

I-TAIL CORPORATION ITC TB
THAILAND / FOOD & BEVERAGEBUY
UNCHANGED

3Q23 results at first glance

TARGET PRICE	THB30.00
CLOSE	THB16.90
UP/DOWNSIDE	+77.5%
TP vs CONSENSUS	+30.5%

กำไร 3Q23 ดีกว่าคาดมาก และจะดีขึ้นต่อใน 4Q23

Highlights

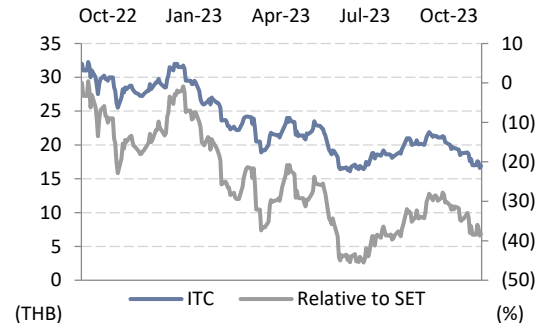
- ITC รายงานกำไรสุทธิ 3Q23 เท่ากับ 645 ลบ. (+45% q-q, -56% y-y) หากไม่รวม FX loss -11.7 ลบ. และกลับรายการด้อยค่า 3 ลบ. จะมีกำไรปกติที่ 653 ลบ. (+51% q-q, -47% y-y) ดีกว่าทั้งเราและ Consensus คาดถึง 30%
- สิ่งที่ทำให้ดีกว่าคาดคือ 1) รายได้ดีกว่าคาด 14%, 2) อัตรากำไรขั้นต้นดีกว่าคาด 20 bps และ 3) รายได้อื่นดีกว่าคาด มาจากดอกเบี้ยรับจากการลงทุนใน Corporate Bond
- รายได้รวม 3Q23 พื้นตัว +23% q-q แต่ยัง -35% y-y เพราะฐานสูงปีก่อน โดยรายได้อาหารแมวและขนมสัตว์เลี้ยงเติบโตดี +27% q-q และ +44% y-y ตามลำดับ หลังลูกค้ากลับมา Restocking อีกครั้ง และมีรายได้อื่นที่ไม่ใช่อาหารสัตว์เลี้ยง (เช่น การขายหน้าให้กับ TU และบริษัทอื่นนอกเครือ) ที่เร่งขึ้นเป็น 226 ลบ. จาก 74 ลบ. ใน 2Q23 ซึ่งเป็นรายการที่ดีกว่าคาด เราตั้งข้อสังเกตว่าเป็นรายการที่ผันผวนในแต่ละไตรมาส แม้ไม่รวมรายการนี้ รายได้ 3Q23 ถือว่ายังโตดี +18.7% q-q
- อัตรากำไรขั้นต้นขยับขึ้นเป็น 19.2% จาก 18.4% ใน 2Q23 (แต่ยังต่ำกว่า 25.4% ใน 3Q22) มาจากการปรับขึ้นราคาขายและอัตรากำไรขั้นต้นการผลิตที่สูงขึ้น ขณะที่ต้นทุนปลายยังสูง และ Premium Mix ยังใกล้เคียงไตรมาสก่อนหน้า
- คุมค่าใช้จ่ายได้ดี โดยเฉพาะค่าใช้จ่ายบริหารจากค่าธรรมเนียมการจัดการให้กับบริษัทในเครือของ TU ลดลง กอปรกับรายได้ที่พื้น q-q ทำให้ SG&A to sales ลดลงเหลือ 6.7% จาก 9.2% ใน 2Q23 แต่ยังสูงกว่า 5.2% ใน 3Q22

