

The reports on Charoen Pokphand Foods (CPF TB) and GFPT (GFPT TB) are being republished for reference purposes. No changes have been made to the reports from their original dates of publication.

# Thailand Foods

## Meat prices should remain strong at least till 3Q25

- Expect 1Q25 profit for the meat sector to be bright (+47% q-q, +466% y-y) due to better-than-expected meat prices, leading to an upward revision of our 2025 net profit by 45% to 16% growth.
- U.S. tariffs do not directly impact the meat sector, but U.S. pork imports could provide a negative sentiment. Although the likelihood is considered low, it is worth monitoring in the future.
- Upgrade to Overweight, with BTG as our top pick.

### Stronger-than-expected swine prices in 1H25

The overall YTD meat price recovery has been better than expected, with an average swine price of THB80-82/kg (+19% y-y) in Thailand and VND65,000/kg (+22% y-y) in Vietnam, driven by reduced supply due to disease outbreaks and flood damages in 4Q24. While Thai chicken prices have remained stable at THB40/kg, Chinese swine prices have yet to recover and are below prior expectations. As a result, we have revised our 2025 Thai and Chinese swine price assumptions by an increase of 7% and a decrease of 3%, respectively. Although raw material costs remain low, we have cut our soybean meal assumption by 18% but increased our corn price forecast by 5%. These changes have led to a 45% upward revision of the meat sector's 2025 net profit to 16% y-y growth, led by BTG (+62% y-y), TFG (+33%), CPF (+12%), while GFPT forecast remains unchanged at -24% y-y.

### There was news that the government has decided not to import pork or offal.

U.S. tariff increases do not directly impact the meat sector since the U.S. is neither a trading partner nor a competitor of Thai meat products. However, one part of the ongoing Thai-U.S. trade negotiations involves increased agricultural imports from the U.S. If they are corn or soybean meal, they would benefit livestock farmers. However, if the imports involve U.S. pork, it could negatively impact domestic pork prices. CPF, BTG, and TFG generate c17% of their total revenue from Thai swine. Sensitivity analysis shows a 10% drop in Thai swine prices would impact net profit by c5%. However, we believe the likelihood is low due to the use of ractopamine in U.S. pork, which is illegal in Thailand, and strong opposition from pig farmers. As for importing animal innards as pet food ingredients, if properly regulated and used for their intended purpose, it should have a limited impact on Thai swine prices. On 12 April 25, there was news that the government had decided not to import pork or offal.

### Raise to Overweight

Given better-than-expected meat prices and strong profit momentum in 1H25 (potentially continuing into 3Q25), we recommend BUY on all four companies in the sector. BTG is our Top Pick, based on five reasons, including 1) highest expected 2025 profit growth, 2) strong financial position with D/E and IBD/E ratios at 1.25x and 0.75x, respectively, 3) its inclusion in the SET ESG Index for the first time with the highest AAA rating, 4) its underperformance compared to the meat sector, with returns of -21.7% in 2024 and -1.1% YTD, and 5) its attractive valuation, currently trading at 9.3x P/E, below its historical average.

### FSSIA recommendations

Company	BBG code	share price	Rating		Target Price			
			Current	Previous	Current	Previous	%change	Up/downside
Betagro	BTG TB	18.90	BUY	-	27.00	24.00	+12.50%	+42.9%
Thai Foods Group	TFG TB	4.68	BUY	-	5.30	4.10	+29.27%	+13.2%
Charoen Pokphand Foods	CPF TB	25.25	BUY	-	30.00	-	-	+18.8%
GFPT	GFPT TB	8.85	BUY	-	12.50	-	-	+41.2%

Note: Priced at close of business 11/04/2025. Share prices and TPs are in listing currency.

Source: FSSIA estimates



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<div><div>Investment thesis</div><div><p>We have upgraded our rating of the meat sector to Overweight, supported by strong meat prices and solid profit momentum in 1H25, which may carry through to 3Q25.</p><p>We have raised our 2025E net profit of the meat sector by 45% to THB31.6b (+16% y-y) to reflect higher Thai swine prices and better-than-expected gross margin in the meat sector.</p><p>After the revisions, we project BTG's 2025E net profit to post the highest growth in the group at 62% y-y, followed by TFG at 33% y-y, and CPF at 12% y-y. GFPT is the only one we expect to see a profit decline due to the high base in 2024.</p><p>The SET recently released its 2024 ESG ratings, with BTG being selected for the first time, receiving an AAA rating equal to CPF. TFG had its rating upgraded to AA (from A), while the SET removed GFPT from its ESG list due to issues with public ESG disclosure. However, we believe that GFPT will keep addressing this and requalify in the next round.</p><p>Although we recommend BUY on all four companies in the meat sector, we select BTG as our top pick, probably through 3Q25.</p></div></div>	<div><div>Catalyst</div><div><ul style="list-style-type: none"><li>Higher meat prices in 2025;</li><li>Declining raw material prices;</li><li>A consumption recovery;</li><li>Growth in Thailand's chicken export volume;</li></ul></div></div> <div><div>Risk to our call</div><div><ul style="list-style-type: none"><li>Lower-than-expected meat prices;</li><li>Higher-than-expected raw material prices;</li><li>A slower-than-expected consumption recovery;</li><li>A minimum wage hike and labor shortage.</li><li>The risk of importing pork from the US.</li></ul></div></div>
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GFPT (GFPT TB, BUY, TP THB12.50)	

Event Calendar

Date	Event
May 2025	1Q25 results announcement
May 2025	1Q25 analyst meeting
August 2025	2Q25 results announcement
August 2025	2Q25 analyst meeting

## Meat sector's 1Q25 profit would be higher than previously expected

We expect 1Q25 net profit of the meat sector at THB 9.4b (+47% q-q, +466% y-y), supported by higher meat prices, led by Thai swine (+12% q-q, +19% y-y), Vietnam swine (+8% q-q, +22% y-y), and Thai chicken (+6% q-q, -1% y-y). Meanwhile, the average price of raw materials remains low or slightly decreased. In particular, soybean meal dropped 11% q-q and 24% y-y, while corn increased 9% q-q and flat y-y. Therefore, we expect both revenue and gross margins to grow in 1Q25.

Although 1Q25 average Chinese swine price declined by 9.2% q-q and flat y-y, which may affect CPF's business in this segment, we believe it will not result in significant losses since raw material prices are also decreasing. In addition, CPF's strong operations in Thailand and Vietnam will help support growth. Therefore, we expect CPF's 1Q25 profit to continue growing.

Although BTG does not have operations in Vietnam, its business in Thailand remains strong and will start recognizing income from its Singapore egg business. It would help boost the 1Q25 profit to reach THB1.2b, setting a new high for the past nine quarters.

TFG looks the strongest in the group for 1Q25 performance because it does not have operations in China. Meanwhile, its businesses in Thailand and Vietnam continued to recover well, and the retail shop segment would contribute to growth. Therefore, we expect TFG's 1Q25 net profit to exceed THB1.2b as well.

Finally, although GFPT does not have a swine business, it has been benefiting from recoveries in live chicken and chicken carcass prices since January. Aside from that, raw material prices have slightly decreased, and we expect its profit sharing from McKey and GFN to recover strongly q-q since they should not have significant one-time expenses like in 4Q24. Thus, we expect GFPT's 1Q25 profit to rebound sharply q-q and remain stable or slightly increase y-y, despite a relatively high base last year.

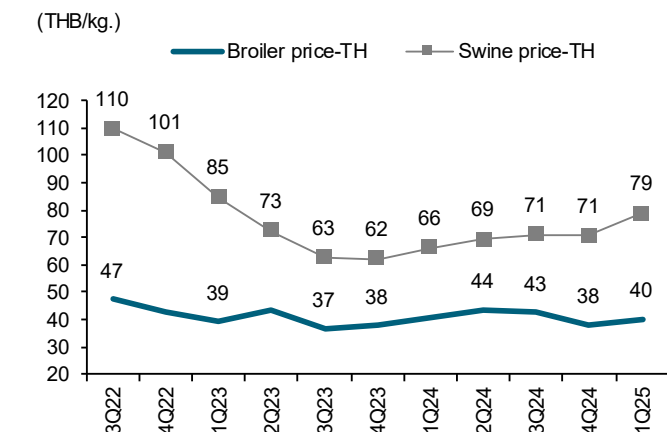
Assuming in-line 1Q25 results, it will account for 39% of our previous 2025 estimate. As a result, we have increased our profit forecast for the meat sector in this report.

### Exhibit 1: Meat sector – 1Q25 earnings preview

	1Q24	2Q24	3Q24	4Q24	1Q25E	Change		2024	2025E	Change	% 1Q25E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	to 2025E
CPF	1,152	6,924	7,309	4,173	6,531	56.5	466.9	19,558	21,855	11.7	29.9
BTG	(124)	627	979	990	1,205	21.7	nm	2,466	3,991	61.8	30.2
TFG	174	855	1,260	855	1,237	44.7	612.1	3,144	4,179	32.9	29.6
GFPT	466	583	542	383	464	21.1	(0.4)	2,070	1,564	(24.4)	29.7
<b>Total</b>	<b>1,668</b>	<b>8,989</b>	<b>10,090</b>	<b>6,401</b>	<b>9,437</b>	<b>47.4</b>	<b>465.9</b>	<b>27,238</b>	<b>31,589</b>	<b>16.0</b>	<b>29.9</b>

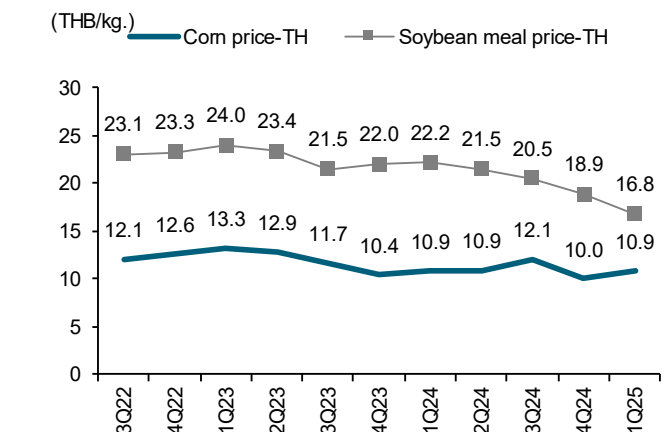
Source: FSSIA estimates

### Exhibit 2: Quarterly domestic meat prices



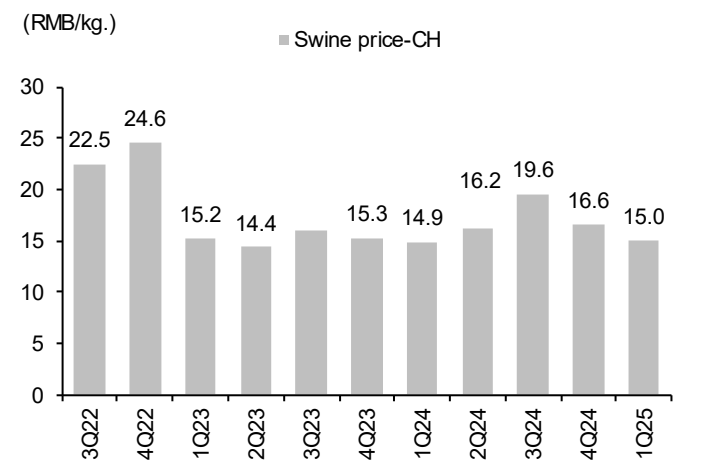
Source: CPF, FSSIA's compilation

### Exhibit 3: Quarterly raw material prices



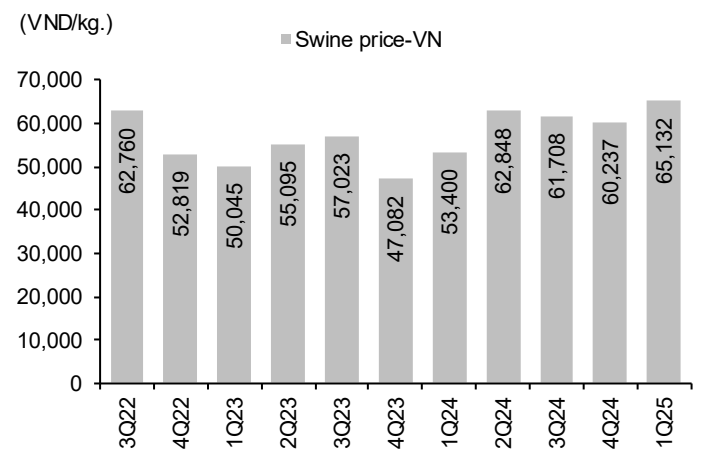
Source: CPF, FSSIA's compilation

Exhibit 4: Quarterly China swine prices



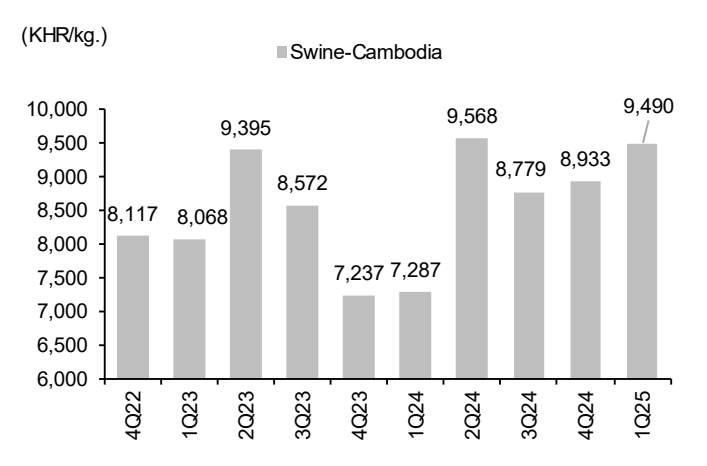
Sources: Bloomberg, CPF, FSSIA's compilation

Exhibit 5: Quarterly Vietnam swine prices



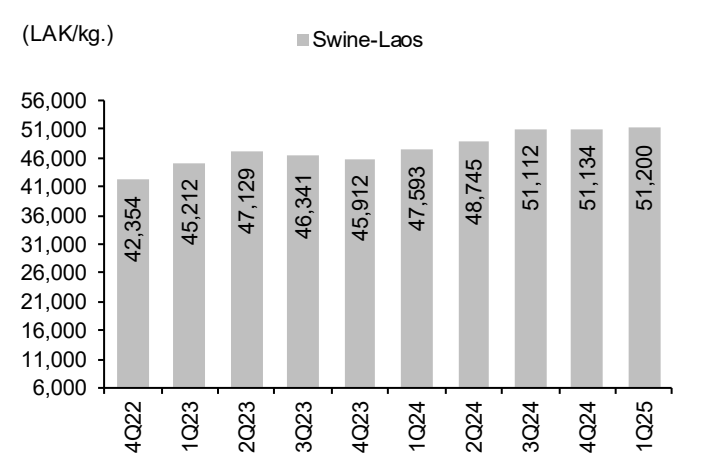
Source: CPF, FSSIA's compilation

Exhibit 6: Quarterly Cambodian swine prices



Source: CPF, FSSIA's compilation

Exhibit 7: Quarterly Laos swine prices



Source: CPF, FSSIA's compilation

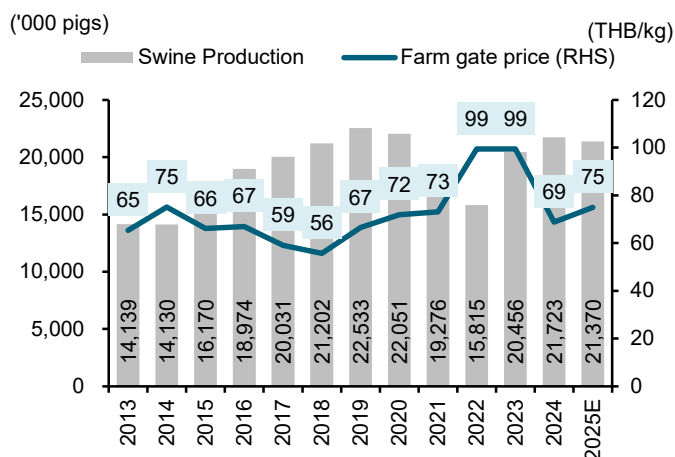
## Expect 2025 Thai swine production to decrease y-y

The Office of Agricultural Economics (OAE) forecast that Thai swine production in 2025 would total 21.37 million head, dropping 1.6% y-y from 21.72 million head in 2024. Reducing the production capacity of major producers by lowering the number of breeding sows should contribute to the weakness. However, after further investigation and data tracking, it appears that part of the decrease in production should also come from disease outbreaks and flooding in 4Q24, which caused some damage to production. Currently, farmers have returned to maintaining the usual number of breeding sows.

Since the fattening period for swine takes about 180 days, we assume that Thai swine prices will remain stable at a high level of THB80-82/kg during 1H25. After that, we will monitor the production entering the market and consumer demand.

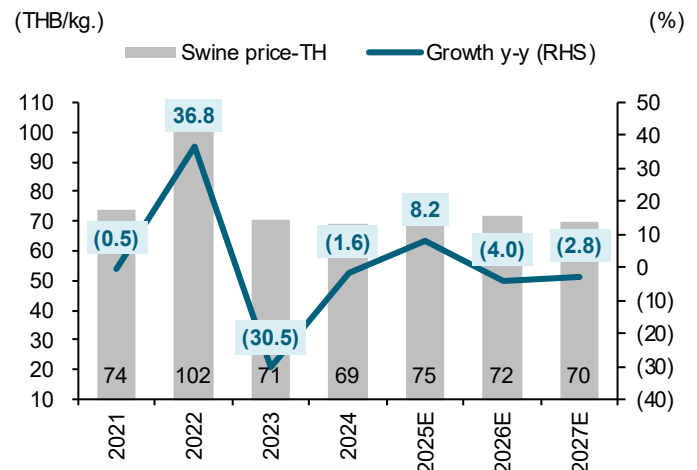
However, we have increased our 2025 Thai swine price assumption by 7% to THB75/kg from the previous THB70/kg, based on the current price of THB80/kg. We maintain a conservative view on swine prices in 2H25. This price assumption remains below the outlook of operators such as CPF, BTG, and TFG, who estimate that the average swine price in 2025 will not fall below THB80/kg.

**Exhibit 8: Thai swine production and farm gate prices**



Sources: OAE, CPF, FSSIA estimates

**Exhibit 9: Projected Thai swine prices**



Sources: FSSIA estimates

## No impact from the Earthquake in Myanmar

All four companies in the meat sector have no livestock farms or production bases in Myanmar. Their factories in Thailand are safe, undamaged, and continue to operate as usual. The proportion of export revenue to Myanmar is relatively small, with none of the companies in the group earning more than 1% of their total revenue from Myanmar. Therefore, we conclude that the earthquake in Myanmar does not affect the meat group.

## Thailand and U.S. are not major trading partners in the meat product sector

Thailand ranks as the 7th largest chicken producer, accounting for 3.4% of global chicken production, and the 4th largest chicken exporter, with 8.5% of global chicken exports. Thailand's crucial markets are Japan (40% of Thai chicken export value in 2024), the UK (17%), the EU (14%), and China (9%).

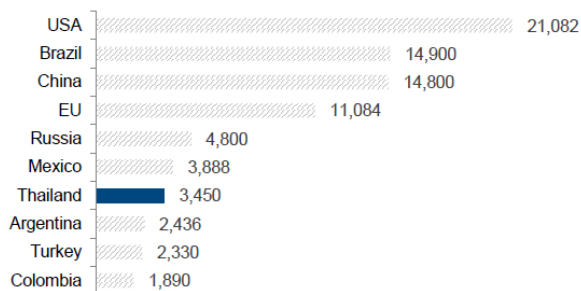
However, Thailand's pork exports are relatively small at only about 7,000 tonnes/yr, just 0.4% of the country's total pork production. Thai pork exports are mainly processed and chilled pork (70:30), with an annual export value of only THB1.2b and major markets including Japan, China, Cambodia, and Myanmar.

Meanwhile, the U.S. is one of the world's largest chicken and pork producers—much larger than Thailand. It is the world's top pork exporter, accounting for 32% of global pork exports, followed by the EU (29%), Brazil (14%), and Canada (14%). The U.S. also ranks first in global chicken production, accounting for 21% of global output. However, it consumes around 86% domestically, leaving only 14% for export.

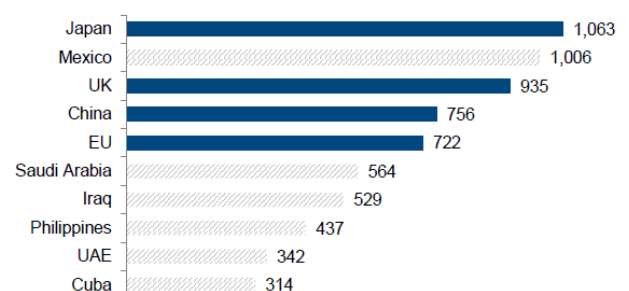
We can conclude that the U.S. is neither a key competitor nor a major trading partner of Thailand in the meat export market. However, in recent years, the U.S. has attempted to negotiate with Thailand to allow imports of U.S. pork. These efforts have faced legal restrictions due to Thailand's ban on ractopamine, a feed additive commonly used in U.S. pork production, actively supported by Thai swine farmers and consumers.

### Exhibit 10: Global broiler meat market

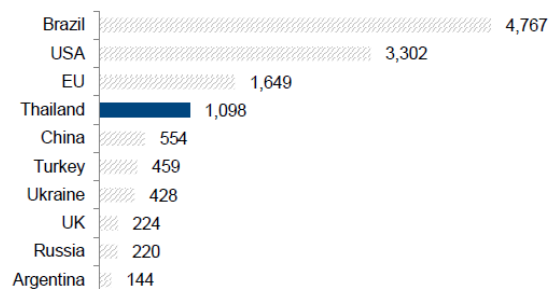
Global Production [Y2023 = 103,828,000 Metric Tons]



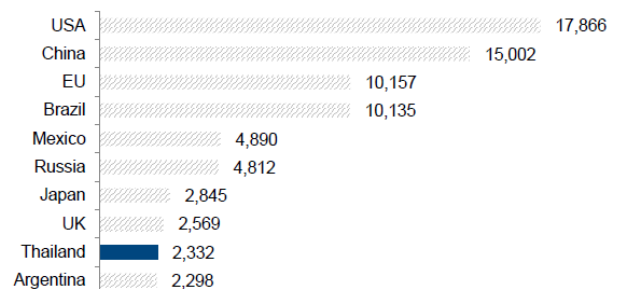
Global Import [Y2023 = 11,215,000 Metric Tons]



Global Export [Y2023 = 13,530,000 Metric Tons]

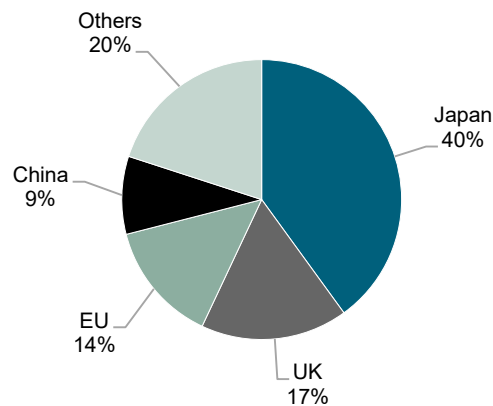


Global Consumption [Y2023 = 101,503,000 Metric Tons]



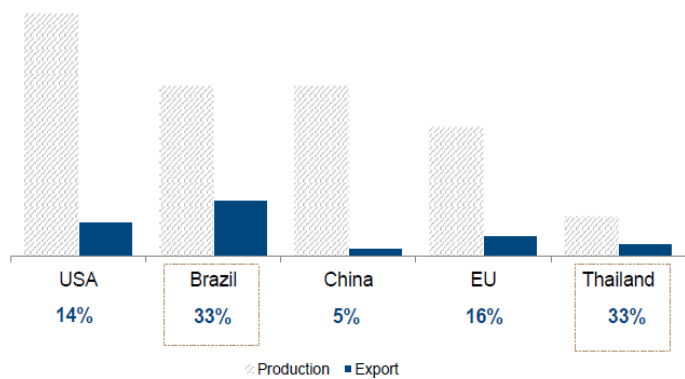
Source: GFPT's presentation (USDA)

Exhibit 11: Thai chicken exports by destination in 2024



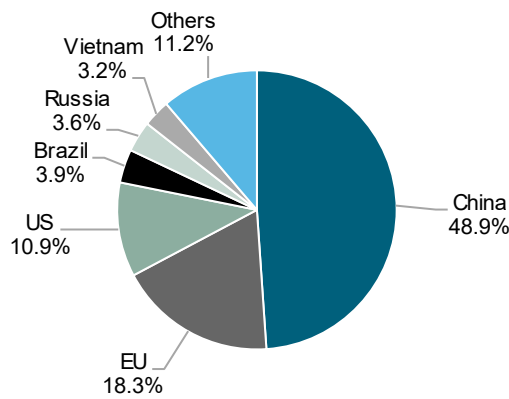
Sources: GFPT's 2024 presentation

Exhibit 12: Chicken meat production and export by countries in 2024



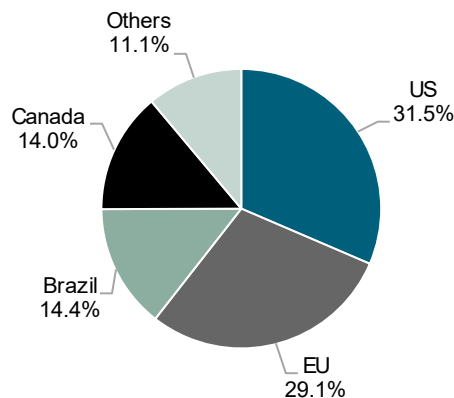
Sources: GFPT's 2024 presentation (USDA and Thai Broiler Processing Exporters Assoc.)

Exhibit 13: Global pork producers by country in 2024



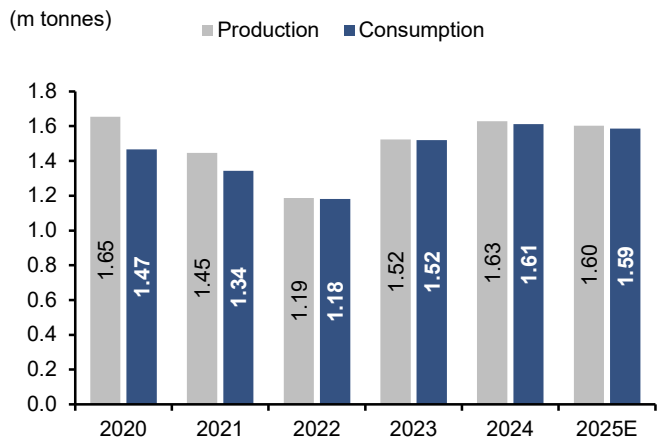
Sources: OAE, FSSIA's compilation

Exhibit 14: Global pork exporters by country in 2024



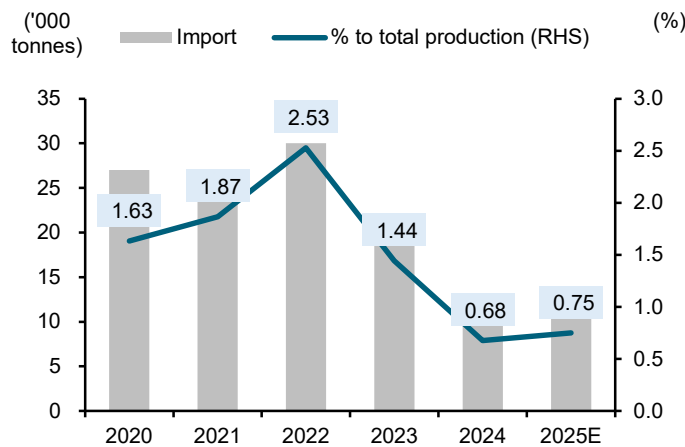
Sources: OAE, FSSIA's compilation

Exhibit 15: Thai pork production and consumption



Sources: OAE, FSSIA's compilation

Exhibit 16: Thai pork import and % to total production



Sources: OAE, FSSIA's compilation



The issue of pork imports from U.S. has created a negative sentiment, but the likelihood is low.

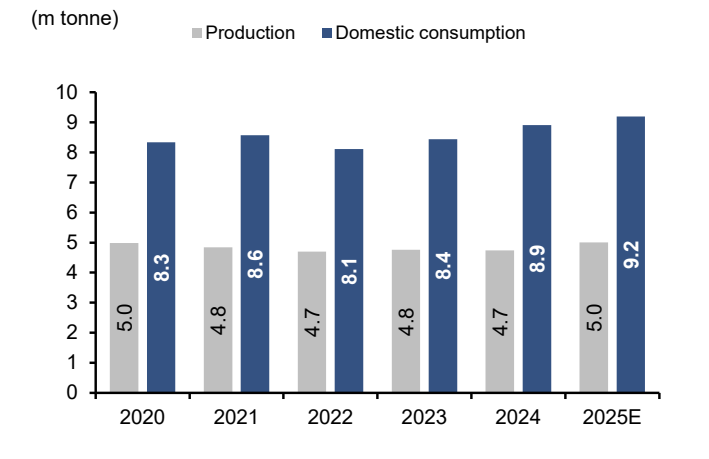
Under the Trump 2.0 administration, there has been an increase in trade tariffs on many countries worldwide, including Thailand, which faced an import tariff from the U.S. as high as 37% (announced on 2 April 2025). However, it does not affect the meat sector since most companies in the group (CPF, BTG, TFG, GFPT) hardly export to the US—except for CPF, which exports aquatic products to the U.S., accounting for only 0.3% of its total revenue.

Subsequently, on 9 April 2025, Trump announced a reduction in import tariffs to 10% and postponed further tariff increases for 90 days for countries (initially around 75) that did not retaliate and instead sent representatives to negotiate with the U.S. Thailand should meet these conditions and benefit from the postponement.

Nevertheless, Thailand has begun exploring trade negotiations to address the tariff issue. One approach under consideration is increasing imports from the U.S., including agricultural products (such as feed corn or soybeans), pork offal, and energy products. If an agreement is reached to import feed corn from the U.S., it would be a positive development for the meat sector. Thailand has an annual corn production of c5 million and an annual demand of c9 million tonnes, creating a shortfall, partially met through imports from Myanmar and alternative ingredients like wheat.

