



i-Tail Corporation

(ITC.BK/ITC TB)

Outperform • Maintained

Price as of 28 Apr 2023	20.50
12M target price (Bt/shr)	23.60
Unchanged/Revised up(down)(%)	(19.5)
Upside/downside (%)	15.1

Key messages

จากที่ ถูกค่าในสหรัฐอเมริกาและยุโรป ลดสินค้าคงคลังลง เกิดผลกระทบต่อสูงกว่าคาด เราจึงปรับลดประมาณการกำไรสุทธิของ ITC ลง 18-20% ในปี 2566F-2567F อย่างไรก็ตาม เรามองว่ากำไรออโรรนแอใน 1Q66 จะเป็นจุดต่ำสุดแล้ว โดยคาดคิดตัวขึ้น QoQ ใน 2Q66F-3Q66F ขณะที่ ยอดขายอาหารสัตว์เลี้ยงโลกยังขยายตัวต่อเนื่อง ใน 1Q66 ขณะที่จำนวนวันสินค้าคงคลังที่ลดลงของลูกการรายใหญ่ บ่งชี้ว่าวัฏจักรการปรับลดสินค้าคงคลังจะสิ้นสุดลงในเร็วๆ นี้ นอกจากนี้ เราคาดว่าราคาปลาทูน่าลดลงตามราคาน้ำมันที่ลดลงใน 2H66F ทั้งนี้ เรายังคงคำแนะนำซื้อ แต่ปรับลดราคาเป้าหมายปี 2566 ลงอยู่ที่ 23.60 บาท อิงจาก PER ที่ 20x จากเดิมที่ 29.30 บาท

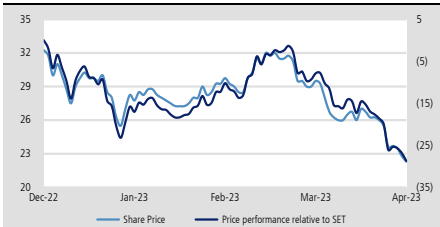
Trading data

Mkt cap (Btmn/US\$m)	61,500/1,538		
Outstanding shares (mn)	3,000		
Foreign ownership (mn)	215		
3M avg. daily trading (mn)	NA		
52-week trading range (Bt)	20.5-32.3		
Performance (%)	3M	6M	12M
Absolute	NA	NA	NA
Relative	NA	NA	NA

Quarterly EPS

EPS	Q1	Q2	Q3	Q4
2021	1.54	1.71	0.68	0.54
2022	2.57	0.76	0.64	0.22
2023	0.14	NA	NA	NA

Share price chart



Source: SET

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คาดยอดขายอ่อนแอกดดัน margin ใน 1H66F

Event

ประชุมนักวิเคราะห์และปรับประมาณการกำไรสุทธิ

Impact

ผลลบจากการลดสินค้าคงคลังมีสูงกว่าที่ราคาได้ไว้มาก

ผู้บริหาร ITC ชี้ยอดขายที่อ่อนแอลงใน 1Q66 เป็นผลหลัก ๆ มาจากการลดสต็อกสินค้าคงคลัง (destocked inventory) ของลูกค้าในสหรัฐอเมริกาและยุโรป โดยที่คาดปัญหาดังกล่าวจะคลี่คลายลงใน 2Q66F แต่ยังไม่หมดไปทั้งหมด ทำให้ยอดขายอาจลดลง YoY แต่จะเติบโต QoQ ทั้งนี้ ผลเชิงลบที่เกิดขึ้นกระทบต่อยอดขายมากกว่าที่บริษัทคาดไว้ บริษัทจึงปรับลดเป้าหมายสำหรับปี 2566F ลง ประกอบด้วย i) อัตราการเติบโตยอดขายอยู่ที่ 0 ถึง -1% (จาก 15-17%) ii) ปรับลดอัตรากำไรขั้นต้น (GPM) ลงอยู่ที่ 22.5-23.5% (จาก 25%) และ iii) ปรับ SG&A ต่อยอดขายอยู่ที่ 6.0-7.0% (จาก 5.5-6.5%)

ยังคงมองบวกจากการฟื้นตัวใน 2H66F

ผู้บริหารคาดยอดขายจะฟื้นตัวแรงใน 2H66F และเติบโต YoY ซึ่งมุมมองของบริษัทสอดคล้องกับสมมติฐานของเรา ที่อิงตามยอดขายของแบรนด์อาหารสัตว์เลี้ยงรายใหญ่ของโลกที่ยังเติบโตต่อเนื่องใน 1Q66 ขณะที่ ระยะเวลาขายสินค้าเฉลี่ย (Days inventory outstanding) ของแบรนด์รายใหญ่ (JM Smucker) ส่งสัญญาณว่ากำลังลดลงมาสู่ระดับปกติ สนับสนุนต่อมุมมองว่าวัฏจักรการลดสินค้าคงคลังอาจสิ้นสุดลงในไม่ช้า นอกจากนี้ บริษัทยังมีลูกค้ารายใหม่ในสหรัฐอเมริกาและญี่ปุ่นรวมทั้งได้วางกลยุทธ์เปิดตัวตลาดใหม่ ๆ อย่างในประเทศจีนและอังกฤษ ซึ่งจะช่วยหนุนยอดขายใน 2H66F ส่วนในด้าน GPM เราคาดฟื้นตัวแรงใน 2H66F หนุนจาก product mix ราคาปลาทูน่าลดลงตามราคาน้ำมันที่ลดลงและราคาขายสูงขึ้น

