

INEOS STYROLUTION INDIA LIMITED

INVESTOR PRESENTATION

Q1 2017-18 (April-June)

INEOS
STYROLUTION

Driving Success. Together.

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Notes

- Segment Information :

Segment reporting in financial results: Based on the "management approach" as defined in Ind AS 108 - 'Operating Segments', the Chief Operating Decision Maker (CODM), as represented by Chairman, Managing Director and CFO, evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. The accounting principles used in the preparation of these financial results are consistently applied to record revenue and expenditure in individual segment.

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Executive summary

Apr-Jun 17 Performance summary

- Profit Before Tax (PBT) decreased to 43 Mio INR in Apr-Jun 17 as compared to 388 Mio INR in Jan-Mar 17 and 227 Mio INR in Apr-Jun 16.
- Sharp fall in raw materials and finished goods prices caused inventory loss in the current quarter.

Apr-Jun 17 Market update

- Market recovered to some extent in this quarter after the impact of demonetization.
- Customers were cautious in buying inventory due to falling prices and were waiting for prices to stabilize.

Apr-Jun 17 Business update

- Destocking by customers in June 2017 prior to GST implementation from July 1, 2017 affected sales volume.
- Successful transition to GST.

INEOS Styrolution at a glance



3,200
EMPLOYEES



9
COUNTRIES



16
PRODUCTION SITES



6
R&D
CENTERS



24
sales
offices



APPROX. **1,000**
PATENTS



4,000+
CUSTOMERS



1,500+ PRODUCTS



2,000+ APPLICATIONS ACROSS SEVEN INDUSTRIES



AUTOMOTIVE



ELECTRONICS



HOUSEHOLD



CONSTRUCTION



HEALTHCARE



PACKAGING

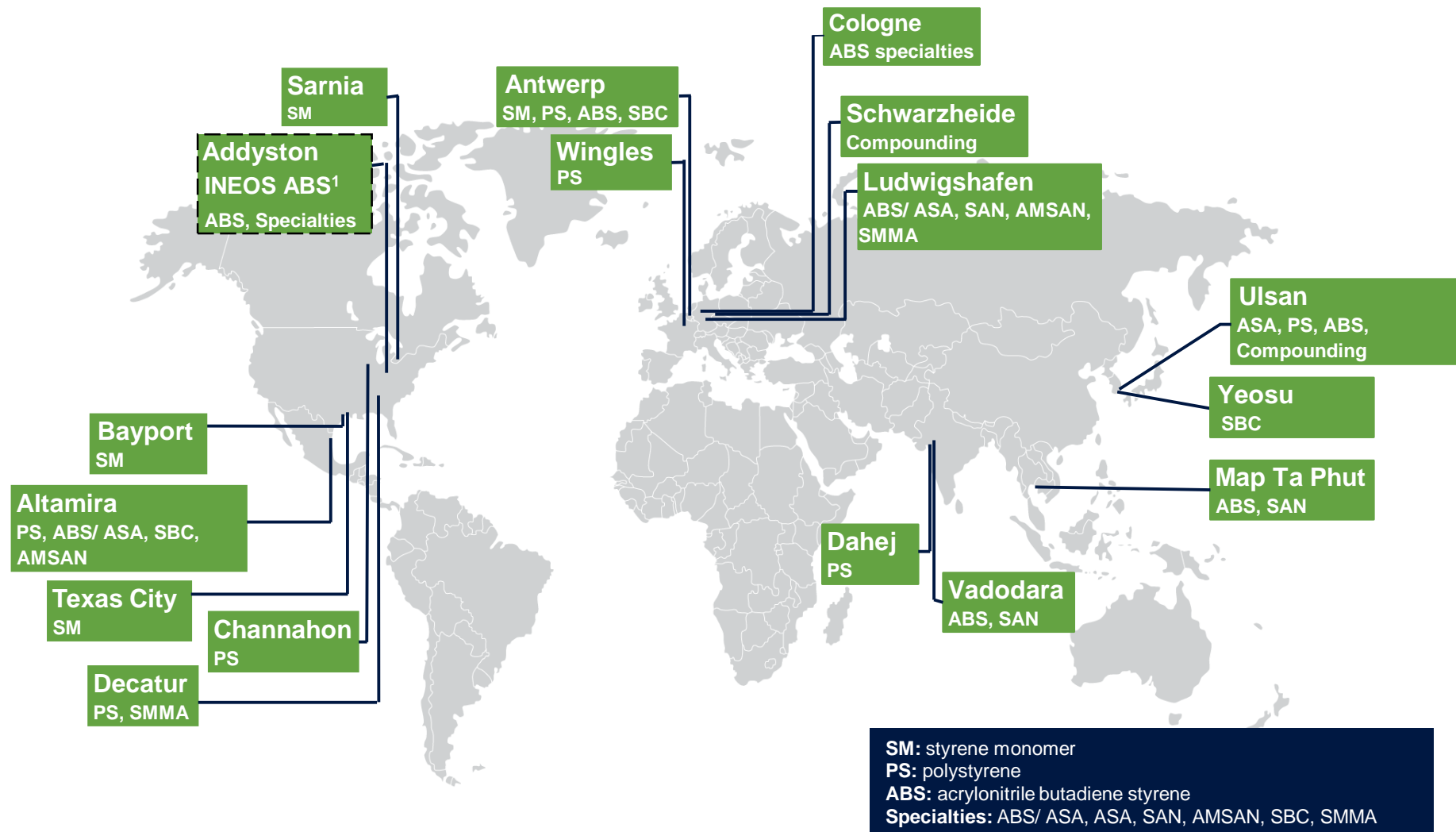


TOYS, SPORTS
& LEISURE

4.5 BILLION
EUROS IN REVENUE
IN 2016



Global reach and proximity to customer markets



(1) INEOS Styrolution acts as exclusive distributor for the INEOS ABS plant in Addyston, Ohio.

