



The Corporate Relationship Department, BSE Limited 1st Floor , New Trading Ring Rotunda Building, P.J. Towers Dalal Street, <u>Mumbai 400 001</u> Scrip Code- 503806	National Stock Exchange of India Limited "Exchange Plaza" Bandra-Kurla Complex Bandra (E) <u>Mumbai 400 051</u> Scrip Code-SRF
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SRF/SEC/BSE/NSE

14th May, 2019

Dear Sir,

Presentation- Earnings Call (Audited Financial Results for the quarter and year ended 31.03.2019)

In continuation of our letter dated 09th May, 2019 informing about hosting of earning call to discuss audited financial results for quarter and year ended 31st March, 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

RAJAT LAKHANPAL
AVP (CORPORATE COMPLIANCE) & COMPANY SECRETARY

EM

Encl: As above

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SRF Limited

We always find a better way

May 14, 2019

Q4 & FY19
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.

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**Q4 & FY19
RESULTS
OVERVIEW**

Abridged Statement of Profit & Loss

(Rs. crore)	Q4 FY19	Q4 FY18	% Y-o-Y	FY19	FY18	% Y-o-Y
Gross Operating Revenue	2,072.0	1,612.3	28.5%	7,692.7	5,684.9	35.3%
EBITDA	405.4	285.6	41.9%	1,419.2	975.0	45.5%
<i>EBITDA Margin (%)</i>	<i>19.6%</i>	<i>17.7%</i>	<i>185 BPS</i>	<i>18.4%</i>	<i>17.2%</i>	<i>130 BPS</i>
Depreciation	97.1	86.1	12.7%	366.9	315.8	16.2%
Interest	52.9	42.5	24.5%	201.6	123.9	62.7%
ECF (Gain) / Loss	0.9	(6.4)	NA	23.8	(46.3)	NA
Profit Before Tax	254.5	163.4	55.7%	826.9	581.7	42.2%
Profit After Tax	190.9	123.9	54.1%	641.6	461.7	39.0%
<i>Profit After Tax Margin (%)</i>	<i>9.2%</i>	<i>7.7%</i>	<i>153 BPS</i>	<i>8.3%</i>	<i>8.1%</i>	<i>22 BPS</i>
Diluted EPS (Rs.)	33.21	21.58		111.66	80.41	

Consolidated figures

Key Financial Ratios

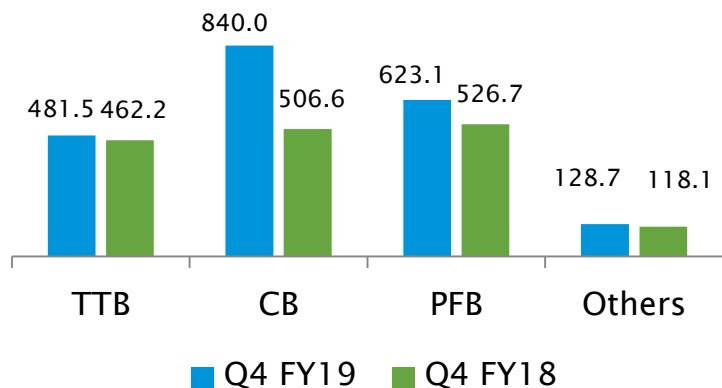
Particulars	FY13	FY14	FY15	FY16	FY17	FY18	FY19
EBITDA margin	17.59%	13.59%	20.43%	22.13%	21.42%	17.69%	18.82%
PAT Margin	6.69%	4.04%	8.78%	9.51%	10.87%	8.38%	8.51%
Net Debt to Equity	0.71	1.01	0.99	0.73	0.67	0.82	0.83
Net Debt to EBITDA	2.06	3.78	2.82	1.96	2.07	3.00	2.42
Asset Turnover	0.82	0.73	0.77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

