

17 SEPTEMBER 2021

THAILAND / PETROCHEM & CHEMICALS

INDORAMA VENTURES IVL TB

BUY

UNCHANGED

TARGET PRICE	THB62.00
CLOSE	THB44.50
UP/DOWNSIDE	+39.3%
PRIOR TP	THB57.00
CHANGE IN TP	+8.8%
TP vs CONSENSUS	+16.5%

IOD และ PET เป็นผู้นำในการเร่งการเติบโต

คาดการณ์กำไรสุทธิจากการดำเนินงานจะโตขึ้น h-h เป็น 10-11 พัน ลบ. ในช่วง 2H21 ต่างจากในปี 2020 ที่ IVL ประสบปัญหาจากอุบัติเหตุหลายประการที่ทำให้กำไรสุทธิอ่อนแอ ในช่วง 1H20 และปี 2020 เราคิดว่ากำไรสุทธิของ IVL จะยังอยู่ในระดับสูง ในช่วง 2H21 เพิ่มขึ้นจากกำไรสุทธิที่ติดลบแล้วที่ 14 พัน ลบ. และกำไรสุทธิจากการดำเนินงานที่ 10.5 พัน ลบ. ในช่วง 1H21 เราคิดว่ากำไรสุทธิจากการดำเนินงานของ IVL ในช่วง 2H21 จะอยู่ในช่วง 10-11 พัน ลบ. โดยได้ปัจจัยผลักดันจาก PET-PTA margin ที่ดีต่อเนื่องในตลาดตะวันตก (ยุโรปและทวีปอเมริกา), PET-PTA margin ที่กำลังดีขึ้นในเอเชีย, และ Product margin ที่ดีของกลุ่ม Integrated Oxide and Derivatives (IOD)

3 ปัจจัยที่จะผลักดันให้กำไรสุทธิมีแนวโน้มที่ดีขึ้นในช่วง 2H21 - ปี 2022

เราเห็นปัจจัย 3 ประการที่จะผลักดันการเติบโตของกำไรสุทธิของ IVL ในช่วง 2H21 - ปี 2022 ประการแรกเราคาดว่ากำไรสุทธิจากการดำเนินงานของ Ethane Cracker ขนาด 0.44mtpa ในเดือน ก.ย. 21 หลังปิดมาเป็นเวลา 1 ปีน่าจะสร้าง EBITDA จำนวน USD30-50 ล้าน ในปี 2021 ประการที่สอง PET-PTA margin รวมที่อยู่ในระดับสูงในเอเชียและตลาดตะวันตกจากความต้องการที่สูงขึ้นน่าจะช่วยชดเชยผลกระทบจากอุปทานใหม่ในจีน ประการที่สามเราคาดว่าอัตรากำไรขั้นต้นจะมีความเสี่ยงมากขึ้นมากถึง USD30-50/t y-y สำหรับ PET ซึ่งเป็นกลุ่มผลิตภัณฑ์ที่ใหญ่ที่สุดของบริษัทฯ ในปี 2022 ปัจจุบัน IVL กำลังเจรจากับลูกค้าระดับโลกเพื่อตกลงราคา PET ในสัญญาใหม่ในตลาดตะวันตก

ไม่ได้รับผลกระทบจากเฮอริเคนในปี 2021

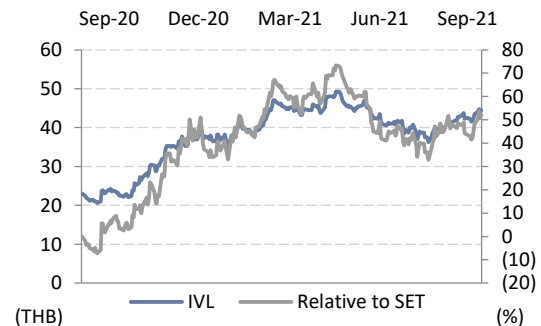
ต่างจากเฮอริเคนลอราที่เข้าชนบริเวณเท็กซัสตอนใต้ ซึ่งโรงงานผลิต IOD ของ IVL ตั้งอยู่ เฮอริเคนไอด้าพัดเข้าหลุยส์เซียนาตอนใต้ที่ IVL ไม่มีโรงงานผลิต จากข้อมูลของผู้บริหาร IVL ไม่ได้รับผลกระทบจากไอด้าและการปิดระยะเพียงสั้น ๆ เพื่อป้องกันก่อนไอด้าเข้าอ่าวเม็กซิโก มีผลกระทบเล็กน้อยมาก เราคิดว่า IVL ไม่น่าจะได้รับผลกระทบจากความเสียหายขนาดใหญ่ต่อโรงงานผลิต IOD ของบริษัทฯ ในช่วง 2H21 เนื่องจาก National Oceanic and Atmospheric Administration (NOAA) คาดว่าพายุในอนาคตส่วนมากน่าจะมีความรุนแรงน้อยกว่าไอด้า

คงแนะนำซื้อหลังปรับราคาเป้าหมายเป็น 62 บาท

เราปรับเพิ่มราคาเป้าหมายจาก 57 บาท (11.1x ของค่า 2021E EV/EBITDA) เป็น 62 บาท (8x ของค่า 2021E EV/EBITDA) ค่า Forward EV/EBITDA ลดลงจาก 1) อัตรากำไรที่คาดว่าจะลดลงของ PTA ในเอเชีย แม้เราคาดว่า PET จะมีวงจรรายได้ที่ดีในปี 2021-22; และ 2) การปรับประมาณการกำไรต่อหุ้นและ EBITDA

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	331,513	362,740	361,292	367,431
Net profit	2,122	24,731	28,041	34,366
EPS (THB)	0.38	4.37	4.96	6.07
vs Consensus (%)	-	21.3	47.2	70.8
EBITDA	31,473	61,577	64,899	78,026
Core net profit	6,430	22,909	26,019	32,344
Core EPS (THB)	1.14	4.05	4.60	5.72
Chg. In EPS est. (%)	-	98.9	78.6	88.5
EPS growth (%)	(46.4)	256.3	13.6	24.3
Core P/E (x)	39.1	11.0	9.7	7.8
Dividend yield (%)	0.4	4.6	5.2	6.4
EV/EBITDA (x)	13.8	6.6	5.9	4.6
Price/book (x)	2.0	1.7	1.5	1.3
Net debt/Equity (%)	128.9	74.9	53.3	31.6
ROE (%)	5.0	16.5	16.4	18.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	8.5	2.3	91.0
Relative to country (%)	1.9	1.9	51.4
Mkt cap (USD m)	7,558		
3m avg. daily turnover (USD m)	27.0		
Free float (%)	33		
Major shareholder	Indorama Resources (63%)		
12m high/low (THB)	50.00/20.20		
Issued shares (m)	5,614.55		

Sources: Bloomberg consensus; FSSIA estimates



Suwat Sinsadok

 suwat.sin@fssia.com
 +66 2611 3558

Siriluck Pithusoonthorn

 siriluck.pin@fssia.com
 +66 2611 3562

PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทความวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 17 กันยายน 2021

Investment thesis

We believe IVL is now at an inflection point for its third growth phase, transforming from a high value-added (HVA)-driven, polyethylene terephthalate (PET)/purified terephthalic acid (PTA)-focused product company into a packaging, olefin-integrated company in 2019-23.

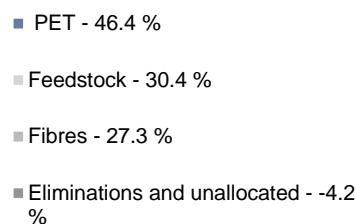
Unlike its last two growth cycles when IVL funded its capacity growth through debt and capital increases using warrants (IVL-W1 and IVL-W2), key growth strategies in IVL's third growth cycle could be driven by 1) M&A in the global packaging business, non-PET packaging in frontier markets and specialty chemicals for polyester chain products; and 2) backward integration into the olefins business, including an ethane cracker, propylene production, and downstream polyethylene (PE) and polypropylene (PP), as these are key feedstock materials for IVL's growing packaging segment. The integration focus should only be on self-sufficient, non-merchant applications.

