

ICHITAN GROUP ICHI TB

THAILAND / FOOD & BEVERAGE

BUY

UNCHANGED

3Q23 results at first glance

TARGET PRICE	THB19.00
CLOSE	THB15.60
UP/DOWNSIDE	+21.8%
TP vs CONSENSUS	-0.3%

กำไร 3Q23 ดีกว่าคาด 20% ทำจุดสูงสุดในรอบ 9 ปี

Highlights

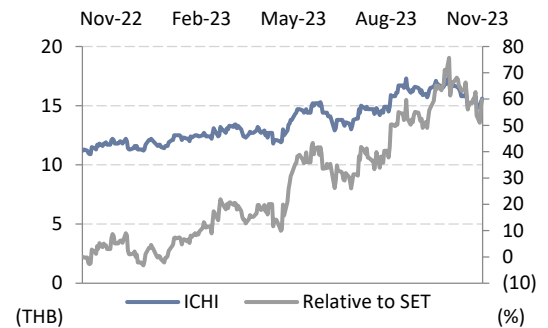
- ICHI รายงานกำไรสุทธิ 3Q23 เท่ากับ 328 ลบ. (+28.4% q-q, +70.6% y-y) ทำจุดสูงสุดในรอบ 9 ปี ดีกว่าทั้งเราและ Consensus คาด 20% และ 12% ตามลำดับ สิ่งที่ดีทำให้ดีกว่าคาดคือ 1) อัตรากำไรขั้นต้นขยับขึ้นแรงดีกว่าคาด 220 bps และ 2) ค่าใช้จ่ายต่ำกว่าคาด 20%
- รายได้รวมขยับขึ้นทำจุดสูงสุดในรอบ 8 ปี นับตั้งแต่ปี 2015 โดย +2.3% q-q, +24.8% y-y ส่วนทางฤดูกาลปกติที่ 3Q มักเป็น Low season แต่ด้วยพฤติกรรมผู้บริโภคที่เปลี่ยนไป ช่วยหนุนให้ผลกำไรดีขึ้นกว่าเดิมต่อเนื่อง กอปรกับบริษัทยังมีรายได้จากลูกค้า OEM (รับจ้างผลิตน้ำมะพร้าวบรรจุขวด) ทำให้รายได้ในประเทศยังเติบโตได้ ส่วนรายได้ส่งออกยังไม่ฟื้นคืน -25% q-q และ +4.5% y-y ทำให้สัดส่วนส่งออกลดลงเหลือเพียง 7.9%
- อัตรากำไรขั้นต้นขยับขึ้นทำจุดสูงสุดในรอบ 7 ปี เป็น 25.2% จาก 23% ใน 2Q23 และ 19.5% ใน 3Q22 โดยหลักมาจากอัตรากำไรขั้นต้นการผลิตที่สูงขึ้นมาอยู่ที่ 73%-75% จาก 71% ใน 2Q23, ต้นทุนบรรจุภัณฑ์ลดลง และมีการปรับสูตรน้ำตาล
- ค่าใช้จ่ายปรับลดลงอย่างมีนัยสำคัญ -25% q-q โดยเฉพาะค่าใช้จ่ายในการขาย ทำให้ SG&A to sales ลดลงเป็น 5.7% จาก 7.8% ใน 2Q23 และ 6.9% ใน 3Q22 ถือว่าทำได้ดี เพราะยังสามารถสร้างรายได้เติบโตในช่วง low season ได้
- ส่วนแบ่งกำไรจากบริษัทรวมในอินโดนีเซียยังไม่ฟื้น ทำได้เพียง 1.65 ลบ. ยังต่ำกว่าปีก่อนที่ทำได้ 21 ลบ. เพราะยังเผชิญการแข่งขันที่สูงในตลาดอินโดนีเซีย