Outlook

- บริษัทมีกำไรสุทธิ 9M23 เท่ากับ 1,515 ลบ. (-59% y-y) คิดเป็น 75% ของประมาณการทั้งปี แนวโน้มกำไร 4Q23 จะเร่งตัวขึ้นทำจุดสูงสุดของปี สวนทางฤดูกาล เพราะลูกค้าเพิ่งเริ่ม Restocking ใน 3Q23 จึงคาดว่าคำสั่งซื้อที่ยังสูงขึ้นต่อ โดยผู้บริหารตั้งเป้ารายได้ 4Q23 ขยับขึ้นแต่ละระดับ 5 พันลบ. ปัจจุบัน Secured orders ไปแล้ว 75% ของเป้า มีโอกาสที่กำไร 4Q23 อาจทำได้ราว 750-800 ลบ. ดีกว่าที่เราประมาณการไว้ที่ 600 ลบ.
- เรายังคงมุมมองตามเดิมว่าผลการดำเนินงานได้ผ่านจุดต่ำสุดไปแล้ว และจะทยอยฟื้นตัวอย่างค่อยเป็นค่อยไป โดยคาดการณ์กำไรสุทธิปี 2023-24 วัที่ 2 พันลบ. (-54% y-y) และ 3.5 พันลบ. (+76% y-y) ตามลำดับ
- ยังคงราคาเป้าหมายปี 2024 ที่ 30 บาท (อิง PE เดิม 25x) ราคาหุ้นปัจจุบันเทรดอยู่บน PE2024 เพียง 14.2x คงคำแนะนำซื้อลงทุน

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	21,420	15,395	19,654	21,772
Net profit	4,401	2,020	3,562	4,160
EPS (THB)	2.56	0.67	1.19	1.39
vs Consensus (%)	-	1.4	19.7	18.0
EBITDA	4,928	2,950	4,577	5,286
Recurring net profit	4,226	2,020	3,562	4,160
Core EPS (THB)	2.46	0.67	1.19	1.39
EPS growth (%)	(63.7)	(72.6)	76.3	16.8
Core P/E (x)	6.9	25.1	14.2	12.2
Dividend yield (%)	9.8	3.2	4.9	5.7
EV/EBITDA (x)	7.6	12.8	8.4	7.1
Price/book (x)	2.0	2.0	1.9	1.9
Net debt/Equity (%)	(52.8)	(51.4)	(47.9)	(47.9)
ROE (%)	26.5	8.1	14.0	15.6



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(20.3)	(1.2)	n/a
Relative to country (%)	(15.5)	9.9	n/a
Mkt cap (USD m)	1,400		
3m avg. daily turnover (USD m)	4.1		
Free float (%)	22		
Major shareholder	Thai Union Group (78%)		
12m high/low (THB)	33.75/15.70		
Issued shares (m)	3,000.00		

Sources: Bloomberg consensus; FSSIA estimates



Sureeporn Teewasuwet

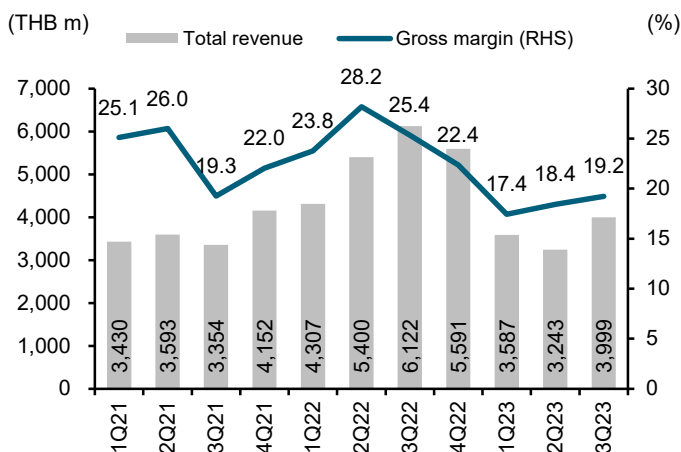
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Exhibit 1: 3Q23 results summary

