Thai Union

3Q23
ANALYST MEETING

THAI UNION GROUP PCL.
NOV 7, 2023

seaCHANGE 2030

FTSE4Good

MEMBER OF Dow Jones Sustainability Indices
In collaboration with RobecoSAM

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The information contained in our presentation is intended solely for your personal reference only. In addition, such information contains projections and forward-looking statements that reflect our current views with respect to future events and financial performance.

These views are based on assumptions subject to various risks and uncertainties. No assurance is given that future events will occur, that projections will be achieved, or that the assumptions are correct. Actual results may differ materially from those projected.

3Q23 Key Highlights

“3Q23 shows better momentum with GPM improving impressively at 18.4%. Moreover, 4Q23 earnings are expected to be the peak quarter from demand recovery due to the tuna prices further softening down.”

Thiraphong Chansiri
President and CEO

3Q23: Better momentum from profit margins improved impressively QoQ

THB mn

Sales

33,915

Impacted by rightsizing & falling freight revenue

Sales dropped 17% YoY from extraordinarily high baseline last year, mainly from:

- 15% lower sales volume across all categories, and falling freight revenue
- Sales dropped mainly from PetCare (-39% YoY), Frozen (-22% YoY) from rightsizing strategy, Ambient (-7% YoY), and Value-added & others (-2% YoY)

Gross Profit

6,233

GPM at 18.4%, huge improvement QoQ

Gross profit increased 8% QoQ, while dropped YoY mainly from:

- Decreasing GP from PetCare, Ambient, and Value-added from increasing production cost per unit triggered by lower sale volumes, falling freight revenues, and negative category mix
- Partially offset by Frozen GP increasing impressively from rightsizing strategy

Operating Profit

2,158

Record high OPM over the last 9 quarters

Operating profit increased 22% QoQ, while dropped YoY mainly from:

- 20% SG&A YoY reduction in 3Q23, thanks to significant freight cost improvement, profit protection plan measures as well as lower sale volume
- Partially offset by soft performance, rising average key raw material costs, and higher marketing expenses

Net Profit

1,206

NP increased QoQ

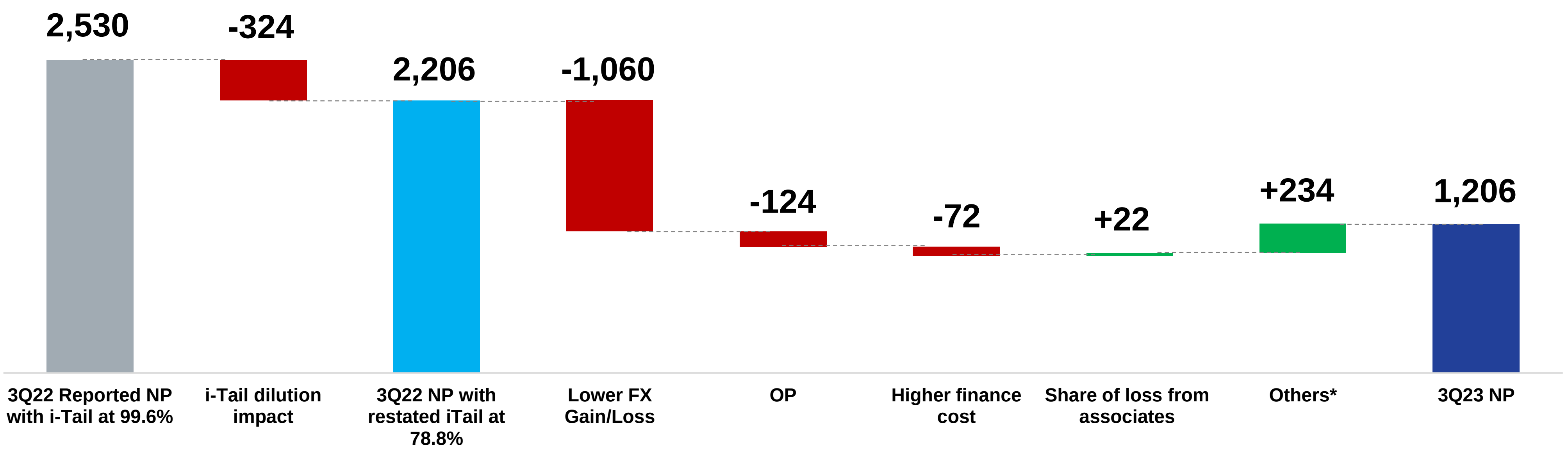
Net Profit increased QoQ but declined YoY due to unfavorable items below:

- Negative impact from THB 268mn FX loss vs. THB 792mn FX gain in 3Q22, higher finance costs, and dilution effect on i-Tail net profit
- Partially offset by reduced share of loss from associates.

	Sales	Gross Profit	Operating Profit	Net Profit
YoY Chg.	-16.8%	-15.8%	-5.4%	-52.3%
QoQ Chg.	-0.4%	+8.4%	+21.5%	+17.2%
% of sales		18.4%	6.4%	3.6%

3Q23 Net profit dropped YoY, mainly impacted by lower FX gain/loss and i-Tail dilution impact

Bridge Net Profit
THB mn



3Q23 Reported net profit of THB 1,206mn, dropping THB 1,325mn or 52.3% YoY mainly due to lower contributions from:

1) **i-Tail dilution impact of THB 324mn**
2) **FX losses of THB 268mn** (vs. FX gains of THB 792mn in 3Q22)
3) **OP of THB 2,158mn** (vs. THB 2,282mn in 3Q22)
4) **Finance cost of THB 589mn** (vs. THB 517mn in 3Q22)

Partially offset by lower share of loss from associates of THB 234mn (vs. THB 256mn in 3Q22)

*Remark: *Others include the impact of +37mn of interest income and +59mn of tax coupon.*

9M23: Soft performance due to high baseline in 9M22, lower demand in 2023, and logistic normalization

9M23 sales dropped 13% YoY to

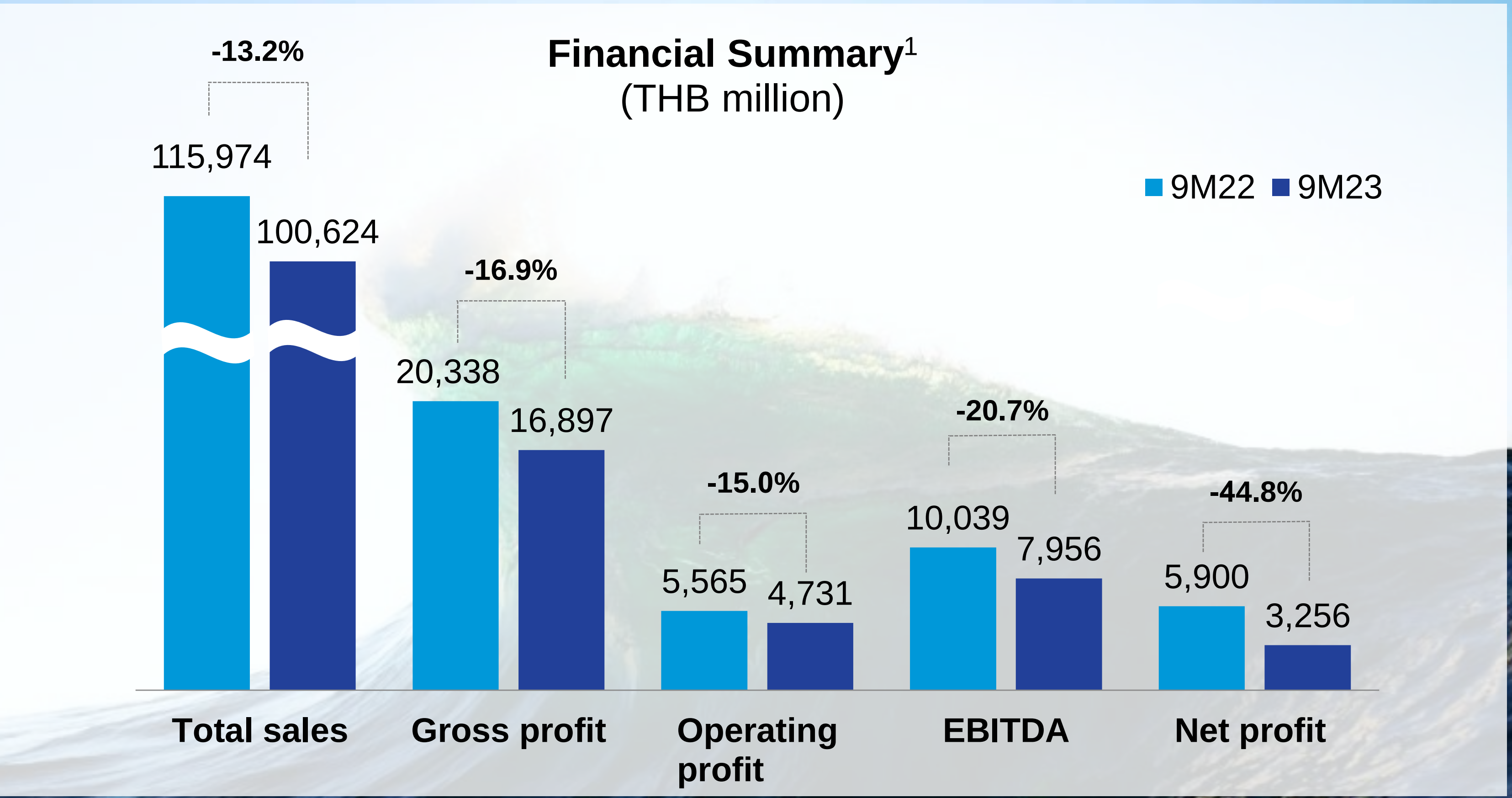
THB 100,624mn

Share price movement[2]

2022 (Jan – Dec 22)	9M23 (Jan – Sep 23)
-14.6%	-13.7%

ND/E remained healthy

2022 ND/E	3Q23 ND/E
0.54x	0.65x



Source: [1]Company; [2]TU share price (Jan 4'22: THB19.8/share and Dec 30'22: THB16.9/share, Jan 3'23: THB16.8/share and Sep 30'23: THB14.5/share)

New and innovative product launches

Chicken of the Sea co-branded with McCormick, No.1 Seasoning Manufacturer

- Introduce **NEW on-the-go protein** and overflowing with 6 flavors
- **Wild caught tuna and salmon packets** are the perfect sidekicks for whipping up a quick, a nourishing dinner or lunch on the trail, or a delicious post-workout snack.

PetCare products were expanded to a new sales channel and new products development

- Expanded branded product to **CJ Express in the Pet Hub zone** in 857 branches

- Launched **new "super-premium" Bellotta** Nutri+ and grain free **in pouch with 6 SKUs** in end-September 2023 in Thailand.

Hawesta has introduced Nutri-Score

A nutritional rating system – **provided a protein health claim** and categorizing them into a specific group

Launched new innovative products **"Cooked marinated shrimp"**, for Burger King in Japan.

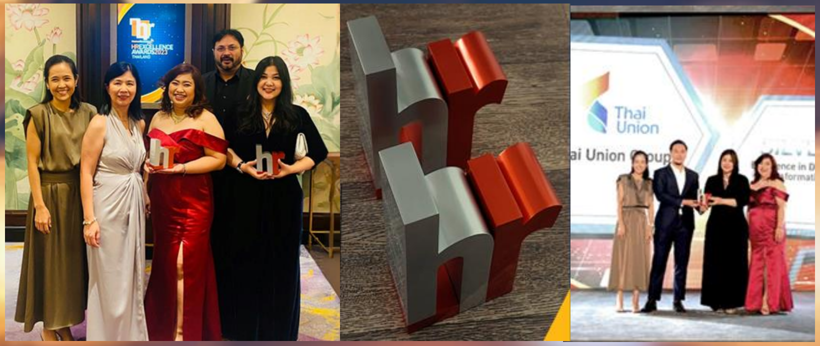
Through **value-added product** under Frozen & Chilled category

Panda Express launched a dessert for the first time ever

"Apple Pie Roll", which is popularized Chinese food in the US.

Awards & Recognitions

We continue to be recognized for our efforts by leading institutions around the world



HR EXCELLENCE AWARDS THAILAND 2023

TU receives the Silver Award both of **Excellence in CSR Strategy** and **HR Digital Transformation**.

National Innovation Awards 2023

TU wins Thailand's 2023 National Innovation Award for innovative private organizations with outstanding product research and development.

5 CSR-DIW Awards 2023

TU and its subsidiaries win 5 awards from Corporate Social Responsibility for the 4th consecutive year from Department of Industrial Works

5 Human Rights Awards 2023

TU and its subsidiaries receive 5 Human Rights Awards for 2023 in the large business sector.

Best Corporate Innovation CEO Award

K. Thiraphong Chansiri, receives Best Corporate Innovation CEO Award on driving the Company to magnificently cope with global dynamic change.

Adam Smith Awards ASIA 2023

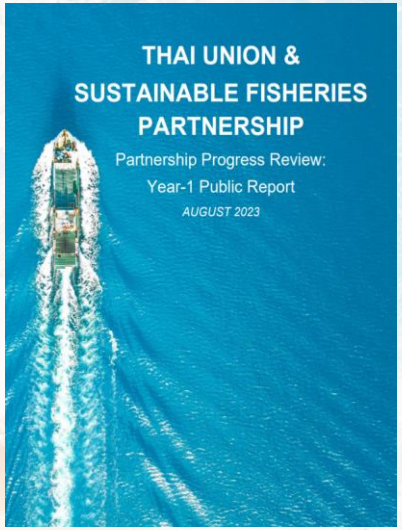
TU wins for the **Best Sustainable Treasury Solution in 2023**

Source: https://treasurytoday.com/adam-smith-awards-asia-2023-winners/

Committed to protecting the environment and supporting local communities, as part of ***"Healthy Living, Healthy Oceans"***

Collaboration with ASC, the Aquaculture Stewardship Council **for Aquaculture Improvements Projects (AIPs)**

Announced **collaboration on Aquaculture Improvement Project for shrimp**



Thai Union and Sustainable Fisheries Partnership (SFP) released the first-year report

Shared vision and complementary expertise promise to continue fostering progress

TU ranked No. 1 on Seafood Stewardship Index (SSI) for 3rd time

In recognition of its leadership in driving positive change and delivering towards UN SDGs

TU achieved zero wastewater discharge to outside of fish plant in Samut Sakhon **and 100% wastewater treatment** as a part of SeaChange® 2030 commitment. This project was able to **reduce production costs by THB 27.8mn**

Thai Union colleagues joined the Anti-Corruption Day 2023 event to show our **support for Thailand's anti-corruption movement**, which was held by the Anti-Corruption Organization of Thailand (ACT).

Thai Union **joined Sustainability Expo 2023 (SX2023)**, the largest sustainability exposition in ASEAN and **our management was invited for the panel discussion** to share knowledge, regarding sustainable food development.

