

Coating confidence

- Allnex's Jiaxing Hub fuels APAC growth with scalable operations.
- PTTGC gains from lower ethane costs and stronger 2Q25 margins.
- BUY at a target price of THB25

Allnex's stronghold in the world's largest market

We had an opportunity to visit Allnex's China Hub in Jiaxing, which is positioned as a key growth enabler for the company in Asia Pacific. China remains the world's largest market for industrial coating resins, accounting for 45% of global demand. Allnex targets high-performance applications such as automotive OEM, industrial metal, and specialty coatings, where quality and reliability are critical and the company holds leading market positions. The business is well-insulated from China's construction downturn and has limited exposure to export or US tariff risks.

Jiaxing's role in Allnex's growth

The Jiaxing China Hub is a key part of Allnex's APAC expansion, supporting both domestic and regional markets. Located in Pinghu Chemical Park, it offers long-term sustainability and proximity to key industrial customers. The site runs 9 production lines with 55kt capacity and over EUR100m in investment, producing a full range of advanced resins. With expansion plans to 15 lines and 100–130kt by 2030, Jiaxing is set to become Allnex's largest global site—well-positioned to capture China's resin demand growth, projected at 6% CAGR from 2025–2030.

Riding the Ethane Wave

Following our report, [THAILAND PETROCHEMICAL – The Ethane Ban That Changed the Game](#), we see PTTGC as a key beneficiary of the US ban on ethane exports to China. With China sidelined as a major buyer, PTTGC can access US ethane at more favorable terms. Its 0.4mtpa supply agreement with Enterprise Products and investments in Very Large Ethane Carriers (VLECs) secure long-term supply and lower costs—potentially saving around 20% compared to naphtha. This strengthens PTTGC's competitiveness in the region, especially as Chinese producers face tighter and more expensive feedstock options, supporting margin resilience and growth.

PTTGC's earnings outlook brightens

In 2Q25E, we expect PTTGC's earnings to improve on stronger refining and petrochemical margins. Refining spreads, especially for gasoline and VLSFO, are set to widen, while olefins margins benefit from lower ethane costs and better spreads. The company also anticipates a one-time gain of EUR30–40m from deconsolidating Vencorex France and Vencorex TDI, partly offsetting stock losses.

Maintain BUY at a target price of THB25

Maintain BUY at our TP of THB25, based on 6x 2025E EV/EBITDA. Near-term earnings face pressure, but stronger refining spreads, lower ethane costs, and a shift to an asset-light model with strategic divestments should drive long-term margin and valuation improvement.

Analyst

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ESG Rating : AAA

CG Rating : ▲▲▲▲▲

BUY

| | |
|-------------------------|--------|
| Target Price 12M (THB) | 25.00 |
| VS. BB Consensus TP (%) | +8.8% |
| Share Price (THB) | 20.20 |
| Upside/Downside | +23.8% |

Share Data

| | |
|--------------------------|-----------|
| Market Cap (THB m) | 91,078.75 |
| Par (THB) | 10.00 |
| Free Float (%) | 54.81 |
| Issued shares (m shares) | 4,509 |

