

I-TAIL CORPORATION

THAILAND / FOOD & BEVERAGE

ITC TB

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3Q24 results at first glance

3Q24 core profit was in line with our estimate

Highlights

- ITC reported a 3Q24 net profit of THB976m (-3.3% q-q, +52% y-y). Excluding an FX loss and an impairment reversal, the core profit was THB1.03b (-8% q-q, +58% y-y), which aligns with our expectations.
- Total revenue decreased by 3% q-q but continued growing by 11% y-y (including FX adjustment impacts from hedging, approximately 1%). The decline was mainly due to a 2.1% q-q and 0.3% y-y drop in sales volume to 29,111 tonnes. The company explained that the reduction in sales volume was due to a shift toward increased sales of premium products, which led to lower volume but higher selling prices that offset the impact. By region, revenue from the US and EU declined q-q, mainly due to issues with container shipping and customers' management of their containers.
- Gross margin was 29.8%, close to 30% in the previous quarter. Excluding a reversal of inventory provision, the actual gross margin in 3Q24 would be 28%, a decline q-q but still higher than a low base of 19.2% in 3Q23.
- Total expenses were relatively high, increasing by 5% q-q and 54% y-y, driven by consulting fees, marketing expenses, and employee-related costs. As a result, the SG&A to sales ratio rose to 9.2%, up from 8.5% in 2Q24 and 6.7% in 3Q23.

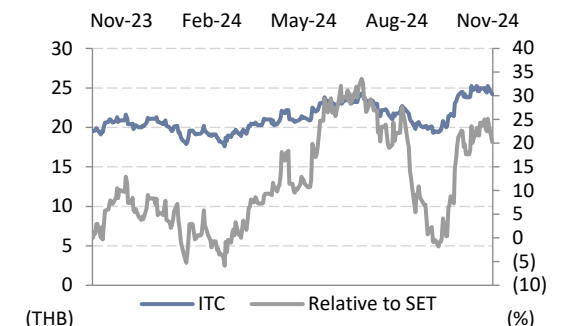
Outlook

- ITC's 9M24 net profit was THB2.8b (+85% y-y), representing 71% of our full-year estimate. The company has already secured 80-90% of its 4Q24 revenue target, which should grow both q-q and y-y. If it achieves the target, 4Q24 revenue could reach this year's peak at around THB5b-5.2b (up from THB4.43b in 3Q24).
- Management has revised its 2024 revenue growth target to 15-17% y-y (from 18-19%) due to a stronger baht but has raised its gross margin target to 26-28% (from 24-26%) due to the 9M24 performance of 28.6%.
- For 4Q24, we expect profit to remain flat or slightly decline q-q, unless there is an inventory reversal and FX adjustments similar to 3Q24, which could lead to a slight dip in the gross margin. However, we maintain a mid-to-long-term bullish outlook and have kept our 2025 target price at THB30.

TARGET PRICE	THB30.00
CLOSE	THB24.20
UP/DOWNSIDE	+24.0%
TP vs CONSENSUS	+3.2%

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	15,577	18,395	20,327	22,048
Net profit	2,281	3,941	4,180	4,578
EPS (THB)	0.76	1.31	1.39	1.53
vs Consensus (%)	-	1.6	0.9	(1.2)
EBITDA	2,995	4,961	5,048	5,557
Recurring net profit	2,312	4,191	4,180	4,578
Core EPS (THB)	0.77	1.40	1.39	1.53
EPS growth (%)	(68.6)	81.2	(0.3)	9.5
Core P/E (x)	31.4	17.3	17.4	15.9
Dividend yield (%)	2.5	3.8	4.0	4.4
EV/EBITDA (x)	21.1	12.7	12.4	11.2
Price/book (x)	3.1	3.0	2.8	2.7
Net debt/Equity (%)	(40.0)	(40.3)	(38.3)	(37.9)
ROE (%)	9.6	17.7	16.8	17.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	0.4	12.6	18.6
Relative to country (%)	(0.9)	1.0	15.1
Mkt cap (USD m)	2,154		
3m avg. daily turnover (USD m)	7.6		
Free float (%)	22		
Major shareholder	Thai Union Group (79%)		
12m high/low (THB)	26.00/17.50		
Issued shares (m)	3,000.00		

