FFOODS Spectrum
perspectives on food technologies & business
ASIA

CPF achieves targeted first-half financial results

19 August 2019 | News

**Charoen Pokphand Foods PLC (CPF) reported Bt259,183 million in sale revenue for the first half of 2019, showing a slight increase from the same period last year. Earnings before interest, tax, depreciation and amortization (EBITDA) reached Bt22,175 million, a 44% increase from a year earlier. **



CPFâ??s first-half net profit would have improved significantly from the same period last year, but for two extraordinary items

Charoen Pokphand Foods PLC (CPF) reported Bt259,183 million in sale revenue for the first half of 2019, showing a slight increase from the same period last year. Earnings before interest, tax, depreciation and amortization (EBITDA) reached Bt22,175 million, a 44% increase from a year earlier.

Mr. Prasit Boonduangprasert, Chief Executive Officer of CPF, said that sale revenue in local currency increased by 5-6% on year. However, as 67% of CPFâ??s total revenue was originated overseas, the contribution was affected by the appreciation of Thai baht against other currencies. Once converted to Thai baht, the revenue in local currency showed an increase by only 4%.

Nevertheless, thanks to the easing of pork oversupplies especially in Thailand, Vietnam and Cambodia, CPFâ??s profitability improved tremendously. Gross profit margin rose from 11% last year to 14%, allowing EBITDA to jump by 44%.

Mr. Prasit noted that CPFâ??s first-half net profit would have improved significantly from the same period last year, but for two extraordinary items. During the period, the company had to book a loss from the adjustment of biological assets fair value and realized additional expenses worth Bt1,812 million as a result of the enforcement of the 7th edition of the Labour Protection Act. Under the law, a new maximum severance rate is raised from 300 days to 400 days of the employeeâ??s latest wage and apply to employees with 20 or more years of service. Hence, CPFâ??s first-half net profit was only Bt8,384 million, down by approximately 6% from the same period last year.

At the meeting on 13 August 2019, CPFâ??s Board of Directors resolved to pay an interim dividend of Bt0.30 per share for the first-half performance. The list of shareholders entitled to receive the dividend will be announced on 29 August 2019 (after

the shares go ex-dividend on 28 August). The dividend will be payable on 12 September.