November 05, 2026

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,s
Bandra ('E')
Mumbai 400 051
NSE Symbol: **STYRENIX**

Subject: **Transcript of Earnings Call with Investors / Analysts held on October 29, 2026.**

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 October 26, 2026 informing about the earnings call organized by the Company on October 29, 2026, 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**

CHINTANKUMAR SURESHCHANDRA DOSHI

Digitally signed by CHINTANKUMAR SURESHCHANDRA DOSHI
Date: 2026.11.05 10:49:24 +05'30'

Chintan Doshi
Senior Manager – Legal & Company Secretary

Encl: As Above

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“Styrenix Performance Materials Limited

Conference Call”

October 29, 2026

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on October 29, 2026, will prevail.

MANAGEMENT: MR. RAHUL R. AGRAWAL -- MANAGING DIRECTOR
MR. BHUPESH P. PORWAL
MR. CHINTAN DOSHI – SENIOR MANAGER, LEGAL & COMPANY SECRETARY

Moderator: Ladies and gentlemen, good day, and welcome to the 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; Mr. Chintan Doshi, Manager, Legal and Company Secretary and SGA team.

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 touchtone phone. Please note that this conference is being recorded.

Further, on behalf of the 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 as is available on the stock exchanges.

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

Bhupesh P. Porwal: Thank you very much. Namaste, everyone, and a very warm welcome to our Q2 and H1 FY '27 earnings call. Thank you for taking the time to be here with us today. I hope you all have had a chance to go through the financial results and the investor presentation available on our website and stock exchanges.

The global operating environment remained volatile during the quarter with geopolitical developments continue to drive fluctuation in crude oil prices and contribute to broader macroeconomic uncertainties. In this evolving landscape, our focus remained on navigating input cost volatility, maintaining operational efficiency and ensuring continuity of customer supply while staying responsible to changing market dynamics and underlying demand trends.

Further, our Phase 1 of our expansion plan remains on track and is expected to come on stream during the current financial year. I will now take you through the financial and operational performance for the quarter before we open the floor for the questions.

First, on the stand-alone financial highlights. Coming to quarterly financial highlights on a year-on-year basis. Total income for Q2 FY '27 stood at INR781 crores, a growth of 26.5%. EBITDA of Q2 FY '27 stood at INR84.5 crores, a growth of 3.3% and EBITDA margin stood at 10.8%.

Profit after tax for Q2 FY '27 stood at INR51.2 crores, a growth of 0.8% and sales volume for quarter 2 FY '27 stood at 43.4 KT.

For half yearly financial highlights, total income for H1 FY '27 stood at INR1,551 crores, a growth of 15.8%. EBITDA for H1 FY '27 stood at INR286 crores, a growth of 70% and EBITDA margin stood at 18.4%. Profit after tax for H1 FY '27 stood at INR188.5 crores, a growth of 78.4% and sales volume for H1 FY '27 stood at 82.4 KT.

Now coming to consolidated financial highlights for the quarter. Total income of Q2 FY '27 stood at INR997 crores. EBITDA stood at INR75.6 crores and EBITDA margin stood at 7.6%.

Profit after tax for Q2 FY '27 stood at INR23 crores. Consolidated sales volume, which includes both India and Thailand for Q2 stands at 55.1 KT.

On our half-yearly financial highlights, total income for H1 FY '27 stood at INR2,009.8 crores. EBITDA for H1 FY '27 stood at INR299.2 crores and EBITDA margin stood at 14.9%. Profit after tax for H1 FY stood at INR161.5 crores. Consolidated sales volume, which includes both India and Thailand for H1 FY '27 stood at 106 KT.

With this, I conclude the financial highlights, and we may now proceed for question and answers.

Moderator: Thank you very much. The first question comes from the line of Nirav Jimudia from Anvil Wealth.

Nirav Jimudia: A few questions from my side. So sir, first is with respect to the newer capacity, which we are expecting by the end of this financial year. So obviously, there would be focus on improving volumes and the benefits of operating leverage accruing to.

But just wanted to understand your thoughts like when we see the imports or map the imports coming to India, are there any grades or volumes which can be replaced through our capacities, which probably could be unique in terms of currently, we may not be producing, but those volumes may be coming to India and we could take the benefits of that?

Rahul R. Agrawal: Any other questions? Do you want to ask all your questions so that I can answer all of them.

Nirav Jimudia: Yes. Sir, second question is on the polystyrene side. So since we took over the management control of the company, we have seen the ramp-up of the volumes in the polystyrene side. But have we realized the full potential of the EBITDA improvements when we had taken over the management control.

So I just wanted to understand it from the viewpoint of penetration into probably the application side of the customers probably when earlier the management was not having and now we have started getting penetration into. So just wanted to understand whether there is a scope of improvement in the EBITDA per kilo from the polystyrene side.

And lastly, sir, in terms of whatever we have done for H1, do we believe that is there any scope for improvement in the volumes in H2 vis-a-vis H1 given the kind of current environment we are facing today?

Rahul R. Agrawal: Thank you, Nirav, for your questions. So with regards to the newer capacities, which are going to come online in this financial year, say, towards the end of the financial year, there are certain -- so for most of the products which are imported into the country, we have the capabilities to produce them in India already. However, for specific grades or there are very few grades, one of them which stands out is the refrigeration liner ABS grade.

