

February 10, 2020

To,  
**BSE Limited**  
Dept. DSC\_CRD  
Phiroze Jeejeebhoy Towers,  
Dalal Street  
Bandra (E)  
Mumbai 400 001  
Stock code No. **506222**

**National Stock Exchange of India Limited**  
Exchange Plaza,  
Plot No. C/1, 'G' Block,  
Bandra- Kurla Complex,  
Bandra (E)  
Mumbai 400 051  
Stock code No. **INEOSSTYRO**

**Subject: Investors Presentation**


Dear Sir,

In continuation to our letter dated 29.01.2020 informing about the earnings call organized by the Company on February 10, 2020, please find attached Investor Presentation relating to the Unaudited Financial Results for the third quarter ended on December 31, 2019.

You are requested to kindly take the above information on your records.

Thanking you.

Yours faithfully,  
For **INEOS Styrolution India Limited**

  
Abhijaat Sinha  
Company Secretary



# INEOS STYROLUTION INDIA LIMITED

## INVESTOR PRESENTATION

Q3 2019-20 (Oct-Dec)

**INEOS**  
**STYROLUTION**

Driving Success. Together.

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# Notes

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- 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

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# Executive summary

## Oct - Dec 2019 Performance summary

- Loss Before Tax & Exceptional item is (58) INR mn in Oct-Dec 2019 as compared to profit before tax 70 INR mn in Jul-Sep 2019
- Loss Before Tax & Exceptional item is (58) INR mn in Oct-Dec 2019 as compared to Loss before tax (355) INR mn in Oct-Dec 2018

## Oct - Dec 2019 Update

- FG market prices did not improve as per expectation resulting in margin pressure
- Volatility seen in key raw material prices throughout the quarter
- Automotive market slow down continued during quarter
- Slowdown observed across all segments
- Imports continued in PS and ABS commodity segment
- Markets reacted adversely over announcement of ban on single use disposable plastics
- Liquidity crisis continues to weaken market sentiments
- 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

