

4Q22 quarterly performance continues to grow over the high base last year at THB 40bn with a healthy gross profit margin at 17.3%

Revenue

Thai Union delivered 4Q22 quarterly sales at THB 39.6bn, increasing by 2.9% YoY, mainly from higher selling prices and strong demand momentum from PetCare (+34.1% YoY) and Ambient seafood (+12.8% YoY), partially offset with frozen and chilled seafood and Value-added dropped YoY.

Gross profit and margin

4Q22 quarterly gross profit was at THB 6.9bn, decreasing by 2.2% YoY, mainly impacted by frozen and chilled margin contraction due to market normalization in the U.S. and higher raw material prices, offset by margin expansion in PetCare from higher selling prices and product mix. Gross profit margin (GPM) was at 17.3% vs. 18.2% in 4Q21.

Operating profit

4Q22 operating profit recorded quarterly high at THB 2.4bn, increased by 20.6% YoY, driven by lower SG&A. SG&A/sales ratio decreased to 11.3% in 4Q22 vs. 13.1% in 4Q21, thanks to lower freight costs of THB ~320mn and lower marketing and advertising expenses, partially offset with higher personnel costs.

Net profit and margin

TU reported 4Q22 net profit at THB 1.2bn, decreased by 35.9% YoY, mainly impacted by FX loss of THB 468mn, higher share of loss from Red Lobster and lower other income from RL's preferred share fair value adjustment.

This was partially offset with strong operating profit from volume growth and category mix, and higher tax credit of THB 170mn in 4Q22 (vs. THB -61mn in 4Q21) from US operations lower profitability. Net profit margin (NPM) was at 3.1%

Cash flow and ND/E

4Q22 free cash flow (FCF) is significantly positive by THB 3.8bn, thanks to net working capital substantial improvement from freight cost and transit time normalization. TU's end-2022 net D/E ratio stands at 0.54x.

Dividend

The Company announced a dividend of THB 0.44 per share for 2H22 performance, making a 2022 full-year dividend of THB 0.84 per share (Dividend yield ~5.4%)

Stock Information

(Bloomberg/ Reuters)
(TU TB/ TU.BK)

Share price (20/02/2023)	THB 15.70
Historical closing price:	
52-week high	THB 21.30
52-week low	THB 15.20
No. of shares:	4,771.8m
Par value:	THB 0.25
Market Cap.	THB 75.4bn
Avg. value trade/day (YTD)	THB 488.2mn

Major shareholders

(30/12/2022)

Chansiri Family	20.26%
Thai NVDR Co., LTD.	10.70%
Niruttinanon Family	6.91%
Mitsubishi Corporation	6.24%
Ms. Jarunee Chinwongworakul	4.51%
Social Security Office	2.66%

Business Overview

Thai Union Group PCL (TU) is one of the world's largest seafood players. TU owns leading brands portfolio in key markets and global sourcing, production and distributing networks. TU's key products are Ambient seafood, Frozen and Chilled seafood and related business, PetCare, and Value-added. On the sustainability front, TU has shown strong commitments and is confident in its positive long-term contribution to socio-economic development, conservation of natural resources and practice of ethical business conduct, supporting our goal of Healthy Living, Healthy Oceans.

Key financial figures

Unit: THB mn	4Q22	4Q21	3Q22	2022	2021
Sales	39,613	38,501	40,756	155,586	141,048
Gross profit	6,868	7,023	7,399	27,206	25,727
EBITDA	2,846	3,587	4,160	12,885	14,927
Net profit	1,238	1,930	2,530	7,138	8,013
EPS (THB)	0.25	0.40	0.53	1.47	1.66
GPM (%)	17.3%	18.2%	18.2%	17.5%	18.2%
NPM (%)	3.1%	5.0%	6.2%	4.6%	5.7%
ND/E (x)	0.54	0.99	1.13	0.54	0.99
ROCE (%)	6.8%	10.4%	8.3%	6.8%	10.4%
ND/EBITDA (x)	3.67	4.11	5.26	3.67	4.11

Financial Statements Analysis:

Unit: THB mn	4Q22	4Q21	YoY	2022	YoY
Sales	39,613	38,501	2.9%	155,586	10.3%
COGS	(32,744)	(31,478)	4.0%	(128,380)	11.3%
GP	6,868	7,023	-2.2%	27,206	5.8%
SG&A	(4,484)	(5,047)	-11.2%	(19,156)	9.6%
FX gain (loss)	(468)	151	-409.8%	800	-16.5%
Other income	253	546	-53.7%	919	-49.9%
Share of profits from investments in assoc. & JVs	(313)	(161)	-294.4%	(1,030)	282.7%
EBIT	1,779	2,498	-28.8%	8,561	-20.3%
Finance cost	(571)	(455)	25.5%	(1,998)	15.5%
EBT	1,208	2,043	-40.9%	6,564	-27.2%
Tax	170	(61)	-379.1%	840	-213.3%
Net income	1,238	1,930	-35.9%	7,138	-10.9%
EPS	0.25	0.40	-37.2%	1.47	-11.3%
FX: USD/THB	36.38	33.38	9.0%	35.06	9.5%
GPM	17.3%	18.2%		17.5%	
%SG&A/Sales	11.3%	13.1%		12.3%	
NPM	3.1%	5.0%		4.6%	

Sales

Thai Union maintained high sales in 4Q22 at THB 39,613mn, up 2.9% YoY, driven by PetCare (+34.1% YoY), ambient seafood (+12.8% YoY), while frozen and chilled seafood declined (-13.1% YoY) due mainly to U.S. market normalization as well as value-added (-2.5% YoY).

