



SRF Limited

Q3 & 9M FY16 Results Presentation

February 2016

Diversity

Innovation

Performance



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.



Q3 & 9M FY16 Results Overview

Q3 & 9M FY16 Segmental Performance

Company Overview

Outlook



Q3 & 9M FY16 Results Overview

Abridged Statement of Profit & Loss

<i>(Rs. Crore)</i>	<i>Q3 FY 16</i>	<i>Q3 FY 15</i>	<i>% Y O Y</i>	<i>9M FY 16</i>	<i>9M FY 15</i>	<i>% Y O Y</i>
Net Operating Revenue	1,097.4	1,113.2	-1.4%	3,485.1	3,458.5	0.8%
EBIDTA	236.4	185.5	27.4%	748.7	615.1	21.7%
EBIDTA Margin	21.5%	16.7%		21.5%	17.8%	
Depreciation	71.3	60.8	17.2%	216.7	180.2	20.2%
Interest	30.5	36.9	-17.4%	96.8	107.1	-9.6%
PBT	134.6	87.8	53.4%	435.2	327.8	32.8%
PAT	100.7	71.4	41.0%	314.2	242.4	29.6%
PAT Margin	9.2%	6.4%		9.0%	7.0%	
Diluted EPS	17.5	12.4	41.0%	54.7	42.2	29.6%

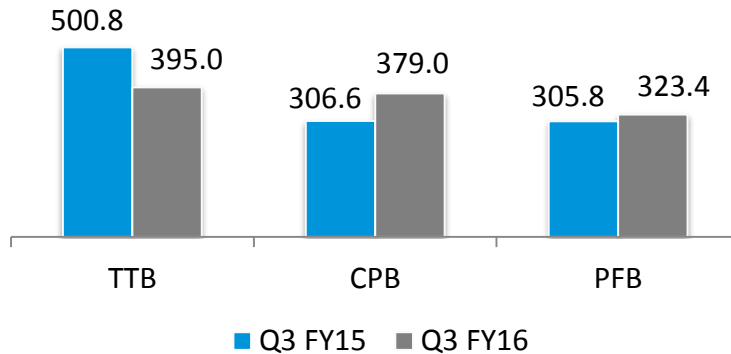
Consolidated figures

Key Financial Ratios

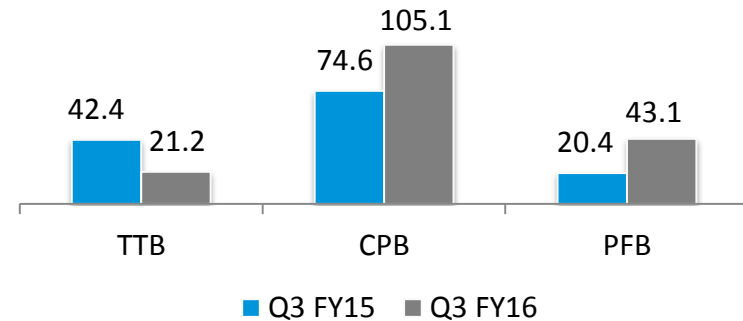
Particulars	FY13	FY14	FY15
EBITDA margin	17.59%	13.59%	17.43%
PAT Margin	6.69%	4.04%	6.67%
Net Debt to Equity	0.71	1.01	0.99
Net Debt to EBITDA	2.06	3.78	2.82
Asset Turnover	0.82	0.73	0.76
Debtors Turnover	0.13	0.17	0.13

Consolidated figures

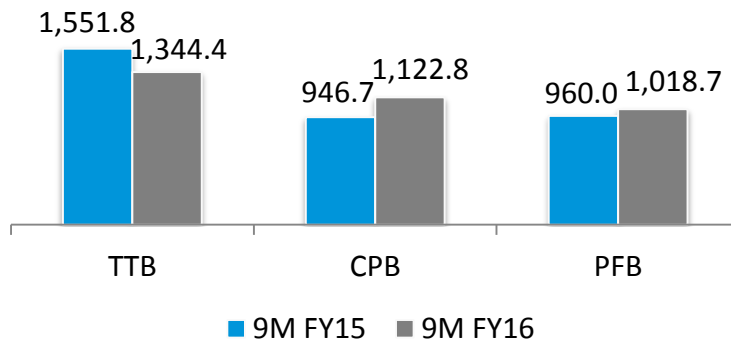
Revenues (Rs. crore)