	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	---- Change ----		9M22	9M23	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Sales	4,307	5,400	6,122	5,591	3,587	3,243	3,999	23.3	(34.7)	15,829	10,829	(31.6)
Cost of sales	3,283	3,877	4,570	4,341	2,962	2,645	3,231	22.2	(29.3)	11,730	8,838	(24.7)
Gross profit	1,024	1,522	1,552	1,250	625	598	768	28.5	(50.5)	4,099	1,991	(51.4)
SG&A	265	312	321	341	301	298	266	(10.7)	(17.2)	898	865	(3.7)
Operating profit	807	1,244	1,289	1,017	447	431	685	59.1	(46.9)	3,340	1,563	(53.2)
Other income	48	33	58	107	123	130	183	39.9	215.5	140	436	212.3
Interest expense	8	13	31	30	6	2	2	(6.9)	(94.6)	53	9	(82.2)
Tax expense	(74)	60	17	45	26	(4)	31	nm	78.9	3	52	1503.5
Other gain (loss)	35	179	227	(266)	11	12	(9)	nm	nm	441	15	(96.7)
Reported net profit	908	1,349	1,468	676	425	445	645	44.9	(56.1)	3,726	1,515	(59.4)
Core profit	874	1,170	1,241	941	414	433	653	50.8	(47.4)	3,285	1,500	(54.3)
Key ratios (%)								(ppt)	(ppt)			
Gross margin	23.8	28.2	25.4	22.4	17.4	18.4	19.2	0.8	(6.1)	25.9	18.6	(7.2)
SG&A to sales	6.2	5.8	5.2	6.1	8.4	9.2	6.7	(2.5)	1.4	5.7	8.1	2.4
Operating margin	18.7	23.0	21.0	18.2	12.5	13.3	17.1	3.8	(3.9)	21.1	14.6	(6.5)
Net margin	21.1	25.0	24.0	12.1	11.9	13.7	16.1	2.4	(7.9)	23.5	14.2	(9.4)
Core margin	20.3	21.7	20.3	16.8	11.5	13.4	16.3	3.0	(3.9)	20.8	14.0	(6.7)
Operating statistics (THB m)												
THB/USD	33.1	34.4	36.4	36.3	33.9	34.5	35.2	2.0	(3.4)	34.6	34.5	(0.3)
Tuna price (USD/tonne)	1,717	1,608	1,667	1,660	1,820	2,000	1,850	(7.5)	11.0	1,664	1,890	13.6
Cat food sales	3,015	3,953	4,429	4,160	2,399	2,264	2,885	27.4	(34.9)	11,398	7,549	(33.8)
Dog food sales	496	695	676	694	594	563	399	(29.1)	(41.0)	1,867	1,556	(16.7)
Treat sales	775	728	989	727	499	338	487	44.2	(50.8)	2,492	1,324	(46.9)
Other pet sales	21	24	28	10	2	4	2	(63.6)	(94.3)	72	8	(88.8)
Other non-pet sales	0	0	0	0	92	74	226	206.0	nm	0	393	nm
Americas	2,305	3,016	3,516	3,085	1,805	1,672	1,841	10.2	(47.6)	8,836	5,318	(39.8)
Europe	661	814	927	956	479	258	456	76.6	(50.9)	2,402	1,192	(50.4)
Asia, Oceania, Others	1,342	1,570	1,679	1,551	1,303	1,313	1,703	29.6	1.4	4,591	4,319	(5.9)