2022 sales recorded a new high of THB 155,586mn, rose 10.3% YoY, thanks to PetCare (+48.0% YoY), value-added (+15.6% YoY), ambient seafood (+12.8% YoY), while frozen and chilled seafood slightly dropped (-2.5% YoY).

During 4Q22, the Thai Baht moved against key currencies as follows; USD/THB (+9.0% YoY), EUR/THB (-2.9% YoY), and GBP/THB (-5.3% YoY). USD/THB movement is extremely volatile, as well as EUR and GBP depreciation against THB throughout 2022, which was a key factor impacting our performance. Excluding FX impact, sales in 4Q22 slightly increased 0.8% YoY.

4Q22 sales volumes increased 4.3% YoY, thanks to higher volumes of PetCare, offset by ambient and frozen and chilled seafood decline. 2022 sales volumes rose 4.7% YoY, as a result of higher sales volume in PetCare and ambient seafood, while frozen and chilled seafood dropped from last year.

Gross profit and gross profit margin (GPM)

4Q22 gross profit was 6,868mn, dropped by 2.2% YoY, with GPM stands at 17.3% vs. 18.2% in 4Q21, mainly from:

- Ambient seafood: gross profit was THB 3.6bn and GPM was at 21.2%, thanks to higher selling prices

from our strategic level of price negotiation, product mix, and cost efficiency management.

- Frozen and chilled seafood: gross profit was THB 1.3bn and GPM was at 8.8%, mainly from last year's exceptional performance, particularly in the U.S. and raw materials price volatility. However, the gross profit significantly recovered from 3Q22 from an improvement in key material costs and inventory management.
- PetCare: gross profit was THB 1.3bn and GPM was at 23.3%, thanks to strong demand, higher selling prices, and our strategy to focus on innovative products with higher margin products.
- Value-added and others: gross profit was THB 0.7bn and GPM was at 27.3%, driven by our strategy to focus on higher margin products such as lids, smaller cans, and value-enhancing businesses, offset with higher raw material prices.

	GPM (%)		Gross profit (THBmn)		
	4Q22	4Q21	4Q22	4Q21	YoY
Overall	17.3%	18.2%	6,868	7,023	-2.2%
Ambient	21.2%	22.7%	3,622	3,444	5.2%
Frozen & chilled	8.8%	11.7%	1,265	1,941	-34.8%
PetCare	23.3%	22.5%	1,298	934	38.9%
Value-added & others	27.3%	27.4%	684	704	-2.8%

2022 gross profit rose to THB 27,206mn (+5.8% YoY) and GPM was at 17.5%, on track with our 2025 strategies, mainly from:

- Ambient seafood: GPM was solid at 21.3%, driven by product mix, despite an increase in raw material prices, especially tuna.
- Frozen and chilled seafood: GPM dropped YoY from the market normalization in the U.S., raw material prices remained at a high level, especially shrimp and salmon, and supply chain challenges.
- PetCare: GPM was at 26.3%, thanks to more automation and a growing new innovative products portfolio of pet treats such as insect protein.
- Value-added and others: GPM was at 28.0%, thanks to more automation and a growing new innovative products portfolio such as ready-to-eat, new value-enhancing products, and sustainable packaging.

	GPM (%)		Gross profit (THBmn)		
	2022	2021	2022	2021	YoY
Overall	17.5%	18.2%	27,206	25,727	5.8%
Ambient	21.3%	21.4%	14,175	12,638	12.2%
Frozen & chilled	7.7%	11.8%	4,411	6,872	-35.8%
PetCare	26.3%	24.3%	5,704	3,569	59.8%
Value-added & others	28.0%	29.4%	2,915	2,647	10.1%

Selling and administrative expenses

4Q22 SG&A expenses decreased THB 563mn or 11.2% YoY, thanks to significant freight costs improvement of THB ~320mn and lower marketing and advertising expenses, partially offset by personnel costs inflation. 4Q22 SG&A to sales ratio was at 11.3% vs. 13.1% in 4Q21.

2022 SG&A expenses increased by 9.6% YoY in line with sales growth and the impact from freight costs increase, partially offset with lower marketing and advertising expenses. Yet, 2022 SG&A to sales ratio improved a bit over the whole year at 12.3% vs. 12.4% in 2021, thanks to strong topline growth.

FX Gain/Loss

Thai Union reported 4Q22 FX losses of THB 468mn (vs. FX gains of THB 151mn in 4Q21), mainly from temporarily exposure from extremely volatile USD/THB throughout the year 2022, especially in 4Q22.

Share of income from investment in associates

4Q22 share of loss was at THB 313mn (vs. THB 161mn share of loss in 4Q21). The loss contribution came from:

Red Lobster's operations in 4Q22 were at THB 456mn share of loss (THB 344mn loss from operations and THB 112mn loss from lease accounting adjustment). This was higher than THB 256mn loss contribution in 4Q21 (THB 147mn loss from operations and THB 109mn loss from lease accounting adjustment).

2022 share of loss from operations was THB 1,207mn vs. THB 178mn in 2021.

	4Q21	1Q22	2Q22	3Q22	4Q22
Share of profit/loss from operations	-147	-243	-281	-339	-344
Share of profit/loss from lease accounting adj.	-109	-92	-102	-117	-112
Other income	319	318	-300	0	0
Interest expense	-105	-114	-112	-113	-115
Income tax	45	206	240	66	222
Net income	3	76	-554	-502	-348

The Avanti business contributed a higher share of profit YoY, thanks to improving feed and recovering frozen businesses.

