February 09, 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 February 02, 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 January 28, 2026 informing about the earnings call organized by the Company on February 02, 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: 2026.02.09 16:39:48 +05'30'

Chintan Doshi
Manager – Legal & Company Secretary

Encl: As Above

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# "Styrenix Performance Materials Limited

# Earnings Conference Call"

# February 02, 2026

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

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

As a reminder, all participants' lines will be in 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.

Further, on behalf of the management of the company, we would also like to remind the participants that this call is being conducted subject to and in line with the disclaimer mentioned in the investors presentation, that is available on the stock exchanges. I now hand over the conference to Mr. Bhupesh P. Porwal. Thank you, and over to you, sir.

**Bhupesh Porwal:** Thank you very much. Namaste everyone, and a warm welcome to our Q3 and 9 months FY '26 Earnings Call. Before turning to the financial performance, I would like to highlight for the quarter gone by that pursuant to the implementation of new labor code and based on information currently available, the group has estimated and accounted for incremental impact on consolidated financial results amounting to INR2.24 crores of gratuity liability and INR0.86 crores of compensation towards leave encashment, arising primarily due to change in wage definition.

Coming to our standalone quarterly financial highlights,

Total income of Q3 FY '26 stood at INR648.8 crores versus INR692.2 crores in Q3 FY '25, showing a dip of 6.2% on a year-on-year basis. EBITDA for quarter 3 FY '26 stood at INR75.7 crores versus INR75.4 crores in Q3 FY '25 showing a marginal growth of 0.4% on Y-o-Y basis. EBITDA margins for quarter 3, financial year '26 improved to 11.7% versus 10.9% in Q3 FY '25 showing an increase of 800 basis points.

Profit after tax for Q3 FY '26 stood at INR44.3 crores versus INR47.7 crores in Q3 FY '25, showing a dip of 7.51% on a year-on-year basis. And profit after tax margins for Q3 FY '26 stood at 6.8% versus 6.9% in Q3 FY '25, a dip of 100 basis points. Sales volume for Q3 FY '26 stood at 51.1 KT versus 47.5 KT in Q3 FY '25, thereby showing a growth of 7.6% on a year-on-year basis.

Coming to our consolidated quarterly financial highlights,

Total income for Q3 FY '26 stood at INR871.3 crores. EBITDA for Q3 FY '26 stood at INR943.5 crores, and EBITDA margins stood at 5%. Profit after tax stood at INR16.3 crores, and profit after tax margin stood at 1.9%. Consolidated sales volume, which includes both India and Thailand for Q3 FY '26 stood at 66 KT.

On Thailand business, we built inventory during the first half of the year in phase of transition to our Absolac and Absolan brand for ABS and SAN; respectively.

However, as prices for both final products and raw materials have been considerably lower during the last few months, we witnessed some inventory losses on account of the same.

I would like to reiterate that the group had acquired Styrenix Performance Materials Thailand Limited in January '25 and the consolidated results for the year ended March 31, '25 in the period ended December 31, '25, include financial results of the subsidiaries. Therefore, the financial results of Q3 FY '25 and 9 months FY '25 are not comparable with the corresponding consolidated figures.

Now coming to the 9 months performance highlights on a stand-alone basis,

Total income stood at INR1,988 crores versus INR2,052 crores. EBITDA in 9 months stood at INR243.6 crores with 12.3% margin versus INR272.8 crores with 13.3% margin. PAT in 9 months stood at INR150 crores with 7.5% margin versus INR179 crores with 8.7% margin. Sales volume for 9 months FY '26 stood at 147.5 KT versus 137.4 KT, therefore, showing a growth of 7.4% on a year-on-year basis.

On a consolidated basis,

Total income stood at INR2,619 crores. EBITDA for 9 months was INR231.8 crores and EBITDA 8.8%. Profit after tax for the 9 months on a consolidated basis stood at INR109.4 crores and profit after tax margins for 9 months FY '26 stood at 4.2%. Consolidated sales volume, which includes both India and Thailand for 9 months FY '26 stood at INR190.7 KT. With this, I conclude the financial highlights we may now proceed for Q&A. Thank you.

**Moderator:** Thank you very much. The first question is from the line of Aditya Khetan from SMIFS Institutional Equities. Please go ahead.

**Aditya Khetan:** Just a couple of questions. Sir, in your presentation, sir, you had mentioned like in Thailand, we had built up some inventory during the first half of the year. So considering the last year first half, so when we talk about Q1 and Q2, we were also building up inventories, and that has been recorded in Q3. Is this the correct understanding?

And second, you have also mentioned like in the face of changeover from ABS and SAN of the previous organization. So whatever grade INEOS was making, you have changed it to your

Absolac and Absolan grade. So what is the difference? Have you changed the product itself only like from ABS, what INEOS was making? Now you're making the newer ABS or the name -- only the name has changed? Like earlier, whatever name was there in INEOS now you have changed it to your Absolac and Absolan?

So in view of this, how this stock buildup has happened, like if only name has changed or what has changed actually, if you can give some more -- a bit detail on that?

**Rahul Agrawal:** Yes, Aditya, thank you for your question. This is Rahul. So with regards to inventory buildup, we took over management control in January of '25. We started producing in the plant for 2 reasons. One, we had the possibility to produce under the existing brand, which was the earlier company's brand name of Novodur and Lustran where they used to sell ABS and SAN under those brands in their target markets. And we had an understanding whereby we could produce under those brands for a specific period of time. And then we had to then potentially sell that brand after that time expired.

