FINANSIA
FSS INTERNATIONAL INVESTMENT ADVISORY

FSSIA ESG rating ★★★★★

CHAROEN POKPHAND FOODS   CPF TB

THAILAND / FOOD & BEVERAGE

BUY
UNCHANGED

TARGET PRICE	THB28.00
CLOSE	THB24.30
UP/DOWNSIDE	+15.2%
PRIOR TP	THB28.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-4.2%

So far so good

- Management has set a revenue growth target of 5-8% y-y for 2025 and provided a positive outlook for meat prices in 1H25.
- We see upside potential for our 2025E profit. Our current TP of THB28 still offers a 15% upside, so we maintain our BUY call.
- Possibility of seeing progress on the spin-off of CP Vietnam in 2025.

4Q24 core profit significantly exceeded expectations

CPF reported a 4Q24 net profit of THB4.17b (-43% q-q, +35x y-y). Excluding several extra items, the core profit was THB6.54b (flat q-q, turning from a loss in 4Q23), which was much better than expected. Total revenue grew by 4% q-q and 1% y-y, due to an increase in sales volumes. The 4Q24 gross margin was impressive at 15.7%, up from 15.4% in 3Q24 and 9.2% in 4Q23 (we expected 14%). The share of profits from associates was strong, increasing both q-q and y-y, mainly from CPALL and CPAXT, which offset the weakness in the Chinese swine business.

CPF provided a positive meat price outlook for 2025

Management has set a revenue growth target of 5-8% y-y for 2025, driven by both increased sales volumes and sustained strong selling prices. The outlook for meat prices in 1H25 is positive, especially in Thailand and Vietnam, as supply remains tight due to ASF and the impact of flooding in late 2024. Currently, Thai swine prices have risen to THB80/kg (+13% q-q), Thai chicken to THB40/kg (+5% q-q), and Vietnamese swine to VND71,000/kg (+18% q-q). Only Chinese swine prices have weakened to RMB14.8/kg (-11% q-q), but CPF expects Chinese swine prices to improve in 2Q25 due to stronger demand.

## Solid gross margin could be a potential upside

The 1H25 gross margin is expected to remain high, as raw material prices have slightly decreased from 4Q24. Corn prices are expected to start declining in March due to higher production, combined with the positive effects of improved production efficiency. Regarding the US tariff issue, there is a high likelihood that Thailand will import corn from the US, which would be positive for livestock farmers, as domestic production is already insufficient to meet demand. CPF estimates that the cost of importing corn from the US would be about THB1/kg baht/kg cheaper than domestic corn prices.

Retain BUY rating

We see upside potential for our 2025E profit currently at THB15.5b if the meat and raw material price trends continue to be favorable for business in 2H25. However, our current TP of THB28 still offers a 15% upside, so we maintain our BUY call. CPF announced a 2H24 DPS of THB0.55/shr, yielding 2.3%. In addition, the Vietnamese government will reconsider a new IPO in March, and CP Vietnam is also on the list of companies expected to be considered. We expect to see more clarity in 2H25.

KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	580,747	605,139	622,083	637,635
Net profit	19,558	15,483	16,624	18,036
EPS (THB)	2.32	1.84	1.98	2.14
vs Consensus (%)	-	(18.6)	(8.3)	(2.5)
EBITDA	71,662	67,574	69,481	71,313
Recurring net profit	19,039	15,483	16,624	18,036
Core EPS (THB)	2.26	1.84	1.98	2.14
Chg. In EPS est. (%)	nm	10.2	9.6	nm
EPS growth (%)	nm	(18.7)	7.4	8.5
Core P/E (x)	10.7	13.2	12.3	11.3
Dividend yield (%)	4.4	3.8	4.1	4.4
EV/EBITDA (x)	10.0	10.3	9.8	9.4
Price/book (x)	0.8	0.8	0.8	0.7
Net debt/Equity (%)	157.4	125.9	117.5	109.5
ROE (%)	7.8	6.1	6.2	6.5
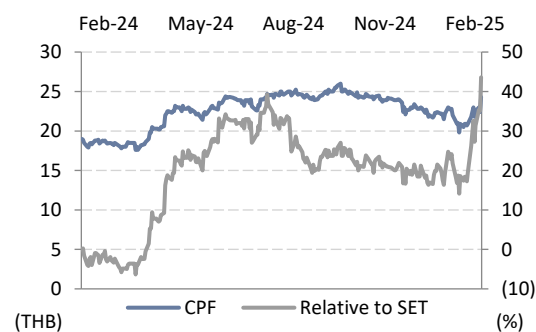
Share price performance	1 Month	3 Month	12 Month
Absolute (%)	9.5	1.3	32.1
Relative to country (%)	20.4	18.3	50.0
Mkt cap (USD m)			5,943
3m avg. daily turnover (USD m)			9.3
Free float (%)			46
Major shareholder		Charoen Pokphand Group (37%)	
12m high/low (THB)			26.00/17.60
Issued shares (m)			8,413.57

Sources: Bloomberg consensus; FSSIA estimates

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Investment thesis

CPF operates an integrated agro-industrial and food business under its "Kitchen of the World" vision for sustainable growth. The company owns production bases through investments and joint ventures in 17 countries and exports to over 50 countries. Since CPF starts from upstream, especially farming, which is highly volatile in line with meat prices and feed costs, its annual performance sharply fluctuates. CPF reported a significant turnaround in profit in 2024. Meanwhile, we have a more optimistic outlook for the meat price trend in 2025, due to the strong recovery meat prices in Thailand and Vietnam in 1Q25. In addition, CPF's management guided that the Chinese swine price may recover in 2Q25 onward, due to stronger demand.

Company profile

Established in 1978 and listed on the Stock Exchange of Thailand in 1987, CPF operates a vertically integrated agro-industrial and food business, from upstream to downstream, covering livestock and aquaculture such as swine, broilers, layers, ducks, shrimp, and fish. As of end-2024, CPF generated revenue from three units, namely Feed, Farm, and Food, with a revenue mix of 23%/55%/22%, respectively.

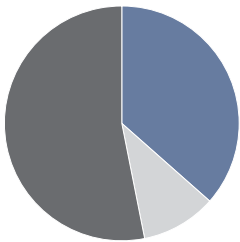www.cpfworldwide.com

Principal activities (revenue, 2024)

- Thailand livestock - 33.1 %
- Thailand aquatic - 4.3 %
- Overseas livestock - 55.5 %
- Overseas aquatic - 7.1 %
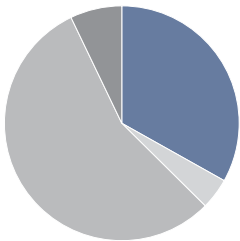
Source: Charoen Pokphand Foods

Major shareholders

- Charoen Pokphand Group - 36.5 %
- UBS AG London Branch - 10.4 %
- Others - 53.1 %

Source: Charoen Pokphand Foods

Catalysts

Potential drivers for CPF's earnings growth in 2025 are 1) sales volume growth after demand increases; 2) higher meat prices; 3) flat or declining feed costs; and 4) a better-than-expected recovery of overseas associates and subsidiaries.

