



Analyst Meeting for Q4 & FY2024 result

18 February 2025





Disclaimer

The information contained in our presentation is intended solely for your personal reference only. In addition, such information contains projections and forward-looking statements that reflect our current views with respect to future events and financial performance. These views are based on assumptions subject to various risks and uncertainties. No assurance is given that future events will occur, that projections will be achieved, or that the assumptions are correct. Actual results may differ materially from those projected.

“Thai Union Feedmill has delivered a robust performance for FY 2024, achieving a three-year high since our IPO with an impressive 513% growth in net profit. Additionally, we are pleased to announce a dividend payment for the second half of 2024 of THB 0.77 per share, continuing our commitment to providing high returns to our shareholders. This brings the total dividend for 2024 to THB 1.07 per share.”

Peerasak Boonmechote
Chief Executive Officer



Q4 2024 delivered sales volume growth and profit surge, showing the highest sales and gross profit margin in 2024

Q4'24 Key Financial Result

Sales Volume

48,050 tones

+14.8% yoy | +3.3% qoq

Revenue from Sales

THB 1,429 million

+11.7% yoy | +2.9% qoq

Reported Gross Profit

THB 293 million

+135.8% yoy | +9.9% qoq

Gross Profit Margin

20.5%

+1,080 bps. yoy | +130 bps. qoq

Reported Net Profit

THB 151 million

+917.7% yoy | No change qoq

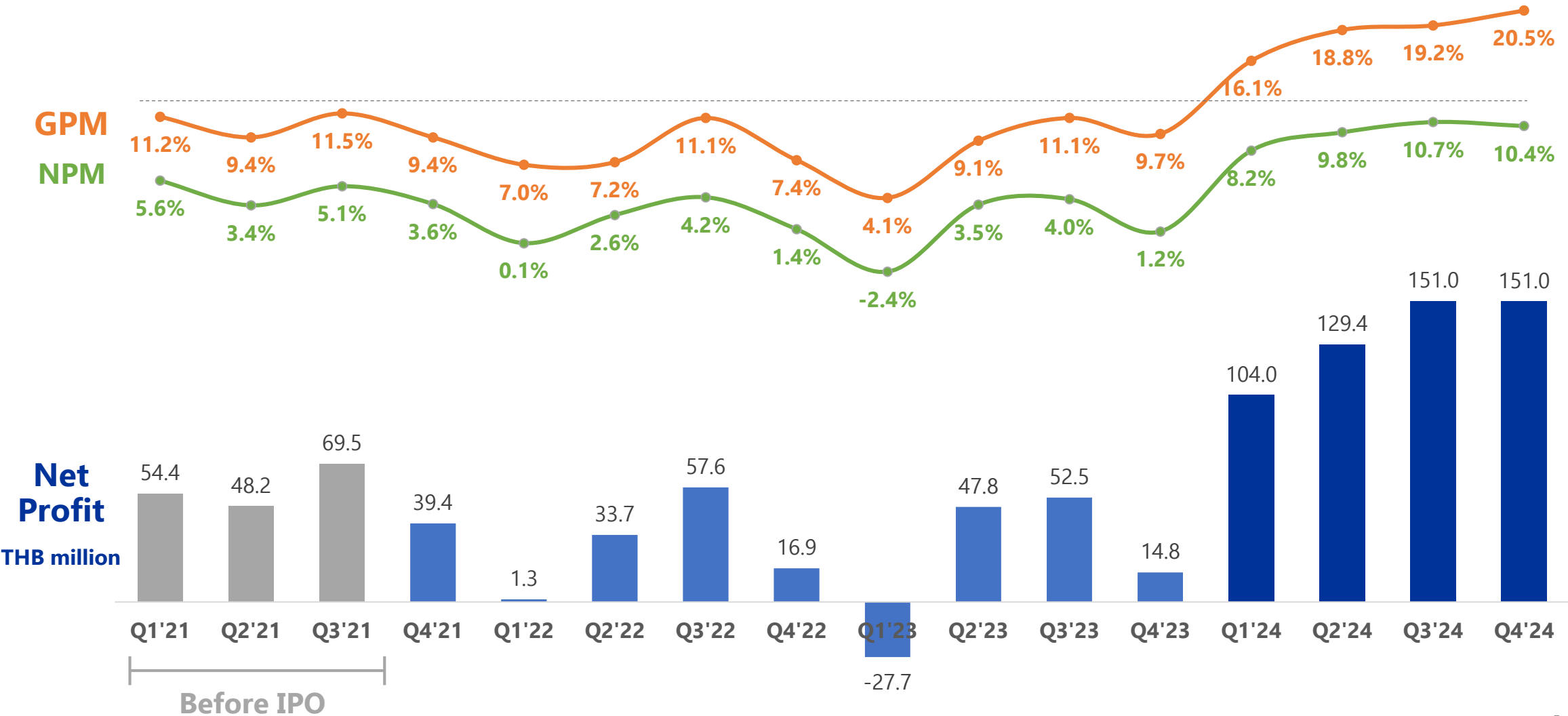
SG&A to Sales

10.2%

+200 bps. yoy | +230 bps. qoq

- ✓ Sales volume grew mainly due to shrimp feed sales in both Thailand and Indonesia, showing a 35.6% increase in shrimp feed sales volume. In Thailand, shrimp feed sales were primarily driven by increased market share and boosted demand from higher shrimp prices, which led to a shift in the shrimp farming season this year. In Indonesia, growth was attributed to increased market share and expanded sales areas.
- ✓ Gross profit margin rose to 20.5% this quarter, benefiting from effective cost control, raw material cost management, a healthy product mix and high sales volume.
- ✓ Consequently, net profit surged by 917.7% compared to the previous year, despite higher SG&A expenses due to employee benefits.

Achieving steady progress with enhanced GPM for four consecutive quarters and impressive net profit throughout 2024



FY'2024: Excellence in profitability with 513% profit growth through production cost optimization

