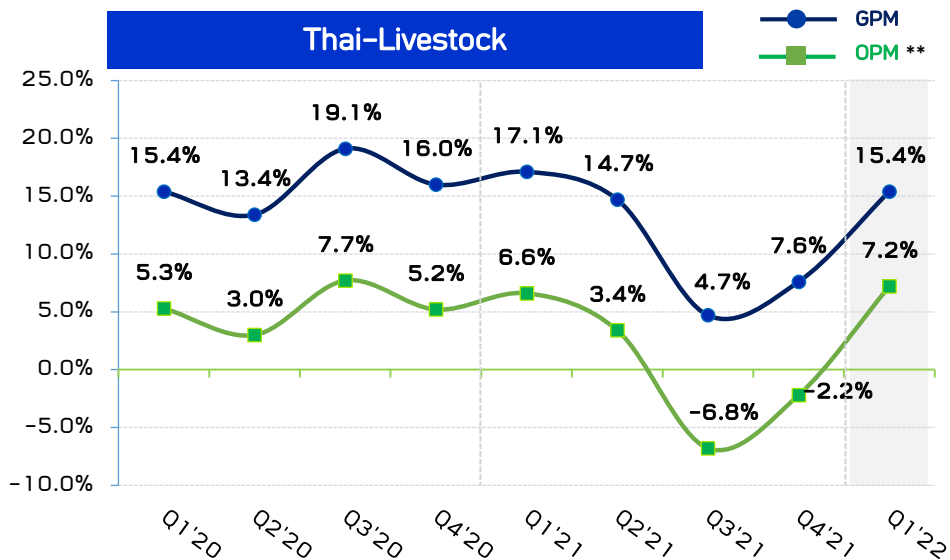
- Capex of approximately THB 25 billion (excluding M&A)

Appendix A

Highlights : 3Yr Historical Results



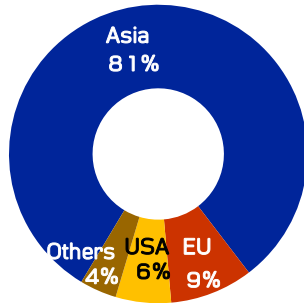
Gross Profit Margin & Operating Profit Margin



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

Thailand Operations – Export Destination

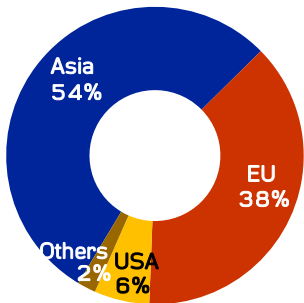
FY2020



■ Asia ■ EU ■ USA ■ Others

Farm

THB 8,506 million +6%

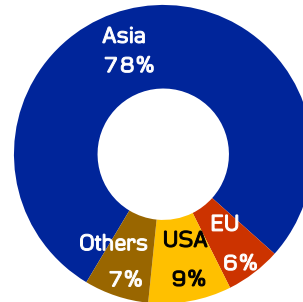


■ Asia ■ EU ■ USA ■ Others

Food

THB 20,577 million -1.4%

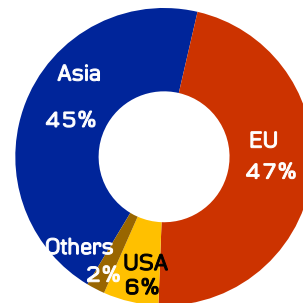
FY2021



■ Asia ■ EU ■ USA ■ Others

Farm

THB 6,951 million -18%

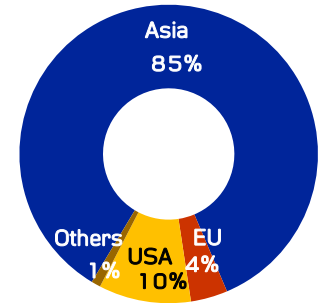


■ Asia ■ EU ■ USA ■ Others

Food

THB 22,086 million +7%

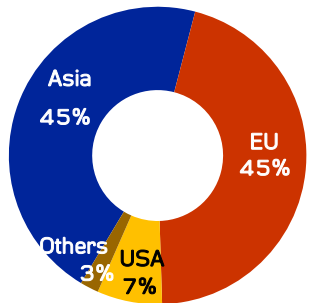
Q1/2022



■ Asia ■ EU ■ USA ■ Others

Farm

THB 1,400 million -31%



■ Asia ■ EU ■ USA ■ Others

Food

THB 5,881 million +21%

Consolidated Income Statement Highlight

	Full Year				
	FY2019	FY2020	% Change	FY2021	% Change
Net sales	532,573	589,713	11%	512,704	-13%
Gross Profit Margin (%)	14.3%	18.2%		12.9%	
EBIT	24,511	53,364	118%	19,222	-64%
EBITDA	51,765	91,207	76%	55,882	-39%
Share in Profit of Associates	8,893	9,254	4%	4,167	-55%
Financial Costs	(13,785)	(16,818)	22%	(16,596)	-1%
Income Taxes Expense	(5,446)	(11,001)	102%	2,654	-76%
Gain / (Loss) from FX	(10)	994	10,040%	651	-35%
Gain from Deconso. CTI Group	-	3,909	100%	-	-100%
Gain from EBT MAKRO	-	-	-	7,849	100%
NET PROFIT	18,456	26,022	41%	13,028	-50%
EPS (THB)	2.18	3.14		1.56	
# of capital shares*	8,185	8,105		7,970	
Paid-Up Capital	8,611	8,611		8,611	
Dividend (THB/Share)	0.70	1.00		0.65	

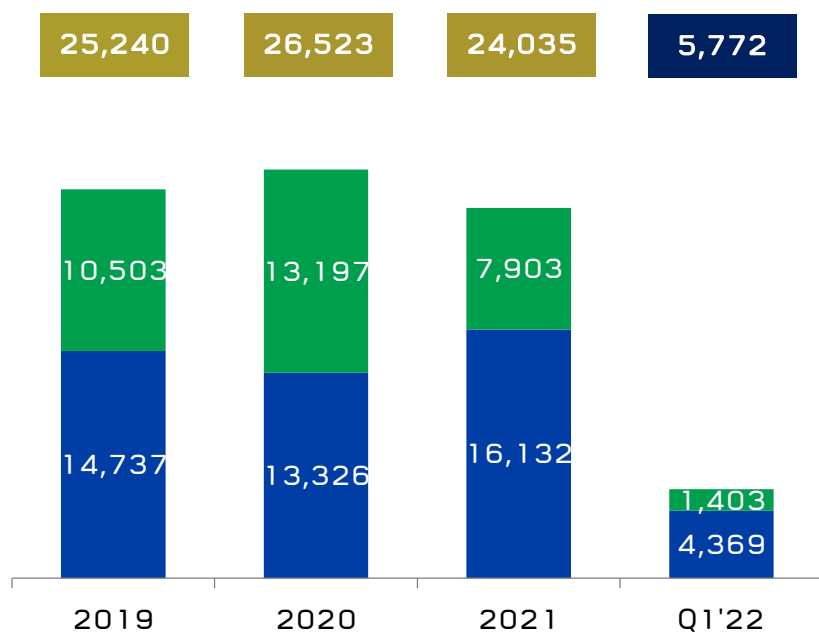
* Note: # of capital shares = No. of the weighted-avg. shares