Risks to our call

Downside risks to our P/E-based TP include 1) slow purchasing power; 2) a slower-than-expected meat price recovery; 3) higher feed costs; 4) baht strength; and 5) a minimum wage increase and labor shortages.

Event calendar

Date	Event
May 2025	1Q25 results announcement

Key assumptions

	2025E	2026E	2027E
Broiler price-TH (THB)	40.0	40.0	40.0
Swine price-TH (THB)	70.0	70.0	70.0
Swine price-VN (VND)	60,000	60,000	60,000
Total revenue growth (%)	4.2	2.8	2.5
Gross margin (%)	13.5	13.5	13.5
SG&A to sales (%)	8.7	8.7	8.7

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in 2025 revenue, we estimate net profit to rise by 4%, and vice versa, all else being equal.

- For every 0.1% increase in 2025 GPM, we estimate net profit to rise by 3.5%, and vice versa, all else being equal.

- For every 0.1% increase in 2025 SG&A to sales, we estimate net profit to fall by 4.4%, and vice versa, all else being equal.

Source: FSSIA estimates

4Q24 core profit significantly exceeded expectations

CPF reported a 4Q24 net profit of THB4.17b (-43% q-q, +35x y-y). Excluding several extra items, the core profit was THB6.54b (flat q-q, turning from a loss in 4Q23), which was much better than expected, driven by higher-than-expected revenue and a better-than-anticipated gross margin.

Total revenue grew by 4% q-q and 1% y-y, better than expected despite a decline in meat prices. The increase in sales volumes helped drive revenue growth.

The 4Q24 gross margin was impressive at 15.7%, up from 15.4% in 3Q24 and 9.2% in 4Q23 (we expected 14%), due to stronger-than-expected revenue, while raw material prices continued to decline.
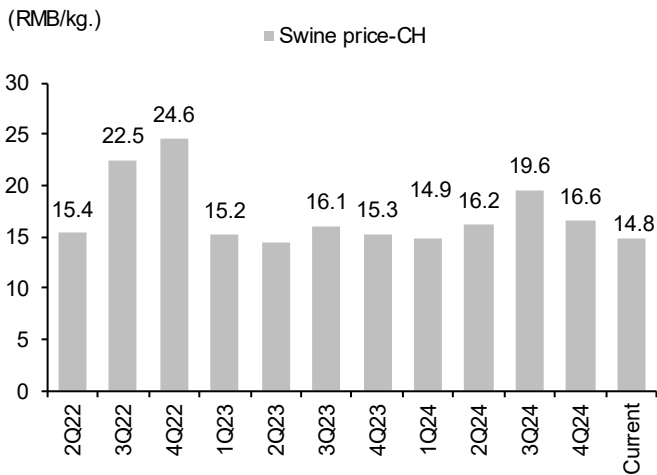
The share of profits from associates was strong, increasing both q-q and y-y, mainly from CPALL and CPAXT, which offset the weakness in the Chinese swine business.

CPF's 2024 net profit was THB19.6b, turning from a loss of THB5.2b in 2023, marking the highest profit in four years. The share of profits from associates was THB12.7b (65% of CPF's net profit), mainly from CPALL and CPAXT, amounting to THB9.6b (49% of CPF's net profit).
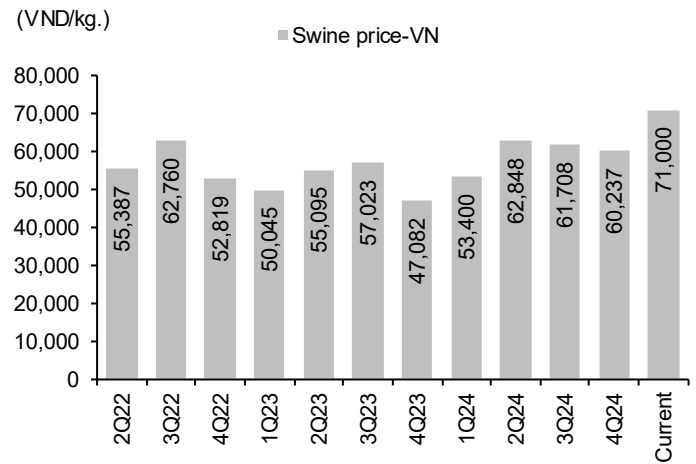
Exhibit 1: CPF – 4Q24 earnings results

