

INEOS STYROLUTION INDIA LIMITED



INVESTOR PRESENTATION

Q2 2017-18 (July-September)

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Notes

- 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 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 and half year ended September 30, 2017 are not comparable with the previous periods.
- 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

Jul-Sep 17 Performance summary

- Profit Before Tax (PBT) increased to 256 Mio INR in Jul-Sep 17 as compared to 43 Mio INR in Apr-Jun 17.
- Profit Before Tax (PBT) in Jul-Sep 17 is 256 Mio INR as compared to 295 Mio INR in Jul-Sep 16.

Jul-Sep 17 Market update

- Market recovered in current quarter post Goods and Services Tax (GST).
- Growth in market demand and sales mainly driven by Automotive and Household.

Jul-Sep 17 Business update

- Sales volume increased in key accounts of Automotive and Household mainly driven by festive season.
- Successful transition to GST completed.

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

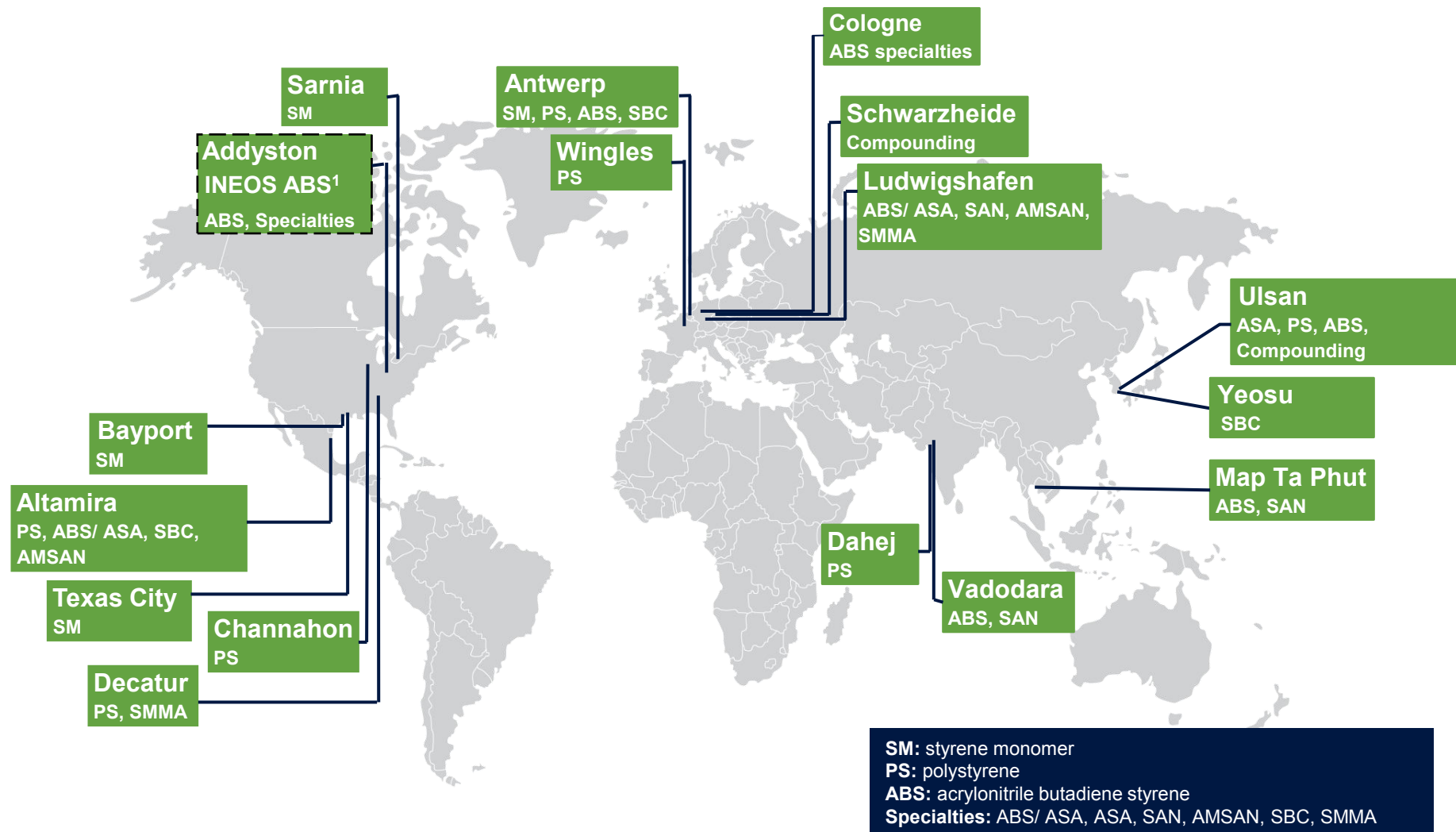


TOYS, SPORTS
& LEISURE

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 km³

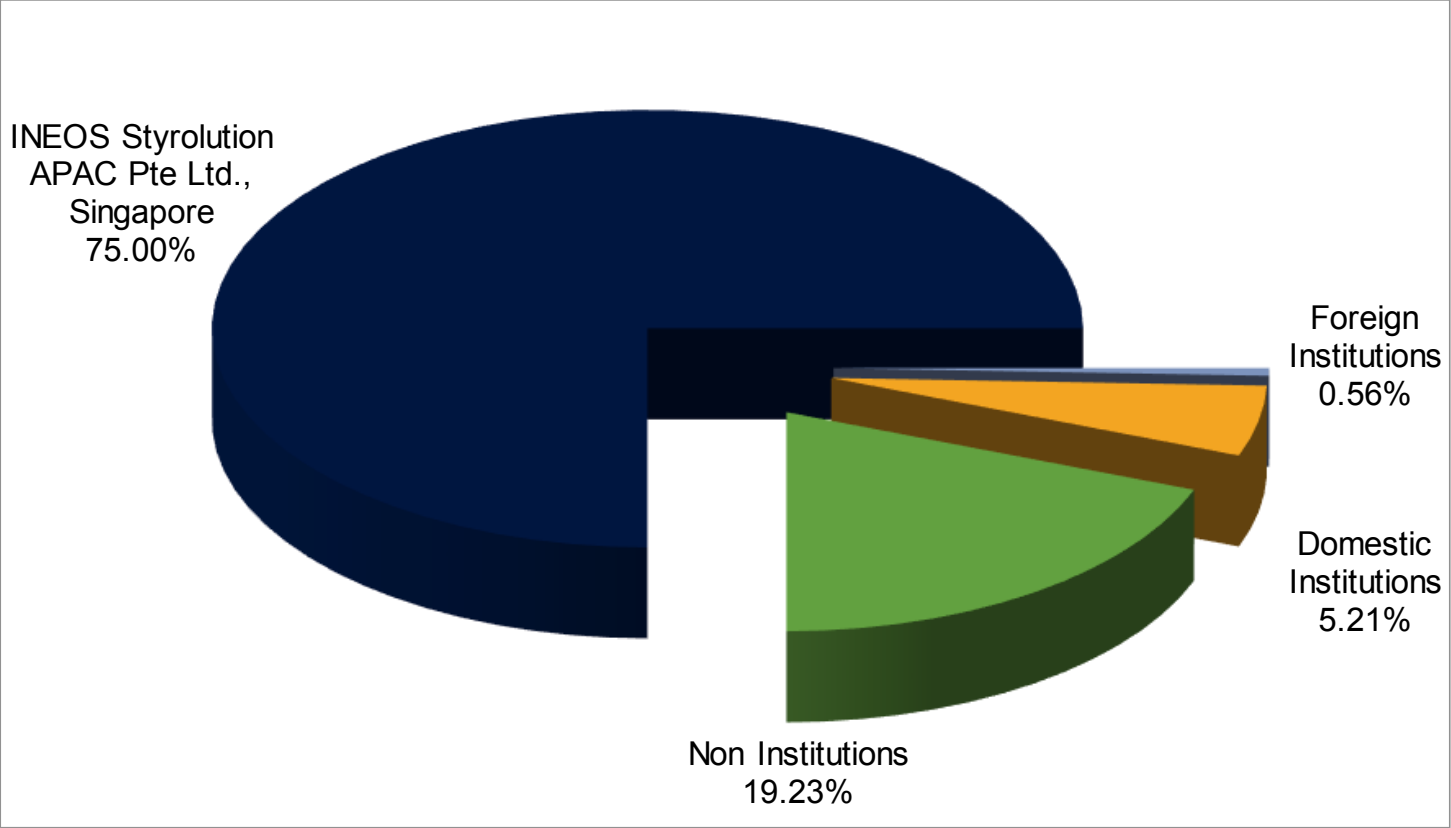


Lamba, Dhank, Pransla - Windmills

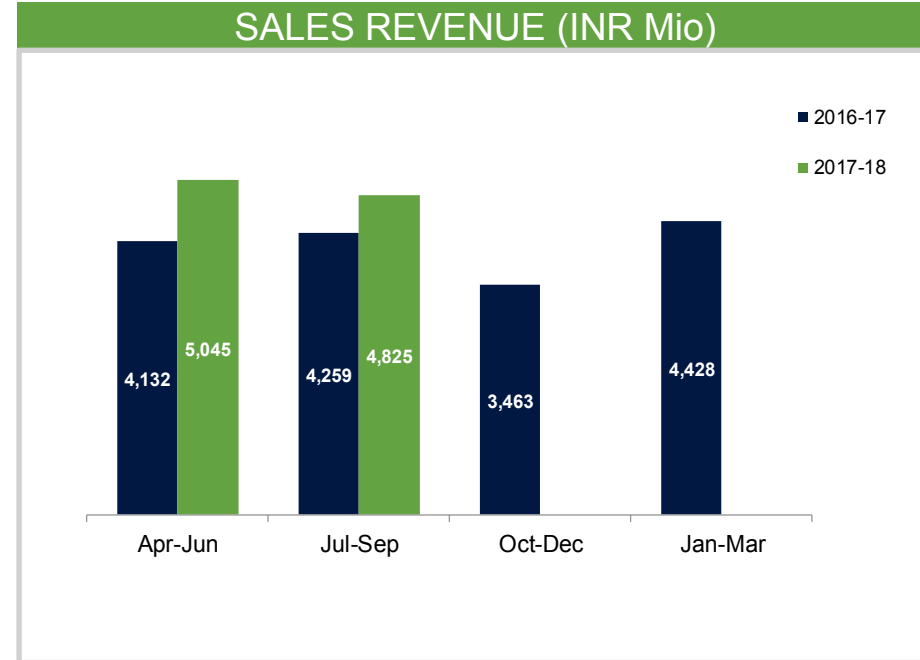
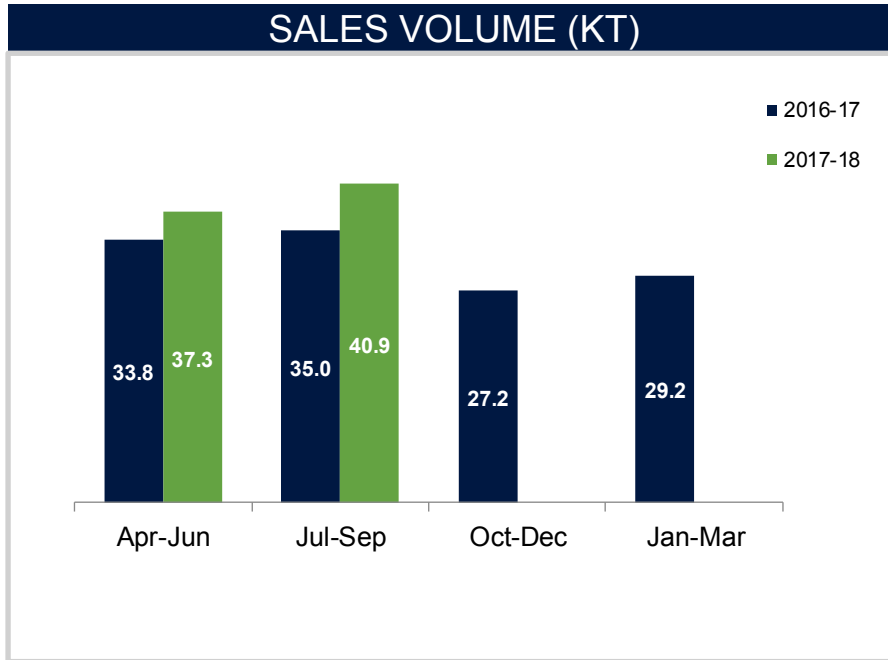
- 40 wind turbines
- 8.6 MW

Shareholding pattern

as at September 30, 2017



Sales performance



- Sales volume increased owing to festive season and market recovery post GST hurdle.
- Sales revenue – refer note below.

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Financial review

Q2 2017-18 (Jul-Sep) results highlights

(Unit : INR Mio except volumes & EPS)

Particulars	Jul-Sep 17	Apr-Jun 17	Jul-Sep 16	% vs Apr-Jun 17	% vs Jul-Sep 16
Volumes (kt)	40.9	37.3	35.0	9.8	16.9
Sales revenue	4,826	5,045	4,402	(4.3)	9.6
Other income	5	26	18	(82.0)	(73.7)
Cost of goods sold	3,770	3,681	2,925	2.4	28.9
Excise duty	-	553	470	(100.0)	(100.0)
Depreciation & amortization	61	62	63	(1.8)	(3.5)
Other expenses	745	731	667	1.8	11.6
Profit before tax	256	43	295	489.3	(13.4)
Profit after tax	170	27	192	519.3	(11.6)
Other comprehensive income	(1)	(1)	(2)	0.1	(33.7)
Total comprehensive income	169	26	190	541.3	(11.4)
EPS (Rs.)	9.65	1.56	10.92	519.3	(11.6)

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 quarter and half year ended September 30, 2017 are not comparable with the previous periods.

