



# Sustainable Growth Vertical Integration of Chicken 100% Own Farm Policy

**Analyst Meeting**  
**No.1/2016**  
23 February 2016

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- GFPT Public Company Limited (TB:GFPT), founded in 1981 with headquarters in Bangkok, Thailand, is one of the Thailand's chicken processors and marketers.
- The Company is specialized in fully vertical integrated chicken production starting from feed mill, grandparent breeder farm, parent breeder farm, broiler farm, chicken processing plant, and further processing plant.
- GFPT produces a wide variety of agricultural product including: animal feed, aqua feed, live broiler, chicken meat, chicken-based and prepared food products. GFPT provides products and services to customers throughout Thailand and international markets.
- Through its Core Values and Code of Conduct, GFPT strives to operate with integrity and trust and is committed to creating value for its shareholders, customers, and employees.



# GFPT's VISION

“to become one of the leading industries of fully food processing chicken meat and livestock products”

## 7 MISSIONs



QUALITY

Enhance product quality to the international standards

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SAFETY

Confidence through the traceability system

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INNOVATION

New product development using modern technology

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EXPERTISE

Empowering people to become the expert

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SATISFACTION

Attention to the needs of customers

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ALLIANCE

Build strong relationship among partners for long term

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RESPONSIBILITY

Build awareness and responsible to society

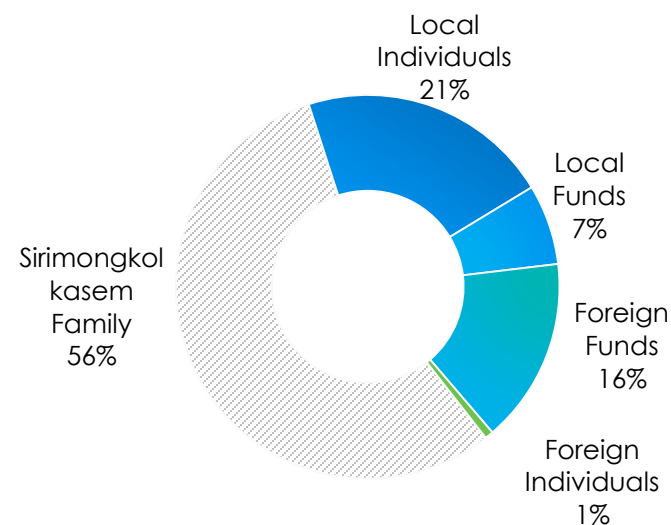
# Today's Discussion

- GFPT Profile
- Financial Highlights
- Market Outlook
- Key Statistics
- Q&A



Symbol	GFPT
Industry / Sector	Agro & Food Industry / Agribusiness
2015 CG Score	 Very Good [80 – 89 CG Report Score]
Closed Price	THB 9.90 per share (30/12/2015)
Average Price	THB 10.14 per share (4Q 2015)
52-week High/Low	21.00 / 8.40
Share Outstanding	1,253.82 million share @ 1 Baht per share (6,666 shareholders as of 11 Mar 2015)
Market Cap.	THB 12.41 billion
% Free Float	44.00%
% Foreign Shareholder/ % Limit	16.06% / 49.00% Limit
Dividend Policy	Not more than 50% of net profit of Company's separated financial statement after deductions of any reserved portion required by law or the Company (with additional conditions)

## Shareholding Structure as of 11/03/2015



## Top 5 Shareholders

1)	Sirimongkolkasem Family	55.59%
2)	Thai NVDR Company Limited	5.01%
3)	Nichirei Foods Inc.	4.52%
4)	Mr. Anucha Kijtanamongkolchai	3.58%
5)	Mr. Kongphob Limsong	2.00%



GFPT Initially established

1981

Listed in SET

1992

Stock split from THB 10 to THB 1 per share

2010

Name change of Subsidiary (**KT**) from Krungthai Feedmill to Krungthai Food

2014



1990

99.99% in **FKT** (Breeder farm)  
99.99% in **MKS** (Broiler farm)



1991

99.99% in **GFF** (Sausage plant)  
65% in **KT** (Feed mill)



1993

49% in **McKey** (Further plant)



2003

99.99% of **GP** (GP farm)



2008

New feed mill (**KT2**) in Cholburi  
49% in **GFN** (chicken processing and further processing plant)



2012

Additional Capital Injection in **GFN**



# Group Structure



## GFPT

GFPT Public Company Limited

Chicken Evisceration and Processed Food

### 5 Subsidiaries

### 2 Joint Ventures



**KT** | **98.06%**

Krungthai Food PCL.

Feed Mill and Breeder Farm



**FKT** | **99.99%**

Krungthai Farm Co., Ltd.

Breeder Farm (PS Farm)



**GFF** | **99.99%**

GF Foods Co., Ltd.

Processed Food



**McKey** | **49.00%**

McKey Food Services (Thailand) Ltd.

Frozen Processed Food



**GP** | **99.99%**

GP Breeding Co., Ltd.

Primary Breeder Farm (GP Farm)



**MKS** | **99.99%**

M.K.S. Farm Co., Ltd.

Broiler Farm



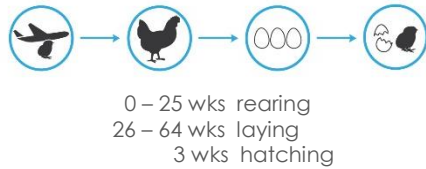
**GFN** | **49.00%**

GFPT Nichirei (Thailand) Co., Ltd.

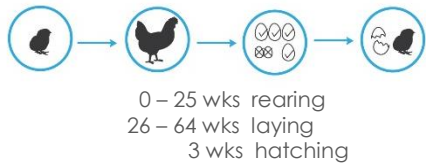
Chicken Evisceration and Processed Food



Import Grand Parent Chicks



**Primary Breeder Farm/ Hatchery**  
(PS Chicks)



**Breeder Farm / Hatchery**  
(Chicks)

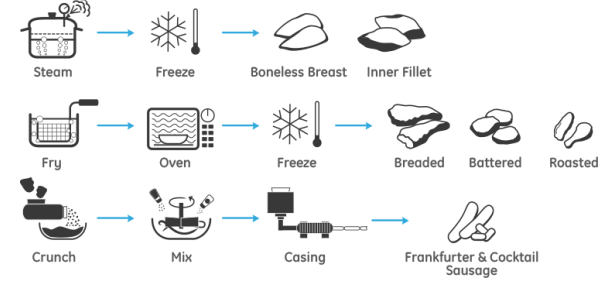
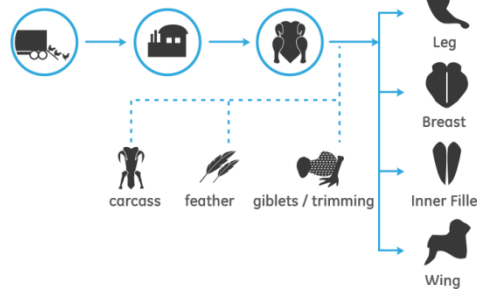
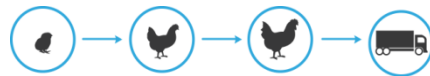
**Broiler Production = 9 months**  
(PS Chicks → Broiler)

**Feed mill**  
(Feed)

**Broiler Farm**  
(Live Chicken)

**Primary Processing**  
(Chicken Meat /Parts)

**Further Processing / Food Processing**  
(Processed Food)



- Benefits of Vertical Integration:**
- ✓ Food safety
  - ✓ Traceability from feed to food
  - ✓ Food regulatory compliance
  - ✓ Supply availability
  - ✓ Cost competitiveness

## 2 Feed Mills

- ❖ **KT1:** Produce animal feed and aqua feed for domestic market
- ❖ **KT2:** Produce Broiler Feed for its own integration only

## GFPT Group Farm

- ❖ 100% Company Own Farm Operation
- ❖ Animal welfare
- ❖ Bio-security
- ❖ Evaporative Cooling House

## 2 Primary Plants

- ❖ Chicken meat are sold to export market and OEM factory in Thailand
- ❖ By-products are sold in domestic market

## 3 Cooking Plants

- ❖ Cooked products are sold to international markets (JP, EU, and others)

## 1 Sausage Plant

- ❖ Sausages are sold in domestic market under GFF Brand

# GFPT Product Line

## Feed



Animal Feed [Pig, Layer Hen, Duck, Cow, etc.]