ปรับลดประมาณการกำไรสุทธิลง 18-20%

เราปรับลดประมาณการกำไรสุทธิปี 2566F ลง 20% อยู่ที่ 3.53 พันล้านบาทและปี 2567F ลง 18% อยู่ที่ 4.38 พันล้านบาท มาจาก i) รายได้ลดลง 13% ในทั้งสองปี ii) GPM ลดลง 110bps เป็น 22.7% ปี 2566F และ 100bps อยู่ที่ 23.0% ในปี 2567F จากยอดขายต่ำลง และสมมติฐานราคาปลาทูน่าสูงขึ้นเล็กน้อยปี 2566F และ iii) ปรับเพิ่ม SG&A ต่อยอดขายขึ้น 80bps อยู่ที่ 6.3% ใน 2566F และ 40bps เป็น 5.7% ในปี 2567F จากยอดขายที่ลดลง ทั้งนี้ เราปรับเพิ่มรายได้อื่น ๆ ขึ้น เนื่องจากมีรายได้ดอกเบี้ยจากการลงทุนในตราสารหนี้ จากมีเงินสดจำนวนมากหลัง IPO และคาดมีผลขาดทุนจากอัตราแลกเปลี่ยนเงินบาทอ่อนลงเพราะปริมาณขายลดลง

Valuation & action

เรายังคงแนะนำซื้อ ITC แต่ปรับลดราคาเป้าหมายปี 2566 ลงอยู่ที่ 23.60 บาท อิงจาก PER ที่ 20x จากเดิมที่ 29.30 บาท

Risks

ความผันผวนของต้นทุนวัตถุดิบ อัตราแลกเปลี่ยนและภาวะตลาดแข่งขันสูง

Key financials and valuations

	Dec - 20A	Dec - 21A	Dec - 22A	Dec - 23F	Dec - 24F
Revenue (Btmn)	6956.6	7,108	22,528	20,970	24,224
Gross Profit (Btmn)	1578.8	1,065	5,425	4,760	5,571
SG&A (Btmn)	577.0	580	1,266	1,321	1,381
Net Profit (Btmn)	1779.8	1,599	4,470	3,532	4,383
Normalized Profit (Btmn)	991.2	729	4,581	3,532	4,383
EPS (Bt)	4.94	4.44	2.52	1.18	1.46
DPS (Bt)	2.80	4.00	9.90	1.00	1.20
EPS Growth (%)	66.1	(10.2)	(43.2)	(53.3)	24.1
P/E (X)	6.5	7.2	11.9	17.4	14.0
P/B (X)	2.7	2.7	4.0	2.7	2.6
EV/EBITDA (X)	13.0	23.7	16.0	12.8	10.6
Net Debt to Equity (%)	139.2	244.7	Net Cash	Net Cash	Net Cash
Dividend Yield (%)	8.8	12.5	33.0	4.9	5.9
Return on Average Equity (%)	40.1	36.9	33.2	15.7	18.9

Source: Company data, KGI Securities Research

Figure 1: Earnings revisions

	2023F			2024F		
	Revised	Previous	Change	Revised	Previous	Change
Financials (Btmn)			Percent			Percent
Sales	20,970	24,166	(13.2)	24,224	27,941	(13.3)
Other income	425	300	41.7	425	300	41.7
COGS	(16,210)	(18,415)	(12.0)	(18,652)	(21,235)	(12.2)
SG&A	(1,321)	(1,329)	(0.6)	(1,381)	(1,481)	(6.8)
FX gian (loss)	(205)	(275)	(25.5)	(100)	(100)	0.0
Net profit	3,532	4,396	(19.7)	4,383	5,363	(18.3)
Normalized profit	3,532	4,396	(19.7)	4,383	5,363	(18.3)
EPS (Bt/shr)	1.18	1.47	(19.7)	1.46	1.79	(18.3)
Key financial ratio (%)			ppts			ppts
GPM	22.7	23.8	(1.1)	23.0	24.0	(1.0)
SG&A/Sale	6.3	5.5	0.8	5.7	5.3	0.4
Net profit margin	16.8	18.2	(1.3)	18.1	19.2	(1.1)

Source: Company data, KGI Securities Research

Figure 2: Assumption revisions

Our assumption				Revised		Previous		% change	
	2020	2021	2022	2023F	2024F	2023F	2024F	2023F	2024F
Revenue break down by product (Bt mn)									
Cat food	9,324	10,708	15,558	14,928	17,167	17,285	19,877	-13.6	-13.6
Dog food	1,325	1,653	2,561	2,690	2,959	2,845	3,130	-5.5	-5.5
Treat	1,554	2,148	3,219	3,152	3,858	3,940	4,822	-20.0	-20.0
Cost									
Tuna (US\$/ton)	1,385	1,406	1,663	1,720	1,550	1,680	1,550	2.4	0.0
Margin									
GPM (%)	22.7	15.0	24.1	22.7	23.0	23.8	24.0	-1.1	-1.0
SG&A to sale (%)	8.3	8.2	5.6	6.3	5.7	5.5	5.3	0.8	0.4

