i-Tail Corporation Public Company Limited (ITC)

Management Discussion and Analysis (MD&A)

For the period of **2Q 2026 Financial Results**
Ended June 30, 2026

1H26 EXECUTIVE SUMMARY

Despite heightened geopolitical uncertainties, including tensions in the Middle East and elevated oil prices, i-Tail continued to deliver solid business performance during 1H26. During the period, the Company continued to benefit from healthy demand across the U.S. and European markets, supported by growth in pet treats, successful new product developments (NPDs), and ongoing premiumization initiatives. In addition, the Tailwind Program, launched two years ago, continued to deliver tangible benefits through productivity improvements, manufacturing efficiency enhancements, procurement optimization, and disciplined cost management, helping to mitigate pressures and support profitability.

During the quarter, the Company received refunds of certain U.S. import tariffs previously paid, which affected reported sales and gross profit (please refer to the Financial Performance section for further details). Subsequent sales analysis is based on normalised sales, which exclude tariff-related adjustments.

2Q26 and 1H26 operating results summary

Unit: THB mn, unless otherwise stated	2Q25	1Q26	2Q26	%QoQ	%YoY	1H25	1H26	%YoY
Normalized sales (USD mn)	135	163	152	-6.7%	13.0%	262	316	20.6%
Normalized sales (THB mn)	4,473	5,174	4,869	-5.9%	8.8%	8,722	10,043	15.1%
Net profit	**696**	**871**	**844**	**-3.1%**	**21.3%**	**1,373**	**1,715**	**25.0%**
Adjusted net profit[1]	**803**	**991**	**964**	**-2.7%**	**20.1%**	**1,597**	**1,955**	**22.5%**
Gross profit margin	25.0%	24.3%	29.7%	5.4%	4.7%	24.6%	26.8%	2.2%
Net profit margin	15.6%	16.8%	18.6%	1.8%	3.0%	15.7%	17.7%	2.0%
Adjusted net profit margin[1]	18.0%	19.2%	21.3%	2.1%	3.3%	18.3%	20.2%	1.9%

- In 1H26, **Normalized Sales** reached USD 316 million, increasing 20.6% YoY, or THB 10,043 million, up 15.1% YoY. The lower growth in Thai Baht terms reflected the appreciation of the Thai Baht during the period. The strong performance was driven by the continued product innovation, successful new product developments (NPDs), growth in pet treats, and sustained demand from key customers across core markets. In 2Q26, normalized sales totaled USD 152 million, increasing 13.0% YoY, while sales in Thai Baht grew 8.8% YoY to THB 4,869 million.
- **Gross Profit Margin (GPM):** Despite continued cost pressures from fuel, certain raw materials and packaging, gross profit margin remained strong at 26.8% in 1H26 and 29.7% in 2Q26. Strong margin performance was primarily supported by ongoing premiumization initiatives and disciplined cost management and supply chain efficiency, with additional support from the tariff refund received during the quarter.
- **Net profit** reached THB 1,715 million in 1H26, increasing 25.0% YoY, while 2Q26 net profit totaled THB 844 million, up 21.3% YoY. The increase was primarily driven by strong operating performance, with additional support from tariff refunds recognized during the period. Excluding transformation costs, **adjusted net profit** amounted to THB 1,955 million in 1H26, increasing 22.5% YoY, with an adjusted net profit margin of 20.2%. For 2Q26, adjusted net profit reached THB 964 million, increasing 20.1% YoY, further reflecting the strength and resilience of the Company's underlying operating performance despite ongoing cost pressures and market uncertainties.

