

INDORAMA VENTURES  
THAILAND / PETROCHEM & CHEMICALS

## IVL TB

BUY

UNCHANGED

## ระดับการประเมินมูลค่าที่ลดลงไม่สมเหตุสมผล

- เราคิดว่าราคาหุ้นของ IVL ที่ลดลงเมื่อวันที่ 21 ก.พ. ถึงกว่า 6% ไม่สมเหตุสมผล โดยเราคาดว่ากำไรสุทธิ 4Q21 จะออกมาดีถึงกว่า 6 พัน ลบ.
- ปัจจัยหนุนสำคัญในปี 2022 น่าจะอยู่ที่ PET-PTA margin รวมทั้งสูงขึ้น, EBITDA ที่สูงขึ้นจากธุรกิจ IOD และอัตราการใช้กำลังการผลิตที่สูงขึ้น
- คงแนะนำซื้อที่ราคาเป้าหมาย 70 บาท

## ราคาหุ้นที่สวนกับปัจจัยพื้นฐานไม่สมเหตุสมผล

เราคิดว่าราคาหุ้นของ IVL ที่ปรับตัวลดลงเมื่อวันที่ 21 ก.พ. 22 ถึงกว่า 6% ไม่สมเหตุสมผล โดยเราคาดว่ากำไรสุทธิ 4Q21 จะออกมาดีถึงกว่า 6 พัน ลบ. และน่าจะปรับตัวขึ้นต่อเนื่องตามลำดับใน 1Q22 จนถึง 4Q22 ในความเห็นของเราปัจจัยหนุนสำคัญจะประกอบด้วย PET-PTA margin รวมทั้งสูงขึ้นทั่วโลก (เราคาดว่า EBITDA จะโต USD0.4-0.6 พัน y-y), EBITDA ที่สูงขึ้นจากผลิตภัณฑ์ Oxide and derivatives (IOD) รวม, EBITDA ที่โตขึ้นจากสินทรัพย์ IOD ของ Oxiteno ที่ซื้อมา (เราคาดไว้ที่ USD0.2 พันล้านใน 2Q22) และอัตราการใช้กำลังการผลิตที่สูงขึ้นของ Ethane cracker ขนาด 0.44mtpa ตั้งแต่ 4Q21 เป็นต้นไป (เราคาดว่าจะ +USD0.1 พันล้านในปี 2022)

## PET-PTA margin รวมจะดีขึ้นติดต่อกัน

จากข้อมูลของ the National Development Reform and Commission (NDRC) ปัจจัยผลักดันการเติบโตภายในสำคัญในปี 2022 น่าจะอยู่ที่ PET-PTA (IPP) margin รวมทั้งสูงขึ้นทั่วโลกจากนโยบายคู่ขนานของจีนในการควบคุมอุตสาหกรรมที่ใช้พลังงานสูงอย่างเช่น การผลิต Polyester เพื่อลดการปล่อยคาร์บอนและบรรลุเป้าหมายการประหยัดต้นทุนพลังงาน ในตลาดอเมริกาเหนือ (NA) และยุโรป (EU) IPP margin อยู่ในระดับสูงกว่าในเอเชียมาจากต้นทุนค่าระวางที่ปรับตัวขึ้นและระบบโลจิสติกส์ที่ปั่นป่วนทั่วโลก ซึ่งมีผลให้ PET และ PTA นำเข้าไปยัง NA และ EU มีต้นทุนทดแทนการนำเข้าสูงกว่าเกิน 2x

## ส่วนลด 30% จากมูลค่าทดแทน

หลังการซื้อกิจการหลายรายการและต้นทุนสำหรับการลงทุนก่อสร้างโรงงานผลิตใหม่ที่เพิ่มขึ้น 30-40% จากความปั่นป่วนในด้านอุปทาน โลจิสติกส์ และวัตถุดิบโลก เราคาดว่ามูลค่าทดแทนของ IVL ในปัจจุบันอยู่ที่ USD19.5 พันล้าน (644.3 พัน ลบ.) จากราคาปิดที่ 46 บาทเมื่อวันที่ 21 ก.พ. 22 เราคาดว่าปัจจุบัน IVL มีการซื้อขายโดยมีส่วนลด 30% จากมูลค่าทดแทนและที่เพียง 6x ของค่า 2022E EV/EBITDA ซึ่งให้ส่วนลดเป็นจำนวนมากเมื่อเทียบกับค่าเฉลี่ย 10 ปีของ IVL ที่ 11.8x

