



The BSE Limited
BSE's Corporate Relationship
Department
1st Floor, New Trading Ring,
Rotunda Building, P.J. Towers,
Dalal Street, Fort,
Mumbai 400 001

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

SRF/SEC-D/16

05.11.2019

Dear Sir,

**Presentation- Earnings Call- Unaudited Financial Results for the quarter and half year ended
30.09.2019**

In continuation of our letter dated 1st November, 2019 informing about hosting of earning call to discuss unaudited financial results for quarter and half year ended 30th September, 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
VP (CORPORATE COMPLIANCE) & COMPANY SECRETARY

Encl: As above


EM

SRF LIMITED
Block-C Sector-45
Gurugram 122 003
Haryana India
Tel: +91-124-4354400
Fax: +91-124-4354500
E-mail: info@srf.com
Website: www.srf.com

Regd. Office:
Unit No. 236 & 237, 2nd Floor
DLF Galleria, Mayur Place
Noida Link Road
Mayuri Vihar Phase-1 Extension
Delhi 110091



SRF Limited

We always find a better way

November 05, 2019

Q2 & H1 FY20
Results Presentation



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.

Q2 & H1 FY20 Results Overview 04

Q2 & H1 FY20 Segmental Performance 09

Company Overview 24

Outlook 27



A large, modern industrial building with a white and blue striped facade is shown under construction, with scaffolding visible. In the foreground, there's a paved area with a yellow and black striped curb. The background shows a clear sky. A semi-transparent blue banner across the middle of the image contains the text "Q2 & H1 FY20 RESULTS OVERVIEW" in large, bold, white letters. The bottom edge of the banner has a repeating pattern of the company's tagline, "We always find a better way".

Q2 & H1 FY20 RESULTS OVERVIEW

Results Overview - Financial Overview

Abridged Statement of Profit & Loss

Particulars (Rs. Crore)	Q2 FY20	Q2 FY19	% Y-o-Y	H1 FY20	H1 FY19	% Y-o-Y
Gross Operating Revenue	1,737.8	1,755.0	-1.0%	3,501.1	3,352.7	4.4%
EBITDA	357.2	320.4	11.5%	717.1	640.3	12.0%
EBITDA Margin (%)	20.6%	18.3%		20.5%	19.1%	
Depreciation	92.9	87.7	6.0%	185.4	172.3	7.6%
Interest	55.0	49.1	12.1%	106.5	92.6	15.0%
ECF (Gain) / Loss	4.2	17.2	-75.5%	(10.8)	32.7	-133.1%
Profit Before Tax	205.0	166.4	23.2%	436.0	342.6	27.3%
Profit After Tax	200.9	128.7	56.1%	376.3	258.7	45.4%
Profit After Tax Margin (%)	11.6%	7.3%		10.7%	7.7%	
Diluted EPS (Rs.)	34.96	22.41		65.46	45.04	

Consolidated figures

The results mentioned above exclude discontinued business operations numbers. The company reported a PAT of Rs 301 crore and Rs 490 crore during Q2 FY 20 & H1 FY 20 respectively. This includes profit from the discontinued business operations

Results Overview - Financial Overview

Key Financial Ratios

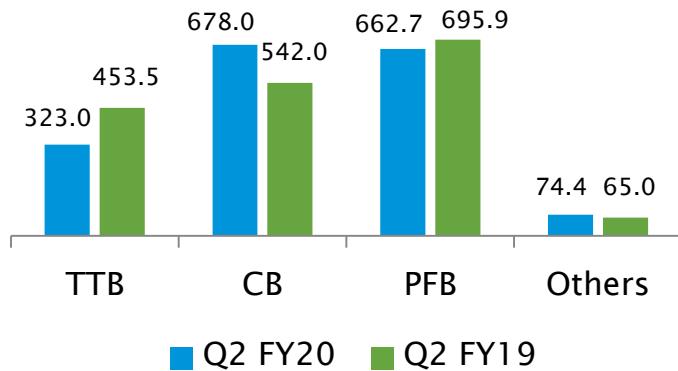
Particulars	FY13	FY14	FY15	FY16	FY17	FY18	FY19
EBITDA margin	17.59%	13.59%	20.43%	22.13%	21.42%	17.69%	18.82%
PAT Margin	6.69%	4.04%	8.78%	9.51%	10.87%	8.38%	8.51%
Net Debt to Equity	0.71	1.01	0.99	0.73	0.67	0.82	0.83
Net Debt to EBITDA	2.06	3.78	2.82	1.96	2.07	3.00	2.42
Asset Turnover	0.82	0.73	0.77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

