

# THAI UNION GROUP

## THAILAND / FOOD & BEVERAGE

TU TB

HOLD

UNCHANGED

### ลูกค้าสหรัฐ กำลังอยู่ในช่วงรอดู

- การดำเนินงานหลักใน 1Q25 ไม่สดใสและใกล้เคียงกับที่เราคาด
- คำสั่งซื้อจากลูกค้าสหรัฐ น่าจะเร่งตัวขึ้นในช่วงเดือน เม.ย. - พ.ค. อย่างไรก็ตามผู้บริหารระบุว่าตัวเลขน่าจะไม่มีขึ้นอย่างมีนัยสำคัญ
- แนวโน้มยังไม่ชัดเจน เราแนะนำให้นักลงทุนรอดู

TARGET PRICE	THB11.00
CLOSE	THB10.40
UP/DOWNSIDE	+5.8%
PRIOR TP	THB11.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-10.8%

#### รายการพิเศษหนุนกำไรสุทธิ 1Q25

TU รายงานกำไรสุทธิ 1Q25 อยู่ที่ 1 พัน ลบ. (-16% q-q, -12% y-y) เมื่อหักกำไรจากอัตราแลกเปลี่ยน 26 ลบ. และผลขาดทุนจากค่าเสื่อมค่าของสินทรัพย์ทางการเงิน 9.8 ลบ. กำไรปกติยังอยู่ที่ 1 พัน ลบ. (-8% q-q, +11% y-y) สูงกว่าที่เราและตลาดคาดไว้ที่ 600-700 ลบ. ทั้งนี้ ผลประกอบการที่ต่ำกว่าคาดเกิดขึ้นส่วนมากจากรายการพิเศษที่ไม่เกี่ยวข้องกับเงินสด กล่าวคือการกลับรายการภาษีเงินได้รอการตัดบัญชีซึ่งทำให้เกิดเครดิตภาษีจำนวน 422 ลบ. แทนค่าใช้จ่ายภาษี บริษัทฯ ยังไม่ได้บันทึก GMT ในไตรมาสนี้และคาดว่าจะเริ่มบันทึกตั้งแต่ 2Q25 เป็นต้น ทั้งนี้ TU ยังคงเป้าอัตราภาษีปี 2025 ไว้ที่ 11-14%

#### ความต้องการอ่อนแอในขณะที่ยอดขายสูงต่อเนื่อง

เมื่อหักรายการพิเศษที่เกี่ยวข้องกับภาษี กำไรปกติอยู่ที่ประมาณ 580 ลบ. นับว่าไม่สดใสและใกล้เคียงกับที่เราคาด รายได้รวมลดลง 15% q-q และ 10% y-y จากการดำเนินงานที่ต่ำกว่าการแข็งตัวของค่าเงินบาทและคำสั่งซื้อของลูกค้าบางรายที่เลื่อนออกไปหลังราคาทุนสูงขึ้นผิดปกติ ค่าใช้จ่ายรวมเพิ่มขึ้นอย่างมีนัยสำคัญ y-y จากต้นทุนโครงการ Transformation ที่ประมาณ 1% ของรายได้รวมซึ่งทำให้สัดส่วนค่าใช้จ่ายการขายและบริหารต่อรายได้เพิ่มขึ้นเป็น 15.8% จาก 12.6% ใน 1Q24

#### TU ปรับลดเป้าหมายเพื่อสะท้อนภาษีนำเข้าของสหรัฐ

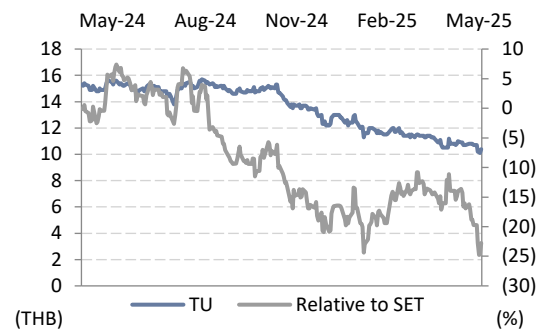
ผู้บริหารได้ปรับลดเป้าประมาณการปี 2025 ของบริษัทฯ บนสมมติฐานอัตราภาษีนำเข้าของสหรัฐ ที่ 10% ประกอบด้วย 1) ลดเป้าการเติบโตของรายได้เป็น 1-3% y-y (จาก 3-4%), 2) ลดเป้าอัตรากำไรขั้นต้นเป็น 18-19% (จาก 18.5-19.5%), และ 3) เพิ่มเป้าสัดส่วนค่าใช้จ่ายการขายและบริหารต่อยอดขายเป็น 13.5-14% (จาก 13-13.5%) เราคาดว่าคำสั่งซื้อจะฟื้นตัวใน 2Q25 โดยคาดว่าลูกค้าจะเร่งสั่งซื้อในเดือน เม.ย. - พ.ค. (แต่จะเพิ่มอย่างไม่มีนัยสำคัญ) ทั้งนี้ ราคาทุนได้ปรับตัวลดลงแรงถึง 11% m-m ในเดือน เม.ย. เป็น USD1,550/ตันซึ่งจะช่วยหนุนให้ลูกค้าจ้างผลิตกลับมา ในกรณีที่เลวร้ายที่สุดถ้าสหรัฐ เรียกเก็บภาษีนำเข้าอัตราสูงสุดที่ 36% จากประเทศไทย บริษัทฯ วางแผนย้ายการผลิตสินค้าส่งออกไปยังสหรัฐ ไปผลิตที่โรงงานในกานาและซีเชลซึ่งสหรัฐ เรียกเก็บภาษีนำเข้าต่ำกว่าไทย

#### คงคำแนะนำถือระหว่างจับตาดูประเด็นภาษีนำเข้าของสหรัฐ

เราคงประมาณการกำไรสุทธิปี 2025 ของเราที่ 3.8 พัน ลบ. (-24% y-y) ซึ่งต่ำกว่าเป้าประมาณการที่ปรับลดลงแล้วของบริษัทฯ ดังนั้นเราจึงคงราคาเป้าหมายของเราที่ 11 บาท (12.5x P/E) และคำแนะนำถือ แม้ว่ารายได้อาจสูงขึ้นใน 2Q25 หลังลูกค้าเร่งจัดซื้อและลูกค้านำเข้าคงอยู่ต่อไปตามเดิม (เนื่องจากนโยบายภาษีนำเข้าของสหรัฐมีแนวโน้มไม่ชัดเจน) เราคาดว่ากำไร 2Q25 อาจยังทรงตัวหรือลดลง q-q และ y-y โดยเฉพาะเมื่อพิจารณาถึงผลกระทบของ GMT เราแนะนำให้ลงทุนจับตาดูประเด็นภาษีนำเข้าของสหรัฐ อย่างต่อเนื่อง

#### KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	138,433	129,413	135,884	141,048
Net profit	4,985	3,810	4,501	4,794
EPS (THB)	1.12	0.86	1.01	1.08
vs Consensus (%)	-	(13.0)	(8.9)	(12.8)
EBITDA	12,725	11,603	12,635	13,230
Recurring net profit	5,119	3,810	4,501	4,794
Core EPS (THB)	1.15	0.86	1.01	1.08
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	nm	(25.6)	18.1	6.5
Core P/E (x)	9.1	12.2	10.3	9.7
Dividend yield (%)	6.7	5.3	6.3	6.7
EV/EBITDA (x)	9.0	9.0	8.5	8.2
Price/book (x)	1.0	0.9	0.9	0.9
Net debt/Equity (%)	106.9	90.6	90.4	89.5
ROE (%)	9.5	7.8	8.9	9.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(1.0)	(11.1)	(30.2)
Relative to country (%)	(11.0)	(5.9)	(21.1)
Mkt cap (USD m)	1,268		
3m avg. daily turnover (USD m)	4.5		
Free float (%)	65		
Major shareholder	Chansiri Family (12%)		
12m high/low (THB)	15.80/9.45		
Issued shares (m)	4,455.13		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 13 พฤษภาคม 2025

Investment thesis

TU is one of the world's largest seafood companies. It is a leading producer and exporter of frozen and canned seafood such as tuna, shrimp, sardines, and mackerel. TU has affiliated companies, such as I-Tail Corporation (ITC TB, BUY), a major pet food manufacturer in Thailand. It also has overseas subsidiaries, one of which owns Chicken of the Sea, the #3 canned seafood brand in the US, and the TUE Group (formerly MWB), which owns canned seafood brands ranking among the top three in European markets, such as John West, Petit Navire, Parmentier, King Oscar, and Mareblu.

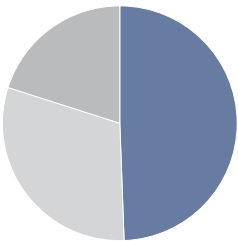
Company profile

Thai Union was founded in 1977 as a canned tuna processor and exporter. It is now an international OEM business with a global portfolio of consumer-favourite brands. TU has 18 brands, five strategic partnerships and key joint ventures, and eight overseas sales offices. TU has 13 production locations in 12 countries and two innovation and R&D centres. In 2024, its revenue contributions from the USA, Europe, Thailand, Japan, and others were 37.7%/30%/11%/5.6%/15.6%, respectively.

[www.thaiunion.com](http://www.thaiunion.com)

Principal activities (revenue, 2024)

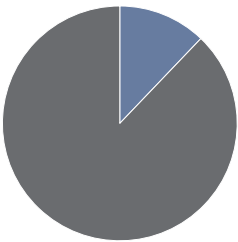
- Ambient seafood - 49.4 %
- Frozen & chilled seafood - 30.5 %
- Pet food & others - 20.1 %



Source: Thai Union Group

Major shareholders

- Chansiri Family - 12.1 %
- Others - 87.9 %



Source: Thai Union Group

Catalysts

Potential catalysts for TU's 2025 earnings growth include 1) revenue growth of the three units; 2) its pet food and ready-to-eat capacity expansion; 3) the declining tuna price outlook; and 4) the absence of loss-sharing from Red Lobster after the divestment in 4Q23.

Risks to our call

Downside and upside risks to our 2025 TP include 1) a slower or faster-than-expected revenue recovery; 2) higher or lower-than-expected freight costs; 3) more fluctuating raw material costs than expected; 4) higher-than-expected labor costs and labor shortages; and 5) a stronger baht than expected.

Event calendar

Date	Event
August 2025	2Q25 results announcement

Key assumptions

	2025E	2026E	2027E
Total revenue (USD m)	3,922	4,118	4,274
USD/THB	33.0	33.0	33.0
Ambient sales growth (%)	(9.2)	5.7	2.6
Frozen, Chilled sales growth (%)	(7.2)	3.0	3.8
PetCare, Value Added sales growth (%)	1.1	6.3	6.4
Tuna price (USD/tonne)	1,600	1,600	1,600
Gross margin (%)	18.5	18.5	18.5

Source: FSSIA estimates

Earnings sensitivity

- For every THB1/USD increase, we estimate 2025 net profit to fall by 7%, and vice versa, all else being equal.
- For every 1% increase in the tuna price, we estimate 2025 net profit to fall by 5.8%, and vice versa, all else being equal.
- For every 5% increase in the minimum wage, we estimate 2025 net profit to fall by 4.3%, and vice versa, all else being equal.

