

I-TAIL CORPORATION

ITC TB

THAILAND / FOOD & BEVERAGE

BUY

UNCHANGED

| | |
|-----------------|-----------|
| TARGET PRICE | THB40.00 |
| CLOSE | THB31.50 |
| UP/DOWNSIDE | +27.0% |
| PRIOR TP | THB40.00 |
| CHANGE IN TP | UNCHANGED |
| TP vs CONSENSUS | +4.8% |

ปีแห่งการเติบโตสูงในธุรกิจอาหารสัตว์เลี้ยง

- ผู้บริหารคงเป้าการเติบโตปี 2023 ไว้ในระดับสูงที่ 15%-17% y-y
- ใน 1Q23 ลูกค้านำเข้าได้ชะลอการจัดซื้อเนื่องจากได้ทุนสินค้าไว้เป็นจำนวนมากในช่วงก่อนหน้า; ลูกค้าจะกลับมาซื้อสินค้าตามปกติในเดือน มี.ค. 23
- คงแนะนำซื้อที่ราคาเป้าหมาย 40 บาท

กำไรปกติ 4Q22 อยู่ในระดับดี

ITC รายงานกำไรสุทธิ 4Q22 ที่ 676 ลบ. (-54% q-q, +15% y-y) เมื่อหักผลขาดทุนจากอัตราแลกเปลี่ยนจำนวน 266 ลบ. และค่าสรรหาบุคลากร 66.4 ลบ. กำไรปกติอยู่ที่ 1 พัน ลบ. (-19% q-q, +75% y-y) รายได้รวมโตสูงถึง 35% y-y จากปริมาณขายอาหารแมวและสุนัขที่โตขึ้น ตัวเลขดังกล่าวดีกว่ามูลค่าการส่งออกอาหารสัตว์เลี้ยงของไทยใน 4Q22 ซึ่งลดลง 7% y-y กำไรสุทธิปี 2022 ทำสถิติสูงสุดใหม่ที่ 4.4 พัน ลบ. (+62% y-y) เมื่อหักรายการพิเศษ กำไรปกติอยู่ที่ 4.23 พัน ลบ. (+73.5% y-y)

มุมมองเชิงบวกจากงานเสวนาร่วมกับผู้บริหาร

เราจัดงานเสวนาร่วมกับผู้บริหารของ ITC ไปเมื่อวันที่ 17 ก.พ. 23 ผู้บริหารตั้งเป้าการเติบโตในปี 2023 ประกอบด้วย 1) การเติบโตของรายได้ในสกุลเงินบาทที่ 15%-17% y-y; 2) อัตรากำไรขั้นต้นที่ 25% ใกล้เคียงกับในปี 2022; 3) อัตรากำไรสุทธิที่ 20%; และ 4) ค่าใช้จ่ายในการลงทุน 2 พัน ลบ. ในปี 2023 ปัจจัยหนุนสำคัญสำหรับการเติบโตของรายได้จะมาจากราคาขายเฉลี่ยที่สูงขึ้น 4%-5% และปริมาณขายที่เพิ่มขึ้น 10%-12% y-y บริษัท ได้เริ่มการผลิตสำหรับลูกค้าใหม่รายหนึ่งซึ่งเป็นแบรนด์ชั้นนำระดับโลกในสหรัฐ ในตลาดอาหารสัตว์เลี้ยงคุณภาพสูงใน 1Q23 นอกจากนี้ ITC ยังมุ่งเน้นในตลาดจีนและสหภาพยุโรปโดยตั้งเป้าสัดส่วนรายได้ไว้ที่ 5.8% และ 23% ในปี 2025 (เทียบกับ 3% และ 15.7% ในปี 2022 ตามลำดับ)

ลูกค้าสหรัฐ จะกลับมาซื้อสินค้าในเดือน มี.ค. 2023

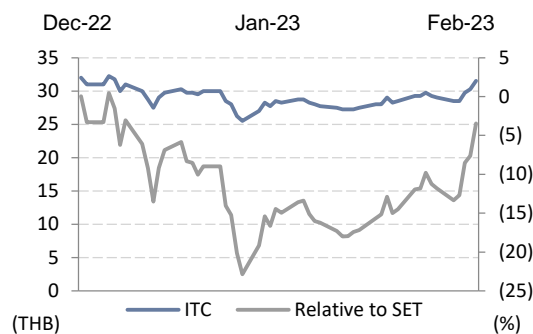
ในระยะสั้นลูกค้าสหรัฐ ได้ชะลอการจัดซื้อเนื่องจากได้ทุนสินค้าไว้เป็นจำนวนมากในช่วงก่อนหน้า ผู้บริหารแจ้งว่ารายได้ 1Q23 จะโต q-q ในอัตราที่ลดลงแต่จะโต y-y เป็นตัวเลขสองหลัก โดยลูกค้าจะกลับมาซื้อสินค้าตามปกติในเดือน มี.ค. 23 เราคาดว่ารายได้จะโต q-q ใน 2Q23 และ 3Q23 เราคงประมาณการกำไรปกติปี 2023-24 ที่ 4.75 พัน ลบ. (+12% y-y) และ 5.37 พัน ลบ. (+13% y-y) ตามลำดับ

คงแนะนำซื้อที่ราคาเป้าหมาย 40 บาท

เราคงแนะนำซื้อที่ราคาเป้าหมาย 40 บาท (25x ของค่า 2023E P/E) เรามองแนวโน้มผลการดำเนินงานในช่วง 1H23 เป็นบวกจากแนวโน้มที่น่าสนใจหลายประการ เช่น ลูกค้าสหรัฐ รายใหม่และการขยายเข้าสู่ตลาดจีน ITC ประกาศเงินปันผลต่อหุ้น 0.2 บาทสำหรับผลประกอบการไตรมาส 4Q22 คิดเป็นผลตอบแทนในรูปเงินปันผลที่ 0.6% หุ้นจะขึ้นประกาศ XD ในวันที่ 28 ก.พ. 23

