

May 22, 2026

To,

**BSE Limited**

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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 May 16, 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 May 12, 2026 informing about the earnings call organized by the Company on May 16, 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](http://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

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(formerly known as INEOS Styrolution India Ltd.)

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“Styrenix Performance Materials Limited  
Q4 FY '26 Earnings Conference Call”

May 16, 2026

“E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 16<sup>th</sup> May 2026 will prevail.”



**MANAGEMENT: MR. RAHUL AGRAWAL – MANAGING DIRECTOR  
MR. BHUPESH PORWAL – CHIEF FINANCIAL OFFICER  
MR. CHINTAN DOSHI – MANAGER, LEGAL AND  
COMPANY SECRETARY**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Styrenix Performance Materials Limited Q4 FY '26 Earnings Conference Call. We have with us today from the management of Styrenix Performance Materials Limited, Mr. Rahul Agarwal, Managing Director; Mr. Bhupesh Porwal, Chief Financial Officer; Mr. Chintan Doshi, Manager of Legal and Company Secretary.

This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict. As a reminder, all participate 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 company, we also like to remind the participants that this call is being conducted subject to and in line with the disclaimer mentioned in the investor's presentation, as is available on the stock exchange.

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

**Bhupesh Porwal:** Namaste everyone and a very warm welcome for our Q4 and FY '26 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 the stock exchanges.

Before I speak on the numbers, I would like to take a moment to acknowledge the entire team of Styrenix for their dedication and commitment. Over the years, our people have navigated multiple challenges while consistently meeting customer requirements in a timely manner. On behalf of the management team, I would like to thank them for their continuous efforts towards enhancing operational excellence.

Now on the stand-alone financial highlights, coming to our quarterly financial highlights on a year-on-year basis. Total income for Q4 FY '26 stood at INR658 crores, a dip of 6.3%. EBITDA for Q4 '26 stood at INR126 crores, a growth of 51.9%. EBITDA margin for Q4 FY '26 improved by 19.2%, an increase of 734 basis points. Profit after tax for Q4 FY '26 stood at INR84.3 crores, a growth of 58.6% and profit after tax margin for Q4 FY '26 stood at 12.8%, a growth of 524 basis points. Sales volume for this quarter stood at 46.1 KT, a dip of 4.6%.

Now coming to our annual performance highlights on a stand-alone basis. Total income for the year stood at INR2,647 crores, a dip of 3.9% more on the pricing-driven things. EBITDA for the year stood at INR370 crores with 14% margin. PAT for the year stood at INR234.3 crores with 8.9% margins. Sales volume for the year stood at 195 KT, a growth of 5.2% on Y-o-Y basis.

We have maintained a healthy return ratio with strong and prudent balance sheet. ROE and ROCE stood at nearly 25% and 32%, respectively, for FY '26 on a stand-alone basis.

Coming to consolidated financial highlights. For this quarter, total income for Q4 FY '26 stood at INR837.9 crores. EBITDA for Q4 FY '26 stood at INR128 crores and EBITDA margin stood at 15.3%. Profit after tax for Q4 FY '26 stood at INR73.5 crores and PAT margin stood at 8.8%. Consolidated sales volume, which includes both India and Thailand for Q4 FY '26 stood at 57.5 KT.

Now coming to our annual performance highlights on a consolidated basis. Total income for the year stood at INR3,454.4 crores. EBITDA for the year stood at INR359.6 crores and EBITDA margin stood at 10.4%. Profit after tax for the year stood at INR182.8 crores and PAT margin stood at 5.3%. Consolidated sales volume for the year stood at 248.3 KT.

With this, I conclude the financial highlights, and we may now proceed for question and answer. Thank you very much.

**Moderator:** Thank you very much. The first question is from the line of Priyank Chheda from Vallum Capital. Please go ahead.

**Priyank Chheda:** Sir, first on the whole of the value chain, which starts from the ethylene and benzene and then goes to styrene monomer and then our products of ABS and PS. With all the supply chain disruptions happening around ethylene and benzene, styrene monomer prices reflected that inflection, right?

Now what -- the question is in which of the value chain you see this getting more impacted? Would it be multiple refineries in South Korea going down, which ultimately becomes a negative for us or maybe ABS and PS plants getting shut down. We have seen that a couple of news coming up in U.S., INEOS, in Europe and China smaller players going down, which becomes a positive for us. Net-net, the spreads that we maintained, what's your assessment? Where are this headed towards? And how long would this remain disrupted?

**Rahul Agrawal:** Thanks, Priyank. So, with regards to plant shutdowns, specifically for ABS or PS that you mentioned in Europe, so these happened prior to the current disruptions in the Middle East. So, I believe they are largely unrelated. If we speak about the supply chain disruptions along benzene, ethylene and crude and other petrochemical inputs, of course, when there is a supply crunch due to the Strait of Hormuz remaining largely closed and the flow of oil and other essential petrochemical products not being possible from that area has an impact globally, right?

