

Indorama Ventures Pcl (IVL TB) - SELL, Price Bt20.90, TP Bt14.00 | Results Comment

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4Q25 – Big miss

- IVL reported a 4Q25 loss of Bt4.7bn (3Q25: Bt818m loss; 4Q24: Bt1bn profit), well below our Bt2.6bn 4Q25F preview estimate and consensus Bt2bn, reflecting broad weakness across key businesses.
- Core loss reached Bt2.8bn (3Q25: Bt177m profit), dragged by falling EBITDA of Bt5bn (-38% q-q, -49% y-y) amid lower West PET spreads and US MEG, compounded by lingering effects from PO and MTBE plant shutdown. West PET margins fell 7% q-q and 21% y-y to US\$337/tonne, while MEG spreads declined 19% q-q and 25% y-y to US\$322/tonne. MTBE plants were offline for planned turnarounds from Sep until mid-November and reopened into a weaker margin environment, offering no earnings uplift in 4Q25.
- Sales volume declined 4% q-q and 9% y-y to 3.39mt, with the Indovina segment the weakest (-38% q-q, -27% y-y) due to PO turnaround and weak demand.
- Inventory losses widened to Bt974m (3Q25: Bt432m; 4Q24: Bt1.8bn loss). The company also records one-off expense of c. Bt800m which is related to IPO and restructuring costs in CPET and Fiber business.
- We expect 1Q26 to trend higher due to the absence of PO/MTBE turnaround and recovery in PET margin. We are reviewing our number in 2026F due to stronger than expected integrated PET spread.

Income Statement (consolidated)						Income Statement					
Yr-end Dec (Bt m)	4Q24	1Q25	2Q25	3Q25	4Q25	(Bt m)	q-q%	y-y%	% 2025F	2025A	2026F
Revenue	122,511	118,448	117,552	109,163	102,083	Revenue	(6)	(17)	116	447,246	360,667
Gross profit	17,735	16,036	17,637	14,875	12,904	Gross profit	(13)	(27)	105	61,453	61,930
SG&A	12,636	12,968	13,136	12,356	12,237	SG&A	(1)	(3)	114	50,697	41,500
Operating profit	5,099	3,068	4,501	2,519	667	Operating profit	(74)	(87)	76	10,756	20,430
EBITDA	11,719	9,386	10,756	9,129	7,111	EBITDA	(22)	(39)	91	36,381	44,788
Other income	(345)	59	0	(98)	(64)	Other income	na	na	na	(103)	0
Other expense	0	0	0	0	0	Other expense			na	0	
Interest expense	3,942	3,938	3,560	3,665	3,596	Interest expense	(2)	(9)	100	14,759	13,780
Profit before tax	812	(811)	941	(1,243)	(2,993)	Profit before tax	na	na	650	(4,106)	6,650
Income tax	268	270	149	(1,309)	(196)	Income tax	na	na	167	(1,086)	1,381
Equity & invest. income	(317)	0	19	164	(94)	Equity & invest. income	na	na	na	88	366
Minority interests	485	106	(216)	(52)	27	Minority interests	na	(94)	na	(135)	0
Extraordinary items	383	(337)	(1,116)	(995)	(1,834)	Extraordinary items	na	na	175	(4,282)	0
Net profit	1,096	(1,312)	(521)	(818)	(4,697)	Net profit	na	na	302	(7,348)	5,635
Normalized profit	713	(975)	595	177	(2,864)	Normalized profit	na	na	(16,590)	(3,067)	5,635
EPS (Bt)	0.20	(0.23)	(0.09)	(0.15)	(0.84)	EPS (Bt)	na	na	228	(1.31)	0.84
Normalized EPS (Bt)	0.13	(0.17)	0.11	0.03	(0.51)	Normalized EPS (Bt)	na	na	397	(0.55)	0.84

Balance Sheet (consolidated)						Financial Ratios					
Yr-end Dec (Bt m)	4Q24	1Q25	2Q25	3Q25	4Q25	(%)	4Q24	1Q25	2Q25	3Q25	4Q25
Cash & ST investment	18,039	20,212	19,705	31,902	27,983	Sales growth	(4.9)	(12.8)	(19.7)	(20.6)	(16.7)
A/C receivable	53,085	51,417	49,413	42,201	36,334	Operating profit growth	239.5	(42.6)	(21.4)	(67.3)	(86.9)
Inventory	92,855	92,863	87,938	87,108	78,210	EBITDA growth	27.2	(25.2)	(17.7)	(37.4)	(39.3)
Other current assets	20,137	23,319	23,001	25,646	24,114	Norm profit growth	na	na	(51.3)	(94.1)	na
Investment	3,779	3,916	11,108	11,278	11,044	Norm EPS growth	na	na	(51.3)	(94.1)	na
Fixed assets	271,124	273,066	279,167	275,890	269,933	Gross margin	14.5	13.5	15.0	13.6	12.6
Other assets	82,533	81,124	78,224	78,183	75,862	Operating margin	4.2	2.6	3.8	2.3	0.7
Total assets	541,552	545,917	548,555	552,207	523,480	EBITDA margin	9.6	7.9	9.1	8.4	7.0
S-T debt	71,109	66,487	82,768	59,704	58,825	Norm net margin	0.6	(0.8)	0.5	0.2	(2.8)
A/C payable	93,116	99,295	93,330	89,498	86	D/E (x)	1.8	1.8	1.8	1.9	2.0
Other current liabilities	28,512	28,100	24,491	27,571	111,652	Net D/E (x)	1.7	1.6	1.6	1.7	1.7
L-T debt	178,870	182,143	173,558	204,671	194,577	Interest coverage (x)	3.0	2.4	3.0	2.5	2.0
Other liabilities	31,015	29,976	30,193	30,854	29,389	Interest rate	7.9	6.3	5.6	5.6	5.6
Minority interest	12,979	13,140	12,555	11,565	11,424	Effective tax rate	32.9	(33.2)	15.8	105.3	6.5
Shareholders' equity	125,951	126,776	131,661	128,343	117,527	ROA	0.5	(0.7)	0.4	0.1	(2.1)
Working capital	52,824	44,985	44,021	39,811	114,458	ROE	2.1	(3.1)	1.8	0.5	(9.3)
Total debt	249,979	248,630	256,325	264,375	253,402						
Net debt	231,940	228,417	236,621	232,474	225,419						

Sources: Company data, Thanachart estimates

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