

INDORAMA VENTURES
THAILAND / PETROCHEM & CHEMICALS

IVL TB

BUY

UNCHANGED

ผู้ชนะอย่างเห็นได้ชัดในตลาดที่ปั่นป่วน

- เราเชื่อว่าในช่วงปี 2022-24 EBITDA ของ IVL น่าจะโตอย่างยั่งยืนและอยู่ในระดับสูง โดยจะแตะ USD2.8 พันล้านภายในปี 2024
- เราคาดว่า EBITDA จะโตจากธุรกิจ PET และ IOD หลังการซื้อ Oxiteno ของ IVL
- คงแนะนำซื้อหลังลดราคาเป้าหมายเป็น 65 จาก 70 บาท

TARGET PRICE	THB65.00
CLOSE	THB43.75
UP/DOWNSIDE	+48.6%
PRIOR TP	THB70.00
CHANGE IN TP	-7.1%
TP vs CONSENSUS	+6.2%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	468,108	443,823	444,616	442,642
Net profit	22,247	41,004	43,114	44,648
EPS (THB)	3.96	7.30	7.68	7.95
vs Consensus (%)	-	15.8	29.2	29.6
EBITDA	58,084	71,393	80,628	80,912
Core net profit	21,886	36,355	38,465	39,999
Core EPS (THB)	3.90	6.48	6.85	7.12
Chg. In EPS est. (%)	-	54.4	48.5	43.7
EPS growth (%)	204.5	66.1	5.8	4.0
Core P/E (x)	11.2	6.8	6.4	6.1
Dividend yield (%)	2.7	8.2	8.6	8.9
EV/EBITDA (x)	7.7	5.6	4.5	4.1
Price/book (x)	1.5	1.2	1.1	1.0
Net debt/Equity (%)	111.0	77.0	52.0	31.7
ROE (%)	15.3	20.4	18.2	16.7

เป็นผู้ชนะไม่ใช่แค่ผู้รอดชีวิตในตลาดโลกที่ปั่นป่วน

เราเห็นว่า 3 ปัจจัยสำคัญที่กำลังเกิดขึ้นอันประกอบด้วย ความสมดุลของรายได้ที่หายไปในช่วงกลางอุปสงค์โลกที่เติบโตในระดับสูงอย่างต่อเนื่อง การแยกตัวออกจากกระแสโลกาภิวัตน์ซึ่งกำลังเพิ่มคุณภาพการนำเข้าระหว่างตลาดตะวันออกและตะวันตก และกระแสการหันกลับไปใช้ถ่านหินซึ่งจะสนับสนุนการใช้บรรจุภัณฑ์พลาสติกที่มีความสามารถในการนำกลับมาใช้ใหม่สูงกว่าให้เพิ่มสูงขึ้น จะหนุนอัตรากำไรของ PET-PTA รวม, Surfactants, และ MTBE ในตลาดโลกให้อยู่ในระดับสูงอย่างต่อเนื่อง เราเชื่อว่าการเปลี่ยนแปลงทางโครงสร้างในตลาด PET, IOD, และเส้นใยโลกน่าจะเป็นสัญญาณที่ดีที่บอกลถึงแนวโน้มอัตรากำไรขาขึ้นของ IVL ที่จะสูงขึ้นเป็นระยะเวลานานขึ้นไปถึงปี 2023-24

ธุรกิจ IOD และ PET-PTA น่าจะนำการเติบโตในช่วงปี 2022-24

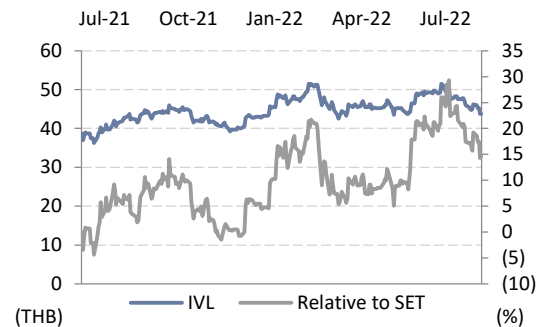
เราเชื่อว่าในช่วงปี 2022-24 EBITDA ของ IVL น่าจะโตอย่างยั่งยืนและอยู่ในระดับสูง โดยจะแตะ USD2.8 พันล้านภายในปี 2024 ในแง่ของกลุ่มผลิตภัณฑ์ เราคาดว่า EBITDA ของกลุ่ม PET รวมจะนำการเติบโตตามด้วย EBITDA ของกลุ่ม IOD จากการซื้อ Oxiteno และอัตรากำไรที่เพิ่มขึ้นของ Surfactants และ MTBE

MTBE จะโตต่อไปในขนาด

ในขณะที่อัตรากำไรของ MEG-Shale gas ได้ปรับตัวลดลงอย่างรุนแรงจนต่ำกว่าจุดคุ้มทุนที่ USD300/ตัน อัตรากำไรของ MTBE ได้พุ่งขึ้นเป็นกว่า USD1,000/ตัน ในเดือน มิ.ย. 22 จากความต้องการเบนซินและอัตรากำไรที่สูงขึ้นมาก เราคิดว่า MTBE margin น่าจะทรงตัวเหนือ USD500/ตัน ในปี 2022 และ USD400/ตัน ในปี 2023 จากความต้องการที่มีอยู่มากสำหรับสารเพิ่มค่าออกเทนในน้ำมันเบนซินที่ใช้ MTBE ด้วยกำลังการผลิต MTBE ที่สูงถึง 0.73mtpa เราคาดว่าอัตรากำไร MTBE ที่เพิ่มขึ้นทุก ๆ USD100/ตัน จะทำให้ EBITDA เพิ่มขึ้น USD40-50 ล้าน

คงแนะนำซื้อหลังปรับลดราคาเป้าหมายเป็น 65 บาท

เราปรับลดราคาเป้าหมายจาก 70 เป็น 65 บาทเนื่องจากเราปรับลดระดับการประเมินมูลค่าจาก 9.4x ของค่า 2022E EV/EBITDA ลงเหลือ 6.0x ของค่า 2023E EV/EBITDA ซึ่งคิดเป็น -1.25SD จากค่าเฉลี่ย 12 ปี การปรับลดดังกล่าวสะท้อนมุมมองเกี่ยวกับแนวโน้มตลาดของเราที่ระมัดระวังมากขึ้น อย่างไรก็ตามปัจจัยดังกล่าวจะชดเชยได้จากประมาณการกำไรต่อหุ้นที่เพิ่มขึ้น 43.7-54.4% ในช่วงปี 2022-24 จากยุทธศาสตร์การเติบโตที่ดีและทันเหตุการณ์ของ IVL พร้อมอำนาจการตั้งราคาที่อยู่ในระดับสูง การควบคุมต้นทุน และฐานะของบริษัทฯ ที่ผู้เล่นชั้นนำในระดับภูมิภาคในตลาดโพลีเอสเตอร์และปิโตรเคมี



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(7.9)	(3.3)	7.4
Relative to country (%)	(6.3)	5.2	10.2
Mkt cap (USD m)	6,708		
3m avg. daily turnover (USD m)	22.1		
Free float (%)	33		
Major shareholder	Indorama Resources (63%)		
12m high/low (THB)	52.75/36.00		
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 18 กรกฎาคม 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 from 2019-23.

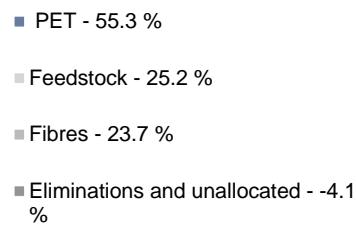
Unlike its last two growth cycles when IVL funded its capacity growth through debt and capital increases using warrants (IVL-W1 and IVL-W2), the key growth strategies in IVL's third growth cycle could be driven by: 1) M&A in the global packaging business, non-PET packaging in frontier markets and specialty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

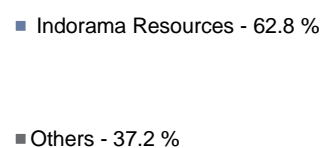
www.indoramaventures.com

Principal activities (revenue, 2021)



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
July 2022	2Q22 results announcement

Key assumptions

	2022E	2023E	2024E
	(USD/tonne)	(USD/tonne)	(USD/tonne)
Utilisation rate (%)	88	89	89
PET margin	478	604	594
PTA-PX margin	147	122	122
MEG-(0.58) ethylene margin	230	230	230
IOD EBITDA	400	400	620

Source: FSSIA estimates

Earnings sensitivity

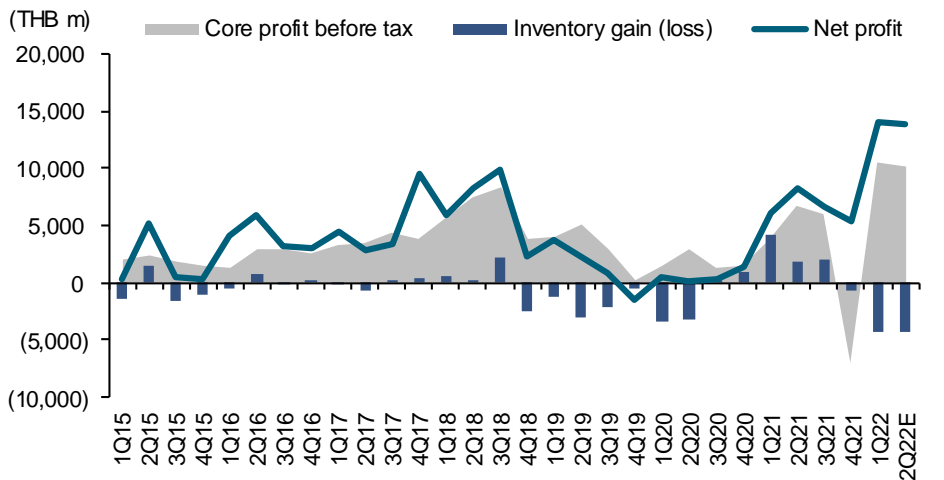
- We project that every 1% change in PTA-PX margin would result in a net profit change of 1.2%, all else being equal.
- We project that every 1% change in PET-PTA margin would result in a net profit change of 1.3%, all else being equal.
- We project that every 1% change in the average Dubai oil price would result in a net profit change of 0.9%, all else being equal.

