BUY (From: HOLD)

Transfer of Coverage

TP: Bt 16.00 (From: Bt 12.60)

Upside : 26.0%

Thai Union Group Pcl (TU TB)

Out of the lost decade

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We upgrade TU to BUY with a higher TP of Bt16.0. After a decade of flat earnings, we expect the end of heavy consulting fees and better cost efficiency to deliver a 14% EPS CAGR over 2027-29F. At 9x 2027F PE with a 7% dividend yield, we find TU's valuation attractive.

Re-emerging earnings growth; upgrading to BUY

This report marks a transfer of analyst coverage. We upgrade TU to BUY (from Hold) with a higher 12-month DCF-based TP of Bt16.0/share (from Bt12.6), following our 15/26/32% earnings hikes over 2027-29F and rolling over to a 2027F base year. ***First,*** we foresee an earnings turnaround at a 14% EPS CAGR over 2027-29F, after five consecutive years of earnings contraction and a decade of flat earnings. Key drivers are a growing pet food business, the end of heavy consulting fees, and efficiency improvements. ***Second,*** TU's M&As over the past decade have slowed, with the heavily loss-making Red Lobster business fully divested in 2024, while TU now aims to consolidate production sites to raise overall utilization. ***Third***, as this earnings cycle is margin-driven, we estimate ROE to rise from 9% in 2025 to 16% in 2029F. ***Lastly,*** at 9x PE with a 7% dividend yield in 2027F, TU's valuation looks highly attractive to us.

Cost management, thus margin expansion

We estimate EBIT margin to expand from 4.6% in 2025 to 5.2% in 2026F and 7.0% in 2029F. One major driver is the end of heavy consulting fees for its "Sonar" transformation program (around Bt1.0bn p.a.), which began in late 2024 and is due for completion in 1Q27. Another key driver is better cost management, including rationalization across its 26 global production facilities to improve utilization, and a new strategy of more consolidated cross-brand, cross-country marketing. TU is currently a victim of elevated commodity prices, but price adjustments to pass through higher freight and material costs are beginning in 2H26F.

Stable revenue growth outlook

We project 3/3/2% revenue growth over 2027-29F. We expect ambient (canned fish, 46% of total sales) and frozen seafood (30%) sales to grow 1% and 2% p.a. respectively, on market share gains in Europe, as TU extends its established national brands into neighboring markets under a cross-branding strategy, despite both segments' maturity. We also expect strong growth of 6% p.a. in pet food sales (15% of total sales), via its 79.3% stake in I-Tail Corporation Pcl (ITC TB, BUY, Bt16.70), amid the two megatrends of a growing global pet population and higher spending per pet. TU's emerging value-added products (5% of total sales), ready-to-eat seafood in new packaging formats at higher ASP, are growing at 5% p.a., faster than the two traditional seafood segments with better margins.

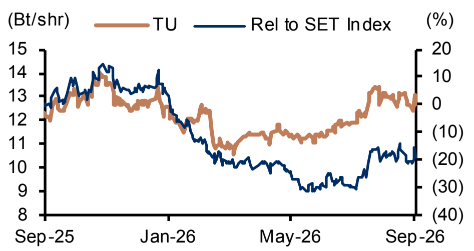
Earnings turnaround from 2026F

We estimate 2H26F earnings to grow 14% h-h and 19% y-y (vs. 22% y-y in 1H26 and -19% in 2025), supported by: 1) the high sales season in Western markets, 2) a greater degree of pass-through of Middle East war-driven increases in freight and packaging costs, and 3) favorable raw material prices; tuna, chicken, salmon, and shrimp (c.60% of COGS).

COMPANY VALUATION

Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Sales	132,719	138,207	142,171	145,764
Net profit	4,609	4,813	5,714	6,605
Consensus NP	—	4,767	5,161	5,553
Diff frm cons (%)	—	*1.0*	*10.7*	*18.9*
Norm profit	4,007	4,813	5,714	6,605
Prev. Norm profit	—	4,781	4,956	5,228
Chg frm prev (%)	—	*0.7*	*15.3*	*26.3*
Norm EPS (Bt)	1.04	1.25	1.48	1.71
Norm EPS grw (%)	(19.0)	20.1	18.7	15.6
Norm PE (x)	12.2	10.2	8.6	7.4
EV/EBITDA (x)	11.0	9.7	8.4	7.3
P/BV (x)	1.1	1.1	1.0	0.9
Div yield (%)	5.5	6.3	7.1	7.1
ROE (%)	8.6	10.6	12.0	13.1
Net D/E (%)	116.2	106.7	93.9	79.2

PRICE PERFORMANCE



COMPANY INFORMATION

Price *as of* 18-Sep-26 (Bt)	12.70
Market Cap (US$ m)	1,622.0
Listed Shares (m shares)	4,255.1
Free Float (%)	57.7
Avg. Daily Turnover (US$ m)	4.6
12M Price H/L (Bt)	14.00/10.60
Sector	FOOD
Major Shareholder	Chansiri family 22.4%

Sources: Bloomberg, Company data, ttb wealth estimates

ESG Summary Report ……………...…………..... P8

Re-emerging earnings growth

We upgrade TU to BUY with a higher TP of Bt16.0/share

We upgrade our recommendation on shares of Thai Union Group Pcl (TU TB) to BUY (from Hold), based on three supporting factors:

1) Emerging new growth cycle with a 14% EPS CAGR over 2027-29F

- **First,** we estimate a 14% EPS CAGR over 2027-29F, driven by 1) growing revenue from its pet food business, 2) the end of the heavy consulting fees for its “Sonar” transformation program, and 3) cost reductions and efficiency improvements from the same program. This follows a 20% earnings-growth turnaround in 2026F, the first growth year after five consecutive years of contraction, which, in our view, marks the start of a new earnings cycle after a decade of flat earnings.

