

Analyst Meeting for 3Q22 Results

Thai Union Group PCL.

November 3, 2022



MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM

Disclaimer

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

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

These materials are not an offer for sale of the Securities in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. The issuer does not intend to register any portion of the offering in the United States or to conduct a public offering of Securities in the United States. No money, securities or other consideration is being solicited by this communication or the information contained herein and, if sent in response to this communication or the information contained herein, will not be accepted. It may be unlawful to distribute these materials in certain jurisdictions. These materials are not for distribution in the United States, Canada, Japan or Australia. The information in these materials does not constitute an offer of securities for sale in the United States, Canada, Japan or Australia.

Agenda



3Q22 / 9M22 Key Financial Results

by Mr. Ludovic Garnier, Group CFO



3Q22 / 9M22 Business Performance

by Ms. Ratinan Wongwatcharanon, Head of Investor Relations



3Q22 / 9M22 Key Developments & Strategy Update

by Ms. Neroli Goldman, Investor Relations



4Q22 Outlook and FY2022 Guidance

by Mr. Ludovic Garnier, Group CFO



3Q22 / 9M22 Key Financial Results



“

As we face ongoing inflationary pressures and an uncertain macro-economic outlook, our focus continues to be on innovative products, cost efficiency, and inventory management to improve our net working capital and lower our net debt level. ”

**Ludovic Garnier,
Group CFO**

3Q22: Record quarterly topline and net profit, thanks to higher selling prices, volume growth and favorable FX

THB mn

Sales

40,756

All-time high sales,
+14.7% YoY

Quarterly sales first-time above THB 40bn, driven by:

- PetCare & value-added +55.9% YoY mainly from strong demand growth & impacts from last year's factory closure*
- Ambient +13.6% YoY, from higher selling prices & strong demand from Asia and U.S.
- Frozen stable YoY despite U.S. market normalization, thanks to growth momentum in Asia

Gross Profit

7,399

Strong GPM at 18.2%

Gross profit increased 15.8% YoY, and 12.4% QoQ:

- PetCare & value-added grew significantly by 89.5% YoY, from higher selling prices and product mix
- Ambient was +25.5% YoY from price adjustment
- Frozen dropped from market normalization in the U.S. and high raw material prices

Operating Profit

2,335

Operating profit increased +24% YoY

Operating profit increased YoY, higher than sales growth

- %SG&A to sales was at 12.4% in 3Q22, decreased from 12.7% in 3Q21, thanks to lower marketing and advertising expenses, partially offset by the impact of THB ~370mn from freight costs increase
- SG&A was +12.4% YoY, in line with sales growth

Net Profit

2,530

New record quarterly NP
NPM at 6.2%

Net profit increased strongly by 30.7% YoY, thanks to:

- Strong operating profit from volume growth, favorable FX, and category mix
- Positive impact from FX gains** and higher tax credit of THB 136mn in 3Q22
- Net profit was partially impacted by higher share of loss from Red Lobster and lower other income from fair value adjustment

YoY Chg. **+14.7%**

QoQ Chg **+4.6%**

% of sales

+15.8%

+12.4%

18.2%

+23.9%

+40.3%

5.6%

+30.7%

+55.8%

6.2%

Slide 6 Remark: *i-Tail Corporation (ITC)'s production was back to normal as of Sep. 2021 after 2 weeks of voluntary closure and reopened on Jul 5, 2022

**More details on page 12

3Q22 Analyst Meeting



9M22: Record-high revenue and strong gross profit, debt ratio increased to support net working capital

9M22 sales growth
13.1% YoY to

THB **115,974** mn

Share price movement²

2021
(Jan – Dec 21)

+42.3%

9M22
(Jan – Sep 22)

-5.5%

ND/E remained healthy

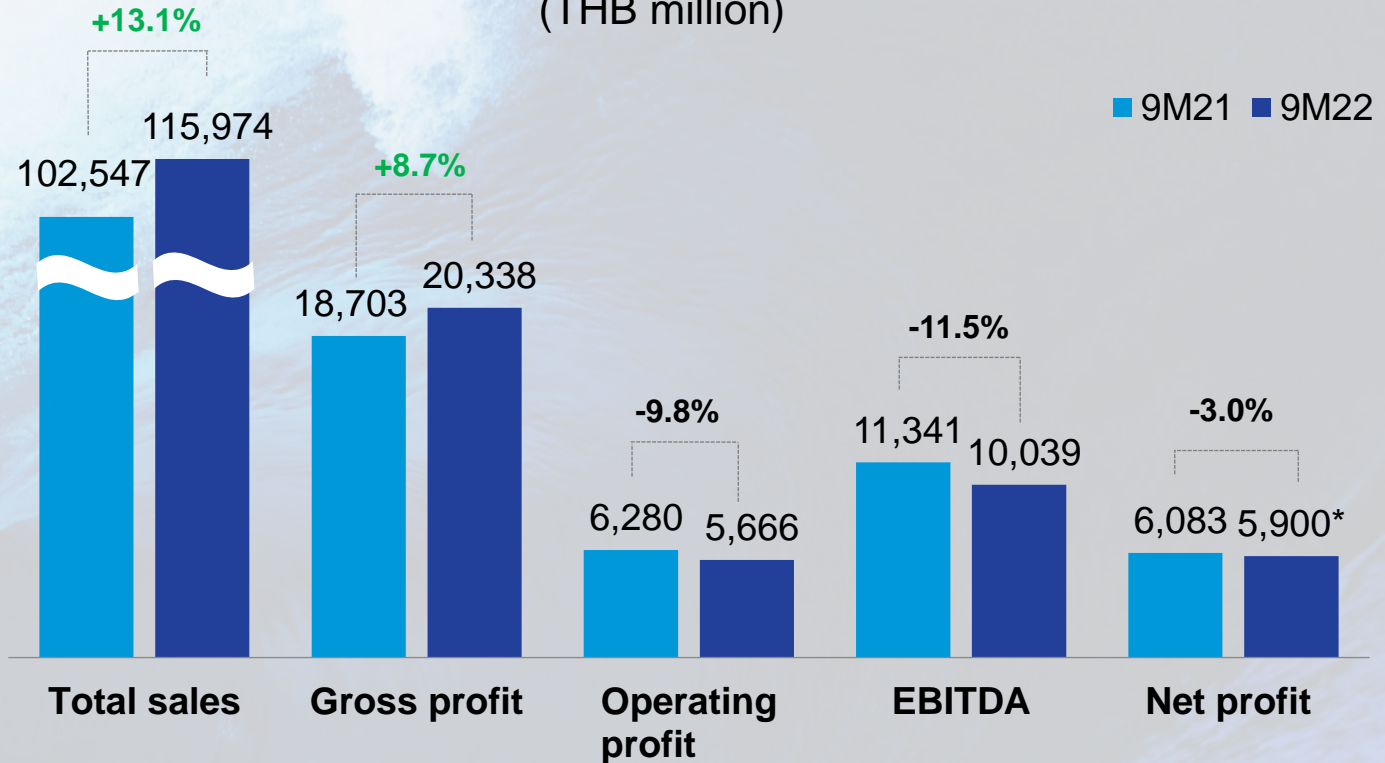
2021 ND/E

0.99x

3Q22 ND/E

1.13x

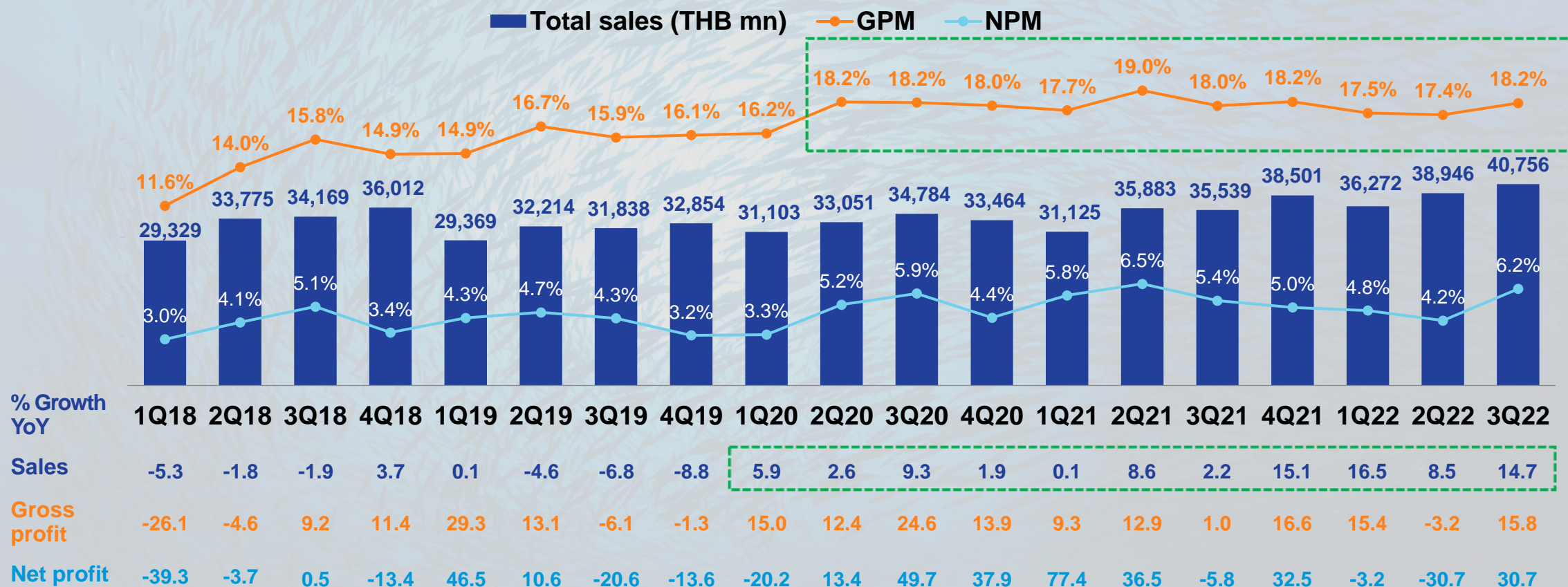
Financial Summary¹
(THB million)



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 Sep 30'22: THB18.7/share)

*9M22 Adjusted net profit was THB6,095mn, excluding THB 195mn non-cash one-time impact from Rügen Fisch restructuring cost

Strong gross profit margin momentum continued in 3Q22, in line with last year's record performance

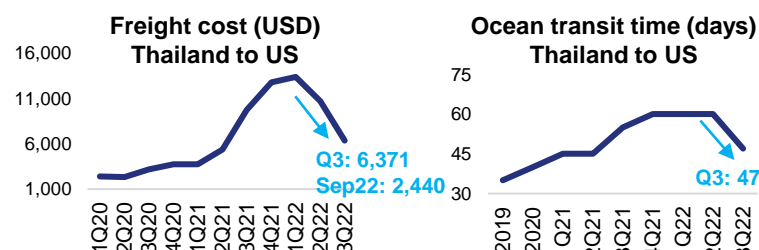


Remark: Excluding THB 188mn from Rügen Fisch restructuring costs (2Q22), THB 1,402mn one-time net accrual for US legal-related settlement (2Q19), THB 1,359mn (2Q18), THB 489mn EScO business closure-related expenses (2H18) and THB 87mn TMAC investment impairment (4Q18).

Headline inflation remained high with an improving outlook in our key material costs and lower freight price

Logistics: Recent significant improvement

Impact to TU: ~ THB 1.6bn in 9M22 (Q3~370mn) from freight price increase vs ~900mn in 9M21



Macro economic overview

- Potential improvement thanks to lower freight cost in Sep 22
- Decreasing ocean transit time supports inventory management
- Improvement of the key material prices in 3Q22, despite overall headline inflation is expected to be at high level through next year



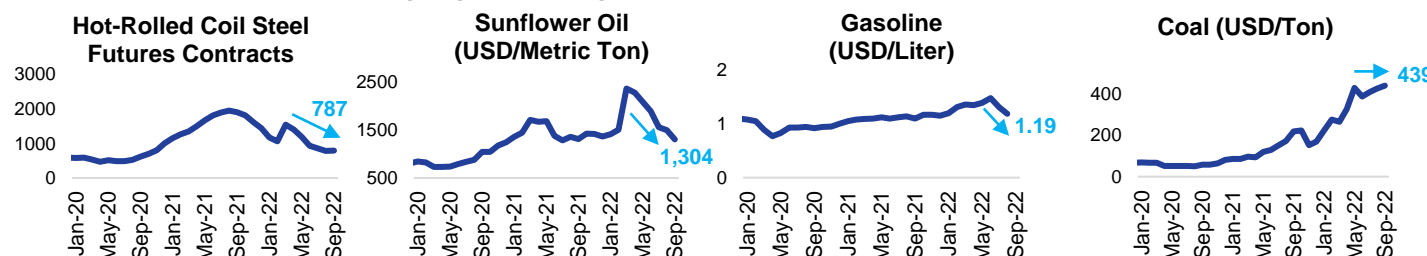
Our solutions to mitigate inflationary pressures and high inventory in 4Q22

- **Continue price negotiation** and **adjust promotion intensity** to cover inflation and rising key material costs
- **Hedging** (seafood, key materials and FX)
- **Strengthen the focus on inventory management** and NWC control
- **Cost efficiency management** and **economies of scale** to reduce costs, change to less expensive specs., and automation for productivity improvement
- **Continue monitoring** macro-environment, ongoing global supply chain challenges, and utility prices in our key markets.

COGS inflation: Signs of improvement in material prices

Headline inflation remained high in Sep 2022 (US +8.2%, EU +10.0%, TH +6.4% YoY).

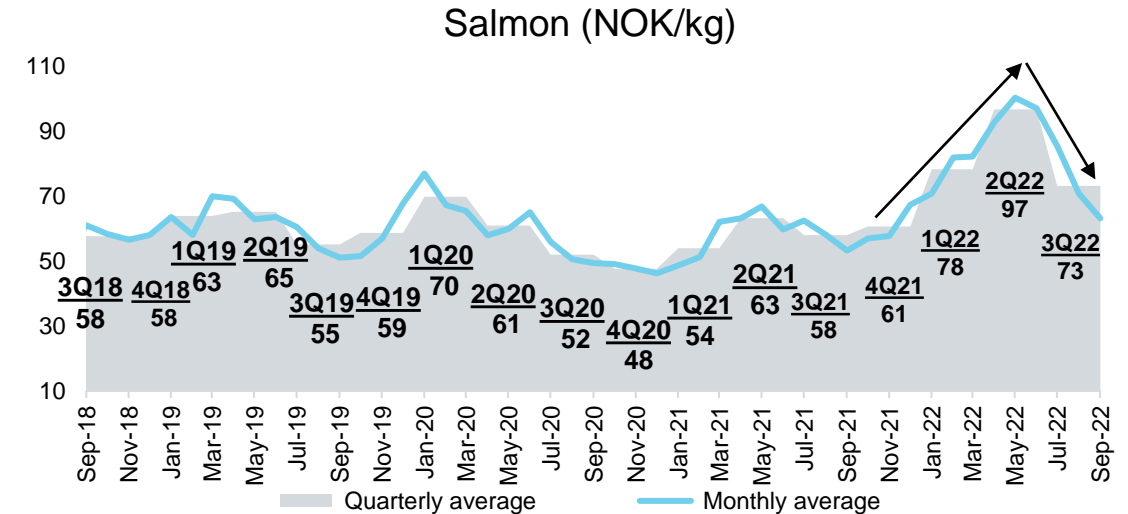
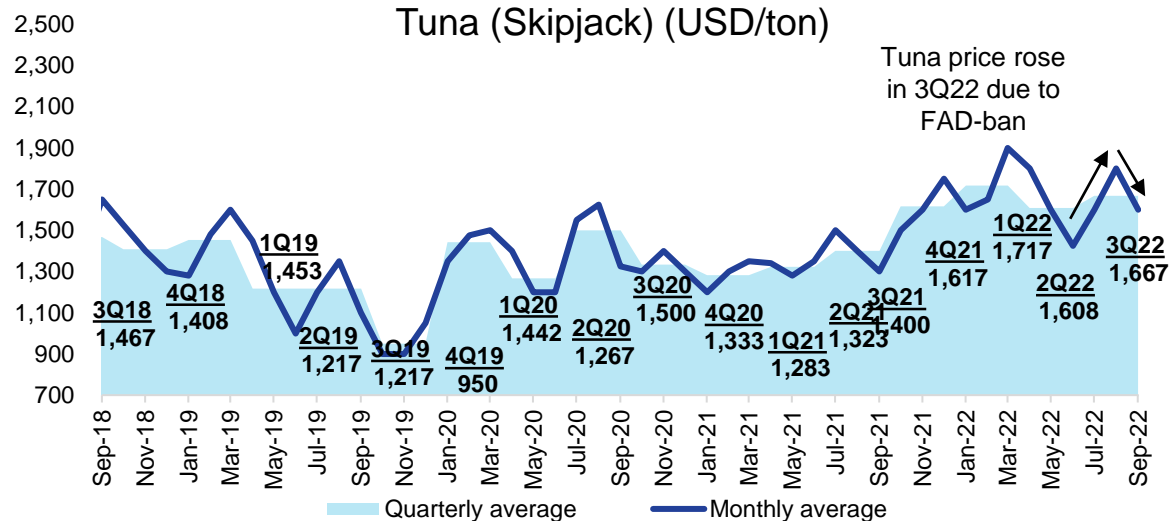
Impact to TU: Overall COGS increased 14.4% YoY in 9M22 (includes seafood raw materials, utilities, packaging, and ingredients).



