Transforming IVL to Create a World-Class Thai Chemical Company

IVL Results 1Q17

May 8, 2017
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**PET and Feedstock Dynamics**

- 2Q - best quarter for IVL PET EBITDA
- 2Q17 IVL PET Core EBITDA should benefit from falling crude price due to lag effect
- Integrated PET + Feedstock EBITDA showcases the power of IVL business model

*Note: Feedstock means IVL Feedstock business, PET means IVL PET business only excluding packaging business*
Agenda

1Q17 Results Update

IVL Plan 2020 Update
1Q17 Performance Highlights

- **Production**: 2.2MMt, +24% YoY
- **Core EBITDA**: THB 7.7 B, +60% YoY
- **Core Net Profit**: THB 3.3 B, +173% YoY
- **Core EPS after PERP**: THB 0.64, +221% YoY
- **EPS after PERP**: THB 0.87, +8% YoY
Last Twelve Months (LTM) 1Q17 Highlights

- Production: 9.2MMt, +28% YoY
- Core EBITDA: THB 30.2 B, +37% YoY
- Core Net Profit: THB 11.8 B, +84% YoY
- Core EPS after PERP: THB 2.23, +100% YoY
- EPS after PERP: THB 3.21, +67% YoY
Improving Returns on Long term and Short term basis

### IVL Returns: Long Term

<table>
<thead>
<tr>
<th>Yr’13</th>
<th>Yr’14</th>
<th>Yr’15</th>
<th>Yr’16</th>
<th>LTM1Q17</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA margin%</td>
<td>6.4%</td>
<td>7.6%</td>
<td>9.4%</td>
<td>10.7%</td>
</tr>
<tr>
<td>ROCE%</td>
<td>6.0%</td>
<td>8.0%</td>
<td>9.2%</td>
<td>10.4%</td>
</tr>
<tr>
<td>ROE%</td>
<td>2.6%</td>
<td>5.9%</td>
<td>8.3%</td>
<td>12.4%</td>
</tr>
<tr>
<td>EBITDA/ton (RHS)</td>
<td>2,530</td>
<td>2,954</td>
<td>3,126</td>
<td>3,135</td>
</tr>
</tbody>
</table>

### IVL Returns: Short Term

<table>
<thead>
<tr>
<th>1Q16</th>
<th>2Q16</th>
<th>3Q16</th>
<th>4Q16</th>
<th>1Q17</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA margin%</td>
<td>8.4%</td>
<td>11.6%</td>
<td>11.6%</td>
<td>11.1%</td>
</tr>
<tr>
<td>ROCE%</td>
<td>6.7%</td>
<td>11.3%</td>
<td>11.4%</td>
<td>10.3%</td>
</tr>
<tr>
<td>ROE%</td>
<td>5.7%</td>
<td>15.5%</td>
<td>14.6%</td>
<td>12.9%</td>
</tr>
<tr>
<td>EBITDA/ton (RHS)</td>
<td>2,722</td>
<td>3,341</td>
<td>3,177</td>
<td>3,201</td>
</tr>
</tbody>
</table>

Source: Core financials

Double Digit Returns in an otherwise Tough Business Environment

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4. "Improving Returns on Long term and Short term basis"

5. "Source: Core financials"
### Improved Quality of Earnings In Last Twelve Months

<table>
<thead>
<tr>
<th>THB M</th>
<th>LTM1Q17 Aromatics Decatur &amp; IVL Spain</th>
<th>LTM1Q17 IVL excluding Aromatics Decatur &amp; IVL Spain</th>
<th>LTM1Q17 Core Financials of Consolidated IVL</th>
<th>LTM1Q16 Core Financials of Consolidated IVL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production (KMT)</td>
<td>1,563</td>
<td>7,590</td>
<td>9,152</td>
<td>7,162</td>
</tr>
<tr>
<td>Operating rate (%)</td>
<td>89%</td>
<td>86%</td>
<td>86%</td>
<td>84%</td>
</tr>
<tr>
<td>Net Revenue</td>
<td>37,370</td>
<td>231,736</td>
<td>269,106</td>
<td>238,202</td>
</tr>
<tr>
<td>EBITDA</td>
<td>6,203</td>
<td>24,040</td>
<td>30,243</td>
<td>22,001</td>
</tr>
<tr>
<td>EBITDA (%)</td>
<td>16.6%</td>
<td>10.4%</td>
<td>11.2%</td>
<td>9.2%</td>
</tr>
<tr>
<td>EBITDA per MT (THB/MT)</td>
<td>3,969</td>
<td>3,168</td>
<td>3,304</td>
<td>3,072</td>
</tr>
<tr>
<td>ROCE (%)</td>
<td>16.2%</td>
<td>10.7%</td>
<td>11.7%</td>
<td>8.6%</td>
</tr>
</tbody>
</table>

