

## i-Tail Corporation (ITC TB)

### 4Q25 Results Preview: Resilient Earnings Amid Forex Pressure

#### Highlights

- We expect ITC to report a core profit of Bt806m for 4Q25 (flat yoy, but up 2.5% qoq).
- 4Q25 gross margin is projected to remain at 25%, driven by premium products, offsetting forex headwinds and sales rebates.
- The 2026 outlook remains positive, supported by favourable industry trends and a higher premium mix. Maintain BUY with a lower target price of Bt19.50 (previously Bt19.80).

#### Analysis

##### 4Q25 Preview

Year to 31 Dec (Btm)	4Q25F	4Q24	3Q25	yoy (%)	qoq (%)
Sales	4,839	4,698	4,721	3.0%	2.5%
Gross Profit	1,210	1,196	1,200	1.2%	0.8%
Pre-tax Profit	847	851	827	-0.4%	2.5%
Net Profit	791	790	812	0.1%	-2.6%
Core Profit	806	802	787	0.6%	2.5%
EPS (Bt)	0.26	0.26	0.27	0.1%	-2.6%
Gross Margin (%)	25.0%	25.5%	25.4%	-0.5%	-0.4%
%SG&A/revenue	10.2%	11.2%	10.2%	-1.0%	0.0%
Net Margin (%)	16.4%	16.8%	17.2%	-0.5%	-0.8%

Source: ITC, Bloomberg, UOB Kay Hian

- **Expect earnings to increase qoq.** We expect i-Tail Corporation (ITC) to report a net profit of Bt791m for 4Q25 (flat yoy, but down 3% qoq). Excluding one-off forex gain, we expect 4Q25 core profit to come in at Bt806m (flat yoy, but up 2.5% qoq).
- **Stable profitability despite forex impacts and tariff pressures.** Gross profit margin in 4Q25 is projected to remain at its target level of 25%, mainly due to the strong premium product mix, especially pet treats (in line with target of 47-50%), helping sustain gross profit margin despite forex headwinds and the implementation of a sales rebate scheme.
- **Higher top-line in 4Q25.** We expect ITC's 4Q25 top-line to be at Bt4.8b (up 3% yoy and 2.5% qoq). Top-line growth remains positive, partially offset by forex impacts, supported by premium product growth in the US market.

##### Key Financials

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net turnover	15,577	17,729	18,282	19,242	19,819
EBITDA	2,961	4,518	3,841	4,336	4,631
Operating profit	2,457	3,977	3,173	3,538	3,700
Net profit (rep./act.)	2,281	3,597	2,976	3,350	3,503
Net profit (adj.)	2,312	3,830	2,950	3,350	3,503
EPS	0.8	1.3	1.0	1.1	1.2
PE	21.1	12.8	16.6	14.6	14.0
P/B	2.1	2.0	2.1	2.0	2.0
EV/EBITDA	15.2	10.0	11.7	10.4	9.7
Dividend yield	3.7	7.1	5.5	6.2	6.3
Net margin	14.6	20.3	16.3	17.4	17.7
Net debt/(cash) to equity	(40.2)	(22.4)	(16.7)	(15.7)	(15.2)
Interest cover	268.9	749.6	652.8	953.9	815.1
ROE	9.5	15.2	12.5	14.0	14.4
Consensus net profit	-	-	3,037	3,389	3,791
UOBKH/Consensus (x)	-	-	0.97	0.99	0.92

Source: ITC, Bloomberg, UOB Kay Hian

#### BUY (Maintained)

Share Price	Bt16.30
Target Price	Bt19.50
Upside	19.63%
Previous TP	Bt19.80

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#### Stock Data

GICS Sector	Consumer Staples
Bloomberg ticker	ITC TB
Shares issued (m)	3,000.0
Market cap (Btm)	48,900.0
Market cap (US\$m)	1,567.3
3-mth avg daily t'over (US\$m)	2.5

#### Price Performance (%)

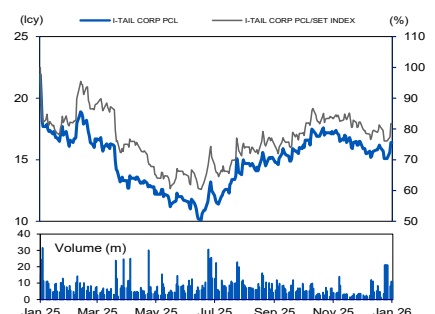
52-week high/low Bt22.9/Bt10.0

1mth	3mth	6mth	1yr	YTD
(1.2)	2.5	30.4	(28.2)	(7.9)

#### Major Shareholders

	%
Thai Union Group	79.30
Thai NVDR	2.68
VAYU1	1.43

#### Price Chart



Source: Bloomberg

#### Company Description

ITC manufactures and sells mid-priced to premium-quality pet food and treats for cats and dogs, made from premium ingredients, primarily fish and chicken.

