

*“Fulfilling our vision to be the Kitchen of the World”*



## CPF's Acquisition of Bellisio Foods

*Creating a footprint in the world's largest food market*



## Transaction overview

<b>Description</b>	<ul style="list-style-type: none"> <li>■ Acquisition of Bellisio Foods</li> <li>■ Largest independent player in the United States' single serve frozen entrées market</li> <li>■ Leader in the single serve frozen entrées market in Canada</li> </ul>
<b>Transaction value</b>	<ul style="list-style-type: none"> <li>■ US\$1,075mm</li> </ul>
<b>Source of Funds</b>	<ul style="list-style-type: none"> <li>■ Internal cash flow within CPF</li> </ul>
<b>Strategic benefits</b>	<ul style="list-style-type: none"> <li>■ Fulfilling CPF's vision of being the "Kitchen of the World"</li> <li>■ Entry into the world's largest food market</li> <li>■ Significant value creation opportunities leveraging both CPF's and Bellisio Foods' expertise and networks</li> </ul>
<b>Expected Closing</b>	<ul style="list-style-type: none"> <li>■ Late December 2016</li> </ul>

# 26 years at the forefront of frozen food business

## Timeline of key events



# Bellisio Foods' products in the frozen aisle

## Owned Brands







## Licensed Brands



# The leading independent company and third largest player in the single serve frozen food industry



Company	Market position today	2016E single serve frozen food market share <sup>1</sup>	2016 LTM revenue <sup>2</sup> (US\$mm)
 Nestle	#1	31%	~ 1,300
 ConAgra Foods	#2	26%	~ 1,100
 Bellisio Foods	#3	11%	668
 Pinnacle Foods Group LLC	#4	8%	~ 320
 Kraft Heinz	#5	7%	~ 300

Source: Company filings, Bellisio Foods Management Presentation, BCG analysis and research reports  
 Note: Market positions for Single Serve Frozen Entrees. Percentages in parenthesis represents value share of the brand  
<sup>1</sup> Reflects dollar share of market; <sup>2</sup>Based on market share of single serve frozen food and the total market size



# Diversified portfolio of iconic brands covering multiple consumer groups



Brand	Target Consumer Group	Retail price point
	<i>Consumers seeking value offerings</i>	<b>\$1.00</b>
 <i>Licensed</i>	<i>40 – 60 years old</i>	<b>\$2.50 – \$2.99</b>
 <i>Licensed</i>	<i>20 – mid-30 years old</i>	<b>\$2.50 – \$2.99</b>
 <i>Licensed</i>	<i>Upper-middle class that focuses on the latest trends</i>	<b>\$3.50 – \$3.99</b>
 <i>Licensed</i>	<i>Consumers pursuing a healthy lifestyle</i>	<b>\$3.50 – \$3.99</b>
	<i>20 – mid-30 years old</i>	<b>\$2.50 – \$2.99</b>

# Key investment highlights



- 1 Platform to enter into the **world's largest food market**
- 2 **Strong core** Michelin's products and brands
- 3 **Best-in-class** manufacturing facilities
- 4 Strong sales and **nationwide distribution** networks
- 5 Management team **with proven capability to drive growth**
- 6 **Strong cash flows** generation
- 7 Significant **synergies opportunities**

# Bellisio Foods provides a platform to enter into the world's largest food market



## Geographical footprint



Establish foothold in the world's largest food market

### Russia

- Livestock feed
- Swine farming
- Chicken integrated business

### UK

- Food processing plant
- Food kiosks

### Belgium

- Food processing plant

### Turkey

- Chicken integrated business

### Tanzania

- Livestock feed
- Chicken farming

### India

- Chicken integrated business
- Aquatic feed

### CP CP-branded product portfolio



### China

- Livestock and aquaculture feed
- Aquaculture farming
- Food processing plant

### Thailand

- Livestock and aquaculture integrated businesses

### Malaysia

- Livestock and aquaculture integrated business

### Taiwan

- Livestock integrated business

### Philippines

- Livestock and aquaculture feed and farming

### Laos

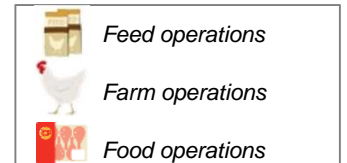
- Livestock integrated business

### Cambodia

- Livestock integrated business

### Vietnam

- Livestock and aquaculture integrated businesses
- 2,000 livestock, fish, shrimp farms & 3 food processing plants