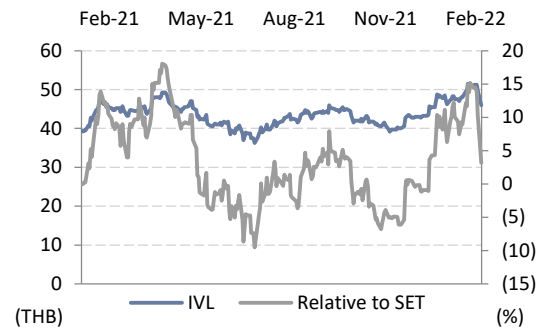
## ซื้อสะสมหลังราคาปรับตัวลดลงอย่างรุนแรง

เราคงแนะนำซื้อที่ราคาเป้าหมาย 70 บาท เราเชื่อว่าความกังวลของตลาดเกี่ยวกับความเสี่ยงทางเลือกที่อาจมีสำหรับแนวโน้มกำไรของ IV ในปี 2022-23 ไม่สมเหตุสมผล เนื่องจากปัจจุบัน EBITDA ส่วนมากของบริษัท มาจากผลิตภัณฑ์ที่มีอัตรากำไรสูงและมีเสถียรภาพ ประกอบด้วย IOD, ยอดขาย PET และ PTA ส่วนมากใน NA และ EU, รวมถึงเส้นใยและ PET ซึ่งเป็นผลิตภัณฑ์ที่มีมูลค่าเพิ่มในอัตราสูง

TARGET PRICE	THB70.00
CLOSE	THB46.00
UP/DOWNSIDE	+52.2%
PRIOR TP	THB70.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+17.7%

## 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 (%)	-	10.0	17.5	25.3
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. (%)	-	-	-	-
EPS growth (%)	(46.4)	323.5	10.6	14.1
Core P/E (x)	40.2	9.5	8.6	7.5
Dividend yield (%)	0.4	5.2	5.8	6.6
EV/EBITDA (x)	14.0	7.4	6.7	5.5
Price/book (x)	2.0	1.7	1.5	1.3
Net debt/Equity (%)	128.9	66.8	45.5	26.8
ROE (%)	5.0	19.4	18.4	18.7



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(0.5)	12.9	18.7
Relative to country (%)	(3.0)	9.6	5.1
Mkt cap (USD m)	8,021		
3m avg. daily turnover (USD m)	32.1		
Free float (%)	33		
Major shareholder	Indorama Resources (63%)		
12m high/low (THB)	52.00/36.00		
Issued shares (m)	5,614.55		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 22 กุมภาพันธ์ 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.

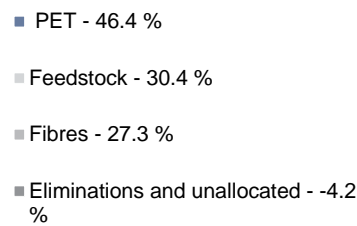
Unlike its last two growth cycles when IVL funded its capacity growth through debt and capital increases using warrants (IVL-W1 and IVL-W2), key growth strategies in IVL's third growth cycle could be driven by: 1) M&A in the global packaging business, non-PET packaging in frontier markets and specialty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

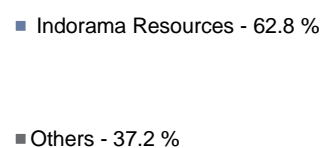
[www.indoramaventures.com](http://www.indoramaventures.com)

