

Repacking the packaging growth

- Merger of EPL and Indovida would create more growth ahead
- Rising margins and lower raw material costs in Brazil further drive profit growth
- Maintain BUY and a TP of THB28

Right strategic move on lucrative assets

On 30 Mar-26, IVL announced its merger of the listed EPL and IVL's packaging assets (Indovida), resulting in IVL's higher stake in EPL from 24.9% to 51.8%. The total transaction value is THB23.8b (USD0.7b) and is expected to be complete by 2Q27 (12 months from today).

EPL + Indovida = right asset at the right time

EPL is one of leading global specialty packaging companies and the world's largest producer of laminated plastic tubes, listed on the National Stock Exchange of India (NSEI) and the Bombay Stock Exchange (BSE) with a market cap of ₹63.67b (USD680m) as of 30 mar-26. EPL specializes in laminated plastics tubes catering to the FMCG and Pharma industries, to merge with IVL's Indovida produces a rigid PET packaging platform producing preforms, bottles and closures.

Benefits from the EPL + Indovida merger

We think IVL's merger to increase stake in EPL is the right strategic move to enhance shareholders' value, given 1) the synergy of the merger between EPL and IVL's Indovida (packaging) will create a large-scale, highly efficient company specializing in producing both rigid PET and soft laminated plastics tubes; 2) financially, we estimate the new EPL to generate USD110m net profit and USD220m EBITDA annually and will contribute USD56m net profit and USD114m EBITDA to IVL annually; 3) USD35-40m annual synergy from the merger; and 4) accounting gain of USD0.7b to be booked by 2Q27.

Enhanced valuation for the new EPL

We believe it is a wise strategy for IVL to merge and retain the listing status of EPL, given the higher valuation of 15x P/E for EPL in NSEI and BSE vs only 7-8x forward P/E in SET. The higher organic demand growth in India at 7% per annum plus the synergy from the merger would drive IVL's net profit growth post-merger in 2027 onwards.

Solid growth ahead

We maintain BUY and a TP of THB28. IVL is our top pick in Thai petrochemical sector, supported by its strong net profit growth from the benefits from higher margins triggered by the supply disruption in the Middle East, the lower tax in Brazil on the new law, and the coming growth from the merger of EPL and Indovida, all likely to bear fruits in 2026-27.

Analyst

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ESG Rating : AAA

CG Rating : ▲▲▲▲▲

BUY

Target Price 12M (THB)	28.00
VS. BB Consensus TP (%)	+7.3%
Share Price (THB)	24.80
Upside/Downside	+12.9%

Share Data

Market Cap (THB m)	139,240.89
Par (THB)	1.00
Free Float (%)	35.16
Issued shares (m shares)	5,615

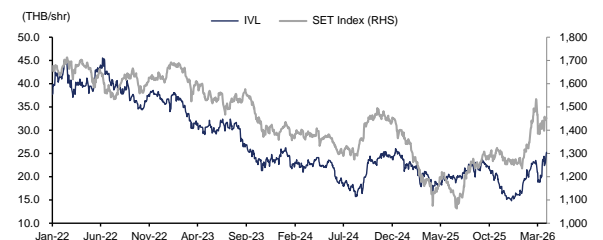
Financial forecast

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 (%)		231.4	187.1	200.5
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 (%)		0.00	0.00	0.00
DPS (THB)	0.70	1.06	1.27	1.60
P/E (x)	(12.30)	7.05	5.86	4.65
P/BV (x)	0.77	1.06	0.94	0.82
ROE (%)	(6.04)	15.88	17.00	18.90
Dividend yield (%)	4.35	4.26	5.12	6.45

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	8.30	54.04	10.71	54.04
Market	14.17	33.85	(2.69)	33.85
12M High/Low (THB)				25.25 / 14.60



Major Shareholders (%) as of 16 Mar 2026

Indorama Resources Co., Ltd	65.69
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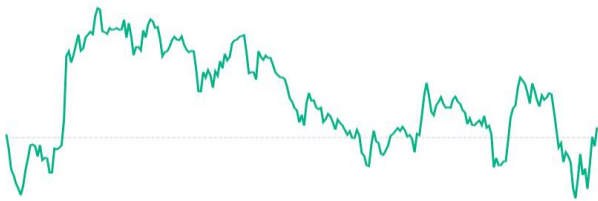
Company Profile

