

2Q25 NP turnaround; better 2H25

- More volume upside on Canada's recent tariff hikes
- Expect sequentially higher quarterly net profits in 2Q25 onwards
- Maintain BUY and a TP of THB28; top pick in Thai chemical sector

Slow but sure recovery in 2025, followed by growth in 2026

IVL is now slowly recovering from its bottom earnings in 2024, catalyzed by 1) higher sales volumes on China's demand recovery; 2) lower energy cost on weaker gas price; 3) marginally improving industry margins of the integrated PET-PTA (IPP) in Asia; and 4) volume upside from the recent hike in import tariff for PET to Canada.

Canada imposes new import tariff rates on China's PET

On 24 June 2025, Canada announced its new tariff rates on imported PET from China to 125% and from Pakistan to 84.5%, effective 17 June 2025. Canada imported 78kt of PET from these two countries in 2024. Hence, IVL, as one of three leading producers of PET in US, will surely benefit from the PET sales volume upsidess in 2H25 onwards. Given IVL has 40% PET production volume in North America (total 8.9mtpa globally), we estimate that IVL could gain 20kt-30kt sales volume out of 78kt volume in Canada.

Industry margins on the rise

QTD in Apr-May 2025, the PET margin in Asia improved from USD116/t in 1Q25 to USD142/t in Apr and USD128/t in May but declined slightly in North America, Europe, and Middle East (EMEA) from USD373/t in 1Q25 to USD369/t in Apr and USD353/t in May. China's influx of new supplies remain the key overhang pressures to industry margin, which we think will continue in 2H25 before improving in 2026.

Expect 2Q25 net profit of THB2.8b; 2H25 THB4b-THB5b

We project IVL's core net profit of THB1.9b in 2Q25, driven by a q-q higher sales volume, IPP margins, lower energy cost, and the absence of expenses related to 2-month shutdown in 1Q25. 2Q25E net profit is expected to rise to THB2.8b, boosted by the gain on divestment of assets in Australia at USD30m. In 2H25, we project net profit to be in the range of THB4b-THB5b, boosted by continued improving sales volume, margins, cost reduction, and more divest gain of USD30-40m. However, IVL has a maintenance plan to shut down its EO/EG/MTBE plants for 2 months, which will be conducted every five years.

Top pick in Thai petrochemical sector

We maintain BUY and a TP of THB28. IVL is our top pick in Thai petrochemical sector, given 1) IVL's 50%+ EBITDA is generated from North America market, which now benefit from higher sales volume in Canada; 2) strengths in business model of well-diversified production portfolio as local companies in each continent, particularly US and EU, two markets with high risks of import tariff hikes or anti-dumping duties; and 3) the most beneficiary of the coming industry margin rise on demand recovery, settled tariff rates, and China's growth.

Analyst

Suwat Sinsadok, CFA, FRM, ERP
suwat.s@globlex.co.th,
+662 687 7026

ESG Rating : AAA

CG Rating : ▲▲▲▲▲

BUY

Target Price 12M (THB)	28.00
VS. BB Consensus TP (%)	+10.0%
Share Price (THB)	20.20
Upside/Downside	+38.6%

Share Data

Market Cap (THB m)	113,413.95
Par (THB)	1.00
Free Float (%)	35.16
Issued shares (m shares)	5,615

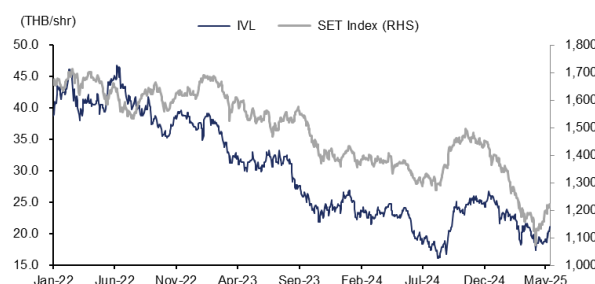
Financial forecast

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	541,583	402,517	419,797	422,884
Net profit	(19,262)	8,812	16,634	20,471
Core net profit	6,162	8,812	16,634	20,471
vs Consensus (%)		1.8	32.4	42.1
Net profit growth (%)	(78.3)	145.7	88.8	23.1
Core net profit growth (%)	52.7	43.0	88.8	23.1
EPS (THB)	(3.43)	1.57	2.96	3.65
Core EPS (THB)	1.10	1.57	2.96	3.65
Chg from previous (%)		0.00	0.00	0.00
DPS (THB)	0.93	0.47	0.89	1.09
P/E (x)	(7.26)	12.87	6.82	5.54
P/BV (x)	1.11	0.86	0.79	0.72
ROE (%)	4.26	6.83	12.06	13.56
Dividend yield (%)	3.71	2.33	4.40	5.41