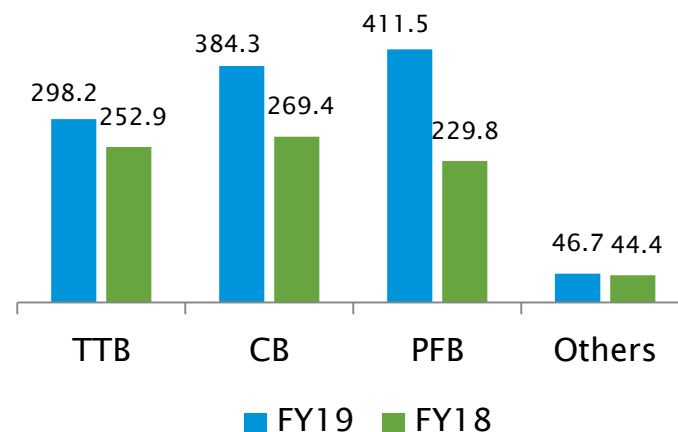
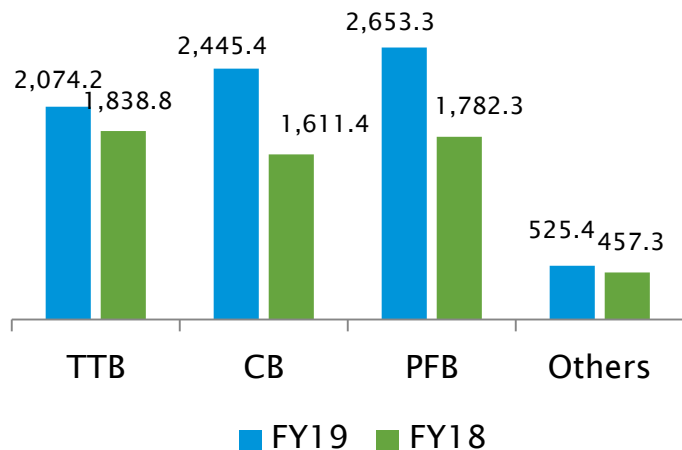
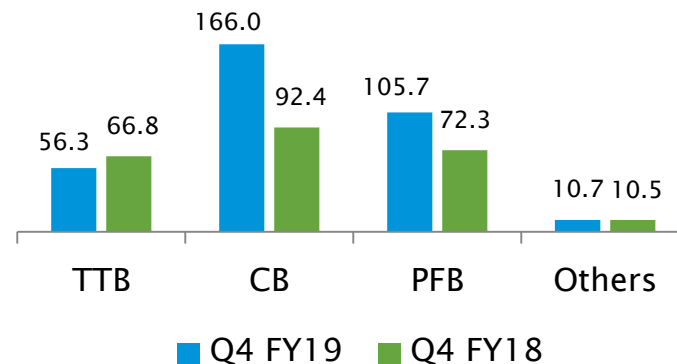
NOTE - FY16, FY17, FY18 & FY19 ratios are as per IndAS

Results Overview - Revenue & EBIT

Revenues (Rs. crore)



