

Indorama Ventures

Indorama Ventures
Public Company Limited

IVL

Bloomberg Reuters
IVL.TB
IVL.BK



4Q23: Hit by weak margin and impairment

Net loss was Bt12.4bn, hit by weak core EBITDA/t at only US\$74/t, -17% QoQ from US\$89/t in 3Q23. Including inventory loss of US\$50mn (Bt1.8bn), EBITDA/t fell 47% QoQ to US\$50/t. IVL also booked asset impairment of US\$308mn (US\$243mn net tax or Bt8.7bn) for the Corpus Christi project as the three partners decided to suspend construction. Core net loss was at Bt1.4bn in 4Q23 vs. core loss of Bt299mn in 3Q23 and core profit of Bt411mn in 4Q22. IVL's 2023 performance was in the red with a net loss of Bt11bn, a sharp decline from peak in 2022. Despite the weak year it was able to report core net profit of Bt2.3bn in 2023, but still way below Bt34.6bn in 2022. We expect earnings to recover in 1Q24 on better product spread and higher sales volume after low season in 4Q23. We maintain our Neutral rating with TP trimmed to Bt32, based on 1x PBV (2024F) or -1.5SD of 5-year average.

Fiber segment performed worst in 4Q23. Core EBITDA/t fell 17% YoY and 26% QoQ to US\$74/t, led by the fiber segment (the worst performer in 4Q23) on intense competition from China and weak demand. This was followed by the combined PET segment with EBITDA down 51% QoQ as core EBITDA/t weakened 8% YoY and 21% QoQ to US\$54/t from US\$59/t in 3Q23 due to persistent pressure from China's excess capacity, weak seasonal demand and an unplanned shutdown of the PTA plant in Canada, which sliced 5% QoQ from overall sales volume for the combined PET segment. The segment also recorded inventory loss of US\$49mn out of its total inventory loss of US\$50mn in 4Q23.

IOD segment supported. The IOD segment was the best performer in 4Q23 although core EBITDA also softened 16% QoQ due to lower core EBITDA/t of US\$165/t (-13% YoY, -26% QoQ). Sales volume increased 4% QoQ with destocking easing in many product categories. This was supported by better demand for crop solutions, home and personal care and energy resources. Demand from construction and coating remained subdued.

1Q24 earnings should improve QoQ. We expect IVL's earnings to improve QoQ in 1Q24 on better sales volume as destocking is slowing down and IOD demand recovering. Management guided that operating rate will gradually improve with 4-5% growth in 2024 along with modest improvement in product margin. Our earnings forecast for 2024F is based on core EBITDA/t assumption at US\$113/t (+22% YoY), with steady improvement in 2025-26F to a 3-year average of US\$119/t, a 5% discount to IVL's guidance. We expect to see an earnings turnaround in 2024 from the weak 2023, backed by its efforts to manage production cost and utilization rate.

TP trimmed to Bt32/share. We maintain Neutral with TP cut to Bt32 from Bt35, based on 1x PBV (2024F), -1.5SD of 5-year average. This implies EV/EBITDA of 5.8x (2024F) vs. 5-year average of 9.6x. IVL announced a final dividend on 2023 operations of Bt0.175/share (XD: 3 May), bringing total dividend on 2023 to Bt0.975/share, despite the loss. We expect dividend yield of 4.2-6.7% over the next three years.

Risk factors: 1) Weaker demand, 2) less efficiency improvement at new assets than expected and 3) changes in regulations on plastic products. Key ESG risk factors include the environmental impact of its business and how it adapts during the transition to clean energy and circular economy.

Forecasts and valuation

Year to 31 Dec	Unit	2022	2023	2024F	2025F	2026F
Revenue	(Btmn)	656,266	541,458	554,064	537,991	520,008
EBITDA	(Btmn)	84,054	40,646	63,371	70,468	74,891
Core profit	(Btmn)	38,717	389	16,977	24,309	28,716
Reported profit	(Btmn)	31,006	(10,798)	16,977	24,309	28,716
Core EPS	(Bt)	6.90	0.07	3.02	4.33	5.11
DPS	(Bt)	1.60	0.93	1.00	1.30	1.60
P/E, core	(x)	3.5	344.6	7.9	5.5	4.7
EPS growth, core	(%)	43.5	(99.0)	4,260.0	43.2	18.1
P/BV, core	(x)	0.7	0.8	0.8	0.7	0.6
ROE	(%)	22.5	0.2	10.0	13.1	14.1
Dividend yield	(%)	6.7	3.9	4.2	5.4	6.7
EV/EBITDA	(x)	4.3	8.8	5.1	3.9	3.1

Source: InnovestX Research

See the end of this report for disclaimer

Tactical: NEUTRAL

(3-month)

Stock data	
Last close (Feb 23) (Bt)	23.90
Target price (Bt)	32.00
Mkt cap (Btmn)	134.19
Mkt cap (US\$mn)	3,738

Beta	H
Mkt cap (%) SET	0.78
Sector % SET	2.04
Shares issued (mn)	5,615
Par value (Bt)	1.00
12-m high / low (Bt)	38.5 / 23
Avg. daily 6m (US\$mn)	13.40
Foreign limit / actual (%)	100 / 70
Free float (%)	35.2
Dividend policy (%)	≥ 30

Share performance			
(%)	1M	3M	12M
Absolute	(1.2)	(4.4)	(36.7)
Relative to SET	(2.4)	(4.4)	(26.0)

Source: SET, InnovestX Research

2023 Sustainability / 2022 ESG Score

SET ESG Ratings	AA
-----------------	----

ESG Bloomberg Rank in the sector

ESG Score Rank	1/15
Environmental Score Rank	2/15
Social Score Rank	1/15
Governance Score Rank	1/15

ESG comment

IVL had the sector's best ESG score in 2021, with outperforming social and governance scores. The environmental score is also above average and much better than sector peers in 2021.

Source: Bloomberg Finance L.P.

Note:

* IOD: Integrated Oxides and Derivatives

Analyst

Chaipat Thanawattano

Fundamental Investment

Analyst on Securities

(66-2) 949-1005

chaipat.thanawattano@scb.co.th

Our view on ESG

We view that IVL provides concrete targets on environmental and social issues with a committed timeline and actual performance relative to its targets. We view IVL's management and governance as satisfactory, reflecting management expertise and experience in the business, a diverse Board of Directors and transparency with stakeholders.

