

Charoen Pokphand Foods

(CPF.BK/CPF TB)*

Outperform · Maintained

Price as of 29 May 2023	20.20
12M target price (Bt/shr)	24.50
Unchanged/Revised up(down)(%)	(10.9)
Upside/downside (%)	21.3

Key messages

ผลการดำเนินงานของ CPF จะได้รับผลกระทบอย่างหนักจากการดำเนินงานของบริษัทรวมในจีน (CTI) ซึ่งคาดว่าจะมีผลขาดทุนในปีนี้เนื่องจากราคามูลคั่ว ในขณะที่เดียวกัน เราคาดว่าราคาค่าเงินบาทในประเทศอื่น ๆ จะเผชิญอุปสรรคจากทั้งธุรกิจปศุสัตว์และสัตว์น้ำ ทั้งนี้ เราคาดว่า CPF จะรายงานผลขาดทุนใน 2Q66F ที่น้อยกว่า 2.73 พันล้านบาทใน 1Q66 ก่อนจะฟื้นตัวขึ้นอย่างแข็งแกร่งใน 2H66 เนื่องจากราคาเนื้อสัตว์ฟื้นตัวขึ้น และราคาอาหารสัตว์ลดลง เราปรับลดประมาณการกำไรสุทธิของ CPF ในปี 2566F ลง 45% เหลือ 7.71 พันล้านบาท (-45% YoY) และปี 2567F ลง 14% เหลือ 1.34 หมื่นล้านบาท (+74% YoY) เรายังคงคำแนะนำซื้อ CPF แต่ปรับลดราคาเป้าหมาย SoTP ปี 2566 ลงเหลือ 24.50 บาท จากเดิมที่ 27.50 บาท

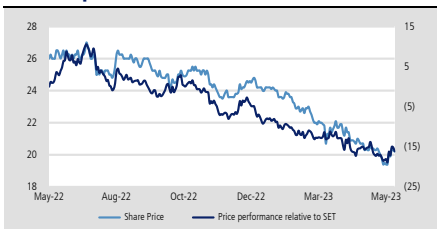
Trading data

Mkt cap (Btmn/US\$m)	173,947/4,349		
Outstanding shares (mn)	8,611		
Foreign ownership (mn)	2,185		
3M avg. daily trading (mn)	17		
52-week trading range (Bt)	19.4-27.0		
Performance (%)	3M	6M	12M
Absolute	-9.0	-11.5	-22.3
Relative	-4.1	-10.3	-16.6

Quarterly EPS

EPS	Q1	Q2	Q3	Q4
2021	0.85	0.57	(0.69)	0.82
2022	0.34	0.51	0.63	0.21
2023	(0.36)	NA	NA	NA

Share price chart



Source: SET

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ผลขาดทุนของ CTI เป็นอุปสรรคใหญ่

Event

ปรับประมาณการ

Impact

ได้รับผลกระทบทั้งบวกและลบจากราคาเนื้อสัตว์ที่ขยับสวนทางกัน

เราปรับลดสมมติฐานยอดขายปี 2566F-2567F ลง 3-4% จากผลกระทบที่แตกต่างกัน ไปของกิจการในแต่ละประเทศที่ CPF ดำเนินการอยู่ โดยเราปรับลดสมมติฐานรายได้ในประเทศไทยปีนี้ลง 1% เนื่องจากรายได้จากธุรกิจหมูและสัตว์น้ำที่ลดลงน่าจะหักล้างไปกับรายได้ที่แข็งแกร่งขึ้นจากธุรกิจไก่ ส่วนภาวะเศรษฐกิจที่ชะลอตัวในเวียดนาม และโรคกุ้งจะส่งผลกระทบต่อปริมาณยอดขายที่เวียดนาม ซึ่งเราคาดว่าจะมีน้ำหนักมากกว่าผลบวกจากราคาหมูที่เพิ่มขึ้น ดังนั้น เราจึงปรับลดสมมติฐานยอดขายในเวียดนามลง 8%-9% ในขณะที่เดียวกัน เรายังปรับลดสมมติฐานรายได้จากประเทศอื่น ๆ ลงอีก 4% เนื่องจากราคาเนื้อสัตว์ และกุ้งอ่อนแอในบางประเทศ อย่างเช่น อินเดีย รัสเซีย และกัมพูชา

ราคาหมูในประเทศจีนจะเป็นอุปสรรคสำคัญต่อผลประกอบการปีนี้

ราคาหมูในประเทศจีนลดลงมาตั้งแต่ปลายปีที่แล้วมาอยู่ที่ CNY14.4/กก. (-19% YTD) ส่งผลให้ CTI (ธุรกิจหมูและอาหารสัตว์) ขาดทุนอย่างหนักใน 1Q66 เราคาดว่าสถานการณ์น่าจะแย่ลงไปอีกในไตรมาสที่สองเพราะเงินกำลังประสบปัญหา COVID-19 กลับมาระบาดอีกครั้ง นอกจากราคาหมูที่เพิ่มขึ้นของผู้ผลิตรายใหญ่ยังมีบทบาทสำคัญที่ช่วยลดราคาหมูลดลงด้วย เรายังคงคาดการณ์ว่าราคาหมูจะฟื้นตัวขึ้นได้คงใช้เวลา เพราะเราคิดว่ารัฐบาลจีนไม่อาจจะรีบเข้ามาแทรกแซงในปีนี้อีก เพื่อควบคุมราคาอาหารไม่ให้สูงเกินไป ดังนั้น เราจึงปรับลดสมมติฐานราคาหมูในประเทศจีนลง 13% เหลือ CNY15.2/กก. ในปี 2566F และ 11% เหลือ CNY17.0/กก. ในปี 2567F