INEOS Styrolution India Limited

Footprint in India



Nandesari

- Graft rubber 27 kt/a
- Compounding 14 kt/a
- 45,000 m²



Katol

- SAN 100 kt/a
- 45,000 m²



Moxi

- Compounding 66 kt/a
- 37,700 m²



Dahej

- GPPS 38 kt/a; HIPS 40kt/a
- 227,286 m²



Moxi - R&D Centre



Kandla - Shore tanks

- 11 tanks, 13.2 km²

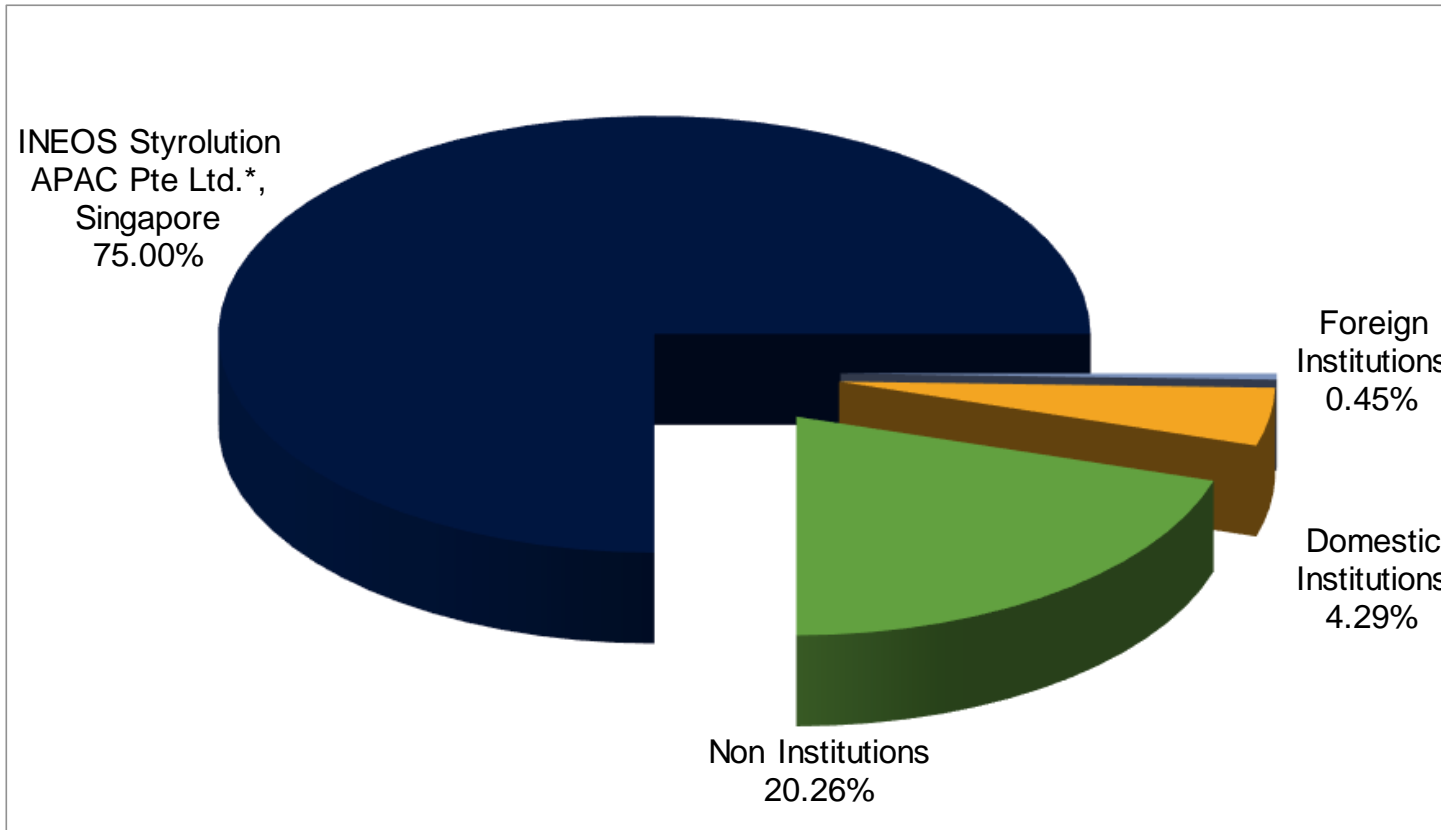


Lamba, Dhank, Pransla - Windmills

- 40 wind turbines
- 8.6 MW

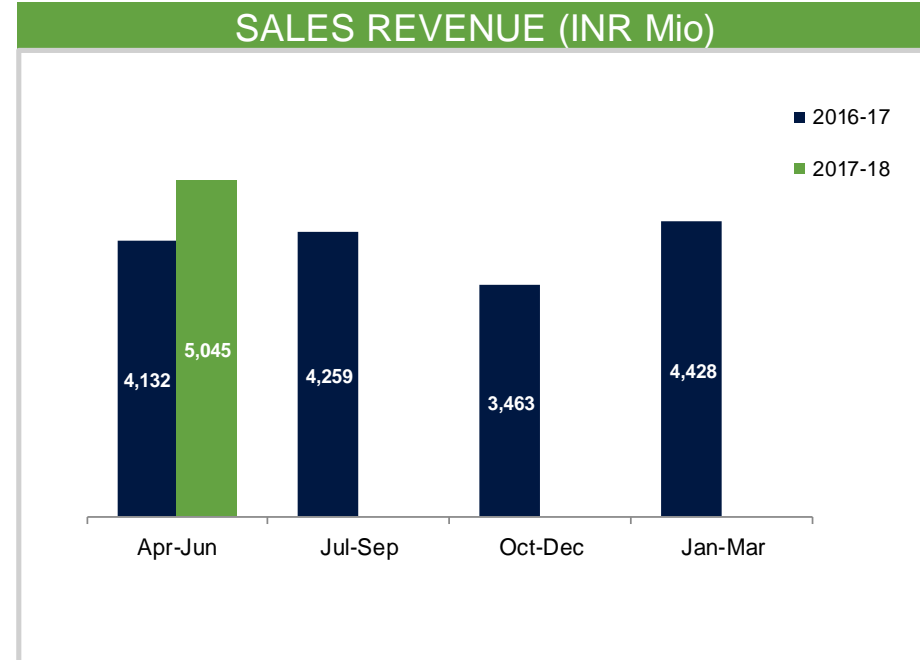
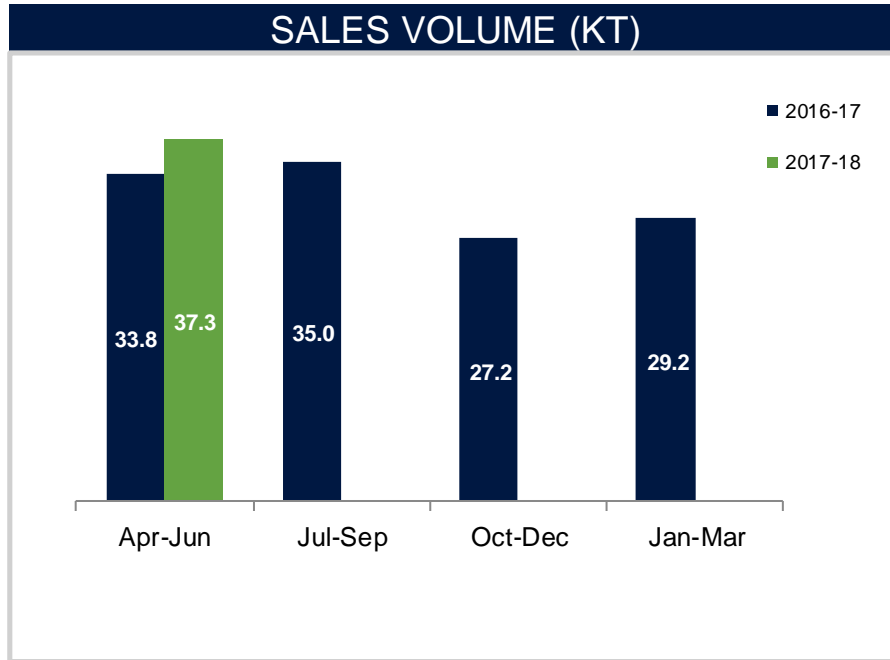
Shareholding pattern

