



Indorama Ventures

Indorama Ventures
Public Company Limited

IVL

Bloomberg IVL.TB
Reuters IVL.BK

Expect 2Q22F profit to remain strong

IVL share price has fallen 12% over the past month, underperforming the SET's -5% and SETPETRO's -9%, reflecting market pessimism on weaker PET spread and concern about its business in Europe due to the prolonged crisis in Ukraine and high energy cost. We believe this is overdone since IVL's operations in Europe are unaffected at this point. Management has reaffirmed that IVL's business will be shielded from the economic slowdown by the fact that 75% of its products are daily necessities. We expect the strong earnings in 2Q22F to be a near-term share price catalyst. We reaffirm our 'Outperform' rating with TP of Bt55, based on 1.7x PBV (2022F).

IOD business to lead 2Q22F profit. We expect earnings to remain solid in 2Q22F (release Aug 10) with net profit of Bt14.3bn, up 72% YoY and 2% QoQ. This includes inventory gain of ~US\$105mn (Bt3.6bn). We estimate core profit at Bt10.8bn (+62% YoY and +2% QoQ) with Oxiteno plumping up contribution from the IOD business. Management is also bullish on the margin outlook for MTBE given the higher demand for gasoline. We believe the company has maximized MTBE output to get in on this. Further, we expect more benefit from the Olympus Project cost savings program after achieving an annualized benefit of US\$444mn in 1Q22 against the full-year target of US\$500mn in 2022F.

Core EBITDA/t flat QoQ. We expect IVL to maintain core EBITDA/t at US\$171-172/t in 2Q22F despite the 2% QoQ fall in industry spread for integrated PET/PTA in both Asian and western markets. This reflects its competitive operating cost and economies of scale. Further, integrated PET/PTA spread in western markets remained at a premium of >US\$500/t over that of Asia due to tighter supply and high logistics costs. The PET business in North America and Europe combined accounted for 63% of the segment's total revenue in 2021. We expect the IOD business to contribute a higher core EBITDA/t upon a 139% QoQ jump in MTBE spread to US\$888/t, far above the average of US\$283/t in 2016-21 on an increase in demand for gasoline and MTBE price was driven up by higher oil price. This was offset somewhat by weaker MEG spread (-33% QoQ) caused by lower demand for polyester.

Lifestyle fiber segment believed to be under pressure. We expect China's COVID lockdown had an adverse impact on IVL's lifestyle fiber segment after a brief recovery in 4Q21 and 1Q22. This is expected to depress core EBITDA contribution from the fiber segment in 2Q22 with a fall of 21% QoQ and flat YoY.

Key risk factors: 1) weaker demand, 2) less efficiency improvement at new assets than expected and 3) changes in regulations on plastic products.

Forecasts and valuation

Year to 31 Dec	Unit	2020	2021	2022F	2023F	2024F
Revenue	(Btmn)	331,513	468,108	570,767	596,944	621,388
EBITDA	(Btmn)	28,328	64,338	81,098	83,585	84,151
Core profit	(Btmn)	1,168	26,972	40,123	42,934	49,545
Reported profit	(Btmn)	2,414	26,288	40,123	42,934	49,545
Core EPS	(Bt)	0.21	4.80	7.15	7.65	8.82
DPS	(Bt)	0.70	1.00	2.40	2.30	3.20
P/E, core	(x)	217.6	9.4	6.3	5.9	5.1
EPS growth, core	(%)	(77.6)	2,210.1	48.8	7.0	15.4
P/BV, core	(x)	2.0	1.6	1.3	1.2	1.0
ROE	(%)	0.9	18.9	23.1	21.0	21.0
Dividend yield	(%)	1.5	2.2	5.3	5.1	7.1
FCF yield	(x)	(13.9)	3.2	19.4	23.6	26.3
EV/EBIT	(x)	55.8	10.6	7.1	6.0	5.1
EBIT growth, core	(%)	(31.6)	443.3	36.0	4.3	0.9
EV/CE	(x)	1.4	1.3	1.2	1.1	1.0
ROCE	(%)	12.7	8.4	12.8	14.0	16.7
EV/EBITDA	(x)	15.5	7.0	5.1	4.3	3.7
EBITDA growth	(%)	(0.6)	127.1	26.0	3.1	0.7

Source: SCBS Investment Research

Tactical: OUTPERFORM (3-month)

Stock data

Last close (Jul 12) (Bt)	45.25
Target price (Bt)	55.00
Mkt cap (Btbn)	254.06
Mkt cap (US\$mn)	7,005

Beta	H
Mkt cap (%) SET	1.37
Sector % SET	2.82
Shares issued (mn)	5,615
Par value (Bt)	1.00
12-m high / low (Bt)	52.8 / 36
Avg. daily 6m (US\$mn)	26.60
Foreign limit / actual (%)	100 / 71
Free float (%)	35.1
Dividend policy (%)	≥ 30

Sustainability / ESG Score

2021 Sustainability Index (THSI)	Included
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ESG Bloomberg Score (2020)	80.19
Environmental Score (2020)	81.82
Social Score (2020)	68.86
Governance Score (2020)	89.86

Source: Bloomberg Finance LP

Share performance

(%)	1M	3M	12M
Absolute	(8.6)	0.0	13.1
Relative to SET	(5.4)	8.2	14.9

Source: SET, SCBS Investment Research

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Value proposition

IVL is a global integrated PET/PTA producer with total capacity of 17.5mtpa, 72% in combined PET, 15% in integrated olefins derivatives (IOD) and 13% in fiber. The company is the largest global PET resin producer with a 20% global market share and top quartile cost position. The group operates 136 production facilities in 34 countries, with its sales footprint covering over 100 countries in five regions: North America, Asia, Europe, the Middle East and Africa (EMEA). IVL conducts business through investment in both domestic and international companies engaged in the manufacture of integrated petrochemical products around the world. The company's revenue comes mostly from overseas production although its headquarters are in Thailand. As a local producer in each of its markets, the company is shielded from trade barriers while its margin is premium to the market as having local facilities avoids the import duty paid by importers.

