

HOLD (Unchanged)
Change in Numbers

TP: Bt 23.00
Upside : 10.0%

(From: Bt 25.00)

27 JANUARY 2026

Charoen Pokphand Foods (CPF TB)

A trading opportunity

Pork prices in Vietnam have rebounded, and this should result in a quarterly earnings turnaround in 1Q26F for CPF. Although this could be a short-term trading opportunity, we maintain our HOLD on CPF as we still have low conviction on a long-term pork price recovery trend.



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Rebound in pork prices but maintain HOLD

We believe rebounding pork prices in Vietnam should result in an earnings turnaround in 1Q26F for CPF. Although this could be a trading opportunity for CPF shares, we maintain our HOLD call on the stock. *First*, the pork price recovery in Vietnam is due to renewed ASF outbreaks, which could last another two quarters. But due to still-weak pork prices in the other main markets in China and Thailand, we estimate 2026F profit to fall 35% from the high earnings base in 2025F, driven by abnormally high pork prices in key markets. *Second*, we remain concerned about losses from the China operations due to oversupply. Due to weaker-than-expected China pork prices, we cut our earnings estimates by 12/12/7% over 2025–27F and our DCF-based 12-month TP (2026F base year) to Bt23 (from Bt25). *Third*, while we expect the rebound in Vietnam pork prices to support earnings, CPF is fairly valued in our view, trading at 0.7x 2026F P/BV vs. a 6.3% ROE and a dividend yield of 4.3%.

Renewed ASF outbreaks in Vietnam

The swine price in Vietnam rebounded sharply to VND72,000/kg in January 2026. This is 10% above the 1Q25 average and 35% above 4Q25's average. The price rise was due to tighter supply because of renewed ASF outbreaks. We expect this recovery to continue for the next two quarters due to the normal six- to nine-month production cycle. In Thailand, the pork price rebounded from Bt58/kg in September 2025 to around Bt70/kg, largely due to short-term factors in 4Q25: a post-flood demand recovery, a temporary disruption in supply due to a Cambodian slaughterhouse shortage, and seasonal demand.

China remains a key drag

The pork price in China fell to a record low of CNY11/kg in October 2025 and has since recovered modestly to CNY12.7/kg. However, this is still near the breakeven level of CNY13–14/kg. We expect the oversupply in China to persist, which will likely keep a cap on pork prices. The government's plan to cut 1m breeding pigs is immaterial relative to the total production of around 41m tonnes. We cut our China pork price assumptions by 13/6% to CNY14.0/14.5 per kg for 2027–28F.

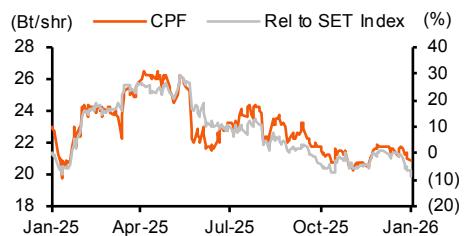
Fairly valued, in our view

We believe CPF's share price is fairly valued, trading at 0.7x 2026F P/BV vs. a 6.3% ROE and a 4.3% dividend yield. CPF holds 34.5% in CP All (CPALL TB, Bt43.25, BUY) and 8.85% in CP Axtre Pcl (CPAXT TB, Bt15.20, HOLD). At CPALL and CPAXT's current prices, the investment value is Bt17.6 per CPF share. This provides downside protection for CPF.

COMPANY VALUATION

Y/E Dec (Bt m)	2024A	2025F	2026F	2027F
Sales	580,747	578,901	589,434	604,214
Net profit	19,558	25,914	16,807	17,647
Consensus NP	—	27,431	23,152	23,479
Diff frm cons (%)	—	(5.5)	(27.4)	(24.8)
Norm profit	18,939	25,914	16,807	17,647
Prev. Norm profit	—	29,390	19,136	18,918
Chg frm prev (%)	—	(11.8)	(12.2)	(6.7)
Norm EPS (Bt)	2.3	3.1	2.0	2.1
Norm EPS grw (%)	na	36.8	(35.1)	5.0
Norm PE (x)	9.3	6.8	10.5	10.0
EV/EBITDA (x)	9.2	7.8	9.5	8.8
P/BV (x)	0.7	0.7	0.7	0.6
Div yield (%)	4.8	6.6	4.3	4.5
ROE (%)	7.8	10.2	6.3	6.4
Net D/E (%)	147.8	132.2	123.3	111.0

PRICE PERFORMANCE



COMPANY INFORMATION

Price as of 27-Jan-26 (Bt)	20.90
Market Cap (US\$ m)	5,659.2
Listed Shares (m shares)	8,407.0
Free Float (%)	48.0
Avg Daily Turnover (US\$ m)	13.7
12M Price H/L (Bt)	26.50/19.80
Sector	FOOD
Major Shareholder	CP Group 37.07%

