



SRF Limited

Q3 & 9M FY15 Results Presentation
February 2015

Diversity. Innovation. Performance



Disclaimer

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 FY15 Results Overview

Q3 & 9M FY15 Segmental Performance

Company Overview

Outlook





Q3 & 9MFY15 Results Overview

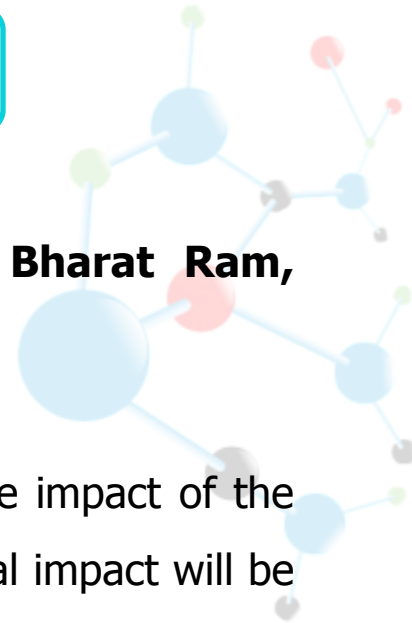
Abridged Statement of Profit & Loss

(Rs. crore)	Q3 FY15	Q3 FY14	% Y-o-Y Growth	9M FY15	9M FY14	% Y-o-Y Growth
Net Operating Revenue	881.58	861.57	2.32%	2751.84	2530.37	8.75%
EBIT	113.95	107.84	5.66%	402.30	263.81	52.5%
EBIT Margin (%)	12.9%	12.5%		14.6%	10.4%	
Depreciation	51.92	47.89	8.41%	153.18	144.25	6.2%
Interest	26.61	15.96	66.73%	77.34	58.83	31.46%
Profit Before Tax	87.34	91.88	(4.94%)	324.96	204.98	58.5%
Profit After Tax	72.62	72.06	0.77%	248.94	163.64	52.1%
Profit After Tax Margin (%)	8.24%	8.36%		9.05%	6.46%	
Diluted EPS (Rs.)	12.64	12.55	0.71%	43.35	28.5	52.1%

Standalone

Commenting on the performance for Q3 & 9M FY15, **Mr. Ashish Bharat Ram, Managing Director, SRF Limited**, said:

“The operations have performed as per expectations. While some adverse impact of the sharp fall in the commodity prices was felt in the current quarter, a residual impact will be experienced in the next quarter. The company continues its journey on the stated strategic path by making focused investments.”

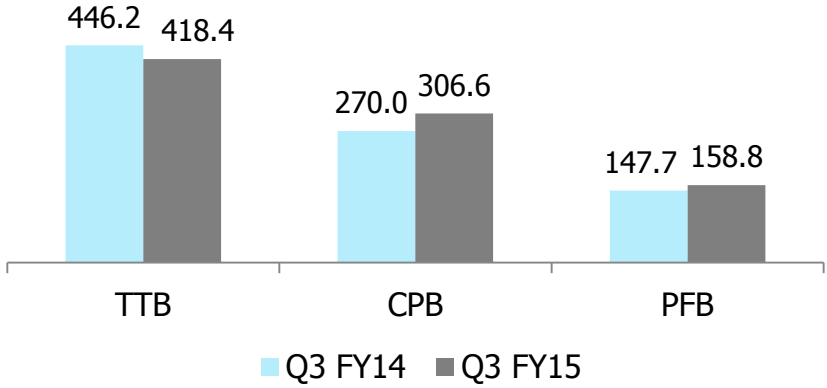


Segment Results

Revenue & EBIT

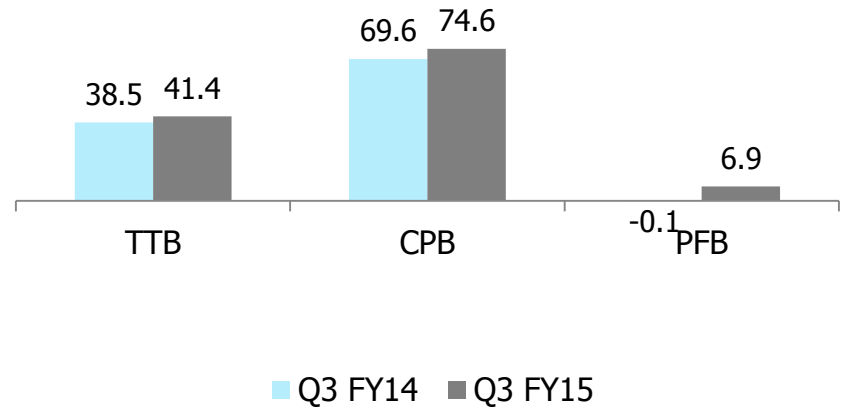


Segmental Revenues (Rs. Cr)