Sources: Bloomberg consensus; FSSIA estimates


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Exhibit 1: ITC - 3Q24 results summary

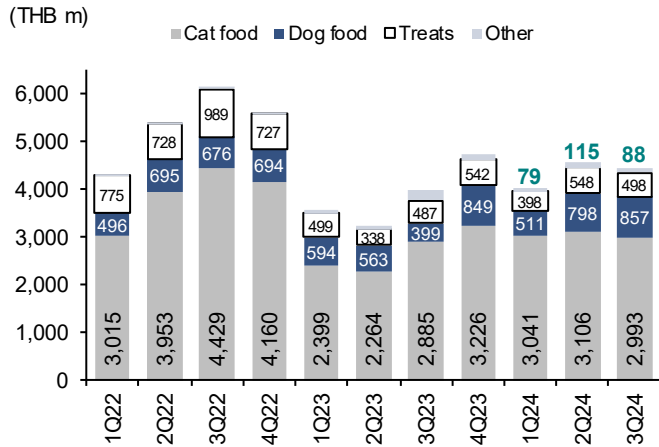
	3Q23	4Q23	1Q24	2Q24	3Q24	---- Change ----		9M23	9M24	Change	2023	2024E	Change	%9M24
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)	(THB m)	(y-y%)	to 2024E
Sales	3,999	4,748	4,029	4,567	4,436	(2.9)	10.9	10,829	13,031	20.3	15,577	18,395	18.1	70.8
Cost of sales	3,231	3,702	2,994	3,199	3,115	(2.6)	(3.6)	8,838	9,308	5.3	12,539	13,208	5.3	70.5
Gross profit	768	1,046	1,034	1,368	1,320	(3.5)	71.8	1,991	3,723	87.0	3,038	5,187	70.8	71.8
SG&A	266	319	310	390	410	5.1	54.0	865	1,109	28.3	1,183	1,508	27.5	73.5
Operating profit	685	894	888	1,158	1,079	(6.9)	57.5	1,563	3,125	99.9	2,457	4,322	75.9	72.3
Other income	183	166	163	180	168	(6.7)	(8.1)	436	511	17.1	603	643	6.7	79.4
Interest expense	2	2	1	1	2	37.7	9.0	9	5	(51.0)	11	4	(63.7)	114.5
Tax expense	31	80	8	36	47	30.8	54.8	52	92	76.7	132	125	(4.9)	73.1
Other gain (loss)	(9)	(46)	(57)	(111)	(53)	(52.4)	nm	15	(222)	nm	(31)	(250)	nm	nm
Reported net profit	645	767	821	1,010	976	(3.3)	51.5	1,515	2,807	85.3	2,281	3,941	72.7	71.2
Core profit	653	812	878	1,121	1,029	(8.2)	57.6	1,500	3,029	101.9	2,312	4,191	81.2	72.3
Key ratios (%)						(ppt)	(ppt)							
Gross margin	19.2	22.0	25.7	30.0	29.8	(0.2)	10.6	18.4	28.6	10.2	19.5	28.2	8.7	
SG&A to sales	6.7	6.7	7.7	8.5	9.2	0.7	2.6	8.0	8.5	0.5	7.6	8.2	0.6	
Operating margin	17.1	18.8	22.0	25.4	24.3	(1.0)	7.2	14.4	24.0	9.5	15.8	23.5	7.7	
Net margin	16.1	16.2	20.4	22.1	22.0	(0.1)	5.9	14.0	21.5	7.6	14.6	21.4	6.8	
Core margin	16.3	17.1	21.8	24.5	23.2	(1.3)	6.9	13.9	23.2	9.4	14.8	22.8	7.9	
Operating statistics														
THB/USD	35.2	35.7	35.7	36.7	34.0	(7.4)	(3.4)	34.5	35.5	2.7	34.8	33.0	(5.2)	
Tuna price (USD/tonne)	1,850	1,533	1,333	1,478	1,425	(3.6)	(23.0)	1,890	1,412	(25.3)	1,801	1,449	(19.5)	
Sales value (THB m)														
Cat food	2,885	3,226	3,041	3,106	2,993	(3.6)	3.7	7,549	9,139	21.1	10,775	13,110	21.7	69.7
Dog food	399	849	511	798	857	7.3	114.7	1,556	2,166	39.2	2,405	2,655	10.4	81.6
Other pet	2	5	6	4	4	22.2	175.0	8	14	72.8	13	80	535.7	17.5
Other non-pet	226	126	73	111	83	(25.2)	(63.2)	393	268	(31.7)	519	345	(33.6)	77.8
Americas	1,841	2,512	1,819	2,397	2,237	(6.7)	21.5	5,318	6,453	21.3	7,830	10,077	47.2	64.0
Europe	456	773	755	691	648	(6.3)	42.2	1,192	2,094	75.7	1,965	2,619	64.8	80.0
Asia, Oceania, Others	1,703	1,463	1,454	1,479	1,550	4.8	(8.9)	4,319	4,484	3.8	5,782	5,846	33.9	76.7

