

2Q2020

Results Presentation

Analyst Meeting No.3/2020

11 August 2020

This presentation contains summary information about GFPT Public Company Limited (“GFPT” or “the Company”) and its subsidiaries (jointly the “GFPT Group”) as at 30 June 2020 and, unless stated otherwise. The information does not purport to be complete or comprehensive.

This presentation contains forward-looking statements that may be identified by use of words such as “anticipates,” “hopes,” “expects,” “estimates,” “intends,” “projects,” “plans,” “predicts,” “projects,” “aims” or other similar expressions that are used to identify such statements. Forward-looking statements are based on certain assumptions and expectations of future events. No guarantee nor assurance is made that these assumptions and expectations are accurate or will be realized. Such forward-looking statements should be considered with caution, since actual results may differ materially from those expressed or implied by such statements. Among the factors that may cause actual results and experiences to differ from anticipated results and expectations expressed in such forward-looking statements are the following: (i) the effect of, or changes in, general economic conditions of Thailand and other major trading countries such as GDP growth rate, interest rate, foreign exchange rate, import/export restriction, labor wage, and unemployment rate; (ii) fluctuations in cost and availability of inputs and raw materials, such as feed grains (including corn and soybean meal); (iii) market conditions for finished products, including competition from other global and domestic food processors, changes in domestic and international demand of chicken products and alternative protein products, supply and pricing of competing products and alternative proteins, and changes in consumer preference and diets; (iv) outbreak of a livestock disease such as avian influenza (AI), which could have an adverse effect on livestock we own, the availability of livestock we purchase, consumer perception of certain protein products or our ability to access certain domestic and foreign markets; (v) issues related to food safety, including costs resulting from product recalls, regulatory compliance and any related claims or litigation; (vi) impacts on our operations caused by factors and forces beyond our control, such as political uncertainty, changes in government and public policy, riot, natural disasters, fire, flood, bioterrorism, pandemics or extreme weather; (vii) compliance with and changes to regulations and laws (both domestic and foreign), including changes in accounting standards, tax laws, environmental laws, agricultural laws and occupational, health and safety laws. and (viii) those factors listed under “Risk Factors” included in our Annual Report or 56-1 Report for the period ended 31 December 2019. However, factors that may affect the performance are not limited to those listed above. The Company undertakes no obligation to publicly update, amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, new information, future events or otherwise.

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Agenda

- GFPT Profile
- 2Q2020 Financial Results
- Broiler Industry Outlook
- 2020 Guidance
- Q&A
- Appendix:
 - Key Statistics





About the Company

- ❖ GFPT Public Company Limited (TB:GFPT), founded in 1981 with headquarters in Bangkok, Thailand, is one of The Thailand's chicken processors and marketers.
- ❖ 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.



Good Food Good Chicken

We are committed to produce quality chicken meat according to international standards with attention to every stage of production to ensure, our chicken is fresh, clean, safe, and delicious in every bite.





GFPT'S VISION

“GFPT strives to be a leading chicken meat exporter with its fully vertical integrated chicken production”

MISSIONS

Quality

Enhance product quality to the international standards

Satisfaction

Attention to the needs of customers

Responsibility

Build awareness and responsible to society and environment

Food Safety

Confidence through the traceability system

Alliance

Build strong relationship among partners for long term

Innovation

New product development using modern technology

Expertise

Empowering people to become the expert

Sustainability Development

GFPT supported Sustainable Development Goals (SDGs) which was incorporated in the Company's objectives and operations; for example:



SDGs 2 Zero hunger

SDGs 4 Quality education

SDGs 6 Clean water and sanitation




SDGs 8 Decent work and economic growth

SDGs 13 Climate action

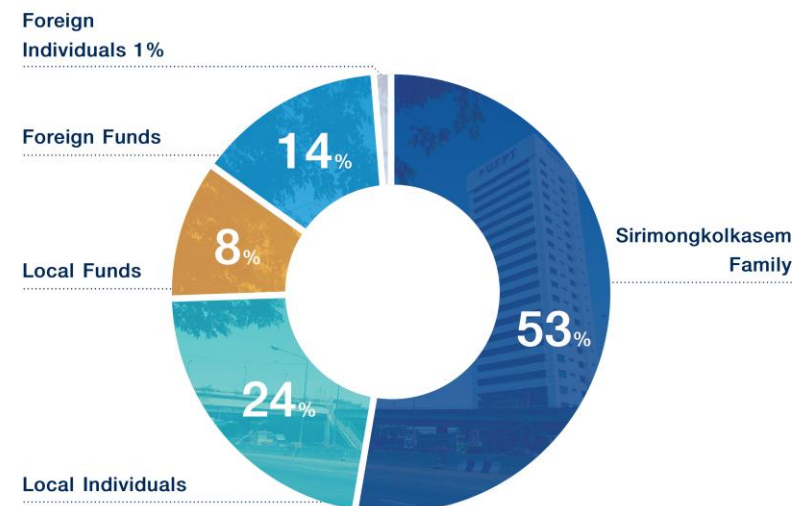
SDGs 16 Peace justice and strong institutions

GFPT Profile



Symbol	GFPT
Industry / Sector	Agro & Food Industry / Agribusiness
2019 CG Score	Excellent  [90 – 100 CG Report Score]
Anti - Corruption	Certified to be a member of Collective Action Coalition: CAC  
Closed Price	THB 13.30 per share (31/07/2020)
Average Price	THB 11.60 per share (2Q 2020)
52-week High/Low	18.80 / 7.25
Share Outstanding	1,253.82 million share @ 1 Baht per share (6,297 shareholders as of 10 Mar 2020)
Market Cap.	THB 14.29 billion
% Free Float	46.92%
% Foreign Shareholder	14.33% [Limit 49.00%]
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 10 Mar 2020



Top 5 Shareholders (as of 10 March 2020)

- 1) Sirimongkolkasem Family 53.08%
- 2) Thai NVDR Company Limited 5.69%
- 3) Nichirei Foods Inc. 4.52%
- 4) Ms. Wonngarm Kittanamongkolchai 3.19%
- 5) Mr. Anucha Kittanamongkolchai 2.01%

Group Structure



GFPT

GFPT Public Company Limited
Chicken Evisceration and Processed Food

5 Subsidiaries

2 Joint Ventures



KT | 98.28%
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



GP | 99.99%
GP Breeding Co., Ltd.
Primary Breeder Farm (GP Farm)



MKS | 99.99%
M.K.S. Farm Co., Ltd.
Broiler Farm



McKey | 49.00%
McKey Food Services (Thailand) Ltd.
Frozen Processed Food

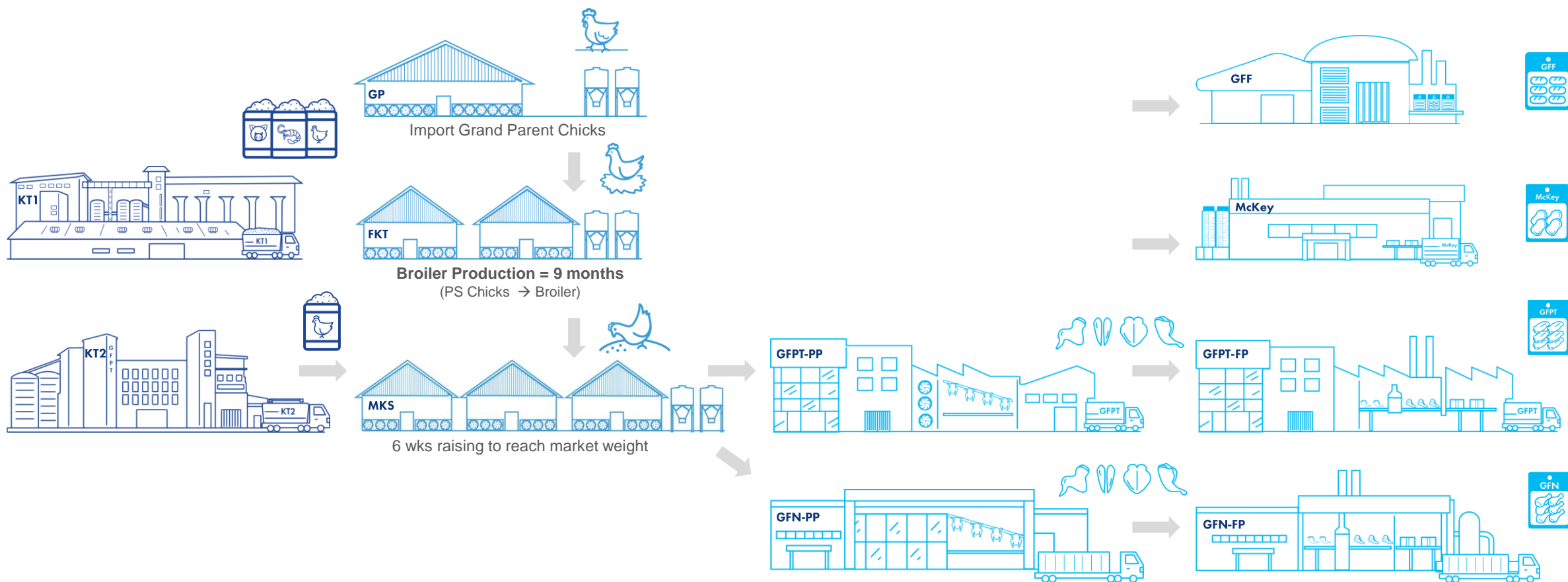
Keystone Foods Inc. [51%]



GFN | 49.00%
GFPT Nichirei (Thailand) Co., Ltd.
Chicken Evisceration and Processed Food

Nichirei Foods Inc. [51%]

GFPT Fully Vertical Integrated Chicken Production



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

Primary Plants

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

Sausage Plant

- ❖ Sausages are sold in domestic market under GFF Brand

Further Plants

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

Timeline



GFPT Initially established

1981

Listed in SET

1992

Stock split from THB 10 to THB 1 per share

2010

Additional Capital Injection in **GFN**

2012



MKS: Broiler farm expansion

2018

GFPT: New chicken processing plant (Thung Khwang)

2019

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

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



2014-2016

FKT: Breeder farm expansion
GP: Grandparent farm expansion



2017

GFF: Sausage capacity expansion
McKey: New further processing plant



GFPT Group Expansion Plan

Future Project

GFPT Broiler Farm

Raising capacity to reach 340,000 birds per day

GFPT Slaughter House

New slaughter house capacity at 150,000 birds per day

GFPT Further Processing Plant

Cooked product for export capacity at 24,000 MT per year

McKey Further Processing Plant

Cooked product for export capacity at 30,000 MT per year



Noted: The expansion plan and investment budget can be adjusted depending on change in market condition and future competition.

