

# Charoen Pokphand Foods Plc.



Enjoy  menus around The World



**Kitchen**



**of the World**

**1H12: Results Briefing**

August 14, 2012



- **CPF in Brief**
- **1H12 Results**
- **June 30, 2012 Financial Status**
- **Y2012 Business Structure**
  - Appendix A: Highlights: Q212 Results
  - B: Product Champion
  - C: Ready Meal & Export Products
  - D: CP Fresh Mart
  - E: Five Stars Chain
  - F: CP Food Market
  - G: Chester's Grill

## Position

- **Position : Thailand's leading agribusiness and food conglomerate**

- : Listed on "the SET", member of "SET50"
- : *Listed in 2011 Forbes Global 2000 list of the World's Biggest Company*
- : *Listed on "MSCI -- MSCI Thailand, MSCI Asia Free, MSCI Asia Free ex-Japan, MSCI Asia Pac Free, MSCI AC World ex US, MSCI AC World Free, MSCI EM Asia, MSCI Global Emerging Markets, MSCI Far East Free, MSCI Far East Free-ex Japan"*

## Highlights

- **Vision : Kitchen of the World**
- **FY11 Sales : THB206 billion or ~USD 6.5 billion**
- **Market Cap : THB245,651 million or ~USD7.7 billion**  
(as of August 10, 2012)
- **Operations : 61% Thailand-Domestic**  
**14% Thailand-Export**  
**25% Overseas**
- **Capital : 7,743 million shares (paid-up),**  
**par value of THB.1.00 per share**
- **Business : 75% Livestock / 25% Aquaculture**
- **Shareholders : Charoen Pokphand Group Ltd. 49.9%**  
**of Paid-Up Capital (as of March 29, 2012)**
- **Product : 38% Feed / 43% Farm / 19% Food**

Note : USD1 = THB 31.70 (as of August 10, 2012)

# CPF – Investment Highlights



**1. Leading Global Fully Integrated Agro-Industrial and Food Company**

**2. Market Leader with Well-Established Market Position in Both Mature and High Growth Markets**

**3. Well-Diversified Product Portfolio with Operation in 12 Countries covered > 3 Billion Populations**

**4. Solid Financial Fundamentals & Flexibility**

**5. Experienced Management Team with Proven Track Record**

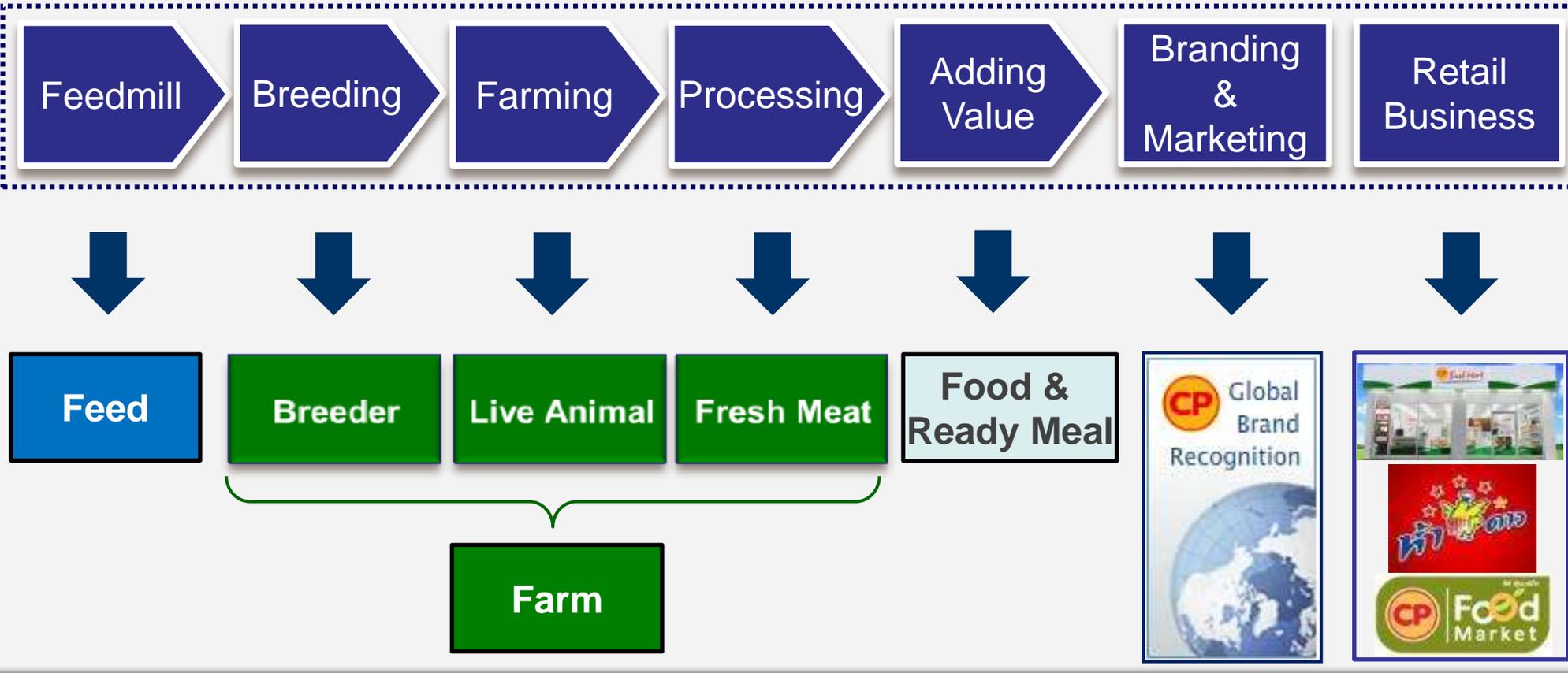
**6. Continuous Growth Prospects**

# Fully Integrated Business Model : From Feed to Food



## Vertically Integrated Operating Platform

Livestock (Broiler, Layer, Swine, Duck) Aquaculture (Shrimp & Fish)



Unique Value Chain for Safety & Quality Control and Cost Effective Enhancement

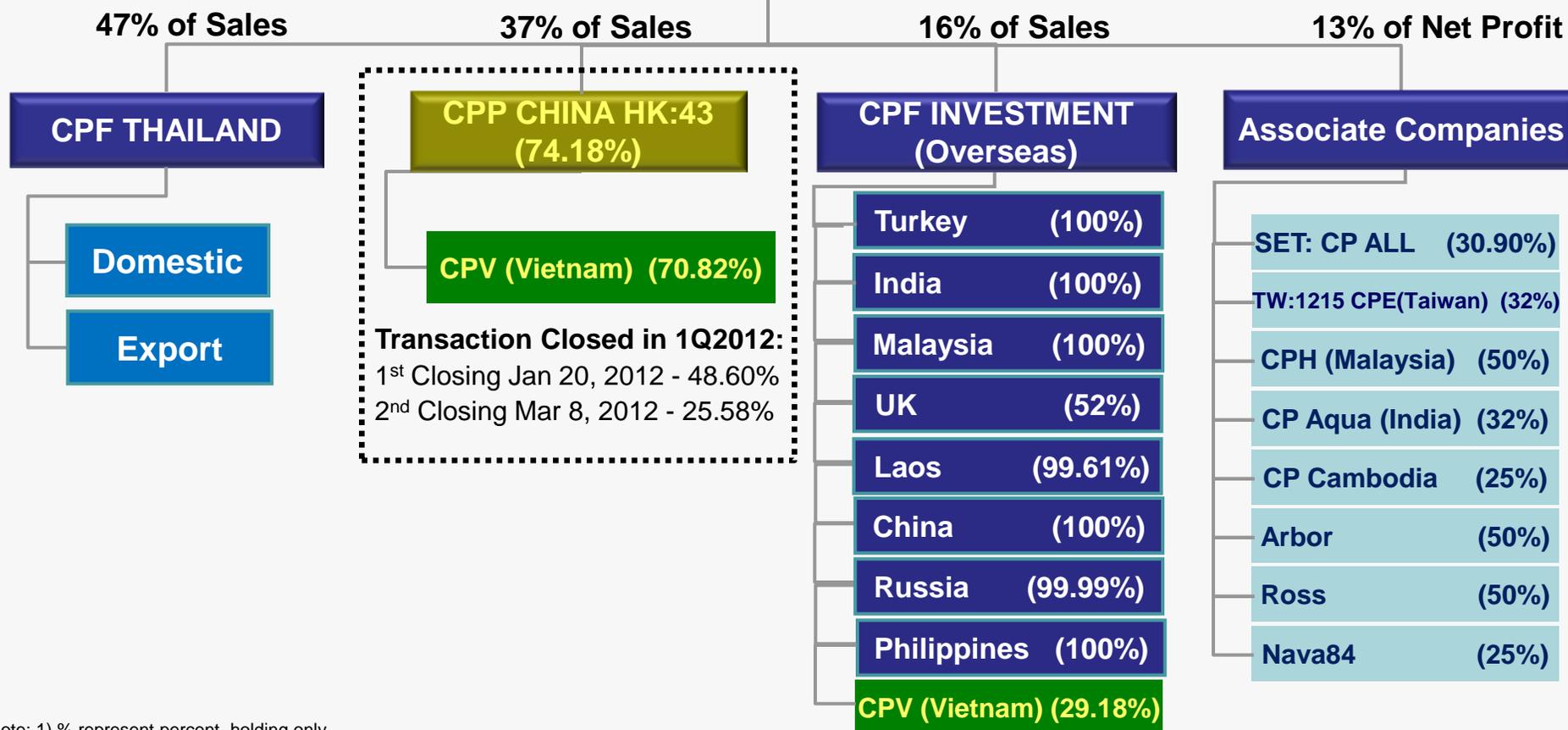
# CPF Operations : Y2012



## CPF Operational Structure



**1H2012 : Sales = 165,735 MB**  
**Net Profit = 16,148 MB**



Note: 1) % represent percent holding only

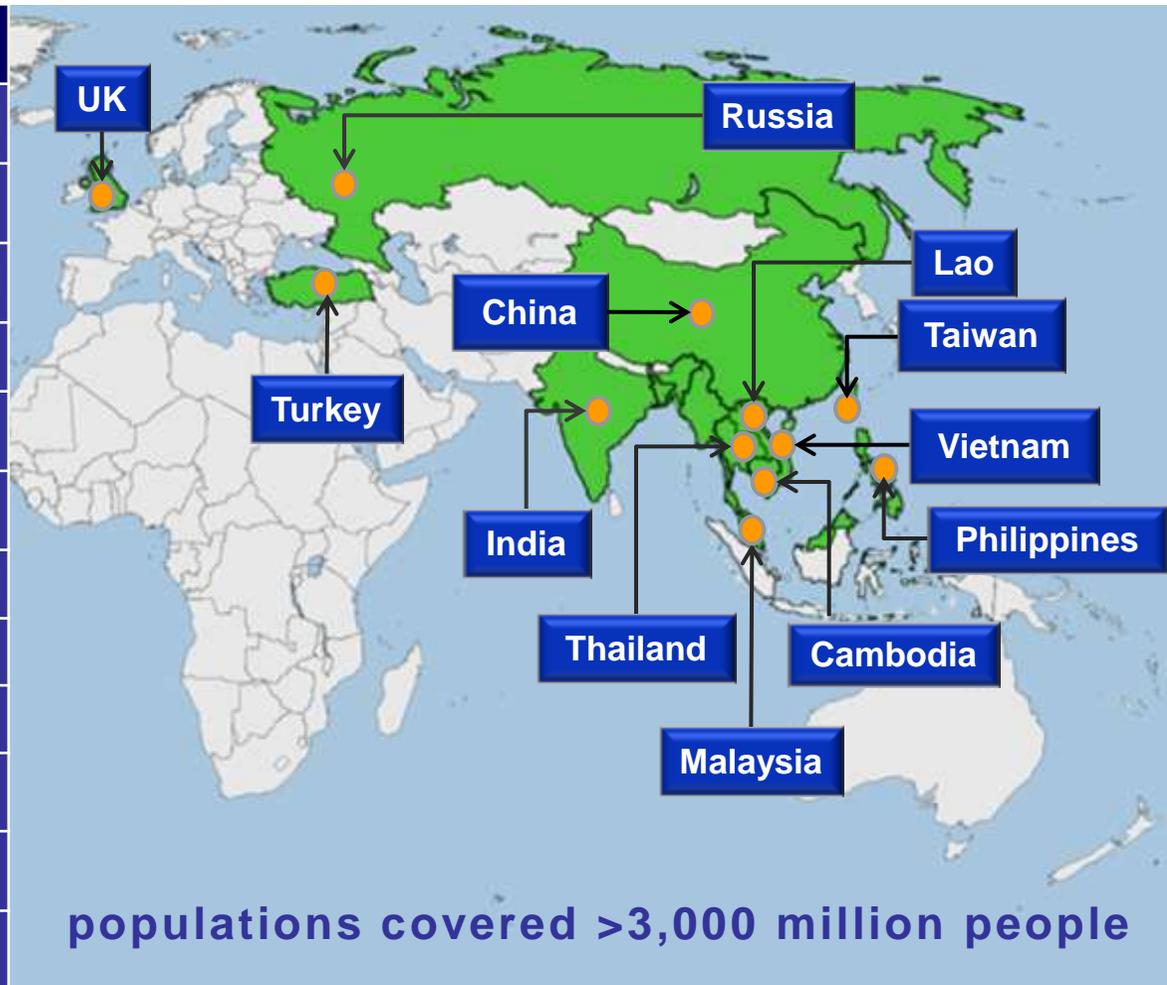
2) CPF will indirectly own 81.71% of CPV (Vietnam) post-transaction.