Sources: ITC; FSSIA's compilation

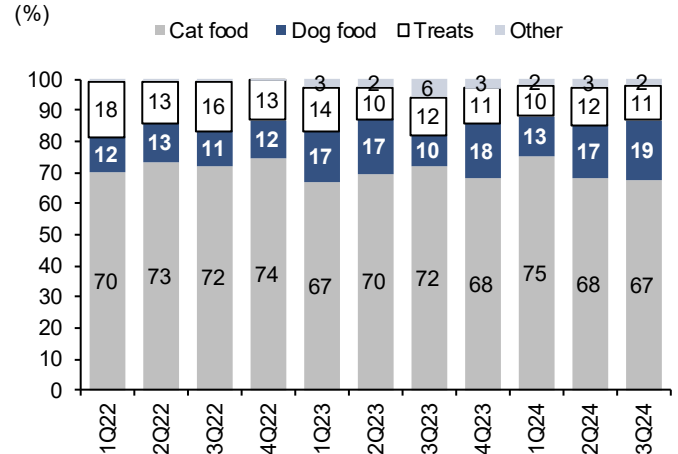
Exhibit 2: ITC's 3Q24 operating statistics

	3Q23	4Q23	1Q24	2Q24	3Q24	----- Change -----		9M23	9M24	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Sales volume (tonnes)										
Cat food	20,450	21,674	20,126	19,958	19,537	(2.1)	(4.5)	55,449	59,621	7.5
Dog food	2,763	5,192	2,734	4,496	4,553	1.3	64.8	9,992	11,783	17.9
Treat	1,418	1,506	906	1,649	1,484	(10.0)	4.7	3,977	4,039	1.6
Other pet	199	238	39	46	62	36.2	(68.7)	549	147	(73.3)
Other non-pet	4,358	2,980	2,710	3,572	3,475	(2.7)	(20.3)	11,092	9,758	(12.0)
Americas	11,864	14,483	9,667	13,532	12,942	(4.4)	9.1	35,645	36,141	1.4
Europe	2,780	4,698	4,670	4,559	4,116	(9.7)	48.1	6,988	13,345	91.0
Asia, Oceania, Others	14,544	12,409	12,178	11,630	12,053	3.6	(17.1)	38,425	35,861	(6.7)
Average selling price (THB/kg)										
Cat food	141	149	151	156	153	(1.5)	8.6	136	153	12.8
Dog food	144	164	187	177	188	6.0	30.3	155	184	19.0
Treat	343	360	439	332	336	1.0	(2.3)	334	369	10.6
Other non-pet	52	42	27	31	24	(23.1)	(53.8)	34	27	(18.8)
Americas	155	173	188	177	173	(2.4)	11.4	149	179	20.2
Europe	164	165	162	152	157	3.8	(4.0)	172	157	(8.7)
Asia, Oceania, Others	117	118	119	127	129	1.2	9.9	112	125	11.6