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

Segmental EBIT (Rs. Cr)

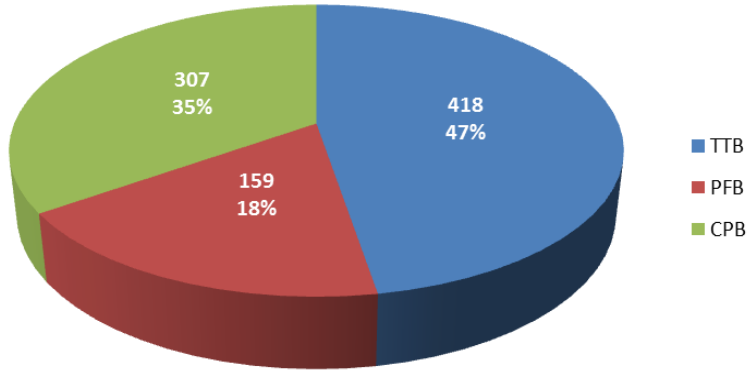


Segment Results

Revenue Share

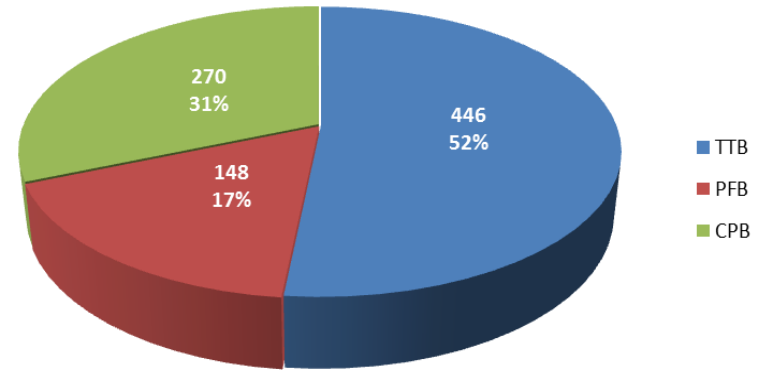


Dec '14 Qtr



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

Dec '13 Qtr



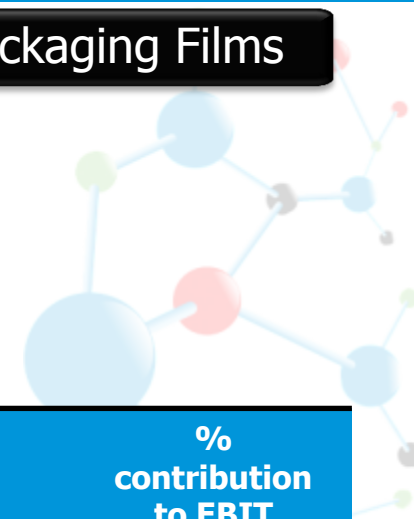


Technical Textiles

Chemicals & Polymers

Packaging Films

Q3 & 9M FY15 Segmental Overview



<i>(Rs. crore)</i>	Segment Revenues	% contribution to Revenues	EBIT	% contribution to EBIT
Q3 FY15	418.4	47.3%	41.4	33.66%
Q3 FY14	446.2	51.6%	38.5	35.61%
% Shift	-6.2%		7.53%	
9M FY15	1307.3	47.38%	137.8	33.73%
9M FY14	1335.3	52.6%	123.5	41.28%
% Shift	-2.1%		11.6%	

Key Highlights

- Nylon Tyre Cord Fabrics segment delivered improved performance
 - Segment witnessed stable volumes
 - Margins were slightly lower due to higher valuation of carried forward inventory raw material prices – changes in input costs are passed through to the customers with minimal impact on the segments performance
 - Over the longer-term, lower fuel costs and anticipated pick up in infrastructure & mining activities are expected to benefit the segment
 - Other segments like Belting fabrics and Polyester Tyre Cord Fabrics delivered stable performance
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- Free cash flow generating business with stable contribution to overall revenues and profitability
 - No further major investments other than modernisation is anticipated