ปรับลดประมาณการกำไรสุทธิปี 2566F ลง 45% และปี 2567F ลง 14%

เราปรับลดประมาณการกำไรสุทธิของ CPF ในปี 2566F ลง 45% เหลือ 7.71 พันล้านบาท (-45% YoY) และปี 2567F ลง 14% เหลือ 1.34 หมื่นล้านบาท (+74% YoY) เนื่องจากเรา i) ปรับลดส่วนแบ่งกำไรจาก JV's และบริษัทรวมในปี 2566F ลง 78% เหลือ 1.96 พันล้านบาท (สาเหตุสำคัญมาจาก CTI และ Hylife) และในปี 2567F ลง 17% เหลือ 9.61 พันล้านบาท (จาก CTI และธุรกิจปศุสัตว์) และ ii) ปรับลดยอดขายปีนี้น้อยลง 4% และปีหน้าลง 3% ทั้งนี้ เราคาดว่า CPF จะรายงานผลขาดทุนใน 2Q66F ที่น้อยกว่า 2.73 พันล้านบาทใน 1Q66 ก่อนจะฟื้นตัวขึ้นอย่างแข็งแกร่งใน 2H66 เนื่องจากราคาเนื้อสัตว์ฟื้นตัวขึ้น และราคาอาหารสัตว์ลดลง

Valuation & action

เรายังคงคำแนะนำซื้อ CPF แต่ปรับลดราคาเป้าหมาย SoTP ปี 2566 ลงเหลือ 24.50 บาท จากเดิมที่ 27.50 บาท (18.50 บาทจากธุรกิจปศุสัตว์ และ 6.00 บาทจากธุรกิจเกษตร)

Risks

ต้นทุนอาหารสัตว์สูง, เศรษฐกิจโลกถดถอย, ความผันผวนของราคาเนื้อสัตว์

Key financials and valuations

	Dec - 20A	Dec - 21A	Dec - 22A	Dec - 23F	Dec - 24F
Revenue (Btmn)	589,713	512,704	614,197	621,372	650,333
Gross Profit (Btmn)	107,243	65,890	81,873	79,357	81,369
SG&A (Btmn)	57,665	50,880	55,001	55,302	57,880
Net Profit (Btmn)	26,022	13,028	13,970	7,711	13,392
Normalized Profit (Btmn)	25,444	2,691	11,426	7,029	13,392
EPS (Bt)	3.14	1.56	1.69	0.9	1.6
DPS (Bt)	1.00	0.65	0.75	0.3	0.5
EPS Growth (%)	43.8	(50.3)	24.3	(46.3)	79.2
P/E (X)	8.5	16.4	14.7	22.2	12.4
P/B (X)	1.2	1.0	0.8	0.7	0.6
EV/EBITDA (X)	7.1	13.2	12.3	13.2	12.3
Net Debt to Equity (%)	124.4	136.0	149.7	146.7	143.4
Dividend Yield (%)	5.0	2.5	3.0	1.5	2.7
Return on Average Equity (%)	14.4	6.4	5.9	3.0	5.0

Source: Company data, KGI Securities Research

Figure 1: CPF's earnings revisions

	2023F			2024F		
	Revised	Previous	Change Percent	Revised	Previous	Change Percent
Financials (Btmn)						
Sales	621,372	645,850	(3.8)	650,333	668,600	(2.7)
COGS	542,015	564,062	(3.9)	568,965	585,305	(2.8)
SG&A	55,302	57,481	(3.8)	57,880	59,505	(2.7)
Bio asset gain (loss)	1,500	1,500	0.0	350	350	0.0
Share of profit	1,955	8,829	(77.9)	9,609	11,622	(17.3)
Interest expense	23,558	23,558	0.0	23,614	23,614	0.0
Income tax	1,547	1,422	8.8	1,017	1,077	(5.6)
Net profit	7,711	14,119	(45.4)	13,392	15,629	(14.3)
Normalized profit	7,029	14,119	(50.2)	13,392	15,629	(14.3)
EPS (Bt/shr)	0.91	1.68	(46.0)	1.63	1.86	(12.7)
Key financial ratio (%)			ppts			ppts
GPM	12.8	12.7	0.1	12.5	12.5	0.0
SG&A/Sale	8.9	8.9	0.0	8.9	8.9	0.0
Net profit margin	1.2	2.2	(0.9)	2.1	2.3	(0.3)

Source: Company data, KGI Research estimates

Figure 2: Key assumptions

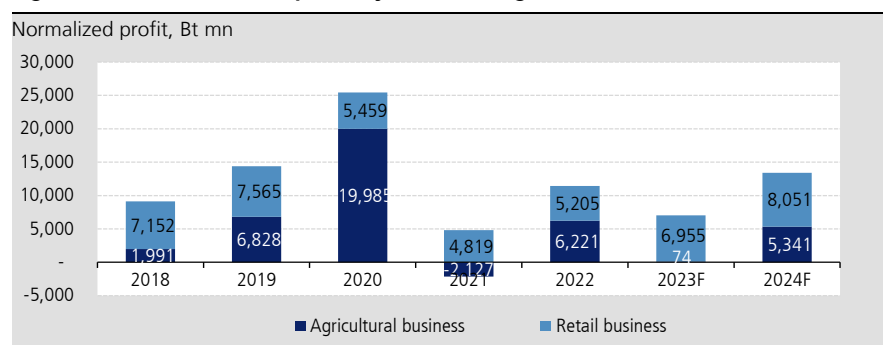
Our assumptions	2019	2020	2021	2022	Revised		Previous		Change (percent)		1Q22	2Q22	3Q22	4Q22	1Q23	
					2023F	2024F	2023F	2024F	2023F	2024F						
Meat price																
Thai swine price (Bt/kg)	68.4	74.6	75.5	99.1	82.0	82.0	90.0	82.0	-8.9	0.0	94.3	97.5	103.0	101.7	88.0	
Thai broiler price (Bt/kg)	35.3	33.0	32.1	42.8	43.0	43.0	40.0	37.0	7.5	16.2	39.3	40.8	46.3	44.7	40.4	
Vietnam swine price (VND/kg)	46,511	74,654	59,791	55,944	53,000	52,000	52,000	52,000	1.9	0.0	52,809	55,387	62,760	52,819	50,045	
China swine price (CNY/kg)*			21.0	18.7	15.2	17.0	17.5	19.0	-13.1	-10.5	13.3	15.1	22.6	23.9	15.2	
Revenue breakdown by country																
Thailand	175,966	180,570	189,191	224,356	224,628	235,723	227,149	229,561	-1.1	2.7	51,620	55,316	57,827	59,593	56,109	
Vietnam	85,390	107,793	111,111	124,634	120,610	123,037	130,333	134,586	-7.5	-8.6	28,954	33,280	32,497	29,903	27,398	
China (Exc. CTI since 1Q21)	129,457	157,688	30,456	36,794	38,634	40,565	40,448	42,471	-4.5	-4.5	7,517	8,846	10,194	10,237	9,530	
Others	141,760	143,662	181,946	228,413	237,500	251,008	247,920	261,983	-4.2	-4.2	50,796	58,554	59,748	59,315	50,744	
Feed price																
Imported soybean meal price (Bt/kg)	13.7	14.0	18.4	21.7	21.8	20.0	21.8	20.0	0.0	0.0	20.4	21.9	22.1	22.3	22.9	
Corn price (Bt/kg)	9.1	9.0	10.1	12.3	12.8	12.5	12.8	11.5	0.0	8.7	11.6	13.1	12.1	12.6	13.3	
Share of profit	8,893	9,254	4,167	3,745	1,955	9,609	8,829	11,622	-77.9	-17.3	-336	-793	2,294	2,580	-1,088	
Retailed business (Bt mn)	7,565	5,459	4,819	5,205	6,955	8,051	6,960	8,617	-0.1	-6.6	1,350	1,161	1,398	1,296	1,596	
Others	1,328	3,794	-652	-1,460	-5,000	1,558	1,870	3,005	-367.4	-48.2	-1,686	-1,954	896	1,284	-2,684	

