

Issue
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IR NEWSLETTER



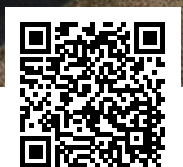
A summary of the key operational matters and events for the year 2017

GFPT Group had total revenue from sales of THB 16,928.47 million in 2017, representing an increase of THB 235.45 million or 1.41% up from 2016 mainly from higher revenue from sales of farm segment and chicken processing segment which increased by 10.43% and 4.78%, respectively.

Increasing in live broilers sales to GFN as well as growth in export volume strongly supported growth in consolidated revenue which partially offset by slowdown in feed sales.

The consolidated gross profit in 2017 was THB 2,777.55 million, improved by THB 275.81 million or 11.02% up from 2016. The consolidated gross profit margin contributed of 16.41% in 2017, increased from 14.99% in 2016 predominantly from lower major feed material cost and growth in chicken export volume.

In accordance with all reasons above, consolidated net profit in 2017 accounted for THB 1,748.35 million (or equal to EPS of THB 1.39 per share), or 6.37% up from 2016; which reflected another impressive year of GFPT group.



OVERALL FINANCIAL PERFORMANCE AND PROFITABILITY FOR Y2017

Revenue Breakdown by Business Segment

Chicken Processing Segment:

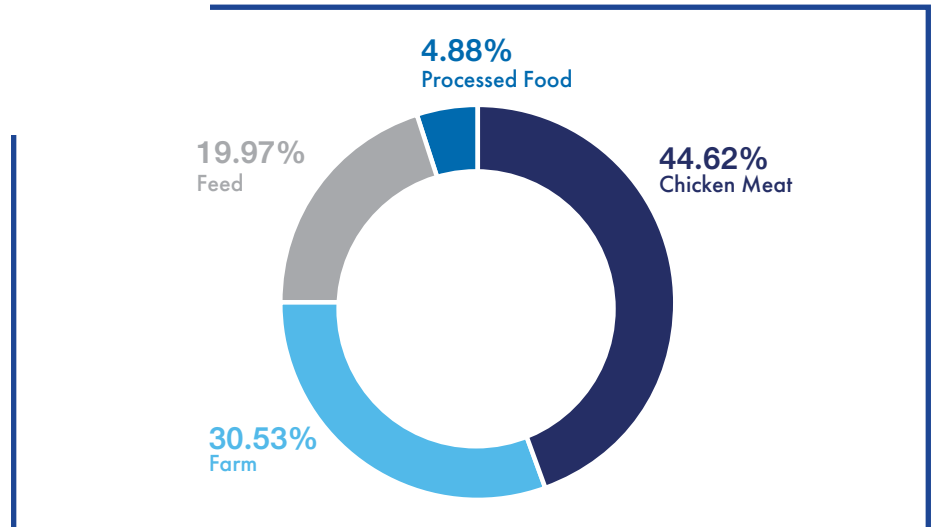
In 2017, Revenue from chicken processing segment in 2017 consisted of revenue from direct export cooked chicken products and fresh frozen chicken meat, indirect export of chicken meat, and domestic sales of chicken parts, represented 44.62% of consolidated revenue from sales amounting THB 7,554.13 million, improved by THB 344.76 million or 4.78% up from 2016.

The Company's total export of chicken products was 30,600 metric tons, a growth of 2,300 metric tons or 8.13% up from 2016 mostly from significantly increased in export volume of cooked chicken products to Japan.

Feed Segment:

Revenue from feed segment in 2017 consisted of revenue from animal feed, fish feed, and shrimp feed, represented 19.97% of consolidated revenue, amounting THB 3,379.98 million, reduced by THB 527.85 million or 13.51% down from 2016.

The revenue from feed segment continued declining in 2017 due to intense competition of both animal feed and aquatic feed business in Thailand. Moreover, swine business was declined because of recession in swine price in past 2 years. Draught situation in Thailand also affected aquatic feed sales. In conclusion, all these factors pressured revenue of feed segment reflecting decreasing in revenue from sales of animal feed and aquatic feed by 10.06% and 16.14%, respectively.