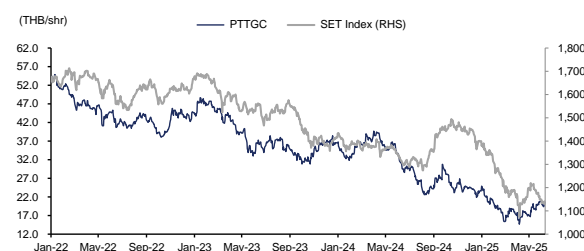
Financial forecast

| YE Dec (THB m) | 2024 | 2025E | 2026E | 2027E |
|----------------------------|-----------|---------|---------|---------|
| Revenue | 608,550 | 521,814 | 531,662 | 535,265 |
| Net profit | (29,810) | 2,830 | 7,836 | 9,665 |
| Core net profit | (3,153) | 2,830 | 7,836 | 9,665 |
| vs Consensus (%) | | (6.9) | 10.4 | 3.1 |
| Net profit growth (%) | (3,083.6) | 109.5 | 176.9 | 23.3 |
| Core net profit growth (%) | 8.5 | 189.8 | 176.9 | 23.3 |
| EPS (THB) | (6.61) | 0.63 | 1.74 | 2.14 |
| Core EPS (THB) | (0.70) | 0.63 | 1.74 | 2.14 |
| Chg in core EPS (%) | | 0.00 | 0.00 | 0.00 |
| DPS (THB) | 1.00 | 0.19 | 0.52 | 0.64 |
| P/E (x) | (3.68) | 32.18 | 11.62 | 9.42 |
| P/BV (x) | 0.44 | 0.36 | 0.35 | 0.34 |
| ROE (%) | (1.17) | 1.12 | 3.06 | 3.68 |
| Dividend yield (%) | 4.12 | 0.93 | 2.58 | 3.18 |

Source: Financial Statement and Globlex securities

Share Price Performance (%)

| | 1M | 3M | 6M | YTD |
|--------------------|-------|-------|---------|---------------|
| Stock | 4.66 | 10.99 | (19.20) | (17.21) |
| Market | 11.20 | 15.47 | 2.14 | 1.54 |
| 12M High/Low (THB) | | | | 32.75 / 14.20 |



Major Shareholders (%) as of 4 Mar 2025

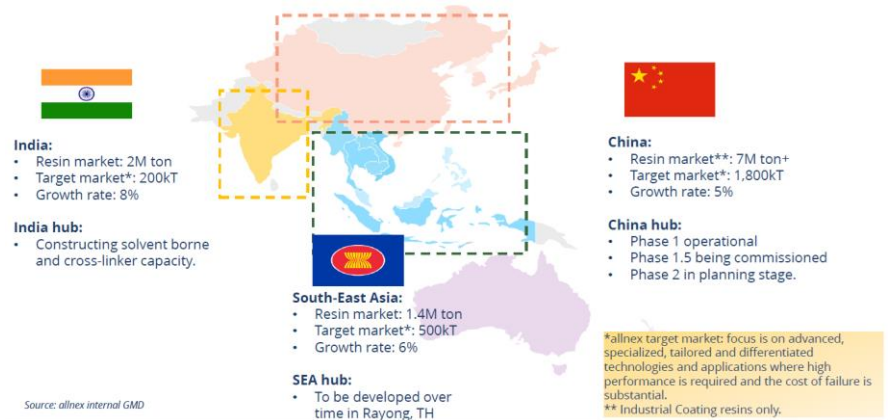
| | |
|----------------------------|-------|
| PTT Public Company Limited | 45.18 |
|----------------------------|-------|

Company Profile

PTT Global Chemical Public Company Limited was founded on 19th October 2011 through the amalgamation of PTT Chemical Public Company Limited and PTT Aromatics and Refining Public Company Limited to be the chemical flagship of PTT Group