Source: Company data, KGI Securities Research

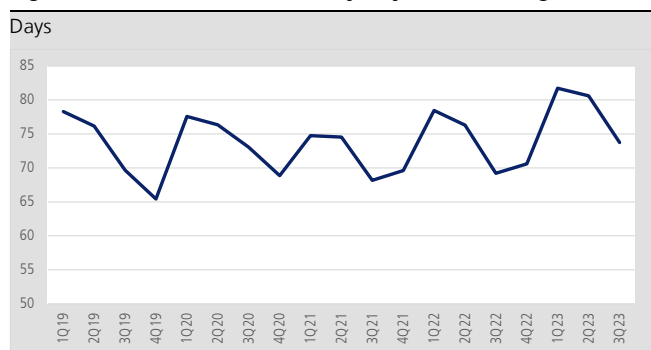
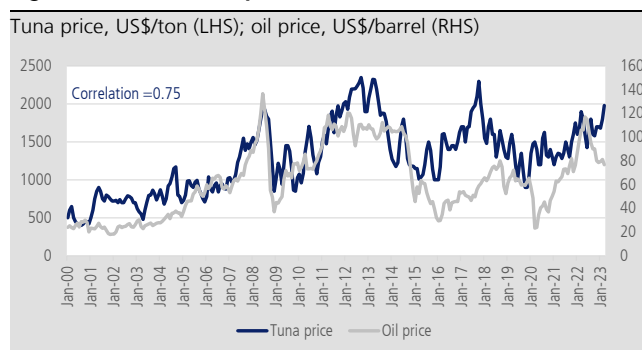
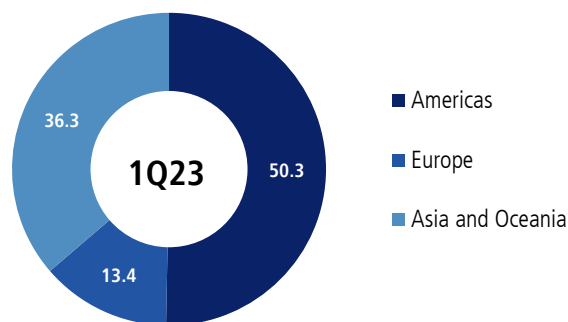
Figure 3: JM Smucker's inventory days outstanding

 Source: Bloomberg, KGI Securities Research
 * Fiscal year ending April

Figure 4: Tuna and oil prices


Source: Company data, KGI Securities Research

Figure 5: Revenue breakdown by region

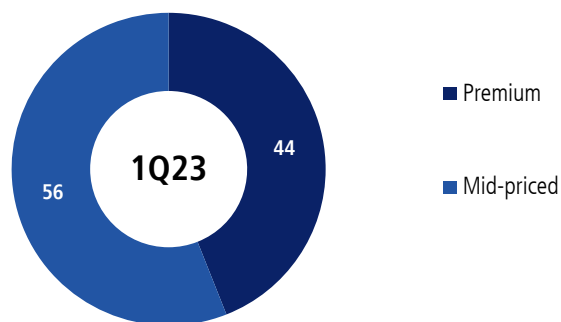
Percent



Source: Company data, KGI Securities Research

Figure 6: Revenue breakdown by product segment

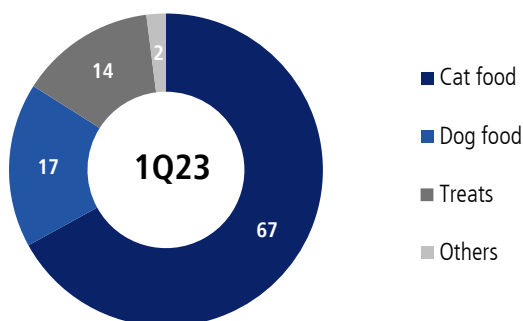
Percent



Source: Company data, KGI Securities Research

Figure 7: Revenue breakdown by product type

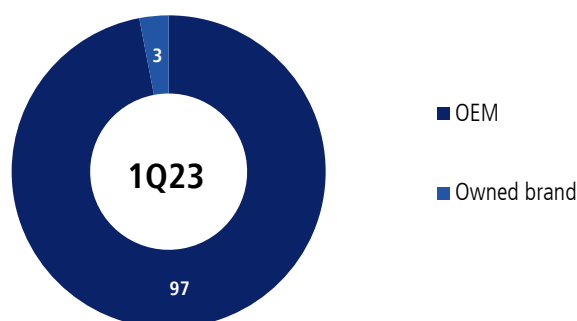
Percent



Source: Company data, KGI Securities Research

Figure 8: Revenue breakdown by customer type

Percent



Source: Company data, KGI Securities Research

Figure 9: Pro forma income statement

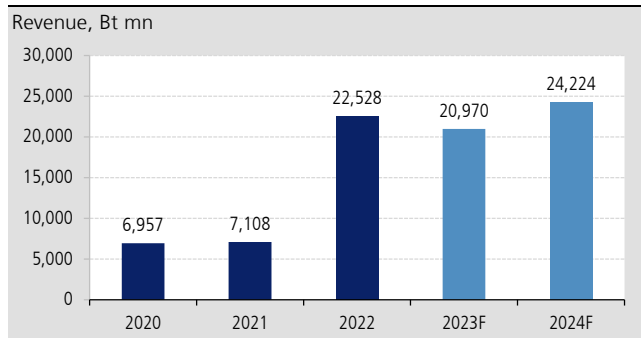
Pro forma	2019	2020	2021	2022
Revenue from sales and services	10,954.6	12,224.2	14,528.7	21,420.1
Cost of sales and services	(8,733.4)	(9,048.2)	(11,172.7)	(16,071.2)
Gross profit	2,221.2	3,176.0	3,356.0	5,348.8
Other income	132.4	132.3	120.6	247.0
Selling expenses	(256.4)	(305.7)	(463.2)	(525.6)
Administrative expenses	(399.1)	(393.5)	(518.3)	(713.4)
Other gains (losses), net	63.1	3.1	285.4	175.1
Operating profit	1,761.2	2,612.2	2,780.5	4,531.9
Finance costs	(53.0)	(36.7)	(31.8)	(82.5)
Profit before income tax	1,708.2	2,575.5	2,748.7	4,449.4
Income tax	(13.5)	(27.1)	(27.7)	(48.1)
Net profit	1,694.7	2,548.4	2,721.0	4,401.3
Net profit growth		50%	7%	62%
GPM	20.3%	26.0%	23.1%	25.0%
SG&A to sales	6.0%	5.7%	6.8%	5.8%

