

GFPT Public Company Limited



Analyst Meeting No.3/2017

10 August 2017

Disclaimer



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 2017 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 December 31, 2016. 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

- Financial Results
- Market Outlook & Trend
- Q&A
- Appendix:
 - Company Profile
 - Key Statistics





- ❖ 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.

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

Food Safety

Confidence through the traceability system

Innovation

New product development using modern technology

Expertise

Empowering people to become the expert

Satisfaction

Attention to the needs of customers


Alliance

Build strong relationship among partners for long term

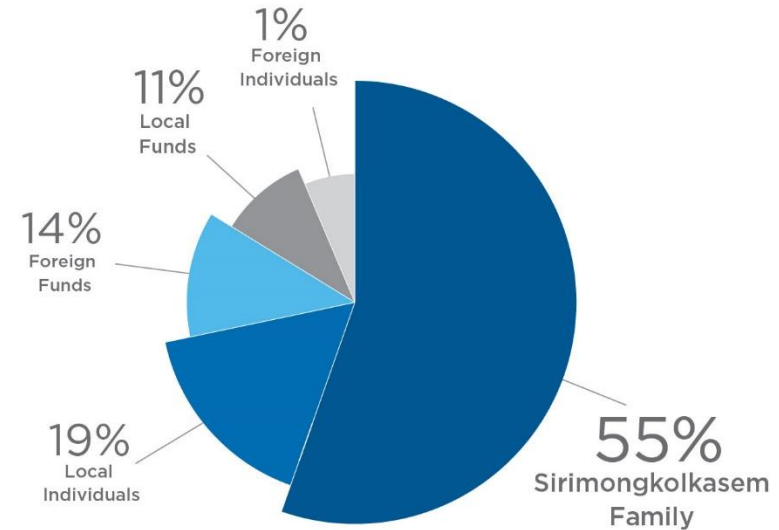
Responsibility

Build awareness and responsible to society



Symbol	GFPT
Industry / Sector	Agro & Food Industry / Agribusiness
2016 CG Score	 Excellent [90 – 100 CG Report Score]
Anti - Corruption	3A (Established a policy for operation)
Closed Price	THB 19.40 per share (30/6/2017)
Average Price	THB 19.12 per share (2Q 2017)
52-week High/Low	21.70 / 11.30
Share Outstanding	1,253.82 million share @ 1 Baht per share (5,556 shareholders as of 10 Mar 2017)
Market Cap.	THB 24.32 billion
% Free Float	44.19%
% Foreign Shareholder	14.72% [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 10/03/2017



Top 5 Shareholders (as of 10 March 2017)

1)	Sirimongkolkasem Family	55.11%
2)	Thai NVDR Company Limited	6.34%
3)	Nichirei Foods Inc.	4.52%
4)	Ms. Wanngam Kittanamongkolchai	3.19%
5)	Mr. Kongphob Limsong	2.00%

Timeline



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



KT | 98.10%
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

2 Joint Ventures



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



0 – 25 wks rearing
26 – 64 wks laying
3 wks hatching

Import Grand Parent Chicks

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



0 – 25 wks rearing
26 – 64 wks laying
3 wks hatching

**Breeder Farm /
Hatchery**
(Chicks)

Broiler Production = 9 months
(PS Chicks → Broiler)

Feed mill
(Feed)

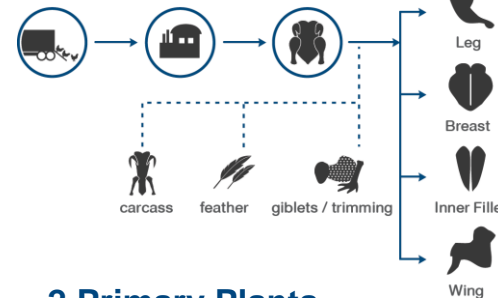


Broiler Farm
(Live Chicken)

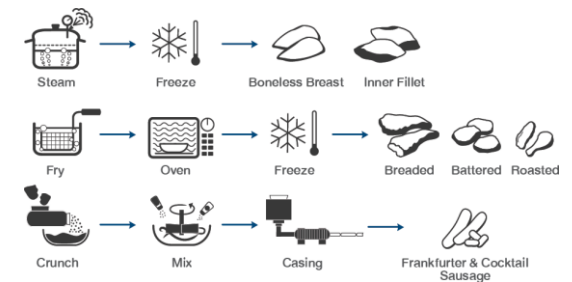


6 wks raising to reach market weight

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

Product Line



FEED



Shrimp Feed



Animal Feed

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



Fish 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]

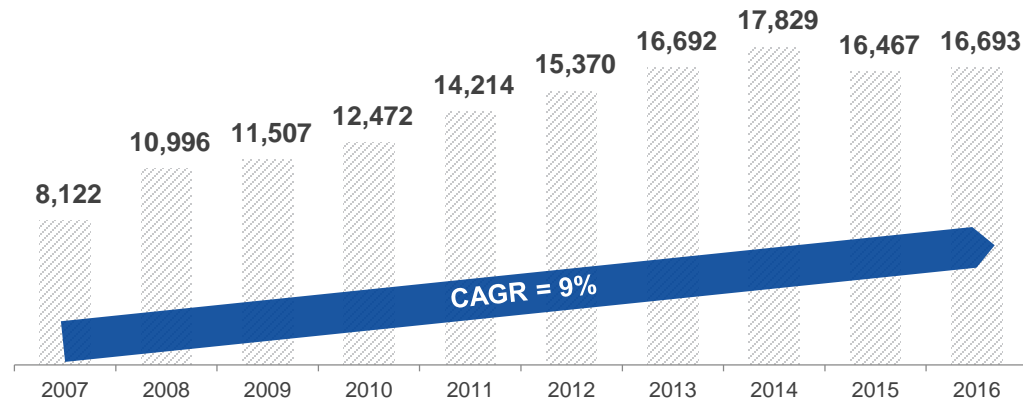


Processed Food [Sausage, Smoke Sausage, Chicken Meatballs]

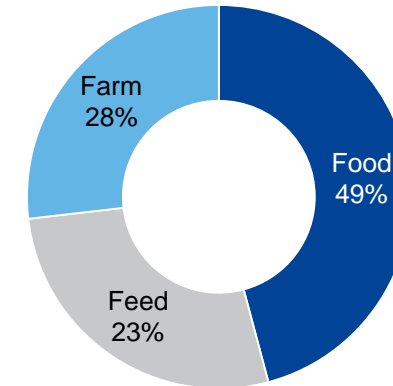
2016 Snapshot



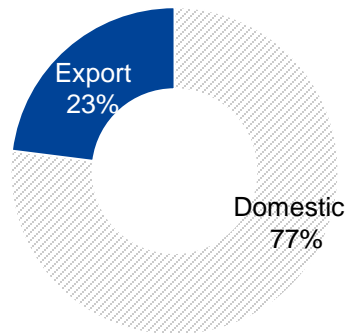
2016 Consolidated Revenue = THB 16.69 billion



