

# INEOS STYROLUTION INDIA LIMITED

(FORMERLY KNOWN AS STYROLUTION ABS (INDIA) LIMITED)

## INVESTOR PRESENTATION

Q2 2016-17 (July-September)

**INEOS**  
**STYROLUTION**

Driving Success. Together.

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# Notes

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- This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable. Beginning April 1, 2016, the Company has for the first time adopted Ind AS with a transition date of April 1, 2015.
- The format for un-audited quarterly results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 has been modified to comply with requirements of SEBI's circular dated July 5, 2016, Ind AS and Schedule III (Division II) to the Companies Act, 2013 applicable to companies that are required to comply with Ind AS.
- The Ind AS compliant corresponding figures in the previous year have not been subjected to review/audit. However, the Company's management has exercised necessary due diligence to ensure that such financial results provide a true and fair view of its affairs.
- The statement does not include Ind AS compliant statement of results and statement of assets and liabilities for the previous year ended March 31, 2016, as the same is not mandatory as per SEBI's circular dated July 5, 2016.
- During the previous year, pursuant to the court approved Scheme of Amalgamation, Styrolution India Private Limited ('SIN') has been amalgamated with the Company w.e.f. the appointed date of April 1, 2015. Hence, previous year figures includes the results of SIN. The Company has followed the 'Pooling of Interest method' as per the court approved Scheme of Amalgamation for the accounting of Assets and Liabilities of SIN.
- The figures for the previous period have been regrouped wherever necessary.
- 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 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

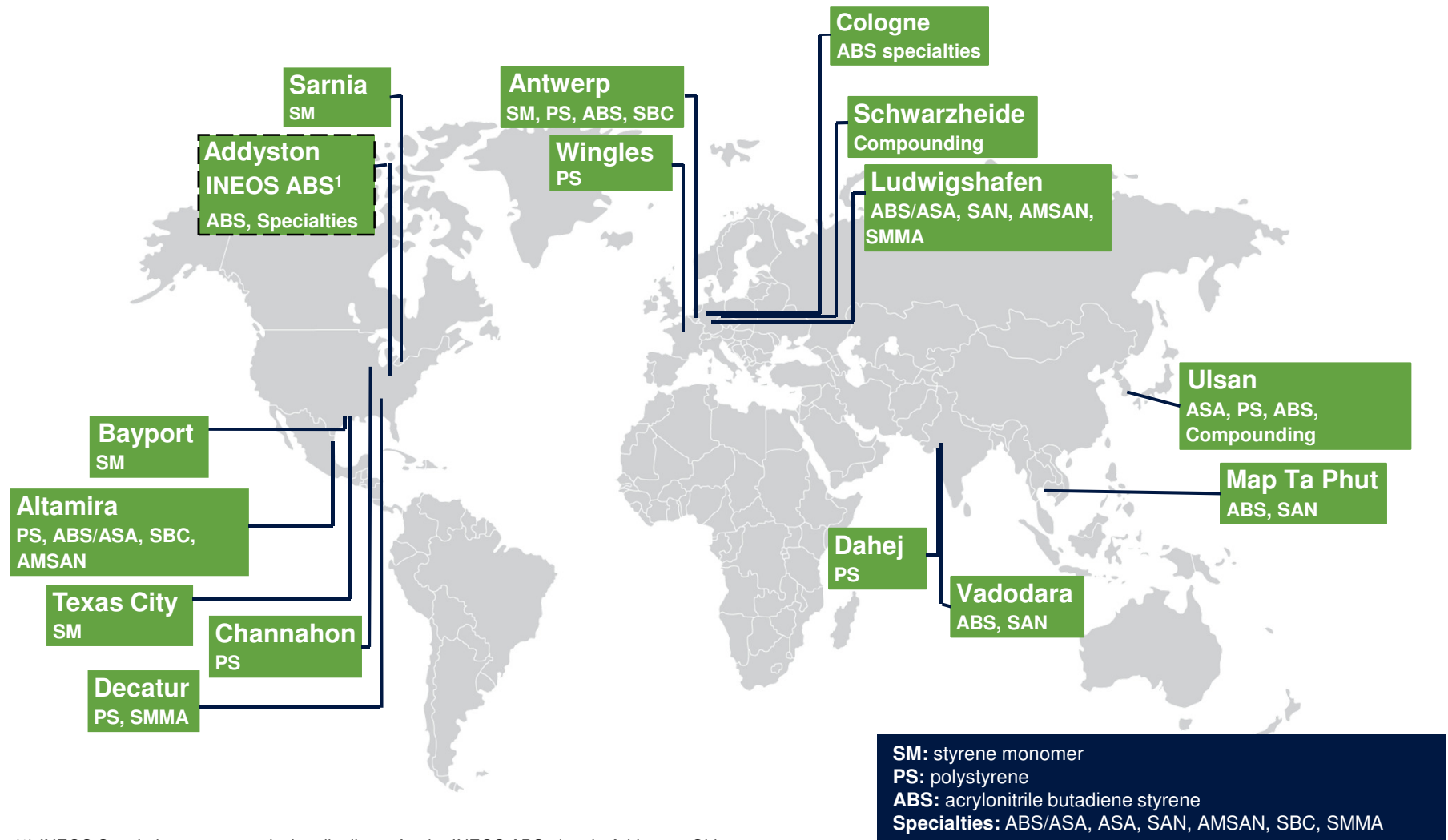
<b>2016-17 Performance summary</b>	<ul style="list-style-type: none"><li>• PBT increased to 295 Mio INR in July-September 16 from 227 Mio INR in April-June 16.</li><li>• PBT increased mainly due to competitive pricing.</li></ul>
<b>2016-17 Business update</b>	<ul style="list-style-type: none"><li>• Focus on margin improvement.</li><li>• Increased share of business with strategic/potential accounts in Automotive and Household segment.</li><li>• The Company adopted Indian Accounting Standards (Ind AS) from 01/04/2016. The figures for the quarter &amp; half year ended 30/09/2015 are also Ind AS compliant.</li></ul>
<b>2016-17 Market update</b>	<ul style="list-style-type: none"><li>• Continued growth of market demand mainly driven by Automotive and Household.</li><li>• The Company retained leadership position in Automotive. However, competition from imports had impact on market share.</li></ul>