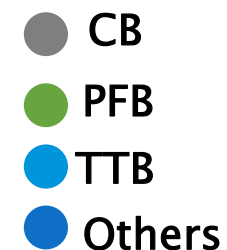
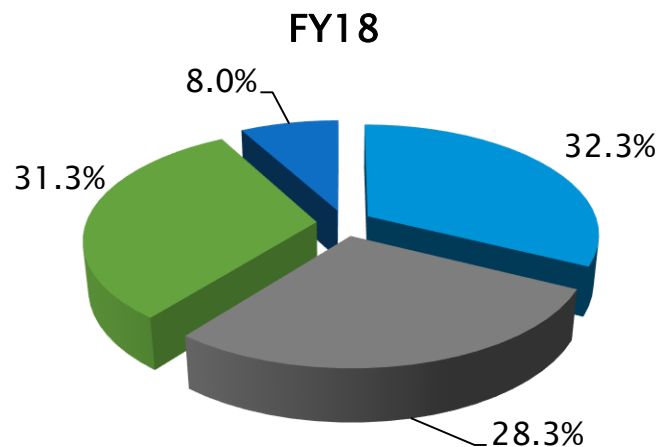
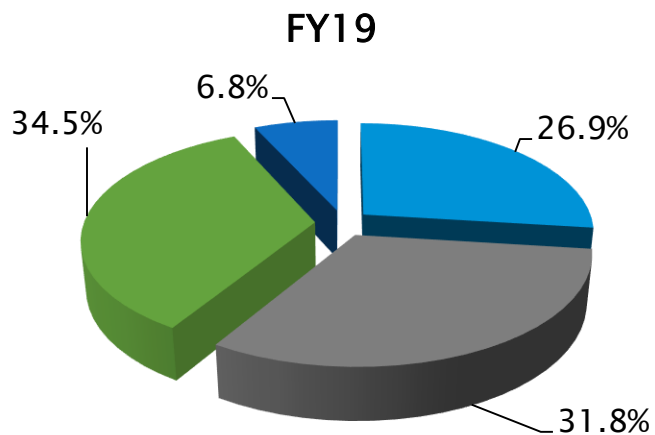
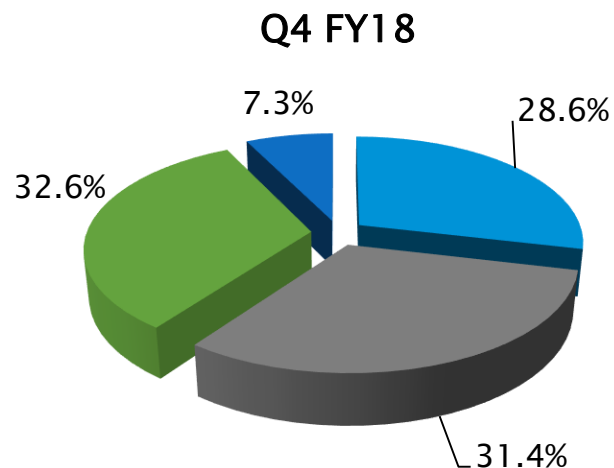
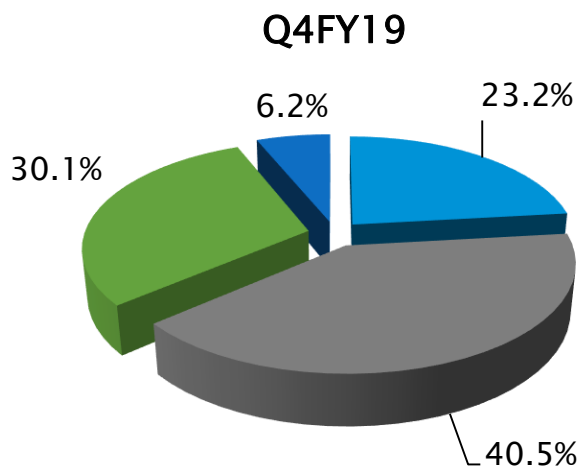
EBIT (Rs. crore)



Consolidated figures

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

Results Overview - Revenue Share





Chemicals

Packaging
Films

Technical
Textiles

Others

Q4 & FY19 SEGMENTAL OVERVIEW



Chemicals Business

Chemicals Business – Results Update

(Rs. Crore)	Segment Revenues	% Contribution to Revenues	EBIT	% EBIT Margins	% Contribution to EBIT
Q4 FY19	840.0	40.5%	166.0	19.8%	49.0%
Q4 FY18	506.6	31.4%	92.4	18.2%	38.2%
<i>% Shift</i>	<i>65.8%</i>		<i>79.7%</i>		
FY19	2,445.4	31.8%	384.3	15.7%	33.7%
FY18	1,611.4	28.3%	269.4	16.7%	33.8%
<i>% Shift</i>	<i>51.8%</i>		<i>42.6%</i>		

Consolidated figures

Fluorochemicals Business

- Globally, SRF is one of the few fully integrated HFC players
 - unique advantage of backward integration of all major HFCs, – HFC134a, HFC 32 and HFC 125
- The segment reported healthy performance during the quarter on account of:
 - Higher sales of Chloromethanes
 - Increased volumes and realizations from refrigerants
- Approvals for HFC 134a Pharma grade facility on track – all major Indian players have approved the gas produced from Dahej facility under Dymel brand