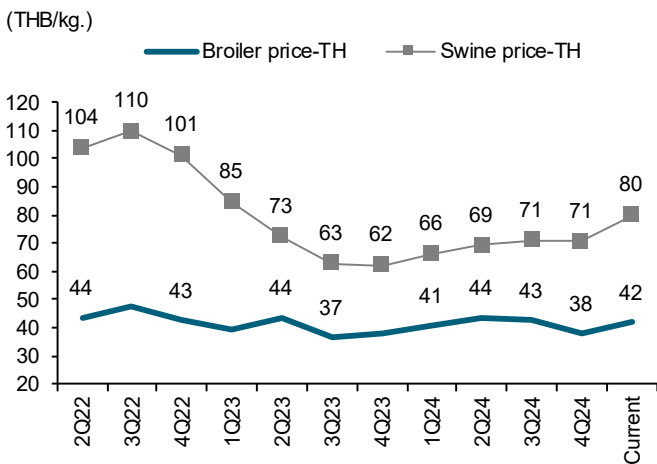|	4Q23	1Q24	2Q24	3Q24	4Q24	------ Change ------		2023	2024	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Sales	147,319	140,037	149,498	142,703	148,509	4.1	0.8	585,844	580,747	(0.9)
Cost of sales	133,750	123,228	126,484	120,756	125,236	3.7	(6.4)	524,643	495,704	(5.5)
Gross profit	13,569	16,809	23,013	21,947	23,274	6.0	71.5	61,201	85,043	39.0
SG&A	15,141	12,178	12,760	12,624	12,873	2.0	(15.0)	55,875	50,434	(9.7)
Operating profit	(3,200)	5,297	10,953	10,428	10,785	3.4	nm	6,435	37,463	482.2
Interest expense	6,903	6,182	6,276	6,031	6,086	0.9	(11.8)	25,506	24,575	(3.7)
Tax expense	163	550	2,046	1,059	2,018	90.6	1136.9	600	5,673	845.0
Profit (loss) sharing	643	1,792	3,352	3,655	3,900	6.7	506.6	(810)	12,699	nm
Biological gain (loss)	(1,169)	464	1,427	734	(263)	nm	nm	724	2,362	226.2
Other gain (loss)	5,062	330	135	28	201	615.8	(96.0)	16,068	(1,844)	nm
Reported net profit	121	1,152	6,924	7,309	4,173	(42.9)	3,354.6	(5,207)	19,558	nm
Core profit	(10,877)	358	5,595	6,547	6,540	(0.1)	nm	(22,000)	19,039	nm
Key ratios (%)						(ppt)	(ppt)			
Gross margin	9.2	12.0	15.4	15.4	15.7	0.3	6.5	10.4	14.6	4.2
SG&A to sales	10.3	8.7	8.5	8.8	8.7	(0.2)	(1.6)	9.5	8.7	(0.9)
Operating margin	(2.2)	3.8	7.3	7.3	7.3	(0.0)	9.4	1.1	6.5	5.4
Net margin	0.1	0.8	4.6	5.1	2.8	(2.3)	2.7	(0.9)	3.4	4.3
Core margin	(7.4)	0.3	3.7	4.6	4.4	(0.2)	11.8	(3.8)	3.3	7.0
Operating statistics (THB/kg)										
Broiler price-TH	37.9	40.8	43.6	42.7	38.1	(10.8)	0.5	39.5	41.3	4.7
Swine price-TH	62.3	66.3	69.3	71.1	70.6	(0.7)	13.3	70.5	69.3	(1.6)
Corn price-TH	10.4	10.9	10.9	12.1	10.0	(17.4)	(3.8)	12.1	11.0	(8.9)
Soybean meal price-TH	22.0	22.2	21.5	20.5	18.9	(7.8)	(14.1)	22.7	20.8	(8.7)
Swine price-VN (VND/kg.)	47,082	53,400	62,848	61,708	60,237	(2.4)	27.9	52,311	59,548	13.8
Swine price-CH (RMB/kg.)	15.3	14.9	16.2	19.6	16.6	(15.5)	8.3	15.3	16.8	10.3

Sources: CPF, FSSIA's compilation
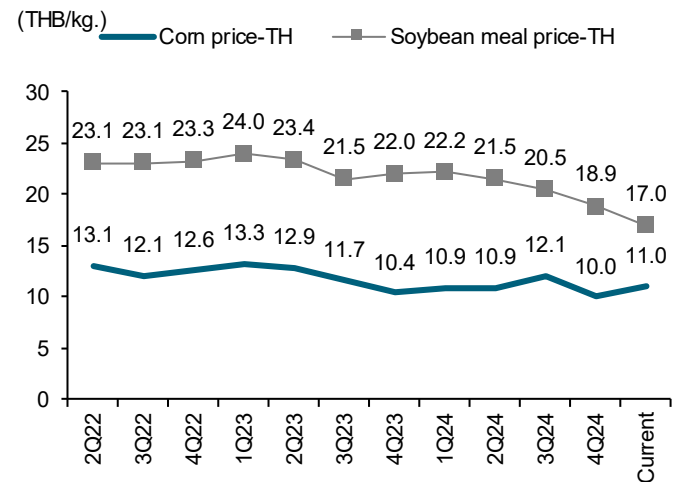
Exhibit 2: Quarterly China swine price

(RMB/kg.) Swine price-CH

15.4, 22.5, 24.6, 15.2, 14.5, 16.1, 15.3, 14.9, 16.2, 19.6, 16.6, 14.8

2Q22, 3Q22, 4Q22, 1Q23, 2Q23, 3Q23, 4Q23, 1Q24, 2Q24, 3Q24, 4Q24, Current

Sources: Bloomberg, CPF, FSSIA's compilation

Exhibit 3: Quarterly Vietnam swine price

(VND/kg.) Swine price-VN

55,387, 62,760, 52,819, 50,045, 55,095, 57,023, 47,082, 53,400, 62,848, 61,708, 60,237, 71,000

2Q22, 3Q22, 4Q22, 1Q23, 2Q23, 3Q23, 4Q23, 1Q24, 2Q24, 3Q24, 4Q24, Current

Source: CPF, FSSIA's compilation

Exhibit 4: Quarterly domestic meat prices

(THB/kg.) Broiler price-TH   Swine price-TH

Swine: 104, 110, 101, 85, 73, 63, 62, 66, 69, 71, 71, 80
Broiler: 44, —, 43, —, 44, 37, —, 41, 44, 43, 38, 42

2Q22, 3Q22, 4Q22, 1Q23, 2Q23, 3Q23, 4Q23, 1Q24, 2Q24, 3Q24, 4Q24, Current

Source: CPF, FSSIA's compilation

Exhibit 5: Quarterly raw material prices

(THB/kg.) Corn price-TH   Soybean meal price-TH

Soybean meal: 23.1, 23.1, 23.3, 24.0, 23.4, 21.5, 22.0, 22.2, 21.5, 20.5, 18.9, 17.0
Corn: 13.1, 12.1, 12.6, 13.3, 12.9, 11.7, 10.4, 10.9, 10.9, 12.1, 10.0, 11.0

2Q22, 3Q22, 4Q22, 1Q23, 2Q23, 3Q23, 4Q23, 1Q24, 2Q24, 3Q24, 4Q24, Current

Source: CPF, FSSIA's compilation

Exhibit 6: Quarterly total revenue and growth

(THB m) Total revenue   Growth y-y (RHS) (%)

Growth: 20.3, 27.3, 15.4, 3.5, (3.7), (9.8), (7.4), (2.6), (0.5), (1.2), 0.8

2Q22, 3Q22, 4Q22, 1Q23, 2Q23, 3Q23, 4Q23, 1Q24, 2Q24, 3Q24, 4Q24
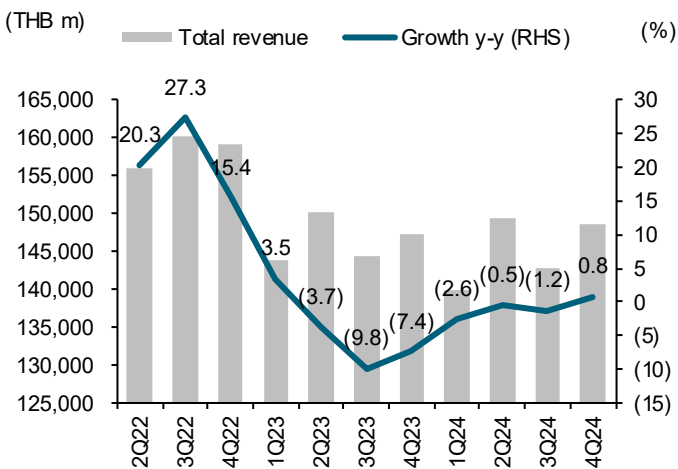
Sources: CPF, FSSIA's compilation

