



The BSE Limited
BSE's Corporate Relationship
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Mumbai 400 001

National Stock Exchange of India Limited
"Exchange Plaza"
Bandra-Kurla Complex
Bandra (E)
Mumbai 400 051

SRF/SEC-D/16

06.08.2019

Dear Sir,

Presentation- Earnings Call- Unaudited Financial Results for the quarter ended 30.06.2019

In continuation of our letter dated 31st July, 2019 informing about hosting of earning call to discuss unaudited financial results for quarter ended 30th June, 2019, please find enclosed Investors presentation, of the same for your reference and record.

The same is also available on the Company's website i.e. www.srf.com

Thanking you,

Yours faithfully,

For SRF LIMITED

A handwritten signature in black ink, appearing to be 'Rajat Lakhanpal', written over a white background.

Rajat Lakhanpal
Vice President (Corporate Compliance) & Company Secretary

Encl: As above

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SRF Limited

We always find a better way

August 06, 2019

Q1FY20
Results Presentation



Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. SRF Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward looking statements to reflect subsequent events or circumstances.

Q1FY20 Results Overview

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**Q1 FY20
RESULTS
OVERVIEW**

Abridged Consolidated Statement of Profit & Loss

Rs Crore

Particulars	Q1 FY20	Q1 FY19	% Y-o-Y
Gross Operating Revenue	1,828.4	1,676.2	9.1%
EBITDA	365.4	322.5	13.3%
<i>EBITDA Margin (%)</i>	<i>20.3%</i>	<i>19.6%</i>	<i>+ 72 Bps</i>
Depreciation	94.1	87.9	7.1%
Interest	51.8	44.2	17.2%
ECF (Gain) / Loss	(15.1)	14.4	-
Profit Before Tax	240.9	182.3	32.2%
Profit After Tax	189.2	133.8	41.4%
<i>Profit After Tax Margin (%)</i>	<i>10.3%</i>	<i>8.0%</i>	<i>+ 236Bps</i>
Diluted EPS (Rs.)	32.92	23.31	

In Q1FY20, the Company entered into a definitive agreement for sale of its Engineering Plastics Business to DSM India Private Limited. The closing of the said transaction was achieved and the Business was divested effective August 1, 2019. The results (PBT / PAT) of the said Business have been clubbed with financials for all the reported periods.

Key Financial Ratios

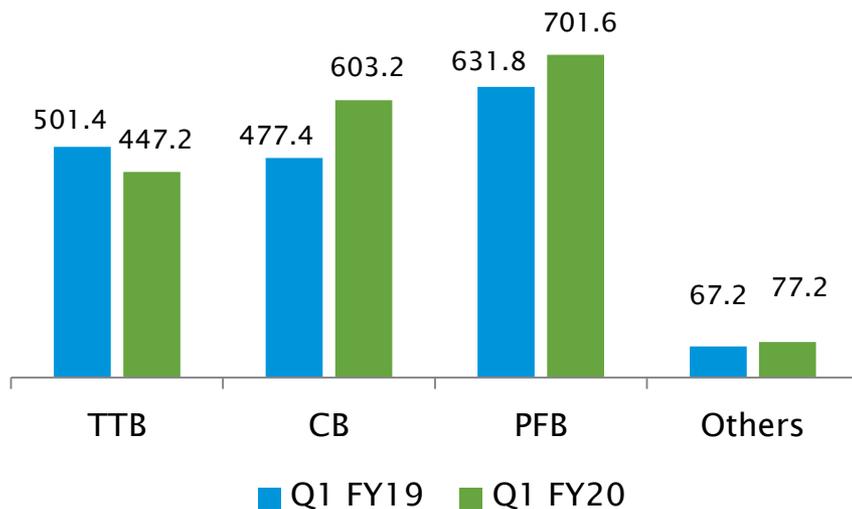
Particulars	FY13	FY14	FY15	FY16	FY17	FY18	FY19
EBITDA margin	17.59%	13.59%	20.43%	22.13%	21.42%	17.69%	18.82%
PAT Margin	6.69%	4.04%	8.78%	9.51%	10.87%	8.38%	8.51%
Net Debt to Equity	0.71	1.01	0.99	0.73	0.67	0.82	0.83
Net Debt to EBITDA	2.06	3.78	2.82	1.96	2.07	3.00	2.42
Asset Turnover	0.82	0.73	0.77	0.70	0.68	0.66	0.76
Debtors Turnover	7.44	5.81	7.43	8.79	7.21	8.10	7.33