2) Increasing profitability on a more efficiency-focused strategy

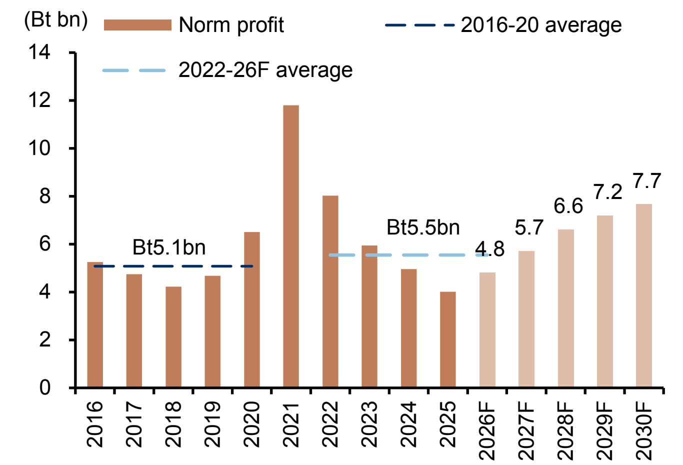
- **Second,** as we expect this round of earnings growth to mainly be driven by margin improvements, while TU has slowed the aggressive M&A strategy it pursued over the past decade to focus more on divesting and consolidating its global production facilities for better efficiency, we project ROE to increase from 9% in 2025 to 16% in 2029F.

3) Attractive valuation after our earnings hikes

- **Third,** we view TU’s valuation at 9x PE with a 7% dividend yield in 2027F as highly attractive.

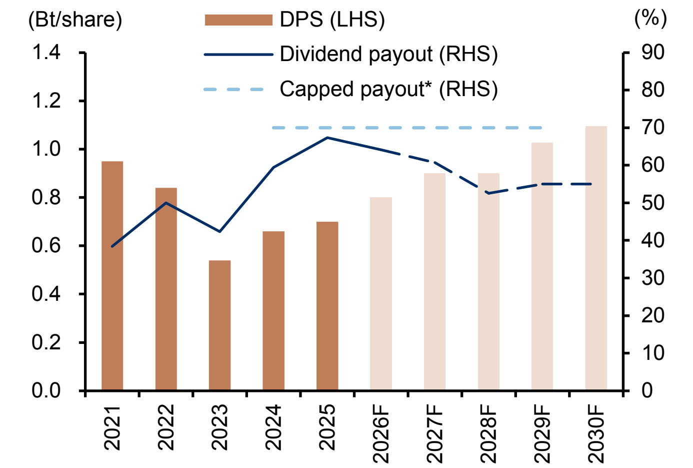
Following our 15/26/32% earnings hikes over 2027-29F to reflect better-than-expected revenue growth momentum and cost savings from the transformation program, and rolling over our valuation to a 2027F base year, we raise our DCF-based 12-month TP to Bt16.0/share (from Bt12.6).

Ex 1: Improving Profitability Drives New Earnings Cycle



Sources: Company data, ttb wealth estimates

Ex 2: Attractive Yield Despite Capped Payout



Sources: Company data, ttb wealth estimates

Note: * Several of TU’s outstanding debentures hold a covenant that caps the dividend payout ratio at 70%. The last remaining tranche carrying this specific restriction matures in November 2029 (TU29NA).

Cost management, thus margin expansion

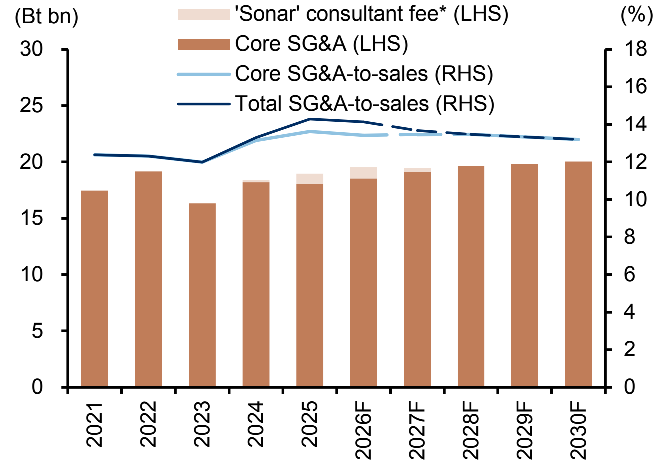
Expanding margins from structural cost reductions drive earnings growth

We expect EBIT margin to improve from 4.6% in 2025 to 6.8% in 2029F through major cost reductions, becoming TU’s key earnings growth driver over the next few years.

Lower SG&A due to an end to heavy consultancy fees and lower freight costs

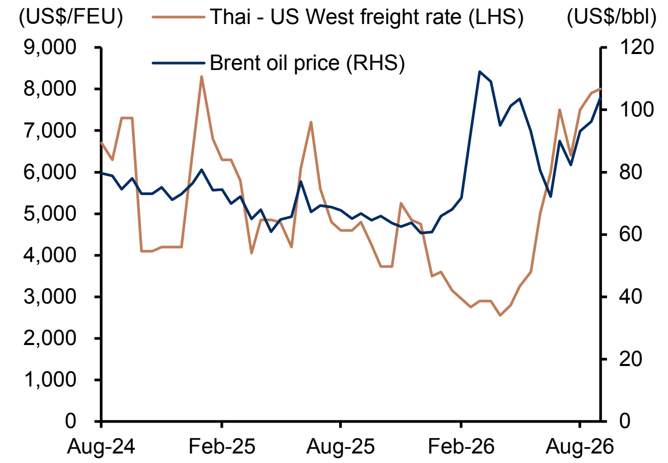
We project TU’s SG&A-to-sales ratio to fall to 14.1% in 2026F and 13.2% in 2029F, from a peak of 14.3% in 2025, supported by two readily achievable cost reductions. ***First,*** we estimate the end of the “Sonar” transformation program in 1Q27F to remove around Bt1.0bn p.a. of consulting fees from total SG&A, reversing the heavy payments at 0.7% of its sales incurred since 2025. ***Second,*** we expect freight costs to normalize from their peak during the Middle East conflict in 2Q26, taking a further 1.0% off the ratio from 2027F. The two earlier positives are partially weighed down by us factoring in management's guidance for a higher marketing budget to support branded product sales going forward, which we see as a deliberate trade-off of near-term costs for a structurally better sales mix. Our numbers assume a long-term SG&A-to-sales ratio of 13.0% from 2030F, above the 9-11% range pre-COVID, reflecting TU's more aggressive brand marketing strategy.

