COMPANY UPDATE

INDORAMA VENTURES (IVL TB)

THAILAND / SET / PETROCHEMICALS & CHEMICALS

Globlex Securities Co., Ltd.

30 March 2026

Twin drivers for twilight upsides

- Visible upsides on margins in North and South America markets
- ME war benefits should overshadow industry oversupply crisis
- Maintain BUY but cut TP to THB4.3 and 2025E net profit by -59%

Twin catalysts for twilight earnings growth

There are two key positive developments that we think would significantly drive up IVL's integrated PET-PTA margin in the next few months, turning around from the industry depressed margin on the chronic oversupply. First, PET/polyester supply disruptions on U.S.-Iran war already lifted the integrated PET-PTA margin (IPPM) by over 2x in March 2026. Second, Brazil signed a law an expanded tax relief for domestic petrochemical producers, cutting up to 60% import tax for key raw materials whose prices surging due to Middle East (ME) war.

2x higher integrated PET-PTA margin on ME supply disruption

We project IVL's quarterly and annual net profits to likely surprise our and market's consensus projections, given the visible margin upsides on IPPM that already doubles to USD300/t since the ME war begins. While the benefits of IPPM spikes will be across the globe, IVL should gain the most among peers, given IVL has the largest productions in North and South America and the Integrated PET (IPET) group is IVL's largest EBITDA contributor at 49% of total EBITDA in 2025, likely to stay high at 43%-52% in 2026-28 on growing EBITDA.

Strengthening South America's Oxide Derivatives products

We think IVL will greatly benefit from the recent announcement of Brazil's government to cut the import tax by up to 60% aiming at alleviating domestic chemical producers to fight against the rising feedstock costs imported from ME. The law, just published last Friday 20 March, will raise the credit rate on eligible raw materials from 0.73% to 5.8%. In 2023-25, IVL generates a 3-year average EBITDA margin at 11% from South America, mostly Brazil, on the 9% revenue share, the highest margin among IVL's four markets with EBITDA margins at 2% in Europe, 5% in Asia & MEA, and even only 10% in North America.

Upsides on North and South America markets

We highlight that in 2026E-28E, IVL projects its EBITDA to grow almost 70% from 2025 level, driven by 1) THB30b from North America market thanks to its 4mtpa PET sales volume still remaining re-priced to capture the sharp spike in margins (>2x higher), triggered by the supply disruptions in ME; 2) the tax cuts on raw materials imported from ME that should result in THB2-3b benefit to IVL, propelling IVL's EBITDA from South America to THB10b by 2028.

Top pick in Thai petrochemical sector

We maintain BUY and a TP of THB28. We think IVL's share price will continue to outperform SET in Mar-Apr 2026, premised on 1) the IPPM windfall upsides that we expect to last into 2Q26; 2) the upsides on lower tax on raw materials in Brazil and higher margins in U.S.

Analyst

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ESG Rating : AAA

CG Rating :

BUY

Target Price 12M (THB)	**28.00**
VS. BB Consensus TP (%)	+18.2%
Share Price (THB)	23.00
Upside/Downside	+21.7%

Share Data

Market Cap (THB m)	129,134.69
Par (THB)	1.00
Free Float (%)	35.16
Issued shares (m shares)	5,615

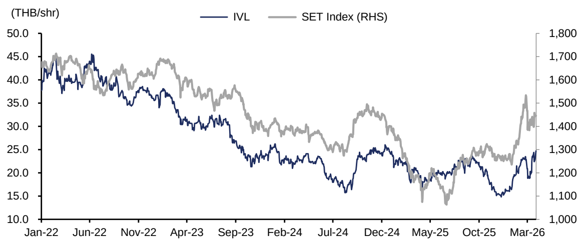
Financial forecast

YE Dec (THB m)	2025	2026E	2027E	2028E
Revenue	447,246	437,632	433,592	432,137
Net profit	(7,348)	19,757	23,746	29,953
Core net profit	(7,348)	19,757	23,746	29,953
vs Consensus (%)		261.4	198.5	193.1
Net profit growth (%)	61.9	368.9	20.2	26.1
Core net profit growth (%)	(219.3)	368.9	20.2	26.1
EPS (THB)	(1.31)	3.52	4.23	5.33
Core EPS (THB)	(1.31)	3.52	4.23	5.33
Chg from previous (%)		18.77	16.00	0.00
DPS (THB)	0.70	1.06	1.27	1.60
P/E (x)	(12.30)	6.54	5.44	4.31
P/BV (x)	0.77	0.98	0.87	0.76
ROE (%)	(6.04)	15.88	17.00	18.90
Dividend yield (%)	4.35	4.59	5.52	6.96

