

INDORAMA VENTURES
THAILAND / PETROCHEM & CHEMICALS

IVL TB

BUY

UNCHANGED

เติบโตก้าวกระโดดจาก IOD

- เราเชื่อว่ากำไรสุทธิ (NP) และ EBITDA ของ IVL อาจแตะระดับสูงเป็นประวัติการณ์ในปี 2022-23 จากการเติบโตของ EBITDA ในธุรกิจ IOD เป็น USD0.6 พันล้านในปี 2022-23
- การซื้อกิจการผู้ผลิต PET ขึ้นรูป บรรจุภัณฑ์ ขวดและฝาปิดในเวียดนามน่าจะช่วยเสริมกลุ่มบรรจุภัณฑ์ให้แข็งแกร่งมากยิ่งขึ้น
- คงแนะนำซื้อหลังปรับราคาเป้าหมายจาก 62 เป็น 70 บาท

TARGET PRICE	THB70.00
CLOSE	THB47.25
UP/DOWNSIDE	+48.1%
PRIOR TP	THB62.00
CHANGE IN TP	+12.9%
TP vs CONSENSUS	+27.9%

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	331,513	369,677	368,229	374,369
Net profit	1,656	29,054	32,136	36,371
EPS (THB)	0.30	5.17	5.72	6.48
vs Consensus (%)	-	16.5	41.3	50.1
EBITDA	31,473	55,547	57,155	65,301
Core net profit	6,430	27,231	30,114	34,349
Core EPS (THB)	1.15	4.85	5.36	6.12
Chg. In EPS est. (%)	-	18.9	15.7	6.2
EPS growth (%)	(46.4)	323.5	10.6	14.1
Core P/E (x)	41.3	9.7	8.8	7.7
Dividend yield (%)	0.4	5.1	5.6	6.4
EV/EBITDA (x)	14.3	7.5	6.9	5.6
Price/book (x)	2.1	1.7	1.5	1.4
Net debt/Equity (%)	128.9	66.8	45.5	26.8
ROE (%)	5.0	19.4	18.4	18.7

แนวโน้มกำไรสุทธิที่ดีใน 4Q21-2022 อาจสร้างความประหลาดใจให้กับตลาด

การไปเยี่ยมชมโรงงาน Integrated Oxides and Derivatives (IOD) ของ IVL ตอกย้ำมุมมองของเราที่ว่ากำไรสุทธิและ EBITDA ของบริษัท อาจแตะระดับสูงเป็นประวัติการณ์ในปี 2022-23 จาก: 1) การซื้อ Oxitenno ในเดือน ก.พ. 22; 2) PET-PTA margin ที่เพิ่ม 30% y-y จากราคาหน้าสัญญาที่เพิ่มขึ้นสำหรับปริมาณขาย PET และ PTA จำนวน 5mt ของ IVL ในอเมริกาเหนือและยุโรป; และ 3) ปริมาณขายที่เพิ่มขึ้น 15-20% y-y ใน 4Q21 เราคาดว่า IVL จะรายงานกำไรสุทธิรายไตรมาสที่ดีที่ 8.1 พัน ลบ. ซึ่งต่ำกว่ากำไรสุทธิสูงสุดใน 2Q21 ที่ 8.3 พัน ลบ. อยู่เล็กน้อยจากอัตรากำไรของผลิตภัณฑ์ (Product margin) ที่อยู่ในระดับสูงและอัตราการใช้กำลังการผลิตที่เพิ่มขึ้นในทุกกลุ่มสินค้า

การเยี่ยมชมโรงงานในสหรัฐฯ ชี้ไปยังแนวโน้ม EBITDA ที่ดีขึ้นของธุรกิจ IOD

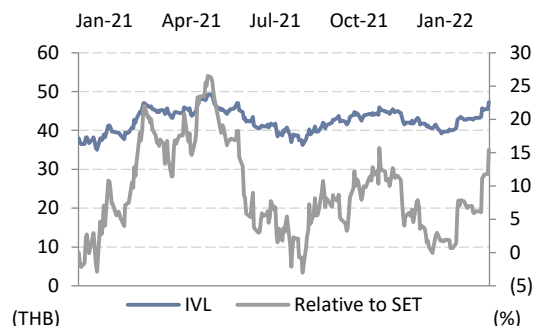
หลังการเยี่ยมชมโรงงาน IOD รวมของ IVL ใน Port Neches เท็กซัส เรามีความมั่นใจมากขึ้นเกี่ยวกับประมาณการกำไรสุทธิของเราในปี 2021-23 ที่สูงกว่าตลาด เราเห็นปัจจัยบวกสำคัญที่มีความเป็นไปได้ 3 ประการสำหรับการเติบโตของ EBITDA ในธุรกิจ IOD จาก USD0.3 พันล้านในปี 2021 เป็น USD0.6 พันล้านในปี 2022-23 ประกอบด้วย: 1) อัตราการใช้กำลังการผลิตเฉลี่ยที่ 90-95% ในปี 2022; 2) EBITDA ที่จะเพิ่มขึ้น USD50 ล้านภายในปี 2024 จากโครงการ Olympus; และ 3) การซื้อ Oxitenno อาจเพิ่มอัตรากำไรของ Surfactants, Ethanolamine, และ Polyurethane

เสริมธุรกิจบรรจุภัณฑ์ในเวียดนามให้แข็งแกร่งมากยิ่งขึ้น

เมื่อวันที่ 10 ม.ค. 2022 IVL ประกาศซื้อหุ้น 100% ใน Ngoc Nghia ซึ่งเป็นผู้ผลิต PET ขึ้นรูป, บรรจุภัณฑ์, ขวดและฝาปิดในเวียดนามในราคา USD118 ล้าน รายการดังกล่าวจะสำเร็จเสร็จสิ้นภายใน 1Q22 เรามีความมั่นใจเกี่ยวกับการซื้อดังกล่าวเมื่อพิจารณาว่า IVL จะได้ประโยชน์จาก: 1) การเข้าสู่ตลาดเวียดนามที่มีการเติบโตสูงโดยคาดว่าจะความต้องการจะโต 8% CAGR ในปี 2022-25; 2) การทำให้ธุรกิจบรรจุภัณฑ์ของ IVL มีความแข็งแกร่งมากยิ่งขึ้นด้วยกำลังการผลิตรวม 0.3mtpa; 3) การเสริม EBITDA margin ให้ดีขึ้นผ่าน EBITDA margin ที่ 20% ของธุรกิจบรรจุภัณฑ์เทียบกับ EBITDA margin รวมที่ 10-15%; และ 4) ต้นทุนซื้อที่สมเหตุสมผลที่ 8-9x พร้อมโอกาสที่จะได้ IRR ที่กว่า 10%.

ปรับเพิ่มราคาเป้าหมายเป็น 70 บาทและเลือกเป็นหุ้นเด่น

เราคงแนะนำซื้อหลังปรับราคาเป้าหมายจาก 62 (8.32x ของค่า 2021E EV/EBITDA) เป็น 70 บาท (9.1x ของค่า 2022E EV/EBITDA) เพื่อสะท้อน: 1) การปรับเพิ่มประมาณการกำไรต่อหุ้น (EPS) ในปี 2021-23 อีก 6.2-18.9% ตามการปรับเพิ่มสมมติฐาน PET margin และ EBITDA ที่สูงขึ้นในธุรกิจ IOD ตามอัตรากำไรที่เพิ่มขึ้นจากการซื้อ Oxitenno; และ 2) การปรับการประเมินมูลค่าไปในปี 2022



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	18.1	5.0	26.0
Relative to country (%)	14.7	2.9	16.1
Mkt cap (USD m)	7,934		
3m avg. daily turnover (USD m)	25.0		
Free float (%)	33		
Major shareholder	Indorama Resources (63%)		
12m high/low (THB)	50.00/33.75		
Issued shares (m)	5,614.55		

Sources: Bloomberg consensus; FSSIA estimates



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

บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 12 มกราคม 2022

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.

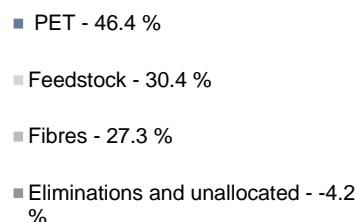
Unlike its last two growth cycles when IVL funded its capacity growth through debt and capital increases using warrants (IVL-W1 and IVL-W2), key growth strategies in IVL's third growth cycle could be driven by: 1) M&A in the global packaging business, non-PET packaging in frontier markets and specialty 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.

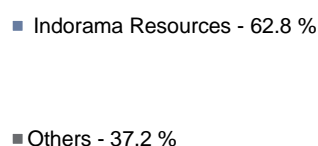
www.indoramaventures.com

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
Feb 2022	4Q21/2021 results announcement

Key assumptions

	2021E	2022E	2023E
	(USD/tonne)	(USD/tonne)	(USD/tonne)
Utilisation rate (%)	87	88	89
PET margin	299	311	407
PTA-PX margin	142	147	122
MEG-(0.58) ethylene margin	250	230	230
IOD EBITDA	420	600	580

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.

