

# THAI UNION GROUP TU TB

## THAILAND / FOOD & BEVERAGE

# HOLD

UNCHANGED

TARGET PRICE	THB13.50
CLOSE	THB12.40
UP/DOWNSIDE	+8.9%
PRIOR TP	THB11.70
CHANGE IN TP	+15.4%
TP vs CONSENSUS	+16.4%

## Positive message from meeting

- Management has a positive outlook; limited tariff impact and competitive position unaffected.
- If MC acquires a full 20% stake, synergies would increase in 2026.
- Management confirms TU group will retain majority ownership and key management roles.

### Positive outlook from management, tariff impact remains limited

We received a positive message from management during this morning's analyst meeting. In the short term, the impact from US tariffs remains limited, with strong order momentum continuing into July–August. Importantly, the tariff burden will be absorbed by customers, and may eventually be passed on to retail prices. TU is not overly concerned about competition, as tariff rates are relatively similar across key producing countries – Vietnam, Indonesia, the Philippines, and Ecuador, while China and India face higher tariffs. TU also has diversified production bases in the Seychelles (10% tariff) and Ghana (15%) – to be used as back-up, with Thailand remaining the core production base.

### Expect synergies from TU-MC deal to begin in 2026

Mitsubishi Corporation (MC) plans to acquire an additional 13.81% share of TU, raising its stake to 20%, via a general offer expected to commence in August. The transaction is subject to regulatory approvals, including EU antitrust clearance. MC is already one of TU's top 5 customers. Upon completion, deeper business collaboration is expected across Ambient, Frozen, and Pet Food, along with joint R&D. Management guided that synergies are likely to begin from 2026 onwards. Aside from that, management reaffirmed that the TU group and founding family have no intention to sell their shares or release treasury shares to MC, even if the tendered amount falls short of 20%.

### Short-term order outlook remains positive

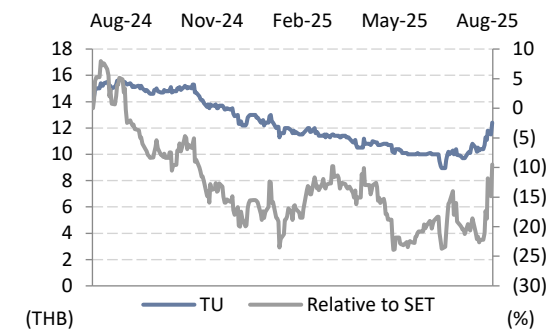
We expect 3Q25 net profit to recover q-q, but likely decline y-y due to the stronger THB and higher tax expenses, as 1Q25 included a positive one-off tax item. TU maintains its 2025 revenue growth target at -1% to -2% y-y, despite 1H25 revenue declining 7.8% y-y. Management remains confident in a 2H25 recovery. We expect to see a full-year impact from US tariffs in 2026, depending heavily on US consumer demand.

### Maintain profit forecast; monitoring 2026 tariff impact

We maintain our 2025 net profit estimate of THB4.24b (-15% y-y) and expect 2026 profit to rebound by 11.3% y-y, excluding synergies from MC, assuming US customers absorb the full tariff impact. However, based on our sensitivity analysis, if TU were to bear the tariff burden, every 1% increase in the tariff rate would reduce our profit by 1.5%, all else being equal. We roll forward to a 2026 TP at THB13.5, based on 12.5x P/E. In the short term, TU's share price is likely to be capped at around THB12.5 – the offer price from MC.

## KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	138,433	129,413	135,884	141,048
Net profit	4,985	4,241	4,720	5,223
EPS (THB)	1.12	0.95	1.06	1.17
vs Consensus (%)	-	1.3	1.6	13.3
EBITDA	12,725	11,474	12,499	13,371
Recurring net profit	5,119	4,241	4,720	5,223
Core EPS (THB)	1.15	0.95	1.06	1.17
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	nm	(17.2)	11.3	10.7
Core P/E (x)	10.8	13.0	11.7	10.6
Dividend yield (%)	5.6	5.0	5.6	6.1
EV/EBITDA (x)	9.7	10.1	9.4	8.9
Price/book (x)	1.1	1.2	1.1	1.1
Net debt/Equity (%)	106.9	96.8	96.2	94.6
ROE (%)	9.5	8.8	9.7	10.4



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	24.6	15.9	(10.1)
Relative to country (%)	11.9	11.4	(8.1)
Mkt cap (USD m)	1,475		
3m avg. daily turnover (USD m)	5.6		
Free float (%)	65		
Major shareholder	Chansiri Family (12%)		
12m high/low (THB)	15.80/8.60		
Issued shares (m)	4,455.13		

Sources: Bloomberg consensus; FSSIA estimates



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### 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.

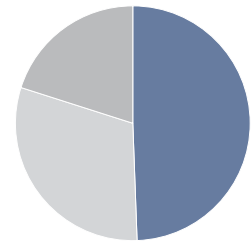
### Company profile

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 had 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 other were 37.7%/30%/11%/5.6%/15.6%, respectively.

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

### Principal activities (revenue, 2024)

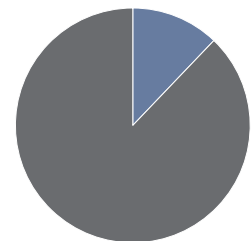
- Ambient seafood - 49.4 %
- Frozen & chilled seafood - 30.5 %
- Pet food & others - 20.1 %



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) M&A.

### 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
November 2025	3Q25 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
Pet Care, 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

## 2Q25 net profit beat our estimate by 7%

TU reported 2Q25 net profit at THB1.27b (+25% q-q, +4.4% y-y). Excluding an FX gain of THB68m, its core profit was THB1.2b (+20% q-q, -17% y-y), recovering q-q due to stronger revenue in both the Ambient and Frozen segments. However, y-y revenue declined, mainly due to a stronger THB.

The 2Q25 gross margin was better than expected at 19.7% (vs our forecast of 19%), up from 18.8% in 1Q25 and 18.5% in 2Q24. This improvement was mainly due to the Ambient segment, which posted an 11-quarter high gross margin of 22% (up from 19.4% in 1Q25), thanks to lower raw material inventory costs and increased sales volumes of branded products.

Total expenses remained high due to transformation costs, but stronger q-q revenue helped the SG&A to sales ratio drop to 13.9% from 15.8%, though it was still higher than in 2Q24.