Sources: Bloomberg, Company data, Thanachart estimates

Renewed ASF outbreaks in Vietnam

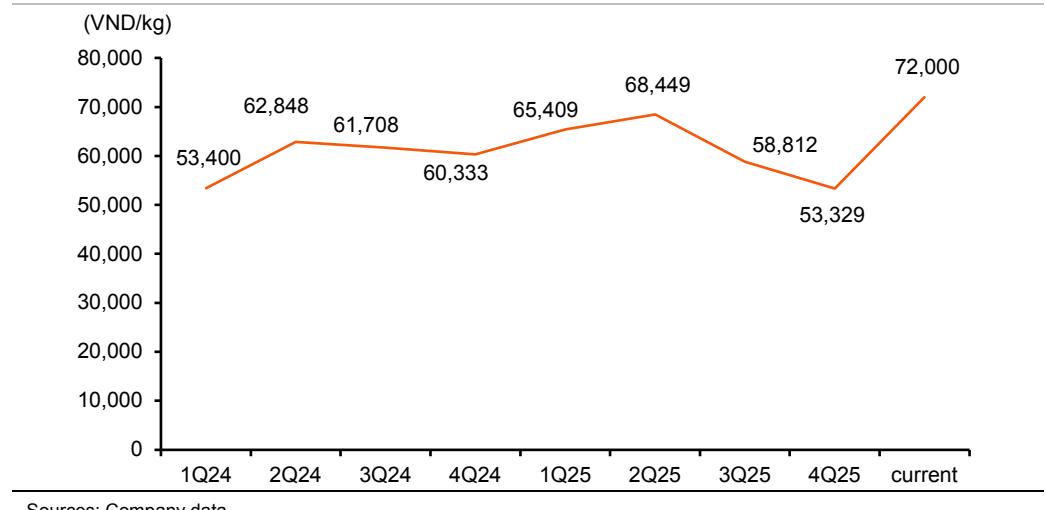
Strong Vietnam pork price rebound

Vietnam operations accounted for 18% of Charoen Pokphand Foods Pcl's (CPF TB) sales in 9M25, with 67% derived from the farm business, primarily swine. Swine prices in Vietnam rebounded sharply to VND72,000/kg in January 2026, or 10% above the 1Q25 average and 35% above 4Q25 levels. The recovery was driven by tighter supply following renewed African Swine Fever (ASF) outbreaks, which have affected over 30 provinces nationwide, with more than 100,000 pigs culled or succumbing to the disease since 2025. ASF remains persistent among small-scale farms with low biosecurity, keeping domestic supply constrained. We expect the price uptrend to continue over the next two quarters, consistent with the six- to nine-month production cycle.

CPF is well positioned to benefit.

CPF looks well-positioned to benefit from this environment due to its large-scale farm footprint and close, fully integrated operations in Vietnam, which allow the company to manage biosecurity risks more effectively and capture pricing upside as the market tightens. CPF controls an estimated 25–30% of the swine market, positioning it as a key beneficiary of higher pork prices.

Ex 1: Vietnam Pork Prices



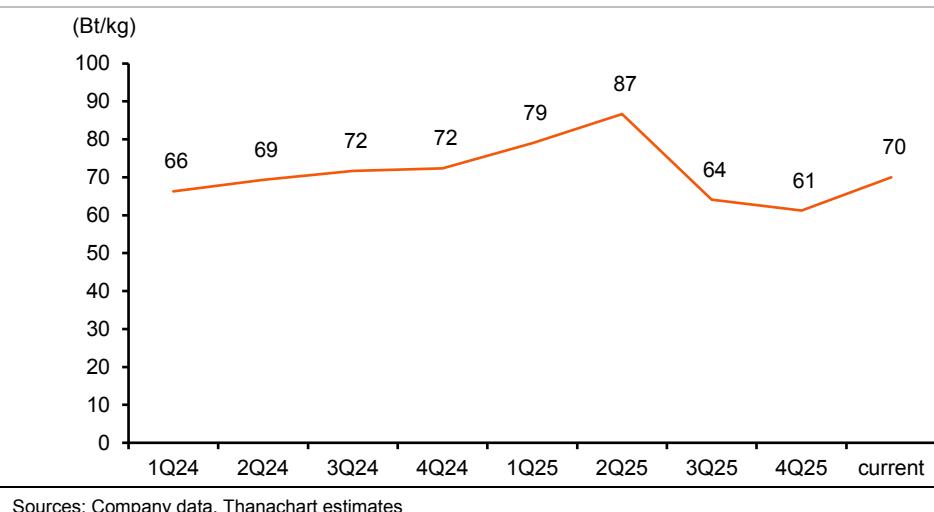
Sources: Company data

Thailand pork prices rebound from a low base

Cyclical rebound in Thailand pork prices

Thailand is CPF's largest market, accounting for 38% of group sales in 9M25, with 53% from the farm business. Domestic pork prices rebounded from a trough of Bt58/kg in September 2025 to around Bt70/kg, driven mainly by short-term factors in 4Q25: a post-flood demand recovery, temporary supply disruptions due to a Cambodian slaughterhouse shortage, and seasonal demand ahead of the Lunar New Year.

However, the rebound appears largely cyclical rather than structural. With management guiding pork prices at Bt70–75/kg in 2026, broadly in line with current levels, we foresee limited further upside and no meaningful structural improvement in Thailand's domestic pork pricing.

Ex 2: Thailand Pork Price

Sources: Company data, Thanachart estimates

China swine prices remain under pressure

**China pork prices at
breakeven level**

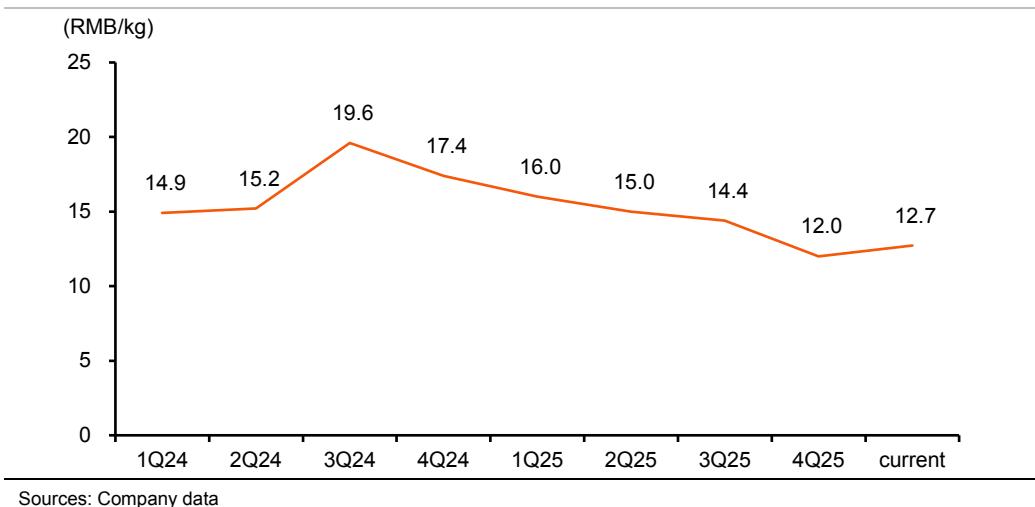
We expect China's swine prices to remain under pressure, reflecting persistent oversupply and sluggish consumption. Pork prices fell to a record low of CNY11/kg in October 2025 and have since recovered modestly to around CNY12.7/kg, but this remains near the breakeven level of CNY13–14/kg, limiting profitability across the sector.