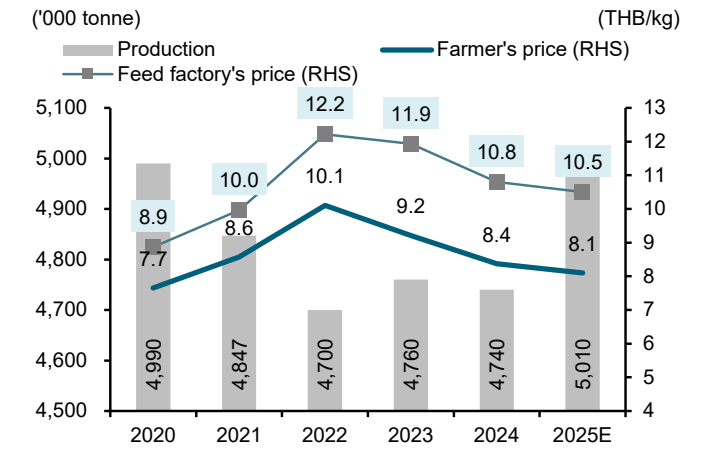
The U.S. is the world’s top corn producer and exporter, accounting for 31% of global production and exports. CPF’s management has indicated that the cost of corn imported from the U.S. is currently about THB1/kg cheaper than domestic produce.

Exhibit 17: Thai corn production and consumption



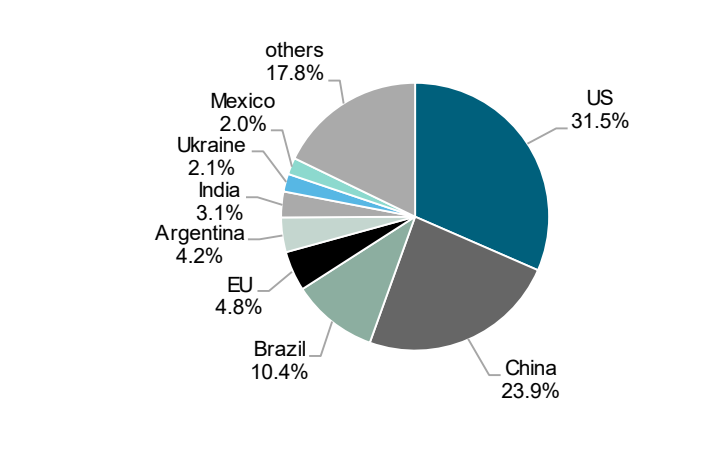
Sources: OAE, FSSIA's compilation

Exhibit 18: Thai corn farmer's price and factory's price



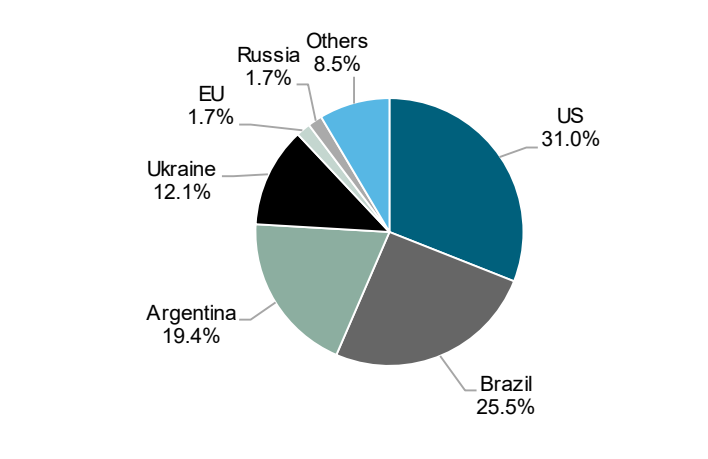
Sources: OAE, FSSIA's compilation

Exhibit 19: Major global corn producer in 2024/25



Sources: OAE, USDA, FSSIA's compilation

Exhibit 20: Major global corn exporter in 2024/25

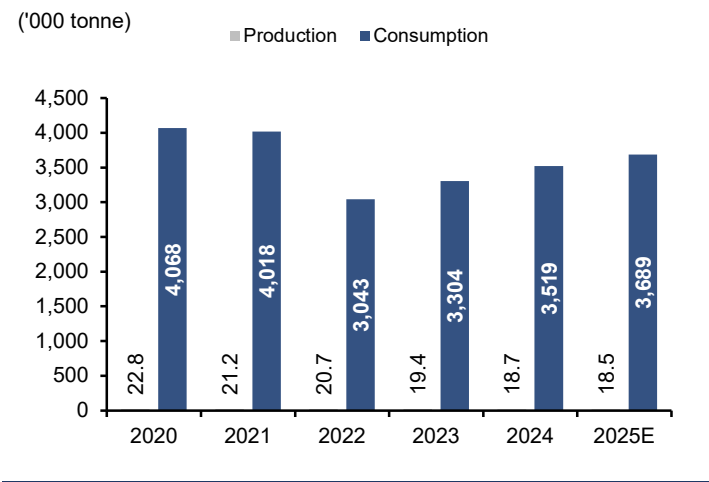


Sources: OAE, USDA, FSSIA's compilation



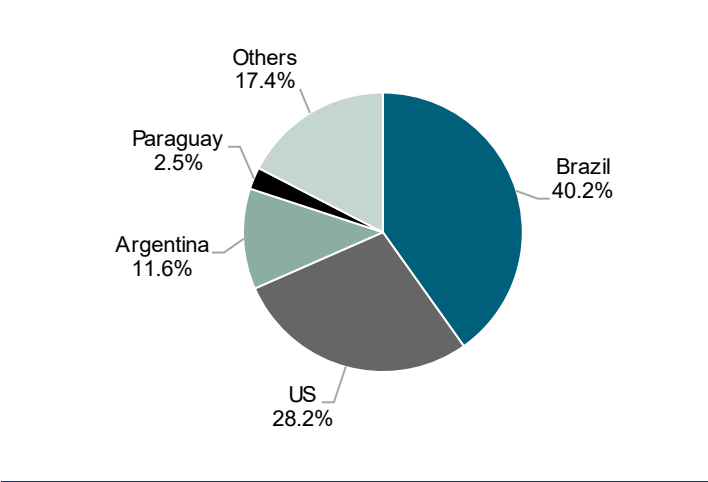
Thailand produces very little soybeans annually at only 18,500 tonnes, just 0.5% of annual demand. Therefore, it primarily relies on imports, bringing in as much as 3.7 million tonnes each year, mostly from Brazil, Argentina, and the U.S.—the top three global soybean producers and exporters, which together account for c80% of global soybean output.

Exhibit 21: Thai soybean production and consumption



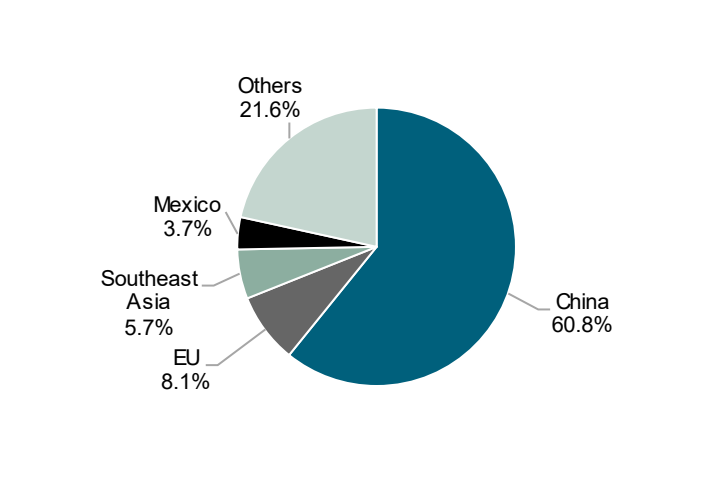
Sources: OAE, FSSIA’s compilation

Exhibit 22: Major global soybean producers in 2024/25



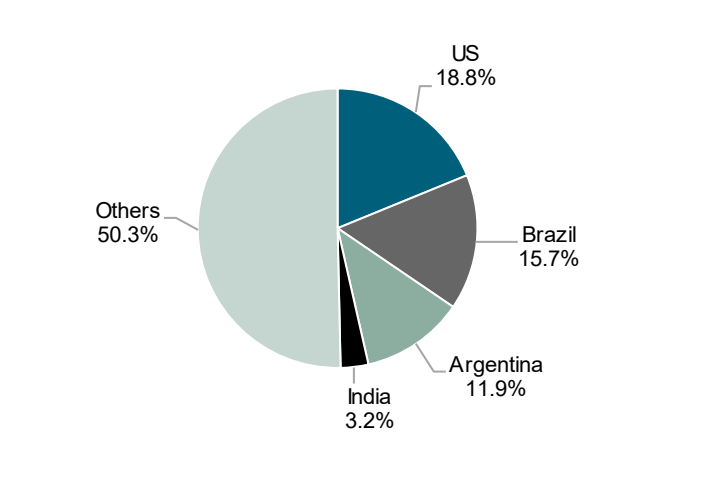
Sources: USDA, FSSIA’s compilation

Exhibit 23: Major global soybean importers in 2024/25



Sources: USDA, FSSIA’s compilation

Exhibit 24: Major global soybean meal producers in 2024/25

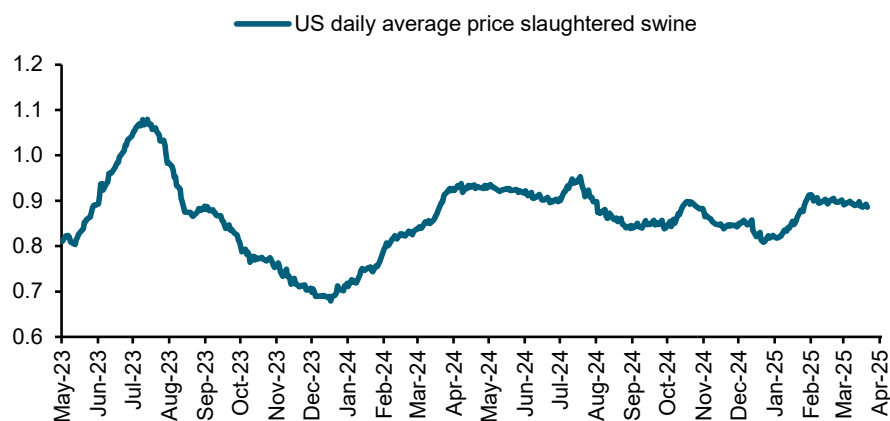


Sources: USDA, FSSIA’s compilation

Finally, the issue of importing pork from the U.S.—if it were to materialize—would negatively impact Thailand’s domestic swine farming industry. U.S. farm-gate swine prices are currently at USD0.88/pound, or roughly THB66.5/kg (based on an exchange rate of THB34/USD), which is lower than Thai farm-gate swine prices of THB80–82/kg. Even when factoring in shipping costs, U.S. pork could still be cheaper, increasing pork supply in Thailand and potentially pushing domestic prices down, creating tougher competition for Thai swine farmers.

## Exhibit 25: U.S. daily average price of slaughtered swine

(USD/pound)



Sources: Bloomberg, FSSIA's compilation

Regarding the issue of allowing pork offal imports for use in pet food – although this may have less impact on overall pork or pork part prices and the domestic supply of offal is currently insufficient to meet consumption demand, if imports exceed domestic demand or if there is a failure to ensure that they are used exclusively for pet food, it could still lead to a decline in pork prices.

According to FSSIA, if U.S. pork imports cause Thai swine prices to drop by 10% to THB68/kg from our current assumption of THB75/kg, it could impact the net profit of the meat sector (CPF, BTG, TFG) by c5%.

However, the risk of U.S. pork imports remains low due to the need to amend the laws that ban ractopamine, a feed additive used in U.S. pork production. Any policy shift would impact many stakeholders—including large, medium, and small-scale farmers, as well as consumers. Although there was news on 12 April 25 that the government has decided not to import pork or offal, this issue requires ongoing monitoring.

## Exhibit 26: Impact on 2025E net profit in the case of a 10% decrease in Thai swine price

	----- 2025E Thai swine contribution -----		----- 2025E Thai swine price -----		Impact to 2025E NP After swine price -10%	----- 2025 Target price -----	
	to farm and food revenue (%)	to total revenue (%)	FSSIA's assumption (THB/kg)	decrease by 10% (THB/kg)		Current (THB)	After swine price -10% (THB)
CPF	50	12	75	68	(4.8)	30.0	28.2
BTG	37	24	75	68	(7.3)	27.0	25.0
TFG	21	15	75	68	(5.7)	5.3	5.0
<b>Total</b>			<b>75</b>	<b>68</b>	<b>(5.0)</b>		

Source: FSSIA estimates

## Raise 2025 profit forecast for meat sector by 45%

We still have a positive outlook for 2Q25. It should remain bright q-q, supported by consistently high meat prices in April. In particular, Thai swine prices climbed to THB86/kg, while Thai chicken remained stable at THB40/kg. Although Vietnam swine prices slightly declined q-q, they were still high at VND65,000–68,000/kg, while Chinese swine prices remained low, staying at the breakeven cost of production.

However, CPF management indicated that Chinese swine prices may rebound toward the end of 2Q25 as raw material costs in China have started to rise—possibly linked to ongoing trade tensions with the U.S. If this price increase materializes, it would be a positive for CPF's performance. Currently, we use a conservative assumption for Chinese swine prices at RMB15.5/kg (revised down from RMB16/kg), with an expected recovery in 2H25.

Similarly, we maintain our assumptions for Vietnam swine at VND60,000/kg and Thai chicken at THB40/kg. However, we have increased our Thai pork price assumption to THB75/kg. This leads to a 45% upward revision in our 2025E net profit for the meat sector to THB31.6b (+16% y-y), led by CPF (+56%), BTG: (+44%), and TFG (+24%). We maintain our forecast for GFPT at THB1.56b (-24% y-y), as there is no strong price catalyst for chicken in 2025 compared to swine.

After the revisions, we project BTG's 2025 net profit to post the highest growth in the group at 62% y-y, followed by TFG at 33% y-y, and CPF at 12% y-y. GFPT is the only one we expect to see a profit decline due to the high base in 2024.

### Exhibit 27: Changes in 2025-27 net profit forecast for meat sector

	Current			Previous			Change		
	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (%)	2026E (%)	2027E (%)
CPF	21,855	22,410	23,446	14,053	15,168	16,596	55.5	47.7	41.3
BTG	3,991	4,230	4,523	2,768	2,869	3,008	44.2	47.4	50.4
TFG	4,179	4,433	4,611	3,373	3,731	3,939	23.9	18.8	17.1
GFPT	1,564	1,661	1,779	1,564	1,661	1,779	0.0	0.0	0.0
<b>Total</b>	<b>31,589</b>	<b>32,734</b>	<b>34,359</b>	<b>21,758</b>	<b>23,429</b>	<b>25,322</b>	<b>45.2</b>	<b>39.7</b>	<b>35.7</b>

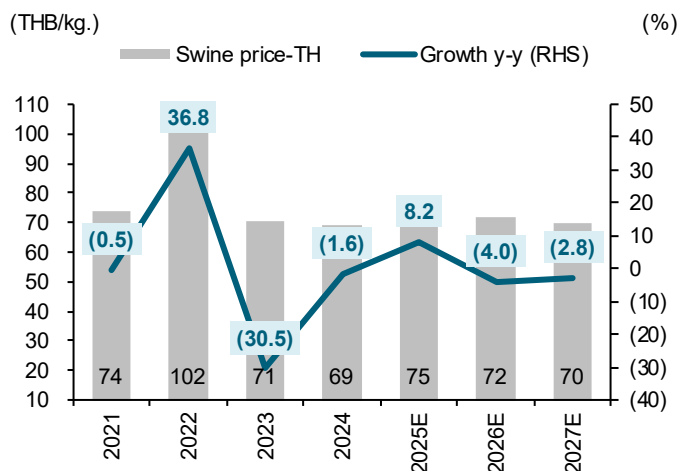
Source: FSSIA estimates

### Exhibit 28: Changes in keys assumptions for meat sector

	Current			Previous			Change		
	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (%)	2026E (%)	2027E (%)
TH-Chicken (THB)	40	40	40	40	40	40	0.0	0.0	0.0
TH-Swine (THB)	75	72	70	70	70	70	7.1	2.9	0.0
CH-Swine (RMB)	16	16	16	16	16	16	(3.1)	0.0	0.0
VN-Swine (VND)	60,000	60,000	60,000	60,000	55,000	55,000	0.0	9.1	9.1
Cambodia-Swine (KHR)	9,000	8,500	8,500	8,400	8,200	8,200	7.1	3.7	3.7
TH-Corn (THB)	10.5	10.5	10.5	10.0	10.0	10.0	5.0	5.0	5.0
TH-Soybean meal (THB)	16.0	17.0	18.0	19.5	19.0	18.0	(17.9)	(10.5)	0.0

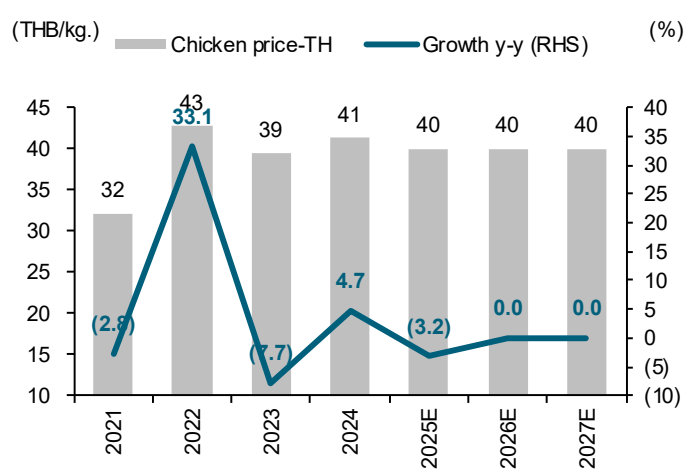
Source: FSSIA estimates

Exhibit 29: Yearly Thai swine price and growth



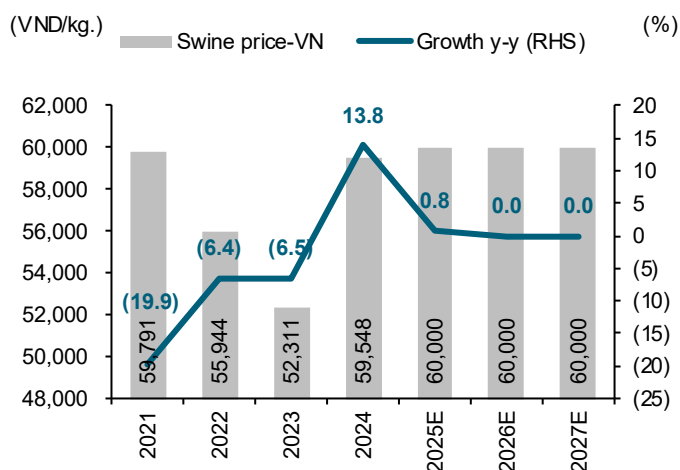
Source: FSSIA estimates

Exhibit 30: Yearly chicken price and growth



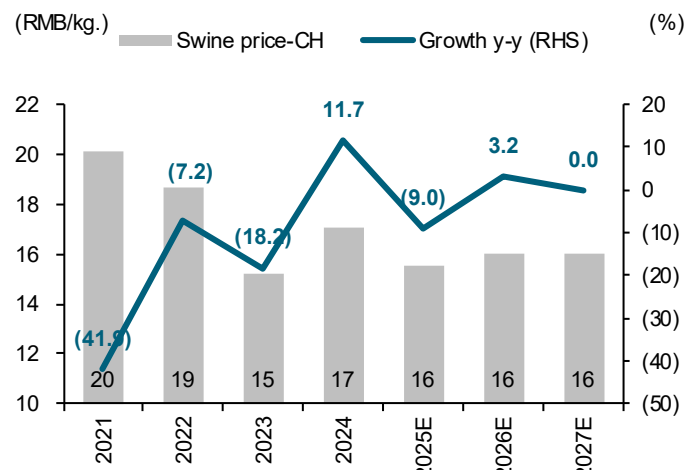
Source: FSSIA estimates

Exhibit 31: Yearly Vietnam swine price and growth



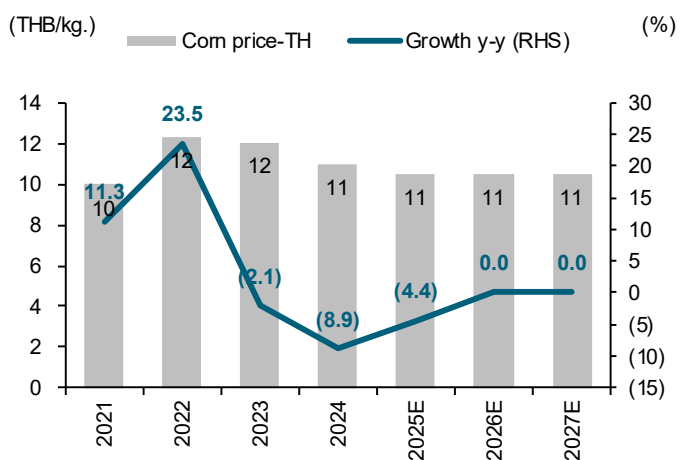
Source: FSSIA estimates

Exhibit 32: Yearly China swine price and growth



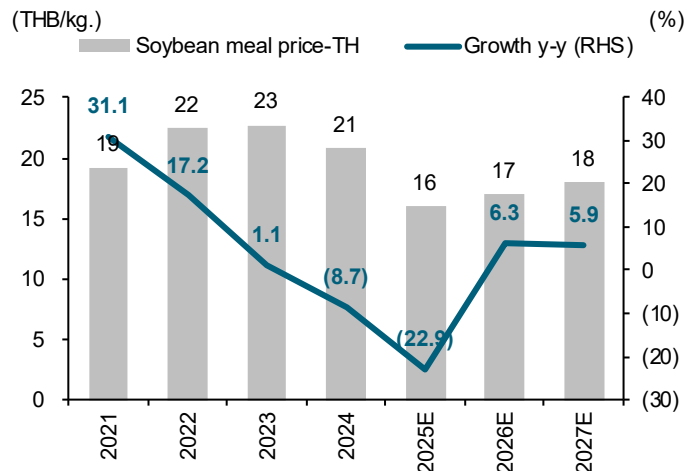
Source: FSSIA estimates

Exhibit 33: Yearly corn price and growth

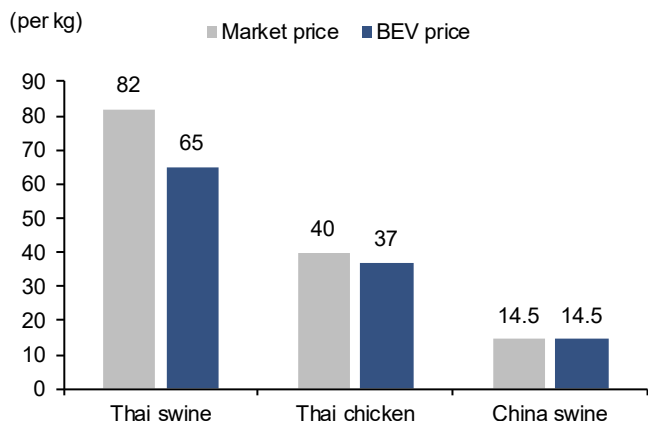


Source: FSSIA estimates

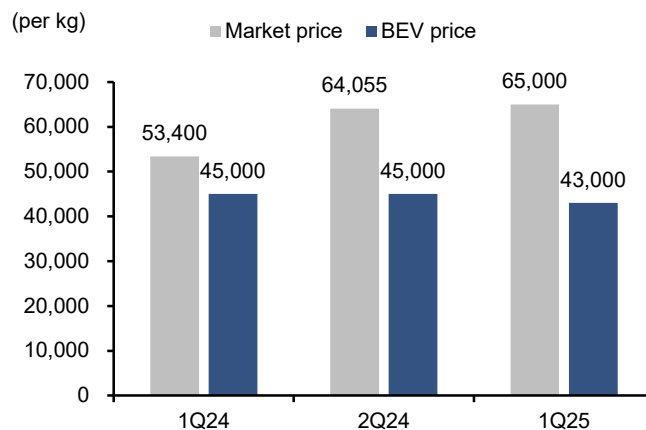
Exhibit 34: Yearly soybean meal price and growth



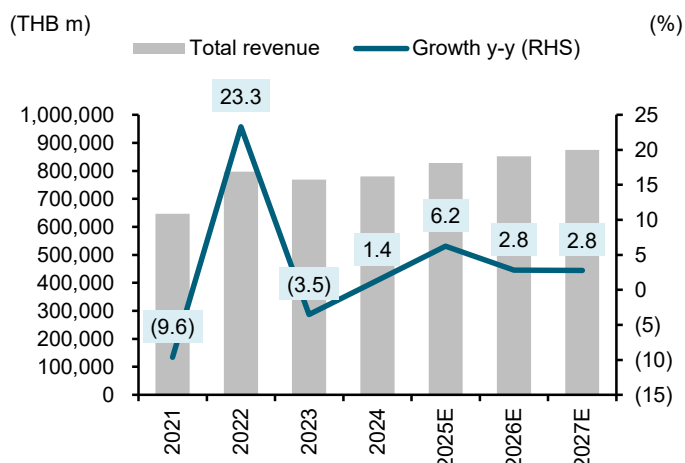
Source: FSSIA estimates

**Exhibit 35: Market price vs the breakeven price of Thai swine, Thai chicken and China swine in 1Q25**

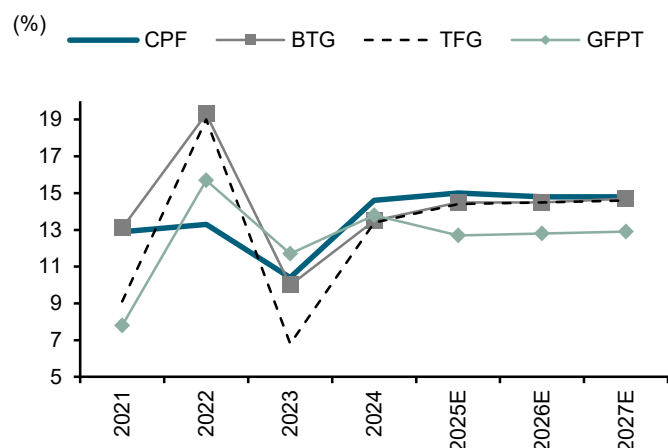
Sources: CPF, TFG, GFPT, FSSIA's compilation

**Exhibit 36: Market price and the breakeven price of Vietnam swine in 1Q25**

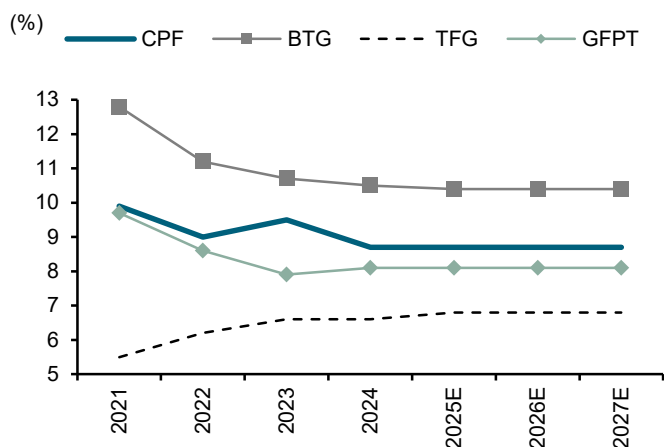
Sources: CPF, TFG, FSSIA's compilation

**Exhibit 37: Sector's total revenue and growth**

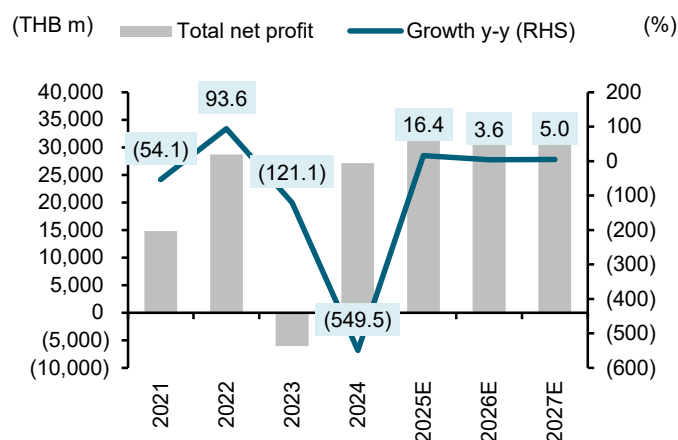
Source: FSSIA estimates

**Exhibit 38: Sector's gross margin**

Source: FSSIA estimates

**Exhibit 39: Sector's SG&A to sales**

Source: FSSIA estimates

**Exhibit 40: Sector's net profit and growth**

Source: FSSIA estimates

## Exhibit 41: Meat sector – 2025-27 operations forecast

	Actual			Forecast			Growth		
	2022	2023	2024	2025E	2026E	2027E	2025E	2026E	2027E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
<b>Total revenue</b>	<b>797,368</b>	<b>769,316</b>	<b>779,775</b>	<b>828,289</b>	<b>851,522</b>	<b>875,119</b>	<b>6.2</b>	<b>2.8</b>	<b>2.8</b>
CPF	614,197	585,844	580,747	616,173	633,426	649,261	6.1	2.8	2.5
BTG	112,626	108,638	114,232	123,826	126,628	132,325	8.4	2.3	4.5
TFG	52,323	55,871	65,482	69,517	71,831	73,032	6.2	3.3	1.7
GFPT	18,222	18,963	19,314	18,773	19,637	20,501	(2.8)	4.6	4.4
<b>Reported net profit</b>	<b>28,676</b>	<b>(6,038)</b>	<b>27,142</b>	<b>31,589</b>	<b>32,734</b>	<b>34,358</b>	<b>16.4</b>	<b>3.6</b>	<b>5.0</b>
CPF	13,970	(5,207)	19,558	21,855	22,410	23,446	11.7	2.5	4.6
BTG	7,938	(1,398)	2,466	3,991	4,230	4,523	61.8	6.0	6.9
TFG	4,724	(810)	3,144	4,179	4,433	4,611	32.9	6.1	4.0
GFPT	2,044	1,377	1,974	1,564	1,661	1,779	(20.8)	6.2	7.1
<b>Core profit</b>	<b>23,550</b>	<b>(22,513)</b>	<b>26,911</b>	<b>31,589</b>	<b>32,734</b>	<b>34,358</b>	<b>17.4</b>	<b>3.6</b>	<b>5.0</b>
CPF	8,623	(21,999)	19,039	21,855	22,410	23,446	14.8	2.5	4.6
BTG	7,477	(1,310)	2,377	3,991	4,230	4,523	67.9	6.0	6.9
TFG	5,379	(496)	3,618	4,179	4,433	4,611	15.5	6.1	4.0
GFPT	2,071	1,292	1,877	1,564	1,661	1,779	(16.7)	6.2	7.1
<b>Key ratios (%)</b>									
<b>Gross margin</b>									
CPF	13.3	10.4	14.6	15.0	14.8	14.8	0.4	(0.2)	0.0
BTG	19.3	10.0	13.5	14.5	14.5	14.7	1.0	0.0	0.2
TFG	19.0	6.8	13.4	14.4	14.5	14.6	1.0	0.1	0.1
GFPT	15.7	11.7	13.8	12.7	12.8	12.9	(1.1)	0.1	0.1
<b>SG&amp;A to sales</b>									
CPF	9.0	9.5	8.7	8.7	8.7	8.7	0.0	0.0	0.0
BTG	11.2	10.7	10.5	10.4	10.4	10.4	(0.1)	0.0	0.0
TFG	6.2	6.6	6.6	6.8	6.8	6.8	0.2	0.0	0.0
GFPT	8.6	7.9	8.1	8.1	8.1	8.1	0.0	0.0	0.0
<b>Net margin</b>									
CPF	2.3	(0.9)	3.4	3.5	3.5	3.6	0.1	0.0	0.1
BTG	7.0	(1.3)	2.2	3.2	3.3	3.4	1.0	0.1	0.1
TFG	9.0	(1.5)	4.8	6.0	6.2	6.3	1.2	0.2	0.1
GFPT	11.2	7.3	10.2	8.3	8.5	8.7	(1.9)	0.2	0.2
<b>Core margin</b>									
CPF	1.4	(3.8)	3.3	3.5	3.5	3.6	0.2	0.0	0.1
BTG	6.6	(1.2)	2.1	3.2	3.3	3.4	1.1	0.1	0.1
TFG	10.3	(0.9)	5.5	6.0	6.2	6.3	0.5	0.2	0.1
GFPT	11.4	6.8	9.7	8.3	8.5	8.7	(1.4)	0.2	0.2

Source: FSSIA estimates

## Upgrade meat sector to overweight, with BTG as our top pick

We have upgraded our rating of the meat sector to Overweight, supported by strong meat prices and solid profit momentum in 1H25, which may carry through to 3Q25. As a result, we have raised our 2025 target price for meat producers as follows: CPF-raised to THB30 (from THB28), BTG-raised to THB27 (from THB24), TFG-raised to THB5.3 (from THB4.10), and GFPT-maintained at THB12.5

We assign a target PE of 12–13x for CPF and BTG, higher than GFPT at 10x and TFG at 8.5x, which remains the lowest in the group due to ongoing concerns about the high proportion of shares used as margin collateral—around 43% of total shares. However, management is gradually reducing this ratio, which is a positive signal worth monitoring.

