

Issue  
**02**  
2018

10 May 2018



# GFPT IR NEWSLETTER



## A summary of the key operational matters and events for 1Q2018

GFPT Group had total revenue from sales of THB 3,958.50 million in 1Q2018, representing a decrease of THB 160.83 million or 3.90% down from 1Q2017 mainly from lower revenue of chicken processing business which decreased by THB 218.75 million or 11.85% down comparing to 1Q2017 mainly from lower revenue from direct export chicken products and domestic sales of chicken parts.

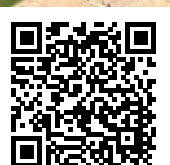
The consolidated gross profit in 1Q2018 was THB 519.39 million in 1Q2018, decreased by THB 109.99 million or 17.48% down from 1Q2017 from decreasing in overall sales volume. The consolidated gross profit margin contributed of 13.12% in 1Q2018, decreased from 15.28% in 1Q2017.

The participating loss from associates was THB 44.72 million in 1Q2018, increased by THB 126.99 million or 154.36% up comparing to 1Q2017. In addition, the consolidated EBITDA in 1Q2018 was THB 523.27 million, decreased by THB 242.68 million or 31.68% down from 1Q2017.

Finally, consolidated net profit in 1Q2018 accounted for THB 145.92 million or equal to EPS of THB 0.12 per share, or 65.59% down from 1Q2017. For capital structure of the Group, as at March 31, 2018, the consolidated debt to equity ratio was 0.42 time and the consolidated net debt to equity ratio was considerably low at 0.27 time.

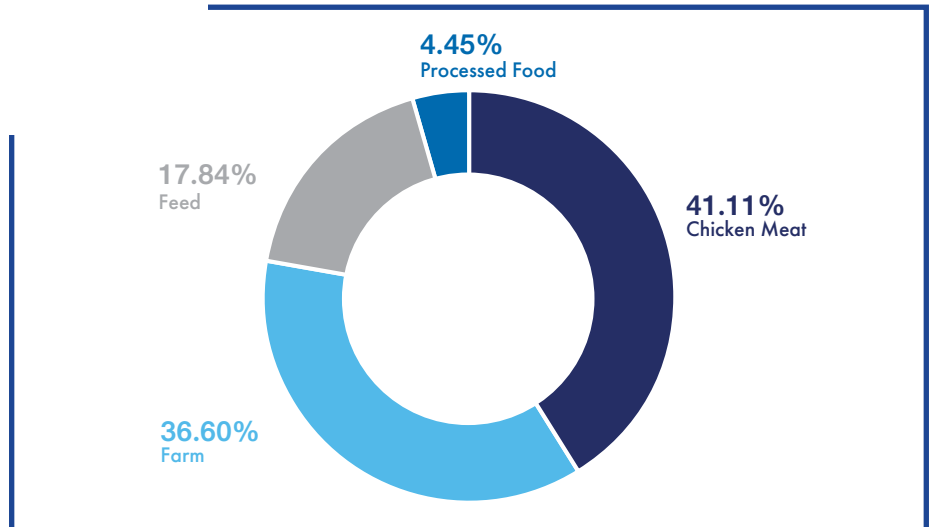


ฟาร์มเลี้ยงไก่เนื้อ  
บริษัท เอ็ม.เค.เอส. ฟาร์ม จำกัด



# OVERALL FINANCIAL PERFORMANCE AND PROFITABILITY FOR 1Q2018

## Revenue Breakdown by Business Segment



### Chicken Processing Segment:

Revenue from chicken processing business in 1Q2018 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 41.11% of total revenue from sales amounting THB 1,627.29 million, lessened by THB 218.75 million or 11.85% down from 1Q2017.

The Company’s total export of chicken products was 7,200 metric tons, dropped by 300 metric tons or 4.00% down from 1Q2017 mostly from decreasing in export volume.

### Farm & DOC Segment:

Revenue from farm & DOC business consisted of revenue from selling live broilers to GFN, our joint venture, and selling day-old-chicks to both international and domestic market, represented 36.60% of total sales, amounting THB 1,448.90 million, an increase of THB 233.52 million or 19.21% up from 1Q2017.