**We expect a limited price
recovery**

Any price recovery is likely to be slow and gradual, as large producers continue to offer aggressive discounts to defend volumes while domestic demand remains weak. The Chinese swine market is highly fragmented, with the top players accounting for only ~20% of total production and the largest player holding less than a 5% market share. CPF currently ranks around 4th–5th in market share, limiting its ability to influence pricing.

The Chinese government has announced measures to address the pork oversupply, including a plan to reduce the national breeding sow inventory by 1m head from the current 41m, through culling older sows, limiting excess fattening, and controlling new capacity. However, given the modest scale of the reduction, we expect the near-term impact on the supply-demand balance to be limited.

Consequently, we cut our China pork price assumptions by 13%/6% to CNY14.0/kg and CNY14.5/kg for 2027–28F, reflecting a slower-than-expected recovery path.

Ex 3: China Swine Prices

Sources: Company data

Earnings revisions

We cut our earnings estimates for CPF by 12%/12%/7% over 2025–27F, reflecting weaker-than-expected China pork prices and recent earnings downgrades at CP Astra Pcl (CPAXT TB, Bt14.70, HOLD). Consequently, we lower our DCF-based 12-month TP, using a 2026F base year, to Bt23/share (from Bt25).

Ex 4: Key Earnings Revisions

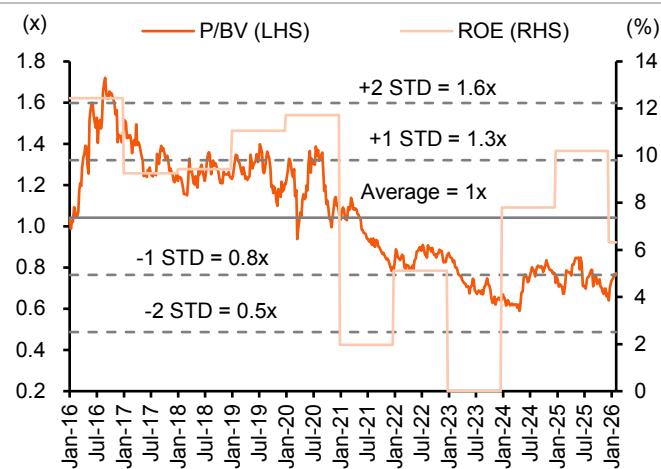
	2022	2023	2024	2025F	2026F	2027F	2028F
Net profits (Bt bn)							
- New	14.0	(5.2)	19.6	25.9	16.8	17.6	18.2
- Old				29.4	19.1	18.9	19.6
- <i>Change (%)</i>				(11.8)	(12.2)	(6.7)	(7.2)
Gross margin (%)							
- New	13.7	10.1	14.7	16.5	13.4	13.4	13.7
- Old				17.4	13.7	13.4	
- <i>Change (pp)</i>				(0.9)	(0.3)	0.0	0.0
SG&A expenses (Bt bn)							
- New	55	51	50	50	51	52	54
- Old				50	51	52	54
- <i>Change (%)</i>				0.0	0.0	0.0	0.0
Equity income (Bt bn)							
- New	3.7	4.6	12.7	13.2	14.1	16.1	18.0
- Old				13.5	15.1	17.3	19.2
- <i>Change (%)</i>				(2.4)	(6.7)	(6.7)	(6.7)

Sources: Company data, Thanachart estimates

Fairly valued, in our view

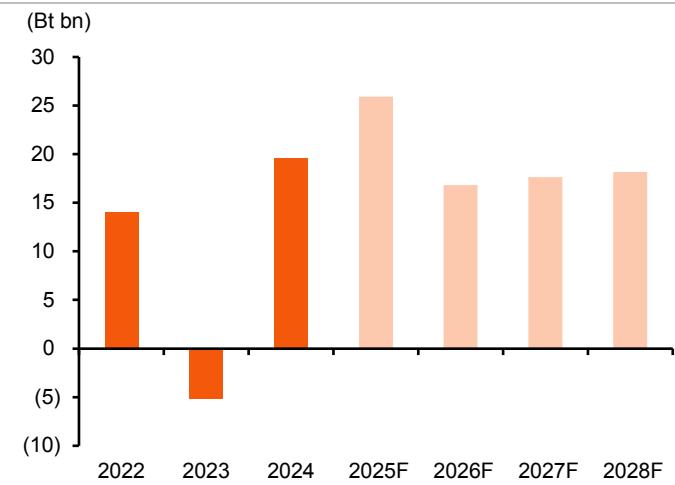
We maintain our HOLD rating on CPF despite the recent rebound in Vietnam pork prices, which we expect to drive a quarterly earnings turnaround in 1Q26F. While we believe this rebound offers a short-term trading opportunity, we have low conviction about a sustained long-term pork price recovery. We view CPF's share price as fairly valued, trading at 0.7x 2026F P/BV vs. a 6.5% ROE and a 4.2% dividend yield. CPF holds 34.5% in CP All (CPALL TB, Bt43.25, BUY) and 8.85% in CPAXT. At CPALL and CPAXT's current prices, the investment value is Bt17.6 per CPF share. This provides downside protection for CPF.