Outlook

- แนวโน้มกำไร 4Q23 น่าจะอ่อนลงเล็กน้อย q-q ตามฤดูกาล แต่คาดจะโตสูง y-y เพราะฐานต่ำปีก่อน โดยรวมยังคิดว่าเป็นกำไร 4Q23 ที่ดี
- ปัจจุบันบริษัทเน้นการบริหารจัดการสายการผลิต ล่าสุดสามารถขยับอัตรากำไรขั้นต้นการผลิตขึ้นเป็น 79%-80% และอยู่ระหว่างปรับปรุงสายการผลิตเพื่อให้ใช้งานได้เพิ่มขึ้นอีกเป็น 85% ร่วมกับการจ้างผู้ผลิตภายนอก เริ่มตั้งแต่เดือน ต.ค. ที่ผ่านมา เพื่อผลิตเครื่องดื่มชาเขียวให้กับบริษัทอย่างน้อย 5%-7% ทำให้ยังมีกำลังการผลิตรองรับการโตในปี 2024 ระหว่างที่กำลังสั่งซื้อเครื่องจักรใหม่ เพื่อขยายกำลังการผลิตเพิ่มอีก 1 ไลน์ คาดจะแล้วเสร็จใน 4Q24
- เรย์คองประมาณการกำไรสุทธิปี 2023-24 ไว้ตามเดิม โดยเติบโต 55.7% y-y และ 7.3% y-y ตามลำดับ คงราคาเป้าหมายปี 2024 ที่ 19 บาท (อิง PE เดิม 23x) แม้การเติบโตหลังจากนี้อาจไม่หวือหวามากนัก ด้วยฐานกำไรที่สูงขึ้น ขณะที่กำลังการผลิตเหลือ Room อีกไม่มาก แต่ราคาหุ้นปัจจุบันเทรดที่ PE2024 เพียง 19x
- ประกาศจ่ายปันผลระหว่างกาลงวด 9M23 หนึ่งละ 0.5 บาท Yield 3.2% จะขึ้น XD 21 พ.ย. และจ่ายเงินลงทุนในบจ.ปริติกทีฟ (PDT) ทั้งหมดในสัดส่วน 20.12% ขายที่ราคาหุ้น 92.6 ลบ. เพราะผลการดำเนินงานไม่เป็นไปตามเงื่อนไขสัญญา

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	6,340	7,934	8,328	8,776
Net profit	642	999	1,071	1,135
EPS (THB)	0.49	0.77	0.82	0.87
vs Consensus (%)	-	(0.4)	(2.7)	(5.1)
EBITDA	1,296	1,812	1,915	2,009
Recurring net profit	651	999	1,071	1,135
Core EPS (THB)	0.50	0.77	0.82	0.87
EPS growth (%)	19.0	53.5	7.3	6.0
Core P/E (x)	31.2	20.3	18.9	17.9
Dividend yield (%)	3.8	4.9	5.3	5.6
EV/EBITDA (x)	15.1	10.9	10.4	9.8
Price/book (x)	3.3	3.3	3.3	3.3
Net debt/Equity (%)	(10.6)	(9.1)	(6.4)	(10.8)
ROE (%)	10.5	16.2	17.4	18.4



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(7.1)	7.6	51.5
Relative to country (%)	(5.4)	15.7	75.1
Mkt cap (USD m)	570		
3m avg. daily turnover (USD m)	4.7		
Free float (%)	53		
Major shareholder	Passakornnatee Family (42%)		
12m high/low (THB)	17.60/10.20		
Issued shares (m)	1,300.00		

Sources: Bloomberg consensus; FSSIA estimates



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Exhibit 1: 3Q23 results summary