CAPEX & EBITDA

CAPEX

Unit: THB, m

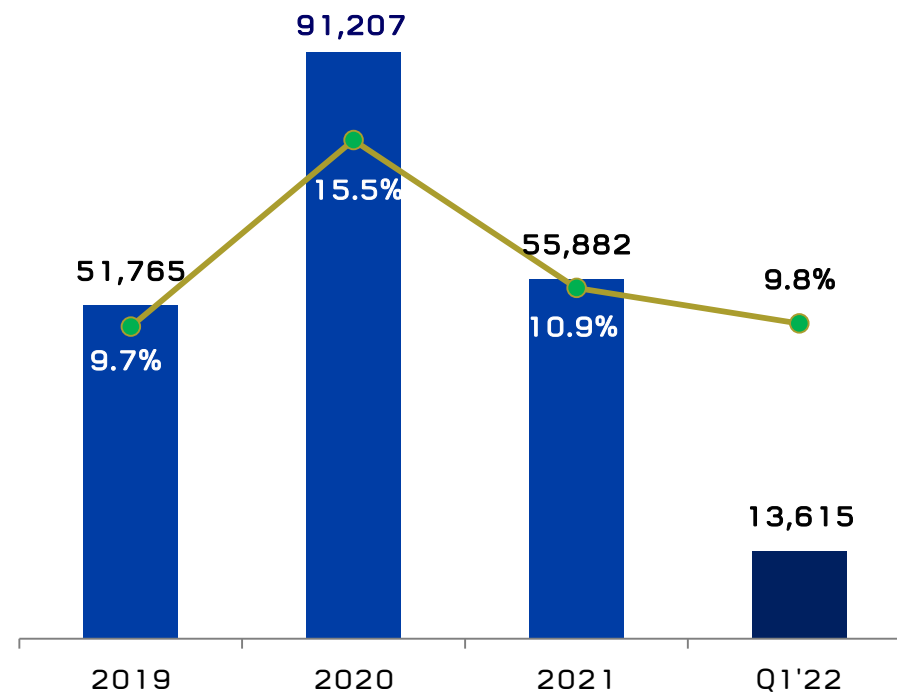
■ CPP
■ CPF



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 + dividend income from associates & Joint venture

Consolidated Net Profit, ROA and ROE

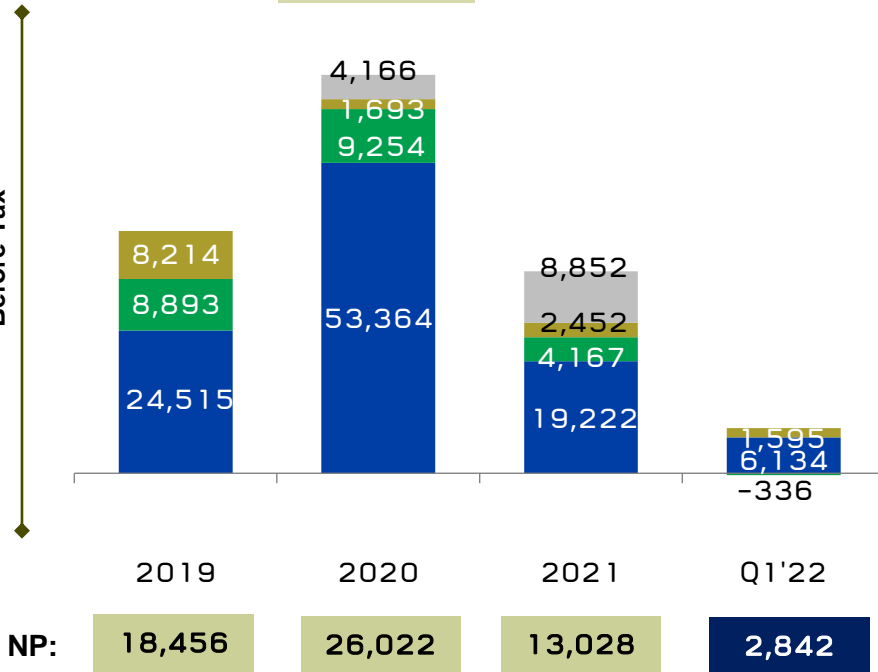
Net Profit

Unit: THB, m

- Gain on one time transaction
- Divestment and Dividend
- Equity (Share in Profit of Associates)
- EBIT

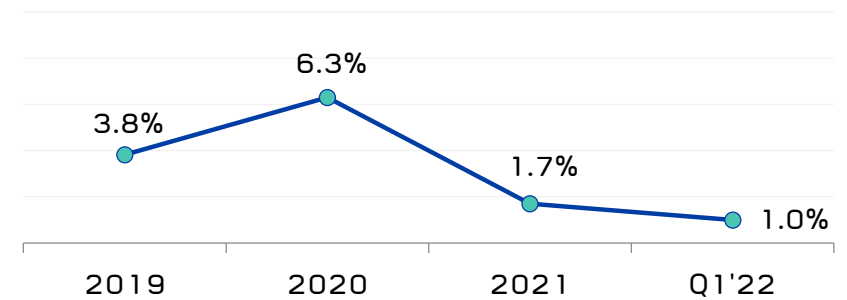
CAGR -16%

Before Tax



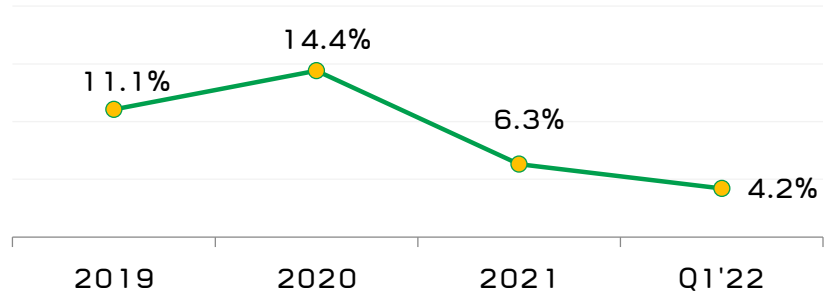
ROA & ROE

ROA



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

ROE



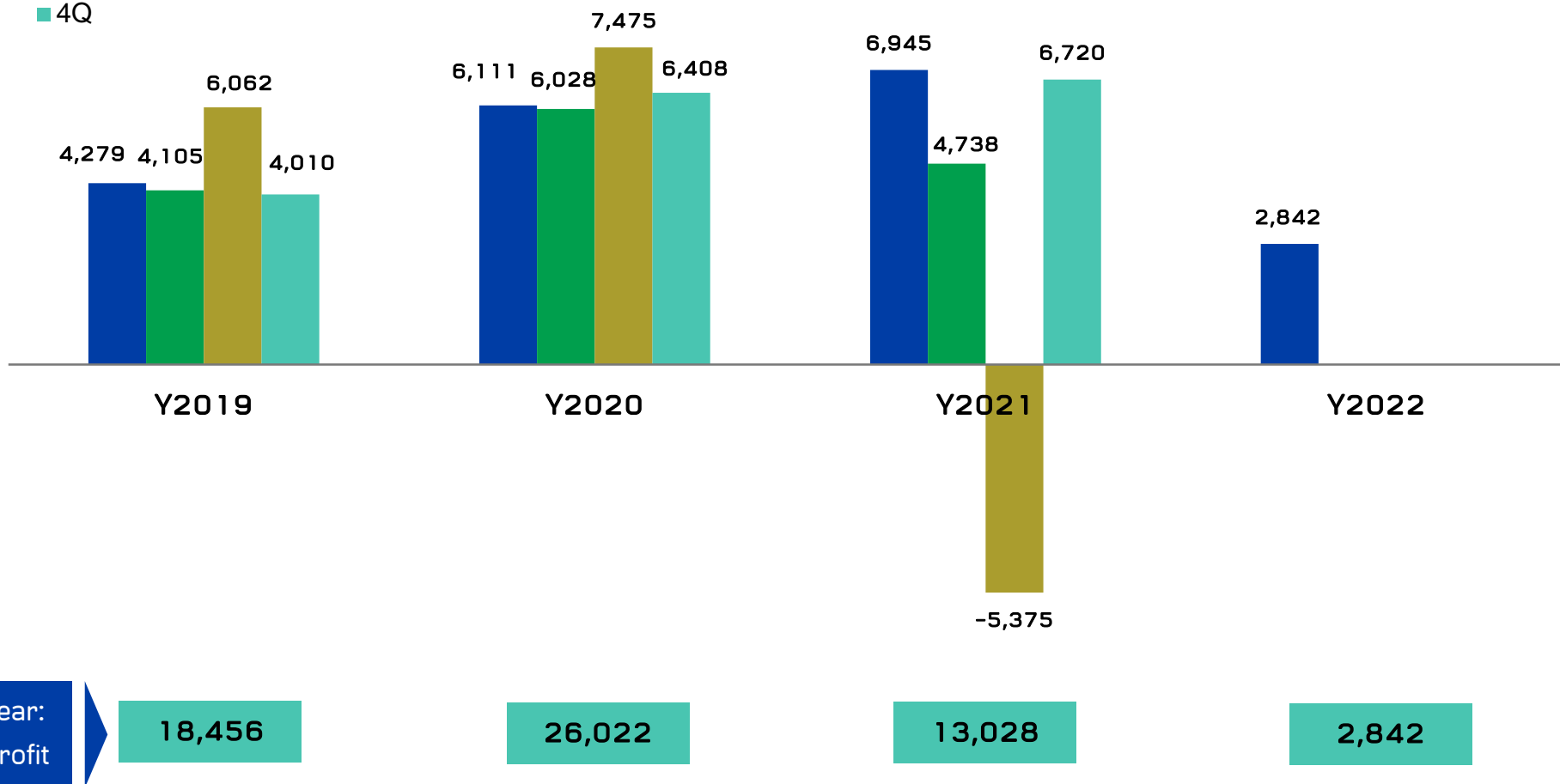
ROE = Net Income (Exclude Non-Controlling Interest) / Average Total Equity (Exclude Non-Controlling Interest)

