i-Tail Corporation Public Company Limited (ITC)



Management Discussion and Analysis (MD&A)

For the period of **3Q 2026 Financial Results**
Ended September 30, 2026

9M26 AND 3Q26 PERFORMANCE HIGHLIGHTS

i-Tail Corporation Public Company Limited (ITC) continued to deliver resilient business performance during 9M26, supported by healthy customer demand, continued customer expansion, new product developments (NPDs) and strong growth in pet treats. **Normalized sales** reached THB 15,220 million in 9M26, increasing 13.2% YoY, while 3Q26 sales reached THB 5,177 million, increasing 9.7% YoY and representing the highest quarterly revenue in the first nine months of 2026. The U.S. remained a key growth driver.

Reported gross profit margin was 26.2% in 9M26 and 25.0% in 3Q26. Excluding the tariff refund impact recognized in 2Q26, **normalized gross profit margin** was 24.4% in 9M26 and improved to 25.0% in 3Q26 from 24.0% in 2Q26. Profitability continued to benefit from favorable product mix and operational efficiency improvements, partially offset by elevated cost pressures. **Reported net profit** increased 13.1% YoY to THB 2,471 million in 9M26, while 3Q26 net profit was THB 756 million. **Adjusted net profit, excluding transformation costs**, reached THB 2,831 million in 9M26 and THB 876 million in 3Q26.

During the quarter, i-Tail also announced the acquisition of Phelps Pet Products, marking an important strategic step in strengthening the Company's presence in the U.S. and expanding its capabilities in dog treats. The acquisition is primarily driven by Phelps' manufacturing capabilities and expertise in product categories that complement ITC's existing portfolio. Phelps brings capabilities and experience in products that are different from ITC's current offering, allowing us to broaden our product portfolio and strengthen our ability to serve customers across a wider range of pet food and treat categories. Their established customer relationships and presence in the U.S. market are also important strategic benefits, providing ITC with a stronger platform for future growth in the U.S.

The key takeaway for the period is that i-Tail maintained double-digit normalized sales growth and improved underlying gross profit margin sequentially, while continuing to invest in strategic growth. Importantly, our ability to continue delivering on our commitments despite these near-term headwinds demonstrates the strength of our execution and reinforces our confidence in achieving i-Tail's long-term growth ambitions.

3Q26 and 9M26 operating results summary

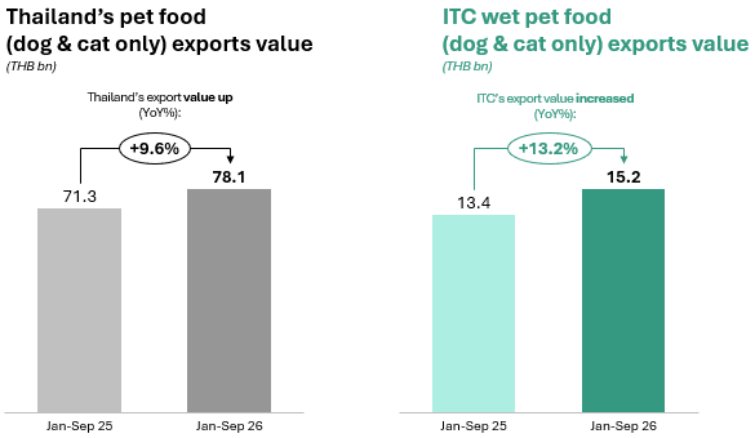
Unit: THB mn, unless otherwise stated	3Q25	2Q26	3Q26	%QoQ	%YoY	9M25	9M26	%YoY
Normalized sales (USD mn)	144	152	160	5.0%	11.2%	406	476	17.2%
Normalized sales (THB mn)	4,721	4,869	5,177	6.3%	9.7%	13,443	15,220	13.2%
Reported Net profit	**812**	**844**	**756**	**-10.5%**	**-6.9%**	**2,185**	**2,471**	**13.1%**
Adjusted net profit[1]	**927**	**964**	**876**	**-9.2%**	**-5.5%**	**2,524**	**2,831**	**12.2%**
Reported gross profit margin	25.4%	29.7%	25.0%	-4.7%	-0.5%	24.9%	26.2%	1.3%
Reported net profit margin	17.2%	18.6%	14.6%	-4.0%	-2.6%	16.3%	16.6%	0.3%
Adjusted net profit margin[1]	19.6%	21.3%	16.9%	-4.4%	-2.7%	18.8%	19.0%	0.2%