Company profile

Indorama Ventures (IVL) was incorporated in 2003 to start up a petrochemical business in Thailand. Initially focusing on wool fibre, the company expanded into the polyester chain, including polyester fibre, PET, and PTA.

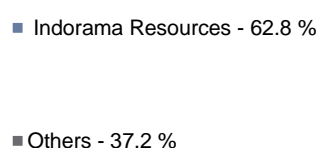
www.indoramaventures.com

Principal activities (revenue, 2020)



Source: Indorama Ventures

Major shareholders



Source: Indorama Ventures

Catalysts

Potential catalysts for IVL include 1) higher PET and PTA margins; 2) a 10% y-y rising sales volume due to multiple acquired assets in 2018; and 3) an EBITDA margin recovery for HVA products, given the re-pricing of HVA products to reflect higher feedstock costs.

Risks to our call

The key downside risks to our EV/EBITDA-based TP are weaker-than-expected margins for PX-PTA and PET-PTA, lower demand for polyester, and delays in IVL's projects.

Event calendar

Date	Event
Nov 2021	3Q21 results announcement

Key assumptions

	2021E	2022E	2023E
	(USD/tonne)	(USD/tonne)	(USD/tonne)
Utilisation rate (%)	87	88	89
PET margin	249	261	357
PTA-PX margin	142	147	122
MEG-(0.58) ethylene margin	250	230	230
IOD EBITDA	340	360	440

Source: FSSIA estimates

Earnings sensitivity

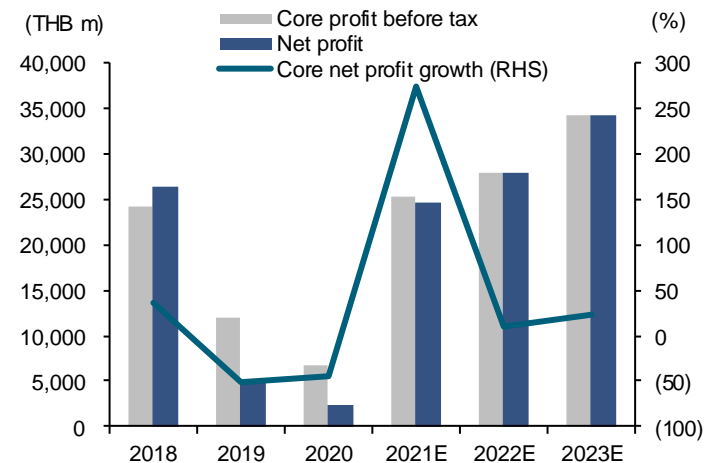
- For every 1% change in the THB/USD exchange rate, we estimate a 1.4% change in 2021 EPS, all else being equal.
- For every 1% increase in latex price, we estimate 2021 EPS would fall 0.7%, and vice versa, all else being equal.
- For every 1% increase in utilisation rate, we estimate 2021 EPS would rise 1.5%, and vice versa, all else being equal.
- For every 1% increase in ASP, we estimate 2021 EPS would rise by 0.8%, and vice versa, all else being equal.

Source: FSSIA estimates

IOD and PET leading the growth charge

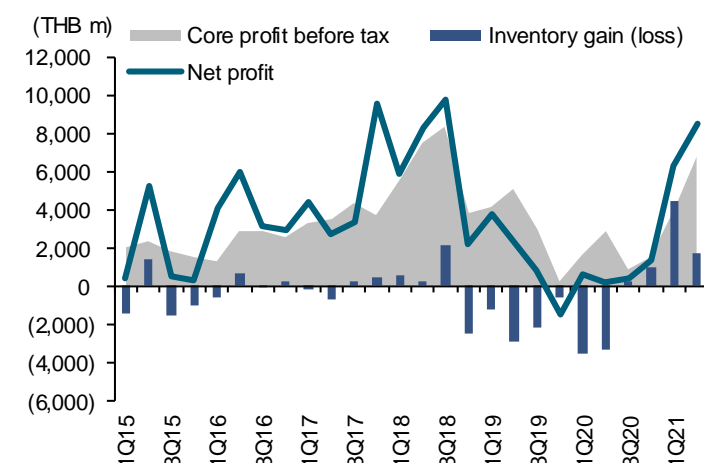
Unlike in 2020 when IVL suffered from a series of mishaps that largely led to its weak 1H20 and 2020 reported net profits, we think IVL's net profit growth will remain strong in 2H21, up from the already solid 1H21 net profit of THB14b. We project IVL's core net profit in 2H21 to be in the range of THB10b-11b, driven by the continually strong PET-PTA margins in Western markets (Europe and the Americas), improving PET-PTA margins in Asia, and strong product margins for the IOD group.

Exhibit 1: Annual core profit before tax, inventory gains (losses), and reported net profit



Source: IVL, FSSIA estimates

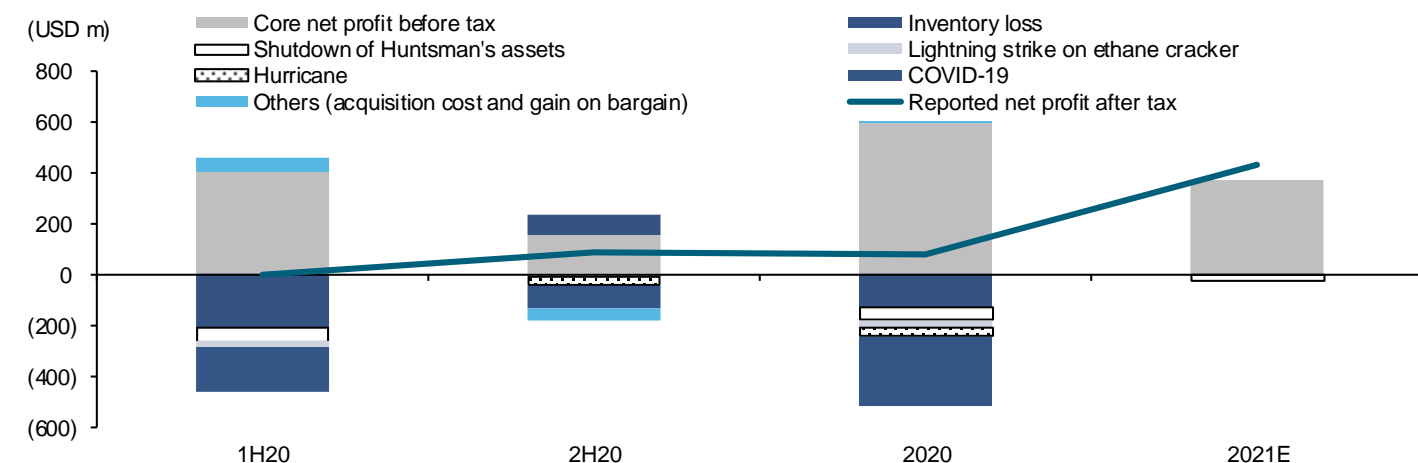
Exhibit 2: Quarterly core profit before tax, inventory gains (losses), and reported net profit



Source: IVL

Mishaps unlikely in 2021. We think IVL will see earnings growth from the start-up of its 0.44mtpa ethane cracker in Sep-21, following the already improving utilisation rate of the IOD product group in 1H21. In 2020, IVL witnessed an unprecedented series of mishaps that resulted in significant net losses amounting to USD479m, based on our estimate, comprising both internal factors (unplanned shutdowns of its MTBE/propylene oxide (PO) plants) and external factors (plant shutdowns and damages due to a hurricane, lightning strike damage, inventory losses, and lower demand due to the Covid-19 pandemic).