Source: Company data, KGI Securities Research

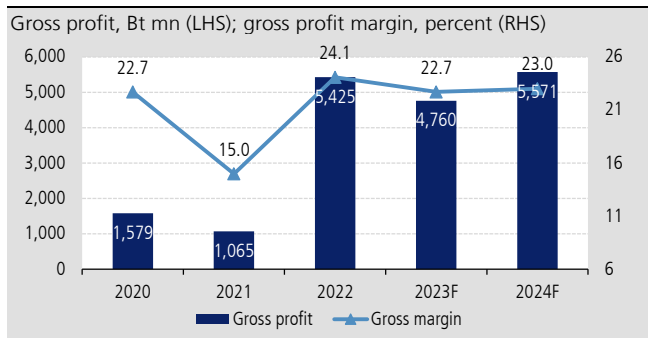
Figure 10: Company profile

i-Tail Corporation (ITC) operates as a large OEM and exporter of pet food with more than 40 years of experience in this industry. The company provides one-stop service to customers, including product development, manufacturing and logistics. ITC has over 435 customers worldwide in 45 countries including large top pet food brands and large global pet food retailers. Almost all of its revenues are from OEM customers and only a small portion are from its owned-brand products (i.e., Bellotta, Marvo, ChangeTer, Calico Bay and Paramount).

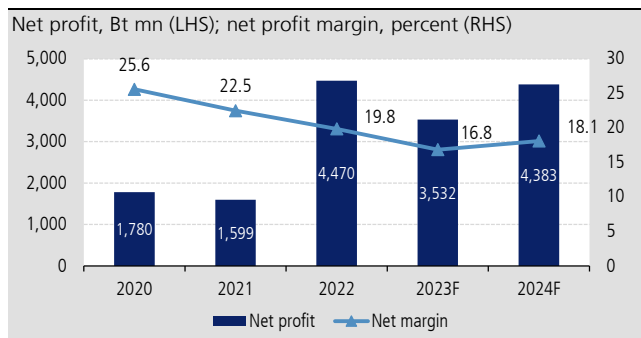
Source: Company data

Figure 11: Revenue


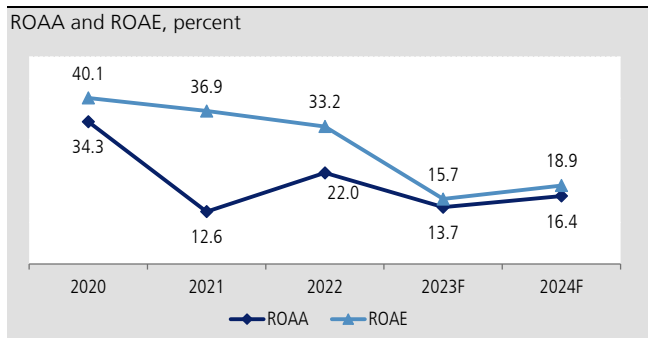
Source: Company data, KGI Securities Research

Figure 12: Gross profit


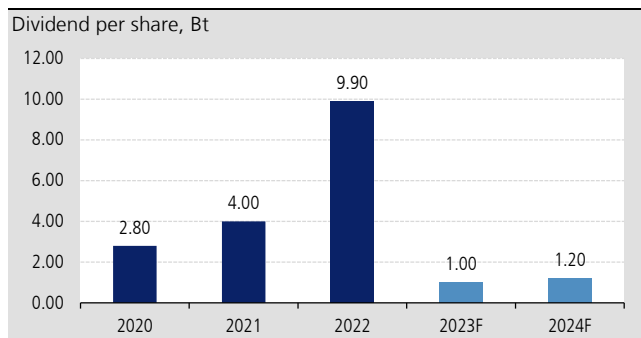
Source: Company data, KGI Securities Research

Figure 13: Net profit


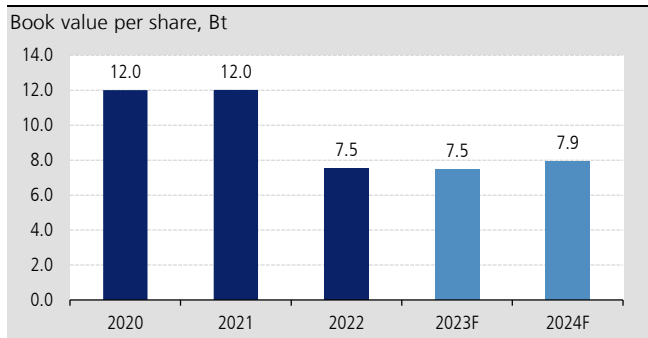
Source: Company data, KGI Securities Research

Figure 14: Company ROAA and ROAE


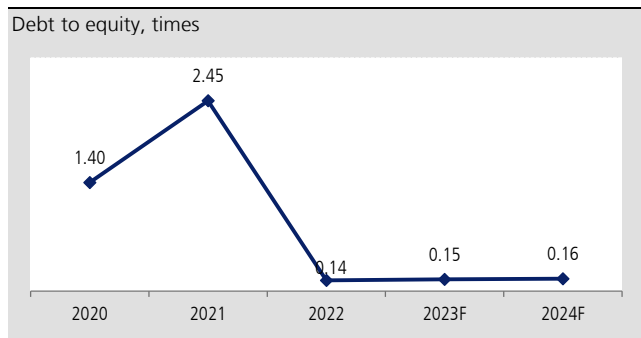
Source: Company data, KGI Securities Research