Business outlook

IVL's cost advantage and strong relationship with global partners in the beverage and consumer product industry will keep it afloat despite intense competition in the long term. After years of active acquisitions, the company is now emphasizing efficiency improvement in existing plants and cost optimization under Project Olympus, which is expected to save US\$650-690mn from cost transformation and bring its business to full potential by 2024. IVL reiterates its target to double core EBITDA by 2023F to US\$2.3-2.4bn (20% CAGR), leveraging its competitive cost in the combined PET segment, feedstock cost competitiveness in the US' IOD segment and capacity growth in the recycled PET business.

Bullish views	Bearish views
1. Demand for IVL's products is likely to improve in 2022 after a recovery of 8% YoY in 2021, especially for combined PET and IOD segments. Demand for PET is expected to increase when social gatherings like sports events return to normal as the COVID vaccination rate paces up.	1. Outlook for product spread remains challenging, especially for PTA due to new capacity in China.
2. IVL's leading position in the market and its cost competitiveness is expected to sustain long-term margin. More cost optimization will continue to reduce its operating cost in 2021-25.	2. Competitive gas cost in the US would be damaged if the US administration decides to maintain its policy to reduce fracking activities.
3. Earnings performance will improve further in 2022 as newly acquired asset, Oxiteno will broaden its portfolio in the IOD business in the US. Existing IOD operations in the US will also improve on the resumption of ethane cracker production with competitive gas cost.	3. A potentially higher tax rate in the US.

Key catalysts

Factor	Event	Impact	Comment
Integrated PET/PTA spread	Demand for PET is expected to increase 4% p.a.	Positive	IVL's earnings rely heavily on the combined PET business, both virgin and recycled resin. PET resin is perceived as an essential product for daily life with 100% recyclability.
Near-term earnings outlook	2Q22F earnings momentum	Higher YoY and QoQ	We expect profit to be driven by combined PET and IOD segments plus inventory gains. Despite lower product spreads of integrated PET/PTA, IVL's core EBITDA/t will be stable in 2Q22F. The fiber segment will continue to benefit from IVL's cost optimization program, Project Olympus.

Key catalysts

Factor	Earnings impact	TP impact
Core EBITDA/t (+US\$1/t)	+1.0%	+Bt0.08/share

ESG Disclosure Score

	2020	2021
ESG Disclosure Score	80.19	n.a.
Environment	81.82	n.a.
Total GHG Emissions (thousands of metric tonnes)	9,445.05	n.a.
Total Water Use (thousands of cubic meters)	88,290.90	n.a.
Hazardous Waste (thousands of metric tonnes)	117.16	n.a.
Total Waste (thousands of metric tonnes)	314.83	n.a.
Social	68.86	n.a.
Number of Employees	25,207.00	n.a.
Workforce Accidents	209.00	n.a.
Lost Time from Accidents	52,200.00	n.a.
Fatalities - Contractors	n.a.	n.a.
Fatalities - Employees	n.a.	n.a.
Fatalities - Total	n.a.	n.a.
Community Spending	34.20	n.a.
Governance	89.86	n.a.
Size of the Board	16.00	n.a.
Indep Directors	8.00	n.a.
% Indep Directors	50.00	n.a.
Board Duration (Years)	3.00	n.a.
# Board Meetings	7.00	n.a.
Board Mtg Attendance (%)	98.13	n.a.

Source: Bloomberg Finance LP

Disclaimer

Bloomberg ESG Disclosure Scores rate companies on their level of disclosure of ESG data. Bloomberg offers four disclosure scores, for overall ESG, as well as Environmental, Social, and Governance such as energy consumption, board composition, and workforce accidents

Company ESG reporting has evolved since our ESG Disclosure Score was originally created in 2010. In order to reflect the evolution in corporate reporting, in early 2022 Bloomberg updated its ESG disclosure scores methodology. The methodology changes were implemented for all years of data for all companies in the ESG Coverage universe.

To review the fully transparent methodology, calculate disclosure scores for any company, and compare a company's scores vs its peers, see ESG Disclosure Score Model in Bloomberg.

Financial statement

Profit and Loss Statement

FY December 31	Unit	2017	2018	2019	2020	2021	2022F	2023F	2024F
Total revenue	(Btmn)	286,332	347,171	352,692	331,513	468,108	570,767	596,944	621,388
Cost of goods sold	(Btmn)	240,889	289,232	309,345	287,882	383,128	456,418	480,385	501,771
Gross profit	(Btmn)	45,444	57,939	43,348	43,631	84,980	114,349	116,560	119,618
SG&A	(Btmn)	23,925	28,760	34,250	39,013	47,343	60,749	60,565	63,593
Other income	(Btmn)	1,263	2,200	2,367	3,224	4,965	4,339	4,431	4,967
Interest expense	(Btmn)	3,864	4,227	5,615	7,674	7,121	7,835	6,804	6,246
Pre-tax profit	(Btmn)	18,917	27,151	5,850	167	35,481	50,104	53,621	54,745
Corporate tax	(Btmn)	(1,400)	3,812	1,534	(1,243)	6,703	8,043	8,607	2,777
Equity a/c profits	(Btmn)	28	586	5	143	160	165	170	175
Minority interests	(Btmn)	(195)	128	888	(386)	(1,966)	(2,103)	(2,251)	(2,598)
Core profit	(Btmn)	20,150	24,053	5,209	1,168	26,972	40,123	42,934	49,545
Extra-ordinary items	(Btmn)	733	2,413	43	1,247	(684)	0	0	0
Net Profit	(Btmn)	20,883	26,465	5,252	2,414	26,288	40,123	42,934	49,545
EBITDA	(Btmn)	35,020	45,652	28,505	28,328	64,338	81,098	83,585	84,151
Core EPS	(Btmn)	4.04	4.36	0.93	0.21	4.80	7.15	7.65	8.82
Net EPS	(Bt)	4.19	4.80	0.94	0.43	4.68	7.15	7.65	8.82
DPS	(Bt)	1.00	1.40	1.23	0.70	1.00	2.40	2.30	3.20