Exhibit 3: Breakdown of IVL's core net profit against the multiple non-recurring items in 2020

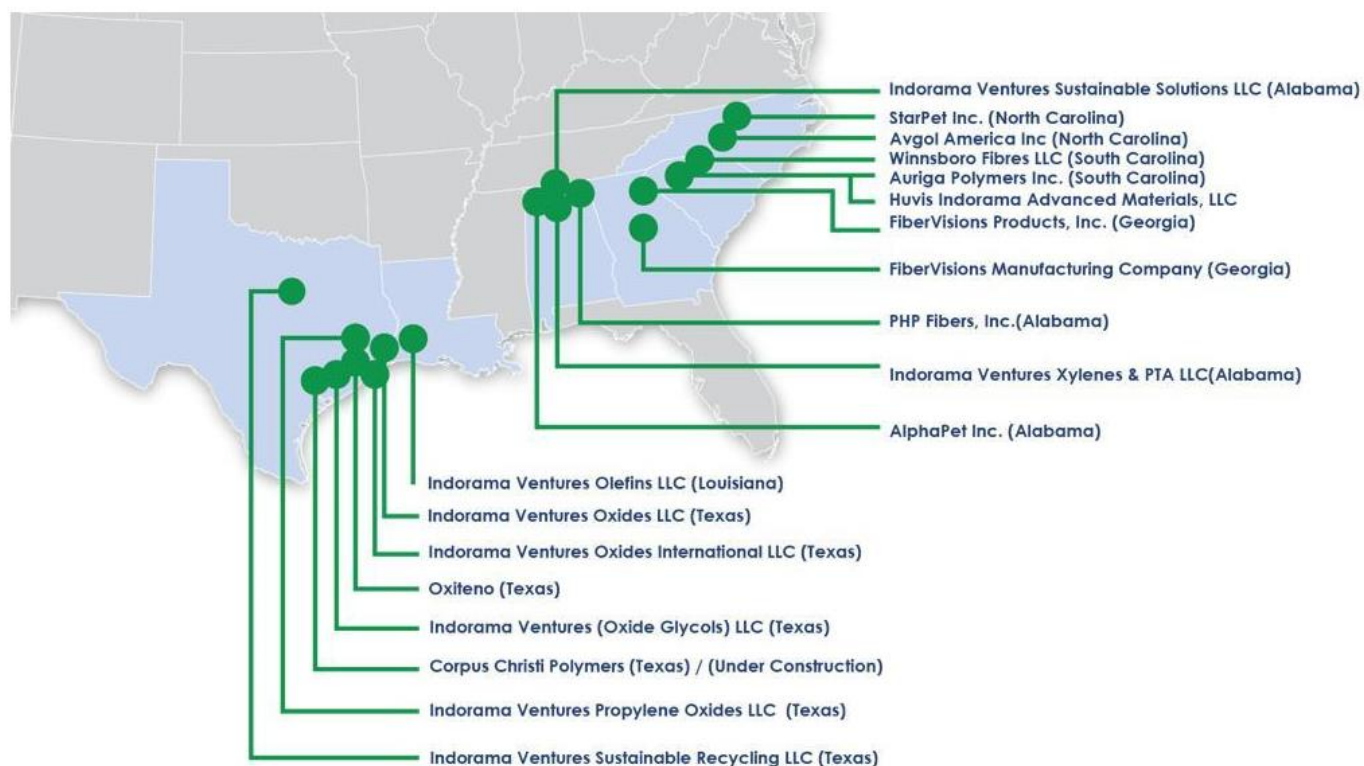


Sources: IVL; FSSIA estimates

Our analysis indicates that IVL's multiple net losses from non-recurring items in 2020 included 1) a USD131m inventory loss due to the sharp plunge in the oil price in 1H20; 2) USD50m due to the unplanned shutdowns of its MTBE and PO plants in 1H20; 3) USD30m due to the lightning strike on its 0.44mtpa ethane cracker in Mar-20; 4) USD35m due to the hurricane impact in 2H20; and 5) USD271m from the demand drop by 9% y-y, particularly for lifestyle and automotive fibres, due to the Covid-19 impact throughout 2020.

As a result, IVL's 2020 reported net profit was only THB2.1b and its reported EBITDA was only USD1.1b, significantly below IVL's EBITDA target of USD1.3b and our projected EBITDA of USD1.4b in 2020.

Exhibit 4: IVL's US plant locations



Source: IVL

Hurricane impact on IVL's IOD production is less likely in 2H21

In Oct-20, Hurricane Laura made landfall on the US Gulf Coast where IVL's key assets for its IOD group are located. These assets were mostly acquired from Huntsman in 2019 with a total capacity of 3.1mtpa. The hurricane caused operational disruptions to IVL's IOD plants, which amounted to a total loss of USD35m, based on management's guidance.

Hurricane Ida is the first major hurricane to strike the US GOM in 2021. On 29 August, Hurricane Ida, which started as a ferocious Category 4 hurricane with wind speeds up to 150 miles per hour, landed on the US Gulf of Mexico (GOM), affecting the energy supply and demand, especially for transportation fuels and electricity. However, Hurricane Ida, 12 hours after coming ashore, weakened into a Category 1 hurricane after forcing a precautionary shutdown of GOM oil and refinery production. As of 30 Aug-21, nearly 1.74m barrels per day (mbpd) of oil production was suspended in advance of the storm.

Unlike Hurricane Laura, which directly hit the southern Texas area where IVL's IOD production plants are located, Hurricane Ida landed in southern Louisiana where IVL has no production plants. Hence, IVL saw no impact from Ida, and only the short period of precautionary shutdowns before Ida hit the Gulf of Mexico had a very limited impact, based on management's guidance.

2021 hurricane season is less likely to impact IVL's IOD production. The US federal government expects an active Atlantic hurricane season in 2021, with 7-10 hurricanes forming, according to an updated forecast released on 25 Aug-21. According to NOAA, up to 15-21 named storms could develop in the 2021 hurricane season, including tropical storms, which have wind speeds of around 39 miles per hour (mph) or higher.

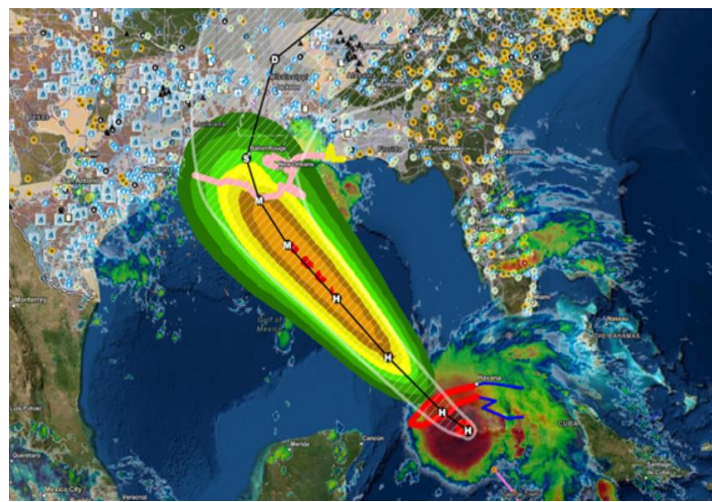
Storms become hurricanes when winds reach 74mph. Of the predicted hurricanes, 3-5 could be major like Ida, with wind speeds of 111mph or higher. YTD, 5-6 named storms, including Hurricane Elsa and Ida have formed and hit the GOM and Florida, according to NOAA.

Exhibit 5: US energy infrastructure with active storms and other hazards



Source: [Energy Information Administration \(EIA\)](#)

Exhibit 6: Mapping system and data series show energy infrastructure near Hurricane Ida



Source: [EIA](#)

We believe the coming hurricane season in the GOM that is expected to last until Dec-21, according to the US National Hurricane Center, could lead to supply disruptions for US upstream oil & gas and downstream refineries and petrochemical production in 3Q-4Q21. The US Gulf Coast area is a key region for US petroleum infrastructure, with over half of its 9.7mbpd refinery capacity.

We think IVL is less likely to suffer from major damage to its IOD production plants in 2H21, as most of the future storms are projected to be less severe than Hurricane Ida, based on NOAA's forecast.