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	1.00	(3.35)	(22.31)	(18.88)
Market	7.26	3.39	(1.75)	2.55
12M High/Low (THB)				27.50 / 16.00



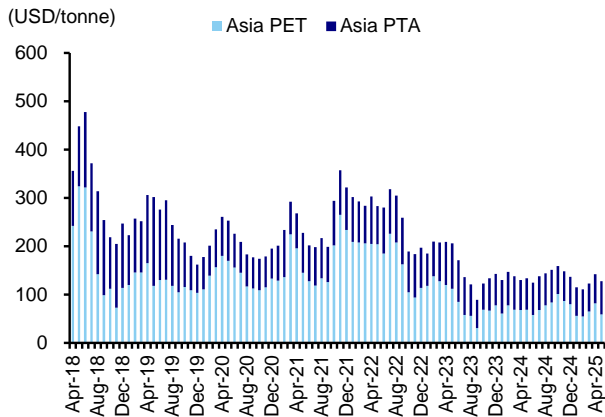
Major Shareholders (%) as of 28 May 2025

INDORAMA RESOURCES CO., LTD	64.74
THAI NVDR COMPANY LIMITED	7.73
BANGKOK BANK PUBLIC COMPANY	4.83

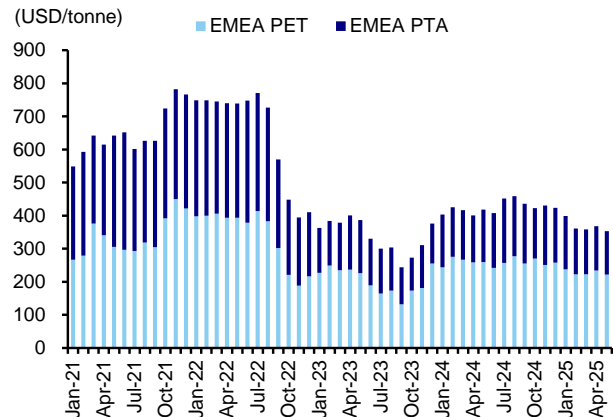
Company Profile

Indorama Ventures Public Company Limited, a holding company conducting its business through investment in subsidiaries and affiliates engaged in the manufacture of integrated petrochemical products both domestic and overseas. These companies manufacture and distribute Ethylene Oxide and Ethylene Glycol (EO&EG), Purified Terephthalic Acid (PTA), Polyethylene Terephthalate (PET), Polyester Fiber and Yarn and Wool products.