Balance Sheet

FY December 31	Unit	2017	2018	2019	2020	2021	2022F	2023F	2024F
Total current assets	(Btmn)	92,953	124,284	118,757	119,835	176,859	191,099	233,301	280,994
Total fixed assets	(Btmn)	189,405	254,911	261,811	333,337	364,969	345,049	325,130	305,211
Total assets	(Btmn)	282,358	379,195	380,568	453,172	541,828	536,149	558,432	586,205
Total loans	(Btmn)	95,506	136,266	146,262	203,016	215,714	178,528	163,831	150,442
Total current liabilities	(Btmn)	65,622	113,700	112,991	117,161	161,121	157,232	160,874	167,661
Total long-term liabilities	(Btmn)	97,750	113,639	129,410	200,402	209,704	175,232	161,882	146,166
Total liabilities	(Btmn)	163,372	227,339	242,401	317,564	370,825	332,464	322,757	313,827
Paid-up capital	(Btmn)	5,245	5,615	5,615	5,615	5,615	5,615	5,615	5,615
Total equity	(Btmn)	117,062	144,838	129,712	126,655	158,769	189,347	219,087	253,192
BVPS	(Bt)	22.32	25.80	23.10	22.56	28.28	33.72	39.02	45.10

Cash Flow Statement

FY December 31	Unit	2017	2018	2019	2020	2021	2022F	2023F	2024F
Core Profit	(Btmn)	20,150	24,053	5,209	1,168	26,972	40,123	42,934	49,545
Depreciation and amortization	(Btmn)	12,239	14,273	17,040	20,487	21,737	23,159	23,159	23,159
Operating cash flow	(Btmn)	28,907	32,362	40,963	43,367	33,928	52,507	63,113	69,914
Investing cash flow	(Btmn)	(28,786)	(56,227)	(25,298)	(78,602)	(25,767)	(3,100)	(3,100)	(3,100)
Financing cash flow	(Btmn)	2,730	22,567	(10,796)	43,737	(10,894)	(44,628)	(25,641)	(26,231)
Net cash flow	(Btmn)	2,851	(1,299)	4,868	8,502	(2,733)	4,779	34,372	40,583

Key Financial Ratios

FY December 31	Unit	2017	2018	2019	2020	2021	2022F	2023F	2024F
Gross margin	(%)	15.9	16.7	12.3	13.2	18.2	20.0	19.5	19.3
Operating margin	(%)	7.5	8.4	2.6	1.4	8.0	9.4	9.4	9.0
EBITDA margin	(%)	12.2	13.1	8.1	8.5	13.7	14.2	14.0	13.5
EBIT margin	(%)	8.0	9.0	3.3	2.4	9.1	10.2	10.1	9.8
Net profit margin	(%)	7.3	7.6	1.5	0.7	5.6	7.0	7.2	8.0
ROE	(%)	19.6	18.4	3.8	0.9	18.9	23.1	21.0	21.0
ROA	(%)	7.5	7.3	1.4	0.3	5.4	7.4	7.8	8.7
Net D/E	(x)	0.8	0.9	1.0	1.4	1.3	0.8	0.5	0.2
Interest coverage	(x)	9.1	10.8	5.1	3.7	9.0	10.4	12.3	13.5
Debt service coverage	(x)	1.5	2.4	0.6	0.6	1.4	1.5	1.7	1.8
Payout Ratio	(%)	23.9	29.2	131.0	162.8	21.4	33.6	30.1	36.3

Main Assumptions

FY December 31	Unit	2017	2018	2019	2020	2021	2022F	2023F	2024F
Effective capacity	(ktpa)	10,359	11,847	14,549	17,260	17,361	18,039	18,264	18,264
Total sales volume	(kt)	9,103	10,419	12,340	13,720	14,722	15,372	15,515	15,515
Core EBITDA/t	(US\$/t)	110	138	93	82	118	125	128	128
Reported EBITDA/t	(US\$/t)	114	140	75	69	135	120	122	122
Average selling price	(US\$/t)	927	1,104	1,001	828	1,042	1,087	1,113	1,168
FX	(Bt/US\$)	33.93	32.32	31.05	31.29	32.00	32.00	32.00	32.00