Ethane cracker start-up to strengthen IVL's IOD EBITDA

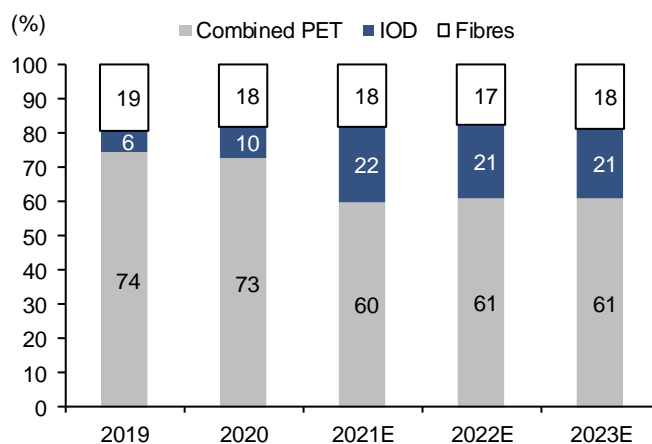
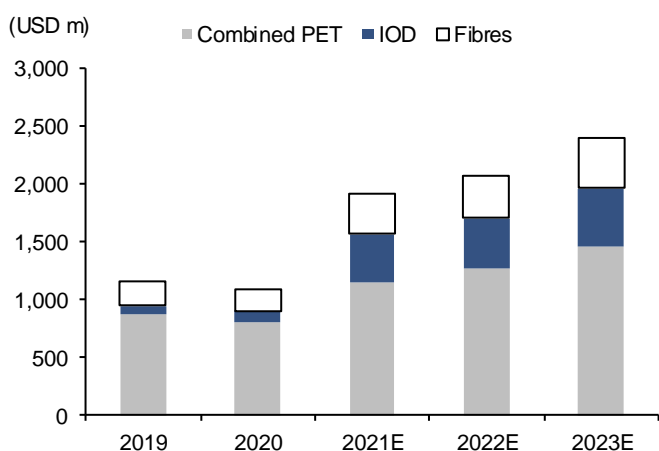
We think the upcoming commencement of the commercial operation date (COD) of IVL's 0.44mtpa ethane cracker will further strengthen the EBITDA from its IOD product group.

We now expect IVL's net profit growth in 2021 to be strong at 256% y-y. We estimate that IVL will generate USD1.9b EBITDA in 2021, up from our previous forecast of USD1.47b and USD1.1b in 2020. This should be backed by a sharp EBITDA rebound from its IOD group that we project to rise from USD105m in 2020 to USD420m in 2021, from fibres (USD195m in 2020 to USD340m in 2021) and from combined PET (USD794m in 2020 to USD1.14b in 2021).

In 1H21, IVL generated total core EBITDA of USD844m and reported EBITDA of USD1b, driven by the stronger EBITDA at USD579m from combined PET, USD134m from IOD, and USD137m from fibres. We believe the EBITDA growth will continue for all three units in 2H21, thanks to the higher demand and tight supply in North America and Asia due to the impact of the Covid-19 pandemic.

Exhibit 7: EBITDA breakdown by business unit

Exhibit 8: EBITDA breakdown by business unit (%)



Sources: IVL; FSSIA estimates

Sources: IVL; FSSIA estimates

Ethane cracker is now back on track. In Apr-20, IVL's 0.44mtpa ethane cracker, which just started operations in 4Q19, was hit by a lightning strike, forcing a complete shutdown for 10 months until Feb-21, according to management. While management stated that most of the property damage of up to USD8m-10m and the earnings loss of USD10m-15m per quarter was mostly covered by insurance, we estimate that IVL still suffered up to a USD20m net loss in 2020.

As management indicated that IVL plans to start up its ethane cracker unit in Sep-21, a 7-month delay from February due to the impact of Covid-19 and technical problems, we expect the ethane cracker to drive up IVL's net profit starting in 4Q21.

Exhibit 9: IVL's US plants

	Product	Location	State	Capacity (ktpa)
IVSRLLC R	PET Recycling	Corpus Christi	Texas	44
IVSSF	PET Recycling	Fontana	California	40
Custom Polymers	PET Recycling	Athens	Alabama	33
Auriga Polymer	PET	Spartanburg	South Carolina	458
AlphaPet	PET	Decatur	Alabama	450
StarPet	PET	Asheboro	North Carolina	266
IVXP	PTA	Decatur	Alabama	745
IVXP	PIA			220
Avgol-NA FIBERS NA	Fibre	Mocksville	North Carolina	70
DuraFiber WB FIBERS NA	Fibre	Winnsboro	South Carolina	85
PHP FIBERS NA	Fibre	Scottsboro	Alabama	85
Fibervision FIBERS NA	Fibre	Covington	Georgia	221
IVOL	Ethylene	West lake	Louisiana	440
IVOG	Crude EO	Clear Lake	Texas	417
IVOXUS	Crude EO	Port Neches	Texas	683
IVOXUS	PO, MTBE, Surfactants	Chocolate Bayou, Dayton, Port Neches	Texas	NA
IVOG	PEO, MEG	Clear Lake	Texas	NA.

Source: IVL

IOD emerges as IVL's next growth driver. After having successfully transitioned its production portfolio from commodity-driven to HVA-driven production during its two growth cycles (2000-18), we estimate that IVL is now in the next growth phase to increase its EBITDA by 2.3x during 2019-23 to USD2.7b in 2023. It should be backed by the EBITDA from its IOD group that we project at USD0.6b-1.0b, and the remaining EBITDA growth should come from IVL's capacity expansion into new markets and the capacity growth of its recycling PET (rPET) globally, which we project to reach 750ktpa by 2025. On 16 Aug-21, IVL announced the 100% acquisition of the IOD Oxiteno asset from Ultrapar for USD1.3b. The acquisition of Oxiteno follows the acquisition of the USD2b IOD assets from Huntsman in 1Q20, indicating that IVL is aiming to grow its IOD capacity in 2021-23.

Exhibit 10: IVL's and Oxiteno's IOD product portfolios

IVL's capacity post acquisition of Huntsman's assets	Huntsman (ktpa)	Ethane cracker (ktpa)	Texas plant (ktpa)	Oxiteno (ktpa)	Total (ktpa)
Ethylene	218	420			638
Propylene	64	20			84
EG	532		300	/	832
EO	635		250	440	1,325
Surfactants	360			/	360
PO	238			/	238
MTBE	731			/	731
Ethanolamine (EOA, MEA, DEA, TEA)	181				181
Natural fatty alcohol				/	
Others	188			/	188
Total	3,147	440	550	440	4,577

Source: IVL

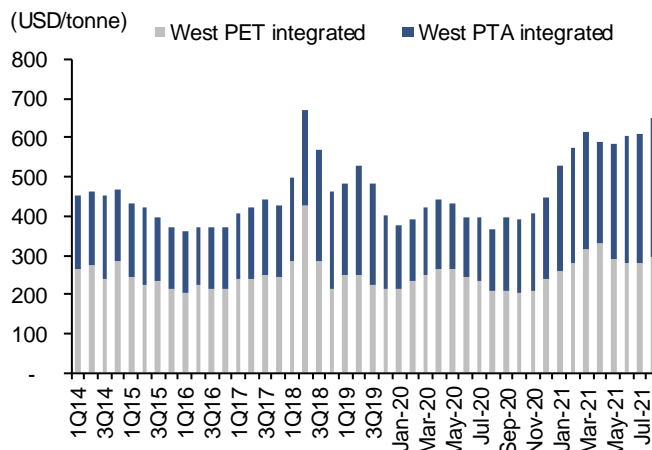
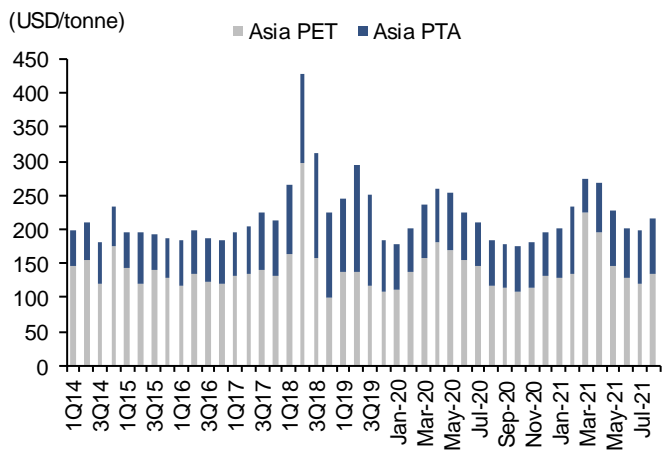
Rising margin to continue for integrated PET-PTA

The integrated PET-PTA margin (IPPM) in Asia has improved to USD220/t in Aug-21, up from USD200/t in Jul-21, due to the stronger demand that helped offset the impact of the new supply in China. While IVL has only 10-15% EBITDA generated from the combined capacity of PET and PTA in Asia, we believe the impact will be positive for IVL's share price. The IPPM margin in Western markets is linked to Asia, as Europe and North America import PET and PTA from Asia.

