

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

For Q4 2024 and FY 2024, ended December 31, 2024

EXECUTIVE SUMMARY

In 2024, Thai Union’s sales were back to growth, recording the third highest revenue ever. Gross Profit Margin reached an all-time high of 18.5%, while EBITDA delivered its second-best performance.

- Sales were THB 138,433mn, increased by 1.7% YoY, driven by organic expansion of Ambient, PetCare and Value-added categories.
- Gross profit margin (GPM) reached a record high of 18.5%.
- EBITDA rose by 8.6% YoY to THB 13,361mn, reflecting the significant expansion of operations.
- Net profit was THB 4,985mn, with earnings per share of THB 1.08, representing a 7.2% YoY and a 134% YoY rise. Excluding transformation costs, net profit rose by 22.3% YoY to THB 5,685mn.
- Free Cash Flow reached a record high of THB 11,705mn, a significant improvement from the prior year, enhancing financial flexibility for future investments and strengthening the balance sheet.

KEY BUSINESS DEVELOPMENTS IN Q4 2024

Redemption of Perpetual debentures of THB 6,000mn in November 2024

- On November 29, 2024, the Company exercised its call option to redeem THB 6,000mn in perpetual debentures to mitigate the impact of rising interest rates. Following this transaction, the perpetual debentures will be reclassified from equity to liabilities, with interest expenses reflected in the profit and loss statement instead of retained earnings in the balance sheet. As a result, the net debt-to-equity ratio rose to 0.94x but remained below the target range of 1.0 – 1.1x. The Company is evaluating the issuance of new sustainable loans to replace the perpetual debentures within 2025.

Thai Union announced the fourth share repurchase program

- On December 25, 2024, the Board of Directors approved the share repurchase for financial management purposes project with the number of shares to be repurchased not exceeding 200 million shares, or 4.49% of the total of paid-up capital, starting from January 2 to June 30, 2025.

Thai Union continues to deliver consistent dividends to shareholders

- On February 17, 2025, the Board of Directors approved a dividend payment of THB 0.35/share for 2H 2024 performance, bringing the total annual dividend of THB 0.66/share. This final dividend represents a dividend payout of 59.96% and an attractive dividend yield of 5.7%. The payment is subject to approval at the Annual General Meeting on April 8, 2025.

AWARDS AND RECOGNITIONS

Ranked No.1 in the Food Products Industry on the 2024 Dow Jones Sustainability Indices



Thai Union was ranked as number one in the food products industry on the 2024 Dow Jones Sustainability Indices (DJSI) with a total score of 85 points, reaffirming our commitment to sustainable and responsible business practices under the globally recognized sustainability strategy, SeaChange® 2030. This marked the fourth time since 2018 that Thai Union has achieved the top ranking, reflecting our ongoing dedication to sustainability.

Recognized with an “A” rating in the SET ESG Ratings by the Stock Exchange of Thailand (SET)



Thai Union was recognized with an “**A**” level rating in the **Agro & Food Industry category of the SET ESG Ratings** by the Stock Exchange of Thailand (SET). This achievement reflects Thai Union’s unwavering commitment to sustainability under its SeaChange® 2030 strategy, emphasizing environmental stewardship, social responsibility, and corporate governance (ESG).

Thai Union Group Public Company Limited

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FINANCIAL PERFORMANCE (FOR THE FOURTH QUARTER AND THE YEAR)