Financial statement

Profit and Loss Statement

FY December 31	Unit	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22
Total revenue	(Btmn)	75,010	81,019	83,460	98,161	111,301	126,892	131,755	146,957
Cost of goods sold	(Btmn)	65,763	69,220	71,234	78,681	89,431	105,180	109,836	113,674
Gross profit	(Btmn)	9,247	11,799	12,226	19,480	21,870	21,711	21,919	33,283
SG&A	(Btmn)	8,919	9,726	10,219	10,613	11,495	12,066	13,170	13,945
Other income	(Btmn)	722	522	1,094	1,000	1,818	678	1,470	904
Interest expense	(Btmn)	1,785	1,899	1,803	1,870	1,647	1,806	1,797	1,860
Pre-tax profit	(Btmn)	(734)	696	1,297	7,997	10,546	8,517	8,421	18,382
Corporate tax	(Btmn)	(569)	188	(856)	1,312	1,910	1,642	1,840	3,239
Equity a/c profits	(Btmn)	66	42	21	28	39	59	34	46
Minority interests	(Btmn)	(6)	(109)	(296)	(500)	(308)	(300)	(858)	(1,394)
Core profit	(Btmn)	(106)	441	1,878	6,213	8,367	6,635	5,757	13,795
Extra-ordinary items	(Btmn)	260	(61)	(568)	(205)	(27)	(87)	(365)	275
Net Profit	(Btmn)	154	380	1,310	6,009	8,340	6,548	5,392	14,070
EBITDA	(Btmn)	6,282	7,631	8,437	14,868	17,322	15,958	16,191	25,758
Core EPS	(Btmn)	(0.02)	0.08	0.33	1.11	1.49	1.18	1.03	2.46
Net EPS	(Bt)	0.03	0.07	0.23	1.07	1.49	1.17	0.96	2.51

Balance Sheet

FY December 31	Unit	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22
Total current assets	(Btmn)	124,613	119,531	119,835	140,034	153,481	167,509	176,859	218,436
Total fixed assets	(Btmn)	334,250	342,178	333,337	339,548	353,153	369,670	364,969	367,161
Total assets	(Btmn)	458,864	461,709	453,172	479,582	506,634	537,179	541,828	585,597
Total loans	(Btmn)	215,418	211,908	203,016	208,413	205,788	215,032	215,714	224,112
Total current liabilities	(Btmn)	124,143	121,930	117,161	136,163	150,320	161,120	161,121	190,192
Total long-term liabilities	(Btmn)	199,285	201,238	200,402	197,077	198,794	208,169	209,704	204,838
Total liabilities	(Btmn)	323,428	323,168	317,564	333,240	349,114	369,289	370,825	395,030
Paid-up capital	(Btmn)	5,615	5,615	5,615	5,615	5,615	5,615	5,615	5,615
Total equity	(Btmn)	126,686	129,126	126,655	136,195	146,697	155,690	158,769	177,419
BVPS	(Bt)	22.56	23.00	22.56	24.26	26.13	27.73	28.28	31.60

Cash Flow Statement

FY December 31	Unit	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22
Core Profit	(Btmn)	(106)	441	1,878	6,213	8,367	6,635	5,757	13,795
Depreciation and amortization	(Btmn)	5,232	5,037	5,337	5,001	5,129	5,634	5,973	5,516
Operating cash flow	(Btmn)	20,157	31,355	43,367	6,143	10,581	9,678	7,526	18,089
Investing cash flow	(Btmn)	(68,808)	(72,287)	(78,602)	(4,173)	(7,922)	(5,664)	(8,008)	(5,027)
Financing cash flow	(Btmn)	60,777	49,441	43,737	(596)	(8,129)	(1,172)	(997)	6,889
Net cash flow	(Btmn)	12,126	8,509	8,502	1,374	(5,470)	2,842	(1,479)	19,950

Key Financial Ratios

FY December 31	Unit	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22
Gross margin	(%)	12.3	14.6	14.6	19.8	19.6	17.1	16.6	22.6
Operating margin	(%)	0.4	2.6	2.4	9.0	9.3	7.6	6.6	13.2
EBITDA margin	(%)	8.4	9.4	10.1	15.1	15.6	12.6	12.3	17.5
EBIT margin	(%)	1.4	3.2	3.7	10.1	11.0	8.1	7.8	13.8
Net profit margin	(%)	0.2	0.5	1.6	6.1	7.5	5.2	4.1	9.6
ROE	(%)	(0.3)	1.4	5.9	18.9	23.7	17.6	14.6	32.8
ROA	(%)	(0.1)	0.4	1.6	5.3	6.8	5.1	4.3	9.8
Net D/E	(x)	1.5	1.5	1.5	1.4	1.3	1.3	1.3	1.1
Interest coverage	(x)	3.5	4.0	4.7	8.0	10.5	8.8	9.0	13.9
Debt service coverage	(x)	0.4	0.6	0.7	1.1	1.3	1.1	1.2	1.6

Main Assumptions

FY December 31	Unit	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22
Effective capacity	(ktpa)	17,127	17,320	17,320	17,000	17,246	17,561	17,616	17,296
Total sales volume	(kt)	3,239	3,680	3,480	3,663	3,612	3,734	3,713	3,800
Core EBITDA/t	(US\$/t)	92	70	77	100	132	117	124	171
Reported EBITDA/t	(US\$/t)	61	70	82	139	147	128	127	206
Average selling price	(US\$/t)	723	703	782	885	985	1,036	1,067	1,169
FX	(Bt/US\$)	31.94	31.33	30.62	30.29	31.35	32.92	33.37	33.05

Monetizing world-class MTBE single-step reaction technology. Aside from higher production capacity globally, IVL's vigorous acquisitions in past years provides it with world-class production technology that can be monetized via licensing agreements. This includes a recent license agreement with Shandong Binhua New Material, a subsidiary of Befar Group, a leading petroleum and chemical enterprise in China, to build, own and operate a propylene oxide (PO), t-butanol (TBA) and t-butyl methyl ether (MTBE) co-production unit in one of Shandong's largest plants, using the world's only methyl tertiary butyl ether (MTBE) 'single-step' reaction technology. This will be its first step outside the production of only petrochemicals into an industry licensor.

