

ICHITAN GROUP ICHI TB

THAILAND / FOOD & BEVERAGE

BUY

UNCHANGED

ขาดปัจจัยบวกแต่ Valuation ถูก

- ากฝนที่ตกหนักและมีปัญหาน้ำท่วมในหลายพื้นที่ เราคาดว่ากำไรสุทธิ 4Q24 จะอ่อนตัว q-q
- บริษัท กำลังติดตั้งเครื่องจักรสำหรับสายการผลิตใหม่ซึ่งคาดว่าจะแล้วเสร็จภายในสิ้นปี 2024 และน่าจะช่วยสนับสนุนการเติบโตในไตรมาส 1Q25
- ปัจจุบันหุ้นมีการซื้อขายที่เพียง 12.8x 2025E P/E

TARGET PRICE	THB19.20
CLOSE	THB14.50
UP/DOWNSIDE	+32.4%
PRIOR TP	THB21.00
CHANGE IN TP	-8.6%
TP vs CONSENSUS	-7.3%

รายได้ปี 2024 อาจต่ำกว่าคาด

เรามีมุมมองเป็นลบเล็กน้อยหลังการประชุมนักวิเคราะห์เมื่อวันที่ 21 พ.ย. แม้ว่าผู้บริหารจะยังคงเป้ารายได้ปี 2024 ไว้ที่ 9 พัน ลบ. (+12% y-y) ในระยะสั้นเราคาดว่ารายได้ 4Q24 จะลดลง 1.2% q-q และทรงตัว y-y อยู่ที่ 2.1 พัน ลบ. จากปัจจัยด้านฤดูกาลและฝนที่ตกหนักร่วมกับปัญหาน้ำท่วมในหลายพื้นที่ ถ้าเป็นเช่นนั้นจริงเราคาดว่ารายได้รวมในปี 2024 จะอยู่ที่ 8.7 พัน ลบ. (+8% y-y) ต่ำกว่าเป้าหมายของผู้บริหารเล็กน้อย ในขณะที่รายได้จากการส่งออก (นำมะพร้าวให้แก่อุปกรณ์ OEM) น่าจะไม่ฟื้นตัว q-q เนื่องจาก ICHI เติบโตการผลิตเพิ่มกำลังอยู่ในปัจจุบัน

สายการผลิตใหม่จะช่วยหนุนการเติบโตในปี 2025

ผู้บริหารยังอยู่ระหว่างการสรุปงบเพื่อการเติบโตในปี 2025 ในขณะที่บริษัท กำลังติดตั้งเครื่องจักรสำหรับสายการผลิตใหม่ซึ่งคาดว่าจะแล้วเสร็จภายในสิ้นปี 2024 ปัจจัยดังกล่าวจะช่วยเพิ่มกำลังการผลิตได้ 13% y-y และช่วยสนับสนุนลูกค้า OEM ซึ่งประกอบไปด้วยลูกค้านำมะพร้าวที่กลับมาใหม่หลังยอดขายลดลงในช่วง 2H24 และน่าจะฟื้นตัวในช่วง 1H25 และลูกค้า OEM ใหม่ได้ในทันที ถ้าเครื่องจักรใหม่ทำงานได้ตามแผนโดยไม่ติดขัดเราคาดว่าผลประกอบการ 1Q25 จะสูงขึ้น

ปรับลดประมาณการกำไร

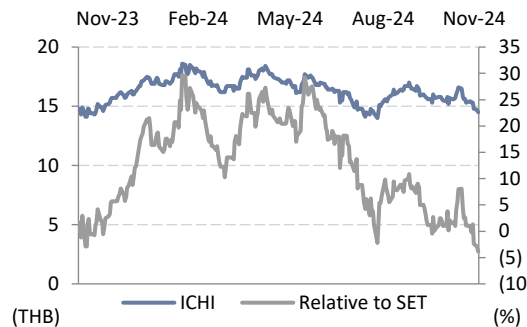
ในระยะสั้นเราคาดว่ากำไรสุทธิ 4Q24 อยู่ที่ 339 ลบ. (-5% q-q, +15% y-y) โดยน่าจะลดลงตามรายได้ ในขณะที่ค่าใช้จ่ายน่าจะสูงขึ้นหลังเปิดตัว 5 สินค้าใหม่ เราปรับลดประมาณการกำไรสุทธิปี 2024-25 ของเราลง 2-9% เป็น 1.44 พัน ลบ. (+31% y-y) และ 1.48 พัน ลบ. (+2.6% y-y) ทั้งนี้เราคาดว่ารายได้ปี 2025 จะโต 7.6% y-y ในขณะที่คงแนวโน้มอัตรากำไรขั้นต้นซึ่งเราคาดว่าลดลง 60 bps จากค่าเสื่อมของสายการผลิตใหม่ นอกจากนี้ ICHI กำลังปรับสูตรเครื่องดื่มบางชนิดเพื่อให้เสียภาษีน้ำตาลได้ทั้งหมด