# CPF Positioning

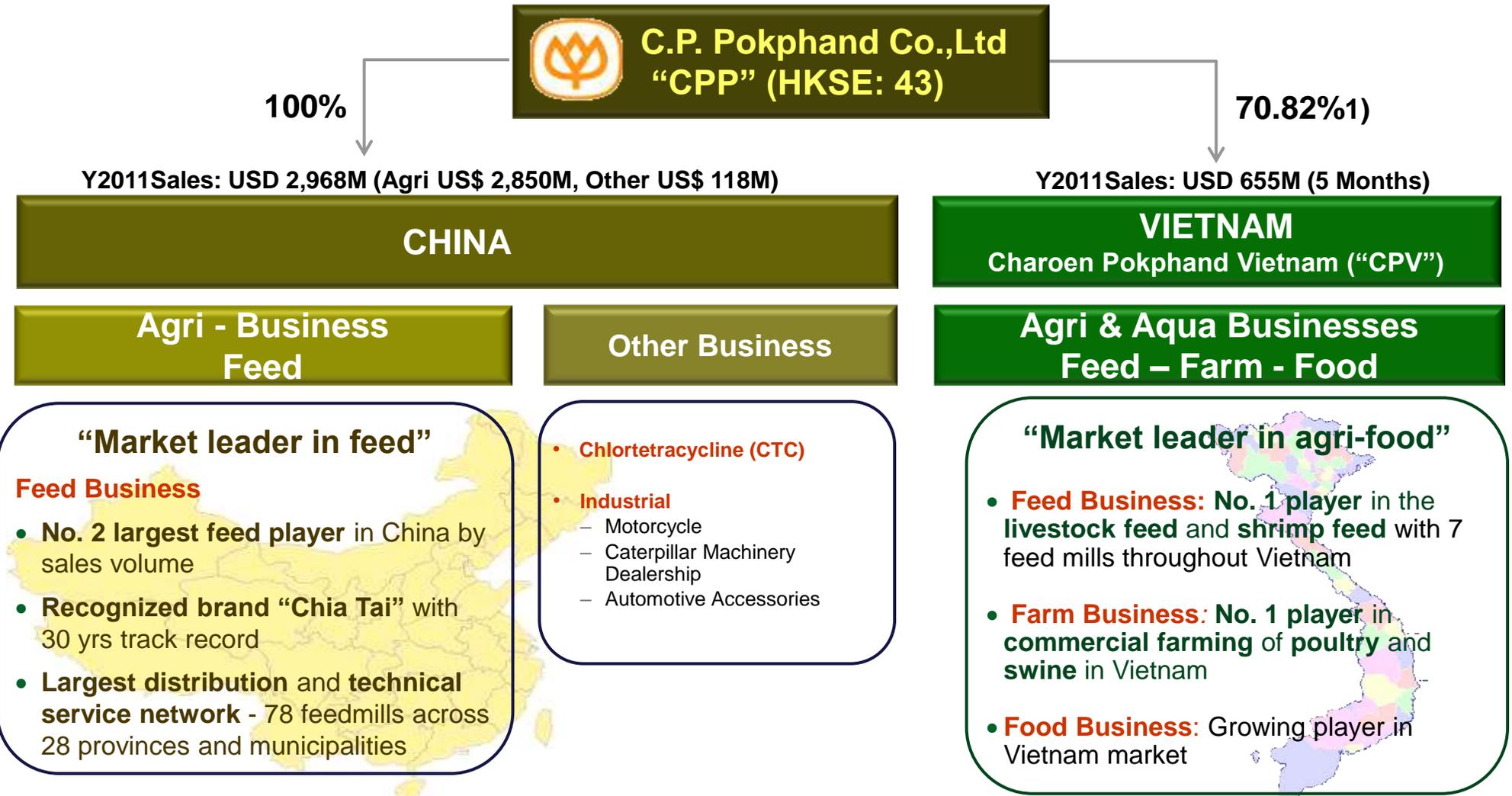


Leading Foothold in Asia with Well-Established Position in High Growth Potential Markets

Countries	Controlled Year	Livestock	Aquaculture
Thailand	1978	Feed, Farm, Food	Feed, Farm, Food
China	2012	Feed	Feed, Farm
Vietnam	2012	Feed, Farm, Food	Feed, Farm, Food
UK	2002	Distributor & Chilled Plant	
Turkey	2004	Feed, Farm, Food	-
India	2005	Feed, Farm	Feed, Farm
Malaysia	2005	Feed, Farm, Food	Feed, Farm, Food
Laos	2006	Feed, Farm	-
Russia	2006	Feed, Farm	-
Philippines	2007	Feed, Farm	Feed, Farm
Taiwan	2009	Feed, Farm, Food	-
Cambodia	2011	Feed, Farm, Food	-



# CPP (HKSE:43) : Operational Structure



Note: 1) The acquisition of CPV was completed as of July 29, 2011  
 2) Information as of the end of 2011

# Consolidated Sales Structure by Operations

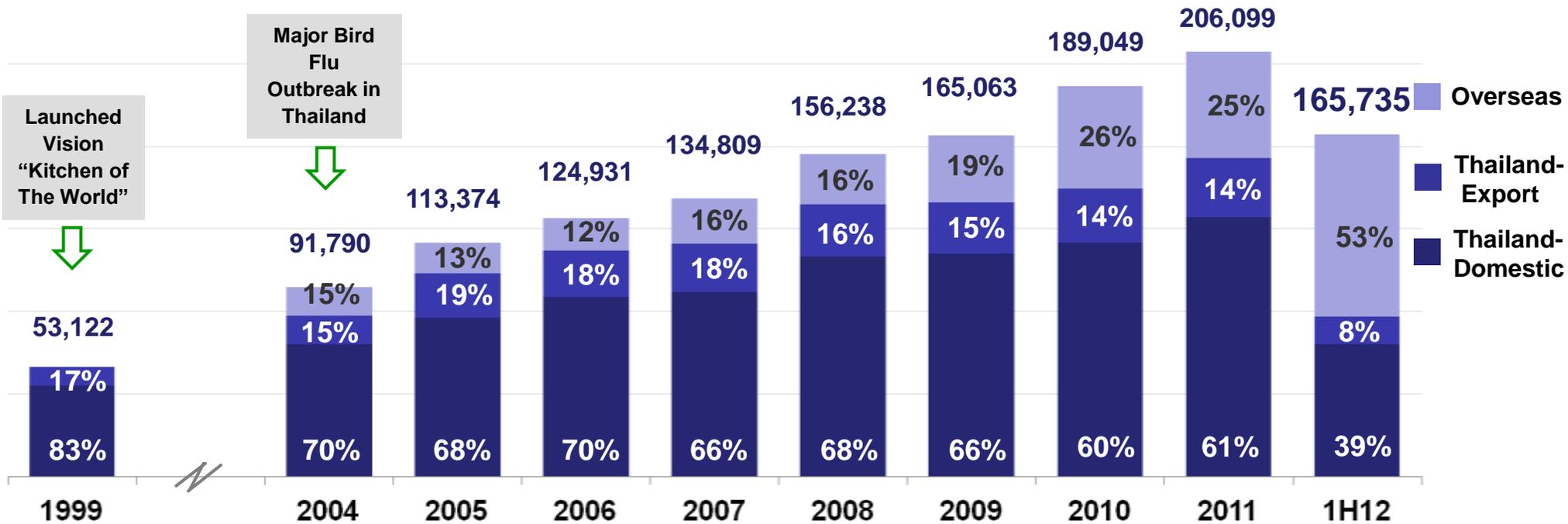


CAGR 12% from 1999-2011  
 "From Feed → Farm → Foods"

Unit: THB, M

CAGR 11% from 2005-2011  
 Growth Focus on "Globalization of both  
 Distribution & Production"

Domestic	CAGR	8%
Export	CAGR	5%
Overseas	CAGR	23%



**Consistent Growth Achieved with Diversification of Products and Operations**



# Consolidated Sales Structure



## 1H12 CONSOLIDATED SALES : THB 165,735 m

	TH-Domestic 39%		TH-Export 8%		Overseas 16%		CPP 37%		TOTAL 100%		% Growth (Y-o-Y)
	<b>Feed</b>	28,264	44%	147	1%	12,319	46%	50,971	83%	91,701	55%
<b>Farm</b>	27,233	43%	3,407	25%	13,027	49%	10,496	17%	54,163	33%	23%
<b>Food</b>	8,390	13%	9,992	74%	1,260	5%	229	0%	19,871	12%	9%
<b>TOTAL</b>	<b>63,887</b>	<b>100%</b>	<b>13,546</b>	<b>100%</b>	<b>26,606</b>	<b>100%</b>	<b>61,696</b>	<b>100%</b>	<b>165,735</b>	<b>100%</b>	<b>67%</b>

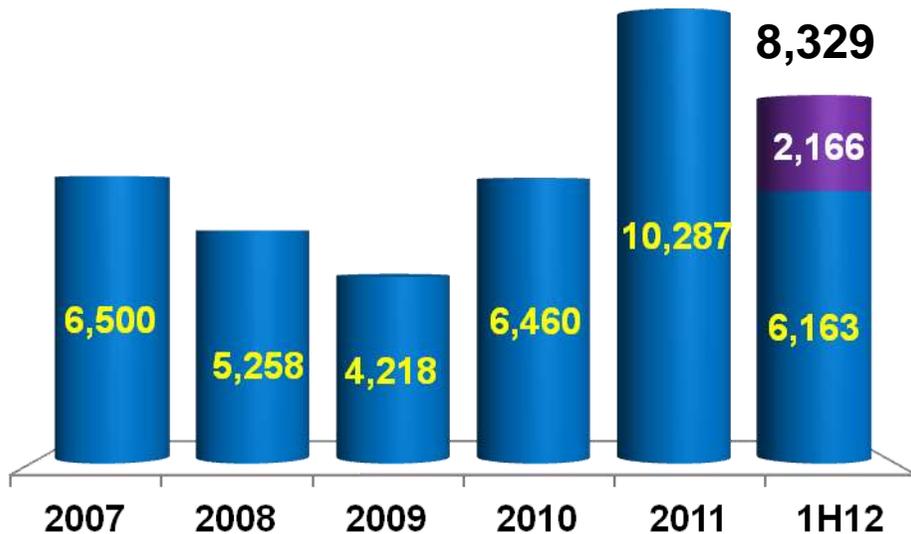
# CAPEX & EBITDA



## CAPEX

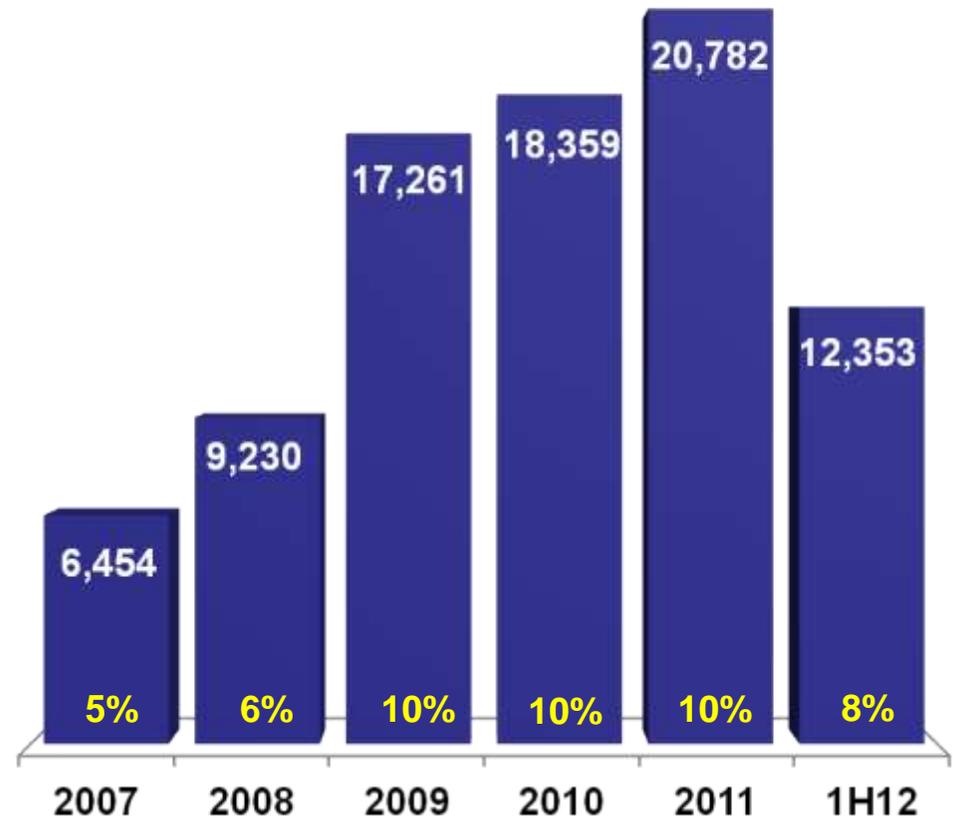
Unit: THB, M

- CPP
- CPF



## EBITDA

Unit: THB, M (% to Sales)



