

Analyst Meeting for 2Q22 Results

Thai Union Group PCL.

August 9, 2022



MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM

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2Q22 Key Highlights

“ We delivered all-time high quarterly sales and healthy margin in 2Q22, thanks to our strong core businesses, robust demand, and FX. Despite ongoing supply chain challenges and two one-off items, we delivered a solid adjusted net profit of THB2.2 bn.

”

Thiraphong Chansiri
CEO



2Q22: All-time high quarterly sales, up 8.5% YoY, from higher selling prices, FX and continued strong demand

THB mn

Sales

38,946

All-time high sales,
+8.5% YoY

Driven by higher selling prices,
volume growth & favorable FX:

- PetCare and value-added was up 41.7% YoY, and ambient seafood grew 10.7% YoY, from higher selling prices, strong demand & THB depreciation.
- Frozen dropped 6.5% YoY, mostly from US market normalization.

Gross Profit

6,584

Healthy GPM at 16.9%

Gross profit slightly declined YoY,
while rose 3.6% QoQ:

- PetCare and value-added grew significantly at 37.5% YoY, mainly from higher demand and product mix
- Ambient was down 2.0% YoY from Rügen Fisch restructuring costs
- Frozen dropped from market normalization in the U.S., feed decline, and record-high salmon prices

Operating Profit

1,664

Operating profit declined YoY
amid supply chain challenges

Operating profit declined YoY,
while maintained from 1Q22:

- SG&A increased 14.9% YoY amid global supply chain challenges, resulting in a price impact of ~THB 560mn in 2Q22, from freight price increase.
- %SG&A increased to 12.6% in 2Q22 from 11.9% last year
- Adjusted OP was at 1,938m (excl. THB 274mn Rügen Fisch restructuring costs)

Net Profit

1,624

NPM was resilient at 4.2%

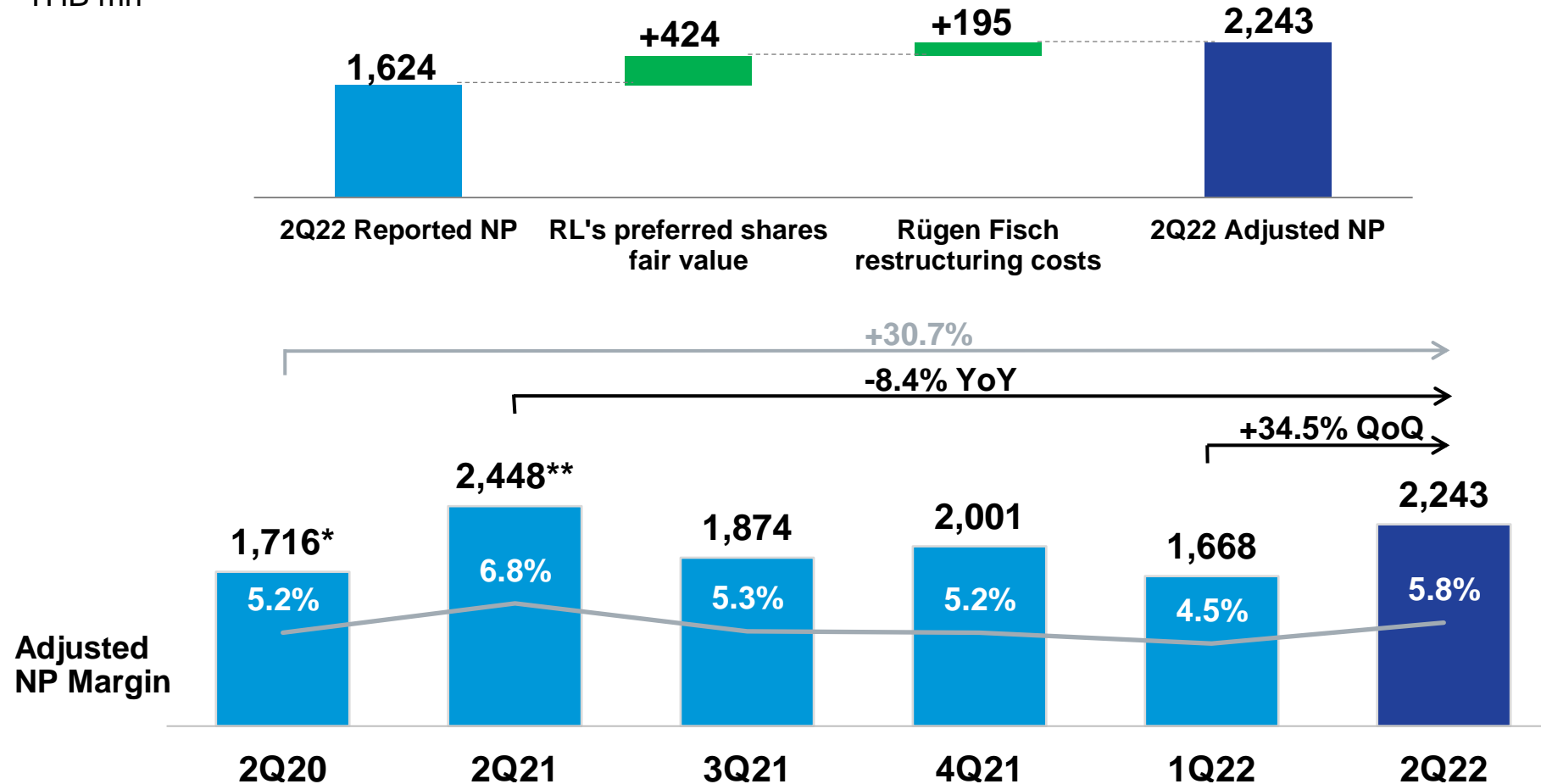
Net profit declined YoY, due to:

- Non-cash one-time impacts:
 - 1) THB 424mn (after tax) change in fair value of Red Lobster's preferred units
 - 2) THB 195mn (after tax) restructuring costs related to closure of one Rügen Fisch plant in Germany
- Our strong core businesses, favorable FX, and higher tax credits were offset by supply chain challenges & inflation

YoY Chg.	+8.5%	-3.2%	-34.1%	-30.7%
QoQ Chg	+7.4%	+3.6%	-0.1%	-7.0%
% of sales		16.9%	4.3%	4.2%

Strong 2Q22 adjusted net profit of THB 2.2bn, close to last year's exceptional performance

Adjusted Net Profit
THB mn



*Sales push from pantry-loading during first wave of COVID-19

**Exceptional recovery, especially frozen seafood in U.S. food service businesses post COVID-19

1H22: Record-high revenue and solid gross profit, debt ratio remained healthy and within target

1H22 sales growth 12.3%
YoY to

THB **75,217** mn

Share price movement²

2021
(Jan – Dec 21)

+42.3%

1H22
(Jan – Jun 22)

-13.6%

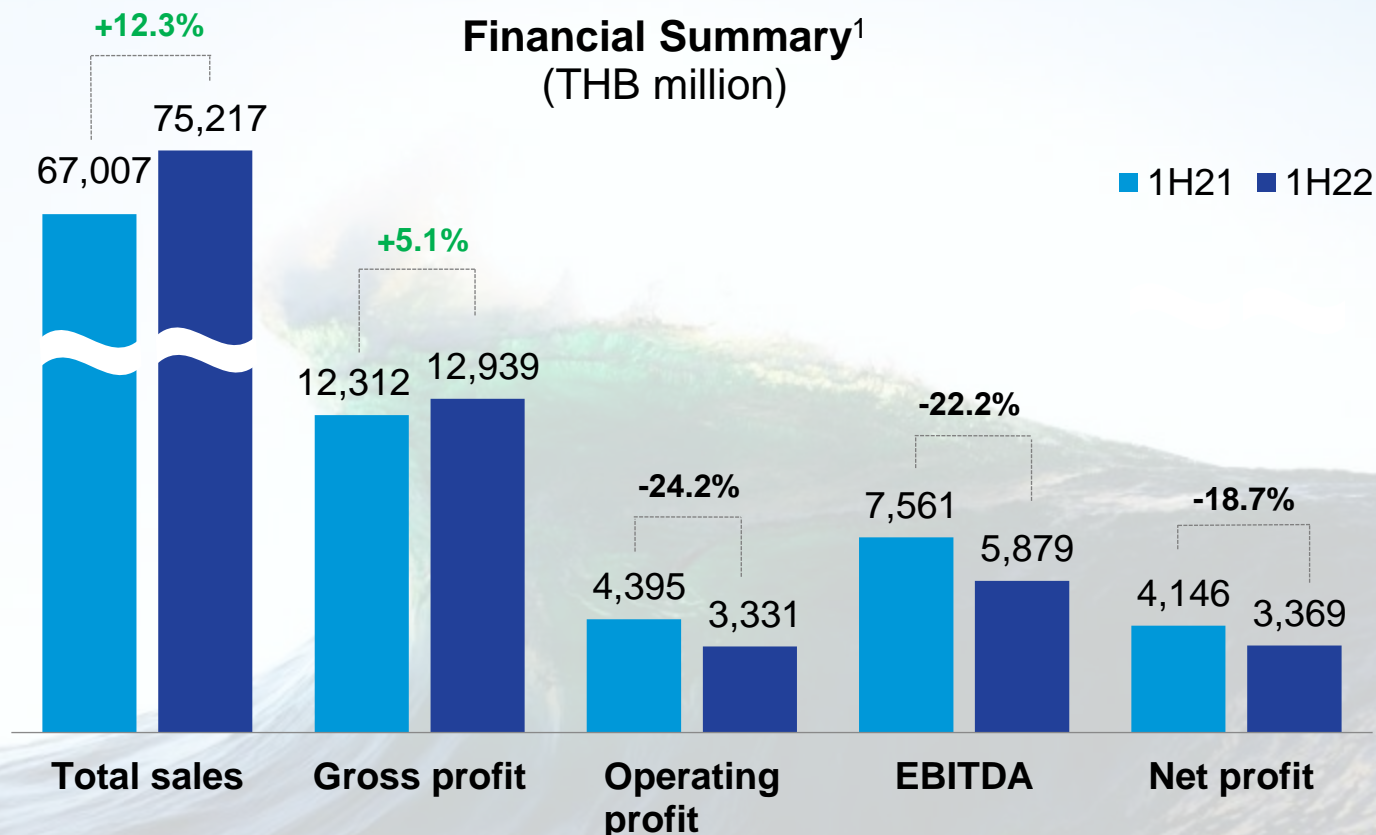
ND/E remained healthy

2021 ND/E

0.99x

2Q22 ND/E

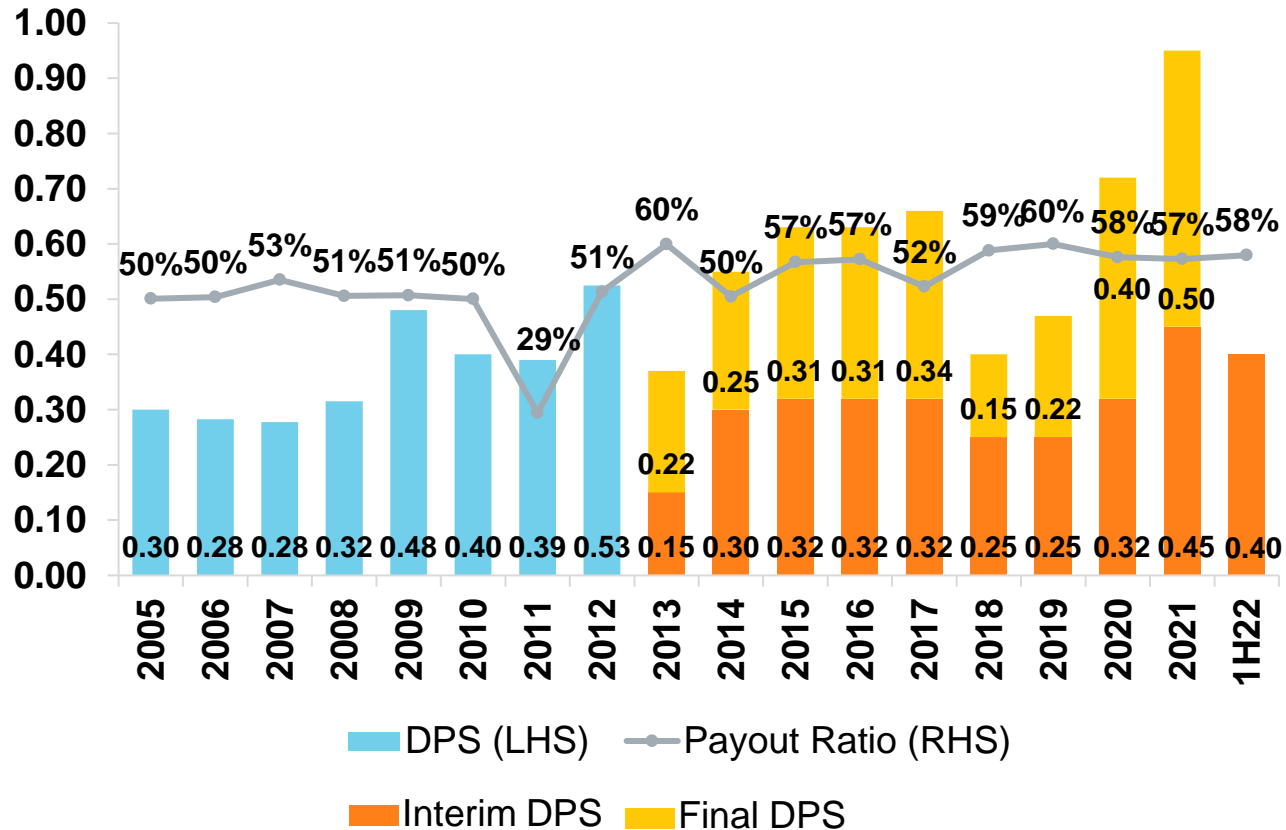
1.09x



Source: ¹Company; ²TU share price (Jan 4'21: THB13.7/share and Dec 30'21: THB19.5/share, Jan 4'22: THB19.8/share and Jun 30'22: THB17.1/share)

TU announced 1H22 interim dividend of THB 0.40/share

THB/Share



**Interim dividend for the period:
January 1 to June 30, 2022**

DPS	THB 0.40
Ex-Dividend Date	August 22, 2022
Record Date	August 23, 2022
Payment date	September 5, 2022

We are on track to meet our 2025 targets (1/2)

Commitments for 2025

Current Status

Progress review

Lagging On track Achieved

Strengthening our core business

1 Group **EBITDA of USD 450-550mn**



- Achieved EBITDA of **USD ~470mn** in 2021, driven by frozen segment revival, Pet Care and other value added businesses

2 **Stable, organic growth of 3% per year** in our core Ambient and Frozen business



- **Achieved target** growth rate for core business in 2021
- **Frozen driving** growth increase

3 USD 200-300mn investment in productivity to **achieve 3% annual conversion cost improvement**



- **Continued investing** in cost efficiency & automation; Conversion cost improvement **within target**, especially in our **Thailand** plants

4 Achieve **10% of revenue from innovation with margins >20%**



- **>600 Innovation SKUs** launched in human food category (20-21)
- Current **revenue contribution >5%**, margin already above **20% target**

5 **Turnaround or divest** loss-making businesses



- **Continue to manage our global portfolio in dynamic ways**, e.g. Lubeck plant closed, MerAlliance Poland and Middle East businesses sold to local players in 2021

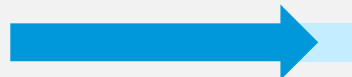
Building new value-enhancing businesses

6 **Invest USD 500mn** into new and adjacent businesses over the next 5 years



- Continue to invest into expansion / development of growth businesses
- CAPEX examples: e.g. **culinary** (\$34mn), **protein plant** (\$26mn), **PetCare & feed** capacity

7 Grow PetCare and Feed businesses at around **3x GDP growth p.a.**



- **PetCare exceeded target growth** rate for last few years
- **Feed facing inflation headwinds**; Growth measures in place for revival

Note: Financial metrics as of end of 2021 (unless mentioned otherwise)

Slide 9

We are on track to meet our 2025 targets (2/2)

Commitments for 2025

Current Status

Progress review

Lagging On track Achieved

Building new value-enhancing businesses

8 Scale-up of our **Ingredients and Culinary businesses**



- **Ingredients: Ongoing collaboration with Mara; Protein hydrolysate and collagen peptide plant** is on-track to commercialize in 1Q23
- **New culinary factory** to be commercialized in 1Q23

9 By 2025, new and adjacent businesses will contribute more than **1/3 of EBITDA**



- On track, driven by strong growth and margins from **PetCare and Packaging**; New businesses expected to contribute further as they scale-up

Leading the industry on sustainability

10 **Expand our SeaChange®** sustainability program to fight Climate Change



- Plan to launch **SeaChange 2030** this year, with special focus on Climate Change

11 Commitment to move to **sustainable packaging within 2025**



- On track; Achieved **80% of 2025 target** for reusable/ recyclable/ compostable packaging (for ambient branded business)

12 Continue to leverage **sustainability-linked financing**



- Recent examples: **THB 2bn** Blue Finance Loan agreement with TTB; issued **THB 6bn** Sustainability-Linked Bonds

Continuing Strategic Investments

13 Continue to **drive synergies and profit contributions** from our strategic investments



- Continue to invest and collaborate with partner, e.g. **JV in India** with R&B Food Supply and Avanti Group, investment in **Mara**

Innovation is an essential part of our strategy

We launched new products in 1H22 to serve strong demand for ambient seafood

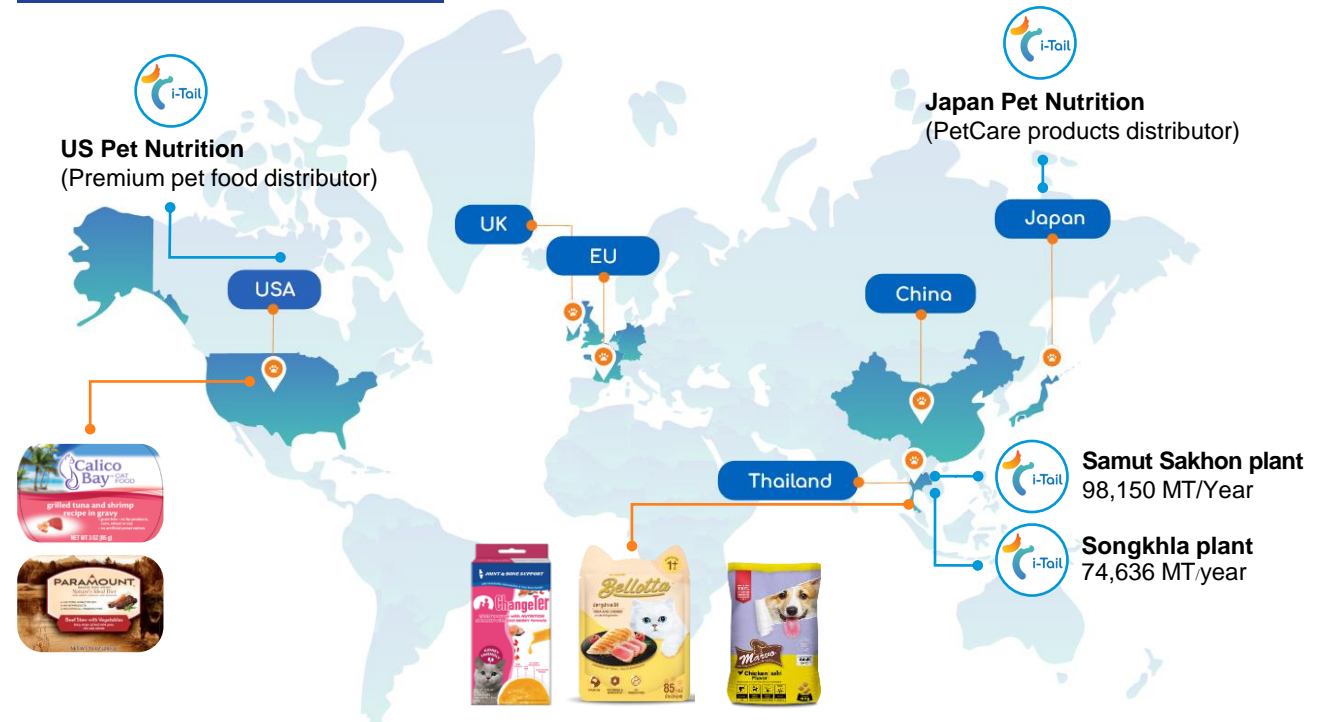


i-Tail: To become the world's leading *pet-centric* company



Our global footprint

- i-Tail Corporation (ITC) is a **leading premium quality pet food** producer globally, with over **40+ years** of experience
- ITC is the **leading OEM for pet food** in Thailand, **no. 2** in Asia, and **top 10** in the world*, with revenue of USD 436mn in 2021 and USD 129mn in 1Q22**
- Key products:** Our expertise is wet-based cat / dog food and pet treats, mainly from tuna and chicken, with focus on OEM
- Key strengths:** Driven by R&D and innovation, with two production facilities in Thailand with capacity of >172,000 MT/year, and extensive geographic presence, i.e. the U.S., Europe, and Japan



Our portfolio



Source: *Petfoodindustry.com and Frost & Sullivan

**Company, FX rate of 33.3 THB/USD

Remark: Not for distribution in the United States, Canada, Japan or Australia.