## 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

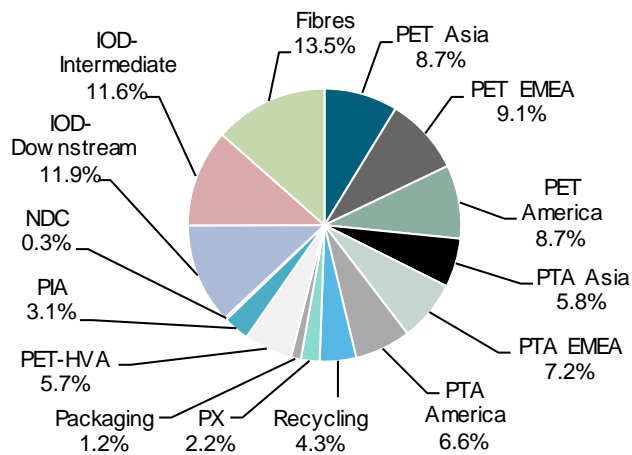
## Earnings sensitivity

- For every 1% change in the THB/USD exchange rate, we estimate a 1.4% change in 2022 EPS, all else being equal.
- For every 1% increase in latex price, we estimate 2022 EPS would fall 0.7%, and vice versa, all else being equal.
- For every 1% increase in utilisation rate, we estimate 2022 EPS would rise 1.5%, and vice versa, all else being equal.
- For every 1% increase in ASP, we estimate 2022 EPS would rise by 0.8%, and vice versa, all else being equal.

Source: FSSIA estimates

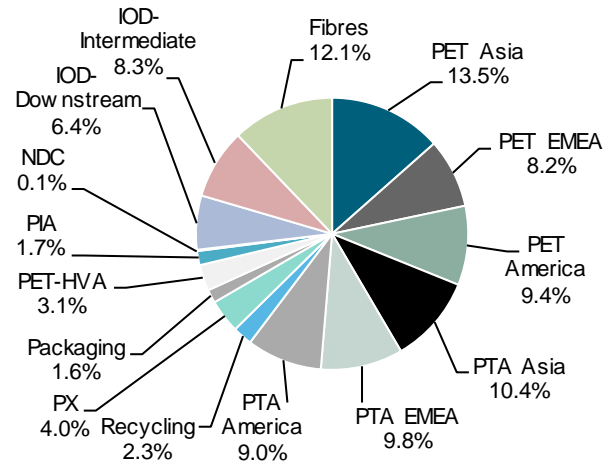


**Exhibit 1: Replacement value breakdown by business unit (USD19.5b as of 2021)**



Sources: IVL

**Exhibit 2: Capacity breakdown by business unit (18mtpa as of 2021)**



Sources: IVL

**Exhibit 3: Replacement value analysis**

2022E	Capacity		Replacement cost incl. net working capital		Replacement value	
		(ktpa)		(USD/t)		(USD m)
PET Asia		2,432		700		1,702
PET EMEA		1,486		1,200		1,784
PET America		1,703		1,000		1,703
PTA Asia		1,886		600		1,131
PTA EMEA		1,765		800		1,412
PTA America		1,620		800		1,296
Recycling		420		2,000		840
PX		720		600		432
Packaging		287		800		229
PET- HVA		560		2,000		1,119
PIA		303		2,000		606
NDC		27		2,000		54
IOD - Downstream		1,161		2,000		2,323
IOD - Intermediate		1,503		1,500		2,255
Fibres		2,192		1,200		2,630
Wool		8		1,000		8
<b>Total</b>		<b>18,073</b>				
Total (USD m)						19,525
<b>Total (THB m)</b>						<b>644,326</b>

