

# Charoen Pokphand Foods CPF

Charoen Pokphand Foods  
Public Company Limited

Bloomberg CPF TB  
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## 2Q21: Beat estimates on robust sales, margin

**2Q22 core profit was Bt3.3bn, -10% YoY but +340% QoQ, 10% above estimates on strong sales and margin. With better livestock prices in Thailand and swine prices in China and Vietnam in 3Q22TD, we expect 3Q22 core earnings to rise QoQ and turn to a profit from a core loss in 3Q21 (COVID lockdown). Maintain Outperform with end-2022 SOTP TP of Bt32.**

**2Q22 net profit was Bt4.2bn, -11% YoY but +48% QoQ.** Extra gains were Bt896mn: Bt1.4bn from fair value adjustment in investment properties, Bt545mn on investment (after tax), Bt634mn on fair value adjustment in biological assets (CPF's stake), Bt145mn gain on acquisition and Bt50mn gain on reversal of impairment loss, minus Bt1.7bn tax expenses from restructuring and Bt208mn FX loss. 2Q22 core profit was Bt3.3bn, -10% YoY but +340% QoQ, 10% above estimates on solid sales and margin. The YoY drop reflected weaker swine prices in Vietnam and China and the QoQ rise was from better livestock prices in Thailand and Vietnam. Its 1H22 DPS is Bt0.4 (XD on Aug 30).

**2Q22 highlights.** Of total sales, 31% came from the livestock unit in Thailand, 5% from the aquaculture unit in Thailand, 54% from the livestock unit overseas and 10% from the aquaculture unit overseas. Gross margin fell 190bps YoY to 14.5% on a weaker margin at the livestock unit overseas (-540bps YoY) from lower prices for swine in Vietnam and aquaculture in Thailand (-600bps YoY) and overseas (-120bps YoY) as a lower rise in product prices than in costs offset the higher margin at the Thai livestock unit (+440bps YoY), where prices rose faster than costs.

**Takeaway from meeting.** Local livestock unit. In 3Q22TD, local swine and broiler prices have risen to Bt110/kg (+59% YoY and +13% QoQ) and Bt46/kg (+53% YoY and 13% QoQ). CPF expects tight demand and supply to keep livestock prices high in 2H22. It has not yet seen the return in local pig supply (4-5mn pigs or 20% of local pig supply damaged by African Swine Fever). Broiler exports to Europe remain strong, backed by a prolonged issue on broiler production (high energy, labor and raw material costs) in Europe. Raw material costs. CPF expects local corn and imported soybean meal costs to drop slightly in 2H22 from 1H22 from the entry into harvest season with more favorable weather conditions. Despite lower feed costs, demand and supply will be a key factor determining the livestock price trend. Swine unit in Vietnam & China. In 3Q22TD, swine prices in Vietnam and China have risen to VND64,000/kg (+24% YoY and +16% QoQ) and CNY22/kg (+47% YoY and +42% QoQ). CPF expects revived demand to keep prices high. Based on future contract prices, it expects swine price in China to stay in the range of CNY20-22/kg in 2H22 (above breakeven cost of CNY16-17/kg), bringing swine operations back to profit after more than a year of losses.

**Key risks** are inflationary pressure on demand and costs, and higher interest rate.

### Forecasts and valuation

Year to 31 Dec	Unit	2020	2021	2022F	2023F	2024F
Revenue	(Btmn)	589,713	512,704	603,900	614,632	625,637
EBITDA	(Btmn)	82,211	48,820	60,340	59,892	59,604
Core profit	(Btmn)	24,894	672	10,433	12,707	14,256
Reported profit	(Btmn)	26,022	13,028	13,419	12,707	14,256
Core EPS	(Bt)	3.00	0.01	1.23	1.52	1.71
DPS	(Bt)	1.00	0.65	0.65	0.65	0.65
P/E, core	(x)	8.8	n.a.	21.3	17.3	15.3
EPS growth, core	(%)	73.8	(99.7)	13,504.6	23.1	12.8
P/BV, core	(x)	0.8	0.7	0.7	0.7	0.7
ROE	(%)	10.3	0.2	3.6	4.2	4.6
Dividend yield	(%)	3.8	2.5	2.5	2.5	2.5
FCF yield	(x)	(2.3)	(7.8)	6.1	5.7	6.7
EV/EBIT	(x)	10.6	32.0	19.5	20.0	20.3
EBIT growth, core	(%)	95.9	(63.1)	54.7	(3.6)	(3.3)
EV/CE	(x)	3.3	2.8	2.9	2.8	2.8
ROCE	(%)	20.5	2.2	8.2	7.1	6.8
EV/EBITDA	(x)	7.0	13.1	9.9	9.9	9.8
EBITDA growth	(%)	62.7	(40.6)	23.6	(0.7)	(0.5)