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. *As of period ending Sep 2022

Tuna prices rose in 3Q due to FAD-ban, while salmon prices dropped to a manageable range, after reaching peak levels



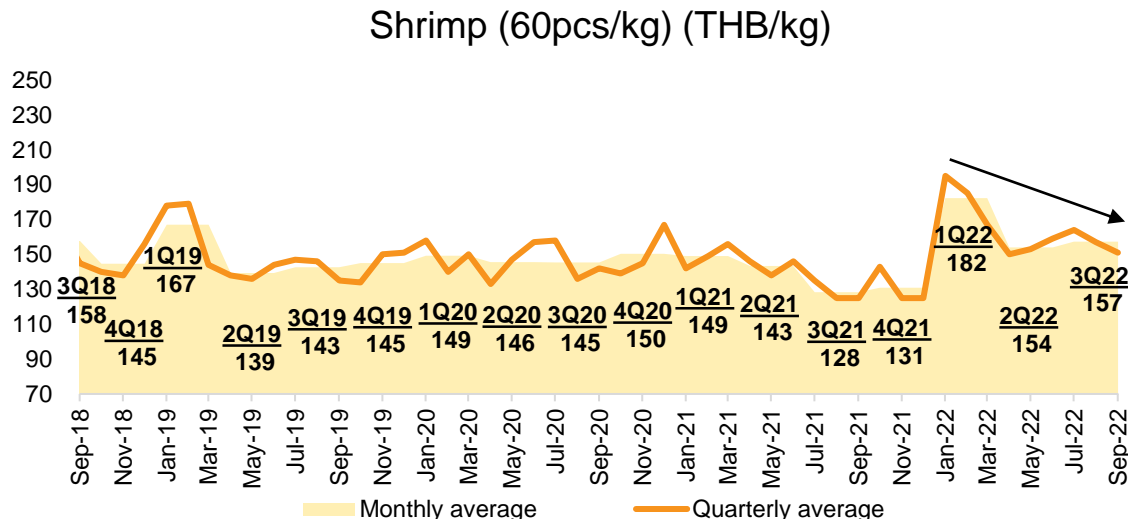
Raw material prices closed at:

- Tuna - USD 1,580/ton, Shrimp - THB 142/kg (Oct 22),
- Salmon - NOK 63/kg (Sep 22)

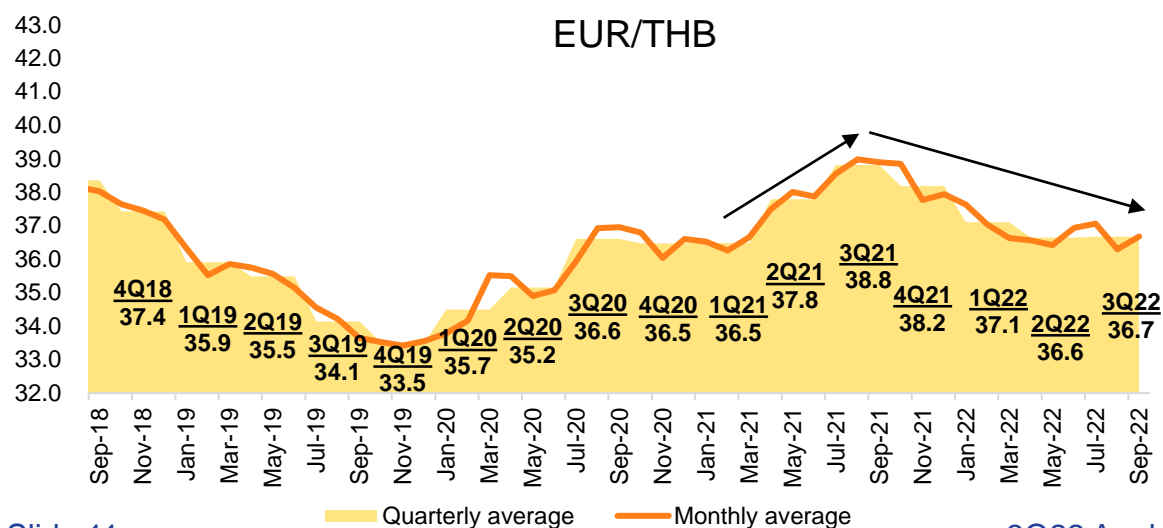
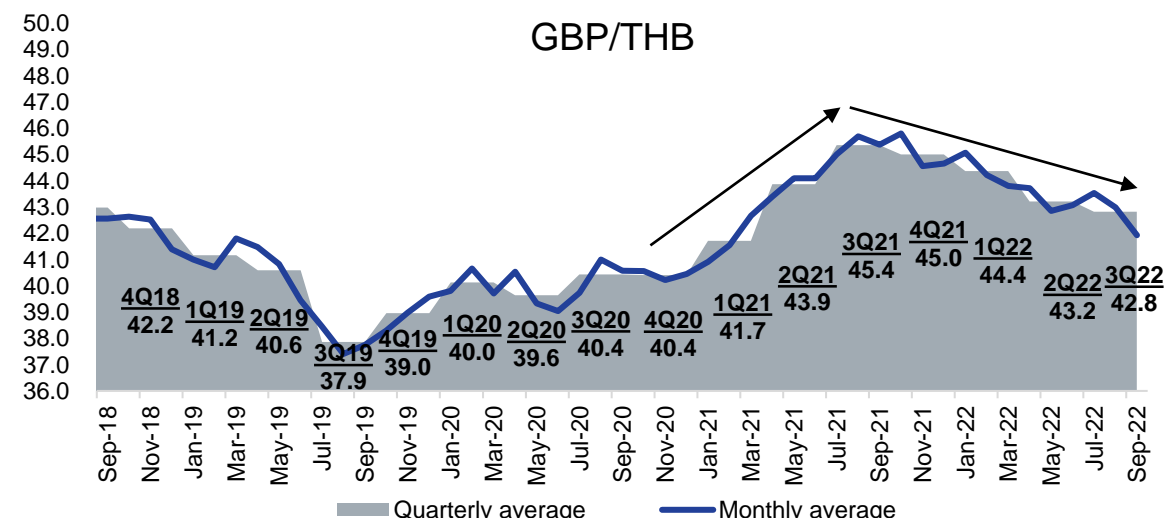
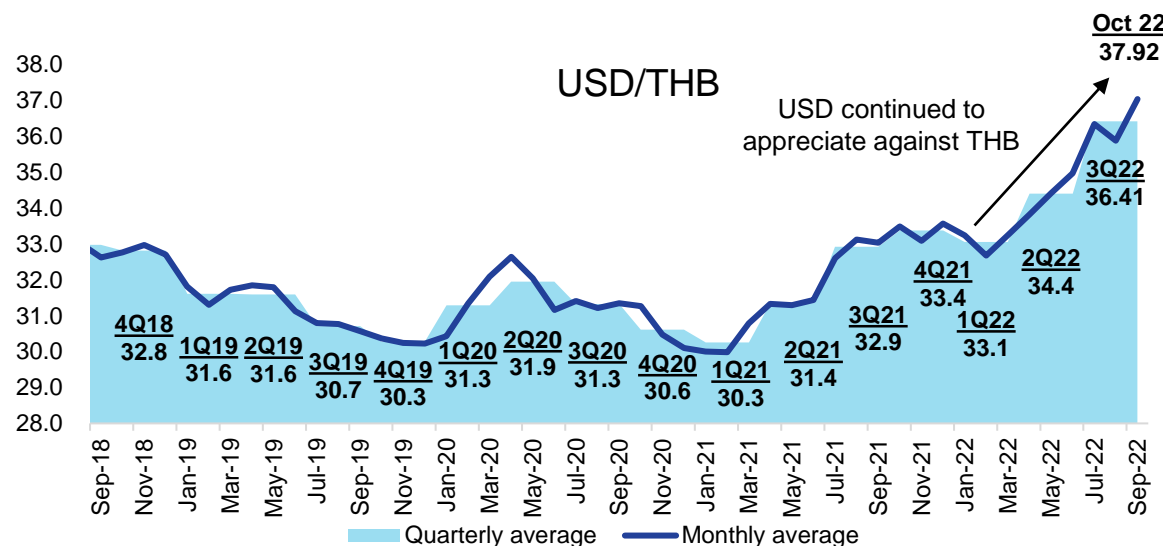
In 3Q22, average raw material prices closed at:

- Tuna: USD 1,667/ton (+19.0% YoY, +3.6% QoQ)
- Shrimp: THB 157/kg (+22.6% YoY, +2.2% QoQ)
- Salmon: NOK 73/kg (+26.3% YoY, -24.4% QoQ)

Source: Thai Union and Bloomberg data



10.6% YoY Thai Baht depreciation against USD in 3Q22, continued to support our sales growth



In Oct 2022, average FX rates closed at:

- USD/THB – THB 37.92, EUR/THB – THB 37.34, GBP/THB – THB 42.86

In 3Q22, average FX rates closed at:

- USD/THB: THB 36.41 (+10.6% YoY, +5.9% QoQ)
- EUR/THB: THB 36.67 (-5.5% YoY, +0.1% QoQ)
- GBP/THB: THB 42.83 (-5.6% YoY, -0.9% QoQ)

Source: Thai Union and Bank of Thailand data

FX volatility generated significant FX gains in 3Q22 below OP but also negative sales adjustments

(in mTHB)	3Q22	9M22
Net sales	40,756	115,947
Costs of sales	(33,357)	(95,636)
Gross Profit	7,399	20,338
<i>in % of Net sales</i>	18.2%	17.5%
SG&A expenses	(5,064)	(14,672)
Loss from impairment of financial assets	(53)	(101)
FX Gain (Loss)	792	1,268
Other Income	157	666
Share of profit	(256)	(716)
EBIT	2,974	6,782

Total FX impact (above OP)

FX gain/loss (in mTHB)	3Q22	9M22
Sales adjustments	-897	-1,236
Net FX gain/loss	-897	-1,236

In 3Q22, there was Sales adjustments of THB -897mn

Total FX impact (below OP)

FX gain/loss (in mTHB)	3Q22	9M22
Financing activities	156	-103
Operating activities	636	1,371
Net FX gain/loss	792	1,268

In 3Q22, there were operating activities of THB 636mn

We recorded two lines from FX impact:

- (In net sales line) THB -897mn sales adjustments in 3Q22**, the average hedged rate was at 33.3 THB/USD for 3Q22 and 33.2 THB/USD for YTD Sep 22, while the average spot rate was at 36.4 THB/USD
- (In Other gains (losses), net line) THB 636mn operating activities in 3Q22***, including
 - Realised gains** of THB 516mn, mainly from AR settlement
 - Unrealised gains** of THB 100mn, mainly from AR revaluation. Transaction rates of AR were around 36.2 THB/USD while the closing rate was at 37.9 THB/USD

Remark: *From operations based in Thailand only*. For operations based in the US, FX impacts include benefits from translation effect (sales) and advantage of competitiveness

Operations softened from extreme inflationary environment

Focus on foundational and strategic initiatives

THB mn	3Q22	2Q22	1Q22	4Q21	3Q21
Share of profit/loss from operations	-339	-281	-243	-147	-63
Share of profit/loss from lease accounting adj.	-117	-102	-92	-109	-108
Other income	0	-300	318	319	295
Interest expense	-113	-112	-114	-105	-106
Income tax	66	240	206	45	57
Net income	-502	-554	76	3	75
EPS (THB/share)	-0.10	-0.12	0.02	0.00	0.02

FY share of profit/loss (THB mn)	2022E	2021*	2020	2019
Operations	-1,100**	-178	-1,188	-142
Lease accounting adj.	-400	-637	0	0

- **3Q22 RL's operations remained challenging:** price increase was only effective in August, additional marketing expenses were engaged in order to drive guest count, labor optimization has been deteriorating and no more support from U.S. government (THB 49mn impact in 3Q21)
- U.S. Interest rate Q3 further hike was in line with the assumption, **no negative one-time impact expected in 4Q22**
- Continued to focus on **cash preservation measures**, **cost reduction**, and **price adjustments** (more details in slide 15)
- **Thai Union continues to demonstrate its support to RL** by providing in August 2022 a USD 65mn*** guarantee of a portion of Red Lobster's credit facility to strengthen RL's financial position and ability to turnaround the business.

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

**We adjusted our estimates for FY2022 share of profit/loss from Red Lobster's operations based on 9M22 actuals and forecasts as of Sep 2022 to a range of THB-1,050/-1,150mn.

***The amount of the guarantee provided to Red Lobster is equivalent to THB 2,464mn

Strategies to turnaround RL within the next 12 months

Amid inflation and soft guest count in the U.S.

Drive guest count and sales traffic



- **Value deals:** Traffic-driving menu offerings, i.e. Lobster Dinner & Tail add-on (\$10) drove strong 3Q22 sales, as well as Summerfest
- **Promotions:** Ultimate Endless Shrimp, “10% off \$40” coupon, to drive traffic during back-to-school (affordability is key)

Drive profitability and lower cost of sales



- **Price action:** Rolled out price increase since Aug 2022 to cover cost inflation, uplifting price per pax. (check) to be in line with industry
- **Optimized menu:** Improve menu mix (focus on more profitable items), continue pushing beverages

Improve operational efficiency and execution

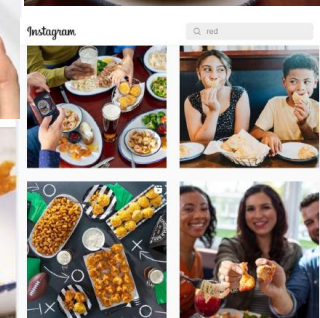
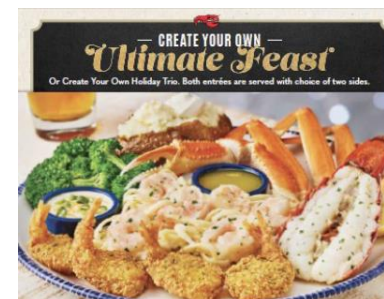


- **Organization restructuring:** New Senior/Operations Leadership Team to make organization leaner, to explore new labor model (lower labor cost)
- **Staff training:** Focused on Quality, Service, Cleanliness (QSC) training for over 4,600 managers and hourly employees

Leverage digital channels and technology



- **Loyalty program:** Create awareness and drive guest traffic through My Red Lobster Rewards (MRLR) program, i.e. during holiday season
- **Digital platforms:** Leverage owned social media to optimize marketing strategy, as well as RL’s off-premise business



Red Lobster opens its first ever franchise in Thailand

Through our JV partner and leading restaurant operator, ThaiBev



Red Lobster's (RL) new branch is **operated by ThaiBev** (Thai Beverage PCL.) through **franchise model**, with capacity of over 70 seats



Benefits to Red Lobster:

Revenue sharing, franchise, royalty & advertising fees (for overseas franchises)



Benefits to Thai Union:

TU supplies 100% of seafood products, i.e. lobster, shrimp, salmon, value-added products, etc.



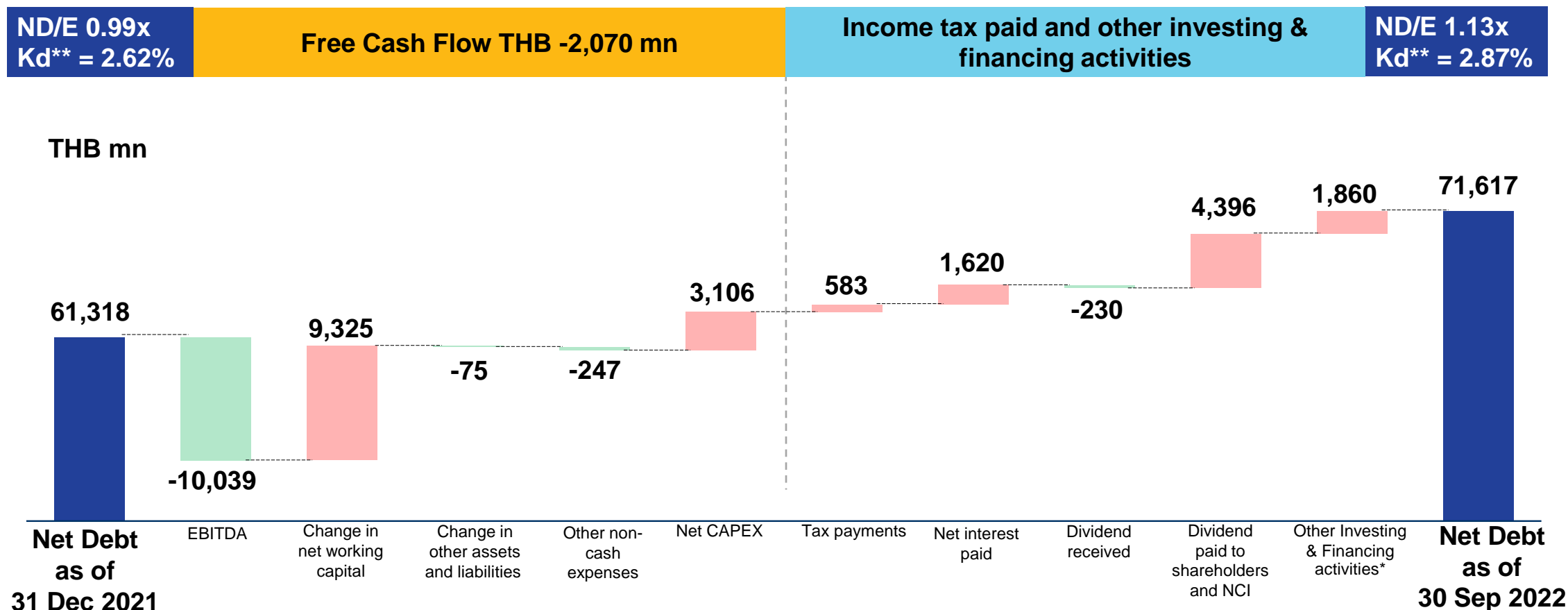
1st branch opened doors in Bangkok, TH in **Sep 2022** at Queen Sirikit National Convention Center, as part of RL's **international expansion** efforts in Asia



ThaiBev plans to further **expand one branch at One Bangkok in 2023** and **3 more branches** over the **next 5 years**



9M22: Net debt increased due to high NWC and 1H22 interim dividend payment, offset by strong EBITDA

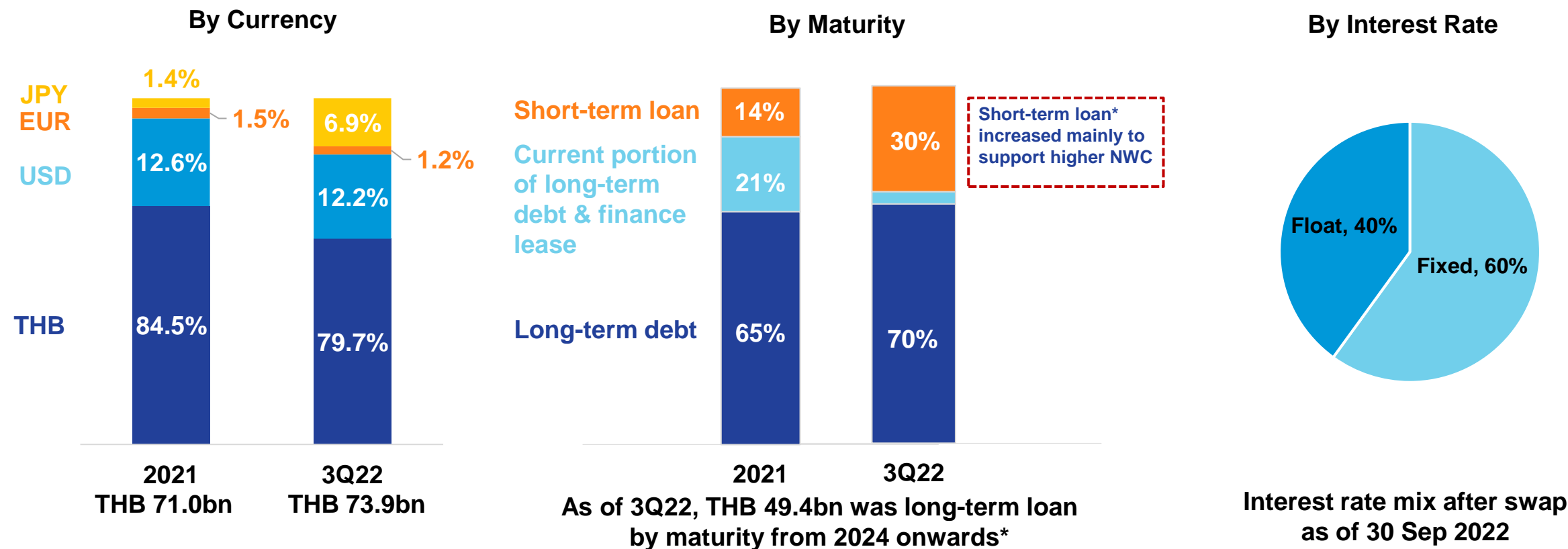


Remark: * Other investing and financing activities includes (1) FX on translation (+779mn) (2) Financial lease liability (+769mn) (3) Cash payment for investment in JV, associates (+365mn), including investment in Mara (+268mn) and Pacific TUM Cold Storage Company (PACT) (+80mn)

