

**Record quarterly top line for 1Q of THB 36.3bn, up 16.5% YoY and gross profit of THB 6.4bn, up 15.4% YoY, with net profit of THB 1.7bn, down 3.2% YoY, from ongoing pandemic and supply chain challenges.**

### Revenue

Thai Union delivered record-high quarterly sales of THB 36.3bn in 1Q22, boosted by increased volume, favorable prices and FX. This was driven by growing ambient seafood (+14.3% YoY), continued recovery of frozen and chilled seafood (+14.2% YoY), rising demand in PetCare & value-added (+27.2% YoY), and favorable FX.

### Gross profit and margin

1Q22 quarterly gross profit was at an all-time high for a first quarter at THB 6.4bn (+15.4% YoY), driven by growth in all businesses, mainly from our price increasing strategy and favorable volumes. Gross profit margin (GPM) was robust at 17.5%, compared to 17.7% in 1Q21, despite higher raw material prices and freight costs.

### Operating profit

1Q22 operating profit was at THB 1.7bn (-10.9% YoY), due to higher SG&A expenses (+28.9% YoY), primarily from higher logistic costs and marketing expenses. As a result, SG&A/sales ratio was at 12.9% in 1Q22 vs. 11.7% in 1Q21.

### Net profit and margin

TU reported 1Q22 net profit at THB 1.7bn (-3.2% YoY). Strong core operations with top line and gross margin growth were pressured by ongoing impacts of the pandemic and supply chain challenges, FX loss and significantly challenged Red Lobster operations. This was partially offset by higher other income and tax credit. Net profit margin (NPM) was healthy at 4.8% vs 5.8% in 1Q21.

Adjusted net profit marked at 1.7bn (-17.8% YoY). The one-off item was a settlement of THB 77mn received from the UK Marine Management Organization (MMO) from a civil claim (detailed in page 3).

### Cash flow and ND/E

1Q22 free cash flow (FCF) had a temporary impact from negative net working capital change from a high trade receivables from record sales and a high inventory of finished goods and goods in transit on delayed shipments and container shortages resulted from supply chain challenges. TU's end-1Q22 net D/E ratio was at 1.01x.

### Stock Information

(Bloomberg/ Reuters)  
(TU TB/ TU.BK)

Share price (3/5/2022)	THB 16.90
Historical closing price:	
52-week high	THB 23.00
52-week low	THB 14.90
No. of shares:	4,771.8m
Par value:	THB 0.25
Market Cap.	THB 80.6bn
Avg. value trade/day (YTD)	THB 538.9mn

### Major shareholders (10/03/2022)

Chansiri Family	20.44%
Thai NVDR Co., LTD.	13.05%
Mitsubishi Corporation	6.24%
Niruttinanon Family	6.89%
Social Security Office	3.36%

### Business Overview

Thai Union Group PCL (TU) is one of the world's largest seafood player. TU owns leading brands portfolio in key markets and global sourcing, production and distributing networks. TU's key products are canned tuna and frozen shrimp. TU also produces for external customers through its private label business. On the sustainability front, TU has shown strong commitments and is confident in its positive long term contribution to socio-economic development, conservation of natural resources and practice of ethical business conduct.

### Key financial figures

Unit: THB mn	1Q22	1Q21	4Q21
Sales	36,272	31,125	38,501
Gross profit	6,355	5,507	7,023
EBITDA	3,039	3,426	3,587
Net profit	1,746	1,803	1,930
EPS (THB)	0.36	0.37	0.40
GPM (%)	17.5%	17.7%	18.2%
NPM (%)	4.8%	5.8%	5.0%
ND/E (x)	1.01	0.93	0.99
ROCE (%)	10.0%	10.4%	10.4%
ND/EBITDA (x)	4.50	3.87	4.11

### Financial Statements Analysis:

Unit: THB mn	1Q22	1Q21	YoY	4Q21	QoQ
<b>Sales</b>	<b>36,272</b>	<b>31,125</b>	<b>16.5%</b>	<b>38,501</b>	<b>-5.8%</b>
COGS	(29,917)	(25,617)	16.8%	(31,478)	-5.0%
<b>GP</b>	<b>6,355</b>	<b>5,507</b>	<b>15.4%</b>	<b>7,023</b>	<b>-9.5%</b>
SG&A	(4,688)	(3,637)	28.9%	(5,047)	-7.1%
FX gain (loss)	(47)	244	-119.2%	136	-134.3%
Other income	575	351	63.8%	546	5.2%
Share of profits from investments in assoc. & JVs	(177)	(32)	462.7%	(161)	10.0%
<b>EBIT</b>	<b>2,018</b>	<b>2,434</b>	<b>-17.1%</b>	<b>2,498</b>	<b>-19.2%</b>
Finance cost	(445)	(397)	12.2%	(455)	-2.2%
<b>EBT</b>	<b>1,573</b>	<b>2,037</b>	<b>-22.8%</b>	<b>2,043</b>	<b>-23.0%</b>
Tax	188	(199)	-194.6%	(61)	-408.6%
<b>Net income</b>	<b>1,746</b>	<b>1,803</b>	<b>-3.2%</b>	<b>1,930</b>	<b>-9.6%</b>
EPS	0.36	0.37	-3.3%	0.40	-9.9%
FX: USD/THB	33.05	30.26	9.2%	33.38	-1.0%
GPM	17.5%	17.7%		18.2%	
%SG&A/Sales	12.9%	11.7%		13.1%	
NPM	4.8%	5.8%		5.0%	