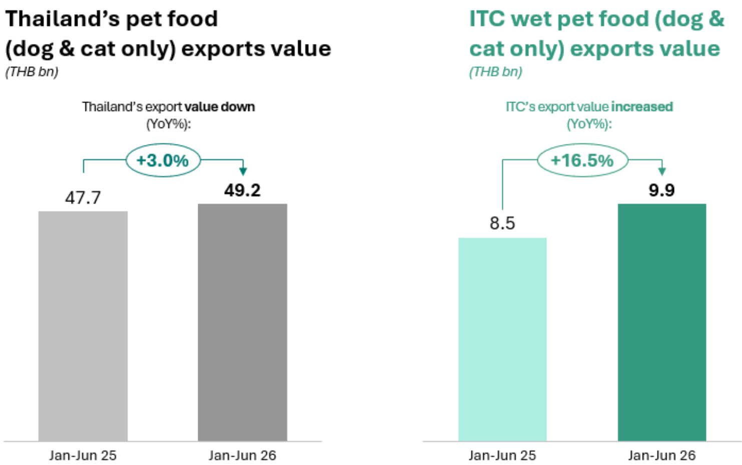
[1] Adjusted net profit and adjusted net profit margin excludes transformation costs.

Interim dividend

The Board of Directors approved an interim dividend of **THB 0.55 per share**, representing a dividend payout ratio of **96.2%.** The high dividend payout ratio reflects the Company's commitment to delivering strong and consistent returns to shareholders. The XD date is August 11, 2026, followed by the record date on August 13, 2026, and the dividend payment date on August 26, 2026.

THAILAND PET FOOD EXPORTS VALUE MARKET TREND

From January to June 2026, ITC’s wet pet food export sales grew 16.5% YoY, significantly outperforming Thailand’s pet food export growth[2] of 3.0%. The outperformance was driven by ITC's continued new product development (NPDs) and innovation, expanding product penetration, coupled with strong demand from key customers across global markets for premiumization and functional nutrition and treats.



KEY BUSINESS DEVELOPMENTS in 2Q26

US import tariff:

During the quarter, the U.S. tariff environment improved following legal developments related to certain import tariffs imposed under the International Emergency Economic Powers Act (IEEPA).

- Following court rulings related to certain tariffs imposed under the IEEPA, U.S. Customs and Border Protection (CBP) launched the Consolidated Administration and Processing of Entries (CAPE) functionality within the Automated Commercial Environment (ACE) in April 2026 to streamline the submission and processing of eligible IEEPA duty refund requests. The Company subsequently submitted tariff refund claims in accordance with the applicable procedures and received a refund at the end of 2Q26. However, the majority of such refunds would be passed through to customers in accordance with commercial arrangements.
- Later, in July 2026, the Office of the United States Trade Representative (USTR) imposed additional tariffs of 12.5% on imports from Thailand and certain other trading partners under Section 301, citing insufficient measures to prevent the importation of goods produced with forced labour. The Company does not expect this measure to have a material impact on its competitiveness, given its strong customer relationships, differentiated product offerings, and industry positioning.

[2] The Ministry of Commerce’s pet food export statistics cover both dry and wet pet food categories, while the Company primarily operates in the wet pet food segment.

Commercial Performance

Underlying business momentum remained healthy throughout the quarter despite a challenging global operating environment. Sales performance remained in line with management expectations, supported by continued demand from key customers across the U.S. and European markets. While 2Q26 sales moderated sequentially following a particularly strong first quarter, customer order patterns became more balanced compared with prior years, reflecting improved demand visibility and a more even distribution of shipments throughout the year. Growth continued to be broad-based across customer segments, supported by strong demand from global pet food companies, private label customers, and brand importers.

Operational Excellence and Cost Management

Despite elevated inflationary pressures across energy, packaging materials and certain raw materials, the Company maintained strong profitability through disciplined operational execution and cost management initiatives under the Tailwind Program launched two years ago. The program contributed to productivity improvements, manufacturing efficiency enhancements, procurement savings and also tighter cost controls across the Company's value chain. These initiatives helped offset cost inflation and strengthen the Company's long-term competitiveness.

