

# INEOS STYROLUTION INDIA LIMITED

## INVESTOR PRESENTATION

Q4 2018-19 (Jan-Mar)

**INEOS**  
**STYROLUTION**

Driving Success. Together.

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# Notes

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- Revenue from operations for period up to June 30, 2017 include excise duty, which is discontinued effective from July 01, 2017 upon implementation of Goods and Services Tax in India. In accordance with Ind AS 18, Revenue, GST is not included in revenue from operations. In view of the aforesaid restructuring of indirect taxes, revenue from operations for the quarter Apr - Jun 2018 is not comparable with the quarter Apr – Jun 2017. Similarly, revenue from operations for period Apr 2018 – Mar 2019 is not comparable with the period Apr 2017 – Mar 2018.
- 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

Company information

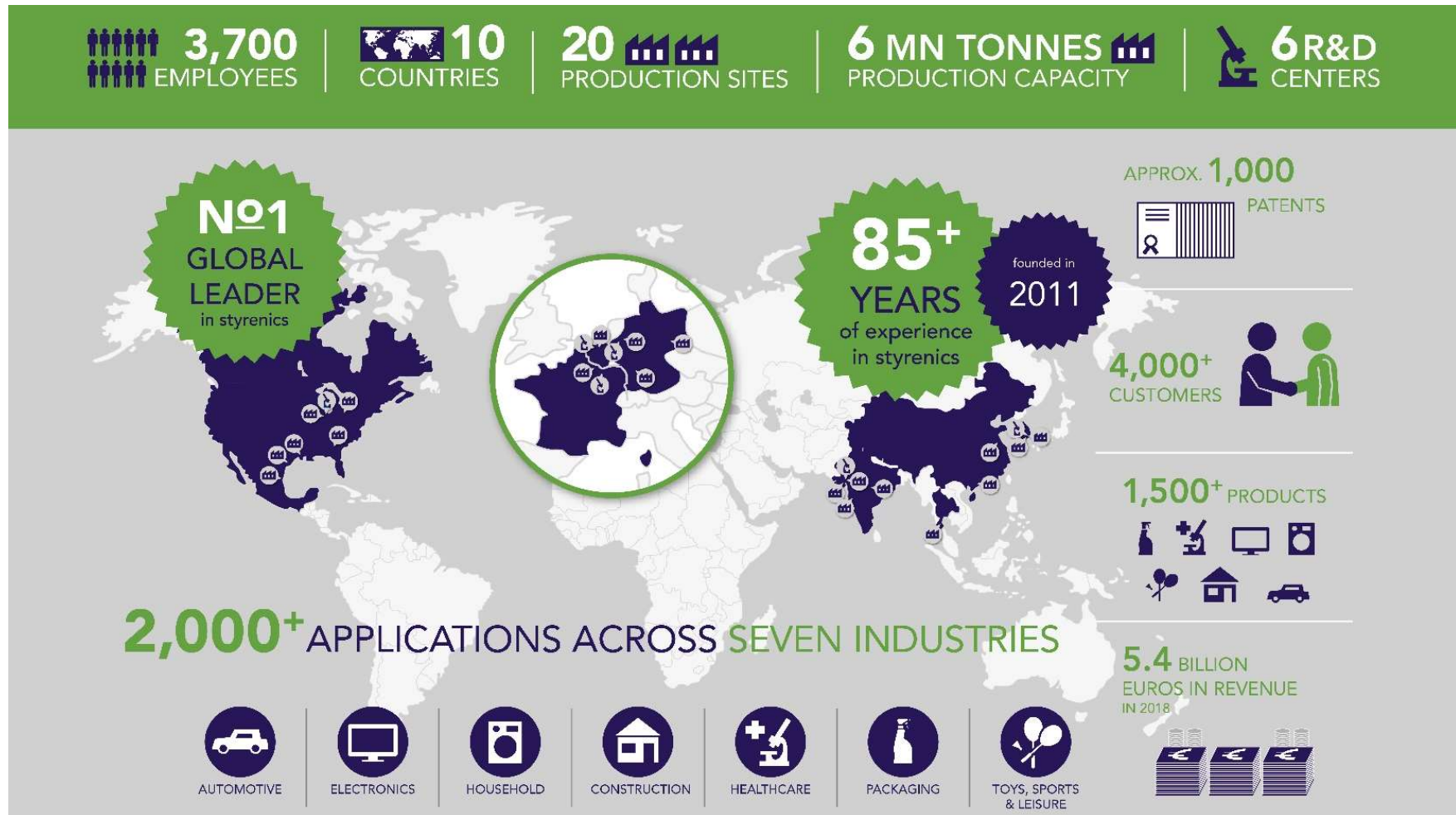
Financial review

Outlook 2019