### Sales

Thai Union delivered record-high quarterly sales in 1Q22 of THB 36,272mn, up 16.5% YoY, driven by ambient seafood (+14.3% YoY), frozen and chilled seafood (+14.2% YoY), PetCare and value-added (+27.2% YoY), and favorable FX.

- The ambient seafood business sales growth was thanks to higher tuna sales accross all regions., after last year's normalization from a high base in 1Q20, which was from pantry-loading during the first wave of COVID-19, as well as higher selling prices.
- The frozen and chilled seafood business continued recovering from strong demand of food service businesses after facing impacts from restaurant closures since 1Q20 during the pandemic, as well as from higher selling prices.
- The PetCare and value-added business continued to deliver strong PetCare sales growth from new and existing products and a broadening portfolio of new customers, as well as higher sales of value-added products and packaging businesses.

During 1Q22, the Thai Baht moved against key currencies as follows; USD/THB (9.2% YoY), EUR/THB (1.7% YoY) and GBP/THB (6.4% YoY), which supported sales growth. Excluding FX impact, sales in 1Q22 still rose 12.4% YoY.

1Q22 sales volumes increased 5.7% YoY, mainly thanks to higher volumes accross all categories.

### Gross profit and gross profit margin (GPM)

1Q22 gross profit rose to THB 6,355mn (+15.4% YoY), robust GPM at 17.5% vs 17.7% in 1Q21, driven by:

- Ambient seafood: GPM and gross profit increased, thanks to higher selling prices, increased volumes and favorable product mix.

- Frozen and chilled seafood: gross profit increased from continued recovery of food service businesses, higher selling prices and increased volumes. GPM remained healthy after an exceptional performance in 1Q21.
- PetCare and value-added: Gross profit increased from strong sales of PetCare, value-added products, and packaging. However, GPM dropped slightly, as a result of higher raw material prices, and freight costs which mainly from our PetCare trading business in the U.S.

	GPM (%)		Gross profit (THBmn)		
	1Q22	1Q21	1Q22	1Q21	YoY
<b>Overall</b>	17.5%	17.7%	6,355	5,507	15.4%
Ambient	21.7%	20.2%	3,377	2,738	23.3%
Frozen & chilled	9.3%	10.5%	1,284	1,273	0.8%
PetCare & value-added	24.4%	27.4%	1,694	1,496	13.3%

### Selling and administrative expenses

1Q22 SG&A expenses increased 28.9% YoY, or THB 1,051mn, mainly due to sharp rising logistics costs estimated at THB 710mn in 1Q22.

1Q22 SG&A to sales ratio was at 12.9%, up from 11.7% in 1Q21. The increase was mainly due to higher freight costs, and marketing costs for our core and new businesses.

### FX Gain/Loss

Thai Union reported 1Q22 FX losses of THB 47mn (vs. FX gains THB 244 mn in 1Q21), due to unrealized loss of from revaluation.

### Share of income from investment in associates

1Q22 share of loss was at THB 177mn (vs. THB 32mn share of loss in 1Q21). The loss contribution came from:

Red Lobster's operations in 1Q22 was at THB 335mn share of loss (243mn loss from operations and THB 92mn loss from lease accounting adjustment). This was higher than THB 226mn loss contribution in 1Q21 (THB 81mn profit from operations and THB 307mn loss from lease accounting adjustment applied since 1Q21 onwards).

The Avanti business contributed a lower share of profit YoY in 1Q22, due to its weakening feed and frozen businesses from higher raw material prices, overall inflation, and remaining supply chain challenges.

### Other income

1Q22 other income was at THB 575mn vs. THB 351mn in 1Q21. The increase was from a one-time settlement in 1Q22 of THB 77mn from the UK Marine Management Organization (MMO) from a civil claim after John West was declared not guilty in 2019 and fair value adjustment in business in Russia of THB 73mn in 1Q21.

Apart from that, Thai Union continued to record a consistent interest income from its investment in Red Lobster's preferred units.

### Finance cost

1Q22 finance cost was at THB 445mn vs. THB 397mn in 1Q21, mainly due to our increasing financing plan to support subsidiary operations.

