

ICHITAN GROUP

THAILAND / FOOD & BEVERAGE

ICHI TB

BUY
UNCHANGED

3Q24 results at first glance

3Q24 could not overcome seasonal factors

Highlights

- ICHI's net profit for 3Q24 was THB357m (-5.7% q-q, +8.9% y-y). Excluding the gain from the sale of machinery in 2Q24, its core profit slightly grew by 1.3% q-q and 8.9% y-y.
- ICHI could not overcome seasonal factors in the quarter, reporting a 7% decrease in total revenue q-q (but +3% y-y). Domestic revenue dropped by 5.7% q-q but grew 6.5% y-y. Meanwhile, export revenue posted a significant decline (-27% q-q, -36% y-y), falling to THB105m from THB144m in 2Q24. This decline was partly due to the loss of revenue from manufacturing coconut water for an OEM client, as the customer faced higher coconut water costs. In addition, ICHI encountered issues with insufficient production capacity.
- The 3Q24 gross margin declined to 25.7% from 26.4% in 2Q24, but was still higher than 25.2% in 3Q23.
- The slight q-q growth in 3Q24 core profit was supported by a significant reduction in operating expenses, which fell 38% q-q and 5.7% y-y, lowering the SG&A to sales ratio to 5.2% from 7.8% in 2Q24 and 5.7% in 3Q23. This was partly due to higher-than-usual expenses in the previous quarter, driven by an FX loss, as well as a reduction in selling expenses. In addition, the cash flow statement shows that the company had an FX gain of THB29.6m in the quarter. This could be another reason for the lower-than-usual SG&A.
- ICHI has announced the dissolution of Ichitan Power Co, Ltd, which was established in 2017 to distribute products. However, the company has not been engaged in that business and has instead continued to use services from other distributors. It is important to note that this company did not produce or sell the "Tan Power" energy drink. Currently, ICHI still sells Tan Power, but the volume is relatively small.

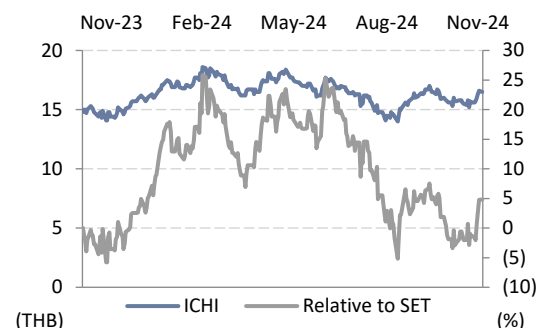
Outlook

- Looking ahead to 4Q24, we expect core profit to weaken q-q due to seasonal factors, as it remains the low season for the business. However, ICHI is in the process of selling land in the Rojana area for cTHB360m. If the sale is completed within this year, ICHI may recognize a profit of cTHB120m. However, we have not factored this transaction into our estimates until the sale is finalized. There is still a possibility that the sale may not proceed and could be replaced by a lease agreement instead.
- We maintain our target price of THB21, based on a P/E ratio of 18x. Despite the lackluster earnings momentum due to the low season and the absence of visible growth catalysts for 2025 after three years of strong growth, the valuation is attractive, with the stock currently trading at a 2025E P/E of just 14x and a projected dividend yield of 8% per year. We will continue to monitor any new developments from the company.

TARGET PRICE THB21.00
CLOSE THB16.50
UP/DOWNSIDE +27.3%
TP vs CONSENSUS +1.2%

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	8,050	9,034	9,672	10,157
Net profit	1,100	1,574	1,501	1,599
EPS (THB)	0.85	1.21	1.15	1.23
vs Consensus (%)	-	12.5	0.5	(3.5)
EBITDA	1,942	2,358	2,457	2,585
Recurring net profit	1,100	1,422	1,501	1,599
Core EPS (THB)	0.85	1.09	1.15	1.23
EPS growth (%)	69.1	29.2	5.6	6.5
Core P/E (x)	19.5	15.1	14.3	13.4
Dividend yield (%)	6.1	8.1	7.7	8.2
EV/EBITDA (x)	10.6	8.8	8.4	8.0
Price/book (x)	3.7	3.8	3.9	4.0
Net debt/Equity (%)	(15.2)	(10.5)	(12.8)	(14.9)
ROE (%)	18.3	24.7	26.8	29.3