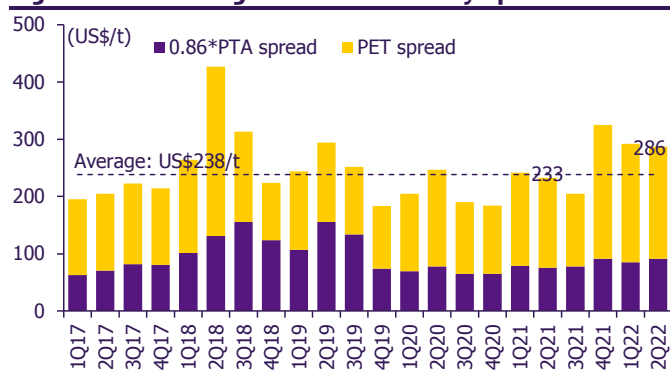
Earnings to continue solid in 2H22F. We expect earnings to remain solid in 2H22F with profit contribution from Oxiteno boosting IOD profit. Apart from good demand for MTBE during the US driving season, management said demand for surfactant products remains good, recovering from last year as lockdowns ease and demand for oil increases. This led to improved demand for surfactant in high-value businesses, including petroleum exploration and production and agricultural businesses. Also, demand for home and personal care products will remain strong. We remain optimistic on IVL's earnings outlook in the IOD business as it is a promising area with less product spread volatility, supporting IVL's growth long-term, adding to the PET segment which will remain a preferred raw material for packaging.

Figure 1: IVL – 2Q22F earnings preview

(Btmn)	2Q21	1Q22	2Q22F	%YoY	%QoQ
Sales	111,301	146,957	163,398	46.8	11.2
EBITDA	17,361	25,804	26,730	54.0	3.6
Core profit	6,641	10,578	10,752	61.9	1.6
Net profit	8,340	14,070	14,363	72.2	2.1
EPS (Bt/share)	1.49	2.51	2.56	72.2	2.1
Sales volume (mt)	3.61	3.80	3.88	7.5	2.2
Core EBITDA/t (US\$/t)	132	171	172	29.9	0.2

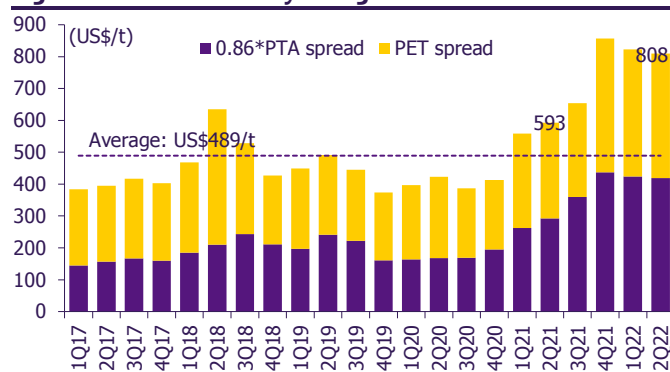
Source: IVL, SCBS Investment Research

Figure 2: Asia integrated PET industry spread



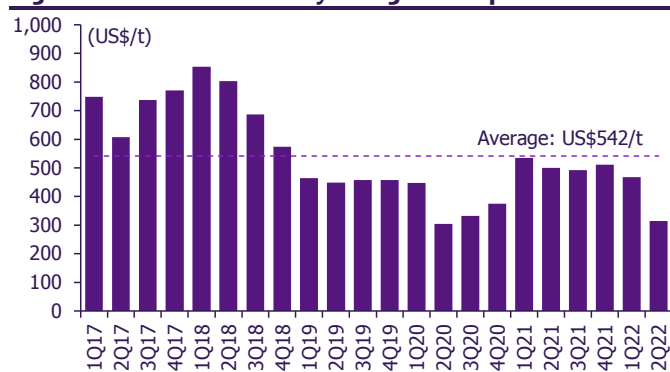
Source: IVL, SCBS Investment Research

Figure 3: West industry integrated PET business



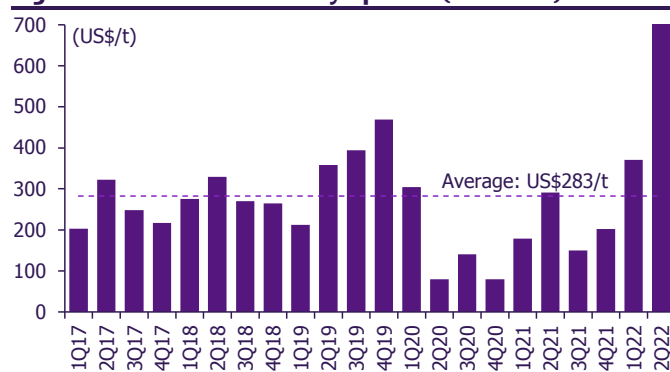
Source: IVL, SCBS Investment Research

Figure 4: US MEG industry integrated spread



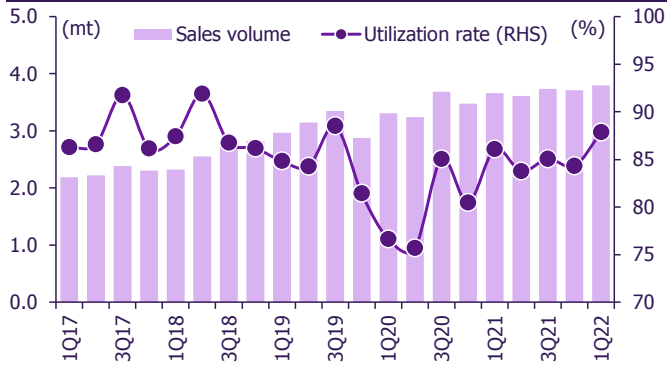
Source: IVL, SCBS Investment Research

Figure 5: US MTBE industry spread (C-factor)