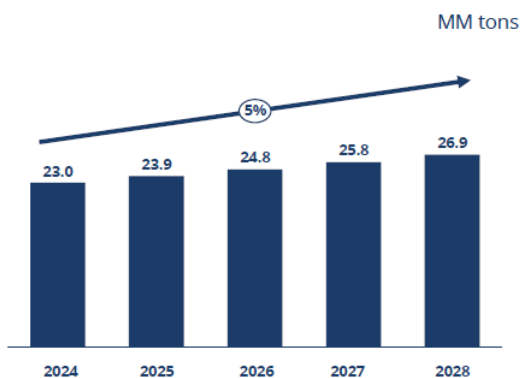
Source: SETSMART, SET

Exhibit 1: APAC is the growth region for coating resin driven by China



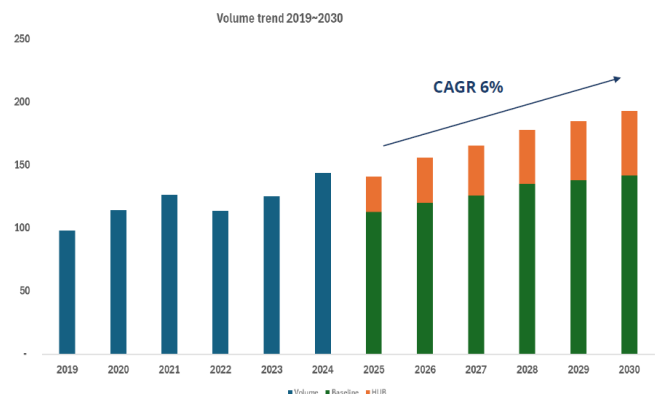
Sources: Allnex

Exhibit 2: Industrial coatings market in China



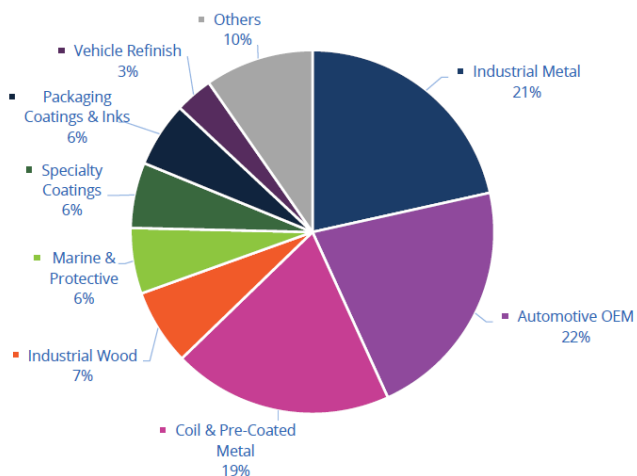
Sources: Allnex

Exhibit 3: Allnex China's volume growth (k ton)



Sources: Allnex

Exhibit 4: Allnex China's volume breakdown by segment



Sources: Allnex

Exhibit 5: US daily sport ethane and natural gas prices



Sources: EIA

| Balance sheet (THB m) | | | | | |
|---------------------------|----------------|----------------|----------------|----------------|----------------|
| Year ending Dec | 2023 | 2024 | 2025E | 2026E | 2027E |
| Current assets | | | | | |
| Cash & ST investment | 37,319 | 32,745 | 22,956 | 58,940 | 97,120 |
| Account receivable | 57,761 | 47,753 | 45,894 | 46,760 | 47,077 |
| Inventories | 68,517 | 65,222 | 39,605 | 40,353 | 40,626 |
| Others | 97,312 | 91,938 | 101,205 | 100,195 | 99,332 |
| Non-current assets | | | | | |
| Net fixed assets | 282,282 | 263,584 | 251,988 | 239,267 | 225,424 |
| Others | 209,567 | 189,567 | 169,567 | 149,567 | 129,567 |
| Total Assets | 752,759 | 690,810 | 631,215 | 635,082 | 639,146 |

| | | | | | |
|------------------------------|----------------|----------------|----------------|----------------|----------------|
| Current liabilities | | | | | |
| Account payable | 60,387 | 59,117 | 50,691 | 51,647 | 51,997 |
| ST borrowing | 6,729 | 6,729 | 6,729 | 6,729 | 6,729 |
| Others | 94,723 | 143,844 | 94,723 | 94,723 | 94,723 |
| Long-term liabilities | | | | | |
| Long-term debts | 169,160 | 169,160 | 169,160 | 169,160 | 169,160 |
| Others | 130,909 | 55,057 | 51,360 | 47,663 | 43,967 |
| Total liabilities | 461,907 | 433,906 | 372,662 | 369,922 | 366,575 |
| Pai-up capital | 45,088 | 45,088 | 45,088 | 45,088 | 45,088 |
| Retained earnings | 198,430 | 164,112 | 165,390 | 171,626 | 178,666 |
| Others | 42,172 | 42,172 | 42,172 | 42,172 | 42,172 |
| Minority interest | 5,161 | 5,532 | 5,903 | 6,274 | 6,645 |
| Shareholders' equity | 290,851 | 256,904 | 258,553 | 265,161 | 272,571 |

