

# INEOS STYROLUTION INDIA LIMITED

(FORMERLY KNOWN AS STYROLUTION ABS (INDIA) LIMITED)

## INVESTOR PRESENTATION

Q1 2016-17 (April-June)

**INEOS**  
**STYROLUTION**

Driving Success. Together.

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# Disclaimer

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- The Company adopted Indian Accounting Standards (Ind AS) from 01/04/2016. The figures for the quarter ended 30/06/2015 are also Ind AS compliant.
- During the year 2015-16, Styrolution India Private Limited, a wholly owned subsidiary of the Company, was amalgamated with the Company pursuant to the Scheme of Amalgamation , as on and from 1 April 2015 being the appointed date pursuant to the approval of Board of Directors and shareholders of the Company and sanctioned by the Hon'ble High Court of Gujarat at Ahmedabad vide its order dated 26 February 2016, which was filed with Registrar of Companies on 31 March 2016.
- Ind AS 101 includes an optional exemption from restating business combinations that occurred prior to the date of transition to Ind AS. However this exemption does not extend to business combinations that occurred after the date of transition to Ind AS but within the comparative period. Accordingly, business combination with Styrolution India Private Limited, a wholly owned subsidiary of the Company have been restated to comply with Ind AS 103.
- The figures for the previous period have been regrouped wherever necessary.
- Notes on Segment Information :  
Segment Reporting in Standalone financial results: Based on the " management approach" as defined in Ind AS 108- Operating Segments, the Chief Operating Decision Maker evaluates the Group'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

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<b>2016-17 Performance summary</b>	<ul style="list-style-type: none"><li>• PBT decreased during the current quarter (Apr-Jun 16) to 227 Mio INR from 375 Mio INR in the corresponding quarter ended 30/06/2015.</li><li>• PBT decreased mainly due to:<ul style="list-style-type: none"><li>– Decrease in sales volume</li><li>– Higher Inventory gain in Apr-Jun 15.</li></ul></li></ul>
<b>2016-17 Business update</b>	<ul style="list-style-type: none"><li>• Performance was subdued due to limitations in material availability during this period.</li><li>• The Company adopted Indian Accounting Standards (Ind AS) from 01/04/2016. The figures for the quarter ended 30/06/2015 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>

