

INDORAMA VENTURES (IVL TB)

THAILAND / SET / PETROCHEMICALS & CHEMICALS

22 December 2025

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 Indovinya 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

Target Price 12M (THB)
28.00

VS. BB Consensus TP (%)

+25.1%

Share Price (THB)

15.30

Upside/Downside

+83.0%

Share Data

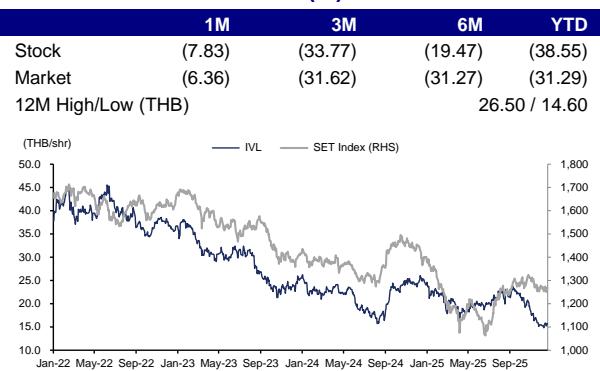
Market Cap (THB m)	85,902.64
Par (THB)	1.00
Free Float (%)	35.16
Issued shares (m shares)	5,615

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 (%)



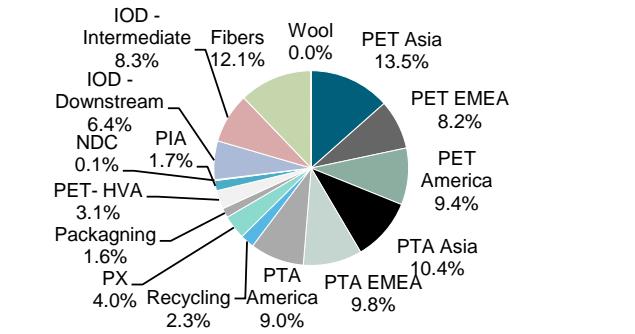
Major Shareholders (%) as of 28 Aug 2025

Indorama Resources Co., Ltd	62.43
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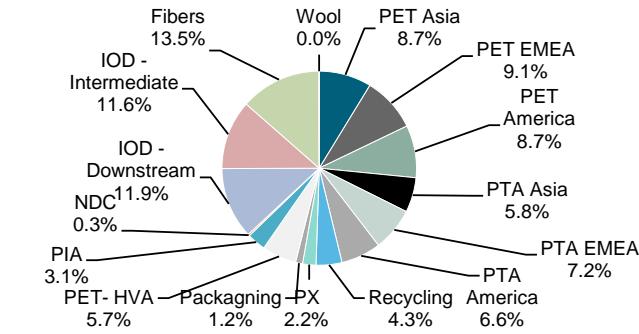
Company Profile

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

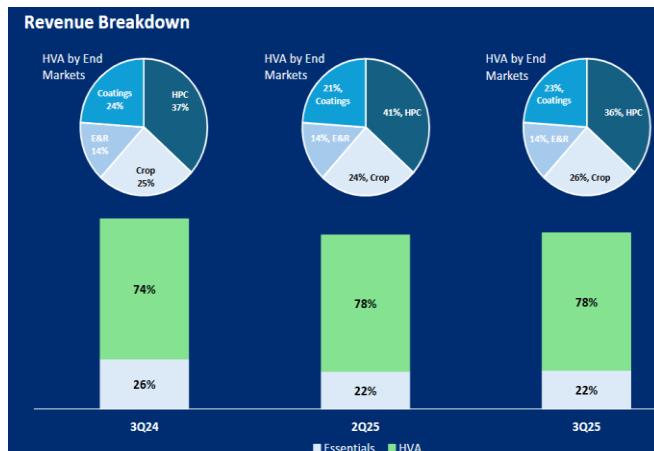
Exhibit 2: Replacement value breakdown by products