Product



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]

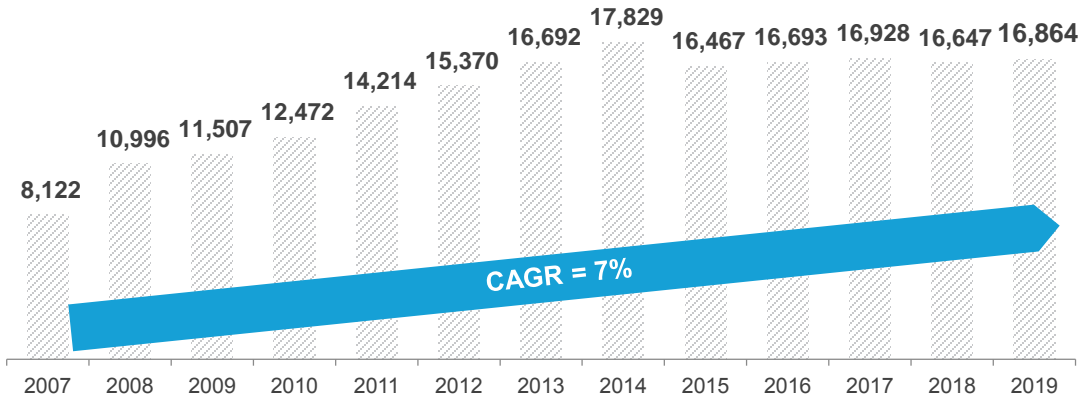


Processed Food [Sausage, Smoke Sausage, Chicken Meatballs]

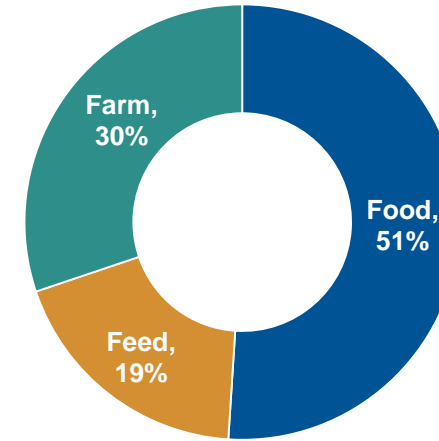
Y2019 Snapshot



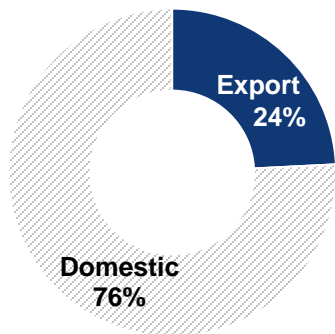
2019 Consolidated Revenue = THB 16.86 billion