And that is the grade which historically, none of the local players in India have had the capability to produce. With Thailand technology that we have acquired and also now the new capacity coming in India that we have, we would have the ability to cater to that volume as well. That

volume typically in India, so 3.5 lakh tons to 4 lakh tons is the market in India and the imports are roughly half, you would have almost 30,000 to 40,000 tons of refrigeration liner ABS coming into the country.

So yes, to a good extent, we would now have the capability to cater to that market. For most of the other kind of business which comes into India, we already have the capability in terms of technology and recipes and manufacturing ability. There is, of course, also the question of positioning at times where we have certain customers which are of origin from Korea or Japan, which are present in India, which have historically preferred to buy products from outside of India from certain suppliers.

So again, with Thailand being online and us having the capability to supply to them from that region from a positioning perspective, also with the new capacity coming in, we'll have the ability to cater to that demand as well. So one is, of course, the more straightforward technology aspect. The other is a more nuanced positioning aspect, both of which we would be able to address with new capacities coming in.

Of course, the imports still remain higher relative to our capacities that come online, at least as part of Phase 1, but we would be able to address some of that. With regards to polystyrene, there are two aspects of the polystyrene business, there is GPPS and HIPS.

The way we have seen the market, the HIPS business is where there is a larger percentage of OEM-driven demand, whether it is air conditioner, whether it is refrigerators or even a little bit on the packaging side. And earlier prior to us taking over management of the company, the share of the OEM business in HIPS was extremely low because the grades weren't developed and essentially, the supply wasn't consistent for these customers historically.

This is something that we have been able to correct. And today, for the entire capacity of HIPS, which runs around 35,000 to 40,000 tons more than 70% to 80% of that demand of that capacity now is fulfilled by OEM demand. And this is what we have been able to see, and we will be able to realize that value as well in terms of an EBITDA potential as well going forward.

Of course, in the first half of this year, there has been a lot of volatility across the board. Specifically, if you look at supplies of styrene, there have been some concerns from where we have historically bought styrene monomer, and that has led into our strategies of how we have perceived certain markets.

The reason why I'm mentioning this is because when you look at again, polystyrene and specifically HIPS, the concerns are less because, again, it's an OEM business, formula-driven business, wherein volatilities in supply chain can be passed on to the end customer.

In the case of general purpose polystyrene, a very small percentage is actually OEM driven. And consequently, we also have a very small percentage of OEM-driven demand within our portfolio. There is limited opportunity to increase that because of the commoditized nature. Our entire -- we have had some loss of volume or it has been a conscious management decision not to participate in certain volumes, especially with regards to GPPS in the second quarter.

And that is also reflected while our volumes for ABS have gone up significantly in the second quarter, the volumes for GPPS are also down because we chose not to participate in some of the non-OEM demand for GPPS because it was highly speculative in nature when we were procuring styrene monomer in the first quarter of this year for the second quarter.

So this is a management call and hence, the volumes for polystyrene were lower. With the kind of uncertainty which still remains across the board, we believe with ABS still we will have an increase in volumes because the first quarter was exceptional. The volumes were lower, and there was a massive supply chain disruption. The supply chain disruptions continue, but we have developed alternate supplies for raw materials. And because of that, at least we know that we can procure it, albeit higher cost given the current environment.

But with that higher cost being -- since we are being able to pass it on to the end customer, we believe the second half volumes of ABS will be in line with what we've already seen in the second quarter and the business will be back to normal unless, again, something unusual occurs.

For polystyrene, again, HIPS will remain as usual. For GPPS, that uncertainty continues, and the management call always has been not to be very speculative in buying raw materials, especially if a lot of the demand is based on spot and based on unorganized kind of markets.

Nirav Jimudia: Perfect, sir. Sir, just a little bit on the commentary what you have given. From the ABS side, do we map in terms of the unique grades, possibly where we are the only player and probably the competition won't be there in terms of the market addressability.

So is there any percentages or is there any benchmark on the basis of which you can say that these are the unique grades and possibly this could be the percentage of our overall ABS volumes from where these unique grades would be coming from?

Rahul R. Agrawal: So we have some mapping. Of course, some of that information is confidential here, as you can very well imagine from a competitor standpoint. And this information is not available from competition either. But what I can mention broadly speaking, is when we look at the automotive space, we have a broader portfolio of products to offer relative to the kind of competition we currently have in India, for instance. And we have a larger share over there as well.

When it comes to appliances as well, like I mentioned, we have the missing piece of the refrigeration liner ABS product, which is a decent volume. So that is another space that we have managed to kind of secure going forward in the future. There are other, again, grades, specific grades, which I can't comment on exactly, but where we would have a larger share as well in current as well as going forward.

Moderator: The next question comes from the line of Aditya Khetan from SMIFS Institutional Equities.

Aditya Khetan: Just a couple of questions. Sir, when we look at this quarter, we have seen inventory normalization largely happening. And this has also reflected well in jump in volumes on a sequential basis in stand-alone.

But on Thailand business, sir, when we look, the numbers still look on to the weak side only, volumes had remained flat, slightly on to the lower side. You had also alluded to the fact that there are some competitive pressures which are there or we have not got the right product market fit into this category into ABS.

