

# Company Update

Thursday, October 02, 2025



I V Global Securities Public Company Limited

## Thai Union Group Pcl (TU)

Rating: BUY

Fair price: Bt15.9

Close price: Bt12.7

### 3Q25F may come in flat QoQ

#### Company Information

|                              |              |
|------------------------------|--------------|
| <b>Ticker:</b>               | <b>TU TB</b> |
| Sector:                      | Food         |
| Shares outstanding (m):      | 4,455.13     |
| Market capitalization (Btm): | 56,580.19    |
| Trading vol/day (Btm):       | 171.19       |
| Free float (%):              | 61.08        |
| Beta:                        | 0.70         |

#### Major Shareholders

|                             |        |
|-----------------------------|--------|
| Chansiri Family and related | 21.82% |
| Thai NVDR                   | 6.98%  |
| Mitsubishi UFJ              | 5.36%  |

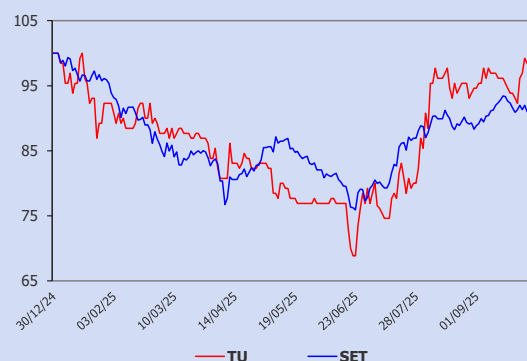
#### Consensus Bloomberg

|                    |       |
|--------------------|-------|
| 2025F EPS (Bt):    | 0.99  |
| Target price (Bt): | 12.42 |

#### Price Performance

|                 |              |
|-----------------|--------------|
| 52 Wk high/low: | 15.50 / 8.60 |
|-----------------|--------------|

|              | 1M  | 3M   | 1Y    | YTD  |
|--------------|-----|------|-------|------|
| Absolute (%) | 3.3 | 27.0 | -14.8 | -2.3 |
| Relative (%) | 0.8 | 12.1 | -1.8  | 6.6  |



| Rating | CGR | Thai CAC  | SET ESG |
|--------|-----|-----------|---------|
| TU     |     | Certified | A       |

#### Analyst

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TU's operating performance in 3Q25F will likely come in soft YoY (but flat QoQ) on falling gross margin (from exceptional high base) and higher SG&A on continued transformation costs, although sales should rise YoY and QoQ on better demand from the US and EU. The impact of the baht's appreciation against the US dollar has been outweighed by rising sales volume. Organic sales in all categories improved YoY on rising demand from the US and Europe, with the exception of value-added product sales. We estimate TU's 3Q25F net profit at Bt1.28bn (down 9% YoY and flat QoQ). We project net profit for 9M25F to fall by 5.4% YoY to Bt3.57bn.

We estimate 3Q25F sales to rise by 3.6% YoY and 8.1% QoQ to Bt36bn, with ambient sales rising by low to mid-single digits YoY, and frozen seafood sales also rising by mid-single digits YoY. Ambient product sales may begin to see a QoQ rise with low double-digit growth, thanks to rising volume from the US and EU due to sales promotional activities. We expect frozen food sales to grow at a mid-single digit level YoY from strong improvement in frozen food and feed sales in the US. The pet food business sales will likely see a mid-single-digit YoY increase. We estimate 9M25F sales to fall by 4% YoY to Bt99bn. However, management maintains its full-year sales growth guidance of -1-2% for 2025.

| Sales growth YoY  | 1Q25   | 2Q25  | 3Q25F |
|-------------------|--------|-------|-------|
| Ambient           | -14.0% | -4.5% | +3.0% |
| Frozen foods      | -12.2% | -7.5% | +5.0% |
| Pet care          | +5.5%  | -1.5% | +4.3% |
| Other value added | -3.1%  | -9.1% | -8.8% |
| Total             | -10.3% | -5.4% | +3.6% |

Gross margin in 3Q25F is estimated at 18.8%, which aligns with the target range of 18.5-19.5%, compared with 3Q24's 18.9% (core) and 2Q25's 19.7%. The average tuna skipjack price is estimated at US\$1,550/ton in 3Q25F, up slightly QoQ from US\$1,510 and US\$1,410 a year ago. The average baht to US dollar rate is estimated at Bt32.3 in 3Q25F, versus Bt33.1 in 2Q25 (-2.5% QoQ) and Bt34.8 in 3Q24 (-7.2% YoY). The company may book a small forex gain from currency fluctuations.

SG&A is estimated to rise by 3.8% YoY and 5% QoQ to Bt4.87bn, accounting for 13.5% of sales because of increased marketing and lower costs related to its transformation program.

EBIT is, therefore, estimated at Bt1.9bn (-10% YoY and -2% QoQ).

Associate income should come in positive at some Bt210m, down YoY and up QoQ due to Avanti's performance.

Other income may fall YoY and come in flat QoQ on declining interest income.

The effective tax rate is estimated at 12%, a similar level to the 2Q25 rate.

