

## Two tailwinds in PET/PTA and PO

- Recent tailwinds for PET/PTA and PO/Polyols are key catalysts
- DOW's asset rationalization plan to greatly benefit IVL's PO unit
- Maintain BUY and a TP of THB28; top pick in Thai chemical sector

### Global DOW's PO asset rationalization underway

As part of "global rationalization", DOW Chemical has announced a series of shutdowns of its Propylene Oxide (PO), including the 550ktpa in Freeport, Texas, U.S. in 2025 and the combined 20% of its European capacity sites in response to weak demands, industry competition, and intensifying regulatory policies. In 2024, DOW lost its revenue in Europe, Middle East, Africa (EMEA), and India, which revenue at 15% below its 2021 levels.

### Upsides on PO margin and volume

Dow plans to shut down its 550ktpa PO plant in Freeport, Texas, accounting for 1/5 of the industry's capacity in North America but still retains its PO plant in Plaquemine, Louisiana. Other U.S. PO producers include LyondellBasell and a JV between LyondellBasell, Covestro and Indorama. Global PO supply has grown 50% over the past four years, resulting in significant oversupply and lower operating rates to put pressure on margins.

### DOW's polyols shutdown plan

Dow plans to close the 55ktpa polyether polyols plant in Tertre, Belgium by end of 1Q26 as part of Dow polyurethanes (PU)'s efforts to optimize cost and supply position as part of its plan to downsize assets in Europe, mainly in polyurethane business. Polyols are often reacted with isocyanates to make PU, which are used to make mattresses, foam insulation for appliances (refrigerators and freezers), home and automotive seats, elastomeric shoe soles, fibres and adhesives.

### +USD0.2b upsides from PET/PTA + PO/Polyols in 2026

We turned more positive on IVL's net profit outlook in 2026-27, premised on 1) (+USD120m) improving margins on PET/PTA in North America. For PET/PTA, IVL will benefit from higher sales volume and the U.S tariff hike-driven price rise starting in 1Q26 onwards; 2) (+USD80m) improving PO/polyols margin and higher sales volume. As one of the largest and top 3 producers of PO in North America via its Indovina with total capacity of 525ktpa, IVL would benefit from the industry capacity shutdowns in terms of higher sales volume and rising selling price as supply will be cut meaningfully in North America.

### Top pick in Thai petrochemical sector

At THB15.8 (52% discount to replacement cost, 5.5x 2026E P/E, 0.5x 2026E P/B), we think IVL is highly attractive against its visible rebounds in net profit and EBITDA in 2026. We think at worst investors could reap the rewards on IVL's near-100% USD0.2b upsides in 2026 and current distressed valuation, let alone margin upsides, given the production shutdowns and tariff hikes are in favor to IVL's profit outlook.

#### Analyst

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ESG Rating : AAA

CG Rating : ▲▲▲▲▲

## BUY

<b>Target Price 12M (THB)</b>	<b>28.00</b>
VS. BB Consensus TP (%)	+25.1%
Share Price (THB)	15.30
Upside/Downside	+83.0%

### Share Data

Market Cap (THB m)	85,902.64
Par (THB)	1.00
Free Float (%)	35.16
Issued shares (m shares)	5,615

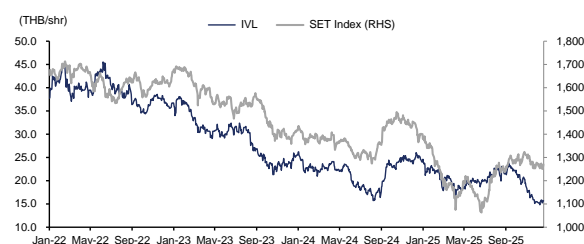
### Financial forecast

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 (%)		383.9	201.1	123.9
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)	9.75	5.16	4.20
P/BV (x)	1.11	0.65	0.60	0.54
ROE (%)	4.26	6.83	12.06	13.56
Dividend yield (%)	3.71	3.08	5.81	7.15

Source: Financial Statement and Globlex securities

### Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(7.83)	(33.77)	(19.47)	(38.55)
Market	(6.36)	(31.62)	(31.27)	(31.29)
12M High/Low (THB)				26.50 / 14.60