Now most of the sales from Thailand take place in -- all over Asia. And the product, the way it works is there is a validation process specifically in the specialty ABS business, which I mentioned earlier calls as well, whereby the brand, the product, the specifications, all of it is validated and registered with the end customer.

So this is kind of what has been happening in this business for many years, and we'll continue to do so. So accordingly, the earlier brand was registered and approved and we had the possibility to produce and stock up on it very -- while knowing that we would have to shift from that brand to our own brand, which is Absolac and Absolan.

So we used that interim period to build up that stock because, as you know, in some cases, the validations or approvals take a little bit longer. We still were able to get the approvals and validations in a relatively quick period of time and all the inventory that we generated or additional inventory that we built up was recorded in the corresponding quarter itself.

So whether it was Q4 of last financial year or Q1 and Q2 of this financial year, all those production numbers and their corresponding inventory buildups would have kind of correlated with that itself. So there is no effect on a -- I mean there is no as such recording of that inventory in the following quarter. It would have been in the respective quarter where the production would have taken place.

Also, we wanted to test the productivity of the plant and to ensure that the plant is able to give the desired output, whenever we are able to ramp up the sales, which also is something which was required to be done. While there was a comprehensive study and understanding of the equipment, it was still very much important to test it. And I think that is also something that we successfully were able to do.

Essentially, there is no difference in the 2 products other than the brand, as you already correctly asked, When we go from a specific product grade for a specific application, which was running under the earlier brand name to our brand name, everything would be the same except for the brand name itself. So the product, the specification, the formulations, the machines used to produce it, the raw materials, all of it was essentially the same.

But in any qualification process, there is -- the brand itself also has to be approved. So in some cases, we were able to move very quickly. In some cases, it took a little bit of time and which we were anticipating. So that fortunately has been done. I would say 90% of the customers have been retained, which were there in Thailand, and we are now selling under our new brand name or our global brand name, if you will, which is Absolac and Absolan. So I hope that answers your question.

**Aditya Khetan:** My second question, like, so what -- like as you mentioned, like it was a onetime adjustment, and now most of the customers have retained. So what would be the inventory adjustment figure cost?

Second, sir, you have also mentioned there has been some inventory losses. Considering, sir, INR75 crores standalone EBITDA, adjusting for that inventory losses, how much EBITDA would have -- we could have seen in that business?

Third, sir, when we look at the footnotes, of your financial results, in Thailand, figures are like when we look at the revenue, it is stated at INR256 crores and some INR39 crores loss in your footnotes. But when we do a simple consol minus stand-alone, that figure looks lower with INR221 crores revenue and some INR25 crores loss.

Ideally, sir, what we are basing over here, we should directly do consol minus standalone, that is the correct or like what you mentioned in your footnote, that is the correct one?

**Bhupesh Porwal:** So Aditya, answering your second part, there are some intercompany transactions also which has to be eliminated for the consolidation. So like we buy some rubber from Thailand or Thailand buys SAN from us. So those all sales and purchases has to be corrected when we do the consolidation part, and that's the reason what you are seeing the difference is.

Second, we were mentioning about inventory adjustments and inventory loss. So there are not 2 separate things. There is only one thing, which is inventory loss, which occurred because of the inventory which we're carrying from the last maybe quarter 1, which MD just explained, we built it because of the brands inventory, which we have to build in for the selling during the last 12 months.

And by chance, the prices of the basic raw material and finished goods fell down in the last 9 months, and that's the reason there was some inventory loss. So there is no adjustment as a one time. There is only -- these are all pricing matters which happened for these 9 months. So there is only one thing, not the 2 things.

**Aditya Khetan:** So sir, like we should take the inventory. Is the -- can you share any figure like what would be the inventory adjustment and inventory loss combined, whatever figure -- because of this quarter number, obviously there is an adjustment. As you rightly said like there has been change over. So that is not operational EBITDA, right? Our current quarter, which we have reported. So that's what I just wanted to get a fair picture on the number side?

**Bhupesh Porwal:** No, there is no adjustment, which I will say again, there is no adjustment. The inventories are always valued based on the accounting standards. And as for -- in a layman terms, I will say the cost or the realization value, whichever is less.

So it has been valued accordingly in each and every one of the quarter because the prices of the FG and corresponding raw materials have fell down in 8- 9 months., So in the last quarter, because -- I'll just give you an example. For example, we bought some raw material at INR100 per kg. Now it is coming at INR92 per kg. So corresponding FG is also reduced by, for example, INR8 per kg. So that INR8 definitely will be lost.

**Aditya Khetan:** Understood. But sir, this is not explaining the compound EBITDA of INR23 crores like versus our annual like some INR30 crores, INR40 crores versus INR80 crores EBITDA last quarter. So that's what this INR40 crores difference is some inventory adjustment, so we can take that as the number?

**Bhupesh Porwal:** Which inventory adjustments you are talking about. We -- can you clarify your question again?

**Aditya Khetan:** Sir, when we look at your annual EBITDA figure of Thailand, okay, that say, someone sort of INR80 crores, INR85 crores.