Market Trends

- Car sales grew only 2.7% in FY 19, the worst performance since FY 14

Specialty Chemicals Business

- Demand revival in Agro-Chemical industry witnessed
- As indicated, Segment reported higher sales during the quarter
 - New product opportunities emerging in the Agro side
 - Pharma segment continues to sustain positive trajectory
- Successfully commissioned multiple facilities at Dahej
 - cGMP plant further strengthening technological capability
 - Commenced operations at P32 – the Company’s first AI plant involving complex technology
 - In addition, commissioned P34 plant in record time
- Significant advances made to improve overall efficiencies in all new products – most of the plants are functioning at optimal capacity levels

Market Trends

- Agro market is gaining momentum
- Pharma continues to grow, even though at a low CAGR

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

Filed 35 process patents in FY19 taking the tally to 170 patents of which 33 have been granted till date





Packaging Films Business

(Rs. Crore)	Segment Revenues	% Contribution to Revenues	EBIT	% EBIT Margins	% Contribution to EBIT
Q4 FY19	623.1	30.1%	105.7	17.0%	31.2%
Q4 FY18	526.7	32.6%	72.3	13.7%	29.9%
<i>% Shift</i>	<i>18.3%</i>		<i>46.1%</i>		
FY19	2,653.3	34.5%	411.5	15.5%	36.1%
FY18	1,782.3	31.3%	229.8	12.9%	28.9%
<i>% Shift</i>	<i>48.9%</i>		<i>79.1%</i>		

Consolidated figures

Packaging Films Business

- Segment delivered strong performance during the quarter, reporting highest ever profitability
 - Healthy contribution from new capacities
 - All plants performed exceedingly well leading to higher volumes and better margins
 - Focus continues to be on introduction of new products and increasing sales of value added products
- Civil work for new projects at Hungary and Thailand sites on track

Market Trends

- Healthy demand outlook in the BOPET segment, global capacity utilization is likely to remain robust in the near future.
- BOPP market continues to be over supplied – leading to pressure on profitability
 - Marginal improvement witnessed in the Indian market over the past 2 months



Technical Textiles Business

(Rs. Crore)	Segment Revenues	% Contribution to Revenues	EBIT	% EBIT Margins	% Contribution to EBIT
Q4 FY19	481.5	23.2%	56.3	11.7%	16.6%
Q4 FY18	462.2	28.6%	66.8	14.4%	27.6%
<i>% Shift</i>	<i>4.2%</i>		<i>(15.6%)</i>		
FY19	2,074.2	26.9%	298.2	14.4%	26.1%
FY18	1,838.8	32.3%	252.9	13.8%	31.8%
<i>% Shift</i>	<i>12.8%</i>		<i>17.9%</i>		

Consolidated figures

Tyre Cord Fabric (TCF)

