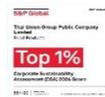


Thai Union Group PCL. Management Discussion and Analysis (MD&A)

For Q1 2025 ended March 31, 2025

Q1 2025 EXECUTIVE SUMMARY

The first quarter of 2025 was a challenging period, impacted by dynamic and complex geopolitical and macroeconomic conditions. Despite these headwinds, Thai Union remains focused on driving sustainable growth and enhancing resilience across our core businesses.

- Sales were reported at THB 29,789mn, declining by 10.3% YoY, mainly due to a 6.9% YoY decline in organic sales growth, reflecting lower Ambient, Frozen and Value-added categories, while PetCare delivered moderate growth. Sales were also partially impacted by a 3.4% YoY unfavorable FX effect.
- The gross profit margin (GPM) remained strong, improving to 18.8%, reaching a record high for any first quarter, thanks to margin improvement in the Ambient and Feed businesses.
- Adjusted operating profit (excluding transformation costs) was THB 1,199mn, down 24.7% YoY, mainly due to lower sales and higher marketing expenses.
- Adjusted net profit (excluding transformation costs) was THB 1,317mn, representing an 8.9% increase YoY, while reported net profit stood at THB 1,019mn.
- Looking ahead, we will continue to closely monitor environmental volatility, with a particular focus on global trade developments.
- In April 2025, Japan Credit Rating (JCR) affirmed TU’s “A” ratings with stable outlook, maintaining the same level as last year. 
- On the sustainability side, TU has been recognized as one of the world's most sustainable companies in the food products industry, ranking in the top 1% of the S&P Global Sustainability Yearbook. 
- TU has secured a landmark USD 150mn (approximately THB 5bn) Blue Loan from the Asian Development Bank (ADB) a first for the seafood industry in Thailand. The milestone sets a new benchmark for sustainable finance in aquaculture, reinforcing Thai Union’s commitment to responsible sourcing, sustainable seafood production, and climate resilience.

KEY BUSINESS DEVELOPMENTS IN Q1 2025

Thai Union increased the potential size of its fourth share buyback program to optimize the use of excess liquidity and strengthen shareholder and investor confidence

- On April 3, 2025, the Board of Directors approved an amendment to the maximum amount and the number of shares to be repurchased under the share repurchase program for financial management purposes project. The details are as follows:

	New	Previous
Repurchase period (<i>Unchanged</i>)	January 2 – June 30, 2025	January 2 – June 30, 2025
Maximum repurchase value	THB 5,000mn	THB 3,000mn
Maximum repurchase volume	445mn shares	200mn shares
%to total paid-up capital	9.99%	4.49%

Thai Union has restructured its shareholding in Avanti to comply with new regulations introduced by the Securities and Exchange Board of India (SEBI)

- Thai Union has restructured its shareholding in Avanti Feeds Limited (AFL) to comply with new regulations issued by the Securities and Exchange Board of India (SEBI), which impose restrictions on foreign investments from countries sharing a land border with India. As part of this internal restructuring, Thai Union acquired an additional 8.78% stake in AFL from its subsidiary, Thai Union Asia Investment Holding Limited. This transaction does not impact on the Group’s effective ownership, which remains unchanged at 24.21%.
- This transaction has no effect on Avanti’s operations, which continue as normal. The relationship between TU and Avanti remains strong and collaborative. A one-time, non-cash deferred tax reversal of approximately THB 381mn related to this restructuring was recognized in March 2025 profit and loss statement.

