



Ref. No. IVL 005/11/2019

11 November 2019

The President

The Stock Exchange of Thailand

**Subject: Submission of Quarterly Review of Financial Statements and the Management Discussion and Analysis of Indorama Ventures Public Company Limited for the third quarter ended September 30, 2019**

We are pleased to submit:

1. Consolidated and Company only Quarterly Review of Financial Statements for the third quarter of 2019 (a copy in Thai and English)
2. Management Discussion and Analysis (MD&A) for the third quarter of 2019 (a copy in Thai and English)
3. Company's performance report, Form F45-3 for the third quarter of 2019 (a copy in Thai and English)

Please be informed accordingly.

Sincerely yours,

(Mr. Alope Lohia)

Group CEO

Indorama Ventures Public Company Limited

Company Secretary

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## 3Q19 IVL Performance Summary

<b>Volume growth 23% year-on-year (yoy)</b>	<b>IVL reported 3.3 mmt of production volume</b> (5% organic and 18% inorganic growth yoy). Organic growth reinforces the demand growth in our business. Inorganic growth driven by lifestyle fibers growth in India (IRSL).
<b>Core EBITDA down 31% yoy</b>	<b>IVL reported US\$281M</b> of core EBITDA registering a more pronounced decline yoy as spreads came off from a <b>strong 3Q18</b> .
<b>Operating cash flow (OCF) growth 47% yoy</b>	<b>IVL reported US\$405M</b> of OCF reflecting management actions on working capital optimization and extract efficiencies. Net working capital reduced by three days over last year.
<b>Strong Thai Baht adversely impacted translated earnings</b>	The <b>Thai Baht strengthened</b> 7% yoy and adversely affected earnings translation.
<b>Exceptional items adversely impacted core EBITDA</b>	US\$ 155M lower EBITDA in LTM3Q19 and US\$ 22M in 3Q19 due to unplanned shutdowns, catalysts change planned shurdown in EOEG assets in USA and one line conversion from PTA to IPA in USA
<b>Disciplined approach to growth</b>	Net operating debt to equity at 0.61 times with strong operating cash flow. Dividend payout remain much higher than its stated policy of 30% of net profits. Perpetual debenture of THB 15b <b>refinanced at 200 basis points lower</b> .
<b>Company credit rating re-affirmed to AA- by TRIS</b>	TRIS has <b>reaffirmed IVL's AA- rating</b> , with Spindletop (part of <b>Huntsman's assets</b> ) factored in.
<b>Industry spreads weak</b>	<b>Industry spreads lower</b> in Integrated PET, MEG, IPA, and Lifestyle fibers vertical primarily due to higher pipeline inventories and some indirect impact of US-China trade disputes.
<b>Spindletop (Huntsman assets acquisition) deal update</b>	Huntsman (Spindletop) assets purchase is our largest and most strategic acquisition to date and on track to complete by 1Q20. Adjusted EBITDA in IVL definition for these assets for 3Q19 is US\$122M and LTM3Q19 is US\$360M. The acquisition strategically fit with IVL's US gas cracker and oxides investment as it provide scale benefits and improve operating capabilities.
<b>Management focus on cost and cash flow improvement</b>	In response to industry headwinds, Management has improved its special focus on cost and working capital optimization programs.

## 3Q 2019 Summary Financials

Table 1: Core Financials of Consolidated Business

\$million (except where stated otherwise)	Quarterly				Last Twelve Months		
	3Q19	2Q19	3Q18	3Q19 YoY	LTM 3Q19	LTM 3Q18	LTM YoY
<b>Production Volume (kt)</b>	<b>3,345</b>	<b>3,148</b>	<b>2,730</b>	<b>23%</b>	<b>12,277</b>	<b>9,907</b>	<b>24%</b>
Consolidated Revenue <sup>1,2</sup>	2,832	2,930	2,920	(3%)	11,580	10,088	15%
<b>Core EBITDA<sup>2,3</sup></b>	<b>281</b>	<b>361</b>	<b>409</b>	<b>(31%)</b>	<b>1,264</b>	<b>1,379</b>	<b>(8%)</b>
PET	134	169	179	(25%)	561	565	(1%)
Fibers	59	62	55	6%	270	221	22%
Feedstock	93	138	178	(47%)	445	592	(25%)
<i><u>New Segments</u></i>							
Integrated PET	186	262	256	(27%)	812	734	11%
Fibers	51	59	49	3%	244	194	25%
Packaging	17	19	11	62%	66	45	47%
Integrated Oxides and Derivatives	16	26	52	(69%)	94	234	(60%)
Specialty Chemicals	16	3	44	(64%)	61	172	(65%)
Core EBIT	136	231	292	(54%)	735	966	(24%)
<b>Core Net Profit after Tax and NCI<sup>4</sup></b>	<b>92</b>	<b>159</b>	<b>260</b>	<b>(65%)</b>	<b>498</b>	<b>786</b>	<b>(37%)</b>
Core Net Profit after Tax and NCI (THBm)	2,778	5,027	8,523	(67%)	15,821	25,381	(38%)
<b>Core EPS after PERP Interest (THB)</b>	<b>0.45</b>	<b>0.85</b>	<b>1.48</b>	<b>(70%)</b>	<b>2.63</b>	<b>4.46</b>	<b>(41%)</b>
<b>Core EBITDA/ton (\$)</b>	<b>84</b>	<b>115</b>	<b>150</b>	<b>(44%)</b>	<b>103</b>	<b>139</b>	<b>(26%)</b>
<b>Operating Cash Flow<sup>5</sup></b>	<b>405</b>	<b>385</b>	<b>276</b>	<b>47%</b>	<b>1,301</b>	<b>955</b>	<b>36%</b>
<b>Net Debt to Equity (times)</b>	<b>0.92</b>	<b>0.94</b>	<b>0.71</b>	<b>29%</b>	<b>0.92</b>	<b>0.87</b>	<b>6%</b>