Source: FSSIA estimates

Growth hinges on regional pricing power and M&A

Since 1Q20 when IVL's core net profits were hit by multiple headwinds, including a surprise polar vortex, unplanned shutdowns, and large inventory losses due to lower oil prices, IVL's quarterly net profit has continued to go from strength to strength, rising from an average of THB0.6b in quarterly net profits in 1Q20-4Q20 to averaging THB6.6b in 2021.

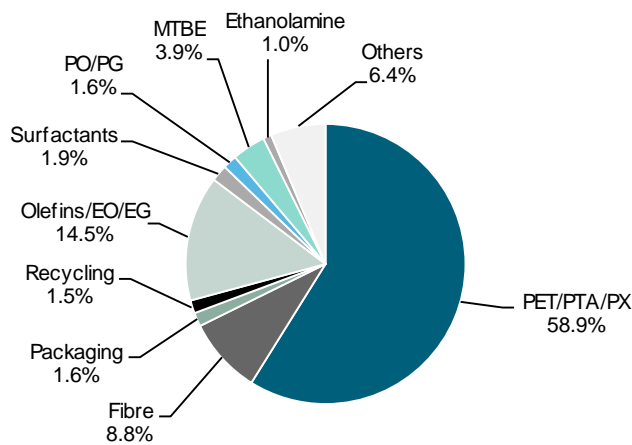
Exhibit 1: Quarterly net profit, core net profit, and inventory gain (loss)



Sources: IVL; FSSIA estimates

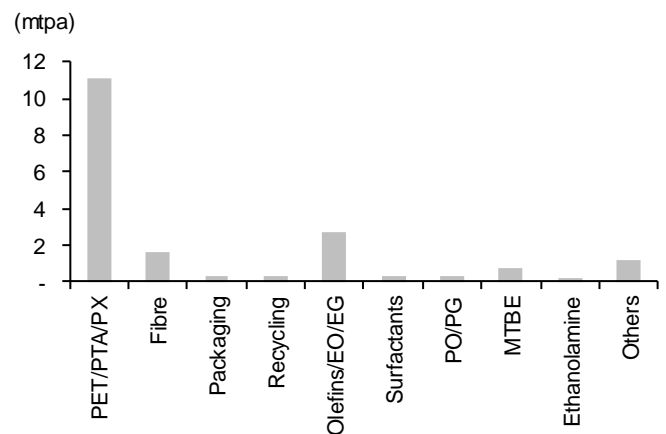
Core net profits have also sharply jumped from an average of THB1.8b in 2020 to THB2.4b in 2021, driven by rising product margins on the back of strong demand despite the negative impact of its fixed-margin sales volumes of PET and PTA in Western markets (North America and Europe), which account for one-third of IVL's total capacity of 19mtpa after the acquisition of Oxiteno's integrated oxide and derivatives (IOD) assets in Latin America.

Exhibit 2: Capacity breakdown by product as of 1Q22 (%)



Sources: IVL; FSSIA estimates

Exhibit 3: Capacity breakdown by product as of 1Q22 (19mtpa)

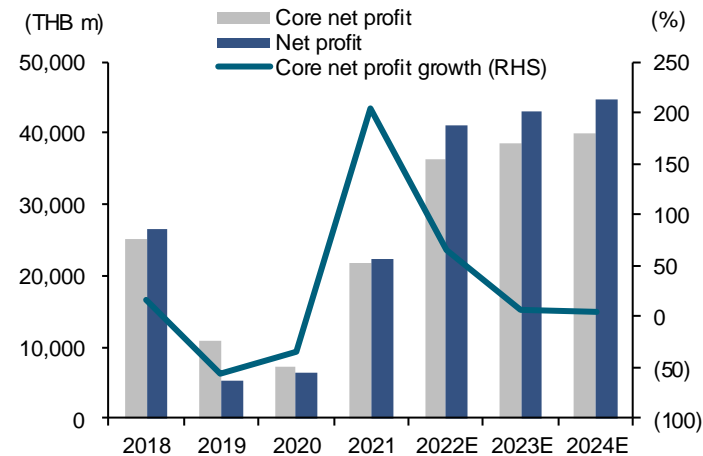


Sources: IVL; FSSIA estimates

As a result, IVL's net profits have grown markedly from THB2.4b in 2020 to THB22.2b in 2021, and we now project IVL's net profit to jump to THB41.0b in 2022, THB43.1b in 2023, and THB44.6b in 2024, driven by EBITDA and net profit growth across all three segments.

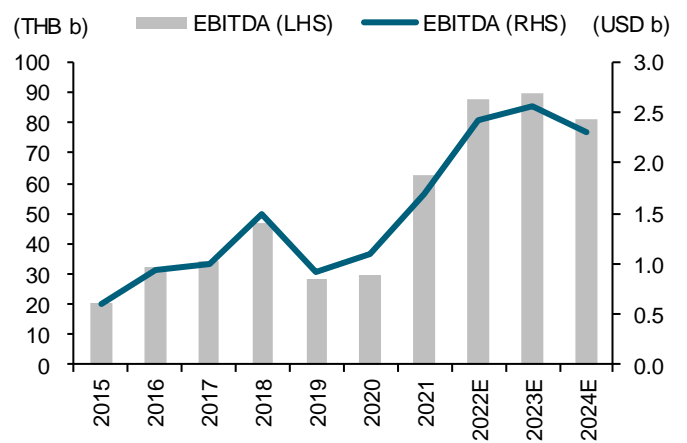
The key growth drivers came from IVL's timely acquisitions of IOD assets from Huntsman in 1Q20 and from Oxiteno in 1Q22, and the sharp rises in the margins of integrated PET-PTA in Western and Asian markets due to strong demand recoveries post the global economic reopening after two years of lockdowns due to the Covid-19 pandemic in 2020-21.

Exhibit 4: Annual core net profit, net profit, and core net profit growth



Sources: IVL; FSSIA estimates

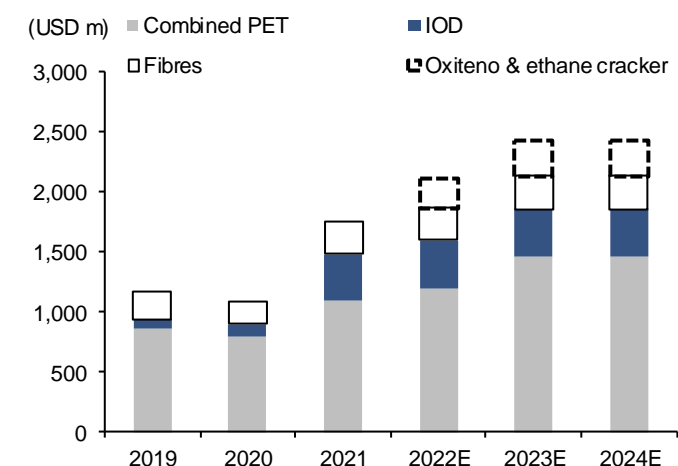
Exhibit 5: EBITDA in THB and USD



Sources: IVL; FSSIA estimates

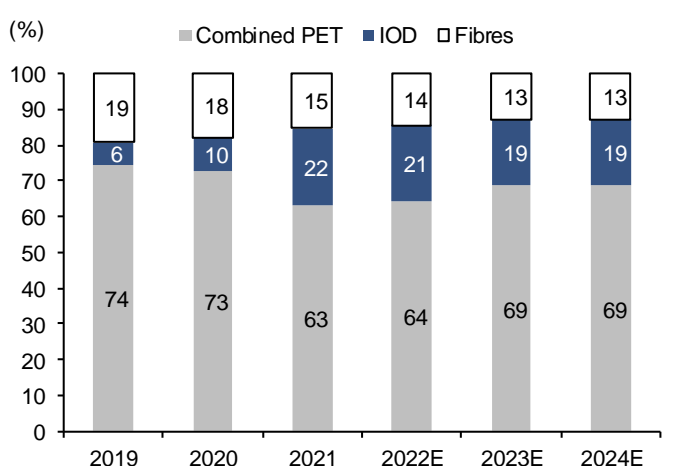
IOD and PET-PTA growth leading the charge in 2022-24. We believe that in 2022-24, IVL is poised to see sustainable and solid EBITDA growth reaching USD2.8b by 2024. In terms of product segments, we expect EBITDA growth from combined PET to lead the charge, followed closely by EBITDA growth from the IOD group thanks to IVL's acquisition of Oxiteno and the rising margins of surfactants and methyl tertiary-butyl ether (MTBE), a key octane booster for gasoline.