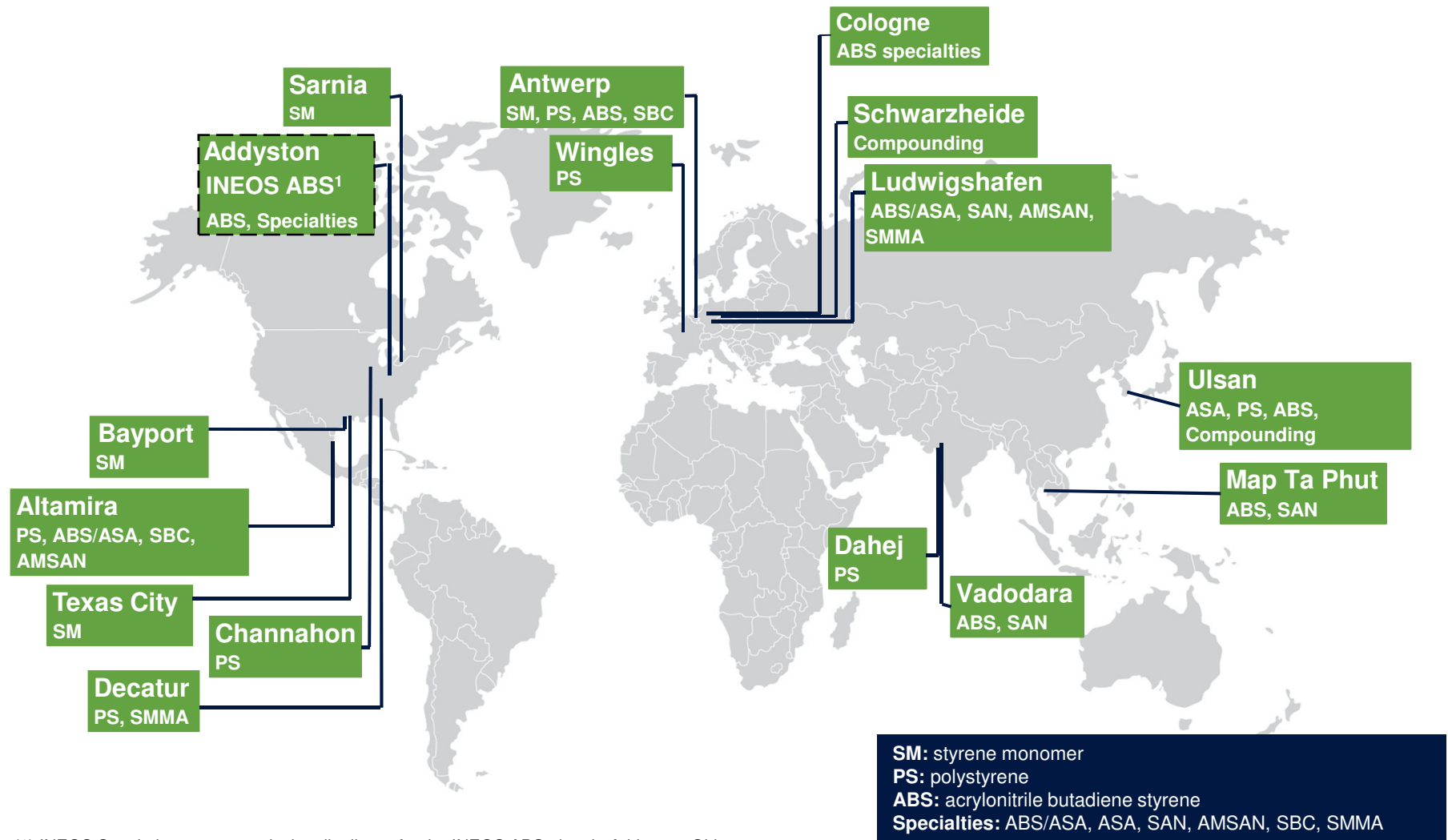


# INEOS Styrolution at a glance



**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 60 kt/a to 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>