Expanding our Ingredients portfolio into algae-based oil

Mara Renewables: Transaction highlights

Invested C\$10M (~THB 270M) as part of Mara's growth funding round; 1 board seat for TU

Mara Overview



One of world's leading producers of sustainably grown **algae-based bio-products**; based in **Canada**



Vegan, plant-based option for DHA-rich omega-3 fatty acids serving **infant nutrition market, supplements**, and F&B globally; **patent protected**

Strategic Rationale for Thai Union (a minority shareholder)



Create **one-stop-shop supplier** of algae and tuna-based omega-3 oils



Accelerate growth through **joint sales, R&D and operations** (e.g., explore refining Mara's crude oil at TU's refinery in Germany)

Thai Union Ingredients: Our portfolio

Leading tuna oil producer since 2018



Leveraging our **global production capabilities**

- ✓ Tuna oil refinery (*Germany*)
- ✓ Crude oil extraction (*Thailand, Ghana, Seychelles*)
- ✓ Tuna bone powder facility (*Thailand*)
- ✓ Protein hydrolysate & collagen peptide (*Thailand, 2023*)

Strategic investments support TUI's future growth

Omega-3 oil encapsulation,
Australia



Algae-based oil producer,
Canada



ZEAVITA™ is expanding its collagen & fish oil products

Core Products



- No. **1** collagen in super hyper/chain*
- Product line extension starting with **collagen & fish oil**
- Through **Watsons**** exclusive partnership, **top 100** independent **pharmacies**, and e-Commerce
- Four key products launched in **Sep 2021**, positive feedback
- Target to achieve THB 200mn (USD 5-6mn) sales in 2022 and **THB 1bn** (USD 27-28mn) sales in 2025

Remark: *In 1H22, YTD, Source: Nielsen Retail Protein Capsule Super/Hypermarket Chain Period Ending: Jun 22

**Exclusive partnership with Watsons in hypermarkets and supermarkets only.

New Products



FISH OIL DEEPZ

- ✓ Tuna fish oil with **7.7x higher DHA**
- ✓ Infused with **L-theanine amino acid** from green tea
- ✓ Better **brain functionality & sleep performance**
- ✓ **7 benefits in 1:**
 - Better sleeping patterns
 - Deep, longer, and well rested sleeps
 - Improved work performance
- ✓ Launched nationwide in **May 2022**



ZEAVITA COLLAGEN + PREBIOTICS

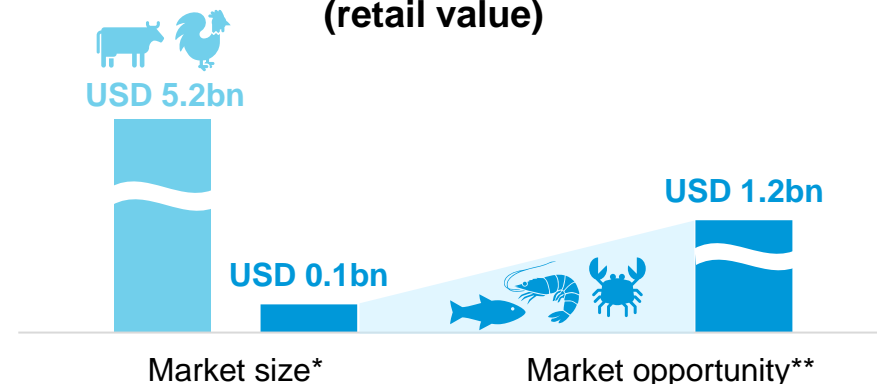
- ✓ **Collagen 70x** concentration
- ✓ Infused with **Prebiotic & Gluta**, Biotin, Zinc, Vit C
- ✓ **Supports healthy gut** to glowing skin
- ✓ **10 benefits in 1:**
 - Enhance good bacteria & intestinal balance
 - Young, bright, smooth skin and rejuvenates
 - Healthy hair and nails
- ✓ Launched nationwide in **July 2022**

Driving growth in Alternative Protein

Through Alternative Seafood and OEM manufacturing

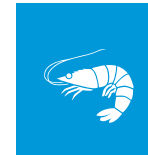


Alternative protein market size and opportunity (retail value)



Introducing new, plant-based “shrimp” wonton

We launched a new “shrimp” innovation in wonton format in 2Q22 in Thailand



Strengthening our alternative seafood expertise

Our focus is to be a leading player in alternative seafood globally, which is expected to grow +20% CAGR until 2025



Serving alternative protein (AP) category (as OEM)

We are leveraging our Thailand Manufacturing Hub, scale, processing experience to help scale AP businesses



Diversified portfolio, huge market opportunity

With plant-based products portfolio and expertise, we are well-positioned to serve global AP market of USD 5.3bn*



Building the ecosystem

Building an ecosystem of like-minded players across the value-chain, enabling the AP category

Remark: *Plant-based meat & seafood as of 2021, ** Potential future opportunity if plant-based seafood reaches plant-based meat penetration (1.4% of total current seafood market of USD ~86bn)

Source: Good Food Institute, Euromonitor

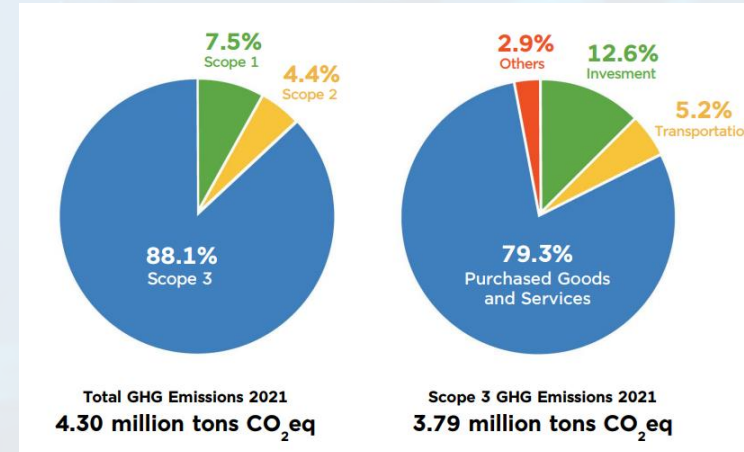
We recognize our responsibility to ensure that seafood stocks are healthy for generations to come

The 2021 Sustainability Report was released, ahead of a major update of the global SeaChange® strategy

- The 2021 issue included new areas such as **Blue Finance** to maintain our position as a sustainability leader in the industry.
- In 2022, we will have a **significant revision to SeaChange®**, including setting new goals and commitments for 2030 and introducing new science-based targets.
- For our 2021 Sustainability Report, please visit: www.thaiunion.com/en/sustainability/report

Our commitment towards climate change

- Completed our 1st ever full greenhouse gas inventory, incl. scope 3 emissions, mainly tuna, shrimp & packaging



- Published our 1st ever report for Task Force on Climate-Related Financial Disclosures (TCFD) in June 2022
- TU is officially listed on Science-Based Target Initiatives (SBTi) website as “committed”, to submit targets soon



Scan QR code for
2021 SD Report

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



Thai Union joined a **global coastal cleanup** on World Oceans Day (June 8) with **over 1,809 kg trash** collected in Samut Sakhon (Thailand), Genova (Italy), and Tema (Ghana) to **protect marine environment**.



Thai Union donated **THB 1.8mn** to **Samut Sakhon Hospital** to purchase medical equipment, as part of commitment to **support communities** where it **operates**.



Thai Union has started to distribute **more than 500 medical kits** and COVID-19 ATK kits in May, to **support fishing communities** in Thailand which Thai Union sources from.

We are proud of the recognition we continue to receive

Key highlight awards in 1H22



Outstanding Company in Thailand Top Company Awards by Business+ Magazine



Best CEO: Top 3 (sell side) in 2022 Asia (ex-Japan) Executive Team rankings by Institutional Investor*



Best CFO: Top 2 (sell side) and Top 3 (combined) in 2022 Asia (ex-Japan) Executive Team rankings by Institutional Investor*



Best ESG: Top 3 (sell side) in 2022 Asia (ex-Japan) Executive Team rankings by Institutional Investor*



Treasurer of the Year by The Asset Triple A Awards 2022



Best IR Team and Best IR Program: Top 3 (combined & sell side) in 2022 Asia (ex-Japan) Executive Team rankings by Institutional Investor*





2Q22 Financial Results - Consolidated

“ We delivered a solid performance and healthy margin in 1H22, in line with our FY guidance. As we continue to focus on cost efficiency, higher margin products, and driving sales in our core and new businesses, we are confident to deliver a stronger performance in 2H22. ”

**Ludovic Garnier,
Group CFO**

Record quarterly sales, consistent gross profit margin

2Q22 Key Highlights



New all-time high quarterly top line

- **8.5% YoY sales growth**, driven by higher selling prices, favorable FX and continued strong demand, particularly **PetCare & value-added (+41.7%)** and **Ambient (+10.7%)**. Excl. FX, sales rose 6.2% YoY.



Healthy gross profit

- Gross profit for **Ambient** and **PetCare & value-added surged** while gross profit for **Frozen & Chilled** dropped after last year's exceptional performance
- 2Q22 GPM was at **16.9%** vs 19.0% high base in 2Q21 and 17.5% in 1Q22



Impacted by non-cash items

- **THB 1.6bn reported net profit**, impacted from two non-cash one-time items: (1) **THB 424mn* change in fair value** of Red Lobster's preferred units**, (2) **THB 195mn* restructuring costs accrual** related to closure of one Rügen Fisch plant, Germany



Strong adjusted net profit

- **THB 2.2bn adjusted net profit**, close to last year, despite higher SG&A expenses.
- **SG&A was up 14.9% YoY**, mainly from one-time item related to restructuring costs of one Rügen Fisch plant and higher logistics costs

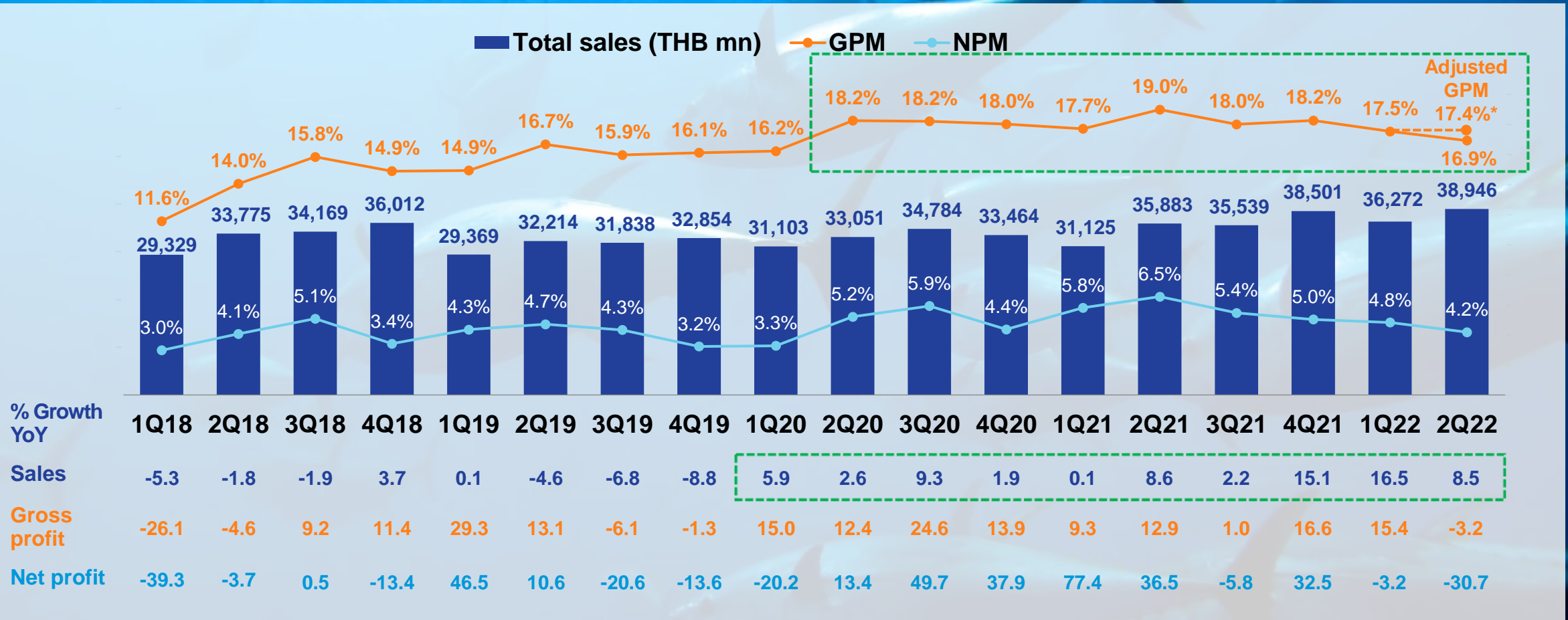


PetCare & VA: high potential biz

- **Sales grew 42% YoY and 17% QoQ**, from higher selling prices & volume growth (+11% YoY)
- 2Q22 GPM was exceptional at **29.2%** vs. 30.1% new high in 2Q21 and 24.4% in 1Q22, driven by strong demand, higher selling prices, and new innovative products

Remark: *After tax, **More details in slide 27

Strong track record of topline growth and healthy margin for ten quarters in a row



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 (in COGS)

We delivered strong 2Q22 results, adjusted for two non-cash one-off items, despite supply chain challenges

(in mTHB)	2Q22	Adjusted One-offs	2Q22 Excl. One-offs	One-off items
Net Sales	38,946		38,946	
Costs of sales	(32,361)	188	(32,173)	Restructuring costs related to closure of a Rügen Fisch (RF) plant
Gross Profit	6,584	188	6,772	
<i>in % of Net sales</i>	16.9%		17.4%	
SG&A expenses	(4,920)	86	(4,834)	Restructuring costs related to closure of RF plant
<i>in % of Net sales</i>	12.6%		12.4%	
Operating Profit	1,664	274	1,938	Restructuring costs related to closure of RF plant
<i>in % of Net sales</i>	4.3%		5.0%	
FX gain/loss	475		475	
Other income	(66)	564	520	Fair value (FV) adjustment on Red Lobster's preferred units
Share of profit	(283)		(283)	
EBIT	1,791	838	2,629	FV adjustment on Red Lobster's preferred units
<i>in % of Net sales</i>	4.6%		6.8%	
Financial Cost	(465)		(465)	
Tax	346	(219)	127	Tax credit from (1) RL's FV adjustment of THB 140mn (2) RF's restructuring costs of THB 79mn
Net Income before NCI	1,672	619	2,291	
Non-controlling interest	48		48	
Net income	1,624	619	2,243	
<i>in % of Net sales</i>	4.2%		5.8%	

We recorded two one-off items:

- THB 424mn fair value adjustment of Red Lobster's preferred units**, due to increased U.S. interest rates*
- THB 195mn accrual for restructuring costs related to closure of one Rügen Fisch plant** in Lübeck, to cover any potential severance costs until 2Q23.

Amount (THB mn)	One-off items
424	Red Lobster fair value (FV) adjustment on preferred units (THB 564mn before tax credit) (in other income)
195	Restructuring costs related to the closure of one Rügen Fisch plant in Lübeck, Germany (THB 274mn before tax credit) (in COGS & SG&A)

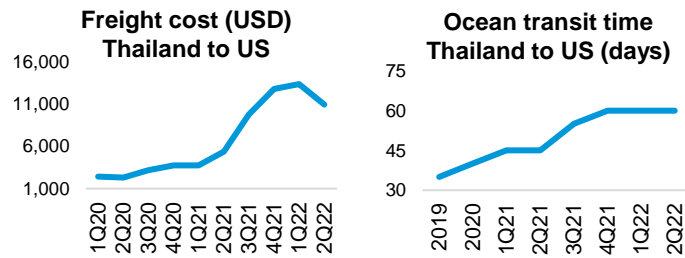
Remark: *More details on slide 28

2Q22 adjusted net profit was at THB 2.2bn

Headline inflation reached record-high levels in our key markets, early signs of improvement in some of our material costs

Logistics: Signs of improvement

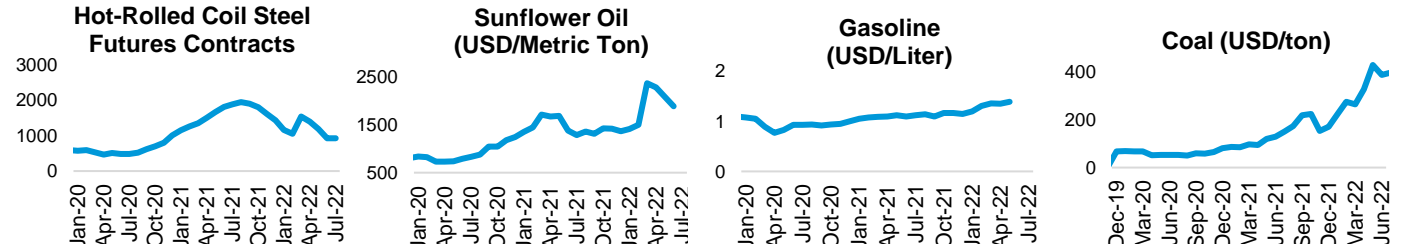
Impact to TU: ~THB 1.3bn in 1H22
(Q1: ~710mn + Q2: ~560mn) from freight price increase, vs ~THB 400mn in 1H21.



COGS inflation: Packaging, ingredients, raw materials, utilities

Headline inflation was record-high in June 2022 (US +9.1%, EU +8.6%, TH +7.7% YoY).

Impact to TU: Overall COGS increased 13.5% YoY in 1H22 (includes seafood raw materials, utilities, packaging, and ingredients).