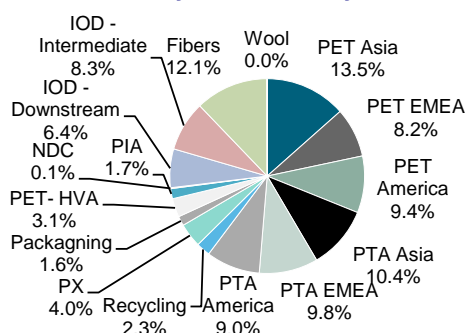
### Major Shareholders (%) as of 28 Aug 2025

Indorama Resources Co., Ltd	62.43
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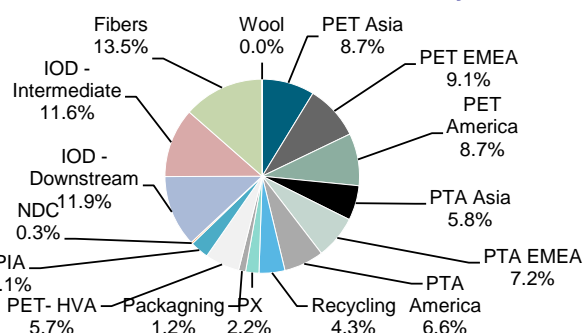
### Company Profile

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: Capacity breakdown by products**

Sources: IVL; Globlex Research

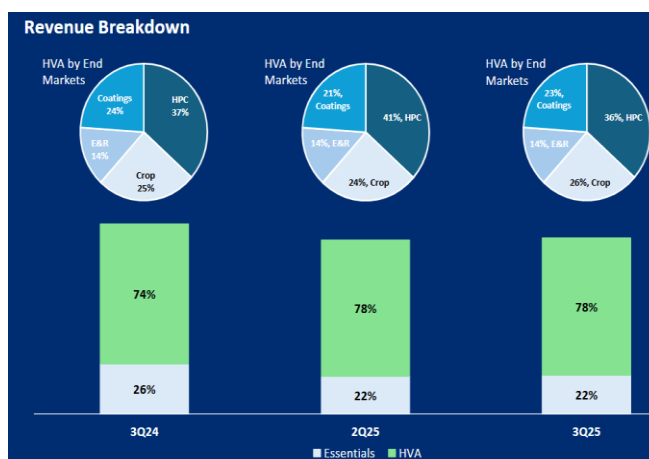
**Exhibit 2: Replacement value breakdown by products**

Sources: IVL; Globlex Research

**Exhibit 3: IVL's capacity breakdown in Americas**

Effective capacity (m tonne)	Current Capacity
<b>Americas</b>	<b>7.65</b>
CPET with Intermediate Chemicals	5.16
Integrated PET	3.19
PX	0.72
PTA	1.06
PET	2.13
Specialty Chemicals	0.30
Intermediate Chemicals	1.68
MTBE	0.74
<b>Int. MEG and PEO</b>	<b>0.93</b>
<b>Indovinya</b>	<b>2.03</b>
NAM	1.09
SAM	0.94
<b>Fibers</b>	<b>0.45</b>
Lifestyle	0.13
Mobility	0.04
Hygiene	0.28

Sources: IVL; Globlex Research

**Exhibit 4: IVL's Indovinya revenue breakdown**

Sources: IVL; Globlex Research

**Exhibit 5: IVL's capacity breakdown in Asia**

Effective capacity (m tonne)	Current Capacity
<b>ASIA</b>	<b>7.16</b>
CPET	5.35
Integrated PET	5.35
PTA	1.87
PET	3.48
Packaging	0.32
Indovinya	0.02
Fibers	1.46
Lifestyle	1.22
Mobility	0.07
Hygiene	0.17
Wool	0.00

Sources: IVL; Globlex Research

**Exhibit 6: IVL's capacity breakdown in EMEA**

Effective capacity (m tonne)	Current Capacity
<b>EMEA</b>	<b>2.52</b>
CPET	1.89
Integrated PET	1.52
PTA	0.36
PET	1.17
Specialty Chemicals	0.37
Packaging	0.11
Fibers	0.51
Lifestyle	0.09
Mobility	0.18
Hygiene	0.24
Wool	0.01