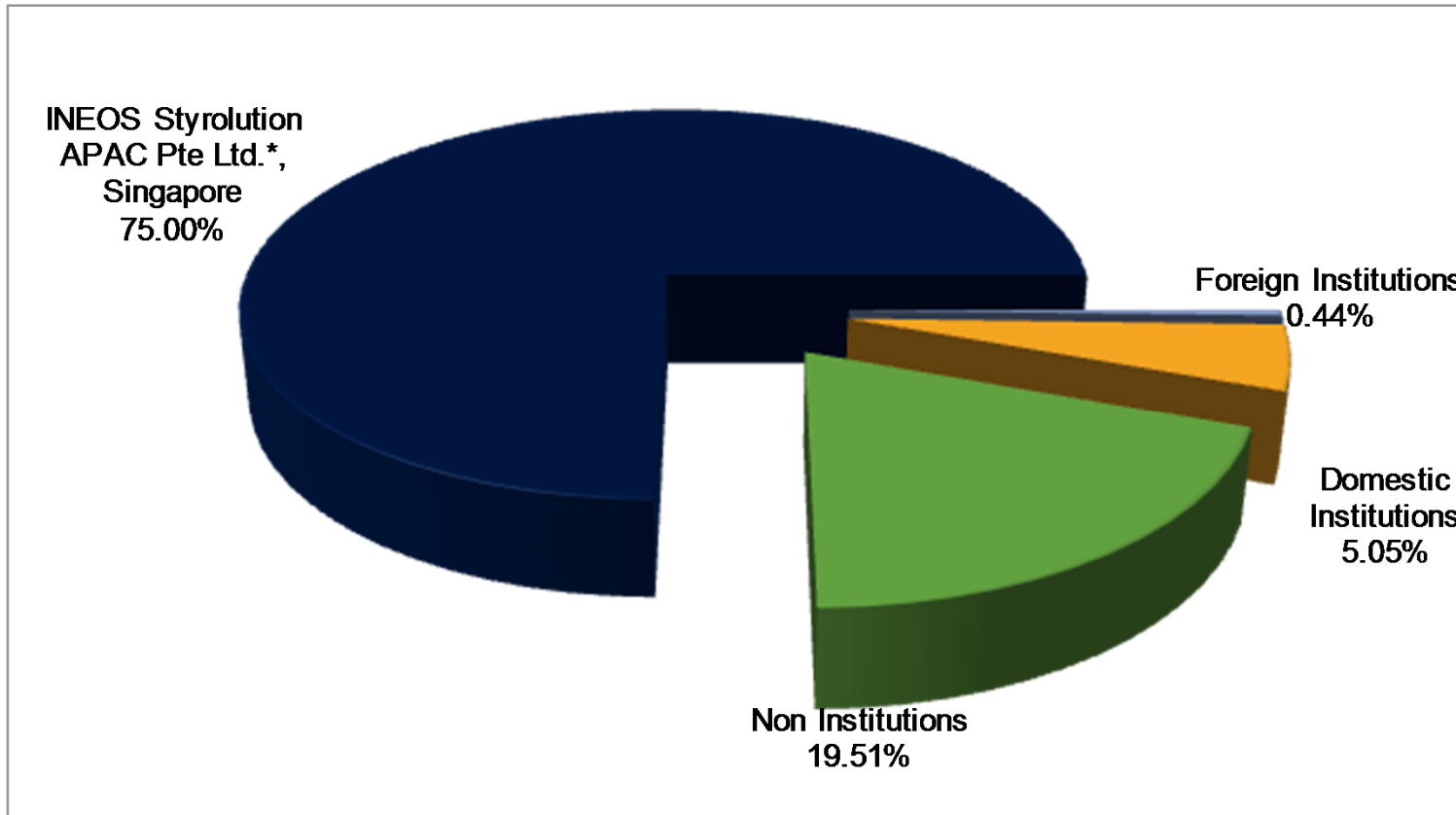


### Lamba, Dhank, Pransla - Windmills

- 40 wind turbines
- 8.6 MW

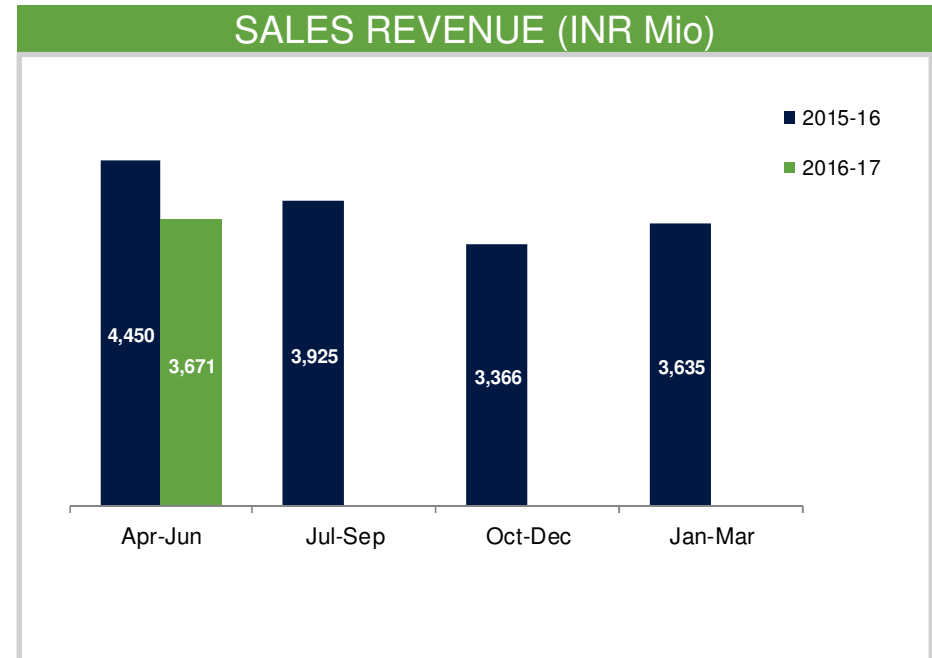
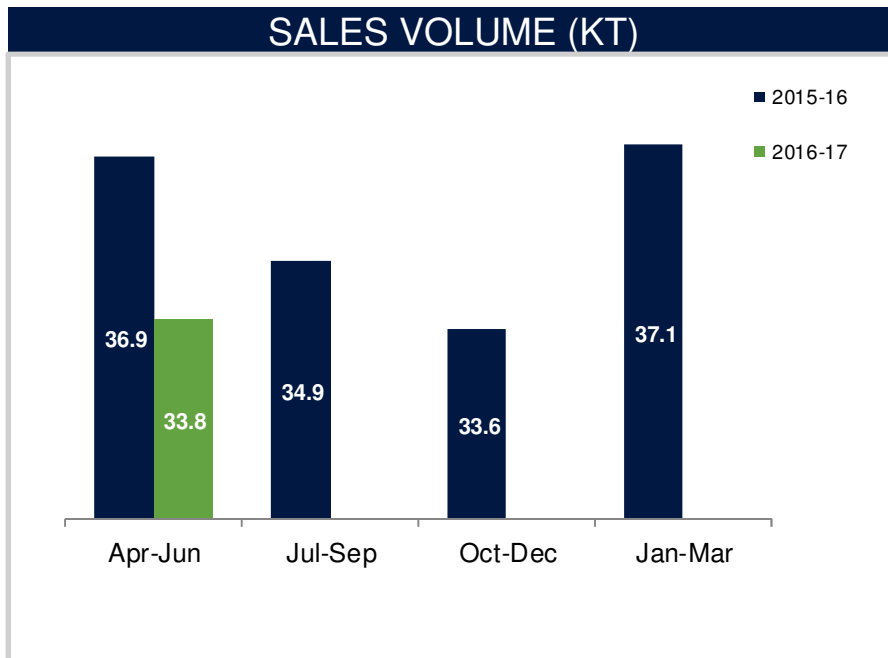
# Shareholding pattern