Fish Feed



Shrimp Feed

## Farm



Day-old-Chick



Live Broiler

## Food



Chicken Parts and Meat [Bone-in, Boneless, Cut-up, Marinated]

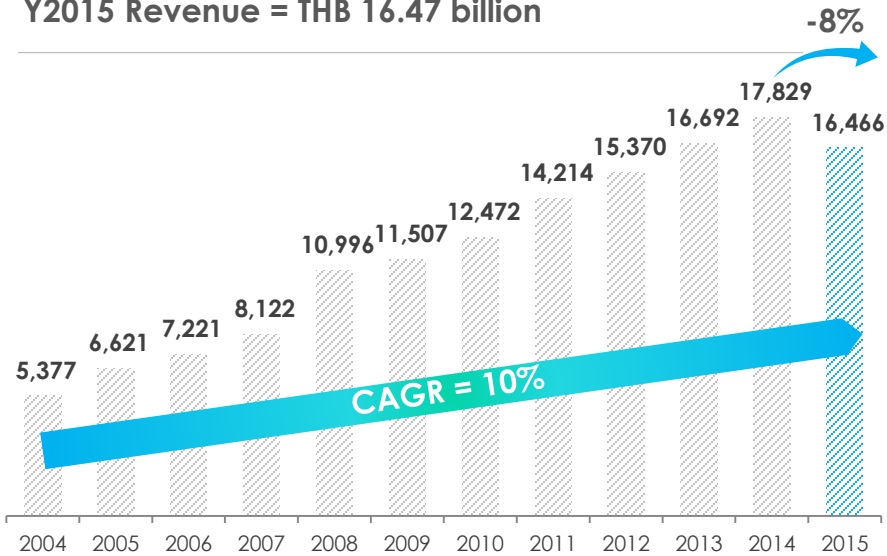


Cooked Product [Fully Cooked, Par-fried, Breaded, Steamed, Roasted]

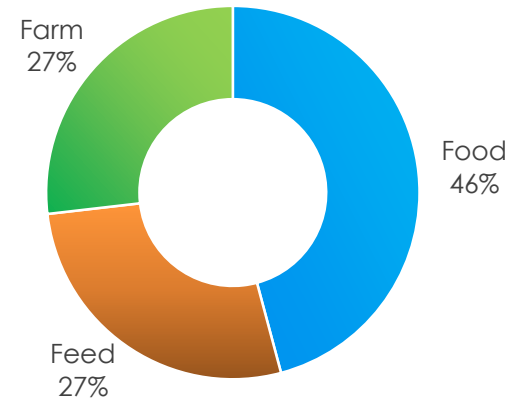


Processed Food [Sausage, Smoke Sausage, Chicken Meatballs]

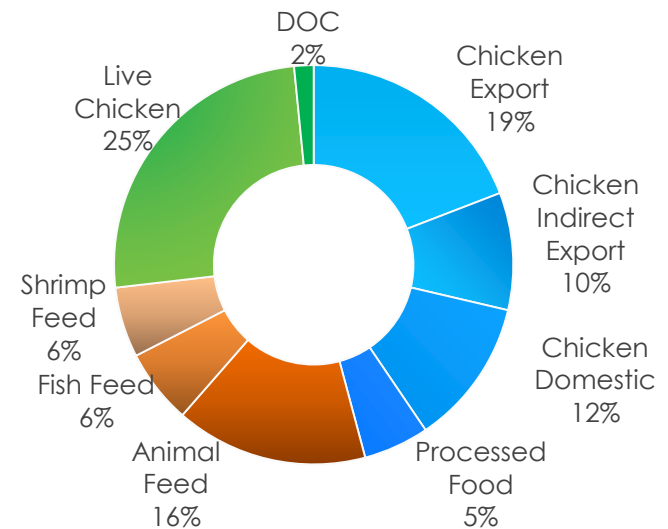
Y2015 Revenue = THB 16.47 billion



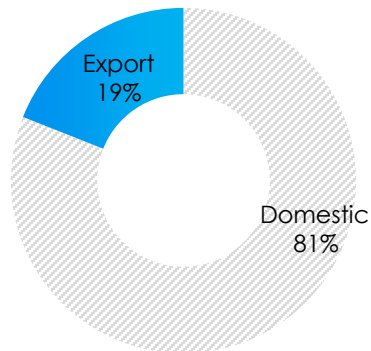
Breakdown by Segment



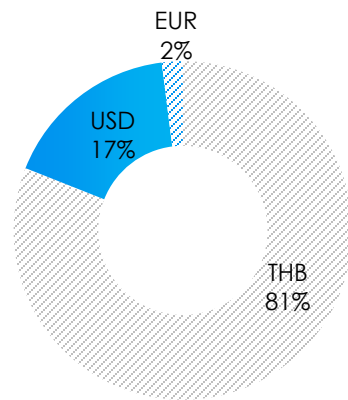
Breakdown by Product



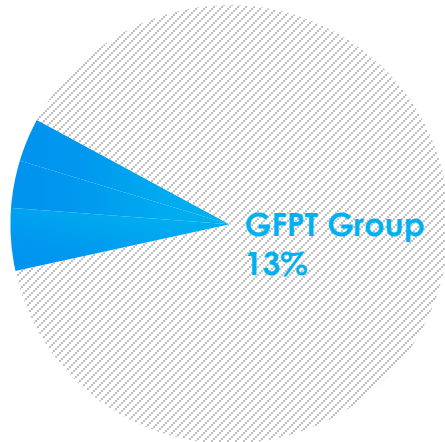
Breakdown by Destination



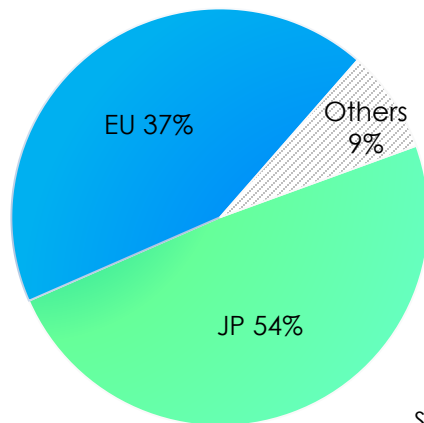
Breakdown by Currency



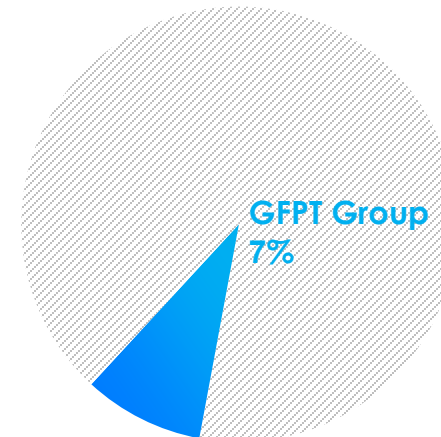
## 3<sup>rd</sup> in Thai Chicken Export



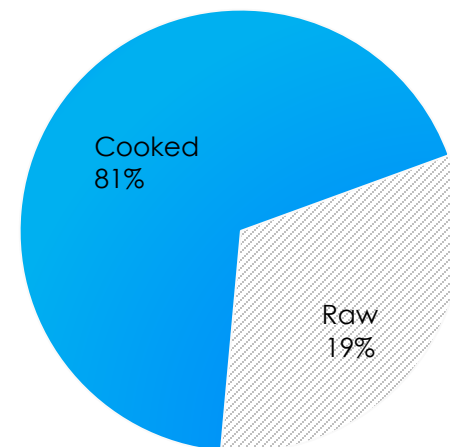
## Export Destination



## 6<sup>th</sup> in Thai Chicken Production



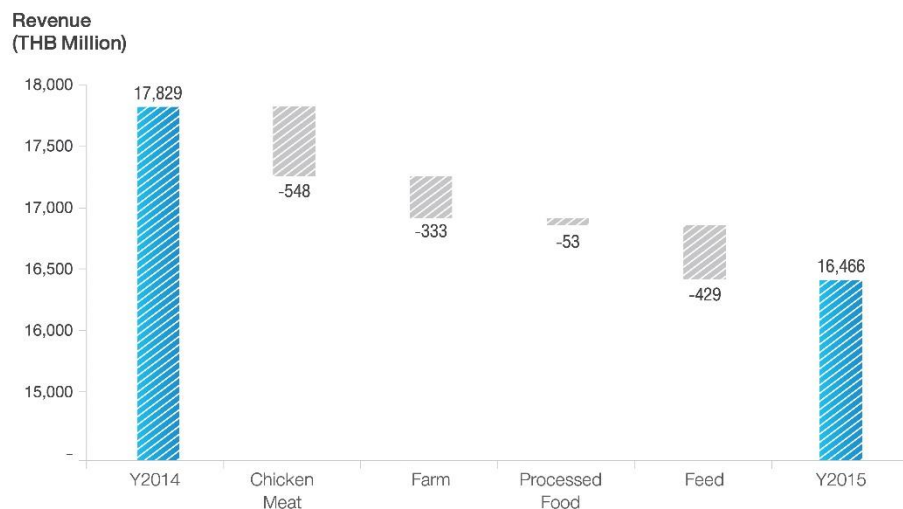
## Export by Product Type



Source: Thai Broiler Processing Exporters Association  
 Note: 2015 Thai Broiler Production = 1,311 million birds/year  
 2015 Thai Broiler Export = 681,073 tons/year