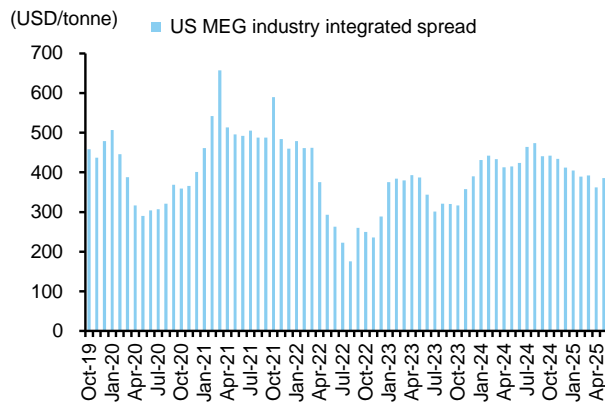
Source: SETSMART, SET

Exhibit 1: ASIA integrated PET-PTA margin

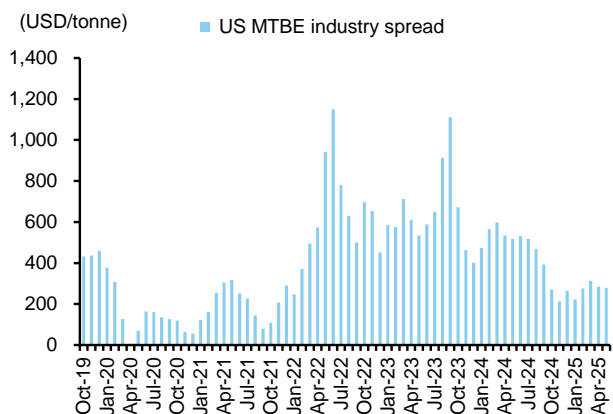
Sources: IVL, Globlex Research

Exhibit 2: EMEA integrated PET-PTA margin

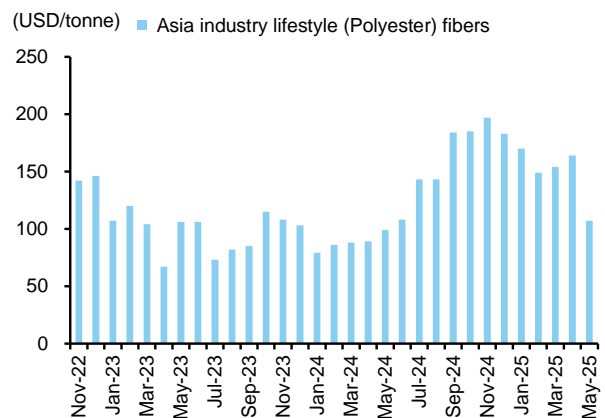
Sources: IVL, Globlex Research

Exhibit 3: US MEG margin

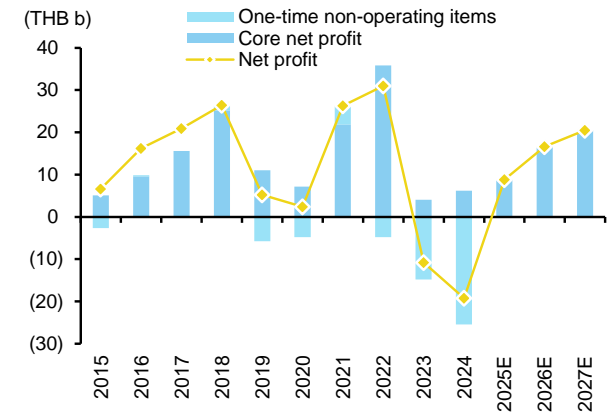
Sources: IVL, Globlex Research

Exhibit 4: US MTBE industry margin

Sources: IVL, Globlex Research

Exhibit 5: Asia industry lifestyle (Polyester) fibers

Sources: IVL, Globlex Research

Exhibit 6: Core net profit vs Net profit

Sources: IVL, Globlex Research

Balance sheet (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Current assets					
Cash & ST investment	18,683	17,496	86,475	137,226	191,789
Account receivable	51,114	53,085	39,454	41,148	41,450
Inventories	96,657	92,855	69,012	71,975	72,504
Others	22,901	20,680	20,680	20,680	20,680
Non-current assets					
Net fixed assets	312,393	271,124	252,851	234,344	215,600
Others	88,385	86,312	85,000	85,000	85,000
Total Assets	590,132	541,552	553,473	590,373	627,024
Current liabilities					
Account payable	117,493	106,061	78,827	82,211	82,816
ST borrowing	51,397	58,164	58,164	58,164	58,164
Others	32,457	28,512	32,562	32,562	32,562
Long-term liabilities					
Long-term debts	173,824	178,870	178,870	178,870	178,870
Others	36,893	31,015	72,667	94,304	115,906
Total liabilities	412,064	402,622	421,090	446,111	468,318
Paid-up capital	5,615	5,615	5,615	5,615	5,615
Retained earnings	93,755	70,008	76,176	87,820	102,150
Others	63,794	50,328	50,328	50,328	50,328
Minority interest	14,905	12,979	264	499	614
Shareholders' equity	178,068	138,930	132,383	144,262	158,706

Key ratios					
Year ending Dec	2023	2024	2025E	2026E	2027E
Growth (%YoY)					
Sales	(17.5)	0.0	(25.7)	4.3	0.7
Operating profit	(53.6)	19.7	13.3	20.3	8.0
EBITDA	(37.8)	35.1	(29.5)	20.3	8.0
Net profit	(134.8)	(78.3)	145.7	88.8	23.1
Core net profit	(88.7)	52.7	43.0	88.8	23.1
EPS	(134.8)	(78.3)	145.7	88.8	23.1
Core EPS	(88.7)	52.7	43.0	88.8	23.1
Profitability (%)					
Gross margin	17.2	19.1	19.3	21.1	22.1
Operation margin	6.5	7.7	11.8	13.6	14.6
EBITDA margin	9.2	12.4	11.8	13.6	14.6
Net margin	(2.0)	(3.6)	2.2	4.0	4.8
ROE	2.3	4.3	6.8	12.1	13.6
ROA	0.8	1.3	na	na	na
Stability					
Interest bearing debt/equity (x)	1.3	1.7	1.8	1.6	1.5
Net debt/equity (x)	1.2	1.6	1.1	0.7	0.3
Interest coverage (x)	1.4	2.3	1.4	1.9	2.2
Interest & ST debt coverage (x)	0.3	0.5	0.3	0.4	0.5
Cash flow interest coverage (x)	0.1	0.1	0.2	0.2	0.2
Current ratio (x)	0.9	1.0	1.3	1.6	1.9
Quick ratio (x)	0.3	0.4	0.7	1.0	1.3
Net debt (THB m)	206,538	219,538	150,559	99,808	45,245
Activity					
Asset turnover (X)	0.9	1.0	0.7	0.7	0.7
Days receivables	36.0	35.1	42.0	35.0	35.6
Days inventory	86.5	78.9	90.9	77.7	80.0
Days payable	93.4	93.1	103.8	88.7	91.4
Cash cycle days	29.1	20.9	29.0	24.0	24.3