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: EPL's share price

EPL
₹205.27 +3.66 (1.76%) 1Y



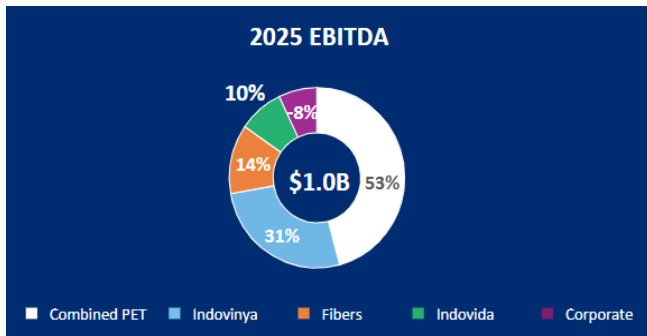
Sources: GROWW.in

Exhibit 2: EPL's key fundamentals

Market Cap	₹6,563Cr	ROE	15.71%
P/E Ratio(TTM)	16.15	EPS(TTM)	12.69
P/B Ratio	2.50	Dividend Yield	2.43%
Industry P/E	19.00	Book Value	81.93
Debt to Equity	0.32	Face Value	2

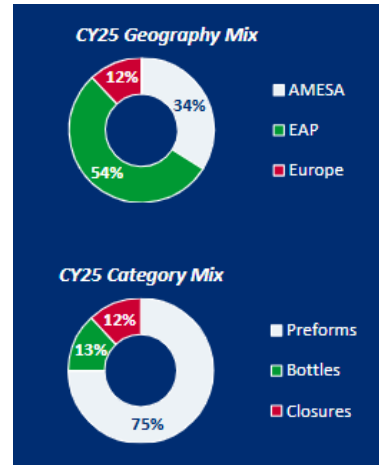
Sources: GROWW.in

Exhibit 3: IVL's EBITDA breakdown



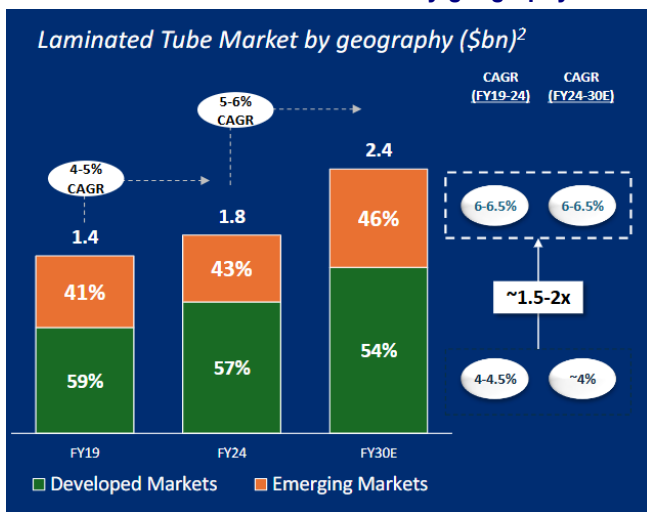
Sources: IVL

Exhibit 4: Indovida's geography and category mix



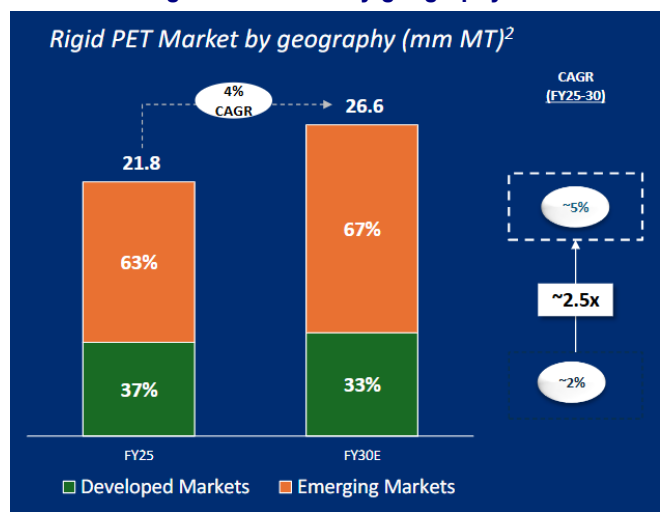
Sources: IVL

Exhibit 5: Laminated Tube Market by geography



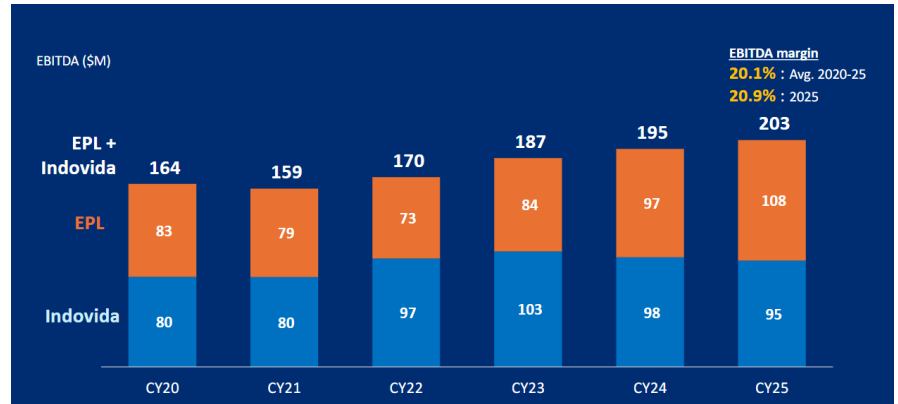
Sources: IVL

Exhibit 6: Rigid PET Market by geography



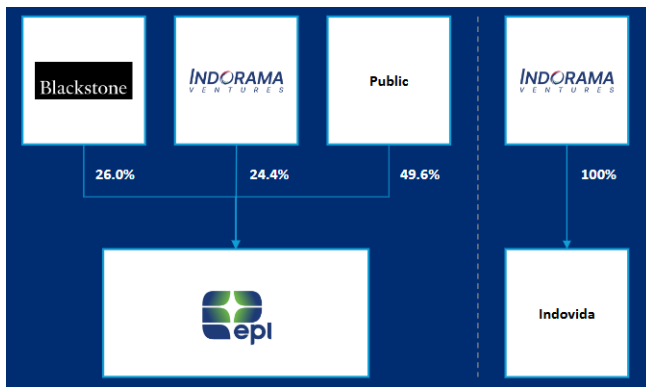
Sources: IVL

Exhibit 7: High EBITDA margin and Historical track of EBITDA growth



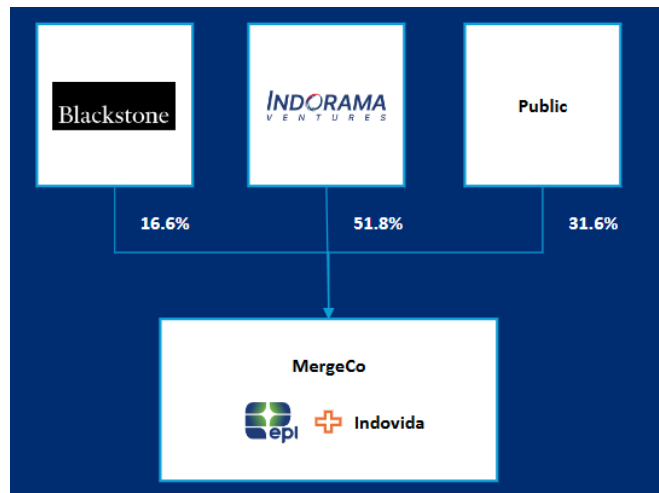
Sources: IVL

Exhibit 8: Pre-Merger Shareholding Title



Sources: IVL

Exhibit 9: Post-Merger Shareholding



Sources: IVL

Balance sheet (THB m)						Profit & loss (THB m)						
Year ending Dec	2024	2025	2026E	2027E	2028E	Year ending Dec	2024	2025	2026E	2027E	2028E	
Current assets						Revenue						
Cash & ST investment	17,496	27,356	123,852	182,183	223,430		541,583	447,246	437,632	433,592	432,137	
Account receivable	53,085	36,334	35,553	35,225	35,107		(438,328)	(369,413)	(347,129)	(338,836)	(330,230)	
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						Gross profit						
Net fixed assets	271,124	269,933	250,384	230,600	210,580		103,254	77,832	90,503	94,756	101,908	
Others	86,312	86,906	85,000	85,000	85,000							
Total Assets	541,552	523,480	596,038	633,541	654,392	Operating expenses						