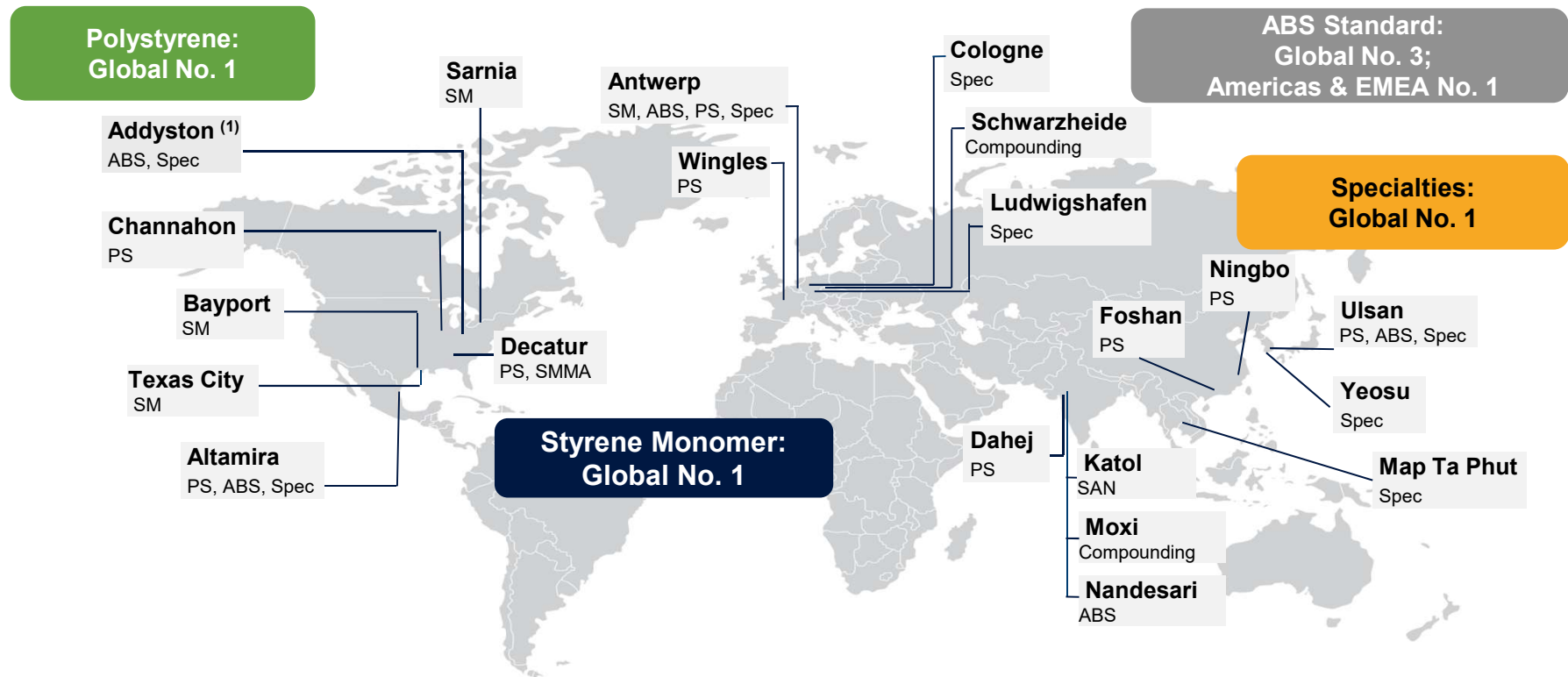
# Executive summary

<b>Jan – Mar 2019 Performance summary</b>	<ul style="list-style-type: none"><li>• Loss Before Tax (PBT) is (-203) INR mn in Jan-Mar 2019 as compared to (-355) INR mn in Oct-Dec 2018</li><li>• Loss Before Tax (PBT) is (-203) INR mn in Jan-Mar 2019 as compared to Profit before tax 504 INR mn in Jan-Mar 2018</li></ul>
<b>Jan – Mar 2019 Market update</b>	<ul style="list-style-type: none"><li>• Automotive market slow down continued during Jan to Mar 2019</li><li>• Slowdown observed across all segments</li><li>• Higher imports in PS and ABS commodity segment</li></ul>
<b>Jan – Mar 2019 Business update</b>	<ul style="list-style-type: none"><li>• Adverse impact of high cost raw material inventory due to slow demand</li><li>• Market prices did not improve which lead to adverse impact on margins</li><li>• Demand further impacted due to volatile INR which resulted in higher imports of PS and ABS</li></ul>