We also maintain a positive ESG outlook for the meat sector. According to FSSIA's ESG scoring:

- CPF scores the highest at 80.1
- BTG at 59.71
- GFPT at 40.94
- TFG has the lowest score at 35.1

The SET recently released its 2024 ESG ratings, with BTG being selected for the first time, receiving an AAA rating equal to CPF. TFG had its rating upgraded to AA (from A), while the SET removed GFPT from its ESG list due to issues with public ESG disclosure. However, we believe that GFPT will keep addressing this and requalify in the next round.

Although we recommend BUY on all four companies in the meat sector, we select BTG as our top pick, based on the following reasons:

1. Strongest expected 2025 net profit growth in the meat sector at 62% y-y.
2. Strong financial position, with estimated end-2025 D/E and IBD/E ratios at 1.25x and 0.75x, respectively — the lowest in the group after GFPT.
3. Inclusion in the SET ESG Index for the first time with the highest AAA rating
4. Underperforming stock within the sector, with a return of -21.7% in 2024 and -1.1% YTD.
5. Attractive valuation, currently trading at a 2025E P/E of 9.3x, below its historical average.

We believe BTG offers the best risk-reward profile in the sector at this point.

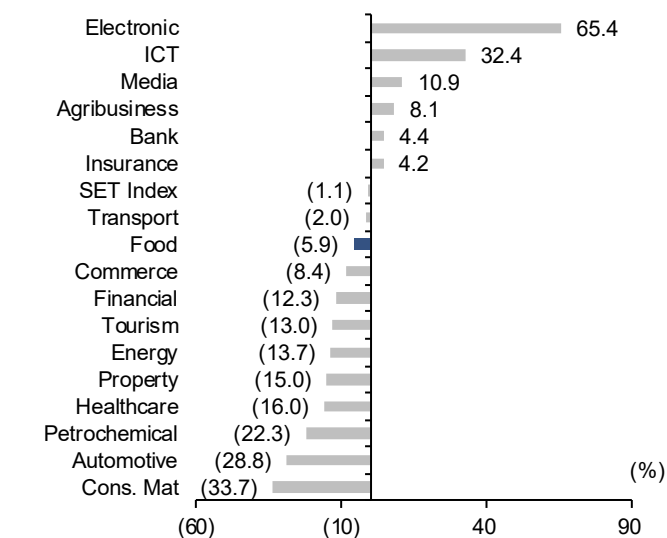
### Exhibit 42: ESG – peer comparison

	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	68.20	5.83	4.61	4.25	4.61	4.21	3.95	Medium	53.02	BBB	24.44	60.65	67.96	2.33	35.35
Coverage	64.39	4.92	4.71	4.23	4.44	4.07	3.65	Medium	49.86	BB	18.30	53.38	63.50	2.45	35.11
BTG	59.71	--	Y	AAA	5.00	4.00	Certified	High	--	BBB	--	--	--	3.68	57.48
CPF	80.10	Y	Y	AAA	5.00	5.00	Certified	Medium	70.60	BB	44.00	62.05	85.00	4.43	67.93
GFPT	40.94	--	--	--	5.00	5.00	Certified	High	--	--	--	62.92	24.00	4.22	58.07
TFG	35.10	--	Y	AA	5.00	5.00	Certified	Severe	--	--	--	40.78	--	--	--

Sources: [SETTRADE.com](https://settrade.com); FSSIA's compilation

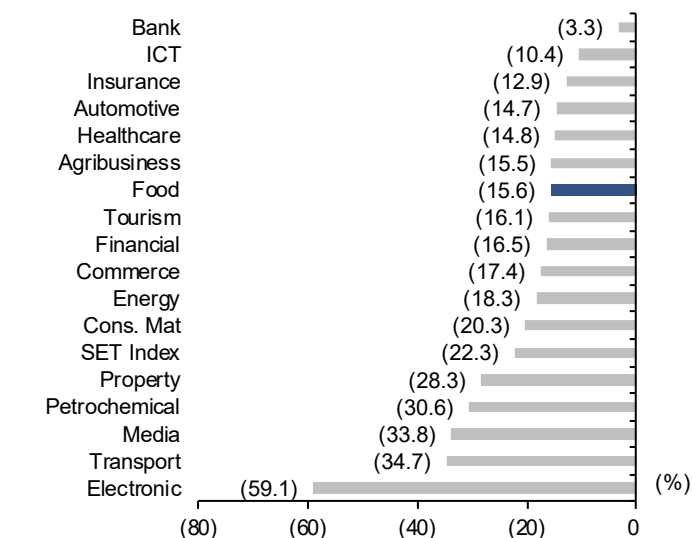


Exhibit 43: 2024 sector return performance



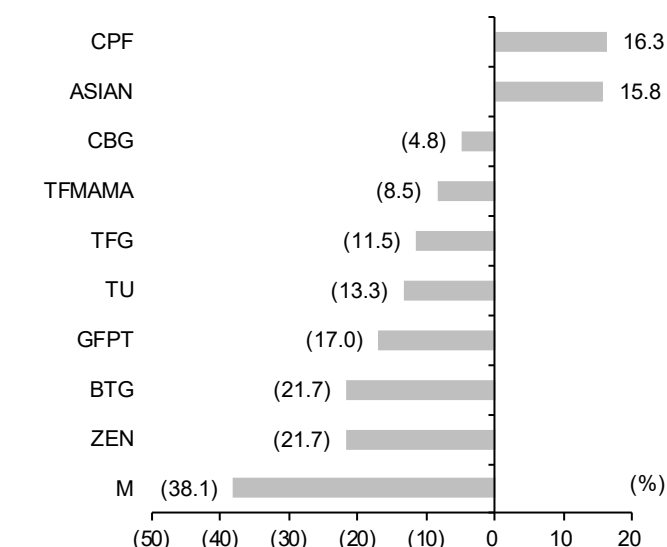
Sources: SET, FSSIA's compilation

Exhibit 44: YTD sector return performance



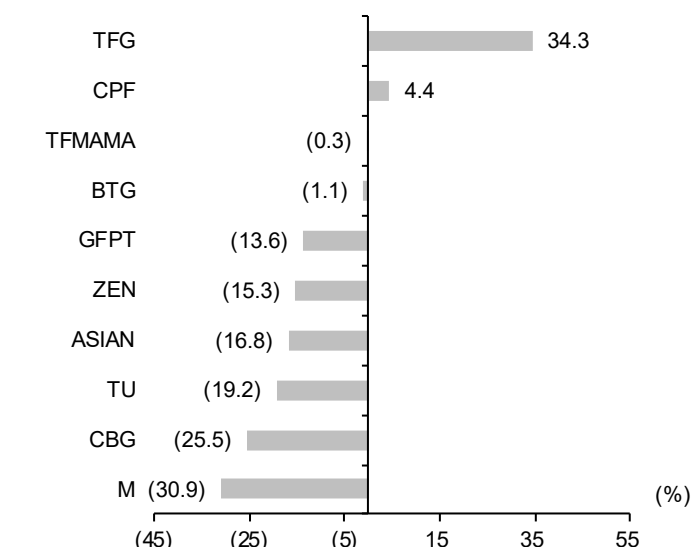
Sources: SET, FSSIA's compilation

Exhibit 45: 2024 food return performance



Sources: SET, FSSIA's compilation

Exhibit 46: YTD food return performance

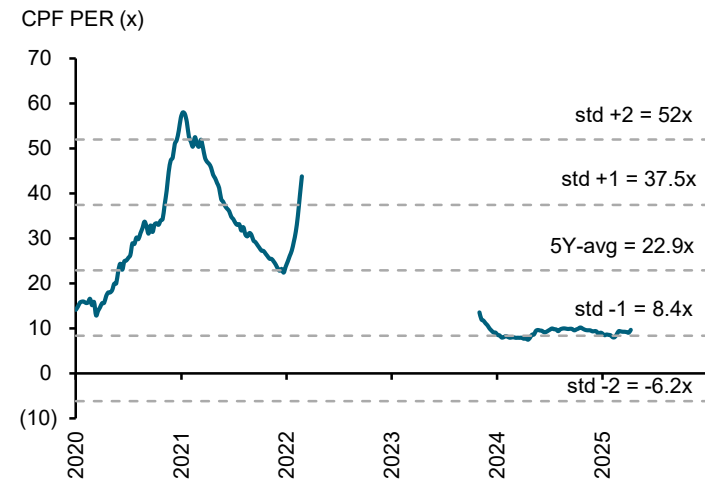


Sources: SET, FSSIA's compilation

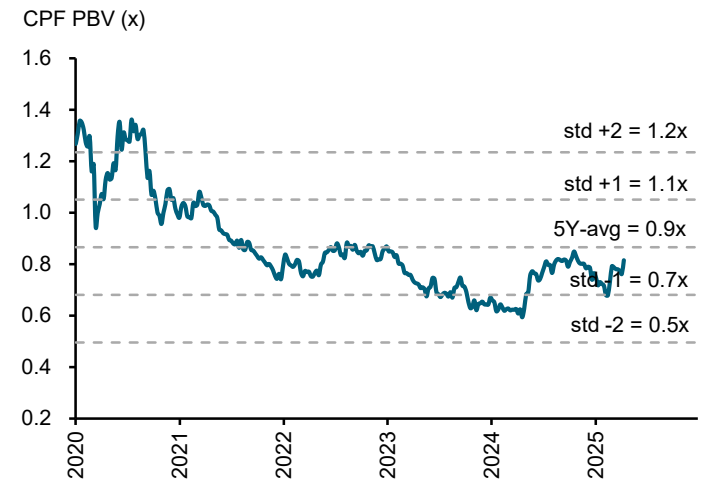
Exhibit 47: Peer comparison as of 11 April 2025

Company	BBG	Rec	Share price			Market Cap	PE		ROE		PBV		EV/EBITDA	
			Current	Target	Upside		25E	26E	25E	26E	25E	26E	25E	26E
			(LCY)	(LCY)	(%)		(USD m)	(x)	(x)	(%)	(%)	(x)	(x)	(x)
Thailand														
Charoen pokphand foods	CPF TB	BUY	25.25	30.00	19	6,204	9.7	9.5	8.7	8.5	0.8	0.8	9.2	9.0
Betagro	BTG TB	BUY	18.90	27.00	43	1,090	9.5	8.9	14.1	13.7	1.2	1.1	5.0	4.3
Thaifoods group	TFG TB	BUY	4.68	5.30	13	789	7.6	7.1	23.4	22.0	1.6	1.5	4.7	4.3
GFPT	GFPT TB	BUY	8.85	12.50	41	331	7.1	6.7	7.8	7.9	0.5	0.5	4.2	3.5
Average						8,414	8.5	8.1	13.5	13.0	1.1	1.0	5.8	5.3

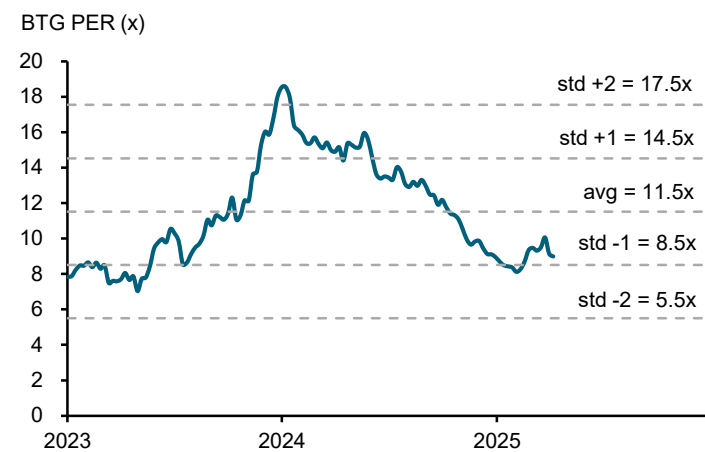
Source: FSSIA estimates

**Exhibit 48: CPF's historical P/E band**

Sources: Bloomberg, FSSIA estimates

**Exhibit 49: CPF's historical P/BV band**

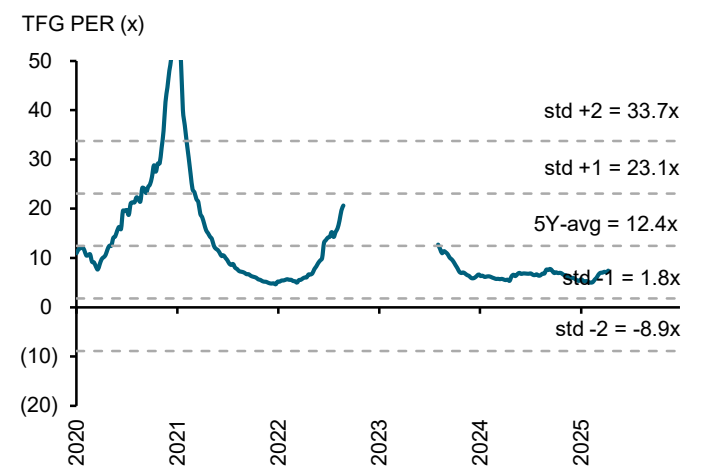
Sources: Bloomberg, FSSIA estimates

**Exhibit 50: BTG's historical P/E band**

Sources: Bloomberg, FSSIA estimates

**Exhibit 51: BTG's historical P/BV band**

Sources: Bloomberg, FSSIA estimates

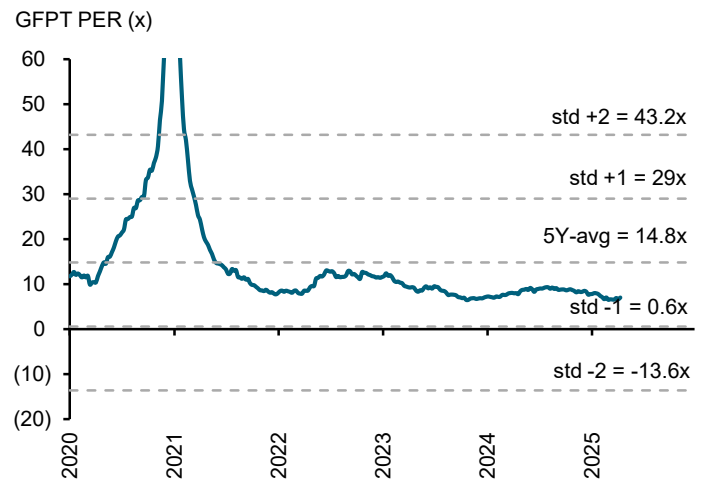
**Exhibit 52: TFG's historical P/E band**

Sources: Bloomberg, FSSIA estimates

**Exhibit 53: TFG's historical P/BV band**

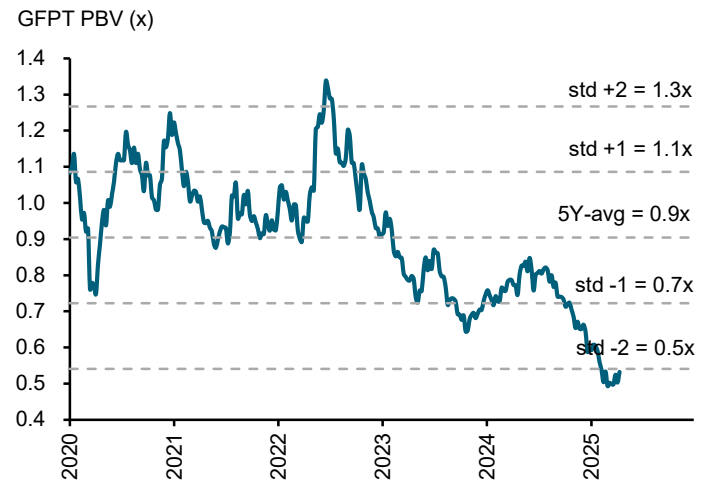
Sources: Bloomberg, FSSIA estimates

Exhibit 54: GFPT’s historical P/E band



Sources: Bloomberg, FSSIA estimates

Exhibit 55: GFPT’s historical P/BV band



Sources: Bloomberg, FSSIA estimates

16 APRIL 2025

EQUITY RESEARCH - COMPANY REPORT

# BETAGRO BTG TB

## THAILAND / FOOD & BEVERAGE

FSS INTERNATIONAL INVESTMENT ADVISORY

FSSIA ESG rating



# BUY

UNCHANGED

TARGET PRICE	THB27.00
CLOSE	THB18.90
UP/DOWNSIDE	+42.9%
PRIOR TP	THB24.00
CHANGE IN TP	+12.5%
TP vs CONSENSUS	+13.2%

## So far so good

- 1Q25 profit outlook is strong and could account for 40% of our previous full-year forecast.
- The overall meat prices have remained strong in 2Q25, both in Thailand and Cambodia.
- Revising up our 2025E profit to grow 62% y-y and TP to THB27.

### Expect strong profit in 1Q25 due to higher meat prices

We initially expect a 1Q25 net profit of THB1.25b (+26% q-q, a reversal from a loss in 1Q24), driven by higher meat prices, led by Thai swine (+12% q-q, +19% y-y), Thai chicken (+6% q-q, -1% y-y), and Cambodian swine (+6% q-q, +30% y-y). Meanwhile, raw material prices remain low, so we anticipate growth in both revenue and the gross margin, which should continue to improve from 4Q24. There is a high chance of exceeding the upper range of BTG's target of 15%. Assuming an in-line 1Q25 profit, it would account for nearly half of our previous profit forecast.

### 2Q25 meat prices remain strong

The overall meat prices have remained strong in 2Q25, both in Thailand and Cambodia. The Thai swine price in April has continued to rise to THB86/kg (+6% m-m, +9% q-q), while Thai chicken remains high at THB40/kg and soybean meal prices have continued to decrease to THB15.2/kg (-9% q-q). As the export season begins, BTG has already pre-sold chicken for export, covering 3Q25, with an export revenue growth target of no less than 15% y-y for 2025. In addition, there has been an expansion of higher-value and lower-volatility channels, such as food services, both in Thailand and abroad.

### Revising up 2025E net profit to grow 62% y-y

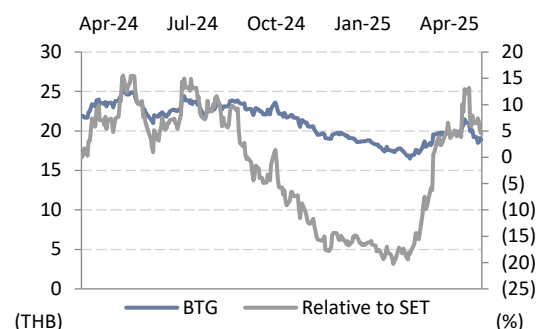
We have raised our 2025-27E net profit by 44-47% to grow by 62%/6%/7%, respectively. We have revised our 2025 average Thai swine price assumption to THB75/kg (from THB70/kg) and Cambodian swine to KHR9,000/kg (from KHR8,400/kg), while also increasing our gross margin estimate to 14.5% from 13.2%, reflecting the higher-than-expected meat prices and overall costs remaining low. The new gross margin assumption is still within management's conservative target range of 13.5-15%.

### Maintain BUY with a higher TP to THB27

We raise our TP to THB27 (from THB24), based on a P/E of 13x (in line with the historical average). The current stock price is trading at just 10x 2025E P/E, while meat prices and profits remain strong. Moreover, with no export revenue from the US, BTG is unaffected by US tariffs. Although news of pork imports from the US might negatively impact stock sentiment, we believe the likelihood of this happening is quite low.

### KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	114,232	123,826	126,628	132,325
Net profit	2,466	3,991	4,230	4,523
EPS (THB)	1.28	2.07	2.19	2.34
vs Consensus (%)	-	13.2	15.8	5.1
EBITDA	9,005	11,123	11,702	12,677
Recurring net profit	2,377	3,991	4,230	4,523
Core EPS (THB)	1.19	2.00	2.12	2.26
Chg. In EPS est. (%)	-	50.1	46.6	45.1
EPS growth (%)	nm	67.9	6.0	6.9
Core P/E (x)	15.9	9.5	8.9	8.4
Dividend yield (%)	2.6	4.4	4.6	5.0
EV/EBITDA (x)	6.8	5.0	4.3	3.7
Price/book (x)	1.3	1.2	1.1	1.0
Net debt/Equity (%)	91.0	64.2	42.1	28.0
ROE (%)	9.1	14.1	13.7	13.4



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(5.0)	5.0	(16.4)
Relative to country (%)	(0.1)	27.3	3.5
Mkt cap (USD m)	1,090		
3m avg. daily turnover (USD m)	1.0		
Free float (%)	37		
Major shareholder	Betagro Holding Company Limited (38%)		
12m high/low (THB)	25.50/16.30		
Issued shares (m)	1,934.80		

Sources: Bloomberg consensus; FSSIA estimates



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### Investment thesis

BTG operates a fully integrated food business covering the entire production chain from upstream, mid-stream to downstream. Its production and distribution bases are located in every region of Thailand, and it exports its products to overseas markets. BTG also produces in neighboring countries such as Cambodia, Laos, and Myanmar.

The company has diversified to six distribution channels which consist of Betagro branches, modern trade, traditional trade, food services, industrial customers (OEM business), and the export market (more than 20 countries). The company has strong brand recognition under the well-known BETAGRO brand, S-Pure for hygienic fresh meat, Perfecta, etc.

### Company profile

Established in 1967 and listed on the SET in 2022, BTG operates a full range of agro-industry businesses from upstream animal feed, pig and chicken farms, animal health products and supplements, meat processing, and food production to pet products. At the end of 2024, BTG generated revenue from Food & Protein (64.3% of total revenue), followed by Agro (28.6%), International (5.3%) and Pets (1.9%).

[www.betagro.com](http://www.betagro.com)

### Principal activities (revenue, 2024)

■ Agro - 28.6 %

■ Food and protein - 64.3 %

■ International - 5.3 %

■ Pet segment - 1.9 %

Source: Betagro

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### Major shareholders

■ Betagro Holding Company Limited - 37.7 %

■ TAE HK Investment Limited - 20.7 %

■ Taepaisitphongse Family - 6.5 %

■ Others - 35.1 %

Source: Betagro

### Catalysts

Potential catalysts for BTG’s 2025 earnings growth are 1) sales volume growth in line with a purchasing power and tourism recovery; 2) meat price increases; 3) flat or declining feed costs; and 4) an international business recovery.

### Risks to our call

Downside risks to our P/E-based TP include 1) a slower-than-expected purchasing power recovery; 2) a slower-than-expected meat price increase; 3) a slower-than-expected decrease in feed costs; and 4) a stronger-than-expected THB.

### 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)	75.0	72.0	70.0
Swine price-Cambodia (KHR)	9,000	8,500	8,500
Total revenue growth (%)	8.4	2.3	4.5
Gross margin (%)	14.5	14.5	14.7
SG&A to sales (%)	10.4	10.4	10.4




Source: FSSIA estimates

### Earnings sensitivity

- For every 1% increase in revenue, we estimate 2025 net profit to rise by 3.1%, and vice versa, all else being equal.
- For every 0.1% increase in GPM, we estimate 2025 net profit to rise by 4.2%, and vice versa, all else being equal.
- For every 0.1% increase in SG&A to sales, we estimate 2025 net profit to fall by 2.9%, and vice versa, all else being equal.