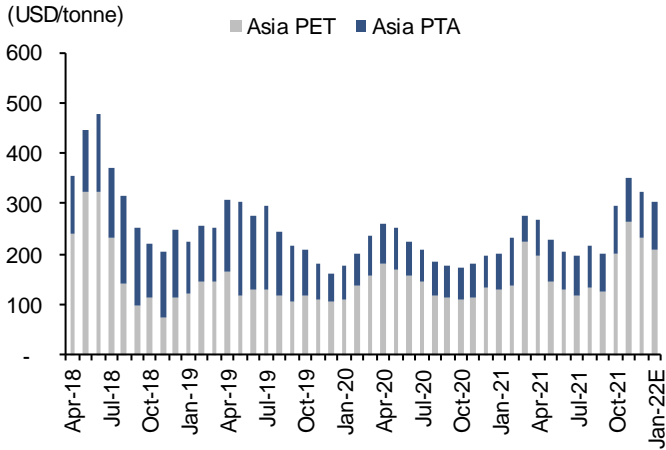
Sources: IVL; FSSIA estimates

**Exhibit 4: Valuation premium (discount) to replacement value and EV (21 Feb 2022)**

NAV based on replacement cost	THB m	Unit	Comment
Asset value	644,326	THB m	USD19.5b
Net debt	(93,942)	THB m	As end-22E
NAV	550,384	THB m	USD16.7b
no of share outstanding	5,615	m shares	
<b>NAV per share</b>	<b>71.6</b>	<b>THB/share</b>	
Market price (as of 21 Feb 2022)	46.0	THB/share	
Market cap	258,269	THB m	
Net debt at end-2022E	93,942	THB m	
EV	352,211	THB m	
<b>EV/share</b>	<b>62.7</b>	<b>THB/share</b>	
EV % (discount)/premium to replacement value	(36.0)	%	
Base case - 2022E EBITDA	1,899	USD m	
Worst case - 20% drop in EBITDA	1,520	USD m	
<b>Implied EV/EBITDA</b>	<b>At USD1b</b>	<b>At 20% worse case</b>	
at market price	6.0	7.5	x
at replacement value	9.3	11.7	x

