

## Brighter volume and risky margin

- Rising U.S. tariff risk led to our downgrade and TP cut
- Solid demands should continue to drive up sales volumes
- Downgrade from BUY to HOLD and cut TP to THB17.9

### 4Q25 net profit was in line

4Q25 net profit (NP) was THB793m, down 2% q-q and flat y-y, due to the negative impact of THB/USD appreciation and the higher-than-expected SG&A expenses. Adjusted net profit (excluding transformation cost) was THB908m, down 2.1% q-q and 3% y-y. However, sales in USD inched up by 0.3% q-q and 6.7% y-y to USD148m vs sales in THB dipped by 1.8% y-y to THB4.8b, reflecting ITC's strong sales growth performance despite the ongoing headwinds from the U.S. tariff and demand uncertainty.

### Solid sales volume supported strong 4Q25

GPM rose to 25.8% in 4Q25, up from 25.4% in 3Q25 and 25.5% in 4Q24, supported by superior product mix with higher premium product sales portion at 53% of total revenue in 4Q25 but still lower than 55.1% in 3Q25 and 54.7% in 4Q24. NPM declined to 16.6% in 4Q25, down from 17.2% in 3Q25 but up from 16.8% in 4Q24. Solid demands from key customers in U.S. and leading global pet food companies continued to drive ITC's sales volume and revenue.

### Americas market remains the core market

Americas market saw superb revenue growth to THB2.8b in 4Q25 (+9% q-q, +14% y-y), offsetting the weaker revenues from Europe at THB739m (-6% q-q, +13% y-y) and Asia and Oceania (AOA, -10% q-q, -23% y-y). In 4Q25, private label and new product launched helped offset the declining ASP. Revenue drop in AOA was mainly due to the declining sales in Japan market and the currency appreciation against Japanese yen.

### Superior customer mix

One of the manifestly improving trend for ITC's revenue is its continued higher portion of revenue from global pet food companies, which rose to 48.6% in 4Q25 from 47.9% in 4Q24 and 3Q25. The rise was at the expense of lower sales portions from private label at 16.6%, down from 17.1% in 3Q25. Brand owners/importers revenue portion improved to 33.7%, up from 33.6% in 3Q25.

### Downgrade to HOLD and lowered TP to THB17.9

We downgrade from BUY to HOLD and cut our TP from THB22, based on 20x 2025E P/E, to 17.9, now based on 18x 2026E P/E as we think the rising risk of U.S. higher tariff post the decision by Trump's announcement to counterattack U.S. Supreme court's judgement will continue to pressure earnings and valuation for Thailand's pet food sector. In addition, we revised our EPS forecasts in 2026-28 by -3.6%/+0.4%/+2.8% to reflect the near-term U.S. tariff risk in 2026 but stronger demand outlook in 2027-28.

#### Analyst

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ESG Rating : A

CG Rating : ▲▲▲▲▲

## HOLD (from BUY)

Target Price 12M (THB)	17.90
VS. BB Consensus TP (%)	-7.1%
Share Price (THB)	16.70
Upside/Downside	+7.2%

### Share Data

Market Cap (THB m)	50,100.00
Par (THB)	1.00
Free Float (%)	20.08
Issued shares (m shares)	3,000

### Financial forecast

YE Dec (THB m)	202	2026E	2027E	2028E
Revenue	18,737	18,908	20,176	21,205
Net profit	2,978	3,469	3,689	3,858
Core net profit	2,978	3,469	3,689	3,858
vs Consensus (%)		3.2	(1.8)	(3.5)
Net profit growth (%)	(17.2)	16.5	6.3	4.6
Core net profit growth (%)	(17.2)	16.5	6.3	4.6
EPS (THB)	0.99	1.16	1.23	1.29
Core EPS (THB)	0.99	1.16	1.23	1.29
Chg from previous (%)		(7.55)	(9.87)	na
DPS (THB)	0.85	0.58	0.61	0.64
P/E (x)	15.21	14.44	13.58	12.99
P/BV (x)	1.90	1.93	1.80	1.67
ROE (%)	5.63	3.46	3.68	3.85
Dividend yield (%)	12.42	13.94	13.70	13.35

Source: Financial Statement and Globlex securities

### Share Price Performance (%)

	1M	3M	6M	YTD
Stock	1.21	(1.18)	15.97	10.60
Market	(11.33)	(14.40)	(2.18)	(5.85)
12M High/Low (THB)				18.70 / 10.00