ESG Disclosure Score

Bloomberg ESG Score	79.46 (2022)
Rank in Sector	1/15

CG Rating	DJSI	SETESG	SET ESG Ratings
IVL	5	Yes	AA

Source: Thai Institute of Directors (IOD), SET

Environmental Issue (E)

- IVL is one of the key players in plastic recycling. It has committed to recycle post-consumer PET bale input by 0.75mn tons/year by 2025 and 1.50mn tons/year by 2030.
- IVL pledged to be Net Zero Carbon by 2050-2070 and announced a US\$4.7bn investment to increase biomass feedstock to 2.4mn tons by 2030.
- New solar energy investments in China and Indonesia provide a combined emissions savings of over 3,300 tCO₂e/year.
- IVL targets 10% renewable electricity consumption by 2025 and 25% by 2030.
- New CarbonLite recycling facility in the US and an upcoming facility in Indonesia will recycle 5bn PET bottles annually by 2023. The manufacturing site in Thailand recorded a waste diversion rate of 99%, obtaining Zero Waste to Landfill certification.

Social Issue (S)

- IVL implemented a global Environment, Health and Safety (EHS) and Sustainability Software Management System.
- IVL continue to focus on the execution of the Injury and Illness Prevention Program (I2P2), which systematically analyses incident trends and implements controls to reduce the most frequent types. In 2022, 79% of plants participating in the program improved their TRIR and 66% improved their LTIFR.
- The company recorded an overall LTIFR of 0.51 in 2022, down from 0.66, approaching the goal to achieve an LTIFR of less than 0.5 cases per 200,000 man-hours by 2025.
- Diversity highlights for 2022 include women in the workforce (25%, up from 22% in 2021), women in leadership roles (35%) and in top management (21.3%).
- IVL continues to educate people on PET's circular and recyclable qualities, and the importance of recycling to prevent PET waste mismanagement.

Governance Issue (G)

- IVL's board of directors consists of 12 directors, including five independent directors (41.67% of the entire Board) and two non-executive directors. These include two female members (16.67% of the entire Board).
- 100% independent directors on the Nomination, Compensation and Corporate Governance (NCCG) Committee.
- IVL has been rated "Excellent" (5 stars) by the Thai Institute of Directors for the tenth consecutive year in 2022.
- We view IVL's management and governance as satisfactory, reflecting management's ability to plan and execute capacity expansion organically and non-organically, its experience and expertise, its transparency with stakeholders, and its independent board of directors.

ESG Disclosure Score

	2021	2022
ESG Disclosure Score	80.31	79.46
Environment	82.18	82.18
Emissions Reduction Initiatives	Yes	Yes
Climate Change Policy	Yes	Yes
GHG Scope 1	7,247.67	7,195.28
Biodiversity Policy	Yes	Yes
Energy Efficiency Policy	Yes	Yes
Total Energy Consumption	30,429.90	33,929.80
Social	68.86	66.29
Human Rights Policy	Yes	Yes
Equal Opportunity Policy	Yes	Yes
Health and Safety Policy	Yes	Yes
Fatalities - Employees	1.00	0.00
Total Recordable Incident Rate - Employees	1.19	1.04
Employee Turnover Pct	11.42	13.71
Governance	89.86	89.86
Size of the Board	16	15
Number of Board Meetings for the Year	8	5
Board Meeting Attendance Pct	98	99
Number of Female Executives	1	1
Number of Independent Directors	8	7
Board Duration (Years)	3	3

Source: Bloomberg Finance L.P.

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. 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	2019	2020	2021	2022	2023	2024F	2025F	2026F
Total revenue	(Btmn)	352,692	331,513	468,108	656,266	541,458	554,064	537,991	520,008
Cost of goods sold	(Btmn)	309,345	287,882	383,128	544,321	476,039	464,710	439,929	416,262
Gross profit	(Btmn)	43,348	43,631	84,980	111,945	65,419	89,354	98,061	103,746
SG&A	(Btmn)	34,250	39,013	47,343	62,895	58,743	59,918	61,716	63,567
Other income	(Btmn)	2,367	3,224	4,965	9,282	6,274	5,642	5,829	6,418
Interest expense	(Btmn)	5,615	7,674	7,121	10,495	15,367	12,318	10,198	8,822
Pre-tax profit	(Btmn)	5,850	167	35,481	47,837	(2,418)	22,760	31,976	37,774
Corporate tax	(Btmn)	1,534	(1,243)	6,703	5,774	(2,684)	4,554	6,397	7,557
Equity a/c profits	(Btmn)	5	143	160	(23)	8	9	9	9
Minority interests	(Btmn)	888	(386)	(1,966)	(3,324)	115	(1,237)	(1,279)	(1,511)
Core profit	(Btmn)	5,209	1,168	26,972	38,717	389	16,977	24,309	28,716
Extra-ordinary items	(Btmn)	43	1,247	(684)	(7,711)	(11,187)	0	0	0
Net Profit	(Btmn)	5,252	2,414	26,288	31,006	(10,798)	16,977	24,309	28,716
EBITDA	(Btmn)	28,505	28,328	64,338	84,054	40,646	63,371	70,468	74,891
Core EPS	(Btmn)	0.93	0.21	4.80	6.90	0.07	3.02	4.33	5.11
Net EPS	(Bt)	0.94	0.43	4.68	5.52	(1.92)	3.02	4.33	5.11
DPS	(Bt)	1.23	0.70	1.00	1.60	0.93	1.00	1.30	1.60

Balance Sheet

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Total current assets	(Btmn)	118,757	119,835	176,859	215,708	189,354	167,107	181,777	217,871
Total fixed assets	(Btmn)	261,811	333,337	364,969	408,171	400,778	379,128	353,679	329,036
Total assets	(Btmn)	380,568	453,172	541,828	623,878	590,132	546,235	535,456	546,907
Total loans	(Btmn)	146,262	203,016	215,714	245,668	243,227	204,692	172,525	154,668
Total current liabilities	(Btmn)	112,991	117,161	161,121	202,200	201,347	176,769	172,770	172,603
Total long-term liabilities	(Btmn)	129,410	200,402	209,704	220,793	210,717	178,587	145,735	128,887
Total liabilities	(Btmn)	242,401	317,564	370,825	422,993	412,064	355,356	318,505	301,491
Paid-up capital	(Btmn)	5,615	5,615	5,615	5,615	5,615	5,615	5,615	5,615
Total equity	(Btmn)	129,712	126,655	158,769	185,990	164,362	175,936	193,788	214,362
BVPS	(Bt)	23.10	22.56	28.28	33.13	29.27	31.34	34.52	38.18

Cash Flow Statement

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Core Profit	(Btmn)	5,209	1,168	26,972	38,717	389	16,977	24,309	28,716
Depreciation and amortization	(Btmn)	17,040	20,487	21,737	25,721	27,697	28,294	28,294	28,294
Operating cash flow	(Btmn)	40,963	43,367	33,928	77,638	52,034	43,809	53,659	45,825
Investing cash flow	(Btmn)	(25,298)	(78,602)	(25,828)	(74,158)	(25,653)	(6,475)	(2,676)	(3,481)
Financing cash flow	(Btmn)	(10,796)	43,737	(10,833)	1,516	(28,910)	(42,703)	(30,403)	(18,108)
Net cash flow	(Btmn)	4,868	8,502	(2,733)	4,996	(2,529)	(5,368)	20,580	24,237