Q1 2025 FINANCIAL PERFORMANCE

CONSOLIDATED INCOME STATEMENT SUMMARY

(Unit: THB mn)	Q1 2024	Q4 2024	Q1 2025	QoQ (%)	YoY (%)
Sales	33,220	35,090	29,789	-15.1%	-10.3%
Cost of sales	(27,478)	(28,537)	(24,177)	-15.3%	-12.0%
Gross profit	5,742	6,554	5,611	-14.4%	-2.3%
SG&A	(4,205)	(4,963)	(4,710)	-5.1%	12.0%
FX gains	209	118	26	-77.9%	-87.6%
Other income	279	236	176	-25.5%	-36.9%
Share of profit	159	157	291	85.4%	83.1%
EBIT	2,184	2,101	1,394	-33.7%	-36.2%
Finance costs	(647)	(598)	(585)	-2.1%	-9.5%
Tax (expense) credit	(128)	(50)	422	-948.9%	-429.1%
Non-controlling interests	(256)	(241)	(212)	-12.2%	-17.2%
Reported net profit	1,153	1,213	1,019	-16.0%	-11.6%
Transformation costs	(56)	(299)	(298)	-0.2%	431.2%
Adjusted net profit*	1,209	1,512	1,317	-12.9%	8.9%
EBITDA	3,251	3,201	2,430	-24.1%	-25.2%
EPS (THB/share)	0.24	0.28	0.24	-11.8%	0.7%
Gross profit margin	17.3%	18.7%	18.8%	0.1%	1.5%
SG&A to sales	12.7%	14.1%	15.8%	1.7%	3.1%
Reported net profit margin	3.5%	3.5%	3.4%	-0.1%	-0.1%
Adjusted net profit margin	3.6%	4.3%	4.4%	0.1%	0.8%

Exchange rate	Q1 2024	Q4 2024	Q1 2025	QoQ (%)	YoY (%)
USD/THB	35.7	34.0	34.0	-0.1%	-4.8%
EUR/THB	38.7	36.3	35.7	-1.5%	-7.8%
GBP/THB	45.2	43.6	42.7	-1.9%	-5.5%
JPY/THB	0.24	0.22	0.22	-0.2%	-7.3%

Remark: *Adjusted net profit excluded transformation costs.

Performance analysis (Q1 2025 vs Q1 2024)

In Q1 2025, Thai Union reported **sales** of THB 29,789mn, declining by 10.3% YoY, primarily due to a 6.9% YoY decline in organic sales growth across all categories except PetCare. In addition, foreign exchange (FX) had a negative impact on overall performance, as the Thai Baht appreciated against all key currencies, particularly the EUR (-7.8% YoY), the GBP (-5.5% YoY), and the USD (-4.8% YoY). *(For further details, please refer to the [Performance Breakdown by Category section](#))*

Gross profit was THB 5,611mn, decreasing by 2.3% YoY, primarily due to softer profitability in the Frozen and Value-added categories. Nevertheless, GPM remained strong, improving to 18.8%, compared to 17.3% in the same period last year, marking a record high for the first quarter, thanks to margin improvement in Ambient and Feed businesses.

Selling and administrative expenses (SG&A) were recorded at THB 4,710mn, increasing by 12.0% YoY. The increase was mainly attributed to higher transformation costs and increased marketing expenses to support Ambient branded sales, including continued promotional activities for innovative products such as John West EcoTwist, launched in 2024. Notably, Q1 is typically not a major marketing spending period, but additional investment was made this year to maintain brand momentum.

The SG&A to sales ratio stood at 15.8% in Q1 2025, up from 12.7% in the same period last year. Excluding transformation costs, the SG&A to sales were 14.8%.

FX gains were THB 26mn, lower than the same period last year, which recorded FX gains of THB 209mn in Q1 2024.

Other income was THB 176mn, decreasing by 36.9% YoY, mainly due to a high base in Q1 2024, which included a one-time capital gain from the sale of investment in LDH (La Doria) Limited.

Share of profit from associates and JVs was THB 291mn, a significant increase from THB 159mn in Q1 2024. This growth was primarily driven by the strong performance of the Avanti Group, which contributed approximately 90% of the total share of profit.

Finance costs were THB 585mn, down from THB 647mn in the same period last year, primarily due to a decline in global interest rates.

In Q1 2025, Thai Union reported an **income tax credit** of THB 422mn, compared to the tax expense of THB 128mn in the same period last year. This was primarily driven by a one-off recognition of non-cash deferred tax reversal related to the Avanti shareholding restructuring.

Adjusted net profit (excluding transformation costs) was THB 1,317mn, representing an increase of 8.9% YoY, while reported net profit stood at THB 1,019mn.