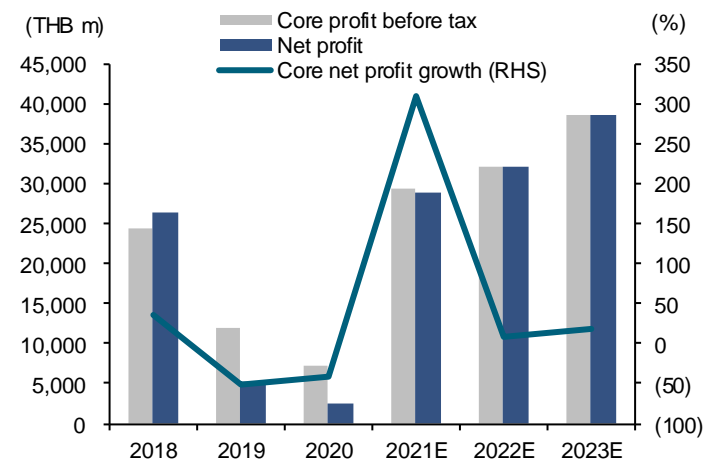
Source: FSSIA estimates

Our IOD site visit in the US confirms our positive view

We came back from our site visit at IVL's IOD assets acquired from Huntsman in 4Q20 with a more confident view that IVL's net profit and EBITDA could hit record highs in 2022 at THB32.1b and THB57.2b, respectively. We believe its IOD product group will not only see higher sales volumes as a result of a higher utilisation rate of over 90%, but also improving EBITDA margins y-y driven by higher demand and lower feedstock costs.

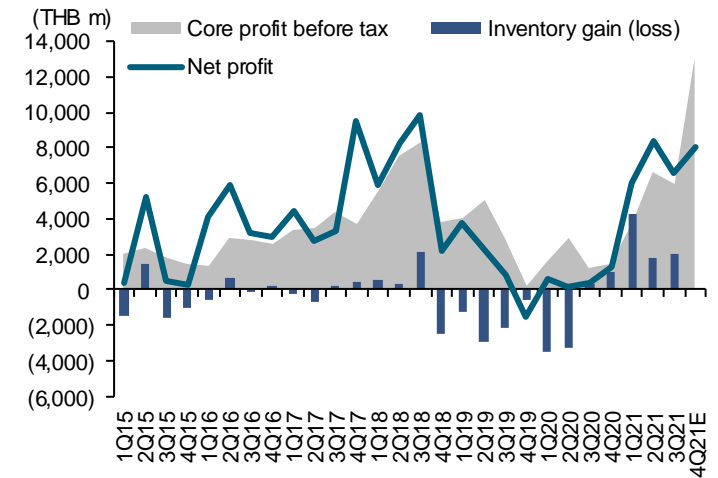
The key drivers include the stronger EBITDA from the IOD product group after the completed acquisition of Oxiteno in Feb-22, the margin expansion by up to 30% y-y that could generate a y-y higher USD450m EBITDA from the price increase for IVL's 5mt PET and PTA sales volumes in Western markets (North America and Europe), and 15-20% y-y higher sales volumes due to higher demand for polyester fibre and PET bottles in 2022 with the expected post-pandemic global economic recovery.

Exhibit 1: Core net profit before tax, net profit, and core net profit growth



Sources: IVL; FSSIA estimates

Exhibit 2: Quarterly core net profit before tax, inventory gain (loss), and net profit



Sources: IVL; FSSIA estimates

We now expect IVL to post net profits of THB29.1b in 2021, THB32.1b in 2022, and THB36.4b in 2023, which could significantly beat Bloomberg consensus estimates by a large margin. For 2023, we now project IVL to continue to see stronger net profit growth momentum given the favourable demand-supply outlook for PET and IOD products as we expect global demand growth to rise meaningfully post Covid-19.

In 4Q21, we expect IVL to post a strong quarterly net profit of THB8.1b, slightly lower than its 2Q21 net profit peak of THB8.3b, thanks to strong product margins and higher utilisation rates across all product segments.

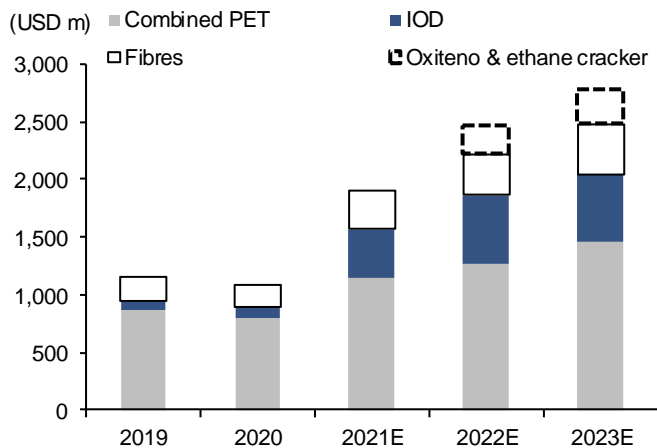
In 1Q22, net profit growth should continue both q-q and y-y, leading to a series of strong net profit growth rates in the next five quarters (4Q21-4Q22), backed by the higher sales volume (+20-25% y-y) from higher utilisation rates, new capacity from M&As, and high product margins.

The IOD product group is now a key growth catalyst

During our site visit at IVL's integrated IOD plant complex in Port Neches, Texas, on 3 Jan-22, we gained more confidence for our strong and higher-than-consensus net profit forecasts for 2021-23, supported by a sharp rise in IOD EBITDA from USD0.3b in 2021 to USD0.6b in 2022-23, based on our estimate.

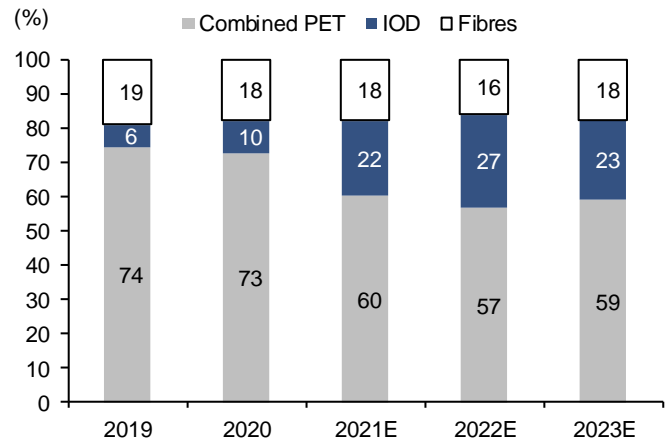
Under IVL's management umbrella, the IOD plant site at Port Neches (IPN), acquired from Huntsman in 2020, suffered from multiple external factors that led to the disappointing net profit in 1H21.

Exhibit 3: EBITDA breakdown by product group



Sources: IVL; FSSIA estimates

Exhibit 4: EBITDA breakdown by product group (%)

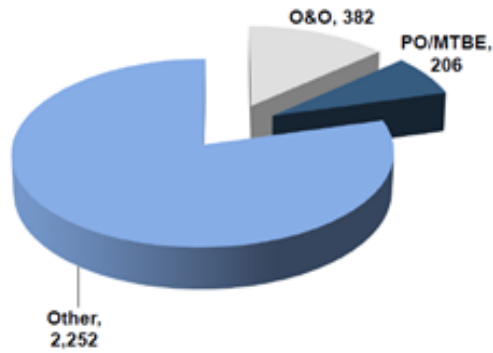


Sources: IVL; FSSIA estimates

We summarise the three key points that could drive the IOD product group's EBITDA growth in 2022-23, based on management's guidance.

First, management expects a 90-95% average utilisation rate for its IPN plants in 2022, up by over 10 ppts y-y, compared to 1H21 when they were affected by a freak winter storm. In addition, the planned major maintenance shutdown every five years for surfactants, ethanolamine, and MTBE at three key production units will not occur in 2022 but will instead be executed in 2024 (surfactants), 2023 (ethanolamine), and 2025 (MTBE and PO).

Second, management plans to achieve USD50m EBITDA by 2024 from synergies and cost savings under the "Olympus" operational improvement plan, up from USD22m in 2021. Third, post the complete acquisition of Oxiteno, IPN plans to gain higher synergies from the high-margin product portfolio of surfactants, ethanolamine, and polyurethane. With an additional 1,000 hectares of land available for development, IPN's capacity could be expanded to double the current 4mtpa capacity to 8mtpa, based on management's guidance.

Exhibit 5: IOD product group's EBITDA breakdown

Source: IVL

However, starting in 3Q21, IVL has seen a significant improvement in the financial performance of IPN thanks to a sharp rise in the utilisation rate to 95% in 3Q21, up from 69% in 1Q21, due mainly to forced shutdowns caused by the polar vortex winter storm and the 78% utilisation rate in 2Q21 due to the impact of hurricanes.

In 3Q21, the IOD product group, which includes IPN and IVL's ethylene oxide (EO) and ethylene glycol (EG) plants in Clear Lake, Texas, generated strong EBITDA of USD120m, up 21% q-q and 14x y-y, with an EBITDA margin of 17% vs IVL's overall EBITDA margin of 11% in 3Q21.

Exhibit 7: IOD site aerial view

Source: IVL

Port Neches IOD site – IVL's crown jewel. We believe the IPN site, along with IVL's EO/EG plants in Clear Lake, Texas, and the recently started up ethane cracker plant in Lake Charles, Louisiana, could emerge to become IVL's new core EBITDA growth driver in 2022-23. We project that the IOD product group will generate USD450m-500m EBITDA in 2022-23. If we include the EBITDA from an additional 1mtpa from the acquisition of Oxiteno's IOD assets in Brazil, scheduled to be completed by IVL in Feb-22, we expect its EBITDA to rise to USD0.6b in 2022-23.

