



# GFPT IR NEWS LETTER

## A summary of the key operational matters and events for the 2nd Quarter 2017

GFPT recorded decent performance for its operations in 2Q2017. GFPT Group had total revenue from sales of THB 4,165 million in 2Q2017, representing an increase of THB 263 million or 6.74% up from 2Q2016.

This mainly support by revenue from chicken processing segment amounting THB 1,885 million, improved by THB 224 million or 13.43% up from 2Q2016 mainly from higher export sales volume which increased by 29.31%

The consolidated gross profit was THB 679 million, noticeably improved by THB 139 million or 25.89% up from 2Q2016. The consolidated gross profit margin contributed

of 16.32% in 2Q2017, increased from 13.83% in 2Q2016 predominantly from cost advantage from lower major feed material price and the growth in chicken export volume.

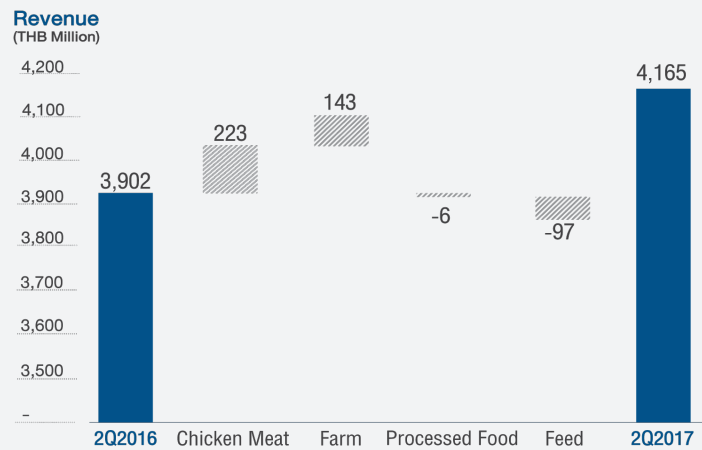
In addition, the consolidated EBITDA in 2Q2017 was THB 869 million, an increase of THB 148 million or increased by 20.54% from 2Q2016.

In accordance with all reasons above, it drove net profit to perform at THB 494 million or increased by 29.69% from 2Q 2016. The EPS of 2Q2017 was THB 0.39 per share; which reflected another strong performance of GFPT group.

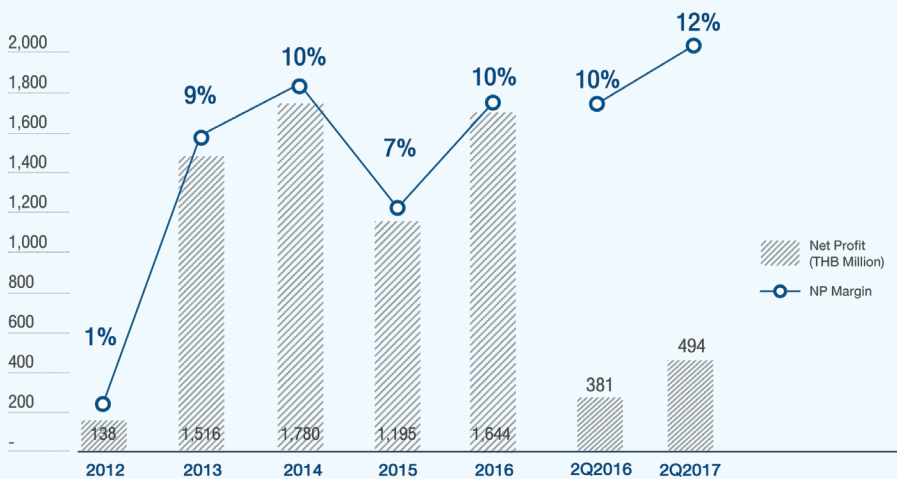
“ The consolidated net profit in 2Q2017 was THB 494 million, outstandingly increased by 29.69%. The EPS of 2Q2017 was THB 0.39 per share. ”



Revenue Breakdown by Business Segment for 2Q2017



# OVERALL FINANCIAL PERFORMANCE AND PROFITABILITY



## Cost of Sales

Cost of sales for 2Q2017 was THB 3,486 million, an increase of THB 124 million or 3.66% up from 2Q2016 mainly from increasing in sales and production volume primarily on higher sales volume of chicken processing segment as a result of higher sales volume of chicken export. Nevertheless, the price of major raw material which are corn dropped by 10.52%, overall, the cost of sales for 2Q2017 contributed of 83.68% of total sales, declined from 86.17% in 2Q2016.