Ex 3: Normalizing SG&A Expenses



Sources: Company data, * ttb wealth estimates

Ex 4: Middle East War-Driven Logistic Costs Should Ease

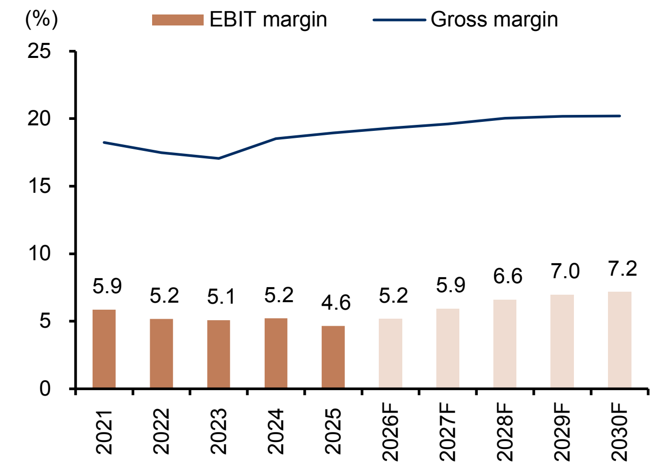


Sources: Thai National Shippers' Council (TNSC)

Improving gross margin via a better product mix and production efficiency

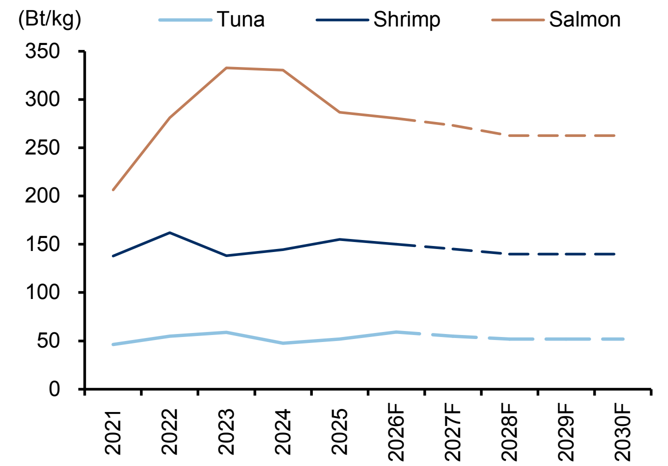
We expect another profitability improvement as gross margin expands from 19.3% in 2026F to 20.1% in 2029F (18.9% in 2025). Beyond more favorable raw material prices during the strong El Niño weather phenomenon over 2026–27F, we foresee three structural margin drivers for TU. *First,* operating efficiency gains from the transformation program, which began in late 2024 are already visible in its 2026F performance, and we expect the benefits to continue beyond the program's completion in 1Q27. *Second*, we expect TU's branded product mix to rise to 45.5% of sales in 2029F from 43.5% in 2026F and 42.4% in 2025, supported by its cross-branding strategy of extending established national brands into neighboring markets to win share. *Third,* TU plans to consolidate its global production sites to improve the group's overall utilization rate, which has been depressed for years by the legacy of an acquisition-led expansion strategy that delivered new markets and customers but left the group with surplus capacity.

Ex 5: We View Improving Margins As Structural



Sources: Company data, ttb wealth estimates

Ex 6: More Favorable Core Material Prices



Sources: Company data, ttb wealth estimates

Stable revenue growth outlook

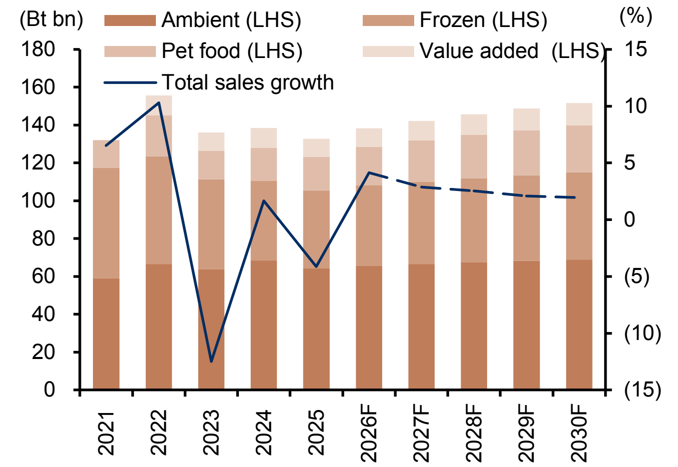
Steady revenue growth across business units

We estimate TU's revenue to grow steadily by 3/3/2% in 2027-29F, from 4% growth in 2026F, partially boosted by benefits from the US tariff situation resolution. Although modest in absolute terms, this marks a sharp improvement from the compounded 0.6% p.a. growth TU delivered over 2016-25. Our stronger growth expectation is driven mainly by the pet food segment and TU's push into value-added products offsetting the mature growth in the ambient and frozen seafood segments.

Growing core product sales through market share gains

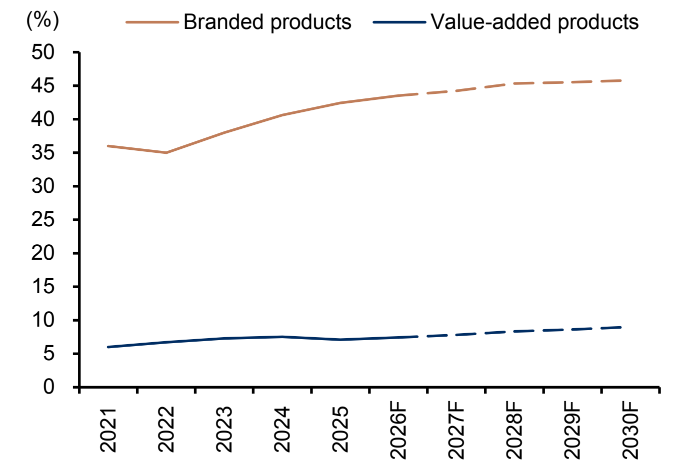
We expect revenue from TU's two core segments, ambient seafood (canned fish, mainly tuna, salmon, sardine, and increasingly mackerel, at 46-47% of total sales over 2027-29F) and frozen seafood (30–31%), to grow at organic rates of 1% and 2% p.a. respectively over 2027-29F. We foresee no change in the maturity of these two markets, except for booming mackerel consumption, promoted on social media as a high-protein alternative with lower fat content, as global population growth remains muted and consumers have a wide range of food options available. That said, despite TU already being a top-five global player in these categories, we expect it to grow sales through market share gains in Europe under its cross-branding strategy, extending established national brands from one country into another to win market share. We also expect its strategy of raising its marketing budget to promote branded products to lift market share at higher overall selling prices than its OEM or private label products.

