

2Q21: All-time high net profit, up 37% YoY

Net profit was robust at THB 2,343mn, boosted by record operating profit from strong core businesses and a turnaround of Red Lobster

Revenue

2Q21 sales growth was exceptional at 8.6% YoY to THB 35,883mn. This was mainly driven by significant rebound of frozen and chilled seafood sales (+28.7% YoY) and strong PetCare and value-added business sales (+12.5% YoY). The ambient seafood business saw a 6.8% YoY sales drop in 2Q21. Compared to 2Q19 pre-COVID level, all three core businesses grew firmly in 2Q21 at 11.4% growth.

Gross profit

Gross profit marked a new record at THB 6,805mn in 2Q21, up 12.9% from 2Q20 and 26.9% from 2Q19 pre-COVID level. We delivered a consistent, high gross margin at 19.0%, up 82bps YoY. The margin sustained at a high level, thanks to the recovery of frozen and chilled seafood business, continued strong demand in the PetCare and value-added business, and a high margin in the ambient seafood business.

Operating profit

2Q21 operating profit was also a record at THB 2,524mn, up 7.1% YoY, mostly thanks to a solid gross profit. 2Q21 SG&A expenses increased 16.6% YoY, from higher logistic costs and marketing & administrative expenses, and a one-off goodwill impairment of THB 105mn from TMAC (shrimp hatchery business in Samut Sakhon and Southern Thailand) booked in 2Q21. Despite that, SG&A-to-sales ratio was at 11.9% in 2Q21, within our full-year guideline, vs 11.1% in 2Q20, thanks to effective cost management.

Net profit

2Q21 net profit was at a new, all-time high of THB 2,343mn, up 36.5% YoY. This was thanks to strong core three businesses, margin expansion, and a turnaround of Red Lobster at much lower loss.

Adjusted net profit marked at THB 2,448mn, up 42.6% YoY. The one-off item was a THB 105mn goodwill impairment in TMAC.

Interim Dividend Payment and ND/E

With robust net profit, net D/E ratio remained healthy at 0.98x, TU announced 1H21 interim dividend of THB 0.45/share. Ex-Dividend (XD) Date is on August 23, 2021. Dividend will be paid on September 7, 2021.

Stock Information

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

Share price (6/8/2021)	THB 22.50
Historical closing price:	
52-week high	THB 23.00
52-week low	THB 13.10
No. of shares:	4,771.8m
Par value:	THB 0.25
Market Cap.	THB 107.4bn
Avg. value trade/day (YTD)	THB 505.3mn

Major shareholders (30/6/2021)

Chansiri Family	19.34%
Thai NVDR Co., LTD.	16.02%
Mitsubishi Corporation	7.29%
Niruttinanon Family	6.86%
Social Security Office	4.54%

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	2Q21	2Q20	1Q21
Sales	35,883	33,051	31,125
Gross profit	6,805	6,027	5,507
EBITDA	4,135	3,350	3,426
Net profit	2,343	1,716	1,803
EPS (THB)	0.49	0.34	0.37
GPM (%)	19.0%	18.2%	17.7%
NPM (%)	6.5%	5.2%	5.8%
ND/E (x)	0.98	0.96	0.93
ROCE (%)	10.7%	8.3%	10.4%
ND/EBITDA (x)	3.91	4.32	3.87

Financial Statements Analysis:

Unit: THB mn	2Q21	2Q20	YoY	1Q21	QoQ
Sales	35,883	33,051	8.6%	31,125	15.3%
COGS	(29,078)	(27,024)	7.6%	(25,617)	13.5%
GP	6,805	6,027	12.9%	5,507	23.6%
SG&A	(4,281)	(3,671)	16.6%	(3,637)	17.7%
FX gain (loss)	212	216	-1.7%	244	-13.0%
Other income	439	378	16.2%	351	25.0%
Share of profits from investments in assoc. & JVs	(74)	(579)	-87.3%	(32)	133.5%
EBIT	3,101	2,370	30.8%	2,434	27.4%
Finance cost	(434)	(438)	-1.0%	(397)	9.4%
EBT	2,667	1,932	38.1%	2,037	30.9%
Tax	(231)	(140)	64.6%	(199)	16.4%
Net income	2,343	1,716	36.5%	1,803	30.0%
EPS	0.49	0.34	41.7%	0.37	31.4%
FX: USD/THB	31.36	31.95	-1.9%	30.26	3.6%
GPM	19.0%	18.2%		17.7%	
%SG&A/Sales	11.9%	11.1%		11.7%	
NPM	6.5%	5.2%		5.8%	

Sales

2Q21 sales were at THB 35,883mn, up 8.6% YoY. The sales performance was driven by the frozen and chilled seafood business (+28.7% YoY) as well as the PetCare and value-added business (+12.5% YoY).