Farm Segment:

Revenue from farm segment in 2017 consisted of revenue from live broilers sales to GFN (our joint venture) and selling day-old-chicks sales, represented 30.53% of consolidated revenue, amounting THB 5,167.70 million, an increase of THB 488.16 million or 10.43% up from 2016.

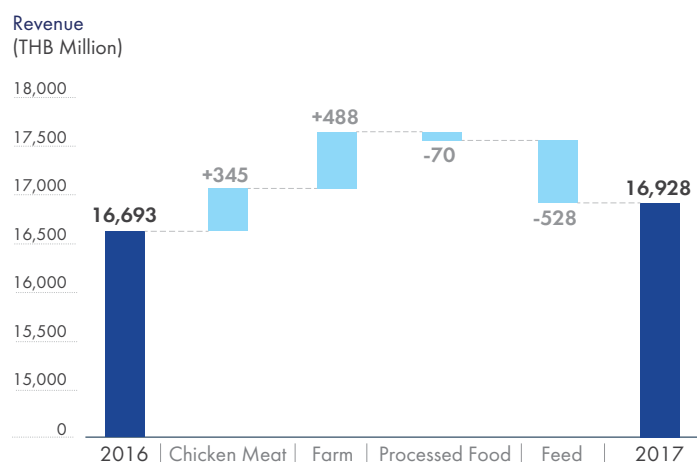
Revenue from live broilers sales to GFN has been increasing since GFN started its operation in 2010. As a result, sales volume of selling live broilers to GFN in 2017 improved by 8.56% comparing to 2016.

Processed Foods Segment:

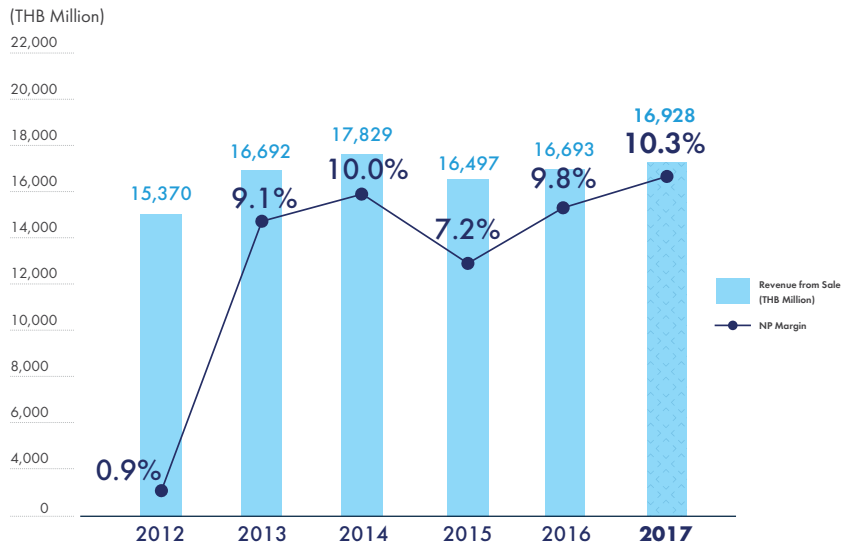
Revenue from processed foods segment in 2017 consisted of chicken sausage, and other processed chicken products for domestic market, represented 4.88% of consolidated revenue. In 2017, the revenue from processed foods was THB 826.66 million, dropped by THB 69.62 million, or 7.77% down from 2016.

Revenue from processed foods segment in 2017 decreased from lower sales volume of processed foods which decreased by 13.90% which partially offset by 6.23% higher selling price comparing to 2016.

REVENUE BREAKDOWN BY BUSINESS SEGMENT



OVERALL FINANCIAL PERFORMANCE AND PROFITABILITY



Cost of Sale

Cost of sales for 2017 was THB 14,150.92 million, slightly decreased by THB 40.36 million or 0.28% down from 2016 mainly from lower cost of feed materials. The market price of corn and soybean meal reduced by 5.07% and 3.58%, respectively. Overall, the cost of sales for 2017 contributed of 83.59% of total sales, weakened from 85.01% in 2016.