Financial review

H1 2017-18 (Apr-Sep) results highlights

(Unit : INR Mio except volumes & EPS)

Particulars	Apr-Sep 17	Apr-Sep 16	% vs Apr-Sep 16
Volumes (kt)	78.2	68.8	13.7
Sales Revenue	9,871	8,667	13.9
Other Income	30	24	24.6
Cost of goods sold	7,450	5,810	28.2
Excise Duty	553	931	(40.5)
Depreciation & amortization	123	126	(2.7)
Other expenses	1,475	1,302	13.3
Profit before tax	299	522	(42.8)
Profit after tax	197	342	(42.3)
Other comprehensive income	(2)	(3)	(33.7)
Total comprehensive income	195	338	(42.4)
EPS (Rs.)	11.21	19.43	(42.3)

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 quarter and half year ended September 30, 2017 are not comparable with the previous periods.

Segment revenue & results

Q2 2017-18 (Jul-Sep) results highlights

(Unit : INR Mio)

Particulars	Jul-Sep 17	Apr-Jun 17	Jul-Sep 16	% vs Apr-Jun 17	% vs Jul-Sep 16
1. Segment revenue					
(Revenue from operations)					
(a) Specialties	3,478	3,371	2,964	3.2	17.3
(b) Polystyrene	1,346	1,673	1,295	(19.5)	4.0
(c) Others	2	1	143	20.0	(98.9)
Total	4,826	5,045	4,402	(4.3)	9.6
2. Segment results					
(Segment profit before interest and tax)					
(a) Specialties	269	143	323	87.6	(16.7)
(b) Polystyrene	41	(70)	20	158.8	107.9
(c) Others	2	1	2	20.0	(36.1)
Total segment profit before interest and tax	312	75	345	314.5	(9.7)
(i) Interest expense	(19)	(26)	(12)	(25.7)	55.8
(ii) Interest income	0.1	20.2	9.6	(99.4)	(98.7)
(iii) Other unallocable expenditure (Net of income)	(37)	(26)	(47)	41.2	(21.9)
Profit before tax	256	43	295	489.3	(13.4)

- Revenue is not comparable as Apr-Jun 17 and Jul-Sep 16 sales is inclusive of excise duty which is discontinued effective from July 1, 2017 upon implementation of GST. In accordance with Ind AS 18, GST is not included in revenue from operations in Jul-Sep 17.

Segment assets & liabilities

Q2 2017-18 (Jul-Sep) results highlights

(Unit : INR Mio)

Particulars	Jul-Sep 17	Apr-Jun 17	Jul-Sep 16	% vs Apr-Jun 17	% vs Jul-Sep 16
Segment assets					
(a) Specialties	6,875	6,979	6,187	(1.5)	11.1
(b) Polystyrene	2,602	2,633	2,646	(1.2)	(1.7)
(c) Unallocated	534	295	584	81.4	(8.5)
Total segment assets	10,012	9,907	9,417	1.1	6.3
Segment liabilities					
(a) Specialties	1,468	1,609	1,055	(8.8)	39.1
(b) Polystyrene	129	409	751	(68.5)	(82.8)
(c) Unallocated	2,435	1,992	2,091	22.2	16.5
Total segment liabilities	4,031	4,010	3,897	0.5	3.4

Segment revenue & results

H1 2017-18 (Apr-Sep) results highlights

(Unit : INR Mio)