### Income tax expense

1Q22 income tax expense was at THB 188mn credit vs. THB 199mn expense in 1Q21, thanks to higher tax credit from the U.S. and Europe businesses and in line with lower profitability of the company.

### Net profit on reported basis

**1Q22 net profit was solid at THB 1,746mn**, down 3.2% YoY. 1Q22 NPM was at 4.8% vs. 5.8% in 1Q21.

Robust net profit was thanks to strong core operations with top line growth, consistently high margin, higher other income and lower taxes, but partially offset by rising SG&A expenses, lower FX gains, and higher share of loss from investment in associates.

### Adjusted net profit

1Q22 adjusted net profit was at THB 1,668mn (-17.8% YoY). The one-off item was as follows:

THB mn	One-off item
+77	A settlement received from the UK Marine Management Organization (MMO) from a civil claim launched after John West was declared not guilty in 2019 (at other income).

### Financial position analysis:

As of March 31, 2022, Thai Union's total assets was at THB 163,671mn, decreased by 1.8% from end-2021 at THB 166,604mn, due to lower cash and cash equivalents from withdrawal to refinance matured long-term loans in January 2022, partially offset by increased trade and other receivables and inventory value.

Total liabilities decreased to THB 99,116mn (down 5.1% from THB 104,391mn at end-2021), mostly from a large amount of long-term loans having reached maturity in January 2022. The non-current liabilities rose by 5.9% from end-2021, given sustainability-linked term bonds were issued during 1Q22.

Total equity (including perpetual debentures of THB 6bn) increased by 3.8% (+THB 2.3bn) from end-2021 to THB 64,556mn, thanks to 1Q22 net profit and hedging reserve favorable change during the quarter.

### Cash Flow analysis:

In 1Q22, net cash payments from operating activities were at THB 2,860mn. Negative cash flow was mostly driven by increasing sales leading to increasing trade and other receivables and logistics issues resulting to higher inventories, offset by THB 3,039mn EBITDA in 1Q22.

Net cash payments for investing activities were at THB 556mn, decreased from THB 846mn at the same period of last year, mainly due to lower new investments offset by higher CAPEX, which is in line with the Company's plan to investing in automation and projects for improving operational efficiency.

Thai Union recorded net cash payments from financing activities of THB 4,447mn in 1Q22, which were largely due to cash repayments from long-term loans from financial institutions and debenture issuance which reached maturity in January 2022.

Net decrease in cash and cash equivalents, including exchange losses, was at THB 7,880mn, resulting to outstanding cash and cash equivalents of THB 1,352mn as of the end of this quarter (including the impact from the use of Bank Overdraft).

### Financial ratio highlights:

	1Q22	1Q21	4Q21
A/R Days	33	34	30
Inventory Days	132	124	133
Current ratio (x)	1.83	1.18	1.56
ROCE (%)	10.0%	10.4%	10.4%
ROE (%)	15.4%	15.5%	16.1%
ROA (%)	6.7%	6.9%	6.9%
ND/E (x)	1.01	0.93	0.99
ND/EBITDA (x)	4.50	3.87	4.11
Interest Coverage (x)	6.83	8.63	7.88
BV (Baht/share)	11.68	9.97	11.18

#### Remark:

*Current ratio = Total current assets / total current liability*

*ROCE = 12-month rolling EBIT / Average capital employed*

*Capital Employed = total assets - total current liabilities (incl. current portion of long-term debt)*

*ROE = 12-month rolling net profit / average total shareholders' equity*

*ROA = 12-month rolling EBIT / average total assets*

*ND/E = Interest-bearing debt - cash & cash equivalents / total shareholders' equity*

*Debt/EBITDA = Interest-bearing debt / 12-month rolling EBITDA*

*Interest coverage = EBIT / interest expense*

*BV = Total shareholders' equity / outstanding shares*

1Q22 profitability ratios slightly decreased compared to a year ago with ROCE at 10.0% (vs. 10.4% in 1Q21); ROE at 15.4% (vs. 15.5% in 1Q21); and ROA at 6.7% (vs. 6.9% in 1Q21), primarily due to decreased EBIT and net profit in 1Q22 compared to 1Q21.

Receivable days in 1Q22 were at 33 days, which slightly decreased from 1Q21 at 34 days, thanks to a higher focus on cash conversion and collection.

Inventory days during 1Q22 were up to 132 days, from 124 days in 1Q21, due to higher inventory value (+24.0% YoY), higher goods in transit during the period and inflation.

