

INEOS STYROLUTION INDIA LIMITED

INVESTOR PRESENTATION

Q4 2018-19 (Jan-Mar)

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

- 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.

Contents

Executive summary

Company information

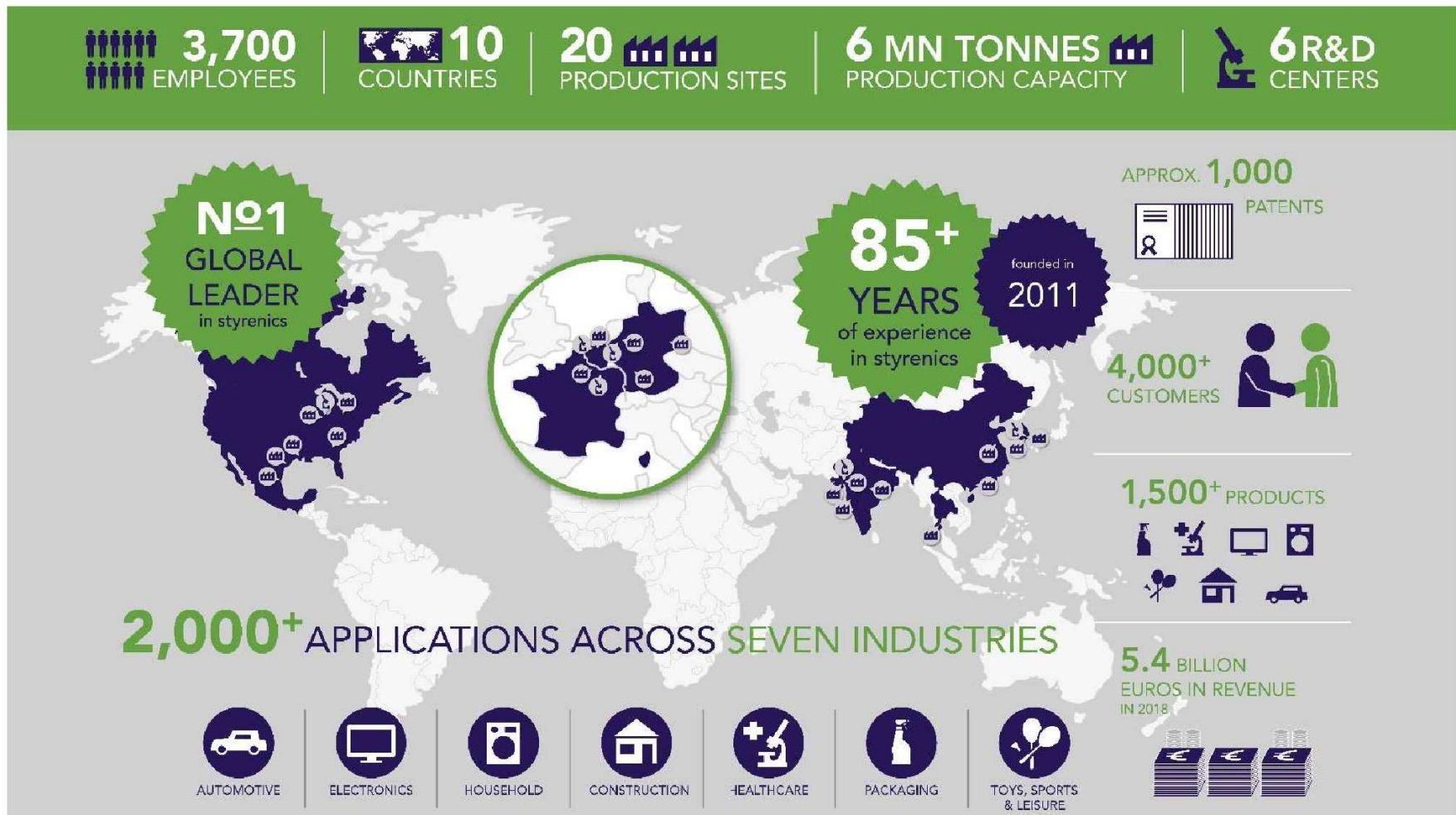
Financial review

Outlook 2019

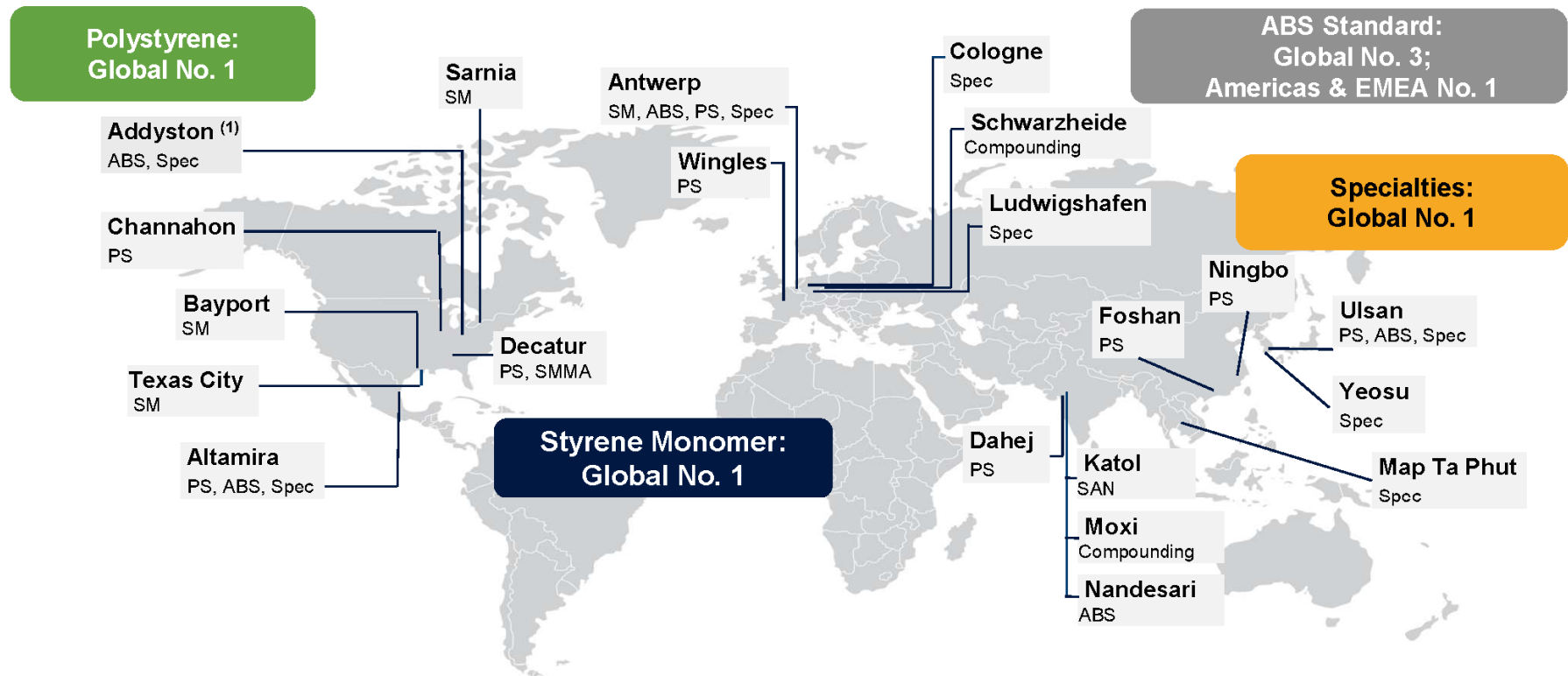
Executive summary