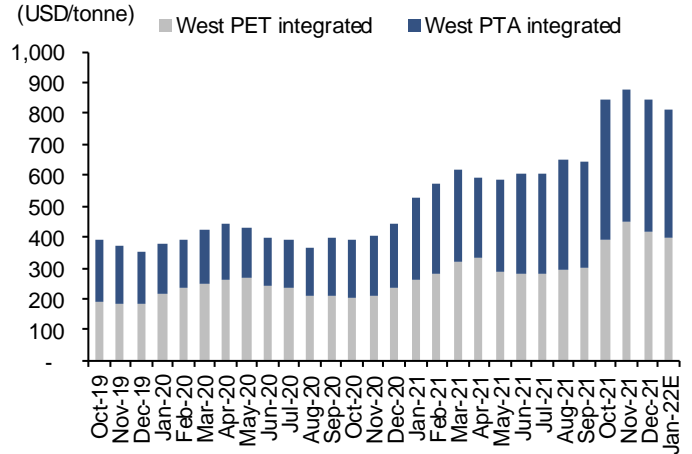
Sources: IVL; FSSIA estimates

**Exhibit 5: Integrated PET-PTA margin in Asia**



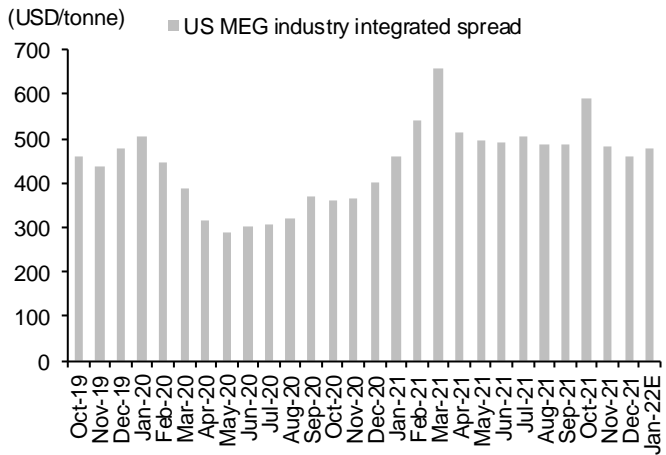
Source: IVL

**Exhibit 6: Integrated PET-PTA margin in Western market**



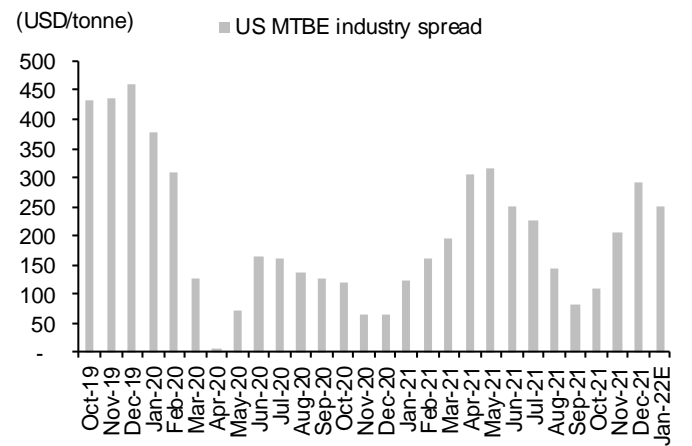
Source: IVL

**Exhibit 7: US MEG industry integrated spread**



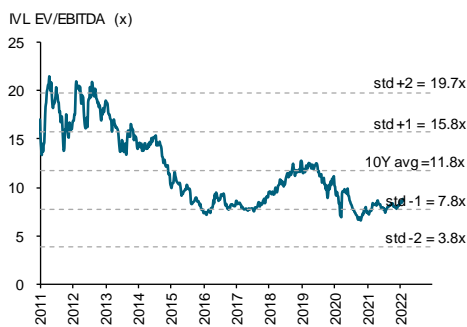
Source: IVL

**Exhibit 8: US MTBE industry spread**



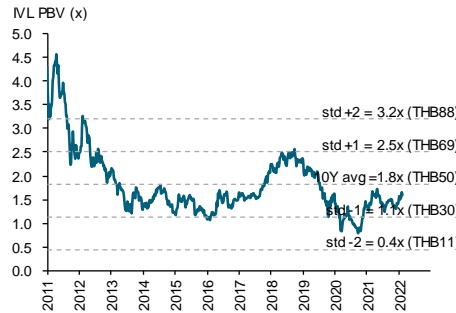
Source: IVL

**Exhibit 9: IVL's EV/EBITDA band**



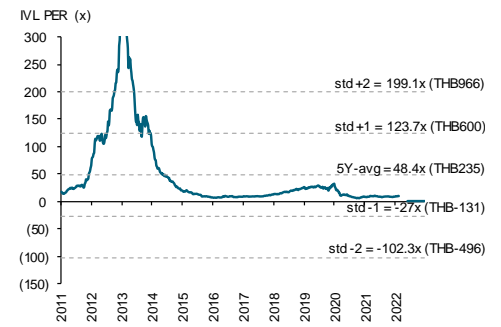
Sources: IVL; Bloomberg; FSSIA estimates

**Exhibit 10: IVL's P/BV band**



Sources: IVL; Bloomberg; FSSIA estimates

**Exhibit 11: IVL's P/E band**



Sources: IVL; 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)
<b>Gross profit</b>	<b>67,138</b>	<b>64,197</b>	<b>83,272</b>	<b>79,249</b>	<b>93,379</b>
Other operating income	-	-	-	-	-
Operating costs	(32,129)	(32,724)	(27,726)	(22,094)	(28,078)
<b>Operating EBITDA</b>	<b>35,010</b>	<b>31,473</b>	<b>55,547</b>	<b>57,155</b>	<b>65,301</b>
Depreciation	(17,040)	(20,487)	(18,241)	(18,870)	(19,498)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>17,969</b>	<b>10,986</b>	<b>37,306</b>	<b>38,285</b>	<b>45,803</b>
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
<b>Profit before tax</b>	<b>5,898</b>	<b>799</b>	<b>32,999</b>	<b>36,430</b>	<b>41,159</b>
Tax	(1,534)	1,243	(3,300)	(3,643)	(4,116)
<b>Profit after tax</b>	<b>4,364</b>	<b>2,042</b>	<b>29,699</b>	<b>32,787</b>	<b>37,043</b>
Minority interests	888	(386)	(645)	(651)	(672)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>5,252</b>	<b>1,656</b>	<b>29,054</b>	<b>32,136</b>	<b>36,371</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>6,750</b>	<b>4,774</b>	<b>(1,822)</b>	<b>(2,022)</b>	<b>(2,022)</b>
<b>Recurring net profit</b>	<b>12,002</b>	<b>6,430</b>	<b>27,231</b>	<b>30,114</b>	<b>34,349</b>
<b>Per share (THB)</b>					
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
<b>Growth</b>					
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
<b>Operating performance</b>					
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					
<b>Revenue by Division (THB m)</b>					
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
<b>Cash flow from operations</b>	<b>47,510</b>	<b>45,518</b>	<b>78,644</b>	<b>68,651</b>	<b>72,416</b>
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)
<b>Cash flow from investing</b>	<b>(25,298)</b>	<b>(25,290)</b>	<b>(22,259)</b>	<b>(22,259)</b>	<b>(22,259)</b>
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
<b>Cash flow from financing</b>	<b>(17,344)</b>	<b>(11,726)</b>	<b>(4,881)</b>	<b>(17,065)</b>	<b>(18,479)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>4,868</b>	<b>8,502</b>	<b>51,503</b>	<b>29,326</b>	<b>31,677</b>
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	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)
<b>Tangible fixed assets (net)</b>	<b>212,423</b>	<b>264,291</b>	<b>259,250</b>	<b>253,580</b>	<b>247,282</b>
<b>Intangible fixed assets (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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
<b>Current assets</b>	<b>118,757</b>	<b>119,835</b>	<b>181,395</b>	<b>210,339</b>	<b>243,634</b>
Other assets	49,388	69,046	46,416	46,416	46,416
<b>Total assets</b>	<b>380,568</b>	<b>453,172</b>	<b>487,060</b>	<b>510,335</b>	<b>537,332</b>
Common equity	129,712	126,655	154,586	173,208	194,633
Minorities etc.	8,455	8,953	29,925	33,100	37,462
<b>Total shareholders' equity</b>	<b>138,167</b>	<b>135,608</b>	<b>184,511</b>	<b>206,308</b>	<b>232,095</b>
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
<b>Long-term liabilities</b>	<b>117,439</b>	<b>203,625</b>	<b>174,208</b>	<b>175,971</b>	<b>175,971</b>
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
<b>Current liabilities</b>	<b>124,962</b>	<b>113,938</b>	<b>128,342</b>	<b>128,056</b>	<b>129,267</b>
<b>Total liabilities and shareholders' equity</b>	<b>380,568</b>	<b>453,172</b>	<b>487,060</b>	<b>510,335</b>	<b>537,332</b>
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	2019	2020	2021E	2022E	2023E
<b>Recurring P/E (x) *</b>	<b>21.5</b>	<b>40.2</b>	<b>9.5</b>	<b>8.6</b>	<b>7.5</b>
<b>Recurring P/E @ target price (x) *</b>	<b>32.7</b>	<b>61.1</b>	<b>14.4</b>	<b>13.1</b>	<b>11.4</b>
Reported P/E (x)	49.2	155.9	8.9	8.0	7.1
Dividend yield (%)	0.8	0.4	5.2	5.8	6.6
Price/book (x)	2.0	2.0	1.7	1.5	1.3
Price/tangible book (x)	2.0	2.0	1.7	1.5	1.3
EV/EBITDA (x) **	11.4	14.0	7.4	6.7	5.5
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	1.2	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	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	SEAOIL	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	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	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	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, CFA, FRM, ERP FSS International Investment Advisory Securities Co., Ltd