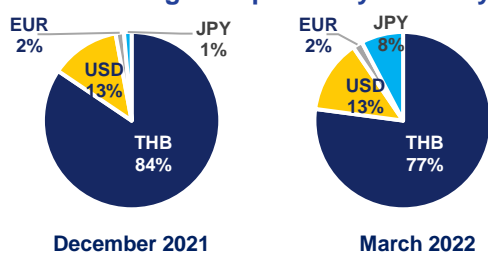
The Current ratio at end-1Q22 was at 1.83 times, increased from 1.56 times at end-2021, as a result of a huge increase in inventory value (+24.0% YoY).

Interest-bearing debt decreased by THB 4,110mn from end-2021 (down 5.8%), due to long-term loans having reached maturity in January 2022. As a result, 1Q22 net debt-to-equity was at 1.01 times, up from 0.99 times at the end-2021.

The net-debt to EBITDA ratio increased to 4.50 times as end-1Q22, from 4.11 times end-2021, mainly explained by the reduced EBITDA (-11.3%) and lower interest-bearing debt.

The interest coverage ratio during 1Q22 was at 6.83 times vs. 8.63 times in 1Q21, largely from lower EBITDA (-11.3% YoY), despite higher finance cost (+12.2% YoY).

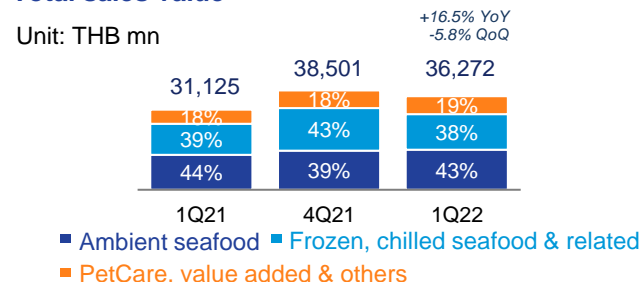
### Interest-bearing debt profile by currency:



As of end-1Q22, interest-bearing debt was at THB 66,931mn, mainly denominated in the local currency. THB debt accounted for 77%, USD at 13%, JPY at 8%, and EUR at 2%. The amount of interest-bearing debt was reduced from end-2021 mainly due to withdrawal to repay bonds and loans which matured in January 2022.

### Business overview by business unit:

#### Total sales value



#### Ambient seafood<sup>1</sup>:

#### Healthy top line growth and improving margin

	1Q21	2Q21	3Q21	4Q21	1Q22
<b>Value</b>	<b>13,580</b>	<b>15,272</b>	<b>14,954</b>	<b>15,149</b>	<b>15,527</b>
Brand	59.3%	61.6%	61.5%	54.7%	52.3%
PL	40.7%	38.4%	38.5%	45.3%	47.7%
<b>Volume</b>	<b>86,197</b>	<b>88,959</b>	<b>85,865</b>	<b>88,595</b>	<b>91,967</b>

Value (unit: THB mn), Volume (unit: ton)

Remark: PL stands for Private Label business

<sup>1</sup> Ambient seafood business includes entire tuna, entire sardine & mackerel, ambient & pouch salmon businesses, and other ambient seafood.

**1Q22 ambient seafood sales** grew 14.3% YoY, thanks to higher tuna sales in the U.S., Europe and Asia, supported by higher selling prices, on the back of volume increase from higher demand, particularly in Asia, after normalization effect last year from pantry-loading during the first wave of the pandemic in 2020, as well as favorable FX.

1Q22 gross profit margin remained healthy at 21.7%, thanks to higher selling prices, volume increase, and favorable product mix.

Ambient seafood business expanded on sales and margin, compared to 1Q21 and 1Q19 pre-COVID level, but softer sales than 1Q20 COVID level due to sales push from pantry-loading during the first wave of the pandemic.

#### Frozen, chilled seafood and related<sup>2</sup>: Sales growth and margin recovery

	1Q21	2Q21	3Q21	4Q21	1Q22
<b>Value</b>	<b>12,076</b>	<b>14,869</b>	<b>14,843</b>	<b>16,628</b>	<b>13,790</b>
Brand	38.4%	35.2%	40.2%	37.8%	41.6%
PL	61.6%	64.8%	59.8%	62.2%	58.4%
<b>Volume</b>	<b>63,081</b>	<b>78,791</b>	<b>77,100</b>	<b>72,637</b>	<b>64,146</b>

Value (unit: THB mn), Volume (unit: ton)

<sup>2</sup> Frozen, chilled seafood and related business includes shrimp & related (shrimp, lobster, shrimp feed & value-added shrimp), frozen, chilled & smoked salmon and other seafood (frozen cephalopod, crab, scallop, shellfish and other fish) businesses

**1Q22 frozen and chilled seafood sales** grew substantially at 14.2% YoY, boosted by higher selling prices and continued recovery of foodservice businesses, as well as favorable FX.

Gross profit improved YoY, particularly in shrimp, thanks to higher export sales, however, partially offset by the U.S. and Europe, due to the impacts from higher logistics costs and raw material prices. Gross profit margin normalized to 9.3% from last year's exceptional performance.