คงคำแนะนำซื้อจาก Valuation ที่อยู่ในระดับต่ำและผลตอบแทนในรูปเงินปันผลที่อยู่ในระดับสูง

เราปรับลดราคาเป้าหมายของเราเป็น 19.2 บาทหลังปรับลดค่า P/E เป้าหมายเป็น 17x (ค่าเฉลี่ย 5 ปีย้อนหลัง) จาก 18x เพื่อสะท้อนการเติบโตที่ชะลอลงจากฐานที่สูงของทั้งมูลค่าตลาดขาเขียวและกำไร นอกจากนี้การขายที่ดินในโรจนะยังถูกเลื่อนออกไปเนื่องจากผู้ซื้อต้องขออนุมัติจาก BOI ใหม่ (ซึ่งเรายังไม่ได้รับไว้ใบประมาณการของเรา) อย่างไรก็ตามราคาหุ้นที่ลดลงได้ทำให้ Valuation อยู่ในระดับที่น่าสนใจมากขึ้นเนื่องจากปัจจุบันหุ้นมีการซื้อขายที่เพียง 12.8x 2025E P/E และเราคาดว่าหุ้นจะให้ผลตอบแทนในรูปเงินปันผล 7-8% ต่อปี ดังนั้นเราจึงคงคำแนะนำซื้อ

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	8,050	8,702	9,363	9,837
Net profit	1,100	1,438	1,476	1,573
EPS (THB)	0.85	1.11	1.14	1.21
vs Consensus (%)	-	1.5	(2.7)	(4.4)
EBITDA	1,942	2,348	2,426	2,552
Recurring net profit	1,100	1,412	1,476	1,573
Core EPS (THB)	0.85	1.09	1.14	1.21
Chg. In EPS est. (%)	-	(0.7)	(1.7)	(1.7)
EPS growth (%)	69.1	28.3	4.5	6.6
Core P/E (x)	17.1	13.4	12.8	12.0
Dividend yield (%)	6.9	8.4	8.6	9.2
EV/EBITDA (x)	9.3	7.7	7.5	7.0
Price/book (x)	3.2	3.3	3.4	3.5
Net debt/Equity (%)	(15.2)	(11.6)	(13.8)	(16.1)
ROE (%)	18.3	24.5	26.2	28.7



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(6.5)	3.6	(1.4)
Relative to country (%)	(4.8)	(1.7)	(4.2)
Mkt cap (USD m)	544		
3m avg. daily turnover (USD m)	3.8		
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

Fundamental Investment Analyst on Securities; License no. 040694
sureeporn.t@fssia.com, +66 2646 9972

Investment thesis

ICHI manufactures and distributes ICHITAN ready-to-drink green tea, “Yen Yen” herbal drink, and green tea with chewy coconut cubes named “ICHITAN Chew Chew”, along with other beverages. In 2023, 91.7% of ICHI’s revenue came from domestic sales, with overseas sales accounting for just 8.3%. ICHI’s factory is located in Rojana Industrial Park, Ayutthaya. It has seven bottle production lines and two UHT box product lines with a total capacity of 1,500 million bottles and 200 million boxes p.a. ICHI plans to increase its capacity to 1,700 million bottles in 1Q25.

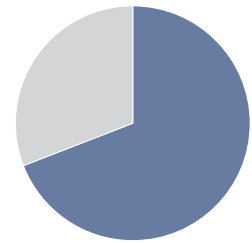
Company profile

Ichitan Group manufactures its own-branded beverages and sells ready-to-drink green tea beverages, herbal drinks, and low-sugar ready-to-drink tea beverages to the local market and CLMV. In 2014, ICHI engaged in a joint venture with the Indonesian company PT Atri Pasifik to produce and sell its products in Indonesia.

www.ichitangroup.com

Principal activities (revenue, 2023)

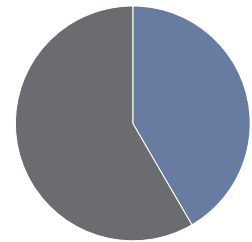
- Ready-to-drink green tea - 69.1 %
- Non-tea and others - 30.9 %



Source: Ichitan Group

Major shareholders

- Passakornnatee Family - 41.6 %
- Others - 58.4 %



Source: Ichitan Group

Catalysts

Potential catalysts for ICHI’s earnings growth in 2025 are 1) revenue growth, driven by rising sales volumes; 2) declining packaging costs; 3) successful new product launches; and 4) successful original equipment manufacturer (OEM) customer products.