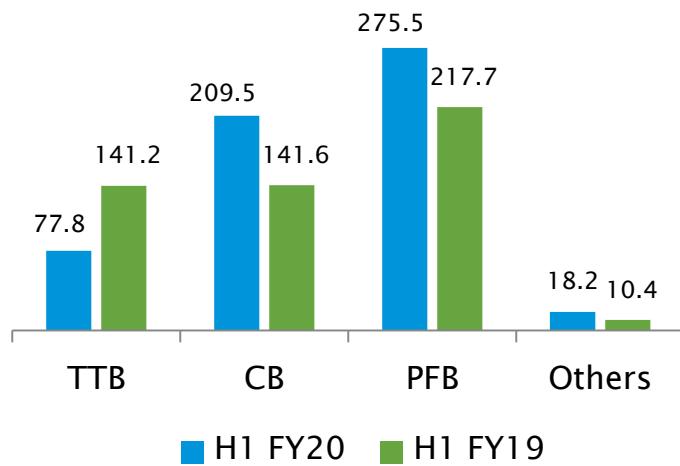
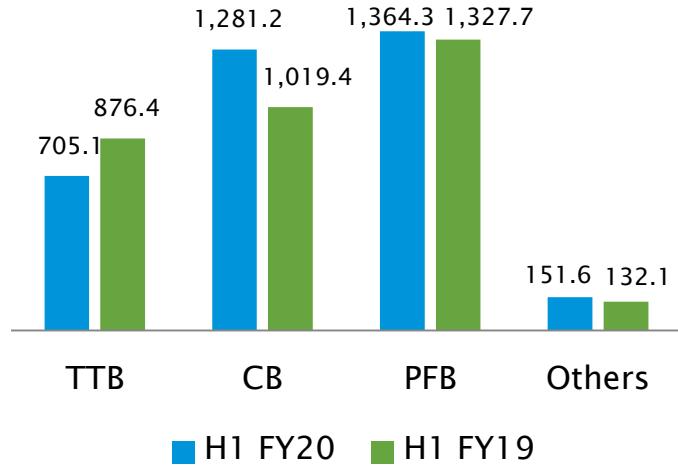
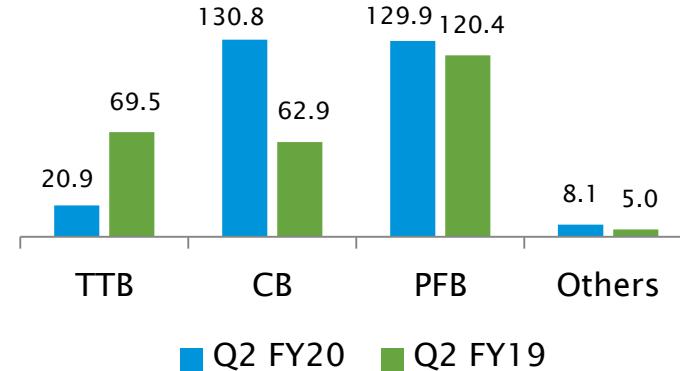
NOTE - FY16, FY17, FY18 & FY19 ratios are as per IndAS

Results Overview - Revenue & EBIT

Revenues (Rs. crore)



