

INEOS STYROLUTION INDIA LIMITED

(FORMERLY KNOWN AS STYROLUTION ABS (INDIA) LIMITED)

INVESTOR PRESENTATION

Q4 2016-17 (January-March)

INEOS
STYROLUTION

Driving Success. Together.

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Notes

- These statements have 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 recognised 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 and the impact has been given in opening reserves of that date. March 31, 2016 results have been restated accordingly.
- 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. 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. Figures published under IGAAP for the quarter ended March 31, 2016 included 12 months figures of SIN on account of amalgamation. To give effect of amalgamation from April 1, 2015, figures for quarter ended March 31, 2016 published under IGAAP have been restated.
- The figures for the previous periods 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 (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

Jan-Mar 17 & YTD Performance summary

- Profit Before Tax (PBT) increased to 388 Mio INR in Jan-Mar 17 compared to 273 Mio INR in Jan-Mar 16 and 92 Mio INR in Oct-Dec 16.
- YTD Apr 16-Mar 17 PBT increased to 1,003 Mio INR compared to 602 Mio INR in the corresponding previous year's period.
- This increase in PBT was mainly driven by better margins and inventory gain.

Jan-Mar 17 Market update

- Market recovered in current quarter after the impact of demonetization in previous quarter.
- Improved in utilization rates for Automotive and Household industries as compared to previous quarter.

Jan-Mar 17 Business update

- Specialties growth in focus industries of Automotive, Household and Electronics was in line with market.
- We had a planned shutdown in this period.

