August 12, 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,
Bandra ('E')
Mumbai 400 051
NSE Symbol: **STYRENIX**

Subject: **Transcript of Earnings Call with Investors / Analysts held on August 05, 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 July 31, 2026 informing about the earnings call organized by the Company on August 05, 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: 2026.08.12 17:47:49 +05'30'

Chintan Doshi
Manager – Legal & Company Secretary

Encl: As Above

"Styrenix Performance Materials Limited
Q1 FY27 Earnings Conference Call"
August 05, 2026

Management: Mr. Rahul Agrawal – Managing Director
Mr. Bhupesh Porwal – Chief Financial Officer
Mr. Chintan Doshi – Company Secretary

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on August 05, 2026, will prevail.

Moderator: Good day, ladies and gentlemen. Welcome to the Styrenix Performance Materials Limited Q1 FY27 Earnings Conference Call. 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 this conference call, please signal an operator by pressing star, then zero on your touch-tone phone. Please note that this conference is being recorded.

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

Bhupesh Porwal: Yes. Thank you very much. Welcome all. Namastay, everyone, and a very warm welcome for our quarter 1 FY27 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 investor presentation available on our website and the stock exchange.

The quarter gone by was marked by an operating environment characterized by heightened uncertainties driven by evolving global macroeconomic conditions, geopolitical developments and fluctuations across key markets. Despite these challenges, we remain focused on disciplined execution, operational resilience and serving our customers effectively as demand for our core products continue to remain strong.

I will now take you through our financial and operational performance for the quarter before we open the floor for the questions. First, on the stand-alone financial highlights. Coming to our quarterly financial highlights on a year-on-year basis, total income for Q1 FY27 stood at INR770.5 crores, a growth of 6.6%. EBITDA for quarter 1 FY27 stood at INR201.4 crores, a growth of 133.9%.

EBITDA margins for quarter 1 FY27 improved to 26.1%, an increase in 1,420 basis points. Profit after tax for Q1 FY27 stood at INR137.3 crores, a growth of 150.3%. Profit after tax margin for Q1 FY27 stood at 17.8%, a growth of 1,023 basis points. Sales volume for Q1 FY27 stood at 38.9 KT, a dip of 26%.

Consolidated financial highlights. Now on consolidated basis for the quarter, total income for quarter 1 FY27 stood at INR1,014.2 crores. EBITDA for quarter 1 FY27 stood at INR223.6 crores and EBITDA margin stood at 22%. Profit after tax for Q1 FY27 stood at INR138.3 crores and profit margin stood at 13.6%. Consolidated sales volume, which includes both India and Thailand, for Q1 FY27 stood at 50.8 KT.

With this, I conclude the financial highlights, and we will now proceed for Q&A. Thank you very much.

Moderator: Thank you very much. We will now begin with the question-and-answer session. The first question is from the line of Nirav Jimudia from Anvil Wealth.

Nirav Jimudia: I have a few questions. Sir, first on the volume part. Like when we see this quarter, how you have seen the demand in the Indian market, both for the ABS and PS when compared on a Y-o-Y basis? So if you can explain whether it was like the availability of raw material for the existing players in India, which has lowered down our volumes and these volumes were replaced with the imports coming to India? That is point number -- or let's say, the demand was impacted because generally, there was unwillingness from the customers to take the materials at the higher price? So if you can just share your thoughts here.

Rahul Agrawal: Okay. Thanks, Nirav, for your question. So essentially, there was a lot of disruption, as you know, because of the Middle East. And that started, in fact, in the first week of March itself. We also saw some impact of it in the last quarter, but not to the extent that we witnessed in the current quarter.

What happened in March -- towards the end of March essentially is obviously, the prices went up quite a lot and there was significant volatility. And due to that uncertainty, which arose in the market, there was a concern on part of certain segments of markets, specifically the, I would say, the non-OEM sector or the unorganized sector, where there was a less willingness to buy any material.

And so there was those concerns which existed during this quarter and which resulted in lower demand per se, particularly in the kind of unorganized sector. In polystyrene, that impact was more. And in ABS, the impact was a little bit lesser, but we saw the impact on kind of lower demand for both the product segments during this period.

Nirav Jimudia: Got it. So let's say, like when we see on an annualized basis, let's say, both for ABS as well as the PS, on an average, generally, if you just average out quarterly demand comes to around 75,000, 80,000 tonnes, let's say, for ABS and close to around 90,000 tonnes for PS when we just average out the yearly numbers.

So if you can just give us some understanding, let's say, on this base of the quarterly demand, which we see across, how much it was this quarter in terms of some percentage numbers or quantification of numbers that would be helpful.

Rahul Agrawal: So like I mentioned, whatever drop in demand has been seen across both the segments and whatever drop in sales we have had, I think both are in line with each other, essentially. So we normally don't give breakup of volumes between all the different segments. So I would not be able to do that.

