

INEOS STYROLUTION INDIA LIMITED

INVESTOR PRESENTATION

Q2 2018-19 (Jul-Sep)

INEOS
STYROLUTION

Driving Success. Together.

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Notes

- 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 – Sep 2018 is not comparable with the period Apr – Sep 2017.
- 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 18 Performance summary

- Profit Before Tax (PBT) is 107 Mio INR in Jul - Sep 18 as compared to 266 Mio INR in Apr - Jun 18
- Profit Before Tax (PBT) is 107 Mio INR in Jul - Sep 18 as compared to 256 Mio INR in Jul - Sep 17

Jul - Sep 18 Market update

- Automotive market slowed down after Aug
- Sep onwards, slowdown observed across all segments
- Higher imports in seen in PS segment

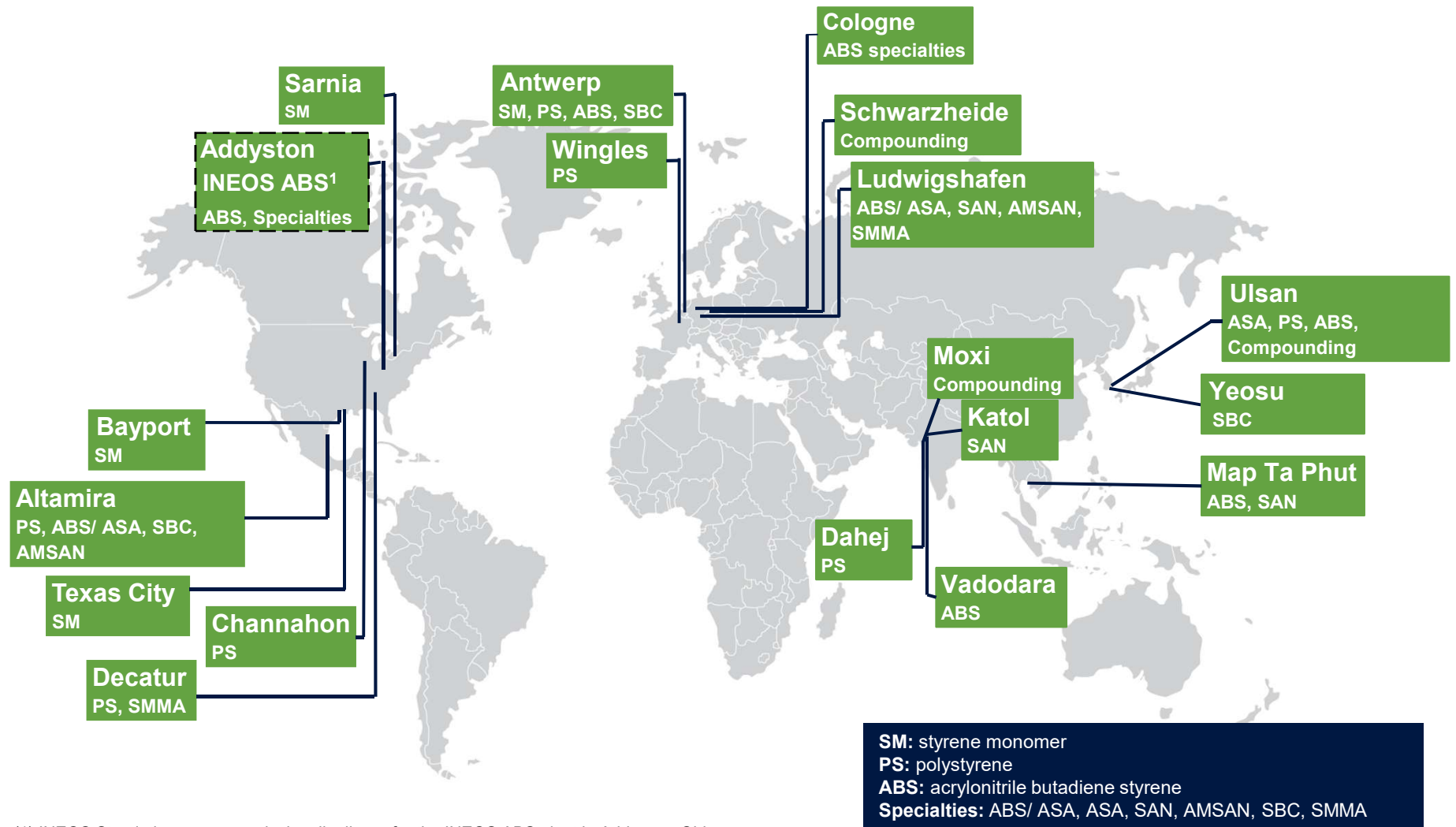
Jul - Sep 18 Business update

- Maintained market share
- Lean period expected with low demand after festive season
- Demand further impacted due to weak INR keeping input cost high