* LTM basis

Consolidated Net Profit– Quarterly

Unit : THB, m

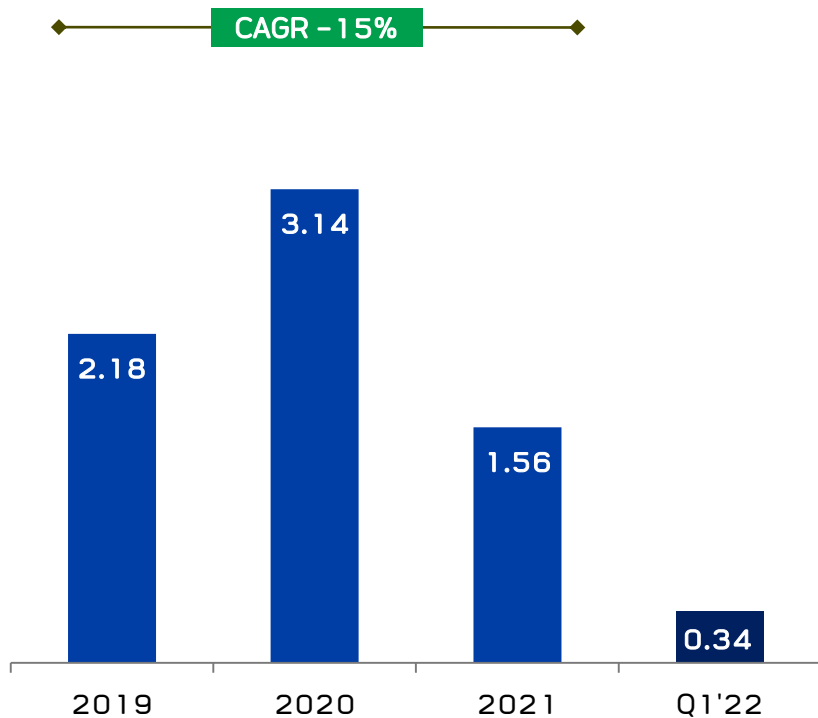
■ 1Q
■ 2Q
■ 3Q
■ 4Q



EPS & Dividends per Share

Earnings Per Share

Unit : THB Per Share



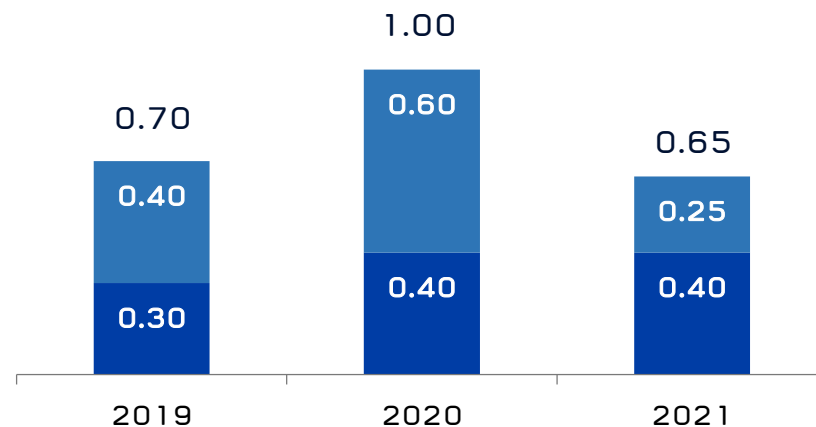
Dividends

Unit : THB Per Share

Dividend Policy

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

■ Final Dividend
■ Interim Dividend



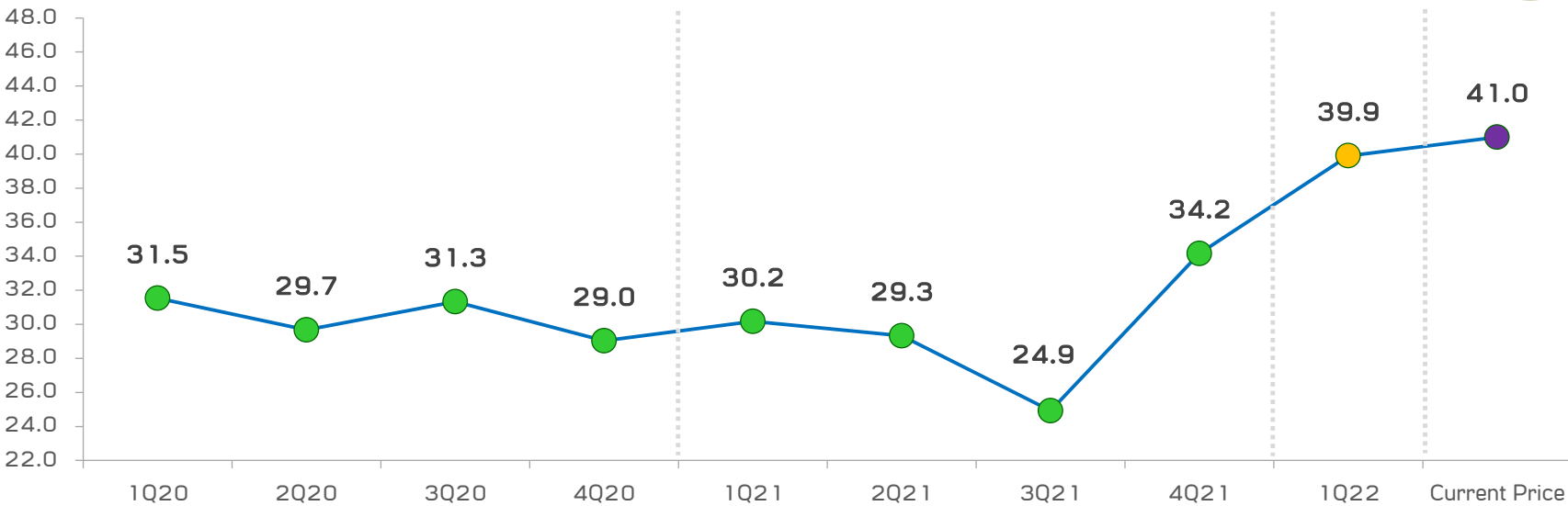
Appendix B

Products & Raw Materials Price Trend



Average Farm Prices – Thailand