Exhibit 6: EBITDA breakdown by segment



Sources: IVL; FSSIA estimates

Exhibit 7: EBITDA breakdown by segment (%)



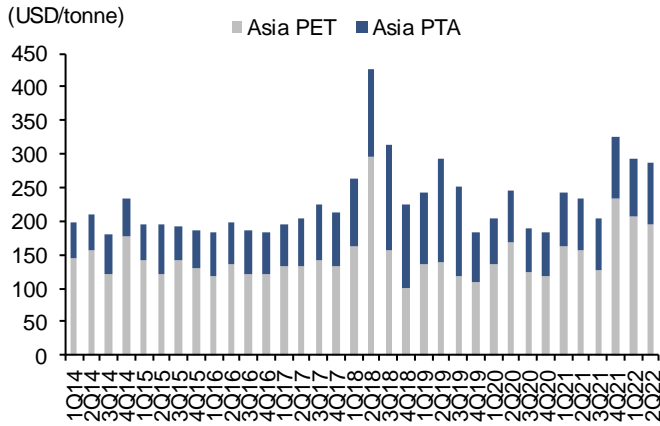
Sources: IVL; FSSIA estimates

Margins rising as IVL emerges as a winner on de-globalisation and de-carbonisation

The continued strong industry margins for both integrated PET-PTA and MTBE are the two key pillars for IVL’s strong and sustainable EBITDA growth in 2022-24, in our view.

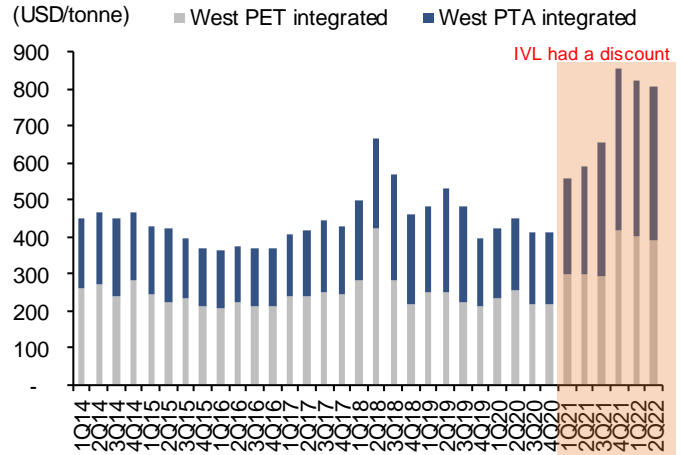
We see three major emerging factors, from the de-balancing of incomes to sustain strong global demand growth, to the de-globalisation trend that is increasing the import parity between Eastern and Western markets, and the de-carbonisation megatrend that will support the increased use of plastic packaging with better recyclability, which should continue to underpin the high margins of integrated PET-PTA, surfactants, and MTBE globally.

Exhibit 8: Margins of integrated PET-PTA in Asia have remained high above USD250/t since 4Q21



Source: IVL

Exhibit 9: Margins of integrated PET-PTA in the West have spiked to record highs since 4Q21

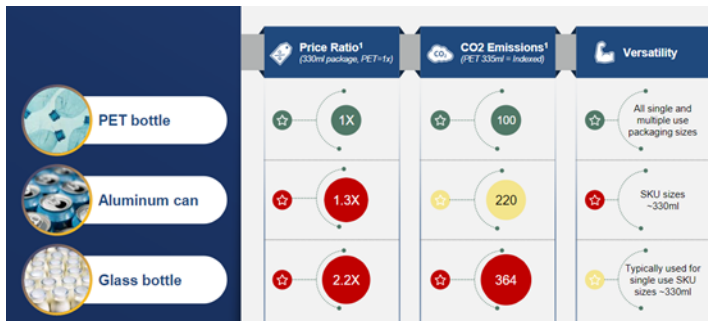


Source: IVL

De-balancing income for strong demand post Covid-19. IVL’s products are mostly “necessities”, such as PET bottles and films, polyester fibres for clothes (lifestyle), and raw materials for automobile manufacturers and various other industries. They are mainly used as substitutes for harder-to-source natural products such as cotton, rubber, and wood, and other materials including glass, aluminium, and paper, due to PET’s superior quality, light weight, low cost, and better recyclability.

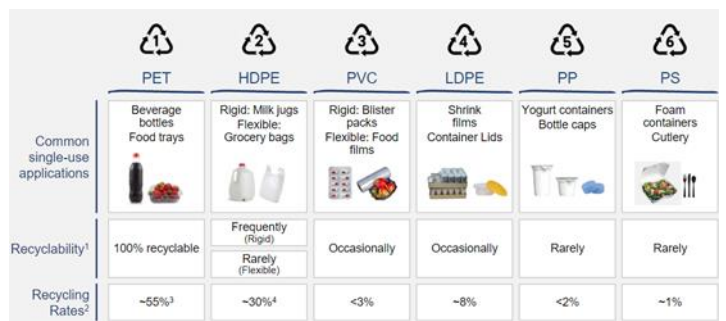
According to IVL’s management, demand for products from PET value chains including PTA, MEG, and PET, normally grows at 1.5-3.0x of global GDP, driven by organic new demand and the need for substitutes.

Exhibit 10: PET is the material of choice for sustainability and affordability



Source: IVL

Exhibit 11: PET is the most recycled plastic polymer in packaging



Source: IVL

Low demand elasticity. Based on IVL's revenue breakdown as of 1Q22, IVL's revenue is mostly generated from non-cyclical, necessary products such as food and beverages (F&B), packaging (63%), and household personal care and hygiene (10%).

While the remaining 27% of total revenue in 1Q22 came from higher-value cyclical industries, we think the demand elasticity and volatility risk will be less significant than for other petrochemical chains given that IVL's products are either strategic essentials used by the automotive, housing and construction, and electrical and electronics industries, or those that are difficult to be substituted, such as oil & gas and apparel.

Exhibit 12: IVL's products are mostly daily essentials



Source: IVL

Exhibit 13: IVL's product revenue mostly comes from non-cyclical industries: F&B packaging, household and hygiene



Source: IVL

De-globalisation could increase import parity. We think this can be clearly seen in the widening gap between the margins of integrated PET-PTA in the West and Asia, which have risen by USD300/t from an average of USD200/t during 2014-20 to USD500/t since 2H21-1Q22.

In other words, we think the sharp rise in the margin gap between Asia, an oversupplied market, and Western countries, which are undersupplied and net importers, come from two reasons.

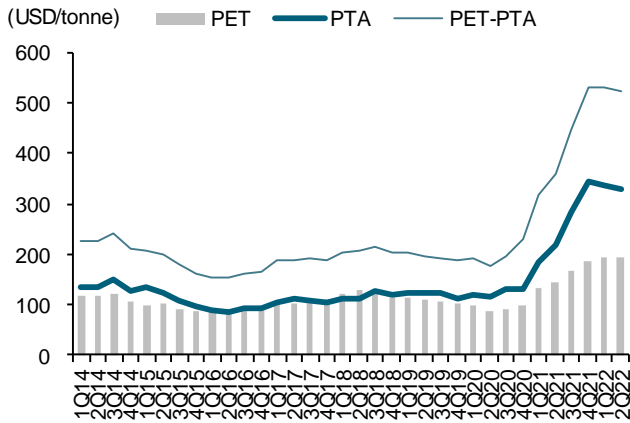
First, the rising cost of global shipping during 2020-21 due to global supply disruptions caused by the pandemic, and China's strict lockdowns to enforce its zero Covid-19 policy, as well as the recent spike in the fuel oil price for shippers, all contributed to the high global freight rates that have jumped fivefold since 2020 based on China's containerised freight indexes.

Second, the higher import tariffs imposed by the EU and the US against China's product imports amid the US-China trade war during the Trump administration from 2017-20, and the impact of sanctions on Russia after its invasion of Ukraine that sent energy costs soaring.

Dubbed "de-globalisation", this trend represents the "friendflation" impact of countries being forced to "choose a side". In our view, it is likely to continue amid the growing number of political confrontations between the West and its alliances, led by the US, and the East, led by China and Russia.

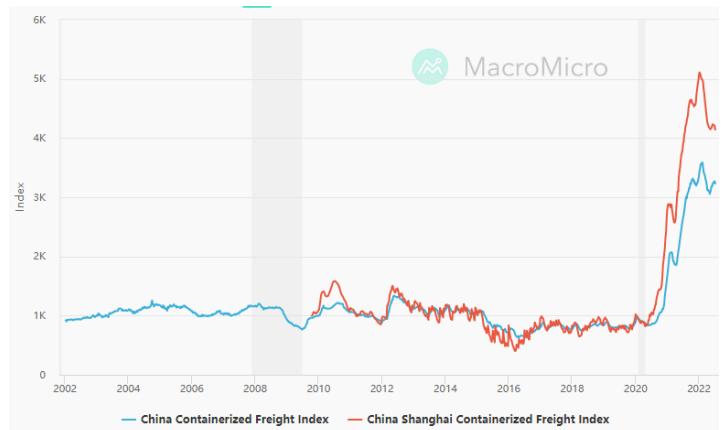
We believe the widening margin gap due to import parity costs, which include taxes, duties, freight, and differences in market structure, will continue in 2H22-23 given that the trend of de-globalisation is now likely to be long term rather than short term. Hence, we think IVL clearly stands to be one of the key beneficiaries of the de-globalisation megatrend.

