

Analyst Meeting for 1Q23 Results

Thai Union Group PCL.
May 3, 2023



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

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

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





1Q23 Key Highlights

“ 1Q23 is expected to be the softest quarter of the year explained by high sale baseline in 1Q22, high inventory level at our customers and logistic normalization. However, we have already seen signs of improvement in 2Q23 and expect to be back to growth in 2H23. ”

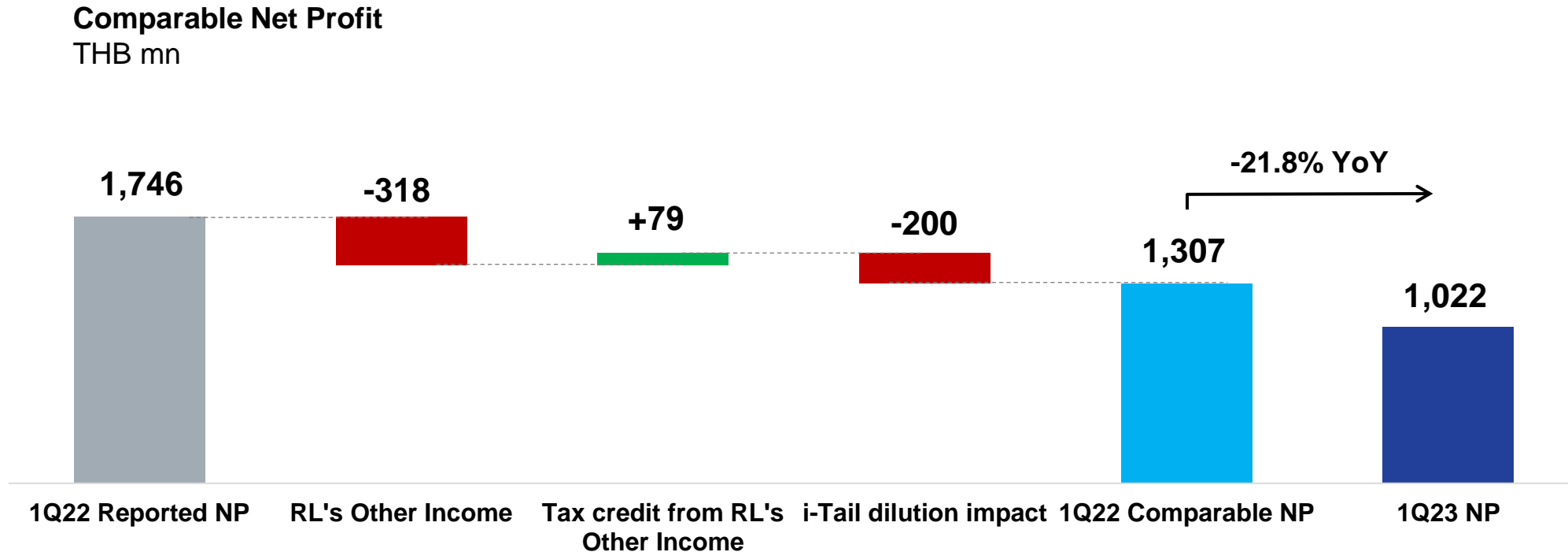
Thiraphong Chansiri
President and CEO



1Q23: As expected, soft operating performance due to high baseline in 1Q22, soft demand and logistic normalization. Positive news on SG&A and RL share of profit
THB mn

Sales		Gross Profit		Operating Profit		Net Profit	
32,652		4,917		796		1,022	
Sales		Softer GPM at 15.1%		Lower OP across businesses		NP dropped from high base last year	
Impacted by soft demand and high fish price							
Slower 1Q sales as expected across all categories:		Gross profit dropped 23% YoY, mainly from:		Operating profit decreased 51% YoY, mainly from:		Net profit dropped by 41% YoY, mainly from:	
<ul style="list-style-type: none"> Declining sales from PetCare (-22%), Frozen & Chilled (-15%), Value Added (-9%), and Ambient (-2%), mainly from soft demand, high fish price and customer destocking with global logistic normalization and lower freight revenue Partially offset by higher selling prices 		<ul style="list-style-type: none"> Lower sales volume across all categories, which results in higher production cost per unit Impact from falling freight revenues, while the cost of key raw materials is higher, especially Salmon price (+32.7% YoY) and Tuna price (+6.0% YoY) Negative category and product mix 		<ul style="list-style-type: none"> Soft performance across businesses, volume dropped and rising key material costs. Partially offset by SG&A 12.1% reduction YoY in 1Q23, thanks to significant freight cost improvement 		<ul style="list-style-type: none"> Impact from lower GP, Two non comparable entries with RL's preferred share fair value adjustment in 1Q22 and 22.18% dilution effect on i-Tail net profit, Partially offset by positive impacts from RL's share of profit, FX gain, and higher tax credit 	
YoY Chg.	-10.0%	-22.6%		-51.5%		-41.5%	
QoQ Chg.	-17.6%	-28.4%		-65.5%		-17.5%	
% of sales		15.1%		2.4%		3.1%	

1Q23 Net profit dropped YoY, mainly from two non-comparable items last year



1Q22 Reported net profit of THB 1,746mn included two non comparable items:

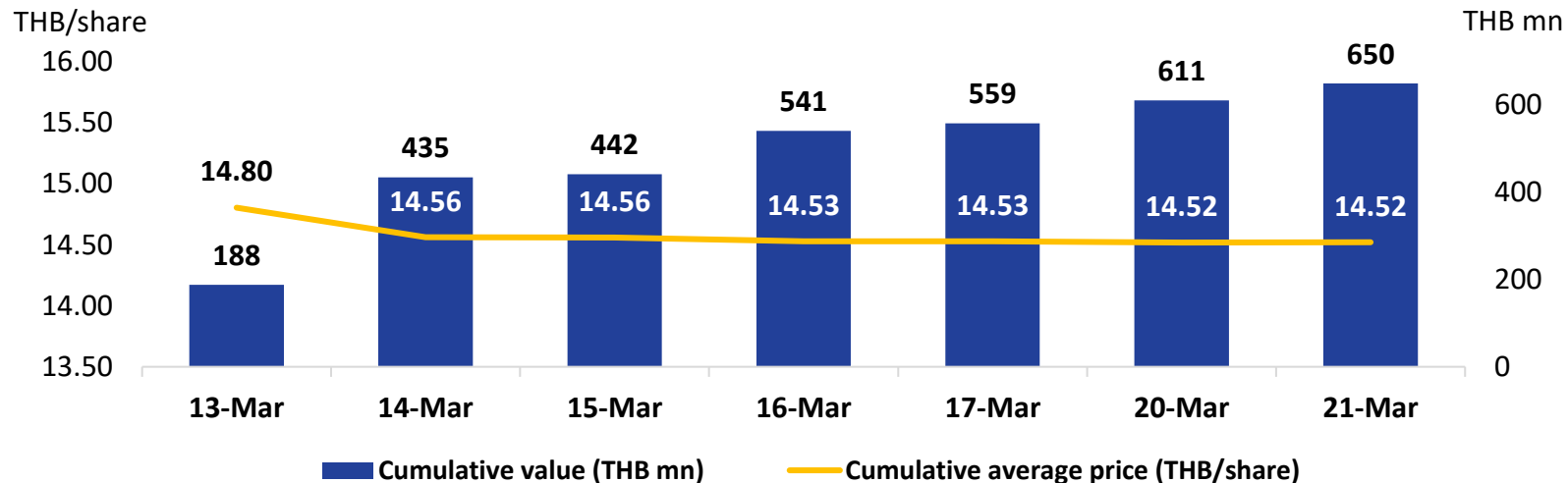
- 1) **RL's preferred interest of THB 239mn (after tax)** and
- 2) **i-Tail of THB 200mn (dilution portion)**

Excluding both items, the comparable net profit was THB 1,307mn

Thai Union has started Mid-March Share Buyback Program to increase market confidence and trust

Program Summary

Announcement Date	16 December 2022
Repurchase Date	3 Jan – 30 Jun 2023
Main purposes	<ol style="list-style-type: none">1. To ensure the excess liquidity is for the utmost benefit2. To increase ROE and EPS3. Build trust
The maximum amount for the share repurchases	<ul style="list-style-type: none">• Not exceeding 3,000 million baht• Not exceeding 200 million share (4.19% of the total paid-up capital)



- As of 30 Mar 2023, the total cumulative number of shares repurchased is **650m Baht (44.8m Shares)** at an average price of **THB 14.52 Baht per share**
- TU could not continue the execution until the release of 1Q23 results (**silent period 3 Apr – 3 May**)

New and innovative product launches

Growing our “Healthy Living” portfolio and higher-margin branded business

Vegan Tuna launched under John West in the Netherlands

- **2 SKUs launched:** Tomato and basil & Dash of oil
- Vegan **fish-free tuna products**, made from soy protein and wheat
- Now on shelves across **1,400 stores** in the Netherlands **through two largest supermarket chains** and **online** with strong distribution

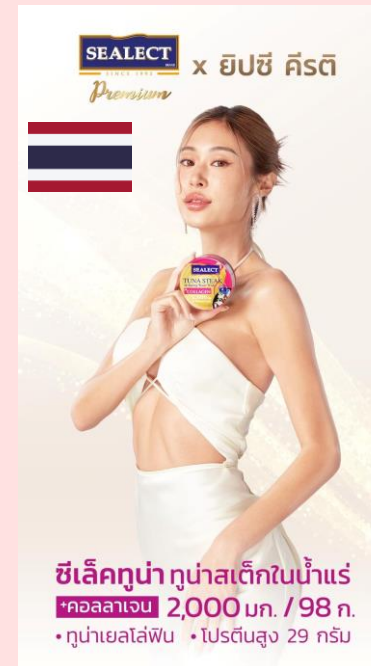
SINCE 1857
JOHN WEST
EAT STRONG. GO STRONG.



Now available at:



SEALECT Tuna's first brand ambassador in 30 years



- SEALECT announced **Gypsy Keerati** as its first brand ambassador
- To highlight the **Premium Tuna range** which features Tuna yellowfin combined with the most **premium ingredients**
- Expanding to new **health-conscious**, younger and **active** consumers as a **healthy, seafood brand**



- New launched, **Tuna Steak in Himalayan Pink Brine**, official launch in May 2023



Red Lobster® launched First-Ever frozen retail product line in Feb 23

- **Lineup of new seafood products:** Cheddar Bay Biscuit Shrimp, Cheddar Bay Biscuit Cod, Coconut Shrimp Bites, and Parmesan Crusted Garlic & Herb Stuffed Shrimp
- **1 out of 4 SKUs** is processed in our factories in Thailand
- Now available totaling **5,200 stores** and **online in the U.S.**, with **very great feedback and exceeding the forecast**



SPACE-F Batch 4 launched in March 2023 and growing collaboration with CVC

At Thai Union, we continue support outstanding FoodTech entrepreneurs to build strong and sustainable businesses that create positive impact to the world:

SPACE-F

- SPACE-F kick started **Batch IV in March 2023**
- 20 startups (**10 accelerator** and **10 incubator**)
175 applicants from 24 countries
- Over **90 percent of startups** joining the program is **thriving and making an impact in the industry**

4
years

47+
startups

11
countries

\$62m+
Funding



SPACE-F launches Global FoodTech Incubator and Accelerator Batch 4, aiming to making Southeast Asia a global hub for FoodTech

Meet SPACE-F Batch 4 Cohort



GLOBAL FOODTECH PLATFORM



Highlight collaboration snapshot:

CVC Benefits to TU



- Produces a fiber-based ingredient that reduces the sugar content of foods
- Thai Union is **utilizing Alchemy products in our products** i.e. ready-to-eat and ready-to-cook products
- Thai Union supports **scaling up production & distribution**



- Grows Black Solider Fly (BSF) to produce protein for pet treats
- Thai Union is **utilizing BSF as a protein source for pet food**
- Thai Union is the **OEM manufacturer for Orgafeed's pet treats** since June 2022



Access to new customers, market insights and technology



Deal flow & Foresight of where the industry is going

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



As part of a mangrove restoration project with Thailand's Department of Marine and Coastal Resources, **Mr. Thiraphong Chansiri, our CEO, 65 volunteers from Thai Union Group and subsidiaries**, along with 20 volunteers from government agencies and the local community **planted 2,000 mangrove seedlings** at Khoyisan Sub-district in Samut Songkhram.



At **Seafood Expo North America**, Thai Union leads call for **Restoration of Endangered Species**, and highlighted that we are sourcing from vessels that are **implementing best practices to protect wildlife from bycatch**



Thai Union **donated THB 10 million** to **Siriraj Hospital** to support its development of the **Siriraj Academic Center of Geriatric Medicine in Samut Sakhon**.

Introducing new commitments towards 2030 SeaChange® in June

Upgrading from own operations to cover upstream and downstream

Objectives of SeaChange 2030

- Continue **Thai Union's leadership position** in sustainability
- Be 'fit-for-the-future' and **include new emerging sustainability topics**
- Refresh the structure and language by recognizing progress to date
- Ensure the **new strategy appeals to a broad range of stakeholders** and can be easily communicated
- Ensure **goals are measurable** and we can communicate about 'impact created'
- Establish **Thai Union as the go-to for sustainable seafood** amongst our key customers by aligning with their ambitions
- Ensure **compliance** with the anticipated **regulatory landscape**

Building on Existing 2025 Commitments



RESPONSIBLE TUNA

100% of Tuna from MSC or FIPs with suppliers demonstrating operational best practice



SUSTAINABLE PACKAGING

100% of branded packaging to be reusable, recyclable or compostable



REDUCING FOOD WASTE

50% reduction in food loss & waste from our operations



CLIMATE CHANGE

4% reduction on Scope 1 & 2 greenhouse gas emissions per year



seaCHANGE
2030
COMING IN JUNE 2023



Best Group CEO Asia 2023



Best Group CFO Thailand 2023

We are proud of the recognition we continue to receive

**Multiple awards from GLOBAL BANKING & FINANCE
AWARDS® and Finance Derivative in 1Q23**



The Next 100 Global Awards 2023 – Seafood Innovation



Best Group CEO Asia 2023: Business Leadership Awards for
Mr. Thiraphong Chansiri, CEO of Thai Union PCL



Best Group CFO Thailand 2023: Business Leadership Awards
for Mr. Ludovic Garnier, Group CFO of Thai Union PCL



**Leading Company in Building Community Resilience
Thailand 2023:** CSR Awards



Best Investor Relations Company Asia 2023: Investor
Relations Awards



Best CSR Company(Food Industry)Thailand 2023 from
Finance Derivative

Source: [GLOBAL BANKING & FINANCE AWARDS® – 2023 – Award Winners \(globalbankingandfinance.com\)](https://globalbankingandfinance.com/)
and [Winners list 2023 - Finance Derivative](#)

1Q23 Analyst Meeting



1Q23 Financial Results

- Consolidated



“ Our balance sheet is now in excellent condition with ND/E of 0.57 times as of 1Q23, much below our target of 1.0-1.1 times. As a result, we are now considering to re-activate the M&A process. ”

**Ludovic Garnier,
Group CFO**



SG&A decreased by 12.1% YoY, thanks to significant freight cost improvement and logistic normalization