INEOS Styrolution at a glance



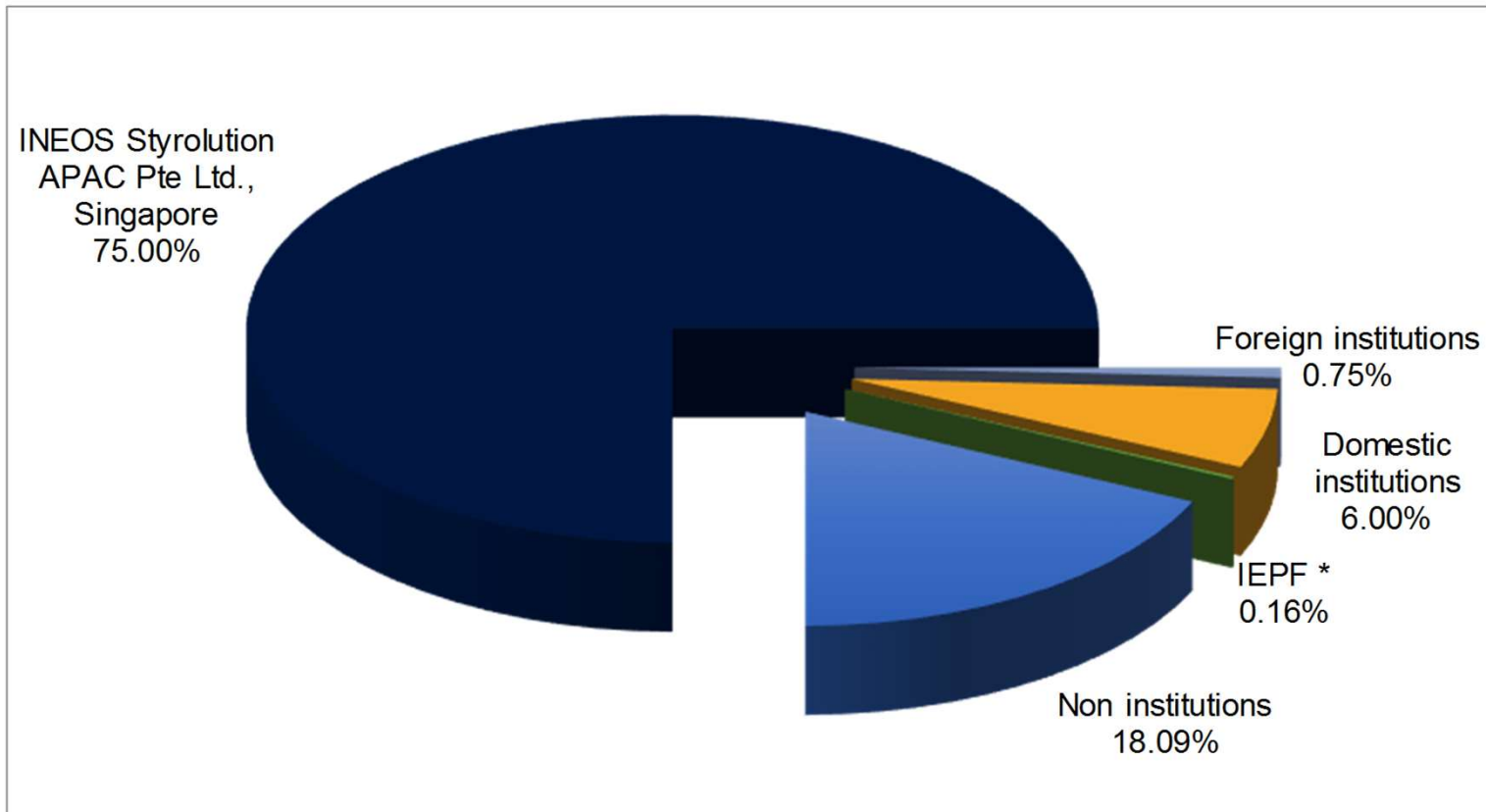
Global reach and proximity to customer markets