**5.4** BILLION  
EUROS IN REVENUE  
IN 2018

**2,000+** APPLICATIONS ACROSS SEVEN INDUSTRIES



AUTOMOTIVE



ELECTRONICS



HOUSEHOLD



CONSTRUCTION



HEALTHCARE



PACKAGING



TOYS, SPORTS  
& LEISURE





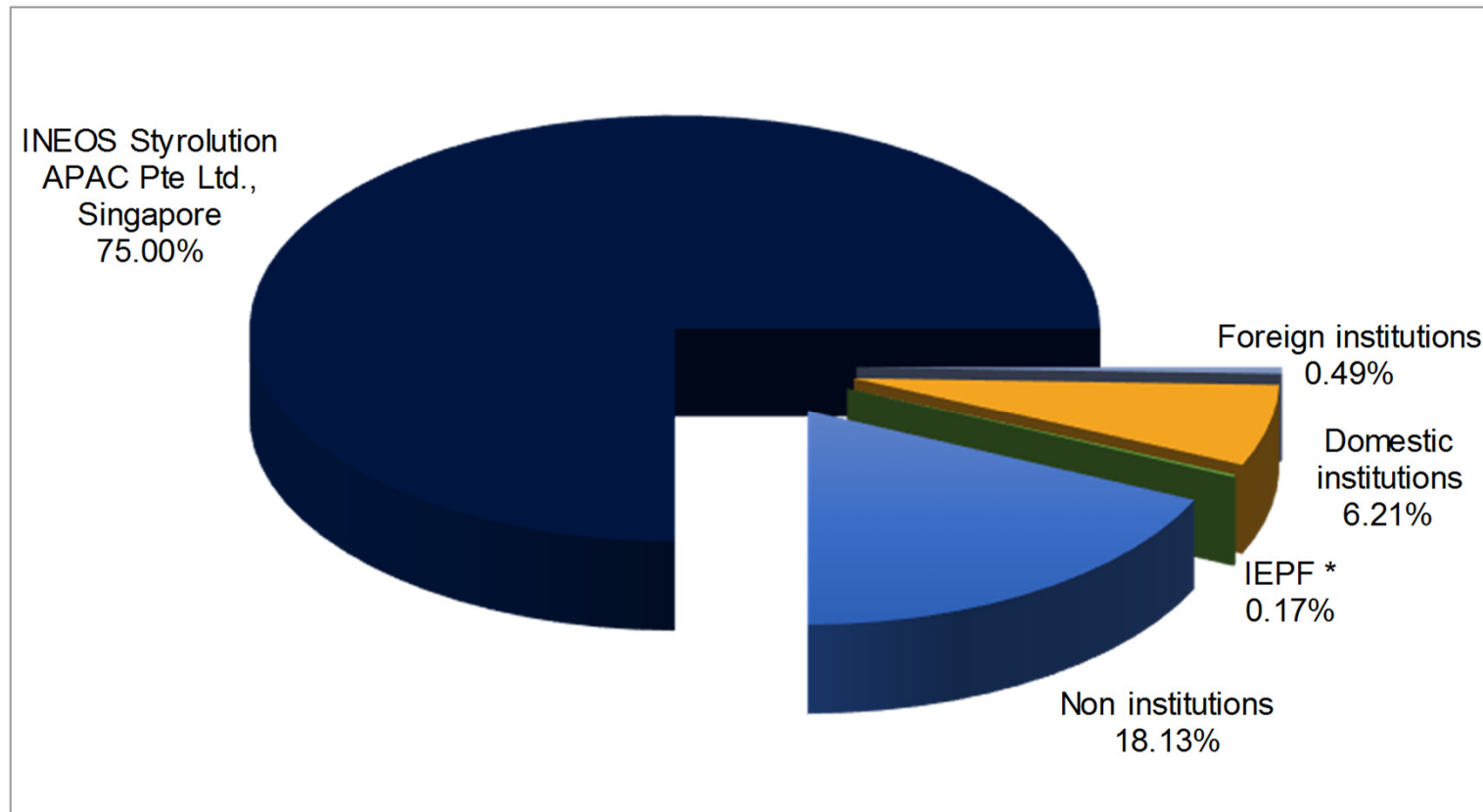
# Leading styrenics producer with global reach and proximity to customers



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

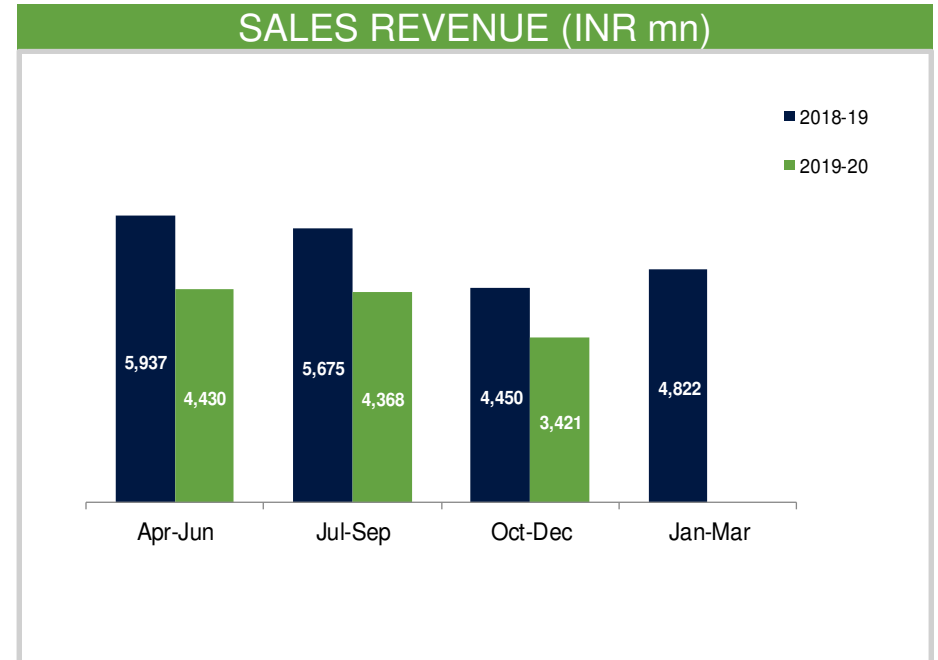
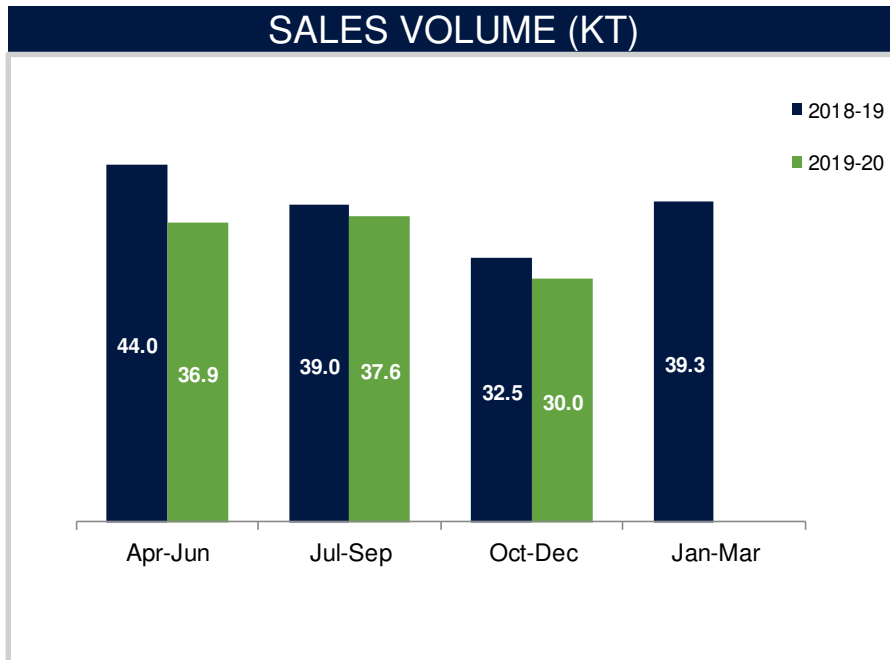
# Shareholding pattern

