Thai Union Feedmill Public Company Limited
MD&A for Q2 2026 ended June 30, 2026

EXECUTIVE SUMMARY -Q2 2026

Q2 2026, Thai Union Feedmill PCL (TFM) continued to deliver solid operating performance despite pressure from raw material costs, particularly fishmeal prices, which continued to increase. Nevertheless, the Company continued to manage costs efficiently, maintaining a strong financial position and an attractive interim dividend policy for shareholders. In addition, the Company continued to expand its overseas business in line with its strategic plan to support sustainable long-term growth.

- Sales revenue amounted to THB 1,455mn, increasing by 9.8% QoQ following the seasonal increase in aquaculture farming activities. However, the stocking of shrimp post-larvae and fish fingerlings was delayed this year due to low end-product prices. Compared with the same period of the previous year, sales revenue declined slightly by 1.4%, mainly due to a contraction in the fish feed market, while shrimp feed and livestock feed sales increased by 0.3% YoY and 10.7% YoY, respectively.
- Gross profit margin declined to 17.7%, down from 22.9% in the same period of the previous year, primarily due to higher fishmeal costs.
- Net profit amounted to THB 161mn, with a net profit margin of 11.1%, reflecting continued operating efficiency and effective cost control despite pressure from higher raw material costs.
- The Board of Directors approved an interim dividend payment of THB 0.18 per share, reflecting the Company's strong financial position and balanced capital allocation between delivering appropriate returns to shareholders and investing in overseas business expansion in line with its long-term growth strategy.

KEY BUSINESS DEVELOPMENTS

Halal Certification

On June 23, 2026, TFM received Halal Certification for its shrimp feed and fish feed products. The Company is currently the only aquaculture feed producer in Thailand with this certification. This represents another important step in elevating the Company's production standards to an international level and reflects its commitment to continuous product quality improvement. The certification enhances opportunities to expand exports to Muslim-majority countries worldwide, particularly in the Middle East, while strengthening customer and business partner confidence, enhancing competitiveness, and supporting long-term growth.

SUSTAINABILITY

TFM Included in the ESG 100 Securities List by Thaipat Institute for the Second Consecutive Year

TFM was selected for inclusion in the ESG100 securities list by Thaipat Institute for the second consecutive year, reflecting the Company's commitment to conducting business in accordance with ESG principles under the SeaChange® 2030 strategy. The Company continues to advance projects to reduce greenhouse gas emissions across the shrimp production value chain, with the aim of strengthening Thailand's shrimp industry, enhancing competitiveness in the global market, and creating sustainable growth for all stakeholder groups.

FINANCIAL PERFORMANCE (FOR Q2 2026)

CONSOLIDATED INCOME STATEMENT SUMMARY

(Unit: THB mn)	Q2 2025	Q1 2026	Q2 2026	QoQ (%)	YoY (%)	1H 2025	1H 2026	YoY (%)
Sales	1,476	1,325	1,455	9.8%	-1.4%	2,707	2,780	2.7%
Cost of sales	-1,137	-1,060	-1,198	13.0%	5.3%	-2,102	-2,258	7.4%
Gross profit	338	265	257	-2.9%	-24.0%	605	522	-13.7%
SG&A	-123	-117	-123	5.1%	-0.2%	-244	-239	-2.0%
Bad debt and Doubtful debt	-12	1	-3	556.9%	-79.1%	-19	-2	-89.8%
Impairment loss								
Other income	16	12	12	5.2%	-23.2%	31	24	-22.7%
Other gains (losses), net	5	3	21	501.8%	325.1%	6	24	305.3%
EBIT	224	164	165	0.7%	-26.3%	378	329	-13.1%
Finance cost	-4	-5	-4	-3.0%	5.2%	-8	-9	6.4%
Income tax	-29	-15	-8	-46.3%	-72.1%	-52	-23	-55.3%
Non-controlling interests	3	3	8	145.2%	168.1%	8	12	47.3%
Net profit*	194	148	161	9.0%	-17.0%	326	308	-5.3%
EPS (THB/share) **	0.19	0.15	0.16	9.0%	-17.0%	0.33	0.31	-5.3%

*Net profit refers to net profit attributable to the equity holders of the Company.