Consolidated figures

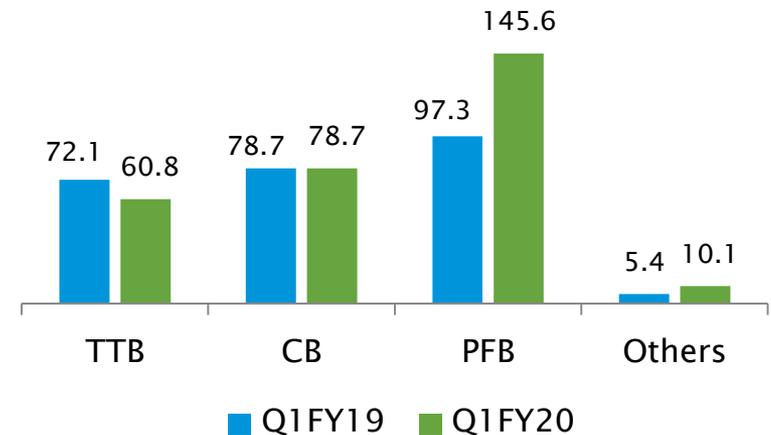
NOTE - FY16, FY17, FY18 & FY19 ratios are as per IndAS

Results Overview - Revenue & EBIT

Revenues (Rs. crore)



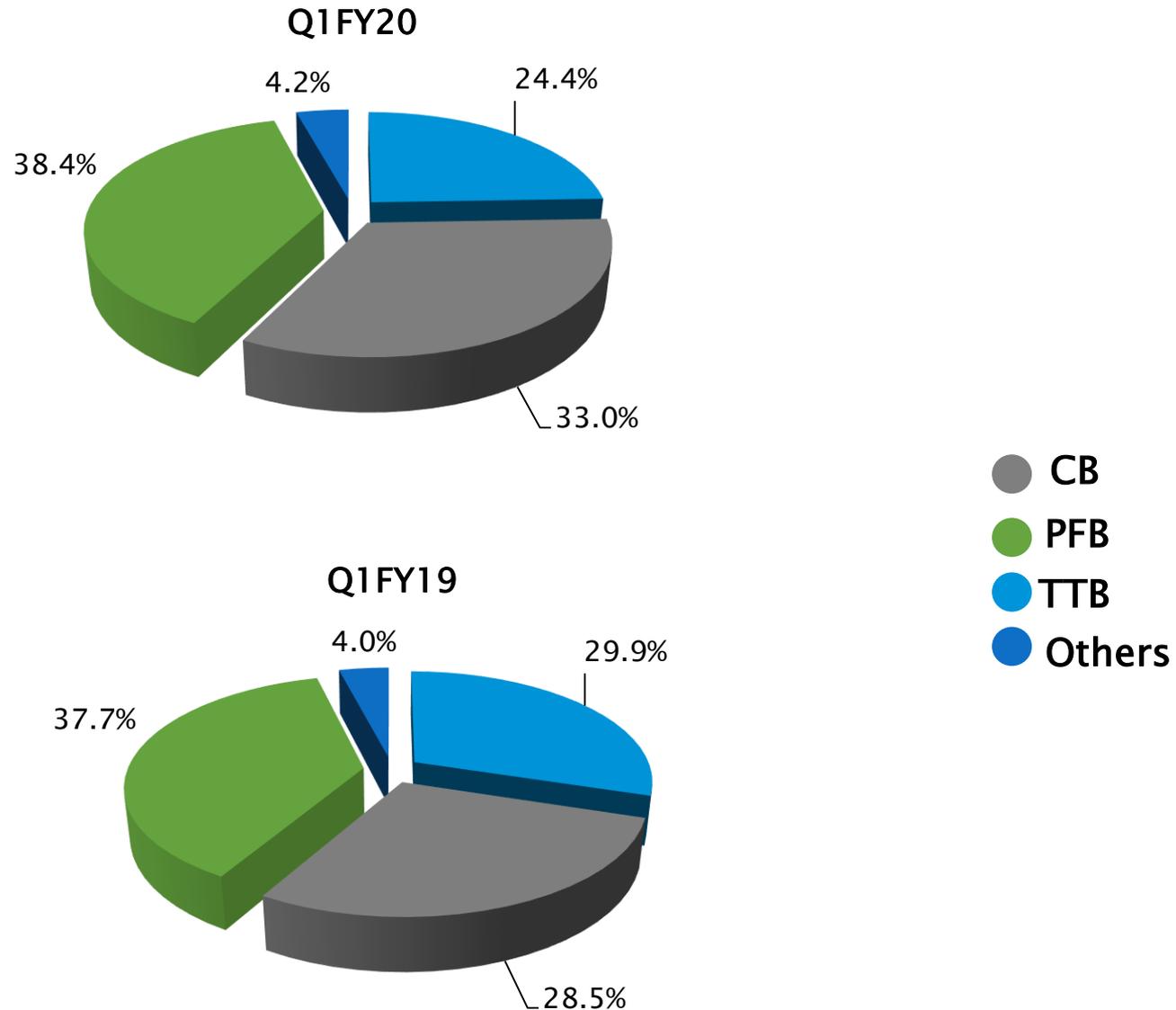
EBIT (Rs. crore)