Source: SCBS Investment Research

See the end of this report for disclaimer

## Tactical: OUTPERFORM

(3-month)

### Stock data

Last close (Aug 16) (Bt)	26.25
Target price (Bt)	32.00
Mkt cap (Btbn)	226.05
Mkt cap (US\$mn)	6,379

Beta	M
Mkt cap (%) SET	1.15
Sector % SET	0.47
Shares issued (mn)	8,611
Par value (Bt)	1.00
12-m high / low (Bt)	27.5 / 22.7
Avg. daily 6m (US\$mn)	18.76
Foreign limit / actual (%)	40 / 25
Free float (%)	45.5
Dividend policy (%)	~ 50

### 2021 Sustainability / ESG Score

Sustainability Index (THSI)	Included
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ESG Bloomberg Score	47.47
Environmental Score	22.23
Social Score	32.68
Governance Score	87.36

Source: Bloomberg Finance L.P.

### Share performance

(%)	1M	3M	12M
Absolute	0.0	1.9	1.9
Relative to SET	(5.9)	1.0	(3.4)

Source: SET, SCBS Investment Research

### Analyst

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### ESG Disclosure Score

	2020	2021
<b>ESG Disclosure Score</b>	<b>43.63</b>	<b>47.47</b>
<b>Environment</b>	<b>17.97</b>	<b>22.23</b>
Total GHG Emissions (thousands of metric tonnes)	n.a.	863.00
Total Water Use (thousands of cubic meters)	n.a.	n.a.
Hazardous Waste (thousands of metric tonnes)	n.a.	n.a.
Total Waste (thousands of metric tonnes)	n.a.	n.a.
<b>Social</b>	<b>25.39</b>	<b>32.68</b>
Number of Employees	71,318.00	128,548.00
Workforce Accidents	n.a.	n.a.
Lost Time from Accidents	n.a.	n.a.
Fatalities - Contractors	n.a.	n.a.
Fatalities - Employees	n.a.	n.a.
Fatalities - Total	n.a.	n.a.
Community Spending	530.60	333.20
<b>Governance</b>	<b>87.36</b>	<b>87.36</b>
Size of the Board	15.00	15.00
Independent Directors	5.00	6.00
% Independent Directors	33.33	40.00
Board Duration (Years)	3.00	3.00
# Board Meetings	13.00	11.00
Board Mtg Attendance (%)	96.39	98.78

Source: Bloomberg Finance L.P.

### Disclaimer

Bloomberg ESG Disclosure Scores rate companies on their level of disclosure of ESG data. Bloomberg offers four disclosure scores, for overall ESG, as well as Environmental, Social, and Governance such as energy consumption, board composition, and workforce accidents

Company ESG reporting has evolved since our ESG Disclosure Score was originally created in 2010. In order to reflect the evolution in corporate reporting, in early 2022 Bloomberg updated its ESG disclosure scores methodology. The methodology changes were implemented for all years of data for all companies in the ESG Coverage universe.

To review the fully transparent methodology, calculate disclosure scores for any company, and compare a company's scores vs its peers, see ESG Disclosure Score Model in Bloomberg