### Major Shareholders (%) as of 14 Aug 2025

Thai Union Group Public Company Limited 79.30

### Company Profile

Manufacturer (OEM) production and distributor of pet food products  
Source: SETSMART, SET

### Exhibit 1: Summary of 4Q25/2025 operations

	4Q24	3Q25	4Q25			2024	2025	chg. (y-y%)
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	
<b>Revenue</b>	4,883	4,833	4,914	1.7	0.7	18,425	18,737	1.7
Operating costs	(3,898)	(3,865)	(3,873)	0.2	(0.6)	(13,896)	(14,950)	7.6
<b>EBITDA</b>	985	968	1,041	7.5	5.8	4,529	4,384	(3.2)
EBITDA margin (%)	20.2	20.0	21.2	nm	nm	24.6	23.4	nm
Depn & amort.	(132)	(140)	(184)	31.6	39.2	(552)	(567)	2.8
EBIT	853	829	857	3.5	0.6	3,977	3,817	(4.0)
Interest expense	(1)	(2)	(6)	274.9	312.2	(6)	(10)	70.2
Interest & invt inc	-	-	-	-	na	-	-	na
Other income	-	-	-	-	na	-	-	na
Associates' contrib	-	-	-	na	na	-	-	na
Exceptionals	(11)	25	(33)	(231.5)	na	(233)	(45)	na
<b>Pretax profit</b>	840	852	818	(4.0)	(2.5)	3,738	3,819	2.2
Tax	(49)	(40)	(25)	(36.4)	(48.2)	(141)	(149)	5.7
Tax rate (%)	5.9	4.7	3.1	nm	nm	3.8	3.9	nm
Minority interests	0	(0)	0	na	na	0	-	na
<b>Net profit</b>	<b>791</b>	<b>812</b>	<b>793</b>	<b>(2.4)</b>	<b>0.3</b>	<b>3,597</b>	<b>2,978</b>	<b>(17.2)</b>
Non-recurring	145	115	115	na	na	314	454	na
<b>Core net profit</b>	<b>936</b>	<b>927</b>	<b>908</b>	<b>(2.0)</b>	<b>(3.0)</b>	<b>3,911</b>	<b>3,432</b>	<b>(12.2)</b>
EPS (THB)	2.20	2.26	2.20	(2.4)	0.3	1.20	0.99	(17.2)
Core EPS (THB)	2.60	2.58	2.52	(2.0)	(3.0)	1.30	1.14	(12.2)

Sources: ITC; Globlex Research

### Exhibit 2: 4Q25/2025 key performance

Sales breakdown by region						
(% total)	4Q24	3Q25	4Q25	(q-q%)	(y-y%)	
Americas	53	55	59	4.3	6.3	
Europe	14	17	15	(1.3)	1.5	
AOA	33	28	25	(3.0)	(7.7)	
(THB m)						
Americas	2,490	2,596	2,834	9.2	13.8	
Europe	658	790	739	(6.5)	12.4	
AOA	1,550	1,336	1,207	(9.7)	(22.1)	
Total revenue	4,698	4,722	4,780	1.2	1.7	
Total sales	31,219	28,166	28,507	1.2	(8.7)	
Sales breakdown by category						
(% total)	4Q24	3Q25	4Q25	(q-q%)	(y-y%)	
Cat food	67	63	59	(4.3)	(8.2)	
Dog food	19	18	21	3.4	2.0	
Pet treats	13	17	18	1.2	5.2	
Others	1	2	2	(0.2)	0.9	
(THB m)						
Cat food	3,148	2,981	2,812	(5.7)	(10.7)	
Dog food	893	833	1,006	20.8	12.7	
Pet treats	611	807	872	8.1	42.8	
Others	47	100	90	(10.0)	91.6	
Total revenue	4,698	4,722	4,780	1.2	1.7	
Total sales	31,219	28,166	28,507	1.2	(8.7)	
Sales breakdown by channel						
(% total)	4Q24	3Q25	4Q25	(q-q%)	(y-y%)	
World pet food companies	48	48	49	0.7	0.7	
Brand owners/ importers	37	34	34	0.1	(2.8)	
Private label	14	17	17	(0.5)	2.4	
Own brand	1	1	1	(0.4)	(0.4)	

\* Note: Change in margin % is represented in ppt change

Sources: ITC; Globlex Research

### Exhibit 3: Key changes in assumptions and EPS forecasts

THB m	----- Current -----			----- Previous -----			----- Change (%) -----		
	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
Revenue	18,908	20,176	21,205	18,425	19,228	20,510	2.6	4.9	3.4
Gross profit	4,618	4,909	5,135	5,615	4,702	4,994	(17.7)	4.4	2.8
Operating profit	3,748	3,981	4,160	3,977	3,817	4,050	(5.8)	4.3	2.7
Net profit	3,469	3,689	3,858	3,597	3,674	3,752	(3.6)	0.4	2.8
EPS (THB/share)	1.16	1.23	1.29	1.20	1.22	1.25	(3.6)	0.4	2.8