Thai Union decreased the Company's paid-up capital, which will benefit to EPS

TU Common Shares	Paid-up Capital	
	THB	No. of shares
As of 1 Jan 2023	1,192,953,874	4,771,815,496
Effective date 1 Sep 2023	1,163,783,174	4,655,132,696
Changed	**(29,170,700)**	**(116,682,800)**

Transaction:	
Dr. (Cr.)	**THB**
Share capital decrease	29,170,700
Deduction of Treasury share	(1,519,051,266)
Adjust to retained earnings	1,489,880,566

- Thai Union has completely registered a **decreased in paid-up capital** by writing off the unsold shares **totaling 116,682,800 shares at par value 0.25 baht per share** or 2.45% of the total issued shared of the Company which is **equivalent to 29,170,000 baht** on September 1, 2023.
- There is **no change in equity**

3Q23 Financial Results - Consolidated

“ The 3Q23 performance remained challenging due to the ongoing headwinds and FX volatility, however, the operating margin is showing a huge improvement QoQ from the profit protection plan measures implemented. ”

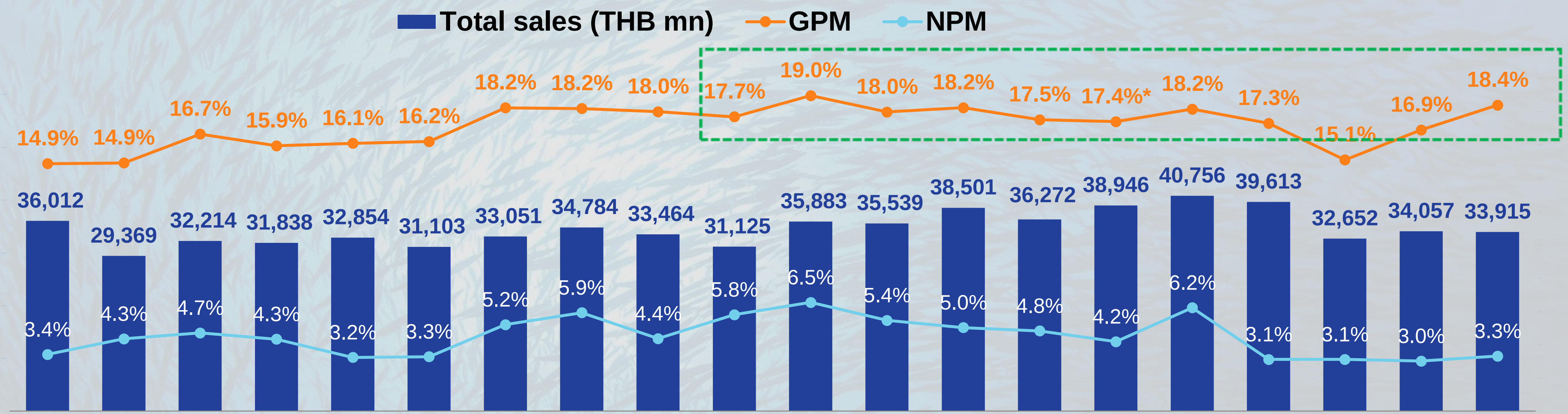
Ludovic Garnier,
Group CFO

Showing better margins QoQ, led by Frozen and Value Added

3Q23 Key Takeaways

Gross Profit improving	• **Gross profit improved 8.4% QoQ**, thanks to less pressure from key raw material prices, portfolio rationalization, and the profit protection plan (PPP) measures implemented • **Gross profit margin was solid at 18.4%**, mostly led by Frozen recovery
Frozen margin remains good momentum	• **Frozen and Chilled GPM continued good momentum from 6.4% in 3Q22 to 12.9%**, thanks to US Frozen rightsizing, favorable raw material prices, especially shrimp, and inventory management improvement
PetCare recovered QoQ	• **PetCare sales showed an improvement of 19.1% QoQ**, thanks to demand recovery mainly from key customers (global brands and retailers) in the U.S. and Europe, as well as selling price adjustment strategy.
New capacity commercialize	• **Future of Culinary commercialized** in November, with **38% capacity increase** • **TUI has been partially commercialized its "Collagen line"** in October, while its "Protein hydrolysate line" is expected to be commercialized within early 2024
TRIS Rating remained A+	• **TRIS Rating confirmed the company rating** on Thai Union Group PLC (TU) and the ratings on its senior unsecured debentures **at "A+"** • Revised the rating outlook to "stable" from "positive".

Soften topline from the record high base last year, however strong 18.4% GPM, the 2nd ever highest performance level

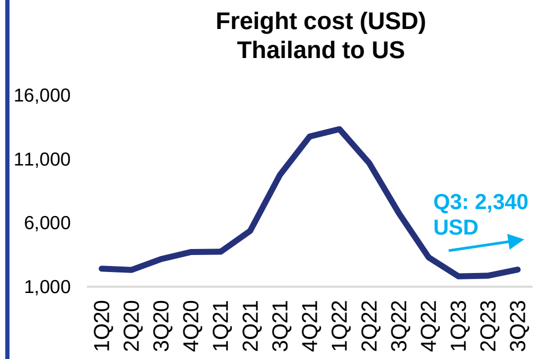


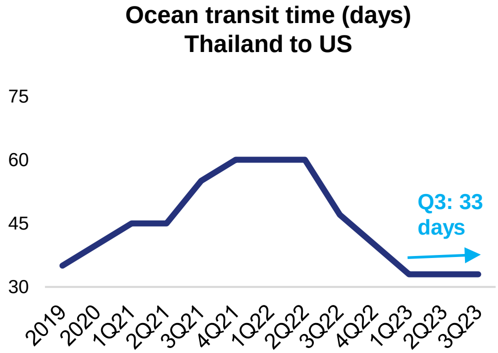
% Growth YoY	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23
Sales	0.1	-4.6	-6.8	-8.8	5.9	2.6	9.3	1.9	0.1	8.6	2.2	15.1	16.5	8.5	14.7	2.9	-10.0	-12.6	-16.8
Gross profit	29.3	13.1	-6.1	-1.3	15.0	12.4	24.6	13.9	9.3	12.9	1.0	16.6	15.4	-3.2	15.8	-2.2	-22.6	-12.7	-15.8
Net profit	46.5	10.6	-20.6	-13.6	-20.2	13.4	49.7	37.9	77.4	36.5	-5.8	32.5	-3.2	-30.7	30.7	-35.9	-41.5	-36.7	-52.3

Remark: Excluding THB 1,402mn one-time net accrual for US legal-related settlement (2Q19) and THB 1,359mn (2Q18), THB 489mn ESCo business closure-related expenses (2H18), and THB 87mn TMAC investment impairment (4Q18).
**Excluding THB 188mn from Rügen Fisch restructuring costs (2Q22)*

Freight price slightly rebounded following higher energy price but still in low base

Logistics: Freight price impact turned positive





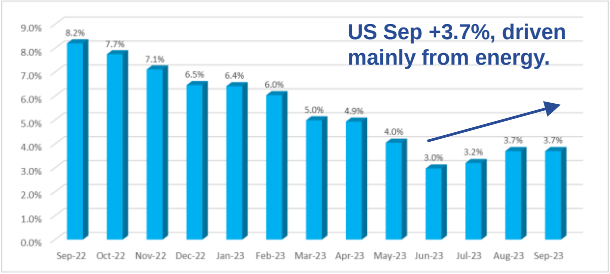
- The freight price generated significant improvement, **by turning positive by THB ~567 mn in 3Q23** (vs. negative of THB ~370mn in 3Q22), thanks to **significantly lower freight price comparing with previous year.**
- **Freight price was at 2,340 USD in 3Q23**, higher than 1H23 (1,847 USD) aligning with higher energy price. Anyway, this price level is still in low base comparable to 2019 pre-covid.

Inflation bounced in the U.S., while Europe kept going down.

US headline inflation made a nod driven by energy price while EU inflation continued to decrease and signaling recession.

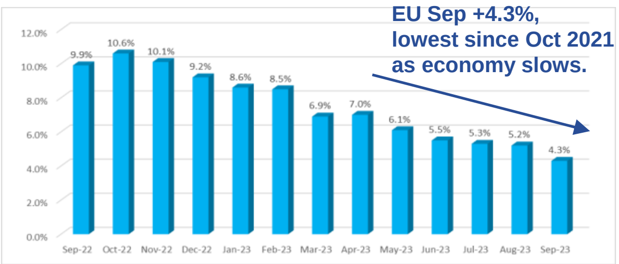
Impact to TU: Positive impact in EU since the purchasing power partially regains. Also, demand of ambient tends to increase in recession since it's considered affordable goods. For US, inflation increase will negatively effect to us from lower demand, especially in restaurant.

US



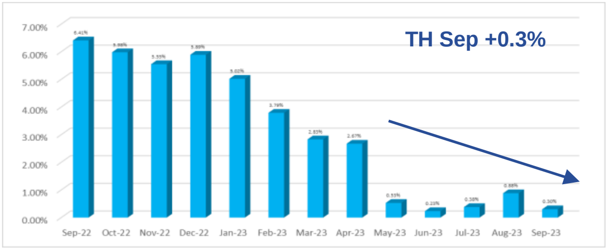
Source: U.S. Bureau of Labor Statistic

EU



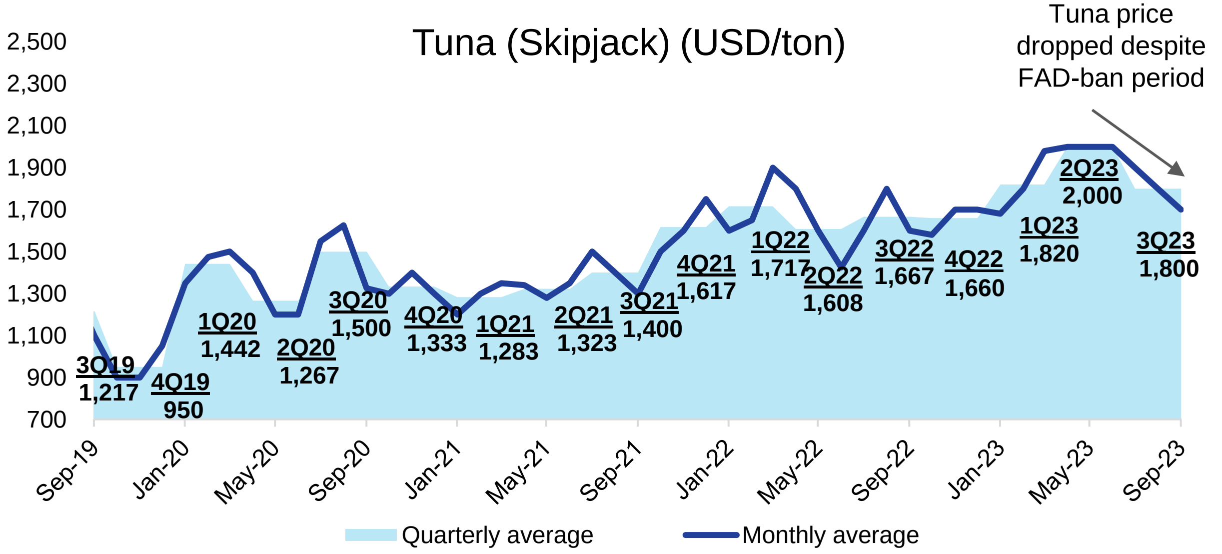
Source: Eurostat

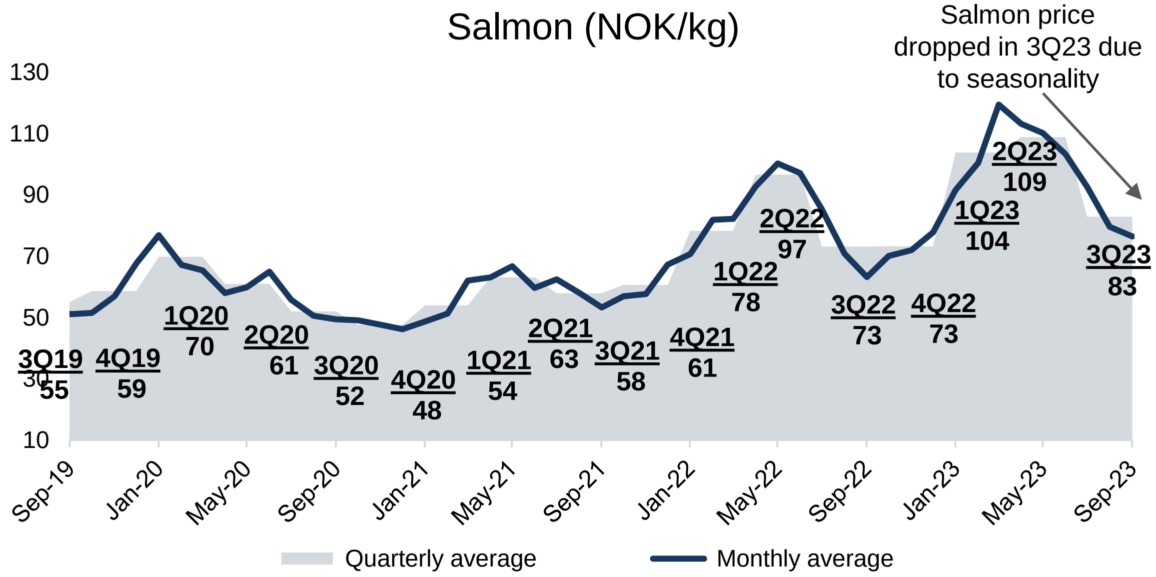
TH

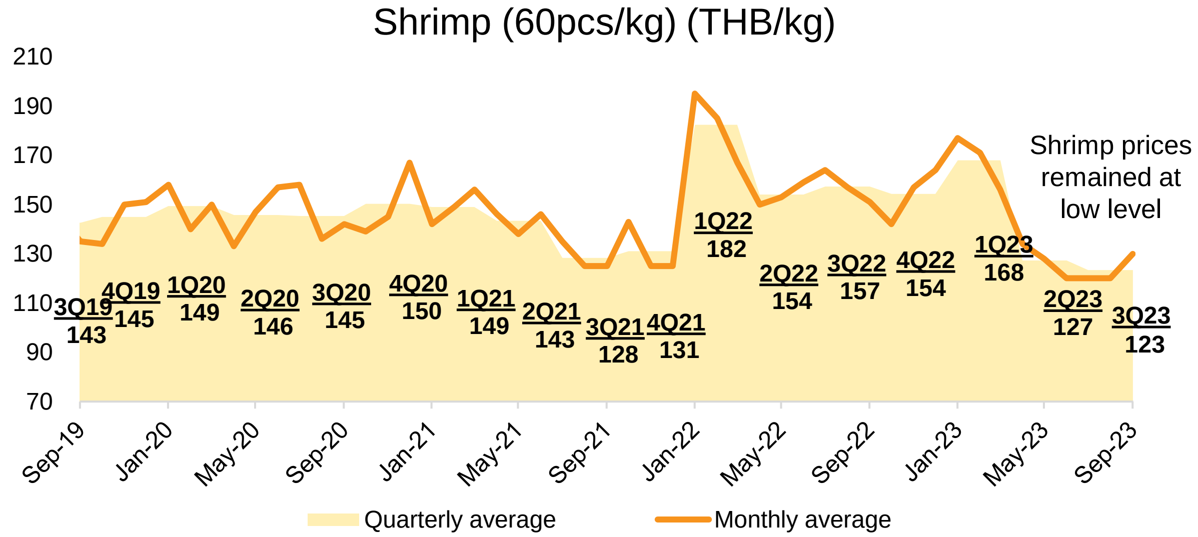


Source: Bureau of trade and economic indices, Ministry of commerce, Thailand

Tuna prices dropped to USD 1,700/ton in Sep, thanks to higher catching rate, while shrimp prices remained at low level







In Sep 2023, raw material prices closed at:

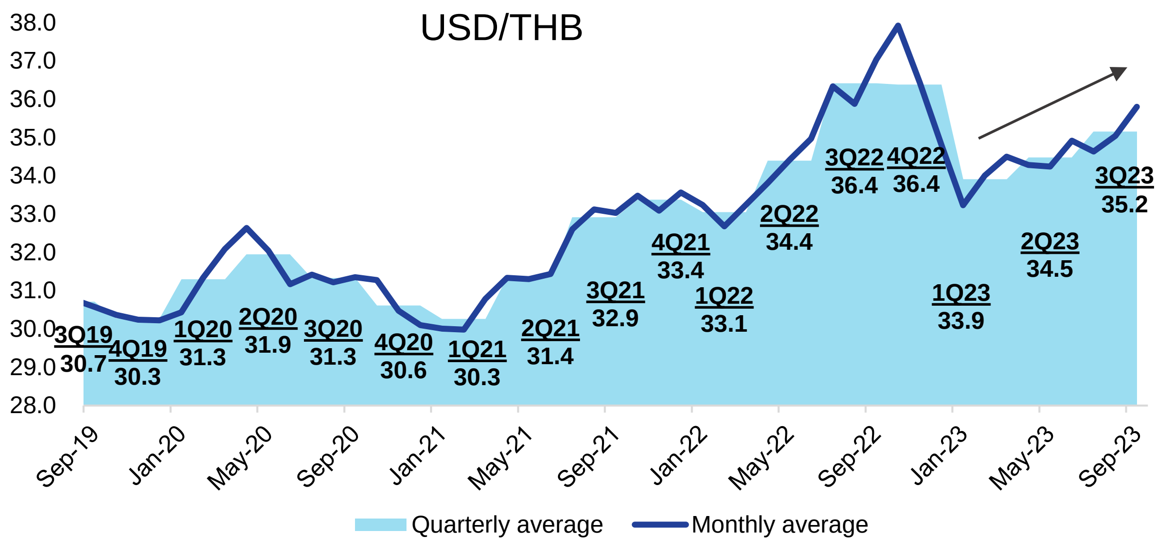
- Tuna – USD 1,700/ton, Shrimp – THB 130/kg
  Salmon – NOK 76/kg

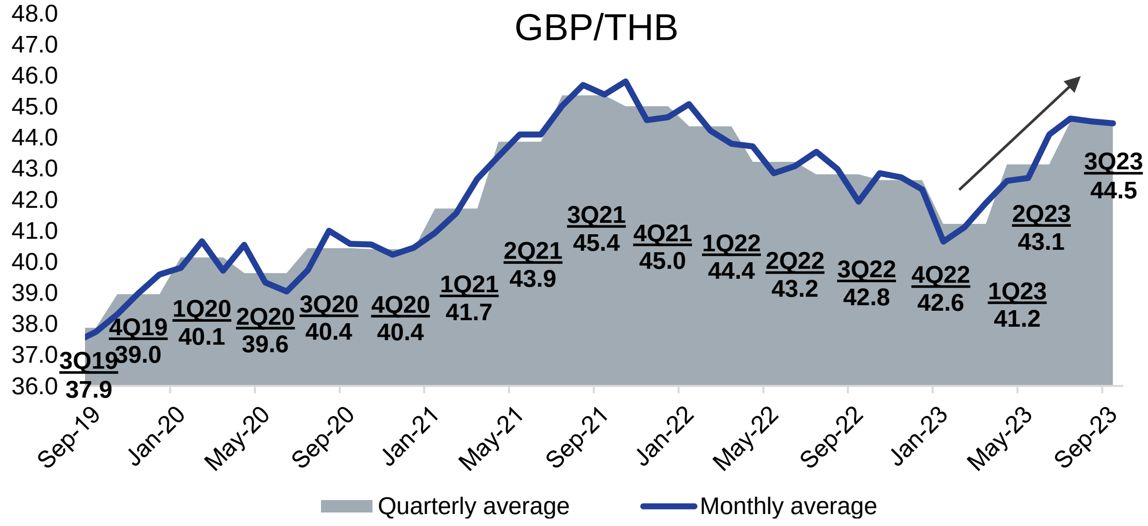
In 3Q23, average raw material prices closed at:

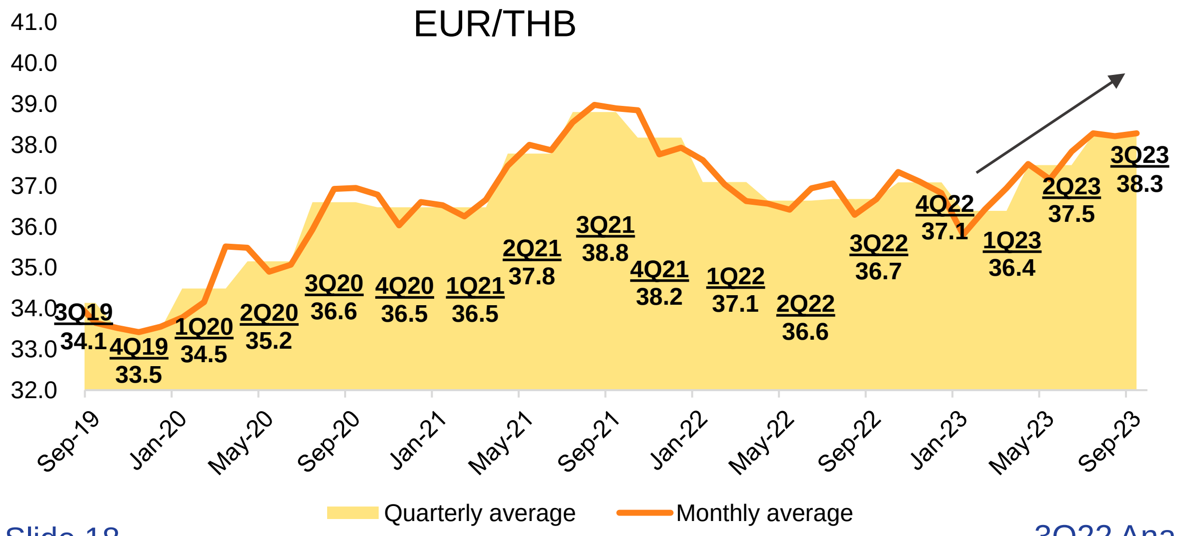
- Tuna: USD 1,800/ton (+8.0% YoY, -10.0% QoQ)
- Shrimp: THB 123/kg (-21.6% YoY, -3.1% QoQ)
- Salmon: NOK 83/kg (+13.3% YoY, -23.9% QoQ)

Source: Thai Union and Bloomberg data

THB has been depreciating QoQ against all key currencies







In Sep 2023, average FX rates closed at:

- USD/THB – THB 35.83, EUR/THB – THB 38.28, GBP/THB – THB 44.46

In 3Q23, average FX rates closed at:

- USD/THB: THB 35.17 (-3.4% YoY, +2.0% QoQ)
- EUR/THB: THB 38.26 (+4.3% YoY, +2.0% QoQ)
- GBP/THB: THB 44.54 (+4.0% YoY, +3.2% QoQ)

Source: Thai Union and Bank of Thailand data

Thai Union

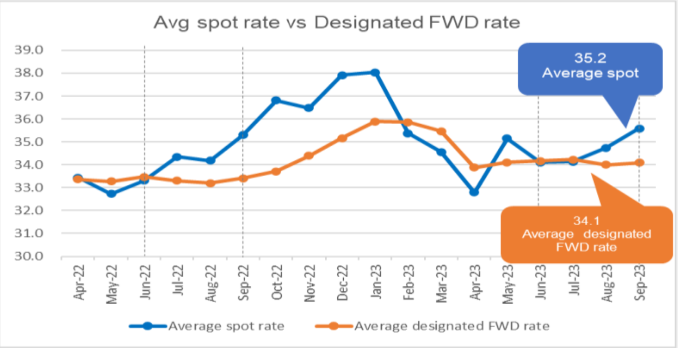
FX volatility generated significant FX losses in 3Q23 below OP mainly from financing activities

(in mTHB)	3Q22	3Q23
Sales	41,653	34,063
Sales adjustments	(897)	(148)
Net sales	40,756	33,915
Costs of sales	(33,357)	(27,682)
Gross Profit	**7,399**	**6,233**
in % of Net sales	*18.2%*	*18.4%*
SG&A expenses	(5,063)	(4,044)
Operating Profit	**2,282**	**2,158**
FX Gain (Loss)	792	(268)
Financing activities	156	(285)
Operating activities	636	17

We recorded mostly two lines from FX impact:

In Net sales line

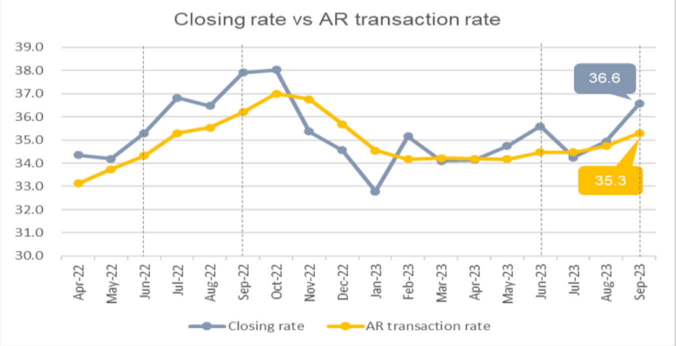
THB -148mn sales adjustments in 3Q23, mostly resulting from the designated forward (FWD) rates are lower than spot rate (Avg FWD vs Avg spot rate: 34.1 vs 35.2 THB/USD)



In Other gains (losses) line

1. THB -285mn financing activities in 3Q23, mostly from unrealized loss on interest rate swap which we hedge for intercompany loans, resulting from higher interest rate curve in the market (3mEURIBOR 3% to 3.35%).

2. Operating activities was significantly lower than last year, mainly due to realized gain last year where it had a large difference between spot rate and transaction rate.



RL back to challenging performance from industry headwinds, UES results and the low season

THB mn	3Q23	2Q23	1Q23	4Q22	3Q22
Share of profit/loss from operations	-395	-94	121	-344	-339
Share of profit/loss from lease accounting adj.	-101	-95	-101	-112	-117
Other income	0	0	0	0	0
Interest expense	-138	-138	-138	-115	-113
Income tax	360	134	252	222	66
Net income	**-273**	**-193**	**134**	**-348**	**-502**
EPS (THB/share)	**-0.06**	**-0.04**	**0.03**	**-0.07**	**-0.11**

FY share of profit/loss (THB mn)	2022	2021*	2020	2019
Operations	-1,207	-178	-1,187	-142
Lease accounting adj.	-422	-638	0	0

- **3Q23 Share of loss from Operations** marked at THB 395mn in 3Q23 vs. THB 339mn loss in 3Q22, mainly from industry headwinds, including high material and labor costs, high interest rates, and a cyclically lower quarter.
- During the quarter, RL launched a value offering with its attractively priced Ultimate Endless Shrimp (UES) promotion. While UES did **drive some traffic growth**, it fell short of expectations and financial performance.
- **3Q23 Other income marked at THB 0mn** same as last year and guidance which mainly resulted from the significant increase in the U.S. interest rate

*Remark: *Including lease accounting adjustment applied since 1Q21 onwards.*

FY23 RL share of loss from operations slightly deteriorating given 3Q23 performance; TU formulates strategies with support from advisers

Continue to monitor closely the financial performance

- **Cash situation and covenant under pressure** due to 3Q23 performance and USD 25mn debt repayment performed by RL in August. New term loan of USD 2.8mn provided by Thai Union to RL on Oct. 2023, to cure RL covenant shortfall as end of August.
- **Appointed Horace Dawson chief executive officer** and **Paul Kenny chairman of the board**
- Evaluate with support of advisers several strategic alternatives around operational and financial improvement.
- **Reviewing pricing strategy** and **adjusting promotion intensity to uplift margin**, especially UES

Horace Dawson

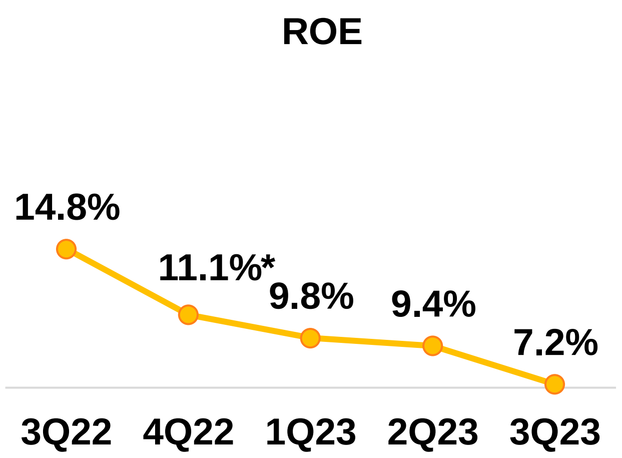
Paul Kenny

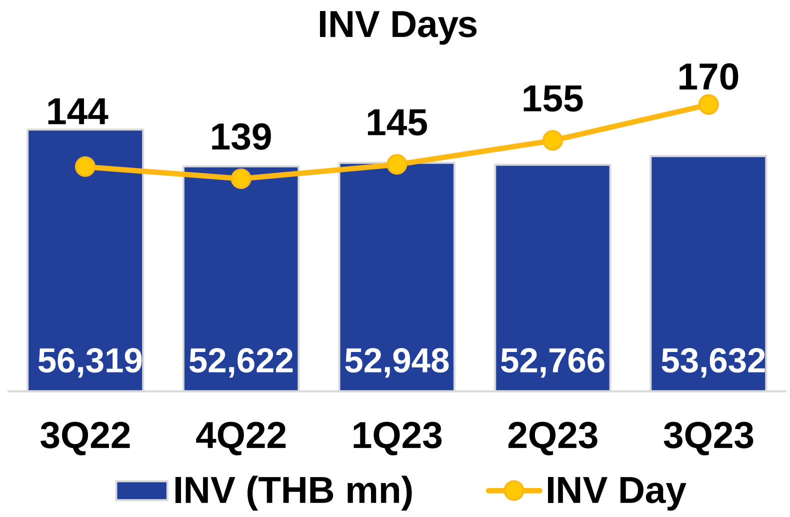
Higher losses from operations than expected in 3Q23 performance mainly from industry headwinds, high interest rates, and a cyclically lower quarter, reflected in higher loss guidance from operations for the full year. No change on the other lines.

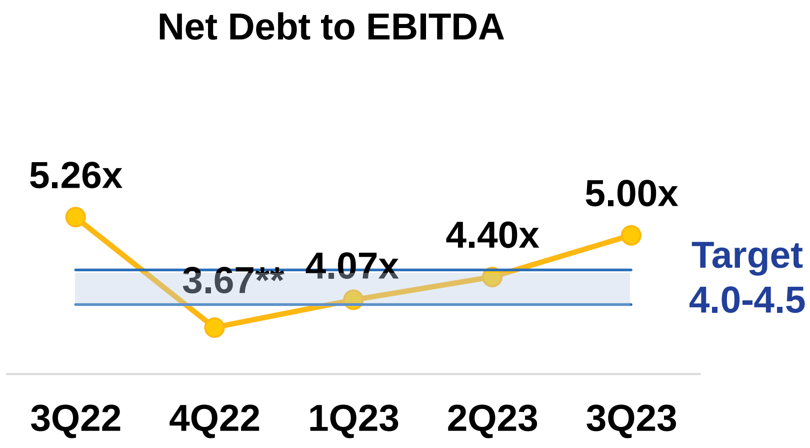
(THB mn)	FY23	Adjusted FY23	Adjusted FY23
Share of profit from operations	-600	-500	-700
Share of profit from lease acc.	-385	Unchanged	Unchanged
Preferred interest*	0	Unchanged	Unchanged

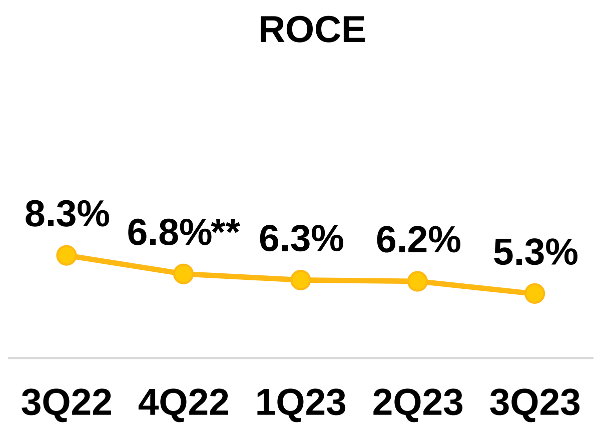
Remark: *Including management fee

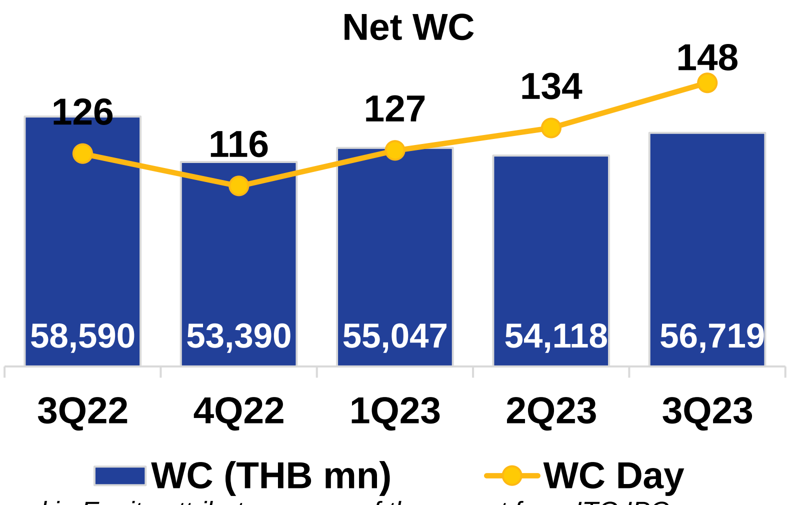
3Q23: NWC decreased compared to LY due to inventory and account receivable reduction. Inventory days increased as a result of soft topline