But if you look at the total polymer that we would have sold for total volumes, whatever dip we saw is in line with whatever dip has been across the segment essentially across both the segments for that -- for this particular quarter, which would be to the order of 15% to 20% essentially or maybe 25%.

Nirav Jimudia: Got it. So safe to assume that, let's say, the OE demand was not impacted both on the ABS as well as the PS part, but it was more of the non-OE demand, which has impacted our volumes?

Rahul Agrawal: Yes. I think in our case, that is true. I think there would have been some impact on the OE segment as well, but the impact would be far more exaggerated on the non-OE sector for sure. So I think the OE sector demand impact would have been muted relative to the impact on the unorganized sector.

Nirav Jimudia: Correct. Sir, second question is like what would be now our approach, given the kind of volatility we have been seeing both on the raw material prices as well as on the freight side or, let's say, on the natural gas side? So I was talking just from the operational side. So what would be our strategy in terms of improving our volumes in the quarters to come, a?

And b, what could be the demand drivers going forward, both for ABS as well as PS? Are you seeing some newer applications coming up, both for PS and ABS, which can take up those incremental volumes in the market? Or you believe that growth predominantly will come more from the existing applications taking more volumes?

Rahul Agrawal: So essentially, Nirav, what happens is there is obviously a strong correlation between demand and the supply and pricing right in the market. And this is not only in the case of our polymers. But if you see across the board, when there is kind of a significant increase in polymers, you do see a dip in demand, right, across the board.

So it's a broad-based kind of demand destruction, if you will, or -- I would not even call it destruction. It is more along the lines of a cautious approach by -- on part of certain category of buyers who would be wanting for things to normalize a little bit before the demand picks up again.

So I think as far as we are concerned, obviously, nothing changes in our strategy as far as the business is concerned. We are still doing whatever we need to do. We believe that things would normalize in a certain period of time. And accordingly, we would have those volumes to be ready.

So in terms of demand drivers, there are multiple segments that we are present in. There are multiple segments that we are additionally also approaching the additional product lines. So I mentioned all of this in previous calls and presentation.

So the strategy doesn't change in any which way. But I think it doesn't matter ultimately which polymer or which blend or which product you go after. The demand would have -- would be impacted in all segments if the volatility remains so much and the uncertainty remains so high in the eyes of the buyers. So if people feel that in the next 10 days, the price is going to go down significantly or go up significantly, lot of people would have a kind of a wait-and-watch approach.

So that segment of that market would always behave like that. So regardless of what you do, it is always going to be the same situation. So our strategy, in fact, has to remain dynamic to the extent that we have to meet whatever demand is there, we have to make sure that the raw materials that we procure, we do it in a sensible manner, the most sensible possible manner and we are able to cater to the demand, which is justifying both the price volatility as well as the acceptance in the market for those kind of pricing.

So as long as we remain dynamic, we keep decisions which are extremely current with what is happening. And that, of course, has been a lot more volatile in recent times. I think that is the only change, if you will, or modification of our existing strategy. Otherwise, nothing changes.

Nirav Jimudia: Perfect, sir. Sir, last thing, just if you can just share the import situation for ABS and PS, if you have some sense in terms of how you have seen this quarter in terms of the imports of both ABS and PS into India vis-a-vis the earlier quarters?

Rahul Agrawal: So frankly, Nirav, I don't know if you're aware, but the government...

Nirav Jimudia: Have not been available...

Rahul Agrawal: Has taken a call where they are not in favour of sharing a lot of import data across India or export data for that matter. So there are no real channels where this data is easily available. But I think -- I don't have a very exact number or exact information which I can provide at this stage. But based on our interaction with our customers and kind of market that we broadly understand, I think we have not seen any significant variance in imports in the last quarter. It has been more or less similar.

For certain countries, I think there has been some challenges in production because of structural issues. As you know, there is a lot of energy, which comes from the Strait of Hormuz and also fuel or naphtha, which comes from there for a lot of the countries, which would be traditional manufacturers or exporters to India.

So that impact would have been there, and that obviously would result in kind of some stressful situation for their ability to export to India. So -- and that we have observed as well in the market where a lot of the players who would have been earlier present, were no longer quoting aggressively in the market either.

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

Aditya Khetan: Congrats on a good set of performance. Sir, just a couple of questions. Sir, first is on to -- if you can provide the split between the OEM and the non-OEM side. And also, sir, like as you mentioned, like the demand in the non-OEM side was a bit of impacted. So just wanted to dig it more deeper. Like is it across the clients in the non-OEM side or they were like selective pockets, wherein the -- so there was resistance to pick up the volumes?

And secondly, sir, when we look on to the benefits what we have received in this quarter, what would be the sustainable run rate of margins whenever these benefit reverse? Like historically, when I look, we were at around 10% to 12% broad margin range. Obviously, the last 2 quarters has been quite of an inflated one. What would be the sustainable numbers we can work on going forward?