- The frozen and chilled seafood business recovered significantly from food service businesses and exports, after last's year impact from the global pandemic and lockdowns.
- The PetCare and value-added business continued to deliver strong sales growth from new and existing products.
- The ambient seafood business normalized, with a sales drop of 6.8% YoY, after last year's exceptional push during the first wave of the pandemic and pantry loading.
- Compared to 2Q19 pre-COVID level, all three core businesses grew firmly in 2Q21 at 11.4% growth.

During 2Q21, the Thai Baht moved against key trading currencies as follows; USD (-1.9% YoY), EUR (+7.5% YoY) and GBP (+10.7% YoY), which partly supported sales growth. Excluding FX impact, Thai Union's sales in 2Q21 still grew 7.1% YoY.

2Q21 sales volumes increased 2.8% YoY, thanks to higher selling volumes in the frozen and chilled seafood and the PetCare and value-added businesses, which were partially offset by lower selling volumes in the ambient seafood business.

Gross profit

2Q21 gross profit was a record level of THB 6,805mn, up 12.9% YoY, thanks to strong core businesses, particularly frozen and chilled seafood and PetCare and value-added. The frozen and chilled seafood business' gross profit jumped to 100.5% YoY, from a recovery of

food service operations. The PetCare and value-added business' gross profit hiked 28.5% YoY, from strong demand and new products launched. However, the ambient seafood business' gross profit declined 12.2% YoY, due to a volume drop and normalization effect after an exceptional push in 2Q20 from pantry-loading during the pandemic. Nevertheless, we delivered a consistently high gross profit margin at 19.0% in 2Q21, up from 18.2% in 2Q20.

Selling and administrative expenses

SG&A expenses increased 16.6% YoY, or THB 610mn mainly due to 1) higher marketing and administrative expenses of approx. THB 200mn to support new and existing business units, 2) rising logistics costs estimated at THB 200mn, and 3) a one-off goodwill impairment of THB 105mn for TMAC.

Thanks to effective cost management, 2Q21 SG&A to sales ratio was at 11.9% (vs. our guideline of 11-12% for 2021 and vs.11.1% in 2Q20).

FX Gain/Loss

Thanks to prudent FX exposure management, Thai Union reported 2Q21 FX gains of THB 212mn, compared to THB 216mn FX gains in 2Q20.

Share of income from investment in associates

2Q21 share of loss was at THB 74mn (vs THB 579mn share of loss during 2Q20). The significantly lower loss contribution mainly resulted from Red Lobster's improving operations.

Red Lobster's operations in 2Q21 contributed THB 49mn share of loss (vs THB 702mn loss contribution in 2Q20), thanks to most of its outlets being opened during the quarter (vs. mostly closed in 2Q20), strategic initiatives, and also external factors such as successful vaccination programs in the US.

The Avanti business contributed lower share of profit YoY, due to its weakening frozen business from the outbreak impact to workforce capacity in India.

Other income

2Q21 other income was at THB 439mn, up from THB 378mn in 2Q20. Thai Union continued to record a consistent interest income from its investment in Red Lobster's preferred units.

Finance cost

2Q21 finance cost was stable at THB 434mn vs. THB 438mn in 2Q20.

Income tax expense

2Q21 income tax expense was at THB 231mn, compared to a tax expense of THB 140mn in 2Q20. The increase was in line with the improving operating profit of the company, and from lower tax credits from Red Lobster due to lower loss contribution.

Net profit

2Q21 net profit on reported basis was at THB 2,343mn, up 36.5% YoY. The increase was thanks to strong core businesses, particularly frozen and chilled seafood and PetCare and valued-added, as well as margin expansion, and a turnaround of Red Lobster's operations. 2Q21 net profit margin was at 6.5%, up significantly from 5.2% in 2Q20.

