

November 19, 2025

To,
BSE Limited
Dept. DSC_CRD
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai 400 001
BSE Scrip Code: **506222**

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

Subject: Transcript of Earnings Call with Investors / Analysts held on November 12, 2025.

Ref: Regulation 30 and 46(2)(oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir,

In continuation to our letter dated November 07, 2025 informing about the earnings call organized by the Company on November 12, 2025, please find attached Investor Call Transcript for your record purposes.

The transcript is also being uploaded on website of the Company and the same can be downloaded from following path:

www.styrenix.com – Investors – Earnings Call – Call recordings & Transcripts

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

Thanking you.

Yours faithfully,
For **Styrenix Performance Materials Limited**

Chintan Doshi
Manager – Legal & Company Secretary

Encl: As Above



“Styrenix Performance Materials Limited
Earnings Conference Call”

November 12, 2025



**MANAGEMENT: MR. RAHUL AGRAWAL – MANAGING DIRECTOR –
STYRENIX PERFORMANCE MATERIALS LIMITED
MR. BHUPESH P. PORWAL – CHIEF FINANCIAL
OFFICER – STYRENIX PERFORMANCE MATERIALS
LIMITED
MR. CHINTAN DOSHI – MANAGER LEGAL AND
COMPANY SECRETARY – STYRENIX PERFORMANCE
MATERIALS LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Styrenix Performance Materials Limited Conference Call. We have with us today from the management of Styrenix Performance Materials Limited, Mr. Rahul Agrawal, Managing Director; Mr. Bhupesh P. Porwal, Chief Financial Officer, CFO; and Mr. Chintan Doshi, Manager, Legal and Company Secretary.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star, then zero on your touch-tone phone. Please note that this conference is being recorded.

Further, on behalf of management of the company, we would also like to remind the participants that this call is being conducted subject to and in line with the disclaimer mentioned in the investor presentation that is available on the stock exchanges.

I now hand the conference over to Mr. Bhupesh P. Porwal. Thank you, and over to you, Mr. Porwal.

Bhupesh P. Porwal: Ladies and gentlemen, Namaste everyone. I am pleased to welcome you to our Q2 and period ended September '25 conference call. Our expansion plan is going on as per schedule. We'll update on these more once further details are available.

Coming to our financial performance about the quarter financial year '26 highlights. Sales volume for Q2 was 45.2 KT versus 51.8 KT in quarter 1 financial year '26, that is it has decreased by 12.7% and it has increased by 8.1% compared to Q2 financial year '25, which was 41.8 KT.

Revenue stood by INR615 crores in Q2 FY '26 versus INR721 crores in quarter 1 FY '26, that is decreased by 14.7% and decreased by 5.8% compared to Q2 FY '25, which was INR653 crores. PBDIT stood at INR81.8 crores, that is 13.3% versus INR86.1 crores, 11.9% in quarter 1 FY '26 and INR105.2 crores, 15.9% in quarter 2 FY '25.

For the half yearly highlights of the stand-alone, sales volume for H1 FY '25 stood by 97 KT versus 90.1 KT in FY '25, that is it has increased by 7.6%. Revenue stood at INR1,336 crores versus INR1,352 crores, that is a decrease by 1.18% compared to H1 FY '25. PBDI stood at INR167.9 crores, that is 12.6% versus INR197.4 crores in H1 FY '25, which is lower by 1.9% compared to H1 FY '25.

The company had incorporated a wholly-owned subsidiary, Styrenix Performance Materials FZE in Jafza Dubai, UAE on September 10, 2024. And during the quarter and half year ended September 30, 2024, no transaction had been carried out in the wholly-owned subsidiary.

The group had acquired Styrenix Performance Materials Thailand Limited in January '25 and the consolidated results of the year ended March 31, 2025, and half year ended September 30, '25 includes financial results of the subsidiaries. Therefore, the financial results for July to September '24 and half year ended September '24 are not comparable with the July to September '25 and half year ended September '25 consolidated figures.

Consolidated numbers now for the quarter 2. Sales volume for quarter 2 was 57.5 KT versus 67.2 KT in Q1 FY '26, that is it has decreased by 14.4%. Revenue stood by INR799 crores in quarter 1 versus INR943 crores in quarter 1 FY '26, decreased by 15.32%.

PBDIT stood at INR88.4 crores that is 11.1% versus INR99 crores, that is 10.6% in quarter 1 FY '26. Consolidated H1 highlights. Sales volume of H1 is 124.7 KT. Revenue stood at INR1,742 crores in H1. PBDIT stood at INR188 crores, that is 10.8%. This is all about highlights for the quarter and H1 ended September '25.

And now we may proceed to answer the questions you may have. Thank you very much.

Moderator:

The first question is from the line of Aditya Khetan from SMIFS.

Aditya Khetan:

Sir, during the quarter, we witnessed like gross spreads on quarter-on-quarter basis has improved. But sir, when we look at the raw material price performance like for styrene, acrylonitrile, most of the prices have declined quarter-on-quarter. So ideally, sir, this quarter, there should have been a component of inventory loss plus lower product mix, but the numbers are looking quite good. If you can highlight, sir, what has been the reason like we have been able to buck this trend?