# INEOS Styrolution at a glance



# Leading styrenics producer with global reach and proximity to customers

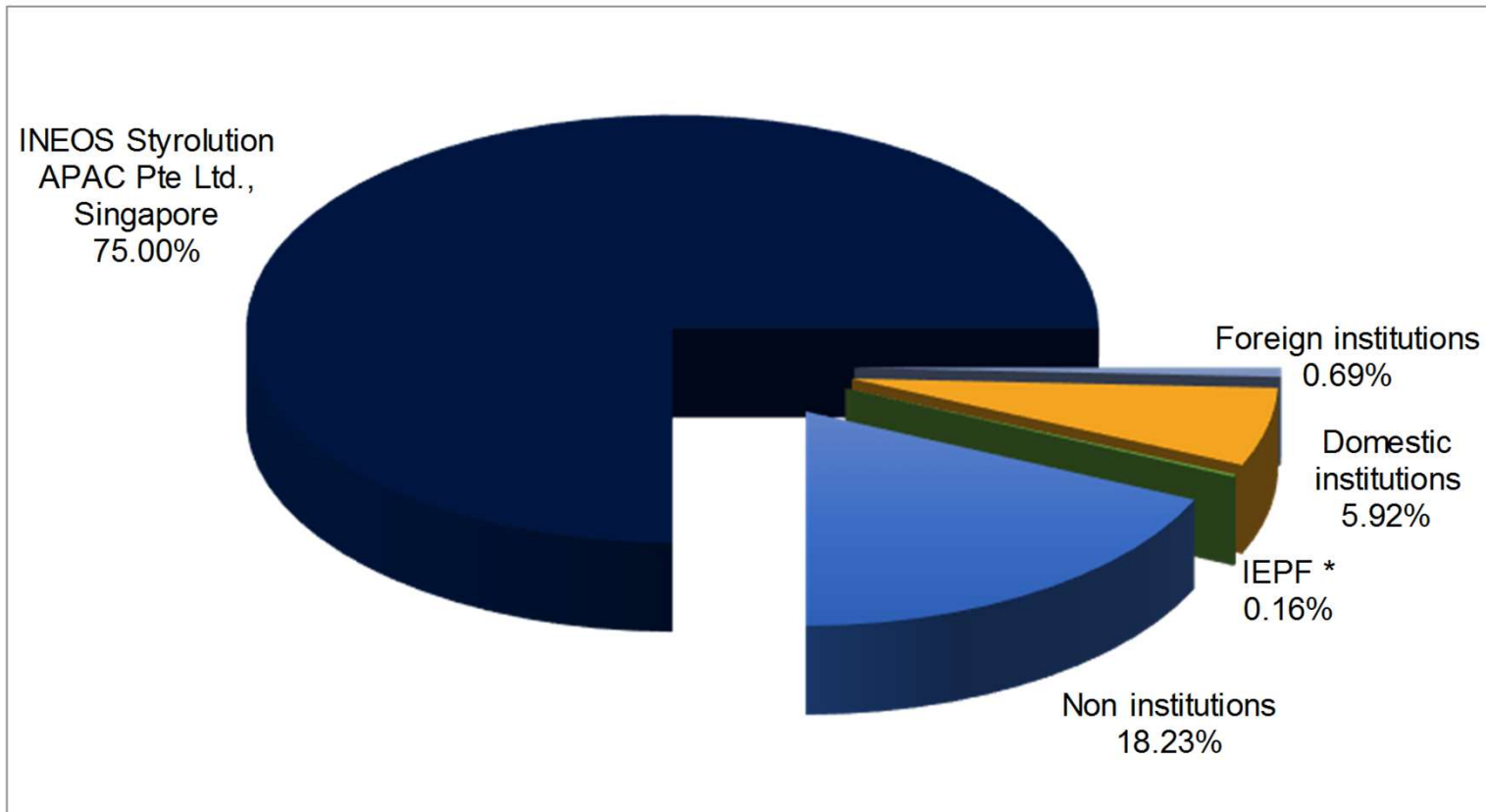