Rahul Agrawal: Yes. Thanks, Aditya. So first of all, with regards to OEM Non-OEM, we don't give exact numbers. But broadly, at least on ABS side, our OEM is typically around 70% or a little bit higher and non-OEM would be the balance. And like I said, the OEM sector has some impact -- has had some impact as well. But the non-OEM sector has had a more significant impact.

So I think -- and in the case of polystyrene, our OEM is probably a little bit lower and the non-OEM would be a little bit higher. So OEM probably would be closer to 50% and non-OEM would be the balance. So there, of course, again, there has been an impact.

So between both the segments, like I said, the non-OEM has had a much more significant impact, without being able to give you an exact number there. But you can, I think, very well calculate based on our dip in volumes, what that impact would have been across the two segments.

As far as the benefits of whatever has happened, I think this is just a snapshot in time or a specific situation or specific event or a series of events which have happened in a specific quarter. And it is not indicative of the sustainable business of the company, as I mentioned in the past. So I think one has to consider whatever happened prior to these events as the sustainable performance.

And that doesn't change. I think whatever impact we have had on volumes, I think, would get corrected once situations normalize. And I think what we saw towards the end of the quarter, there was some normalization, which had come about. But again, the volatility remains, as you know, we don't comment on current quarters, obviously, as historically, and we will not do so also in this call.

But there is obviously that normalization, which we believe would happen over a period of time. And once that happens, we will be back to the same operational basis, which has existed in the past on an annualized basis in the company, and that would not deviate from that number.

Aditya Khetan: Got it, sir. Sir, my second question is on to the Thailand business. Sir, the quarter gone by also have witnessed some higher cost. Sir, it has been 6 quarters like and the cost is still on to the higher side. Any sort of like materials have changed? Like you mentioned earlier, we were looking to reduce the fixed cost, but that is still not meaningfully visible in the numbers.

And secondly, sir, on the volume side of Thailand, that also looks a quite bit subdued. How should we look, sir, on to volumes for Thailand for FY27 and '28 and also for the stand-alone business?

Rahul Agrawal: So as far as Thailand is concerned, there has been no increase in costs. The costs are where they are. We have not given any specific guidance on any of those costs being reduced with any specific period of time either. So I can't comment on that right now.

We do believe that it will take some amount of time for volumes to pick up. And obviously, the current climate is not very conducive to giving any indication of when that will happen. I mean you can appreciate the volatility which exists in the region and hence, has significant global implications as well that it is virtually impossible to give the volume and the demand scenarios, given the current scenario.

So for Thailand, again, very difficult to state any of those things. Volume guidance, again, it will entirely depend on how things normalize. But I think as a management of this company, our job is to best navigate the current situation and ensure that we are running our plant to the best of our capability and making sure that our customers are served in the best manner possible, which we have managed to do in the past quarter.

There has been concerns around energy availability with fuel being curtailed, of course, in the interest of the general population, which makes sense. There has been issues on supply chain with raw materials. There has been multiple challenges, but I think the company has been through those challenges, and we have still managed to cater to all our clients to the extent it was required. And we intend to do the same thing in the following quarters as well.

Moderator: The next question is from the line of Priyank Chheda from Vallum Capital.

Priyank Chheda: First on -- again, you touched upon the demand side. End Consumption sectors to which we cater roughly, say, auto, electronics, households, applications; I think they haven't seen that kind of -- the end-consumer demand has not been that down versus what we have witnessed in our volume. So I believe this has to do with a lot of OE, non-OE inventory or a channel stocking, destocking, whichever happens in the volatile times.

So what my question essentially is that balance 9 months should have a very high catch-up in demand, right? I mean even if we were to catch up for last year's volume, balance 9 months should see at least a high teens or mid-teens kind of a volume growth. Would you -- any thoughts on that, sir?

Rahul Agrawal: Thanks for your question. So again, from what we understand when we speak to our clients, and obviously, there is some aspect of what you're saying is relevant as well, where there is some stocking, destocking in turn with retailers, which could be our customers' customer, if you will.

But ultimately, I think overall, when the prices go up, we do believe there is some impact at multiple levels. So in some segments like appliances and all, there has been some impact for sure. In auto, I think the effect has been muted. It is not that significant.

But across the board, I would not say there has been no impact. There has been some impact. And of course, the -- in our case, that might be slightly more exaggerated, like I mentioned, because of the non-OE part as well, where the demand is completely dependent on -- sometimes on pricing, which takes place from month-on-month or quarter-on-quarter. So anyway and especially when there is this kind of significant volatility. On normalized price changes, you don't see this kind of gap, but this is kind of an unusual situation.

I think with regards to the next few quarters, again, like I mentioned, we don't know exactly what is going to happen because uncertainty and volatility continues to plague our systems. I think there is still no clarity on how things are going to move in the next quarters. So I cannot comment on how that will happen.