1Q23 Key Takeaways



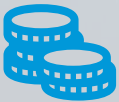
RL Turned To Profit

- **Red Lobster's performance turned to profit as expected**
- **Red Lobster recorded shares of profit of THB 121mn in 1Q23** vs. shares of loss of THB 243mn last year, driven by sales growth, lower COGS, and lower labor cost



Significant decrease in SG&A

- **1Q23 SG&A decreased 12.1% YoY**, thanks to significant freight cost improvement and logistic normalization
- **%SG&A to sales dropped to 12.6% in 1Q23** (vs. 12.9% in 1Q22)



Recorded FX Gains

- Thai Union recorded **FX gain of THB 215mn in 1Q23**, despite stronger THB against key currencies in 1Q23, vs. FX loss of THB 21mn in 1Q22



Healthy Balance Sheet

- **ND/E was 0.57 times as of 1Q23**, much below our target of 1.0-1.1 times
- **M&A is back on top of our priorities**, with accretive business and strategic fit as key criteria for search

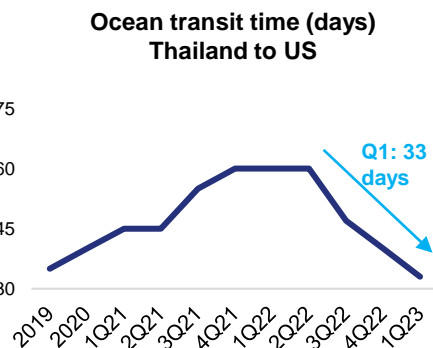
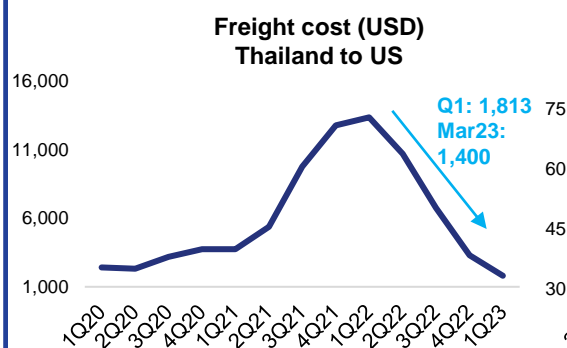


Focus bottom line growth

- Thai Union is focusing on margin expansion by **10% of revenue from innovation with a gross profit margin >20% within 2025**
- Thai Union is now **developing 2030 corporate strategies**

Freight cost and transit time were lower than the pre-covid level, while core inflation remained high

Logistics: Freight price impact turned positive



The impact of freight price significant improvement, **it turned positive by THB ~470mn in 1Q23** (vs. negative of THB ~710mn in 1Q22), thanks to **freight price significantly recovered**



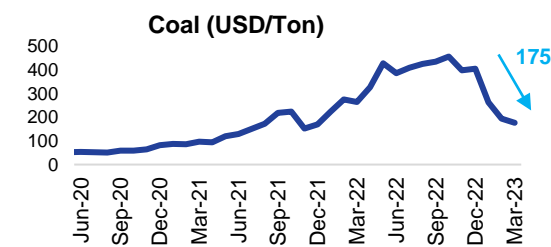
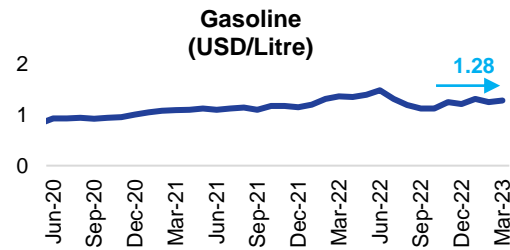
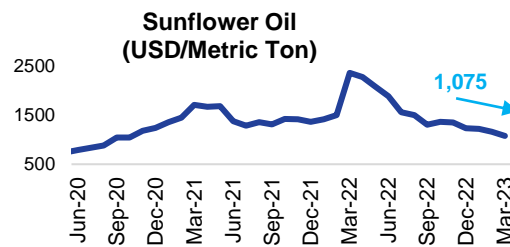
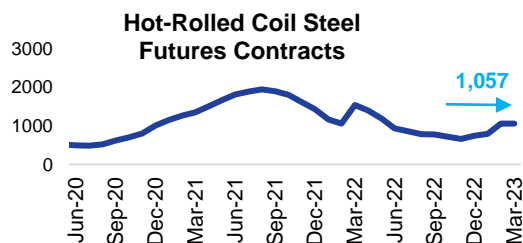
Macro economic overview

- **Headline inflation in 1Q23** likely slowed driven by falling energy prices, however, **core inflation**, which excludes volatile food and energy prices **remained high**.
- **Freight price significantly recovered to 1,813 USD in 1Q23**, lower than the pre-covid level (1Q19 freight price was 2,523 USD)

COGS inflation: Signs of improvement in some material prices

Headline inflation slowed in March 2023 (US +5.0%, EU +6.9%, TH +2.8% YoY).

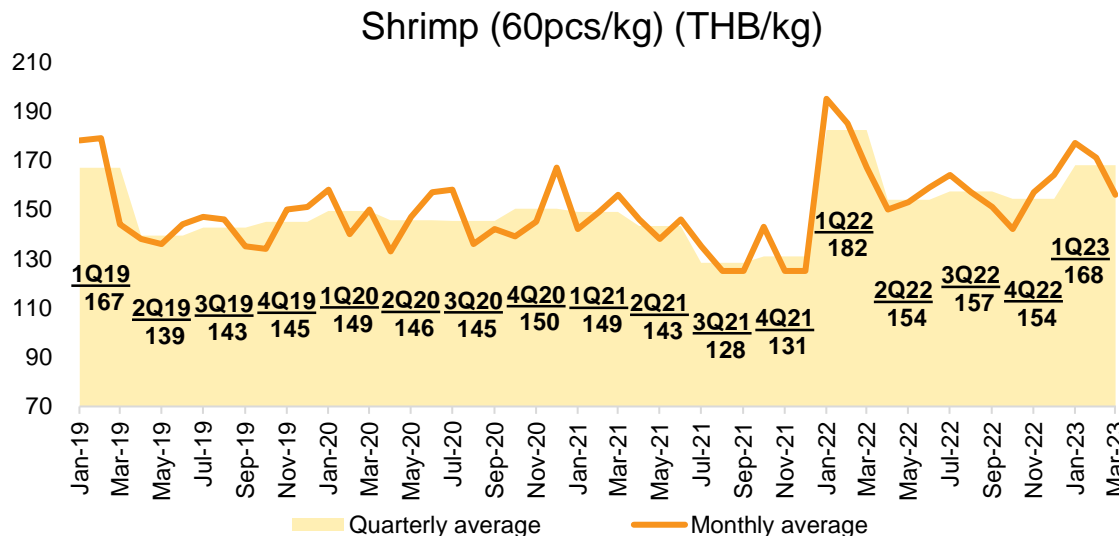
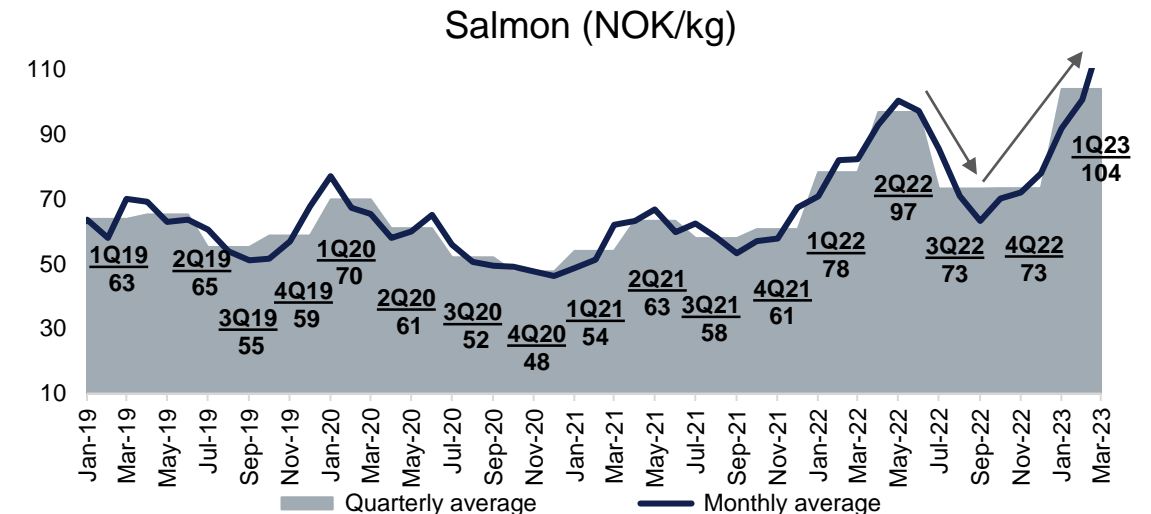
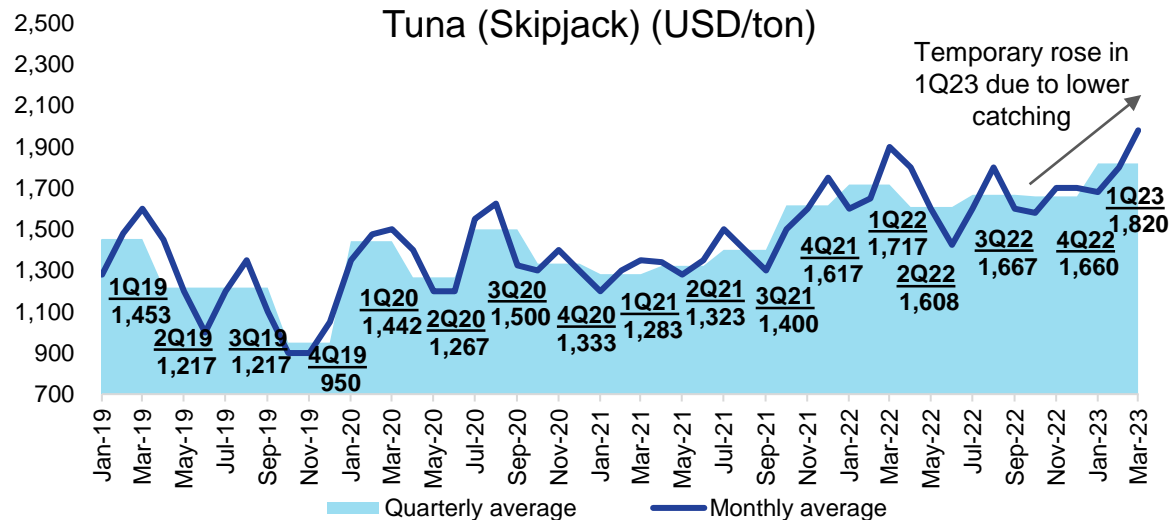
Impact to TU: Overall COGS decreased 7% YoY in 1Q23, COGS decreased lower than sales decreased as key material prices remain high (includes seafood raw materials, utilities, packaging, and ingredients).



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.

Fish prices started the year higher than our expectations and are expected to remain at high level in 2Q23



In March 2023, raw material prices closed at:

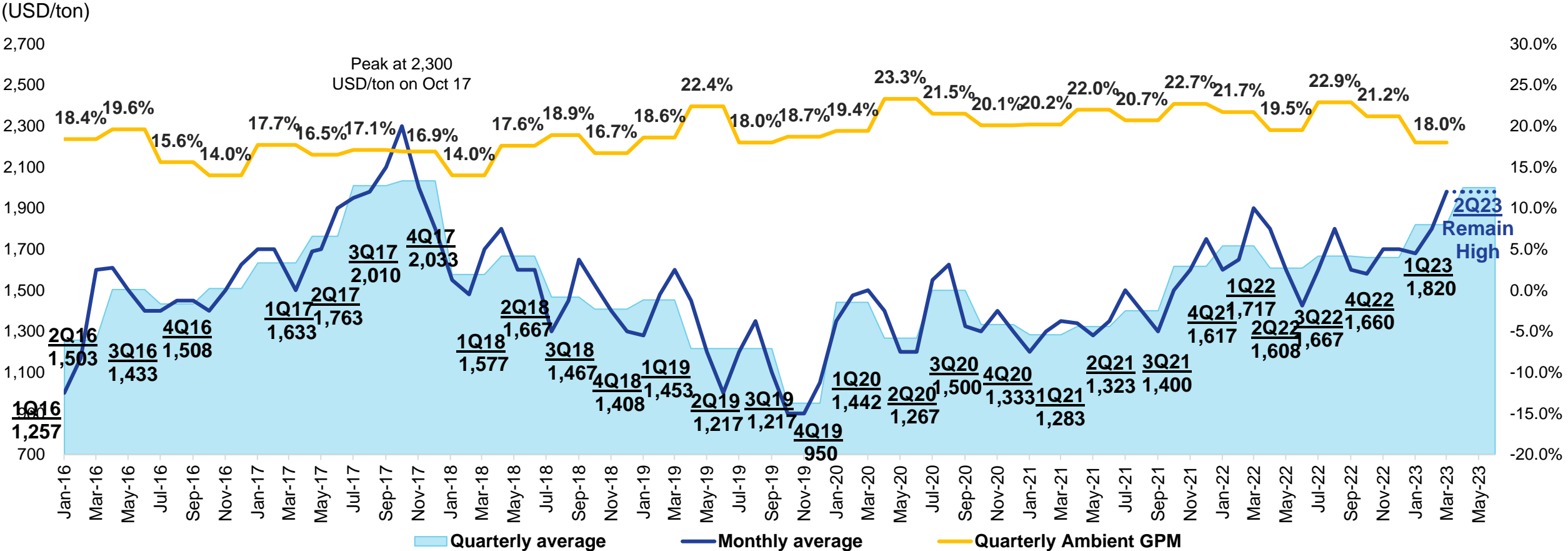
- Tuna – USD 1,980/ton, Shrimp – THB 156/kg, Salmon – NOK 119/kg

In 1Q23, average raw material prices closed at:

- Tuna: USD 1,820/ton (+6.0% YoY, +9.6% QoQ)
- Shrimp: THB 168/kg (-7.9% YoY, +8.9% QoQ)
- Salmon: NOK 104/kg (+32.7% YoY, +41.7% QoQ)

Source: Thai Union and Bloomberg data

Increase in the tuna prices, resulting in a temporary decrease in Ambient GPM because of time lag



Healthy level of tuna supply, especially skipjack specie

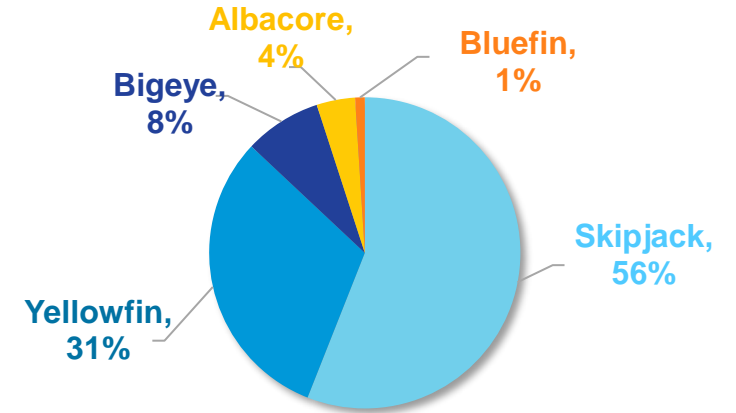
Global summary of tuna catches and stocks