Of course, there are specific regions and specific refineries, which are impacted more than others. And when those are impacted specifically regionally, the demand and supply associated with those petrochemicals as well as downstream polymers also gets consequently affected. So, from what we have seen is, Korea has been affected. Korea also depends from what we understand is, gas from Qatar as fuel for their plants, and that also has -- had an impact, both in cost and availability and also the kind of raw materials required. So, we do see an impact over there.

But of course, this impact is globally. So essentially, these are all commodities, the raw materials themselves, whether it's styrene, whether it's acrylonitrile or others. And we have

seen a price increase in all these monomers globally. So, there is no one specific region where this price would increase, it would increase globally, and that has been the case that we have seen.

There may be some minor arbitrage between one region to the other, but that obviously gets normalized very quickly as we normally -- we have seen. So, net-net, raw material prices have increased on account of supply crunch and supply chain disruptions but so have the finished product prices. So that's kind of moved in tandem. And how long it's going to last? I mean, I think that's a very difficult question.

And really, I am not qualified to answer that. I think if anyone can answer when this Middle East crisis can end, that can give obviously some indication. But then again, I really don't know how and when that would happen.

**Priyank Chheda:** But sir, at least the availability of the raw material is not an issue for us despite all the disruption?

**Rahul Agrawal:** So, we have obviously not faced any significant disruption to our manufacturing. We may have had minor disruptions, but nothing that requires significant reporting or worry. So, we have covered for all the raw materials that we need. We are buying from multiple sources globally. And that has been the strategy of the company all along.

So, we are well diversified in terms of our ability to procure. We may choose to procure from one region over the other due to time and cost and other factors. But when it comes to being able to procure raw material from other sources and still meet our customer demand, we are being effectively being able to do that without any concern.

**Priyank Chheda:** And so would be the case also with Thailand, the availability won't be an issue? And essentially, at this revised pricing structures that are prevailing as of now and may not be known until when it will prevail, but at the current prices, earlier, we had a rough estimation of getting a breakeven point at 65%, 70% utilization. But now that levels becomes an ease and with, say, 14,000, 15,000 or 16,000 tons per quarter, should we also reach a faster breakeven point for Thailand if the availability is not an issue?

**Rahul Agrawal:** So currently, availability is not an issue, not a serious issue in any case. And of course, as you know, the Thailand plant itself is not a very large plant. So, in the context of being able to procure sufficient raw material -- When we talk about breakeven, I think we have to be cognizant of the fact that whatever is happening currently is a short-term phenomenon. So, from a long-term perspective, this is not something that one can rely on. You may have certain gains or certain losses in the short-term.

And for instance, there might be some gain in the short-term because of certain tightness in the market, and we may be in a better position in Thailand, we would have served that. But then like I said, it's a certain arbitrage that you enjoy in the short-term, which may not exist in the long-term. So, to comment that your breakeven would change significantly from what we have earlier stated would be a fallacy.

I think it's better to still work towards that target, which we are effectively doing so. And yes, in the short-term, we may get some gain, but yes, that doesn't change the fact that we still need to increase our capacity utilization to the levels we have earlier indicated.

**Priyank Chheda:** Got it. And one last question. In the presentation, I could find ABS expansion on track. I couldn't find a mention on polystyrene expansion, which we were supposed to do. So, in case, if you can just draw back our attention on what would be the timelines and the capacities that we are planning to add in polystyrene and ABS.

**Rahul Agrawal:** So, I think ABS is essentially along the same lines as has been indicated earlier. There is no change in that. As far as polystyrene is concerned, we haven't given any fresh inputs recently in terms of when this expansion would take place. As far as general-purpose polystyrene is concerned, we had already, in fact, expanded our plant and that capacity is available to us. However, the demand has been muted. And also, I think there has been a margin compression over there on account of material coming in from imports as well. So, we have been not very actively trying to fully utilize our general-purpose polystyrene volumes.

In the case of HIPS, we have carried out some studies. We are still not 100% sure or convinced which way we would like to go in terms of deploying additional capital to build that HIPS plant. But as and when we are closer to making a decision, we shall definitely convey to all our shareholders.

**Priyank Chheda:** And just last thing on the power savings, have we seen any benefit coming up in this quarter with respect to the agreements that we were supposed to do to source the power from the third party. Should that be visible in the coming quarters?

**Rahul Agrawal:** Yes, it should be. So, I mean, we have been advised that hopefully, by next month or so, we would start receiving that power. But again, it is hazarding a guess or hazarding an opinion from a third party. So, I would take that with a pinch of salt. So hopefully, that does happen, and we are able to start accruing gains from next month, which would reflect in this quarter.