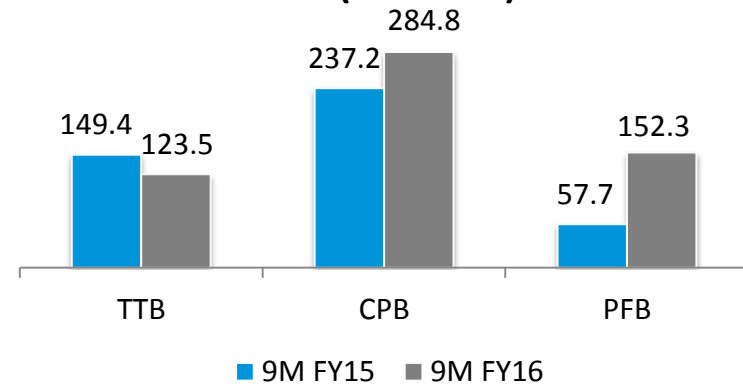
EBIT (Rs. crore)



Revenues (Rs. crore)



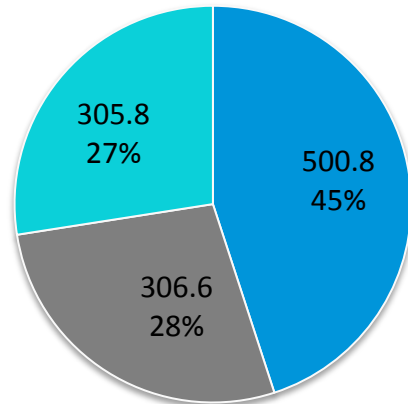
EBIT (Rs. crore)



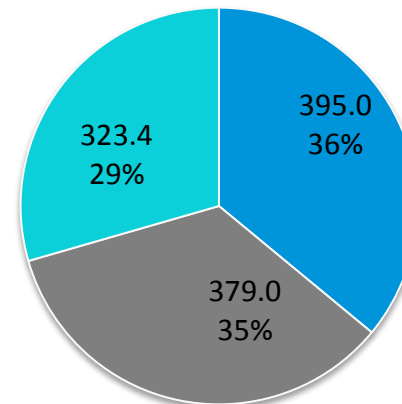
Consolidated figures

TTB – Technical Textiles Business; CPB – Chemicals & Polymers Business; PFB - Packaging Films Business;

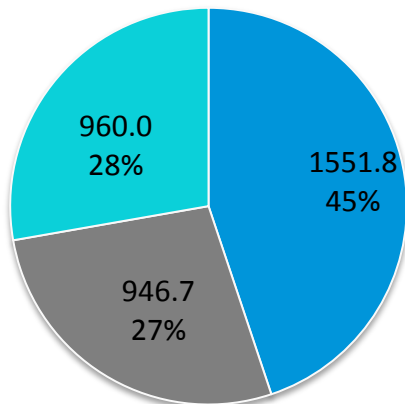
Q3 FY15



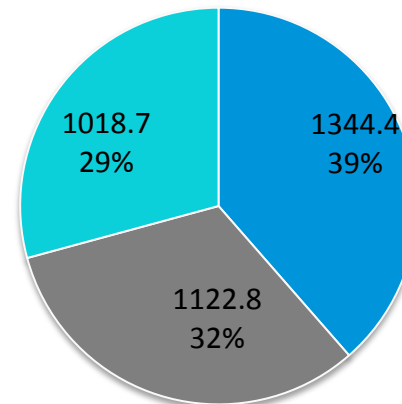
Q3 FY16



9M FY15



9M FY16



Consolidated figures

TTB – Technical Textiles Business; **CPB** – Chemicals & Polymers Business; **PFB** - Packaging Films Business;



Technical Textiles

Chemicals & Polymers

Packaging Films



Q3 & 9M Segmental Overview

<i>(Rs. crore)</i>	Segment Revenues	% contribution to Revenues	EBIT	% EBIT Margins	% contribution to EBIT
Q3 FY16	395.0	36.0	21.2	5.4	12.5
Q3 FY15	500.8	45.0	42.4	8.5	30.8
% Shift	(21.1)		(50.1)		
9M FY16	1,344.4	38.6	123.5	9.2	22.0
9M FY15	1,551.8	44.9	149.4	9.6	33.6
% Shift	(13.4)		(17.4)		

Consolidated figures

- **TCF**
 - Continued trend of low NTCF demand and significant reduction in commodity prices impacted the revenue
 - Radialisation trend in the domestic market expected to grow
 - Flooding at Chennai affected the regular operations of the SRF's Manali plant; Operations of the Manali plant being revived in phases
- **Coated Fabrics**
 - SRF did reasonably well in the off season
 - SRF to focus more on emerging as a solution provider than just a product provider
- **Laminated Fabrics**
 - SRF able to maintain its market share and price premium in the tough competitive environment
- **Belting Fabrics**
 - Domestic demand for belting fabrics remained low