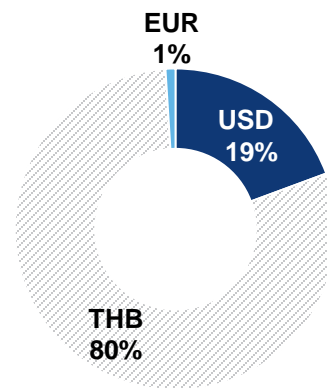
Revenue by Segment



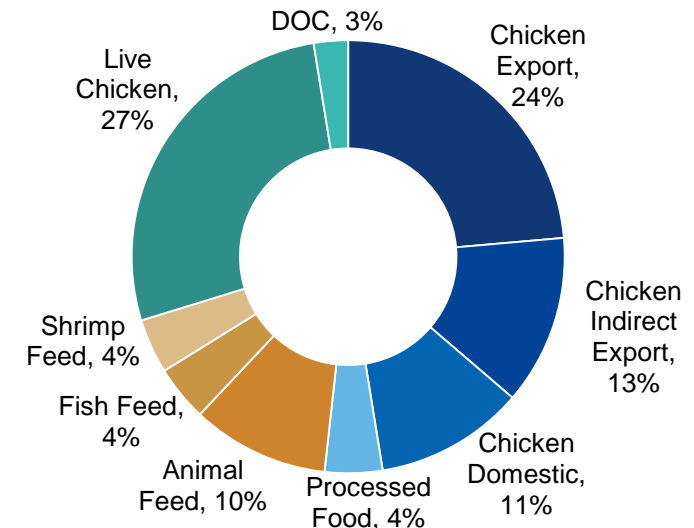
Revenue by Destination



Revenue by Currency



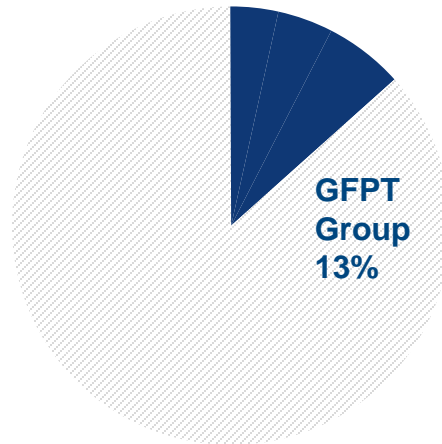
Revenue by Product



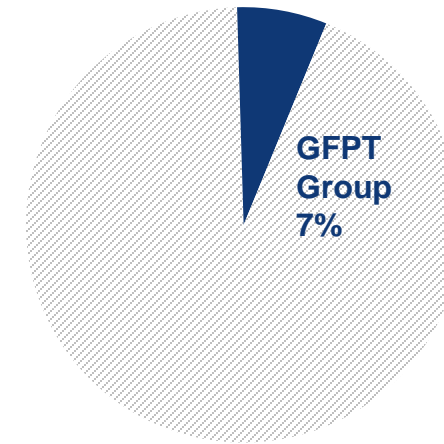
Y2019 Market Position



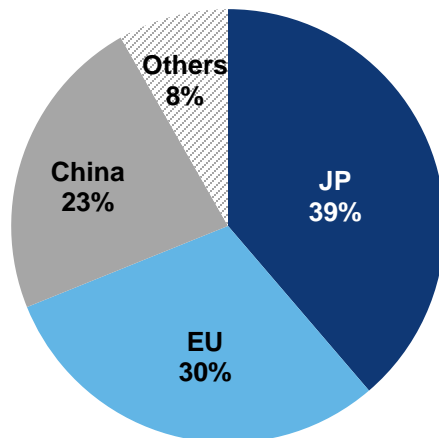
3rd in Thai Chicken Export



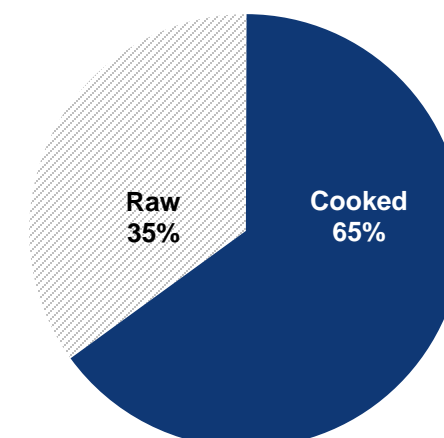
6th in Thai Chicken Production



Export by Destination



Export by Product Type



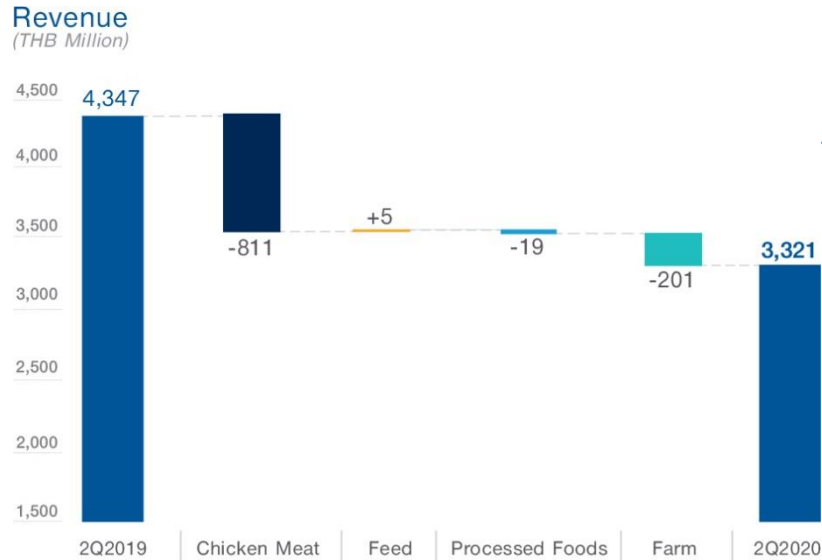
2Q2020

Financial Results

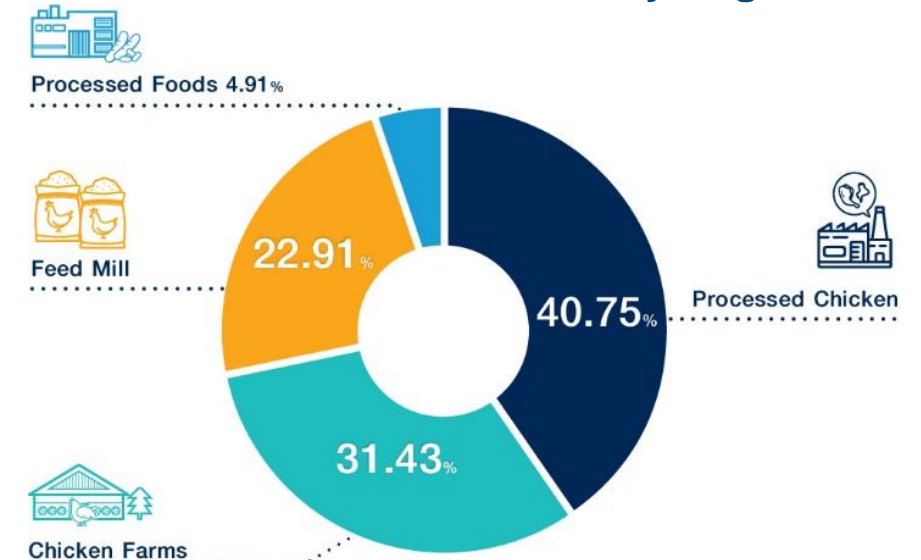
2Q2020 Financial Results



2Q2020 Consolidated Revenue = THB 3.32 billion



2Q2020 Revenue Breakdown by Segment



Business Segment of GFPT Group	2Q2020		2Q2019		Change	
	THB million	%	THB million	%	THB million	%
Chicken Processing	1,353.24	40.75	2,164.38	49.79	(811.14)	(37.48)
Feed	761.00	22.91	756.30	17.40	4.70	0.62
Farm	1,043.70	31.43	1,244.24	28.63	(200.54)	(16.12)
Processed Foods	163.12	4.91	181.68	4.18	(18.56)	(10.22)
Total Sales	3,321.06	100.00	4,346.60	100.00	(1,025.54)	(23.59)

2Q2020 Consolidated Income Statement



(Unit in THB million)	2Q2019	%Sales	2Q2020	%Sales	Change	% Change
Revenue from sales	4,346.60	100.00%	3,321.06	100.00%	(1,025.54)	(23.59%)
Cost of sales	(3,743.78)	(86.13%)	(2,846.23)	(85.70%)	(897.55)	(23.97%)
GROSS PROFIT	602.83	13.87%	474.83	14.30%	(127.99)	(21.23%)
Other income	73.39	1.69%	72.48	2.18%	(0.91)	(1.23%)
Gain from exchange rate	17.95	0.41%	28.70	0.86%	10.74	59.84%
Loss from derivative	-	-	(43.50)	(1.31%)	43.50	100.00%
Selling expenses	(136.13)	(3.13%)	(113.69)	(3.42%)	(22.45)	(16.49%)
Administrative expenses	(195.20)	(4.49%)	(214.61)	(6.46%)	19.42	9.95%
Profit from operating activities	362.84	8.35%	204.21	6.15%	(158.63)	(43.72%)
Share of profit from associates	73.51	1.69%	84.96	2.56%	11.44	15.57%
Financial costs	(19.41)	(0.45%)	(23.59)	(0.71%)	4.18	21.56%
Profit before income taxes	416.95	9.59%	265.58	8.00%	(151.37)	(36.30%)
Income tax expenses	(73.20)	(17.56%) EBT	(41.91)	(15.78%) EBT	(31.29)	(42.75%)
Profit for the period	343.75	7.91%	223.67	6.73%	(120.08)	(34.93%)
Non-Controlling Interests	(2.25)	(0.05%)	(0.72)	(0.02%)	(1.54)	(68.21%)
Net profit for shareholder of GFPT	341.50	7.86%	222.96	6.71%	(118.54)	(34.71%)

	2Q19	2Q20
McKey	60.30	77.10
GFN	13.21	7.86

Share of Profit from Associates

McKey - higher export volume of cooked chicken products.

GFN - lower selling price of chicken parts in domestic market.

6M2020 Consolidated Income Statement



(Unit in THB million)	6M2019	%Sales	6M2020	%Sales	Change	% Change
Revenue from sales	8,312.61	100.00%	7,003.26	100.00%	(1,309.35)	(15.75%)
Cost of sales	(7,176.00)	(86.33%)	(5,988.71)	(85.51%)	(1,187.29)	(16.55%)
GROSS PROFIT	1,136.61	13.67%	1,014.55	14.49%	(122.06)	(10.74%)
Other income	139.57	1.68%	138.75	1.98%	(0.82)	(0.59%)
Gain from exchange rate	18.51	0.22%	32.54	0.46%	14.03	75.84%
Gain from derivative	-	-	1.76	0.03%	1.76	100.00%
Selling expenses	(274.60)	(3.30%)	(239.46)	(3.42%)	(35.15)	(12.80%)
Administrative expenses	(390.79)	(4.70%)	(419.02)	(5.98%)	28.23	7.22%
Profit from operating activities	629.29	7.57%	529.12	7.56%	(100.17)	(15.92%)
Share of profit from associates	95.25	1.15%	185.21	2.64%	89.96	94.44%
Financial costs	(40.23)	(0.48%)	(47.70)	(0.68%)	7.47	18.56%
Profit before income taxes	684.32	8.23%	666.63	9.52%	(17.68)	(2.58%)
Income tax expenses	(111.31)	(16.27%) EBT	(115.49)	(17.32%) EBT	4.18	3.75%
Profit for the period	573.01	6.89%	551.15	7.87%	(21.86)	(3.82%)
Non-Controlling Interests	(3.66)	(0.04%)	(3.53)	(0.05%)	(0.12)	(3.36%)
Net profit for shareholder of GFPT	569.35	6.85%	547.61	7.82%	(21.74)	(3.82%)

	6M19	6M20
McKey	110.54	165.10
GFN	(15.29)	20.11

Share of Profit from Associates

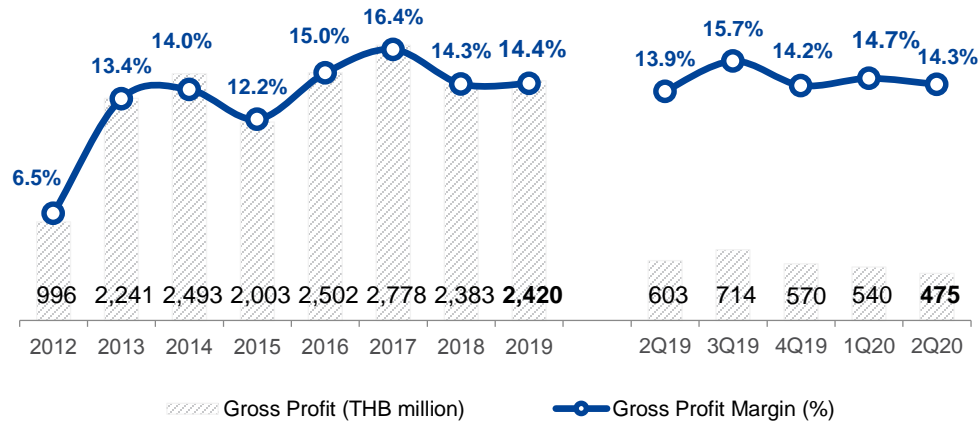
McKey - higher export volume of cooked chicken products.

GFN - higher export volume of raw chicken products.

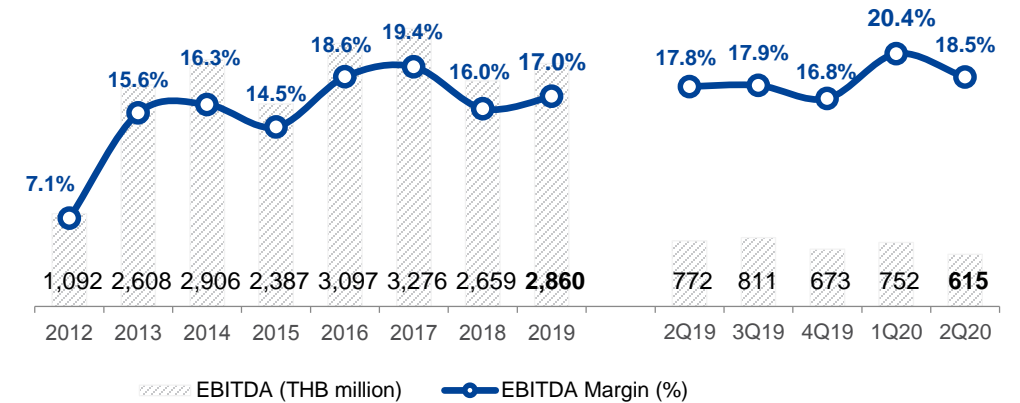
2Q2020 Financial Results



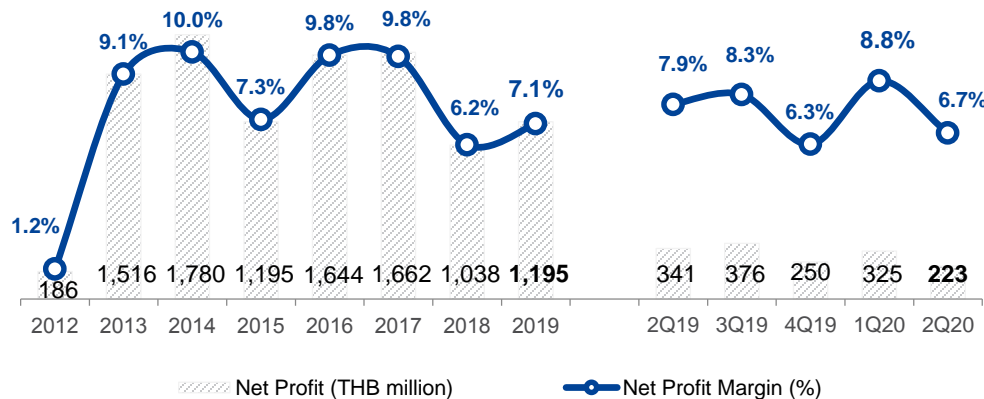
Gross Profit & GP Margin (%)