## Financial statement

### Profit and Loss Statement

FY December 31	Unit	2017	2018	2019	2020	2021	2022F	2023F	2024F
Total revenue	(Btmn)	501,507	541,937	532,573	589,713	512,704	603,900	614,632	625,637
Cost of goods sold	(Btmn)	(441,422)	(476,228)	(455,325)	(482,470)	(446,815)	(518,519)	(528,771)	(539,108)
<b>Gross profit</b>	<b>(Btmn)</b>	<b>60,086</b>	<b>65,709</b>	<b>77,248</b>	<b>107,243</b>	<b>65,890</b>	<b>85,380</b>	<b>85,861</b>	<b>86,528</b>
SG&A	(Btmn)	(50,311)	(52,049)	(53,951)	(57,665)	(50,880)	(59,182)	(60,849)	(62,564)
Other income	(Btmn)	3,261	4,142	4,202	4,304	4,880	4,574	4,655	4,739
Interest expense	(Btmn)	(11,743)	(11,703)	(13,785)	(16,818)	(16,596)	(17,810)	(19,562)	(19,865)
<b>Pre-tax profit</b>	<b>(Btmn)</b>	<b>1,292</b>	<b>6,099</b>	<b>13,714</b>	<b>37,065</b>	<b>3,293</b>	<b>12,962</b>	<b>10,106</b>	<b>8,838</b>
Corporate tax	(Btmn)	(159)	(2,762)	(3,828)	(10,686)	(2,176)	(4,537)	(4,042)	(3,535)
Equity a/c profits	(Btmn)	7,983	8,343	8,893	9,254	2,277	2,759	7,364	9,674
Minority interests	(Btmn)	(2,514)	(4,359)	(4,065)	(10,738)	(2,722)	(751)	(721)	(721)
<b>Core profit</b>	<b>(Btmn)</b>	<b>6,603</b>	<b>7,321</b>	<b>14,715</b>	<b>24,894</b>	<b>672</b>	<b>10,433</b>	<b>12,707</b>	<b>14,256</b>
Extra-ordinary items	(Btmn)	8,657	8,211	3,741	1,128	12,356	2,986	0	0
<b>Net Profit</b>	<b>(Btmn)</b>	<b>15,259</b>	<b>15,532</b>	<b>18,456</b>	<b>26,022</b>	<b>13,028</b>	<b>13,419</b>	<b>12,707</b>	<b>14,256</b>
EBITDA	(Btmn)	34,284	40,210	50,535	82,211	48,820	60,340	59,892	59,604
<b>Core EPS (Bt)</b>	<b>(Btmn)</b>	<b>0.79</b>	<b>0.82</b>	<b>1.72</b>	<b>3.00</b>	<b>0.01</b>	<b>1.23</b>	<b>1.52</b>	<b>1.71</b>
Net EPS (Bt)	(Bt)	1.91	1.82	2.18	3.14	1.56	1.61	1.52	1.71
DPS (Bt)	(Bt)	0.75	0.65	0.70	1.00	0.65	0.65	0.65	0.65

### Balance Sheet

FY December 31	Unit	2017	2018	2019	2020	2021	2022F	2023F	2024F
Total current assets	(Btmn)	164,447	185,543	178,646	194,670	216,550	226,609	228,749	231,665
Total fixed assets	(Btmn)	429,050	442,548	455,405	567,049	626,130	601,095	601,584	601,410
<b>Total assets</b>	<b>(Btmn)</b>	<b>593,497</b>	<b>628,091</b>	<b>634,051</b>	<b>761,719</b>	<b>842,681</b>	<b>827,704</b>	<b>830,333</b>	<b>833,075</b>
Total loans	(Btmn)	288,710	330,294	334,225	416,111	464,617	426,000	419,110	410,750
Total current liabilities	(Btmn)	190,618	182,212	197,711	204,147	203,928	187,539	185,564	183,781
Total long-term liabilities	(Btmn)	176,237	227,220	217,467	295,394	351,616	344,789	341,867	337,316
<b>Total liabilities</b>	<b>(Btmn)</b>	<b>366,855</b>	<b>409,433</b>	<b>415,178</b>	<b>499,541</b>	<b>555,544</b>	<b>532,329</b>	<b>527,431</b>	<b>521,097</b>
Paid-up capital	(Btmn)	8,611	8,611	8,611	8,611	8,611	8,611	8,611	8,611
<b>Total equity</b>	<b>(Btmn)</b>	<b>226,642</b>	<b>218,658</b>	<b>218,872</b>	<b>262,179</b>	<b>287,137</b>	<b>295,375</b>	<b>302,902</b>	<b>311,978</b>
<b>BVPS (Bt)</b>	<b>(Bt)</b>	<b>29.35</b>	<b>26.71</b>	<b>26.74</b>	<b>32.35</b>	<b>36.03</b>	<b>37.06</b>	<b>38.01</b>	<b>39.14</b>