Risks to our call

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.

Event calendar

Date	Event
February 2025	4Q24 results announcement

Key assumptions

	2024E	2025E	2026E
Domestic revenue (THB m)	8,200	8,800	9,257
Overseas revenue (THB m)	502	563	580
Total revenue (THB m)	8,702	9,363	9,837
Total revenue growth (%)	8.1	7.6	5.1
Gross margin (%)	26.1	25.5	25.7
SG&A to sales (%)	6.3	6.5	6.5

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in revenue, we estimate 2025 net profit to rise by 1%, and vice versa, all else being equal.
- For every 0.5% increase in GPM, we estimate 2025 net profit to rise by 3.8%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A to sales, we estimate 2025 net profit to fall by 2%, and vice versa, all else being equal.

Source: FSSIA estimates

Exhibit 1: Changes in key assumptions for ICHI

	Current			Previous			Change		
	2024E (THB m)	2025E (THB m)	2026E (THB m)	2024E (THB m)	2025E (THB m)	2026E (THB m)	2024E (%)	2025E (%)	2026E (%)
Sales	8,702	9,363	9,837	9,034	9,672	10,157	(3.7)	(3.2)	(3.2)
Cost of sales	6,435	6,975	7,309	6,685	7,206	7,546	(3.7)	(3.2)	(3.2)
Gross profit	2,267	2,387	2,528	2,349	2,466	2,610	(3.5)	(3.2)	(3.2)
SG&A	552	609	639	623	658	691	(11.4)	(7.5)	(7.4)
Operating profit	1,753	1,816	1,927	1,763	1,847	1,959	(0.6)	(1.7)	(1.6)
Interest expense	2	2	2	2	2	2	(9.9)	0.0	0.0
Tax expense	355	369	393	355	375	400	(0.2)	(1.7)	(1.7)
Profit (loss) sharing	15	30	39	16	31	41	(3.7)	(3.2)	(3.2)
Reported net profit	1,438	1,476	1,572	1,574	1,501	1,598	(8.7)	(1.7)	(1.7)
Core profit	1,412	1,476	1,572	1,422	1,501	1,598	(0.7)	(1.7)	(1.7)
Key ratios (%)									
Total revenue growth	8.1	7.6	5.1	12.2	7.1	5.0			
Net profit growth	30.7	2.6	6.5	43.1	(4.7)	6.5			
Core profit growth	28.3	4.5	6.5	29.2	5.6	6.5			
Gross margin	26.1	25.5	25.7	26.0	25.5	25.7	0.0	0.0	0.0
SG&A to sales	6.3	6.5	6.5	6.9	6.8	6.8	(0.6)	(0.3)	(0.3)
Net margin	16.5	15.8	16.0	17.4	15.5	15.7	(0.9)	0.2	0.2
Norm margin	16.2	15.8	16.0	15.7	15.5	15.7	0.5	0.2	0.2
Operating statistics (THB m)									
Domestic revenue	8,200	8,800	9,257	8,440	9,060	9,532	(2.8)	(2.9)	(2.9)
Overseas revenue	502	563	580	595	612	625	(15.5)	(8.1)	(7.2)

