

# I.C.C. INTERNATIONAL PLC

No. 113/2025  
11 July 2025

## CORPORATES

**Company Rating:** A+  
**Outlook:** Stable

**Last Review Date:** 15/07/24

### Company Rating History:

Date	Rating	Outlook/Alert
15/07/20	AA-	Stable
23/03/05	AA	Stable
12/07/04	AA-	Stable
11/07/02	AA-	-

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## RATIONALE

TRIS Rating downgrades the company rating on I.C.C. International PLC (ICC) to “A+” from “AA-”, with a “stable” outlook. The downgrade reflects the company’s subdued operating performance, driven by heightened operating costs and limited sales growth, which have led to a deterioration in operating profitability.

The rating continues to be supported by the company’s long-standing track record as a distributor of fashion and consumer products within the Saha Group, its low-debt balance sheet and the financial flexibility provided by its large portfolio of marketable investment assets. However, these strengths are partially offset by intense competition in the fashion and apparel industries, as well as subdued sales growth prospects amid high levels of household debt and a stagnant tourism sector.

## KEY RATING CONSIDERATIONS

### Operating performance pressured by sluggish demand

ICC’s operating performance has fallen short of our previous expectations, primarily due to a slower recovery in sales and elevated selling and administrative expenses. The company’s sales performance was affected by sluggish domestic consumer purchasing power and stagnation in the tourism industry, both of which continued to dampen discretionary spending, particularly in the fashion and cosmetics segments.

As a result, ICC’s total revenue, excluding contributions from TNLX Co., Ltd. (acquired in 2024), declined by approximately 5.0% in 2024 and by 6.5% year-on-year in the first quarter of 2025. At the same time, operating costs increased, especially selling and administrative expenses, due to the consolidation of TNLX. While synergies and cost savings from the acquisition are anticipated, they may take time to materialize. Consequently, the company’s operating profit margin, excluding dividend income, deteriorated to -3.8% in 2025 and -5.2% in the first quarter of 2025.

### Intense competition and elevated costs weigh on earnings

The combination of softened top-line growth and an elevated cost structure underpins our more conservative assessment of ICC’s near-term operating performance. Its distribution business continues to struggle amid competitive pressure from rivals focusing on product and marketing innovation, as well as from low-cost Chinese imports in the mass market. We project operating revenue to decline by 4% year-on-year to THB8.6 billion in 2025, weighed down by weak consumer confidence and a weak rebound in inbound tourism, which continues to affect fashion sales. While ICC is expanding into online channels, we expect only gradual improvement, with total operating revenue projected to reach THB9.0-THB9.5 billion by 2027.

Meanwhile, profitability is likely to remain constrained by higher operating costs, as cost-efficiency efforts have yet to deliver material savings. We project selling, general, and administrative (SG&A) expenses to remain elevated at around THB3.2 billion in 2025, or 37% of total operating revenues, due to the consolidation of TNLX and investments in online expansion. We also forecast core EBITDA (calculated excluding dividends received) to fall to around THB130 million in 2025, from THB186 million in 2024.

We expect a modest recovery in core EBITDA to around THB300 million annually during 2026-2027. This improvement should be supported by cost control efforts and operational streamlining following the TNLX integration, which could help lower SG&A expenses to about 35% of total operating revenues. ICC is also reducing its reliance on department store channels and improving internal processes.

### **Defending market share in an evolving competitive landscape**

ICC is the market leader in Thailand's mid-priced and high-end lingerie segments, supported by a strong portfolio of well-known brands such as Wacoal, BSC, ELLE, and Kullasatri. Its competitive advantage lies in its nationwide distribution coverage, the strong brand equity of "Wacoal," consistent product quality, and the company's responsiveness to changing consumer preferences through ongoing product innovation.