**Kd refers to cost of debt

Our debt is well-managed, with manageable risk from interest rate hike

Interest-bearing debts of THB 73.9bn

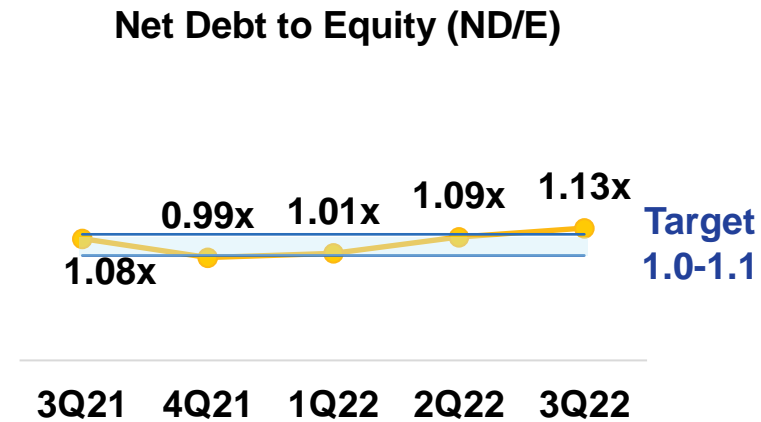
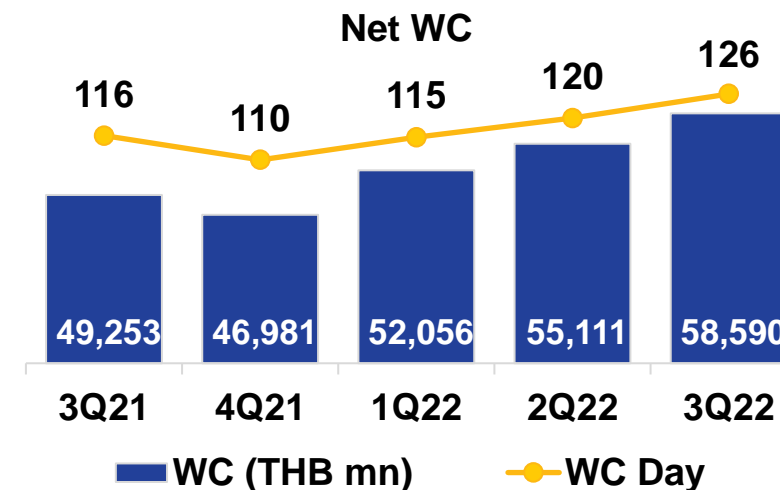
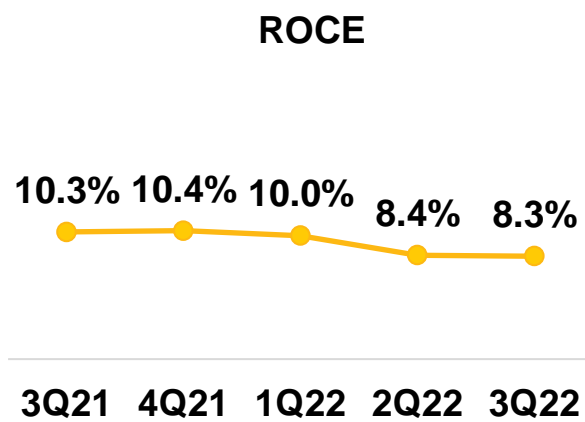
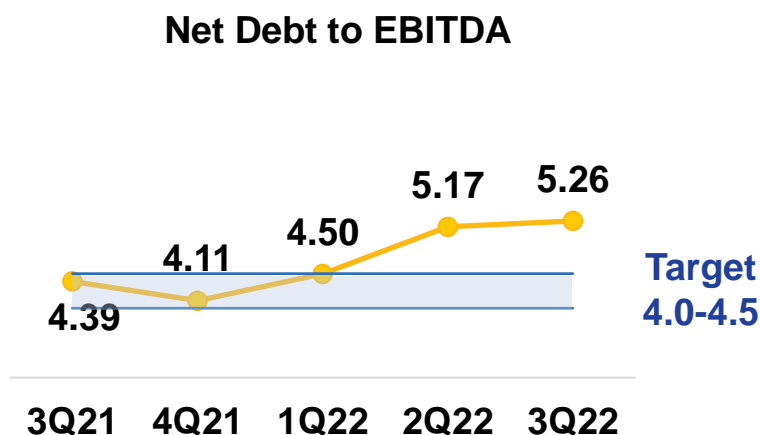
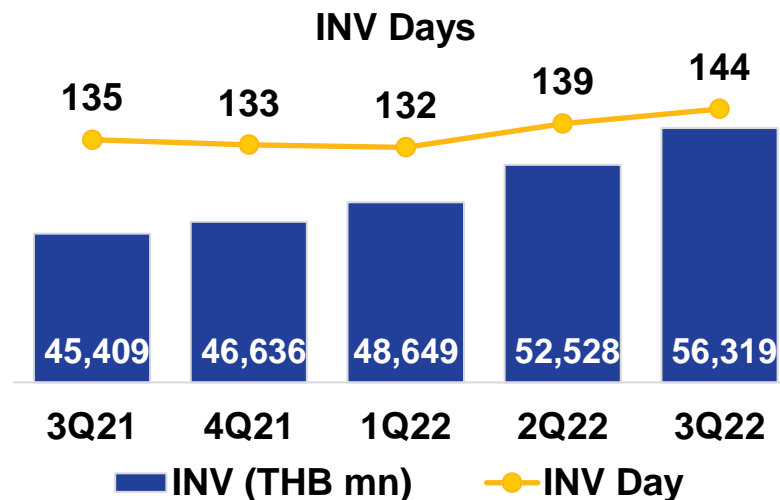
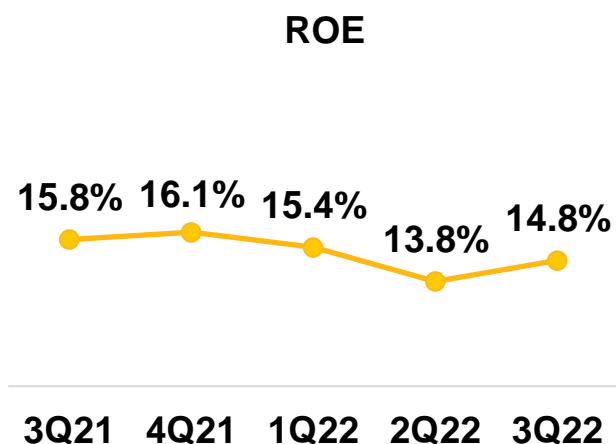


Remark: THB 14,500mn long-term debts due to maturity in 2022 are classified at current portion of long-term debt as end of 1Q21.

*Short-term loans including Bank overdrafts THB 222mn for the period ending Sep 2022

ND/E ratio increased from higher inventory and receivables

Strengthening our focus on NWC management



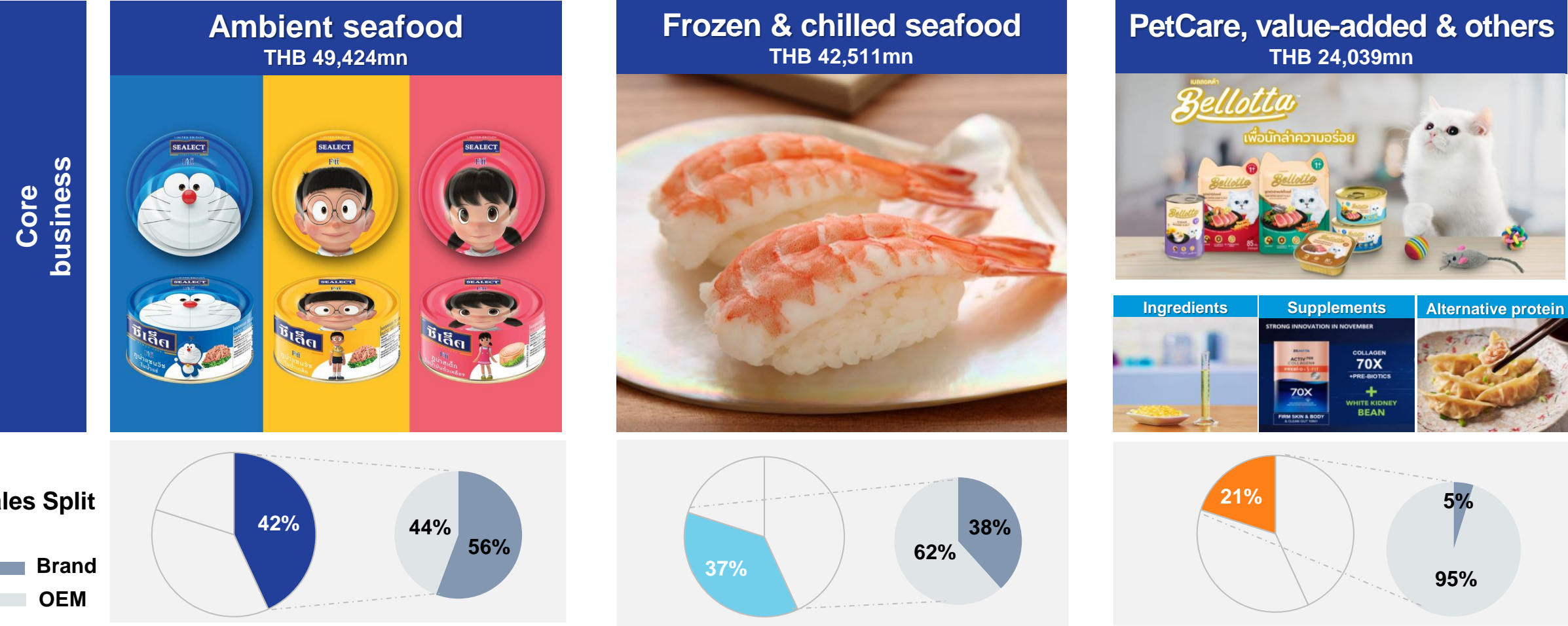


3Q22 / 9M22 Business Performance

Diversified business portfolio to uplift our margins

Driven by our focus on health & wellness and convenience trends

Total 9M22 sales: THB 115,974mn

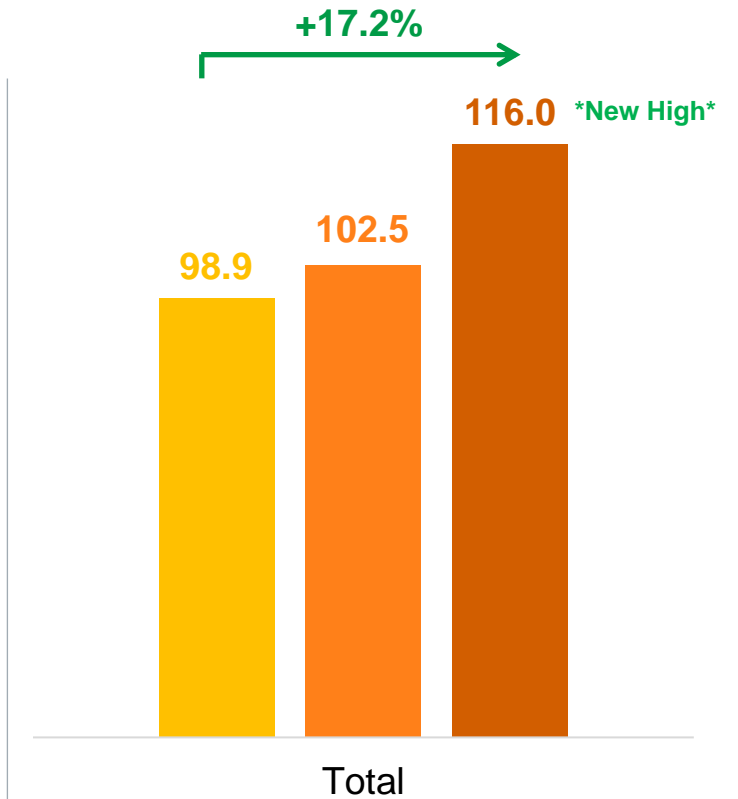
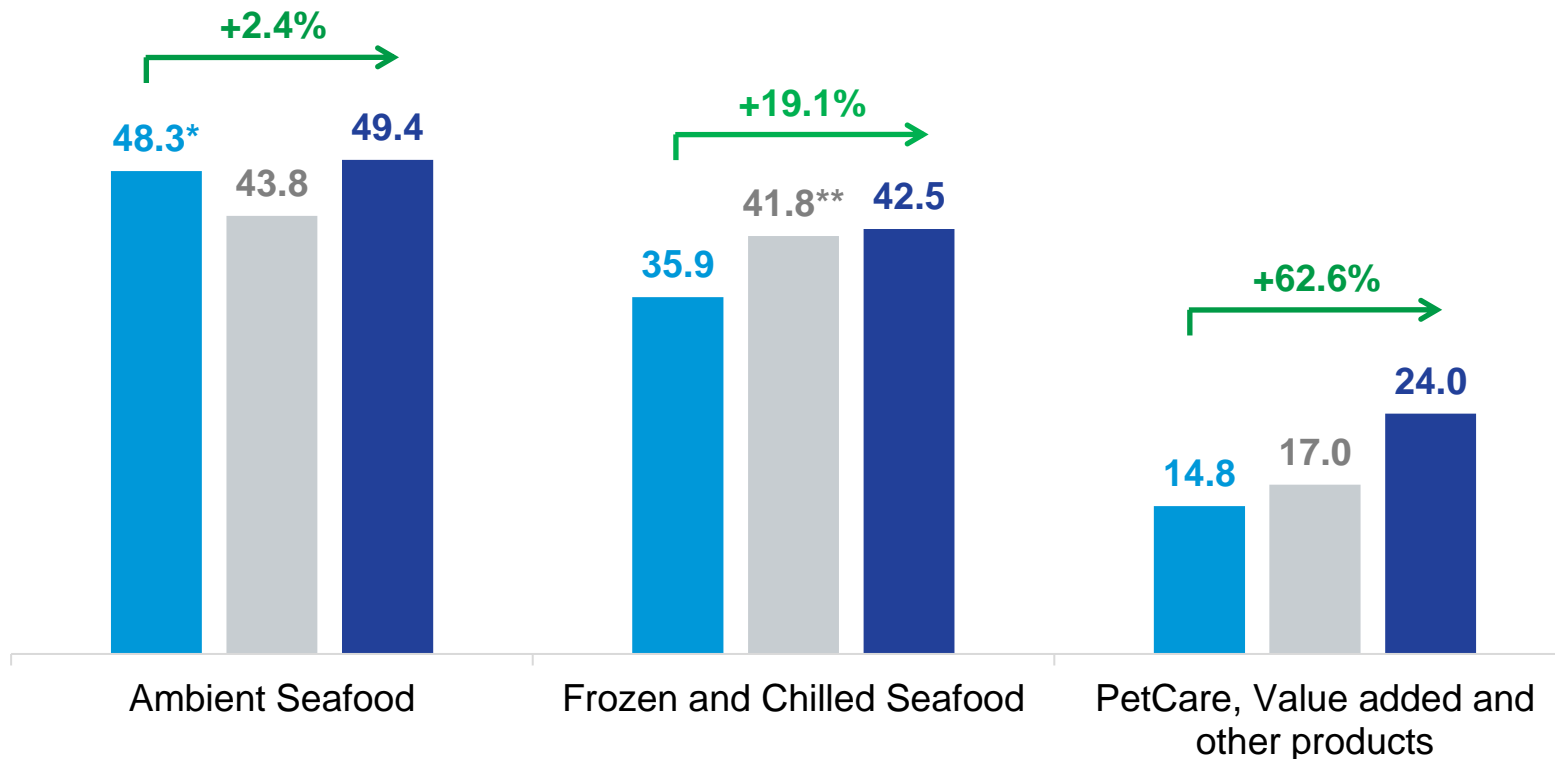


Consistent sales growth post-pandemic, thanks to diversification and strong core businesses

Sales (THB bn)