KEY STOCK DATA

| YE Dec (THB m) | 2022 | 2023E | 2024E | 2025E |
|----------------------|--------|--------|--------|--------|
| Revenue | 21,420 | 23,758 | 26,761 | 29,667 |
| Net profit | 4,401 | 4,745 | 5,371 | 5,985 |
| EPS (THB) | 2.56 | 1.58 | 1.79 | 1.99 |
| vs Consensus (%) | - | (5.4) | 13.7 | 9.6 |
| EBITDA | 5,113 | 5,825 | 6,558 | 7,278 |
| Core net profit | 4,226 | 4,745 | 5,371 | 5,985 |
| Core EPS (THB) | 2.46 | 1.58 | 1.79 | 1.99 |
| Chg. In EPS est. (%) | nm | 0.0 | (0.2) | nm |
| EPS growth (%) | (63.7) | (35.6) | 13.2 | 11.4 |
| Core P/E (x) | 12.8 | 19.9 | 17.6 | 15.8 |
| Dividend yield (%) | 5.3 | 3.0 | 3.4 | 3.8 |
| EV/EBITDA (x) | 15.9 | 14.2 | 12.4 | 11.0 |
| Price/book (x) | 3.8 | 3.6 | 3.3 | 3.0 |
| Net debt/Equity (%) | (52.8) | (44.7) | (45.7) | (47.5) |
| ROE (%) | 26.5 | 18.4 | 19.5 | 20.1 |



| Share price performance | 1 Month | 3 Month | 12 Month |
|--------------------------------|------------------------|---------|----------|
| Absolute (%) | 9.6 | n/a | n/a |
| Relative to country (%) | 11.5 | n/a | n/a |
| Mkt cap (USD m) | 2,729 | | |
| 3m avg. daily turnover (USD m) | n/a | | |
| Free float (%) | 22 | | |
| Major shareholder | Thai Union Group (78%) | | |
| 12m high/low (THB) | 33.75/25.00 | | |
| Issued shares (m) | 3,000.00 | | |

Sources: Bloomberg consensus; FSSIA estimates



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PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 20 กุมภาพันธ์ 2023

Investment thesis

Thailand's i-Tail Corporation (ITC) is one of the world's leading pet food manufacturers. Its cost and innovation advantages come from its parent company, Thai Union Group (TU), one of the world's largest tuna processors. Given the management team's 20 years of experience on average, ITC can respond to changing demands and maintain its relationships with global pet food brands. Also, its growth has outpaced the rise in the value of the pet food market over the past three years. Despite the Covid-19 pandemic, the pet food market has continued to grow in line with the pet humanisation trend.

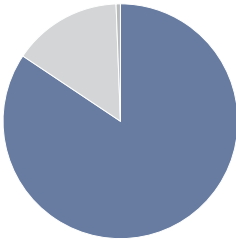
Company profile

ITC was one of the top 10 global pet food companies by value in 2021 and ranked second in Asia. ITC is the Global PetCare (GPC) unit of Thai Union Manufacturing (TUM), which has operated a pet food business since 1977. Apart from Thailand, ITC has an extensive geographic presence in the US, UK, EU, China, and Japan.

www.i-tail.com

Principal activities (revenue, 2022)

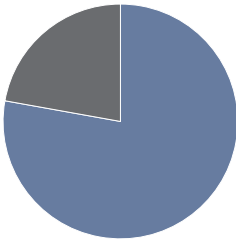
- Pet Food - 84.4 %
- Treats - 15.0 %
- Other - 0.6 %



Source: i-Tail Corporation

Major shareholders

- Thai Union Group - 77.8 %
- Others - 22.2 %



Source: i-Tail Corporation

Catalysts

Potential catalysts for ITC's earnings growth in 2023 are 1) revenue growth driven by new customers and industry growth; 2) its capacity expansion plan; and 3) declining raw material costs and an end to the shipping container shortage.

Risks to our call

Downside risks to our PE-based TP include 1) a stronger-than-expected THB against USD; 2) the high volatility of raw material prices; 3) labor shortages; and 4) changing consumer demand and lifestyles.

Event calendar

| Date | Event |
|----------|---------------------------|
| May 2023 | 1Q23 results announcement |

Key assumptions

| | 2023E | 2024E | 2025E |
|------------------------------|---------|---------|---------|
| Total capacity (tonnes/year) | 194,872 | 206,627 | 224,103 |
| Sales volume (tonnes/year) | 159,330 | 179,268 | 196,964 |
| Utilisation rate (%) | 81.8 | 86.8 | 87.9 |
| FX rate (USD/THB) | 33.0 | 33.0 | 33.0 |
| Tuna price (USD/tonne) | 1,500 | 1,500 | 1,500 |
| Total sales growth (%) | 10.9 | 12.6 | 10.9 |
| Gross margin (%) | 25.2 | 25.3 | 25.4 |

Source: FSSIA estimates

Earnings sensitivity

- For every THB1/USD increase, we estimate 2023 net profit to fall by 10%, and vice versa, all else being equal.
- For every 10% increase in the tuna price, we estimate 2023 net profit to fall by 8.5%, and vice versa, all else being equal.
- For every 10% increase in the aluminum price, we estimate 2023 net profit to fall by 2.9%, and vice versa, all else being equal.
- For every 5% increase in the minimum wage, we estimate 2023 net profit to fall by 2.4%, and vice versa, all else being equal.