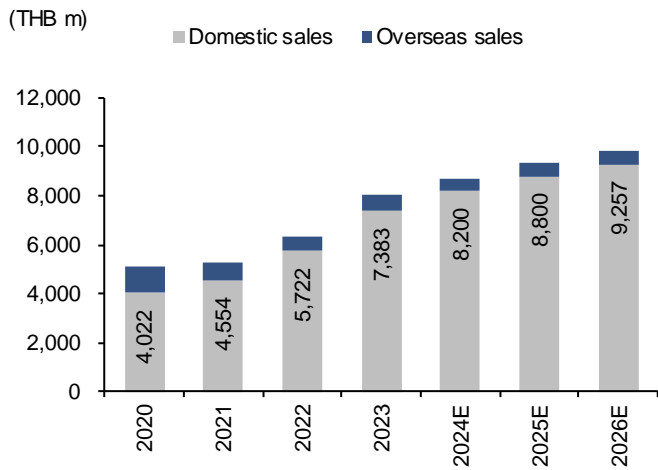
Source: FSSIA estimates

Exhibit 2: ICHI – 4Q24 earnings preview

	4Q23	1Q24	2Q24	3Q24	4Q24E	Change		2023	2024E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Sales	2,111	2,140	2,304	2,142	2,116	(1.2)	0.2	8,050	8,702	8.1
Cost of sales	1,594	1,582	1,695	1,592	1,572	(1.2)	(1.3)	6,163	6,435	4.4
Gross profit	517	558	609	550	544	(1.1)	5.1	1,887	2,267	20.2
SG&A	152	131	174	112	129	15.0	(15.4)	550	552	0.5
Operating profit	374	441	444	446	423	(5.2)	12.9	1,372	1,753	27.7
Interest expense	0.4	0.4	0.4	0.4	0.4	0.5	(15.7)	1.8	1.6	(15.3)
Tax expense	71	88	93	89	85	(5.0)	18.9	275	355	29.2
Profit (loss) sharing	(8)	12	1	1	2	62.9	(120.0)	5	15	228.2
Reported net profit	295	364	379	357	339	(5.1)	14.9	1,100	1,438	30.7
Core profit	295	364	353	357	339	(5.1)	14.9	1,100	1,412	28.3
Key Ratios (%)						(ppt)	(ppt)	(ppt)		
Gross margin	24.5	26.1	26.4	25.7	25.7	0.0	1.2	23.4	26.1	20.4
SG&A to sales	7.2	6.1	7.5	5.2	6.1	0.9	(1.1)	6.8	6.3	(0.2)
Operating margin	17.7	20.6	19.3	20.8	20.0	(0.8)	2.2	17.0	20.1	13.6
Net margin	14.0	17.0	16.4	16.7	16.0	(0.7)	2.0	13.7	16.5	10.5
Core margin	14.0	17.0	15.3	16.7	16.0	(0.7)	2.0	13.7	16.2	10.9
Operating statistics (THB m)										
Domestic	1,962	1,992	2,160	2,037	2,011	(1.3)	2.5	7,383	8,200	11.1
Overseas	149	149	144	105	105	0.1	(29.6)	614	654	6.6

