

Company Update

Tuesday, April 29, 2025



I V Global Securities Public Company Limited

i-Tail Corp (ITC)

Rating: HOLD

Fair price: Bt13.5

Close price: Bt13.1

1Q25 results on track; outlook hit by rising tax

Company Information

Ticker:	TU TB
Sector:	Food
Shares outstanding (m):	3,000.00
Market capitalization (Btm):	39,300.00
Trading vol/day (Btm):	130.74
Free float (%):	20.01
Beta:	1.14

Major Shareholders

Thai Union Group	78.82%
Thai NVDR	4.09%

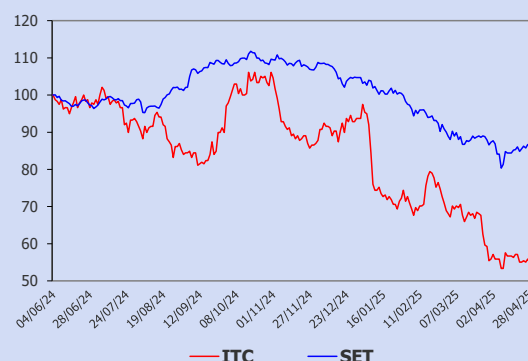
Consensus Bloomberg

2025F EPS (Bt):	1.14
Target price (Bt):	19.98

Price Performance

52 Wk high/low:	26.00 / 11.70
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	1M	3M	1Y	YTD
Absolute (%)	-7.1	-22.9	-40.7	-41.3
Relative (%)	-5.7	-9.1	-26.0	-24.1



Rating	CGR	Thai CAC	ESG
ITC		N/A	N/A

Analyst

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- ITC reported a net profit of Bt677m (-17.6% YoY and -14.4% QoQ). 1Q25 earnings were in line with our estimate of Bt675m and below the consensus forecast of Bt704m. 1Q25 net profit accounted for 19% of our full-year estimate. The company registered 5.5% YoY growth in sales value to Bt4.2bn in 1Q25, slightly better than our estimate of 2.5% YoY growth. However, gross profit margin came in lower than we'd expected at 24.1%, compared with 25.7% in 1Q24 and 25.5% in 4Q24.
- 1Q25 sales rose by 5.5% YoY but fell 9.6% QoQ to Bt4.2bn. The YoY growth was driven by rising sales from key customers, particularly in the US market. The decline in sales for QoQ was due to seasonality, with strong sales during the holiday season in the previous quarter.
- Sales to the US rose 38.7% YoY from front-loading on sales ahead of US tariff implementation; thus, the sales contribution from the US rose to 60% of total sales in 1Q25 (from 45%). Sales in Asia and Oceania countries declined 17.4% YoY with lower sales in Japan, the Middle East, and Australia, contributing 28% of total (versus 36% in 1Q24). Sales to Europe fell 30.6% YoY on declining demand along with deteriorating economic conditions, contributing 12% of the total. Sales of cat food accounted for 70% of the total, followed by dog food (16%), pet treats (13%), and others (1%). The lower selling price was mainly due to lower sales of premium products, resulting in a premium mix of 48.7%, compared with 54.8% in 1Q24.
- Gross profit margin softened from 25.7% in 1Q24 and 25.5% in 4Q24 to 24.1% in 1Q25. The decline in profit margin was due to lower sales of premium products, higher depreciation costs, higher overhead, and lower inventory provision reversal.
- SG&A accounted for 10.8% of sales during 1Q25, up 48.5% YoY in absolute terms to Bt460m. EBIT declined by 22.5% YoY and 16% QoQ to Bt562m, providing an EBIT margin of 16.3%.
- The company booked lower-than-expected corporate tax expenses of Bt16m in 1Q25, suggesting an effective tax rate of 2.3%.
- The company had a net cash position.
- Management has provided two scenarios for 2025 targets. With a 10% US tariff, sales are expected to rise by 11-13% YoY, or just 6-8% if a 36% rate is implemented. Gross margin is set at 23-25% or 20-22% under two scenarios. The SG&A target is set at 9-10% of sales. The capex budget is Bt1.5bn. The dividend payment policy is at least 50% of net profit (versus 95.9% in 2024).
- Maintain HOLD.** We cut our earnings estimates by 24%/21%/20% during 2025-7F, respectively on lower gross margin assumptions. We now estimate 2025F earnings to decline by 25% YoY to Bt2.7bn and rebound by 9% YoY to Bt2.9bn in 2026F. We maintain our HOLD rating with a new price target of Bt13.5 (from Bt16.6), based on a 15x 2025F P/E. ITC offers a 2025F dividend yield of 6.5% based on a 95% payout ratio. Risks to our forecasts lie with tuna price volatility, forex fluctuations, and the ability to pass on raw material cost hikes.