Source: FSSIA estimates

Exhibit 1: 4Q22 earnings results

| | 4Q21 | 1Q22 | 2Q22 | 3Q22 | 4Q22 | ----- Change ----- | | 2021 | 2022 | Change |
|-------------------------------------|---------|---------|---------|---------|---------|--------------------|--------------|---------|---------|--------|
| | (THB m) | (THB m) | (THB m) | (THB m) | (THB m) | (q-q%) | (y-y%) | (THB m) | (THB m) | (y-y%) |
| Sales | 4,152 | 4,307 | 5,400 | 6,122 | 5,591 | (8.7) | 34.7 | 14,529 | 21,420 | 47.4 |
| Cost of sales | 3,237 | 3,283 | 3,877 | 4,570 | 4,341 | (5.0) | 34.1 | 11,173 | 16,071 | 43.8 |
| Gross profit | 915 | 1,024 | 1,522 | 1,552 | 1,250 | (19.4) | 36.6 | 3,356 | 5,349 | 59.4 |
| SG&A | 337 | 265 | 312 | 321 | 341 | 6.2 | 1.2 | 982 | 1,239 | 26.2 |
| Operating profit | 602 | 807 | 1,244 | 1,289 | 1,017 | (21.1) | 68.9 | 2,495 | 4,357 | 74.6 |
| Interest expense | 7 | 8 | 13 | 31 | 30 | (2.0) | 339.4 | 32 | 83 | 159.7 |
| Tax expense | 18 | (74) | 60 | 17 | 45 | 162.6 | 143.8 | 28 | 48 | 73.4 |
| Other gain (loss) | 11 | 35 | 179 | 227 | (266) | nm | nm | 285 | 175 | (38.7) |
| Reported net profit | 588 | 908 | 1,349 | 1,468 | 676 | (54.0) | 14.9 | 2,721 | 4,401 | 61.8 |
| Core profit | 577 | 874 | 1,170 | 1,241 | 1,008 | (18.8) | 74.8 | 2,435 | 4,226 | 73.5 |
| Key ratios (%) | | | | | | (ppt) | (ppt) | | | |
| Gross margin | 22.0 | 23.8 | 28.2 | 25.4 | 22.4 | (3.0) | 0.3 | 23.1 | 25.0 | 1.9 |
| SG&A / sales | 8.1 | 6.2 | 5.8 | 5.2 | 6.1 | 0.9 | (2.0) | 6.8 | 5.8 | (1.0) |
| Operating margin | 14.5 | 18.7 | 23.0 | 21.0 | 18.2 | (2.9) | 3.7 | 17.2 | 20.3 | 3.2 |
| Net margin | 14.2 | 21.1 | 25.0 | 24.0 | 12.1 | (11.9) | (2.1) | 18.7 | 20.5 | 1.8 |
| Norm margin | 13.9 | 20.3 | 21.7 | 20.3 | 18.0 | (2.2) | 4.1 | 16.8 | 19.7 | 3.0 |
| Operating statistics (THB m) | | | | | | | | | | |
| Cat food sales | 3,038 | 3,015 | 3,953 | 4,429 | 4,138 | (6.6) | 36.2 | 10,708 | 15,535 | 45.1 |
| Dog food sales | 281 | 496 | 695 | 676 | 671 | (0.7) | 138.9 | 1,653 | 2,538 | 53.5 |
| Treat sales | 814 | 775 | 728 | 989 | 727 | (26.5) | (10.7) | 3,148 | 3,219 | 2.2 |
| THB/USD | 33 | 33 | 34 | 36 | 36 | (1.1) | 7.8 | 31 | 35 | 11.9 |
| Tuna price (USD/tonne) | 1,283 | 1,323 | 1,400 | 1,617 | 1,717 | 6.2 | 33.8 | 1,406 | 1,663 | 18.3 |

Source: ITC

Exhibit 2: Key assumptions for ITC

| Assumptions | Actual | ----- Forecast ----- | | | | ----- Growth ----- | | |
|-----------------------------|---------|----------------------|---------|---------|-------|--------------------|-------|--|
| | 2022 | 2023E | 2024E | 2025E | 2023E | 2024E | 2025E | |
| | | | | | (%) | (%) | (%) | |
| Total capacity (tonnes) | 172,786 | 194,872 | 206,627 | 224,103 | 12.8 | 6.0 | 8.5 | |
| Utilisation rate (%) | 79.6 | 75.9 | 80.5 | 81.4 | (4.7) | 6.0 | 1.1 | |
| Total sales volume (tonnes) | 137,572 | 159,330 | 179,268 | 196,964 | 15.8 | 12.5 | 9.9 | |
| FX rate (THB/USD) | 35.0 | 33.0 | 33.0 | 33.0 | (5.7) | 0.0 | 0.0 | |
| Total sales value (THB m) | 21,420 | 23,758 | 26,761 | 29,667 | 10.9 | 12.6 | 10.9 | |
| Cat food | 15,535 | 17,331 | 19,497 | 21,662 | 11.6 | 12.5 | 11.1 | |
| Dog food | 2,538 | 2,779 | 3,113 | 3,418 | 9.5 | 12.0 | 9.8 | |
| Treats | 3,219 | 3,540 | 4,036 | 4,468 | 10.0 | 14.0 | 10.7 | |
| Gross profit (THB m) | 5,349 | 5,987 | 6,770 | 7,535 | 11.9 | 13.1 | 11.3 | |
| Gross margin (%) | 25.0 | 25.2 | 25.3 | 25.4 | 1.9 | 0.2 | 0.1 | |
| SG&A expenses (THB m) | 1,239 | 1,378 | 1,552 | 1,721 | 26.2 | 11.2 | 12.6 | |
| SG&A to sales (%) | 5.8 | 5.8 | 5.8 | 5.8 | (1.0) | 0.0 | 0.0 | |
| Reported net profit (THB m) | 4,401 | 4,745 | 5,371 | 5,985 | 61.8 | 7.8 | 13.2 | |
| Net margin (%) | 20.5 | 20.0 | 20.1 | 20.2 | 1.8 | (0.6) | 0.1 | |
| Core profit (THB m) | 4,226 | 4,745 | 5,371 | 5,985 | 72.4 | 12.3 | 13.2 | |
| Core margin (%) | 19.7 | 20.0 | 20.1 | 20.2 | 2.9 | 0.2 | 0.1 | |