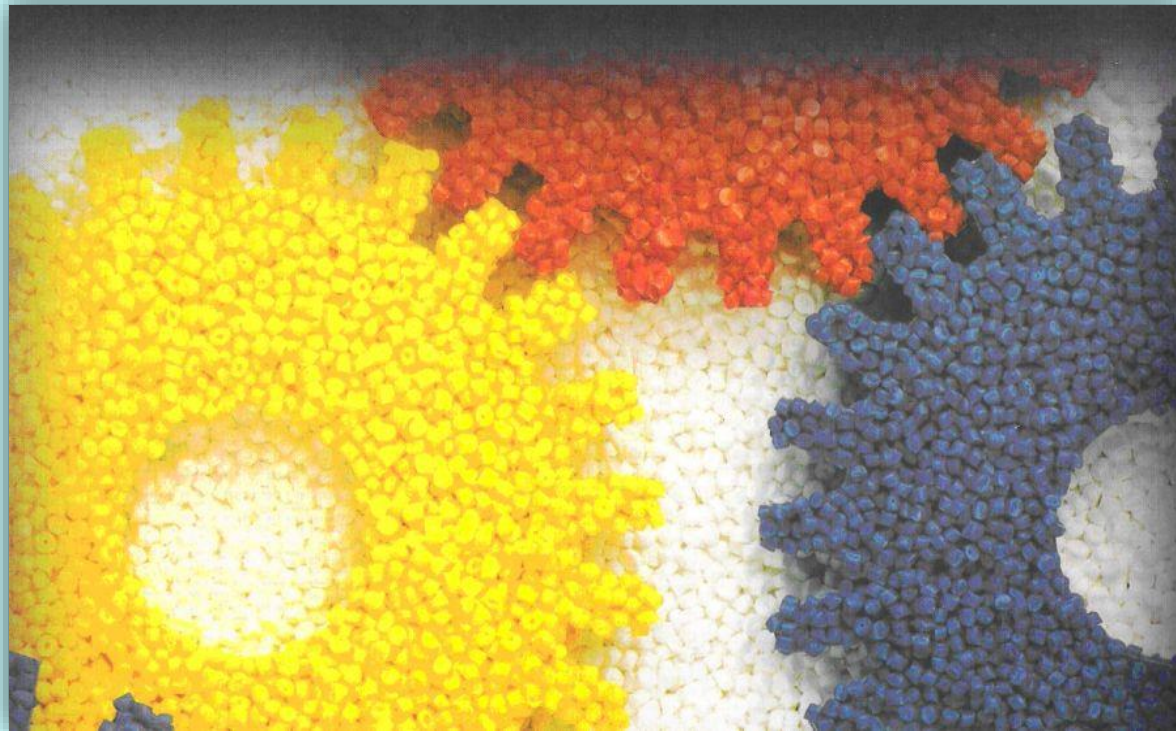
- Stable performance despite a tough operating environment on account of:
 - Inventory losses due to price volatility in key raw materials
 - Lower sales volumes – Automotive sector de-growth

Belting Fabrics & Polyester Yarn

- Higher contribution from value added products led to robust y-o-y sales in Belting Fabrics
- New products and value added products leading to higher sales in Polyester Yarn
 - Plant running at full capacity utilization; clocked the highest production numbers in FY19

Market Trends

- Inventory levels in Belting Fabrics were high because of the rise of cheap imports from China
- Chinese Yarn imports into the US remained under additional tariffs, due to unresolved trade dispute between US-China



Others

(Rs. Crore)	Segment Revenues	% Contribution to Revenues	EBIT	% EBIT Margins	% Contribution to EBIT
Q4 FY19	128.7	6.2%	10.68	8.3%	3.2%
Q4 FY18	118.1	7.3%	10.51	8.9%	4.3%
<i>% Shift</i>	<i>8.9%</i>		<i>1.6%</i>		
FY19	525.4	6.8%	46.7	8.9%	4.1%
FY18	457.3	8.0%	44.4	9.7%	5.6%
<i>% Shift</i>	<i>14.9%</i>		<i>5.3%</i>		

Consolidated figures

Coated Fabrics & Laminated Fabrics

- Continues to maintain its leadership position in the domestic market in Coated Fabrics segment with healthy growth volumes
- In Laminated Fabrics, the Company has been able to deliver robust volumes despite oversupply in the market

Engineering Plastics

- Reported a robust performance with higher sales to the electrical segment
- SRF has signed a definite agreement with DSM to sell its engineering plastics business for Rs. 320 crore
 - A profitable & niche business; scaling it into a large business required significant time and hence passing it on to a credible player made business-sense