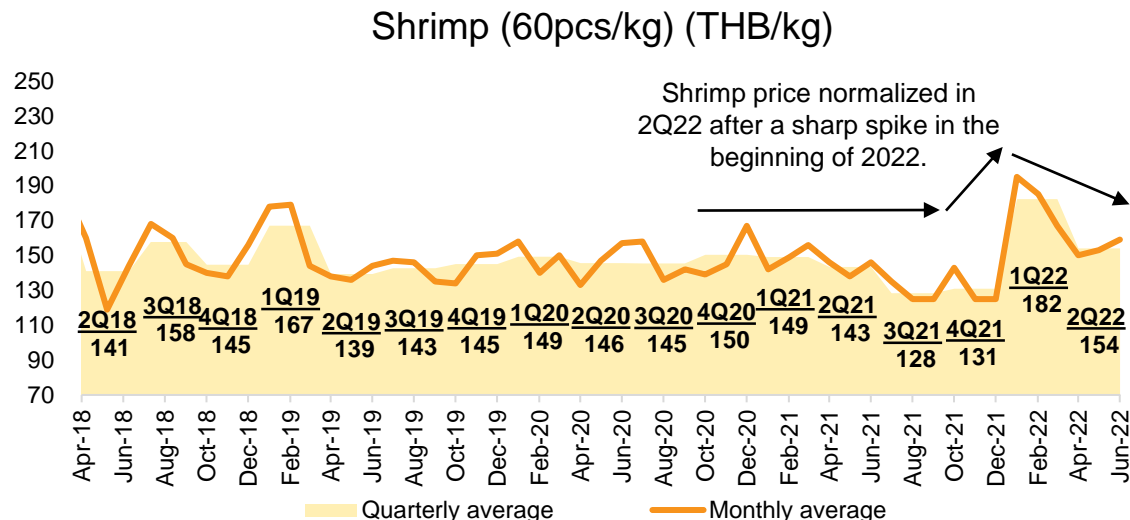
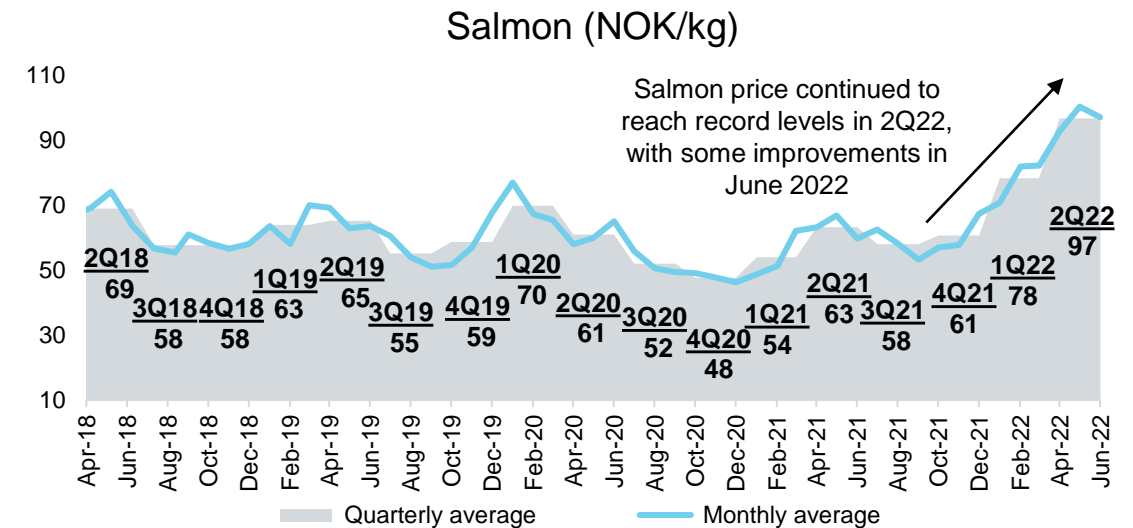
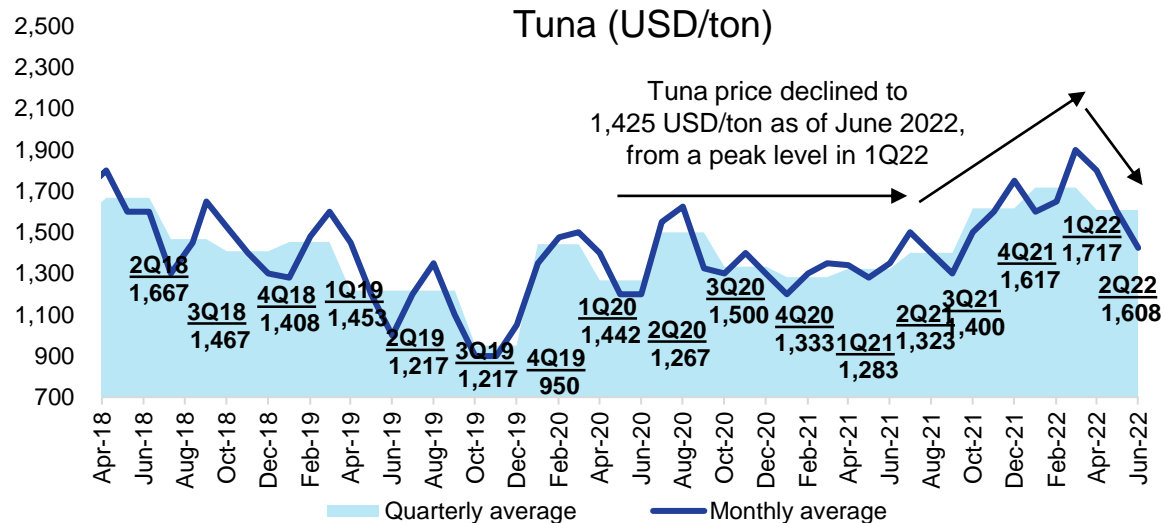
Our solutions to mitigate inflationary pressures and risks in 2Q22 and 2H22

- **Inventory management**, hedging (seafood, raw materials and FX), and benefit from economies of scale
- Our two strategic levers are:
 - (1) **Price negotiation** to pass on cost, for both OEM and branded
 - (2) **Adjust promotion intensity** to offset raw material price fluctuations
- **Cost efficiency management** to reduce costs, change to less expensive specs., and automation for productivity improvement
- **Continue monitoring** the situation closely and remain agile, given complex macro-environment and ongoing global supply chain challenges

Source: Thai National Shippers' Council, Index Mundi, Investing.com, and TradingEconomics.com

Remark: *Thai Union sources mainly steel and some aluminum metal packaging. Edible oils include mostly sunflower oil, soybean, and olive oil.

Key raw material prices softened in 2Q22, particularly tuna and shrimp



In July 2022, raw material prices closed at:

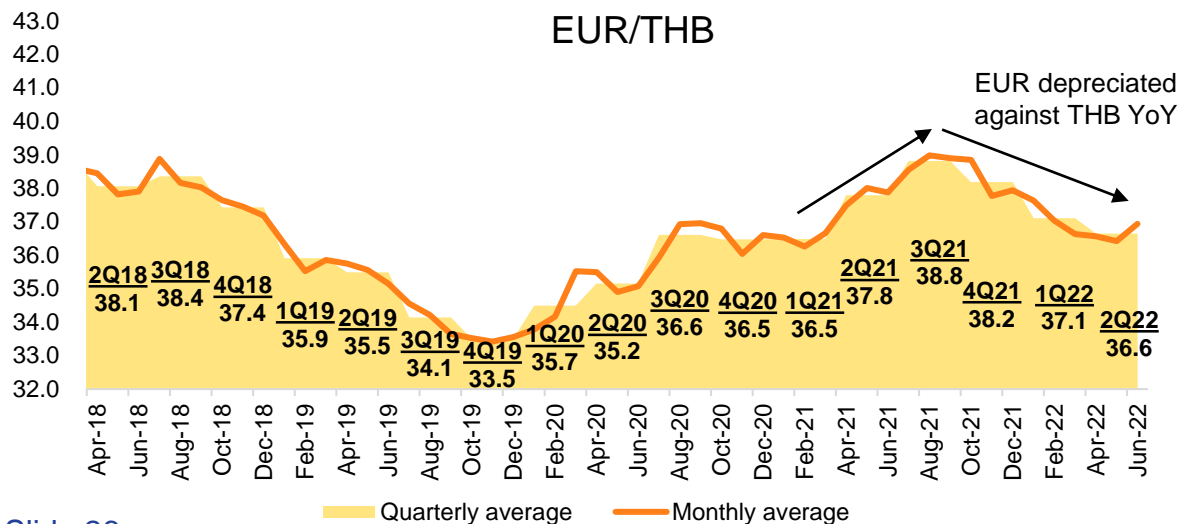
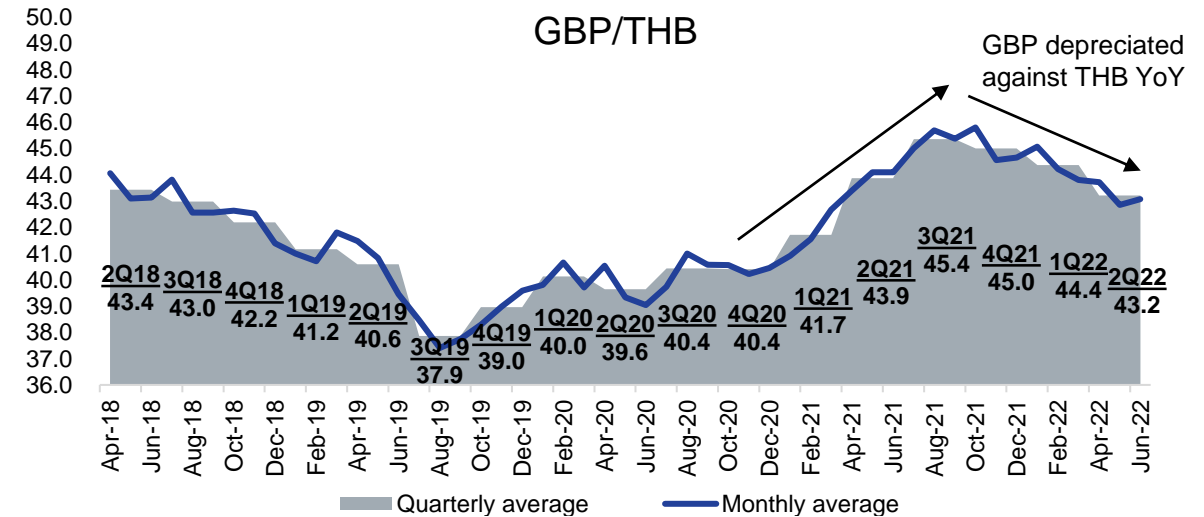
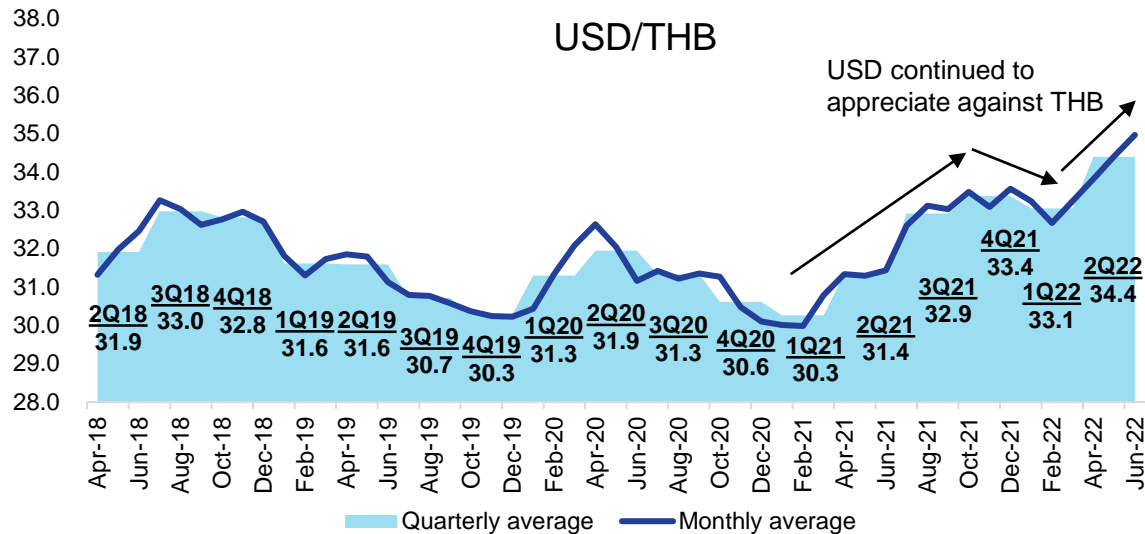
- Tuna - USD 1,600/ton, Shrimp - THB 164/kg, Salmon - NOK 85/kg

In 2Q22, average raw material prices closed at:

- Tuna: USD 1,608/ton (+21.5% YoY, -6.3% QoQ)
- Shrimp: THB 154/kg (+7.4% YoY, -15.5% QoQ)
- Salmon: NOK 97/kg (+53.0% YoY, +23.6% QoQ)

Source: Thai Union and Bloomberg data

9.7% YoY Thai Baht depreciation against USD supported our sales growth in 2Q22



In July 2022, average FX rates closed at:

- USD/THB – THB 36.33, EUR/THB – THB 37.05, GBP/THB – THB 43.55

In 2Q22, average FX rates closed at:

- USD/THB: THB 34.40 (+9.7% YoY, +4.1% QoQ)
- EUR/THB: THB 36.64 (-3.0% YoY, -1.2% QoQ)
- GBP/THB: THB 43.22 (-1.5% YoY, -2.6% QoQ)

Source: Thai Union and Bank of Thailand data

Red Lobster remains challenged in 2Q22

Continue to monitor closely as we face inflation & labor shortages

THB mn	2Q22	1Q22	4Q21	3Q21	2Q21
Share of profit/loss from operations	-281	-243	-147	-63	-49
Share of profit/loss from lease accounting adj.	-102	-92	-109	-108	-113
Other income	-300	318	319	295	298
Interest expense	-112	-114	-105	-106	-105
Income tax	240	206	45	57	136
Net income	-554	76	3	75	167
EPS (THB/share)	-0.12	0.02	0.00	0.02	0.03

Including non-cash one-time impact ~THB 564mn

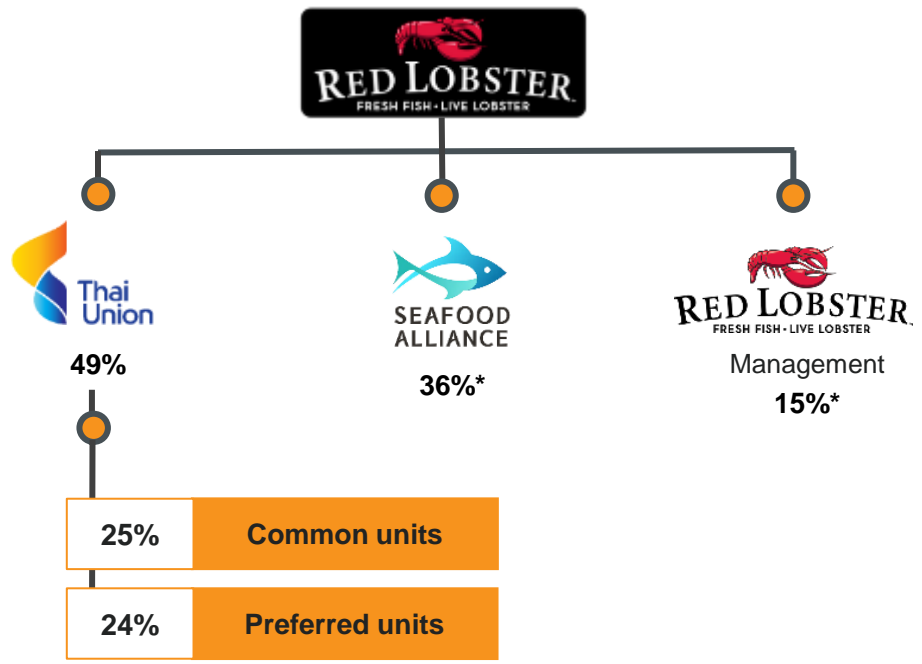
FY share of profit/loss (THB mn)	2022E	2021*	2020	2019
Operations	-950**	-178	-1,188	-142
Lease accounting adj.	-400	-637	0	0

- **Share of loss from operations** marked at THB 281mn in 2Q22 vs. share of loss at THB 49mn in 2Q21
- **Including lease accounting adjustment** of THB 102mn in 2Q22 and THB 194mn in 1H22
- **2Q22 Other income turned to expenses of 300mn** from RL's preferred shares fair value adjustment, as a result of U.S. interest rate hike
- **2Q22 Income tax credit was 240mn** from RL's share of loss and preferred shares fair value adjustment
- Focus on **cash preservation measures**, **cost reduction**, and **price adjustments**
- **Challenges ongoing in 2022** as US restaurants continue to face low guest count and higher COGS.

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

**We adjusted our estimates for 2022 full-year share of profit/loss from Red Lobster's operations based on 1H22 actuals and forecasts as of June 2022 to a range of THB-900/-1000mn.

Non-cash one-time impact in 2Q22 on preferred units fair value from US interest rate increase



- **Thai Union holds 49%** diluted equity ownership
- **10-year convertible preferred units (maturity 2026)**, convertible to 24% equity stake, with interest of 8% each year (4% cash under normal circumstances & 4% end-of-period payment)

Remark: *New shareholding structure since Sep 2020

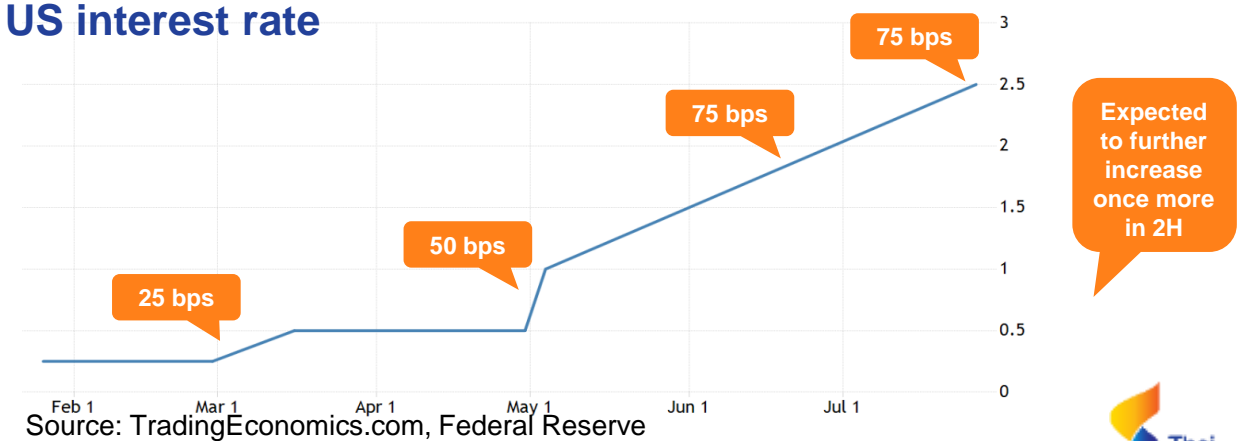
RL's preferred units is a financial instrument under TFRS 9

- Fair value (FV) is calculated through present value of future cash flows (using discount cash-flow calculation)
- Discount rates used over past years have been very stable.
- Different situation in 2022 with US interest rate increase, impacting FV calculation.

Due to increase of US interest rate, we recorded a one-time impact on adjusted fair value of RL's preferred units, under the assumption of an interest rate hike (+225bps in 1H22 and July this year) and **expected to further increase once more in 2H.**

THB mn	1Q22	2Q22	3Q22E	4Q22E	2022E
Other income est.	318	-300	0	0	18

US interest rate



Quick win actions to address U.S. economic challenges including inflation, softened guest count, and labor shortages



- **Price increases** gradually implemented to cope with inflation
- **Brand new menu** to lower COGS, focused on guest experience & profitability
- **Increased food satisfaction** to leading peer and reaching the pre-pandemic level i.e. quality, service, and cleanliness



Brand Position Revitalization



- **Evolve creative media messaging** to build brand love via connection and culture
- **Drive guest count & sales** via strengthen My Red Lobster Rewards (MRLR) loyalty program
- **Drive awareness under the Seafood Summerfest, Cheddar Bay Holiday, and Lobsterfest** to boost guest count in Q3



IGNITE a Connection with Guests



- **Redesign of the Operation management** to make the organization leaner and more efficient
- **90% staffed**, focused on training and certification to improve execution and consistency
- **Started restaurant audits** (Mystery Shop Program) in May 2022, with ~scores >80%
- **Aggressively working to offset inflation i.e. cash preservation**, cost reduction, pricing adjustment, and **closely monitoring debt covenant**

Win with Operations Excellence



- **Develop marketing vitals analysis**
- **Continue improving off-premise quality**, i.e. ToGo, curbside pickup, and delivery
- **Leverage social media** to drive brand awareness



Accelerate Digital Transformation

Remark: *Source: MomentFeed, aggregated from Google. Google Star rating is a five star rating scale that ranks businesses based on customer reviews.