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	0.44	42.86	2.68	42.86
Market	6.07	24.32	(9.26)	24.36
12M High/Low (THB)				24.50 / 14.60



Major Shareholders (%) as of 16 Mar 2026

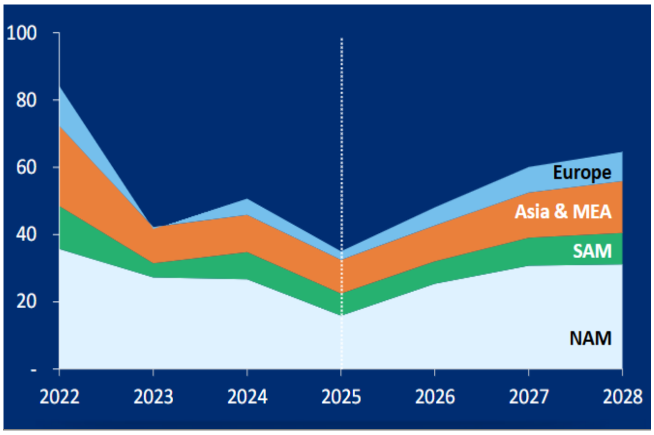
Indorama Resources Co., Ltd	65.69

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: IVL's reported EBITDA by region



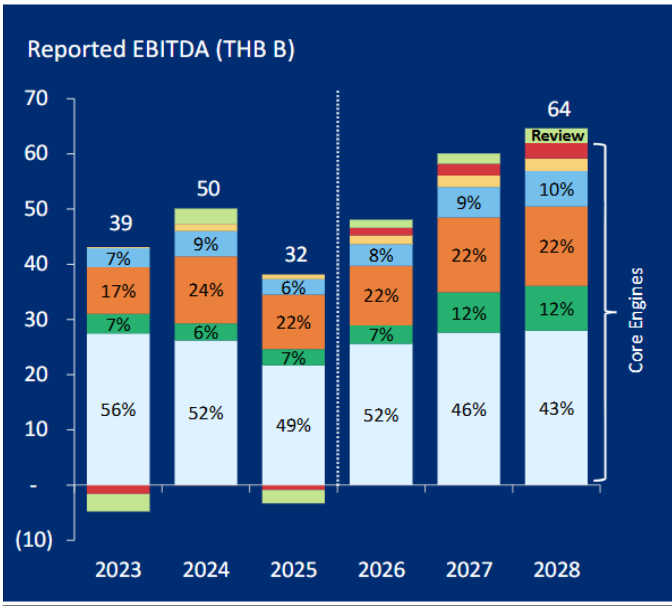
Sources: IVL

Exhibit 2: Share of revenue vs EBITDA margin

	Revenue Share Avg. 23-25	EBITDA Margin Avg. 23-25	EBITDA Margin Avg. 26-28
Europe	21%	2%	7%
Asia & MEA	33%	5%	9%
SAM	9%	11%	14%
NAM	37%	10%	13%

Sources: IVL

Exhibit 3: Projected EBITDA in 2026-28 on significant improvement in IOD (Indovinya) and PIA/NDC



	Revenue Share Avg. 23-25	IVL EBITDA Margin Avg. 23-25	Peer EBITDA Margin Avg. 23-25	IVL EBITDA Margin Avg. 26-28
IC (excl. MTBE) + PET HVA	6%	-3%	N/A	5%
Recycling	3%	-6%	N/A	10%
PIA + NDC	2%	6%	N/A	15%
Technical Textiles	11%	6%	9%	9%
Indovinya	15%	12%	12%	13%
Packaging	3%	20%	16%	21%
IPET (excl. Recycling) + SPS + MTBE + Lifestyles + Wool	59%	8%	7%	10%