Legacy Businesses Improved YoY

Source: Core financials
Improved Cash Flow year-on-year

Net Debt/Equity 1.00

Net Operating Debt/Equity 0.80

Net Debt/Equity 1.07

Net Operating Debt/Equity 0.75

Note: LTM= last twelve months
EBITDA Bridge – LTM1Q17 versus LTM1Q16
Increase from Existing Businesses and Strategic Acquisitions

37% Growth YoY

A Step Change in Earnings Profile of the Company

THB B

PET 0.8
Fibers (0.1)
West Feedstock 7.0
Asia PTA 0.4
Holding 0.1

EBITDA/MT LTM1Q16
- PET
- Fibers
- W. Feedstock
- Asia PTA

EBITDA/MT LTM1Q17
- PET
- Fibers
- W. Feedstock
- Asia PTA

Source: Core financials
EBITDA Bridge – 1Q17 versus 1Q16
Increase from Strategic Acquisitions

Execution of Stated Strategy and Disciplined Growth Drive Earnings

Source: Core financials
Reconciliation from Core to Reported Net Profit

<table>
<thead>
<tr>
<th></th>
<th>THB M</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1Q17</td>
<td>4Q16</td>
<td>1Q16</td>
<td>LTM 1Q17</td>
<td>LTM 1Q16 (R)</td>
</tr>
<tr>
<td>Core Net Profit after Tax and NCI</td>
<td>3,322</td>
<td>2,613</td>
<td>1,216</td>
<td>11,759</td>
<td>6,407</td>
</tr>
<tr>
<td>Inventory gain (loss)</td>
<td>1,341</td>
<td>213</td>
<td>(447)</td>
<td>2,049</td>
<td>(1,932)</td>
</tr>
<tr>
<td>Total tax on Inventory gain/(loss)</td>
<td>(209)</td>
<td>(41)</td>
<td>59</td>
<td>(325)</td>
<td>276</td>
</tr>
<tr>
<td>Net Profit before extraordinary items</td>
<td>4,453</td>
<td>2,785</td>
<td>828</td>
<td>13,483</td>
<td>4,752</td>
</tr>
<tr>
<td>Add: Non Operational/Extraordinary income/(expense)</td>
<td>(27)</td>
<td>174</td>
<td>3,276</td>
<td>3,036</td>
<td>5,551</td>
</tr>
<tr>
<td>Acquisition cost &amp; pre-operative expense</td>
<td>(73)</td>
<td>(122)</td>
<td>(10)</td>
<td>(249)</td>
<td>(157)</td>
</tr>
<tr>
<td>Net Gain on Bargain Purchase after Impairments</td>
<td>-</td>
<td>(309)</td>
<td>3,290</td>
<td>2,732</td>
<td>5,725</td>
</tr>
<tr>
<td>Other Extraordinary Income/(Expense)</td>
<td>46</td>
<td>605</td>
<td>(3)</td>
<td>553</td>
<td>(17)</td>
</tr>
<tr>
<td>= Reported Net profit after tax and NCI</td>
<td>4,426</td>
<td>2,959</td>
<td>4,104</td>
<td>16,519</td>
<td>10,303</td>
</tr>
</tbody>
</table>

Note: Gain on bargain purchase needs to be accounted for on completion of any acquisition as per Thai Accounting Standards. In an ongoing endeavor to improve the quality of analysis provided to capital markets, the management has reviewed the methodology used in order to evaluate inventory gains (or losses). Given that some contracts IVL has with its clients are on a fixed price basis (net of hedges), or are pre-sold based on previously agreed pricing, volumes of goods that are sold under such contracts are now excluded from the overall inventories being stated at the end of every reported quarter. While this change in methodology does not impact the reported financials of the Company, they have some impact in the core financials. In order to provide a consistent analysis, the core financials have been restated historically.
### Strong Financial Profile

**Natural Hedge on FOREX with Global Presence**

#### 1Q17 Gross Financial Debt: THB 98.5 B

<table>
<thead>
<tr>
<th>Types</th>
<th>Net Debt Baht</th>
<th>Total Debt</th>
<th>Cash &amp; Cash Under Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>ST Loan</td>
<td>THB 34%</td>
<td>8%</td>
<td>EUR 12%</td>
</tr>
<tr>
<td>LT Loan</td>
<td>THB 56%</td>
<td>52%</td>
<td>USD 52%</td>
</tr>
<tr>
<td>Debentures</td>
<td>THB 34%</td>
<td>36%</td>
<td>THB 90.4 B</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