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	5.8	11.5	7.1
Relative to country (%)	6.8	(0.7)	2.2
Mkt cap (USD m)	625		
3m avg. daily turnover (USD m)	3.9		
Free float (%)	53		
Major shareholder	Passakornnatee Family (42%)		
12m high/low (THB)	18.80/13.90		
Issued shares (m)	1,300.00		

Sources: Bloomberg consensus; FSSIA estimates



Sureeporn Teewasuwet

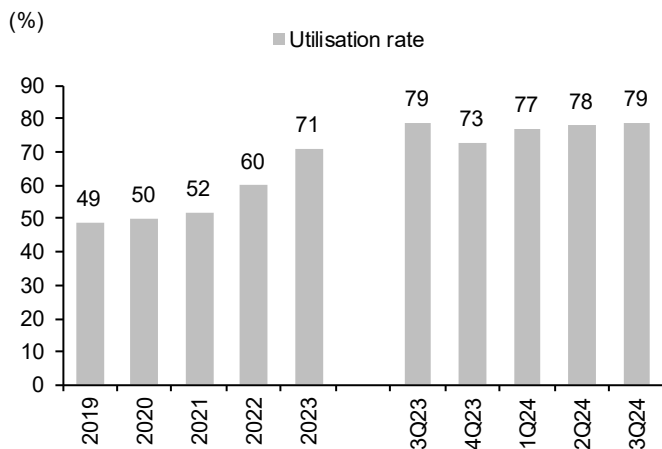
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Exhibit 1: ICHI – 3Q24 results summary

	3Q23	4Q23	1Q24	2Q24	3Q24	---- Change ----		9M24	Change	2024E	Change	% 9M24
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(y-y%)	(THB m)	(y-y%)	to 2024E
Sales	2,077	2,111	2,140	2,304	2,142	(7.0)	3.1	6,586	10.9	9,034	12.2	72.9
Cost of sales	1,554	1,594	1,582	1,695	1,592	(6.1)	2.4	4,869	6.5	6,685	8.5	72.8
Gross profit	523	517	558	609	550	(9.7)	5.2	1,717	25.4	2,349	24.5	73.1
SG&A	119	152	131	180	112	(37.7)	(5.7)	423	6.6	623	13.4	67.9
Operating profit	409	374	441	438	446	1.8	9.1	1,325	32.7	1,763	28.5	75.1
Interest expense	0.5	0.4	0.4	0.4	0.4	(5.9)	(20.5)	1	(15.6)	1.7	(6.1)	68.3
Tax expense	82	71	88	93	89	(3.8)	8.9	270	32.9	355	29.4	76.0
Profit (loss) sharing	2	(8)	12	1	1	(25.8)	(44.1)	14	12.9	16	240.7	87.0
Reported net profit	328	295	364	379	357	(5.7)	8.9	1,100	36.6	1,574	43.1	69.9
Core profit	328	295	364	353	357	1.3	8.9	1,074	33.3	1,422	29.2	75.5
Key ratios (%)						(ppt)	(ppt)				(ppt)	
Gross margin	25.2	24.5	26.1	26.4	25.7	(0.8)	0.5	26.1	3.0	26.0	20.4	
SG&A to sales	5.7	7.2	6.1	7.8	5.2	(2.6)	(0.5)	6.4	(0.3)	6.9	(0.2)	
Operating margin	19.7	17.7	20.6	19.0	20.8	1.8	1.1	20.1	3.3	19.5	13.7	
Net margin	15.8	14.0	17.0	16.4	16.7	0.2	0.9	16.7	3.1	17.4	10.5	
Core margin	15.8	14.0	17.0	15.3	16.7	1.4	0.9	16.3	2.7	15.7	10.9	
Operating statistics (THB m)												
Domestic	1,913	1,962	1,992	2,160	2,037	(5.7)	6.5	6,189	14.2	8,440	14.3	73.3
Overseas	164	149	149	144	105	(27.1)	(36.1)	397	(23.3)	654	6.6	60.7