Source: Company data, KGI Research estimates

Figure 3: CPF's SoTP valuation

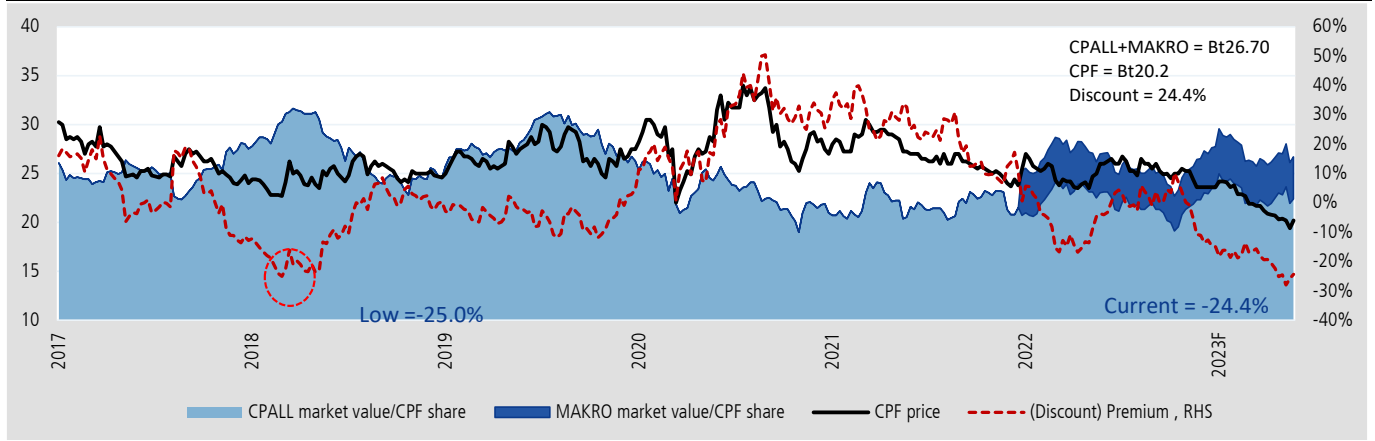
	EPS	PER	Target price
Agricultural Business (2024F)	0.61	10	6.1
Agricultural Business (2023F, WACC 5.9%)			6.0
Retails Business (2023F)	0.88	35	30.8
Retails Business Discount (40%)			18.5
SoTP Valuation 2023F			24.5

Source: Company data, KGI Securities Research

Figure 4: CPF's normalized profit by business segment


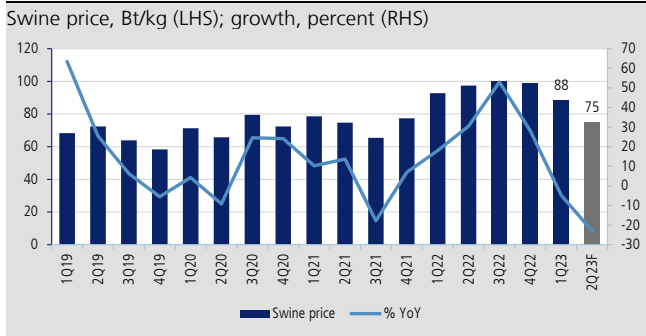
Source: Company data, KGI Securities Research

Figure 5: CPF's share price vs market value of investment in retail business



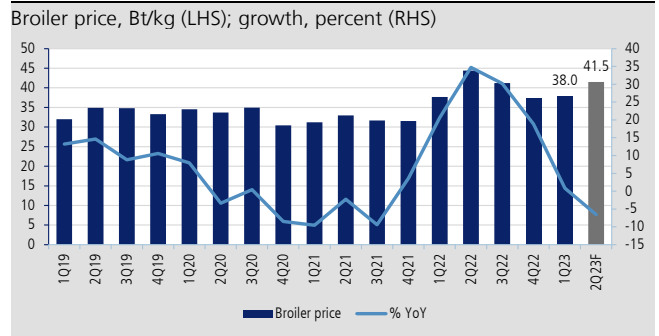
Source: Company data, KGI Research estimates

