

INEOS STYROLUTION INDIA LIMITED

INVESTOR PRESENTATION

Q2 2019-20 (Jul-Sep)

INEOS
STYROLUTION

Driving Success. Together.

Disclaimer

This presentation has been prepared by INEOS Styrolution India Ltd. (the “Company”) solely for your information and may not be taken away, distributed, reproduced, or redistributed or passed on, directly or indirectly, to any other person (whether within or outside your organization or firm) or published in whole or in part, for any purpose by recipients directly or indirectly to any other person. By accessing this presentation, you are agreeing to be bound by the trailing restrictions and to maintain absolute confidentiality regarding the information disclosed in these materials. The Company may alter, modify or otherwise change in any manner the contents of this presentation, without obligation to notify any persons of such change or changes. This presentation and its contents are should not be copied, published, reproduced or disseminated in any manner.

This presentation may contain certain forward looking statements within the meaning of applicable securities law and regulations. These statements include descriptions regarding the intent, belief or current expectations of the Company or its directors and officers with respect to the results of operations and financial condition of the Company. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in such forward-looking statements as a result of various factors and assumptions which the Company believes to be reasonable in light of its operating experience in recent years. Many factors could cause the actual results, performances, or achievements of the Company to be materially different from any future results, performances, or achievements. Significant factors that could make a difference to the Company’s operations include domestic and international economic conditions, changes in government regulations, tax regime and other statutes. In addition, please note that the date of this presentation is mentioned at the beginning of the presentation, and any forward-looking statements contained herein are based on assumptions that we believe to be reasonable as of this date. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company unless it is required by law.

In no event shall the Company or its directors or management, be responsible to any person or entity for any loss or damage, whether direct, indirect, incidental, consequential or otherwise, arising out of access or use or dissemination of information contained in this presentation, including, but not limited to, loss of profits.

Continue...

Disclaimer

No representation, warranty, guarantee or undertaking (express or implied) is made as to, and no reliance should be placed on, the accuracy, completeness or correctness of any information, including any projections, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein and, accordingly, none of the Company, its advisors and representative and any of its or their affiliates, officers, directors, employees or agents, and anyone acting on behalf of such persons accepts any responsibility or liability (in negligence or otherwise) whatsoever arising directly or indirectly from this presentation or its contents or otherwise arising in connection therewith.

Readers must make their own assessment of the relevance, accuracy and adequacy of the information contained in this presentation and must make such independent investigation as they may consider necessary or appropriate for such purpose. Any opinions expressed in this presentation are subject to change without notice and past performance is not indicative of future results. By attending this presentation you acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Company's business.

This presentation is not for publication or distribution or release in any country where such distribution may lead to a breach of any law or regulatory requirement. The information contained herein does not constitute or form part of an offer or solicitation of an offer to purchase or subscribe for securities for sale. The distribution of this presentation in certain jurisdictions may be restricted by law and persons into whose possession this presentation comes should inform themselves about and observe any such restrictions. None of the Company's securities may be offered or sold in the United States without registration under the U.S. Securities Act of 1933, as amended, except pursuant to an exemption from registration therefrom.

This disclaimer clause and any claims arising out of the use of the information from this presentation shall be governed by the laws of India and only the courts in Vadodara, and no other Courts, shall have jurisdiction over the same. By accessing this presentation, the reader accepts this.

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 2019

Executive summary

Jul – Sep 2019 Performance summary	<ul style="list-style-type: none">• Profit Before Tax (PBT) is 70 INR mn in Jul-Sep 2019 as compared to profit before tax 143 INR mn in Apr-Jun 2019• Profit Before Tax (PBT) is 70 INR mn in Jul-Sep 2019 as compared to profit before tax 107 INR mn in Jul-Sep 2018
Jul – Sep 2019 Market update	<ul style="list-style-type: none">• Automotive market slow down continued during quarter ended Sep 2019• Slowdown observed across all segments• Higher imports in PS and ABS commodity segment• Markets reacted adversely over announcement of ban on single use disposable plastics• Liquidity crisis has further weakened market sentiments
Jul – Sep 2019 Business update	<ul style="list-style-type: none">• Volatility seen in key raw material prices throughout the quarter• FG market prices did not improve as per expectation resulting in margin pressure• Demand further impacted due to volatile INR which resulted in higher imports of PS and ABS• Weakening INR compared to USD remains concern

