



# Supreme Petrochem Limited

## COMPANY BACKGROUND.....

- Supreme Petrochem Limited (SPL) was incorporated in 1995 with the business to manufacture Polystyrene (PS).
- SPL was formed as joint venture between the Supreme Industries Ltd., India's largest plastics processor and the well diversified Rajan Raheja Group.
- In less than a decade, the company has become the undisputed leader in polystyrene in India, with a market share exceeding 50%.
- To widen its Styrenics spectrum, SPL has forayed into Expanded Polystyrene (EPS) at multi locations and resulting in becoming a business leader.
- From being a large commodity player, SPL is now increasingly operating as a supplier of value added products.
- In 2007, SPL started India's first and only integrated plant of XPS (Extruded Polystyrene) Insulation foam boards to and promote Green Building movement in India.

## BUSINESS MIX (As on FY23).....

- Styrenics (90%):** Polystyrene is a versatile plastic used to make a wide variety of consumer products. It is often used in products that require clarity, such as food packaging and laboratory ware. When combined with additives Polystyrene is used to make appliances, household ware, stationery, writing instruments, toys, Medical & Lab disposables, imitation jewellery, garment hangers, electricals and toys. SPL is also into Expanded Polystyrene and Extruded Polystyrene (XPS), which is valued for its insulating and cushioning properties. SPL also imports and supplies Acrylonitrile Butadiene Styrene (ABS) and Styrene Monomer to various customers
- Compounds of other Polymers and Masterbatches (8%):** Compounds are copolymers, alloys or mixture of polymer with functional additives or minerals. Masterbatches are colour concentrated polymers. Compounds and Masterbatches are used for obtaining specific characteristics needed for the end application.

## KEY STRENGTHS.....

- Leading Manufacturers of Polystyrene in India with over 25 years of experience
- Comprehensive Styrenics product portfolio enabling to serve diverse end-use applications
- Strong Balance Sheet with zero debt on the books
- First mover advantage in XPS
- Capex of over ~INR 1,200 Cr to cater to additional demand without any external borrowings
- Well placed to benefit from the expected pick-up in the domestic consumer durable, automobile, Government emphasis on Universal Education and excellent customer relations

## FINANCIAL PERFORMANCE (CONSOLIDATED).....

(INR Mn)	Operating Income	EBITDA	EBITDA%	PAT	PAT%	EPS
<b>FY20</b>	27,242	1,484	5.45%	1,027	3.77%	10.64
<b>FY21</b>	31,852	6,690	21.00%	4,775	14.99%	50.63
<b>FY22</b>	50,323	9,041	17.96%	6,633	13.18%	35.27
<b>FY23</b>	52,872	6,582	12.45%	4,981	9.42%	26.49

## Key Data

<b>BSE Code</b>	500405
<b>NSE Code</b>	SPLPETRO
<b>Reuters</b>	SPTL.NS
<b>Bloomberg</b>	SPPT:IN

## Market Data (INR) As on 31<sup>st</sup> March, 2023

<b>Face Value</b>	2.0
<b>CMP</b>	370.9
<b>52 Week H/L</b>	490.1/336.5
<b>MCAP (Mn)</b>	69,753.9
<b>Shares O/S (Mn)</b>	188.0
<b>1 yr. Avg. Vol.('000)</b>	50.9

## Performance As on 31<sup>st</sup> March, 2023

	3M	6M	12M
<b>SPL</b>	(8.3)%	4.2%	(21.1)%
<b>SENSEX</b>	0.79%	2.77%	(3.09)%
<b>BSE SMALL CAP</b>	(7.0)%	(5.2)%	(4.8)%

## Shareholding Pattern As on 31<sup>st</sup> March, 2023

<b>Promoters</b>	64.24%
<b>Public</b>	31.31%
<b>FPI &amp; FII</b>	2.12%
<b>DII</b>	2.33%

**BUSINESS SEGMENTS.....**

**A) General Purpose Polystyrene (GPPS):**

- GPPS is one of the most widely used transparent polymers suitable for injection molding and extrusion applications.
- This product has different end uses like disposable pipette, tablet packaging bottles. In Refrigerator components like crisper trays, egg shells, medical products like disposables, Petri dish, cap jars and droppers.

