

Company Update

Tuesday, August 05, 2025



I V Global Securities Public Company Limited

Thai Union Group Pcl (TU)

Rating: HOLD

Fair price: Bt11.1

Close price: Bt11.5

Company Information

Ticker:	TU TB
Sector:	Food
Shares outstanding (m):	4,455.13
Market capitalization (Btm):	51,234.03
Trading vol/day (Btm):	172.69
Free float (%):	61.08
Beta:	0.68

Major Shareholders

Chansiri Family and related	21.82%
Thai NVDR	6.19%
Mitsubishi UFJ	5.36%

Consensus Bloomberg

2025F EPS (Bt):	0.93
Target price (Bt):	11.54

Price Performance

52 Wk high/low:	15.80 / 8.60
-----------------	--------------

	1M	3M	1Y	YTD
Absolute (%)	15.6	7.5	-20.1	-11.5
Relative (%)	5.8	4.9	-13.8	0.7



Rating	CGR	Thai CAC	SET ESG
TU		Certified	A

Analyst

Rattana Leenutaphong
rattana.l@ivglobal.co.th
Tel: 662-658-5787

Improving 2Q25 profit margin

- TU posted a net profit of Bt1.27bn for 2Q25 (+4.4% YoY and +24.9% QoQ). The reported net profit came in better than our estimate and the consensus projection of Bt1.17bn. 2Q25 bottom-line profit was driven largely by improving gross profit margin and lower SG&A expenses. 1H25 net profit declined 3.4% YoY to Bt2.29bn, accounting for 55.5% of our full-year estimate.
 - Yesterday, Mitsubishi Corp, which currently holds a 6.19% equity stake in TU (or 5.36% including treasury stock), disclosed to the SET that the company intends to acquire an additional 13.81% stake in TU with an offer price of Bt12.50 apiece. More details will be disclosed later. If succeed, Mitsubishi will increase its holding in TU to 20% while they continue to maintain strategic partnership in TU.
 - A 1H25 DPS of Bt0.35 was announced, implying a dividend yield of 3.0% for the half-year performance. The half-year payout ratio is 68.6%. The XD date is on 15 Aug for payment on 1 Sept.
 - Following the 19% US reciprocal tariff on imports from Thailand, management has revised key financial targets, including lowering its sales growth assumptions from a previous 1-3% to -1-2%. Gross profit margin is also revised up by 50bps from 18.0-19.0% to 18.5-19.5%. Meanwhile, SG&A to sales is maintained at 13.5-14%. Its capex budget is revised up from Bt3bn-3.5bn to Bt3.5bn-4.0bn.
 - 2025 financial targets**
- | | 2025 Previous | 2025 Revised | 2024 | 1H25 |
|-----------------|---------------|--------------|-------|-------|
| Sales growth | 1-3% | -1-2% | 1.7% | -7.8% |
| Gross margin | 18.0-19.0% | 18.5-19.5% | 18.5% | 19.3% |
| SG&A to sales | 13.5-14.0% | 13.5-14.0% | 13.3% | 14.8% |
| Capex (Btbn) | 3.0-3.5 | 3.5-4.0 | 3.56 | 2.00 |
| Dividend payout | >50% | >50% | 59% | 68.6% |
- 2Q25 sales fell by 5.4% YoY (on the forex impact) but rose 12.1% QoQ to Bt33.4bn, thanks to rising sales of ambient, frozen seafood, and pet care products. In addition, the baht's appreciation against all key currencies (EUR -5.1%, GBP -4.6%, and US\$ -9.8% YoY) also contributed to the Thai baht sales decline. Total sales volume improved by 3.9% YoY and 4.9% QoQ.
 - Gross profit margin came in strong at 19.7% in 2Q25, versus 18.5% in 2Q24 and 18.8% in 1Q25, largely due to the gross margin of the ambient business improving by 3.1% YoY to 22.0% during 2Q25. The tuna price was US\$1,510/ton (+2.1% YoY and -9.0% QoQ).
 - SG&A accounted for 13.9% of sales, up 1.2% YoY and -1.3% QoQ in absolute terms to Bt4.64bn. EBI margin rose from 5.5% to 5.8% YoY.
 - Associate income came in at Bt158m in 2Q25, down 12% YoY and 46% QoQ.
 - Net DE ratio came in at 1.0x at end-2Q25.
 - Maintain HOLD.** Pending our earnings revisions, we maintain our HOLD rating on the stock, with a price target of Bt11.1, based on a rolling 12x 2025F target P/E multiple. The stock trades at 12.4x earnings for 2025F. Risks to our forecasts lie with seafood price volatility, forex fluctuations, and the ability to pass on raw material cost increases.

