

# INDORAMA VENTURES PLC

No. 28/2022  
16 March 2022

## CORPORATES

<b>Company Rating:</b>	AA-
<b>Issue Ratings:</b>	
Senior unsecured	AA-
Hybrid	A
<b>Outlook:</b>	Stable

Last Review Date: 23/09/21

### Company Rating History:

Date	Rating	Outlook/Alert
23/09/21	AA-	Stable
16/10/20	AA-	Negative
26/09/19	AA-	Stable
09/08/19	AA-	Alert Developing
29/08/18	AA-	Stable
18/10/17	A+	Positive
09/09/11	A+	Stable

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## RATIONALE

TRIS Rating affirms the company rating on Indorama Ventures PLC (IVL) and the ratings on IVL's existing senior unsecured debentures at "AA-" and also affirms IVL's subordinated capital debentures at "A", with a "stable" outlook. At the same time, TRIS Rating assigns the rating of "AA-" to IVL's proposed issue of up to THB12 billion in senior unsecured debentures. The proceeds from the new debentures are intended to be used for refinancing existing debts, funding working capital and investment.

The "AA-" ratings continue to reflect the company's leading position in the polyester value chain, a competitive edge stemming from its vertical integration of production, the variety of products, as well as diversification of production facilities and customers across six continents. The ratings also take into consideration the management team's capability and experience, as well as IVL's access to key technologies. However, the ratings are constrained by the volatile nature of the petrochemical industry.

For 2021, IVL's earnings before interest, taxes, depreciation, and amortization (EBITDA) strongly recovered to THB61.9 billion, increasing by 123%. The recovery was mainly attributed to widened spreads between product and raw material prices, especially in the combined PET segment. The company's debt to EBITDA ratio was 3.6 times, in line with our projection.

As of December 2021, IVL's consolidated debt was about THB229 billion, including hybrid debentures. IVL's priority debt consisted of THB23 billion secured debt and THB52.7 billion senior unsecured debt owed by IVL's subsidiaries. The ratio of priority debt to total debt was about 33% at the end of 2021.

## RATING OUTLOOK

The "stable" outlook reflects our view that IVL will demonstrate a material turnaround for 2022 following a strong recovery of the petrochemicals industry. We also expect the company's debt to EBITDA ratio to remain in the range of 3-4 times in the medium term.

## RATING SENSITIVITIES

The rating upside will be limited over the next 12-18 months due to an upcoming sizable acquisition. On the other hand, the ratings could be downgraded if IVL's financial profile is materially weaker than our forecast, which could occur due to weaker-than-expected earnings or an unexpected debt-funded acquisition.

## RELATED CRITERIA

- Key Financial Ratio and Adjustments for Corporate Issuers, 11 January 2022
- Hybrid Securities Rating Criteria, 28 June 2021
- Issue Rating Criteria, 15 June 2021
- Rating Methodology – Corporate, 26 July 2019

## Indorama Ventures PLC (IVL)

Company Rating:	AA-
<b>Issue Ratings:</b>	
IVL224A: THB1,250.5 million senior unsecured debentures due 2022	AA-
IVL224B: THB2,649.5 million senior unsecured debentures due 2022	AA-
IVL225A: THB500 million senior unsecured debentures due 2022	AA-
IVL22DA: THB1,645 million senior unsecured debentures due 2022	AA-
IVL236A: THB1,100 million senior unsecured debentures due 2023	AA-
IVL236B: THB3,000 million senior unsecured debentures due 2023	AA-
IVL243A: THB1,400 million senior unsecured debentures due 2024	AA-
IVL245A: THB1,000 million senior unsecured debentures due 2024	AA-
IVL24NA: THB300 million senior unsecured debentures due 2024	AA-
IVL24DA: THB1,475 million senior unsecured debentures due 2024	AA-
IVL256A: THB1,500 million senior unsecured debentures due 2025	AA-
IVL25NA: THB4,000 million senior unsecured debentures due 2025	AA-
IVL25DA: THB1,150 million senior unsecured debentures due 2025	AA-
IVL26OA: THB200 million senior unsecured debentures due 2026	AA-
IVL26NA: THB3,000 million senior unsecured debentures due 2026	AA-
IVL275A: THB2,000 million senior unsecured debentures due 2027	AA-
IVL27NA: THB700 million senior unsecured debentures due 2027	AA-
IVL27NB: THB1,990 million senior unsecured debentures due 2027	AA-
IVL286A: THB1,800 million senior unsecured debentures due 2028	AA-
IVL28OA: THB2,200 million senior unsecured debentures due 2028	AA-
IVL28NA: THB2,000 million senior unsecured debentures due 2028	AA-
IVL295A: THB2,000 million senior unsecured debentures due 2029	AA-
IVL306A: THB5,000 million senior unsecured debentures due 2030	AA-
IVL30NA: THB3,010 million senior unsecured debentures due 2030	AA-
IVL31OA: THB2,300 million senior unsecured debentures due 2031	AA-
IVL325A: THB5,000 million senior unsecured debentures due 2032	AA-
IVL32NA: THB1,000 million senior unsecured debentures due 2032	AA-
IVL336A: THB3,200 million senior unsecured debentures due 2033	AA-
IVL19PA: THB15,000 million subordinated capital debentures	A
Up to THB12,000 million senior unsecured debentures due within 15 years	AA-
<b>Rating Outlook:</b>	Stable

### TRIS Rating Co., Ltd.

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