FY'24 Summary

Revenue from Sales

THB 5,365 million

+5.6% yoy

Gross Profit Margin

18.7%

FY2024

8.6%

FY2023

SG&A to Sales

9.2% of Sales

IBD/E remained healthy

0.08x

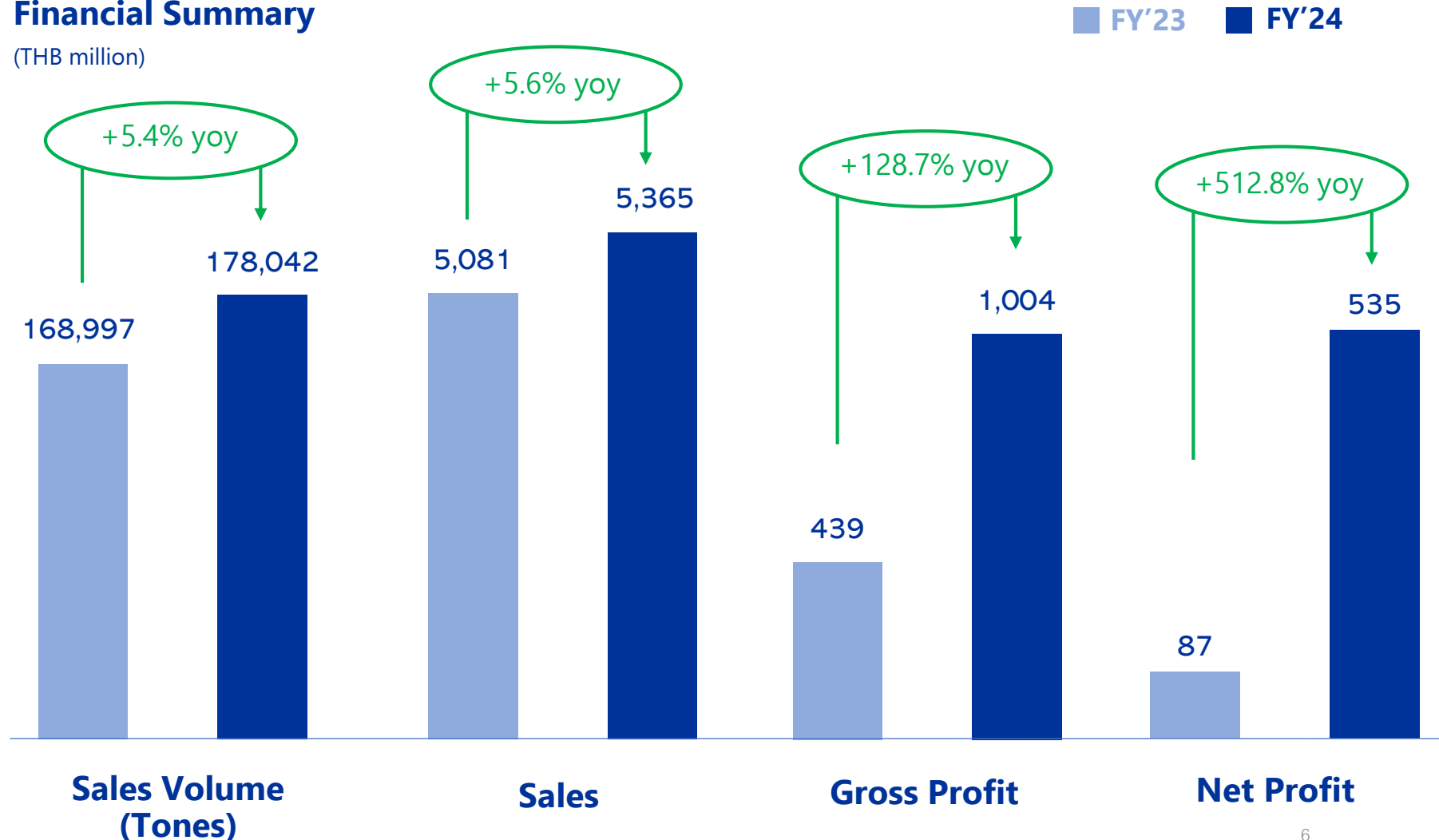
2024

0.06x

2023

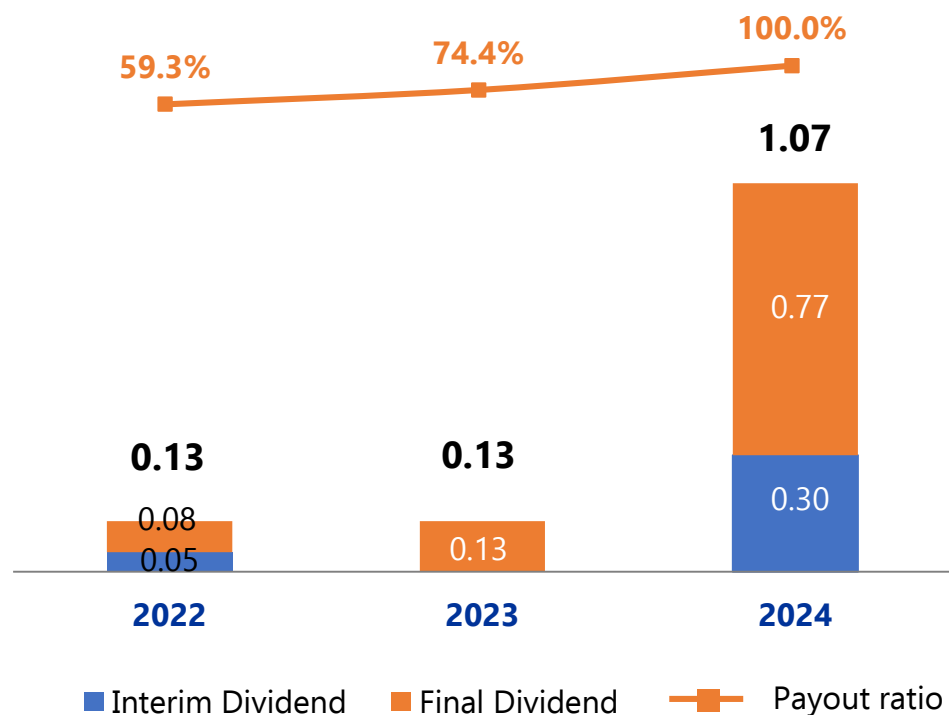
Financial Summary

(THB million)



Record high dividend payment, continuing to deliver high return to shareholders with 100% dividend payout

Historical Dividend Payment (THB per share)



2H'24 Dividend payment period for Jul - Dec 2024 profit.

DPS

THB 0.77 per share*

Ex-Dividend Date

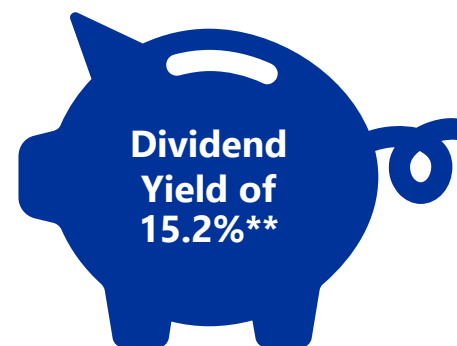
27 February 2025

Record Date

28 February 2025

Payment Date

10 April 2025



*the final dividend payment subject to the approval from 2025 Annual General Meeting of Shareholders, on 4 April 2025

*Dividend of THB 0.77 per share, divided into THB 0.47 per share from the profit of BOI, and THB 0.30 per share from the profit of Non-BOI.

**Based on DPS of THB 1.07 per share and share price of THB 7.05 as of 31 Jan 2025

Par split to be THB 1 per share from THB 2 per share, expected to enhance stock liquidity by doubling the number of trading shares

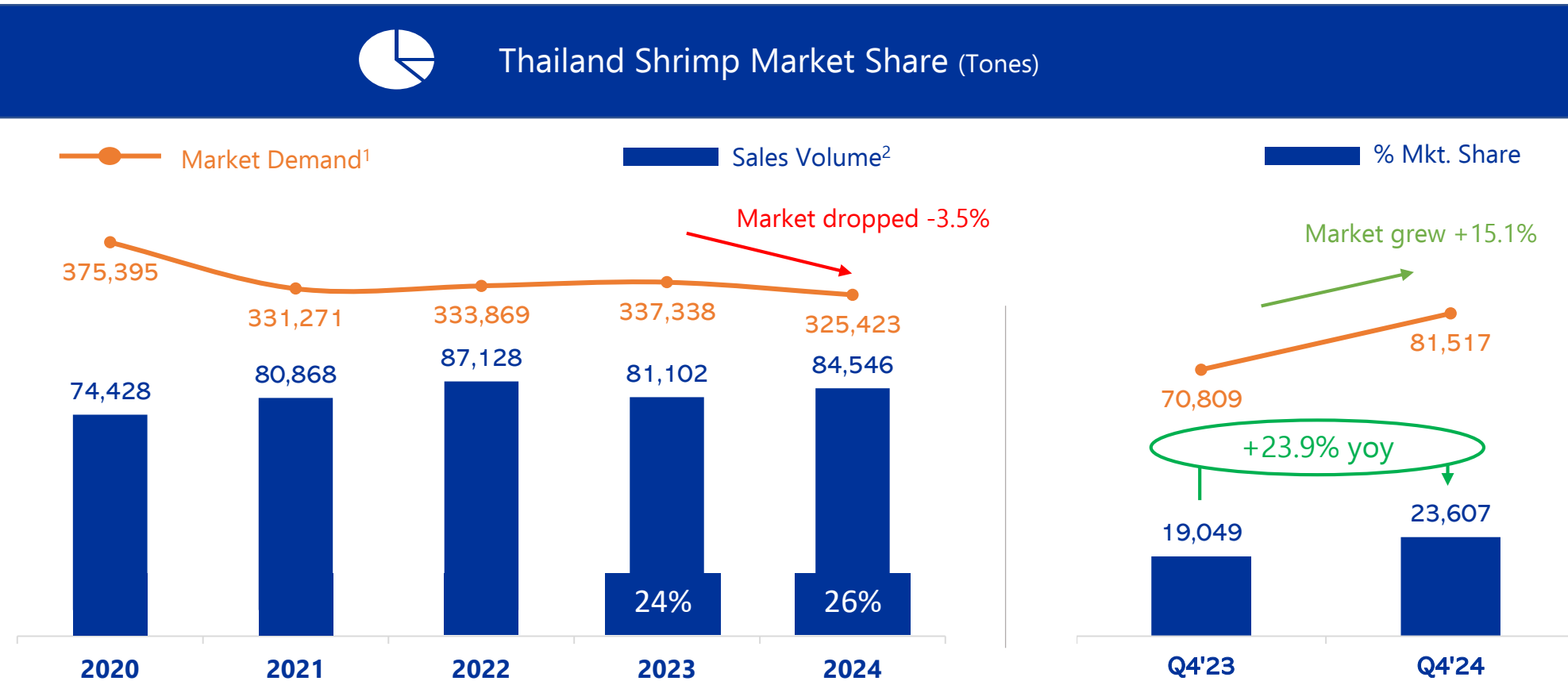
Change in Par value information*

	<u>Prior</u> change in par value	<u>After</u> change in par value
Registered Capital	THB 1,000,000,000	THB 1,000,000,000
Paid-up Capital	THB 1,000,000,000	THB 1,000,000,000
Par Value	THB 2.00	THB 1.00
Registered shares	500,000,000 Shares	1,000,000,000 Shares
Paid-up shares	500,000,000 Shares	1,000,000,000 Shares

*the change in par value subject to the approval from 2025 Annual General Meeting of Shareholders, on 4 April 2025



Remarkable resilience shown by achieving a year-long increase in sales volume despite a contracting market, with growth surpassing the market in Q4



¹ Market demand calculated from the total shrimp production multiplied by FCR (feed conversion ratio) of 1.3 times.