### Cash Flow Statement

FY December 31	Unit	2017	2018	2019	2020	2021	2022F	2023F	2024F
Core Profit	(Btmn)	6,603	7,321	14,715	24,894	672	10,433	12,707	14,256
Depreciation and amortization	(Btmn)	21,249	22,407	23,036	28,328	28,931	29,568	30,225	30,901
Operating cash flow	(Btmn)	17,256	15,294	40,609	71,038	6,420	47,468	42,571	44,799
Investing cash flow	(Btmn)	(22,482)	(27,880)	(26,648)	(75,919)	(22,705)	(34,661)	(30,714)	(30,727)
Financing cash flow	(Btmn)	(2,517)	22,029	(12,035)	28,841	(5,744)	(43,797)	(12,071)	(13,541)
<b>Net cash flow</b>	<b>(Btmn)</b>	<b>(7,744)</b>	<b>9,443</b>	<b>1,927</b>	<b>23,960</b>	<b>(22,029)</b>	<b>(30,991)</b>	<b>(213)</b>	<b>531</b>

### Key Financial Ratios

FY December 31	Unit	2017	2018	2019	2020	2021	2022F	2023F	2024F
Gross margin	(%)	12.0	12.1	14.5	18.2	12.9	14.1	14.0	13.8
Operating margin	(%)	1.9	2.5	4.4	8.4	2.9	4.3	4.1	3.8
EBITDA margin	(%)	6.8	7.4	9.5	13.9	9.5	10.0	9.7	9.5
EBIT margin	(%)	2.6	3.3	5.2	9.1	3.9	5.1	4.8	4.6
Net profit margin	(%)	3.0	2.9	3.5	4.4	2.5	2.2	2.1	2.3
ROE	(%)	3.1	3.3	6.7	10.3	0.2	3.6	4.2	4.6
ROA	(%)	1.1	1.2	2.3	3.6	0.1	1.2	1.5	1.7
Net D/E	(x)	1.2	1.4	1.4	1.4	1.5	1.3	1.3	1.2
Interest coverage	(x)	2.9	3.4	3.7	4.9	2.9	3.4	3.1	3.0
Debt service coverage	(x)	0.2	0.3	0.3	0.5	0.3	0.5	0.5	0.5
Payout Ratio	(%)	39.3	35.6	32.1	31.9	41.7	40.4	42.8	37.9

### Main Assumptions

FY December 31	Unit	2017	2018	2019	2020	2021	2022F	2023F	2024F
Total sales growth	(%)	8.0	8.1	(1.7)	10.7	(13.1)	17.8	1.8	1.8
GPM from Thai-livestock	(%)	11.4	6.4	12.1	16.1	11.1	17.9	17.0	16.5
GPM from Thai-aquatic	(%)	10.2	7.8	7.5	12.4	9.4	10.5	10.8	11.0
GPM from CPP HK*	(%)	10.8	15.5	17.6	22.9	14.9	11.6	12.0	12.0
GPM from other overseas	(%)	14.7	13.7	13.0	13.8	13.3	13.0	13.0	13.0
FX	(Bt/US\$1)	33.9	32.3	31.0	31.3	32.0	33.0	33.0	33.0

Note\* GPM in 2021 was after CTI deal, which deconsolidated feed business in China, vs GPM in 2020 which consolidated feed business in China.