**Priyank Chheda:** What would be that gain, sir, any quantification for the full year?

**Rahul Agrawal:** No, I think it's very early to say that because it is a function of production. It is a function of so many factors. In the current context itself, again, for the remainder of this call, it is going to be very difficult for us to give volume numbers because there has been some amount of demand contraction as well given the price increases which have happened in the area.

And until things don't normalize or somewhat normalize, it's very difficult to estimate exactly what the volumes will be and consequently, what the power would be and consequently what the savings would be. So, none of these numbers in the current context are very easy to predict or give.

**Moderator:** The next question is from the line of Pankaj Tibrewal from IKIGAI Asset manager.

**Pankaj Tibrewal:** I know some things which you have mentioned in the call to the prior questions are beyond anybody's control in terms of volatility of pricing. But if we -- one takes a 2-3 year view and

this being an annual call, can you just help us understand what could be the shape of Styrenix one can visualize from the things which you are doing, both in India and overseas?

That will lay some ground for all of us to visualize where the company is heading in terms of overall things. Obviously, the raw material spread fluctuation is something which is in nobody's control or the product pricing. And obviously, last quarter saw that in 1 month, how much of the spreads can help on profitability. So just on a 2-3 year view, what could be the shape and size of the company, how -- what you are visualizing and how Thailand can start shaping up in a very different way, will help us over a period of time.

**Rahul Agrawal:** Thank you, Pankaj ji. Again, I'm always a little cautious when giving forward-looking statements.

**Pankaj Tibrewal:** Yes. That's okay. Just on a overall thought process.

**Rahul Agrawal:** But as far as our strategy is concerned, I can definitely speak to that, and that's a good question. So strategically, whatever we have planned in terms of expansion of the business in India, that remains on track. Regardless of what happens in the short-term with regards to volatility and demand fluctuations, we do believe that demand in India will grow and will remain robust. And we will be the preferred supplier or partner to work with for most of our relationships going forward, and we are fully committed in that journey to essentially doubling our -- at least our ABS and SAN output.

And that will happen in the course of time, which we have already mentioned earlier. So, there is no deviation from that. So next 2 to 3 years, obviously, is enough time to realize that in terms of where we are headed for ABS production and sales in India.

As far as Thailand is concerned, again, there are, of course, some structural weaknesses we have seen now in competitors due to this Middle East crisis. How that plays out, we'll have to see. But again, as far as Thailand is concerned, if I look at a broader, more longer-term geopolitical view, it is very well placed. We -- in spite of all these challenges which have happened, Thailand has not been affected so severely in terms of its ability to procure and produce. So, we see that as a very big positive.

We also exhibited recently in CHINAPLAS because, as you know, we do supply a lot of material to China and the Far East. And in our interactions with customers over there, which are very large in the EV space, in the appliance space and which are going to become more and more relevant, I think, globally as well with the kind of technology advancements, with the kind of capital investments these companies are doing and the kind of relationships we already have with them, I think, will hold us in very good stead.

So, we do believe that Thailand will prove to be a very critical and important asset for the organization in terms of its positioning with these customers and also supplying to these customers in all these different regions. So, I mean, I think going forward, next 2, 3 years, I do see Styrenix one step closer towards its vision of being a preferred global supplier of all these performance products to all the customers it serves.

So -- and that obviously cannot be achieved just by being -- having the capabilities in India but having capabilities in Asia and potentially rest of the world also become critical. So, Thailand is a very, very important and critical step in that direction, which we believe in 2 to 3 years, we'll have a very clear picture of what we have been trying to achieve so far.

**Pankaj Tibrewal:**

That's great to hear that. The only thought process from an India perspective is that today, there is a gap of domestic production versus import. And with you and the other competitors increasing their capacity, can after 3 years, that import substitution part will be off? And can the industry only grow at, say, 8% to 10% in line with the demand growth? Or you think that further, there will be opportunity to grow? Just how to visualize that picture in India?

**Rahul Agrawal:**

So Indian demand last year was about 350,000 tons, as we know, 350,000 to 370,000 tons. And I think between the Indian players prior to the third now player, which has entered the field, the total sales were about 160,000, 170,000 tons. So close to 200,000 tons were still being imported. Even with the new player coming in, we are still talking about a shortfall of more than 100,000 tons.

Once we come in with additional capacity and both the other players also add in additional capacity, we do believe the market is still going to continue to add 30,000, 40,000, 50,000 tons of additional demand every year. So, I believe still the import substitution will remain and that opportunity will still remain for the next 5 to 7 years.

So there will be still an opportunity for us to add additional volume, to meet that additional demand because if you look at some of the Eastern economies for which we have a greater flavour of, if you look at Vietnam, it's about a 400,000 ton market, which is a much smaller country than ours. You look at -- of course, China is -- the scale is very different. They are a factory of the world. But even in the context of smaller economies surrounding us, I do believe that the growth that we are estimating and the segments that we are estimating is quite realistic.

So, we will still add this 30,000 to 50,000 tons every year. And given whatever has been announced so far by us and our competitors, I think there will still be an opportunity in India for adding more volumes and meeting that import substitution demand.

