

ICHITAN GROUP

THAILAND / FOOD & BEVERAGE

ICHI TB

HOLD

FROM BUY

อากาศเย็นเริ่มส่งผลกระทบใน 4Q

- คาดกำไรสุทธิ 4Q24 จะลดลง q-q และ y-y ในขณะที่รายได้ 1Q25 มีแนวโน้มไม่น่าตื่นเต้นจากอากาศที่เย็นกว่าปกติ
- ปรับลดประมาณการกำไรสุทธิปี 2024-25 ของเรลง 4-6% โดยคาดว่ากำไร 2025 จะทรงตัว y-y
- ปรับลดราคาเป้าหมายเป็น 16 บาทและคำแนะนำเป็นถือจากผลตอบแทนในรูปเงินปันผลที่อยู่ในระดับสูง

TARGET PRICE	THB16.00
CLOSE	THB14.20
UP/DOWNSIDE	+12.7%
PRIOR TP	THB19.20
CHANGE IN TP	-16.7%
TP vs CONSENSUS	-21.4%

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	8,050	8,595	9,097	9,557
Net profit	1,100	1,383	1,389	1,474
EPS (THB)	0.85	1.06	1.07	1.13
vs Consensus (%)	-	(3.1)	(8.5)	(10.5)
EBITDA	1,942	2,280	2,329	2,450
Recurring net profit	1,100	1,357	1,389	1,474
Core EPS (THB)	0.85	1.04	1.07	1.13
Chg. In EPS est. (%)	-	(3.9)	(5.9)	(6.2)
EPS growth (%)	69.1	23.3	2.3	6.2
Core P/E (x)	16.8	13.6	13.3	12.5
Dividend yield (%)	7.0	8.2	8.3	8.8
EV/EBITDA (x)	9.0	7.8	7.6	7.2
Price/book (x)	3.2	3.2	3.3	3.4
Net debt/Equity (%)	(15.2)	(11.9)	(14.7)	(17.2)
ROE (%)	18.3	23.5	24.9	27.2

กำไร 4Q24 อาจต่ำกว่าที่เคยคาด

เรคาดกำไรสุทธิ 4Q24 อยู่ที่ 283 ลบ. (-21% q-q, -4% y-y) ต่ำกว่าที่เคยคาดจากผลกระทบจากน้ำท่วม (ในเดือน ต.ค.) และสภาวะอากาศที่เย็นกว่าปกติตลอดไตรมาส 4 ทั้งนี้เรคาดว่ารายได้รวมจะลดลง 6% q-q และ 5% y-y ซึ่งอาจทำให้รายได้รวมในปี 2024 ต่ำกว่าเป้าของ ICHI ประมาณ 5% จากอัตราการใช้กำลังการผลิตที่ลดลงเรคาดว่าอัตรากำไรขั้นต้นจะลดลงเหลือ 24.9% จาก 25.7% ใน 3Q24 ค่าใช้จ่ายในการดำเนินงานน่าจะเพิ่ม q-q ส่วนมากจากโบนัสพิเศษที่จ่ายให้แก่พนักงานและอาจมีผลขาดทุนจากอัตราแลกเปลี่ยนเงินจำนวนหนึ่งจากการนำเข้าเครื่องจักร

อากาศเย็นอาจกระทบรายได้ 1Q25

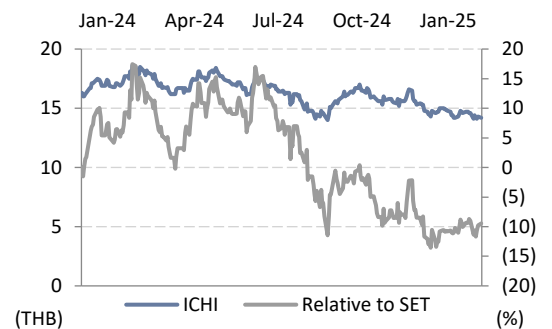
ในระยะสั้นแนวโน้มคำสั่งซื้อในไตรมาส 1Q25 ไม่น่าตื่นเต้นหลังอากาศเย็นต่อเนื่องพร้อมคาดว่าคำสั่งซื้อจะฟื้นตัวในครึ่งหลังของไตรมาส จากแนวโน้มตามฤดูกาลอากาศน่าจะร้อนขึ้นใน 2Q25 ทั้งนี้ ICHI ได้ติดตั้งเครื่องจักรใหม่และทดสอบเดินสายการผลิตสำเร็จในเดือน ธ.ค. บริษัทฯ วางแผนเริ่มเดินสายการผลิตเชิงพาณิชย์ในเดือน ม.ค. - ก.พ. และจะเริ่มรับรู้รายได้จากลูกค้า OEM เพิ่มขึ้นอย่างชัดเจนใน 2Q25 (ทั้งจากลูกค้าเดิมและลูกค้าใหม่) โดยเฉพาะในกลุ่มน้ำผลไม้ (น้ำมะพร้าว) ซึ่งทำให้บริษัทฯ ตั้งเป้าให้รายได้โต 10-15% ในปี 2025