Ex 7: Steadier Revenue Growth Going Forward



Sources: Company data, ttb wealth estimates

Ex 8: More Favorable Product Mix Lifting Margins



Sources: Company data, ttb wealth estimates

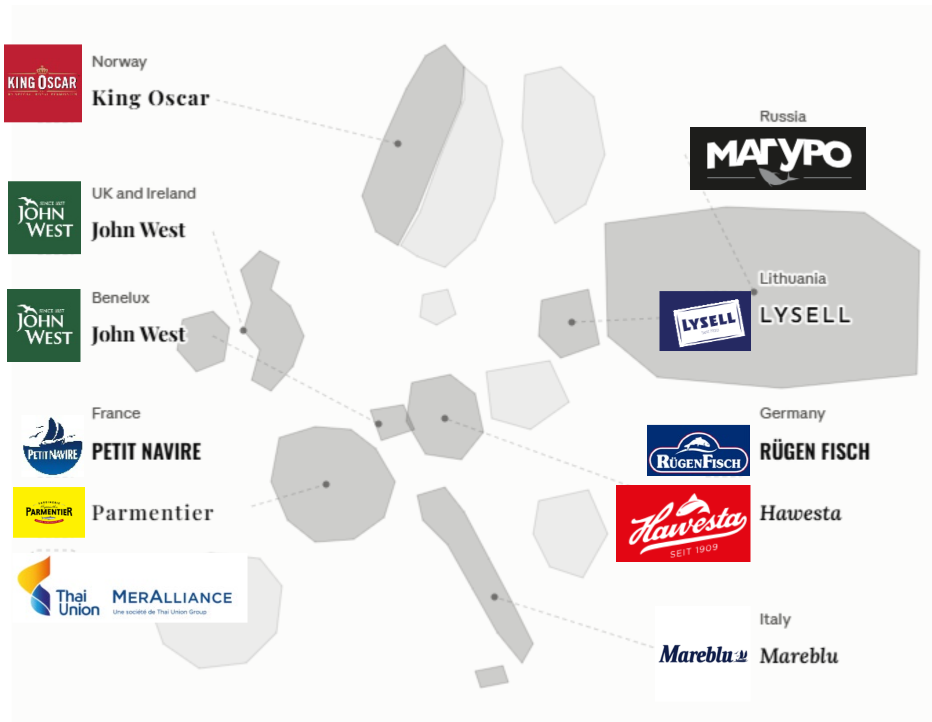
Pet food is the strongest growth segment in our view

We expect the pet food OEM business (15-16% of total sales), through its 79.3% stake in i-Tail Corporation Pcl (ITC TB, BUY, Bt16.70), to contribute the strongest growth of 6% p.a. over 2027-29F, supported by two structural megatrends: 1) a growing global pet population, and 2) increasing spending per pet amid declining household sizes, which drives demand for premium pet food products, offering higher selling prices and margins to TU. See our ITC report – *Resuming growth with high yield*, dated 17 August 2026, for details of the pet food segment.

Emerging value-added products bring in higher values and margins

Another high growth driver, despite remaining small at 5-6% of total revenue, is the value-added segment, i.e., ready-to-eat and ready-to-cook seafood in innovative packaging formats, alongside ingredients, packaging and by-products. We expect this segment to grow by 5% p.a. over 2027–29F, ahead of the two mature core businesses, as TU converts selective premium-grade raw materials it already owns into higher-value formats. For example, tuna oil into omega-3 ingredients, fish bone into calcium, and fish skin into collagen. These products sell at much higher prices per gram than by volume, delivering a materially higher ASP than the equivalent canned product.

Ex 9: TU Is Extending Its Established Brands To Neighboring Countries In Europe



Source: Company data, ttb wealth compilation

Ex 10: 12-month DCF-based TP Calculation Using A Base Year Of 2027F

(Bt m)	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F	Terminal value
EBITDA	12,384	13,598	14,307	14,784	14,939	15,056	15,166	15,235	15,271	15,298	15,316	—
Free cash flow	7,041	8,626	9,365	9,796	10,305	10,439	10,524	10,615	10,625	10,632	10,630	159,595
PV of free cash flow	7,288	7,288	7,272	6,992	6,761	6,294	5,832	5,407	4,975	4,575	4,204	63,119

Risk-free rate (%)	2.5
Market risk premium (%)	8.0
Beta	1.1
WACC (%)	8.5
Terminal growth (%)	2.0
Enterprise value - add investments	129,195
Net debt (2026F)	58,836
Minority interest	8,680
Equity value	61,679
# of shares (m) *	3,855
Target price/share (Bt)	**16.0**

Sources: Company data, ttb wealth estimates

Note: * Our valuation excludes the company's 400.0m treasury shares

Valuation Comparison

Ex 11: Valuation Comparison With Regional Peers

Name	BBG code	Country	EPS growth 26F (%)	EPS growth 27F (%)	PE 26F (x)	PE 27F (x)	P/BV 26F (x)	P/BV 27F (x)	EV/EBITDA 26F (x)	EV/EBITDA 27F (x)	Div yield 26F (%)	Div yield 27F (%)
Yantai China Pet Foods	002891 CH	China	(11.5)	37.9	25.4	18.4	2.8	2.5	15.2	11.9	1.1	1.6
Petpal Pet Nutrition Tech	300673 CH	China	3.5	40.6	30.0	21.3	1.9	1.8	15.9	12.7	1.4	1.9
WH Group Ltd	288 HK	Hong Kong	(2.5)	2.5	55.5	54.1	7.6	7.3	4.4	4.2	1.1	1.1
Tyson Foods Inc	TSN US	USA	170.5	12.2	14.4	12.8	1.0	1.0	7.9	7.5	4.0	4.0
Pilgrim's Pride Corp	PPC US	USA	(51.4)	28.1	13.3	10.4	1.7	1.6	7.0	6.3	21.3	7.1
Hormel Foods Corp	HRL US	USA	68.5	6.1	14.2	13.4	1.4	1.4	9.9	9.4	5.6	5.8
Betagro	BTG TB	Thailand	(32.5)	16.7	9.0	7.7	1.2	1.1	5.7	5.1	4.6	5.2
GFPT	GFPT TB	Thailand	(12.2)	3.7	6.2	6.0	0.6	0.5	3.6	3.6	1.9	1.9
Thaifoods Group	TFG TB	Thailand	(5.1)	11.9	8.1	7.3	2.4	2.1	5.3	4.8	6.3	6.9
Carabao Group Pcl	CBG TB *	Thailand	3.5	20.1	19.0	15.8	3.6	3.3	12.4	10.4	3.2	3.8
Charoen Pokphand Foods	CPF TB *	Thailand	(24.7)	7.4	10.3	9.6	0.8	0.8	8.7	8.6	4.4	4.7
i-Tail Corporation Pcl	ITC TB *	Thailand	10.6	20.1	15.0	12.5	2.1	2.0	10.8	8.9	6.6	7.8
KCG Corporation Pcl	KCG TB *	Thailand	14.5	11.0	9.5	8.6	1.6	1.4	6.4	5.7	5.8	6.4
MK Restaurant Group	M TB *	Thailand	50.2	0.1	15.5	15.5	1.5	1.5	4.4	4.5	7.1	7.1
Osotspa Pcl	OSP TB *	Thailand	2.3	3.0	14.0	13.6	2.7	2.5	8.1	7.3	4.6	5.1
R&B Food Supply Pcl.	RBF TB *	Thailand	(0.6)	1.6	22.8	22.4	2.1	2.1	10.8	11.2	4.3	4.3
SAPPE Pcl	SAPPE TB *	Thailand	7.6	(4.5)	12.1	12.7	2.1	1.9	7.1	7.5	4.1	3.9
Srinanaporn Marketing	SNNP TB *	Thailand	5.2	2.5	10.9	10.6	2.5	2.5	9.5	9.1	9.5	9.7
Taokaenoi Food & Marketing	TKN TB *	Thailand	(1.0)	8.3	14.7	13.6	2.7	2.6	8.8	8.2	5.7	6.2
Thai Union Group Pcl	TU TB *	Thailand	20.1	18.7	10.2	8.6	1.1	1.0	9.7	8.4	6.3	7.1
Average			**10.8**	**12.4**	**16.5**	**14.8**	**2.2**	**2.0**	**8.6**	**7.8**	**5.4**	**5.1**