However, ICC's combined market share—measured by department store sales—has gradually declined from 60.4% in 2019 (pre-COVID-19 pandemic) to 53.3% in 2024. This erosion is primarily due to intensifying competition from the growing presence of smaller brands and the increasing availability of low-cost imports from China. Nevertheless, we expect ICC to maintain its market-leader position in the lingerie segment over the next three years, supported by its brand strength and extensive market reach.

To adapt to the evolving post-pandemic competitive landscape, ICC is expanding its online distribution across all product categories to complement its strong presence in traditional channels such as department stores and modern trade. However, the company continues to face challenges in the online space, where competition is intense and the market is highly fragmented. While this initiative supports ICC's long-term growth strategy, online sales still contributed only 9% of total revenue in 2024, indicating significant room for improvement and growth in this channel. The online push also contributed to higher selling costs in 2024, further pressuring profitability.

### **Dividend income supports cash flow**

ICC's sizable investment portfolio remained a key earnings driver in 2024, offsetting decreased profitability in the distribution business. Dividend income surged to THB1.4 billion, up significantly from THB0.9 billion in 2023. This growth was supported by substantial extraordinary dividends from an electronics manufacturer and a cosmetics distributor, alongside a rebound in consumer spending that benefited ICC's investments in consumer product companies. As a result, the contribution of investment income to EBITDA rose sharply to 88% in 2024, from 61% in the previous year.

Looking ahead, we expect dividend income to remain a major cash flow contributor through 2025-2027. However, we anticipate that the extraordinary dividends from the electronics manufacturing company will continue only through 2026. Under our conservative base-case assumptions, annual dividend income to be THB0.9- THB1.1 billion in 2025-2026, before dropping to around THB0.5 billion in 2027. Consequently, we expect EBITDA to remain within THB1.1- THB1.3 billion in 2025-2026, before declining to about THB0.8 billion in 2027.

### **Conservative capital structure and ample liquidity**

We expect ICC's virtually debt-free capital structure and ample liquidity to continue supporting its robust credit profile. As of March 2025, the company had only THB69 million in outstanding unsecured subsidiary-level debt used mainly for working capital. The company also provided loan guarantees totaling THB256 million to related companies, but the amount remains small relative to its strong capital structure.

ICC's liquidity position remains strong, bolstered by its net cash status due to the lack of sizable capital expenditures over the past five years. As of March 2025, the company held approximately THB2.3 billion in cash and cash equivalents. In addition, we estimate that ICC will generate funds from operations (FFO) of about THB1.0- THB1.1 billion over the following 12 months. The company also had access to undrawn credit facilities totaling around THB2.4 billion. These liquidity sources should be sufficient to cover the company's adjusted total debt of THB1.4 billion, as well as planned capital expenditures and investments in affiliated companies and new projects within the Saha Group, which are expected to total about THB1.3- THB1.5 billion over the same period.

### **High financial flexibility**

ICC maintains a diversified equity portfolio, including investments in 24 listed companies. As of March 2025, this portfolio of marketable securities held a value of approximately THB9 billion, predominantly from holdings within the Saha Group. These sizable marketable securities provide ICC with substantial financial flexibility. The portfolio value is roughly 28 times ICC's total outstanding debt, including guarantees to related companies.

## BASE-CASE ASSUMPTIONS

Key assumptions in TRIS Rating's base-case forecast for ICC's operations during 2025-2027 are as follows:

- Total operating revenue of about THB8.6 billion in 2025, gradually increasing to THB9.0-THB9.5 billion in 2027.
- Dividend income of about THB0.9- THB1.1 billion annually in 2025-2026, before decreasing to about THB0.5 billion in 2027.
- Overall EBITDA margin in the 13%-15% range over 2025-2026, before contracting to about 9% in 2027.
- Net investment spending to total THB2.5 billion over the forecast period.

## RATING OUTLOOK

The "stable" outlook reflects our expectation that ICC will maintain its market share in key segments, supported by its position as the flagship fashion-product distribution arm of the Saha Group. We also expect ICC to continue focusing on operational efficiency while maintaining its conservative financial policies, as reflected in its strong balance sheet and healthy investment portfolio.