Sources: ITC; Globlex Research

Balance sheet (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
<b>Current assets</b>					
Cash & ST investment	5,408	6,489	8,233	9,758	11,454
Account receivable	3,951	3,766	3,580	3,381	3,172
Inventories	3,535	4,338	4,566	4,872	5,120
Others	7,656	5,535	5,549	5,653	5,737
<b>Non-current assets</b>					
Net fixed assets	6,009	6,484	6,921	7,302	7,627
Others	369	362	362	362	362
<b>Total Assets</b>	<b>26,928</b>	<b>26,973</b>	<b>29,210</b>	<b>31,327</b>	<b>33,473</b>

<b>Current liabilities</b>					
Account payable	1,815	2,235	2,353	2,511	2,639
ST borrowing	0	0	0	0	0
Others	281	75	75	80	84
<b>Long-term liabilities</b>					
Long-term debts	0	0	0	0	0
Others	693	837	837	837	837
<b>Total liabilities</b>	<b>2,789</b>	<b>3,147</b>	<b>3,265</b>	<b>3,428</b>	<b>3,560</b>
Paid-up capital	3,000	3,000	3,000	3,000	3,000
Retained earnings	3,296	2,702	4,821	6,775	8,789
Others	17,842	18,123	18,123	18,123	18,123
Minority interest	0	0	0	0	0
<b>Shareholders' equity</b>	<b>24,139</b>	<b>23,826</b>	<b>25,945</b>	<b>27,899</b>	<b>29,913</b>

Key ratios					
Year ending Dec	2024	2025	2026E	2027E	2028E
<b>Growth (%YoY)</b>					
Sales	13.9	1.7	0.9	6.7	5.1
Operating profit	61.9	(20.0)	17.8	6.2	4.5
EBITDA	51.2	(16.4)	13.9	6.7	5.1
Net profit	57.6	(17.2)	16.5	6.3	4.6
Core net profit	57.6	(17.2)	16.5	6.3	4.6
EPS	57.6	(17.2)	16.5	6.3	4.6
Core EPS	57.6	(17.2)	16.5	6.3	4.6
<b>Profitability (%)</b>					
Gross margin	30.5	27.2	24.4	24.3	24.2
Operation margin	21.6	17.0	19.8	19.7	19.6
EBITDA margin	24.6	20.2	22.8	22.8	22.8
Net margin	19.5	15.9	18.3	18.3	18.2
ROE	15.2	12.4	13.9	13.7	13.3
ROA	13.7	11.0	12.3	12.2	11.9
<b>Stability</b>					
Interest bearing debt/equity (x)	0.0	0.0	0.0	0.0	0.0
Net debt/equity (x)	n.a.	n.a.	n.a.	n.a.	n.a.
Interest coverage (x)	n.a.	n.a.	n.a.	n.a.	n.a.
Interest & ST debt coverage (x)	n.a.	n.a.	n.a.	n.a.	n.a.
Cash flow interest coverage (x)	1.7	0.9	1.1	1.1	1.1
Current ratio (x)	9.8	8.7	9.0	9.1	9.4
Quick ratio (x)	4.5	4.4	4.9	5.1	5.4
Net debt (THB m)	(5,408)	(6,489)	(8,233)	(9,758)	(11,454)
<b>Activity</b>					
Asset turnover (X)	0.68	0.62	0.60	0.93	1.90
Days receivables	78.3	73.4	69.1	61.2	0.0
Days inventory	105.2	121.4	121.4	121.4	0.0
Days payable	54.0	62.6	62.6	62.6	0.0
Cash cycle days	129.5	132.2	127.9	120.0	0.0