Frozen and chilled seafood sales expanded strongly, compared to 1Q21-1Q20 COVID and 1Q19 pre-COVID level, with firm margin.

### PetCare, value-added and others<sup>3</sup>: Continued solid growth and margin

	1Q21	2Q21	3Q21	4Q21	1Q22
<b>Value</b>	<b>5,469</b>	<b>5,741</b>	<b>5,742</b>	<b>6,724</b>	<b>6,955</b>
Brand	4.8%	7.1%	6.6%	6.0%	4.4%
PL	95.2%	92.9%	93.4%	94.0%	95.6%
<b>Volume</b>	<b>72,957</b>	<b>74,603</b>	<b>67,542</b>	<b>74,880</b>	<b>78,814</b>

Value (unit: THB mn), Volume (unit: ton)

<sup>3</sup> PetCare, value added & others business includes PetCare (wet seafood-based cat and dog foods, cat and dog food), value-added businesses (Ingredients, supplements, alternative protein, ready-to-eat products, packaging, surimi-based fish snacks, dim sum, packaged cooking sauce, scrap from fish and shrimp processing lines, crude and refined tuna oil, bakery products, printing service for can labels).

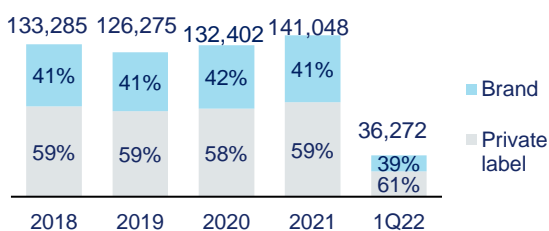
**1Q22 PetCare and value-added sales** increased 27.2% YoY, thanks to continued strong demand for PetCare, new products launched, broadening portfolio, and higher sales in the packaging business, as well as favorable FX.

Gross margin normalized to 24.4% in 1Q22, after last year's exceptional performance from favorable raw material prices and higher sales to the PetCare trading business unit in the U.S.

Sales and margin expanded compared to 1Q20 COVID and 1Q19 pre-COVID level.

### Sales breakdown by brand vs. private label:

Unit: THB mn



1Q22 branded and private-label business sales mix was at 39% and 61%, respectively.

1Q22 total branded sales rose 9.3% YoY, supported by higher sales in European ambient business.

1Q22 private-label sales reported significant growth of 21.7% YoY, driven by higher demand in PetCare & value-added. Growth in frozen & chilled seafood sales remained steady.

### Business overview by region:

THB mn	2018	2019	2020	2021	1Q22
<b>Total sales</b>	<b>133,285</b>	<b>126,275</b>	<b>132,402</b>	<b>141,048</b>	<b>36,272</b>
USA	37.7%	39.6%	41.9%	43.1%	43.9%
Europe	30.4%	27.9%	29.0%	28.3%	24.6%
Japan	5.7%	5.8%	5.3%	5.1%	5.8%
Domestic	10.5%	11.5%	10.0%	10.3%	10.8%
Others	15.7%	15.2%	13.8%	13.2%	14.9%

Remark: \*Others represent Asia, Australia, Middle East, Canada, Africa, South America and others

1Q22 sales in key regions; the U.S., Europe, and Thailand increased 19.7% YoY, 6.1% YoY, and 8.1% YoY respectively, thanks to improving core businesses, as well as Thai Baht depreciation against key currencies; USD/THB (9.2% YoY), EUR/THB (1.7% YoY), and GBP/THB (6.4% YoY).

Sales growth in North America was driven by higher sales volumes of ambient seafood, solid recovery of frozen seafood sales, continued strong demand of PetCare business, and supported by FX gains.

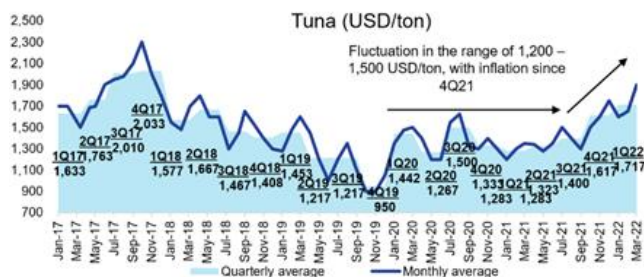
Sales growth in Europe was driven by higher sales volumes of ambient branded business, particularly in France and Germany, after last year's normalization effect from a sales push and pantry-loading in 1Q20 during COVID-19 lockdowns, as well as FX gains.

Sales in Thailand were also up 8.1% YoY, driven by strong PetCare sales, growth in ambient seafood, and continued recovery of frozen seafood.