Figure 15: Dividend


Source: Company data, KGI Securities Research

Figure 16: BV


Source: Company data, KGI Securities Research

Figure 17: D/E


Source: Company data, KGI Securities Research

Quarterly Income Statement

Bt mn	MAR-21A	JUN-21A	SEP-21A	DEC-21A	MAR-22A	JUN-22A	SEP-22A	DEC-22A	MAR-23A
Income Statement (Bt mn)									
Revenue	1,786.8	2,083.9	1,356.2	1,881.0	4,763.4	5,668.5	6,331.9	5,764.8	3,586.8
Cost of Good Sold	(1,378.4)	(1,607.2)	(1,307.0)	(1,750.5)	(3,731.2)	(4,179.0)	(4,697.5)	(4,496.3)	(2,962.0)
Gross Profit	408.4	476.7	49.1	130.5	1,032.1	1,489.5	1,634.3	1,268.5	624.8
Operating Expenses	(107.2)	(160.7)	(149.9)	(162.4)	(282.1)	(322.5)	(324.8)	(337.1)	(300.8)
Other incomes	31.8	25.8	10.9	15.8	48.7	33.7	58.0	107.5	123.2
Operating Profit	333.0	341.8	(89.9)	(16.1)	798.7	1,200.8	1,367.5	1,038.9	447.2
Depreciation of Fixed assets	-	-	-	-	138.4	138.4	152.0	141.9	134.8
Operating EBITDA	-	-	-	-	937.1	1,339.1	1,519.5	1,180.8	582.0
Non-Operating Income	52.7	53.6	35.8	0.2	35.8	198.5	239.0	(274.2)	11.2
Interest Income	-	-	-	-	-	-	-	-	-
Other Non-op Income	52.7	53.6	35.8	0.2	35.8	198.5	239.0	(274.2)	11.2
Non-Operating Expenses	(5.7)	(7.2)	(7.0)	(4.7)	(9.5)	(14.5)	(28.4)	(33.6)	(5.9)
Interest Expenses	(5.7)	(7.2)	(7.0)	(4.7)	(9.5)	(14.5)	(28.4)	(33.6)	(5.9)
Other Non-Op Expenses	-	-	-	-	-	-	-	-	-
Net investment income/(loss)	-	-	-	-	-	-	-	-	-
Pre-tax Profit	379.9	388.2	(61.1)	(20.7)	825.0	1,384.8	1,578.2	731.1	452.5
Current Taxation	(2.9)	2.9	1.2	18.6	59.5	(45.9)	(34.9)	(48.7)	(25.6)
Minorities	(56.9)	(68.1)	75.6	72.2	0.3	0.7	(0.8)	0.3	(1.8)
Extraordinary items	232.6	291.7	222.9	122.6	39.4	(0.0)	(6.4)	(12.2)	-
Net Profit	552.8	614.6	238.6	192.7	924.1	1,339.5	1,536.0	670.5	425.2
EPS (Bt)	1.54	1.71	0.68	0.54	2.57	0.76	0.64	0.22	0.14
Margins (%)									
Gross Profit Margin	22.9	22.9	3.6	6.9	21.7	26.3	25.8	22.0	17.4
Operating EBIT Margin	18.6	16.4	(6.6)	(0.9)	16.8	21.2	21.6	18.0	12.5
Operating EBITDA Margin	NA	NA	NA	NA	19.7	23.6	24.0	20.5	16.2
Net Profit Margin	30.9	29.5	17.6	10.2	19.4	23.6	24.3	11.6	11.9
Growth (% YoY)									
Revenue Growth	NA	NA	NA	NA	166.6	172.0	366.9	206.5	(24.7)
Operating EBIT Growth	NA	NA	NA	NA	139.8	251.3	NM	NM	(44.0)
Operating EBITDA Growth	NA	NA	NA	NA	NA	NA	NA	NA	(37.9)
Net Profit Growth	NA	NA	NA	NA	67.2	118.0	543.7	248.0	(54.0)

Source: Company data, KGI Securities Research

Balance Sheet

As of 31 Dec (Bt mn)	2020	2021	2022	2023F	2024F
Total Asset	10,364.8	14,933.8	25,749.6	25,831.1	27,651.9
Current Asset	6,147.4	10,459.7	20,322.4	18,925.0	19,400.7
Cash and ST Investment	21.6	3.3	10,798.9	9,380.0	8,489.0
Inventories	3,706.6	3,844.6	4,457.0	4,823.1	5,571.5
Account Receivable	2,248.1	1,089.9	3,553.9	3,774.6	4,360.3
Others	171.1	5,521.9	1,512.5	947.3	979.9
Non-Current Assets	4,217.4	4,474.1	5,427.2	6,906.1	8,251.2
LT investment	0.1	-	-	-	-
Net Fixed Assets	4,032.6	4,212.0	4,966.5	6,404.7	7,684.7
Others	184.7	262.1	460.7	501.4	566.5
Total Liabilities	6,040.8	10,602.3	3,143.4	3,391.5	3,811.9
Current Liabilities	4,974.4	9,875.6	2,527.0	2,683.8	3,074.3
Account Payable	1,429.2	4,356.2	2,355.2	2,516.4	2,906.9
ST Borrowings	3,399.5	681.9	13.8	9.4	9.4
Others	145.7	4,837.4	157.9	158.0	158.0
LT Liabilities	1,066.5	726.7	616.5	707.7	737.7
Long-term Debts	613.0	122.7	28.5	37.7	37.7
Others	453.5	604.0	588.0	670.0	700.0
Sharholder's Equity	4,323.9	4,331.5	22,606.1	22,439.7	23,839.9
Common Stock	360.0	360.0	3,000.0	3,000.0	3,000.0
Capital Surplus	240.0	240.0	18,394.9	18,394.9	18,394.9
Retained Earnings	4,183.2	4,294.4	1,084.2	2,516.2	3,898.9
Other components	(459.3)	(562.9)	127.0	(1,471.4)	(1,453.8)