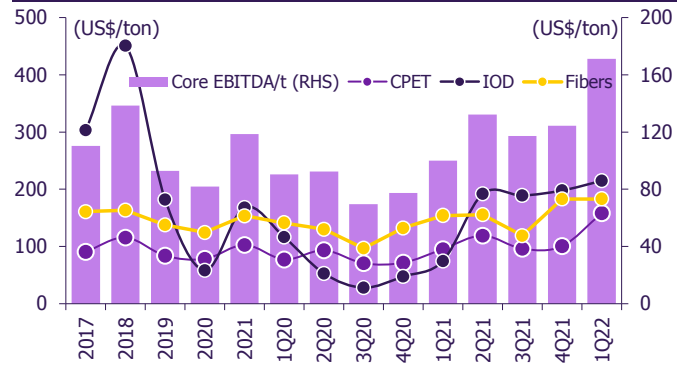
Source: IVL, SCBS Investment Research

Figure 6: Sales volume



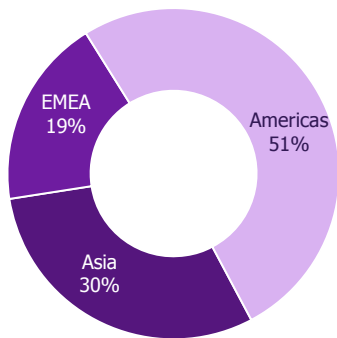
Source: IVL, SCBS Investment Research

Figure 7: Core EBITDA/t



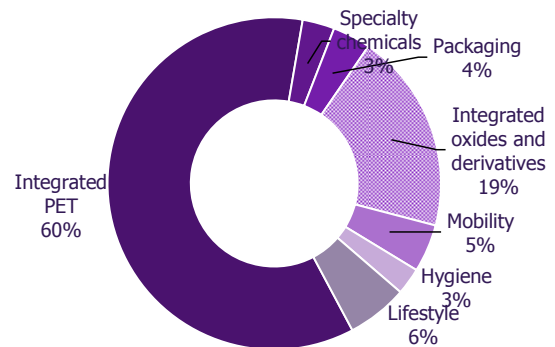
Source: IVL, SCBS Investment Research

Figure 8: Core EBITDA breakdown (by region)



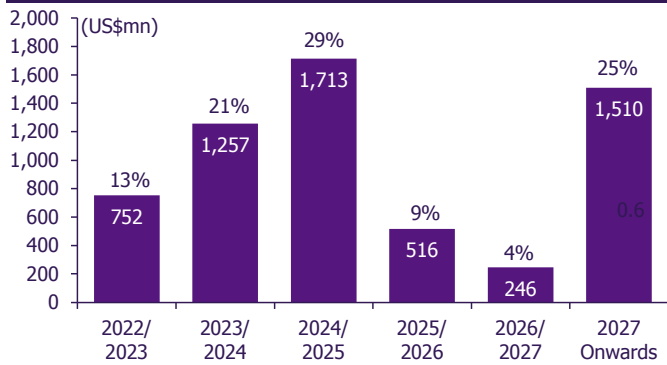
Source: IVL, SCBS Investment Research

Figure 9: Core EBITDA breakdown (by product)



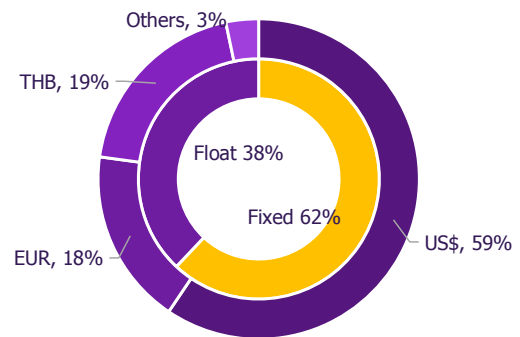
Source: IVL, SCBS Investment Research

Figure 10: Debt repayment schedule (end-1Q22)



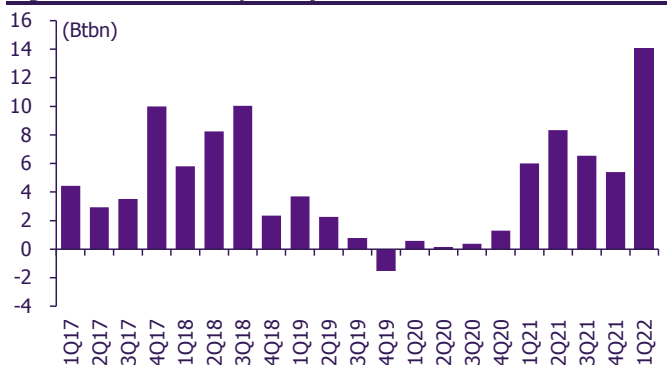
Source: IVL, SCBS Investment Research

Figure 11: Debt breakdown by currency (end-1Q22)



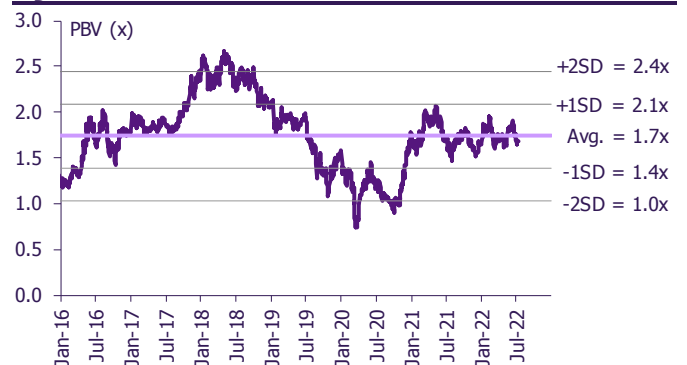
Source: IVL, SCBS Investment Research

Figure 12: Quarterly net profit



Source: IVL, SCBS Investment Research

Figure 13: PBV band



Source: SCBS Investment Research

Figure 14: Valuation summary (price as of Jul 12, 2022)