**Pankaj Tibrewal:**

Fantastic to hear that. Just the last question. Today, the ABS prices when we speak into the market is somewhere between INR190 to INR200. Pre-war, it used to be INR110, INR120. Assuming there is some normalization in supply chain raw material, which starts to happen as things starts to -- on the Middle East crisis, do you think now the average pricing, which could settle will be much higher than the pre-war pricing, which we have seen?

Is that a basic thought which is prevailing, because most of the other chemical companies seem to suggest that now the new normal could be 15%, 20% higher than the pre-war kind of a situation. Is that a fair assumption to make? Or you think nobody knows?

**Rahul Agrawal:**

So again, the right answer is nobody knows. But if one has to assess, again, from a strategic perspective, where we land, I think given whatever is happening, even if things unwind and things seem to clear up, there is obviously -- there's going to be some lag between the current mess, which is there in the supply chain and what needs to be in a normalized scenario, right?

So that lag itself will indicate that there will be some tightness, which will remain and which will keep prices up to a certain level.

Now once those things normalize, for how long those prices stay at what level and how much further they keep getting pushed down is really anyone's guess. But I would say in the short to potentially short -- medium-term, prices will tend to remain a little bit higher from what we can assess at this stage as opposed to what they have been in the past.

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

**Aditya Khetan:** Congrats on a good set of numbers. Sir, just a couple of questions. Sir, first, is it possible to quantify the inventory gains during the quarter? And secondly, sir, we are seeing a volume -- a slight volume dip into the Indian business, but some 20%, 30% dip into the Thailand business. Any particular reason, sir?

Because on to the Thailand part, what I know as per our previous interaction, so we were having supply of raw materials from the local players. So ideally, that shouldn't have been disrupted and the production shouldn't have gone down ideally. Any thoughts on this, like why is the volume dip and possible to quantify the inventory gains?

**Rahul Agrawal:** So, we don't really have any significant inventory gain for the quarter. In terms of the volume dip, there has been a dip in our GPPS sales for the quarter. There has been a muted demand and also there has been a lot of pricing pressure on account of certain imports. So that has accounted for the volume dip. In all the other categories, whether it's ABS, HIPS, we have grown year-on-year as far as the quarter is concerned.

And overall, so we have kind of moved in the right direction given what we do in this specific quarter, right? So, in this quarter, there are 28 days in February. So, there are a lot of nuances on how this quarter works. And specifically in this quarter, there are certain couple of shutdowns, which happen every year, not only in this year. So, all these things lead to a certain volume change.

But if I look at the year-on-year, there is a growth, at least in our ABS and HIPS business. We don't give a breakout. So, I'm going to refrain from telling you or quantifying exactly what that is because, as you know, none of our competitors do that either. But -- so there is no real concern in terms of a volume dip in India other than what I mentioned.

As far as Thailand is concerned, if you compare Q4 of last year versus this year, what we have given information, essentially, what had happened is, we were again shifting from INEOS' brand to our brand, and we had started intimating to all the customers that we would be discontinuing and we were also wanting them to switch to our brand. And on account of that, there was a little bit higher booking by customers in that earlier brand, which was a little bit unusual, which could not have happened in previous years corresponding to that same quarter.

So, comparing that particular quarter with this quarter would not have been a fair assessment. Having said that, I think, again, we have retained, I would say, most of our business. So, business continuity has been achieved by the work of our team over there. And going forward,

we do believe with whatever interactions we have had with our customers recently, like I mentioned in China and elsewhere, volumes will start trending upwards only.

**Aditya Khetan:**

Got it, sir. Sir, my next question is for this year fiscal FY '27 in terms of India, Indian business. So largely, how much room we have for the volumes to further go up? And subsequently, sir, are we confident like that ABS capacity, any timeline, sir? I think we have stated earlier some around in the second half that will come on stream. Any timeline, sir, on that and if there is any change?

**Rahul Agrawal:**

No. So, there is no change. Like I mentioned, the -- whatever earlier announcements we have given, we are still in line with that. We are on track for that. As and when the additional capacities come online, we'll be sure to inform all our shareholders accordingly.

And otherwise, as far as volume growth for the year is concerned, one has to take the present scenario into context. So, if we were not facing the present scenario, I think India would still grow at the same level, and we would grow also similarly.

So, if you assume that ABS would grow at 8%, 10% or whatever and we would have additional volumes to spare, then yes, we would also grow similarly, if not higher, given the import substitution opportunity. So, I don't think growth is an issue in a normalized scenario. In the present scenario, of course, like I mentioned, it is very difficult to give an estimate.

**Aditya Khetan:**

Got it. Sir, just one question I wanted to know from you. Sir, considering from a customer's perspective who are taking ABS and polystyrene, even they are -- even -- so they would be knowing that companies like Styrenix, Supreme and Bhansali, all are dependent on styrene and acrylonitrile imports. And any disruption in raw material supply definitely so keeps these companies vulnerable. So why would any customer completely be dependent on these companies?