Revenue from selling live broilers to GFN has been snowballing since GFN started its operation in 2010. As a result, revenue from selling live broilers to GFN in 1Q2018 improved by 25.79% comparing to 1Q2017.

### Processed Foods Segment:

Revenue from processed food business consisted of chicken sausage, and other processed chicken products for domestic market, represented 4.45% of total sales. In 1Q2018, the revenue from processed foods was THB 176.10 million, dropped by THB 24.10 million, or 12.04% down from 1Q2017.

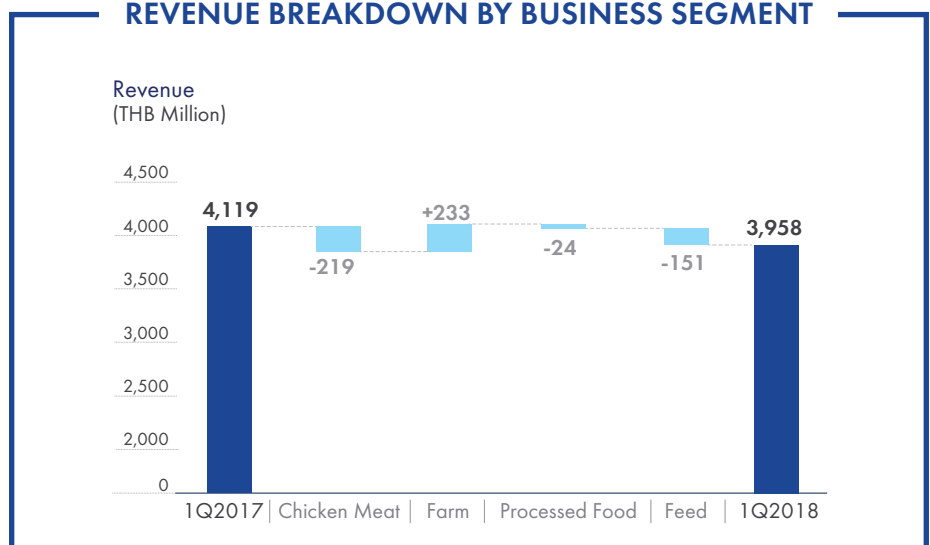
Revenue from processed food business in 1Q2018 decreased from lower selling price of processed food which decreased by 9.70% comparing to 1Q2017.

### Feed Segment:

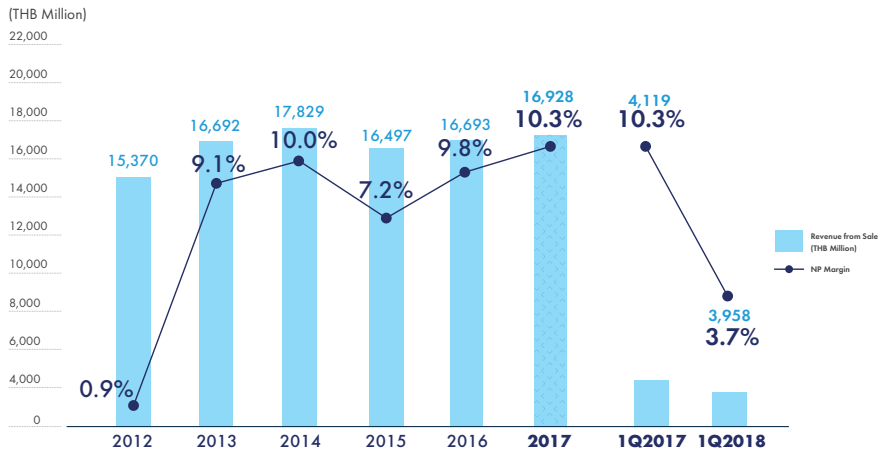
Revenue from feed business consisted of revenue from animal feed, fish feed, and shrimp feed, represented 17.84% of total sales, amounting THB 706.21 million, reduced by THB 151.50 million or 17.66% down from 1Q2017.

The revenue from feed business continued declining due to intense competition of animal feed and aquatic feed in Thailand reflecting falling in revenue from animal feed and fish feed about 16.52% and 29.59%, respectively.

