

INEOS STYROLUTION INDIA LIMITED

INVESTOR PRESENTATION

Q4 2019-20 (Jan-Mar)

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.

Contents

Executive summary

Company information

Financial review

Outlook 2020

Executive Summary Jan – Mar 2020

Performance Summary

- Profit / (Loss) before tax and exceptional item:
 - Jan-Mar 20 : 89 mINR
 - Oct-Dec 19 : (58) mINR
 - Jan-Mar 19 : (203) mINR

Market Update

- COVID-19 impacted economy and demand adversely
- FG market prices did not improve as per expectation resulting in margin pressure
- Volatility seen in key raw material prices throughout the quarter
- Automotive market slow down continued during quarter
- Slowdown observed across all segments
- Imports continued in PS and ABS commodity segment
- Markets reacted adversely over announcement of ban on single use disposable plastics
- Liquidity crisis continues to weaken market sentiments
- Weakening INR compared to USD remains concern

COVID Measures

- The health and safety of all employees is our first priority – we have implemented strict measures in relation to social distancing, hygiene measures and work from home to minimize risk to our employees
- Plants did not operate during the period under lockdown situation as per Government rules
- Liquidity situation is under control, Company has implemented policies to control capex & all discretionary fixed costs and non-critical recruitments have been put on hold