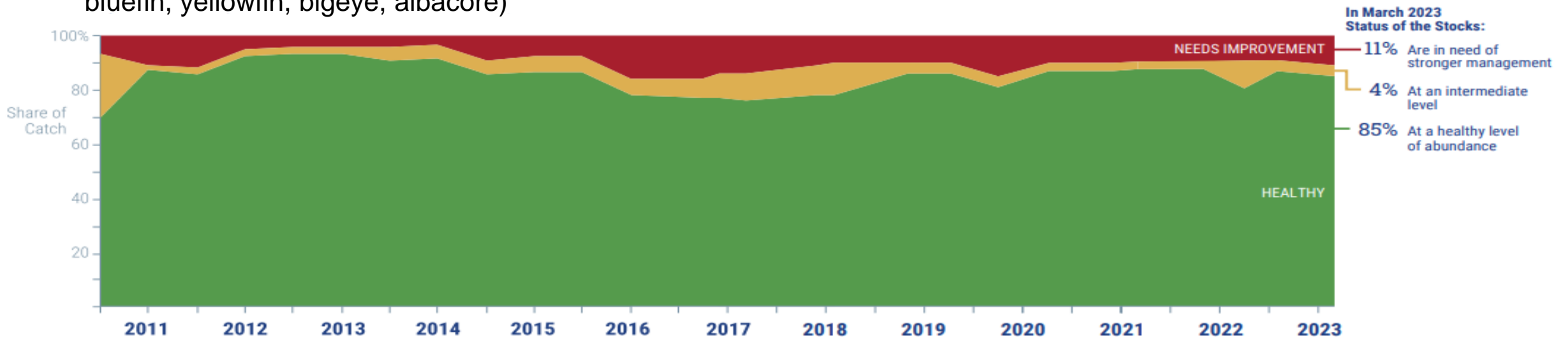
Global Tuna Catching has Stabilized since early 2000s

- **Average global catching of tuna** during 2017-2021 were around **5.08 million metric tons**
- **85% is sourced from stocks with “HEALTHY”** level of abundance, an increase from 80.5% found in 2022 (skipjack stocks contribute more than one-half of the global catch of tunas)
- **11% of tuna catch coming from overfished stocks**, an increase from 9.2% found in 2022. (Overfished including bluefin, yellowfin, bigeye, albacore)

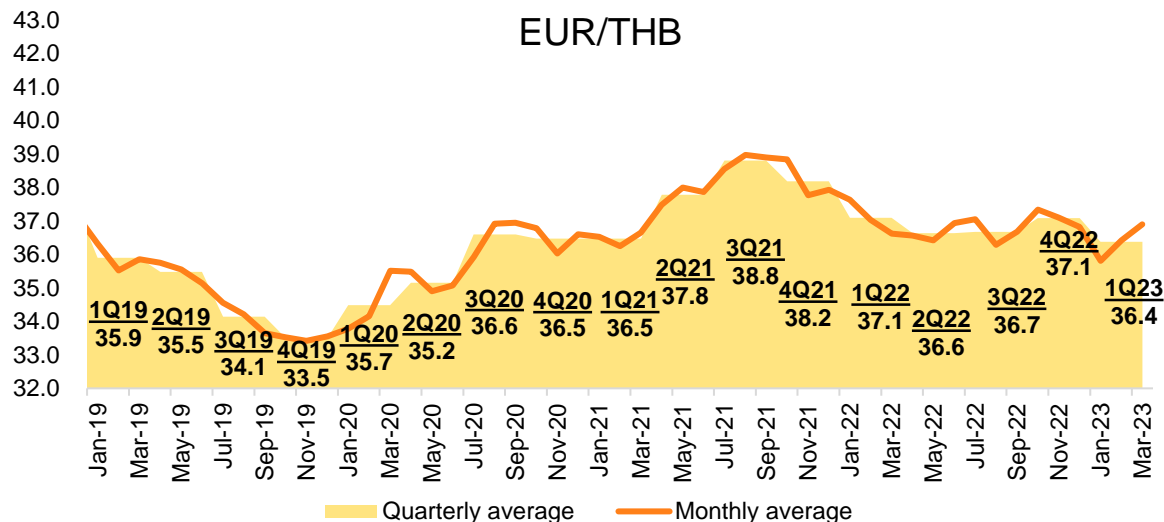
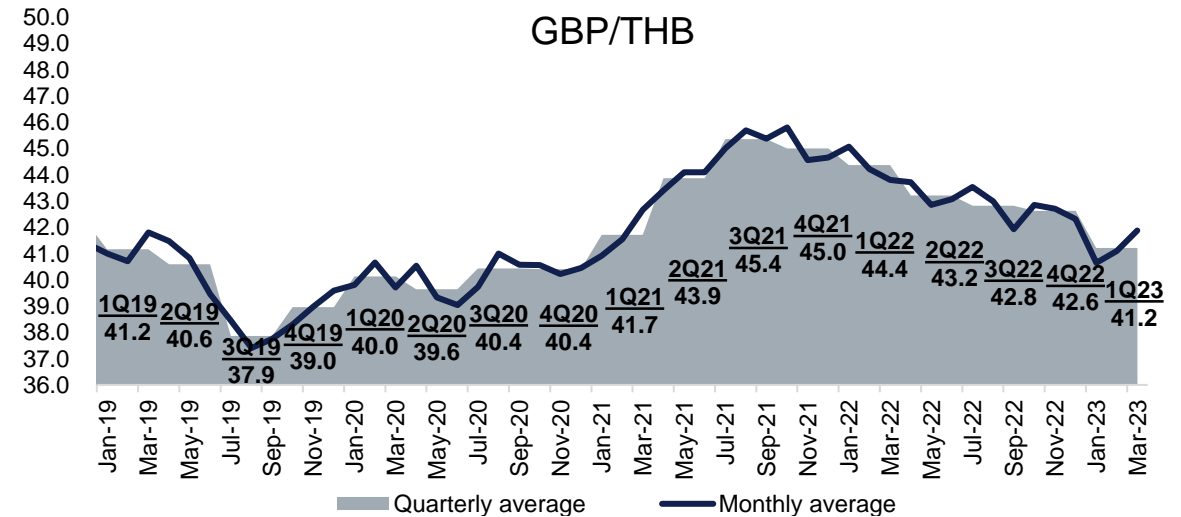
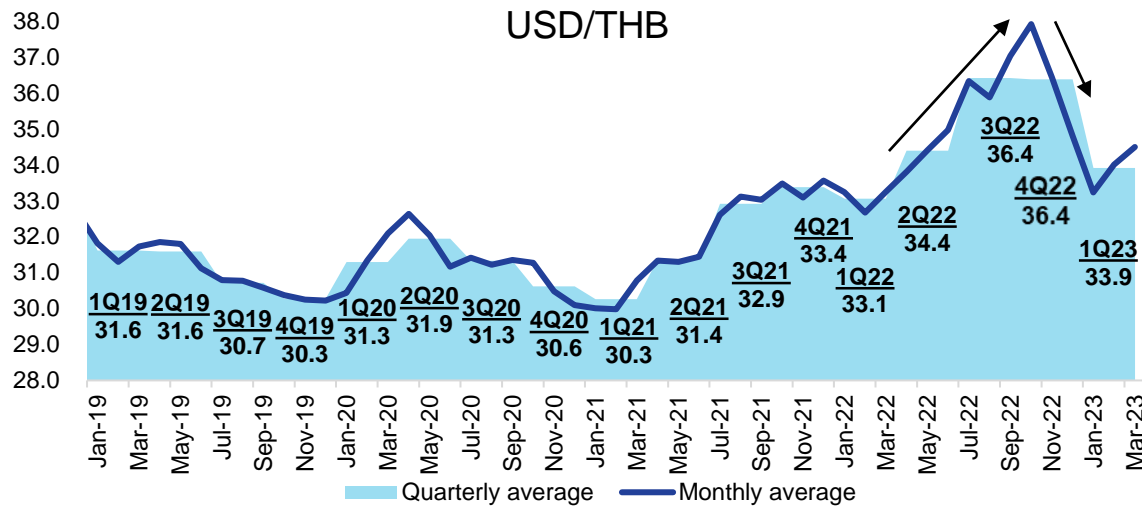
Catches by Species 2023



Source: Status of the world fisheries for tuna. ISSF technical Report 2023-01. International Seafood Sustainability Foundation. The state of world fisheries and aquaculture 2022, Food and Agriculture Organization of United Nations (FAO).



THB has been appreciating QoQ against all key currencies since the beginning of the year



In March 2023, average FX rates closed at:

- USD/THB – THB 34.50, EUR/THB – THB 36.93, GBP/THB – THB 41.89

In 1Q23, average FX rates closed at:

- USD/THB: THB 33.91 (+2.6% YoY, -6.8% QoQ)
- EUR/THB: THB 36.38 (-1.9% YoY, -1.9% QoQ)
- GBP/THB: THB 41.22 (-7.1% YoY, -3.3% QoQ)

Source: Thai Union and Bank of Thailand data

Red Lobster performance turned to profit, thanks to seasonality and Lobsterfest success; it will require confirmation over next few quarters

THB mn	1Q23	4Q22	3Q22	2Q22	1Q22
Share of profit/loss from operations	121	-344	-339	-281	-243
Share of profit/loss from lease accounting adj.	-101	-112	-117	-102	-92
Preferred interest	0	0	0	-300	318
Interest expense	-138	-115	-113	-112	-114
Income tax	252	222	66	240	206
Net income	134	-348	-502	-554	76
EPS (THB/share)	0.03	-0.07	-0.11	-0.12	0.02

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

- **1Q23 RL's operations reported 1st profit in the past two years:** marked at THB 121mn profit in 1Q23, compared to THB 243mn loss in 1Q22, thanks to seasonality and our turnaround strategy
- **1Q23 Preferred interest marked at THB 0mn** vs. THB 318mn in 1Q22 (reversed in 2Q22), mainly from preferred shares fair value adjustment impacted by significantly increase in the U.S. interest rate
- **Thai Union demonstrated its support to Red Lobster** by providing in August 2022 a USD 65mn** guarantee of a portion of Red Lobster's credit facility.

Recorded at THB 318mn in 1Q22 and reversed in 2Q22

1Q23 Analyst Meeting

Remark: *Including lease accounting adjustment applied since 1Q21 onwards.
 **The amount of the guarantee provided to Red Lobster is equivalent to THB 2,204mn (THB/USD as of 1Q23 = 33.91)

We confirm RL full year performance guidance and continue to focus on the business turnaround

Share of profit (THB mn)	2023E	2022	2021	2020
Operations*	-600	-1,207	-178	-1,187
Lease accounting adj.	-385	-422	-638	0
Preferred interest**	0	18	1,216	992

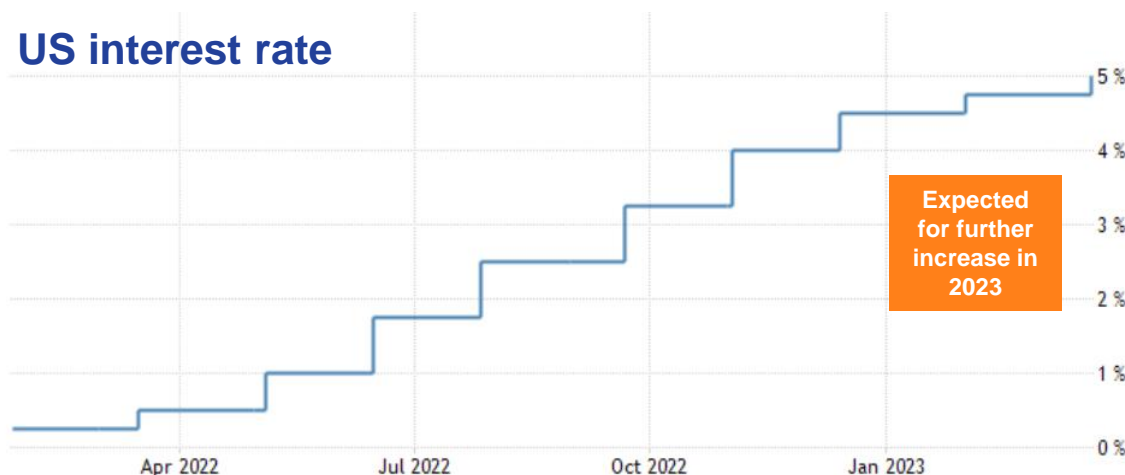
- We confirm 2023 RL performance guidance and continuity strategies. There is **no plan to sell Red Lobster in the short term.**

US interest rates raised twice early this year by 0.50%, to a new range of 4.75%-5% as expected

- Over the last year, the Fed has raised its benchmark interest rate by 4.75%
- Inflation has fallen significantly from the peak last year, though it remains more than the Fed's target of 2% (5% in Mar. 2023)

Moreover, US interest rates is expected to reach the peak in a range of 5%-5.25% this year.