\*The total amount of IRSL was excluded from Core Financials 2Q19, but was consolidated all in Core Financials 3Q19.

\*\* 'Integrated Oxides and Derivatives' was previously called Olefins and the new nomenclature better reflects our sector especially post Huntsman assets.

<sup>1</sup>Consolidated financials are based upon elimination of intra-company or intra-business segment transactions.

<sup>2</sup>Total of each segment may not always tally with consolidated financials due to holding segment.

<sup>3</sup>Core EBITDA is Reported EBITDA less Inventory gains/losses.

<sup>4</sup>Core Net Profit is Reported Net Profit less Inventory gains/losses and one-time extraordinary items.

<sup>5</sup>Operating Cash Flow is after change in net working capital and cash tax, before maintenance capex.

## Business Segments Definitions

IVL categorizes its business into five business segments. The purpose of this section of the document is to discuss the performance by these five segments.

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<b>Integrated PET</b>	<b>Full PET value chain</b> PX (Paraxylene), PTA (Purified Terephthalic Acid), PET (Polyethylene Terephthalate), and Recycling
<b>Integrated Oxides and Derivatives</b>	<b>Include olefin intermediates and EO:</b> MEG (Monoethylene Glycol), DEG (Diethylene Glycol), TEG (Triethylene Glycol) and EO (Purified Ethylene oxide)
<b>Fibers</b>	<b>Polyester, Rayon, Nylon, PP (Poly Propylene), composites and worsted wool fibers for three end uses segments:</b> Mobility (automotive), Lifestyle (active wear, apparel), and Hygiene (baby diapers, feminine care)
<b>Specialty Chemicals</b>	Include Specialty PET (for medical, premium bottles, films and sheets), IPA (Isophthalic Acid for PET production, unsaturated polyester resins, and coatings), NDC (Naphthalene Dicarboxylate for optical displays and industrial/ mobility uses)
<b>Packaging</b>	<b>PET preforms and bottle packaging</b> for beverage and food end uses

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## 3Q19 Performance Highlights

**Table 2: Segment Results (New segment)**

\$million (except where stated otherwise)	Quarterly				Last Twelve Months		
	3Q19	2Q19	3Q18	3Q19 YoY	LTM 3Q19	LTM 3Q18	LTM YoY
<b>Production Volume (kt)</b>	<b>3,345</b>	<b>3,148</b>	<b>2,730</b>	<b>23%</b>	<b>12,277</b>	<b>9,907</b>	<b>24%</b>
Integrated PET	2,500	2,451	2,052	22%	9,425	7,370	28%
Fibers	475	382	345	38%	1,548	1,252	24%
Packaging	51	55	39	32%	207	145	42%
Integrated Oxides and Derivatives	126	103	120	5%	392	536	(27%)
Specialty Chemicals	192	156	174	10%	705	603	17%
<b>Operating rate (%)</b>	<b>86%</b>	<b>87%</b>	<b>87%</b>	<b>(1%)</b>	<b>86%</b>	<b>88%</b>	<b>(2%)</b>
Integrated PET	90%	89%	86%	4%	88%	88%	0%
Fibers	76%	93%	95%	(19%)	86%	95%	(9%)
Packaging	74%	80%	59%	14%	74%	61%	13%
Integrated Oxides and Derivatives	91%	75%	86%	5%	71%	97%	(26%)
Specialty Chemicals	70%	57%	90%	(21%)	71%	80%	(9%)
<b>Consolidated Revenue<sup>1,2</sup></b>	<b>2,832</b>	<b>2,930</b>	<b>2,920</b>	<b>(3%)</b>	<b>11,580</b>	<b>10,088</b>	<b>15%</b>
Integrated PET	1,826	2,026	1,947	(6%)	7,809	6,458	21%
Fibers	858	771	714	20%	3,172	2,570	23%
Packaging	79	95	60	33%	337	220	53%
Integrated Oxides and Derivatives	78	55	109	(28%)	307	472	(35%)
Specialty Chemicals	229	234	283	(19%)	965	1,044	(8%)
<b>Core EBITDA<sup>3</sup></b>	<b>281</b>	<b>361</b>	<b>409</b>	<b>(31%)</b>	<b>1,264</b>	<b>1,379</b>	<b>(8%)</b>
Integrated PET	186	262	256	(27%)	812	734	11%
Fibers	51	59	49	3%	244	194	25%
Packaging	17	19	11	62%	66	45	47%
Integrated Oxides and Derivatives	16	26	52	(69%)	94	234	(60%)
Specialty Chemicals	16	3	44	(64%)	61	172	(65%)
<b>Core EBITDA Margin(%)</b>	<b>10%</b>	<b>12%</b>	<b>14%</b>	<b>(4%)</b>	<b>11%</b>	<b>14%</b>	<b>(3%)</b>
Integrated PET	10%	13%	13%	(3%)	10%	11%	(1%)
Fibers	6%	8%	7%	(1%)	8%	8%	0%
Packaging	22%	20%	18%	4%	20%	20%	(1%)
Integrated Oxides and Derivatives	20%	47%	48%	(27%)	31%	50%	(19%)
Specialty Chemicals	7%	1%	15%	(8%)	6%	17%	(10%)
<b>Core ROCE%</b>	<b>7%</b>	<b>12%</b>	<b>17%</b>	<b>(9%)</b>	<b>10%</b>	<b>14%</b>	<b>(4%)</b>
Integrated PET	13%	20%	23%	(10%)	15%	16%	(1%)
Fibers	1%	4%	4%	(3%)	3%	5%	(2%)
Packaging	20%	23%	20%	1%	19%	21%	(1%)
Integrated Oxides and Derivatives	2%	11%	28%	(27%)	8%	32%	(24%)
Specialty Chemicals	2%	(5%)	27%	(25%)	3%	27%	(25%)