Ex 5: P/BV Vs. ROE



Sources: Bloomberg, Thanachart estimates

Ex 6: CPF's Profit



Sources: Company data, Thanachart estimates

Ex 7: 12-month DCF-derived SOTP-based TP Calculation Using A Base Year Of 2026F

(Bt m)	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	Terminal Value
EBITDA excl. depre from right of use	54,283	56,417	56,890	58,031	58,886	59,692	60,436	61,129	61,492	61,793	62,024	-
Free cash flow	21,139	23,541	23,221	23,920	25,012	25,427	25,000	25,121	25,729	25,568	25,346	579,661
PV of free cash flow	21,081	20,774	19,245	18,622	18,290	17,465	16,127	15,222	14,645	13,670	12,727	291,055
Risk Free (%)	2.5											
Market Risk Premium (%)	8.0											
Beta	0.8											
Wacc (%)	6.5											
Terminal Growth (%)	2.0											
Enterprise Value	478,922											
Net Debt	412,136											
Minority Interest	49,924											
Equity Value	16,862											
# of Shares	8,414											
Equity Value / Share	2.0											
SOTP at 15% disc. (Bt)	23											

Sources: Company data, Thanachart estimates

Valuation Comparison

Ex 8: Valuation Comparison With Regional Peers

Name	BBG code	Country	—EPS growth—		—PE—		—P/BV—		EV/EBITDA		—Div yield—	
			25F (%)	26F (%)	25F (x)	26F (x)	25F (x)	26F (x)	25F (x)	26F (x)	25F (%)	26F (%)
WH Group Ltd	288 HK	Hong Kong	16.2	0.8	74.9	74.3	10.2	9.5	5.6	5.5	0.9	0.7
Tyson Foods Inc	TSN US	USA	32.0	2.1	16.8	16.4	1.2	1.2	8.6	8.6	3.1	3.2
Pilgrim's Pride Corp	PPC US	USA	0.8	(20.8)	8.0	10.1	2.8	2.5	5.7	6.8	21.4	10.5
Hormel Foods Corp	HRL US	USA	(13.7)	5.9	18.2	17.2	1.7	1.7	12.7	11.8	4.7	4.8
Average			8.8	(3.0)	29.5	29.5	4.0	3.7	8.1	8.2	7.5	4.8
Feed Mills												
Japfa Comfeed	JPFA IJ	Indonesia	27.7	16.5	9.7	8.3	1.8	1.6	6.6	6.0	4.6	6.2
Charoen Pok Indo	CPIN IJ	Indonesia	36.5	11.6	16.2	14.6	2.2	2.0	9.3	8.7	3.2	3.9
Universal Robina	URC PM	Philippines	2.7	7.3	12.9	12.0	1.2	1.2	7.4	6.9	5.7	5.8
Average			22.3	11.8	12.9	11.6	1.8	1.6	7.8	7.2	4.5	5.3
Thailand												
Betagro	BTG TB	Thailand	192.2	(29.4)	5.2	7.3	1.1	1.0	4.0	4.7	6.8	4.6
GFPT	GFPT TB	Thailand	29.6	(8.7)	4.7	5.2	0.6	0.5	3.3	3.4	3.1	2.9
Thaifoods Group	TFG TB	Thailand	153.2	(26.4)	3.8	5.1	1.3	1.1	2.9	3.4	12.1	9.6
Carabao Group Pcl	CBG TB *	Thailand	1.8	(5.6)	15.5	16.4	3.0	2.8	10.3	10.5	3.4	3.5
Charoen Pokphand Foods	CPF TB *	Thailand	36.8	(35.1)	6.8	10.5	0.7	0.7	7.8	9.5	6.6	4.3
i-Tail Corporation Pcl	ITC TB *	Thailand	(22.5)	25.0	16.9	13.5	2.1	2.0	11.9	9.3	5.0	6.3
KCG Corporation Pcl	KCG TB *	Thailand	17.2	11.5	9.9	8.9	1.5	1.4	7.2	6.5	5.6	6.2
MK Restaurant Group	M TB *	Thailand	(8.1)	0.4	13.4	13.4	1.3	1.3	3.1	3.1	7.1	7.2
Osotspa Pcl	OSP TB *	Thailand	11.2	1.8	15.4	15.1	3.2	3.2	9.7	9.5	7.1	6.6
R&B Food Supply Pcl.	RBF TB *	Thailand	(13.2)	1.6	14.4	14.2	1.2	1.2	6.5	6.5	4.7	4.8
SAPPE Pcl	SAPPE TB *	Thailand	(34.2)	4.9	12.4	11.9	2.2	2.0	7.5	7.2	4.0	4.2
Srinanaporn Marketing	SNNP TB *	Thailand	(9.3)	(6.8)	10.9	11.7	1.9	1.9	8.4	8.3	7.6	7.1
Taokaenoi Food & Marketing	TKN TB *	Thailand	(49.4)	(5.7)	13.6	14.4	2.5	2.5	8.4	8.6	6.2	5.8
Thai Union Group Pcl	TU TB *	Thailand	(11.3)	8.3	10.4	9.6	0.9	0.9	8.5	7.9	6.4	6.3
Average			21.0	(4.6)	10.9	11.2	1.7	1.6	7.1	7.0	6.1	5.7
Average			18.9	(2.0)	14.8	14.8	2.1	2.0	7.4	7.3	6.2	5.5

Source: Bloomberg

Note: * Thanachart estimates, using Thanachart normalized EPS

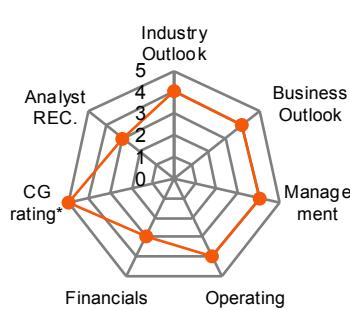
Based on 27 January 2026 closing prices

COMPANY DESCRIPTION

Charoen Pokphand Foods Pcl (CPF) is the flagship firm of Charoen Pokphand's agro-industrial business in Thailand and overseas, operating an agro-industrial business related to animal farming and manufacturing food products from meat. Fully integrated operations in Thailand operated by CPF and its subsidiaries are raw material sourcing for animal feed production and distribution, animal breeding and farming, meat processing, and manufacturing ready-to-eat cooked meat products. The company has many subsidiaries with businesses abroad, including in China, Vietnam, Turkey, and India.

Source: Thanachart

COMPANY RATING



Rating Scale

Excellent	5
Good	4
Fair	3
Weak	2
Very Weak	1
None	0

Source: Thanachart; *CG Rating

THANACHART'S SWOT ANALYSIS

S — Strength

- Fully integrated food producer.
- Economies of scale.
- Well-recognized and well-received brands.
- Expertise and know-how in running its food business.