Thai Union Group Public Company Limited

MD&A for Q1 2025 ended March 31, 2025

PERFORMANCE BREAKDOWN BY CATEGORY

	Q1 2024	Q4 2024	Q1 2025	QoQ (%)	YoY (%)
Sales (THB mn)	33,220	35,090	29,789	-15.1%	-10.3%
Ambient	17,156	15,961	14,762	-7.5%	-14.0%
Frozen	9,618	11,930	8,441	-29.2%	-12.2%
PetCare	3,955	4,625	4,174	-9.8%	5.5%
Value-added	2,490	2,574	2,412	-6.3%	-3.1%
Sales volume (Tons)	209,824	229,753	211,071	-8.1%	0.6%
Ambient	86,197	83,035	80,069	-3.6%	-7.1%
Frozen	58,176	69,712	56,632	-18.8%	-2.7%
PetCare	23,804	27,730	26,938	-2.9%	13.2%
Value-added	41,647	49,277	47,432	-3.7%	13.9%
GPM (%)	17.3%	18.7%	18.8%	0.1%	1.5%
Ambient	16.6%	20.6%	19.4%	-1.2%	2.8%
Frozen	11.8%	12.1%	12.4%	0.3%	0.6%
PetCare	25.7%	26.1%	24.5%	-1.6%	-1.2%
Value-added	29.5%	23.5%	27.9%	4.4%	-1.6%

Raw material price	Q1 2024	Q4 2024	Q1 2025	QoQ (%)	YoY (%)
Tuna (Skipjack; USD/ton)	1,333	1,530	1,660	8.5%	24.5%
Shrimp (60pcs/kg; THB/kg)	140	167	169	1.6%	20.7%
Salmon (NOK/kg)	108	82	98	19.8%	-9.6%

Sales by channel	Q1 2024	Q4 2024	Q1 2025	QoQ (%)	YoY (%)
Sales (THB mn)	33,220	35,090	29,789	-15.1%	-10.3%
Brand	12,800	14,131	11,998	-15.1%	-6.3%
Private label	20,420	20,960	17,791	-15.1%	-12.9%
Sales volume (Tons)	209,824	229,753	211,071	-8.1%	0.6%
Brand	82,594	91,410	82,331	-9.9%	-0.3%
Private label	127,231	138,343	128,739	-6.9%	1.2%

Quarterly performance breakdown analysis

I. Ambient category

In Q1 2025, **Ambient sales were THB 14,762mn, decreasing by 14.0% YoY**, primarily due to the exceptionally high base in Q1 2024, a 7.1% YoY decline in sales volume, lower average selling prices, and unfavorable FX impact. Fish prices rose to average USD 1,660/ton, increasing by 24.5% YoY, leading private label customers to adopt a wait-and-see approach.

The YoY decline in sales volume was mainly driven by softer performance across key markets:

- **Middle East** – impacted by the high baseline in Q1 2024, when the market recovered from a hard currency shortage.
- **Europe** – driven by lower sales volume in France, the UK and Germany, mainly due to a drop in private label sales as customers delayed purchases amid rising fish prices.
- This was partially offset by higher branded sales in the U.S., supported by our promotional push strategy.

Despite lower sales and volume, **GPM improved sustainably, with an increase of 2.8% YoY to 19.4%**, primarily driven by commercial improvement and cost efficiency.

Ambient	Q1 2024	Q4 2024	Q1 2025	QoQ (%)	YoY (%)
Sales (THB mn)	17,156	15,961	14,762	-7.5%	-14.0%
Brand	9,035	8,321	8,136	-2.2%	-9.9%
Private label	8,121	7,640	6,626	-13.3%	-18.4%
Sales volume (Tons)	86,197	83,035	80,069	-3.6%	-7.1%
Brand	35,544	34,892	35,774	2.5%	0.6%
Private label	50,653	48,142	44,295	-8.0%	-12.6%
GPM (%)	16.6%	20.6%	19.4%	-1.2%	2.8%

II. Frozen category

Following the rightsizing efforts that began in 2023 and concluded in 2024, the Frozen category has now established a new baseline for 2025 with key segments including shrimp, feed, salmon and other seafood – each with distinct pricing and margin profiles.

Frozen sales were THB 8,441mn, decreased by 12.2% YoY due to lower private label sales, while branded sales continued to grow. The decline was mainly led by the U.S. shrimp sales, impacted by an exceptional 20.7% YoY increase in shrimp prices.