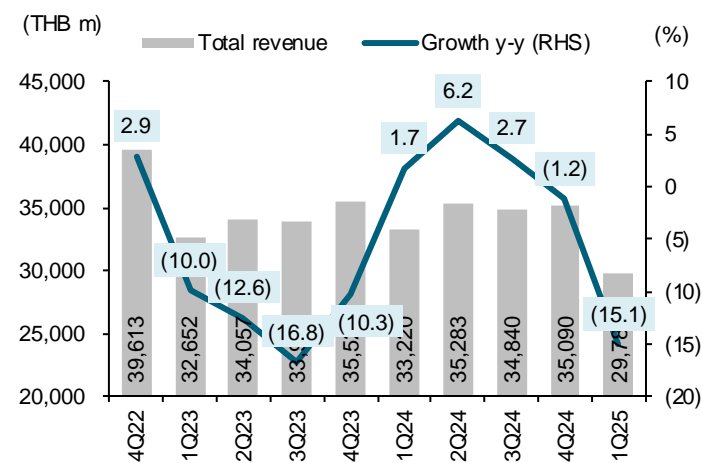
Source: FSSIA estimates

## Exhibit 1: TU – 1Q25 results summary

	1Q24	2Q24	3Q24	4Q24	1Q25	----- Change -----		2024	2025E	Change	% 1Q25
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	to 2025E
Sales in THB m	33,220	35,283	34,840	35,090	29,789	(15.1)	(10.3)	138,433	129,413	(6.5)	23.0
Cost of sales	27,478	28,748	28,047	28,537	24,177	(15.3)	(12.0)	112,809	105,472	(6.5)	22.9
Gross profit	5,742	6,535	6,793	6,554	5,611	(14.4)	(2.3)	25,624	23,941	(6.6)	23.4
SG&A	4,197	4,582	4,693	4,929	4,700	(4.6)	12.0	18,401	17,859	(2.9)	26.3
Operating profit	1,772	2,290	2,382	1,915	1,099	(42.6)	(38.0)	8,360	6,988	(16.4)	15.7
Profit sharing	159	179	275	157	291	85.4	83.1	771	680	(11.8)	42.8
Interest expense	647	620	627	598	585	(2.1)	(9.5)	2,492	2,402	(3.6)	24.4
Tax expense	128	44	208	50	(422)	(949.0)	(429.1)	430	550	28.0	nm
FX gain (loss)	209	(237)	(54)	(100)	14	nm	nm	(182)	0	nm	nm
Other gain (loss)	44	68	0	0	0	nm	nm	112	0	nm	nm
Reported net profit	1,153	1,219	1,400	1,213	1,019	(16.0)	(11.6)	4,985	3,810	(23.6)	26.8
Core profit	900	1,456	1,454	1,095	1,003	(8.4)	11.4	5,119	3,810	(25.6)	26.3
<b>Key ratios (%)</b>						<b>(ppt)</b>	<b>(ppt)</b>				
Gross margin	17.3	18.5	19.5	18.7	18.8	0.2	1.6	18.5	18.5	(0.0)	
SG&A / sales	12.6	13.0	13.5	14.0	15.8	1.7	3.1	13.3	13.8	0.5	
Operating margin	5.3	6.5	6.8	5.5	3.7	(1.8)	(1.6)	6.0	5.4	(0.6)	
Net margin	3.5	3.5	4.0	3.5	3.4	(0.0)	(0.0)	3.6	2.9	(0.7)	
Core margin	2.7	4.1	4.2	3.1	3.4	0.2	0.7	3.7	2.9	(0.6)	
<b>Operating statistics (THB m)</b>											
Ambient sales	17,156	17,376	17,920	15,961	14,762	(7.5)	(14.0)	68,412	62,120	(9.2)	23.8
Frozen, chilled seafood sales	9,618	10,842	9,836	11,930	8,441	(29.2)	(12.2)	42,226	39,186	(7.2)	21.5
Pet care sales	3,955	4,456	4,352	4,625	4,174	(9.8)	5.5	17,389	17,702	1.8	23.6
Value added, others sale	2,490	2,609	2,732	2,574	2,412	(6.3)	(3.1)	10,406	10,406	0.0	23.2
<b>Gross margin (%)</b>											
Ambient	16.6	18.9	20.1	20.6	19.4	(1.2)	2.8	19.1	19.2	0.1	
Frozen, chilled seafood	11.8	10.7	12.0	12.1	12.4	0.3	0.6	11.7	12.1	0.4	
Pet care	25.7	31.3	30.6	26.1	24.5	(1.6)	(1.2)	28.5	36.5	8.0	
Value added, others	29.5	26.5	25.1	23.5	27.9	4.4	(1.6)	26.1	25.1	(1.0)	
Tuna price (USD/tonne)	1,333	1,478	1,410	1,530	1,660	8.5	24.5	1,438	1,600	11.3	
Shrimp 60 pcs/kg (THB/kg)	137	130	141	167	169	1.4	23.3	144	150	4.2	
Salmon (NOK/kg)	108	110	78	82	98	19.5	(9.3)	94	80	(14.9)	