But if things normalize, we do obviously anticipate that the demand will definitely pick up to the tune of what has happened earlier, and we will still return back to the growth levels that we anticipate in the business.

Priyank Chheda: Essentially, the background to ask was just that because we also compete with, say, imports that are coming up. So I just wanted to confirm that there's no channel which has structurally changed its route to imports. I mean there can be destocking in the interim. But ultimately, the volumes have to catch up to the consumer demand.

Rahul Agrawal: You're right, it has to. But again, to what extent that stocking destocking happens, to what extent certain non-OEM or unorganized sector chooses to manufacture and keep stock based on the extreme uncertainty and how those things play out over the next few quarters is a little difficult to predict, unless you know exactly when the situation will normalize.

But the underlying demand of the customers obviously would get some impact also in the face of such volatility. Eventually, when things normalize, we expect that demand to be coming back strong, as you already rightly mentioned.

Priyank Chheda: Perfect. So now when that happens, we're talking about normalization, when that happens, should the margins settle down higher than whatever they were in the past, right? I mean the long-term average is whatever we know, should they settle down at a higher level just because, I mean, there would be some supply that would have gone up and down in the global market?

We are competing with imports and their cost parity have gone up. Organically and directionally, you are getting into -- I mean, going into adding capacity into a higher-margin product. So some reference on, say, a settlement of the margin levels when everything is normalized?

Rahul Agrawal: I think for the purpose of our analysis, it is best to assume that things would normalize to the same level and rather than assume that there will be any significant expansion of margins because there is a lot of volatility again and uncertainty around when and what will happen in the future, not like to hazard guesses around that.

I think like I mentioned, our strategy remains consistent as an organization where we are going to go after the growth and we will go after the additional value-added products. And obviously, with expansion, we will get whatever cost -- operating cost leverages that we can get.

So the strategy of the company doesn't change because from a medium- to long-term perspective, whatever events have happened or continuing to happen in the short term would not have any material impact. And I think for the purpose of your analysis, it would be best to assume that kind of a directional basis only.

Priyank Chheda: Sure, sir. Last thing, you have been a lot conservative then...

Moderator: Sorry to interrupt, Mr. Priyank, can you please rejoin the queue for any follow-up questions? The next question is from the line of Rahul Agarwal from IKIGAI Asset.

Rahul Agarwal: I had three questions. Firstly, on the inventory side, just wanted to clarify a few things. So the quarter gone by on the finished product side, the demand was low. How did the plants run? Did we produce at full capacity and then anticipating demand will recover into the balance 9 months? So how is the inventory situation on the finished goods side in the India business?

And on the RM side, I think we would have had some inventory start of the quarter last quarter. And then the current situation obviously required for alternate sourcing, which now I just wanted to know how is that being sourced. Is that a higher-priced inventory now purely because the transit times are higher, freight rates are higher? So just some comments on Styrene Monomer and ACN imports in terms of pricing, timing availability.

Second question was on ABS capex. I read in the commentary that this year itself, we should start. Just wanted to know the SAN merchant sales from the existing plant, will that completely stop from Jan '27 because of captive usage?

And third is just from a prewar perspective, we entered this fiscal with an expectation of mid-single-digit growth in terms of volume as capacities are all running full and the new plant comes sometime later in the year. Post war now, I think we've got some extra bonus and extra cash flow to utilize in the business. In my understanding, that's about INR100 crores in last 2 quarters add together. How do you think about utilizing this cash flow better in terms of if there is any option available in the business to get the business growth higher? Those are my three questions.

Rahul Agrawal: Thanks, Rahul. I think more than three questions, but I'll try to answer all of them to the best of my ability. With regards to inventories, especially on finished goods, I think there is no significant change in the inventories that we have carried in the product, if you look at year-end or quarter end rather between specific quarters. I think our production numbers have been in line with our sales forecast.

We do believe that whatever sales numbers will come online or whatever requirement will be there from the market in the next few quarters, we would be able to cater to that demand based on whatever we need to do.

With regards to raw materials also, I think we have had kind of a little higher inventory, which we have carried towards the end of this quarter, in fact, as opposed to the last quarter. There has been some uncertainty on -- there was some uncertainty at the beginning because some of our styrene monomer specifically used to come from the Strait, which is no longer an option, so -- at least in the current climate.

We do believe it will normalize, but it may take some time. So we have alternate sources for styrene monomer, for instance, you asked specifically. And those sources we have tapped into. So we are fully covered. The lead times are a little bit longer in other suppliers as opposed to the Middle East, which is obviously the closest to us. So the lead times can be 10 to 15 days higher from that perspective.

And keeping that in mind, obviously, there is a little bit higher inventory that we carried in terms of pricing. If you look at styrene monomer before the war, it was around $1,000. It went up to almost $1,600, $1,700. It came down to about $1,200 and has moved between $1,100 and $1,400 since then. So there has been a lot of volatility in styrene monomer, acrylonitrile and butadiene, all three.