## Financial statement

### Profit and Loss Statement

FY December 31	Unit	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
Total revenue	(Btmn)	157,805	149,968	119,346	129,638	125,940	137,781	138,887	155,996
Cost of goods sold	(Btmn)	(127,664)	(124,262)	(95,555)	(108,401)	(114,839)	(128,020)	(121,096)	(133,372)
<b>Gross profit</b>	<b>(Btmn)</b>	<b>30,141</b>	<b>25,706</b>	<b>23,791</b>	<b>21,236</b>	<b>11,101</b>	<b>9,761</b>	<b>17,791</b>	<b>22,624</b>
SG&A	(Btmn)	(15,695)	(14,399)	(11,684)	(12,297)	(13,127)	(13,772)	(12,124)	(13,564)
Other income	(Btmn)	906	1,584	741	827	1,964	1,348	686	1,260
Interest expense	(Btmn)	(4,186)	(4,476)	(4,098)	(3,971)	(4,155)	(4,372)	(4,469)	(4,360)
<b>Pre-tax profit</b>	<b>(Btmn)</b>	<b>11,166</b>	<b>8,415</b>	<b>8,750</b>	<b>5,795</b>	<b>(4,218)</b>	<b>(7,034)</b>	<b>1,883</b>	<b>5,960</b>
Corporate tax	(Btmn)	(2,998)	(3,088)	(2,117)	(1,641)	1,561	21	(839)	(1,686)
Equity a/c profits	(Btmn)	2,028	2,963	2,043	753	(1,266)	747	(336)	(793)
Minority interests	(Btmn)	(2,995)	(1,919)	(1,850)	(1,197)	(1,037)	1,362	44	(169)
<b>Core profit</b>	<b>(Btmn)</b>	<b>7,201</b>	<b>6,371</b>	<b>6,826</b>	<b>3,709</b>	<b>(4,959)</b>	<b>(4,904)</b>	<b>752</b>	<b>3,312</b>
Extra-ordinary items	(Btmn)	274	37	119	1,028	(415)	11,624	2,090	896
<b>Net Profit</b>	<b>(Btmn)</b>	<b>7,474</b>	<b>6,409</b>	<b>6,945</b>	<b>4,737</b>	<b>(5,374)</b>	<b>6,719</b>	<b>2,842</b>	<b>4,208</b>
EBITDA	(Btmn)	22,366	20,447	19,616	17,044	7,178	4,981	13,825	18,112
<b>Core EPS (Bt)</b>	<b>(Btmn)</b>	<b>0.87</b>	<b>0.77</b>	<b>0.84</b>	<b>0.45</b>	<b>(0.64)</b>	<b>(0.64)</b>	<b>0.08</b>	<b>0.40</b>
Net EPS (Bt)	(Bt)	0.91	0.77	0.85	0.57	(0.69)	0.83	0.34	0.51

### Balance Sheet

FY December 31	Unit	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
Total current assets	(Btmn)	249,495	194,670	195,259	204,454	224,978	216,550	206,285	222,807
Total fixed assets	(Btmn)	524,502	567,049	579,208	587,769	606,365	626,130	630,835	680,822
<b>Total assets</b>	<b>(Btmn)</b>	<b>773,997</b>	<b>761,719</b>	<b>774,467</b>	<b>792,223</b>	<b>831,344</b>	<b>842,681</b>	<b>837,121</b>	<b>903,629</b>
Total loans	(Btmn)	433,012	416,111	410,910	415,757	458,216	464,617	430,706	507,052
Total current liabilities	(Btmn)	219,292	204,147	167,457	185,787	198,843	203,928	221,485	234,899
Total long-term liabilities	(Btmn)	305,941	295,394	330,092	323,663	348,293	351,616	353,929	371,983
<b>Total liabilities</b>	<b>(Btmn)</b>	<b>525,233</b>	<b>499,541</b>	<b>497,550</b>	<b>509,450</b>	<b>547,136</b>	<b>555,544</b>	<b>575,414</b>	<b>606,881</b>
Paid-up capital	(Btmn)	114,134	120,822	127,386	127,334	118,459	126,178	131,183	133,370
<b>Total equity</b>	<b>(Btmn)</b>	<b>248,764</b>	<b>262,179</b>	<b>276,917</b>	<b>282,773</b>	<b>284,207</b>	<b>287,137</b>	<b>261,706</b>	<b>296,748</b>
<b>BVPS (Bt)</b>	<b>(Bt)</b>	<b>30.80</b>	<b>32.35</b>	<b>34.67</b>	<b>35.40</b>	<b>35.69</b>	<b>36.16</b>	<b>32.97</b>	<b>37.39</b>

### Cash Flow Statement

FY December 31	Unit	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
Core Profit	(Btmn)	7,474	6,409	6,945	4,737	(5,374)	6,719	2,842	4,208
Depreciation and amortization	(Btmn)	7,014	7,556	6,768	7,279	7,241	7,643	7,473	7,792
Operating cash flow	(Btmn)	23,722	24,355	11,815	(47)	(6,058)	710	8,846	9,141
Investing cash flow	(Btmn)	(7,276)	85,437	(5,425)	3,382	(1,931)	(18,731)	(5,287)	(5,696)
Financing cash flow	(Btmn)	(16,629)	44,509	(16,216)	(8,620)	16,260	2,833	(14,825)	(3,972)
<b>Net cash flow</b>	<b>(Btmn)</b>	<b>(182)</b>	<b>154,301</b>	<b>(9,826)</b>	<b>(5,285)</b>	<b>8,271</b>	<b>(15,188)</b>	<b>(11,266)</b>	<b>(526)</b>