Sales volume fell by 2.7% YoY, primarily from lower private label volumes, partly offset by growth in Feed business, supported by the expansion of shrimp feed products in Thailand.

Despite the softer sales, GPM improved to 12.4%, exceeding the target range of 10-12%, driven by higher profitability in the Feed and Chilled segments. Looking ahead, the downward trend in shrimp prices is expected to support margin performance in the coming quarters.

Frozen	Q1 2024	Q4 2024	Q1 2025	QoQ (%)	YoY (%)
Sales (THB mn)	9,618	11,930	8,441	-29.2%	-12.2%
Brand	3,286	5,389	3,463	-35.7%	5.4%
Private label	6,332	6,541	4,978	-23.9%	-21.4%
Sales volume (Tons)	58,176	69,712	56,632	-18.8%	-2.7%
Brand	45,142	54,617	44,808	-18.0%	-0.7%
Private label	13,034	15,095	11,824	-21.7%	-9.3%
GPM (%)	11.8%	12.1%	12.4%	0.3%	0.6%

III. PetCare category

PetCare sales were reported at THB 4,174mn, **increasing by 5.5% YoY, driven by 13.2% YoY increase in sales volume primarily supported by higher shipments to the U.S. market.** However, overall sales growth was partially offset by lower average selling prices and a negative FX impact.

While volume increased strongly, the premium mix temporarily declined to 48.7% in Q1 2025, from 54.8% in Q1 2024, due to market-driven factors. This shift led to a slight decline in **GPM to 24.5% in Q1 2025.** Notably, the premium mix in Q1 2024 represented a high base, with Q1 2025 normalizing to the typical range of 47 – 50%.

PetCare	Q1 2024	Q4 2024	Q1 2025	QoQ (%)	YoY (%)
Sales (THB mn)	3,955	4,625	4,174	-9.8%	5.5%
Brand	51	67	47	-30.7%	-8.5%
Private label	3,904	4,558	4,127	-9.5%	5.7%
Sales volume (Tons)	23,804	27,730	26,938	-2.9%	13.2%
Brand	461	589	465	-21.1%	0.8%
Private label	23,343	27,141	26,473	-2.5%	13.4%
GPM (%)	25.7%	26.1%	24.5%	-1.6%	-1.2%

IV. Value-added category

Value-added sales were THB 2,412mn, decreasing by 3.1% YoY, primarily due to lower selling prices across all segments, as well as lower sales of branded customers.

However, **sales volume significantly improved by 13.9% YoY,** marking the 3rd consecutive quarter of YoY volume growth. The increase was mainly driven by higher volumes in the By-product and Value-added segments. On the demand side, we saw stronger domestic demand for the By-product segment and increased demand for the Value-added segment in the U.S. and Europe.

GPM slightly declined to 27.9% in Q1 2025, primarily due to the high base in Q1 2024 and lower margins in Value-added segment.

Value-added	Q1 2024	Q4 2024	Q1 2025	QoQ (%)	YoY (%)
Sales (THB mn)	2,490	2,574	2,412	-6.3%	-3.1%
Brand	429	353	353	-0.2%	-17.7%
Private label	2,062	2,221	2,060	-7.3%	-0.1%
Sales volume (Tons)	41,647	49,277	47,432	-3.7%	13.9%
Brand	1,447	1,312	1,285	-2.0%	-11.1%
Private label	40,201	47,965	46,147	-3.8%	14.8%
GPM (%)	29.5%	23.5%	27.9%	4.4%	-1.6%

