

Charoen Pokphand Foods (CPF TB)

4Q25: Lower-Than-Expected earnings, China Swine Prices Remain A Key Drag

Highlights

- CPF reported 4Q25 earnings of Bt1.09b (-74% yoy and -79% qoq). Core profit came in at Bt178m, lower than our and market expectations by about Bt2.0b.
- We expect a more positive 1Q26 outlook on improving gross margins from the uptrend in domestic swine prices since Feb 26 and stronger performance in the Vietnam livestock business. However, the China business remains weak, as China swine prices declined further mom in Feb 26.
- Maintain HOLD with a lower target price of Bt21.00 (previously Bt21.50).

4Q25 Results

Year to 31 Dec (Btm)	4Q25	4Q24	3Q25	yoy(%)	qoq(%)	2025	2024	yoy(%)
Revenue	140,799	148,509	138,565	-5%	1.6%	571,135	580,747	-1.7%
Gross profit	17,878	23,274	22,910	-23%	-22.0%	96,665	85,043	13.7%
SG&A/Sales	13,614	12,873	11,690	5.8%	16.5%	50,586	50,434	0.3%
EBIT	4,265	10,401	11,220	-59.0%	-62.0%	46,079	34,609	33.1%
Net profit	1,085	4,173	5,186	-74.0%	-79.1%	25,197	19,558	28.8%
Core profit	178	6,250	5,519	-97.2%	-96.8%	24,515	19,511	25.6%
Core EPS (Bt)	0.02	0.74	0.66	-97.2%	-96.8%	2.91	2.32	25.6%
Gross Margin (%)	12.7%	15.7%	16.5%	-3.0%	-3.8%	16.9%	14.6%	2.3%
%SG&A/revenue	9.7%	8.7%	8.4%	1.0%	1.2%	8.9%	8.7%	0.2%
Net Margin (%)	0.8%	2.8%	3.7%	-2.0%	-3.0%	4.4%	3.3%	1.0%

Source: CPF, Bloomberg, UOB Kay Hian

Analysis

- **Lower-than-expected 4Q25 bottom line.** Charoen Pokphand Foods (CPF) reported 4Q25 earnings of Bt1.09b (-74% yoy and -79% qoq). Excluding one-off items, core profit came in at Bt178m (-97% yoy and -97% qoq). The 4Q25 core profit was lower than our and market expectations of Bt2.0b and Bt2.2b, respectively. The lower than-expected 4Q25 earnings were due to: a) the lower-than-expected gross profit margin, b) lower-than-expected share of profit, and c) higher-than-expected SGA-to-sales.
- **Weaker profitability and share of profit yoy and qoq.** The key pressures in 4Q25 came from a lower gross margin of 12.7%, down from 15.7% in 4Q24 and 16.5% in 3Q25, respectively, on CPF's weakened domestic and oversea livestock businesses. Further, the share of profit for 4Q25 was reported at Bt1.6b (-58% yoy and -24% qoq), primarily due to a weak performance from the swine business in China. In addition, 4Q25 SGA-to-sales went up to 9.7% from 8.7% and 8.4% in 4Q24 and 3Q25 respectively.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	580,747.2	571,134.5	581,155.9	592,846.1	604,970.6
EBITDA	60,354.9	71,175.5	59,120.2	60,704.6	61,162.2
Operating profit	34,608.8	46,078.7	34,230.7	36,568.0	37,707.6
Net profit (rep./act.)	19,558.1	25,197.5	20,841.9	22,959.6	24,064.1
Net profit (adj.)	17,631.6	24,275.9	19,436.2	21,483.8	22,514.4
EPS	2.3	3.0	2.5	2.7	2.8
PE (x)	9.7	7.1	8.8	8.0	7.6
P/B (x)	0.8	0.8	0.8	0.7	0.7
EV/EBITDA (x)	10.8	9.1	10.4	9.8	9.4
Dividend yield (%)	0.0	0.1	0.0	0.1	0.1
Net margin (%)	3.4	4.4	3.6	3.9	4.0
Net debt/(cash) to equity(%)	175.0	195.4	172.8	155.2	139.0
Interest cover (x)	2.5	3.0	2.5	2.5	2.5
ROE (%)	9.4	12.6	10.1	10.8	10.9
Consensus net profit	n.a	n.a	20,128.1	22,656.9	23,765.0
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	1.0