Other income

4Q22 other income was at THB 253mn vs. THB 546mn in 4Q21, mostly decreased from lower Red Lobster preferred shares interest (THB 0mn in 4Q22 vs. THB 319mn in 4Q21).

2022 other income was at THB 919mn vs. THB 1,835mn in 2021, mostly decreased from lower Red

Lobster preferred shares interest (THB 18mn in 2022 vs. THB 1,216mn in 2021).

Finance cost

4Q22 finance costs was at THB 571mn vs. THB 455mn in 4Q21, mainly due to interest rate increase, growing net working capital from inflationary pressures and high inventory.

2022 finance cost was at THB 1,998mn vs. THB 1,730mn in 2021.

Income tax expense

4Q22 tax credit was at THB 170mn vs. tax expense of THB 61mn in 4Q21, mostly explained by lower profitability from Red Lobster and our U.S. operations.

2022 tax credit was at THB 840mn vs. tax expense of THB 742mn in 2021, reasons as mentioned above.

Net profit

4Q22 net profit stands at THB 1,238mn, decreasing by 35.9% YoY, mainly impacted by FX loss, higher share of loss from RL and lower other income from RL's fair value adjustment.

Partially offset with strong operating profit from volume growth, and category mix, as well as higher tax credit. NPM was at 3.1% vs. 5.0% in 4Q21.

2022 net profit was at THB 7,138mn, declining by 10.9% YoY. NPM was at 4.6% vs 5.7% in 2021. The decreasing of net profit was mainly from RL's higher share of loss, lower other income from RL's fair value adjustment, and one-time impact of Rügen Fisch restructuring costs (THB 195mn).

Financial position analysis:

As of December 31, 2022, Thai Union's total assets were at THB 182,569mn, increased by 9.6% from end-2021 at THB 166,604mn, from higher inventory and trade and other receivables in line with sales growth, as well as higher cash and cash equivalents from ITC's initial public offering (IPO) transaction.

Total liabilities decreased to THB 94,438mn, dropped 9.5% from THB 104,391mn at end-2021, thanks to a decrease in current portion of long-term loans from financial institutions of THB 12.5bn from repayment loan after ITC spin-off.

Total equity (including perpetual debentures of THB 6bn) were at THB 88,131mn, increased by 41.7% from end-2021 at THB 62,213mn, mostly thanks to positive changes in ownership interest in subsidiaries from ITC's IPO transaction.

Cash Flow analysis:

In 2022, net cash receipts for operating activities amount to THB 5,871mn. Free cash flow turns positive at THB 1,792mn, thanks to strong EBITDA of THB 12.9bn, offset by net working capital increase.

Net cash payments for investing activities were at THB 5,415mn, decreasing from THB 8,104mn at the same period of last year, mainly from lower new investments in associate (THB 0.3bn in 2022 vs THB 3.0bn in 2021) and cash receipts from short-term investments reaching maturity.

Thai Union recorded net cash receipt from financing activities of THB 2,742mn during 2022, decreasing from THB 4,583mn at the same period of last year, which were largely due to cash repayments for long-term loans from financial institutions and debenture issuance which reached maturity in January 2022.

Net increase in cash and cash equivalents was at THB 3,198mn during 2022, resulting to outstanding cash and cash equivalents of THB 13,029mn as of the end of the year (including the impact from the use of Bank Overdraft).

Financial ratio highlights:

	4Q22	4Q21	3Q22
A/R Days	31	30	35
Inventory Days	139	133	144
Current ratio (x)	2.38	1.56	1.52
ROCE (%)	6.8%	10.4%	8.3%
ROE (%)	11.1%	16.1%	14.8%
ROA (%)	4.9%	6.9%	5.4%
ND/E (x)	0.54	0.99	1.13
ND/EBITDA (x)	3.67	4.11	5.26
Interest Coverage (x)	6.45	8.63	7.24
BV (Baht/share)	15.65	11.18	11.51

Remark:

Current ratio = Total current assets / total current liability

ROCE = 12-month rolling EBIT / Average capital employed

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

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

ROA = 12-month rolling EBIT / average total assets

ND/E = Interest-bearing debt - cash & cash equivalents / total shareholders' equity

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

Interest coverage = EBITDA / finance costs - 4Q trailing

BV = Total shareholders' equity / outstanding shares

4Q22 profitability ratios significantly dropped YoY compared to the same period last year with ROCE at 6.8% (vs. 10.4% in 4Q21); ROE at 11.1% (vs. 16.1% in 4Q21); and ROA at 4.9% (vs. 6.9% in 4Q21), primarily due to an increase in equity and total assets, and a decrease in current liabilities from ITC's IPO transaction.

4Q22 receivable days slightly increased to 31 days compared to 30 days in 4Q21, from higher trade receivables in relation to record sales in the year 2022.

Inventory days during 2022 were up to 139 days, from 133 days in 2021, due to higher inventory value and volume, mainly from inflationary challenges and ongoing logistic issues.