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

INEOS Styrolution at a glance



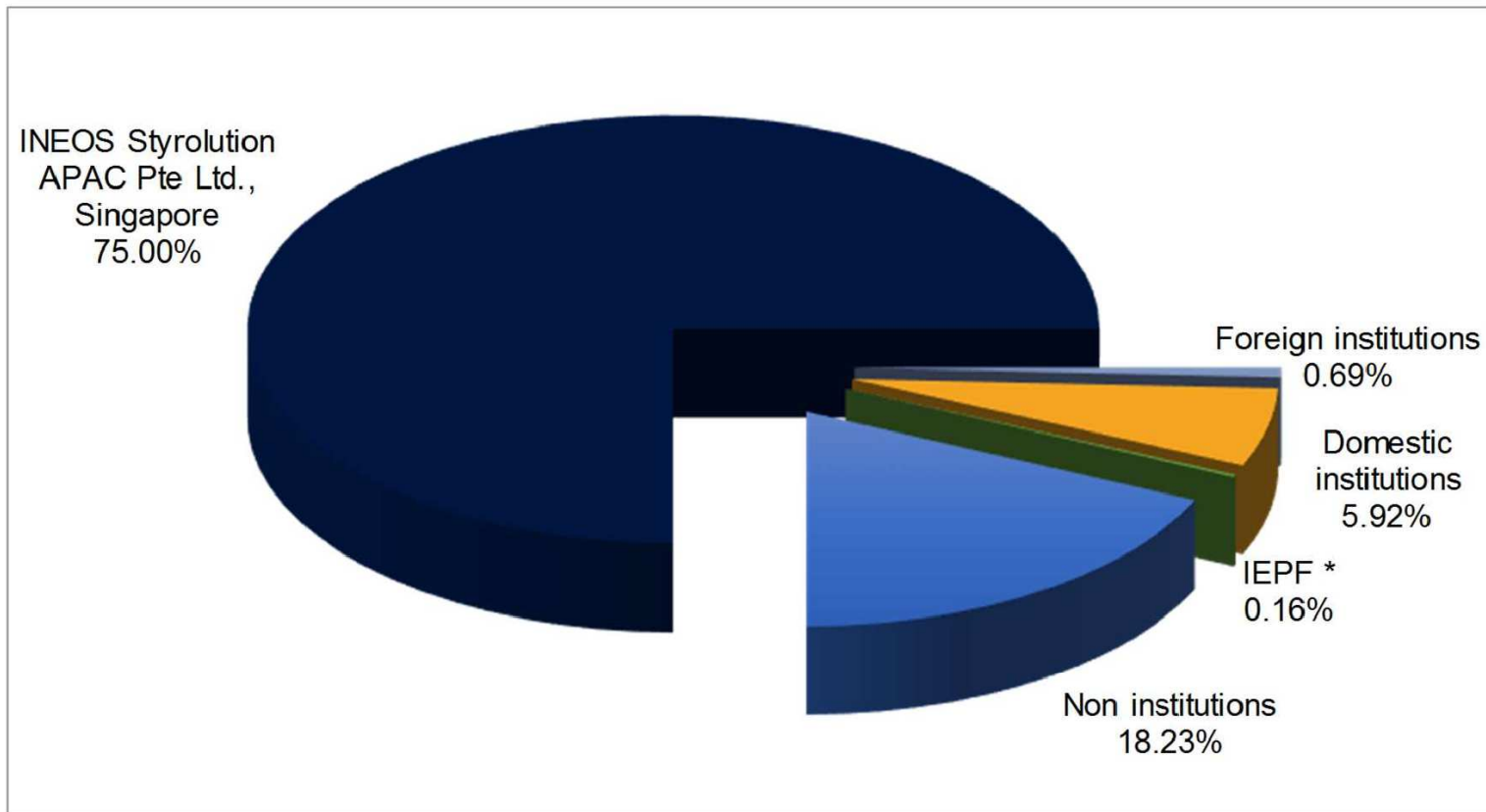
Leading styrenics producer with global reach and proximity to customers