O — Opportunity

- Overseas expansion.
- Growth potential in the ready-to-eat food market.

W — Weakness

- Over 50% of CPF's business is from farming, which is subject to many unexpected events as it is cyclical in nature.
- CPF sources some raw materials, i.e., soybean meal from overseas where prices can be volatile.

T — Threat

- Slowing economic momentum.
- Oversupply of domestic meat.
- Unexpected disease outbreaks.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	23.75	23.00	-3%
Net profit 25F (Bt m)	27,431	25,914	-6%
Net profit 26F (Bt m)	23,152	16,807	-27%
Consensus REC	BUY: 9	HOLD: 12	SELL: 0

HOW ARE WE DIFFERENT FROM THE STREET?

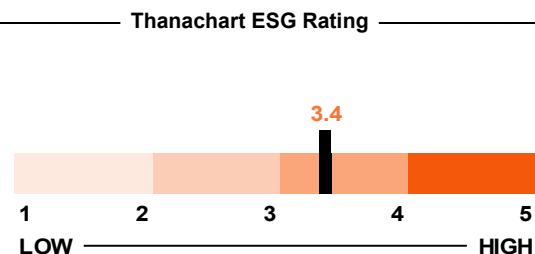
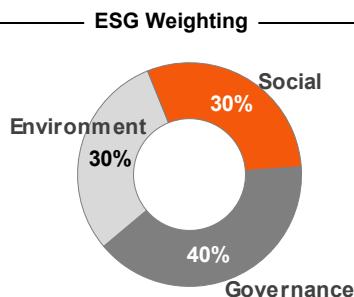
- Our TP is 3% below the Bloomberg consensus number, which we attribute to our lower earnings forecasts.
- We believe our lower net earnings estimate in 2026F is mainly due to us having a lower gross profit margin assumption.

RISKS TO OUR INVESTMENT CASE

- The key downside risk to our call would be if meat prices in Thailand do not recover to a decently higher-than-break-even level.
- The key upside risk is related to CPF's strong operations abroad, particularly in Vietnam and China. If CPF records better-than-expected performances in those markets, this could positively impact our earnings forecasts.
- As exports and overseas sales make up over 60% of CPF's total sales, the company is exposed to forex risk.

Sources: Bloomberg consensus, Thanachart estimates

Source: Thanachart



	SET ESG Index	SET ESG (BBB-AAA)	DJSI Index	Thanachart ESG Rating (1.0-5.0)	MSCI (CCC-AAA)	ESG Book (0-100)	CG Rating (0-5)
CPF	YES	AAA	YES	3.44	B	69.37	5.0

Sources: SETTRADE, SET ESG Index, SET ESG Rating, The Dow Jones Industrial Average (DJSI), MSCI ESG Research LLC, ESG Book, Thai IOD (CG rating)

Note: Please see third party on "terms of use" toward the back of this report.



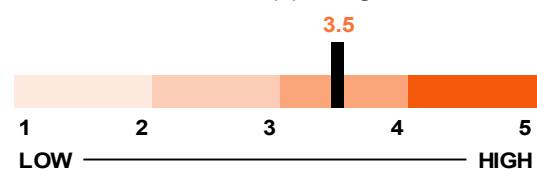
ESG Summary

- CPF is one of the world's biggest integrated feed-farm-food-model producers of poultry, swine, and shrimp, having a presence in Thailand, China, Vietnam, and many other countries.
- CPF drives its corporate sustainable development under its Sustainability Strategy, "CPF 2030 Sustainability in Action". This strategy has been developed from three pillars of sustainability: "Food Security, Self-Sufficiency Society, and Balance of Nature".
- Under its Sustainovation approach, CPF leverages technology, science, and innovation to improve operational efficiency and minimize environmental impact. The proprietary AXONS AgriTech platform digitalizes the agricultural supply chain — from farm to distribution — enhancing productivity, cost efficiency, traceability, and sustainability.
- CPF scores decently across ESG pillars with an overall score of 3.4. We see its Social (3.7) score as the highest, reflecting good practices on human rights, employee development, community impact, and food security programs. This is despite an offset factor from a pending legal case.
- Its Environmental score is also good at 3.5, reflecting progress on renewable energy, low-carbon products, sustainable sourcing, and ecosystem restoration.
- We assign a decent 3.2 Governance score to CPF, reflecting its strong compliance, whistleblowing, and innovation oversight, business sustainability, and innovation. The good score is somewhat weighed down by a non-ideal board structure.

Sector: Agro & Food Industry | Food & Beverage

We assign a good 3.5 Environmental score to CPF, a leader in emissions reduction. It is the first global food processor to secure SBTi-validated climate targets. CPF has clear and measurable goals and solid execution across emissions reduction, renewable energy adoption, low-carbon product development, and sustainable sourcing.

Thanachart Environment (E) Rating



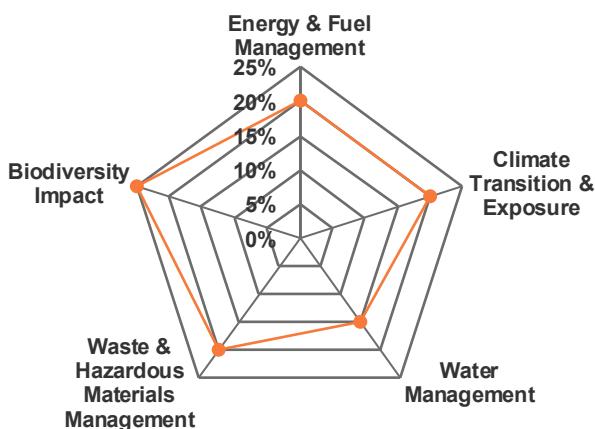
ENVIRONMENT

Our Comments

- Energy & Fuel Management
- Climate Transition & Exposure
- Water Management
- Waste & Hazardous Materials Management
- Biodiversity Impact