**Maintain BUY.** We maintain our earnings estimates and BUY call, with a price target of Bt15.9, based on a rolling 15x 2026F target P/E multiple. The stock trades at 12.8x earnings for 2025F and offers an annual dividend yield of 5.2%. Risks to our forecasts include seafood price volatility, foreign exchange 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 | 132,370 | 135,292 | 138,279 |
| Change (%)        | 10.3    | -12.5    | 1.7     | -4.4    | 2.2     | 2.2     |
| Net profit (Btm)  | 7,138   | (13,933) | 4,985   | 4,404   | 4,708   | 4,986   |
| Change (%)        | -10.9   | -295.2   | -135.8  | -11.7   | 6.9     | 5.9     |
| EPS (Bt)          | 1.50    | (2.99)   | 1.12    | 0.99    | 1.06    | 1.12    |
| Change (%)        | -10.9   | -300.1   | -137.4  | -11.7   | 6.9     | 5.9     |
| P/E (x)           | 8.5     | n.m.     | 11.4    | 12.8    | 12.0    | 11.3    |
| EV/EBITDA (x)     | 7.7     | 9.0      | 8.2     | 10.1    | 8.9     | 8.5     |
| BVPS (Bt)         | 16.90   | 12.59    | 10.92   | 10.16   | 10.46   | 10.83   |
| P/BV (x)          | 0.8     | 1.0      | 1.2     | 1.3     | 1.2     | 1.2     |
| DPS (Bt)          | 0.84    | 0.54     | 0.66    | 0.66    | 0.69    | 0.73    |
| Yield (%)         | 6.6     | 4.3      | 5.2     | 5.2     | 5.4     | 5.7     |
| ROE (%)           | 10.2    | -20.0    | 9.3     | 9.4     | 10.2    | 10.5    |
| ROA (%)           | 4.1     | -8.0     | 3.1     | 2.9     | 3.2     | 3.4     |
| Net D/E ratio (%) | 53.7    | 78.1     | 94.2    | 108.1   | 97.6    | 92.9    |

Source: Company and IVG estimates

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## Results preview

| (Btm)             | 3Q25F        | 3Q24         | % YoY        | 2Q25         | % QoQ      | 9M25F        | 9M24         | % YoY        |
|-------------------|--------------|--------------|--------------|--------------|------------|--------------|--------------|--------------|
| Sales             | 36,080       | 34,840       | 3.6          | 33,389       | 8.1        | 99,258       | 103,343      | (4.0)        |
| Gross profit      | 6,765        | 6,793        | (0.4)        | 6,567        | 3.0        | 18,943       | 19,070       | (0.7)        |
| SG&A              | 4,870        | 4,693        | 3.8          | 4,639        | 5.0        | 14,210       | 13,472       | 5.5          |
| EBIT              | 1,895        | 2,100        | (9.8)        | 1,927        | (1.7)      | 4,733        | 5,598        | (15.4)       |
| Other income      | 212          | 283          | (25.0)       | 212          | (0.2)      | 612          | 868          | (29.5)       |
| Interest expense  | 615          | 627          | (2.0)        | 586          | 4.9        | 1,787        | 1,895        | (5.7)        |
| Share of profit   | 210          | 275          | (23.7)       | 158          | 33.2       | 659          | 614          | 7.4          |
| Pre-tax profit    | 1,702        | 1,919        | (11.3)       | 1,726        | (1.4)      | 4,236        | 5,000        | (15.3)       |
| Tax               | (206)        | (208)        | (0.9)        | (209)        | (1.7)      | (374)        | (380)        | (1.6)        |
| <b>Net profit</b> | <b>1,276</b> | <b>1,400</b> | <b>(8.9)</b> | <b>1,273</b> | <b>0.2</b> | <b>3,568</b> | <b>3,772</b> | <b>(5.4)</b> |
| EPS (Bt)          | 0.29         | 0.31         | (8.9)        | 0.29         | 0.2        | 0.80         | 0.82         | (2.8)        |

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)        |
| <b>Net profit</b> | <b>1,153</b> | <b>1,219</b> | <b>1,400</b> | <b>1,213</b> | <b>1,019</b> | <b>1,273</b> |

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

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## 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         | 1,550        |
| YoY            | -17.0%        | +23.3%        | -6.7%        | +19.0%        | +8.0%        | -21.7%        | 9.9%         |
| QoQ            | 0.0%          | +18.4%        | +5.8%        | +3.6%         | -10.0%       | -4.6%         | 2.6%         |
| 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%         |              |
| <b>Average</b> | <b>1,209</b>  | <b>1,385</b>  | <b>1,406</b> | <b>1,663</b>  | <b>1,784</b> | <b>1,438</b>  | <b>1,573</b> |
| <b>YoY</b>     | <b>-20.9%</b> | <b>+14.6%</b> | <b>+1.5%</b> | <b>+18.3%</b> | <b>+7.3%</b> | <b>-19.4%</b> | <b>+9.4%</b> |

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

|                            |                                                                                                                                                                                                                                                      |
|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Level 5 Extended</b>    | Extension of the anti-corruption policy to business partners in the supply chain, and disclosure of any current investigations, prosecutions or closed cases                                                                                         |
| <b>Level 4 Certified</b>   | 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.)                                                                       |
| <b>Level 3 Established</b> | 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) |
| <b>Level 2 Declared</b>    | Public declaration statement to participate in Thailand's private sector Collective Action Coalition Against Corruption (CAC) or equivalent initiatives                                                                                              |
| <b>Level 1 Committed</b>   | Organization's statement or board's resolution to work against corruption and to be in compliance with all relevant laws                                                                                                                             |
| <b>Partially progress</b>  | Insufficient or not clearly defined policy                                                                                                                                                                                                           |
| <b>No progress</b>         | 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.



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