CONSOLIDATED INCOME STATEMENT SUMMARY

| (Unit: THB mn) | Q4 | Q3 | Q4 | QoQ | YoY | FY | FY | YoY |
|-----------------------------|-----------------|---------------|---------------|---------------|---------------|-----------------|----------------|---------------|
| | 2023 | 2024 | 2024 | (%) | (%) | 2023 | 2024 | (%) |
| Sales | 35,529 | 34,840 | 35,090 | 0.7% | -1.2% | 136,153 | 138,433 | 1.7% |
| Cost of sales | (29,201) | (28,047) | (28,537) | 1.7% | -2.3% | (112,928) | (112,809) | -0.1% |
| Gross profit | 6,327 | 6,793 | 6,554 | -3.5% | 3.6% | 23,225 | 25,624 | 10.3% |
| SG&A | (4,206) | (4,719) | (4,963) | 5.2% | 18.0% | (16,372) | (18,457) | 12.7% |
| FX (loss) | 68 | (54) | 118 | 320.4% | 74.9% | (236) | 37 | 115.9% |
| Other income | 288 | 251 | 236 | -6.1% | -18.2% | 838 | 1,022 | 22.0% |
| Share of profit | 153 | 275 | 157 | -43.0% | 2.4% | 679 | 771 | 13.5% |
| EBIT | 2,612 | 2,547 | 2,101 | -17.5% | -19.5% | 8,115 | 8,996 | 10.9% |
| Finance cost | (630) | (627) | (598) | -4.7% | -5.1% | (2,302) | (2,492) | 8.3% |
| Tax (expense) credit | 40 | (208) | (50) | -76.1% | 224.0% | 620 | (430) | 169.4% |
| Discontinued operation | (18,967) | 0 | 0 | n/a | 100.0% | (19,633) | 0 | 100.0% |
| Non-controlling interests | (244) | (311) | (241) | -22.6% | -1.2% | (733) | (1,089) | 48.6% |
| Reported net profit | (17,189) | 1,400 | 1,213 | -13.4% | 107.1% | (13,933) | 4,985 | 135.8% |
| Adjusted net profit* | 1,493 | 1,400 | 1,213 | -13.4% | -18.7% | 4,650 | 4,985 | 7.2% |
| EBITDA | 3,684 | 3,658 | 3,201 | -12.5% | -13.1% | 12,306 | 13,361 | 8.6% |
| EPS (THB/share) | (3.82) | 0.30 | 0.28 | -7.9% | 107.3% | (3.15) | 1.08 | 134.4% |
| Gross profit margin | 17.8% | 19.5% | 18.7% | -0.8% | 0.9% | 17.1% | 18.5% | 1.4% |
| SG&A to sales | 11.8% | 13.5% | 14.1% | 0.6% | 2.3% | 12.0% | 13.3% | 1.3% |
| Operating profit margin | 6.0% | 6.0% | 4.5% | -1.5% | -1.5% | 5.0% | 5.2% | 0.2% |
| Net profit margin | -48.4% | 4.0% | 3.5% | -0.5% | 51.9% | -10.2% | 3.6% | 13.8% |

| Exchange rate | Q4 | Q3 | Q4 | QoQ | YoY | FY | FY | YoY |
|---------------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2023 | 2024 | 2024 | (%) | (%) | 2023 | 2024 | (%) |
| USD/THB | 35.65 | 34.81 | 34.00 | -2.3% | -4.6% | 34.80 | 35.29 | 1.4% |
| EUR/THB | 38.34 | 38.21 | 36.26 | -5.1% | -5.4% | 37.62 | 38.18 | 1.5% |
| GBP/THB | 44.25 | 45.23 | 43.57 | -3.7% | -1.5% | 43.29 | 45.09 | 4.2% |
| JPY/THB | 0.24 | 0.23 | 0.22 | -4.4% | -7.5% | 0.25 | 0.23 | -6.0% |

Remark: Thai Union fully impaired the entire investment in Red Lobster (RL) in Q4 2023. Consequently, past performance of RL has been restated, and it has been recognized as a discontinued operation from Q4 2023 onward.

*Adjusted net profit excluded RL's share of loss (discontinued operation) and tax credit.

Quarterly performance analysis

In Q4 2024, Thai Union reported **sales** of THB 35,090mn, a slight decrease of 1.2% YoY, primarily due to an unfavorable FX impact of 3.1% YoY, as the Baht appreciated against all key currencies, especially the EUR (averaging THB 36.26/EUR, declining by 5.4% YoY) and the USD (averaging THB 34.00/USD, declining by 4.6% YoY) However, this was partially offset by the organic sales growth of 1.9% YoY. Additionally, sales volume grew by 6.7% YoY, driven by higher demand across all categories, except for PetCare. For more details of analysis by category, please find in [Performance Breakdown by Category part](#).

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Gross profit was THB 6,554mn, an increase of 3.6% YoY, mainly supported by the Ambient, Petcare categories and Feed business, resulting in a solid 0.9% YoY growth in GPM. GPM was reported at 18.7%, marking the third-highest quarterly level in the past fourteen quarters.

Selling and administrative expenses (SG&A) were recorded at THB 4,963mn, an increase of 18.0% YoY. The increase was mainly driven by transformation costs, higher marketing expenses, and higher freight costs related to increased sales volumes. As a result, SG&A to sales reached 14.1%, up from 11.8% in the same period last year. Excluding transformation costs, SG&A to sales was 13.3%.

Given these factors, operating profit declined to THB 1,590mn.

FX gains were at THB 118mn, compared to FX gains of THB 68mn in Q4 2023, reflecting the efficient FX management in this quarter.

Other income was THB 236mn, decreasing by 18.2% YoY, mainly due to a high base in Q4 2023, which included a one-time insurance claim.

Share of profit from associates and JVs was THB 157mn, primarily driven by the Avanti Group.

Finance costs were THB 598mn, declining by 5.1% YoY, due to global interest rate cuts in Q4 2024.

Income tax expenses were THB 50mn in Q4 2024, in contrast to a tax credit of THB 40mn in the same period last year. This change was primarily due to the non-recognition of tax credits from RL following the full impairment of the entire investment in RL in Q4 2023.

Altogether, **net profit** reached THB 1,213mn, with a net profit margin of 3.5%. Nevertheless, excluding transformation costs, net profit would be THB 1,512mn.