And import substitution story what you're saying, sir, will that actually play considering all these things like if there is any raw material stoppage from these countries. So definitely, they would be also left in the middle versus if they are continuing taking their purchases from China or from Korea. So that -- so how these things like play out?

**Rahul Agrawal:**

So, it's interesting, right, that even in the current context of whatever may have happened, we have not had any supply problem for our raw materials, right? So, whether it's Styrene Acrylonitrile, which we are importing, we have been able to procure it. So, like I said, these are commodities. There is no real significant arbitrage between one region to the other when it comes to these monomers.

And even for a lot of our suppliers, it's interesting, one of the big competitors who is positioned in Korea and probably has the largest share in the import substitution market was actually vertically integrated into styrene and they stopped producing styrene, in fact, I think, a year or 2 ago. And they chose to now import or buy styrene from outside even into that country because, again, like I mentioned, these are -- these monomers are commodities, and there is no real value of being vertically integrated into these commodities in the current demand-supply scenario, which exists.

So given that situation, I don't see customers giving any preference to a customer, to any company, which has local supply of raw materials or has vertical integration into these areas. In fact, if anything, it could be a negative, I feel, at times because the spreads on a lot of the raw materials have been low. And in a normalized scenario, I believe it's quite long in any case, the outlook for a lot of the monomers.

**Moderator:** Sorry for interrupting Mr. Khetan. Please rejoin the queue for more questions. The next question is from the line of Pritesh Chheda from Lucky Investments.

**Pritesh Chheda:** Just to the question that you replied about pricing most likely to stay higher than pre-war considering the supply chain. And you mentioned that there was no inventory gain in the quarter gone by. Is it fair to assume that even the profitability then should largely stay higher than the pre-war level?

And by the way, the pre-war level of the last 1 year was a continuously sliding scenario. So, one has to then go and refer to a year back actually. So, are these interpretations correct that we are doing without asking how much time will it last? But this conclusion is fair enough?

**Rahul Agrawal:** Pritesh, thanks for your question. So essentially, the profitability in the last quarter has probably been a little bit higher on account of 2 things. One is, of course, the product mix. Like I mentioned that we sold less GPPS in that quarter, and that has changed. Now going forward, what happens, we'll have to see.

And the other thing was in terms of certain prices that we could get for certain segments were higher on account of certain shortages which were created at that time, right? So, there was a price expansion, which took place. But that could be also a little bit opportunistic on our part for certain segments, and that I don't think is sustainable long-term.

So, in a pre-war scenario versus post-war scenario, how profitability will move, I think, is a question which I cannot answer today. But prices itself may remain a little higher because even raw material prices are going to remain a little bit higher until the supply chain doesn't normalize. I think I was speaking more towards that rather than to profitability itself.

**Pritesh Chheda:** Okay. And any comments -- okay, on the volume side, any comments if you have because -- incrementally as well because there was one observation that the user industry in the last quarter, any user industry would have grown substantially in volumes and that we refer from a lot of companies' results. So, it was contrary that you had a 5% volume decline in India operations.

So, one, any granular that we need to know? And second, at these high prices, what's your assumption or what's your thought process on the volumes? And how is it behaving as of now? Whichever way you're comfortable asking this question -- answering this question?

**Rahul Agrawal:** Sure. So, like I mentioned already that we are engaged in 2 lines of business, ABS and polystyrene. And within polystyrene, we have GPPS and HIPS. We have actually had a good volume growth, both in ABS and in HIPS last quarter, if I look at year-on-year numbers. But we have had a significant decline in GPPS and that was on account of certain unorganized

market, a lot of dumping also from imports and then us not really wanting to participate in that market at those prices.

But rest of the business remained robust and volume growth was fine. And I think going forward also, in a normalized scenario, we anticipate the same.

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

**Ronak Chheda:** My first question was just on the capex and the scale up on the capex. You partly mentioned that the demand is there out for us. Just in terms of timeline, how do you -- how should one think of the scale up once the Phase 1 goes live this year?

**Rahul Agrawal:** Yes, Ronak. So, I mean, again, no change in what we had to say earlier. We are still saying in the second half of this year, we will have additional volumes and capacities coming in line. So, there is no change. And the capex also is in line with those capacities, which will come in.

So obviously, the commitments are there. And as the machinery comes in or as the kind of construction gets over and as the commissioning takes place, that will have an impact on the cash itself.

But the commitments are already -- have been made. And we do believe, given current timelines, we are on track to what -- we are on track with regards to whatever we have mentioned in the past with regards to our capex and volume -- incremental volume that we will get.

**Ronak Chheda:** So, is it fair to assume that in a quarter or 2, you will be able to scale up if the demand is out there for you to grab?