■ 9M20 ■ 9M21 ■ 9M22

■ 9M20 ■ 9M21 ■ 9M22



GPM 21.4%* 21.0% 21.4%

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

9.0% 11.8%** 7.4%

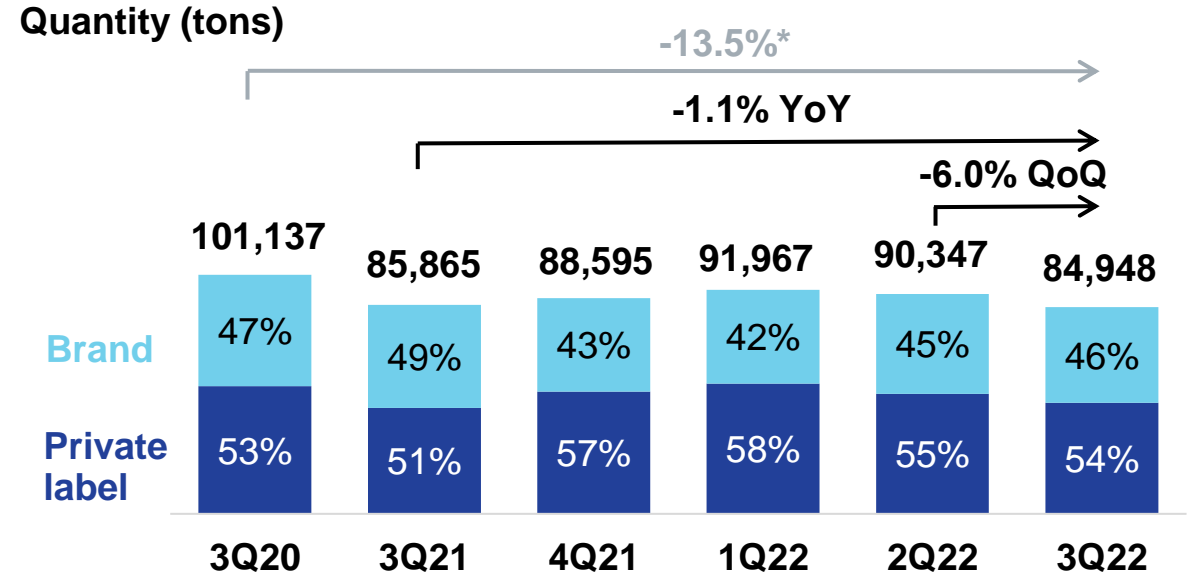
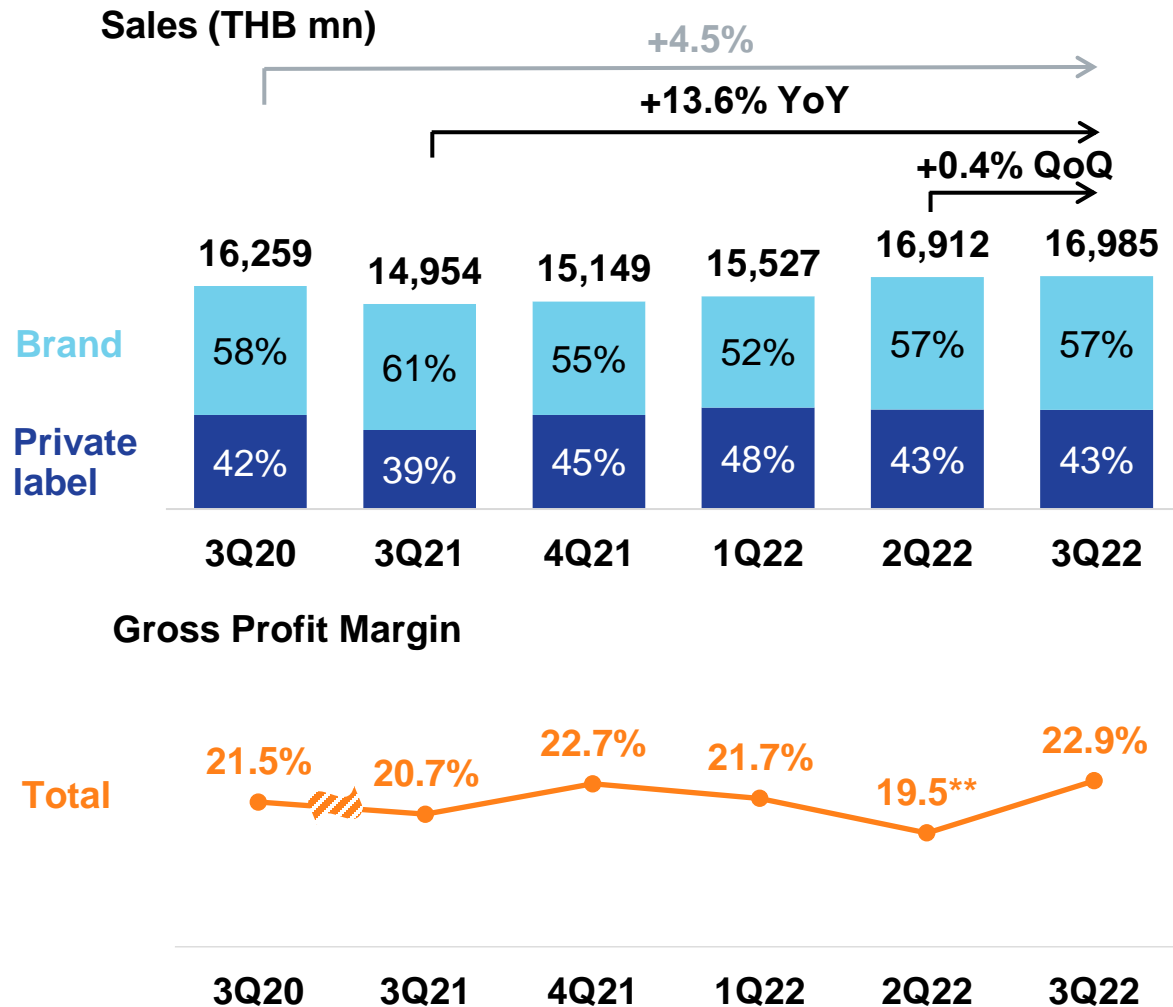
**Exceptional recovery in U.S. food service businesses post COVID-19

25.8% 27.0% 27.6%

Strong demand for PetCare products as people have adopted more pets

17.6% 18.2% 17.5%

Ambient seafood: Record quarterly sales with high GPM

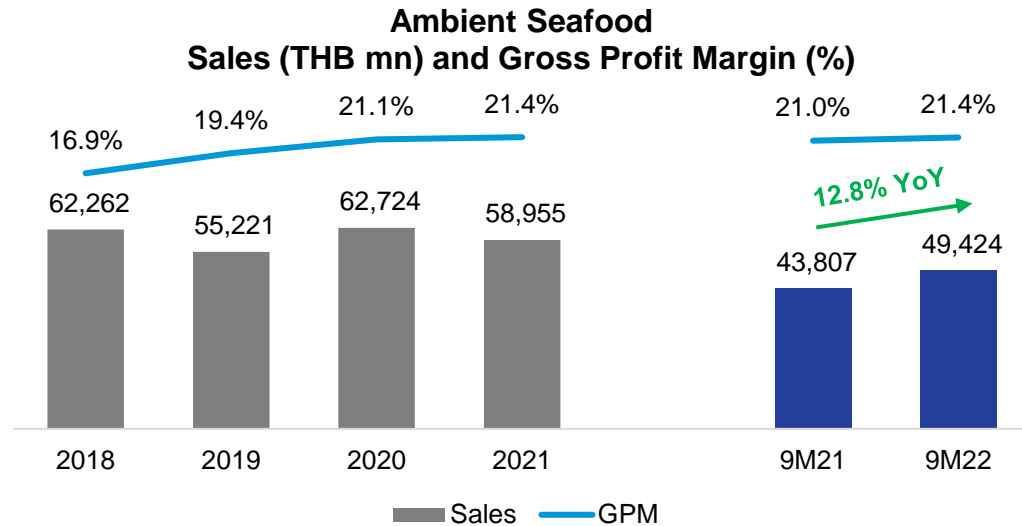


- **3Q22 ambient seafood recorded quarterly sales, which grew strongly at 14% YoY**, mainly supported by higher selling prices, favorable FX and strong demand, particularly in Asia and U.S.
- **Increased ambient sales**, in both branded (+6.1% YoY) and private label (+25.5%) as canned tuna is a healthy food, rich in protein at affordable prices, despite the recession
- Continued to deliver **high gross profit margin at 22.9% in 3Q22**, thanks to higher selling prices from our strategic lever of price negotiation, product mix, and cost efficiency management

Remark: *3Q20 was a high base from continued social distancing and increased home cooking during the first wave of COVID-19

**Including THB 164mn Rügen Fisch restructuring costs accrual (in ambient). Adjusted GPM 2Q22 was 20.5%

9M22 Ambient seafood: Continued sales growth amid concern of global recession

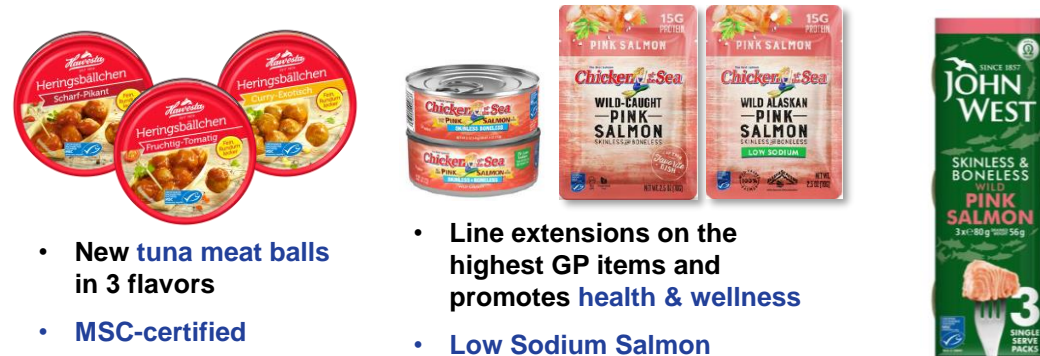


9M22 sales grew 13% YoY to THB 49.4bn

- Ambient seafood delivered record sales **in 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 9M20.
- Gross profit margin was **healthy at 21.4%**, despite an increase in raw material prices, especially tuna.

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

- Positive from **selling price increase** and **product mix** while **demand remained strong** in key markets, the U.S. and Asia
- In 9M22, **TU launched new products** across key markets globally, particularly Europe, Thailand, and U.S., with focus on **premium** and **higher margin products**



- New **tuna meat balls** in 3 flavors
- MSC-certified**

- Line extensions on the highest GP items and promotes **health & wellness**
- Low Sodium Salmon**

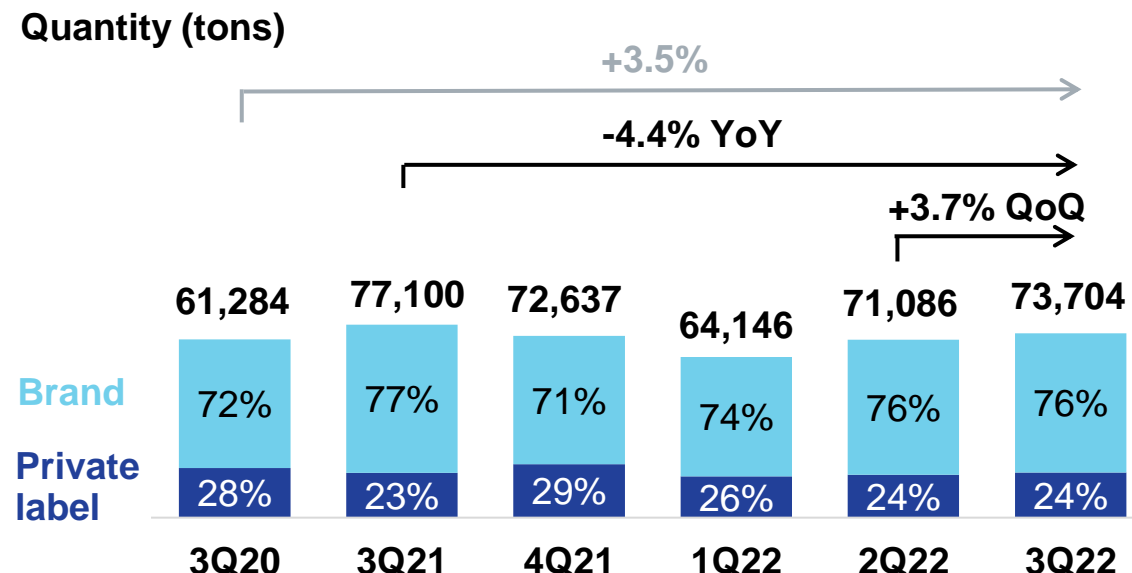
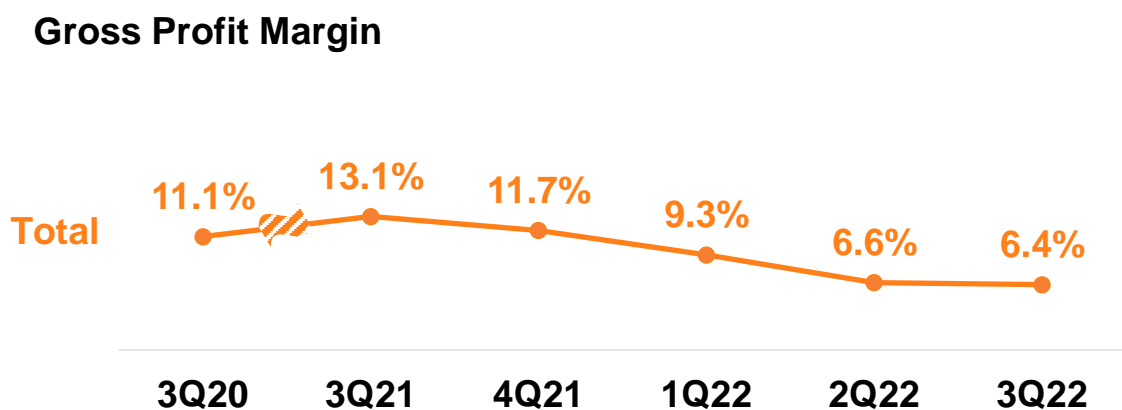
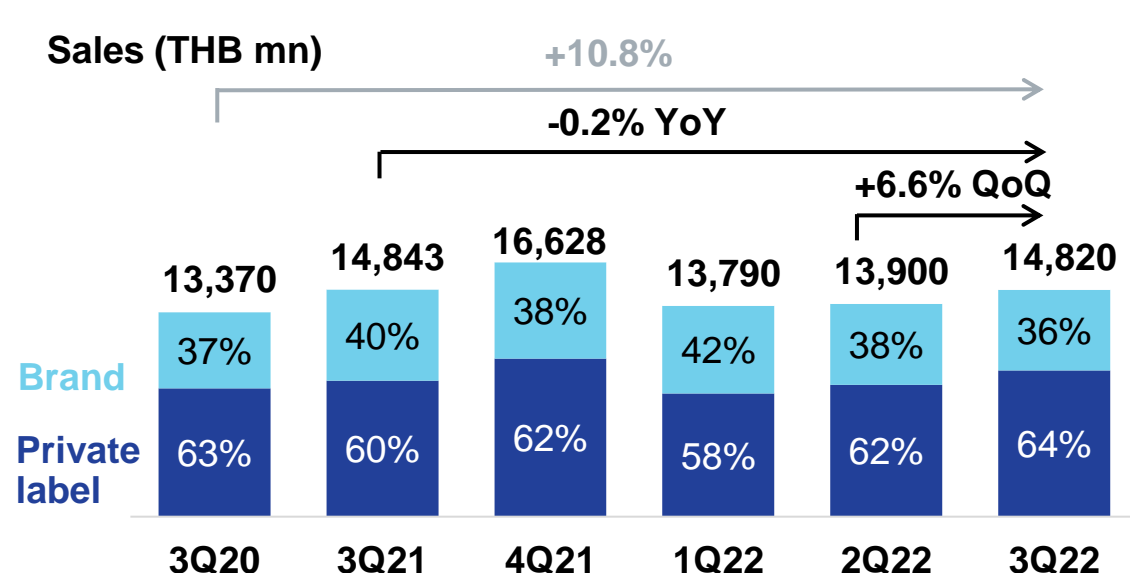
- Extended its **Single Serve** portion range to salmon
- MSC-certified**
- No Drain**

Continued to invest in cost efficiency & automation

- Solar panel in Seychelles** to manage utility costs in Europe*
- New cold storage project in Ghana** to increase inventory management efficiency**

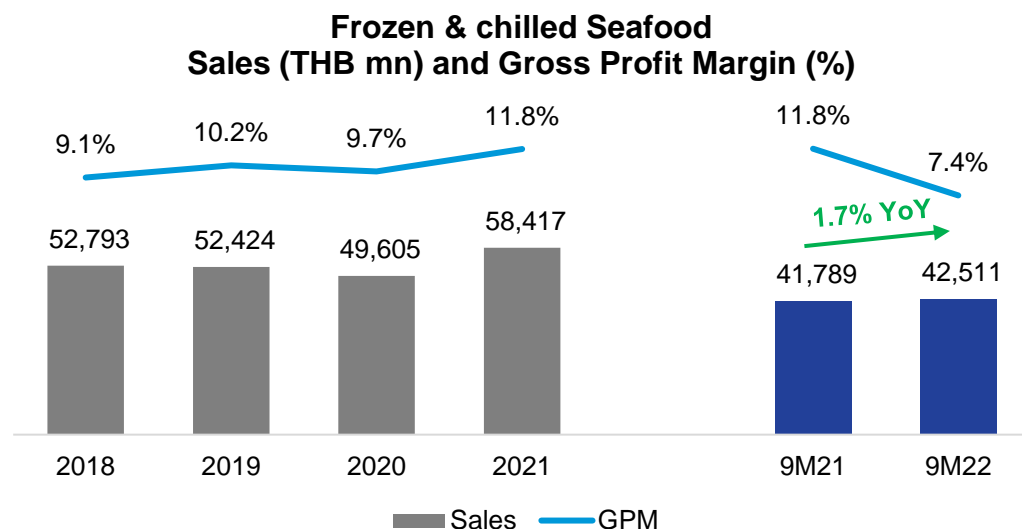
Remark: *More details on page 43 **More details on page 35

Frozen & chilled seafood: Stable sales YoY, despite last year's exceptional performance in the U.S.

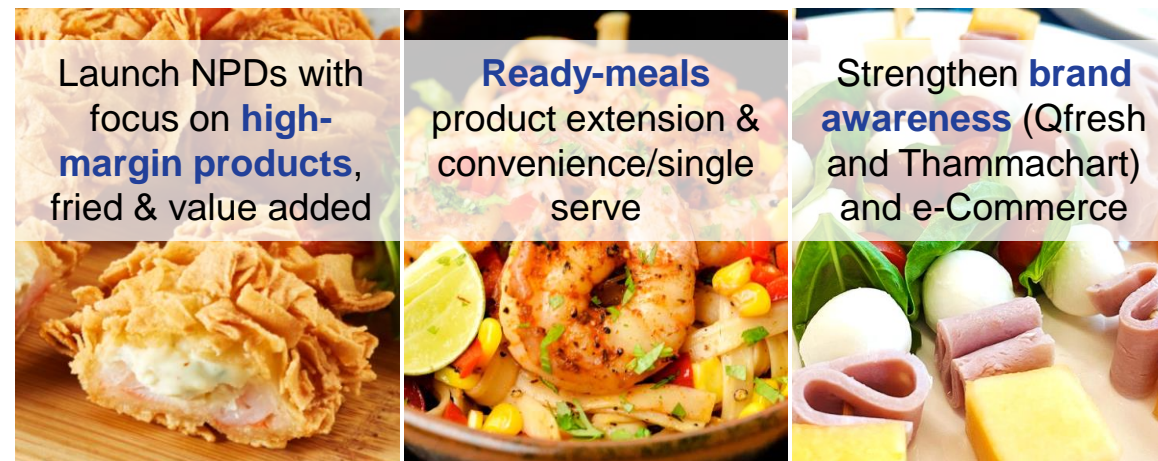


- **3Q22 frozen and chilled seafood sales maintained YoY, despite last year's exceptional performance**, particularly in the U.S, mainly from the recovery in Asia and Europe. Volume dropped YoY mainly from the feed business' strategic focus on high-margin products.
- **3Q22 gross profit margin was impacted** from market price normalization in the U.S., particularly lobster and crab, a high level of logistics costs, and higher raw material prices.
- **Frozen and chilled seafood sales recovered QoQ**, however gross margin dropped from U.S. market normalization and record-high salmon prices.