# Y2015 Financial Result

## Y2015 Revenue = THB 16.47 billion



## Key Highlights

- Revenue from chicken meat was THB 6,648 million, an decrease of THB 548 million or 7.61% from Y2014 (due to decreasing in chicken export volume of 4,100 tons or 15.65% (Y2015: 22,100 tons; Y2014: 26,200 tons)).
- Revenue from feed sales decreased by THB 429 million or 8.78% from Y2014 due to decreasing in sales volume of shrimp feed and fish feed by 21.34% and 9.35%, respectively.
- Revenue from farm decreased by THB 333 million or 6.88% from Y2014 due to lower day-old-chick sales volume.
- Revenue from processed foods dropped by THB 53 million or 5.79% decrease from Y2014 due to drop in selling price.

Business Segment of GFPT and its subsidiaries	Y2015		Y2014		Changes	
	THB million	%	THB million	%	THB million	%
Chicken Processing	6,648	40.38	7,196	40.36	(548)	(7.61)
Feed	4,458	27.07	4,887	27.41	(429)	(8.78)
Farm	4,507	27.37	4,840	27.15	(333)	(6.88)
Processed Food	853	5.18	906	5.08	(53)	(5.79)
<b>Total Sales</b>	<b>16,466</b>	<b>100.00</b>	<b>17,829</b>	<b>100.00</b>	<b>(1,363)</b>	<b>(7.64)</b>



# Y2015 Income Statement

<b>INCOME STATEMENT</b> (Unit in THB million)	<b>Y2014</b>	<b>Y2015</b>	<b>Change</b>	<b>% Change</b>
Sales	17,829	16,466	(1,362)	(7.64%)
Cost of Sales	(15,336)	(14,463)	(873)	(5.69%)
<b>GROSS PROFIT</b>	<b>2,493</b>	<b>2,003</b>	<b>(489)</b>	<b>(19.64%)</b>
Gain (Loss) from Exchange Rate	23	6	(17)	(72.90%)
Other Income	224	229	5	2.35%
<b>PROFIT BEFORE EXPENSES</b>	<b>2,739</b>	<b>2,238</b>	<b>(501)</b>	<b>(18.29%)</b>
SG&A Expenses	(1,163)	(1,170)	(7)	0.59%
Participating Profit in Associated Companies	326	249	(76)	(23.58%)
Financial Costs	(145)	(123)	(22)	(15.23%)
Income Tax Revenues (Expenses)	42	19	(23)	(53.38%)
<b>PROFIT FOR THE PERIOD</b>	<b>1,798</b>	<b>1,213</b>	<b>(585)</b>	<b>(32.53%)</b>
Non-Controlling Interests	(19)	(18)	(1)	(1.94%)
<b>PROFIT for Shareholder of the GFPT PCL.</b>	<b>1,780</b>	<b>1,195</b>	<b>(585)</b>	<b>(32.85%)</b>

<b>BALANCE SHEET</b> (Unit in THB million)	<b>Y2014</b>	<b>Y2015</b>	<b>Change</b>	<b>% Change</b>
Cash and Cash Equivalents	270	593	323	119.66%
Trade and Other Receivables	905	1,027	121	13.40%
Inventories	3,274	3,173	(101)	(3.08%)
Other Current Assets	19	16	(3)	(16.18%)
<b>TOTAL CURRENT ASSETS</b>	<b>4,468</b>	<b>4,809</b>	<b>340</b>	<b>7.61%</b>
Investment in Associated Companies	1,912	2,126	215	11.23%
Grandparent Chickens	71	99	28	39.72%
Parent Chickens	407	387	(20)	(4.87%)
Investment Property	369	364	(5)	(1.36%)
Property, Plant and Equipment	6,146	6,736	590	9.60%
Deferred Tax Assets	299	358	59	19.80%
Other Non-Current Assets	65	97	32	48.59%
<b>TOTAL NON-CURRENT ASSETS</b>	<b>9,269</b>	<b>10,167</b>	<b>899</b>	<b>9.70%</b>
<b>TOTAL ASSETS</b>	<b>13,737</b>	<b>14,976</b>	<b>1,239</b>	<b>9.02%</b>

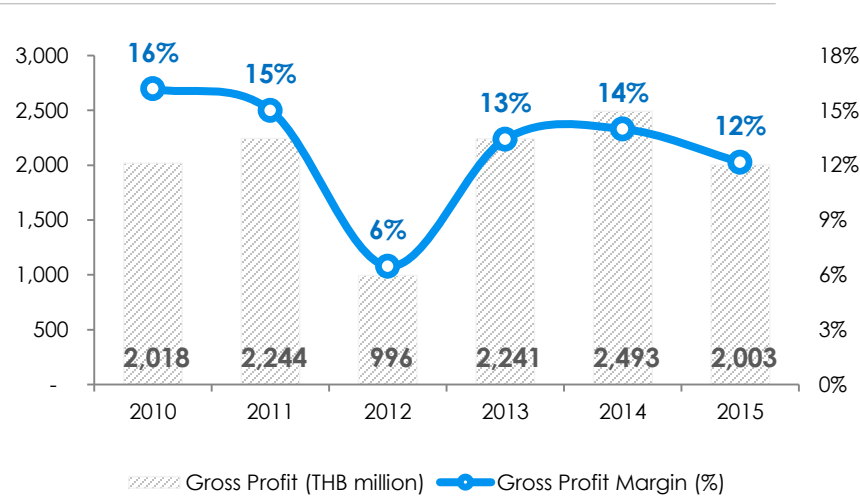




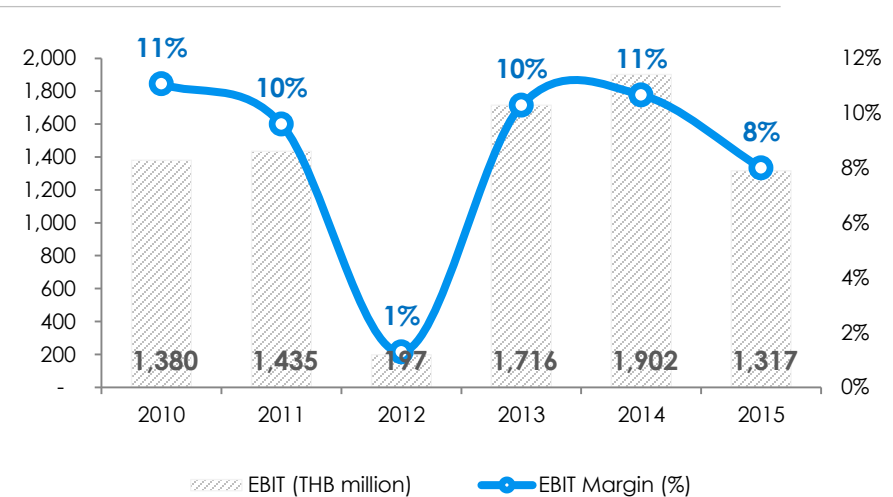
# Y2015 Balance Sheet

<b>BALANCE SHEET</b> (Unit in THB million)	<b>Y2014</b>	<b>Y2015</b>	<b>Change</b>	<b>% Change</b>
Short-Term Loans from Financial Institutions	1,177	1,787	610	51.83%
Trade and Other Payables	895	814	(82)	(9.15%)
Current Portion of Advance Received for Rental Income from Associate	8	8	0	0
Current Portion of LT-Term Loans	230	283	53	23.18%
Other Current Liabilities	29	61	32	112.69%
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,339</b>	<b>2,953</b>	<b>614</b>	<b>26.24%</b>
Long-Term Loans	2,167	2,075	(92)	(4.25%)
Provision for Employee Benefit	315	339	24	7.54%
Advance Received for Rental Income from Associate	115	107	(8)	(6.82%)
Other Non-Current Liabilities	68	59	(9)	(12.93%)
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>2,665</b>	<b>2,580</b>	<b>(85)</b>	<b>(3.19%)</b>
<b>TOTAL LIABILITIES</b>	<b>5,004</b>	<b>5,533</b>	<b>529</b>	<b>10.56%</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>8,733</b>	<b>9,443</b>	<b>710</b>	<b>8.13%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>13,737</b>	<b>14,976</b>	<b>1,239</b>	<b>9.02%</b>