Butadiene, as you know, we buy locally. So there is no real impact as far as the inventories are concerned. But the pricing on butadiene also moved up to more than $2,500 from $1,000. It's come down significantly from that peak. Acrylonitrile also went from $1,200 to close to $1,800, $1,900, and now it's between $1,400 to $1,600.

So there has been a lot of movement on all these materials, and that is a pricing trend, which I can give you as of now. What is going to happen in the coming quarters is, again, very difficult to predict. It will depend on kind of all the geopolitical developments that we are seeing.

As far as our ABS expansion is concerned, like I mentioned in our investor presentation, it is online, and we do expect it to be completed accordingly. The SAN merchant sale which we are doing are not going to be impacted by this. SAN merchant sales will continue as is. We are expanding capacities on all sites, which is in rubber, SAN and compounding to meet the additional capacity expansion requirements. So there is not going to be any impact over here, and we will continue to sell SAN.

So I think overall, in terms of volumes, whatever we may have predicted at the beginning of the year and the current situation we are in, is obviously different. If things normalize, can the volumes go back to what we had predicted in the beginning of the year? Yes, maybe. But I think we will have to wait and watch because there has obviously been some volume which has reduced in the first quarter.

To what extent we are able to catch up that and are able to realize additional volumes in the next few quarters will again depend on how the entire environment evolves and the demand supply situation also kind of evolves accordingly. So we'll have to wait and watch, and there is not much I can comment on this at this stage.

Rahul Agarwal: And just on the capital allocation, please?

Rahul Agrawal: I'm sorry, on the...

Rahul Agarwal: On the capital allocation -- on the extra cash flow, which the company has earned, is it a better -- is there any other incremental thought on that to utilize it better?

Rahul Agrawal: Not really. I think it, again, remains in line with our earlier philosophy. So we obviously try to find the best use for our capital and the most judicious use. So we don't believe that the company typically doesn't hold on to too much of capital if it doesn't utilize it. We have obviously capex planned for the year.

And that capex, along with whatever cash flow we are generating, we try to ensure that all our shareholders are also fairly treated accordingly. We make sure that whatever resources are required by the company for its growth are kept in line with that and whatever cash is not -- is returned to the shareholders. So the company's strategy in terms of maintaining its capital requirements, its ratios has all been very consistent, and we continue to do the same thing going forward.

Moderator: The next question is from the line of Deepak Poddar from Sapphire Capital.

Deepak Poddar: Sir, I just wanted to understand on the pricing scenario. I mean, as you mentioned, the current prices are still volatile, right? And the volatility that we have seen in first quarter has continued into second quarter. So has the price level has been higher than what the average we have seen in the first quarter? I mean, in terms of volatility, you means the prices are higher?

Rahul Agrawal: Deepak, are you referring to the current quarter?

Deepak Poddar: Yes. I'm talking, as we speak, I mean, currently in July month or August month. So how has the pricing been as compared to what we have...

Rahul Agrawal: Generally, we do not comment on specific information with regards to the current quarter. But the -- like I mentioned, the raw material and the pricing of the finished product normally kind of moves in tandem, depending on, again, mostly normalized scenarios. In extraordinary circumstances like that we have today, there can be some gaps, which are, of course, short term in nature. But we do see obviously some gaps over there even in the current situation.

But I will not be able to tell you whether the price is today higher or lower because, again, we are in the middle of the quarter. And generally, we have to wait and watch because every week, every day, there are some new changes. There are new news with regards to what is happening in the Strait of Hormuz, what is happening in terms of raw material pricing.

So with that kind of volatility, it is impossible to give any number and not that we even, frankly, give numbers with regards to current quarters. But yes, previous quarter's pricing was significantly higher than the earlier quarter. And towards the end of the quarter, that did moderate. And again, there is -- like I mentioned, there has been some volatility associated with that.

Deepak Poddar: Okay. Okay. And this gap that you are mentioning, this gap led us to see abnormally high margins, right in the first quarter? Would that be a right understanding?

Rahul Agrawal: Yes.

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

Dhaval Shah: Sir, broadly I want to understand, the auto sector has done well in this quarter. So were it sitting on the raw material which they buy from, the products which they buy, were it sitting on the inventory, which they would have used up in this quarter? Or how would they have managed the demand for the polymer?

Rahul Agrawal: Yes. So essentially, Dhaval, in terms of production numbers and sales numbers don't necessarily fall in line completely for all the sectors. But the production numbers are also available for auto industry and for appliance industry. And the production numbers are not necessarily as high for this past quarter because the production numbers are more or less flat.

And we have also kind of supplied into the auto sector accordingly. Like I told you, the impact on auto sector has been a bit muted. In the case of appliances, obviously, there has been a greater impact in terms of their production numbers as well.