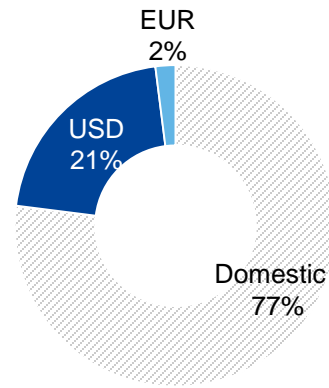
Revenue by Segment



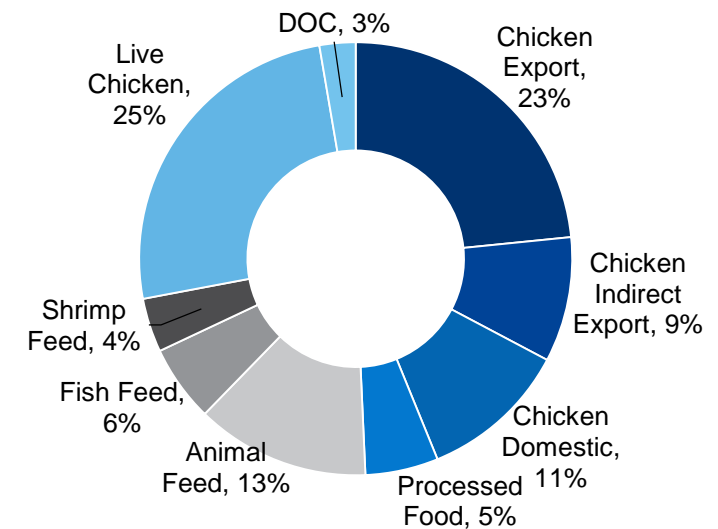
Revenue by Destination



Revenue by Currency

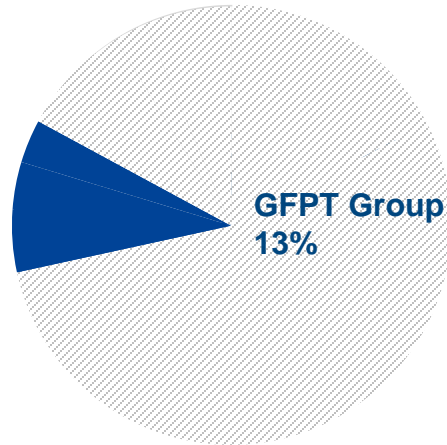


Revenue by Product

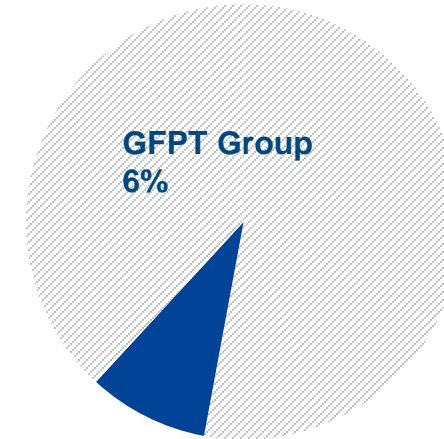


2016 Market Position

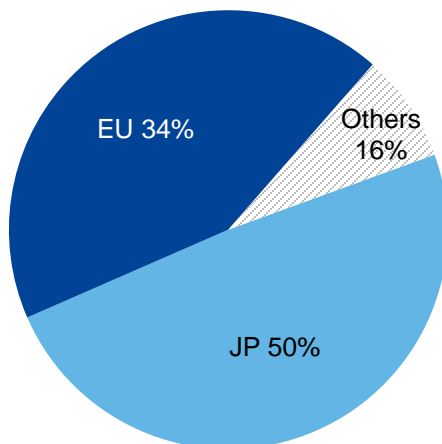
3rd in Thai Chicken Export



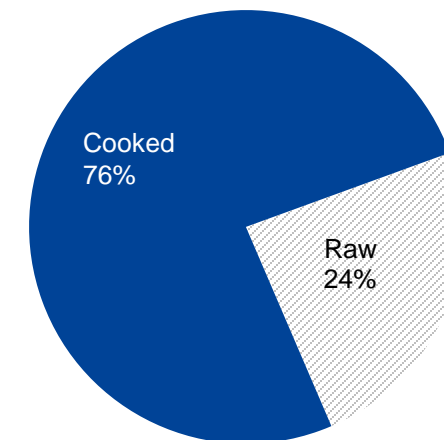
6th in Thai Chicken Production



Export by Destination



Export by Product Type





2Q2017 Financial Results

2Q2017 Financial Results



Another decent performance in 2Q2017

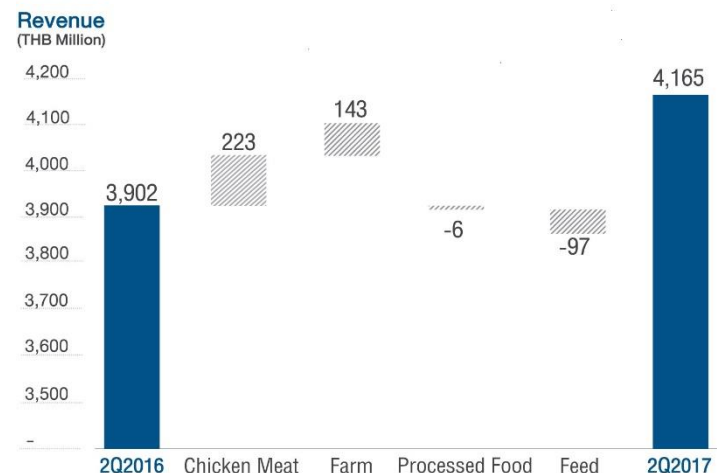
- * Consolidated revenue recorded THB 4.17 billion grew 6.74% from higher export volume growth of chicken product.
- * Cost of Sales increased by THB 123.18 million or 3.66% mainly from increasing in sales and production volume.
- * Gross Profit margin grew to 16.32% from 13.83%.
- * EBITDA was THB 869.46 million, increased by 20.54%.
- * Consolidated net profit accounted for THB 493.84 million (+29.69%) or equal to THB 0.39 per share.
- * The consolidated net profit margin in 2Q2017 was 11.85%, improved from 9.76% in 2Q2016.



2Q2017 Financial Results



2Q2017 Consolidated Revenue = THB 4.17 billion



Key Highlights:

- * Revenue from sales was 4.17 billion Baht, +262.96 million Baht or up 6.74%
- * Revenue of chicken processing increased 223.21 million Baht or up 13.43%
- * Farm's revenue surged 143.10 million Baht or up 12.92%
- * Processed food's revenue decreased 5.78 million Baht or down 2.72%
- * Feed's revenue declined 97.57 million Baht or down 10.60%

Business Segment of GFPT and its subsidiaries	2Q2017		2Q2016		Changes	
	THB million	%	THB million	%	THB million	%
Chicken Processing	1,884.82	45.25	1,661.61	42.58	223.21	13.43%
Feed	823.01	19.76	920.58	23.59	(97.57)	(10.60%)
Farm	1,250.94	30.03	1,107.84	28.39	143.10	12.92%
Processed Food	206.43	4.96	212.21	5.44	(5.78)	(2.72%)
Total Sales	4,165.20	100.00	3,902.24	100.00	262.96	6.74%

2Q2017 Consolidated Income Statement



(Unit in THB million)			2Q2016	%Sales	2Q2017	%Sales	Change	% Change	
Revenue from sales			3,902.24	100.00%	4,165.20	100.00%	262.96	6.74	
Cost of sales			(3,362.44)	(86.17%)	(3,485.62)	(83.68%)	123.18	3.66	
GROSS PROFIT			539.80	13.83%	679.57	16.32%	139.77	25.89	
Other income		2Q16	2Q17						
	F/X Gain	5	16	96.45	2.47%	87.67	2.10%	(8.78)	(9.11)
Selling expenses			(119.82)	(3.07%)	(133.31)	(3.20%)	13.48	11.25	
Administrative expenses			(186.87)	(4.79%)	(186.34)	(4.47%)	(0.53)	(0.28)	
Share of profit from associates		2Q16	2Q17						
	McKey	60	50	107.72	2.76%	107.73	2.58%	0.01	0.01
	GFN	47	58						
Financial costs			(25.29)	(0.64%)	(19.33)	(0.46%)	(5.96)	(23.57)	
Profit before income taxes			411.99	10.56%	536.00	12.87%	124.01	30.10	
Income tax expenses			(29.24)	(7.10%)EBT	(40.03)	(7.47%)EBT	10.80	36.93	
Profit for the period			382.76	9.81%	495.97	11.91%	113.21	29.58	
Non-Controlling Interests			(1.96)	(0.05%)	(2.12)	(0.06%)	0.16	8.10	
Net profit for shareholder of GFPT			380.79	9.76%	493.84	11.85%	113.05	29.69	