Sources: IVL; Globlex Research

Balance sheet (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Current assets</b>					
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
<b>Non-current assets</b>					
Net fixed assets	312,393	271,124	252,851	234,344	215,600
Others	88,385	86,312	85,000	85,000	85,000
<b>Total Assets</b>	<b>590,132</b>	<b>541,552</b>	<b>553,473</b>	<b>590,373</b>	<b>627,024</b>

<b>Current liabilities</b>					
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
<b>Long-term liabilities</b>					
Long-term debts	173,824	178,870	178,870	178,870	178,870
Others	36,893	31,015	72,667	94,304	115,906
<b>Total liabilities</b>	<b>412,064</b>	<b>402,622</b>	<b>421,090</b>	<b>446,111</b>	<b>468,318</b>
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
<b>Shareholders' equity</b>	<b>178,068</b>	<b>138,930</b>	<b>132,383</b>	<b>144,262</b>	<b>158,706</b>

Key ratios					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Growth (%YoY)</b>					
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
<b>Profitability (%)</b>					
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	2.6	3.6	4.2	5.4	5.7
<b>Stability</b>					
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
<b>Activity</b>					
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
<b>Revenue</b>					
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)
<b>Gross profit</b>	<b>93,116</b>	<b>103,254</b>	<b>77,582</b>	<b>88,484</b>	<b>93,265</b>
Operating expenses	(58,169)	(61,408)	(30,189)	(31,485)	(31,716)
<b>Operating profit</b>	<b>34,947</b>	<b>41,846</b>	<b>47,393</b>	<b>56,999</b>	<b>61,548</b>
<b>EBIT</b>	<b>22,088</b>	<b>39,280</b>	<b>24,171</b>	<b>33,541</b>	<b>37,855</b>
Depreciation	(27,697)	(27,990)	(23,222)	(23,458)	(23,694)
<b>EBITDA</b>	<b>49,785</b>	<b>67,270</b>	<b>47,393</b>	<b>56,999</b>	<b>61,548</b>
<b>Non-operating income</b>					
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
<b>Non-operating expense</b>	<b>(26,669)</b>	<b>(17,995)</b>	<b>(18,974)</b>	<b>(18,974)</b>	<b>(18,974)</b>
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)
<b>Equity income/(loss)</b>	<b>8</b>	<b>(589)</b>	<b>620</b>	<b>475</b>	<b>620</b>
<b>Pre-tax Profit</b>	<b>1,235</b>	<b>2,383</b>	<b>11,287</b>	<b>20,646</b>	<b>25,242</b>
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)
<b>Net Profit</b>	<b>(10,804)</b>	<b>(19,262)</b>	<b>8,812</b>	<b>16,634</b>	<b>20,471</b>
<b>Core net profit</b>	<b>4,034</b>	<b>6,162</b>	<b>8,812</b>	<b>16,634</b>	<b>20,471</b>
<b>EPS (THB)</b>	<b>(1.92)</b>	<b>(3.43)</b>	<b>1.57</b>	<b>2.96</b>	<b>3.65</b>
<b>Core EPS (THB)</b>	<b>0.72</b>	<b>1.10</b>	<b>1.57</b>	<b>2.96</b>	<b>3.65</b>

Cash flow (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Operating cash flow</b>					
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
<b>Investment cash flow</b>	<b>(25,266)</b>	<b>(36,724)</b>	<b>(32,554)</b>	<b>(32,550)</b>	<b>(32,562)</b>
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)
<b>Free cash flow</b>	<b>11,158</b>	<b>(9,050)</b>	<b>56,689</b>	<b>40,696</b>	<b>45,801</b>
<b>Financing cash flow</b>	<b>(13,687)</b>	<b>7,863</b>	<b>12,290</b>	<b>10,055</b>	<b>8,762</b>
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
<b>Net cash flow</b>	<b>(2,529)</b>	<b>(1,187)</b>	<b>68,979</b>	<b>50,751</b>	<b>54,563</b>
<b>Per share (THB)</b>					
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
<b>Valuation</b>					
P/E (x)	-14.16	-7.26	9.75	5.16	4.20
P/BV (x)	0.94	1.11	0.65	0.60	0.54
Dividend yield (%)	3.39	3.71	3.08	5.81	7.15
Dividend payout ratio (%)	-48.07	-26.96	30.00	30.00	30.00

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### 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.