Exhibit 14: Margin gap of integrated PET-PTA between Asian and Western markets



Sources: IVL; FSSIA estimates

Exhibit 15: China’s containerised freight index and the China Shanghai containerised freight index have spiked since 4Q21



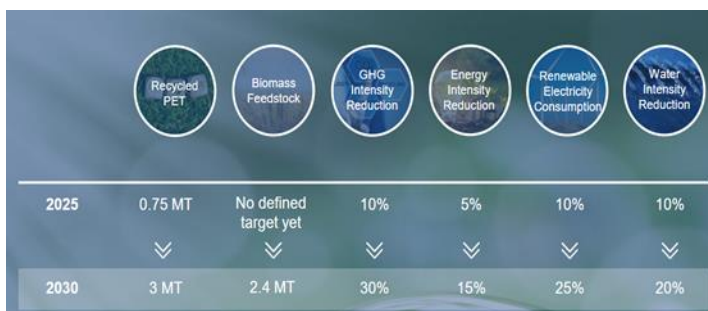
Source: [MacroMicro](#)

The de-carbonisation megatrend could make greener plastic packaging with better recyclability mandatory. To align with its global customers and lower its demand risk for virgin PET, IVL has already begun to diversify into recyclable PET products, with a current capacity of 0.3mtpa (1.5% of total capacity) as of 1Q22. IVL aims to increase its recyclable PET capacity to 0.75mtpa by 2025 and to 3mtpa by 2030.

As the most recycled plastic with roughly a 55% recycling rate vs the second-most recycled plastic, high density polyethylene (HDPE) at 30%, PET is more environmentally friendly and cost-effective than other plastics and materials such as paper, aluminium, or glass. Hence, PET has remained the most preferred material for packaging, leading to strong demand growth over the past five decades.

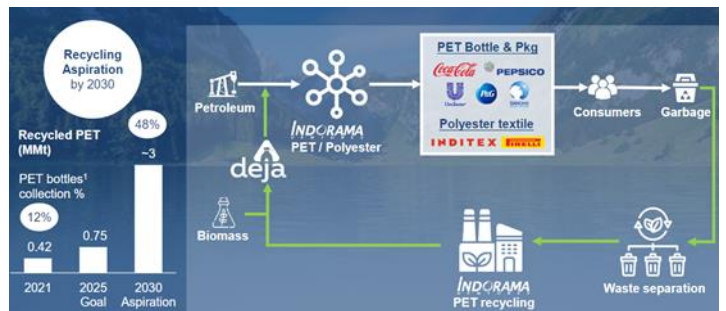
While in the short term, some countries – particularly the EU and the US – may return to using coal-fired power plants after their sanctions on Russia sent the cost of generating electricity using gas skyrocketing, we think the megatrend of greener and more recyclable plastics will continue, potentially driving up the demand for PET as a packaging of choice.

Exhibit 16: PET is the most recycled plastic used in packaging



Source: IVL

Exhibit 17: IVL enhances its circular economy via capacity expansions in recyclable PET and biomass-based feedstock consumption

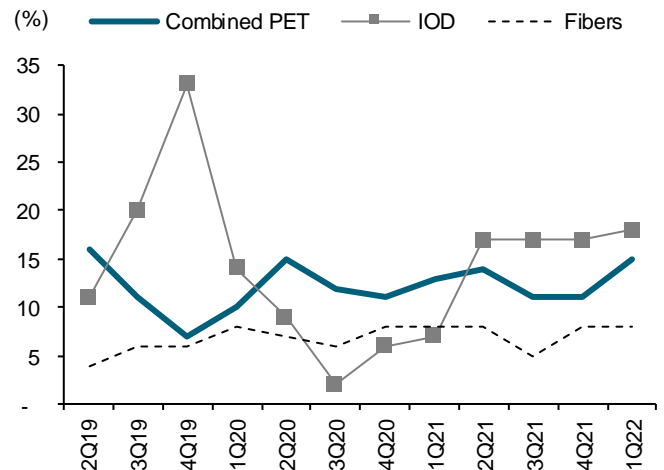
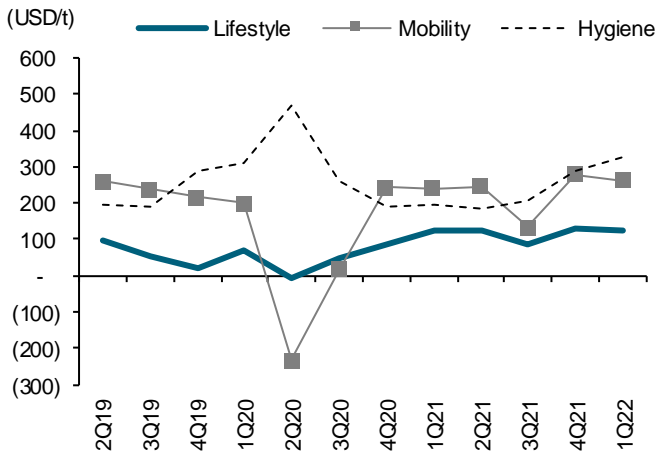


Source: IVL

Besides the de-carbonisation trend that favours PET packaging, we think rising demand for IVL's surfactants from the personal care and hygiene sector, and the automotive sector's growing need for PET fibre – particularly electric vehicle (EV) manufacturers, who require lighter parts normally made from plastics – will continue to support IVL's margins. Notably, in 2019-21, the EBITDA margins of fibre products held firm at around 5-7%.

Exhibit 18: EBITDA per tonne of fibre products by segment

Exhibit 19: EBITDA margin by segment



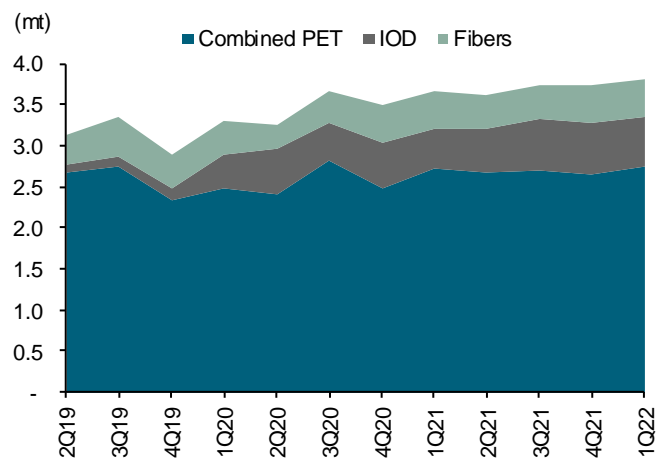
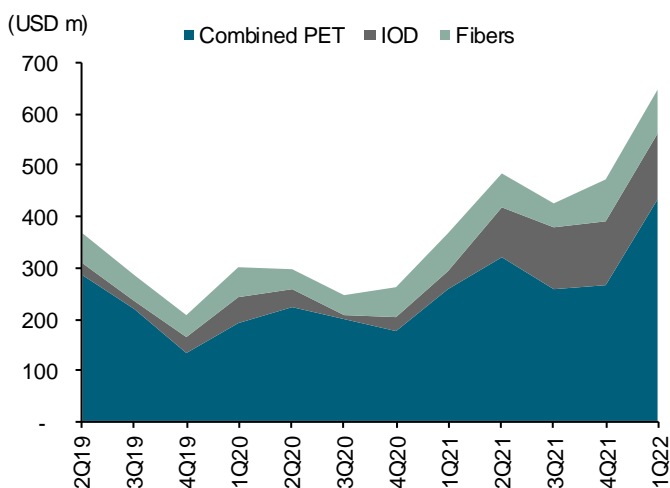
Sources: IVL; FSSIA estimates

Sources: IVL; FSSIA estimates

We believe IVL still has plenty of room for growth in its fibre segment, given that the current EBITDA contribution from fibre was only 10-15% vs its 8-10% capacity proportion. We think this will rise as IVL raises its specialty fibre product capacity to grow its fibre segment in 2022-24, based on management's guidance.

Exhibit 20: Quarterly EBITDA by segment

Exhibit 21: Quarterly capacity by segment



Sources: IVL; FSSIA estimates

Sources: IVL; FSSIA estimates

Soaring margins amid de-globalisation and de-carbonisation

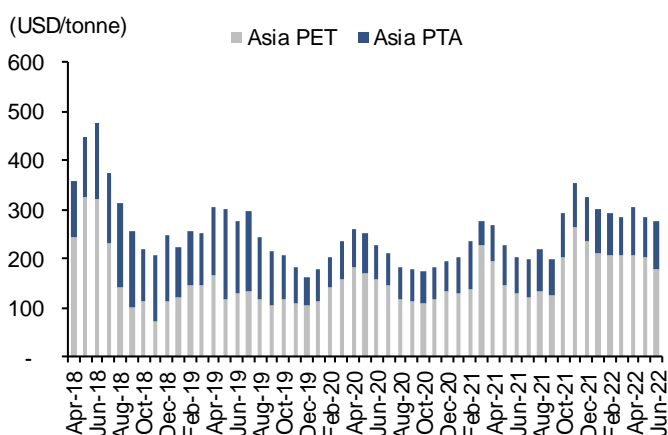
Even before the Russia-Ukraine war broke out on 24 Feb-22, the margins of integrated PET-PTA in Asia were rising, from USD200/t in 3Q21 to the current USD300/t in 2Q22. In the West, the margins of PET-PTA have risen by over USD200/t since Oct-21 and currently remain high at over USD800/t in Jun-22.