Adjusted net profit

Excluding one-off items, adjusted net profit was THB 2,448mn in 2Q21, up 42.6% YoY. 2Q21 one-off item is as follows:

Amount (THB mn)	One-off item
-105	Impairment of TMAC (shrimp hatchery business in Samut Sakhon and Southern Thailand) goodwill, booked as an expense in SG&A

Financial position analysis:

As of June 30, 2021, Thai Union's total assets were at THB 153,870mn, increased by 6.4% from end-2020 at THB 144,575mn, mainly due to higher inventory value.

Total liabilities increased to THB 95,644mn (7.7% up from THB 88,838mn at end-2020), mainly as a result of a pre-financing plan for long-term loans.

Current liabilities increased by 17.8% from end-2020, due to a larger amount of loans reaching maturity. The non-current liabilities declined 2.3% from end-2020, given more long-term loans reached maturity and moved to current liabilities. During 2Q21, the company repaid short-term loans to financial institutions (including bank overdrafts) of THB 6.2bn.

Total equity (including perpetual debentures of THB 6bn) increased by 4.5% (+THB 2,489mn) from end-2020 to THB 58,226mn, thanks to strong net profit during the quarter.

Cash Flow analysis:

During 1H21, net cash receipts from operating activities were at THB 3,129mn. Positive cash flow was mostly driven by profitable operations (EBITDA: THB 7,561mn in 1H21).

Net cash payments for investing activities were at THB 2,380mn, which was well on track with the Company's focus on CAPEX plan and growth projects.

Thai Union recorded net cash payment for financing activities of THB 806mn during 1H21, which was largely due to higher debt repayment to financial institutions (excluding bank overdrafts) of THB 6.5bn.

Net increase in cash and cash equivalents, including exchange losses, was at THB 186mn resulting to outstanding cash and cash equivalents of THB 6,472mn as of the end of this quarter (including the impact from the use of Bank Overdraft).

2Q21 free cash flow (FCF) turned positive after a temporary impact from high inventory of finished goods and goods in transit due to delayed shipments and container shortages during 1Q21.

Financial ratio highlights:

	2Q21	2Q20	1Q21
A/R Days	34	34	34
Inventory Days	126	120	124
Current ratio (x)	1.29	1.70	1.18
ROCE (%)	10.7%	8.3%	10.4%
ROE (%)	16.2%	11.9%	15.5%
ROA (%)	7.2%	5.8%	6.9%
ND/E (x)	0.98	0.96	0.93
ND/EBITDA (x)	3.91	4.32	3.87
Interest Coverage (x)	9.53	7.64	8.63
BV (Baht/share)	10.60	9.22	9.97

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 / EBITDA

Interest coverage = EBIT / interest expense

BV = Total shareholders' equity / outstanding shares

2Q21 profitability ratios significantly increased compared to a year ago with ROCE at 10.7% (vs 8.3% in 2Q20); ROE at 16.2% (vs 11.9% in 2Q20); and ROA at 7.2% (vs 5.8% in 2Q20). This resulted from the Company's robust profit (EBIT +31% YoY, net profit +37% YoY) in 2Q21.

Receivable days in 2Q21 were at 34 days, which sustained from the previous year, thanks to the Company's continued focus on cash conversion and collection.

Inventory days during 2Q21 was up to 126 days, from 120 days a year ago, due to higher inventory value (+22.7%) and higher goods in transit during the quarter.

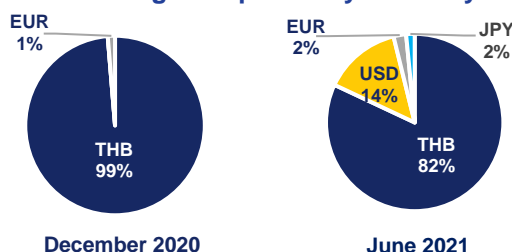
The Current ratio at end-2Q21 was at 1.29 times, declined from 1.37 times at end-2020, as a result of a larger amount of debt reaching maturity.

Interest-bearing debt increased by THB 4,912mn from end-2020 (up 8.4%), due to pre-financing plan accounted in long-term loans. As a result, 2Q21 net debt-to-equity was at 0.98 times, up from the end-2020 level of 0.94 times.

The net-debt to EBITDA ratio continued reducing to 3.91 times as end-2Q21, from 4.02 times end-2020, thanks to strong EBITDA (+23.4%), and despite higher interest-bearing debt.