# Consolidated Net Profit & ROE & D/EBITDA

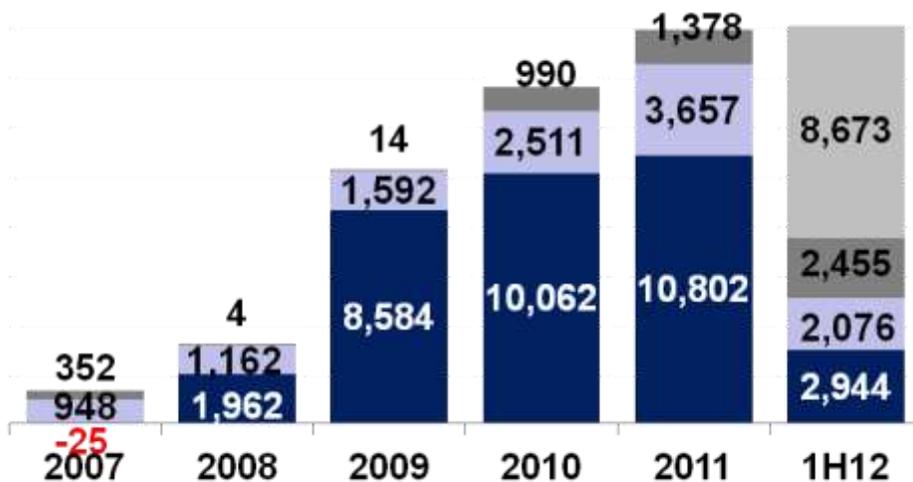


## Net Profit

Unit: THB, M

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

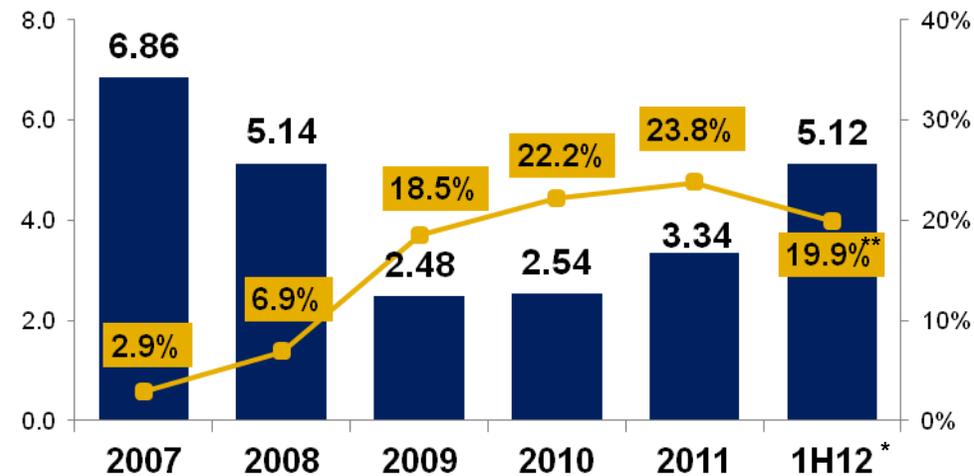
CAGR 88%



NP: **1,275**   **3,128**   **10,190**   **13,563**   **15,837**   **16,148**

## ROE & D/EBITDA

- ROE
- D/EBITDA Ratio (Interest Bearing Debt)



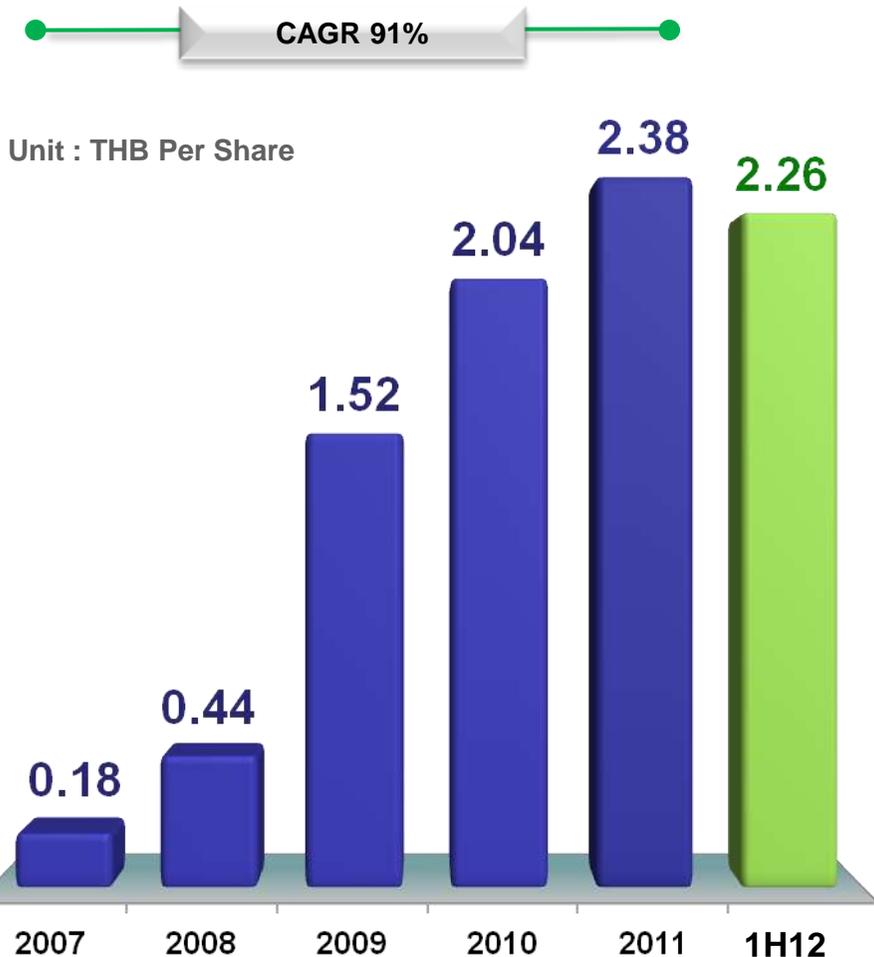
Note : \* 1H12 Including gain on fair value adjustment of investments in associate  
 \*\* Annualized basis



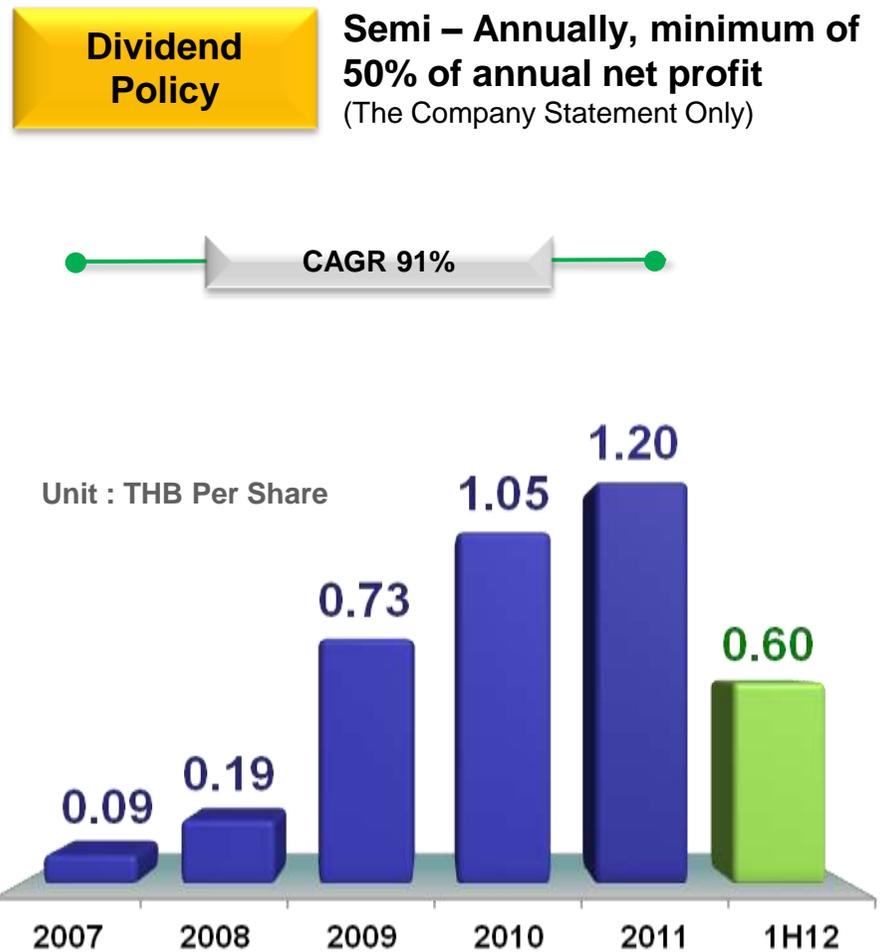
# EPS & Dividends per Share



## Earnings Per Share



## Dividends

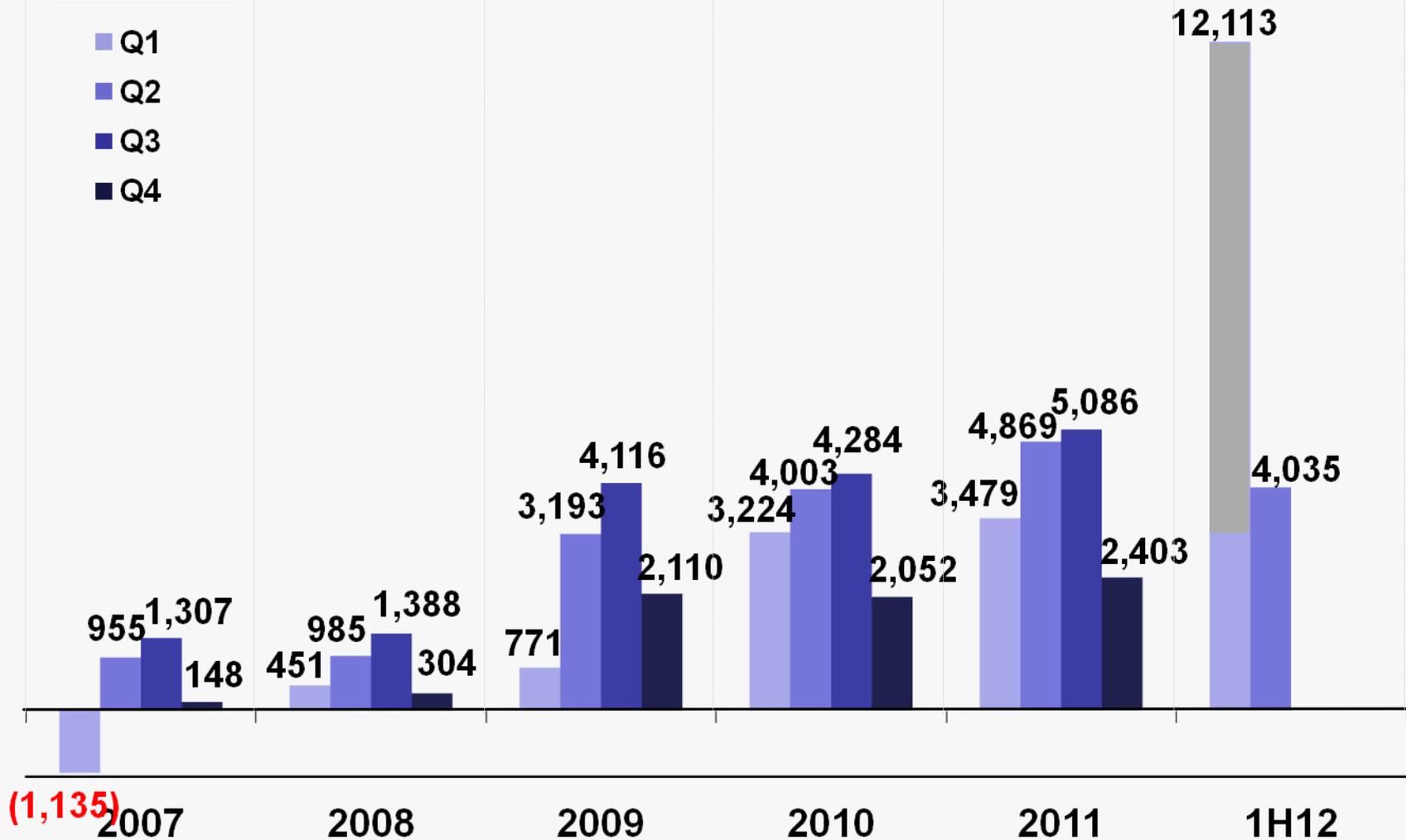


# Consolidated Net Profit - Quarterly



Unit: THB, M

- Q1
- Q2
- Q3
- Q4



Note : 1Q12 Gain on fair value adjustment of investments in associates = 8,673 MB

# 1H12: Consolidated Income Statement Highlight



	Quarter 1			Quarter 2			6 Months		
	2011*	2012	Change %	2011	2012	Change %	2011	2012	Change %
Net sales	45,744	73,480	61%	53,230	92,255	73%	98,974	165,735	67%
Gross Profit Margin (%)	16.1%	13.6%		18.1%	13.6%		17.2%	13.5%	
Gain on fair value adjustment	-	8,673	100%	-	-	-	-	8,643	100%
EBITDA	4,286	13,899	224%	6,651	7,127	7%	10,937	12,353	13%
EBIT	3,142	12,238	289%	5,470	5,274	-4%	8,612	8,839	3%
Share in Profit of Associates	894	990	11%	1,127	1,086	-4%	2,021	2,076	3%
Financial Costs	(404)	(1,175)	191%	(674)	(1,650)	145%	(1,078)	(2,825)	162%
Income Taxes Expense	(631)	(587)	-7%	(1,035)	(1,492)	44%	(1,666)	(2,079)	25%
Gain / (Loss) from FX	23	(12)	-152%	(30)	(6)	80%	(7)	(18)	-157%
NET PROFIT	3,677	12,113	229%	4,844	4,035	-17%	8,521	16,148	90%
EPS (THB)	0.55	1.76	220%	0.73	0.55	-25%	1.25	2.26	81%
# of capital shares **	6,656	6,900		6,656	7,388		6,656	7,144	
Paid-Up Capital	7,520	7,743		7,520	7,743		7,520	7,743	
Dividend (THB/Share)							0.60	0.60	