Internal restructuring within Rügen Fisch to enhance competitiveness in German market

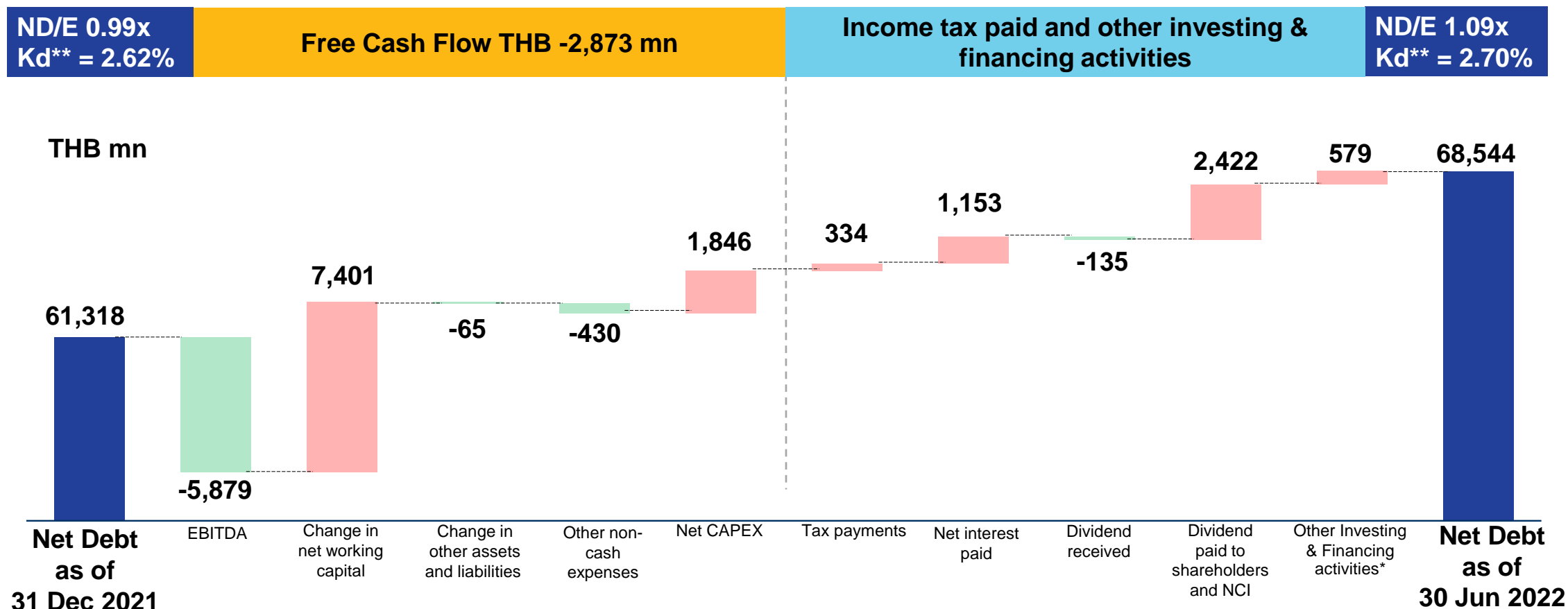


Closure of one Rügen Fisch plant in Lübeck, Germany as we continue to optimize our manufacturing footprint
Thai Union announced on May 25, 2022, plans to transfer production from Lübeck to Sassnitz, Germany

- We aim to improve production efficiency by increased shifts and transfer of employees (from Lübeck plant)
- On going discussions with work councils and employee representatives for 200 employees, until 2Q 2023 (in 1 year)
- TU recorded a THB 274mn (before tax) one-time non-cash accrual in 2Q22.
- Volker Büttel took over as CEO of Rügen Fisch (RF) as of May 9, 2022, responsible for strengthening RF's competitive position in Germany and market innovative products
- This comes after TU sold MerAlliance Poland assets to a local player, on May 13, 2022 as part of our global portfolio management.



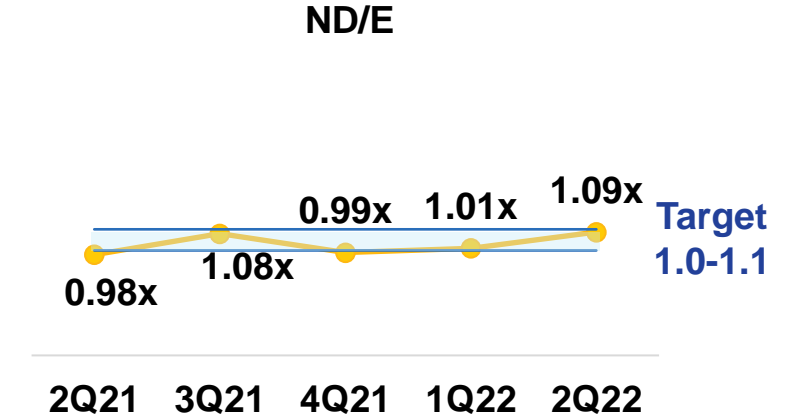
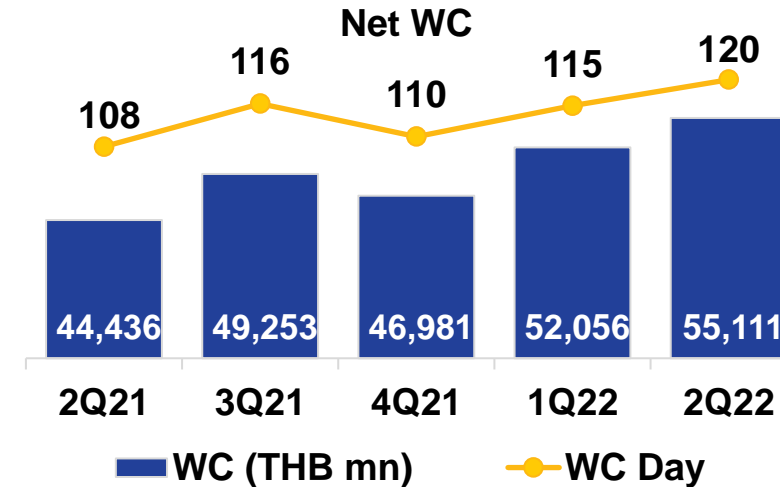
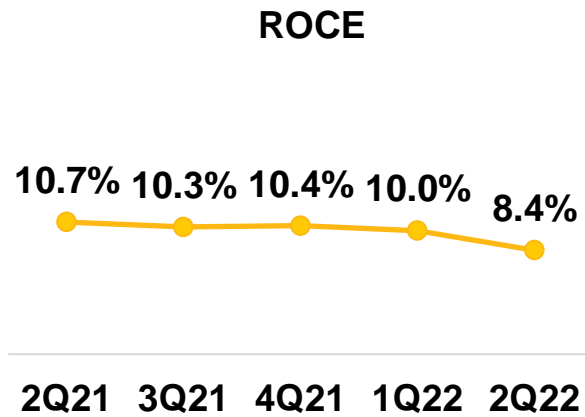
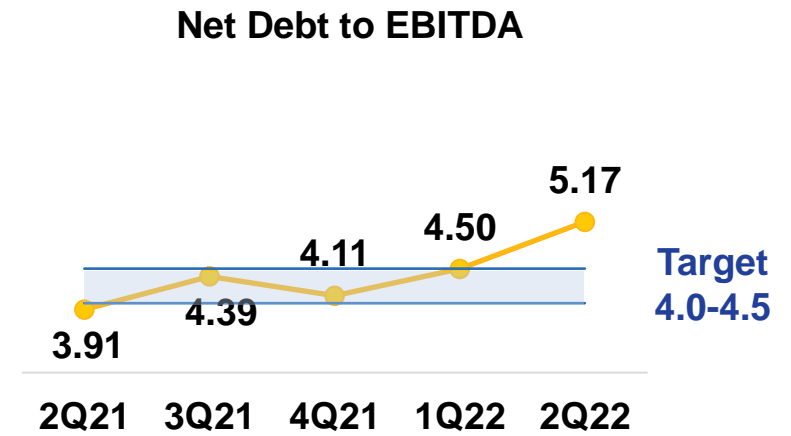
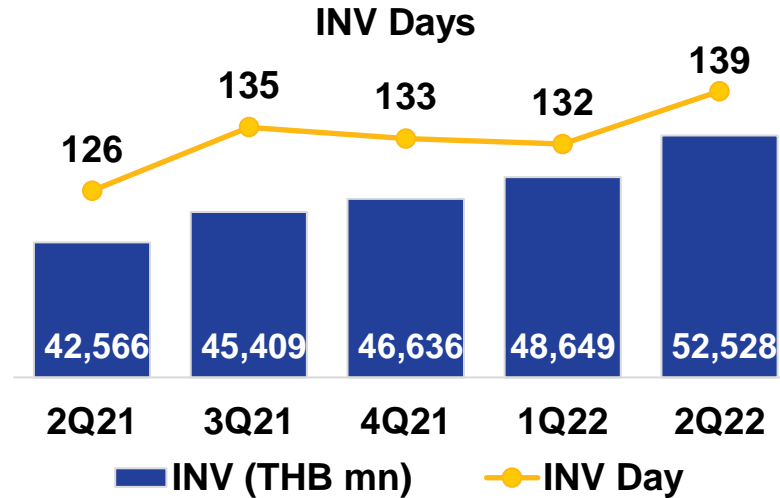
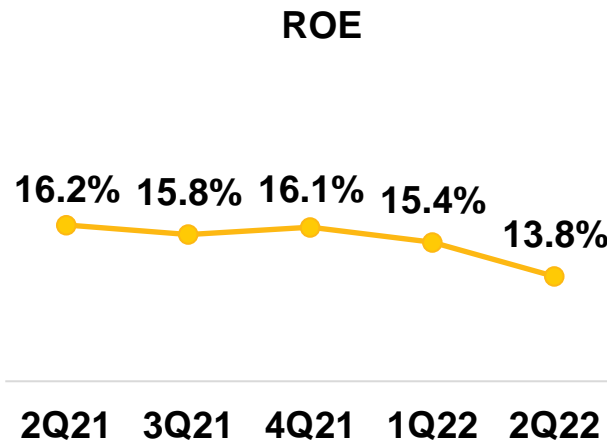
1H22: Net debt increased by THB 7.2bn primarily from negative NWC changes, offset by strong EBITDA and controlled CAPEX



Remark: * Other investing and financing activities includes 1) TUI investment in Mara (+268mn) (2) TUM investment in Pacific TUM Cold Storage Company (PACT) (+80mn) (3) FX on translation (-40mn) (4) Loan to F&B JV (+34mn)

**Kd refers to cost of debt

Temporary net debt increase from soaring inventory and high receivables, net debt/equity ratio within target





2Q22 Financial Results **- Business Units**

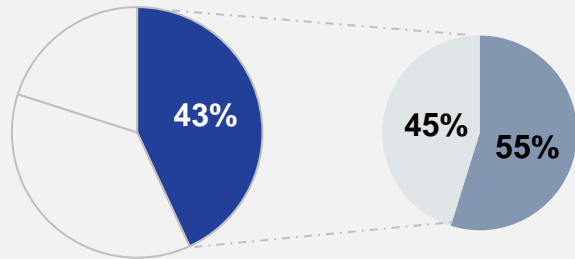
Well-balanced, diversified business portfolio to uplift our margins

Total 1H22 sales: THB 75,217mn

Core
business

Ambient seafood

THB 32,439mn

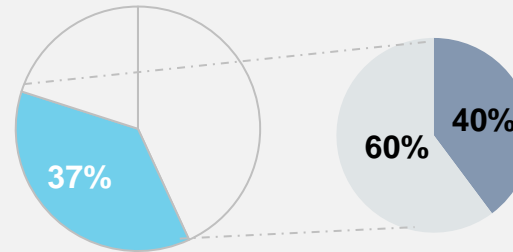


Sales Split

Brand
OEM

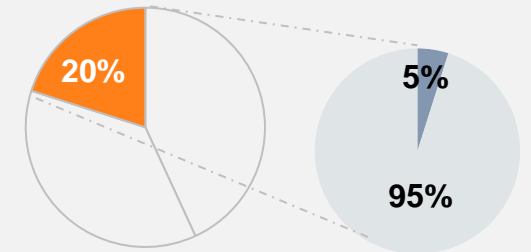
Frozen & chilled seafood

THB 27,690mn



PetCare, value-added & others

THB 15,088mn



Value-enhancing
businesses



Ingredients



Supplements



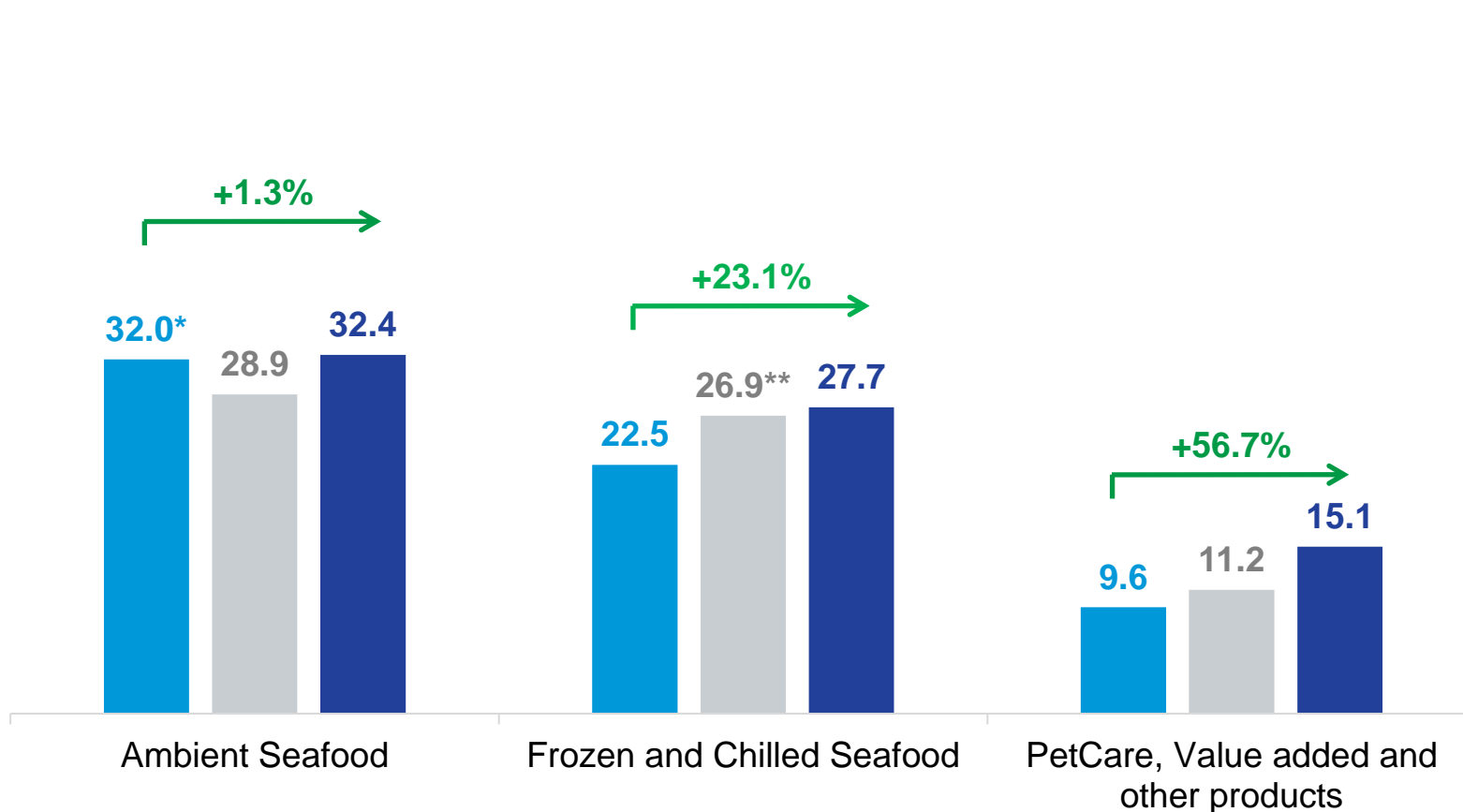
Alternative protein



Consistent sales growth post-pandemic, thanks to diversification and strong core businesses

Sales (THB bn)

■ 1H20 ■ 1H21 ■ 1H22



GPM 21.4%* 21.1% 20.6%

*Sales push from pantry-loading during first wave of COVID-19

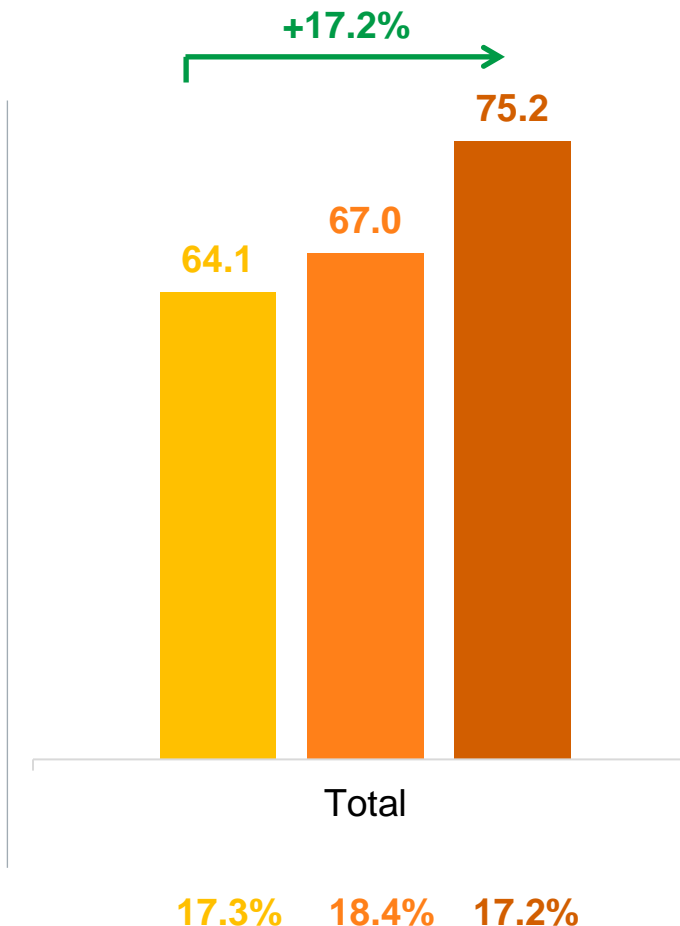
7.7% 11.1%** 8.0%

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

25.6% 28.7% 27.0%

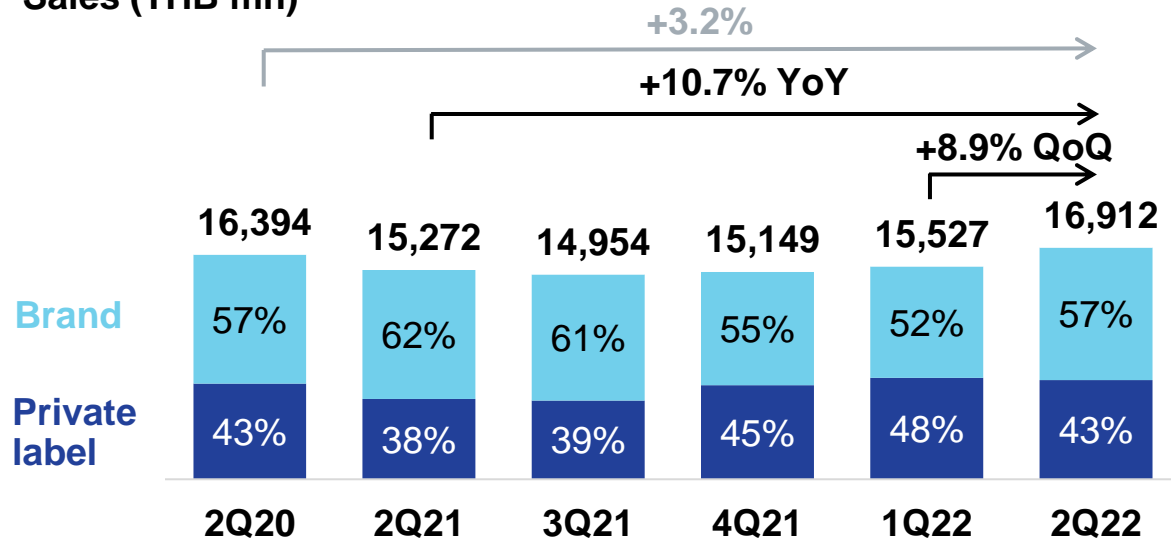
Strong demand for PetCare products as people have adopted more pets

