

CHAROEN POKPHAND FOODS PLC

No. 70/2025
4 July 2025

CORPORATES

Company Rating:	A
Issue Ratings:	
Senior unsecured	A
Hybrid	BBB+
Outlook:	Stable

Last Review Date: 18/04/25

Company Rating History:

Date	Rating	Outlook/Alert
01/04/24	A	Stable
14/09/23	A+	Negative
08/12/20	A+	Stable
13/03/20	A+	Alert Negative
31/03/15	A+	Stable
20/06/14	AA-	Negative
19/05/11	AA-	Stable
30/04/10	A+	Positive
22/06/06	A+	Stable
20/05/05	A	Positive
12/07/04	A	Stable
28/05/04	A	-
01/03/01	A+	-

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RATIONALE

TRIS Rating assigns a rating of “A” to Charoen Pokphand Foods PLC (CPF)’s proposed issues of up to THB9,896 million senior unsecured debentures due within 15 years. The assigned issue rating replaces the rating on the previously proposed issue of up to THB6,800 million due within 15 years announced on 18 April 2025 as the company decides to increase the debentures issue size.

The proceeds of the new debenture issuances are intended for the following purposes of the company or companies in the CPF Group: (1) general business operations and/or (2) business expansion and/or (3) investment and/or acquisition in shares or assets and/or (4) repayment of debts and/or (5) lending to companies in the CPF Group.

At the same time, we affirm the company rating on CPF and the ratings on its outstanding senior unsecured debentures at “A” and affirms the ratings on its subordinated capital debentures (hybrid debentures) at “BBB+”. The outlook remains “stable”.

The ratings reflect CPF’s strong market position as a global leader in agribusiness, characterized by geographic diversity and a wide range of products and markets. However, the ratings are constrained by CPF’s high financial leverage due to the acquisitions and investments over the past several years. They are further limited by exposure to commodity protein prices, and earnings volatility. Also, the threat of a global economic slowdown induced by trade wars and geopolitical conflicts is another key risk.

CPF’s operating performance improved substantially owing to better livestock performance due to lower feed costs and recovery in swine prices in Thailand and overseas. As a result, EBITDA increased sharply by 78.9% year-on-year (y-o-y) to THB21.9 billion in the first quarter of 2025. EBITDA margin stood at 15.1%, a substantial improvement from 8.7% during the same period of 2024.

At the end of March 2025, CPF’s debt to EBITDA ratio stood at 6 times, based on trailing 12-month figures. CPF has recently acquired an additional 23.8% stake in C.P. Pokphand Co., Ltd. (CPP) for approximately THB36 billion, apart from the originally planned capital expenditure of THB25 billion. Nevertheless, the anticipated stronger operating performance in 2025 is expected to partially offset potential impact on debt ratios of this investment in CPP.

We assess a substantial portion of CPF’s debt maturing within the next 12 months, amounting to approximately THB56 billion in debentures and long-term bank loans, is expected to be refinanced. We project CPF’s capital expenditure to be around THB25 billion in 2025, plus additional investment in CPP of THB36 billion. Its sources of funds include THB35 billion in cash on hand as of March 2025 and anticipated funds from operations (FFO) of approximately THB39 billion in 2025. Given CPF’s strong access to the capital markets, we view the refinancing risk as significantly mitigated.

As of March 2025, CPF’s total outstanding debt, including the full amount of hybrid debentures but excluding financial leases, was THB487 billion, of which about THB318 billion was priority debt, most of which were debts at subsidiary levels. This translates to a priority debt to a total debt ratio of 65%. However, given CPF’s diversified operations and products through multiple subsidiaries, we consider the senior unsecured debenture holders of CPF not significantly disadvantaged to the unsecured debt holders at subsidiary levels.

The financial covenant on CPF's debenture obligations requires the net interest-bearing debt to equity ratio to stay below 2.0 times. As of March 2025, the ratio was 1.3 times. We expect CPF to remain in compliance with the covenant over the next 12-18 months.

RATING OUTLOOK

The "stable" outlook reflects our expectation that CPF will maintain its leading position in the dynamic agribusiness and food industry. We expect the company's diverse range of operations, products, and markets to mitigate the volatile effects of commodity-like farm products and disease epidemics.

RATING SENSITIVITIES

The ratings and/or outlook on CPF could be revised upward if there is significant improvement in operating performance and substantial reduction in financial leverage, such that the adjusted debt to EBITDA ratio falls well below 8 times over a sustained period. Conversely, a rating downgrade scenario could emerge if CPF's earnings is substantially weaker than expected, or if the company makes sizable debt-funded investments and/or acquisitions that materially pushes up its financial leverage.

RELATED CRITERIA

- Issue Rating Criteria, 26 December 2024
- Hybrid Securities: Equity Content and Credit Rating Criteria , 20 December 2024
- Corporate Rating Methodology, 15 July 2022
- Key Financial Ratios and Adjustments for Corporate Issuers, 11 January 2022

Charoen Pokphand Foods PLC (CPF)

Company Rating:	A
Issue Ratings:	
CPF257A: THB3,000 million senior unsecured debentures due 2025	A
CPF25DA: THB2,000 million senior unsecured debentures due 2025	A
CPF261A: THB13,064.5 million senior unsecured debentures due 2026	A
CPF268A: THB4,989.1 million senior unsecured debentures due 2026	A
CPF276A: THB7,164.4 million senior unsecured debentures due 2027	A
CPF276B: THB2,643 million senior unsecured debentures due 2027	A
CPF277A: THB2,000 million senior unsecured debentures due 2027	A
CPF281A: THB6,540 million senior unsecured debentures due 2028	A
CPF281B: THB4,028.7 million senior unsecured debentures due 2028	A
CPF288A: THB3,079.7 million senior unsecured debentures due 2028	A
CPF28NA: THB3,200 million senior unsecured debentures due 2028	A
CPF292A: THB7,060 million senior unsecured debentures due 2029	A
CPF301A: THB14,599 million senior unsecured debentures due 2030	A
CPF308A: THB3,806 million senior unsecured debentures due 2030	A
CPF30NA: THB5,300 million senior unsecured debentures due 2030	A
CPF311A: THB5,034.4 million senior unsecured debentures due 2031	A
CPF312A: THB2,190 million senior unsecured debentures due 2031	A
CPF314A: THB2,500 million senior unsecured debentures due 2031	A
CPF326A: THB940 million senior unsecured debentures due 2032	A
CPF328A: THB3,845 million senior unsecured debentures due 2032	A
CPF331A: THB5,372.4 million senior unsecured debentures due 2033	A
CPF342A: THB2,750 million senior unsecured debentures due 2034	A
CPF351A: THB1,901 million senior unsecured debentures due 2035	A
CPF356A: THB3,120 million senior unsecured debentures due 2035	A
CPF418A: THB2,465 million senior unsecured debentures due 2041	A
CPF41DA: THB3,580 million senior unsecured debentures due 2041	A
CPF22PA: THB15,000 million subordinated capital debentures	BBB+
CPF23PA: THB11,932 million subordinated capital debentures	BBB+
Up to THB9,896 million senior unsecured debentures due within 15 years	A
Rating Outlook:	Stable

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