**Rahul Agrawal:** Essentially, Aditya, I think what Bhupesh is trying to say is that there is no adjustment per se. As the prices fell, we have obviously realized a lower revenue on those sales as opposed to what it was valued in the preceding quarter because the prices themselves have fallen. And the rationale for keeping that high level of inventory has been already explained in my previous answer, right? So obviously, this would not continue to your point of how it has occurred because we are not intending to build up any more inventory than is required from the purpose of the sale in the same quarter. So this is not something which would recur to your question.

**Moderator:** The next question is from the line of Nirav Jimudia from Anvil Wealth.

**Nirav Jimudia:** Sir, first question is on the polystyrene part. So like we recently expanded our capacity from 65,000 tons to 1 lakh tons with more of the expansion towards GPPS. So just wanted to understand like how are we in terms of the approvals from the OEs, specifically from the appliance side? And generally, how much time it takes for each of our OEs to approve our products? That is Part A.

Part B, since we are in the beginning of a season of higher sales possibly from the appliances side and consequently, our GP/HI sales would also be forming part of that peak season for the appliances, how we are geared up in terms of improving our volumes from the polystyrene part?

**Rahul Agrawal:** Yes. Thanks, Nirav. So see essentially, when we increased our polystyrene capacity from 65,000 to 100,000 tons, the expansion has come primarily from increasing the general purpose polystyrene volumes. What we have done is, in general purpose polystyrene historically, almost all of it used to be -- a lot of it rather used to be into non-OE segment. So today, of course, the OE segment is significantly higher even for that -- for GPPS and I would say more than 50% of the sales are coming from GPPS.

I think overall sales in GPPS are not to the tune of the capacities that we have available, and that is also be on account of -- if I look at the 9-month period so far, the first 2 quarters, of course, were very muted from polystyrene demand itself. And there was also a lot of kind of additional volumes coming in. So overall demand being low, we didn't get the advantage of that. And of course, that has partially recovered last quarter and is looking good now. But in terms of approvals, yes, it depends on which grade we are approving, but for GPPS, the approvals or for HIPS also the approvals depending on the grade can range anywhere from 3 months to 9 months.

Some of the HI approvals we have already got now, which were earlier in place. And HIPS we are running pretty much 100% capacity utilization, and the OEM percentage also is quite high now over there. It's in excess of 50% to 60%. So we believe with the kind of season coming in, we are well geared on HIPS like I mentioned, we are completely sold out. And GPPS, yes, we have additional capacity, but I'm not sure whether we will be able to completely sell that capacity for general purpose polystyrene.

**Nirav Jimudia:** Got it. So just a bit to add here, sir, whatever the volume growth we have seen in third quarter over the second quarter on a stand-alone basis, is it right to presume that most of it has come from the polystyrene and not from the ABS?

**Rahul Agrawal:** Actually, there has been a volume growth. If you look at year-on-year, for instance, there is a growth coming in from ABS as well. But if you look at on -- yes, from the preceding quarter, yes, polystyrene would comprise a significant portion because Q2, in polystyrene, is extremely muted. And in the third quarter, polystyrene sales definitely did pick up.

**Nirav Jimudia:** Got it. Sir, on the polystyrene part, like you mentioned that we have been already sold for HI, but for GP, most of the grades, the approval cycle is 3 to 9 months, and we would have done close to around 50%, 60% of the customers on board from the OE part. So just wanted to understand like from the import perspective, those grades which are imported into India is more of the GP side or more around the HI side?

Why I ask this question is, just wanted to understand, like, are we able to replace those imports of GP into India through our improvement in the volumes, and that could be substantial, right? Because we have expanded whatever we have expanded, expanded on the GP side. So if you can just share your perspective there?

**Rahul Agrawal:** Yes. So a lot of the product, as you rightly pointed out, which comes in actually does a -- lot more comes in on the GP side than the HI side. And on GP side, again, a lot of the sales are not necessarily going to OEM. They come even into the unorganized market. Their pricing is a big driver of that market.

And sometimes, we consciously decide not to participate in that market as well because the pricing can be extremely low. So while it is an opportunity, I think it depends, again, specifically which time in the year, it makes sense for us to participate in the opportunity. Like right now, of course, is a better opportunity or a better time to do so. But in some quarters, the prices are extremely depressed. And the imports can be too competitive for us to really participate meaningfully over there.

**Aditya Khetan:** Got it. Sir, second question is on the SAN part. So, If you can share at what rate of utilization we are currently running for the SAN business, a and b, just wanted to understand your perspective, slightly a theoretical question like whenever we will expand our capacity of ABS from 100 KT to, let's say, 150 KT, is Thailand plant be a good option for sourcing our SAN requirement which would also help in improving the capacity utilization for the Thailand plant as well, giving them an operating leverage benefit, enhance the profitability. If you can share your thoughts here first, a, for the India business, and, b, whenever we will do the expansion is SAN imports from Thailand a feasible option?

**Rahul Agrawal:** Yes. So with regards to SAN capacity utilization right now, as you know, we produce SAN for merchant as well as for a captive consumption. The merchant SAN market, we have majority share, more than 50% of the share for the merchant SAN is produced by Styrenix. With regards to SAN availability, we still have some additional SAN available, though not a lot. So even if we come in with additional 50 KT ABS, I believe we'll have some SAN, but we are also expanding SAN capacity.