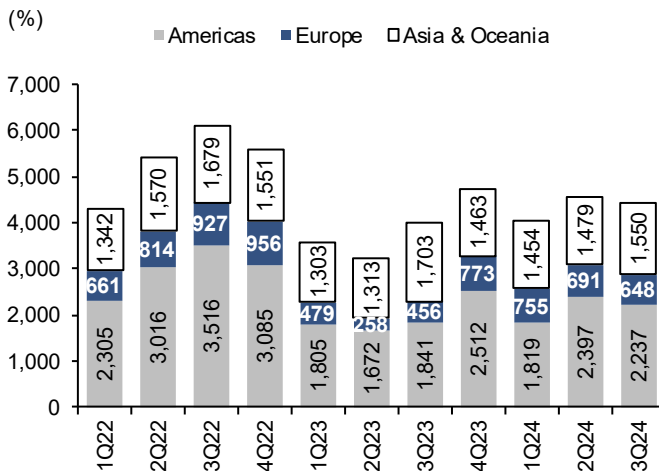
Sources: ITC; FSSIA's compilation

Exhibit 3: Revenue by type of product

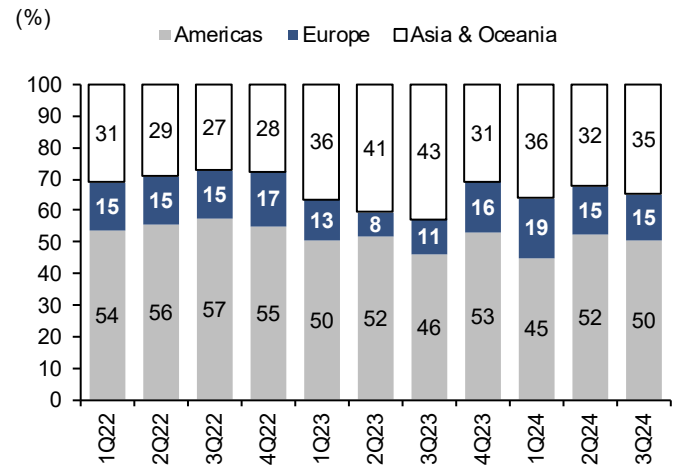
Sources: ITC; FSSIA's compilation

Exhibit 4: Revenue contribution by type of product

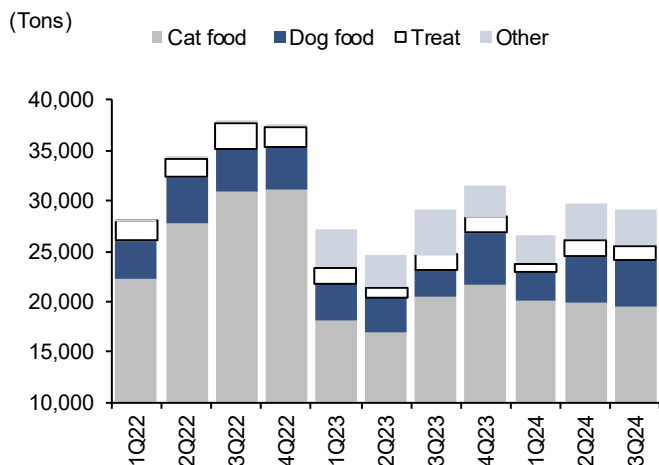
Sources: ITC; FSSIA's compilation

Exhibit 5: Revenue by destination

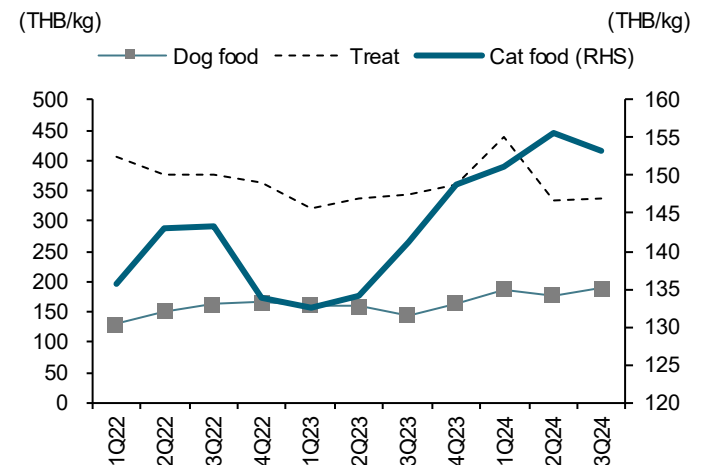
Sources: ITC; FSSIA's compilation

Exhibit 6: Revenue contribution by destination

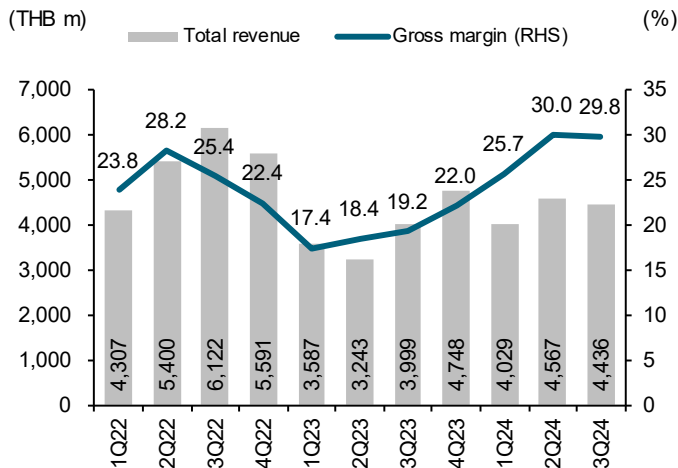
Sources: ITC; FSSIA's compilation

Exhibit 7: Sales volumes by type of product

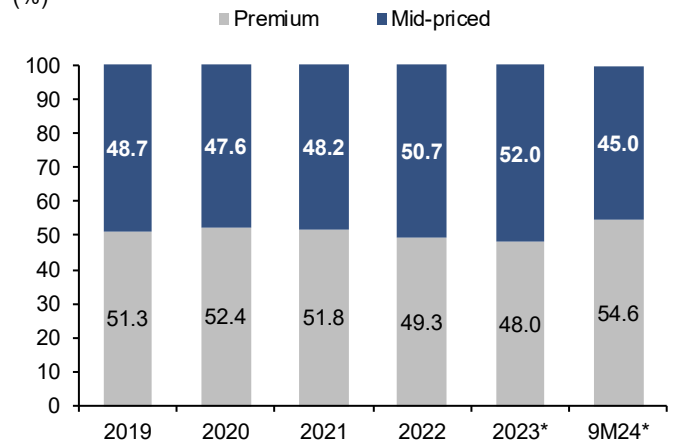
Sources: ITC; FSSIA's compilation

Exhibit 8: Average selling price by type of product

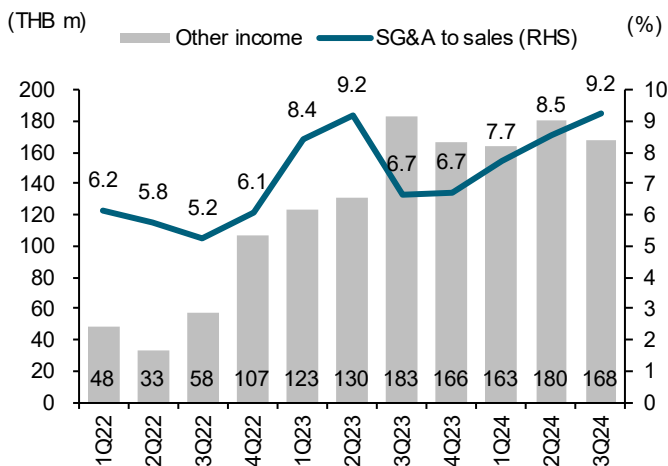
Sources: ITC; FSSIA's compilation

Exhibit 9: Total revenue and gross margin

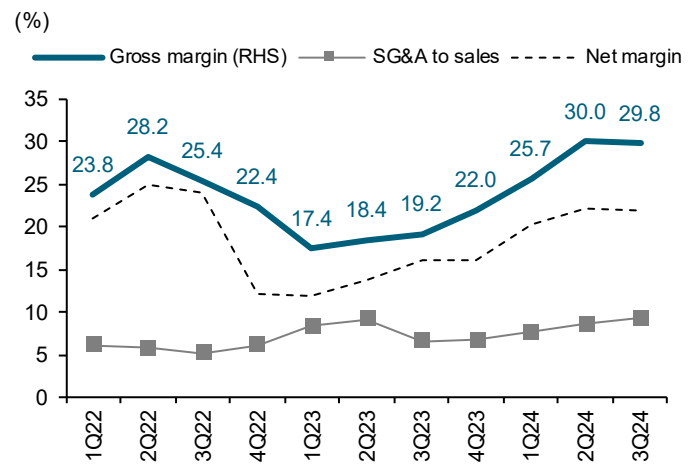
Sources: ITC; FSSIA's compilation

Exhibit 10: Revenue contribution by product segment

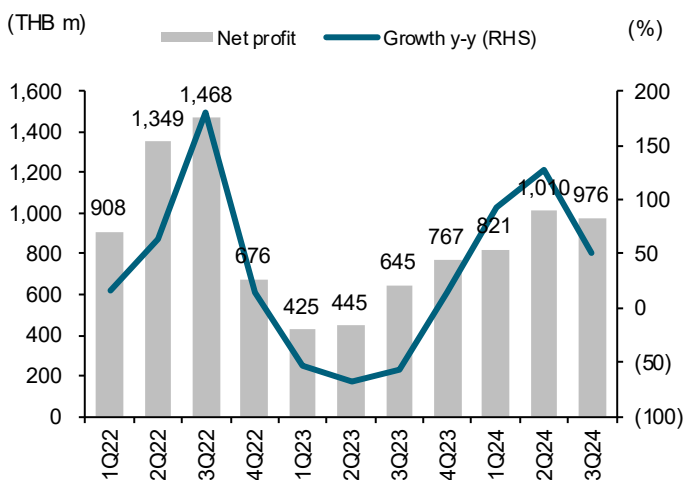
Sources: ITC; FSSIA's compilation

Exhibit 11: Other income and SG&A to sales

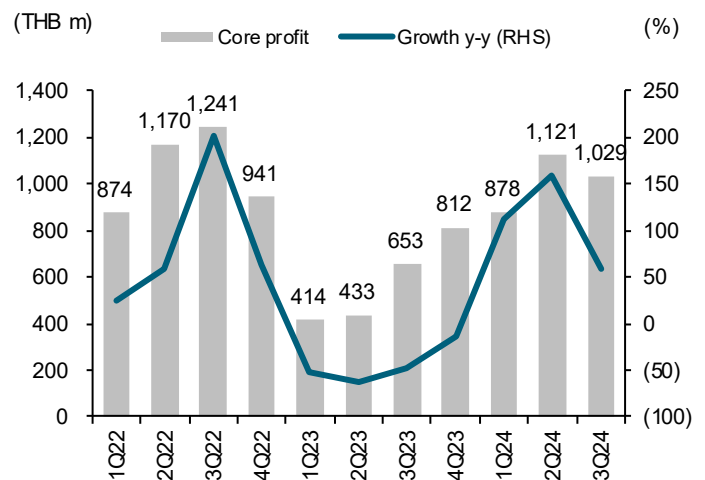
Sources: ITC; FSSIA's compilation

Exhibit 12: Gross margin and net margin