6M2017 Consolidated Income Statement

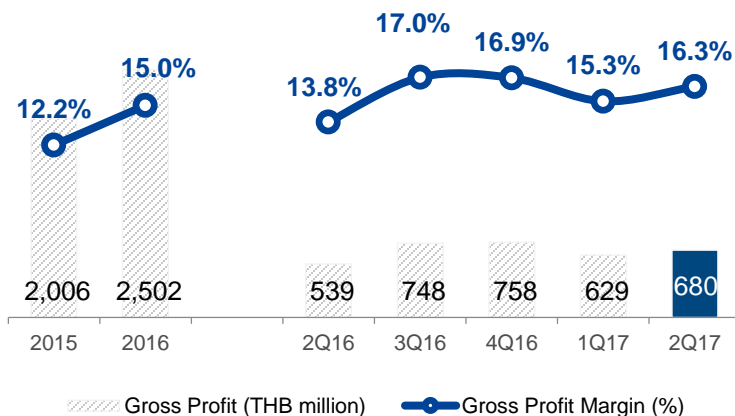


(Unit in THB million)			6M2016	%Sales	6M2017	%Sales	Change	% Change	
Revenue from sales			7,803.06	100.00%	8,284.53	100.00%	481.47	6.17	
Cost of sales			(6,814.95)	(87.34%)	(6,975.57)	(84.20%)	160.62	2.36	
GROSS PROFIT			988.11	12.66%	1,308.95	15.80%	320.84	32.47	
Other income		6M16	6M17						
	F/X Gain	9	45	154.68	1.98%	176.67	2.13%	21.99	14.22
Selling expenses			(236.00)	(3.02%)	(263.73)	(3.18%)	27.73	11.75	
Administrative expenses			(359.46)	(4.61%)	(392.22)	(4.73%)	32.77	9.12	
Share of profit from associates		6M16	6M17						
	McKey	115	115	213.96	2.74%	190.00	2.29%	(23.96)	(11.20)
	GFN	99	75						
Financial costs			(51.81)	(0.66%)	(39.73)	(0.48%)	(12.08)	(23.32)	
Profit before income taxes			709.48	9.09%	979.94	11.83%	270.47	38.12	
Income tax expenses			(48.72)	(6.87%)EBT	(58.71)	(5.99%)EBT	9.99	20.49	
Profit for the period			660.75	8.47%	921.23	11.12%	260.48	39.42	
Non-Controlling Interests			(5.08)	(0.07%)	(3.40)	(0.04%)	(1.68)	(33.02)	
Net profit for shareholder of GFPT			655.67	8.40%	917.83	11.08%	262.16	39.98	

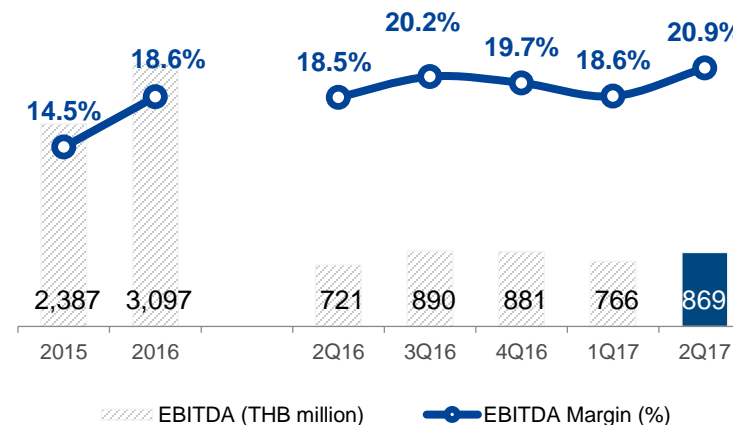
2Q2017 Financial Results



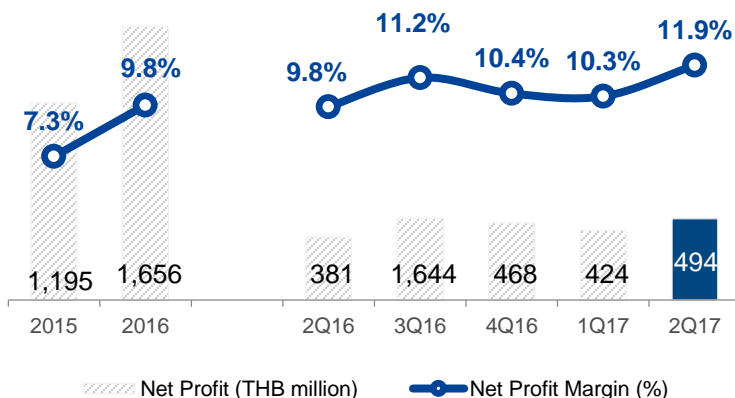
Gross Profit & GP Margin (%)



EBITDA & EBITDA Margin (%)



Net Profit & NP Margin (%)



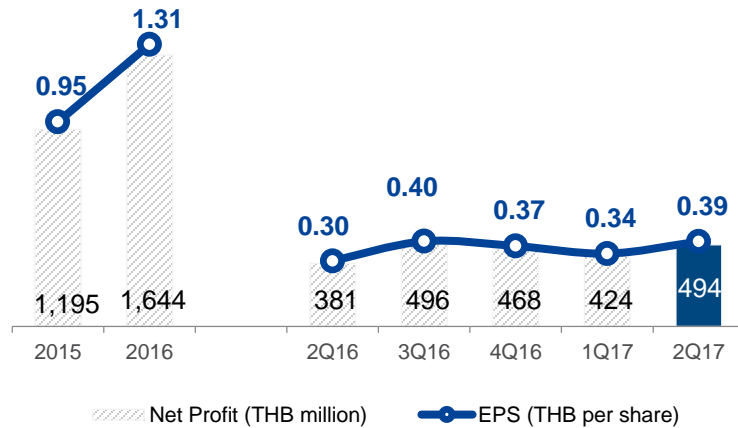
Note:

- The increase in consolidated net profit was primarily driven from the increase in revenue from sales and lower price of major raw material.
- The consolidated EBITDA in 2Q2017 was THB 869 million, an increase of THB 148 million or increased by 20.54% from 2Q2016. The increasing in consolidated EBITDA resulted from higher revenue from sales mainly from increasing in export sales volume.
- The EBITDA margin in 2Q2017 was 20.87%, increased from 18.48% in 2Q2016.

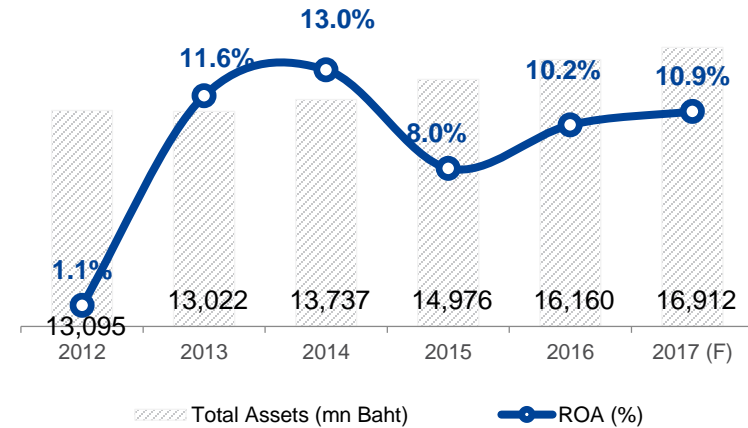
2Q2017 Financial Results



EPS (THB per share)

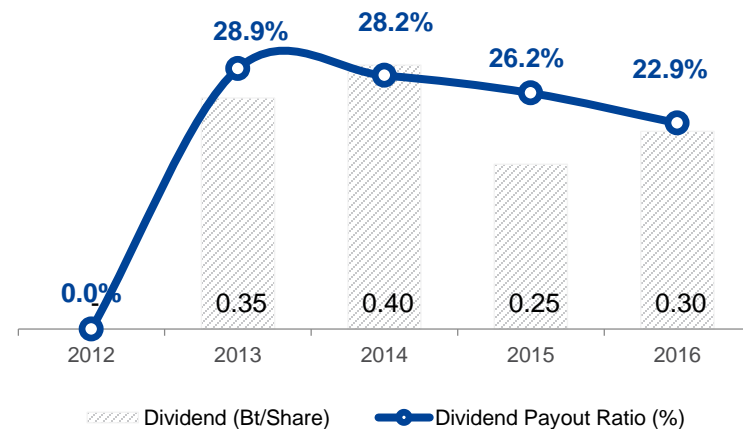


Return on Asset (%)