9M22 Frozen & chilled seafood: Growth momentum continued in Thailand and Asia

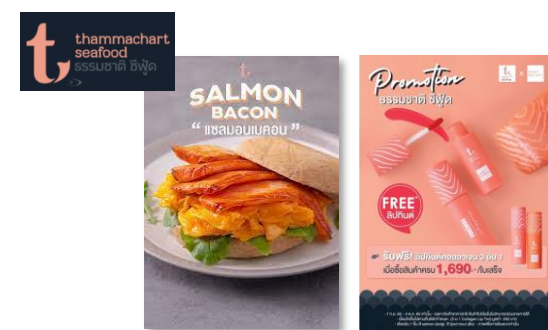


Growing our business through innovative and value-added products, market expansion and cost efficiency



9M22 sales grew 2% YoY to THB 42.5bn

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

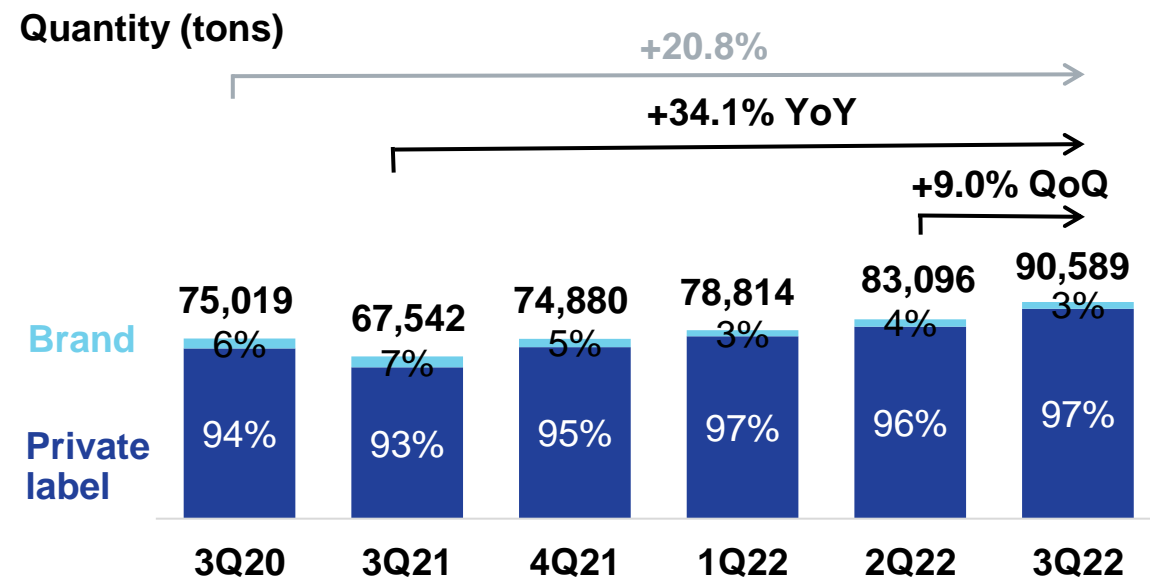
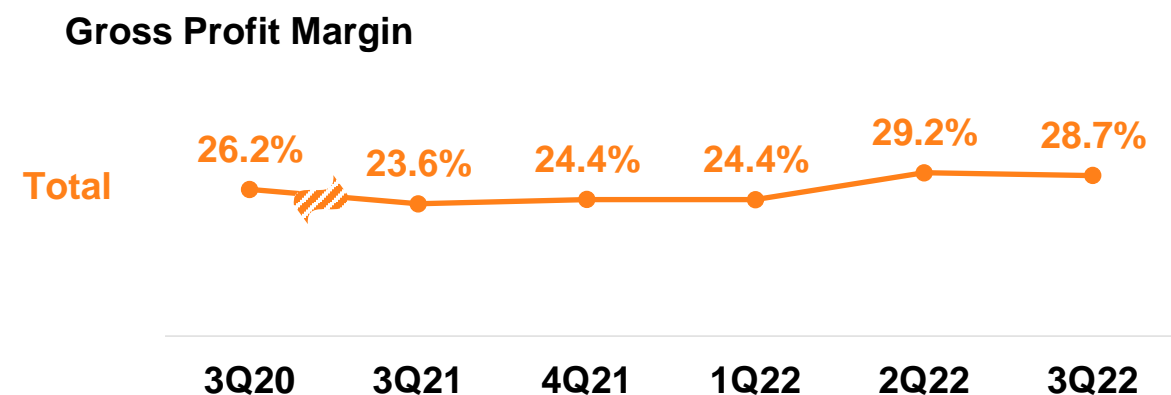
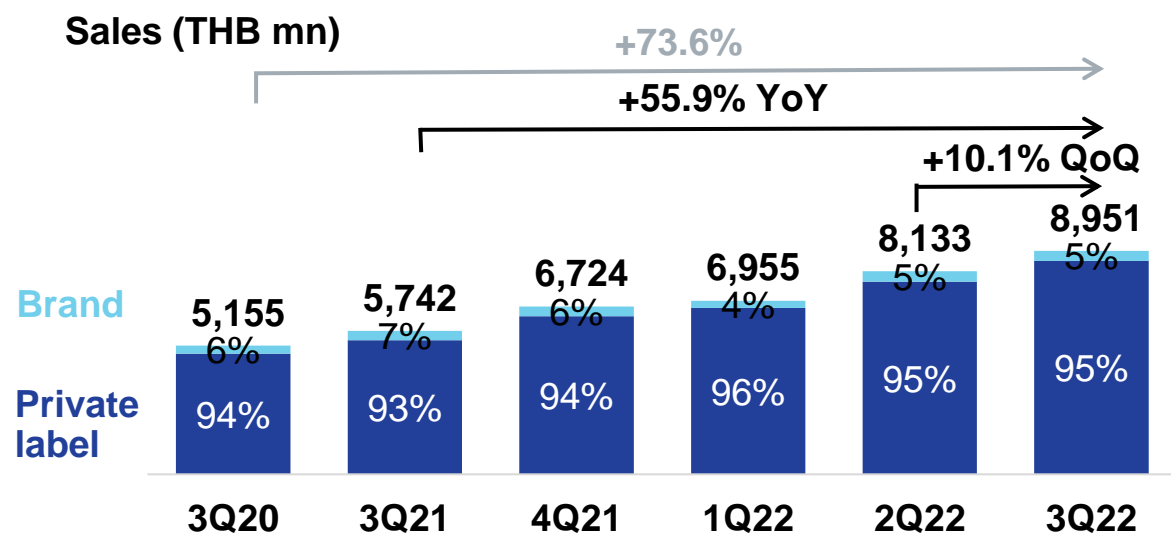


Continued launching NPDs, capturing **health & convenient trends** as well as the **new market segment**



Grab **health & convenient trends** in Thailand and regional market

PetCare, value-added & others: Record quarterly sales with exceptional margin

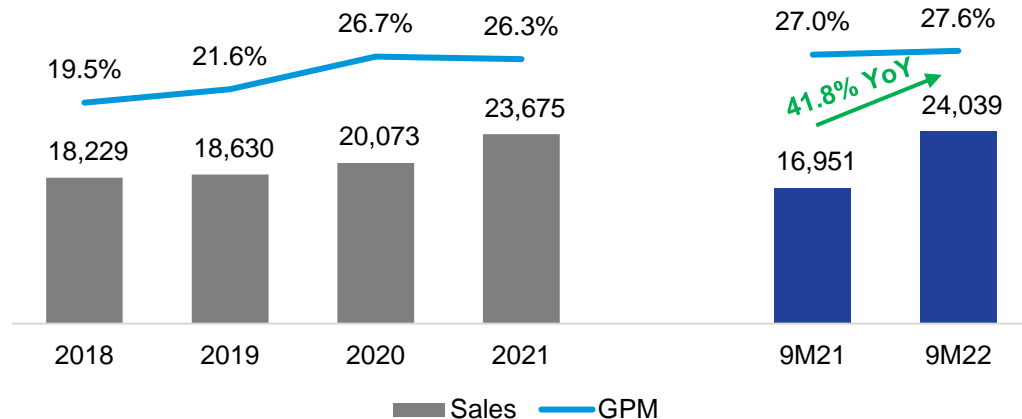


- **3Q22 PetCare and value-added sales grew exceptionally at 56% YoY**, thanks to continued strong demand (+34% YoY) as well as from a low baseline comparison after last year's temporary factory closure during the pandemic*, higher selling prices, higher volumes to support customer's marketing activities, new product ranges launched, portfolio expansion to new customers, and favorable FX.
- **3Q22 gross margin was exceptional at 28.7%**, driven by strong PetCare demand, higher selling prices, and our strategy to focus on new innovative products with higher margin.
- **PetCare and value-added sales and margin expanded impressively** in both businesses

Remark: *i-Tail Corporation (ITC)'s production was back to normal as of Sep. 2021 after 2 weeks of voluntary closure and reopened on Jul 5, 2022

9M22 PetCare, value-added & others: Record high sales from strong momentum

PetCare, value-added & others
Sales (THB mn) and Gross Profit Margin (%)



9M22 sales grew 42% YoY to THB 24.0bn, GPM above 27%

- **Growth driven by all business units**, PetCare and Value-added
- We focus on **uplift margins** from automation and growing new innovative products portfolio such as ready-to-eat, alternative protein, and sustainable packaging.

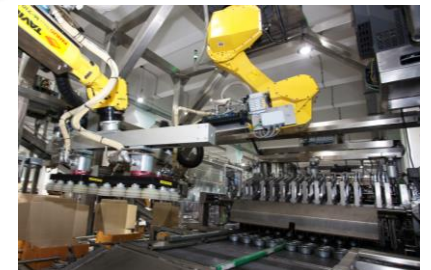
PetCare: Investing into capacity expansion & production efficiency in Samut Sakhon, Thailand

- **Expanding our plant:** To support business expansion, strategic growth, and increase competitiveness of our PetCare business (+18.7% capacity increase, from >172,000 tons/year*)
- **Warehouse automation:** 48% is automated (labelling, storage, retrieval, etc.), with target to achieve 100% within 2024
- **Cattery facility:** Our innovative, pet food tasting center to provide insights for product R&D and palatability testing, to complete in Nov. 2022



Value-added: Packaging continued to be a key driver

- Leverage our production & scale, focus on export products, higher volumes to 3rd parties and within TU
- Move towards full automation to enhance production efficiency



Remark: *Processing capacity of finished products as of June 30, 2022, which is the total production capacity of two manufacturing plants in Songkhla and Samut Sakhon.

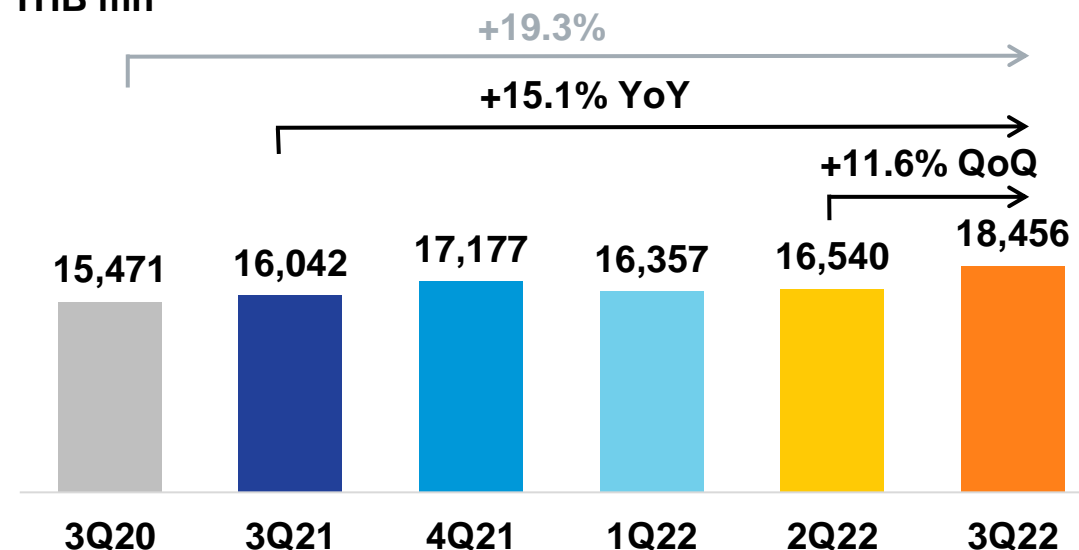
<https://youtu.be/JZNR7ap4A3c>



US & Canada: Record topline, driven by PetCare, ambient seafood and favorable FX



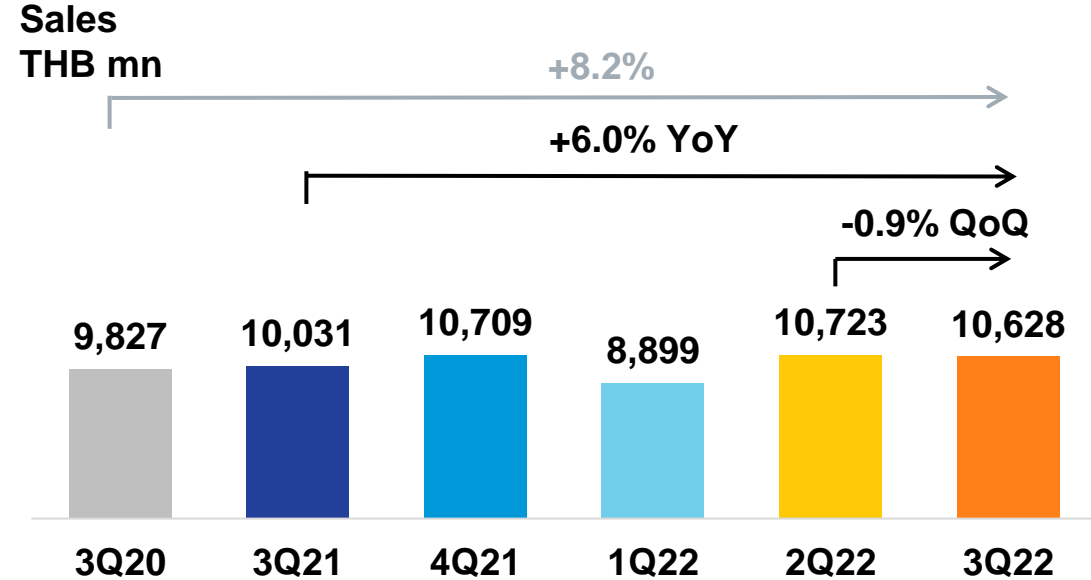
Sales
THB mn



3Q22 North America sales increased 15% YoY

- Record-high quarterly sales in 3Q22, driven by strong growth of PetCare, and higher selling prices and favorable FX, particularly for ambient seafood, despite rising inflation and concerns of recession
- Frozen remains deteriorating from market correction after last year's exceptional performance.
- Supported by favorable FX from THB depreciation (USD/THB +10.6% YoY)

Europe: Sales increased YoY in all core businesses, especially PetCare and frozen & chilled seafood



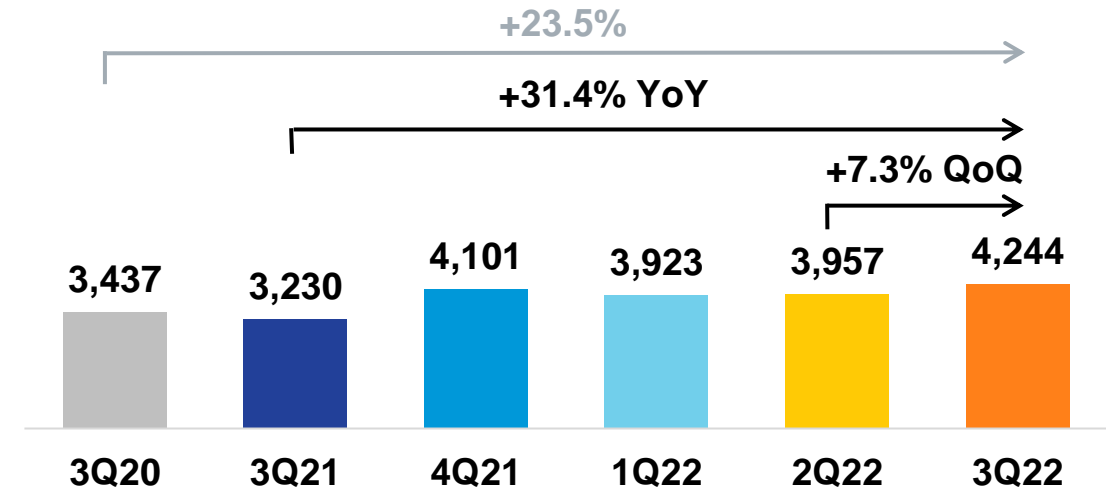
3Q22 European sales increased 6% YoY

- Sales growth was driven by higher selling prices and volume growth from all core businesses, despite the energy crisis, recession concern, and Baht appreciation (GBP/THB -5.6% YoY) (EUR/THB -5.5% YoY)
- Volumes of Europe market remained strong in key markets, especially France, Germany, and Italy, while volumes in UK remained stable

Thailand: All-time high topline, driven by growth from ambient and value-added businesses



Sales
THB mn



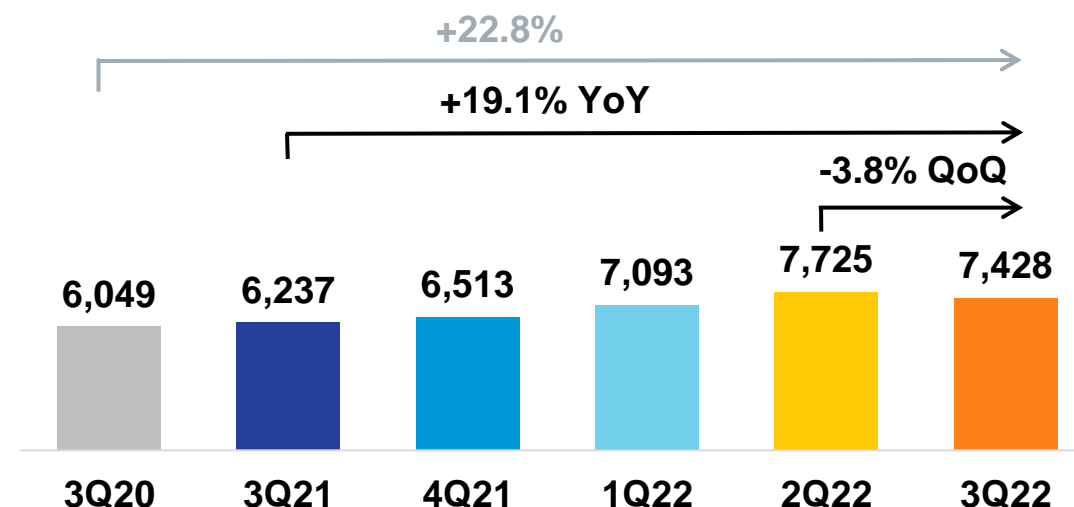
3Q22 Thailand sales increased significantly 31% YoY

- Domestic sales grew impressively with record-high quarterly sales in 3Q22, driven by the value-added business from higher selling prices and packaging business gaining more market share, higher demand and market expansion in all key channels
- Frozen and chilled seafood sales slightly dropped mainly from last year's strong turnaround in food service businesses and declining performance of the feed business