In addition, as most of the cost increases occurred during the mid to latter part of the quarter and inventories are accounted for using the weighted average cost method, the higher input costs were only partially reflected in cost of sales during 2Q26. Nevertheless, a significant portion of these increases are expected to be mitigated through cost pass-through mechanisms and force majeure provisions with the majority of customers. Given the typical timing lag between cost increases and customer price adjustments, with most adjustments expected to take effect in third quarter of 2026, the full benefit of these recovery mechanisms is expected to be reflected in the Company’s financial performance during the third quarter of 2026.

Higher oil prices continued to place upward pressure on utility costs and freight expenses. However, utility costs remained manageable at approximately 2% of sales and were partially mitigated through energy-efficiency initiatives and ongoing sustainability programs. Freight costs were similarly affected by elevated fuel surcharges and higher transportation rates, and the Company continued to monitor and manage these costs as part of its cost control efforts.

FINANCIAL PERFORMANCE

REPORTED CONSOLIDATED FINANCIAL PERFORMANCE

(Units: THB mn)	2Q25	1Q26	2Q26	%QoQ	%YoY	1H25	1H26	%YoY
Sales and service	**4,473**	**5,174**	**4,530**	**-12.4%**	**1.3%**	**8,722**	**9,704**	**11.3%**
Cost of sales and service	(3,354)	(3,916)	(3,184)	-18.7%	-5.1%	(6,581)	(7,100)	7.9%
Gross profit	**1,120**	**1,258**	**1,346**	**7.0%**	**20.2%**	**2,141**	**2,604**	**21.6%**
SG&A	(460)	(495)	(544)	9.9%	18.3%	(922)	(1,040)	12.8%
Operating profit	**659**	**762**	**802**	**5.2%**	**21.6%**	**1,220**	**1,564**	**28.2%**
Other gain (loss)	(9)	9	(11)	-226.6%	-23.7%	(28)	(2)	91.8%
Other income	114	136	155	15.2%	37.2%	267	291	9.0%
EBIT	**765**	**907**	**946**	**4.3%**	**23.7%**	**1,459**	**1,853**	**27.0%**
Finance costs	(1)	(1)	(1)	-17.7%	-35.5%	(3)	(2)	-28.5%
Income tax expense	(67)	(35)	(101)	191.8%	50.2%	(83)	(136)	63.1%
Net profit	**696**	**871**	**844**	**-3.1%**	**21.3%**	**1,373**	**1,715**	**25.0%**
Adjusted net profit[3]	**803**	**991**	**964**	**-2.7%**	**20.1%**	**1,597**	**1,955**	**22.5%**
EBITDA	**913**	**1,059**	**1,101**	**3.9%**	**20.5%**	**1,752**	**2,160**	**23.3%**
EPS (THB/share)	0.23	0.29	0.28	-3.1%	21.3%	0.46	0.57	25.0%
Gross profit margin	25.0%	24.3%	29.7%	5.4%	4.7%	24.6%	26.8%	2.2%
Operating profit margin	14.7%	14.7%	17.7%	3.0%	3.0%	14.0%	16.1%	2.1%
EBITDA margin	20.4%	20.5%	24.4%	3.9%	4.0%	20.1%	22.3%	2.2%
Reported net profit margin	15.6%	16.8%	18.6%	1.8%	3.0%	15.7%	17.7%	2.0%
Adjusted net profit margin[3]	18.0%	19.2%	21.3%	2.1%	3.3%	18.3%	20.2%	1.9%

Impact of U.S. Tariff Refunds

During 2Q26, the Company received refunds of certain U.S. import tariffs previously paid on product imported into the U.S., following legal developments related to tariffs imposed mainly in 2025. These refunds affected the presentation of the Company's sales and gross profit during 2Q26 and 1H26. The accounting treatment differed depending on the commercial arrangement with customers:

- For customer arrangements where import tariff costs were originally charged based on actual costs incurred, the economic burden of the tariffs was borne by customers. Accordingly, the related refunds would be returned to customers and recognized as reductions in both revenue and cost of sales, providing no benefit to the Company. More than two-thirds of the tariff refunds received during the quarter related to these arrangements.
- For customer arrangements where the Company bears the tariffs, the associated tariff risk resides with the Company. Refunds related to these arrangements are recognized as reductions in cost of sales and contributed positively to profitability.