Sources: ITC; FSSIA's compilation

Exhibit 13: Net profit and growth

Sources: ITC; FSSIA's compilation

Exhibit 14: Core profit and growth

Sources: ITC; FSSIA's compilation

Financial Statements

i-Tail Corporation

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	21,420	15,577	18,395	20,327	22,048
Cost of goods sold	(16,071)	(12,539)	(13,208)	(15,144)	(16,382)
Gross profit	5,349	3,038	5,187	5,183	5,666
Other operating income	247	603	643	711	772
Operating costs	(1,239)	(1,183)	(1,508)	(1,585)	(1,720)
Operating EBITDA	4,928	2,995	4,961	5,048	5,557
Depreciation	(571)	(539)	(639)	(739)	(839)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	4,357	2,457	4,322	4,309	4,718
Net financing costs	(83)	(11)	(4)	(5)	(4)
Associates	-	-	-	-	-
Recurring non-operating income	0	0	0	0	0
Non-recurring items	175	(31)	(250)	0	0
Profit before tax	4,450	2,415	4,068	4,305	4,714
Tax	(48)	(132)	(125)	(121)	(132)
Profit after tax	4,401	2,283	3,943	4,184	4,582
Minority interests	0	(1)	(2)	(4)	(4)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	4,401	2,281	3,941	4,180	4,578
Non-recurring items & goodwill (net)	(175)	31	250	0	0
Recurring net profit	4,226	2,312	4,191	4,180	4,578
Per share (THB)					