Rahul Agrawal:

Aditya, this is Rahul. Can you ask all your questions at one go, so I can answer all of them?

Aditya Khetan:

Yes, sir. Sir, second was what could be the numbers for Thailand? I missed the initial remarks. So what could be the volume figure for Thailand in this quarter? And consequently, what are the EBITDA for that business?

And third, sir, my question is pertaining to our outlook for the growth in the upcoming years. So most of the expansion which we have highlighted like Phase 1 of ABS, is that scheduled to come on stream by next year of ABS, so by the mid of 2026.

And any change in the capex plans, any upward revision in the capex? That is the third. And sir, fourth question is pertaining to how you see the ramp-up of Thailand? What numbers are we looking for volumes for this fiscal FY '26 and for FY '27? Yes, sir.

Rahul Agrawal:

Okay. Thanks, Aditya. See, with regards to the gross spreads, essentially, if we look at the volumes in terms of a product mix, we have actually had a very flattish kind of a polystyrene business because there has been a significant impact on household appliances and air conditioning, for instance, has got more severely impacted. And the sales in polystyrene have been -- in spite of that, have been flat for us. We have not kind of had any reduction, but no growth either.

In the case of ABS, there has been some growth. So overall product mix has been more -- in the case of ABS, there is a larger percentage in this versus the last quarter. While the prices have come down of raw materials, even the finished product prices have come down as a result of that because a lot of the business, as you know, is formula driven. So the overall spreads are better because, of course, a larger kind of an ABS component that we have.

In terms of inventories, we don't carry very large inventory. So we don't see very large kind of inventory gains or losses, at least in the case of India. So we don't have that issue here. Going forward, with regards to Thailand, our volumes are essentially kind of declined a little bit over the last quarter. So overall, for this first half, we have done about 32 KT. We had 17 in the first quarter and 15 in the next quarter.

Overall, for this year, we are estimating the growth to be flattish in Thailand. I think next year also is when we will start seeing some update in volumes. Overall, there is a positive contribution so far in Thailand. But overall, in the entire year, we are not giving any kind of forward-looking EBITDA projections right now because there are some level of uncertainties around Thailand.

We do believe Thailand to be a medium- to long-term value addition for the business as opposed to a short-term gain that we see for the organization. I had mentioned earlier, the logic for Thailand has been around technology, around market access, around several areas, which obviously will yield results only after a period of time.

Going back to your third question with regards to growth for this business, we do -- we are anticipating to be in line and finishing the year, at least for India, how we have mentioned in the past. So to the extent we have expanded some of our capacities, we do believe we'll be able to get the benefit of those capacities translated into sales for the entire year.

So there have been some sales which have been lagging, I would say, in the case of polystyrene, especially in the first 2 quarters. But we do believe that this kind of some seasonality effect and some issues which have happened will get resolved, and we will see the next 6 months to be generally better in that case as well. So overall, volumes, we'll still be able to catch up to the levels we have indicated earlier. So we'll still have a reasonable growth over last year.

In terms of capex, I think we have mentioned some of that in terms of cash, which has been used for investing activities in our presentation as well. So capex has already started. We do believe that whatever capex we have planned for Phase 1 for ABS will be completed more or less in time, which is sometime during the next financial year. It is hard to pinpoint an exact date and month, but we do believe it will happen maybe in the mid to the end of kind of next financial year, so around that time.

With regards to, I think, Thailand volumes, you have asked, so -- and I've answered in the question again. But since you have mentioned as your fourth question, I'm again addressing it that we do anticipate the volumes to be flat in what is done in the first half with similar volumes we'll see in the second half. But as our validations come through for our products and we are able to take benefit of the entire sales teams, which have been set up in those regions.

We have mentioned in our investor presentation that in addition to Shanghai, we have also opened an office in Vietnam, and we've also got our marketing reps in Japan and Korea and other places as well as Indonesia. So all this will take a little time to yield results. But we do

believe in the coming year or in the medium term and long term, this will yield the volume growth that we are looking for.

Aditya Khetan:

Sir, just 2 follow-ups on this. Sir, you mentioned on the raw materials part that we are keeping very minimal inventory. But I believe, sir, our -- most of the raw materials like styrene and acrylonitrile are imported. So ideally, they should be having a longer time because we are importing it and there is always a transit time, plus we should have it in our inventory pipeline. So ideally that would be higher other the -- so butadiene would be lower. So still like you feel like this raw material management is quite easier in times of falling RM prices, we can easily manage the things and quickly.

Rahul Agrawal:

So if I look at even styrene monomer prices, while they might have fallen, if I look from January till this month, if I look at the average of the last quarter versus this quarter, there has not been a significant decline. In acrylonitrile, of course, there has been some decline, but acrylonitrile again, is a smaller percentage of our overall volumes. And so is the case of butadiene because if you look at the entire business, I think styrene is again a little bit larger component between polystyrene and ABS.

And there, the decline quarter-on-quarter has not been as significant as it has been, say, from January to this part. So we have not seen a much bigger difference there. So -- and again, while we are importing the styrene and styrene is, of course, significant in terms of our overall inventory, it is not very significant or very large in terms of our overall sales. So we are still able to manage that quite judiciously.