The IPPM in Western markets has continued to rise to over USD630/t in Aug-21, the highest level since it peaked at 680/t in 2Q18, thanks to the high freight cost and the container shortage caused by the global lockdowns to curb the Covid-19 pandemic. The higher demand for PET and fibres, particularly for automobile and lifestyle fibre products, have further boosted the IPPM margin globally. We think the IPPM margin uptrend should continue in 2H21 into 2022, driven by higher demand on the global reopening and the gradual return to normalcy of economic activities due to an improving situation via 'herd immunity' for the Covid-19 pandemic.

Exhibit 11: Asia industry PET and PTA spread

Exhibit 12: West industry PET and PTA spread

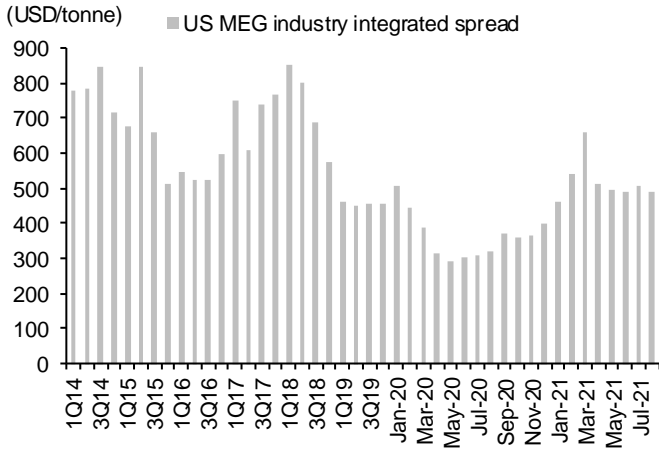


Source: IVL

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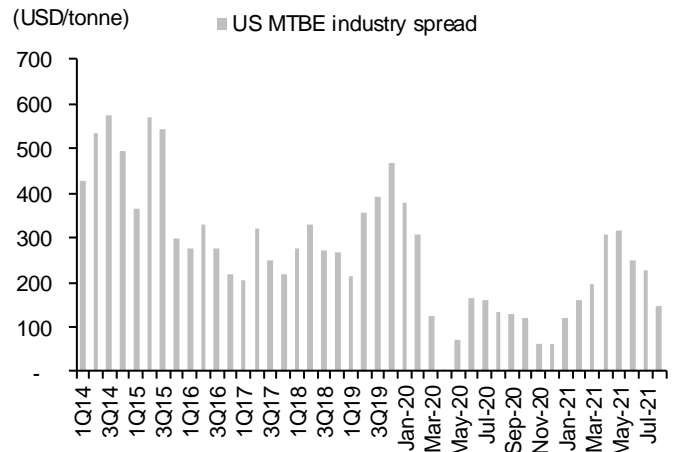
The MEG and MTBE margins have remained strong YTD, recovering from their bottoms in 2020 due to the demand recovery in North America and Europe. However, the MTBE margin has dropped below USD200/t YTD due to the export constraints from the US to South American markets caused by the transportation disruptions. Despite this, we still expect a strong overall IOD EBITDA in 2H21, backed by the solid margins of other IOD products.

Exhibit 13: US MEG industry integrated spread



Source: IVL

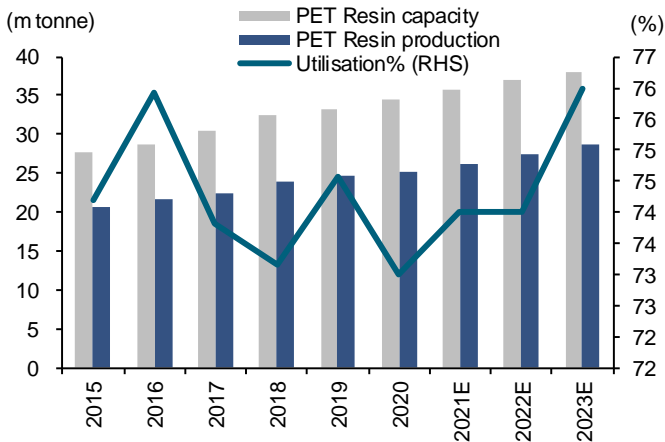
Exhibit 14: US MTBE industry spread



Source: IVL

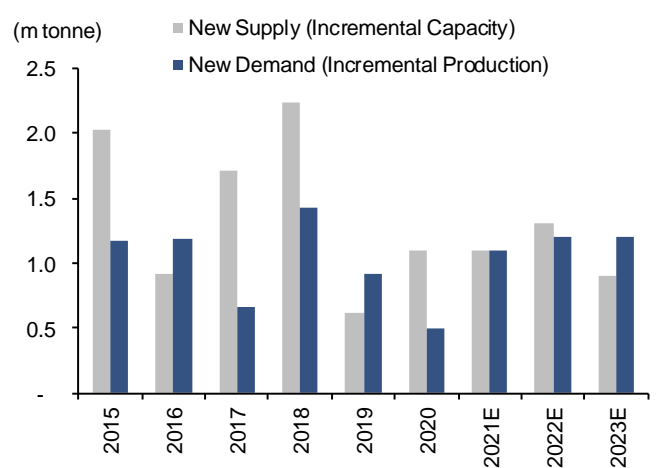
Higher PET-PTA margin to offset a weak PTA-PX margin in 2H21-2022. While the PTA-PX margin has continued to weaken due to the new supply from China, leading to a lower projected utilisation rate for global PTA producers, including IVL, we think the sustained, strong margin of PET-PTA globally and our projected higher utilisation rate for global PET producers should more than offset the impact of the weak PTA-PX margin for IVL.