(Unit: %)	Q2 2025	Q1 2026	Q2 2026	QoQ (%)	YoY (%)	1H 2025	1H 2026	YoY (%)
GPM	22.9%	20.0%	17.7%	-2.3%	-5.2%	22.4%	18.8%	-3.6%
SG&A to sales	8.3%	8.8%	8.4%	-0.4%	0.1%	9.0%	8.6%	-0.4%
OPM	13.8%	11.2%	9.1%	-2.1%	-4.7%	12.6%	8.7%	-3.9%
NPM	13.1%	11.1%	11.1%	0.0%	-2.0%	12.0%	11.1%	-0.9%

Quarterly performance analysis

In Q2 2026, TFM reported **sales** of THB 1,455mn, representing a 1.4% YoY decrease, mainly due to lower fish feed sales. However, shrimp feed and livestock feed sales continued to grow by 0.3% and 10.7%, respectively, compared with the same period of the previous year. A more detailed breakdown of performance is provided in the Performance by Business Segment section.

Gross profit amounted to THB 257mn, decreasing 24.0% compared with the same period of the previous year, primarily due to a significant increase in fishmeal costs, a key raw material. As a result, gross profit margin decreased to 17.7% from 22.9% in the same period of the previous year.

Selling and Administrative expenses amounted to THB 123mn, remaining at a level close to the same period of the previous year despite the highly competitive business environment. Selling expenses increased by 2.8%, in line with support for marketing activities and business expansion, while administrative expenses decreased by 3.9% due to efficient cost management. Consequently, the ratio of selling and administrative expenses to sales revenue was 8.4%, remaining at an appropriate level and close to the previous year. In addition, expected credit loss expense amounted to THB 2.6mn, decreasing significantly from THB 9.7mn in the same period of the previous year. This reflected the strong quality of trade receivables, effective credit risk management, and efficient collection and follow-up processes, which continued to support the Company's financial position and cash flows.

Income tax expense amounted to THB 8mn, decreasing from THB 29mn in the second quarter of 2025, mainly due to tax privileges granted by the Board of Investment (BOI) for shrimp feed production at the Songkhla plant and fish feed production at the Samut Sakhon plant. As a result, the effective tax rate decreased to 5.1% from 13.3% in the previous year.

Overall, TFM reported a **net profit** of THB 161 mn, a decrease of 17.0% compared with the same period of the previous year, mainly due to elevated fishmeal costs and the impact of delayed shrimp stocking at the beginning of the season. Nevertheless, the Company maintained a net profit margin of 11.1% and a strong financial position, reflecting effective cost management, expense control, and business risk management amid volatile raw material costs and challenging market conditions.

In terms of the quarter-on-quarter analysis, TFM's operating performance improved in line with seasonal factors. Sales revenue increased by 9.8% following the start of the aquaculture farming season. However, shrimp stocking in certain areas was delayed due to low shrimp prices, causing some farmers to postpone stocking while monitoring market conditions, and therefore delaying the recovery in sales. Gross profit decreased by 2.9% QoQ due to persistently high fishmeal costs, resulting in a decline in gross profit margin from 20.0% to 17.7%. Nevertheless, the Company maintained a satisfactory level of profitability amid volatile raw material costs. The Company also maintained disciplined control over selling and administrative expenses, with the ratio of selling and administrative expenses to sales revenue decreasing to 8.4% from 8.8% in the previous quarter. As a result, net profit increased by 9.0% QoQ to THB 161mn, reflecting the strength of operating performance and the resilience of the business in managing volatile raw material costs and market conditions.