■ 1H20 ■ 1H21 ■ 1H22

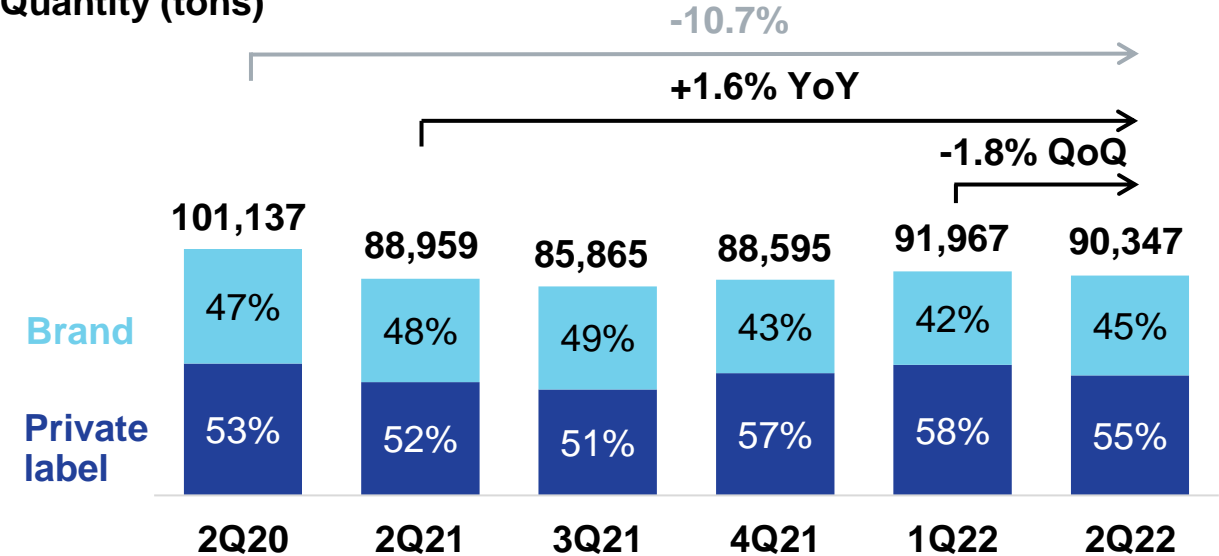


Ambient seafood: Record quarterly sales with healthy GPM

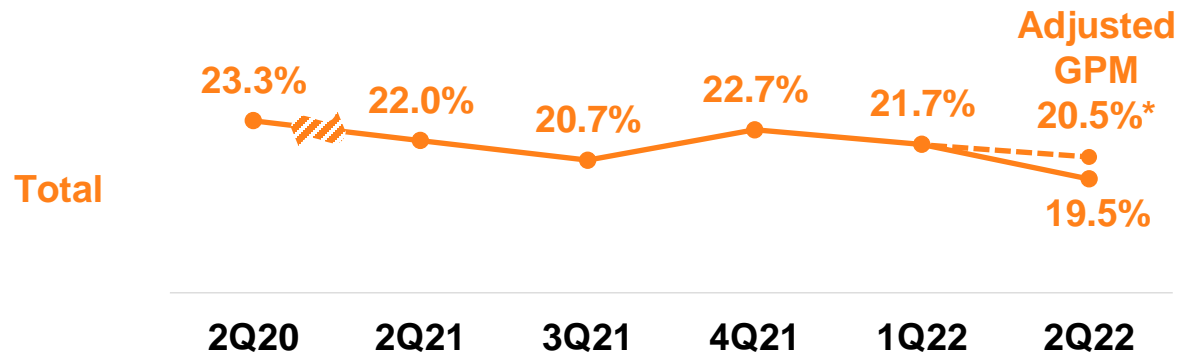
Sales (THB mn)



Quantity (tons)



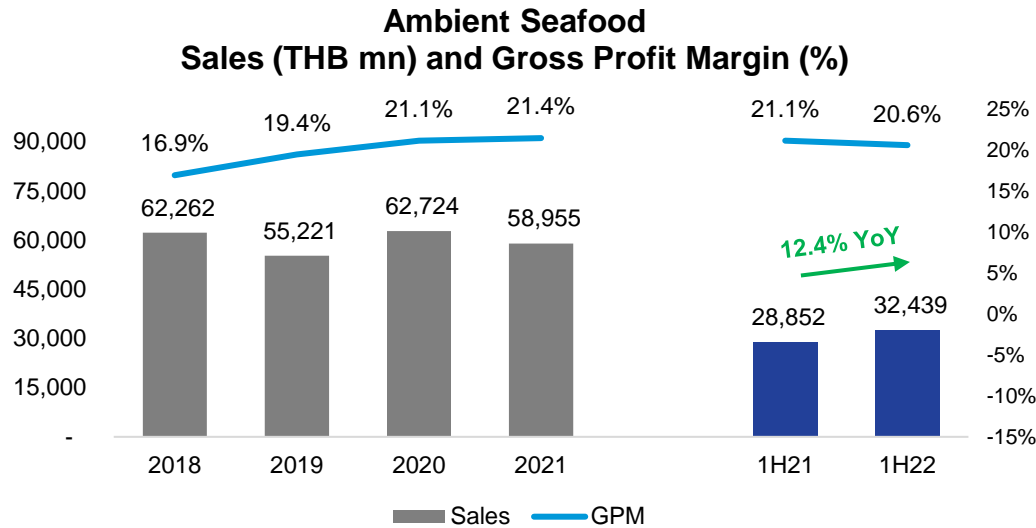
Gross Profit Margin



- **2Q22 ambient seafood sales grew well at 11% YoY**, driven by higher selling prices and continued strong demand, led by private-label, particularly in Asia and the U.S., as well as favorable FX, after last year's normalization from pantry-loading in 2020.
- **2Q22 gross profit margin slightly declined to 20%**, due to higher raw material prices (tuna price +21.5% YoY) and Rügen Fisch restructuring costs of THB 164mn, but partially offset by higher selling prices, volume growth, and product mix.
- **Ambient business** expanded on sales compared to 2Q20's exceptional performance as a result of pantry-loading during the first wave of COVID-19, with slightly lower margin.

Remark: * Excluding THB 164mn Rügen Fisch restructuring costs accrual (in ambient)

1H22 Ambient seafood: Continued sales growth



1H22 sales grew 12% YoY to THB 32.4bn

- Ambient seafood is **back to growth in most key markets** from higher selling prices, strong demand, and favorable FX, after last year's normalization from pantry-loading during the first wave of the pandemic in 1H20.
- Gross profit margin was **healthy at 21%**, despite increase in raw material prices, especially tuna.

Continued to launch new products to serve strong demand for canned seafood globally*

- In 1H22, **TU launched new products** across key markets globally, particularly Europe, Thailand, and U.S., with focus on **premium, ready-to-eat, and higher margin products**.
- Maintained **no. 1 market share** in Thailand, France, UK, Ireland, and Netherlands.

New cold storage project to expand tuna cold storage facility in Ghana

- Construction started in June 2021 and is on-track to complete in 1H23, with CAPEX investment of USD 15mn (~THB 550mn).

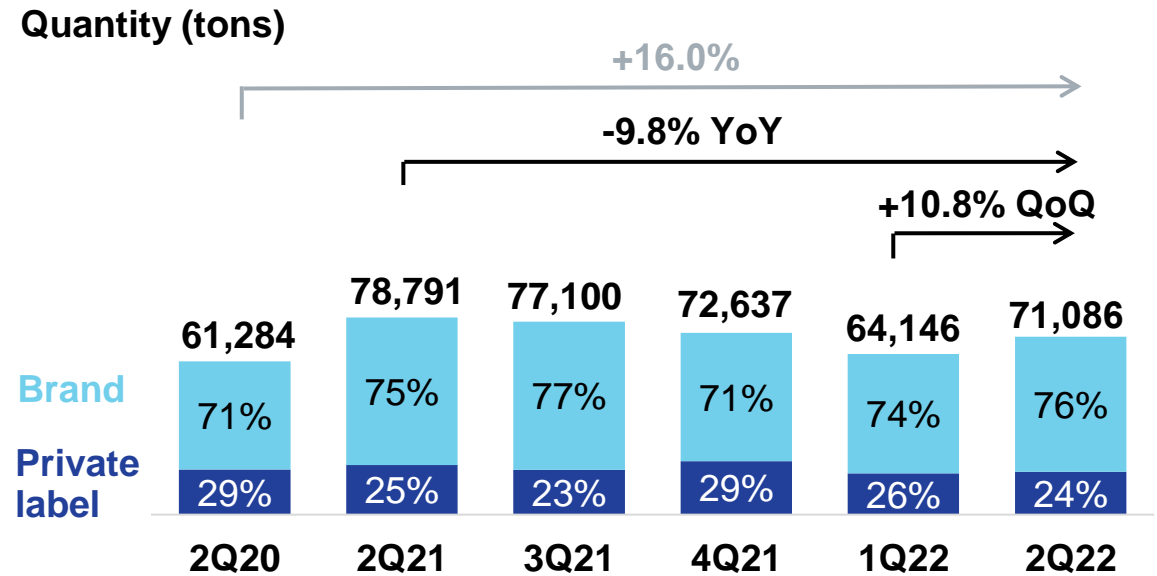
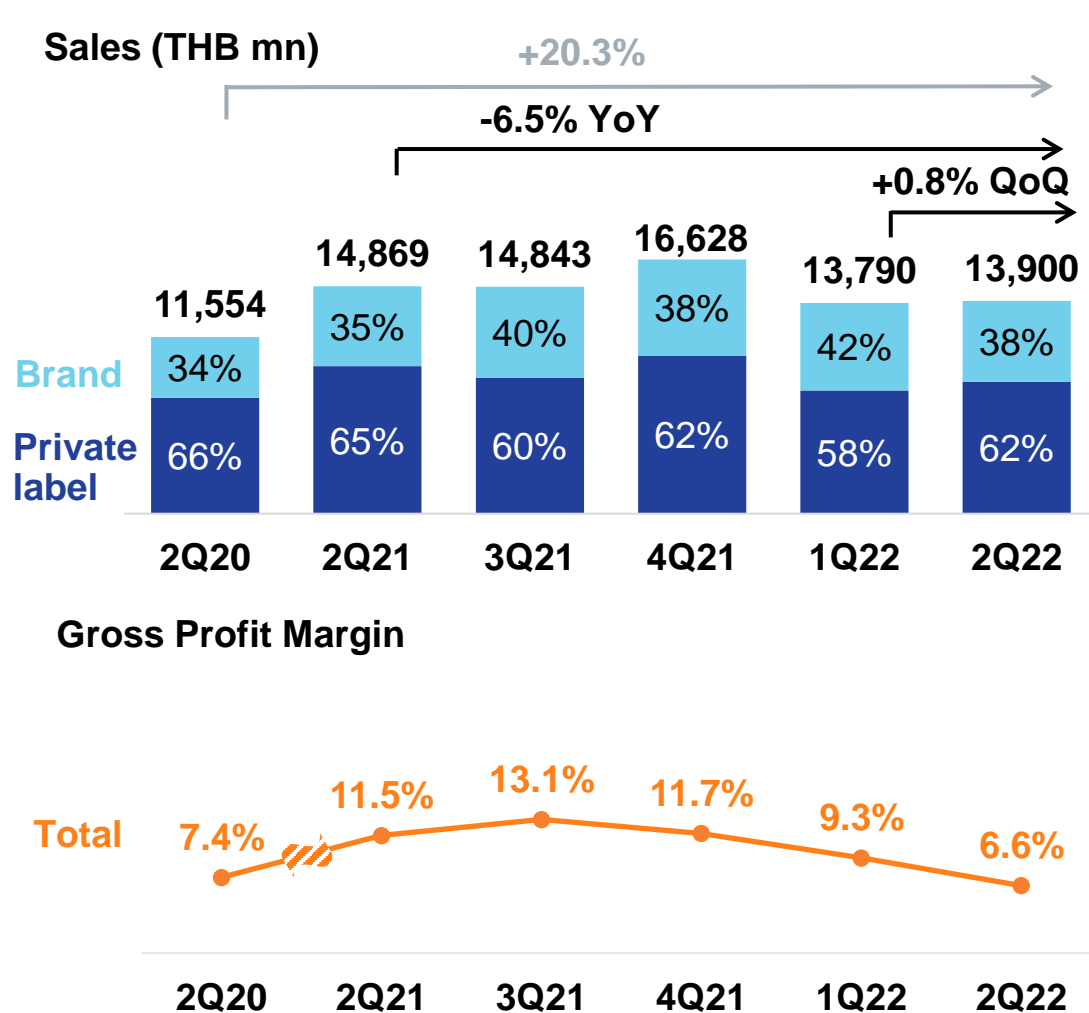
New cold storage project in Tema, Ghana To expand ambient tuna cold storage at TU's Ghana plant



Key product	Tuna (for ambient seafood)
Total production area	~11,500 sq.m (including waste water treatment plant: WWTP)
Capacity	~8,000 MT
Total CAPEX	USD 15mn (~THB 550mn)
COD date	Construction is on-track, to complete in 1H23

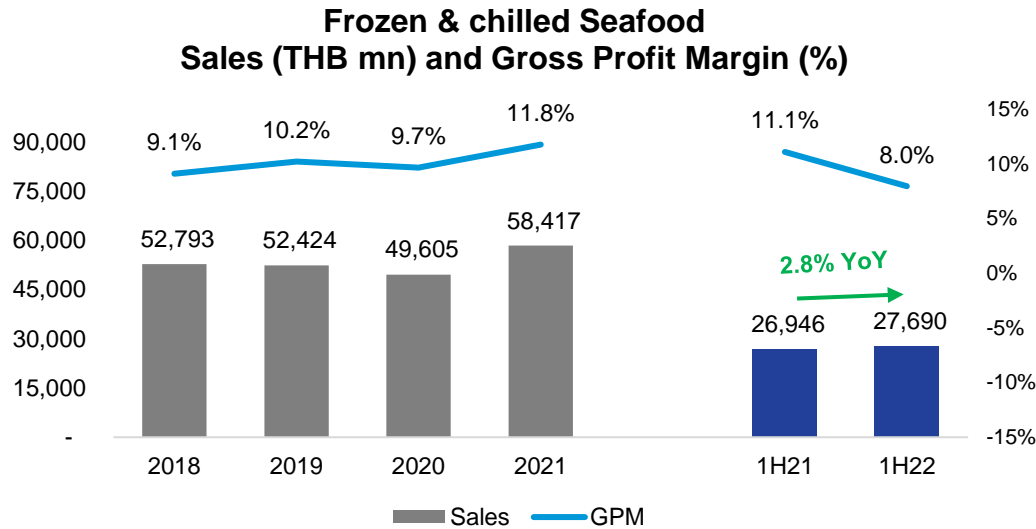
Remark: *Examples of ambient new products launched in 1H22 on slide 11

Frozen & chilled seafood: Softened sales and margin YoY, after last year's exceptional performance in the U.S.



- **2Q22 frozen and chilled seafood sales slightly dropped YoY, after last year's exceptional performance**, from market normalization in the U.S., and declining performance of feed and salmon businesses, despite continued recovery of foodservice businesses in Asia and higher selling prices.
- **2Q22 gross profit margin was impacted** from market price normalization in the U.S., particularly lobster and crab, a high level of logistics costs, and higher raw material prices, particularly salmon.
- **Frozen and chilled seafood sales expanded firmly compared to 2Q20 COVID-level**, however gross margin dropped from U.S. market normalization, feed, and record high salmon prices.

1H22 Frozen & chilled seafood: Growth momentum continued in Thailand and Asia



1H22 sales grew 3% YoY to THB 27.7bn

- Frozen & chilled slightly rose mainly from **strong frozen business in Thailand and Asia**, supported by higher selling prices and favorable FX. This was partly offset by softer demand from retail and foodservice businesses especially in the U.S., due to Omicron variant and inflation.
- Gross profit margin dropped from raw material prices which remained at a high level, market correction in the U.S., and supply chain challenges.