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



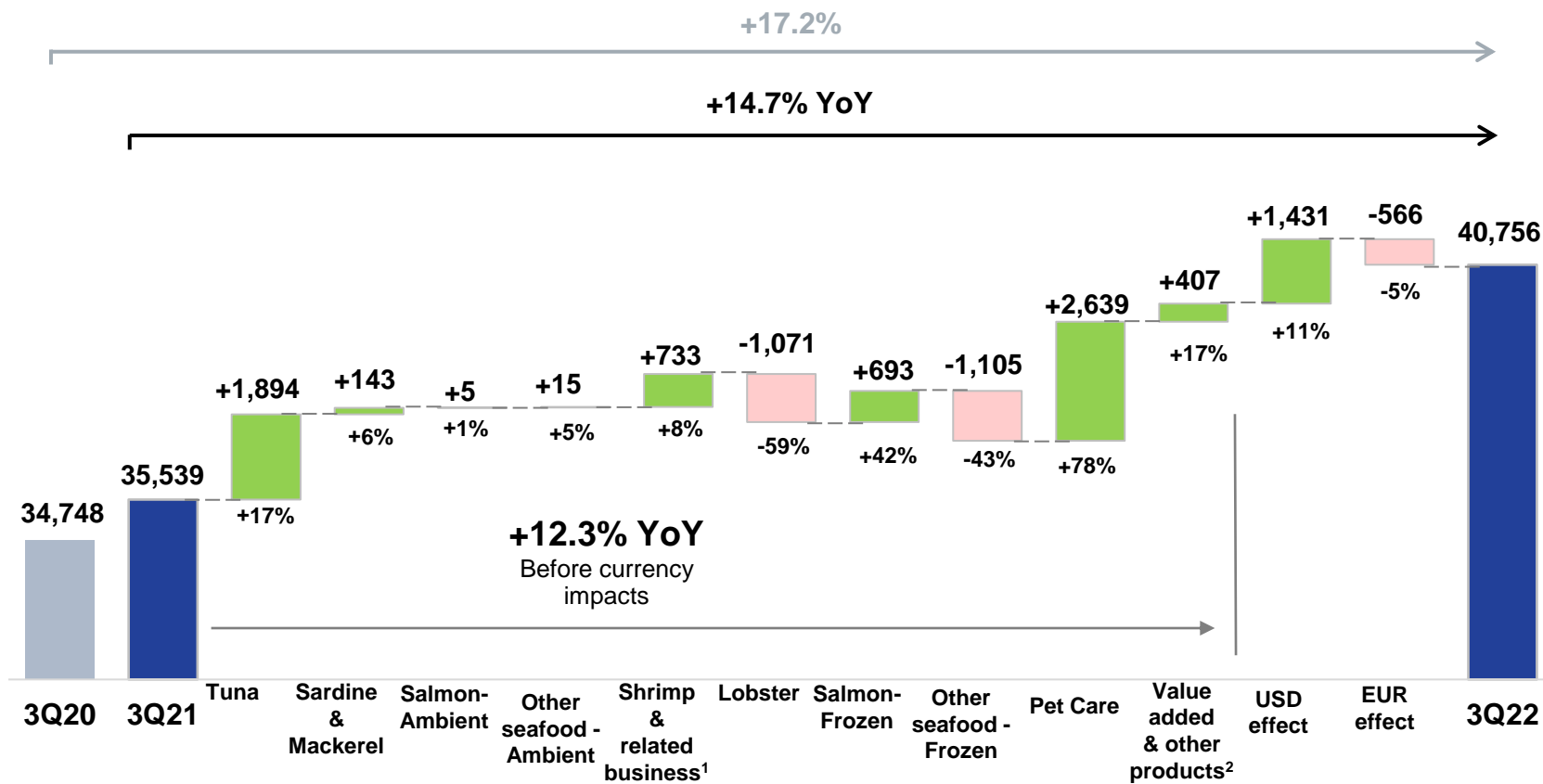
Sales
THB mn



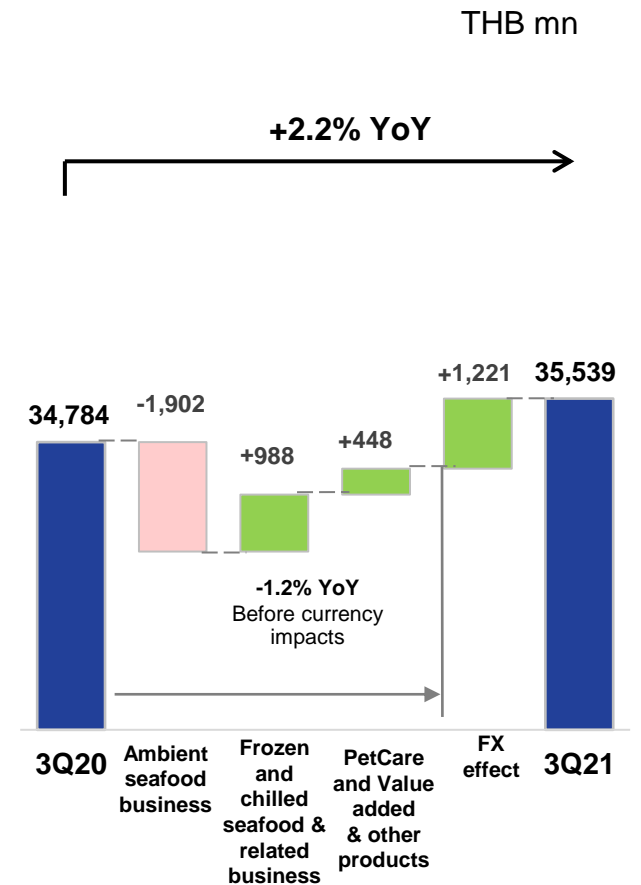
3Q22 EM and rest of world sales significantly rose 19% YoY

- Sales increased from all key countries, mainly in the Middle East (+45% YoY), Australia (+43% YoY), Japan (+28% YoY), and China (+20% YoY), thanks to higher sales in ambient seafood and PetCare products
- Frozen and Chilled seafood sales remained strong in key markets, especially Middle East and Japan

3Q22 revenue component: Ambient and PetCare & Value-added grew, with benefits from FX, particularly USD



3Q22 revenue component



3Q21 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



 **3Q22 / 9M22
Key Developments &
Strategy Update**

CAPEX key projects to support our core & new businesses

Culinary business



Ingredients business



PetCare business



Ambient tuna business



Key Products

Ready-to-eat, dimsum and bakery

Protein hydrolysate and collagen peptide

Wet pet food and treat

Ambient tuna cold storage

Total Capacity

~9,300 sq.m:
Increased by 38%

~5,700 sq.m

Increased by 18.7%
with new automated
packing line

~11,500 sq.m
(including waste-water
treatment plant: WWTP)

CAPEX

~THB 1.2bn

~THB 1.1bn

~THB 2.1bn

~THB 550mn

COD Date

On-track to commercialize
in 2Q23

On-track to commercialize
in 1Q23

On-track to commercialize
in 2023

On-track to commercialize
in 1H23

Delivering humanized innovation to drive well-being of pets



Dog chips



Mini-cone



Treat



Swirl paté



Smoothies



Salmon cake



Assortment



Rockstar chunk



Leveraging our portfolio to drive growth in Ingredients

Owned portfolio

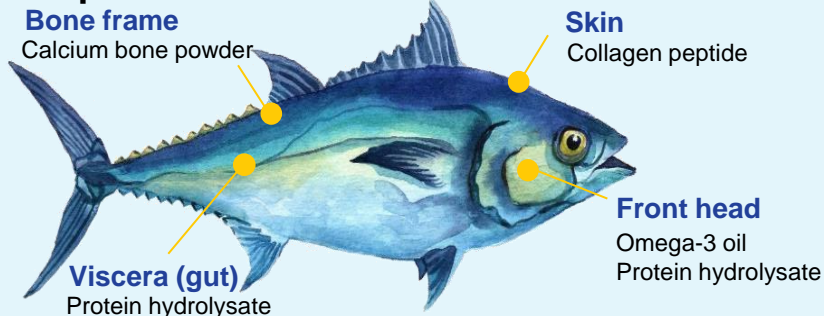


Protein hydrolysate and collagen peptide plant

- Made from 100% natural tuna parts, for human & animal nutrition, cosmetics, supplements
- Serve fast-growing markets in Asia, i.e. China and Japan
- Technology, product development & market launch preparation ongoing
- Construction is on-track to complete in 1Q23

Continue expanding crude & refined tuna oil business

Tuna co-product utilization



Strategic investments

Expanding our portfolio to algae oil

- Invested into a leading Canada-based algae oil producer, Mara in Aug 2022, serving the infant nutrition market



Omega-3 encapsulation technology

- Invested in the Australian ingredient company Clover in July 2021, to produce encapsulated DHA (a beneficial omega-3 fatty acid)



JV portfolio

Interpharma GROUP



FISH PRO LOW SODIUM SNACK*

- ✓ Protein-supplemented snack
- ✓ High protein, high vitamin Bs & selenium
- ✓ Made from TU's tuna

Launched in Oct 2022

Interpharma GROUP



LISA DHA SHOT

- ✓ 600mg DHA, EPA, folate, vitamins
- ✓ Suitable for everyone
- ✓ Made from TU's tuna
- ✓ Cereal malt flavor

Launched in Nov 2021

ThaiBev



ZEA TUNA ESSENCE

- ✓ 1st ever in the world
- ✓ From natural deep-sea tuna
- ✓ Omega-3, vitamin B, zinc & selenium
- ✓ Passion fruit & original flavor

Launched in Dec 2021

*Based on a clinical study by Pramongkutklao Hospital and TU, which has shown to help improve prealbumin level of chronic kidney disease patients.

ZEAVITA™ Building expertise through collagen line extension

We are entering Weight Management segment, while still leveraging Activ70X and Prebiotics



Launched June 2022

Launched July 2022

Launched August 2022

4.9 out of 5 Rating from Consumers

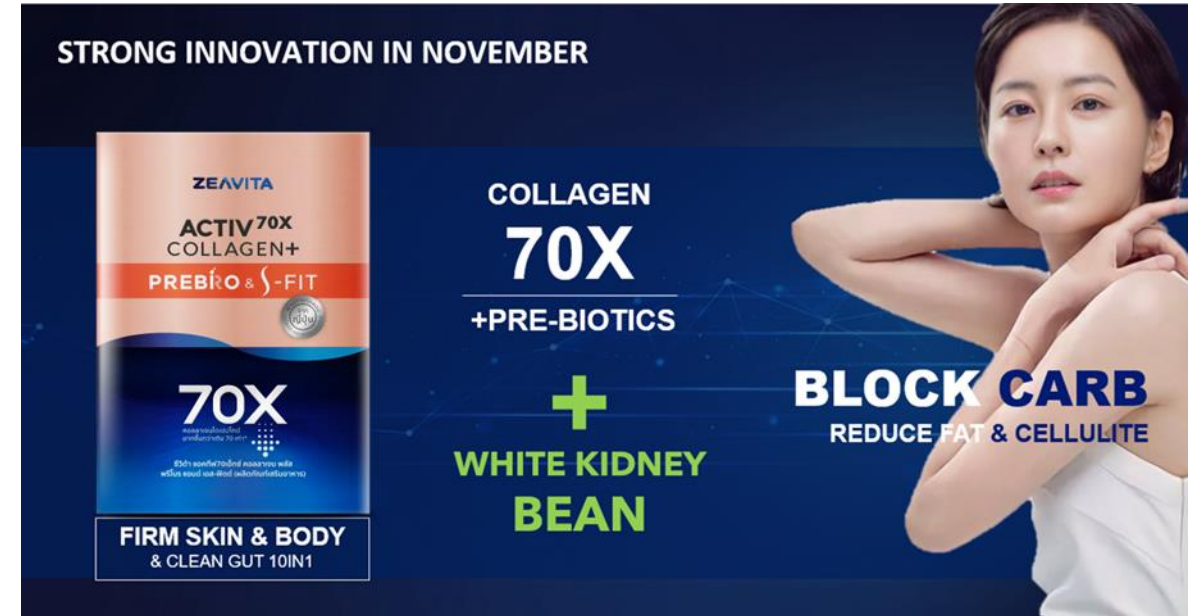
ZEAVITA Official Store on Shopee for Gluta & Asta

- ✓ Continue being **No. 1** collagen in super hyper/chain*
- ✓ Award Rookie of Supplement (**Strong growth**) from Shopee
- ✓ Through **Watson** exclusive partnership, top 100 independent **pharmacies**, and **e-Commerce**
- ✓ Target to achieve sales at THB 200mn (USD 5-6mn**) in 2022 and **THB 1bn** (USD 28-29mn**) in 2025

Remark: *Nielsen Retail Protein Capsule Super/Hypermarket Chain YTD Sep 22

** FX rate of 35.0 THB/USD

Slide 38



Core Products



Driving growth in alternative protein category

Thai Union remains committed to the Alternative Protein opportunity

- Category sees global slow-down, but this is only a temporary 'growing pain'
- Long-term fundamentals remain, a category of strategic relevance for Thai Union

Collaboration with U.S. leading plant-based seafood brand, ISH

- ISH and TU/COSFF collaboration has been kicked-off since Aug 2022, teams put in place
- Initial customer discussions taking place

Our new, innovative shrimp wonton

- Leveraged vegetarian festival in Thailand to drive plant-based category & OMG Meat brand
- Our recently launched Shrimp Wonton got rave reviews, appreciating texture and taste



SEALECT launched new, innovative products

In theme of “Healthy Living, Healthy Oceans”, as part of 30th anniversary

SEALECT TUNA x Doraemon Original Series launched in August 2022 and launched Limited Edition premium in mid September 2022



SEALECT Crispy Nam prik Tuna
launched in October 2022

- **“Crispy Nam prik Tuna”** – Rich of flavor, extra spicy, delicious, and No MSG
- Healthy and nutritious with Omega-3
- Focus launch to Villa (30 branches), The Mall and online channel

SEALECT TUNA COLLAGEN
launched in November 4, 2022



- The first Tuna plus Collagen in Thailand (SEALECT Tuna **“BeautyFitt”** concept)
- Product launch first & exclusively at Tops supermarket
- Product Highlights
 - ✓ Collagen from fish 2000 mg
 - ✓ High protein 29 g
 - ✓ Low calories 130 kcal
 - ✓ Low fat



SEALECT TUNA COLLAGEN X WE FITNESS campaign will starting in November 2022

- **SEALECT** will be introducing choices of nutritious products under new product line **“4B” – Brain, Body, Burn & Beauty** while seeking out new collaborations and innovations for the products
- **SEALECT** targets sales growth in 2022 to be approx. 5-6% and plans to launch 3 – 4 new products per year

Continue engaging with food-tech startups to drive innovation

Exploring insect-based protein within our CVC investments

Selected CVC investments: Alternative Protein



Insect-based **pet treats**, sold under **Laika** brand, using black soldier fly larvae raised on a diet from pre-consumed food waste, **supporting circular economy**



New insect-rearing & powder processing facility in outskirts of Bangkok, Thailand, started production **since April 2022**, with plans to expand capacity in 2Q23



Collaboration with TU, i-Tail started OEM production in July 2022 for 100% of Laika pet treat products



Insect protein start-up (listed in Tel Aviv Stock Exchange in 2021), using **fruit fly larvae** to make protein powder and oil



Health and wellness focus: Exploring applications for TU (e.g., pet food, aqua feed, and ingredients)



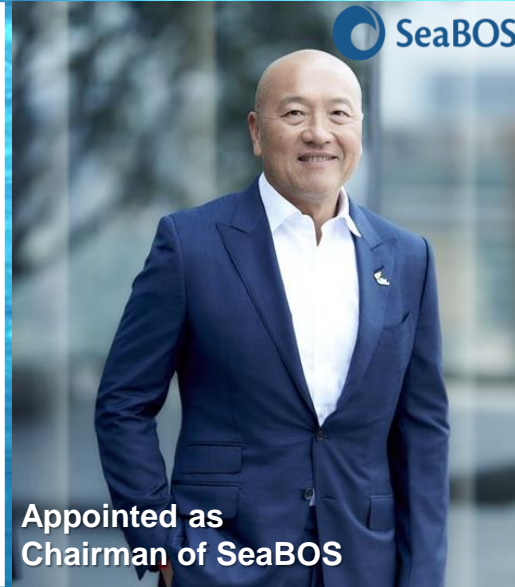
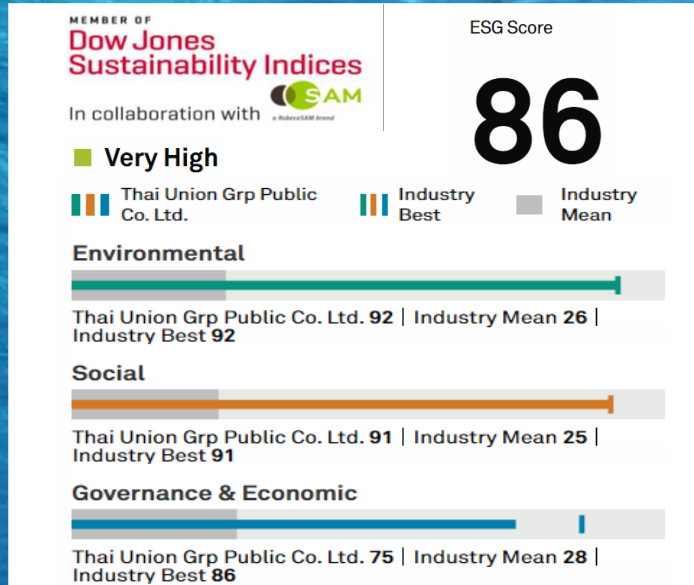
Flying Spark's new insect rearing facility in Petchburi, Thailand



One of the leading insect-based pet treats startup in Thailand



We continue to be an industry leader on sustainability, and focus on *“Healthy Living, Healthy Oceans”*



- Thai Union received a score of 86 points* on the **S&P Global Corporate Sustainability Assessment (CSA)**, the metric used in the **Dow Jones Sustainability Index (DJSI)**.
- This year's ranking showed the **best industry performance in 2 sustainability pillars** – environmental and social with **Full scores (100/100) in 7 categories**.



Sustainability Expo 2022 & CEO Panel Discussion

- **Mr. Thiraphong Chansiri** has been appointed as **Chairman of the Board of the Seafood Business for Ocean Stewardship (SeaBOS)**, a joint initiative between 10 world's largest seafood companies and science to strengthen sustainable practices within the seafood industry.
- Thai Union joined **Sustainability Expo (SX2022)**, the largest in ASEAN on 26 Sep - 2 Oct 2022 at QSNCC

We are investing in solar panels for sustainability



Thai Union installed solar rooftops at our Seychelles plants in September 2022, totaling THB 12-13mn (K€ 340 for 1.5 Megawatt), accounting for 8% of our total energy consumption. The increase in renewable energy is in line with the Seychelles government's renewable energy plan and the Thai Union's climate change commitment.

TRIS Credit Rating Result: Affirming "Positive" outlook



A Strategic Partner of S&P Global

CreditNews ข่าวเครดิต

THAI UNION GROUP PLC

No. 165/2022
29 September 2022

CORPORATES

Company Rating:	A+
Issue Ratings:	
Senior unsecured	A+
Hybrid	A-
Outlook:	Positive

Last Review Date: 04/11/21

Company Rating History:

Date	Rating	Outlook/Alert
28/09/21	A+	Positive
28/08/18	A+	Stable
24/06/15	AA-	Stable
23/12/14	AA-	Alert Developing
08/01/13	AA-	Stable
14/01/11	A+	Stable
29/07/10	A+	Alert Developing
30/08/06	A+	Stable

RATIONALE

TRIS Rating affirms the company rating on Thai Union Group PLC (TU) and the ratings on its senior unsecured debentures at "A+" and affirms the rating on its subordinated capital debentures (hybrid debentures) at "A-", with a "positive" outlook.

The outlook reflects TU's satisfactory operating performance of its core business. We expect TU's capital structure to improve from spinning-off a subsidiary, together with the rising contribution from its value-added and new innovative products.

The ratings continue to reflect TU's strong market position as one of the world's leading seafood processors, the diversity of its products and markets, the well-known brands in Europe and the United States (US), and barriers to market entry including fishing quotas, and high capital investment. The ratings also incorporate our concerns over the fragile economic recovery following the Coronavirus Disease 2019 (COVID-19) pandemic, as well as geopolitical risks and the threat of stagflation.