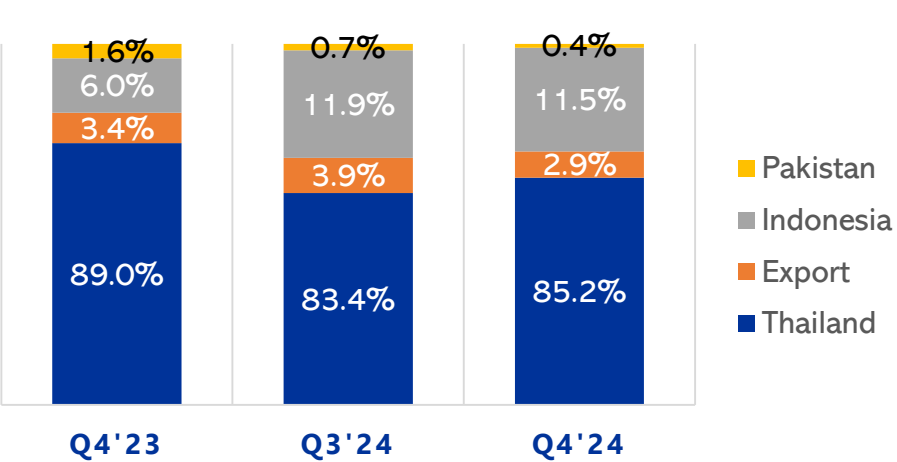
² Sales volume came from total sales volume in Thailand included OEM.

Indonesia is emerging as a new growth engine to enhance TFM Thailand's growth. Meanwhile, TFM is exploring diversification into other countries.

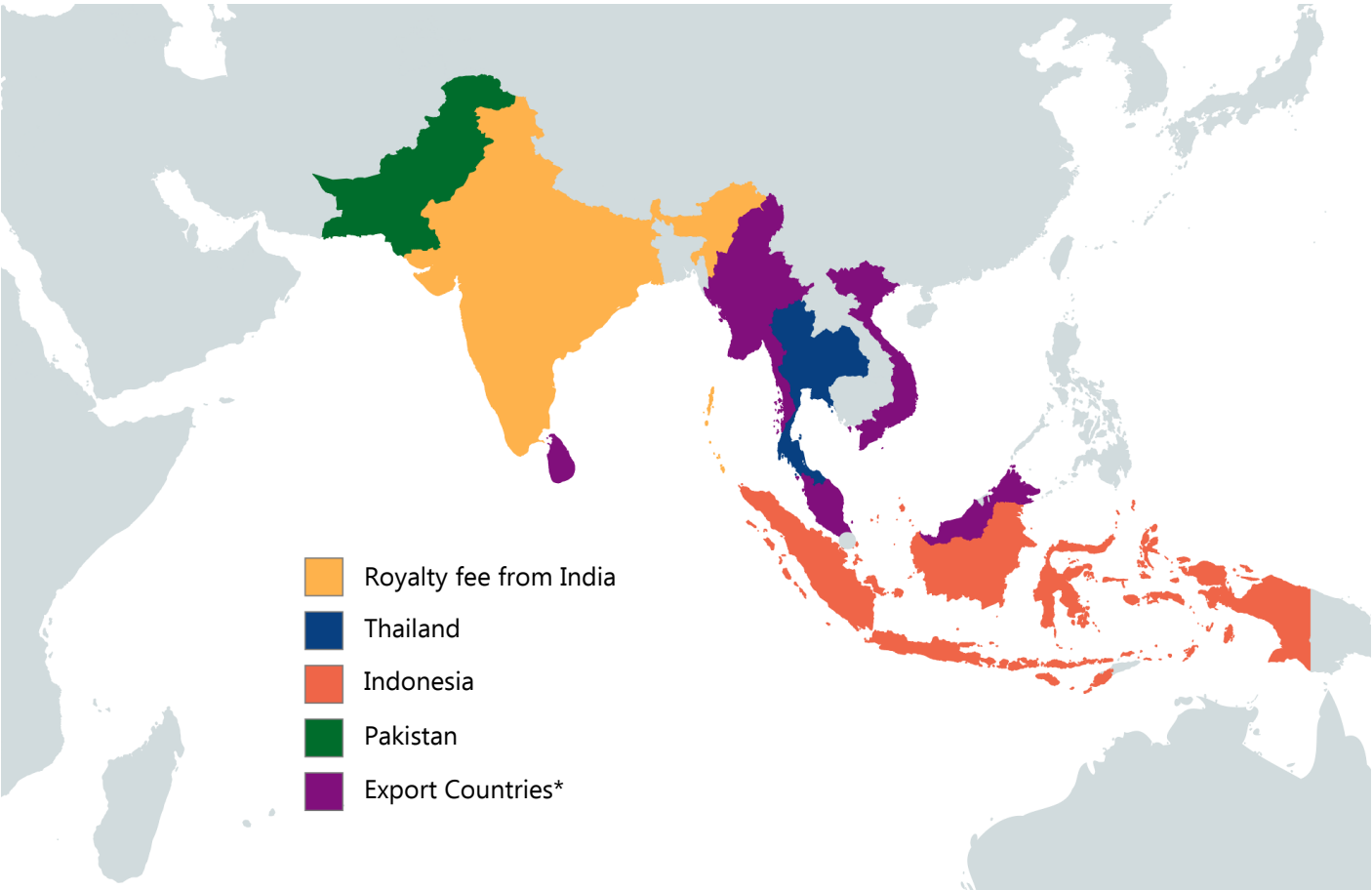
Performance Snapshot

	Q4'24 Sales Change	
	yoy	qoq
Thailand	↑ +6.5%	↑ +3.8%
Indonesia	↑ +114.6%	↓ -1.1%
Pakistan	↓ -71.2%	↓ -43.7%

Revenue Contribution



TFM's Footprint



*Current export countries are Sri Lanka, Malaysia, Vietnam and Myanmar



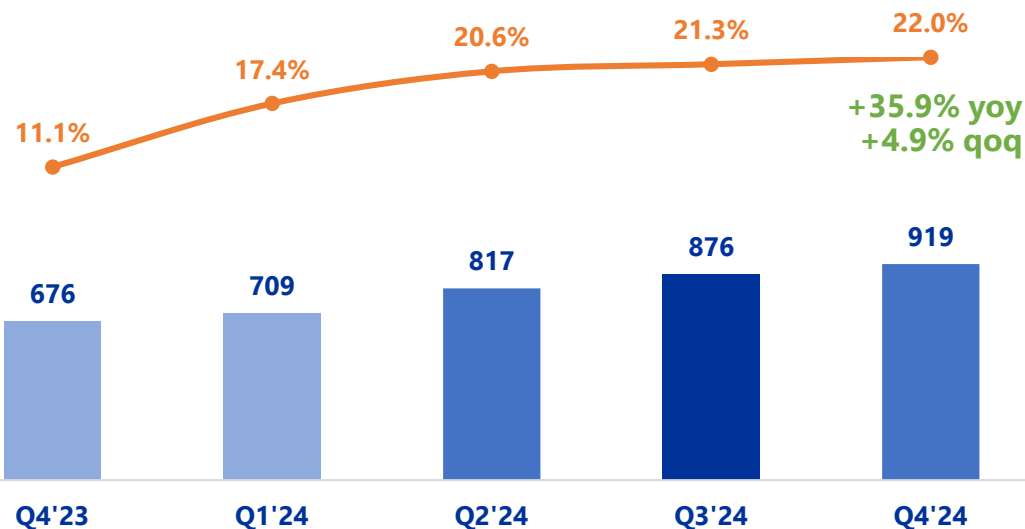
Q4 & FY'2024

Financial Performance

Q4'24 shrimp feed sales rose in Thailand due to a shift in the shrimp farming season, while Indonesia continued impressive growth

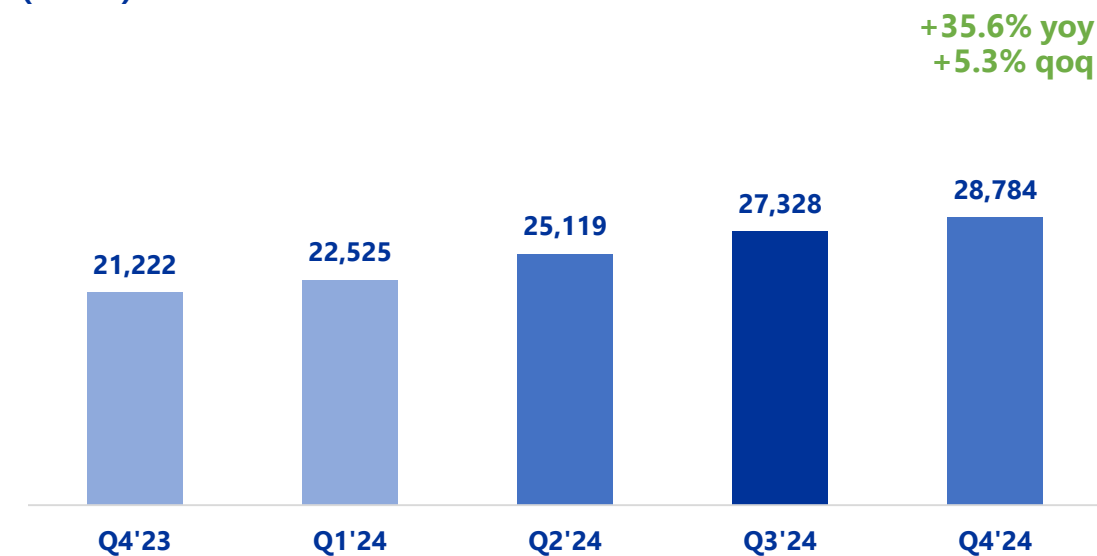
Shrimp Feed Sales and Gross profit margin

(THB million)



Sales Volume

(Tones)



Shrimp feed performed well in this quarter with +35.9% yoy and +4.9% qoq growth.