Exhibit 7: Quarterly gross margin and SG&A to sales

(%) Gross margin   SG&A to sales (RHS) (%)

Gross margin: 14.5, 15.0, 11.0, 10.1, 11.0, 10.8, 9.2, 12.0, 15.4, 15.4, 15.7

2Q22, 3Q22, 4Q22, 1Q23, 2Q23, 3Q23, 4Q23, 1Q24, 2Q24, 3Q24, 4Q24

Sources: CPF, FSSIA's compilation

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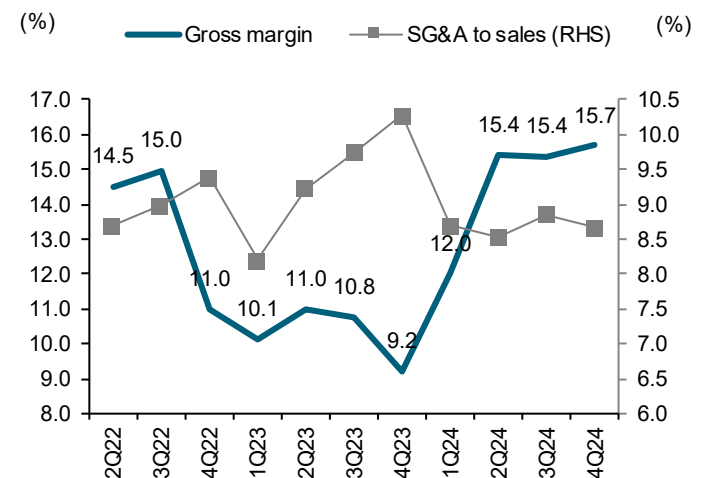
Exhibit 8: Quarterly share of profit/(loss)
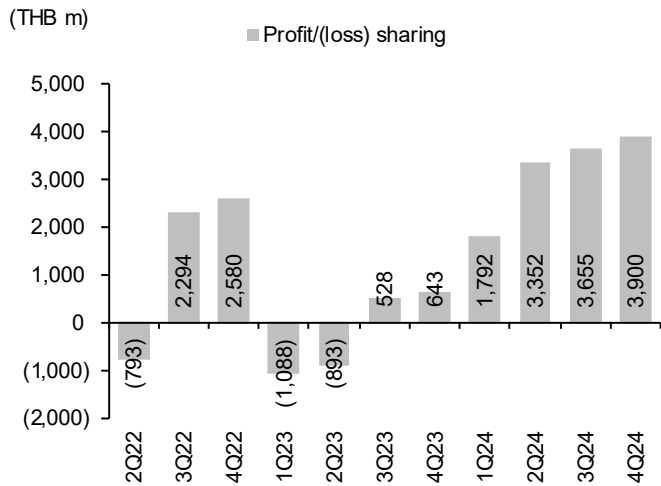
Sources: CPF, FSSIA's compilation

Exhibit 9: Quarterly net profit
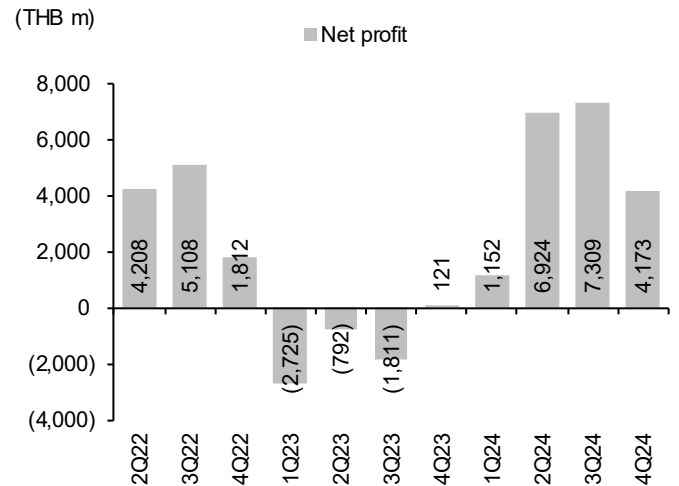
Sources: CPF, FSSIA's compilation