Note: During 2Q26, the Company received refunds of certain U.S. import tariffs previously paid, affecting reported sales and gross profit. To facilitate comparison of underlying operating performance, normalized sales and gross profit exclude the tariff refund impact. Subsequent sales analysis is based on normalized sales

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

THAILAND PET FOOD EXPORTS VALUE MARKET TREND

From January to September 2026, ITC's wet pet food export sales grew 13.2% YoY, significantly outperforming Thailand's pet food export growth[2] of 9.6%. 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, particularly for premium, functional nutrition and pet treat products.



KEY BUSINESS DEVELOPMENTS in 3Q26

Acquisition of Phelps Pet Products to Strengthen Long-Term Growth Platform

During the quarter, the Company announced the acquisition of Phelps Pet Products ("Phelps"), a U.S.-based manufacturer specializing in dog treats and snacks, including jerky-style treats, air-dried products and specialty nutrition offerings. The enterprise value was approximately **USD 160 million or THB 5.3 billion** and was funded using the Company's working capital and proceeds from the Initial Public Offering (IPO). The investment will be held through i-Tail Americas Inc., the Company's wholly owned U.S. subsidiary.

Phelps is an established U.S. pet treats manufacturer with a strong track record in clean-label, protein-first pet products, operating manufacturing facilities in Illinois and Wisconsin and serving leading U.S. retailers, private-label customers and pet food brands. The acquisition expands i-Tail's presence in the attractive U.S. pet treats market and complements the Company's existing leadership in wet pet food.

The acquisition is aligned with the Company's long-term strategy of broadening its participation in attractive pet food categories and expanding its addressable market, supported by structural consumer trends including premiumization, pet humanization and demand for less-processed pet nutrition products. The transaction strengthens the Company's capabilities in jerky-style treats, air-dried products and specialty nutrition, while broadening its product portfolio and customer access in the U.S. market.

Management believes the transaction provides significant opportunities for long-term value creation through customer expansion, cross-selling opportunities, product innovation, manufacturing optimization and procurement efficiencies. By combining i-Tail's expertise in wet pet food with Phelps' capabilities in pet treats and specialty nutrition, the Company expects to strengthen its competitive position and support sustainable long-term growth.

[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

FINANCIAL PERFORMANCE

REPORTED CONSOLIDATED FINANCIAL PERFORMANCE

(Units: THB mn)	3Q25	2Q26	3Q26	%QoQ	%YoY	9M25	9M26	%YoY
Sales and service	**4,721**	**4,530**	**5,177**	**14.3%**	**9.7%**	**13,443**	**14,881**	**10.7%**
Cost of sales and service	(3,521)	(3,184)	(3,885)	22.0%	10.3%	(10,101)	(10,985)	8.7%
Gross profit	**1,200**	**1,346**	**1,292**	**-4.0%**	**7.7%**	**3,342**	**3,896**	**16.6%**
SG&A	(473)	(544)	(560)	2.8%	18.4%	(1,394)	(1,599)	14.7%
Operating profit	**728**	**802**	**733**	**-8.6%**	**0.7%**	**1,947**	**2,297**	**17.9%**
Other gain (loss)	14	(11)	(50)	307.1%	-450.4%	(14)	(52)	278.9%
Other income	112	155	139	-11.3%	24.2%	379	431	13.8%
EBIT	**854**	**946**	**822**	**-13.1%**	**-3.8%**	**2,313**	**2,674**	**15.6%**
Finance costs	(2)	(1)	(1)	-11.2%	-51.1%	(4)	(3)	-36.9%
Income tax expense	(40)	(101)	(65)	-35.7%	62.3%	(123)	(201)	62.8%
Net profit	**812**	**844**	**756**	**-10.5%**	**-6.9%**	**2,185**	**2,471**	**13.1%**
Adjusted net profit[3]	**927**	**964**	**876**	-9.2%	-5.5%	**2,524**	**2,831**	**12.2%**
EBITDA	**1,001**	**1,101**	**976**	**-11.3%**	**-2.5%**	**2,753**	**3,136**	**13.9%**
EPS (THB/share)	0.27	0.28	0.25	-10.5%	-6.9%	0.73	0.82	13.1%
Gross profit margin	25.4%	29.7%	25.0%	-4.7%	-0.5%	24.9%	26.2%	1.3%
Operating profit margin	15.4%	17.7%	14.2%	-3.5%	-1.3%	14.5%	15.4%	0.9%
EBITDA margin	21.2%	24.4%	18.9%	-5.4%	-2.4%	20.5%	21.1%	0.6%
Reported net profit margin	17.2%	18.6%	14.6%	-4.0%	-2.6%	16.3%	16.6%	0.4%
Adjusted net profit margin[3]	19.6%	21.3%	16.9%	-4.4%	-2.7%	18.8%	19.0%	0.2%