Consolidated figures

CB – Chemicals Business; PFB – Packaging Films Business; TTB – Technical Textiles Business; Others

Results Overview - Revenue Share



CB - Chemicals Business; PFB - Packaging Films Business; TTB - Technical Textiles Business; Others



Chemicals

Packaging
Films

Technical
Textiles

Others

Q1 FY20 SEGMENTAL OVERVIEW



Chemicals Business

(Rs. Crore)	Segment Revenues	% Contribution to Revenues	EBIT	% EBIT Margins	% Contribution to EBIT
Q1FY20	603.2	33.0%	78.7	13.0%	26.7%
Q1FY19	477.4	28.5%	78.7	16.5%	31.0%
<i>% Shift</i>	<i>26.3%</i>		<i>0.0%</i>		

Consolidated figures

Chemical Business

- The performance of Chemicals Business was impacted due to a slower than expected recovery, post Dahej site closure in April
- Loss of production in April and May 2019 was a temporary phenomenon and the segment should be able to meet its customers' requirements on a full year basis
- The Board has approved setting up of an integrated PTFE plant along with R22 plant as feedstock, at an aggregate cost of Rs.424 crore

Fluorochemicals Business

- The Fluorochemicals segment delivered stable performance during the quarter on account of:
 - Higher sales of refrigerants
 - Improved contribution from Chloromethanes plant

- The Company successfully developed a refrigerant, R-467A, using in-house patented technology which received certification from American Society of Heating, Refrigeration, Air-conditioning Engineers – ASHRAE
 - First ever refrigerant from India to have received this certification, showcases SRF's robust R&D capabilities
 - This refrigerant will be marketed and sold under FLORON brand as a drop in substitute to R22
 - Further strengthens SRF's position as one of the few companies in the world to be fully integrated with a strong portfolio of gases
- In addition to India and Thailand, launched local sales of branded FLORON refrigerant products in South Africa

Market Trends

- Extended summers led to higher sales volumes of air conditioners and refrigerators
- Auto industry is witnessing one of the worst slowdowns in the recent history

Specialty Chemicals Business

- Recently commissioned facilities at Dahej contributed positively to overall performance
 - Global Agro-Chemical industry experiencing extended slow down – however SRF witnessing growing demand for its flagship products
 - Launched two new intermediates in the Agro segment
 - Launched two new molecules in the Pharma segment. Ramp up will depend on how the final formulations find traction
 - The Company continues to expand in new geographies and product offerings
- Focus remains on increasing the client base and launching new products to keep the funnel optimally utilized
 - All the current projects undertaken are proceeding as per the timelines

Market Trends

- Pharma continues to show positive growth
- Changing weather patterns leading to slowdown in some key geographies