US interest rate



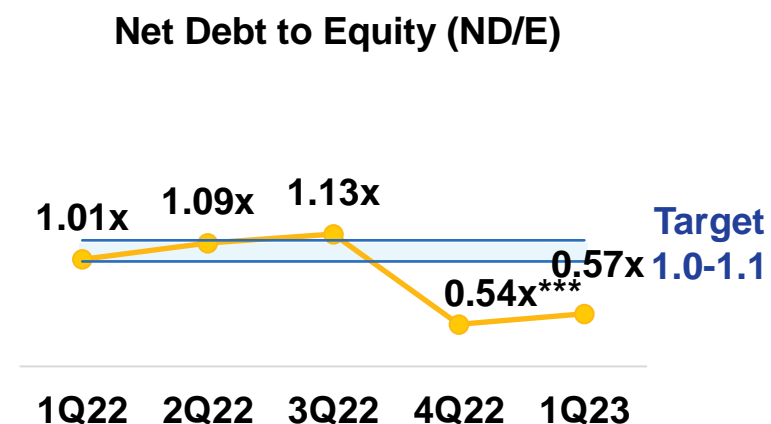
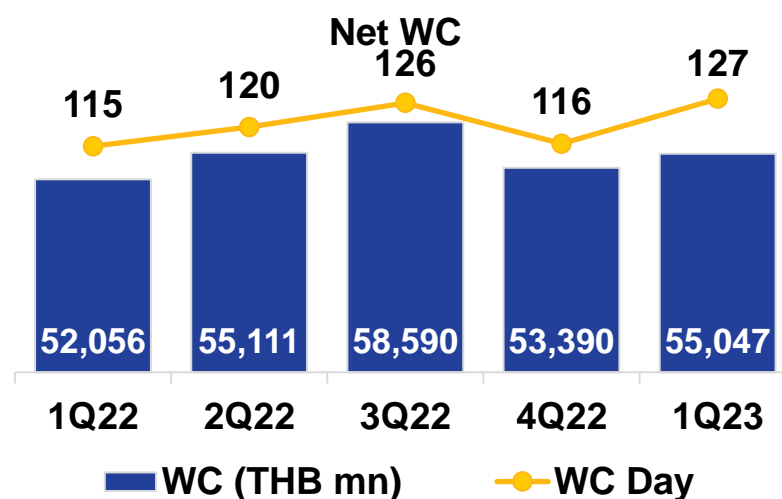
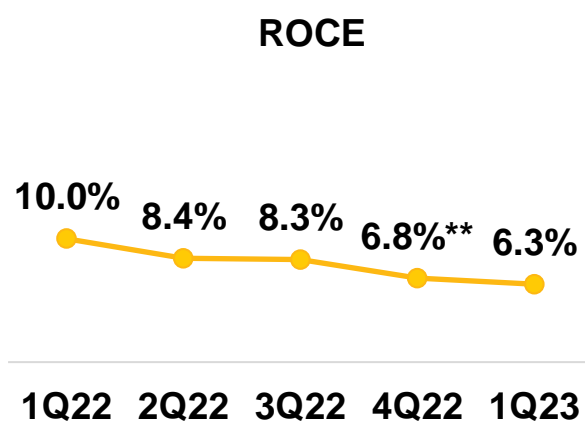
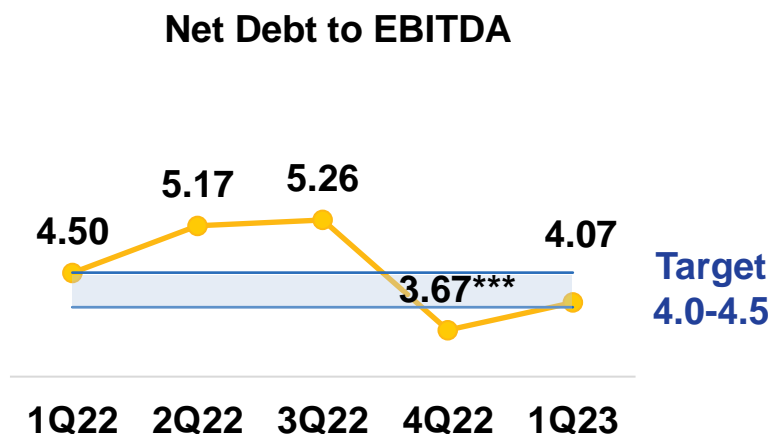
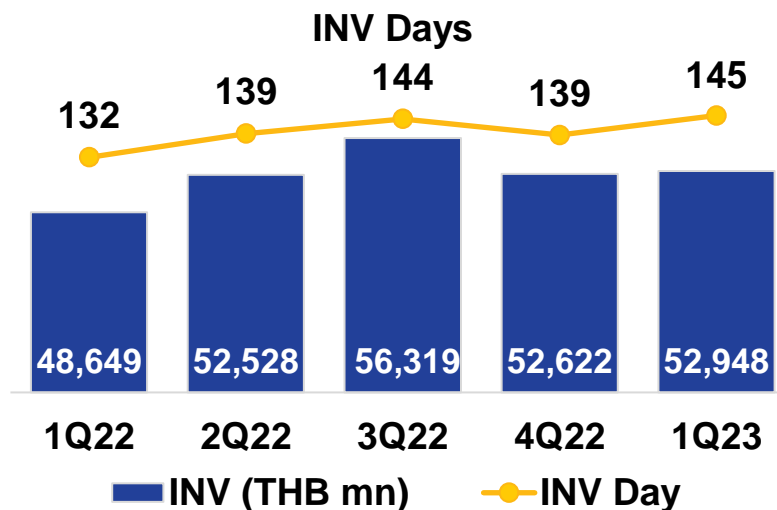
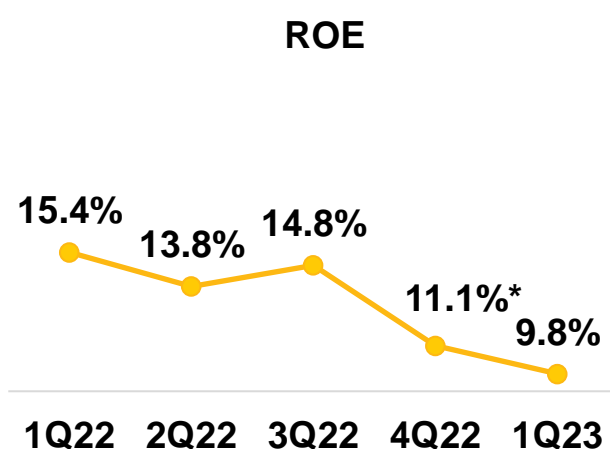
Source: TradingEconomics.com, Federal Reserve



Remark: *Based on our assumptions, we estimate to achieve share of loss from Red Lobster's operations in a range of THB 550-650mn in 2023.

**Including management fee

1Q23 Net working capital slightly increased due to seasonality and lower sales

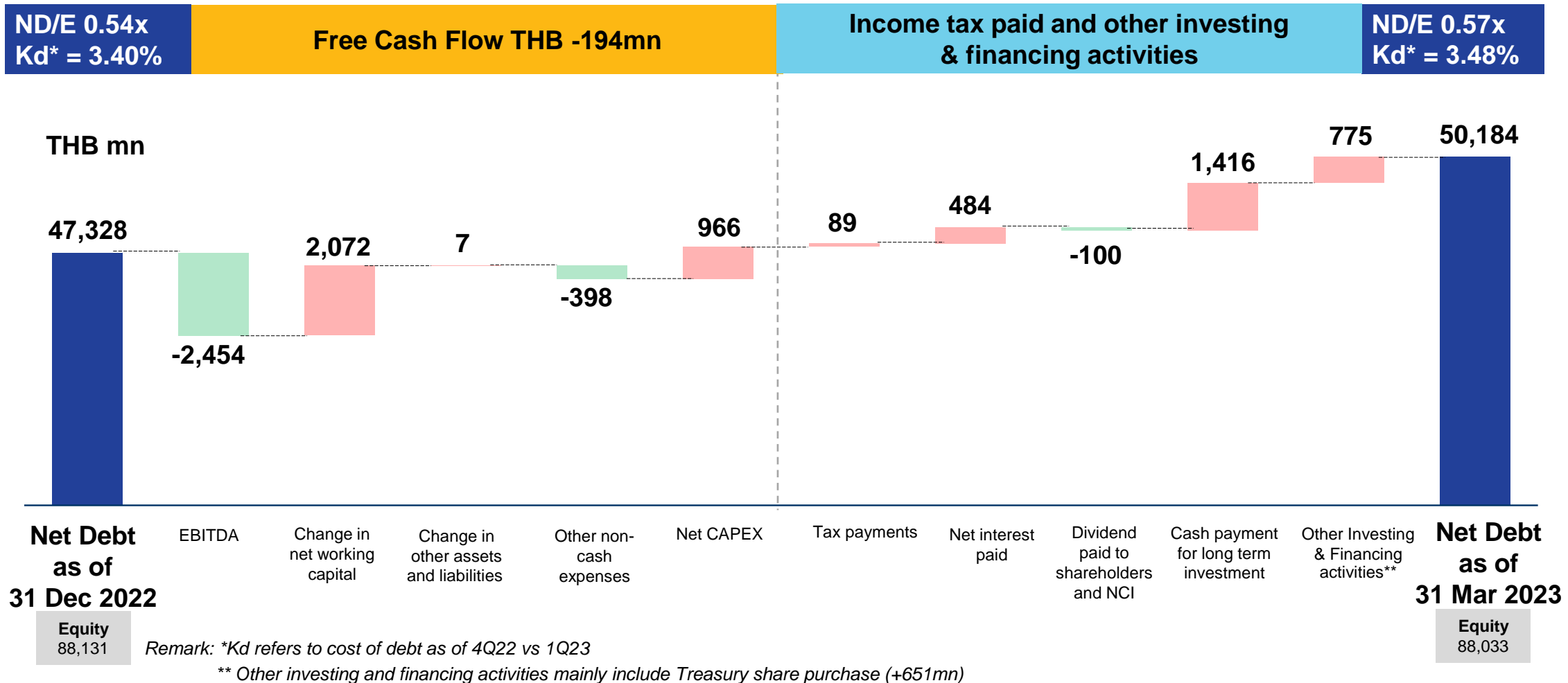


Remark: *ROE significantly dropped because an increased in Equity attrib. to owners of the parent from ITC IPO

**ROCE significantly dropped because a decreased in Current liabilities from ITC IPO

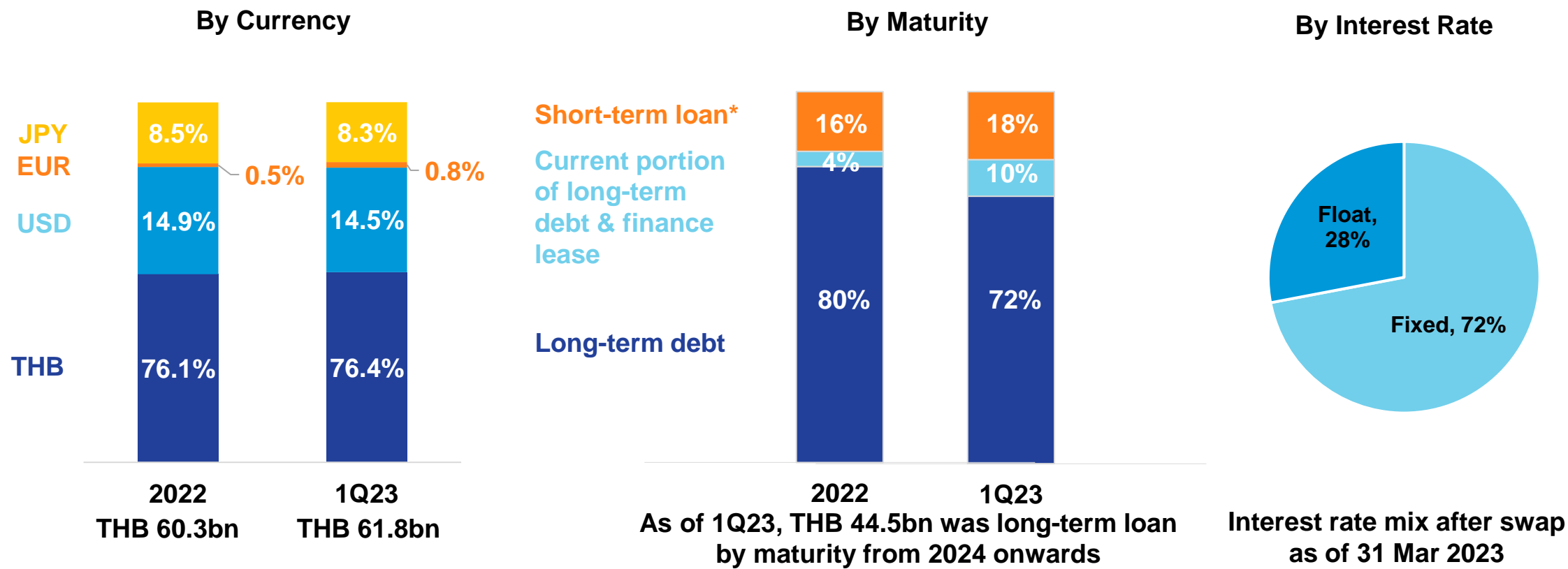
*** ND/EBITDA / ND/E significantly dropped thanks to capital raised and proceeds from ITC IPO

1Q23 Net debt slightly increased to THB 50bn from active financing activities



Kept a high portion of fixed-rate loan during this period of interest rate hikes

Interest-bearing debts of THB 61.8bn



Remark: *Short-term loans including Bank overdrafts THB 363mn for the period ending Mar 2023

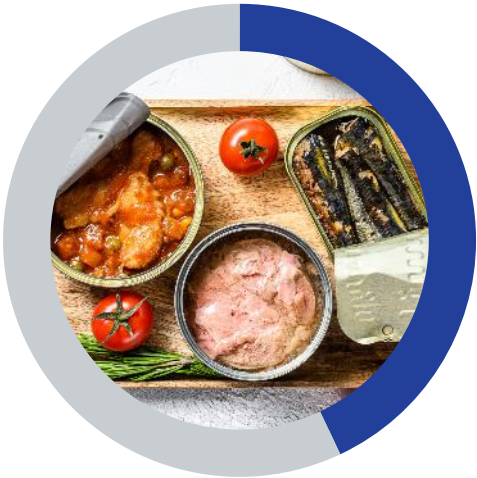


1Q23 Business Performance

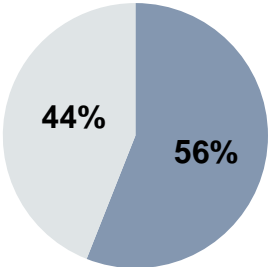
Category mix: Ambient sales contribution increased to the expense of Petcare category

Total 1Q23 sales: THB 32,652mn

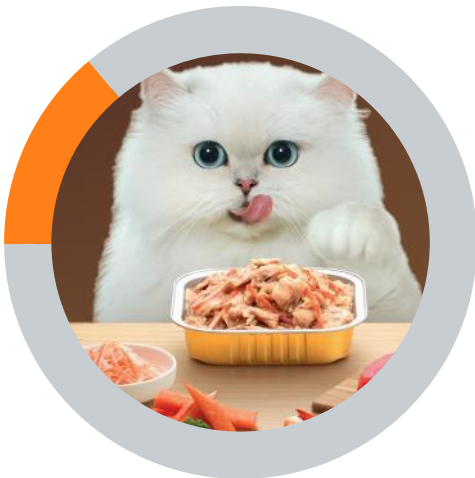
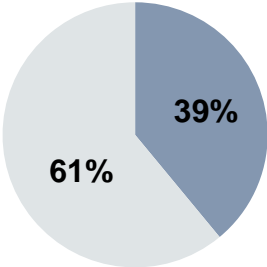
Business Categories



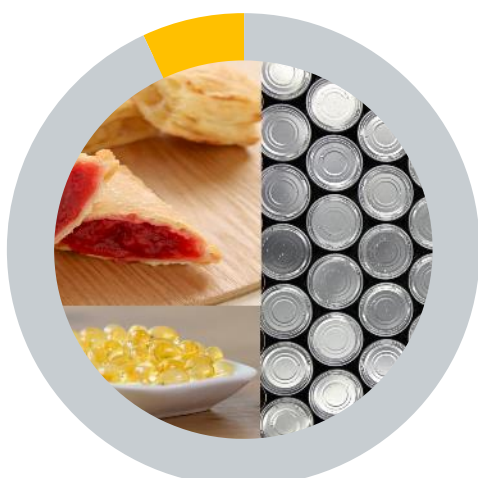
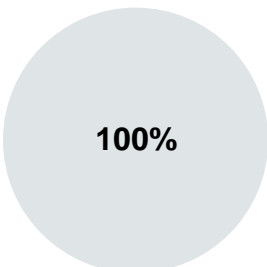
46%
Ambient Seafood
THB 15,225mn