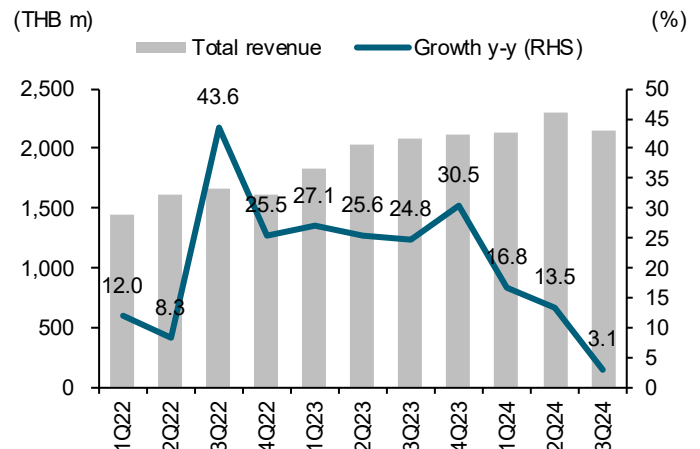
Sources: ICHI; FSSIA's compilation

Exhibit 2: Utilisation rate



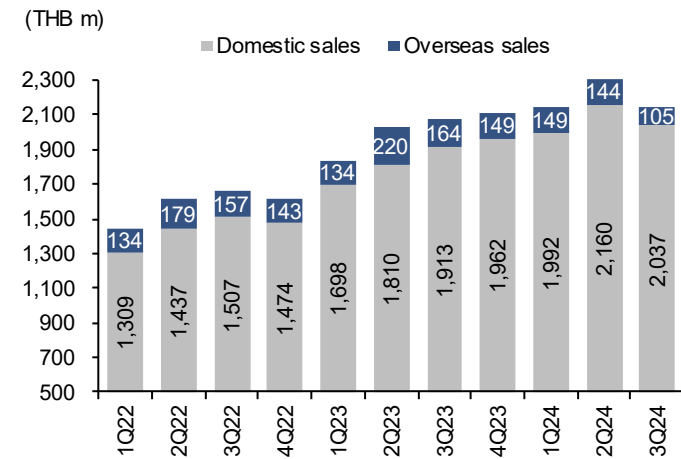
Sources: ICHI; FSSIA's compilation

Exhibit 3: Total revenue and growth



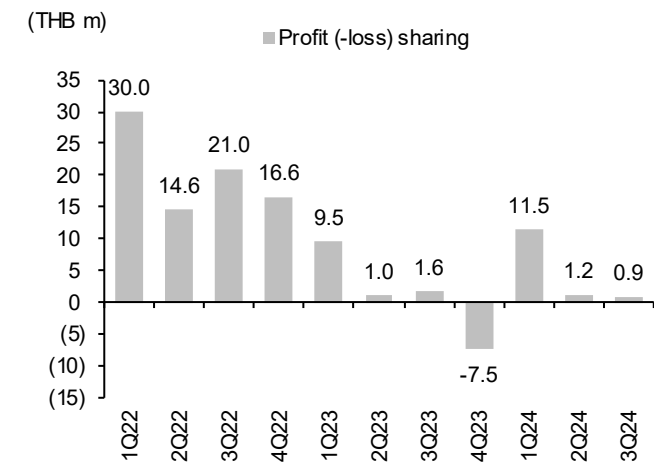
Sources: ICHI; FSSIA's compilation

Exhibit 4: Revenue breakdown by destination



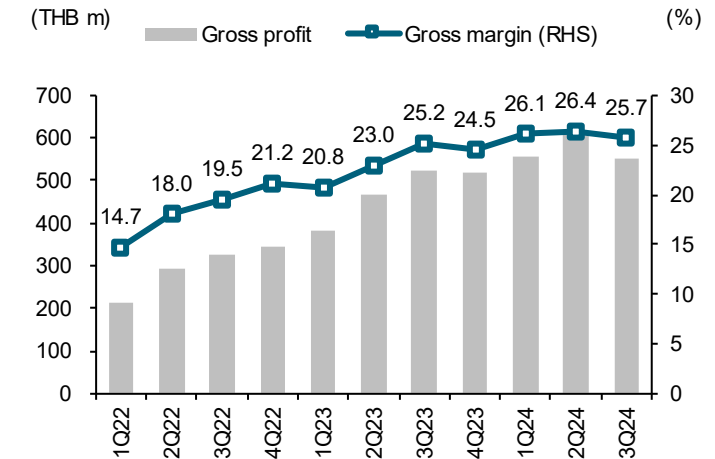
Sources: ICHI; FSSIA's compilation

Exhibit 6: Share of profit (-loss)