Exhibit 6: Capacity breakdown at Port Neches, Texas, USA

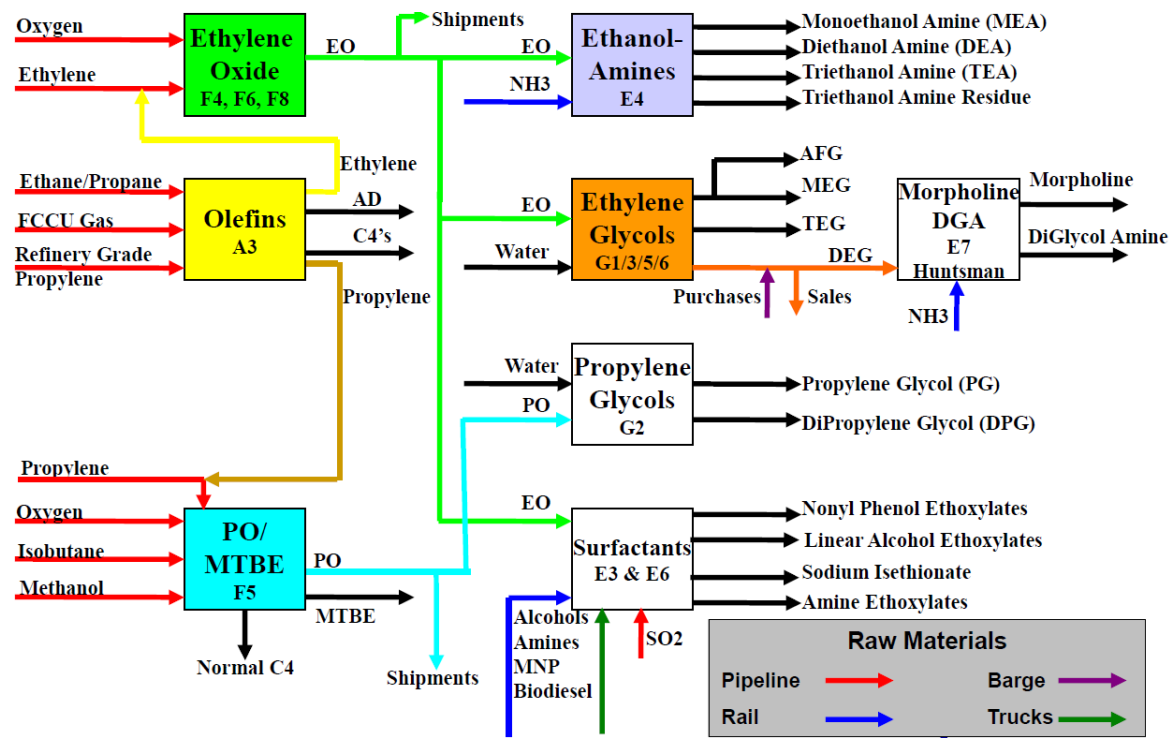
Products	Capacity (mtpa)
Ethylene Oxide	1,300
Ethylene Glycol	964
Surfactants	580
Propylene Oxide	525
EOA (MEA, DEA, TEA)	400
Ethylene	480
Propylene Glycol	145
Propylene	40
DEG	73
MTBE	260 mg/yr

Source: IVL

Exhibit 8: IOD site boundaries

Source: IVL

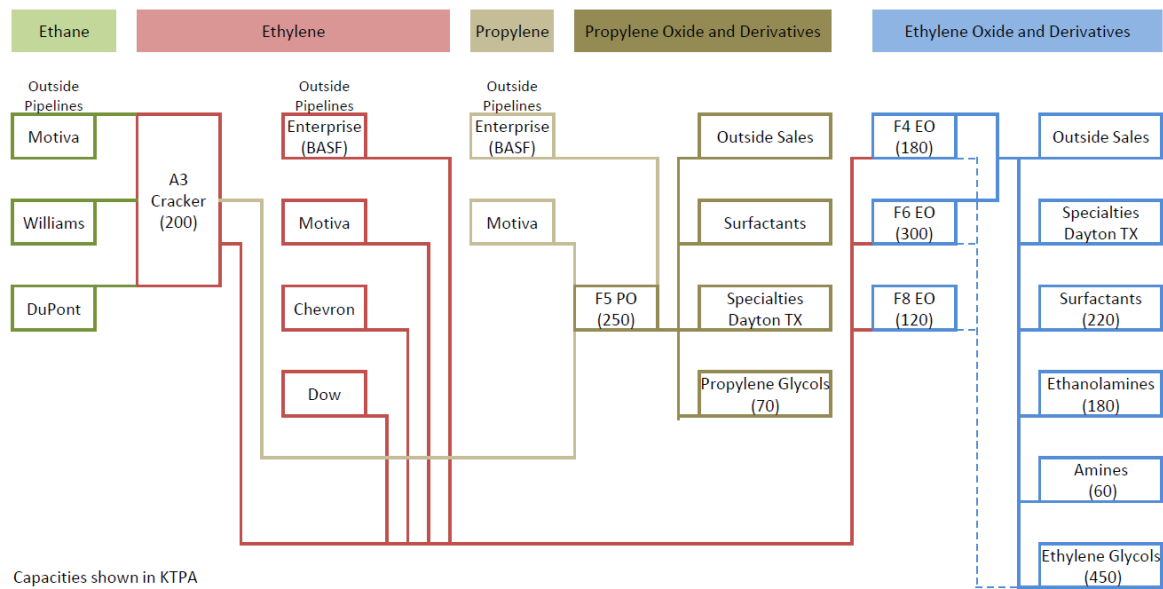
Exhibit 9: IOD site integration and production plan



Source: IVL

IPN is a highly integrated production plant complex. Within the site we visited, there are multiple production facilities that produce the upstream ethylene and propylene used as feedstock for EO/EG, propylene oxide (PO), and methyl tert-butyl ether (MTBE). The EO/EG is further processed into multiple downstream specialty products, including ethanolamine, EG derivatives, propylene glycol (PG), and surfactants, all of which are sustainable, lucrative products that we expect to generate an EBITDA margin of over 15%.

Exhibit 10: Major feedstock flows for IOD plants



Source: IVL

A brief history of the IPN site. Originally founded as Jefferson Chemical, a JV between Texaco and American Cyanamid in 1944, IPN’s plants entered production in 1947. In 1994, Huntsman acquired IPN from Texaco Chemical and later commenced operations at the EO unit in 2016. In 2020, IVL acquired IPN from Huntsman at an acquisition cost of USD2.1b. The site has a total of 600 employees and 450 contractor associates, according to management.

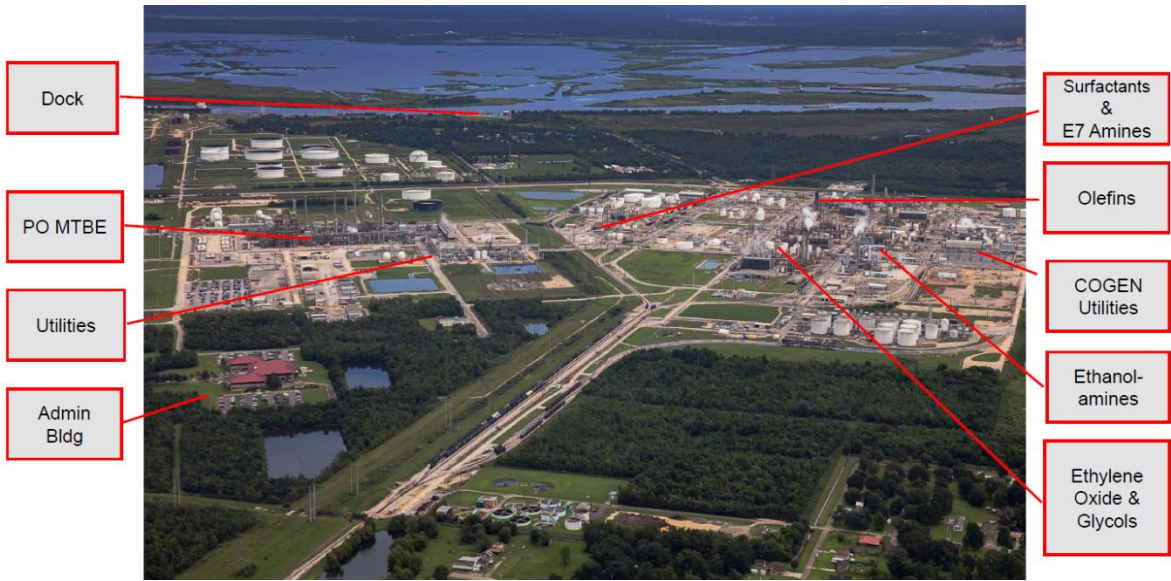
Exhibit 11: A bird’s-eye view of the IOD site



Source: IVL

Synergy and operational excellence. Similar to other assets worldwide acquired by IVL, after IVL's acquisition, IPN was reorganised in Feb-21 with a new director, Ms. Kimberley Hoyt, a highly experienced chemical engineer, who was joined by a number of other veteran management team members.