# Revenue Breakdown by Business Segment

## Chicken Processing Segment:

The chicken processing segment recorded a good operational result in 2Q2017, Revenue from chicken processing segment in 2Q2017 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 45.25% of total revenue from sales amounting THB 1,885 million, improved by THB 224 million or 13.43% up from 2Q2016.

The Company's total export of chicken products was 7,500 metric tons, a growth of 1,700 metric tons or 29.31% from 2Q2016 mostly from expressively increased in export volume of both fresh frozen chicken meat and cooked chicken products to our main markets which are Japan and South Korea. Additionally, sales volume of domestic products increased by 5.13% from 2Q2016.

## Feed Segment:

Revenue from feed segment consisted of revenue from animal feed, fish feed, and

shrimp feed, represented 19.76% of total sales, amounting THB 823 million, reduced by THB 98 million or 10.60% down from 2Q2016.

The revenue from feed segment continued declining in 2Q2017 due to intense competition of feed business in Thailand for both animal feed and aquatic feed pressured revenue of feed segment reflecting falling in revenue from animal feed and shrimp feed about 9.33% and 15.24%, respectively.

## Farm & DOC Segment:

Revenue from farm & DOC segment consisted of revenue from selling live broilers to GFN, our joint venture, and selling day-old-chicks to both international and domestic market, represented 30.03% of total sales, amounting THB 1,251 million, an increase of THB 143 million or 12.92% up from 2Q2016.

Revenue from selling DOC of our subsidiaries suggestively improved from 2Q2016 especially for selling of DOC from Krungthai Food PCL. Besides, revenue from selling live broilers to GFN has been snowballing. As a result, sales

volume of selling live broilers to GFN in 2Q2017 improved by 3.19% comparing to 2Q2016.

## Processed Food Segment:

Revenue from processed food segment consisted of chicken sausage, and other processed chicken products for domestic market, represented 4.96% of total sales. In 2Q2017, the revenue from processed foods was THB 206 million, marginally dropped by THB 6 million, or 2.72% down from 2Q2016.

Revenue from processed food segment in 2Q2017 decreased from lower sales volume of processed food which decreased by 9.30% which partially offset by 6.77% higher selling price comparing to 2Q2016.

## Gross Profit

The consolidated gross profit in 2Q2017 was THB 679 million, noticeably improved by THB 139 million or 25.89% up from 2Q2016. Wider gross profit in 2Q2017 was predominantly from higher revenue from sales. Furthermore, higher sales volume of chicken export reflects higher gross profit margin compared to other type of products. Consequently, the consolidated gross profit margin contributed of 16.32% in 2Q2017, increased from 13.83% in 2Q2016.

## Share of Profit from Associated Companies

The consolidated share of profit from associated companies based on the equity method in 2Q2017 was THB 108 million, be the same as 2Q2016. Share of profit contributed from GFN was THB 58 million, increased by THB 11 million or 22.32% up from 2Q2016.

## Net Profit

The consolidated net profit in 2Q2017 was THB 494 million, outstandingly increased in amount of THB 113 million or 29.69% increased from THB 381 million in 2Q2016. The EPS of 2Q2017 was THB 0.39 per share. The increase in consolidated net profit was primarily driven from the growth in revenue from sales and lower percentage cost of sales from lower price of major raw material comparing to 2Q2016. The consolidated net profit margin in 2Q2017 was 11.85% of net sales, upgraded from 9.76% in 2Q2016.