- **2026 target guidance.** ITC targets mid-to-high single-digit revenue growth in US dollar terms (2x higher than market growth), and expects to maintain gross profit margin at 23-25%. For tariff impact, ITC intends to implement cost-saving measures in 2026. Although these initiatives could weigh on sales value, the company is not expected to dilute gross margins, as volume growth is likely to offset the impact. Moreover, retail-market pricing will remain unchanged, ensuring continued competitiveness in the global market.
- **Earnings growth momentum is expected to continue in 2026 amid forex impact.** We remain positive on the long-term outlook and expect earnings to grow gradually by 12% yoy in 2026, supported by: a) industry demand growth; b) the ability to sustain gross profit margins, driven by a greater mix of premium product launches, particularly pet treats; and c) a gradual reduction in the SG&A-to-sales ratio following the Tailwind project. In addition, ITC confirmed that 1Q26 orders still remain in line with its targets.

## Valuation/Recommendation

- **Maintain BUY with a lower target price of Bt19.50 (previously Bt19.80)**  
We peg its PE target to its three-year mean, at 18x 2026F PE, excluding the period of atypical performance during 1Q23. 2026 earnings growth is projected to be 12%. The outlook is expected to be driven by: a) growth in industry demand, b) a declining trend in raw material prices, and c) an increasing share of premium products.

## Earnings Revision/Risk

- We have adjusted our 2025-26 net profit forecasts down by 3% and 2% respectively, reflecting the conservative outlook on gross profit margins given forex headwinds.

## Share Price Catalyst

- Better-than-expected premium product mix.
- Lower raw material costs.
- Depreciation of the Thai baht.

## Environmental, Social, Governance (ESG) Updates

CG Report: 5  
SET ESG Rating: A

### Environmental

- **SeaChange sustainability strategy by 2030.** To become a net-zero emission company, the company plans to: a) increase the biomass fuel usage to 70% of its steam production; b) expand solar panel contribution to 4.8 MW or 10%, with a plan to raise to 30% of electricity consumption by 2027 (additional 10% in 2026 and 10% in 2027); and c) reduce its GHG emissions by 42% by 2030 from 2021 baseline.

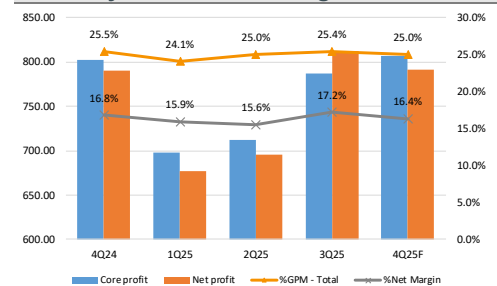
### Social

- ITC aims to increase its OEM sales by increasing sustainable packaging to 60% by 2030.

### Governance

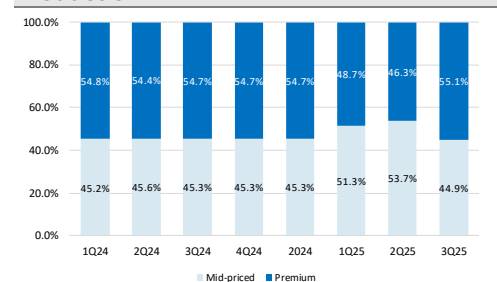
- ITC is committed to conducting its business with honesty, transparency, responsibility and business ethics. ITC's policies include anti-corruption, respect for human rights, fair treatment of labour, and responsibility to customers and consumers.