## REVENUE BREAKDOWN BY BUSINESS SEGMENT



# OVERALL FINANCIAL PERFORMANCE AND PROFITABILITY



## Cost of Sale

Cost of sales for 1Q2018 was THB 3,439.11 million, a slight decrease of THB 50.84 million or 1.46% down from 1Q2017 mainly from decreasing in sales volume of chicken export and feed. In addition, the market price of corn increased from THB 8.00 per kilogram in 1Q2017 to THB 9.90 per kilogram in 1Q2018 or increased by 23.75%, overall, the cost of sales for 1Q2018 contributed of 86.88% of total sales, raised from 84.72% in 1Q2017.

## Gross Profit

The consolidated gross profit in 1Q2018 was THB 519.39 million, dropped by THB 109.99 million or 17.48% down from 1Q2017. Narrow gross profit in 1Q2018 was primarily from lower revenue from sales. The consolidated gross profit margin contributed about 13.12% in 1Q2018, decreased from 15.28% in 1Q2017 mainly from higher price of corn.

## Share of Loss from Associated Company

The consolidated share of loss from associated companies based on the equity method in 1Q2018 was THB 44.72 million, increased by THB 126.99 million, or 154.36% up from 1Q2017 mainly from loss contributed from GFN was THB 56.60 million, decreased by THB 73.71 million or 430.76% decreased from 1Q2017 mainly from lower selling price of chicken parts for domestic market. Besides, McKey's profit contribution was THB 11.87 million, decreased by THB 53.29 million or 81.78% down comparing to 1Q2017 mainly from higher operating cost from new further processing factory.



## Net Profit

The consolidated net profit in 1Q2018 was THB 145.92 million, decreased in amount of THB 278.19 million or 65.59% decreased from THB 424.11 million in 1Q2017. The EPS of 1Q2018 was THB 0.12 per share. The decrease in consolidated net profit was primarily driven from lower revenue from sales, lower share of profit from associated companies, and lower gain in foreign exchange rate comparing to 1Q2017. The consolidated net profit margin in 1Q2018 was 3.69% of net sales, dropped from 10.29% in 1Q2017.

# FINANCIAL POSITION

## Financial Position

### Asset

For the consolidated financial statements as of March 31, 2018, total assets of the GFPT Group equal to THB 17,408.29 million including THB 5,413.60 million (31.10% of total assets) in current assets, THB 8,118.77 million (46.64% of total assets) in property, plant and equipment (PP&E), THB 2,627.04 million (15.09% of total assets), in investments in associated companies, THB 503.83 million (2.89% of total assets) in grandparent chicken and parent chicken and THB 745.05 million (4.28% of total assets) in investment in property and other non-current assets.

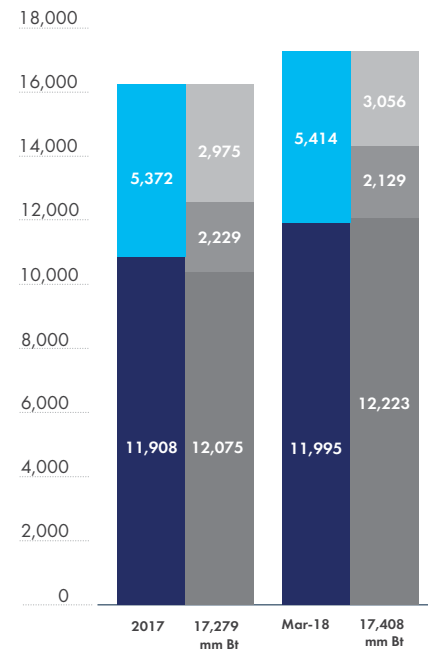
Total assets as at March 31, 2018 increased in amount of THB 128.89 million or 0.75% up from December 31, 2017 from an increase in inventories of THB 131.47 million and an increase in PP&E of THB 106.17 million.

### Liability

As at March 31, 2018, total liabilities of the Company and its subsidiaries was THB 5,185.32 million comprising of current liabilities of THB 3,056.03 million (58.93% of total liabilities), long-term loans of THB 1,600.00 million (30.86% of total liabilities), provision for employees benefit of THB 386.79 million (7.46% of total liabilities), advance received for rental income from associates of THB 89.62 million (1.73% of total liabilities), and other non-current liabilities of THB 52.88 million (1.02% of total liabilities).