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

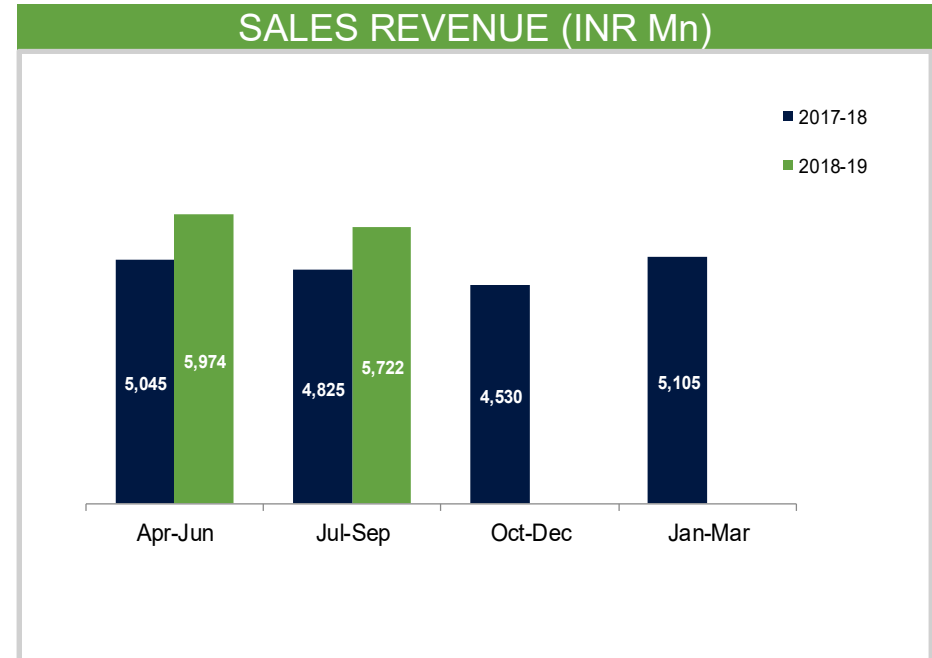
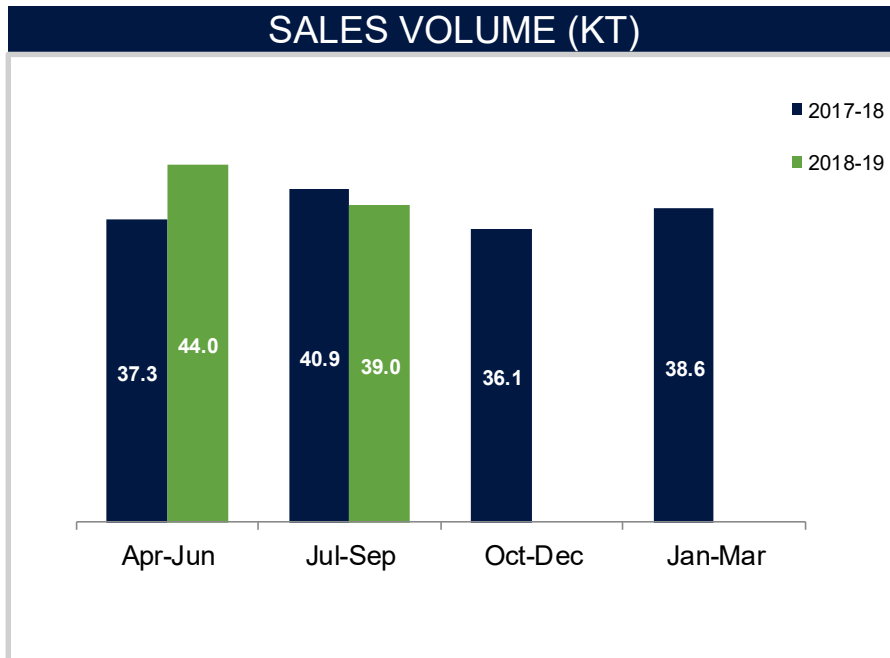
Shareholding pattern

as on Sep 30, 2018



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

Sales performance



- Sales revenue – refer note below.