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

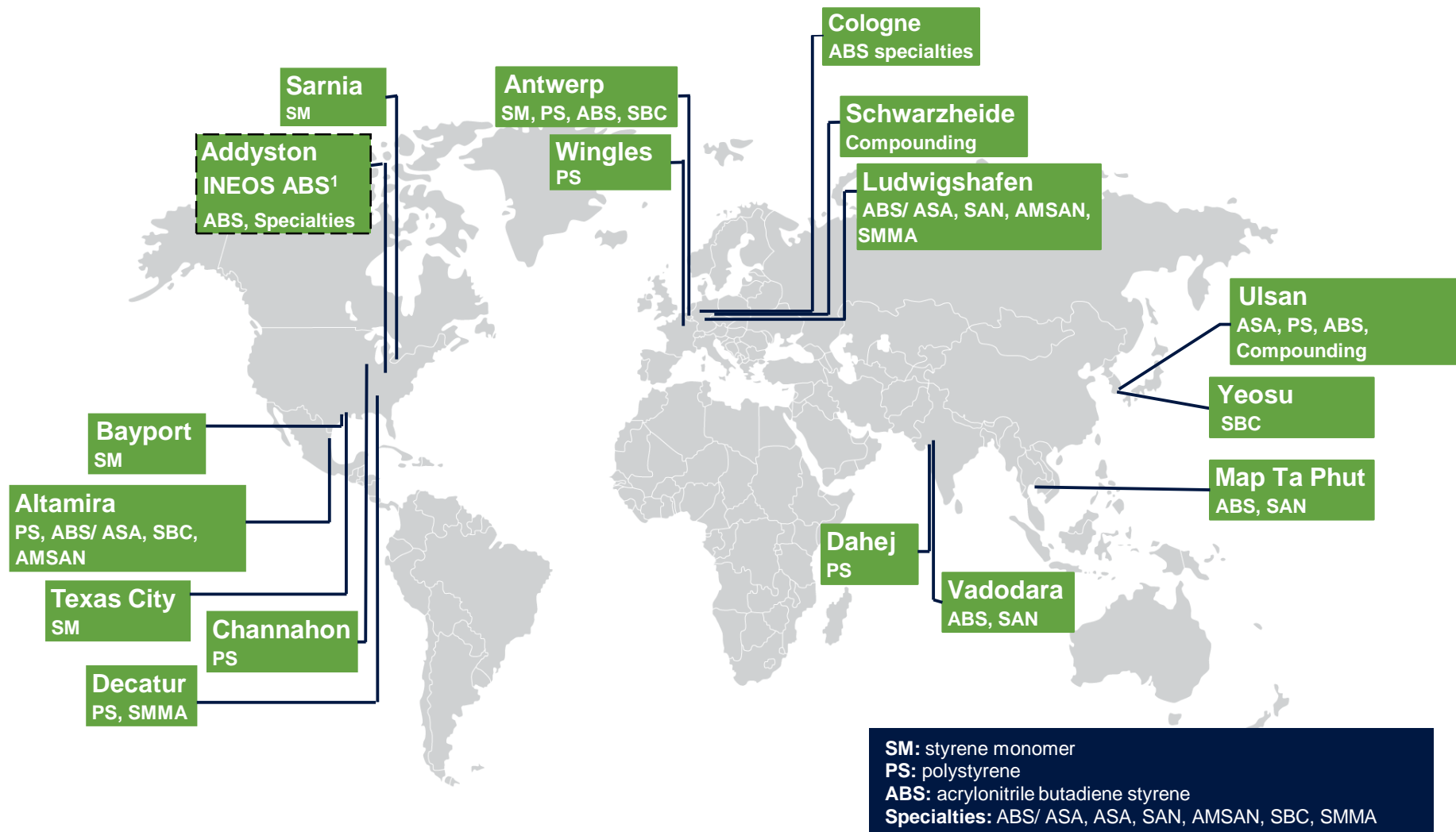


TOYS, SPORTS
& LEISURE

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