Also sir, broadly also looking at the numbers, how you see over the next two years numbers panning out because the cost is still not coming down. It's been almost two years since we have done the acquisition and numbers still look weak. How would be the trajectory just I'm asking for the next two years in terms of Thailand?

And what could be the triggers wherein we could see volumes moving up? We had also said earlier that we are also looking to export to China. That has also not yet started. Any sort of commentary, sir, on to this side?

Rahul R. Agrawal: Yes. Thanks, Aditya. So with regards to Thailand, the product mix that we have is actually is the right product mix. In fact, our gross margins in Thailand, given the product mix that we have are higher than India. The challenge lies if we compare Thailand to India is essentially our cost structure. And this is something it's been about -- we took over actually management control in end of January last year, and we are sitting at the end of the second quarter of this financial year. So it's been a little bit under seven quarters, very accurately speaking.

But this is something that I had expected and we have taken into account. We do believe that this is going to take potentially another two years for us, if I have to give some idea on how the trajectory of the business will stay. If I'm going to comment on the performance, I would say that it would be wise to assume that kind of the performance in Thailand will remain consistent with what has been last year over the course of the next two years. We do believe that with certain cost structures that we are planning to realign in Thailand, there would be a significant improvement post that period.

We can't comment exactly on what those measures would be today in this call. But we do believe that in terms of our rubber efficiency, in terms of our cost of producing certain products, we are looking at -- and we are, in fact, in the process of starting to execute multiple projects that would help us in realigning some of those costs on the manufacturing side.

Things do take a little bit of time, as you can imagine, for this kind of a complex plant that we have in Thailand. And we do believe that net-net, if you look at a medium-term perspective because this has been seven quarters, and I'm saying another one and a half, two years on the outer side that we assume that this plant is going to perform the way it is.

We do believe at the end of that, if I look at the overall capital allocation done towards Thailand and the effort of the management, which is going in, this is going to be a well-performing asset for the organization.

Aditya Khetan: Well understood, sir. But sir, my second question is when we look at the ABS, recently our competitor have also started ramping up its plant of ABS. Just comparing the grades which we have in common with the competitor, excluding the special grades, how you see the competitive intensity over there?

Are customers shifting towards the competitor more or what sort of, you can say on to the table discussions are happening with the customers on the volume side, how are the customers approaching towards this? And I missed your volume guidance number for '27 and '28.

Rahul R. Agrawal: So we don't give any forward-looking statements as far as volume guidance is concerned. But if you kind of remove the first quarter of this year from the equation, we are back to running relatively full in terms of whatever capacities we have in India today.

So I think with the new expansion coming online, as we have mentioned towards the end of this financial year, we are confident that within a short period of time, we would be able to run that at fairly high capacity utilization as well. So those additional volumes will get added on for the next financial year and of course, the following year as well.

With regards to Thailand, going back, the product grades that we have, even you mentioned China, we have kind of maintained our share of what we were selling earlier. We haven't really lost any business, relatively flat like you already mentioned in terms of volumes. There is, of course, an effort going on to increase those volumes, and that would happen over a period of time. But regardless of how much time that takes, I do believe that with the cost reduction measures that we have, at least the business metrics would definitely look far better than what they are today.

So overall, I think we have the right product mix. I think so long as we also improve the cost structure in Thailand, we'll also be more competitive in being able to increase our market share a little bit quicker. Even in the current context, we would increase it. It just would take a little bit longer time because obviously, our price points are higher than other companies. And, there are customers who are willing to pay because of the better quality, but it just takes a little bit of time. That's it, in the current scenario.

Aditya Khetan: Sir, just one last question. Sir, the reported stand-alone per kg numbers in this quarter, you foresee that so these numbers can be sustainable going ahead?

Rahul R. Agrawal: So Aditya, if you look at the second quarter of this year, I think it's fairly normalized. I think other than the fact that I mentioned that our GPPS numbers were quite low in the second quarter and the product mix that we have obviously has impact of all these things. But if you look at ABS in itself, we do believe we have come back to a normalized basis again in the second quarter. And that on an annualized basis is what we normally advise people -- we do believe that on an annualized basis, whatever current quarter performance we have can be expected. So there is no deviation from our earlier suggestion.

Moderator: The next question comes from the line of Rahul Agarwal from IKIGAI Asset. Please go ahead.

Rahul Agarwal: Hi good afternoon to everyone on the call..

Moderator: Participant's line seem to be disconnected. The next question comes from the line of Nirali Gopani from Unique PMS.

Nirali Gopani: So Rahul, again, my question is on the Thailand business. So I know after the acquisition, you had made it clear that you will take at least two to three years to breakeven and then ramp up. My question is why are we not seeing even the gradual ramp-up? When you say that next full financial year will be similar to what we did in this financial year, is it because of the global demand supply? Do we see this getting further delayed? Is that one of the reasons also along with the cost part?

Rahul R. Agrawal: You want to ask all your other questions as well, and then I can address them together.

Nirali Gopani: So other question is on the India part, on the stand-alone business. So last quarter, you had said that the non-OEM demand is a little impacted. So how do you see things moving there? Secondly, on the Phase 2 of ABS expansion, would you wait and watch how this capacity is ramped up? Or do we see impact on realization and then you will decide for Phase 2? Or you are confident that the realization will not be impacted? Yes. So these are the two, three questions.