Profit & loss (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
<b>Revenue</b>					
Revenue	18,425	18,737	18,908	20,176	21,205
Cost of goods sold	(12,810)	(13,647)	(14,290)	(15,267)	(16,070)
<b>Gross profit</b>	<b>5,615</b>	<b>5,090</b>	<b>4,618</b>	<b>4,909</b>	<b>5,135</b>
Operating expenses	(1,638)	(1,909)	(870)	(928)	(975)
<b>Operating profit</b>	<b>3,977</b>	<b>3,181</b>	<b>3,748</b>	<b>3,981</b>	<b>4,160</b>
<b>EBIT</b>	<b>3,977</b>	<b>3,181</b>	<b>3,748</b>	<b>3,981</b>	<b>4,160</b>
Depreciation	(552)	(605)	(563)	(619)	(675)
<b>EBITDA</b>	<b>4,529</b>	<b>3,786</b>	<b>4,311</b>	<b>4,600</b>	<b>4,835</b>
<b>Non-operating income</b>					
Other incomes	(19)	(1)	0	0	0
Other non-op income	0	0	0	0	0
<b>Non-operating expense</b>	<b>(220)</b>	<b>(54)</b>	<b>2</b>	<b>6</b>	<b>11</b>
Interest expense	(6)	(10)	2	6	11
Other non-op expense	(214)	(44)	0	0	0
<b>Equity income/(loss)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Pre-tax Profit</b>	<b>3,738</b>	<b>3,127</b>	<b>3,750</b>	<b>3,988</b>	<b>4,171</b>
Extraordinary items					
Current taxation	(141)	(149)	(281)	(299)	(313)
Minorities	0	0	0	0	0
<b>Net Profit</b>	<b>3,597</b>	<b>2,978</b>	<b>3,469</b>	<b>3,689</b>	<b>3,858</b>
<b>Core net profit</b>	<b>3,597</b>	<b>2,978</b>	<b>3,469</b>	<b>3,689</b>	<b>3,858</b>
<b>EPS (THB)</b>	<b>1.20</b>	<b>0.99</b>	<b>1.16</b>	<b>1.23</b>	<b>1.29</b>
<b>Core EPS (THB)</b>	<b>1.20</b>	<b>0.99</b>	<b>1.16</b>	<b>1.23</b>	<b>1.29</b>

Cash flow (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
<b>Operating cash flow</b>					
Net profit	3,597	2,978	3,469	3,689	3,858
Depre. & amortization	552	605	563	619	675
Change in working capital	794	(564)	62	(48)	8
Others	(284)	(302)	(562)	(596)	(621)
<b>Investment cash flow</b>	<b>3,926</b>	<b>(1,168)</b>	<b>2,094</b>	<b>2,259</b>	<b>2,541</b>
Net CAPEX	(1,079)	(1,079)	(1,000)	(1,000)	(1,000)
Change in LT investment	5,005	(89)	3,094	3,259	3,541
Change in other assets					
<b>Free cash flow</b>	<b>8,585</b>	<b>1,549</b>	<b>5,627</b>	<b>5,923</b>	<b>6,461</b>
<b>Financing cash flow</b>					
Change in share capital	0	0	0	0	0
Net change in debt	(0)	(0)	0	0	0
Dividend paid	(2,100)	(1,350)	(1,350)	(1,735)	(1,844)
Others	(10,382)	882	(2,533)	(2,664)	(2,920)
<b>Net cash flow</b>	<b>(3,897)</b>	<b>1,080</b>	<b>1,744</b>	<b>1,525</b>	<b>1,697</b>
<b>Per share (THB)</b>					
EPS	1.20	0.99	1.16	1.23	1.29
Core EPS	1.20	0.99	1.16	1.23	1.29
CFPS	1.38	1.19	1.34	1.44	1.51
BVPS	8.05	7.94	8.65	9.30	9.97
Sales/share	6.14	6.25	6.30	6.73	7.07
EBITDA/share	1.51	1.26	1.44	1.53	1.61
DPS	1.10	0.85	0.58	0.61	0.64
<b>Valuation</b>					
P/E (x)	18.6	15.2	14.4	13.6	13.0
P/BV (x)	2.8	1.9	1.9	1.8	1.7
Dividend yield (%)	4.9	5.6	3.5	3.7	3.9
Dividend payout ratio (%)	91.7	85.6	50.0	50.0	50.0

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## RECOMMENDATION STRUCTURE

### Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as  $(\text{target price}^* - \text{current price}) / \text{current price}$ .

- BUY:** Expected return of 10% or more over the next 12 months.  
**HOLD:** Expected return between -10% and 10% over the next 12 months.  
**REDUCE:** Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

\* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

### Sector Recommendations

- Overweight:** The industry is expected to outperform the relevant primary market index over the next 12 months.  
**Neutral:** The industry is expected to perform in line with the relevant primary market index over the next 12 months.  
**Underweight:** The industry is expected to underperform the relevant primary market index over the next 12 months.

### Country (Strategy) Recommendations

**Overweight:** Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Neutral:** Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Underweight:** Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.