Thai Union Group Public Company Limited

MD&A for Q1 2025 ended March 31, 2025

STATEMENT OF FINANCIAL POSITION

(Unit: THB mn)	December 31, 2024	March 31, 2025	YTD (%)
Cash and cash equivalents*	15,487	17,084	10.3%
Trade and other receivables, net	16,876	16,246	-3.7%
Inventories, net	43,626	45,024	3.2%
Other current assets	3,659	2,614	-28.6%
Total current assets	79,649	80,968	1.7%
Fixed assets	30,694	31,011	1.0%
Investments	9,267	10,254	10.7%
Goodwill and other intangible assets	27,706	28,568	3.1%
Other non-current assets	7,598	7,368	-3.0%
Total non-current assets	75,264	77,201	2.6%
Total assets	154,912	158,169	2.1%
Bank overdrafts and short-term loans	16,991	21,603	27.1%
Trade and other payables	18,522	17,103	-7.7%
Current portion of long-term loans	12,926	12,960	0.3%
Other current liabilities	2,149	2,405	11.9%
Total current liabilities	50,588	54,072	6.9%
Long-term loans	38,594	38,740	0.4%
Other non-current liabilities	9,418	9,127	-3.1%
Total non-current liabilities	48,012	47,867	-0.3%
Total liabilities	98,600	101,939	3.4%
Non-controlling interests	7,678	7,778	1.3%
Total equity	56,313	56,230	-0.1%
Total liabilities and shareholders' equity	154,912	158,169	2.1%

Remark: *Including short-term investments

Statement of Financial Position analysis (March 31, 2025 vs December 31, 2024)

As of March 31, 2025, Thai Union reported **total assets** of THB 158,169mn, increasing by 2.1% from THB 154,912mn as of December 31, 2024. The increase was primarily attributable to an increase in 1) short-term investments of THB 3,271mn, 2) net inventories of THB 1,398mn due to inventory built-up, 3) net investments in subsidiaries, associates and joint ventures using cost method of THB 607mn. However, this was partially offset by a decrease in 4) cash and cash equivalent of THB 1,674mn, 5) derivatives assets of THB 978mn, and 6) net trade and other receivables of THB 630mn.

Thai Union reported **total liabilities** of THB 101,939mn, increasing by 3.4% from THB 98,600mn as of December 31, 2024. The increase was primarily driven by the rise in 1) bank overdrafts and short-term loans from financial institutions of THB 4,613mn. However, this was partially offset by the decline in 2) trade and other payables of THB 1,418mn and 3) deferred tax liabilities of THB 239mn.

Total equity was at THB 56,230mn, slightly declined by 0.1% from THB 56,313mn as of December 31, 2024. The decrease was mainly due to 1) treasury shares from the share buyback program of THB 1,783mn, which was mostly offset by increases in 2) retained earnings of THB 1,019mn and 3) other components of equity of THB 580mn, largely from FX translation.

STATEMENT OF CASH FLOW

(Unit: THB mn)	March 31, 2025
Beginning cash (as of January 1, 2025)	8,281
Net cash from operating activities	248
Net cash used in investing activities	(4,213)
Net cash from financing activities	1,920
Other*	82
Ending cash (as of March 31, 2025)	6,318

Remark: *Other refers to exchange differences on cash and cash equivalents.

Cash flow analysis

For the three months ended March 31, 2025, **net cash from operating activities** was THB 248mn, resulting in a slightly negative in free cash flow of THB 551mn, mainly from an increase in net working capital and higher CAPEX. **Net cash used in investing activities** was THB 4,213mn. The key component included net cash payment for short-term investment of THB 3,139mn, purchases of property, plant and equipment and intangible assets of THB 990mn, and cash payment for investments in debt instruments of THB 424mn. **Net cash from financing activities** was THB 1,920mn. The key component was net cash receipts from short-term loans from financial institutions of THB 4,301mn. Nevertheless, this was partially offset by net cash payments for repurchase of treasury shares of THB 1,783mn, interest and other finance costs paid of THB 452mn, and cash paid for lease liabilities of THB 104mn.

KEY FINANCIAL RATIOS

	Q1 2024	Q4 2024	Q1 2025
Activity ratio			
Accounts receivable days (days)	36	36	37
Inventory days (days)	164	152	156
Profitability ratio			
GPM (%)	17.3%	18.7%	18.8%
NPM (%)	3.5%	3.5%	3.4%
ROA (%)	5.2%	5.6%	5.1%
ROE (%)	8.1%	9.8%	9.8%
ROCE (%)	6.9%	8.4%	7.3%
Liquidity ratio			
Current ratio (times)	2.34	1.57	1.50
Leverage ratio			
Net debt to equity ratio (times)	0.82	0.94	1.00
Net debt to EBITDA ratio (times)	4.02	3.97	4.48
Interest coverage ratio (times)	5.41	5.36	5.16
Per share ratio			
Basic earnings / share (THB)	0.24	0.28	0.24
Book value / share (THB)	13.34	11.43	10.88