**B) High Impact Polystyrene (HIPS):**

- HIPS is a tough plastic that has excellent impact strength, high stiffness and excellent moldability but reduced transparency.
- HIPS has diverse uses like TV cabinets, AC grills, toys, computer accessories, refrigerator door, cabinet liners, ice cream cups, frozen food packaging, dairy packaging, and also thermoformed food & non-food packaging.

**C) Expandable Polystyrene (EPS):**

- EPS is a white foam plastic raw material (for Thermocol) produced from Styrene Monomer. EPS is produced from : a) Styrene and b) Pentane-which is used as a blowing agent.
- EPS is widely used in appliance packaging for cushioning purposes, 3D panels, sandwich panels, geofoam, pharma packaging, fruit boxes, fish boxes, Light weight concrete and cold storage.

**D) Extruded Polystyrene (XPS) INSUboards:**

- The XPS thermal insulation board is a rigid foam board having a closed cell structure produced in a fully automated continuous extrusion process.
- XPS finds applications in building insulation, refrigerated trucks, vaccine packaging, inner linings of the tunnels, false ceilings etc.

**E) Masterbatches and Compounds:**

- Masterbatches are concentrates of colorants, fillers and additives which are used for obtaining specific characteristics needed for the end application.
- Black masterbatch is used in pipes, and thin films (garbage bags, stretch wraps). Similarly the UV Masterbatch is used in packaging films. PP/PE Tapes. White Masterbatch is used in refrigerator parts, washing machines, ACs and Toys.
- Flame Retardant PS, PP etc. are used in applications like Electrical Switches, Battery Cases etc. where possibility of fire hazard due to electrical sparks exist. PP Compounds like Glass/ Mineral filled grades are used in Automobiles, AC Fan Blades etc.

**KEY GROWTH DRIVERS.....**

**Capacity Expansion:**

- SPL's brownfield expansion for enhancing its existing Polystyrene, EPS capacities at its Amdoshi Plant, Raigad, Maharashtra is complete. The effective capacity of Polystyrene (PS) is now 3,00,000 MTA and Expandable Polystyrene (EPS) is 85,000 MTA.
- Brownfield expansion of EPS at Chennai is also complete with effective capacity of 33,000 MTA.
- The company is undertaking capex for enhancing Master batches and Compounds and XPS capacities at its Amdoshi Plant to cater to the additional demand.

**New Product Launches:**

- The company has entered into an agreement for License and Basic Engineering Design with Versalis for Mass ABS for one line of 70,000 KTA. ABS is the favored engineering plastic when it comes to application in automotive parts.
- Basic engineering package has been received from Versalis and is under implementation phase.
- Negotiations are underway with M/S Versalis for the second train of Mass ABS.

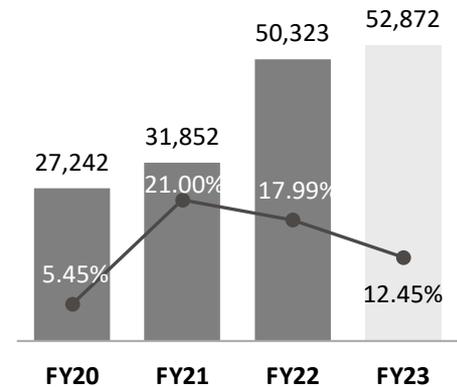
**Global Customers:**

- With PS expansion getting completed and increased product availability, SPL is taking steps to increase the exports.

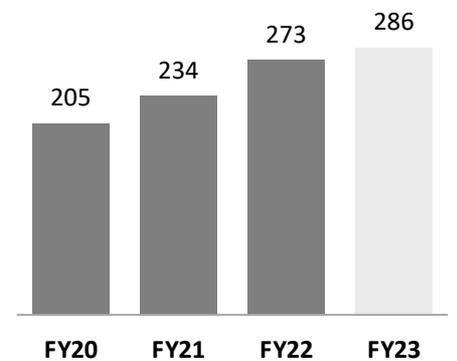
**PEER COMPARISON (TRAILING 12 MONTHS) INR Mn.....**

Company	Op. Income	Op. EBITDA	Op. EBITDA%	PAT	PAT%	Market Cap.
Supreme Petrochem Ltd.	52,873	6,582	12.45%	4,982	9.42%	69,753.94
Styrenix Performance Materials	23,723	2,782	11.73%	1,839	7.75%	12559.65
Bhansali Engineering	13,626	1,770	12.99%	1,368	10.04%	16233.87
BASF India	1,36,448	6,867	5.03%	4,024	2.95%	98645.81
LG Chem (in KRW Mn)	48,974,342	8,540,482	17.44%	1,565,235	3.20%	3,71,80,000