Recurring EPS *	2.46	0.77	1.40	1.39	1.53
Reported EPS	2.56	0.76	1.31	1.39	1.53
DPS	1.66	0.60	0.92	0.98	1.07
Diluted shares (used to calculate per share data)	1,720	3,000	3,000	3,000	3,000
Growth					
Revenue (%)	47.4	(27.3)	18.1	10.5	8.5
Operating EBITDA (%)	62.6	(39.2)	65.6	1.8	10.1
Operating EBIT (%)	74.6	(43.6)	75.9	(0.3)	9.5
Recurring EPS (%)	(63.7)	(68.6)	81.2	(0.3)	9.5
Reported EPS (%)	(66.1)	(70.3)	72.7	6.1	9.5
Operating performance					
Gross margin inc. depreciation (%)	25.0	19.5	28.2	25.5	25.7
Gross margin exc. depreciation (%)	27.6	23.0	31.7	29.1	29.5
Operating EBITDA margin (%)	23.0	19.2	27.0	24.8	25.2
Operating EBIT margin (%)	20.3	15.8	23.5	21.2	21.4
Net margin (%)	19.7	14.8	22.8	20.6	20.8
Effective tax rate (%)	1.1	5.5	3.1	2.8	2.8
Dividend payout on recurring profit (%)	67.6	77.8	65.8	70.0	70.0
Interest cover (X)	52.8	223.0	1,080.5	957.6	1,072.4
Inventory days	93.6	117.0	99.6	98.4	101.4
Debtor days	48.8	86.4	78.3	76.2	76.9
Creditor days	46.3	58.9	45.7	44.3	45.6
Operating ROIC (%)	33.7	15.8	25.3	23.1	23.6
ROIC (%)	32.5	14.6	23.6	22.2	22.7
ROE (%)	26.5	9.6	17.7	16.8	17.5
ROA (%)	21.6	8.7	16.2	15.4	15.9
* Pre exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Pet Food	18,119	13,180	15,765	17,404	18,909