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

: \* Including restatement of IFRS basis

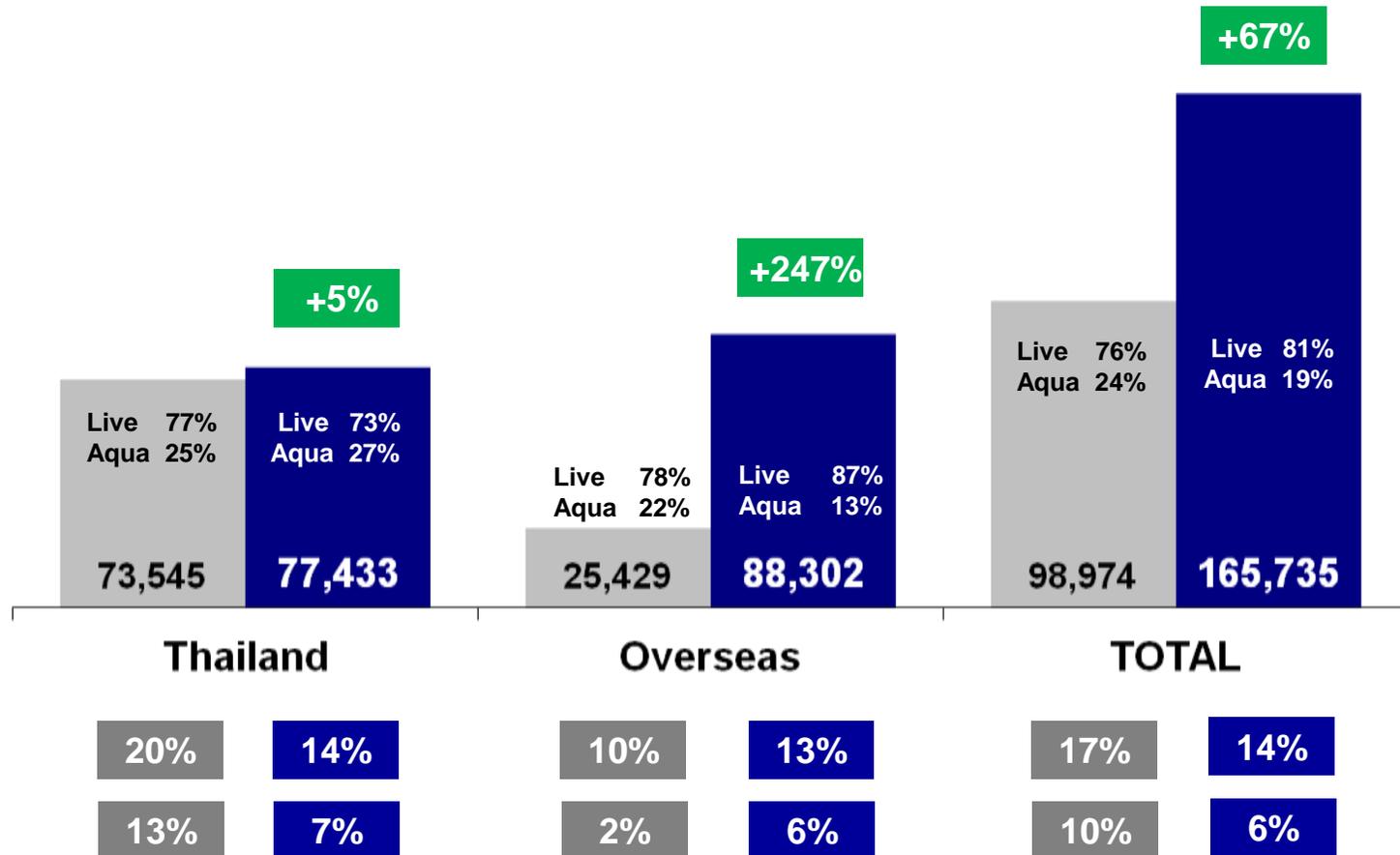
# 1H12: Sales & Gross Profit Margin by Business



In THB, m

■ 1H11

■ 1H12



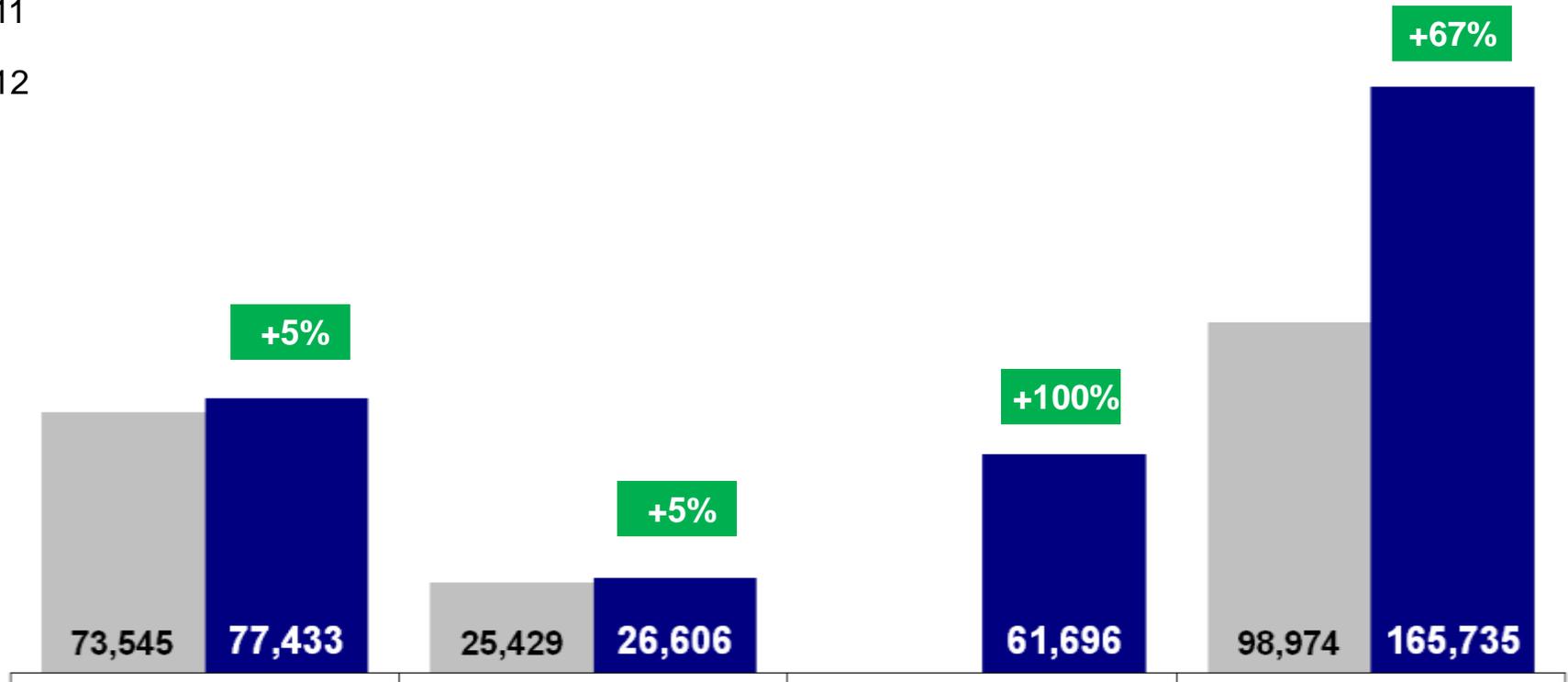
# 1H12: Sales & Gross Profit Margin by Business