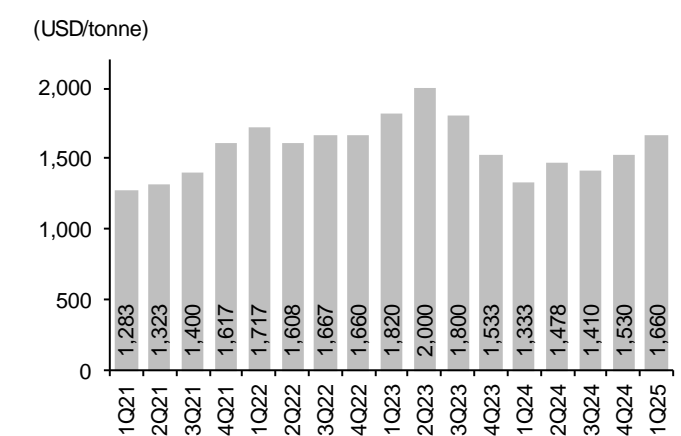
Sources: TU, FSSIA's compilation

## Exhibit 2: Quarterly total revenue and growth



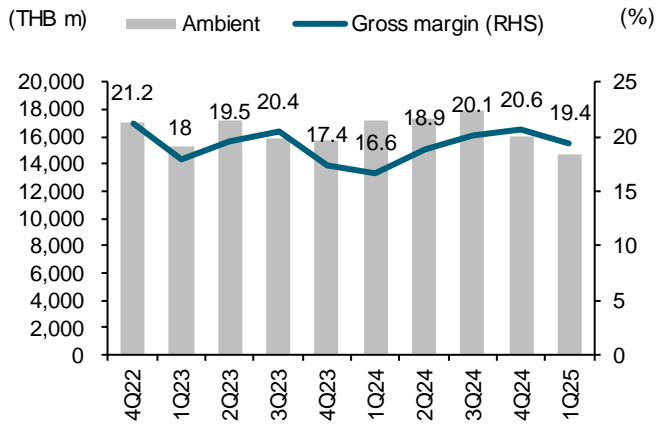
Sources: TU, FSSIA's compilation

## Exhibit 3: Quarterly tuna prices



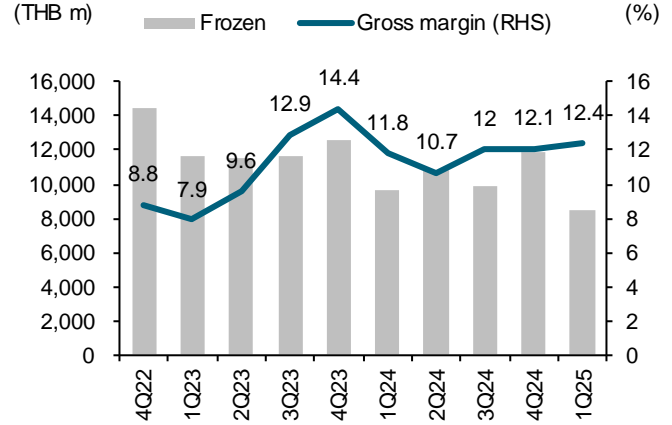
Sources: TU, FSSIA estimates

**Exhibit 4: Quarterly revenue from ambient and margin**



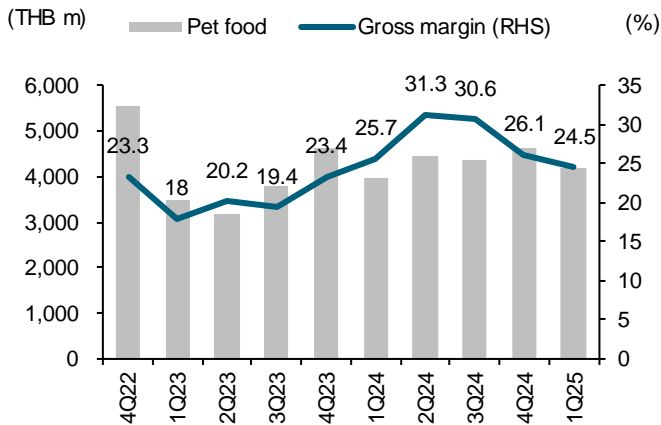
Sources: TU, FSSIA's compilation

**Exhibit 5: Quarterly revenue from frozen and margin**



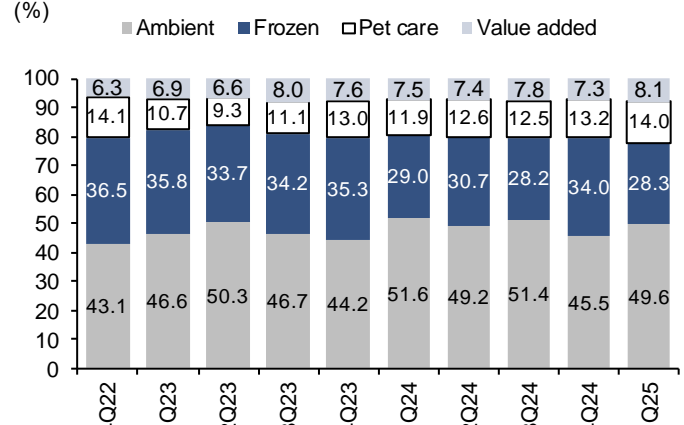
Sources: TU, FSSIA's compilation

**Exhibit 6: Quarterly revenue from pet food and margin**



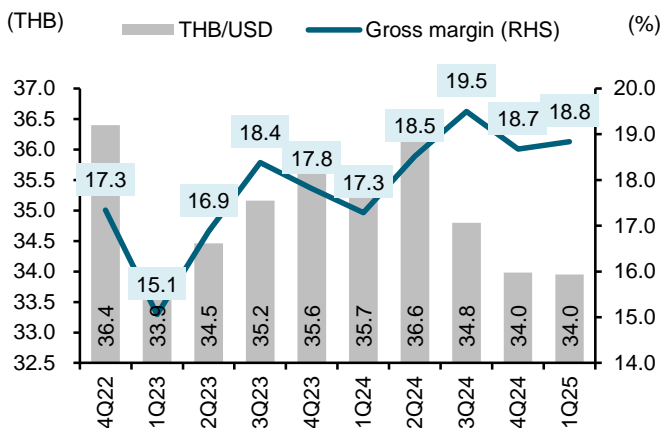
Sources: TU, FSSIA's compilation

**Exhibit 7: Revenue contribution by product segment**



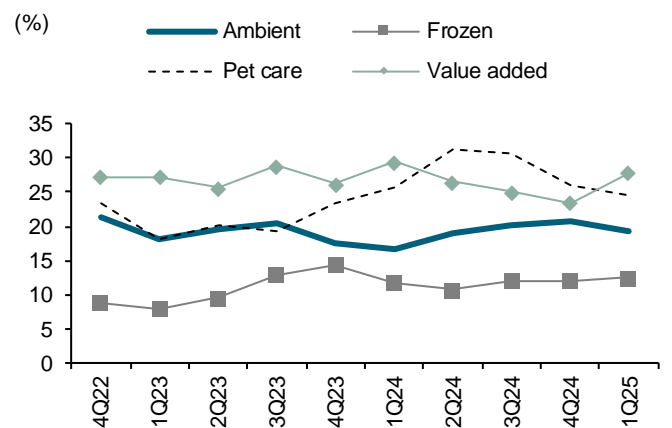
Sources: TU, FSSIA's compilation

**Exhibit 8: Quarterly THB/USD and gross margin**



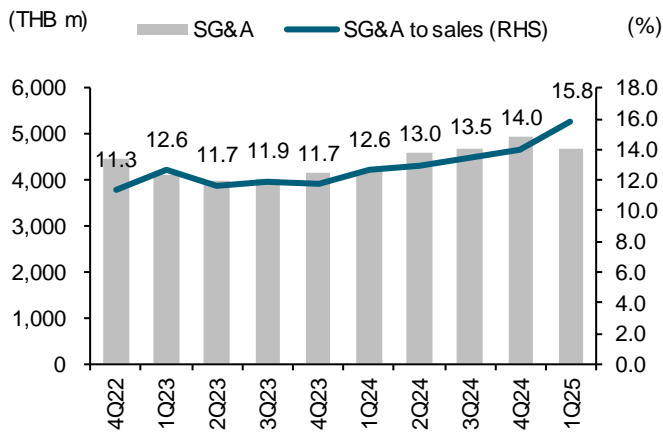
Sources: TU, FSSIA's compilation

**Exhibit 9: Quarterly gross margin by product segment**



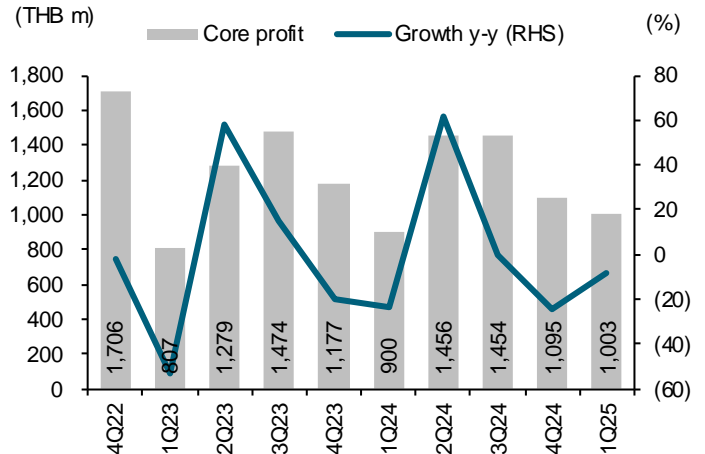
Sources: TU, FSSIA's compilation

**Exhibit 10: Quarterly SG&A and SG&A to sales**



Sources: TU, FSSIA's compilation

**Exhibit 11: Quarterly core profit and growth**



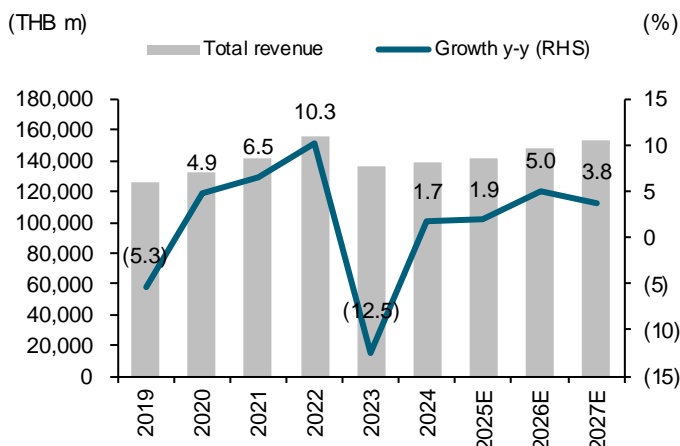
Sources: TU, FSSIA's compilation

**Exhibit 12: TU cut 2025 financial targets to reflect US tariffs**

2025 Guidance	Previous disclosure	10% Flat tariff the whole year Scenario linked to the U.S. tariffs	Key drivers
<b>Sales growth</b>	+ 3 - 4% YoY (2024A: +1.7%)	+ 1 - 3% YoY	<ul style="list-style-type: none"> <li>Compared to last year, we expect all categories to grow, led by PetCare.</li> <li>However, overall growth is expected to be softer due to the impact of the 10% U.S. tariff.</li> </ul>
<b>GPM</b>	~18.5 - 19.5% (2024A: 18.5%)	~18.0 - 19.0%	<ul style="list-style-type: none"> <li>Compared to last year, all categories showed improvement, except PetCare, which is returning to a normalized level.</li> </ul>
<b>SG&amp;A to sales</b>	~13.0 - 13.5% (2024A: 13.3%)	~13.5 - 14.0%	<ul style="list-style-type: none"> <li>Transformation costs (0.7%) and impact of tariffs in our DDP incoterm business.</li> <li>Marketing expenses to boost sales of branded products.</li> </ul>
<b>CAPEX</b>	~ THB 4.5 - 5.0bn (2024A: THB 3.5bn)	~ THB 3.0 - 3.5bn	<ul style="list-style-type: none"> <li>Reduction of the CAPEX budget due to cash protection plan.</li> </ul>
<b>Effective interest rate</b>	No material change		<ul style="list-style-type: none"> <li>Perpetual refinanced interest is now flowing into P&amp;L and is being offset by the expected interest rate decrease.</li> </ul>
<b>Dividend policy</b>	At least 50% dividend payout ratio		