Rahul R. Agrawal: Yes. So, thanks for your question. With regards to Thailand, with regards to the recovery or the time taken to turn this business around, we had estimated it will take us a few years, as I had mentioned earlier. And while we do believe that there are significant advantages of this business, in terms of technology, in terms of positioning or market access and third in terms of the capacities available there, the business in itself also makes a lot of sense. It's just that it will take a little bit of time to get it to the level that we believe it can.

So in terms of technology, like I mentioned, we are doing the first phase of our ABS expansion here where we bring in the technology, which will add value ultimately at a consolidated level to us very soon. There are other products as well that we would be able to produce in India as a result of the technology that we have in Thailand.

There is also business that we are getting as a result of our positioning in Thailand with certain OEMs, which have presence across the region and would be giving us a preference in their share of allocation of raw materials even India as well as a result of that positioning.

So all these benefits are there. The kind of accrue at a consol level eventually. And that may not be very clear in the Thailand balance sheet itself. And all of that does help. As far as the Thailand kind of stand-alone balance sheet and P&L is concerned, yes, on the cost side of it, there is no gradual change in cost, say, from one quarter to the second because there are specific projects which have to be carried out, which can change the cost in any meaningful manner. And those projects in themselves take a little bit of time.

So you would not have, say, a partial completion of a project resulting in a saving in one quarter and then another part of the project completing and having another saving in the next quarter because these projects typically run one, one and a half years, and that is what we are estimating at this you would have those savings in rubber efficiency, in cost of production, all of that. So all of this will take a little bit of time. So this is one on the cost side.

On the demand side, yes, there are pressures in the region. However, our product offering in the market, while it is impacted with competitive pressures, we do have a relatively unique offering for the market. And we do believe that unique offering is not subject to as much competitive

pressure as the normal grades are. For instance, in Thailand, like I mentioned, we have higher gross margins, and that is a result of the product mix wherein we don't have commoditized grades of ABS selling at all from the Thailand plant.

So yes, so all -- but again, those grades are specialty, they take time for approvals and volumes only improve slowly and gradually over time. We might start seeing some of that next year or even towards the end of this year. But again, that will happen and side by side, the cost reduction is what will really have a major impact on the balance standalone.

Going to your second question where you alluded to me speaking about the non-OEM demand kind of last quarter being lower. This, of course, has come back in part. Prices still continue to remain elevated on finished goods, so do raw materials, and that's why the margins have kind of normalized again. However, the demand on the non-OEM side, in spite of higher prices seem to have normalized because while there is uncertainty, the market has accepted that the prices are going to remain elevated indefinitely for the foreseeable future.

So in that sense, our volumes in the case of ABS have also come back to what we expect in this specific quarter. We remain fairly buoyant. And in terms of the robustness associated with demand for our products, we are confident that even Phase 2 of the ABS project will go on. In terms of our own planning, there is no delay. But we haven't given a specific time line exactly that, that be completed, but we do believe that once the first phase comes online, the work for the second phase would have already started and that would also be completed in a reasonable period of time.

Nirali Gopani: Yes. And the question was on the Phase 2 expansion of ABS in India.

Rahul R. Agrawal: That's what I mentioned that we have not made any changes or any announcement to that effect that we are doing any delay of that. We are going ahead with that expansion on Phase 2 as well. And this would happen as per the time line we have originally planned.

Nirali Gopani: Right. And just a follow-up on the Thailand part. So I understand that cost cannot come down in a quarter or two. But my question was largely that this approval time, which is taking longer, is it because of there is this oversupply kind of situation or this demand-supply situation not matching and hence, that the capacity ramp-up is taking time. No issue on that side, right?

Rahul R. Agrawal: Yes. So essentially, what has happened, there has been a little bit of rebalancing in our product portfolio in Thailand as well. There have been some approvals which have come in. There is some business, again, which has got rebalanced when we moved again from brand, which was an international brand of the earlier management to our brand. And all of that rebalancing took place. We also got some approvals. We have got some new business as well. But in effect, we do believe we have reached a point where we have kind of the lowest volume base on a quarterly basis this particular quarter. And going forward, there would only be an increase as well that we would see in terms of overall volumes for the business. But yes, it would happen gradually.

Nirali Gopani: Right. Perfect. And just one last question. Are there any new products adjacent to ABS or polystyrene that we are working on that and we would like to commercialize, say, in the next few years? Anything on that side that you would like to highlight?

Rahul R. Agrawal: Yes. So we launched two more grades. One is ASALAC and the other is STYROLOY. ASALAC is an ASA product, which is kind of adjacent to ABS, but it has excellent weatherable properties. It has good applications in automotive as well as in the EV ecosystem and the solar systems.

Also, there is STYROLOY, which is blends of polycarbonate ABS as well as nylon ABS and other products with ASA PMMA and so on and so forth. And we have developed many of those blends, commercialized them as well. And those would also, in time, keep on increasing in our product portfolio. So those have been launched. Approvals have also been received for them. And we do see a gradual increase in those volumes in eachquarter.

Moderator: The next question comes from the line of Ronak Chheda from Awriga Capital.

Ronak Chheda: First is on the volumes. You mentioned that we are not participating in some part of the business on the PS side because of the volatility. Should this continue in the next half as well? Or do you see that polystyrene volumes can make a comeback in H2 of this year? That's question one. Second question is on the margins.