- We assign CPF a good Environment (E) score of 3.5, supported by strong climate governance, science-based targets, and consistent execution in emissions reduction. The good score is weighed down by a pending legal case regarding a non-native aquatic species.
- CPF is the first global food processor with Science Based Targets initiative (SBTi)-validated climate targets. SBTi ensures that Scope 1–3 targets are scientifically credible and aligned with the Paris Agreement.
- Key 2030 targets include 1) a 42% reduction in direct and indirect GHG emissions per production unit (vs. 2020), 2) zero industrial and agro-industrial waste to landfill or incineration, 3) 100% recyclable/reusable/compostable plastic packaging, and 4) supporting all tier-1 suppliers identified as having a high water impact to establish a water management plan by 2030 (Thailand operations)
- Execution was progressing well: as of 2024, GHG emissions per production unit in Thailand were down 27% from 2015 base year (exceeding the 25% 2025 target), 82.4% of plastic packaging was recyclable/reusable/compostable (vs. the target of 100%), and water withdrawal per production unit had been reduced by 58% (vs. the 30% target).
- CPF became coal-free in 2022, replacing coal with biomass energy. Renewable energy now accounts for ~30% of total consumption, cutting over 600,000 tonnes of CO₂ equivalent toward its net-zero 2050 target.
- CPF aims for 100% of key raw materials to be sourced from deforestation-free areas by 2025, with 43% achieved in 2024. The company also targets the conservation, protection, and restoration of 20,000 rai (3,200 ha) of mangrove, watershed, and green areas in Thailand, nearly reaching this goal with 19,932 rai (3,189 ha) completed in 2024
- On the revenue side, low-carbon products generated 56% of revenue in 2024 (Bt121.2bn), surpassing the 2030 target of 40%, and it had reduced cumulative emissions by 1.56m tonnes of CO₂ equivalent.

SCALE WEIGHTING

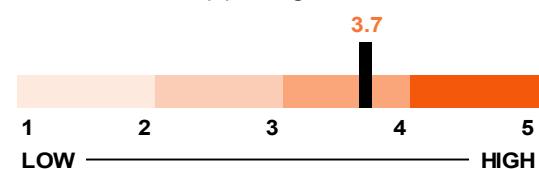


Sources: Thanachart, Company data

Sector: Agro & Food Industry | Food & Beverage

We assign a good Social score of 3.7 to CPF, reflecting its strong human rights policies, employee training, and community impact. It leads in food security with the ASEAN-first CPF Food Standard, promotes ethical and healthy products, and is advancing sustainable sourcing toward 2030 targets.

Thanachart Social (S) Rating



SOCIAL

Our Comments

- Human Rights & Community Relations
- Access & Affordability
- Customer Welfare
- Product Quality & Safety
- Fair Product Marketing & Labelling
- Social Supply Chain Management
- Labor Relations
- Fair Labor Practices
- Health, Safety & Well-being
- Diversity & Inclusion
- Recruitment, Development & Retention

- We assign CPF a good Social (S) score of 3.7, supported by robust human rights policies, employee development, community impact, food security initiatives, and sustainable sourcing.
- We see CPF's close farming business model, good technologies, and its extensive experience in many countries with different weather and market characteristics as a key contributor to its good Social pillar in the areas of strong operations, good product quality, good employee well-being, safe work environment, and clean and safe communities.
- The company has set clear 2030 targets, including 100% human rights due diligence every three years (achieved in 2024), 3m hours of employee training (7m hours achieved), and 3m livelihoods improved in communities connected to its operations (5m hours achieved as of 2024).
- All 132,000+ employees complete Business Ethics training covering human rights, governance, compliance, and conflicts of interest.
- In food security, CPF is the first company in ASEAN to have established its own CPF Food Standard with BSI, providing high-quality, affordable animal proteins while emphasizing ethical marketing and health- and environmentally conscious products.
- The company has also embraced sustainable sourcing, targeting 100% traceable key raw materials by 2030 (43% achieved in 2024) to manage climate and natural disaster risks. It did not recall any food products in 2024.
- CPF faced a legal allegation in 2024 regarding a non-native aquatic species, which it denies; the species was imported for research in 2010, did not survive, and the project never proceeded. Evidence has been submitted to authorities, and the case is under review.

SCALE WEIGHTING

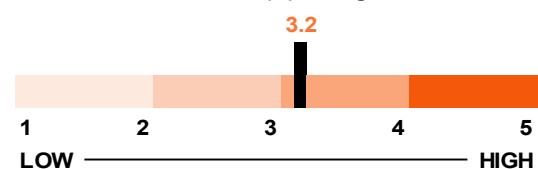


Sources: Thanachart, Company data

Sector: Agro & Food Industry | Food & Beverage

We assign CPF a decent Governance score of 3.2, reflecting a strong integrated business model with innovations, full third-party-verified Code of Conduct compliance, robust whistleblowing, and anti-corruption frameworks. A weak area is a non-ideal board structure.

Thanachart Governance (G) Rating



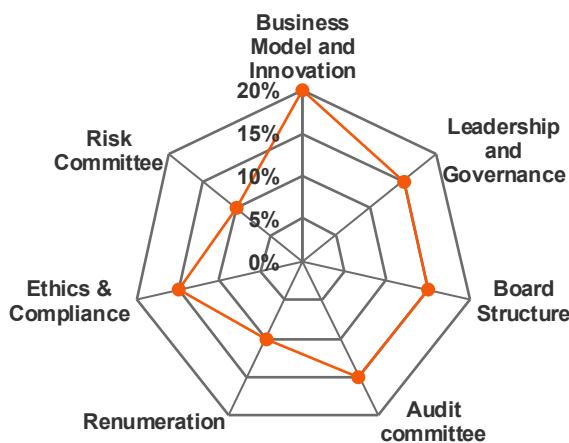
GOVERNANCE & SUSTAINABILITY

Our Comments

- Business Model and Innovation
- Leadership and Governance
- Board Structure
- Audit committee
- Renumeration
- Ethics & Compliance
- Risk Committee