2025 FINANCIAL TARGET:

- On April 2, 2025, the U.S. administration announced a 10% baseline import tariff on all countries, effective April 5, 2025. Although reciprocal tariffs by other countries were initially set to take effect on April 9, they have been suspended for 90 days. This policy shift has affected multiple exporting countries and contributed to increased market volatility. Thai Union is among the exporters directly impacted by this policy shift. As a result, the Company has adjusted its 2025 guideline to reflect the implementation of the U.S. tariffs, incorporating a full-year scenario of 10% flat tariff.
- Operationally, Thai Union's global production footprint – spanning the U.S., Ghana, Seychelles, Poland, Norway, Vietnam, and Thailand – positions the Company well to manage potential disruptions. The Company continues to closely monitor the evolving situation and maintains active engagement with key partners to evaluate potential impacts and develop appropriate response strategies.

2025 Guidance	Previous disclosure	10% Flat tariff the whole year (Scenario linked to the U.S. tariffs)
Sales growth	+3 – 4% YoY	+1 – 3% YoY
GPM	~18.5 – 19.5%	~18.0 – 19.0%
SG&A to sales	13 – 13.5%	13.5 – 14.0%
Effective interest rate	No material change	
CAPEX	~THB 4.5 – 5.0bn	~THB 3.0 – 3.5bn
Dividend payout ratio	At least 50% dividend payout ratio	

Remark:

- Thai Union's 2025 financial targets are based on current forecast which may subject to change if key operating factors that affect the Company's performance variate from the assumptions.
- Under FX rate assumption rate of 33.5 THB/USD; potential translation sensitivity for 1 THB/USD change is estimate impact on topline 0.8 – 0.9%.

APPENDIX:

Sales breakdown by region

	Q1 2024	Q4 2024	Q1 2025	QoQ (%)	YoY (%)
Sales (THB mn)	33,220	35,090	29,789	-15.1%	-10.3%
The U.S. & Canada	12,833	14,185	11,981	-15.5%	-6.6%
Europe	9,829	10,034	8,109	-19.2%	-17.5%
Thailand	3,606	3,997	3,685	-7.8%	2.2%
Japan	1,945	1,855	1,719	-7.3%	-11.6%
Middle East	2,029	1,121	1,071	-4.4%	-47.2%
Others	2,977	3,898	3,223	-17.3%	8.3%
% Sales by region					
The U.S. & Canada	38.6%	40.4%	40.2%	-0.2%	1.6%
Europe	29.6%	28.6%	27.2%	-1.4%	-2.4%
Thailand	10.9%	11.4%	12.4%	1.0%	1.5%
Japan	5.9%	5.3%	5.8%	0.5%	-0.1%
Middle East	6.1%	3.2%	3.6%	0.4%	-2.5%
Others	9.0%	11.1%	10.8%	-0.3%	1.8%

Formula of key ratios

Account receivable days = 365 / account receivable turnover

Inventory days = 365 / inventory turnover

GPM = Gross profit / sales

NPM = Net profit / sales

ROA = 12-month rolling EBIT / average total assets

ROE = 12-month rolling net profit / average total shareholders' equity

ROCE = 12-month rolling EBIT / average capital employed

Capital Employed = total assets - total current liabilities (incl. current portion of long-term debt)

Current ratio = Total current assets / total current liabilities

Net debt to equity = Interest-bearing debt - cash and cash equivalents / total shareholders' equity

Debt/EBITDA = Interest-bearing debt / 12-month rolling EBITDA

Interest coverage = EBITDA / 12-month rolling finance costs

Earnings / share = Net profit less interest paid on perpetual debentures / weighted average number of ordinary shares outstanding not include treasury shares

Book value = Total shareholders' equity / (outstanding shares - share repurchase)

Definitions

EBITDA = Earnings before interest, taxes, depreciation and amortization

FX = Foreign exchange

GPM = Gross profit margin

ITC = i-Tail Corporation PCL

JVs = Joint ventures

NPM = Net profit margin

Other income = Interest income, dividend income, other income, and other gains (losses) (net)

ROA = Return on assets

ROCE = Return on capital employed

ROE = Return on equity

SG&A = Selling expenses, administrative expenses, and reversal of impairment of financial assets (net)