In THB, m

■ 1H11

■ 1H12



Thailand

Overseas

CPP

TOTAL

GPM

20% 14%

10% 9%

15%

17% 14%

OPM

13% 7%

2% 3%

7%

10% 6%

# 1H12: Consolidated Sales –Thailand Operations

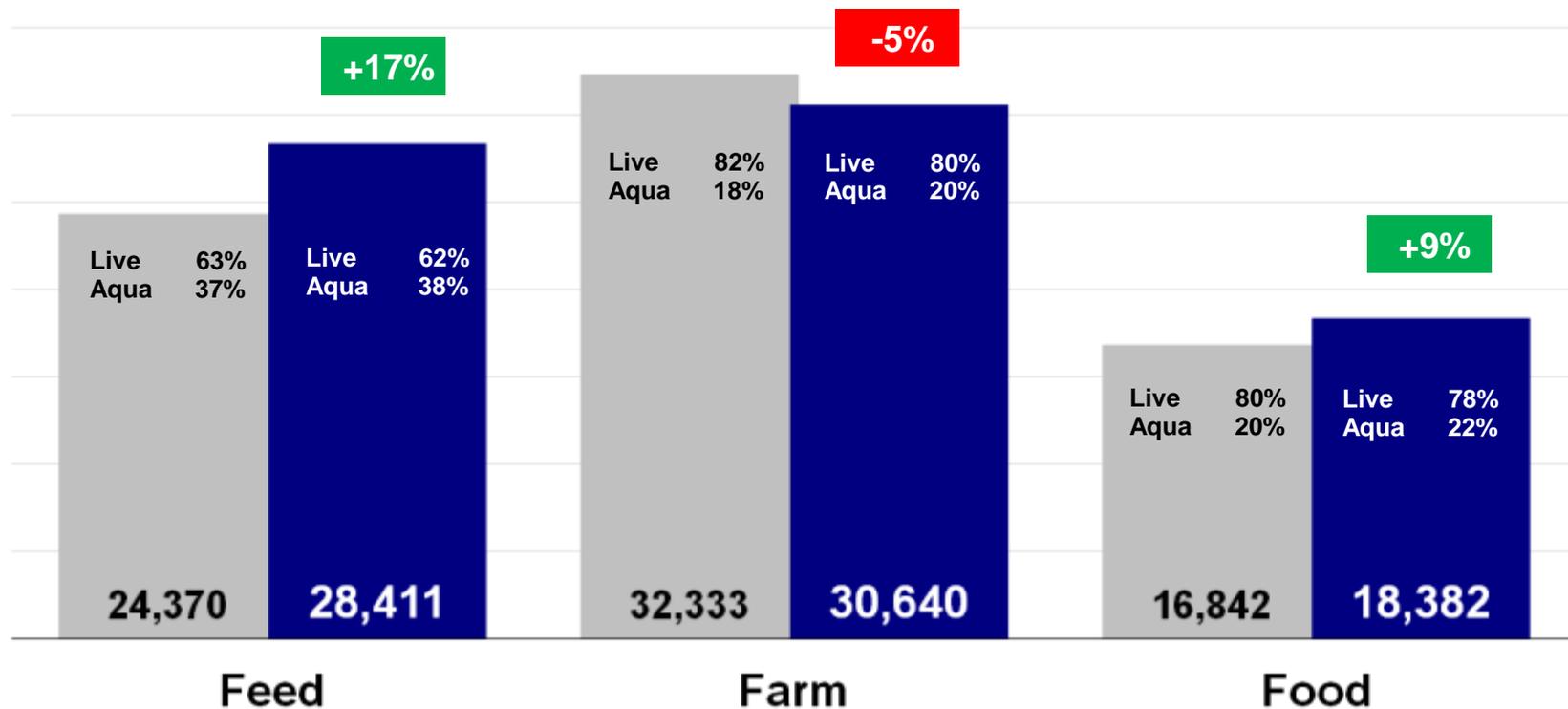


**Sales : THB 77,433 M (+5% Y-o-Y)**

In THB, m

■ 1H11

■ 1H12



# 1H12: Consolidated Sales –Thailand Operations : Domestic

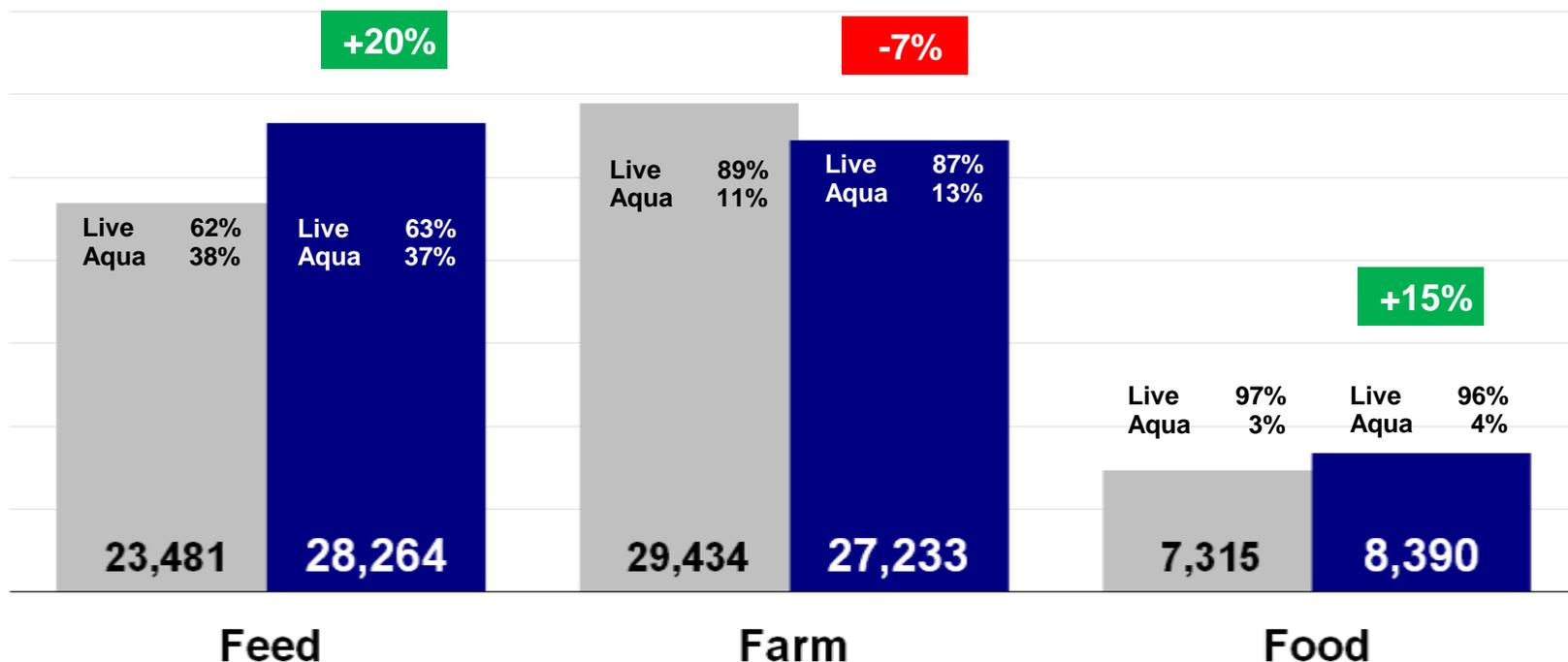


**Sales : THB 63,887 M (+6% Y-o-Y)**

In THB, m

■ 1H11

■ 1H12



# 1H12: Consolidated Sales –Thailand Operations : Export

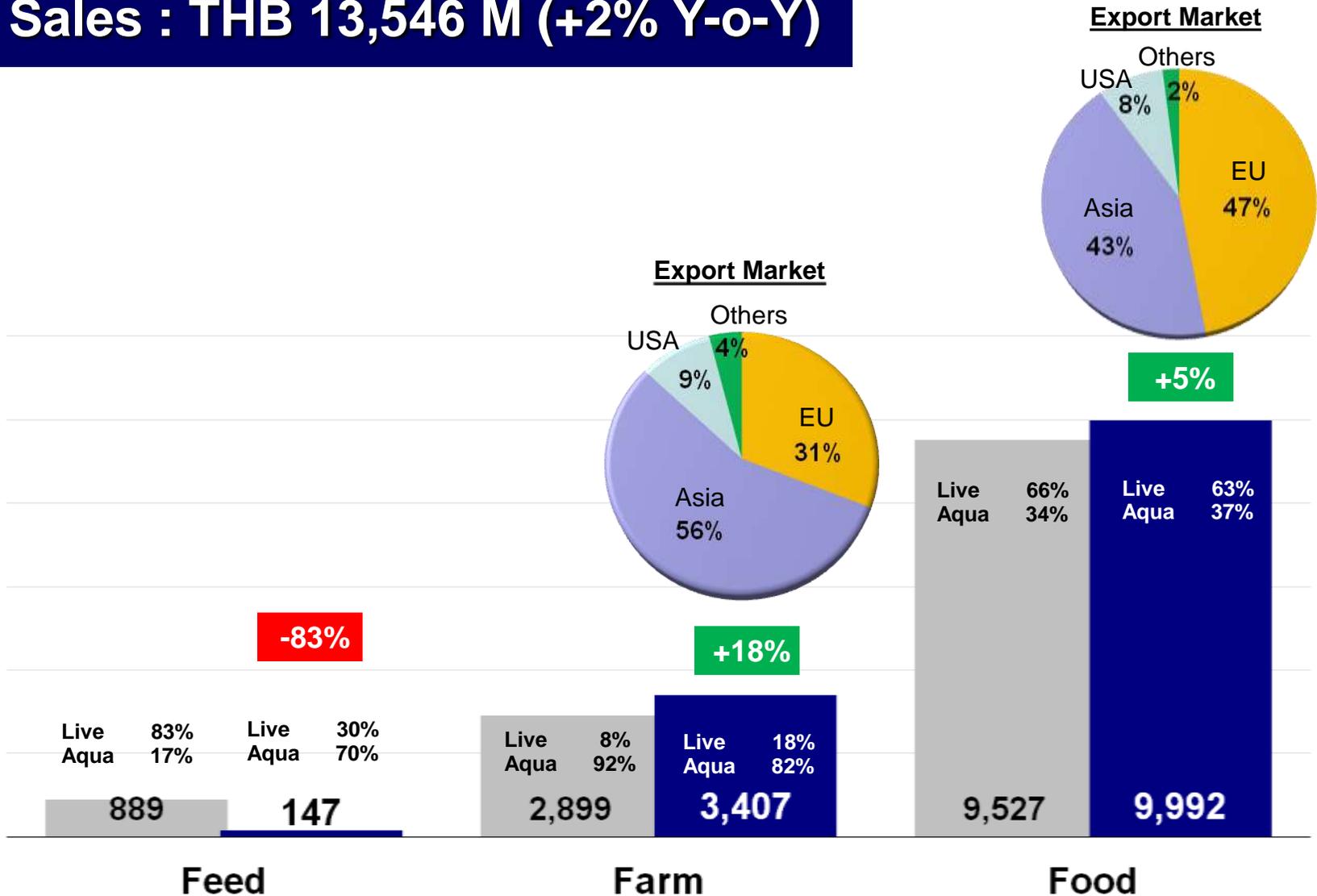


**Sales : THB 13,546 M (+2% Y-o-Y)**

In THB, m

1H11

1H12



# Average Market Price: Major Products



## Broiler (THB / KG.)

Aug'2012 Price = 36.0



	Avg. Price	% y-o-y
▲ 2012	33.88	-23%
■ 2011	44.10	12%
◆ 2010	39.29	

## Swine (THB / KG.)

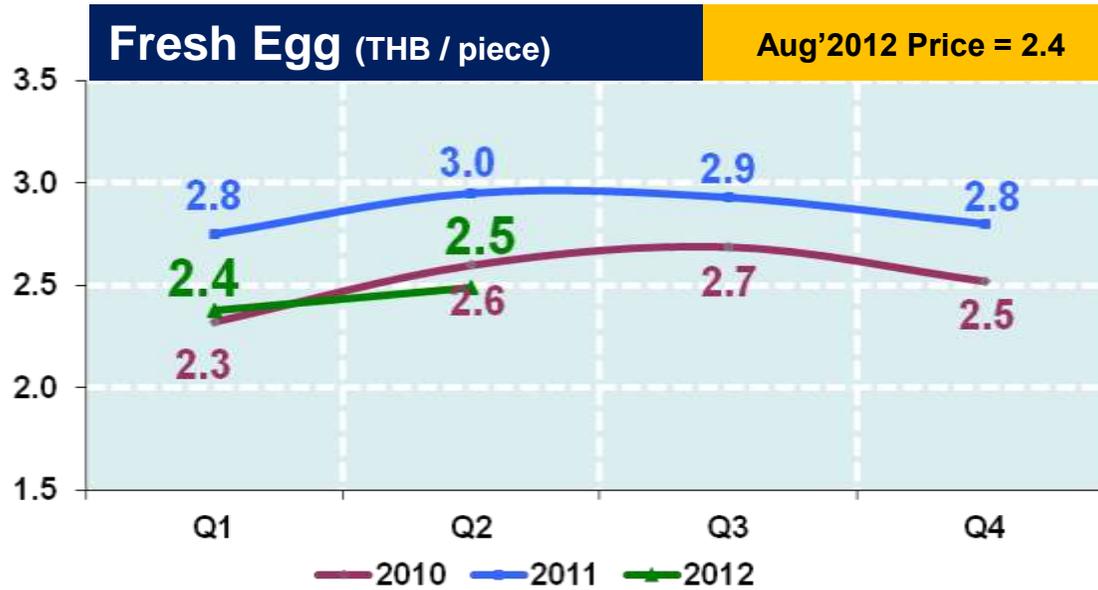
Aug'2012 Price = 56.0



	Avg. Price	% y-o-y
▲ 2012	59.67	-10%
■ 2011	66.25	13%
◆ 2010	58.65	

Source: CPF

# Average Market Price: Major Products



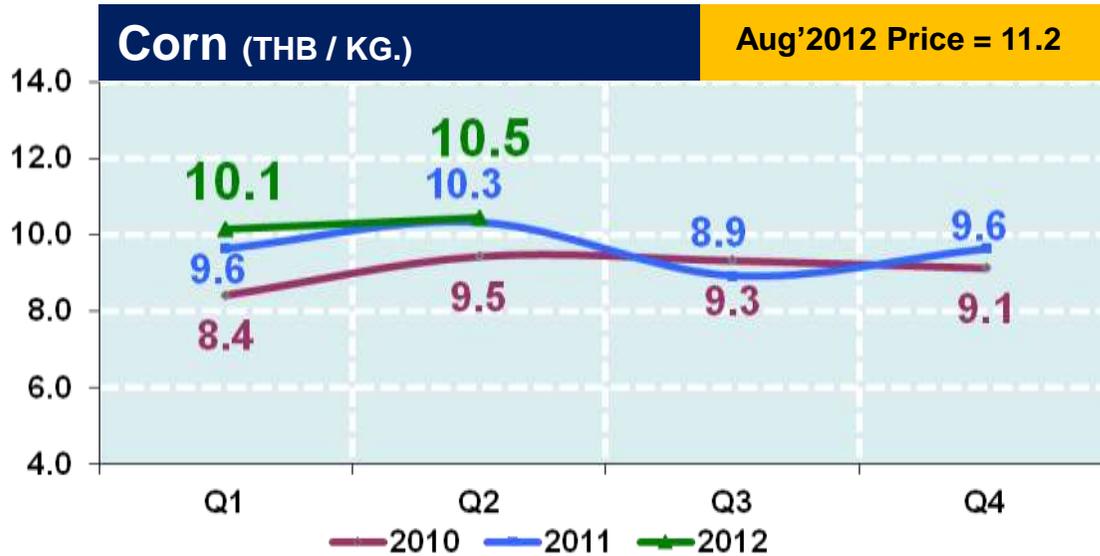
	Avg. Price	% y-o-y
▲ 2012	2.44	-15%
■ 2011	2.86	13%
◆ 2010	2.53	



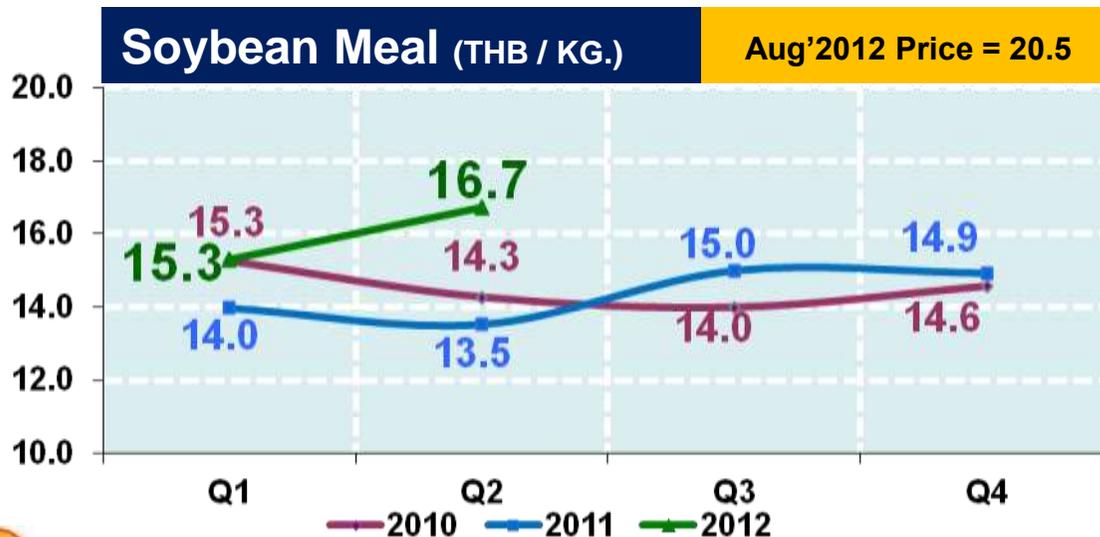
	Avg. Price	% y-o-y
▲ 2012	121	-9%
■ 2011	133	15%
◆ 2010	116	

Source: CPF

# Average Market Price: Major Feed Raw Materials



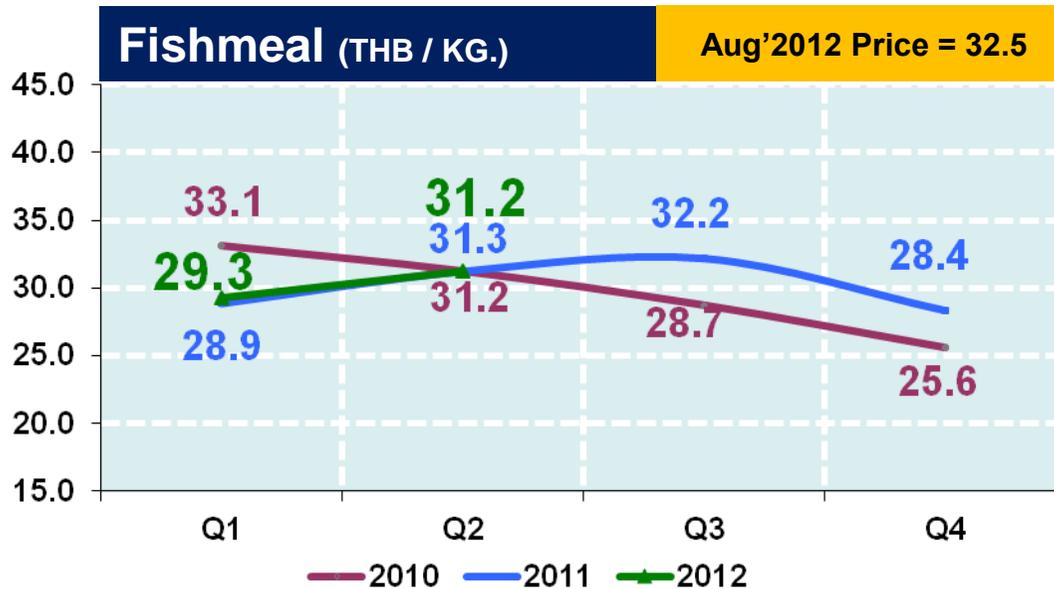
	Avg. Price	% y-o-y
▲ 2012	10.30	7%
■ 2011	9.64	6%
◆ 2010	9.09	