We believe the structural changes in the global landscape for the PET, IOD, and fibre value chains should bode well for IVL's higher-for-longer margin uptrend, which we think could continue into 2023-24 as a result of the combined macro trends of de-globalisation, de-balancing of incomes, and de-carbonisation.

As for the two commodity products in IVL's IOD portfolio, the margins of mono ethylene glycol (MEG) over naphtha and shale gas feedstocks have sharply plunged below the USD300/t breakeven level, while the margin of MTBE spiked to over USD1,000/t in Jun-22 thanks to the sharp rise in gasoline demand and the gasoline production margin.

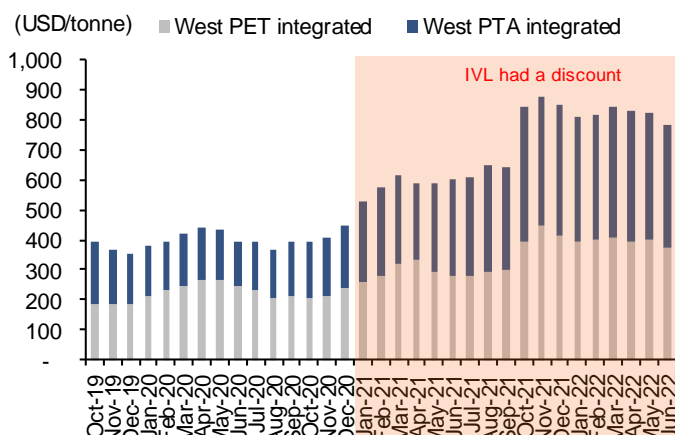
We think the MTBE margin should stay above USD500/t in 2022 and USD400/t in 2023, backed by the strong demand for gasoline octane boosters using MTBE. With a large MTBE capacity of 0.73mtpa, we estimate that every USD100/t increase in MTBE margin would result in a USD40-50m EBITDA increase. Hence, in 2022-23 we expect MTBE to rebound from being a loss-maker to a lucrative product in the IOD segment, potentially generating USD0.3m-0.4m in EBITDA gains annually in 2022-23.

Exhibit 22: Asia industry PET and PTA spread



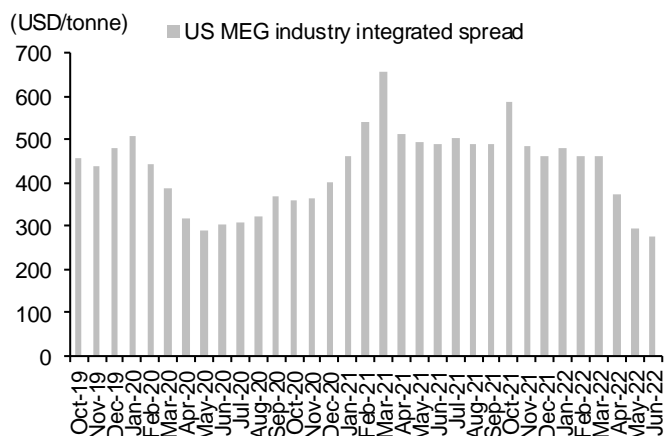
Source: IVL

Exhibit 23: Western industry PET and PTA spread



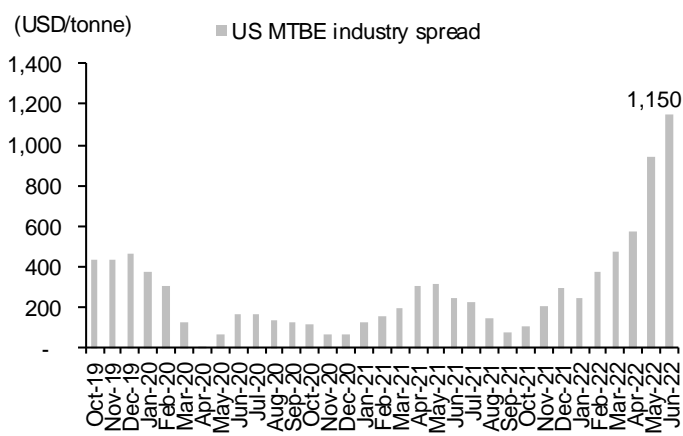
Source: IVL

Exhibit 24: US MEG industry integrated spread



Source: IVL

Exhibit 25: US MTBE industry spread

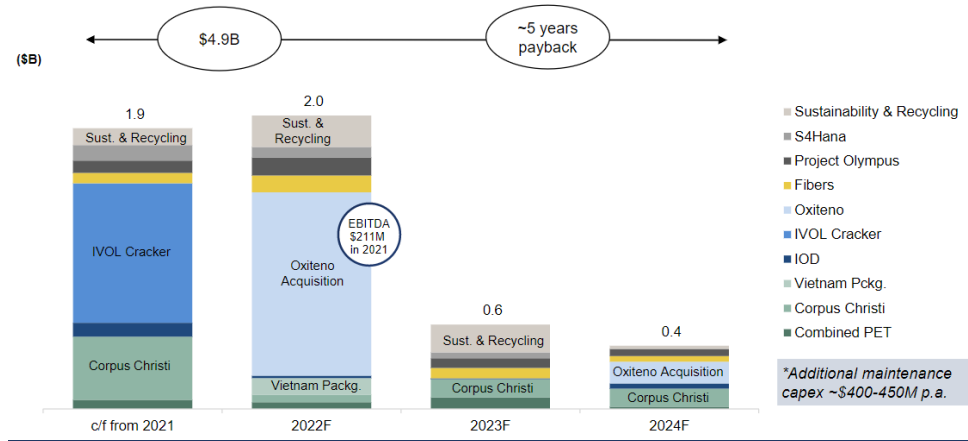


Source: IVL

In terms of capacity growth, we project IVL's EBITDA growth to come from the rising capacity of its IOD segment via its capacity acquisition of 1mtpa from Oxiteno, which will increase IVL's total IOD capacity to 5.5mtpa.

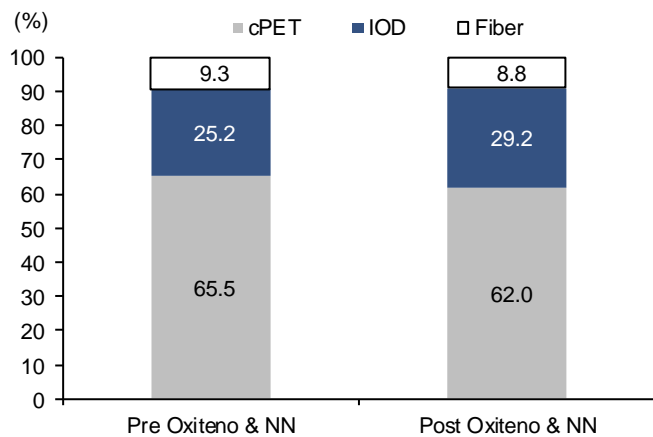
While the IOD segment should see the most significant capacity growth, mainly from M&A in 2022-24, we think the capacity growth for both recycled and virgin PET – its largest and most profitable segment – will be the key catalyst for IVL's EBITDA growth in 2022-24.

Exhibit 26: Capacity growth in the pipeline in 2022-24



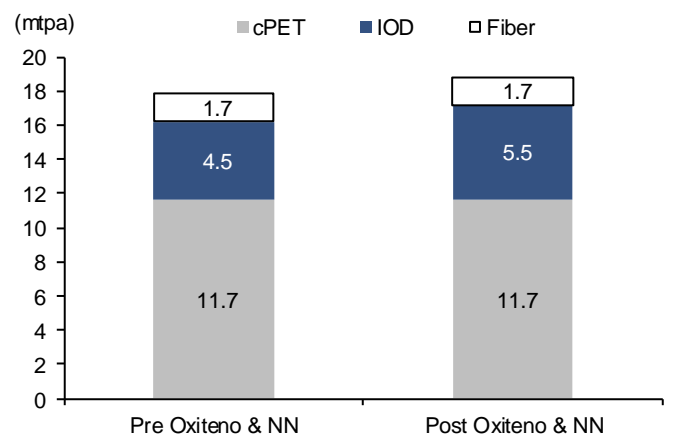
Source: IVL

Exhibit 27: Capacity breakdown by segment (%)



Source: IVL

Exhibit 28: Capacity breakdown by segment (mtpa)



Source: IVL

Winner – not just a survivor – in a stormy market

Unlike other petrochemical producers, we think IVL will not only survive the upcoming global market turmoil caused by rising inflation, shaky demand, and the global interest rate uptrend that could eventually lead to recessions in the US and the EU, but also emerge as a strong winner with significant EBITDA and net profit growth in 2022-24.

We think IVL’s timely acquisitions of IOD assets, the structural changes in the global industry landscape leading to higher-for-longer import parity, and the strong demand post Covid-19, should give IVL higher pricing power for its products than its competitors thanks to its regional production advantages.

Coupled with its effective cost controls, we think IVL’s EBITDA margins, ROCE, and net profit growth will be highly visible and solid in 2022-24. As a result, we raise our EPS forecasts in 2022-24 by 43.7-54.4% to reflect the higher margins of integrated PET-PTA, mostly from its higher PET-PTA margin.