Aditya Khetan:

Got it, sir. Sir, just one last question. Sir, your commentary around Thailand has become a more onto the cautious side. You had also highlighted so there are some uncertainties, and we are expecting slight uptick in FY '27 in next year. If you can, sir, elaborate more -- what changes have we seen like post the acquisition, what changes on the ground? And anything surprise has been come to our notice or anything new which we have found out, which is why our guidance has a bit changed here?

Rahul Agrawal:

So we have never given any guidance around Thailand earlier. We have always stated that in the case of Thailand, as far as the operations are concerned and the exact value that we will derive from the operations in terms of EBITDA and volume will take a little bit of time to stabilize. There is no change from that commentary to now what I'm saying. It is the same. And in fact, I've always stated that as far as the -- that value which will come from Thailand is a significant long-term value.

And that is for most shareholders, I think that is of vital importance. So we're reiterating the same thing. I have always stated that in terms of short term, which is like 2 quarters or 3 quarters from -- not even 3 entire quarters from when we have acquired the business, there is going to be a little bit of time, which will be required to get that full benefit. So it is exactly the same what I've been stating in the past. There is no change in it.

Moderator:

The next question is from the line of Dhaval Shah from Girik Capital.

Dhaval Shah:

Good set of performance on the EBITDA margin front. Sir, my question first is regarding the incorporation of a wholly owned subsidiary in Dubai. So what is the purpose of this? So that's the first question.

Second question will be on the third quarter outlook, which you've given in the presentation. So this translates into a sort of a Q1 type of performance in terms of volume, what we have done. So is my understanding correct?

And third question will be in terms of competitive intensity as our peers' capacity has gone on stream and then further ramp-up will happen in the ABS capacity over the next 2 quarters. So do you see some pressure on -- in the market in terms of margins on the ABS side as its capacity gets ramped up? These are my 3 questions.

Rahul Agrawal:

So your first question is around Dubai. Essentially, we have -- when we took the business from INEOS Styrolution in Thailand, it seemed the advice that we got was that eventually Dubai would be a good destination from a long-term business structuring perspective for Styrenix as a whole.

As you know, currently, in Styrenix, we don't have any export sales in India. Thailand, we do, of course, have some sales going to Asian regions. But if we look long term in terms of sales to the Middle East, to Europe, to U.S., we believe that Dubai would form a good base for the organization long term.

And keeping that in mind in terms of future planning, which should be efficient from functioning, operations, tax, all the above, it made sense to incorporate this. So that net-net, we see an advantage of this kind of a structure and entity, which we have formed in Dubai.

Dhaval Shah:

Basically, it's like a sales office for exports, right?

Rahul Agrawal:

Yes. So it's also kind of a holding company for the Dubai entity. And also, it will work as a sales function, right? So there will be a lot of sales which will happen into the Middle East, which is an area which we have now started exploring from India as well into the GCC. There is an opportunity there. And Dubai, of course, is a correct base for us to engage in those sales activities for GCC for some of our capacities, say, like you mentioned about PS, competitive intensity and that kind of ties in there.

Where we do believe there are more opportunities which will come for PS also in that region also with ABS, and that may materialize quicker once we have additional capacities to offer in ABS as well. But in the case of PS, for instance, we have already started looking at exports in that region. And again, Dubai becomes a base for that. So there are multiple benefits of being in that region, and I'm just enumerating a few of them in the interest of time here.

When we look at the third quarter outlook, per se, we have not given any guidance per se in any of our presentation. All I have mentioned is if we look at the annualized volumes that are available to us for sale versus what we will be able to sell, right, in terms of capacities versus sales, I think we will have an opportunity to sell more.

And we will be able to do that because we do believe that the demand will remain robust, right? So the outlook is a generalized outlook for the industry as opposed to an outlook for our company specifically because we have spoken about appliances like refrigerators, we have spoken about auto industry, we have spoken about small appliances.

And we do believe that there has been muted demand in the last few quarters, especially on PS and somewhat in ABS also, of course, the demand has been good for us. But PS specifically, we do believe that the demand will be better, right, going forward, which is generally the case year-on-year as well. So essentially, that cover up we will do in the next 2 quarters.

It's not just Q3, but even Q4 for that matter. So overall, that is a market outlook. And as far as our outlook is concerned, for ABS, we are running relatively full, and we anticipate that will be the case. With whatever competitive intensity has been, we have not seen any significant increase in that so far.

And with whatever competitive intensity, we have not seen any significant change either in terms of our margin profile for ABS. We'll see how that pans out as that comes. As far as our own capacity augmentation is concerned in ABS, that, again, we have some time before that happens.

Like we have mentioned, it will happen in the next financial year at some point of time between the middle of the year to the end of the year. So until that time, whatever ABS capacities we have available, we don't believe there will be any challenge in being able to utilize that entire capacity.

Dhaval Shah: Noted, sir. And sir, one question. As you mentioned, your PS sales could be higher for next 2 quarters. So does it mean that the EBITDA per kilo, what you've done in second quarter could be softer given the PS sales will be higher?

Rahul Agrawal: So it can happen, but again, very difficult to predict exact numbers, Dhaval, because what also happens in Q3 and Q4, specifically, if I look at Q4, the overall margin profile also improved slightly. Specifically, there is a lot more sale in the air conditioning and the refrigerator market, a lot more HIPS is sold as well at that time. The volumes effectively are much, much higher than what we are doing today.