Key Financial Ratios

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Gross margin	(%)	12.3	13.2	18.2	17.1	12.1	16.1	18.2	20.0
Operating margin	(%)	2.6	1.4	8.0	7.5	1.2	5.3	6.8	7.7
EBITDA margin	(%)	8.1	8.5	13.7	12.8	7.5	11.4	13.1	14.4
EBIT margin	(%)	3.3	2.4	9.1	8.9	2.4	6.3	7.8	9.0
Net profit margin	(%)	1.5	0.7	5.6	4.7	(2.0)	3.1	4.5	5.5
ROE	(%)	3.8	0.9	18.9	22.5	0.2	10.0	13.1	14.1
ROA	(%)	1.4	0.3	5.4	6.6	0.1	3.0	4.5	5.3
Net D/E	(x)	1.0	1.4	1.3	1.2	1.4	1.1	0.7	0.4
Interest coverage	(x)	5.1	3.7	9.0	8.0	2.6	5.1	6.9	8.5
Debt service coverage	(x)	0.6	0.6	1.4	1.5	0.5	0.8	1.0	1.0
Payout Ratio	(%)	131.0	162.8	21.4	29.0	(48.1)	33.1	30.0	31.3

Main Assumptions

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Effective capacity	(ktpa)	14,549	17,261	17,361	18,866	19,348	19,358	19,368	19,368
Total sales volume	(kt)	12,340	13,716	14,722	14,652	13,909	14,430	14,970	15,530
Core EBITDA/t	(US\$/t)	93	82	118	155	92	113	122	124
Reported EBITDA/t	(US\$/t)	74	68	135	163	81	113	122	124
Average selling price	(US\$/t)	971	804	1,042	1,331	1,163	1,125	1,053	981
FX	(Bt/US\$)	31.05	31.29	32.00	35.07	34.81	35.50	35.50	35.50

Financial statement

Profit and Loss Statement

FY December 31	Unit	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Total revenue	(Btmn)	146,957	186,741	178,782	143,786	136,579	137,419	138,352	129,109
Cost of goods sold	(Btmn)	113,674	144,414	151,832	134,401	120,076	118,948	120,404	116,610
Gross profit	(Btmn)	33,283	42,327	26,950	9,386	16,503	18,471	17,947	12,498
SG&A	(Btmn)	13,945	17,995	16,788	14,167	14,086	14,824	14,690	15,144
Other income	(Btmn)	904	4,225	2,335	1,818	1,504	1,492	1,795	1,483
Interest expense	(Btmn)	1,860	2,327	3,016	3,293	3,460	3,865	4,015	4,027
Pre-tax profit	(Btmn)	18,382	26,229	9,481	(6,256)	461	1,273	1,038	(5,190)
Corporate tax	(Btmn)	3,239	4,381	958	(2,804)	(625)	466	568	(3,093)
Equity a/c profits	(Btmn)	46	0	(22)	(46)	(24)	11	21	1
Minority interests	(Btmn)	(1,394)	(1,459)	(863)	392	7	(114)	(13)	235
Core profit	(Btmn)	13,795	20,390	7,638	(3,106)	1,068	703	479	(1,860)
Extra-ordinary items	(Btmn)	275	(112)	499	(8,372)	(44)	(292)	(283)	(10,568)
Net Profit	(Btmn)	14,070	20,278	8,137	(11,479)	1,023	411	195	(12,428)
EBITDA	(Btmn)	25,758	34,945	19,219	4,131	10,465	11,672	11,980	6,530
Core EPS	(Btmn)	2.46	3.63	1.36	(0.55)	0.19	0.13	0.09	(0.33)
Net EPS	(Bt)	2.51	3.61	1.45	(2.04)	0.18	0.07	0.03	(2.21)

Balance Sheet

FY December 31	Unit	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Total current assets	(Btmn)	218,436	264,107	271,708	215,708	211,864	214,169	205,837	189,354
Total fixed assets	(Btmn)	367,161	418,964	443,156	408,171	405,605	423,524	433,266	400,778
Total assets	(Btmn)	585,597	683,071	714,864	623,878	617,469	637,693	639,103	590,132
Total loans	(Btmn)	224,112	255,329	273,964	245,668	248,158	252,662	253,905	243,227
Total current liabilities	(Btmn)	190,192	227,203	233,471	202,200	193,455	215,621	203,806	201,347
Total long-term liabilities	(Btmn)	204,838	244,124	251,914	220,793	225,612	217,734	230,442	210,717
Total liabilities	(Btmn)	395,030	471,327	485,385	422,993	419,067	433,355	434,248	412,064
Paid-up capital	(Btmn)	5,615	5,615	5,615	5,615	5,615	5,615	5,615	5,615
Total equity	(Btmn)	177,419	195,744	211,663	185,990	183,983	189,088	189,623	164,362
BVPS	(Bt)	31.60	34.86	37.70	33.13	32.77	33.68	33.77	29.27

Cash Flow Statement

FY December 31	Unit	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Core Profit	(Btmn)	13,795	20,390	7,638	(3,106)	1,068	703	479	(1,860)
Depreciation and amortization	(Btmn)	5,516	6,389	6,722	7,094	6,544	6,534	6,927	7,693
Operating cash flow	(Btmn)	18,089	30,807	10,657	18,086	6,684	16,401	13,890	15,060
Investing cash flow	(Btmn)	(5,027)	(52,833)	(8,794)	(7,504)	(6,472)	(5,902)	(7,498)	(5,781)
Financing cash flow	(Btmn)	6,889	12,347	1,410	(19,130)	680	(11,877)	(8,560)	(9,153)
Net cash flow	(Btmn)	19,950	(9,679)	3,272	(8,548)	892	(1,378)	(2,168)	125

Key Financial Ratios

FY December 31	Unit	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Gross margin	(%)	22.6	22.7	15.1	6.5	12.1	13.4	13.0	9.7
Operating margin	(%)	13.2	13.0	5.7	(3.3)	1.8	2.7	2.4	(2.0)
EBITDA margin	(%)	17.5	18.7	10.8	2.9	7.7	8.5	8.7	5.1
EBIT margin	(%)	13.8	15.3	7.0	(2.1)	2.9	3.7	3.7	(0.9)
Net profit margin	(%)	9.6	10.9	4.6	(8.0)	0.7	0.3	0.1	(9.6)
ROE	(%)	32.8	43.7	15.0	(6.2)	2.3	1.5	1.0	(4.2)
ROA	(%)	9.8	12.9	4.4	(1.9)	0.7	0.4	0.3	(1.2)
Net D/E	(x)	1.1	1.2	1.2	1.2	1.2	1.2	1.2	1.4
Interest coverage	(x)	13.9	15.0	6.4	1.3	3.0	3.0	3.0	1.6
Debt service coverage	(x)	1.6	2.0	0.9	0.2	0.5	0.5	0.6	0.3