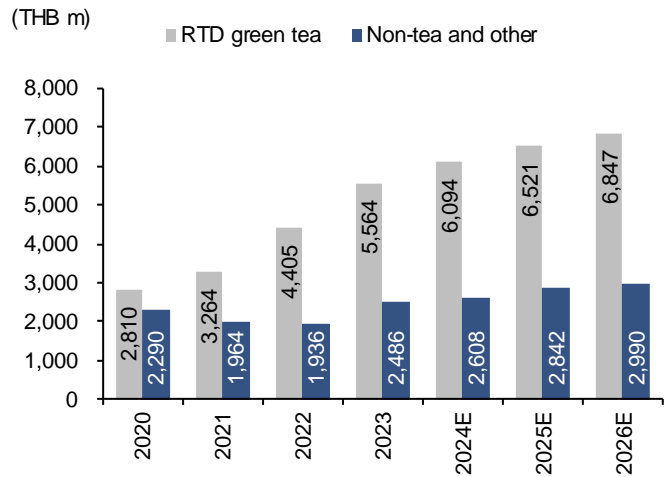
Sources: ICHI, FSSIA estimates

Exhibit 3: Yearly revenue by destination



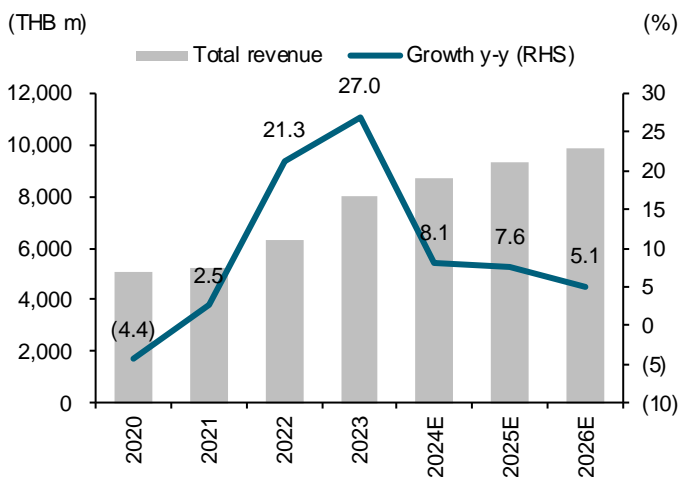
Sources: ICHI, FSSIA estimates

Exhibit 4: Yearly revenue by segment



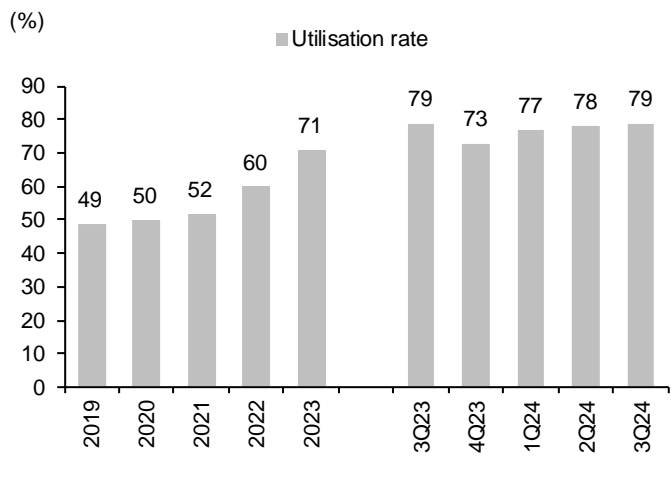
Sources: ICHI, FSSIA estimates

Exhibit 5: Yearly total revenue and growth



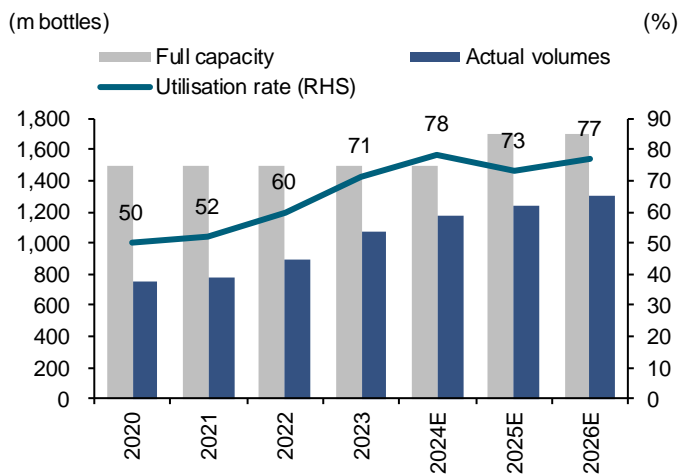
Sources: ICHI, FSSIA estimates

Exhibit 6: Quarterly utilisation rate



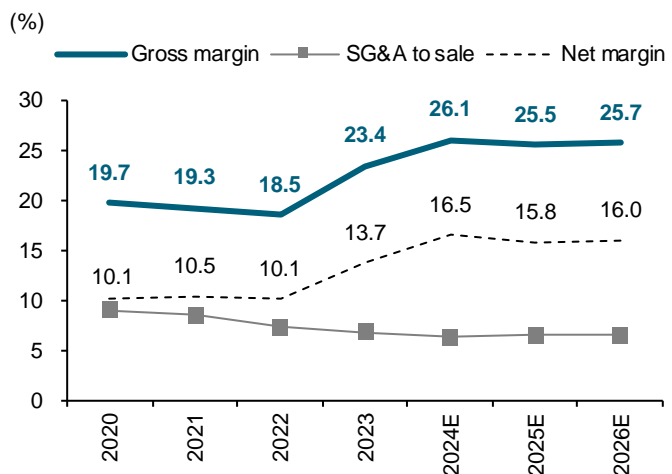
Sources: ICHI, FSSIA's compilation

Exhibit 7: Capacity and utilisation rate



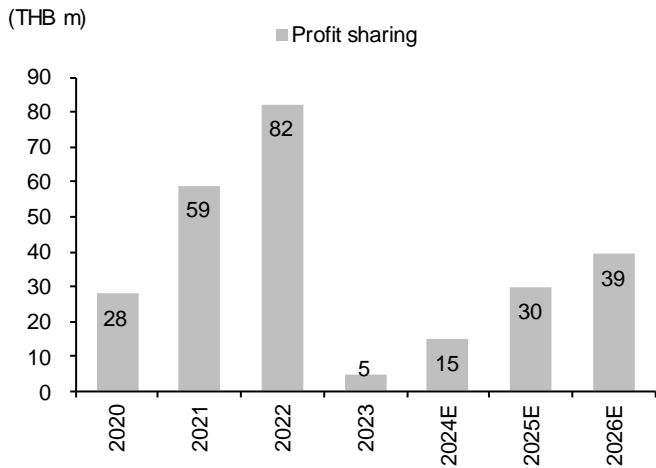
Sources: ICHI, FSSIA estimates

Exhibit 8: Yearly gross margin and net margin



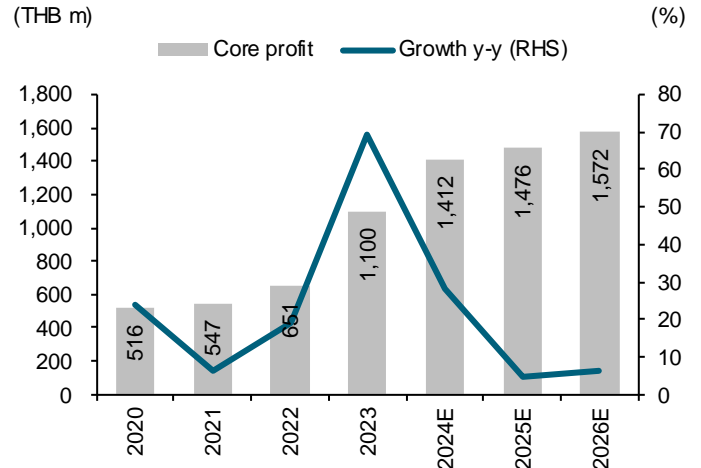
Sources: ICHI, FSSIA estimates

Exhibit 9: Profit sharing from associate in Indonesia



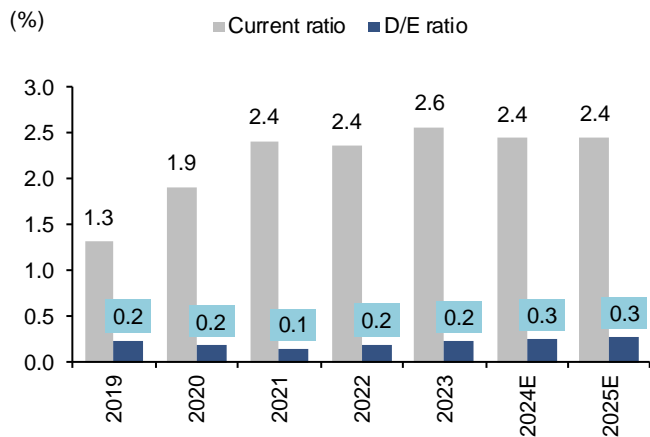
Sources: ICHI, FSSIA estimates

Exhibit 10: Core profit and growth



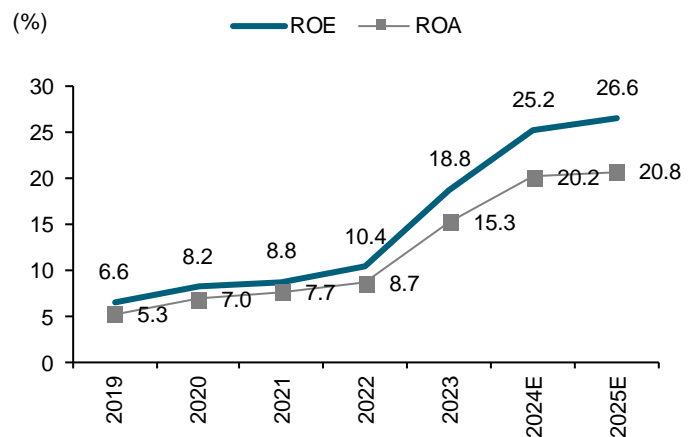
Sources: ICHI, FSSIA estimates

Exhibit 11: Current ratio and D/E ratio



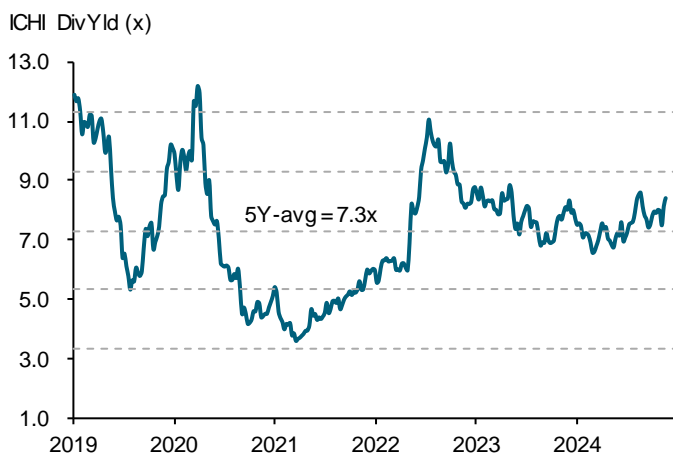
Sources: ICHI, FSSIA estimates

Exhibit 12: ROE and ROA



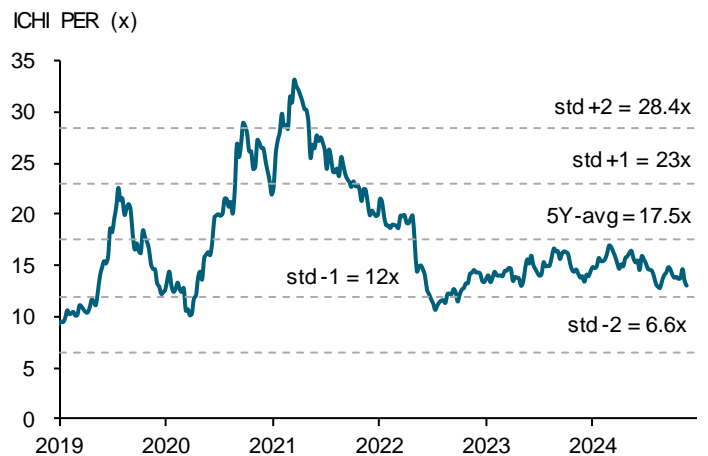
Sources: ICHI, FSSIA estimates

Exhibit 13: Dividend yield



Sources: Bloomberg, FSSIA estimates

Exhibit 14: Historical P/E band



Sources: Bloomberg, FSSIA estimates

Financial Statements

Ichitan Group

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	6,340	8,050	8,702	9,363	9,837
Cost of goods sold	(5,169)	(6,163)	(6,435)	(6,975)	(7,309)