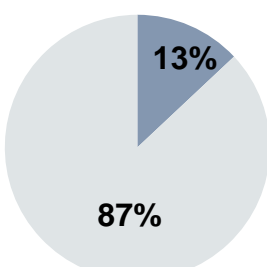
36%
Frozen and Chilled
THB 11,684mn



11%
PetCare
THB 3,495mn



7%
Value Added & Others
THB 2,248mn



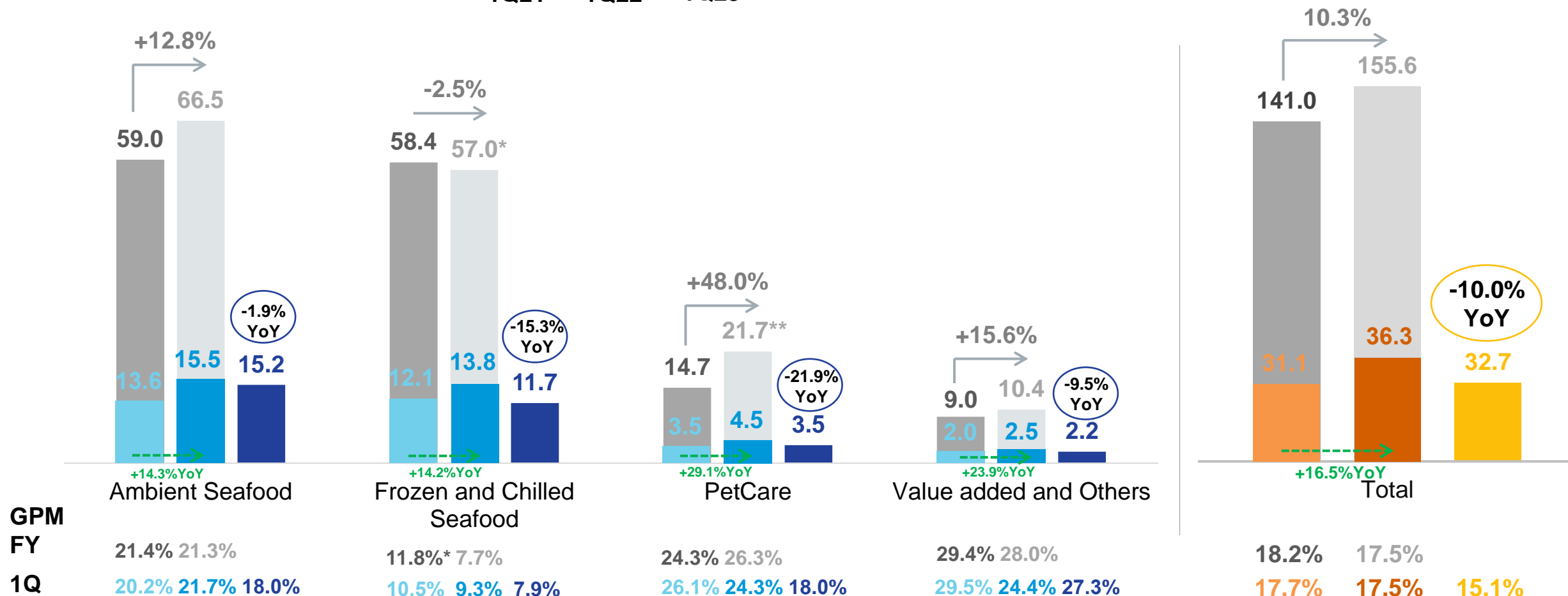
Sales Split

- Brand
- OEM

Soft sale performance in 1Q23 explained by high 1Q22 baseline, soft demand and falling freight revenue

Sales (THB bn)

■ 2021 ■ 2022
■ 1Q21 ■ 1Q22 ■ 1Q23

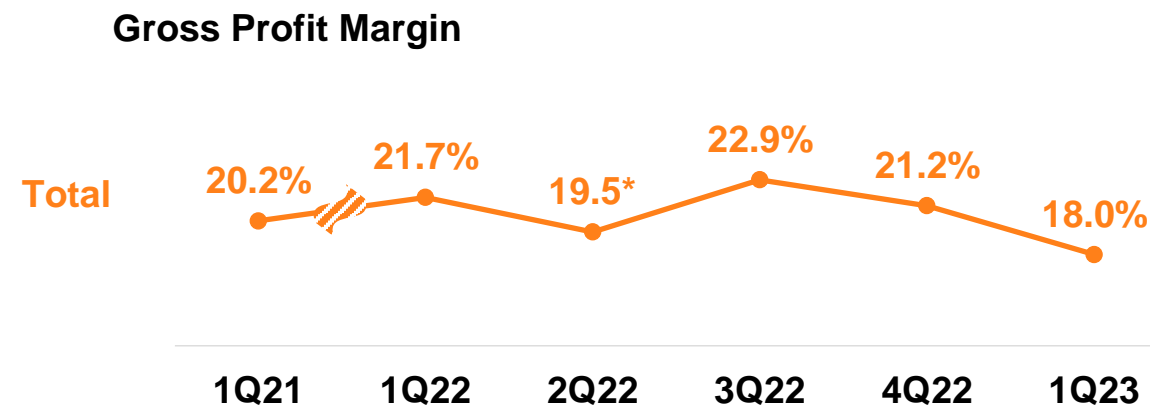
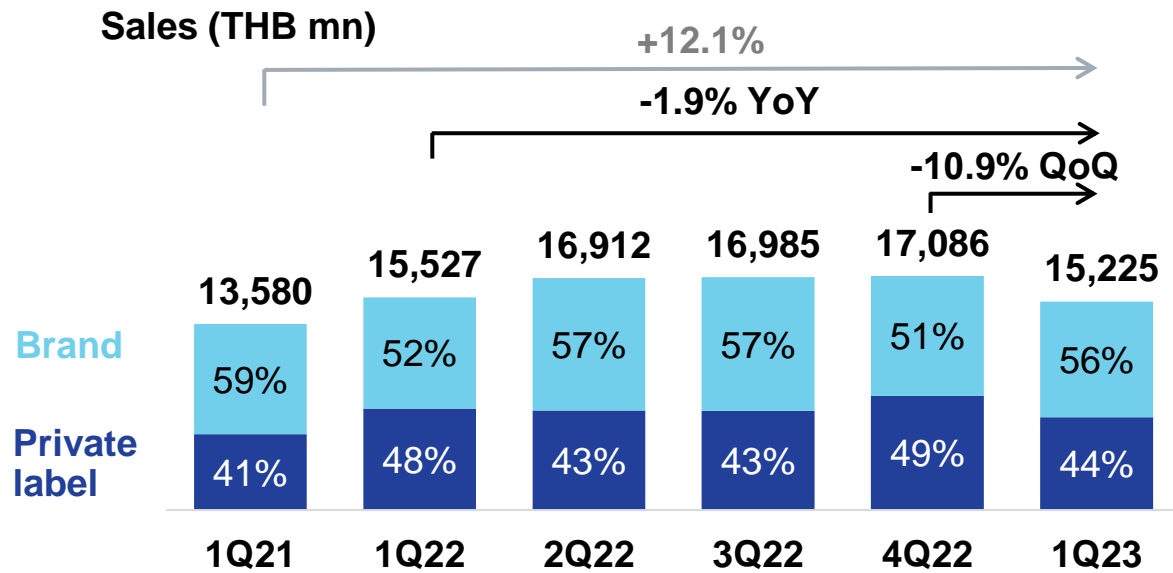


*Exceptional recovery in U.S. food service businesses post COVID-19

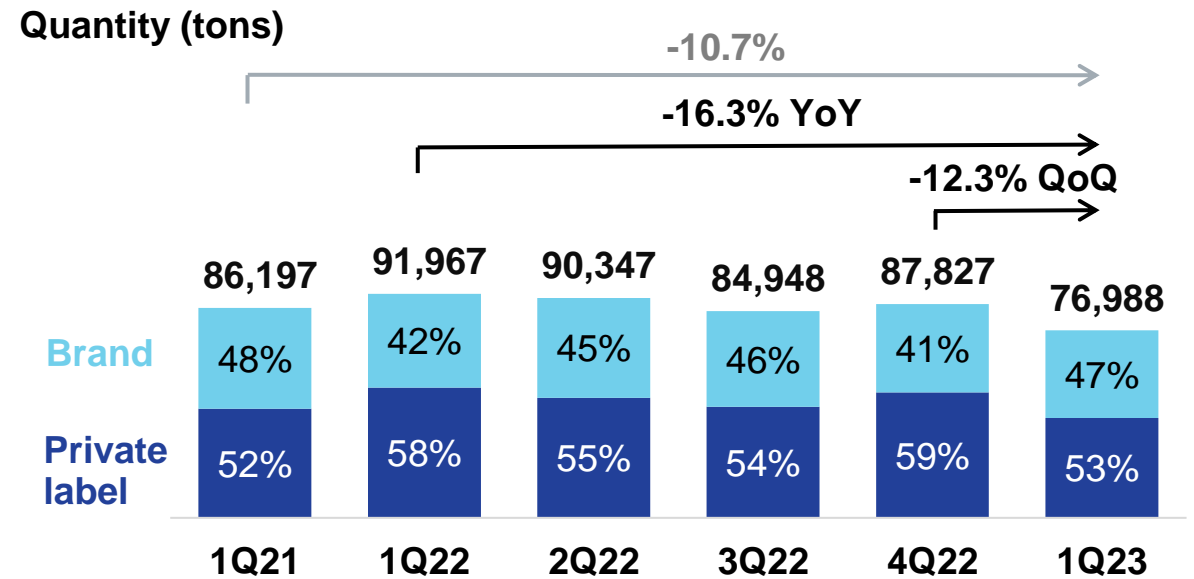
**Strong demand for PetCare products as people have adopted more pets

1Q23 Analyst Meeting

Ambient seafood: Temporary volume drop YoY, explained by customer destocking and high fish price, offset by price increase



Remark: *Including THB 164mn Rügen Fisch restructuring costs accrual. Adjusted GPM 2Q22 was 20.5%.



- **1Q23 ambient seafood sales slightly dropped by 2% YoY**, from soft customer demand (-16% volumes YoY from high level of inventories at our customers, and high fish price triggering “wait and see attitude”), high baseline last year and freight revenue drop, being partially offset by selling price increase.
- **Increased ambient sales**, in branded products (+4.1% YoY), offset by private label decreases (-8.6%).
- **Gross profit margin lower to 18.0% in 1Q23**, mainly from the rising of tuna prices higher than expected (+6.0% YoY, +9.6% QoQ) and higher production cost per unit.

Ambient seafood: Expect 2Q23 performance to improve from the softest 1Q and normalize in 2H23

Continued to launch innovative products to serve the strong demand for canned seafood and sustainability globally

- Positive from **further price increase** to cover rising key material costs and **product mix**, focusing on premium and higher margin products

Demand resilient amid a weak global economy

- Continue expanding our “Healthy Living” portfolio with **naturally-enriched tuna** in essential nutrients, under key brands **in Europe**
- Capturing into the rising consumer trend for **variety and diversity, health and wellness** with higher margin products



Herring is one of the most popular fishes in Germany



“Antipasti Herring”, a new range of herring and vegetable snack bites



Named as Best Introduction 2022



New Asian flavors “Twist Curry” to attract younger buyers

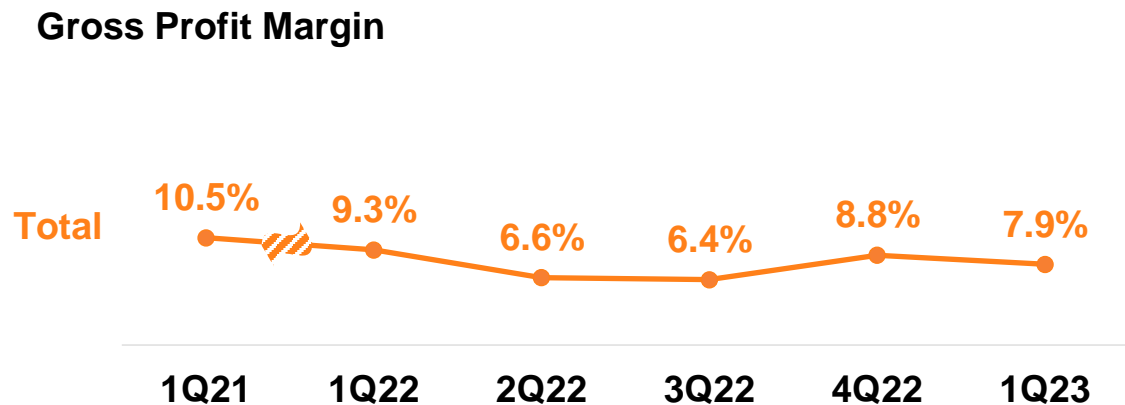
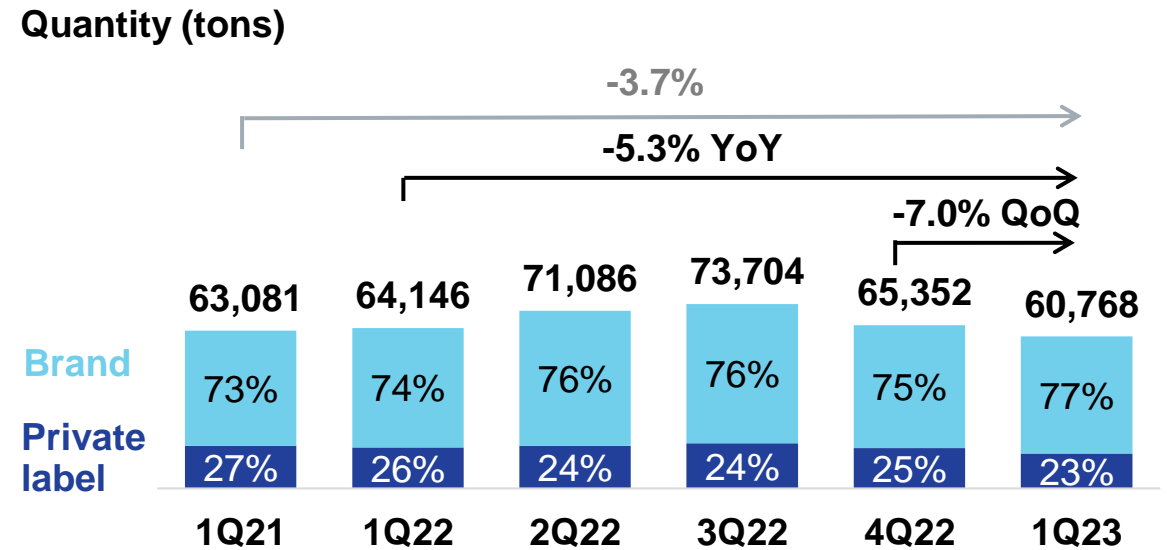
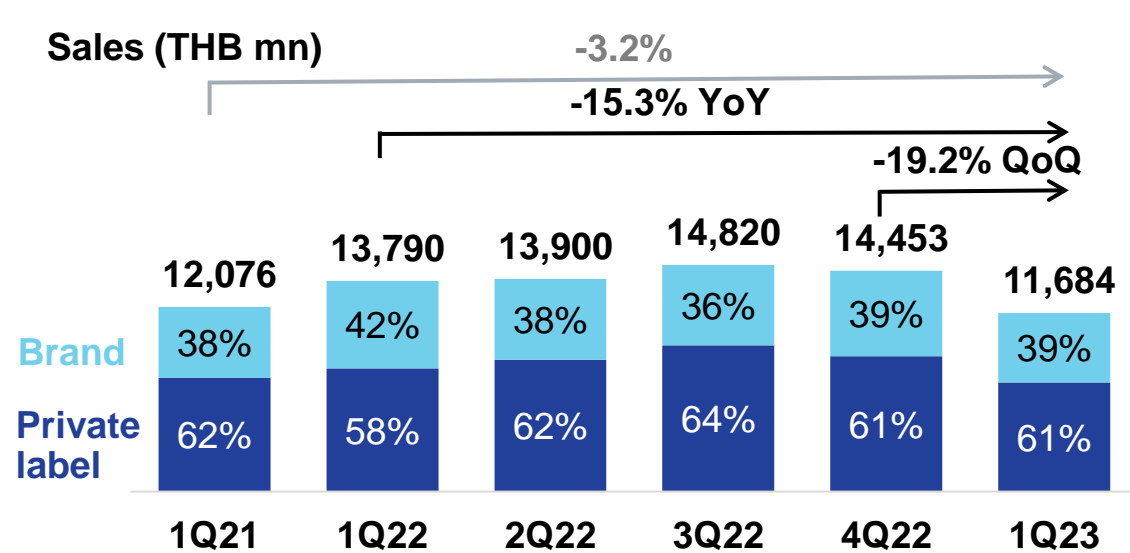


A taste of the sea doesn't have to mean a sea of oil!