- We assign CPF a decent Governance (G) score of 3.2, reflecting its strong business model with technologies and innovations, good code of conduct, and anti-corruption framework. It has all the required committees. A slight constraint is its non-ideal board structure.
- CPF has a very strong business model in our view, with a strong track record of R&D, innovations, and the use of technology. That helps offset the risk of being a commodity business. Also, a major factor in business sustainability is diversifying its global presence.
- CPF drives business sustainability through innovation and technology, enhancing efficiency, reducing costs, streamlining processes, and mitigating risks. Investments in food R&D ensure products meet consumer needs and nutritional standards, while the company actively incorporates external innovations to strengthen competitiveness.
- CPF maintains 100% compliance with its Code of Conduct, verified by a third party for Thailand operations, and is on track to sustain this through 2030.
- CPF has announced a whistleblowing policy to provide its employees, stakeholders, and third parties with opportunities to report misconduct or lodge complaints.
- The company regularly audits the implementation of its anti-corruption policy. It reviews its guidelines and operational requirements to align with changes in the business, rules, regulations, and legal requirements.
- A weak point is its board structure, with the board chair being a family member. Also, the 15-director board has only five independent members, implying a far lower independent board ratio than the ideal two-thirds ratio.
- CPF has established all necessary committees, including Audit, Risk, Remuneration, Corporate Governance and Sustainable Development, and Technology and Cybersecurity.

SCALE WEIGHTING



Sources: Thanachart, Company data

We expect 2026F to normalized from high base in 2025.

Cautious investments

INCOME STATEMENT

FY ending Dec (Bt m)	2023A	2024A	2025F	2026F	2027F
Sales	585,844	580,747	578,901	589,434	604,214
Cost of sales	529,322	495,966	484,139	510,715	523,523
Gross profit	56,522	84,781	94,762	78,719	80,691
% gross margin	9.6%	14.6%	16.4%	13.4%	13.4%
Selling & administration expenses	51,381	50,434	50,346	51,035	52,077
Operating profit	5,141	34,347	44,416	27,684	28,614
% operating margin	0.9%	5.9%	7.7%	4.7%	4.7%
Depreciation & amortization	25,121	32,028	31,294	32,657	33,947
EBITDA	30,262	66,375	75,710	60,341	62,561
% EBITDA margin	5.2%	11.4%	13.1%	10.2%	10.4%
Non-operating income	8,514	4,882	4,133	3,888	3,395
Non-operating expenses	0	0	0	0	0
Interest expense	(25,506)	(24,575)	(23,734)	(22,324)	(21,383)
Pre-tax profit	(11,851)	14,654	24,815	9,248	10,626
Income tax	600	5,673	9,926	3,699	4,250
After-tax profit	(12,451)	8,981	14,889	5,549	6,376
% net margin	-2.1%	1.5%	2.6%	0.9%	1.1%
Shares in affiliates' Earnings	4,590	12,699	13,175	14,084	16,097
Minority interests	(2,676)	(2,741)	(2,150)	(2,826)	(4,826)
Extraordinary items	5,330	619	0	0	0
NET PROFIT	(5,207)	19,558	25,914	16,807	17,647
Normalized profit	(10,538)	18,939	25,914	16,807	17,647
EPS (Bt)	(0.6)	2.3	3.1	2.0	2.1
Normalized EPS (Bt)	(1.3)	2.3	3.1	2.0	2.1

BALANCE SHEET

FY ending Dec (Bt m)	2023A	2024A	2025F	2026F	2027F
ASSETS:					
Current assets:	209,116	200,060	204,228	206,619	207,427
Cash & cash equivalent	26,136	24,944	25,000	25,000	25,000
Account receivables	42,351	40,674	41,237	41,987	43,040
Inventories	69,508	64,771	66,320	69,961	71,716
Others	71,121	69,671	71,671	69,671	67,671
Investments & loans	280,499	289,789	289,789	289,789	289,789
Net fixed assets	265,144	255,585	251,295	245,777	239,105
Other assets	132,459	131,290	129,599	128,714	126,629
Total assets	887,218	876,724	874,911	870,899	862,949
LIABILITIES:					
Current liabilities:	259,463	263,334	253,870	235,805	226,424
Account payables	36,527	34,840	33,160	34,980	35,858
Bank overdraft & ST loans	144,994	132,463	126,769	122,109	115,412
Current LT debt	48,014	65,146	60,521	44,843	42,384
Others current liabilities	29,928	30,885	33,419	33,872	32,770
Total LT debt	286,740	260,642	249,845	254,113	240,177
Others LT liabilities	55,981	59,525	59,354	59,794	60,441
Total liabilities	602,185	583,500	563,070	549,712	527,042
Minority interest	45,617	47,183	49,924	52,075	56,900
Preferred shares	0	0	0	0	0
Paid-up capital	8,414	8,414	8,414	8,414	8,414
Share premium	59,626	59,626	59,626	59,626	59,626
Warrants	0	0	0	0	0
Surplus	48,091	36,877	36,877	36,877	36,877
Retained earnings	123,286	141,124	157,000	164,195	174,090
Shareholders' equity	239,416	246,041	261,917	269,112	279,007
Liabilities & equity	887,218	876,724	874,911	870,899	862,949

Sources: Company data, Thanachart estimates

Strong FCF**CASH FLOW STATEMENT**

FY ending Dec (Bt m)	2023A	2024A	2025F	2026F	2027F
Earnings before tax	(11,851)	14,654	24,815	9,248	10,626
Tax paid	(1,295)	(4,516)	(10,519)	(3,362)	(4,340)
Depreciation & amortization	25,121	32,028	31,294	32,657	33,947
Chg In working capital	5	4,727	(3,791)	(2,571)	(1,930)
Chg In other CA & CL / minorities	4,622	12,602	14,892	15,524	17,084
Cash flow from operations	16,602	59,495	56,691	51,497	55,387
Capex	(6,200)	(14,706)	(19,500)	(19,500)	(19,500)
Right of use	(5,638)	(7,168)	(6,282)	(5,973)	(6,059)
ST loans & investments	0	0	0	0	0
LT loans & investments	(510)	(9,289)	0	0	0
Adj for asset revaluation	(15,444)	(11,211)	0	0	0
Chg In other assets & liabilities	4,640	4,360	299	(341)	1,016
Cash flow from investments	(23,152)	(38,014)	(25,483)	(25,814)	(24,543)
Debt financing	(4,279)	(20,950)	(21,115)	(16,071)	(23,092)
Capital increase	(1,419)	0	(0)	0	0
Dividends paid	(3,566)	(4,742)	(10,037)	(9,612)	(7,752)
Warrants & other surplus	9,001	3,019	0	0	0
Cash flow from financing	(264)	(22,673)	(31,152)	(25,683)	(30,844)
Free cash flow	10,403	44,789	37,191	31,997	35,887