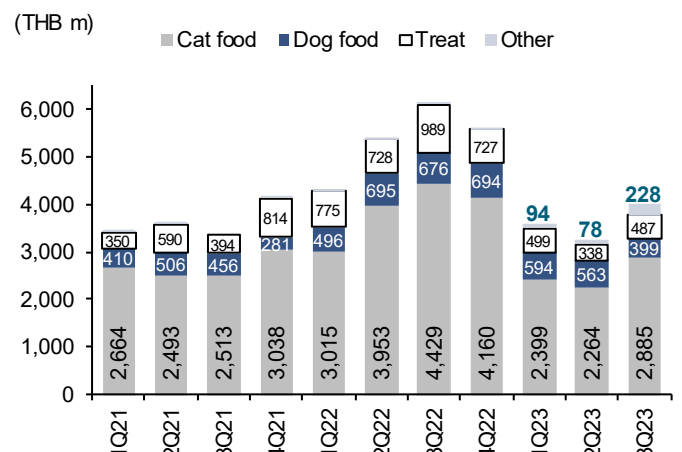
Sources: ITC; FSSIA estimates

Exhibit 2: Quarterly revenue and gross margin



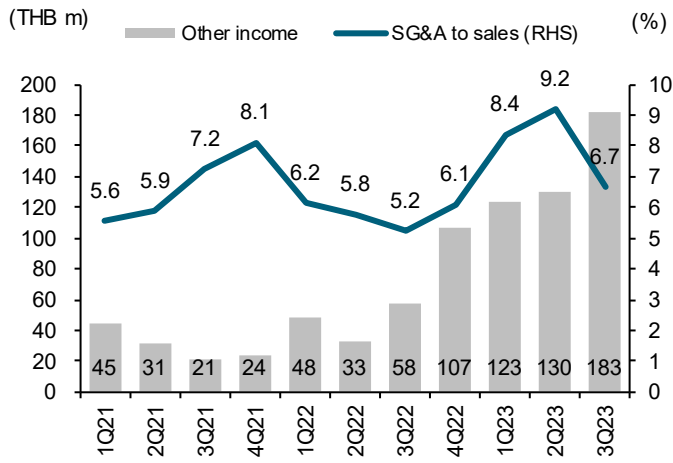
Sources: ITC, FSSIA's compilation

Exhibit 3: Quarterly revenue breakdown by segment



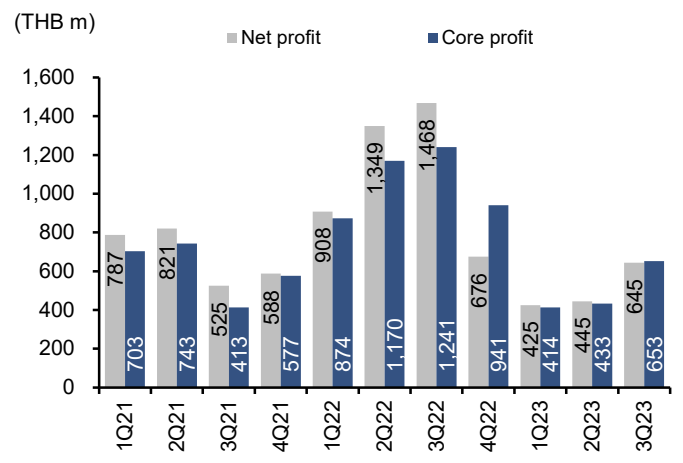
Sources: ITC, FSSIA's compilation

Exhibit 4: Other income and SG&A to sales



Sources: ITC, FSSIA's compilation

Exhibit 5: Quarterly net profit and core profit



Sources: ITC, FSSIA's compilation

Financial Statements

i-Tail Corporation

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	14,529	21,420	15,395	19,654	21,772
Cost of goods sold	(11,173)	(16,071)	(12,470)	(15,232)	(16,656)
Gross profit	3,356	5,349	2,925	4,422	5,117
Other operating income	121	247	377	491	544
Operating costs	(982)	(1,239)	(1,193)	(1,278)	(1,415)
Operating EBITDA	3,031	4,928	2,950	4,577	5,286
Depreciation	(536)	(571)	(841)	(941)	(1,041)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	2,495	4,357	2,109	3,636	4,246
Net financing costs	(32)	(83)	(20)	(15)	(16)
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	2,089	3,621	4,230
Tax	(28)	(48)	(63)	(54)	(63)
Profit after tax	2,721	4,401	2,026	3,567	4,167
Minority interests	0	0	(6)	(5)	(7)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	2,721	4,401	2,020	3,562	4,160
Non-recurring items & goodwill (net)	(285)	(175)	0	0	0
Recurring net profit	2,435	4,226	2,020	3,562	4,160
Per share (THB)					
Recurring EPS *	6.77	2.46	0.67	1.19	1.39
Reported EPS	7.56	2.56	0.67	1.19	1.39
DPS	4.00	1.66	0.54	0.83	0.97
Diluted shares (used to calculate per share data)	360	1,720	3,000	3,000	3,000
Growth					
Revenue (%)	18.9	47.4	(28.1)	27.7	10.8
Operating EBITDA (%)	(1.9)	62.6	(40.1)	55.2	15.5
Operating EBIT (%)	(4.4)	74.6	(51.6)	72.4	16.8
Recurring EPS (%)	(4.3)	(63.7)	(72.6)	76.3	16.8
Reported EPS (%)	6.8	(66.1)	(73.7)	76.3	16.8
Operating performance					
Gross margin inc. depreciation (%)	23.1	25.0	19.0	22.5	23.5
Gross margin exc. depreciation (%)	26.8	27.6	24.5	27.3	28.3
Operating EBITDA margin (%)	20.9	23.0	19.2	23.3	24.3
Operating EBIT margin (%)	17.2	20.3	13.7	18.5	19.5
Net margin (%)	16.8	19.7	13.1	18.1	19.1
Effective tax rate (%)	1.0	1.1	3.0	1.5	1.5
Dividend payout on recurring profit (%)	59.1	67.6	80.0	70.0	70.0
Interest cover (X)	78.5	52.8	104.4	249.0	273.9
Inventory days	98.3	93.6	123.5	96.9	102.1
Debtor days	54.3	48.8	71.7	53.5	57.1
Creditor days	47.0	46.3	63.7	48.5	51.1
Operating ROIC (%)	24.9	33.7	14.2	23.4	25.4
ROIC (%)	24.2	32.5	13.7	22.5	24.2
ROE (%)	39.3	26.5	8.1	14.0	15.6
ROA (%)	22.1	21.6	7.4	13.0	14.4
* Pre exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Pet Food	12,361	18,073	12,996	16,624	18,436
Treats	2,148	3,219	2,115	2,723	3,014
Other	19	128	284	307	322