	Avg. Price	% y-o-y
▲ 2012	16.01	12%
■ 2011	14.35	-1%
◆ 2010	14.52	

Source: CPF

# Average Market Price: Major Feed Raw Materials



	Avg. Price	% y-o-y
▲ 2012	30.28	0%
■ 2011	30.18	2%
◆ 2010	29.67	

Source: CPF

# 1H12: Consolidated Sales – Overseas by Country

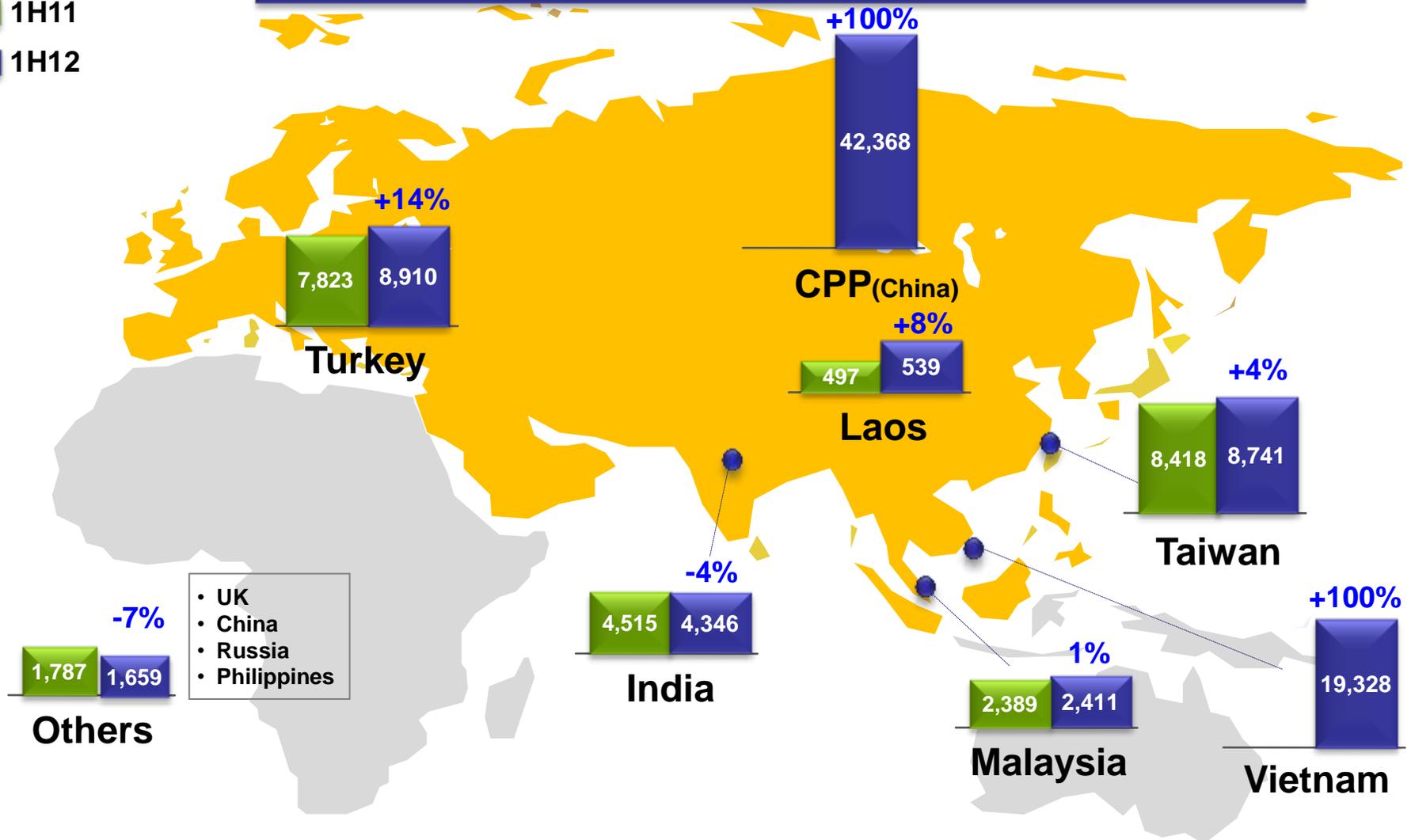


Unit : THB, M

Consolidated Sales : THB 88,302 M (+247% Y-o-Y)

■ 1H11

■ 1H12



# 1H12: Consolidated Sales –Overseas Operations: Overseas

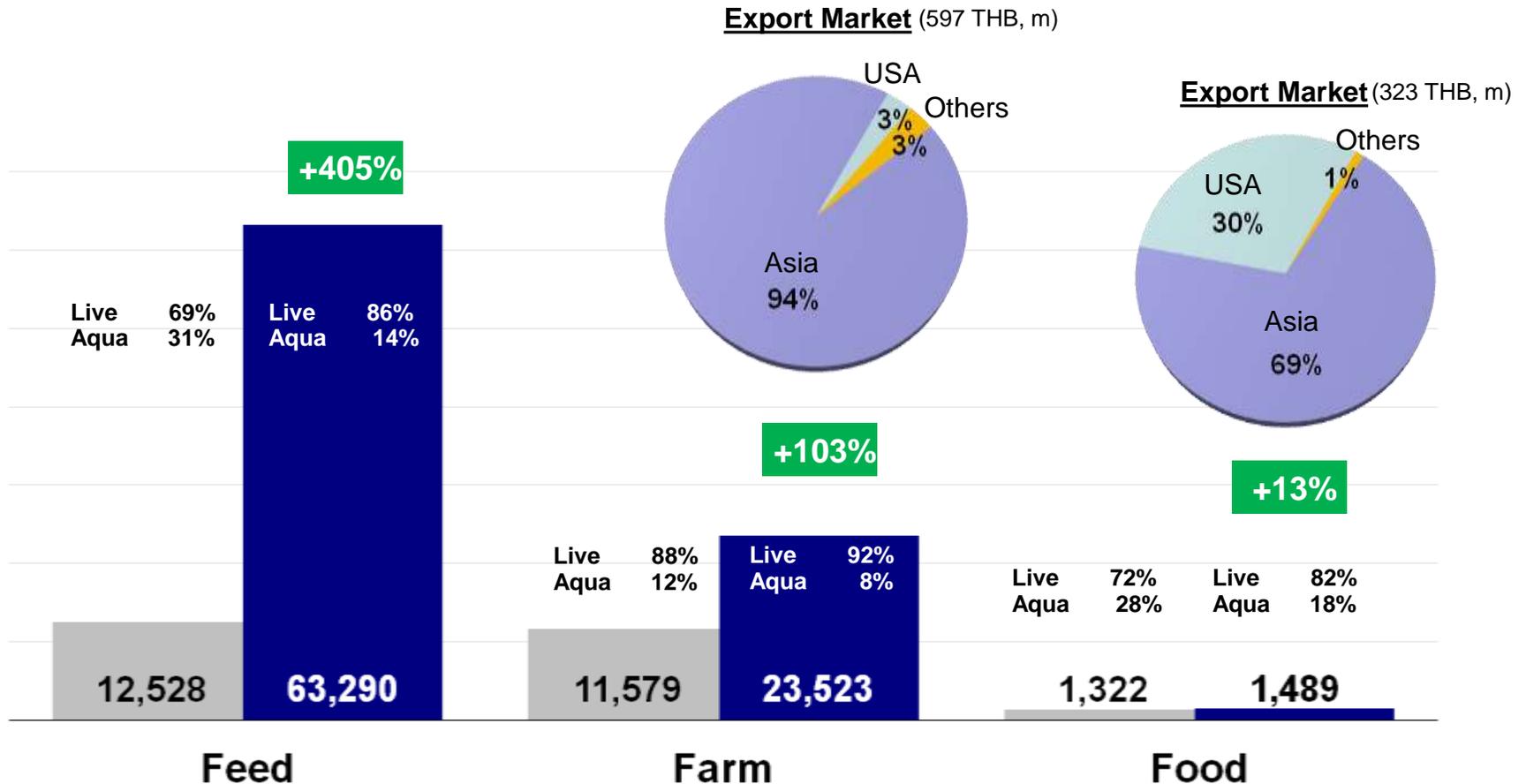


**Sales : THB 88,302 M (+247% Y-o-Y)**

In THB, m

1H11

1H12



# Financial Status

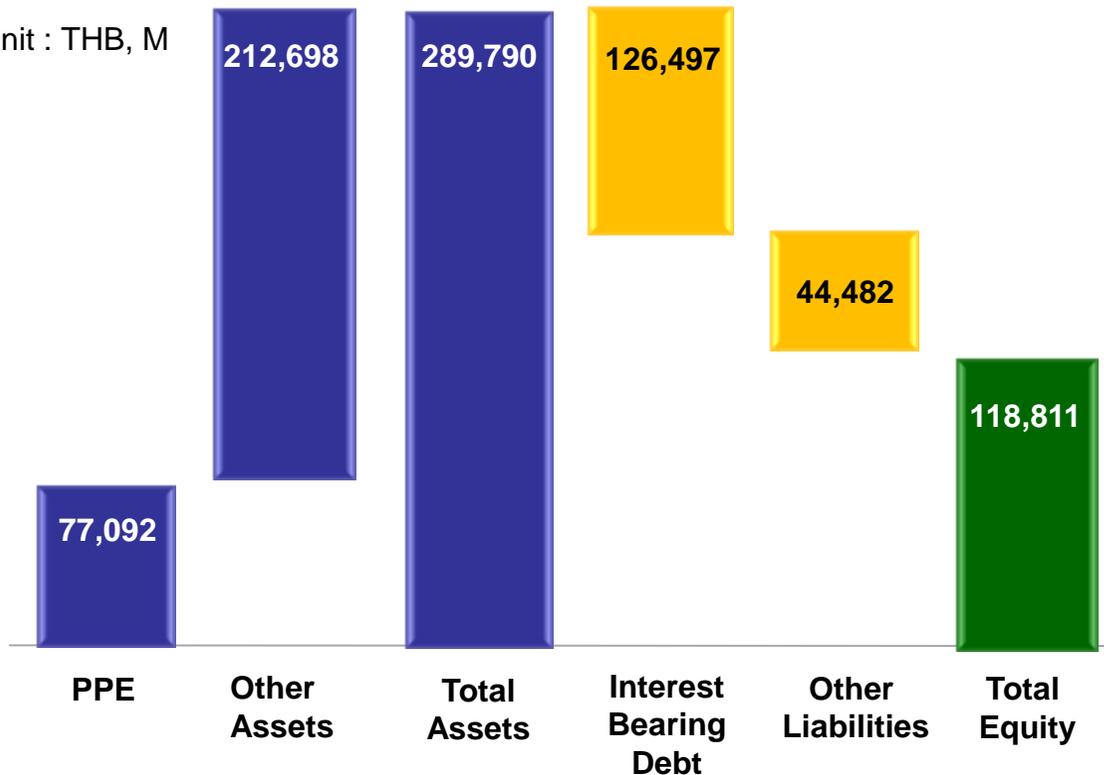


## Balance Sheet

**Paid-up Capital** : 7,743 million shares

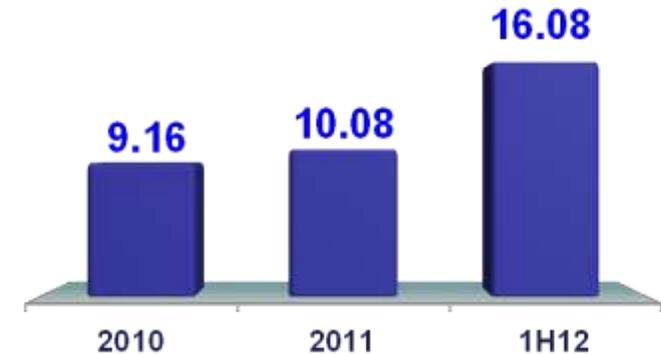
**Outstanding Shares** : 7,388 million shares