Source: FSSIA estimates

## Exhibit 56: BTG's 2025 targets

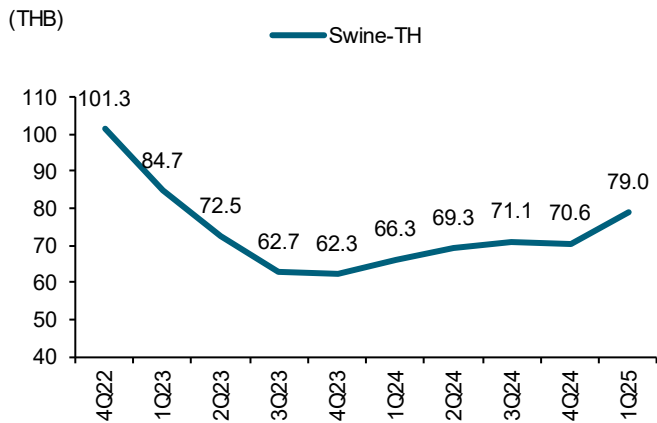
2025 Target		2025 Key Strategies	
➤ Sales Growth	3 - 7%	 International Expansion	
➤ %Gross Profit Margin	13.5 - 15%	 Product & Channel Mix Optimization	
➤ %SG&A to Sales	10 - 11%		
➤ CAPEX	4,800 MB	 Cost Transformation	

Source: BTG's 2024 presentation

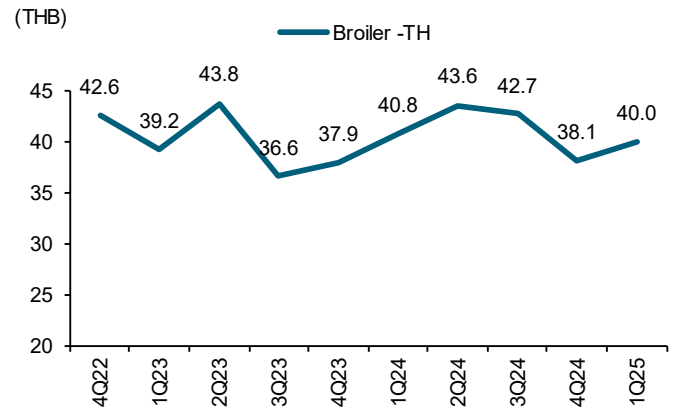
## Exhibit 57: Changes in key assumptions for BTG

	Current			Previous			Change		
	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (%)	2026E (%)	2027E (%)
Total revenue	123,826	126,628	132,325	122,344	124,682	130,404	1.2	1.6	1.5
Cost of sales	105,871	108,267	112,873	106,195	108,224	112,930	(0.3)	0.0	(0.1)
Gross profit	17,955	18,361	19,452	16,149	16,458	17,474	11.2	11.6	11.3
SG&A expenses	12,878	13,169	13,762	12,724	12,967	13,562	1.2	1.6	1.5
Operating profit	5,671	5,800	6,325	4,013	4,090	4,538	41.3	41.8	39.4
Interest expense	841	673	840	709	662	944	18.5	1.7	(11.1)
Reported net profit	3,991	4,230	4,523	2,768	2,869	3,008	44.2	47.4	50.4
Core profit	3,991	4,230	4,523	2,768	2,869	3,008	44.2	47.4	50.4
<b>Key ratios (%)</b>									
Total revenue growth	8.4	2.3	4.5	7.0	1.9	4.6			
Net profit growth	61.8	6.0	6.9	11.9	3.7	4.8			
Core profit growth	67.9	6.0	6.9	17.7	3.7	4.8			
Gross margin	14.5	14.5	14.7	13.2	13.2	13.4	1.3	1.3	1.3
SG&A to sales	10.4	10.4	10.4	10.4	10.4	10.4	0.0	0.0	0.0
Operating margin	4.6	4.6	4.8	3.3	3.3	3.5	1.3	1.3	1.3
Net margin	3.2	3.3	3.4	2.3	2.3	2.3	1.0	1.0	1.1
Core margin	3.2	3.3	3.4	2.3	2.3	2.3	1.0	1.0	1.1
<b>Key assumptions</b>									
<b>Revenue breakdown (THB m)</b>									
Agrobusiness	34,645	36,377	38,196	34,531	36,258	38,071	0.3	0.3	0.3
Food & protein business	80,568	81,399	84,868	79,198	79,038	82,420	1.7	3.0	3.0
International business	6,331	6,455	6,745	6,523	6,561	6,858	(2.9)	(1.6)	(1.7)
Pet business	2,282	2,396	2,516	2,093	2,825	3,055	9.0	(15.2)	(17.6)
Price									
Broiler price-TH (THB/kg.)	40.0	40.0	40.0	40.0	40.0	40.0	0.0	0.0	0.0
Swine price-TH (THB/kg.)	75.0	72.0	70.0	70.0	70.0	70.0	7.1	2.9	0.0
Swine price-Cambodia (KHR/kg.)	9,000	8,500	8,500	8,400	8,200	8,200	7.1	3.7	3.7
Corn price-TH (THB/kg.)	10.5	10.5	10.5	10.0	10.0	10.0	5.0	5.0	5.0
Soybean meal price-TH (THB/kg.)	16.0	17.0	18.0	19.5	19.0	18.0	(17.9)	(10.5)	0.0

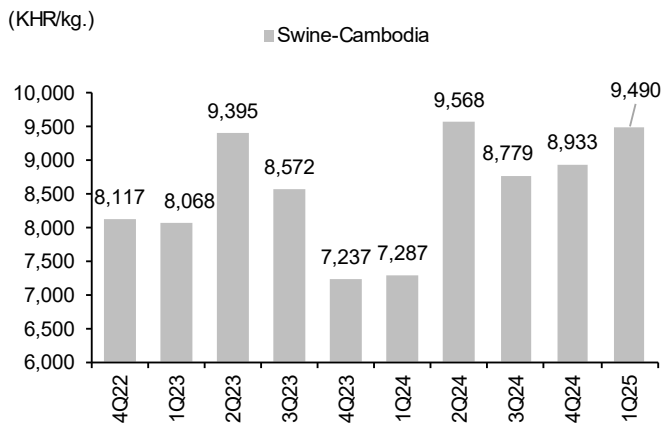
Source: FSSIA estimates

**Exhibit 58: Quarterly Thai swine price**

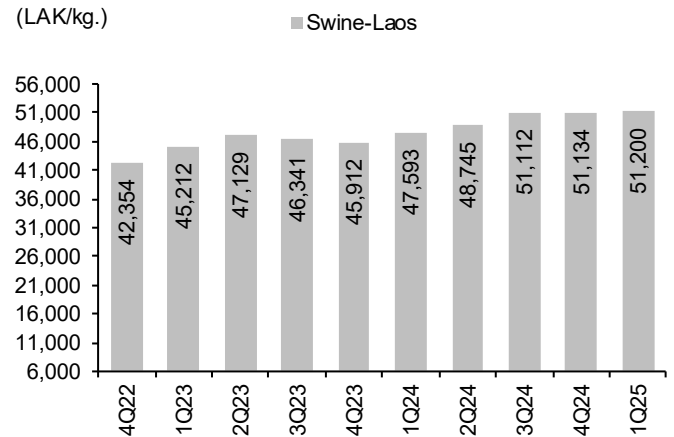
Sources: CPF, OAE, MOC, FSSIA estimates

**Exhibit 59: Quarterly Thai chicken price**

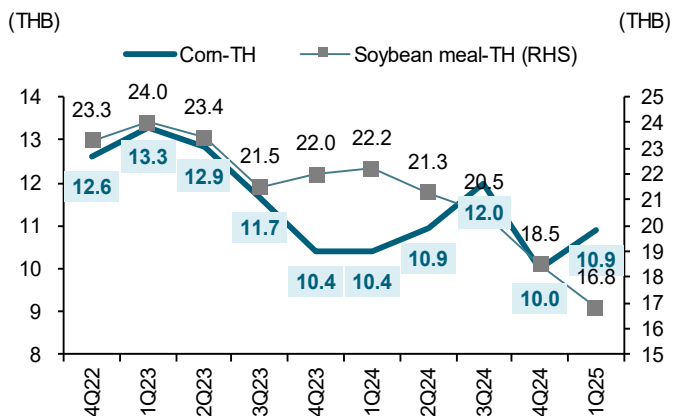
Sources: CPF, OAE, MOC, FSSIA estimates

**Exhibit 60: Quarterly Cambodian swine price**

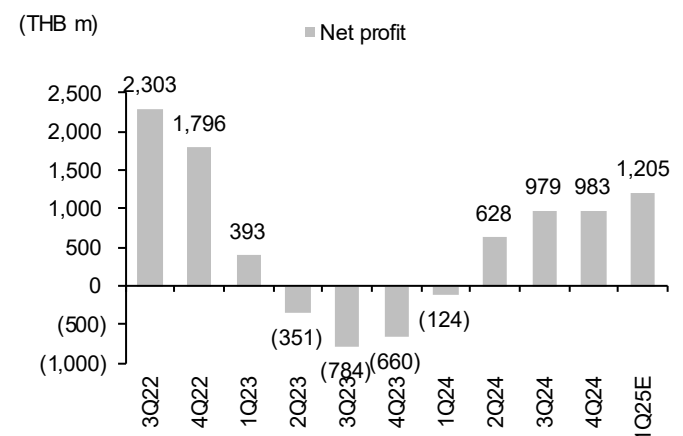
Source: CPF, FSSIA's compilation

**Exhibit 61: Quarterly Laos swine price**

Source: CPF, FSSIA's compilation

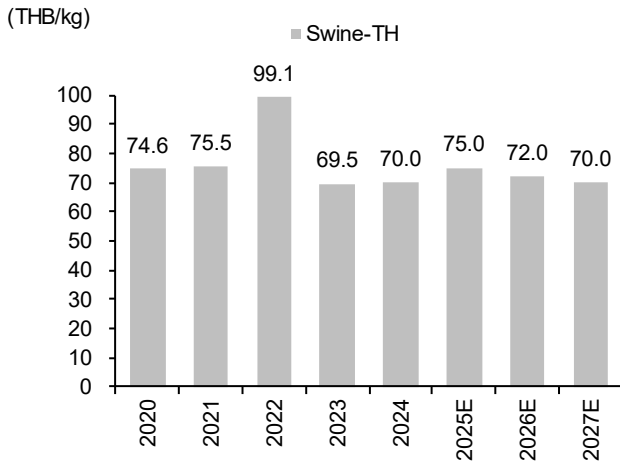
**Exhibit 62: Quarterly domestic raw material prices**

Sources: BTG, FSSIA estimates

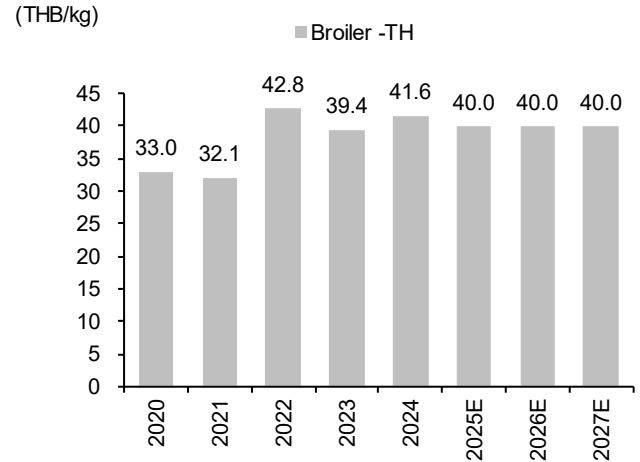
**Exhibit 63: Quarterly net profit**

Source: BTG, FSSIA estimates

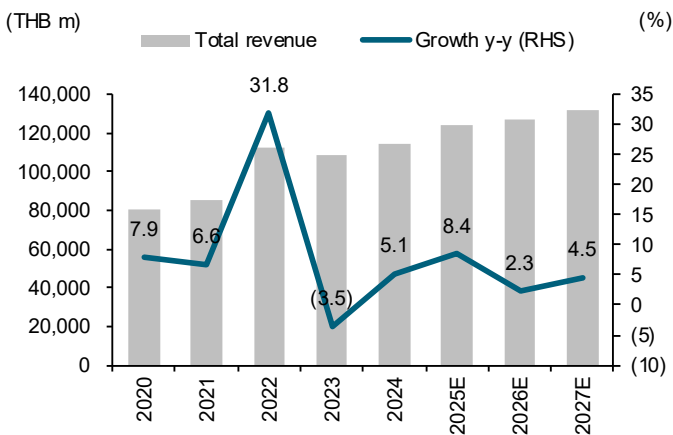


**Exhibit 64: Yearly Thai swine price**

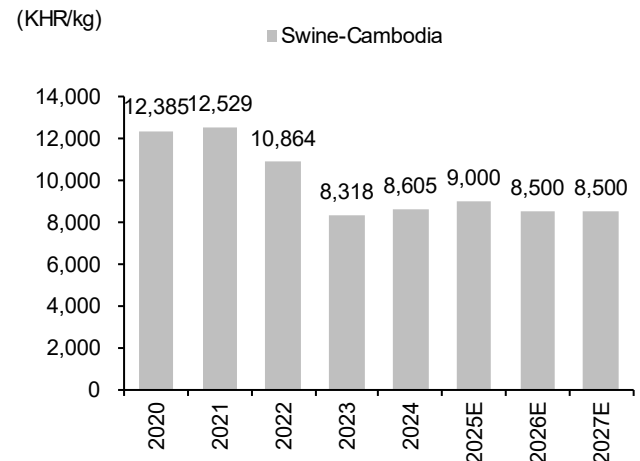
Sources: FSSIA estimates

**Exhibit 65: Yearly chicken price**

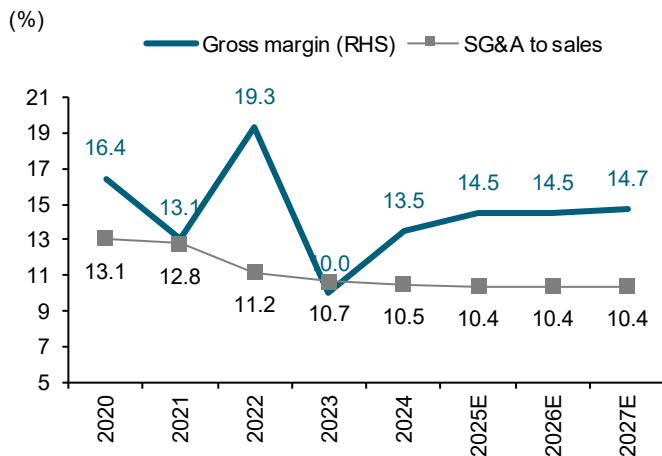
Sources: FSSIA estimates

**Exhibit 66: Yearly total revenue and growth**

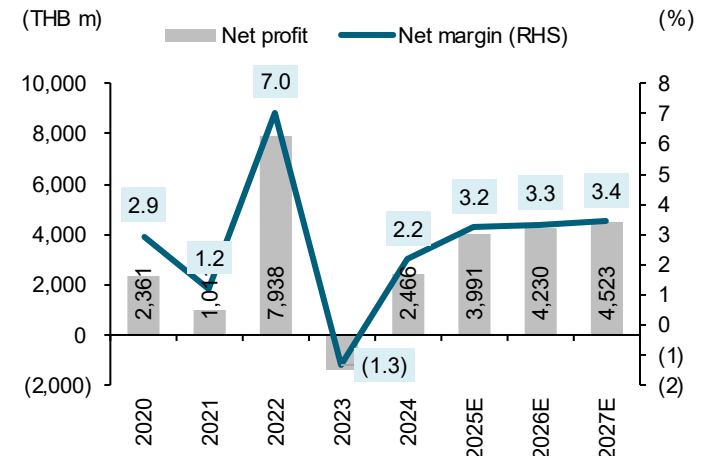
Sources: BTG, FSSIA estimates

**Exhibit 67: Yearly Cambodian swine price**

Sources: CPF, FSSIA estimates

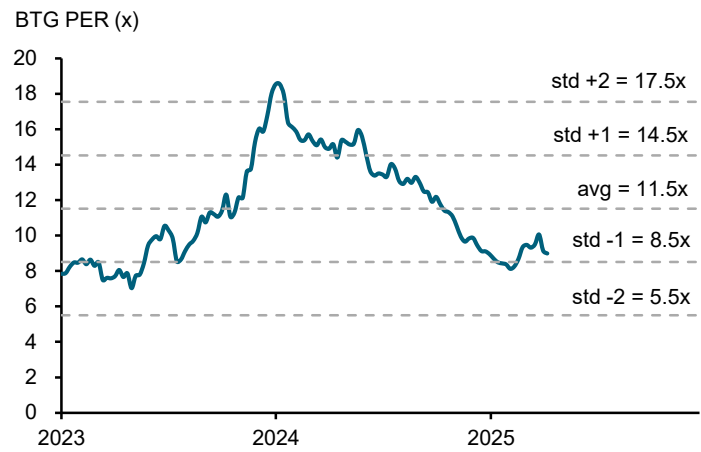
**Exhibit 68: Yearly gross margin and SG&A to sales**

Sources: BTG, FSSIA estimates

**Exhibit 69: Yearly net profit and net margin**

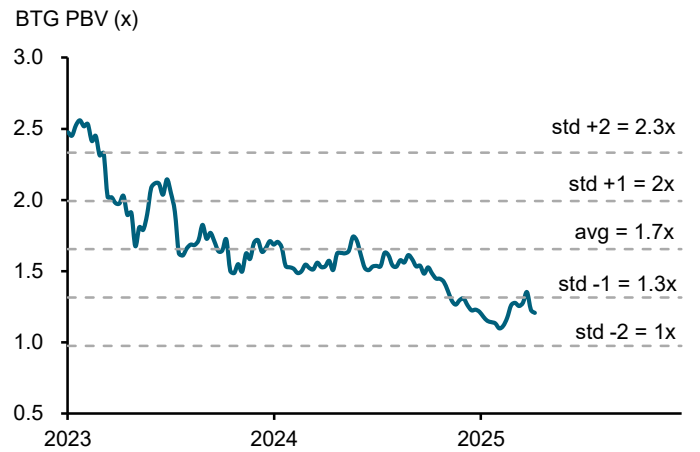
Sources: BTG, FSSIA estimates

Exhibit 70: BTG’s historical P/E band



Sources: Bloomberg, FSSIA estimates

Exhibit 71: BTG’s historical P/BV band



Sources: Bloomberg, FSSIA estimates

## Financial Statements

### Betagro

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	108,638	114,232	123,826	126,628	132,325
Cost of goods sold	(97,800)	(98,831)	(105,871)	(108,267)	(112,873)
<b>Gross profit</b>	<b>10,838</b>	<b>15,401</b>	<b>17,955</b>	<b>18,361</b>	<b>19,452</b>
Other operating income	493	622	594	608	635
Operating costs	(11,579)	(11,990)	(12,878)	(13,169)	(13,762)
<b>Operating EBITDA</b>	<b>4,319</b>	<b>9,005</b>	<b>11,123</b>	<b>11,702</b>	<b>12,677</b>
Depreciation	(4,568)	(4,972)	(5,452)	(5,902)	(6,352)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>(248)</b>	<b>4,033</b>	<b>5,671</b>	<b>5,800</b>	<b>6,325</b>
Net financing costs	(673)	(802)	(841)	(673)	(840)
Associates	102	157	173	177	185
Recurring non-operating income	102	157	173	177	185
Non-recurring items	(88)	89	0	0	0
<b>Profit before tax</b>	<b>(906)</b>	<b>3,476</b>	<b>5,004</b>	<b>5,304</b>	<b>5,671</b>
Tax	(457)	(976)	(1,001)	(1,061)	(1,134)
<b>Profit after tax</b>	<b>(1,364)</b>	<b>2,500</b>	<b>4,003</b>	<b>4,243</b>	<b>4,537</b>
Minority interests	(35)	(34)	(12)	(13)	(13)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>(1,398)</b>	<b>2,466</b>	<b>3,991</b>	<b>4,230</b>	<b>4,523</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>88</b>	<b>(89)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>(1,310)</b>	<b>2,377</b>	<b>3,991</b>	<b>4,230</b>	<b>4,523</b>
<b>Per share (THB)</b>					
Recurring EPS *	(0.66)	1.19	2.00	2.12	2.26
Reported EPS	(0.73)	1.28	2.07	2.19	2.34
DPS	0.25	0.50	0.83	0.88	0.94
Diluted shares (used to calculate per share data)	2,000	2,000	2,000	2,000	2,000
<b>Growth</b>					
Revenue (%)	(3.5)	5.1	8.4	2.3	4.5
Operating EBITDA (%)	(69.2)	108.5	23.5	5.2	8.3
Operating EBIT (%)	nm	nm	40.6	2.3	9.1
Recurring EPS (%)	nm	nm	67.9	6.0	6.9
Reported EPS (%)	nm	nm	61.8	6.0	6.9
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	10.0	13.5	14.5	14.5	14.7
Gross margin exc. depreciation (%)	14.2	17.8	18.9	19.2	19.5
Operating EBITDA margin (%)	4.0	7.9	9.0	9.2	9.6
Operating EBIT margin (%)	(0.2)	3.5	4.6	4.6	4.8
Net margin (%)	(1.2)	2.1	3.2	3.3	3.4
Effective tax rate (%)	(50.2)	28.1	20.0	20.0	20.0
Dividend payout on recurring profit (%)	(38.2)	42.1	41.5	41.5	41.5
Interest cover (X)	(0.2)	5.2	7.0	8.9	7.8
Inventory days	52.5	53.3	51.5	47.1	46.7
Debtor days	21.0	21.4	20.1	19.8	19.6
Creditor days	22.0	20.0	22.3	26.1	26.0
Operating ROIC (%)	(0.4)	7.0	9.9	10.3	11.6
ROIC (%)	(0.2)	6.5	9.1	9.5	10.6
ROE (%)	(4.9)	9.1	14.1	13.7	13.4
ROA (%)	(1.2)	4.8	7.2	7.2	7.8

\* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2023	2024	2025E	2026E	2027E
Agro	32,242	32,653	34,645	36,377	38,196
Food and protein	68,417	73,444	80,568	81,399	84,868
International	5,887	6,001	6,331	6,455	6,745
Pet segment	2,091	2,134	2,282	2,396	2,516

Sources: Betagro; FSSIA estimates

## Financial Statements

### Betagro

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	(1,310)	2,377	3,991	4,230	4,523
Depreciation	4,568	4,972	5,452	5,902	6,352
Associates & minorities	(87)	(140)	(120)	(172)	(174)
Other non-cash items	(88)	23	0	0	0
Change in working capital	1,271	(3,171)	3,943	(45)	(832)
<b>Cash flow from operations</b>	<b>4,353</b>	<b>4,061</b>	<b>13,266</b>	<b>9,916</b>	<b>9,870</b>
Capex - maintenance	(7,586)	(5,977)	(4,822)	(4,000)	(4,500)
Capex - new investment	0	0	0	0	0
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(240)	383	(71)	325	157
<b>Cash flow from investing</b>	<b>(7,826)</b>	<b>(5,593)</b>	<b>(4,893)</b>	<b>(3,675)</b>	<b>(4,343)</b>
Dividends paid	(1,920)	(615)	(1,700)	(1,692)	(1,809)
Equity finance	0	0	0	0	0
Debt finance	880	3,152	(5,591)	(4,408)	(2,448)
Other financing cash flows	134	317	(845)	689	142
<b>Cash flow from financing</b>	<b>(907)</b>	<b>2,854</b>	<b>(8,137)</b>	<b>(5,411)</b>	<b>(4,115)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>(4,380)</b>	<b>1,322</b>	<b>237</b>	<b>830</b>	<b>1,411</b>
Free cash flow to firm (FCFF)	(2,800.24)	(730.28)	9,213.82	6,914.35	6,365.62
Free cash flow to equity (FCFE)	(2,459.50)	1,936.43	1,936.95	2,522.10	3,220.51

#### Per share (THB)

FCFF per share	(1.45)	(0.38)	4.76	3.57	3.29
FCFE per share	(1.27)	1.00	1.00	1.30	1.66
Recurring cash flow per share	1.60	3.75	4.83	5.16	5.55

Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	53,417	51,787	56,086	55,856	55,222
Less: Accumulated depreciation	(27,072)	(28,155)	(29,281)	(30,453)	(31,671)
<b>Tangible fixed assets (net)</b>	<b>26,345</b>	<b>23,632</b>	<b>26,805</b>	<b>25,403</b>	<b>23,551</b>
<b>Intangible fixed assets (net)</b>	<b>786</b>	<b>715</b>	<b>715</b>	<b>715</b>	<b>715</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	1,454	1,396	1,317	1,320	1,326
Cash & equivalents	1,561	2,882	3,119	3,949	5,360
A/C receivable	7,480	7,731	7,404	7,572	7,912
Inventories	12,115	15,295	13,053	13,348	13,916
Other current assets	9,570	9,487	10,525	10,384	10,851
<b>Current assets</b>	<b>30,726</b>	<b>35,396</b>	<b>34,101</b>	<b>35,252</b>	<b>38,039</b>
Other assets	3,190	3,151	3,473	3,322	3,345
<b>Total assets</b>	<b>62,501</b>	<b>64,289</b>	<b>66,411</b>	<b>66,012</b>	<b>66,975</b>
Common equity	25,134	27,094	29,362	32,400	35,115
Minorities etc.	178	194	248	253	265
<b>Total shareholders' equity</b>	<b>25,312</b>	<b>27,288</b>	<b>29,610</b>	<b>32,654</b>	<b>35,379</b>
Long term debt	9,690	10,389	9,889	5,556	4,638
Other long-term liabilities	3,004	3,322	2,477	3,166	3,308
<b>Long-term liabilities</b>	<b>12,694</b>	<b>13,711</b>	<b>12,366</b>	<b>8,722</b>	<b>7,946</b>
A/C payable	9,293	9,479	11,833	12,101	12,627
Short term debt	14,878	17,322	12,231	12,156	10,626
Other current liabilities	324	314	371	380	397
<b>Current liabilities</b>	<b>24,494</b>	<b>27,115</b>	<b>24,436</b>	<b>24,637</b>	<b>23,650</b>
<b>Total liabilities and shareholders' equity</b>	<b>62,501</b>	<b>68,114</b>	<b>66,411</b>	<b>66,012</b>	<b>66,975</b>
Net working capital	19,549	22,720	18,777	18,823	19,655
Invested capital	51,324	51,613	51,088	49,582	48,591

\* Includes convertibles and preferred stock which is being treated as debt

#### Per share (THB)

Book value per share	13.03	14.04	15.22	16.79	18.20
Tangible book value per share	12.62	13.67	14.85	16.42	17.83

#### Financial strength

Net debt/equity (%)	90.9	91.0	64.2	42.1	28.0
Net debt/total assets (%)	36.8	38.6	28.6	20.8	14.8
Current ratio (x)	1.3	1.3	1.4	1.4	1.6
CF interest cover (x)	(2.7)	3.4	3.3	4.7	4.8

Valuation	2023	2024	2025E	2026E	2027E
<b>Recurring P/E (x) *</b>	<b>(28.8)</b>	<b>15.9</b>	<b>9.5</b>	<b>8.9</b>	<b>8.4</b>
<b>Recurring P/E @ target price (x) *</b>	<b>(41.2)</b>	<b>22.7</b>	<b>13.5</b>	<b>12.8</b>	<b>11.9</b>
Reported P/E (x)	(26.1)	14.8	9.1	8.6	8.1
Dividend yield (%)	1.3	2.6	4.4	4.6	5.0
Price/book (x)	1.5	1.3	1.2	1.1	1.0
Price/tangible book (x)	1.5	1.4	1.3	1.2	1.1
EV/EBITDA (x) **	13.8	6.8	5.0	4.3	3.7
EV/EBITDA @ target price (x) **	17.4	8.6	6.4	5.6	4.9
EV/invested capital (x)	1.2	1.2	1.1	1.0	1.0

\* Pre-exceptional, pre-goodwill and fully diluted \*\* EBITDA includes associate income and recurring non-operating income

Sources: Betagro; FSSIA estimates

# BETAGRO PCL (BTG TB)

## FSSIA ESG rating



### Exhibit 72: FSSIA ESG score implication

**59.71 /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.
★★★★★	<b>&gt;59-79</b>	<b>A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.</b>
★★★	>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 73: 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	68.20	5.83	4.61	4.25	4.61	4.21	3.95	Medium	53.02	BBB	24.44	60.65	67.96	2.33	35.35
Coverage	64.39	4.92	4.71	4.23	4.44	4.07	3.65	Medium	49.86	BB	18.30	53.38	63.50	2.45	35.11
BTG	59.71	--	Y	AAA	5.00	4.00	Certified	High	--	BBB	--	--	--	3.68	57.48
CPF	80.10	Y	Y	AAA	5.00	5.00	Certified	Medium	70.60	BB	44.00	62.05	85.00	4.43	67.93
GFPT	40.94	--	--	--	5.00	5.00	Certified	High	--	--	--	62.92	24.00	4.22	58.07
TU	82.00	Y	Y	A	5.00	5.00	Certified	High	64.42	A	41.00	74.01	85.00	3.43	77.68
TFG	35.10	--	Y	AA	5.00	5.00	Certified	Severe	--	--	--	40.78	--	--	--

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation

### Exhibit 74: ESG score by Bloomberg

FY ending Dec 31	FY 2022	FY 2023
<b>ESG financial materiality scores - ESG score</b>	<b>2.96</b>	<b>3.68</b>
BESG environmental pillar score	1.86	3.29
BESG social pillar score	2.99	3.26
BESG governance pillar score	5.14	5.14
<b>ESG disclosure score</b>	<b>50.31</b>	<b>57.48</b>
Environmental disclosure score	34.94	49.65
Social disclosure score	39.78	41.60
Governance disclosure score	76.10	81.10
<b>Environmental</b>		
Emissions reduction initiatives	No	Yes
Climate change policy	Yes	Yes
Climate change opportunities discussed	No	No
Risks of climate change discussed	Yes	Yes
GHG scope 1	234	204
GHG scope 2 location-based	214	217
GHG Scope 3	—	—
Carbon per unit of production	0	0
Biodiversity policy	No	No
Energy efficiency policy	Yes	Yes
Total energy consumption	1,065	1,072
Renewable energy use	73	163
Electricity used	416	421
Fuel used - natural gas	—	—

Sources: Bloomberg; FSSIA's compilation

**Exhibit 75: ESG score by Bloomberg (cont.)**

FY ending Dec 31	FY 2022	FY 2023
Fuel used - crude oil/diesel	No	No
Waste reduction policy	Yes	Yes
Hazardous waste	1	1
Total waste	204	207
Waste recycled	9	9
Waste sent to landfills	9	7
Environmental supply chain management	No	Yes
Water policy	Yes	Yes
Water consumption	7,837	9,000
<b>Social</b>		
Human rights policy	Yes	Yes
Policy against child labor	Yes	Yes
Quality assurance and recall policy	Yes	Yes
Consumer data protection policy	No	Yes
Equal opportunity policy	Yes	Yes
Gender pay gap breakout	Yes	Yes
Pct women in workforce	54	54
Pct disabled in workforce	1	1
Business ethics policy	Yes	Yes
Anti-bribery ethics policy	Yes	Yes
Health and safety policy	Yes	Yes
Lost time incident rate - employees	1	1
Total recordable incident rate - employees	1	1
Training policy	Yes	Yes
Fair remuneration policy	No	No
Number of employees – CSR	33,652	33,514
Employee turnover pct	51	44
Total hours spent by firm - employee training	121,820	358,278
Social supply chain management	No	Yes
<b>Governance</b>		
<b>Board size</b>	<b>11</b>	<b>11</b>
<b>No. of independent directors (ID)</b>	<b>5</b>	<b>5</b>
No. of women on board	5	5
No. of non-executive directors on board	8	8
Company conducts board evaluations	Yes	Yes
No. of board meetings for the year	14	11
Board meeting attendance pct	99	99
Board duration (years)	3	3
Director share ownership guidelines	No	No
Age of the youngest director	—	46
Age of the oldest director	—	70
<b>No. of executives / company managers</b>	<b>10</b>	<b>11</b>
No. of female executives	2	2
Executive share ownership guidelines	No	No
<b>Size of audit committee</b>	<b>3</b>	<b>3</b>
No. of ID on audit committee	3	3
Audit committee meetings	8	6
Audit meeting attendance %	96	100
<b>Size of compensation committee</b>	<b>3</b>	<b>3</b>
No. of ID on compensation committee	2	2
No. of compensation committee meetings	6	5
Compensation meeting attendance %	100	100
<b>Size of nomination committee</b>	<b>3</b>	<b>3</b>
No. of nomination committee meetings	6	5
Nomination meeting attendance %	100	100
<b>Sustainability governance</b>		
Verification type	No	No

Sources: Bloomberg; FSSIA's compilation

## THAI FOODS GROUP

## TFG TB

THAILAND / FOOD &amp; BEVERAGE

BUY

UNCHANGED

## Bright outlook for all businesses

- Expect 1Q25 net profit to jump by 45% q-q and 612% y-y, due to higher meat prices and lower raw material prices.
- Management targets 2025 revenue growth of 10-15% y-y, supported by strong sales volumes and positive meat price outlook.
- Maintain BUY with higher TP to THB5.3 and high dividend yield.

TARGET PRICE	THB5.30
CLOSE	THB4.68
UP/DOWNSIDE	+13.2%
PRIOR TP	THB4.10
CHANGE IN TP	+29.3%
TP vs CONSENSUS	+1.0%

## KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	65,482	69,517	71,831	73,032
Net profit	3,144	4,179	4,433	4,611
EPS (THB)	0.51	0.62	0.66	0.68
vs Consensus (%)	-	2.1	(1.2)	(12.8)
EBITDA	10,157	11,205	11,691	12,115
Recurring net profit	3,618	4,179	4,433	4,611
Core EPS (THB)	0.59	0.62	0.66	0.68
Chg. In EPS est. (%)	-	23.9	18.8	17.0
EPS growth (%)	nm	5.6	6.1	4.0
Core P/E (x)	8.0	7.6	7.1	6.9
Dividend yield (%)	6.4	7.3	7.7	8.0
EV/EBITDA (x)	4.5	4.7	4.3	4.0
Price/book (x)	1.8	1.6	1.5	1.4
Net debt/Equity (%)	102.7	106.6	89.2	75.3
ROE (%)	24.0	23.4	22.0	21.0

## Aiming for strong growth in volumes and meat prices

Management targets 2025 revenue growth of 10-15% y-y, driven by the retail shop business, with a target of 50% growth through plans to open 200 new branches, achieving SSSG of 15% y-y. In addition, the goal is to increase swine and chicken sales volumes by 25% and 5% y-y, respectively. They project the 2025 average meat price outlook to remain positive throughout the year, with Thai swine prices staying above THB80/kg (+15% y-y), Thai chicken prices stable at THB40-42/kg, and Vietnam swine at VND65,000/kg (+9% y-y). On the cost side, raw material prices are expected to decrease by 5% y-y, and if raw materials are imported from the US, it will be even more positive for the cost of livestock farming.