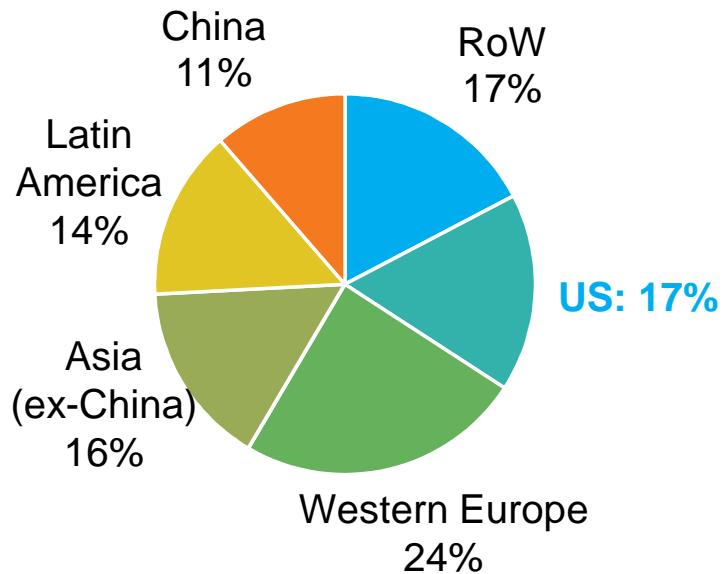




# US is the world's largest food market and the forefront of innovation



## Global packaged food industry

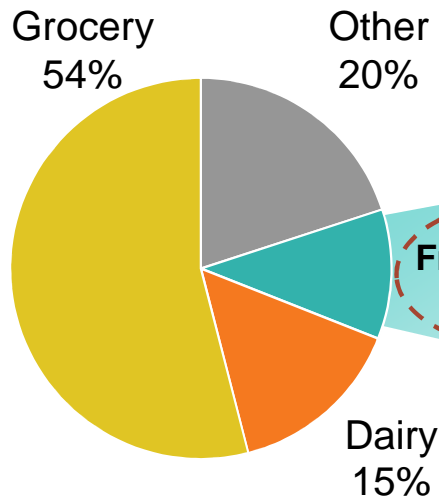


2015 Global packaged food sales: **US\$2.2tn**

**US is the largest food market in the world**

Source: Euromonitor

## US retail food sales

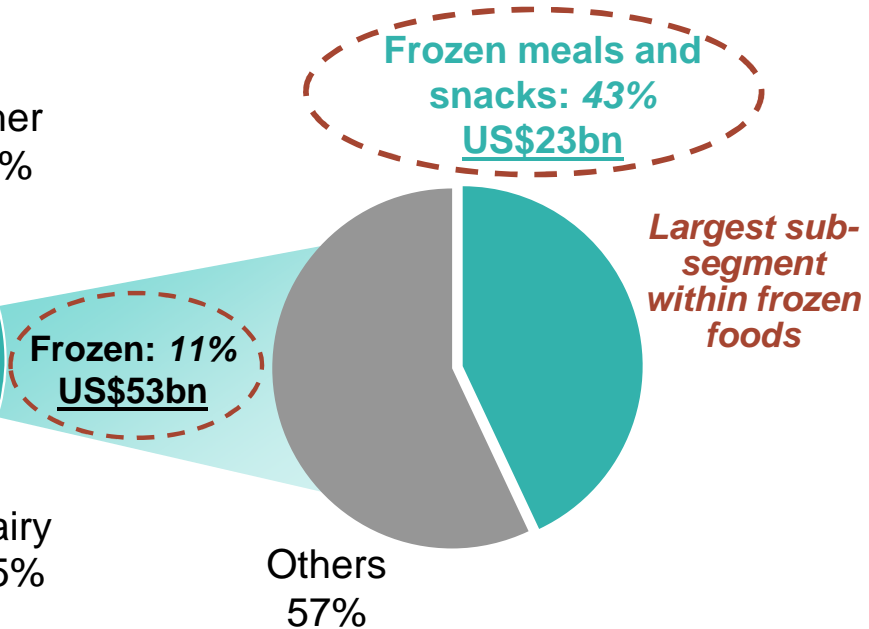


2015 US retail food sales: **US\$467bn**

**3<sup>rd</sup> largest food category in the US...**

Source: Nielsen

## US retail frozen food sales



2015 US retail frozen food sales: **US\$53bn**

**...of which Bellisio Foods addresses a US\$23bn market**

Source: Nielsen

## Best possible quality at the best possible value

*Michelina's represents 50% of Bellisio Foods' business with ~ 30% gross margin*



Total SKUs

90+

Average  
selling price

\$1

Same price  
since 1990

Avg. gross  
profit margin

30%

## Plug-and-play production capabilities with ample excess capacity and self-sufficient distribution network



**450mm+ frozen meals & snacks produced annually, with excess capacity to further raise production**

**Scale of distribution platform provides instant entry into the largest food market in the world**

## Bellisio Foods' sales channels

*Broad distribution with long-standing customer relationships*

### Key customers (Retail)



### Foodservice customers



### Co-manufacturing



## Deep and talented management team



**Joel Conner**

*Chairman and Chief  
Executive Officer*  
Years of experience: **40**



**Charlie Pountney**

*Senior Executive, Vice  
President of Sales,  
Marketing & R&D*  
Years of experience: **35**