Technical Textiles

Chemicals & Polymers

Packaging Films



Q3 & 9M Segmental Overview

<i>(Rs. crore)</i>	Segment Revenues	% contribution to Revenues	EBIT	% EBIT Margins	% contribution to EBIT
Q3 FY16	379.0	34.5	105.1	27.7	62.1
Q3 FY15	306.6	27.5	74.6	24.3	54.3
% Shift	23.6		40.9		
9M FY16	1,122.8	32.2	284.8	25.4	50.8
9M FY15	946.7	27.4	237.2	25.1	53.4
% Shift	18.6		20.1		

Consolidated figures

- **Fluorochemicals Business**

- HCFC-22 export selling price under pressure
- SRF improved its market share significantly in HFC Blends
- Projects for manufacture of R-32 and R-134a–Pharma on track; This will make SRF the first domestic producer of both these products
- Transition of Dymel, the HFC-134a-Pharma business (acquired from Dupont in December 2014) on track

- **Specialty Chemicals business**

- Agro Industry remains under pressure globally
- SRF focus on pharmaceutical intermediates yielding good results



Technical Textiles

Chemicals & Polymers

Packaging Films



Q3 & 9M Segmental Overview

<i>(Rs. crore)</i>	Segment Revenues	% contribution to Revenues	EBIT	% EBIT Margins	% contribution to EBIT
Q3 FY16	323.4	29.5	43.1	13.3	25.4
Q3 FY15	305.8	27.5	20.4	6.7	14.9
% Shift	5.7		110.6		
9M FY16	1,018.7	29.2	152.3	15.0	27.2
9M FY15	960.0	27.8	57.7	6.0	13.0
% Shift	6.1		163.8		

Consolidated figures

- **Packaging Films Business**

- The business continued to post good results
- Q3, the best ever quarter for South Africa
- PFB was able to run all its plants at more than full capacity
- SRF continues to reap price benefits of in-house sourcing of resin, a key raw material for polyester films