In terms of the QoQ analysis, Thai Union's sales slightly increased by 0.7% QoQ, mainly due to seasonality impact across all categories, except Frozen. GPM slightly declined by 0.8% QoQ to 18.7% in Q4 2024, while SG&A rose by 5.2% QoQ, primarily due to higher transformation costs, freight costs, and marketing expenses. With the softer performance coupled with higher expenses, operating profit and net profit dropped by 23.3% QoQ and 13.4% QoQ, respectively.

2024 performance analysis

In 2024, Thai Union report robust growth compared to the same period last year. Sales reached THB 138,433mn, marking the third-highest level, with a 1.7% YoY increase, mainly driven by solid organic growth in Ambient, PetCare and Value-added categories. GPM hit an all-time high of 18.5% in 2024. SG&A increased by 12.7% YoY, primarily due to transformation costs within the Group, higher marketing expenses aligned with TU's strategy to enhance brand awareness, and increased freight costs. Share of profit from associates and JVs increased by 13.5% YoY, mainly due to the Avanti Group and Lucky Union, despite the cessation of profit and loss recognition from LDH (divested) since the beginning of the year. Finance costs rose by 8.3% YoY due to higher global interest rates during the first nine months of 2024. The Company recorded income tax expenses of THB 430mn in 2024 due to the absence of tax benefits from Red Lobster (RL), following the full impairment in Q4 2023. Net profit showed a strong recovery to THB 4,985mn, growing by 7.2% YoY, compared to the adjusted net profit from the previous year, which excluded the contributions linked to RL (share of loss, one-time non-cash impairment and tax benefits)

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MD&A for Q4 2024 and FY 2024, ended December 31, 2024

PERFORMANCE BREAKDOWN BY CATEGORY

| | Q4 | Q3 | Q4 | QoQ | YoY | FY | FY | YoY |
|----------------------------|----------------|----------------|----------------|--------------|--------------|----------------|----------------|-------------|
| | 2023 | 2024 | 2024 | (%) | (%) | 2023 | 2024 | (%) |
| Sales (THB mn) | 35,529 | 34,840 | 35,090 | 0.7% | -1.2% | 136,153 | 138,433 | 1.7% |
| Ambient | 15,693 | 17,920 | 15,961 | -10.9% | 1.7% | 63,904 | 68,412 | 7.1% |
| Frozen | 12,525 | 9,836 | 11,930 | 21.3% | -4.7% | 47,295 | 42,226 | -10.7% |
| PetCare | 4,622 | 4,352 | 4,625 | 6.3% | 0.1% | 15,058 | 17,389 | 15.5% |
| Value-added | 2,689 | 2,732 | 2,574 | -5.8% | -4.3% | 9,895 | 10,406 | 5.2% |
| Sales volume (Tons) | 215,359 | 233,550 | 229,753 | -1.6% | 6.7% | 847,104 | 886,218 | 4.6% |
| Ambient | 78,167 | 93,250 | 83,035 | -11.0% | 6.2% | 310,035 | 344,385 | 11.1% |
| Frozen | 64,786 | 63,455 | 69,712 | 9.9% | 7.6% | 252,820 | 252,662 | -0.1% |
| PetCare | 28,609 | 25,636 | 27,730 | 8.2% | -3.1% | 98,576 | 103,318 | 4.8% |
| Value-added | 43,796 | 51,209 | 49,277 | -3.8% | 12.5% | 185,674 | 185,853 | 0.1% |
| GPM (%) | 17.8% | 19.5% | 18.7% | -0.8% | 0.9% | 17.1% | 18.5% | 1.4% |
| Ambient | 17.4% | 20.1% | 20.6% | 0.5% | 3.2% | 19.0% | 19.1% | 0.1% |
| Frozen | 14.4% | 12.0% | 12.1% | 0.1% | -2.3% | 11.3% | 11.7% | 0.4% |
| PetCare | 23.4% | 30.6% | 26.1% | -4.5% | 2.7% | 20.5% | 28.5% | 8.0% |
| Value-added | 26.2% | 25.1% | 23.5% | -1.6% | -2.7% | 27.1% | 26.1% | -1.0% |
| Raw material price | Q4 | Q3 | Q4 | QoQ | YoY | FY | FY | YoY |
| | 2023 | 2024 | 2024 | (%) | (%) | 2023 | 2024 | (%) |
| Tuna (Skipjack; USD/ton) | 1,517 | 1,410 | 1,530 | 8.5% | 0.9% | 1,784 | 1,438 | -19.4% |
| Shrimp (60pcs/kg; THB/kg) | 134 | 141 | 167 | 18.2% | 24.7% | 138 | 144 | 4.5% |
| Salmon (NOK/kg) | 84 | 78 | 82 | 4.5% | -3.1% | 95 | 94 | -0.7% |
| Sales by channel | Q4 | Q3 | Q4 | QoQ | YoY | FY | FY | YoY |
| | 2023 | 2024 | 2024 | (%) | (%) | 2023 | 2024 | (%) |
| Sales (THB mn) | 35,529 | 34,840 | 35,090 | 0.7% | -1.2% | 136,153 | 138,433 | 1.7% |
| Brand | 12,848 | 14,373 | 14,131 | -1.7% | 10.0% | 54,432 | 56,171 | 3.2% |
| Private label | 22,681 | 20,467 | 20,960 | 2.4% | -7.6% | 81,720 | 82,263 | 0.7% |
| Sales volume (Tons) | 215,359 | 233,550 | 229,753 | -1.6% | 6.7% | 847,104 | 886,218 | 4.6% |
| Brand | 81,362 | 93,355 | 91,410 | -2.1% | 12.3% | 341,108 | 353,734 | 3.7% |
| Private label | 133,998 | 140,195 | 138,343 | -1.3% | 3.2% | 505,995 | 532,484 | 5.2% |