Exhibit 10: Yearly China swine price

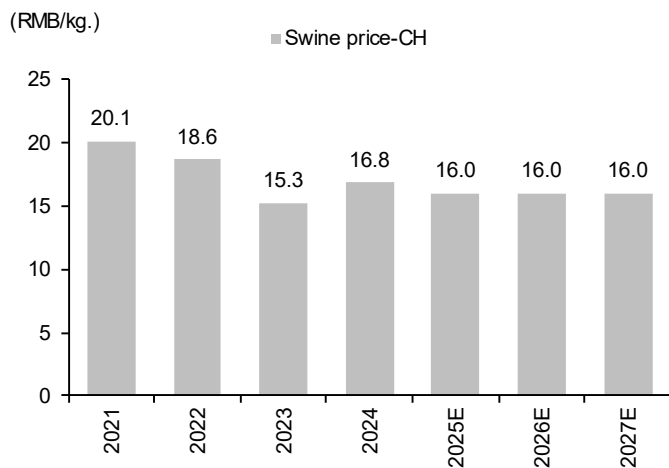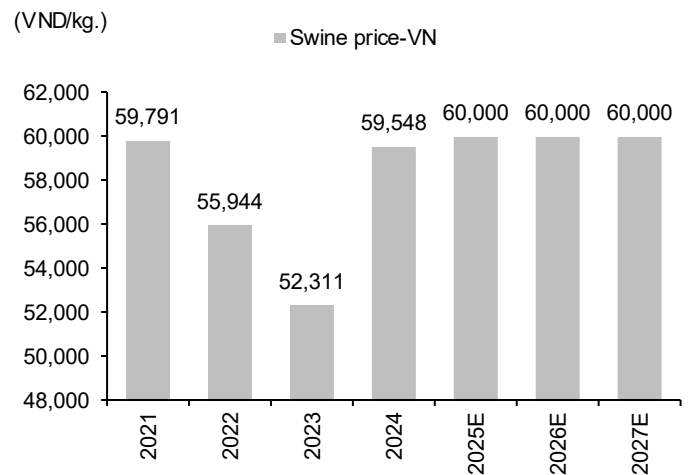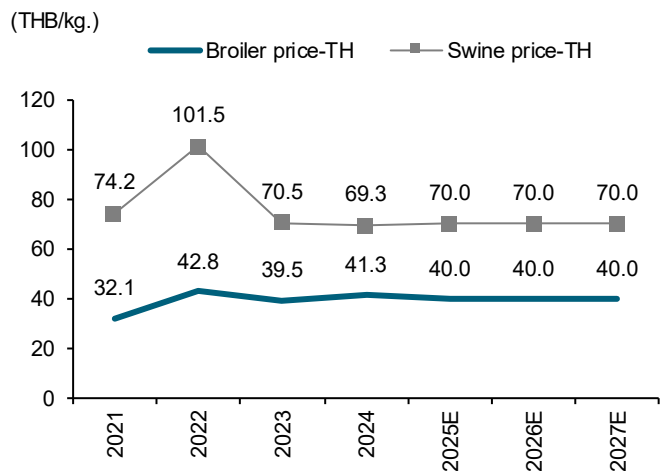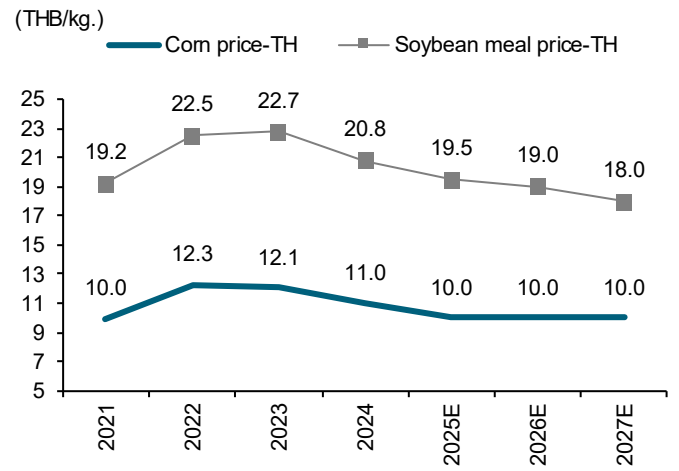Sources: CPF, FSSIA estimates

Exhibit 11: Yearly Vietnam swine price
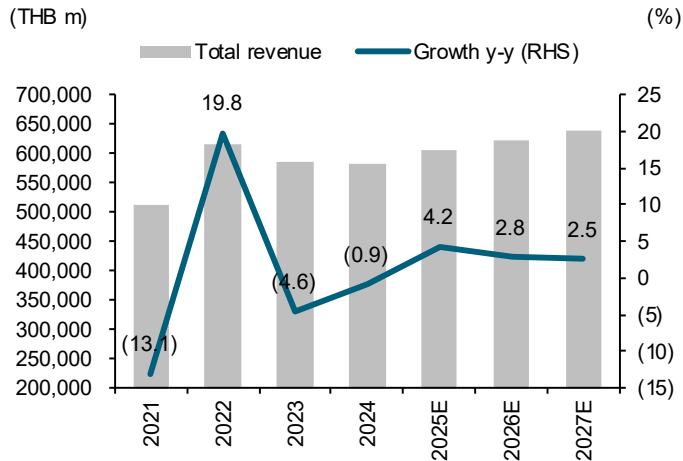

Sources: CPF, FSSIA estimates

Exhibit 12: Yearly domestic meat prices

Sources: CPF, FSSIA estimates

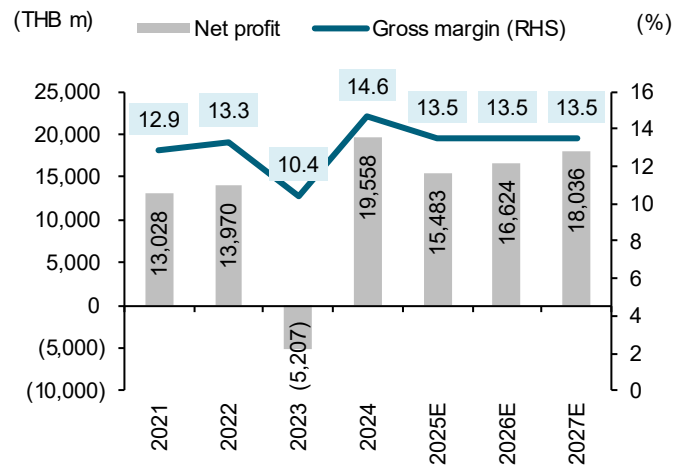**Exhibit 13: Yearly raw material prices**

Sources: CPF, FSSIA estimates

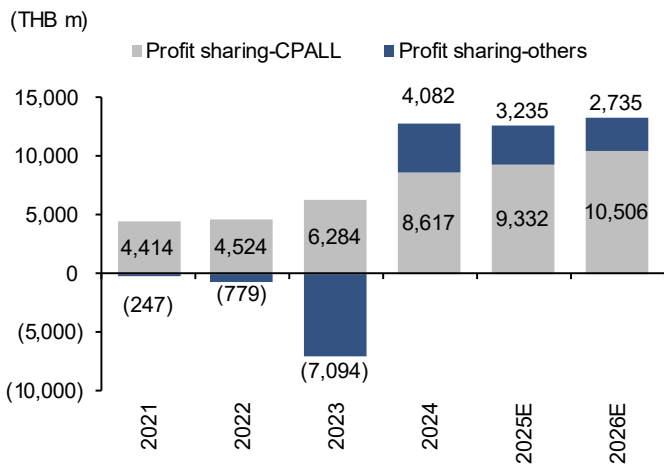**Exhibit 14: Yearly total revenue and growth**

Sources: CPF, FSSIA estimates

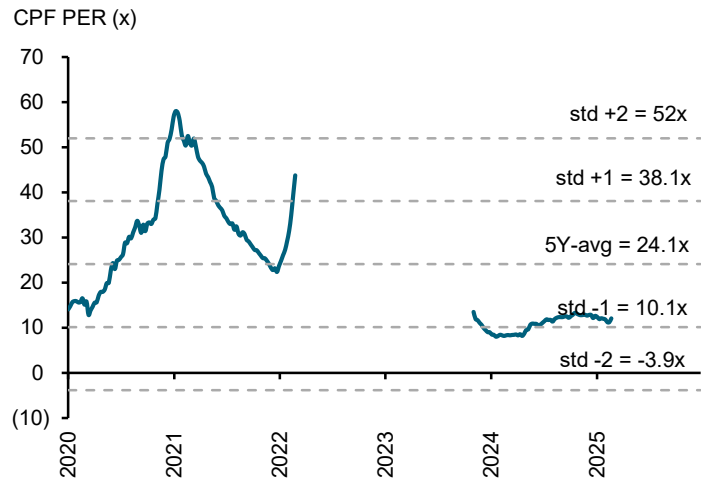**Exhibit 15: Yearly net profit and gross margin**