Investment summary

FY 31 Dec	2022	2023	2024	2025F	2026F	2027F
Sales (Btm)	155,586	136,153	138,433	131,507	134,619	137,813
Change (%)	10.3	-12.5	1.7	-5.0	2.4	2.4
Net profit (Btm)	7,138	(13,933)	4,985	4,127	4,341	4,531
Change (%)	-10.9	-295.2	-135.8	-17.2	5.2	4.4
EPS (Bt)	1.50	(2.99)	1.12	0.93	0.97	1.02
Change (%)	-10.9	-300.1	-137.4	-17.2	5.2	4.4
P/E (x)	7.7	n.m.	10.3	12.4	11.8	11.3
EV/EBITDA (x)	7.3	8.5	7.8	8.3	7.8	7.6
BVPS (Bt)	16.90	12.59	10.92	11.09	11.31	11.58
P/BV (x)	0.7	0.9	1.1	1.0	1.0	1.0
DPS (Bt)	0.84	0.54	0.66	0.56	0.58	0.61
Yield (%)	7.3	4.7	5.7	4.8	5.1	5.3
ROE (%)	10.2	-20.0	9.3	8.4	8.7	8.9
ROA (%)	4.1	-8.0	3.1	2.7	2.9	3.0
Net D/E ratio (%)	53.7	78.1	94.2	86.7	83.4	79.6

Source: Company and IVG estimates

The opinions and information contained herein are based upon sources believed to be reliable but their accuracy, completeness or correctness are not guaranteed. This information is not to be construed as an offer, invitation or solicitation to buy or sell the securities covered herein by this report. I V Global Securities Plc ("IVG") accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or its content.

Company Update

Tuesday, August 05, 2025



I V Global Securities Public Company Limited

Results

(Btm)	2Q25	2Q24	% YoY	1Q25	% QoQ	1H25	1H24	% YoY
Sales	33,389	35,283	(5.4)	29,789	12.1	63,178	68,503	(7.8)
Gross profit	6,567	6,535	0.5	5,611	17.0	12,178	12,277	(0.8)
SG&A	4,639	4,582	1.2	4,700	(1.3)	9,340	8,779	6.4
EBIT	1,927	1,953	(1.3)	911	111.6	2,839	3,498	(18.8)
Other income	212	337	(37.0)	188	13.0	400	586	(31.6)
Interest expense	586	620	(5.4)	585	0.2	1,172	1,267	(7.5)
Share of profit	158	179	(12.0)	291	(45.8)	449	338	32.7
Pre-tax profit	1,726	1,544	11.8	809	113.4	2,535	3,081	(17.7)
Tax	(209)	(44)	373.5	41	(608.8)	(168)	(173)	(2.5)
Net profit	1,273	1,219	4.4	1,019	24.9	2,292	2,372	(3.4)
EPS (Bt)	0.29	0.26	9.1	0.23	24.9	0.51	0.51	1.0

Source: Company and IVG estimates; adjusted net profit excluding Red Lobster and tax credit

Financial ratios

(%)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
Sales growth YoY	1.7	3.6	2.7	(1.2)	(10.3)	(5.4)
Sales growth QoQ	(6.5)	6.2	(1.3)	0.7	(15.1)	12.1
Gross margin	17.3	18.5	19.5	18.7	18.8	19.7
SG&A as % of sales	12.6	13.0	13.5	14.0	15.8	13.9
EBIT margin	4.7	5.5	6.0	4.6	3.1	5.8
Net margin	3.5	3.5	4.0	3.5	3.4	3.8
Net profit growth YoY	12.9	18.8	16.1	(107.1)	(11.6)	4.4
Net profit growth QoQ	(106.7)	5.7	14.9	(13.4)	(16.0)	24.9
Net D/E ratio	81.8	82.2	79.5	94.2	100.0	112.4