INEOS Styrolution at a glance

 **3,500**
EMPLOYEES

 **10**
COUNTRIES

20 
PRODUCTION SITES

 **6** R&D
CENTERS

 **24** sales
offices

No1
GLOBAL
LEADER
in styrenics

85+
YEARS
of experience
in styrenics

founded in
2011

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

5.4 BILLION
EUROS IN REVENUE
IN 2018



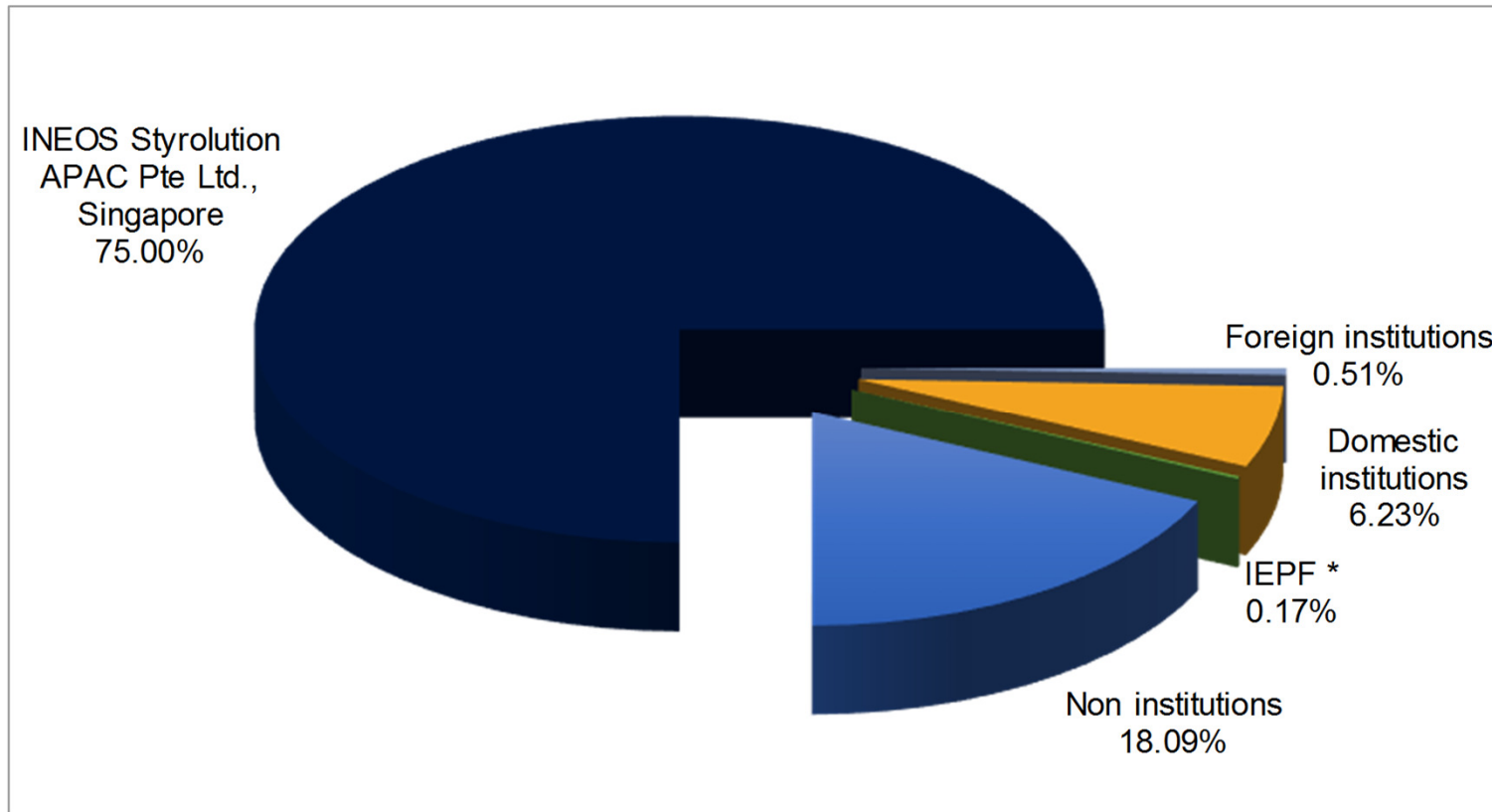
Leading styrenics producer with global reach and proximity to customers