- **Outlook**

- Pressure on margins expected to continue globally



Company Overview

Technical Textiles

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

Chemicals & Polymers

Fluorochemicals

- Refrigerants
- Chlorinated solvents

Specialty Chemicals

- Organic intermediates

Engineering Plastics

- Polymer compounds

Packaging Films

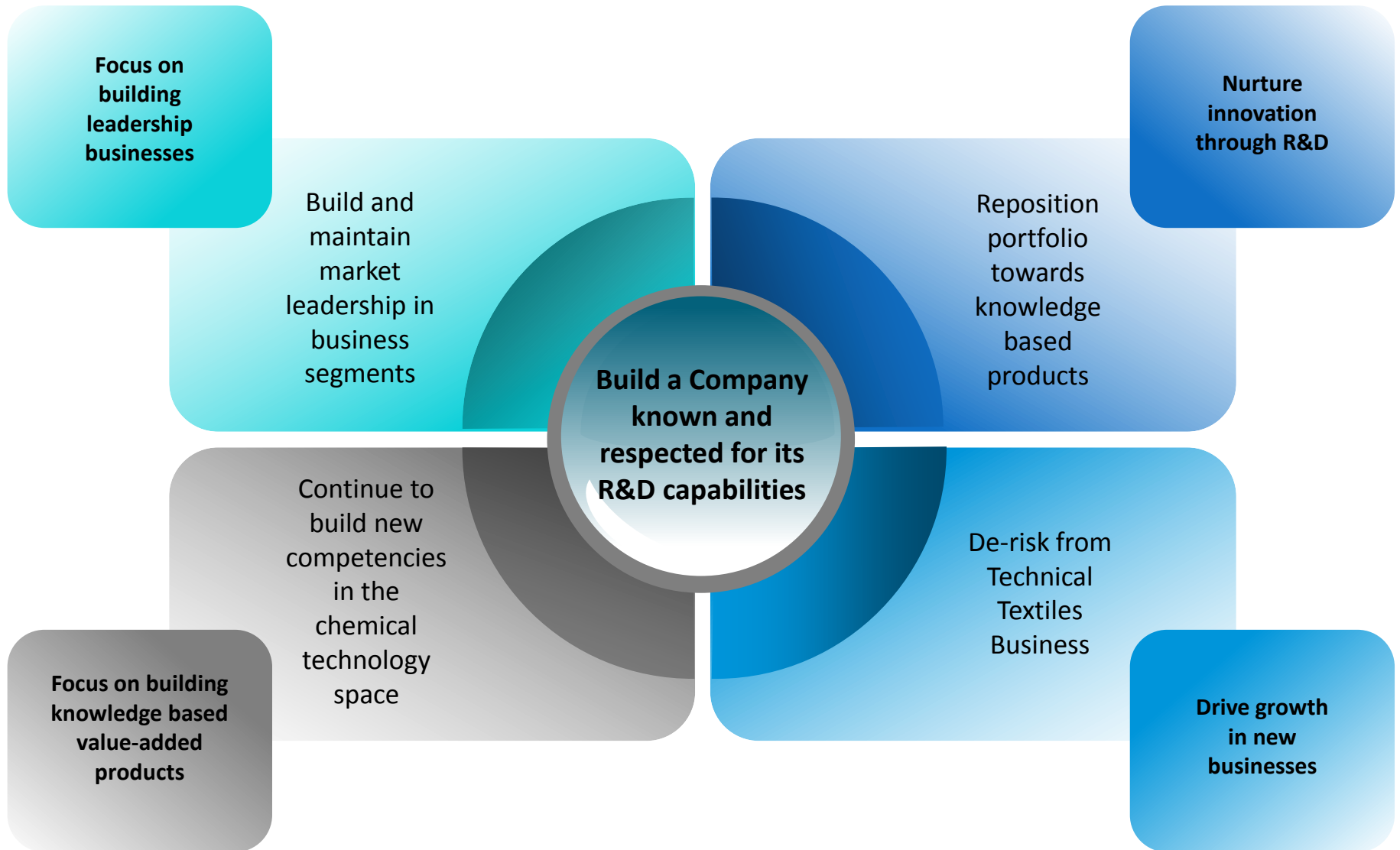
Films for Flexible Packaging

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

Revenue	2,032
Operating Profit	196
Number of Plant Locations	7

Revenue	1,263
Operating Profit	298
Number of Plant Locations	4

Revenue	1,245
Operating Profit	64
Number of Plant Locations	4



- **The 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**
- **Filed 14 process patents during FY2016 taking the tally to 72 patents filed till date, out of which 4 have been granted**

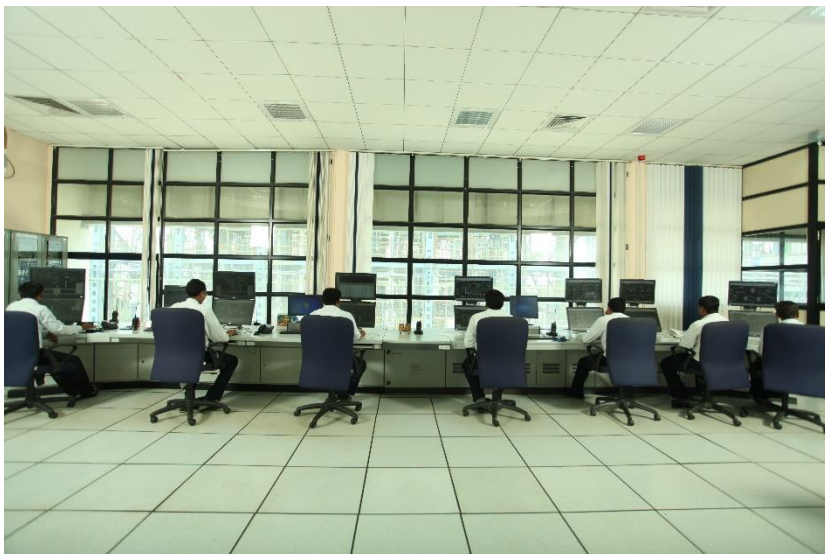




Outlook

- **NTCF is expected to remain a key business in the segment and a generator of steady cash flow**
- **Demand for NTCF to mirror Indian GDP growth as it is closely linked to the transportation sector**
- **Improving macroeconomic environment to have a positive impact on coated and belting fabric segments going forward**





- **Future potential and prospects of the Specialty Chemicals Business remain robust**
- **Focus on expanding range of specialty products and moving towards higher value-added products in the agrochemical and pharmaceutical sectors**
- **Ongoing investments in R&D leading to a healthy pipeline of new products**

- Driven by the robust FMCG growth and fast urbanisation, domestic market in India is expected to grow by 10% year-on-year
- Focus on having efficient cost structures, enhanced capabilities and incorporating more value-added products in the portfolio
- International operations to report improved profitability in FY16



Established in 1970, SRF as a group has today grown into a global entity with operations in 3 countries. Apart from Technical Textiles Business, in which it enjoys a global leadership position, SRF is a domestic leader in Refrigerants, Engineering Plastics and Industrial Yarns as well.

The Company also enjoys a significant presence among the key domestic manufacturers of Polyester Films and Specialty Chemicals. Building on its in-house R&D facilities for Chemicals Business and Technical Textiles Business, the company strives to stay ahead in business through innovations in operations and product development. 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 the TQM as its management way.

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Thank you