Source: KGI Securities Research

Key Ratios

Year to 31 Dec (Bt mn)	2020	2021	2022	2023F	2024F
Forecast Drivers					
Growth (% YoY)					
Sales	NA	2.2	217.0	(6.9)	15.5
OP	NA	(47.2)	674.6	(12.3)	19.5
EBITDA	NA	(38.5)	518.5	(9.1)	20.1
NP	NA	(10.2)	179.6	(21.0)	24.1
EPS	NA	(10.2)	(43.2)	(53.3)	24.1
Profitability (%)					
Gross Profit Margin	22.7	15.0	24.1	22.7	23.0
Operating Margin	15.5	8.0	19.6	18.4	19.1
Operating EBITDA Margin	18.8	11.3	22.1	21.6	22.4
Net Profit Margin	25.6	22.5	19.8	16.8	18.1
ROAA	34.3	12.6	22.0	13.7	16.4
ROAE	40.1	36.9	33.2	15.7	18.9
Stability					
Gross Debt/Equity (%)	139.7	244.8	13.9	15.1	16.0
Net Debt/Equity (%)	139.2	244.7	Net Cash	Net Cash	Net Cash
Interest coverage (x)	49.8	32.6	57.9	205.7	2,062.1
Interest & ST Debt Coverage (x)	0.3	0.8	44.1	123.0	383.0
Cash Flow Interest Coverage (x)	75.2	45.5	23.8	199.5	1,596.7
Cash Flow/Interest & ST Debt (x)	0.6	1.6	20.5	139.7	349.3
Current Ratio (x)	1.2	1.1	8.0	7.1	6.3
Quick Ratio (x)	0.5	0.1	5.7	4.9	4.2
Net Debt (Bt mn)	6,019.2	10,599.0	(7,655.5)	(5,988.6)	(4,677.1)
Per Share Data (bt)					
EPS	4.9	4.4	2.5	1.2	1.5
CFPS	5.5	3.1	0.7	1.5	1.4
BVPS	12.0	12.0	7.5	7.5	7.9
SPS	19.3	19.7	7.5	7.0	8.1
EBITDA/Share	3.6	2.2	1.7	1.5	1.8
DPS	2.80	4.00	9.90	1.00	1.20
Activity					
Asset Turnover (x)	1.3	0.6	1.1	0.8	0.9
Day Receivables	59.0	85.7	37.6	63.8	61.3
Day Inventories	125.8	228.0	88.6	104.5	101.7
Day Payable	28.7	170.8	69.1	53.6	51.0
Cash Cycle	156.1	142.9	57.1	114.6	112.0

Source: KGI Securities Research

Profit & Loss

Year to 31 Dec (Bt mn)	2020	2021	2022	2023F	2024F
Revenue	6,956.6	7,107.9	22,528.5	20,969.8	24,223.9
Cost of Goods Sold	(5,377.9)	(6,043.1)	(17,104.0)	(16,209.7)	(18,652.4)
Gross Profit	1,578.8	1,064.8	5,424.5	4,760.2	5,571.5
Operating Expenses	(577.0)	(580.2)	(1,266.5)	(1,321.1)	(1,380.8)
Other Income	75.9	84.3	247.9	425.0	425.0
Operating Profit	1,077.7	568.8	4,405.9	3,864.1	4,615.7
Depreciation of Fixed Asset	231.3	235.8	570.7	661.8	820.0
Operating EBITDA	1,309.0	804.6	4,976.5	4,525.9	5,435.8
Non-Operating Income	14.9	142.2	199.2	(205.0)	(100.0)
Interest Income	0.0	0.0	0.0	0.0	0.0
Other Non-op Income	14.9	142.2	199.2	(205.0)	(100.0)
Non-Operating Expenses	(26.3)	(24.7)	(86.0)	(22.0)	(2.6)
Interest Expenses	(26.3)	(24.7)	(86.0)	(22.0)	(2.6)
Other Non-Op Expenses	0.0	0.0	0.0	0.0	0.0
Net investment income/(loss)	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	1,066.3	686.3	4,519.1	3,637.1	4,513.1
Current Taxation	(10.2)	19.7	(70.1)	(90.9)	(112.8)
Minorities	(65.1)	22.8	0.4	(14.2)	(17.6)
Extraordinary items	788.8	869.8	20.8	0.0	0.0
Net Profit	1,779.8	1,598.7	4,470.2	3,531.9	4,382.7
EPS (Bt)	4.94	4.44	2.52	1.18	1.46

Source: KGI Securities Research

Cash Flow

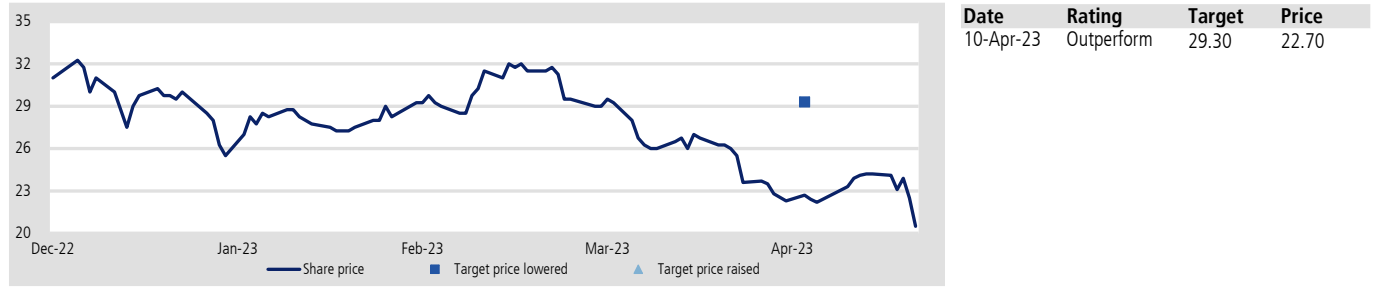
Year to 31 Dec (Bt mn)	2020	2021	2022	2023F	2024F
Operating Cash Flow	1,974.9	1,122.8	2,042.8	4,389.0	4,209.0
Profit before tax	2,043.4	1,804.9	4,559.1	3,637.1	4,513.1
Depreciation and Amortization	231.3	235.8	570.7	661.8	820.0
Change in Working Capital	(532.3)	(427.8)	(3,467.0)	181.0	(1,011.3)
Others	232.6	(490.1)	380.1	(90.9)	(112.8)
Investment Cash Flow	(548.3)	(549.5)	(3,388.8)	(3,712.6)	(2,100.0)
Net CAPEX	(7.6)	(380.2)	(1,187.4)	(2,100.0)	(2,100.0)
Change in LT Investment	(267.8)	(3,039.3)	(1,612.6)	0.0	0.0
Change in Other Assets	(272.8)	2,870.0	(588.8)	(1,612.6)	0.0
Free Cash Flow	1,967.3	742.6	855.5	2,289.0	2,109.0
Financial Cash Flow	(1,435.1)	(588.6)	12,133.8	(2,095.2)	(3,000.0)
Change in Share Capital	(898.0)	(1,257.0)	13,124.5	(2,100.0)	(3,000.0)
Net Change in Debt	112.9	(967.2)	(782.7)	4.8	0.0
Change in other LT Liab.	(650.1)	1,635.7	(207.9)	0.0	0.0
Net Cash Flow	(8.5)	(15.3)	10,787.9	(1,418.9)	(891.0)