Chemicals Technology Group

Chemicals Technology Group (CTG) is actively engaged in the development of new process technologies

- Key focus on the niche area of fluorinated molecules

Strong internal competencies and capabilities

- Equipped with state-of-the-art R&D facilities and an ingenious team of scientists and engineers

2 R&D centres in India

5 new process patents were granted in Q1FY20, taking the tally to 38 global patents to-date. Overall, the Company has applied for 170 patents





Packaging Films Business

(Rs. Crore)	Segment Revenues	% Contribution to Revenues	EBIT	% EBIT Margins	% Contribution to EBIT
Q1FY20	701.6	38.4%	145.6	20.7%	49.3%
Q1FY19	631.8	37.7%	97.3	15.4%	38.4%
<i>% Shift</i>	<i>11.1%</i>		<i>49.6%</i>		

Consolidated figures

Packaging Films Business

- Segment delivered robust performance on account of higher volumes and improved margins
 - All of the manufacturing facilities performed well
 - Demand for BOPET continues to be healthy
- Focus remains on new product offerings and enhancing revenue from value added products
- Civil work in our Hungry and Thailand sites is on track – to be commissioned as per schedule

Market Trends

- Two new BOPET film lines are expected to go on stream in the upcoming quarter; this could result in an over-supply scenario in the short-term
- BOPP market under severe pressure owing to adverse demand-supply scenario



Technical Textiles Business

Technical Textiles Business – Results Update

(Rs. Crore)	Segment Revenues	% Contribution to Revenues	EBIT	% EBIT Margins	% Contribution to EBIT
Q1 FY20	447.2	24.4%	60.8	13.6%	20.6%
Q1 FY19	501.4	29.9%	72.1	14.4%	28.4%
<i>% Shift</i>	<i>-10.8%</i>		<i>-15.7%</i>		

Consolidated figures

Tyre Cord Fabric (TCF)

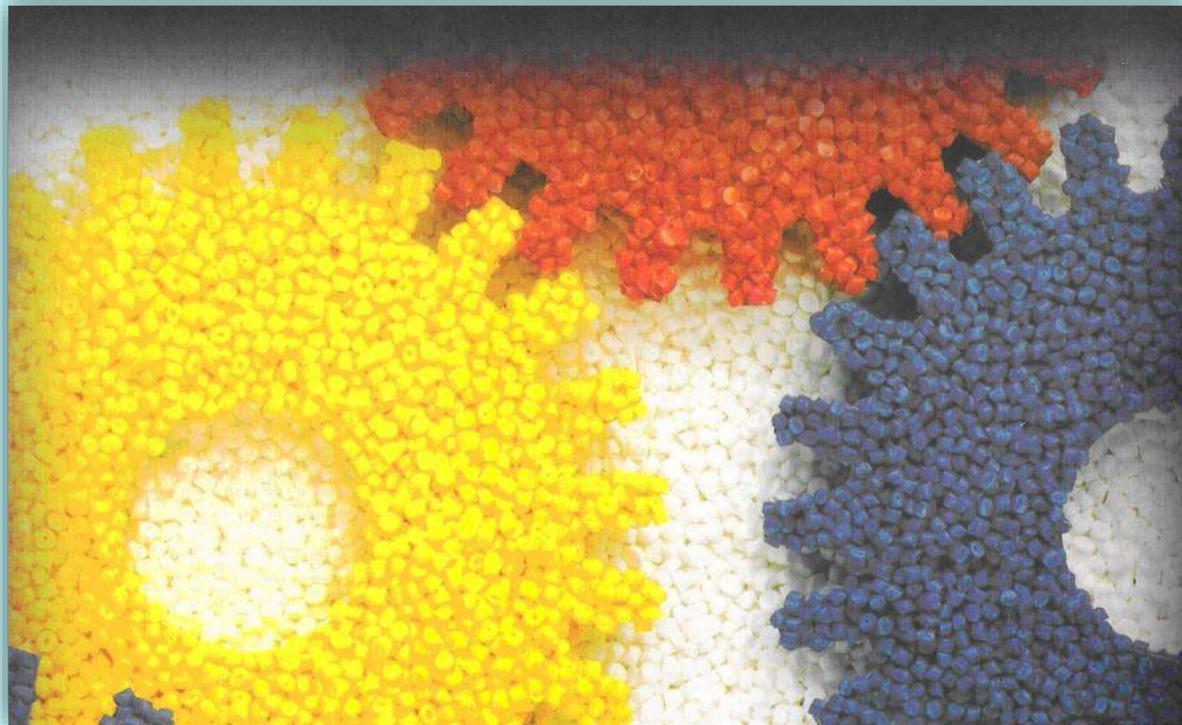
- This segment was adversely impacted due to lower offtake by customers
 - Sharp de-growth in automotive sector severely impacted volumes in this segment