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

Shareholding pattern

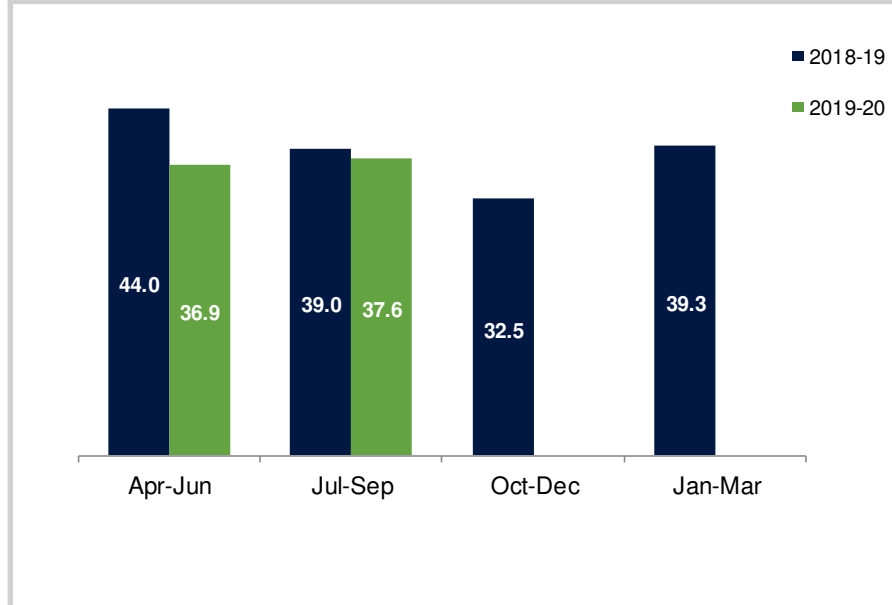
as at Sep 30, 2019



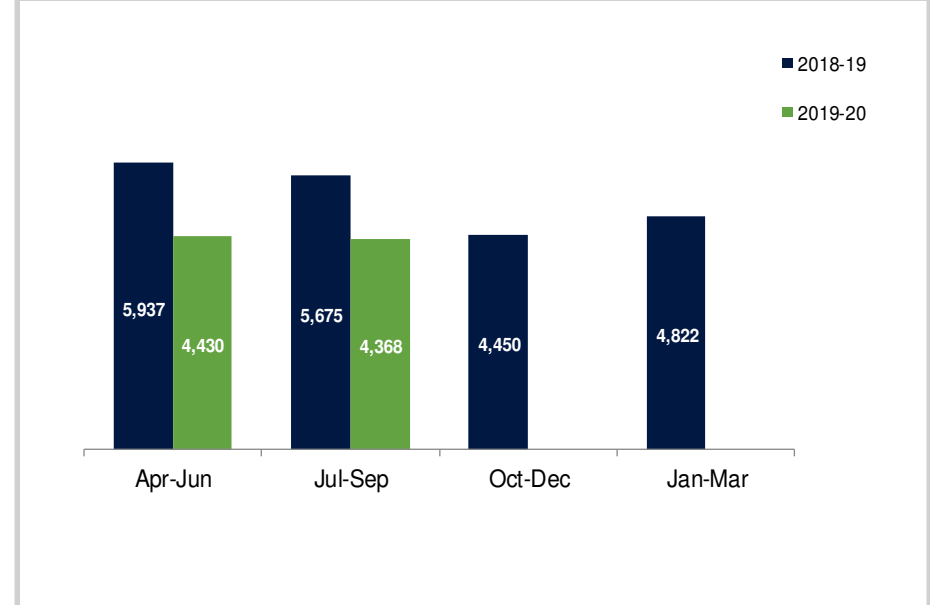
* IEPF : Investor Education and Protection Fund [Government Organization]

Sales performance

SALES VOLUME (KT)



SALES REVENUE (INR mn)



Financial review

Q2 2019-20 (Jul-Sep) results highlights

(Unit : INR mn except volumes & EPS)