(1) INEOS Styrolution acts as exclusive distributor for the INEOS ABS plant in Addyston, Ohio.



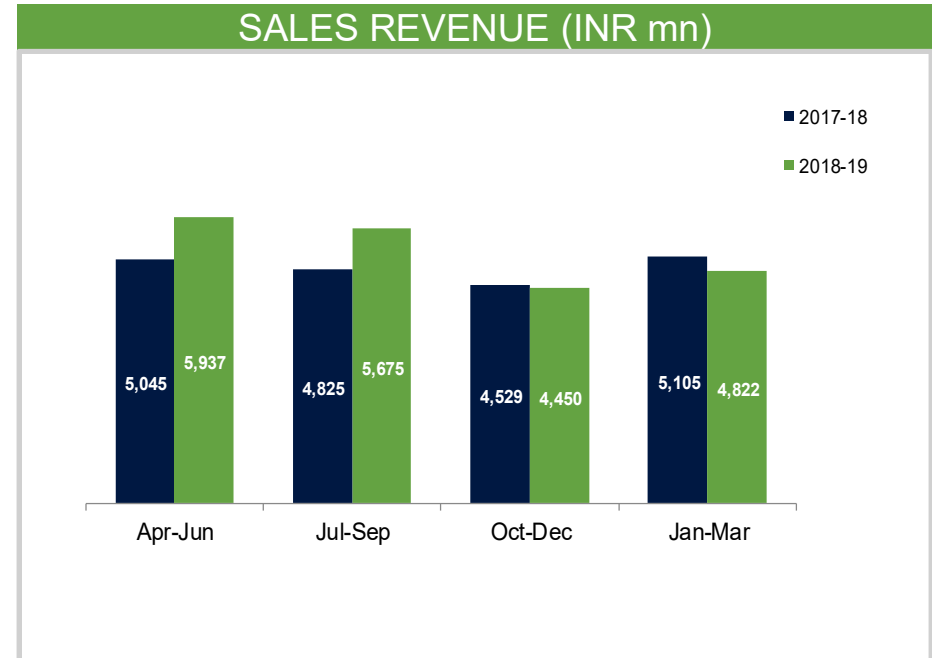
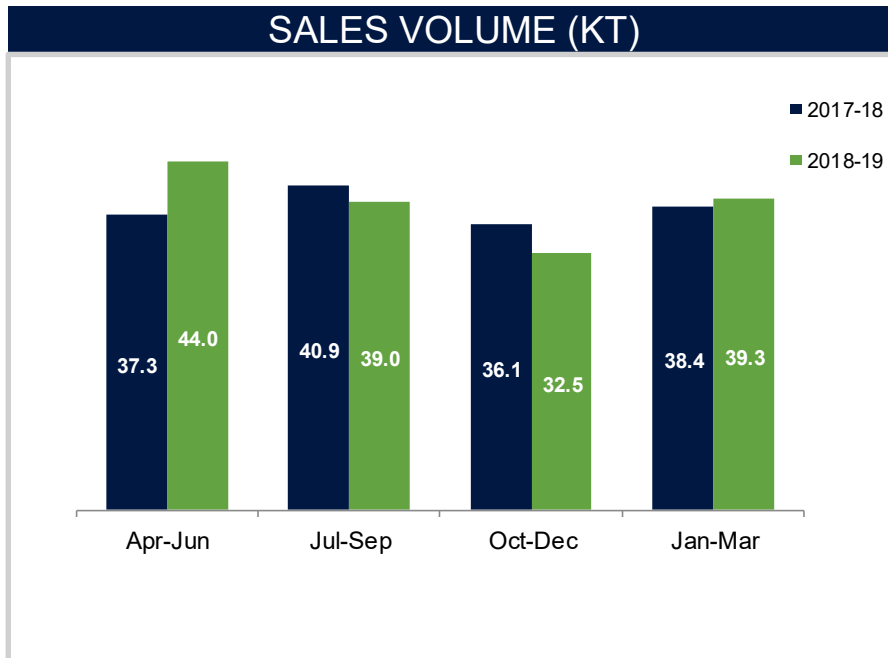
# Shareholding pattern