Belting Fabrics & Polyester Yarn

- Both segments delivered positive performance with enhanced volumes achieved during quarter under review
 - Higher contribution from sales of value added products in the Belting Fabrics segments
 - Polyester Yarn products witnessed an increase in sales of new products as well as value added products

Market Trends

- Auto sector de-growth, worst in recent times



Others

(Rs. Crore)	Segment Revenues	% Contribution to Revenues	EBIT	% EBIT Margins	% Contribution to EBIT
Q1 FY20	77.2	4.2%	10.12	13.1%	3.4%
Q1FY19	67.2	4.0%	5.41	8.1%	2.1%
<i>% Shift</i>	15.0%		86.9%		

Consolidated figures

Coated Fabrics & Laminated Fabrics

- Continues to maintain leadership in the domestic market in Coated Fabrics
- In Laminated Fabrics, the Company has reported healthy growth in sales
 - 100% capacity of hot lamination utilized
 - Overall oversupply situation in the market remains

Engineering Plastics

- In Q1FY20, the Company entered into a definitive agreement for sale of its Engineering Plastics Business to DSM India Pvt. Ltd.
- The Business was divested effective August 1, 2019
 - Therefore the results of this Business have been reported as discontinued operations



COMPANY OVERVIEW



Overview - Business Profile

Chemicals

Fluorochemicals

- Refrigerants
- Pharma propellants
- Industrial chemicals

Specialty Chemicals

- Organic intermediates for agro & pharma

Packaging Films

Films for Flexible Packaging

- Bi-axially Oriented Polyethylene Terephthalate (BOPET)
- Bi-axially Oriented Polypropylene (BOPP)