Unit : THB, M



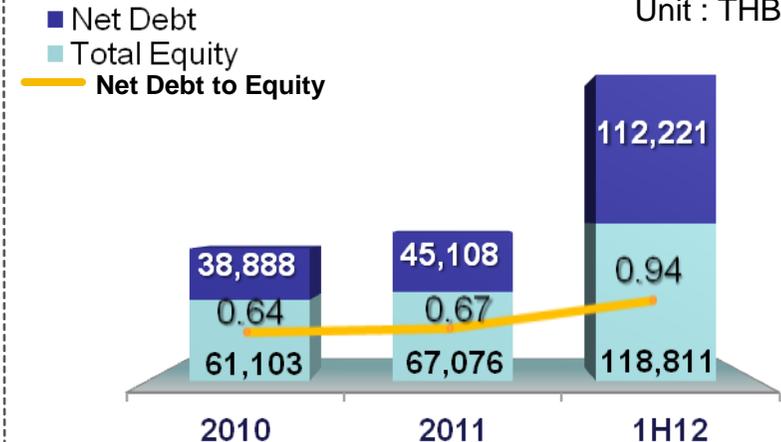
## Book Value Per Share

Unit : THB Per Share



## Net Debt to Equity

Unit : THB, M

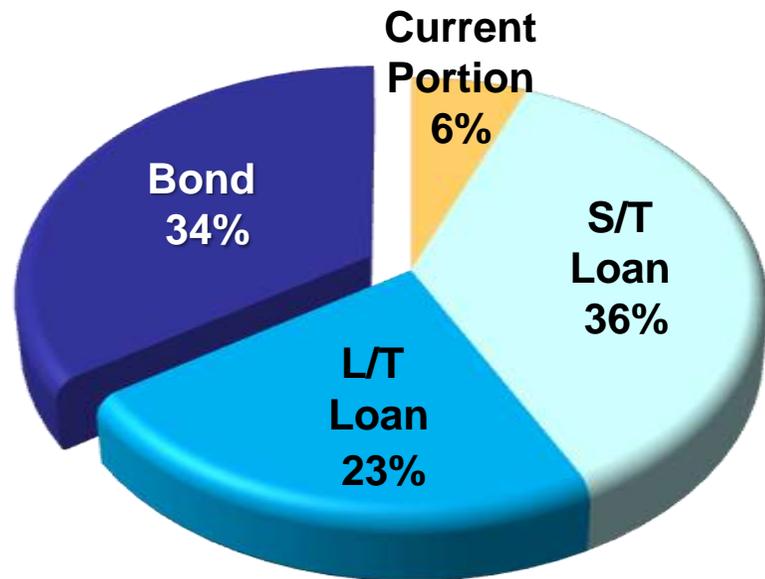


Remark : Net Debt = Interest Bearing Debt - Cash and Cash Equivalents

# Interest Bearing Debt as of June 30, 2012



Interest Bearing Debt : THB 126,497 M

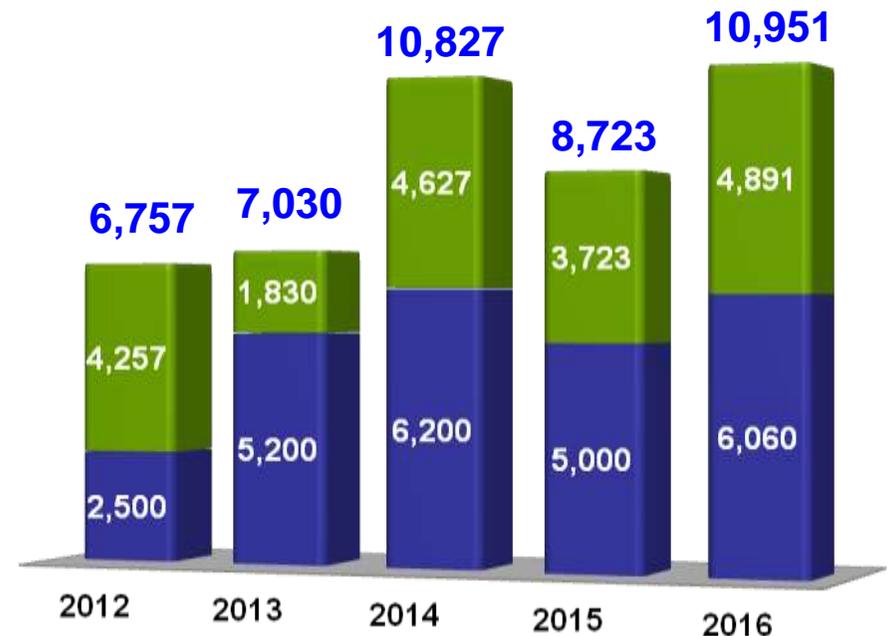


Cost of Debts	2010	2011	1H12
	4.00%	4.85%	4.98%

## Repayment Schedule

Unit : THB, M

■ Loan ■ Bond



Bond Rating “**AA-**” with “**Stable**” Outlook  
by Tris Rating Co., Ltd

# 5-Year Mission



## CPF THAILAND

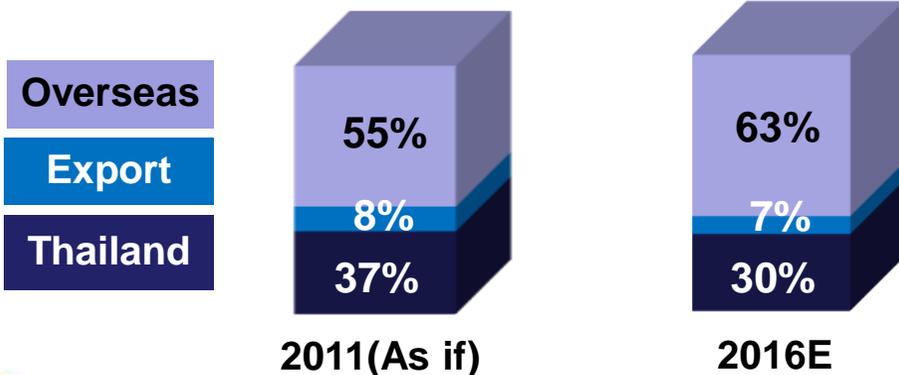
- Leader in domestic and export
- High value-added
- Branding and retail distribution

## CPF Investment

- Leader and dominant player in local market, especially upstream businesses
- Expand into downstream businesses, branding and distribution channels
- Diversify line of business

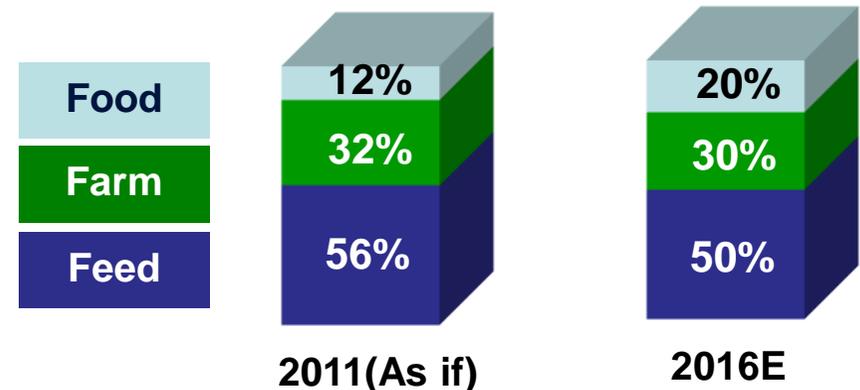
### Revenue Structure by Operation

10-15% CAGR



### Revenue Structure by Product

10-15% CAGR



# Appendix A : Highlights : Q212 results

# Consolidated Sales Structure



## Q212 CONSOLIDATED SALES : THB 92,255 m

	TH-Domestic 35%		TH-Export 8%		Overseas 15%		CPP 42%		TOTAL 100%		% Growth (Y-o-Y)
	<b>Feed</b>	<b>14,595</b>	45%	<b>75</b>	1%	<b>6,739</b>	47%	<b>32,028</b>	83%	<b>53,437</b>	
<b>Farm</b>	<b>13,660</b>	42%	<b>1,960</b>	28%	<b>6,878</b>	48%	<b>6,209</b>	16%	<b>28,707</b>	31%	<b>24%</b>
<b>Food</b>	<b>4,311</b>	13%	<b>5,035</b>	71%	<b>641</b>	4%	<b>124</b>	0%	<b>10,111</b>	11%	<b>5%</b>
<b>TOTAL</b>	<b>32,566</b>	100%	<b>7,070</b>	100%	<b>14,258</b>	100%	<b>38,361</b>	100%	<b>92,255</b>	100%	<b>73%</b>

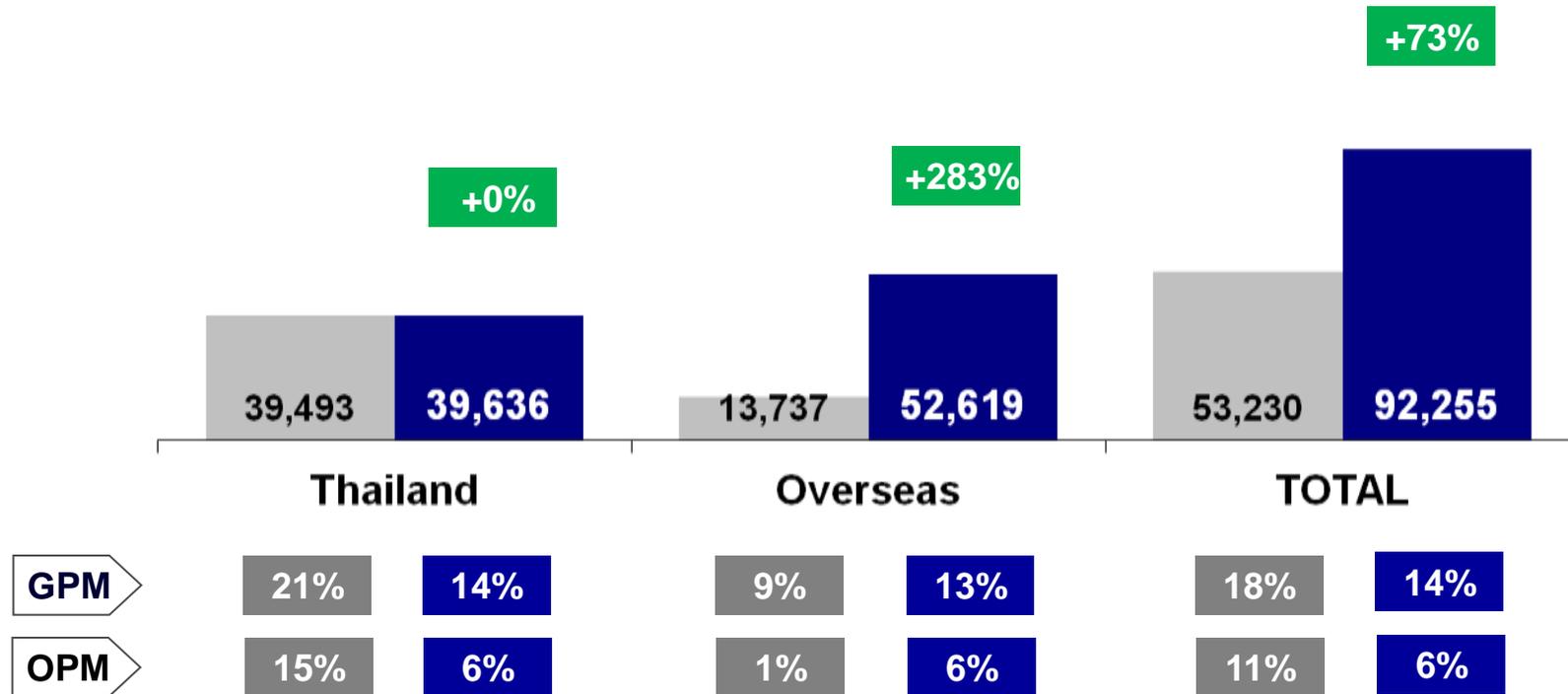
# Q212: Sales & Gross Profit Margin by Business



In THB, m

■ Q211

■ Q212



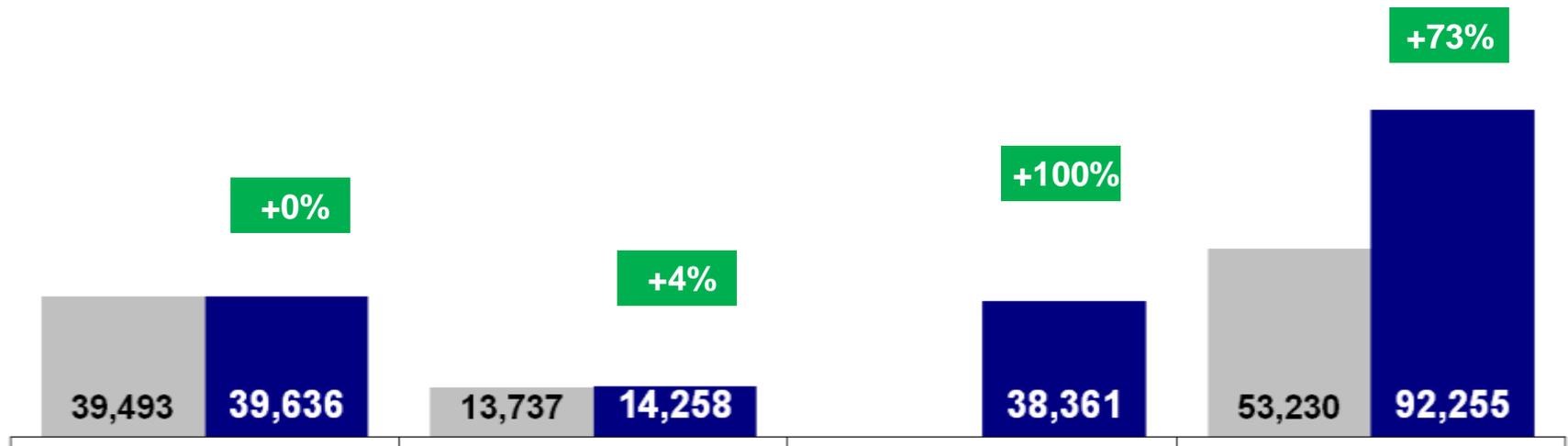
# Q212: Sales & Gross Profit Margin by Business



In THB, m

■ Q211

■ Q212



	Thailand	Overseas	CPP	TOTAL
<b>GPM</b>	21% (Q211) / 14% (Q212)	9% (Q211) / 10% (Q212)	14% (Q212)	18% (Q211) / 14% (Q212)
<b>OPM</b>	15% (Q211) / 6% (Q212)	1% (Q211) / 4% (Q212)	7% (Q212)	11% (Q211) / 6% (Q212)