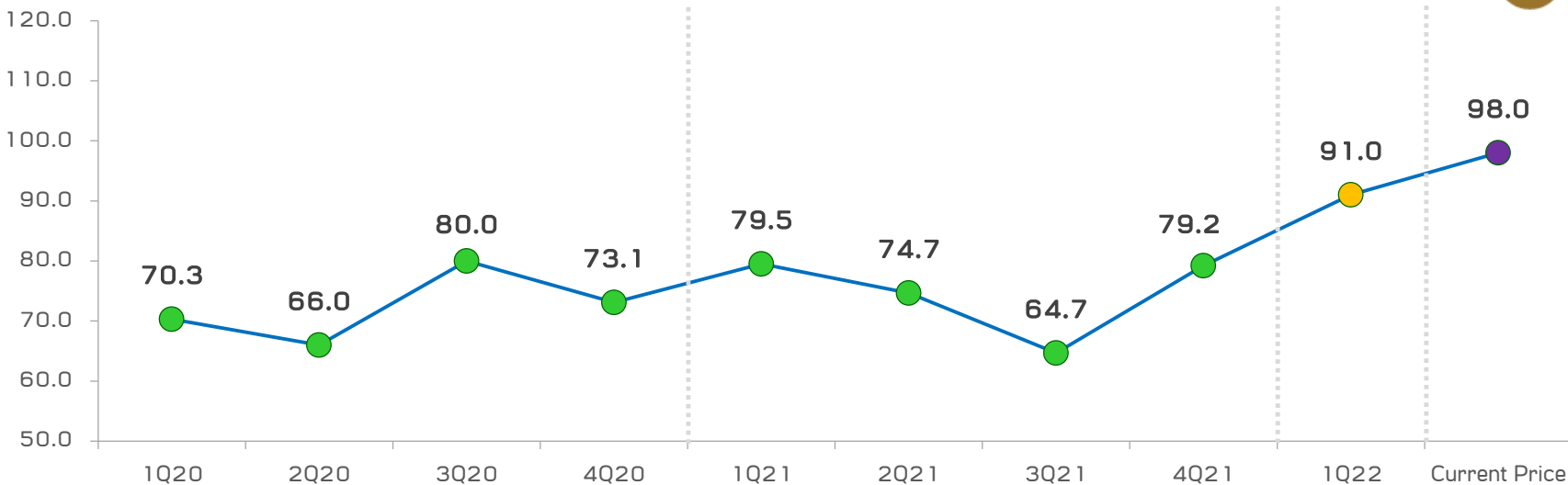
Thailand's **Broiler** price (THB/kg)



Average Price

Y20	Y21	Y22
30.4	29.7	39.9
% Chg	-2%	+35%

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



Average Price

Y20	Y21	Y22
72.4	74.2	91.0
% Chg	+3%	+23%

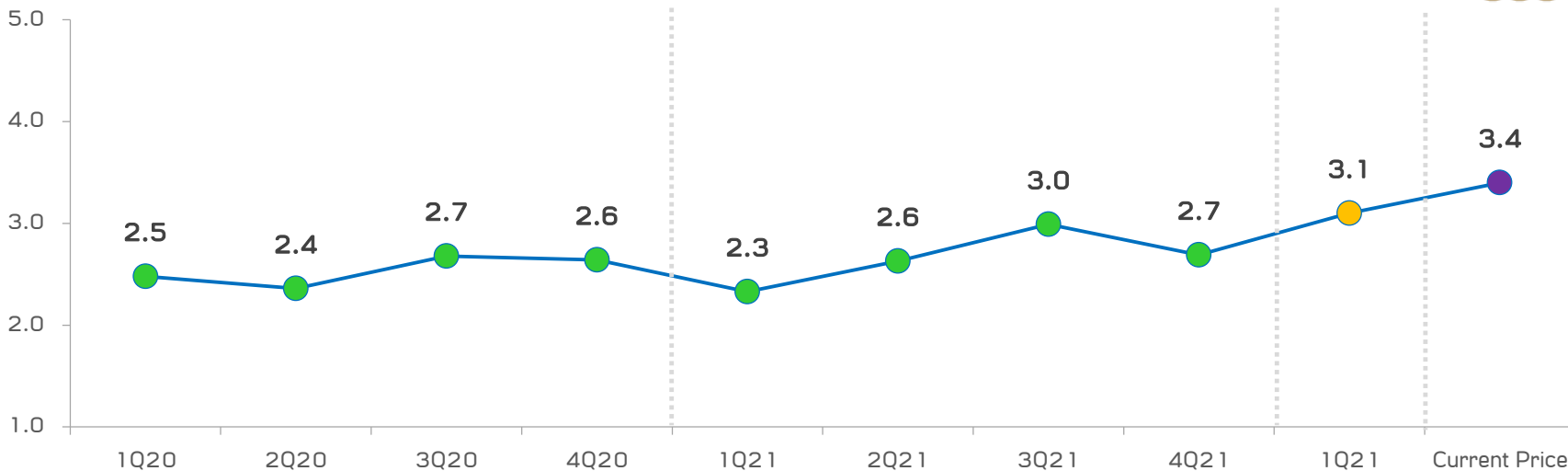
Average Farm Prices – Thailand

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



Average Price

Y20	Y21	Y22
2.5	2.7	3.1
% Chg	+5%	+15%



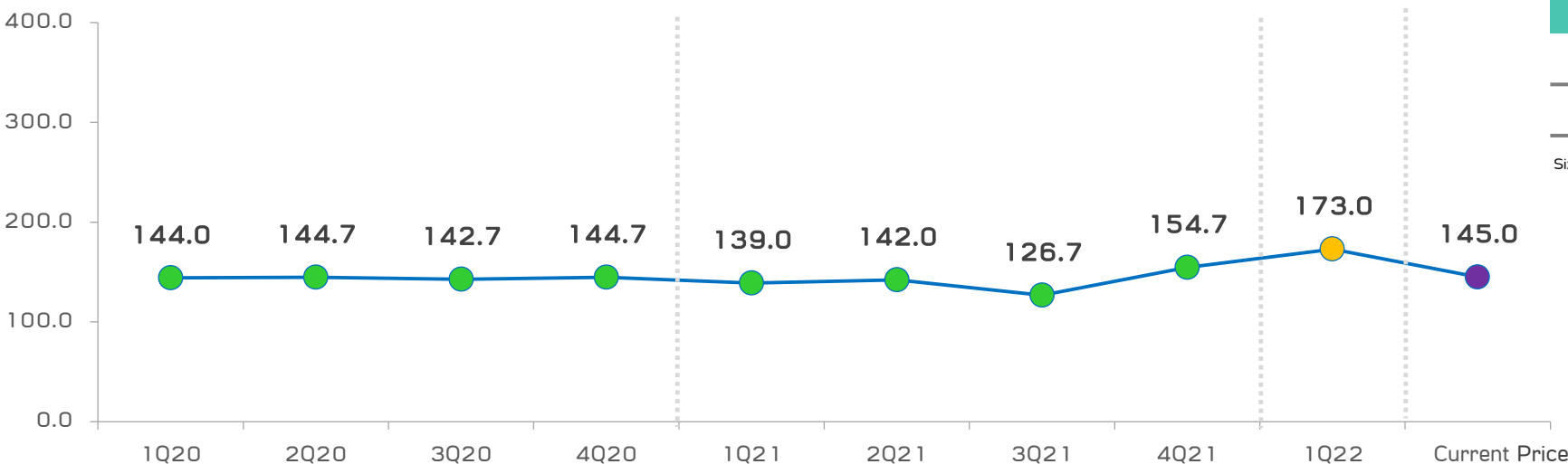
Thailand's **White Shrimp** price (THB/Kg)