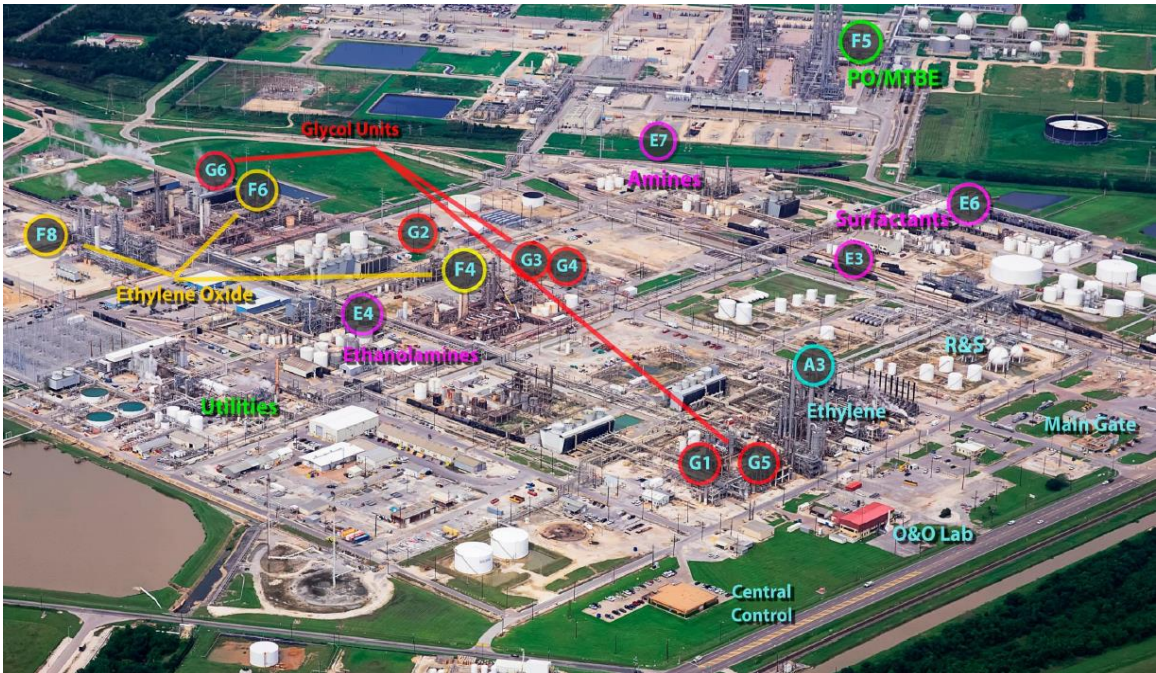
Exhibit 12: IOD site overview with each product plant's location



Source: IVL

The synergy potential under IVL's umbrella for IPN includes cost savings for centralised maintenance, engineering and human resources, and operational enhancements after the implementation of new information technology systems across IVL's global platform under the multi-year operational improvement program "Olympus". In addition, IPN's management expects to achieve even higher synergies via the integration of Oxiteno's IOD plants and IVL's EO/EG plants in Clear Lake, TX.

Exhibit 13: Oxides and olefins production sites



Source: IVL

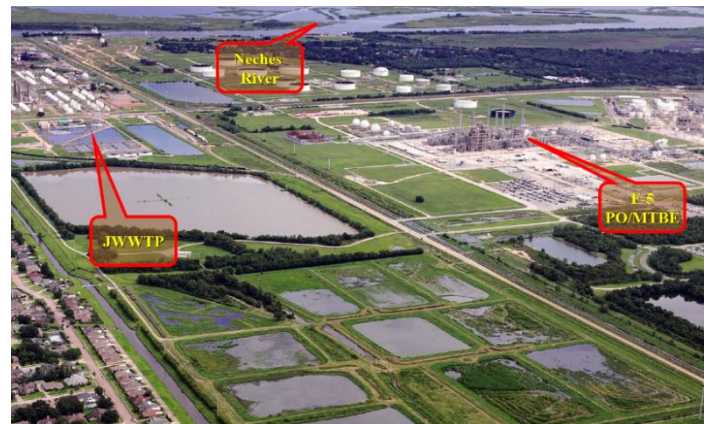
Exhibit 14: PO/MTBE production site

Source: IVL

Logistics is key. The IPN site is highly competitive, with the navigable Neches River nearby, along with a seaport for exported products and imported feedstock deliveries. Other logistical possibilities include shipments by truck, railcar, pipeline, barge, drum, and ocean-going tanker.

Exhibit 15: Dock site for import and export from the plant

Source: IVL

Exhibit 16: Joint wastewater treatment plant

Source: IVL

Given the highly integrated production complex, IPN in particular is expected to be the key catalyst for IVL's IOD group, which in turn should be the key catalyst to drive IVL's EBITDA higher in 2022-23.

Based on our projection of y-y significant improvements in the operations and margins of IVL's IOD product group – which suffered from multiple external events including a freak winter storm due to the polar vortex, hurricanes, and the global Covid-19 outbreak in 2021 – we expect to see a sharp rise in the utilisation rate to over 90% in 2022-23, up from 84% in 2021.

Exhibit 17: IOD integrated plant complex

Sources: IVL; FSSIA

Rail is the most efficient transportation method for IPN. Most feedstock and product deliveries are transported via rail car. Multiple railway sidings on the IPN site allow IPN to transport products to and from each production site.

Exhibit 19: Rail cars on the site

Source: IVL

Exhibit 18: Surfactants production plant

Sources: IVL; FSSIA

Exhibit 20: Running rail cars into the production site

Source: IVL

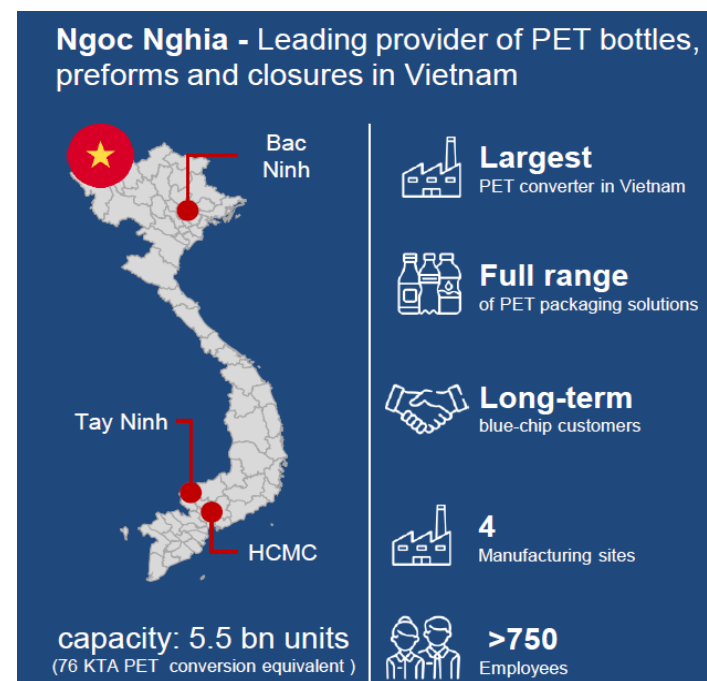
Strengthening its packaging segment in Vietnam

On 10 Jan-22, IVL announced the acquisition of a 100% stake in Ngoc Nghia (NN), a producer of PET preforms, packaging, bottles, and closures, with three production plants in northern and southern Vietnam at a cost of USD118m. The transaction is expected to be completed by 1Q22.

We are positive on this acquisition given that: 1) the move is IVL's first entry into Vietnam's high-growth market, with IVL projecting 8% CAGR demand growth in 2022-25; 2) the acquisition could strengthen IVL's packaging segment, bringing the total capacity to 0.3mtpa; 3) it could enhance IVL's EBITDA margin as the packaging business is a high-margin segment with an EBITDA margin of more than 20% vs IVL's overall EBITDA margin of 10-15%; and 4) the acquisition cost is reasonable at 8-9x, in line with the industry average, and has the potential to generate an IRR of over 10%.

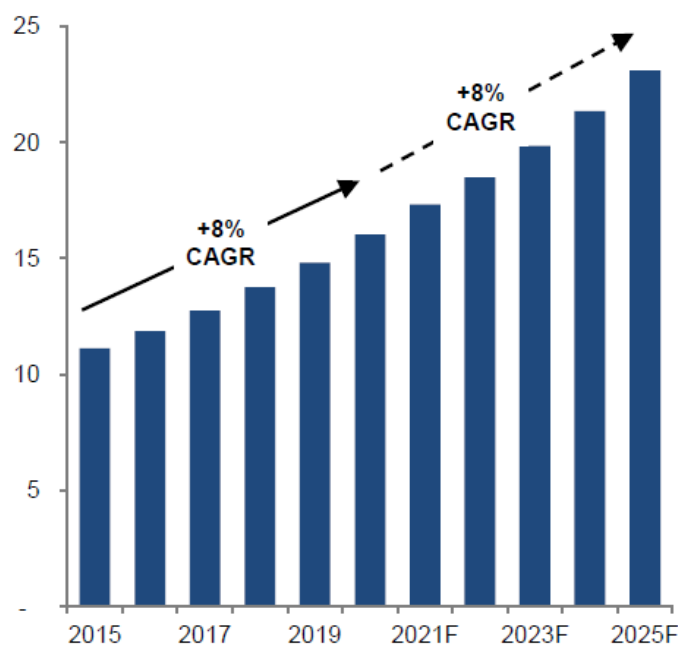
In the past 10 years, IVL has grown its EBITDA from its packaging unit from USD6m in 2011 to USD84m in 2021, with the EBITDA margin rising from 14% in 2011 to 245% in 2021. With the acquisition of NN, we expect its EBITDA to grow to USD100m and the EBITDA margin to remain high at 22-23%.