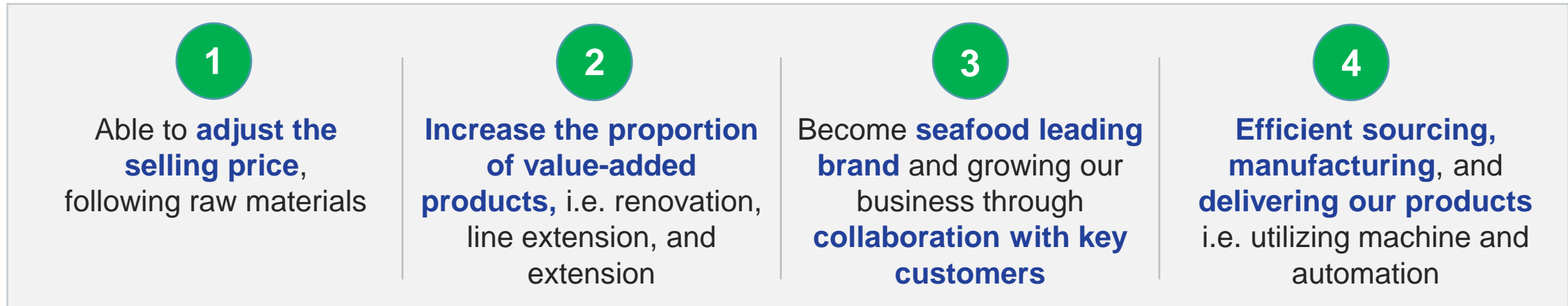
Unveiled new range of no-drain tuna products

Frozen & chilled seafood: Remains challenging from the deterioration of the Global Economy



- **1Q23 frozen and chilled seafood sales dropped 15% YoY**, from seafood market prices normalization and soft demand in key markets, especially shrimp and lobster.
- **1Q23 gross profit margin dropped** from both branded and private labels, due to seafood market price normalization and pressures from raw material prices, both shrimp and salmon, remained high in 1Q23.
- However, raw material price, especially **shrimp price starts declining in March at THB 156/kg**, compared to 1Q23 shrimp price was THB 168/kg (-7.9% YoY and +8.9% QoQ).

Frozen & chilled seafood: Focusing on innovative and value-added products, market expansion, and cost efficiency



Value-added product highlights in 1Q23

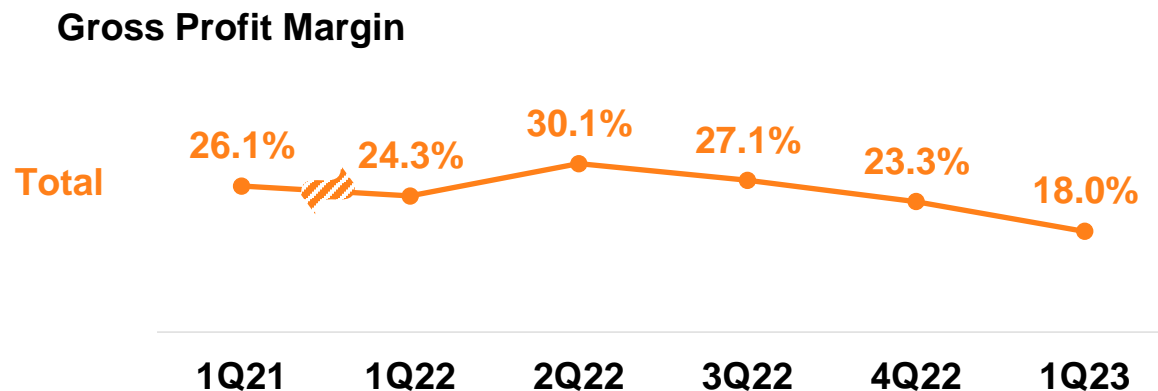
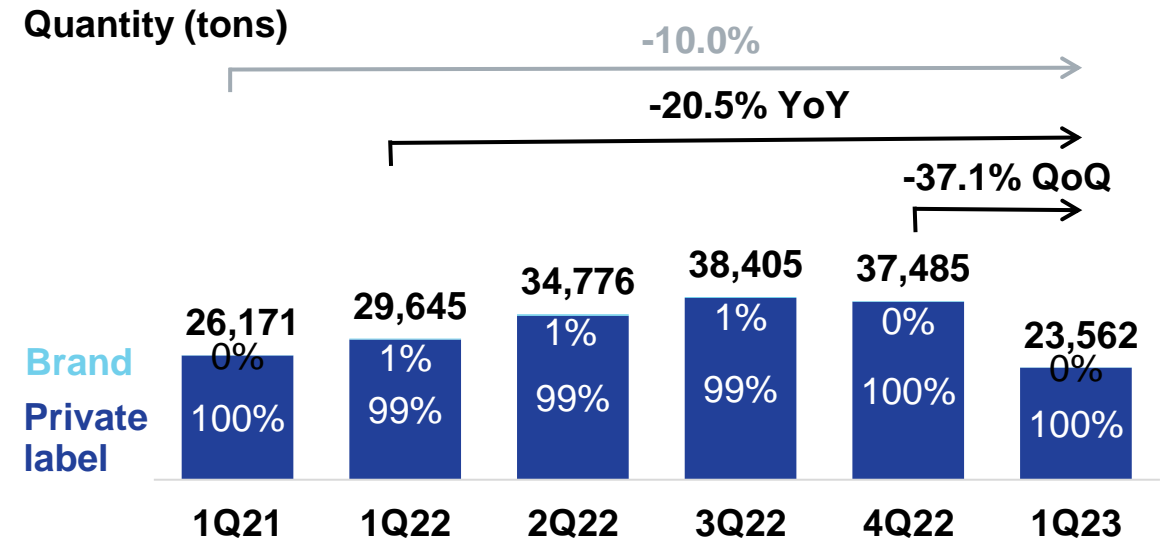
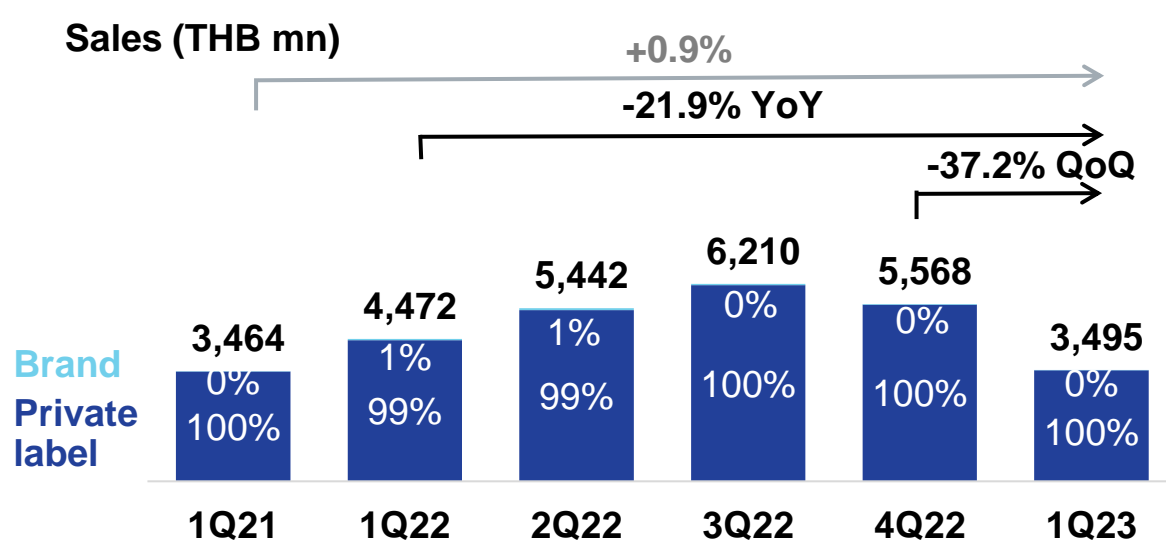
US				
Japan				
Domestic				
Others				

- **Qfresh**, growing our business through the partnership model and strengthened brand awareness;

- ✓ Increase our accessibility in “**Big C**”, now available in 153 stores
- ✓ Collaboration campaigns i.e. **Qfresh X Copper Buffet** for exclusive products, including the development of new menus, both in-store and online channels
- ✓ Collaboration with **Top Chef Thailand 2023**



PetCare: Temporary soft demand from inventory destocking at our customers end, mostly in the U.S. and Europe



- **1Q23 PetCare sales dropped by 22% YoY**, mainly from soft demand from inventory destocking for our customers across all regions, especially the U.S. and Europe, negative product mix, and lower freight prices. However, we continue the price increase in 2H23 to cover rising key material costs.
- **1Q23 gross margin was at 18.0%**, declined from last year mainly from lower volumes, higher raw material costs, product mix, and increased minimum wages.
- **PetCare sales expect recovery in 2Q23 and back to growth in 2H23**

PetCare: Geographic expansion to new or high-growth markets and collaboration with new partners

Target to achieve 5.8% of revenue from China by 2025

Target to achieve 23.0% of revenue from Europe by 2025

New or High-growth Markets



- **Announced 10-years exclusive partnership with Nan Jing Jiabei PetCare Products Co., Ltd.**, an importer and distributor of pet care products in China, promoted extensively through **online (JD and Tmall) and offline platforms**
- **Increase awareness of own brands** (Bellotta, Marvo, and ChangeTer) **as a platform to showcase capabilities to OEM customers**
- Plan for the **first shipment within 2Q23**



- Completed registration for a new **sales office in Netherlands for pet food expansion in Europe** (UK, Germany, France, etc.)
- **Expanding our 'drink' product series through the largest online pet store channel in Europe**
- Currently working with **one of the "Big Four" supermarkets in the UK** and **the largest retailer in France**

Partnerships



The **first ever movie theatre in Thailand for dog and cat lovers, "i-Tail PET CINEMA"**, in three branches, in 2Q23

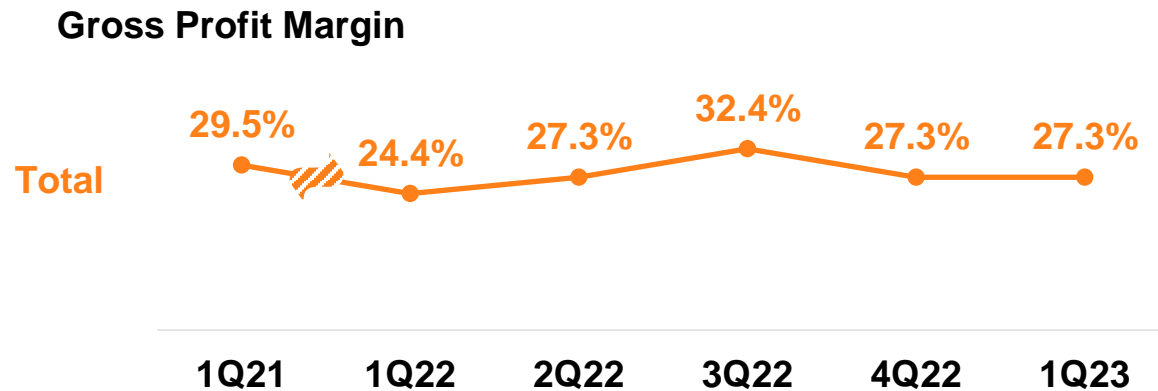
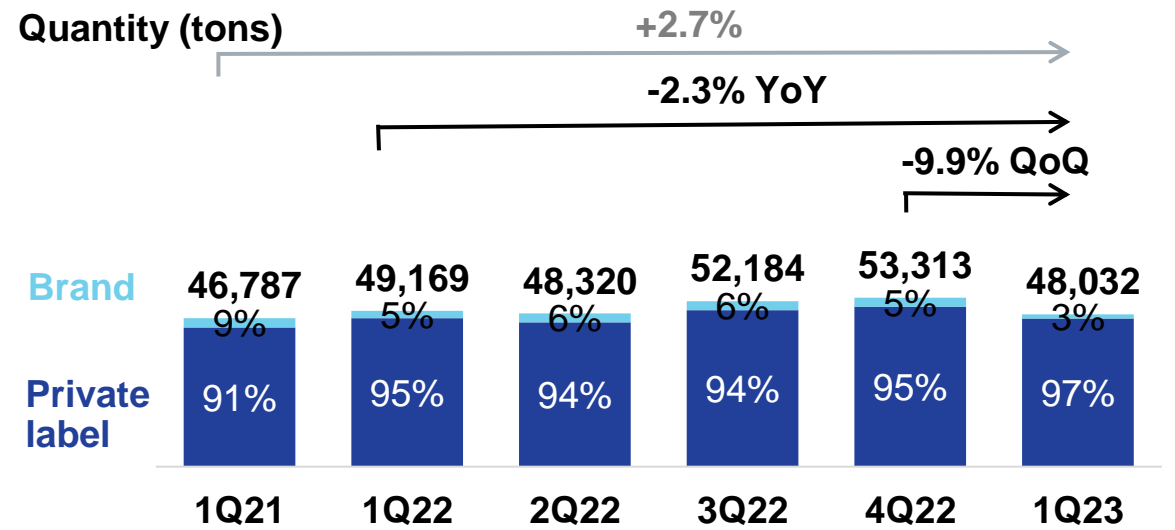
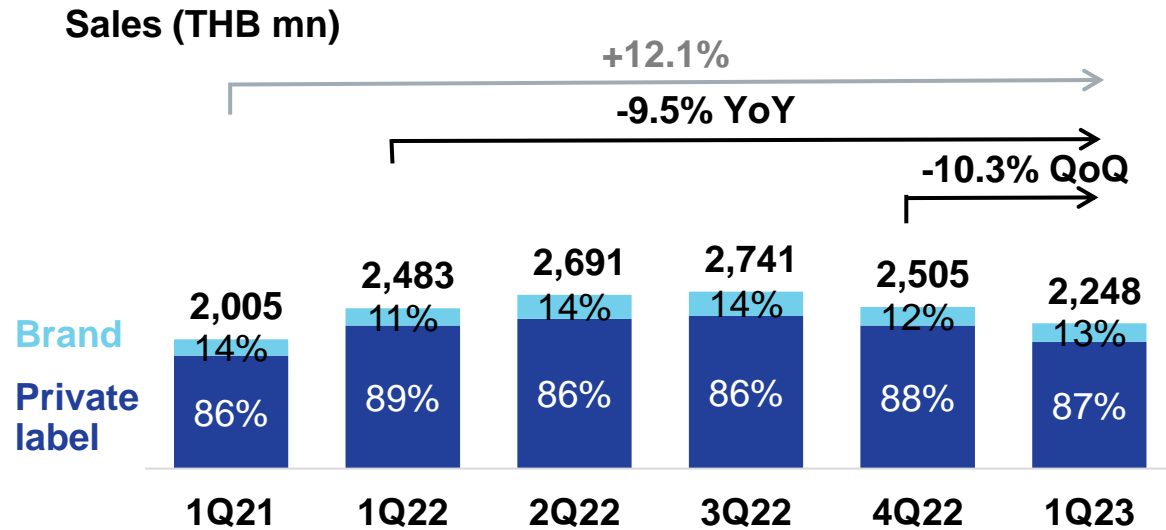