Impact of U.S. Tariff Refunds on Reported 9M26 Results

During 2Q26, the Company received refunds of certain U.S. import tariffs previously paid, which continue to affect reported 9M26 sales and gross profit. The following table presents normalized sales and gross profit excluding the tariff refund impact.

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

(Units: THB mn)	3Q25	2Q26	3Q26	%QoQ	%YoY	9M25	9M26	%YoY
Normalised sales	**4,721**	**4,869**	**5,177**	**6.3%**	**9.7%**	**13,443**	**15,220**	**13.2%**
Normalised gross profit	**1,200**	**1,170**	**1,292**	**10.5%**	**7.7%**	**3,342**	**3,720**	**11.3%**
Normalised gross profit margin	25.4%	24.0%	25.0%	0.9%	-0.5%	24.9%	24.4%	-0.4%

PERFORMANCE ANALYSIS

Sales: Reported sales increased 10.7% YoY to THB 14,881 million in 9M26, while normalized sales increased 13.2% YoY to THB 15,220 million. In 3Q26, sales reached THB 5,177 million, increasing 9.7% YoY and 14.3% QoQ. Growth was supported by customer expansion, NPD commercialization and continued growth in pet treats, with the U.S. remaining a key growth market.

Gross profit: Reported gross profit increased 16.6% YoY to THB 3,896 million in 9M26, with reported GPM of 26.2%. Excluding the tariff refund impact, normalized gross profit was THB 3,720 million with GPM of 24.4%. In 3Q26, gross profit was THB 1,292 million with GPM of 25.0%. On a normalized basis, 3Q26 GPM improved from 24.0% in 2Q26, reflecting favorable product mix and operational efficiency improvements, partially offset by cost pressures.

[3] adjusted net profit and margin excludes transformation costs

SG&A and operating profit: SG&A expenses increased 14.7% YoY to THB 1,599 million in 9M26, mainly reflecting business growth, freight and logistics expenses, and expenses related to business expansion. Excluding business expansion-related expenses, SG&A to sales for 9M26 remained in line with the guidance. Operating profit increased 17.9% YoY to THB 2,297 million, with operating profit margin of 15.4%. In 3Q26, operating profit was THB 733 million, increasing 0.7% YoY, while operating profit margin was 14.2%.

Net profit: Net profit increased 13.1% YoY to THB 2,471 million in 9M26, with a net profit margin of 16.6%. However, excluding the transformation costs, the adjusted net profit would be THB 2,831 million, bringing the adjusted net profit up by 12.2% YoY. In 3Q26, net profit was THB 756 million. Excluding the transformation costs, net profit was THB 876 million.

In **3Q26**, reported operating profit increased slightly YoY despite higher freight and strategic advisory expenses. The sequential decline in reported operating profit mainly reflected the unusually high reported gross profit base in 2Q26, while normalized GPM improved by 1.0 percentage point QoQ to 25.0%.