So I think in terms of alignment on when those additional capacities of SAN will come into India, it will be aligned with the additional capacity of rubber also coming in. SAN from Thailand, I think would work out to be a little bit more expensive for us in India. And again, SAN in Thailand is kind of a premium product for which the realizations in India would be lower than what we can potentially realize in other areas.

Operating leverage is something that we have looked at and we will look at also. But considering the freight component, import duty component and other costs involved, the realizations then in Thailand become extremely low or not very competitive at all.

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

**Rahul Agarwal:** Just firstly, on your perspective on the demand and supply for ABS, both in India and globally. Can you share some thoughts on how do you look at planned demand building up, what's really happening across the globe, Indian imports, some outlook on pricing, will really help. That's the first question.

**Rahul Agrawal:** Okay. Thanks, Rahul. So as far as demand and supply in ABS in India is concerned, there is no significant change. I mean yes, we have had another company also adding in capacity into India, but I believe that is yet to stabilize. So we haven't seen any major impact in the demand supply scenario comparatively speaking in India.

Competitive intensity as far as imports is concerned remains at par with what it has been, I would say, last year. There is no significant change. Yes, as you are -- you might be aware, BIS was withdrawn a few months ago, but we haven't really seen any impact on account of that withdrawal from players say who were earlier not registered with BIS and would have had the possibility now to supply material into India.

So, we haven't seen any movement in that regard yet. So the demand supply scenario for ABS in India, I think, is still fairly status quo, what it was. India still is a net importer. There is still a strong preference for -- and the requirement for Indian capacities incumbents to increase their market share and their opportunity does exist, which we are working towards trying to gather.

With regards to global scenario, again, there is no major shift or major change. We have the same overcapacity in China, which has existed now for several years, and also significantly high capacity is in Korea and in Taiwan and some of the other regions relative to the market.

And there remains that pressure, competitive pressure on the pricing as well. So the demand supply globally again, if I look at in the last one year, there is no significant change in what was the scenario earlier and what is the scenario today.

**Rahul Agarwal:** So in terms of your own outlook on pricing and volume growth, right? I mean every 6 months, at least in India, I'm expecting new capacity on ABS, maybe our Supreme's plant restarts and then we have some capacity from there. I think other player Bhansali also talking about September, October '26 of 25,000 tons. We're going to just total this is up 25,000 of Bhansali, I mean, our capacity, I think we lined up for December. Every 6 months, we're going to see almost like 140,000 tons of new ABS, right? So how would you think about pricing here and your own volume growth?

**Rahul Agrawal:** Yes. So, essentially, I think I'm not 100% sure of the timelines on when Supreme's plant will start or for that matter when the other competitor's additional 25 KT will come on stream. Again, our volume additional capacity, I think, will come sometime this year, but would be, I think, a little bit closer towards post December, rather than December. We haven't given any official timeline yet and -- we are not looking to do that because there could be 1 or 2 months kind of delay or advancement either which way is possible, we'll see. But if you look at the overall market scenario, there is still -- 50% of the product is still imported into India.

And by our own estimates, ABS demand is higher than about 350,000 tons or even probably closer to 360,000, 370,000 tons this year as against which the domestic production, if I exclude Supreme so far, is still less than 50%. So I think there is sufficient market opportunity even with additional capacities coming in to sell. And I think we'll still remain a net importer even post all of that in spite of all these capacities coming in. So I think, again, depending on where one chooses to position their product, there is an opportunity.

And I don't necessarily think that there is going to be a significant pressure on pricing other than what is already there in the market today. So -- and that's what we have seen in the last 2 years as well. So whatever pressures we have seen earlier, are going to be similar to the sort of pressure we're going to see in the near future at least.

**Rahul Agarwal:** And my second question was on the expansion of ABS. Just the same thing in terms of status update for the construction machine orders and start of trials both for Phase 1 and Phase 2, if you could just update what's the current thought process in terms of how do you want to go about the 2 phases of 50,000 tons, please?

**Rahul Agrawal:** So like we said, in this current financial -- or the coming financial year, which is FY '27, we do intend to start Phase 1 of our expansion of ABS, and we are on track. So like I said, I'm going to restrict from giving an exact date and month. But as I mentioned, it is going to be in the second half of the coming financial year. And we are very much on track to achieve that in terms of equipment ordering, in terms of whatever goes for that construction part, everything is on stream and online. So as of now, we don't have any significant update to give because there is no deviation from that. If there is any deviation, we shall definitely inform our investor community. So that remains to be exactly where it is.

And the second phase, again, will be post that, which potentially will be in the next financial year. So I think, again, it is tied into when the first phase gets completed. So I think in the coming few quarters, we'll be able to shed more light on exactly when that will happen.

**Rahul Agarwal:** Okay. And first year of operations for Phase 1, does it mean that can we do like 60%, 70% of utilization into fiscal '28, and is it possible or it takes more time?

**Rahul Agrawal:** I believe that would be possible. I think once the capacity comes on stream, we should be able to achieve fairly high capacity utilization numbers.

**Moderator:** The next question is from the line of Meet Parikh from Mihir A Shah Family Family Office. Please go ahead.

**Meet Parikh:** So with regards to the Thailand plant, when we consider the cross-cyclical spreads, so what would the breakeven sale for the Thailand plant be considering across cycles? And also, is there a possibility of you incurring cash losses over there in the near future? I mean, we understand that the inventory thing that happened was a onetime thing. So beyond that, is there still a possibility of onetime cash losses there? And what -- also, what is the quantum of the inventory loss that you have incurred in Thailand?