	Rating	Price (Bt/Sh)	Target (Bt/Sh)	ETR (%)	P/E (x)			EPS growth (%)			P/BV (x)			ROE (%)			Div. Yield (%)			EV/EBITDA (x)		
					21A	22F	23F	21A	22F	23F	21A	22F	23F	21A	22F	23F	21A	22F	23F	21A	22F	23F
GGC	Neutral	14.60	12.4	(11.9)	19.5	15.7	16.5	39	24	(5)	1.5	1.4	1.4	8	9	8	2.4	3.2	3.0	9.1	8.2	7.5
IVL	Outperform	45.25	55.0	26.9	9.4	6.3	5.9	2,210	49	7	1.6	1.3	1.2	19	23	21	2.2	5.3	5.1	7.0	5.1	4.3
PTTGC	Neutral	44.50	80.0	85.4	6.2	8.9	7.1	n.m.	(30)	25	0.6	0.6	0.6	10	7	8	8.4	5.6	7.0	5.4	6.6	6.1
Average					11.7	10.3	9.8	1,125	14	9	1.2	1.1	1.0	12	13	13	4.3	4.7	5.0	7.2	6.6	6.0

Source: SCBS Investment Research

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CG Rating 2021 Companies with CG Rating
Companies with Excellent CG Scoring

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2S, 7UP, ABICO, ABM, ACE, ACG, ADB, AEONTS, AGE, AHC, AIT, ALL, ALLA, ALUCON, AMANAH, AMARIN, APCO, APCS, APURE, AQUA, ASEFA, ASIAN, ASK, ATP30, BA, BC, BEC, BFIT, BJCHI, BR, CBG, CGH, CHAYO, CHOTI, CI, CMC, CPL, CRD, CSP, DCC, ASAP, ASIA, ASIMAR, ASN, B, BAM, BCH, BEYOND, BJC, BLA, BROOK, CEN, CHARAN, CHG, CHOW, CIG, COLOR, CPW, CSC, CWT, DCON, DHOUSE, DOD, DOHOME, DV8, EASON, EFORL, ERW, ESSO, ESTAR, ETE, FE, FLOYD, FN, FNS, FORTH, FSS, FTE, FVC, GEL, GENCO, GJS, GYT, HEMP, HPT, HTC, HYDRO, ICN, IFS, IMH, IND, INET, INSET, INSURE, IRC, IRCP, IT, ITD*, J, JAS, JCK, JCKH, JMART, JMT, KBS, KCAR, KEX, KGI, KIAT*, KISS, KOOL, KTIS, KUMWEL, KUN, KWC, KWM, L&E, LDC, LEO, LHK, LOXLEY, LRH, LST, M, MATCH, MBAX, MEGA, META, MFC*, MGT, MICRO, MILL, MITSIB, MK, MODERN, MTI, NBC, NCAP, NCH, NETBAY, NEX, NINE, NRF, NTV, OCC, OGC, PATO, PB, BIKO, PIMO, PJW, PL, PM, PMTA, PPP, PPPM, PRIME, PRIN, PRINC, PSTC, PT, QLT, RBF, RCL, RICHY, RML, ROJNA, RPC, RT, RWI, S11, SA, SAK, SALEE, SAMCO, SANKO, SAPPE, SAWAD, SCI, SCN, SCP, SE, SFLEX, SFP, SFT, SGF, SIAM, SINGER, SKE, SKN, SKR, SKY, SLP, SMIT, SMT, SNP, SO, SORKON, SPA, SPC, SPCG, SR, SRICHA, SSC, SSF, STANLY, STGT, STOWER*, STPI, SUC, SWC, SYNEX, T, TAE, TAKUNI, TBSP, TCC, TCMC, TEAM, TFG, TFI, TIGER, TITL, TKN, TKS, TM, TMC, TMD, TMI, TMILL, TNL, TNP, TOG, TPA, TPAC, TPCS, TPS, TRITN, TRT, TSE, TVT, TWP, UEC, UMI, UOBKH, UP, UPF, UPOIC, UTP, VCOM, VL, VNT, VPO, VRANDA, WGE, WIJK, WP, XO, XPG, YUASA

Companies with Good CG Scoring

A, AI, AIE, AJ, AMC, APP, AQ, ARIN, AS, AU, B52, BEAUTY, BGT, BH, BIG, BLAND, BM, BROCK, BSBM, BSM, BYD*, CCP, CITY, CMO, CPT, CSR, EKH, EP, FMT, GLOCON*, GSC, HTECH, IHL, INGRS, JAK, JTS, KASET, KK, KWG, LEE, BTNC, CAZ, CGD, CMAN, CMR, CRANE, D, EMC, F&D, GIFT, GREEN, GTB, HUMAN, IIG, INOX, JR, JUBILE, KCM, KKC, KYE, LPH, MATI, M-CHAI, MCS, MDX, MJD, MORE, MUD, NC, NDR, NFC, NNCL, NOVA, NPK, NUSA, OCEAN, PAF, PF, PK, PLE, PPM, PRAKIT, PRAPAT, PRECHA, PTL, RCI², RJH, RP, RPH, RSP, SABUY, SF, SGP, SICT, SIMAT, SISB, SK, SMART, SOLAR, SPACK, SPG, SQ, SSP, STARK, STC, SUPER, SVOA, TC, TCCC, THMUI, TNH, TNR, TOPP, TPCH, TPIPL, TPIPP, TPLAS, TPOLY, TQR, TTI, TYCN, UKEM, UMS, UNIQ, UP, UREA, VIBHA, W, WIN, WORK, WPH, YGG, ZIGA

Corporate Governance Report

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To recognize well performers, the list of companies attaining "Good", "Very Good" and "Excellent" levels of recognition

(Not including listed companies qualified in the "no announcement of the results" clause from 1 January 2020 to 26 October 2021) is publicized.