INEOS Styrolution at a glance

 **3,600**
EMPLOYEES

 **10**
COUNTRIES

20 
PRODUCTION SITES

 **6** R&D
CENTERS

 **24** sales
offices

Nº1
GLOBAL
LEADER
in styrenics

90+
YEARS
of experience
in styrenics

founded in
2011

APPROX. **1,000**
PATENTS



4,000+
CUSTOMERS



1,500+ PRODUCTS



2,000+ APPLICATIONS ACROSS SEVEN INDUSTRIES

5 BILLION
EUROS IN REVENUE
IN 2019



AUTOMOTIVE



ELECTRONICS



HOUSEHOLD



CONSTRUCTION



HEALTHCARE

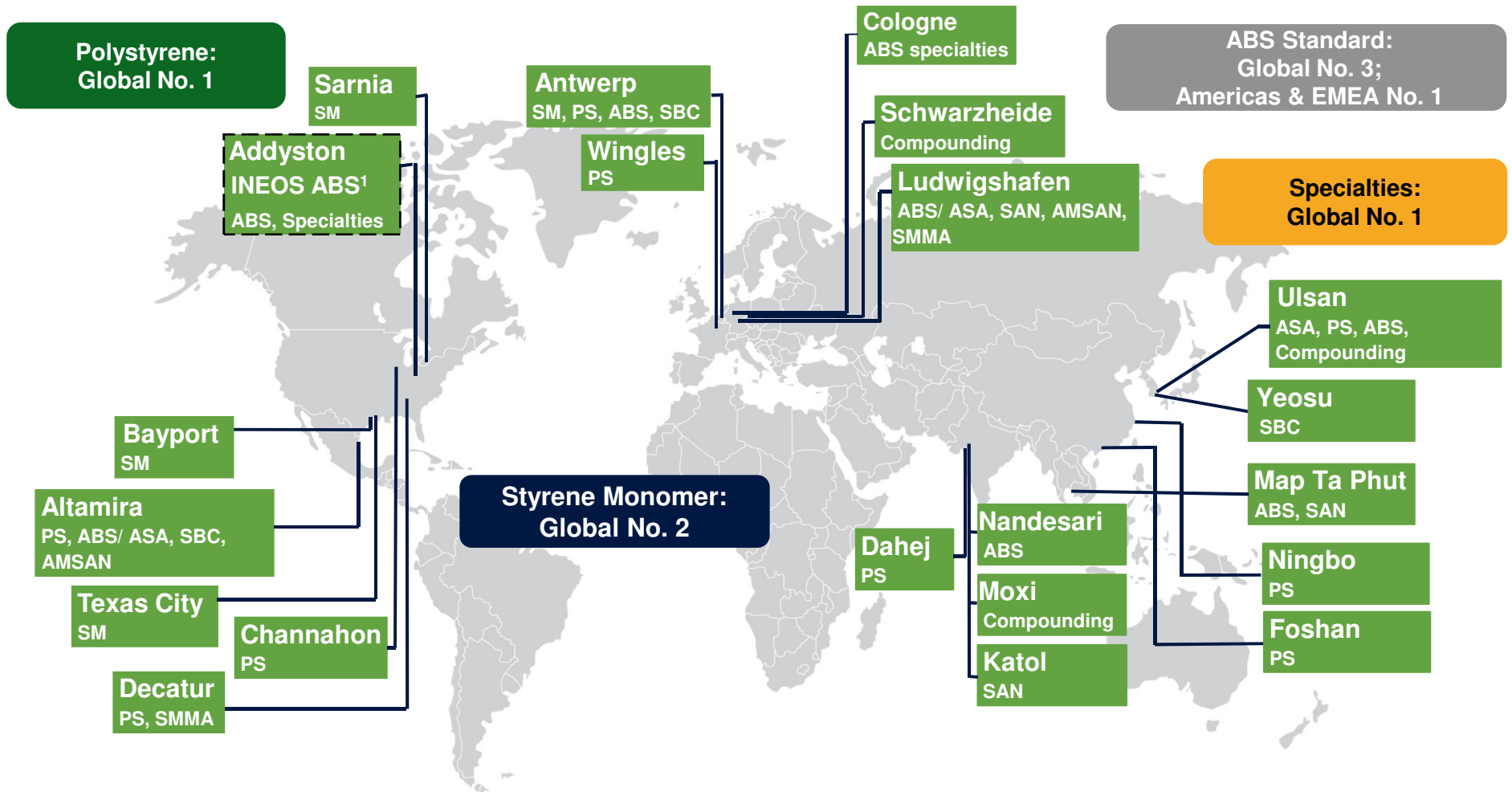


PACKAGING



TOYS, SPORTS
& LEISURE

Leading styrenics producer with global reach and proximity to customers

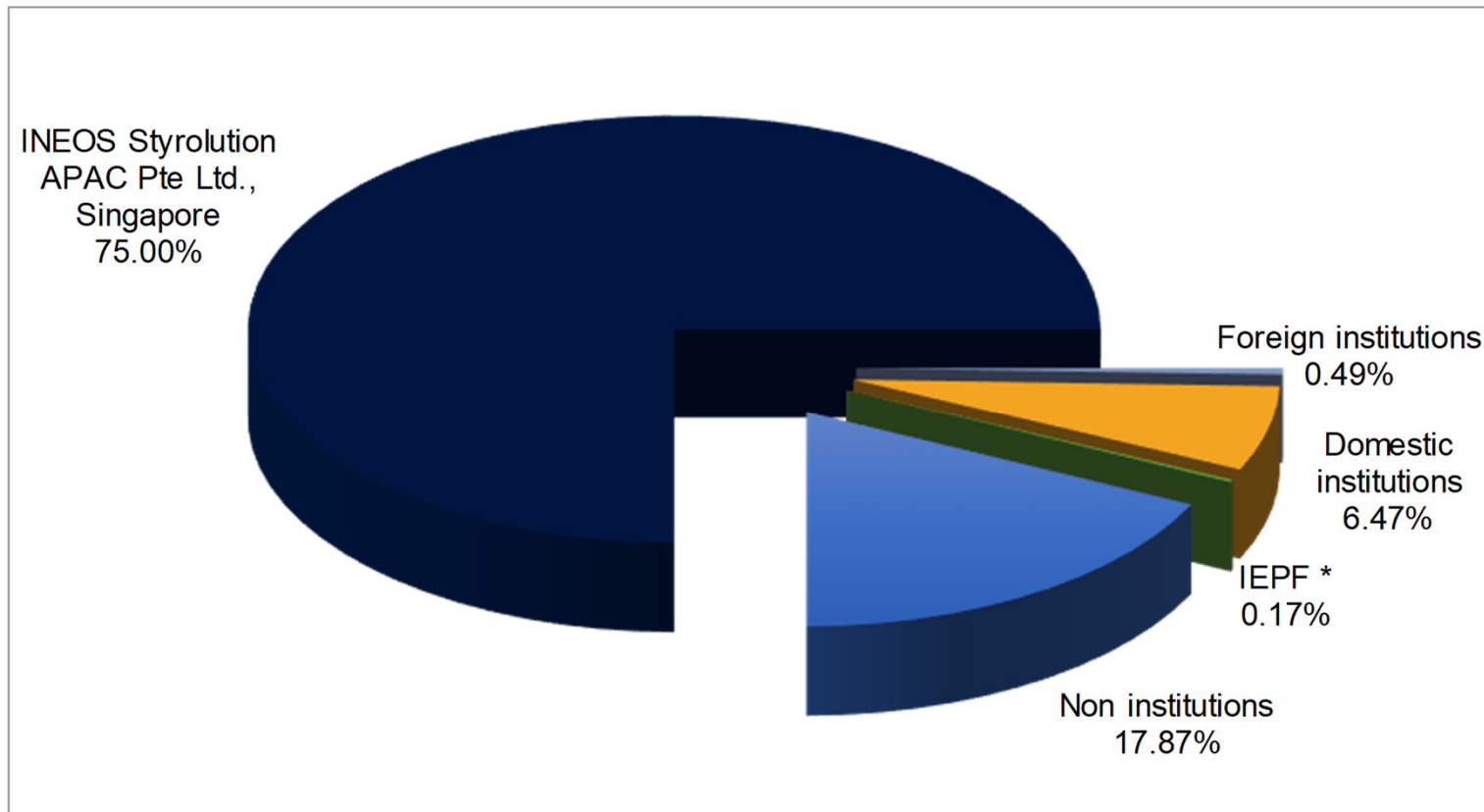


(1) INEOS Styrolution acts as exclusive distributor for the INEOS ABS plant in Addyston, Ohio.