## RATING SENSITIVITIES

A rating upgrade is unlikely over the next 12-18 months. However, a rating downside may occur if the company's operating performance deteriorates materially from our base-case forecast or if it undertakes significant leveraged investments that impact its financial profile.

## COMPANY OVERVIEW

ICC was established in 1964 and listed on the Stock Exchange of Thailand (SET) in 1978. ICC is one of the major companies within the Saha Group, distributing fashion and consumer products. As of May 2024, approximately 64% of ICC's shares were held by the Chokwatana family and companies in the Saha Group.

ICC's business strength is underpinned by its diverse product categories, broad portfolio of brands, and nationwide distribution network. The company has a lengthy track record in the industry and receives support from suppliers within the Saha Group. ICC offers about 60 brands, covering international licensed labels and its own brands. International licensed brands such as "Wacoal", "Lacoste", and "Arrow" are well accepted among Thai consumers and inbound tourists. ICC also manages its own brands such as "BSC", "Enfant", "Essence", and "St. Andrews".

The company's total sales for 2024 were THB8.7 billion. The top contributors were men's apparel (29.5% of revenue), lingerie (24.7%), household products (15.8%), and cosmetics (7.1%). Department stores and traditional shops are ICC's major distribution channels, making up around 41% and 23% of its total sales, respectively.

## KEY OPERATING PERFORMANCE

Table 1: ICC's Sales Breakdown

Line of Business	2022		2023		2024		Jan-Mar 2025	
	Mil. THB	%	Mil. THB	%	Mil. THB	%	Mil. THB	%
Lingerie	2,223	26.2	2,353	26.6	2,156	24.7	460	21.6
Men's wear	2,696	31.8	2,723	30.8	2,577	29.5	658	30.9
Cosmetics	570	6.7	647	7.3	622	7.1	151	7.1
Household products	1,247	14.7	1,290	14.6	1,383	15.8	351	16.5
Others	1,743	20.6	1,830	20.7	1,997	22.9	508	23.9
<b>Total sales</b>	<b>8,479</b>	<b>100.0</b>	<b>8,843</b>	<b>100.0</b>	<b>8,735</b>	<b>100.0</b>	<b>2,128</b>	<b>100.0</b>

Source: ICC

## FINANCIAL STATISTICS AND KEY FINANCIAL RATIOS

Unit: Mil. THB

	Jan-Mar 2025	-----Year Ended 31 December -----			
		2024	2023	2022	2021
Total operating revenues	2,196	9,019	9,111	8,683	7,063
Earnings before interest and taxes (EBIT)	596	1,066	959	240	189
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	646	1,600	1,534	736	628
Funds from operations (FFO)	639	1,560	1,495	721	650
Adjusted interest expense	7	33	26	19	18
Capital expenditures	24	185	94	160	70
Total assets	35,479	35,522	34,816	34,255	33,467
Adjusted debt	0	0	0	0	0
Adjusted equity	30,101	29,729	29,252	28,577	27,861
<b>Adjusted Ratios</b>					
EBITDA margin (%)	29.4	17.7	16.8	8.5	8.9
Pretax return on permanent capital (%)	5.2 **	3.5	3.2	0.8	0.7
EBITDA interest coverage (times)	98.2	48.8	59.5	37.8	35.2
Debt to EBITDA (times)	0.0 **	0.0	0.0	0.0	0.0
FFO to debt (%)	n.m. **	n.m.	n.m.	n.m.	n.m.
Debt to capitalization (%)	0.0	0.0	0.0	0.0	0.0

\* Consolidated financial statements

\*\* Annualized with trailing 12 months

n.m. Not meaningful

## RELATED CRITERIA

- Corporate Rating Methodology, 15 July 2022
- Key Financial Ratios and Adjustments for Corporate Issuers, 11 January 2022

## I.C.C. International PLC (ICC)

<b>Company Rating:</b>	A+
<b>Rating Outlook:</b>	Stable

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