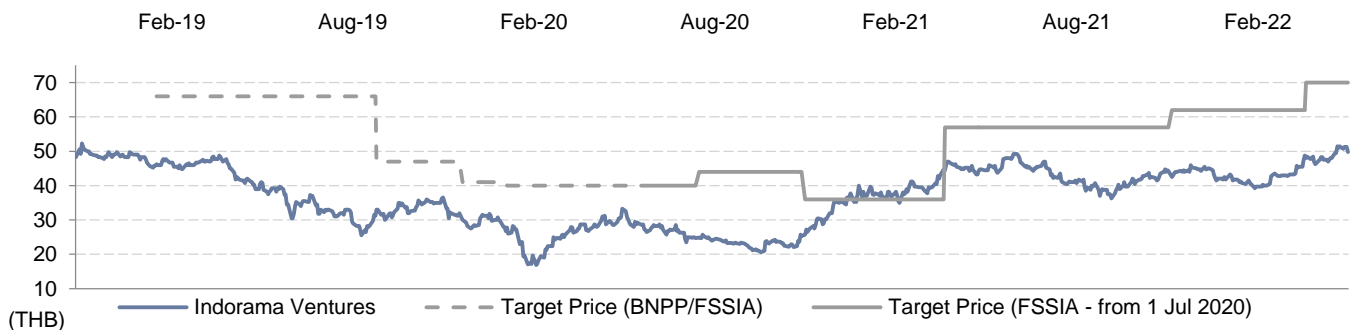
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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	27-Feb-2020	BUY	40.00	08-Mar-2021	BUY	57.00
07-Nov-2019	BUY	47.00	07-Aug-2020	BUY	44.00	17-Sep-2021	BUY	62.00
20-Jan-2020	BUY	41.00	06-Nov-2020	BUY	36.00	12-Jan-2022	BUY	70.00

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

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Indorama Ventures	IVL TB	THB 46.00	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 21-Feb-2022 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.