Sector: Specialty Chemicals **RESULT REVIEW Q1FY27** **Declared On: 04 Aug 2026**

Styrenix Performance Materials Limited

RECOMMENDATION SNAPSHOT				
*CMP	MCap (Rsbn)	Recommendation	Target	Potential Upside
Rs2208	38.83	Hold	Rs2575	17%

as on 12th Aug, 2026

About the Company:

Styrenix Performance Materials Limited (SPML formerly known as INEOS Styrolution India Limited) is the number one producer of Absolac® (ABS) and Absolan® (SAN) in India. With an experience of more than 5 decades; SPML has been the most preferred supplier to its customers with offerings which are best-in-class solutions, innovative, competitive and sustainable. SPML was the founder/developer of the ABS technology in India, which was introduced at a time when there was hardly any demand for such products due to lack of awareness of its versatile applications. SPML is a true pioneer in the engineering thermoplastics industry in India and since its inception, the company has been committed to revolutionizing the world of engineering thermoplastics in India. The company follows the philosophy of Made in India-Made for the world. SPML has recognized the need for sustainable solutions and have been at the forefront of developing environmentally friendly polymer resins. The company is involved in operations of a number of industries related to automotive, home appliances, electrical, electronics, construction, packaging, healthcare industry etc. SPML is headquartered at Vadodara, Gujarat. The company is a technology leader in styrenics domain with 5 state-of-the-art plants/facilities located at Nandesari, Katol, Dahej, Moxi and Map Ta Phut, Thailand with well-established sales and distribution network. Mr. Rahul Agrawal is the Managing Director of the company, who comes with a rich academic background as well extensive experience in the field of R&D in polymers.

Results: Quick Glance:

- The net sales for the quarter reported a growth of 7.1% to Rs10109mn as compared to Rs9435mn in the same quarter last year
- The Ebitda margins for the quarter under review stood at 21.8% as compared to 10.2% in the comparative quarter last year
- The company reported profit of Rs1383mn as compared to Rs519mn in the same quarter last year
- The EPS for the quarter stood at Rs78.64 as compared to Rs29.52 in the corresponding period of last year
- The Board has declared an interim dividend of Rs23 per equity share of Rs10 each

Conference Call Highlights:

- The quarter under review was affected by **significant disruption** from the West Asian crisis resulting in sharp increase in polymer prices leading to substantial price volatility. This uncertainty discouraged purchases among the non-OEM and unorganized customers. The impact was more severe in PS, although ABS also experienced lower demand. The impact on OEM demand was comparatively muted. The polymer volumes had declined broadly in line with the market by ~15-20% during the quarter under review. This demand weakness/imbalance is anticipated to be temporary rather than a structural change; the overall demand is expected to recover once pricing and market conditions normalize
- The recent **margin benefits** have arisen from temporary gaps between raw material and finished product pricing which are not expected to be sustainable
- The **customer pricing** during the disruption was supported by a combination of global pricing movements, higher regional prices, supply-chain disruption and limited availability from traditional import sources which has enabled the company to pass through higher costs to fulfil customer requirements
- Customers typically change suppliers when they perceive a structural supply-chain issue. The customers inventory policies vary depending on the company and sourcing mix. There are some customers currently **looking to diversify** their supply chains and SPML is already **participating** in such opportunities. A significant portion of the company's automotive business is supplied directly to customers rather than distributors. For tier-1 customers, SPML has relationships not only with the direct customer but also with the OEM
- **The Indian operations** continue to be the principal growth focus for SPML where the ABS capacity expansion plans are on track for completion in FY27-28E. This brownfield expansion is across rubber, SAN and compounding environment
- The Management continues to view both ABS and polystyrene as strategically important. For ABS, the auto and appliance mix is expected to remain broadly similar in the current year, although it can fluctuate depending on the relative growth of the two end markets. SPML believes both segments offer growth opportunities under a normalized demand environment. The company is also pursuing additional product lines and applications

Conference Call Highlights (contd.):

- SPML is currently viewing the **Thailand operations** as a medium term opportunity rather than an immediate volume growth driver. Currently, this business continues to operate at relatively low utilization on specific products and market development initiatives across Southeast Asia continue to stay on track. However, the customer validation cycles can take ~4-8 quarters. The Management believes the margin profile can strengthen meaningfully as volumes improve in the next 2-3 years
- In terms of the raw materials and **inventory levels**, SPML has increased raw-material inventory compared with the previous quarter. The company is trying to maintain a higher buffer to be able to manage longer lead times. The primary reason is to diversify sourcing following disruption in traditional supply channels. Despite the higher RM inventory, the Management stated that finished goods inventory has not increased significantly and production levels have been aligned with the company's expectations
- The **new product businesses** have seen encouraging demand, where the newer products like Styroloy/Asalac business has progressed from zero to a few thousand tonnes. The current mix fluctuates owing to the changes in the end market. Under normalized conditions, SPML expects both the auto and appliances segment to contribute to growth
- The **capital allocation** strategy continues to remain unchanged and the company intends to deploy capital towards planned growth capex while the surplus cash is expected to be returned to the shareholders
- Thailand's brand transition is showing slow ramp-up as SPML has to migrate from the previous company's brand to SPML's own brand. The company has established sales infrastructure in Shanghai, Vietnam, Seoul and Osaka to build validation and customer relationships. The business is already operating at fairly low utilization on specific products, therefore, the absolute impact is limited because of the low base effect. Customer validation has a very long conversion cycle before becoming translating into meaningful commercial orders. This can temper the expectations around Thailand and new product launches

Financials:

Performance (Q1FY27)							
Q1FY27 Result (Rs mn)	**Jun-26**	**Jun-25**	**y-o-y**	**Mar-26**	**q-o-q**	**FY26**	**FY27E**
Total Revenue	10109	9435	7.1%	8261	22.4%	34380	37131
EBITDA	2203	965	-	1160	89.9%	3432	4363
Other Income	33	34	(1.5%)	118	(71.8%)	164	170
Interest	44	46	(3.7%)	47	(4.9%)	195	201
Depreciation	305	247	23.6%	304	0.5%	1141	1223
Exceptional Items	0	0	-	(3)	-	(28)	0
Tax	503	186	-	196	-	404	715
Net Profit	**1383**	**519**	**-**	**735**	**88.2%**	**1829**	**2394**

Outlook and Recommendations:

For the quarter under review, the earnings profile is largely driven by extraordinary raw material and demand volatility rather than a structural change in the underlying business. The company has witnessed a disruption in the demand owing to sharp raw material price increases and heightened volatility from the West Asian crisis. The Management does not see a fundamental deterioration in the customer franchise or import dynamics or long-term demand opportunity. As per the Management commentary, the OEM demand has remained resilient, supply-chain diversification opportunities continue to exist, ABS capacity expansion is progressing on track and Thailand retains a potentially meaningful medium term operating-leverage opportunity. Customer validation has a very long conversion cycle before becoming translating into meaningful commercial orders for the Thailand business. This can temper the expectations around Thailand and new product launches. In times to come, the company can report potentially higher revenue in the quarters to come due to positive factors like higher value added products, higher operating leverage from current expansion and potentially higher import costs. We continue to stick to the normalized historical margins, since the current quarter is not reported as sustainably or structurally higher margins. We continue to maintain our target price of Rs2575.

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