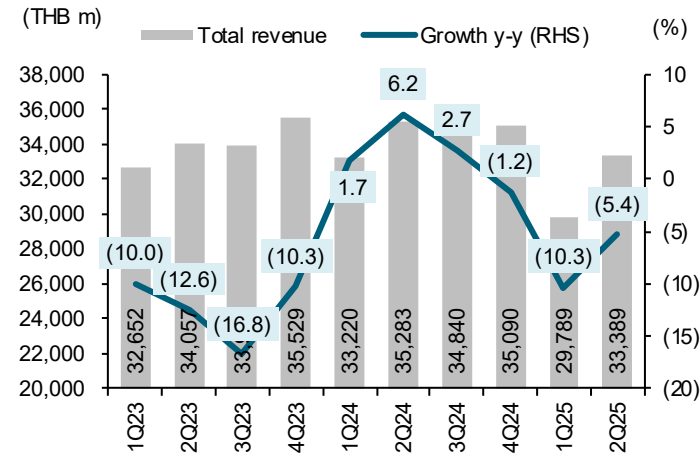
TU's 1H25 net profit was THB2.29b (-3% y-y), accounting for 54% of our full-year estimate.

### Exhibit 1: TU – 2Q25 results summary

	2Q24	3Q24	4Q24	1Q25	2Q25	----- Change -----		1H24	1H25	Change	2024	2025E	Change	% 1H25
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)	(THB m)	(y-y%)	to 2025E
Sales in USD m	964	1,001	1,033	877	1,008	14.9	4.6	1,896	1,886	(0.5)	3,923	3,922	(0.0)	48.1
Sales in THB m	35,283	34,840	35,090	29,789	33,389	12.1	(5.4)	68,503	63,178	(7.8)	138,433	129,413	(6.5)	48.8
Cost of sales	28,748	28,047	28,537	24,177	26,822	10.9	(6.7)	56,226	51,000	(9.3)	112,809	105,084	(6.8)	48.5
Gross profit	6,535	6,793	6,554	5,611	6,567	17.0	0.5	12,277	12,178	(0.8)	25,624	24,330	(5.0)	50.1
SG&A	4,582	4,693	4,929	4,700	4,639	(1.3)	1.2	8,779	9,340	6.4	18,401	18,506	0.6	50.5
Operating profit	2,290	2,382	1,915	1,099	2,140	94.7	(6.6)	4,062	3,239	(20.3)	8,360	6,859	(18.0)	47.2
Profit sharing	179	275	157	291	158	(45.8)	(12.0)	338	449	32.7	771	1,022	32.6	43.9
Interest expense	620	627	598	585	586	0.2	(5.4)	1,267	1,172	(7.5)	2,492	2,326	(6.7)	50.4
Tax expense	44	208	50	(422)	209	nm	373.5	173	(213)	nm	430	408	(5.1)	nm
FX gain (loss)	(237)	(54)	118	26	68	161.5	(128.7)	(287)	94	nm	(223)	0	nm	nm
Reported net profit	1,219	1,400	1,213	1,019	1,273	24.9	4.4	2,372	2,292	(3.4)	4,985	4,241	(14.9)	54.0
Core profit	1,456	1,454	1,095	1,003	1,205	20.1	(17.2)	2,356	2,208	(6.3)	5,119	4,241	(17.2)	52.1
<b>Key ratios (%)</b>						<b>(ppt)</b>	<b>(ppt)</b>							
Gross margin	18.5	19.5	18.7	18.8	19.7	0.8	1.1	17.9	19.3	1.4	18.5	18.8	0.3	
SG&A / sales	13.0	13.5	14.0	15.8	13.9	(1.9)	0.9	12.8	14.8	2.0	13.3	14.3	1.0	
Operating margin	6.5	6.8	5.5	3.7	6.4	2.7	(0.1)	5.9	5.1	(0.8)	6.0	5.3	(0.7)	
Net margin	3.5	4.0	3.5	3.4	3.8	0.4	0.4	3.5	3.6	0.2	3.6	3.3	(0.3)	
Core margin	4.1	4.2	3.1	3.4	3.6	0.2	(0.5)	3.4	3.5	0.1	3.7	3.3	(0.4)	
<b>Operating statistics (THB m)</b>														
Ambient sales	17,376	17,920	15,961	14,762	16,597	12.4	(4.5)	48,212	52,452	8.8	68,412	62,120	(9.2)	50.5
Frozen, chilled seafood sales	10,842	9,836	11,930	8,441	10,034	18.9	(7.5)	34,770	30,296	(12.9)	42,226	39,186	(7.2)	47.1
Pet care sales	4,456	4,352	4,625	4,174	4,387	5.1	(1.5)	10,437	12,763	22.3	17,389	17,702	1.8	48.4
Value added, others sale	2,609	2,732	2,574	2,412	2,371	(1.7)	(9.1)	7,206	7,831	8.7	10,406	10,406	0.0	46.0
<b>Gross margin (%)</b>														
Ambient	18.9	20.1	20.6	19.4	22.0	2.6	3.1	17.8	20.7	3.0	19.1	19.2	0.1	
Frozen, chilled seafood	10.7	12.0	12.1	12.4	11.7	(0.7)	1.0	11.3	12.1	0.8	11.7	12.1	0.4	
Pet care	31.3	30.6	26.1	24.5	25.6	1.1	(5.7)	28.5	25.1	(3.5)	28.5	36.5	8.0	
Value added, others	26.5	25.1	23.5	27.9	26.3	(1.6)	(0.2)	28.0	27.1	(0.9)	26.1	25.1	(1.0)	
FX rate (THB/USD)	36.6	34.8	34.0	34.0	33.1	(2.5)	(9.5)	36.1	33.5	(7.2)	35.3	33.0	(6.5)	
Tuna price (USD/tonne)	1,478	1,410	1,530	1,660	1,515	(8.7)	2.5	1405.5	1587.5	12.9	1,438	1,600	11.3	
Shrimp 60 pcs/kg (THB/kg)	130	141	167	169	139	(17.9)	7.1	133.6	154.2	15.4	144	150	4.2	
Salmon (NOK/kg)	110	78	82	98	79	(19.4)	(28.2)	109.0	88.5	(18.8)	94	80	(14.9)	