ปรับลดสมมติฐานการเติบโตในปี 2025 ของเรา

เรามีความกังวลเพิ่มเกี่ยวกับสภาวะอากาศที่เย็นผิดปกติซึ่งอาจกระทบการเติบโตของรายได้ในช่วง 1H25 ในขณะที่ ICHI จะเริ่มรับรู้ค่าเสื่อมของเครื่องจักรใหม่ซึ่งคาดว่าจะอยู่ที่ 8 ลบ. ต่อไตรมาสและจะกระทบอัตรากำไรขั้นต้น 0.4% จากเหตุผลดังกล่าวเราปรับลดสมมติฐานการเติบโตของรายได้ในปี 2025 ของเรลงเหลือ 5.8% (จาก 7.6%) และปรับลดสมมติฐานอัตรากำไรขั้นต้นของเราลง 50 bps เหลือ 25% เพื่อสะท้อนค่าเสื่อมและต้นทุนค่าบรรจุภัณฑ์ที่เพิ่มเล็กน้อยในช่วง 1H25 ทั้งนี้แม้ว่าภาวีสความหวานจะได้รับผลกระทบจากการขึ้นภาษีในระยะที่ 4 เราคาดว่าจะผลกระทบจะมีจำกัดเนื่องจากบริษัทฯ ได้ทยอยปรับสูตรเครื่องดื่มของตนเรียบร้อยแล้ว

ปรับลดราคาเป้าหมายเหลือ 16 บาทและคำแนะนำเป็นถือ

เราปรับลดประมาณการกำไรสุทธิปี 2024-25 ของเรลง 4-6% โดยคาดว่ากำไรสุทธิในปี 2024 จะโต 26% y-y ในขณะที่กำไรในปี 2025 จะทรงตัว y-y ที่ 1.39 พัน ลบ. ซึ่งทำให้ราคาเป้าหมายของเราลดลงเหลือ 16 บาทหลังปรับลดค่า P/E ลงเหลือ 15x (จาก 18x) เพื่อสะท้อนประมาณการกำไรที่ทรงตัวในปี 2025 ในขณะที่การขายที่ดิน (ซึ่งเรายังไม่ได้รวมไว้ในประมาณการ) อาจเลื่อนไปเป็นไตรมาส 3Q25 ดังนั้นเราจึงปรับลดคำแนะนำเป็นถือเพื่อรับผลตอบแทนในรูปเงินปันผลสำหรับผลประโยชน์ในช่วง 2H24 ซึ่งคาดว่าจะอยู่ที่ประมาณ 4%



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(4.1)	(9.0)	(11.8)
Relative to country (%)	1.4	(1.2)	(7.9)
Mkt cap (USD m)	530		
3m avg. daily turnover (USD m)	2.5		
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

PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 14 มกราคม 2025

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 and upside risks to our P/E-based TP would be 1) a slower or faster-than-expected consumption recovery; 2) high or low volatility in packaging costs; and 3) increased or decreased competition and government policy changes such as excise taxes for sugary drinks.

Event calendar

Date	Event
24 February 2025	4Q24 results announcement

Key assumptions

	2024E	2025E	2026E
Domestic revenue (THB m)	8,098	8,550	8,994
Overseas revenue (THB m)	497	547	563
Total revenue (THB m)	8,595	9,097	9,557
Total revenue growth (%)	6.8	5.8	5.1
Gross margin (%)	25.8	25.0	25.2
SG&A to sales (%)	6.6	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	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
Sales	8,595	9,097	9,557	8,702	9,363	9,837	(1.2)	(2.8)	(2.8)
Cost of sales	6,378	6,823	7,149	6,435	6,975	7,309	(0.9)	(2.2)	(2.2)
Gross profit	2,218	2,274	2,408	2,267	2,387	2,528	(2.2)	(4.7)	(4.7)
SG&A	567	591	621	552	609	639	2.7	(2.8)	(2.8)
Operating profit	1,686	1,719	1,824	1,753	1,816	1,927	(3.8)	(5.3)	(5.3)
Interest expense	2	2	2	2	2	2	0.0	0.0	0.0
Tax expense	341	347	368	355	369	393	(3.9)	(5.9)	(6.2)
Profit (loss) sharing	14	18	19	15	30	39	(9.6)	(39.3)	(51.4)
Reported net profit	1,383	1,389	1,474	1,438	1,476	1,572	(3.8)	(5.9)	(6.2)
Core profit	1,357	1,389	1,474	1,412	1,476	1,572	(3.9)	(5.9)	(6.2)
Key ratios (%)									
Total revenue growth	6.8	5.8	5.1	8.1	7.6	5.1			
Net profit growth	25.7	0.4	6.2	30.7	2.6	6.5			
Core profit growth	23.3	2.3	6.2	28.3	4.5	6.5			
Gross margin	25.8	25.0	25.2	26.1	25.5	25.7	(0.2)	(0.5)	(0.5)
SG&A to sales	6.6	6.5	6.5	6.3	6.5	6.5	0.3	0.0	0.0
Net margin	16.1	15.3	15.4	16.5	15.8	16.0	(0.4)	(0.5)	(0.6)
Norm margin	15.8	15.3	15.4	16.2	15.8	16.0	(0.4)	(0.5)	(0.6)
Operating statistics (THB m)									
Domestic revenue	8,098	8,550	8,994	8,200	8,800	9,257	(1.2)	(2.8)	(2.8)
Overseas revenue	497	547	563	502	563	580	(1.0)	(2.8)	(2.8)