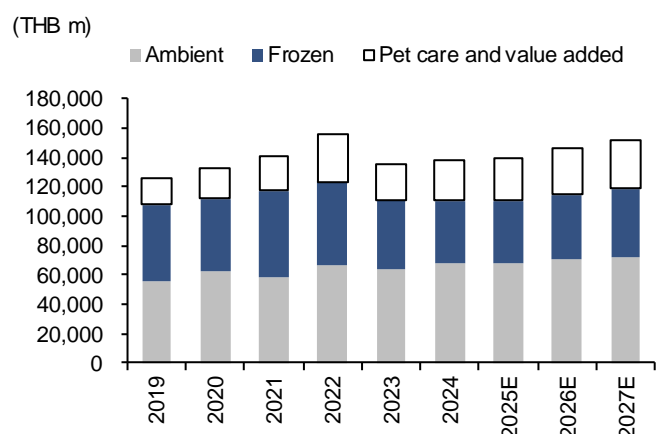
Source: TU's 1Q25 presentation

**Exhibit 13: Yearly total revenue and growth**



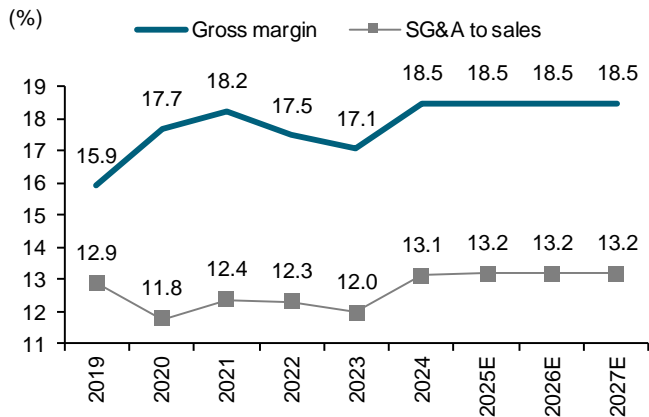
Sources: TU, FSSIA estimates

**Exhibit 14: Yearly revenue breakdown by product segment**



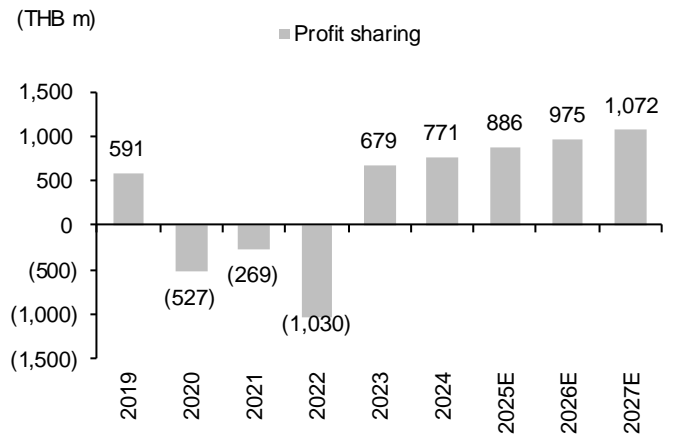
Sources: TU, FSSIA estimates

**Exhibit 15: Yearly gross margin and SG&A to sales**



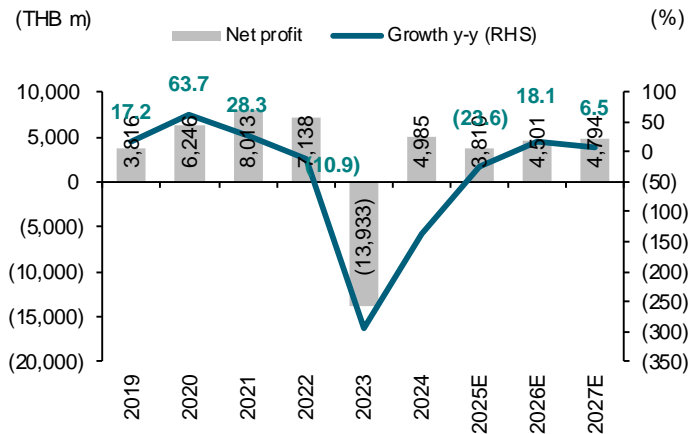
Sources: TU, FSSIA estimates

**Exhibit 16: Yearly share of profits from associate companies**



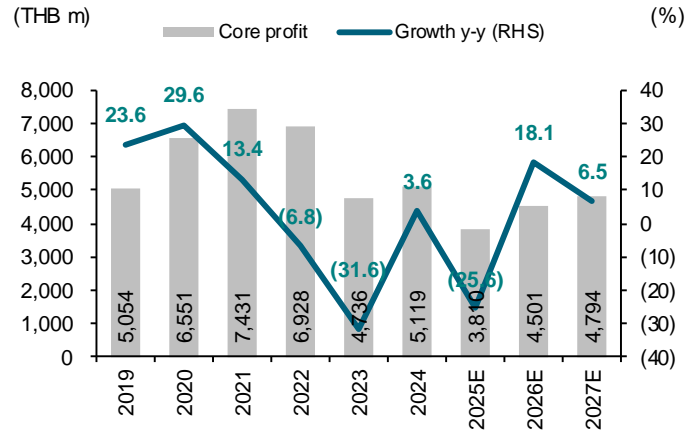
Sources: TU, FSSIA estimates

**Exhibit 17: Yearly net profit and growth**



Sources: TU, FSSIA estimates

**Exhibit 18: Yearly core profit and growth**



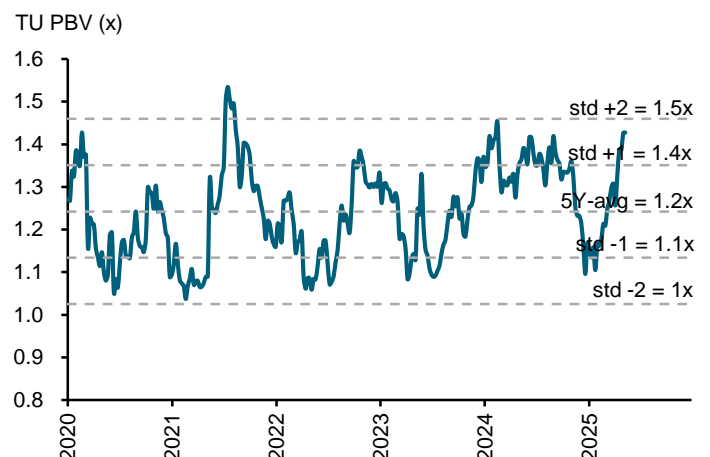
Sources: TU, FSSIA estimates

**Exhibit 19: Historical P/E band**



Sources: Bloomberg, FSSIA estimates

**Exhibit 20: Historical P/BV band**



Sources: Bloomberg, FSSIA estimates



## Financial Statements

### Thai Union Group

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	136,153	138,433	129,413	135,884	141,048
Cost of goods sold	(112,928)	(112,809)	(105,472)	(110,745)	(114,954)
<b>Gross profit</b>	<b>23,225</b>	<b>25,624</b>	<b>23,941</b>	<b>25,139</b>	<b>26,094</b>
Other operating income	1,060	1,137	906	951	987
Operating costs	(16,313)	(18,401)	(17,859)	(18,344)	(19,041)
<b>Operating EBITDA</b>	<b>12,163</b>	<b>12,725</b>	<b>11,603</b>	<b>12,635</b>	<b>13,230</b>
Depreciation	(4,191)	(4,365)	(4,615)	(4,890)	(5,190)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>7,972</b>	<b>8,360</b>	<b>6,988</b>	<b>7,745</b>	<b>8,040</b>
Net financing costs	(2,302)	(2,492)	(2,402)	(2,400)	(2,405)
Associates	679	771	680	748	823
Recurring non-operating income	(19,490)	771	680	748	823
Non-recurring items	0	(134)	0	0	0
<b>Profit before tax</b>	<b>(13,820)</b>	<b>6,504</b>	<b>5,266</b>	<b>6,094</b>	<b>6,457</b>
Tax	620	(430)	(550)	(641)	(676)
<b>Profit after tax</b>	<b>(13,200)</b>	<b>6,074</b>	<b>4,716</b>	<b>5,452</b>	<b>5,781</b>
Minority interests	(733)	(1,089)	(906)	(951)	(987)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>(13,933)</b>	<b>4,985</b>	<b>3,810</b>	<b>4,501</b>	<b>4,794</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>0</b>	<b>134</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>(13,933)</b>	<b>5,119</b>	<b>3,810</b>	<b>4,501</b>	<b>4,794</b>
<b>Per share (THB)</b>					
Recurring EPS *	(2.99)	1.15	0.86	1.01	1.08
Reported EPS	(2.99)	1.12	0.86	1.01	1.08
DPS	0.53	0.70	0.56	0.66	0.70
Diluted shares (used to calculate per share data)	4,655	4,455	4,455	4,455	4,455
<b>Growth</b>					