## Higher meat prices support growth in 1Q25

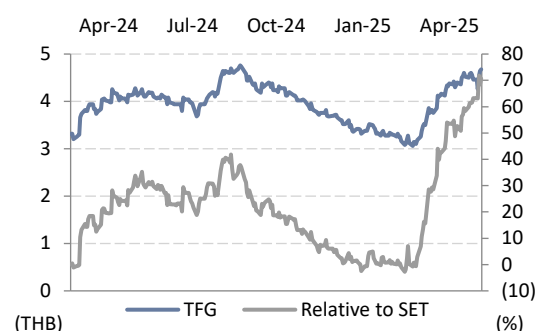
We expect 1Q25 net profit to grow strongly by 45% q-q and 612% y-y, driven by higher meat prices. Thai swine (+12% q-q, +19% y-y) and Vietnam swine (+8% q-q, +22% y-y) prices have risen significantly. TFG does not have operations in China, and overall raw material costs are still soft, which should support a continued improvement in gross margins. In addition, the full-quarter recognition of revenue from Thai Foods Fresh Market's new branches in 4Q24 should offset the negative impact from the GMT, leading to a net profit increase to cTHB1.2b in 1Q25.

## Revising up our 2025-27 net profit forecast

Given the continued strength in Thai and Vietnam swine prices, TFG's profit outlook should remain positive in 2Q25. As a result, we have raised our 2025-27E net profit by 17-24%, expecting growth of 33%/6%/4%, respectively. Assuming in-line 1Q25 results, it would account for 30% of our full-year estimate, indicating that our new profit estimate remains conservative. Since TFG has no export revenue from the US, it is not directly impacted by US tariffs. Despite the negative sentiment surrounding pork imports from the US, we believe the risk of such events occurring is relatively low.

## Maintain BUY with higher TP to THB5.3

We raise our TP to THB5.3 (from THB4.1), maintaining a target P/E of 8.5x. While we are positive on the SET ESG rating of AA, we remain cautious about the high proportion of shares used as collateral for margin accounts, which stands at about 43.8% of total shares (as of February 2025). However, management is aware of the market's concerns and is gradually reducing this proportion in the future. We maintain BUY, as the stock currently trades at a 2025E P/E of only 7.6x, with an expected annual dividend yield of c8%.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	10.4	40.1	40.1
Relative to country (%)	16.1	69.8	73.4
Mkt cap (USD m)	789		
3m avg. daily turnover (USD m)	1.1		
Free float (%)	16		
Major shareholder	New Star Victor Co Ltd (32%)		
12m high/low (THB)	4.84/3.02		
Issued shares (m)	5,810.82		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

TFG is one of Thailand's top three chicken processors and live pig farmers, with a daily production capacity of 500,000 chickens and a monthly supply of over 100,000 hogs.

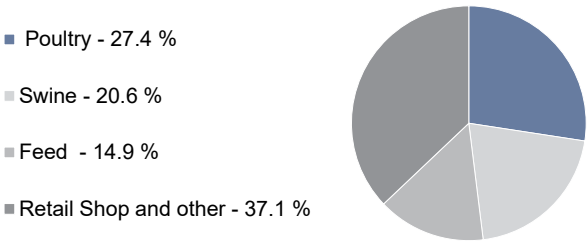
We maintain a conservative outlook on meat prices in 2025 due to increased production volumes and the continuous decline in raw material prices, meaning that any price increases will largely depend on demand. However, we expect that the expansion of branches and revenue for Thai Foods Fresh Market will help reduce the volatility of the upstream business' performance, and this should become more beneficial in the future.

Company profile

Thai Food Group (TFG) was established in 1987 by Mr. Winai Teawsomboonkij, who currently serves as CEO. It started from a chicken farm in Lopburi before expanding to a vertically integrated food producer specializing in chicken and swine production, with operations in Thailand and Vietnam. Also, it expanded more into downstream businesses by entering the retail market through retail shops. In 2024, the revenue mix from poultry, swine, retail, and feed was 27%/21%/37%/15%, respectively.

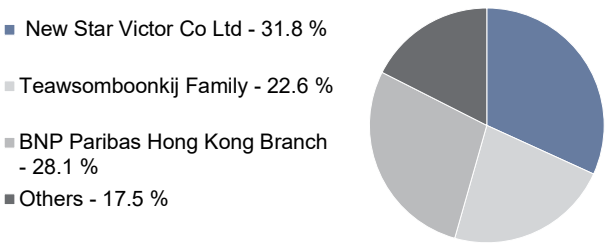
[www.tfg.co.th](http://www.tfg.co.th)

Principal activities (revenue, 2024)



Source: Thai Foods Group

Major shareholders



Source: Thai Foods Group

Catalysts

Potential catalysts for TFG’s earnings growth in 2025 are 1) revenue growth driven by sales volumes; 2) higher-than-expected meat prices; 3) declining raw material costs; and 4) its new Thai Foods Fresh Market store expansion.

Risks to our call

Downside and upside risks to our P/E-based TP are 1) a slower or faster-than-expected consumption recovery; 2) a slower or faster-than-expected decrease in feed costs; 3) a stronger or weaker-than-expected THB.

Event calendar

Date	Event
May 2025	1Q25 results announcement

Key assumptions

	2025E	2026E	2027E
Total Sales Growth (%)	6.2	3.3	1.7
Gross Margin (%)	14.4	14.5	14.6
SG&A to sales (%)	6.8	6.8	6.8

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in revenue, we estimate 2025 net profit to rise by 1.2%, and vice versa, all else being equal.
- For every 0.5% increase in GPM, we estimate 2025 net profit to rise by 5.1%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A, we estimate 2025 net profit to fall by 4.7%, and vice versa, all else being equal.

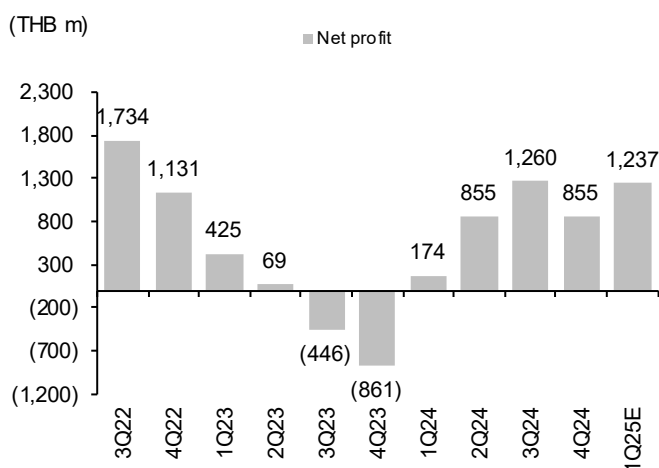
Source: FSSIA estimates

## Exhibit 76: Changes in key assumptions for TFG

	Current			Previous			Change		
	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (%)	2026E (%)	2027E (%)
Total revenue	69,517	71,831	73,032	68,520	71,424	73,032	1.5	0.6	0.0
Costs	59,479	61,415	62,370	59,544	61,925	63,231	(0.1)	(0.8)	(1.4)
Gross profit	10,038	10,415	10,663	8,976	9,499	9,801	11.8	9.6	8.8
SG&A expenses	4,727	4,884	4,966	4,659	4,857	4,966	1.5	0.6	0.0
Reported net profit	4,179	4,433	4,611	3,373	3,731	3,939	23.9	18.8	17.0
Core profit	4,179	4,433	4,611	3,373	3,731	3,939	23.9	18.8	17.0
<b>Key ratios (%)</b>									
Total revenue growth (%)	6.2	3.3	1.7	4.6	4.2	2.3			
Net profit growth (%)	32.9	6.1	4.0	7.3	10.6	5.6			
Core profit growth (%)	15.5	6.1	4.0	(6.8)	10.6	5.6			
Gross margin	14.4	14.5	14.6	13.1	13.3	13.4	1.3	1.2	1.2
SG&A to sales	6.8	6.8	6.8	6.8	6.8	6.8	0.0	0.0	0.0
Net margin	6.0	6.2	6.3	4.9	5.2	5.4	1.1	0.9	0.9
Core margin	6.0	6.2	6.3	4.9	5.2	5.4	1.1	0.9	0.9
<b>Operating statistics (THB/kg)</b>									
TFG's chicken ASP	55.7	56.0	56.3	55.7	56.0	56.3	0.0	0.0	0.0
TFG's swine ASP	75.0	72.0	70.0	70.0	70.0	70.0	7.1	2.9	0.0
Vietnam swine price (VND/kg)	60,000	60,000	60,000	60,000	60,000	60,000	0.0	0.0	0.0
Corn	11.0	10.5	10.0	11.0	10.5	10.0	0.0	0.0	0.0
Soybean meal	20.0	19.0	18.0	20.0	19.0	18.0	0.0	0.0	0.0
Retail shop stores (no.)	501	581	661	501	581	661	0.0	0.0	0.0
Retail shop sales (THB m)	25,995	27,934	28,574	25,995	27,934	28,574	0.0	0.0	0.0

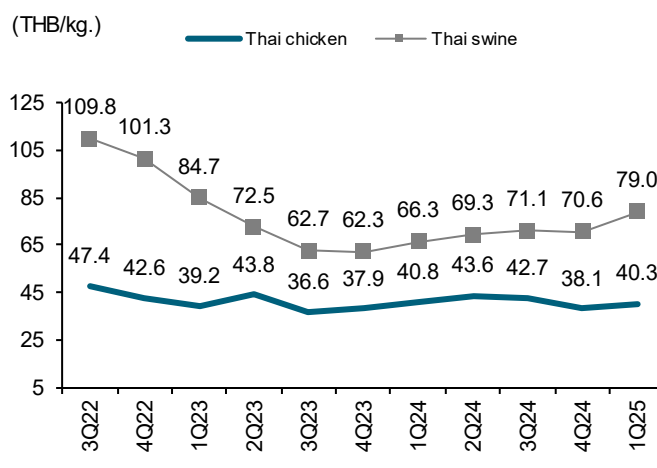
Source: FSSIA estimates

## Exhibit 77: Quarterly net profit



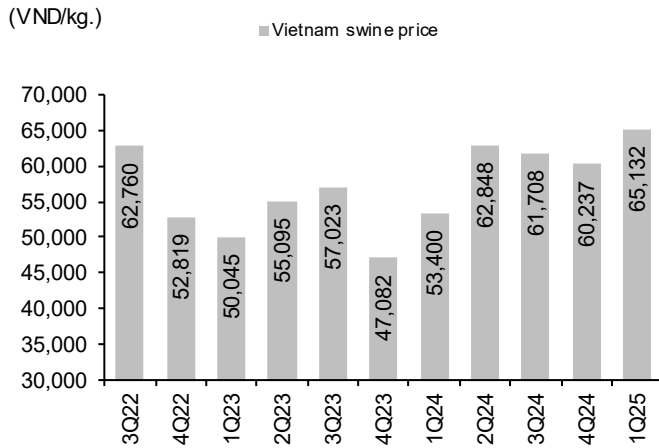
Sources: TFG, FSSIA estimates

## Exhibit 78: Quarterly domestic meat prices



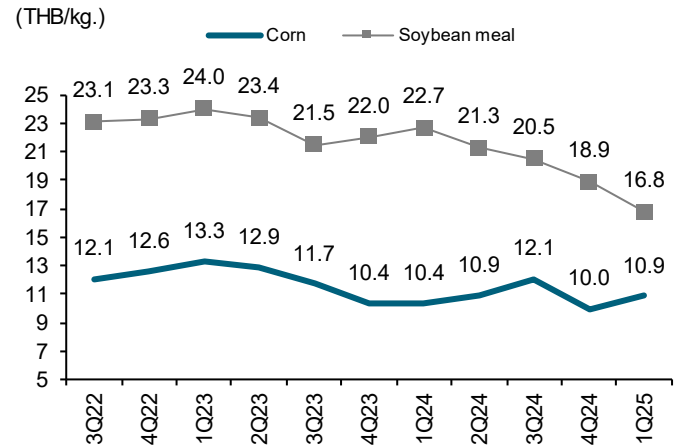
Sources: TFG, CPF, FSSIA estimates

**Exhibit 79: Quarterly Vietnam swine price**



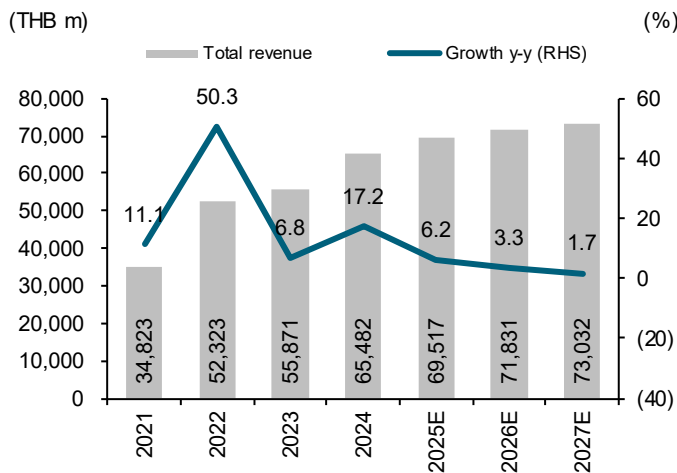
Sources: CPF, FSSIA's compilation

**Exhibit 80: Quarterly domestic raw material prices**



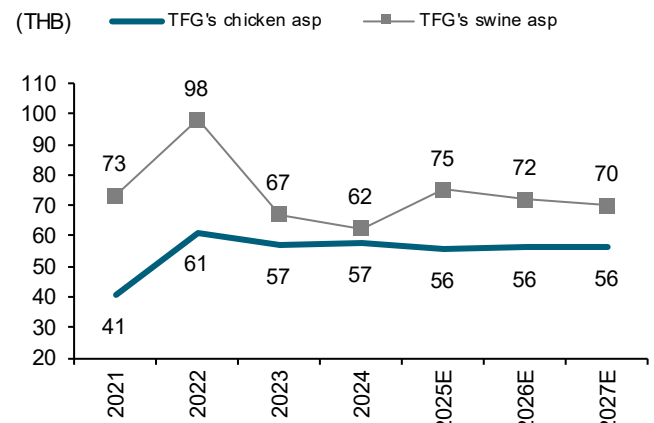
Sources: CPF, OAE, DIT, FSSIA estimates

**Exhibit 81: Yearly total revenue and growth**



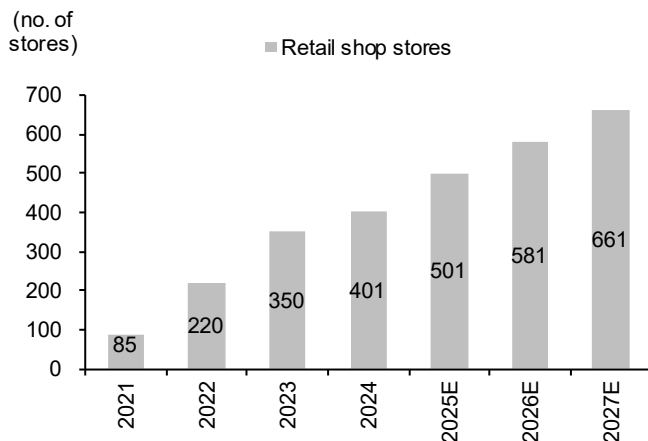
Sources: TFG, FSSIA estimates

**Exhibit 82: TFG's yearly meat prices**



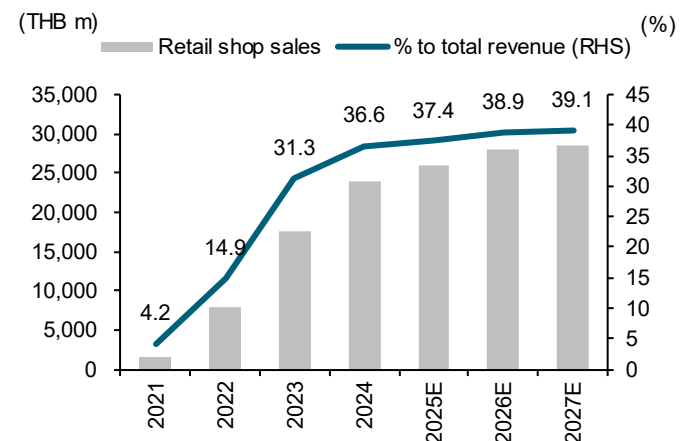
Sources: TFG, FSSIA estimates

**Exhibit 83: Number of retail shops**



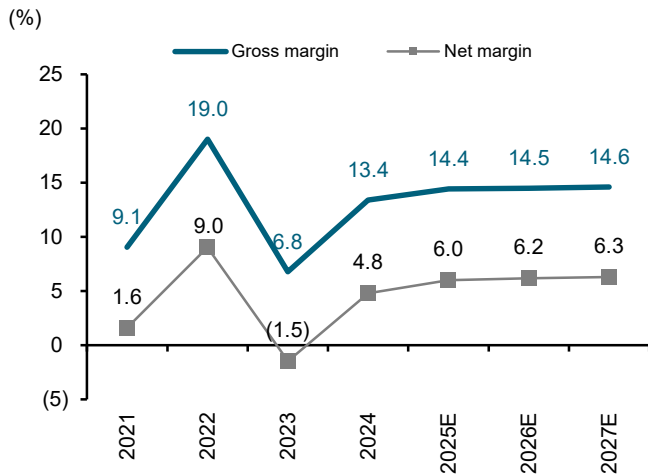
Sources: TFG, FSSIA estimates

**Exhibit 84: Yearly retail shop revenue**



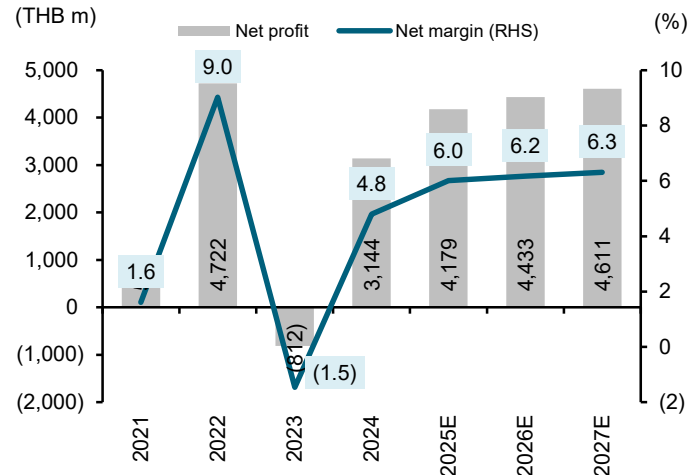
Sources: TFG, FSSIA estimates

Exhibit 85: Gross margin and net margin



Sources: TFG, FSSIA estimates

Exhibit 86: Yearly net profit



Sources: TFG, FSSIA estimates

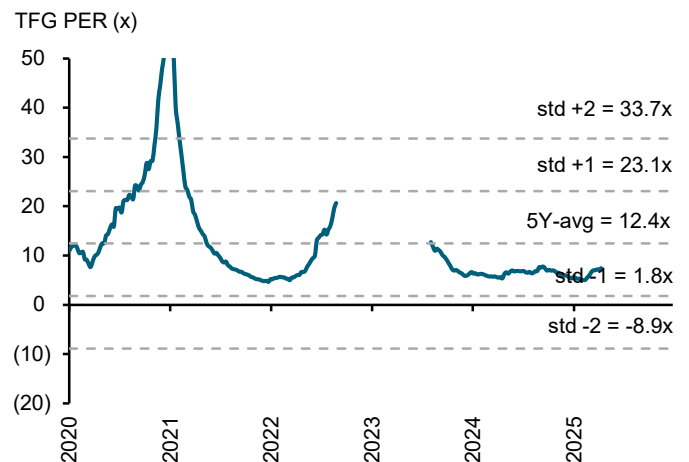
Exhibit 87: Securities pledged in margin accounts by SET (as of Feb 2025)

Source: Excluding Stock Dividend and newly issued share which have not been listed in SET.

Ranking	Security	Number of shares pledged in margin accounts (shares)	Number of shares pledged in the margin account comparing with paid-up shares (%)	% Free float
1	TFG	2,543,140,566.49	43.77	17.35
2	ACE	2,101,292,190.84	20.65	22.48
3	XPG	1,427,014,209.30	13.34	64.28
4	SUPER	1,371,440,666.67	5.02	63.45
5	BTC	1,003,975,585.37	9.30	39.77
6	BLAND	1,002,086,043.48	5.78	72.01
7	SIRI	903,528,101.80	5.20	76.34
8	TPIPL	859,152,011.11	4.54	34.15
9	RABBIT	848,548,444.44	11.34	71.71
10	AQUA	800,745,321.43	14.02	49.17

Sources: SET, FSSIA's compilation

Exhibit 88: TFG – historical P/E band



Sources: Bloomberg, FSSIA estimates

## Financial Statements

### Thai Foods Group

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	55,871	65,482	69,517	71,831	73,032
Cost of goods sold	(52,086)	(56,706)	(59,479)	(61,415)	(62,370)
<b>Gross profit</b>	<b>3,785</b>	<b>8,775</b>	<b>10,038</b>	<b>10,415</b>	<b>10,663</b>
Other operating income	453	525	487	503	511
Operating costs	(3,678)	(4,350)	(4,727)	(4,884)	(4,966)
<b>Operating EBITDA</b>	<b>5,287</b>	<b>10,157</b>	<b>11,205</b>	<b>11,691</b>	<b>12,115</b>
Depreciation	(4,727)	(5,207)	(5,407)	(5,657)	(5,907)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>560</b>	<b>4,950</b>	<b>5,798</b>	<b>6,034</b>	<b>6,208</b>
Net financing costs	(1,120)	(1,007)	(1,052)	(1,012)	(985)
Associates	(20)	(31)	(24)	(14)	(15)
Recurring non-operating income	(20)	(31)	(24)	(14)	(15)
Non-recurring items	(313)	(474)	0	0	0
<b>Profit before tax</b>	<b>(893)</b>	<b>3,438</b>	<b>4,721</b>	<b>5,007</b>	<b>5,208</b>
Tax	77	(319)	(569)	(603)	(627)
<b>Profit after tax</b>	<b>(816)</b>	<b>3,118</b>	<b>4,152</b>	<b>4,404</b>	<b>4,581</b>
Minority interests	3	26	28	29	29
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>(812)</b>	<b>3,144</b>	<b>4,179</b>	<b>4,433</b>	<b>4,611</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>313</b>	<b>474</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>(499)</b>	<b>3,618</b>	<b>4,179</b>	<b>4,433</b>	<b>4,611</b>
<b>Per share (THB)</b>					
Recurring EPS *	(0.09)	0.59	0.62	0.66	0.68
Reported EPS	(0.14)	0.51	0.62	0.66	0.68
DPS	0.03	0.30	0.34	0.36	0.38
Diluted shares (used to calculate per share data)	5,811	6,168	6,749	6,749	6,750
<b>Growth</b>					
Revenue (%)	6.8	17.2	6.2	3.3	1.7
Operating EBITDA (%)	(49.3)	92.1	10.3	4.3	3.6
Operating EBIT (%)	(92.1)	784.5	17.1	4.1	2.9
Recurring EPS (%)	nm	nm	5.6	6.1	4.0
Reported EPS (%)	nm	nm	21.5	6.1	4.0
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	6.8	13.4	14.4	14.5	14.6
Gross margin exc. depreciation (%)	15.2	21.4	22.2	22.4	22.7
Operating EBITDA margin (%)	9.5	15.5	16.1	16.3	16.6
Operating EBIT margin (%)	1.0	7.6	8.3	8.4	8.5
Net margin (%)	(0.9)	5.5	6.0	6.2	6.3
Effective tax rate (%)	8.7	9.3	12.1	12.0	12.0
Dividend payout on recurring profit (%)	(34.9)	51.1	55.0	55.0	55.0
Interest cover (X)	0.5	4.9	5.5	5.9	6.3
Inventory days	53.7	43.8	48.4	59.6	60.3
Debtor days	22.6	17.8	18.9	21.6	21.8
Creditor days	43.6	43.4	43.8	48.8	49.3
Operating ROIC (%)	1.4	13.4	15.5	15.1	15.6
ROIC (%)	1.1	10.9	12.4	11.9	12.2
ROE (%)	(3.4)	24.0	23.4	22.0	21.0
ROA (%)	0.8	9.4	10.3	10.2	10.3

\* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2023	2024	2025E	2026E	2027E
Poultry	17,421	17,954	18,098	18,478	18,848
Swine	11,349	13,503	14,958	14,646	14,524
Feed	9,397	9,754	10,163	10,468	10,782
Retail Shop and other	17,704	24,271	26,298	28,238	28,878

Sources: Thai Foods Group; FSSIA estimates

## Financial Statements

### Thai Foods Group

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	(499)	3,618	4,179	4,433	4,611
Depreciation	4,727	5,207	5,407	5,657	5,907
Associates & minorities	20	31	24	14	15
Other non-cash items	82	497	23	13	14
Change in working capital	1,722	1,642	(5,561)	(484)	(980)
<b>Cash flow from operations</b>	<b>6,051</b>	<b>10,995</b>	<b>4,073</b>	<b>9,634</b>	<b>9,566</b>
Capex - maintenance	(4,438)	(4,335)	(5,633)	(5,272)	(5,627)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(19)	16	37	0	0
Other investments (net)	(2,566)	434	(1,842)	(246)	(135)
<b>Cash flow from investing</b>	<b>(7,023)</b>	<b>(3,885)</b>	<b>(7,438)</b>	<b>(5,518)</b>	<b>(5,762)</b>
Dividends paid	(1,812)	(494)	(2,299)	(2,438)	(2,536)
Equity finance	862	0	939	0	0
Debt finance	1,970	(3,108)	(133)	(869)	(594)
Other financing cash flows	78	29	127	23	12
<b>Cash flow from financing</b>	<b>1,098</b>	<b>(3,573)</b>	<b>(1,367)</b>	<b>(3,284)</b>	<b>(3,118)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	600	711	979	57	312
<b>Net other adjustments</b>	<b>600</b>	<b>711</b>	<b>979</b>	<b>57</b>	<b>312</b>
<b>Movement in cash</b>	<b>726</b>	<b>4,248</b>	<b>(3,753)</b>	<b>889</b>	<b>998</b>
Free cash flow to firm (FCFF)	148.46	8,117.64	(2,312.45)	5,128.86	4,789.20
Free cash flow to equity (FCFE)	1,676.36	4,742.09	(2,392.44)	3,327.63	3,534.17
<b>Per share (THB)</b>					
FCFF per share	0.03	1.40	(0.40)	0.88	0.82
FCFE per share	0.29	0.82	(0.41)	0.57	0.61
Recurring cash flow per share	0.75	1.52	1.43	1.50	1.56
Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	27,597	29,182	32,182	35,182	38,182
Less: Accumulated depreciation	(6,934)	(10,311)	(14,718)	(18,375)	(22,282)
<b>Tangible fixed assets (net)</b>	<b>20,663</b>	<b>18,871</b>	<b>17,464</b>	<b>16,807</b>	<b>15,900</b>
<b>Intangible fixed assets (net)</b>	<b>232</b>	<b>215</b>	<b>179</b>	<b>179</b>	<b>179</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	1,092	1,383	1,383	1,383	1,383
Cash & equivalents	1,819	6,066	2,314	3,203	4,202
A/C receivable	3,398	2,994	4,190	4,330	4,402
Inventories	6,971	5,375	8,963	9,254	9,398
Other current assets	7,096	6,720	9,037	9,338	10,225
<b>Current assets</b>	<b>19,284</b>	<b>21,155</b>	<b>24,503</b>	<b>26,125</b>	<b>28,227</b>
Other assets	5,875	4,524	6,952	7,183	7,303
<b>Total assets</b>	<b>47,146</b>	<b>46,149</b>	<b>50,481</b>	<b>51,677</b>	<b>52,991</b>
Common equity	13,681	16,448	19,248	21,043	22,818
Minorities etc.	15	51	50	49	48
<b>Total shareholders' equity</b>	<b>13,696</b>	<b>16,499</b>	<b>19,298</b>	<b>21,092</b>	<b>22,866</b>
Long term debt	10,106	8,567	10,211	10,556	10,876
Other long-term liabilities	540	568	695	718	730
<b>Long-term liabilities</b>	<b>10,646</b>	<b>9,135</b>	<b>10,906</b>	<b>11,274</b>	<b>11,606</b>
A/C payable	6,584	5,653	7,333	7,572	7,689
Short term debt	15,998	14,444	12,666	11,452	10,538
Other current liabilities	222	418	278	287	292
<b>Current liabilities</b>	<b>22,804</b>	<b>20,515</b>	<b>20,277</b>	<b>19,311</b>	<b>18,520</b>
<b>Total liabilities and shareholders' equity</b>	<b>47,146</b>	<b>46,149</b>	<b>50,481</b>	<b>51,677</b>	<b>52,991</b>
Net working capital	10,659	9,018	14,579	15,063	16,043
Invested capital	38,521	34,012	40,556	40,615	40,808
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	2.35	2.67	2.85	3.12	3.38
Tangible book value per share	2.31	2.63	2.83	3.09	3.35
<b>Financial strength</b>					
Net debt/equity (%)	177.3	102.7	106.6	89.2	75.3
Net debt/total assets (%)	51.5	36.7	40.7	36.4	32.5
Current ratio (x)	0.8	1.0	1.2	1.4	1.5
CF interest cover (x)	2.5	5.7	(1.3)	4.3	4.6
Valuation	2023	2024	2025E	2026E	2027E
<b>Recurring P/E (x) *</b>	<b>(54.5)</b>	<b>8.0</b>	<b>7.6</b>	<b>7.1</b>	<b>6.9</b>
<b>Recurring P/E @ target price (x) *</b>	<b>(61.7)</b>	<b>9.0</b>	<b>8.6</b>	<b>8.1</b>	<b>7.8</b>
Reported P/E (x)	(33.5)	9.2	7.6	7.1	6.9
Dividend yield (%)	0.6	6.4	7.3	7.7	8.0
Price/book (x)	2.0	1.8	1.6	1.5	1.4
Price/tangible book (x)	2.0	1.8	1.7	1.5	1.4
EV/EBITDA (x) **	9.7	4.5	4.7	4.3	4.0
EV/EBITDA @ target price (x) **	10.4	4.9	5.0	4.7	4.4
EV/invested capital (x)	1.3	1.3	1.3	1.2	1.2
* Pre-exceptional, pre-goodwill and fully diluted    ** EBITDA includes associate income and recurring non-operating income					

Sources: Thai Foods Group; FSSIA estimates

# Thai Foods Group PCL (TFG TB)

FSSIA ESG rating

n/a

## Exhibit 89: FSSIA ESG score implication

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.