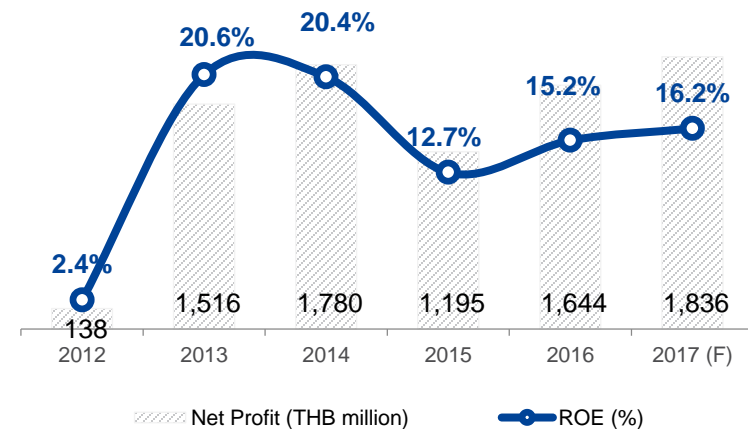


Remark: 2017 (F) figure is annualized based on 6M2017 data.

Dividend & Dividend Payout Ratio (%)



Return on Equity (%)



Remark: 2017 (F) figure is annualized based on 6M2017 data.

2Q2017 Consolidated Financial Position



Selected Items (Unit in THB million)	Y2016	Jun 17	Change	% Change
Cash and Cash Equivalents	310.87	590.00	279.13	89.79
Trade and Other Receivables	932.66	886.85	(45.81)	(4.91)
Inventories	3,653.33	3,846.19	192.86	5.28
Other Current Assets	18.15	20.39	2.24	12.36
TOTAL CURRENT ASSETS	4,915.00	5,343.42	428.42	8.72
Investment in Associated Companies	2,448.75	2,589.75	141.00	5.76
Biological Assets	528.66	489.41	(39.24)	(7.42)
Investment Property	360.42	357.27	(3.15)	(0.87)
Property, Plant and Equipment	7,430.75	7,664.02	233.27	3.14
Deferred Tax Assets	373.55	378.53	4.98	1.33
Other Non-Current Assets	103.90	91.95	(11.94)	(11.50)
TOTAL NON-CURRENT ASSETS	11,245.33	11,568.70	323.38	2.88
TOTAL ASSETS	16,160.33	16,912.12	751.80	4.65

2Q2017 Consolidated Financial Position

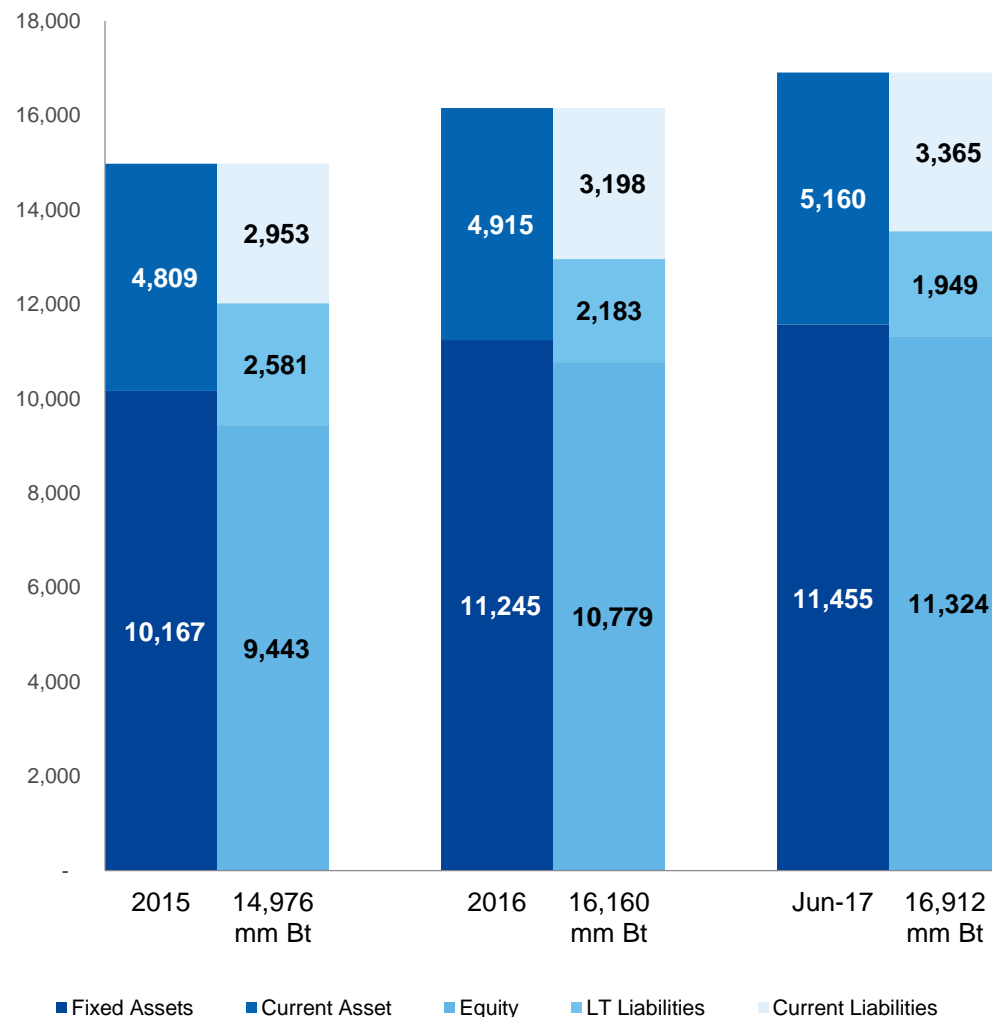


Selected Items (Unit in THB million)	Y2016	Jun 17	Change	% Change
Short-Term Loans	1,931.38	1,660.00	(271.38)	(14.05)
Trade and Other Payables	886.47	1,493.49	607.02	68.48
Current Portion of Long-Term Loans	208.32	133.36	(74.96)	(35.98)
Other Current Liabilities	172.21	78.43	(93.78)	(54.46)
TOTAL CURRENT LIABILITIES	3,198.37	3,365.28	166.91	5.22
Long-Term Loans	1,666.70	1,700.00	33.30	2.00
Employee benefit obligations	365.94	373.17	7.23	1.97
Other Non-Current Liabilities	150.23	149.38	(0.85)	(0.57)
TOTAL NON-CURRENT LIABILITIES	2,182.87	2,222.55	39.68	1.82
TOTAL LIABILITIES	5,381.24	5,587.83	206.59	3.84
TOTAL SHAREHOLDERS' EQUITY	10,779.08	11,324.29	545.21	5.06
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	16,160.33	16,912.12	751.80	4.65

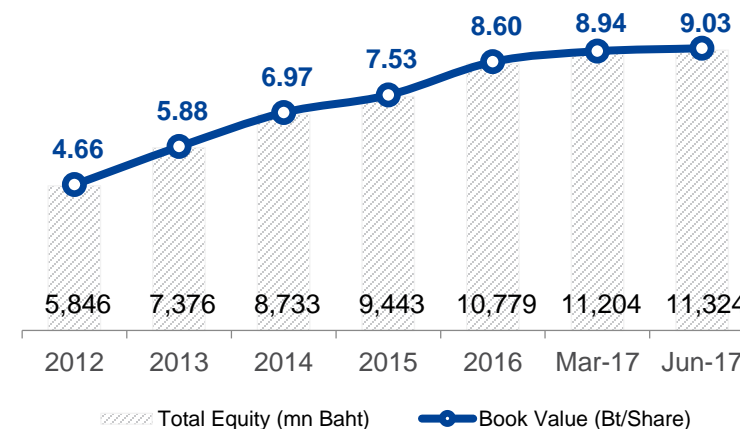
2Q2017 Financial Results



Financial Position



Book Value (THB per share)