Main Assumptions

FY December 31	Unit	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Effective capacity	(ktpa)	17,580	18,795	19,015	18,866	19,300	19,633	19,992	18,468
Total sales volume	(kt)	3,800	3,833	3,816	3,204	3,406	3,637	3,405	3,469
Core EBITDA/t	(US\$/t)	171	198	159	82	101	104	89	74
Reported EBITDA/t	(US\$/t)	206	264	134	25	88	88	95	50
Average selling price	(US\$/t)	1,170	1,422	1,283	1,225	1,182	1,096	1,154	1,041
FX	(Bt/US\$)	33.07	34.44	36.42	36.33	33.92	34.50	35.18	35.67

Key takeaways from analyst meeting

- Management is cautiously optimistic about IVL's earnings outlook in 2024 with sales volume to increased 4-5%, after falling 4% in 2023, given easing destocking across most products. The company expects the operating rate to gradually improve from 74% in 2023 back to >85% by 2026. Product margin is also expected to improve which would bolster IVL's core EBITDA/t to an average US\$125/t for 2024-26, vs. US\$120/t during 2020-23 and US\$130/t for 2018-2022 (peak to peak of margin).
- Management emphasizes that the company does not solely rely on product margin improvement, but the management's actions to enhance operating efficiency and rationalizing production across all three key regions.
- Asset footprint optimization, mainly for fiber segment, would be one of the key strategies to improve quality of earnings over the next three years. The production plants will be reassessed to optimize production bases of each product and region to minimize operating cost. This will be backed by the second phase of its efficiency improvement, i.e. Olympus 2.0, which is expected to provide more benefit of US\$450mn, in addition to US\$527mn achieved by Olympus 1.0.
- Asset monetization and carve-outs could be expected over the next three years after the strategic review of all business segments is completed with the aim to deleverage, unlock further value potential, and enhance shareholder value. This includes the decision on investment in Corpus Christi project as the construction was halted due to escalating project cost, labor shortages, and reduced fair market value. Note that the impairment of US\$308mn (US\$243mn after tax) was accounted in 4Q23, out of total investment of US\$382.5mn as of end-2023.
- IVL will continue to deleverage its balance sheet with target net debt/EBITDA of <3x, down from 5.3x in 2023. The return to capital employed (ROCE) is expected to increase to >12% via increasing economic value added of its all product segments and geographic markets.
- IVL plans to maintain the cash conservation in 2024 after the target of US\$500mn in 2023 could be achieved via lower working capital (US\$513mn by reducing working capital days from 101 to 92) and capital expenditure reduction (US\$276mn).

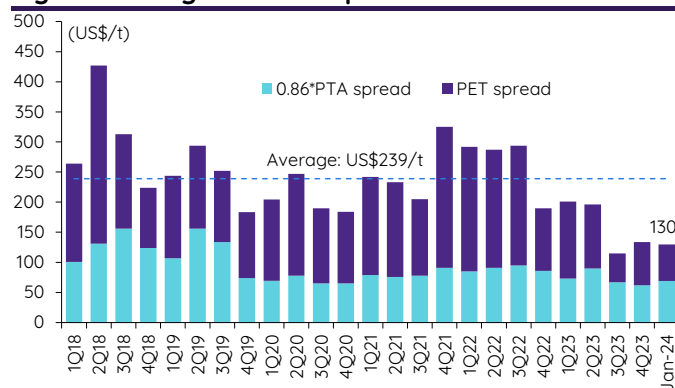
Figure 1: IVL – 4Q23 earnings review

	4Q22	3Q23	4Q23	%YoY	%QoQ	12M22	12M23	%YoY
P&L (Bt, mn)								
Total revenue	143,786	138,352	129,109	(10.2)	(6.7)	656,266	541,458	(17.5)
Gross profit	9,386	17,947	12,498	33.2	(30.4)	111,945	65,419	(41.6)
EBITDA	4,131	11,980	6,530	58.1	(45.5)	84,054	40,646	(51.6)
Profit before extra items	(3,106)	479	(1,860)	n.a.	n.a.	38,717	389	(99.0)
Net Profit	(11,479)	195	(12,428)	n.a.	n.a.	31,006	(10,798)	n.a.
EPS (Bt)	(2.04)	0.03	(2.21)	n.a.	n.a.	5.52	(1.92)	n.a.
B/S (Bt, mn)								
Total assets	623,878	639,103	590,132	(5.4)	(7.7)	623,878	590,132	(5.4)
Total liabilities	422,993	434,248	412,064	(2.6)	(5.1)	422,993	412,064	(2.6)
Total equity	200,885	204,855	178,068	(11.4)	(13.1)	200,885	178,068	(11.4)
BVPS (Bt)	33.13	33.77	29.27	(11.6)	(13.3)	33.13	29.27	(11.6)
Financial ratio (%)								
Gross margin (%)	6.5	13.0	9.7	3.2	(3.3)	17.1	12.1	(5.0)
EBITDA margin (%)	2.9	8.7	5.1	2.2	(3.6)	12.8	7.5	(5.3)
Net profit margin (%)	(8.0)	0.1	(9.6)	(1.6)	(9.8)	4.7	(2.0)	(6.7)
ROA (%)	(1.9)	0.3	(1.2)	0.6	(1.5)	5.3	(1.8)	(7.1)
ROE (%)	(6.2)	1.0	(4.2)	2.0	(5.2)	18.0	(6.2)	(24.2)
D/E (X)	2.1	2.1	2.3	20.8	19.4	2.1	2.3	20.8