as of June 30, 2016



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

# Sales performance



- Sales volumes decreased as production was impacted by constrained supply of key raw material Butadiene.
- Sales revenues for this quarter in comparison to Apr-Jun 15 declined on the back of fall in international raw material/finished goods prices and lower sales volumes.

# Financial review

Q1 2016-17 (Apr-Jun) results highlights

(Unit : INR Mio except volumes & EPS)

Particulars	Apr-Jun 16	Apr-Jun 15	% vs Apr-Jun 15
Volumes (kt)	33.8	36.9	-8.4
Net sales (net of excise duty)	3,671	4,450	-17.5
Other Income	139	140	-0.7
Cost of goods sold	2,885	3,341	-13.6
Depreciation & amortization	63	70	-9.7
Other expenses	634	805	-21.2
Profit before tax	227	375	-39.3
Profit after tax	150	271	-44.7
Other comprehensive income	(2)	(2)	7.3
Total comprehensive income	148	269	-45.0
EPS (Rs.)	8.52	15.41	-44.7

# Segment revenue & results

Q1 2016-17 (Apr-Jun) results highlights

(Unit : INR Mio)

Particulars	Apr-Jun 16	Apr-Jun 15	% vs Apr-Jun 15
<b>1. Segment revenue</b>			
(Revenue from operations)			
(a) Specialties	2,502	3,104	-19.4
(b) Polystyrene	1,169	1,346	-13.2
(c) Others	133	136	-2.4
<b>Total</b>	<b>3,803</b>	<b>4,586</b>	<b>-17.1</b>
<b>2. Segment results</b>			
(Segment profit before interest and tax)			
(a) Specialties	267	345	-22.6
(b) Polystyrene	11	148	-92.4
(c) Others	8	9	-13.8
<b>Total segment profit before interest and tax</b>	<b>286</b>	<b>502</b>	<b>-43.0</b>
(i) Interest expense	15	23	-37.4
(ii) Interest income	0.3	0.5	-35.4
(iii) Other unallocable expenditure (Net of income)	45	105	-57.3
<b>Profit before tax</b>	<b>227</b>	<b>375</b>	<b>-39.3</b>

# Segment capital employed

Q1 2016-17 (Apr-Jun) results highlights

(Unit : INR Mio)