| Key ratios | | | | | |
|----------------------------------|---------|-----------|---------|---------|--------|
| Year ending Dec | 2023 | 2024 | 2025E | 2026E | 2027E |
| Growth (%YoY) | | | | | |
| Sales | (9.1) | (2.1) | (14.3) | 1.9 | 0.7 |
| Operating profit | (59.8) | 73.8 | (17.4) | 14.6 | 6.4 |
| EBITDA | (59.8) | 73.8 | (17.4) | 14.6 | 6.4 |
| Net profit | 111.4 | (3,083.6) | 109.5 | 176.9 | 23.3 |
| Core net profit | (118.2) | 8.5 | 189.8 | 176.9 | 23.3 |
| EPS | 111.4 | (3,083.6) | 109.5 | 176.9 | 23.3 |
| Core EPS | (118.2) | 8.5 | 189.8 | 176.9 | 23.3 |
| Profitability (%) | | | | | |
| Gross margin | 10.0 | 14.8 | 12.5 | 13.4 | 13.9 |
| Operation margin | 4.5 | 8.0 | 7.7 | 8.7 | 9.2 |
| EBITDA margin | 4.5 | 8.0 | 7.7 | 8.7 | 9.2 |
| Net margin | 0.2 | (4.9) | 0.5 | 1.5 | 1.8 |
| ROE | (1.2) | (1.2) | 1.1 | 3.1 | 3.7 |
| ROA | (0.6) | (0.6) | 0.4 | 1.2 | 1.0 |
| Stability | | | | | |
| Interest bearing debt/equity (x) | 0.6 | 0.7 | 0.7 | 0.7 | 0.6 |
| Net debt/equity (x) | 0.5 | 0.6 | 0.6 | 0.4 | 0.3 |
| Interest coverage (x) | (0.1) | 1.5 | 1.9 | 2.9 | 3.3 |
| Interest & ST debt coverage (x) | (0.1) | 1.0 | 0.8 | 1.2 | 1.3 |
| Cash flow interest coverage (x) | 0.1 | 0.0 | 0.2 | 0.2 | 0.2 |
| Current ratio (x) | 1.6 | 1.1 | 1.4 | 1.6 | 1.9 |
| Quick ratio (x) | 0.6 | 0.4 | 0.5 | 0.7 | 0.9 |
| Net debt (THB m) | 138,570 | 143,143 | 152,932 | 116,948 | 78,768 |
| Activity | | | | | |
| Asset turnover (X) | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |
| Days receivables | 30.2 | 31.6 | 32.8 | 31.8 | 32.0 |
| Days inventory | 47.3 | 47.1 | 41.9 | 31.7 | 32.1 |
| Days payable | 41.4 | 42.1 | 43.9 | 40.6 | 41.1 |
| Cash cycle days | 36.2 | 36.7 | 30.8 | 22.9 | 23.0 |

