

A winner on war and post war

- End of war is IVL's beginning of recovery and growth
- Surging 2Q26 to be followed by profitable 2H26
- Maintain BUY and a TP of THB28.0

Emerging opportunity, not risk, after the war ends

We believe the recent decline in IVL's share price after the sharp fall in the crude oil price is overdone and we indeed see the drop in the oil-driven feedstock for IVL's core products of PET and polyester fibers to "normalize" and improve subsequently, given the rising demands and the still limited supply even after the end of U.S.-Iran war.

More favorable drivers post-war for IVL's polyester/IOD chains

After two five consecutive reported quarterly net loss due to IVL's impairment and inventory loss and two consecutive core net loss due to the industry depressed margins on oversupply, we think IVL is now poised to see stronger quarterly net profits in 2Q26 onwards. Key drivers are the improving demands for Integrated Oxide and Derivatives (IOD), PET, and fibers, the sharp plunges in energy and feedstock costs, and the limited supply into the market thanks to the damages caused on the operating supply chain in the Middle East.

Expect super strong 2Q26 performance

We forecast 2Q26 EBITDA to jump substantially to USD450m (THB15b), up from USD250m (THB8.0b) in 1Q26 and USD280m (THB9.0b) in 1Q25, and well above IVL's estimated quarterly breakeven EBITDA at USD300m. With no anticipated large extra items, we think IVL will post a super strong 2Q26 net profit of THB3.0-5.0b.

Promising 2H26-2027 outlook

In 2H26-2027, while we expect the integrated PET-PTA margin to normalize from USD270/t in 2Q26 (vs USD170/t in 1Q26) to USD180-200/t, the level that will not only enable IVL to generate healthy net profits but also to timely capture the rising demands for IOD/PET/fibers as tighter supplies of propylene chain (PO), a key feedstock for IOD, and aromatics chain (PX), a key feedstock for PET and PTA, should prolong due to the permanent/prolonged shutdowns of supplies in Middle East (damages) and China (lack of sufficient feedstock).

Buy on weakness on outstanding 2Q26 and healthy 2H26

We believe the recent 20% share price collapse within 7 weeks reflects investors' misunderstanding on IVL's more favorable industry environment than other petrochemical sectors, particularly olefins and aromatics which we remain bearish on margin outlook due to the larger-and-longer oversupply visibilities. Unlike olefins and aromatics chain margin still facing depressed margin post war, we think IVL's solid 2Q26 and the y-y better margin outlook in 2H26 onwards under the industry margin normalization should well support IVL's EBITDA and net profits growth and resiliency, in our view.

Analyst

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ESG Rating : AAA

CG Rating : ▲▲▲▲▲

BUY

Target Price 12M (THB)	28.00
VS. BB Consensus TP (%)	+4.8%
Share Price (THB)	21.00
Upside/Downside	+33.3%

Share Data

Market Cap (THB m)	117,905.59
Par (THB)	1.00
Free Float (%)	34.22
Issued shares (m shares)	5614.55

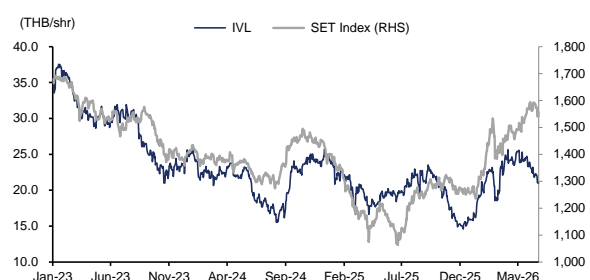
Financial forecast

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 (%)		200.2	177.1	172.9
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 (%)		368.86	20.19	26.14
DPS (THB)	0.70	1.06	1.27	1.60
P/E (x)	(12.30)	5.97	4.97	3.94
P/BV (x)	0.77	0.90	0.80	0.70
ROE (%)	(6.04)	15.88	17.00	18.90
Dividend yield (%)	4.35	5.03	6.04	7.62

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(14.98)	(6.67)	29.63	30.43
Market	(15.43)	(12.69)	5.19	5.42
12M High/Low (THB)			26.25 / 14.60	