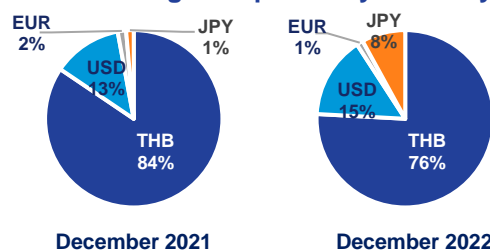
The Current ratio at end-2022 was at 2.38x, significantly increasing from 1.56x in 2021, as a result of higher current assets (+17.0% YoY) and lower current liabilities (-23.4% YoY) as mentioned above.

Interest-bearing debt decreased by THB 10.7bn from end-2021 (-15.0% YoY), due to substantially decrease in current portion of long-term loans which reached maturity in January 2022 and repayment loan after ITC spin-off. At a result, 4Q22 net debt-to-equity was at 0.54x, down from 0.99x at end-2021.

The net-debt to EBITDA ratio significantly decreased to 3.67x as of end-4Q22, from 4.11x as of end-4Q21, thanks to significantly reduction in net debt as mentioned above.

The interest coverage ratio during 2022 was at 6.45x vs. 8.63x in 2021, largely from lower EBITDA (-13.7% YoY) and higher finance costs (+15.5% YoY).

Interest-bearing debt profile by currency:



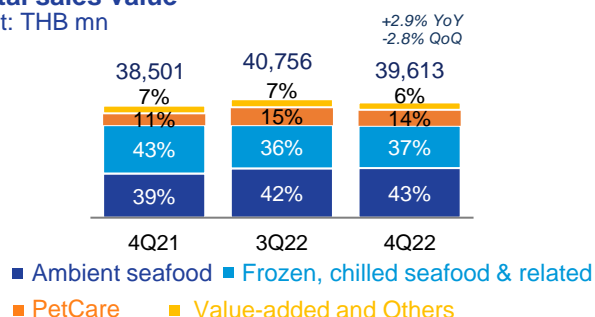
As of end-4Q22, interest-bearing debt amounted to THB 60,357mn, mainly denominated in the local currency. THB debt accounted for 76%, USD at 15%, JPY at 8%, and EUR at 1%. The amount of interest-bearing debt decreased from end-2021 mainly due to the repayment of long-term loans and bonds which matured in January 2022 and repayment loan after ITC spin-off.

There were manageable risks from higher interest rates, which are mainly from short-term working capital, as our interest rates are 72% fixed and 28% floating.

Overview by business category:

Total sales value

Unit: THB mn



Ambient seafood¹:

Record quarterly sales with solid GPM

	4Q21	1Q22	2Q22	3Q22	4Q22	2022
Value	15,149	15,527	16,912	16,985	17,086	66,510
Brand	54.7%	52.3%	57.1%	57.4%	51.2%	54.6%
PL	45.3%	47.7%	42.9%	42.6%	48.8%	45.4%
Volume	88,595	91,967	90,347	84,948	87,827	355,088

Value (unit: THB mn), Volume (unit: ton)

Remark: PL stands for Private Label business

¹ Ambient seafood business includes entire tuna, entire sardine & mackerel, ambient & pouch salmon businesses, and other ambient seafood.

4Q22 ambient seafood recorded quarterly sales at THB 17,086mn, which grew strongly at 13% YoY, mainly supported by higher selling prices and strong demand, particularly in Asia and the U.S, partially offset volume dropped 1% from temporary effect of price increased in mainly in Germany, UK, and Italy, offset by growth from France, Asia and the U.S.

4Q22 GPM was healthy at 21.2%, thanks to higher selling prices from our strategic lever of price negotiation, product mix, and cost efficiency management.

2022 ambient seafood recorded all-time high sales at THB 66,510mn, growing by 13% YoY, thanks to higher selling prices, strong demand in key markets after last year's normalization from pantry loading during the first wave of the pandemic in 2020. GPM was solid at 21.3%, driven by product mix, despite an increase in raw material prices, especially tuna.

Frozen, chilled seafood and related²: GPM significantly recovered from 3Q22 but slightly dropped YoY from market price normalization in the U.S.

	4Q21	1Q22	2Q22	3Q22	4Q22	2022
Value	16,628	13,790	13,900	14,820	14,453	56,964
Brand	37.8%	41.6%	38.0%	35.5%	38.8%	38.4%
PL	62.2%	58.4%	62.0%	64.5%	61.2%	61.6%
Volume	72,637	64,146	71,086	73,704	65,352	274,288

Value (unit: THB mn), Volume (unit: ton)

² Frozen, chilled seafood and related businesses includes shrimp & related (shrimp, lobster, shrimp feed & value-added shrimp), frozen, chilled & smoked

salmon and other seafood (frozen cephalopod, crab, scallop, shellfish and other fish) businesses.

4Q22 frozen and chilled seafood sales were THB 14,453mn, dropping by 13% YoY from last year's exceptional performance in the U.S., offset with strong sales in Europe. Volume dropped mainly from our feed business decline due to focus on high margin products.

4Q22 GPM significantly recovered from 3Q22 from both branded and private labels. However, slightly declined YoY from the impact of market price normalization in the U.S., particularly lobster and crab, higher logistics costs, and higher raw material prices.

2022 frozen and chilled seafood sales slightly dropped 2% YoY, mainly from softer demand from retail and foodservice businesses in the U.S. due to high inflation. This was partly offset by strong demand in Asia and Europe, supported by higher selling prices. GPM also dropped from the mentioned reason above.

