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Mumbai 400 051

Scrip Code- 503806

Scrip Code-SRF

SRF/SEC/BSE/NSE

05.02.2019

**Presentation- Earnings Call (Unaudited Financial Results for the quarter/nine months ended
31.12.2018)**

In continuation of our letter dated 1st February, 2019 informing about hosting of earning call to discuss unaudited financial results for quarter and nine months ended 31st December, 2018, 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**


ANOOP K. JOSHI
(PRESIDENT, CFO & COMPANY SECRETARY)
JM

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SRF Limited

We always find a better way

February 05, 2019

Q3 & 9M FY19
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.

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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 is a paved area with a yellow and black striped curb. A blue semi-transparent banner overlays the bottom half of the image, containing the text.

Q3 & 9M FY19 RESULTS OVERVIEW

Results Overview - Financial Overview

Abridged Statement of Profit & Loss

(Rs. crore)	Q3 FY19	Q3 FY18	% Y-o-Y	9M FY19	9M FY18	% Y-o-Y
Gross Operating Revenue	1,964.0	1,397.1	40.6%	5,620.7	4,072.6	38.0%
EBIDTA	336.2	252.5	33.1%	1,013.8	689.4	47.1%
<i>EBIDTA Margin (%)</i>	<i>17.1%</i>	<i>18.1%</i>	<i>(96 Bps)</i>	<i>18.0%</i>	<i>16.9%</i>	<i>111 Bps</i>
Depreciation	93.2	77.0	21.0%	269.8	229.7	17.5%
Interest	54.4	23.9	128.0%	148.7	81.4	82.7%
ECF (Gain) / Loss	(10.2)	(21.1)	(51.5%)	22.9	(39.9)	(157.4%)
Profit Before Tax	198.8	172.7	15.1%	572.4	418.2	36.9%
Profit After Tax	165.7	131.2	26.3%	450.7	337.8	33.4%
<i>Profit After Tax Margin (%)</i>	<i>8.4%</i>	<i>9.4%</i>	<i>(96 Bps)</i>	<i>8.02%</i>	<i>8.29%</i>	<i>(26 Bps)</i>
Diluted EPS (Rs.)	28.83	22.85		78.45	58.83	

Results Overview - Financial Overview

Key Financial Ratios

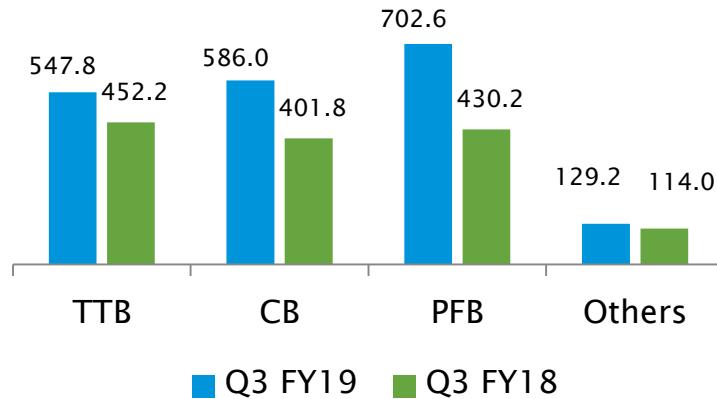
Particulars	FY13	FY14	FY15	FY16	FY17	FY18
EBITDA margin	17.59%	13.59%	20.43%	22.13%	21.42%	17.69%
PAT Margin	6.69%	4.04%	8.78%	9.51%	10.87%	8.38%
Net Debt to Equity	0.71	1.01	0.99	0.73	0.67	0.82
Net Debt to EBITDA	2.06	3.78	2.82	1.96	2.07	3.00
Asset Turnover	0.82	0.73	0.77	0.70	0.68	0.66
Debtors Turnover	0.13	0.17	0.13	0.11	0.14	0.12