Exhibit 15: PET capacity, production and utilisation



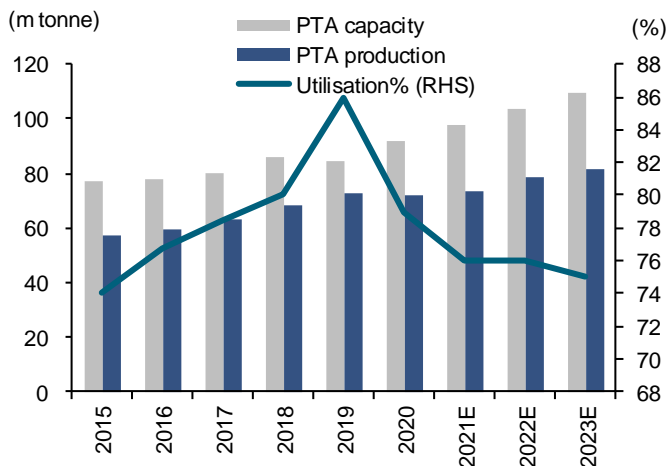
Source: IVL

Exhibit 16: PET new supply and new demand



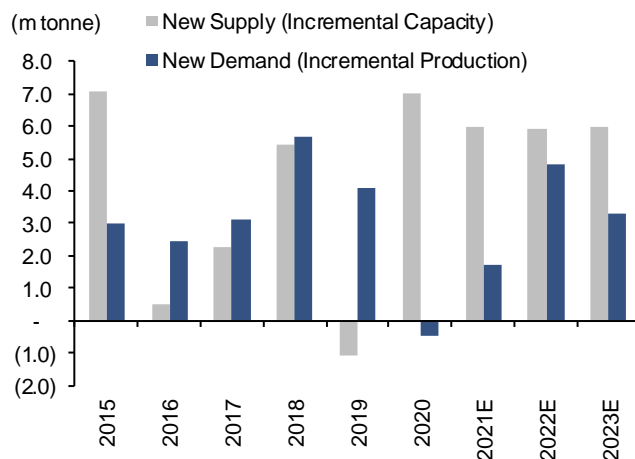
Source: IVL

Exhibit 17: PTA capacity, production and utilisation



Source: IVL

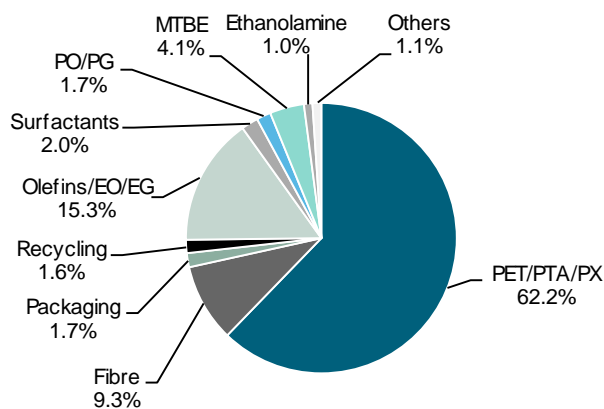
Exhibit 18: PTA new supply and new demand



Source: IVL

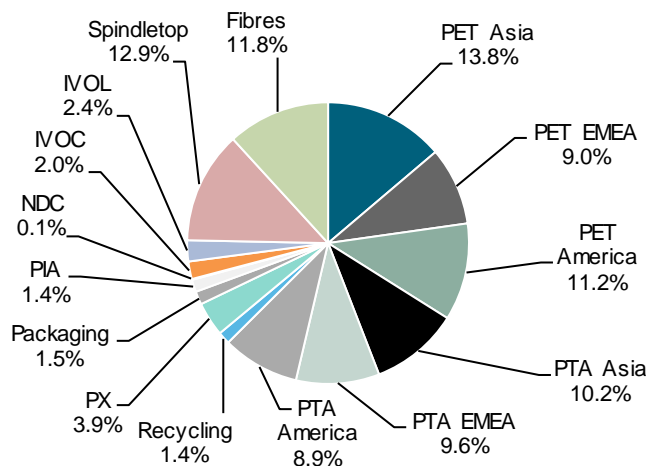
In particular, IVL’s global PET and PTA capacity, which accounts for two-thirds of IVL’s current total capacity of 18mtpa, should continue to generate USD0.8b-1.4b EBITDA annually to IVL in 2021-23, despite the weak PTA-PX margin, thanks to IVL’s large capacity of PET and PTA in Western markets where the margin premium over the Asian margin has risen from the historical USD100/t average to USD300-400/t since Jan-21 due to the production and shipping industry disruptions caused by Covid-19.

Exhibit 19: IVL’s capacity breakdown by key product groups



Source: IVL

Exhibit 20: IVL’s capacity breakdown by key product groups



Source: IVL

Margin upside for PET in 2022. We believe IVL will have a margin upside for its combined PET, its largest product group, in 2022, given that it is now negotiating with global customers for new contract prices for PET in Western markets. This is possible due to the currently tight supply and high freight costs for intercontinental shipping, which we think are unlikely to subside anytime soon until at least mid-2022, due to the container shortage and the chronic Covid-19 pandemic.

Within IVL’s product portfolio, we estimate that around two-thirds of its EBITDA comes from fixed margin products: 1) the IOD group: pure EO (PEO), PO, ethanolamine, and surfactants (18% of 2021E contribution margin); 2) the fibre group: HVA products in polyester, nylon, polypropylene (PP), polyethylene (PE) and rayon; and 3) combined PET group: PET and PTA with contract pricing (50% of sales volume) and specialty chemical products (PIA and NDC). We estimate that IVL’s fixed products will generate EBITDA of USD0.8b-1.0b annually in 2021-23 thanks to their fixed margin natures.

Exhibit 21: IVL's product portfolio breakdown by fixed and floating margins

Margin structure	Product group	Product	Contribution margin (%)
Fixed margin products	IOD	PEO/PO/Ethanolamine/surfactants	18
Fixed margin products	Fibres	HVA for polyester, nylon, PP/PE, and rayon	15
Fixed margin products	Combined PET	Contract cost-plus PET and PTA in North America and Europe	30
Total fixed margin products			63
Gas-based products	IOD	MTBE/MEG	12
Commodity products	Fibres	Lifestyle attire and clothes	5
Spot margin products	Combined PET	Spot price PET and PTA in Asia	20
Total volatile margin products			37

Sources: IVL; FSSIA estimates

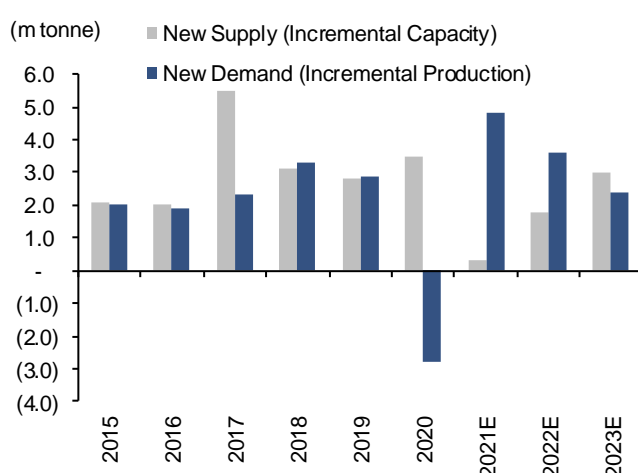
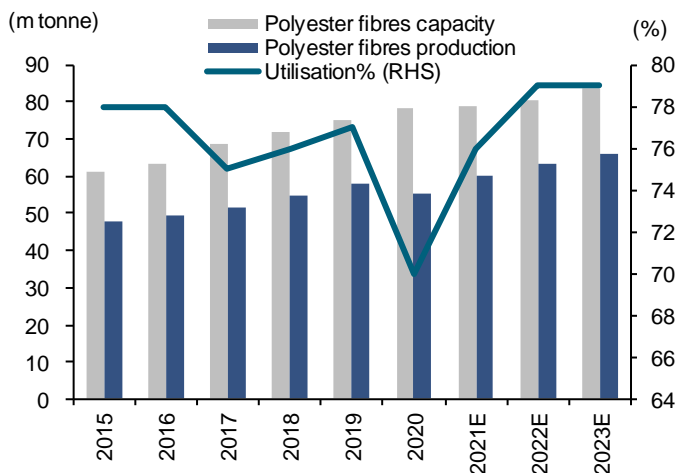
Margin upside for fibres in 2H21-23. Within IVL’s fibre group, we estimate that up to 80% of its 3mtpa fibre capacity consists of HVA products with end applications in automobiles (100% HVA), hygiene personal care products (100% HVA) and lifestyle polyester fibres (60% HVA). The remaining 20% of IVL’s fibre capacity is in lifestyle commodity products used to produce clothing, which was hit by the Covid-19 lockdowns in 2020.

The demand-supply balance for fibres is much more promising than that of PET and PTA, considering that the new demand growth is expected to outpace the supply growth in 2021-23, according to management. Its fibre capacity accounts for 9.3% of IVL’s total 2021E capacity, and we believe that improving utilisation rates for global fibre producers, including IVL, in 2021-23, should continue to drive up IVL’s EBITDA from the fibre group.

For IVL’s commodity fibres, we think the margin will improve y-y as IVL’s data indicates that the new supply for fibres and polyester should be lower than the new demand in 2021-22, potentially driving up the global utilisation rates from 67% in 2020 to 76-78% in 2021-23, up from IVL’s previous forecast of 72% for the same period in Jun-21. We think the key driver will be stronger-than-expected fibre demand growth that IVL expects at around 5mtpa in 2021 and 2.5-3.5mtpa in 2022-23, up from its previous forecast of 4.2mt in 2021 and 2.0-2.5mt in Jun-21.