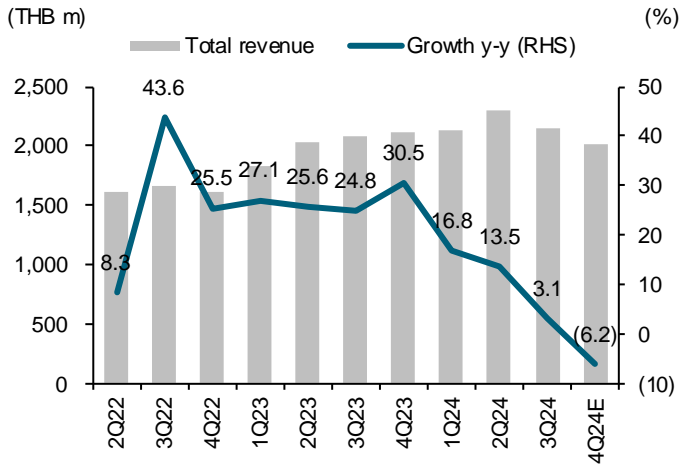
Source: FSSIA estimates

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	2,009	(6.2)	(4.8)	8,050	8,595	6.8
Cost of sales	1,594	1,582	1,695	1,592	1,509	(5.2)	(5.3)	6,163	6,378	3.5
Gross profit	517	558	609	550	500	(9.1)	(3.3)	1,887	2,218	17.5
SG&A	152	131	174	112	151	34.2	(1.2)	550	567	3.2
Operating profit	374	441	444	446	355	(20.5)	(5.3)	1,372	1,686	22.8
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	71	(20.6)	(0.6)	275	341	24.1
Profit (loss) sharing	(8)	12	1	1	0	nm	nm	5	14	196.7
Reported net profit	295	364	379	357	283	(20.7)	(4.0)	1,100	1,383	25.7
Core profit	295	364	353	357	283	(20.7)	(4.0)	1,100	1,357	23.3
Key ratios (%)						(ppt)	(ppt)			(ppt)
Gross margin	24.5	26.1	26.4	25.7	24.9	(0.8)	0.4	23.4	25.8	20.4
SG&A to sales	7.2	6.1	7.5	5.2	7.5	2.3	0.3	6.8	6.6	(0.2)
Operating margin	17.7	20.6	19.3	20.8	17.6	(3.2)	(0.1)	17.0	19.6	13.6
Net margin	14.0	17.0	16.4	16.7	14.1	(2.6)	0.1	13.7	16.1	10.5
Core margin	14.0	17.0	15.3	16.7	14.1	(2.6)	0.1	13.7	15.8	10.9
Operating statistics (THB m)										
Domestic	1,962	1,992	2,160	2,037	1,909	(6.3)	(2.7)	7,383	8,098	9.7
Overseas	149	149	144	105	100	(4.6)	(33.0)	614	654	6.6
Utilisation rate (%)	73.0	77.0	78.0	80.0	78.0			71.3	78.0	