Consolidated figures

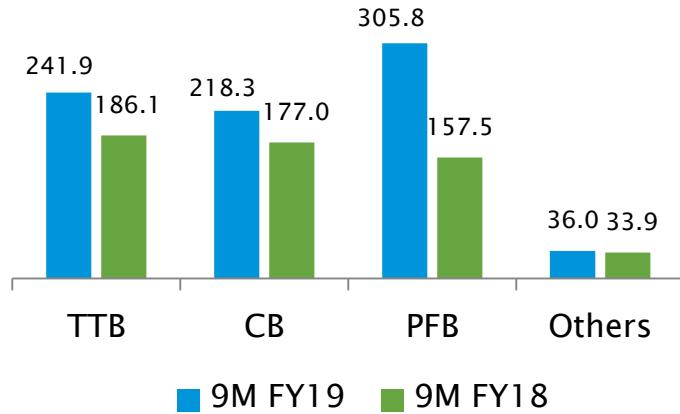
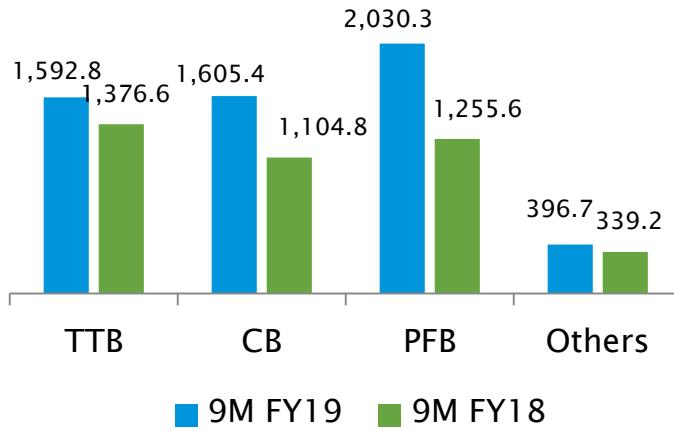
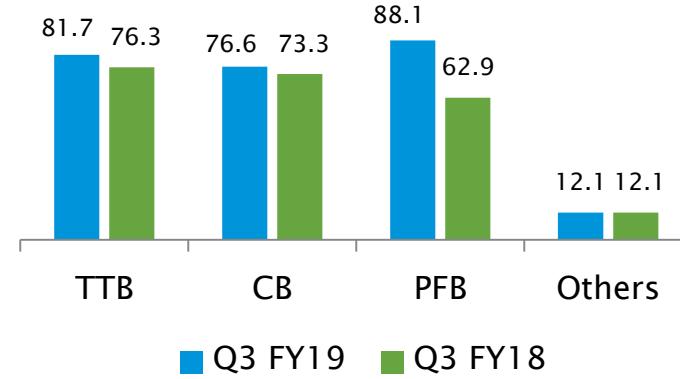
NOTE – FY16, FY17 & FY18 ratios are as per IndAS

Results Overview - Revenue & EBIT

Revenues (Rs. crore)