Source: Charoen Pokphand Foods Plc., Bloomberg, UOB Kay Hian

HOLD (Maintained)	
Share Price	Bt20.40
Target Price	Bt21.00
Upside	2.94%
Previous TP	Bt21.50

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Stock Data

GICS sector	Consumer Staples
Bloomberg ticker:	CPF TB
Shares issued (m):	8,167.5
Market cap (Bt\$m):	166,616.7
Market cap (US\$m):	5,298.5
3-mth avg daily t'over (US\$m):	13.2

Price Performance (%)

52-week high/low	Bt26.5/Bt20.3			
1mth	3mth	6mth	1yr	YTD
(0.5)	(1.9)	(8.9)	(16.4)	(6.4)

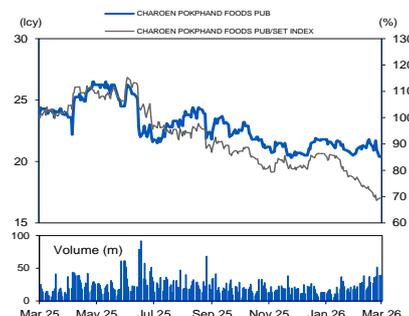
Major Shareholders

	%
Charoen Pokphand Group Co., Ltd.	25.02
Thai NVDR	10.40
UBS AG LONDON BRANCH	9.21

Balance Sheet Metrics

	%
FY26 NAV/Share (Bt)	25.9
FY26 Net Debt/Share (Bt)	50.3

Price Chart



Source: Bloomberg

Company Description

CPF, which is Thailand's leading conglomerate, engages in the agro-industrial processing of feed, farm and food.

- Livestock price update.** Domestic swine prices showed an upward trend in Feb 26, rising to Bt62/kg (+7% wow). The company expects domestic swine prices to increase further in 2Q26 on a qoq basis, supported by hot weather conditions. For Vietnam, the average swine price is also anticipated to increase in 1Q26 qoq. The current price stands at VND69,000-70,000/kg from VND50,000-60,000/kg in 4Q25. China swine prices are influenced by government measures aimed at controlling production among major producers. Hence, China swine prices are expected to increase in 2H26 hoh. Currently, China swine prices are at Rmb11-12/kg (-mom).
- Raw material costs stable.** the company expects costs to remain flattish or slightly decline yoy. There has been no update on US corn imports because the import measures need to wait for direction from the new government.
- Positive 2026 chicken export outlook.** The company expects positive momentum in chicken exports in 2026. Management also indicated that the impact from China's chicken exports should be limited, citing stricter animal welfare regulations.
- Earnings to increase qoq in 1Q26.** We expect a more promising 1Q26 outlook for CPF, driven by an increase in gross profit margin from an increased trend of domestic and Vietnam swine prices. However, key pressures from the China business persist, as China swine prices are still below the breakeven point.
- CPF announced a dividend of 0.25/share (1% yield). XD on 8 May 26.

Valuation/Recommendation

- Maintain HOLD with a lower target price of Bt21.00** (previously Bt21.50), based on 2026 EPS to reflect the softer earnings outlook. We peg its PE target to its five-year PE, at -1SD of 8x. Although domestic swine prices showed a short-term improvement in Feb 26, they remain at a relatively low level of Bt58-62/kg. Meanwhile, swine prices in Vietnam and China declined further after Chinese New Year.

Earnings Revision/Risk

- We have revised down our 2026-2027 earnings forecasts by around 3-5% to reflect weaker-than-expected gross margin assumptions in 4Q25 and lower-than-expected swine prices in China.

Share Price Catalyst

- Increase in China's and Vietnam swine prices, b) recovery of domestic swine and chicken prices, and c) a decline in raw material prices.

Environmental, Social, Governance (ESG) Updates

CG Report: 5

SET ESG Rating: AAA

Environmental

- CPF aims to be a net zero company by 2050 and plans to reduce its greenhouse gas emissions from land use and fossil fuels by 30.3% and 42.0% respectively by 2030. The company plans to reduce its greenhouse gas emissions from land use and fossil fuels by 72% and 90% by 2050.