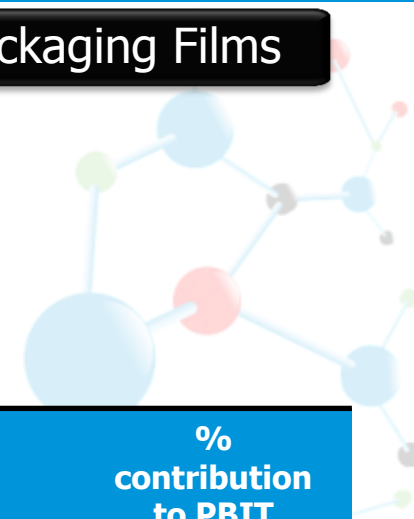


Technical Textiles

Chemicals & Polymers

Packaging Films

Q3 & 9MFY15 Segmental Overview



<i>(Rs. crore)</i>	Segment Revenues	% contribution to Revenues	EBIT	% contribution to PBIT
Q3 FY15	306.6	34.7%	74.6	60.68%
Q3 FY14	270	31.25%	69.6	64.38%
% Shift	13.55%		7.18%	
9M FY15	946.7	34.31%	237.2	58.06%
9M FY14	707.9	27.92%	157.0	52.47%
% Shift	33.73%		51.08%	

Key Highlights

- The Company continues to register healthy performance in the segment
- SRF acquires the global HFC 134a regulated medical pharmaceutical propellant business from DuPont
 - Becomes the only Indian and one of the few global suppliers of HFC 134a Pharma grade
 - To upgrade existing facilities with minimal additional investments
 - Growth in the Metered Dose Inhalers (MDI) sector is expected to be robust going forward
 - To move up the value chain and enter the niche pharma product segment globally
- Specialty Chemicals division delivered healthy performance
 - Prudent investments at Dahej facility to help maintain the growth momentum

- Outlook for Specialty Chemicals Business remains robust
- Investments in Dahej to aid improvement in revenues and profitability in FY15
- Currently, 100% capacity utilisation of Engineering Plastic Plants



Technical Textiles

Chemicals & Polymers

Packaging Films

Q3 & 9MFY15 Segmental Overview

<i>(Rs. crore)</i>	Segment Revenues	% contribution to Revenues	EBIT	% contribution to EBIT
Q3 FY15	158.8	17.96%	6.9	5.66%
Q3 FY14	147.7	17.09%	-0.07	-
% Shift	7.5%			
9M FY15	504.7	18.3%	33.5	8.21%
9M FY14	491.7	19.4%	18.7	6.25%
% Shift	2.63%		79.17%	

- Packaging Films segment delivered healthy performance with improving revenues and profitability
 - Utilization levels continue to remain close to full capacity
 - The domestic business cycle is expected to bottom out soon
 - Business for the quarter was impacted due to sharp fall in the commodity prices, some impact of the same will be experienced in the coming quarter.
 - Anticipate a meaningful revival in in the segment's performance in the medium term
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- BOPP and BOPET films go through industry cycles
 - Global facilities in Thailand and South Africa expected to contribute positively in FY2015



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)



Focus on building leadership businesses

Build and maintain market leadership in business segments

Continue to build new competencies in the chemical technology space

Focus on building knowledge based value-added products

Nurture innovation through R&D

Reposition portfolio towards knowledge based products

De-risk from Technical Textiles Business

Drive growth in new businesses

Build a Company known and respected for its R&D capabilities





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





- Expanded R 134a capacities should assist significant sales improvement in the domestic and export markets
- Loss of R 22 markets due to phase down for emissive use will be compensated by increasing feedstock use by the Specialty Chemicals segment
- 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



- Robust domestic FMCG demand and fast urbanisation leading to healthy growth in demand: industry being cyclical, the situation is expected to turnaround in the near future
- Focus on full utilisation of assets and incorporating more value-added products in the portfolio
- First full year contribution from international operations in FY 2015; expected to positively impact overall performance

SRF with a turnover of \$675 million (Rs. 4,000 crore) is a multi-business entity engaged in the manufacture of chemical based industrial intermediates. It's business portfolio covers Technical Textiles, Fluorochemicals, Specialty Chemicals, Packaging Films and Engineering Plastics. As a manufacturer of a wide range of products that make people's daily lives safer and more comfortable, SRF claims to touch everyone's life every day in more ways than one.

With headquarters in Gurgaon, India, the 5,500-strong global workforce Company has operations in two more countries, Thailand and South Africa. SRF is the market leaders in most of its businesses in India and also enjoys significant global presence in some of its businesses.

The Company, equipped with state-of-the-art R&D facilities, boasts of its Chemical Technology Group that is actively involved in process innovations and product development. A winner of the prestigious Deming Prize for two of its businesses, tyre cord business in 2004 and Chemicals Business in 2012, SRF adopts TQM as a management way.

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Thank you