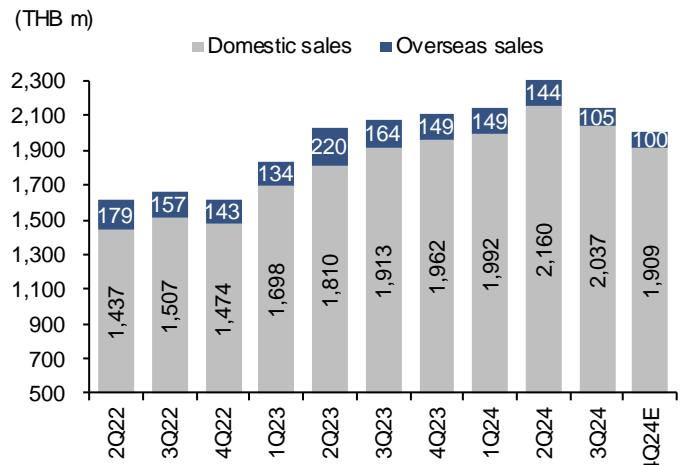
Sources: ICHI, FSSIA estimates

Exhibit 3: Quarterly total revenue and growth



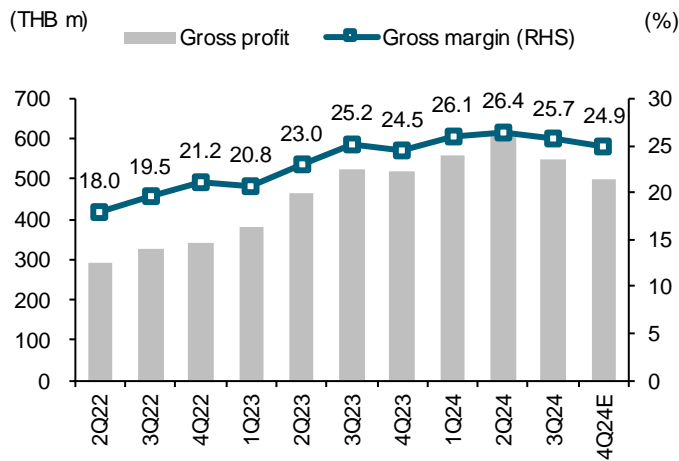
Sources: ICHI, FSSIA estimates

Exhibit 4: Quarterly revenue by destination



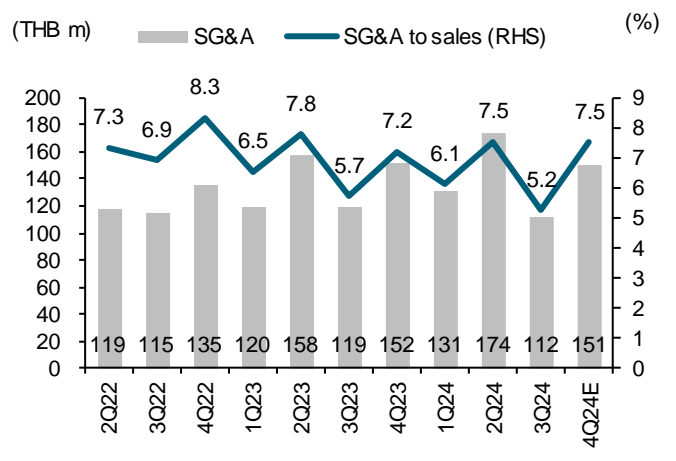
Sources: ICHI, FSSIA estimates

Exhibit 5: Quarterly gross margin



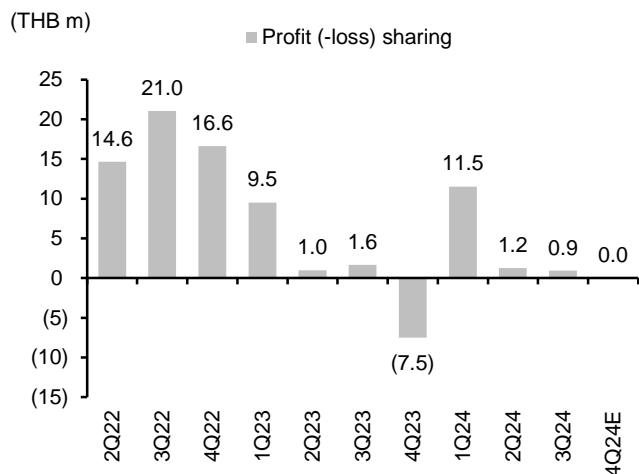
Sources: ICHI, FSSIA estimates

Exhibit 6: Quarterly SG&A to sales



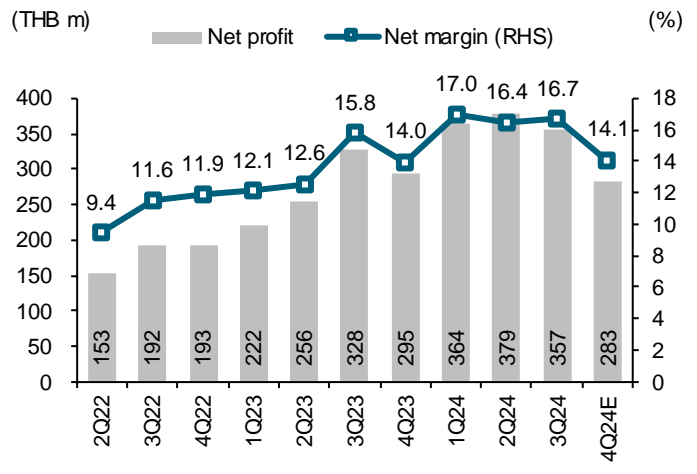