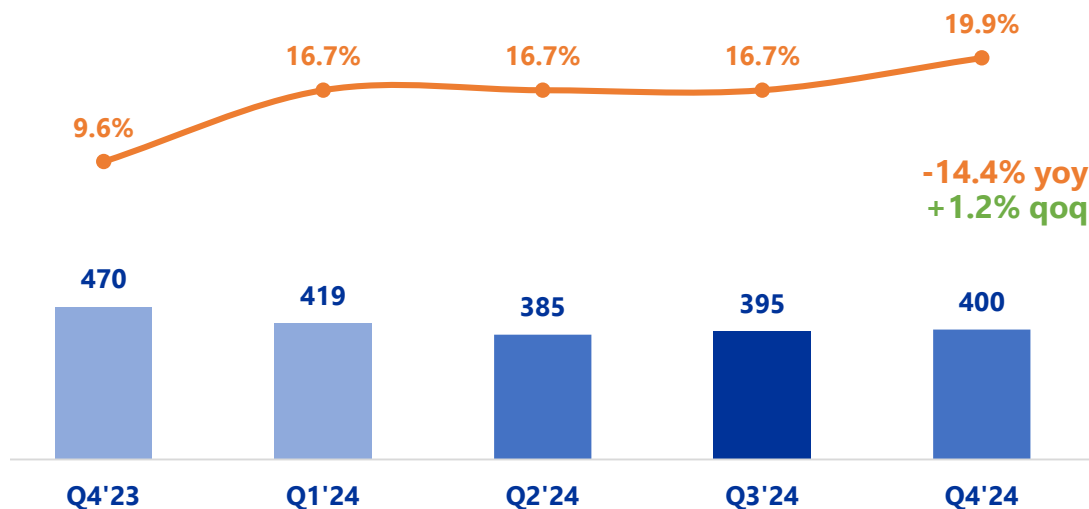
- **Thailand's** shrimp feed sales increased by +25.6% YoY due to efforts to gain **market share** throughout the year and a shift in the shrimp farming season this year, driven by **high shrimp prices**.
- **Indonesia's** continued to show **outstanding performance**, with a +114.6% sales increase, significantly enhanced the shrimp feed sales portfolio



The seabass market hit bottom this quarter, and rising prices signal recovery and growing feed demand in the upcoming quarter

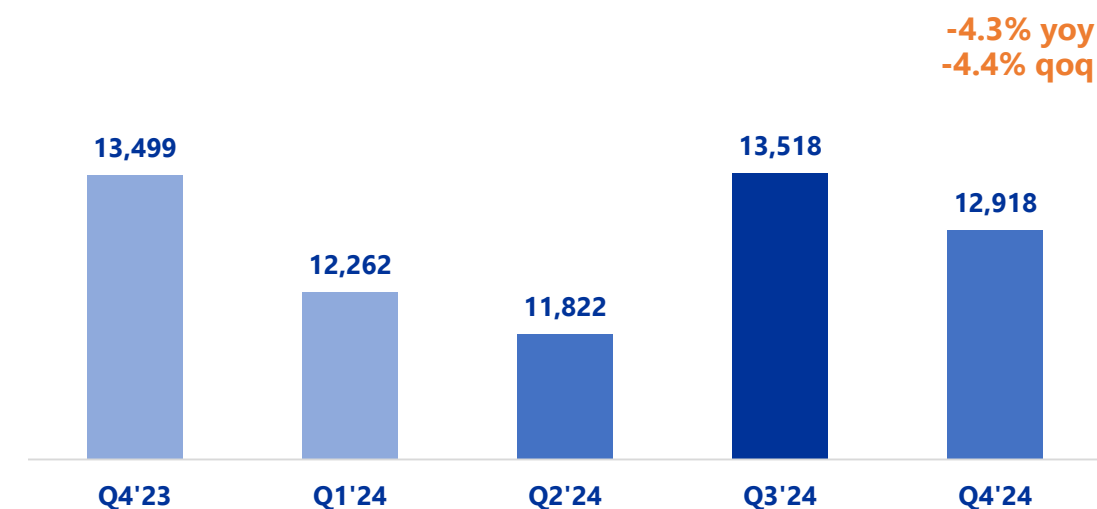
Fish Feed Sales and Gross profit margin

(THB million)



Sales Volume

(Tones)



Fish feed sales dropped by 14.4% YoY but grew 1.2% QoQ, indicating a positive trend

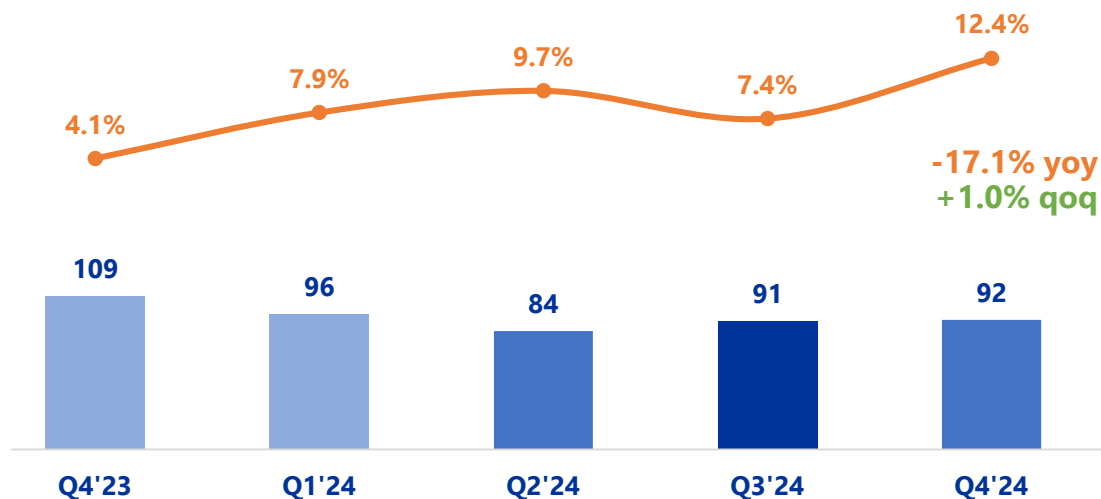
- Seabass feed sales decreased by -26.5% YoY due to softened prices, but the market hit bottom and **rising prices in Q4 signal recovery in the upcoming quarter**, delayed by a shortage of fingerling supply.
- Conversely, other fish feed sales in Thailand increased by +3.6% YoY due to strategic **expansion into the freshwater fish market**



Strategically shifting livestock feed into OEM partnerships and a selective sales approach greatly enhanced profitability in Q4

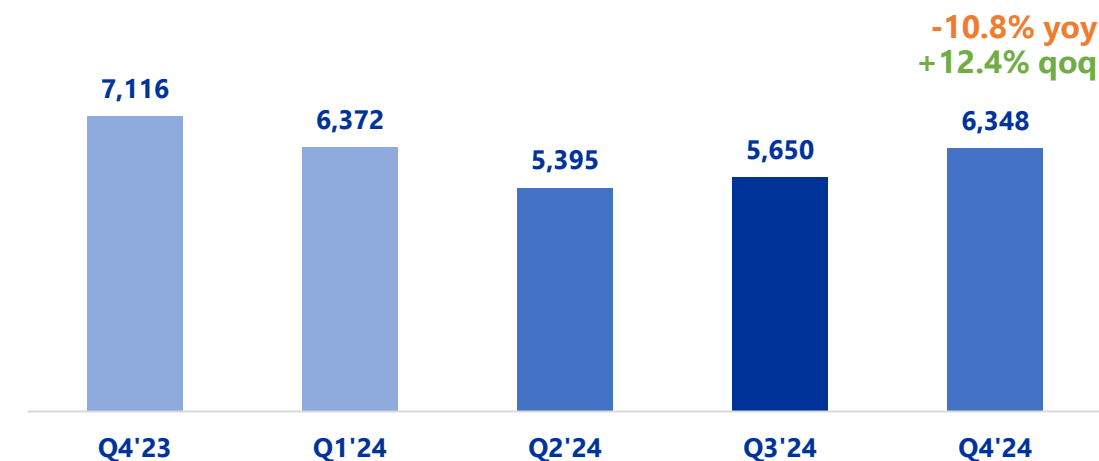
Livestock Feed Sales and Gross profit margin

(THB million)

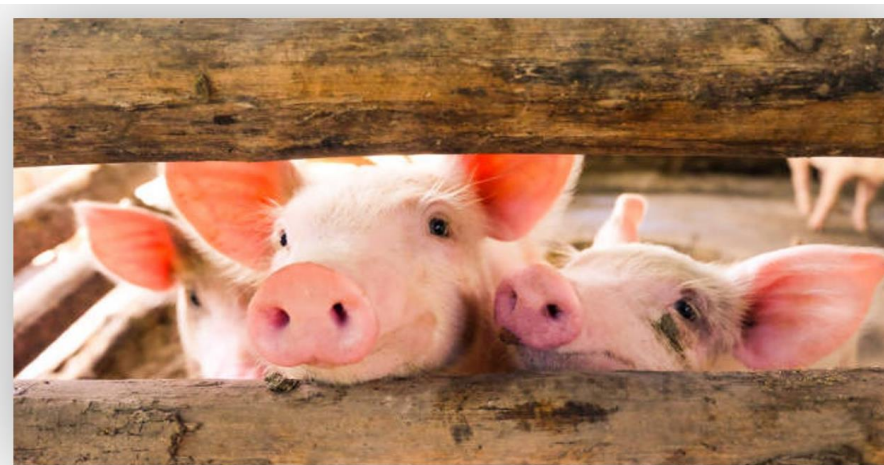


Sales Volume

(Tones)



- Livestock feed sales slightly improved QoQ (+1.0%), while profitability significantly increased due to strategic portfolio adjustments in Thailand, **raising the margin to 12.4%**. This approach demonstrates readiness to expand sales with this new business model.
- Livestock feed sales dropped by -17.1% yoy, due to the **portfolio optimization** to focus on more profitable products.