Sources: CPF, FSSIA estimates

Exhibit 16: Share of profit breakdown by CPALL and others

Sources: CPF, FSSIA estimates

Exhibit 17: Historical P/E band

Sources: Bloomberg; FSSIA estimates

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Financial Statements
Charoen Pokphand Foods

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	585,844	580,747	605,139	622,083	637,635
Cost of goods sold	(524,643)	(495,704)	(523,445)	(538,101)	(551,554)
Gross profit	**61,201**	**85,043**	**81,694**	**83,981**	**86,081**
Other operating income	1,110	2,854	3,328	3,421	3,507
Operating costs	(55,875)	(50,434)	(52,647)	(54,121)	(55,474)
Operating EBITDA	**39,667**	**71,662**	**67,574**	**69,481**	**71,313**
Depreciation	(33,232)	(34,200)	(35,200)	(36,200)	(37,200)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	**6,435**	**37,463**	**32,375**	**33,281**	**34,113**
Net financing costs	(24,348)	(22,708)	(22,184)	(22,243)	(21,393)
Associates	(810)	12,699	12,567	13,241	13,411
Recurring non-operating income	(810)	12,699	12,567	13,241	13,411
Non-recurring items	16,792	519	0	0	0
Profit before tax	**(1,931)**	**27,972**	**22,758**	**24,279**	**26,131**
Tax	(600)	(5,673)	(4,552)	(4,856)	(5,226)
Profit after tax	**(2,531)**	**22,299**	**18,207**	**19,424**	**20,905**
Minority interests	(2,676)	(2,741)	(2,723)	(2,799)	(2,869)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	**(5,207)**	**19,558**	**15,483**	**16,624**	**18,036**
Non-recurring items & goodwill (net)	**(16,792)**	**(519)**	**0**	**0**	**0**
Recurring net profit	**(22,000)**	**19,039**	**15,483**	**16,624**	**18,036**
Per share (THB)					
Recurring EPS *	(2.61)	2.26	1.84	1.98	2.14
Reported EPS	(0.62)	2.32	1.84	1.98	2.14
DPS	0.00	1.06	0.92	0.99	1.07
Diluted shares (used to calculate per share data)	8,414	8,414	8,414	8,414	8,414
Growth					
Revenue (%)	(4.6)	(0.9)	4.2	2.8	2.5
Operating EBITDA (%)	(37.1)	80.7	(5.7)	2.8	2.6
Operating EBIT (%)	(79.1)	482.2	(13.6)	2.8	2.5
Recurring EPS (%)	nm	nm	(18.7)	7.4	8.5
Reported EPS (%)	nm	nm	(20.8)	7.4	8.5
Operating performance					
Gross margin inc. depreciation (%)	10.4	14.6	13.5	13.5	13.5
Gross margin exc. depreciation (%)	16.1	20.5	19.3	19.3	19.3
Operating EBITDA margin (%)	6.8	12.3	11.2	11.2	11.2
Operating EBIT margin (%)	1.1	6.5	5.4	5.4	5.4
Net margin (%)	(3.8)	3.3	2.6	2.7	2.8
Effective tax rate (%)	(31.1)	20.3	20.0	20.0	20.0
Dividend payout on recurring profit (%)	-	46.8	50.0	50.0	50.0
Interest cover (X)	0.2	2.2	2.0	2.1	2.2
Inventory days	56.7	53.1	51.0	52.9	53.0
Debtor days	26.7	26.1	25.0	25.1	25.2
Creditor days	32.5	28.2	27.0	27.5	27.5
Operating ROIC (%)	1.2	7.3	6.6	7.0	7.5
ROIC (%)	0.6	5.1	4.6	4.8	4.9
ROE (%)	(8.9)	7.8	6.1	6.2	6.5
ROA (%)	0.0	4.5	4.1	4.1	4.2
* Pre-exceptional, pre-goodwill and fully diluted					

Revenue by Division (THB m)	2023	2024	2025E	2026E	2027E
Thailand livestock	193,310	192,384	199,117	205,091	211,244
Thailand aquatic	27,945	24,932	25,431	26,194	26,979
Overseas livestock	316,296	322,064	338,396	347,338	354,647
Overseas aquatic	48,293	41,367	42,195	43,460	44,764

Sources: Charoen Pokphand Foods; FSSIA estimates

Financial Statements
Charoen Pokphand Foods

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	(22,000)	19,039	15,483	16,624	18,036
Depreciation	33,232	34,200	35,200	36,200	37,200
Associates & minorities	-	-	-	-	-
Other non-cash items	3,360	(8,770)	10,141	(9,707)	(9,877)
Change in working capital	(3,219)	13,251	(1,656)	(3,028)	(2,779)
Cash flow from operations	**11,373**	**57,719**	**59,168**	**40,089**	**42,579**
Capex - maintenance	(25,883)	(39,520)	(10,243)	(20,000)	(20,000)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	2,796	2,307	0	0	0
Other investments (net)	8,051	3,549	672	(593)	(544)
Cash flow from investing	**(15,035)**	**(33,664)**	**(9,571)**	**(20,593)**	**(20,544)**
Dividends paid	(13,027)	(1,720)	(7,203)	(8,312)	(9,018)
Equity finance	1,371	(3)	4	0	0
Debt finance	(2,424)	(22,281)	(24,696)	(5,120)	80
Other financing cash flows	9,783	2,319	(1,024)	3,251	762
Cash flow from financing	**(4,298)**	**(21,685)**	**(32,920)**	**(10,181)**	**(8,176)**
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	**0**	**0**	**0**	**0**	**0**
Movement in cash	**(7,960)**	**2,371**	**16,677**	**9,314**	**13,859**
Free cash flow to firm (FCFF)	21,844.06	48,630.88	73,630.54	43,544.02	45,162.15
Free cash flow to equity (FCFE)	3,696.24	4,094.00	23,876.30	17,626.53	22,876.84

Per share (THB)					
FCFF per share	2.60	5.78	8.75	5.18	5.37
FCFE per share	0.44	0.49	2.84	2.10	2.72
Recurring cash flow per share	1.73	5.29	7.23	5.12	5.39

Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	333,873	326,168	311,968	296,769	280,569
Less: Accumulated depreciation	(33,232)	(34,200)	(35,200)	(36,200)	(37,200)
Tangible fixed assets (net)	**300,641**	**291,968**	**276,769**	**260,569**	**243,370**
Intangible fixed assets (net)	**73,428**	**71,121**	**71,121**	**71,121**	**71,121**
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	272,548	283,542	296,109	309,350	322,761
Cash & equivalents	28,255	30,625	47,302	56,617	70,476
A/C receivable	42,351	40,674	42,244	43,426	44,512
Inventories	69,508	64,771	71,705	73,713	75,555
Other current assets	69,002	63,989	60,514	62,208	63,763
Current assets	**209,116**	**200,060**	**221,765**	**235,964**	**254,307**
Other assets	31,485	30,033	29,080	29,673	30,217
Total assets	**887,218**	**876,724**	**894,843**	**906,678**	**921,776**
Common equity	239,416	246,041	263,801	272,113	281,131
Minorities etc.	45,617	47,183	69,891	73,425	76,959
Total shareholders' equity	**285,033**	**293,224**	**333,692**	**345,538**	**358,090**
Long term debt	316,785	291,911	294,611	292,111	294,811
Other long-term liabilities	25,936	28,256	27,231	30,482	31,244
Long-term liabilities	**342,722**	**320,167**	**321,842**	**322,593**	**326,055**
A/C payable	36,527	34,840	37,286	38,331	39,289
Short term debt	198,326	200,372	172,976	170,356	167,736
Other current liabilities	24,610	28,122	29,047	29,860	30,606
Current liabilities	**259,463**	**263,334**	**239,309**	**238,546**	**237,631**
Total liabilities and shareholders' equity	**887,218**	**876,724**	**894,843**	**906,678**	**921,776**
Net working capital	119,724	106,473	108,129	111,157	113,936
Invested capital	797,826	783,137	781,208	781,870	781,405
* Includes convertibles and preferred stock which is being treated as debt					

Per share (THB)					
Book value per share	28.46	29.24	31.35	32.34	33.41
Tangible book value per share	19.73	20.79	22.90	23.89	24.96
Financial strength					
Net debt/equity (%)	170.8	157.4	125.9	117.5	109.5
Net debt/total assets (%)	54.9	52.7	47.0	44.8	42.5
Current ratio (x)	0.8	0.8	0.9	1.0	1.1
CF interest cover (x)	1.2	1.2	2.1	1.8	2.1

Valuation	2023	2024	2025E	2026E	2027E
Recurring P/E (x) *	**(9.3)**	**10.7**	**13.2**	**12.3**	**11.3**
Recurring P/E @ target price (x) *	**(10.7)**	**12.4**	**15.2**	**14.2**	**13.1**
Reported P/E (x)	(39.3)	10.5	13.2	12.3	11.3
Dividend yield (%)	-	4.4	3.8	4.1	4.4
Price/book (x)	0.9	0.8	0.8	0.8	0.7
Price/tangible book (x)	1.2	1.2	1.1	1.0	1.0
EV/EBITDA (x) **	18.6	10.0	10.3	9.8	9.4
EV/EBITDA @ target price (x) **	19.4	10.4	10.7	10.3	9.9
EV/invested capital (x)	0.9	0.9	0.9	0.9	0.9
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: Charoen Pokphand Foods; FSSIA estimates

Charoen Pokphand Foods PCL (CPF TB)

Exhibit 18: FSSIA ESG score implication

81.76 /100

Rating	Score	Implication
★ ★ ★ ★ ★	>79-100	**Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.**
★ ★ ★ ★	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★ ★ ★	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★ ★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

Exhibit 19: ESG – peer comparison

	FSSIA	----------------- Domestic ratings ----------------------						------------------------ Global ratings -------------------------					--- Bloomberg ---	
	ESG score	DJSI	SET ESG	SET ESG Rating	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	67.71	5.69	4.38	4.05	4.77	4.43	4.02	Medium	57.34	BBB	22.70	60.82	67.31	1.19	35.34
Coverage	66.17	5.16	4.33	3.94	4.81	4.43	3.83	Medium	56.41	BBB	18.92	59.20	65.82	1.38	35.46
BTG	30.98	--	--	--	5.00	4.00	Certified	High	--	BB	--	--	--	--	57.48
CPF	81.76	Y	Y	AAA	5.00	5.00	Certified	Medium	71.84	BBB	44.00	66.97	85.00	4.43	67.93
GFPT	50.93	--	Y	BBB	5.00	5.00	Certified	High	--	--	--	62.77	24.00	4.22	57.60
TU	69.84	Y	--	--	5.00	5.00	Certified	High	56.97	A	41.00	74.24	85.00	--	77.68
TFG	34.05	--	--	A	5.00	5.00	Certified	High	--	--	--	42.43	--	--	--

Sources: SETTRADE.com; FSSIA's compilation

Exhibit 20: ESG score by Bloomberg

FY ending Dec 31	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
ESG financial materiality scores - ESG score	**2.57**	**2.01**	**2.32**	**4.20**	**3.82**	**4.48**	**4.59**	**4.43**
BESG environmental pillar score	2.50	1.35	1.44	5.60	4.55	5.58	5.69	5.12
BESG social pillar score	1.77	1.49	2.38	3.05	2.82	3.26	3.26	3.55
BESG governance pillar score	3.59	3.67	3.65	3.68	3.94	4.38	4.61	4.46
ESG disclosure score	**51.20**	**46.05**	**46.05**	**55.11**	**52.85**	**60.28**	**62.66**	**67.93**
Environmental disclosure score	35.00	17.97	17.97	41.53	38.15	51.98	53.70	65.51
Social disclosure score	31.11	32.68	32.68	36.31	32.92	38.88	44.32	48.34
Governance disclosure score	87.36	87.36	87.36	87.36	87.36	89.86	89.86	89.86
Environmental								
Emissions reduction initiatives	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Climate change policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	No	No	No	No	Yes
Risks of climate change discussed	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
GHG scope 1	240	—	—	250	238	222	288	362
GHG scope 2 location-based	670	—	—	590	647	596	1,198	1,193
GHG Scope 3	—	—	—	—	3,565	4,132	4,412	11,377
Carbon per unit of production	—	—	—	—	—	—	—	—
Biodiversity policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Energy efficiency policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total energy consumption	2,664	—	—	3,072	2,296	2,284	3,373	3,312
Renewable energy use	550	—	—	800	—	853	1,503	1,564
Electricity used	1,211	—	—	—	1,353	1,395	2,243	2,267
Fuel used - natural gas	—	—	—	36,310	1,315,790	1,221,200	1,503,630	1,403,530