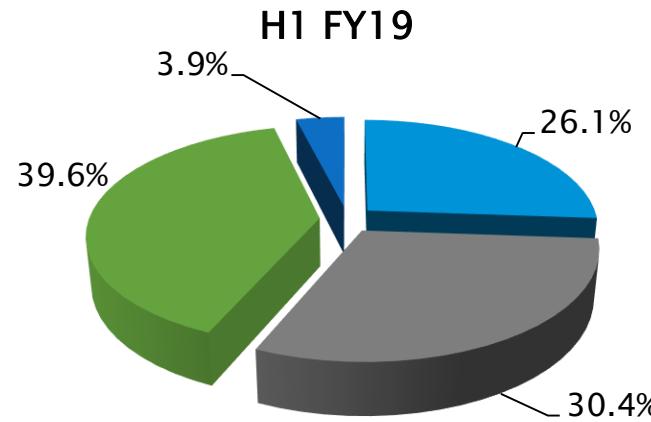
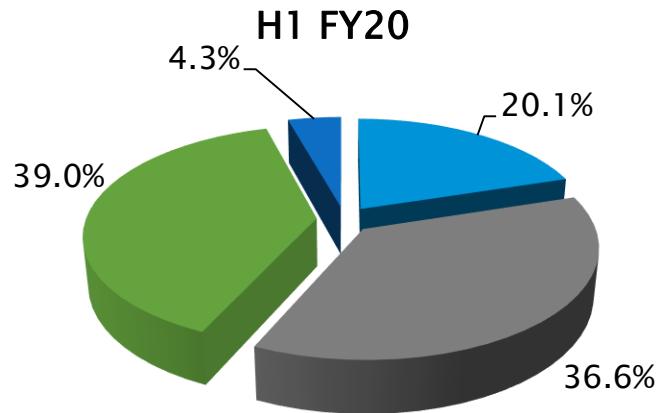
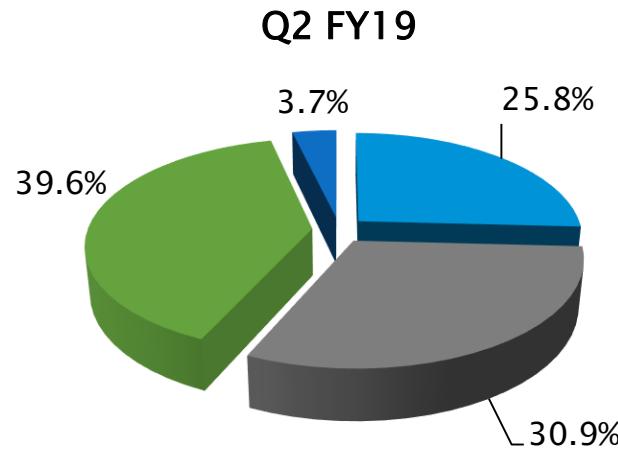
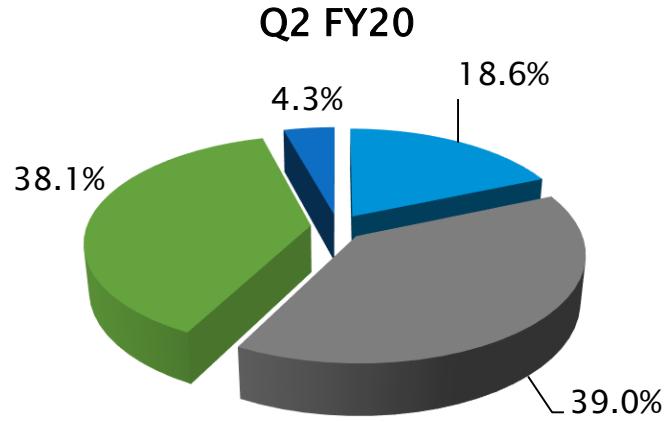
EBIT (Rs. crore)