#### Effective Finance Cost: 4.11%

#### Credit Rating: A+ with stable outlook by TRIS in Oct’16

- Fixed = 52%
- Floating = 48%

- Current Ratio: 1.3 times

#### LT Loan & Debentures

<table>
<thead>
<tr>
<th>Year</th>
<th>Debentures</th>
<th>LT Loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017-18</td>
<td>8%</td>
<td>4%</td>
</tr>
<tr>
<td>2018-19</td>
<td>13%</td>
<td>4%</td>
</tr>
<tr>
<td>2019-20</td>
<td>18%</td>
<td>2%</td>
</tr>
<tr>
<td>2020-21</td>
<td>10%</td>
<td>2%</td>
</tr>
<tr>
<td>2021-22</td>
<td>10%</td>
<td>4%</td>
</tr>
<tr>
<td>2022 &amp; after</td>
<td>1%</td>
<td>24%</td>
</tr>
</tbody>
</table>

#### Liquidity\(^1\) of THB 52 Billion (USD1.5 Billion)

**Note:**

1. Liquidity = cash & cash under management plus unutilized banking lines

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The graph and table above illustrate the company's strong financial profile, showing a diversified debt structure with a significant portion of short-term loans, long-term loans, and debentures. The effective finance cost is 4.11%, and the company has an A+ credit rating with a stable outlook. The current ratio is 1.3 times, indicating a healthy financial position.

Liquidity\(^1\) refers to the cash and cash under management plus unutilized banking lines, which is a crucial indicator of a company's ability to meet its short-term obligations.
Agenda

1Q17 Results Update

IVL Plan 2020 Update
Current Strategy and Committed Pipeline Creates Exciting Growth Platform

2016 to 2020 EBITDA Potential ($M)

Note: Net D/E = Net Operating D/E
Net D/E in 2020 includes Perpetual Bonds as debt and excludes exercise of warrants IVL-W1 and IVL-W2

2017-2020 Announced Capex = $1.2B
2017
- Acquisition of Glanzstoff (Auto HVA)
- Full year impact of 2016 acquisitions
- Normalized EOEG shutdown for 4 months in 2016
- PTA Rotterdam expansion in 2017
- Acquisition of 25% Minority Interests in Trevira, thus gaining 100% equity interests

2018
- U.S. Gas Cracker (IVOL/Olefins)
- HVA Fibers (Auto) expansion in China
- Increasing IPA production with more committed xylenes
- Debottlenecking projects

2019
- Fibers expansion in Indonesia
- Debottlenecking projects

Note: Pro-forma EBITDA reflects flexible feed slate, ethane and propane feedstock agreements in place, advantaged downstream integration. 1H17 EBITDA based on 1Q17 annualized.
320kt pa
PTA Expansion
in Rotterdam

- Expected startup Mid-2017
- IVL PET & Polyester Fibers in EMEA: 1.5MMT
- IVL PTA in EMEA: 1.0MMT
- Expand PTA integration
- Rotterdam will further improve its low cost position, primarily using existing utilities and employees.
440kt pa
Gas Cracker in
the USA

- Expected startup 4Q17
- ~90% output goes to IVL existing EO/EG facility
- Capturing entire value chain in USA
- Most integrated PET company in North America
- Leverage on abundant shale gas supply in US
**Uncommitted Growth Opportunities**

**Strategic Projects** to Further Improve Earnings Profile

- **Disciplined Net Debt to Equity < 1x**
- **Enhanced Shareholders Returns**

IVL EBITDA ($M)

<table>
<thead>
<tr>
<th>Year</th>
<th>Headroom for Growth</th>
<th>2020E Potential</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-2016</td>
<td>21.4</td>
<td>12.0</td>
</tr>
<tr>
<td>2017-2021</td>
<td>15.0</td>
<td>9.4</td>
</tr>
</tbody>
</table>

**Global PTA Balance Improving**

- 2012-2016: 21.4 MMT
- 2017-2021: 15.0 MMT

**Op. Rate (%)**

- 2012-2016: 9.4%
- 2017-2021: 12.0%

**IVL Net Debt to Equity (Times)**

- 2012: 1.26
- 2013: 1.19
- 2014: 0.77
- 2015: 0.81
- 2016: 0.88
- 1Q17: 0.80

**IVL Equity Outperformance**

- **TSR CAGR (%)**
  - Since IRP IPO: 26%
  - Since IVL IPO: 22%

**Net D/E ~1.0x**

- Exercise of W1+W2

**$4B Incremental Headroom for Capex**

**Note:**
- Net D/E = Net Operating D/E
- Headroom for growth considers exercise of warrants W1 and W2
- TSR CAGR up to April 2017
Emerging Trends That Are Reshaping IVL