Average Price

Y20	Y21	Y22
144	141	173
% Chg	-2%	+23%

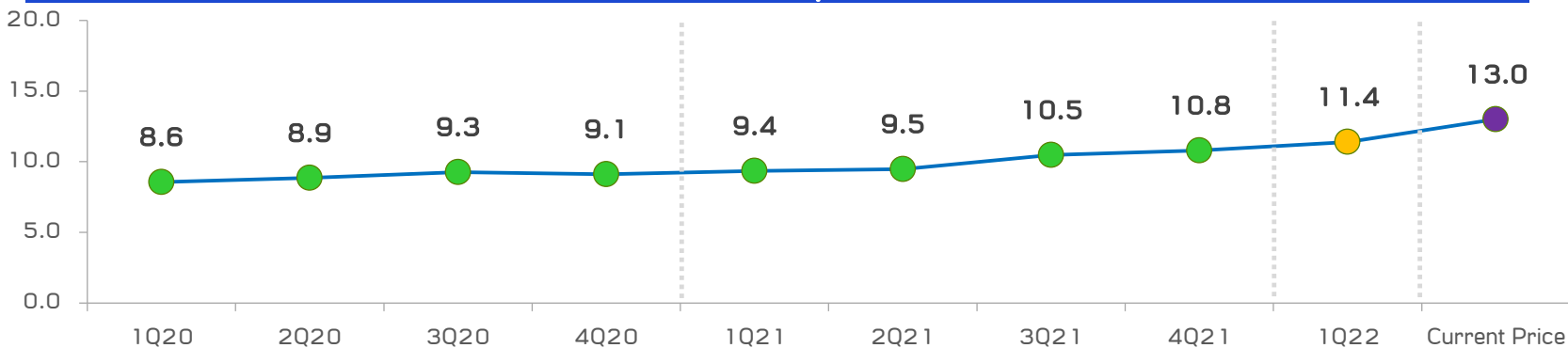
Size 70 pieces/kg



Source: CPF

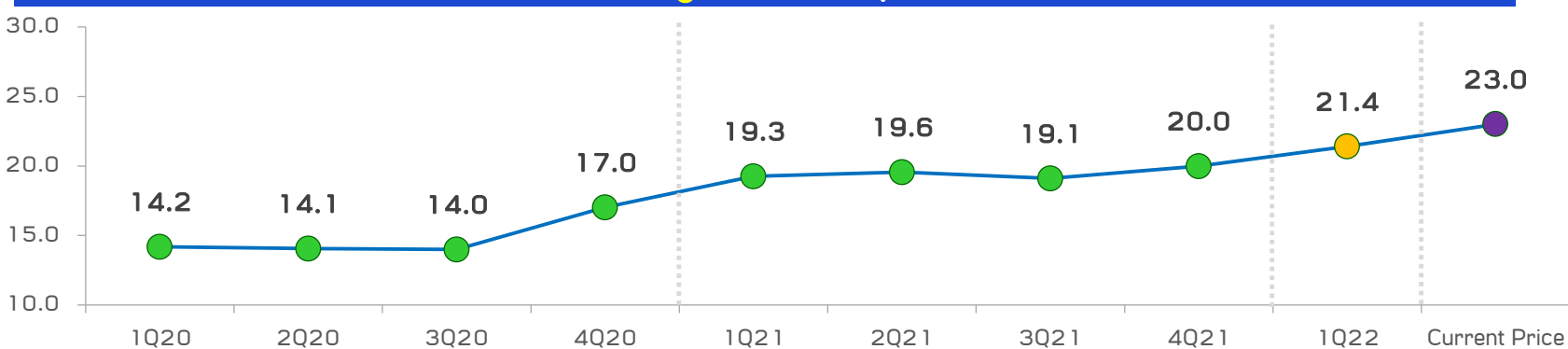
Average Raw material Prices – Thailand

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



Average Price		
Y20	Y21	Y22
9.0	10.0	11.4
% Chg	+12%	+13%

Thailand's **Soybean Meal** price (THB/kg)



Average Price		
Y20	Y21	Y22
14.8	19.5	21.4
% Chg	+31%	+10%

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



Average Price		
Y20	Y21	Y22
29.5	35.8	37.2
% Chg	+22%	+4%

Source: CPF

Vietnam: Average Market Price and Major Feed Raw Materials

Broiler
(VND/kg)

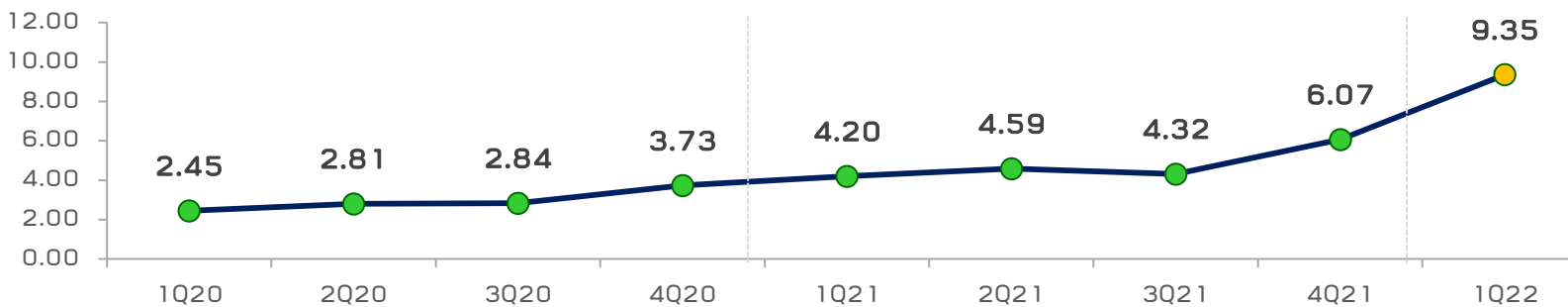
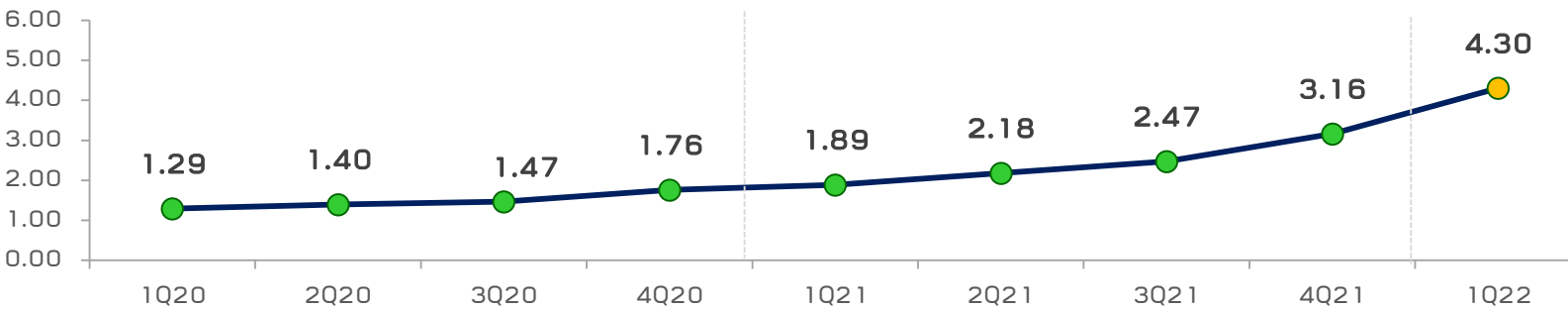
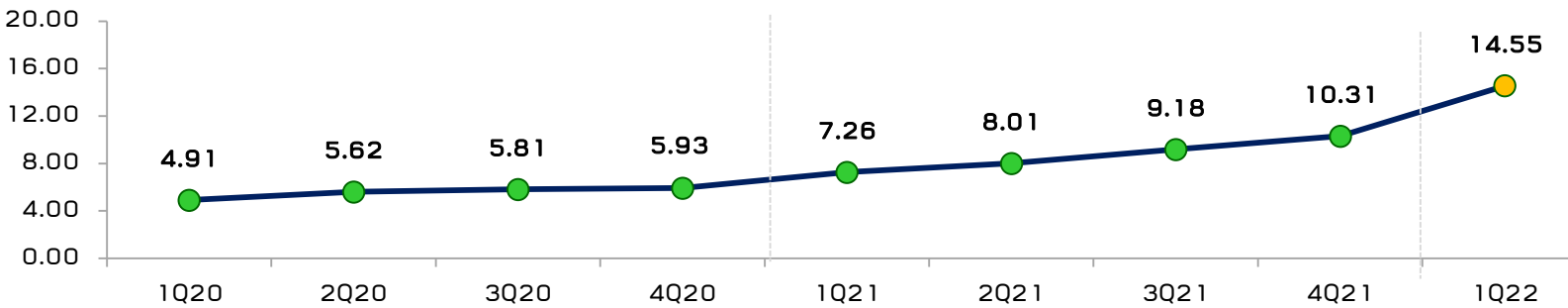
Swine
(VND/kg)