as at June 30, 2017



* INEOS Styrolution APAC Pte Ltd. formerly known as Styrolution South East Asia Pte Ltd.

Sales performance



- Sales volume increased owing to market recovery post demonetization and availability of polystyrene capacity after shutdown in previous quarter.
- Sales revenue increased due to increase in sales volume. However, this increase was partially offset by reduction in selling prices owing to fall in international prices.

Financial review

Q1 2017-18 (Apr-Jun) results highlights

(Unit : INR Mio except volumes & EPS)

Particulars	Apr-Jun 17	Jan-Mar 17	Apr-Jun 16	% vs Jan-Mar 17	% vs Apr-Jun 16
Volumes (kt)	37.3	29.2	33.8	27.5	10.3
Sales revenue	5,045	4,428	4,132	13.9	22.1
Other income	26	77	139	-66.5	-81.5
Cost of goods sold	3,681	2,844	2,881	29.4	27.8
Excise duty	553	517	465	7.1	18.9
Depreciation & amortization	62	63	63	-1.6	-2.0
Other expenses	731	693	634	5.6	15.3
Profit before tax	43	388	227	-88.8	-80.9
Profit after tax	27	297	150	-90.8	-81.7
Other comprehensive income	-1.1	0.0	-1.7	2994.4	-33.7
Total comprehensive income	26	297	148	-91.1	-82.2
EPS (Rs.)	1.56	16.88	8.52	-90.8	-81.7

- Decrease in profit before tax was mainly driven by fall in international prices of basic raw materials and finished goods.