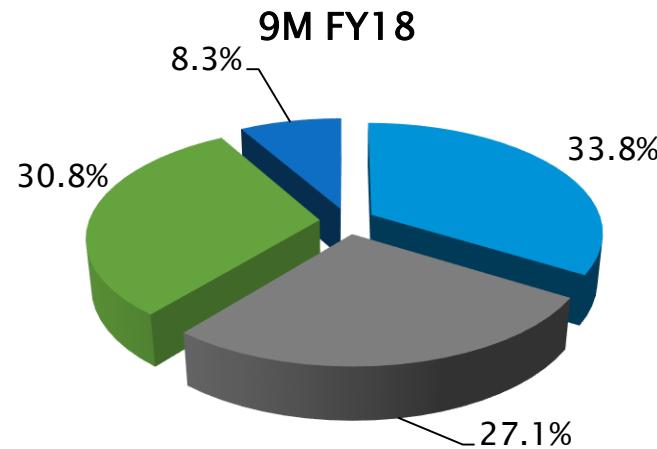
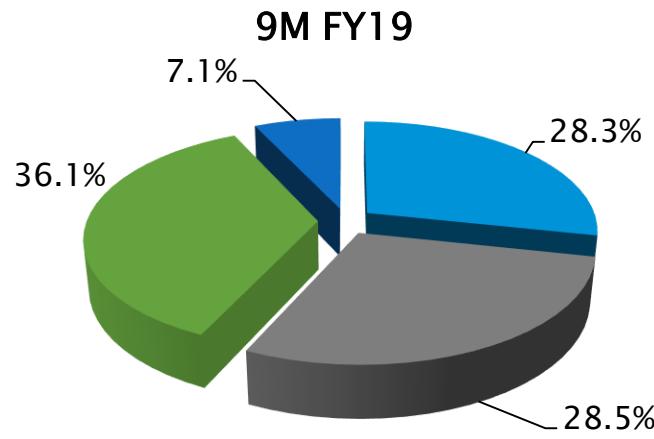
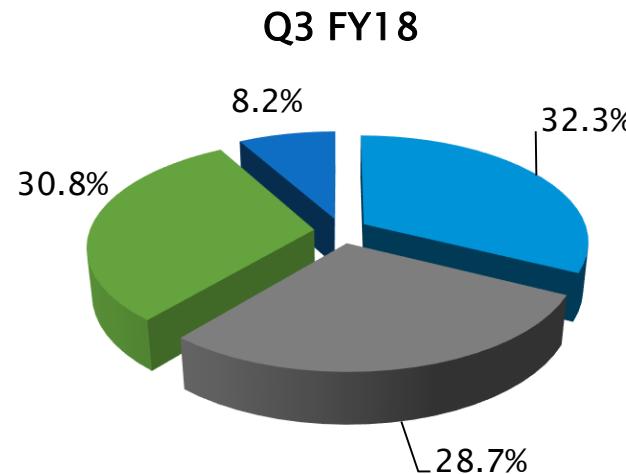
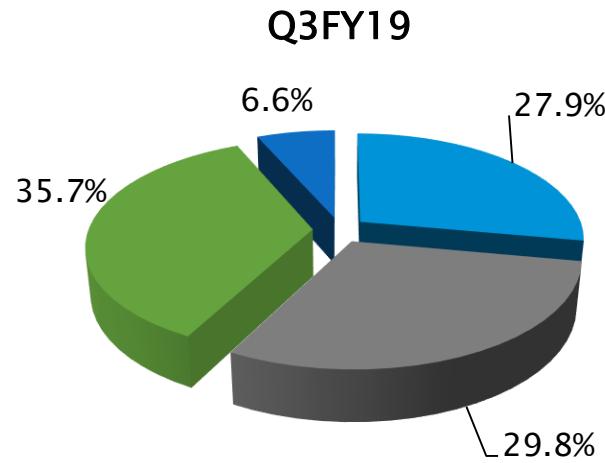
EBIT (Rs. crore)



Consolidated figures

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

Results Overview - Revenue Share



- CB
- PFB
- TTB
- Others



Q3 & 9MFY19 SEGMENTAL OVERVIEW



Chemicals Business

Chemicals Business – Results Update

(Rs. Crore)	Segment Revenues	% Contribution to Revenues	EBIT	% EBIT Margins	% Contribution to EBIT
Q3 FY19	586.0	29.8%	76.6	13.1%	29.6%
Q3 FY18	401.8	28.7%	73.3	18.2%	32.6%
<i>% Shift</i>	<i>45.8%</i>		<i>4.6%</i>		
9M FY19	1,605.4	28.5%	218.3	13.6%	27.2%
9M FY18	1,104.8	27.1%	177.0	16.0%	31.9%
<i>% Shift</i>	<i>45.3%</i>		<i>23.3%</i>		

Consolidated figures

Fluorochemicals Business

- The segment reported healthy performance during the quarter on account of steady volumes and realizations for refrigerants
 - SRF continues to be the largest manufacturer of refrigerants in the country
- Business continues to increase its market share of FLORON & industrial chemicals in the domestic market
- Chloromethanes plant commissioned in Dec'17 at Dahej running at optimal capacity, aiding Y-o-Y performance

Market Trends

- Passenger vehicles production witnessed a negative growth of (9%) in Q3FY19; domestic sales remained flat
- Domestic A/C market remained sluggish to negative