And there, again, the EBITDA per kg is higher than, say, for general purpose polystyrene, for instance. So there is those things also which play into it. So to give exact numbers of how that would play out versus the first half is a little bit difficult to give. But generally, you would be correct that there would be some potential impact on the blended EBITDA per kg.

Moderator: The next question is from the line of Dhavan Shah from Alfaccurate Advisors.

Dhavan Shah: So first, my question is on the stand-alone business. Despite there are some headwinds in the domestic market in terms of the auto volumes and then the consumer business also, still we have shown the 8% volume growth that is really a great part. And going forward, once the GST has already been cut and there is also an assumption then that the second half can be good in terms of the auto volume growth.

So you already mentioned that ABS we are already running at peak. But in terms of the overall volume perspective, is it fair to assume that we can end this year by around plus 10-odd percent of the volume growth? Or is it largely will remain at the same level like we have done in the first half?

Rahul Agrawal:

Yes. So if you look at year-to-date last year versus this year, year-to-date, we mentioned the total sales volume on a stand-alone basis last year was around 89.8 KT, which is now around 97 KT, right, for the first half. When I mentioned also the fact that polystyrene has been largely flat, which means all of that growth has essentially come from ABS or most of it has come from ABS.

So you can derive very quickly that the growth is probably more than 10% or thereabouts as far as ABS is concerned, right, if I look at ABS stand-alone. We don't give segmented numbers, so I'm afraid I'm not able to share that with you, but one can derive that in a rather straightforward manner.

Going forward, also, we anticipate the same to be the case. Yes, like I mentioned, polystyrene will also do potentially much better in the second half. So overall, our volumes will remain to the tune of whatever 10% growth as well because we have already seen close to between 7.5% and 8% growth or 8% growth in the first half. So we do anticipate in the second half to be a little bit better than that. So thereabouts 10%, not committing to a specific number, we should be able to achieve.

GST cut, yes, we will -- we are anticipating also to see some benefit from that. But again, we are not sure exactly when, how that kicks off. The demand that we have seen for our products has been robust. We also anticipate auto growth to remain robust going forward. Especially Q4, we see auto growth is generally quite good. And even for next quarter, for both the 4-wheeler and 2-wheeler, again, we are expecting reasonably good growth. So all these sectors will ensure that we don't have any problem meeting our volume targets.

Dhavan Shah:

And also because of the volume growth can be good compared to the H1 and the raw material price is already suppressed. So is it fair to assume that the spread would also improve because the demand market -- I mean, the market demand will improve. So eventually, I think the spread would also improve. Is it a fair assumption? I mean -- or we will pass on any decrease in the raw mat to the end users or we will keep some benefit in terms of the sales price?

Rahul Agrawal:

So generally, as we have mentioned in the past as well, we do a lot of formula-based pricing with a lot of our customers. And in that, it's passed through, right? So if the prices go up or down of raw materials, generally, that's agreed upon wherever there is a contract. Now even if there is no contract with a lot of the other customers as well, we have some kind of a formula. So we do believe it will remain passed through.

Wherever we have some business on the spot market, yes, there could be some opportunities. But the competitive intensity right now in the market and has been the case in the past as well, has ensured that there is no significant upside, right, over there. So we don't anticipate any major changes, frankly, going forward.

Dhavan Shah: Understood. And in terms of this highlight, if I look at the other cost and the employee cost, if I annualize both of these things, I think employees is roughly INR65 crores, INR70-odd crores on the annual basis. And the other cost is roughly INR200 crores on the current revenue -- annualized revenue of INR800-odd crores. You already mentioned that the next year can also be soft maybe for Thailand in terms of the volume growth. So is there any room for restructuring these 2 costs, employee and other costs to improve the EBITDA per turnover there?

Rahul Agrawal: So in Thailand, we are doing something. But today, to translate that into significant numbers and trying to factor that into a calculation is not something which I would recommend strongly to do, whether the employee cost or the other expenses. Now there will be areas of productivity improvement. There will be areas of technology improvement. But -- and of course, there will be significant areas for improvement in sales, right?

So it will be a stepwise process. It will be a gradual process. And like I said, there is a way of working in that region, which we need to respect. And we need to be able to ensure that the kind of the asset is able to deliver how we want in the long term as opposed to looking for short-term gains.

Dhavan Shah: Right, right. Because I was comparing the stand-alone other cost, which is also around INR240-odd crores on an annual basis versus our revenue in stand-alone is around INR2,500 crores on an annual basis. And if I compare it with Thailand, Thailand other cost is also INR200 crores right now. So I understand that the utilization is lower there.

Rahul Agrawal: Right. So I think that is the biggest challenge, right, in Thailand is the capacity utilization. But one must understand one thing here that we have also shifted from INEOS' brand previously, towards Absolac, which in that region has not been a well-known brand. And in spite of that, we have had a relatively good success in terms of conversion to our brand, right?

Going forward, we do believe that as the sales efforts take place, the total volumes will go up. But yes, it's a process which we have to follow, and we have to respect. And making too many sharp changes can be very detrimental to the organization.

Dhavan Shah: Sure. And sir, by when do we expect the incremental sales from Dubai or the GCC country will start?