Note: Change of items in percentage terms are represented in ppt change

Source: FSSIA estimates

Financial Statements

i-Tail Corporation

| Profit and Loss (THB m) Year Ending Dec | 2021 | 2022 | 2023E | 2024E | 2025E |
|---|--------------|--------------|--------------|--------------|--------------|
| Revenue | 14,529 | 21,420 | 23,758 | 26,761 | 29,667 |
| Cost of goods sold | (10,637) | (15,315) | (16,745) | (18,864) | (20,906) |
| Gross profit | 3,892 | 6,105 | 7,013 | 7,896 | 8,761 |
| Other operating income | 121 | 247 | 190 | 214 | 237 |
| Operating costs | (982) | (1,239) | (1,378) | (1,552) | (1,721) |
| Operating EBITDA | 3,031 | 5,113 | 5,825 | 6,558 | 7,278 |
| Depreciation | (536) | (756) | (1,026) | (1,126) | (1,226) |
| Goodwill amortisation | 0 | 0 | 0 | 0 | 0 |
| Operating EBIT | 2,495 | 4,357 | 4,799 | 5,432 | 6,052 |
| Net financing costs | (32) | (83) | (2) | (1) | (1) |
| Associates | - | - | - | - | - |
| Recurring non-operating income | 0 | 0 | 0 | 0 | 0 |
| Non-recurring items | 285 | 175 | 0 | 0 | 0 |
| Profit before tax | 2,749 | 4,450 | 4,798 | 5,431 | 6,051 |
| Tax | (28) | (48) | (53) | (60) | (67) |
| Profit after tax | 2,721 | 4,401 | 4,745 | 5,371 | 5,985 |
| Minority interests | 0 | 0 | 0 | 0 | 0 |
| Preferred dividends | - | - | - | - | - |
| Other items | - | - | - | - | - |
| Reported net profit | 2,721 | 4,401 | 4,745 | 5,371 | 5,985 |
| Non-recurring items & goodwill (net) | (285) | (175) | 0 | 0 | 0 |
| Recurring net profit | 2,435 | 4,226 | 4,745 | 5,371 | 5,985 |
| Per share (THB) | | | | | |
| Recurring EPS * | 6.77 | 2.46 | 1.58 | 1.79 | 1.99 |
| Reported EPS | 7.56 | 2.56 | 1.58 | 1.79 | 1.99 |
| DPS | 4.00 | 1.66 | 0.95 | 1.07 | 1.20 |
| Diluted shares (used to calculate per share data) | 360 | 1,720 | 3,000 | 3,000 | 3,000 |
| Growth | | | | | |
| Revenue (%) | 18.9 | 47.4 | 10.9 | 12.6 | 10.9 |
| Operating EBITDA (%) | (1.9) | 68.7 | 13.9 | 12.6 | 11.0 |
| Operating EBIT (%) | (4.4) | 74.6 | 10.1 | 13.2 | 11.4 |
| Recurring EPS (%) | (4.3) | (63.7) | (35.6) | 13.2 | 11.4 |
| Reported EPS (%) | 6.8 | (66.1) | (38.2) | 13.2 | 11.4 |
| Operating performance | | | | | |
| Gross margin inc. depreciation (%) | 23.1 | 25.0 | 25.2 | 25.3 | 25.4 |
| Gross margin of key business (%) | 23.9 | 26.8 | 11.4 | 11.9 | 11.9 |
| Operating EBITDA margin (%) | 20.9 | 23.9 | 24.5 | 24.5 | 24.5 |
| Operating EBIT margin (%) | 17.2 | 20.3 | 20.2 | 20.3 | 20.4 |
| Net margin (%) | 16.8 | 19.7 | 20.0 | 20.1 | 20.2 |
| Effective tax rate (%) | 1.0 | 1.1 | 1.1 | 1.1 | 1.1 |
| Dividend payout on recurring profit (%) | 59.1 | 67.6 | 60.0 | 60.0 | 60.0 |
| Interest cover (X) | 78.5 | 52.8 | 3,061.6 | 4,203.1 | 5,948.0 |
| Inventory days | 98.3 | 94.8 | 101.6 | 100.1 | 100.7 |
| Debtor days | 54.3 | 48.8 | 57.0 | 56.6 | 57.1 |
| Creditor days | 47.0 | 46.8 | 52.2 | 50.0 | 50.4 |
| Operating ROIC (%) | 24.9 | 33.7 | 29.5 | 30.0 | 40.0 |
| ROIC (%) | 24.2 | 32.5 | 28.2 | 28.5 | 37.4 |
| ROE (%) | 39.3 | 26.5 | 18.4 | 19.5 | 20.1 |
| ROA (%) | 22.1 | 21.6 | 16.6 | 17.7 | 20.1 |
| * Pre-exceptional, pre-goodwill and fully diluted | | | | | |
| Revenue by Division (THB m) | | | | | |
| Pet Food | 12,361 | 18,073 | 20,110 | 22,610 | 25,079 |
| Treats | 2,148 | 3,219 | 3,540 | 4,036 | 4,468 |
| Other | 19 | 128 | 107 | 115 | 120 |