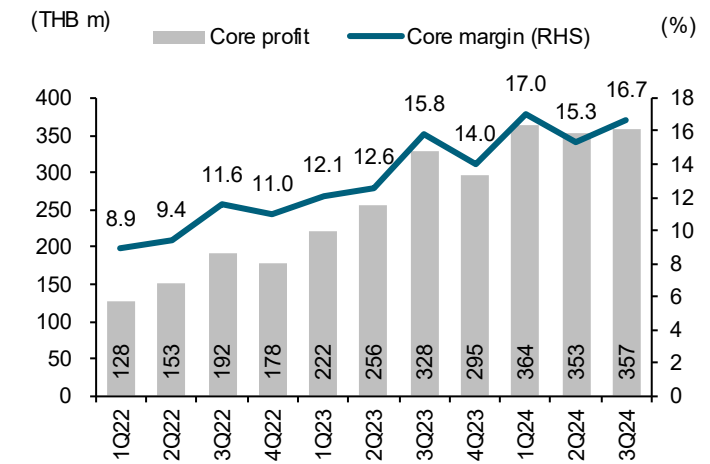
Sources: ICHI; FSSIA's compilation

Exhibit 5: Gross margin



Sources: ICHI; FSSIA's compilation

Exhibit 7: Core profit



Sources: ICHI; FSSIA's compilation

Financial Statements

Ichitan Group

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	6,340	8,050	9,034	9,672	10,157
Cost of goods sold	(5,169)	(6,163)	(6,685)	(7,206)	(7,546)
Gross profit	1,172	1,887	2,349	2,466	2,610
Other operating income	19	35	37	39	41
Operating costs	(465)	(550)	(623)	(658)	(691)
Operating EBITDA	1,296	1,942	2,358	2,457	2,585
Depreciation	(570)	(570)	(595)	(610)	(625)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	726	1,372	1,763	1,847	1,960
Net financing costs	(2)	(2)	(2)	(2)	(2)
Associates	82	5	16	31	41
Recurring non-operating income	82	5	16	31	41
Non-recurring items	(9)	0	153	0	0
Profit before tax	797	1,375	1,930	1,877	1,999
Tax	(155)	(275)	(355)	(375)	(400)
Profit after tax	642	1,100	1,574	1,501	1,599
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	642	1,100	1,574	1,501	1,599
Non-recurring items & goodwill (net)	9	0	(153)	0	0
Recurring net profit	651	1,100	1,422	1,501	1,599
Per share (THB)					
Recurring EPS *	0.50	0.85	1.09	1.15	1.23
Reported EPS	0.49	0.85	1.21	1.15	1.23
DPS	0.60	1.00	1.33	1.27	1.35
Diluted shares (used to calculate per share data)	1,300	1,300	1,300	1,300	1,300
Growth					
Revenue (%)	21.3	27.0	12.2	7.1	5.0
Operating EBITDA (%)	10.9	49.8	21.4	4.2	5.2
Operating EBIT (%)	24.1	89.1	28.5	4.8	6.1
Recurring EPS (%)	19.0	69.1	29.2	5.6	6.5
Reported EPS (%)	17.4	71.5	43.1	(4.7)	6.5
Operating performance					
Gross margin inc. depreciation (%)	18.5	23.4	26.0	25.5	25.7
Gross margin exc. depreciation (%)	27.5	30.5	32.6	31.8	31.8
Operating EBITDA margin (%)	20.4	24.1	26.1	25.4	25.4
Operating EBIT margin (%)	11.4	17.0	19.5	19.1	19.3
Net margin (%)	10.3	13.7	15.7	15.5	15.7
Effective tax rate (%)	19.5	20.0	18.4	20.0	20.0
Dividend payout on recurring profit (%)	119.9	118.1	121.8	110.0	109.9
Interest cover (X)	462.2	752.0	1,034.1	1,043.5	1,053.1
Inventory days	44.4	35.8	31.8	31.6	32.0
Debtor days	62.5	61.1	64.6	67.7	68.3
Creditor days	51.0	53.2	54.1	52.6	53.3
Operating ROIC (%)	10.8	22.4	29.9	31.9	35.8
ROIC (%)	11.2	20.9	28.1	30.0	33.7
ROE (%)	10.5	18.3	24.7	26.8	29.3
ROA (%)	9.0	15.1	19.8	21.0	22.7

* Pre exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Ready-to-drink green tea	4,405	5,564	6,203	6,637	6,969
Non-tea and others	1,936	2,486	2,832	3,035	3,188