PERFORMANCE BREAKDOWN BY CATEGORY

Shrimp feed performance analysis

In Q2 2026, shrimp feed sales amounted to THB 931mn, increasing 0.3% compared with the same period of the previous year. Although Thailand's shrimp industry continued to face pressure from low shrimp prices, which delayed domestic shrimp stocking, the Company maintained sales growth through the strength of its key customer base and the expansion of new domestic customers. Domestic sales grew by 2.3%, supported by continuous technical support and the development of farming systems in collaboration with farmers. Meanwhile, shrimp feed export sales grew strongly by 62% compared with the same period of the previous year, reflecting recognition of product quality and the Company's continued ability to expand overseas markets. However, sales in Indonesia remained weak due to intense competition. The Company continues to focus on strategic management, improving shrimp feed quality, strengthening customer relationships, and developing technical services to a level comparable to those provided in Thailand, to support future recovery and long-term growth.

Gross profit margin decreased to 20.8%, decreasing from 24.6% in the same period last year and from 21.9% in the previous quarter, primarily due to a significant increase in fishmeal costs.

On a quarter-on-quarter basis, shrimp feed sales increased 5.9%, while sales volume grew by 4.4%, supported by seasonal stocking activities. However, shrimp stocking was delayed compared with the normal season, resulting in a recovery that has yet to reach its full potential.

Shrimp feed	Q2 2025	Q1 2026	Q2 2026	QoQ (%)	YoY (%)	1H 2025	1H 2026	YoY (%)
Sales (THB mn)	929	880	931	5.9%	0.3%	1,706	1,811	6.1%
Volume (Tons)	29,563	28,665	29,914	4.4%	1.2%	54,268	58,578	7.9%
GPM (%)	24.6%	21.9%	20.8%	-1.1%	-3.8%	23.7%	21.4%	-2.3%

Fish feed performance analysis

In Q2 2026, fish feed sales totaled THB 420mn, decreasing 7.7% compared with the same period of the previous year, with lower sales in both seabass feed and other fish feed. Seabass feed sales decreased by 3.8% YoY due to intense competition from both domestic producers and imported products. Other fish feed sales decreased by 13.3%, mainly due to a slowdown in the fish feed market. Low tilapia prices led some farmers to switch to lower-quality and lower-priced feed. In addition, gourami farming remained subdued due to the lingering effects of disease outbreaks. Nevertheless, signs of recovery have begun to emerge, with tilapia prices improving from the previous period, which is expected to support fish feed demand going forward. The Company has also implemented a strategy to expand gourami feed sales into areas unaffected by disease outbreaks and accelerated the expansion of frog feed, a product recognized by customers for its quality and growth potential. These initiatives are intended to mitigate the impact of the slowdown in certain fish feed markets and support future business growth.

Gross profit margin declined to 13.3%, from 22.4% in the same period of the previous year and from 16.8% in the previous quarter, mainly due to higher fishmeal costs.

On a quarter-on-quarter basis, fish feed sales increased by 17.8% and sales volume increased by 12.2% following the start of the farming season in the second quarter, despite continued intense competition and contraction in the fish feed market as described above.

Fish feed	Q2 2025	Q1 2026	Q2 2026	QoQ (%)	YoY (%)	1H 2025	1H 2026	YoY (%)
Sales (THB mn)	455	356	420	17.8%	-7.7%	811	776	-4.3%
Volume (Tons)	14,337	10,642	11,945	12.2%	-16.7%	25,036	22,587	-9.8%
GPM (%)	22.4%	16.8%	13.3%	-3.5%	-9.1%	22.5%	14.9%	-7.6%

Livestock performance analysis

In Q2 2026, livestock feed sales totaled THB 82mn, increasing 10.7% YoY, driven by improved domestic consumption demand and higher product prices. As a result, revenue from livestock feed products increased despite a 2.0% decrease in sales volume compared with the same period of the previous year. The decline in sales volume was mainly attributable to the divestment of AMG-TFM, a former subsidiary in Pakistan. The sales foregone were largely derived from toll manufacturing, which carried relatively low unit value and margins, and therefore had a limited impact on overall revenue. The Company continues to focus on managing a quality customer portfolio together with effective credit risk management, enabling the livestock feed business to generate revenue growth while maintaining profitability.