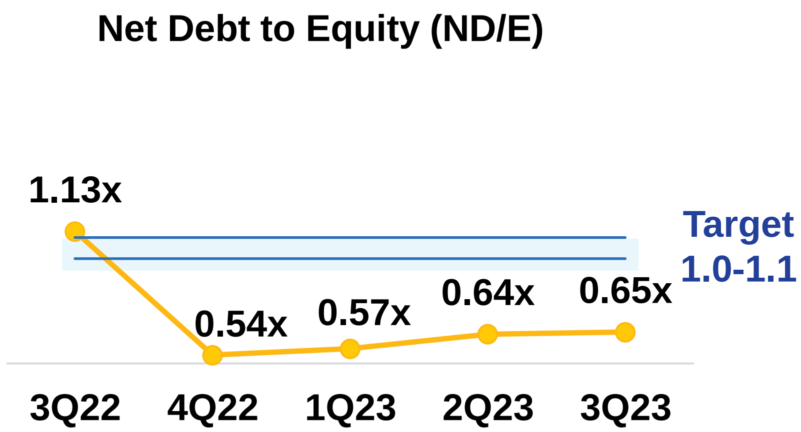








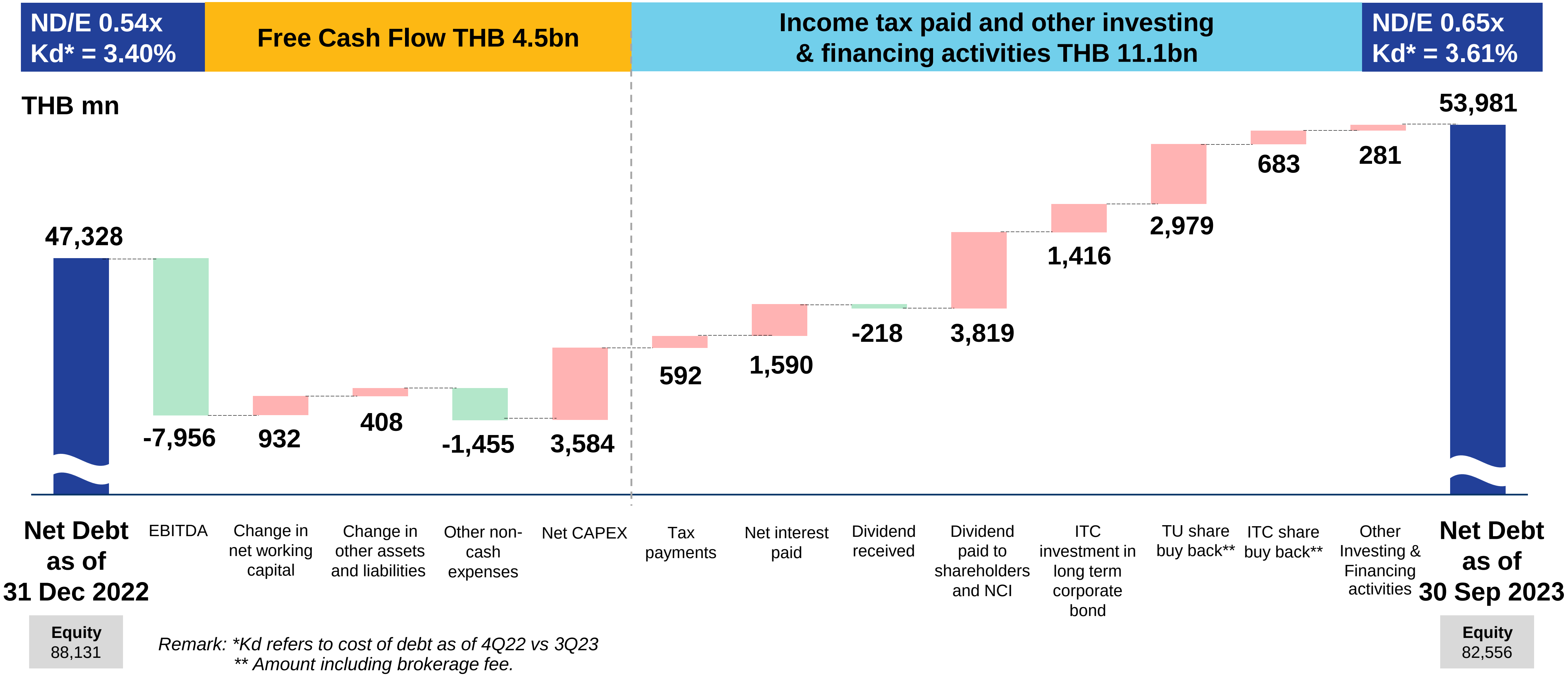




*Remark: *ROE significantly dropped because an increased in Equity attrib. to owners of the parent from ITC IPO*
***ROCE significantly dropped because a decreased in Current liabilities from ITC IPO*

**** ND/EBITDA / ND/E significantly dropped thanks to capital raised and proceeds from ITC IPO*

9M23: Net debt increased to THB 54.0bn mainly from active financing activities (mostly share buy back and i-Tail investments)

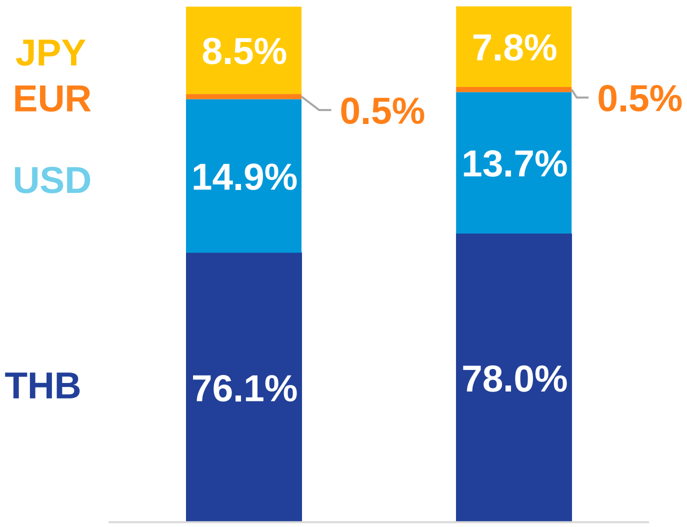


*Remark: *Kd refers to cost of debt as of 4Q22 vs 3Q23*
*** Amount including brokerage fee.*

Temporary higher portion of float-rate loans from short-term loan increase to repay THB bond due in Q2

Interest-bearing debts of THB 65.8bn

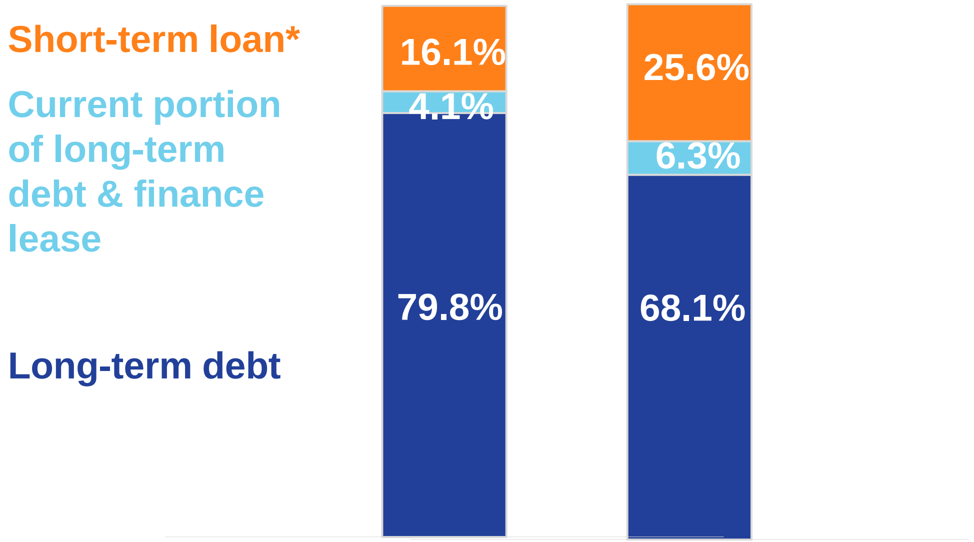
By Currency



FY 2022
THB 60.3bn

3Q23
THB 65.8bn

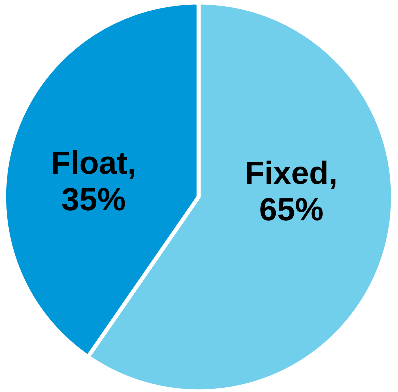
By Maturity



FY 2022
3Q23

As of 3Q23, THB 44.8bn was long-term loan by maturity from 2024 onwards

By Interest Rate



Interest rate mix after swap as of 30 Sep 2023

*Remark: *Short-term loans including Bank overdrafts THB 339mn for the period ending September 2023*

3Q23 Business Performance

Category mix: Ambient sales contribution increased to the expense of PetCare and Frozen categories

Total 9M23 sales: THB 100,624mn

Business Categories

48% *(42% LY)*

Ambient Seafood

THB 48,211mn

35% *(37% LY)*

Frozen and Chilled

THB 34,771mn

10% *(14% LY)*

PetCare

THB 10,436mn

7% *(7% LY)*

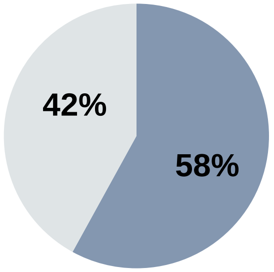
Value Added & Others

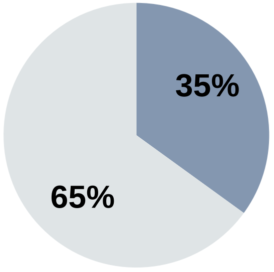
THB 7,205mn

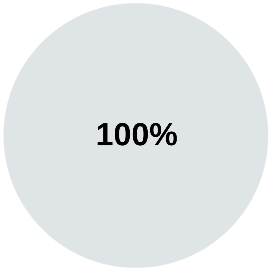
Sales Split

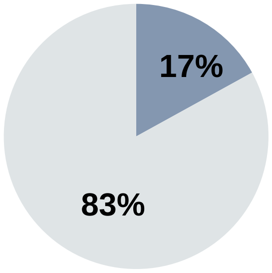
Brand

OEM

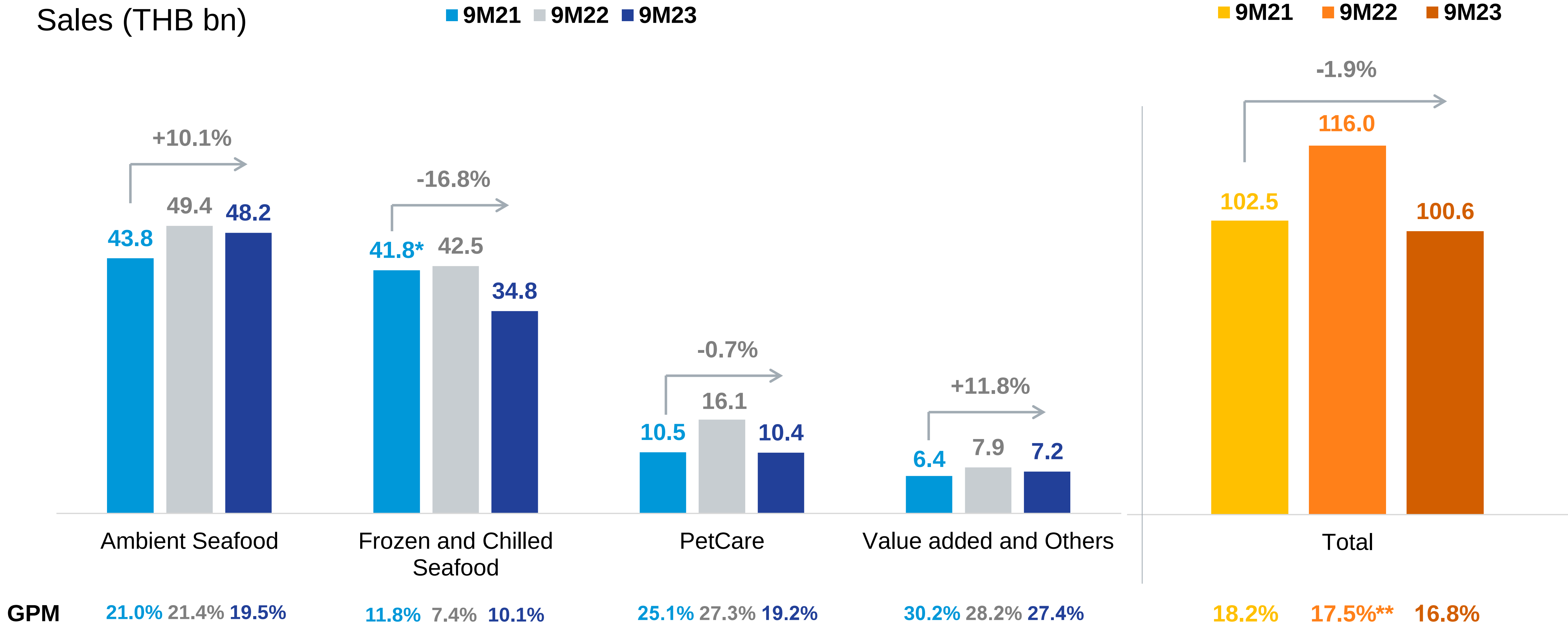








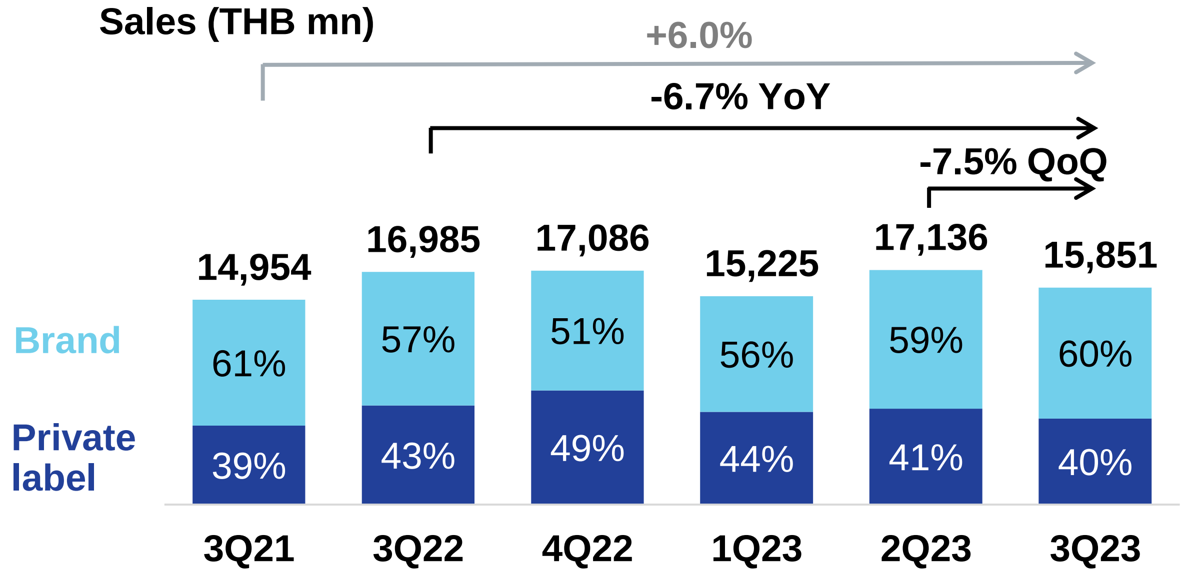
9M23 soft sale performance explained by high baseline and negative freight price impact of ~1.5% in 9M23

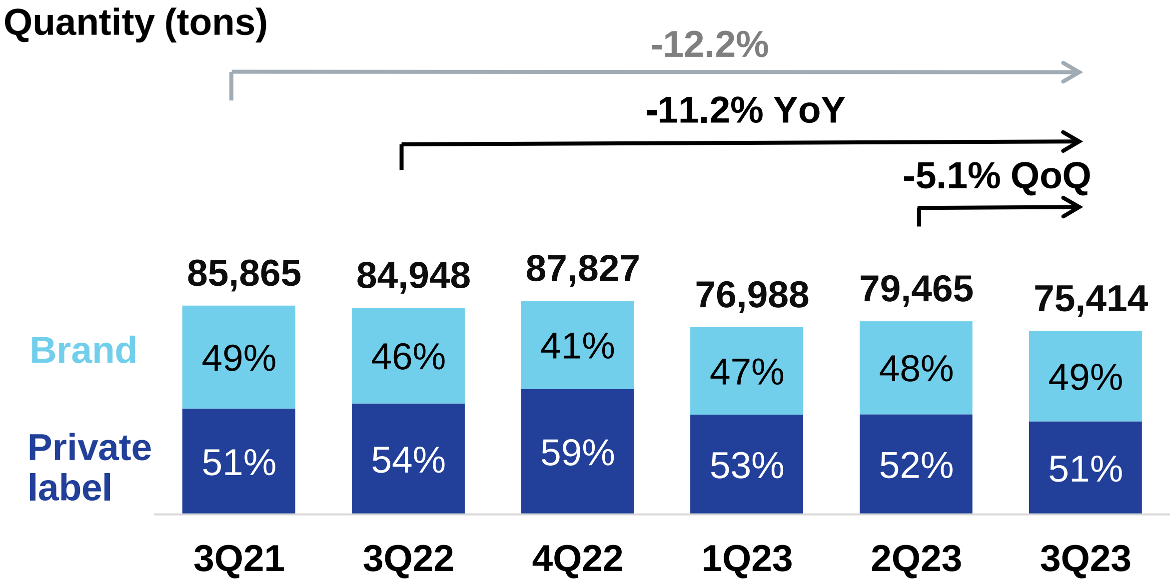


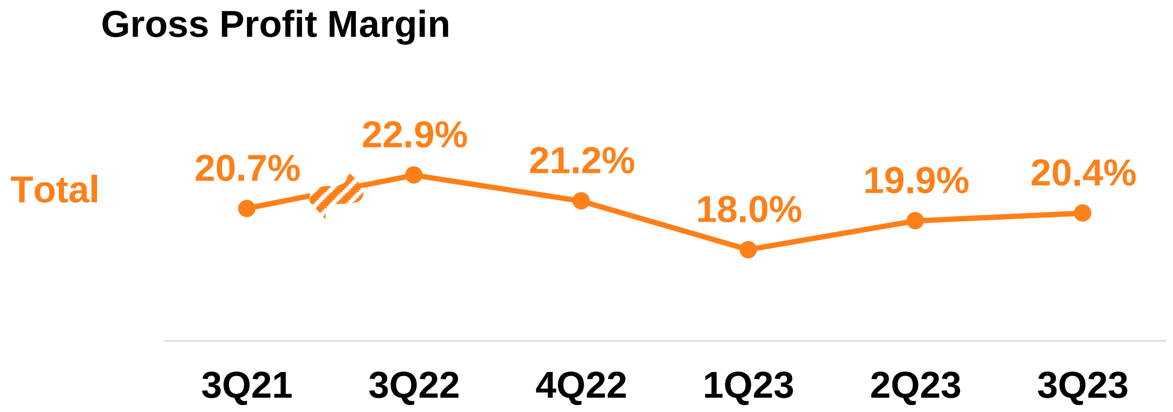
*Exceptional recovery in U.S. food service businesses post COVID-19