Source: Company and IVG estimates

Track record

(Btm)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
Sales	33,220	35,283	34,840	35,090	29,789	33,389
Gross profit	5,742	6,535	6,793	6,554	5,611	6,567
SG&A	4,197	4,582	4,693	4,929	4,700	4,639
EBIT	1,545	1,953	2,100	1,625	911	1,927
Other income	248	337	283	269	188	212
Interest expense	647	620	627	598	585	586
Forex gain	159	179	275	157	291	158
Pre-tax profit	1,537	1,544	1,919	1,503	809	1,726
Tax	(128)	(44)	(208)	(50)	422	(209)
Net profit	1,153	1,219	1,400	1,213	1,019	1,273

Source: Company and IVG estimates

Financial ratios

(%)	2021	2022	2023	2024
Sales growth YoY	6.5	10.3	(12.5)	1.7
Sales growth QoQ	0.0	0.0	0.0	0.0
Gross margin	18.2	17.5	17.1	18.5
SG&A as % of sales	12.4	12.3	12.0	13.3
EBIT margin	5.9	5.2	5.1	5.2
Net margin	5.7	4.6	(10.2)	3.6
Net profit growth YoY	28.3	(10.9)	(295.2)	(135.8)
Net D/E ratio	98.6	53.7	78.1	94.2

Source: Company and IVG estimates

Company Update

Tuesday, August 05, 2025



I V Global Securities Public Company Limited

Tuna Skipjack Price

US\$/ton	2019	2020	2021	2022	2023	2024	2025
1Q	1,453	1,442	1,283	1,717	1,820	1,333	1,660
YoY	-7.8%	-0.8%	-11.0%	+33.8%	+6.0%	-26.7%	+24.5%
QoQ	3.2%	51.8%	-3.8%	+6.2%	+9.6%	-12.1%	+8.5%
2Q	1,217	1,267	1,323	1,608	2,000	1,478	1,510
YoY	-27.0%	+4.1%	+4.5%	+21.5%	+24.4%	-26.1%	+2.1%
QoQ	-16.3%	-12.1%	+3.1%	-6.3%	+9.9%	+10.9%	-9.0%
3Q	1,217	1,500	1,400	1,667	1,800	1,410	
YoY	-17.0%	+23.3%	-6.7%	+19.0%	+8.0%	-21.7%	
QoQ	0.0%	+18.4%	+5.8%	+3.6%	-10.0%	-4.6%	
4Q	950	1,333	1,617	1,660	1,517	1,530	
YoY	-32.5%	+40.4%	+21.3%	+2.7%	-8.6%	+0.9%	
QoQ	-21.9%	-11.1%	+15.5%	-0.4%	-15.7%	+8.5%	
Average	1,209	1,385	1,406	1,663	1,784	1,438	1,585
YoY	-20.9%	+14.6%	+1.5%	+18.3%	+7.3%	-19.4%	+10.2%

Source: Company

TU

E: Environmental

As a responsible business, Safety, Occupational Health, and Environments are key pillars that have important roles and responsibilities in contributing to sustainable harmonization. Part of this responsibility is to communicate about TU's environmental management policy and environmental impacts, both internally and externally, between operations, employees, ecosystems, and society

S: Social

TU Group and its subsidiaries support and respect internationally proclaimed human rights protection. It continues to advance efforts to improve the lives and livelihoods of all workers by providing safe and decent work within its own operations and only sourcing from suppliers that are committed to improving working conditions in line with current industry standards. This incorporates changes to employment practices such as responsible recruitment, access to worker voice mechanisms, equal opportunity practices, occupational health and safety, and supply chain traceability. Although TU does not own any vessels, it is responsible for ensuring the vessels sourced are free from exploitation or mistreatment. TU continues to work with suppliers to understand the supply chain and implement effective and lasting improvements. Through its SeaChange® 2030 strategy, it is embarking on a profound commitment to drive forward labor rights advancements across its global operations, from upstream to downstream, working to ensure the well-being and dignity of its workers and suppliers' workers at every stage.