Gross profit	1,172	1,887	2,267	2,387	2,528
Other operating income	19	35	38	37	39
Operating costs	(465)	(550)	(552)	(609)	(639)
Operating EBITDA	1,296	1,942	2,348	2,426	2,552
Depreciation	(570)	(570)	(595)	(610)	(625)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	726	1,372	1,753	1,816	1,928
Net financing costs	(2)	(2)	(2)	(2)	(2)
Associates	82	5	15	30	39
Recurring non-operating income	82	5	15	30	39
Non-recurring items	(9)	0	26	0	0
Profit before tax	797	1,375	1,793	1,845	1,965
Tax	(155)	(275)	(355)	(369)	(393)
Profit after tax	642	1,100	1,438	1,476	1,573
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	642	1,100	1,438	1,476	1,573
Non-recurring items & goodwill (net)	9	0	(26)	0	0
Recurring net profit	651	1,100	1,412	1,476	1,573
Per share (THB)					
Recurring EPS *	0.50	0.85	1.09	1.14	1.21
Reported EPS	0.49	0.85	1.11	1.14	1.21
DPS	0.60	1.00	1.22	1.25	1.33
Diluted shares (used to calculate per share data)	1,300	1,300	1,300	1,300	1,300
Growth					
Revenue (%)	21.3	27.0	8.1	7.6	5.1
Operating EBITDA (%)	10.9	49.8	20.9	3.3	5.2
Operating EBIT (%)	24.1	89.1	27.7	3.6	6.1
Recurring EPS (%)	19.0	69.1	28.3	4.5	6.6
Reported EPS (%)	17.4	71.5	30.7	2.6	6.6
Operating performance					
Gross margin inc. depreciation (%)	18.5	23.4	26.1	25.5	25.7
Gross margin exc. depreciation (%)	27.5	30.5	32.9	32.0	32.0
Operating EBITDA margin (%)	20.4	24.1	27.0	25.9	25.9
Operating EBIT margin (%)	11.4	17.0	20.1	19.4	19.6
Net margin (%)	10.3	13.7	16.2	15.8	16.0
Effective tax rate (%)	19.5	20.0	19.8	20.0	20.0