**Rahul Agrawal:** Okay. Thanks, Meet. So with regards to Thailand, again, it's a fairly complex product mix that we have over there. We produce some fairly interesting and proprietary grades like the liner ABS that we make. We also make food-grade SAN and we make high heat ABS, which goes into the automotive industry in China and elsewhere.

Now a lot of these grades are not commonly produced by other companies. However, there is a lead time involved in getting these approvals in place with additional customers for which we have sales teams already on the ground in Thailand, in China, in Vietnam, in Japan. Also by the way, we have got representation in Japan as of last few months. So we are moving aggressively to get these validations done. Now the breakeven or the EBITDA positive scenario will depend a lot on the product mix that we are able to achieve in Thailand.

So that number can range anywhere from 65% to 80%. If the product mix is not very favorable, it can be a higher capacity utilization, which is needed. And if the product mix is favorable, it can be at a lower capacity utilization. So we have to balance these things and see what works best for the organization because with many companies, we are also a new brand trying to settle in. Once we make commitments to our customers of being able to develop products and supply to them, we have to stick to those commitments because this would impact us also in India and with other customers eventually because these are very large kind of OEMs, which have global presence and we have global aspirations, as you can tell, where we would like to be validated and working with them everywhere. So keeping that in mind, we have to be very mindful of which product mix we position, what we promised to customers and exactly what we deliver there.

So this requires a little bit of patience. And this may also mean that it takes a little bit longer time for us to achieve the breakeven numbers that we're looking at. And hence, as far as inventory related cash losses that we have had, of course, we have no strategic reason or interest to build up inventory going forward, that we can think of right now. And hence, we do believe that whatever we sell and we produce will be fairly comparable in terms of valuations for specific quarters going forward. So we do not account that to be an issue in the future.

And otherwise, I think we have to wait and watch how the situation in Thailand unfolds. We have always mentioned there is a kind of a huge advantage in terms of technology, market positioning and available capacities in Thailand, which will benefit us as a group in the medium to long term, and that remains to be true, regardless of what has happened in the last few months.

**Meet Parikh:** Right, right, sir. So like as we stabilize our operation and as we explore our sales mix, is that a possible of -- like you did tell me that breakeven could vary at that capacity. But like is there a possibility of cash losses still occurring in the next couple of years?

**Rahul Agrawal:** So again, hard to predict, but I don't think there would be necessarily very significant numbers, unless something changes, which we do not anticipate. So whatever would happen would be fairly manageable in line with the size of operation over there.

**Moderator:** The next question is from the line of Pritesh, from Lucky Investments.

**Pritesh:** Sir, with respect to this Thailand operations, so if I -- I'm just seeing the numbers and I'm unable to comprehend the commentary that you're giving. Quarter 1 is where I think you took up the larger or full utilization of the plant. And then we have the inventory figures of March '25 and September '25? Those are the 2 figures of inventory, which are available with us on consolidation.

So I'm actually unable to comprehend the fact that the whole inventory change came in quarter 3. So if you could just elaborate a bit because between quarter -- between the quarter 4 and September quarter, I don't see any major change in the inventory.

**Rahul Agrawal:** Yes. Thanks, Pritesh. So if we look at the inventories, which had built up in kind of March '25 versus the inventory, which is towards the end of December, right? There is a reduction in inventory, which is quite significant. And it's also, again, what we sell, right?

So if there are specific products which would have been valued very highly at the end of that quarter. And we would have sold it down at a lower price because the prices of the finished goods have fallen as the raw materials have fallen as well. For a lot of raw materials, the price reduction has been as high as 30%.

So if we take that into account, then that's what has happened essentially. So the inventories are still a little bit higher than eventually where we want it to be. But definitely, there is a significant reduction in the inventory levels from what it was, say, when we built it up, not even March '25, but probably June '25 through December.

So there was a gradual buildup of inventory. It started in January when we took over the business. And like I mentioned that until end of June is -- or for 6 months, is when we had the possibility to build up the inventory because then we could only potentially liquidate that inventory to ensure that we do not lose any business with -- as far as customers are concerned from a long-term perspective. It's just that the timing coincided with significant fall in prices on raw materials as well as finished goods.

**Pritesh:** So the entire INR40 crores difference between the stand-alone are consolidated on a Q-on-Q basis, how much of that is associated with inventory?

**Rahul Agrawal:** More than 75%.

**Pritesh:** Okay. And the entire change in price has slowed down between quarter 2 and quarter 3 because until quarter 2, we don't see any of it?

**Rahul Agrawal:** Yes. So like I said, there was still inventory buildup happening, right, to some extent. Which then, of course, we stopped and -- midway in the quarter. And then in the last quarter, there is a significant inventory reduction and there will be a further reduction in this quarter as well.

**Pritesh:** So you are running plant at a higher utilization in September also and in somewhere between the quarter 3 also?

**Rahul Agrawal:** Yes, towards the beginning of it, and then we have reduced.

**Pritesh:** Towards the beginning of it. Yes?

**Rahul Agrawal:** Correct. Correct, correct.

**Pritesh:** Can you -- then just can you give us the price between, let's say, from Jan to December or let's say, at the beginning of the year and towards the end of the year, what is the price changes that you have seen in your finished goods and the key raw material at the start of the year towards the end of the year? Just 2 data points.