### Key Financial Ratios

FY December 31	Unit	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
Gross margin	(%)	19.1	17.1	19.9	16.4	8.8	7.1	12.8	14.5
Operating margin	(%)	9.2	7.5	10.1	6.9	(1.6)	(2.9)	4.1	5.8
EBITDA margin	(%)	14.2	13.6	16.4	13.1	5.7	3.6	10.0	11.6
EBIT margin	(%)	9.7	8.6	10.8	7.5	(0.1)	(1.9)	4.6	6.6
Net profit margin	(%)	4.7	4.3	5.8	3.7	(4.3)	4.9	2.0	2.7
ROE	(%)	11.8	10.0	10.1	5.3	(7.0)	(6.9)	1.1	4.7
ROA	(%)	3.8	3.3	3.6	1.9	(2.4)	(2.3)	0.4	1.5
Net D/E	(x)	1.4	1.4	1.3	1.3	1.4	1.5	1.5	1.6
Interest coverage	(x)	5.3	4.6	4.8	4.3	1.7	1.1	3.1	4.2
Debt service coverage	(x)	0.5	0.5	0.7	0.5	0.2	0.1	0.5	0.4

### Key statistics

FY December 31	Unit	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
Total sales growth	(%)	19.0	6.5	(13.6)	(9.9)	(20.2)	(8.1)	16.4	20.3
GPM from Thai-livestock	(%)	19.1	16.0	17.1	14.7	4.7	7.6	15.4	19.1
GPM from Thai-aquatic	(%)	13.1	9.4	13.0	15.9	5.2	3.3	11.8	9.9
GPM from CPP HK*	(%)	21.4	n.a.	26.9	17.9	13.1	1.7	10.0	11.3
GPM from other overseas	(%)	15.3	n.a.	17.8	16.7	9.7	11.2	12.6	13.7
FX	(Bt/US\$1)	31.3	30.6	30.3	31.4	32.9	33.4	33.1	34.4

Note\* GPM in 2021 was after CTI deal, which deconsolidated feed business in China, vs GPM in 2020 which consolidated feed business in China.

**Figure 1: Earnings review**

P & L (Btmn)	2Q21	3Q21	4Q21	1Q22	2Q22	% Chg YoY	% Chg QoQ
Total revenue	129,638	125,940	137,781	138,887	155,996	20.3	12.3
Gross profit	21,236	11,101	9,761	17,791	22,624	6.5	27.2
SG&A expense	(12,297)	(13,127)	(13,772)	(12,124)	(13,564)	10.3	11.9
Interest expense	(3,971)	(4,155)	(4,372)	(4,469)	(4,360)	9.8	(2.4)
Pre-tax profit	5,795	(4,218)	(7,034)	1,883	5,960	2.9	216
Corporate tax	(1,641)	1,561	21	(839)	(1,686)	2.7	101.0
Equity a/c profits	753	(1,266)	747	(336)	(793)	n.a.	n.a.
Minority interests	(1,197)	(1,037)	1,362	44	(169)	(85.9)	(483.5)
EBITDA	17,044	7,178	4,981	13,825	18,112	6.3	31.0
Core profit	3,709	(4,959)	(4,904)	752	3,312	(10.7)	340.7
Extra. Gain (Loss)	1,028	(415)	11,624	2,090	896	(13)	(57)
Net Profit	4,737	(5,374)	6,719	2,842	4,208	(11.2)	48.1
EPS	0.57	(0.69)	0.83	0.34	0.51	(10.6)	51.0
<b>B/S (Btmn)</b>							
Total assets	792,223	831,344	842,681	837,121	903,629	14.1	7.9
Total liabilities	509,450	547,136	555,544	575,414	606,881	19.1	5.5
Total equity	282,773	284,207	287,137	261,706	296,748	4.9	13.4
BVPS (Bt)	35.40	35.69	36.16	32.97	37.39	5.6	13.4
<b>Financial ratio (%)</b>							
Gross margin	16.4	8.8	7.1	12.8	14.5	(1.9)	1.7
EBITDA margin	13.1	5.7	3.6	10.0	11.6	(1.5)	1.7
Net profit margin	3.7	(4.3)	4.9	2.0	2.7	(1.0)	0.7
SG&A expense/Revenue	9.5	10.4	10.0	8.7	8.7	(0.8)	(0.0)