**Rahul Agrawal:** So, like I mentioned, second half would not be the first and second quarter. It would be in the third and fourth quarter. Exact month we have not mentioned, and we are not in a position to do so right now.

**Ronak Chheda:** Fair. Rahul, my second question is on what percentage of sales for us would be based on a contract or a fixed formula-based pricing versus spot sales, if you could bifurcate?

**Rahul Agrawal:** Again, not much change in that from what we have done in the past. So, in ABS, again, 60% to 70% of it is formula contract based. Even the balance volumes, again, there is some kind of a formula that we follow, though it may not be further back to the contract necessarily with the customer or a volume commitment, but there would be a pricing mechanism for which we would have an understanding, and that's what we would employ with most of our customers, and that is what has worked. So that is the case of ABS.

In the case of polystyrene, specifically in the case of HIPS again, we have done far more in terms of our OEM connections and in terms of formula-based pricing. So that number is now much higher than 50% than what it was earlier.

In the case of GPPS, again, there has been, I guess, a degrowth, what we mentioned in volume because we are not participating aggressively in the segments which are not backed by contract

or formulas. And that is where we have seen also a lot of imports coming in. So today, I think it would be fair to say the company generally is following and working with customers on some kind of a formula basis for more than 70% of that business.

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

**Krunal Shah:** So, I have 2 questions on the Thailand business. So, if I see the cash flow, it seems that there is around INR60 crores difference between the consol and the stand-alone cash flow. So that would mean that a INR60 crores kind of capex has been done in Thailand. So just wanted to get some clarity on that?

And second question is on the volume decline in the Thailand business. We saw that in the volume decline and you gave the reason that it was because prebuying happened in December quarter. But in December quarter also, the volumes were just like 15,000 tons, and that too was flat versus September quarter. So not much volume uptick was there. So, is that like a sustainable run rate is much lower than 15,000 or 14,000 tons? That's -- these 2 questions.

**Rahul Agrawal:** Krunal. So typically, I was comparing the Jan to March quarter compared to the Jan to March of previous year. In fact, a lot of the countries in the Far East, they follow a Jan to December quarter. So, they tend to take a lot of volumes towards December because we have rebates and we have volume commitments from customers. So, December quarters are a little bit higher generally. Jan to March quarters are generally a little bit lower.

But it was higher in the previous year because we were shifting from one brand to the other and customers had the fear that we would not be able to supply to them the Novodur brand, and that's why they did a lot of buying. It's not for the December quarter, this is for the Jan to March previous quarter, okay? That is when the volumes were higher. Here, Jan to March quarters typically are a little bit lower in any case, every year.

So again, we don't have a lot of comparable breakups of all the years prior to that because that information has not been given to us by the earlier management in a manner which we can really present to any shareholder. But this is the understanding we have based on how the seasonality of that business works in that part of the world, which is a little bit different from how it works in India.

So, in terms of run rate, like I mentioned always, when you look at our business, you should look at the annual business, which anyways eliminates the Jan to March of '25, we look at the FY '26 April to March numbers. And on an annualized basis, whatever numbers you're seeing, those, I think, are numbers which are now -- we believe are defensible. And of course, there is a significant room to grow from there.

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

**Dhaval Shah:** So just one question. So given the prices are so volatile right now, and you mentioned your customers are doing 60%, 70% contracts in terms of long-term, that would be more from a volume perspective. So, the pricing changes every week? Or how does it work right now?

Also, because your procurement price also keeps fluctuating and the situation is very fluid. So how does it happen right now?

**Rahul Agrawal:**

So yes, it's a good question, Dhaval, because a lot of our raw materials are now coming basically on the spot market as well. And for those raw materials, we have been able to convince our customers to consider the pricing that we are getting with them. So, there is typically a formula which is built in with our customers, which takes into account certain publication prices. And currently, the prices that we are getting on the spot has maybe a little bit of gap with the formula prices.

And customers are well understood and accepted that, and that has been, again, built into the formula. And typically, within a small margin of error, we are able to match what needs to be done with the customers with regards to what we are buying at and what we are selling to them. So, we still keep kind of mostly a monthly price for most of our long-term value customers. And we don't see any real massive challenge in being able to procure at that price and sell to that price. There is no real gap in terms of how things were earlier before the war and even now.

**Dhaval Shah:**

Got it. And you also mentioned that you were a bit opportunistic in the fourth quarter. So, does it mean we sold more on the spot market or you were more opportunistic on the kind of -- on the product mix side?

**Rahul Agrawal:**

So, I think it's mostly on the product mix that we were able to sell certain products at a higher price, which give us more margin. And obviously, there was a tightness suddenly, which was created, and we were able to take that advantage and ship more of our production in that area because that availability wasn't there. And secondly, also in the spot market, the realizations were obviously much higher because there was no availability of material.