\*The total amount of IRSL was excluded from Core Financials 2Q19, but was consolidated all in Core Financials 3Q19.

<sup>1</sup>Consolidated financials are based upon elimination of intra-company or intra-business segment transactions.

<sup>2</sup>Total of each segment may not always tally with consolidated financials due to elimination of Intra-company.

<sup>3</sup>Core EBITDA is Reported EBITDA less Inventory gains/losses.

## 3Q19 Segment Analysis

### Integrated PET

PET volumes are up 22%, with organic growth contributing 9%, demonstrating the strong market demand for PET as IVL being the global leader in this space.

However, volume increase was offset by a decline in EBITDA/t which was driven by lower industry-wide Integrated PET spreads.

Going forward, management will focus on cost management initiatives, drive operational excellence, and working capital optimization in parallel with implementing its recycling growth strategy.

### Fibers

IVL has restructured this segment into three market oriented verticals; Mobility, Hygiene and Lifestyle. Each vertical has a dedicated management team which is tasked to consolidate its asset footprint to capture combinatory synergies.

Hygiene volumes were higher in 3Q19, largely due to nonwoven fabrics and strong fibers demand in North America.

	3Q18	3Q19	LTM3Q18	LTM3Q19	
Lifestyle	Production (MMt)	0.21	0.33	0.84	0.97
	Core EBITDA (\$m)	23	17	115	85
	Core EBITDA/t	111	50	137	87
Mobility	Production (MMt)	0.07	0.06	0.23	0.25
	Core EBITDA (\$m)	14	15	53	68
	Core EBITDA/t	213	239	233	271
Hygiene	Production (MMt)	0.07	0.09	0.19	0.33
	Core EBITDA (\$m)	12	19	26	91
	Core EBITDA/t	173	221	141	280

Mobility has also remained resilient, despite a global slow-down in demand and weak outlook for automobiles.

Lifestyle, on the other hand, has been adversely impacted due to stocks overhang and impacted by US-China trade disputes affecting margins. This is expected to normalize as end demand continue to grow.

We will be sharing the plan and specific actions of this business transformation in the upcoming Capital Markets day in early February 2020.

### Packaging

This segment has performed strongly both in the last quarter and the last twelve months supported by strong growth in both margins and volume, including an acquisition of Medco Plast in November 2018.

We believe that this segment's performance is in-line with the growing demand for PET packaging, given its beneficial properties compared to other beverage packaging materials.

## Integrated Oxides and Derivatives

It has been a challenging quarter and also the year for this segment.

EO, which represents around 40% of our production volume has performed well. EO margins have remained relatively more stable as reflected in the EO contribution to EBITDA.

EG, which is cyclical and represents the remainder of our production volume, has been challenged. The EBITDA decline in EG reflects the decline in industry-wide MEG spreads due to lower prices and spreads in Asia.

Unplanned shutdown was exceptional but significantly added to the profit decline in last twelve months. Unplanned shutdown contributed to \$37m EBITDA decline in LTM; facility is now back online and operating on plan.

## Specialty Chemicals

The specialty chemicals segment has shown lower earnings mainly due to a sharp decline in industry-wide IPA spreads which has led to a negative EBITDA contribution from this product.

As part of our currently ongoing broader long-term strategy review, we are reviewing our current and assessing our future specialty chemicals product portfolio and our desired position in specialty chemicals. We will update on our direction for this segment at the Capital Markets Day in early February 2020.