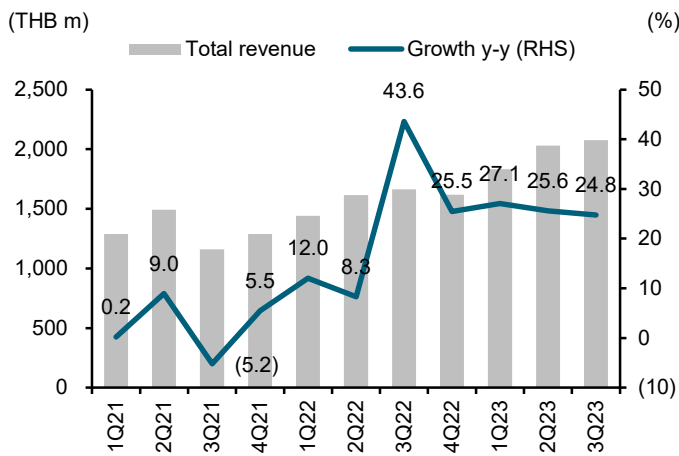
	3Q22	4Q22	1Q23	2Q23	3Q23	----- Change -----		9M22	9M23	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Sales	1,664	1,617	1,833	2,030	2,077	2.3	24.8	4,723	5,939	25.7
Cost of sales	1,339	1,275	1,452	1,564	1,554	(0.6)	16.1	3,894	4,570	17.3
Gross profit	325	343	381	466	523	12.1	60.7	829	1,369	65.2
SG&A	115	135	120	158	119	(24.8)	3.4	330	397	20.2
Operating profit	222	206	269	320	409	27.9	84.2	520	998	92.0
Interest expense	0.3	0.5	0.4	0.5	0.5	(4.5)	41.6	1.3	1.4	8.4
Tax expense	50	44	57	65	82	26.9	62.6	111	203	82.7
Profit (loss) sharing	21	17	9	1	2	67.1	(92.2)	66	12	(81.5)
Reported net profit	192	193	222	256	328	28.4	70.6	449	805	79.5
Core profit	192	178	222	256	328	28.4	70.6	473	805	70.4

Key Ratios (%)						(ppt)	(ppt)			(ppt)
Gross margin	19.5	21.2	20.8	23.0	25.2	2.2	5.6	17.5	23.1	5.5
SG&A to sales	6.9	8.3	6.5	7.8	5.7	(2.1)	(1.2)	7.0	6.7	(0.2)
Operating margin	13.3	12.7	14.7	15.7	19.7	3.9	6.3	11.0	16.8	5.8
Net margin	11.6	11.9	12.1	12.6	15.8	3.2	4.2	9.5	13.6	4.1
Core margin	11.6	11.0	12.1	12.6	15.8	3.2	4.2	10.0	13.6	3.6

Operating statistics (THB m)										
Domestic	1,507	1,474	1,698	1,810	1,913	5.7	26.9	4,253	5,421	27.5
Overseas	157	143	134	220	164	(25.3)	4.5	470	518	10.2