To facilitate a meaningful assessment of underlying operating performance, a summary of normalised sales and gross profit is provided below. Subsequent sales analysis is based on normalised sales, as it is the most relevant measure of sales trends.

NORMALIZED SALES AND GROSS PROFIT MARGIN (EXCLUDING TARIFF REFUND IMPACT)

(Units: THB mn)	2Q25	1Q26	2Q26	%QoQ	%YoY	1H25	1H26	%YoY
Normalised sales	**4,473**	**5,174**	**4,869**	**-5.9%**	**8.8%**	**8,722**	**10,043**	**15.1%**
Normalised gross profit	**1,120**	**1,258**	**1,170**	**-7.0%**	**4.5%**	**2,141**	**2,428**	**13.4%**
Normalised gross profit margin	25.0%	24.3%	24.0%	-0.3%	-1.0%	24.6%	24.2%	-0.4%

[3] adjusted net profit and margin excludes transformation costs

PERFORMANCE ANALYSIS:

1H26 PERFORMANCE

1H26 sales totaled THB 9,704 million in 1H26, increasing 11.3% YoY. Excluding the impact of tariff refunds, the **normalized sales** reached THB 10,043 million, representing an increase of 15.1% YoY. Sales growth was driven by continued expansion in pet treats, successful new product developments (NPDs), and sustained demand from key customers across the U.S., and European markets.

1H26 gross profit amounted to THB 2,604 million, increasing 21.6% YoY, while gross profit margin improved to 26.8% from 24.6% in the prior-year period. Excluding the tariff refund impact, **normalized gross profit** totaled THB 2,428 million, increasing 13.4% YoY, while **normalized gross profit margin** was 24.2%, compared with 24.6% in 1H25. The slight decline in normalized gross profit margin reflected higher cost pressures from geopolitical tension; however, the impact was partially offset by continued operational improvements under the Tailwind Program.

SG&A expenses totaled THB 1,040 million, increasing 12.8% YoY. The increase mainly reflected business growth, advisory expenses related to business expansion, as well as higher freight costs.

Operating profit totaled THB 1,564 million, increasing 28.2% YoY. Operating profit margin improved to 16.1%, compared with 14.0% in the prior year period. **Net profit** totaled THB 1,715 million, increasing 25.0% YoY. Net profit margin improved to 17.7%, compared with 15.7% in the prior year period. The increase was supported by stronger operating performance, supported by favorable impact of tariff refunds recognized during the period. Excluding transformation costs, **adjusted net profit** amounted to THB 1,955 million in 1H26, increasing 22.5% YoY, with an adjusted net profit margin of 20.2%, further reflecting the strength and resilience of the Company's underlying operating performance despite ongoing cost pressures and market uncertainties.

2Q26 PERFORMANCE

Sales totaled THB 4,530 million in 2Q26, decreasing 12.4% QoQ but increasing 1.3% YoY. Excluding the impact of tariff refunds, **normalized sales** amounted to THB 4,869 million, decreasing 5.9% QoQ, primarily reflecting shipment timing differences and changes in customer order patterns, together with product reformulation to meet evolving customer specifications. Sales increased 8.8% YoY, supported by continued customer demand and new product launches.

Gross profit amounted to THB 1,346 million, increasing 7.0% QoQ and 20.2% YoY, and gross profit margin improved to 29.7%. Excluding the tariff refund impact, **normalized gross profit** amounted to THB 1,170 million and **normalized gross profit margin** was 24.0%, compared with 24.3% in 1Q26 and 25.0% in 2Q25. The slight decline in **normalized gross profit margin** reflected the same underlying cost pressures discussed in the 1H26 analysis.

SG&A expenses totaled THB 544 million, increasing 9.9% QoQ and 18.3% YoY. The increase mainly reflected business growth, advisory expenses related to business expansion, as well as higher freight costs.