INEOS Styrolution continuously strengthens its leading positions in key markets

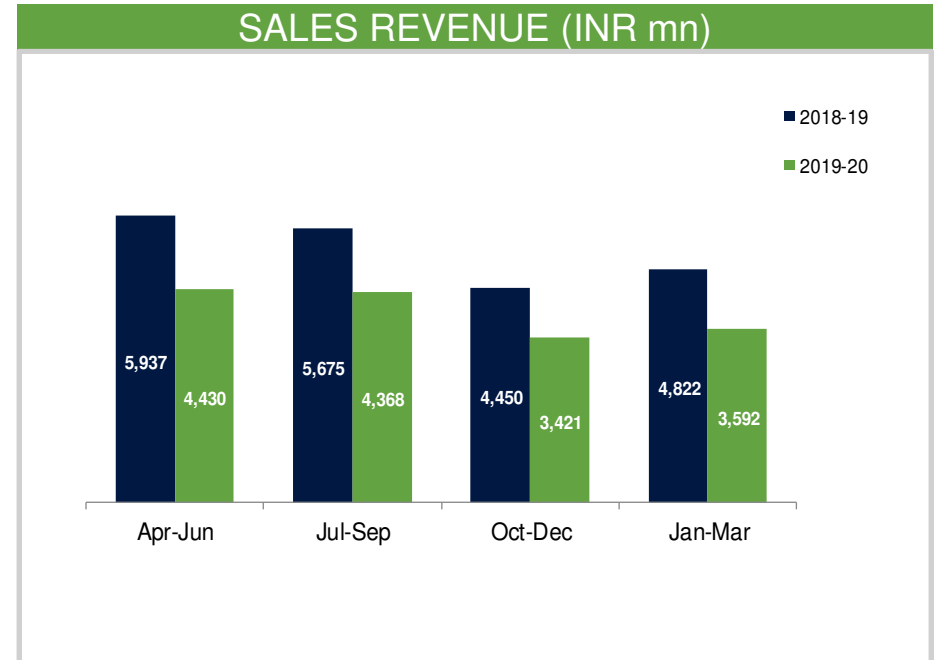
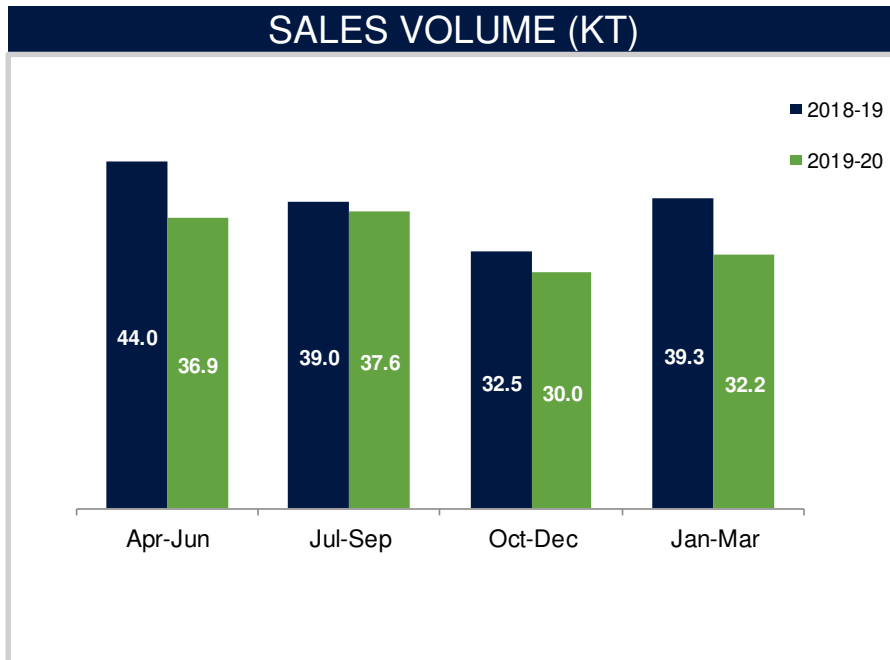
Shareholding pattern

as at Mar 31, 2020



* IEPF : Investor Education and Protection Fund [Government Organization]

Sales performance



Financial review

Quarter & Year Ended Mar 2020 results highlights

(Unit : INR mn except volumes & EPS)

Particulars	Jan-Mar 20	Oct-Dec 19	Jan-Mar 19	% vs Oct-Dec 19	% vs Jan-Mar 19	Apr-Mar 20	Apr-Mar 19	%
Volumes (kt)	32.2	30.0	39.0	7%	-17%	136.2	153.6	-11%
Sales revenue	3,590	3,397	4,822	6%	-26%	15,790	20,905	-24%
Other income	16	15	11	10%	44%	68	131	-48%
Cost of goods sold	2,659	2,668	4,071	0%	-35%	12,266	17,545	-30%
Depreciation & amortization	94	79	89	19%	5%	316	269	17%
Other expenses	765	723	877	6%	-13%	3,032	3,407	-11%
Profit / (loss) before exceptional Item & tax	89	(58)	(203)	-253%	-144%	245	(185)	-232%
Exceptional Item	-	380	-			380	0	
Profit / (loss) before tax	89	(438)	(203)	-120%	-144%	(135)	(185)	-27%
Profit / (loss) after tax	45	(331)	(136)	-113%	-133%	(95)	(125)	-24%
Other comprehensive income	(0)	(0)	(1)	31%	-80%	(2)	(3)	-32%
Total comprehensive income	44	(332)	(137)	-113%	-132%	(97)	(128)	-24%
EPS (Rs.)	2.5	(18.8)	(7.7)	-113%	-133%	(5.4)	(7.1)	-24%

Exceptional Item:

In respect of one of the leasehold lands, the Company has received provisional order from relevant authority, demanding to pay INR 194 mn towards transfer fee and non-utilization of land charges. Accordingly, the Company has created the provision for the said amount during the quarter ended December 31, 2019. In view of the said provisional order, the Company has reviewed its other similar leases for potential liability and accordingly, based on the assessment and best estimates of the management, a provision of INR 186 mn has been made during the quarter ended December 31, 2019 in respect transfer fees for those leases. The Management is in the process of evaluating various remedial measures that can be taken.