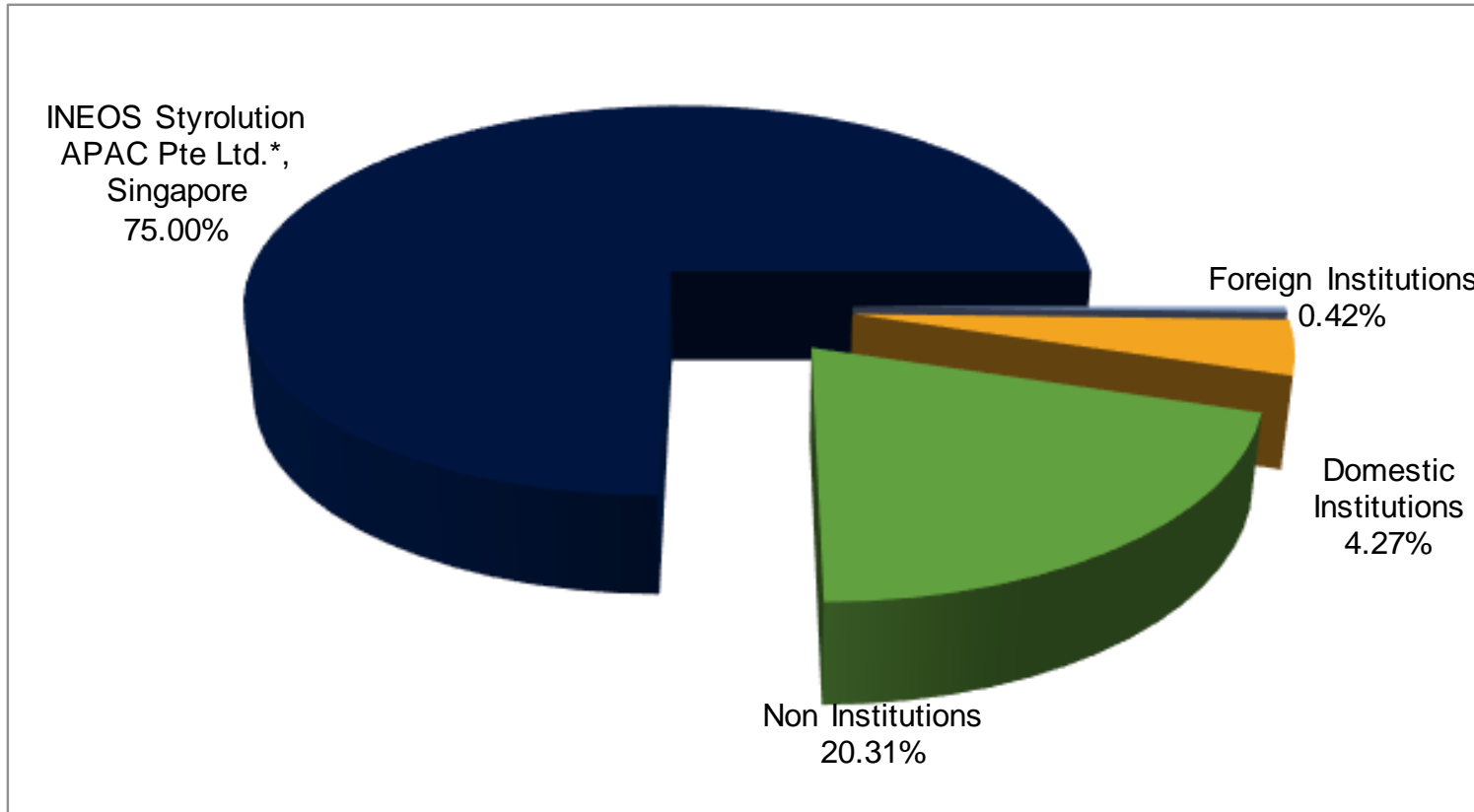


Lamba, Dhank, Pransla - Windmills

- 40 wind turbines
- 8.6 MW

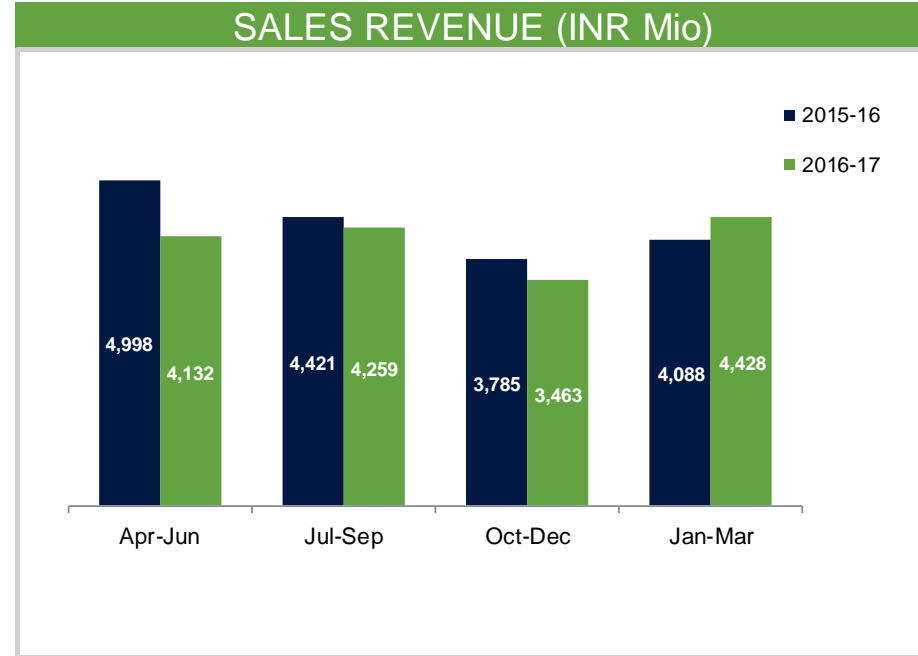
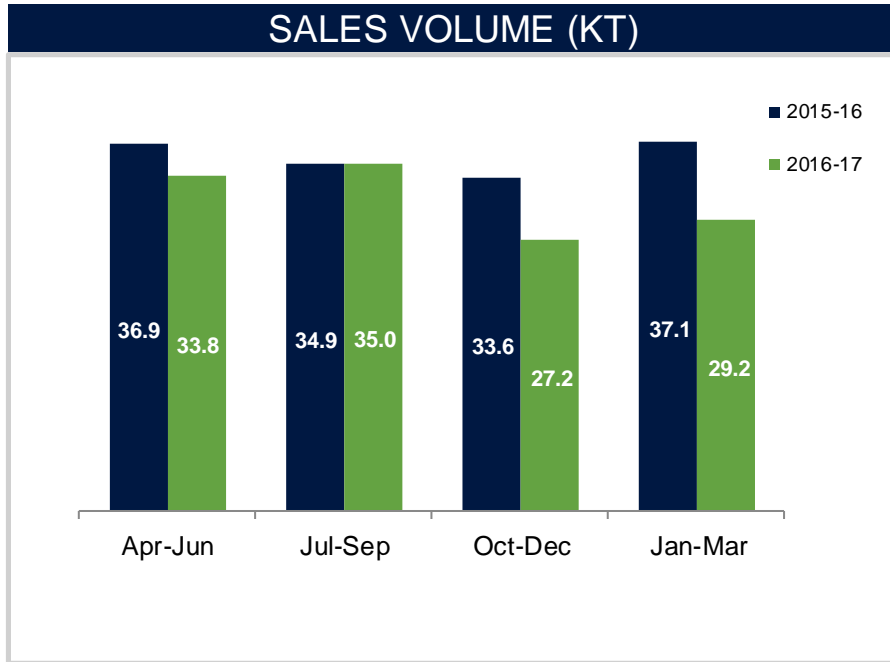
Shareholding pattern