as at Mar 31, 2019



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

# Sales performance



- Sales revenue – refer note below.

Revenue from operations for periods up to June 30, 2017 include excise duty, which is discontinued effective from July 01, 2017 upon implementation of Goods and Services Tax (GST) in India. In accordance with Ind AS 18, Revenue, GST is not included in revenue from operations. In view of the aforesaid restructuring of indirect taxes, revenue from operations for the period Apr – Jun 18 is not comparable with period Apr – Jun 17.

# Financial review

## Q4 2018-19 (Jan-Mar) results highlights

(Unit : INR mn except volumes & EPS)

Particulars	Jan-Mar 19	Oct-Dec 18	Jan-Mar 18	% vs Oct-Dec 18	% vs Jan-Mar 18
Volumes (kt)	39.3	32.5	38.4	20.8	2.5
Sales revenue	4,822	4,455	5,105	8.2	(5.6)
Other income	11	35	26	(67.2)	(55.3)
Cost of goods sold	4,071	4,000	3,855	1.8	5.6
Depreciation & amortization	89	54	63	65.7	41.9
Other expenses	877	791	709	10.8	23.7
Profit before tax	(203)	(355)	504	(42.7)	(140.3)
Profit after tax	(136)	(228)	322	(40.3)	(142.2)
Other comprehensive income	(1)	(1)	(8)	18.1	(82.4)
Total comprehensive income	(137)	(229)	314	(39.9)	(143.8)
EPS (Rs.)	(7.7)	(12.9)	18.3	(40.3)	(142.2)

# Financial review

FY2018-19 (Apr - Mar) results highlights

(Unit : INR mn except volumes & EPS)

Particulars	FY19	FY18	%
Volumes (kt)	154.8	152.4	1.5
Sales Revenue	20,905	19,507	7.2
Other Income	131	69	89.8
Cost of goods sold	17,545	15,223	15.3
Depreciation & amortization	269	254	6.2
Other expenses	3,407	3,069	11.0
Profit before tax	(185)	1,031	(117.9)
Profit after tax	(125)	662	(118.8)
Other comprehensive income	(3)	(3)	7.3
Total comprehensive income	(128)	659	(119.4)
EPS (Rs.)	(7.1)	37.7	(118.8)

Revenue from operations for periods up to June 30, 2017 include excise duty, which is discontinued effective from July 01, 2017 upon implementation of Goods and Services Tax (GST) in India. In accordance with Ind AS 18, Revenue, GST is not included in revenue from operations. In view of the aforesaid restructuring of indirect taxes, revenue from operations for the period Apr 18 – Mar 19 is not comparable with the period Apr 17 – Mar 18.