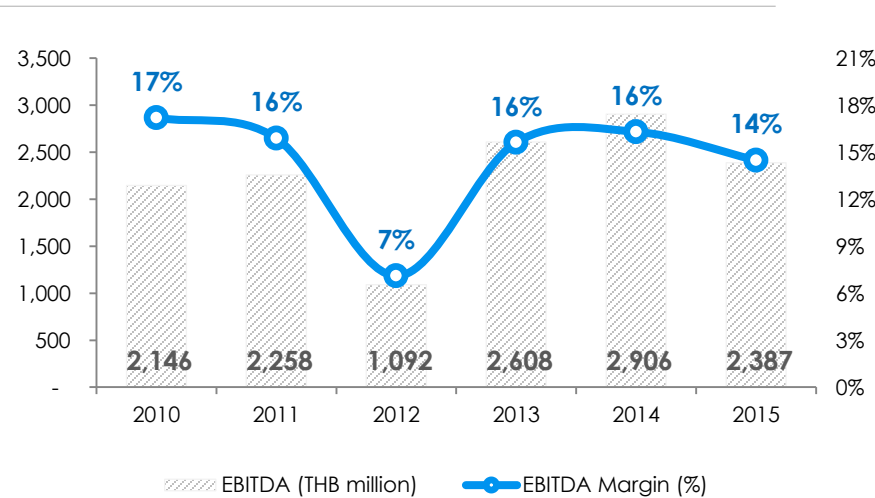
## Gross Profit & GP Margin (%)



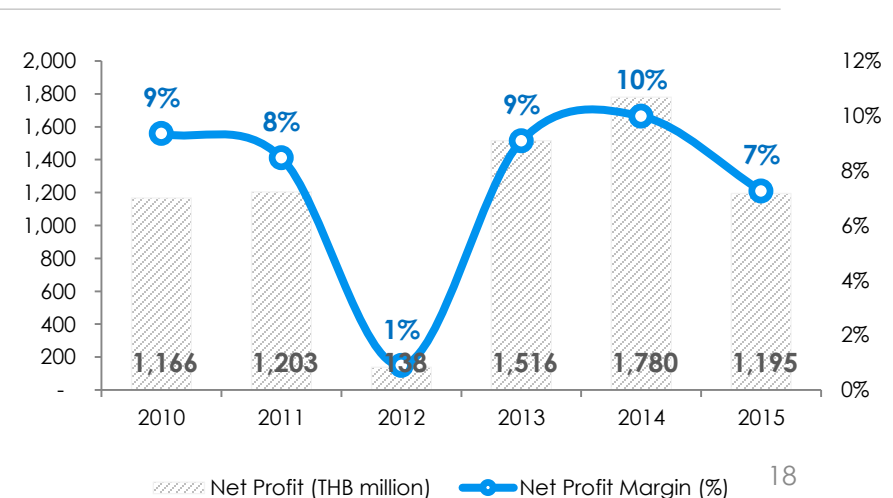
## EBIT & EBIT Margin (%)



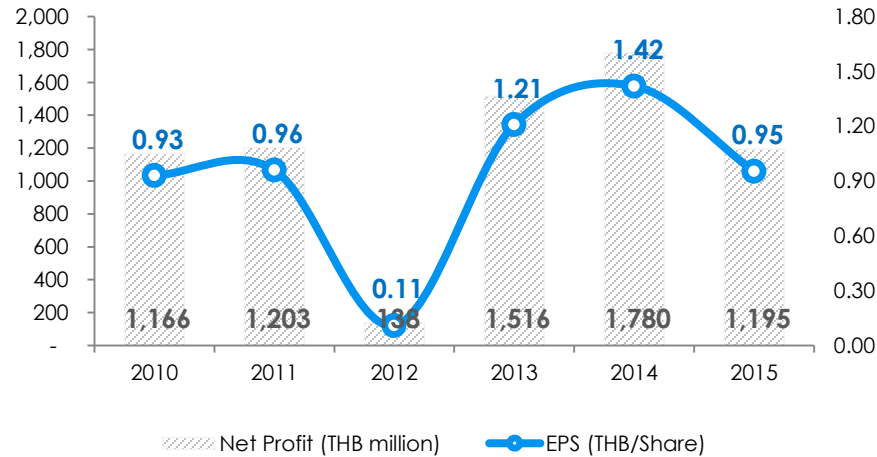
## EBITDA & EBITDA Margin (%)



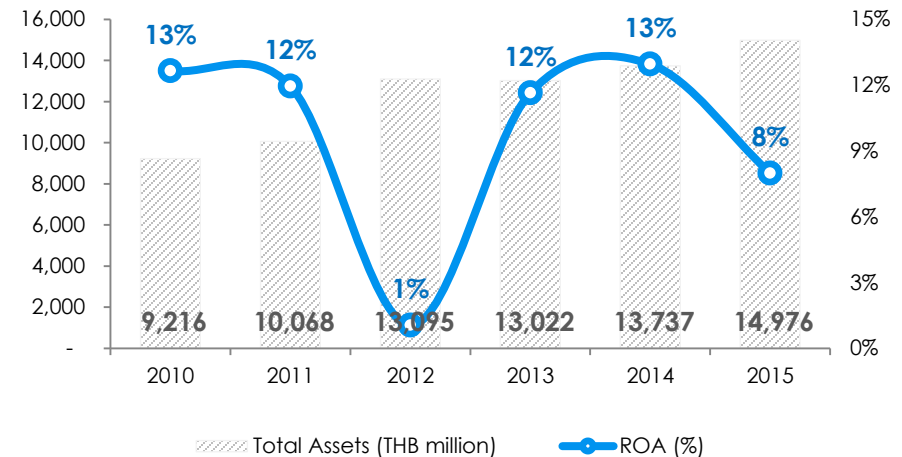
## Net Profit & NP Margin (%)



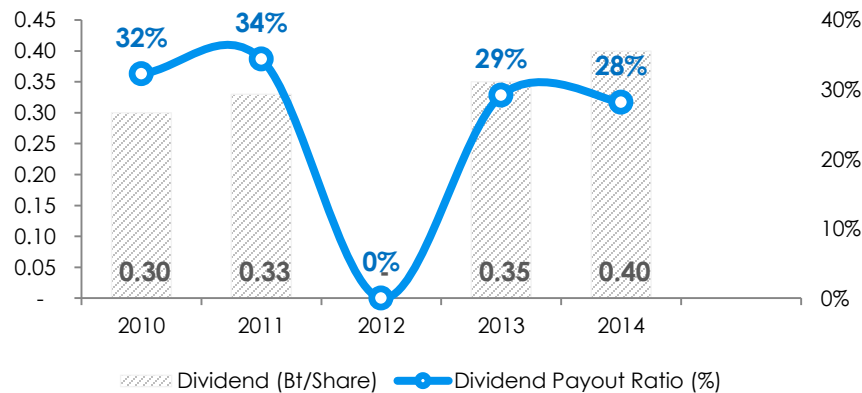
## EPS (THB per share)