**Ken Stickevers**

*President & Chief  
Operating Officer*  
Years of experience: **28**



**Tom Smith**

*Senior Vice President &  
Chief Financial Officer*  
Years of experience: **36**



**Kevin Dulin**

*President & Chief  
Operating Officer of  
Overhill Farms*  
Years of experience: **39**



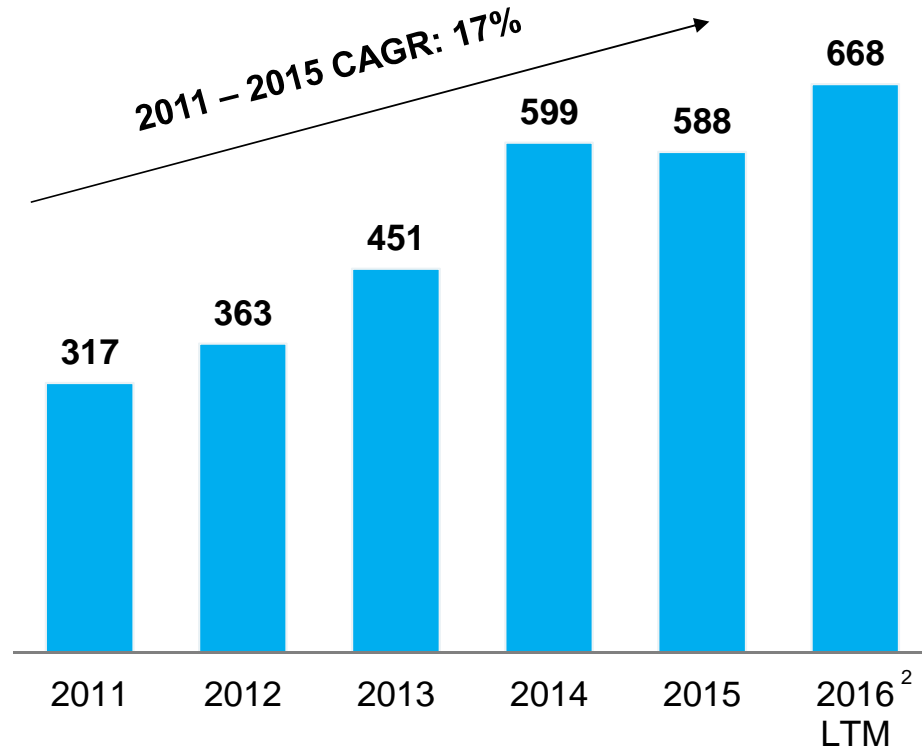
**Mike Berg**

*Vice President of Finance*  
Years of experience: **22**

## Attractive standalone financial profile

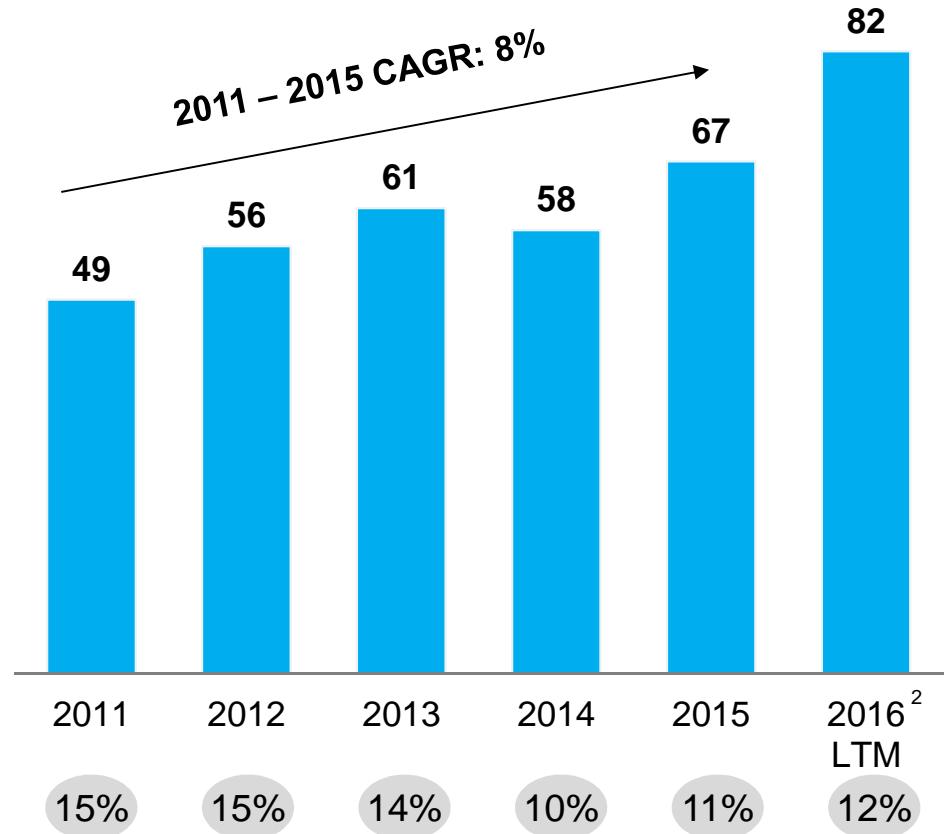
### Net sales

US\$mm



### Adjusted EBITDA<sup>1</sup> and margin

US\$mm    % margin of net sales



Source: Bellisio Foods Management Presentation

<sup>1</sup> Adjusted EBITDA excludes non-recurring and non-cash items; <sup>2</sup> 2016 financials are adjusted to include estimated full year impact of new brands (Atkins, EatingWell and EAT!)



## CPF will enable Bellisio Foods to build on current capabilities to unlock value



*Adopt CPF's world-class manufacturing know-how to increase Bellisio Foods' **operational efficiency***



*Expand **retail distribution channel** by using CPF's long-term relationships with key retailers*



*Build on **CPF's Asian food expertise** to penetrate frozen Asian food segment and Asian foodservice business*