# INEOS Styrolution at a glance



**Global leader in styrenics**

# 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 m<sup>2</sup>



### Katol

- SAN 100 kt/a
- 45,000 m<sup>2</sup>



### Moxi

- Compounding 66 kt/a
- 37,700 m<sup>2</sup>



### Dahej

- GPPS 38 kt/a; HIPS 40kt/a
- 227,286 m<sup>2</sup>



### Moxi - R&D Centre



### Kandla - Shore tanks

- 11 tanks, 13.2 km<sup>3</sup>

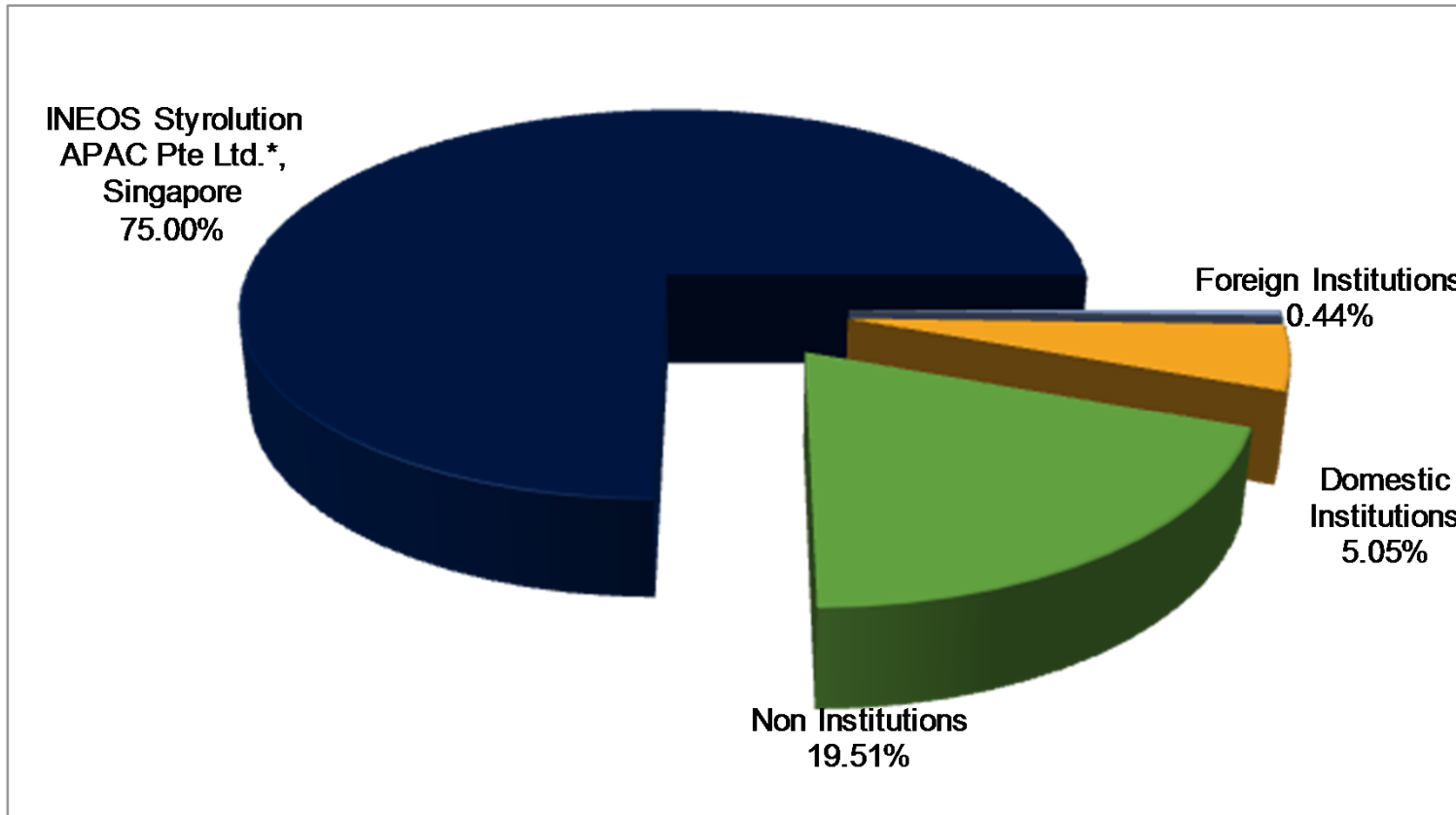


### Lamba, Dhank, Pransla - Windmills

- 40 wind turbines
- 8.6 MW

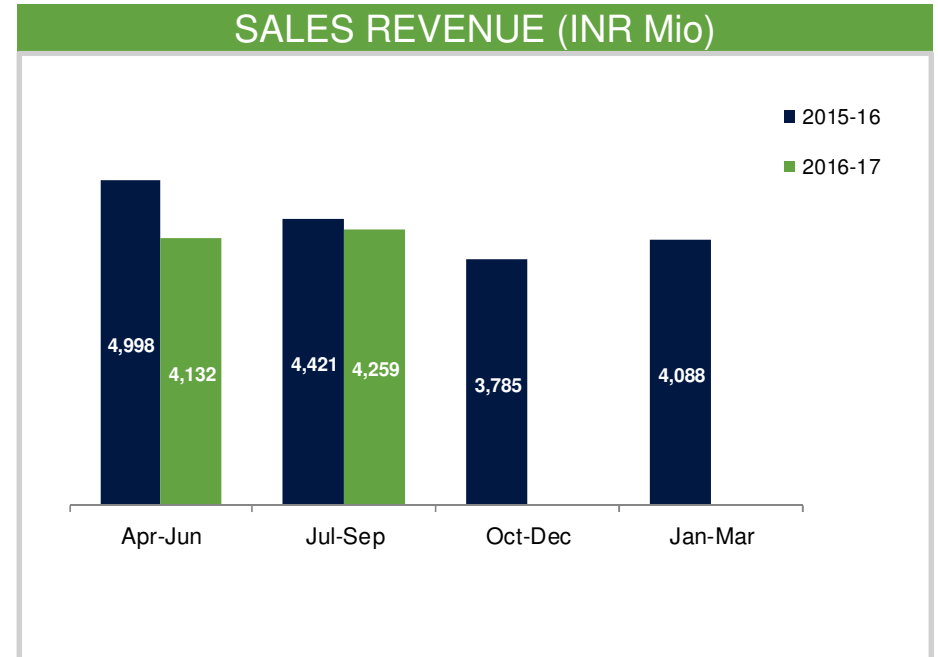
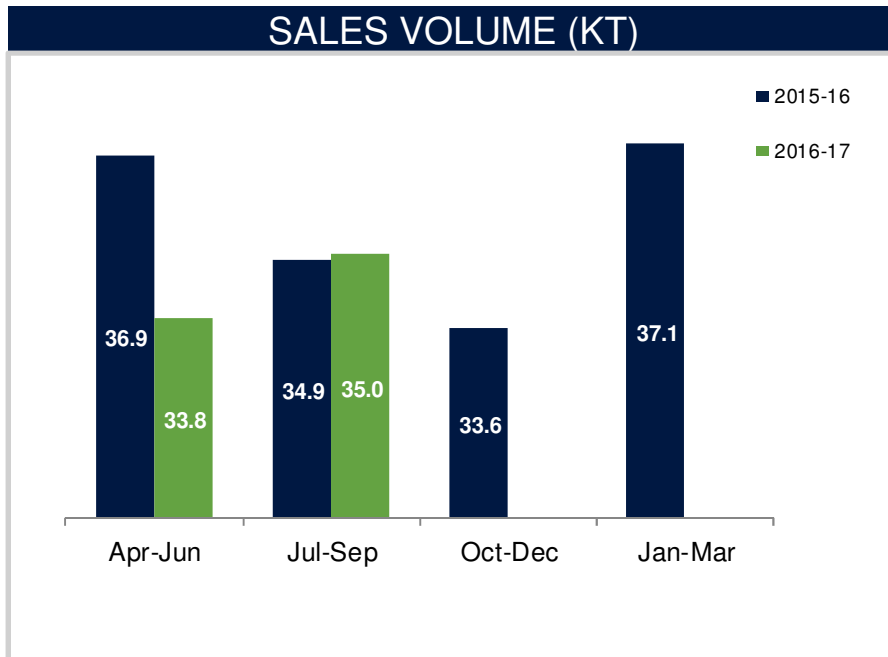
# Shareholding pattern

as of September 30, 2016



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

# Sales performance



- Sales volume increased due to improved raw materials availability as compared to previous quarter.

# Financial review

## Q2 2016-17 (Jul-Sep) results highlights

(Unit : INR Mio except volumes & EPS)

Particulars	Jul-Sep 16	Apr-Jun 16	Jul-Sep 15	% vs Apr-Jun 16	% vs Jul-Sep 15
Volumes (kt)	35	34	35	3.6	0.2
Sales Revenue	4,259	4,132	4,421	3.1	-3.7
Other Income	161	139	106	15.6	51.8
Cost of goods sold	2,925	2,885	3,306	1.4	-11.5
Exice Duty	470	461	495	1.8	-5.2
Depreciation & amortization	63	63	69	-0.3	-9.1
Other expenses	667	634	654	5.2	2.1
Profit before tax	295	227	2	29.9	-
Profit after tax	192	150	149 <sup>*</sup>	28.2	29.2
Other comprehensive income	(2)	(2)	(2)	0.0	7.3
Total comprehensive income	190	148	147	28.5	29.5
EPS (Rs.)	10.92	8.52	8.45	28.2	29.2

\* Jul-Sept 15 : Profit after tax includes tax credit of 192 Mio INR pertaining to Styrolution India Private Limited consequent to amalgamation with the company w.e.f. April 1, 2015 (Refer Note 6 & 7 in published result)

# Financial review

## H1 2016-17 (Jul-Sept) results highlights

(Unit : INR Mio except volumes & EPS)