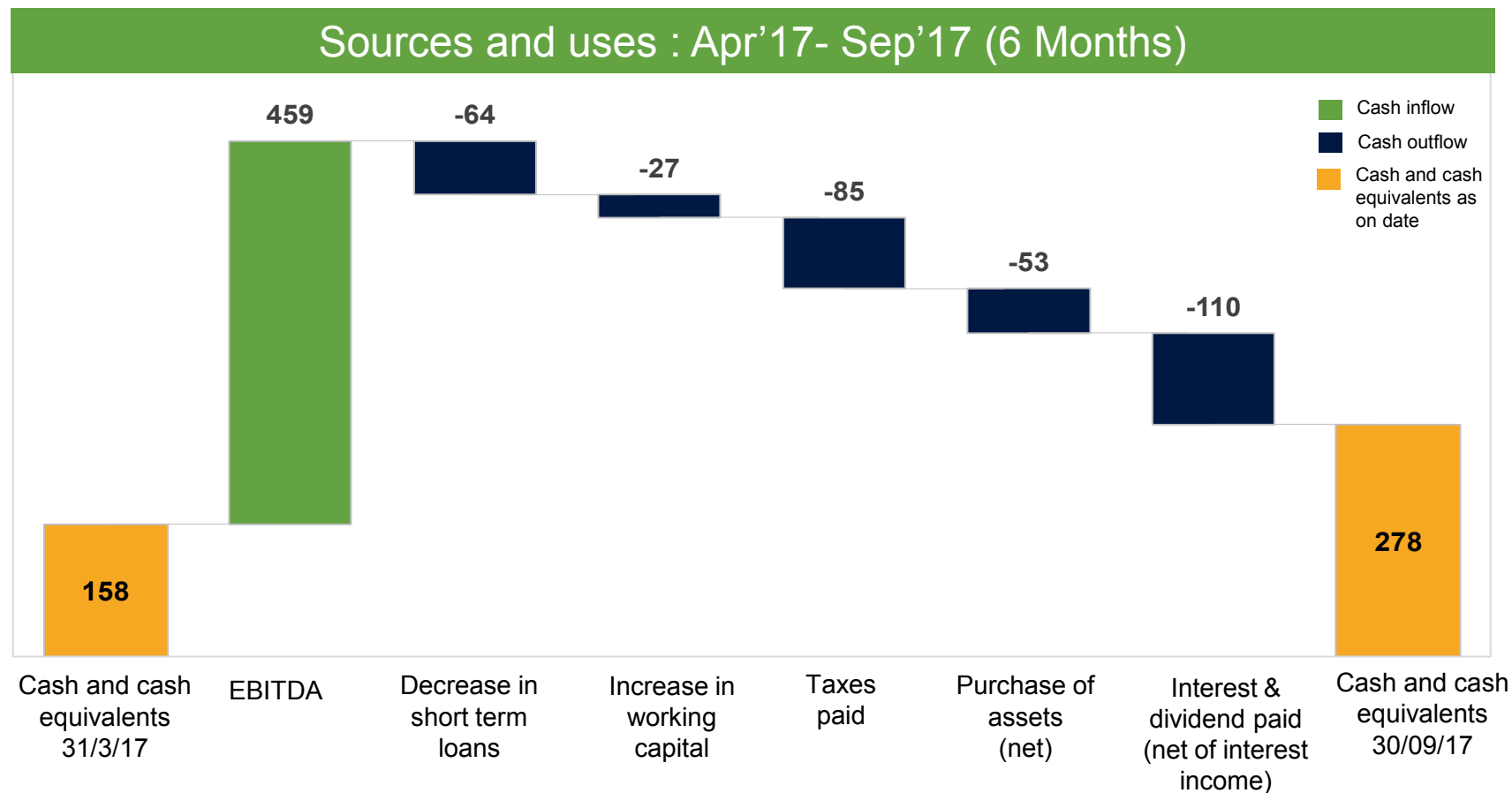
Particulars	Apr-Sep 17	Apr-Sep 16	% vs Apr-Sep 16
1. Segment revenue			
(Revenue from operations)			
(a) Specialties	6,849	5,784	18.4
(b) Polystyrene	3,019	2,607	15.8
(c) Others	3	276	(99.0)
Total	9,871	8,667	13.9
2. Segment results			
(Segment profit before interest and tax)			
(a) Specialties	412	590	(30.1)
(b) Polystyrene	(29)	31	(192.4)
(c) Others	3	11	(72.8)
Total segment profit before interest and tax	387	631	(38.8)
(i) Interest expense	(45)	(27)	67.8
(ii) Interest income	20	10	104.8
(iii) Other unallocable expenditure (Net of income)	(63)	(92)	(31.7)
Profit before tax	299	522	(42.8)

Revenue is not comparable as Apr-Sep 16 is inclusive of excise duty, while Apr-Sep 17 includes only 3 months excise duty which is discontinued effective from July 1, 2017 upon implementation of GST. In accordance with Ind AS 18, GST is not included in revenue from operations.

Financial profile

Sources and uses of cash and cash equivalents for the period Apr'17 to Sep'17

(UNIT:INR MIO)



- Above cash flow is as per local reporting

Outlook 2017

Assumptions for 2017

- We expect a positive buying behavior by the consumers post GST implementation.
- We do not expect any major impact 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 add new grades to our product portfolio.
- Continue to optimize distribution network through third party logistics.
- Ensure stable operations.

THANK YOU