Profit & loss (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Revenue					
Revenue	541,458	541,583	402,517	419,797	422,884
Cost of goods sold	(448,342)	(438,328)	(324,936)	(331,313)	(329,619)
Gross profit	93,116	103,254	77,582	88,484	93,265
Operating expenses	(58,169)	(61,408)	(30,189)	(31,485)	(31,716)
Operating profit	34,947	41,846	47,393	56,999	61,548
EBIT	22,088	39,280	24,171	33,541	37,855
Depreciation	(27,697)	(27,990)	(23,222)	(23,458)	(23,694)
EBITDA	49,785	67,270	47,393	56,999	61,548
Non-operating income					
Other incomes	5,091	4,314	4,443	4,576	4,713
Other non-op income	716	(22,626)	1,028	1,028	1,028
Non-operating expense	(26,669)	(17,995)	(18,974)	(18,974)	(18,974)
Interest expense	(15,367)	(17,228)	(17,474)	(17,474)	(17,474)
Other non-op expense	(11,301)	(768)	(1,500)	(1,500)	(1,500)
Equity income/(loss)	8	(589)	620	475	620
Pre-tax Profit	1,235	2,383	11,287	20,646	25,242
Extraordinary items	(14,838)	(25,424)	0	0	0
Current taxation	2,684	3,855	(1,888)	(3,454)	(4,223)
Minorities	115	(76)	(587)	(558)	(548)
Net Profit	(10,804)	(19,262)	8,812	16,634	20,471
Core net profit	4,034	6,162	8,812	16,634	20,471
EPS (THB)	(1.92)	(3.43)	1.57	2.96	3.65
Core EPS (THB)	0.72	1.10	1.57	2.96	3.65

Cash flow (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Operating cash flow					
Net profit	(10,804)	(19,262)	8,812	16,634	20,471
Depre. & amortization	27,697	27,990	23,222	23,458	23,694
Change in working capital	19,531	18,947	57,209	33,154	34,199
Others	0	0	0	0	0
Investment cash flow	(25,266)	(36,724)	(32,554)	(32,550)	(32,562)
Net CAPEX	(16,225)	(16,223)	(4,950)	(4,950)	(4,950)
Change in LT investment	(9,041)	(9,035)	(9,035)	(9,035)	(9,035)
Change in other assets		(11,466)	(18,568)	(18,564)	(18,577)
Free cash flow	11,158	(9,050)	56,689	40,696	45,801
Financing cash flow	(13,687)	7,863	12,290	10,055	8,762
Change in share capital	0	0	0	0	0
Net change in debt	(12,917)	11,813	13,774	13,774	13,774
Dividend paid	(5,193)	(5,193)	(2,643)	(4,990)	(6,141)
Others	4,424	1,243	1,160	1,271	1,129
Net cash flow	(2,529)	(1,187)	68,979	50,751	54,563
Per share (THB)					
EPS	(1.92)	(3.43)	1.57	2.96	3.65
Core EPS	0.72	1.10	1.57	2.96	3.65
CFPS	5.63	6.10	5.81	7.24	7.96
BVPS	29.06	22.43	23.53	25.61	28.16
Sales/share	96.44	96.46	71.69	74.77	75.32
EBITDA/share	8.87	11.98	8.44	10.15	10.96
DPS	0.93	0.93	0.47	0.89	1.09
Valuation					
P/E (x)	-14.16	-7.26	12.87	6.82	5.54
P/BV (x)	0.94	1.11	0.86	0.79	0.72
Dividend yield (%)	3.39	3.71	2.33	4.40	5.41
Dividend payout ratio (%)	-48.07	-26.96	30.00	30.00	30.00

GENERAL DISCLAIMER

Analyst Certification

Suwat Sinsadok, Register No. 020799, Globlex Securities Public Company Limited

The opinions and information presented in this report are those of the Globlex Securities Co. Ltd. Research Department. No representation or warranty in any form regarding the accuracy, completeness, correctness or fairness of opinions and information of this report is offered by Globlex Securities Co. Ltd. Globlex Securities Co. Ltd. Accepts no liability whatsoever for any loss arising from the use of this report or its contents. This report (in whole or in part) may not be reproduced or published without the express permission of Globlex Securities Co. Ltd.

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.