Operating profit totaled THB 802 million, increasing 5.2% QoQ and 21.6% YoY, while operating profit margin improved to 17.7%, compared with 14.7% in both 1Q26 and 2Q25. The increase was supported by stronger operating performance, together with the favorable impact of tariff refunds recognized during the period.

Net profit totaled THB 844 million, decreasing 3.1% QoQ but increasing 21.3% YoY. Net profit margin improved to 18.6%, compared with 16.8% in 1Q26 and 15.6% in 2Q25. Excluding transformation costs, the **adjusted net profit** amounted to THB 964 million, representing an increase of 20.1% YoY and a decrease of 2.7% QoQ. The YoY improvement was in line with the factors supporting operating profit growth. The slight QoQ decline was mainly attributable to slightly higher foreign exchange losses from exchange rate fluctuations, and higher corporate income tax expenses related to the tariff refund, which was subject to the U.S. corporate income tax rate, a higher rate than that applicable in Thailand.

INDUSTRY OVERVIEW

Despite inflationary pressures affecting consumer purchasing power and slowdown in global pet populations growth rate, the global dog and cat food market is projected to grow at a 3.5% compound annual growth rate (CAGR) from 2026E to 2030E. In 2026E, the global pet food market is projected to grow by 3.2% from 2025 to USD 154bn, this growth reflects the market remains resilient from the ongoing trends of premiumization and pet humanization, as well as growth in health-consciousness and caring for the wellbeing of pets among pet owners remain intact and continue to support the industry's long-term growth potential. While some consumers are prioritizing value for money, the price inelasticity exhibited by pet owners who opt for premium brands continues to be a key growth driver for the premium pet food segment. Dog and cat population are expected to grow in the range of 2.2-2.5% CAGR in 2026-2030F in key markets such as U.S., Canada, Australia and Germany, with high growth rate in Indonesia (1.9%), while Japan is expected to remain stable.

Source: Euromonitor

BUSINESS PERFORMANCE ANALYSIS (BASED ON NORMALISED SALES)

Breakdown by region	2Q25	1Q26	2Q26	%QoQ	%YoY	1H25	1H26	%YoY
Sales (THB mn)	**4,473**	**5,174**	**4,869**	**-5.9%**	**8.9%**	**8,722**	**10,043**	**15.1%**
Americas	2,577	3,077	2,937	-4.5%	14.0%	5,099	6,014	17.9%
Europe	604	782	653	-16.5%	8.1%	1,128	1,435	27.2%
Asia & Oceania (AOA)	1,293	1,314	1,279	-2.7%	-1.1%	2,495	2,593	3.9%
Volumes (NWT)	**28,770**	**30,797**	**29,758**	**-3.4%**	**3.4%**	**55,708**	**60,555**	**8.7%**
Americas	16,992	17,357	16,043	-7.6%	-5.6%	33,085	33,400	1.0%
Europe	4,171	5,359	4,818	-10.1%	15.5%	7,796	10,177	30.5%
Asia & Oceania (AOA)	7,608	8,081	8,897	10.1%	16.9%	14,826	16,978	14.5%

Remarks: due to rounding, some figures presented may not reflect the exact actual values

Sales in the Americas increased 17.9% YoY in 1H26, supported by sustained customer demand, new product launches (NPDs), continued growth in treats, and strong orders from the private label segment. Growth was further enhanced by a favorable mix shift toward higher-value products, particularly lickable (treats) and home-styled cooked formats. Although U.S. sales volume increased by approximately 1.0% YoY, revenue growth was significantly higher due to the growing contribution from lickable treats, which are sold in smaller sachet formats with lower weight per unit but command higher selling prices and margins than traditional wet pet food products. On a QoQ basis, sales in the Americas declined 4.5%, as customer ordering patterns became more balanced following a strong 1Q26.