PetCare³:

Record quarterly sale volumes with significant sales growth from last year

	4Q21	1Q22	2Q22	3Q22	4Q22	2022
Value	4,153	4,472	5,442	6,210	5,568	21,693
Brand	1.4%	0.8%	1.2%	0.6%	0.2%	0.7%
PL	98.6%	99.2%	98.8%	99.4%	99.8%	99.3%
Volume	28,432	29,645	34,776	38,405	37,485	140,311

Value (unit: THB mn), Volume (unit: ton)

³ PetCare business includes PetCare (wet-based cat and dog foods, cat and dog treats).

4Q22 PetCare sales grew exceptionally at 34% YoY, thanks to continued strong demand (+32% YoY), higher selling prices, product mix, and portfolio expansion to new customers. Sales and volume dropped from Q3 due to less shipment orders from the customer from overstock in 3Q22.

4Q22 GPM was at 23.3%, slightly rising from last year driven by strong PetCare demand, higher selling prices, and our strategy to focus on new innovative products with higher margins, offset by one-off recruitment expenses of THB 66mn and higher minimum wage.

2022 PetCare sales grew significantly 48% YoY, driven by higher selling prices and strong demand momentum. Strong GPM at 26.3%.

Value-added and others⁴: Record quarterly sales volume with healthy margin

	4Q21	1Q22	2Q22	3Q22	4Q22	2022
Value	2,571	2,483	2,691	2,741	2,505	10,420
Brand	13.2%	10.8%	13.8%	13.7%	11.6%	12.5%
PL	86.8%	89.2%	86.2%	86.3%	88.4%	87.5%
Volume	46,448	49,169	48,320	52,184	53,313	202,987

Value (unit: THB mn), Volume (unit: ton)

⁴ Value-added & other businesses include value-added businesses, ready-to-eat products (surimi-based fish snacks, dim sum, bakery products, packaged cooking sauce, scrap from fish and shrimp processing lines), packaging,

printing service for can labels, ingredients (crude and refined tuna oil and algae oil), supplements, and alternative protein.

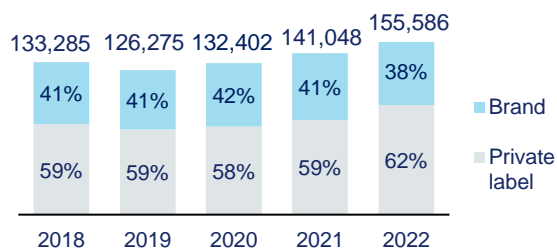
4Q22 value-added and other businesses sales stood at THB 2,505mn, slightly dropping YoY and QoQ, mainly from value-added products volume drop, offset with continued demand for packaging and new-enhancing businesses from higher selling prices, new product ranges launched, and portfolio expansion to new customers.

GPM was solid at 27.3% in 4Q22, thanks to our strategy to focus on higher margin products such as lids, smaller cans, and value-enhancing businesses, offset with higher raw material prices.

2022 value-added and others sales grew 16% YoY, driven by all business units. GPM was impressive at 28.0%.

Sales breakdown by brand vs. private label:

Unit: THB mn



2022 branded and private-label business sales mix were at 38% and 62% respectively. 2022 total branded sales increased 2% YoY, mainly from strong sales for branded products with sales up 5% YoY, offset with a declining performance of the foodservice business.

2022 total private label sales reported growth of 16.3% YoY, driven by higher demand from key businesses, especially in PetCare, Ambient seafood, and Value added, and portfolio adjustment between branded and private labels.

Business overview by region:

THB mn	2018	2019	2020	2021	2022
Total sales	133,285	126,275	132,402	141,048	155,586
USA	37.7%	39.6%	41.9%	43.1%	42.7%
Europe	30.4%	27.9%	29.0%	28.3%	26.3%
Japan	5.7%	5.8%	5.3%	5.1%	5.8%
Thailand	10.5%	11.5%	10.0%	10.3%	10.5%
Others	15.7%	15.2%	13.8%	13.2%	14.6%

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

2022 sales rose strongly from all key regions, especially the U.S., Middle East, Thailand, and Japan, thanks to higher selling prices, strong demand for PetCare, Ambient seafood, and Value-added.

Sales in North America (the U.S. and Canada) rose by 9% YoY, driven by strong growth of Ambient seafood and PetCare, higher selling prices, and favorable FX (2022 USD/THB +9.2% YoY), partially offset by frozen seafood deterioration from market correction after last year's exceptional performance.

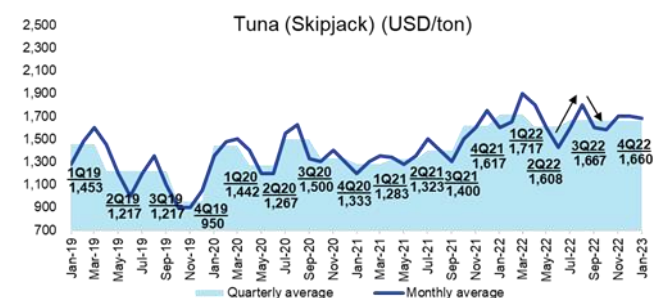
Sales in Europe increased 3% YoY, from higher selling prices and volume growth of Frozen & chilled seafood, PetCare, and Value-added, especially in Germany and France, despite the energy crisis, recession concern and Baht appreciation (2022 GBP/THB -1.7% YoY) (2022 EUR/THB -2.5% YoY).

Sales in Thailand and Japan were also up 12% YoY and 25% respectively, thanks to higher selling prices and volume growth of Ambient seafood, PetCare, and Value-added.