Gross profit margin was 13.1%, remaining close to the same period of the previous year and down from 14.7% in the previous quarter, mainly due to the recognition of trade benefits under a customer incentive scheme for customers who achieved specified purchase targets.

On a quarter-on-quarter basis, livestock feed sales increased by 15.0% and sales volume increased by 11.4%, supported by customer base expansion and improved market demand.

Livestock and other feed	Q2 2025	Q1 2026	Q2 2026	QoQ (%)	YoY (%)	1H 2025	1H 2026	YoY (%)
Sales (THB mn)	74	71	82	15.0%	10.7%	160	153	-4.4%
Volume (Tons)	5,390	4,742	5,283	11.4%	-2.0%	11,634	10,025	-13.8%
GPM (%)	13.0%	14.7%	13.1%	-1.6%	0.1%	13.3%	13.8%	0.5%

STATEMENT OF FINANCIAL POSITION

(Unit: THB mn)	December 31, 2025	June 30, 2026	YTD (%)
Cash and cash equivalents	674	813	20.7%
Short-term investment	350	0	-100.0%
Trade and other receivables, net	872	759	-12.9%
Inventories, net	460	665	44.5%
Other current assets	1	36	4947.5%
Total current assets	2,356	2,274	-3.5%
Property, plant and equipment, net	1,384	1,311	-5.3%
Other non-current assets	89	79	-11.8%
Total non-current assets	1,473	1,390	-5.7%
Total assets	3,830	3,663	-4.3%
Bank overdrafts and short-term loans	194	193	-1.0%
Trade and other payables	671	512	-23.7%
Other current liabilities	38	28	-25.8%
Total current liabilities	903	733	-18.9%
Long-term loan	21	12	-40.6%
Employee benefit obligations	179	187	4.9%
Other non-current liabilities	27	39	44.8%
Total non-current liabilities	226	239	5.5%
Total liabilities	1,130	972	-14.0%
Non-controlling interests	162	149	-8.2%
Total equity	2,700	2,692	-0.3%
Total liabilities and equity	3,830	3,663	-4.3%

Statement of financial position analysis (June 30, 2026, vs. December 31, 2025)

As of June 30, 2026, the Company's **total assets** amounted to THB 3,663mn, decreasing by 4.3% from THB 3,830mn as of 31 December 2025. The decrease was mainly attributable to lower short-term investments and trade and other current receivables, while inventories and other current assets increased.

Total liabilities stood at THB 972mn, decreasing by 14.0% from THB 1,130mn as of 31 December 2025, mainly due to lower current liabilities, particularly trade and other current payables.

Total equity amounted to THB 2,692mn, slightly decreasing by 0.3% from THB 2,700mn as of 31 December 2025. The change was attributable to net profit for the period and interim dividend payments.

STATEMENT OF CASH FLOW

(Unit: THB mn)	June 30, 2026
Beginning cash (as of January 1, 2026)	654
Net cash from operating activities	125
Net cash used in investing activities	338
Net cash used in financing activities	(299)
Other	(5)
Ending cash (as of June 30, 2026)	813

Cash flow analysis

For the six months ended June 30, 2026, **net cash used in operating activities** amounted to THB 125mn, reflecting the net effect of profit for the period, cash payments related to the settlement of outstanding trade payables and other accrued expenses following year-end, and an increase in inventories. **Net cash from investing activities** amounted to THB 338mn, mainly from net cash receipts from short-term investments. **Net cash used in financing activities** amounted to THB 299mn, mainly due to dividend payments to shareholders and repayments of long-term loans.