### Quarterly Results And Margins



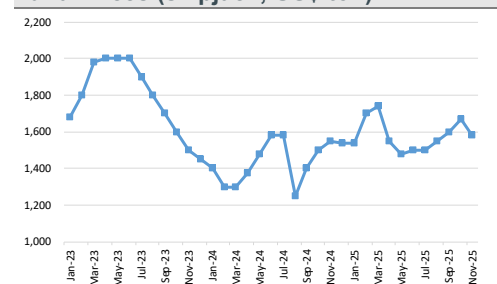
Source: ITC, UOB Kay Kian

### Production Mix



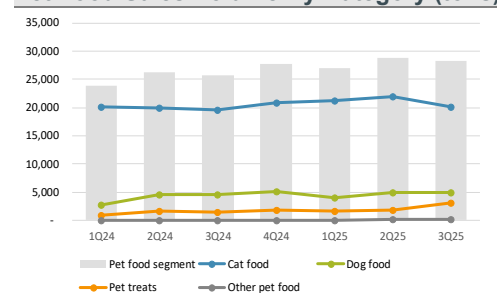
Source: ITC, UOB Kay Kian

### Tuna Prices (skipjack; US\$/ton)



Source: ITC, UOB Kay Kian

### Pet Food Sales Volume By Category (tons)



Source: ITC, UOB Kay Kian

### Profit & Loss

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Net turnover	17,729	18,282	19,242	19,819
EBITDA	4,518	3,841	4,336	4,631
Deprec. & amort.	541	668	798	932
EBIT	3,977	3,173	3,538	3,700
Total other non-operating income	(233)	(26)	(0)	(0)
Associate contributions	0	0	0	0
Net interest income/(expense)	(6)	(6)	(5)	(6)
Pre-tax profit	3,738	3,141	3,534	3,694
Tax	(141)	(164)	(183)	(192)
Minorities	0	(0)	(0)	0
Net profit	3,597	2,976	3,350	3,503
Net profit (adj.)	3,830	2,950	3,350	3,503

### Cash Flow

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Operating	3,582	3,395	3,909	4,290
Pre-tax profit	3,738	3,141	3,534	3,694
Tax	(141)	(164)	(183)	(192)
Deprec. & amort.	541	668	798	932
Associates	(80)	(250)	(240)	(144)
Working capital changes	(426)	0	0	0
Other operating cashflows	(50)	(0)	(0)	(0)
Investing	(5,182)	(1,339)	(1,058)	(1,088)
Capex (growth)	(957)	(1,300)	(1,000)	(1,000)
Others	0	0	0	0
Financing	(2,270)	(3,450)	(2,843)	(3,078)
Dividend payments	(2,250)	(3,450)	(2,843)	(3,078)
Issue of shares	0	0	0	0
Proceeds from borrowings	0	0	0	0
Others/interest paid	(21)	0	0	0
Net cash inflow (outflow)	(3,871)	(1,394)	7	124
Beginning cash & cash equivalent	9,305	5,408	3,941	3,784
Changes due to forex impact	(26)	0	0	0
Ending cash & cash equivalent	5,408	3,941	3,784	3,746

### Balance Sheet

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Fixed assets	6,009	6,641	6,843	6,911
Other LT assets	369	436	527	649
Cash/ST investment	5,408	3,941	3,784	3,746
Other current assets	15,141	15,647	16,210	16,645
Total assets	26,928	26,665	27,364	27,951
ST debt	0	0	0	0
Other current liabilities	2,096	2,225	2,323	2,378
LT debt	0	0	0	0
Other LT liabilities	693	776	870	977
Shareholders' equity	24,138	23,665	24,171	24,596
Minority interest	0	0	0	0
Total liabilities & equity	26,928	26,665	27,364	27,951

### Key Metrics

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Profitability				
EBITDA margin	25.5	21.0	22.5	23.4
Pre-tax margin	21.1	17.2	18.4	18.6
Net margin	20.3	16.3	17.4	17.7
ROA	13.7	11.1	12.4	12.7
ROE	15.2	12.5	14.0	14.4
Growth				
Turnover	13.8	3.1	5.3	3.0
EBITDA	52.5	(15.0)	12.9	6.8
Pre-tax profit	54.8	(16.0)	12.5	4.5
Net profit	57.7	(17.3)	12.6	4.5
Net profit (adj.)	65.6	(23.0)	13.6	4.5
EPS	65.6	(23.0)	13.6	4.5
Leverage				
Debt to total capital	0.0	0.0	0.0	0.0
Debt to equity	0.0	0.0	0.0	0.0
Net debt/(cash) to equity	(22.4)	(16.7)	(15.7)	(15.2)
Interest cover	749.6	652.8	953.9	815.1

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