KEY RATING CONSIDERATIONS

Company rating: A+
Outlook: Positive

Report date: 29 Sep 2022

- The committee **maintained a positive outlook**, rating unchanged from last year
- Viewing that we are **transitioning to gain more share on high value added products with higher and more stable profit margin**.
- Positive for plans i.e. **culinary plants, supplement business, alternative protein and RL turnaround**
- Monitoring uncertainties i.e. inflation, logistic interruption, fluctuation in raw material prices, FX, and interest

Link: [TU Credit Rating report](#)

Honored to be recognized by leading institutions around the world


Key highlight awards & recognition in 3Q22




People & Community

Thailand

 **HR Excellence Awards 2022**, 4 Silver Awards & 2 Bronze Awards

 **Human Rights Awards 2022** in the large business sector, won by Thai Union and 3 subsidiaries in Thailand

 **CRS-DIW Continuous Award 2022**, the 3rd consecutive year of recognition for CRS and sustainable development



USA

 **NHRA - Los Angeles Culture Award**, achieved by Chicken of the Sea's Senior VP of HR and Corporate Affairs, Daniel Goldstone, and finalist NHRA's the Executive of the Year Award

New product

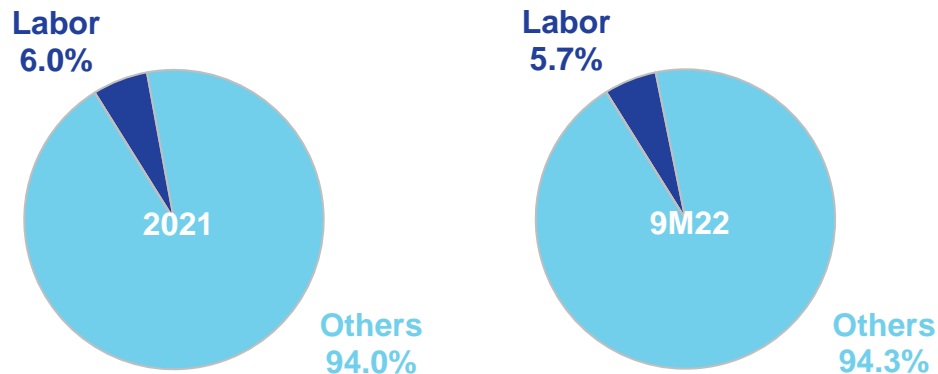
 **Chicken of the Sea Crispy Stuffed Shrimp** selected to be **2022 Editor's Picks best new product** by the Progressive Grocer



Limited impact from minimum wage increase in Thailand

- Thailand's daily minimum wage increased by an average of 5%, from THB 313-336 to THB 328-354/day, effective October 1, 2022
- **The increase in the minimum wage** is expected to have minimal impact of ~0.2%* of annual sales, as some of our employees are already above the minimum wage.
- **We continue to focus on automation** to increase production efficiency and **reduce labor intensiveness at our plants** in the long-term

COGS Breakdown



Samut Sakhon
From 331 to 353
baht/day (+6.6%)

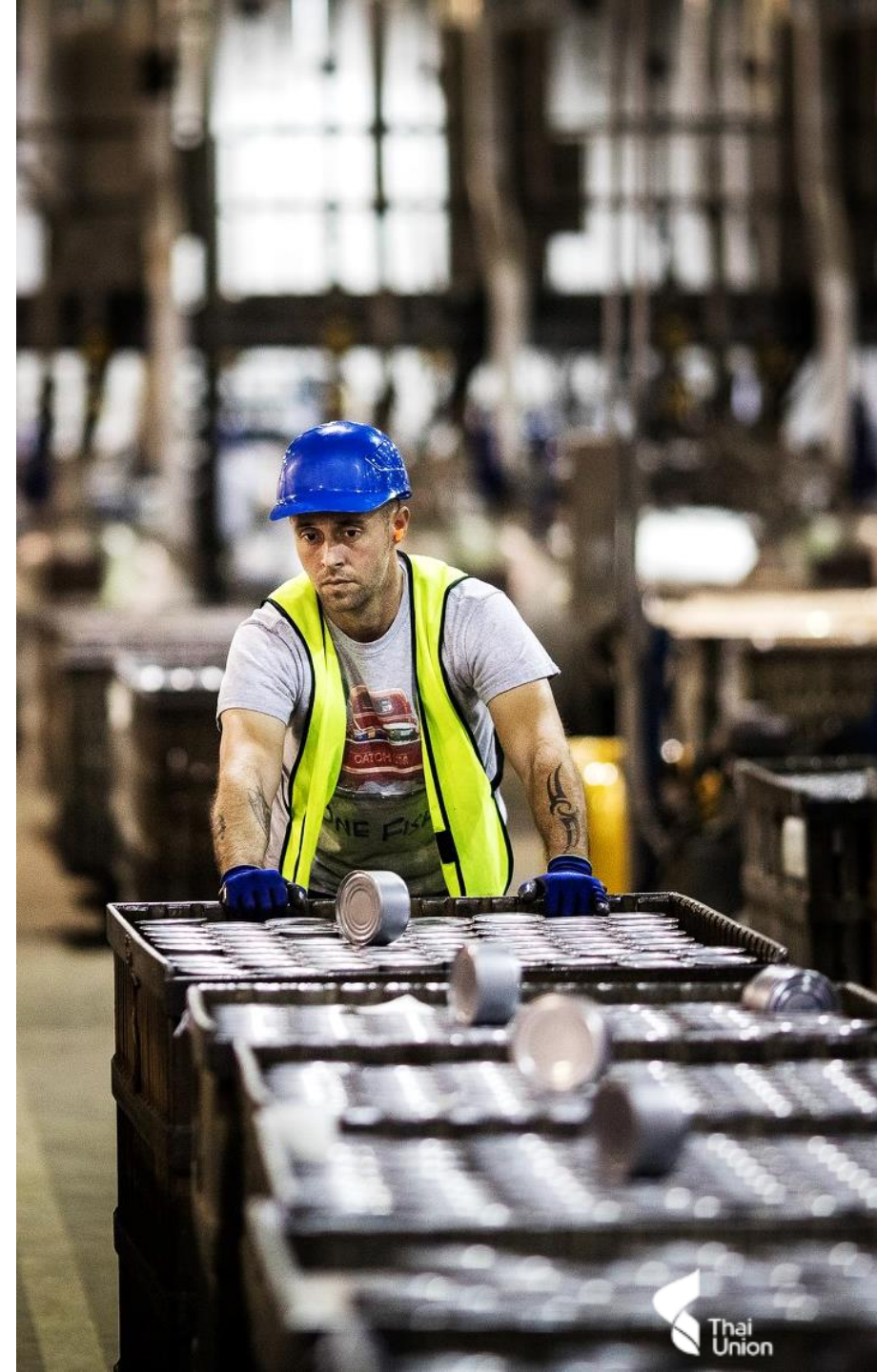
Songkhla
From 323 to 340
baht/day (+5.3%)

Source: Thailand's Ministry of Labour, Bangkok Post, and the Company

Remark: *Based on our calculation from TU's sales as of 3Q22

We confirmed operating KPI guidance

Sales	10-12% YoY growth
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 5.0bn (from THB 6.0bn)
Dividend policy	At least 50% dividend payout ratio





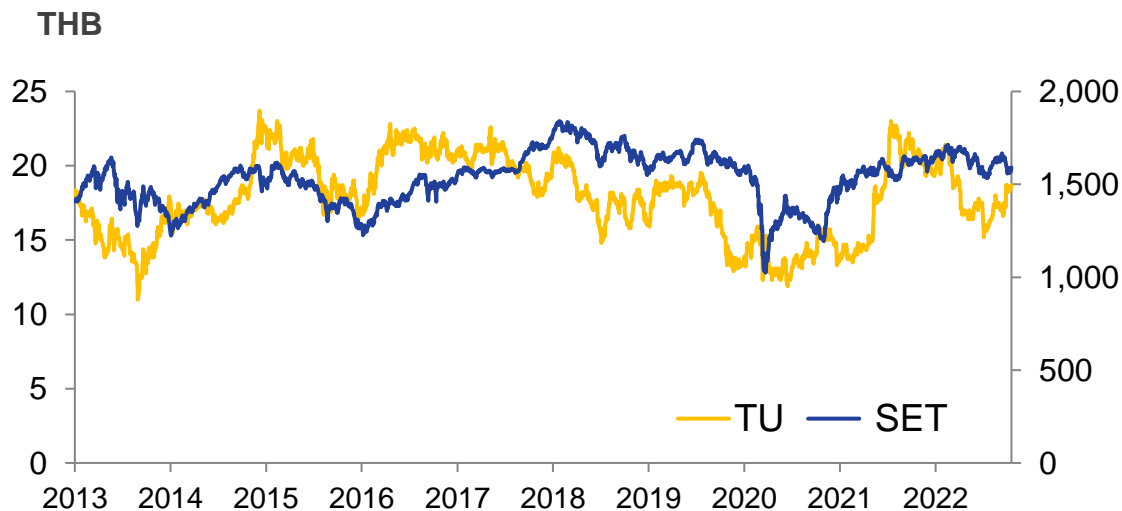
Thank you!



Share capital information

Stock Performance at a Glance

Bloomberg/ Reuters	TU TB/ TU.BK
Share price (Nov 1, 2022)	THB 18.20
Historical closing price	
52-week high	THB 21.50
52-week low	THB 15.20
No. of paid up shares	4,771.8mn
Par value	THB 0.25
Market Capitalization	THB 86.8bn

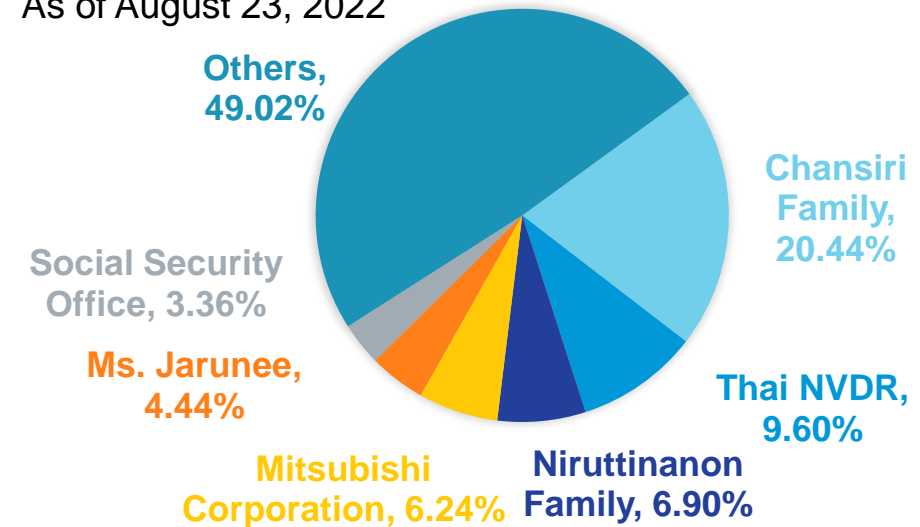


Source: SET and TU

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

Major Shareholders

As of August 23, 2022



Free float	65.2%
Foreign ownership/ Foreign limit	26.4%/ 45.0%

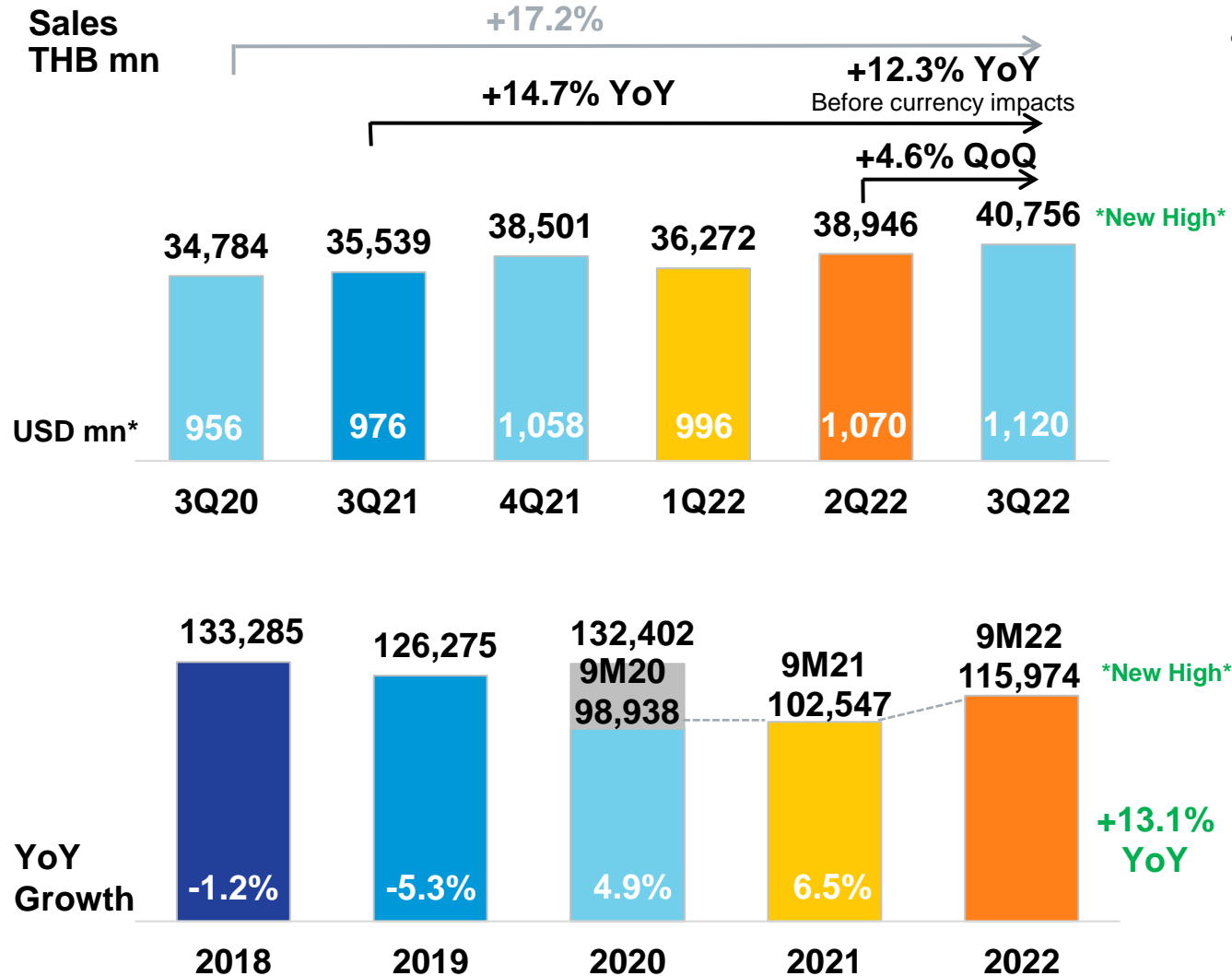
Dividend Policy

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 higher selling prices and FX, especially PetCare and value-added business

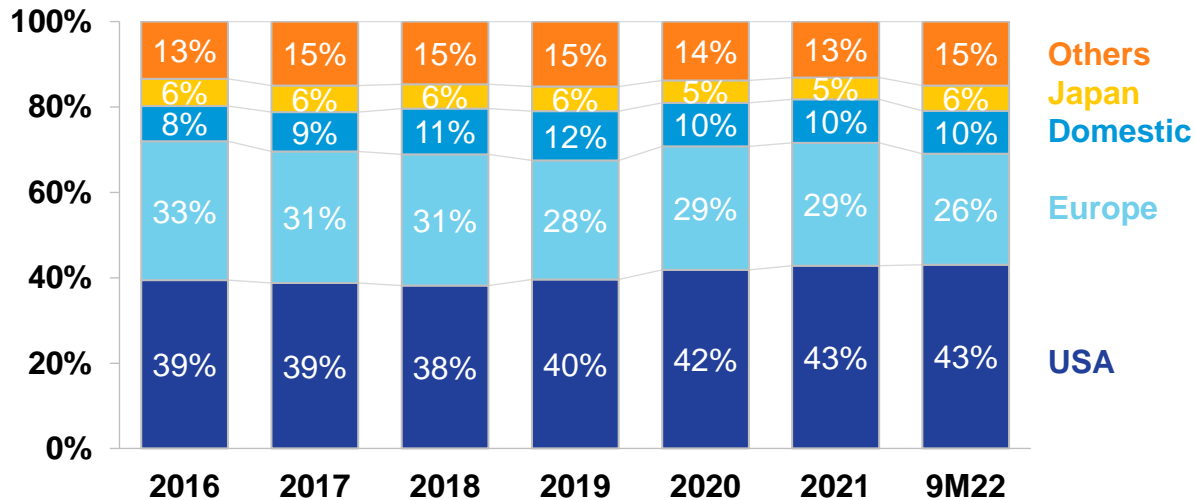


*Remark: Average Baht/USD in 3Q22 was 34.4 Baht/USD

- **3Q22 sales growth of 14.7% YoY, driven by:**
 - **PetCare and value-added business** sales grew 56% YoY, thanks to continued strong demand on existing customers and a broadening portfolio of new customers
 - **Ambient seafood business** sales grew 14% YoY, thanks to higher selling prices, and higher sales volume in Thailand, Europe, and US
 - **Frozen and chilled seafood business** sales stable YoY, from last year's exceptional performance
 - **Positive FX impact from USD gain, partially offset by EUR and GBP loss.**