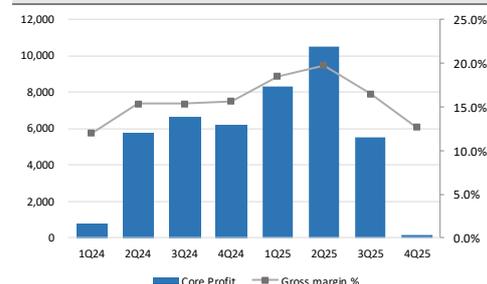
Social

- The company focuses on personnel development to train both ethical and talented employees. It pledges to improve employees' skills through lifelong learning.

Governance

- Good governance practices. CPF is committed to operating its business in accordance with good corporate governance policies. It received the "Excellent" rating on good corporate governance from the Thai Institute of Directors (IOD).

Core Profit



Source: CPF, UOB Kay Hian

Vietnamese Swine Price Trend



Source: pig333

Thailand's Livestock Price Trend



Source: CPF

Raw Material Price Trend



Source: CPF

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	571,135	581,156	592,846	604,971
EBITDA	71,176	59,120	60,705	61,162
Deprec. & amort.	25,097	24,890	24,137	23,455
EBIT	46,079	34,231	36,568	37,708
Total other non-operating income	5,034	4,778	4,927	5,082
Associate contributions	11,121	14,439	14,910	15,446
Net interest income/(expense)	(24,089)	(23,991)	(23,955)	(24,225)
Pre-tax profit	37,279	29,457	32,450	34,011
Tax	(8,635)	(5,891)	(6,490)	(6,802)
Minorities	(3,447)	(2,723)	(3,000)	(3,144)
Net profit	25,197	20,842	22,960	24,064
Net profit (adj.)	24,276	19,436	21,484	22,514

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	71,565	61,212	51,600	52,184
Pre-tax profit	37,279	29,457	32,450	34,011
Tax	(8,635)	(5,891)	(6,490)	(6,802)
Deprec. & amort.	25,097	24,890	24,137	23,455
Associates	11,121	14,439	14,910	15,446
Working capital changes	(13,600)	15,481	4,504	4,665
Other operating cashflows	20,304	(17,162)	(17,910)	(18,590)
Investing	(9,550)	(19,982)	(20,022)	(20,062)
Capex (growth)	(16,329)	(16,895)	(16,895)	(16,895)
Others	6,779	(3,087)	(3,127)	(3,167)
Financing	(61,834)	(12,971)	(6,924)	(1,718)
Dividend payments	(21,604)	(9,063)	(9,406)	(9,952)
Issue of shares	200	0	0	0
Proceeds from borrowings	45,556	(32,518)	(26,766)	(21,590)
Loan repayment	(50,481)	0	0	0
Others/interest paid	(35,506)	28,609	29,248	29,823
Net cash inflow (outflow)	181	28,259	24,654	30,404
Beginning cash & cash equivalent	24,032	23,371	51,629	76,283
Changes due to forex impact	(1,252)	0	0	0
Ending cash & cash equivalent	22,962	51,629	76,283	106,687

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	251,750	244,134	237,236	230,987
Other LT assets	418,293	421,603	424,995	428,464
Cash/ST investment	23,371	51,629	76,283	106,687
Other current assets	168,383	160,438	159,753	159,174
Total assets	861,796	877,804	898,267	925,313
ST debt	213,220	241,829	271,077	300,901
Other current liabilities	72,738	80,188	83,914	87,898
LT debt	264,920	232,402	205,636	184,046
Other LT liabilities	59,059	59,746	60,448	61,164
Shareholders' equity	232,752	244,531	258,084	272,197
Minority interest	19,108	19,108	19,108	19,108
Total liabilities & equity	861,796	877,804	898,267	925,313

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	12.5	10.2	10.2	10.1
Pre-tax margin	6.5	5.1	5.5	5.6
Net margin	4.4	3.6	3.9	4.0
ROA	3.5	2.8	3.1	3.2
ROE	12.6	10.1	10.8	10.9
Growth				
Turnover	(1.66)	1.75	2.01	2.05
EBITDA	17.93	(16.94)	2.68	0.75
Pre-tax profit	33.27	(20.98)	10.16	4.81
Net profit	28.83	(17.29)	10.16	4.81
Net profit (adj.)	37.79	(19.94)	10.53	4.80
EPS	37.79	(19.94)	10.53	4.80
Leverage				
Debt to total capital	189.8	179.9	172.0	166.5
Debt to equity	205.4	193.9	184.7	178.2
Net debt/(cash) to equity	195.4	172.8	155.2	139.0
Interest cover	3.0	2.5	2.5	2.5

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