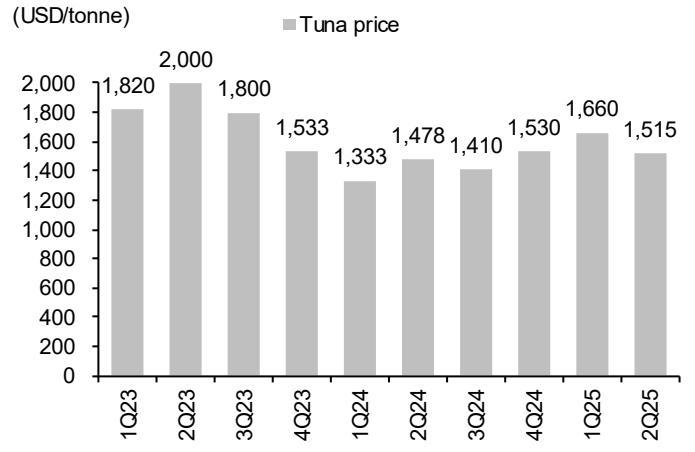
Sources: TU, FSSIA's compilation

**Exhibit 2: Quarterly total revenue and growth**



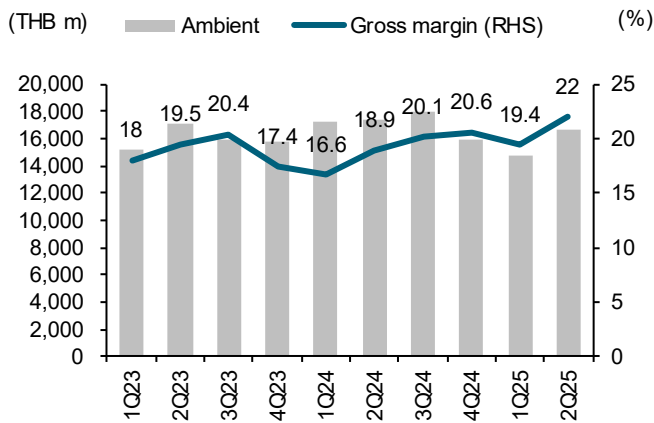
Sources: TU, FSSIA's compilation

**Exhibit 3: Quarterly tuna prices**



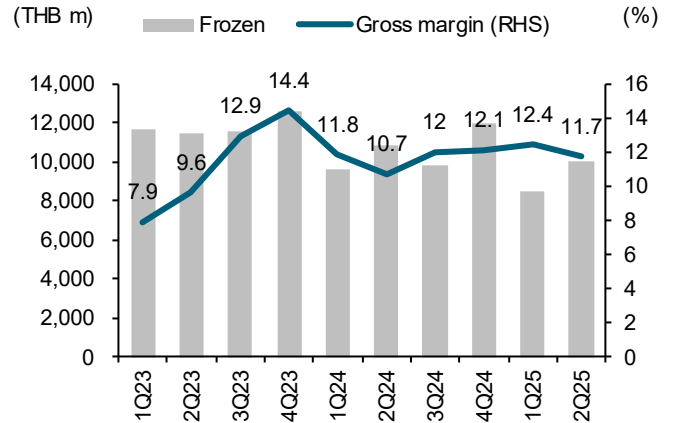
Sources: TU, FSSIA estimates

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



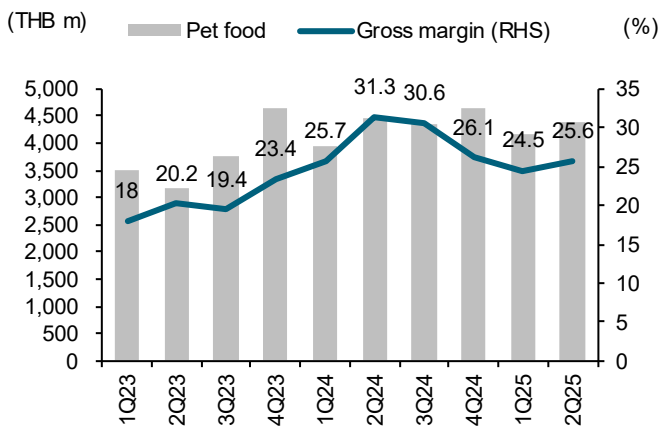
Sources: TU, FSSIA's compilation

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



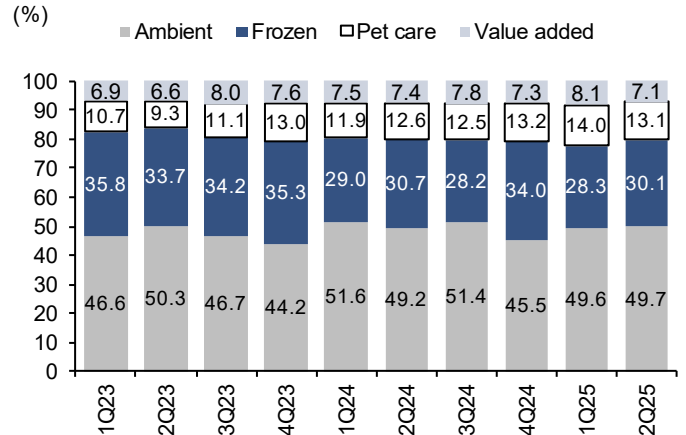
Sources: TU, FSSIA's compilation

**Exhibit 6: Quarterly revenue from Pet Food and margin**



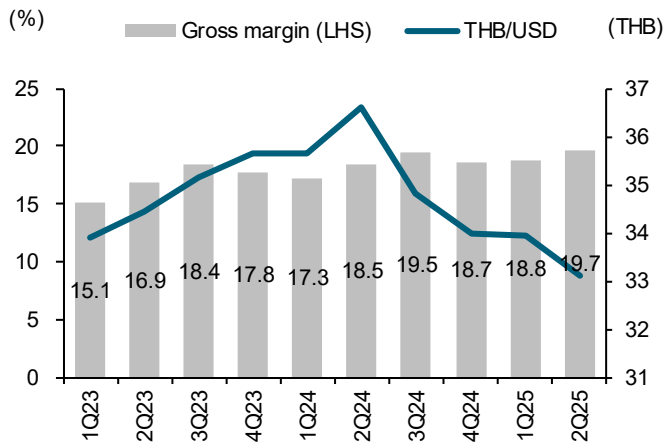
Sources: TU, FSSIA's compilation

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



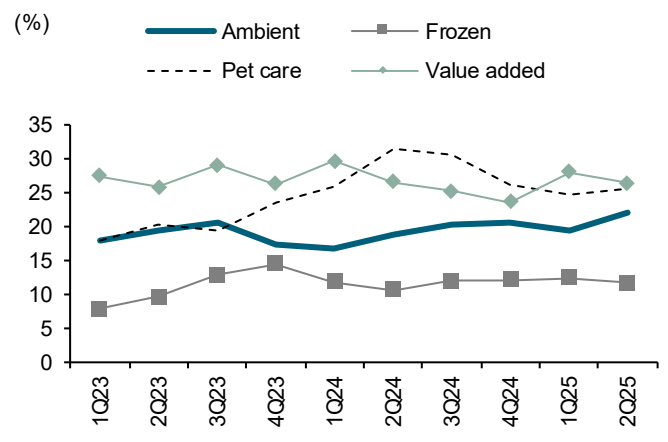
Sources: TU, FSSIA's compilation

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



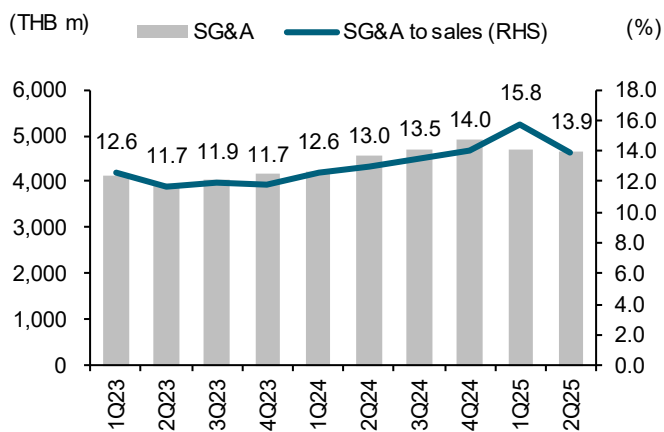
Sources: TU, FSSIA's compilation

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



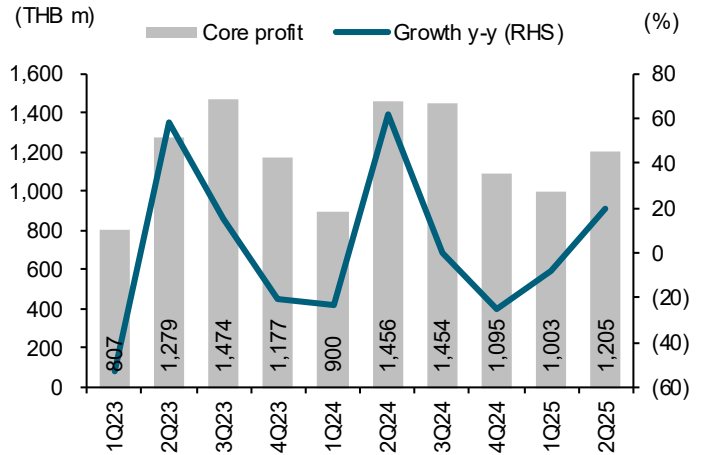
Sources: TU, FSSIA's compilation

**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 revised 2025 financial targets to reflect 19% US tariffs**

2025 Guidance	Previous announcement: 10% tariff (Apr to Dec)	10% tariff (Apr to Jul) 19% tariff (Aug to Dec)	Key factors
<b>Sales growth</b>	+1 to +3% YoY <i>(2024A: +1.7%)</i>	-1 to -2% YoY	<ul style="list-style-type: none"> <li>Softened due to the impact of the 19% U.S. tariff and a more unfavorable USD exchange rate.</li> </ul>
<b>GPM</b>	~18.0 to 19.0% <i>(2024A: 18.5%)</i>	~18.5 to 19.5%	<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>	~13.5 to 14.0% <i>(2024A: 13.3%)</i>	~13.5 to 14.0%	<ul style="list-style-type: none"> <li>Transformation costs (0.7%).</li> <li>Marketing expenses to boost sales of branded products.</li> <li>Impact from tariffs on SG&amp;A.</li> </ul>