Rahul Agrawal: So again, this will take a little bit of time. We have started the process. And this is going to, of course, be more for the Indian operation only. So polystyrene, typically, what happens is you tend to run much fuller in the third and fourth quarter. So you would want to utilize that capacity when they're available again. And that potentially would happen again next year. So we have to do a little bit of balancing in terms of when we see the value in those markets versus when we have capacities. So we have started the efforts. We will start feeding the market a little bit.

But the real benefit where we can get operating leverage or capacity utilization benefits would be times when potentially those volumes are a little bit leaner in India, which will again

probably happen more next year as opposed to trying to push it for the next few quarters where anyways, the demand in India is much more robust.

Dhavan Shah: Understood. And the EBITDA per tonne would be better in those countries versus the India?

Rahul Agrawal: It depends on grades. But overall, what I believe is that the realizations in India are better.

Dhavan Shah: Okay. But EBITDA per tonne would be better over there?

Rahul Agrawal: I think the realization, which means EBITDA per tonne is better in India. Specific grades can give better realizations. But yes, generally, this would be the case.

Moderator: The next question is from the line of Tushar Raghatate from Omega Portfolio Advisors.

Tushar Raghatate: Just wanted to know more about the industry structure, little elaborative -- there were 2 players now it become a 3-player industry, the ABS. I just wanted to understand the profit risk for us in the industry. And secondly, in terms of the emulsion and the mass ABS manufacturing process, what's the difference in that in terms of client stickiness or any risk you are seeing from that -- from the mass grid ABS? If I'm not mistaken, one of your peer, the raw material styrene capacity is just next to the plant. So in terms of logistic benefit, how we are placed in the industry of the ABS That would be my first question, sir.

And secondly, just wanted to understand the Thailand business. And I'm asking from the midterm perspective, not the near term. For INR800 crores plus book, we gave here about less than INR200 crores with the tax benefits there. I understand the turnaround takes some time. Just wanted to know in terms of the capacity utilization and the profitability contribution to the consolidated level, then we can see the material contribution from the Thailand business.

And third would be, sir, you did some polystyrene debottleneck and are debottleneck capex historically. What was the cost for the same? And do you see that the delta with the capacity added, do you see that utilization happening to the extent which we thought earlier?

Rahul Agrawal: Okay. So with regards to your first question, when you spoke about profit sharing, I'm not sure how I can answer that question. I don't think I'm qualified to answer the profit sharing between different players in an industry. But I can share only the profits that we have, and that is readily available to you.

With regards to emulsion versus mass ABS, so currently, to my best knowledge, the ABS market in India, where we are present in Styrenix is dominated by immersion ABS. Mass ABS, we have seen product being sold in some other parts of the world. Of course, one of the players has come out with mass ABS. We are not sure exactly which customers in terms of positioning mass ABS will occupy. But so far, we haven't seen a very big risk.

One thing also for you to understand, if you look at the overall industry dynamic is that the total market for ABS is still underserved by the existing or the earlier incumbent players, right? So the third player addition, I think there is hope for -- to do some import substitution as well. So we don't believe there is a major risk associated with potential mass ABS also coming

into the market, though we haven't really seen it so far. We will see how this pans out over the next few quarters.

When you talk about the other player having SM capacity or styrene monomer capacity next to the plant, I do not believe that is correct because there is no styrene monomer plant in India. Entire styrene monomer so far is imported into the country. There is some announcement of some capacity, which will come in, but I do believe this will take a few years at least. So there is no such comparison that we can really discuss at this point.

With regards to Thailand, you mentioned that you are more interested in the medium term. So normally, short term, I look at next few quarters or 1 year and medium term would be beyond that. So I've already addressed that question where I mentioned that in the next year, we will see some growth and then real growth we'll see beyond that.

So in terms of capacity utilization, also, right now, we are operating at much lower capacity utilization. So we did about 32,000 tonnes in the first half and similar, say, next half also. And the total capacity, I think, of Thailand that we have stated is around 120 KT. So it's only about 50%, right?

So that is where it stands. And material contribution, I've already mentioned, will not -- is going to remain where it is. If you look at the first half, it is not going to significantly contribute to the consolidated results in terms of the EBITDA or anything like that. And this is going to take a little bit of time before that there is any real contribution that we see.

With regards to ABS and PS Debottleneck I don't have the exact numbers in terms of the breakup of what we spent. But we do believe when we look at ABS debottlenecking, for instance, we have been able to increase the volumes. So when we took over the business in '22, the volumes that we were doing in ABS were close to 60,000 tonnes in a year. And last year, we closed closer to 90,000 to 100,000 tonnes. And this year, we are, of course, doing even numbers higher than that.

In PS also, we have seen similar kind of a growth pattern where earlier the volumes were to the tune of 40,000, 45,000 tonnes. And last year also, we have seen an increase in that, and we are seeing further increases this year as well. So all the debottlenecking exercises have been successful for Styrenix. And going forward, whatever we have done, we will be able to utilize the operating leverage out of those capacities.

Tushar Raghatate:

Sir, just to clarify, in the profit mix, basically, the industry profit mix, do you see any risk going forward? Why? Because sir, one of your competitor has reduced their capex plan substantially. So just wanted to know the incremental growth of 7% to 8%. Do you see that coming in for us?