Quarterly performance breakdown analysis

I. Ambient category

In Q4 2024, Ambient sales were THB 15,961mn, increasing by 1.7% YoY, mainly due to a 6.2% YoY rise in sales volumes, through FX translation partially offset this growth. Sales volume recovered from a low base in Q4 23, when declined by 11.0% YoY. The recovery was primarily driven by a strong recovery in the Middle East (ME) after a hard currency shortage in 2023, though ambient product prices in the ME market remained lower than in other markets. In addition, the Company saw a robust demand from Branded customers in the U.S., supported by our promotional strategies.

Sales and volume declined by 10.9% QoQ and 11.0% QoQ, respectively, mainly due to seasonality.

GPM reached 20.6%, marking the highest level in the past 7 quarters, aligning with the target level at 20 – 22%. This was driven by increased global demand and lower raw material costs in our inventory.

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| Ambient | Q4 | Q3 | Q4 | QoQ | YoY | FY | FY | YoY |
|----------------------------|---------------|---------------|---------------|---------------|-------------|----------------|----------------|--------------|
| | 2023 | 2024 | 2024 | (%) | (%) | 2023 | 2024 | (%) |
| Sales (THB mn) | 15,693 | 17,920 | 15,961 | -10.9% | 1.7% | 63,904 | 68,412 | 7.1% |
| Brand | 7,999 | 9,673 | 8,321 | -14.0% | 4.0% | 36,165 | 37,231 | 2.9% |
| Private label | 7,694 | 8,247 | 7,640 | -7.4% | -0.7% | 27,739 | 31,181 | 12.4% |
| Sales volume (Tons) | 78,167 | 93,250 | 83,035 | -11.0% | 6.2% | 310,035 | 344,385 | 11.1% |
| Brand | 31,169 | 40,501 | 34,892 | -13.8% | 11.9% | 142,668 | 148,730 | 4.2% |
| Private label | 46,998 | 52,749 | 48,142 | -8.7% | 2.4% | 167,367 | 195,655 | 16.9% |
| GPM (%) | 17.4% | 20.1% | 20.6% | 0.5% | 3.2% | 19.0% | 19.1% | 0.1% |

II. Frozen category

Frozen sales reported at THB 11,930mn, decreasing by 4.7% YoY, primarily due to weak consumption in the U.S. market and lower selling prices. Nonetheless, this was partially offset by a strong sales recovery in Europe and Thailand. In contrast, **sales volume grew by 7.6% YoY**, largely driven by volume growth in the Feed business.

On the contrary, **sales rose significantly by 21.3% QoQ, driven by a 9.9% QoQ increase in sales volumes**. This growth was supported by higher demand due to the seasonal impact of the festive season in Q4 2024.

GPM slightly improved QoQ to 12.1%, surpassing the target range of 10 – 12%. However, it declined by 2.3% YoY, as Q4 2023 benefited from exceptionally favorable shrimp prices. This quarter, Frozen GPM faced pressure by a sharp rise in shrimp prices.

| Frozen | Q4 | Q3 | Q4 | QoQ | YoY | FY | FY | YoY |
|----------------------------|---------------|---------------|---------------|--------------|--------------|----------------|----------------|---------------|
| | 2023 | 2024 | 2024 | (%) | (%) | 2023 | 2024 | (%) |
| Sales (THB mn) | 12,525 | 9,836 | 11,930 | 21.3% | -4.7% | 47,295 | 42,226 | -10.7% |
| Brand | 4,357 | 4,102 | 5,389 | 31.4% | 23.7% | 16,546 | 16,876 | 2.0% |
| Private label | 8,168 | 5,734 | 6,541 | 14.1% | -19.9% | 30,750 | 25,350 | -17.6% |
| Sales volume (Tons) | 64,786 | 63,455 | 69,712 | 9.9% | 7.6% | 252,820 | 252,662 | -0.1% |
| Brand | 48,778 | 50,478 | 54,617 | 8.2% | 12.0% | 192,455 | 196,727 | 2.2% |
| Private label | 16,009 | 12,977 | 15,095 | 16.3% | -5.7% | 60,365 | 55,935 | -7.3% |
| GPM (%) | 14.4% | 12.0% | 12.1% | 0.1% | -2.3% | 11.3% | 11.7% | 0.4% |

III. PetCare category

PetCare sales were reported at THB 4,625mn, marginally increasing by 0.1% YoY due to a high performance as customers fully restocking in Q4 2023. Meanwhile, **sales volume declined by 3.1% YoY** due to port congestion.