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	2,020	3,562	4,160
Depreciation	536	571	841	941	1,041
Associates & minorities	0	16	(1)	4	2
Other non-cash items	-	-	-	-	-
Change in working capital	(608)	(2,972)	2,032	(1,279)	(643)
Cash flow from operations	2,363	1,841	4,892	3,228	4,560
Capex - maintenance	(1,238)	(817)	(3,154)	(1,000)	(1,000)
Capex - new investment	0	0	0	0	0
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(72)	(222)	31	(128)	(64)
Cash flow from investing	(1,310)	(1,039)	(3,123)	(1,128)	(1,064)
Dividends paid	(1,257)	(7,471)	(1,616)	(2,493)	(2,912)
Equity finance	0	20,795	0	0	0
Debt finance	(860)	(1,559)	(14)	(5)	(5)
Other financing cash flows	(344)	(16)	(511)	21	11
Cash flow from financing	(2,462)	11,749	(2,141)	(2,477)	(2,906)
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	(373)	(377)	590
Free cash flow to firm (FCFF)	1,084.90	884.37	1,788.70	2,115.12	3,511.94
Free cash flow to equity (FCFE)	(151.76)	(773.10)	1,243.67	2,116.82	3,502.03

Per share (THB)	2021	2022	2023E	2024E	2025E
FCFF per share	0.36	0.29	0.60	0.71	1.17
FCFE per share	(0.05)	(0.26)	0.41	0.71	1.17
Recurring cash flow per share	8.25	2.80	0.95	1.50	1.73

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	6,749	7,583	9,548	9,718	9,792
Less: Accumulated depreciation	(2,546)	(2,648)	(2,754)	(2,864)	(2,979)
Tangible fixed assets (net)	4,203	4,935	6,794	6,853	6,813
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	-	-	-	-	-
Cash & equivalents	703	13,254	12,881	12,504	13,095
A/C receivable	2,207	3,517	2,531	3,231	3,579
Inventories	3,498	4,454	3,416	4,173	4,563
Other current assets	627	1,526	770	983	1,089
Current assets	7,035	22,750	19,598	20,891	22,325
Other assets	270	493	462	590	653
Total assets	11,508	28,178	26,854	28,334	29,791
Common equity	6,818	25,029	24,979	26,047	27,295
Minorities etc.	0	16	15	20	22
Total shareholders' equity	6,818	25,045	24,994	26,067	27,317
Long term debt	22	29	24	19	14
Other long-term liabilities	604	588	77	98	109
Long-term liabilities	626	617	100	117	122
A/C payable	1,576	2,353	1,708	2,087	2,282
Short term debt	2,310	14	5	5	5
Other current liabilities	179	150	46	59	65
Current liabilities	4,065	2,517	1,759	2,151	2,352
Total liabilities and shareholders' equity	11,508	28,178	26,854	28,334	29,791
Net working capital	4,577	6,994	4,962	6,241	6,884
Invested capital	9,051	12,421	12,218	13,684	14,350