Sources: IVL

Exhibit 4: Key changes in assumptions

THB m	------------ Current ------------			------------ Previous ------------			------------ Change (%) ------------		
	2026E	2027E	2028E	2026E	2027E	2028E	*2026E*	*2027E*	*2028E*
Revenue	437,632	433,592	432,137	419,797	422,884	432,137	*4.2*	*2.5*	*0.0*
Gross profit	90,503	94,756	101,908	88,484	93,265	101,908	*2.3*	*1.6*	*0.0*
Operating profit	57,680	62,236	69,498	56,999	61,548	69,498	*1.2*	*1.1*	*0.0*
Net profit	19,757	23,746	29,953	16,634	20,471	29,953	*18.8*	*16.0*	*0.0*
EPS (THB/share)	3.5	4.2	5.3	3.0	3.6	5.3	*18.8*	*16.0*	*0.0*
Key assumptions									
Utilisation rate (%)	87	88	89	87	88	89	*0.0*	*0.0*	*0.0*
PET margin (USD/ton)	284	296	338	180	170	338	*58.0*	*74.3*	*0.0*
PTA-PX margin (USD/ton)	246	260	210	126	150	210	*95.2*	*73.3*	*0.0*
MEG-(0.58) ethylene margin (USD/ton)	230	230	230	230	230	230	*0.0*	*0.0*	*0.0*
IOD EBITDA (USD m)	620	620	620	620	620	620	*0.0*	*0.0*	*0.0*

Sources: Globlex Research

Globlex Securities Co., Ltd.

Balance sheet (THB m) Year ending Dec	2024	2025	2026E	2027E	2028E
Current assets					
Cash & ST investment	17,496	27,356	123,852	182,183	223,430
Account receivable	53,085	36,334	35,553	35,225	35,107
Inventories	92,855	79,210	77,507	76,791	76,534
Others	20,680	23,742	23,742	23,742	23,742
Non-current assets					
Net fixed assets	271,124	269,933	250,384	230,600	210,580
Others	86,312	86,906	85,000	85,000	85,000
Total Assets	**541,552**	**523,480**	**596,038**	**633,541**	**654,392**
Current liabilities					
Account payable	106,061	93,125	91,123	90,282	89,979
ST borrowing	58,164	51,523	51,523	51,523	51,523
Others	28,512	25,915	32,562	32,562	32,562
Long-term liabilities					
Long-term debts	178,870	194,577	194,577	194,577	194,577
Others	31,015	29,389	94,304	115,906	115,906
Total liabilities	**402,622**	**394,529**	**464,089**	**484,850**	**484,547**
Paid-up capital	5,615	5,615	5,615	5,615	5,615
Retained earnings	70,008	58,294	72,124	88,746	109,714
Others	50,328	53,618	53,618	53,618	53,618
Minority interest	12,979	11,424	593	712	899
Shareholders' equity	**138,930**	**128,950**	**131,949**	**148,691**	**169,845**

Profit & loss (THB m) Year ending Dec	2024	2025	2026E	2027E	2028E
Revenue	**541,583**	**447,246**	**437,632**	**433,592**	**432,137**
Cost of goods sold	(438,328)	(369,413)	(347,129)	(338,836)	(330,230)
Gross profit	**103,254**	**77,832**	**90,503**	**94,756**	**101,908**
Operating expenses	(61,408)	(50,159)	(32,822)	(32,519)	(32,410)
Operating profit	**41,846**	**27,674**	**57,680**	**62,236**	**69,498**
EBIT	**39,280**	**(317)**	**33,182**	**37,502**	**44,528**
Depreciation	(27,990)	(27,991)	(24,498)	(24,734)	(24,970)
EBITDA	**67,270**	**27,674**	**57,680**	**62,236**	**69,498**
Non-operating income	**(18,313)**	**8,040**	**7,407**	**7,601**	**7,801**
Other incomes	4,314	6,279	6,467	6,661	6,861
Other non-op income	(22,626)	1,761	939	939	939
Non-operating expense	**(17,995)**	**(15,995)**	**(17,608)**	**(17,608)**	**(17,608)**
Interest expense	(17,228)	(15,457)	(16,108)	(16,108)	(16,108)
Other non-op expense	(768)	(538)	(1,500)	(1,500)	(1,500)
Equity income/(loss)	(589)	270	475	620	620
Pre-tax Profit	**2,383**	**(8,002)**	**23,456**	**28,115**	**35,341**
Extraordinary items	(25,424)	0	0	0	0
Current taxation	3,855	1,096	(3,212)	(3,850)	(4,839)
Minorities	(76)	(442)	(488)	(519)	(548)
Net Profit	**(19,262)**	**(7,348)**	**19,757**	**23,746**	**29,953**
Core net profit	**6,162**	**(7,348)**	**19,757**	**23,746**	**29,953**
EPS (THB)	**(3.43)**	**(1.31)**	**3.52**	**4.23**	**5.33**
Core EPS (THB)	**1.10**	**(1.31)**	**3.52**	**4.23**	**5.33**