as at March 31, 2017



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

Sales performance



- Sales volume increased as market recovered from demonetization.
- Sales revenue increased due to increase in prices of basic raw material and international finished goods.
- Continued to optimize product mix to improve the business.

Financial review

Q4 2016-17 (Jan-Mar) results highlights

(Unit : INR Mio except volumes & EPS)

Particulars	Jan-Mar 17	Oct-Dec 16	Jan-Mar 16	% vs Oct-Dec 16	% vs Jan-Mar 16
Volumes (kt)	29.2	27.2	37.1	7.5	-21.3
Sales Revenue	4,428	3,463	4,088	27.8	8.3
Other Income	77	74	157	4.4	-51.0
Cost of goods sold	2,844	2,285	2,811	24.4	1.2
Excise Duty	517	411	455	25.7	13.6
Depreciation & amortization	63	63	67	0.0	-6.3
Other expenses	693	685	639	1.1	8.4
Profit before tax	388	92	273	320.4	42.1
Profit after tax	297	54	265	448.1	11.8
Other comprehensive income	0.04	-1.1	-2.0	-103.2	-101.8
Total comprehensive income	297	53	263	459.9	12.7
EPS (Rs.)	16.88	3.08	15.10	448.1	11.8

- Increase in profit before tax was mainly driven by better margins and inventory gain.

Financial review

YTD 2016-17 (Apr-Mar) results highlights

(Unit : INR Mio except volumes & EPS)

Particulars	Apr 16-Mar 17	Apr 15-Mar 16	% vs Apr 15-Mar 16
Volumes (kt)	125.2	142.5	-12.2
Sales Revenue	16,282	17,293	-5.8
Other Income	451	488	-7.7
Cost of goods sold	10,929	12,151	-10.1
Excise Duty	1,868	1,914	-2.4
Depreciation & amortization	253	272	-7.1
Other expenses	2,680	2,841	-5.7
Profit before tax	1,003	602	66.5
Profit after tax	693	638*	8.5
Other comprehensive income	-4.5	-6.7	-33.7
Total comprehensive income	688	632	9.0
EPS (Rs.)	39.40	36.30	8.5

* Apr 15–Mar 16 : Profit after tax includes tax credit of 188 Mio INR pertaining to Styrolution India Private Limited consequent to amalgamation with the company w.e.f. April 1, 2015.