Consolidated figures

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

Results Overview - Revenue Share



- CB
- PFB
- TTB
- Others



Q2&H1FY20 SEGMENTAL OVERVIEW



Chemicals Business

Chemicals Business – Results Update

(Rs. Crore)	Segment Revenues	% Contribution to Revenues	EBIT	% EBIT Margins	% Contribution to EBIT
Q2 FY20	678.0	39.0%	130.8	19.3%	45.2%
Q2 FY19	542.0	30.9%	62.9	11.6%	24.4%
<i>% Shift</i>	<i>25.1%</i>		<i>107.9%</i>		
H1 FY20	1,281.2	36.6%	209.5	16.4%	36.1%
H1 FY19	1,019.4	30.4%	141.6	13.9%	27.7%
<i>% Shift</i>	<i>25.7%</i>		<i>47.9%</i>		

Consolidated figures

Fluorochemicals Business

- Performed in line with the expectations on account of :
 - Increase in domestic volumes and market share of key refrigerants, despite the auto sector slowdown and drop in global prices of refrigerants
 - Significant contribution from Chloromethanes facility during the period under review
- In August 2019, the Board had approved setting up an integrated Poly Tetra Fluoro Ethylene [PTFE] plant along with an R 22 plant as feed stock at a cost of ~Rs. 424 crore
 - This will enable the company to enter Fluoro polymers segment, a new business stream that will further enhance the value chain
 - To successfully leverage SRF's inherent R&D and innovation capability in the PTFE segment

Market Trends

- Domestic auto sector continues to remain under pressure. Production of passenger vehicles during H1 FY 20 lower by 16% when compared with CPLY. Passenger vehicle sales dropped ~ 24% during the same period
- Overall the refrigerants market demand remained weak during Q2 FY 20

Chemicals Business – Key Highlights

Specialty Chemicals Business

- Performed well with strong demand witnessed in the overseas markets
 - Both Agro & Pharma products gaining momentum
 - Dahej facility is on track to deliver customer commitments for FY20
 - The Company continues to penetrate further in US & Europe and expand product offerings
 - Focus remains on keeping the funnel full by tapping key customer requirements across geographies
- Commissioned a dedicated facility to produce agrochemical intermediates – ramp-up will lead to healthy contribution margins in the future
- Board approved a capex of Rs. 40 crore to expand the capacity for production of a specialty product that finds application in agro, pharma and other specialty industries

Market Trends

- Emerging markets recorded a healthy growth while US market was affected due to adverse weather conditions
- Revival in Agro Chemical demand
 - Customer requirements being fulfilled
 - New product development and qualifications being planned for both Agro & Pharma

Chemicals Business – Key Highlights

Chemicals Technology Group

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

- Key focus on the high end 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

10 new process patents were granted in Q2FY20, taking the tally to 48 global patents to-date. Overall, the Company has applied for 182 patents





Packaging Films Business

Packaging Films Business – Results Update

(Rs. Crore)	Segment Revenues	% Contribution to Revenues	EBIT	% EBIT Margins	% Contribution to EBIT
Q2 FY20	662.7	38.1%	129.9	19.6%	44.8%
Q2 FY19	695.9	39.6%	120.4	17.3%	46.7%
<i>% Shift</i>	<i>-4.8%</i>		<i>7.9%</i>		
H1 FY20	1,364.3	39.0%	275.5	20.2%	47.4%
H1 FY19	1,327.7	39.6%	217.7	16.4%	42.6%
<i>% Shift</i>	<i>2.8%</i>		<i>26.5%</i>		

Consolidated figures

Packaging Films Business – Key Highlights



Packaging Films Business

- Segment delivered healthy results on account of higher volumes and improved margins
 - Both the exports and domestic market in the BOPET & BOPP segments delivered steady contribution to operating profits
 - Significant growth in VAP sales witnessed during the period under review
- Continued focus on maximizing savings by keeping costs under control, improving the product mix and working towards sustainability initiatives
- Machine erection started at Hungry and Thailand sites – to be commissioned as per schedule
- Board approved a capex of US\$ 50 MM for a BOPP Plant in Thailand
- Received a 5 star rating for Occupational Health and Safety from British Safety Council for both Indore SEZ & DTA sites