EBITDA & EBITDA Margin (%)



Net Profit & NP Margin (%)



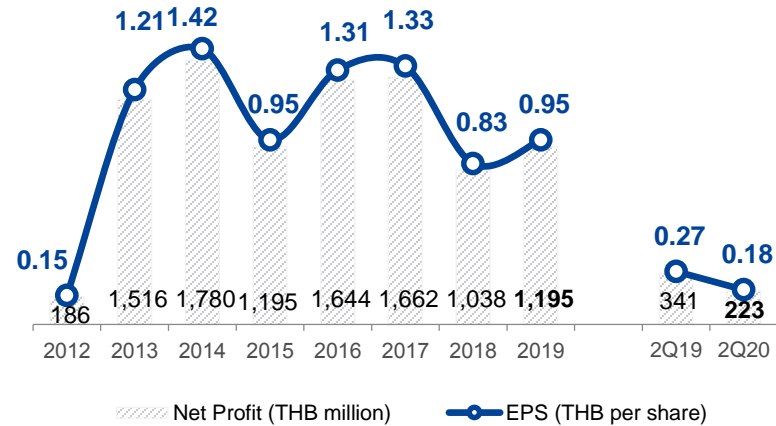
Note:

- Decreased in consolidated net profit in 2Q2020 was primarily driven from lower revenue from sales comparing to 2Q2019.
- Consolidated EBITDA in 2Q2020 was THB 614.59 million, decreased by THB 157.27 million or 20.38% down from 2Q2019.
- EBITDA margin in 2Q2020 was 18.51%, increased from 17.76% in 2Q2019.

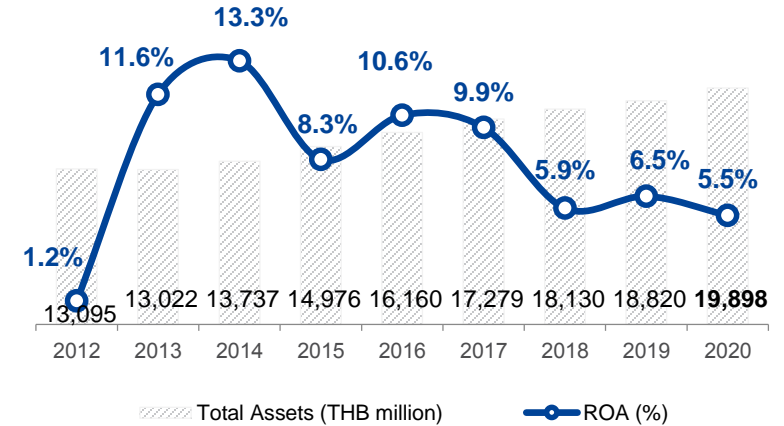
2Q2020 Financial Results



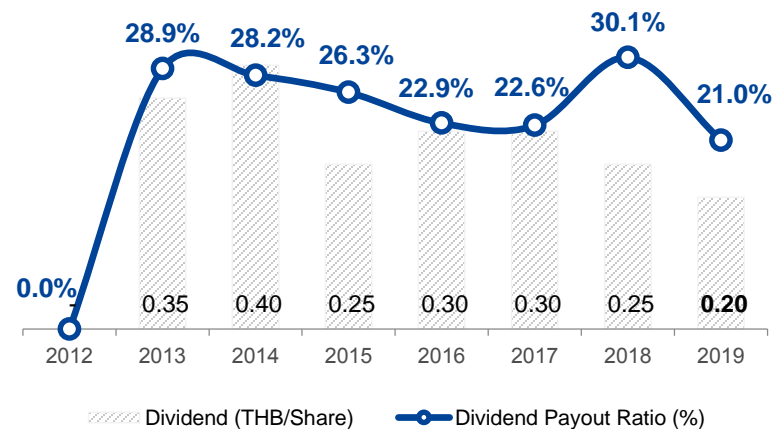
EPS (THB per share)



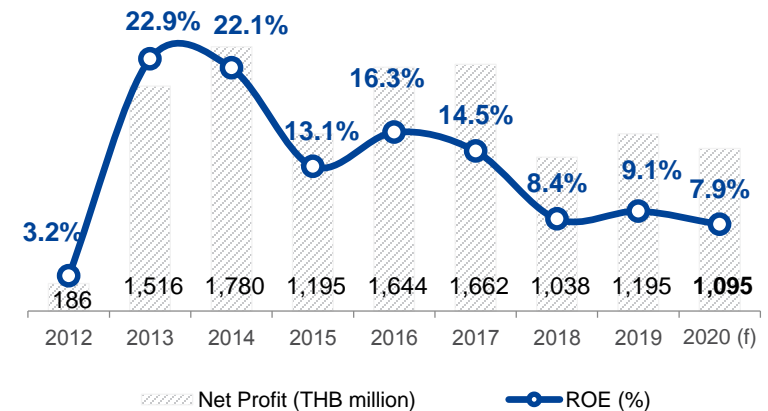
Return on Asset (%)



Dividend & Dividend Payout Ratio (%)



Return on Equity (%)



Remark: 2020 (F) figure is annualized based on 6M2020 data.

2Q2020 Consolidated Financial Position



Selected Items (Unit in THB million)	Y2019	Jun 20	Change	% Change
Cash and Cash Equivalents	1,087.26	1,864.27	777.02	71.47%
Trade and Other Receivables	889.86	661.41	(228.45)	(25.67%)
Inventories	3,716.83	3,243.72	(473.11)	(12.73%)
Derivative Assets	-	14.30	14.30	100.00%
Other Current Assets	19.60	24.13	4.54	23.15%
TOTAL CURRENT ASSETS	5,713.54	5,807.83	94.29	1.65%
Investment in Associated Companies	2,891.82	3,074.39	182.57	6.31%
Biological Assets	538.29	549.53	11.23	2.09%
Investment Property	346.91	343.73	(3.17)	(0.91%)
Property, Plant and Equipment	9,038.06	9,457.67	419.61	4.64%
Right-of-Use Assets	-	393.63	393.63	100.00%
Deferred Tax Assets	180.28	117.39	(62.89)	(34.89%)
Other Non-Current Assets	111.20	153.36	42.16	37.92%
TOTAL NON-CURRENT ASSETS	13,106.56	14,089.69	983.13	7.50%
TOTAL ASSETS	18,820.10	19,897.52	1,077.43	5.72%

2Q2020 Consolidated Financial Position



Selected Items (Unit in THB million)	Y2019	Jun 20	Change	% Change
Short - Term Loans from Financial Institutions	830.00	700.00	(130.00)	(15.66%)
Trade and Other Payables	982.01	1,367.62	385.60	39.27%
Current Portion of Long-Term Loans from RPT	-	393.00	393.00	100.00%
Other Current Liabilities	125.00	181.93	56.93	45.54%
TOTAL CURRENT LIABILITIES	1,937.02	2,642.56	705.54	36.42%
Long-Term Loans from RPT	2,594.40	2,320.00	(274.40)	(10.58%)
Employee Benefit Obligations	551.45	558.65	7.21	1.31%
Lease Liabilities	-	355.75	355.75	100.00%
Other Non-Current Liabilities	122.19	116.53	(5.66)	(4.63%)
TOTAL NON-CURRENT LIABILITIES	3,268.03	3,350.93	82.90	2.54%
TOTAL LIABILITIES	5,205.05	5,993.49	788.44	15.15%
TOTAL SHAREHOLDERS' EQUITY	13,615.04	13,904.03	288.99	2.12%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	18,820.10	19,897.52	1,077.43	5.72%