Financial review

Balance sheet

(Unit : INR Mio)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
I ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	2,190.39	2,412.15	2,653.37
(b) Capital work in progress	176.89	21.32	1.98
(c) Financial assets			
(i) Investments	8.54	5.19	5.00
(ii) Loans	1.03	0.79	0.78
(iii) Other financial assets	55.66	55.59	56.55
(d) Non-current tax assets	258.50	296.32	196.44
(e) Other non-current assets	39.32	31.55	32.13
Total non-current assets	2,730.31	2,822.91	2,946.25
2 Current assets			
(a) Inventories	3,200.35	1,922.76	2,118.00
(b) Financial assets			
(i) Trade receivables	2,275.06	2,240.06	2,645.58
(ii) Cash and cash equivalents	158.21	245.05	198.81
(iii) Bank balance other than (ii) above	2.89	2.68	2.48
(iv) Loans	2.47	2.38	2.71
(c) Other current assets	2,182.72	2,016.34	2,117.84
Total current assets	7,821.70	6,429.28	7,085.42
TOTAL ASSETS	10,552.01	9,252.19	10,031.68

Financial review

Balance sheet

(Unit : INR Mio)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	175.86	175.86	175.86
(b) Other equity	5,694.63	5,090.95	4,551.83
Total equity	5,870.48	5,266.81	4,727.68
2 Non-Current liabilities			
(a) Financial liabilities	16.34	11.34	5.67
(b) Provisions	5.20	5.20	5.20
(c) Employee benefit obligations	38.23	30.59	22.62
(d) Deferred tax liabilities (net)	224.90	181.54	225.07
Total non-current liabilities	284.67	228.68	258.55
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	2,088.66	1,698.09	1,696.14
(ii) Trade payables	1,667.70	1,570.94	2,966.63
(iii) Other financial liabilities	568.81	433.93	308.09
(b) Employee benefit obligations	12.60	10.69	13.80
(c) Current tax liabilities	21.29	-	-
(d) Other current liabilities	37.80	43.05	60.80
Total current liabilities	4,396.86	3,756.71	5,045.45
Total liabilities	4,681.53	3,985.39	5,303.99
TOTAL EQUITY AND LIABILITIES	10,552.01	9,252.19	10,031.68

Segment revenue & results

Q4 2016-17 (Jan-Mar) results highlights

(Unit : INR Mio)

Particulars	Jan-Mar 17	Oct-Dec 16	Jan-Mar 16	% vs Oct-Dec 16	% vs Jan-Mar 16
1. Segment revenue					
(Revenue from operations)					
(a) Specialties	3,351	2,548	2,726	31.5	22.9
(b) Polystyrene	1,076	915	1,362	17.6	-21.0
(c) Others	66	68	153	-3.7	-57.1
Total	4,493	3,532	4,241	27.2	5.9
2. Segment results					
(Segment profit before interest and tax)					
(a) Specialties	372	155	221	139.9	68.2
(b) Polystyrene	67	-24	64	379.4	4.7
(c) Others	13	5	22	165.1	-41.5
Total segment profit before interest and tax	452	136	307	231.9	47.2
(i) Interest expense	19	15	18	29.8	7.4
(ii) Interest income	3.9	0.1	0.9	5,203	340.4
(iii) Other unallocable expenditure (Net of income)	49	29	17	67.3	185.6
Profit before tax	388	92	273	320.4	42.1