Particulars	Jul-Sep 19	Apr-Jun 19	Jul-Sep 18	% vs Apr-Jun 19	% vs Jul-Sep 18
Volumes (kt)	37.6	36.9	39.1	2%	-4%
Sales revenue	4,368	4,435	5,684	-1%	-23%
Other income	18	19	56	-5%	-68%
Cost of goods sold	3,457	3,481	4,690	-1%	-26%
Depreciation & amortization	72	72	64	0%	12%
Other expenses	786	758	878	4%	-10%
Profit before tax	70	143	107	-51%	-34%
Profit after tax	99	93	70	6%	41%
Other comprehensive income	3	(4)	0	-163%	665%
Total comprehensive income	101	89	70	15%	44%
EPS (Rs.)	5.6	5.3	4.0	6%	41%

Financial review

YTD 2019-20 (Apr-Sep) results highlights

(Unit : INR mn except volumes & EPS)

Particulars	Apr-Sep 19	Apr-Sep 18	%
Volumes (kt)	74.5	82.9	-10%
Sales Revenue	8,803	11,628	-24%
Other Income	36	85	-57%
Cost of goods sold	6,938	9,474	-27%
Depreciation & amortization	143	126	14%
Other expenses	1,544	1,739	-11%
Profit before tax	214	373	-43%
Profit after tax	192	239	-20%
Other comprehensive income	(2)	(0)	330%
Total comprehensive income	190	239	-20%
EPS (Rs.)	10.9	13.6	-20%

Segment revenue & results

Q2 2019-20 (Jul-Sep) results highlights

(Unit : INR mn)

Particulars	Jul-Sep 19	Apr-Jun 19	Jul-Sep 18	% vs Apr-Jun 19	% vs Jul-Sep 18
1. Segment revenue					
(Revenue from operations)					
(a) Specialties	3,304	3,204	4,393	3%	-25%
(b) Polystyrene	1,064	1,231	1,290	-14%	-18%
Total	4,368	4,435	5,684	-1%	-23%
2. Segment results					
(Segment profit before interest and tax)					
(a) Specialties	141	106	233	33%	-40%
(b) Polystyrene	(9)	58	(67)	-116%	86%
Total segment profit before interest and tax	131	164	166	-20%	-21%
(i) Interest expense	(30)	(41)	(18)	-27%	-63%
(ii) Interest income	9	9	18	5%	-51%
(iii) Other unallocable expenditure (Net of income)	(40)	12	(58)	445%	31%
Profit before tax	70	143	107	51%	-34%

Segment revenue & results

YTD 2019-20 (Apr-Sep) results highlights

(Unit : INR mn)

Particulars	Apr-Sep 19	Apr-Sep 18	% vs Apr-Sep 18
1. Segment revenue			
(Revenue from operations)			
(a) Specialties	6,508	8,748	-26%
(b) Polystyrene	2,295	2,881	-20%
Total	8,803	11,628	-24%
2. Segment results			
(Segment profit before interest and tax)			
(a) Specialties	246	576	-57%
(b) Polystyrene	49	(73)	167%
Total segment profit before interest and tax	295	503	-41%
(i) Interest expense	(71)	(37)	-91%
(ii) Interest income	18	22	-20%
(iii) Other unallocable expenditure (Net of income)	(28)	(114)	75%
Profit before tax	214	373	-43%

Segment assets & liabilities

YTD 2019-20 (Apr-Sep) results highlights

(Unit : INR mn)

Particulars	Jul-Sep 19	Apr-Jun 19	Jul-Sep 18	% vs Apr-Jun 19	% vs Jul-Sep 18
Segment assets					
(a) Specialties	8,798	8,937	8,956	-2%	-2%
(b) Polystyrene	2,443	2,302	2,889	6%	-15%
(c) Unallocated	329	358	440	-8%	-25%
Total segment assets	11,571	11,596	12,285	0%	-6%
Segment liabilities					
(a) Specialties	3,262	3,665	2,948	-11%	11%
(b) Polystyrene	972	899	995	8%	-2%
(c) Unallocated	957	711	1,742	35%	-45%
Total segment liabilities	5,191	5,275	5,686	-2%	-9%

Outlook 2019

Assumptions for 2019

- Given the uncertainties around trade due to US-China standoff and weak domestic demand, we expect outlook to remain average for coming months
- Union government initiatives may support future demand growth
- We would 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 by end of 2019

THANK YOU