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

Sales Breakdown by Geographic



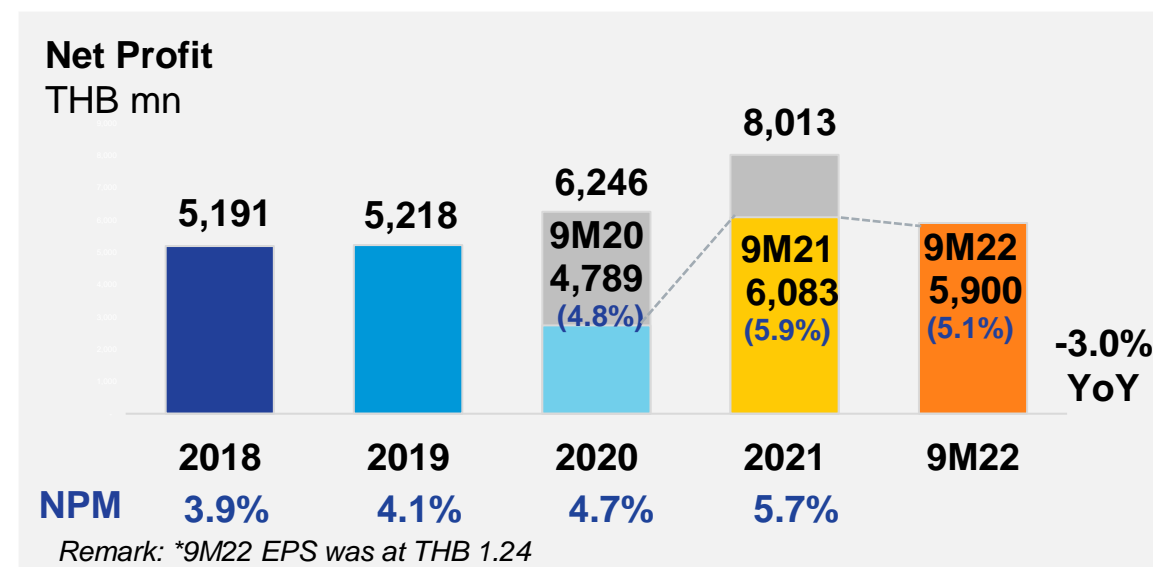
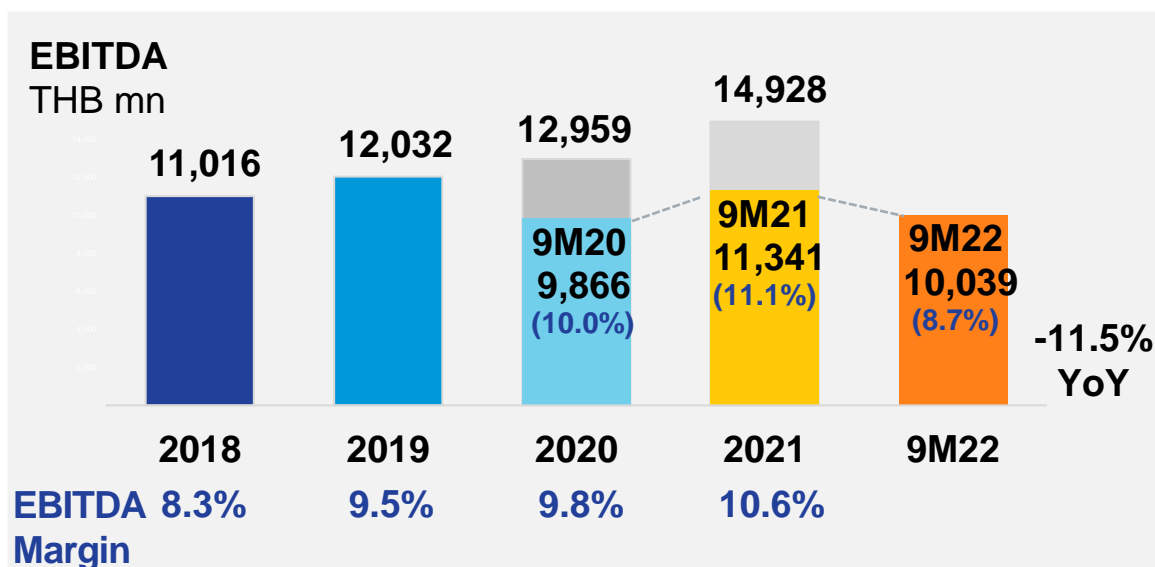
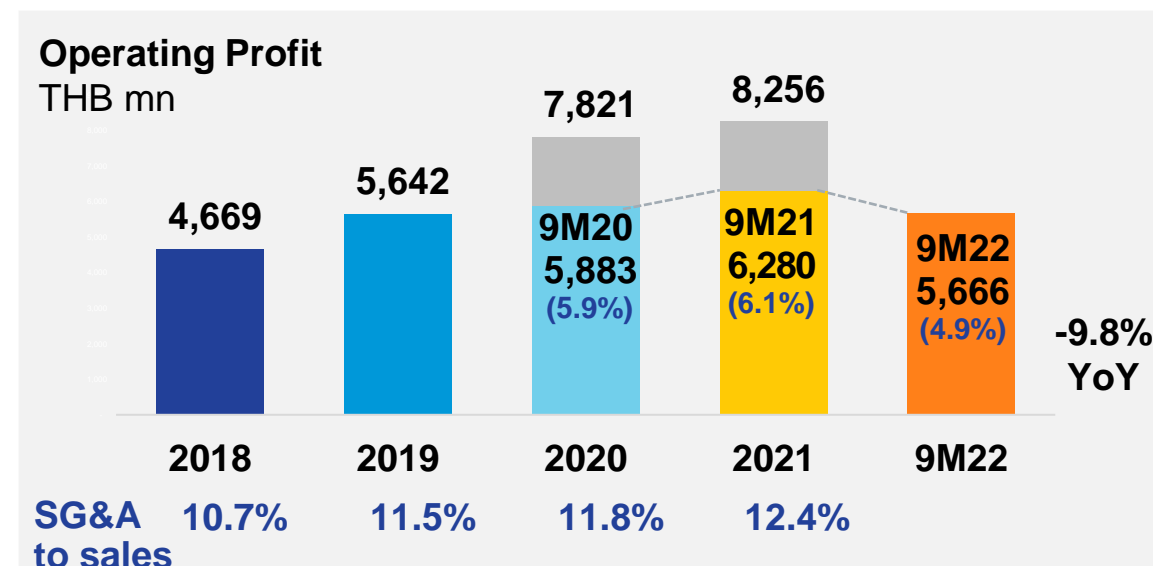
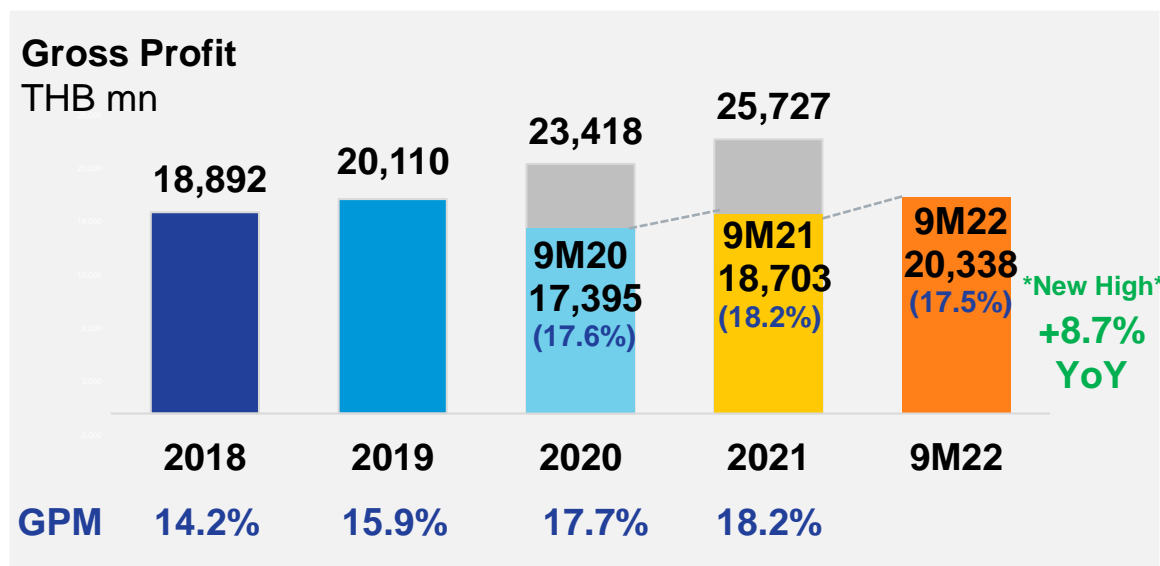
Sales Breakdown by Business



- **9M22 higher sales contribution from all regions, especially the U.S., Thailand, and Japan**
 - The U.S., Thailand, and Japan sales rose by 13% YoY, 16% YoY, and 35% YoY respectively
 - Europe sales slightly increased 4% from last year, despite the energy crisis and the recession
 - Positive FX impact from USD
- **9M22 branded and private-label business sales mix was at 39% and 61%, respectively**
 - Total branded sales increased 3% YoY, mainly from strong demand for branded products sales rose 5% YoY offset with declining performance of foodservice businesses
 - Total private-label sales reported growth of 20% YoY, driven by higher demand from all three core businesses, especially in PetCare & value-added and Ambient seafood

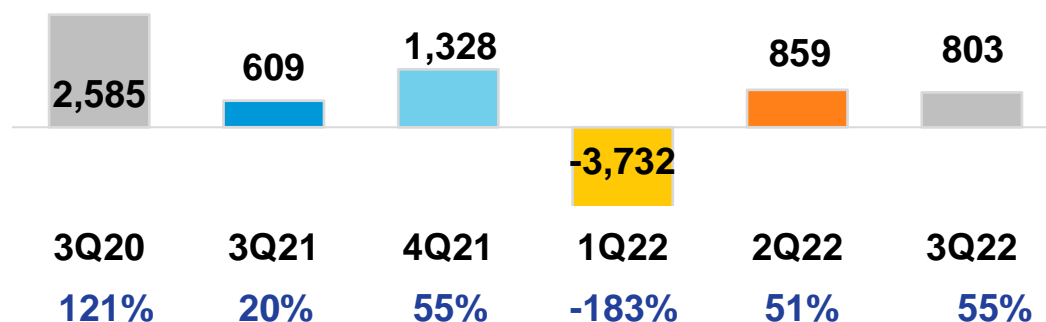
Remark: Others represent Asia, Australia, Middle East, Canada, Africa and South America

New high 9M gross profit with healthy margin

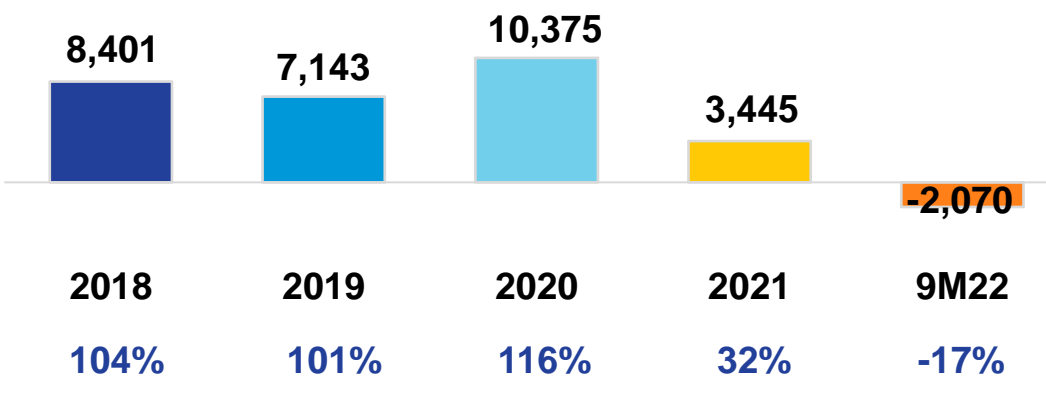


3Q22: Free cash flow remained positive, despite impacted by record high net working capital

Quarterly Free Cash Flow
THB mn



Annual Free Cash Flow
THB mn



- **Free cash flow in 3Q22 remained positive**, driven by strong EBITDA, partially offset by a temporary impact from the increase in net working capital due to higher inventory, high trade receivables from record sales, and 1H22 interim dividend payment.
- **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**.

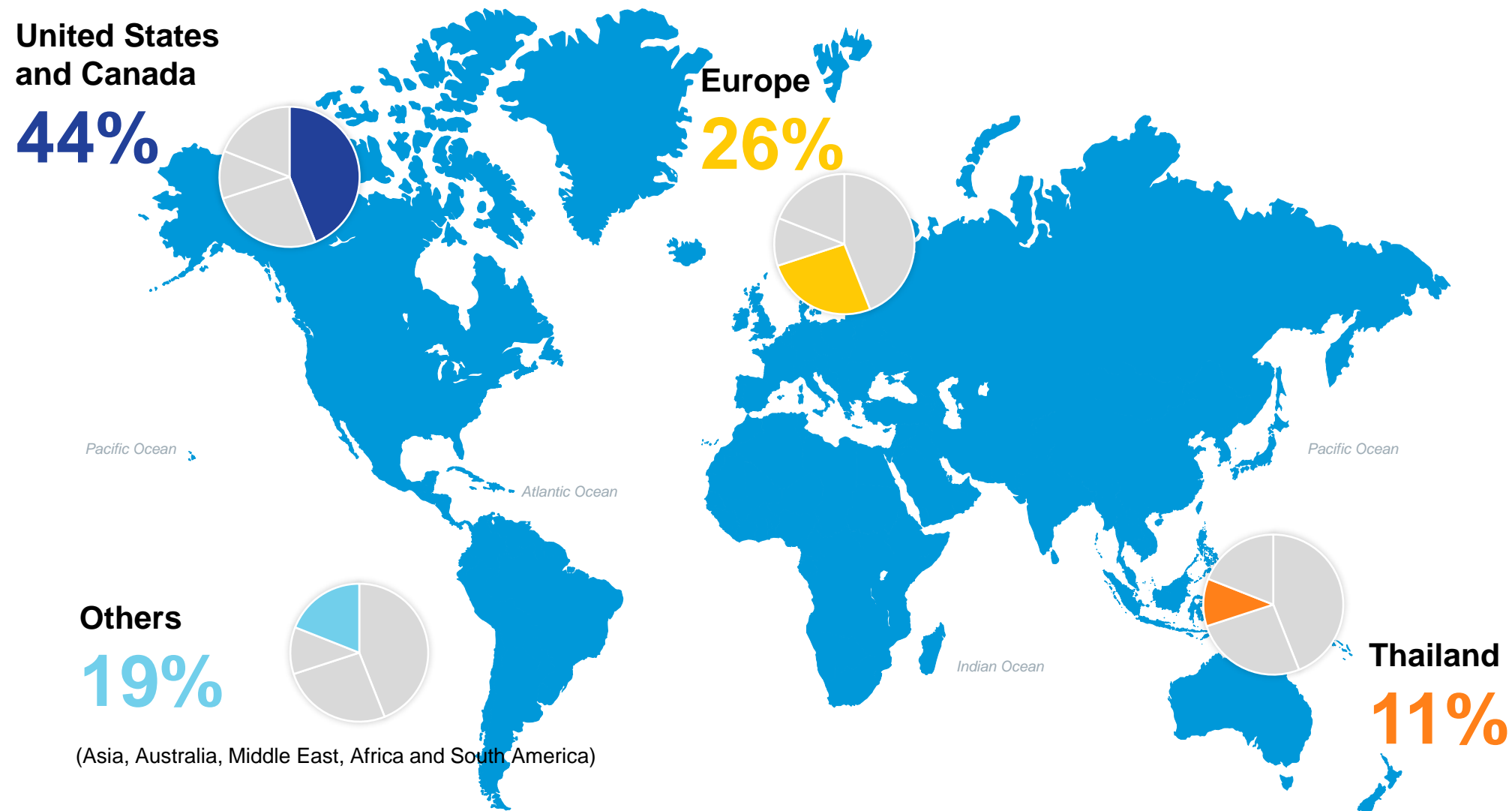
Remark: Change definition of Free Cash Flow;

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.

9M22: Record high sales in the U.S. and Thailand



3Q22 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 	16,985 (3Q21: 14,954)	22.9 (3Q21: 20.7%)	3,882 (3Q21: 3,094)
Frozen and chilled seafood <ul style="list-style-type: none"> • Shrimp and related¹ • Lobster • Frozen, chilled and smoked salmon • Other seafood² 	14,820 (3Q21: 14,843)	6.4 (3Q21: 13.1%)	945 (3Q21: 1,940)
PetCare, value-added and others <ul style="list-style-type: none"> • PetCare³ • Value-added and other products⁴ 	8,951 (3Q21: 5,742)	28.7 (3Q21: 23.6%)	2,571 (3Q21: 1,357)
Total	40,756 (3Q21: 35,539)	18.2 (3Q21: 18.0%)	7,399 (3Q21: 6,391)

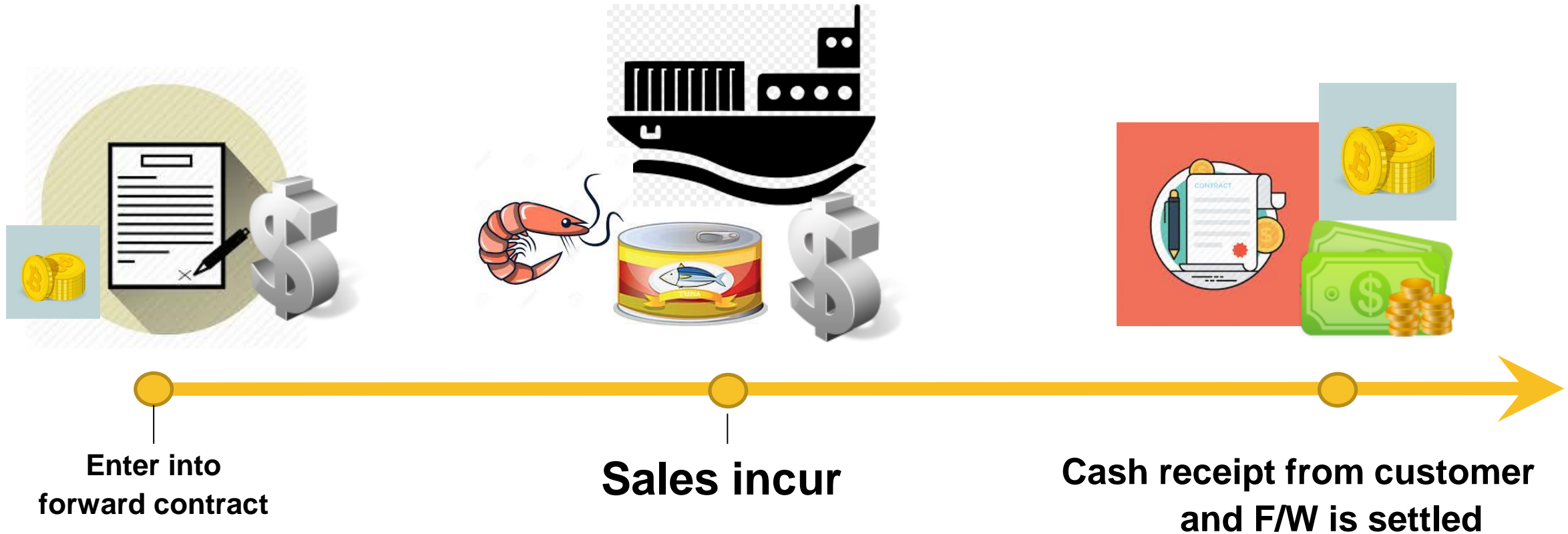
Remark: ¹Shrimp & related business includes frozen shrimp, shrimp feed and value-added shrimp

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

Sales and Hedging Activities - Timeline



TU Group's Previous Accounting Treatment

PL	Q4' 18	Q1' 19	Q2' 19	Total
Sales	-	3,100	-	3,100
Gain(loss) on FX – AR (Cust.)	-	50 [(31.5-31.0) x \$100]	-	50
Gain/(loss) on FX – AP (Bank)	200 [(33.0-31.0) x \$100]	(50) [(31.0-31.5) x \$100]	-	150
Amortization of Deferred Exp.	(30) [(33.0-32.3)x3/7 mth x \$100]	(30) [(33.0-32.3)x3/7 mth x \$100]	(10) [(33.0-32.3)x1/7 mth x \$100]	(70)
Total	170	3,070	(10)	3,230

Enter into
F/W contract for \$100
(settlement period
Oct' 18 – Apr' 19)



1 Oct 2018

Spot Rate = 33.0

F/W Rate = **32.3**

F/W MTM = 0

1 Jan 2019 Sales \$100

Spot Rate = 31.0

F/W MTM = +0.9/USD

31 Mar 2019

Spot Rate = 31.5

F/W MTM = +0.5/USD

3 Apr 2019

Receive cash from customer
& F/W is settled

Since 2019 – Hedge Accounting (Effective Portion)

PL /OCI	Q4' 18	Q1' 19	Q2' 19	Total
Sales	-	3,100	-	3,190
Sales Adj. from Hedging		90 [0.9 x \$100]		
Gain(loss) on FX – AR (Cust.)	-	50 [(31.5-31.0) x \$100] (40) [(0.5-0.9) x \$100]	30 [(32.3-31.5-0.5)x\$100]	40
Total	-	3,200	30	3,230
OCI (Equity)	90	(90)	-	-



Thank You!