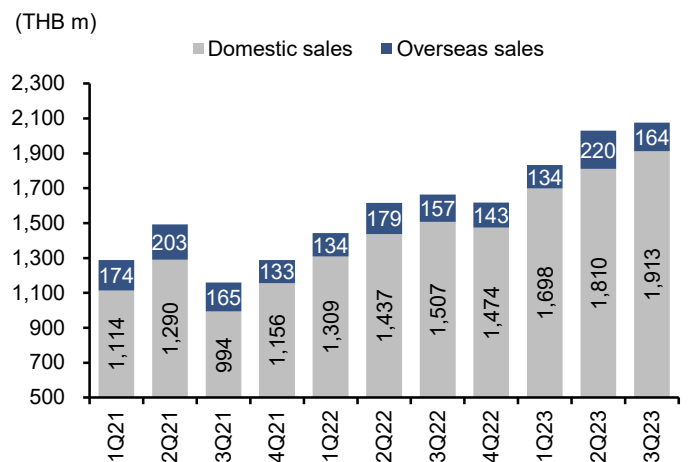
Sources: ICHI, FSSIA's compilation

Exhibit 2: Quarterly total revenue and growth



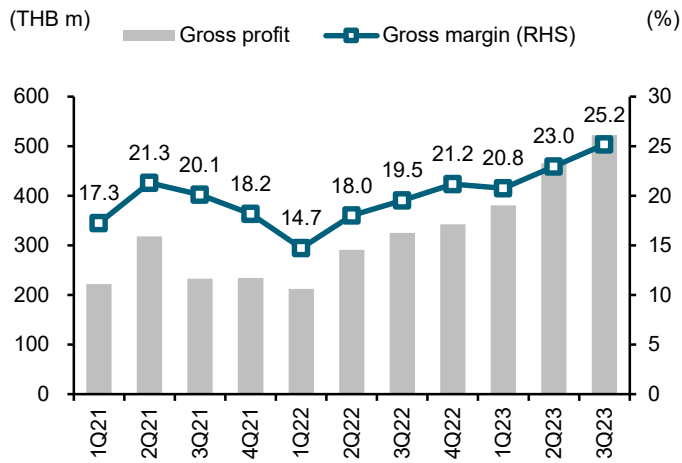
Sources: ICHI, FSSIA's compilation

Exhibit 3: Revenue breakdown by destination



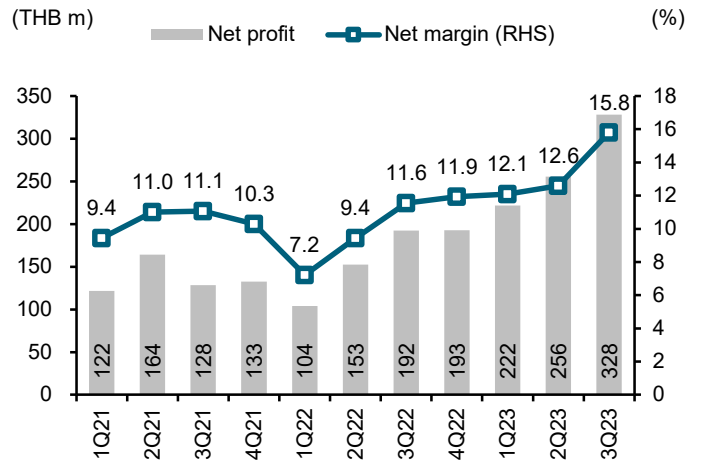
Sources: ICHI, FSSIA's compilation

Exhibit 4: Quarterly gross margin



Sources: ICHI, FSSIA's compilation

Exhibit 5: Quarterly net profit



Sources: ICHI, FSSIA's compilation

Financial Statements

Ichitan Group

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	5,228	6,340	7,934	8,328	8,776
Cost of goods sold	(4,221)	(5,169)	(6,149)	(6,437)	(6,775)
Gross profit	1,007	1,172	1,785	1,890	2,001
Other operating income	23	19	24	25	26
Operating costs	(445)	(465)	(579)	(608)	(641)
Operating EBITDA	1,168	1,296	1,812	1,915	2,009
Depreciation	(584)	(570)	(583)	(608)	(623)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	585	726	1,230	1,307	1,387
Net financing costs	(3)	(2)	(2)	(2)	(3)
Associates	59	82	21	33	35
Recurring non-operating income	59	82	21	33	35
Non-recurring items	0	(9)	0	0	0
Profit before tax	641	797	1,248	1,339	1,419
Tax	(94)	(155)	(250)	(268)	(284)
Profit after tax	547	642	999	1,071	1,135
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	547	642	999	1,071	1,135
Non-recurring items & goodwill (net)	0	9	0	0	0
Recurring net profit	547	651	999	1,071	1,135
Per share (THB)					
Recurring EPS *	0.42	0.50	0.77	0.82	0.87
Reported EPS	0.42	0.49	0.77	0.82	0.87
DPS	0.50	0.60	0.77	0.82	0.87
Diluted shares (used to calculate per share data)	1,300	1,300	1,300	1,300	1,300
Growth					
Revenue (%)	2.5	21.3	25.1	5.0	5.4
Operating EBITDA (%)	1.7	10.9	39.9	5.7	4.9
Operating EBIT (%)	5.1	24.1	69.5	6.3	6.1
Recurring EPS (%)	6.1	19.0	53.5	7.3	6.0
Reported EPS (%)	6.1	17.4	55.7	7.3	6.0
Operating performance					
Gross margin inc. depreciation (%)	19.3	18.5	22.5	22.7	22.8
Gross margin exc. depreciation (%)	30.4	27.5	29.8	30.0	29.9
Operating EBITDA margin (%)	22.3	20.4	22.8	23.0	22.9
Operating EBIT margin (%)	11.2	11.4	15.5	15.7	15.8
Net margin (%)	10.5	10.3	12.6	12.9	12.9
Effective tax rate (%)	14.7	19.5	20.0	20.0	20.0
Dividend payout on recurring profit (%)	118.9	119.9	100.0	100.0	100.0
Interest cover (X)	244.4	462.2	647.9	779.5	553.2
Inventory days	56.3	44.4	41.4	43.2	42.9
Debtor days	61.8	62.5	63.3	68.3	68.2
Creditor days	53.4	51.0	49.1	48.6	48.3
Operating ROIC (%)	8.0	10.8	19.2	20.5	22.6
ROIC (%)	8.3	11.2	17.8	18.7	20.0
ROE (%)	8.8	10.5	16.2	17.4	18.4
ROA (%)	7.6	9.0	13.5	14.5	15.2
* Pre exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Ready-to-drink green tea	3,264	4,405	5,507	5,783	6,072
Non-tea and others	1,964	1,936	2,427	2,545	2,705