Markets in Europe grew 27.2% YoY with volumes surging by 30.5% YoY, led by strong demand from the region's largest customers and customer expansion across European markets. On a QoQ-basis, Europe sales fell 16.5% QoQ, due to readjustments of a product line implemented to better align with evolving customer requirements. Despite the European product mix continuing to skew toward mid-priced products, the incremental volume growth continued to improve fixed-cost absorption and enhance production efficiency.

Lastly, AOA sales increased slightly by 3.9% YoY, while volumes increased 14.5% YoY, supported by the relaunch of a reformulated Japan product line, new projects secured with customers and NPDs launched aimed to cater to the needs of the aging pet population and broader demand across the AOA region for innovative, functional pet food products. AOA sales slightly declined by 2.7% QoQ, as increased competition from other market players weighed on sales among global pet food companies operating in the region.

Breakdown by product category	2Q25	1Q26	2Q26	%QoQ	%YoY	1H25	1H26	%YoY
Cat food	3,033	3,074	3,164	2.9%	4.3%	5,988	6,238	4.2%
Dog food	784	965	739	-23.4%	-5.7%	1,452	1,704	17.4%
Pet treats	570	1,076	925	-14.0%	62.3%	1,122	2,001	78.3%
Total pet food	4,387	5,115	4,828	-5.6%	10.1%	8,561	9,943	16.1%
Other segments	86	59	41	-30.5%	-52.3%	161	100	-37.9%
Total sales	**4,473**	**5,174**	**4,869**	**-5.9%**	**8.9%**	**8,722**	**10,043**	**15.1%**

*Remarks: due to rounding, some figures presented may not reflect the exact actual values; *sales volume (tons) include pet food only*

Cat food remained the largest contributor to revenue in 2Q26, growing 4.3% YoY and 2.9% QoQ. Growth continued to be driven by the global premiumization trend in cat nutrition, as rising consumer demand for functional, health-oriented formulation fuels customer orders. This is reinforced by accelerating pet humanization, with cat owners increasingly seeking higher-value nutrition. Whereas dog food was THB 739 million, declined 5.7% YoY and 23.4% QoQ as customer ordering patterns became more balanced following a strong 1Q26.

Despite a 14.0% QoQ decline, pet treats remained the top-performing segment in 2Q26, increasing by 62.3% YoY or THB 925 million, reflecting high demand from end-consumers. This shift is also tied to pet humanization trends, as owners extend health and wellness expectations for their pets favoring treats formulated with functional benefits over traditional snack formats. Other segments amounted to THB 41 million, down 52.3% YoY and 30.5% QoQ, driven by lower sales of scraps.

For 1H26, cat food continued to remain the largest contributor at THB 6,238 million, growing 4.2% YoY. Dog food recorded THB 1,704 million, up 17.4% YoY, recovering from softer quarterly pattern seen in 2Q26. Pet treats grew 78.3% YoY to THB 2,001 million sustaining strong momentum on pet humanization-driven demand for functional treat formats. Lastly, other segments declined 37.9% YoY to THB 100 million from lower sales of scraps.

Breakdown by customer type	2Q25	1Q26	2Q26	%QoQ	%YoY	1H25	1H26	%YoY
World pet food companies	50.4%	49.0%	47.4%	-1.6%	-3.0%	51.0%	48.2%	-2.8%
Brand owners/importers	32.5%	28.8%	36.8%	8.0%	4.3%	32.7%	32.7%	0.0%
Private label	15.8%	21.3%	14.7%	-6.6%	-1.1%	15.1%	18.1%	3.0%
Own label	1.3%	0.8%	1.1%	0.3%	-0.2%	1.2%	0.9%	-0.3%

In 2Q26, the sales mix continued to shift towards brand importers, whose contribution increased by 4.3% points YoY and 8.0% points QoQ from new customer acquisitions and growing demand across multiple markets. Consequently, the contribution from world pet food companies slightly declined by 3.0% points YoY and private labels at 1.1% points. For 1H26, private label increased by 3.0% points YoY supported by new customers and projects secured in U.S., and Europe. World pet food companies declined to 2.8% points YoY.