Source: Bloomberg

Note: * ttb wealth estimates, using ttb wealth normalized EPS

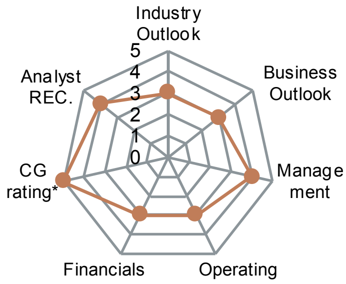
Based on 18 September 2026 closing prices

COMPANY DESCRIPTION

Thai Union Group Pcl (TU) was founded in 1988. TU is the world's leading seafood processor and exporter, with a global workforce of around 26,000, and it recently expanded into the food services business. Its major products are canned tuna, frozen tuna loin, frozen shrimp, lobster, frozen and canned seafood, frozen cephalopods, pet food, fish snacks, and shrimp feed. TU has a 25% stake in Red Lobster.

Source: ttb wealth

COMPANY RATING



Rating Scale	
Excellent	**5**
Good	**4**
Fair	**3**
Weak	**2**
Very Weak	**1**
None	**0**

Source: ttb wealth; *CG Rating

TTB WEALTH'S SWOT ANALYSIS

S — Strength

- Fully integrated business
- Economies of scale
- Diversified markets
- Strong management execution

W — Weakness

- Foreign exchange risk exposure
- Fluctuations in raw material prices
- Labor-intensive business

O — Opportunity

- Overseas expansion and acquisitions
- Expanding product lines
- Penetrating the food-services segment

T — Threat

- Strengthening Thai baht
- A sharp rise in oil and tuna prices
- Changes in regulations
- Severe disease outbreaks

CONSENSUS COMPARISON

	Consensus	ttb wealth	Diff
Target price (Bt)	15.14	16.00	6%
Net profit 26F (Bt m)	4,767	4,813	1%
Net profit 27F (Bt m)	5,161	5,714	11%
Consensus REC	**BUY: 18**	**HOLD: 5**	**SELL: 0**

HOW ARE WE DIFFERENT FROM THE STREET?

- Our 2027F earnings estimate is 11% above the Bloomberg consensus number, which we believe is due to us expecting higher SG&A savings than the market.
- Our DCF-based TP is therefore 6% higher.

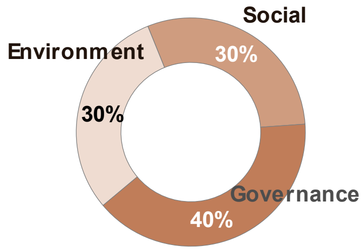
Sources: Bloomberg consensus, ttb wealth estimates

RISKS TO OUR INVESTMENT CASE

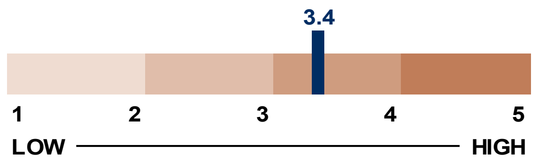
- A greater impact from the global economic slowdown on TU's core product demand would pose a key downside risk to our earnings forecasts.
- Strong appreciation of the Thai baht against the US dollar represents a secondary downside risk to our forecasts and valuation.
- Longer-than-expected or higher-than-expected impact from elevated logistics costs, raw material prices, and other related commodity prices driven by the Middle East conflict is another secondary downside risk to our earnings forecasts.

Source: ttb wealth

ESG Weighting



ESG Rating



	SET ESG Index	SET ESG (BBB-AAA)	DJSI Index	ttb wealth ESG Rating (1.0-5.0)	MSCI (CCC-AAA)	ESG Book (0-100)	CG Rating (0-5)
TU	YES	AA	YES	3.42	0	65.05	5.0

Sources: SETTRADE, SET ESG Index, SET ESG Rating, The Dow Jones Industrial Average (DJSI)
MSCI ESG Research LLC, ESG Book, Thai IOD (CG rating)
Note: Please see third party on “terms of use” toward the back of this report.

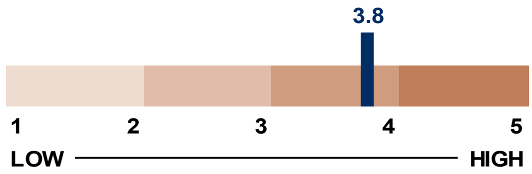
ESG Summary

- TU is the world's largest canned tuna producer, and also among the top five global OEM pet food manufacturers through its major listed subsidiary, i-Tail Corporation Pcl (ITC TB). The group now operates 26 production factories across 14 countries globally..
- We assign a decent 3.4 ESG score to TU, above the average score of 3.0 for the Food & Beverage sector. TU scores well above the sector in the Environmental (E) pillar and above it in Social (S), but only marginally above in Governance (G), which carries the heaviest weighting.
- We assign a good 3.8 E score to TU, vs. the sector average of 3.0. TU is a decade into its SeaChange® program and is also the first seafood company to have committed to the Science Based Targets initiative's 1.5°C pathway. The principal weakness is energy and fuel management, including renewable adoption, as the group still relies heavily on third-party transportation and logistics services, including fishing vessels.
- We assign a good 3.7 S score to TU, versus the sector average of 3.4. Product quality and safety are outstanding, while TU's supply chain labor program is already among the most advanced in its industry, in our view.
- We assign a 3.0 G score to TU, vs. the sector average of 2.8. We rate TU well on audit and leadership, but only 45% of board members are independent, and we see scope to improve the effectiveness of its risk committee, given the group's historically aggressive acquisition strategy.