Shrimp feed significantly increased its share from last year, driven by strategic expansion in the shrimp markets of both Thailand and Indonesia



Shrimp Feed
64.3%

LY/ 52.8%



Fish Feed
28.0%

LY/ 36.5%



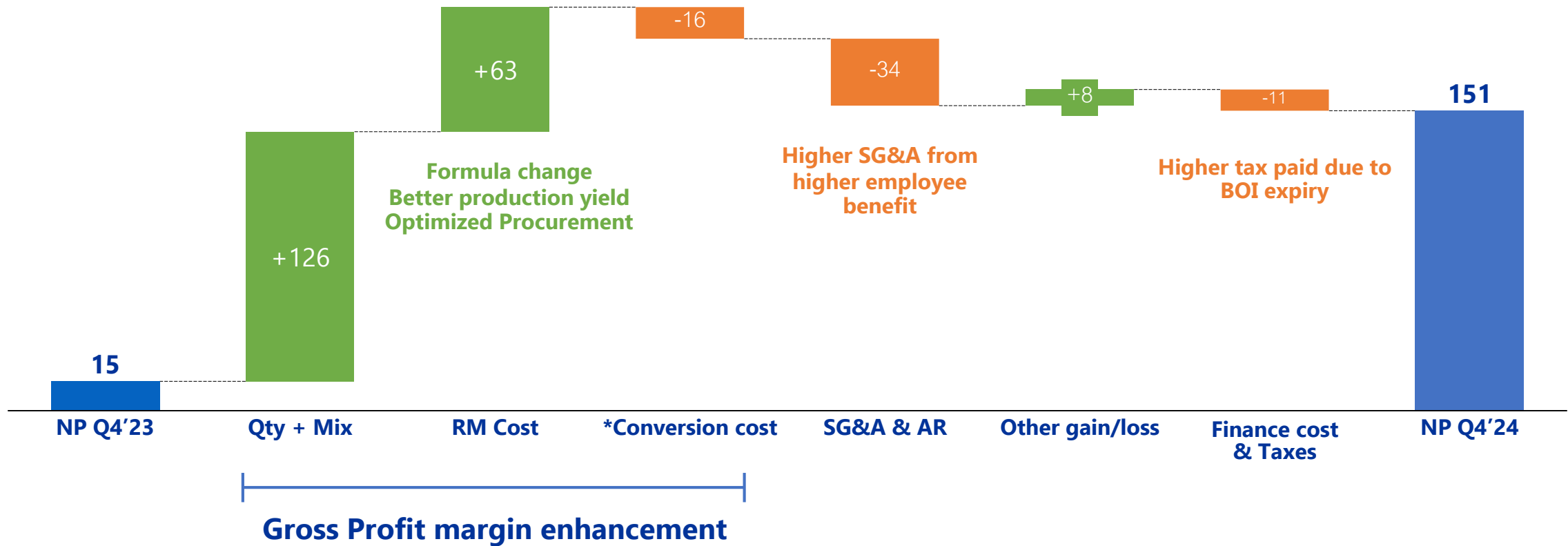
Livestock Feed
6.4%

LY/ 8.7%

In Q4'24, net improved was mainly attributed from the great sales performance along with effective cost control especially RM cost

Net Profit Bridge

Unit : THB million

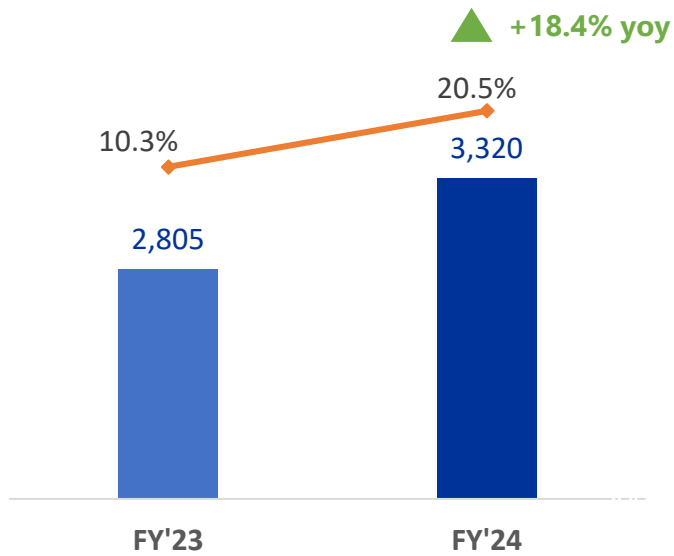


*Conversion cost : includes all manufacturing costs (direct labor and factory overhead) except raw materials used to transform inputs into finished goods.

FY'2024 sales mainly fueled by the shrimp feed sales growth of 18.4%, driven by the strategic expansion

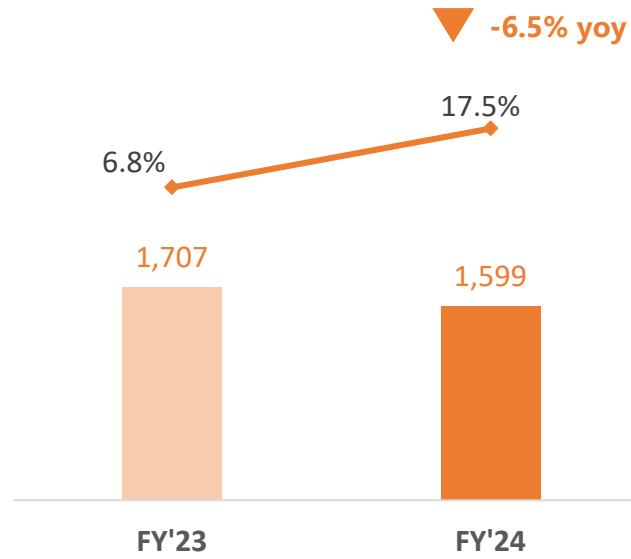
Shrimp Feed and GPM

(Unit: THB million)



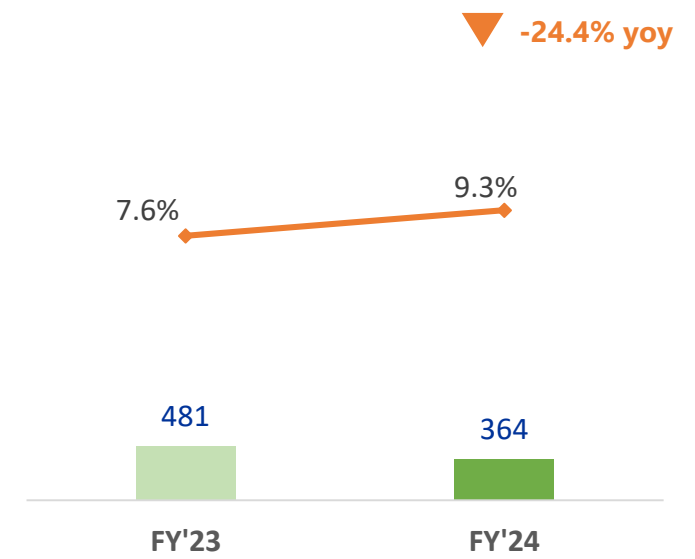
Fish Feed and GPM

(Unit: THB million)



Livestock Feed and GPM

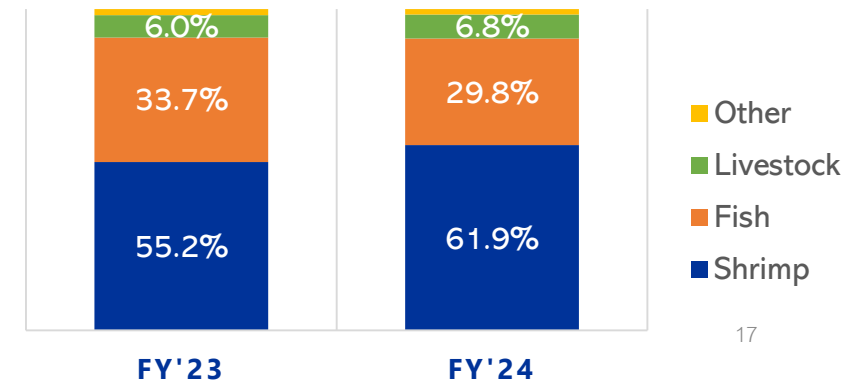
(Unit: THB million)



FY'24 sales grew +5.6% from last year, mainly contributed from:

- **Shrimp feed sales** experienced a robust growth of 18.4%, driven by strategic expansions in the domestic market of Thailand and the Indonesian market.
- **Fish feed sales** decreased by 6.5% compared to last year, mainly due to weaker performance in seabass feed sales during the second half of the year. However, this decline was partially offset by growth in the freshwater fish feed segment.
- **Livestock feed sales** saw a significant decline of 24.4% from the previous year, largely due to a strategic shift in the livestock feed portfolio.