Sources: Ichitan Group; FSSIA estimates

Financial Statements

Ichitan Group

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	547	651	999	1,071	1,135
Depreciation	584	570	583	608	623
Associates & minorities	(59)	(82)	(21)	(33)	(35)
Other non-cash items	-	-	-	-	-
Change in working capital	(35)	(27)	(321)	(52)	(59)
Cash flow from operations	1,036	1,112	1,240	1,594	1,664
Capex - maintenance	-	-	-	-	-
Capex - new investment	(65)	(114)	(247)	(500)	(255)
Net acquisitions & disposals	(65)	-	-	-	-
Other investments (net)	46	58	(102)	(175)	(9)
Cash flow from investing	(83)	(56)	(349)	(675)	(264)
Dividends paid	(650)	(644)	(999)	(1,071)	(1,135)
Equity finance	0	0	0	0	0
Debt finance	(238)	(9)	(65)	0	0
Other financing cash flows	(62)	(6)	15	(14)	2
Cash flow from financing	(950)	(658)	(1,048)	(1,085)	(1,133)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	132	0	0	0	0
Net other adjustments	132	0	0	0	0
Movement in cash	135	397	(157)	(166)	267
Free cash flow to firm (FCFF)	955.69	1,057.45	892.82	920.87	1,402.83
Free cash flow to equity (FCFE)	785.29	1,040.82	841.35	905.25	1,402.51

Per share (THB)

FCFF per share	0.74	0.81	0.69	0.71	1.08
FCFE per share	0.60	0.80	0.65	0.70	1.08
Recurring cash flow per share	0.82	0.88	1.20	1.27	1.33

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	9,261	9,370	9,620	10,120	10,420
Less: Accumulated depreciation	(4,483)	(5,032)	(5,615)	(6,223)	(6,845)
Tangible fixed assets (net)	4,778	4,338	4,005	3,898	3,575
Intangible fixed assets (net)	12	10	10	10	10
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	254	312	375	575	610
Cash & equivalents	338	735	578	412	679
A/C receivable	1,054	1,304	1,597	1,672	1,713
Inventories	531	588	674	705	743
Other current assets	0	0	0	0	0
Current assets	1,923	2,627	2,848	2,789	3,134
Other assets	140	99	159	167	176
Total assets	7,106	7,386	7,397	7,438	7,505
Common equity	6,191	6,170	6,173	6,173	6,173
Minorities etc.	0	0	0	0	0
Total shareholders' equity	6,191	6,170	6,173	6,173	6,173
Long term debt	73	65	0	0	0
Other long-term liabilities	47	41	56	42	44
Long-term liabilities	119	105	56	42	44
A/C payable	546	739	758	794	835
Short term debt	15	14	14	14	14
Other current liabilities	235	357	397	416	439
Current liabilities	796	1,110	1,169	1,224	1,288
Total liabilities and shareholders' equity	7,106	7,386	7,397	7,438	7,505
Net working capital	804	795	1,116	1,168	1,182
Invested capital	5,987	5,554	5,665	5,817	5,552

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

Per share (THB)

Book value per share	4.76	4.75	4.75	4.75	4.75
Tangible book value per share	4.75	4.74	4.74	4.74	4.74

Financial strength

Net debt/equity (%)	(4.0)	(10.6)	(9.1)	(6.4)	(10.8)
Net debt/total assets (%)	(3.5)	(8.9)	(7.6)	(5.3)	(8.9)
Current ratio (x)	2.4	2.4	2.4	2.3	2.4
CF interest cover (x)	323.9	661.7	565.0	818.0	645.8