Key ratios Year ending Dec	2024	2025	2026E	2027E	2028E
Growth (%YoY)					
Sales	0.0	(17.4)	(2.1)	(0.9)	(0.3)
Operating profit	19.7	(33.9)	108.4	7.9	11.7
EBITDA	35.1	(58.9)	108.4	7.9	11.7
Net profit	(78.3)	61.9	368.9	20.2	26.1
Core net profit	52.7	(219.3)	368.9	20.2	26.1
EPS	(78.3)	61.9	368.9	20.2	26.1
Core EPS	52.7	(219.3)	368.9	20.2	26.1
Profitability (%)					
Gross margin	19.1	17.4	20.7	21.9	23.6
Operation margin	7.7	6.2	13.2	14.4	16.1
EBITDA margin	12.4	6.2	13.2	14.4	16.1
Net margin	(3.6)	(1.6)	4.5	5.5	6.9
ROE	4.3	(6.0)	15.9	17.0	18.9
ROA	3.6	0.9	5.9	6.0	6.7
Stability					
Interest bearing debt/equity (x)	1.7	1.9	1.9	1.7	1.4
Net debt/equity (x)	1.6	1.7	0.9	0.4	0.1
Interest coverage (x)	2.3	(0.0)	2.1	2.3	2.8
Interest & ST debt coverage (x)	0.5	(0.0)	0.5	0.6	0.7
Cash flow interest coverage (x)	0.1	0.1	0.3	0.2	0.2
Current ratio (x)	1.0	1.0	1.5	1.8	2.1
Quick ratio (x)	0.4	0.4	0.9	1.2	1.5
Net debt (THB m)	219,538	218,744	122,248	63,917	22,671
Activity					
Asset turnover (X)	1.0	0.8	0.8	0.7	0.7
Days receivables	35.1	36.5	30.0	29.8	29.7
Days inventory	78.9	85.0	82.4	83.1	84.7
Days payable	93.1	98.4	96.9	97.7	99.6
Cash cycle days	20.9	23.1	15.5	15.2	14.8

Cash flow (THB m) Year ending Dec	2024	2025	2026E	2027E	2028E
Operating cash flow	**27,674**	**40,467**	**137,849**	**100,995**	**85,742**
Net profit	(19,262)	(7,348)	19,757	23,746	29,953
Depre.& amortization	27,990	27,991	24,498	24,734	24,970
Change in working capital	18,947	19,825	93,594	52,514	30,819
Others	0	0	0	0	0
Investment cash flow	**(36,724)**	**(43,819)**	**(32,544)**	**(32,556)**	**(32,555)**
Net CAPEX	(16,223)	(16,221)	(4,950)	(4,950)	(4,950)
Change in LT investment	(9,035)	(9,029)	(9,029)	(9,029)	(9,029)
Change in other assets	(11,466)	(18,568)	(18,564)	(18,577)	(18,576)
Free cash flow	**(9,050)**	**(3,351)**	**105,306**	**68,438**	**53,187**
Financing cash flow	**7,863**	**13,212**	**(8,809)**	**(10,107)**	**(11,941)**
Change in share capital	0	0	0	0	0
Net change in debt	11,813	9,066	(5,575)	(5,575)	(5,575)
Dividend paid	(3,930)	(3,930)	(5,927)	(7,124)	(8,986)
Others	(20)	8,076	2,693	2,592	2,620
Net cash flow	**(1,187)**	**9,861**	**96,496**	**58,331**	**41,246**
Per share (THB)					
EPS	(3.43)	(1.31)	3.52	4.23	5.33
Core EPS	1.10	(1.31)	3.52	4.23	5.33
CFPS	6.10	3.76	7.97	8.73	9.88
BVPS	22.43	20.93	23.40	26.36	30.09
Sales/share	96.46	79.66	77.95	77.23	76.97
EBITDA/share	11.98	4.93	10.27	11.08	12.38
DPS	0.70	0.70	1.06	1.27	1.60
Valuation					
P/E (x)	-7.26	-12.30	6.54	5.44	4.31
P/BV (x)	1.11	0.77	0.98	0.87	0.76
Dividend yield (%)	2.81	4.35	4.59	5.52	6.96
Divdend payout ratio (%)	-20.40	-53.48	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.