as at Dec 31, 2019



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

# Sales performance



# Financial review

## Quarter & YTD Dec 2019 results highlights

(Unit : INR mn except volumes & EPS)

Particulars	Oct-Dec 19	Jul-Sep 19	Oct-Dec 18	% vs Jul-Sep 19	% vs Oct-Dec 18	Apr-Dec 19	Apr-Dec 18	%
Volumes (kt)	30.0	37.3	32.3	-19%	-7%	104.0	114.6	-9%
Sales revenue	3,397	4,368	4,455	-22%	-24%	12,200	16,084	-24%
Other income	15	18	35	-16%	-57%	51	120	-57%
Cost of goods sold	2,668	3,457	4,000	-23%	-33%	9,606	13,474	-29%
Depreciation & amortization	79	72	54	9%	46%	222	180	23%
Other expenses	723	786	791	-8%	-9%	2,267	2,530	-10%
Profit before exceptional Item & tax	(58)	70	(355)	-182%	-84%	156	19	739%
Exceptional Item	(380)	0	0			(380)	0	
Profit before tax	(438)	70	(355)	-721%	23%	(224)	19	-1307%
Profit after tax	(331)	99	(228)	-435%	46%	(140)	11	-1333%
Other comprehensive income	(0)	3	(1)	-108%	-82%	(2)	(2)	12%
Total comprehensive income	(332)	101	(229)	-427%	45%	(142)	10	-1558%
EPS (Rs.)	(18.8)	5.6	(12.9)	-435%	46%	(7.9)	0.6	-1333%

### Exceptional Item:

In respect of one of the leasehold lands, the Company has received provisional order from relevant authority, demanding to pay INR 194 mn towards transfer fee and non-utilization of land charges. Accordingly, the Company has created the provision for the said amount during the quarter ended December 31, 2019. In view of the said provisional order, the Company has reviewed its other similar leases for potential liability and accordingly, based on the assessment and best estimates of the management, a provision of INR 186 mn has been made during the quarter ended December 31, 2019 in respect transfer fees for those leases. The Management is in the process of evaluating various remedial measures that can be taken.