Exhibit 21: NN is a leading packaging producer in Vietnam



Source: IVL

Exhibit 22: Rigid plastic packaging segment growth is forecast to reach a CAGR of 8% in 2022-25



Source: IVL

4Q21 net profit to hit THB8.1b

We think one of the potential catalysts driving up IVL's share price within the next six months would be if Bloomberg consensus upgrades its net profit forecasts on IVL in 2022-23 by 30-50%. We think IVL's strong EBITDA from the IOD and combined PET groups could positively surprise the market's expectations, based on the following:

- A q-q higher sales volume to 3.8mt, up from 3.73mt in 3Q21, driven by the higher utilisation rates of all three units – combined PET, IOD, and fibres – with an average utilisation rate of 88%;
- Higher EBITDA to USD480m, up from USD437m in 3Q21 and surpassing the high EBITDA of USD477m in 2Q21, due to the high product margins;
- Flattening core EBITDA margin to 12.4% vs 12.5% in 3Q21, driven by the higher margins of PET-PTA and fibres due to stronger demand;
- Inventory gain of USD30m vs USD28m in 3Q21.

Exhibit 23: 4Q21/2021 net profit forecasts

	4Q20	3Q21	----- 4Q21E -----		
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Revenue	85,431	126,838	127,100	0.2	48.8
Operating costs	(77,569)	(111,021)	(111,282)	0.2	43.5
EBITDA	7,862	15,817	15,818	0.0	101.2
<i>EBITDA margin (%)</i>	<i>9.2</i>	<i>12.5</i>	<i>12.4</i>	<i>nm</i>	<i>nm</i>
Depn & amort.	(7,336)	(4,929)	(6,754)	37.0	(7.9)
EBIT	526	10,888	15,909	46.1	2,926.8
Interest expense	(1,803)	(1,806)	(2,060)	14.1	14.3
Interest & invt inc	(1,971)	54	1,007	1,777.8	(151.1)
Associates' contrib	21	59	539	811.8	2,522.5
Exceptionals	3,977	(706)	3,287	(565.5)	(17.4)
Pretax profit	750	8,489	18,683	120.1	2,391.4
Tax	856	(1,642)	(11,079)	574.9	(1,394.4)
<i>Tax rate (%)</i>	<i>(114)</i>	<i>19</i>	<i>59</i>	<i>nm</i>	<i>nm</i>
Minority interests	(296)	(300)	462	(254.3)	(256.2)
Net profit	1,310	6,548	8,066	23.2	515.7
Non-recurring	(149)	619	(2,654)	(528.8)	1,681.1
Core net profit	1,459	5,929	10,720	80.8	634.8
EPS (THB)	0.23	1.17	1.44	23.2	515.7
Core EPS (THB)	0.26	1.06	1.91	80.8	634.8

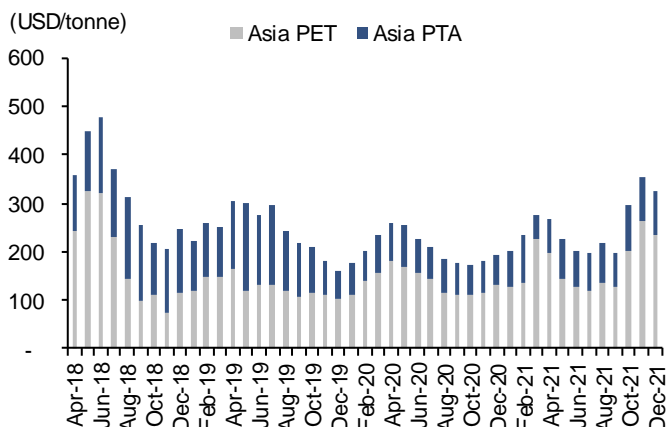
Sources: IVL; FSSIA estimates

Margin on the rise

IVL has continued to see a stronger product margin trend, particularly for its two key products, PET and PTA, which saw their integrated PET-PTA margin jump markedly to USD326/t in Dec-21 in Asia and USD848/t in Western markets (North America and Europe), driven mainly by the m-m higher PTA-paraxylene (PX) margin to offset the m-m weaker PET-PTA margin.

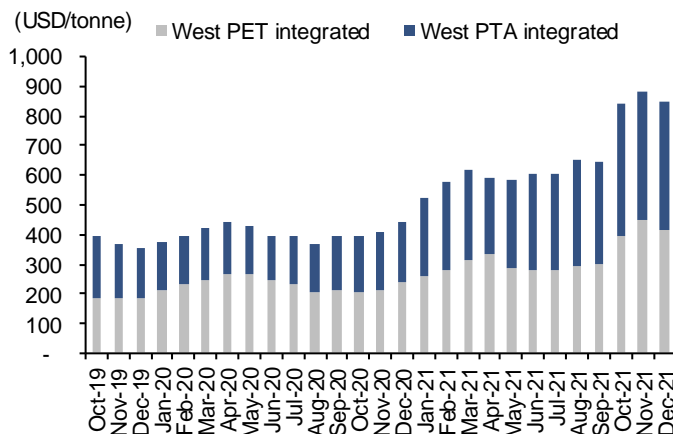
While the integrated PET-PTA margin in Asia is at its highest level since the 1H18 cyclical peak, the integrated PET-PTA margin of USD848/t in Western markets is also at its highest level since 4Q19, thanks to strong demand growth, higher import barriers in the form of higher tax rates, and a sharp rise in the intercontinental freight cost triggered by seaport traffic jams that are likely to continue into 2022.

Exhibit 24: Asia industry PET and PTA spread



Source: IVL

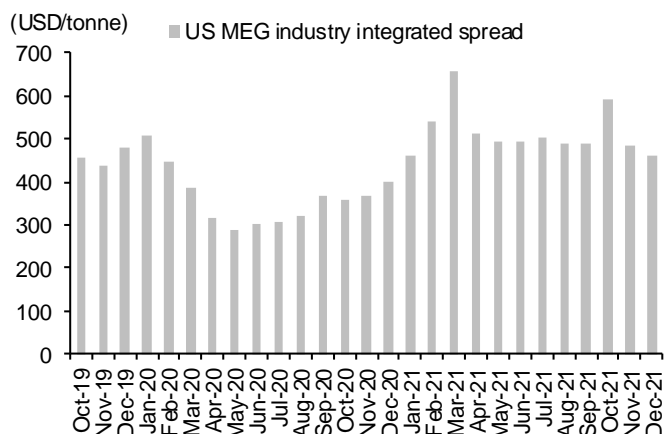
Exhibit 25: Western industry PET and PTA spread



Source: IVL

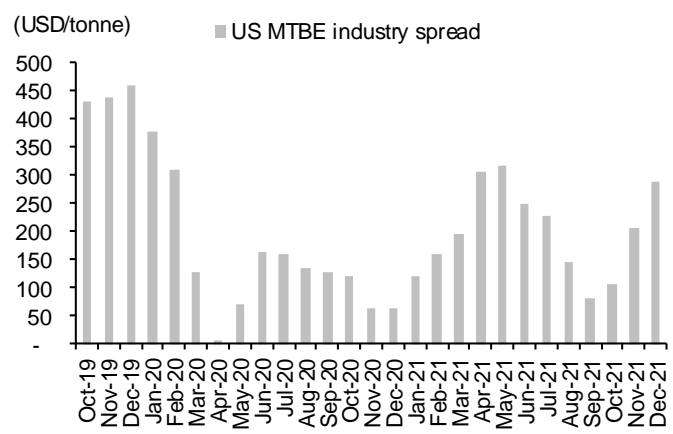
Meanwhile, the margins of mono ethylene glycol (MEG) and MTBE have been healthy, with the MEG-ethylene margin remaining high over USD450/t in Dec-21 and the MTBE margin rebounding to USD200/t in Dec-21. This should reduce the net losses from MTBE for IVL's IOD group in 4Q21 and 2022, based on our estimate.

Exhibit 26: US MEG industry integrated spread



Source: IVL

Exhibit 27: US MTBE industry spread



Source: IVL

We believe IOD products will be the key driver for a potentially surprising earnings upside for IVL and are likely to generate strong EBITDA of over USD150m-200m in 2022-23 from Oxiteno (USD150m) and USD100m EBITDA from the ethane cracker in Lake Charles, LA, which started commercial operations in Nov-21.

Exhibit 28: IVL and Oxiteno's IOD product portfolios

IVL's capacity post acquisition of Huntsman's assets	Huntsman	Ethane cracker	Texas plant	Oxiteno	Total
	(ktpa)	(ktpa)	(ktpa)	(ktpa)	(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

EPS and target price revisions

We maintain BUY and raise our EPS forecasts for 2021-23 by 6.2-18.9% to incorporate: 1) our change in PET margin assumptions by 14-20% to reflect the higher-than-expected margin outlook; and 2) our 23.5-66.7% higher IOD EBITDA estimates to incorporate the higher margins from the acquisition of Oxitenio.