Dhaval Shah: Okay. Okay. And what sort of inventory do these auto ancillaries maintain typically for polymer as a raw material? And do they route it via a distributor in between? Or do they buy directly from manufacturer? How does it work?

Rahul Agrawal: So most of the auto ancillary units, they buy directly from us when you're talking about the Tier 1 holders. Typically, we also have, in fact, the relationship with the OE who also specify which grade of our product to use and also the kind of share of business typically, which is assigned to us as a manufacturer.

So all those things are driven by a formula, driven by a system. There could be some smaller volumes which are routed through a distributor, from a fulfilment perspective. But I would say a large part of the volume is something which we would be supplying directly.

And I think, again, there, in terms of their strategy, it would be changing also from company to company because the companies, of course, maintain inventory based on how much they import, what they buy locally and also for specific companies, the strategy is different.

So very difficult to give you an exact number, which would be true for all companies out there. But I think if you pick up the kind of balance sheets of some of the listed ancillary companies, I think you'll get a good idea of what kind of inventories they normally carry. That what I would do if I was looking at specifically in that sector.

Dhaval Shah: Yes. And sir, in terms of the pricing, so did we have an immediate back-to-back pricing with them in terms of -- the realizations have gone up a lot in the past quarter for our products. So with the customers, how does the pricing happen in such a volatile time?

Rahul Agrawal: So, as you are aware Dhaval, there were a lot of issues, right, with regards to managing energy, which is like the fuel, for instance, right? There was a reduction by the government on natural gas usage plants. There was also an issue structurally on the import side. So some of the pricing is determined based on global pricing markers as well.

And the global pricing markers also went up because for specific reasons, the pricing had gone up significantly higher. So there is a combination of multiple factors playing here. And there was a supply chain disruption, even on import side where there was not a lot of material available to be procured easily from traditional competitive sources of material coming into the country.

So that all led to a situation where we were able to still service the customer as per their requirement. And that was adjusted in a kind of a short-term pricing mechanism, which makes sure that the customer got what they wanted and we could also - that we are able to produce adequately what they need. So there is obviously those kind of discussions which take place with all our customers.

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

Krunal Shah: This is Krunal from Enam Investment. So my question is on the Thailand business, Rahul ji. So, in India, you saw because of the non-OEM demand decline, that the quarter-on-quarter volumes decline, if you see. But in Thailand, we were probably able to maintain and probably grow a little bit in terms of the volumes on a Q-o-Q basis as well. So just wanted to understand what's the demand environment there like for the Thailand business and the competitive intensity over there.

Rahul Agrawal: Yes. Thanks, Krunal. So, as far as Thailand is concerned, as you know, we are not -- we are operating at fairly low utilization levels on very specific products. So the impact for our products per se for specific areas was not that significant. I think overall, if you look at demand scenario in the region, also has got impacted just like India. There has not been any significant impact.

I think our company specifically for our products in Thailand did not have a huge impact on volumes. We are already operating at a much lower base, of course, that also must be taken into account -- and -- but going forward, globally also what we see or regionally also what we see is similar to what we will see in India in terms of demand scenario and any kind of demand destruction, which can happen due to significant price increases or demand kind of spurt which can happen because of attractive pricing. So those scenarios exist globally, they are the same. They don't change much from region to region.

Krunal Shah: Got it. And my second question is on the market building activity that you are doing in the Southeast Asian regions. So how have those changed in the current environment? Are we still going aggressively in the new markets that we are trying to capture and new customers that you are trying to enter into.

Rahul Agrawal: Yes. So that activity remains on track. We have seen good feedback. Of course, that feedback has not translated still into any significant volume growth for us in Thailand. And that still is something that we are waiting for. The current environment obviously is not a great environment from that perspective because there is a demand reduction across the board, then the opportunity for getting that new business becomes a little bit more difficult and a little bit more challenging.

So that we do see in Thailand as well because -- or for that matter, if we had a massive amount of new production in India and we are already getting a situation where the demand is lower, there is no way you'll get additional volumes, right? So I think this is kind of, again, specific short-term phenomenon, which we have to tide over. But overall, structurally, I don't think anything has changed once things normalize back even in that region.

Krunal Shah: Got it. And if I were to squeeze in one last data point question. What would be the volume of this STYROLOY and ASALAC that we were doing currently on a monthly basis?

Rahul Agrawal: So I think it's about a few hundred tonnes. Again, we don't give breakup, like I mentioned, of our product because in the competitive landscape we are present, nobody does it. So it doesn't behove us to also share such data. But all I can say is that, obviously, from having zero business, we have definitely moved into, say, a few thousand tonnes on an annualized basis.

Moderator: The next question is from the line of Prerak Gandhi with Sowilo Investment Managers LLP.

Prerak Gandhi: I just had two questions. First was with respect to the bifurcation of the SAN production. Can you just tell me how much was it used in-house and how much was in merchant sales? And what is the mix year-on-year or quarter-on-quarter? And my second question was with respect to the share of auto OEMs and the non-auto mix. So what is the ideal mix which we are targeting going forward in FY27 and FY28?