** Including THB 188mn Rügen Fisch restructuring costs accrual. Adjusted GPM 9M22 was 17.7%.

Ambient seafood: Sign of margin recovery QoQ, thanks to falling raw material price

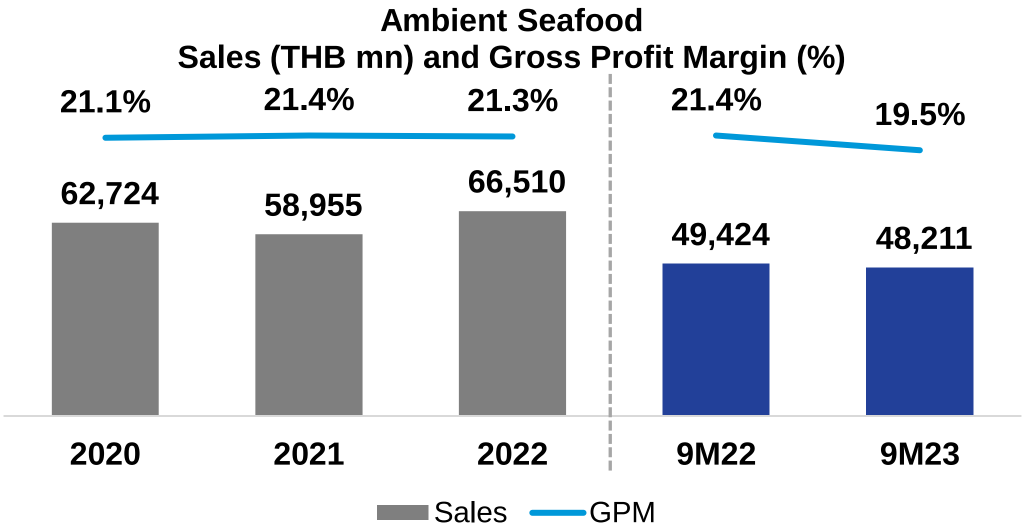






- **3Q23 ambient seafood sales decreased by 7% YoY**, from high baseline last year, volume drop 11% YoY temporally impacted by price elasticity, and falling freight revenues, partially offset by higher selling prices.
- **Sales in branded products better resist (-1.9% YoY),** while **private labels decreased (-13.1% YoY)**.
- **3Q23 gross profit margin slightly improved QoQ to 20.4%**, despite lower sale volumes, thanks to falling raw material price.

9M23 Ambient seafood: Expected greater demand in Q4 from further softened down in tuna prices



9M23 sales slightly dropped 2% YoY from soft demand (volume -13% YoY)

- Sales slightly dropped across all segments due to soft demand and high fish prices since the beginning of the year, partially offset by higher selling prices. However, tuna prices started to soften down in 3Q23, resulting in **customers restarting orders** mostly for the OEM business.
- Gross profit margin was **at 19.5%,** mainly impacted by high fish prices and lower sale volumes.

Growing our business through value-added products and market expansion

- **Focus on product mix improvement** by continuing offer new, innovative products, **collaborating with the innovation team**, and **pursuing new distribution**
- **Chicken of the Sea** launched wild caught tuna and salmon packets in 6 new flavors (**Co-branding partner with McCormick)**

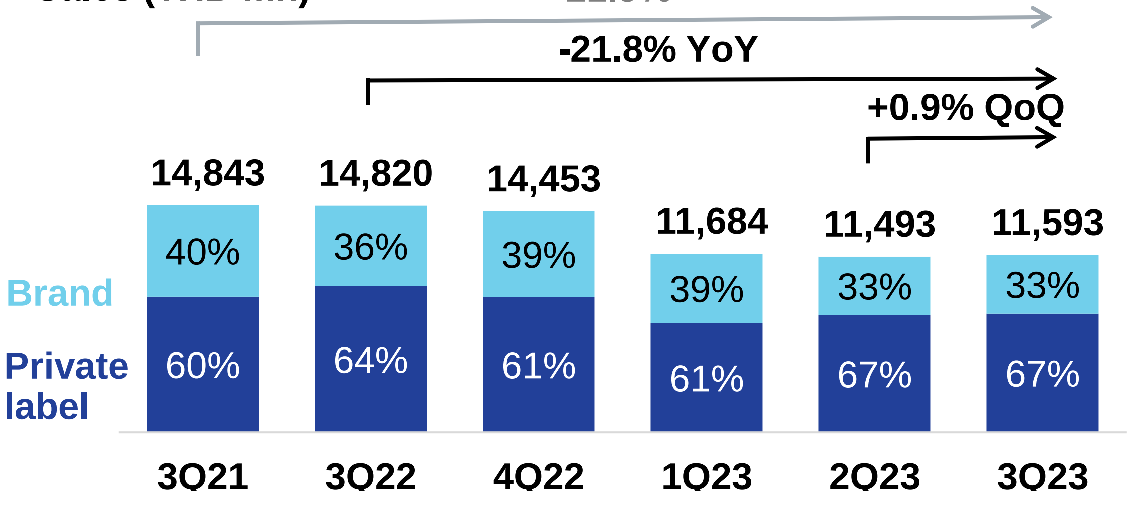
Improving productivity and cost efficiency

- **A new tuna cold storage in Ghana will be completed by December 2023.** This will save cost on external renting cost and reduces the dependency from supplies, as well as energy savings.

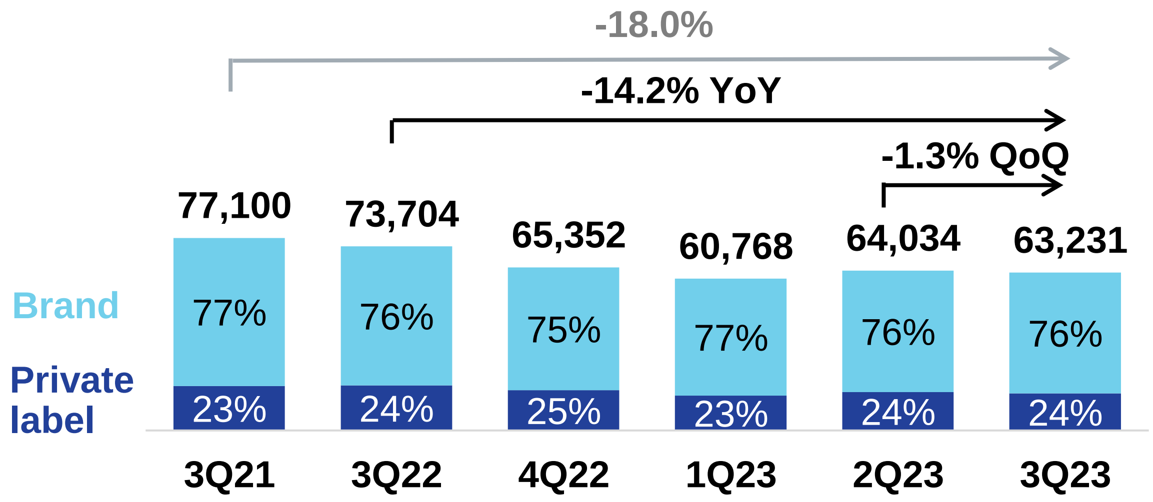
Moreover, tuna prices trend to further softened down, so we expect greater demand in 4Q23

Frozen & chilled: Huge improvement in gross profit margin to 12.9%, thanks to product mix and portfolio rationalization

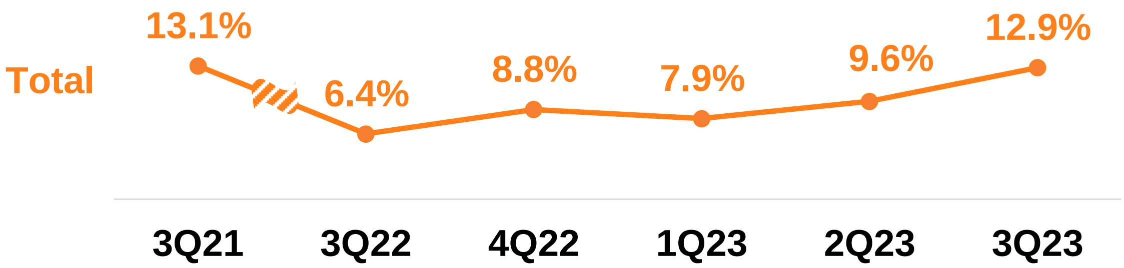
Sales (THB mn)



Quantity (tons)



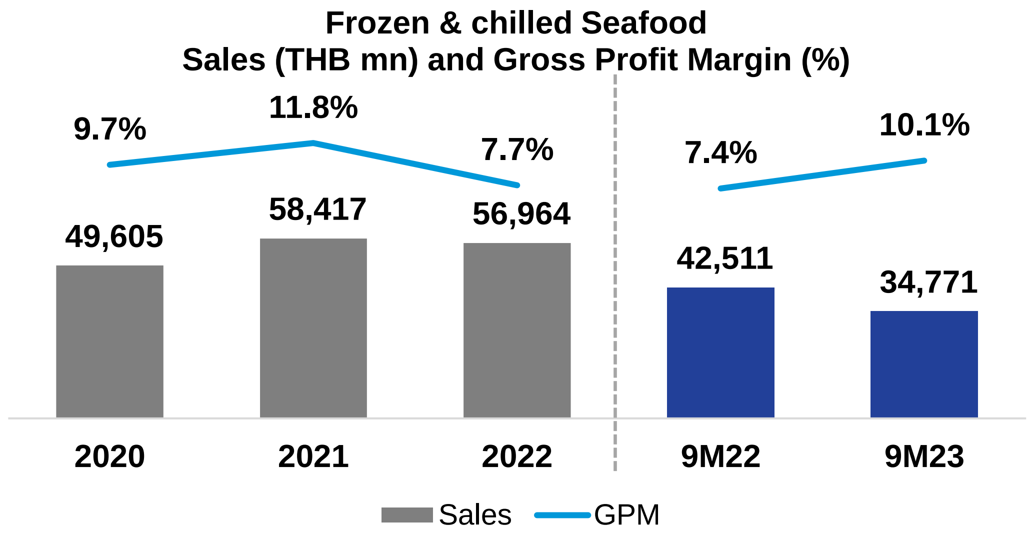
Gross Profit Margin



- **3Q23 frozen and chilled seafood sales dropped 22% YoY**, from seafood market prices normalization in the U.S. and volume dropped due to the rightsizing of our Frozen business in the U.S.
- **3Q23 gross profit margin improved impressively to 12.9%,** from both branded and private labels, thanks to the rightsizing strategies, favorable raw material prices, product mix and inventory management improvement, despite lower selling prices and lower volumes.

Thai Union

9M23 Frozen & chilled: topline decline from raw materials deflation (shrimp, lobster, crab) and rightsizing of our US Frozen business



9M23 sales dropped 18% YoY mostly from US rightsizing

- Topline remains challenging from inflationary macroeconomics in the U.S. and **rightsizing strategy** (exit the North Atlantic lobster category, as well as de-risk shrimp and crab categories).
- **Gross profit margin improved to double-digit at 10.1%**, thanks to improving aged inventory management and favorable raw material prices.

Growing our business through value-added products and market expansion

- **Continue launched new, innovative products**, i.e. Cooked marinated shrimp (Burger King Japan), Boiled whole shrimp & sushi (China), etc.
- **Feed business remained profitable as expected**, thanks to higher profitability from well-managed production cost and positive product mix, especially seabass feed. Even in soften demand of shrimp feed situation.

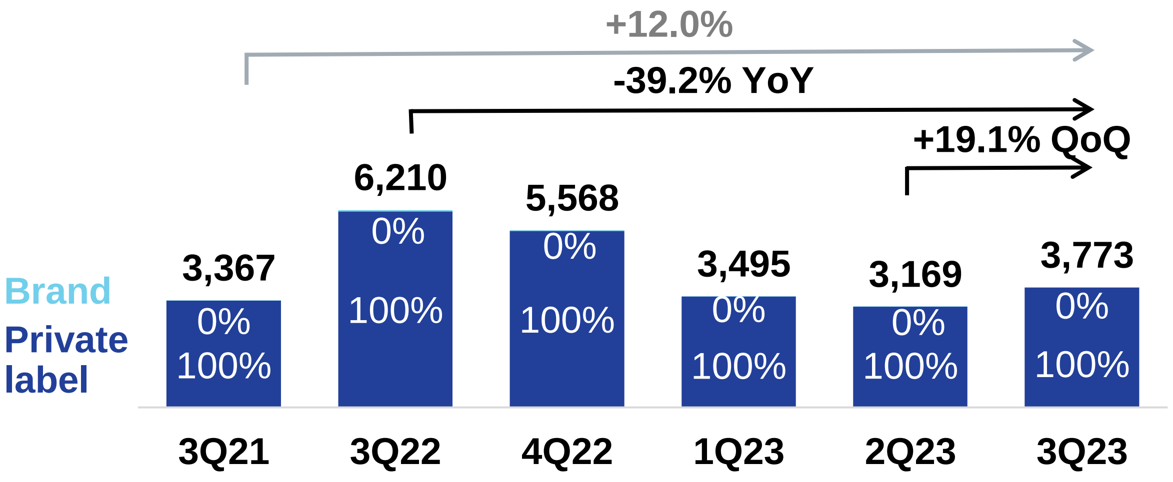
Focused on improving productivity and cost efficiency to uplift overall profit margin

- **Prioritize higher profit opportunities**, as well as deliver more for **quality, sustainability**, and **unique products** that cannot easily be replicated.
- Operational excellence leveraging on **cost reduction using more automation** i.e. LEAN and digital dashboard.

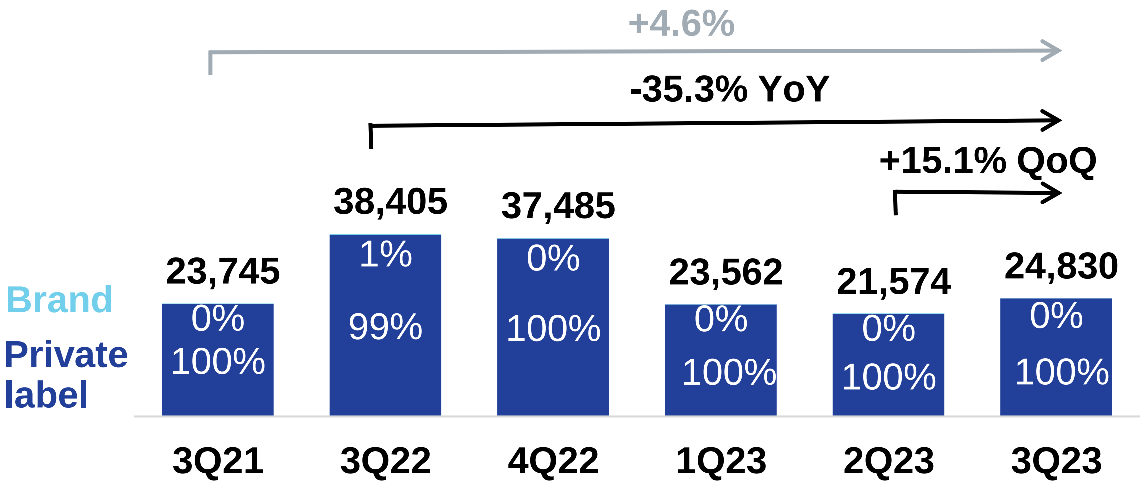
Despite shrimp prices continued decreasing, demand started to recover especially sizes 40-60 for the US market.