**Rahul Agrawal:** Yes. So I think when the inventories were at the peak to when they came down, I think the gap could have been as high as about 20% - 25%.

**Ritesh:** This is for RM or this is for finished goods?

**Rahul Agrawal:** Both. Normally, it moves in tandem.

**Pritesh:** Okay. And the other thing is on a 9-month to 9-month basis in a standalone business, is there any product mix change on a 9-month to 9-month because we are trying to assess the operating profit per ton. So is there any product mix change? Or this is just to do with the realization of the spread difference?

**Rahul Agrawal:** So there are 2 things to keep in mind here, Pritesh. So if you look at the previous year on a 9-month basis, the September quarter was unusual. Which we had pointed out, there was a gain that we had got on account of ocean freight. So the July, August, September quarter of FY '25, there was significant higher realization, which we -- which normalized also after that in the following quarters.

So if you eliminate that and consider it at a normalized basis, I think on a 9-month to 9-month basis, we have only grown in terms of volumes and realizations largely have remained similar. There is no change. Quarter-on-quarter, yes, there could be some changes in product mix for sure.

**Pritesh:** Yes, that's why I asked 9 months to 9 months?

**Rahul Agrawal:** So 9 month to 9 months, like I said, if you remove the July to September, unusual gain that we had, there is not any significant change in terms of realizations. Only our volumes have increased to some extent here.

**Pritesh:** So volumes increased, realization similar, spread reduction because of RM increase?

**Rahul Agrawal:** Well, spread reduction really has not happened is what I'm trying to tell you. There is a product mix change as well to some degree. But the spread -- okay, the spread reduction, you can say from July, September of last year to this year, yes. And that July, September to any quarter would be a spread reduction because that spread itself was unusual because of a kind of gain we got on account of some supply chain disruption as far as ocean freights are concerned, right?

And we took that gain in that quarter, but that normalized. Yes, if you eliminate that gain and you consider all the other spreads where they have been for the last 2 years, there is no change.

**Pritesh:** And my last question is based on your experience and not that you can forecast, but based on experience for all these years that you're doing this business and when you see this drawdown on pricing by about 20%, usually, what have you seen after that? So what are your experiences?

**Rahul Agrawal:** We have seen the prices remaining low, going further down, remaining the same or going up. So I don't know how to answer your question because there can be a lot of volatility, right? And I mean you can see the current prices as well in the market. Prices can move upwards, again, because of some disruptions in some raw material supplies. So there is a spike right now, currently.

But this is not something which is representative of what happens every time. There are times when these kind of spikes happen, there are times when the prices remain where they are. So very hard to predict based on the past in which direction prices would normally go. But currently, prices are tending to move upwards.

**Pritesh:** And lastly, in your last call, if you recall in your FY '25 calls, you had this cost reduction to flow into your EBITDA via operating utilization, via power cost reduction. And you had called out that the EBITDA per kg or per ton has a higher number to come in. So when I was asking you from a 9-month to 9-month perspective, and you said that quarter 1 was inflated because of the one-offs that you got on international.

So I didn't understand that because my question was actually 9 months this year to 9 months last year. This year, 9 months had to get all those benefits on your opex and your power cost, which you had done last year. So maybe you want to elaborate a bit only on 9 month to 9 months. I can understand every quarter, there is a product mix change and there is movement on margin numbers because of polystyrene to ABS. But on a 9 month to 9 month, what is the assessment?

**Rahul Agrawal:** So in terms of the benefits that we are expecting on power, so this is an agreement, which, again, we have publicly mentioned. We have done with a third party where we will be taking in some kind of hybrid power and that helped us in reducing our power costs. That agreement will come into effect only in this month or the next month, so February or March.

So we will see those benefits only accruing now in the coming few quarters. So since that agreement was put in place, it typically takes about a year or 14 months for all these agreements to materialize into actual power supplier or kind of feed into the grid as a supplier builds up that capacity of that hybrid power. So we'll see that advantage coming in, in the next few quarters.

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

**Krunal Shah:** Sir, 2 questions from my side. One is the capex number for FY '26, if you could share that? And second is on this Thailand plant. So if I see the difference between the volumes in the presentation is around 15,000 tons. But you mentioned that there are some interparty transactions. So if you could give me the exact number of -- or the volume for Thailand this quarter?

**Bhupesh Porwal:** Yes, Krunal. So, in the presentation, the numbers are after eliminating the intercompany transaction. So they are net of that. So nothing to be netted off again from them.

Regarding the capex numbers, so maybe as mentioned last time, the capex, it depends upon a lot of things like purchase orders, how many are raised and all those things. So I think as MD mentioned in earlier questions, we are in line as what we have announced for those capex completion project in H2 of '27 and we'll be completing that.

I will just say the number again, which I have mentioned earlier, overall capex for Phase 1 is approximately INR350 crores and which will spill over this year and next year, most of them. And we will finance them with internal accruals as well as maybe a capex loan, which we have yet not taken and have funded it through internal accruals only.

**Krunal Shah:** Okay. Okay. And just one last question on the spreads part. Rahul, you mentioned that spreads have been similar over the last 2 years, but can you just help me elaborate how much of our business is on a formula-based pricing and how much is on like a spot pricing?