STATEMENT OF FINANCIAL POSITION

(Unit: THB mn)	31-Dec-25	30-Jun-26	%Inc (Dec)
Cash and cash equivalents	6,489	3,703	-42.9%
Short-term investments	4,000	6,667	66.7%
Trade and other receivables, net	3,766	4,775	26.8%
Inventories, net	4,338	4,369	0.7%
Investment in debt instruments measured at amortized cost	849	1,359	60.0%
Other current assets	686	372	-45.7%
Total current assets	**20,127**	**21,245**	**5.6%**
Property, plant and equipment, net	6,484	6,347	-2.1%
Other non-current assets	362	523	44.4%
Total non-current assets	**6,846**	**6,870**	0.4%
Total assets	**26,973**	**28,115**	4.2%
Trade and other payables	2,235	2,687	20.2%
Other current liabilities	75	706	846.7%
Total current liabilities	**2,310**	**3,393**	46.9%
Employee benefit obligations	680	710	4.4%
Other non-current liabilities	157	223	42.4%
Total non-current liabilities	**837**	**933**	11.6%
Total liabilities	**3,147**	**4,326**	**37.5%**
Total equity	**23,826**	**23,788**	**-0.2%**
Total liabilities and shareholders' equity	**26,973**	**28,114**	**4.2%**

due to rounding, some figures presented may not reflect the exact actual values

As of 30 June 2026, **total assets** amounted to THB 28,115 million, an increase of 4.2. The increase was primarily driven by higher trade and other receivables, reflecting stronger sales activities as well as higher short-term investments and investments in debt instruments as part of the Company's cash management strategy. These increases were partially offset by lower cash and cash equivalents, following the reallocation of funds into investment instruments, and lower other current assets, mainly due to a reduction in derivative assets.

As of 30 June 2026, **total liabilities** amounted to THB 4,326 million, an increase of 37.5%. The increase was mainly attributable to higher trade and other payables owed to customers related to U.S., tariff refunds, as well as an increase in other current liabilities (derivative liabilities).

As of 30 June 2026, **total shareholders' equity** amounted to THB 23,788 million, a slight decrease of 0.2%. The decrease was primarily due to dividend payments of the 2025 final dividend in April 2026, which largely offset profit generated in 1H26.

STATEMENT OF CASH FLOWS

(Unit: THB mn)	30-Jun-26
Beginning cash and cash equivalents	**6,489**
Net cash from operating activities	1,769
Net cash used in investing activities	**(3,324)**
Net cash used in financing activities	(1,368)
Others*	**138**
Ending Cash and cash equivalents	3,703

*remark: *others refer to exchange gains on cash and cash equivalents*

As of 30 June 2026, cash and cash equivalents stood at THB 3,703 million, decreasing 42.9% from 31 December 2025. The reduction mainly reflected the deployment of excess liquidity into investment instruments, resulting in net cash used in investing activities of THB 3,324 million, including THB 2,500 million in short-term investments and THB 514 million in debt instruments. Furthermore, net cash used in financing activities amounted to THB 1,368 million, primarily due to dividend payments. Despite the lower cash balance, the Company's overall liquidity position remained strong, supported by a sizeable portfolio of highly liquid short-term investments.

KEY FINANCIAL RATIOS

KEY FINANCIAL RATIOS	1H25	1H26
Profitability ratios		
Gross profit margin (%)	24.6%	26.8%
Operating profit margin (%)	14.0%	16.1%
Net profit margin (%)	15.7%	17.7%
Return on equity (%)	13.3%	14.0%
Return on asset (%)	12.5%	12.9%
Liquidity ratios		
Current ratio (times)	8.1	6.3
Quick ratio (times)	6.1	4.5
Accounts receivable outstanding (days)	71	76
Inventory outstanding (days)	105	109
Accounts payable outstanding (days)	34	35
Leverage ratios		
Debt to equity ratio (times)	0.1	0.2
Interest bearing debt to equity ratio (times)	0.0	0.0
Interest coverage ratio (times)	648.5	438.2
Per share ratios		
Basic earnings / share (THB)	0.5	0.6
Book value / share (THB)	7.8	7.9