Chemicals Business – Key Highlights

Specialty Chemicals Business

- Segment delivered stable performance
 - Agro-Chemical segment on the path of showcasing healthy recovery;
 - Pharma segment continues to show positive traction;
- Successfully started commercial production at newly commissioned plants, initial dispatch commenced – to contribute to performance notably from Q4FY19 onwards
 - Higher depreciation and fixed costs on account of new facilities impacted EBIT margins as the facilities are in the process of ramping up
- Focus continues to be on expanding the client base and portfolio and launching pilot campaigns to keep the funnel optimally utilized
- The Board has approved a project to debottleneck certain Specialty Chemical plants to further increase the production capacity at Dahej at an estimated cost of ₹140 crore

Market Trends

- Pharma continues to grow, even though at a low CAGR
- Agro market witnessing green shoots

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 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 9 process patents in Q3FY19 taking the tally to 155 patents of which 23 have been granted till date





Packaging Films Business

Packaging Films Business – Results Update

(Rs. Crore)	Segment Revenues	% Contribution to Revenues	EBIT	% EBIT Margins	% Contribution to EBIT
Q3 FY19	702.6	35.7%	88.1	12.5%	34.1%
Q3 FY18	430.2	30.8%	62.9	14.6%	28.0%
<i>% Shift</i>	63.3%		40.0%		
9M FY19	2,030.3	36.1%	305.8	15.1%	38.1%
9M FY18	1,255.6	30.8%	157.5	12.5%	28.4%
<i>% Shift</i>	61.7%		94.2%		

Consolidated figures

Packaging Films Business

- The Company reported strong performance in this segment driven by healthy contribution from new capacities
 - Margin performance was impacted owing to sharp fall in raw material prices which led to some inventory loss
- Growth witnessed from VAP sales
- Civil work for new projects progressing well at Hungary and Thailand sites

Market Trends

- BOPP market continues to be over supplied; creating pressure on margins
- BOPET raw material pricing stabilizing



Technical Textiles Business

Technical Textiles Business – Results Update

(Rs. Crore)	Segment Revenues	% Contribution to Revenues	EBIT	% EBIT Margins	% Contribution to EBIT
Q3 FY19	547.8	27.9%	81.7	14.9%	31.6%
Q3 FY18	452.2	32.3%	76.3	16.9%	34.0%
<i>% Shift</i>	21.1%		7.2%		
9M FY19	1,592.8	28.3%	241.9	15.2%	30.2%
9M FY18	1,376.6	33.8%	186.1	13.5%	33.6%
	15.7%		30.0%		

Consolidated figures

Tyre Cord Fabric (TCF)