**Rahul Agrawal:** So Krunal, most of the business, like I said, in ABS, a lot of it works on a formula basis. I would say more than 70% of the business works on a formula basis. Essentially, again, a lot of these businesses are even governed by volume contracts and price contracts for the whole year. And even when we don't necessarily have volume contracts, the pricing formula still holds true for even those customers. So the formulas in fact, play a part in more than 70% of the overall business.

**Krunal Shah:** Got it. And that would apply for PS also?

**Rahul Agrawal:** For PS, that number is lesser. I think it's restricted to, again, where we have OEM business in place. So like I said, about 50% odd, balance would not be as far as a formula.

**Krunal Shah:** Got it. And how would the similar number be for Thailand?

**Rahul Agrawal:** So Thailand, again, a lot of the business, I would say, practically all of the business is on formula. Very little business is on spot.

**Moderator:** The next question is from the line of Manjeet from Saamya Advisors.

**Manjeet:** The first question is continuation of the last response, where you mentioned most of our business is annually contracted, 70%. I was just curious if the spreads on import become more favorable for customers, do they switch to them once the annual contracts expire? Or what I'm trying to understand is how easy it is for customers to switch to them, on the import side? Was question one.

And the second question was to your comment that oversupply in China has been there for quite some time now. And we have seen Chinese suppliers dump products at cost or even below -- cost in some cases in the past, right? So in that context, how do we get confidence that the spreads in India will largely hold and why won't Chinese suppliers play errant over there? These were the 2 questions.

**Rahul Agrawal:** Thanks, Manjeet. So see, with regards to our contracts with customers, typically, this is decided basis the value and the customization that we provide to each of the customer. Now imports have been putting pressure on us since many, many years. And typically, OEMs find value in what we offer, our customers rather -- find value in what we offer to them. And hence, those spreads are wherever they are, they have settled right.

And year-on-year, they remain similar because, again, of the value which they see. Typically, to switch, there is a -- like I mentioned in my earlier responses, there is a validation process which is required to be undertaken. And some of the customers do, do that from a risk mitigation perspective. We are not able to satisfy all the customers in India. As you know, we are import-dependent for ABS at least.

And keeping that in mind, we have most of our customers who may be relying largely on us or a significant part on us. But would be having some share of imports as well. But what we have seen is when we have increased our volumes, say, when we took our management control in '22 to now, we have almost doubled our ABS business, and that has not come at the expense of any spreads.

In fact, the spreads have largely remained similar, which just goes to say that while there might be pressure from imports, there might be pressure from these different sources, the customer still has a strong preference for locally produced product because of the customization, because of the delivery, because of multiple factors. So keeping all of that in mind, we have not had a challenge in essentially doubling our volumes in India in the last few years.

And the oversupply in China has been around for a while now. It's not a new phenomenon. It's -- but other than China, I think the larger volumes still in India come from Korea and from Taiwan and somewhat from Thailand as well. And these countries, again, there is an oversupply situation.

So for specialty ABS or customized ABS, the production in these countries is more suited to the demand in India versus currently from China. While that may change, we'll see. So how the oversupply situation in China and their consequent ability to develop those capabilities, how that will play out, we will keep an eye out on that. But currently, that's not really a significant threat in India.

And even after like we discussed, after removal of BIS, we haven't seen any movement of product from China into India almost negligible or 0, I would say. So the spreads haven't really come under pressure. The spreads remain where they are, and they have been dealing with the import pressure for quite some time.

**Moderator:** The next question is from the line of Tanish Jhaveri from Boring AMC.

**Tanish Jhaveri:** I'd like to ask a demand scenario for Q4, like we had guided for a 12.5% volume growth. Do we think we'll be able to achieve it for the year?

**Rahul Agrawal:** Yes. Tanish, I don't think we will do 12.5% growth. In fact -- so we had a lot of pressure on polystyrene in the first 6 months. So while some of that has rebounded and we are seeing good volumes in polystyrene, while the growth in ABS is very robust. In terms of growth in polystyrene, it remains, on an annualized basis, a bit sluggish.

And hence, we have seen growth in the last quarter. And in this quarter also, we will see good demand as we normally do. This is the seasonal effect that we have in that business. But on an overall basis, the growth will be a little bit lower on account of that growth in polystyrene being lower essentially.

**Tanish Jhaveri:** Okay. And my next question is we were talking about overcapacity in the global scenario. So how does that give us confidence in the Thailand business? Like how confident are we that we'll be able to scale it up on a long-term basis, like medium to long term?

**Rahul Agrawal:** So Tanish, essentially, the product profile that we have in Thailand is a little bit different from the products being currently produced in China, for instance. There is, of course, supplies from other regions, which are also targeting the same markets. We do have some advantages as far as products from Thailand are concerned, and we are actively marketing those products with the help of sales force, which we have now engaged in all these geographies.

We have been able to successfully retain a lot of the customers in spite of a new brand. Typically, the qualification process for any new product, whether even if it's a brand name change, is a long process. We've been able to do that in a relatively quick period, which only tells us that there is a strong demand preference for the product from Thailand.

And we believe that going forward as well, to the extent we need to do in terms of demand utilization in Thailand, there is a market opportunity. It's just that there is a process which we need to follow. And as long as we do that, and we keep making those efforts we do believe that we will be able to achieve higher sales volume from Thailand in those regions because of the products that we produce there, which are not commonly produced everywhere else.