Culinary project in Samut Sakhon, Thailand New, automated, ready-to-eat production line



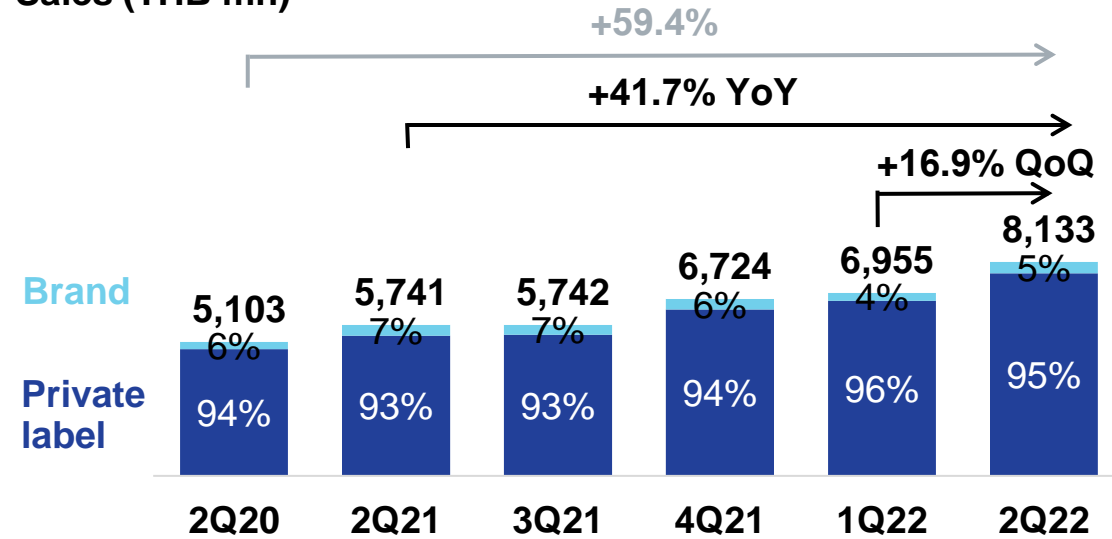
Key products	Ready-to-eat, dimsum, bakery
Total production area	~9,300 sq.m: (including new, automated storage and retrieval system: ASRS)
Capacity	Increased by 38%
Total CAPEX	~THB 1.2bn
COD date	Construction is on-track to be commercialized in 1Q23

Growing our business through value-added products and market expansion

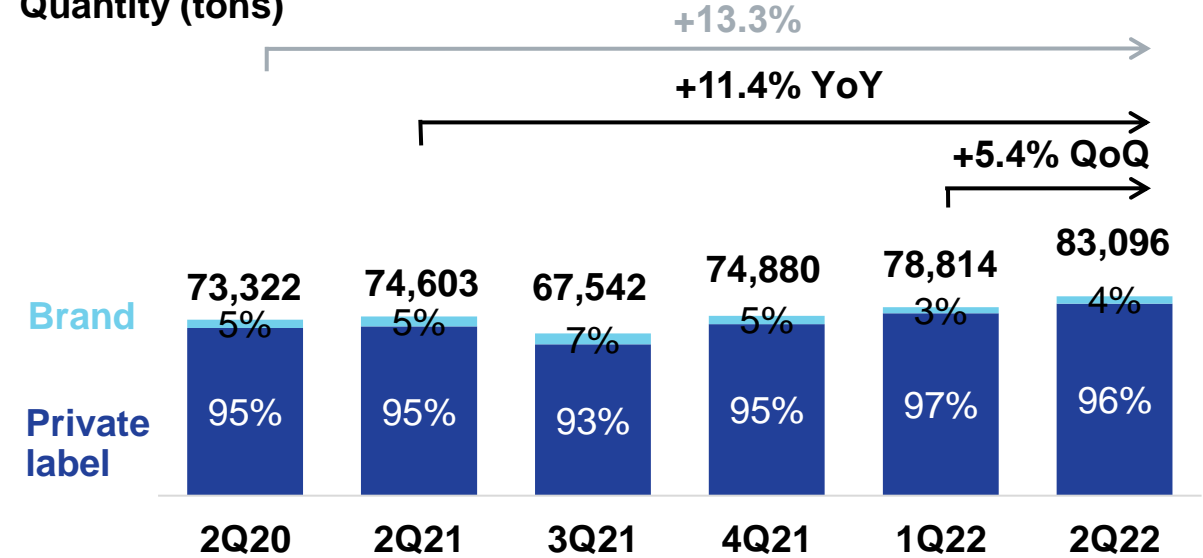
- Continued **launching new value-added products**, focusing on margin improvement
- Qfresh** and **Thammachart Seafood** are our key focuses to increase more awareness and grab convenient trend in Thailand and regional market
- Continuously strive for **profitability and cost management efficiency** by utilizing automation and inventory management

PetCare, value-added & others: Exceptional sales and margin

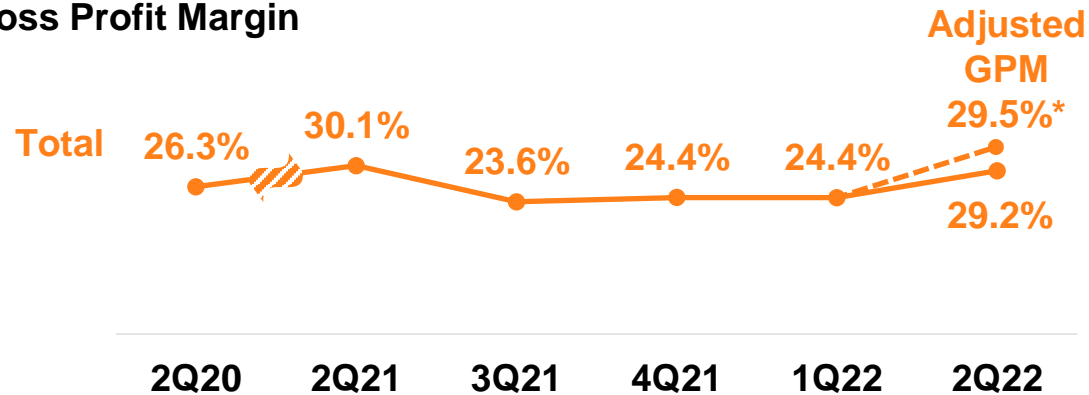
Sales (THB mn)



Quantity (tons)



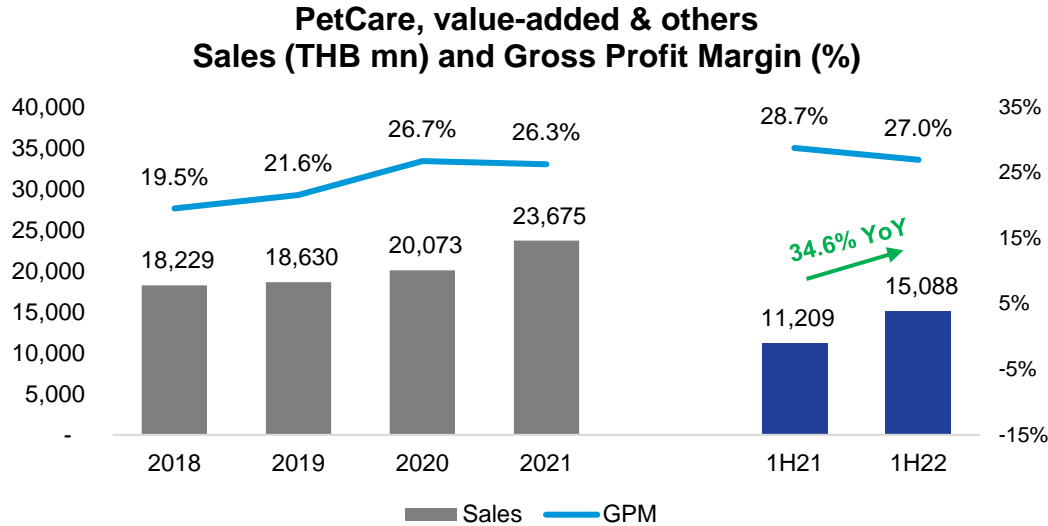
Gross Profit Margin



- **2Q22 PetCare and value-added sales grew exceptionally at 42% YoY**, thanks to continued strong demand (+11.4% YoY), particularly PetCare, higher selling prices, new innovative products launched, portfolio expansion to new customers, higher sales from value-added products and the packaging business, and favorable FX.
- **2Q22 gross margin was exceptional at 29%**, stable YoY from peak level, driven by strong PetCare demand, higher selling prices, particularly in PetCare business, and our strategy to focus on new innovative products with higher-margin.
- **PetCare and value-added sales and margin expanded firmly**, compared to 2Q20, during the pandemic.

Remark: * Excluding THB 24mn Rügen Fisch restructuring costs accrual (in value-added)

1H22 PetCare, value-added & others: Delivering double-digit growth



1H22 sales grew 35% YoY to THB 15.1bn

- Growth driven by all business units**, PetCare and Value-added (incl. Ingredients). We continued to deliver **upward margin trend** from growing demand, automation, and new innovative products portfolio.

PetCare: Growing number of innovative products launched, focused on nourishing our pets' well-being

- Provide >4.6K+ of **innovative and premium SKUs** with **11 patents submitted**, difficult to replicate wet pet food know-how and already serve in >45 countries.
- Serving **health-focused** future pipeline such as Enzyme/Collagen (healthy digestion), Bone Broth (immune function), Two-Tone Protein Mousse (brain function), and Gelatin (healthy skin, joints and bones).

Packaging: Key growth drivers in value-added business

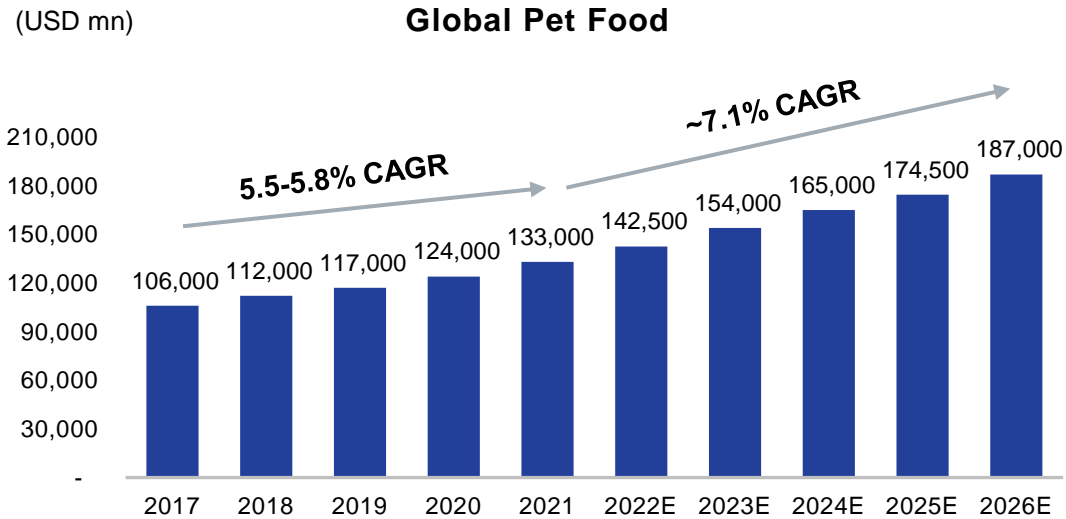
- Focusing more on export, increasing volumes, and automation to mitigate the rising cost of raw materials.

Protein hydrolysate & collagen peptide, Samut Sakhon, Thailand Expanding our Ingredients portfolio to serve Asian markets

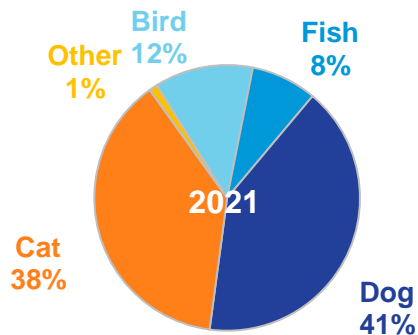


Key products	Protein hydrolysate and collagen peptide
Raw material	100% tuna parts (skin/head)
Key applications & markets	Animal nutrition, functional food, cosmetics, etc. in fast-growing markets, i.e. China & Japan
Area	~5,700 sqm.
Total CAPEX	THB 877mn
COD date	Construction is on-track to be commercialized in 1Q23

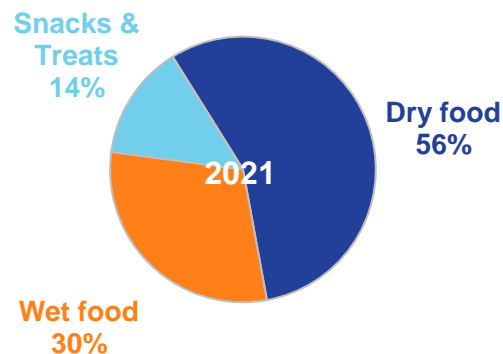
Growing opportunities as people treat their pets as family



Breakdown by Pet Types



Breakdown by Product Types*



Source: Research from Frost & Sullivan

*Including dog and cat

Remark: Not for distribution in the United States, Canada, Japan or Australia.

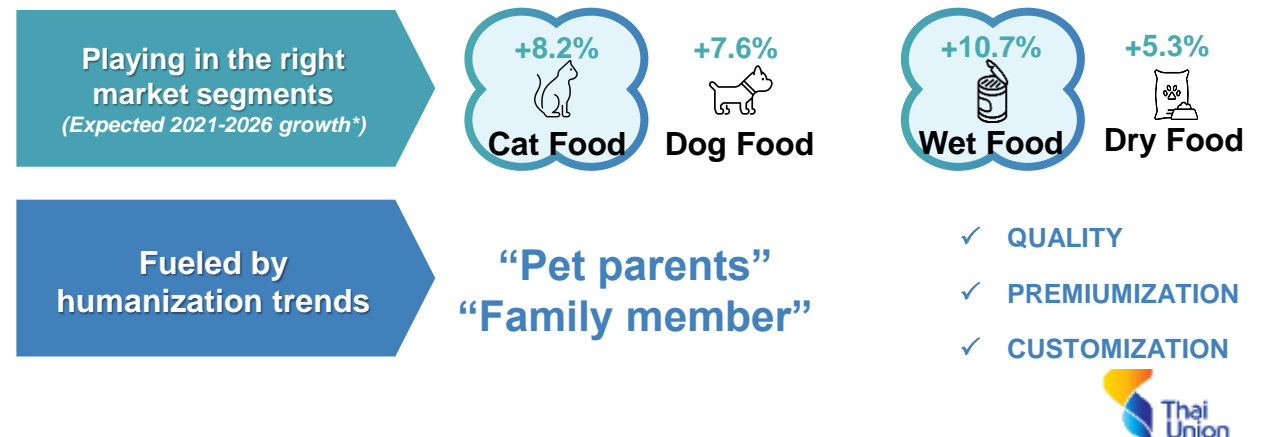
Slide 44

The no. 2 pet food producer in Asia and one of the top 10 pet food producers in the world

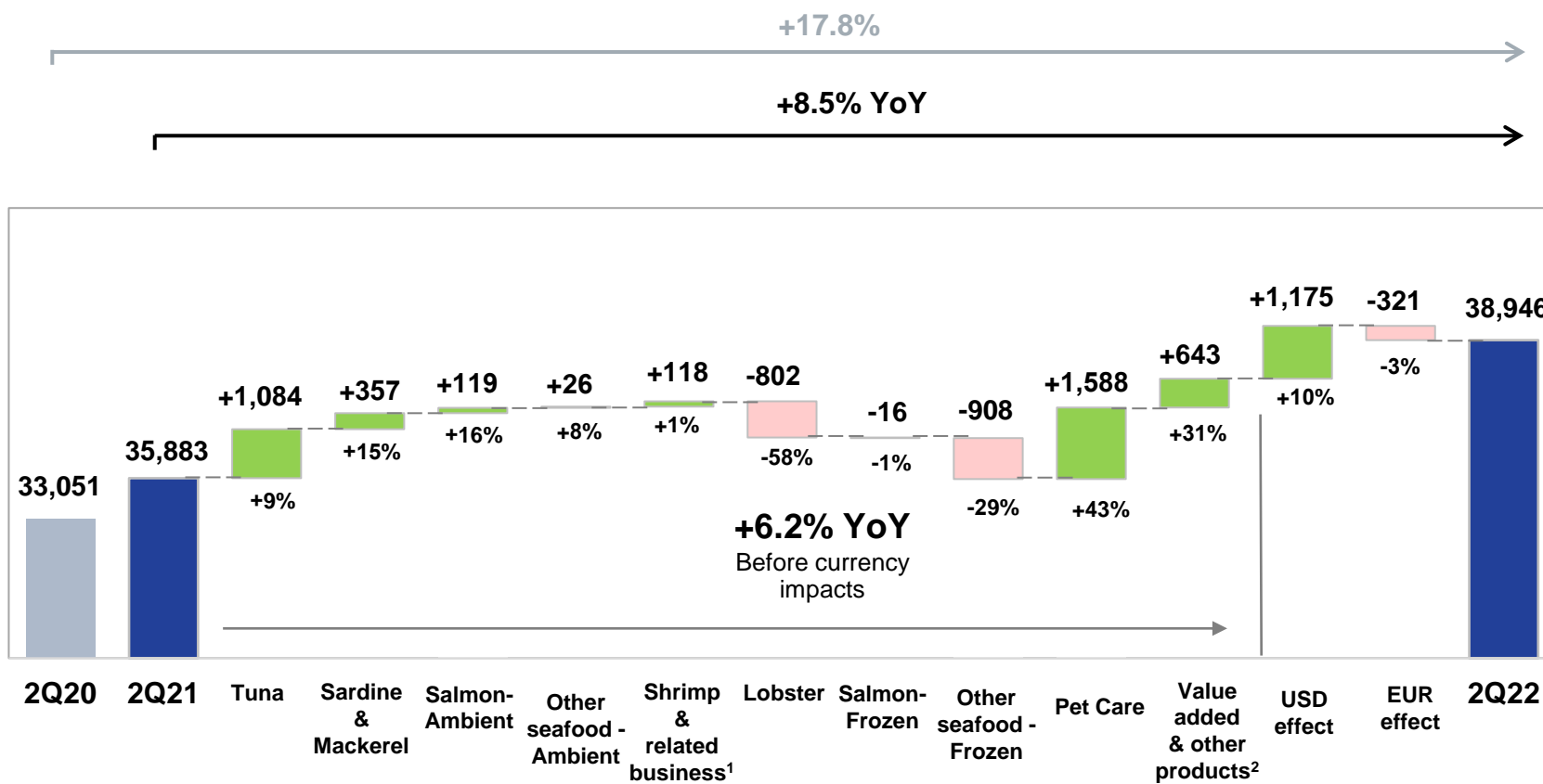
Our strengths are 1) In-house R&D and innovation as the strategic partners, 2) Benefits from effective raw materials cost as Thailand is the world's leading exporter of tuna products, and 3) Effective packaging cost, providing solutions according to the sustainable trend

First mover advantage, many opportunities for growth

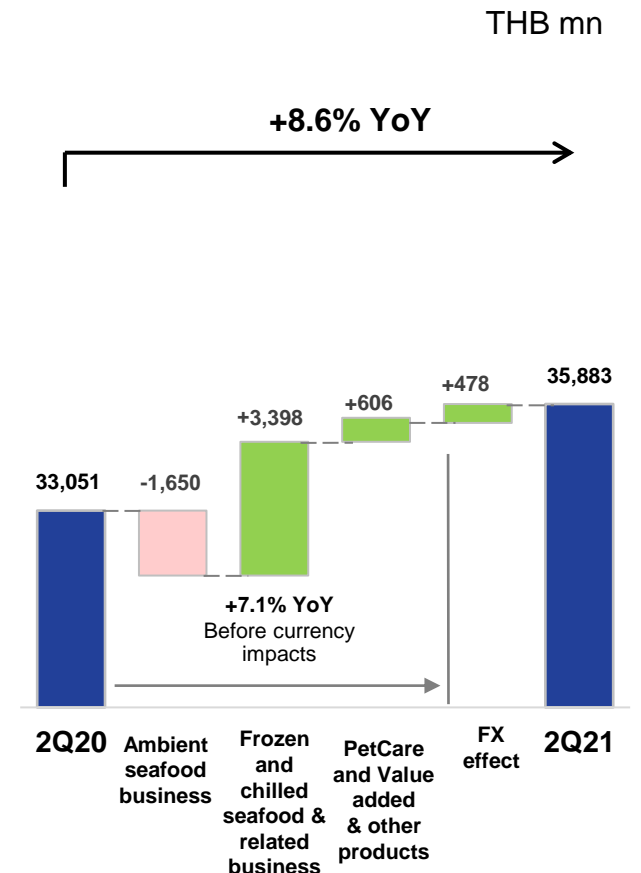
- Millennials and Gen Z pet owners are likely to treat their pets as **“family members”** or “humanization trends” and prefer **more premium food or expensive ingredients**, such as a healthy immune system and skin and coat diet supplements



2Q22 revenue component: Ambient and PetCare & Value-added grew, with benefits from FX, particularly USD



2Q22 revenue component



2Q21 revenue component

Remark: ¹Shrimp & related business comprises of frozen shrimp and shrimp feed.

²Value-added & other products includes ready-to-eat products, frozen cephalopod, canned seafood, local products, bakery products, and sales of scraps

We increased 2022 sales guidance

Sales	10-12% YoY growth (from 7-8% YoY)
Gross profit margin	~ 17.5 – 18.0%
SG&A to sales	~ 12.0 – 12.5%
Effective interest rate	No material change from 2021
CAPEX	~ THB 6.0bn
Dividend policy	At least 50% dividend payout ratio



Thank you!



We would love to hear from you!