2Q2020 Consolidated Financial Position

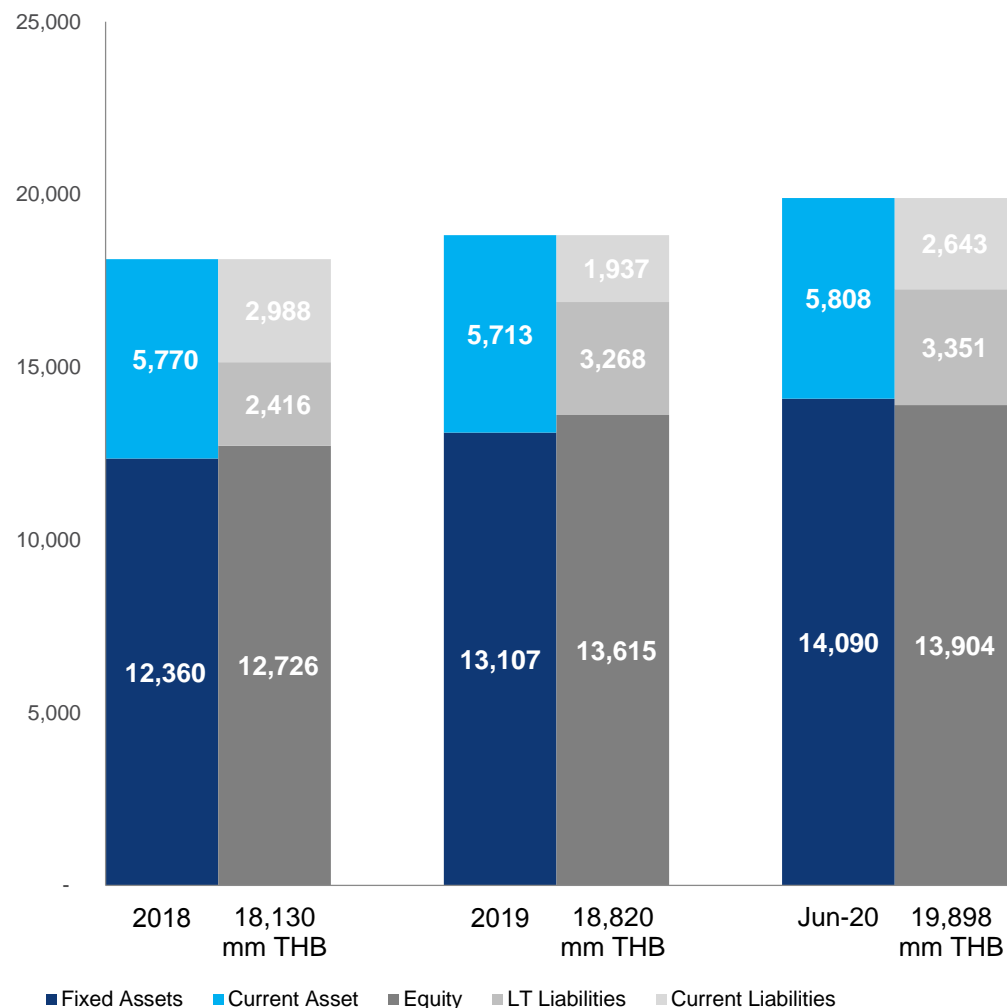


Selected Items (Unit in THB million)	2Q2019	2Q2020	Change	% Change
EBIT	436.36	289.17	(147.19)	(33.73%)
Depreciation - Grandparent & Parent Chickens	149.37	136.91	(12.46)	(8.35%)
Depreciation & Amortization	186.13	188.51	2.39	1.28%
EBITDA	771.86	614.59	(157.27)	(20.38%)
Net Cash Received from Operating Activities	1,456.09	2,038.38	582.29	39.99%
Net Cash Used in Investing Activities	(740.03)	(933.21)	193.19	26.10%
Net Cash Used in Financing Activities	(442.49)	(328.15)	(114.33)	(25.84%)
Effects of Exchange Rates in Cash and Cash Equivalents	0.59	-	(0.59)	(100.00%)
Increase in Cash	274.17	777.02	502.85	183.41%
Cash at the Beginning Balance	1,240.10	1,087.26	(152.84)	(12.32%)
Cash at the Ending Balance	1,514.26	1,864.27	350.01	23.11%

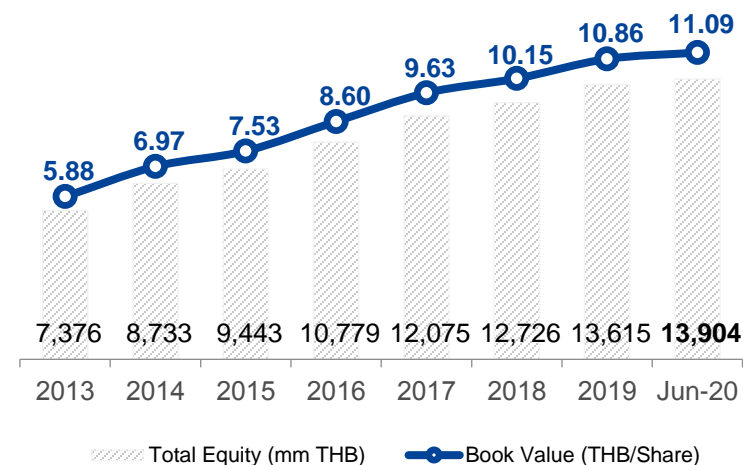
2Q2020 Consolidated Financial Position



2Q2020 Total Asset = THB 19,898 million



Book Value (THB per share)



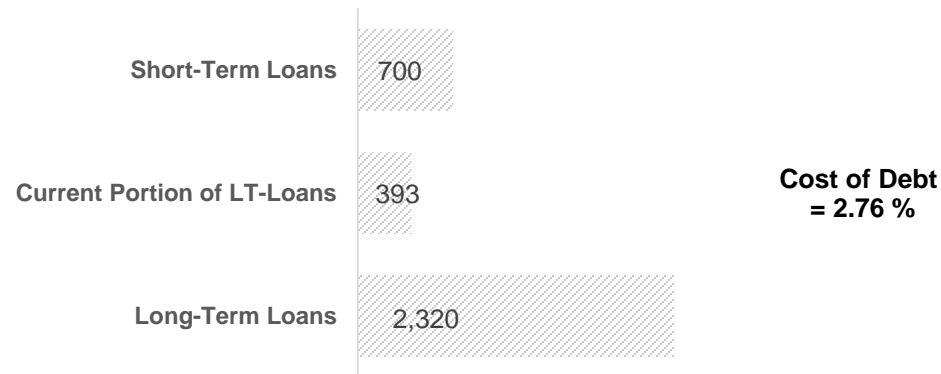
Note:

- As at June 30, 2020, total assets equal to THB 19,897.52 million including THB 5,807.83 million in current assets, THB 9,457.67 million in PP&E, THB 3,074.39 million in investments in associated companies, THB 549.53 million in grandparent chicken and parent chicken.
- Total assets increased in amount of THB 1,077.43 million or 5.72% up from increase in cash and cash equivalents of THB 777.02 million and an increase in PP&E of THB 419.61 million.

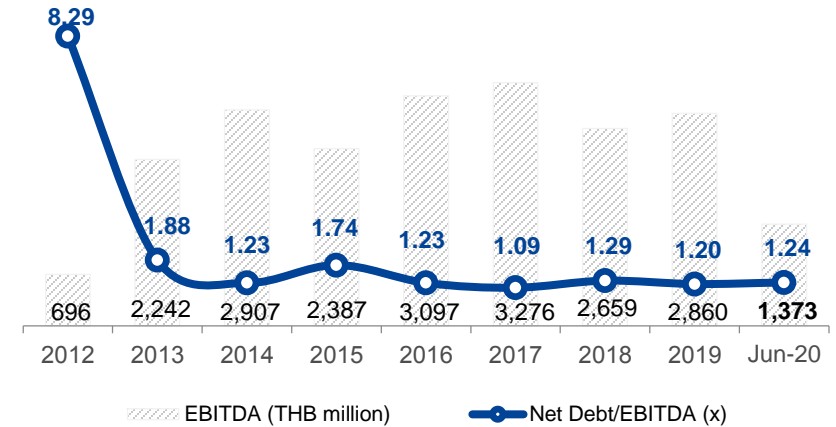
2Q2020 Financial Results



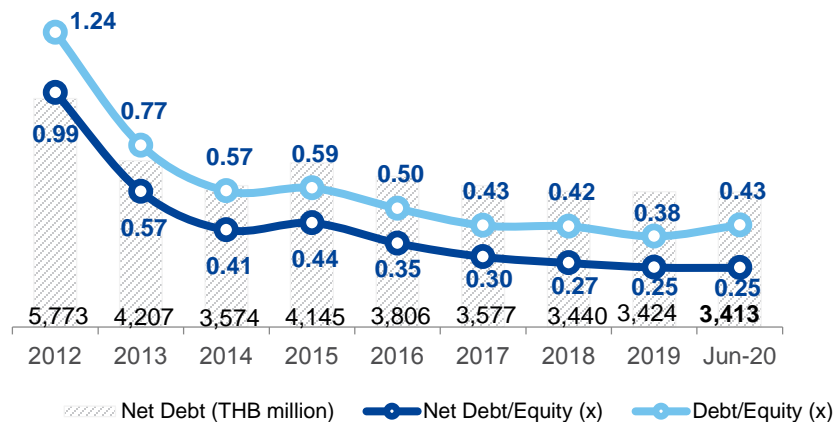
2Q2020 Interest-Bearing Debt = THB 3.41 billion



Net Debt to EBITDA (THB million)



Net Debt to Equity & D/E

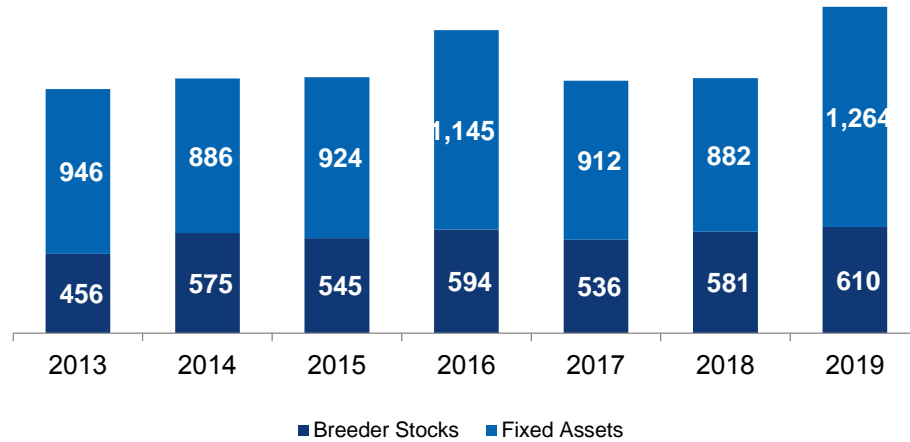


Note:

- As at June 30, 2020, the consolidated total liabilities was THB 5.99 billion comprising of non-interest-bearing liabilities of THB 2.58 billion and interest-bearing debt in amount of THB 3.41 billion.
- The interest-bearing debt consisted of short-term loans of THB 0.70 billion, current portion of long-term loans of THB 0.39 billion and long-term loans of THB 2.32 billion.
- All loans are in THB currency only. The Company has no exposure in foreign currency borrowings.

