Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	52182.7	0.6	0.9	2.3	8.6
S&P 500	7440.4	1.2	(0.4)	(1.8)	8.7
FTSE 100	10484.2	(0.2)	0.4	0.7	5.6
AS30	9026.9	0.7	(0.0)	0.7	0.1
CSI 300	4926.9	1.2	(2.6)	0.7	6.4
FSSTI	5208.8	0.3	0.1	3.4	12.1
HSCEI	7605.3	1.9	(3.9)	(9.7)	(14.7)
HSI	23026.7	1.6	(3.1)	(8.6)	(10.2)
JCI	5820.8	(1.3)	(4.8)	(5.0)	(32.7)
KLCI	1665.9	(0.1)	(2.1)	(1.0)	(0.8)
KOSPI	8394.7	(0.2)	(7.9)	(1.0)	99.2
Nikkei 225	69468.1	0.2	(4.0)	4.7	38.0
SET	1577.8	2.3	0.2	0.6	25.3
TWSE	44999.9	1.0	(5.7)	0.6	55.4
BDI	2490.0	(1.3)	(7.2)	(22.8)	32.7
CPO (RM/mt)	4450.0	0.0	(2.7)	(0.8)	13.1
Brent Crude (US$/bbl)	73.2	1.6	(6.1)	(20.5)	20.2

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Virtual Meeting with Mr DIY Holding Thailand PCL (MRDIYT TB)	Thailand	01 Jul	01 Jul
Analyst Marketing on Singapore 2H Outlook & Strategy by Adrian Loh	Malaysia	01 Jul	03 Jul
Hybrid Post-results Luncheon with JBM (Healthcare) Ltd (2161 HK) & Jacobson Pharma (2633 HK)	Hong Kong	03 Jul	03 Jul
Small & Mid-Caps Corporate Day	Singapore	09 Jul	09 Jul
Analyst Marketing on 2H Thai Strategy and Healthcare Sector presentation	Malaysia	13 Jul	15 Jul

Corporate and Macro Calendar

Economic Indicator/Event	Country/Region	Date
May. Customs Trade Balance (Export-Import)	Thailand	30 June

Please click on the page number to move to the relevant pages

Thailand

Company Update | i-Tail Corporation (ITC TB/**BUY**/Bt16.20/Target: Bt20.50) Page 2

We expect ITC's 2Q26 core profit to come in at Bt716m (flat yoy, but -17.2% qoq). The qoq decline is attributable to profitability pressure from higher costs and a lag in cost pass-through in 2Q26. We expect earnings to recover in 3Q26 both qoq and yoy, driven by seasonality and strong sales growth. Raw material cost pressure is easing amid reduced Middle East tensions. Maintain BUY; target price: Bt20.50.

i-Tail Corporation (ITC TB)

Brighter Outlook In 2H26

BUY (Maintained)

Share Price	Bt16.20
Target Price	Bt20.50
Upside	26.54%

Analyst(s)
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Highlights

- We expect ITC's 2Q26 core profit to come in at Bt716m (+2.7% yoy, but -17.2% qoq). The qoq decline is attributable to profitability pressure from higher costs and a lag in cost pass-through in 2Q26.
- We expect earnings to recover in 3Q26 both qoq and yoy, driven by seasonality and strong sales growth. Raw material cost pressure is easing amid reduced Middle East tensions.
- Maintain BUY; target price: Bt20.50.

2Q26 Earnings Preview

Year to 31 Dec (Btm)	2Q26F	2Q25	1Q26	yoy (%)	qoq (%)
Sales	4,921	4,473	5,174	10.0%	-4.9%
Gross Profit	1,137	1,120	1,258	1.5%	-9.6%
Pre-tax Profit	750	779	900	-3.8%	-16.7%
Net Profit	711	696	871	2.2%	-18.3%
Core Profit	716	712	865	0.6%	-17.2%
EPS (Bt)	0.24	0.23	0.29	2.2%	-18.3%
Gross Margin (%)	23.1%	25.0%	24.3%	-1.9%	-1.2%
%SG&A/revenue	10.1%	10.1%	9.5%	-0.1%	0.6%
Net Margin (%)	14.5%	15.6%	16.8%	-1.1%	-2.4%

Source: ITC, Bloomberg, UOB Kay Hian

Analysis

- **Expect earnings to drop qoq but rise yoy.** We expect i-Tail Corporation (ITC) to report a core profit of Bt716m in 2Q26 (flat yoy, but -17.2% qoq)
- **Strong top-line growth momentum.** We expect ITC's 2Q26 top-line to be at Bt4.9b (up 10% yoy, but down 4.9% qoq). The solid top-line growth is due to the strong sales in the US and EU markets. Additionally, the premium segment contribution remained higher than 50% (up yoy and flat qoq)
- **Soft profitability in 2Q26; expected to increase in 2H26.** Gross profit margin in 2Q26 is projected at 23.1% (down yoy, and qoq). The qoq decrease is due to rising cost pressures, reflecting margin pressure from higher input costs and the lag in cost pass-through to customers in 2Q26. SG&A/sales is expected at 10% in 2Q26 (up qoq, flat yoy).