Now what we see India gross margins have seen some contraction because of the volatility going forward, do you see that gross margins will revert back to that 25% range which on an annualized basis, we've been seeing company deliver for the last three years? And the last question is on the capex. It's just a clarification. Did you mention that the capex will go live by the end of the year or you mentioned in this financial year? Just a clarification.

Rahul R. Agrawal: So with regards to the polystyrene volatility, polystyrene again is composed of two parts, relatively equal parts. One is the general purpose polystyrene and the other is the HIPS. On HIPS, I think our volumes will be in line with what historically we have done I think on an annualized basis, we should be able to still do the volumes that we do close to complete utilization of the assets that we have. So the second half, I think, will be again in line historically with what we have seen for the last few years.

GPPS, yes, you're right. There is an uncertainty which continues. And to the extent the uncertainty continues, our management call is always going to be not to speculate too much in terms of trying to procure raw material for volumes for which we do not have kind of commitments, and we would have to take active calls on which way price movements happen and potential profits or losses would have to be booked. So that is a call that we remain consistent as a manage not to want to speculate on raw material procurement so long as the volatility in the finished product remains.

GPPS volumes, we foresee will be a little bit better because like I mentioned when I spoke about non-OEM demand from quarter 1 to quarter 2 stabilizing a little bit, we do see that effect to some extent in GPPS as well going forward.

And in line with that kind of market acceptance of the new market norm today, we will kind of be supplying a little bit more of that product going forward. However, this will not be necessarily at historical levels where we have a discomfort where we need to be speculative about that.

With regards to gross margins, I think my CFO can comment on it. But it's kind of in line, if you even eliminate the first quarter, the gross margins are in line with what historically we have seen. And I think we shall continue to witness that going forward as well. So that remains fine.

I mean on an annualized basis, even if you remove the kind of upside or kind of non-normal gains that we would have had in the first quarter, on a normalized basis, on an annualized basis, we would have similar gross margins that we have had in the last year.

With regards to capex, it is the financial year that I'm referring to, not the calendar year in most of my conversations so -- and that is true here as well. So financial year is when we are expecting the capex to go ahead correct. Bhupesh, do you want to speak about the gross margin?

Bhupesh P. Porwal: So if you see about gross margins, if we see year-on-year basis, of the quarter 2 last year versus this year, they have been slightly better in this quarter 2 in respect of the gross margins. So if we see whatever extraordinary gains we had are not there. We had mentioned earlier also for the quarter -- in the quarter 1 that these are onetime because of the geopolitical issues and global conditions. But still in quarter 2, we have been able to maintain our margins what were there in the previous year, slightly better than the previous year.

Ronak Chheda: Perfect. Just a follow-up on the capex time line, Rahul. Let's say, this comes in March, how much time would we need to kind of scale up the capacity? Will it take a quarter or even less than that?

Rahul R. Agrawal: So effectively, again, I don't have an exact month for you. Like I said in the financial year, whether it's going to be January or March, I can't comment right now. We are very close to it. But sometimes at the end when we are commissioning these plants, it can take 15, 20 days here and there, and it's hard to comment on exact date on getting that capacity online for prime production because that's what's relevant in terms of our ability to sell.

I think once the capacities come online, and of course, we are expanding in all three plants, right? So there is Nandesari, which is our rubber plant, Katol, which is our SAN plant and Moxi, which is our compounding facility. All three we are trying to synchronize and have all capacities up and running at a similar time.

There could be a little lag of a couple of months here and there between them -- so as and when those capacities are all aligned and this is all essentially within an error of 1 quarter, if you will, we would have those capacities available for sale. We are relatively confident as these capacities come online that a large part of that capacity would be utilized for next financial year. And going forward to get it fully utilized also is something that we do plan is certainly possible.

Moderator: The next question comes from the line of Meet Parekh from Mihir Asia & Corporation.

Meet Parekh: I have two questions. So the first one is related to our market share. So throughout the year so far, have we been able to maintain the same for ABS and polystyrene. This is in context, a couple of competitors had mentioned that a lot of dumping has happened from China in the first two months of the quarter. So any commentary on that? And how is the import substitution playing

out, something you had pointed out? What is the current domestic consumption, if you could help me with that?

And my second question is on Thailand. So this quarter, we have had a cash loss of INR10 crores, the difference between stand-alone and consol. So would this be indicative of, as you mentioned that this is the lowest in terms of volumes that we can do in Thailand and it will obviously take some time to stabilize, but is this like the base from where we go ahead, let's say?

Rahul R. Agrawal: Yes. So essentially, in terms of market share, if you look at the ABS market share, we have always maintained that whatever we can produce, we are able to sell in the current context. And for ABS as well, while in the first quarter, there were certain shocks to the system, in the second quarter, when things have normalized, we have been running full and being able to effectively sell out whatever we are able to produce.

Our market share per se has not changed because overall demand in India, I think at least in the first half of this year has not really grown because in the first quarter, again, like I said, there was muted demand from the non-OEM side, which then probably came up a little bit more in the second half. So it's relatively flat over the year.