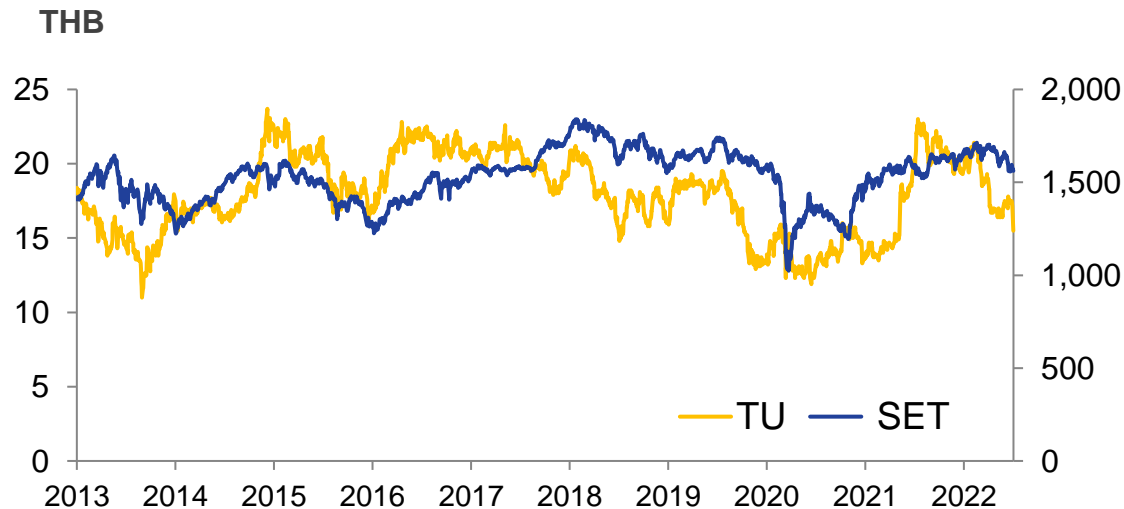
Please scan the QR code for a quick survey (3-4 min)
to share your feedback about our 2Q22 analyst meeting.



Share capital information

Stock Performance at a Glance

Bloomberg/ Reuters	TU TB/ TU.BK
Share price (Aug 5, 2022)	THB 16.60
Historical closing price	
52-week high	THB 22.70
52-week low	THB 15.20
No. of paid up shares	4,771.8mn
Par value	THB 0.25
Market Capitalization	THB 79.2bn

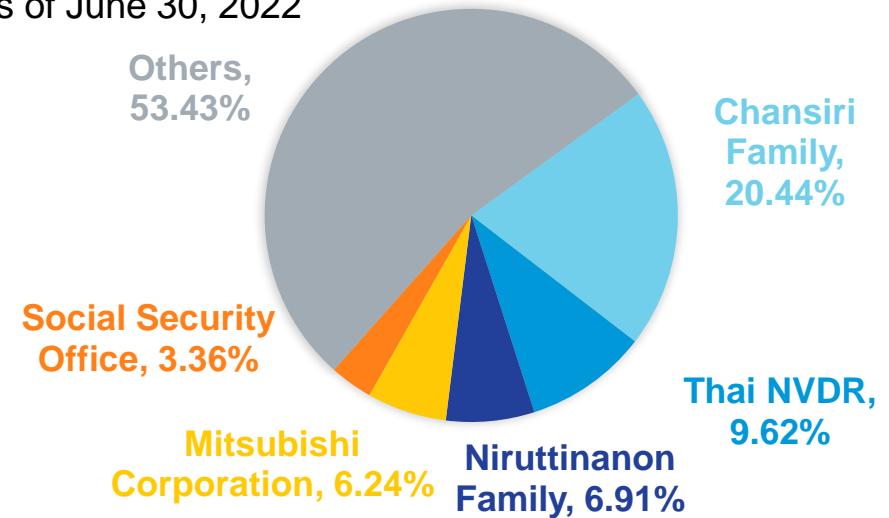


Source: SET and TU

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

Major Shareholders

As of June 30, 2022



Free float	65.2%
Foreign ownership/ Foreign limit	26.3%/ 45.00%

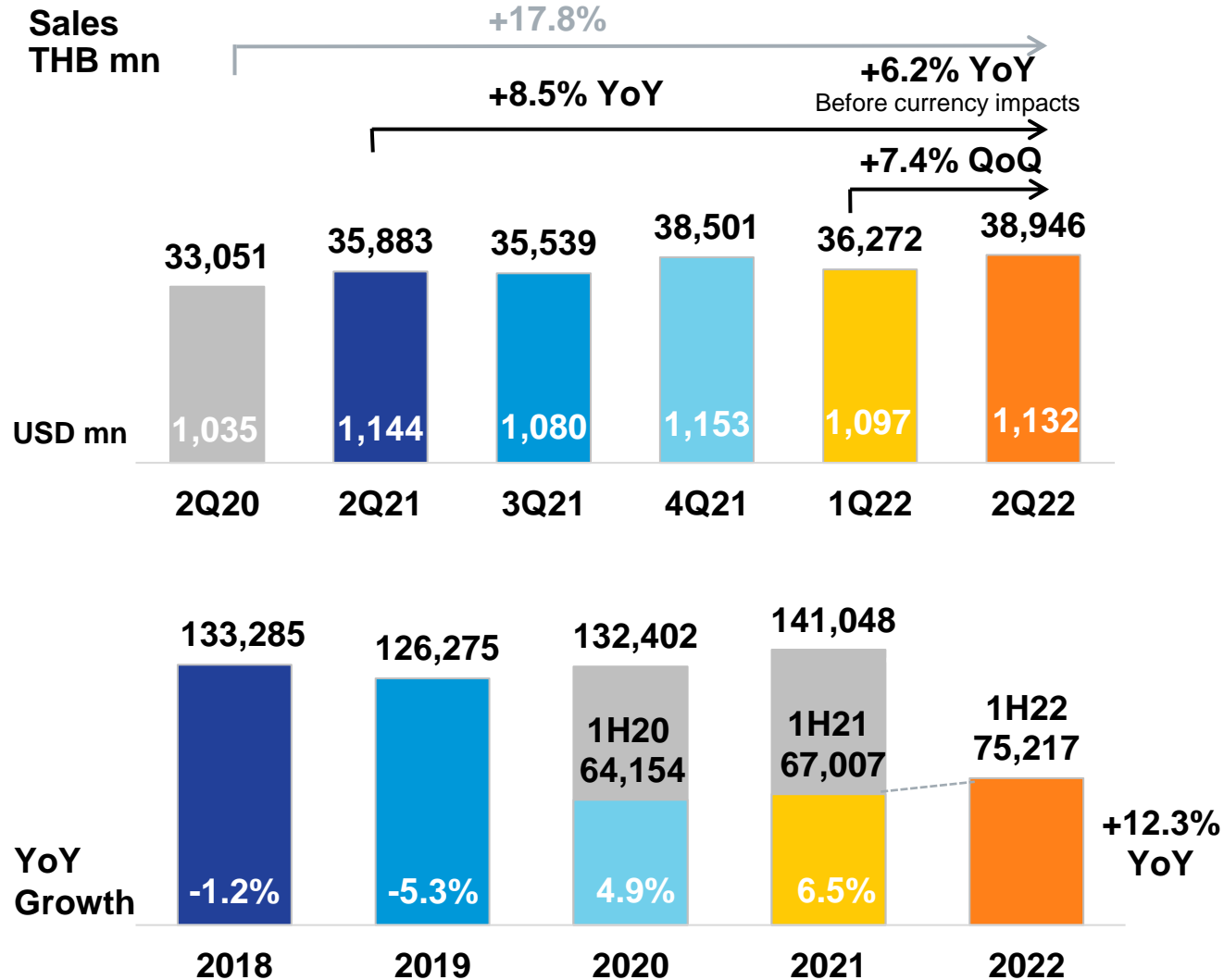
Dividend Policy

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

DPS (THB per share)

Period	1H22	2H21	1H21	2H20	1H20	2H19	1H19	2H18
DPS	0.40	0.50	0.45	0.40	0.32	0.22	0.25	0.15

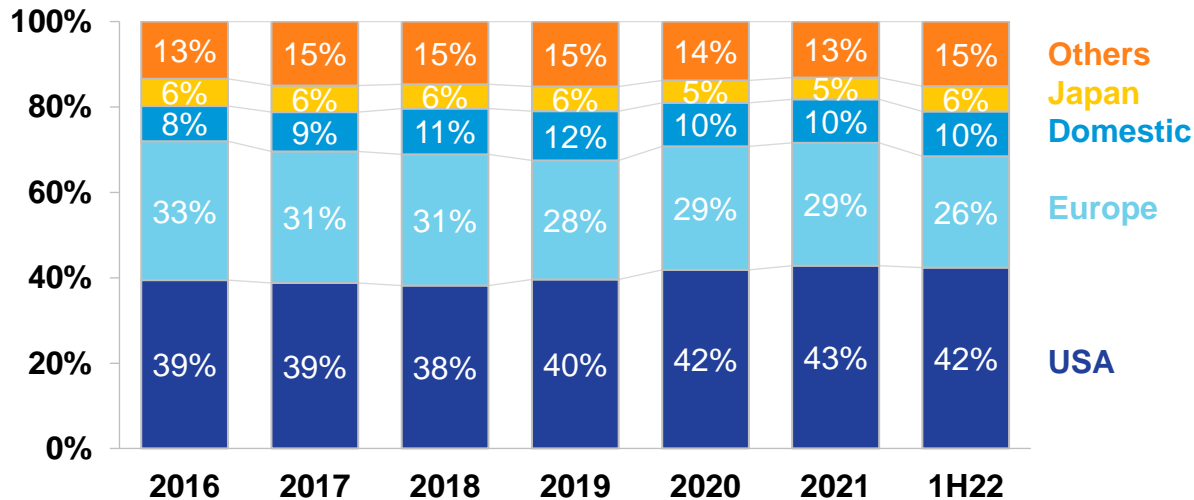
All time high sales, driven by increased demand, higher selling prices and FX



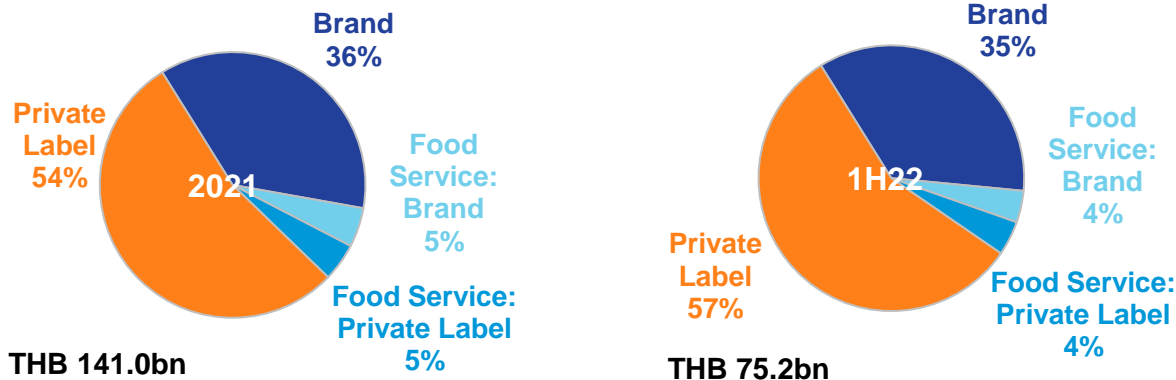
- **2Q22 sales growth of 8.5% YoY, driven by:**
 - **PetCare and value-added business** sales grew 42% YoY, thanks to continued strong demand on existing customers and a broadening portfolio of new customers
 - **Ambient seafood business** sales grew 11% YoY, thanks to higher selling prices, and higher sales volume in Thailand and US
 - **Frozen and chilled seafood business** sales declined 7% YoY, from last year's exceptional performance
- **Positive FX impact from USD gain, partially offset by EUR loss.**

Strong sales growth from all key regions, led by the U.S., Thailand, and Japan

Sales Breakdown by Geographic



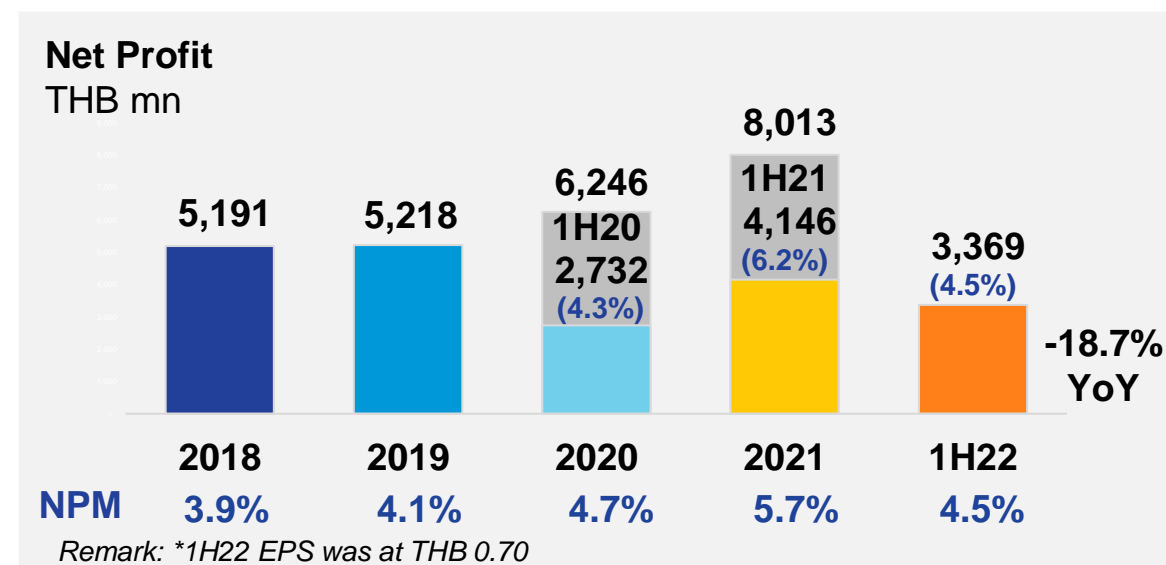
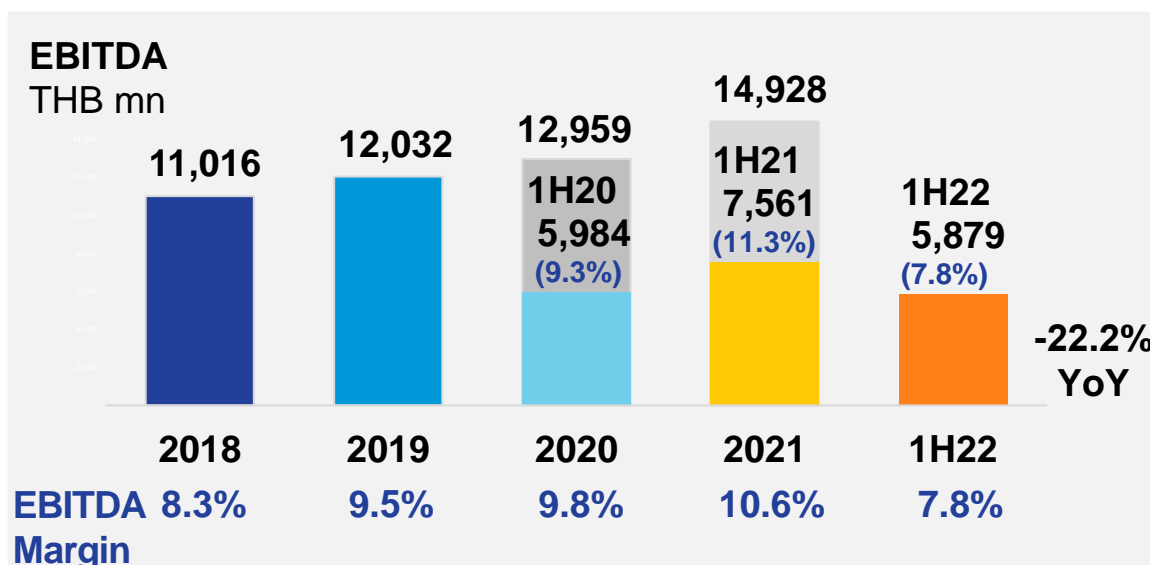
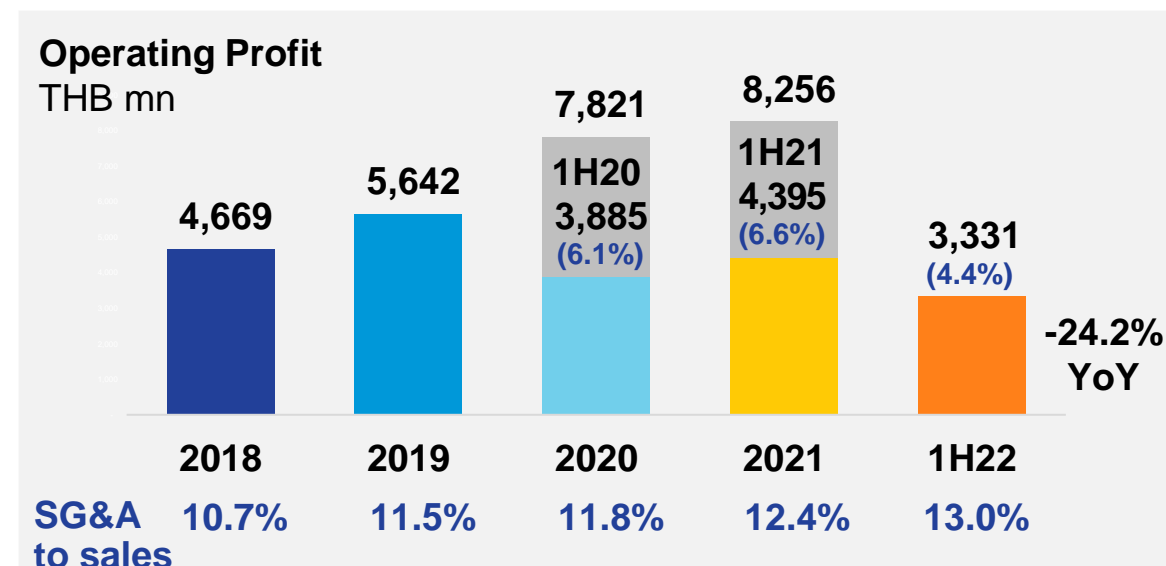
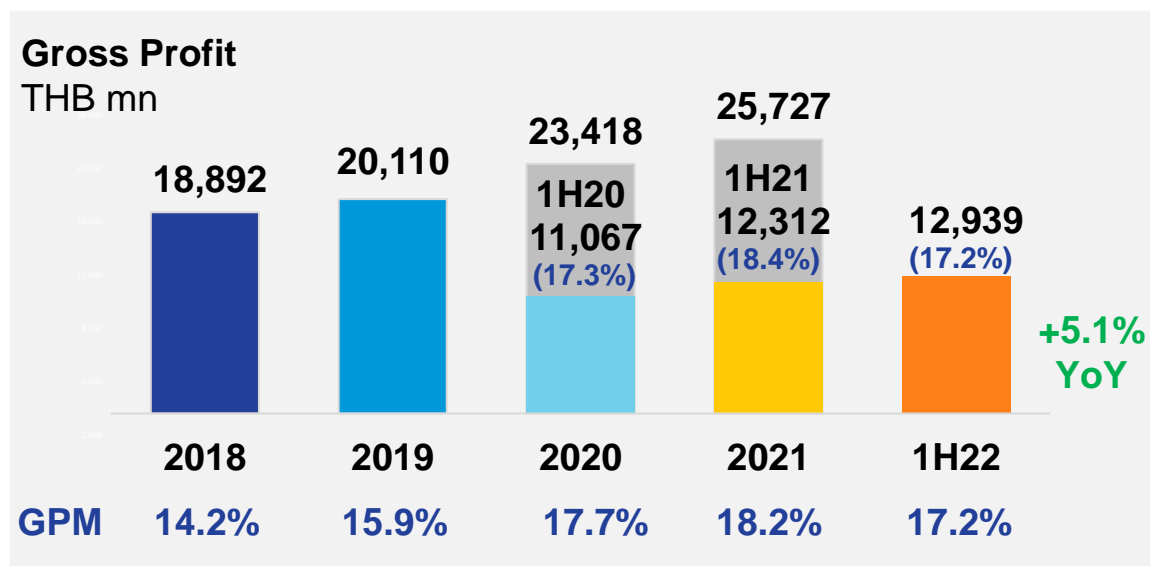
Sales Breakdown by Business



- **1H22 higher sales contribution from key regions, including the U.S., Thailand, and Japan**
- The U.S. and Thailand sales rose by 6% YoY and 9% YoY respectively, while Europe sale maintained from last year
- Positive FX impact from USD.
- **1H22 branded and private-label business sales mix was at 39% and 61%, respectively**
- Total branded sales increased 2% YoY, thanks to higher selling price in all core businesses.
- Total private-label sales reported growth of 13% YoY, driven by higher demand in PetCare & value-added and Ambient sales. Frozen and chilled seafood sales dropped due to the mention reasons.