## Return on Asset (%)



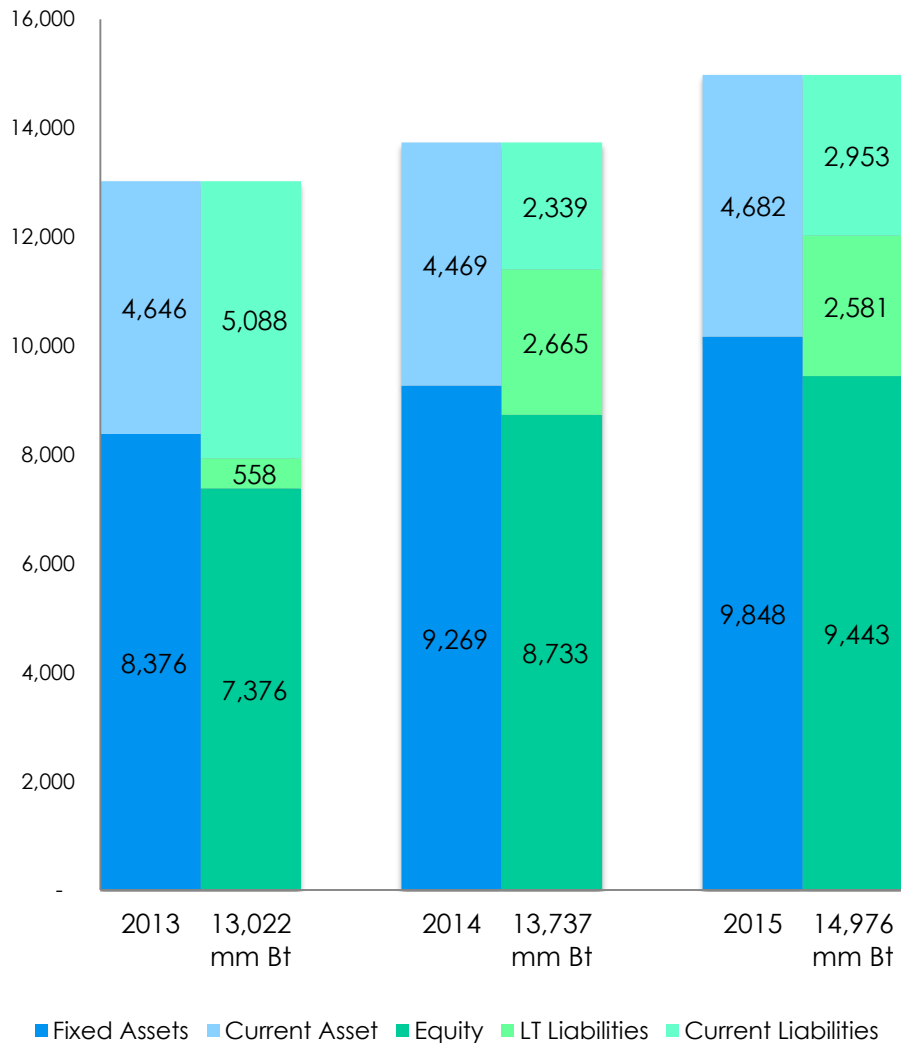
## Dividend & Dividend Payout Ratio (%)



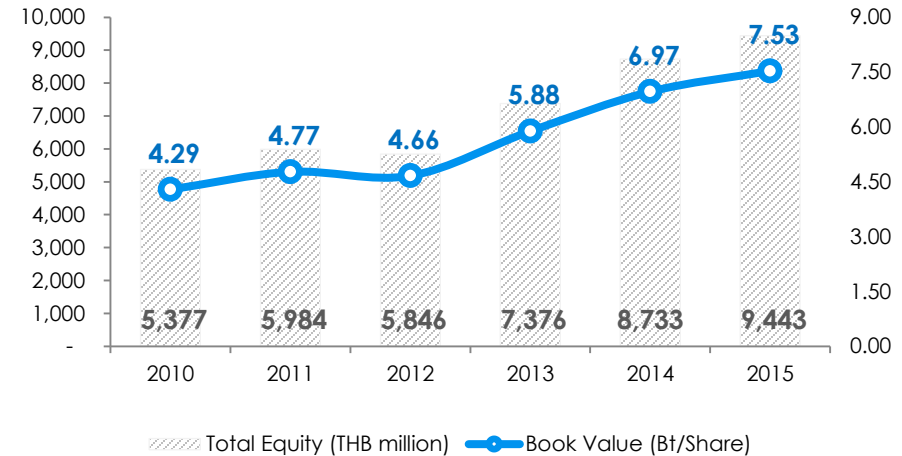
*Remark: 2015 (F) figure is annualized based on 9MY2015 data.*



## Balance Sheet



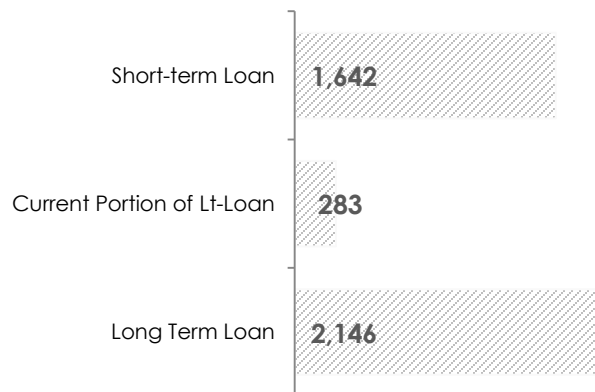
## Book Value (THB per share)



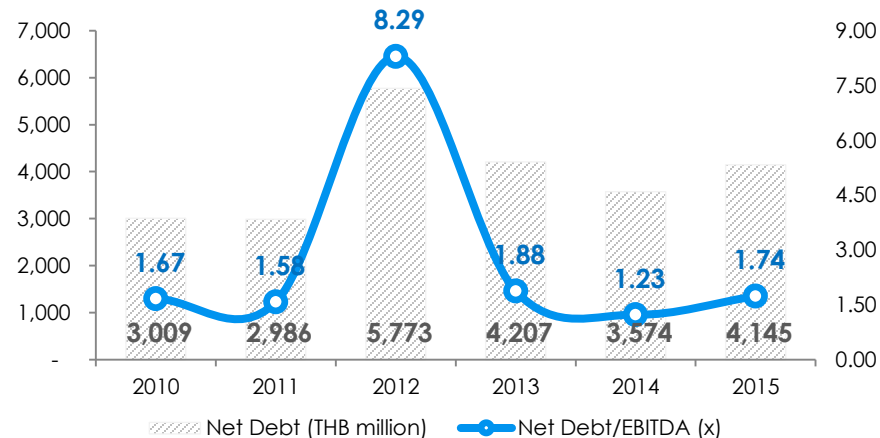
## Note

- Y2015, total assets of the company equaled to THB 14,976 million including THB 4,809 million in current assets, THB 6,736 million in PP&E-net, THB 2,126 million in investments in associated companies, THB 486 million in grandparent chicken and parent chicken.
- Total assets increased in amount of THB 1,239 million or 9.02% from 2014 (YE 2014) primarily from increase in PP&E-net of THB 590 million and increase in cash and cash equivalent of THB 323 million.

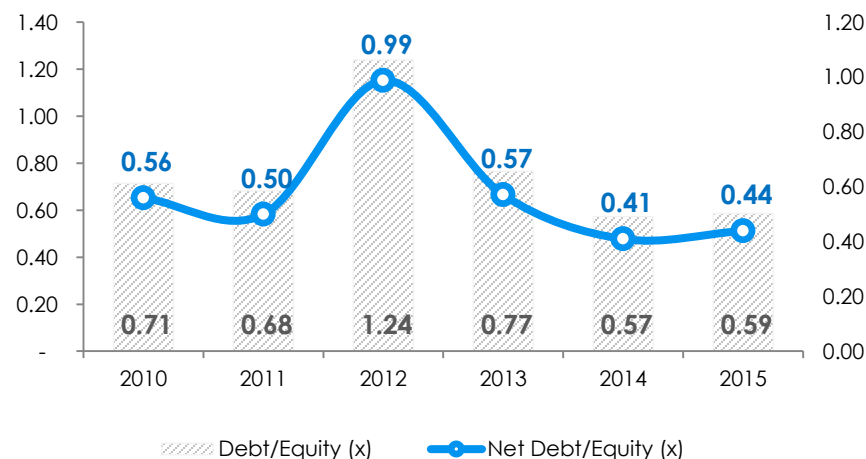
## Y2015 Total Liabilities = THB 5,533 million