Market Trends

- BOPP market witnessing matching in demand & supply
- New BOPET lines being commissioned, supply likely to exceed demand in short to medium term
- Sustainability initiatives remain the top most priority for the industry; Govt. of India is working aggressively on reducing the use of 'Single-Use Plastics'



Technical Textiles Business

Technical Textiles Business – Results Update

(Rs. Crore)	Segment Revenues	% Contribution to Revenues	EBIT	% EBIT Margins	% Contribution to EBIT
Q2 FY20	323.0	18.6%	20.9	6.5%	7.2%
Q2 FY19	453.5	25.8%	69.5	15.3%	27.0%
<i>% Shift</i>	<i>-28.8%</i>		<i>-69.9%</i>		
H1 FY20	705.1	20.1%	77.8	11.0%	13.4%
H1 FY19	876.4	26.1%	141.2	16.1%	27.6%
<i>% Shift</i>	<i>-19.5%</i>		<i>-44.9%</i>		

Consolidated figures

The numbers above do not include impact of discontinued operations of Technical Textiles Business, Rayong-Thailand

Tyre Cord Fabric (TCF)

- NTCF performance impacted due to slump in automotive sector
 - Witnessed shut downs / production cuts by tyre companies leading to an overall decline in volumes and margins of the business
 - Replacement demand also impacted due to financing issues
 - Further, during the quarter the Company announced the closure of its Thailand operations as it was becoming economically unviable to run the plant
- Company rebalancing its capacities in India to meet demand from customers and enhancing the fabric capacity from 3800 MTPM to 4550 MTPM by increasing the exiting Capex from Rs. 81 crore to Rs. 125 crore

Market Trends

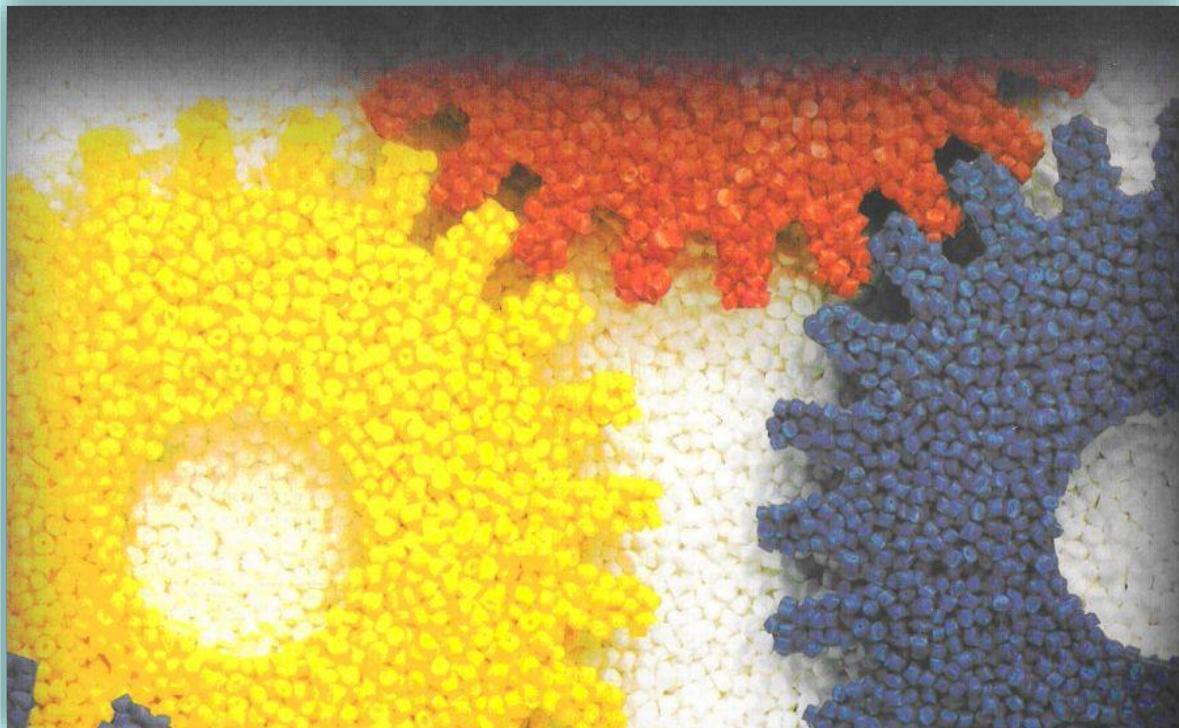
- Auto sector facing the worst crisis in the last two decades:
 - Sales of commercial vehicles, tractors, two wheelers have declined considerably
 - Duty free imports from FTA countries have grown significantly