In contrast, **sales and sales volume grew by 6.3% and 8.2% QoQ**, respectively, driven by seasonality. The U.S., Canada, and China were key contributors in sales volume growth.

GPM increased by 2.7% YoY to 26.1% in Q4 2024, supported by a higher proportion of premium products (Q4 2024: 54.7% vs. Q4 2023: 52.8%). However, PetCare GPM declined by 4.5% QoQ due to higher overhead and raw material costs and the exceptional high GPM in Q3 2024 from reversal of inventory provision.

| PetCare | Q4 | Q3 | Q4 | QoQ | YoY | FY | FY | YoY |
|----------------------------|---------------|---------------|---------------|--------------|--------------|---------------|----------------|--------------|
| | 2023 | 2024 | 2024 | (%) | (%) | 2023 | 2024 | (%) |
| Sales (THB mn) | 4,622 | 4,352 | 4,625 | 6.3% | 0.1% | 15,058 | 17,389 | 15.5% |
| Brand | 31 | 64 | 67 | 4.5% | 119.7% | 40 | 248 | 521.9% |
| Private label | 4,591 | 4,288 | 4,558 | 6.3% | -0.7% | 15,019 | 17,141 | 14.1% |
| Sales volume (Tons) | 28,609 | 25,636 | 27,730 | 8.2% | -3.1% | 98,576 | 103,318 | 4.8% |
| Brand | 231 | 544 | 589 | 8.2% | 155.1% | 300 | 2,144 | 615.8% |
| Private label | 28,379 | 25,091 | 27,141 | 8.2% | -4.4% | 98,276 | 101,174 | 2.9% |
| GPM (%) | 23.4% | 30.6% | 26.1% | -4.5% | 2.7% | 20.5% | 28.5% | 8.0% |

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IV. Value-added category

Value-added sales were THB 2,574mn, decreasing by 4.3% YoY, primarily due to weak consumption in the U.S. market for value-added products, lower selling prices across all segments except Packaging, and non-recurring orders of Ingredients segment recorded in 2023. However, **sales volume increased significantly by 12.5% YoY**, supported by higher volume in Packaging, which grew in line with Ambient category. In addition, sales volume growth was supported by the by-products segment, which has lower selling prices.

Sales dropped by 5.8% QoQ, with **sales volume declining by 3.8% QoQ** due to seasonality.

GPM declined to 23.5% in Q4 2024, primarily due to a temporary impact from ramp up costs associated with the new factory (Protein hydrolysate – COD in Q2 24).

| Value-added | Q4 | Q3 | Q4 | QoQ | YoY | FY | FY | YoY |
|----------------------------|---------------|---------------|---------------|--------------|--------------|----------------|----------------|--------------|
| | 2023 | 2024 | 2024 | (%) | (%) | 2023 | 2024 | (%) |
| Sales (THB mn) | 2,689 | 2,732 | 2,574 | -5.8% | -4.3% | 9,895 | 10,406 | 5.2% |
| Brand | 462 | 534 | 353 | -33.8% | -23.6% | 1,681 | 1,815 | 7.9% |
| Private label | 2,227 | 2,198 | 2,221 | 1.0% | -0.3% | 8,213 | 8,591 | 4.6% |
| Sales volume (Tons) | 43,796 | 51,209 | 49,277 | -3.8% | 12.5% | 185,674 | 185,853 | 0.1% |
| Brand | 1,184 | 1,832 | 1,312 | -28.4% | 10.8% | 5,686 | 6,132 | 7.9% |
| Private label | 42,612 | 49,377 | 47,965 | -2.9% | 12.6% | 179,987 | 179,720 | -0.1% |
| GPM (%) | 26.2% | 25.1% | 23.5% | -1.6% | -2.7% | 27.1% | 26.1% | -1.0% |

2024 Performance breakdown analysis

In 2024, **Ambient** sales reached an all-time high, rising by 7.1% YoY, driven by an 11.1% YoY growth in sales volumes from both private label and branded customers. Sales in the U.S., Canada and Middle East improved strongly, supported by higher demand and our promotion push strategy. GPM rose slightly YoY to 19.1% and improved steadily throughout the year, benefiting from low-cost inventory as we stocked up during a period of low tuna prices.