Corn
(VND/kg)

Soybean Meal
(VND/kg)



Turkey: Average Market Price and Major Feed Raw Materials



India: Average Market Price and Major Feed Raw Materials



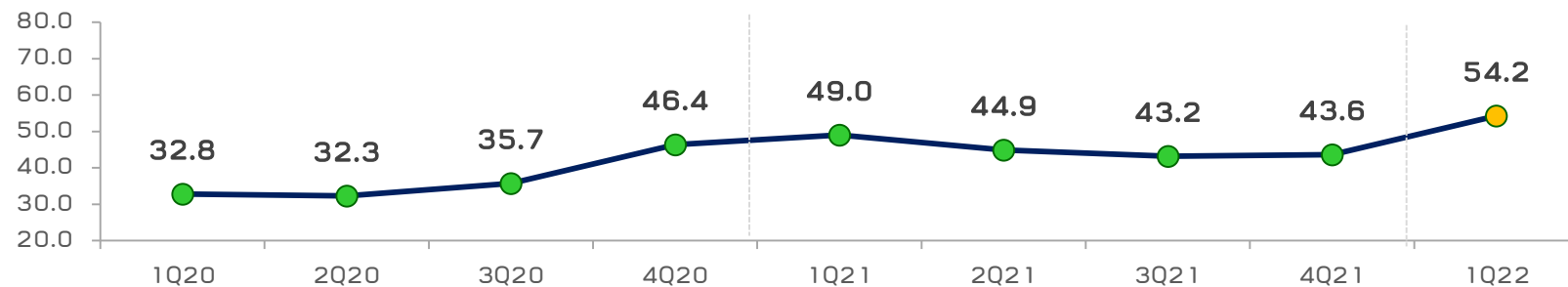
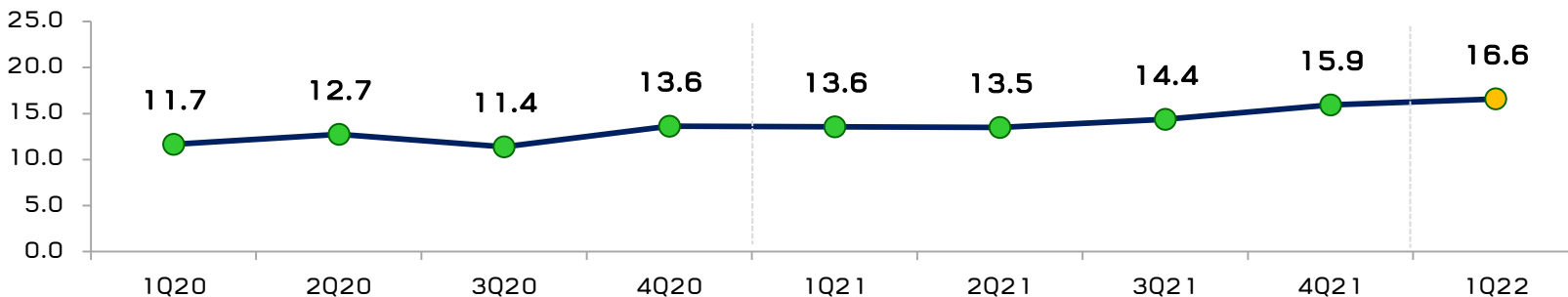
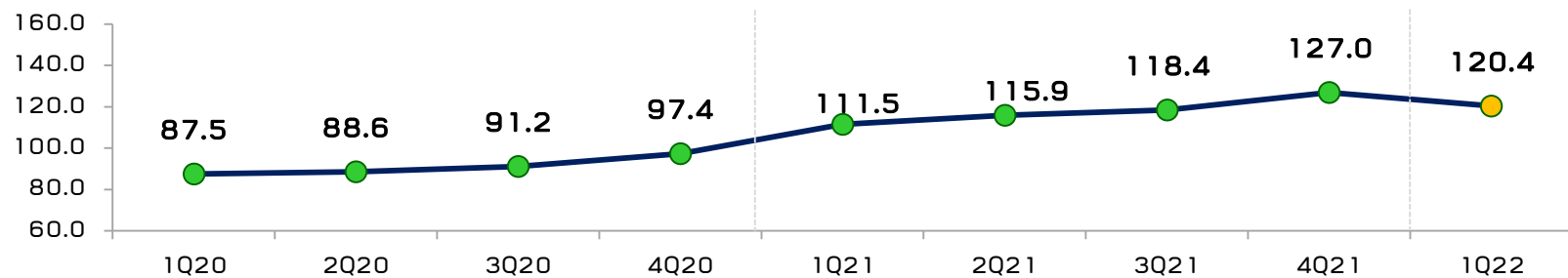
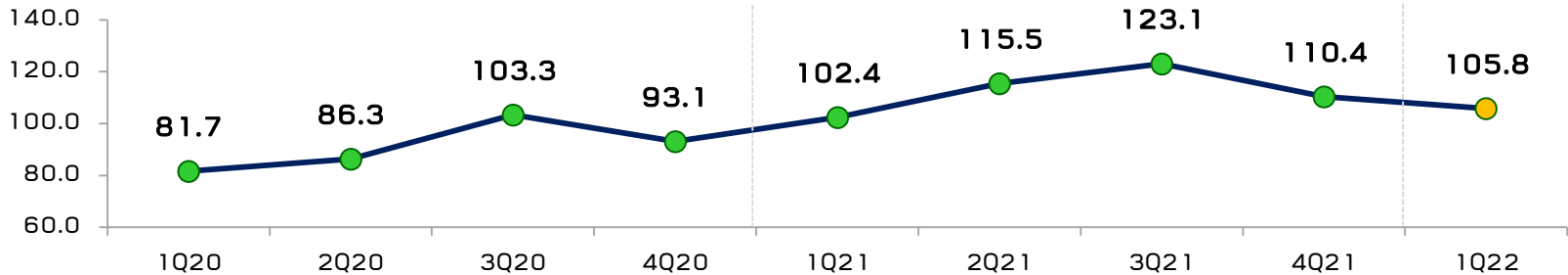
Broiler
(INR/kg)

Shrimp
(60 pieces)
(INR/kg)

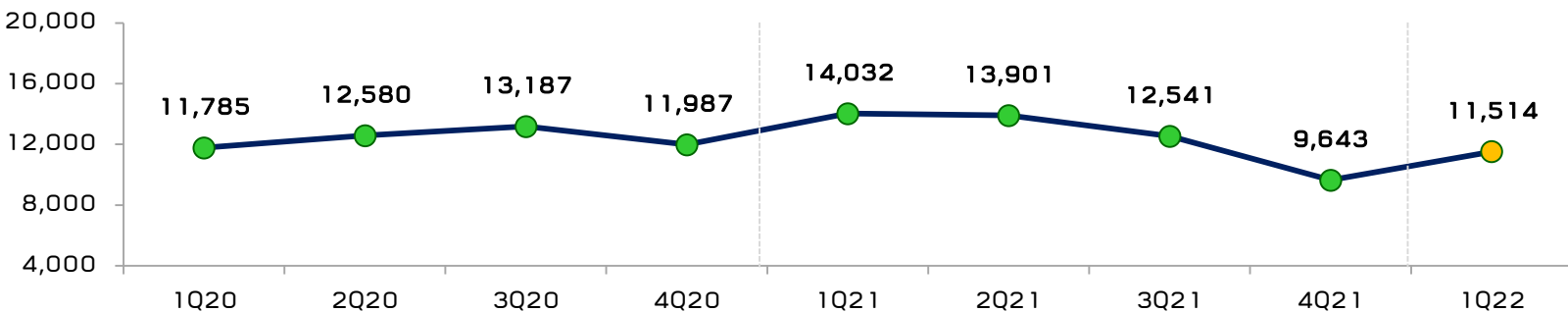
Corn
(INR/kg)