# FINANCIAL POSITION

## Assets

For the consolidated financial statements as of June 30, 2017, total assets of the GFPT Group equal to THB 16,912 million including THB 5,343 million (31.60% of total assets) in current assets, THB 7,664 million (45.32% of total assets) in property, plant and equipment (PP&E), THB 2,590 million (15.31% of total assets), in investments in associated companies, THB 487 million (2.88% of total assets) in grandparent chicken and parent chicken and THB 828 million (4.89% of total assets) in investment in property and other non-current assets.

Total assets as at June 30, 2017 increased in amount of THB 752 million or 4.65% up from December 31, 2016 from an increase in cash and cash equivalents of THB 279 million,

an increase in PP&E of THB 233 million, and an increase in inventories of THB 193 million.

## Liabilities

As at June 30, 2017, total liabilities of the Company and its subsidiaries was THB 5,588 million comprising of current liabilities of THB 3,365 million (60.23% of total liabilities), long-term loans of THB 1,700 million (30.42% of total liabilities), provision for employees benefit of THB 373 million (6.68% of total liabilities), advance received for rental income from associates of THB 96 million (1.71% of total liabilities), and other non-current liabilities of THB 54 million (0.96% of total liabilities).

The total liabilities as at June 30, 2017 increased by THB 207 million or 3.84% up from December 31, 2016 primarily from trade

and other payables increased in amount of THB 607 million, however, short-term loans from financial institutions decreased in amount of THB 271 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.

## Shareholders' Equity

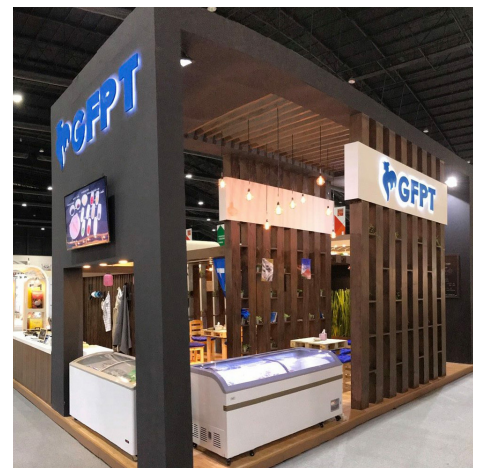
As at June 30, 2017, the consolidated shareholders' equity in amount of THB 11,324 million, an increase of THB 545 million or 5.06% up from December 31, 2016; primarily from the increase in retained earnings in amount of THB 542 million. The consolidated book value as at June 30, 2017 was THB 9.03 per share, slightly increased from THB 8.60 per share as at December 31, 2016.

## UPDATE

### THAIFEX - WORLD OF FOOD ASIA 2017

The Company joined THAIFEX - World of Food Asia 2017 on 31 May - 4 June 2017 at Challenger Hall 3, IMPACT Exhibition & Convention Center which was held by Department of International Trade Promotion, Ministry of Commerce, The Thai Chamber of Commerce, and Koelnmesse GmbH, to present processed chicken products through standardized process, watch cooking demonstration, and sell processed chicken products with special price.

To access more information about GFPT's processed chicken products, please visit our website: [http://www.gfpt.co.th/product\\_further.php?lang=en](http://www.gfpt.co.th/product_further.php?lang=en)



## IR Activities 2Q2017



On 5 April 2017, the Company held 2017 Annual General Meeting of Shareholders at GFPT Tower for both individual and institutional shareholders to vote in each agenda and directly meet executives and directors. There were 480 shareholders attending the meeting which accounted for 902.66 million shares or 71.99%.


To download Minutes of the Annual General Shareholders' Meeting in 2017, please visit our website: [http://www.gfpt.co.th/ir\\_minutes.php?lang=en](http://www.gfpt.co.th/ir_minutes.php?lang=en)

On 15 May 2017, the Company held Analyst Meeting No. 2 at GFPT Tower to explain on the 1st 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](http://www.gfpt.co.th/ir_slide.php?lang=en)

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)

## GFPT Profile

CG Score 2016	:  (Excellent)
Industry / Sector	: Agro & Food Industry / Agribusiness
Closed Price (31/06/2017)	: 19.40 Baht per share
Share Outstanding	: 1,253.82 million share [1 Baht per share]
Market Cap.	: THB 24.32 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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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)

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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.