

THAI UNION GROUP PLC

No. 103/2025
8 September 2025

CORPORATES

Company Rating:	A+
Issue Ratings:	
Senior unsecured	A+
Outlook:	Stable

Last Review Date: 06/08/25

Company Rating History:

Date	Rating	Outlook/Alert
22/09/23	A+	Stable
28/09/21	A+	Positive
28/08/18	A+	Stable
24/06/15	AA-	Stable
23/12/14	AA-	Alert Developing
08/01/13	AA-	Stable
14/01/11	A+	Stable
29/07/10	A+	Alert Developing
30/08/06	A+	Stable

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RATIONALE

TRIS Rating assigns a rating of “A+” to Thai Union Group PLC (TU)’s proposed issue of up to THB9 billion senior unsecured debentures due within 10 years. The assigned issue rating replaces the rating on the previously proposed issue of up to THB7 billion due within 10 years announced on 6 August 2025 as the company decides to increase the debentures issue size. TU intends to use the proceeds from the new debentures to refinance its outstanding debts and fund its working capital and investments. At the same time, TRIS Rating affirms the company rating and the ratings on TU’s outstanding senior unsecured debentures at “A+/Stable”.

The ratings reflect TU’s strong market position as one of the world’s leading seafood processors, the diversity of its products and markets, and its strong brand portfolio. However, the ratings are constrained by threats of US tariffs, global economic slowdown as well as the fluctuating prices of commodity protein and foreign exchange rates.

TU’s operating performance in the first half of 2025 was weaker than our previously forecast. This was mainly due to lower sales of frozen food business, the appreciation of Thai baht and additional costs associated with its transformation project. TU’s operating revenue declined by 7.9% year-on-year (y-o-y) to THB63.4 billion, while its EBITDA declined by 12.1% y-o-y to THB5.5 billion. The adjusted net debt to EBITDA ratio was 5.2 times in the first half of 2025, up from 4.4 times in 2024.

Looking ahead, TU may face challenges related to trade tariffs, particularly given its reliance on exports to the US market. The recently announced US reciprocal tariff rate of 19% on Thai exports to the US, aligning closely with rates applied to other major seafood processing countries, is expected to help TU retain its competitiveness within the industry. Additionally, the company’s international production network and cost-management approaches are projected to offset some negative effects from the tariff, contributing to its long-term stability.

We consider the company’s liquidity to be manageable. TU’s debt maturing within the next 12 months amounts to THB34.8 billion, comprising THB20 billion in short-term loans, THB12.4 billion in long-term loans and THB2.5 billion in senior unsecured debentures. While capital expenditures are anticipated to be around THB4 billion in 2025. TU’s sources of liquidity at the end of June 2025 included cash on hand of THB9.2 billion and expected funds from operations (FFO) of about THB7 billion over the next 12 months, together with undrawn short-term credit facilities amounting to approximately THB21 billion.

As of June 2025, TU’s total interest-bearing debt, excluding lease liabilities, was THB75.2 billion. The company’s priority debt was THB1.3 billion, translating to a priority debt ratio of 2%.

The financial covenant on TU’s debenture obligations requires the company’s net interest-bearing debt to equity ratio to stay below 2.0 times. As of June 2025, the ratio was 1.1 times. We expect TU to remain in compliance with the financial covenants over the next 12 to 18 months.

On August 4, 2025, Mitsubishi Corporation (MC) announced it intends to acquire an additional 13.8% equity interest in TU for about THB6.7 billion, raising its shareholding in TU to 20%. The deal is subject to certain conditions and aims to strengthen the partnership with TU. Following the completion of the transaction,

TU's management team and daily operations are expected to remain unchanged. MC will designate two representatives to serve on TU's 12-member Board of Directors. Since MC and TU have worked together for over thirty years, we view the potential increase of MC's shareholding in TU will not affect the ratings or outlook.

RATING OUTLOOK

The "stable" outlook reflects our expectation that TU will maintain its competitive advantage stemming from economies of scale and production efficiencies. We expect the company to maintain its debt to EBITDA ratio at around 4-5 times.

RATING SENSITIVITIES

The ratings could be upgraded if the company delivers satisfactory operating performance while improving its capital structure with the adjusted debt to EBITDA ratio sustained well below 4 times, while lifting its EBITDA to the level of around THB25 billion. Conversely, a downgrade could occur if its operating performance is materially weaker than expected or if TU makes any sizable debt-funded investments that materially weaken its balance sheet.

RELATED CRITERIA

- Issue Rating Criteria, 26 December 2024
- Corporate Rating Methodology, 15 July 2022
- Key Financial Ratios and Adjustments for Corporate Issuers, 11 January 2022

Thai Union Group PLC (TU)

Company Rating:	A+
Issue Ratings:	
TU26NA: THB2,000 million senior unsecured debentures due 2026	A+
TU26NB: THB4,500 million senior unsecured debentures due 2026	A+
TU271A: THB4,000 million senior unsecured debentures due 2027	A+
TU287A: THB5,000 million senior unsecured debentures due 2028	A+
TU29NA: THB4,000 million senior unsecured debentures due 2029	A+
TU31NA: THB1,500 million senior unsecured debentures due 2031	A+
Up to THB9,000 million senior unsecured debentures due within 10 years	A+
Rating Outlook:	Stable

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