Capital Expenditure

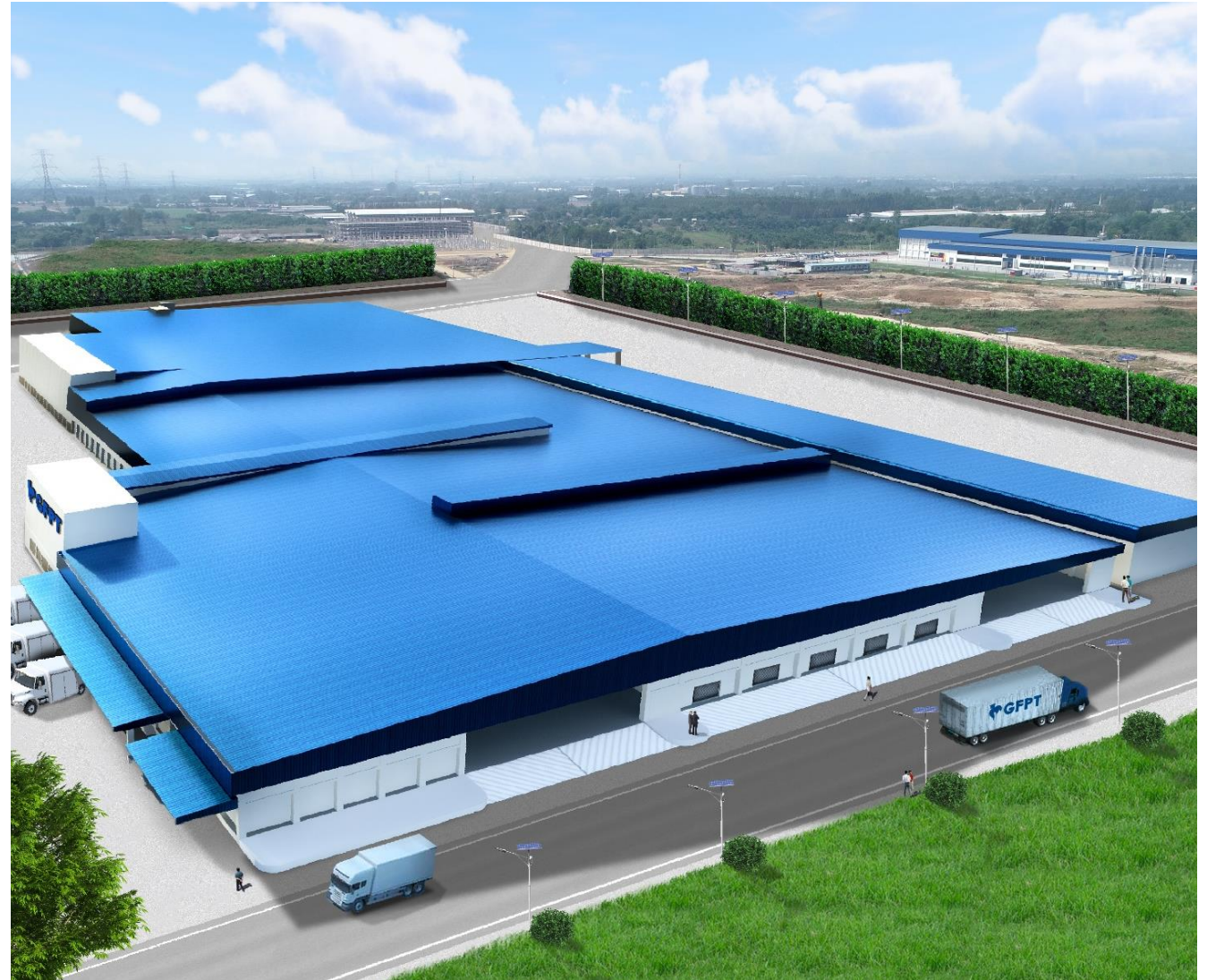
Investment (million THB)



Y2020 Capital Expenditure

1-1.2 Billion

- Broiler Farm
- Breeder Farm
- Primary Plant



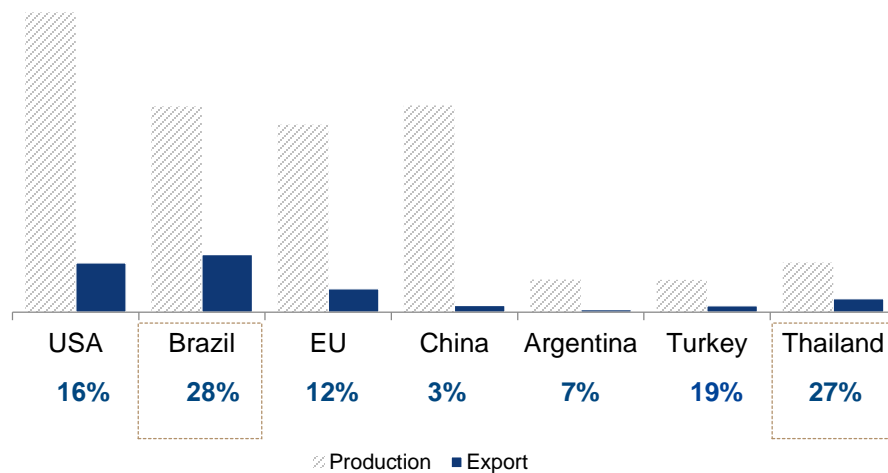
Market Outlook and Trend

Global Broiler Meat Market

THAILAND

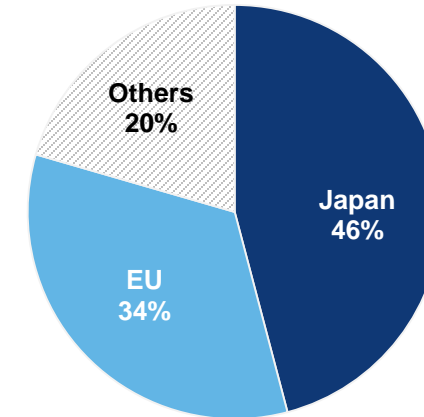
- **The 8th Global Chicken Producer**
 - 2019 broiler production = 3,300,000 tons
- **The 4th Global Chicken Exporter**
 - 2019 broiler meat export = 881,000 tons

Broiler Meat Production & Export Selected Countries (2019)

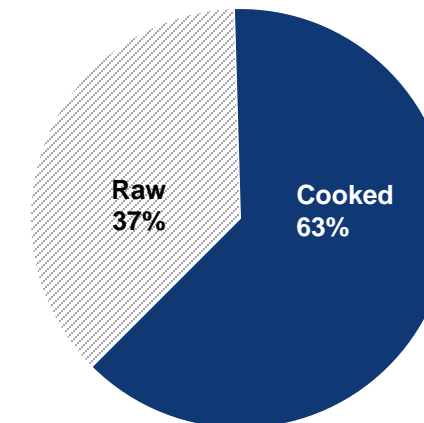


Source: USDA (Update: Apr 2020) and Thai Broiler Processing Exporters Assoc. (Update: Dec 2019)