<b>CAPEX</b>	~ THB 3.0 to 3.5bn <i>(2024A: THB 3.5bn)</i>	~ THB 3.5 to 4.0bn	
<b>Effective interest rate</b>	No material change		
<b>Dividend policy</b>	At least 50% dividend payout ratio		

Source: TU's 2Q25 presentation

Exhibit 13: US reciprocal tariffs by country

U.S. reciprocal tariffs	April 2 rate	New rate		Announcement
<b>Deal announced:</b>				
Seychelles	10%	10%	↔	July 31
Ghana	10%	15%	▲	July 31
Ecuador	10%	15%	▲	July 31
Indonesia	32%	19%	▼	July 15
Philippines	17%	19%	▲	July 22
<b>Thailand</b>	<b>36%</b>	<b>19%</b>	<b>▼</b>	<b>July 31</b>
Vietnam	46%	20%	▼	July 2
India	26%	25%	▼	July 30
China	145%	30%*	▼	May 30

Sources: TU's 2Q25 presentation

Exhibit 14: Total US tariffs on Ambient products

Country	Base tariffs*	Reciprocal tariffs	Total tariffs	Strengths and limitations
Ghana	0%	15%	15.0%	Strategic low-tariff hubs for TU production.
Seychelles	12.5%	10%	22.5%	Located near rich tuna sources, reducing transport time and cost.
Ecuador	12.5%	15%	27.5%	EU-focused via FDA; challenged by political risks.
Philippines	12.5%	19%	31.5%	Costly, outdated infrastructure limits competitiveness.
Indonesia	12.5%	19%	31.5%	Raw material-rich, but weak in canning and innovation.
Thailand	12.5%	19%	31.5%	Efficient large-scale hub with strong industry ecosystem.
Vietnam	12.5%	20%	32.5%	Dependent on imported loins due to fishing limits.

Sources: TU's 2Q25 presentation

Exhibit 15: Total US tariffs on Frozen products

Country	Anti-dumping duty* (1)	Countervailing duty** (2)	Base duty (1) + (2)	Reciprocal Tariffs	Total tariffs	Strengths and limitations
Ecuador	0%	3.8%	3.8%	15%	18.8%	Low tariffs; limited value-added; China-focused.
Thailand	0.73% TU: 0.0%	0%	0.0%	19%	19.0%	Strong value-added and surimi.
Indonesia	3.9%	0%	3.9%	19%	22.9%	Moderate tariffs; traceability issues.
India	4.0%	5.8%	9.8%	25%	34.8%	Efficient shrimp base; broad sourcing.
Vietnam	35.3%***	2.8%	38.1%	20%	58.1%	Highest tariffs (58.1%); weak U.S. brand.