Key operating factors:

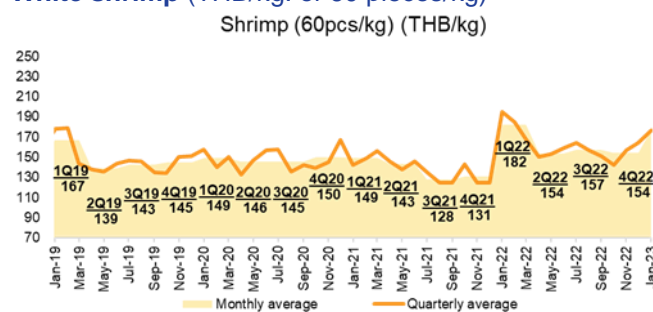
Raw material prices

Skipjack tuna (USD/ton)



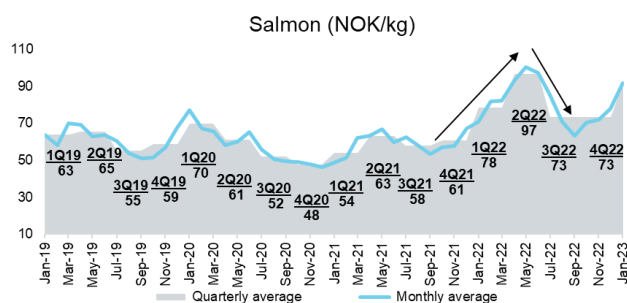
In Jan 2023, tuna price was USD 1,680/ton. In 4Q22, avg. price was USD 1,660/ton (+2.7% YoY, -0.4% QoQ).

White shrimp (THB/kg. of 60 pieces/kg)



In Jan 2023, shrimp price was THB 177/kg. In 4Q22, avg. price was THB 154/kg (+17.8% YoY, -1.9% QoQ).

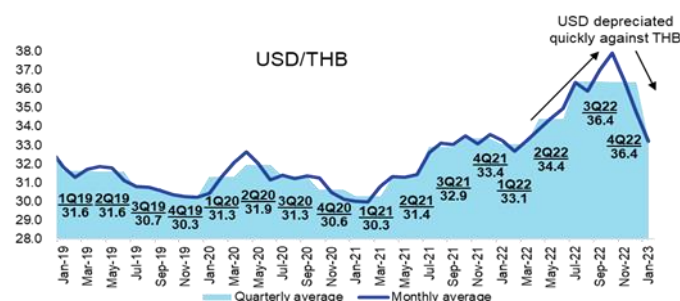
Salmon (NOK/kg)



In Jan 2023, salmon price was NOK 92/kg. In 4Q22, avg. price was NOK 73/kg (+20.8% YoY, +0.2% QoQ).

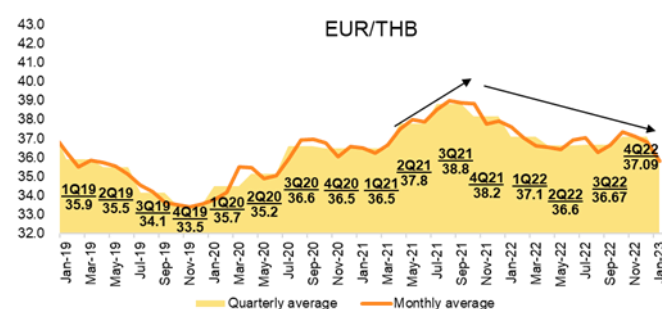
Exchange rates

USD/THB



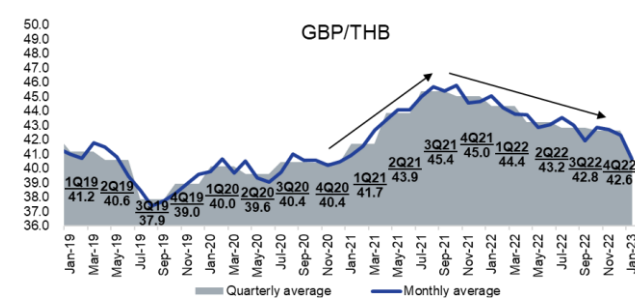
In Jan 2023, USD/THB was THB 33.23. In 4Q22, avg. was THB 36.38 (+9.0% YoY, -0.1% QoQ).

EUR/THB



In Jan 2023, EUR/THB was THB 35.81. In 4Q22, avg. was THB 37.09 (-2.9% YoY, +1.1% QoQ).

GBP/THB



In Jan 2023, GBP/THB closed at THB 40.66. In 4Q22, avg. was THB 42.64 (-5.3% YoY, -0.4% QoQ).

Key Developments

For more information, visit [hyperlinks](#).

Strategic Corporate Actions in 4Q22

i-Tail Corporation (ITC) successfully listed on the Stock Exchange of Thailand (SET) in the agriculture and food industry

- As part of TU's focus to unlock hidden value and spin-off its high-potential businesses, ITC, our flagship PetCare business and one of the world's leading manufacturers of pet food products focusing on premium wet and treat offerings, was listed on the SET on Dec 9, 2022.
- From the IPO transaction, a total of 660 million shares were sold, comprised of 600 million newly issued shares from ITC and 60 million existing shares from the parent company (TU), to the general public at 32 Baht per share. The 660 million shares raised a total of THB 21bn making this IPO one of the biggest IPO in the food and beverage sector. After the IPO the market capitalization of ITC stood at THB 96bn.