Sources: ICHI, FSSIA estimates

Exhibit 7: Quarterly profit sharing from associate in Indonesia



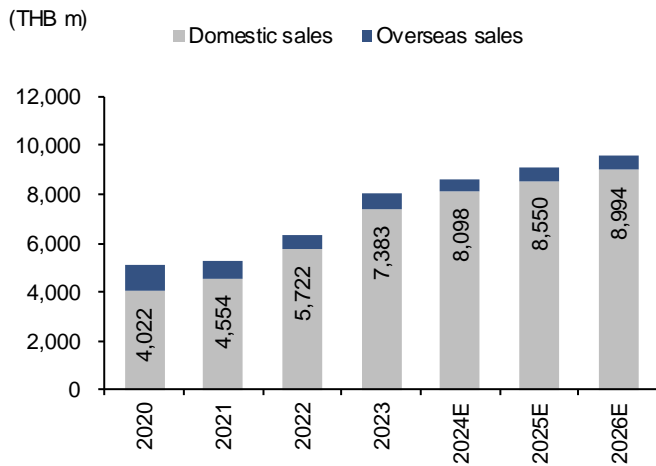
Sources: ICHI, FSSIA estimates

Exhibit 8: Quarterly net profit and net margin



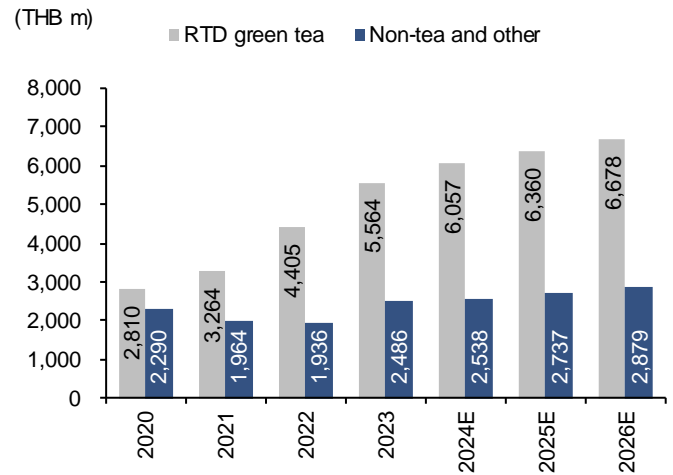
Sources: ICHI, FSSIA estimates

Exhibit 9: Yearly revenue by destination



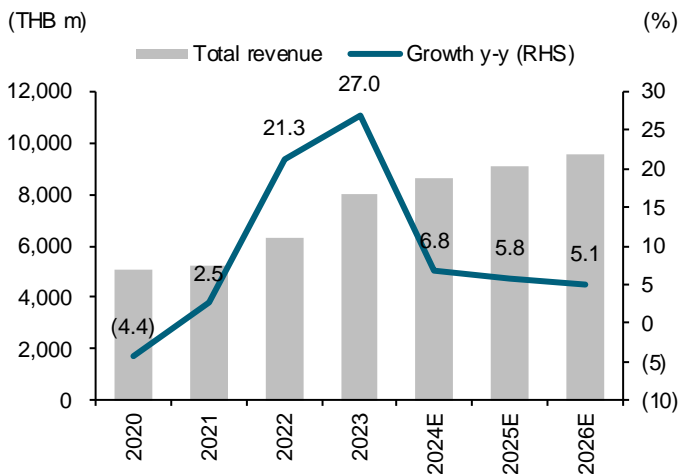
Sources: ICHI, FSSIA estimates

Exhibit 10: Yearly revenue by segment



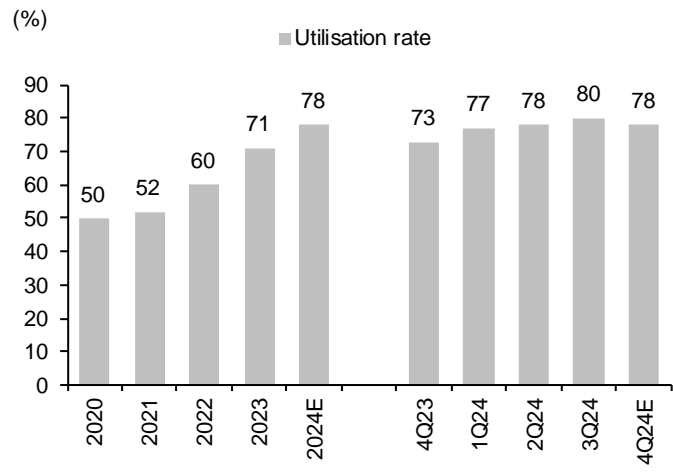