Exhibit 29: Key changes in assumptions and EPS forecasts

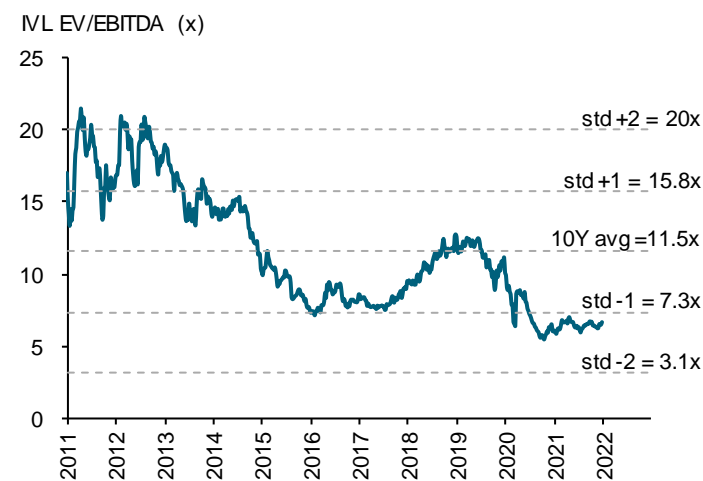
	Current			Previous			Change (%)		
	2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
Revenue	369,677	368,229	374,369	362,740	361,292	367,431	1.9	1.9	1.9
Gross profit	83,272	79,249	93,379	83,342	86,577	100,072	(0.1)	(8.5)	(6.7)
Operating profit	55,547	57,155	65,301	61,577	64,899	78,026	(9.8)	(11.9)	(16.3)
Recurring net profit	27,231	30,114	34,349	22,909	26,019	32,344	18.9	15.7	6.2
Core EPS (THB/shr)	4.9	5.4	6.1	4.1	4.6	5.8	18.9	15.7	6.2
Key assumptions (USD/t)									
Utilisation rate (%)	87	88	89	87	88	89	-	-	-
PET margin	299	311	407	249	261	357	20.1	19.1	14.0
PTA-PX margin	142	147	122	142	147	122	-	-	-
MEG-(0.58) ethylene margin	250	230	230	250	230	230	-	-	-
IOD EBITDA	420	600	580	340	360	440	23.5	66.7	31.8

Note: Change of items in percentage terms are represented in ppt change

Sources: IVL; FSSIA estimates

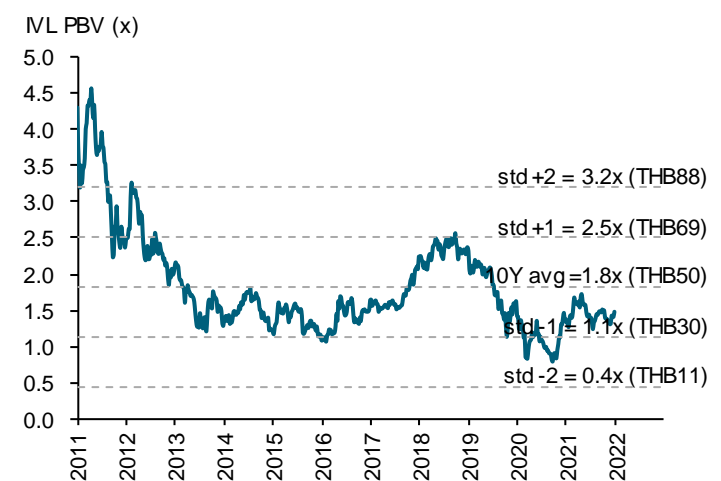
IVL remains our top pick in the Thai petrochemical sector given its strong net profit growth in 2021-23, driven by: 1) higher capacity growth from M&As (Oxitenio for IOD and NN for packaging); 2) higher product margins for both PET, PTA, and IOD, thanks to the much stronger demand outlook in 2022; and 3) the benefit of the margin increase for IVL's 5mt capacity of PET and PTA sales volumes in North American and European markets which we expect to generate up to USD450m in additional EBITDA y-y in 2022 starting in Jan-22.

Exhibit 30: One-year forward rolling EV/EBITDA band



Sources: IVL; FSSIA estimates

Exhibit 31: One-year forward rolling P/BV band



Sources: IVL; FSSIA estimates

Exhibit 32: Peer comparisons

Company	BBG code	Rec	Share Price	Target price	Upside	Market Cap	3Y EPS CAGR	PE		ROE		PBV		EV / EBITDA	
								21E	22E	21E	22E	21E	22E	21E	22E
			(LCY)	(LCY)	(%)	(USD m)	(%)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
THAILAND															
Indorama Ventures	IVL TB	BUY	47.25	70.00	48	7,934	74.8	9.7	8.8	19.4	18.4	1.7	1.5	7.5	6.9
Irpc Pcl	IRPC TB	BUY	4.06	5.80	43	2,481	nm	5.2	6.5	19.9	14.6	1.0	0.9	4.3	4.9
Ptt Global Chem	PTTGC TB	BUY	60.25	75.00	24	8,124	nm	8.4	10.8	11.2	8.7	0.9	1.0	10.5	9.8
Siam Cement	SCC TB	BUY	389.00	520.00	34	13,960	21.9	7.8	7.5	17.6	16.3	1.3	1.2	8.6	7.9
Eastern Polymer	EPG TB	BUY	12.40	15.50	25	1,038	16.8	28.5	22.8	11.3	13.3	3.2	2.9	19.8	16.9
Vinythai Public	VNT TB	NA	38.75	NA	NA	1,366	nm	17.5	17.5	11.5	10.6	1.9	1.8	n/a	n/a
THAILAND avg						34,904	23.6	9.2	9.3	16.2	14.6	1.4	1.3	8.5	7.9
INDIA															
Reliance Industries	RIL IN	NA	2,455.55	NA	NA	229,710	20.7	36.2	29.2	8.6	7.6	2.7	2.1	23.2	17.4
INDIA avg						229,710	20.7	36.2	29.2	8.6	7.6	2.7	2.1	23.2	17.4
TAIWAN															
Formosa Plastics	1301 TT	NA	109.00	NA	NA	25,072	44.2	9.9	11.3	19.6	15.6	1.8	1.8	9.5	11.5
Nan Ya Plastics	1303 TT	NA	88.40	NA	NA	25,333	32.4	8.7	11.2	21.1	15.6	1.7	1.7	8.0	10.3
Formosa Chem&Fi	1326 TT	NA	81.40	NA	NA	17,239	23.3	11.7	14.1	10.7	8.7	1.2	1.2	8.8	11.3
Formosa Petro	6505 TT	NA	99.40	NA	NA	34,214	90.6	18.4	19.8	15.3	13.5	2.7	2.6	11.5	12.0
TAIWAN avg						101,858	43.4	12.8	14.6	17.0	13.7	2.0	1.9	9.7	11.3
SOUTH KOREA															
Hanwha Solutions	009830 KS	NA	39,200	NA	NA	6,287	28.8	8.3	8.4	12.8	10.5	1.0	0.9	7.5	6.6
Lotte Chemical	011170 KS	NA	222,500	NA	NA	6,395	88.8	5.0	6.2	11.4	8.7	0.5	0.5	2.8	3.1
Lg Chem	051910 KS	NA	773,000	NA	NA	45,756	113.4	14.8	18.2	20.0	13.9	2.7	2.4	8.0	8.1
Kumho Petro	011780 KS	NA	170,000	NA	NA	4,319	20.3	2.6	4.1	48.7	24.3	1.1	0.9	1.9	2.7
Oci	010060 KS	NA	104,000	NA	NA	2,080	nm	4.8	4.4	19.9	17.7	0.9	0.7	4.2	3.7
SOUTH KOREA avg						64,836	93.4	12.1	14.7	20.3	13.9	2.1	1.9	6.9	7.0
MALAYSIA															
Petronas Chem	PCHEM MK	NA	8.90	NA	NA	17,164	48.8	10.9	13.1	20.7	15.5	2.2	2.0	7.3	7.9
Lotte Chemical Titan	TTNP MK	NA	2.38	NA	NA	1,301	53.2	5.1	10.9	9.5	3.8	0.4	0.4	0.5	0.9
MALAYSIA avg						18,465	48.9	10.5	13.0	19.9	14.7	2.0	1.9	6.8	7.4
Average (Asia)						449,772	54.3	24.3	21.6	13.2	10.7	2.3	2.0	16.0	13.4
US															
Eastman Chem	EMN US	NA	121.40	NA	NA	16,321	19.7	13.6	12.7	16.9	19.2	2.7	2.5	9.7	9.7
Dupont De Nem	DD US	NA	83.03	NA	NA	43,018	110.4	19.7	16.9	7.0	8.7	1.6	1.8	12.6	11.6
Celanese	CE US	NA	171.16	NA	NA	18,634	28.1	9.3	10.8	51.6	37.7	5.0	3.9	7.5	8.7
Westlake Chem	WLK US	NA	101.33	NA	NA	12,952	57.5	6.8	7.6	26.5	19.2	1.5	1.1	4.3	4.6
Ppg Industries	PPG US	NA	168.81	NA	NA	40,076	18.5	25.2	20.7	25.7	28.1	6.2	5.6	17.5	14.7
Alpek Sa De Cv	ALPEKA MM	NA	21.47	NA	NA	2,217	19.6	6.5	9.0	18.6	10.2	1.0	1.0	3.9	5.0
Avg (US)						133,218	32.6	17.7	15.7	22.2	20.9	3.6	3.2	12.1	11.1
ME/Europe															
Saudi Basic	SABIC AB	NA	120.20	NA	NA	96,405	129.9	15.7	19.0	13.2	11.4	2.0	1.9	8.5	9.4
Saudi Kayan	KAYAN AB	NA	18.34	NA	NA	7,386	nm	12.0	16.6	15.4	10.5	1.7	1.5	8.1	9.0
Yanbu National	YANSAB AB	NA	72.30	NA	NA	10,897	43.9	23.6	22.6	11.3	12.4	2.7	2.7	12.6	11.6
Industries Qatar	IQCD QD	NA	16.00	NA	NA	26,327	42.3	11.8	11.3	22.4	20.5	2.7	2.6	12.8	11.2
Basf Se	BAS GR	NA	66.85	NA	NA	70,042	72.5	10.2	11.6	15.8	12.8	1.7	1.6	6.9	7.4
Arkema	AKE FP	NA	130.35	NA	NA	11,333	28.8	12.7	13.8	13.5	11.0	1.7	1.5	6.8	7.3
Lanxess Ag	LXS GR	NA	57.90	NA	NA	5,643	39.5	13.4	11.2	8.9	10.9	1.5	1.4	7.1	6.1
Solvay Sa	SOLB BB	NA	107.45	NA	NA	12,977	(5.1)	12.1	12.0	12.7	11.0	1.5	1.5	7.0	6.8
Avg (ME/Europe)						241,010	39.7	13.5	15.3	14.8	12.8	2.0	1.9	8.5	8.8
Petrochem under coverage						33,538	23.6	8.5	8.6	15.8	14.1	1.3	1.2	8.5	7.9
Average (all)						824,001	45.7	20.1	18.8	15.1	13.0	2.4	2.2	13.2	11.7