### Key operating factors:

#### Raw material prices

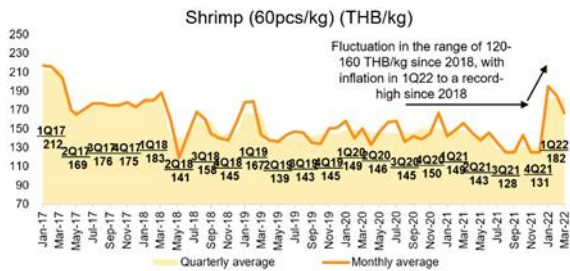
#### Skipjack tuna (USD/ton)



In Apr. 2022, tuna price was at USD 1,800/ton. In 1Q22, avg. price was at USD 1,717/ton (+33.8% YoY, +6.2% QoQ).

**White shrimp**

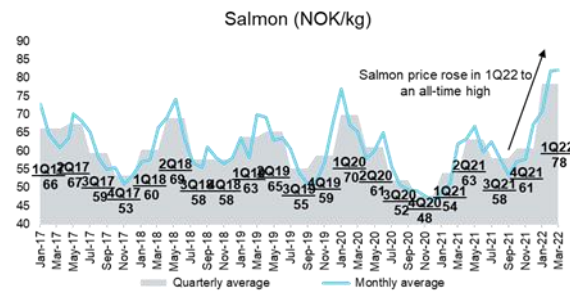
(THB/kg. of 60 pieces/kg)



In Apr. 2022, shrimp price was at THB 150/kg. In 1Q22, avg. price was at THB 182/kg (+22.4% YoY, +39.2% QoQ).

**Salmon**

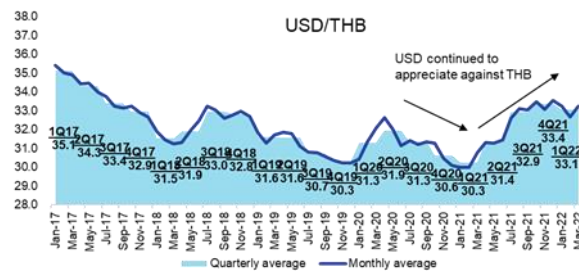
(NOK/kg)



In Apr. 2022, salmon price was at NOK 98/kg. In 1Q22, avg. price was at NOK 78/kg (+45.0% YoY, +29.0% QoQ).

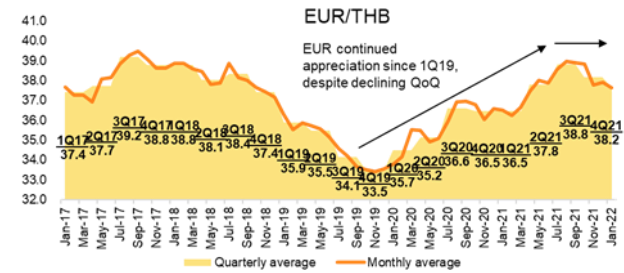
**Exchange rates**

**USD/THB**



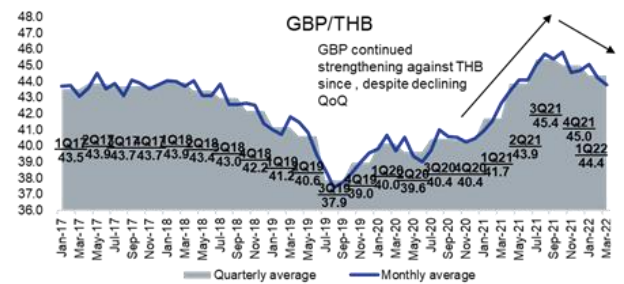
In Apr. 2022, USD/THB was at THB 33.81. In 1Q22, avg. was USD/ THB 33.05 (+9.2% YoY, -1.0% QoQ).

**EUR/THB**



In Apr. 2022, EUR/THB closed at THB 36.56. In 1Q22, avg. was EUR/ THB 37.10 (+1.7% YoY, -2.8% QoQ).

**GBP/THB**



In Apr. 2022, GBP/THB closed at THB 43.73. In 1Q22, avg. was GBP/THB 44.37 (+6.4% YoY, -1.4% QoQ).

**Key Developments**

**COVID-19 Update**

**Production network remains at normal operations**

- Our global vaccine roll-out is in advanced progress in Seychelles, the U.K., and the U.S. In Thailand, our employees are vaccinated with 95% first dose, 93% fully vaccinated, 38% booster dose.
- We continue enforcing strict COVID-19 preventive measures, with 100% ATK on weekly basis, workforce clustering, Bubble & Seal, health screening, and work-from-home policies.
- All plants in Asia are at normal operations. We have managed our global production network well since onset of COVID-19 and aim to strengthen in 2022.