Gross Profit

The consolidated gross profit in 2017 was THB 2,777.55 million, improved by THB 275.81 million or 11.02% up from 2016. Widen gross profit in 2017 was primarily from higher revenue from sales and lower cost of sales. Consequently, the consolidated gross profit margin contributed of 16.41% in 2017, increased from 14.99% in 2016.

Share of Profit from Associated Company

The consolidated share of profit from associated companies based on the equity method in 2017 was THB 272.02 million, decreased by THB 99.17 million, or 26.72% down from 2016 mainly from McKey's profit contribution; which was THB 171.95 million, dropped by THB 63.81 million or 27.07% decreased from 2016. McKey had higher pre-operating cost in 2017 from opening of new further processing factory. Furthermore, GFN's profit contribution was THB 100.07 million, decreased by THB 35.36 million or 26.11% down comparing to 2016.

Net Profit

The consolidated net profit in 2017 was THB 1,748.35 million, increased in amount of THB 104.65 million or 6.37% increased from THB 1,643.70 million in 2016. The EPS of 2017 was THB 1.39 per share. The increase in consolidated net profit was primarily driven from the increase in revenue from sales and lower cost of sales comparing to 2016. The consolidated net profit margin in 2017 was 10.33% of net sales, improved from 9.85% in 2016.



FINANCIAL POSITION

Financial Position

Asset

For the consolidated financial position as of December 31, 2017, total assets of GFPT Group equal to THB 17,365.56 million including THB 5,371.82 million (30.93% of total assets) in current assets, THB 8,012.60 million (46.14% of total assets) in property, plant and equipment (PP&E), THB 2,671.77 million (15.39% of total assets), in investments in associated companies, THB 477.05 million (2.75% of total assets) in grandparent chicken and parent chicken and THB 832.32 million (4.79% of total assets) in investment in property and other assets.

Total assets as at December 31, 2017 increased in amount of THB 1,205.23 million or 7.46% up from December 31, 2016 from an increase in PP&E of THB 581.85 million, an increase in cash and cash equivalent of THB 425.40 million, and an increase in investments in associates of THB 223.02 million. In 2017, the consolidated return on asset was 10.43% times, slightly lower than 2016 at 10.56%.

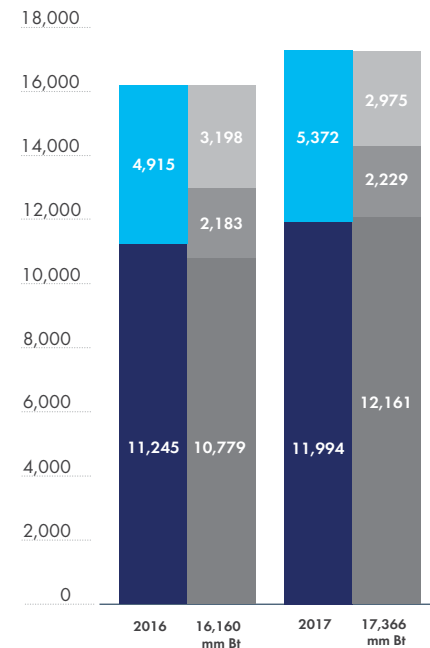
Liability

As at December 31, 2017, total liabilities of the Company and its subsidiaries was THB 5,204.58 million comprising of current liabilities of THB 2,975.28 million (57.17% of total liabilities), long-term loans of THB 1,700.00 million (32.66% of total liabilities), provision for employees benefit of THB 384.97 million (7.40% of total liabilities), advance received for rental income from associates of THB 91.58 million (1.76% of total liabilities), and other non-current liabilities of THB 52.75 million (1.01% of total liabilities).

The total liabilities as at December 31, 2017 decreased by THB 176.66 million or 3.28% down from December 31, 2016 primarily from short-term loans from financial institutions decreased in amount of THB 281.37 million. All short-term and long-term loans of the group are in THB currency only, thus; The Company has no exposure in foreign currency borrowings.