We still anticipate subject to, of course, geopolitical uncertainties, there will be some growth. And effectively, at least whatever we have capacity will be fully utilized. In the case of PS, again, on HIPS, we are fully utilized assets. GPPS is, of course, more of an active management call where we have chosen not to participate in segments, which we believe are speculative in nature and with the volatility remaining, we have to take active calls on what makes sense based on what we can reliably sell rather than buy at an price and have a volatility affect us in the ensuing months when the raw material actually arrives. So there, there could be fluctuations in market share as far as GPPS is concerned.

But again, that's an active management decision. I mean, for us to capture the market share is not challenging. It's just at what value we would do that and at what value would it make sense for the organization to do it. In terms of dumping, we actually don't have any import data. As you know, after March, import data has not been easily available. So I can't comment exactly on that. But based on the market information that we have, we do believe that dumping has been there.

Early on, there was, of course, a period when import duties have been removed and then reinstated by the government as well, and we did see some material coming in. But we haven't really had an impact of that on our ability to sell in any case. And as far as import substitution is concerned, I think that still remains valid because I think there is a preference part of Indian consumers to still buy the products that they have been always buying from local suppliers, and local manufacturers and that, I think, remains the case.

So as far as dumping or even exports are concerned, there might be substitution, say, from a Korean producer to a Taiwanese or Thai or a Chinese, but it doesn't affect, I think, most local manufacturers' ability to compete and effectively retain market share.

With regards to Thailand, what we mentioned is, again, I like to look at things on an annualized basis as opposed to a quarter. And again, we had a little bit of gain again in the first quarter in Thailand.

But if you were to not consider that as part of normal operations, and if you were going to consider the entire year's operation last year, I think that's kind of a case scenario I would take to understand how the next two years potentially could be at a level and what improvements we could have from there. We do believe that at the end of that period, the restructuring would help us obviously get the business more back firmly into positive territory.

Moderator: The next question comes from the line of Rahul Agarwal from IKIGAI Asset.

Rahul Agarwal: Just a few questions. Firstly, on Rahul, something on the global trends, right? I mean given volatility, the demand supply across regions would have been very different. Any key takeaways you'd like to share on either developed markets or Southeast Asia, which are positive, negative for the ABS and PS industries in India? So that's question number one.

Question two was on pricing. I mean, I just wanted to know like how has the pricing moved from 2Q to spot right now on HIPS and ABS. Just some comments on that and versus what is Styrene Monomer procured at right now?

Because it looks like what feedback we're getting is October, again, we are seeing spike in Styrene Monomer pricing. So just a few comments on what's the selling price on HIPS and ABS? And how do you look at -- you already said that margins will be maintained similar to 2Q levels ahead. So I understand that.

And third is just on the new ABS plant, the grades which we will manufacture will those be even better than what we are doing right now or those will be similar? The question is essentially in the context of can the margins further increase on ABS on a like-to-like basis on a longer-term basis? I'm not clearly comparing shorter term here. So those three questions, please.

Rahul R. Agrawal: Thanks, Rahul. So with regards to global trends, regionally, of course, there has been a lot of changes because in terms of availability of raw material itself, it has been concentrated in certain regions like China and maybe Korea to some extent. However, all the regions have got affected as a result of naphtha supplies and energy, right? So when that has happened, it has affected ability for refineries globally to be able to operate at optimum capacity and also then produce downstream products accordingly. So there has been a demand-supply mismatch on that account.

It's also shifted like China has had potentially more product available than, say, Europe or Middle East. Middle East has had almost no product available for the market, whether it's upstream or downstream for that matter. So regionally, I think it's in line with whatever you would read in the news. And whatever would affect crude and naphtha and energy would have a cascading effect on pricing and trends in downstream as well.

Ocean freights also have been quite volatile, as you probably already know, from specific regions because there is an arbitrage opportunity on part of ocean freight operators to operate in

certain regions where the deltas or margins might be much higher, thereby making or rather increasing the prices on less lucrative rates further up.

So there has been all those things which have impacted pricing, which has affected pricing of raw materials as well as finished products in the different regions. And that uncertainty kind of continues if I was to consider that as a trend from last few quarters going forward into the second half of this year.

As far as pricing is concerned, between formula or spot pricing, generally, for a lot of our business, whether it's ABS, HIPS; the bulk of the business formula does depend or track on formula basis. And the formula itself has taken into account certain added costs of raw materials, which have been passed on. And effectively, we have had customers accepting the same. So that's not changed. And by doing that, we have been able to maintain essentially the spreads that have historically been in place.

For Styrene Monomer prices, the prices have been quite volatile, as you're aware, the prices have been hovering anywhere from $1,300 to $1,700, probably closer to around $1,600 or $1,650 levels as we speak. And as you rightly said, there have been spikes, but then the spike may not last and within two days, you may have a downward trend. Essentially, this is where the challenge lies, right?

So if you buy Styrene Monomer, for instance, today, at $1,600 and it takes about 30 days for the material to come here and the Styrene Monomer prices fall down to $1,400, there's a possibility in the unorganized, uncontractual kind of market for certain products, the prices may go down in line with that $1,400. And hence, if you have bought at $1,600, you have to book essentially a loss of $200.

And that's kind of the speculation that I was mentioning to you that it has been extremely volatile and at least us as a management have refrained from taking those kind of active calls, which require us to speculate.