Dividend payout on recurring profit (%)	119.9	118.1	112.0	110.0	109.9
Interest cover (X)	462.2	752.0	1,140.8	1,025.7	1,035.4
Inventory days	44.4	35.8	32.5	31.6	32.1
Debtor days	62.5	61.1	65.8	67.5	68.3
Creditor days	51.0	53.2	55.4	52.7	53.4
Operating ROIC (%)	10.8	22.4	29.9	31.6	35.6
ROIC (%)	11.2	20.9	28.1	29.8	33.5
ROE (%)	10.5	18.3	24.5	26.2	28.7
ROA (%)	9.0	15.1	19.7	20.8	22.4
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Ready-to-drink green tea	4,405	5,564	6,094	6,521	6,847
Non-tea and others	1,936	2,486	2,608	2,842	2,990

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	1,412	1,476	1,573
Depreciation	570	570	595	610	625
Associates & minorities	(82)	(5)	(15)	(30)	(39)
Other non-cash items	-	-	-	-	-
Change in working capital	(27)	(252)	(170)	(84)	(63)
Cash flow from operations	1,112	1,413	1,821	1,971	2,095
Capex - maintenance	-	-	-	-	-
Capex - new investment	(114)	0	(498)	(264)	(300)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	58	78	32	21	33
Cash flow from investing	(56)	78	(466)	(244)	(267)
Dividends paid	(644)	(1,430)	(1,582)	(1,623)	(1,729)
Equity finance	0	0	0	0	0
Debt finance	(9)	(6)	(3)	5	(60)
Other financing cash flows	(6)	6	(3)	3	2
Cash flow from financing	(658)	(1,431)	(1,588)	(1,615)	(1,786)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	165	0	0	0
Net other adjustments	0	165	0	0	(1)
Movement in cash	397	225	(233)	113	40
Free cash flow to firm (FCFF)	1,057.45	1,492.92	1,356.70	1,729.57	1,829.18
Free cash flow to equity (FCFE)	1,040.82	1,655.48	1,349.19	1,736.07	1,768.65

Per share (THB)