Segment revenue & results

Quarter & Year Ended Mar 2020 results highlights

(Unit : INR mn)

Particulars	Jan-Mar 20	Oct-Dec 19	Jan-Mar 19	% vs Oct-Dec 19	% vs Jan-Mar 19	Apr-Mar 20	Apr-Mar 19	% vs Apr-Mar 19
1. Segment revenue								
(Revenue from operations)								
(a) Specialties	2,625	2,562	3,438	2%	-24%	11,695	15,484	-24%
(b) Polystyrene	965	835	1,384	16%	-30%	4,095	5,421	-24%
Total	3,590	3,397	4,822	6%	-26%	15,790	20,905	-24%
2. Segment results								
(Segment profit before interest and tax)								
(a) Specialties	133	(89)	(167)	250%	180%	290	284	2%
(b) Polystyrene	65	(297)	9	122%	-588%	(183)	(264)	31%
Total segment profit before interest and tax	198	(386)	(157)	151%	226%	107	20	435%
(i) Interest expense	(49)	(39)	(45)	-27%	-11%	(159)	(127)	-25%
(ii) Interest income	0	0	3	174%	94%	18	25	-28%
(iii) Other unallocable expenditure (Net of income)	(60)	(13)	(4)	-364%	1370%	(101)	(103)	1%
Profit before tax	89	(438)	(203)	120%	144%	(135)	(185)	27%

Exceptional Item:

In respect of one of the leasehold lands, the Company has received provisional order from relevant authority, demanding to pay INR 194 mn towards transfer fee and non-utilization of land charges. Accordingly, the Company has created the provision for the said amount during the quarter ended December 31, 2019. In view of the said provisional order, the Company has reviewed its other similar leases for potential liability and accordingly, based on the assessment and best estimates of the management, a provision of INR 186 mn has been made during the quarter ended December 31, 2019 in respect transfer fees for those leases. The Management is in the process of evaluating various remedial measures that can be taken.

Segment assets & liabilities

Quarter & Year Ended Mar 2020 results highlights

(Unit : INR mn)

Particulars	Jan-Mar 20	Oct-Dec 19	Jan-Mar 19	% vs Oct-Dec 19	% vs Jan-Mar 19	Apr-Mar 20	Apr-Mar 19	% vs Apr-Mar 19
Segment assets								
(a) Specialties	8,129	8,271	8,520	-2%	-5%	8,129	8,520	-5%
(b) Polystyrene	2,182	2,041	2,353	7%	-7%	2,182	2,353	-7%
(c) Unallocated	255	237	345	8%	-26%	255	345	-26%
Total segment assets	10,566	10,550	11,217	0%	-6%	10,566	11,217	-6%
Segment liabilities								
(a) Specialties	2,699	2,993	2,520	-10%	7%	2,699	2,520	7%
(b) Polystyrene	1,105	834	664	33%	67%	1,105	664	67%
(c) Unallocated	664	674	1,802	-1%	-63%	664	1,802	-63%
Total segment liabilities	4,468	4,501	4,985	-1%	-10%	4,468	4,985	-10%

Outlook 2020

Assumptions for 2020

- Given the uncertainties in global economy due to events like COVID-19, trade war & ongoing strains among nations like India, US and China, can potentially disrupt demand / supply chain which may impact business
- We expect Indian economy to show improvements in H2 2020 after COVID-19, NBFC crisis. The Central government related measures like COVID relief package, liquidity support to industry like MSMEs, corporate tax reduction should help revival of Economy

Target 2020

- Continue to strengthen our product position in focus segments and drive mix to maximize margins in line with INEOS Styrolution Triple Shift Strategy
- Continue focus on safe operations and maximize utilization of in-house assets to improve ROCE

THANK YOU