Fairly valued in our view, with good dividend yield support**VALUATION**

FY ending Dec	2023A	2024A	2025F	2026F	2027F
Normalized PE (x)	na	9.3	6.8	10.5	10.0
Normalized PE - at target price (x)	na	10.2	7.5	11.5	11.0
PE (x)	na	9.0	6.8	10.5	10.0
PE - at target price (x)	na	9.9	7.5	11.5	11.0
EV/EBITDA (x)	20.8	9.2	7.8	9.5	8.8
EV/EBITDA - at target price (x)	21.4	9.4	8.0	9.8	9.1
P/BV (x)	0.7	0.7	0.7	0.7	0.6
P/BV - at target price (x)	0.8	0.8	0.7	0.7	0.7
P/CFO (x)	10.6	3.0	3.1	3.4	3.2
Price/sales (x)	0.3	0.3	0.3	0.3	0.3
Dividend yield (%)	0.0	4.8	6.6	4.3	4.5
FCF Yield (%)	5.9	25.5	21.2	18.2	20.4
(Bt)					
Normalized EPS	(1.3)	2.3	3.1	2.0	2.1
EPS	(0.6)	2.3	3.1	2.0	2.1
DPS	0.0	1.0	1.4	0.9	0.9
BV/share	28.5	29.2	31.1	32.0	33.2
CFO/share	2.0	7.1	6.7	6.1	6.6
FCF/share	1.2	5.3	4.4	3.8	4.3

Sources: Company data, Thanachart estimates

FINANCIAL RATIOS		2023A	2024A	2025F	2026F	2027F
FY ending Dec						
Growth Rate						
<i>Strong earnings in 2025F will be hard to beat</i>						
Sales (%)	(4.6)	(0.9)	(0.3)	1.8	2.5	
Net profit (%)	na	na	32.5	(35.1)	5.0	
EPS (%)	na	na	32.5	(35.1)	5.0	
Normalized profit (%)	na	na	36.8	(35.1)	5.0	
Normalized EPS (%)	na	na	36.8	(35.1)	5.0	
Dividend payout ratio (%)	0.0	43.0	45.0	45.0	45.0	
Operating performance						
Gross margin (%)	9.6	14.6	16.4	13.4	13.4	
Operating margin (%)	0.9	5.9	7.7	4.7	4.7	
EBITDA margin (%)	5.2	11.4	13.1	10.2	10.4	
Net margin (%)	(2.1)	1.5	2.6	0.9	1.1	
D/E (incl. minor) (x)	1.7	1.6	1.4	1.3	1.2	
Net D/E (incl. minor) (x)	1.6	1.5	1.3	1.2	1.1	
Interest coverage - EBIT (x)	0.2	1.4	1.9	1.2	1.3	
Interest coverage - EBITDA (x)	1.2	2.7	3.2	2.7	2.9	
ROA - using norm profit (%)	na	2.1	3.0	1.9	2.0	
ROE - using norm profit (%)	na	7.8	10.2	6.3	6.4	
DuPont						
ROE - using after tax profit (%)	na	3.7	5.9	2.1	2.3	
- asset turnover (x)	0.6	0.7	0.7	0.7	0.7	
- operating margin (%)	na	6.8	8.4	5.4	5.3	
- leverage (x)	3.7	3.6	3.4	3.3	3.2	
- interest burden (%)	(86.8)	37.4	51.1	29.3	33.2	
- tax burden (%)	na	61.3	60.0	60.0	60.0	
WACC (%)	6.5	6.5	6.5	6.5	6.5	
ROIC (%)	0.7	3.0	3.9	2.5	2.6	
NOPAT (Bt m)	5,141	21,051	26,650	16,611	17,168	
invested capital (Bt m)	693,028	679,348	674,053	665,177	651,980	

Sources: Company data, Thanachart estimates

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Currently, long-term investment guidelines abroad are beginning to focus on investing in companies that have sustainable business practices. which considers environmental, social and governance factors (Environmental, Social and Governance or ESG) of the company in making investment decisions along with analyzing the company's financial data.

Stock Exchange Has prepared the results of evaluating sustainable stocks which are stocks of listed companies (SETESG Rating) as an alternative for investors who want to invest in stocks of listed companies that are outstanding in ESG, including to support listed companies with operations. sustainable business Taking into account all stakeholders in both social and environmental aspects. There is a management process to create sustainability for the organization, such as risk management. Supply chain management and innovation development. Therefore, the SETESG index was created to be an index that reflects the price movement of a group of securities. of companies with sustainable business operations that meet the required size and liquidity criteria

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Score range	Description
CCC - B	LAGGARD: A company lagging its industry based on its high exposure and failure to manage significant ESG risks
BB - BBB - A	AVERAGE : A company with a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers
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90-100		Excellent
80-89		Very Good
70-79		Good
60-69		Satisfactory
50-59		Pass
Below		N/A

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Recommendation Structure:

Recommendations are based on absolute upside or downside, which is the difference between the target price and the current market price. If the upside is 10% or more, the recommendation is BUY. If the downside is 10% or more, the recommendation is SELL. For stocks where the upside or downside is less than 10%, the recommendation is HOLD. 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 the market price and the formal recommendation.

For sectors, an “Overweight” sector weighting is used when we have BUYS on majority of the stocks under our coverage by market cap. “Underweight” is used when we have SELLS on majority of the stocks we cover by market cap. “Neutral” is used when there are relatively equal weightings of BUYS and SELLS.

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