| Profit & loss (THB m) | | | | | |
|------------------------------|-----------------|-----------------|----------------|----------------|----------------|
| Year ending Dec | 2023 | 2024 | 2025E | 2026E | 2027E |
| Revenue | | | | | |
| Revenue | 621,631 | 608,550 | 521,814 | 531,662 | 535,265 |
| Cost of goods sold | (559,577) | (518,587) | (456,736) | (460,403) | (460,659) |
| Gross profit | 62,054 | 89,963 | 65,079 | 71,259 | 74,605 |
| Operating expenses | (34,042) | (41,268) | (24,846) | (25,149) | (25,542) |
| Operating profit | 28,012 | 48,694 | 40,233 | 46,110 | 49,063 |
| EBIT | (1,226) | 17,996 | 8,636 | 13,390 | 15,219 |
| Depreciation | (29,238) | (30,698) | (31,597) | (32,720) | (33,844) |
| EBITDA | 28,012 | 48,694 | 40,233 | 46,110 | 49,063 |
| Non-operating income | | | | | |
| Other incomes | 1,191 | 1,562 | 1,572 | 1,572 | 1,572 |
| Other non-op income | 14,356 | (27,915) | 2,359 | 2,359 | 2,359 |
| Non-operating expense | (11,718) | (12,158) | (4,655) | (4,643) | (4,632) |
| Interest expense | (11,718) | (12,158) | (4,655) | (4,643) | (4,632) |
| Other non-op expense | | | | | |
| Equity income/(loss) | (387) | (10,667) | (2,685) | (2,010) | (1,863) |
| Pre-tax Profit | 2,217 | (31,181) | 5,226 | 10,668 | 12,655 |
| Extraordinary items | | | | | |
| Current taxation | (1,352) | 1,168 | (2,025) | (2,461) | (2,620) |
| Minorities | 134 | 204 | (371) | (371) | (371) |
| Net Profit | 999 | (29,810) | 2,830 | 7,836 | 9,665 |
| Core net profit | (3,446) | (3,153) | 2,830 | 7,836 | 9,665 |
| EPS (THB) | 0.22 | (6.61) | 0.63 | 1.74 | 2.14 |
| Core EPS (THB) | (0.76) | (0.70) | 0.63 | 1.74 | 2.14 |

| Cash flow (THB m) | | | | | |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Year ending Dec | 2023 | 2024 | 2025E | 2026E | 2027E |
| Operating cash flow | | | | | |
| Net profit | 999 | (29,810) | 2,830 | 7,836 | 9,665 |
| Depre. & amortization | 29,238 | 30,698 | 31,597 | 32,720 | 33,844 |
| Change in working capital | 4,023 | 669 | 6,157 | (286) | 131 |
| Others | 7,025 | 7,025 | 16,199 | 15,524 | 15,377 |
| Investment cash flow | (41,760) | (13,760) | (21,760) | (21,760) | (21,760) |
| Net CAPEX | (40,000) | (12,000) | (20,000) | (20,000) | (20,000) |
| Change in LT investment | (760) | (760) | (760) | (760) | (760) |
| Change in other assets | (1,000) | (1,000) | (1,000) | (1,000) | (1,000) |
| Free cash flow | (475) | (5,178) | 35,023 | 34,035 | 37,256 |
| Financing cash flow | 11,854 | 604 | (44,812) | 1,949 | 924 |
| Change in share capital | 0 | 0 | 0 | 0 | 0 |
| Net change in debt | 0 | 10,000 | 0 | 0 | 0 |
| Dividend paid | (11,272) | (4,509) | (1,552) | (1,600) | (2,625) |
| Others | 23,126 | (4,887) | (43,260) | 3,549 | 3,549 |
| Net cash flow | 11,379 | (4,574) | (9,789) | 35,984 | 38,180 |
| Per share (THB) | | | | | |
| EPS | 0.22 | (6.61) | 0.63 | 1.74 | 2.14 |
| Core EPS | (0.76) | (0.70) | 0.63 | 1.74 | 2.14 |
| CFPS | 6.68 | 0.15 | 7.72 | 9.08 | 9.73 |
| BVPS | 63.36 | 55.75 | 56.03 | 57.42 | 58.98 |
| Sales/share | 137.87 | 134.97 | 115.73 | 117.92 | 118.71 |
| EBITDA/share | 6.21 | 10.80 | 8.92 | 10.23 | 10.88 |
| DPS | 1.00 | 1.00 | 0.19 | 0.52 | 0.64 |
| Valuation | | | | | |
| P/E (x) | 173.7 | (3.7) | 32.2 | 11.6 | 9.4 |
| P/BV (x) | 0.61 | 0.44 | 0.36 | 0.35 | 0.34 |
| Dividend yield (%) | 2.60 | 4.12 | 0.93 | 2.58 | 3.18 |
| Dividend payout ratio (%) | 451.28 | (15.13) | 30.00 | 30.00 | 30.00 |

GENERAL DISCLAIMER

Analyst Certification

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RECOMMENDATION STRUCTURE

Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / 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.