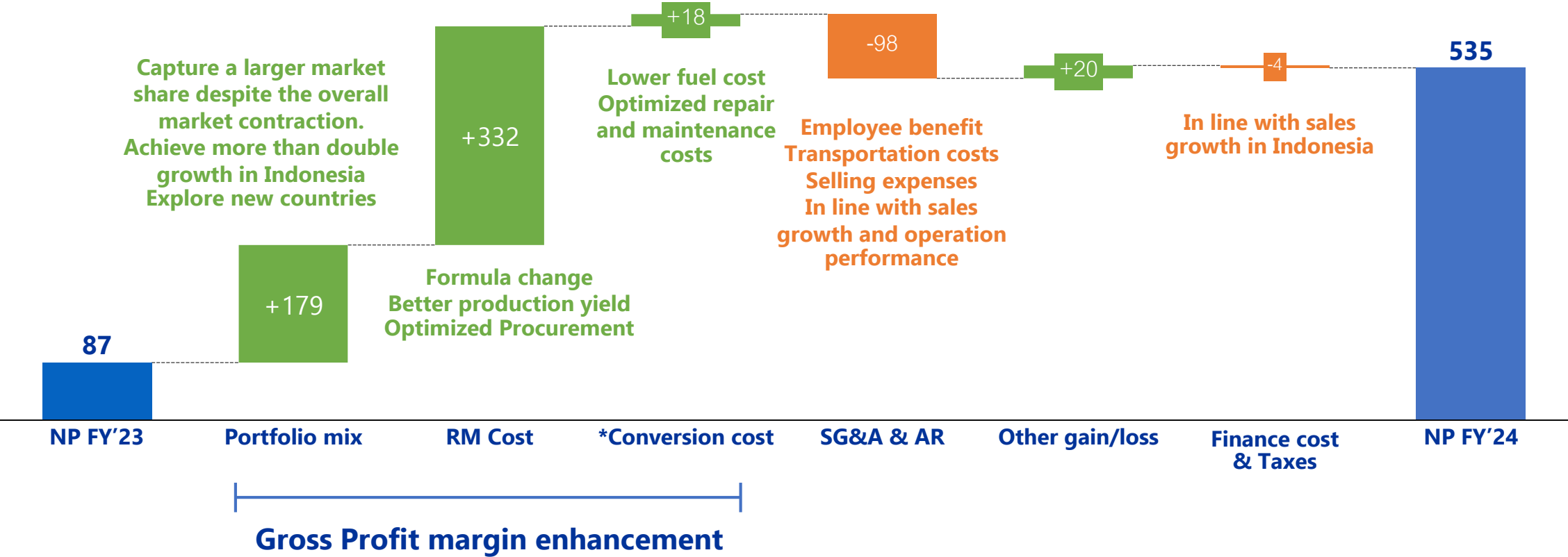
Revenue Contribution



In FY'24 showed impressive performance, mainly driven by production cost optimization and higher sales performance

Net Profit Bridge

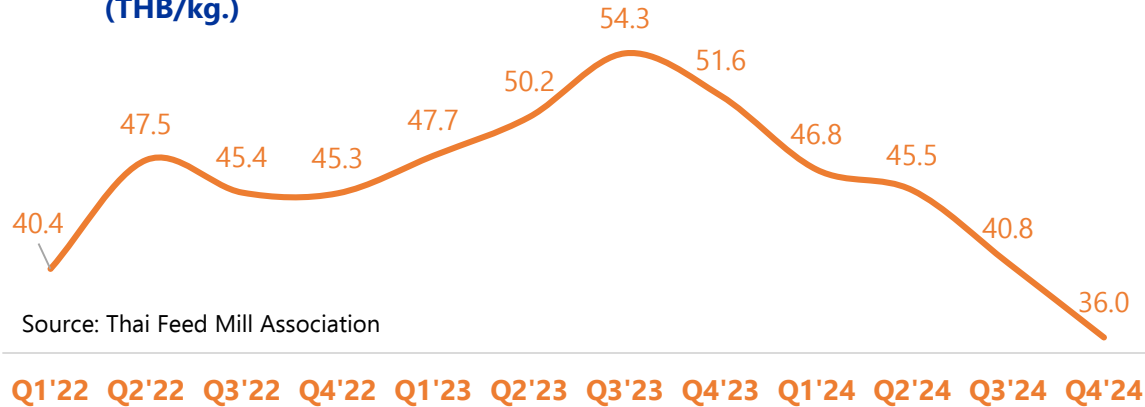
Unit : THB million



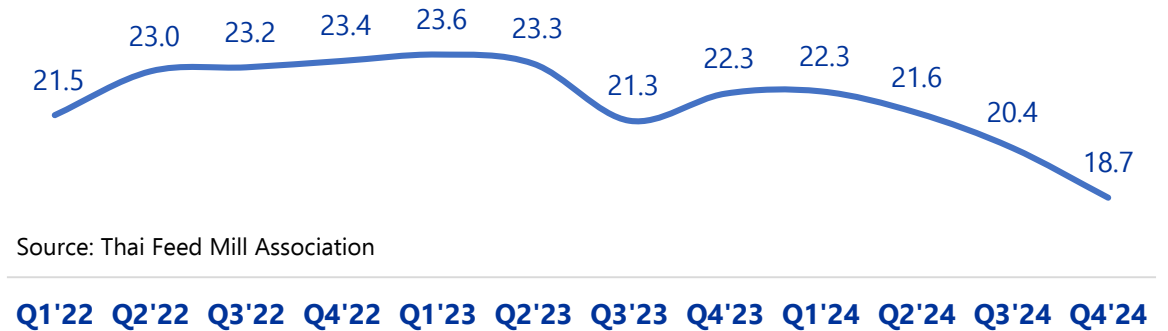
*Conversion cost : includes all manufacturing costs (direct labor and factory overhead) except raw materials used to transform inputs into finished goods.

The continued decline in key raw material prices compared to the previous year has positively impacted profit margins.

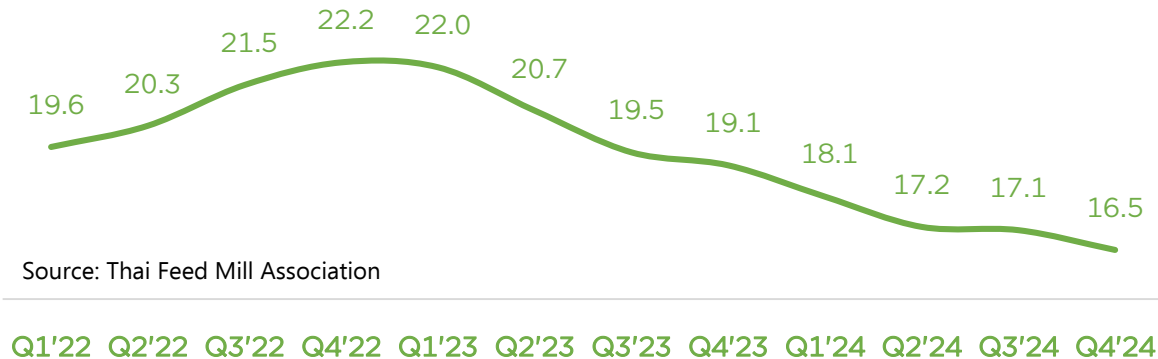
Fish Meal Price (THB/kg.)



Soybean meal Price (THB/kg.)



Wheat Flour Price (THB/kg.)