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	17,729.0	18,223.4	20,001.1	21,601.8	22,853.9
EBITDA	4,517.6	3,849.6	4,404.9	4,927.2	5,364.1
Operating profit	3,977.0	3,181.4	3,606.7	3,995.6	4,332.6
Net profit (rep./act.)	3,597.3	2,977.9	3,433.3	3,802.8	4,122.6
Net profit (adj.)	3,830.4	2,933.4	3,433.3	3,802.8	4,122.6
EPS	1.3	1.0	1.1	1.3	1.4
PE (x)	13.4	17.5	14.9	13.5	12.4
P/B (x)	2.1	2.2	2.1	2.0	2.0
EV/EBITDA (x)	10.2	11.6	10.2	9.1	8.3
Dividend yield (%)	6.7	5.3	6.0	6.3	6.9
Net margin (%)	20.3	16.3	17.2	17.6	18.0
Net debt/(cash) to equity(%)	(22.4)	(27.2)	(25.3)	(25.0)	(25.6)
Interest cover (x)	749.6	375.3	969.0	867.1	755.2
ROE (%)	15.2	12.7	14.4	15.8	16.9
Consensus net profit	n.a	n.a	3,356.0	3,728.1	4,062.7
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	1.0

Source: i-Tail Corporation PCL, Bloomberg, UOB Kay Hian

Stock Data

GICS sector	Consumer Staples
Bloomberg ticker:	ITC TB
Shares issued (m):	3,000.0
Market cap (Bt$m):	49,200.0
Market cap (US$m):	1,502.6
3-mth avg daily t'over (US$m):	3.5

Price Performance (%)

52-week high/low: Bt18.0/Bt10.1

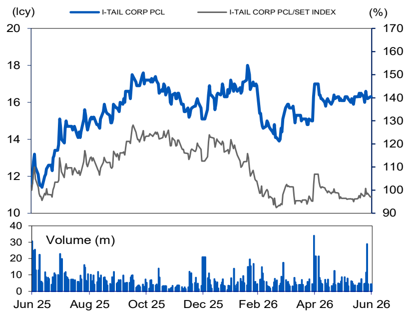
1mth	3mth	6mth	1yr	YTD
(0.6)	6.7	2.6	42.0	5.3

Major Shareholders	%
Thai Union Group	79.30
Thai NVDR	2.68
VAYU1	1.43

Balance Sheet Metrics

FY26 NAV/Share (Bt)	8.2
FY26 Net Debt/Share (Bt)	(2.1)

Price Chart



Source: Bloomberg

Company Description

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

- **Brighter outlook in 2H26.** We expect the 2Q26 earnings to be the lowest for 2026. However, we foresee a gradual recovery in 3Q26, both qoq and yoy. The improvement should be driven by price adjustments in 3Q26 to mitigate cost increases, alongside easing concerns over the Middle East war, which are expected to reduce pressure from raw material costs. Furthermore, seasonal demand trends should support stronger sales in 2H26. We maintain our 2026 earnings forecast, with limited downside risk to our estimates. We expect 1H26 earnings to account for around 46% of our full-year projection, which is consistent with the company's historical earnings pattern, in which profitability is typically stronger in 2H.
- **Tariff refund update.** Management noted that the company has begun receiving tariff refunds after the US tariff rate was reduced from 19% to 10%, although the amount remains insignificant.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt20.50.** We peg its PE target to its three-year mean, at 18x 2026F PE. We reiterate our positive view on ITC, supported by the strong growth potential of the pet food industry. Although cost pressures should still be monitored, we foresee resilience in the product segment's pricing elasticity, which should enable exporters to pass through higher costs via ASP adjustments.

Earnings Revision/Risk

- None.

Share Price Catalyst

- Better-than-expected premium product mix.
- Sales increase in the US and EU markets.
- 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.