Source: SCBS Investment Research

**Figure 2: Operation breakdown by business unit**

Key statistics	2Q21	3Q21	4Q21	1Q22	2Q22	% Chg YoY	% Chg QoQ
<b>Sales (Bt mn)</b>							
Thai-Livestock	40,253	37,871	41,986	44,586	48,043	19.4	7.8
Thai-Aqua	8,299	8,199	7,042	7,034	7,273	(12.4)	3.4
Overseas-Livestock	66,492	67,343	77,214	74,430	84,317	26.8	13.3
Overseas-Aqua	14,594	12,526	11,539	12,837	16,363	12.1	27.5
<b>Total sales (Bt mn)</b>	<b>129,638</b>	<b>125,939</b>	<b>137,781</b>	<b>138,887</b>	<b>155,996</b>	<b>20.3</b>	<b>12.3</b>
<b>Gross margin (%)</b>							
Thai-Livestock	14.7	4.7	7.6	15.4	19.1	4.4	3.7
Thai-Aqua	15.9	5.2	3.3	11.8	9.9	(6.0)	(1.9)
Overseas-Livestock	18.6	11.4	7.1	11.6	13.2	(5.4)	1.6
Overseas-Aqua	11.1	9.4	7.0	11.1	9.9	(1.2)	(1.2)
<b>Total gross margin (%)</b>	<b>16.4</b>	<b>8.8</b>	<b>7.1</b>	<b>12.8</b>	<b>14.5</b>	<b>(1.9)</b>	<b>1.7</b>
<b>EBIT margin (%)</b>							
Thai-Livestock	3.4	(6.8)	(2.2)	7.2	11.1	7.7	3.9
Thai-Aqua	10.2	(0.5)	(4.1)	5.4	4.0	(6.2)	(1.4)
Overseas-Livestock	10.9	3.7	(0.8)	3.8	5.6	(5.3)	1.8
Overseas-Aqua	3.7	0.6	(1.7)	2.0	2.4	(1.3)	0.4
<b>Total EBIT margin (%)</b>	<b>7.7</b>	<b>0.0</b>	<b>(1.5)</b>	<b>4.9</b>	<b>6.9</b>	<b>(0.8)</b>	<b>2.0</b>

Source: SCBS Investment Research

**Figure 3: Valuation summary** (price as of Aug 16, 2022)

	Rating	Price (Bt/Sh)	Target (Bt/Sh)	ETR (%)	P/E (x)			EPS growth (%)			P/BV (x)			ROE (%)			Div. Yield (%)			EV/EBITDA (x)		
					21A	22F	23F	21A	22F	23F	21A	22F	23F	21A	22F	23F	21A	22F	23F	21A	22F	23F
CPF	Outperform	26.25	32.0	24.4	n.m.	21.3	17.3	(100)	13,505	23	0.7	0.7	0.7	0	4	4	2.5	2.5	2.5	13.1	9.9	9.9
GFPT	Outperform	15.00	19.0	28.5	130.7	11.0	10.1	(87)	1,083	10	1.3	1.2	1.1	1	11	11	0.7	1.8	2.0	18.1	8.6	8.0
TU	Neutral	17.20	20.0	21.5	11.2	12.0	11.9	17	(7)	0	1.3	1.2	1.2	13	11	11	5.5	5.2	5.2	9.7	10.1	9.9
<b>Average</b>					<b>70.9</b>	<b>14.8</b>	<b>13.1</b>	<b>(57)</b>	<b>4,860</b>	<b>11</b>	<b>1.1</b>	<b>1.0</b>	<b>1.0</b>	<b>5</b>	<b>9</b>	<b>9</b>	<b>2.9</b>	<b>3.2</b>	<b>3.2</b>	<b>13.6</b>	<b>9.6</b>	<b>9.3</b>

Source: SCBS Investment Research

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