Soybean Meal
(INR/kg)

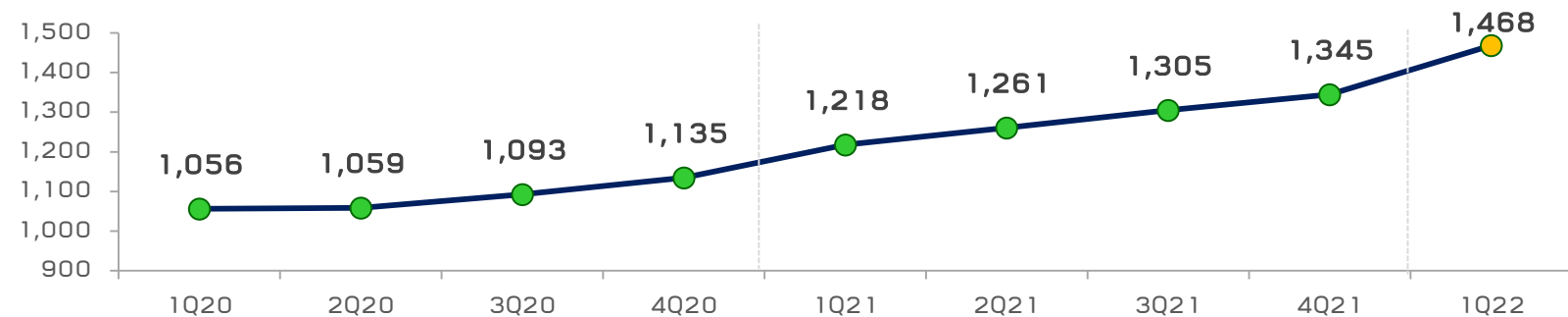
Russia: Average Market Price and Major Feed Raw Materials



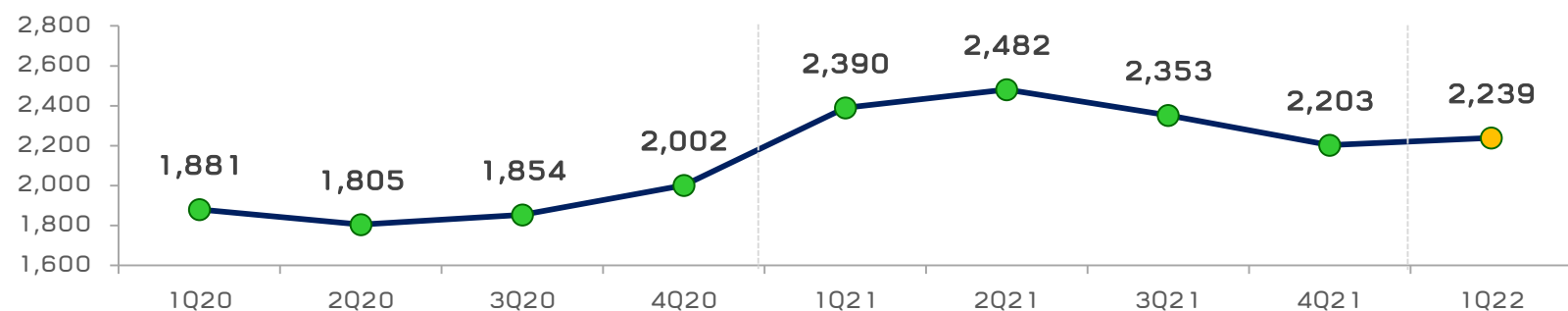
Cambodia: Average Market Price and Major Feed Raw Materials



Swine
(KHR/kg)

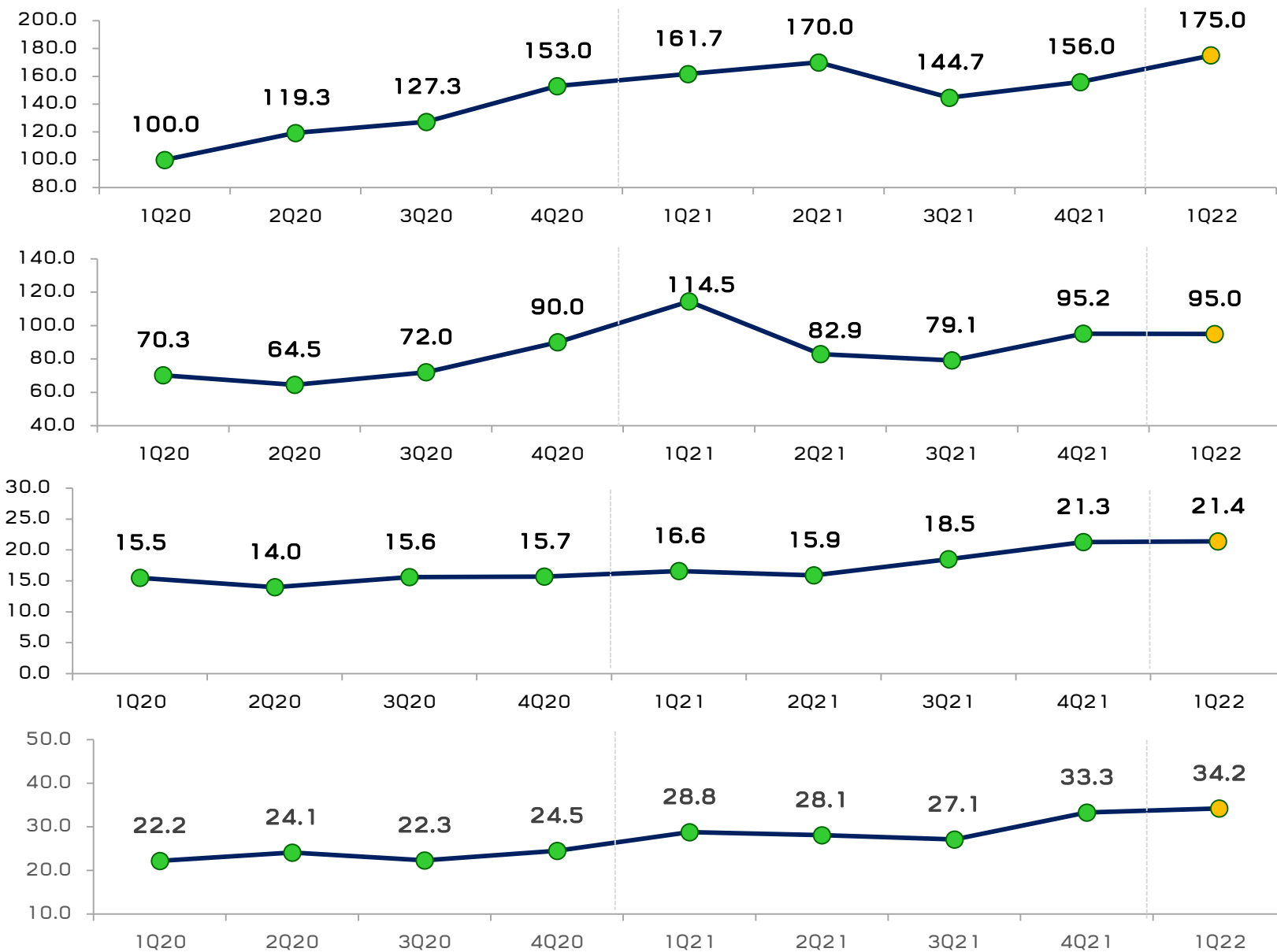


Corn
(KHR/kg)



Soybean Meal
(KHR/kg)