Belting Fabrics & Polyester Yarn

- The performance of Belting Fabrics was in line with expectations:
 - Higher sales of value added products aided growth
 - Segment witnessed delayed cash flows in H1 FY20 owing to the on-going credit challenges faced by the end user industry
- Performance in Polyester Yarn impacted due to domestic slowdown and intense competition from Chinese players
 - Overall volumes and margins were under pressure
 - Chinese players are absorbing the antidumping duty and continue to dump

Market Trends

- Higher Chinese imports continue with lower realizations in Belting Fabrics
- Chinese imports to India increased and oversupply in Indian market
- Slow down in auto and infra sector impacted volumes in PYF segment



Others

Others – Results Update

(Rs. Crore)	Segment Revenues	% Contribution to Revenues	EBIT	% EBIT Margins	% Contribution to EBIT
Q2 FY20	74.4	4.3%	8.10	10.9%	2.8%
Q2 FY19	65.0	3.7%	4.97	7.6%	1.9%
<i>% Shift</i>	<i>14.5%</i>		<i>62.9%</i>		
H1 FY20	151.6	4.3%	18.2	12.0%	3.1%
H1 FY19	132.1	3.9%	10.4	7.9%	2.0%
<i>% Shift</i>	<i>14.8%</i>		<i>75.5%</i>		

Consolidated figures

Coated Fabrics

- SRF continues to maintain its price and volume leadership in Coated Fabrics
- Challenge in the sale of truck tarpaulin on account of low movement of new chassis

Laminated Fabrics

- In Laminated Fabrics sales volume grew despite adverse market situation
 - Continued oversupply situation in the segment
 - Competition from new players in the market



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

(TTBR – Thailand closure announced in Sep 2019)