Financial Position

(THB Million)



Shareholders' Equity

As at December 31, 2017, the consolidated shareholders' equity in amount of THB 12,160.98 million, increased by THB 1,381.89 million or 12.82% up from December 31, 2016; primarily from the increase in retained earnings in amount of THB 1,372.33 million.


IR Activities 4Q2017

On 9 November 2017, the Company held Analyst Meeting No. 4 at GFPT Tower to explain on the 3rd quarter operating performance, the business outlook and Q&A. There were 28 analysts attending the meeting.

To download presentation document of Analyst Meeting, please visit our website:

http://www.gfpt.co.th/ir_slide.php?lang=en

GFPT Profile

CG Score 2016	:  (Excellent)
Industry / Sector	: Agro & Food Industry / Agribusiness
Closed Price	: 14.10 Baht per share (30/12/2017)
Share Outstanding	: 1,253.82 million share [1 Baht per share]
Market Cap.	: THB 17.67 billion
%Free Float	: 44.19%
%Foreign Holding	: 14.72% (≤49.00%)
Dividend Policy	: Not more than 50% of net profit of Company's separated financial statement after deductions of any reserved portion required

Top 10 Major Shareholders (10 Mar 2017)

1. Sirimongkolkasem Family	55.11%
2. THAI NVDR CO., LTD.	6.34%
3. NICHIREI FOODS INC.	4.52%
4. Ms.Wanngam Kittanamongkolchai	3.19%
5. Mr.Kongphob Limsong	2.00%
6. Mrs. Piangjai Chayawiwatkul	1.60%
7. N.C.B. TRUST LIMITED-NORGES BANK 1	1.12%
8. CHASE NOMINEES LIMITED	1.10%
9. STATE STREET BANK EUROPE LIMITED	0.94%
10. NORTRUST NOMINEES LTD-CL AC	0.90%



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previous issues of GFPT IR Newsletter can download at
[HTTP://WWW.GFPT.CO.TH/IR_NEWSLETTER.PHP](http://www.gfpt.co.th/ir_newsletter.php)



financial statement and management discussion and analysis are available for download at [HTTP://WWW.GFPT.CO.TH/IR_FINANCIAL_STATEMENT.PHP](http://www.gfpt.co.th/ir_financial_statement.php)



UPDATE

GFPT and Sustainable Development

Most companies these days have restructured business operation in accordance with social and environment sustainability. In this issue, we would like to discuss about sustainability of GFPT Group on how we value and manage our activities that make our business grow and sustain in long term.

GFPT realizes importance of management with understanding of sustainability development plan for employees and executives for the year 2017. We stimulated each department to perform sustainability plan systematically for best practice. We committed to all stakeholders that “GFPT is the answer for quality”. We committed to be a qualified producer to gain trust and acceptance from customers; and to create a preferable workplace for employees to ensure job stability, to be a good investment that shareholder perceives with a security good governance, to be an ethical business operator for suppliers, and to be a quality company that community can rely on.

All of these efforts have driven GFPT Group to be accepted by the government authorities and other institutions which has given GFPT credibility and awards as follows:

- Certified to be a member of Collective Action Coalition: CAC
- Selected to be on the list of Thailand Sustainability Investment: THSI for 2017 from the Stock Exchange of Thailand
- Received Outstanding Company Performance Awards and Outstanding Investor Relations Awards with market capital between THB 10,000-30,000 million from SET Awards 2017

GFPT still believes that a good company needs to balance economic, society, and environment aspects to enable business success sustainably.

In the next issue, we will discuss further in more detail about “GFPT Sustainability Way”; particularly as a role of responsible food producer.

Disclaimer

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The Company undertakes no responsibility on changes after that date stated herein. This presentation may include forward-looking statements representing expectations about future events or anticipated result based on factors such as economic scenario, market conditions and expected future events, over many of which the Company has no control. These statements include projections of economic growth, as well as information about competitive position, the regulatory environment, potential opportunities for growth and other matters.

In addition, the content and forward-looking statements state within this document only as the date they made. Several factors may adversely affect the estimates and assumptions on which these statements are based.