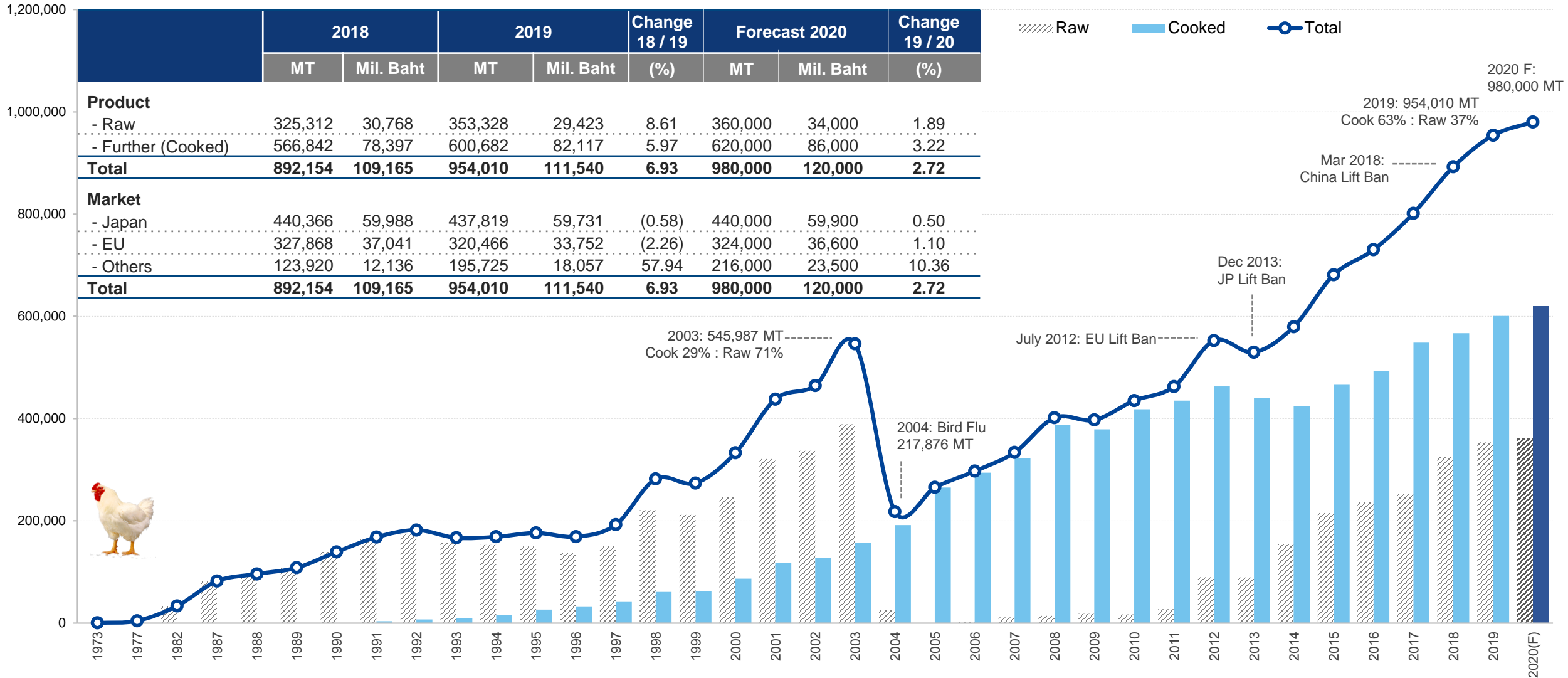
Thai Broiler Export by Market



Thai Broiler Export by Product Type



40 Years of Thai Chicken Meat Export

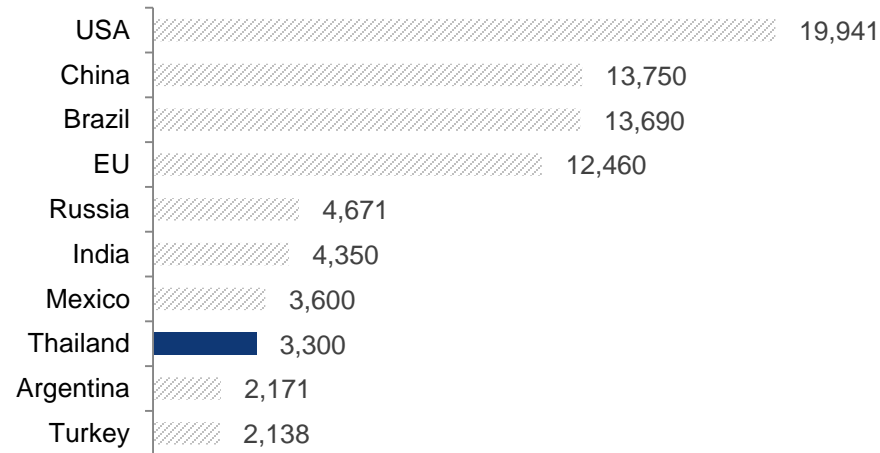


Source: Thai Broiler Processing Exporters Association (Update : Dec 2019)

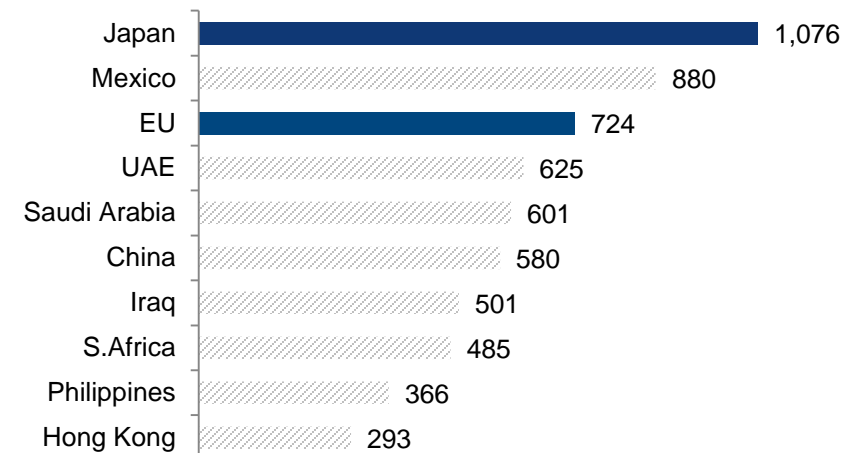
Global Broiler Meat Market



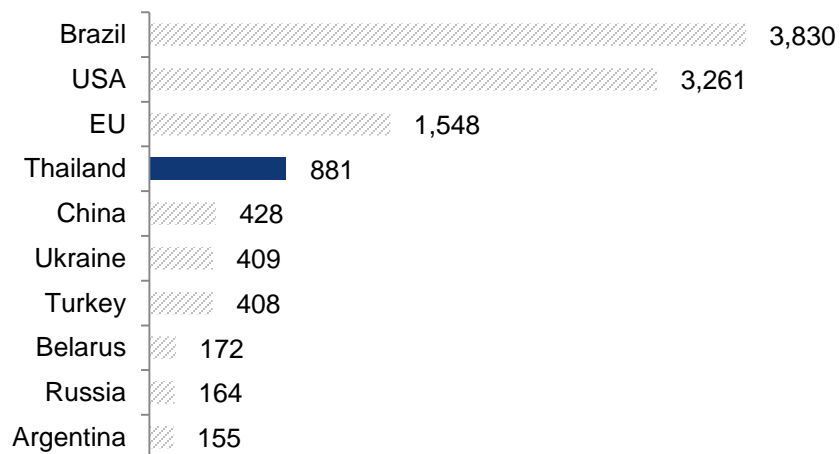
Global Production [Y2019= 99,039,000 tons]



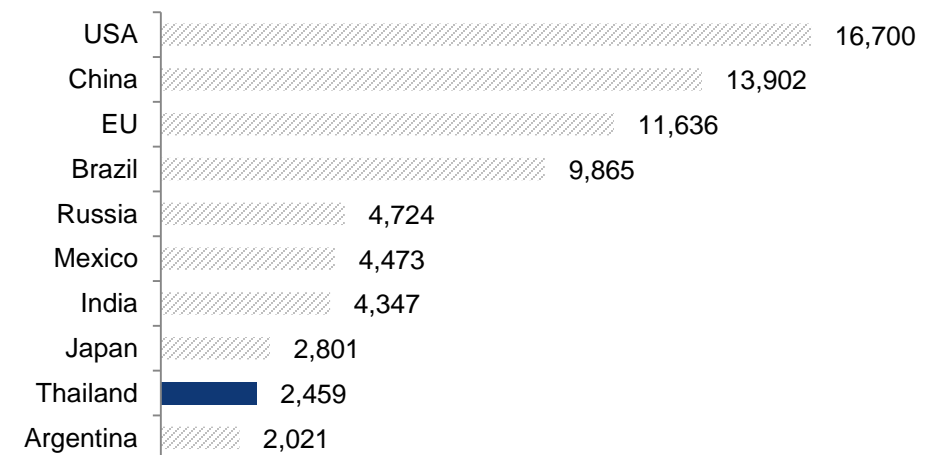
Global Import [Y2019 = 9,991,000 tons]



Global Export [Y2019 = 11,881,000 tons]



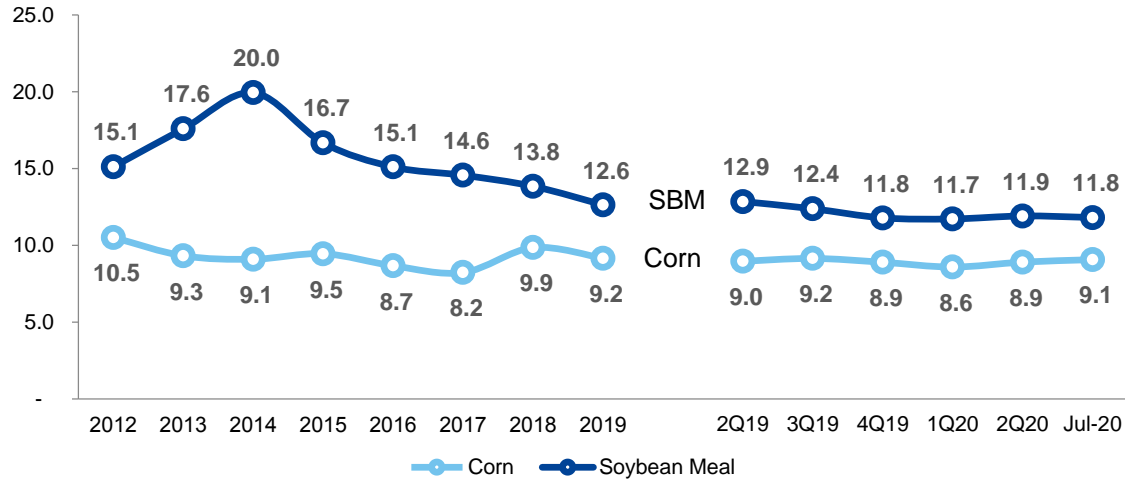
Global Dom. Consumption [Y2019 = 97,125,000 tons]



Commodity Price

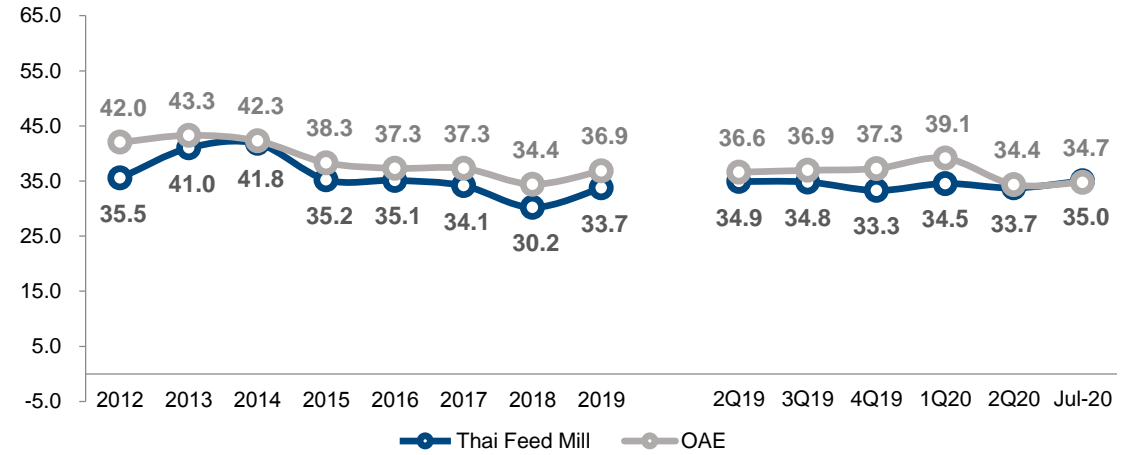


Corn & Soy Bean Meal (THB/Kg.)