Revenue (%)	(12.5)	1.7	(6.5)	5.0	3.8
Operating EBITDA (%)	(8.9)	4.6	(8.8)	8.9	4.7
Operating EBIT (%)	(11.7)	4.9	(16.4)	10.8	3.8
Recurring EPS (%)	nm	nm	(25.6)	18.1	6.5
Reported EPS (%)	nm	nm	(23.6)	18.1	6.5
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	17.1	18.5	18.5	18.5	18.5
Gross margin exc. depreciation (%)	20.1	21.7	22.1	22.1	22.2
Operating EBITDA margin (%)	8.9	9.2	9.0	9.3	9.4
Operating EBIT margin (%)	5.9	6.0	5.4	5.7	5.7
Net margin (%)	(10.2)	3.7	2.9	3.3	3.4
Effective tax rate (%)	4.5	6.6	10.5	10.5	10.5
Dividend payout on recurring profit (%)	(17.7)	60.7	65.0	65.0	65.0
Interest cover (X)	(5.0)	3.7	3.2	3.5	3.7
Inventory days	173.0	158.4	154.8	148.1	149.1
Debtor days	45.0	43.4	43.7	38.9	39.1
Creditor days	68.5	62.8	67.5	66.4	66.8
Operating ROIC (%)	7.9	8.2	7.0	7.9	7.9
ROIC (%)	(6.7)	5.7	5.1	5.7	5.8
ROE (%)	(20.0)	9.5	7.8	8.9	9.2
ROA (%)	(6.5)	5.1	4.4	4.9	5.0

\* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2023	2024	2025E	2026E	2027E
Ambient seafood	63,904	68,412	62,120	65,655	67,375
Frozen & chilled seafood	47,295	42,226	39,186	40,361	41,895
Pet food & others	24,954	27,795	28,108	29,868	31,778

Sources: Thai Union Group; FSSIA estimates

## Financial Statements

### Thai Union Group

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	(13,933)	5,119	3,810	4,501	4,794
Depreciation	4,191	4,365	4,615	4,890	5,190
Associates & minorities	679	771	680	748	823
Other non-cash items	(20,169)	(268)	0	0	0
Change in working capital	2,378	4,068	5,084	(1,920)	(1,532)
<b>Cash flow from operations</b>	<b>(26,854)</b>	<b>14,054</b>	<b>14,189</b>	<b>8,219</b>	<b>9,274</b>
Capex - maintenance	(5,557)	(3,605)	(5,000)	(5,500)	(6,000)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	34,495	(13,143)	(2,395)	(392)	(539)
Other investments (net)	(851)	2,133	5,453	(1,488)	(1,188)
<b>Cash flow from investing</b>	<b>28,087</b>	<b>(14,615)</b>	<b>(1,942)</b>	<b>(7,380)</b>	<b>(7,726)</b>
Dividends paid	(6,811)	(5,774)	(2,476)	(2,926)	(3,116)
Equity finance	(29)	(50)	1	1	1
Debt finance	7,631	523	(5,291)	(68)	148
Other financing cash flows	223	(295)	(1,006)	421	336
<b>Cash flow from financing</b>	<b>1,015</b>	<b>(5,596)</b>	<b>(8,772)</b>	<b>(2,572)</b>	<b>(2,631)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>2,248</b>	<b>(6,156)</b>	<b>3,475</b>	<b>(1,733)</b>	<b>(1,083)</b>
Free cash flow to firm (FCFF)	3,535.97	1,931.67	14,649.23	3,238.63	3,953.48
Free cash flow to equity (FCFE)	9,088.36	(332.11)	5,949.83	1,191.43	2,031.69

#### Per share (THB)

FCFF per share	0.79	0.43	3.29	0.73	0.89
FCFE per share	2.04	(0.07)	1.34	0.27	0.46
Recurring cash flow per share	(6.28)	2.24	2.04	2.28	2.43

Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	64,122	65,367	70,617	76,392	82,692
Less: Accumulated depreciation	(32,736)	(34,742)	(39,606)	(44,771)	(50,261)
<b>Tangible fixed assets (net)</b>	<b>31,385</b>	<b>30,626</b>	<b>31,011</b>	<b>31,621</b>	<b>32,431</b>
<b>Intangible fixed assets (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	10,885	9,420	9,420	9,420	9,420
Cash & equivalents	14,490	8,333	11,808	10,075	8,992
A/C receivable	16,031	16,876	14,111	14,817	15,380
Inventories	50,482	43,626	41,900	43,995	45,667
Other current assets	4,827	10,813	11,365	11,533	11,667
<b>Current assets</b>	<b>85,829</b>	<b>79,649</b>	<b>79,184</b>	<b>80,419</b>	<b>81,705</b>
Other assets	37,351	35,218	29,765	31,253	32,441
<b>Total assets</b>	<b>165,450</b>	<b>154,912</b>	<b>149,380</b>	<b>152,714</b>	<b>155,997</b>
Common equity	58,628	48,635	49,647	51,224	52,902
Minorities etc.	7,389	7,678	7,118	7,474	7,758
<b>Total shareholders' equity</b>	<b>66,017</b>	<b>56,313</b>	<b>56,765</b>	<b>58,697</b>	<b>60,660</b>
Long term debt	39,248	38,594	37,844	37,094	36,344
Other long-term liabilities	9,712	9,418	8,412	8,832	9,168
<b>Long-term liabilities</b>	<b>48,960</b>	<b>48,012</b>	<b>46,256</b>	<b>45,927</b>	<b>45,512</b>
A/C payable	18,798	18,522	18,783	19,722	20,471
Short term debt	28,740	29,917	25,376	26,058	26,956
Other current liabilities	2,935	2,149	2,200	2,310	2,398
<b>Current liabilities</b>	<b>50,473</b>	<b>50,588</b>	<b>46,359</b>	<b>48,090</b>	<b>49,825</b>
<b>Total liabilities and shareholders' equity</b>	<b>165,450</b>	<b>154,912</b>	<b>149,380</b>	<b>152,714</b>	<b>155,997</b>
Net working capital	49,607	50,645	46,393	48,313	49,845
Invested capital	129,228	125,909	116,589	120,607	124,137

\* Includes convertibles and preferred stock which is being treated as debt

#### Per share (THB)

Book value per share	12.59	10.92	11.14	11.50	11.87
Tangible book value per share	12.59	10.92	11.14	11.50	11.87

#### Financial strength

Net debt/equity (%)	81.0	106.9	90.6	90.4	89.5
Net debt/total assets (%)	32.3	38.8	34.4	34.8	34.8
Current ratio (x)	1.7	1.6	1.7	1.7	1.6
CF interest cover (x)	4.9	0.9	3.5	1.5	1.8

Valuation	2023	2024	2025E	2026E	2027E
<b>Recurring P/E (x) *</b>	<b>(3.5)</b>	<b>9.1</b>	<b>12.2</b>	<b>10.3</b>	<b>9.7</b>
<b>Recurring P/E @ target price (x) *</b>	<b>(3.7)</b>	<b>9.6</b>	<b>12.9</b>	<b>10.9</b>	<b>10.2</b>
Reported P/E (x)	(3.5)	9.3	12.2	10.3	9.7
Dividend yield (%)	5.1	6.7	5.3	6.3	6.7
Price/book (x)	0.8	1.0	0.9	0.9	0.9
Price/tangible book (x)	0.8	1.0	0.9	0.9	0.9
EV/EBITDA (x) **	9.0	9.0	9.0	8.5	8.2
EV/EBITDA @ target price (x) **	9.2	9.2	9.3	8.7	8.4
EV/invested capital (x)	0.8	0.9	0.9	0.9	0.9

\* Pre-exceptional, pre-goodwill and fully diluted \*\* EBITDA includes associate income and recurring non-operating income

Sources: Thai Union Group; FSSIA estimates



# Thai Union Group PCL (TU TB)

## FSSIA ESG rating



**82.00 /100**

### Exhibit 21: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

### Exhibit 22: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		DJSI	SET ESG	SET ESG Rating	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	68.20	5.83	4.61	4.25	4.61	4.21	3.95	Medium	53.02	BBB	24.44	60.65	67.96	2.33	35.35
Coverage	64.39	4.92	4.71	4.23	4.44	4.07	3.65	Medium	49.86	BB	18.30	53.38	63.50	2.45	35.11
BTG	59.71	--	Y	AAA	5.00	4.00	Certified	High	--	BBB	--	--	--	3.68	57.48
CPF	80.10	Y	Y	AAA	5.00	5.00	Certified	Medium	70.60	BB	44.00	62.05	85.00	4.43	67.93
GFPT	40.94	--	--	--	5.00	5.00	Certified	High	--	--	--	62.92	24.00	4.22	58.07
TU	82.00	Y	Y	A	5.00	5.00	Certified	High	64.42	A	41.00	74.01	85.00	3.43	77.68
TFG	35.10	--	Y	AA	5.00	5.00	Certified	Severe	--	--	--	40.78	--	--	--

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation

### Exhibit 23: ESG score by Bloomberg

FY ending Dec 31	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>ESG financial materiality scores - ESG score</b>	<b>2.62</b>	<b>2.56</b>	<b>2.86</b>	<b>2.84</b>	<b>3.00</b>	<b>3.29</b>	<b>3.47</b>	<b>3.43</b>
BESG environmental pillar score	2.49	2.51	3.33	3.36	3.58	4.80	4.65	4.49
BESG social pillar score	1.32	1.28	1.41	1.36	1.53	1.54	1.63	1.50
BESG governance pillar score	4.42	4.21	3.95	3.89	3.93	3.40	4.10	4.32
<b>ESG disclosure score</b>	<b>56.98</b>	<b>56.98</b>	<b>60.30</b>	<b>60.75</b>	<b>63.74</b>	<b>70.52</b>	<b>76.20</b>	<b>77.68</b>
Environmental disclosure score	44.64	44.64	48.32	48.66	48.66	69.50	72.88	81.49
Social disclosure score	42.59	42.59	42.59	43.62	52.60	52.12	65.81	61.64
Governance disclosure score	83.59	83.59	89.86	89.86	89.86	89.86	89.86	89.86
<b>Environmental</b>								
Emissions reduction initiatives	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Climate change policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	No	No	No	No	No
Risks of climate change discussed	No	No	No	Yes	Yes	Yes	Yes	Yes
GHG scope 1	423	367	370	337	311	323	296	269
GHG scope 2 location-based	176	179	170	173	183	188	181	165
GHG Scope 3	—	—	—	—	—	4,072	3,555	4,166
Carbon per unit of production	1	1	1	1	1	1	1	1
Biodiversity policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Energy efficiency policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total energy consumption	1,328	1,251	1,196	1,097	1,181	1,209	1,225	958
Renewable energy use	54	48	40	53	75	250	104	136
Electricity used	360	369	350	354	379	375	363	363
Fuel used - natural gas	8,254	7,918	7,030	3,052	7,182	8,309	269,310	265,220