PetCare: Demand recovery in 3Q23 especially global brands and retail customers in the U.S. and Europe

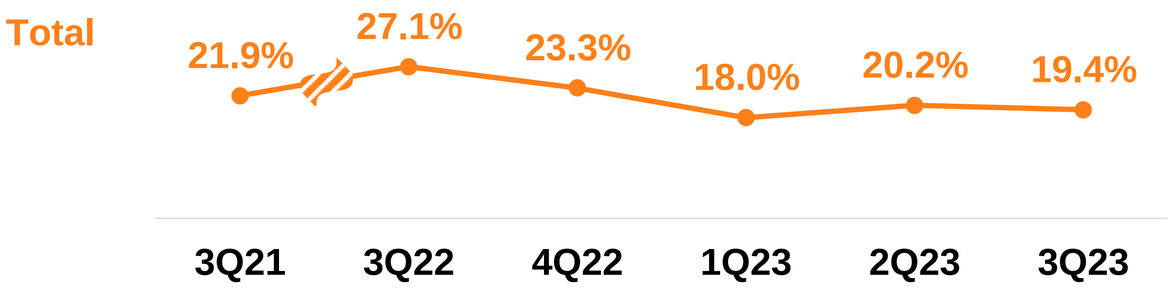
Sales (THB mn)



Quantity (tons)

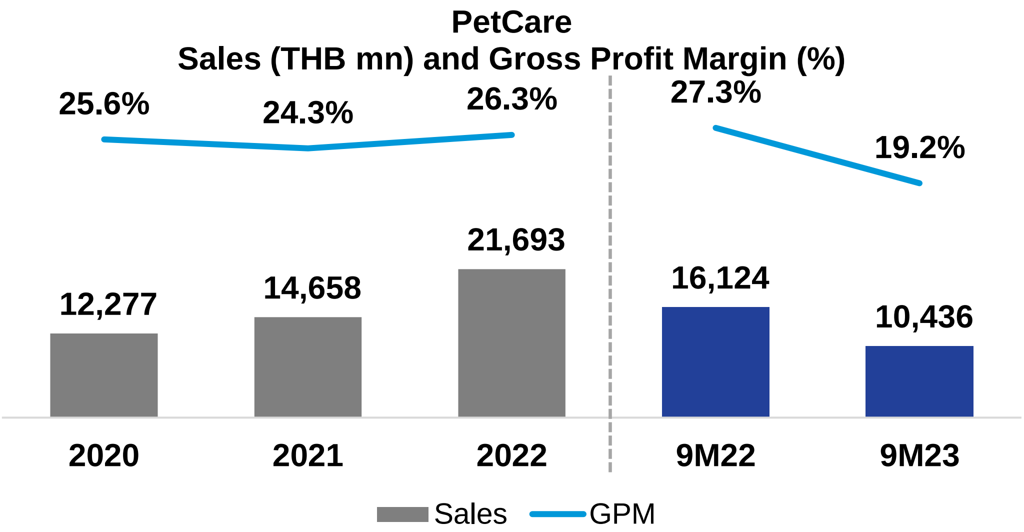


Gross Profit Margin



- **3Q23 PetCare sales dropped by 39% YoY after last year's exceptional performance**, volume dropped 35% YoY due to negative product mix, and lower freight prices. However, **sales showed a recovery of +19% QoQ**, thanks to customers resumed back to restocking, especially in the U.S. and Europe, with Asia & Oceania sales growing YoY, supported by price adjustment strategy.
- **3Q23 gross margin was at 19.4%,** declining from exceptional performance last year, mainly from lower volumes, higher raw material costs, product mix, and inventory provision.

9M23 PetCare: Confirm full year guidance with Q4 expected to continue to improve QoQ



9M23 sales dropped 35% YoY

- Pressures from high baseline last year and destocking issue since the beginning of the year. However, we have seen **signs of improvement** in 3Q23 from sales improvement, especially in the U.S. from customer restocking, as well as improving quarterly sales in Europe.
- Gross profit margin was at 19.2%, dropped mainly from negative product mix, higher raw material prices, and inventory provision.

Investing into capacity expansion & strategic partnership

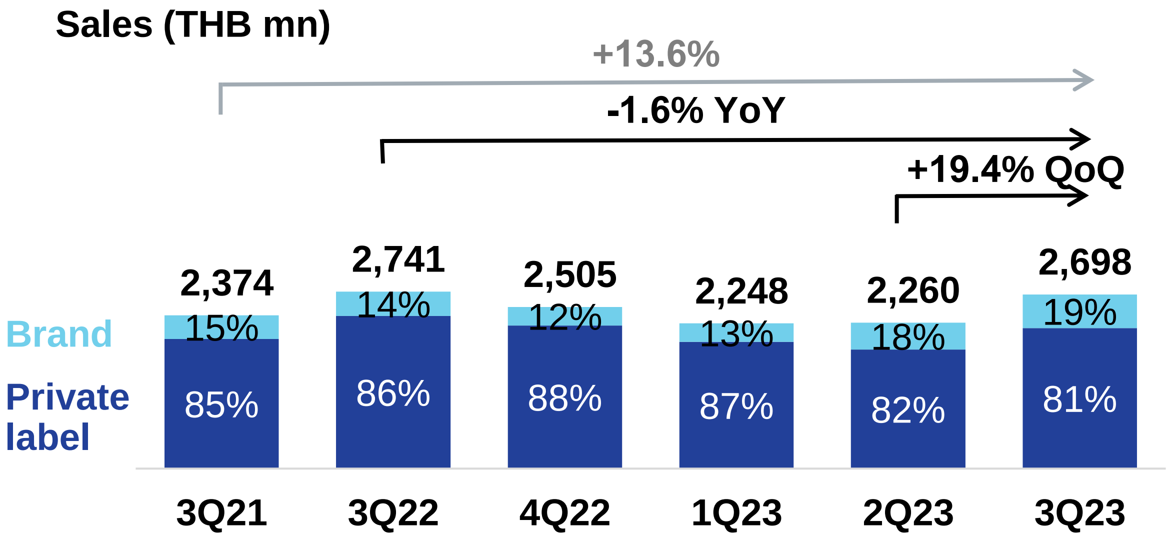
- **New plant ITC 2.2**, already got approval from the Department of Livestock Development (DLD) and started a trial run for some lines and plans to fully commercialize by early 2024 with a 18.7% capacity increase.
- **Expand distribution both offline and online channels** i.e. CJ Express, TikTok, Mr. DIY, BigC, etc. since 1H23 and plan further expansion within Q4 and 2024

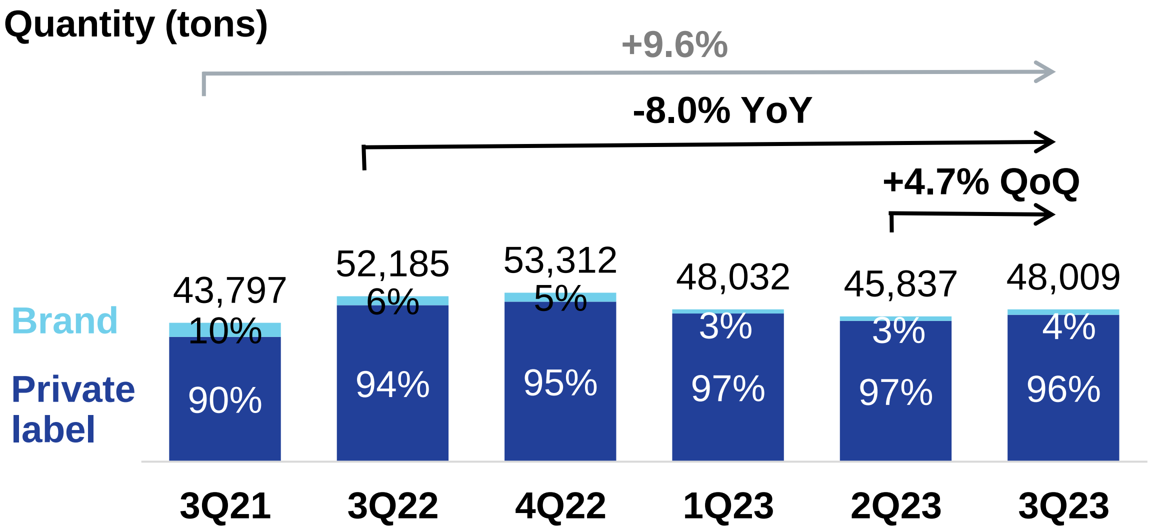
Focus on improving productivity and cost efficiency

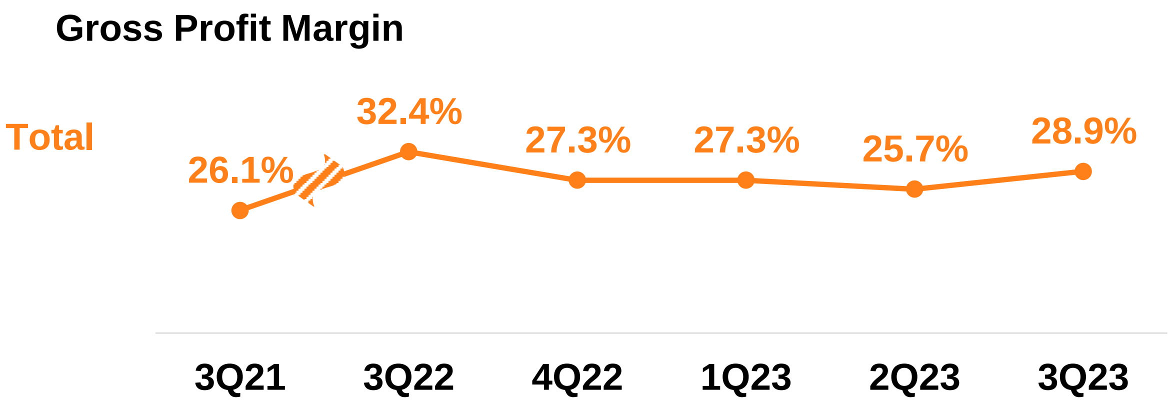
- **Increased measures to mitigate soft full-year 2023 performance** through cost efficiency and profit protection plan, on track and already managed to save costs by 1% of sales in 2023.
- **Continued to launch new, innovative products**, i.e. 1) Super premium – Bellota Nutri+ (TH), 2) Split plastic cup (US), 3) Duo-layer & mini-cup (Europe), 4) Marble chunk gravy (Taiwan), and 5) Jelly power ball (China)

Confirm PetCare 2023 sales guidance of -26 / -27% YoY with adjusted CAPEX to THB 1.6bn (From 2.1bn)

Value-added & others: Sales recovered QoQ across all categories with solid GPM



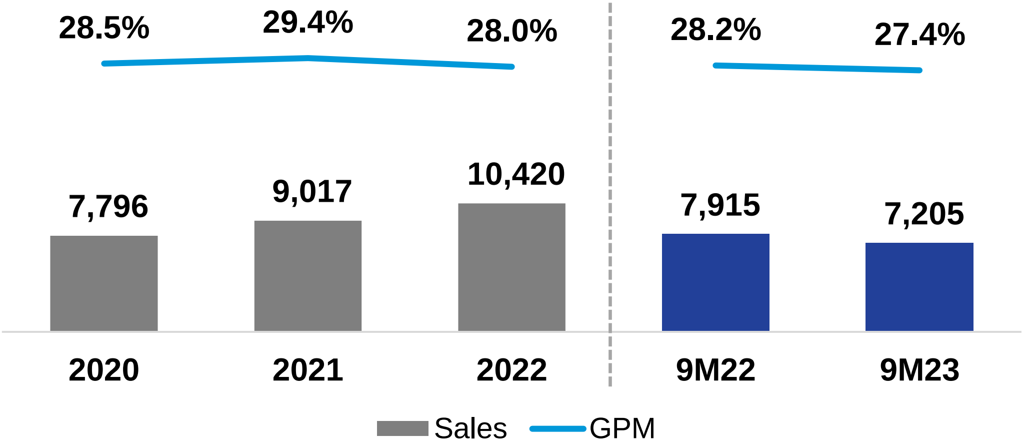




- **3Q23 Value-added sales slightly dropped 2% YoY**, mainly from volume dropped 8%YoY mostly from packaging business. However, sales are showing an improvement of 19% from last quarter, thanks to higher average selling prices and demand recovery across all categories.
- **3Q23 gross profit margin** declined from exceptional last year, however, GPM is back to a **healthy range at 28.9%**, thanks to our strategy to focus on higher margin products and higher selling prices. Partially offset by higher raw material prices.

9M23 Value-added & others: Maintain solid gross profit margin

Value-added & others
Sales (THB mn) and Gross Profit Margin (%)



9M23 sales dropped 9% YoY from soft demand

- Sales decreased from a high baseline last year and soft performance of value-added and packaging products. Partially offset by ingredient business growth.
- **Gross profit margin remained healthy at 27.4%**, thanks to lower raw materials prices i.e. shrimp, steel, and aluminum, production efficiency improvement, and new ranges of product expansion to the customers, offset with lower sales volumes.

Growing Value-Added to uplifting margins

- **Future of Culinary**, commercialized since November, with 38% capacity increase. Expected to reach a utilization rate of 75% within 2024 and 100% in 2028.
- **Continue launched new products**, i.e. Apple Pie Roll (US), etc.

Packaging and printing continued to be a key driver

- 3Q23 sales and margin slightly recovered QoQ and expected the peak in Q4, thanks to lower raw material prices, strong demand from our factories in Poland and in Seychelles, and a diversified portfolio.

Driving growth in our value-enhancing business

- **Ingredient** – partially commercialized its “Collagen line” since October, while its “Protein hydrolysate line” is expected to commercial run within early 2024. Significant growth in crude oil demand from new customers.
- **Supplement** – performance slightly recovered QoQ and ZEAVITA is able to retain No. 1 market share* in Q3.

*Remark: *Nielsen Retail Protein Capsule Super/Hypermarket Chain YTD Sep 23*

Outlook

Adjusted 2023 guidance

Sales	-10 / -12% YoY decline *(from -5 / -6% YoY)*
Gross profit margin	~ 16.5 – 17.5%
SG&A to sales	~ 11.0 – 12.0%
Effective interest rate	Increase 0.5 – 1.0%
CAPEX	~ THB 5.0 – 5.5bn *(from 5.5 – 6.0bn)*
Dividend policy	At least 50% dividend payout ratio

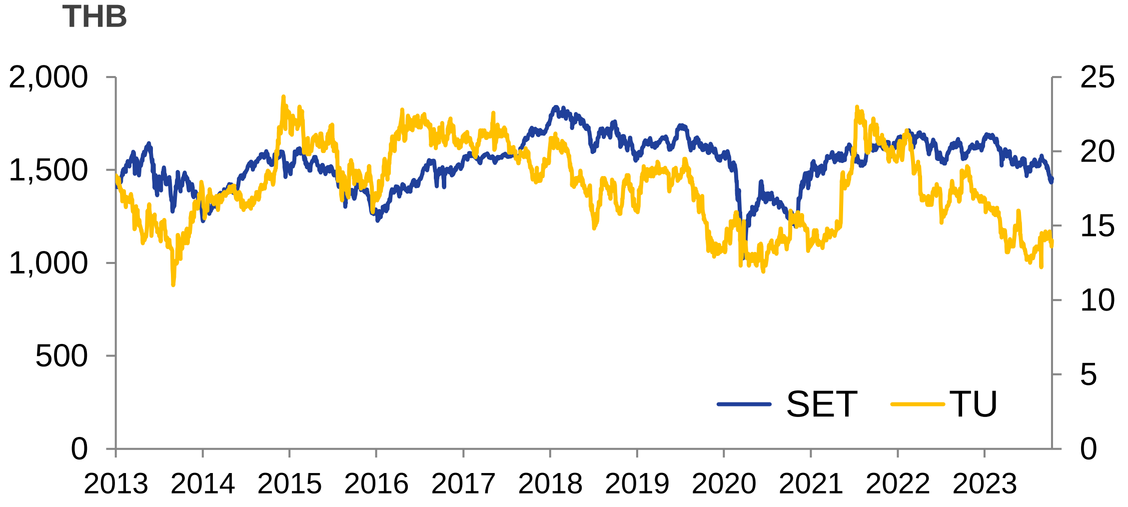
Thai Union

Thank You!