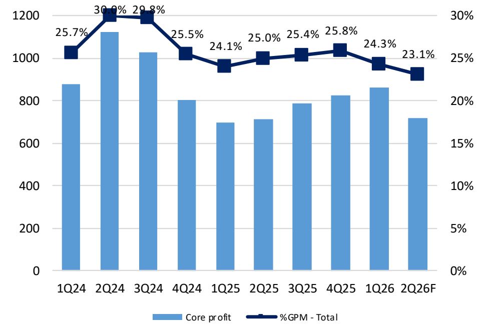
Social

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

Governance

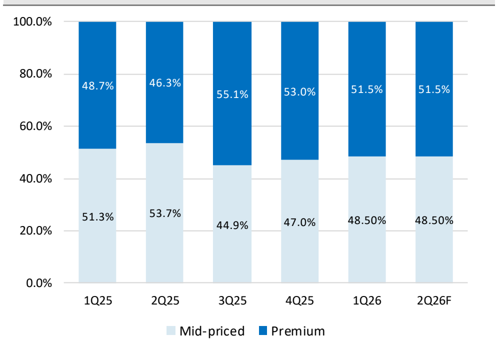
- ITC is committed to conducting its business with honesty, transparency, responsibility and business ethics. ITC's policies include anti-corruption, respect for human rights, fair treatment of labour, and responsibility to customers and consumers.

Quarterly Results And Margins



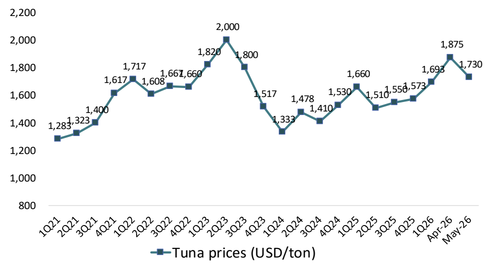
Source: ITC, UOB Kay Kian

Production Mix



Source: ITC, UOB Kay Kian

Tuna Prices (US$/tonne)



Source: ITC, UOB Kay Kian

2026 Target

Source: ITC, UOB Kay Kian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	18,223	20,001	21,602	22,854
EBITDA	3,850	4,405	4,927	5,364
Deprec. & amort.	668	798	932	1,032
EBIT	3,181	3,607	3,996	4,333
Total other non-operating income	0	0	0	0
Associate contributions	0	0	0	0
Net interest income/(expense)	(10)	(5)	(6)	(7)
Pre-tax profit	3,171	3,602	3,990	4,325
Tax	(149)	(169)	(187)	(203)
Minorities	0	0	0	0
Net profit	2,978	3,433	3,803	4,123
Net profit (adj.)	2,933	3,433	3,803	4,123

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	6,484	6,843	6,911	6,880
Other LT assets	362	391	422	456
Cash/ST investment	6,489	6,194	6,255	6,550
Other current assets	9,638	10,130	10,805	11,330
Total assets	26,973	27,558	28,394	29,215
ST debt	0	0	0	0
Other current liabilities	2,310	2,177	2,340	2,465
LT debt	0	0	0	0
Other LT liabilities	837	885	994	1,119
Shareholders' equity	23,826	24,496	25,060	25,630
Minority interest	0	0	0	0
Total liabilities & equity	26,973	27,558	28,394	29,215

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	3,547	3,668	4,266	4,804
Pre-tax profit	3,127	3,602	3,990	4,326
Tax	(149)	(169)	(187)	(203)
Deprec. & amort.	570	798	932	1,032
Associates	0	0	0	0
Working capital changes	(1)	(563)	(469)	(350)
Non-cash items	0	0	0	0
Other operating cashflows	0	0	0	0
Investing	1,582	(1,000)	(1,000)	(1,000)
Capex (growth)	(1,124)	(1,000)	(1,000)	(1,000)
Others	2,706	0	0	0
Financing	(3,483)	(2,885)	(3,239)	(3,552)
Dividend payments	(3,450)	(2,885)	(3,239)	(3,552)
Issue of shares	0	0	0	0
Proceeds from borrowings	0	0	0	0
Loan repayment	0	0	0	0
Others/interest paid	(34)	0	0	0
Net cash inflow (outflow)	1,646	(217)	27	252
Beginning cash & cash equivalent	5,408	6,431	6,194	6,255
Changes due to forex impact	0	0	0	0
Ending cash & cash equivalent	6,489	6,194	6,255	6,550

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	21.1	22.0	22.8	23.5
Pre-tax margin	17.4	18.0	18.5	18.9
Net margin	16.3	17.2	17.6	18.0
ROA	11.4	13.0	14.1	15.1
ROE	12.7	14.4	15.8	16.9
Growth				
Turnover	2.8	9.8	8.0	5.8
EBITDA	(14.8)	14.4	11.9	8.9
Pre-tax profit	(20.1)	13.6	10.8	8.4
Net profit	(17.2)	15.3	10.8	8.4
Net profit (adj.)	(23.4)	17.0	10.8	8.4
EPS	(23.4)	17.0	10.8	8.4
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	(27.2)	(25.3)	(25.0)	(25.6)
Interest cover	375.3	969.0	867.1	755.2