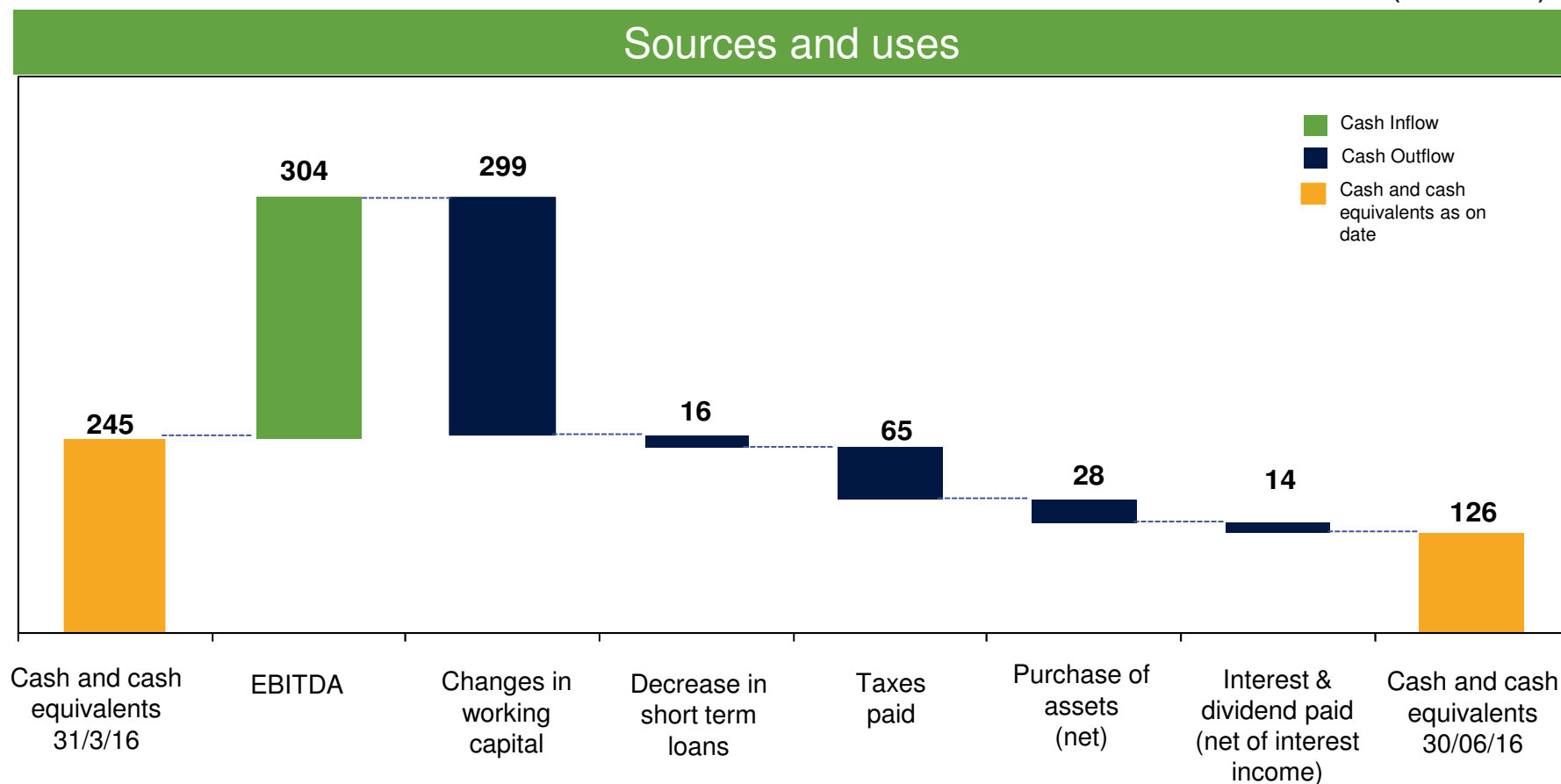
Particulars	Apr-Jun 16	Apr-Jun 15	% vs Apr-Jun 15
<b>Segment assets</b>			
(a) Specialties	6,243	7,101	-12.1
(b) Polystyrene	2,420	3,180	-23.9
(c) Unallocated	494	349	41.8
<b>Total segment assets</b>	<b>9,158</b>	<b>10,630</b>	<b>-13.8</b>
<b>Segment liabilities</b>			
(a) Specialties	1,290	2,409	-46.5
(b) Polystyrene	449	1,861	-75.8
(c) Unallocated	2,004	1,366	46.7
<b>Total segment liabilities</b>	<b>3,743</b>	<b>5,636</b>	<b>-33.6</b>
<b>Capital employed</b>			
(a) Specialties	4,954	4,692	5.6
(b) Polystyrene	1,971	1,319	49.4
(c) Unallocated	(1,510)	(1,017)	48.4
<b>Total</b>	<b>5,415</b>	<b>4,994</b>	<b>8.4</b>



# Financial profile

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

(UNIT:INR MIO)



# Outlook 2016

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## Assumptions for 2016

- We expect range bound movement in raw material prices & currency rates.
- 7<sup>th</sup> Pay Commission, good monsoon and infrastructure spending as mentioned in Union Budget may improve overall demand, especially from rural sector.
- Uncertainty prevails in global economy; Europe is still on a slow recovery path and China's GDP is expected to be lower than previous year.

## 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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