Currently working on its **productivity improvement** which will help support demands for insect-based pet treats



The **first production facility for fruit fly larvae products in Thailand** will be launched on May 22, 2023, in Phetchaburi

Value-added & others: gross profit margin remained solid above 27%



- **1Q23 Value-added sales dropped YoY**, due to value-added products and packaging, offset by sales increase in new-enhancing businesses, especially the ingredients business.
- **1Q23 gross profit margin was healthy at 27.3%**, driven by our strategy to focus on higher margin products such as printed can, and value-enhancing businesses, offset with higher raw material prices.
- **Continue to increase portion from innovation products** with **gross profit margins above 20%**

Value-added & others: Focusing on sales contribution growth with attractive GPM

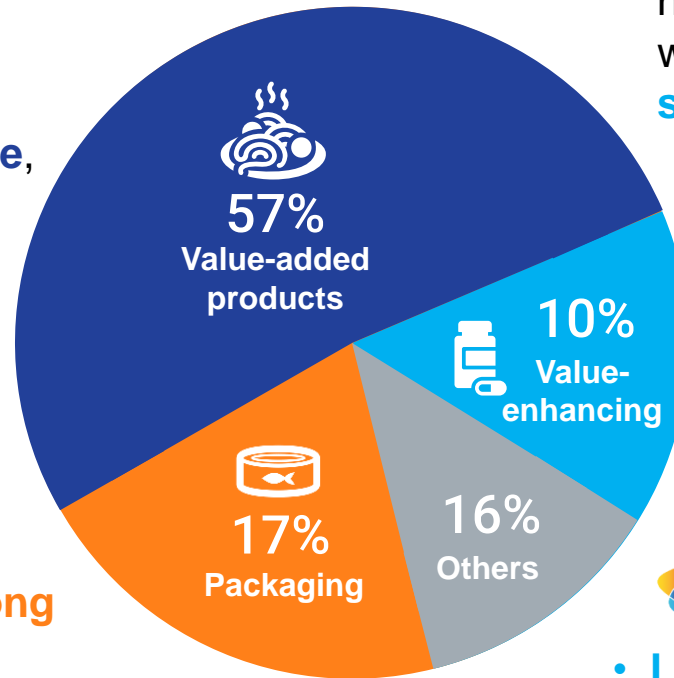
Growing Value-Added to uplifting margins

Future of Culinary, serving customers globally in 3Q23

- New, automated, **RTE production line**, offering a **wide range of products**
- **Serve the rising demand for convenient and healthy food products** across the world

Packaging and printing continued to be a key driver

- Leverage our production & scale, **strong demand from IOT and Poland**
- Portfolio adjustment, focusing on the **convenience** and **sustainable trend** with **higher margin** i.e. printed can (from can with label)



- **99.5% progress** of new protein hydrolysate and collagen peptide plant, which is starting with **Thailand and surrounding markets**



- Positive feedback from 7-11, **on shelves across 11,800 stores**
- Won **“Watsons HWB Award 2023”** as the best-selling supplement in Watsons



- **Leveraging our existing brand “John West”**, launched with 2 SKUs, on shelves across **1,400 stores** in the Netherlands **through the two largest supermarket chains** with E-commerce retailer support



2023 Outlook

Adjusted 2023 guidance

Sales 3 – 4% YoY growth*

Gross profit margin ~ 17.5 – 18.0%

SG&A to sales ~ 11.0 – 12.0%

Effective interest rate Increase 0.5 – 1.0%

CAPEX ~ THB 6.0 – 6.5bn

Dividend policy At least 50% dividend payout ratio

*Remark: *Under FX rate assumption rate of 34 THB/USD (adjusted from 35 THB/USD); potential translation sensitivity for 1 THB/USD change is estimated impact on topline 0.7-0.8%.*



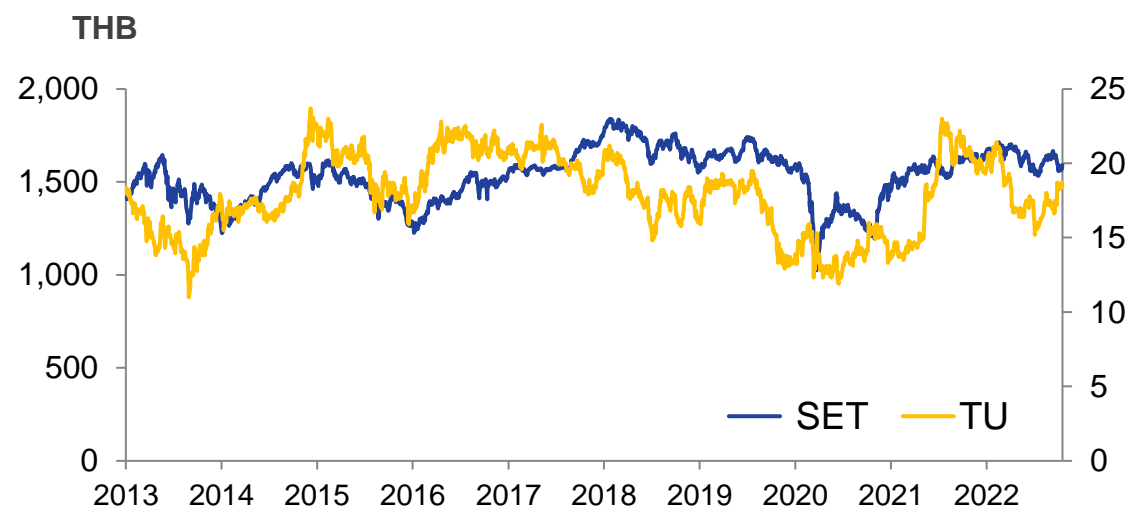


Thank You!

Share capital information

Stock Performance at a Glance

Bloomberg/ Reuters	TU TB/ TU.BK
Share price (April 28, 2023)	THB 13.80
Historical closing price	
52-week high	THB 19.10
52-week low	THB 13.10
No. of paid-up shares	4,771.8mn
Par value	THB 0.25
Market Capitalization	THB 65.9bn

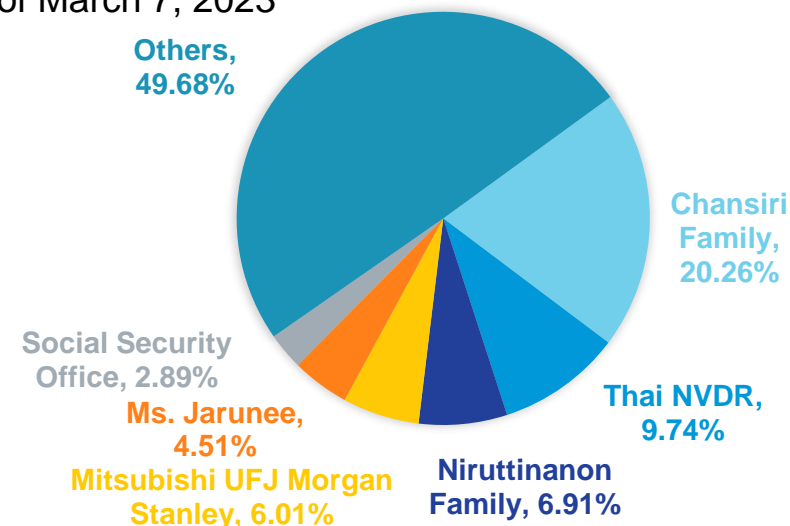


Source: SET and TU

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

Major Shareholders

As of March 7, 2023



Free float	69.9%
Foreign ownership/ Foreign limit	25.2%/ 45.0%






Dividend Policy

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

DPS (THB per share)

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

Thai Union's investment in five listed companies with a total market value above Thai Union's market capital

		Share price (THB)*	No. of Shares (M. Shares)	Market Capital (M. Baht)	% Holding by TU	Value to TU (M. Baht)
	THB	20.50	3,000	61,500	77.82%	47,859
	INR	151.98	136	20,669	24.21%	5,004
	THB	8.50	500	4,250	51.00%	2,168
	THB	10.50	2,000	21,000	10.00%	2,100
	AUD	27.57	167	4,604	10.00%	460
						57,591



Remark: *The calculation is based on share price as of April 28' 23
and currency of 1 INR = 0.42 Baht (361.85 INR) and 1 AUD = 22.60 Baht (1.22 AUD)