# Segment revenue & results

Q4 2018-19 (Jan-Mar) results highlights

(Unit : INR mn)

Particulars	Jan-Mar 19	Oct-Dec 18	Jan-Mar 18	% vs Oct-Dec 18	% vs Jan-Mar 18
<b>1. Segment revenue</b>					
(Revenue from operations)					
(a) Specialties	3,438	3,299	3,810	4.2	(9.8)
(b) Polystyrene	1,384	1,157	1,295	19.7	6.9
<b>Total</b>	<b>4,822</b>	<b>4,455</b>	<b>5,105</b>	<b>8.2</b>	<b>(5.6)</b>
<b>2. Segment results</b>					
(Segment profit before interest and tax)					
(a) Specialties	(167)	(125)	460	33.2	(136.2)
(b) Polystyrene	9	(200)	64	(104.7)	(85.3)
<b>Total segment profit before interest and tax</b>	<b>(157)</b>	<b>(325)</b>	<b>525</b>	<b>(51.7)</b>	<b>(130.0)</b>
(i) Interest expense	(45)	(45)	(18)	(1.2)	146.3
(ii) Interest income	3	0	17	3568.3	(84.5)
(iii) Other unallocable expenditure (Net of income)	(4)	16	(19)	(125.5)	(79.1)
<b>Profit before tax</b>	<b>(203)</b>	<b>(355)</b>	<b>504</b>	<b>(42.7)</b>	<b>(140.3)</b>

# Segment revenue & results

FY2018-19 (Apr - Mar) results highlights

(Unit : INR mn)

Particulars	FY19	FY18	% vs FY18
<b>1. Segment revenue</b>			
(Revenue from operations)			
(a) Specialties	15,484	13,940	11.1
(b) Polystyrene	5,421	5,567	(2.6)
<b>Total</b>	<b>20,905</b>	<b>19,507</b>	<b>7.2</b>
<b>2. Segment results</b>			
(Segment profit before interest and tax)			
(a) Specialties	284	1,121	(74.7)
(b) Polystyrene	(264)	42	(722.9)
<b>Total segment profit before interest and tax</b>	<b>20</b>	<b>1,163</b>	<b>(98.3)</b>
(i) Interest expense	(127)	(137)	(7.2)
(ii) Interest income	25	42	(41.1)
(iii) Other unallocable expenditure (Net of income)	(103)	(37)	178.3
<b>Profit before tax</b>	<b>(185)</b>	<b>1,031</b>	<b>(117.9)</b>

Revenue from operations for periods up to June 30, 2017 include excise duty, which is discontinued effective from July 01, 2017 upon implementation of Goods and Services Tax (GST) in India. In accordance with Ind AS 18, Revenue, GST is not included in revenue from operations. In view of the aforesaid restructuring of indirect taxes, revenue from operations for the period Apr 18 – Mar 19 is not comparable with the period Apr 17 – Mar 18.

# Segment assets & liabilities

FY2018-19 (Apr - Mar) results highlights

(Unit : INR mn)

Particulars	FY19	FY18	% vs FY18
<b>Segment assets</b>			
(a) Specialties	8,520	7,591	12.2
(b) Polystyrene	2,353	2,593	(9.3)
(c) Unallocated	345	351	(1.6)
<b>Total segment assets</b>	<b>11,217</b>	<b>10,535</b>	<b>6.5</b>
<b>Segment liabilities</b>			
(a) Specialties	2,520	2,311	9.0
(b) Polystyrene	664	739	(10.2)
(c) Unallocated	1,802	1,039	73.4
<b>Total segment liabilities</b>	<b>4,985</b>	<b>4,089</b>	<b>21.9</b>

# Outlook 2019

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## Assumptions for 2019

- We expect various budgetary schemes to continue to drive demand growth post union election results
- We expect currency rates and raw material prices to stabilize

## Target 2019

- Continue to strengthen our position in Specialties focus segments and drive product mix to maximize margins
- Safe and successful startup of Moxi compounding expansion from 66kt to 100kt



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**THANK YOU**

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