Figure 6: Domestic swine price



Source: Thaifeedmill, KGI Securities Research

Figure 7: Domestic broiler price



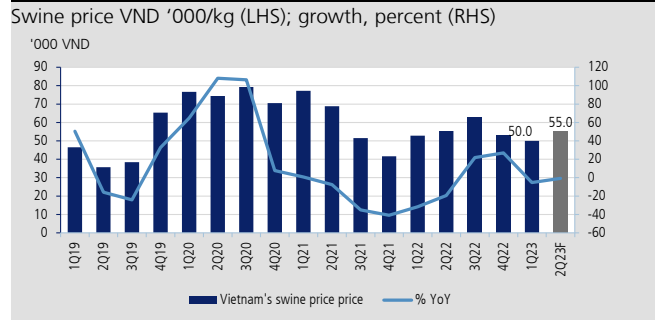
Source: Thaifeedmill, KGI Securities Research

Figure 8: China's swine price



Source: <http://zhujia.zhuwang.cc>, KGI Securities Research

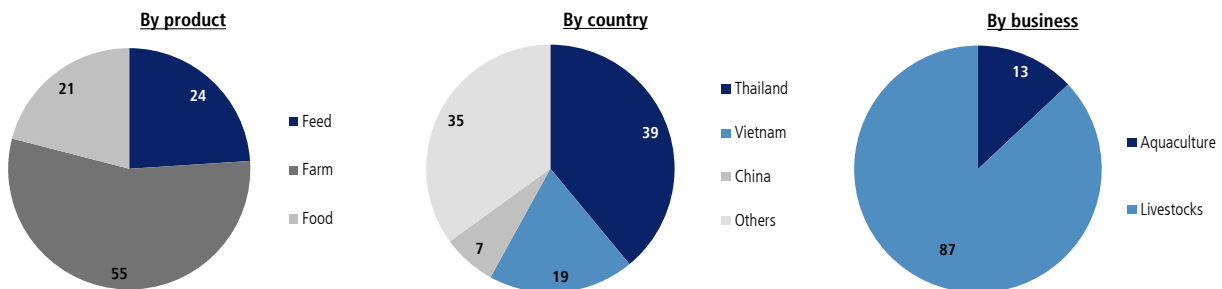
Figure 9: Vietnam's swine price



Source: Charoen Pokphand Foods, KGI Securities Research

Figure 10: CPF's sales revenue breakdown in 1Q23

Percent



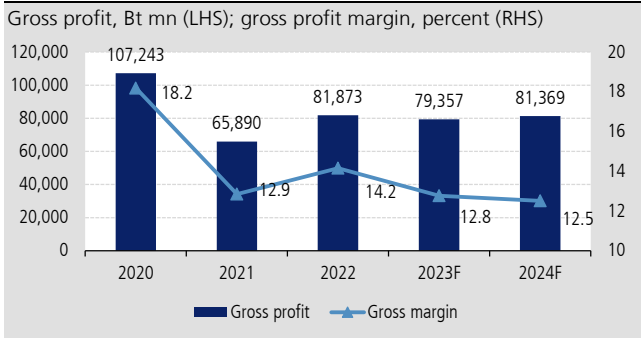
Source: Company data, KGI Securities Research

Figure 11: Company profile

Charoen Pokphand Foods (CPF) engages in agro-industrial and food conglomerate with three product categories : i) feed business involving production and sale of animal feed, ii) farm-processing business involving breeding, farming and basic meat processing, iii) food business involving production of semi-cooked and cooked meet as well as ready-meal products including food retail and food outlets.

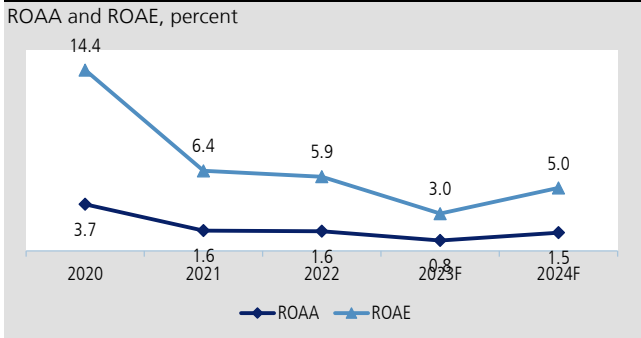
Source: Company data

Figure 13: Gross profit



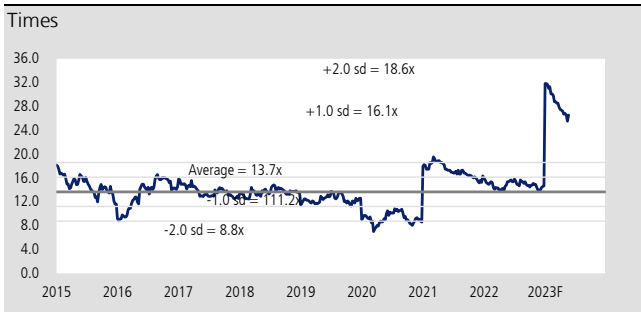
Source: Company data, KGI Securities Research

Figure 15: Company ROAA and ROAE



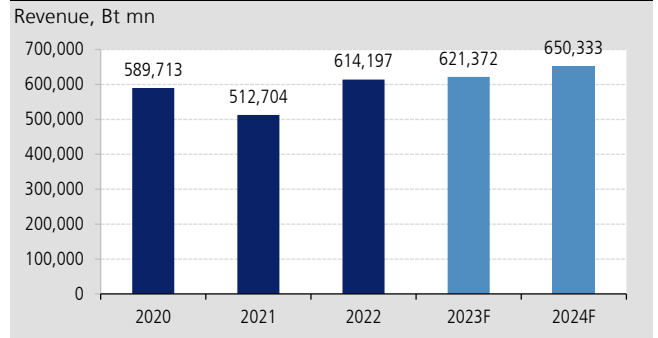
Source: Company data, KGI Securities Research

Figure 17: PER



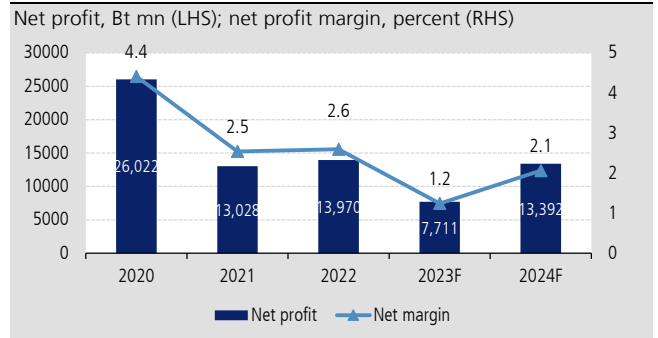
Source: Company data, KGI Securities Research