2026 GUIDANCE (BASED ON NORMALISED OPERATION)

2026 Outlook	Previous guidance	Revised guidance
USD sales growth	9 – 12%	17– 20%
THB sales growth	8 – 11%	14 – 17%
Gross profit margin	23 – 25%	
SG&A to sales	9 – 10%	
CAPEX	THB 1bn	
Dividend policy	At least 50% of net profit	

Remarks:

1. *ITC's 2026 revised guidance are based on the 12.5% tariff assumption and the current forecast, which may be subject to change if key operating factors that impact on the company's performance variate from the assumptions.*
2. *This guideline is prepared FX rate assumption rate of 32.5 THB/USD; potential FX sensitivity for 1 THB/USD change is estimate impact on topline 3.0%.*
3. *As ITC is a member of Thai Union Group, having consolidated revenues more than Euro 750mn in at least two of the four preceding fiscal years, Thai Union Group therefore has obligations to comply. BEPS 2.0 Pillar 2 is expected to raise ITC Group's effective tax rate to 5-7% in 2026*

MANAGEMENT OUTLOOK

Looking ahead to 2H26, management continues to closely monitor developments in the U.S. trade environment, including, including potential tariff developments affecting Thai exports, as well as broader geopolitical developments that could affect global supply chains and freight costs. Supply chain conditions have continued to improve from the peak disruption experienced earlier, with price pressures beginning to moderate. Nevertheless, geopolitical tensions in the Middle East continue to present uncertainties for 2H26. The Company remains well positioned through proactive procurement initiatives, supplier diversification, and ongoing cost mitigation efforts to support supply continuity and manage input cost volatility.

On the commercial aspect, management remains confident in the Company's growth trajectory supported by continued customer expansion, innovation-led growth and premiumization across key markets. The Company has built a strong pipeline of new product launches and commercialization activities with world pet food companies, with a high number of innovation order lines already in sight for the following quarter, providing good visibility into near-term business performance. The U.S. market is expected to remain a key growth engine, driven by continued momentum in premium wet food, particularly the Homestyle segment and pet treats. Europe is expected to continue delivering healthy growth, supported by customer expansion and innovation. In Asia and Oceania, although competitive pricing dynamics are expected to persist in certain markets, management remains focused on sustaining growth through customer expansion, innovation and disciplined commercial execution, with growth expected to be more moderate than in the U.S. and Europe.

Reflecting this strength across both commercial execution and cost discipline, management has raised its full-year guidance for sales growth in USD terms, in the range of 17-20 % compared to the previous (USD) sales growth of 9-12%, while maintaining gross profit margins guidance at 23-25%. This upward revision reflects management's confidence in the Company's ability to sustain strong commercial momentum while preserving profitability through the remainder of the year.

In terms of CAPEX investment, the Company will continue to invest in capacity expansion in a disciplined manner, aligning capital expenditure with expected customer demand while maintaining sufficient flexibility to accommodate higher-than-expected customer demand. This balanced approach is intended to optimize asset utilization, support long-term growth, and maintain cost efficiency.

SUSTAINABILITY

Protecting Marine Ecosystems through Community Action

ITC continued its commitment to marine conservation by partnering with government agencies, local communities, and private sector organizations to restore Thailand's coastal ecosystems.

In celebration of World Oceans Day, ITC joined Thai Union and local partners in a mangrove cleanup in Samut Sakhon, collecting 2,455 kg of waste to protect critical aquatic habitats.

i-Tail Love the Ocean: United Hearts for Marine Conservation

ITC also continued its "ITC Love the Ocean: United Hearts for Marine Conservation" initiative at Koh Maew, Songkhla, removing an additional 750 kg of marine debris. Together, these initiatives strengthen biodiversity, reduce marine pollution, and promote long-term environmental stewardship through cross-sector collaboration.