FCFF per share	0.81	1.15	1.04	1.33	1.41
FCFE per share	0.80	1.27	1.04	1.34	1.36
Recurring cash flow per share	0.88	1.28	1.53	1.58	1.66

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	728	841	880
A/C receivable	1,304	1,533	1,735	1,826	1,916
Inventories	588	511	529	573	601
Other current assets	0	239	261	281	295
Current assets	2,627	3,243	3,252	3,520	3,693
Other assets	99	114	122	131	138
Total assets	7,386	7,205	7,129	7,096	6,951
Common equity	6,170	5,842	5,699	5,552	5,395
Minorities etc.	0	0	0	0	0
Total shareholders' equity	6,170	5,842	5,699	5,552	5,395
Long term debt	65	55	55	60	0
Other long-term liabilities	41	46	44	47	49
Long-term liabilities	105	102	99	107	49
A/C payable	739	890	882	956	1,001
Short term debt	14	17	14	14	14
Other current liabilities	357	355	435	468	492
Current liabilities	1,110	1,262	1,331	1,438	1,507
Total liabilities and shareholders' equity	7,386	7,205	7,129	7,096	6,951
Net working capital	795	1,038	1,208	1,256	1,319
Invested capital	5,554	5,000	5,084	4,832	4,577

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

Per share (THB)

Book value per share	4.75	4.49	4.38	4.27	4.15
Tangible book value per share	4.74	4.49	4.38	4.26	4.14

Financial strength

Net debt/equity (%)	(10.6)	(15.2)	(11.6)	(13.8)	(16.1)
Net debt/total assets (%)	(8.9)	(12.3)	(9.2)	(10.8)	(12.5)
Current ratio (x)	2.4	2.6	2.4	2.4	2.5
CF interest cover (x)	661.7	905.1	1,192.9	1,112.3	1,089.8

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	29.0	17.1	13.4	12.8	12.0
Recurring P/E @ target price (x) *	38.4	22.7	17.7	16.9	15.9
Reported P/E (x)	29.4	17.1	13.1	12.8	12.0
Dividend yield (%)	4.1	6.9	8.4	8.6	9.2
Price/book (x)	3.1	3.2	3.3	3.4	3.5
Price/tangible book (x)	3.1	3.2	3.3	3.4	3.5
EV/EBITDA (x) **	14.0	9.3	7.7	7.5	7.0
EV/EBITDA @ target price (x) **	18.8	12.4	10.4	10.0	9.4
EV/invested capital (x)	3.3	3.6	3.6	3.7	3.9

* 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

★ ★ ★

43.67 /100

Exhibit 15: FSSIA ESG score implication

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 16: 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 17: 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	<i>(KPMG Phoomchai Audit Company Limited)</i>	
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.																			
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG 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 SETESG 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. SETESG Index is extended from the SET ESG Ratings 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+									
NEGL	Low	Medium	High	Severe																	
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 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.																			

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

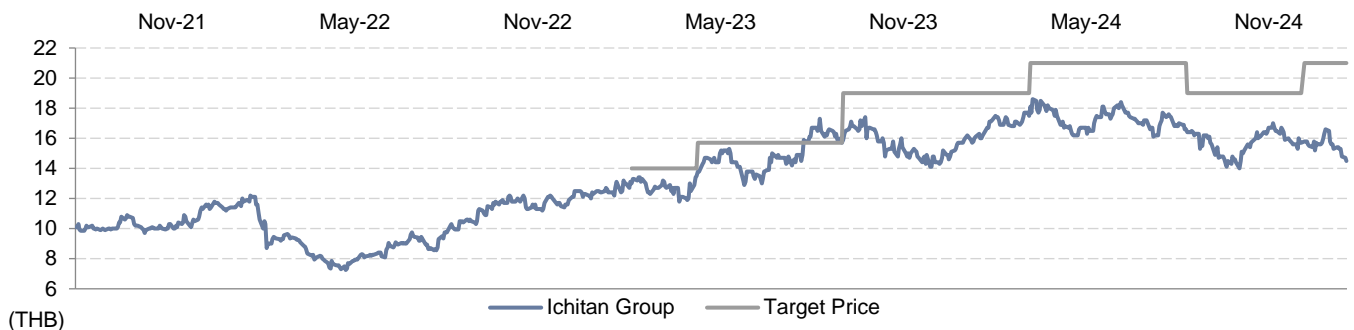
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History of change in investment rating and/or target price

Ichitan Group (ICHI TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
21-Mar-2023	BUY	14.00	19-Sep-2023	BUY	19.00	18-Oct-2024	BUY	21.00
17-May-2023	BUY	15.70	27-Feb-2024	BUY	21.00			
15-Jun-2023	HOLD	15.70	11-Jul-2024	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 14.50	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 26-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.