Sources: TU's 2Q25 presentation

Exhibit 16: Total US tariffs on Pet Care products

Country	Base tariffs*	Reciprocal tariffs	Total tariffs	Strengths and limitations
Thailand	0%	19%	19%	International certified, reputable manufacturers.
Vietnam	0%	20%	20%	Smaller scale than peers.
China	0%	30%**	30%	Less competitive in wet pet food.

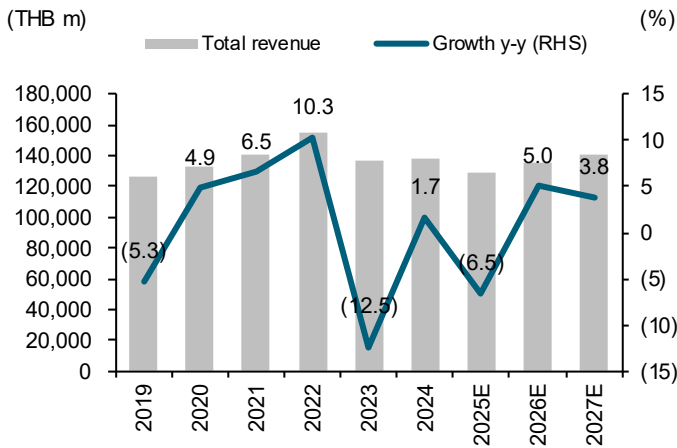
Sources: TU's 2Q25 presentation

Exhibit 17: Key assumptions for TU (maintained)

	Actual	Current			Growth		
	2024 (THB m)	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (%)	2026E (%)	2027E (%)
Total revenue (USD m)	3,922	3,922	4,118	4,274	0.0	5.0	3.8
Fx rate (THB/USD)	35.3	33.0	33.0	33.0	(0.1)	0.0	0.0
Total sale value (THB m)	138,433	129,413	135,884	141,048	(6.5)	5.0	3.8
Costs	112,809	105,084	110,338	114,531	(6.8)	5.0	3.8
Gross profit	25,624	24,330	25,546	26,517	(5.0)	5.0	3.8
SG&A expenses	18,401	18,506	19,024	19,465	0.6	2.8	2.3
Interest expense	2,492	2,326	2,400	2,405	(6.7)	3.2	0.2
Profit sharing	771	1,022	1,087	1,128	32.6	6.4	3.8
Reported net profit	4,985	4,241	4,720	5,223	(14.9)	11.3	10.7
Core profit	5,119	4,241	4,720	5,223	(17.2)	11.3	10.7
<b>Key ratios (%)</b>							
Gross margin	18.5	18.8	18.8	18.8			
SG&A to sales	13.3	14.3	14.0	13.8			
Net margin	3.6	3.3	3.5	3.7			
Core margin	3.7	3.3	3.5	3.7			
<b>Operating statistics (THB m)</b>							
Ambient sales	68,412	62,120	65,655	67,375	(9.2)	5.7	2.6
Frozen, chilled sales	42,226	39,186	40,361	41,895	(7.2)	3.0	3.8
Pet care sales	17,389	17,702	18,941	20,305	1.8	7.0	7.2
Value added, others sales	10,406	10,406	10,926	11,473	0.0	5.0	5.0
Tuna price (USD per ton)	1,438	1,600	1,600	1,600	11.3	0.0	0.0