Share capital information

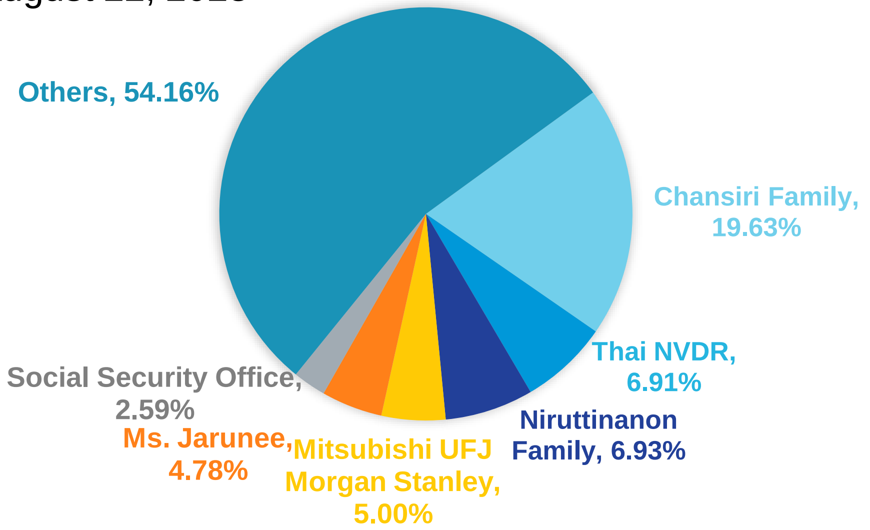
Stock Performance at a Glance

Bloomberg/ Reuters	TU TB/ TU.BK
Share price (November 3, 2023)	THB 13.70
Historical closing price	
52-week high	THB 18.20
52-week low	THB 12.40
No. of paid-up shares	4,655.13mn
Par value	THB 0.25
Market Capitalization	THB 63.8bn



Major Shareholders

As of August 22, 2023



Free float	69.9%
Foreign ownership/ Foreign limit	22.3%/ 45.0%

Dividend Policy

Minimum 50% payout of our net profit with semi-annual payments

DPS (THB per share)

Period	1H23	2H22	1H22	2H21	1H21	2H20	1H20	2H19	1H19
DPS	0.30	0.44	0.40	0.50	0.45	0.40	0.32	0.22	0.25

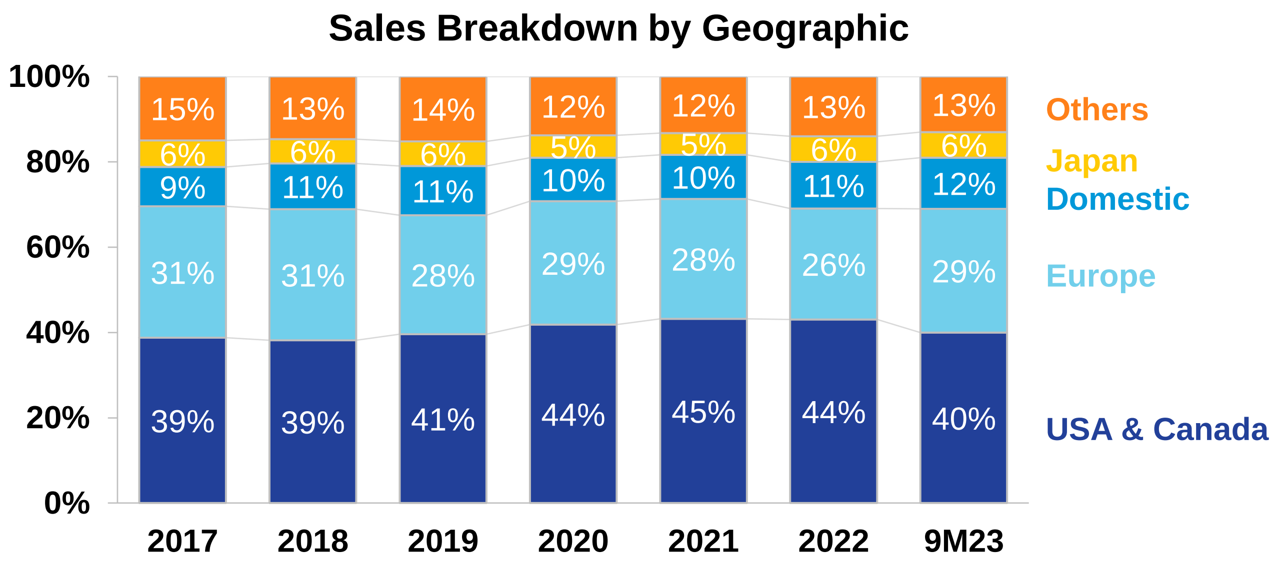
Source: SET and TU

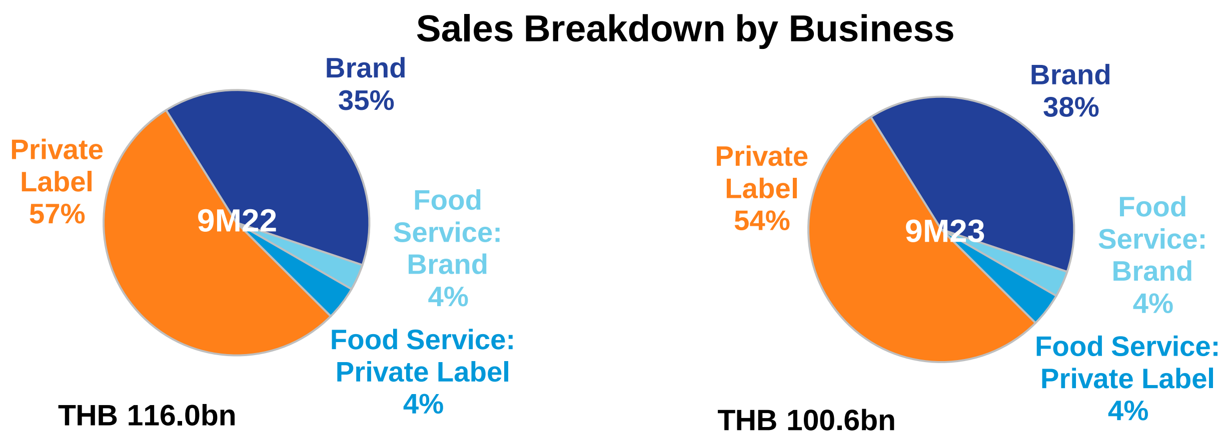
Remark: No. of paid up shares includes the treasury shares TU repurchased at 117mn shares during 2020 and 45mn shares during 2023.

Four major CAPEX projects will be completed in 2023 onward

	Culinary business	Ingredients business	PetCare business	Ambient tuna business
Key Products	**Ready-to-eat, dimsum and bakery**	**Protein hydrolysate and collagen peptide**	**Wet pet food and treat**	**Ambient tuna cold storage**
Total Capacity	~9,300 sq.m: **Increased by 38%**	~5,700 sq.m	**Increased by 18.7%** with new automated packing line	~11,500 sq.m (including waste-water treatment plant: WWTP)
CAPEX	~THB 1.2bn	~THB 1.1bn	~THB 2.1bn	~THB 550mn
Timeline	Commercialize non-halal side in 3Q23	Commercialize collagen line in 3Q23	Fully commercialize by 2Q24	Expected to completed by Dec 2023

Sales contribution increased mainly from Europe and Thailand

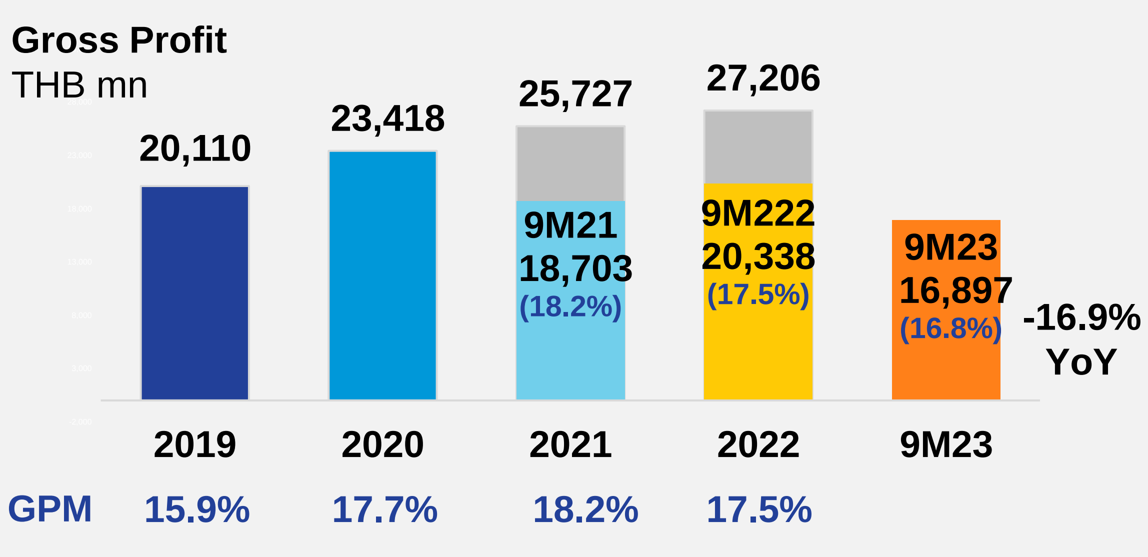


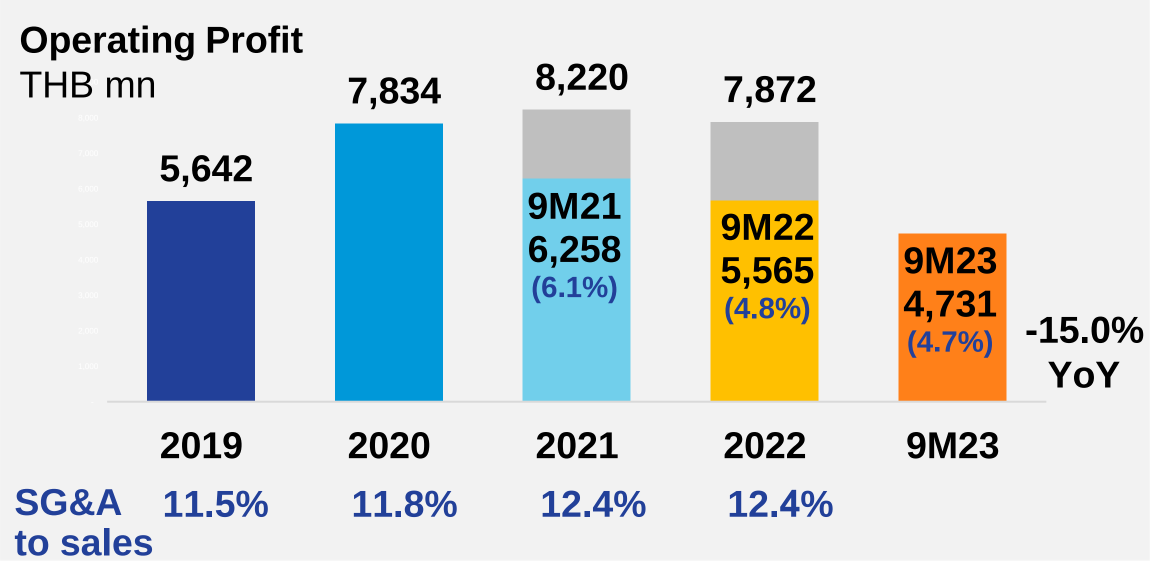


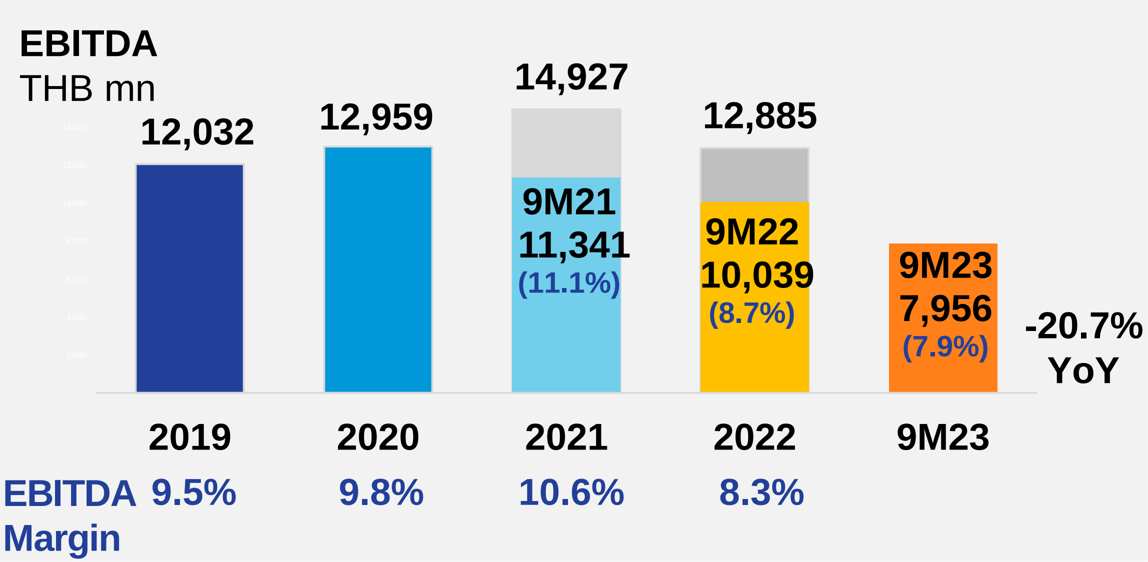
- **9M23 lower sales contribution from all regions, especially the U.S.**
  - The U.S. & Canada dropped significantly by 21.0% YoY, hence the contribution decreased to 40%.
  - Japan and EM & rest of the world sales dropped by 16.5% YoY, while sales in Europe and Thailand slightly dropped 2.2% YoY and 1.8% YoY respectively.
- **9M23 branded and private-label business sales mix was at 41% and 59%, respectively**
  - Total branded sales decreased 7.5% YoY, mainly from frozen & chilled and PetCare business, partially offset by ambient and value-added businesses sales growth
  - Total private-label sales dropped by 16.9% YoY across all businesses

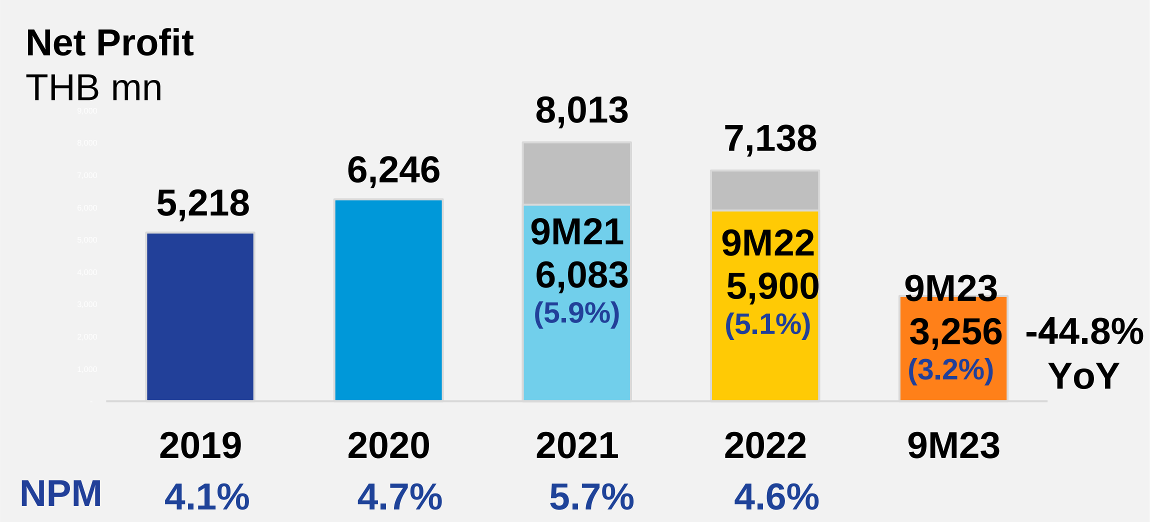
Remark: Others represent Asia, Australia, Middle East, Africa and South America