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

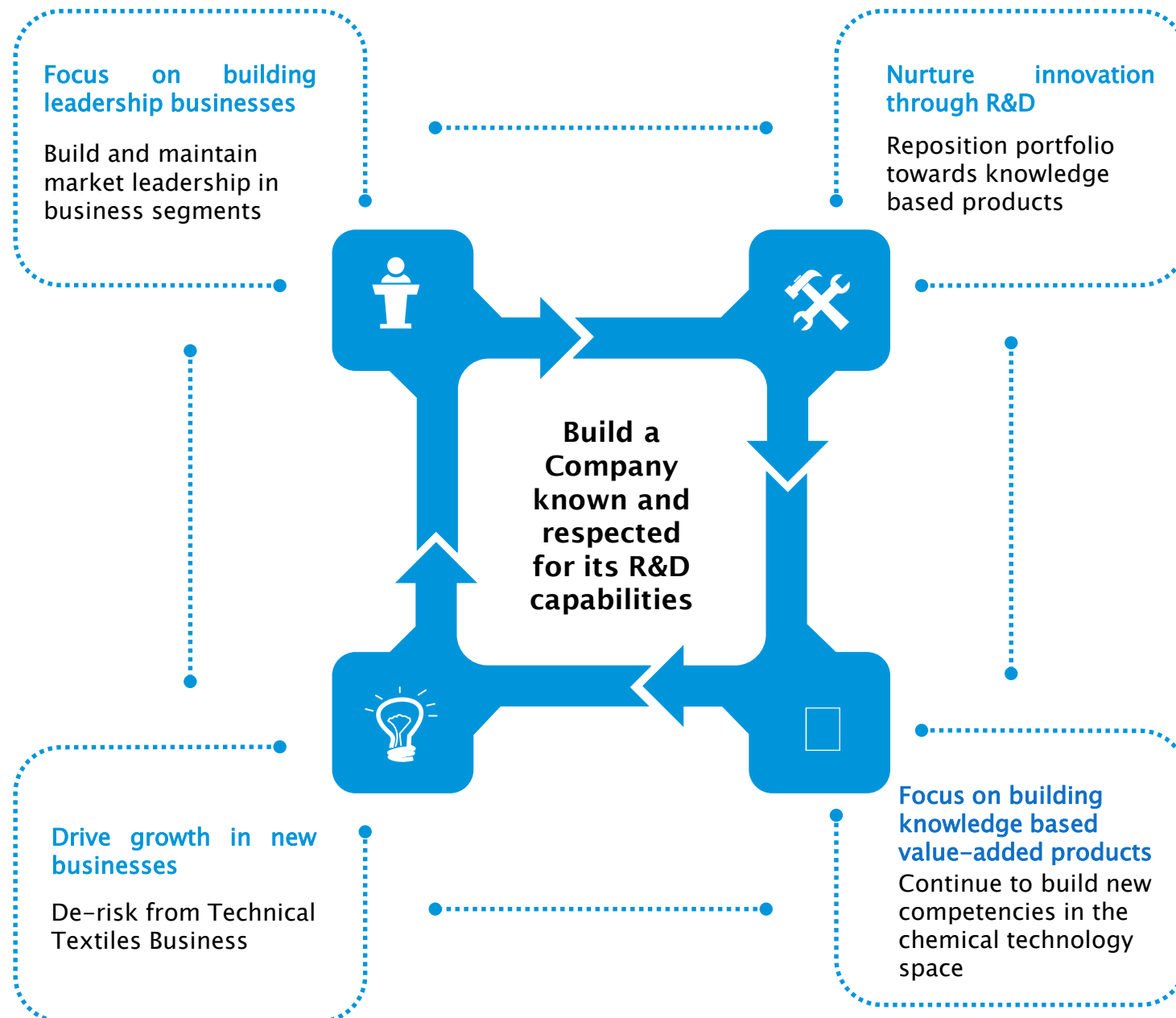
Engineering Plastics

- Polymer compounds

- Coated fabrics
- Laminated fabrics

Revenue	EBIT	No. of Plants
2445	384	2
2653	411	5
2074	298	5
525	47	4

Overview Growth Levers





OUTLOOK

Focus on expanding to new markets / geographies for refrigerants and solvents

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

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 is expected to remain a key business in the segment and a generator of steady cash flow

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 and Engineering Plastics. Anchored by a strong workforce of more than 7,000 employees from different nationalities working across thirteen 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 33 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