Treats	3,219	1,866	2,206	2,536	2,752
Other	82	13	80	14	15
Other segment		519	345	372	372

Sources: i-Tail Corporation; FSSIA estimates

Financial Statements

i-Tail Corporation

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	4,226	2,312	4,191	4,180	4,578
Depreciation	571	539	639	739	839
Associates & minorities	16	(15)	1	0	0
Other non-cash items	-	-	-	-	-
Change in working capital	(2,972)	(578)	(842)	(966)	(788)
Cash flow from operations	1,841	2,258	3,989	3,953	4,629
Capex - maintenance	(817)	(1,532)	(1,053)	(1,000)	(1,000)
Capex - new investment	0	0	0	0	0
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(222)	(838)	779	(58)	(52)
Cash flow from investing	(1,039)	(2,370)	(275)	(1,058)	(1,052)
Dividends paid	(7,471)	(3,791)	(2,759)	(2,926)	(3,205)
Equity finance	20,795	0	0	0	0
Debt finance	(1,559)	4	(264)	(5)	(19)
Other financing cash flows	(16)	(50)	(201)	39	34
Cash flow from financing	11,749	(3,837)	(3,223)	(2,893)	(3,190)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	12,551	(3,949)	491	2	388
Free cash flow to firm (FCFF)	884.37	(101.04)	3,718.59	2,899.36	3,581.79
Free cash flow to equity (FCFE)	(773.10)	(157.69)	3,249.72	2,928.50	3,592.33