Source: FSSIA estimates

## Exhibit 90: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings						Bloomberg	
		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	68.20	5.83	4.61	4.25	4.61	4.21	3.95	Medium	53.02	BBB	24.44	60.65	67.96	2.33	35.35
Coverage	64.39	4.92	4.71	4.23	4.44	4.07	3.65	Medium	49.86	BB	18.30	53.38	63.50	2.45	35.11
BTG	59.71	--	Y	AAA	5.00	4.00	Certified	High	--	BBB	--	--	--	3.68	57.48
CPF	80.10	Y	Y	AAA	5.00	5.00	Certified	Medium	70.60	BB	44.00	62.05	85.00	4.43	67.93
GFPT	40.94	--	--	--	5.00	5.00	Certified	High	--	--	--	62.92	24.00	4.22	58.07
TU	82.00	Y	Y	A	5.00	5.00	Certified	High	64.42	A	41.00	74.01	85.00	3.43	77.68
TFG	35.10	--	Y	AA	5.00	5.00	Certified	Severe	--	--	--	40.78	--	--	--

Sources: [SETTRADE.com](https://settrade.com); FSSIA's compilation

## Exhibit 91: ESG disclosure from the company's one report

FY ending Dec 31	FY 2022	FY 2023	FY ending Dec 31	FY 2022	FY 2023
<b>Environmental</b>			<b>Governance</b>		
Climate change policy	Yes	Yes	<b>Board size / Independent directors (ID) / Female</b>	<b>9 / 6 / 1</b>	<b>9 / 6 / 1</b>
Climate change opportunities discussed	--	--	No. of board meetings for the year / % attendance	7 / 100%	6 / 100%
GHG scope 2 location-based policy	Yes	Yes	Company conducts board evaluations	Yes	Yes
Biodiversity policy	Yes	Yes	Number of non-executive directors on board	6	6
Energy efficiency policy	Yes	Yes	Director share ownership guidelines	No	No
Electricity used	--	--	Board age limit	No	No
Fuel used - crude oil/diesel	--	35.69	Age of the youngest / oldest director	38 / 74	39 / 77
Waste reduction policy	Yes	Yes	Number of executives / female	10 / 2	7 / 1
Water policy	Yes	Yes	Executive share ownership guidelines	No	No
Water consumption	--	Yes	<b>Size of audit committee / ID</b>	<b>3 / 3</b>	<b>3 / 3</b>
<b>Social</b>			Audit committee meetings	5	5
Human rights policy	Yes	Yes	Audit committee meeting attendance (%)	100	100
Policy against child labor	Yes	Yes	<b>Size of compensation committee</b>	<b>3 / 2</b>	<b>3 / 2</b>
Quality assurance and recall policy	Yes	Yes	Number of compensation committee meetings	2	2
Consumer data protection policy	--	--	Compensation committee meeting attendance (%)	100	100
Equal opportunity policy	Yes	Yes	<b>Size of nomination committee / ID</b>	<b>3 / 2</b>	<b>3 / 2</b>
Gender pay gap breakout	--	--	Number of nomination committee meetings	2	2
Pct women in workforce	52.66	54.44	Nomination committee meeting attendance (%)	100	100
Business ethics policy	Yes	Yes	Board compensation (THB m)	10.68	12.06
Anti-bribery ethics policy	Yes	Yes	Auditor fee (THB m)	2.42	2.55
Health and safety policy	Yes	Yes	(KPMG Phoomchai Audit Co., Ltd.)		
Lost time incident rate - employees	--	--			
Training policy	Yes	Yes			
Fair remuneration policy	Yes	Yes			
Number of employees - CSR	--	--			
Total hours spent by firm - employee training	--	--			
Social supply chain management	Yes	Yes			

Source: FSSIA's compilation



4 APRIL 2025

EQUITY RESEARCH - COMPANY REPORT

# CHAROEN POKPHAND FOODS

THAILAND / FOOD & BEVERAGE

This report is being republished for reference purposes. No changes have been made to the report from its original date of publication.

## 1H profit likely better than thought

- 1Q25 net profit recovery should be higher than previously anticipated.
- The direct impact of US tariffs should be limited, but CPF remains focused on its cautious strategy within the global economic volatility.
- Raise 2025E profit to grow 12% y-y and new TP to THB30.

### Thailand and Vietnam to support 1Q25 profit

We expect a 1Q25 net profit of THB6.5b (+57% q-q, +5.7x y-y), showing a higher recovery than previously forecasted. Given persistently weak Chinese swine prices, the average in 1Q25 was only RMB15/kg (-9.2% q-q, flat y-y). However, the increase in Thai swine prices (+12% q-q, +19% y-y), Thai chicken (+6% q-q, -1% y-y), and Vietnam swine (+8% q-q, +22% y-y) should help offset it. With consistently stable overall demand and no significant improvement, we project 1Q25 total revenue to grow by 1% q-q and 7% y-y.

### Higher meat and lower raw material prices

We anticipate 1Q25 gross margin to remain strong at 15.9%, up from 15.7% in 4Q24 and 12% in 1Q24. The main drivers should come from 1) higher meat prices, 2) lower raw material costs, and 3) positive results from continuous production efficiency improvements, which began showing benefits last year. In addition, they should also help SG&A expenses, keeping them under control. However, we project profit sharing to drop q-q, particularly from the Chinese swine business and CPALL following a weak season.

### The direct impact of US tariffs should be limited

CPF operates production facilities in 17 countries worldwide, many of which face US tariffs, including Thailand. However, exports to the US from Thailand represent only 0.3% of total revenue. Most of its overseas business involves production and sales in those countries, with minimal exports to the US. Despite that, CPF has adopted a more cautious strategy, given the global economic volatility from Trump's tariffs, focusing on liquidity management within the organization. We view this strategy positively.

### Increase 2025E net profit and TP to THB30

We have raised our 2025E net profit to THB21.9b (+11.7% y-y) from THB14b. Assuming an in-line 1Q25 profit, it accounts for 30% of our full-year forecast. Although our new profit estimate remains conservative, we maintain a cautious view for 2H25, especially regarding global economic volatility. We have also increased our TP to THB 30 (based on a 12x PE target). Regarding potential US pork imports, we believe the likelihood of this happening is very low. Instead, it is more likely that Thailand will allow imports of corn and soybeans from the US, which would be positive for the meat sector.



**Sureeporn Teewasuwet**

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**FINANSIA**

FSS INTERNATIONAL INVESTMENT ADVISORY

FSSIA ESG rating



## CPF TB

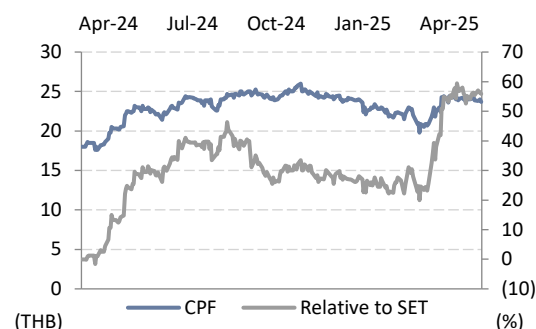
**BUY**

UNCHANGED

TARGET PRICE	THB30.00
CLOSE	THB23.70
UP/DOWNSIDE	+26.6%
PRIOR TP	THB28.00
CHANGE IN TP	+7.1%
TP vs CONSENSUS	+1.4%

### KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	580,747	616,173	633,426	649,261
Net profit	19,558	21,855	22,410	23,446
EPS (THB)	2.32	2.60	2.66	2.79
vs Consensus (%)	-	10.7	2.6	(11.8)
EBITDA	71,662	76,853	77,752	79,791
Recurring net profit	19,039	21,855	22,410	23,446
Core EPS (THB)	2.26	2.60	2.66	2.79
Chg. In EPS est. (%)	-	41.2	34.8	30.0
EPS growth (%)	nm	14.8	2.5	4.6
Core P/E (x)	10.5	9.1	8.9	8.5
Dividend yield (%)	4.5	5.5	5.6	5.9
EV/EBITDA (x)	9.9	9.1	8.8	8.4
Price/book (x)	0.8	0.8	0.7	0.7
Net debt/Equity (%)	157.4	130.7	120.0	110.3
ROE (%)	7.8	8.7	8.5	8.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(1.3)	3.5	31.7
Relative to country (%)	1.0	23.4	55.9
Mkt cap (USD m)	5,705		
3m avg. daily turnover (USD m)	10.2		
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

### 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 fluctuates sharply. CPF reported a significant turnaround in profit in 2024. Meanwhile, we have a more optimistic outlook for the 2025 meat price trend due to robust meat price recoveries in Thailand and Vietnam in 1Q25. In addition, CPF’s management guided that Chinese swine prices may recover from 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](http://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

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### 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
14 May 2025	1Q25 results announcement
15 May 2025	1Q25 analyst meeting

### Key assumptions

	2025E	2026E	2027E
Broiler price-TH (THB)	40.0	40.0	40.0
Swine price-TH (THB)	75.0	72.0	70.0
Swine price-VN (VND)	60,000	60,000	60,000
Total revenue growth (%)	6.1	2.8	2.5
Gross margin (%)	15.0	14.8	14.8
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.

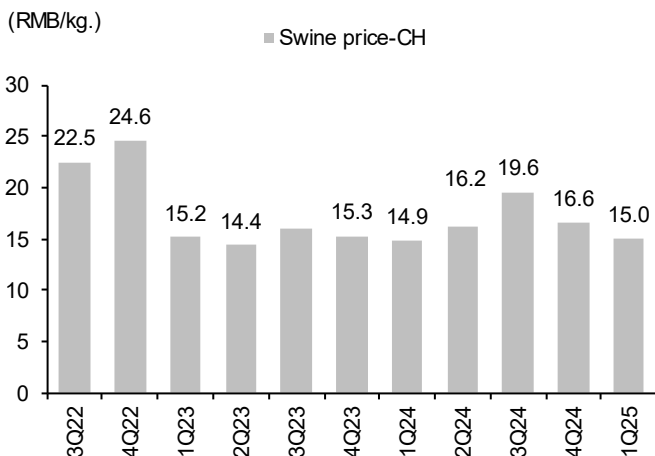
Source: FSSIA estimates

## Exhibit 92: CPF – 1Q25 earnings preview

	1Q24	2Q24	3Q24	4Q24	1Q25E	----- Change -----		2024	2025E	Change	% 1Q25E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	to 2025E
Sales	140,037	149,498	142,703	148,509	150,260	1.2	7.3	580,747	616,173	6.1	24.4
Cost of sales	123,228	126,484	120,756	125,236	126,369	0.9	2.5	495,704	523,747	5.7	24.1
Gross profit	16,809	23,013	21,947	23,274	23,891	2.7	42.1	85,043	92,426	8.7	25.8
SG&A	12,178	12,760	12,624	12,873	13,073	1.6	7.3	50,434	53,607	6.3	24.4
Operating profit	5,297	10,953	10,428	10,785	11,369	5.4	114.6	37,463	41,653	11.2	27.3
Interest expense	6,182	6,276	6,031	6,086	6,055	(0.5)	(2.1)	24,575	24,496	(0.3)	24.7
Tax expense	550	2,046	1,059	2,018	1,983	(1.7)	260.2	5,673	6,946	22.5	28.5
Profit (loss) sharing	1,792	3,352	3,655	3,900	3,250	(16.7)	81.4	12,699	12,567	(1.0)	25.9
Biological gain (loss)	464	1,427	734	(263)	0	nm	nm	2,362	0	nm	nm
Other gain (loss)	330	135	28	201	0	nm	nm	(1,844)	0	nm	nm
Reported net profit	1,152	6,924	7,309	4,173	6,531	56.5	466.9	19,558	21,855	11.7	29.9
Core profit	358	5,595	6,547	6,540	6,531	(0.1)	1,725.8	19,039	21,855	14.8	29.9
<b>Key Ratios (%)</b>						<b>(ppt)</b>	<b>(ppt)</b>				
Gross margin	12.0	15.4	15.4	15.7	15.9	0.2	3.9	14.6	15.0	0.4	
SG&A to sales	8.7	8.5	8.8	8.7	8.7	0.0	0.0	8.7	8.7	0.0	
Operating margin	3.8	7.3	7.3	7.3	7.6	0.3	3.8	6.5	6.8	0.3	
Net margin	0.8	4.6	5.1	2.8	4.3	1.5	3.5	3.4	3.5	0.2	
Core margin	0.3	3.7	4.6	4.4	4.3	(0.1)	4.1	3.3	3.5	0.3	
<b>Operating statistics (THB/kg)</b>											
Broiler price-TH	40.8	43.6	42.7	38.1	40.3	5.9	(1.2)	41.3	40.0	(3.2)	
Swine price-TH	66.3	69.3	71.1	70.6	79.0	11.9	19.1	69.3	75.0	8.2	
Corn price-TH	10.9	10.9	12.1	10.0	10.9	8.7	(0.3)	11.0	10.5	(4.4)	
Soybean meal price-TH	22.2	21.5	20.5	18.9	16.8	(11.2)	(24.2)	20.8	16.0	(22.9)	
Swine price-VN (VND/kg.)	53,400	62,848	61,708	60,237	65,132	8.1	22.0	59,548	60,000	0.8	
Swine price-CH (RMB/kg.)	14.9	16.2	19.6	16.6	15.0	(9.2)	0.9	16.8	15.5	(7.8)	

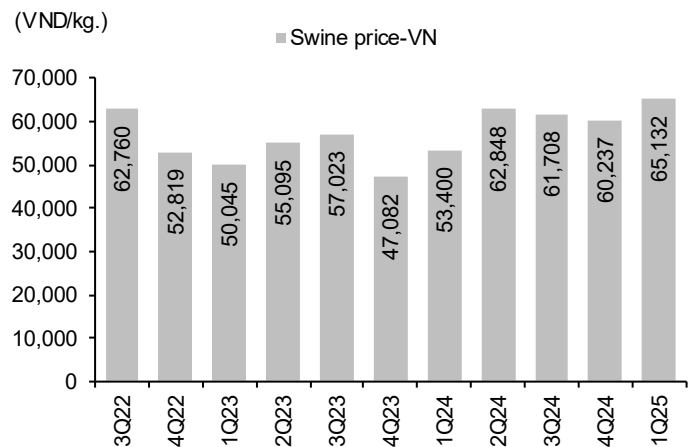
Sources: CPF, FSSIA estimates

## Exhibit 93: Quarterly China swine prices

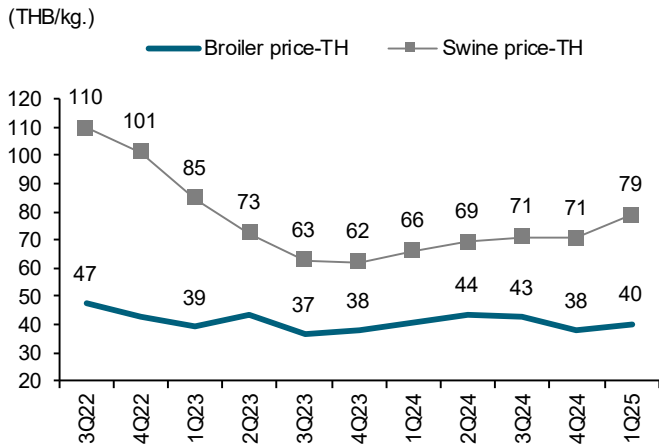


Sources: Bloomberg, CPF, FSSIA's compilation

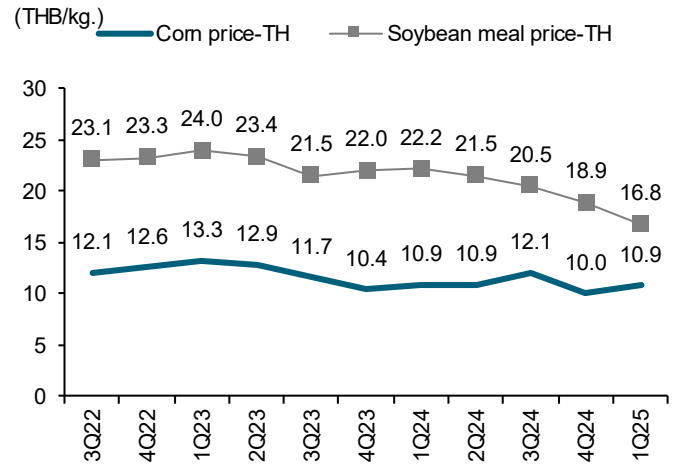
## Exhibit 94: Quarterly Vietnam swine prices



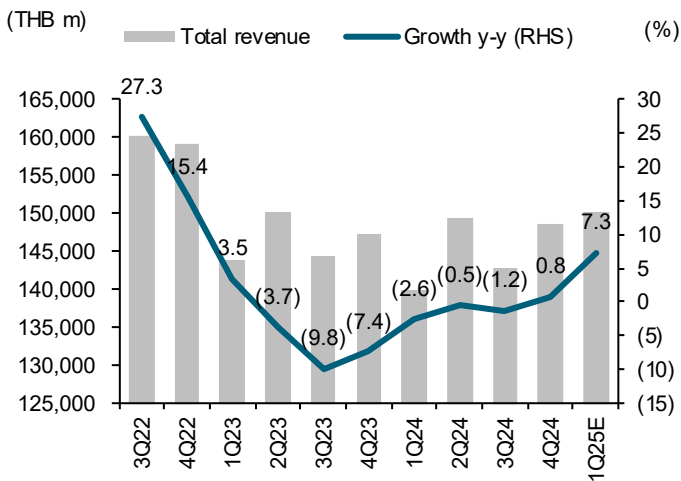
Source: CPF, FSSIA's compilation

**Exhibit 95: Quarterly domestic meat prices**

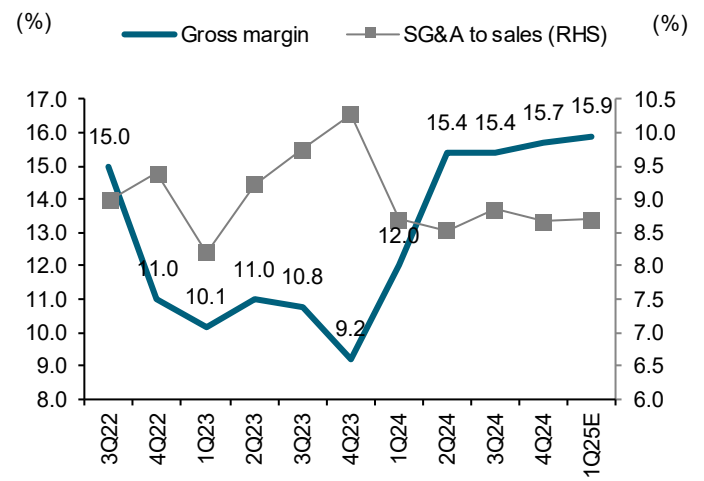
Source: CPF, FSSIA's compilation

**Exhibit 96: Quarterly raw material prices**

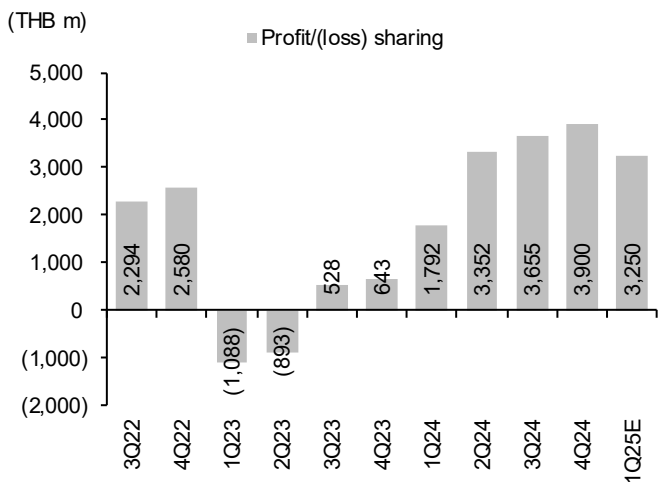
Source: CPF, FSSIA's compilation

**Exhibit 97: Quarterly total revenue and growth**

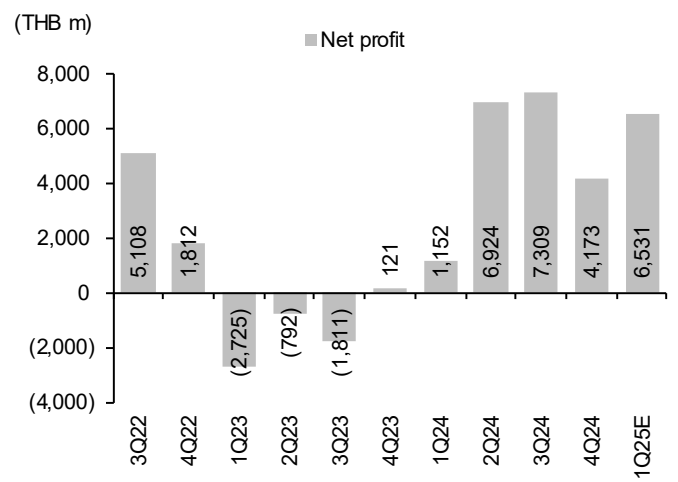
Sources: CPF, FSSIA estimates

**Exhibit 98: Quarterly gross margin and SG&A to sales**

Sources: CPF, FSSIA estimates

**Exhibit 99: Quarterly share of profit/(loss)**

Sources: CPF, FSSIA estimates

**Exhibit 100: Quarterly net profit**

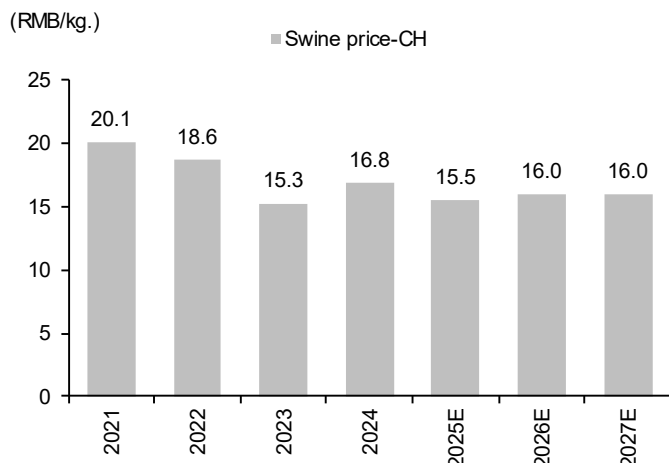
Sources: CPF, FSSIA estimates

## Exhibit 101: Changes in key assumptions for CPF

	Current			Previous			Change		
	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (%)	2026E (%)	2027E (%)
Total revenue	616,173	633,426	649,261	591,654	608,220	623,426	4.1	4.1	4.1
Cost of sales	523,747	539,679	553,171	511,781	526,110	539,263	2.3	2.6	2.6
Gross profit	92,426	93,747	96,091	79,873	82,110	84,162	15.7	14.2	14.2
SG&A expenses	53,607	55,108	56,486	51,474	52,915	54,238	4.1	4.1	4.1
Operating profit	41,653	41,553	42,592	31,653	32,540	33,353	31.6	27.7	27.7
Other income	2,834	2,914	2,987	3,254	3,345	3,429	(12.9)	(12.9)	(12.9)
Interest expense	24,496	24,214	23,932	25,184	25,212	24,246	(2.7)	(4.0)	(1.3)
Profit (loss) sharing	12,567	13,241	13,411	12,575	13,249	13,411	(0.1)	(0.1)	0.0
- CPALL	9,332	10,506	10,661	9,332	10,506	10,661	0.0	0.0	0.0
Reported net profit	21,855	22,410	23,446	14,053	15,168	16,596	55.5	47.7	41.3
Core profit	21,855	22,410	23,446	14,053	15,168	16,596	55.5	47.7	41.3
<b>Key ratios (%)</b>									
Total revenue growth	6.1	2.8	2.5	4.2	2.8	2.5			
Net profit growth	11.7	2.5	4.6	(25.7)	7.9	9.4			
Core profit growth	14.8	2.5	4.6	(12.3)	7.9	9.4			
Gross margin	15.0	14.8	14.8	13.5	13.5	13.5	1.5	1.3	1.3
SG&A to sales	8.7	8.7	8.7	8.7	8.7	8.7	0.0	0.0	0.0
Operating margin	6.8	6.6	6.6	5.4	5.4	5.4	1.4	1.2	1.2
Net margin	3.5	3.5	3.6	2.4	2.5	2.7	1.2	1.0	0.9
Core margin	3.5	3.5	3.6	2.4	2.5	2.7	1.2	1.0	0.9
<b>Price</b>									
Broiler price-TH (THB/kg.)	40.0	40.0	40.0	40.0	40.0	40.0	0.0	0.0	0.0
Swine price-TH (THB/kg.)	75.0	72.0	70.0	70.0	70.0	70.0	7.1	2.9	0.0
Shrimp price-70 unit (THB/kg.)	135.0	135.0	135.0	135.0	135.0	135.0	0.0	0.0	0.0
Corn price-TH (THB/kg.)	10.5	10.5	10.5	10.0	10.0	10.0	5.0	5.0	5.0
Soybean meal price-TH (THB/kg.)	16.0	17.0	18.0	19.5	19.0	18.0	(17.9)	(10.5)	0.0
Swine price-VN (VND)	60,000	60,000	60,000	60,000	55,000	55,000	0.0	9.1	9.1
Swine price-CH (RMB)	15.5	16.0	16.0	16.0	16.0	16.0	(3.1)	0.0	0.0

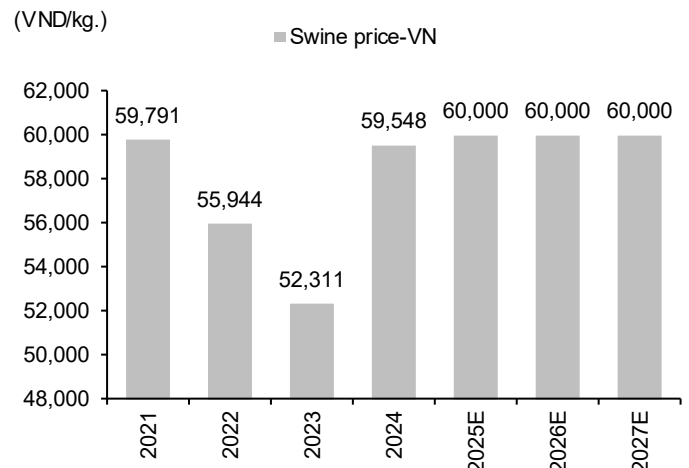
Source: FSSIA estimates

## Exhibit 102: Yearly China swine prices

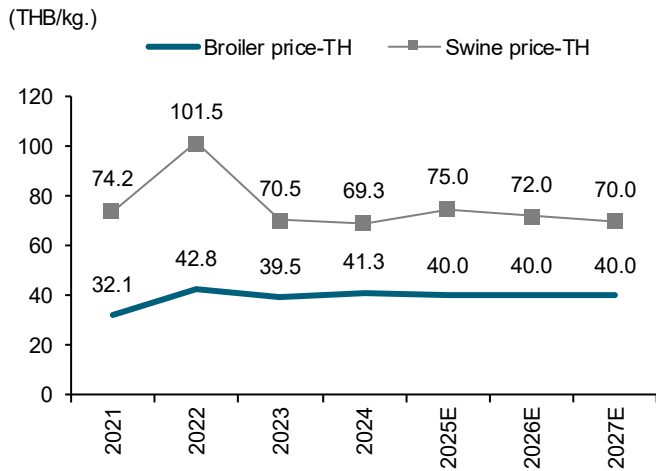


Sources: CPF, FSSIA estimates

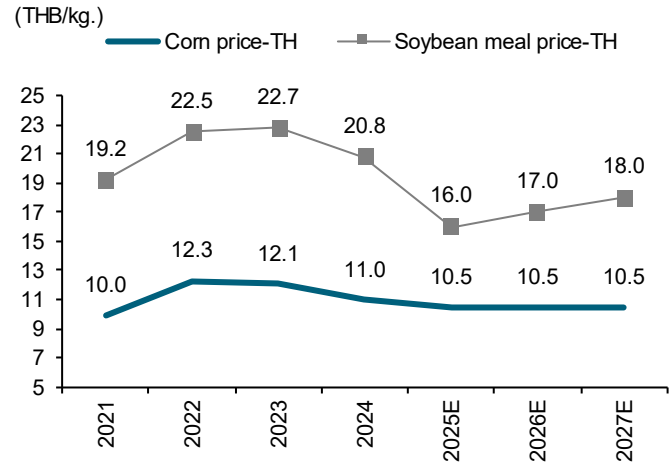
## Exhibit 103: Yearly Vietnam swine prices



