

Indorama Ventures Pcl (IVL TB) - BUY, Price Bt20.40, TP Bt22.00**Results Comment**

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1Q25 – Miss due to winter freeze

- IVL posted a net loss of Bt1.3bn, compared to a profit of Bt1.1bn in both 4Q24 and 1Q24, missing expectations and coming in below our full-year forecast. We believe this is due to unplanned shutdown related to winter freeze resulting in US\$12m damages.
- We estimate a core loss of Bt975m, compared to a core profit of Bt713m in 4Q24 and Bt1.2bn in 1Q24, primarily due to weakness in the CPET segment, impacted by planned and unplanned shutdowns and compressed industry spreads.
- **CPET:** EBITDA declined to US\$147m, -40% q-q and 41% y-y, heavily impacted by the planned turnarounds at Lake Charles cracker and Clear Lake glycol plant, larger than expected drop in integrated PET spread (from US\$148/t in 4Q24 to US\$116/t in 1Q25) and US\$6 million impact of the winter freeze.
- **Indovinya:** EBITDA rose 10% q-q to US\$89m, supported by improved HVA margins and cost-saving initiatives. However, the segment was also affected by disruptions related to a winter freeze, resulting in US\$6m in damages.
- **Fibers:** Fiber EBITDA up by 43% q-q supported by higher volumes across end markets and higher margins in Hygiene business.
- **Non-recurring:** We estimate a total non-recurring loss of Bt337m vs a gain of Bt383 million in 4Q24. The items mainly include US\$7m inventory gain (Bt231m), but offset US\$12m weather impact (-Bt408m), and US\$7m impairment on PTA Portugal assets.
- **Outlook.** We expect 2Q25F to show improvement, driven by stronger PET margins and the absence of planned turnarounds which impacted around US\$37m. Maintain BUY rating.

Income Statement (consolidated)					
Yr-end Dec (Bt m)	1Q24	2Q24	3Q24	4Q24	1Q25
Revenue	135,895	146,455	137,569	122,511	118,448
Gross profit	20,053	24,789	15,146	16,629	18,138
SG&A	14,706	19,063	7,431	11,529	15,069
Operating profit	5,347	5,727	7,715	5,099	3,068
EBITDA	12,549	13,070	14,585	11,719	9,386
Other income	107	99	(135)	(345)	59
Other expense	0	0	0	0	0
Interest expense	3,957	4,454	3,877	3,942	3,938
Profit before tax	1,497	1,372	3,703	812	(811)
Income tax	891	327	717	268	270
Equity & invest. income	0	0	0	317	0
Minority interests	628	178	8	(148)	106
Extraordinary items	(101)	(24,218)	(1,489)	383	(337)
Net profit	1,133	(22,996)	1,505	1,096	(1,312)
Normalized profit	1,234	1,222	2,994	713	(975)
EPS (Bt)	0.20	(4.10)	0.27	0.20	(0.23)
Normalized EPS (Bt)	0.22	0.22	0.53	0.13	(0.17)

Balance Sheet (consolidated)					
Yr-end Dec (Bt m)	1Q24	2Q24	3Q24	4Q24	1Q25
Cash & ST investment	22,963	22,137	20,816	18,039	20,212
A/C receivable	60,665	61,466	55,672	53,085	51,417
Inventory	103,568	101,338	91,572	92,855	92,863
Other current assets	22,644	21,559	21,674	20,137	23,319
Investment	3,919	4,004	3,506	3,779	3,916
Fixed assets	325,805	300,124	264,997	271,124	273,066
Other assets	87,827	91,807	83,247	82,533	81,124
Total assets	627,389	602,435	541,484	541,552	545,917
S-T debt	41,264	72,661	40,017	71,109	66,487
A/C payable	106,192	110,743	101,168	93,116	99,295
Other current liabilities	66,241	36,257	30,237	28,512	28,100
L-T debt	185,221	184,320	107,300	178,870	182,143
Other liabilities	39,575	37,281	110,854	31,015	29,976
Minority interest	14,838	15,272	12,445	12,979	13,140
Shareholders' equity	174,058	145,900	139,465	125,951	126,776
Working capital	58,041	52,061	46,077	52,824	44,985
Total debt	226,485	256,981	147,317	249,979	248,630
Net debt	203,523	234,844	126,501	231,940	228,417

Sources: Company data, Thanachart estimates

Income Statement 3M as					
(Bt m)	q-q%	y-y%	% 2025F	2025F	2026F
Revenue	(3)	(13)	29	409,968	382,197
Gross profit	9	(10)	26	70,411	68,755
SG&A	31	2	32	47,172	43,977
Operating profit	(40)	(43)	13	23,239	24,778
EBITDA	(20)	(25)	19	49,358	50,792
Other income	na	(45)	na	0	0
Other expense			na		
Interest expense	(0)	(0)	24	16,122	14,672
Profit before tax	na	na	na	7,117	10,105
Income tax	1	(70)	19	1,423	2,021
Equity & invest. income			na	0	0
Minority interests	na	(83)	17	636	636
Extraordinary items	na	na	na	0	0
Net profit	na	na	na	6,329	8,720
Normalized profit	na	na	na	6,329	8,720
EPS (Bt)	na	na	na	0.99	1.39
Normalized EPS (Bt)	na	na	na	0.99	1.39

Financial Ratios (%)					
	1Q24	2Q24	3Q24	4Q24	1Q25
Sales growth	(7.1)	6.5	(0.5)	(4.9)	(12.8)
Operating profit growth	(1.6)	(12.5)	105.2	239.5	(42.6)
EBITDA growth	0.8	(0.1)	36.5	27.2	(25.2)
Norm profit growth	(44.6)	(39.4)	na	na	na
Norm EPS growth	(44.6)	(39.4)	na	na	na
Gross margin	14.8	16.9	11.0	13.6	15.3
Operating margin	3.9	3.9	5.6	4.2	2.6
EBITDA margin	9.2	8.9	10.6	9.6	7.9
Norm net margin	0.9	0.8	2.2	0.6	(0.8)
D/E (x)	1.2	1.6	1.0	1.8	1.8
Net D/E (x)	1.1	1.5	0.8	1.7	1.6
Interest coverage (x)	3.2	2.9	3.8	3.0	2.4
Interest rate	6.8	7.4	7.7	7.9	6.3
Effective tax rate	59.5	23.9	19.4	32.9	(33.2)
ROA	0.8	0.8	2.1	0.5	(0.7)
ROE	2.9	3.1	8.4	2.1	(3.1)

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