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

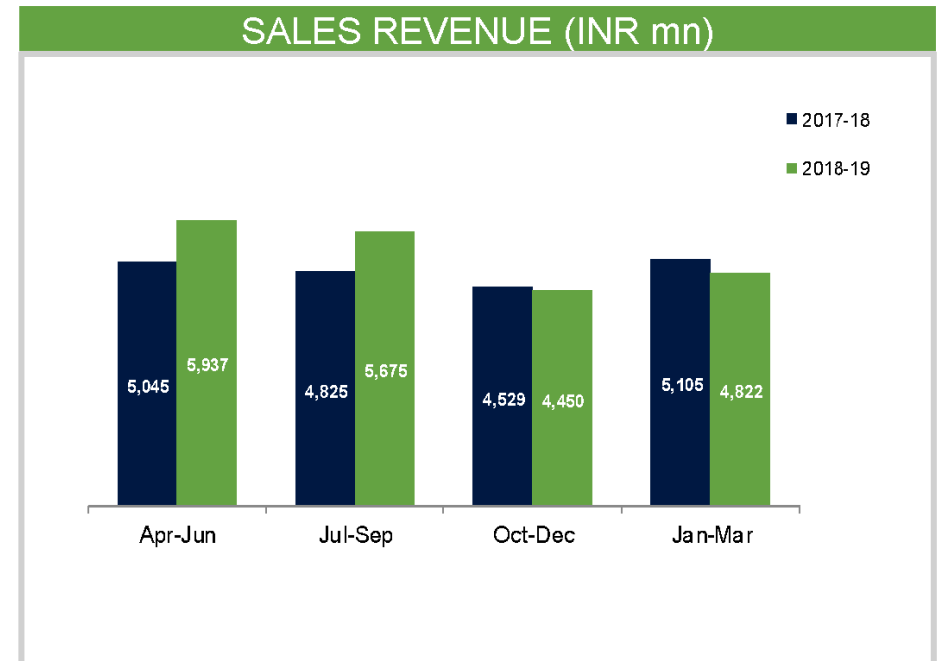
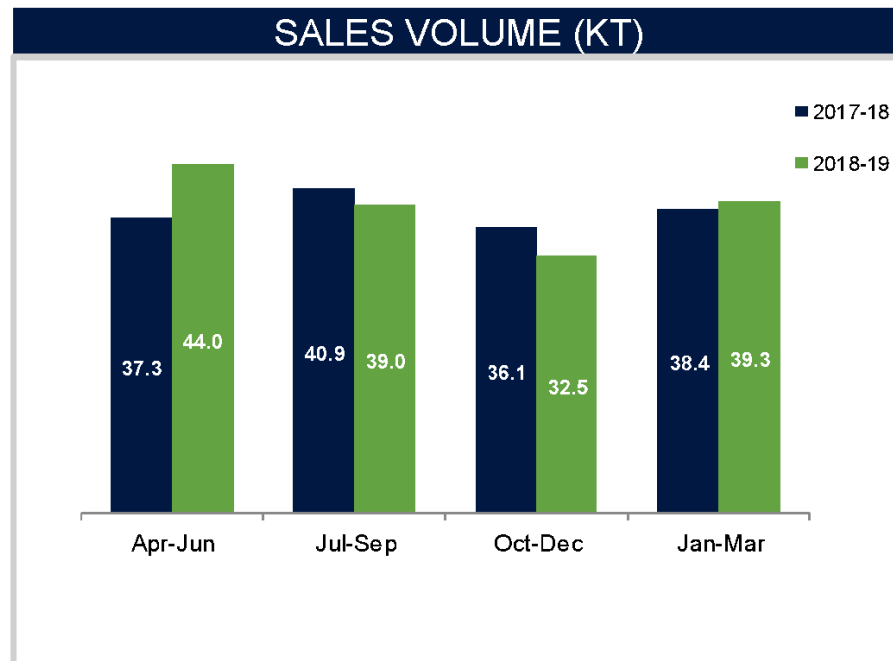
Shareholding pattern

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
1. Segment revenue					
(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
Total	4,822	4,455	5,105	8.2	(5.6)
2. Segment results					
(Segment profit before interest and tax)					
(a) Specialties	(167)	(125)	460	33.2	(136.2)
(b) Polystyrene	9	(200)	64	(104.7)	(85.3)
Total segment profit before interest and tax	(157)	(325)	525	(51.7)	(130.0)
(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)
Profit before tax	(203)	(355)	504	(42.7)	(140.3)

Segment revenue & results

FY2018-19 (Apr - Mar) results highlights

(Unit : INR mn)

Particulars	FY19	FY18	% vs FY18
1. Segment revenue			
(Revenue from operations)			
(a) Specialties	15,484	13,940	11.1
(b) Polystyrene	5,421	5,567	(2.6)
Total	20,905	19,507	7.2
2. Segment results			
(Segment profit before interest and tax)			
(a) Specialties	284	1,121	(74.7)
(b) Polystyrene	(264)	42	(722.9)
Total segment profit before interest and tax	20	1,163	(98.3)
(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
Profit before tax	(185)	1,031	(117.9)

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

Outlook 2019

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

THANK YOU