Share prices as of 11 January 2022

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	369,677	368,229	374,369
Cost of goods sold	(285,554)	(267,316)	(286,405)	(288,980)	(280,990)
Gross profit	67,138	64,197	83,272	79,249	93,379
Other operating income	-	-	-	-	-
Operating costs	(32,129)	(32,724)	(27,726)	(22,094)	(28,078)
Operating EBITDA	35,010	31,473	55,547	57,155	65,301
Depreciation	(17,040)	(20,487)	(18,241)	(18,870)	(19,498)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	17,969	10,986	37,306	38,285	45,803
Net financing costs	(5,728)	(7,362)	(6,762)	(4,510)	(7,299)
Associates	5	143	633	633	633
Recurring non-operating income	407	1,949	633	633	633
Non-recurring items	(6,750)	(4,774)	1,822	2,022	2,022
Profit before tax	5,898	799	32,999	36,430	41,159
Tax	(1,534)	1,243	(3,300)	(3,643)	(4,116)
Profit after tax	4,364	2,042	29,699	32,787	37,043
Minority interests	888	(386)	(645)	(651)	(672)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	5,252	1,656	29,054	32,136	36,371
Non-recurring items & goodwill (net)	6,750	4,774	(1,822)	(2,022)	(2,022)
Recurring net profit	12,002	6,430	27,231	30,114	34,349
Per share (THB)					
Recurring EPS *	2.14	1.15	4.85	5.36	6.12
Reported EPS	0.94	0.30	5.17	5.72	6.48
DPS	0.35	0.20	2.41	2.66	3.01
Diluted shares (used to calculate per share data)	5,615	5,615	5,615	5,615	5,615
Growth					
Revenue (%)	1.6	(6.0)	11.5	(0.4)	1.7
Operating EBITDA (%)	(15.7)	(10.1)	76.5	2.9	14.3
Operating EBIT (%)	(38.8)	(38.9)	239.6	2.6	19.6
Recurring EPS (%)	(52.4)	(46.4)	323.5	10.6	14.1
Reported EPS (%)	(80.2)	(68.5)	1,653.9	10.6	13.2
Operating performance					
Gross margin inc. depreciation (%)	14.2	13.2	17.6	16.4	19.7
Gross margin of key business (%)	12.3	13.2	17.6	16.4	19.7
Operating EBITDA margin (%)	9.9	9.5	15.0	15.5	17.4
Operating EBIT margin (%)	5.1	3.3	10.1	10.4	12.2
Net margin (%)	3.4	1.9	7.4	8.2	9.2
Effective tax rate (%)	26.0	-79.8	10.0	10.0	10.0
Dividend payout on recurring profit (%)	16.4	17.5	49.6	49.6	49.2
Interest cover (X)	3.2	1.8	5.6	8.6	6.4
Inventory days	84.5	79.3	72.7	75.8	78.5
Debtor days	37.2	37.3	34.9	36.9	36.5
Creditor days	76.0	86.5	88.1	91.9	95.1
Operating ROIC (%)	8.0	4.6	1.0	1.0	1.2
ROIC (%)	6.8	4.4	0.8	0.9	1.1
ROE (%)	8.7	5.0	19.4	18.4	18.7
ROA (%)	4.5	3.5	6.0	6.2	6.8

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2019	2020	2021E	2022E	2023E
PET	196,047	153,889	160,270	160,741	162,054
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	27,231	30,114	34,349
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	34,172	20,669	19,569
Cash flow from operations	47,510	45,518	78,644	68,651	72,416
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	(6,878)	(6,878)	(1,123)	(13,513)	(14,947)
Equity finance	0	0	0	0	0
Debt finance	8,881	51,695	(9,654)	(9,654)	(9,654)
Other financing cash flows	(19,347)	(56,543)	5,896	6,102	6,122
Cash flow from financing	(17,344)	(11,726)	(4,881)	(17,065)	(18,479)
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	51,503	29,326	31,677
Free cash flow to firm (FCFF)	27,827.25	27,901.55	63,767.40	53,774.84	57,539.43
Free cash flow to equity (FCFE)	11,745.85	15,379.42	52,626.04	42,839.48	46,624.07
Per share (THB)					
FCFF per share	4.96	4.97	11.36	9.58	10.25
FCFE per share	2.09	2.74	9.37	7.63	8.30
Recurring cash flow per share	5.00	4.62	7.92	8.55	9.41
Balance Sheet (THB m) Year Ending Dec					
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	70,451	99,777	131,455
A/C receivable	34,305	33,422	37,269	37,123	37,742
Inventories	62,165	53,938	60,148	59,912	60,911
Other current assets	11,840	13,526	13,526	13,526	13,526
Current assets	118,757	119,835	181,395	210,339	243,634
Other assets	49,388	69,046	46,416	46,416	46,416
Total assets	380,568	453,172	487,060	510,335	537,332
Common equity	129,712	126,655	154,586	173,208	194,633
Minorities etc.	8,455	8,953	29,925	33,100	37,462
Total shareholders' equity	138,167	135,608	184,511	206,308	232,095
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	72,891	72,606	73,816
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	128,342	128,056	129,267
Total liabilities and shareholders' equity	380,568	453,172	487,060	510,335	537,332
Net working capital	19,762	16,593	12,247	12,151	12,558
Invested capital	281,573	349,930	317,913	312,147	306,256
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	23.10	22.56	27.53	30.85	34.67
Tangible book value per share	23.10	22.56	27.53	30.85	34.67
Financial strength					
Net debt/equity (%)	95.2	128.9	66.8	45.5	26.8
Net debt/total assets (%)	34.6	38.6	25.3	18.4	11.6
Current ratio (x)	1.0	1.1	1.4	1.6	1.9
CF interest cover (x)	5.9	5.3	10.7	13.4	9.2
Valuation					
Recurring P/E (x) *	22.1	41.3	9.7	8.8	7.7
Recurring P/E @ target price (x) *	32.7	61.1	14.4	13.1	11.4
Reported P/E (x)	50.5	160.2	9.1	8.3	7.3
Dividend yield (%)	0.7	0.4	5.1	5.6	6.4
Price/book (x)	2.0	2.1	1.7	1.5	1.4
Price/tangible book (x)	2.0	2.1	1.7	1.5	1.4
EV/EBITDA (x) **	11.6	14.3	7.5	6.9	5.6
EV/EBITDA @ target price (x) **	15.2	18.3	9.8	9.1	7.5
EV/invested capital (x)	1.4	1.3	1.3	1.3	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	ICHI	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	PCSGH	PDJ	PG	PHOL	PLANB	PLANET
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	SEOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	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	WIIK	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	TIPIP	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	AMANA	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	SEAOL	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, CFA, FRM, ERP FSS International Investment Advisory Securities Co., Ltd

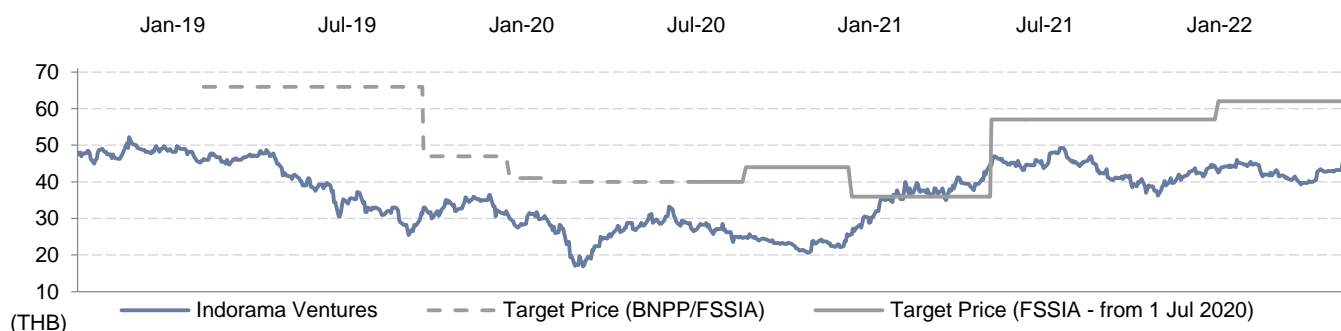
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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History of change in investment rating and/or target price