Source: IVL and InnovestX Research

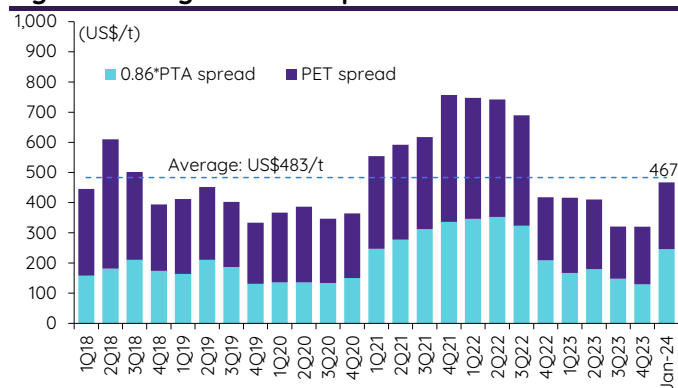
Appendix

Figure 2: Integrated PET spread - Asia



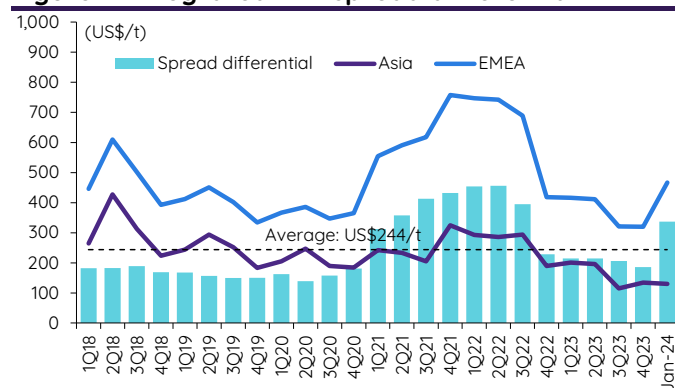
Source: IVL and InnovestX Research

Figure 3: Integrated PET spread - EMEA



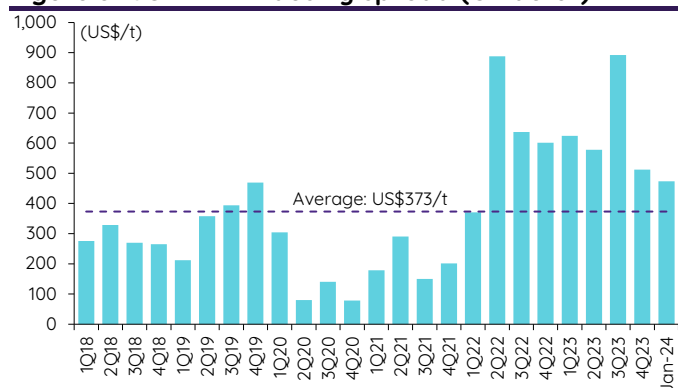
Source: IVL and InnovestX Research

Figure 4: Integrated PET spread differential



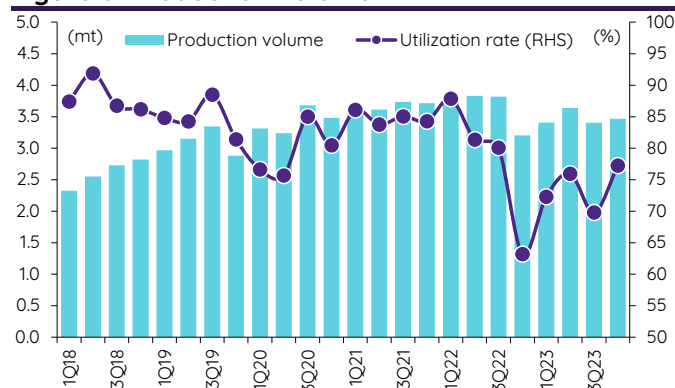
Source: IVL and InnovestX Research

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



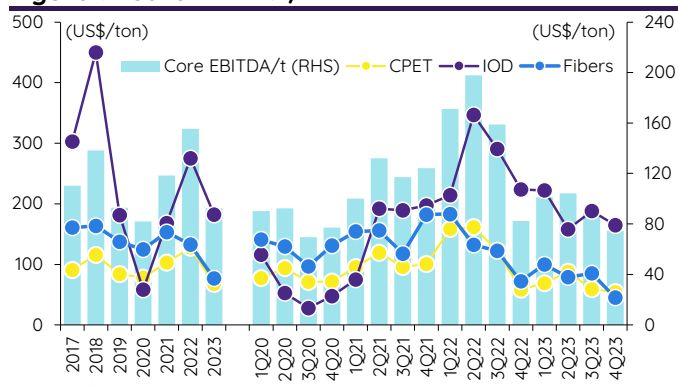
Source: IVL and InnovestX Research

Figure 6: Production volume



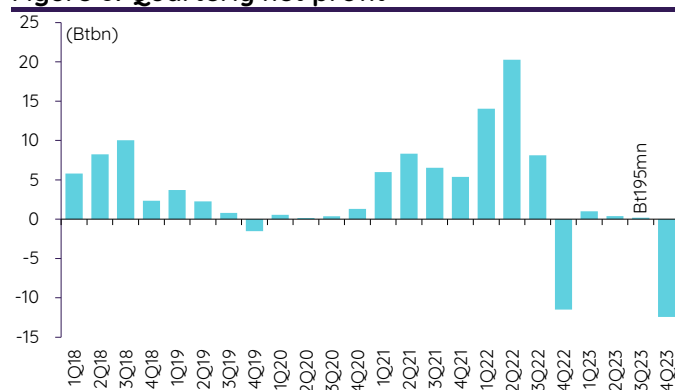
Source: IVL and InnovestX Research

Figure 7: Core EBITDA/t



Source: IVL and InnovestX Research

Figure 8: Quarterly net profit



Source: IVL and InnovestX Research

Figure 9: IVL - PBV band



Source: InnovestX Research

Figure 10: Valuation summary (price as of Feb 23, 2024)

	Rating	Price (Bt/Sh)	Target (Bt/Sh)	ETR (%)	P/E (x)			EPS growth (%)			P/BV (x)			ROE (%)			Div. Yield (%)			EV/EBITDA (x)		
					22A	23F	24F	22A	23F	24F	22A	23F	24F	22A	23F	24F	22A	23F	24F	22A	23F	24F
GGC	Underperform	8.45	10.0	19.5	8.6	n.m.	18.1	30	n.m.	n.m.	0.8	0.9	0.8	10	(2)	5	5.9	1.2	2.9	3.9	13.9	5.8
IVL	Neutral	23.90	32.0	37.8	3.5	344.6	7.9	44	(99)	4,260	0.7	0.8	0.8	22	0	10	6.7	3.9	4.2	4.3	8.8	5.1
PTTGC	Neutral	38.00	50.0	34.2	12.4	n.m.	14.0	(57)	n.m.	n.m.	0.6	0.6	0.6	4	(1)	4	2.6	2.6	3.7	9.0	9.8	7.5
Average					8.23	44.6	13.3	6	(99)	4,260	0.7	0.8	0.7	12	(1)	6	5.1	2.6	3.6	5.7	10.8	6.2

Source: InnovestX Research

Disclaimer

The information in this report has been obtained from sources believed to be reliable. However, its accuracy or completeness is not guaranteed. Any opinions expressed herein reflect our judgment at this date and are subject to change without notice. This report is for information only. It is not to be construed as an offer, or solicitation of an offer to sell or buy any securities. We accept no liability for any loss arising from the use of this document. We or our associates may have an interest in the companies mentioned therein.