Current liabilities							(61,408)	(50,159)	(32,822)	(32,519)	(32,410)	
Account payable	106,061	93,125	91,123	90,282	89,979		41,846	27,674	57,680	62,236	69,498	
ST borrowing	58,164	51,523	51,523	51,523	51,523		Operating profit	39,280	(317)	33,182	37,502	44,528
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	EBIT						
Paid-up capital	5,615	5,615	5,615	5,615	5,615		39,280	(317)	33,182	37,502	44,528	
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	EBITDA						
Key ratios							67,270	27,674	57,680	62,236	69,498	
Year ending Dec	2024	2025	2026E	2027E	2028E	Non-operating income						
Growth (%YoY)							(18,313)	8,040	7,407	7,601	7,801	
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	Pre-tax Profit						
Profitability (%)							2,383	(8,002)	23,456	28,115	35,341	
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	Extraordinary items						
Stability							(25,424)	0	0	0	0	
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	Current taxation						
Activity							3,855	1,096	(3,212)	(3,850)	(4,839)	
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	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	
						Cash flow (THB m)						
							1.10	(1.31)	3.52	4.23	5.33	
						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)						
							(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						
							-7.26	-12.30	7.05	5.86	4.65	
						P/E (x)						
							1.11	0.77	1.06	0.94	0.82	
						P/BV (x)						
							2.81	4.35	4.26	5.12	6.45	
						Dividend yield (%)						
							-20.40	-53.48	30.00	30.00	30.00	
						Dividend payout ratio (%)						

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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 $(\text{target price}^* - \text{current price}) / \text{current price}$.

- 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.