## Interest-Bearing Debt (million THB)



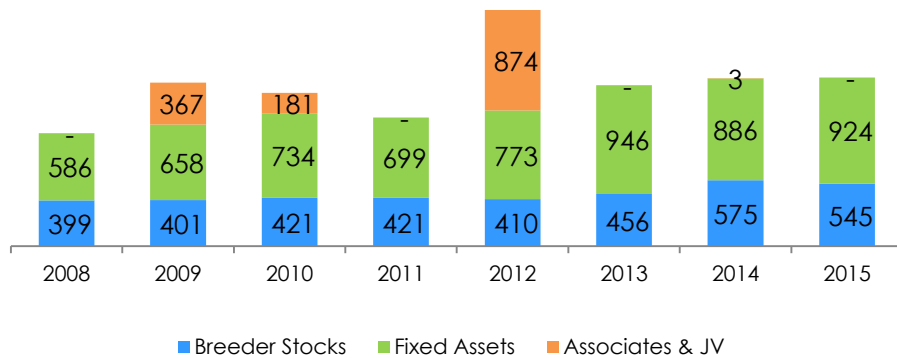
## Net Debt to Equity & D/E



## Note

- Y2015, the Company had total liabilities of THB 5,533 million comprising of non-interest-bearing liabilities and interest-bearing debt in amount of THB 1,388 million and THB 4,145 million.
- The interest-bearing debt consisted of short-term borrowings of THB 1,642 million, current portion of long-term loans of THB 283 million, and long-term borrowings of THB 2,146 million.
- All loans are in THB currency only. The Company has no exposure in foreign currency borrowings.

## Investment (million THB)



## Y2016 Capital Expenditure

**THB 800 – 1,000 million**

- ❖ Broiler Farms
- ❖ Sausage Plant (expansion)

## Broiler Expansion Plan

### Broiler Raising Capacity



**262,000**

birds per day

**318,000**

birds per day

**384,000**

birds per day

# Market Outlook

## THAILAND:

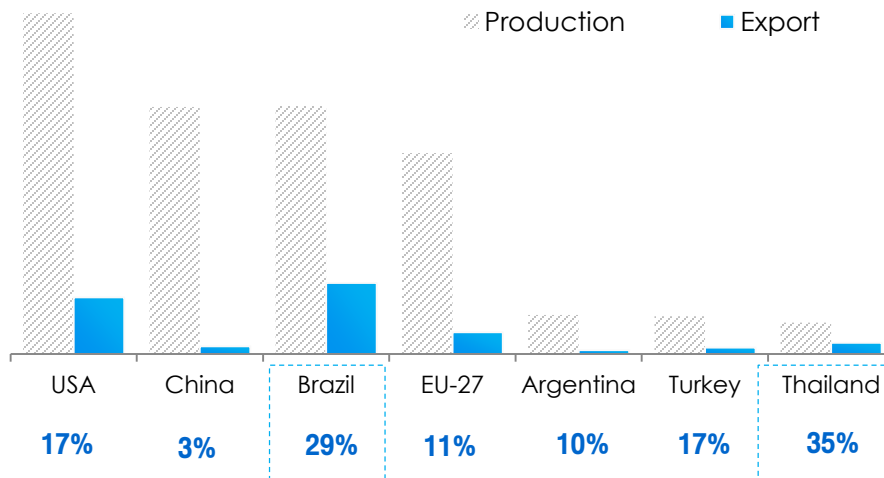
### ❖ The 10th Global Chicken Producer

2015 broiler production = 1,650,000 tons

### ❖ The 4th Global Chicken Exporter

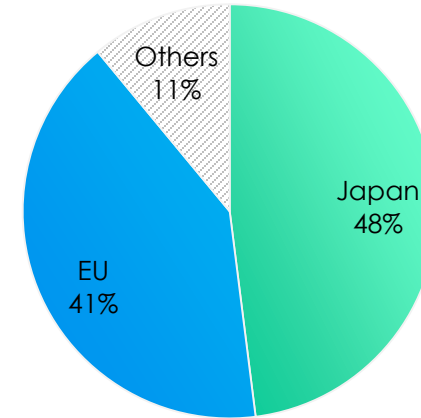
2015 broiler meat export = 580,000 tons

## Broiler Meat Production & Export Selected Countries (2015)

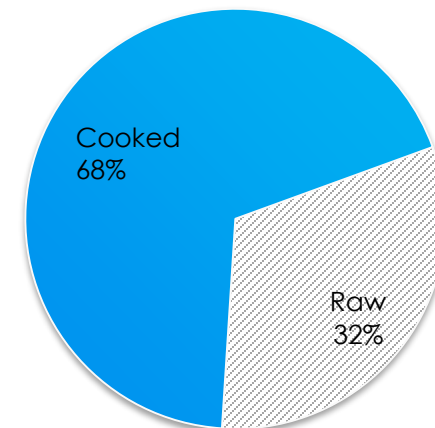


Source: USDA and Thai Broiler Processing Exporters Assoc.