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	37.1	31.2	20.3	18.9	17.9
Recurring P/E @ target price (x) *	45.2	38.0	24.7	23.1	21.8
Reported P/E (x)	37.1	31.6	20.3	18.9	17.9
Dividend yield (%)	3.2	3.8	4.9	5.3	5.6
Price/book (x)	3.3	3.3	3.3	3.3	3.3
Price/tangible book (x)	3.3	3.3	3.3	3.3	3.3
EV/EBITDA (x) **	17.1	15.1	10.9	10.4	9.8
EV/EBITDA @ target price (x) **	20.9	18.6	13.3	12.7	12.0
EV/invested capital (x)	3.3	3.5	3.5	3.4	3.5

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

Sources: Ichitan Group; FSSIA estimates

ICHITAN GROUP PCL (ICHI TB)

FSSIA ESG rating

★ ★ ★

Exhibit 6: FSSIA ESG score implication

43.67 /100

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★★	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Source: FSSIA estimates

Exhibit 7: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings						Bloomberg	
		DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
CBG	51.54	--	Y	Y	4.00	4.00	Declared	High	59.58	B	--	33.28	56.00	2.12	--
SAPPE	35.25	--	Y	Y	4.00	5.00	Certified	Medium	--	--	--	--	--	--	--
OSP	61.48	--	Y	Y	5.00	4.00	Declared	Medium	68.64	BBB	--	63.08	51.00	3.00	63.65
TACC	15.00	--	--	--	5.00	5.00	--	--	--	--	--	--	--	--	--
ICHI	43.67	--	Y	Y	5.00	5.00	Certified	High	61.36	--	--	--	18.00	--	--

Sources: SETTRADE.com; FSSIA's compilation

Exhibit 8: ESG disclosure from the company's one report

FY ending Dec 31	FY 2022	FY ending Dec 31	FY 2022
Environmental		Governance	
Climate change policy	Yes	Board size / Independent directors (ID) / Female	9 / 3 / 2
Climate change opportunities discussed	--	No. of board meetings for the year / % attendance	7 / 100%
GHG scope 2 location-based policy	Yes	Company conducts board evaluations	Yes
Biodiversity policy	--	Number of non-executive directors on board	3
Energy efficiency policy	Yes	Director share ownership guidelines	No
Electricity used	Yes	Board age limit	No
Fuel used - crude oil/diesel	--	Age of the youngest / oldest director	47 / 72
Waste reduction policy	Yes	Number of executives / female	6 / 1
Water policy	--	Executive share ownership guidelines	No
Water consumption	--	Size of audit committee / ID	3 / 3
Social		Audit committee meetings	4
Human rights policy	Yes	Audit committee meeting attendance (%)	100
Policy against child labor	Yes	Size of compensation committee	3 / 2
Quality assurance and recall policy	Yes	Number of compensation committee meetings	3
Consumer data protection policy	--	Compensation committee meeting attendance (%)	100
Equal opportunity policy	Yes	Size of nomination committee / ID	3 / 2
Gender pay gap breakout	--	Number of nomination committee meetings	3
Pct women in workforce	Yes	Nomination committee meeting attendance (%)	100
Business ethics policy	Yes	Board compensation (THB m)	8.615
Anti-bribery ethics policy	Yes	Auditor fee (THB m)	3.00
Health and safety policy	Yes	(KPMG Phoomchai Audit Company Limited)	
Lost time incident rate - employees	--		
Training policy	Yes		
Fair remuneration policy	Yes		
Number of employees - CSR	--		
Total hours spent by firm - employee training	--		
Social supply chain management	Yes		

Source: FSSIA's compilation

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" style="margin-left: auto; margin-right: auto;"> <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" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td>AAA</td> <td>8.571-10.000</td> <td rowspan="3">Leader:</td> <td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td rowspan="3">Average:</td> <td rowspan="3">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> </tr> <tr> <td>B</td> <td>1.429-2.856</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

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History of change in investment rating and/or target price

Ichitan Group (ICHI TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
21-Mar-2023	BUY	14.00	15-Jun-2023	HOLD	15.70	-	-	-
17-May-2023	BUY	15.70	19-Sep-2023	BUY	19.00			

Sureeporn Teewasuwet started covering this stock from 21-Mar-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Ichitan Group	ICHI TB	THB 15.60	BUY	Downside risks to our P/E-based TP would be 1) a slower-than-expected consumption recovery; 2) high volatility in packaging costs; and 3) increased competition and government policy changes such as excise taxes for sugary drinks.

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 08-Nov-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.