Sector: Agro & Food Industry | Food & Beverage

We assign TU a good E score of 3.8, well above the sector average of 3.1. We see marine biodiversity, the most material environmental issue for a seafood processor, as TU's strongest area, supported by near-complete traceability and certification of its tuna supply. Energy management is the weak point, reflecting a still-heavy non-renewable base.

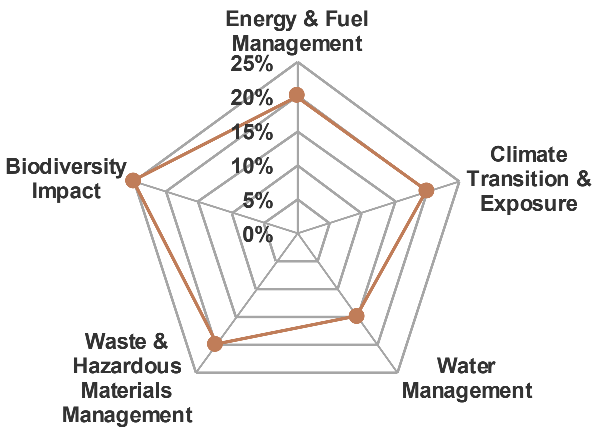
Environment (E) Rating



ENVIRONMENT	Our Comments

- **Biodiversity Impact**
- **Climate Transition & Exposure**
- **Energy & Fuel Management**
- **Waste & Hazardous Materials Management**
- **Water Management**

SCALE WEIGHTING

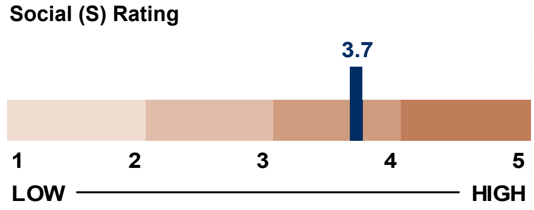


- We see biodiversity impact as TU's strongest environmental area, and also the most material to its business. As of 2025, 99.94% of TU's total tuna procurement was on a verified sustainability pathway; 79.5% MSC certified, 16.7% in MSC assessment and 3.7% in Fishery Improvement Projects. TU maintained 100% compliance with International Seafood Sustainability Foundation conservation measures, 92% of tuna volume came from vessels on the Proactive Vessel Register, and 100% of tuna is traceable to the originating vessel.
- On the other hand, energy and fuel management is its weakest area. TU invested approximately Bt216m in low-carbon technologies in 2025, including biomass boilers and solar photovoltaic systems, and has cut coal-based energy consumption by 67% and raised solar utilization by 297% vs. 2021. However, renewable energy remains a minority of total consumption, and the absolute reduction required to reach net zero by 2050 is still substantial.
- TU shows consistent improvement in waste and hazardous materials management. In 2025, 69% of its manufacturing and distribution sites achieved zero waste to landfill status, and the intensity of waste sent to landfill fell 15% year on year. Three of the five key processing facilities targeted under SeaChange® 2030 have achieved zero waste to landfill, alongside 17 additional sites. TU also achieved zero food loss sent to incineration without energy recovery.
- TU conducted a comprehensive water risk assessment in 2025 using the WRI Aqueduct Water Risk Atlas 4.0, covering its own manufacturing sites and key tier-1 suppliers, and reports limited exposure to water-stressed basins. Progress on the zero water discharge commitment is slower than on waste, with one of five key facilities achieving the standard to date.

Sources: ttb wealth, Company data

Sector: Agro & Food Industry | Food & Beverage

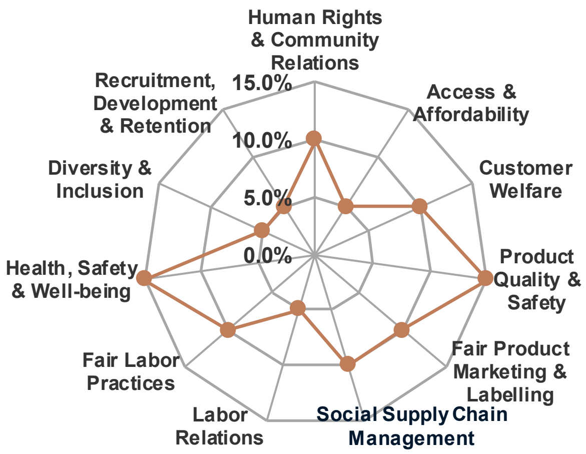
We assign TU a good S score of 3.7, above the sector average of 3.4. Product quality and safety are TU's standout strengths. Human rights and labor practices in the supply chain have also improved materially over the past years, mitigating global pushbacks against the seafood industry. The aquaculture supply chain and workplace safety remain the two key risks.



SOCIAL

- **Access & Affordability**
- **Customer Welfare**
- **Diversity & Inclusion**
- **Fair Labor Practices**
- **Fair Product Marketing & Labeling**
- **Health, Safety & Well-being**
- **Human Rights & Community Relations**
- **Labor Relations**
- **Product Quality & Safety**
- **Recruitment, Development & Retention**
- **Social Supply Chain Management**