**Revenue (INR Mn) & EBITDA Margins (%)**



**Volume in MT ('000)**



**INCOME STATEMENT (CONSOLIDATED)**

PARTICULARS (INR Mn)	FY20	FY21	FY22	FY23
<b>Operational Income</b>	<b>27,242</b>	<b>31,852</b>	<b>50,323</b>	<b>52,872</b>
Total Expenses	25,758	25,162	41,282	46,290
<b>EBITDA</b>	<b>1,484</b>	<b>6,690</b>	<b>9,041</b>	<b>6,582</b>
<b>EBITDA Margins (%)</b>	<b>5.45%</b>	<b>21.00%</b>	<b>17.97%</b>	<b>12.45%</b>
Depreciation and amortisation	360	392	419	466
Finance costs	64	73	47	36
Other Income	119	213	305	589
<b>PBT</b>	<b>1,179</b>	<b>6,438</b>	<b>8,878</b>	<b>6,669</b>
Tax Expense	152	1,663	2,245	1,688
<b>PAT</b>	<b>1,027</b>	<b>4,775</b>	<b>6,633</b>	<b>4,981</b>
<b>PAT Margins (%)</b>	<b>3.77%</b>	<b>14.99%</b>	<b>13.18%</b>	<b>9.42%</b>
Diluted EPS	10.64	50.63	35.27	26.49

**BALANCE SHEET (CONSOLIDATED)**

PARTICULARS (INR Mn)	FY21	FY22	FY23	PARTICULARS (INR Mn)	FY21	FY22	FY23
<b>EQUITIES AND LIABILITIES</b>				<b>ASSETS</b>			
<b>Total Equity</b>	<b>10,648</b>	<b>15,156</b>	<b>18,439</b>	<b>Total Non-Current Assets</b>	<b>3,903</b>	<b>5,333</b>	<b>7,025</b>
(A) Equity Share Capital	940	376	376	(A) Property, plant and equipment	3,189	3,020	5,115
(B) Other Equity	9,708	14,780	18,063	(B) Capital work-in-progress	91	1,789	1,080
<b>Total Non-Current Liabilities</b>	<b>689</b>	<b>578</b>	<b>450</b>	(C) Intangible assets	6	5	4
(A) Provisions	37	34	36	(D) Right to use assets	393	344	147
(B) Other Non-Current Liabilities	33	33	36	(E) Financial assets			
(C) Lease Liabilities	262	167	24	i) Loans	9	12	20
(D) Deferred tax liabilities (net)	357	344	354	ii) Other Financial Assets	54	48	249
<b>Total Current Liabilities</b>	<b>6,217</b>	<b>7,049</b>	<b>8,421</b>	(F) Other non-current assets	162	115	410
(A) Financial Liabilities				<b>Total Current Assets</b>	<b>13,651</b>	<b>17,450</b>	<b>20,285</b>
i) Lease Liabilities	148	206	143	(A) Inventories	3,178	3,008	6,469
ii) Trade Payables	5,686	5,259	7,820	(B) Financial Assets			
iii) Other Financial Liabilities	192	966	296	i) Investment in Liquid Scheme of MF	4,703	4,838	5,626
(B) Other Current Liabilities	153	590	134	ii) Trade Receivables	3,850	4,118	3,623
(C) Provisions	25	26	22	iii) Cash and Cash Equivalents	661	2,175	833
(D) Current Tax Liabilities (net)	13	1	6	iv) Bank Balances other than above	407	2,299	2,662
<b>TOTAL LIABILITIES</b>	<b>6,906</b>	<b>7,627</b>	<b>8,871</b>	v) Loans	6	8	9
<b>GRAND TOTAL - EQUITY AND LIABILITIES</b>	<b>17,554</b>	<b>22,783</b>	<b>27,310</b>	vi) Other financial assets	568	600	563
				(C) Current Tax Assets (net)	85	88	130
				Other Current Assets	193	316	370
				<b>GRAND TOTAL - ASSETS</b>	<b>17,554</b>	<b>22,783</b>	<b>27,310</b>