Philippines: Average Market Price and Major Feed Raw Materials



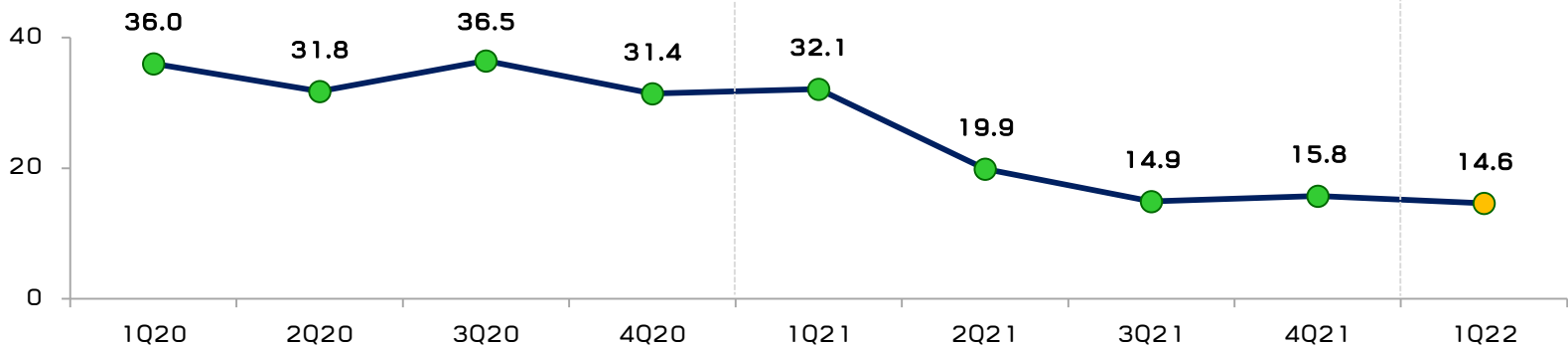
Swine
(RUB/kg)

Broiler
(RUB/kg)

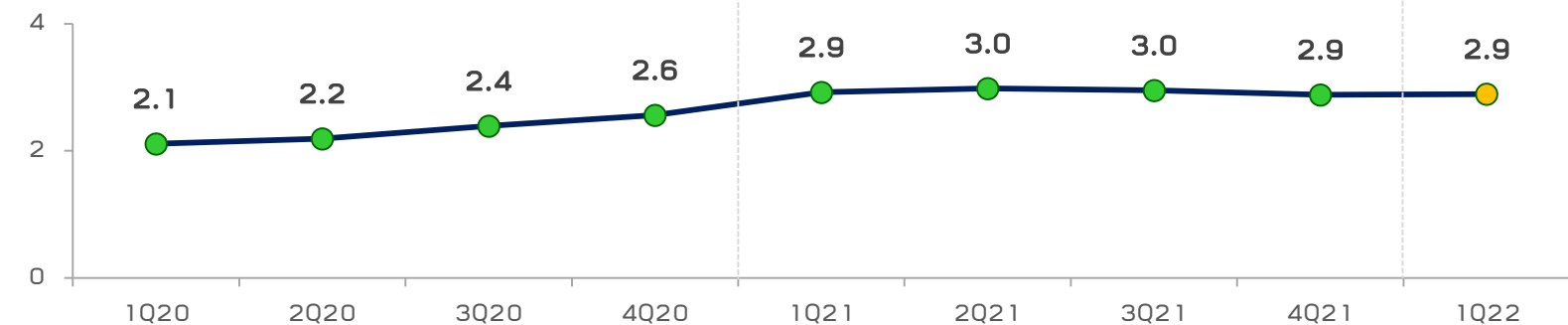
Corn
(RUB/kg)

Soybean Meal
(RUB/kg)

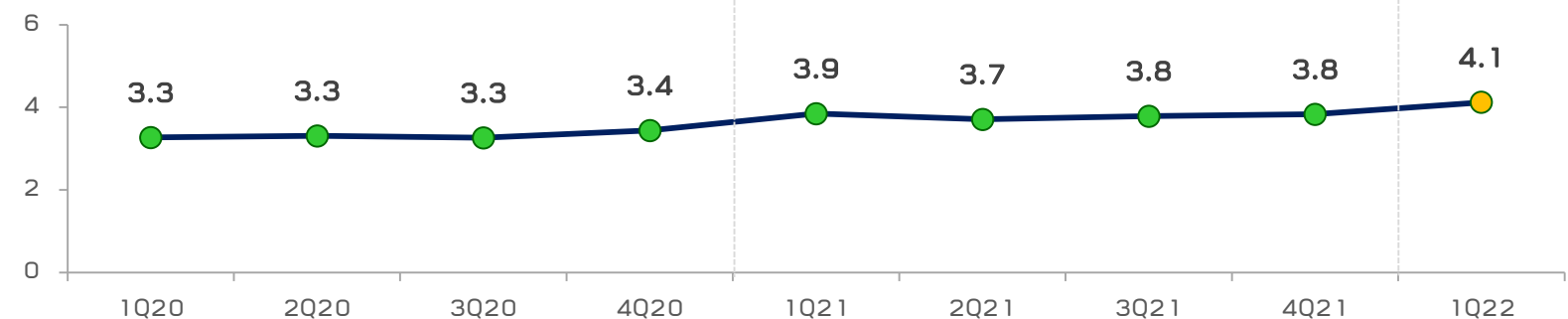
China: Average Market Price and Major Feed Raw Materials



Swine
(RMB/kg)



Corn
(RMB/kg)



Soybean Meal
(RMB/kg)

Appendix C

Group of Associate Companies &
Joint Ventures



Group of Associate Companies & Joint Ventures

Associates	Type of Business	CPF's Direct and Indirect Interest (%)
Arbor Acres Thailand Co., Ltd.	Broiler Breeder business	49.98
Ross Breeders Siam Co., Ltd.	Broiler Breeder business	49.99
CP ALL Public Company Limited	Convenience store business	33.83
Lotus Distribution International Limited	Logistics business	20.50
Siam Makro Public Company Limited	Wholesale business	8.85
Nava 84 Co., Ltd.	Investment	25.00
BHJ Kalino Food AB	Distributor of meats and food products	15.08
Siam Rivea Co., Ltd.	Restaurant	29.99
A.P.P. Enterprise, Inc.	Farm business	39.60

Associates Under CPP

Chia Tai Investment Co., Ltd.	Animal feed and swine business	26.69
Chia Tai Conti(Cixi) Investment Management Ltd.	Provision of Consulting service on economic and trade	38.12
Conti Chia Tai International Ltd.	Production and sale of animal feed	38.12
Cixi Zhuda Investment Center (Limited Partnership)	Investment	34.68

Associates Under CTEI

Zhan Jiang Deni Carburetor Co.Ltd.	Manufactures and distributes carburetor products	14.12
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Joint Ventures	Type of Business	CPF's Direct and Indirect Interest (%)
CP-Meiji Co., Ltd.	Production of dairy products	59.99
SuperDrob S.A.	Livestock business	49.45
Westbridge Foods Holding B.V.	Food trading business	50.00
Camamor Produtos Marinhos Ltda.	Shrimp business	40.00
Andhra Pradesh Broodstock Multiplication Centre Pvt Ltd.	Aquaculture business	74.99
HyLife Investments Ltd.	Swine business	50.10
Feng Sheng Livestock Co., Ltd.	Livestock business	19.51
Well Well Invest S.A.	Plant-based meat products	33.33
CP-MP Logistics Joint Stock Company (Vietnam)	Logistics business	40.76
Sao Ta Foods Joint Stock Company (Vietnam)	Seafood product preparation and packaging business	20.71
Cloud Food System Joint Stock Company (Vietnam)	Computer systems design and related services	19.40

Joint Ventures Under CTEI

ECI Metro Investment Co.,Ltd.	Sales distributor of industrial machinery products	25.21
ECI Metro Enterprises (Hong Kong) Co., Ltd.	Sales distributor of industrial machinery products	25.21

Appendix D

Product Samples & Retail Outlet Formats



Food Retail Products



Food Retail Products



Food Retail Products



Food Service : Five Stars Chain



More
Than
6,000
Outlets

Vietnam



India



Cambodia



Laos



Philippines



Food Service : Chester's



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PUT OUR
HEART
INTO FOOD

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