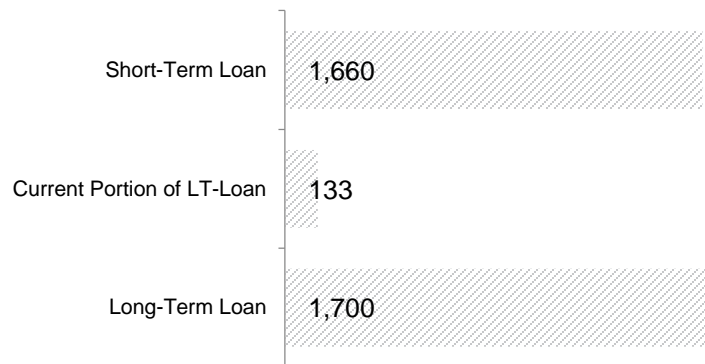
Note:

- As at including June 30, 2017, total assets of the Group equaled to THB 16.91 billion THB 5.16 billion in current assets, THB 7.66 billion in PP&E-net, THB 2.60 billion in investments in associated companies, THB 487.19 million in grandparent chicken and parent chicken.
- Total assets increased in amount of THB 751.80 million or 4.65% from 2016 primarily from increasing in cash and cash equivalents of THB 279.13 million, PP&E of THB 233.27 million, and inventories of THB 192.86 million.

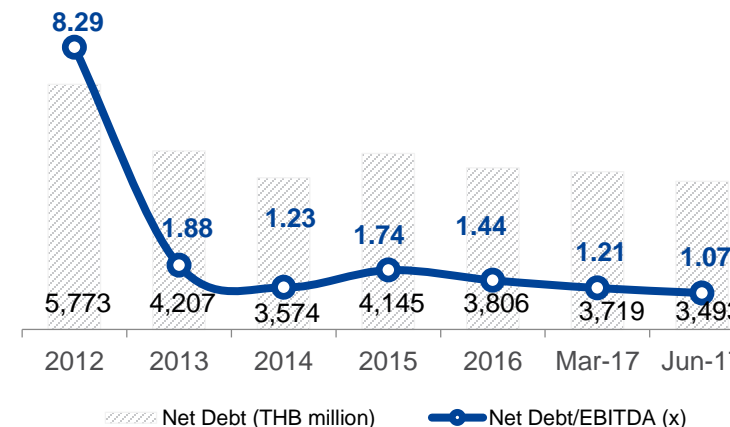
2Q2017 Financial Results



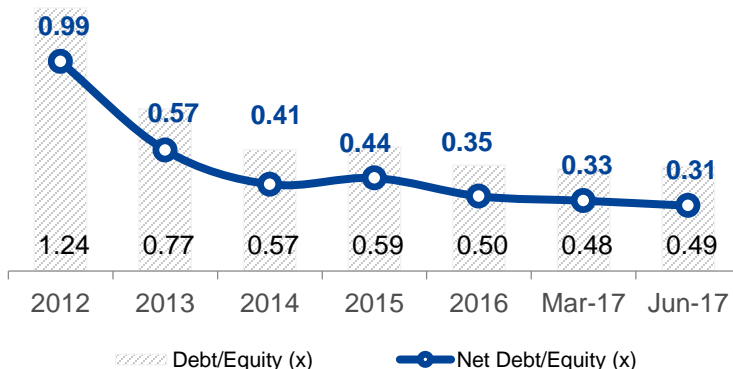
2Q2017 Total Liabilities = THB 5.59 billion



Interest-Bearing Debt (million THB)



Net Debt to Equity & D/E

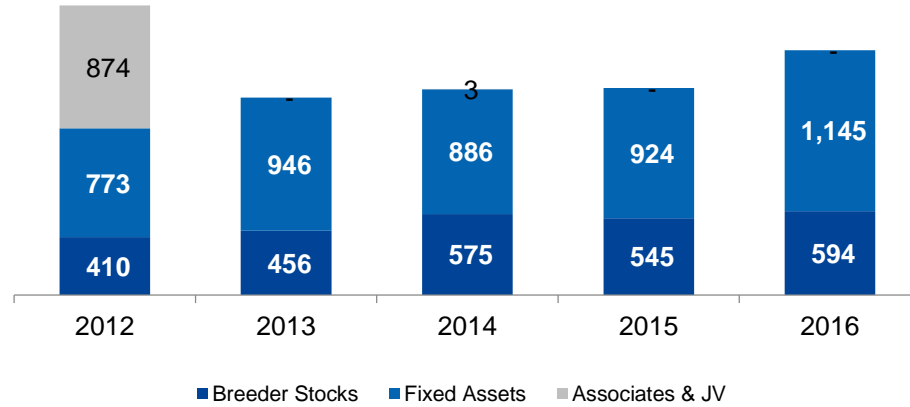


Note:

- As at June 30, 2017, the consolidated total liabilities was THB 5.59 billion comprising of non-interest-bearing liabilities of 2.10 billion and interest-bearing debt in amount of THB 3.49 billion.
- The interest-bearing debt consisted of short-term loans of THB 1.66 billion, current portion of long-term loans of THB 133.36 million, and long-term loans of THB 1.70 billion.
- All loans are in THB currency only. The Company has no exposure in foreign currency borrowings.

Capital Expenditure

Investment (million THB)



Y2017 Capital Expenditure

1 billion

- Broiler Farms
- Sausage Plant (expansion)

Broiler Expansion Plan

Broiler Raising Capacity



Remark: the broiler farm expansion plan can be adjusted due to economics and industry situations.

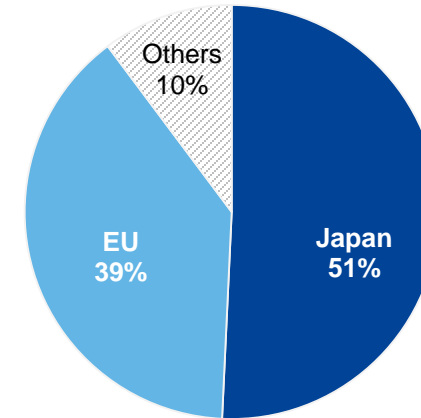
Market Outlook and Trend



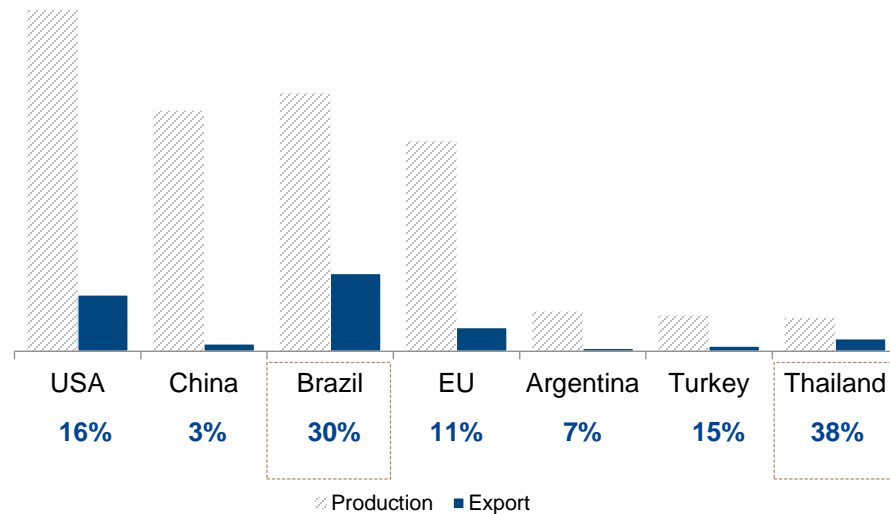
THAILAND

- **The 10th Global Chicken Producer**
 - 2016 broiler production = 1,780,000 tons
- **The 4th Global Chicken Exporter**
 - 2016 broiler meat export = 670,000 tons