Frozen sales declined by 10.7% YoY across all segments, except for Chilled salmon and Feed businesses. The decrease was mainly due to the challenging market conditions in the U.S., including soft demand and US Frozen rightsizing finalization. Sales volume marginally dropped by 0.1% YoY, reflecting weaker demand in seafood products from retail and foodservice businesses in the U.S. and Europe. However, this was partially offset by volume growth in Chilled salmon and Feed businesses. GPM continued to improve as expected, reaching 11.7% in 2024.

PetCare sales increased by 15.5% YoY, driven by a significant increase in premium product mix (2024: 54.7% vs. 2023: 48.6%), a solid recovery in the U.S., and higher demand in Europe and Australia. PetCare GPM achieved its all-time high at 28.5% and exceeded the full-year target guidance of 26-28% in 2024.

Value-added sales rose by 5.2% YoY, primarily driven by Value-added, Ingredient and Packaging segments which showed higher sales volume and higher selling prices. GPM dropped to 26.1% in 2024, down by 1.0% YoY, but remained at a healthy level.

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STATEMENT OF FINANCIAL POSITION

| (Unit: THB mn) | December 31, | December 31, | YoY |
|---|----------------|----------------|---------------|
| | 2023 | 2024 | (%) |
| Cash and cash equivalents* | 16,451 | 15,487 | -5.9% |
| Trade and other receivables, net | 16,031 | 16,876 | 5.3% |
| Inventories, net | 50,482 | 43,626 | -13.6% |
| Other current assets | 2,866 | 3,659 | 27.7% |
| Total current assets | 85,829 | 79,649 | -7.2% |
| Fixed assets | 31,453 | 30,694 | -2.4% |
| Investments | 10,817 | 9,267 | -14.3% |
| Goodwill and other intangible assets | 29,858 | 27,706 | -7.2% |
| Other non-current assets | 7,493 | 7,598 | 1.4% |
| Total non-current assets | 79,621 | 75,264 | -5.5% |
| Total assets | 165,450 | 154,912 | -6.4% |
| Bank overdrafts and short-term loans | 8,587 | 16,991 | 97.9% |
| Trade and other payables | 18,798 | 18,522 | -1.5% |
| Current portion of long-term loans | 20,153 | 12,926 | -35.9% |
| Other current liabilities | 2,935 | 2,149 | -26.8% |
| Total current liabilities | 50,473 | 50,588 | 0.2% |
| Long-term loans | 39,248 | 38,594 | -1.7% |
| Other non-current liabilities | 9,712 | 9,418 | -3.0% |
| Total non-current liabilities | 48,960 | 48,012 | -1.9% |
| Total liabilities | 99,433 | 98,600 | -0.8% |
| Non-controlling interests | 7,389 | 7,678 | 3.9% |
| Total equity | 66,017 | 56,313 | -14.7% |
| Total liabilities and shareholders' equity | 165,450 | 154,912 | -6.4% |

Remark: *Including short-term investments

Statement of Financial Position analysis (December 31, 2024 vs December 31, 2023)

As of December 31, 2024, Thai Union reported **total assets** of THB 154,912mn, a decrease of THB 10,538mn or 6.4% from THB 165,450mn as of December 31, 2023. The decrease was primarily attributable to a decrease in 1) net inventories of THB 6,856mn, driven by the efficient inventory management and the favorable raw material prices, particularly Skipjack tuna (-19.4% YoY), 2) goodwill and other tangible assets of THB 2,152mn, 3) net investments of THB 1,550mn, 4) cash and cash equivalents of THB 963mn, and 5) fixed assets of THB 760mn. However, this was partly offset by a rise in 6) net trade and other receivables of THB 845mn and 7) derivative assets of THB 750mn.

Total liabilities of THB 98,600mn, a drop of THB 833mn or 0.8% from THB 99,433mn as of December 31, 2023. This was mainly from a decline in 1) current portion of debentures of THB 19,619mn, 2) long-term loans from financial institutions of THB 13,142mn, 3) derivative liabilities of THB 867mn, 4) deferred tax liabilities of THB 405mn, and 5) net trade and other payables of THB 276mn. However, this was mostly offset by a rise in 6) debentures of THB 12,559mn, 7) current portion of long-term loans of THB 12,553mn, and 8) bank overdrafts and short-term loans of THB 8,404mn.

