

Company Update

Monday, June 30, 2025



I V Global Securities Public Company Limited

i-Tail Corp (ITC)

Rating: HOLD

Fair price: Bt13.5

Close price: Bt10.9

2Q25F performance better QoQ, but lower YoY

Company Information

Ticker:	TU TB
Sector:	Food
Shares outstanding (m):	3,000.00
Market capitalization (Btm):	32,700.00
Trading vol/day (Btm):	115.86
Free float (%):	20.01
Beta:	1.07

Major Shareholders

Thai Union Group	78.82%
Thai NVDR	3.37%

Consensus Bloomberg

2025F EPS (Bt):	1.00
Target price (Bt):	14.65

Price Performance

52 Wk high/low: 26.00 / 10.00

	1M	3M	1Y	YTD
Absolute (%)	-6.0	-23.2	-53.6	-51.1
Relative (%)	0.9	-14.4	-36.3	-28.4



- We predict ITC's 2Q25F net profit to come in at Bt761m, improving QoQ on better sales and net profit margin prospects, but declining 25% YoY on a contraction in gross margin from a peak of 30% in 2Q24. Therefore, we estimate 1H25F net profit to fall by 21% YoY to Bt1.4bn, largely on declining gross profit margins and higher corporate tax. Management has maintained its key financial guidance for this year, based on two scenarios, namely a US tariff of 10% and 36%, respectively.
- We estimate sales in 2Q25F to decline by 1.5% YoY or rise 5.9% QoQ to Bt4.5bn, thanks to sales volume increasing by 14% YoY and 11% QoQ, with demand rising from the US and EU. Sales of premium products as a percentage of the total may fall from 54% in 2Q24 to 47-50% in 2Q25F, leading to lower average selling prices. The average baht to US dollar rate is estimated at Bt33.5 in 2Q25F, versus Bt33.9 in 1Q25 and Bt36.9 in 2Q24.
- In terms of gross margin prospects in 2Q25F, blended gross margin is expected to be at 24.5%, below the 2Q24 peak level of 30% but close to the 24.1% reported in 1Q25 on falling tuna costs (averaging US\$1,540/ton in 2Q25F versus US\$1,660 in 1Q25 and US\$1,478 in 2Q24). A third of the cost of goods sold is from raw materials, a third from packaging and ingredients, and a third from factory and overhead costs.
- The forex loss is estimated to be insignificant, compared with the loss of Bt19m in 1Q25. The forex hedging policy is 100% for both natural hedging and forward contracts.
- We estimate SG&A costs to rise 13% YoY, or to about 9.8% of sales (versus the FY25F target of 9-10%), following high consultancy costs related to its transformation project. The transformation program is likely to help improve its gross profit margin in the long term.
- Management has maintained key financial ratios under two scenarios for its 2025 targets. With a 10% US tariff, sales are expected to rise by 11-13% YoY, but by just 6-8% if a 36% rate is implemented. Gross margin is set at 23-25% or 20-22% under the 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).
- However, management expects the global minimum tax impact to be lower at 4-6%, versus the previous target of 7-8.5%. However, the 2Q25F corporate tax will be higher than 1Q25 (which was low at just 2.3%).
- Maintain HOLD.** We prefer to maintain our earnings estimates for the time being and HOLD rating with a price target of Bt13.5, based on a 15x 2025F P/E. ITC offers a 2025F dividend yield of 7.8% based on a 95% payout ratio. Risks to our forecasts lie with the final US tariff rate, 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)	4.3	14.3	9.1	12.1	11.1	10.3
EV/EBITDA (x)	1.6	7.9	4.9	6.5	6.0	5.8
BVPS (Bt)	12.95	7.71	8.05	7.94	8.03	8.12
P/BV (x)	0.8	1.4	1.4	1.4	1.4	1.3
DPS (Bt)	1.66	0.60	1.15	0.85	0.93	1.01
Yield (%)	15.2	5.5	10.6	7.8	8.5	9.2
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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Results preview

(Btm)	2Q25F	2Q24	% YoY	1Q25	% QoQ	1H25F	1H24	% YoY
Sales	4,499	4,567	(1.5)	4,249	5.9	8,747	8,596	1.8
Gross profit	1,102	1,368	(19.5)	1,022	7.9	2,124	2,403	(11.6)
SG&A	441	390	13.1	460	(4.2)	901	700	28.8
EBIT	661	979	(32.4)	562	17.8	1,223	1,703	(28.2)
Other income	170	180	(5.4)	153	11.1	323	343	(5.9)
Interest expense	821	1,047	(21.5)	694	18.3	1,515	1,877	(19.3)
Share of profit	1	1	(23.1)	1	(25.7)	2	3	(15.9)
Pre-tax profit	820	1,046	(21.5)	693	18.4	1,513	1,874	(19.3)
Tax	(59)	(36)	63.3	(16)	271.7	(75)	(44)	69.4
Net profit	761	1,010	(24.6)	677	12.5	1,438	1,831	(21.4)
EPS (Bt)	0.25	0.34	(24.6)	0.23	12.5	0.48	0.61	(21.4)

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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