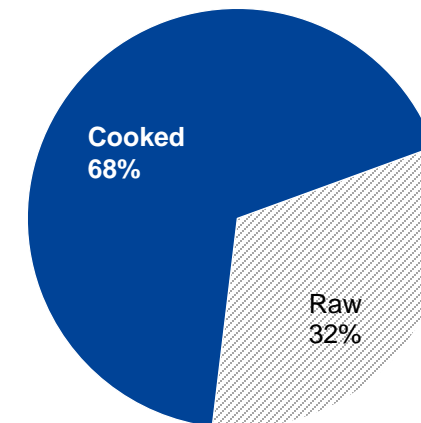
Thai Broiler Export by Market



Broiler Meat Production & Export Selected Countries (2016)

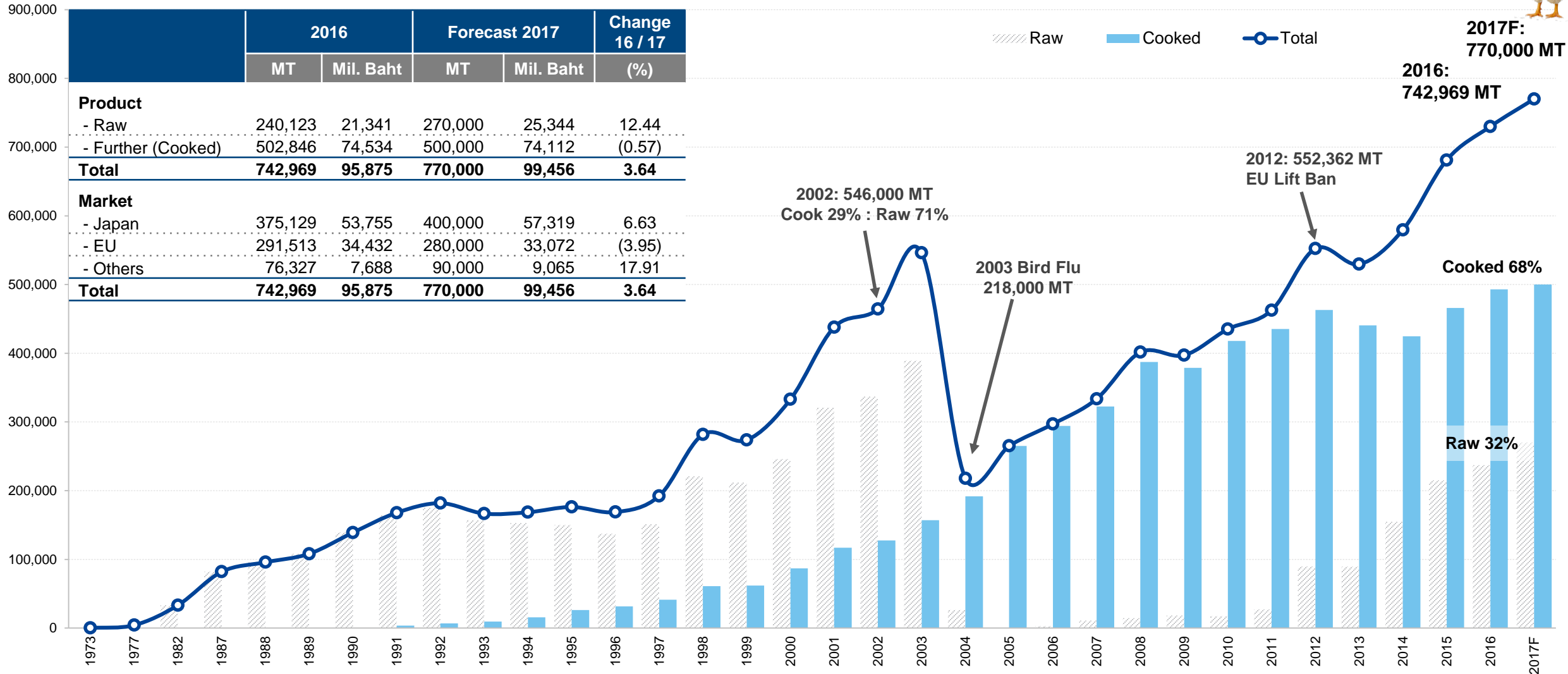


Thai Broiler Export by Market



Source: USDA (Update: Oct 2016) and Thai Broiler Processing Exporters Assoc. (Update: 25/01/2017)

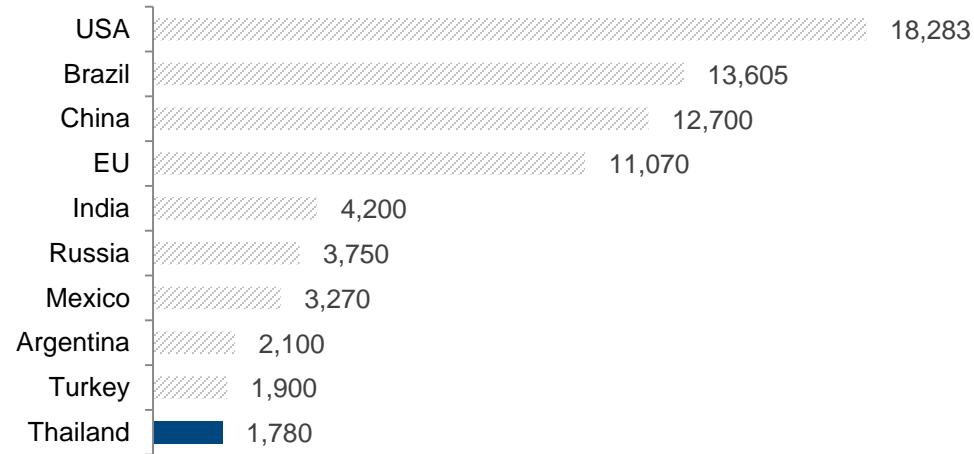
40 Years of Thai Chicken Meat Export



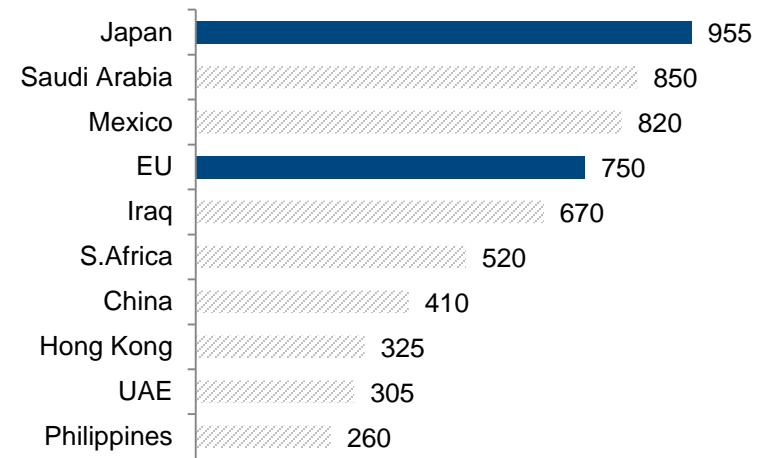
Global Broiler Meat Market



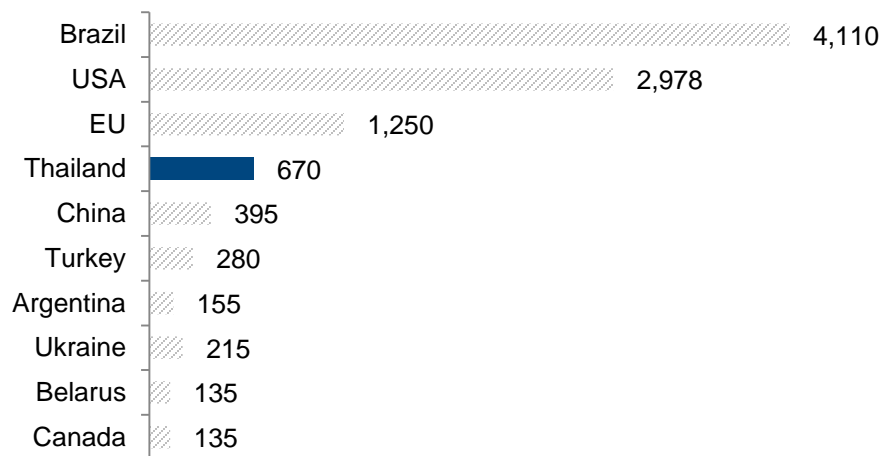
Global Production [Y2016= 89,548,000 tons]