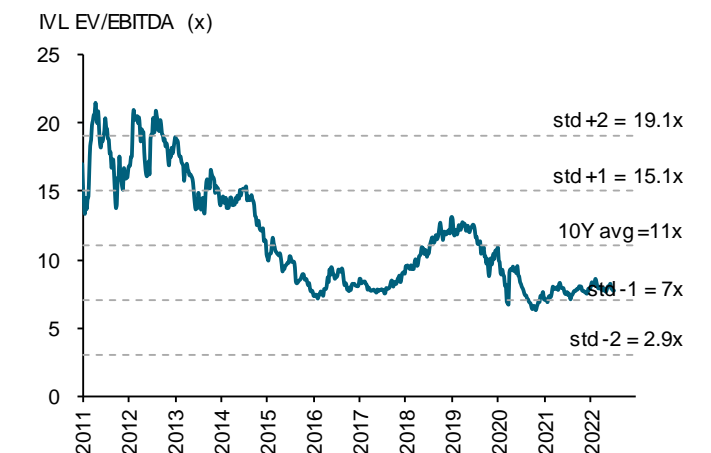
Exhibit 29: Changes in EPS and key assumptions

	Current			Previous			Change (%)		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
Revenue	443,823	444,616	442,642	383,886	374,825	374,369	15.6	18.6	18.2
Gross profit	98,022	113,974	114,111	82,229	90,872	92,770	19.2	25.4	23.0
Operating profit	71,393	80,628	80,912	59,195	62,760	64,692	20.6	28.5	25.1
Recurring net profit	36,355	38,465	39,999	23,553	25,905	27,839	54.4	48.5	43.7
Core EPS (THB/shr)	6.5	6.9	7.1	4.2	4.6	5.0	54.4	48.5	43.7
Key assumptions (USD/t)									
Utilisation rate (%)	88	89	89	88	89	89	0.0	0.0	0.0
PET margin	478	604	594	341	407	407	40.1	48.3	45.8
PTA-PX margin	147	122	122	147	122	122	0.0	0.0	0.0
MEG-(0.58) ethylene margin	230	230	230	230	230	230	0.0	0.0	0.0
IOD EBITDA	400	400	620	400	400	620	0.0	0.0	0.0

Note: Change of items in percentage terms are represented in ppt change
Sources: IVL; FSSIA estimates

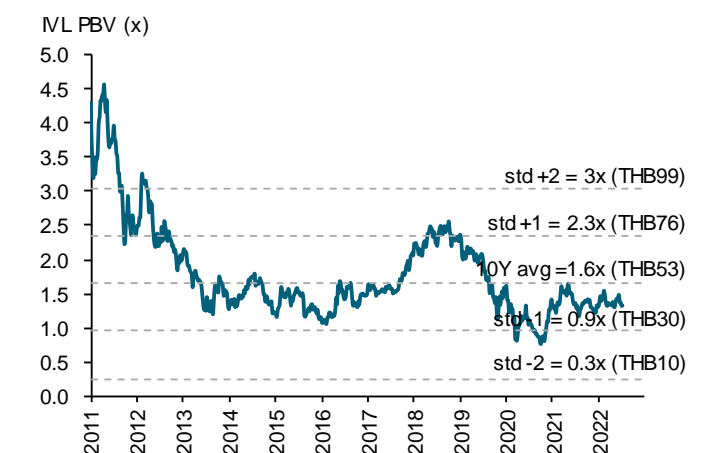
We lower our target price from THB70 to THB65 as we lower our valuation from 9.4x 2022E EV/EBITDA down to 6.0x 2023E EV/EBITDA, -1.25SD from its 12-year average, to reflect our more conservative view of the top-down market outlook. In our view, there could be a valuation de-rating across the entire sector due to investors’ concerns about the potential for a global recession that could lead to weaker demand. However, we think this will be outweighed by IVL’s higher and more visible net profit and EBITDA growth in 2022-24 based on its timely and superior growth strategy backed not only by its higher pricing power and effective cost control, but most importantly by its status as one of the few truly regional plays in the polyester chain and global petrochemicals.

Exhibit 30: Prospective EV/EBITDA band



Sources: Bloomberg; FSSIA estimates

Exhibit 31: Prospective P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 32: Peer comparisons

Company	BBG code	Rec	Share Price	Target price	Up side	Market Cap	3Y EPS CAGR	PE		ROE		PBV		EV / EBITDA	
								22E	23E	22E	23E	22E	23E	22E	23E
			(LCY)	(LCY)	(%)	(USD m)	(%)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
THAILAND															
Indorama Ventures	IVL TB	BUY	43.75	70.00	60	6,708	8.4	10.4	9.5	13.7	13.3	1.3	1.2	6.9	6.0
Irpc Pcl	IRPC TB	REDUCE	3.12	3.00	(4)	1,741	(10.1)	13.6	6.3	5.5	11.6	0.8	0.7	9.1	5.9
Ptt Global Chem	PTTGC TB	REDUCE	43.50	40.00	(8)	5,356	(3.2)	6.8	7.0	9.1	8.9	0.6	0.6	7.1	7.0
Siam Cement	SCC TB	BUY	371.00	466.00	26	12,157	3.1	12.7	9.6	9.4	11.8	1.2	1.1	13.1	9.4
Eastern Polymer	EPG TB	BUY	9.10	16.00	76	696	14.0	17.6	15.3	12.7	13.6	2.2	2.0	13.0	10.7
THAILAND avg						26,657	2.9	11.1	9.0	10.2	11.6	1.1	1.0	10.1	7.9
INDIA															
Reliance Industries	RIL IN	NA	2,401.80	NA	NA	204,199	26.1	34.8	26.5	8.6	8.0	2.6	2.1	23.0	16.9
INDIA avg						204,199	26.1	34.8	26.5	8.6	8.0	2.6	2.1	23.0	16.9
TAIWAN															
Formosa Plastics	1301 TT	NA	88.00	NA	NA	18,731	(7.3)	8.0	9.5	19.7	16.1	1.4	1.4	7.1	9.6
Nan Ya Plastics	1303 TT	NA	62.90	NA	NA	16,680	(11.6)	6.2	8.4	21.1	15.0	1.2	1.2	5.4	7.0
Formosa Chem&Fi	1326 TT	NA	65.80	NA	NA	12,896	(13.4)	9.5	13.4	10.8	7.1	1.0	1.0	7.1	11.6
Formosa Petro	6505 TT	NA	84.20	NA	NA	26,819	(1.8)	15.5	14.3	15.3	14.8	2.3	2.1	9.5	9.6
TAIWAN avg						75,126	(7.9)	10.5	11.6	16.9	13.9	1.6	1.6	7.6	9.4
SOUTH KOREA															
Hanwha Solutions	009830 KS	NA	32,350	NA	NA	4,705	5.7	7.0	11.2	12.6	6.7	0.8	0.7	7.8	8.4
Lotte Chemical	011170 KS	NA	169,500	NA	NA	4,418	(12.9)	3.9	10.5	11.2	3.9	0.4	0.4	2.5	4.3
Lg Chem	051910 KS	NA	515,000	NA	NA	27,628	(0.9)	10.0	15.4	19.5	11.0	1.8	1.4	5.2	5.7
Kumho Petro	011780 KS	NA	120,500	NA	NA	2,774	(25.5)	1.8	3.2	49.3	20.3	0.8	0.6	1.0	1.6
Oci	010060 KS	NA	117,000	NA	NA	2,121	(2.2)	5.3	4.3	19.9	19.0	1.0	0.8	4.8	3.7
SOUTH KOREA avg						41,645	(4.2)	8.3	13.0	19.8	10.8	1.4	1.1	4.9	5.5
MALAYSIA															
Petronas Chem	PCHEM MK	NA	8.11	NA	NA	14,790	(7.0)	10.0	8.8	20.5	20.2	2.0	1.7	6.4	5.6
Lotte Chemical Titan	TTNP MK	NA	1.93	NA	NA	985	(24.0)	4.1	16.4	9.4	2.0	0.3	0.3	0.9	2.1
MALAYSIA avg						15,775	(7.5)	9.7	9.2	19.8	19.1	1.9	1.7	6.0	5.4
Average (Asia)						363,402	0.6	23.9	19.9	12.2	10.3	2.1	1.8	16.1	12.9
US															
Eastman Chem	EMN US	NA	88.67	NA	NA	11,434	8.8	9.9	9.1	16.6	21.5	1.9	1.9	7.5	7.6
Dupont De Nem	DD US	NA	54.60	NA	NA	27,766	13.5	13.0	16.2	7.0	6.2	1.1	1.0	9.1	11.4
Celanese	CE US	NA	108.74	NA	NA	11,778	(0.8)	6.0	6.1	49.7	40.3	3.2	2.2	5.4	5.6
Westlake Chem	WLK US	NA	92.03	NA	NA	11,810	(0.3)	6.1	4.3	27.5	28.2	1.5	1.1	4.7	3.4
Ppg Industries	PPG US	NA	116.80	NA	NA	27,582	15.4	17.4	16.6	25.3	23.9	4.3	4.0	12.9	12.5
Alpek Sa De Cv	ALPEKA MM	NA	26.93	NA	NA	2,790	(10.8)	7.2	6.0	18.9	21.1	1.2	1.1	4.1	3.8
Avg (US)						93,159	6.4	12.0	12.4	21.9	20.9	2.5	2.2	8.8	9.3
ME/Europe															
Saudi Basic	SABIC AB	NA	96.00	NA	NA	78,041	(5.3)	12.5	13.2	13.4	12.3	1.6	1.5	6.8	6.7
Saudi Kayan	KAYAN AB	NA	13.92	NA	NA	5,615	(12.1)	9.2	21.0	15.7	7.0	1.3	1.2	6.4	10.2
Yanbu National	YANSAB AB	NA	44.95	NA	NA	6,717	(0.3)	14.8	19.9	10.9	9.0	1.7	1.7	7.3	8.4
Industries Qatar	IQCD QD	NA	14.90	NA	NA	24,565	(1.9)	10.8	8.4	22.7	26.8	2.5	2.1	11.8	8.6
Basf Se	BAS GR	NA	41.26	NA	NA	39,861	(5.0)	6.4	7.1	16.0	10.6	1.1	1.0	4.9	5.3
Arkema	AKE FP	NA	86.72	NA	NA	6,667	(6.2)	8.2	6.8	14.1	13.5	1.1	1.0	5.5	4.8
Lanxess Ag	LXS GR	NA	34.38	NA	NA	3,132	7.0	8.0	8.5	9.3	8.6	1.0	0.8	5.4	5.5
Solvay Sa	SOLB BB	NA	77.58	NA	NA	8,688	(6.6)	9.0	7.7	13.4	11.9	1.1	1.0	5.7	5.2
Avg (ME/Europe)						173,287	(5.2)	10.4	11.0	15.2	13.6	1.6	1.4	7.0	6.7
Petrochem under coverage						26,657	2.9	11.1	9.0	10.2	11.6	1.1	1.0	10.1	7.9
Average (all)						629,848	0.9	18.4	16.3	14.5	12.8	2.0	1.7	12.5	10.6