Rahul Agrawal: Okay. With regards to specific breakup, we don't generally share all this information, but whatever SAN we produce, again, largely, SAN is not a very large market, right, in India relative to ABS and polystyrene for that matter. So relative to the market size, we are, of course, a major player there. But we sell close to whatever 15,000 to 20,000 tonnes in a year, and that doesn't change. We have a capacity of SAN of close to 100,000 tonnes. So largely, it is all used in-house without giving specifics, I think you can calculate that quickly based on the data I'm giving you.

With regards to ABS, again, the split we have always given in terms of auto, appliances and rest of the sector -- in the current year, I think it will remain that. But again, those can change a little bit upwards or downwards, say, specifically between appliances and auto depending on the demand and the growth in those sectors. So we do believe that both the sectors are poised for growth. This again, I'm talking in a context of a normalized environment.

So in a normalized environment, if that happens, then we believe that both the sectors will grow and split will still remain the same, right? If both the sectors grow at the same pace, we expect them to grow. But we'll see. I mean, it depends how things pan out over the next few years in the country or a few months in the country as well.

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

Ronak Chheda: I have two questions. One is usually in a B2B business in the times of crisis, customers tend to look after their own supply chains and look for newer suppliers. Can you talk about our new business development initiatives in both India and Thailand, which may have kind of benefited from this crisis? Have we won new customers, entered put a foot in the door in customers which we were not currently serving? That is question one.

Second is on the capex program. You did mention that it's on track. We are four months into this year. Can you not call out the exact timeframe on when you think the capex should go live given that we are nearing that capex timelines? These are my two questions.

Rahul Agrawal: Yes. So with regards to the supply chain, when the supply chain gets disturbed from a more structural perspective, is when you would see companies really looking for changing their supply sources because you see most of the companies that we supply to, they buy not for short term, but for long-term usage because there is a long spec in process, there is a long gestation period in terms of kind of new business development from approaching the customer and developing that customer. So you will not have any short-term event triggering that activity necessarily.

You will have those kind of activities triggering more from a strategic perspective on part of the customers. So if they believe there is a massive structural issue on supply chain, yes, you will have that. And in some cases, we have that, but I think I cannot correlate necessarily what is happening right now with those opportunities. So those are coming regardless, they came even before this kind of war broke out and they will come in future as well.

So, there is no, I would say, any significant benefits per se due to this as far as new business development is concerned. But yes, there are customers who are looking to expand their supply chain because of other structural reasons, which they have seen outside of the current set of events, and we are participating over there.

With regards to the capex question, I believe that we are still kind of very close to doing whatever commissioning that we need to do. But there are, of course, in a running plant where we are doing brownfield expansion and we are doing this kind of -- while the current plant is running, there are challenges that do arise. And we are working through those challenges.

And we are still confident that in this financial year, we would be able to close it. But if it is a greenfield stand-alone site, maintaining a project schedule and developing a got Gantt chart and giving exact times for execution completion is far more straightforward as opposed to in a running plant because there are other considerations.

We remain highly committed to safety, highly committed to our environment and all our stakeholders. And keeping all those priorities and considerations in mind, we have to take calls which are far more dynamic in a running plant. So these lead to some challenges where giving an exact month and an exact date becomes counterproductive, right? So it is not in line with our priorities surrounding safety and surrounding our other stakeholders, which take precedence over giving a time line. So I hope you can appreciate that.

Ronak Chheda: No, no, I'm not asking for a specific date, but I'm just asking you could have -- could you briefly kind of comment on is it the later part of the year or you would still want to try and see if we can get something in Q3, just broad this thing rather than an open ended. That is the only question.

Rahul Agrawal: Yes. So, in our chemical plant, where we are talking about a 50,000 tonne kind of an expansion, Q3 and Q4 distinction is fairly precise. So you keep it broad. I would still say this financial year.

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

Tushar Raghatate: I just wanted to know the polystyrene expansion plan. Why I ask this because, our PO, if you just get the EBITDA in dollar terms, they have last 10-year median is near about $0.30 per kg EBITDA terms. They are 100% ABS. I just wanted to know, like as and when your ABS plant will start contributing, is it fair to assume that our near about $0.20 EBITDA per kg median would inch upwards from that median?

The second question would be the Thailand we did some good EBITDA per kg. Just if not $0.30, because majorly it's into ABS segment. If not $0.30, even the partial EBITDA per kg, is it possible and when we can see that happening? My question is more of a midterm perspective.

Rahul Agrawal: Can you please define midterm?

Tushar Raghatate: Three years or so.