## Capital Expenditure Program

IVL expects its balance sheet and cash flow from operations to remain strong, and sufficient to meet its planned investments into growth engines.

**Table 3: Major Projects Update & Recycling Growth Plan**

Project	Business	Expected Completion	Total Installed Capacity (MMt)	Capex in \$M
Sinterama	Mobility and Lifestyle Fibers	4Q19	30 kta	65 (till Sep'19: Nil)
Spindletop (Huntsman)	Propylene Oxides, Ethylene Oxides and Derivatives	1Q20	3,147 kta	2,076 (till Sep'19: Nil)
Gas Cracker (IVOL)	Ethylene Cracker	1Q20	Ethylene: 430 kta	1,000 (till Sep'19: 897)
Corpus Christi PET/PTA	Integrated PET	4Q21-1Q22	PET: 367 kta PTA: 433 kta	600-700 (till Sep'19: 386)
Recycling projects	PET recycling	2020-2023	~700kta	1,000 (till Sep'19: Nil)

## ***IVL Strategic priorities going forward***

IVL remain focused on its financial objective to double EBITDA by 2023 in a disciplined manner by utilizing its current balance sheet and future operating cash flows.

On the journey to achieve this, IVL is committed to

- Implement cost management programs
- Improve working capital management to drive further growth in operating cash flows
- Drive operational excellence and reliability
- Reinforce customer centric culture
- Expand recycling footprint (both mechanical and chemical) to spearhead industry-wide change
- Complete Corpus Christi project on revised timeline & budget
- Close, consolidate and realize synergies on Spindletop acquisition
- Start Lake Charles gas cracker in 1Q 2020
- Extract synergies in mobility, lifestyle and hygiene segments
- Focus on organic growth via innovation

### ***Forward-looking Statements***

The statements included herein contain “forward-looking statements” of Indorama Ventures Public Company Limited (the “Company”) that relate to future events, which are, by their nature, subject to significant risks and uncertainties. All statements, other than statements of historical fact contained herein, including, without limitation, those regarding the future financial position and results of operations, strategy, plans, objectives, goals and targets, future developments in the markets where the Company participates or is seeking to participate and any statements preceded by, followed by or that include the words “target”, “believe”, “expect”, “aim”, “intend”, “will”, “may”, “anticipate”, “would”, “plan”, “could”, “should”, “predict”, “project”, “estimate”, “foresee”, “forecast”, “seek” or similar words or expressions are forward-looking statements.

Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the actual results, performance or achievements of the Company to be materially different from the future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future and are not a guarantee of future performance. 2019 and 2021 projections are based on historical 2017-2018 performance and management forecast. The predicted volume is based on legacy and new assets already committed, planned and announced.

Such forward-looking statements speak only as at the date of this document, and the Company does not undertake any duty or obligation to supplement, amend, update or revise any such statements. The Company does not make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved.

### ***Definitions***

**Core EBITDA** is after excluding inventory gains/losses from reported EBITDA.



**Inventory gains/losses** in a period result from the movement in prices of raw materials and products from the end of the previous reported period to the end of the current reported period. The cost of sales is impacted by inventory gains/losses wherein inventory gains decrease the cost of sales and inventory losses increase the cost of sales.

**Core Net Profit** is the Reported Net Profit less extraordinary items less tax adjusted inventory gain/loss.

**Net Operating Debt** is Net Debt (total debt less cash and current investments) less cash outflow for the various projects underway which are not yet completed and have not yet started contributing to the earnings.

### **Notes**

We recommend that investors always read the MD&A together with the published financial statements to get complete details and understanding.

The consolidated financials are based on the elimination of intra-company (or intra-business segment) transactions. For this reason, the total of each segment may not always tally with consolidated financials. Similarly segments total may not always match to total due to holdings segment.

The Polyester Chain businesses are generally traded in US\$ and therefore the Company believes in helping its readers with translated US\$ figures. The Company's reporting currency is THB. THB results are translated into US\$ at the average exchange rates and closing exchange rates where applicable.

The Company has presented the analysis in the MD&A in US\$ as it believes that the business can be explained better in US\$ terms. However THB numbers are also given where needed. Readers should rely on the THB results only.

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**Table 4: Segment Results (Old segment)**