Converted its loan-based strategic investment in Aegir Seafood and acquired 50% of the business

- TU has made a strategic investment in Aegir Seafood Company, one of the leading producers of cod liver in Iceland. The investment in Aegir will support the growth of the cod liver business for Thai Union's King Oscar and Rügen Fisch brands.

Announced an investment through its corporate venture fund, Jellagen

- TU announced one new food-tech investment, Jellagen, one of the leading advanced collagen biomaterials companies based in the UK. A startup sourcing collagen from jellyfish to produce "Collagen Type-0"; biomaterial for application in medicine & cell cultures.

CAPEX projects to support core & new businesses in Thailand (Samut Sakhon) and Ghana

- Culinary plant** for ready-to-eat products, a brand-new plant with +38% capacity and more automation, which are expected to commercialize in 2Q23 (~THB 1.2bn).
- Protein hydrolysate and collagen peptide plant** from fish head and skin co-products to serve fast-growing Asian markets. Expected to commercialize in 2Q23 (~THB 1.1bn).

- **Wet pet food and treat plant** for PetCare business with +18.7% capacity and new automated packing line. Expected to commercialize in 2Q23 (~THB 2.1bn).
- **Ambient tuna cold storage** to expand cold storage facility in Ghana with waste-water treatment. Expected to commercialize in 1H23 (~THB 0.6bn).

Sustainability

As part of our commitment to “Healthy Living, Healthy Oceans”, we continue preserving sustainability under the SEACHANGE® program;

- Thai Union [ranked No. 1 Company in the World in the Food Products Industry Index of the Dow Jones Sustainability Indices \(DJSI\)](#). This year’s ranking showed the best industry performance in 2 sustainability pillars – environmental and social while it received a 100th percentile score in 18 areas. This marked the 9th consecutive year that Thai Union has been named to the DJSI.
- Thai Union was one of two Food Products companies in Thailand to receive a [Gold Class distinction in the S&P Global Sustainability Yearbook 2022](#).
- MSCI, a leading international ESG rating company that provides in-depth research, ratings and analysis of the environmental, social and governance-related business practices, has [upgraded TU from “BBB” to “A”](#).
- Thai Union and The Nature Conservancy (TNC) released [1st Partnership Progress Report](#) on our partnership on a pioneering commitment to improve on the water transparency in global tuna supply chains
- In 2023, Thai Union will announce a major update to SeaChange® with new goals and new commitments through to 2030. This will include actions across a wide range of topics to address such as the decline in biodiversity, tackling climate change, ensuring endangered species are protected, important ecosystems are restored, and that natural resources are managed sustainably.

For more information, [refer to Thai Union’s sustainability strategy website](#).

2023 Financial target: Our operating KPI guidance

Sales	5-6% YoY growth
GPM	~ 18.0 - 18.5%
SG&A to sales	~ 11.0 - 12.0%
Effective interest rate	Increase 0.5-1.0%
CAPEX	~ THB 6.0 - 6.5bn
Dividend Policy	At least 50% dividend payout ratio

Thai Union’s 2023 financial targets are based on current forecast which may subject to change if key operating factors that affect company’s performance vary from the assumptions.

Key risk factors

Freight cost and transit time are normalizing, while global headline inflation is expected to remain high in 2023

Despite recent significant improvements in logistics, freight cost and transit time are normalizing close to pre-covid level, headline inflation remaining high in Dec 2022 (US +6.5%, EU +9.2%, TH +5.9% YoY). As a result, TU saw overall COGS increase 11.3% YoY in 2022, mainly from a higher costs of seafood raw materials, key materials, packaging, and ingredients.

Although the impact from freight price increased THB ~1.3bn in 2022, it turned positive by THB ~320mn in 4Q22 and ocean transit time significant improved to 40 days in 4Q (vs. 60 days in 4Q21).

Our solutions to strengthen the focus on cash flows and especially inventory control are the following:

- Continue price negotiation and adjust promotion intensity to cover inflation and rising key material costs
- Very conservative and always hedge to reduce volatility
- Strengthen the focus on cash flows and especially inventory and net working capital (NWC) control
- Cost efficiency management and economies of scale to reduce costs, exploring alternative key materials, and automation for productivity improvement
- Continue monitoring macro-environment, ongoing global supply chain challenges, and utility prices in our key markets.

We continue to focus on automation to increase production efficiency and reduce labor intensiveness at our plants.

For more key risk factors, [refer to 2021 One Report](#).

4Q22 Statement of Income

(Unit: THB mn)	Consolidated						4Q22	4Q22
	4Q22	% to sales	4Q21	% to sales	3Q22	% to sales	4Q21	3Q22
							Change	Change
Sales	39,613	100%	38,501	100%	40,756	100%	2.9%	-2.8%
Cost of sales	(32,744)	-82.7%	(31,478)	-81.8%	(33,357)	-81.8%	4.0%	-1.8%
Gross profit	6,868	17.3%	7,023	18.2%	7,399	18.2%	-2.2%	-7.2%
SG&A expenses	(4,484)	-11.3%	(5,047)	-13.1%	(5,064)	-12.4%	-11.2%	-11.4%
FX gain (loss)	(468)	-1.2%	151	0.4%	792	1.9%	-409.8%	-159.1%
Other income	253	0.6%	546	1.4%	157	0.4%	-53.7%	61.3%
Share of profits from investments in assoc. & JVs	(313)	-0.8%	(161)	-0.4%	(256)	-0.6%	-94.4%	-22.4%
Loss from impairment of financial assets, net	(94)	-0.2%	(15)	0.0%	(53)	-0.1%	-538.7%	-75.8%
EBIT	1,779	4.5%	2,498	6.5%	2,974	7.3%	-28.8%	-40.2%
Finance cost	(571)	-1.4%	(455)	-1.2%	(517)	-1.3%	-25.5%	-10.4%
EBT	1,208	3.1%	2,043	5.3%	2,457	6.0%	-40.9%	-50.8%
Tax	170	0.4%	(61)	-0.2%	136	0.3%	379.1%	-24.8%
Net income	1,378	3.5%	1,982	5.1%	2,593	6.4%	-30.5%	-46.9%
Net income (loss) attributable to:								
Equity holders of the Company	1,238	3.1%	1,930	5.0%	2,530	6.2%	-35.9%	-51.1%
Non-controlling interests of the subs	140	0.4%	51	0.1%	63	0.2%	172.4%	123.6%
Earnings per share								
Basic earnings per share	0.25		0.40		0.53		-37.2%	-52.6%
Exchange rate								
THB/USD	36.38		33.38		36.41		9.0%	-0.1%