The interest coverage ratio during 2Q21 was at 9.53 times, up from 7.64 times in 2Q20, mostly thanks to strong EBITDA and lower finance cost (down 1% YoY).

Interest-bearing debt profile by currency:

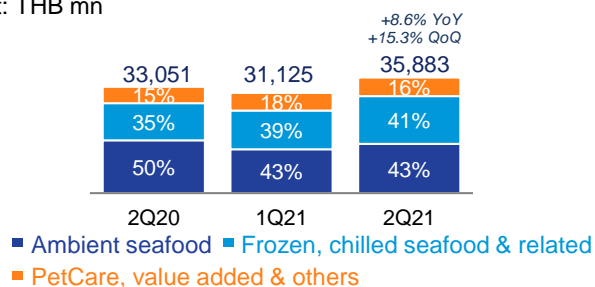


As of end-2Q21, interest-bearing debt was at THB 63,327mn, mainly denominated in the local currency. THB debt accounted for 82%, USD at 14%, EUR at 2% and JPY at 2%. We successfully launched THB 12bn sustainability-linked loans (SLL) in THB, USD, and JPY in Feb 2021.

Business overview by business unit:

Total sales value

Unit: THB mn



Ambient seafood¹:

Normalized top line with continued healthy margin

	2Q20	3Q20	4Q20	1Q21	2Q21
Value	16,394	16,259	14,440	13,580	15,272
Brand	57.4%	57.8%	53.1%	59.3%	61.6%
PL	42.6%	42.2%	46.9%	40.7%	38.4%
Volume	101,136	98,176	93,652	86,197	88,959

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

Remark: PL stands for Private Label business

2Q21 ambient seafood sales declined 6.8% YoY, from mixed performances in key regions. Tuna sales in the U.S. and Asia dropped, reflecting the exceptional push in 2Q20 amid COVID-19, particularly in the U.S., and effects from the global container shortage. However, it was partially offset by higher demand in Europe in 2Q21 vs. the stockout situation during pantry-loading in 2Q20.

Gross profit margin remained high at 22.0% in 2Q21 (vs. 23.3% in 2Q20), thanks to lower raw material price, and improving salmon business.

The ambient seafood business expanded on sales and sustained its margin, compared to 2Q19 pre-COVID level.

Frozen, chilled seafood and related²: Recovering topline and GPM

	2Q20	3Q20	4Q20	1Q21	2Q21
Value	11,554	13,370	13,738	12,076	14,869
Brand	34.4%	37.2%	38.1%	38.4%	35.2%
PL	65.6%	62.8%	61.9%	61.6%	64.8%
Volume	61,284	71,224	69,236	63,081	78,791

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

2Q21 frozen and chilled seafood sales recovered significantly at 28.7% YoY, supported by sales volume growth. Recovery in shrimp and lobster businesses were key growth drivers. Food service and retail businesses in the U.S. improved substantially, thanks to the vaccine administration.

Gross profit margin recovered significantly to 11.5% in 2Q21 vs. 7.4% in 2Q20.

Frozen and chilled seafood sales and margin expanded firmly, compared to 2Q19 pre-COVID level, supported by margin enhancement for shrimp and, particularly, lobster.

PetCare, value-added and others³: Solid growth and uptrend margin

	2Q20	3Q20	4Q20	1Q21	2Q21
Value	5,103	5,155	5,287	5,469	5,741
Brand	5.5%	6.4%	5.1%	4.8%	7.1%
PL	94.5%	93.6%	94.9%	95.2%	92.9%
Volume	73,322	75,019	75,409	72,957	74,603

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

2Q21 PetCare and value-added sales increased 12.5% YoY, thanks to strong demand, new products launched

and customer base expansion in PetCare, as well as higher sales of value-added products, following the company's focus on high-margin businesses, and greater performance from the packaging business.

Gross margin continued at a high level of 30.1% in 2Q21 vs. 26.3% in 2Q20, driven by increased demand in both domestic and exports of PetCare and value-added products, and the greater performance of packaging business.

PetCare and value-added business sales and margin expanded impressively, compared to 2Q19 pre-COVID level, thanks to a focus on profitability and new, innovative products launched.