**New Businesses**

**Fast growth in supplements business**

- ZEAVITA became no. 2 collagen product in Watsons in super/hypermarkets in Thailand (as of Mar 2022) and saw positive customer feedback, with plans to launch new 'Proven Result' campaign in May 2022 and continue driving pharmacy channels nationwide.

### Corporate Venture Capital

#### Investing in food-tech startups to drive innovation

- SPACE-F Batch III kickstarted in Feb 2022 with 17 startups (50% from overseas), 8 accelerator and 9 incubator startups from US, Canada, Finland, etc.
- Our CVC investments, Orgafeed, kicked off insect powder factory in 1Q22 and starting pet treats production at i-Tail facility in June 2022. Flying Spark will start production at new Thailand insect protein factory in 1H 2022.

### Sustainability

#### Partnered with Sustainable Fisheries Partnership (SFP)

- SFP is a US non-profit for marine ecosystem and seafood supply. The partnership, in March 2022, will further improve TU's supply chain transparency and biodiversity impacts.

#### CSR: Committed to supporting local communities

- Thai Union donated almost 500 kg. PET bottles upcycled into clothing items and PPE to waste pickers from 10 local communities and frontline healthcare workers.
- We donated 4,000 mackerel cans and 1,750 kg of rice to organizations supporting COVID-19 patients, incl. Bangkok's Klongtoey district office, Khlong Toey Dee Jung, and Goodness.

#### Associate companies

- Red Lobster, world's largest seafood restaurant chain, CEO, Kelli Valade, resigned on April 15, and in process of searching for a successor. New executive team is working closely RL's Board during this transition.

### 2022 Financial Target: Our adjusted guidance

<b>Sales</b>	7 - 8% YoY growth (revised up from 4-5% growth)
<b>GPM</b>	~ 17.5 – 18.0% (revised down from ~ 18.0-18.5%)
<b>SG&amp;A to sales</b>	~ 12.0 – 12.5% (revised down from ~ 12-13%)
<b>Effective interest rate</b>	No material change from 2021
<b>CAPEX</b>	~ THB 6.0bn
<b>Dividend Policy</b>	At least 50% dividend payout ratio

Thai Union has updated 2022 financial targets based on current forecast which may subject to change if key operating factors that affect company's performance variate from the assumptions.

### Key Risk Factors

#### **Inflation in raw materials, packaging & ingredients and utilities in 1Q22, supply chain challenges remain**

We faced unprecedented levels of inflation in 1Q22, both from key costs and ongoing logistics issues. We saw total impact of THB 710mn from freight price increase in 1Q22, vs ~THB 200mn in 1Q21.

Our solutions are:

- Efficient inventory management and large scale production benefit
- Price negotiation to pass on cost inflations, both OEM and branded, and adjust promotion intensity
- Cost efficiency management, reduce cost, and more profitable product mix
- Focus on automation for production efficiency

For more key risk factors, refer to 2021 One Report.

**1Q22 Statement of Income**

(Unit: THB mn)	Consolidated							
	1Q22	% to sales	1Q21	% to sales	4Q21	% to sales	1Q22 1Q21	1Q22 4Q21
							Change	Change
Sales	36,272	100%	31,125	100%	38,501	100%	16.5%	-5.8%
Cost of sales	(29,917)	-82.5%	(25,617)	-82.3%	(31,478)	-81.8%	16.8%	-5.0%
<b>Gross profit</b>	<b>6,355</b>	<b>17.5%</b>	<b>5,507</b>	<b>17.7%</b>	<b>7,023</b>	<b>18.2%</b>	<b>15.4%</b>	<b>-9.5%</b>
SG&A expenses	(4,688)	-12.9%	(3,637)	-11.7%	(5,047)	-13.1%	28.9%	-7.1%
FX gain (loss)	(47)	-0.1%	244	0.8%	136	0.4%	-119.2%	-134.3%
Other income	575	1.6%	351	1.1%	546	1.4%	63.8%	5.2%
Share of profits from investments in assoc. & JVs	(177)	-0.5%	(32)	-0.1%	(161)	-0.4%	462.7%	10.0%
<b>EBIT</b>	<b>2,018</b>	<b>5.6%</b>	<b>2,434</b>	<b>7.8%</b>	<b>2,498</b>	<b>6.5%</b>	<b>-17.1%</b>	<b>-19.2%</b>
Finance cost	(445)	-1.2%	(397)	-1.3%	(455)	-1.2%	12.2%	-2.2%
<b>EBT</b>	<b>1,573</b>	<b>4.3%</b>	<b>2,037</b>	<b>6.5%</b>	<b>2,043</b>	<b>5.3%</b>	<b>-22.8%</b>	<b>-23.0%</b>
Tax	188	0.5%	(199)	-0.6%	(61)	-0.2%	-194.6%	-408.6%
Profit (Loss) from discontinued operation	-	0.0%	-	0.0%	-	0.0%	-	-
<b>Net income</b>	<b>1,761</b>	<b>4.9%</b>	<b>1,839</b>	<b>5.9%</b>	<b>1,982</b>	<b>5.1%</b>	<b>-4.2%</b>	<b>-11.2%</b>
<b>Net income (loss) attributable to:</b>								
<b>Equity holders of the Company</b>	<b>1,746</b>	<b>4.8%</b>	<b>1,803</b>	<b>5.8%</b>	<b>1,930</b>	<b>5.0%</b>	<b>-3.2%</b>	<b>-9.6%</b>
Non-controlling interests of the subs	15	0.0%	36	0.1%	51	0.1%	-58.0%	-70.8%
<b>Earnings per share</b>								
Basic earnings per share	0.36		0.37		0.40		-3.3%	-9.9%
<b>Exchange rate</b>								
THB/USD	33.05		30.26		33.38		9.2%	-1.0%