\$million	Quarterly				Last Twelve Months		
	3Q19	2Q19	3Q18	3Q19	LTM	LTM	LTM
(except where stated otherwise)				YoY	3Q19	3Q18	YoY
<b>Production Volume (kt)</b>	<b>3,345</b>	<b>3,148</b>	<b>2,730</b>	<b>23%</b>	<b>12,277</b>	<b>9,907</b>	<b>24%</b>
PET	1,499	1,330	1,161	29%	5,257	4,091	29%
Fibers	537	450	408	32%	1,797	1,501	20%
Feedstock	1,309	1,369	1,161	13%	5,223	4,316	21%
West Feedstock	846	952	862	(2%)	3,490	3,078	13%
Asia PTA	463	417	299	55%	1,732	1,238	40%
<b>Operating rate (%)</b>	<b>86%</b>	<b>87%</b>	<b>87%</b>	<b>(1%)</b>	<b>86%</b>	<b>88%</b>	<b>(2%)</b>
PET	92%	83%	89%	4%	87%	89%	(2%)
Fibers	77%	93%	93%	(16%)	86%	93%	(8%)
Feedstock	84%	89%	83%	1%	85%	86%	(1%)
West Feedstock	78%	89%	82%	(4%)	82%	84%	(3%)
Asia PTA	98%	89%	86%	11%	92%	90%	2%
<b>Core EBITDA (\$m)</b>	<b>281</b>	<b>361</b>	<b>409</b>	<b>(31%)</b>	<b>1,264</b>	<b>1,379</b>	<b>(8%)</b>
PET	134	169	179	(25%)	561	565	(1%)
Fibers	59	62	55	6%	270	221	22%
Feedstock	93	138	178	(47%)	445	592	(25%)
West Feedstock	69	104	150	(54%)	348	542	(36%)
Asia PTA	24	35	28	(13%)	98	51	93%
<b>Core EBITDA/ton (\$)</b>	<b>84</b>	<b>115</b>	<b>150</b>	<b>(44%)</b>	<b>103</b>	<b>139</b>	<b>(26%)</b>
PET	89	127	154	(42%)	107	138	(23%)
Fibers	109	139	136	(20%)	150	147	2%
Feedstock	71	101	153	(53%)	85	137	(38%)
West Feedstock	82	109	174	(53%)	100	176	(43%)
Asia PTA	52	83	92	(44%)	56	41	38%
<b>Core EBITDA Margin (%)</b>	<b>10%</b>	<b>12%</b>	<b>14%</b>	<b>(4%)</b>	<b>11%</b>	<b>14%</b>	<b>(3%)</b>
PET	9%	10%	12%	(3%)	9%	11%	(2%)
Fibers	6%	7%	7%	(1%)	8%	8%	0%
Feedstock	9%	12%	14%	(5%)	10%	14%	(5%)
West Feedstock	9%	13%	16%	(6%)	11%	17%	(7%)
Asia PTA	9%	10%	9%	0%	7%	5%	2%

\*The total amount of IRSL was excluded from Core Financials 2Q19, but was consolidated all in Core Financials 3Q19.

**Table 5 : Reconciliation of Core Profit After Tax and NCI to Reported Net Profit**

\$million (except where stated otherwise)	Quarterly				Last Twelve Months		
	3Q19	2Q19	3Q18	3Q19 YoY	LTM 3Q19	LTM 3Q18	LTM YoY
<b>Core Net Profit after Tax and NCI</b>	<b>92</b>	<b>159</b>	<b>260</b>	<b>(65%)</b>	<b>498</b>	<b>786</b>	<b>(37%)</b>
Inventory gains/(losses) and others	(67)	(92)	68	(199%)	(276)	109	(353%)
Total tax on Inventory gains/(losses)	9	11	(13)	(173%)	34	(18)	(286%)
<b>Net profit, before extraordinary items</b>	<b>34</b>	<b>78</b>	<b>315</b>	<b>(89%)</b>	<b>256</b>	<b>877</b>	<b>(71%)</b>
Add: Non Operational/Extraordinary income/(expense)	(7)	(6)	(8)	(12%)	30	170	(83%)
Acquisition cost and pre-operative expense,	(7)	(5)	(8)	(11%)	(29)	(32)	(11%)
Gain on Bargain Purchases, impairments and feasibility study(Net) <sup>1</sup>	1	(0)	(1)	(221%)	57	104	(45%)
Other Extraordinary Income/(Expense)	(0)	(1)	1	(194%)	2	99	(98%)
<b>= Net Profit after Tax and NCI</b>	<b>27</b>	<b>72</b>	<b>307</b>	<b>(91%)</b>	<b>285</b>	<b>1,048</b>	<b>(73%)</b>

\*The total amount of IRSL was excluded from Core Financials 2Q19, but was consolidated all in Core Financials 3Q19.

<sup>1</sup>A gain on bargain purchase needs to be accounted for on completion of any acquisition under Thai Accounting Standards.