Rahul Agrawal:

So I can't comment on what the competitors are doing from a strategic perspective. I can state that for Styrenix, going forward with the expansion is going to be vital. We do believe that we are -- we want to remain in a leadership position in this market. We want to be able to cater and serve all our customers effectively. India is growing well. There is a robust demand for all our products.

And we are just answering the customer's call essentially by doing the expansion, which is needed. We do believe that with whatever current margin profile and profitability profile we have and whatever capex plans we have planned out, we are getting a reasonably acceptable and healthy IRR on that capex investments, which has been cleared by our Board. So we do believe that we are sticking to the path that we have already announced earlier, and there is no deviation from that.

Moderator: The next question is from the line of Nirali Gopani from Unique PMS.

Nirali Gopani: So Rahul, again, my question is a little broader, and I believe you have answered in bits and pieces. But -- so when we took over the company, our belief was we will go with import substitution, import will eventually come down. But now as we see that we are increasing capacity, our global -- our domestic competitors are putting on further capacity. And we have also heard that China is also going very aggressive in adding capacities. So eventually, not in the near term, but 3 years out, do you see any pressure from -- due to imports or global and chances of overcapacity happening in the next few years?

Rahul Agrawal: Nirali, any more questions you have other than this?

Nirali Gopani: Yes. And secondly, on this Mass ABS, so just wanted to understand that our belief was that getting an approval with auto OEM is a little long gestation period, but our competitor believes that we can get this in 3 to 6 months. So any view like in your view, how long does it take to get a clearance from an auto OEM? Yes, that's it from my side.

Rahul Agrawal: Okay. So with regards to domestic capacities, I think most of the information is in public domain, wherein we are, of course, going ahead with what we have planned. With regards to competitors, I don't feel it is right of me to comment, but we know what is happening with the other 2 competitors, what is going on. So we do believe that as far as domestic capacities are concerned, in fact, there is a kind of a cutback in the earlier view where the overall capacities would have been higher, in fact. So the capacities are going to be actually lower based on whatever recent commentary is there from the 3 now players.

As far as China is concerned, so one interesting information that I can give you is that even from Thailand, we do sell to China. So in the sense that while China may have significant capacities, which you are right, and they are putting in even more capacities, there is certain markets in China for which certain kind of ABS is required where we are better equipped to produce and deliver. And we have been doing that in India as well. So a large part of the Indian market is in that segment. And we do believe that we will remain not only relevant, but we would have a leadership position in those segments going forward.

So while imports always pose some kind of threat to the competitive intensity ecosystem, that will remain the case as it has remained even earlier. So competitive intensity has been from the Far East. I won't name specific countries, but there have been imports coming in from everywhere. And in spite of that, we have been able to carve out our niche position, and that will remain the case. So there is already overcapacity globally, but that's not today or tomorrow. It has been there for quite some time since we have taken over, in fact, or even

before that. And in the context of that, I think we have still managed to increase our business. So that's something that I think we should be able to effectively manage going forward as well.

With regards to Mass ABS, again, I will refrain from commenting. I've already explained what I know about Mass ABS. So -- but as far as we are concerned, with all the auto approvals, we are already approved in almost all the auto companies. When we come up with new products as well, we are part of their qualification process. We are part of their value addition process where they're looking at new materials.

So it depends on, of course, specific grade, specific products, but there is a great deal of confidence in what the companies that we are working with have already in our ability to not only produce, deliver, but also kind of guarantee not in terms of legally guarantee, but guarantee in terms of what the performance will be of the product from a long-term perspective, given the conditions that we have, say, in the Indian context.

And our products are well proven, right? So we may enjoy a slightly shorter lead time also from that perspective. So there are many factors which play here in automotive, which are very critical in terms of equipment qualification -- I mean, in terms of part qualification and consequently, the raw material, which is used for that part. So again, validations can range anywhere from 6 months to 2 years, depending on the part, depending on the company, depending on the difficulty or depending on the challenges associated with incorporating a new material in that part.

Nirali Gopani: Right. No. And just one more clarification. So since you said that we have -- and we were aware that you have been onboarded with most of the OEMs, and you have been working with them for many years now. And they are very satisfied. So have you ever received a demand from their side to do mass ABS or any thoughts on that side?

Rahul Agrawal: No.

Moderator: The next question is from the line of Santosh Keshri from SKK Huf.

Santosh Keshri I just had one question. This is regarding borrowing level that we are seeing now in the balance sheet, like as far as I remember, it is something like more than INR300 crores now. So it is for capex. And I can also see that there's a reduction in the sundry creditors trade payables. So are we using this borrowing to pay off the creditors for a while? And then later on, we are going to use this for capex expansion? If you can just clarify this?

Rahul Agrawal: I'll let our CFO answer this question. Bhupesh?

Bhupesh P. Porwal: Yes. Sure, sure, sure. So first of all, regarding the loan positions, I think what you are mentioning is maybe INR300 crores is not our loan. So we have roughly INR120 crores of overall loans which we have, plus another loan which you are mentioning is that is of the acquisition loan, which is there, which is in the non-long-term loan, which is mentioned. So these are 2 separate loans. So one is for acquisition, one is for working capital.