Segment revenue & results

YTD 2016-17 (Apr-Mar) results highlights

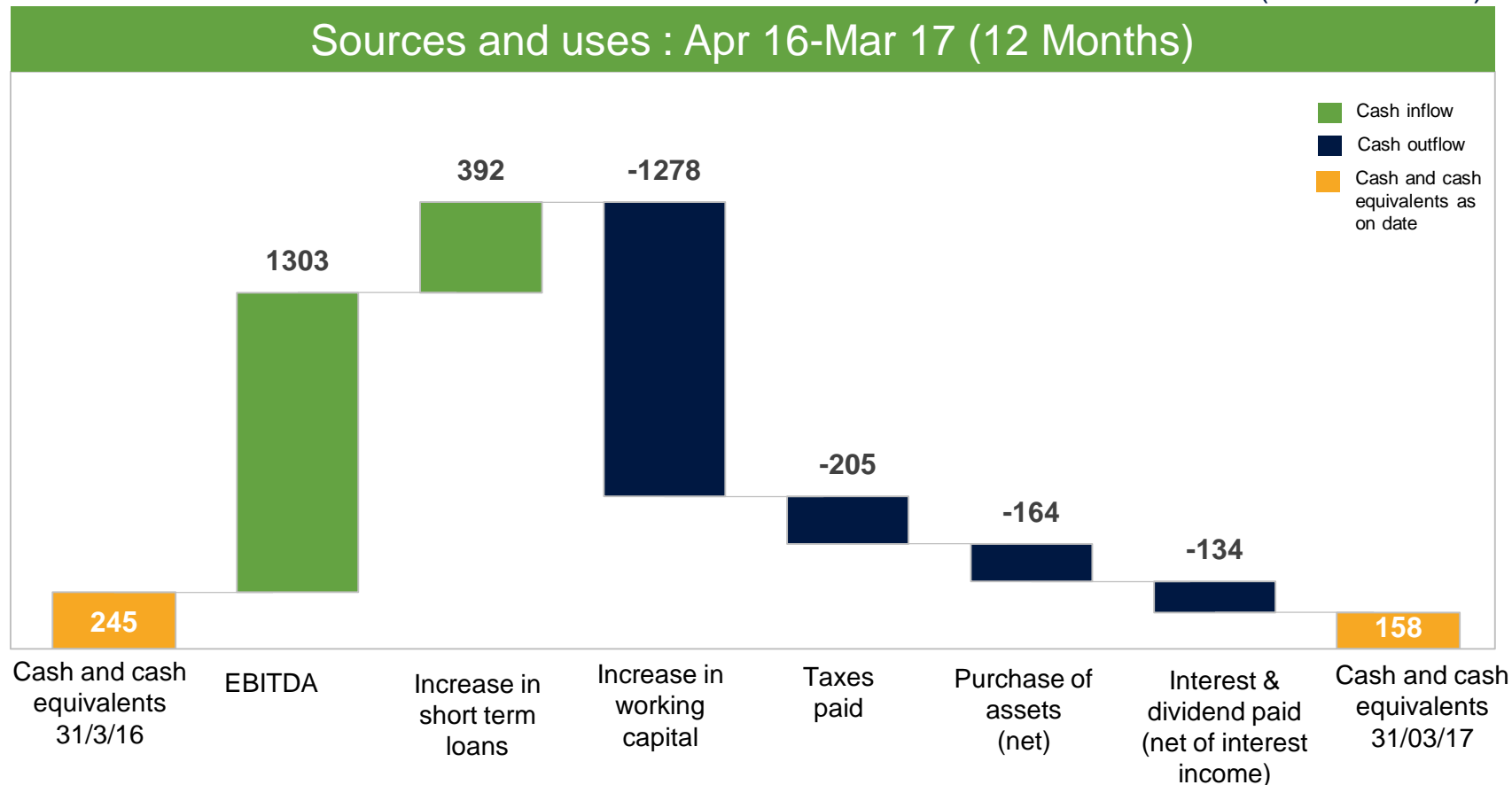
(Unit : INR Mio)

Particulars	Apr 16-Mar 17	Apr 15-Mar 16	% vs Apr 15-Mar 16
1. Segment revenue			
(Revenue from operations)			
(a) Specialties	11,683	11,942	-2.2
(b) Polystyrene	4,599	5,351	-14.1
(c) Others	410	461	-11.1
Total	16,692	17,753	-6.0
2. Segment results			
(Segment profit before interest and tax)			
(a) Specialties	1,118	784	42.6
(b) Polystyrene	74	97	-23.5
(c) Others	28	33	-13.8
Total segment profit before interest and tax	1,220	913	33.5
(i) Interest expense	61	98	-37.8
(ii) Interest income	14	9	50.0
(iii) Other unallocable expenditure (Net of income)	170	222	-23.6
Profit before tax	1,003	602	66.5

Financial profile

Sources and uses of cash and cash equivalents for the period Apr 16 to Mar 17

(Unit : INR Mio)



- Short-term increase in working capital driven by demonetization.

Outlook 2017

Assumptions for 2017

- We expect the new budget to enhance consumer spending.
- We expect a positive buying behavior by the consumers post demonetization.
- No major impact expected 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 addition of new grades to our product portfolio.
- Continue to optimize distribution network through third party logistics.
- Ensure stable operations.
- Successful GST transition.

THANK YOU