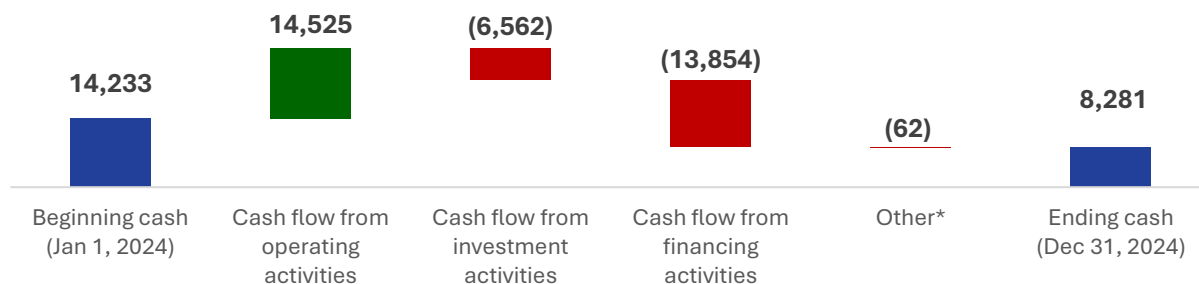
Total equity was at THB 56,313mn, a decrease of THB 9,705mn or 14.7% from THB 66,017mn as of December 31, 2023. This was mainly from 1) the redemption of perpetual debentures of THB 5,950mn, 2) other components of equity of THB 3,204mn, largely from FX translation, 3) retained earnings of THB 786mn, and 4) an issued and paid-up share capital of THB 50mn, resulted from the write-off of the unsold amount of the repurchased shares from the share repurchase program in 2023, totaling 200mn shares at par value of THB 0.25 per share.

Thai Union Group Public Company Limited

MD&A for Q4 2024 and FY 2024, ended December 31, 2024

CASH FLOW

(Unit: THB mn)



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

Cash flow analysis

For the year ending December 31, 2024, **net cash from operating activities** was THB 14,525mn, driven by an increase in free cash flow of THB 11,705mn, which reached an all-time high, primarily due to higher EBITDA. **Net cash used in investing activities** was THB 6,562mn, largely from net cash payments for short-term investments of THB 6,194mn, purchases of property, plant, and equipment and intangible assets of THB 3,557mn. These were partially offset by cash receipts from investments in debt instruments of THB 1,760mn and proceeds from sale of other long-term investments of THB 912mn. **Net cash used in financing activities** was THB 13,854mn, mainly due to repayments for debentures of THB 7,050mn, cash paid on perpetual debentures of THB 6,000mn, net cash payments for repurchase of treasury shares of THB 2,982mn, interest and other finance costs paid of THB 2,406mn, and dividends paid to the owners of the parent of THB 2,389mn. These were partially offset by net cash receipts from short-term loans from financial institutions of THB 8,668mn.

KEY FINANCIAL RATIOS

| | Q4 2023 | Q3 2024 | Q4 2024 | FY 2023 | FY 2024 |
|-----------------------------------|------------|------------|------------|------------|------------|
| Efficiency activity ratio | | | | | |
| Accounts receivable days (days) | 37 | 34 | 36 | 37 | 36 |
| Inventory days (days) | 167 | 158 | 152 | 167 | 152 |
| Profitability ratio | | | | | |
| GPM (%) | 17.8% | 19.5% | 18.7% | 17.1% | 18.5% |
| NPM (%)* | 4.2% | 4.0% | 3.5% | 3.4% | 3.6% |
| ROA (%)* | 4.7% | 5.6% | 5.6% | 4.7% | 5.6% |
| ROE (%)* | 7.3% | 8.9% | 9.8% | 7.3% | 9.8% |
| ROCE (%)* | 6.5% | 7.6% | 8.4% | 6.5% | 8.4% |
| Liquidity ratio | | | | | |
| Current ratio (times) | 1.70 | 2.50 | 1.57 | 1.70 | 1.57 |
| Leverage ratio | | | | | |
| Net debt to equity ratio (times) | 0.78 | 0.79 | 0.94 | 0.78 | 0.94 |
| Net debt to EBITDA ratio (times)* | 4.19 | 3.59 | 3.97 | 4.19 | 3.97 |
| Interest coverage ratio (times)* | 5.35 | 5.49 | 5.36 | 5.35 | 5.36 |
| Per share ratio | | | | | |
| Basic earnings / share (THB) | -3.82 | 0.30 | 0.28 | -3.15 | 1.08 |
| Book value / share (THB) | 13.16 | 12.94 | 11.43 | 13.16 | 11.43 |

Remark: *Based on adjusted numbers from Q1 2023 to Q4 2023, which excluded RL's share of loss and tax credit.

Thai Union Group Public Company Limited

MD&A for Q4 2024 and FY 2024, ended December 31, 2024

2025 FINANCIAL TARGET:

- Thai Union’s sales are expected to grow by 3 – 4% YoY, driven by organic growth across all categories. However, this growth will be partially offset by FX translation effects due to the projected appreciation of the Thai Baht against all currencies.
- GPM is expected to align with sales growth, while SG&A to sales ratio will increase slightly due to transformation costs and marketing expenses aimed at boosting branded product sales.
- Lastly, capital expenditure is expected to increase from last year, primarily due to the expansion of automation in the PetCare warehouse.

| | 2025 Target |
|--------------------------------|------------------------------------|
| Sales growth | +3 – 4% YoY |
| GPM | ~18.5 – 19.5% |
| SG&A to sales | 13 – 13.5% |
| Effective interest rate | No material change |
| CAPEX | ~ THB 4.5 – 5.0bn |
| 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 0.7 – 0.8%.