Sources: i-Tail Corporation; FSSIA estimates

Financial Statements

i-Tail Corporation

| Cash Flow (THB m) Year Ending Dec | 2021 | 2022 | 2023E | 2024E | 2025E |
|---|----------------|----------------|----------------|----------------|----------------|
| Recurring net profit | 2,435 | 4,226 | 4,745 | 5,371 | 5,985 |
| Depreciation | 536 | 756 | 1,026 | 1,126 | 1,226 |
| Associates & minorities | 0 | 16 | 8 | 3 | 3 |
| Other non-cash items | - | - | - | - | - |
| Change in working capital | (608) | (2,972) | (462) | (939) | (908) |
| Cash flow from operations | 2,363 | 2,026 | 5,316 | 5,562 | 6,306 |
| Capex - maintenance | (1,238) | (1,002) | (3,154) | (1,000) | (1,000) |
| Capex - new investment | 0 | 0 | 0 | 0 | 0 |
| Net acquisitions & disposals | - | - | - | - | - |
| Other investments (net) | (72) | (222) | (220) | (90) | (87) |
| Cash flow from investing | (1,310) | (1,224) | (3,374) | (1,090) | (1,087) |
| Dividends paid | (1,257) | (7,471) | (2,847) | (3,223) | (3,591) |
| Equity finance | 0 | 20,795 | 0 | 0 | 0 |
| Debt finance | (860) | (1,559) | (14) | (5) | (5) |
| Other financing cash flows | (344) | (16) | (469) | 15 | 15 |
| Cash flow from financing | (2,462) | 11,749 | (3,330) | (3,213) | (3,581) |
| Non-recurring cash flows | - | - | - | - | - |
| Other adjustments | 0 | 0 | 0 | 0 | 0 |
| Net other adjustments | 0 | 0 | 0 | 0 | 0 |
| Movement in cash | (1,409) | 12,551 | (1,388) | 1,259 | 1,637 |
| Free cash flow to firm (FCFF) | 1,084.90 | 884.37 | 1,943.43 | 4,472.75 | 5,219.52 |
| Free cash flow to equity (FCFE) | (151.76) | (773.10) | 1,458.85 | 4,481.47 | 5,228.03 |
| Per share (THB) | | | | | |
| FCFF per share | 0.36 | 0.29 | 0.65 | 1.49 | 1.74 |
| FCFE per share | (0.05) | (0.26) | 0.49 | 1.49 | 1.74 |
| Recurring cash flow per share | 8.25 | 2.91 | 1.93 | 2.17 | 2.40 |
| Balance Sheet (THB m) Year Ending Dec | 2021 | 2022 | 2023E | 2024E | 2025E |
| Tangible fixed assets (gross) | 6,749 | 7,583 | 9,363 | 9,347 | 0 |
| Less: Accumulated depreciation | (2,546) | (2,648) | (2,754) | (2,864) | 0 |
| Tangible fixed assets (net) | 4,203 | 4,935 | 6,609 | 6,483 | 0 |
| Intangible fixed assets (net) | 0 | 0 | 0 | 0 | 0 |
| Long-term financial assets | - | - | - | - | - |
| Invest. in associates & subsidiaries | - | - | - | - | - |
| Cash & equivalents | 703 | 13,254 | 11,866 | 13,124 | 14,762 |
| A/C receivable | 2,207 | 3,517 | 3,905 | 4,399 | 4,877 |
| Inventories | 3,498 | 4,454 | 4,869 | 5,477 | 6,063 |
| Other current assets | 627 | 1,526 | 1,188 | 1,338 | 1,483 |
| Current assets | 7,035 | 22,750 | 21,828 | 24,338 | 27,185 |
| Other assets | 270 | 493 | 713 | 803 | 890 |
| Total assets | 11,508 | 28,178 | 29,149 | 31,624 | 28,075 |
| Common equity | 6,818 | 25,029 | 26,473 | 28,621 | 31,015 |
| Minorities etc. | 0 | 16 | 24 | 27 | 30 |
| Total shareholders' equity | 6,818 | 25,045 | 26,496 | 28,648 | 31,045 |
| Long term debt | 22 | 29 | 24 | 19 | 14 |
| Other long-term liabilities | 604 | 588 | 119 | 134 | 148 |
| Long-term liabilities | 626 | 617 | 142 | 152 | 162 |
| A/C payable | 1,576 | 2,353 | 2,434 | 2,738 | 3,032 |
| Short term debt | 2,310 | 14 | 5 | 5 | 5 |
| Other current liabilities | 179 | 150 | 71 | 80 | 89 |
| Current liabilities | 4,065 | 2,517 | 2,511 | 2,824 | 3,126 |
| Total liabilities and shareholders' equity | 11,508 | 28,178 | 29,149 | 31,624 | 34,332 |
| Net working capital | 4,577 | 6,994 | 7,456 | 8,395 | 9,303 |
| Invested capital | 9,051 | 12,421 | 14,778 | 15,681 | 10,193 |
| * Includes convertibles and preferred stock which is being treated as debt | | | | | |
| Per share (THB) | | | | | |
| Book value per share | 18.94 | 8.34 | 8.82 | 9.54 | 10.34 |
| Tangible book value per share | 18.94 | 8.34 | 8.82 | 9.54 | 10.34 |
| Financial strength | | | | | |
| Net debt/equity (%) | 23.9 | (52.8) | (44.7) | (45.7) | (47.5) |
| Net debt/total assets (%) | 14.2 | (46.9) | (40.6) | (41.4) | (52.5) |
| Current ratio (x) | 1.7 | 9.0 | 8.7 | 8.6 | 8.7 |
| CF interest cover (x) | (3.8) | (8.4) | 931.7 | 3,468.3 | 5,139.1 |
| Valuation | 2021 | 2022 | 2023E | 2024E | 2025E |
| Recurring P/E (x) * | 4.7 | 12.8 | 19.9 | 17.6 | 15.8 |
| Recurring P/E @ target price (x) * | 5.9 | 16.3 | 25.3 | 22.3 | 20.1 |
| Reported P/E (x) | 4.2 | 12.3 | 19.9 | 17.6 | 15.8 |
| Dividend yield (%) | 12.7 | 5.3 | 3.0 | 3.4 | 3.8 |
| Price/book (x) | 1.7 | 3.8 | 3.6 | 3.3 | 3.0 |
| Price/tangible book (x) | 1.7 | 3.8 | 3.6 | 3.3 | 3.0 |
| EV/EBITDA (x) ** | 4.3 | 15.9 | 14.2 | 12.4 | 11.0 |
| EV/EBITDA @ target price (x) ** | 5.3 | 20.9 | 18.6 | 16.3 | 14.5 |
| EV/invested capital (x) | 1.4 | 6.5 | 5.6 | 5.2 | 7.8 |
| * Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income | | | | | |