Second, regarding the creditor side, yes, the creditors have reduced, but the creditors have reduced because of some of the optimization of the buying patterns, maybe it happens, maybe some vessels come on 27th or come on 5th. So maybe on this particular 30th September, these were paid. And maybe some goods in transit were also reduced. So it has happened by chance, it is reduced by INR180 crores definitely in the stand-alone books.

Moderator: The next question is from the line of Dhaval Shah from Girik Capital.

Dhaval Shah: So sir, Bhupesh-ji, can you just confirm -- so we spent INR75 crores in H1? And how much will be for H2 and next year and the year after, what is the road map?

Bhupesh P. Porwal: Regarding the capex?

Dhaval Shah: Yes, sir. Yes, sir.

Bhupesh P. Porwal: So we have not mentioned any figure up till now. What we had mentioned is that we will be spending roughly INR350 crores for the Phase 1, which will be happening until next year because it is not -- the spend is difficult to assess what we are doing because a lot of things are committed by raising some purchase orders or giving some advances. And payments are done after project is complete about because we have terms after a successful completion after 3 months, we'll pay.

So capex outflow is something different. Committed of PO is something different. And we are not mentioning those numbers because it is too complex to understand right now how much PO is given and how much this will be too complex. But as I also mentioned and MD has also mentioned, the capex plan as per schedule is going on.

Dhaval Shah: Okay. So as per the cash flow statement, INR75 crores is towards -- is shown as investing in under investing activity. So for the next 6 months, so this is to understand how the debt on the balance sheet will move in relation to the capex spend and the operating cash flow expected. So can you help me understand that?

Bhupesh P. Porwal: Can you repeat it, please? Because you are referring stand-alone or not the consolidated one?

Dhaval Shah: Consol, consol number.

Bhupesh P. Porwal: Okay. Okay. Okay. Okay. So these are the 2 different things because when you are talking about India capex, we should talk about the cash flow of the India stand-alone, correct, which is INR40 crores right now what we have paid in this quarter. And what was your question, sir, again? Can you repeat, please?

Dhaval Shah: Yes. So on a consol basis, we have spent INR75 crores right, in H1. So in the remaining part of the year, how much we will be spending? And on a consol level, what is the -- I just missed the previous conversation with the participant regarding the debt on the book. So what is it that right now? And how will that look in the -- up to next 6 months up to March?

Bhupesh P. Porwal: So at the consol level means maybe at Thailand, we will not be having more investments anywhere now because initially, we had some investments in terms of IT infrastructure and

related things. So we'll not be having any capex. We don't have any capex plans for Thailand at present. It is not required also.

And in regards to India stand-alone, as I mentioned just now, the capex plan, which is there of INR350 crores, which we'll be spending up till next year, and that will be continuing as such. As I mentioned, in India, it was INR20 crores was the loan position, yes, INR20 crores.

And up till now, whatever capex payments we have done, we have done from our internal accruals. So there will be borrowings definitely in near future, looking to the requirements and all that. But right now, it is not there up to 30th of September for any capex requirements separately.

Dhaval Shah: Understood. So this INR350 crores, so how much have we spent out of that?

Bhupesh P. Porwal: So as I told you, out of INR350 crores, if you really see the spending, the overall spending in this capex plan for -- up till in the 6 months is INR40 crores. But it more depends upon how much purchase orders we have raised and how much we have committed to the vendors for those things. So all long lead items have already been placed with some advances and all that. So -- and the cash out flow will flow after the projects also, depending upon the terms, what we are keeping as a retention money for complete and good implementation of that project or particular equipment.

Dhaval Shah: Okay. Because I thought this INR40 crores will have some maintenance capex also for our existing capacities and -- yes.

Bhupesh P. Porwal: So you are correct, it will be there. So maybe last year also in the last quarter, we had given some long lead item advances. So as I have been telling again and again, we are not publishing separate figures every quarter how we are spending on those things, yes. And nobody can do that and does that also, correct? Yes.

Dhaval Shah: No, I just wanted a broader picture because, I mean, for us, what matters is next 2, 3 years?

Bhupesh P. Porwal: The capex spend is for 2 years, we will do within those 2 years.

Dhaval Shah: Within that. So we'll be spending INR350 crores entire capex till next Phase 1, which will be coming by H2 of FY '27, as sir just mentioned, correct?

Rahul Agrawal: I didn't mention H2. I mentioned it will be in the next financial year between the middle to the last part of the year. So we don't know exactly which month and which quarter, but it will happen next year sometime in the middle of the year.

Moderator: The next question is from the line of Krunal Shah from Enam Investment.

Krunal Shah: Congratulations on the good set of numbers. I have 3 questions. One is, if you see there's been an INR85 crores increase in short-term debt in added entity. Just wanted some clarification as to why the debt was there.

And the second question is on the working capital cycle. So where do you expect it to settle by FY '26 end? And the third question is on the management bandwidth. What are the key 3, 4 areas where your bandwidth is being occupied?

Bhupesh P. Porwal:

Yes. So Krunal bhai, thanks for the questions. Yes. I'll answer the one first one. And so about the cash flow, yes, INR90 crores has been utilized for the working capital. The requirement comes because we had built up some inventories. There are 2 reasons for that. First of all, we were trying to see whether the assets which we have bought can run at a full pace when it is required.