Segment revenue & results

Q1 2017-18 (Apr-Jun) results highlights

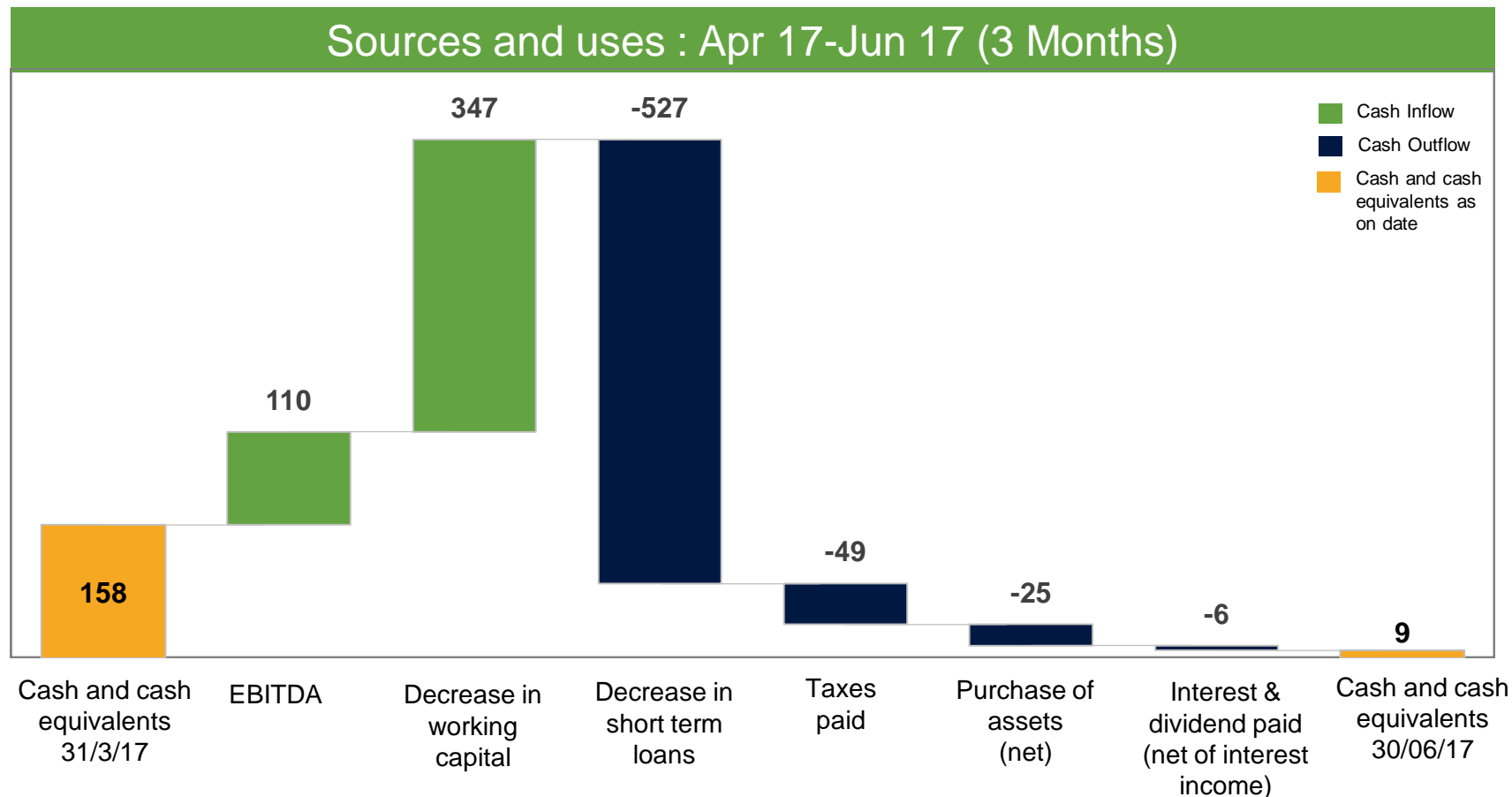
(Unit : INR Mio)

Particulars	Apr-Jun 17	Jan-Mar 17	Apr-Jun 16	% vs Jan-Mar 17	% vs Apr-Jun 16
1. Segment revenue					
(Revenue from operations)					
(a) Specialties	3,371	3,351	2,820	0.6	19.5
(b) Polystyrene	1,673	1,076	1,312	55.4	27.5
(c) Others	1	66	133	-98.0	-99.0
Total	5,045	4,493	4,265	12.3	18.3
2. Segment results					
(Segment profit before interest and tax)					
(a) Specialties	143	372	267	-61.5	-46.3
(b) Polystyrene	-70	67	11	-204.1	-715.1
(c) Others	1	13	8	-89.8	-83.9
Total segment profit before interest and tax	75	452	286	-83.4	-73.8
(i) Interest expense	26	19	15	33.9	78.1
(ii) Interest income	20	3.9	0.3	414	5898
(iii) Other unallocable expenditure (Net of income)	26	49	45	-46.4	-42.0
Profit before tax	43	388	227	-88.8	-80.9

Financial profile

Sources and uses of cash and cash equivalents for the period Apr 17 to Jun 17

(UNIT: INR MIO)



- Above cash flow is as per local reporting

Outlook 2017

Assumptions for 2017

- We expect a positive buying behavior by the consumers post GST implementation.
- We do not expect any major impact from implementation of GST.
- We do not expect abnormal movement in currency rates and raw material prices.

Target 2017

- Continue to strengthen our position in Specialties, drive product mix to maximize margins and add new grades to our product portfolio.
- Continue to optimize distribution network through third party logistics.
- Ensure stable operations.

THANK YOU