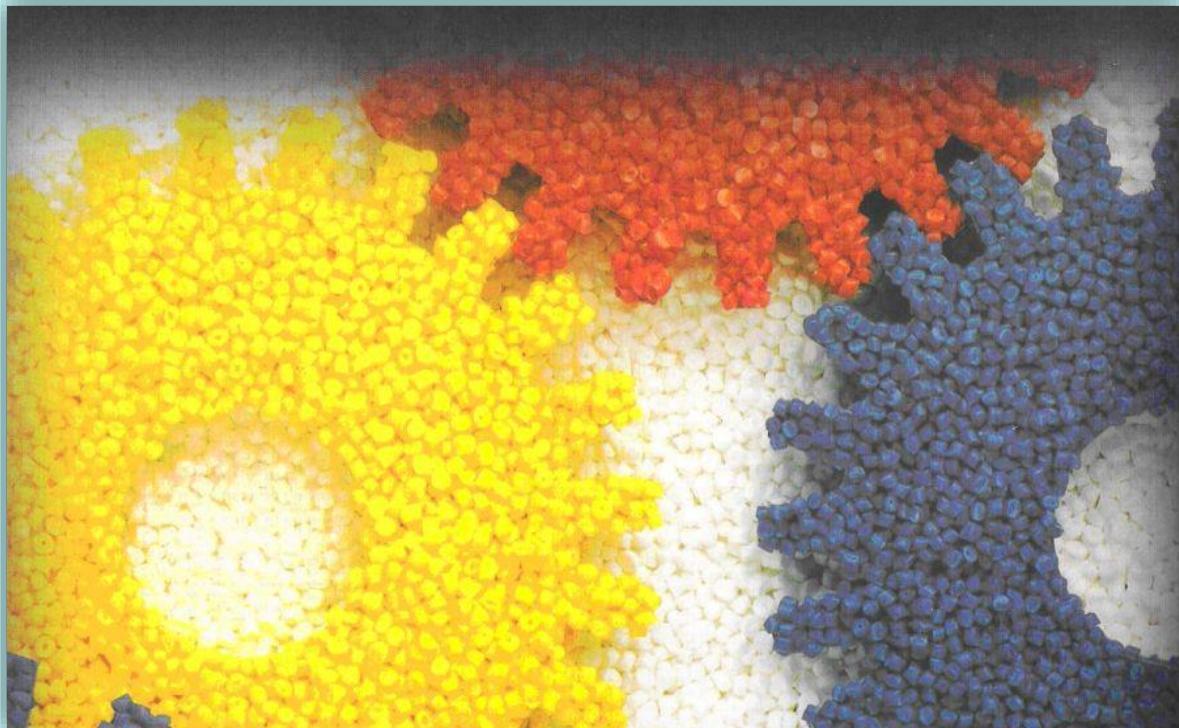
- SRF continues to maintain its market leadership in NTCF – with strong demand witnessed in Q3FY19
 - NTCF facility reached optimal production capacity
- The Board approved a proposal to install additional spinning and textile capacity at Manali and Gwalior at ~ ₹80 crore – to be incurred over the next three years

Belting Fabrics & Polyester Yarn

- Higher sales of value-added products contributed to healthy performance in both segments
- Reached full capacity utilization in Polyester Yarn
- Competition from Chinese imports adversely impacted performance in Belting Fabrics

Market Trends

- US-China trade war impacted the business negatively owing to Chinese dropping their prices
- Imports continue to shrink post imposition of Anti Dumping Duty on Polyester Industrial Yarn



Others

Others – Results Update

(Rs. Crore)	Segment Revenues	% Contribution to Revenues	EBIT	% EBIT Margins	% Contribution to EBIT
Q3 FY19	129.2	6.6%	12.05	9.3%	4.7%
Q3 FY18	114.0	8.2%	12.06	10.6%	5.4%
<i>% Shift</i>	<i>13.4%</i>		-0.1%		
9M FY19	396.7	7.1%	36.0	9.1%	4.5%
9M FY18	339.2	8.3%	33.9	10.0%	6.1%
<i>% Shift</i>	<i>17.0%</i>		6.4%		

Consolidated figures

Coated Fabrics & Laminated Fabrics

- In Coated Fabrics, SRF continues to maintain its domestic market leadership
- In Laminated Fabrics, the Company reported consistent sales in hot laminations in Q3FY19
 - Successfully commercialized two new products