Remark:

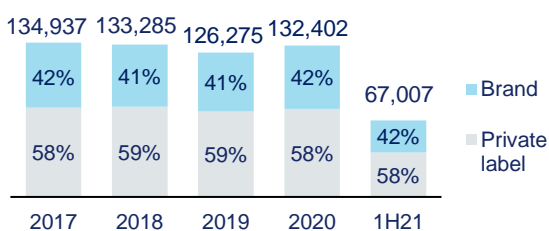
¹ Ambient seafood business includes entire tuna, entire sardine & mackerel and ambient & pouch salmon businesses

² 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

³ PetCare, value added & others business includes PetCare (wet seafood-based cat and dog foods, cat and dog food), value-added businesses (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)

Sales breakdown by brand vs. private label:

Unit: THB mn



1H21 branded and private-label business sales mix remained at 42% and 58%, respectively.

1H21 total branded sales increased 10.1% YoY, supported by higher European ambient seafood business sales.

1H21 private-label sales reported sales growth of 7.5% YoY, driven by higher sales of frozen and chilled seafood and PetCare and value-added business in the U.S. and Thailand.

Business overview by region:

THB mn	2017	2018	2019	2020	1H21
Total sales	134,937	133,285	126,275	132,402	67,007
USA	38.8%	37.7%	39.6%	41.9%	42.4%
Europe	30.8%	30.4%	27.9%	29.0%	28.6%
Japan	6.3%	5.7%	5.8%	5.3%	4.8%
Domestic	9.2%	10.5%	11.5%	10.0%	10.8%
Others	14.9%	15.7%	15.2%	13.8%	13.4%

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

1H21 sales in key regions; North America, Europe and Thailand increased 6.3% YoY, thanks to the recovery of frozen and chilled seafood sales, as well as continued strong demand in PetCare and value-added business.

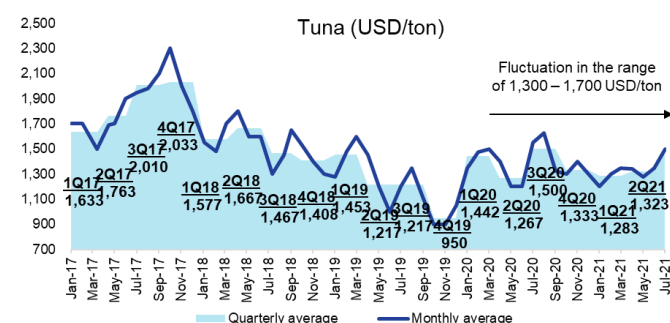
Sales in North America (the U.S. and Canada) rose 8.8% YoY, mainly from frozen seafood sales, which was partly offset by the normalization of ambient seafood business.

Sales in Europe increased 14.5% YoY, from high demand in branded ambient seafood products, as well as chilled seafood products.

Sales in Thailand were up 13.9% YoY, from frozen and chilled seafood and PetCare and value-added businesses, which was partially offset by the normalization of ambient seafood business.

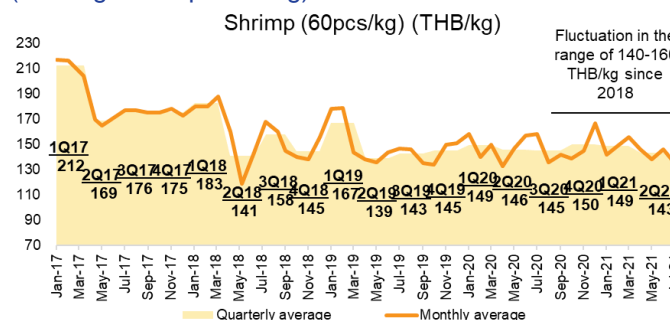
Key operating factors: Raw material prices

Skipjack tuna (USD/ton)



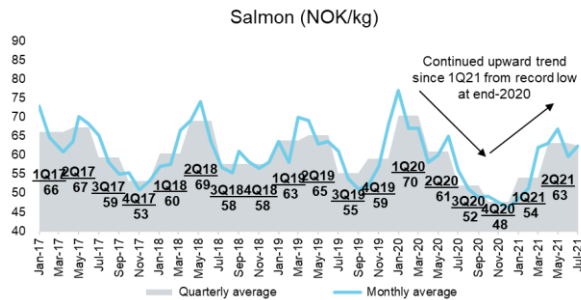
In July 2021, tuna price closed at USD 1,500/ton. In 2Q21, average price was at USD 1,323/ton (+4.5% YoY, +3.1% QoQ).