**Table 6 : Cash Flow Statement**

\$million (except where stated otherwise)	Quarterly				Last Twelve months		
	3Q19	2Q19	3Q18	3Q19 YoY	LTM 3Q19	LTM 3Q18	LTM YoY
<b>Core EBITDA</b>	<b>281</b>	<b>361</b>	<b>409</b>	<b>(31%)</b>	<b>1,264</b>	<b>1,379</b>	<b>(8%)</b>
Net working capital and others <sup>1</sup>	128	69	(108)	(218%)	177	(343)	(152%)
Income tax	(4)	(45)	(25)	(85%)	(140)	(82)	71%
<b>Operating Cash Flow</b>	<b>405</b>	<b>385</b>	<b>276</b>	<b>47%</b>	<b>1,301</b>	<b>955</b>	<b>36%</b>
Net growth and investment capex <sup>2</sup>	(211)	(102)	(713)	(70%)	(1,418)	(1,551)	(9%)
Net working capital on acquired / sold assets	37	0	(5)	(780%)	(158)	(48)	227%
Maintenance capex	(42)	(39)	(22)	89%	(183)	(100)	83%
<b>Cash Flow After Strategic Spending</b>	<b>189</b>	<b>244</b>	<b>(465)</b>	<b>(141%)</b>	<b>(458)</b>	<b>(745)</b>	<b>(38%)</b>
Net financial costs	(16)	(72)	(20)	(19%)	(190)	(127)	50%
Dividends and PERP interest	(74)	(134)	(128)	(43%)	(286)	(254)	12%
Proceeds from issue of ordinary shares due to warrants exercised	-	-	84	(100%)	(3)	498	(101%)
<b>(Increase)/Decrease in Net Debt on cash basis<sup>3</sup></b>	<b>100</b>	<b>37</b>	<b>(530)</b>	<b>(119%)</b>	<b>(937)</b>	<b>(628)</b>	<b>49%</b>

\*The total amount of IRSL was excluded from Core Financials 2Q19, but was consolidated all in Core Financials 3Q19.

<sup>1</sup>Includes inventory gains/ (losses)

<sup>2</sup>Includes net proceeds from disposals of PPE, other non-current investments and assumed net debt on acquisitions

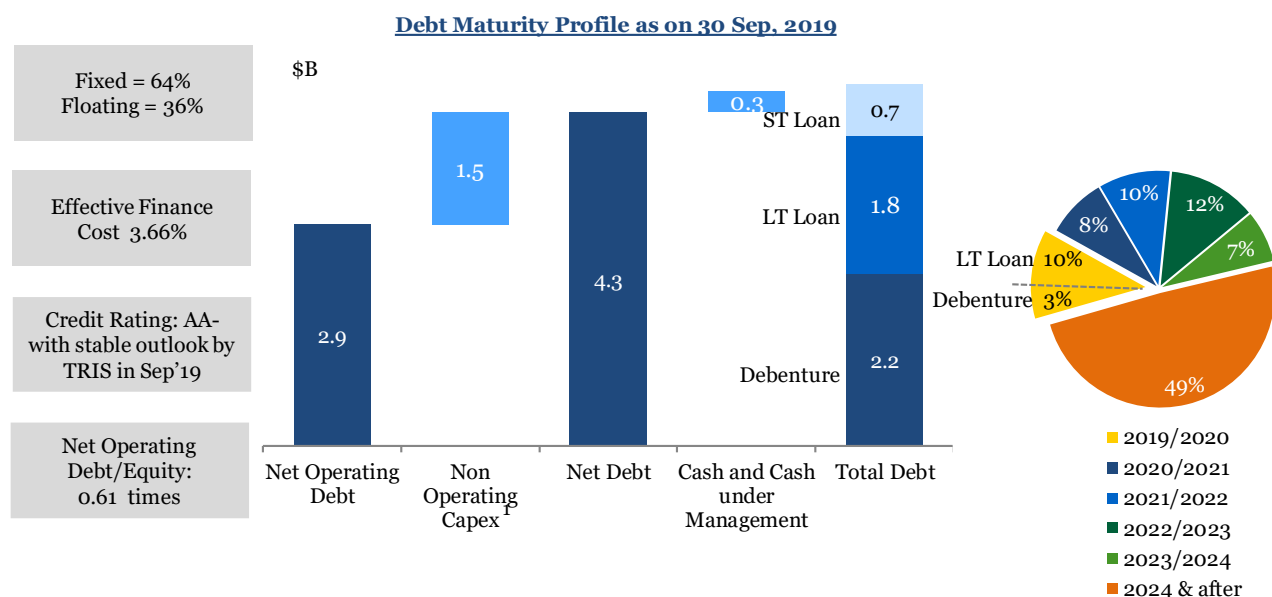
<sup>3</sup>Includes effect of FOREX changes on balance held in foreign currencies and on the net debt changes over the period of cash flow, due to the increase/decrease in net debt as per statement of financial position might be different

**Table 7 :Debt Profile**

\$million (except where stated otherwise)	30-Sep-19	31-Dec-18
<b>Total Debt</b>	<b>4,686</b>	<b>4,215</b>
Bank overdraft and short-term loans	660	964
Long term debt (Current portion)	399	269
Debentures (Current portion)	106	93
Long term debt (Non-current portion)	1,399	1,083
Debentures (Non-current portion)	2,121	1,806
<b>Cash &amp; Cash under management</b>	<b>359</b>	<b>165</b>
Cash and cash equivalents	356	172
Current investments and loans given	2	(7)
<b>Net Debt</b>	<b>4,327</b>	<b>4,050</b>
Non-operating Debt (Project Debt)	1,466	1,220
<b>Net Operating Debt<sup>1</sup></b>	<b>2,861</b>	<b>2,830</b>
Net debt to equity (times)	0.92	0.87
Net operating debt to equity (times)	0.61	0.60
Debts with fixed interest %	64%	49%
Credit Rating by TRIS	AA-	AA-

\*The total amount of IRSL was excluded from Core Financials 2Q19, but was consolidated all in Core Financials 3Q19.