**Statement of Financial Position**

(Unit: THB mn)	1Q22	% to total assets	2021	% to total assets	Change
Cash and cash equivalents*	1,552	0.9%	9,723	5.8%	-84.0%
Trade and other receivables - net	19,074	11.7%	16,308	9.8%	17.0%
Inventories - net	48,649	29.7%	46,636	28.0%	4.3%
Other current assets	2,965	1.8%	2,196	1.3%	35.0%
<b>Total current assets</b>	<b>72,240</b>	<b>44.1%</b>	<b>74,863</b>	<b>44.9%</b>	<b>-3.5%</b>
Fixed assets	28,245	17.3%	28,443	17.1%	-0.7%
Investments	28,464	17.4%	28,529	17.1%	-0.2%
Goodwill and other intangible assets	29,810	18.2%	30,390	18.2%	-1.9%
Other non-current assets	4,912	3.0%	4,380	2.6%	12.2%
<b>Total Assets</b>	<b>163,671</b>	<b>100%</b>	<b>166,604</b>	<b>100%</b>	<b>-1.8%</b>
Bank overdrafts and short-term loans	16,386	10.0%	9,673	5.8%	69.4%
Trade and other payables	20,760	12.7%	21,351	12.8%	-2.8%
Current portion of long-term loans	392	0.2%	14,937	9.0%	-97.4%
Other current liabilities	1,968	1.2%	2,121	1.3%	-7.2%
<b>Total current liabilities</b>	<b>39,506</b>	<b>24.1%</b>	<b>48,081</b>	<b>28.9%</b>	<b>-17.8%</b>
Long-term loans	50,153	30.6%	46,431	27.9%	8.0%
Other non-current liabilities	9,457	5.8%	9,878	5.9%	-4.3%
<b>Total Liabilities</b>	<b>99,116</b>	<b>60.6%</b>	<b>104,391</b>	<b>62.7%</b>	<b>-5.1%</b>
Non-controlling interests of the subsidiaries	2,889	1.8%	2,894	1.7%	-0.2%
<b>Total Shareholders' Equity</b>	<b>64,556</b>	<b>39.4%</b>	<b>62,213</b>	<b>37.3%</b>	<b>3.8%</b>
<b>Total liabilities and shareholders' equity</b>	<b>163,672</b>	<b>100%</b>	<b>166,604</b>	<b>100%</b>	<b>-1.8%</b>

\*Including short term investment



**Cash flow statement**

	Consolidated			
	(Unit: THB mn)	1Q22	1Q21	Change
<b>Profit before income tax</b>		<b>1,573</b>	<b>2,037</b>	<b>(464)</b>
Adjustments for depreciation & amortisation expenses		1,022	992	30
Other adjustments		507	411	95
Changes in operating assets and liabilities		(5,809)	(2,722)	(3,087)
Cash flows receipts from operating activities		(2,708)	718	(3,427)
<b>Net cash receipts (payments) from operating activities</b>		<b>(2,860)</b>	<b>633</b>	<b>(3,493)</b>
<b>Net cash payments for investing activities</b>		<b>(556)</b>	<b>(846)</b>	<b>290</b>
<b>Net cash receipts (payments) for financing activities</b>		<b>(4,447)</b>	<b>(2,057)</b>	<b>(2,390)</b>
Net increase (decrease) in cash and cash equivalent		(7,863)	(2,271)	(5,593)
Cash and cash equivalents - opening balance		8,828	6,019	2,809
Exchange gain (loss) on cash and cash equivalents		(17)	6	(23)
<b>Cash and cash equivalents - closing balance</b>		<b>948</b>	<b>3,755</b>	<b>(2,807)</b>
<b>CAPEX</b>		<b>1,023</b>	<b>842</b>	<b>181</b>
Management Est. Free Cash Flows*		<b>(3,732)</b>	<b>(125)</b>	<b>(3,607)</b>

\*Figures as reported in May 2022