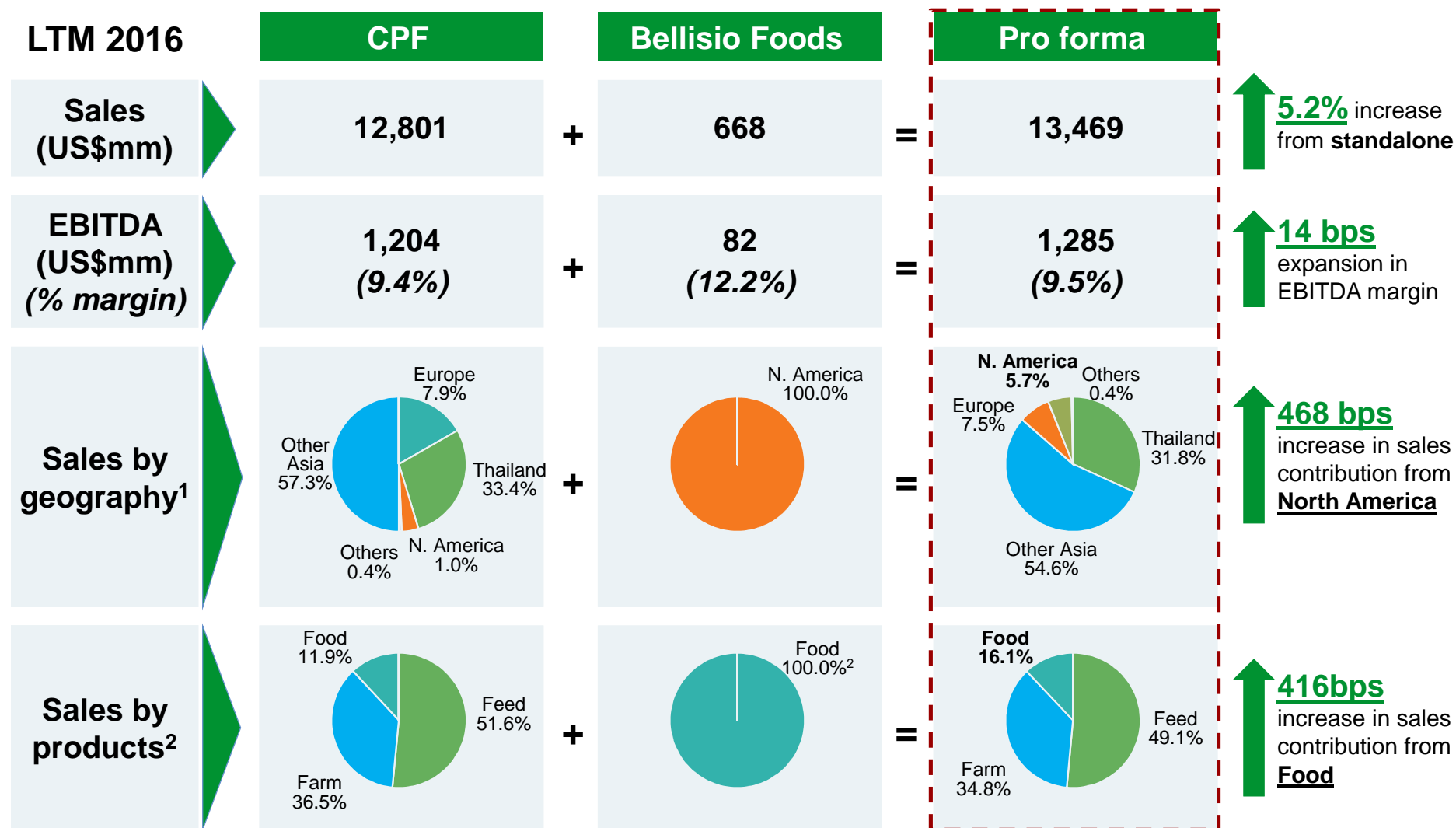


*Leverage **CPF's world-renowned frozen meal knowledge** to expand Bellisio Foods' offerings into new frozen product categories*



*Provides a platform to leverage US raw materials and **export to other countries** through CPF's network in other countries*

# A path toward more diversified geography and less volatile food business



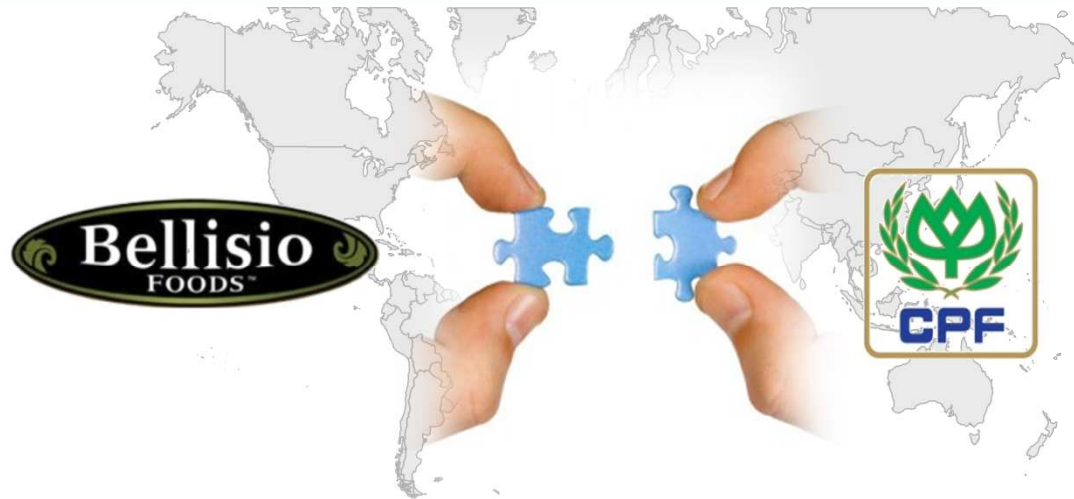
Source: Company financials

Note: Based on the average exchange rate of US\$1 : THB35.499 from the Bank of Thailand as of 11<sup>th</sup> November 2016

<sup>1</sup> Sales by geography and by product based on 2015 sales

<sup>2</sup> Assumes that all of Bellisio Foods' business is categorized as Food-related

## Key takeaways



*CPF's acquisition of Bellisio Foods – creating a footprint in the world's largest food market*

- 1 **Platform** for our North America business and a path to **fulfill our vision as the “*Kitchen of the World*”**
- 2 **Proven business model** with strong core products, nationwide distribution network and an experienced management team
- 3 Synergies **identified and quantified** with implementation plan

# Disclaimer

"This presentation contains some information from other sources, that CPF does not make any representations regarding the use, validity, accuracy, or reliability of, or the results of the use of information, data but not limited to, all text, and images ("the Content") on this presentation. Some content may contain forward-looking statements, that based on management's view upon the information currently available to us. These statement are subject to certain risks and uncertainties that could cause the actual results materially differed from what had been previously stated.

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."

The material set forth herein is for informational purposes only. It should not be construed, as an offer of securities for sale.

## **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 / Mr.Savin W. (662) 625 8397

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) / [savin.won@cpf.co.th](mailto:savin.won@cpf.co.th)