In terms of the new grades or the new product that we would be, being able to produce going forward. I think there are certain grades, like I mentioned, the liner ABS grade. There are some other grades as well that we can produce. But I think we would rely more on making an assumption that the product mix would be similar to what we have currently going forward.

And that's also kind of a suggestion that I've always maintained in my earlier commentary that it would be wiser to maintain the same product mix that we have had historically going forward with our products and the margins remaining similarly where it is because one has to consider operating leverage, which is a benefit, competitive pressures, which can have a downward impact.

And of course, we are going to keep adding products, which will have an upward impact on margins. So it's best to assume that the volumes would go up and our margins would remain consistently where they have in terms of absolute spreads.

Rahul Agarwal: Got it. And just one clarification on the scale-up of the new plant because it's a brownfield and it's pretty much similar locations, year one of operations, which is fiscal '28, it's going to be like -- I'm assuming that it takes two years at least to reach 100% utilization. So year one would -- we have seen some other competition actually struggling with new plants. So my sense is because we are doing brownfields and we're doing in the same plant, we should be looking at 50%, 60% utilization in year one and then ramping up. Is that fair understanding?

Rahul R. Agrawal: So Rahul, I don't give forward-looking statements. And historically, when we took over management control, we were doing 60,000 tons. And very quickly, whatever we were able to produce, we moved up to about 110,000 tons of ABS product sales, and this happened in the first couple of years of us taking over. We have had the confidence that if we were to say, sell 20% to 30% more at any point of time, if we had the product, we would be able to do that.

Would that number be higher or slightly lower? It's something that is very difficult to comment on at this stage. But if I'm selling 9,000 tons or 9,500 tons of ABS, I do believe if I had another 2,000, 3,000 tons of ABS I would be able to sell it easily. Would I be able to sell 4,000 or 5,000 tons immediately?

I mean this is something that we haven't really worked actively on because we have never had the product, right, because it requires you to go into the market, meet customers, understand and then offer the product if you have the availability. If you don't, then you really can't overpromise and under deliver, which is again something we try to refrain from. So I do believe I think we would be able to do similar numbers to what you're saying without really committing to any specific set of forward guidance.

Moderator: The next question comes from the line of Dhavan Shah from AlfAccurate Advisors Private Limited.

Dhavan Shah: So my question is like you mentioned that one of the products from Thailand being the technology for the refrigeration liner, kind of the polystyrene technology, is that being transferred to India? And have we received any approvals from the customers in India? And by when we can see the volume numbers for the stand-alone entity?

Rahul R. Agrawal: Yes. So thanks, Dhavan. So essentially, this is on ABS, not in polystyrene. So HIPS, also there are refrigeration liner grades. This is on the ABS side. And on the HIPS side, of course, there is us and there is a competitor who is able to provide those products. But on the ABS side, so far, there is no competitor. Effectively, the validation follows the process of having your capacity in place before you can get validation.

So generally, you have to produce a product in the plant in India before and only after that, can you get validation. So what we have been able to do is we've been able to incorporate kind of parts of that technology into the additional capacity that we are building up, and that would allow us to make those grades when we have that new capacity available to supply those grades in India. Once we start up the plant and we effectively use that technology to make those grades, we would go in for the validation and get those approvals as well.

Dhavan Shah: Understood. So it will take at least a year or so because the validation time will also be at least five, six months, right?

Rahul R. Agrawal: Yes. So I mean it depends. There are, of course, different OEMs, different customers, different compulsions and requirements on part of companies. There is a great deal of interest, of course, in companies wanting to buy that product because currently, they are dependent on imports. And this is something which we have been working on the development side for several years, and we realized that there was a kind of a disconnect because the technology was a bit different and it is something that we have in Thailand.

So now that we can incorporate it into our new production capacity we will be able to do that. I do believe that it may not take as long as a year, and we may be able to do it sooner. But yes, so we'll have to wait and watch. I mean so this is just one part of it.

Of course, there is significant other volumes of products coming into India for which we don't need the validation because we have approved products in those segments and can immediately start selling. Right.

Dhavan Shah: And the imports are roughly 40,000 to 50,000 tons, which you mentioned, right, annually? Or is it more?

Rahul R. Agrawal: 30,000 tons. But it's in line with the refrigeration industry, right, and that's growing well. So we do anticipate this market to grow as well.

Dhavan Shah: Understood. And no other players are expanding in this line of product. Only we are adding the capacity from Thailand to India?

Rahul R. Agrawal: Local Indian producer has a grade, which is approved in this space.

Dhavan Shah: Understood. And sir, in the presentation, you mentioned that for Thailand, there is some overhang of the capacity. So I think we were not under that impression earlier. I think this time, the tone is different for the Thailand business. So if you can help us to understand about the demand supply situation. And by when do you foresee it will normalize because you are already undertaking many steps to revive the Thailand business, both in terms of the volume, product mix and then the cost. So ideally, by when we can.

Rahul R. Agrawal: So Dhavan, there is a multipronged approach for Thailand. One, of course, is on the cost side, right, which I mentioned within a year or two, let's say, two years, we are able to completely get that in control. And we are able to make sure that we are very competitive. Even at current volumes, we believe that it would be a structurally profitable business in Thailand regardless of shocks that you can have from time to time in the system, like you can have a positive shock, which we had in the first quarter or slightly negative shock. But on an annualized basis, even current volumes would be profitable.