<sup>1</sup> Net debt after debt for capex and investments in progress that are not generating revenue and earnings as on date given.

**Figure 1 :Repayment Schedule of Long Term Debt**

<sup>1</sup> Includes various projects underway which are not yet completed and have not yet started contributing to the earnings

**Table 8 :Joint Ventures Performance**

\$million (except where stated otherwise)	Quarterly				Last twelve Months		
	3Q19	2Q19	3Q18	3Q19	LTM	LTM	LTM
				YoY	3Q19	3Q18	YoY
<b>Joint Ventures Income/(Loss)</b>	<b>(0)</b>	<b>(0)</b>	<b>15</b>	<b>(101%)</b>	<b>(2)</b>	<b>19</b>	<b>(112%)</b>
Polyprima, Indonesia <sup>1</sup>	-	-	9	(100%)	(0)	1	(101%)
India PET JV	-	-	6	(100%)	(2)	15	(114%)
Others (FiberVisions, PHP China, Mexico)	(0)	(0)	0	(131%)	(0)	2	(107%)

<sup>1</sup> 74% PTA JV, IVL started consolidating Polyprima Indonesia result since 4Q18. IVL has 100% ownership since January 3rd, 2019.

**Table 9 : IVL Consolidated Statement of Income**

THBm	Quarterly				Last Twelve Months		
	3Q19	2Q19	3Q18	3Q19 YoY	LTM 3Q19	LTM 3Q18	LTM YoY
<b>Reported Financials</b>							
Net sales	84,478	94,895	96,001	(12%)	366,620	326,152	12%
Other income/(expense), net <sup>1</sup>	306	671	263	16%	1,746	2,090	(16%)
Total Revenue	84,784	95,566	96,263	(12%)	368,365	328,242	12%
Cost of sales <sup>2</sup>	74,229	82,276	76,961	(4%)	320,775	267,709	20%
Gross profit	10,555	13,291	19,303	(45%)	47,590	60,533	(21%)
Selling and administrative expenses <sup>2</sup>	8,121	8,806	7,335	11%	32,770	26,289	25%
Foreign exchange gain (loss)	(290)	(179)	(158)	84%	(195)	459	(142%)
<b>EBITDA</b>	<b>6,419</b>	<b>8,616</b>	<b>15,641</b>	<b>(59%)</b>	<b>31,364</b>	<b>48,096</b>	<b>(35%)</b>
Depreciation and amortization	4,275	4,309	3,831	12%	16,739	13,393	25%
<b>Operating income</b>	<b>2,144</b>	<b>4,306</b>	<b>11,810</b>	<b>(82%)</b>	<b>14,625</b>	<b>34,703</b>	<b>(58%)</b>
Share of profit/(loss) from JV	(5)	(5)	479	(101%)	(68)	599	(111%)
Extraordinary income/ (expenses) <sup>3</sup>	(218)	(193)	(243)	(11%)	948	5,787	(84%)
Net interest	(1,307)	(1,494)	(1,036)	26%	(5,434)	(3,529)	54%
<b>Profit before tax</b>	<b>615</b>	<b>2,614</b>	<b>11,009</b>	<b>(94%)</b>	<b>10,070</b>	<b>37,560</b>	<b>(73%)</b>
Income tax expense	23	442	1,018	(98%)	1,337	3,431	(61%)
Current tax expense/(income)	304	312	1,492	(80%)	1,307	4,780	(73%)
Deferred tax expense	(281)	131	(473)	(41%)	30	(1,349)	(102%)
<b>Profit/(loss) for the period</b>	<b>591</b>	<b>2,172</b>	<b>9,990</b>	<b>(94%)</b>	<b>8,734</b>	<b>34,129</b>	<b>(74%)</b>
Non-controlling interests (NCI)	(202)	(95)	(64)	218%	(389)	15	(2633%)
<b>Net profit/(loss) after NCI</b>	<b>793</b>	<b>2,267</b>	<b>10,054</b>	<b>(92%)</b>	<b>9,122</b>	<b>34,114</b>	<b>(73%)</b>
Interest on subordinated capital debentures (PERP) <sup>4</sup>	(265)	(262)	(265)	0%	(1,050)	(1,050)	0%
<b>Net profit/(loss) after NCI &amp; PERP interest</b>	<b>528</b>	<b>2,005</b>	<b>9,789</b>	<b>(95%)</b>	<b>8,072</b>	<b>33,064</b>	<b>(76%)</b>
Weighted average no. of shares (in Millions)	5,615	5,615	5,585	1%	5,615	5,419	4%
<b>EPS (in THB)</b>	<b>0.09</b>	<b>0.36</b>	<b>1.75</b>	<b>(95%)</b>	<b>1.44</b>	<b>6.10</b>	<b>(76%)</b>
<b>Core Financials</b>							
EBITDA	6,419	8,616	15,641	(59%)	31,364	48,096	(35%)
Less: Inventory gain/(loss) and others	(2,174)	(2,803)	2,193	(199%)	(8,709)	3,529	(347%)
<b>Core EBITDA</b>	<b>8,593</b>	<b>11,419</b>	<b>13,447</b>	<b>(36%)</b>	<b>40,074</b>	<b>44,567</b>	<b>(10%)</b>
Net profit/(loss) after NCI	793	2,267	10,054	(92%)	9,122	34,114	(73%)
Less: Inventory gain/(loss) – tax adjusted and others	(1,767)	(2,566)	1,775	(200%)	(7,646)	2,945	(360%)
Less: Extraordinary income/(expenses)	(218)	(193)	(243)	(11%)	948	5,787	(84%)
<b>Core net profit after NCI</b>	<b>2,778</b>	<b>5,027</b>	<b>8,523</b>	<b>(67%)</b>	<b>15,821</b>	<b>25,381</b>	<b>(38%)</b>
Interest on subordinated capital debentures (PERP) <sup>4</sup>	(265)	(262)	(265)	0%	(1,050)	(1,050)	0%
<b>Core net profit after NCI &amp; PERP interest</b>	<b>2,513</b>	<b>4,765</b>	<b>8,258</b>	<b>(70%)</b>	<b>14,771</b>	<b>24,331</b>	<b>(39%)</b>
<b>Core EPS (THB)</b>	<b>0.45</b>	<b>0.85</b>	<b>1.48</b>	<b>(70%)</b>	<b>2.63</b>	<b>4.46</b>	<b>(41%)</b>
Net Operating Core ROCE (before JV's and M&A Annualized) %	7.5%	12.3%	17.2%	(10%)	10.2%	14.0%	(4%)