Sources: Ichitan Group; FSSIA estimates

Financial Statements

Ichitan Group

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	651	1,100	1,422	1,501	1,599
Depreciation	570	570	595	610	625
Associates & minorities	(82)	(5)	(16)	(31)	(41)
Other non-cash items	-	-	-	-	-
Change in working capital	(27)	(252)	(214)	(81)	(65)
Cash flow from operations	1,112	1,413	1,787	1,999	2,119
Capex - maintenance	-	-	-	-	-
Capex - new investment	(114)	0	(498)	(264)	(300)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	58	78	155	22	34
Cash flow from investing	(56)	78	(343)	(242)	(266)
Dividends paid	(644)	(1,430)	(1,732)	(1,651)	(1,758)
Equity finance	0	0	0	0	0
Debt finance	(9)	(6)	(3)	5	(60)
Other financing cash flows	(6)	6	(1)	3	2
Cash flow from financing	(658)	(1,431)	(1,736)	(1,643)	(1,816)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	165	0	0	0
Net other adjustments	0	165	0	0	(1)
Movement in cash	397	225	(293)	113	36
Free cash flow to firm (FCFF)	1,057.45	1,492.92	1,445.21	1,758.25	1,854.42
Free cash flow to equity (FCFE)	1,040.82	1,655.48	1,439.20	1,764.64	1,793.95
Per share (THB)					
FCFF per share	0.81	1.15	1.11	1.35	1.43
FCFE per share	0.80	1.27	1.11	1.36	1.38
Recurring cash flow per share	0.88	1.28	1.54	1.60	1.68
Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	9,370	8,951	9,451	9,751	10,051
Less: Accumulated depreciation	(5,032)	(5,337)	(5,932)	(6,541)	(7,166)
Tangible fixed assets (net)	4,338	3,614	3,520	3,210	2,885
Intangible fixed assets (net)	10	8	10	10	10
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	312	225	225	225	225
Cash & equivalents	735	960	668	781	817
A/C receivable	1,304	1,533	1,798	1,885	1,978
Inventories	588	511	549	592	620
Other current assets	0	239	271	290	305
Current assets	2,627	3,243	3,286	3,548	3,720
Other assets	99	114	126	135	142
Total assets	7,386	7,205	7,167	7,129	6,982
Common equity	6,170	5,842	5,686	5,536	5,376
Minorities etc.	0	0	0	0	0
Total shareholders' equity	6,170	5,842	5,686	5,536	5,376
Long term debt	65	55	55	60	0
Other long-term liabilities	41	46	45	48	51