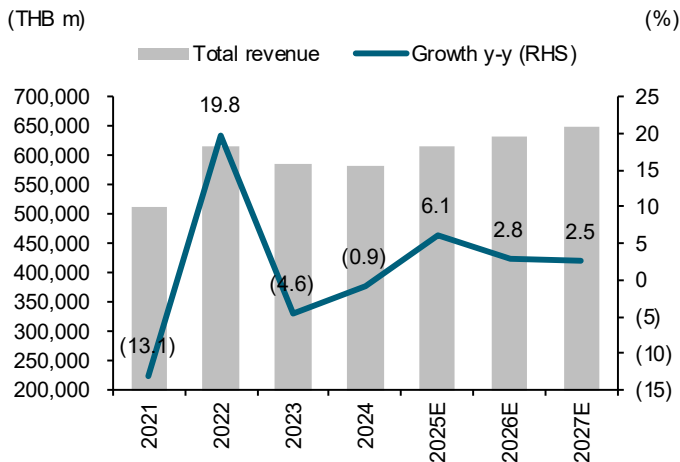
Sources: CPF, FSSIA estimates

**Exhibit 104: Yearly domestic meat prices**

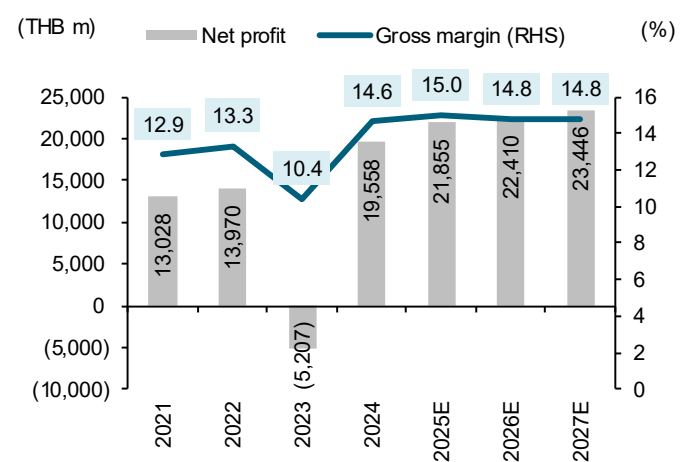
Sources: CPF, FSSIA estimates

**Exhibit 105: Yearly raw material prices**

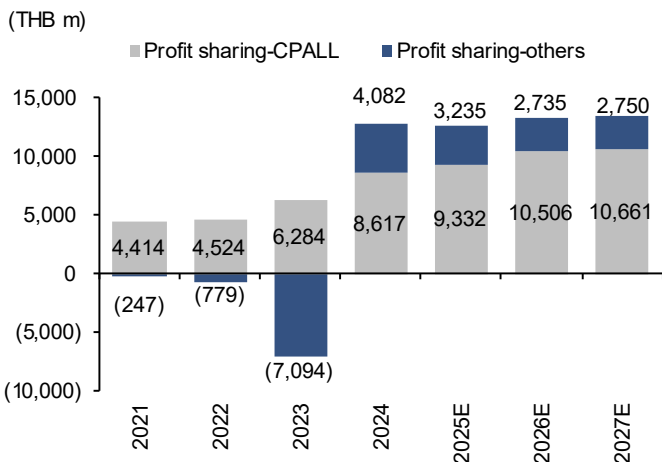
Sources: CPF, FSSIA estimates

**Exhibit 106: Yearly total revenue and growth**

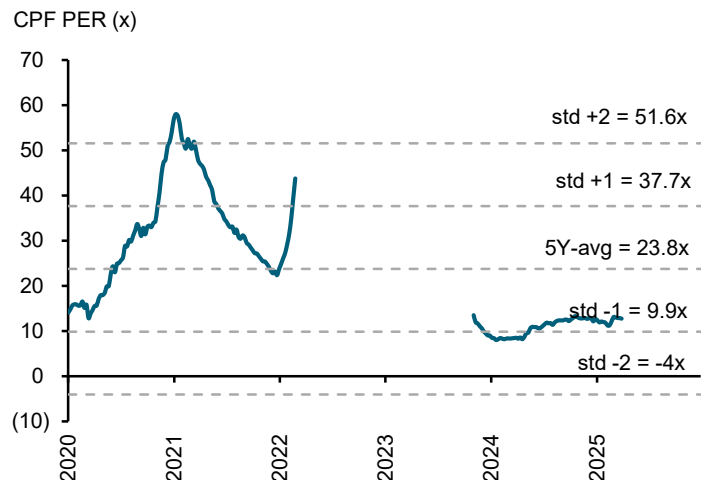
Sources: CPF, FSSIA estimates

**Exhibit 107: Yearly net profit and gross margin**

Sources: CPF, FSSIA estimates

**Exhibit 108: Share of profit breakdown by CPALL and others**

Sources: CPF, FSSIA estimates

**Exhibit 109: Historical P/E band**

Sources: Bloomberg; FSSIA estimates

## Financial Statements

Charoen Pokphand Foods

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	585,844	580,747	616,173	633,426	649,261
Cost of goods sold	(524,643)	(495,704)	(523,747)	(539,679)	(553,171)
<b>Gross profit</b>	<b>61,201</b>	<b>85,043</b>	<b>92,426</b>	<b>93,747</b>	<b>96,091</b>
Other operating income	1,110	2,854	2,834	2,914	2,987
Operating costs	(55,875)	(50,434)	(53,607)	(55,108)	(56,486)
<b>Operating EBITDA</b>	<b>39,667</b>	<b>71,662</b>	<b>76,853</b>	<b>77,752</b>	<b>79,791</b>
Depreciation	(33,232)	(34,200)	(35,200)	(36,200)	(37,200)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>6,435</b>	<b>37,463</b>	<b>41,653</b>	<b>41,553</b>	<b>42,592</b>
Net financing costs	(24,348)	(22,708)	(22,646)	(22,409)	(22,198)
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
<b>Profit before tax</b>	<b>(1,931)</b>	<b>27,972</b>	<b>31,575</b>	<b>32,385</b>	<b>33,805</b>
Tax	(600)	(5,673)	(6,946)	(7,125)	(7,437)
<b>Profit after tax</b>	<b>(2,531)</b>	<b>22,299</b>	<b>24,628</b>	<b>25,260</b>	<b>26,368</b>
Minority interests	(2,676)	(2,741)	(2,773)	(2,850)	(2,922)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>(5,207)</b>	<b>19,558</b>	<b>21,855</b>	<b>22,410</b>	<b>23,446</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(16,792)</b>	<b>(519)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>(22,000)</b>	<b>19,039</b>	<b>21,855</b>	<b>22,410</b>	<b>23,446</b>
<b>Per share (THB)</b>					
Recurring EPS *	(2.61)	2.26	2.60	2.66	2.79
Reported EPS	(0.62)	2.32	2.60	2.66	2.79
DPS	0.00	1.06	1.30	1.33	1.39
Diluted shares (used to calculate per share data)	8,414	8,414	8,414	8,414	8,414
<b>Growth</b>					
Revenue (%)	(4.6)	(0.9)	6.1	2.8	2.5
Operating EBITDA (%)	(37.1)	80.7	7.2	1.2	2.6
Operating EBIT (%)	(79.1)	482.2	11.2	(0.2)	2.5
Recurring EPS (%)	nm	nm	14.8	2.5	4.6
Reported EPS (%)	nm	nm	11.7	2.5	4.6
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	10.4	14.6	15.0	14.8	14.8
Gross margin exc. depreciation (%)	16.1	20.5	20.7	20.5	20.5
Operating EBITDA margin (%)	6.8	12.3	12.5	12.3	12.3
Operating EBIT margin (%)	1.1	6.5	6.8	6.6	6.6
Net margin (%)	(3.8)	3.3	3.5	3.5	3.6
Effective tax rate (%)	(31.1)	20.3	22.0	22.0	22.0
Dividend payout on recurring profit (%)	-	46.8	50.0	50.0	50.0
Interest cover (X)	0.2	2.2	2.4	2.4	2.5
Inventory days	56.7	53.1	51.0	52.8	53.0
Debtor days	26.7	26.1	24.8	25.1	25.2
Creditor days	32.5	28.2	27.0	27.5	27.5
Operating ROIC (%)	1.2	7.3	8.5	8.8	9.3
ROIC (%)	0.6	5.1	5.5	5.6	5.7
ROE (%)	(8.9)	7.8	8.7	8.5	8.5
ROA (%)	0.0	4.5	4.9	4.8	4.9

\* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2023	2024	2025E	2026E	2027E
Thailand livestock	193,310	192,384	202,196	208,666	214,926
Thailand aquatic	27,945	24,932	25,431	26,194	26,979
Overseas livestock	316,296	322,064	346,352	355,106	362,592
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	21,855	22,410	23,446
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	(3,020)	(3,149)	(2,816)
<b>Cash flow from operations</b>	<b>11,373</b>	<b>57,719</b>	<b>64,176</b>	<b>45,753</b>	<b>47,952</b>
Capex - maintenance	(25,883)	(39,520)	(19,743)	(20,000)	(20,000)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	2,796	2,307	0	0	0
Other investments (net)	8,051	3,549	285	(604)	(554)
<b>Cash flow from investing</b>	<b>(15,035)</b>	<b>(33,664)</b>	<b>(19,457)</b>	<b>(20,604)</b>	<b>(20,554)</b>
Dividends paid	(13,027)	(1,720)	(10,389)	(11,205)	(11,723)
Equity finance	1,371	(3)	4	0	0
Debt finance	(2,424)	(22,281)	(30,096)	(5,320)	(5,320)
Other financing cash flows	9,783	2,319	(528)	3,310	776
<b>Cash flow from financing</b>	<b>(4,298)</b>	<b>(21,685)</b>	<b>(41,009)</b>	<b>(13,215)</b>	<b>(16,267)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>(7,960)</b>	<b>2,371</b>	<b>3,709</b>	<b>11,934</b>	<b>11,131</b>
Free cash flow to firm (FCFF)	21,844.06	48,630.88	69,214.36	49,363.15	51,330.08
Free cash flow to equity (FCFE)	3,696.24	4,094.00	14,094.72	23,139.27	22,854.03
<b>Per share (THB)</b>					
FCFF per share	2.60	5.78	8.23	5.87	6.10
FCFE per share	0.44	0.49	1.68	2.75	2.72
Recurring cash flow per share	1.73	5.29	7.99	5.81	6.03
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)
<b>Tangible fixed assets (net)</b>	<b>300,641</b>	<b>291,968</b>	<b>276,769</b>	<b>260,569</b>	<b>243,370</b>
<b>Intangible fixed assets (net)</b>	<b>73,428</b>	<b>71,121</b>	<b>71,121</b>	<b>71,121</b>	<b>71,121</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	272,548	283,542	296,109	309,350	322,761
Cash & equivalents	28,255	30,625	34,335	46,269	57,400
A/C receivable	42,351	40,674	43,014	44,218	45,324
Inventories	69,508	64,771	71,746	73,929	75,777
Other current assets	69,002	63,989	61,617	63,343	64,926
<b>Current assets</b>	<b>209,116</b>	<b>200,060</b>	<b>210,712</b>	<b>227,759</b>	<b>243,427</b>
Other assets	31,485	30,033	29,466	30,070	30,624
<b>Total assets</b>	<b>887,218</b>	<b>876,724</b>	<b>884,177</b>	<b>898,869</b>	<b>911,303</b>
Common equity	239,416	246,041	257,487	268,692	280,415
Minorities etc.	45,617	47,183	69,891	73,425	76,959
<b>Total shareholders' equity</b>	<b>285,033</b>	<b>293,224</b>	<b>327,378</b>	<b>342,117</b>	<b>357,374</b>
Long term debt	316,785	291,911	289,211	286,511	283,811
Other long-term liabilities	25,936	28,256	27,728	31,038	31,814
<b>Long-term liabilities</b>	<b>342,722</b>	<b>320,167</b>	<b>316,939</b>	<b>317,549</b>	<b>315,625</b>
A/C payable	36,527	34,840	37,308	38,443	39,404
Short term debt	198,326	200,372	172,976	170,356	167,736
Other current liabilities	24,610	28,122	29,576	30,404	31,165
<b>Current liabilities</b>	<b>259,463</b>	<b>263,334</b>	<b>239,860</b>	<b>239,203</b>	<b>238,304</b>
<b>Total liabilities and shareholders' equity</b>	<b>887,218</b>	<b>876,724</b>	<b>884,177</b>	<b>898,869</b>	<b>911,303</b>
Net working capital	119,724	106,473	109,493	112,642	115,458
Invested capital	797,826	783,137	782,958	783,753	783,335
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	28.46	29.24	30.60	31.94	33.33
Tangible book value per share	19.73	20.79	22.15	23.48	24.88
<b>Financial strength</b>					
Net debt/equity (%)	170.8	157.4	130.7	120.0	110.3
Net debt/total assets (%)	54.9	52.7	48.4	45.7	43.3
Current ratio (x)	0.8	0.8	0.9	1.0	1.0
CF interest cover (x)	1.2	1.2	1.6	2.0	2.0
Valuation	2023	2024	2025E	2026E	2027E
<b>Recurring P/E (x) *</b>	<b>(9.1)</b>	<b>10.5</b>	<b>9.1</b>	<b>8.9</b>	<b>8.5</b>
<b>Recurring P/E @ target price (x) *</b>	<b>(11.5)</b>	<b>13.3</b>	<b>11.5</b>	<b>11.3</b>	<b>10.8</b>
Reported P/E (x)	(38.3)	10.2	9.1	8.9	8.5
Dividend yield (%)	-	4.5	5.5	5.6	5.9
Price/book (x)	0.8	0.8	0.8	0.7	0.7
Price/tangible book (x)	1.2	1.1	1.1	1.0	1.0
EV/EBITDA (x) **	18.5	9.9	9.1	8.8	8.4
EV/EBITDA @ target price (x) **	19.8	10.6	9.8	9.5	9.1
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)

## FSSIA ESG rating



### Exhibit 110: FSSIA ESG score implication

**80.10 /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 111: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings						Bloomberg	
		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	68.20	5.83	4.61	4.25	4.61	4.21	3.95	Medium	53.02	BBB	24.44	60.65	67.96	2.33	35.35
Coverage	64.39	4.92	4.71	4.23	4.44	4.07	3.65	Medium	49.86	BB	18.30	53.38	63.50	2.45	35.11
BTG	59.71	--	Y	AAA	5.00	4.00	Certified	High	--	BBB	--	--	--	3.68	57.48
CPF	80.10	Y	Y	AAA	5.00	5.00	Certified	Medium	70.60	BB	44.00	62.05	85.00	4.43	67.93
GFPT	40.94	--	--	--	5.00	5.00	Certified	High	--	--	--	62.92	24.00	4.22	58.07
TU	82.00	Y	Y	A	5.00	5.00	Certified	High	64.42	A	41.00	74.01	85.00	3.43	77.68
TFG	35.10	--	Y	AA	5.00	5.00	Certified	Severe	--	--	--	40.78	--	--	--

Sources: [SETTRADE.com](https://settrade.com); FSSIA's compilation

### Exhibit 112: ESG score by Bloomberg

FY ending Dec 31	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>ESG financial materiality scores - ESG score</b>	<b>2.57</b>	<b>2.01</b>	<b>2.32</b>	<b>4.20</b>	<b>3.82</b>	<b>4.48</b>	<b>4.67</b>	<b>4.43</b>
BESG environmental pillar score	2.50	1.35	1.44	5.60	4.55	5.58	5.72	5.12
BESG social pillar score	1.77	1.49	2.38	3.05	2.82	3.26	3.46	3.55
BESG governance pillar score	3.59	3.67	3.65	3.68	3.94	4.38	4.61	4.46
<b>ESG disclosure score</b>	<b>51.20</b>	<b>46.05</b>	<b>46.05</b>	<b>55.11</b>	<b>52.85</b>	<b>60.28</b>	<b>63.87</b>	<b>67.93</b>
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	47.94	48.34
Governance disclosure score	87.36	87.36	87.36	87.36	87.36	89.86	89.86	89.86
<b>Environmental</b>								
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	262
GHG scope 2 location-based	670	—	—	590	647	596	1,203	1,199
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 113: 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
<b>Social</b>								
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
<b>Governance</b>								
<b>Board size</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>14</b>
<b>No. of independent directors (ID)</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>5</b>	<b>4</b>
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
<b>No. of executives / company managers</b>	<b>14</b>	<b>17</b>	<b>7</b>	<b>11</b>	<b>9</b>	<b>27</b>	<b>31</b>	<b>31</b>
No. of female executives	2	2	1	2	2	4	7	7
Executive share ownership guidelines	No	No	No	No	No	No	No	No
<b>Size of audit committee</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
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
<b>Size of compensation committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>3</b>
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
<b>Size of nomination committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>3</b>
No. of nomination committee meetings	3	2	2	2	3	3	3	3
Nomination meeting attendance %	100	100	100	100	92	100	100	100
<b>Sustainability governance</b>								
Verification type	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Sources: Bloomberg; FSSIA's compilation

# GFPT GFPT TB

## THAILAND / AGRIBUSINESS

This report is being republished for reference purposes. No changes have been made to the report from its original date of publication.

**BUY**  
 UNCHANGED

## Stock price is undervalued

- GFPT's share price has dropped by 20% in the past two months, and is trading at a 2025E P/E of only 6.6x.
- We expect 1Q25 profit to rebound strongly q-q.
- There are several positive factors – good chicken prices, lower raw material prices, and the recovery of profit sharing.

TARGET PRICE	THB12.50
CLOSE	THB8.25
UP/DOWNSIDE	+51.5%
PRIOR TP	THB12.50
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+1.6%

## KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	19,314	18,773	19,637	20,501
Net profit	2,070	1,564	1,661	1,779
EPS (THB)	1.65	1.25	1.32	1.42
vs Consensus (%)	-	(14.0)	(12.9)	(10.6)
EBITDA	3,115	2,941	3,090	3,206
Recurring net profit	2,033	1,564	1,661	1,779
Core EPS (THB)	1.62	1.25	1.32	1.42
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	47.7	(23.1)	6.2	7.1
Core P/E (x)	5.1	6.6	6.2	5.8
Dividend yield (%)	2.5	3.8	4.0	4.3
EV/EBITDA (x)	4.2	3.9	3.3	2.5
Price/book (x)	0.5	0.5	0.5	0.4
Net debt/Equity (%)	13.7	5.0	(1.6)	(10.2)
ROE (%)	11.0	7.8	7.9	7.9

## Valuation has become very low – the lowest in the meat sector

GFPT's stock price has decreased by 20% over the past two months due to the slowdown in 4Q24 earnings and the failure to be selected for the SET ESG index in 2024. This has resulted in the stock currently trading at a 2025E P/E of only 6.6x, calculated based on our rather conservative EPS forecast. This represents the lowest valuation in the meat sector and is too low for GFPT compared to its historical average P/E of 15x. In the short term, we project 1Q25 profit to recover strongly, driven by higher domestic chicken prices and a return to normal profit-sharing from joint ventures. We also expect strong earnings in 2Q25 because the current chicken prices remain favorable and the export season is beginning.

## Expect 1Q25 profit to rebound strongly q-q

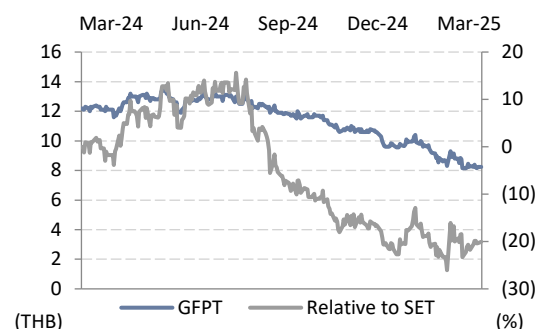
We forecast a 1Q25 net profit of THB464m (+21% q-q, flat y-y) on higher domestic chicken prices since January. The average live chicken and chicken carcass prices have risen 7.3% q-q and 28% q-q, respectively. Meanwhile, soybean meal prices have decreased (-8.5% q-q, -21% y-y), offsetting the rise in corn prices (+9% q-q, +5.8% y-y). Thus, we expect the 1Q25 gross margin to improve to 13.7% from 12.8% in 4Q24 and 12.6% in 1Q24. We also anticipate profit-sharing from McKey to return to a normal level at THB135m from THB82m in 4Q24, along with GFN, which should report better profits from higher domestic chicken prices.

## Export volumes are still in line with our assumptions

We expect the 1Q25 export volume to be 8,700 tonnes (-11% q-q), as 4Q24 exports were unusually high. However, it would increase by 5% y-y, which is a good start to the year and accounts for 24% of our 2025E export volume. The trend is likely to improve further in 2Q-3Q25, as it is the high season for exports, but we do not expect volumes to exceed those of 2Q-3Q24. Achieving similar volumes would still be an improvement over our expectations.

## But the overall situation looks better than our projections

Assuming in-line results, 1Q25 earnings would account for 29.7% of our full-year estimate. The earnings outlook for 2Q25 remains positive, similar to 1Q25, due to the high chicken prices. This is a better situation than our assumptions. However, we will need to monitor chicken prices and export volumes in 2H25. For now, we maintain our 2025E net profit at THB1.56b (-21% y-y) and TP at THB12.5 (based on a P/E of 10x).



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(11.3)	(17.1)	(32.4)
Relative to country (%)	(4.7)	(1.1)	(19.9)
Mkt cap (USD m)	308		
3m avg. daily turnover (USD m)	0.7		
Free float (%)	58		
Major shareholder	Sirimongkolkasem Family (52%)		
12m high/low (THB)	13.40/8.05		
Issued shares (m)	1,253.82		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

GFPT is doubling the capacity of its slaughterhouse from 150,000 to 300,000 chickens per day. It should begin operating from 2H24 onward, partly to cope with the processing capacity expansion of its associate McKey. GFPT is also preparing to expand its processing plant to cope with export growth since it currently runs at a 100% utilization rate.

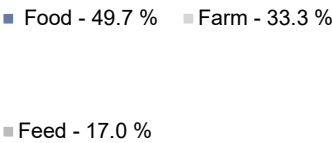
The situation for chicken exports in 2024 was quite positive, supporting the export volumes of GFPT and its associates, such as GFN and McKey. However, we have relatively conservative assumptions for our 2025 net profit forecast, partly because we have started seeing price decreases in live chicken and chicken carcasses. We will also need to monitor the chicken price trends.

Company profile

GFPT operates a vertical, fully integrated poultry business covering feed production, grandparent farms, breeder farms, broiler farms, the production and distribution of chicken meat, cooked chicken products, and other chicken-related products under its own and customers' brands for both domestic and export markets. In 2022, GFPT had a chicken processing capacity of 150,000 tonnes/year and a cooked chicken product capacity of 30,000 tonnes/year.

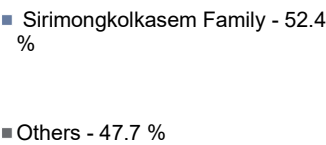
[www.gfpt.co.th](http://www.gfpt.co.th)

Principal activities (revenue, 2024)



Source: GFPT

Major shareholders



Source: GFPT

Catalysts

Potential catalysts for GFPT's earnings growth in 2025 are 1) chicken export volume growth; 2) a higher-than-expected chicken price; 3) the operation of a new slaughterhouse; and 4) lower raw material costs.

Risks to our call

Downside and upside risks to our P/E-based TP include 1) a slower or faster-than-expected consumption recovery; 2) a slower or faster-than-expected decrease in feed costs; 3) a stronger or weaker-than-expected THB; and 4) a minimum wage increase and/or a labor shortage.

Event calendar

Date	Event
May 2025	1Q25 results announcement

Key assumptions

	2025E	2026E	2027E
Live chicken price (THB/kg)	40.0	40.0	40.0
Chicken carcass price (THB/kg)	13.0	13.0	13.0
Total sales growth (%)	(2.8)	4.6	4.4
Gross margin (%)	12.7	12.8	12.9
SG&A to sales (%)	8.1	8.1	8.1

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in revenue, we estimate 2025 net profit to rise by 0.8%, and vice versa, all else being equal.
- For every 0.5% increase in GPM, we estimate 2025 net profit to rise by 4.1%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A, we estimate 2025 net profit to fall by 3.8%, and vice versa, all else being equal.

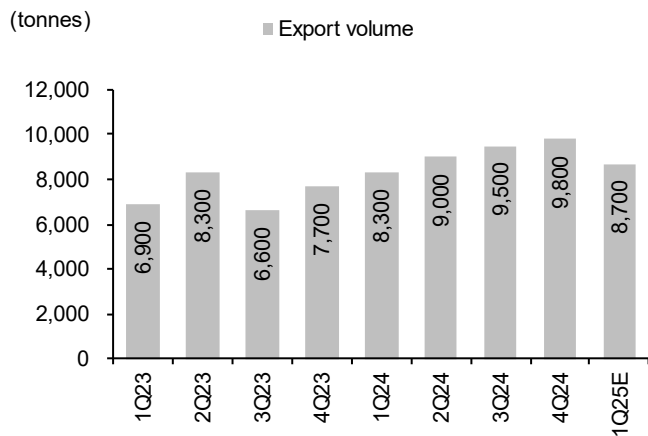
Source: FSSIA estimates

## Exhibit 114: GFPT – 1Q25 earnings preview

	1Q24	2Q24	3Q24	4Q24	1Q25E	----- Change -----		2024	2025E	Change	% 1Q25E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	to 2025E
Sales	4,527	4,839	5,051	4,898	4,766	(2.7)	5.3	19,314	18,773	(2.8)	25.4
Cost of sales	3,959	4,149	4,266	4,271	4,113	(3.7)	3.9	16,645	16,389	(1.5)	25.1
Gross profit	568	689	785	627	653	4.2	14.9	2,669	2,384	(10.7)	27.4
SG&A	369	384	413	404	376	(6.8)	2.0	1,570	1,521	(3.1)	24.8
Operating profit	199	305	372	223	276	24.1	38.8	1,099	864	(21.4)	32.0
Profit sharing	232	278	206	119	215	81.4	(7.2)	834	694	(16.8)	31.0
McKey	141	141	150	82	135	64.9	(4.0)	513	529	3.0	25.5
GFN	91	137	57	37	80	118.3	(12.1)	321	299	(7.0)	26.8
Interest expense	29	31	31	28	28	1.2	(4.7)	119	128	7.5	21.8
Tax expense	51	69	66	80	82	3.2	61.2	266	181	(32.0)	45.5
Other gain (loss)	25	21	(22)	72	0	nm	nm	96	0	nm	nm
Reported net profit	466	583	542	383	464	21.2	(0.4)	1,974	1,564	(20.8)	29.7
Core profit	441	562	564	311	464	49.3	5.3	1,877	1,564	(16.7)	29.7
<b>Key ratios (%)</b>						<b>(ppt)</b>	<b>(ppt)</b>				
Gross margin	12.6	14.2	15.5	12.8	13.7	0.9	1.1	13.8	12.7	(1.1)	
SG&A to sales	8.2	7.9	8.2	8.2	7.9	(0.3)	(0.3)	8.1	8.1	(0.0)	
Operating margin	4.4	6.3	7.4	4.5	5.8	1.3	1.4	5.7	4.6	(1.1)	
Net margin	10.3	12.1	10.7	7.8	9.7	1.9	(0.6)	10.2	8.3	(1.9)	
Core margin	9.7	11.6	11.2	6.3	9.7	3.4	0.0	9.7	8.3	(1.4)	
<b>Operating statistics (THB/kg)</b>											
Live chicken	42.5	44.0	43.0	38.2	41.0	7.3	(3.5)	42.1	40.0	(5.0)	
Chicken carcass	16.5	16.0	14.5	12.5	16.0	28.0	(3.0)	14.4	13.0	(9.7)	
Chicken export price (USD/tonne)	4,350	4,300	4,400	4,400	4,400	0.0	1.1	4,450	4,300	(3.4)	
Corn	10.4	11.1	11.8	10.1	11.0	8.9	5.8	10.9	10.0	(8.3)	
Soybean meal	21.4	20.7	19.3	18.5	16.9	(8.5)	(20.9)	19.7	19.5	(1.0)	

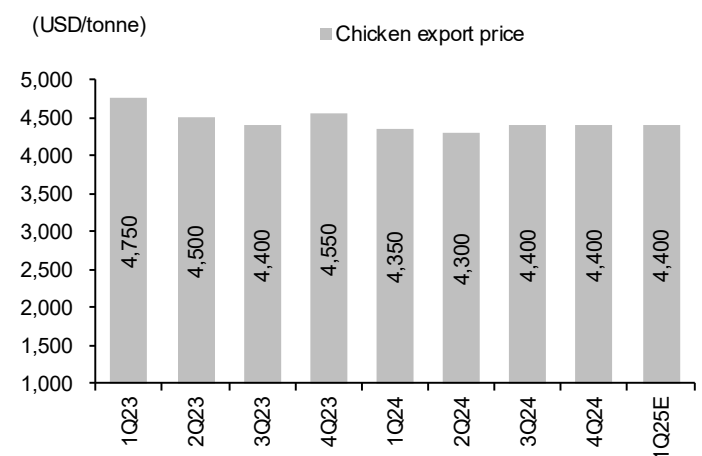
Sources: GFPT, FSSIA estimates

## Exhibit 115: Quarterly chicken export volumes

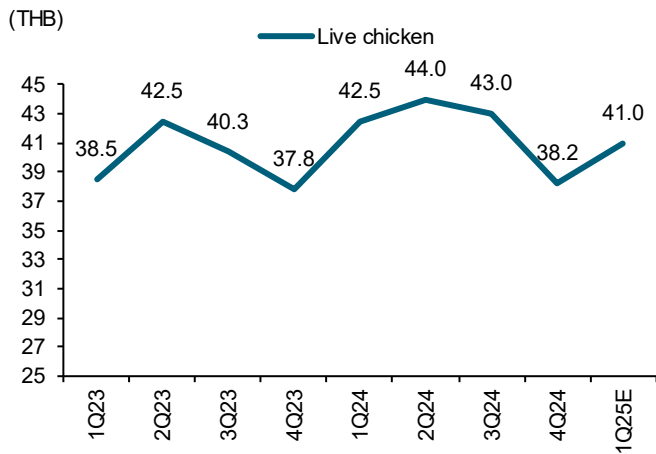


Sources: GFPT, FSSIA estimates

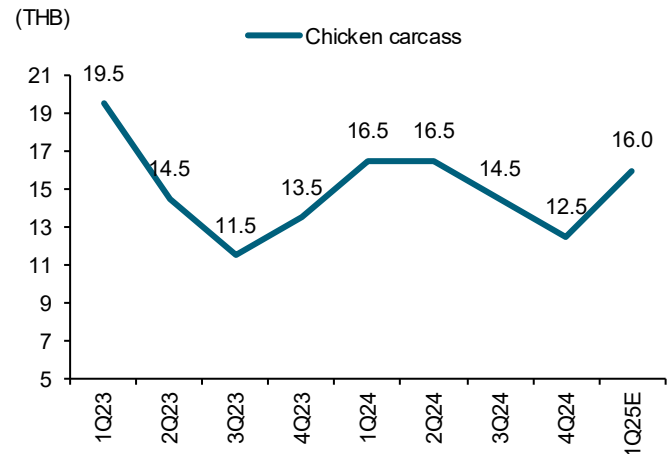
## Exhibit 116: Quarterly chicken export prices