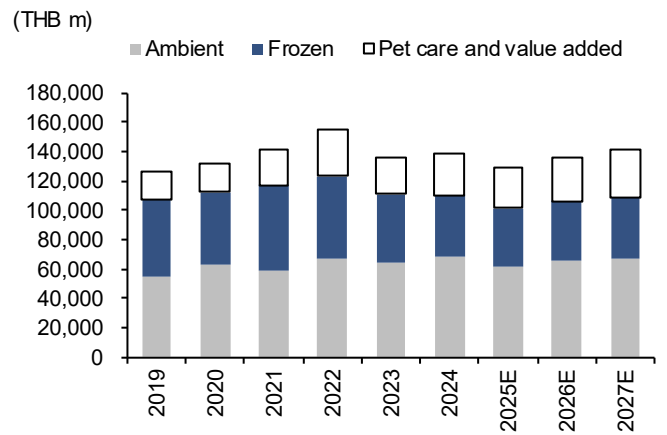
Sources: FSSIA estimates

**Exhibit 18: Yearly total revenue and growth**



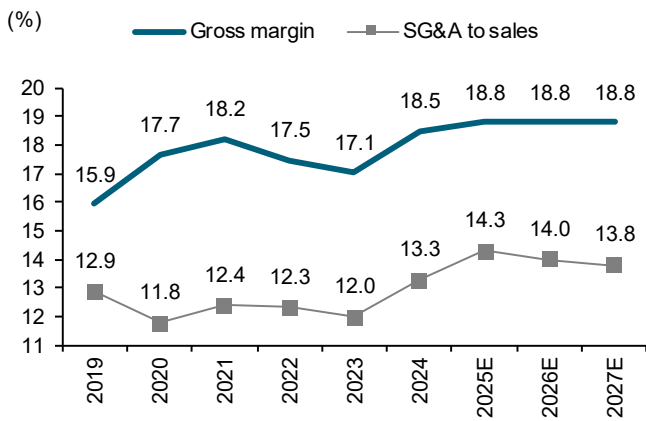
Sources: TU, FSSIA estimates

**Exhibit 19: Yearly revenue breakdown by product segment**



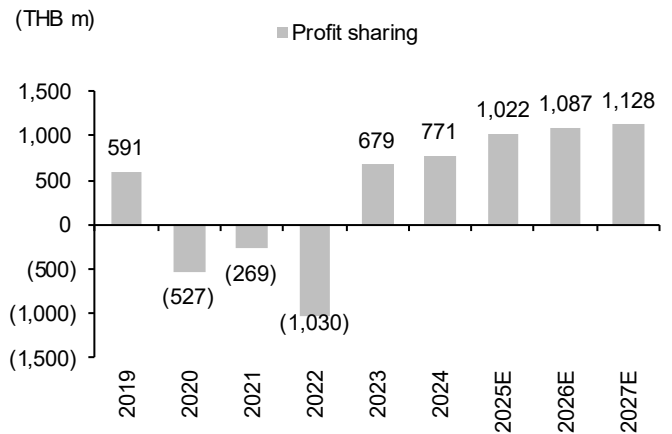
Sources: TU, FSSIA estimates

**Exhibit 20: Yearly gross margin and SG&A to sales**



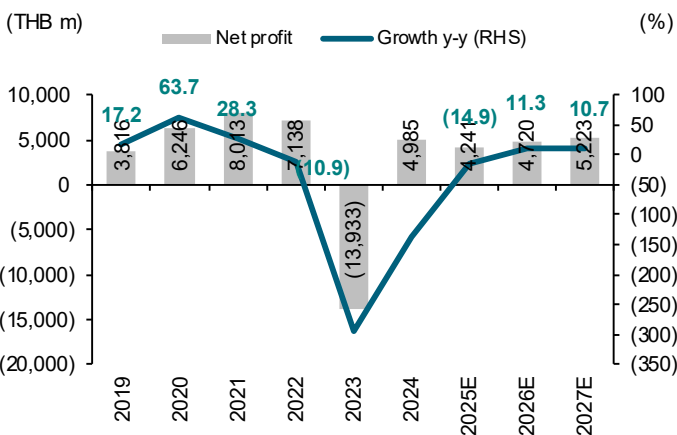
Sources: TU, FSSIA estimates

**Exhibit 21: Yearly share of profits from associate companies**



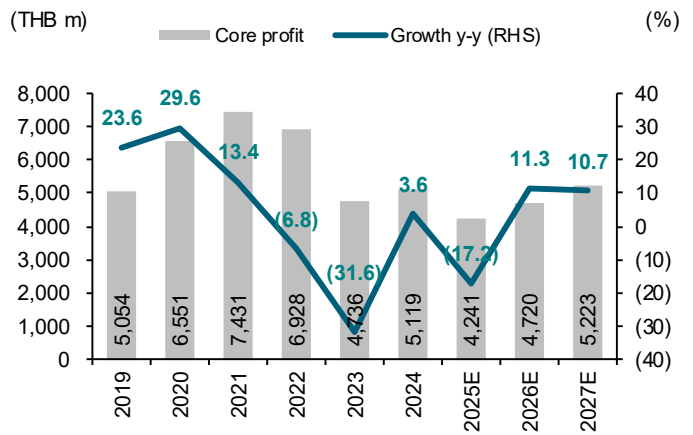
Sources: TU, FSSIA estimates

**Exhibit 22: Yearly net profit and growth**



Sources: TU, FSSIA estimates

**Exhibit 23: Yearly core profit and growth**



Sources: TU, FSSIA estimates

## Expect synergies from TU-MC deal to begin in 2026

Mitsubishi Corporation (MC) proposes to increase its shareholding in TU by 13.81%, bringing its total stake to 20%, at a price of THB12.5/shr. This will be done through a general offer to existing shareholders in the market.

TU and MC have already signed a business partnership agreement. However, the timeline for the share purchase has not yet been set, as the transaction is contingent upon the fulfillment of several conditions:

1. MC intends to hold no more than 20% of TU's total shares. If the total number of shares tendered does not meet MC's desired amount, the offer will be cancelled entirely ("All or Nothing"). In an analyst meeting held yesterday, TU's management stated that the TU group will not sell their shares and will also not offer any treasury shares for sale to MC in his event that the offer does not reach the targeted amount.
2. Before the purchase can proceed, the foreign shareholding in TU must remain at no less than 13.81% (excluding treasury shares). Currently, TU's foreign available room stands at 22.48% of total shares, with a foreign ownership limit set at 45%.
3. Approval must be obtained for Merger Control and Foreign Direct Investment from relevant authorities related to both TU and MC, such as the EU Antitrust authority.
4. TU must not take any actions affecting shareholder rights (e.g., capital increases, share buybacks, dividend payments, or any significant transactions) before the official share purchase takes place.

If any of these conditions are not met, the share purchase may not proceed or may be delayed until all conditions are fulfilled.

Reason for the purchase: TU stated that MC expressed its intention to invest further as a reflection of its confidence in TU's long-term growth potential and to strengthen the strategic business partnership with TU.

MC and TU have been long-time partners since 1991, both as business allies and collaborators. Currently, MC is one of TU's top 5 largest customers and has been cooperating with TU on R&D in the seafood sector.

After the transaction is completed and MC holds 20% of TU's shares, TU will be classified as an associate company of MC, and MC's board representation will increase from 1 to 2 seats.

MC generated around USD130b in revenue in 2024, with a net profit of USD6b. Its revenue segments include: Material Solutions (22% of total revenue); Mineral Resources (17%); Environmental Energy (16%); Smart-Life Creation (16%); and Food Industry (12%).

Management further stated that this transaction will lead to greater business collaboration aligned with TU's long-term strategy and goals, such as: expanding the customer base and product portfolios between the two companies; improving access to raw materials to enhance cost competitiveness; increasing supply chain efficiency; and accelerating innovation through continued joint R&D.

Management guided that synergies would become more visible from 2026 onward

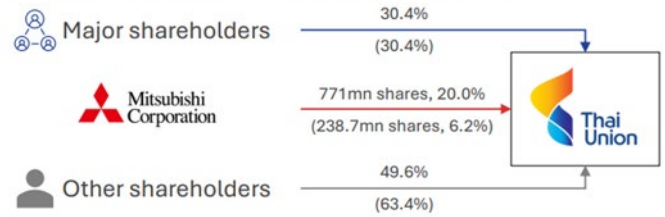
Exhibit 24: TU-MC: Transaction Summary

<b>Acquirer:</b>	Mitsubishi Corporation (MC)
<b>Acquisition Method:</b>	General Offer
<b>Stake Acquired:</b>	532.3mn shares, 13.8% of TU's total shares (excluding treasury shares)
<b>Offer Price:</b>	12.50 THB per share
<b>Minimum acceptance condition:</b>	All-or-nothing structure
<b>Post transaction:</b>	TU will become MC's associate, and MC will record 20% share of profit from TU's earnings

Sources: TU's 2Q25 presentation

Exhibit 25: Post-transaction ownership

MC will increase its representatives in TU's BOD to **2 out of 12 members**.  
**Pre-transaction shareholding in TU shows in () and as of March 3, 2025**



Remark: The percentage holding in TU bases on total shares, excluding treasury shares.