SCALE WEIGHTING



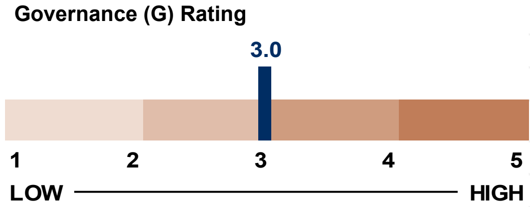
Our Comments

- Product quality and safety is TU's highest-scoring area. As the world's largest canned tuna producer and a top-five OEM pet food manufacturer supplying leading global brands, TU operates to customer-imposed quality standards that are among the most demanding in packaged food. All of its processing facilities hold MSC Chain of Custody certification, every tuna lot is traceable to the originating vessel, and consumers can verify sourcing through can-code trackers.
- Health, safety and employee well-being is an area for improvement. TU's lost-time injury frequency rate (LTIFR) was 0.24 in 2025, above its SeaChange® 2030 target of 0.15. That said, occupational health and safety was identified as a focus topic in TU's own 2025 double materiality assessment, and we will monitor the company's progress on this aspect.
- Human rights and community relations have improved materially from a difficult industry baseline, though the work is not yet complete. TU has operated a Zero Recruitment Fees Policy since 2016 and publishes an annual Modern Slavery Act Transparency Statement. By end-2025, 99% of tuna volume was covered by a Vessel Improvement Plan, Vessel Code of Conduct audit or equivalent, and 95% of vessels were monitored at sea. The gap sits in aquaculture, where only 68.2% of the shrimp farms TU sources from meet the safe-and-decent-workplace standard, against a 100% target by 2030.
- TU labels MSC certification across its branded portfolio, publishes sourcing transparency reports jointly with WWF, and has proactively removed restricted substances including PFAS and BPA from packaging. Petit Navire Et Hop achieved a Nutri-Score A rating in 2025.

Sources: ttb wealth, Company data

Sector: Agro & Food Industry | Food & Beverage

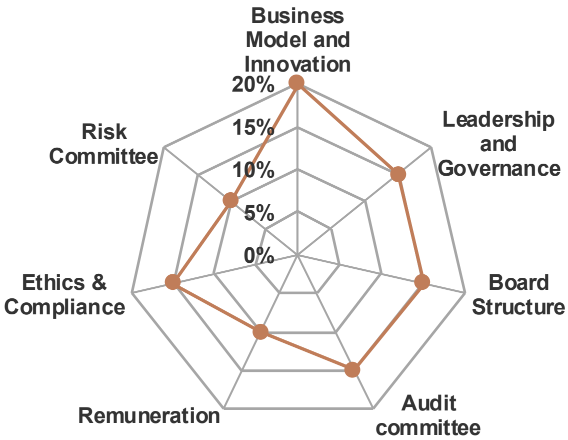
We assign TU a 3.0 G score vs. the sector average of 2.8. TU scores well for its audit committee and leadership, but these are offset by a board composition that falls short of the two-thirds independence standard, and by what we see as light risk oversight.



GOVERNANCE & SUSTAINABILITY

- **Audit committee**
- **Board Structure**
- **Business Model and Innovation**
- **Ethics & Compliance**
- **Leadership and Governance**
- **Remuneration**
- **Risk Committee**

SCALE WEIGHTING



Our Comments

- TU's board is not ideal but compares favorably with peers. It has 11 directors, of whom five are independent, implying an independence ratio of 45%, below the ideal two-thirds global standard. That said, TU's board chairman is an independent director, which we view positively, alongside well-diversified board skills across finance, legal, operations and sustainability.
- TU holds a leading global position in canned tuna and OEM pet food, with an R&D platform spanning global innovation centers. Recent innovation output includes mono-material recyclable pouches, ready-to-eat formats, and the lower-carbon shrimp program.
- Sustainability is governed at the board level through the Sustainable Development Committee, chaired by the CEO with the Chief Sustainability and Communications Officer as co-chair. Material sourcing and supply chain management are strong, supported by 100% vessel-level traceability and the Wholechain digital traceability partnership.
- TU maintains both internal and external audit functions, with no material internal control deficiencies reported and no accounting restatements. The 2025 sustainability report is independently assured, and the double materiality assessment was independently verified by a third party.

Sources: ttb wealth, Company data

Earnings growth turnaround from 2026F

INCOME STATEMENT

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Sales	138,433	132,719	138,207	142,171	145,764
Cost of sales	112,809	107,582	111,538	114,302	116,583
Gross profit	**25,624**	**25,136**	**26,670**	**27,869**	**29,180**
% gross margin	18.5%	18.9%	19.3%	19.6%	20.0%
Selling & administration expenses	18,401	18,966	19,535	19,437	19,534
Operating profit	**7,222**	**6,170**	**7,135**	**8,432**	**9,646**
% operating margin	5.2%	4.6%	5.2%	5.9%	6.6%
Depreciation & amortization	4,365	4,209	4,292	4,390	4,463
EBITDA	**11,027**	**9,960**	**11,063**	**12,384**	**13,598**
% EBITDA margin	8.0%	7.5%	8.0%	8.7%	9.3%
Non-operating income	966	754	790	702	711
Non-operating expenses	0	0	0	0	0
Interest expense	(2,492)	(2,379)	(2,153)	(2,046)	(1,967)
Pre-tax profit	**5,696**	**4,545**	**5,772**	**7,088**	**8,390**
Income tax	430	364	519	638	755
After-tax profit	**5,266**	**4,181**	**5,252**	**6,450**	**7,635**
% net margin	3.8%	3.2%	3.8%	4.5%	5.2%
Shares in affiliates' Earnings	771	862	862	862	862
Minority interests	(1,089)	(1,036)	(1,301)	(1,598)	(1,891)
Extraordinary items	37	602	0	0	0
NET PROFIT	**4,985**	**4,609**	**4,813**	**5,714**	**6,605**
Normalized profit	**4,948**	**4,007**	**4,813**	**5,714**	**6,605**
EPS (Bt)	1.29	1.20	1.25	1.48	1.71
Normalized EPS (Bt)	1.28	1.04	1.25	1.48	1.71

Key gearing ratios remain below covenant levels

BALANCE SHEET

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
ASSETS:					
Current assets:	79,649	82,909	80,287	82,403	84,245
Cash & cash equivalent	15,487	13,762	8,500	8,750	9,000
Account receivables	16,876	18,074	18,822	19,362	19,851
Inventories	43,626	47,639	49,391	50,615	51,625
Others	3,659	3,433	3,575	3,677	3,770
Investments & loans	9,263	9,580	9,580	9,580	9,580
Net fixed assets	29,513	29,887	29,859	29,607	29,056
Other assets	36,488	35,950	35,905	35,787	35,596
Total assets	**154,912**	**158,326**	**155,632**	**157,378**	**158,478**
LIABILITIES:					
Current liabilities:	50,588	48,901	47,055	46,427	45,126
Account payables	18,522	18,684	19,371	19,851	20,247
Bank overdraft & ST loans	16,991	13,271	12,027	11,486	10,692
Current LT debt	12,650	14,467	13,110	12,521	11,655
Others current liabilities	2,425	2,480	2,547	2,569	2,532
Total LT debt	**37,934**	**46,565**	**42,199**	**40,302**	**37,514**
Others LT liabilities	10,078	10,777	11,223	11,458	11,620
Total liabilities	**98,600**	**106,243**	**100,476**	**98,187**	**94,260**
Minority interest	7,678	7,379	8,680	10,278	12,169
Preferreds shares	0	0	0	0	0
Paid-up capital	1,114	1,114	964	964	964
Share premium	19,948	19,948	19,948	19,948	19,948
Warrants	0	0	0	0	0
Surplus	9,322	8,181	8,181	8,181	8,181
Retained earnings	**18,251**	**15,461**	**17,383**	**19,820**	**22,956**
Shareholders' equity	48,635	44,704	46,476	48,913	52,049
Liabilities & equity	**154,912**	**158,326**	**155,632**	**157,378**	**158,478**