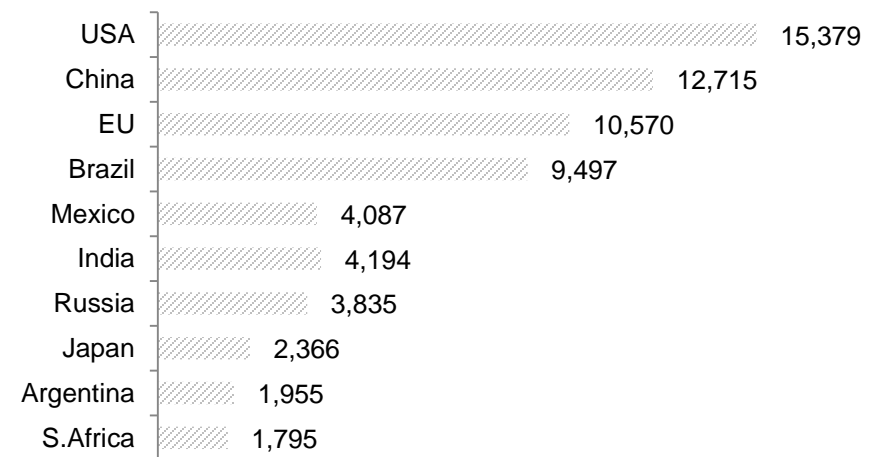
Global Import [Y2016 = 8,906,000 tons]



Global Export [Y2016 = 10,793,000 tons]

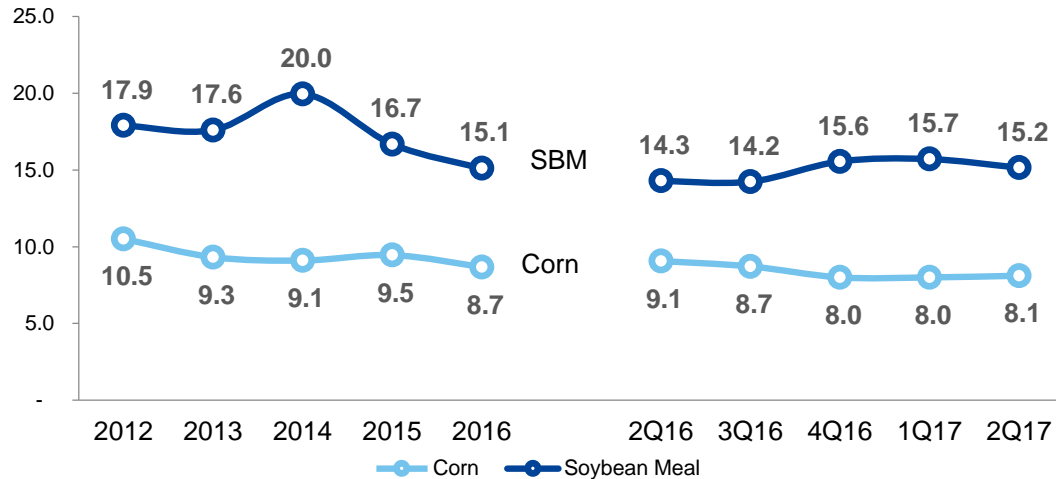


Global Dom. Consumption [Y2016 = 87,638,000 tons]



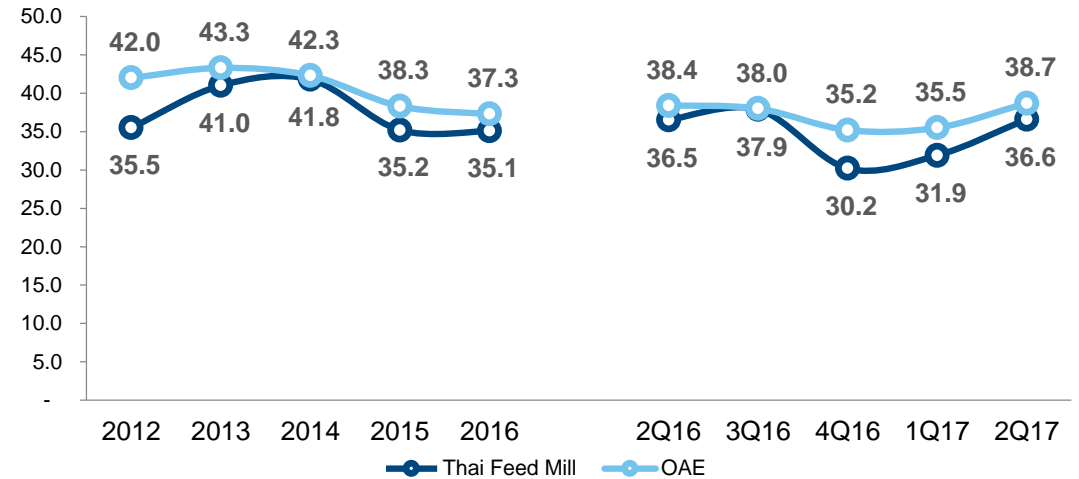
Commodity Price

Corn & Soy Bean Meal (THB/Kg.)



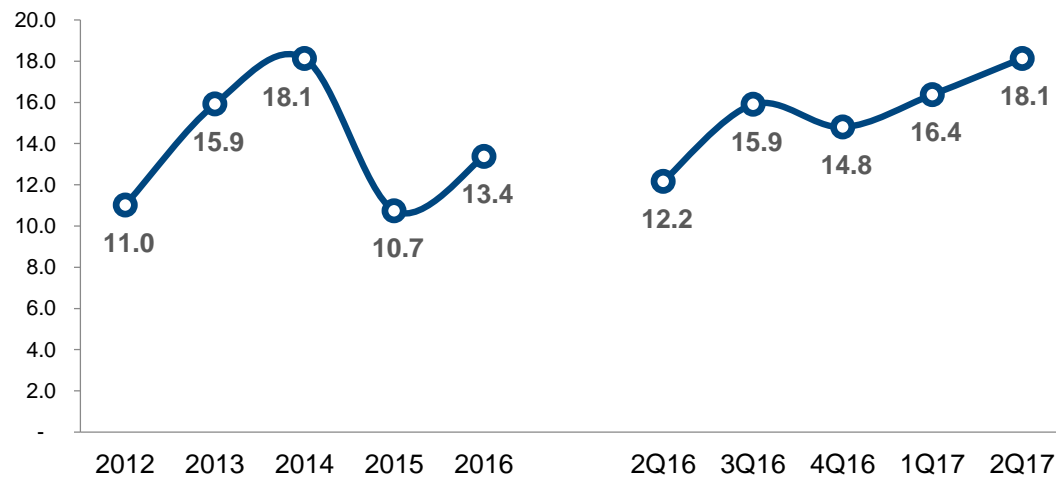
Source: Thai Feed Mill Association

Broiler at Farm Gate (THB/Kg.)