Having said that, there is, of course, an effort to get more validations, more products approved with all the specialty grades that we produce in Thailand. And that, of course, has taken a little bit of time. We've had a little product mix shuffle. We lost some business, retained some business

in this year, which we now believe to a baseline case, as I mentioned, in terms of whatever business that we could have potentially lost.

But going forward, we do believe that incrementally business will increase only, whether it's in Thailand or other exports to China or Japan or Indonesia, Vietnam, Korea, any of these places. So it will take, I guess, you can say about two years for that to happen as well. And potentially three years, I think we will be running fairly full in Thailand.

Dhavan Shah: So within two years, we can easily achieve 60-70 percentage kind of utilization and then because the product mix is also good compared to India, and we are also doing the cost savings. So the EBITDA per ton would be largely more than INR20,000. Is it a fair assumption because the India business is doing...

Rahul R. Agrawal: I won't comment on numbers exactly what the EBITDA per ton would be. But all I can say is that the idea is to structurally make the business stronger and profitable, right, regardless of market dynamics within Thailand. And that I think we will achieve.

Moderator: The next question comes from the line of Vidhi Shah from C.R. Kothari & Sons. Participant line seem to be disconnected. The next question comes from the line of Ashwin Reddy from Samatva Investments.

Ashwin Reddy: First question is on India bit. I wanted to understand, has there been any early trends of reduction in imports because of the higher freight cost, I mean, what you're seeing right now? Or has it been counterbalanced by your own freight cost increasing through raw materials and competitors which are doing the same?

Rahul R. Agrawal: I'm sorry to interrupt. Can you repeat your question? I'm sorry. Can you just repeat it?

Ashwin Reddy: Yes, I'm trying to understand has there been any reduction in competitive intensity from imports because of the higher freight costs, what you're seeing right now?

Rahul R. Agrawal: Do you have any other questions?

Ashwin Reddy: Second thing I wanted to know on the Thailand bit. So what proportion of your end product sales, what do we sell the product goes into China and what is sold outside? I'm trying to understand the weakness is because of the weakness within the Chinese market or because of the weakness in Chinese or other OEM exports to market elsewhere beyond China?

Rahul R. Agrawal: Thank you. So Ashwin, in terms of India, we have, of course, had a third player also coming into the market space. But I think in terms of competitive intensity, we have not had any major shift, right? I think historically, we had more competition from Korea.

I do believe that the freight from Korea being higher and the structural costs in Korea now being higher as well, the competitive intensity from Korea might be a little bit lower. But at the same time, because of lower capacity utilization from Taiwan and Thailand and potentially even from China, that would balance out that competitive intensity. So there has been no real change in the competitive intensity as far as we are concerned.

Our ability to still effectively sell and utilize our entire capacity remains unchanged. With regards to the Thailand end product, so a lot of the Thailand product kind of product mix is very similar to when we had started, where almost 40% to 50% of the sales from Thailand goes into China another 20%, 25% goes into Thailand and the balance 25% is distributed across Japan and Vietnam and other regions. Of course, these percentages might change because we have sales office in all these places, and we are actively exploring significant businesses in each of these regions, and we have to kind of wait and watch to see which business lines first.

Ashwin Reddy: Got it. Got it. And one follow-up, if I may. So you talked about the rebalancing of the products initially, right? What was taken from the previous owners, what you've taken and then some got approved, some did not. Could you give more clarity on that as to how do -- so -- or some thoughts on your own efforts on getting new business? I mean how is that panning out? But basically, what is going as per expectations, what is not going or what did not pan out as expectations.

Rahul R. Agrawal: Yes. So I mean in Thailand, we, of course, have kind of products which go into specialized appliances in China. And a lot of those products have largely remained unchanged. So the demand for those products is only kind of increased because for a lot of these specialized appliances, whether it is high-end coffee machines, Chinese market itself is a large market and it's not really dependent on exports to many regions. And that market has, in fact, grown for us as well. If you look at even high-end refrigerators where some of our liner products are used, which are superior to our competitors, there again, our share has increased.

In fact, some of the areas where the low-end application for the consumer durables may have reduced, right? I mean most of the product mix is -- I would say all of the product mix is specialized, but some might be a little bit more specialized than others. At the same time, we have lost a little bit of business on the auto side, unfortunately, which was high value, which we have maintained the relationship, but the share of business might have come down a little bit because the companies do require, again, validations or revalidations.

And while they maintain relationship with us because they don't want us out of the system, a lot of companies have asked for revalidation and that is taking a little bit of time as well. Again, this is not significant numbers, but these are a few hundred tons here and there, right, on an annualized basis.

So we're doing roughly 50,000 tons, in China, we're talking about probably gaining 1,000 tons here or losing 1,000 tons there. So the overall market shares might not change so radically, but we have had those kind of shifts within the product mix.

Moderator: Ladies and gentlemen, due to time constraints, that was the last question for today. I now hand over to Mr. Chintan Doshi for closing comments. Over to you, sir.

Chintan Doshi: Thank you, everyone, for joining us on this earnings call. We appreciate your time and showing interest in our company. In case of any queries, you can get in touch with us or SGA, our Investor Relations advisors, and we look forward to meeting all of you over the next call. Thank you.

Moderator: Thank you. On behalf of Styrenix Performance Materials Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.