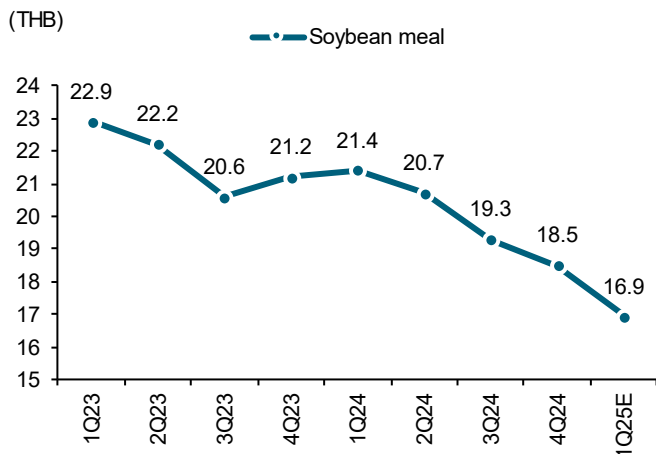
Sources: GFPT, FSSIA estimates

**Exhibit 117: Quarterly domestic chicken prices (THB/kg)**

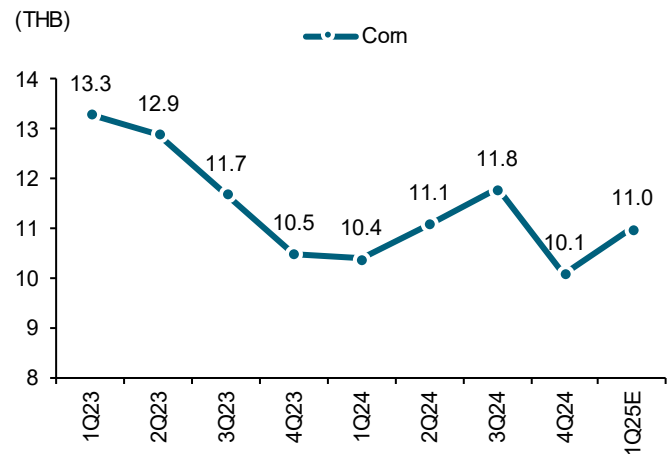
Sources: GFPT, FSSIA estimates

**Exhibit 118: Quarterly chicken carcass prices (THB/kg)**

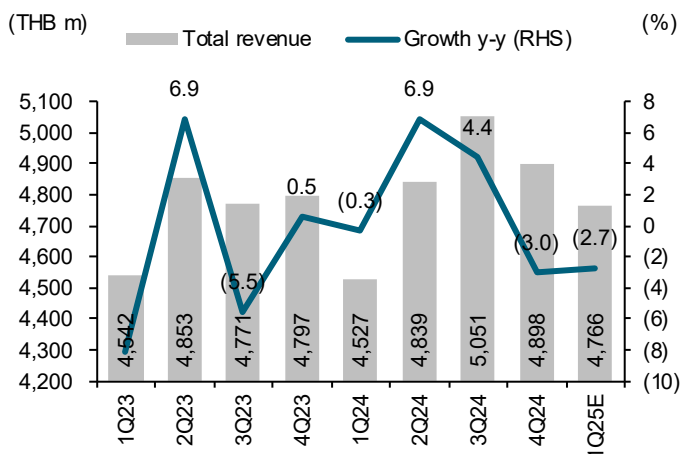
Sources: GFPT, FSSIA estimates

**Exhibit 119: Quarterly soybean meal prices (THB/kg)**

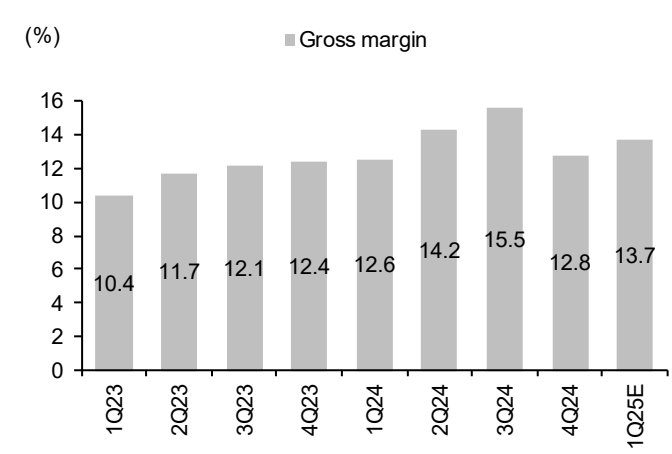
Sources: GFPT, FSSIA estimates

**Exhibit 120: Quarterly corn prices (THB/kg)**

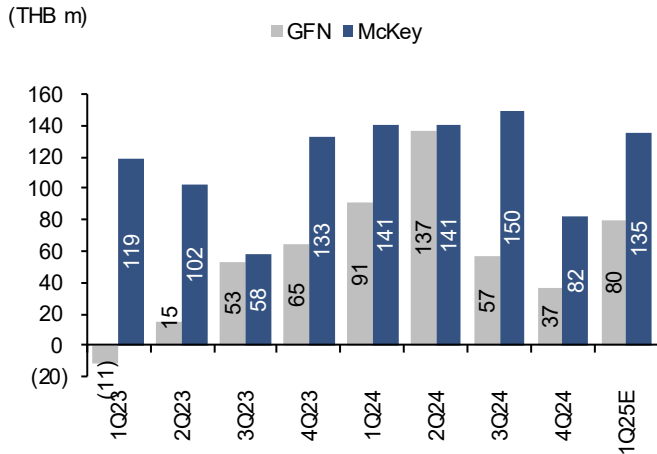
Sources: GFPT, FSSIA estimates

**Exhibit 121: Quarterly total revenue and gross margin**

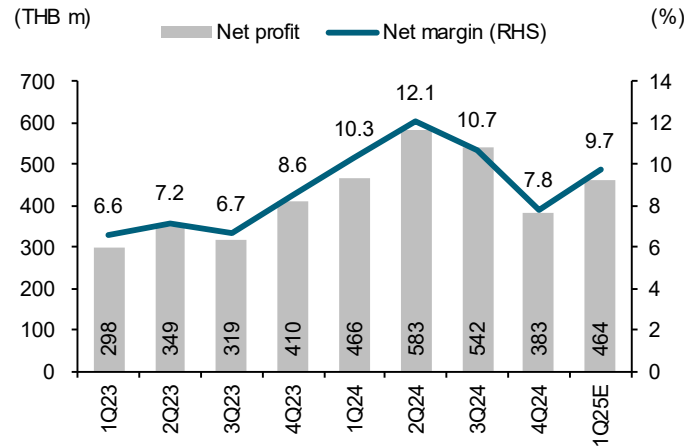
Sources: GFPT, FSSIA estimates

**Exhibit 122: Quarterly gross margin**

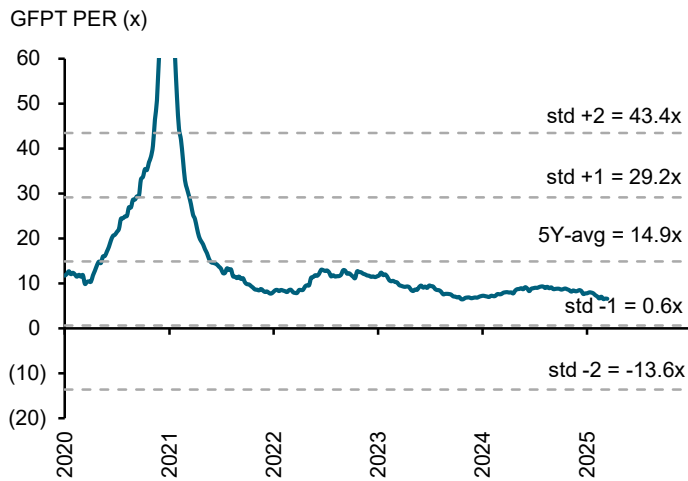
Sources: GFPT, FSSIA estimates

**Exhibit 123: Quarterly profit sharing from associate companies**

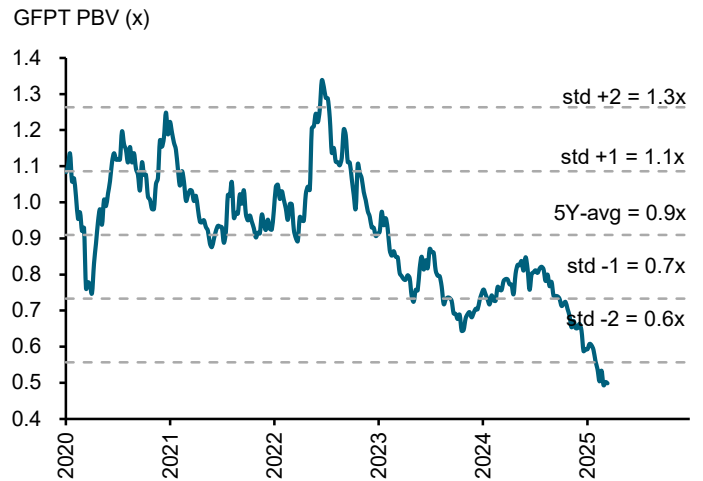
Sources: GFPT, FSSIA estimates

**Exhibit 124: Quarterly net profit and net margin**

Sources: GFPT, FSSIA estimates

**Exhibit 125: Historical P/E band**

Sources: Bloomberg, FSSIA estimates

**Exhibit 126: Historical P/BV band**

Sources: Bloomberg, FSSIA estimates

## Financial Statements

### GFPT

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	18,963	19,314	18,773	19,637	20,501
Cost of goods sold	(16,749)	(16,645)	(16,389)	(17,123)	(17,856)
<b>Gross profit</b>	<b>2,213</b>	<b>2,669</b>	<b>2,384</b>	<b>2,514</b>	<b>2,645</b>
Other operating income	349	342	329	344	349
Operating costs	(1,495)	(1,570)	(1,521)	(1,591)	(1,661)
<b>Operating EBITDA</b>	<b>2,577</b>	<b>3,115</b>	<b>2,941</b>	<b>3,090</b>	<b>3,206</b>
Depreciation	(1,511)	(1,674)	(1,749)	(1,824)	(1,874)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>1,067</b>	<b>1,441</b>	<b>1,192</b>	<b>1,267</b>	<b>1,333</b>
Net financing costs	4	(61)	(128)	(125)	(122)
Associates	535	834	694	727	788
Recurring non-operating income	505	872	694	727	788
Non-recurring items	0	38	0	0	0
<b>Profit before tax</b>	<b>1,575</b>	<b>2,291</b>	<b>1,758</b>	<b>1,868</b>	<b>1,999</b>
Tax	(192)	(266)	(181)	(194)	(206)
<b>Profit after tax</b>	<b>1,383</b>	<b>2,025</b>	<b>1,577</b>	<b>1,674</b>	<b>1,793</b>
Minority interests	(6)	(13)	(13)	(14)	(14)
Preferred dividends	-	-	-	-	-
Other items	-	59	0	0	0
<b>Reported net profit</b>	<b>1,377</b>	<b>2,070</b>	<b>1,564</b>	<b>1,661</b>	<b>1,779</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>0</b>	<b>(38)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>1,377</b>	<b>2,033</b>	<b>1,564</b>	<b>1,661</b>	<b>1,779</b>
<b>Per share (THB)</b>					
Recurring EPS *	1.10	1.62	1.25	1.32	1.42
Reported EPS	1.10	1.65	1.25	1.32	1.42
DPS	0.16	0.21	0.31	0.33	0.35
Diluted shares (used to calculate per share data)	1,254	1,254	1,254	1,254	1,254
<b>Growth</b>					
Revenue (%)	4.1	1.9	(2.8)	4.6	4.4
Operating EBITDA (%)	(13.3)	20.9	(5.6)	5.1	3.8
Operating EBIT (%)	(35.4)	35.1	(17.3)	6.2	5.2
Recurring EPS (%)	(32.7)	47.7	(23.1)	6.2	7.1
Reported EPS (%)	(32.7)	50.4	(24.5)	6.2	7.1
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	11.7	13.8	12.7	12.8	12.9
Gross margin exc. depreciation (%)	19.6	22.5	22.0	22.1	22.0
Operating EBITDA margin (%)	13.6	16.1	15.7	15.7	15.6
Operating EBIT margin (%)	5.6	7.5	6.4	6.4	6.5
Net margin (%)	7.3	10.5	8.3	8.5	8.7
Effective tax rate (%)	12.2	11.6	10.3	10.4	10.3
Dividend payout on recurring profit (%)	14.6	13.0	25.0	25.0	25.0
Interest cover (X)	(391.6)	38.1	14.7	15.9	17.4
Inventory days	85.8	89.5	85.6	82.1	82.1
Debtor days	19.9	20.1	20.4	19.6	19.6
Creditor days	31.8	33.3	28.8	27.4	27.4
Operating ROIC (%)	5.3	7.0	5.7	6.2	6.7
ROIC (%)	5.9	8.3	6.7	7.2	7.8
ROE (%)	8.1	11.0	7.8	7.9	7.9
ROA (%)	5.7	8.1	6.3	6.6	6.9

\* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2023	2024	2025E	2026E	2027E
Food	9,107	9,604	10,132	10,689	11,277
Farm	6,566	6,435	6,612	6,863	7,074
Feed	3,306	3,275	3,380	3,495	3,621

Sources: GFPT; FSSIA estimates



## Financial Statements

## GFPT

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	1,377	2,033	1,564	1,661	1,779
Depreciation	1,511	1,674	1,749	1,824	1,874
Associates & minorities	(535)	(834)	(694)	(727)	(788)
Other non-cash items	(144)	(21)	0	0	0
Change in working capital	23	(93)	361	(157)	(156)
<b>Cash flow from operations</b>	<b>2,231</b>	<b>2,758</b>	<b>2,979</b>	<b>2,601</b>	<b>2,708</b>
Capex - maintenance	(2,651)	(2,411)	(1,484)	(1,542)	(1,042)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	-	-	-	-	-
<b>Cash flow from investing</b>	<b>(2,651)</b>	<b>(2,411)</b>	<b>(1,484)</b>	<b>(1,542)</b>	<b>(1,042)</b>
Dividends paid	(251)	(232)	(391)	(415)	(445)
Equity finance	0	0	0	0	0
Debt finance	1,016	422	(272)	(17)	44
Other financing cash flows	6	13	(3)	(3)	(3)
<b>Cash flow from financing</b>	<b>772</b>	<b>203</b>	<b>(666)</b>	<b>(435)</b>	<b>(403)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>(59)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>352</b>	<b>491</b>	<b>829</b>	<b>624</b>	<b>1,263</b>
Free cash flow to firm (FCFF)	(310.00)	466.56	1,623.97	1,184.20	1,787.92
Free cash flow to equity (FCFE)	602.26	723.04	1,220.38	1,039.17	1,707.20
<b>Per share (THB)</b>					
FCFF per share	(0.25)	0.37	1.30	0.94	1.43
FCFE per share	0.48	0.58	0.97	0.83	1.36
Recurring cash flow per share	1.76	2.27	2.09	2.20	2.28
Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	23,142	24,467	26,215	28,039	29,913
Less: Accumulated depreciation	(10,617)	(11,283)	(13,280)	(15,427)	(18,174)
<b>Tangible fixed assets (net)</b>	<b>12,525</b>	<b>13,184</b>	<b>12,935</b>	<b>12,612</b>	<b>11,738</b>
<b>Intangible fixed assets (net)</b>	<b>58</b>	<b>49</b>	<b>50</b>	<b>51</b>	<b>52</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	4,774	4,839	4,839	4,839	4,839
Cash & equivalents	1,610	2,101	2,931	3,555	4,817
A/C receivable	1,057	1,071	1,029	1,076	1,123
Inventories	3,840	3,500	3,368	3,518	3,669
Other current assets	591	673	563	589	615
<b>Current assets</b>	<b>7,098</b>	<b>7,345</b>	<b>7,890</b>	<b>8,738</b>	<b>10,225</b>
Other assets	877	899	882	923	964
<b>Total assets</b>	<b>25,333</b>	<b>26,317</b>	<b>26,597</b>	<b>27,164</b>	<b>27,818</b>
Common equity	17,605	19,347	20,520	21,765	23,099
Minorities etc.	133	146	143	140	137
<b>Total shareholders' equity</b>	<b>17,738</b>	<b>19,493</b>	<b>20,662</b>	<b>21,905</b>	<b>23,236</b>
Long term debt	3,373	3,792	2,573	1,956	1,339
Other long-term liabilities	686	461	469	491	513
<b>Long-term liabilities</b>	<b>4,058</b>	<b>4,253</b>	<b>3,042</b>	<b>2,447</b>	<b>1,852</b>
A/C payable	1,545	1,191	1,123	1,173	1,223
Short term debt	1,798	972	1,395	1,246	1,097
Other current liabilities	193	408	375	393	410
<b>Current liabilities</b>	<b>3,536</b>	<b>2,571</b>	<b>2,893</b>	<b>2,812</b>	<b>2,730</b>
<b>Total liabilities and shareholders' equity</b>	<b>25,333</b>	<b>26,317</b>	<b>26,597</b>	<b>27,164</b>	<b>27,818</b>
Net working capital	3,750	3,645	3,461	3,618	3,774
Invested capital	21,985	22,617	22,169	22,043	21,368
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	14.04	15.43	16.37	17.36	18.42
Tangible book value per share	13.99	15.39	16.33	17.32	18.38
<b>Financial strength</b>					
Net debt/equity (%)	20.1	13.7	5.0	(1.6)	(10.2)
Net debt/total assets (%)	14.1	10.1	3.9	(1.3)	(8.6)
Current ratio (x)	2.0	2.9	2.7	3.1	3.7
CF interest cover (x)	(149.1)	12.9	10.5	9.3	15.0
Valuation	2023	2024	2025E	2026E	2027E
<b>Recurring P/E (x) *</b>	<b>7.5</b>	<b>5.1</b>	<b>6.6</b>	<b>6.2</b>	<b>5.8</b>
<b>Recurring P/E @ target price (x) *</b>	<b>11.4</b>	<b>7.7</b>	<b>10.0</b>	<b>9.4</b>	<b>8.8</b>
Reported P/E (x)	7.5	5.0	6.6	6.2	5.8
Dividend yield (%)	1.9	2.5	3.8	4.0	4.3
Price/book (x)	0.6	0.5	0.5	0.5	0.4
Price/tangible book (x)	0.6	0.5	0.5	0.5	0.4
EV/EBITDA (x) **	5.4	4.2	3.9	3.3	2.5
EV/EBITDA @ target price (x) **	7.5	5.9	5.7	5.0	4.2
EV/invested capital (x)	0.6	0.6	0.5	0.5	0.4
* Pre-exceptional, pre-goodwill and fully diluted    ** EBITDA includes associate income and recurring non-operating income					

Sources: GFPT; FSSIA estimates

# GFPT (GFPT TB)

## FSSIA ESG rating



**40.94 /100**

### Exhibit 127: FSSIA ESG score implication

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	<b>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.</b>
★★☆☆☆	>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 128: 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	68.20	5.83	4.61	4.25	4.61	4.21	3.95	Medium	53.02	BBB	24.44	60.65	67.96	2.33	35.35
Coverage	64.39	4.92	4.71	4.23	4.44	4.07	3.65	Medium	49.86	BB	18.30	53.38	63.50	2.45	35.11
BTG	59.71	--	Y	AAA	5.00	4.00	Certified	High	--	BBB	--	--	--	3.68	57.48
CPF	80.10	Y	Y	AAA	5.00	5.00	Certified	Medium	70.60	BB	44.00	62.05	85.00	4.43	67.93
GFPT	40.94	--	--	--	5.00	5.00	Certified	High	--	--	--	62.92	24.00	4.22	58.07
TU	82.00	Y	Y	A	5.00	5.00	Certified	High	64.42	A	41.00	74.01	85.00	3.43	77.68
TFG	35.10	--	Y	AA	5.00	5.00	Certified	Severe	--	--	--	40.78	--	--	--

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation

### Exhibit 129: ESG score by Bloomberg

FY ending Dec 31	FY 2021	FY 2022	FY 2023
<b>ESG financial materiality scores - ESG score</b>	<b>3.06</b>	<b>3.32</b>	<b>4.22</b>
BESG environmental pillar score	2.18	2.73	3.88
BESG social pillar score	3.36	3.42	4.58
BESG governance pillar score	4.20	4.22	4.19
<b>ESG disclosure score</b>	<b>54.93</b>	<b>58.07</b>	<b>58.07</b>
Environmental disclosure score	44.79	54.21	54.21
Social disclosure score	36.31	36.31	36.31
Governance disclosure score	83.59	83.59	83.59
<b>Environmental</b>			
Emissions reduction initiatives	Yes	Yes	Yes
Climate change policy	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No
Risks of climate change discussed	Yes	Yes	Yes
GHG scope 1	—	21	18
GHG scope 2 location-based	—	31	32
GHG Scope 3	—	358	383
Carbon per unit of production	—	—	—
Biodiversity policy	No	No	No
Energy efficiency policy	Yes	Yes	Yes
Total energy consumption	—	118	114
Renewable energy use	—	—	—
Electricity used	63	63	64
Fuel used - natural gas	—	176,666	4,602

Sources: Bloomberg; FSSIA's compilation

**Exhibit 130: ESG score by Bloomberg (cont.)**

FY ending Dec 31	FY 2021	FY 2022	FY 2023
Fuel used - crude oil/diesel	No	No	No
Waste reduction policy	Yes	Yes	Yes
Hazardous waste	0	0	0
Total waste	22	21	22
Waste recycled	—	—	—
Waste sent to landfills	—	—	—
Environmental supply chain management	Yes	Yes	Yes
Water policy	Yes	Yes	Yes
Water consumption	—	—	—
<b>Social</b>			
Human rights policy	Yes	Yes	Yes
Policy against child labor	Yes	Yes	Yes
Quality assurance and recall policy	Yes	Yes	Yes
Consumer data protection policy	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes
Gender pay gap breakout	No	No	No
Pct women in workforce	54	54	54
Pct disabled in workforce	2	2	1
Business ethics policy	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes
Lost time incident rate - employees	2	2	2
Total recordable incident rate - employees	—	—	—
Training policy	Yes	Yes	Yes
Fair remuneration policy	No	No	No
Number of employees – CSR	4,906	5,367	5,525
Employee turnover pct	3	21	8
Total hours spent by firm - employee training	490,610	719,841	890,950
Social supply chain management	Yes	Yes	Yes
<b>Governance</b>			
<b>Board size</b>	<b>9</b>	<b>9</b>	<b>9</b>
<b>No. of independent directors (ID)</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of women on board	2	2	2
No. of non-executive directors on board	6	6	6
Company conducts board evaluations	Yes	Yes	Yes
No. of board meetings for the year	9	9	9
Board meeting attendance pct	100	99	75
Board duration (years)	3	3	3
Director share ownership guidelines	No	No	No
Age of the youngest director	51	52	53
Age of the oldest director	81	82	83
<b>No. of executives / company managers</b>	<b>10</b>	<b>10</b>	<b>11</b>
No. of female executives	4	4	3
Executive share ownership guidelines	No	No	No
<b>Size of audit committee</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of ID on audit committee	3	3	3
Audit committee meetings	4	4	7
Audit meeting attendance %	100	100	100
<b>Size of compensation committee</b>	<b>5</b>	<b>5</b>	<b>5</b>
No. of ID on compensation committee	3	3	3
No. of compensation committee meetings	2	2	3
Compensation meeting attendance %	100	100	100
<b>Size of nomination committee</b>	<b>5</b>	<b>5</b>	<b>5</b>
No. of nomination committee meetings	2	2	3
Nomination meeting attendance %	100	100	100
<b>Sustainability governance</b>			
Verification type	No	No	No

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 <b>SETESG inclusion</b> , 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. <b>SETESG Index</b> 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%). <i>(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&amp;A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	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. <i>(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.)</i>	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. <i>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 &amp; peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+										
NEGL	Low	Medium	High	Severe																		
0-10	10-20	20-30	30-40	40+																		
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. <table><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="3">Average:</td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td></tr><tr><td>CCC</td><td>0.000-1.428</td><td>Laggard:</td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>		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
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CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks																			
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. <i>(Score ratings are 0 to 25 = poor; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																					
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

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### History of change in investment rating and/or target price

#### Betagro (BTG TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
08-May-2023	BUY	25.30	28-Feb-2024	BUY	25.00	19-Nov-2024	BUY	22.00
15-May-2023	HOLD	25.30	13-Aug-2024	HOLD	23.00	05-Feb-2025	BUY	24.00
19-Oct-2023	HOLD	23.00	21-Oct-2024	HOLD	23.50			

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

Price and TP are in local currency

Source: FSSIA estimates

#### Thai Foods Group (TFG TB)



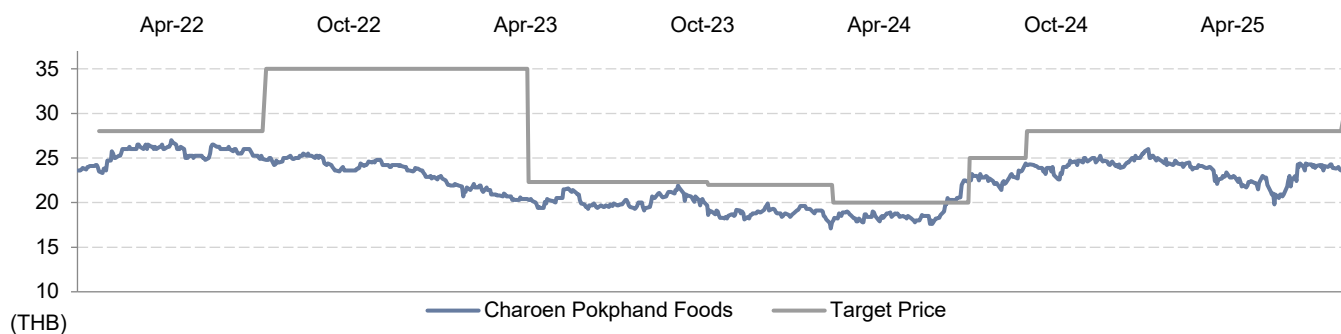
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
03-Feb-2023	BUY	8.00	26-Apr-2024	BUY	4.80	19-Nov-2024	BUY	4.60
08-May-2023	HOLD	5.20	22-Aug-2024	BUY	5.90	06-Feb-2025	BUY	4.10
27-Nov-2023	HOLD	4.00	31-Oct-2024	BUY	5.20			

Sureeporn Teewasuwet started covering this stock from 03-Feb-2023

Price and TP are in local currency

Source: FSSIA estimates

## Charoen Pokphand Foods (CPF TB)



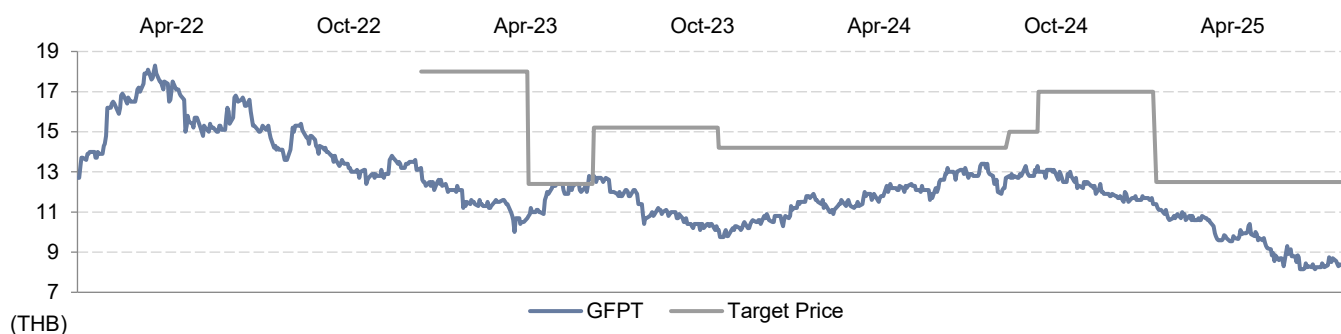
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
05-May-2022	HOLD	28.00	13-Dec-2023	BUY	22.00	08-Jul-2024	BUY	28.00
23-Sep-2022	BUY	35.00	24-Jan-2024	HOLD	20.00	04-Apr-2025	BUY	30.00
08-May-2023	HOLD	22.30	18-Apr-2024	BUY	20.00			
09-Oct-2023	HOLD	22.00	20-May-2024	BUY	25.00			

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

Price and TP are in local currency

Source: FSSIA estimates

## GFPT (GFPT TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
03-Feb-2023	BUY	18.00	18-Oct-2023	BUY	14.20	25-Oct-2024	HOLD	12.50
08-May-2023	BUY	12.40	21-Jun-2024	BUY	15.00	10-Jan-2025	BUY	12.50
03-Jul-2023	BUY	15.20	18-Jul-2024	BUY	17.00			

Sureeporn Teewasuwet started covering this stock from 03-Feb-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Betagro	BTG TB	THB 18.90	BUY	Downside risks to our P/E-based TP include 1) a slower-than-expected purchasing power recovery; 2) a slower-than-expected meat price increase; 3) a slower-than-expected decrease in feed costs; and 4) a stronger-than-expected THB.
Thai Foods Group	TFG TB	THB 4.68	BUY	Downside and upside risks to our P/E-based TP are 1) a slower or faster-than-expected consumption recovery; 2) a slower or faster-than-expected decrease in feed costs; 3) a stronger or weaker-than-expected THB.
Charoen Pokphand Foods	CPF TB	THB 25.25	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.
GFPT	GFPT TB	THB 8.85	BUY	Downside and upside risks to our P/E-based TP include 1) a slower or faster-than-expected consumption recovery; 2) a slower or faster-than-expected decrease in feed costs; 3) a stronger or weaker-than-expected THB; and 4) a minimum wage increase and/or a labour shortage.

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 11-Apr-2025 unless otherwise stated.

## RECOMMENDATION STRUCTURE

### Stock ratings

Stock ratings are based on absolute upside or downside, which we define as  $(\text{target price}^* - \text{current price}) / \text{current price}$ .

**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.