Right now, capacity utilization is not there, but we wanted to be sure about what happens when it does. So for 2 to 3 months, we have run and we had built up inventory, which will definitely be utilized for the future. And this is the main reason why working capital was required, and we have utilized that working capital. So going forward, when this -- all sales will be done slowly, and this requirement may come down.

Rahul Agrawal:

So in terms of management bandwidth, Krunal, of course, there is a fair amount of project work, which is going on in India. We -- it's -- there are set of challenges when we are doing brownfield expansion within India. And we want to ensure that we do a timely execution of these projects and bring up the capacities as and when required. So that obviously takes up some amount of time. I won't give you exact percentages, but you'll get a sense.

In terms of Thailand, of course, increasing sales there, ensuring that we are able to correctly leverage and position with a lot of the key customers in that region, which can also help us in India and vice versa. That is more effectively utilized in terms of the synergistic benefits is another area which has to be properly handled. And again, in terms of executing in both the sites, wherever we are lacking in terms of capabilities, those have to be augmented, right?

So we have done that in terms of the sales function. We have done that in terms of projects. And of course, in other areas like supply chain and R&D as well. So there is a lot of development happening for new products, new grades. So there is bandwidth, which is required across these 3 or 4, I think, critical areas where we are spending most of our time.

Moderator:

The next question is from the line of Aditya Khetan from SMIFS.

Aditya Khetan:

Sir, my 2 questions are, first, on the Thailand acquisition. What was the headcount reduction, sir, we have done? Like we were highlighting we have done some headcount reduction. Second, sir, what was the product mix in Thailand earlier and what it stands today? And continuing on this, sir, I believe like we have mentioned earlier that we were having a 25% market share in Thailand. If you can, sir, give this number, like what was this in 2021? And how much has been the loss in market share today?

Rahul Agrawal:

So we have not really had any headcount reduction in Thailand, Aditya. In fact, Thailand is a fairly lean operation in terms of headcount. We have only about 164 people in Thailand across all functions, which is a relatively lean structure. In fact, we have added some salespeople because earlier, the sales organization was different in terms of -- there was the INEOS global system, which was working as a sales organization, but we have added our own salespeople.

Net-net, in terms of the total cost of the company, there is no significant impact. There is some small reduction.

In terms of product mix, there is no change because, again, we are not making polystyrene over there. We are only in ABS and SAN. So that product mix is very similar to what it was. Of course, if you ask me what it was a few years ago, I don't have that data also because that was -- that is data which has not been necessarily shared by INEOS. We only know bits and pieces again. But there is no significant change from what I understand.

In terms of market share in Thailand, what I meant is 25% of our sales actually go into Thailand. And that is also the same. Thailand itself is a larger market, and we have a smaller market share in Thailand than 25%, maybe closer to like 10% of the Thailand market, which is also similar to what it is today. So we haven't really lost much market share. There has been, you can say, maybe 5% to 10% loss in overall volumes, but that is kind of evenly spread between China, Thailand, all those places.

And that has been mostly on account of the transition that we have had from the INEOS brand to the -- our local Indian brand, which is Absolac, which is now a global brand. So that transition has taken a little bit of time again because of validation, even though if you look at the 4, between man, method, machine and I'm forgetting the full name, but anyway, between the 4, all of them are essentially the same, but the brand has changed, right?

So that has required some validation, and which is we are confident we'll get that business back as well. So overall, there has not been any significant loss. But yes, 5% to 10% market share has been lost on account of that transition, which we will recover.

Aditya Khetan:

And sir, so post this acquisition, have we added any new customer? And what has been our discussions with customers? Like is it better compared to earlier? Like what is the feedback from customers we are getting in terms of -- so procurement of the volumes and providing the continuing support. Is it better compared to earlier? Or is it so more or less the same?

Rahul Agrawal:

So we obviously have positive feedback from customers. We have positive engagement with customers. We have been able to retain, I said, like a large part, like 90% of the business, we have been able to retain, right, which basically means there is some level of confidence that the customers have because they know the product is coming from the same plant.

It's coming from the same set of people, all of that with the same formulations and the same quality. So we are maintaining that. And hence, we also don't want to make any -- too many sudden changes over there. We want to maintain that with most of our customers, and that also will bring about the confidence that we need to increase the market share. So there is no difference.

But all those discussions, some of the new customers that we've also brought in will have not really translated to very large volumes today, right, which we can see in the numbers. But that will happen over a period of time. So again, like I said, this is a gradual process for which we need to give a little bit of time.

- Aditya Khetan:** On to the Thailand plant, what is the outlook? When can we reach the peak utilization from the current plant, 2 years, like 5 years, 6 years down the line?
- Rahul Agrawal:** Yes, it will take some time. So again, we are not giving any forward-looking statements in India or in Thailand, and I will refrain from doing that. But like I mentioned, in the medium to long term, the capacity utilization will definitely be significantly higher from where we are today.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Mr. Chintan Doshi for closing comments.
- Chintan Doshi:** Thank you, everyone, for taking time and showing interest in the company, and we look forward to answering you in the next investor call, which will be announced at a suitable time. Thank you.
- Moderator:** On behalf of Styrenix Performance Materials Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.