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Financial review

Q2 2018-19 (Jul - Sep) results highlights

(Unit : INR Mn except volumes & EPS)

Particulars	Jul-Sep 18	Apr-Jun 18	Jul-Sep 17	% vs Apr-Jun 18	% vs Jul-Sep 17
Volumes (kt)	39.1	43.8	40.6	(10.7)	(3.7)
Sales revenue	5,675	5,937	4,825	(4.4)	17.6
Other income	46	37	6	27.0	647.7
Cost of goods sold	4,690	4,784	3,735	(2.0)	25.6
Depreciation & amortization	64	62	61	3.1	5.2
Other expenses	860	861	779	(0.1)	10.4
Profit before tax	107	266	256	(59.7)	(58.0)
Profit after tax	70	169	170	(58.5)	(58.7)
Other comprehensive income	0	(1)	(1)	(148.4)	(131.2)
Total comprehensive income	70	168	169	(58.1)	(58.2)
EPS (Rs.)	3.99	9.60	9.65	(58.5)	(58.7)

Financial review

YTD Sep 2018 (Apr - Sep) results highlights

(Unit : INR Mn except volumes & EPS)

Particulars	YTD Sep'18	YTD Sep'17	%
Volumes (kt)	82.9	77.9	6.4
Sales Revenue	11,612	9,868	17.7
Other Income	83	33	153.7
Cost of goods sold	9,474	7,936	19.4
Depreciation & amortization	126	123	2.7
Other expenses	1,721	1,544	11.5
Profit before tax	373	299	24.8
Profit after tax	239	197	21.2
Other comprehensive income	(0)	(2)	(83.3)
Total comprehensive income	239	195	22.4
EPS (Rs.)	13.59	11.21	21.2

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 – Sep 18 is not comparable with the period Apr – Sep 17.

Segment revenue & results

Q2 2018-19 (Jul - Sep) results highlights

(Unit : INR Mn)

Particulars	Jul-Sep 18	Apr-Jun 18	Jul-Sep 17	% vs Apr-Jun 18	% vs Jul-Sep 17
1. Segment revenue					
(Revenue from operations)					
(a) Specialties	4,393	4,354	3,480	0.9	26.3
(b) Polystyrene	1,290	1,590	1,346	(18.9)	(4.2)
(c) Others	-	-	-	0.0	0.0
Total	5,684	5,945	4,826	(4.4)	17.8
2. Segment results					
(Segment profit before interest and tax)					
(a) Specialties	233	343	271	(32.1)	(14.0)
(b) Polystyrene	(67)	(6)	41	1028.6	(263.8)
(c) Others	-	-	-	0.0	0.0
Total segment profit before interest and tax	166	337	312	(50.8)	(46.8)
(i) Interest expense	(18)	(19)	(31)	(2.0)	(40.8)
(ii) Interest income	18	4	0.1	417.0	14627.4
(iii) Other unallocable expenditure (Net of income)	(58)	(56)	(25)	4.5	132.1
Profit before tax	107	266	256	(59.7)	(58.0)

Segment revenue & results

YTD Sep 2018 (Apr - Sep) results highlights

(Unit : INR Mn)

Particulars	YTD Sep'18	YTD Sep'17	% vs YTD Sep'17
1. Segment revenue			
(Revenue from operations)			
(a) Specialties	8,748	6,852	27.7
(b) Polystyrene	2,881	3,019	(4.6)
(c) Others	-	-	
Total	11,628	9,871	17.8
2. Segment results			
(Segment profit before interest and tax)			
(a) Specialties	576	415	38.6
(b) Polystyrene	(73)	(29)	154.7
(c) Others	-	-	0.0
Total segment profit before interest and tax	503	387	30.0
(i) Interest expense	(37)	(84)	(56.3)
(ii) Interest income	22	20	7.5
(iii) Other unallocable expenditure (Net of income)	(114)	(24)	385.4
Profit before tax	373	299	24.8

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 – Sep 18 is not comparable with the period Apr – Sep 17.

Segment assets & liabilities

YTD Sep 2018 (Apr - Sep) results highlights

(Unit : INR Mn)

Particulars	YTD Sep'18	YTD Sep'17	% vs YTD Sep'17
Segment assets			
(a) Specialties	8,956	6,875	30.3
(b) Polystyrene	2,889	2,602	11.0
(c) Unallocated	440	534	(17.7)
Total segment assets	12,285	10,012	22.7
Segment liabilities			
(a) Specialties	2,948	1,468	100.9
(b) Polystyrene	995	129	672.4
(c) Unallocated	1,742	2,435	(28.4)
Total segment liabilities	5,686	4,031	41.0

Outlook 2018

Assumptions for 2018

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

Target 2018

- 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