# Q212: Consolidated Sales –Thailand Operations

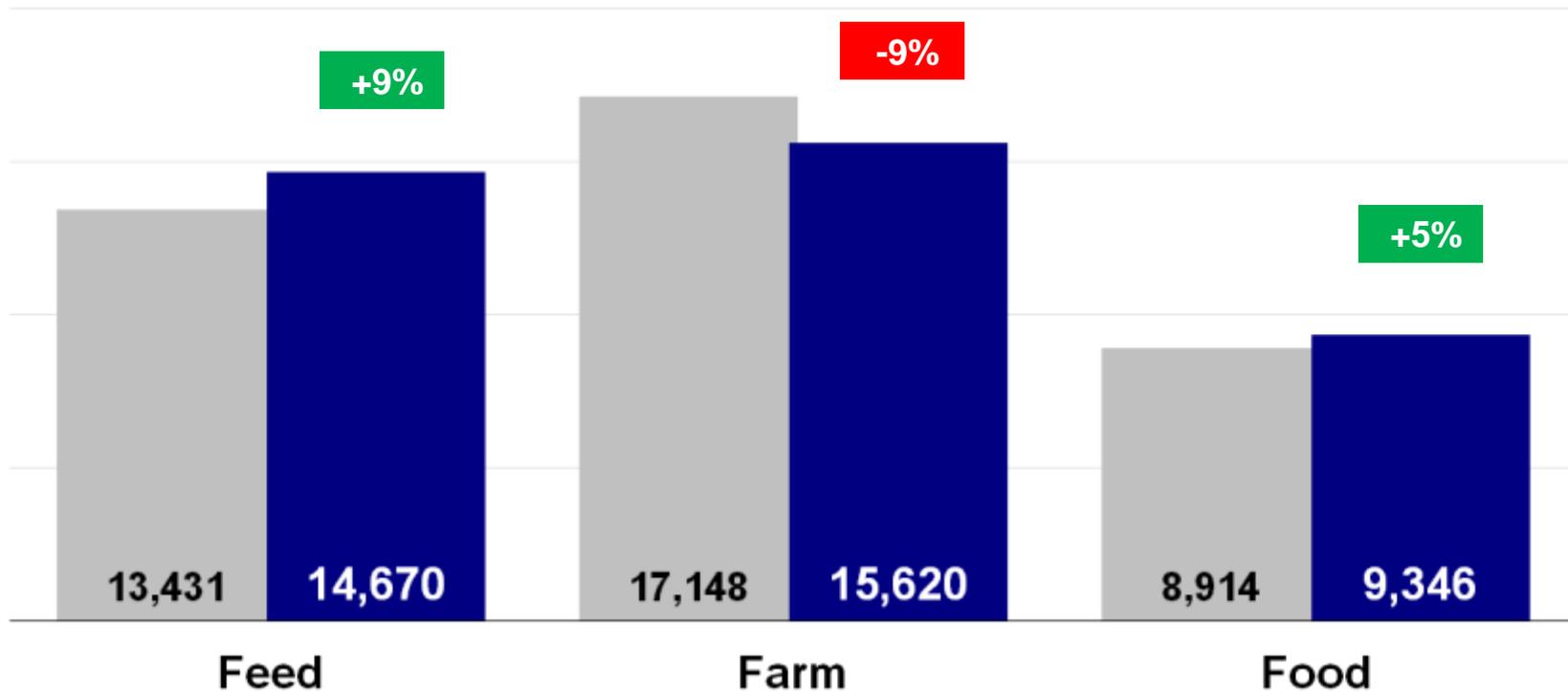


**Sales : THB 39,636 M (+0% Y-o-Y)**

In THB, m

■ Q211

■ Q212



# Q212: Consolidated Sales –Thailand Operations : Domestic

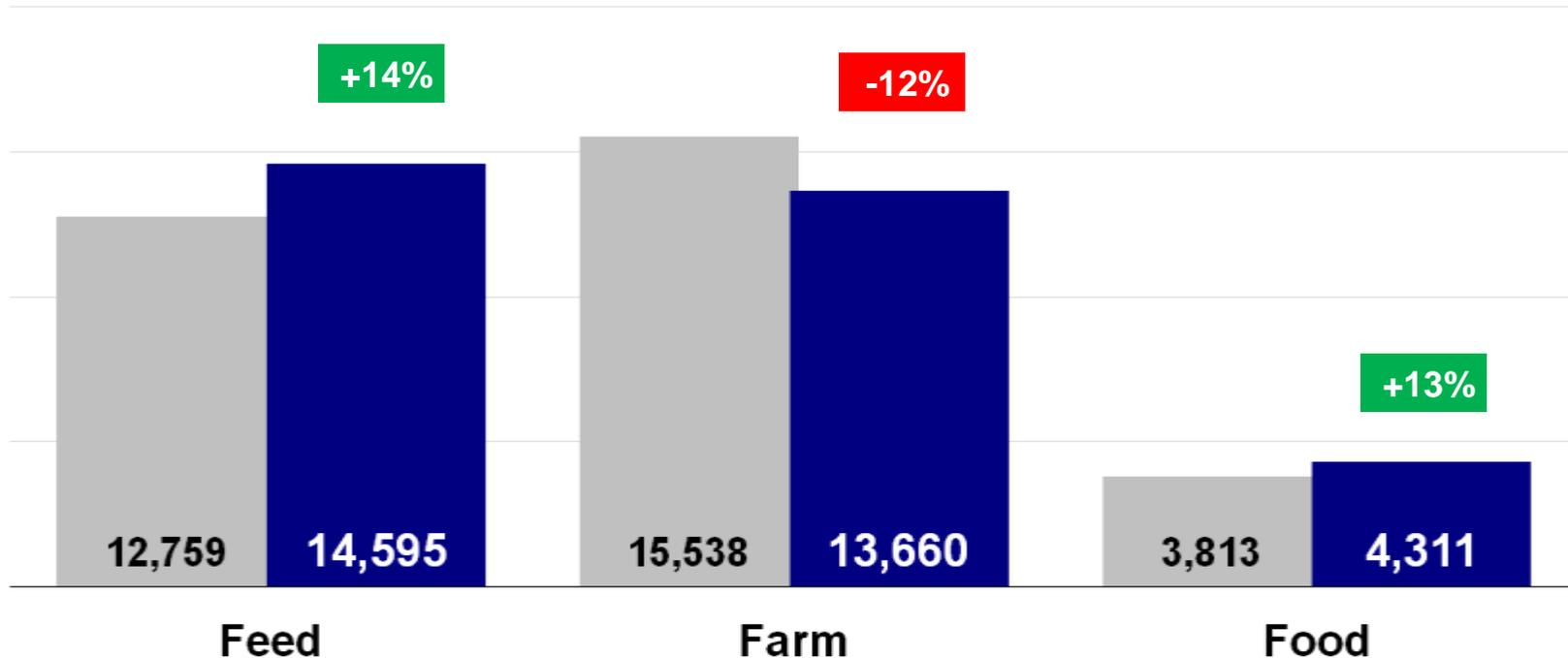


**Sales : THB 32,566 M (+1% Y-o-Y)**

In THB, m

■ Q211

■ Q212



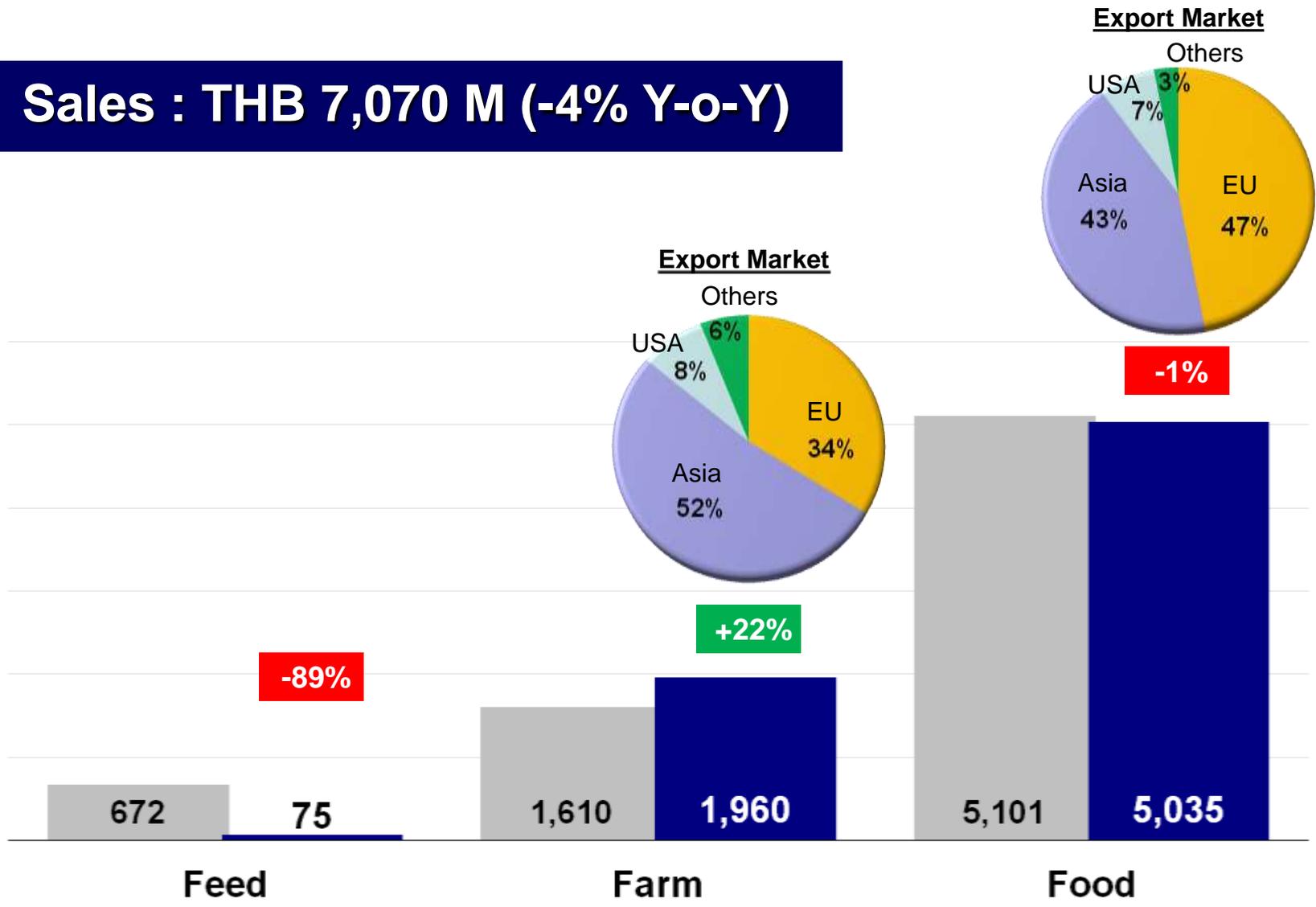
# Q212: Consolidated Sales –Thailand Operations : Export



**Sales : THB 7,070 M (-4% Y-o-Y)**

In THB, m

■ Q211  
■ Q212

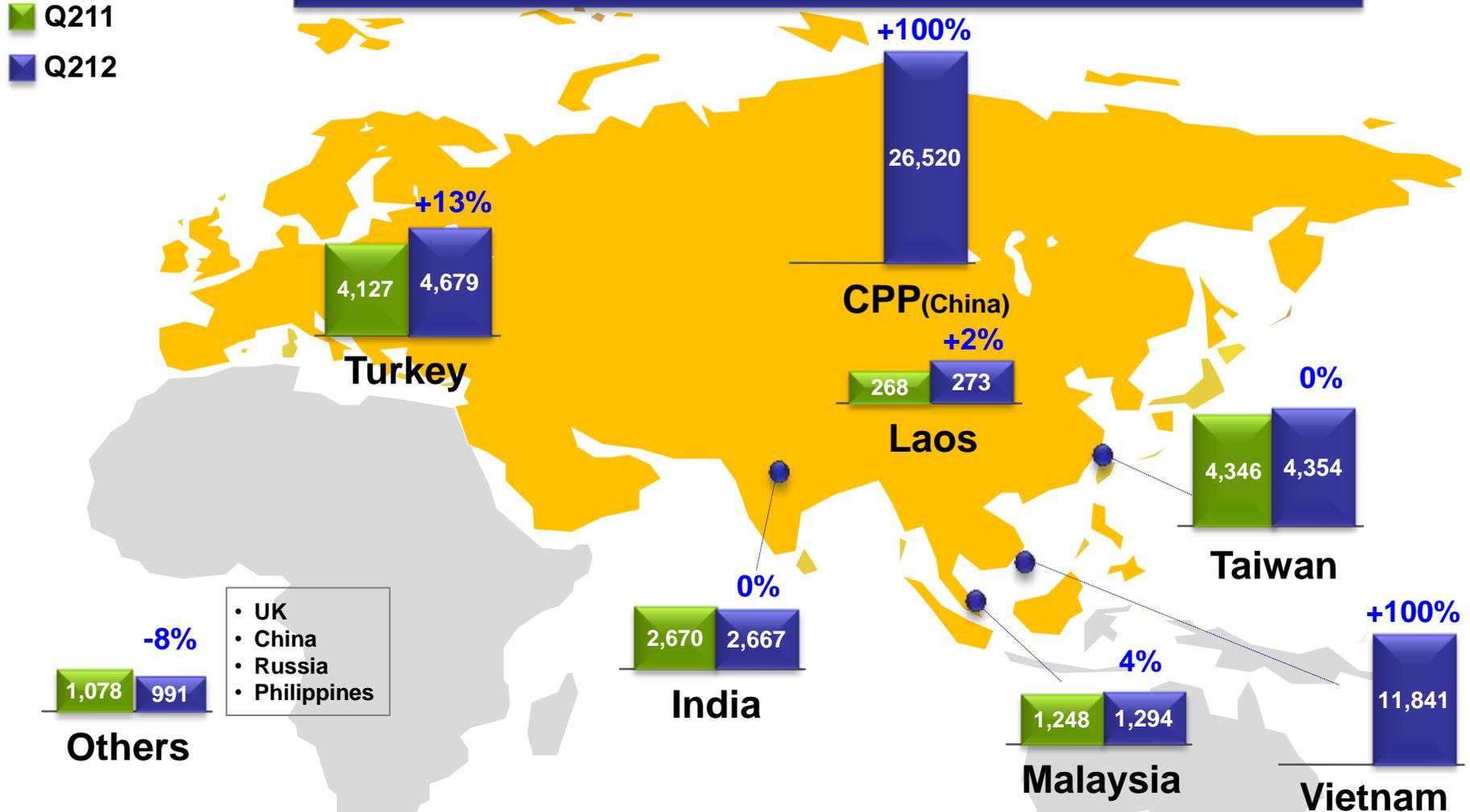


# Q212: Consolidated Sales – Overseas by Country



Unit : THB, M

Consolidated Sales : THB 52,619 M (+283% Y-o-Y)



# Q212: Consolidated Sales –Overseas Operations: Overseas



**Sales : THB 52,619 M (+283% Y-o-Y)**

In THB, m

■ Q211

■ Q212



# Appendix B: Product Champion



Fresh products



Fresh products



Oversea products



CP Sausage products



Easy snack products – Burger & hotdog



Easy snack products – Gyoza



Ready meal products

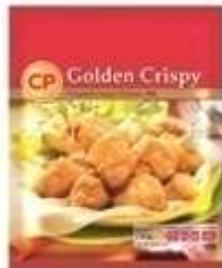


Easy snack products – Processed chicken



Easy snack products – Processed shrimp

# Appendix C: Ready Meal & Export Food Products



# Ready Meal & Food Products



## Chicken Appetizer Products



Teriyaki  
BBQ Honey  
Chicken Roll



Karaage Chicken  
Mexican Wing  
Seaweed Roll



Bulgogi  
Crispy Wing  
Garlic Black Pepper

## Shrimp, Fish and Seafood Appetizer Products



Torpedo Shrimp  
Shrimp Spring Roll  
Shrimp Popcorn



Shrimp Wonton  
Shrimp Cake  
Fish Nugget



Fish Diamond  
Fish Steak  
Fish Nugget

## Ready Meal Products



Soya Duck With Rice  
Four Seasons Duck With Rice  
Four Seasons Duck With Noodle



Chicken Sauce With Spagetti  
Teriyaki Chicken With Noodle  
Chicken Basil With Rice



Boneless Roasted Duck (Whole)  
Soya Duck (Whole)

# Appendix D: CP Fresh Mart



# Appendix E: Five Stars Chain



# Appendix F: CP Food Market



# Appendix G: Chester's Grill



# Disclaimer



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The Content and the Forward-looking statements state within this presentation only as the date they made.

The Company undertakes no responsibility on the change after that date stated herein.”

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## **Investor Relations Office**

### **Charoen Pokphand Foods Public Company Limited**

313 C.P.Tower Building, 26<sup>th</sup> Floor, Silom Road, Bangrak, Bangkok 10500, Thailand

Tel. Ms.Kobboon S. (662) 625-8353 / Mr.Warrawut T. (662) 625-8355 / Ms.Prenant N. (662) 625 8323

Fax.(662) 638-2942

[www.cpfworldwide.com](http://www.cpfworldwide.com)

Email : [kobboon@cpf.co.th](mailto:kobboon@cpf.co.th) / [warrawut@cpf.co.th](mailto:warrawut@cpf.co.th) / [prenant.nee@cpf.co.th](mailto:prenant.nee@cpf.co.th)