KEY FINANCIAL RATIOS

	Q2 2025	Q1 2026	Q2 2026	1H 2025	1H 2026
Activity ratio					
Accounts receivable days (days)	53	49	47	53	47
Inventory days (days)	40	40	43	40	43
Profitability ratio					
ROA (%)	18.7%	21.4%	20.3%	18.7%	20.3%
ROE (%)	25.8%	28.1%	28.7%	25.8%	28.7%
ROCE (%)	23.8%	26.3%	25.9%	23.8%	25.9%
Liquidity ratio					
Current ratio (times)	2.48	3.19	3.10	2.48	3.10
Leverage ratio					
Net debt to equity ratio (times)	(0.30)	(0.27)	(0.22)	(0.30)	(0.22)
Net debt to EBITDA ratio (times)	0.26	0.24	0.25	0.26	0.25
Interest coverage ratio (times)	16.23	11.63	11.56	16.23	11.56
Debt to equity ratio (times)	0.43	0.34	0.36	0.43	0.36
Per share ratio					
Basic earnings / share** (THB)	0.19	0.15	0.16	0.33	0.31
Book value / share** (THB)	2.44	2.69	2.54	2.44	2.54

2026 FINANCIAL TARGET:

- TFM's sales are expected to grow by 5 – 7% YoY, mainly driven by continued strong momentum in shrimp feed and livestock feed in Thailand.
- GPM is expected to remain at a solid level despite pressure from raw material prices, supported by consistently strong production efficiency, a healthy product mix, optimized product costs, and effective raw material cost management.
- SG&A to sales is managed through additional cost-saving initiatives to offset higher sales and marketing expenses required to support future growth.
- A significant portion is allocated to the new plant in Ecuador, while the remainder will support various operational developments, upgrades, and initiatives across the business.

	2026 Guidance
Sales growth	+ 5 – 7% YoY (previously 8-10% YoY)
GPM	17-19% (previously 18-20%)
SG&A to sales	8 – 10%
CAPEX	THB 680mn
Dividend policy	At least 50% dividend payout ratio

FACTORS THAT MAY AFFECT TFM'S OPERATIONS AND PERFORMANCE

Raw Material Price Volatility

- Amid volatility in global raw material prices, particularly fishmeal, the Company's production costs and profit margins may be affected. Nevertheless, the Company continues to actively manage procurement, inventory, and operational efficiency to help mitigate the impact and maintain its competitiveness.

APPENDIX

Sales breakdown by region

	Q2 2025	Q1 2026	Q2 2026	QoQ (%)	YoY (%)	1H 2025	1H 2026	YoY (%)
Sales (THB mn)	1,476	1,325	1,455	9.8%	-1.4%	2,707	2,780	2.7%
Thailand	1,298	1,198	1,301	8.6%	0.2%	2,350	2,498	6.3%
Indonesia	130	103	93	-9.4%	-28.6%	260	196	-24.5%
Sri Lanka	23	14	46	229.9%	100.7%	61	60	-1.9%
Others	19	11	15	43.1%	-21.0%	30	26	-14.0%
% Sales by region								
Thailand	88.0%	90.4%	89.4%	-1.0%	1.4%	86.8%	89.9%	3.1%
Indonesia	8.8%	7.8%	6.4%	-1.4%	-2.4%	9.6%	7.1%	-2.5%
Sri Lanka	1.5%	1.0%	3.1%	2.1%	1.6%	2.2%	2.1%	-0.1%
Others	1.3%	0.8%	1.0%	0.2%	-0.3%	1.1%	0.9%	-0.2%

Raw material price

(Unit: THB/kg)	Q2 2025	Q1 2026	Q2 2026	QoQ (%)	YoY (%)	1H 2025	1H 2026	YoY (%)
Dehulled soybean meal	16.3	16.1	16.5	2.2%	0.9%	16.70	16.30	-2.4%
Fish meal	36.9	47.2	57.4	21.6%	55.6%	36.42	52.28	43.5%
Wheat flour	15.3	14.7	14.2	-3.6%	-7.2%	15.48	14.45	-6.6%

Source: Thai Feed Mill Association

Formula of key ratios

Account receivable days = 365 / account receivable turnover
Inventory days = 365 / inventory turnover
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
Debt to equity ratio = Total liabilities / total shareholder's' equity
Earnings / share = Net profit / weighted average number of ordinary shares outstanding
Book value = Total shareholders' equity / outstanding shares