Sources: i-Tail Corporation; FSSIA estimates

Corporate Governance report of Thai listed companies 2022

| EXCELLENT LEVEL – Score range 90-100 | | | | | | | | | | | |
|--------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|--------|
| AAV | BAM | CIMBT | ECL | HENG | LALIN | NEP | PRG | SCC | SPRC | THRE | TTW |
| ADVANC | BANPU | CK | EE | HMPRO | LANNA | NER | PRM | SCCC | SPVI | THREL | TU |
| AF | BAY | CKP | EGCO | ICC | LHFG | NKI | PSH | SCG | SSC | TIPCO | TVDH |
| AH | BBIK | CM | EPG | ICHI | LIT | NOBLE | PSL | SCGP | SSSC | TISCO | TVI |
| AIRA | BBL | CNT | ETC | III | LOXLEY | NSI | PTG | SCM | SST | TK | TVO |
| AJ | BCP | COLOR | ETE | ILINK | LPN | NVD | PTT | SCN | STA | TKN | TWPC |
| AKP | BCPG | COM7 | FN | ILM | LRH | NYT | PTTEP | SDC | STEC | TKS | UAC |
| AKR | BDMS | COMAN | FNS | IND | LST | OISHI | PTTGC | SEAFCO | STGT | TKT | UBIS |
| ALLA | BEM | COTTO | FPI | INTUCH | MACO | OR | PYLON | SEAOL | STI | TMILL | UPOIC |
| ALT | BEYOND | CPALL | FPT | IP | MAJOR | ORI | Q-CON | SE-ED | SUN | TMT | UV |
| AMA | BGC | CPF | FSMART | IRC | MAKRO | OSP | QH | SELIC | SUSCO | TNDT | VCOM |
| AMARIN | BGRIM | CPI | FVC | IRPC | MALEE | OTO | QTC | SENA | SUTHA | TNITY | VGI |
| AMATA | BIZ | CPN | GC | ITEL | MBK | PAP | RABBIT | SENAJ | SVI | TOA | VIH |
| AMATAV | BKI | CRC | GEL | IVL | MC | PCSGH | RATCH | SGF | SYMC | TOP | WACOAL |
| ANAN | BOL | CSS | GFPT | JTS | MCOT | PDG | RBF | SHR | SYNTEC | TPBI | WAVE |
| AOT | BPP | DDD | GGC | JWD | METCO | PDJ | RS | SICT | TACC | TQM | WHA |
| AP | BRR | DELTA | GLAND | K | MFEC | PG | S | SIRI | TASCO | TRC | WHAUP |
| APURE | BTS | DEMCO | GLOBAL | KBANK | MINT | PHOL | S&J | SIS | TCAP | TRUE | WICE |
| ARIP | BTW | DOHOME | GPI | KCE | MONO | PLANB | SAAM | SITHAI | TEAMG | TSC | WINNER |
| ASP | BWG | DRT | GPSC | KEX | MOONG | PLANET | SABINA | SMPC | TFMAMA | TSR | XPG |
| ASW | CENTEL | DTAC | GRAMMY | KGI | MSC | PLAT | SAMART | SNC | THANA | TSTE | ZEN |
| AUCT | CFRESH | DUSIT | GULF | KKP | MST | PORT | SAMTEL | SONIC | THANI | TSTH | |
| AWC | CGH | EA | GUNKUL | KSL | MTC | PPS | SAT | SORKON | THCOM | TTA | |
| AYUD | CHEWA | EASTW | HANA | KTB | MVP | PR9 | SC | SPALI | THG | TTB | |
| BAFS | CHO | ECF | HARN | KTC | NCL | PREB | SCB | SPI | THIP | TTCL | |
| VERY GOOD LEVEL – Score range 80-89 | | | | | | | | | | | |
| 2S | ASIMAR | CHOTI | ESSO | INSURE | LH | NRF | PROEN | SCI | SR | TMC | UMI |
| 7UP | ASK | CHOW | ESTAR | IRCP | LHK | NTV | PROS | SCP | SRICHA | TMD | UOBKH |
| ABM | ASN | CI | FE | IT | M | NUSA | PROUD | SE | SSF | TMI | UP |