InnovestX Securities Company Limited ("INVX") is wholly owned by SCB X Public Company Limited ("SCBX") and The Siam Commercial Bank Public Company Limited ("SCB") is majority-owned by SCBX. Any information related to SCB is for sector comparison purpose.

This document is prepared by InnovestX Securities Company Limited ("INVX") which is wholly owned by SCB X Public Company Limited ("SCBX"). The Siam Commercial Bank Public Company Limited, which is majority-owned by SCBX, acts as financial advisor of the LH Hotel Leasehold Real Estate Investment Trust. Any opinions, news, research, analyses, prices, statements, forecasts, projections and/or other information contained in this document (the "Information") is provided as general information purposes only and shall not be construed as individualized recommendation of an offer to buy or sell or the solicitation of an offer to buy or sell any securities. INVX and/or its directors, officers and employees shall not be liable for any direct, indirect, incidental, special or consequential loss or damage, resulting from the use of or reliance on the Information, including without limitation to, damages for loss of profits. The investors shall use the Information in association with other information and opinion, including their own judgment in making investment decision. The Information is obtained from sources believed to be reliable, and INVX cannot guarantee the accuracy, completeness and/or correctness of the Information.

INVX reserves the right to modify the Information from time to time without notice and in its sole discretion. This document is delivered to intended recipient(s) only and is not permitted to reproduce, retransmit, disseminate, sell, distribute, republish, circulate or commercially exploit the Information in any manner without the prior written consent of INVX.

Futures and Options trading carry a high level of risk with the potential for substantial losses, and are not suitable for all persons. Before deciding to trade Futures and Options, you should carefully consider your financial position, investment objectives, level of experience, and risk appetite if Futures and Options trading are appropriate. The possibility exists that you could sustain a loss of some or all of your initial investment. You should be aware of all the risks associated with Futures and Options trading, and you are advised to rely on your own judgment while making investment decision and/or should seek advice from professional investment advisor if you have any doubts.

This document is delivered to intended recipient(s) only and is not permitted to reproduce, retransmit, disseminate, sell, distribute, republish, circulate or commercially exploit the Information in any manner without the prior written consent of INVX.

© Copyright 2022 InnovestX Securities Co., Ltd. All right reserved.

CG Rating 2023 Companies with CG Rating

Companies with Excellent CG Scoring

7UP, AAV, ABM, ACE, ACG, ADB, ADD, ADVANC, AEONTS, AF, AGE, AH, AHC, AIRA, AIT, AJ, AKP, AKR, ALLA, ALT, AMA, AMARIN, AMATA, AMATAV, ANAN, AOT, AP, APCO, APCS, ARIP, ARROW, ASEFA, ASK, ASP, ASW, ATP30, AUCT, AWC, AYUD, B, BA, BAFS, BAM, BANPU, BAY, BBGI, BBIK, BBL, BC, BCH, BCP, BCPG, BDMS, BEC, BEM, BEYOND, BGC, BGRIM, BH, BIZ, BJC, BJCH, BKI, BLA, BOL, BPP, BRI, BROOK, BRR, BTS, BTW, BWG, BYD, CBG, CENTEL, CFRESH, CHASE, CHEWA, CHG, CHOW, CIMBT, CIVIL, CK, CKP, CM, CNT, COLOR, COM7, COTTO, CPALL, CPAXT, CPF, CPI, CPL, CPN, CPW, CRC, CRD, CSC, CSS, CV, DCC, DDD, DELTA, DEMCO, DMT, DOHOME, DRT, DUSIT, EA, EASTW, ECF, ECL, EE, EGCO, EPG, ERW, ETC, ETE, FE, FLOYD, FN, FPI, FPT, FSX, FVC, GBX, GC, GCAP, GENCO, GFPT, GGC, GLAND, GLOBAL, GPSC, GRAMMY, GULF, GUNKUL, HANA, HARN, HENG, HMPRO, HPT, HTC, ICC, ICHI, ICN, III, ILINK, ILM, IMH, IND, INET, INTUCH, IP, IRC, IRPC, ITC, ITCL, IVL, JAS, JTS, KBANK, KCC, KCE, KEX, KKP, KSL, KTB, KTC, KTMS, KUMWEL, KUN, LALIN, LANNA, LH, LHFG, LIT, LOXLEY, LPN, LRH, LST, M, MAJOR, MALEE, MATCH, MBK, MC, M-CHAI, MCOT, MEGA, MFC, MFEC, MILL, MINT, MONO, MOONG, MSC, MST, MTC, MTI, NC, NCH, NCL, NDR, NER, NKI, NOBLE, NRF, NTV, NVD, NWR, NYT, OCC, OISHI¹, ONEE, OR, ORI, OSP, OTO, PAP, PATO, PB, PCSGH, PDG, PDJ, PG, PHOL, PIMO, PJW, PLANB, PLAT, PLUS, PM, POLY, PORT, PPP, PPS, PR9, PRG, PRINC, PRM, PRTR, PSH, PSL, PT, PTC, PTT, PTTEP, PTTCG, Q-CON, QH, QTC, RATCH, RBF, RPH, RS, RT, S, S&J, SA, SABINA, SAK, SAMART, SAMTEL, SAPPE, SAT, SBNEXT, SC, SCB, SCC, SCCC, SCG, SCGP, SCM, SDC, SEAFco, SEAOL, SECURE, SELIC, SENA, SENX, SFP², SFT, SGC, SGF, SGP, SHR, SICT, SIRI, SIS, SITHAI, SJWD, SKR, SM, SMPC, SMT, SNC, SNNP, SNP, SO, SPALI, SPC, SPCG, SPI, SPRC, SR, SSC, SSF, SSSC, STA, STC, STEC, STGT, STI, SUC, SUN, SUSCO, SUTHA, SVI, SVT, SYMC, SYNEX, SYNTec, TACC, TAE, TCAP, TCMC, TEAMG, TEGH, TFG, TFMAMA, TGE, TGH, THANA, THANI, THCOM, THIP, THRE, THREL, TIDLOR, TIPH, TISCO, TK, TKN, TKS, TKT, TLI, TM, TMC, TMD, TNDT, TNITY, TNL, TNR, TOA, TOG, TOP, TPBI, TPCH, TPIPL, TPIPP, TPS, TQM, TQR, TRT, TRUE, TRV, TSC, TSTE, TSTH, TTA, TTB, TTCL, TTW, TURTLE, TVDH, TVH, TVO, TVT, TWPC, UAC, UBE, UBIS, UKEM, UP, UPF, UPOIC, UV, VCOM, VGI, VIBHA, VIH, VL, WACOAL, WGE, WHA, WHAUP, WICE, WINMED, WINNER, XPG, YUASA, ZEN