Particulars	Apr-Sep 16	Apr-Sept 15	% vs Apr-Jun 16
Volumes (kt)	69	72	-4.5
Sales Revenue	8,391	9,419	-10.9
Other Income	300	246	21.9
Cost of goods sold	5,810	6,647	-12.6
Exice Duty	931	1,044	-10.8
Depreciation & amortization	126	140	-9.4
Other expenses	1,302	1,459	-10.8
Profit before tax	522	377	38.8
Profit after tax	342	420*	-18.5
Other comprehensive income	(3)	(3)	7.3
Total comprehensive income	338	416	-18.7
EPS (Rs.)	19.43	23.86	-18.5

\* Apr-Sept 15 : Profit after tax includes tax credit of 192 Mio INR pertaining to Styrolution India Private Limited consequent to amalgamation with the company w.e.f. April 1, 2015 (Refer Note 6 & 7 in published result)

# Segment revenue & results

Q2 2016-17 (Jul-Sep) results highlights

(Unit : INR Mio)

Particulars	Jul-Sep 16	Apr-Jun 16	Jul-Sep 15	% vs Apr-Jun 16	% vs Jul-Sep 15
<b>1. Segment revenue</b>					
(Revenue from operations)					
(a) Specialties	2,964	2,820	3,191	5.1	-7.1
(b) Polystyrene	1,295	1,312	1,230	-1.3	5.3
(c) Others	143	133	91	7.8	57.3
<b>Total</b>	<b>4,402</b>	<b>4,265</b>	<b>4,512</b>	<b>3.2</b>	<b>-2.4</b>
<b>2. Segment results</b>					
(Segment profit before interest and tax)					
(a) Specialties	323	267	163	21.0	97.6
(b) Polystyrene	20	11	(101)	74.1	119.5
(c) Others	2	8	(0)	-69.8	-
<b>Total segment profit before interest and tax</b>	<b>345</b>	<b>286</b>	<b>62</b>	<b>20.5</b>	<b>454.7</b>
(i) Interest expense	12	15	27	-15.0	-55.1
(ii) Interest income	9.6	0.3	7.8	2746.4	22.6
(iii) Other unallocable expenditure (Net of income)	47	45	41	4.9	16.0
<b>Profit before tax</b>	<b>295</b>	<b>227</b>	<b>2</b>	<b>29.9</b>	<b>-</b>