Sources: TU's 2Q25 presentation

Exhibit 26: MC: Company background

**MC Business**  
(% Sales, NI Cont.\*)

Sales: ~USD 130bn  
 NI: ~USD 6bn

- Materials Solution (22%, 7%)
- Mineral Resources (17%, 24%)
- Environmental Energy (16%, 21%)
- Smart-Life Creation (16%, 19%)
- Food Industry (12%, 10%)
- Power Solution (7%, -2%)
- Urban Development & Infrastructure (5%, 4%)
- Mobility (4%, 12%)

\* As of FY 2024, ended March 2025

Marine Products	Farmed Salmon	Feed manufacturing	Pet Food
<p><b>TOREI</b></p> <p>Toyo Reizo is a marine products trading company and the world's largest trader of sashimi-grade tuna.</p> <p><b>Main products:</b></p> <ul style="list-style-type: none"> <li>Sashimi-grade tuna</li> <li>Salmon</li> <li>Shrimp</li> <li>Scallops and others</li> </ul>	<p><b>CERMAQ</b></p> <p>Cermaq is the 2<sup>nd</sup> largest salmon farming company in the world*, which operates in Norway, Chile, and Canada.</p> <p><b>Salmon Production</b></p> <p><b>248,000</b> tons/year</p> <p>World total production is approx. 3.5 mil tons/year</p> <p>*Including salmon farming operations to be acquired from Grieg Seafood</p>	<p><b>NOSAN</b></p> <p>Nosan Corporation is a leading Japanese feed manufacturer specializing in livestock compound feed, aqua feed, pet food (under the Petline brand) and egg businesses.</p> <p><b>Main aqua feed for:</b></p> <ul style="list-style-type: none"> <li>Red sea bream</li> <li>Yellowtail</li> <li>Coho salmon</li> <li>Japanese tiger prawns and others</li> </ul>	<p><b>Petline</b></p> <p>Petline Corporation, 100% owned by Nosan Corporation, is the first company to launch dry cat food in Japan. Its product lineup spans a wide range of categories, from standard food to veterinary diets for both cats and dogs.</p> <p><b>Product Lineup:</b></p> <ul style="list-style-type: none"> <li>Dry and wet food for cats</li> <li>Dry and wet food for dogs</li> <li>Other pet products</li> </ul>

Sources: TU's 2Q25 presentation

Exhibit 27: TU-MC: Long-term strategic partnership

**Our long-term strategic partnership.**

- 1991** initial investment in TU
- 6.2%** current shareholding in TU
- Top 5** customer in FY 2024, mainly for Frozen products

Frozen shrimp	Frozen & Chilled salmon	Pet Food
<p><b>MC:</b> Shares sushi ingredient expertise and market trends</p> <p><b>TU:</b> Supplies frozen and value-added shrimp products to MC</p>	<p><b>MC:</b> Supplies raw salmon for chilled business in Europe</p> <p><b>TU:</b> Processes and distributes frozen salmon for MC and third-party customers</p>	<p><b>MC:</b> Accelerate the sales of value-added pet food in Japanese Market</p> <p><b>TU:</b> Provides OEM manufacturing support back to MC</p>

Sources: TU's 2Q25 presentation

## 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)	(105,084)	(110,338)	(114,531)
<b>Gross profit</b>	<b>23,225</b>	<b>25,624</b>	<b>24,330</b>	<b>25,546</b>	<b>26,517</b>
Other operating income	1,060	1,137	1,035	1,087	1,128
Operating costs	(16,313)	(18,401)	(18,506)	(19,024)	(19,465)
<b>Operating EBITDA</b>	<b>12,163</b>	<b>12,725</b>	<b>11,474</b>	<b>12,499</b>	<b>13,371</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>6,859</b>	<b>7,610</b>	<b>8,181</b>
Net financing costs	(2,302)	(2,492)	(2,326)	(2,400)	(2,405)
Associates	679	771	1,022	1,087	1,128
Recurring non-operating income	(19,490)	771	1,022	1,087	1,128
Non-recurring items	0	(134)	0	0	0
<b>Profit before tax</b>	<b>(13,820)</b>	<b>6,504</b>	<b>5,555</b>	<b>6,297</b>	<b>6,904</b>
Tax	620	(430)	(408)	(625)	(693)
<b>Profit after tax</b>	<b>(13,200)</b>	<b>6,074</b>	<b>5,147</b>	<b>5,672</b>	<b>6,211</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>4,241</b>	<b>4,720</b>	<b>5,223</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>4,241</b>	<b>4,720</b>	<b>5,223</b>
<b>Per share (THB)</b>					
Recurring EPS *	(2.99)	1.15	0.95	1.06	1.17
Reported EPS	(2.99)	1.12	0.95	1.06	1.17
DPS	0.53	0.70	0.62	0.69	0.76
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	(9.8)	8.9	7.0
Operating EBIT (%)	(11.7)	4.9	(18.0)	10.9	7.5
Recurring EPS (%)	nm	nm	(17.2)	11.3	10.7
Reported EPS (%)	nm	nm	(14.9)	11.3	10.7
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	17.1	18.5	18.8	18.8	18.8
Gross margin exc. depreciation (%)	20.1	21.7	22.4	22.4	22.5
Operating EBITDA margin (%)	8.9	9.2	8.9	9.2	9.5
Operating EBIT margin (%)	5.9	6.0	5.3	5.6	5.8
Net margin (%)	(10.2)	3.7	3.3	3.5	3.7
Effective tax rate (%)	4.5	6.6	7.3	9.9	10.0
Dividend payout on recurring profit (%)	(17.7)	60.7	65.0	65.0	65.0
Interest cover (X)	(5.0)	3.7	3.4	3.6	3.9
Inventory days	173.0	158.4	155.1	148.1	149.1
Debtor days	45.0	43.4	43.7	38.9	39.1
Creditor days	68.5	62.8	67.6	66.4	66.8
Operating ROIC (%)	7.9	8.2	6.9	7.7	8.1
ROIC (%)	(6.7)	5.7	5.2	5.9	6.1
ROE (%)	(20.0)	9.5	8.8	9.7	10.4
ROA (%)	(6.5)	5.1	4.7	5.1	5.3
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
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	4,241	4,720	5,223
Depreciation	4,191	4,365	4,615	4,890	5,190
Associates & minorities	679	771	1,022	1,087	1,128
Other non-cash items	(20,169)	(268)	0	0	0
Change in working capital	2,378	4,068	5,169	(1,915)	(1,528)
<b>Cash flow from operations</b>	<b>(26,854)</b>	<b>14,054</b>	<b>15,047</b>	<b>8,782</b>	<b>10,013</b>
Capex - maintenance	(5,557)	(3,605)	(5,000)	(5,500)	(6,000)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	34,495	(13,143)	(4,737)	(731)	(844)
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>(4,284)</b>	<b>(7,719)</b>	<b>(8,032)</b>
Dividends paid	(6,811)	(5,774)	(2,756)	(3,068)	(3,395)
Equity finance	(29)	(50)	1	1	1
Debt finance	7,631	523	(7,291)	1,932	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>(11,052)</b>	<b>(715)</b>	<b>(2,911)</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>(290)</b>	<b>348</b>	<b>(929)</b>
Free cash flow to firm (FCFF)	3,535.97	1,931.67	13,089.30	3,462.38	4,386.57
Free cash flow to equity (FCFE)	9,088.36	(332.11)	2,465.90	3,415.18	2,464.79