**Dhaval Shah:**

Yes. Okay. Okay. And how are the freight rates now? Are they still higher? Or are they kind of moderating anything? Because now a little bit the containers have started moving out of the Strait and -- because your freight rates will also determine the pricing, right, the blended prices of the chemicals in our country. So, any comment, any thought on that?

**Rahul Agrawal:**

The freights went up quite sharply, in-coming freights. For the containerized cargo, I think it's not moved significantly, maybe corrected a little bit. On bulk, there has been some softening because, again, I think there has been some demand destruction on kind of the bulk petrochemical materials. And hence, you have seen softening over there. But again, a lot of fluctuation day-to-day basis, very difficult to keep track of what's happening.

**Dhaval Shah:**

Got it. And sir, on the polystyrene front, a couple of months ago when we were interacting, so the imports were suggesting that there are a lot of PS imports happening and you also mentioned unorganized demand is also very active. And now in the fourth quarter, you've sold less of GPPS. So, this trend is emerging out of what? Is it some higher capacities in the exporting countries or unorganized market expanding or you taking a step back and focusing more on higher margin, better margin products where your competitive strength is better?

How should we look at it? And that's why you are not also talking anything on the expansion of the PS side. Please help us understand this point. So how should we -- like when we announced the expansion, we had given a road map for ABS and PS, how the capacities are going to be over the next, I think FY '29 or something when we are fully up with the entire expansion. So how should we understand your PS strategy?

**Rahul Agrawal:**

So, for PS, I think we always back ended the expansion possibilities because we were still trying to ensure that the business case aligned with the company's vision, right? We have some very important and valuable relationships in the PS sector. And we are definitely looking to enhance those relationships and service them even more going forward.

But we also need to understand where there is less value in that sector. And wherever there is less value, we may choose to not participate or participate considerably lesser going forward. So, it's kind of a balanced strategy approach that we have taken over the years. We have moved away from the unorganized sector and more into the formula-based OEM business in PS. And that effort is still in that direction.

So, we have been consistent with what we have been wanting to do in PS, and that has not changed.

Going forward, I think in that context, as the business grows and develops and our customers' requirements become clearer as our share of OEM business grows, we will define the business case for expansion in that sector, right? So that is a developing or evolving strategy for us. And as it becomes clearer, we will take that decision. But the expansion for PS has always been a back-ended strategy as opposed to front-ended unlike ABS, where we have had far more value-added customers or relationships since much longer compared to the competitors out there.

**Moderator:**

Sorry to interrupt. Mr. Shah, please rejoin the queue for more questions. The next question is from the line of Rahul Agarwal from IKIGAI Asset Management.

**Rahul Agarwal:**

So quick 3 questions. Firstly, on the demand side. When I look at your customers, we talk to them on automotive, appliances and packaging, 3 sectors, we hear that even they are facing a decent amount of issue in terms of passing through their own input pricing, right, which is what we are passing it to them and Styrenix is passing because your own input price for materials has gone up globally.

The point being that incrementally, when I look at fiscal '27, and we really don't know what's happening in second half on demand. But just at the current spot trend from automotive appliances and packaging, we just talk qualitatively more about how do you see this OE demand happening at current spot price, whatever you're quoting to them? Are they okay in terms of how they are feeling with their own supplies taking from you? That's one question.

Second is on the spreads and margins, I think enough questions have been asked, trying to figure out that if we look at full year fiscal '26, and if we just compare that to fiscal '27, is the spread at current spot price better or worse off, just in terms of direction, if you just qualify that?

And third is, because you're facing -- global imports are also facing issues on ABS from Korea, which is, I think, quite a decent quality ABS comes from there. Does it make sense for us to prepone our capex on ABS and maybe capitalize and gain more market share? These are the 3 questions.

**Rahul Agrawal:**

Yes. Thanks. So, with regards to the demand from our customers in auto appliances, packaging, qualitatively speaking, we obviously have not seen any significant uptick in demand, but we haven't seen a significant downtick either. It's a little bit muted, I would say, at the prices that we are offering. But most of our large OE customers have been buying consistently.

We have to see how the next few months pan out because for them, how fast they're able to clear their inventories, how fast they're able to pass on prices is something that we still have to hear back from them.

So far, they have been running their business as usual more or less. But we do believe that there could be some slowdown. That is something that we have to account for. But currently, that is the case. In fact, it's more in the, I would say, unorganized market or smaller market where a lot of customers have become much more cautious in terms of their willingness to buy product because of the uncertainty associated with pricing in which direction it will go. So that is what we are seeing qualitatively again without speaking to exact numbers.

With regards to spreads and margins between last year and this year in the spot, I think, again, if I look at most of our customers, the margins on the -- again, on the contractor formula side might be similar, slightly better, might be similar only, I think, largely. I think there is obviously on the spot side, they are better because, again, for specific grade of products, we are able to supply where we are not seeing quality supplies from conventional competitors from Korea.