Companies with Very Good CG Scoring

2S, A5, AAI, AIE, ALUCON, AMR, APURE, ARIN, AS, ASIA, ASIAN, ASIMAR, ASN, AURA, BR, BSBM, BTG, CEN, CGH, CH, CHIC, CI, CIG, CMC, COMAN, CSP, DOD, DPAINT, DV8, EFORL, EKH, ESSO, ESTAR, EVER, FORTH, FSMART, FTI, GEL, GPI, HEALTH, HUMAN, IFS, INSET, IT, J, JCKH, JDF, JKN, JMART, JUBILE, K, KCAR, KGI, KIAT, KISS, KK, KTIS, KWC, KWM, LDC, LEO, LHK, MACO, METCO, MICRO, MK, MVP, NCAP, NOVA, NTSC, PACO, PIN, PQS, PREB, PRI, PRIME, PROEN, PROS, PROUD, PSTC, PTECH, PYLON, RCL, SALEE, SANKO, SCI, SCN, SE, SE-ED, SFLEX, SINGER, SKN, SONIC, SORKON, SPVI, SSP, SST, STANLY, STP, SUPER, SVOA, SWC, TCC, TEKA, TFM, TMILL, TNP, TPLAS, TPOLY, TRC, TRU, TRUBB, TSE, VRANDA, WAVE, WFX, WIIK, WIN, WP, XO

Companies with Good CG Scoring

24CS, AMANAH, AMARC, AMC, APP, ASAP, BCT, BE8, BIG, BIOTEC, BLESS, BSM, BVG, CAZ, CCET, CHARAN, CHAYO, CHOTI, CITY, CMAN, CMR, CRANE, CWT, DHOUSE, DTCENT, EASON, FNS, FTE, GIFT, GJS, GTB, GTV, GYT, HL, HTECH, HYDRO, IIG, INGRS, INSURE, IRPC, ITD, ITNS, JCK, JMT, JR, JSP, KBS, KGEN, KJL, L&E, LEE, MASTER, MBAX, MEB, MENA, META, MGT, MITSIB, MJD, MOSHI, MUD, NATION, NNCL, NPK, NSL, NV, OGC, PAF, PCC, PEACE, PICO, PK, PL, PLANET, PLE, PMTA, PPM, PRAKIT, PRAPAT, PRECHA, PRIN, PSG, RABBIT, READY, RJH, RSP, RWI, S11, SAAM, SAF, SAMCO, SAWAD, SCAP, SCP, SIAM, SKE, SKY, SMART, SMD, SMIT, SOLAR, SPA, STECH, STPI, SVR, TC, TCCC³, TEAM, TFI, TIGER, TITL, TKC, TMI, TNH, TPA, TPAC, TRITN, UBA, UMI, UMS, UTP, VARO, VPO, W, WARRIX, WORK, WPH, YONG, ZIGA

Corporate Governance Report

The material contained in this publication is for general information only and is not intended as advice on any of the matters discussed herein. Readers and others should perform their own independent analysis as to the accuracy or completeness or legality of such information. The Thai Institute of Directors, its officers, the authors and editor make no representation or warranty as to the accuracy, completeness or legality of any of the information contained herein. By accepting this document, each recipient agrees that the Thai Institute of Directors Association, its officers, the authors and editor shall not have any liability for any information contained in, or for any omission from, this publication.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. InnovestX Securities Company Limited does not conform nor certify the accuracy of such survey result.

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 2022 to 31 October 2023) is publicized.

¹OISHI was voluntarily delisted from the Stock Exchange of Thailand, effectively on September 6, 2023

²SFP was voluntarily delisted from the Stock Exchange of Thailand, effectively on July 19, 2023

³TCCC was voluntarily delisted from the Stock Exchange of Thailand effectively on August 25, 2023

Anti-corruption Progress Indicator

Certified (ได้ผ่านการรับรอง)

2S, 7UP, AAI, ADVANC, AF, AH, AI, AIE, AIRA, AJ, AKP, AMA, AMANAH, AMATA, AMATAV, AP, APCS, AS, ASIAN, ASK, ASP, AWC, AYUD, B, BAFS, BAM, BANPU, BAY, BBGI, BBL, BCH, BCP, BCPG, BE8, BEC, BEYOND, BGC, BGRIM, BKI, BLA, BPP, BROOK, BRR, BSBM, BTS, BWG, CEN, CENTEL, CFRESH, CGH, CHEWA, CHOTI, CHOW, CIG, CIMBT, CM, CMC, COM7, CPALL, CPAXT, CPF, CPI, CPL, CPN, CPW, CRC, CSC, DCC, DELTA, DEMCO, DIMET, DOHOME, DRT, DUSIT, EA, EASTW, ECF, EGCO, EP, EPG, ERW, ESTAR, ETC, ETE, FNS, FPI, FPT, FSMART, FTE, GBX, GC, GCAP, GEL, GFPT, GGC, GJS, GPI, GPSC, GSTEEL, GULF, GUNKUL, HANA, HARN, HENG, HMPRO, HTC, ICC, ICHI, IFS, III, ILINK, ILM, INET, INOX, INSURE, INTUCH, IRPC, ITCL, IVL, JAS, JKN, JR, JTS, KASET, KBANK, KBS, KCAR, KCC, KCE, KGEN, KGI, KKP, KSL, KTB, KTC, L&E, LANNA, LHFG, LHK, LPN, LRH, M, MAJOR, MALEE, MATCH, MBAX, MBK, MC, MCOT, META, MFC, MFEC, MILL, MINT, MONO, MOONG, MSC, MST, MTC, MTI, NATION, NCAP, NEP, NKI, NOBLE, NRF, NWR, OCC, OGC, OR, ORI, PAP, PATO, PB, PCSGH, PDG, PDJ, PG, PHOL, PIMO, PK, PL, PLANB, PLANET, PLAT, PM, PPP, PPPM, PPS, PR9, PREB, PRG, PRINC, PRM, PROS, PSH, PSL, PSTC, PT, PTECH, PTT, PTT, PTTEP, PTTCG, PYLON, Q-CON, QH, QLT, QTC, RABBIT, RATCH, RML, RS, RWI, S&J, SAAM, SABINA, SAK, SAPPE, SAT, SC, SCC, SCCC, SCG, SCGP, SCM, SCN, SEAOL, SE-ED, SELIC, SENA, SGC, SGP, SIRI, SITHAI, SKR, SMIT, SMK, SMPC, SNC, SNP, SORKON, SPACK, SPALI, SPC, SPI, SPRC, SRICHA, SSF, SSP, SSSC, SST, STA, STGT, STOWER, SUSCO, SVI, SYMC, SYNTEC, TAE, TAKUNI, TASCO, TCAP, TCMC, TFG, TFI, TFMAMA, TGE, TGH, THANI, THCOM, THIP, THRE, THREL, TIDLOR, TIPCO, TISCO, TKS, TKT, TMD, TMILL, TNITY, TNL, TNP, TNR, TOG, TOP, TOPP, TPA, TPCH, TRT, TRU, TSC, TSI, TSTE, TSTH, TTA, TTB, TTCL, TU, TVDH, TVO, TWPC, UBE, UBIS, UEC, UKEM, UOBKH, UV, VCOM, VGI, VIH, WACOAL, WHA, WHAUP, WICE, WIIK, XO, YUASA, ZEN, ZIGA