Sources: Company data, ttb wealth estimates

Small capex requirement going forward as aggressive M&As slow

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Earnings before tax	5,696	4,545	5,772	7,088	8,390
Tax paid	(419)	(412)	(486)	(630)	(738)
Depreciation & amortization	3,805	3,790	3,928	3,953	3,952
Chg In working capital	5,735	(5,050)	(1,812)	(1,284)	(1,103)
Chg In other CA & CL / minorities	(1,830)	(113)	755	773	715
Cash flow from operations	**12,987**	**2,761**	**8,156**	**9,900**	**11,216**
Capex	(2,875)	(3,764)	(3,500)	(3,300)	(3,000)
Right of use	241	100	45	118	191
ST loans & investments	87	(1)	0	0	0
LT loans & investments	672	(317)	0	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	2,112	1,016	45	(165)	(238)
Cash flow from investments	**237**	**(2,967)**	**(3,410)**	**(3,348)**	**(3,047)**
Debt financing	791	7,021	(6,967)	(3,026)	(4,449)
Capital increase	(6,000)	0	(150)	0	0
Dividends paid	(2,389)	(4,310)	(2,891)	(3,277)	(3,470)
Warrants & other surplus	(6,589)	(4,230)	0	0	0
Cash flow from financing	**(14,187)**	**(1,519)**	**(10,009)**	**(6,303)**	**(7,919)**
Free cash flow	**13,224**	**(206)**	**4,746**	**6,553**	**8,169**

Valuations look highly attractive to us amid the turnaround outlook

VALUATION

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Normalized PE (x)	9.9	12.2	10.2	8.6	7.4
Normalized PE - at target price (x)	12.5	15.4	12.8	10.8	9.3
PE (x)	9.8	10.6	10.2	8.6	7.4
PE - at target price (x)	12.4	13.4	12.8	10.8	9.3
EV/EBITDA (x)	9.2	11.0	9.7	8.4	7.3
EV/EBITDA - at target price (x)	10.3	12.3	10.9	9.5	8.3
P/BV (x)	1.0	1.1	1.1	1.0	0.9
P/BV - at target price (x)	1.3	1.4	1.3	1.3	1.2
P/CFO (x)	3.8	17.7	6.0	4.9	4.4
Price/sales (x)	0.4	0.4	0.4	0.4	0.4
Dividend yield (%)	6.0	5.5	6.3	7.1	7.1
FCF Yield (%)	27.0	(0.4)	9.7	13.4	16.7
(Bt)					
Normalized EPS	1.28	1.04	1.25	1.48	1.71
EPS	1.29	1.20	1.25	1.48	1.71
DPS	0.76	0.70	0.80	0.90	0.90
BV/share	12.62	11.60	12.06	12.69	13.50
CFO/share	3.37	0.72	2.12	2.57	2.91
FCF/share	3.43	(0.05)	1.23	1.70	2.12

Sources: Company data, ttb wealth estimates

Improving profitability from increased focus on cost management

FINANCIAL RATIOS

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Growth Rate					
Sales (%)	1.7	(4.1)	4.1	2.9	2.5
Net profit (%)	na	(7.5)	4.4	18.7	15.6
EPS (%)	na	(7.5)	4.4	18.7	15.6
Normalized profit (%)	(16.6)	(19.0)	20.1	18.7	15.6
Normalized EPS (%)	(16.6)	(19.0)	20.1	18.7	15.6
Dividend payout ratio (%)	59.0	58.5	64.1	60.7	52.5
Operating performance					
Gross margin (%)	18.5	18.9	19.3	19.6	20.0
Operating margin (%)	5.2	4.6	5.2	5.9	6.6
EBITDA margin (%)	8.0	7.5	8.0	8.7	9.3
Net margin (%)	3.8	3.2	3.8	4.5	5.2
D/E (incl. minor) (x)	1.2	1.4	1.2	1.1	0.9
Net D/E (incl. minor) (x)	0.9	1.2	1.1	0.9	0.8
Interest coverage - EBIT (x)	2.9	2.6	3.3	4.1	4.9
Interest coverage - EBITDA (x)	4.4	4.2	5.1	6.1	6.9
ROA - using norm profit (%)	3.1	2.6	3.1	3.7	4.2
ROE - using norm profit (%)	9.2	8.6	10.6	12.0	13.1
DuPont					
ROE - using after tax profit (%)	9.8	9.0	11.5	13.5	15.1
- asset turnover (x)	0.9	0.8	0.9	0.9	0.9
- operating margin (%)	5.9	5.2	5.7	6.4	7.1
- leverage (x)	3.0	3.4	3.4	3.3	3.1
- interest burden (%)	69.6	65.6	72.8	77.6	81.0
- tax burden (%)	92.5	92.0	91.0	91.0	91.0
WACC (%)	0.0	0.0	0.0	8.8	8.8
ROIC (%)	6.1	5.6	6.2	7.3	8.4
NOPAT (Bt m)	6,677	5,676	6,493	7,673	8,778
invested capital (Bt m)	100,722	105,245	105,312	104,473	102,909

Sources: Company data, ttb wealth estimates

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Score range	Description
CCC - B	**LAGGARD:** A company lagging its industry based on its high exposure and failure to manage significant ESG risks
BB - BBB - A	**AVERAGE :** A company with a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers
AA - AAA	**LEADER:** A company leading its industry in managing the most significant ESG risks and opportunities

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90-100	△△△△△	Execellent
80-89	△△△△	Very Good
70-79	△△△	Good
60-69	△△	Satisfactory
50-59	△△	Pass
Below	△	N/A

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For sectors, an "Overweight" sector weighting is used when we have BUYs on majority of the stocks under our coverage by market cap. "Underweight" is used when we have SELLs on majority of the stocks we cover by market cap. "Neutral" is used when there are relatively equal weightings of BUYs and SELLs.

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