Sources: ICHI, FSSIA estimates

Exhibit 11: Yearly total revenue and growth



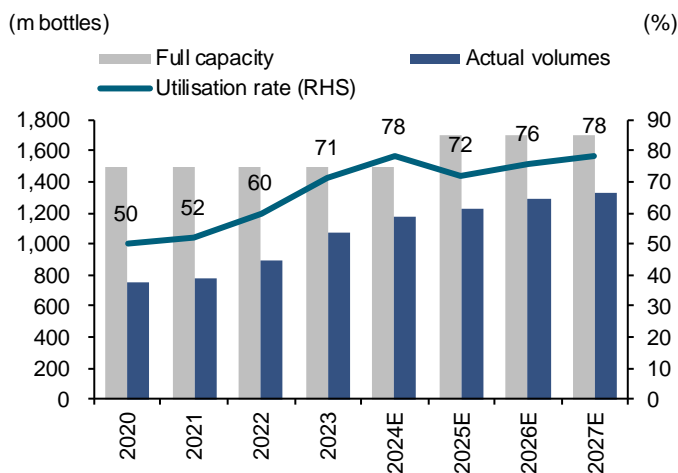
Sources: ICHI, FSSIA estimates

Exhibit 12: Quarterly utilisation rate



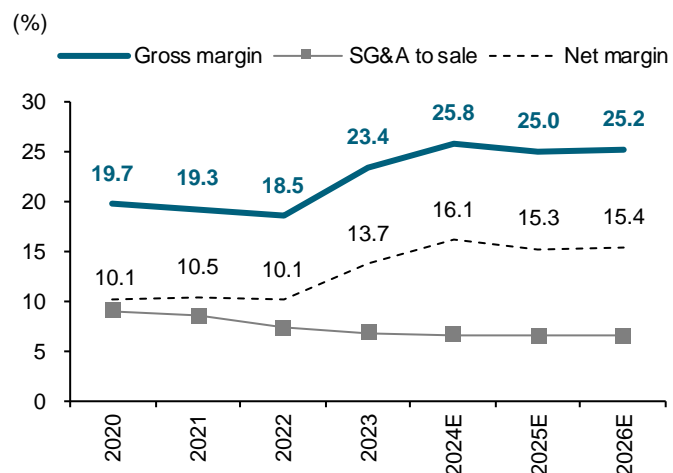
Sources: ICHI, FSSIA's compilation

Exhibit 13: Capacity and utilisation rate

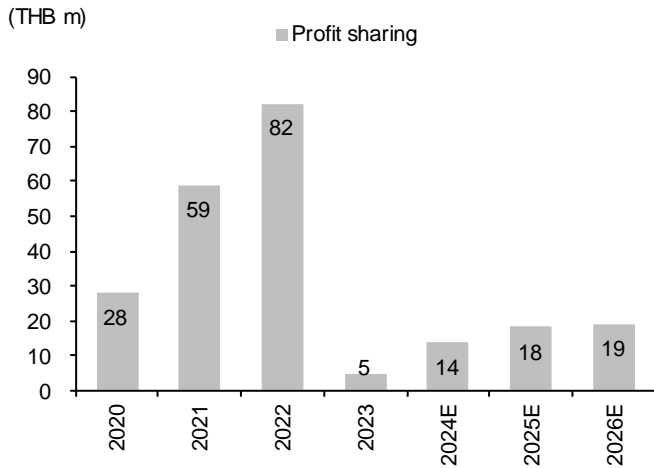


Sources: ICHI, FSSIA estimates

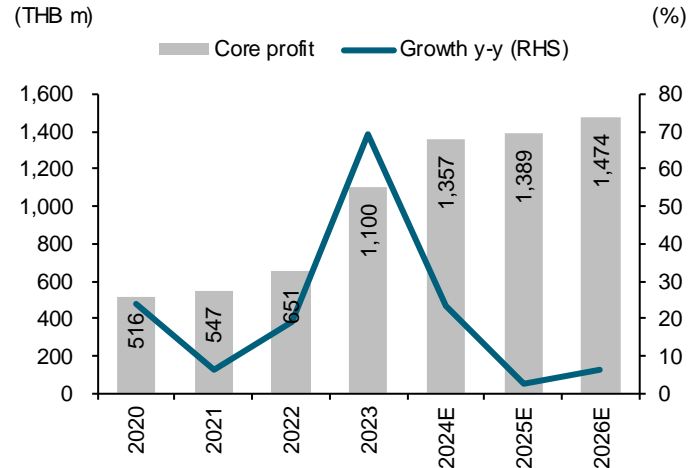
Exhibit 14: Yearly gross margin and net margin