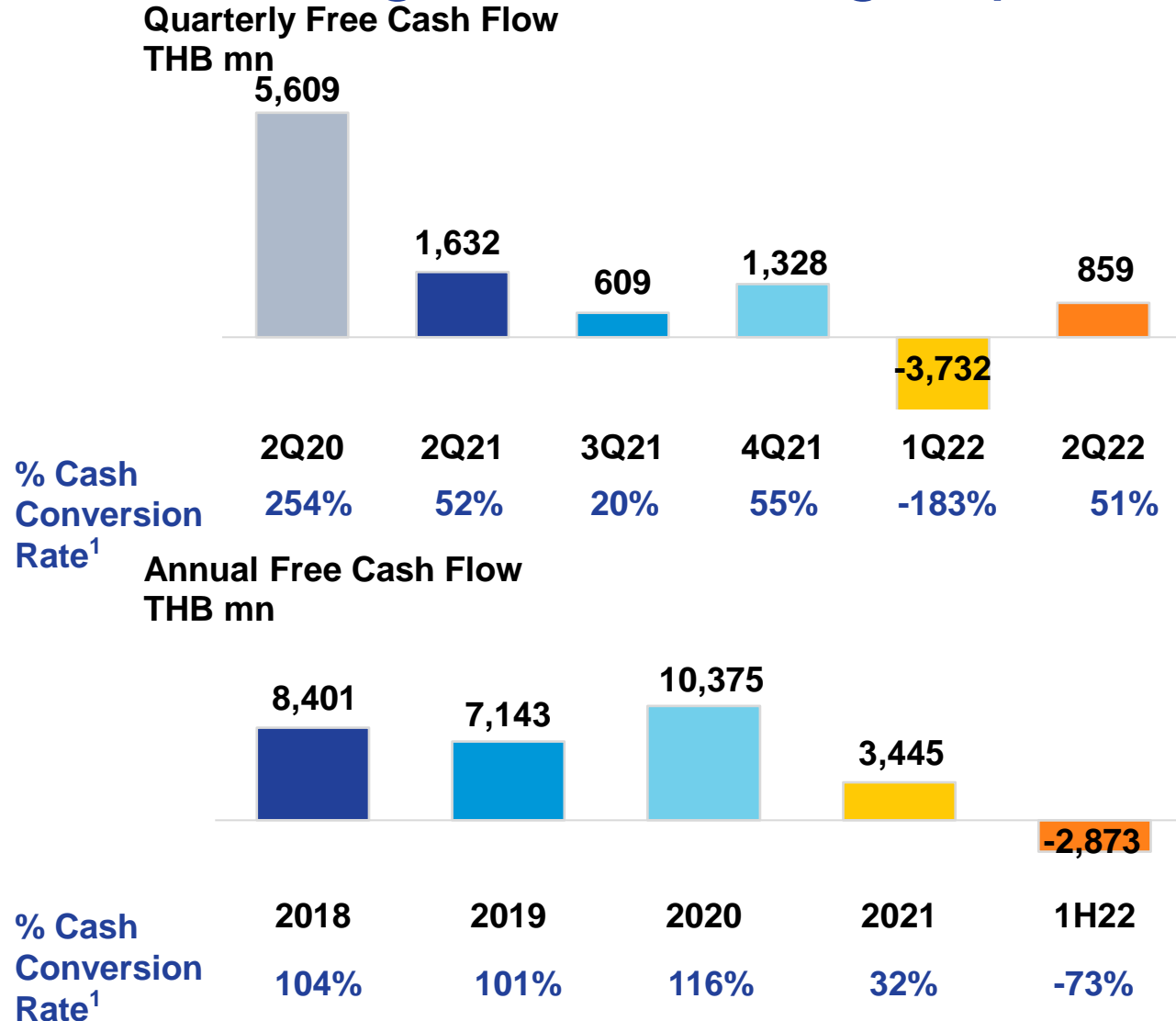
Remark: Others represent Asia, Australia, Middle East, Canada, Africa and South America

New high track record for 1H gross profit with healthy margin



Remark: *1H22 EPS was at THB 0.70

2Q22: Free cash flow turned positive, despite impacted by record high net working capital



- **Free cash flow in 2Q22 turned positive**, despite the temporary impact from high net working capital due to higher inventory of finished goods and goods in transit on delayed shipments and container shortages and high trade receivables from record sales.
- **Thai Union set its capital expenditure (CAPEX) in 2022 at THB 6.0bn**, from THB 3.7bn* in 2021.
- **Thai Union remains committed to investing in innovation** and projects for improving operational efficiency **to meet our 2025 goal**.

Remark: Change definition of Free Cash Flow;

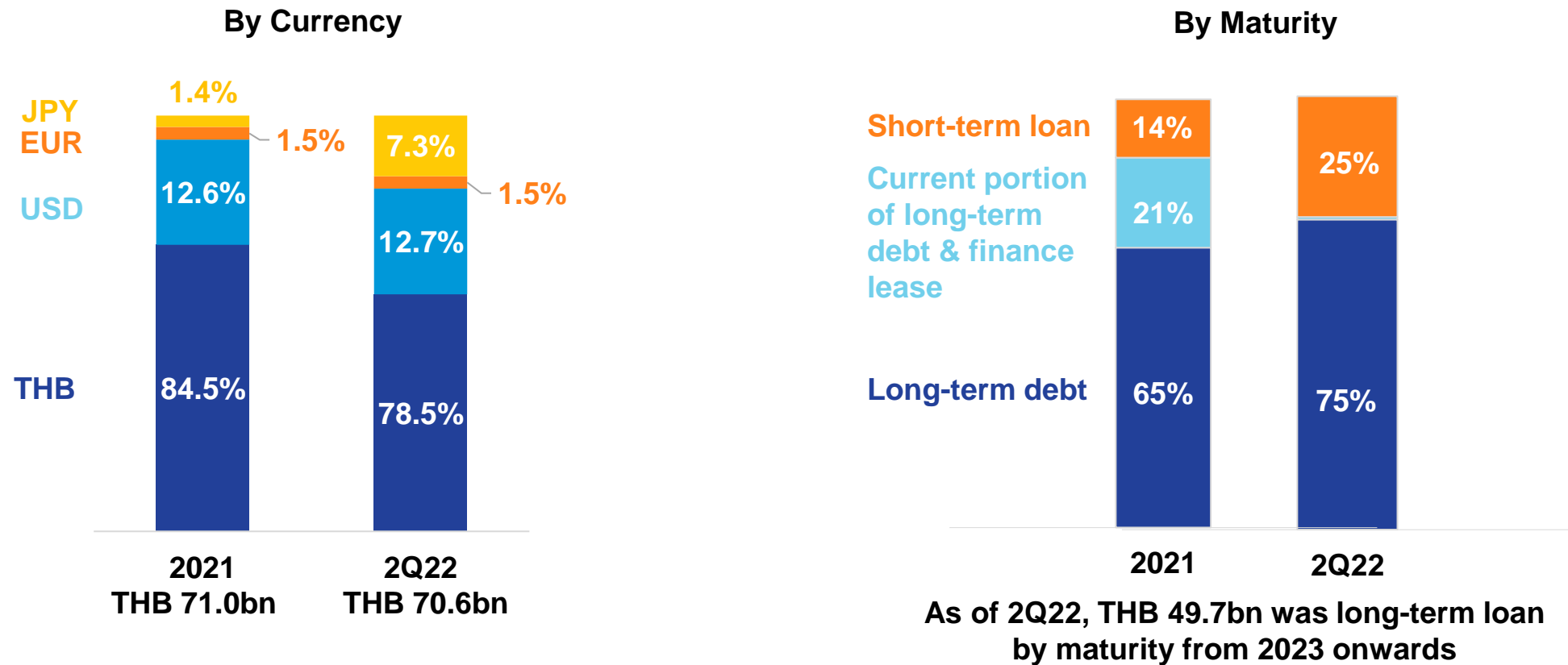
¹Cash Conversion Rate = FCF / EBIT; FCF= EBITDA-Changes in net working capital – Change in other assets& Liabilities + non-cash expenses – CAPEX

FCF is based on reported financial statement basis

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

Diversify source of funds, reducing risk associated to currency volatility

Interest-bearing debts of THB 70.6bn



Remark: THB 14,500mn long-term debts due to maturity in 2022 are classified at current portion of long-term debt as end of 1Q21.

1H22: Record high sales in the U.S., higher contribution from Asia and Middle East

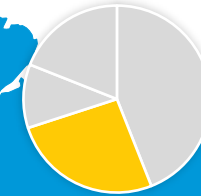
United States
and Canada

44%



Europe

26%



Pacific Ocean

Atlantic Ocean

Pacific Ocean

Indian Ocean

Others

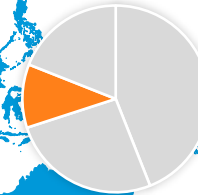
19%



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

Thailand

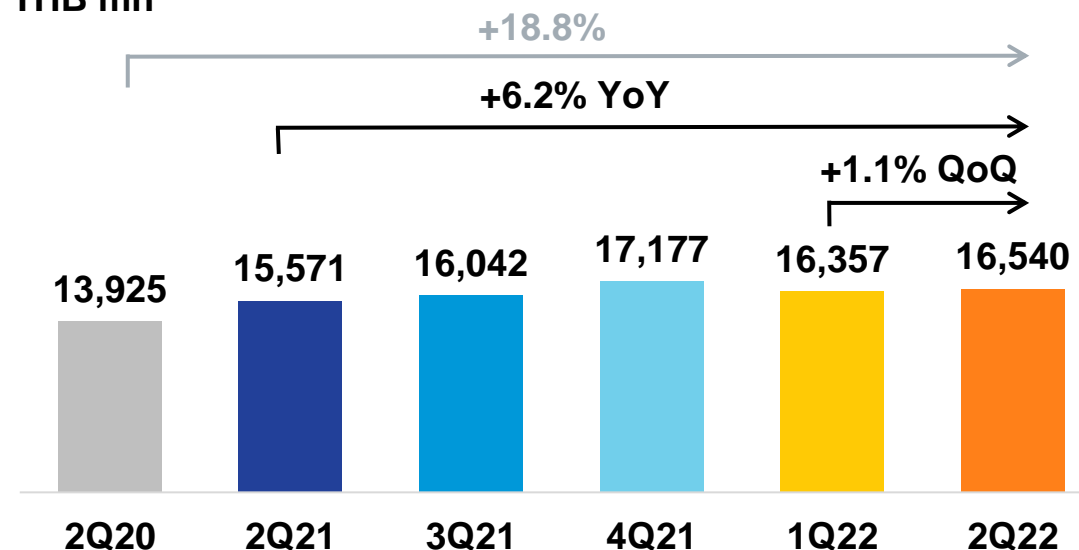
11%



US & Canada: Strong topline, driven by ambient seafood, PetCare, and FX gains



Sales
THB mn



2Q22 North America sales increased 6% YoY

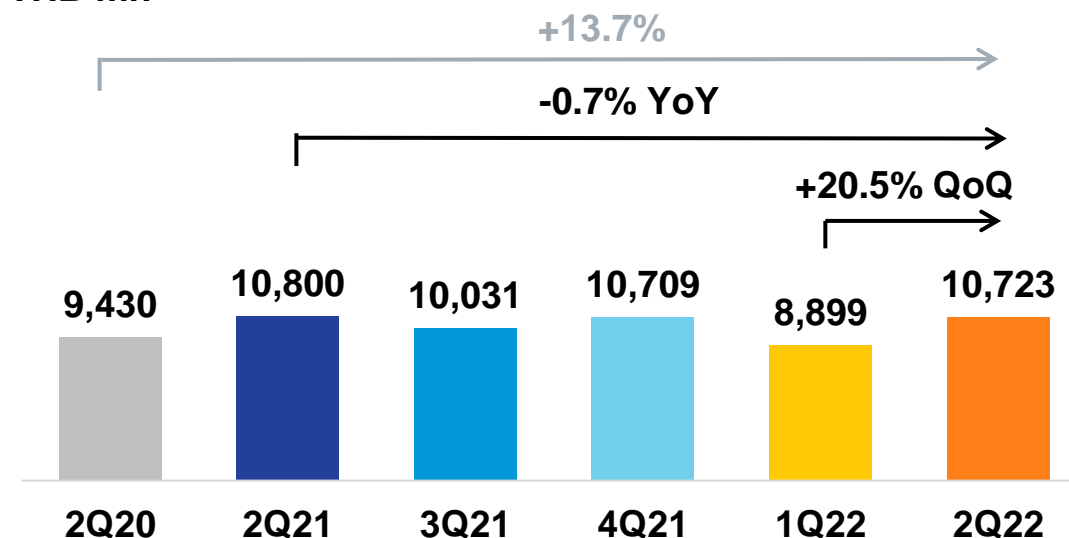
- Driven by higher selling prices and volume growth of ambient seafood and continued strong demand of PetCare products
- Supported by favorable FX from THB depreciation (USD/THB +9.7% YoY)

Red Lobster operations faced challenges from inflation in 2Q22, resulting in a higher share of loss from operations compared to last year, as well as a fair value adjustment of preferred shares due to US Fed interest rate increase.

Europe: Sales remained stable YoY, despite Baht appreciation



Sales
THB mn



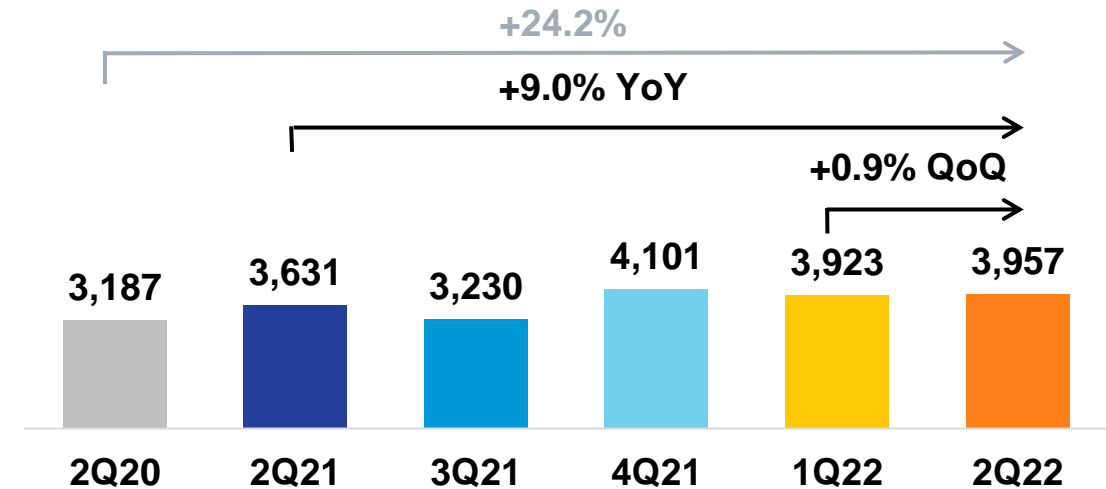
2Q22 European sales stable YoY

- Strong growth from 1Q22 and remained stable YoY, driven by higher volumes and price increase, especially Germany, despite Baht appreciation
- Sales growth was driven by higher selling prices and volumes of frozen and chilled seafood business, offset by lower volumes of the ambient business, mainly in UK and France, and Baht appreciation (GBP/THB -1.5% YoY) (EUR/THB -3.0% YoY).

Thailand: Driven by growth in core businesses



Sales
THB mn



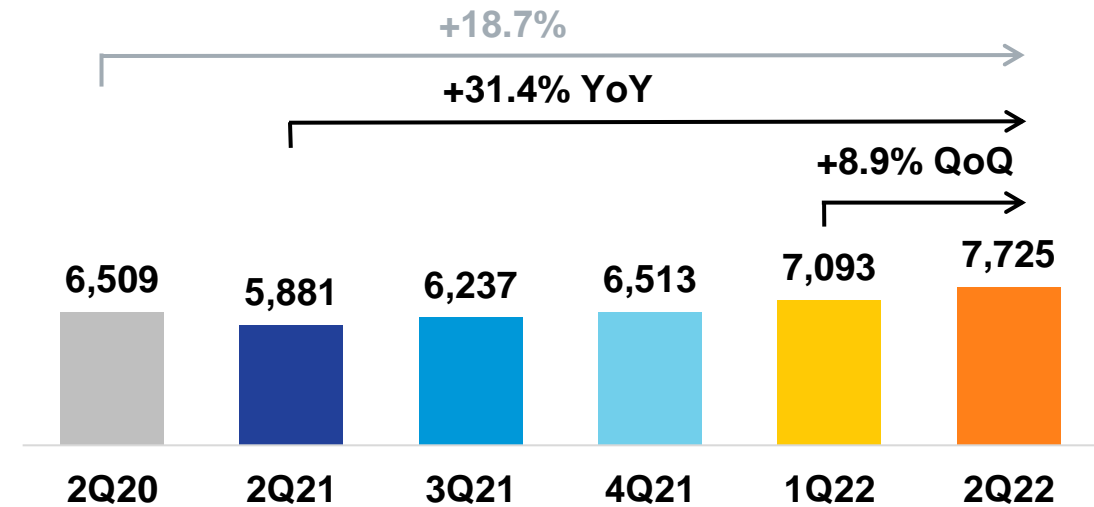
2Q22 Thailand sales increased 9% YoY

- Domestic sales grew significantly compared to last year, thanks to core businesses, especially ambient seafood and PetCare, from higher demand, new products launched and market expansion in all key channels
- Frozen and chilled seafood dropped mainly from last year's strong turnaround in food service businesses and feed business

Emerging Markets (EM) and rest of the world: Strong growth in all key countries



Sales
THB mn



2Q22 EM and rest of world sales significantly rose 31% YoY

- Sales increased from all key countries, mainly in the Middle East (+66% YoY), thanks to higher sales in Ambient Tuna
- Japan and China also our key markets, which grew 54% YoY, and 26% YoY, respectively. Growth was driven by all businesses, ambient, frozen, and PetCare

2Q22 Category profitability

Business category	Sales THB mn	Margin %	Gross profit THB mn
Ambient seafood <ul style="list-style-type: none"> • Tuna • Sardine and mackerel • Ambient and pouched salmon 	16,912 (2Q21: 15,272)	19.5 (2Q21: 22.0%)	3,294 (2Q21: 3,362)
Frozen and chilled seafood <ul style="list-style-type: none"> • Shrimp and related¹ • Lobster • Frozen, chilled and smoked salmon • Other seafood² 	13,900 (2Q21: 14,869)	6.6 (2Q21: 11.5%)	918 (2Q21: 1,717)
PetCare, value-added and others <ul style="list-style-type: none"> • PetCare³ • Value-added and other products⁴ 	8,133 (2Q21: 5,741)	29.2 (2Q21: 30.1%)	2,372 (2Q21: 1,726)
Total	38,946 (2Q21: 35,883)	16.9 (2Q21: 19.0%)	6,584 (2Q21: 6,805)

Remark: ¹Shrimp & related business includes frozen shrimp, shrimp feed and value-added shrimp

²Other seafood includes frozen cephalopod, crab, scallop, shellfish and other fish

³PetCare includes wet seafood-based cat and dog foods, cat and dog food

⁴Value-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



Thank You!