Declared (ได้ผ่านการอนุมัติ)

ACE, ADB, ALT, AMC, ASW, BLAND, BTG, BYD, CAZ, CBG, CV, DEXON, DMT, EKH, FSX, GLOBAL, GREEN, ICN, IHL, ITC, J, JMART, JMT, LEO, LH, MENA, MITSIB, MODERN, NER, NEX, OSP, OTO, PLUS, POLY, PQS, PRIME, PROEN, PRTR, RBF, RT, SA, SANKO, SCB, SENX, SFLEX, SIS, SKE, SM, SVOA, TBN, TEGH, TIPH, TKN, TPAC, TPLAS, TQM, TRUE, W, WPH, XPG

N/A

24CS, 3K-BAT, A, A5, AAV, ABM, ACAP, ACC, ACG, ADD, ADVICE, AEONTS, AFC, AGE, AHC, AIT, AJA, AKR, AKS, ALL, ALLA, ALPHAX, ALUCON, AMARC, AMARIN, AMR, ANAN, ANI, AOT, APCO, APEX, APP, APURE, AQUA, ARIN, ARIP, ARROW, ASAP, ASEFA, ASIA, ASIMAR, ASN, ATP30, AU, AUCT, AURA, B52, BA, BBIK, BC, BCT, BDMS, BEAUTY, BEM, BGT, BH, BIG, BIOTEC, BIS, BIZ, BJC, BJCH, BKD, BLC, BLESS, BLISS, BM, BOL, BR, BRI, BROCK, BSM, BSRC, BTNC, BTW, BUI, BVG, CCET, CCP, CEYE, CGD, CH, CHARAN, CHASE, CHAYO, CHG, CHIC, CHO, CI, CITY, CIVIL, CK, CKP, CMAN, CMO, CMR, CNT, COCOLO, COLOR, COMAN, CPANEL, CPH, CPR, CPT, CRANE, CRD, CREDIT, CSP, RSC, CSS, CTW, CWT, D, DCON, DDD, DHOUSE, DITTO, DOD, DPAINT, DTCENT, DTCL, DV8, EASON, ECL, EE, EFORL, EMC, ETL, EURO, EVER, F&D, FANCY, FE, FLOYD, FMT, FN, FORTH, FTI, FVC, GABLE, GENCO, GFC, GIFT, GL, GLAND, GLOCON, GLORY, GRAMMY, GRAND, GSC, GTB, GTV, GYT, HEALTH, HFT, HL, HPT, HTECH, HUMAN, HYDRO, I2, IFEC, IIG, IMH, IND, INGRS, INSET, IP, IRC, IRPC, IT, ITD, ITNS, ITTHI, JAK, JCK, JCKH, JCT, JDF, JPARK, JSP, JUBILE, K, KAMART, KC, KCG, KCM, KDH, KEX, KIAT, KISS, KJL, KK, KKC, KLINIQ, KOOL, KTIS, KTMS, KUMWEL, KUN, KWC, KWI, KWM, KYE, LALIN, LDC, LEE, LIT, LOXLEY, LPH, LST, MANRIN, MASTER, MATI, MCA, M-CHAI, MCS, MDX, MEB, MEGA, METCO, MGC, MGI, MGT, MICRO, MIDA, MJD, MK, ML, MORE, MOSHI, MTW, MUD, MVP, NAM, NAT, NC, NCH, NCL, NDR, NETBAY, NEW, NEWS, NFC, NL, NNCL, NOK, NOVA, NPK, NSL, NTSC, NTV, NUSA, NV, NVD, NYT, OHTL, ONEE, ORN, PACE, PACO, PAF, PANEL, PCC, PEACE, PERM, PF, PHG, PICO, PIN, PJW, PLE, PLT, PMTA, POLAR, POMPUI, PORT, POST, PPM, PRAKIT, PRAPAT, PRECHA, PRI, PRIN, PRO, PROUD, PSG, PSP, PTC, PTL, RAM, RCL, READY, RICHY, RJH, ROCK, ROCTEC, ROH, ROJNA, RP, RPC, RPH, RSP, S, S11, SABUY, SAF, SAFARI, SAFE, SALEE, SAM, SAMART, SAMCO, SAMTEL, SAUCE, SAV, SAWAD, SAWANG, SBNEXT, SCAP, SCGD, SCI, SCL, SCP, SDC, SE, SEAFco, SECURE, SFT, SGF, SHANG, SHR, SIAM, SICT, SIMAT, SINGER, SINO, SISB, SJWD, SK, SKN, SKY, SLM, SLP, SMART, SMD, SMT, SNNP, SO, SOLAR, SONIC, SPA, SPCG, SPG, SPVI, SQ, SR, SRS, SSC, SSS, STANLY, STARK, STC, STEC, STECH, STHAI, STI, STP, STPI, SUC, SUN, SUPER, SUTHA, SVR, SVT, SWC, SYNEX, TACC, TAN, TAPAC, TC, TCC, TCJ, TCOAT, TEAM, TEAMG, TEKA, TFM, TGPRO, TH, THAI, THANA, THE, THG, THMUI, TIGER, TITL, TK, TKC, TLI, TM, TMC, TMI, TMW, TNDT, TNH, TNPC, TOA, TPBI, TPCH, TPIPL, TPIPP, TPL, TPOLY, TPP, TPS, TQR, TR, TRC, TRITN, TRP, TRUBB, TRV, TSE, TTI, TTT, TTW, TURTLE, TVH, TVT, TWP, TWZ, TYCN, UAC, UBA, UMI, UMS, UNIQ, UP, UPF, UPOIC, UREKA, UTP, UVAN, VARO, VIBHA, VL, VNG, VPO, VRANDA, WARRIX, WAVE, WFX, WIN, WINDOW, WINMED, WINNER, WORK, WORLD, WP, YGS, YONG, ZAA

Explanations

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of November 1, 2023) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.