Figure 12: Revenue



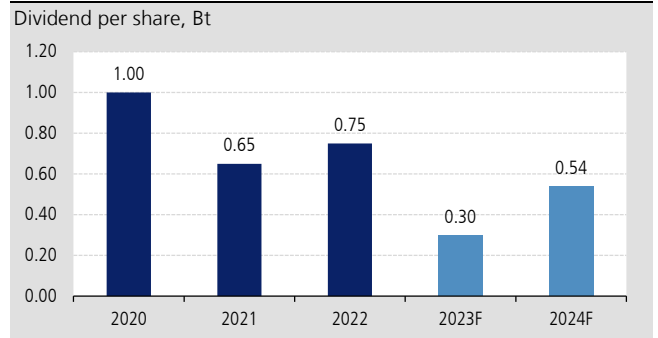
Source: Company data, KGI Securities Research

Figure 14: Net profit



Source: Company data, KGI Securities Research

Figure 16: Dividend



Source: Company data, KGI Securities Research

Figure 18: PBV



Source: Company data, KGI Securities Research

Quarterly Income Statement

Bt mn	MAR-21A	JUN-21A	SEP-21A	DEC-21A	MAR-22A	JUN-22A	SEP-22A	DEC-22A	MAR-23A
Income Statement (Bt mn)									
Revenue	119,345.9	129,637.6	125,939.7	137,781.2	138,887.0	155,995.8	160,266.0	159,048.2	143,781.0
Cost of Good Sold	(95,554.6)	(108,401.3)	(114,839.0)	(128,019.9)	(121,096.4)	(133,371.7)	(136,286.8)	(141,569.1)	(128,202.4)
Gross Profit	23,791.3	21,236.3	11,100.7	9,761.3	17,790.6	22,624.1	23,979.2	17,479.0	15,578.7
Operating Expenses	(11,683.9)	(12,297.5)	(13,127.4)	(13,771.7)	(12,124.0)	(13,563.7)	(14,385.2)	(14,927.9)	(12,786.9)
Other incomes	595.5	541.6	1,749.1	1,186.7	512.5	1,136.9	970.3	1,297.9	871.2
Operating Profit	12,702.9	9,480.4	(277.7)	(2,823.7)	6,179.2	10,197.3	10,564.4	3,849.0	3,662.9
Depretiation of Fixed assets	6,767.6	7,232.7	8,086.7	6,843.8	7,472.9	7,792.1	8,357.2	8,584.9	-
Operating EBITDA	19,470.5	16,713.2	7,809.1	4,020.2	13,652.1	17,989.4	18,921.6	12,433.9	3,662.9
Non-Operating Income	151.5	468.0	377.3	461.3	132.0	59.4	611.5	192.7	307.9
Interest Income	145.9	221.1	214.7	161.4	173.2	207.6	217.8	244.2	280.2
Other Non-op Income	5.7	247.0	162.6	299.9	(41.2)	(148.2)	393.7	(51.5)	27.7
Non-Operating Expenses	(4,172.1)	(4,496.4)	(7,416.9)	(2,892.1)	(3,371.1)	(3,630.9)	(6,379.8)	(5,565.4)	(6,109.7)
Interest Expenses	(4,098.4)	(3,970.9)	(4,154.8)	(4,372.0)	(4,469.2)	(4,360.1)	(5,494.2)	(6,034.5)	(6,068.4)
Other Non-Op Expenses	(73.7)	(525.5)	(3,262.1)	1,479.9	1,098.1	729.1	(885.6)	469.1	(41.3)
Net investment income/(loss)	2,043.1	753.2	(1,266.0)	2,636.5	(336.4)	(792.8)	2,294.4	2,580.1	(1,087.5)
Pre-tax Profit	10,725.4	6,205.3	(8,583.2)	(2,617.9)	2,603.6	5,832.9	7,090.4	1,056.4	(3,226.4)
Current Taxation	(2,117.3)	(1,752.2)	1,266.3	(50.4)	(1,158.2)	(3,522.4)	(2,020.4)	698.0	(429.2)
Minorities	(1,672.9)	(747.9)	467.8	902.6	(154.1)	(263.7)	10.0	(46.3)	79.0
Extraordinary items	10.3	1,032.1	1,474.9	8,485.6	1,550.7	2,161.2	27.8	103.6	851.3
Net Profit	6,945.5	4,737.3	(5,374.3)	6,719.8	2,842.0	4,208.1	5,107.7	1,811.6	(2,725.3)
EPS (Bt)	0.85	0.57	(0.69)	0.82	0.34	0.51	0.63	0.21	(0.36)
Margins (%)									
Gross Profit Margin	19.9	16.4	8.8	7.1	12.8	14.5	15.0	11.0	10.8
Operating EBIT Margin	10.6	7.3	(0.2)	(2.0)	4.4	6.5	6.6	2.4	2.5
Operating EBITDA Margin	16.3	12.9	6.2	2.9	9.8	11.5	11.8	7.8	2.5
Net Profit Margin	5.8	3.7	(4.3)	4.9	2.0	2.7	3.2	1.1	(1.9)
Growth (% YoY)									
Revenue Growth	(13.6)	(9.9)	(20.2)	(8.1)	16.4	20.3	27.3	15.4	3.5
Operating EBIT Growth	5.8	(27.6)	(101.8)	(122.0)	(51.4)	7.6	NM	NM	(40.7)
Operating EBITDA Growth	3.2	(16.4)	(64.7)	(80.3)	(29.9)	7.6	142.3	209.3	(73.2)
Net Profit Growth	13.7	(21.4)	(171.9)	4.9	(59.1)	(11.2)	NM	(73.0)	(195.9)