Source: KGI Securities Research

Rates of Return on Invested Capital

Year	1 - $\frac{\text{Cost of Goods Sold}}{\text{Revenue}}$	+ $\frac{\text{Depreciation}}{\text{Revenue}}$	+ $\frac{\text{Op. Expenses}}{\text{Revenue}}$	= Operating Margin		
2020	77.3%	0.0%	8.3%	14.4%		
2021	85.0%	0.0%	8.2%	6.8%		
2022	75.9%	0.0%	5.6%	18.5%		
2023F	77.3%	0.0%	6.3%	16.4%		
2024F	77.0%	0.0%	5.7%	17.3%		
Year	1/ $\frac{\text{Working Capital}}{\text{Revenue}}$	+ $\frac{\text{Net PPE}}{\text{Revenue}}$	+ $\frac{\text{Other Assets}}{\text{Revenue}}$	= Capital Turnover		
2020	0.17	0.58	0.03	1.3		
2021	0.08	0.59	0.04	1.4		
2022	0.79	0.22	0.02	1.0		
2023F	0.77	0.31	0.02	0.9		
2024F	0.67	0.32	0.02	1.0		
Year	Operating Margin	x	Capital Turnover	x	Cash Tax Rate	= Afer-tax Return on Inv. Capital
2020	14.4%		1.3		0.9	0.2
2021	6.8%		1.4		-2.9	-0.3
2022	18.5%		1.0		1.6	0.3
2023F	16.4%		0.9		2.5	0.4
2024F	17.3%		1.0		2.5	0.4

Source: KGI Securities Research

i-Tail Corporation - Recommendation & target price history


Source: KGI Securities Research

Corporate Governance Report of Thai Listed Companies

Companies with Excellent CG Scoring					
Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	EGCO	ELECTRICITY GENERATING	PTTEP	PTT EXPLORATION AND PRODUCTION
ADVANC	ADVANCED INFO SERVICE	GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL
AMA	AMA MARINE	GGC	GLOBAL GREEN CHEMICALS	PYLON	PYLON
AMATA	AMATA CORPORATION	GPSC	GLOBAL POWER SYNERGY	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	HANA	HANA MICROELECTRONICS	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
AOT	AIRPORTS OF THAILAND	HMPRO	HOME PRODUCT CENTER	RS	RS
AP	ASIAN PROPERTY DEVELOPMENT	INTUCH	SHIN CORPORATION	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	IRPC	IRPC	SCC	THE SIAM CEMENT
BCP	THE BANGCHAK PETROLEUM	IVL	INDORAMA VENTURES	SCCC	SIAM CITY CEMENT
BCPG	BCPG	KBANK	KASIKORNBANK	SEAFCO	SEAFCO
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KCE	KCE ELECTRONICS	SMPC	SAHAMITR PRESSURE CONTAINER
BEC	BEC WORLD	KKP	KIATNAKIN BANK	SPALI	SUPALAI
BEM	BANGKOK EXPRESSWAY AND METRO	KTB	KRUNG THAI BANK	SPRC	STAR PETROLEUM REFINING
BGRIM	B.GRIMM POWER	KTC	KRUNGTHAI CARD	SVI	SVI
BPP	BANPU POWER	LH	LAND AND HOUSES	TACC	T.A.C. CONSUMER
BTS	BTS GROUP HOLDINGS	LPN	L.P.N. DEVELOPMENT	TCAP	THANACHART CAPITAL
CENTEL	CENTRAL PLAZA HOTEL	MAKRO	SIAM MAKRO	THCOM	THAICOM
CK	CH. KARNCHANG	MBK	MBK	TISCO	TISCO FINANCIAL GROUP
CKP	CK POWER	MINT	MINOR INTERNATIONAL	TOP	THAI OIL
CPALL	CP ALL	MTC	MUANGTHAI CAPITAL	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	PLANB	PLAN B MEDIA	TTB	TMBTHANACHART BANK
CPN	CENTRAL PATTANA	PSH	PRUKSA HOLDING	VGI	VGI GLOBAL MEDIA
DELTA	DELTA ELECTRONICS (THAILAND)	PTG	PTG ENERGY	WHA	WHA CORPORATION
DTAC	TOTAL ACCESS COMMUNICATION	PTT	PTT	WHAUP	