Sources: Bloomberg; FSSIA's compilation

Exhibit 21: ESG score by Bloomberg *(cont.)*

FY ending Dec 31	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Fuel used - crude oil/diesel	No	No	No	No	No	No	No	No
Waste reduction policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Hazardous waste	1	—	—	—	1	1	1	0
Total waste	440	—	—	920	463	456	636	551
Waste recycled	—	—	—	27	—	25	42	41
Waste sent to landfills	—	—	—	—	—	42.54	73.89	27.29
Environmental supply chain management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water consumption	—	—	—	—	6,670	6,032.59	10,685.90	10,129.00
Social								
Human rights policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Quality assurance and recall policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Consumer data protection policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No	No	No	No	Yes
Pct women in workforce	51	51	52	52	42	44.46	44.56	44.84
Pct disabled in workforce	—	1	1	1	—	0.56	0.69	0.53
Business ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	—	—	—	0	0	0.38	1.00	0.18
Total recordable incident rate - employees	—	—	—	—	—	—	—	0.74
Training policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No	No	No	No	No
Number of employees – CSR	66,087	71,131	72,319	73,941	71,318	128,548.00	135,284.00	135,446.00
Employee turnover pct	19	18	20	34	—	13.28	10.98	14.64
Total hours spent by firm - employee training	985,230	1,138,100	1,012,470	887,292	2,781,400	1,331,690.00	1,772,550.00	4,991,190.00
Social supply chain management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Governance								
Board size	**15**	**15**	**15**	**15**	**15**	**15**	**15**	**14**
No. of independent directors (ID)	**5**	**5**	**5**	**5**	**5**	**6**	**5**	**4**
No. of women on board	2	2	2	2	2	2	2	2
No. of non-executive directors on board	10	10	10	9	9	9	10	9
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	11	9	7	7	13	11	9	8
Board meeting attendance pct	96	87	96	94	96	99	99	98
Board duration (years)	3	3	3	3	3	3	3	3
Director share ownership guidelines	No	No	No	No	No	No	No	No
Age of the youngest director	61	62	63	58	53	53	53	54
Age of the oldest director	80	82	83	81	82	76	76	77
No. of executives / company managers	**14**	**17**	**7**	**11**	**9**	**27**	**31**	**31**
No. of female executives	2	2	1	2	2	4	7	7
Executive share ownership guidelines	No	No	No	No	No	No	No	No
Size of audit committee	**4**	**4**	**4**	**4**	**4**	**4**	**4**	**4**
No. of ID on audit committee	4	4	4	4	4	4	4	4
Audit committee meetings	10	8	9	9	10	11	8	9
Audit meeting attendance %	95	91	94	100	98	100	100	97
Size of compensation committee	**3**	**3**	**3**	**4**	**4**	**4**	**4**	**3**
No. of ID on compensation committee	2	2	2	2	2	2	2	1
No. of compensation committee meetings	3	2	2	2	3	3	3	3
Compensation meeting attendance %	100	100	100	100	92	100	100	100
Size of nomination committee	**3**	**3**	**3**	**4**	**4**	**4**	**4**	**3**
No. of nomination committee meetings	3	2	2	2	3	3	3	3
Nomination meeting attendance %	100	100	100	100	92	100	100	100
Sustainability governance								
Verification type	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for **SETESG inclusion**, verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. **SETESG Index** is extended from the SET ESG Ratings companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). *(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)*	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. *(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)*	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. *Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.*	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored.

NEGL	Low	Medium	High	Severe
0-10	10-20	20-30	30-40	40+

ESG score	Methodology	Rating
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers.	

AAA	8.571-10.000	**Leader:**	leading its industry in managing the most significant ESG risks and opportunities	
AA	7.143-8.570			
A	5.714-7.142			
BBB	4.286-5.713	**Average:**	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	
BB	2.857-4.285			
B	1.429-2.856			
CCC	0.000-1.428	**Laggard:**	lagging its industry based on its high exposure and failure to manage significant ESG risks	

ESG score	Methodology
Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. *(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)*
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.
Bloomberg	ESG Score — Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.
Bloomberg	ESG Disclosure Score — Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.

Rating regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

GENERAL DISCLAIMER

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History of change in investment rating and/or target price

Charoen Pokphand Foods (CPF TB)
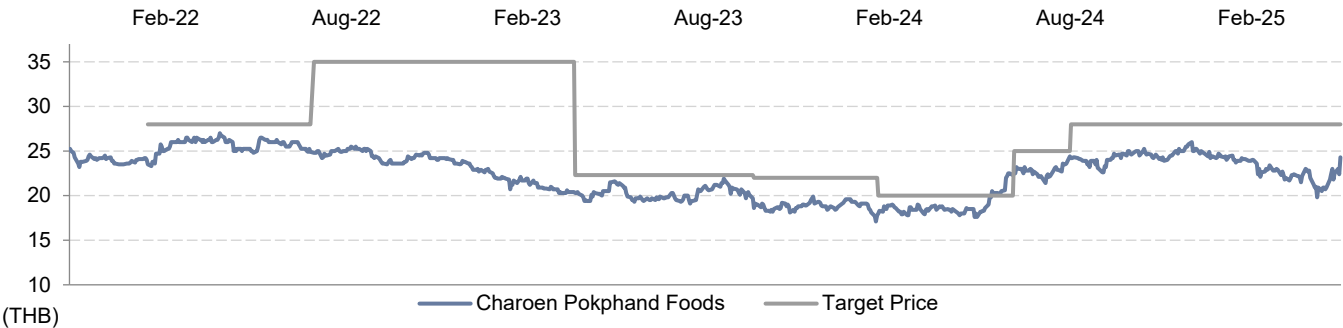
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
05-May-2022	HOLD	28.00	09-Oct-2023	HOLD	22.00	18-Apr-2024	BUY	20.00
23-Sep-2022	BUY	35.00	13-Dec-2023	BUY	22.00	20-May-2024	BUY	25.00
08-May-2023	HOLD	22.30	24-Jan-2024	HOLD	20.00	08-Jul-2024	BUY	28.00

Sureeporn Teewasuwet started covering this stock from 08-May-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Charoen Pokphand Foods	CPF TB	THB 24.30	BUY	Downside risks to our P/E-based TP include 1) slow purchasing power, 2) a slower-than-expected meat price recovery, 3) higher feed costs, 4) baht strength, and 5) a minimum wage increase and labor shortages.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 26-Feb-2025 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY (B). The upside is 10% or more.
HOLD (H). The upside or downside is less than 10%.
REDUCE (R). The downside is 10% or more.
Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.
Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.
Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.