Major Shareholders (%) as of

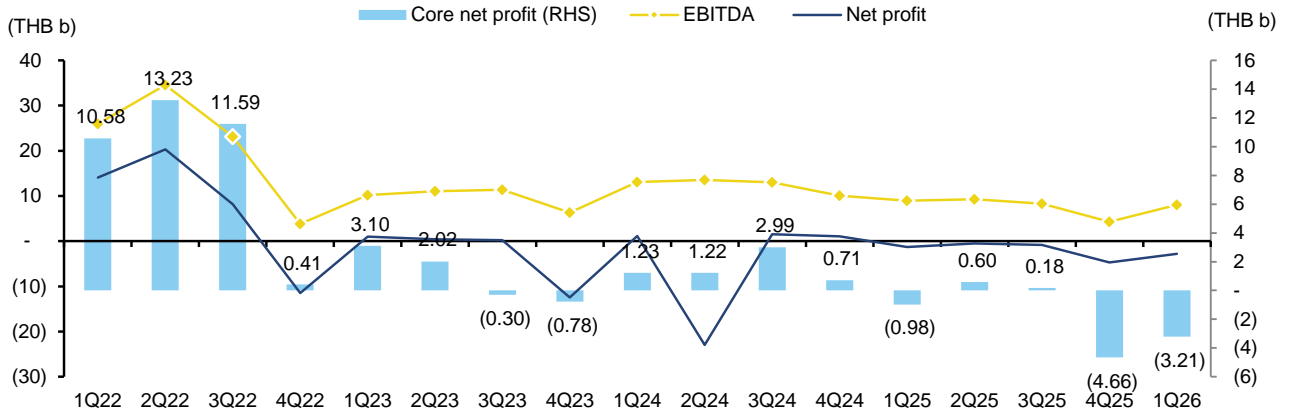
Indorama Resources Co., Ltd	65.69
Thai NVDR Company Limited	5.85
Bangkok Bank Public Co, Ltd	4.83

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. The Company is structured into four business segments: Combined PET (CPET), Fibers, Indovinya and Indovida (Packaging)

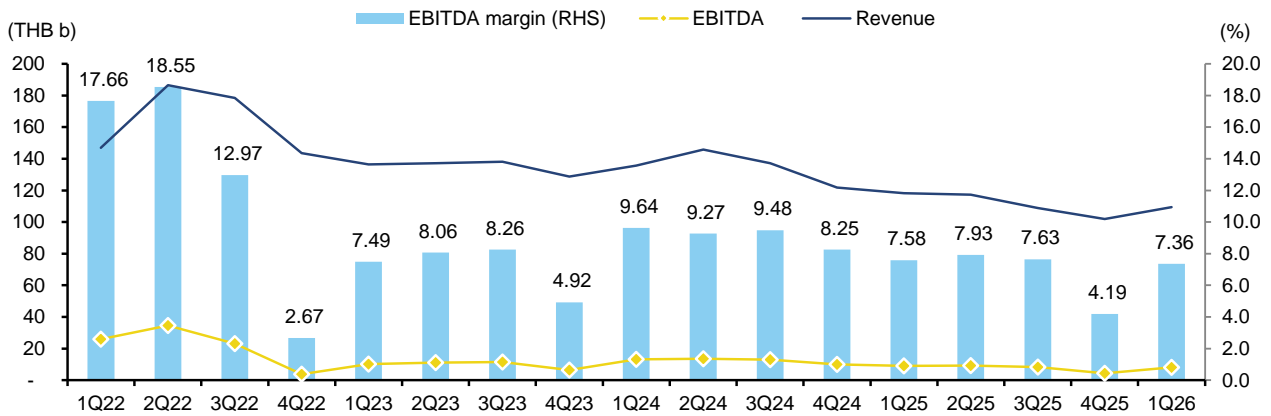
Source: SETSMART, SET

Exhibit 1: Quarterly core net profit, EBITDA, and net profit



Sources: IVL

Exhibit 2: Quarterly EBITDA margin, EBITDA, and revenue



Sources: IVL

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

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

Profit & loss (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Revenue					
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

Cash flow (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Operating cash flow					
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	5.97	4.97	3.94
P/BV (x)	1.11	0.77	0.90	0.80	0.70
Dividend yield (%)	2.81	4.35	5.03	6.04	7.62
Dividend payout ratio (%)	-20.40	-53.48	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.