¹ TIP was voluntarily delisted from the Stock Exchange of Thailand effectively on July 24, 2021

² RCI was voluntarily delisted from the Stock Exchange of Thailand, effectively on July 16, 2021

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Declared (ประกาศเจตนารมณ์)

AH, AJ, ALT, APCO, B52, BEC, CHG, CI, CPL, CPR, CPW, CRC, DDD, DHOUSE, DOHOME, ECF, EKH, ETC, EVER, FLOYD, GLOBAL, III, ILM, INOX, JTS, KEX, KUMWEL, LDC, MAJOR, MEGA, NCAP, NOVA, NRF, NUSA, NYT, OR, PIMO, PLE, RS, SAK, SIS, STECH, STGT, SUPER, SVT, TKN, TMI, TQM, TSI, VARO, VCOM, VIBHA, WIN

N/A

3K-BAT, A, A5, AAV, ABICO, ABM, ACAP, ACC, ACE, ACG, ADB, ADD, AEONTS, AFC, AGE, AHC, AIT, AJA, AKR, ALL, ALLA, ALPHAX, ALUCON, AMARIN, AMC, AMR, ANAN, AOT, APEX, APP, APURE, AQ, ARIN, ARIP, ASAP, ASEFA, ASIA, ASIMAR, ASN, ASW, ATP30, AU, AUCT, BA, BBGI, BBIK, BC, BCT, BDMS, BEAUTY, BEM, BFIT, BGT, BH, BIG, BIOTEC, BIS, BIZ, BJC, BJCHI, BKD, BLAND, BLESS, BLISS, BM, BOL, BR, BRI, BROCK, BSM, BTNC, BTW, BUI, BYD, CAZ, CBG, CCET, CCP, CEYE, CGD, CHARAN, CHAYO, CHO, CITY, CIVIL, CK, CKP, CMAN, CMO, CMR, CNT, COLOR, COMAN, CPANEL, CPH, CPT, CRANE, CRD, CSP, CSR, CSS, CTW, CV, CWT, D, DCON, DITTO, DMT, DOD, DPAINT, DTCI, DV8, EASON, EE, EFORL, EMC, ESSO, F&D, FANCY, FMT, FN, FORTH, FTI, FVC, GENCO, GIFT, GL, GLAND, GLOCON, GLORY, GRAMMY, GRAND, GREEN, GSC, GTB, GYT, HFT, HL, HPT, HTECH, HUMAN, HYDRO, ICN, IFEC, IHL, IIG, IMH, IND, INGRS, INSET, IP, IRCP, IT, ITD, J, JAK, JAS, JCK, JCKH, JCT, JDF, JMART, JMT, JP, JUBILE, JWD, KAMART, KC, KCC, KCM, KDH, KIAT, KISS, KK, KKC, KOOL, KTIS, KUN, KWC, KWM, KYE, LALIN, LEE, LEO, LIT, LOXLEY, LPH, LST, MACO, MANRIN, MATI, MAX, M-CHAI, MCS, MDX, MENA, METCO, MGT, MICRO, MIDA, MITSIB, MJD, MK, ML, MODERN, MORE, MPIC, MUD, MVP, NC, NCH, NCL, NDR, NER, NETBAY, NEW, NEWS, NEX, NFC, NNCL, NPK, NSL, NTV, NV, NVD, OHTL, OISHI, ONEE, OSP, OTO, PACE, PACO, PAE, PAF, PEACE, PERM, PF, PICO, PIN, PJW, PLUS, PMTA, POLAR, POMPIU, PORT, POST, PPM, PRAKIT, PRAPAT, PRECHA, PRIME, PRIN, PRO, PROEN, PROUD, PSC, PTC, PTECH, PTL, RAM, RBF, RCL, RICHY, RJH, ROCK, ROH, ROJNA, RP, RPC, RPH, RSP, RT, S, S11, SA, SABUY, SAFARI, SALEE, SAM, SAMART, SAMCO, SAMTEL, SANKO, SAUCE, SAWAD, SAWANG, SCI, SCP, SDC, SE, SEAFCO, SECURE, SENAJ, SFLEX, SFP, SFT, SGF, SHANG, SHR, SIAM, SICT, SIMAT, SISB, SK, SKE, SKN, SKY, SLM, SLP, SMART, SMD, SMT, SNPN, SO, SOLAR, SONIC, SPA, SPCG, SPG, SPVI, SQ, SR, SSC, SSS, STANLY, STARK, STC, STEC, STANI, STI, STP, STPI, SUC, SUN, SUTHA, SVH, SVOA, SWC, SYNEX, TACC, TAPAC, TC, TCC, TCCC, TCJ, TCOAT, TEAM, TEAMG, TEKA, TFM, TGPRO, TH, THAI, THANA, THE, THG, THL, THMUI, TIGER, TIPH, TITL, TK, TKC, TM, TMC, TMD, TMW, TNDT, TNH, TNPC, TOA, TPAC, TPBI, TPCH, TPIPL, TPIPP, TPLAS, TPOLY, TPS, TQR, TR, TRC, TRITN, TRT, TRUBB, TRV, TSE, TSF, TSR, TTI, TTT, TTT, TTT, TWP, TWZ, TYCN, UAC, UMI, UMS, UNIQ, UP, UP, UPOIC, UREA, UTP, UVAN, VL, VNG, VPO, VRANDA, W, WAVE, WFX, WGE, WINMED, WINNER, WORK, WORLD, WP, WPH, XPG, YGG

Explanations

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of May 9, 2022) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.