## Thai Broiler Export by Market



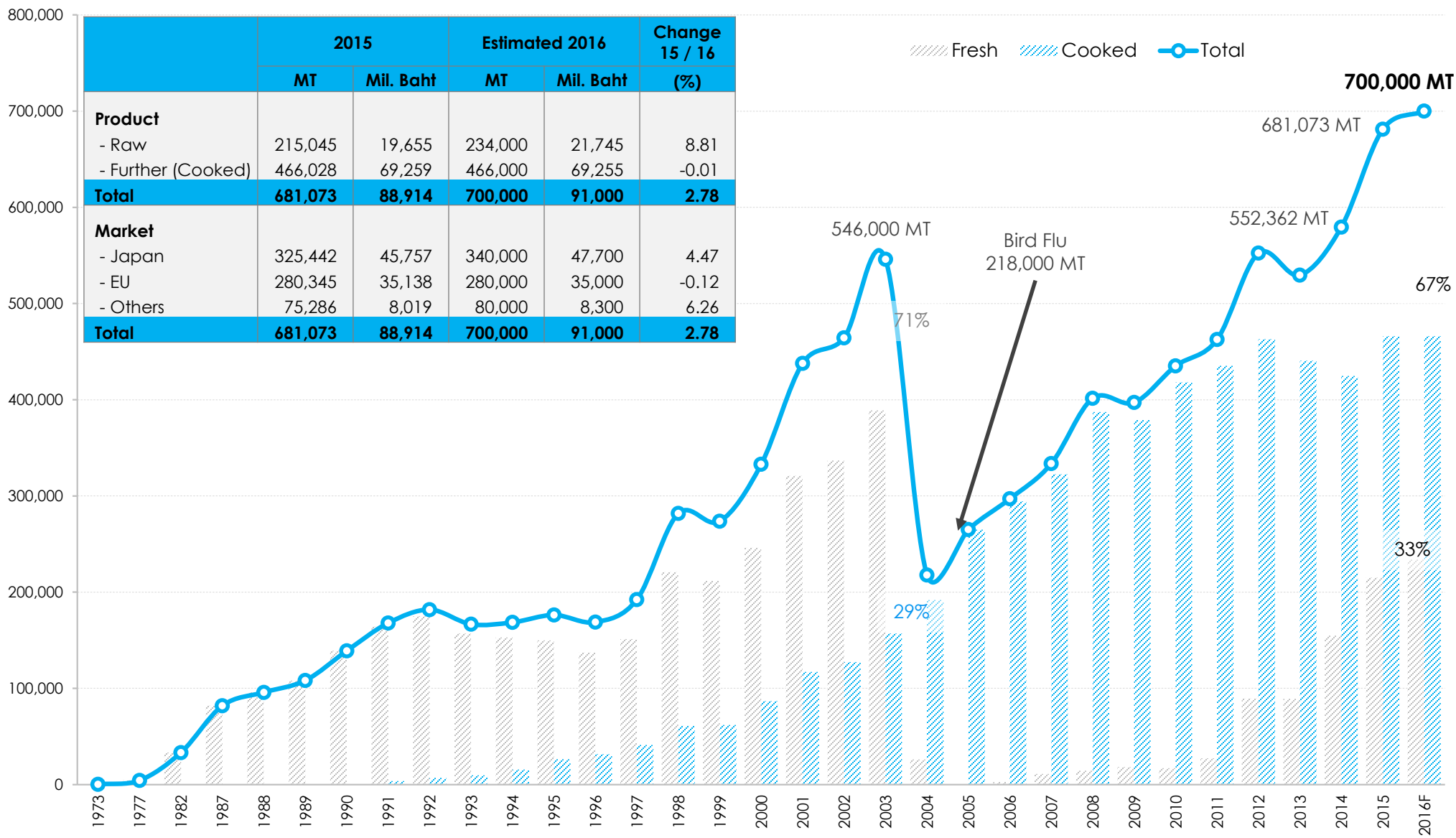
## Thai Broiler Export by Product





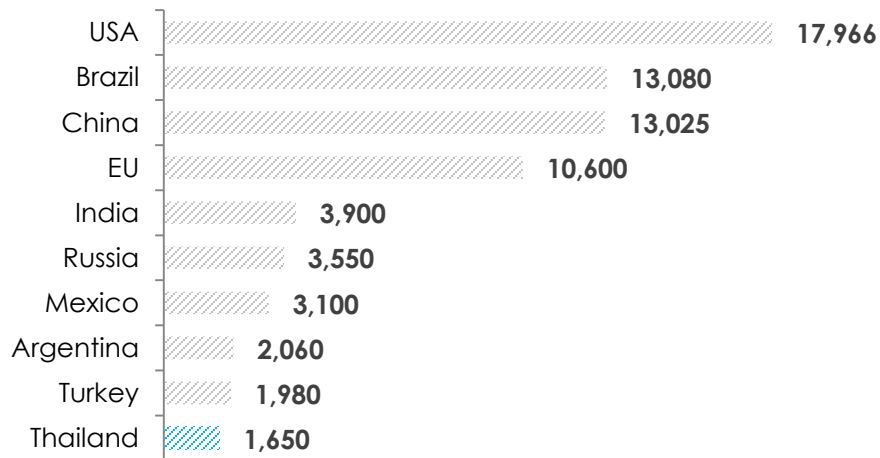


# 40 Years of Thai Chicken Meat Export

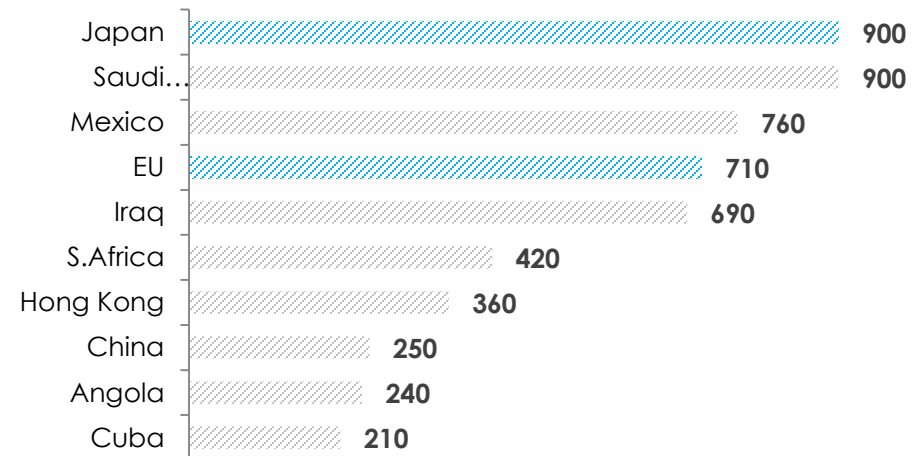


Source: Thai Broiler Processing Exporters Assoc. (Update : 27/07/2015)

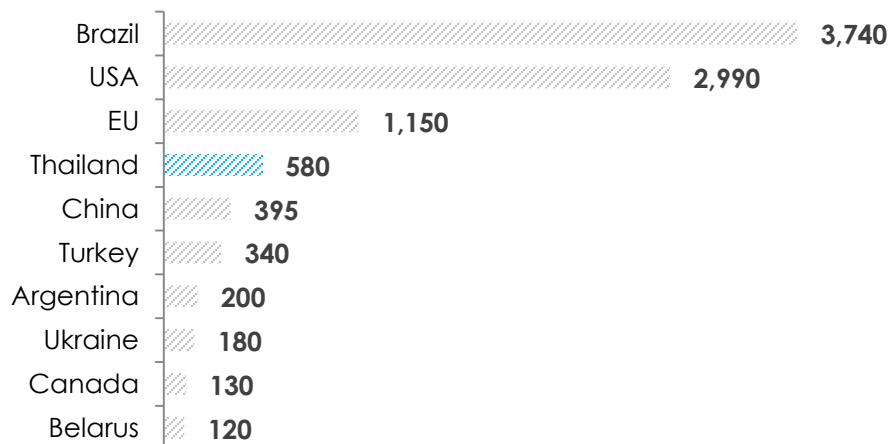
## Global Production [Y2015 = 87,944,000 tons]



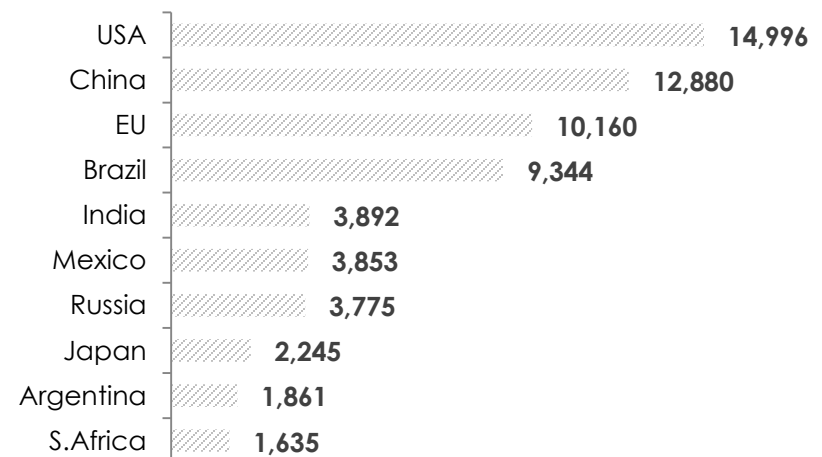
## Global Import [Y2015 = 8,639,000 tons]



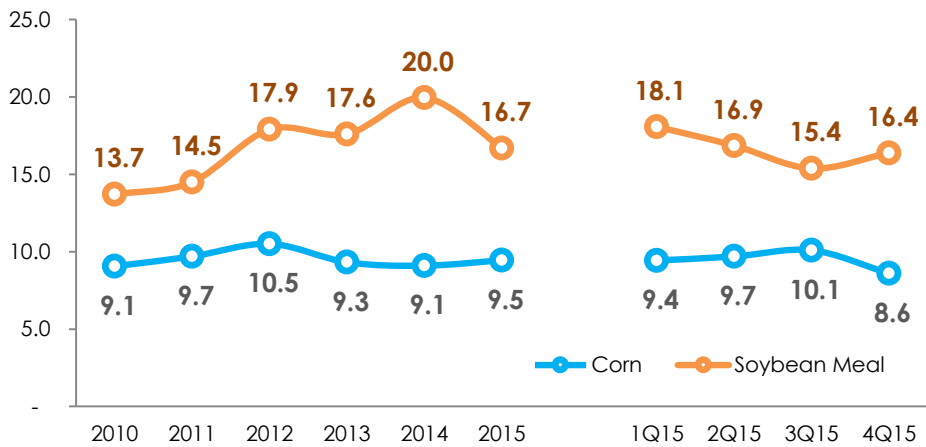
## Global Export [Y2015 = 10,231,000 tons]



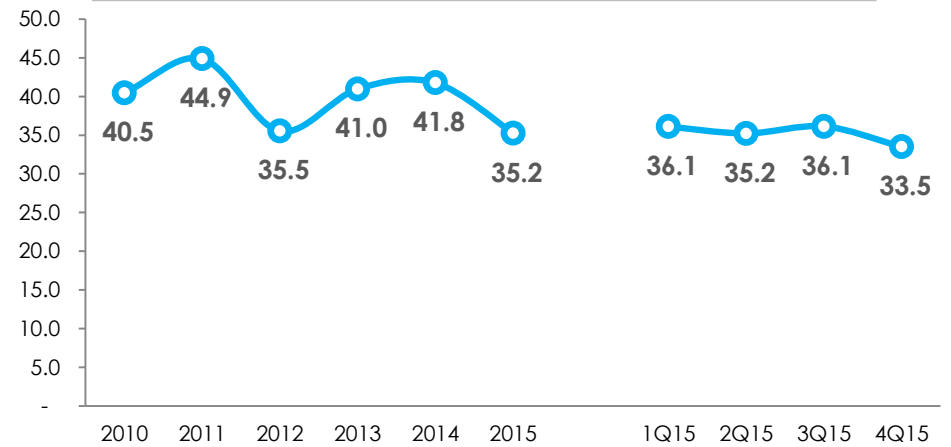
## Global Dom. Consumption [Y2015 = 86,276,000 tons]