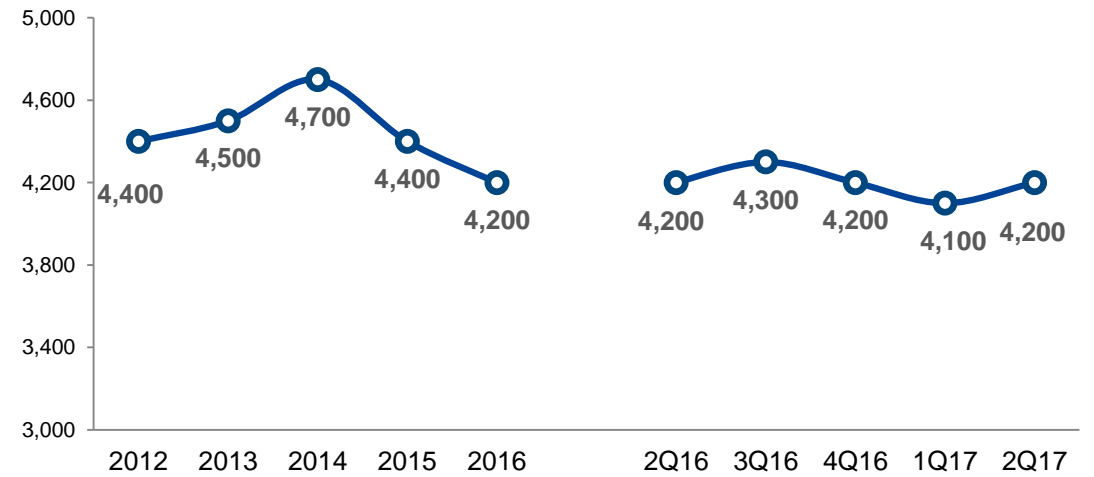
Source: Thai Feed Mill Association and Office of Agricultural Economics

Day-Old-Chick (THB/chick)



Source: Thai Feed Mill Association

Chicken Export (USD/ton)



Source: Thai Broiler Export Association Analyst Meeting No. 3/2017 | 10 August 2017 | page 29

	2017 Target
Revenue	5% - 10% Growth from 2016 Sales
Gross Profit Margin	15% - 16%
SG&A	7.4%
Financial Cost	2.5%
Effective Tax Rate	11%
CAPEX	THB 1 billion

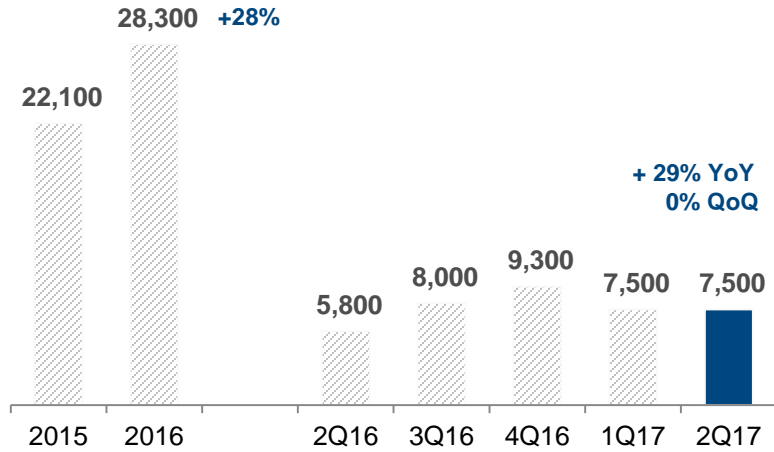
Key Statistics

A large flock of white chickens is shown in a farm setting. The chickens are densely packed, and a blue water line with yellow drinkers is visible in the upper right corner. The background is slightly blurred, emphasizing the chickens in the foreground.

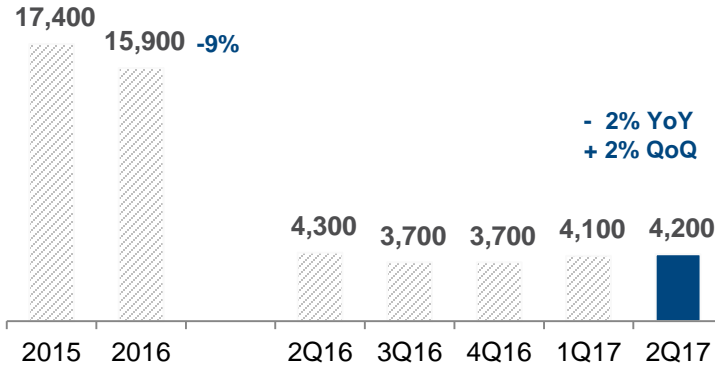
Key Statistics: Chicken Processing and Feed Business



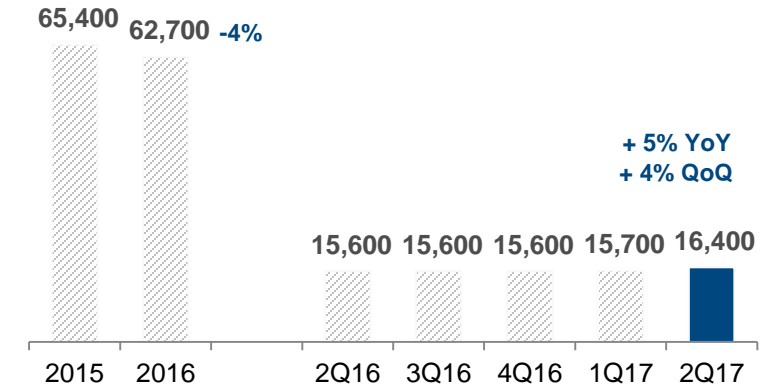
Chicken Meat Direct Export (MT)



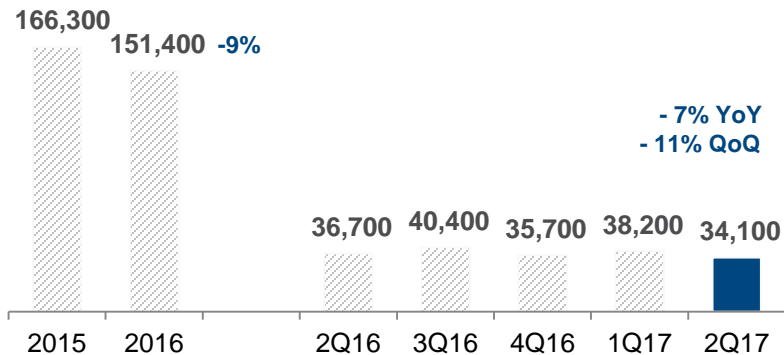
Chicken Meat Indirect Export (MT)



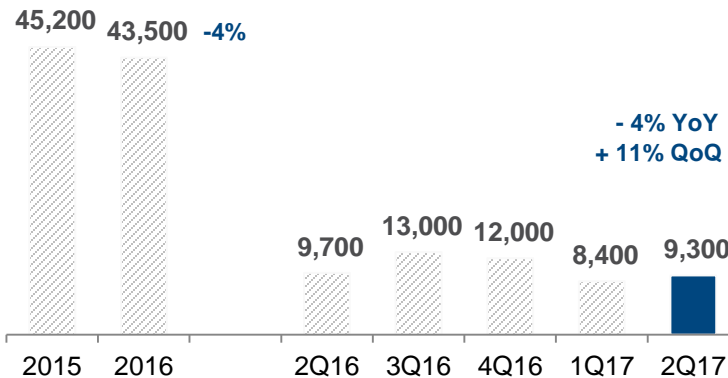
Chicken Meat Domestic (MT)



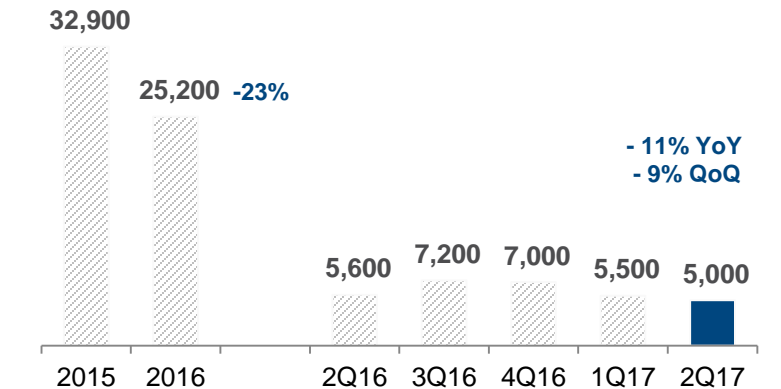
Animal Feed (MT)



Aqua Feed (MT)



Shrimp Feed (MT)





Q&A

Thank You



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