BUSINESS PERFORMANCE BY REGION AND CATEGORY

Sales by Region (based on normalized sales)

Breakdown by region	3Q25	2Q26	3Q26	%QoQ	%YoY	9M25	9M26	%YoY
Sales (THB mn)	**4,721**	**4,869**	**5,177**	**6.3%**	**9.7%**	**13,443**	**15,220**	**13.2%**
Americas	2,596	2,937	3,112	6.0%	19.9%	7,695	9,126	18.6%
Europe	790	653	861	31.9%	9.0%	1,918	2,296	19.7%
Asia & Oceania (AOA)	1,336	1,279	1,204	-5.9%	-9.9%	3,830	3,798	-0.9%
Volumes (NWT)	**28,166**	**29,758**	**31,376**	**5.4%**	**11.4%**	**83,874**	**91,931**	**9.6%**
Americas	15,242	16,043	18,124	13.0%	18.9%	48,327	51,524	6.6%
Europe	5,094	4,818	5,829	21.0%	14.4%	12,890	16,006	24.2%
Asia & Oceania (AOA)	7,830	8,897	7,423	-16.6%	-5.2%	22,657	24,401	7.7%

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

Americas remained the key growth market, with normalized sales increasing 18.6% YoY in 9M26 to THB 9,126 million, outpacing volume growth of 6.6%. The performance for both sales and volumes reflected a more favorable product mix, continued commercialization of NPDs, new product line extensions with key accounts and expansion across world pet food companies and private-label customers. In 3Q26, Americas sales increased 19.9% YoY and 6.0% QoQ, supported by continued demand across key accounts.

Europe delivered the strongest volume growth, with 9M26 sales increasing 19.7% YoY to THB 2,296 million and volume rising 24.2%. Growth was supported by customer expansion, newly secured projects and improved order flows from existing accounts. In 3Q26, sales increased 31.9% QoQ and 9.0% YoY, while higher production volume supported fixed-cost absorption and manufacturing efficiency.

Asia & Oceania sales decreased slightly by 0.9% YoY to THB 3,798 million in 9M26, while volume increased 7.7%. The divergence reflected regional mix and pricing dynamics. Growth initiatives included new customer acquisitions, product launches and project commercialization, including the relaunch of a reformulated product line and new projects in Japan. In 3Q26, sales declined by 5.9% QoQ and 9.9% YoY, while the Company continued to progress with customer expansion and innovation initiatives across the region.

Sales by Product Category (based on normalized sales)

Breakdown by product category	3Q25	2Q26	3Q26	%QoQ	%YoY	9M25	9M26	%YoY
Cat food	2,984	3,164	3,219	1.7%	7.9%	8,972	9,457	5.4%
Dog food	833	739	919	24.2%	10.3%	2,284	2,623	14.8%
Pet treats	807	925	967	4.6%	19.8%	1,929	2,968	53.9%
Total pet food	**4,624**	**4,828**	**5,105**	**5.7%**	**10.4%**	**13,186**	**15,048**	14.1%
Other segments	97	41	72	75.5%	-25.3%	258	172	-33.2%
Total sales	**4,721**	**4,869**	**5,177**	**6.3%**	**9.7%**	**13,443**	**15,220**	**13.2%**

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

Overall, for 9M26, growth continued to be supported by strong demand across both dog food and pet treats. Dog food sales accelerated 14.8% YoY, reflecting improved customer order patterns and broader customer expansion. While pet treats remained the fastest-growing category, increasing 53.9% YoY driven by new product launches, deeper customer penetration and rising demand for innovative, functional offerings. This trend further supports the strategic rationale for expanding the Company's dog treat capabilities through the acquisition of Phelps. Lastly, cat food remained the Company's largest product category, with 9M26 sales increasing 5.4% YoY to THB 9,457 million. Growth was supported by demand from existing and new customers, together with continued interest in functional and health-oriented formulations

Sales by Customer Type (based on normalized sales)

Breakdown by customer type	3Q25	2Q26	3Q26	%QoQ	%YoY	9M25	9M26	%YoY
World pet food companies	47.9%	47.4%	45.8%	-1.6%	-2.1%	49.9%	47.4%	-2.5%
Brand owners/importers	33.6%	36.8%	34.4%	-2.4%	0.8%	33.0%	33.3%	0.3%
Private label	17.1%	14.7%	18.5%	3.8%	1.4%	15.8%	18.2%	2.4%
Own label	1.4%	1.1%	1.3%	0.2%	-0.1%	1.3%	1.1%	-0.2%