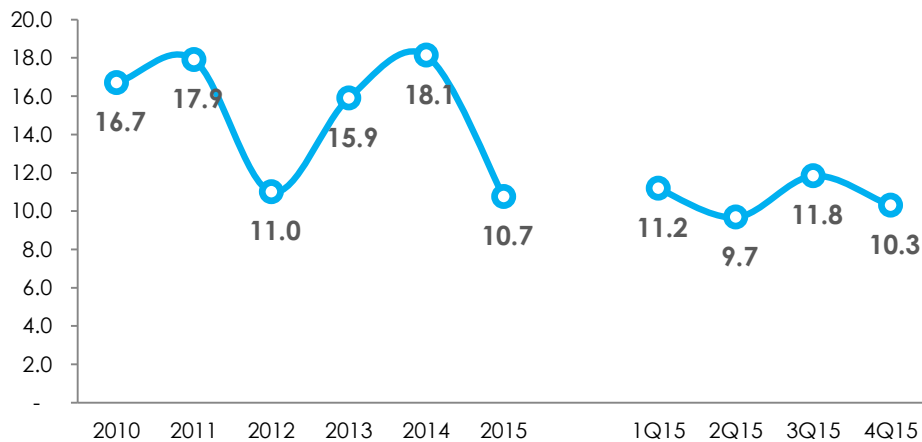
### Corn & Soy Bean Meal (THB/Kg.)



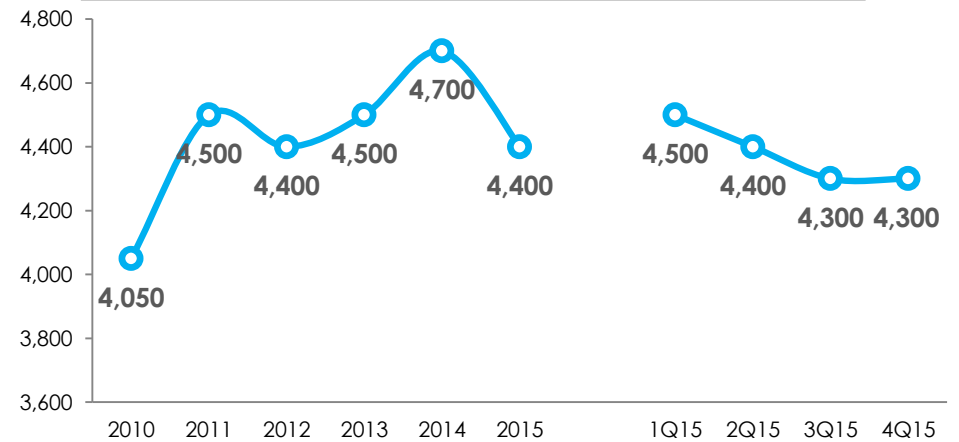
### Broiler at Farm Gate (THB/Kg.)



### Day-old-Chick (THB/chick)



### Chicken Export (USD/ton)



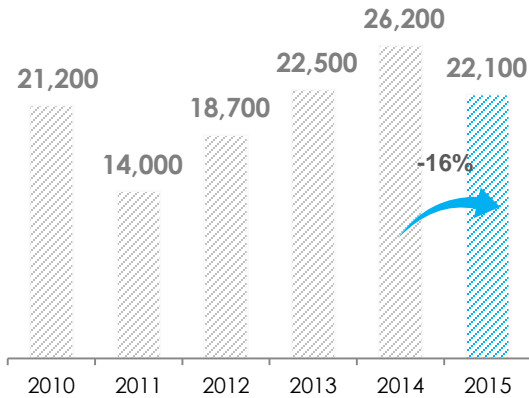
Source: Thai Feed Mill Association and Thai Broiler Export Association

# Key Statistics

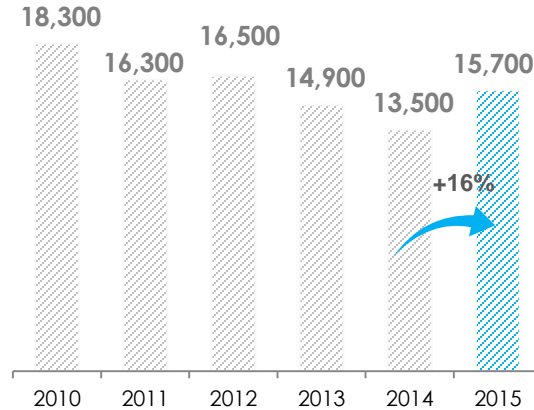


# Key Statistics: Chicken Meat & Feed Business

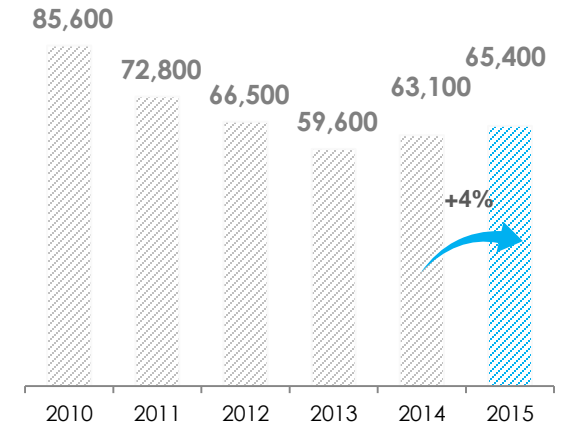
Chicken Meat Direct Export (Tons)



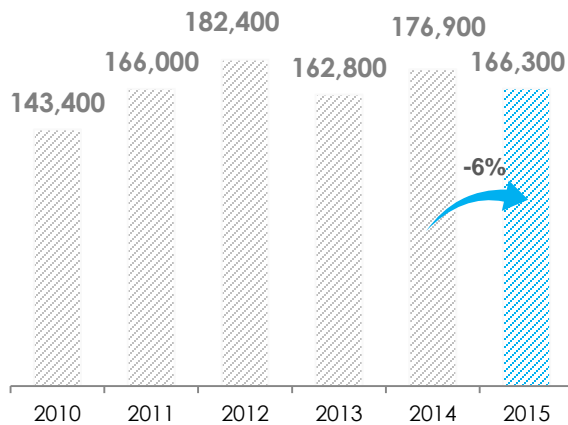
Chicken Meat Indirect Export (Tons)



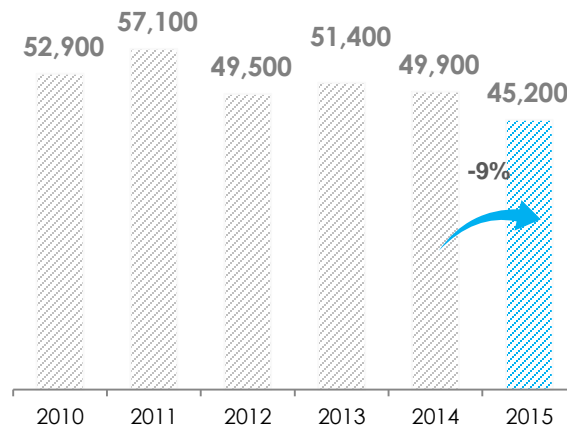
Chicken Meat Domestic (Tons)



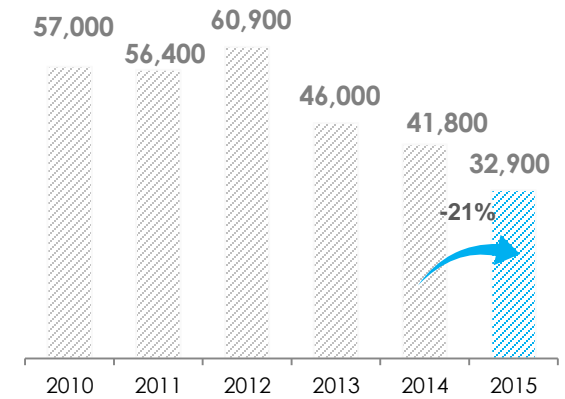
Animal Feed (Tons)



Aqua Feed (Tons)



Shrimp Feed (Tons)



# Thank You



**GFPT Public Company Limited**

For further information & enquiries, please contact our Investor Relations Team

- |                             |  |                          |
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