G: Governance

TU's corporate governance policy adheres to legal compliance as a basis and is developed to be transparent, credible, and acceptable according to guidelines of excellence in business operations, with criteria for governance and sustainable growth at the national and international levels. The Board of Directors has approved that TU defines a policy to control operations in various areas according to the principles of good corporate governance. TU's policies and operational guidelines cover the placing of directors and specify compensation, the independence of the Board of Directors from management, developing directors and evaluating their performance, the governance of subsidiary companies and joint ventures, as well as policies and guidelines concerned with shareholders and stakeholders, looking after shareholders, equal treatment for all shareholders, promotion and exercise of shareholders' rights, protection and use of internal data, preventing conflict of interest, responsibility to stakeholders, taking an anti-corruption stance as well as being committed to other relevant policies and guidelines. In the event that TU discovers that any criterion in any matter has not been defined as a policy or has not been carried out, management will propose that the Board of Directors consider reviewing this to be consistent with principles.

Comment

TU indicates a strong commitment to environmental, social, and governance (ESG) practices, as well as clear long-term objectives. Furthermore, the company demonstrates an ability to execute short-term goals effectively.

Source: Company and IVG estimates

I V Global Investment Research – Recommendation Definitions

Sector Recommendations

OVERWEIGHT: The industry, as defined by the analyst's coverage universe, is expected to outperform the relevant primary market index by at least 10% over the next 12 months.

NEUTRAL: The industry, as defined by the analyst's coverage universe, is expected to perform in line with the relevant primary market index over the next 12 months.

UNDERWEIGHT: The industry, as defined by the analyst's coverage universe, is expected to underperform the relevant primary market index by 10% over the next 12 months.

Stock Recommendations

BUY: Expecting positive total returns of 15% or more over the next 12 months.




HOLD: Expecting total returns of not more than -10% to +10% over the next 3 months.

SELL: Expecting negative total returns of 15% or more over the next 12 months.

Anti-corruption Progress Indicator Definitions

Level 5 Extended	Extension of the anti-corruption policy to business partners in the supply chain, and disclosure of any current investigations, prosecutions or closed cases
Level 4 Certified	Audit engagement by audit committee or auditors approved by the office of SEC, and receiving certification or assurance by independent external assurance providers (CAC etc.)
Level 3 Established	Carrying out preventive measures, risk assessment, communication and training for all employees, including consistent monitoring and review processes. (3A: Established by Declaration of Intent, 3B: Established by Internal Commitment and Policy)
Level 2 Declared	Public declaration statement to participate in Thailand's private sector Collective Action Coalition Against Corruption (CAC) or equivalent initiatives
Level 1 Committed	Organization's statement or board's resolution to work against corruption and to be in compliance with all relevant laws
Partially progress	Insufficient or not clearly defined policy
No progress	Data not available / no policy

Corporate Governance Report (CGR)

	Excellent
	Very good
	Good

Disclaimers

The disclosure of the survey result of corporate governance, which is surveyed by the Thai Institute of Directors Association ("IOD"), and the Anti-Corruption Progress Indicators, which is assessed by Thaipat Institute, are the disclosure of the survey or assessment result based on the information received from the listed company that was stipulated in the form for Annual Corporate Governance Report of Thai Listed Companies (CGR) and the form for the assessment of Anti-corruption that refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2) or other relevant documents or reports of such listed company (as the case may be). The survey or assessment result is based on the information of the listed company, which is disclosed to the public and can be accessed by all investors and is made in order to comply with the policy of the Office of the Stock Exchange of Thailand.

Nevertheless, the survey or assessment result is made from the perspective of the IOD or Thaipat Institute that are the third party only. It is not an assessment of operation of the listed company and is not based on any inside information."

Since this survey or assessment result is only the survey or assessment result as of the date appearing in the survey or assessment result only, it may be changed after that date or when there is any change to the relevant information. Nevertheless, I V Global Securities Plc. (IVG) does not confirm, verify, or certify the accuracy and completeness of the survey or assessment result.



IVGlobal Securities Public Company Limited

18th Floor, Mercury Tower, 540 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330

Telephone: +66 (0) 2658-5800 Fax: +66 (0) 2658-5799