9M margin dropped YoY from high base line last year









Remark: *9M23 EPS was at THB 0.41

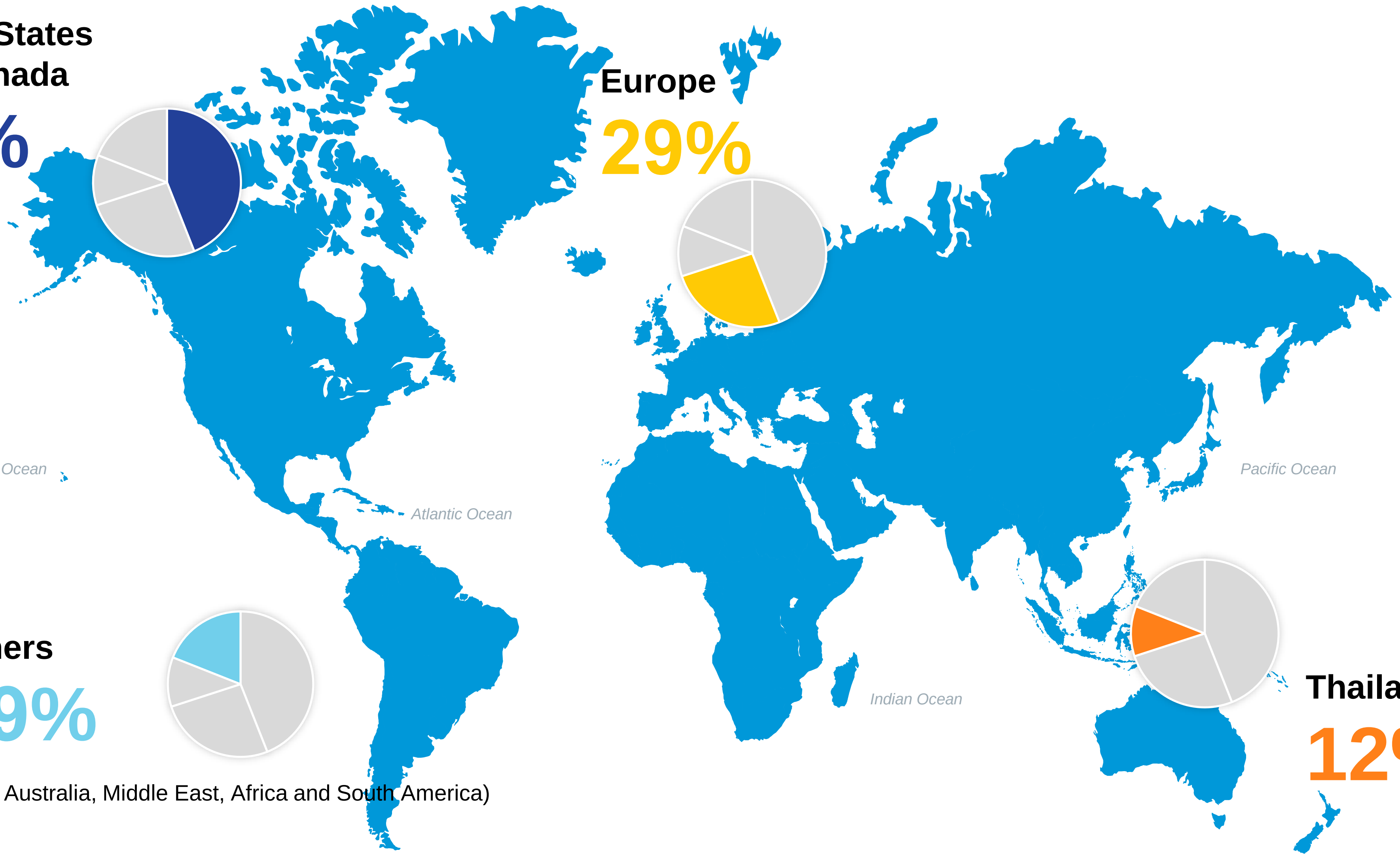
Geographic diversity: 9M23 Sales

United States and Canada

40%

Europe

29%



Others

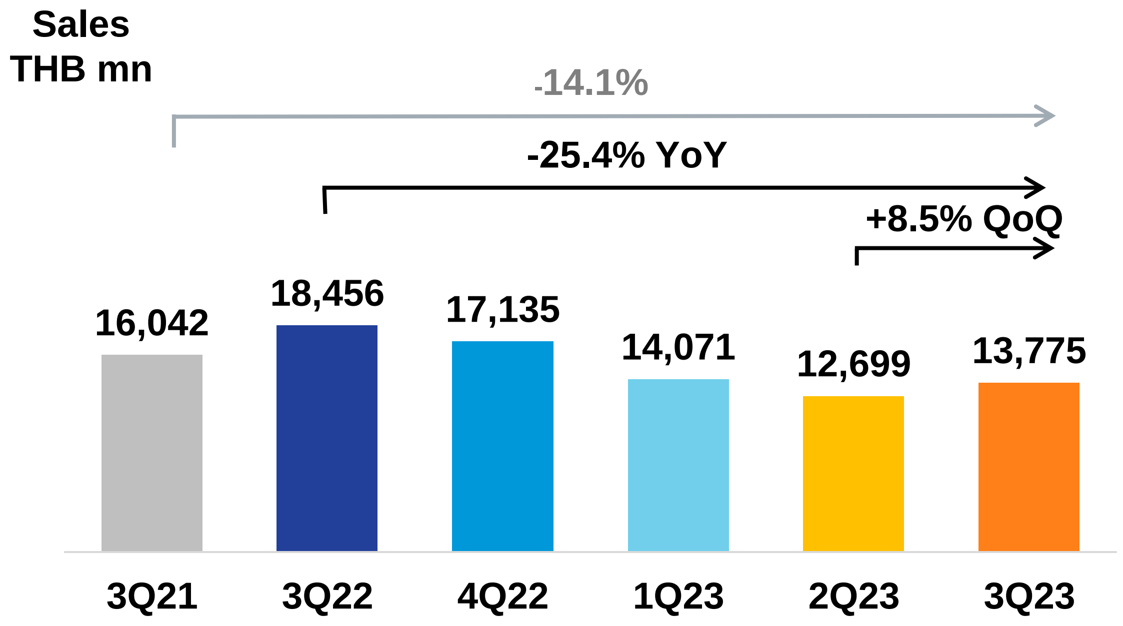
19%

(Asia, Australia, Middle East, Africa and South America)

Thailand

12%

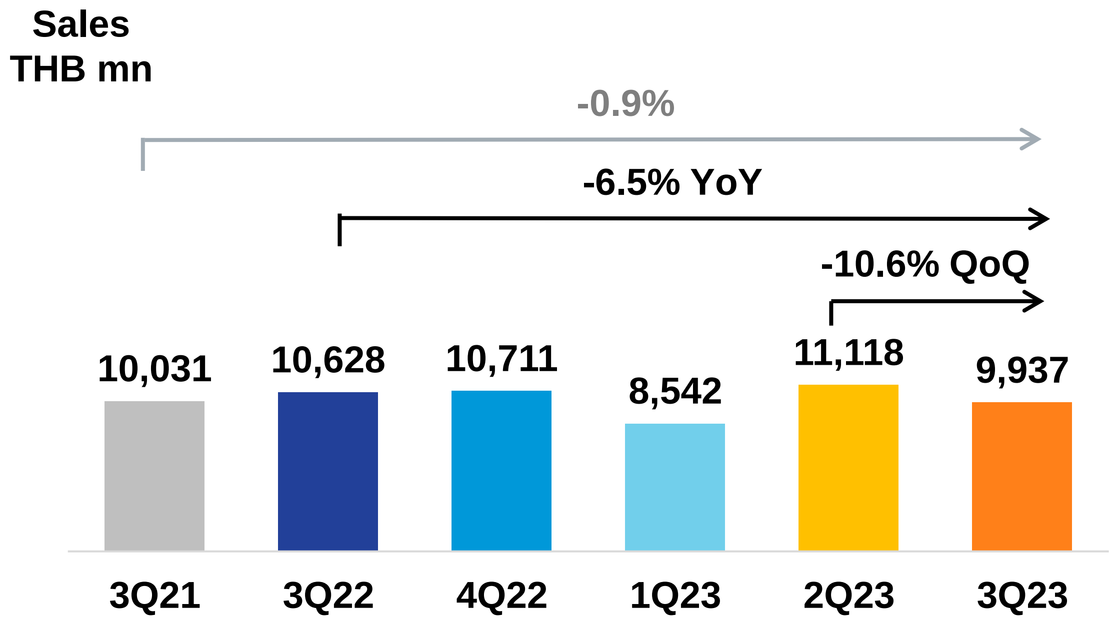
US & Canada: Sales recover QoQ despite the rightsizing frozen business



3Q23 North America sales decreased 25% YoY

- Sales dropped mainly from frozen & chilled seafood due to rightsizing strategy and PetCare as customers carry high inventory. However, sales showed a recovery of 8% QoQ.
- Negative FX effects from Thai Baht appreciation against USD (USD/THB -3.4% YoY in 3Q23)

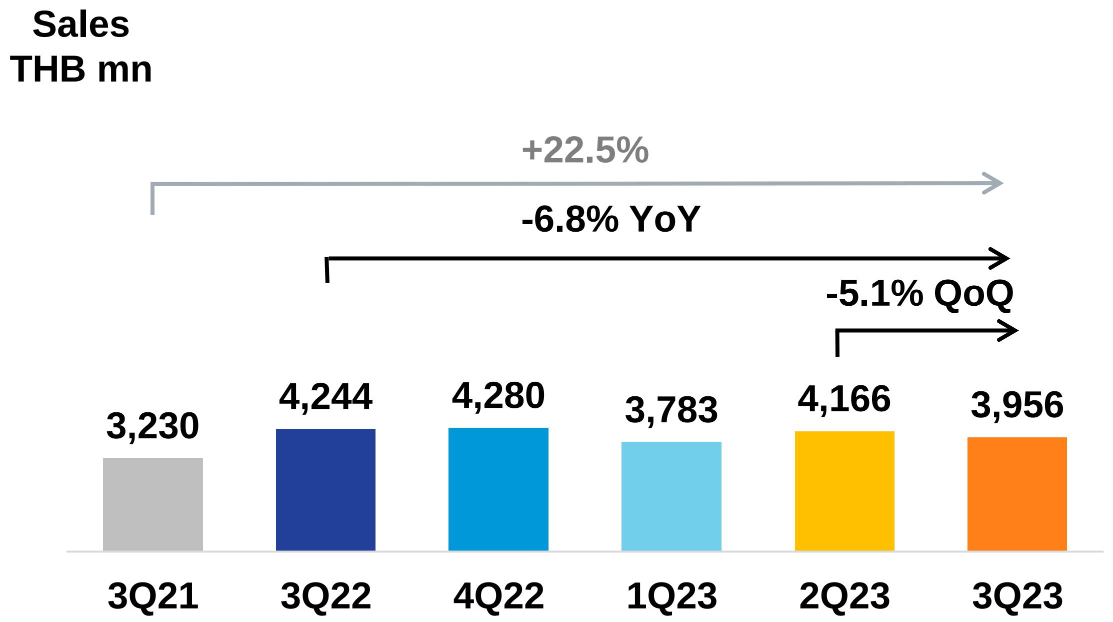
Europe: Soft sales, led by PetCare and Ambient categories



3Q23 EU sales slightly dropped by 7% YoY

- EU sales dropped mainly from lower volume temporally impacted by further price increases and soft demand across all categories.
- Thai Baht depreciation to Euro (EUR/THB +4.3% YoY) and GBP (+4.0% YoY)

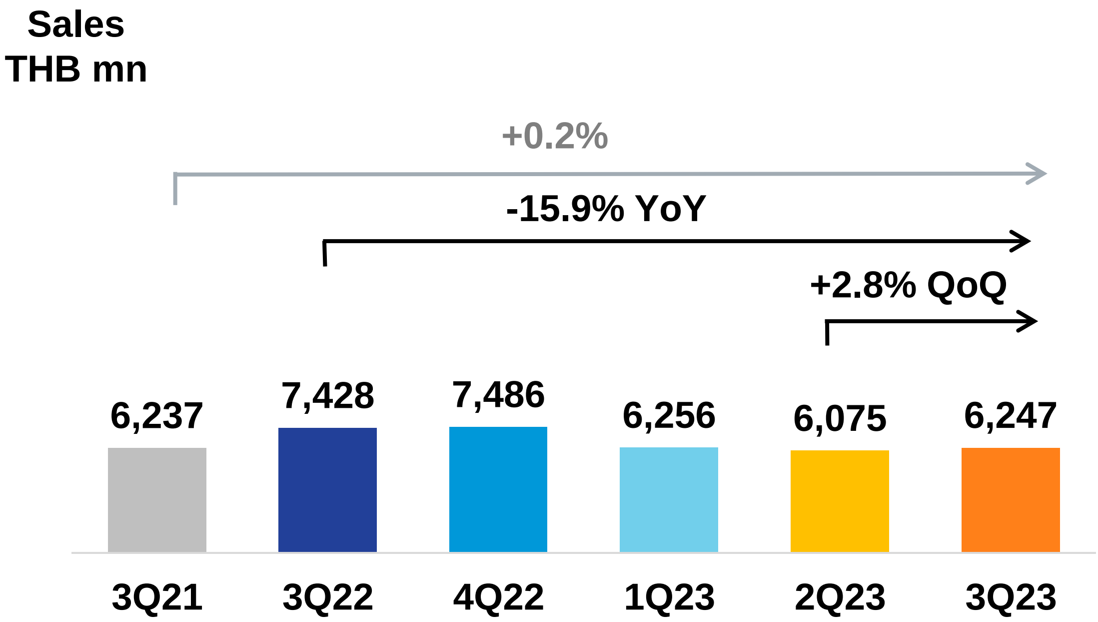
Thailand: Soft sales, led by feed and packaging businesses



3Q23 Thailand sales dropped by 7% YoY

- Domestic sales dropped mainly from feed and packaging businesses, partially offset by PetCare and Ambient growth.

Emerging Markets (EM) and rest of the world: Sales shown a recovery QoQ



3Q23 EM and rest of world sales decreased 16% YoY

- Sales decreased across key countries from soft demand and high base. However, sales showed a recovery of 3% QoQ led by China and Japan.
- Sale in the Middle East -48% YoY (vs. +45% YoY in 3Q22), mainly from USD currency shortage. Sales in China -16% YoY (vs. +20% YoY in 3Q22) and Japan -5% YoY (vs. +15% YoY in 3Q22)

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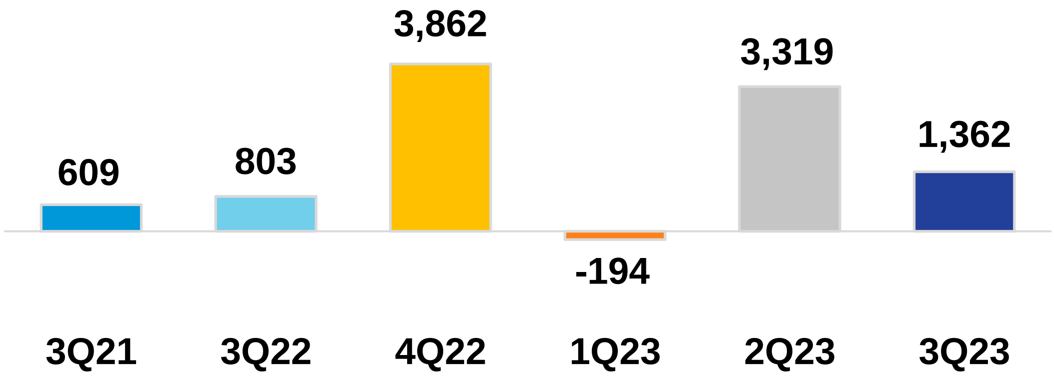
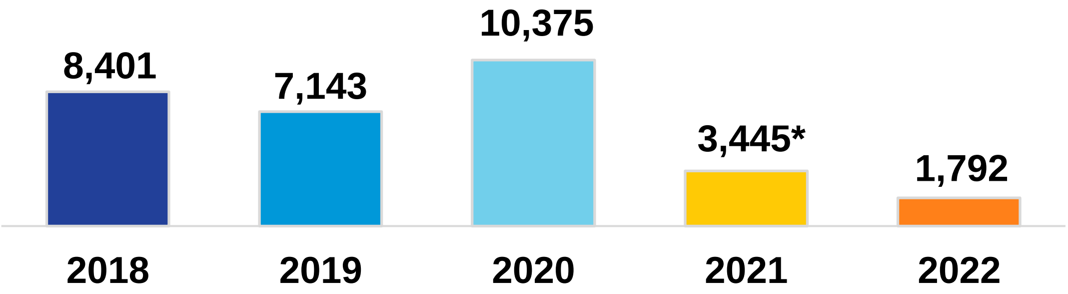
3Q23 Free cash flow generates substantial positive mainly driven by EBITDA, NWC and CAPEX are under control

Quarterly Free Cash Flow
THB mn



% Cash Conversion Rate[1]	3Q21	3Q22	4Q22	1Q23	2Q23	3Q23
	20%	27%	217%	-13%	216%	74%

Annual Free Cash Flow
THB mn



% Cash Conversion Rate[1]	2018	2019	2020	2021	2022
	104%	101%	116%	32%	21%

- **3Q23 reported materially positive Free cash flow at THB 1.4bn**, mainly driven by strong EBITDA, partially offset by CAPEX spending
- **3Q23 Net Capex spending was THB 1.2bn** for this quarter and 3.6bn for 9M23, behind budget due to delays in some key projects.
- **Thai Union remains committed to investing in innovation** and projects for improving operational efficiency **to meet our 2025 goals.**

Remark: Change definition of Free Cash Flow;
[1]Cash Conversion Rate = FCF / EBIT; FCF= EBITDA-Changes in net working capital – Change in other assets& Liabilities + non-cash expenses – CAPEX

FCF is based on reported financial statement basis

**Net CAPEX including THB 400mn receipt from the sale of piece of land during 2021.*

3Q23 Category profitability

Business category	Sales THB mn	Margin %	Gross profit THB mn
Ambient seafood • Tuna • Sardine and mackerel • Ambient and pouched salmon	**15,851** (3Q22: 16,985)	**20.4** (3Q22 : 22.9%)	**3,226** (3Q22 : 3,882)
Frozen and chilled seafood • Shrimp and related[1] • Lobster • Frozen, chilled and smoked salmon • Other seafood[2]	**11,593** (3Q22 : 14,820)	**12.9** (3Q22 :6.4%)	**1,493** (3Q22 : 945)
PetCare[3]	**3,773** (3Q22 : 6,210)	**19.4** (3Q22 : 27.1%)	**733** (3Q22 : 1,683)
Value-added and others[4]	**2,698** (3Q22 : 2,741)	**28.9** (3Q22 : 32.4%)	**781** (3Q22 : 889)
Total	**33,915** (3Q22 : 40,756)	**18.4** (3Q22 : 18.2%)	**6,233** (3Q22 : 7,399)

Remark: [1]Shrimp & related business includes frozen shrimp, shrimp feed and value-added shrimp
[2]Other seafood includes frozen cephalopod, crab, scallop, shellfish and other fish
[3]PetCare includes wet seafood-based cat and dog foods, cat and dog food
[4]Value-added and other products include ingredients, supplements, alternative protein, packaging and sales of scrap, such as surimi-based fish snacks, microwave oven ready meals, Chinese-style dim sum, packaged cooking sauce, scrap from fish and shrimp processing lines, crude and refined tuna oil, bakery products, empty cans for ambient seafood, printing service for can labels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