# Segment revenue & results

Quarter & YTD Dec 2019 results highlights

(Unit : INR mn)

Particulars	Oct-Dec 19	Jul-Sep 19	Oct-Dec 18	% vs Jul-Sep 19	% vs Oct-Dec 18	Apr-Dec 19	Apr-Dec 18	% vs Apr-Dec 18
<b>1. Segment revenue</b>								
(Revenue from operations)								
(a) Specialties	2,562	3,304	3,299	-22%	-22%	9,070	12,046	-25%
(b) Polystyrene	835	1,064	1,157	-22%	-28%	3,131	4,037	-22%
<b>Total</b>	<b>3,397</b>	<b>4,368</b>	<b>4,455</b>	<b>-22%</b>	<b>-24%</b>	<b>12,200</b>	<b>16,084</b>	<b>-24%</b>
<b>2. Segment results</b>								
(Segment profit before interest and tax)								
(a) Specialties	63	141	(125)	-55%	151%	310	451	-31%
(b) Polystyrene	(70)	(9)	(200)	-643%	65%	(21)	(273)	92%
<b>Total segment profit before interest and tax</b>	<b>(6)</b>	<b>131</b>	<b>(325)</b>	<b>-105%</b>	<b>98%</b>	<b>289</b>	<b>177</b>	<b>63%</b>
(i) Interest expense	(39)	(30)	(45)	-31%	14%	(110)	(82)	-33%
(ii) Interest income	0	9	0	-99%	16%	18	22	-20%
(iii) Exceptional Item (net of credit/charge)	(380)	-	-			(380)	0	
(iv) Other unallocable expenditure (Net of income)	(13)	(40)	16	68%	-181%	(41)	(98)	58%
<b>Profit before tax</b>	<b>(438)</b>	<b>70</b>	<b>(355)</b>	<b>-721%</b>	<b>-23%</b>	<b>(224)</b>	<b>19</b>	<b>-1307%</b>

## Exceptional Item:

In respect of one of the leasehold lands, the Company has received provisional order from relevant authority, demanding to pay INR 194 mn towards transfer fee and non-utilization of land charges. Accordingly, the Company has created the provision for the said amount during the quarter ended December 31, 2019. In view of the said provisional order, the Company has reviewed its other similar leases for potential liability and accordingly, based on the assessment and best estimates of the management, a provision of INR 186 mn has been made during the quarter ended December 31, 2019 in respect transfer fees for those leases. The Management is in the process of evaluating various remedial measures that can be taken.

# Segment assets & liabilities

Quarter & YTD Dec 2019 results highlights

(Unit : INR mn)

Particulars	Oct-Dec 19	Jul-Sep 19	Oct-Dec 18	% vs Jul-Sep 19	% vs Oct-Dec 18	Apr-Dec 19	Apr-Dec 18	% vs Apr-Dec 18
<b>Segment assets</b>								
(a) Specialties	8,271	8,798	9,178	-6%	-10%	8,271	9,178	-10%
(b) Polystyrene	2,041	2,443	2,631	-16%	-22%	2,041	2,631	-22%
(c) Unallocated	237	329	295	-28%	-20%	237	295	-20%
<b>Total segment assets</b>	<b>10,550</b>	<b>11,571</b>	<b>12,104</b>	<b>-9%</b>	<b>-13%</b>	<b>10,550</b>	<b>12,104</b>	<b>-13%</b>
<b>Segment liabilities</b>								
(a) Specialties	2,993	3,262	2,329	-8%	28%	2,993	2,329	28%
(b) Polystyrene	834	972	662	-14%	26%	834	662	26%
(c) Unallocated	674	957	2,743	-30%	-75%	674	2,743	-75%
<b>Total segment liabilities</b>	<b>4,501</b>	<b>5,191</b>	<b>5,734</b>	<b>-13%</b>	<b>-22%</b>	<b>4,501</b>	<b>5,734</b>	<b>-22%</b>

# Outlook 2020

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## Assumptions for 2020

- Given the uncertainties in global economy due to events like US-China trade war, Middle-East unrest, potential disruption in supply chain due to Coronavirus may impact business
- We expect Indian economy to show improvements after NBFC crisis, improvement in NPA status by banks and corporate tax reduction by Central Government
- We expect Central government initiatives in new budget to help industry and drive consumption in economy

## Target 2020

- Continue to strengthen our product position in focus segments and drive mix to maximize margins in line with INEOS Styrolution Triple Shift Strategy
- Continue focus on safe operations and maximize utilization of in-house assets to improve ROCE

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**THANK YOU**

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