Technical Textiles

- Tyre cord fabrics (nylon & polyester)
- Industrial yarns
- Belting fabrics

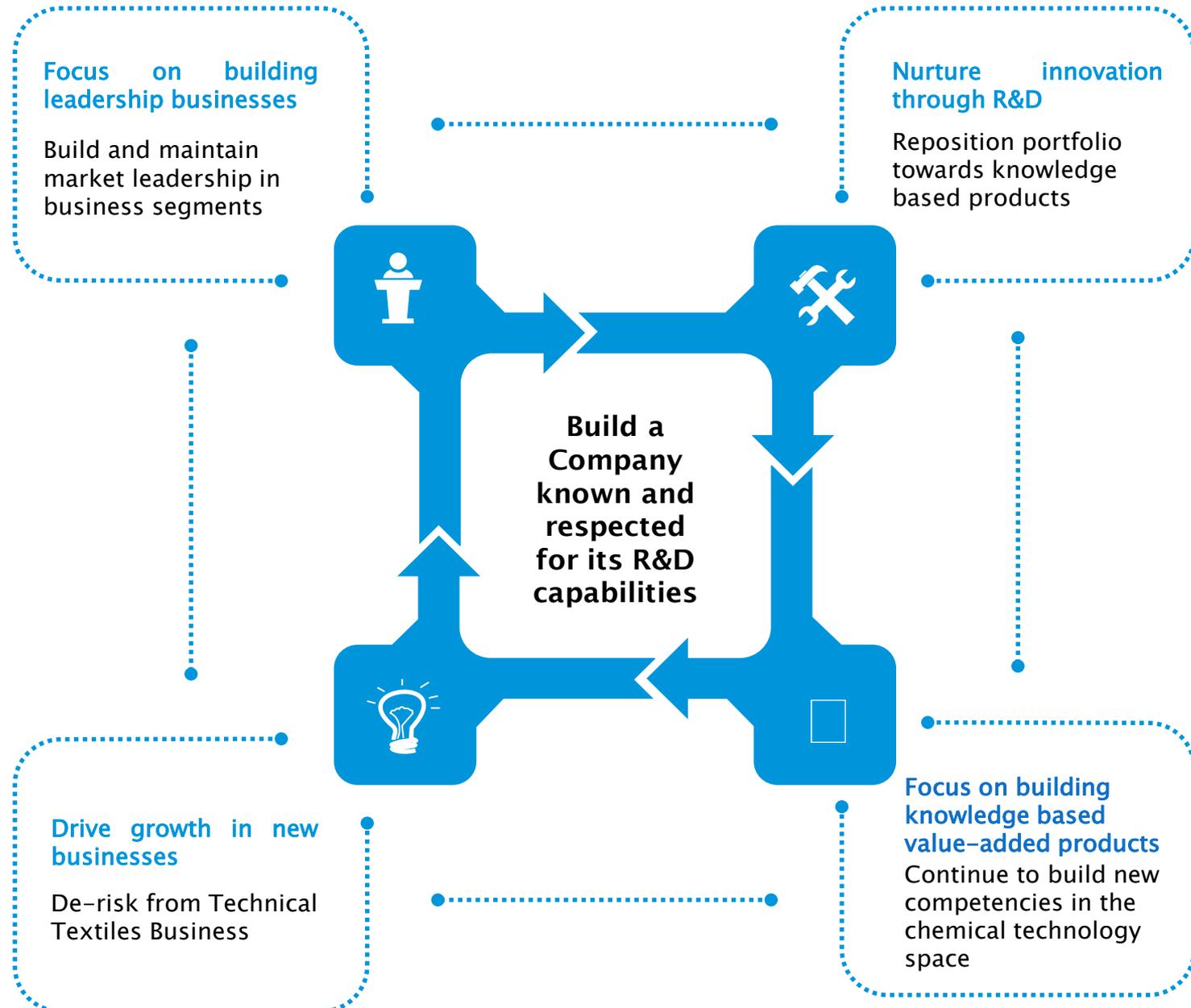
Other

- Engineering Plastics
(Divested in Aug 2019)

- Coated fabrics
- Laminated fabrics

Revenue	EBIT	No. of Plants
2445	384	2
2653	411	5
2074	298	5
525	47	2

Overview Growth Levers





OUTLOOK

Focus on expanding to new markets / geographies and product offerings

Integrated capacities to produce a range of current & future HFC's to cater to customer needs

Focus on moving up the value chain through accelerating qualifications for new molecules and active ingredients in both Agro and Pharmaceutical sectors

Increased capex is being undertaken to ensure we have capacities in place to meet the expected rebound



Overall the global packaging films industry is witnessing improvement in capacity utilization. However in short term, there will be supply overhang which will affect margins negatively.

Supply overhang likely to continue in the BOPP segment

Focus on increasing pace of R&D efforts, efficient cost structures, enhanced capabilities and value-added products in the portfolio



NTCF demand is expected to remain muted in the coming months due to general economic environment

Other sub segments of Technical Textiles started to contribute to its performance

Improving macroeconomic environment to have a positive impact on belting fabric segment going forward



Established in 1970, SRF Limited with an annual turnover of ₹7,541 crore (US\$ 1,077 million) is a chemical based multi-business entity engaged in the manufacturing of industrial and specialty intermediates. The company's diversified business portfolio covers Technical Textiles, Fluorochemicals, Specialty Chemicals, Packaging Films, Coated and Laminated Fabrics. Anchored by a strong workforce of more than 7,000 employees from different nationalities working across eleven manufacturing plants in India, two in Thailand, one in South Africa and an upcoming facility in Hungary, the company exports to more than 75 countries. Equipped with State-of-the-Art R&D facilities, SRF has filed 170 patents for R&D and technology so far, of which 38 have been granted. A winner of the prestigious Deming Prize for two of its businesses namely Tyre Cord and Chemicals, SRF continues to redefine its work and corporate culture with TQM as its management way.

For further information please contact

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Thank You