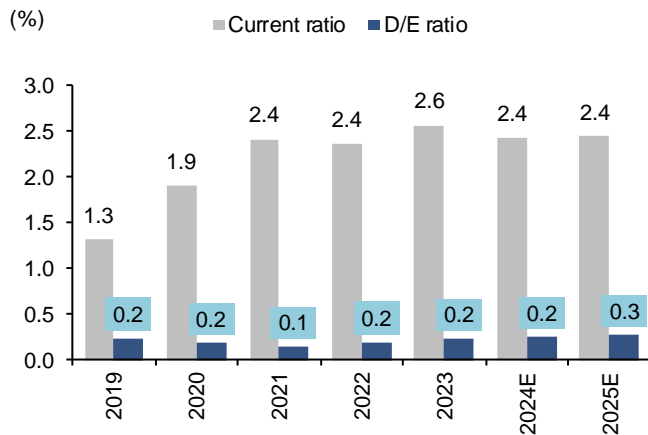
Sources: ICHI, FSSIA estimates

Exhibit 15: Yearly profit sharing from associate in Indonesia


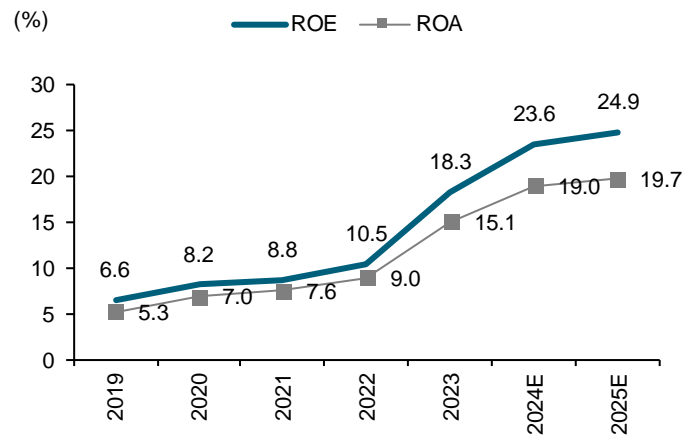
Sources: ICHI, FSSIA estimates

Exhibit 16: Yearly core profit and growth


Sources: ICHI, FSSIA estimates

Exhibit 17: Current ratio and D/E ratio


Sources: ICHI, FSSIA estimates

Exhibit 18: ROE and ROA


Sources: ICHI, FSSIA estimates

Exhibit 19 : Historical P/E band


Sources: Bloomberg, FSSIA estimates

Exhibit 20: Historical P/BV 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	8,595	9,097	9,557
Cost of goods sold	(5,169)	(6,163)	(6,378)	(6,823)	(7,149)
Gross profit	1,172	1,887	2,218	2,274	2,408
Other operating income	19	35	35	36	38
Operating costs	(465)	(550)	(567)	(591)	(621)
Operating EBITDA	1,296	1,942	2,280	2,329	2,450
Depreciation	(570)	(570)	(595)	(610)	(625)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	726	1,372	1,686	1,719	1,825
Net financing costs	(2)	(2)	(2)	(2)	(2)
Associates	82	5	14	18	19
Recurring non-operating income	82	5	14	18	19
Non-recurring items	(9)	0	26	0	0
Profit before tax	797	1,375	1,724	1,736	1,843
Tax	(155)	(275)	(341)	(347)	(368)
Profit after tax	642	1,100	1,383	1,389	1,474
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	642	1,100	1,383	1,389	1,474
Non-recurring items & goodwill (net)	9	0	(26)	0	0
Recurring net profit	651	1,100	1,357	1,389	1,474
Per share (THB)					
Recurring EPS *	0.50	0.85	1.04	1.07	1.13
Reported EPS	0.49	0.85	1.06	1.07	1.13
DPS	0.60	1.00	1.17	1.17	1.25
Diluted shares (used to calculate per share data)	1,300	1,300	1,300	1,300	1,300
Growth					
Revenue (%)	21.3	27.0	6.8	5.8	5.1
Operating EBITDA (%)	10.9	49.8	17.4	2.1	5.2
Operating EBIT (%)	24.1	89.1	22.8	2.0	6.2
Recurring EPS (%)	19.0	69.1	23.3	2.3	6.2
Reported EPS (%)	17.4	71.5	25.7	0.4	6.2
Operating performance					
Gross margin inc. depreciation (%)	18.5	23.4	25.8	25.0	25.2
Gross margin exc. depreciation (%)	27.5	30.5	32.7	31.7	31.7
Operating EBITDA margin (%)	20.4	24.1	26.5	25.6	25.6
Operating EBIT margin (%)	11.4	17.0	19.6	18.9	19.1
Net margin (%)	10.3	13.7	15.8	15.3	15.4
Effective tax rate (%)	19.5	20.0	19.8	20.0	20.0
Dividend payout on recurring profit (%)	119.9	118.1	112.1	110.0	109.9
Interest cover (X)	462.2	752.0	1,096.4	965.3	970.8
Inventory days	44.4	35.8	32.7	31.9	32.1
Debtor days	62.5	61.1	66.2	68.1	68.3
Creditor days	51.0	53.2	55.7	53.1	53.5
Operating ROIC (%)	10.8	22.4	28.8	30.1	34.0
ROIC (%)	11.2	20.9	27.0	28.2	31.6
ROE (%)	10.5	18.3	23.5	24.6	26.8
ROA (%)	9.0	15.1	19.0	19.6	21.1

* 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	6,057	6,360	6,678
Non-tea and others	1,936	2,486	2,538	2,737	2,879