Source: Company data, KGI Securities Research

Balance Sheet

As of 31 Dec (Bt mn)	2020	2021	2022	2023F	2024F
Total Asset	761,719	842,681	926,987	905,831	922,944
Current Asset	194,670	216,550	233,219	205,999	209,729
Cash and ST Investment	57,997	40,296	36,215	20,583	22,215
Inventories	52,136	73,431	83,080	74,565	78,040
Account Receivable	29,952	38,471	43,221	38,974	40,790
Others	54,585	64,352	70,703	71,877	68,684
Non-Current Assets	567,049	626,130	693,768	699,832	713,215
LT investment	251,757	267,867	279,989	286,784	296,393
Net Fixed Assets	300,220	339,637	388,770	391,826	394,998
Others	15,072	18,626	25,009	21,221	21,823
Total Liabilities	499,541	555,544	627,144	600,317	608,246
Current Liabilities	204,147	203,928	266,978	247,590	251,901
Account Payable	32,312	44,372	50,964	49,710	52,027
ST Borrowings	144,223	133,916	188,473	168,491	168,659
Others	27,612	25,640	27,541	29,389	31,216
LT Liabilities	295,394	351,616	360,166	352,727	356,345
Long-term Debts	271,889	330,701	332,081	336,882	338,304
Others	23,505	20,915	28,085	15,844	18,041
Shareholder's Equity	262,179	287,137	299,844	305,515	314,698
Common Stock	8,611	8,611	8,611	8,611	8,611
Capital Surplus	132,745	152,348	153,378	153,846	154,131
Retained Earnings	120,822	126,178	137,854	143,057	151,956
Preferred Stock	-	-	-	-	-

Source: KGI Securities Research

Key Ratios

Year to 31 Dec (Bt mn)	2020	2021	2022	2023F	2024F
Forecast Drivers					
Growth (% YoY)					
Sales	10.7	(13.1)	19.8	1.2	4.7
OP	116.0	(64.0)	61.4	(8.9)	(2.0)
EBITDA	71.0	(41.0)	31.2	(6.1)	(1.8)
NP	41.0	(49.9)	7.2	(44.8)	73.7
EPS	43.8	(50.3)	8.4	(46.3)	79.2
Profitability (%)					
Gross Profit Margin	18.2	12.9	13.3	12.8	12.5
Operating Margin	9.0	3.7	5.0	4.5	4.2
Operating EBITDA Margin	13.8	9.4	10.3	9.5	8.9
Net Profit Margin	4.4	2.5	2.3	1.2	2.1
ROAA	3.7	1.6	1.6	0.8	1.5
ROAE	14.4	6.4	5.9	3.0	5.0
Stability					
Gross Debt/Equity (%)	260.3	258.3	244.9	229.8	225.1
Net Debt/Equity (%)	230.0	239.6	230.8	221.9	216.9
Interest coverage (x)	4.3	2.0	2.0	1.4	1.6
Interest & ST Debt Coverage (x)	1.2	0.6	0.4	0.4	0.5
Cash Flow Interest Coverage (x)	4.2	(0.1)	0.8	1.5	1.7
Cash Flow/Interest & ST Debt (x)	1.2	(0.0)	0.2	0.5	0.5
Current Ratio (x)	1.0	1.1	0.9	0.8	0.8
Quick Ratio (x)	0.4	0.4	0.3	0.2	0.3
Net Debt (Bt mn)	441,544	515,248	590,929	579,734	586,031
Per Share Data (bt)					
EPS	3.14	1.56	1.69	0.91	1.63
CFPS	8.76	-0.13	2.04	4.59	5.21
BVPS	23.68	26.98	32.26	33.09	34.22
SPS	72.76	64.33	77.39	78.69	82.36
EBITDA/Share	11.63	7.00	8.27	7.24	7.87
DPS	1.00	0.65	0.75	0.30	0.54
Activity					
Asset Turnover (x)	0.8	0.6	0.7	0.7	0.7
Day Receivables	19.5	24.4	24.3	24.1	22.4
Day Inventories	42.8	51.3	53.7	53.1	48.9
Day Payable	24.9	29.9	32.1	34.4	32.4
Cash Cycle	37.5	45.7	45.8	42.8	38.9

Source: KGI Securities Research

Profit & Loss

Year to 31 Dec (Bt mn)	2020	2021	2022	2023F	2024F
Revenue	589,713	512,704	614,197	621,372	650,333
Cost of Goods Sold	(482,470)	(446,815)	(532,324)	(542,015)	(568,965)
Gross Profit	107,243	65,890	81,873	79,357	81,369
Operating Expenses	(57,665)	(50,880)	(55,001)	(55,302)	(57,880)
Other Income	3,416	4,073	3,918	4,000	4,000
Operating Profit	52,994	19,082	30,790	28,055	27,489
Depreciation of Fixed Asset	28,328	28,931	32,207	31,114	30,618
Operating EBITDA	81,323	48,013	62,997	59,169	58,108
Non-Operating Income	1,882	1,458	996	888	860
Interest Income	770	743	843	800	800
Other Non-op Income	1,112	715	153	88	60
Non-Operating Expenses	(17,088)	(18,977)	(18,947)	(22,058)	(23,264)
Interest Expenses	(16,818)	(16,596)	(20,358)	(23,558)	(23,614)
Other Non-Op Expenses	(270)	(2,381)	1,411	1,500	350
Net investment income/(loss)	9,254	4,167	3,745	1,955	9,609
Pre-tax Profit	47,042	5,730	16,583	8,840	14,694
Current Taxation	(11,001)	(2,654)	(6,003)	(1,547)	(1,017)
Minorities	(18,070)	(1,050)	(454)	(433)	(285)
Extraordinary items	8,051	11,003	3,843	851	0
Net Profit	26,022	13,028	13,970	7,711	13,392
EPS (Bt)	3.14	1.56	1.69	0.91	1.63