White shrimp (THB/kg. of 60 pieces/kg)



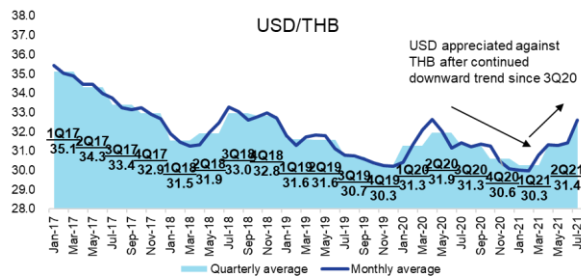
In July 2021, shrimp price closed at THB 135/kg. In 2Q21, average price was at THB 143/kg (-1.6% YoY, -3.8% QoQ).

Salmon
(NOK/kg)



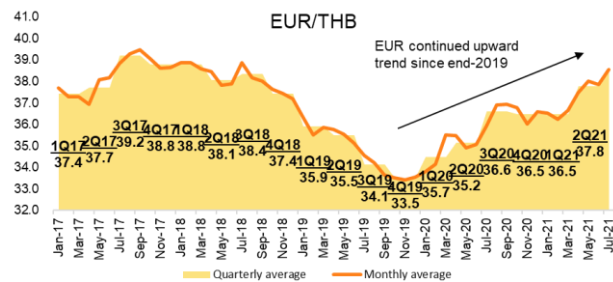
In July 2021, salmon price closed at NOK 62/kg. In 2Q21, average price was at NOK 63/kg (+3.7% YoY, +17.1% QoQ).

Exchange rates
USD/THB



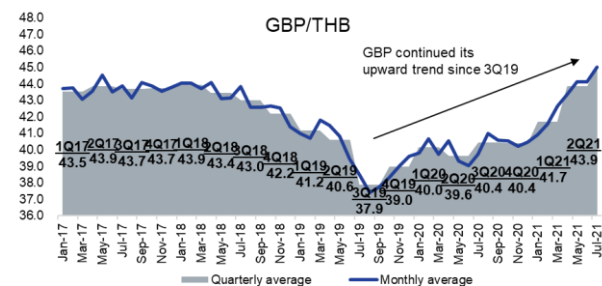
In July 2021, USD/THB closed at THB 32.61. In 2Q21, average USD/THB was at THB 31.36 (-1.9% YoY, +3.6% QoQ).

EUR/THB



In July 2021, EUR/THB closed at THB 38.55. In 2Q21, average EUR/THB was at THB 37.78 (+7.5% YoY, +3.6% QoQ).

GBP/THB



In July 2021, GBP/THB closed at THB 45.02. In 2Q21, average GBP/THB was at THB 43.87 (+10.7% YoY, +5.2% QoQ).

Key Developments

COVID-19 Update

Despite facing some challenges from COVID-19 in our Asian operations, we are ramping up production and closely monitoring the situation to ensure business continuity, as well as continuing our global vaccine roll-out

- **Songkla Canning (SCC):** After some employees tested positive for COVID-19, SCC (Southern Thailand), voluntarily closed for 2 weeks and re-opened on July 5. We are currently ramping up production.
- **Samut Sakhon:** We continue to monitor situation closely at our production headquarters. We are extending our Factory Accommodation Isolation (FAI) capacity, according to local authorities' announcement.
- **Yueh Chyang Canned Food (YCC):** Due to latest government announcement on COVID-19 for the entire Long An province, in Vietnam, YCC closed on July 12 for 5 weeks, with plans to re-open on Aug 16.
- On **vaccinations** front, the Thai national vaccine program is ongoing by local health authorities. Our internal vaccination program since July 2021 is above Thailand's average vaccination numbers, and we expect to ramp up quickly from purchase of 18,000 doses. Vaccines in Seychelles, the U.K., and the U.S. are in advanced progress under co-programs with local authorities.
- **Ongoing construction for new projects** (the new culinary plant and the protein hydrolysate and collagen peptide plant) **are on track**, however, it depends on COVID-19 situation.

Strategic Corporate Actions

Acquired remaining 49% shares in Rügen Fisch, Germany's shelf-stable seafood leader

- The acquisition of remaining shares of Rügen Fisch at **EUR 44.8mn** in May 2021, demonstrates Rügen Fisch's value and our **continued commitment to the German market**. After the buy-out, we consolidate Rügen Fisch in our financial statements (without minority portion in our bottom line).