Exhibit 22: Polyester fibre capacity, production and utilisation

Exhibit 23: Polyester fibre new supply and new demand



Source: IVL

Source: IVL

EPS and target price revisions

We raise our EPS forecasts for 2021-23 by 79-99% to reflect 1) the incorporation of the acquired 1mt IOD Oxiteno assets in 2022 onward; 2) higher expected margins of PET-PTA and PTA-PX due to the high freight costs and tight supply; and 3) higher projected EBITDA from the IOD unit due to higher IOD product margins.

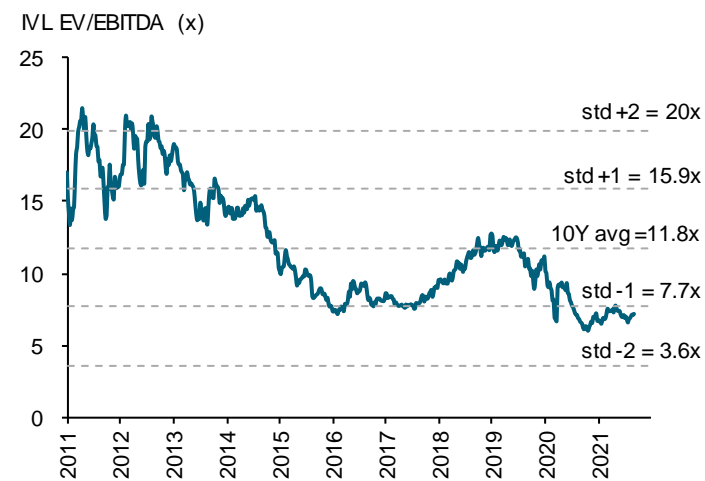
Exhibit 24: Key changes in EPS forecasts and assumptions

	Current			Previous			Change		
	2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
Revenue	362,740	361,292	367,431	348,866	347,417	355,020	4.0	4.0	3.5
Gross profit	83,342	86,577	100,072	65,090	68,325	76,008	28.0	26.7	31.7
Operating profit	61,577	64,899	78,026	44,158	47,480	54,707	39.4	36.7	42.6
Recurring net profit	22,909	26,019	32,344	11,518	14,571	17,158	98.9	78.6	88.5
Core EPS (THB/share)	4.0	4.6	5.7	2.0	2.6	3.0	98.9	78.6	88.5
Key assumptions (USD/tonne)									
Utilisation rate (%)	87	88	89	87	88	89	-	-	-
PET margin	249	261	357	149	161	211	67.0	62.0	69.2
PTA-PX margin	142	147	122	101	106	116	41.2	39.3	5.6
MEG-(0.58) ethylene margin	250	230	230	200	210	220	25.0	9.5	4.5
IOD EBITDA	340	360	440	220	240	240	54.5	50.0	83.3

Sources: IVL; FSSIA estimates

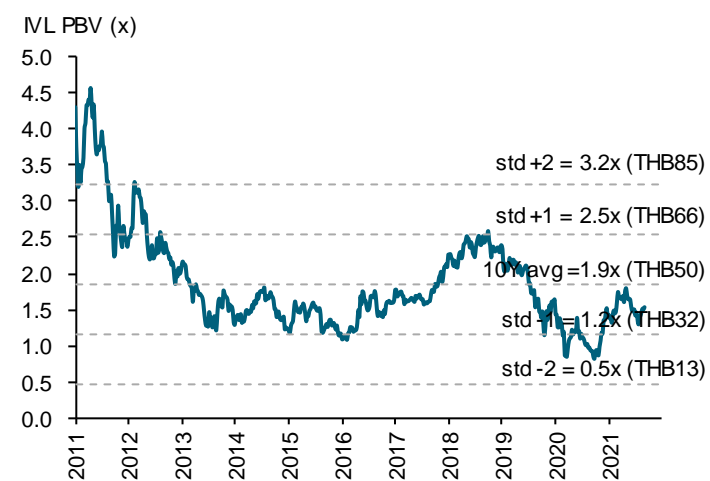
We raise our target price from THB57, previously based on 11.1x 2021E EV/EBITDA, to THB62, now based on 8x 2021E EV/EBITDA. Our lower forward EV/EBITDA valuation is due to 1) the projected margin weakness for PTA in Asia but the resilient upcycle for PET we expect to see in 2021-22; and 2) our EPS and EBITDA revisions.

Exhibit 25: One-year prospective EV/EBITDA band



Sources: Bloomberg; FSSIA estimates

Exhibit 26: One-year prospective P/BV band



Sources: Bloomberg; FSSIA estimates

Financial Statements

Indorama Ventures

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	352,692	331,513	362,740	361,292	367,431
Cost of goods sold	(285,554)	(267,316)	(279,399)	(274,715)	(267,360)
Gross profit	67,138	64,197	83,342	86,577	100,072
Other operating income	-	-	-	-	-
Operating costs	(32,129)	(32,724)	(21,764)	(21,677)	(22,046)
Operating EBITDA	35,010	31,473	61,577	64,899	78,026
Depreciation	(17,040)	(20,487)	(18,241)	(18,870)	(19,498)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	17,969	10,986	43,336	46,030	58,528
Net financing costs	(5,728)	(7,362)	(6,751)	(4,543)	(7,278)
Associates	5	143	633	633	633
Recurring non-operating income	407	1,949	633	633	633
Non-recurring items	(6,750)	(4,308)	1,822	2,022	2,022
Profit before tax	5,898	1,265	39,040	44,142	53,905
Tax	(1,534)	1,243	(13,664)	(15,450)	(18,867)
Profit after tax	4,364	2,508	25,376	28,692	35,038
Minority interests	888	(386)	(645)	(651)	(672)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	5,252	2,122	24,731	28,041	34,366
Non-recurring items & goodwill (net)	6,750	4,308	(1,822)	(2,022)	(2,022)
Recurring net profit	12,002	6,430	22,909	26,019	32,344
Per share (THB)					
Recurring EPS *	2.12	1.14	4.05	4.60	5.72
Reported EPS	0.93	0.38	4.37	4.96	6.07
DPS	0.35	0.20	2.05	2.32	2.85
Diluted shares (used to calculate per share data)	5,656	5,657	5,657	5,657	5,657
Growth					
Revenue (%)	1.6	(6.0)	9.4	(0.4)	1.7
Operating EBITDA (%)	(15.7)	(10.1)	95.6	5.4	20.2
Operating EBIT (%)	(38.8)	(38.9)	294.5	6.2	27.2
Recurring EPS (%)	(52.4)	(46.4)	256.3	13.6	24.3
Reported EPS (%)	(80.2)	(59.6)	1,065.2	13.4	22.6
Operating performance					
Gross margin inc. depreciation (%)	14.2	13.2	17.9	18.7	21.9
Gross margin of key business (%)	12.3	13.2	17.9	18.7	21.9
Operating EBITDA margin (%)	9.9	9.5	17.0	18.0	21.2
Operating EBIT margin (%)	5.1	3.3	11.9	12.7	15.9
Net margin (%)	3.4	1.9	6.3	7.2	8.8
Effective tax rate (%)	26.0	-79.8	35.0	35.0	35.0
Dividend payout on recurring profit (%)	16.5	17.6	50.6	50.5	49.8
Interest cover (X)	3.2	1.8	6.5	10.3	8.1
Inventory days	84.5	79.3	73.8	78.3	80.9
Debtor days	37.2	37.3	35.2	36.9	36.5
Creditor days	76.0	86.5	89.4	94.8	98.1
Operating ROIC (%)	8.0	4.6	1.1	1.2	1.6
ROIC (%)	6.8	4.4	0.9	1.1	1.4
ROE (%)	8.7	5.0	16.5	16.4	18.2
ROA (%)	4.5	3.5	5.2	5.5	6.5
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
PET	196,047	153,889	153,332	153,804	155,117
Feedstock	132,911	100,905	117,776	117,110	121,937
Fibres	107,059	90,601	110,868	109,613	109,613
Eliminations and unallocated	(83,325)	(13,882)	(19,236)	(19,236)	(19,236)