**Tanish Jhaveri:** Okay. And my last question would be on the Middle East. Like last quarter, we had spoken about possible exports to the Middle East and we have set up a subsidiary over there. So could you give us any update on that?

**Rahul Agrawal:** So currently, on ABS, we don't have additional capacities. I think as we are expecting this additional capacities to come online during the course of this year, we will see how we have additional capacities to offer. We are in the process of, of course, getting validations done in other regions. And should we require to sell material to ensure our capacities, we are just doing risk mitigation from that perspective.

But I don't foresee actually being necessarily needing to do that in the near future. From a long-term future, yes, we are looking at exploiting any opportunities to develop high-value clients, whether it's in the Middle East or anywhere else. So that effort is ongoing.

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

**Tushar:** I just wanted to know, post the Thailand acquisition, you mentioned some newer grade ABS profile. Did you reap the benefit in the Indian operation in the percentage of the volume?

**Bhupesh Porwal:** Tushar, sorry to interrupt you. Your voice is not clearly audible. There's a lot of humming noise coming in.

**Tushar:** Actually, post the Thailand acquisition, you mentioned about some newer grades ABS back then. Any material benefit you raised from that know-how in India, considering the percentage of the volume, which we sell in India?

**Rahul Agrawal:** Yes. Thanks, Tushar. So obviously, like I mentioned, and I continue to believe that there is a lot of value in the technologies that we have in Thailand. We have got a good understanding now of those products. We will incorporate capabilities in order to be able to produce those grades in India in the coming time.

We have taken cognizance of those capabilities to be built into our expansions that we do in India as well. Currently, we are tapped out on capacity. But as we move forward, there will be an opportunity to tap into those markets with the aid of those technologies even in India in the future. So while we don't see today, or I would say, in the last few months, directly, any products from that technology perspective being a part of our revenues currently in India, in the future, definitely, that would be the case.

**Tushar:** Sir, my follow up question would be clarification question actually. So the polystyrene, the capacity expansion, is it planned for Phase 1? Or is it 100% in the Phase 2?

**Rahul Agrawal:** So polystyrene, we have already done initial debottlenecking where we increased our capacity on GPPS, like I mentioned. Earlier, the capacity was around 65,000- 70,000 tons, which is now about 100,000 tons. But the capacity augmentation has come on GPPS. On HIPS, again, we don't have any further kind of management decision taken on any capacity augmentation as of yet.

**Tushar:** Fair enough, sir. Sir, as far as styrene monomer prices are improving. Do you see this -- like the prices are there to stay? Or do you see still a volatility going forward as per your experience?

**Rahul Agrawal:** So I think styrene monomer volatility based on this organization's knowledge and history has remained volatile for the good part of the life of this organization, which is 50 years. And in fact, the styrene monomer prices remained fairly stable, though there was a significant reduction last year, like I mentioned, from the early part of the year towards the end of the year.

The prices have moved up sharply, recently. So again, many times, people link these things to crude, but that doesn't -- that is not necessarily the case. The crude hasn't really spiked or moved anywhere near the direction where styrene has moved. So difficult to predict, basis other petrochemical feedstock, if you will, for styrene monomer, at least in our experience.

**Moderator:** The next question is from the line of Vidhi Shah from C R Kothari and Sons.

**Vidhi Shah:** I want to know what is happening in the Thailand plant. What is the reason why we are not able to increase the utilization? You said that the demand for the product is strong then why are we not able to scale up the revenues and also on the loss in the past, so you said it is -- so is it 100% attributed to inventory loss? Or is there any other reason to that as well?

**Rahul Agrawal:** So Vidhi, thank you for your question. Like I mentioned, in Thailand, we have launched a different brand, which is our Indian brand. And this is something which requires validation to be done in our customer -- new customer base, if we will. In India, we are a very strong recognized brand and the product is well approved with most OEMs, molders and the entire chain. From Thailand, while the product itself is approved and works very well, the brand has to be approved.

Also from Thailand, more effort needs to be put into all different these geographies where we have done by hiring more sales force. But there is a validation process, which takes time. So for instance, in the automotive space, the validations can take up to 18 months. And specifically, if you look at our target markets there in Asia, which would be focused on the EV segment, focused on the more premium electronics or the household appliances or the medical devices in those regions, all these industries have a long gestation period in terms of validation.

The product is good. It works well with the customers that we already have. But there is that lead time that we have to work with. With regards to -- in India, of course, none of those issues exist. So we don't see any of those problems.

**Vidhi Shah:** Okay. And by -- so by when can we expect the capacity to ramp up in Thailand? And also on the loss part, is it 100% attributed to inventory loss only? Or was there any other reason that as well?

**Rahul Agrawal:** So the capacity utilization in Thailand is quite low, right? While we may have run the Thailand plant at high capacity utilizations in the first few quarters, where we didn't see any losses as the capacity utilization comes down, there is a loss of operating leverage, if you will. So that continues to be the case, and that does have a negative drag. But like I mentioned, more than 75% of the losses are on account of inventory valuations, which have taken a dip in the last quarter, when we have sold the product.

So essentially, that does remain the case. But till we don't bring up the capacity utilization to a high enough number, there will be some drag. Now with regards to building up the sales, again, it's an effort we are putting in. But there is a medium- to long-term view, which we need to take as far as Thailand is concerned.

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

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

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