# Segment revenue & results

H1 2016-17 (Apr-Sep) results highlights

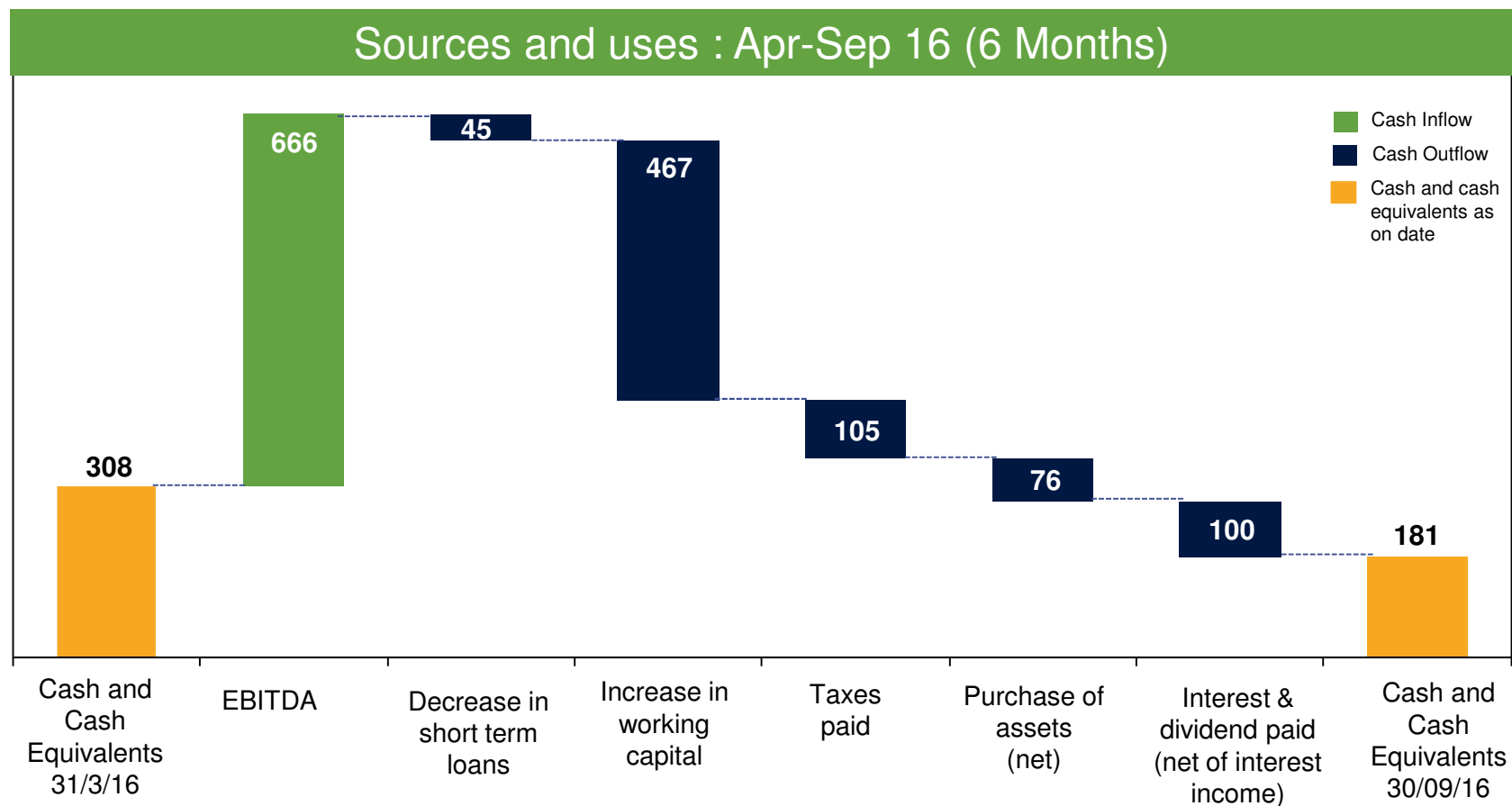
(Unit : INR Mio)

Particulars	Apr-Sep 16	Apr-Sept 15	% vs Apr-Jun 16
<b>1. Segment revenue</b>			
(Revenue from operations)			
(a) Specialties	5,784	6,682	-13.4
(b) Polystyrene	2,607	2,737	-4.8
(c) Others	276	227	21.6
<b>Total</b>	<b>8,667</b>	<b>9,646</b>	<b>-10.2</b>
<b>2. Segment results</b>			
(Segment profit before interest and tax)			
(a) Specialties	590	508	16.0
(b) Polystyrene	31	47	-33.8
(c) Others	11	9	12.4
<b>Total segment profit before interest and tax</b>	<b>631</b>	<b>565</b>	<b>11.8</b>
(i) Interest expense	27	51	-47.0
(ii) Interest income	9.9	8.3	19.0
(iii) Other unallocable expenditure (Net of income)	92	146	-36.9
<b>Profit before tax</b>	<b>522</b>	<b>377</b>	<b>38.8</b>

# Financial profile

Sources and uses of cash and cash equivalents for the period Apr 16 to Sep 16

(UNIT: INR MIO)



- Increase in working capital is mainly due to inventory built-up considering planned shutdown.



# Outlook 2016

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## Assumptions for 2016

- We expect range bound movement in raw material prices & currency rates.
- Evaluate implications going forward due to recent demonetization of Rs. 500 & Rs. 1000 currency notes.

## Target 2016

- Continue to strengthen our position in focus industries, mainly in Automotive & Household and penetrate in other industries.
- Continue product mix up to drive margin growth and add new grades to our product portfolio.
- Improve distribution network through 3PL (3<sup>rd</sup> Party Logistics).

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**THANK YOU**

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