

## Thai Union Group Has Announced Its Intention of Pursuing an Exit of Its Investment in Red Lobster—the Impact on Its Future Financial Performance Will Be Assessed

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on Thai Union Group Public Company Limited's announcement of its intention of pursuing an exit of its investment in Red Lobster.

- (1) On January 16, 2024, the Company announced its intention to pursuing an exit of its investment in Red Lobster (it invested in 2016) which operates a restaurant business in order to focus on its core business. As a result, the Company plans to record an impairment loss for the entire book value of the investment of approximately THB 18.5 billion in FY 2023.
- (2) The amount of impairment loss recorded at this time is equivalent to approximately 22.4% of net assets of THB 82.6 billion at the end of September 2023. The equity capital ratio (after taking into account of the issuance of subordinated bonds, half of which was considered to be capitalization) was 39.5% at the end of September 2023, but is expected to be deteriorated. On the other hand, Red Lobster's performance has been sluggish for a long time due to the COVID-19 pandemic and inflation. The sale of Red Lobster will decouple this negative effect from the Company's performance. JCR changed the outlook for the Company's Foreign Currency Long-term Issuer Rating to Positive in December 2022, reflecting the Company's financial improvement. JCR will assess the changes of its financial structure, future financial policy and performance through this exit process.

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### <Reference>

Issuer: Thai Union Group Public Company Limited

Foreign Currency Long-term Issuer Rating: A- Outlook: Positive

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