Sources: IVL; Globlex Research

Exhibit 3: IVL's capacity breakdown in Americas

Effective capacity (m tonne)	Current Capacity
Americas	7.65
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
Int. MEG and PEO	0.93
Indovinya	2.03
NAM	1.09
SAM	0.94
Fibers	0.45
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
ASIA	7.16
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
EMEA	2.52
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)						Profit & loss (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E	Year ending Dec	2023	2024	2025E	2026E	2027E
Current assets						Revenue	541,458	541,583	402,517	419,797	422,884
Cash & ST investment	18,683	17,496	86,475	137,226	191,789	Cost of goods sold	(448,342)	(438,328)	(324,936)	(331,313)	(329,619)
Account receivable	51,114	53,085	39,454	41,148	41,450	Gross profit	93,116	103,254	77,582	88,484	93,265
Inventories	96,657	92,855	69,012	71,975	72,504	Operating expenses	(58,169)	(61,408)	(30,189)	(31,485)	(31,716)
Others	22,901	20,680	20,680	20,680	20,680	Operating profit	34,947	41,846	47,393	56,999	61,548
Non-current assets						EBIT	22,088	39,280	24,171	33,541	37,855
Net fixed assets	312,393	271,124	252,851	234,344	215,600	Depreciation	(27,697)	(27,990)	(23,222)	(23,458)	(23,694)
Others	88,385	86,312	85,000	85,000	85,000	EBITDA	49,785	67,270	47,393	56,999	61,548
Total Assets	590,132	541,552	553,473	590,373	627,024	Non-operating income	5,807	(18,313)	5,471	5,604	5,742
Current liabilities						Other incomes	5,091	4,314	4,443	4,576	4,713
Account payable	117,493	106,061	78,827	82,211	82,816	Other non-op income	716	(22,626)	1,028	1,028	1,028
ST borrowing	51,397	58,164	58,164	58,164	58,164	Non-operating expense	(26,669)	(17,995)	(18,974)	(18,974)	(18,974)
Others	32,457	28,512	32,562	32,562	32,562	Interest expense	(15,367)	(17,228)	(17,474)	(17,474)	(17,474)
Long-term liabilities						Other non-op expense	(11,301)	(768)	(1,500)	(1,500)	(1,500)
Long-term debts	173,824	178,870	178,870	178,870	178,870	Equity income/(loss)	8	(589)	620	475	620
Others	36,893	31,015	72,667	94,304	115,906	Pre-tax Profit	1,235	2,383	11,287	20,646	25,242
Total liabilities	412,064	402,622	421,090	446,111	468,318	Extraordinary items	(14,838)	(25,424)	0	0	0
Paid-up capital	5,615	5,615	5,615	5,615	5,615	Current taxation	2,684	3,855	(1,888)	(3,454)	(4,223)
Retained earnings	93,755	70,008	76,176	87,820	102,150	Minorities	115	(76)	(587)	(588)	(548)
Others	63,794	50,328	50,328	50,328	50,328	Net Profit	(10,804)	(19,262)	8,812	16,634	20,471
Minority interest	14,905	12,979	264	499	614	Core net profit	4,034	6,162	8,812	16,634	20,471
Shareholders' equity	178,068	138,930	132,383	144,262	158,706	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
Key ratios											
Year ending Dec	2023	2024	2025E	2026E	2027E	Cash flow (THB m)					
Growth (%YoY)						Year ending Dec	2023	2024	2025E	2026E	2027E
Sales	(17.5)	0.0	(25.7)	4.3	0.7	Operating cash flow	36,424	27,674	89,243	73,246	78,363
Operating profit	(53.6)	19.7	13.3	20.3	8.0	Net profit	(10,804)	(19,262)	8,812	16,634	20,471
EBITDA	(37.8)	35.1	(29.5)	20.3	8.0	Depre.& amortization	27,697	27,990	23,222	23,458	23,694
Net profit	(134.8)	(78.3)	145.7	88.8	23.1	Change in working capital	19,531	18,947	57,209	33,154	34,199
Core net profit	(88.7)	52.7	43.0	88.8	23.1	Others	0	0	0	0	0
EPS	(134.8)	(78.3)	145.7	88.8	23.1	Investment cash flow	(25,266)	(36,724)	(32,554)	(32,550)	(32,562)
Core EPS	(88.7)	52.7	43.0	88.8	23.1	Net CAPEX	(16,225)	(16,223)	(4,950)	(4,950)	(4,950)
Profitability (%)						Change in LT investment	(9,041)	(9,035)	(9,035)	(9,035)	(9,035)
Gross margin	17.2	19.1	19.3	21.1	22.1	Change in other assets	(11,466)	(18,568)	(18,568)	(18,564)	(18,577)
Operation margin	6.5	7.7	11.8	13.6	14.6	Free cash flow	11,158	(9,050)	56,689	40,696	45,801
EBITDA margin	9.2	12.4	11.8	13.6	14.6	Financing cash flow	(13,687)	7,863	12,290	10,055	8,762
Net margin	(2.0)	(3.6)	2.2	4.0	4.8	Change in share capital	0	0	0	0	0
ROE	2.3	4.3	6.8	12.1	13.6	Net change in debt	(12,917)	11,813	13,774	13,774	13,774
ROA	2.6	3.6	4.2	5.4	5.7	Dividend paid	(5,193)	(5,193)	(2,643)	(4,990)	(6,141)
Activity						Others	4,424	1,243	1,160	1,271	1,129
Interest bearing debt/equity (x)	1.3	1.7	1.8	1.6	1.5	Net cash flow	(2,529)	(1,187)	68,979	50,751	54,563
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	Per share (THB)					
Interest & ST debt coverage (x)	0.3	0.5	0.3	0.4	0.5	EPS	(1.92)	(3.43)	1.57	2.96	3.65
Cash flow interest coverage (x)	0.1	0.1	0.2	0.2	0.2	Core EPS	0.72	1.10	1.57	2.96	3.65
Current ratio (x)	0.9	1.0	1.3	1.6	1.9	CFPS	5.63	6.10	5.81	7.24	7.96
Quick ratio (x)	0.3	0.4	0.7	1.0	1.3	BVPS	29.06	22.43	23.53	25.61	28.16
Net debt (THB m)	206,538	219,538	150,559	99,808	45,245	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)						P/E (x)	-14.16	-7.26	9.75	5.16	4.20
P/BV (x)						P/BV (x)	0.94	1.11	0.65	0.60	0.54
Dividend yield (%)						Dividend yield (%)	3.39	3.71	3.08	5.81	7.15
Dividend payout ratio (%)						Dividend payout ratio (%)	-48.07	-26.96	30.00	30.00	30.00

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Analyst Certification

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

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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.