\*The total amount of IRSL was excluded from Core Financials 2Q19, but was consolidated all in Core Financials 3Q19

<sup>1</sup> As per internal classification and includes insurance claim for business interruption loss of profit

<sup>2</sup> As per internal classification and includes depreciation and amortization expenses

<sup>3</sup> As per internal classification and includes gain on bargain purchase on new acquisitions and their related transaction costs and pre-operative expenses

<sup>4</sup> Interest net of tax on THB 15 billion Perpetual Debentures

<sup>5</sup> M&A earnings are annualized for ROCE calculation to appropriately represent the ratio based on restated historical numbers. ROCE calculation is based on THB currency which may not match with other graphs where the calculation is on \$ basis. Including PTA Portugal in 2Q18 while in 2Q18 MD&A has shown ROCE excluding PTA Portugal.

**Table 10: IVL Consolidated Statement of Financial Position**

THBm	30-Sep-19	31-Dec-18	30-Sep-19 vs 31-Dec-18
<b>Assets</b>			
Cash and current investments	10,901	5,713	91%
Trade accounts receivable	35,220	37,637	(6%)
Inventories	64,509	70,085	(8%)
Other current assets	12,063	10,850	11%
<b>Total current assets</b>	<b>122,693</b>	<b>124,284</b>	<b>(1%)</b>
Investment	2,353	5,294	(56%)
Property, plant and equipment	211,385	205,182	3%
Intangible assets	39,693	40,349	(2%)
Deferred tax assets	3,041	2,714	12%
Other assets	5,587	1,371	308%
<b>Total assets</b>	<b>384,753</b>	<b>379,195</b>	<b>1%</b>
<b>Liabilities</b>			
Bank OD and short-term loans from financial institutions	20,193	31,272	(35%)
Trade accounts payable	58,578	54,565	7%
Current portion of long-term loans	12,109	8,627	40%
Current portion of debenture	3,232	3,013	7%
Current portion of finance lease liabilities	106	110	(3%)
Other current liabilities	16,140	16,113	0%
<b>Total current liabilities</b>	<b>110,358</b>	<b>113,700</b>	<b>(3%)</b>
Long-term loans from financial institutions	41,994	34,640	21%
Debenture	64,901	58,604	11%
Finance lease liabilities	812	498	63%
Deferred tax liabilities	16,793	15,788	6%
Other liabilities	5,382	4,109	31%
<b>Total liabilities</b>	<b>240,240</b>	<b>227,339</b>	<b>6%</b>
Shareholder's equity			
Share capital	5,615	5,615	0%
Share premium	60,331	60,331	0%
Retained earnings & Reserves	54,307	64,018	(15%)
<b>Total equity attributable to shareholders</b>	<b>120,253</b>	<b>129,964</b>	<b>(7%)</b>
Subordinated perpetual debentures	14,874	14,874	0%
<b>Total equity attributable to equity holders</b>	<b>135,127</b>	<b>144,838</b>	<b>(7%)</b>
Non-controlling interests (NCI)	9,385	7,018	34%
Total shareholder's equity	144,512	151,855	(5%)
<b>Total liabilities and shareholder's equity</b>	<b>384,753</b>	<b>379,195</b>	<b>1%</b>

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