| ACE | ATP30 | CIG | FLOYD | ITD | MATCH | NWR | PSG | SECURE | SSP | TNL | UPF |
| ACG | B | CITY | FORTH | J | MBAX | OCC | PSTC | SFLEX | STANLY | TNP | UTP |
| ADB | BA | CIVIL | FSS | JAS | MEGA | OGC | PT | SFP | STC | TNR | VIBHA |
| ADD | BC | CMC | FTE | JCK | META | ONEE | PTC | SFT | STPI | TOG | VL |
| AEONTS | BCH | CPL | GBX | JCKH | MFC | PACO | QLT | SGP | SUC | TPA | VPO |
| AGE | BE8 | CPW | GCAP | JMT | MGT | PATO | RCL | SIAM | SVOA | TPAC | VRANDA |
| AHC | BEC | CRANE | GENCO | JR | MICRO | PB | RICHY | SINGER | SVT | TPCS | WGE |
| AIE | BH | CRD | GJS | KBS | MILL | PICO | RJH | SKE | SWC | TIPL | WIK |
| AIT | BIG | CSC | GTB | KCAR | MITSIB | PIMO | ROJNA | SKN | SYNEX | TIPIP | WIN |
| ALUCON | BJC | CSP | GYT | KGEN | MK | PIN | RPC | SKR | TAE | TPLAS | WINMED |
| AMANA | BJCHI | CV | HEMP | KIAT | MODERN | PJW | RT | SKY | TAKUNI | TPS | WORK |
| AMR | BLA | CWT | HPT | KISS | MTI | PL | RWI | SLP | TCC | TQR | WP |
| APCO | BR | DCC | HTC | KK | NATION | PLE | S11 | SMART | TCMC | TRITN | XO |
| APCS | BRI | DHOUSE | HUMAN | KOOL | NCAP | PM | SA | SMD | TFG | TRT | YUASA |
| AQUA | BROOK | DITTO | HYDRO | KTIS | NCH | PMTA | SABUY | SMIT | TFI | TRU | ZIGA |
| ARIN | BSM | DMT | ICN | KUMWEL | NDR | PPP | SAK | SMT | TFM | TRV | |
| ARROW | BYD | DOD | IFS | KUN | NETBAY | PPPM | SALEE | SNNP | TGH | TSE | |
| AS | CBG | DPAINT | IIG | KWC | NEX | PRAPAT | SAMCO | SNP | TIDLOR | TVT | |
| ASAP | CEN | DV8 | IMH | KWM | NINE | PRECHA | SANKO | SO | TIGER | TWP | |
| ASEFA | CHARAN | EASON | INET | L&E | NNCL | PRIME | SAPPE | SPA | TIPH | UBE | |
| ASIA | CHAYO | EFORL | INGRS | LDC | NOVA | PRIN | SAWAD | SPC | TITLE | UEC | |
| ASIAN | CHG | ERW | INSET | LEO | NPK | PRINC | SCAP | SPCG | TM | UKEM | |
| GOOD LEVEL – Score range 70-79 | | | | | | | | | | | |
| A | BEAUTY | CMAN | EMC | HL | KWI | MORE | PF | RSP | SUPER | TOPP | VARO |
| A5 | BGT | CMO | EP | HTECH | KYE | MPIC | PK | SIMAT | TC | TPCH | W |
| AI | BLAND | CMR | EVER | IHL | LEE | MUD | PPM | SISB | TCCC | TPOLY | WFX |
| ALL | BM | CPANEL | F&D | INOX | LPH | NC | PRAKIT | SK | TCJ | TRUBB | WPH |
| ALPHAX | BROCK | CPT | FMT | JAK | MATI | NEWS | PTECH | SOLAR | TEAM | TTI | YGG |
| AMC | BSBM | CSR | GIFT | JMART | M-CHAI | NFC | PTL | SPACK | THE | TYCN | |
| APP | BTNC | CTW | GLOCON | JSP | MCS | NSL | RAM | SPG | THMUI | UMS | |
| AQ | CAZ | D | GLORY | JUBILE | MDX | NV | ROCK | SQ | TKC | UNIQ | |
| AU | CCP | DCON | GREEN | KASET | MENA | PAF | RP | STARK | TNH | UPA | |
| B52 | CGD | EKH | GSC | KCM | MJD | PEACE | RPH | STECH | TNPC | UREKA | |