Per share (THB)	2023	2024	2025E	2026E	2027E
FCFF per share	0.79	0.43	2.94	0.78	0.98
FCFE per share	2.04	(0.07)	0.55	0.77	0.55
Recurring cash flow per share	(6.28)	2.24	2.22	2.40	2.59

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	8,044	8,392	7,462
A/C receivable	16,031	16,876	14,111	14,817	15,380
Inventories	50,482	43,626	41,746	43,833	45,498
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>75,266</b>	<b>78,574</b>	<b>80,008</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>145,462</b>	<b>150,869</b>	<b>154,300</b>
Common equity	58,628	48,635	47,798	49,451	51,280
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>54,916</b>	<b>56,925</b>	<b>59,038</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	18,714	19,649	20,396
Short term debt	28,740	29,917	23,376	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>44,290</b>	<b>48,017</b>	<b>49,750</b>
<b>Total liabilities and shareholders' equity</b>	<b>165,450</b>	<b>154,912</b>	<b>145,462</b>	<b>150,869</b>	<b>154,300</b>
Net working capital	49,607	50,645	46,308	48,224	49,752
Invested capital	129,228	125,909	116,504	120,518	124,044

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

Per share (THB)	2023	2024	2025E	2026E	2027E
Book value per share	12.59	10.92	10.73	11.10	11.51
Tangible book value per share	12.59	10.92	10.73	11.10	11.51

Financial strength	2023	2024	2025E	2026E	2027E
Net debt/equity (%)	81.0	106.9	96.8	96.2	94.6
Net debt/total assets (%)	32.3	38.8	36.6	36.3	36.2
Current ratio (x)	1.7	1.6	1.7	1.6	1.6
CF interest cover (x)	4.9	0.9	2.1	2.4	2.0

Valuation	2023	2024	2025E	2026E	2027E
<b>Recurring P/E (x) *</b>	<b>(4.1)</b>	<b>10.8</b>	<b>13.0</b>	<b>11.7</b>	<b>10.6</b>
<b>Recurring P/E @ target price (x) *</b>	<b>(4.5)</b>	<b>11.7</b>	<b>14.2</b>	<b>12.7</b>	<b>11.5</b>
Reported P/E (x)	(4.1)	11.1	13.0	11.7	10.6
Dividend yield (%)	4.3	5.6	5.0	5.6	6.1
Price/book (x)	1.0	1.1	1.2	1.1	1.1
Price/tangible book (x)	1.0	1.1	1.2	1.1	1.1
EV/EBITDA (x) **	9.8	9.7	10.1	9.4	8.9
EV/EBITDA @ target price (x) **	10.2	10.1	10.5	9.8	9.3
EV/invested capital (x)	0.9	1.0	1.0	1.0	1.0

\* 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**

★★★★★

## Exhibit 28: FSSIA ESG score implication

**82.00 /100**

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 29: 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; FSSIA's compilation

## Exhibit 30: 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 31: 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 (DJSI) 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 (SETESG) by The Stock Exchange of Thailand (SET)	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.																			
CG Score 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%).																			
AGM level 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.																			
Thai CAC 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.																			
Morningstar Sustainalytics	The Sustainalytics' 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 border="1" style="margin-top: 10px;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+									
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ESG Book	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.																			
MSCI	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 border="1" style="margin-top: 10px;"> <tbody> <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> </tbody> </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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Moody's ESG solutions	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.																				
Refinitiv ESG rating	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>																				
S&P Global	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.																				
Bloomberg	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

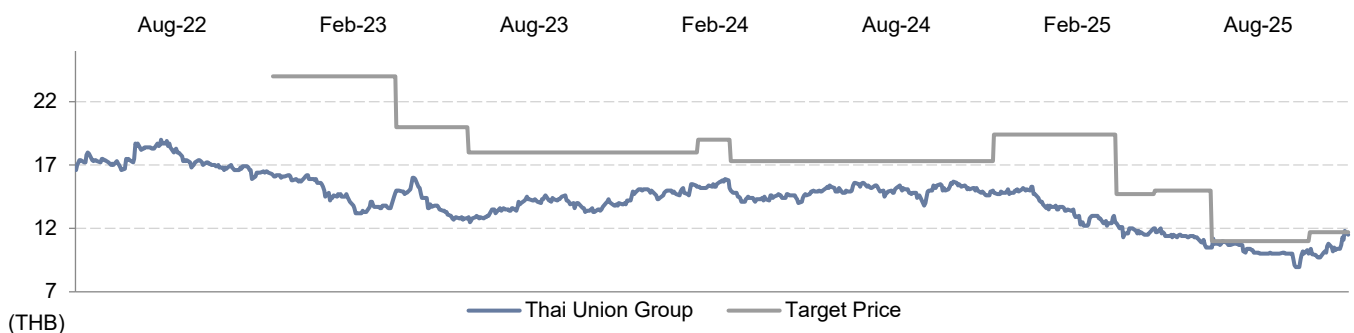
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**History of change in investment rating and/or target price**

**Thai Union Group (TU TB)**



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
23-Jan-2023	BUY	24.00	20-Feb-2024	BUY	17.30	08-Apr-2025	HOLD	11.00
09-May-2023	BUY	20.00	03-Oct-2024	BUY	19.40	01-Jul-2025	HOLD	11.70
10-Jul-2023	BUY	18.00	16-Jan-2025	HOLD	14.70			
23-Jan-2024	BUY	19.00	18-Feb-2025	BUY	15.00			

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 12.40	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 Finasia Syrus Securities Public Company Limited.

All share prices are as at market close on 05-Aug-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.