Engineering Plastics

- Segment reported healthy performance during the quarter

Market Trends

- Severe supply overhang scenario continues in Laminated Fabrics segment



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

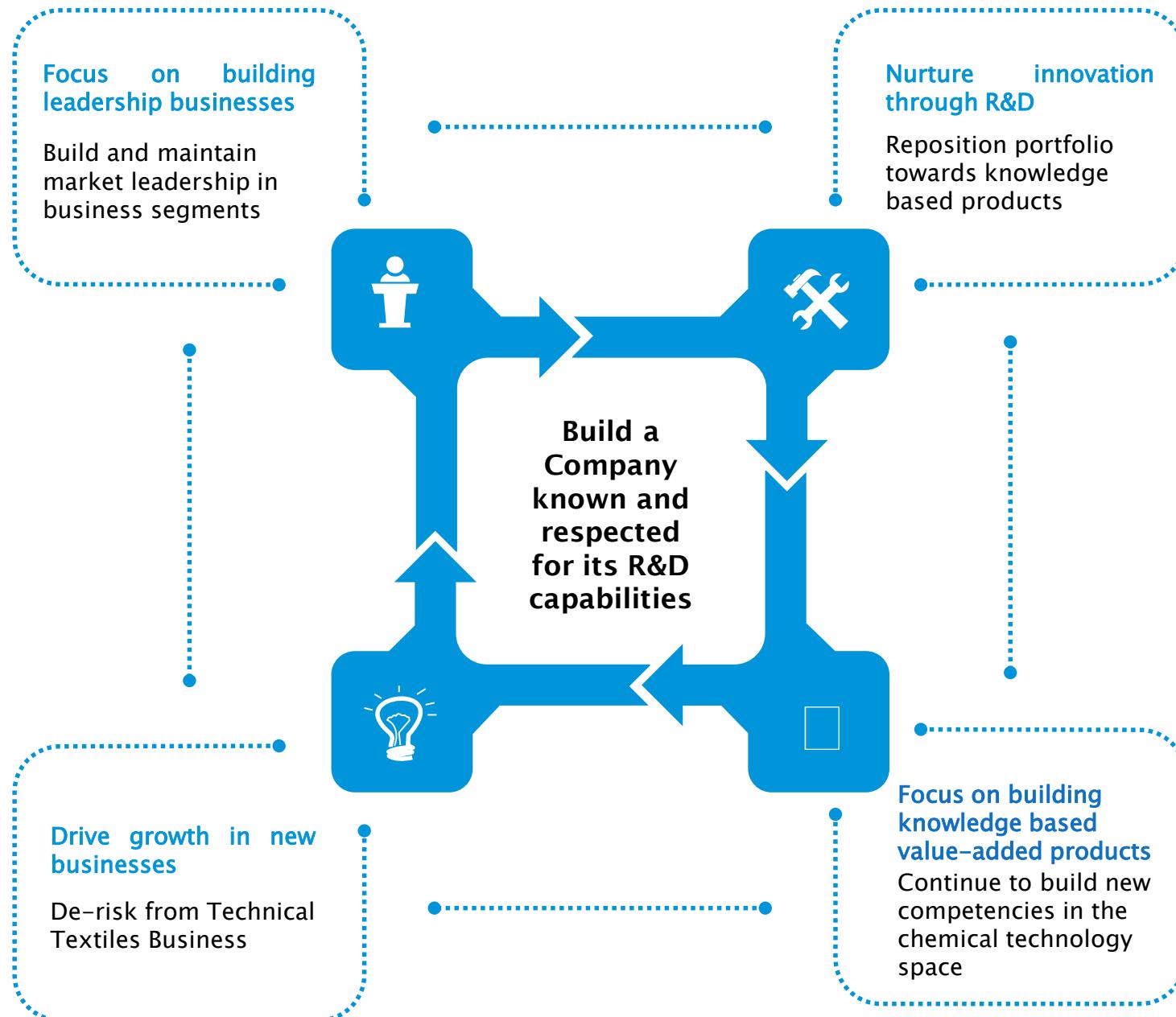
Engineering Plastics

- Polymer compounds

- Coated fabrics
- Laminated fabrics

Revenue	EBIT	No. of Plants
1,611	269	5
1,782	230	5
1,839	253	5
457	44	4

Overview Growth Levers





Outlook – Chemicals Business

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



Outlook – Packaging Films Business

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



Outlook – Technical Textiles Business

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



About Us

Established in 1970, SRF Limited with an annual turnover of ₹5,600 crore (US\$ 860 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 6,300 employees from different nationalities working across twelve manufacturing plants in India, two in Thailand and one in South Africa, the company exports to more than 75 countries. Equipped with State-of-the-Art R&D facilities, SRF has filed 155 patents for R&D and technology so far, of which 23 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.

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A wide-angle, aerial photograph of a massive industrial facility, likely a petrochemical or refinery plant, captured at dusk or night. The complex is densely packed with illuminated structures, including numerous storage tanks, processing units, and tall vertical towers. The lights from the facility create a vibrant glow against the darkening sky, and a road or path leads towards the foreground on the left.

Thank You