Like I mentioned, Korea and certain countries have had structurally worse problems than, say, India or Thailand or even China for that matter, have had. And we are better positioned to supply those specific grades. And in those grades, we are able to get better margins. And keeping in mind, again, with your third question on Korea or other areas, we do believe that structurally, there may be changes in Korea. We are not sure.

But again, that does not take away from the fact that we still remain committed to our customers in India and their requirements and their preference for our product, which has always been the case, and we have not been able to deliver. So that will remain. And I think keeping our investments on track and our volumes coming on -- additional volumes coming on track, will be the right strategy because whatever may happen in the very short-term, to medium- to long-term, I do believe that the demand robustness is intact in India.

**Rahul Agarwal:**

Got it. So just a follow-up on the 30% of the volume business, which we have, which is essentially the non-OE side of it across any segment, just taking an average over here. What is the -- so you're saying, is there a pain in that kind -- in that segment? That's one clarification.

Second is on this preponement of capex, you're saying it's still on track. We don't really do that right now based on whatever is happening. Is that correct?

**Rahul Agrawal:**

Yes. So, we are not preponing anything. We are doing as planned. The capex is happening exactly as we spoke. When you talk about the non-OE segment, whether it's 30% or 40%, whatever it is, we don't give exact number, but 60% to 70%, let's assume is OE and rest of it isn't.

But wherever the unorganized market is, typically, they would buy more based on what they believe to be the case going forward in the next immediate future. And that's how the buying has been in that segment historically as well.

Since there is greater uncertainty over there, there is obviously muted demand over there. But to the extent there is demand and to the extent that we are better placed to supply certain grades of products, which are not coming easily from other suppliers is where we can get better margins. That's how it's working out.

**Moderator:**

The next question is from the line of Tanish from Boring AMC.

**Tanish:**

So, I had 2 questions. The first question is to understand the structural difference between HPPS and your general-purpose polystyrene. Like what is the difference between the 2? And why do we get a better margin for the HPPS? And the second question is regarding the Thailand acquisition. So, we had done the acquisition to get a better margin ABS product in India. So, are we seeing that integration play out in India? And do we see any future capex for a better ABS grade in India?

**Rahul Agrawal:**

Yes. So Tanish, if you look at GPPS and HIPS, the way the market is, a lot of the -- for HIPS, a larger market is actually driven by air conditioning, refrigerators and some packaging industries. And a lot of this is kind of organized and is growing well in India. There also a lot of specialized grade requirements by these customers, which are not easy to switch from one supplier to the other. And hence, there is a greater value that customers see in buying a specific product from a specific supplier and hence, you have a slightly better margin in that product.

In the case of GPPS, a smaller percentage is in the organized segment, the larger is in the unorganized where the opportunities to switch is more and you can switch based on cost more easily. So, the margins are a little bit lower. As far as Thailand is concerned, I would not say that we -- strategically, the decision to go into Thailand is to bring more product into India. But Thailand has helped us for additional capacities for the rest of the world for certain technologies like I mentioned.

And to that question regarding technology, yes, we are planning to incorporate some of those technologies when we do add new capacities in India. That will help us target some of the additional product segments as well in India, which we have historically not done so. So, there are some advantages of that higher kind of margin ABS also being produced in India by us with that technology once that additional capacity comes online in India.

**Moderator:**

The next question is from the line of Hrishit Jhaveri from CBA Asset Managers LLP.

- Hrishit Jhaveri:** Just wanted to ask on the other income level. So, we had an INR11.8 crores other income in this quarter. Can you throw some light here?
- Rahul Agrawal:** Bhupesh, I request you to answer that. Other income, INR11.8 crores.
- Bhupesh Porwal:** So, this is for the stand-alone?
- Hrishit Jhaveri:** No, consolidated?
- Bhupesh Porwal:** Okay. Consolidated. So, it has income from both India as well as our Thailand operations. So maybe some forex gains in Thailand, which comes into this. Then we have some services also in Thailand, which we give from our facilities. And maybe other than that, scrap sales and all other things overall will come into other income.
- Hrishit Jhaveri:** Okay. And assuming the normalized spread, when can Thailand operations be at the breakeven point?
- Rahul Agrawal:** I think I mentioned this in the past. So, we do believe that once we have 60%, 70% capacity utilization, the Thailand operation will start generating some returns. So, we are still below that, and we are working in that direction.
- Hrishit Jhaveri:** Okay. And is there any cost escalation for the upcoming capex of the ABS?
- Rahul Agrawal:** Not currently, no.
- Moderator:** In the interest of time, that was the last question for the day. I now hand the conference over to Mr. Chintan Doshi for closing comments.
- Chintan Doshi:** Thank you. Thank you, everyone, for joining us today on earnings call. We appreciate your interest and time in the company. We look forward to answering you in the next meeting, which will be announced at suitable time in future. Thank you.
- Rahul Agrawal:** 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.