Per share (THB)

FCFF per share	0.29	(0.03)	1.24	0.97	1.19
FCFE per share	(0.26)	(0.05)	1.08	0.98	1.20
Recurring cash flow per share	2.80	0.95	1.61	1.64	1.81

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	7,968	8,905	9,449	9,853	10,162
Less: Accumulated depreciation	(3,075)	(3,423)	(3,560)	(3,703)	(3,851)
Tangible fixed assets (net)	4,893	5,482	5,889	6,150	6,312
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	42	923	-	-	-
Invest. in associates & subsidiaries	-	-	-	-	-
Cash & equivalents	13,254	9,305	9,796	9,799	10,186
A/C receivable	3,517	3,860	4,032	4,455	4,833
Inventories	4,454	3,243	3,619	4,149	4,488
Other current assets	1,526	2,165	2,575	2,846	3,087
Current assets	22,750	18,573	20,022	21,248	22,594
Other assets	493	452	552	610	661
Total assets	28,178	25,431	26,462	28,008	29,567
Common equity	25,029	23,118	24,247	25,502	26,875
Minorities etc.	16	1	2	2	2
Total shareholders' equity	25,045	23,119	24,249	25,504	26,877
Long term debt	29	33	28	23	4
Other long-term liabilities	588	569	368	407	441
Long-term liabilities	617	602	396	430	444
A/C payable	2,353	1,520	1,628	1,867	2,020
Short term debt	14	14	5	5	5
Other current liabilities	150	177	184	203	220
Current liabilities	2,517	1,710	1,817	2,075	2,245
Total liabilities and shareholders' equity	28,178	25,431	26,462	28,008	29,567
Net working capital	6,994	7,572	8,413	9,380	10,167
Invested capital	12,422	14,429	14,854	16,140	17,140

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

Per share (THB)

Book value per share	8.34	7.71	8.08	8.50	8.96
Tangible book value per share	8.34	7.71	8.08	8.50	8.96

Financial strength

Net debt/equity (%)	(52.8)	(40.0)	(40.3)	(38.3)	(37.9)
Net debt/total assets (%)	(46.9)	(36.4)	(36.9)	(34.9)	(34.4)
Current ratio (x)	9.0	10.9	11.0	10.2	10.1
CF interest cover (x)	(8.4)	(13.3)	813.4	651.8	817.4

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	9.8	31.4	17.3	17.4	15.9
Recurring P/E @ target price (x) *	12.2	38.9	21.5	21.5	19.7
Reported P/E (x)	9.5	31.8	18.4	17.4	15.9
Dividend yield (%)	6.9	2.5	3.8	4.0	4.4
Price/book (x)	2.9	3.1	3.0	2.8	2.7
Price/tangible book (x)	2.9	3.1	3.0	2.8	2.7
EV/EBITDA (x) **	12.1	21.1	12.7	12.4	11.2
EV/EBITDA @ target price (x) **	15.6	27.0	16.2	15.9	14.4
EV/invested capital (x)	4.8	4.4	4.2	3.9	3.6

* 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 Sustainabilitys	The Sustainabilitys' 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><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+										
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0-10	10-20	20-30	30-40	40+																		
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><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></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.																				

[Rating](#) regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) **CG Score**; 2) **AGM Level**; 3) **Thai CAC**; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

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	26-Jun-2023	BUY	30.00	01-Oct-2024	BUY	30.00
09-May-2023	BUY	34.00	19-Feb-2024	BUY	27.00			

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 24.20	BUY	Downside risks to our P/E-based TP include 1) a slower-than-expected recovery in purchasing power, 2) more fluctuating raw material prices than expected, 3) a stronger-than-expected THB, and 4) labour shortages.

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 04-Nov-2024 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.