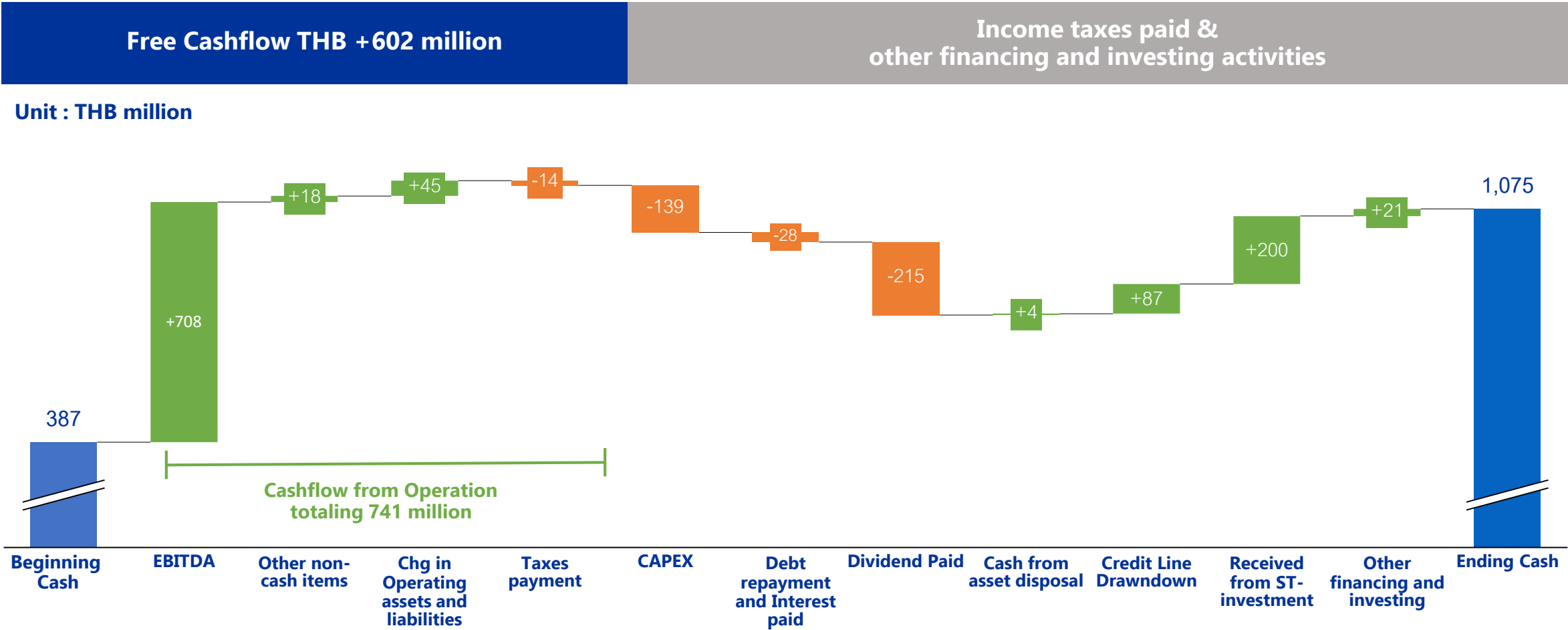
In Q4'24, average key raw material prices were at:

Fish Meal price – THB 36.0/kg. (-30.2% yoy, -11.8% qoq)

Soybean meal price – THB 18.7/kg. (-16.1% yoy, -8.3% qoq)

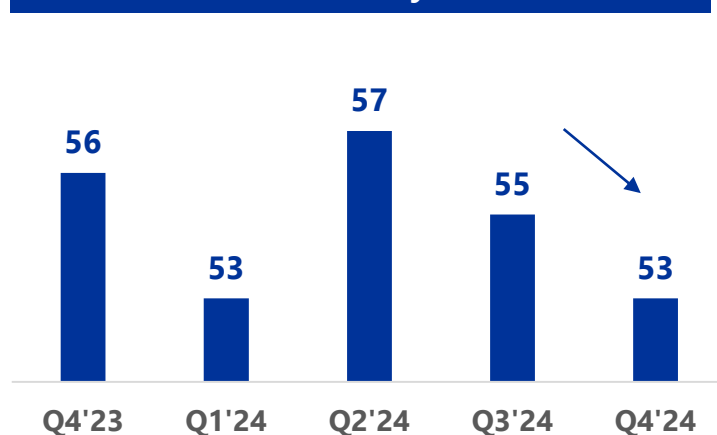
Wheat Flour price – THB 16.5/kg. (-13.6% yoy, -3.5% qoq)

FY'24 showed a strong cashflow from operations, consequently the FCF generation of THB 602 million

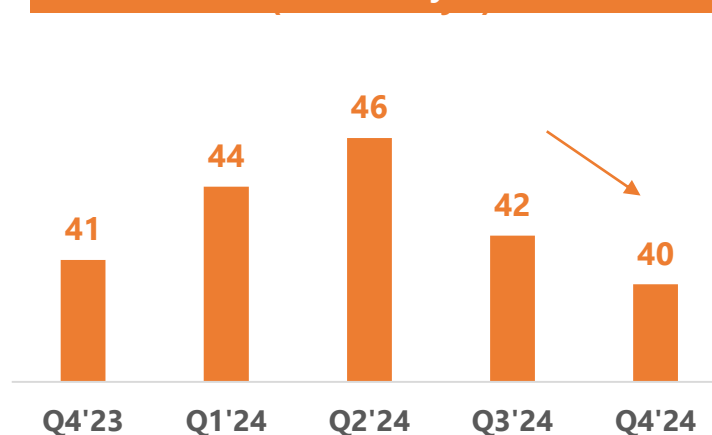


Strong financial performance, greatly improve profitability along with efficient capital management as well as healthy financial position

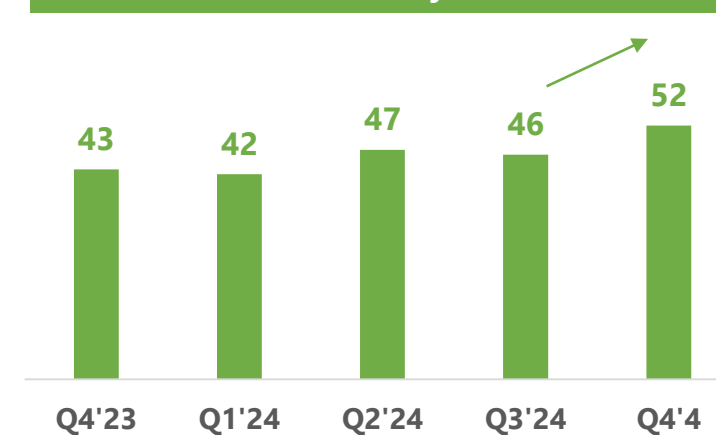
AR Collection Period
(Unit : Days)



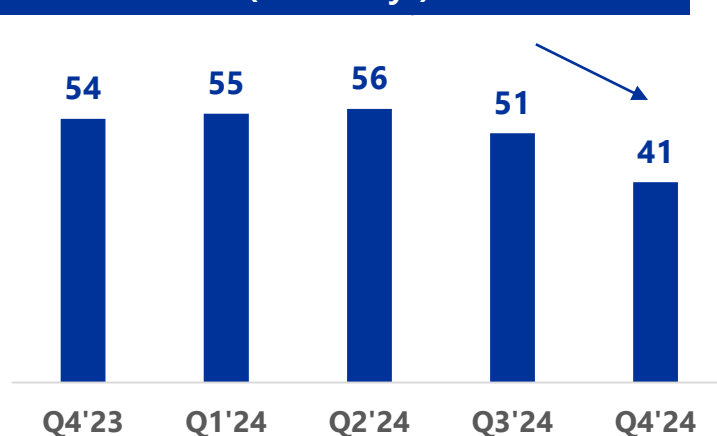
Day Inventory Outstanding
(Unit : Days)



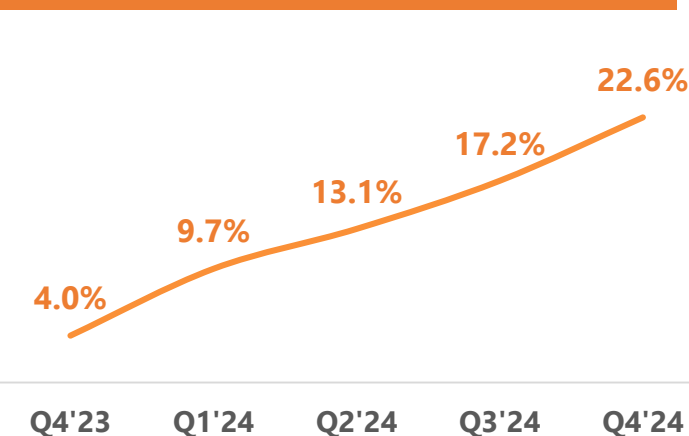
Day Payable Outstanding
(Unit : Days)



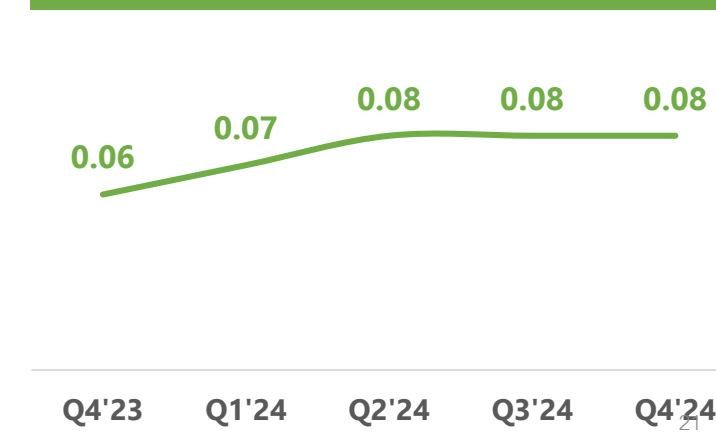
Cash Conversion Cycle
(Unit : Days)



Return on Equity (%)



Interest Bearing Debt to Equity
(Unit : Times)



2025 Full Year Guidance:

Sales 8 - 10% growth

GPM 18 – 20%

SG&A to Sales 8 - 10%

ETR (Effective taxes rate) 10 – 11%

Dividend Policy At least 50% payout

CAPEX THB 300 million



BEPS 2.0 Pillar 2 to is expected to raise TFM effective tax rate to 10– 11% in 2025

BEPS 2.0 - Pillar 2

Base Erosion and Profit Shifting (“BEPS”) 2.0 - Pillar 2 is international tax reforms that aim to introduce a Global Minimum Tax.