Thai Union Group Public Company Limited

MD&A for Q4 2024 and FY 2024, ended December 31, 2024

APPENDIX:

Consolidated income statement for Q4 2023 results

| (Unit: THB mn) | Q4 2023 Reported numbers | RL's Share of loss and tax credit | Q4 2023 excl. RL contribution |
|---|--------------------------------|---|-------------------------------------|
| Sales | 35,529 | | 35,529 |
| Cost of sales | (29,201) | | (29,201) |
| Gross profit | 6,327 | | 6,327 |
| SG&A | (4,206) | | (4,206) |
| Operating profit | 2,122 | | 2,122 |
| FX gain | 66 | 2 | 68 |
| Other income | 271 | 16 | 287 |
| Share of profit from associates and JVs | 153 | | 153 |
| EBIT | 2,612 | 17 | 2,629 |
| Finance cost | (630) | | (630) |
| Income tax (expense) credit | 40 | (303) | (263) |
| Profit (loss) from discontinued operation | (18,967) | 18,967 | 0 |
| Non-controlling interests | (244) | | (244) |
| Net profit | (17,189) | 18,682 | 1,493 |

Consolidated income statement for 2023 results

| (Unit: THB mn) | 2023 Reported numbers | RL's Share of loss and tax credit | 2023 excl. RL contribution |
|---|-----------------------------|---|----------------------------------|
| Sales | 136,153 | | 136,153 |
| Cost of sales | (112,928) | | (112,928) |
| Gross profit | 23,225 | | 23,225 |
| SG&A | (16,372) | | (16,372) |
| Operating profit | 6,853 | | 6,853 |
| FX gain | (234) | (2) | (236) |
| Other income | 816 | 2 | 819 |
| Share of profit from associates and JVs | 679 | | 679 |
| EBIT | 8,115 | | 8,115 |
| Finance cost | (2,302) | | (2,302) |
| Income tax (expense) credit | 620 | (1,050) | (430) |
| Profit (loss) from discontinued operation | (19,633) | 19,633 | 0 |
| Non-controlling interests | (733) | | (733) |
| Net profit | (13,933) | 18,583 | 4,650 |

Thai Union Group Public Company Limited

MD&A for Q4 2024 and FY 2024, ended December 31, 2024

Sales breakdown by region

| | Q4 | Q3 | Q4 | QoQ | YoY | FY | FY | YoY |
|--------------------------|---------------|---------------|---------------|-------------|--------------|----------------|----------------|-------------|
| | 2023 | 2024 | 2024 | (%) | (%) | 2023 | 2024 | (%) |
| Sales (THB mn) | 35,529 | 34,840 | 35,090 | 0.7% | -1.2% | 136,153 | 138,433 | 1.7% |
| The U.S. & Canada | 14,822 | 13,327 | 14,185 | 6.4% | -4.3% | 55,366 | 54,476 | -1.6% |
| Europe | 10,692 | 10,215 | 10,034 | -1.8% | -6.2% | 40,289 | 41,492 | 3.0% |
| Thailand | 3,779 | 4,007 | 3,997 | -0.2% | 5.8% | 15,683 | 15,229 | -2.9% |
| Japan | 1,921 | 2,038 | 1,855 | -9.0% | -3.4% | 8,157 | 7,818 | -4.1% |
| Middle East | 877 | 1,653 | 1,121 | -32.2% | 27.7% | 3,386 | 5,726 | 69.1% |
| Others | 3,437 | 3,600 | 3,898 | 8.3% | 13.4% | 13,271 | 13,692 | 3.2% |
| % Sales by region | | | | | | | | |
| The U.S. & Canada | 41.7% | 38.3% | 40.4% | 2.1% | -1.3% | 40.7% | 39.4% | -1.3% |
| Europe | 30.1% | 29.3% | 28.6% | -0.7% | -1.5% | 29.6% | 30.0% | 0.4% |
| Thailand | 10.6% | 11.5% | 11.4% | -0.1% | 0.8% | 11.5% | 11.0% | -0.5% |
| Japan | 5.4% | 5.8% | 5.3% | -0.5% | -0.1% | 6.0% | 5.6% | -0.4% |
| Middle East | 2.5% | 4.7% | 3.2% | -1.5% | 0.7% | 2.5% | 4.1% | 1.6% |
| Others | 9.7% | 10.3% | 11.1% | 0.8% | 1.4% | 9.7% | 9.9% | 0.2% |

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 & 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

Adjusted net profit = Net profit excluded the share of profit (loss) and tax credit from Red Lobster (RL)

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)