Four major CAPEX projects will be completed in 2023

Culinary business



Ingredients business



PetCare business



Ambient tuna business



Key Products

Ready-to-eat, dimsum and bakery

Protein hydrolysate and collagen peptide

Wet pet food and treat

Ambient tuna cold storage

Total Capacity

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

~5,700 sq.m

Increased by 18.7%
with new automated packing line

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

CAPEX

~THB 1.2bn

~THB 1.1bn

~THB 2.1bn

~THB 550mn

Timeline

Commercialize
in 3Q23

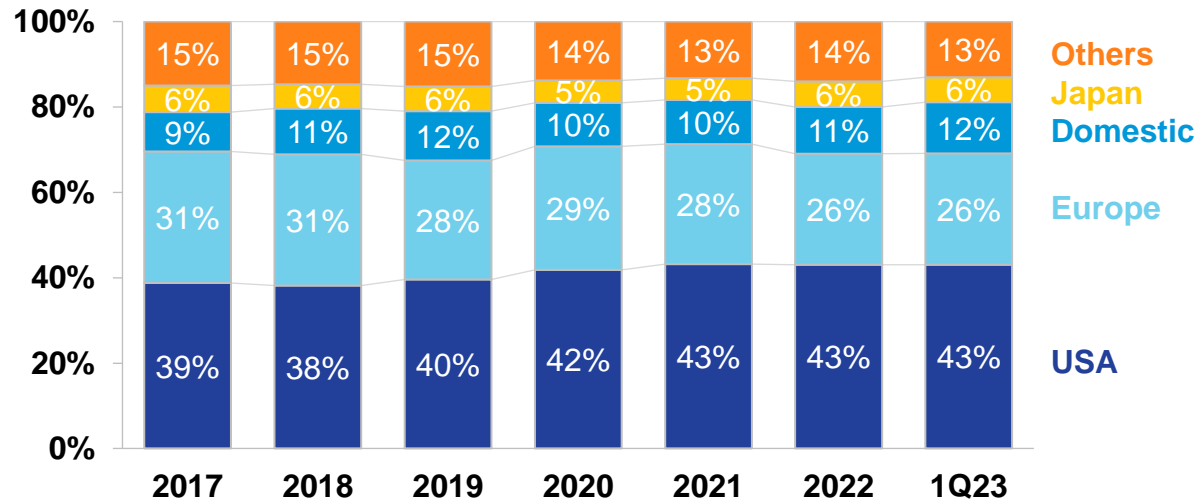
Commercialize
in 2Q23

Commercialize
in 2Q23

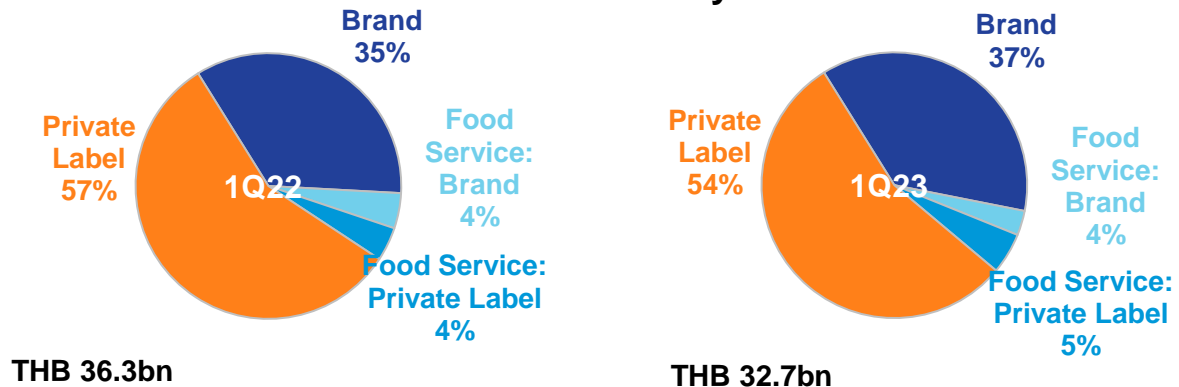
Commercialize
in 3Q23

Strong sales growth from all regions

Sales Breakdown by Geographic



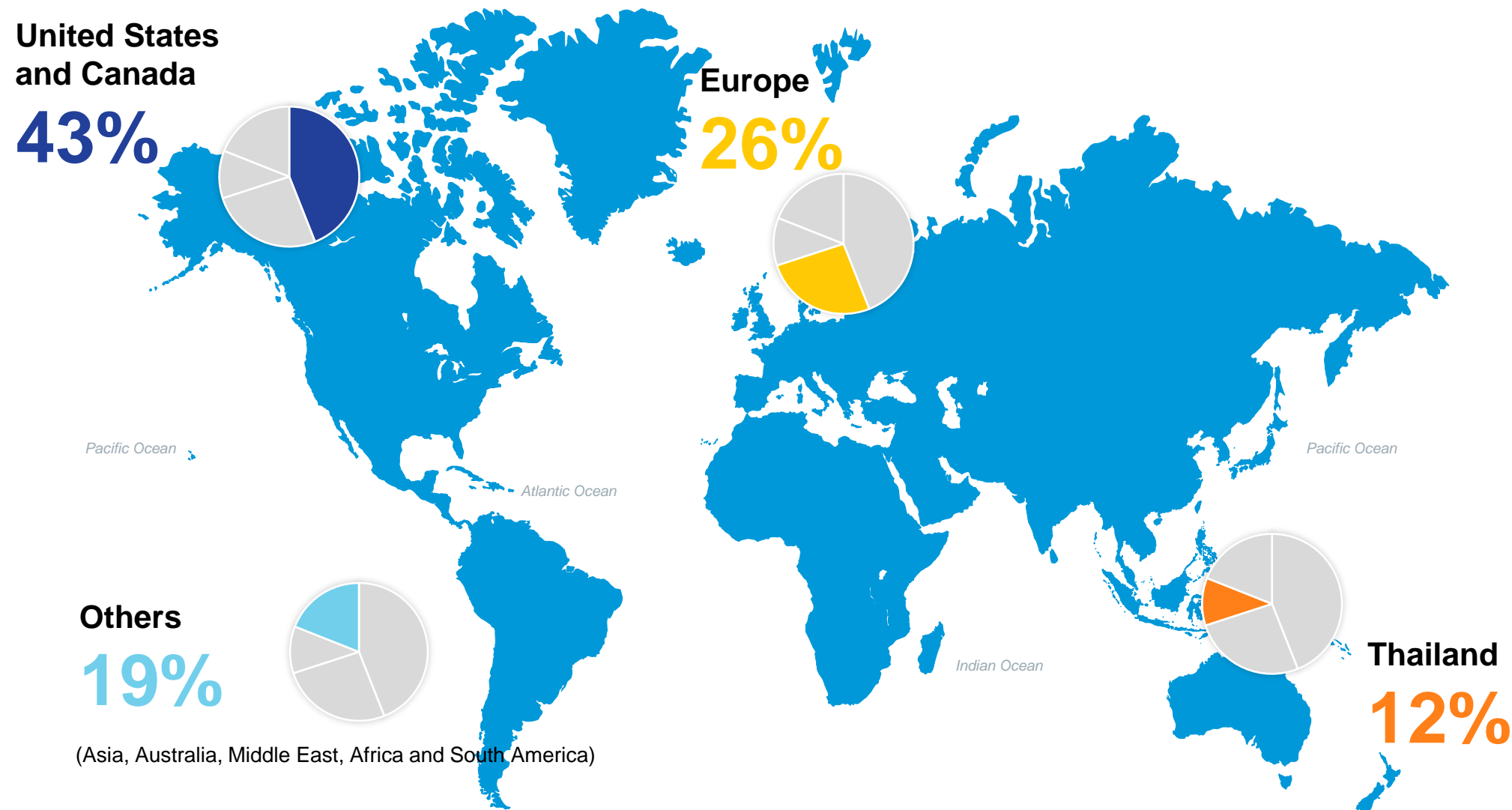
Sales Breakdown by Business



- **1Q23 lower sales contribution from all regions, mainly the U.S. and EM & rest of the world**
 - The U.S., Europe, and Thailand sales dropped by 14% YoY, 4% YoY, and 4% YoY respectively
 - Negative FX impact from EUR and GBP
- **1Q23 branded and private-label business sales mix was at 41% and 59%, respectively**
 - Total branded sales decreased 6% YoY, mainly from frozen & chilled business, partially offset by ambient and value-added businesses sales growth
 - Total private-label sales dropped by 12% YoY, mainly from PetCare and frozen & chilled business

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

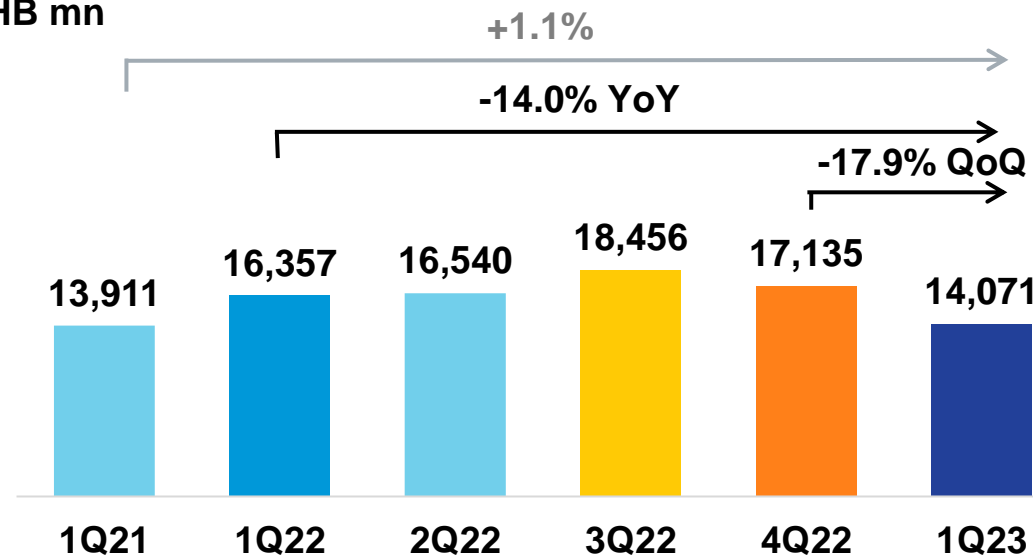
Geographic diversity: 1Q23 Sales



US & Canada: Slow demand of frozen & chilled and PetCare as customers carry high inventory



Sales
THB mn



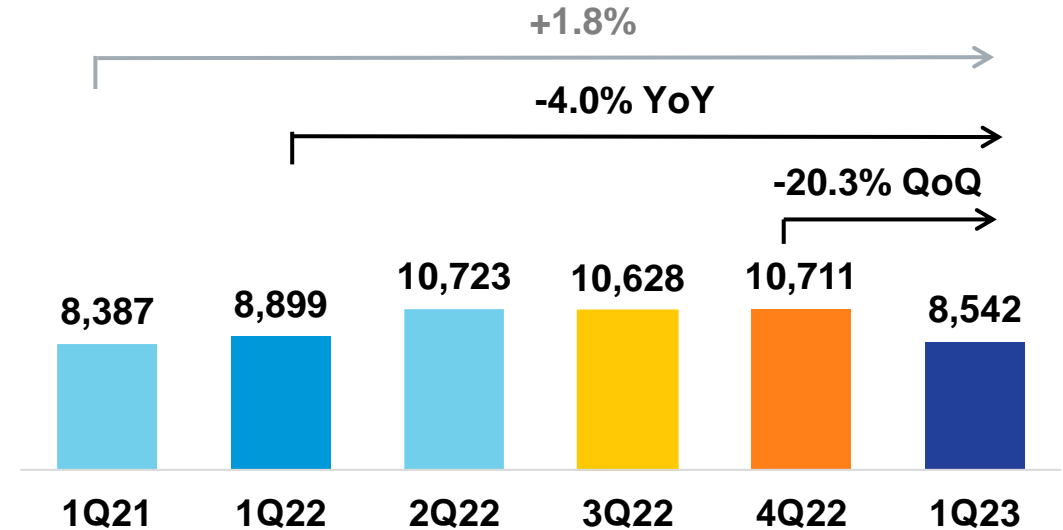
1Q23 North America sales decreased 14.0% YoY

- Sales dropped mainly from frozen & chilled seafood and PetCare businesses as customers carry high inventory, partially offset by ambient seafood and value-added growth
- THB depreciation against USD (USD/THB +2.6% YoY in 1Q23)

Europe: Impacted by strong Baht against GBP and EUR and temporally lower volume in Germany and France



Sales
THB mn



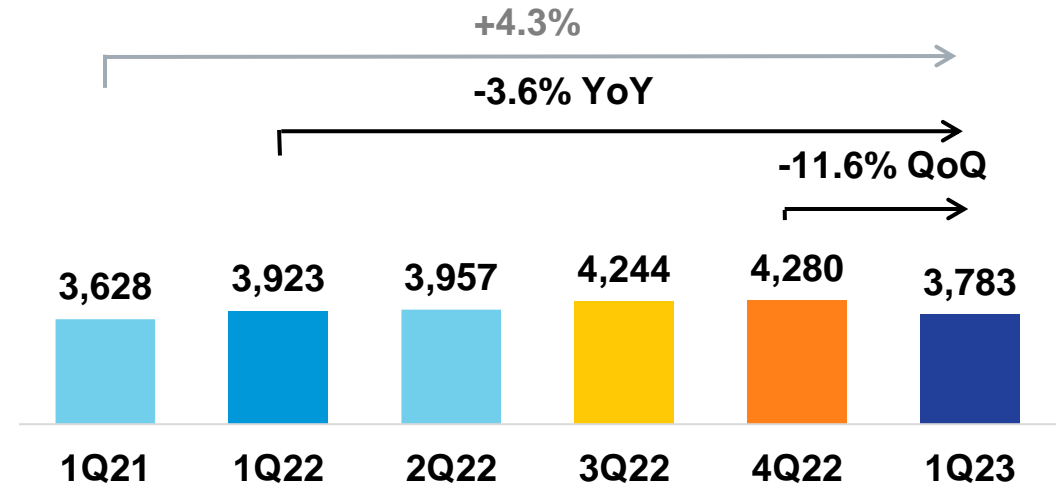
1Q23 EU sales decreased 4.0% YoY

- Sales dropped mainly from lower volume, particularly in Germany and France, temporally impacted by further price increases, offset by UK and Italy sale growth.
- Negative FX effects from Thai Baht appreciation (EUR/THB -1.9% YoY) (GBP/THB -7.1% YoY)

Thailand: Softer demand mainly from packaging and ambient



Sales
THB mn



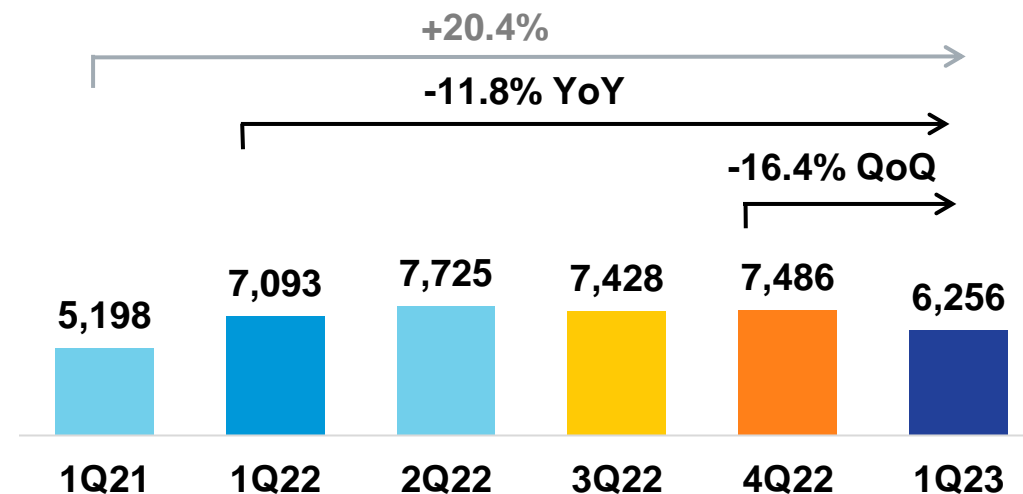
1Q23 Thailand sales decreased 3.6% YoY

- Domestic sales dropped mainly from packaging and ambient, partially offset by feed growth

Emerging Markets (EM) and rest of the world: Sales dropped mainly from high based last year



Sales
THB mn

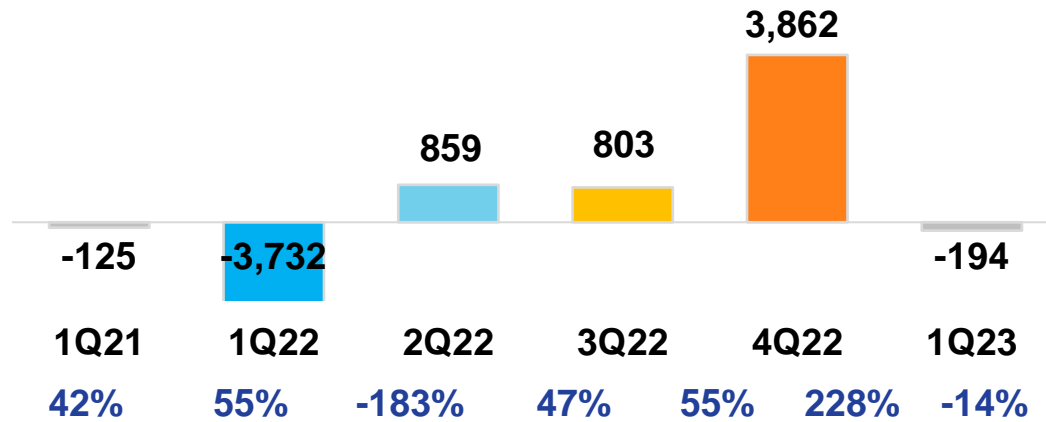


1Q23 EM and rest of world sales decreased 11.8% YoY

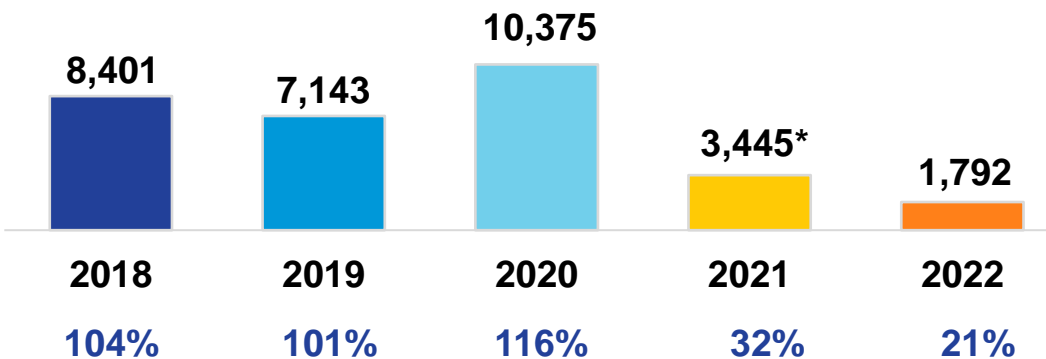
- Sales decreased across categories from soft demand and high base.
- Sales in China - 24.9% YoY (vs. +76.2% YoY in 1Q22), the Middle East -19.4% YoY (vs. +53.7% YoY in 1Q22), and Japan -8.3% YoY (vs. +26.5% YoY in 1Q22)

Although 1Q23 Free cash flow is negative, it has massively improved since last year

Quarterly Free Cash Flow
THB mn



Annual Free Cash Flow
THB mn



- **Free cash flow in 1Q23 is negative**, mainly from net working capital increase from Europe operation
- However, it has substantial improvement from 1Q22, thanks to freight cost and transit time normalization, lower than pre-covid level.
- **1Q23 Net Capex spending was THB 966mn**, from forecasted capital expenditure (CAPEX) at THB 6.0-6.5bn
- **Thai Union remains committed to investing in innovation** and projects for improving operational efficiency **to meet our 2025 goals.**

Remark: Change definition of Free Cash Flow;

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.

1Q23 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 	15,225 (1Q22: 15,527)	18.0 (1Q22 : 21.7%)	2,747 (1Q22 : 3,377)
Frozen and chilled seafood <ul style="list-style-type: none"> • Shrimp and related¹ • Lobster • Frozen, chilled and smoked salmon • Other seafood² 	11,684 (1Q22 : 13,790)	7.9 (1Q22 : 9.3%)	928 (1Q22 : 1,284)
PetCare³	3,495 (1Q22 : 4,472)	18.0 (1Q22 : 24.3%)	627 (1Q22 : 1,087)
Value-added and others⁴	2,248 (1Q22 : 2,483)	27.3 (1Q22 : 24.4%)	614 (1Q22 : 607)
Total	32,652 (1Q22 : 36,272)	15.1 (1Q22 : 17.5%)	4,917 (1Q22 : 6,355)

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