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	1,357	1,389	1,474
Depreciation	570	570	595	610	625
Associates & minorities	(82)	(5)	(14)	(18)	(19)
Other non-cash items	-	-	-	-	-
Change in working capital	(27)	(252)	(155)	(62)	(61)
Cash flow from operations	1,112	1,413	1,783	1,918	2,019
Capex - maintenance	-	-	-	-	-
Capex - new investment	(114)	0	(498)	(264)	(300)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	58	78	32	11	13
Cash flow from investing	(56)	78	(466)	(253)	(287)
Dividends paid	(644)	(1,430)	(1,522)	(1,527)	(1,621)
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)	(1,528)	(1,520)	(1,678)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	165	0	0	0
Net other adjustments	0	165	0	0	(1)
Movement in cash	397	225	(211)	145	52
Free cash flow to firm (FCFF)	1,057.45	1,492.92	1,318.47	1,666.80	1,733.13
Free cash flow to equity (FCFE)	1,040.82	1,655.48	1,310.44	1,672.51	1,672.54
Per share (THB)					
FCFF per share	0.81	1.15	1.01	1.28	1.33
FCFE per share	0.80	1.27	1.01	1.29	1.29
Recurring cash flow per share	0.88	1.28	1.49	1.52	1.60
Balance Sheet (THB m) Year Ending Dec					
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	749	894	946
A/C receivable	1,304	1,533	1,714	1,775	1,863
Inventories	588	511	524	561	588
Other current assets	0	239	258	273	287
Current assets	2,627	3,243	3,245	3,503	3,683
Other assets	99	114	120	127	134
Total assets	7,386	7,205	7,120	7,075	6,938
Common equity	6,170	5,842	5,705	5,566	5,419
Minorities etc.	0	0	0	0	0
Total shareholders' equity	6,170	5,842	5,705	5,566	5,419
Long term debt	65	55	55	60	0
Other long-term liabilities	41	46	43	45	48
Long-term liabilities	105	102	98	105	48
A/C payable	739	890	874	935	979
Short term debt	14	17	14	14	14
Other current liabilities	357	355	430	455	478
Current liabilities	1,110	1,262	1,317	1,404	1,471
Total liabilities and shareholders' equity	7,386	7,205	7,120	7,075	6,938
Net working capital	795	1,038	1,193	1,219	1,280
Invested capital	5,554	5,000	5,068	4,791	4,534
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	4.75	4.49	4.39	4.28	4.17
Tangible book value per share	4.74	4.49	4.38	4.27	4.16
Financial strength					
Net debt/equity (%)	(10.6)	(15.2)	(11.9)	(14.7)	(17.2)
Net debt/total assets (%)	(8.9)	(12.3)	(9.6)	(11.6)	(13.4)
Current ratio (x)	2.4	2.6	2.5	2.5	2.5
CF interest cover (x)	661.7	905.1	1,167.9	1,077.0	1,039.2
Valuation					
Recurring P/E (x) *	28.4	16.8	13.6	13.3	12.5
Recurring P/E @ target price (x) *	32.0	18.9	15.3	15.0	14.1
Reported P/E (x)	28.8	16.8	13.3	13.3	12.5
Dividend yield (%)	4.2	7.0	8.2	8.3	8.8
Price/book (x)	3.0	3.2	3.2	3.3	3.4
Price/tangible book (x)	3.0	3.2	3.2	3.3	3.4
EV/EBITDA (x) **	13.7	9.0	7.8	7.6	7.2
EV/EBITDA @ target price (x) **	15.5	10.3	8.8	8.6	8.1
EV/invested capital (x)	3.2	3.5	3.5	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 21: 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 22: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		DJSI	SET ESG	SET ESG Rating	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](https://www.settrade.com); FSSIA's compilation

Exhibit 23: 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 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+									
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><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
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																		
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

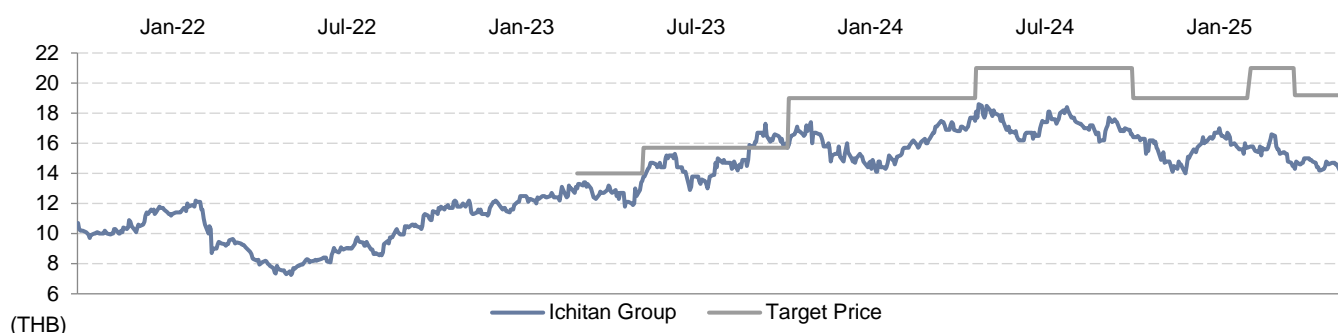
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

This report has been prepared by FSS International Investment Advisory Securities Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSSIA makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSSIA has no intention to solicit investors to buy or sell any security in this report. In addition, FSSIA does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

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)



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	27-Nov-2024	BUY	19.20
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 14.20	HOLD	Downside and upside risks to our P/E-based TP would be 1) a slower or faster-than-expected consumption recovery; 2) high or low volatility in packaging costs; and 3) increased or decreased 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 13-Jan-2025 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.