In 3Q26, the customer mix continued to diversify, with private label increasing its contribution to 18.5% of sales, up 1.4% points YoY and 3.8 points QoQ. The increase was driven by ongoing customer acquisitions, new project wins, and expanding demand across multiple markets. As a result, the sales contribution from world pet food companies moderated to 45.8%, while remaining the Company's largest customer segment. For 9M26, the shift toward private label continued, with its contribution increasing to 18.2% of sales from 15.8% in the prior year. Growth was supported by new customer onboarding and successful project commercialization across key regions. While the contribution from world pet food companies decreased to 47.4%, mainly from supply chain disruptions during the period, rather than any change in customer demand.

STATEMENT OF FINANCIAL POSITION

(Unit: THB mn)	31-Dec-25	30-Sep-26	%Inc (Dec)
Cash and cash equivalents	6,489	6,034	-7.0%
Short-term investments	4,000	3,645	-8.9%
Trade and other receivables, net	3,766	4,498	19.4%
Inventories, net	4,338	5,360	23.6%
Investment in debt instruments measured at amortized cost	849	337	-60.4%
Other current assets	686	475	-30.7%
Total current assets	**20,127**	**20,350**	1.1%
Property, plant and equipment, net	6,484	6,429	-0.8%
Other non-current assets	362	515	42.3%
Total non-current assets	**6,846**	**6,944**	1.4%
Total assets	**26,973**	**27,294**	1.2%
Trade and other payables	2,235	2,870	28.4%
Other current liabilities	75	502	573.5%
Total current liabilities	**2,310**	**3,372**	46.0%
Employee benefit obligations	680	724	6.5%
Other non-current liabilities	157	228	45.6%
Total non-current liabilities	**837**	**952**	13.8%
Total liabilities	**3,147**	**4,325**	37.4%
Total equity	**23,826**	**22,969**	-3.6%
Total liabilities and shareholders' equity	**26,973**	**27,294**	1.2%

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

As of 30 September 2026, **total assets** amounted to THB 27,294 million, an increase of 1.2% from 31 December 2025. The increase was primarily driven by higher trade and other receivables, reflecting stronger sales activities, as well as higher inventories in line with increased production activities during the period. These increases were partially offset by lower cash and investment balances and lower other current assets.

As of 30 September 2026, **total liabilities** amounted to THB 4,325 million, an increase of 37.4% from 31 December 2025. The increase was mainly attributable to higher trade and other payables, as well as an increase in other current liabilities, primarily related to derivative liabilities.

As of 30 September 2026, **total shareholders' equity** amounted to THB 22,969 million, a decrease of 3.6% from 31 December 2025. The decrease was primarily due to dividend payments during the period, including the 2025 final dividend paid in April 2026 and the 2026 interim dividend paid in August 2026, partially offset by profit generated during 9M26.

STATEMENT OF CASH FLOWS

(Unit: THB mn)	30-Sep-26
Beginning cash and cash equivalents	**6,489**
Net cash from operating activities	1,932
Net cash used in investing activities	524
Net cash used in financing activities	(3,027)
Others*	116
Ending Cash and cash equivalents	**6,034**

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

As of 30 September 2026, cash and cash equivalents stood at THB 6,034 million, compared with THB 6,489 million on 31 December 2025. Net cash from operating activities amounted to THB 1,932 million, reflecting continued cash generation from the core business, partially offset by higher working capital associated with receivables and inventories.

Net cash used in financing activities amounted to THB 3,027 million, mainly reflecting dividend payments. Net cash from investing activities amounted to THB 524 million, consisting of cash received from debt instruments (of THB 0.5 billion) and cash received from short-term investments (of THB 0.4 billion).