The total liabilities as at March 31, 2018 slightly decreased by THB 19.26 million or 0.37% down from December 31, 2017 primarily from short-term loans from financial institutions decreased in amount of THB 440.00 million, however, current portion of long-term loans from related persons increased in amount of THB 300.00 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.

(THB Million)



### Shareholders' Equity

As at March 31, 2018, the consolidated shareholders' equity in amount of THB 12,222.97 million, an increase of THB 148.15 million or 1.23% up from December 31, 2017; primarily from the increase in retained earnings in amount of THB 145.92 million. The consolidated book value as at March 31, 2018 was THB 9.75 per share, slightly increased from THB 9.63 per share as at December 31, 2017.

### IR Activities 1Q2018

On 6 March 2018, the Company held Analyst Meeting No.1 at GFPT Tower to explain on the year 2017 operating performance, the business outlook and Q&A. There were 23 analysts attending the meeting.

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

[http://www.gfpt.co.th/ir\\_slide.php?lang=th](http://www.gfpt.co.th/ir_slide.php?lang=th)

### GFPT Profile

CG Score 2017	:  (Excellent)
Industry / Sector	: Agro & Food Industry / Agribusiness
Closed Price	: 12.30 Baht per share (30/04/2018)
Share Outstanding	: 1,253.82 million share [1 Baht per share]
Market Cap.	: THB 15.42 billion
%Free Float	: 45.30%
%Foreign Holding	: 12.75% (≤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	54.70%
2. NICHIREI FOODS INC.	4.52%
3. Ms.Wongnarm Kittanamongkolchai	3.19%
4. THAI NVDR CO., LTD.	2.52%
5. Mr.Kongphob Limsong	1.60%
6. Mrs. Piangjai Chayawiwatkul	1.60%
7. STATE STREET BANK EUROPE LIMITED	1.14%
8. NORTRUST NOMINEES LTD-CL AC	1.05%
9. SE ASIA (TYPE B) NOMINEES LLC	0.83%
10. Mr.Wonjak Kittanamongkolchai	0.71%



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### GFPT INVESTOR RELATIONS DEPARTMENT

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The latest IR Newsletter (issue 1 year 2018) can be downloaded via [http://www.gfpt.co.th/newsletter/th/2561/TH\\_Q4\\_IR%20Newsletter\\_2017\\_01.pdf](http://www.gfpt.co.th/newsletter/th/2561/TH_Q4_IR%20Newsletter_2017_01.pdf)

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financial statement and management discussion and analysis are available for download at [http://www.gfpt.co.th/ir\\_downloads.php?lang=th](http://www.gfpt.co.th/ir_downloads.php?lang=th)



## UPDATE

GFPT as a producer and responsibility towards consumers

Over 30 years of operation in chicken product processing, GFPT has committed to delivering good quality products that promptly respond to customers' need as being a foundation for sustainable development.

GFPT continues to improve its chicken production process in every possible step such as using modern technology for greater efficiency: using high quality of feed materials; developing good nutrient in feed formulation; having effective traceability from farm to table. We continue to expand chicken production capacity for the whole integration. Moreover, we strongly adhere to the concept "Quality, Hygienic, and Food Safety" as our core business which keep our chicken products to be safe and eco-friendly.

Each step of our production is certified by the international standard including: Feed production is certified by ISO 9001. Animal Welfare and Enrichment are applied in our farm management. Chicken processing factories are certified by leading international accreditors such as GMP, HACCP, BRC, ISO 9001, ISO 14001, and HALAL. All these standards assure that GFPT's chicken products are good quality which are safe for consumption.

With highly concern in every production process and to achieve international standard, our IT system can link products information from factory to transportation and distribution system which allow to trace product status throughout the supply chain. If there is any problem occur at any point, we can call back the product systematically and on time. Therefore, consumers can 100% trust in GFPT's products.

These are essential to GFPT Group as being an upstream producer of chicken meat product with "responsibility mindset" to gain trust and receive good feedback from our domestic and international customers.

### Disclaimer

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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.