Investment summary

FY 31 Dec	2022	2023	2024	2025F	2026F	2027F
Sales (Btm)	22,528	15,577	17,729	18,224	19,846	21,486
Change (%)	55.1	-30.9	13.8	2.8	8.9	8.3
Net profit (Btm)	4,470	2,281	3,597	2,693	2,935	3,178
Change (%)	64.3	-49.0	57.7	-25.1	9.0	8.3
EPS (Bt)	2.56	0.76	1.20	0.90	0.98	1.06
Change (%)	-66.1	-70.3	57.7	-25.1	9.0	8.3
P/E (x)	5.1	17.2	10.9	14.6	13.4	12.4
EV/EBITDA (x)	2.4	10.1	6.4	8.3	7.7	7.3
BVPS (Bt)	12.95	7.71	8.05	7.94	8.03	8.12
P/BV (x)	1.0	1.7	1.6	1.6	1.6	1.6
DPS (Bt)	1.66	0.60	1.15	0.85	0.93	1.01
Yield (%)	12.7	4.6	8.8	6.5	7.1	7.7
ROE (%)	33.2	10.0	15.2	11.2	12.2	13.1
ROA (%)	22.0	8.9	13.7	10.1	11.0	11.7
Net D/E ratio (%)	Net cash	Net cash	Net cash	Net cash	Net cash	Net cash

Source: Company and IVG estimates

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I V Global Securities Public Company Limited

Results

(Btm)	1Q25	1Q24	% YoY	4Q24	% QoQ	2024	2023	% YoY
Sales	4,249	4,029	5.5	4,698	(9.6)	17,729	15,577	13.8
Gross profit	1,022	1,034	(1.2)	1,196	(14.5)	4,919	3,038	61.9
SG&A	460	310	48.5	528	(12.8)	1,638	1,183	38.4
EBIT	562	724	(22.5)	668	(15.9)	3,281	1,854	77.0
Other income	153	163	(6.3)	185	(17.2)	696	603	15.4
Interest expense	694	830	(16.4)	841	(17.5)	3,744	2,426	54.3
Share of profit	1	1	(9.6)	1	(7.0)	6	11	(45.3)
Pre-tax profit	693	829	(16.4)	840	(17.5)	3,738	2,415	54.8
Tax	(16)	(8)	96.4	(49)	(67.7)	(141)	(132)	6.8
Net profit	677	821	(17.6)	790	(14.4)	3,597	2,281	57.7
EPS (Bt)	0.23	0.27	(17.6)	0.26	(14.4)	1.20	0.76	57.7

Source: Company and IVG estimates

Financial ratios

(%)	1Q24	2Q24	3Q24	4Q24	1Q25
Sales growth YoY	12.3	40.8	10.9	(1.1)	5.5
Sales growth QoQ	(15.2)	(70.7)	10.1	2.9	(9.6)
Gross margin	25.7	30.0	29.8	25.5	24.1
SG&A as % of sales	7.7	8.5	9.2	11.2	10.8
EBIT margin	20.6	22.9	23.1	17.9	16.3
Net margin	20.4	22.1	22.0	16.8	15.9
Effective tax rate	(1.0)	(3.5)	(4.6)	(5.9)	(2.3)
Net profit growth YoY	93.1	126.9	51.5	3.1	(17.6)