FY2022 Statement of Income

(Unit: THB mn)	Consolidated				2022
	2022	% to sales	2021	% to sales	2021
					Change
Sales	155,586	100%	141,048	100%	10.3%
Cost of sales	(128,380)	-82.5%	(115,321)	-81.8%	11.3%
Gross profit	27,206	17.5%	25,727	18.2%	5.8%
SG&A expenses	(19,156)	-12.3%	(17,471)	-12.4%	9.6%
FX gain (loss)	800	0.5%	958	0.7%	-16.5%
Other income	919	0.6%	1,835	1.3%	-49.9%
Share of profits from investments in assoc. & Jvs	(1,030)	-0.7%	(269)	-0.2%	-282.7%
Loss from impairment of financial assets, net	(178)	-0.1%	(36)	0.0%	-394.3%
EBIT	8,561	5.5%	10,743	7.6%	-20.3%
Finance cost	(1,998)	-1.3%	(1,730)	-1.2%	-15.5%
EBT	6,564	4.2%	9,013	6.4%	-27.2%
Tax	840	0.5%	(742)	-0.5%	213.3%
Net income	7,403	4.8%	8,272	5.9%	-10.5%
Net income (loss) attributable to:					
Equity holders of the Company	7,138	4.6%	8,013	5.7%	-10.9%
Non-controlling interests of the subs	265	0.2%	259	0.2%	2.5%
Earnings per share					
Basic earnings per share	1.47		1.66		-11.3%
Exchange rate					
THB/USD	35.06		32.01		9.5%

Statement of Financial Position

(Unit: THB mn)	2022	% to total assets	2021	% to total assets	Change
Cash and cash equivalents*	13,029	7.1%	9,723	5.8%	34.0%
Trade and other receivables - net	17,525	9.6%	16,308	9.8%	7.5%
Inventories - net	52,622	28.8%	46,636	28.0%	12.8%
Other current assets	4,449	2.4%	2,196	1.3%	102.6%
Total current assets	87,625	48.0%	74,863	44.9%	17.0%
Fixed assets	30,102	16.5%	28,443	17.1%	5.8%
Investments	28,342	15.5%	28,529	17.1%	-0.7%
Goodwill and other intangible assets	29,263	16.0%	30,390	18.2%	-3.7%
Other non-current assets	7,238	4.0%	4,380	2.6%	65.3%
Total Assets	182,569	100%	166,604	100%	9.6%
Bank overdrafts and short-term loans	9,711	5.3%	9,673	5.8%	0.4%
Trade and other payables	22,018	12.1%	21,351	12.8%	3.1%
Current portion of long-term loans	2,521	1.4%	14,937	9.0%	-83.1%
Other current liabilities	2,574	1.4%	2,121	1.3%	21.4%
Total current liabilities	36,824	20.2%	48,081	28.9%	-23.4%
Long-term loans	48,125	26.4%	46,431	27.9%	3.6%
Other non-current liabilities	9,489	5.2%	9,878	5.9%	-3.9%
Total Liabilities	94,438	51.7%	104,391	62.7%	-9.5%
Non-controlling interests of the subsidiaries	7,489	4.1%	2,894	1.7%	158.8%
Total Shareholders' Equity	88,131	48.3%	62,213	37.3%	41.7%
Total liabilities and shareholders' equity	182,569	100%	166,604	100%	9.6%

*Including short-term investment

Cash Flow Statement

(Unit: THB mn)	Consolidated		
	2022	2021	Change
Profit before income tax	6,564	9,013	(2,450)
Adjustments for depreciation & amortisation expenses	4,324	4,184	140
Other adjustments	3,494	1,318	2,177
Changes in operating assets and liabilities	(7,551)	(7,339)	(212)
Cash flows receipts from operating activities	6,831	7,175	(345)
Net cash receipts (payments) from operating activities	5,871	6,292	(421)
Net cash payments for investing activities	(5,415)	(8,104)	2,689
Net cash receipts (payments) for financing activities	2,742	4,583	(1,841)
Net increase (decrease) in cash and cash equivalent	3,198	2,771	427
Cash and cash equivalents - opening balance	8,828	6,019	2,809
Exchange gain (loss) on cash and cash equivalents	(4)	38	(42)
Cash and cash equivalents (net bank overdraft) - closing balance	12,022	8,828	3,194
CAPEX	5,039	3,730	1,309
Management Est. Free Cash Flows*	1,792	3,445	(1,653)

*Figures reported in December 2022