Source: KGI Securities Research

Cash Flow

Year to 31 Dec (Bt mn)	2020	2021	2022	2023F	2024F
Operating Cash Flow	71,038	(1,008)	16,210	36,259	41,145
Net Profit	44,092	14,079	14,424	8,144	13,677
Depreciation and Amortization	28,328	28,931	32,207	31,114	30,618
Change in Working Capital	(12,962)	(44,018)	(30,420)	(2,999)	(3,150)
Others	11,579	0	0	0	0
Investment Cash Flow	(75,919)	(22,705)	(25,723)	(34,239)	(36,609)
Net CAPEX	(25,832)	(23,304)	(27,362)	(27,000)	(27,000)
Change in LT Investment	(57,737)	(9,753)	(2,800)	(6,795)	(9,609)
Change in Other Assets	7,650	10,352	4,438	(443)	0
Free Cash Flow	45,206	(24,312)	(11,151)	9,259	14,145
Financial Cash Flow	28,841	(5,744)	(12,858)	(17,686)	(2,905)
Change in Share Capital	(17,273)	(15,298)	(36,509)	(2,507)	(4,494)
Net Change in Debt	50,990	14,600	29,213	(16,427)	4,822
Change in other LT Liab.	(4,875)	(5,046)	(5,563)	1,248	(3,233)
Net Cash Flow	23,960	(29,457)	(22,371)	(15,666)	1,632

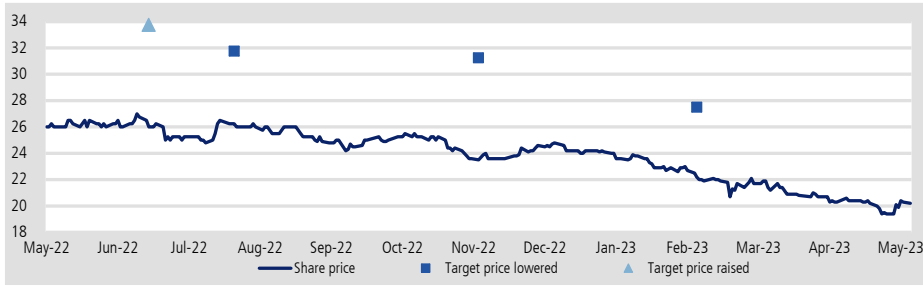
Source: KGI Securities Research

Rates of Return on Invested Capital

Year	1- $\frac{\text{Cost of Goods Sold}}{\text{Revenue}}$	+ $\frac{\text{Depreciation}}{\text{Revenue}}$	+ $\frac{\text{Op. Expenses}}{\text{Revenue}}$	= Operating Margin		
2020	81.3%	0.0%	9.7%	8.9%		
2021	86.5%	0.0%	9.8%	3.7%		
2022	86.1%	0.0%	8.9%	5.0%		
2023F	86.7%	0.0%	8.8%	4.5%		
2024F	87.0%	0.0%	8.8%	4.2%		
Year	1/ $\frac{\text{Working Capital}}{\text{Revenue}}$	+ $\frac{\text{Net PPE}}{\text{Revenue}}$	+ $\frac{\text{Other Assets}}{\text{Revenue}}$	= Capital Turnover		
2020	-0.02	0.51	0.45	1.06		
2021	0.02	0.66	0.55	0.81		
2022	-0.05	0.63	0.49	0.94		
2023F	-0.07	0.63	0.49	0.95		
2024F	-0.06	0.60	0.49	0.98		
Year	Operating Margin	X	Capital Turnover	X	Cash Tax Rate	= AKer-tax Return on Inv. Capital
2020	8.9%		1.1		24.00	2.3
2021	3.7%		0.8		21.12	0.6
2022	5.0%		0.9		25.00	1.2
2023F	4.5%		1.0		20.00	0.9
2024F	4.2%		1.0		20.00	0.8

Source: KGI Securities Research

Charoen Pokphand Foods - Recommendation & target price history



Date	Rating	Target	Price
28-Feb-23	Outperform	27.50	22.20
28-Nov-22	Outperform	31.25	23.50
17-Aug-22	Outperform	31.75	26.25
12-Jul-22	Outperform	33.75	26.00

Source: KGI Securities Research

Corporate Governance Report of Thai Listed Companies



Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	EGCO	ELECTRICITY GENERATING	PTTEP	PTT EXPLORATION AND PRODUCTION
ADVANC	ADVANCED INFO SERVICE	GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL
AMA	AMA MARINE	GGC	GLOBAL GREEN CHEMICALS	PYLON	PYLON
AMATA	AMATA CORPORATION	GPSC	GLOBAL POWER SYNERGY	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	HANA	HANA MICROELECTRONICS	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
AOT	AIRPORTS OF THAILAND	HMPRO	HOME PRODUCT CENTER	RS	RS
AP	ASIAN PROPERTY DEVELOPMENT	INTUCH	SHIN CORPORATION	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	IRPC	IRPC	SCC	THE SIAM CEMENT
BCP	THE BANGCHAK PETROLEUM	IVL	INDORAMA VENTURES	SCCC	SIAM CITY CEMENT
BCPG	BCPG	KBANK	KASIKORNBANK	SEAFCO	SEAFCO
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KCE	KCE ELECTRONICS	SMPC	SAHAMITR PRESSURE CONTAINER
BEC	BEC WORLD	KKP	KIATNAKIN BANK	SPALI	SUPALAI
BEM	BANGKOK EXPRESSWAY AND METRO	KTB	KRUNG THAI BANK	SPRC	STAR PETROLEUM REFINING
BGRIM	B. GRIMM POWER	KTC	KRUNGTHAI CARD	SVI	SVI
BPP	BANPU POWER	LH	LAND AND HOUSES	TACC	T.A.C. CONSUMER
BTS	BTS GROUP HOLDINGS	LPN	L.P.N. DEVELOPMENT	TCAP	THANACHART CAPITAL
CENTEL	CENTRAL PLAZA HOTEL	MAKRO	SIAM MAKRO	THCOM	THAI COM
CK	CH. KARNCHANG	MBK	MBK	TISCO	TISCO FINANCIAL GROUP
CKP	CK POWER	MINT	MINOR INTERNATIONAL	TOP	THAI OIL
CPALL	CP ALL	MTC	MUANGTHAI CAPITAL	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	PLANB	PLAN B MEDIA	TTB	TMBTHANACHART BANK
CPN	CENTRAL PATTANA	PSH	PRUKSA HOLDING	VGI	VGI GLOBAL MEDIA
DELTA	DELTA ELECTRONICS (THAILAND)	PTG	PTG ENERGY	WHA	WHA CORPORATION
DTAC	TOTAL ACCESS COMMUNICATION	PTT	PTT	WHAUP	



Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	GULF	GULF ENERGY DEVELOPMENT	SAPPE	SAPPE
BBL	BANGKOK BANK	JMT	JMT NETWORK SERVICES	SAWAD	SRI SAWAD POWER 1979
CBG	CARABAO GROUP	LPH	LADPRAO GENERAL HOSPITAL	SINGER	SINGER THAILAND
CHG	CHULARAT HOSPITAL	M	MK RESTAURANT GROUP	SPA	SIAM WELLNESS GROUP
COM7	COM7	MAJOR	MAJOR CINEPLEX GROUP	TFG	THAIFOODS GROUP
DOHOME	DOHOME	MEGA	MEGA LIFESCIENCES	TKN	TAOKAENOI FOOD & MARKETING
ERW	THE ERWAN GROUP	NETBAY	NETBAY	ZEN	ZEN CORPORATION GROUP
GLOBAL	SIAM GLOBAL HOUSE	OSP	OSOTSPA		



Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
BCH	BANGKOK CHAIN HOSPITAL	ESSO	ESSO (THAILAND)	SF	SIAM FUTURE DEVELOPMENT
BH	BUMRUNGRAD HOSPITAL	HUMAN	HUMANICA	SISB	SISB
EKH	EKACHAI MEDICAL CARE	RBF	R&B FOOD SUPPLY	TPCH	TPC POWER HOLDING

Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
IIG	I&I GROUP	OR	PTT OIL AND RETAIL BUSINESS	STGT	SRI TRANG GLOVES (THAILAND)
KEX	KERRY EXPRESS (THAILAND)	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION		

Source: www.thai-iod.com

Disclaimer: The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an assessment of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of such survey result.

Anti-corruption Progress Indicator

Level 5: Extended

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	GLOBAL	SIAM GLOBAL HOUSE	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	GPSC	GLOBAL POWER SYNERGY	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BBL	BANGKOK BANK	HMPRO	HOME PRODUCT CENTER	ROBINS	ROBINSON DEPARTMENT STORE
BCH	BANGKOK CHAIN HOSPITAL	IRPC	IRPC	SCC	THE SIAM CEMENT
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KBANK	KASIKORN BANK	SIRI	SANSIRI
BIGC	BIG C SUPERCENTER	KCE	KCE ELECTRONICS	SPALI	SUPALAI
CK	CH. KARNCHANG	KKP	KIATNAKIN BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
DCC	DYNASTY CERAMIC	KTB	KRUNG THAI BANK	TCAP	THANACHART CAPITAL
DELTA	DELTA ELECTRONICS (THAILAND)	LPH	LADPRAO GENERAL HOSPITAL	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	PACE	PACE DEVELOPMENT CORPORATION	TMT	THAI METAL TRADE
EGCO	ELECTRICITY GENERATING	PTT	PTT	TOP	THAI OIL
GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL		

Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	ERW	THE ERAWAN GROUP	SAPPE	SAPPE
AP	ASIAN PROPERTY DEVELOPMENT	GLOW	GLOW ENERGY	SAWAD	SRISAWAD POWER 1979
BA	BANGKOK AIRWAYS	GUNKUL	GUNKUL ENGINEERING	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	ILINK	INTERLINK COMMUNICATION	SCN	SCAN INTER
BCP	THE BANGCHAK PETROLEUM	KTC	KRUNGTHAI CARD	SEAFECO	SEAFECO
BH	BUMRUNGRAD HOSPITAL	LH	LAND AND HOUSES	SVI	SVI
BJCHI	BJC HEAVY INDUSTRIES	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CBG	CARABAO GROUP	MAKRO	SIAM MAKRO	TKN	TAOKAENOI FOOD & MARKETING
CENTEL	CENTRAL PLAZA HOTEL	MALEE	MALEE SAMPRAN	TMB	TMB BANK
CHG	CHULARAT HOSPITAL	MINT	MINOR INTERNATIONAL	TRT	TIRATHAI
CKP	CK POWER	MODERN	MODERNFORM GROUP	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	NOK	NOK AIRLINES	TVO	THAI VEGETABLE OIL
CPN	CENTRAL PATTANA	PTTEP	PTT EXPLORATION AND PRODUCTION		
DTAC	TOTAL ACCESS COMMUNICATION	PYLON	PYLON		

Level 3: Established

Stock	Company name	Stock	Company name	Stock	Company name
BEM	BANGKOK EXPRESSWAY AND METRO	MTLS	MUANGTHAI LEASING	SPRC	STAR PETROLEUM REFINING
CPALL	CP ALL	SCI	SCI ELECTRIC		

No progress

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	BPP	BANPU POWER	FN	FN FACTORY OUTLET
BPCG	BPCG	BTS	BTS GROUP HOLDINGS	TPCH	TPC POWER HOLDING

Source: www.cgthailand.org

Disclaimer: The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made in order to comply with the policy and sustainable development plan for the listed companies. The relevant institution made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of the assessment result.

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KGI's Ratings

Rating	Definition
Outperform (OP)	The stock's excess return over the next twelve months is ranked in the top 40% of KGI's coverage universe in the related market (e.g. Taiwan)..
Neutral (N)	The stock's excess return over the next twelve months is ranked in the range between the top 40% and the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan)
Under perform (U)	The stock's excess return over the next twelve months is ranked in the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan).
Not Rated (NR)	The stock is not rated by KGI.
Restricted (R)	KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances. Excess return = 12M target price/current price-
Note	When an analyst publishes a new report on a covered stock, we rank the stock's excess return with those of other stocks in KGI's coverage universe in the related market. We will assign a rating based on its ranking. If an analyst does not publish a new report on a covered stock, its rating will not be changed automatically.

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