Other

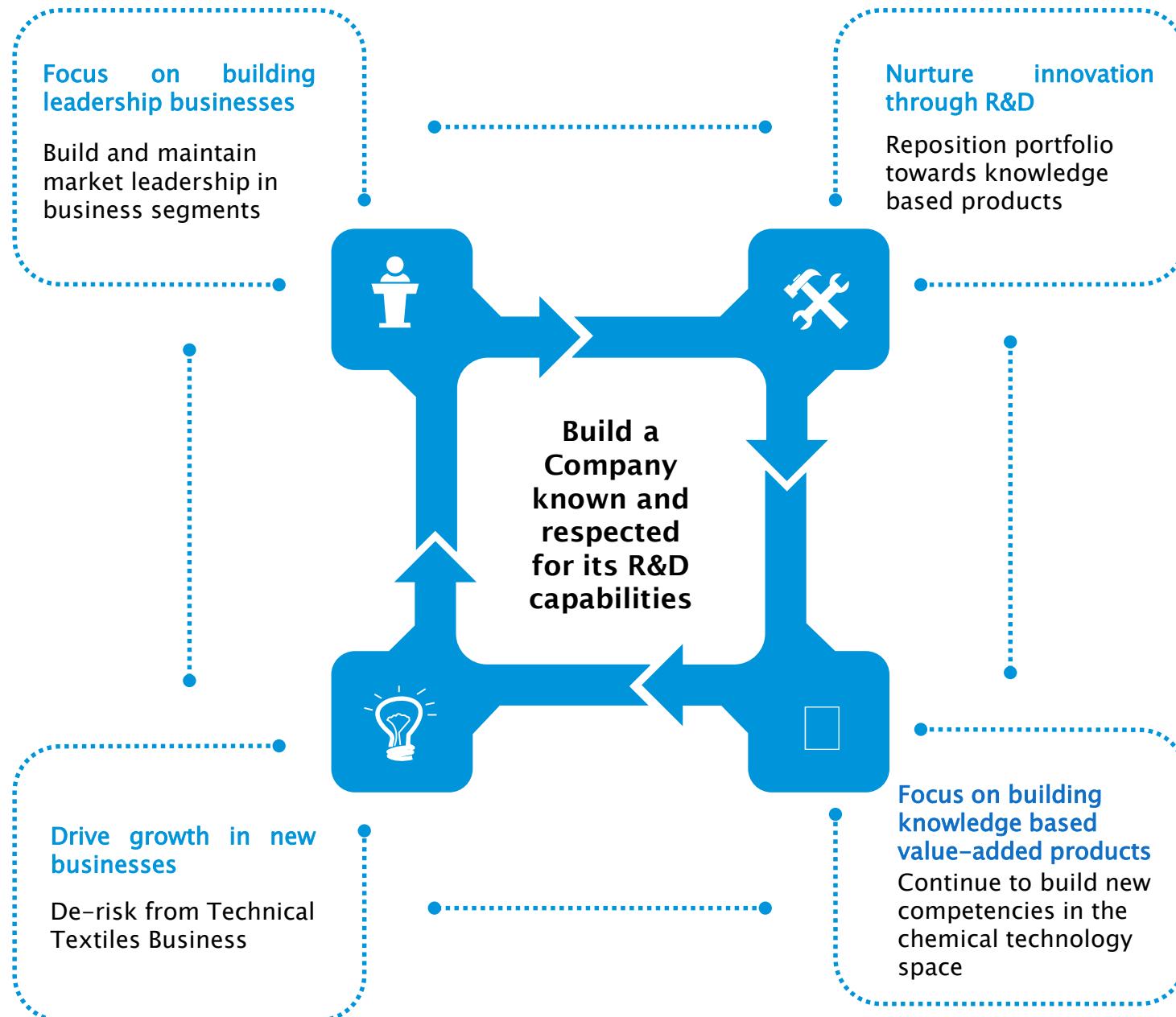
- Engineering Plastics
(Divested in Aug 2019)

- Coated fabrics
- Laminated fabrics

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

Consolidated FY 19 figures in Rs. Crore

Overview Growth Levers





Outlook – Chemicals Business

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



Outlook – Packaging Films Business

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

Further improvement expected in the BOPP segment

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



Outlook – Technical Textiles Business

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

Other sub segments of Technical Textiles performing as per expectations

Improving macroeconomic environment may have a positive impact



About Us

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 7,000 employees from different nationalities working across eleven manufacturing plants in India, one 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 182 patents for R&D and technology so far, of which 48 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

Anoop Poojari / Karl Kolah
CDR India

Tel: +91 22 6645 1211 / 1220
Email: anoop@cdr-india.com / karl@cdr-india.com

A wide-angle, aerial photograph of a massive industrial complex, likely a petrochemical or refinery plant, captured at dusk or night. The scene is filled with numerous illuminated structures, including tall storage tanks, complex piping systems, and low-profile buildings. The lights from the facility create a vibrant, glowing effect against the darkening sky. A prominent vertical pipe or chimney stands in the center-right of the frame.

Thank You