Source: Thai Feed Mill Association

Broiler at Farm Gate (THB/Kg.)



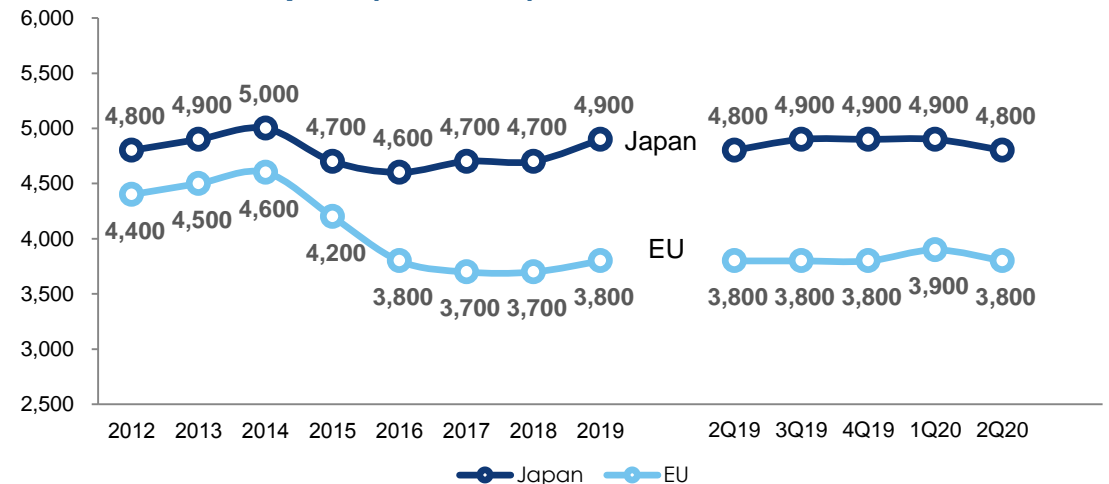
Source: Thai Feed Mill Association and Office of Agricultural Economics

Day-Old-Chick (THB/chick)



Source: Thai Feed Mill Association

Chicken Export (USD/ton)



Source: Thai Broiler Export Association

	2020 Guidance
Revenue	10%-15% down from 2019 sales
Gross Profit Margin	14% - 15%
SG&A	9.0% - 9.5%
Financial Cost	≈ 2.5%
Effective Tax Rate	15% - 20%
CAPEX	THB 1 - 1.2 billion

Risk Factor

- THB Appreciation
- Brexit
- Competition from Potential Country
- Disease Outbreak
- Drought Situation
- Covid-19

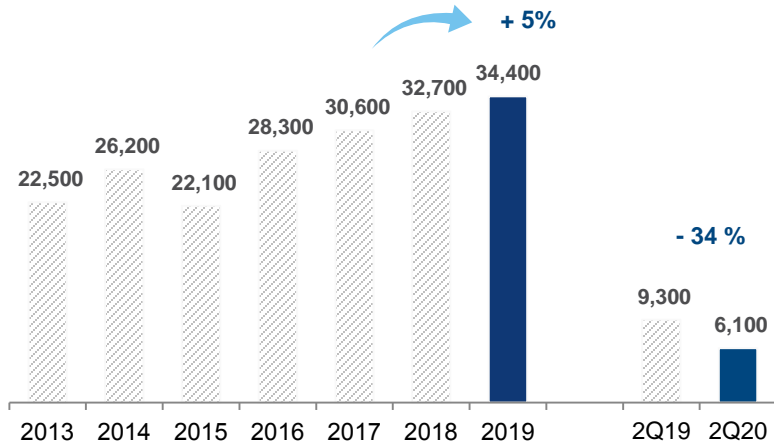


Key Statistics

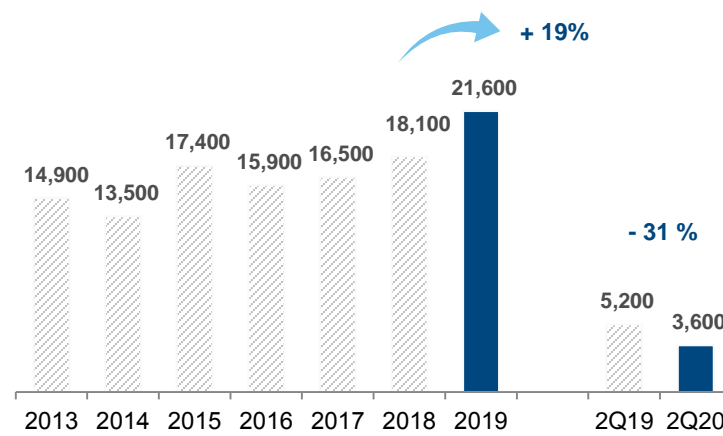
Key Statistics: Chicken Processing and Feed Business



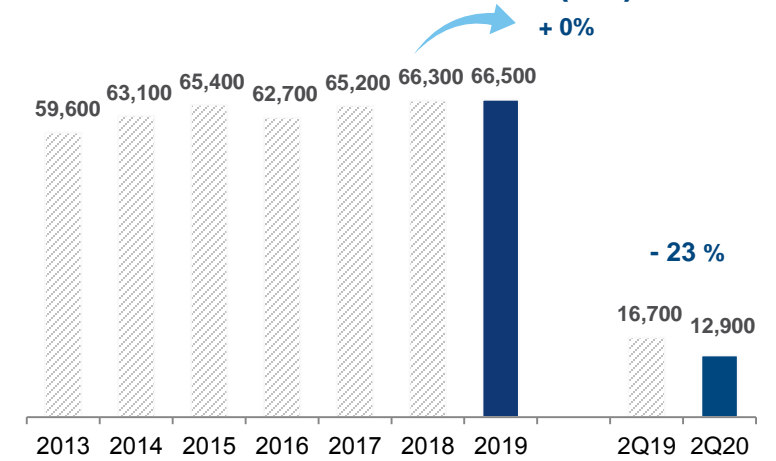
Chicken Meat Direct Export (MT)



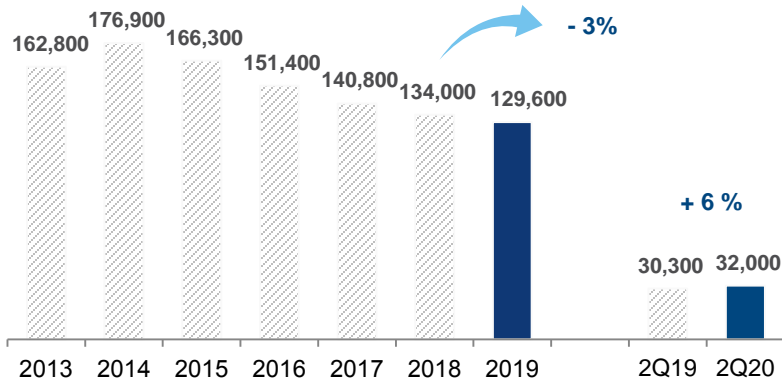
Chicken Meat Indirect Export (MT)



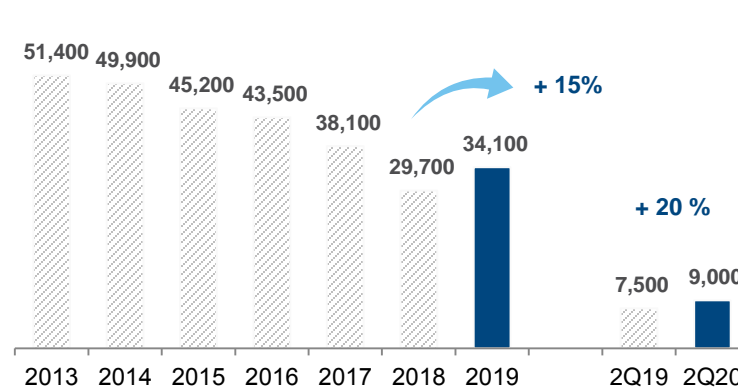
Chicken Meat Domestic (MT)



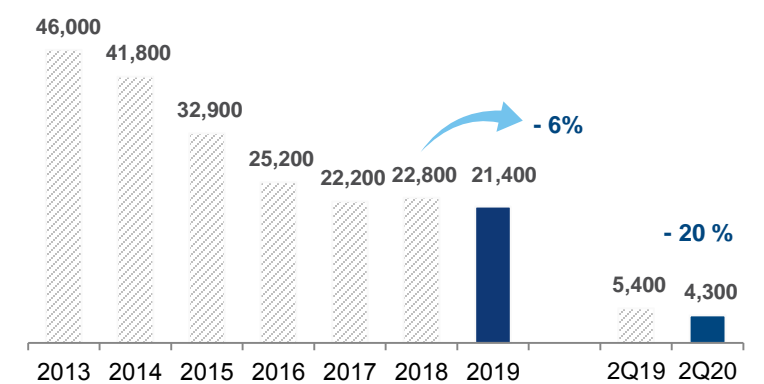
Animal Feed (MT)



Aqua Feed (MT)



Shrimp Feed (MT)



Q & A



THANK YOU

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