Companies with Very Good CG Scoring					
Stock	Company name	Stock	Company name	Stock	Company name
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	GULF	GULF ENERGY DEVELOPMENT	SAPPE	SAPPE
BBL	BANGKOK BANK	JMT	JMT NETWORK SERVICES	SAWAD	SRI SAWAD POWER 1979
CBG	CARABAO GROUP	LPH	LADPRAO GENERAL HOSPITAL	SINGER	SINGER THAILAND
CHG	CHULARAT HOSPITAL	M	MK RESTAURANT GROUP	SPA	SIAM WELLNESS GROUP
COM7	COM7	MAJOR	MAJOR CINEPLEX GROUP	TFG	THAIFOODS GROUP
DOHOME	DOHOME	MEGA	MEGA LIFESCIENCES	TKN	TAOKAENOI FOOD & MARKETING
ERW	THE ERAWAN GROUP	NETBAY	NETBAY	ZEN	ZEN CORPORATION GROUP
GLOBAL	SIAM GLOBAL HOUSE	OSP	OSOTSPA		

Companies with Good CG Scoring					
Stock	Company name	Stock	Company name	Stock	Company name
BCH	BANGKOK CHAIN HOSPITAL	ESSO	ESSO (THAILAND)	SF	SIAM FUTURE DEVELOPMENT
BH	BUMRUNGRAD HOSPITAL	HUMAN	HUMANICA	SISB	SISB
EKH	EKACHAI MEDICAL CARE	RBF	R&B FOOD SUPPLY	TPCH	TPC POWER HOLDING

Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
IIG	I&I GROUP	OR	PTT OIL AND RETAIL BUSINESS	STGT	SRI TRANG GLOVES (THAILAND)
KEX	KERRY EXPRESS (THAILAND)	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION		

Source: www.thai-iod.com

Disclaimer: The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an assessment of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of such survey result.

Anti-corruption Progress Indicator

Level 5: Extended

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	GLOBAL	SIAM GLOBAL HOUSE	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	GPSC	GLOBAL POWER SYNERGY	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BBL	BANGKOK BANK	HMPRO	HOME PRODUCT CENTER	ROBINS	ROBINSON DEPARTMENT STORE
BCH	BANGKOK CHAIN HOSPITAL	IRPC	IRPC	SCC	THE SIAM CEMENT
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KBANK	KASIKORN BANK	SIRI	SANSIRI
BIGC	BIG C SUPERCENTER	KCE	KCE ELECTRONICS	SPALI	SUPALAI
CK	CH. KARNCHANG	KKP	KIATNAKIN BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
DCC	DYNASTY CERAMIC	KTB	KRUNG THAI BANK	TCAP	THANACHART CAPITAL
DELTA	DELTA ELECTRONICS (THAILAND)	LPH	LADPRAO GENERAL HOSPITAL	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	PACE	PACE DEVELOPMENT CORPORATION	TMT	THAI METAL TRADE
EGCO	ELECTRICITY GENERATING	PTT	PTT	TOP	THAI OIL
GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL		

Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	ERW	THE ERAWAN GROUP	SAPPE	SAPPE
AP	ASIAN PROPERTY DEVELOPMENT	GLOW	GLOW ENERGY	SAWAD	SRISAWAD POWER 1979
BA	BANGKOK AIRWAYS	GUNKUL	GUNKUL ENGINEERING	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	ILINK	INTERLINK COMMUNICATION	SCN	SCAN INTER
BCP	THE BANGCHAK PETROLEUM	KTC	KRUNGTHAI CARD	SEAFSCO	SEAFSCO
BH	BUMRUNGRAD HOSPITAL	LH	LAND AND HOUSES	SVI	SVI
BJCHI	BJC HEAVY INDUSTRIES	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CBG	CARABAO GROUP	MAKRO	SIAM MAKRO	TKN	TAOKAENOI FOOD & MARKETING
CENTEL	CENTRAL PLAZA HOTEL	MALEE	MALEE SAMPRAN	TMB	TMB BANK
CHG	CHULARAT HOSPITAL	MINT	MINOR INTERNATIONAL	TRT	TIRATHAI
CKP	CK POWER	MODERN	MODERNFORM GROUP	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	NOK	NOK AIRLINES	TVO	THAI VEGETABLE OIL
CPN	CENTRAL PATTANA	PTTEP	PTT EXPLORATION AND PRODUCTION		
DTAC	TOTAL ACCESS COMMUNICATION	PYLON	PYLON		

Level 3: Established

Stock	Company name	Stock	Company name	Stock	Company name
BEM	BANGKOK EXPRESSWAY AND METRO	MTLS	MUANGTHAI LEASING	SPRC	STAR PETROLEUM REFINING
CPALL	CP ALL	SCI	SCI ELECTRIC		

No progress

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	BPP	BANPU POWER	FN	FN FACTORY OUTLET
BCPG	BCPG	BTS	BTS GROUP HOLDINGS	TPCH	TPC POWER HOLDING

Source: www.cgthailand.org

Disclaimer: The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made in order to comply with the policy and sustainable development plan for the listed companies. The relevant institution made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of the assessment result.

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KGI's Ratings

Rating	Definition
Outperform (OP)	The stock's excess return over the next twelve months is ranked in the top 40% of KGI's coverage universe in the related market (e.g. Taiwan)..
Neutral (N)	The stock's excess return over the next twelve months is ranked in the range between the top 40% and the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan)
Under perform (U)	The stock's excess return over the next twelve months is ranked in the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan).
Not Rated (NR)	The stock is not rated by KGI.
Restricted (R)	KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances. Excess return = 12M target price/current price-
Note	When an analyst publishes a new report on a covered stock, we rank the stock's excess return with those of other stocks in KGI's coverage universe in the related market. We will assign a rating based on its ranking. If an analyst does not publish a new report on a covered stock, its rating will not be changed automatically.

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