* Includes convertibles and preferred stock which is being treated as debt

Per share (THB)	2021	2022	2023E	2024E	2025E
Book value per share	18.94	8.34	8.33	8.68	9.10
Tangible book value per share	18.94	8.34	8.33	8.68	9.10

Financial strength	2021	2022	2023E	2024E	2025E
Net debt/equity (%)	23.9	(52.8)	(51.4)	(47.9)	(47.9)
Net debt/total assets (%)	14.2	(46.9)	(47.9)	(44.0)	(43.9)
Current ratio (x)	1.7	9.0	11.1	9.7	9.5
CF interest cover (x)	(3.8)	(8.4)	62.6	146.0	226.9

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	2.5	6.9	25.1	14.2	12.2
Recurring P/E @ target price (x) *	4.4	12.2	44.5	25.3	21.6
Reported P/E (x)	2.2	6.6	25.1	14.2	12.2
Dividend yield (%)	23.7	9.8	3.2	4.9	5.7
Price/book (x)	0.9	2.0	2.0	1.9	1.9
Price/tangible book (x)	0.9	2.0	2.0	1.9	1.9
EV/EBITDA (x) **	2.5	7.6	12.8	8.4	7.1
EV/EBITDA @ target price (x) **	4.1	15.6	26.2	16.9	14.6
EV/invested capital (x)	0.9	3.0	3.1	2.8	2.6

* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income

Sources: i-Tail Corporation; FSSIA estimates

Disclaimer for ESG scoring

ESG score	Methodology	Rating																												
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																												
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for THSI inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETTHSI Index is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																												
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																												
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																												
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																												
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table border="1" data-bbox="879 1178 1445 1249"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+																		
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ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																												
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table border="1" data-bbox="240 1473 1485 1671"> <tbody> <tr> <td>AAA</td> <td>8.571-10.000</td> <td>Leader:</td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td>Average:</td> <td>a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td>BB</td> <td>2.857-4.285</td> <td></td> <td></td> </tr> <tr> <td>B</td> <td>1.429-2.856</td> <td></td> <td></td> </tr> <tr> <td>CCC</td> <td>0.000-1.428</td> <td>Laggard:</td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570			A	5.714-7.142			BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285			B	1.429-2.856			CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks	
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																													
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																													
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																													
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																												
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																												

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Sureeporn Teewasuwet FSS International Investment Advisory Securities Co., Ltd

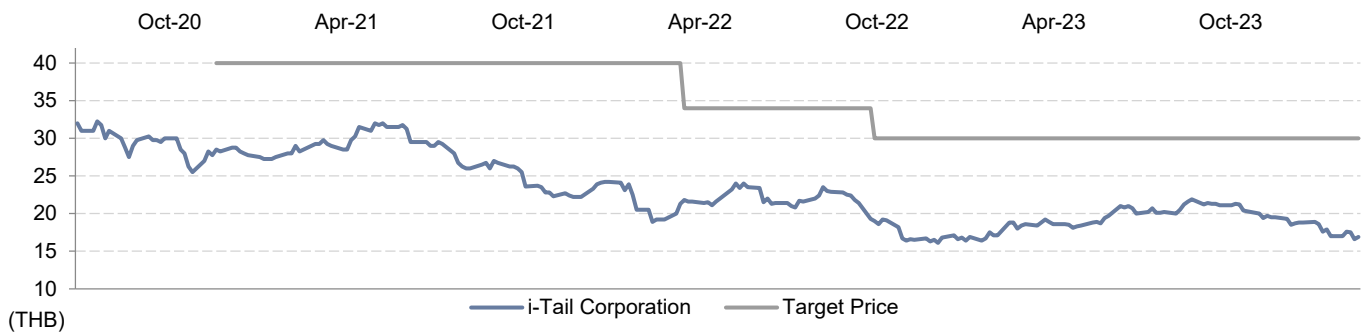
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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	09-May-2023	BUY	34.00	26-Jun-2023	BUY	30.00

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 16.90	BUY	Downside risks to our P/E-based TP include 1) a stronger-than-expected THB against USD; 2) the high volatility of raw material prices; 3) labour 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.

All share prices are as at market close on 27-Oct-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.