Source: Company and IVG estimates

Track record

(Btm)	1Q24	2Q24	3Q24	4Q24	1Q25
Sales	4,029	4,567	4,436	4,698	4,249
Gross profit	1,034	1,368	1,320	1,196	1,022
SG&A	310	390	410	528	460
Operating profit	724	979	911	668	562
Other income	163	180	168	185	153
EBIT	830	1,047	1,025	841	694
Interest expense	1	1	2	1	1
Pre-tax profit	829	1,046	1,024	840	693
Tax	(8)	(36)	(47)	(49)	(16)
Net profit	821	1,010	976	790	677

Source: Company and IVG estimates

P&L

(Btm)	2021	2022	2023	2024
Sales	14,529	22,528	15,577	17,729
Gross profit	3,892	5,425	3,038	4,919
SG&A	1,518	1,266	1,183	1,638
Operating profit	2,374	4,158	1,854	3,281
Other income	121	248	603	696
EBIT	2,781	4,586	2,426	3,744
Interest expense	32	86	11	6
Pre-tax profit	2,749	4,500	2,415	3,738
Tax	(28)	(70)	(132)	(141)
Net profit	2,721	4,470	2,281	3,597

Source: Company and IVG estimates

Financial ratios

(%)	2021	2022	2023	2024
Sales growth YoY	18.9	47.4	(30.9)	13.8
Gross margin	26.8	25.0	19.5	27.7
SG&A as % of sales	10.4	5.8	7.6	9.2
EBIT margin	19.1	21.2	15.6	21.1
Net margin	18.7	20.5	14.7	20.3
Effective tax rate	(1.0)	(1.1)	(5.5)	(3.8)
Net profit growth YoY	6.8	61.7	(48.9)	57.7

Source: Company and IVG estimates

I V Global Investment Research – Recommendation Definitions

Sector Recommendations

OVERWEIGHT: The industry, as defined by the analyst's coverage universe, is expected to outperform the relevant primary market index by at least 10% over the next 12 months.

NEUTRAL: The industry, as defined by the analyst's coverage universe, is expected to perform in line with the relevant primary market index over the next 12 months.

UNDERWEIGHT: The industry, as defined by the analyst's coverage universe, is expected to underperform the relevant primary market index by 10% over the next 12 months.

Stock Recommendations

BUY: Expecting positive total returns of 15% or more over the next 12 months.




HOLD: Expecting total returns of not more than -10% to +10% over the next 3 months.

SELL: Expecting negative total returns of 15% or more over the next 12 months.

Anti-corruption Progress Indicator Definitions

Level 5 Extended	Extension of the anti-corruption policy to business partners in the supply chain, and disclosure of any current investigations, prosecutions or closed cases
Level 4 Certified	Audit engagement by audit committee or auditors approved by the office of SEC, and receiving certification or assurance by independent external assurance providers (CAC etc.)
Level 3 Established	Carrying out preventive measures, risk assessment, communication and training for all employees, including consistent monitoring and review processes. (3A: Established by Declaration of Intent, 3B: Established by Internal Commitment and Policy)
Level 2 Declared	Public declaration statement to participate in Thailand's private sector Collective Action Coalition Against Corruption (CAC) or equivalent initiatives
Level 1 Committed	Organization's statement or board's resolution to work against corruption and to be in compliance with all relevant laws
Partially progress	Insufficient or not clearly defined policy
No progress	Data not available / no policy

Corporate Governance Report (CGR)

	Excellent
	Very good
	Good

Disclaimers

The disclosure of the survey result of corporate governance, which is surveyed by the Thai Institute of Directors Association ("IOD"), and the Anti-Corruption Progress Indicators, which is assessed by Thaipat Institute, are the disclosure of the survey or assessment result based on the information received from the listed company that was stipulated in the form for Annual Corporate Governance Report of Thai Listed Companies (CGR) and the form for the assessment of Anti-corruption that refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2) or other relevant documents or reports of such listed company (as the case may be). The survey or assessment result is based on the information of the listed company, which is disclosed to the public and can be accessed by all investors and is made in order to comply with the policy of the Office of the Stock Exchange of Thailand.

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