Share price as of 15 July 2022

Sources: Bloomberg; FSSIA estimates

Financial Statements

Indorama Ventures

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	331,513	468,108	443,823	444,616	442,642
Cost of goods sold	(266,558)	(363,002)	(345,801)	(330,642)	(328,531)
Gross profit	64,955	105,107	98,022	113,974	114,111
Other operating income	-	-	-	-	-
Operating costs	(32,724)	(47,022)	(26,629)	(33,346)	(33,198)
Operating EBITDA	32,231	58,084	71,393	80,628	80,912
Depreciation	(20,487)	(20,487)	(20,521)	(21,149)	(21,778)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	11,744	37,597	50,872	59,478	59,134
Net financing costs	(7,362)	(7,202)	(3,618)	(9,588)	(7,345)
Associates	143	160	712	692	692
Recurring non-operating income	1,949	160	712	692	692
Non-recurring items	(758)	361	4,649	4,649	4,649
Profit before tax	5,573	30,916	52,615	55,232	57,130
Tax	1,243	(6,703)	(10,981)	(11,483)	(11,847)
Profit after tax	6,816	24,213	41,634	43,749	45,284
Minority interests	(386)	(1,966)	(631)	(635)	(635)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	6,430	22,247	41,004	43,114	44,648
Non-recurring items & goodwill (net)	758	(361)	(4,649)	(4,649)	(4,649)
Recurring net profit	7,188	21,886	36,355	38,465	39,999
Per share (THB)					
Recurring EPS *	1.28	3.90	6.48	6.85	7.12
Reported EPS	1.15	3.96	7.30	7.68	7.95
DPS	0.10	1.20	3.60	3.77	3.89
Diluted shares (used to calculate per share data)	5,615	5,615	5,615	5,615	5,615
Growth					
Revenue (%)	(6.0)	41.2	(5.2)	0.2	(0.4)
Operating EBITDA (%)	(5.2)	80.2	22.9	12.9	0.4
Operating EBIT (%)	(30.8)	220.1	35.3	16.9	(0.6)
Recurring EPS (%)	(34.7)	204.5	66.1	5.8	4.0
Reported EPS (%)	22.4	246.0	84.3	5.1	3.6
Operating performance					
Gross margin inc. depreciation (%)	13.4	18.1	17.5	20.9	20.9
Gross margin of key business (%)	13.2	18.2	18.5	21.9	21.9
Operating EBITDA margin (%)	9.7	12.4	16.1	18.1	18.3
Operating EBIT margin (%)	3.5	8.0	11.5	13.4	13.4
Net margin (%)	2.2	4.7	8.2	8.7	9.0
Effective tax rate (%)	-79.8	19.2	19.2	19.2	19.2
Dividend payout on recurring profit (%)	7.8	30.8	55.7	55.0	54.6
Interest cover (X)	1.9	5.2	14.3	6.3	8.1
Inventory days	79.5	71.9	91.5	93.2	93.7
Debtor days	37.3	33.8	42.6	41.4	41.6
Creditor days	86.7	82.2	100.8	102.7	103.2
Operating ROIC (%)	4.9	0.9	1.1	1.3	1.4
ROIC (%)	4.6	0.7	1.0	1.2	1.2
ROE (%)	5.6	15.3	20.4	18.2	16.7
ROA (%)	3.7	4.9	6.5	6.7	6.8
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
PET	153,889	258,701	176,399	162,510	162,054
Feedstock	100,905	117,776	117,110	121,937	121,937
Fibres	90,601	110,868	109,613	109,613	109,613
Eliminations and unallocated	(13,882)	(19,236)	40,701	50,555	49,037

Sources: Indorama Ventures; FSSIA estimates

Financial Statements

Indorama Ventures

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	7,188	21,886	36,355	38,465	39,999
Depreciation	20,487	20,487	20,521	21,149	21,778
Associates & minorities	-	-	-	-	-
Other non-cash items	(1,002)	(1,001)	(1,001)	(1,001)	(1,001)
Change in working capital	19,603	19,639	11,313	20,892	21,135
Cash flow from operations	46,276	61,011	67,188	79,505	81,912
Capex - maintenance	-	-	-	-	-
Capex - new investment	(16,231)	(16,229)	(13,200)	(13,200)	(13,200)
Net acquisitions & disposals	0	0	0	0	0
Other investments (net)	(9,059)	(9,053)	(9,053)	(9,053)	(9,053)
Cash flow from investing	(25,290)	(25,282)	(22,253)	(22,253)	(22,253)
Dividends paid	(3,088)	(5,474)	(6,737)	(20,232)	(21,167)
Equity finance	0	0	0	0	0
Debt finance	51,695	12,380	65,893	(24,107)	5,893
Other financing cash flows	(61,091)	(45,368)	(7,469)	(7,444)	(7,444)
Cash flow from financing	(12,484)	(38,462)	51,686	(51,783)	(22,718)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	8,502	(2,733)	96,621	5,468	36,940
Free cash flow to firm (FCFF)	28,659.55	42,849.85	54,737.48	65,775.79	68,182.24
Free cash flow to equity (FCFE)	11,589.60	2,741.28	103,358.00	25,700.59	58,107.04

Per share (THB)

FCFF per share	5.10	7.63	9.75	11.72	12.14
FCFE per share	2.06	0.49	18.41	4.58	10.35
Recurring cash flow per share	4.75	7.37	9.95	10.44	10.82

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	376,464	424,337	437,537	450,737	463,937
Less: Accumulated depreciation	(112,173)	(132,660)	(153,181)	(174,330)	(196,108)
Tangible fixed assets (net)	264,291	291,677	284,356	276,407	267,829
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	0	0	0	0	0
Cash & equivalents	18,949	16,215	112,836	118,305	155,245
A/C receivable	33,422	53,172	50,413	50,503	50,279
Inventories	53,938	88,979	84,363	84,513	84,138
Other current assets	13,526	18,493	18,493	18,493	18,493
Current assets	119,835	176,859	266,105	271,815	308,155
Other assets	69,046	73,292	46,416	46,416	46,416
Total assets	453,172	541,828	596,878	594,637	622,400
Common equity	126,655	158,769	197,684	225,215	253,344
Minorities etc.	8,953	12,235	1,370	1,433	1,479
Total shareholders' equity	135,608	171,003	199,054	226,647	254,823
Long term debt	164,073	169,893	229,893	199,893	199,893
Other long-term liabilities	39,552	43,034	11,897	11,897	11,897
Long-term liabilities	203,625	212,927	241,790	211,790	211,790
A/C payable	65,366	98,049	92,962	93,128	92,715
Short term debt	29,645	36,206	36,206	36,206	36,206
Other current liabilities	18,927	23,643	26,866	26,866	26,866
Current liabilities	113,938	157,898	156,034	156,200	155,787
Total liabilities and shareholders' equity	453,172	541,828	596,878	594,637	622,400
Net working capital	16,593	38,952	33,442	33,516	33,330
Invested capital	349,930	403,922	364,214	356,339	347,575

* Includes convertibles and preferred stock which is being treated as debt

Per share (THB)

Book value per share	22.56	28.28	35.21	40.11	45.12
Tangible book value per share	22.56	28.28	35.21	40.11	45.12

Financial strength

Net debt/equity (%)	128.9	111.0	77.0	52.0	31.7
Net debt/total assets (%)	38.6	35.0	25.7	19.8	13.0
Current ratio (x)	1.1	1.1	1.7	1.7	2.0
CF interest cover (x)	4.8	3.6	33.2	5.1	10.7