Sources: Bloomberg; FSSIA's compilation

**Exhibit 24: ESG score by Bloomberg (cont.)**

FY ending Dec 31	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Fuel used - crude oil/diesel	No	No	No	No	No	No	No	No
Waste reduction policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Hazardous waste	0	0	1	1	1	3	1	1
Total waste	41	27	57	45	84	78	69	65
Waste recycled	—	—	27	26	51	32	27	21
Waste sent to landfills	41	27	22	14	14	14	15	15
Environmental supply chain management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water consumption	—	—	—	—	—	4,380	3,950	4,100
<b>Social</b>								
Human rights policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Quality assurance and recall policy	No	No	No	Yes	Yes	Yes	Yes	Yes
Consumer data protection policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No	Yes	Yes	Yes	Yes
Pct women in workforce	—	—	—	—	—	57	57	57
Pct disabled in workforce	—	—	—	—	—	2	2	2
Business ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	1	1	1	0	0	0	0	0
Total recordable incident rate - employees	—	—	—	—	1	1	1	1
Training policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Number of employees – CSR	49,177	51,143	47,314	44,551	44,101	44,705	48,630	44,797
Employee turnover pct	14	15	13	16	17	13	20	18
Total hours spent by firm - employee training	885,186	767,145	264,958	209,390	260,196	90,926	62,032	352,592
Social supply chain management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Governance</b>								
Board size	12	12	12	12	12	12	11	11
No. of independent directors (ID)	4	4	4	4	4	5	5	5
No. of women on board	0	0	0	0	0	2	2	2
No. of non-executive directors on board	6	6	6	6	6	6	6	7
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	8	6	5	6	7	5	8	8
Board meeting attendance pct	94	89	85	90	92	95	92	93
Board duration (years)	3	3	3	3	3	3	3	3
Director share ownership guidelines	No	No	No	No	No	No	No	No
Age of the youngest director	42	42	43	44	45	46	47	48
Age of the oldest director	82	83	84	85	86	87	80	81
No. of executives / company managers	10	12	11	12	12	11	11	11
No. of female executives	1	1	1	1	1	0	0	0
Executive share ownership guidelines	No	No	No	No	No	No	No	No
Size of audit committee	3	3	3	3	3	3	3	3
No. of ID on audit committee	3	3	3	3	3	3	3	3
Audit committee meetings	23	21	14	21	12	5	13	9
Audit meeting attendance %	97	89	93	97	94	100	97	96
Size of compensation committee	2	2	2	2	2	2	2	2
No. of ID on compensation committee	2	2	2	2	2	2	2	2
No. of compensation committee meetings	3	2	2	2	2	4	3	2
Compensation meeting attendance %	100	100	100	100	100	100	100	100
Size of nomination committee	2	2	2	2	2	2	2	2
No. of nomination committee meetings	3	2	2	2	2	4	3	2
Nomination meeting attendance %	100	100	100	100	100	100	100	100
<b>Sustainability governance</b>								
Verification type	No	No	Yes	Yes	Yes	Yes	Yes	Yes

Sources: Bloomberg; FSSIA's compilation

## Disclaimer for ESG scoring

ESG score	Methodology	Rating																			
The Dow Jones Sustainability Indices ( <a href="#">DJSI</a> ) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																			
SET ESG Ratings List ( <a href="#">SETESG</a> ) by The Stock Exchange of Thailand ( <a href="#">SET</a> )	SET ESG quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for <b>SETESG inclusion</b> , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. <b>SETESG Index</b> is extended from the SET ESG Ratings companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																			
<b>CG Score</b> by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																			
<b>AGM level</b> By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&amp;A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																			
<a href="#">Thai CAC</a> By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																			
<a href="#">Morningstar Sustainabilitys</a>	The Sustainabilitys' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality &amp; peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+									
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<a href="#">ESG Book</a>	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																			
<a href="#">MSCI</a>	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table><tr><td><b>AAA</b></td><td>8.571-10.000</td><td rowspan="3"><b>Leader:</b></td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td><b>AA</b></td><td>7.143-8.570</td></tr><tr><td><b>A</b></td><td>5.714-7.142</td></tr><tr><td><b>BBB</b></td><td>4.286-5.713</td><td rowspan="3"><b>Average:</b></td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td><b>BB</b></td><td>2.857-4.285</td></tr><tr><td><b>B</b></td><td>1.429-2.856</td></tr><tr><td><b>CCC</b></td><td>0.000-1.428</td><td><b>Laggard:</b></td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570	<b>A</b>	5.714-7.142	<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285	<b>B</b>	1.429-2.856	<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks
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<a href="#">Moody's ESG solutions</a>	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																				
<a href="#">Refinitiv ESG rating</a>	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																				
<a href="#">S&amp;P Global</a>	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																				
<b>Bloomberg</b>	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																			
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																			

[Rating](#) regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Sureeporn Teewasuwet FSS International Investment Advisory Securities Co., Ltd

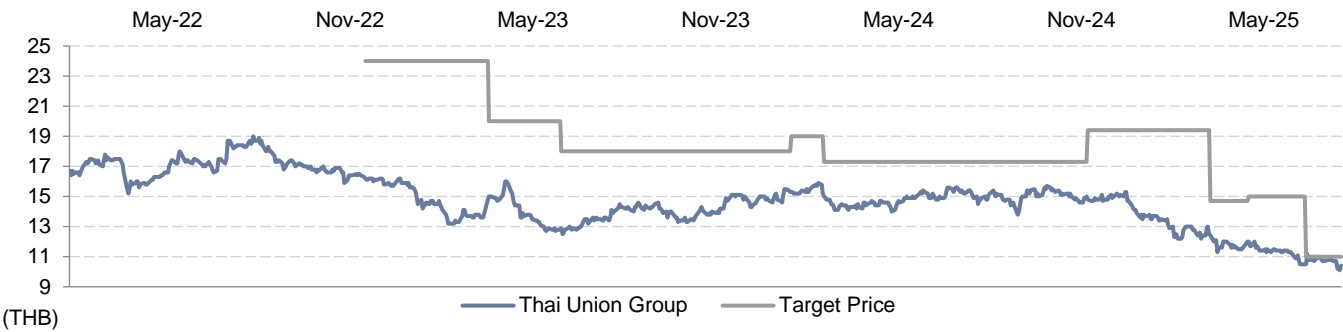
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

History of change in investment rating and/or target price

Thai Union Group (TU TB)



Sureeporn Teewasuwet started covering this stock from 23-Jan-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Thai Union Group	TU TB	THB 10.40	HOLD	Downside and upside risks to our 2025 TP include 1) a slower or faster-than-expected revenue recovery; 2) higher or lower-than-expected freight costs; 3) more fluctuating raw material costs than expected; 4) higher-than-expected labor costs and labor shortages; and 5) a stronger baht than expected.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 09-May-2025 unless otherwise stated.

## RECOMMENDATION STRUCTURE

### Stock ratings

Stock ratings are based on absolute upside or downside, which we define as  $(\text{target price}^* - \text{current price}) / \text{current price}$ .

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

\* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

### Industry Recommendations

**Overweight.** The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

**Neutral.** The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

**Underweight.** The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

### Country (Strategy) Recommendations

**Overweight (O).** Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Neutral (N).** Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Underweight (U).** Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.