Indorama Ventures (IVL TB)



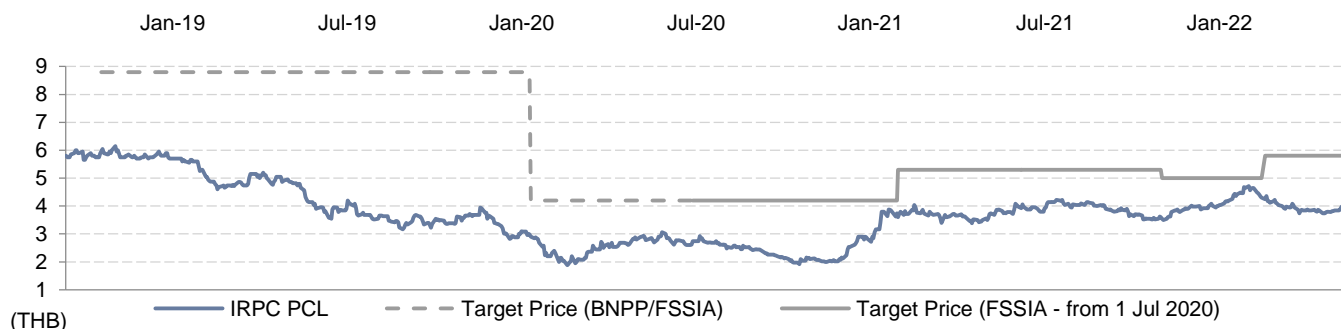
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
02-May-2019	BUY	66.00	07-Aug-2020	BUY	44.00	20-Jul-2021	BUY	57.00
07-Nov-2019	BUY	47.00	06-Nov-2020	BUY	36.00	18-Aug-2021	BUY	57.00
20-Jan-2020	BUY	41.00	08-Mar-2021	BUY	57.00	17-Sep-2021	BUY	62.00
27-Feb-2020	BUY	40.00	02-Apr-2021	BUY	57.00			
09-Jun-2020	BUY	40.00	09-Jun-2021	BUY	57.00			

Suwat Sinsadok, CFA, FRM, ERP started covering this stock from 09-Jun-2020

Price and TP are in local currency

Source: FSSIA estimates

IRPC PCL (IRPC TB)



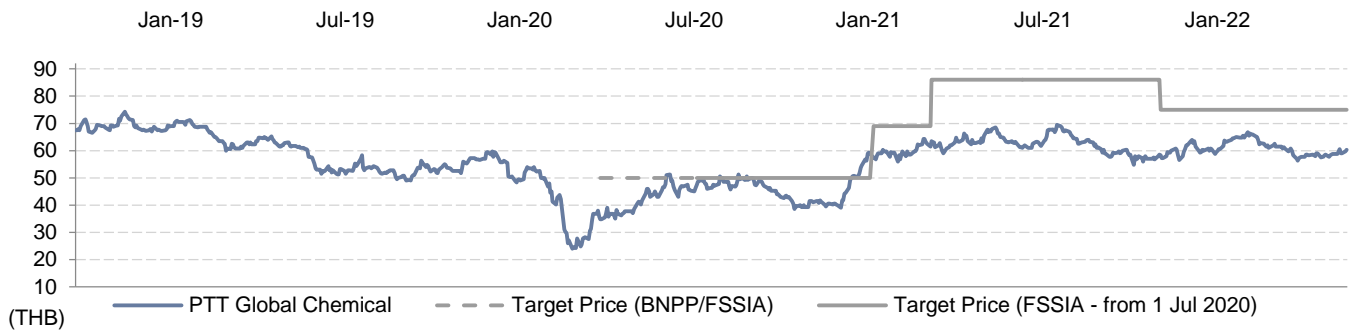
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
13-Feb-2019	BUY	8.80	22-Dec-2020	BUY	5.30	29-Oct-2021	BUY	5.80
14-Feb-2020	BUY	4.20	04-Aug-2021	BUY	5.00			

Suwat Sinsadok, CFA, FRM, ERP started covering this stock from 08-May-2020

Price and TP are in local currency

Source: FSSIA estimates

PTT Global Chemical (PTTGC TB)



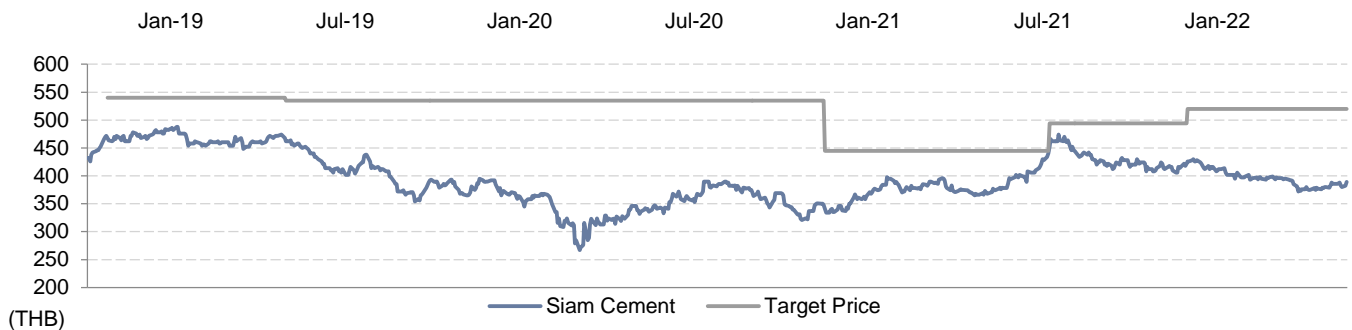
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
09-Apr-2020	BUY	50.00	18-Jan-2021	BUY	86.00	-	-	-
27-Nov-2020	BUY	69.00	03-Aug-2021	BUY	75.00			

Suwat Sinsadok, CFA, FRM, ERP started covering this stock from 08-May-2020

Price and TP are in local currency

Source: FSSIA estimates

Siam Cement (SCC TB)



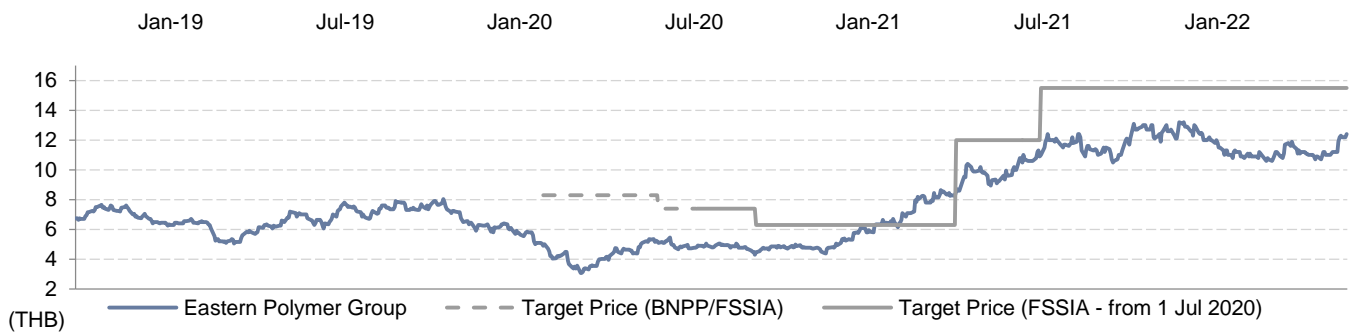
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
31-Jan-2019	BUY	540.00	14-Oct-2020	BUY	445.00	25-Aug-2021	BUY	520.00
05-Jul-2019	BUY	535.00	27-Apr-2021	BUY	494.00			

Suwat Sinsadok, CFA, FRM, ERP started covering this stock from 14-Oct-2020

Price and TP are in local currency

Source: FSSIA estimates

Eastern Polymer Group (EPG TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
20-Feb-2020	BUY	8.30	20-Aug-2020	BUY	6.30	22-Apr-2021	BUY	15.50
29-May-2020	BUY	7.40	08-Feb-2021	BUY	12.00			

Suwat Sinsadok, CFA, FRM, ERP started covering this stock from 29-May-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Indorama Ventures	IVL TB	THB 47.25	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.
IRPC PCL	IRPC TB	THB 4.06	BUY	Key risks to our positive view and EV/EBITDA-based target price are weaker-than-expected oil product demand growth and lower-than-expected PP-naphtha and SM-benzene margins.
PTT Global Chemical	PTTGC TB	THB 60.25	BUY	The key downside risks to our EV/EBITDA-based TP are the weaker-than-expected HDPE price and HDPE-naphtha margin.
Siam Cement	SCC TB	THB 389.00	BUY	Downside risks to our SOTP based TP include 1) a lower-than-expected demand for chemicals, CBM, and packaging; 2) rising coal costs for its cement and packaging units; and 3) weaker demand from the automobile industry that could erode the demand for SCC's chemical unit and its dividend contributions.
Eastern Polymer Group	EPG TB	THB 12.40	BUY	Downside risks to our EV/EBITDA-based target price include 1) a sharp rise in feedstock prices, driven mostly by a higher oil price; and 2) lower-than-expected demand for plastics used for insulators and the automobile and packaging industries.

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 11-Jan-2022 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / 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.