Sources: Indorama Ventures; FSSIA estimates

Financial Statements

Indorama Ventures

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	12,002	6,430	22,909	26,019	32,344
Depreciation	17,040	20,487	18,241	18,870	19,498
Associates & minorities	-	-	-	-	-
Other non-cash items	(978)	(1,002)	(1,001)	(1,001)	(1,001)
Change in working capital	19,446	19,603	30,180	20,903	21,722
Cash flow from operations	47,510	45,518	70,329	64,790	72,564
Capex - maintenance	-	-	-	-	-
Capex - new investment	(16,233)	(16,231)	(13,200)	(13,200)	(13,200)
Net acquisitions & disposals	0	0	0	0	0
Other investments (net)	(9,065)	(9,059)	(9,059)	(9,059)	(9,059)
Cash flow from investing	(25,298)	(25,290)	(22,259)	(22,259)	(22,259)
Dividends paid	(6,929)	(6,930)	(1,131)	(11,590)	(13,141)
Equity finance	0	0	0	0	0
Debt finance	8,881	51,695	(9,654)	(9,654)	(9,654)
Other financing cash flows	(19,297)	(56,491)	5,896	6,102	6,122
Cash flow from financing	(17,344)	(11,726)	(4,889)	(15,142)	(16,673)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	4,868	8,502	43,180	27,389	33,631
Free cash flow to firm (FCFF)	27,827.25	27,901.55	55,452.34	49,914.18	57,687.50
Free cash flow to equity (FCFE)	11,796.62	15,431.42	44,310.96	38,978.80	46,772.12
Per share (THB)					
FCFF per share	4.96	4.97	9.88	8.89	10.27
FCFE per share	2.10	2.75	7.89	6.94	8.33
Recurring cash flow per share	4.96	4.58	7.10	7.76	8.99
Balance Sheet (THB m) Year Ending Dec					
	2019	2020	2021E	2022E	2023E
Tangible fixed assets (gross)	304,108	376,464	389,664	402,864	416,064
Less: Accumulated depreciation	(91,686)	(112,173)	(130,414)	(149,284)	(168,782)
Tangible fixed assets (net)	212,423	264,291	259,250	253,580	247,282
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	0	0	0	0	0
Cash & equivalents	10,447	18,949	62,128	89,517	123,148
A/C receivable	34,305	33,422	36,570	36,424	37,043
Inventories	62,165	53,938	59,019	58,784	59,783
Other current assets	11,840	13,526	13,526	13,526	13,526
Current assets	118,757	119,835	171,243	198,250	233,500
Other assets	49,388	69,046	46,416	46,416	46,416
Total assets	380,568	453,172	476,909	498,246	527,197
Common equity	129,712	126,655	150,254	166,706	187,931
Minorities etc.	8,455	8,953	25,473	28,882	35,397
Total shareholders' equity	138,167	135,608	175,727	195,588	223,328
Long term debt	105,611	164,073	164,073	164,073	164,073
Other long-term liabilities	11,828	39,552	10,135	11,897	11,897
Long-term liabilities	117,439	203,625	174,208	175,971	175,971
A/C payable	61,281	65,366	71,523	71,238	72,448
Short term debt	36,413	29,645	29,645	29,645	29,645
Other current liabilities	27,268	18,927	25,805	25,805	25,805
Current liabilities	124,962	113,938	126,974	126,688	127,899
Total liabilities and shareholders' equity	380,568	453,172	476,909	498,246	527,197
Net working capital	19,762	16,593	11,787	11,691	12,098
Invested capital	281,573	349,930	317,453	311,687	305,796
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	22.93	22.39	26.56	29.47	33.22
Tangible book value per share	22.93	22.39	26.56	29.47	33.22
Financial strength					
Net debt/equity (%)	95.2	128.9	74.9	53.3	31.6
Net debt/total assets (%)	34.6	38.6	27.6	20.9	13.4
Current ratio (x)	1.0	1.1	1.3	1.6	1.8
CF interest cover (x)	5.9	5.3	9.5	12.5	9.2
Valuation					
	2019	2020	2021E	2022E	2023E
Recurring P/E (x) *	21.0	39.1	11.0	9.7	7.8
Recurring P/E @ target price (x) *	29.2	54.5	15.3	13.5	10.8
Reported P/E (x)	47.9	118.6	10.2	9.0	7.3
Dividend yield (%)	0.8	0.4	4.6	5.2	6.4
Price/book (x)	1.9	2.0	1.7	1.5	1.3
Price/tangible book (x)	1.9	2.0	1.7	1.5	1.3
EV/EBITDA (x) **	11.2	13.8	6.6	5.9	4.6
EV/EBITDA @ target price (x) **	14.0	17.0	8.2	7.5	5.9
EV/invested capital (x)	1.4	1.2	1.3	1.2	1.2
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: Indorama Ventures; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PAP	PCSGH	PDJ	PG	PHOL	PLANB
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEAOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SEDI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TSC	TSR	TSTE	TSTH	TTA
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSIB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIJK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TPIPP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

Description

Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

Disclaimer:

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; ** delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

Anti-corruption Progress Indicator 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANAHA	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOIL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	TTB	TMD	TMILL	TMT
TNITY	TNL	TNP	TNR	TOG	TOP	TPA	TPCORP	TPP	TRU	TSC
TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS	UEC	UKEM
UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIJK	XO
ZEN	TRUE									

DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

Disclaimer:

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; * FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Suwat Sinsadok FSS International Investment Advisory Securities Co., Ltd

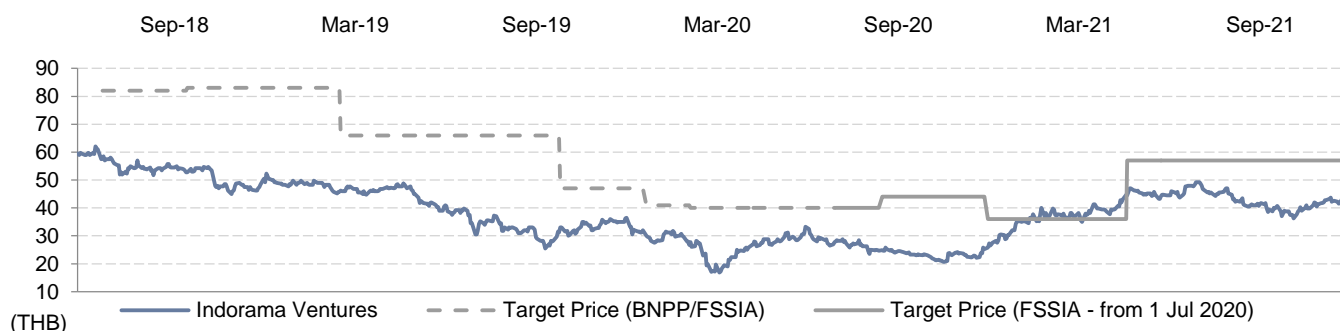
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History of change in investment rating and/or target price

Indorama Ventures (IVL TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
09-Oct-2018	BUY	82.00	20-Jan-2020	BUY	41.00	06-Nov-2020	BUY	36.00
21-Dec-2018	BUY	83.00	27-Feb-2020	BUY	40.00	08-Mar-2021	BUY	57.00
02-May-2019	BUY	66.00	09-Jun-2020	BUY	40.00			
07-Nov-2019	BUY	47.00	07-Aug-2020	BUY	44.00			

Suwat Sinsadok started covering this stock from 09-Oct-2018

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Indorama Ventures	IVL TB	THB 44.50	BUY	The key downside risks to our EV/EBITDA-based TP are weaker-than-expected margins for PX-PTA and PET-PTA, lower demand for polyester, and delays in IVL's projects.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 16-Sep-2021 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a 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.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). 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 (N). 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 (U). 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.