KEY FINANCIAL RATIOS

KEY FINANCIAL RATIOS	9M25	9M26
Profitability ratios		
Gross profit margin (%)	24.9%	26.2%
Operating profit margin (%)	14.5%	15.4%
Net profit margin (%)	16.3%	16.6%
Return on asset (%)	12.1%	13.1%
Return on equity (%)	12.7%	14.2%
Liquidity ratios		
Current ratio (times)	8.8	6.0
Quick ratio (times)	6.6	4.2
Accounts receivable outstanding (days)	76	74
Inventory outstanding (days)	104	119
Accounts payable outstanding (days)	31	37
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	476.1
Per share ratios		
Basic earnings / share (THB)	0.7	0.8
Book value / share (THB)	7.7	7.7

GUIDANCE & MANAGEMENT OUTLOOK

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 *(*exclude expenses related to business expansion[4])*	9 – 10%	
CAPEX	THB 1,000mn	THB 800mn
Dividend policy	At least 50% of net profit	

Remarks:

1. *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%.*
2. *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*
3. *The guidance reflects the Company's current assumptions and remains subject to changes in customer ordering patterns, project commercialization timing, foreign-exchange rates and external operating conditions.*
4. *Including business expansion-related expenses, SG&A to sales is expected to increase by approximately 1 percentage point.*

MANAGEMENT OUTLOOK

Management remains focused on delivering growth through continued customer expansion, innovation and new product commercialization across key markets. While underlying customer demand remains healthy, the pace of growth for the remainder of the year may be influenced by customer ordering patterns, the timing of new project commercialization and the broader operating environment. The Company will continue to work closely with customers to progress its pipeline of new products and commercial opportunities while maintaining disciplined execution.

Following the announced acquisition of Phelps, management will focus on integrating the business while continuing to execute the Company's existing growth initiatives. The transaction represents an important step in broadening i-Tail's capabilities in pet treats and strengthening its presence in the U.S. market. Integration efforts will prioritize customer continuity, operational alignment and the realization of long-term commercial opportunities across the combined business. Management expects the acquisition to broaden the Company's ability to serve customer needs and support its long-term growth strategy.

In addition, the Company continues to closely monitor freight and logistics conditions, raw material and packaging costs, foreign-exchange movements and global trade developments. Management will continue to implement commercial, procurement and cost-management measures, including appropriate cost pass-through initiatives, while maintaining a balance between growth and profitability.

Capital expenditure will continue to be managed in line with customer demand and strategic priorities, with investment timing closely aligned with business requirements. The Company remains focused on delivering sustainable growth while retaining flexibility to respond to evolving market conditions.

KEY FACTORS THAT MAY AFFECT FUTURE OPERATIONS

As the Company's sales are predominantly generated from export markets, future performance may be affected by global trade policies and tariffs, geopolitical developments, freight and logistics costs, foreign-exchange movements, raw material and packaging costs and availability, customer demand, competitive conditions, and the timing of new project commercialization. Current geopolitical developments, particularly uncertainties in the Middle East, may create additional supply chain challenges. The Company will continue to monitor these factors and implement appropriate mitigation measures.

The acquisition of Phelps may involve integration, customer-retention, operational and execution risks. At the same time, the transaction is expected to strengthen the Company's manufacturing capabilities, broaden its product portfolio and enhance its ability to serve customers. The Company will maintain disciplined integration while pursuing commercial and operational opportunities across the combined businesses.

Forward-looking information in this MD&A reflects management's current expectations and assumptions. Actual results may differ due to changes in operating conditions and other factors described above.

SUSTAINABILITY

Coastal Cleanup Day: Cleaner Coasts through Community Action

ITC continued its commitment to marine conservation by joining Thai Union, government partners, and the local community for International Coastal Cleanup Day in Samut Sakhon. More than 200 volunteers collected 968 kg of waste at the Mahachai East Coast learning and conservation center, supporting SeaChange® 2030 and the goal of restoring ocean health.



i-Tail Love the Ocean: Preserving the Seas of Songkhla

ITC continued its "i-Tail Love the Ocean" initiative with a second event at Laem Son On, Songkhla, where about 35 employee volunteers collected 255 kg of waste, mainly plastic bags, bottles, and Styrofoam, for proper disposal by material type.

The effort supports Thai Union's SeaChange® 2030 goal of keeping plastic out of rivers and the sea, while building environmental awareness among employees and the local community.