Effective: January 1, 2025
(Thailand) (Emergency Decree on Top-up Tax, BE 2567 (2024))

Apply to: Multinational enterprise (MNE) groups with a total consolidated revenue above EUR 750mn

Pillar 2 – Global Minimum Tax

15%
min. tax

for **each jurisdiction** in which an MNE operates.

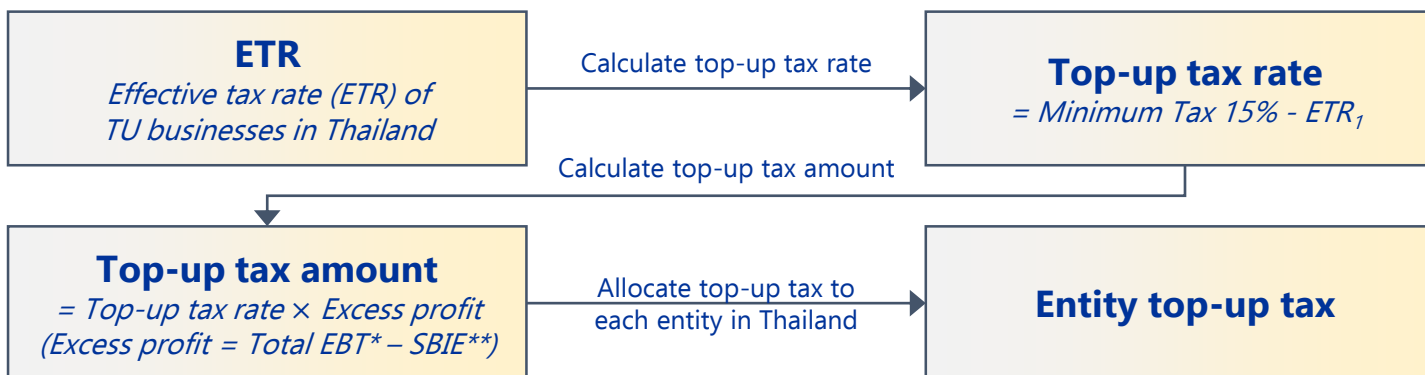
Top-up tax

will be liable in case jurisdictional effective tax rate is less than 15%.

Application of BEPS 2.0 - Pillar 2

For TU Group, the impact from BEPS 2.0 Pillar 2 will mainly come from the businesses in Thailand. As TFM is a member of Thai Union Group, TFM has obligation to comply with the Pillar 2.

Example of top-up tax calculation:



Estimation of Top-up tax impact:

- Top-up tax of TFM in 2025 would be around 3-4% (from estimated tax rate 7% due to BOI expiry)
- We expect the effective tax rate guidance of TFM in 2025 to be around 10 – 11%

Relief measure:

It is expected that the Government will provide relief measures which the Group will closely follow and monitor so that appropriate mitigation approach will be implemented.

2025 Key Strategies: Drive growth in Thailand and Indonesia, and expand exports to other countries

Market Expansion & Growth

- Strengthen Thailand's domestic market presence by increasing direct farm engagements
- Expand sales coverage and market share in Indonesia
- Pursue strategic overseas partnerships to access new markets and deepen penetration in existing ones

Customer & Product Excellence

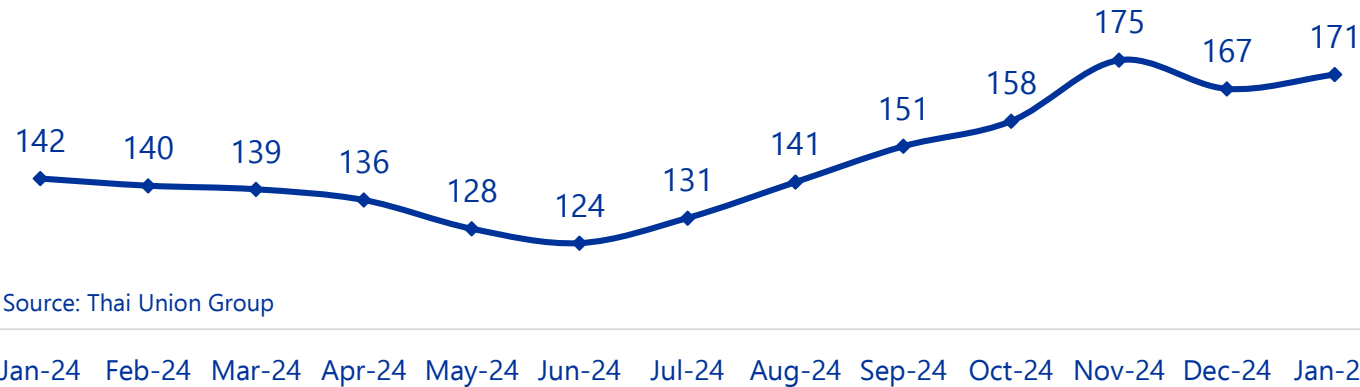
- Maintain premium product quality with low feed conversion ratios (FCR) and consistent physical properties
- Develop new products to meet market needs through innovative R&D solutions
- Enhance shrimp farming expertise through knowledge-sharing programs to drive feed demand and foster brand loyalty
- Support customers in achieving ASC certification, promoting sustainability throughout the value chain



The rising end products price, signal the recovery of aquaculture, leading higher demand in aquatic feed in upcoming quarter

Shrimp price (60 pieces/kg.)

(Unit : THB/kg.)

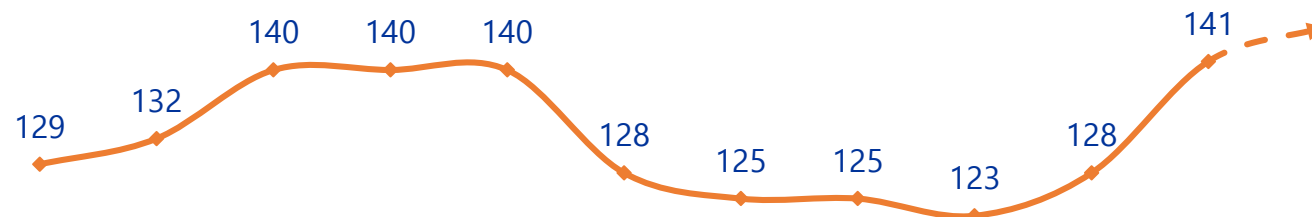


Source: Thai Union Group

- The Shrimp price hiked during the second-half of 2024, leading the demand in shrimp farming across winter and continue to the first quarter of 2025.

Seabass price (size <700g./piece)

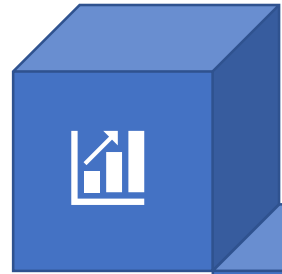
(Unit : THB/kg.)



Source: Department of Fisheries

- The rising seabass price in November, signal the recovery of seabass farming, since the government subsidiary was expired in May, leading higher demand in seabass feed in upcoming quarter

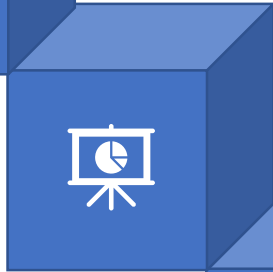
2025 Key Takeaways



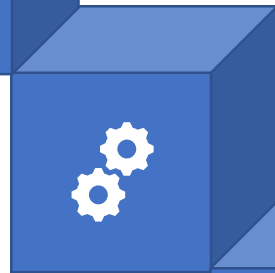
Sales are projected to grow by 8-10% compared to the previous year, driven by our key strategic products, shrimp feed and seabass feed, where we hold a market-leading position



- **Thailand's business** showcases our resilience in the domestic market, with expanding market share in both shrimp feed and seabass feed.
- **Indonesia's business** is poised to enhance its market position, aiming to reach maximum capacity by the end of 2025, with the objective of securing a top 5 position within a few years



Profit Margin shall remain at **18 – 20% GPM** due to new high-base line of production yield, healthy portfolio mix, optimized production cost, as well as well-managed raw material cost



SG&A expenses will be strictly controlled across all functions, with the estimated **SG&A to sales ratio** expected to be around **8-10%**.



Maintain a healthy financial position with a strong debt-to-equity ratio, ensuring readiness for new M&A opportunities.



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Thank you