Disclaimer:

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive

Sources: Thai Institute of Directors Association (IOD); FSSIA's compilation; data as of 26 October 2021

Anti-corruption Progress Indicator

| CERTIFIED | | | | | | | | | | |
|-----------|--------|--------|--------|-------|--------|--------|--------|--------|--------|--------|
| 2S | BCPG | CPI | GCAP | JR | MCOT | PHOL | RABBIT | SNC | THANI | TTCL |
| 7UP | BE8 | CPL | GEL | K | META | PK | RATCH | SNP | THCOM | TU |
| ADVANC | BEC | CPN | GFPT | KASET | MFC | PL | RML | SORKON | THIP | TVDH |
| AF | BEYOND | CRC | GGC | KBANK | MFEC | PLANB | RWI | SPACK | THRE | TVI |
| AI | BGC | CSC | GJS | KBS | MILL | PLANET | S&J | SPALI | THREL | TVO |
| AIE | BGRIM | DCC | GPI | KCAR | MINT | PLAT | SAAM | SPC | TIDLOR | TWPC |
| AIRA | BKI | DELTA | GPSC | KCE | MONO | PM | SABINA | SPI | TIPCO | UBE |
| AJ | BLA | DEMCO | GSTEEL | KGEN | MOONG | PPP | SAPPE | SPRC | TISCO | UBIS |
| AKP | BPP | DIMET | GULF | KGI | MSC | PPPM | SAT | SRICHA | TKS | UEC |
| AMA | BROOK | DRT | GUNKUL | KKP | MST | PPS | SC | SSF | TKT | UKEM |
| AMANAHA | BRR | DTAC | HANA | KSL | MTC | PR9 | SCB | SSP | TMILL | UOBKH |
| AMATA | BSBM | DUSIT | HARN | KTB | MTI | PREB | SCC | SSSC | TMT | UPF |
| AMATAV | BTS | EA | HEMP | KTC | NEP | PRG | SCCC | SST | TNITY | UV |
| AP | BWG | EASTW | HENG | KWI | NINE | PRINC | SCG | STA | TNL | VGI |
| APCS | CEN | EGCO | HMPRO | L&E | NKI | PRM | SCGP | STGT | TNP | VIH |
| AS | CENTEL | EP | HTC | LANNA | NOBLE | PROS | SCM | STOWER | TNR | WACOAL |
| ASIAN | CFRESH | EPG | ICC | LH | NOK | PSH | SCN | SUSCO | TOG | WHA |
| ASK | CGH | ERW | ICHI | LHFG | NSI | PSL | SEAOIL | SVI | TOP | WHAUP |
| ASP | CHEWA | ESTAR | IFS | LHK | NWR | PSTC | SE-ED | SYMC | TOPP | WICE |
| AWC | CHOTI | ETE | III | LPN | OCC | PT | SELIC | SYNTEC | TPA | WIIK |
| AYUD | CHOW | FE | ILINK | LRH | OGC | PTG | SENA | TAE | TPCS | XO |
| B | CIG | FNS | INET | M | ORI | PTT | SGP | TAKUNI | TPP | YUASA |
| BAFS | CIMBT | FPI | INSURE | MAJOR | PAP | PTTEP | SINGER | TASCO | TRU | ZEN |
| BAM | CM | FPT | INTUCH | MAKRO | PATO | PTTGC | SIRI | TCAP | TRUE | ZIGA |
| BANPU | CMC | FSMART | IRC | MALEE | PB | PYLON | SITHAI | TCMC | TSC | |
| BAY | COM7 | FSS | IRPC | MATCH | PCSGH | Q-CON | SKR | TFG | TST | |
| BBL | COTTO | FTE | ITEL | MBAX | PDG | QH | SMIT | TFI | TSTH | |
| BCH | CPALL | GBX | IVL | MBK | PDJ | QLT | SMK | TFMAMA | TTA | |
| BCP | CPF | GC | JKN | MC | PG | QTC | SMPC | TGH | TTB | |
| DECLARED | | | | | | | | | | |
| AH | CHG | DHOUSE | EVER | J | KUMWEL | NRF | RS | SUPER | TQM | VIBHA |
| ALT | CI | DOHOME | FLOYD | JMART | LDC | NUSA | SAK | SVT | TRT | W |
| APCO | CPR | ECF | GLOBAL | JMT | MEGA | OR | SIS | TKN | TSI | WIN |
| ASW | CPW | EKH | ILM | JTS | NCAP | PIMO | SSS | TMD | VARO | |
| B52 | DDD | ETC | INOX | KEX | NOVA | PLE | STECH | TMI | VCOM | |

| Level | |
|-----------|---|
| Certified | This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties. |
| Declared | This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) |

Disclaimer:

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of 26 October 2021) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Sources: The Securities and Exchange Commission, Thailand; * FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Sureeporn Teewasuwet FSS International Investment Advisory Securities Co., Ltd

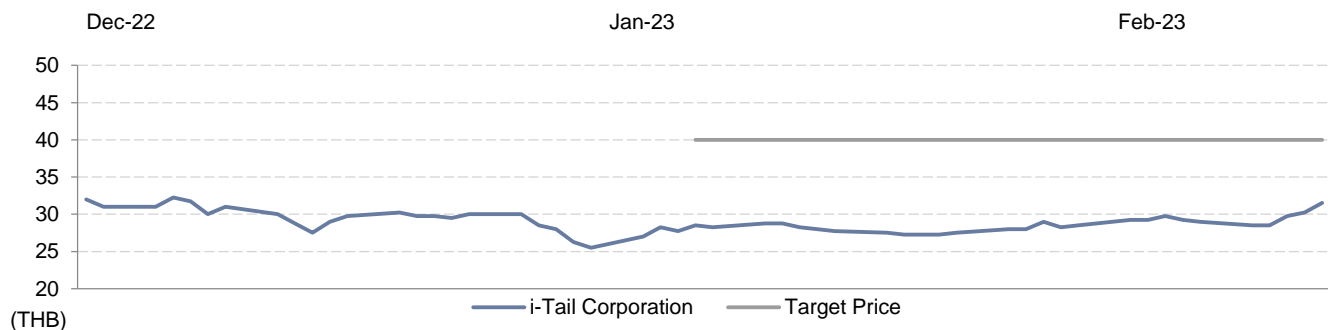
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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History of change in investment rating and/or target price

i-Tail Corporation (ITC TB)



| Date | Rating | Target price | Date | Rating | Target price | Date | Rating | Target price |
|-------------|--------|--------------|------|--------|--------------|------|--------|--------------|
| 11-Jan-2023 | BUY | 40.00 | - | - | - | - | - | - |

Sureeporn Teewasuwet started covering this stock from 11-Jan-2023

Price and TP are in local currency

Source: FSSIA estimates

| Company | Ticker | Price | Rating | Valuation & Risks |
|--------------------|--------|-----------|--------|---|
| i-Tail Corporation | ITC TB | THB 31.50 | BUY | Downside risks to our PE-based TP include 1) a stronger-than-expected THB against USD; 2) the high volatility of raw material prices; 3) labor shortages; and 4) changing consumer demand and lifestyles. |

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 17-Feb-2023 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.