Innovation

We are expanding into a new category of innovative products as part of our 2025 strategy

- We expanded “**Healthy Living**” portfolio with Tuna Bone Calcium. Our new, healthy canned tuna, enriched with calcium from natural ingredients and patented technology, was launched through our long-term, key strategic customer, Simplot’s John West Australia brand in Feb 2021 and expanded distribution to further retails in Australia in July 2021.
- Thai Union launched a **new, dry pet food** (cat and dog) product range under Bellotta and Marvo brands in July 2021: (1) up to 30% protein content (higher than average); (2) specialized in life-stage for baby to adult age, (3) enriched with DHA, Omega-3, Vitamin A, and other essential nutrients. We plan to continue growing in this segment with premium ranges.
- Ingredients* is a key driver as we continue our focus on new, value-enhancing businesses. Thai Union Ingredients (TUI) made a **strategic minority investment** at 10% as of July 2021 in **Clover Corporation**, world’s leading tuna oil encapsulation company in Australia. As TU’s long-term strategic customer, together, we are well-positioned to serve growing demand for DHA-rich products in Australia, Asia and Europe.
- Our *Alternative Protein* business unit is looking to partner across the value-chain to expand alternative protein in Thailand, and recently signed an **MOU with V-Foods** and More Meat startup, to co-manufacture alternative protein products in Thailand.

We continue to invest in food-tech startups

- Thai Union’s **corporate venture capital (CVC)** fund invested in two startups, together with other industry-leading strategic partners; (1) ViAqua, biotechnology startup on disease prevention for aquaculture, and (2) Aleph Farms, leading cell-cultivated meat company. We are continuing to explore food tech start-ups to further expand the CVC portfolio in strategic areas (alternative protein, functional nutrition, and value-chain technology).

Thai Union’s Blue Finance Portfolio

- After the debut of THB12bn sustainability-linked loan (SLL) in Feb 2021, Thai Union successfully launched THB 5bn sustainability-linked bond (SLB) in July 2021. The seven-year, senior and unsecured SLB carries an interest rate of 2.47% p.a. Thai Union’s SLB is the 1st ever SLB in Thailand for institutional investors.

2021 Financial Target: Our adjusted 2021 guidance

Sales	3-5% YoY growth
GPM	~ 17 -18% (revised up from ~ 17%)
SG&A to sales	~ 11-12%
Effective interest rate	No material change from 2020
CAPEX	~ THB 5.0bn (revised down from THB 6.0–6.5bn)
Dividend Policy	At least 50% dividend payout ratio

Thai Union has set its 2021 financial targets based on the current preliminary forecast which may subject to change if the key operating factors that affect the company’s operating performances variate from the assumptions.

Key Risk Factors

We are managing the ongoing supply chain challenges

- Global container shortage issues:** We saw total impact of approx. THB 400mn in 1H21, mainly from freight price increase. We continue to see effects, i.e. delay in shipments, however, we are working to mitigate the industry-wide impact.
- Inflation from packaging and edible oils:** In 2Q21, we saw rising cost from packaging (metal sheets) and edible oils, which resulted in some higher cost of goods sold.
- COVID-19:** We are monitoring the situation closely for our global operations, cooperating with authorities, and taking necessary measures to ensure business continuity in all of our plants.

Sustainability

- Thai Union released its 8th annual Sustainability Report** in May 2021. To download in PDF, please [visit Thai Union’s website.](#)

We continue to support local communities impacted by COVID-19

- This year, we have donated more than 319,000 food servings – both human and animal – and medical equipment worth THB 7.2mn to support government agencies, hospitals, foundations, and animal shelters in Thailand, under the Thai Union Cares program.