Rahul Agrawal: Yes. So, Tushar, as far as our outlook for the Indian business is concerned with expansion, we do believe that, again, for the purpose of analysis of our valued investors, it will make sense to assume kind of a similar margins that we have in the existing business. It's just that our volumes would increase. And we will get some advantages like you mentioned already, potentially. But there could be obviously some challenges with competitive intensity in the business as well.

So there would be a situation where there can be a wash between different factors being played over here. And that, in my opinion, is the most sensible view to take in the long term. And that is what -- I mean, for lack of being able to give you any other guidance, that is the guidance I typically gave and would continue to do so. And one would calculate in that regard.

With regards to Thailand, the cost structure of Thailand is a little bit higher than India. So it would not be easy to compare what happens in India with Thailand. However, we do believe that as far as the volumes are concerned in Thailand, over a period of time, all our efforts to realize and generate more sales would be successful.

And once we have that, definitely, you will see a much stronger margin profile in Thailand. So it's just a question of timing as and when that would happen. And three year, I think, is a good time frame where we would obviously also target to do that within that time frame, if not sooner.

Tushar Raghatate: Question is more on the polystyrene front. So are we incurring more volume growth in polystyrene or we are focusing more on the ABS front going forward?

Rahul Agrawal: So both the businesses are of importance to the organization and both the businesses have to be viewed from the lens of what we need to do with regards to customer requirements, organizational objectives and context of capital allocation as well. So we have allocated capital to polystyrene in the past for expansion, which we have done.

And we will continue to do so in the future as the business case becomes clear. So, I think we, as a priority right now, have decided to go ahead with the ABS expansion as we have mentioned. With regards to polystyrene, as and when we have more information, we will definitely share with all our investors.

Moderator: The next question is from the line of Vidhi Shah from CNK UAE.

Vidhi Shah: Firstly, on the Thailand part, I wanted to understand what is our sales strategy? So we've been seeing that the volumes have been constant since the acquisition. So what is our strategy going forward to increase the sales in Thailand and also the competitiveness? Do we see Chinese dumping over there?

Rahul Agrawal: Yes. Thanks, Vidhi. So, as far as Thailand is concerned, it's been a little bit over a year since we have acquired the business and about a year and six months roughly. So in Thailand, we had some challenges last year where we had to migrate from the brand, which was of the earlier company to our brand, which is quite relatively unknown in that region where we supply the material to. So, in Thailand, we do substantial sales to China and also to Japan, Vietnam and within Thailand, not to mention Indonesia, Korea and Malaysia and other regions as well.

But the sales strategy as far as our business going forward is concerned, is after transitioning now to our own grade, which has been done with the efforts of our sales teams in those regions, the idea is to get more validations done. And for those validations, we have obviously deployed several capable sales team in China. So we have an office in Shanghai. We have an office in Vietnam. We also have our own sales representatives in Seoul as well as in Osaka.

And the team is working quite hard to get more validations done and move the sales along. So all of this takes time. Validations in some of these countries and some of the sectors that we are present in, can range anywhere from 12 months to 24 months. So -- and after sales validation, typically, the process starts with smaller trial lots, then moving to bigger lots, then moving to small commercial orders and then larger commercial meaningful orders.

So all of this takes time, and we are committed to that process with our teams over there who are well versed in the segments that we wish to serve. So that will remain exactly how we are saying. We do believe we have a differentiated product profile over there. So while there is significant competitive intensity in that region, especially with huge amount of production capability in China and elsewhere, there is obviously still an interest in our product from Thailand, which remains special. And we would get those opportunities with time. So, so far, I think everything is as per our expectation and our strategy.

Vidhi Shah: Understood, sir. Lastly, sir, you mentioned in your presentation that the ABS expansion is on plan for this year. By which quarter can we expect that and any volume guidance for this year?

Rahul Agrawal: So like I explained in the previous question, we are operating in a complex scenario where we are expanding in a brownfield setting where we have running plants. So given that context, I think our teams have done well in terms of ensuring that we are on track with our expansion. So it will happen in this financial year. Whether it will happen in the 8^{th} month or the 9^{th} month or the 11^{th} month, is something which I would not like to hazard guesses on because commissioning of these kind of products is a little tricky.

It takes time and a lot of priorities of safety, environment and our obligations in terms of compliances, all of those have to be handled carefully and those remain vital. So it will happen in this year, like I mentioned, exact month will not be possible to give at this stage.

Vidhi Shah: And any volume guidance for this year?

Rahul Agrawal: So the volume guidance, we don't give as a company. We have mentioned that in line with our production capabilities and capacities, we would be able to sell most of the volumes that we produce. The first quarter has been very unusual. If someone is to tell me exactly what will happen in the geopolitical environment and the scenario, I can give a very precise volume guidance, but I don't think anyone can do that. So, unfortunately, it's difficult for me to give a volume guidance in that scenario.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, this was the last question for today. I now hand over the conference to Mr. Chintan Doshi. Thank you, and over to you, sir.

Chintan Doshi: 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 the suitable time. Thank you.

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