Long-term liabilities	105	102	100	108	51
A/C payable	739	890	916	987	1,034
Short term debt	14	17	14	14	14
Other current liabilities	357	355	452	484	508
Current liabilities	1,110	1,262	1,381	1,485	1,556
Total liabilities and shareholders' equity	7,386	7,205	7,167	7,129	6,982
Net working capital	795	1,038	1,251	1,297	1,361
Invested capital	5,554	5,000	5,132	4,877	4,624
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	4.75	4.49	4.37	4.26	4.14
Tangible book value per share	4.74	4.49	4.37	4.25	4.13
Financial strength					
Net debt/equity (%)	(10.6)	(15.2)	(10.5)	(12.8)	(14.9)
Net debt/total assets (%)	(8.9)	(12.3)	(8.4)	(9.9)	(11.5)
Current ratio (x)	2.4	2.6	2.4	2.4	2.4
CF interest cover (x)	661.7	905.1	1,127.4	1,128.2	1,103.1
Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	33.0	19.5	15.1	14.3	13.4
Recurring P/E @ target price (x) *	42.0	24.8	19.2	18.2	17.1
Reported P/E (x)	33.4	19.5	13.6	14.3	13.4
Dividend yield (%)	3.6	6.1	8.1	7.7	8.2
Price/book (x)	3.5	3.7	3.8	3.9	4.0
Price/tangible book (x)	3.5	3.7	3.8	3.9	4.0
EV/EBITDA (x) **	16.0	10.6	8.8	8.4	8.0
EV/EBITDA @ target price (x) **	20.6	13.6	11.3	10.8	10.3
EV/invested capital (x)	3.7	4.1	4.1	4.3	4.5
* 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 8: 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 9: ESG – peer comparison

	FSSIA	Domestic ratings							Global ratings					Bloomberg	
	ESG score	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 10: 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 Sustainability	The Sustainability's 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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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

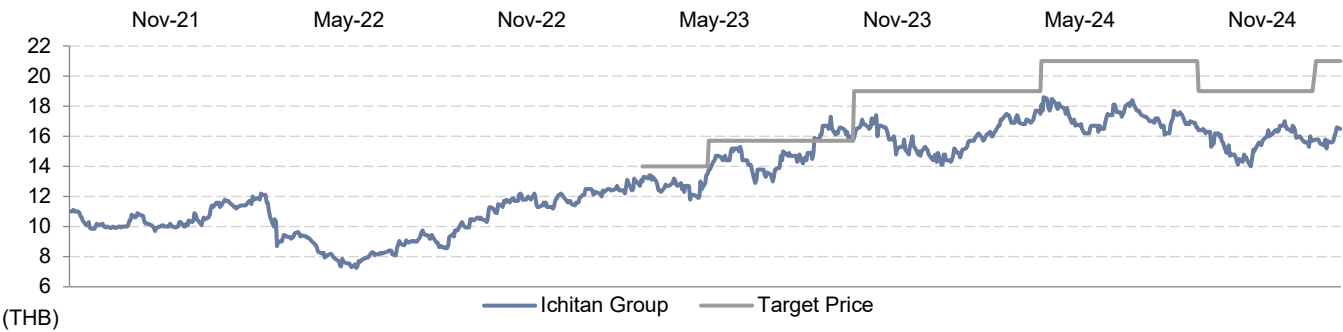
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

History of change in investment rating and/or target price

Ichitan Group (ICHI TB)



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 16.50	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 11-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.