2Q21 Statement of Income

(Unit: THB mn)	Consolidated							
	2Q21	% to sales	2Q20	% to sales	1Q21	% to sales	2Q21 2Q20	2Q21 1Q21
							Change	Change
Sales	35,883	100%	33,051	100%	31,125	100%	8.6%	15.3%
Cost of sales	(29,078)	-81.0%	(27,024)	-81.8%	(25,617)	-82.3%	7.6%	13.5%
Gross profit	6,805	19.0%	6,027	18.2%	5,507	17.7%	12.9%	23.6%
SG&A expenses	(4,281)	-11.9%	(3,671)	-11.1%	(3,637)	-11.7%	16.6%	17.7%
FX gain (loss)	212	0.6%	216	0.7%	244	0.8%	-1.7%	-13.0%
Other income	439	1.2%	378	1.1%	351	1.1%	16.2%	25.0%
Share of profits from investments in assoc. & Jvs	(74)	-0.2%	(579)	-1.8%	(32)	-0.1%	-87.3%	133.5%
EBIT	3,101	8.6%	2,370	7.2%	2,434	7.8%	30.8%	27.4%
Finance cost	(434)	-1.2%	(438)	-1.3%	(397)	-1.3%	-1.0%	9.4%
EBT	2,667	7.4%	1,932	5.8%	2,037	6.5%	38.1%	30.9%
Tax	(231)	-0.6%	(140)	-0.4%	(199)	-0.6%	64.6%	16.4%
Profit (Loss) from discontinued operarion	-	0.0%	(14)	0.0%	-	0.0%	-100.0%	-
Net income	2,436	6.8%	1,778	5.4%	1,839	5.9%	37.0%	32.5%
Net income (loss) attributable to:								
Equity holders of the Company	2,343	6.5%	1,716	5.2%	1,803	5.8%	36.5%	30.0%
Non-controlling interests of the subs	93	0.3%	62	0.2%	36	0.1%	51.6%	161.3%
Earnings per share								
Basic earnings per share	0.49		0.34		0.37		41.7%	31.4%
Exchange rate								
THB/USD	31.36		31.95		30.26		-1.9%	3.6%

Statement of Financial Position

(Unit: THB mn)	2Q21	% to total assets	2020	% to total assets	Change
Cash and cash equivalents*	6,472	4.2%	6,286	4.3%	3.0%
Trade and other receivables - net	16,468	10.7%	13,320	9.2%	23.6%
Inventories - net	42,566	27.7%	38,546	26.7%	10.4%
Other current assets	1,218	0.8%	2,312	1.6%	-47.3%
Total current assets	66,724	43.4%	60,465	41.8%	10.4%
Fixed assets	28,739	18.7%	28,098	19.4%	2.3%
Investments	23,971	15.6%	21,752	15.0%	10.2%
Goodwill and other intangible assets	30,673	19.9%	29,950	20.7%	2.4%
Other non-current assets	3,764	2.4%	4,310	3.0%	-12.7%
Total Assets	153,870	100%	144,575	100%	6.4%
Bank overdrafts and short-term loans	7,296	4.7%	13,465	9.3%	-45.8%
Trade and other payables	20,924	13.6%	19,068	13.2%	9.7%
Current portion of long-term loans	21,160	13.8%	8,088	5.6%	161.6%
Other current liabilities	2,488	1.6%	3,392	2.3%	-26.6%
Total current liabilities	51,868	33.7%	44,013	30.4%	17.8%
Long-term loans	34,871	22.7%	36,862	25.5%	-5.4%
Other non-current liabilities	8,905	5.8%	7,964	5.5%	11.8%
Total Liabilities	95,644	62.2%	88,838	61.4%	7.7%
Non-controlling interests of the subsidiaries	1,699	1.1%	3,551	2.5%	-52.1%
Total Shareholders' Equity	58,226	37.8%	55,737	38.6%	4.5%
Total liabilities and shareholders' equity	153,870	100%	144,575	100%	6.4%

*Including short term investment

Cash flow statement

	Consolidated			
	(Unit: THB mn)	1H21	1H20	Change
Profit before income tax		4,704	3,145	1,560
Adjustments for depreciation & amortisation expenses		2,026	1,946	80
Other adjustments		812	1,058	(246)
Changes in operating assets and liabilities		(4,004)	2,568	(6,572)
Cash flows receipts from operating activities		3,538	8,717	(5,179)
Net cash receipts (payments) from operating activities		3,129	8,456	(5,327)
Net cash payments for investing activities		(2,380)	(1,861)	(519)
Net cash receipts (payments) for financing activities		(806)	(6,039)	5,233
Net increase (decrease) in cash and cash equivalent		(56)	556	(612)
Cash and cash equivalents - opening balance		6,019	4,483	1,536
Exchange gain (loss) on cash and cash equivalents		7	(39)	46
Cash and cash equivalents - closing balance		5,969	5,000	969
CAPEX		2,030	2,029	1
Management Est. Free Cash Flows*		1,508	6,687	(5,179)

*Figures as reported in August 2021