Global Population
From 7 to 9 billion by 2050
75% Will Live in Cities

Millennial Motivators
Step-Change in Lifestyle & Needs

New Materials
Innovation Focus on Applications & Processes

Sustainability
Bio-based & Recycled Materials

Feedstock Shifts
US Shale Gas Advantage

Digitalization
Digital Future for B2B Interactions

Translating Megatrends into Our Strategy

Source: Industry Data, IVL Analysis
IVL Creates Value Through Recycling Innovation

IVL Recycling Business HVA (volume kt)\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (kt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>173</td>
</tr>
<tr>
<td>2013</td>
<td>228</td>
</tr>
<tr>
<td>2014</td>
<td>278</td>
</tr>
<tr>
<td>2015</td>
<td>338</td>
</tr>
<tr>
<td>2016</td>
<td>398</td>
</tr>
</tbody>
</table>

IVL Global Recycling Ecosystem

PET #1 Sustainable Packaging Choice

IVL #1 Global PET Recycling Leader

IVL PET Recycling Volume 0.4MMt

IVL PET Recycling Volume Growth ~23%\(^2\)

NOTE: 2016 Figures
1. HVA Fibers, HVA Resins, Flakes
2. Volume CAGR 2012-2016
IVL Creates Value Through Integration

NOTE: IVL capacity includes Gas Cracker (start-up by end 2017E)
SOURCE: Industry Data, IVL Analysis

IVL – The Largest, Most Integrated and Diversified Polyester Chain Player in North America

The Fully Integrated Business Model
**IVL Strategy Drives Greater Shareholder Returns**

**Premium Portfolio Focus**
Core EBITDA ($M)

- 2012A: $461
- 2016A: $775
- 2020E: $1.79

Growing HVA and West

**Premium Portfolio Focus**
Core EBITDA ($M)

- 2012A: $461
- 2016A: $775
- 2020E: $1.79

Growing HVA and West

**More Diversified Earnings**

**Growth Across All Segments**

- In Every Segment
- In Every Region
- In Every Product Line

**Portfolio Diversification**
EBITDA ($M)

- 2012A: $71M
- 2016A: $775M
- 2020E: $1.79T

**Higher Shareholder Rewards**

**EPS Growth**
Baht/Share

- 2012: $0.30
- 2013: $0.35
- 2014: $0.77
- 2015: $1.06
- 2016: $1.79

5 Consecutive Years of EPS Growth

**Dividend Payout**
Baht/Share

- 2012: $0.36
- 2013: $0.28
- 2014: $0.38
- 2015: $0.48
- 2016: $0.66

Consistent Dividend Payout

**IVL Delivers Consistent Growth, Superior Value**
Transformation to Additional Competitive Advantage

Core Strategic Objectives

- Integration & Synergies
- Brand Management
- Growing Business Platforms
- Operational Excellence
- Sustainability
- Cost Management

- Value Chain Integration
- Breakthrough Innovations
- New Materials
- Global Asset Utilization
- DJSI Leadership

Creates a More Valuable IVL
Committed Towards Sustainability

IVL Percentile Rank vs DJSI World Chemical Companies

<table>
<thead>
<tr>
<th>Year</th>
<th>Rank</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>69</td>
<td>-49</td>
</tr>
<tr>
<td>2016</td>
<td>84</td>
<td>+25</td>
</tr>
</tbody>
</table>

IVL Energy Efficiency
GJ/Ton of Production

- 2012: 6.09
- 2013: 5.95
- 2014: 5.61
- 2015: 5.54
- 2016: 5.25

Bronze Class: RobecoSAM’s Sustainability Yearbook 2017

A constituent of:
- the FTSE4Good ASEAN5 Index
- and the FTSE4Good Emerging Index

FTSE4Good

MSCI ESG Rating: B

#1 in SET Index: Bloomberg ESG Disclosure Scores

Gold Recognition: Most preferred supplier

#1 Thai MNC: Transparency in Corporate Reporting

Climate Change Score: B
Our Vision
“ To be a world-class chemical company making great products for society ”

“We commit to be a responsible industry leader leveraging on the excellence of our people, processes, and technologies to create value for our stakeholders ”

- The CUSTOMER is why we exist
- Our PEOPLE make the difference
- We see CHANGE as an opportunity
- DIVERSITY is our strength
- We are RESPONSIBLE
Thank You