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	34.2	11.2	6.8	6.4	6.1
Recurring P/E @ target price (x) *	50.8	16.7	10.0	9.5	9.1
Reported P/E (x)	38.2	11.0	6.0	5.7	5.5
Dividend yield (%)	0.2	2.7	8.2	8.6	8.9
Price/book (x)	1.9	1.5	1.2	1.1	1.0
Price/tangible book (x)	1.9	1.5	1.2	1.1	1.0
EV/EBITDA (x) **	13.3	7.7	5.6	4.5	4.1
EV/EBITDA @ target price (x) **	17.0	9.8	7.3	6.0	5.5
EV/invested capital (x)	1.2	1.1	1.1	1.0	0.9

* 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	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	AMANAH	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

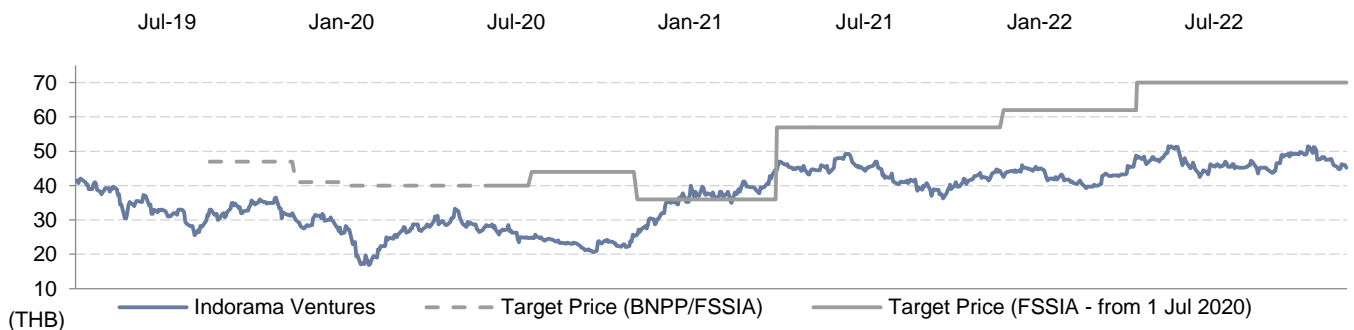
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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)



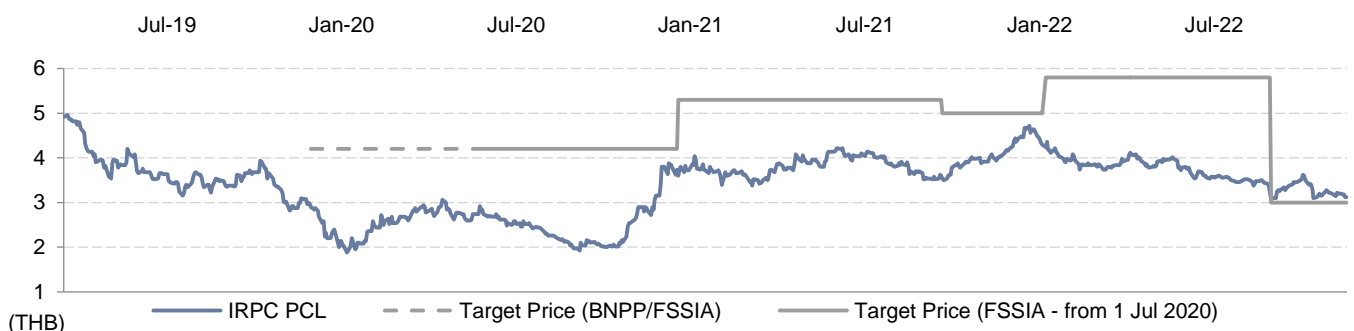
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
07-Nov-2019	BUY	47.00	07-Aug-2020	BUY	44.00	17-Sep-2021	BUY	62.00
20-Jan-2020	BUY	41.00	06-Nov-2020	BUY	36.00	12-Jan-2022	BUY	70.00
27-Feb-2020	BUY	40.00	08-Mar-2021	BUY	57.00			

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)



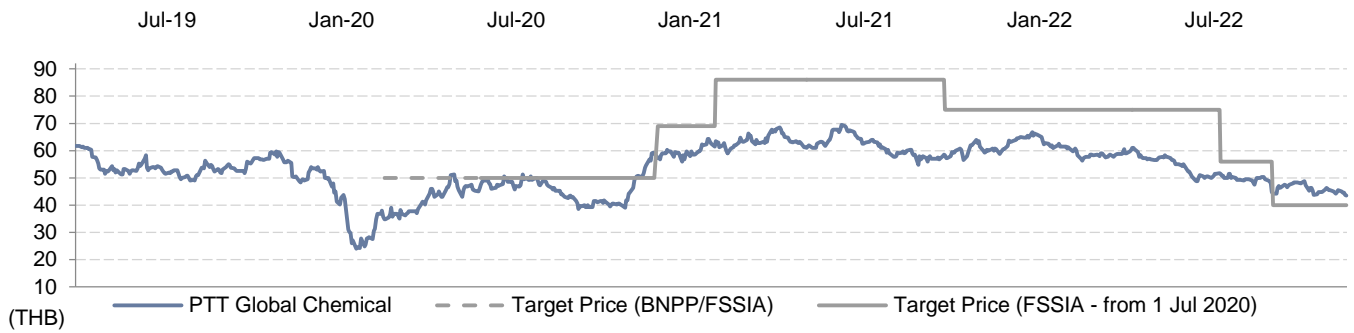
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
14-Feb-2020	BUY	4.20	04-Aug-2021	BUY	5.00	11-May-2022	REDUCE	3.00
22-Dec-2020	BUY	5.30	29-Oct-2021	BUY	5.80			

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)



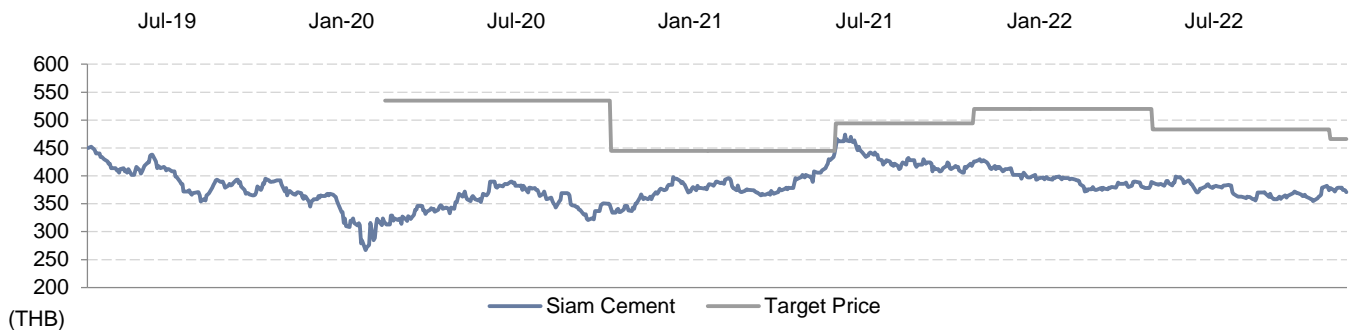
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
09-Apr-2020	BUY	50.00	18-Jan-2021	BUY	86.00	28-Mar-2022	HOLD	56.00
27-Nov-2020	BUY	69.00	03-Aug-2021	BUY	75.00	12-May-2022	REDUCE	40.00

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)



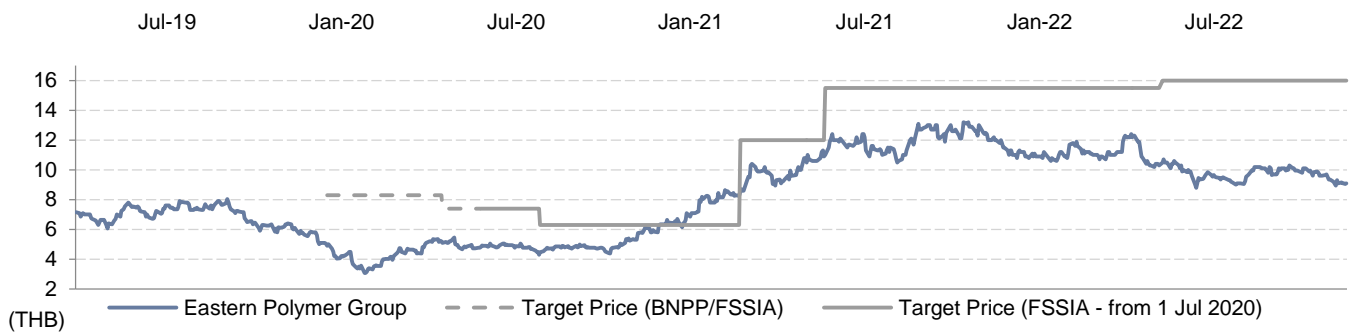
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
02-Apr-2020	BUY	535.00	27-Apr-2021	BUY	494.00	27-Jan-2022	BUY	483.00
14-Oct-2020	BUY	445.00	25-Aug-2021	BUY	520.00	30-Jun-2022	BUY	466.00

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	04-Feb-2022	BUY	16.00

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 45.25	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 3.12	REDUCE	Key risks to our bearish view and EV/EBITDA-based target price are rising margins of PP-naphtha, SM and ABS-benzene, and a higher market GRM.
PTT Global Chemical	PTTGC TB	THB 43.50	REDUCE	The key upside risks to our EV/EBITDA-based TP are a stronger-than-expected HDPE price and HDPE-naphtha margin.
Siam Cement	SCC TB	THB 371.00	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 9.10	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 15-Jul-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.