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Scrip Code- 503806

SRF/SEC/BSE/NSE

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

Scrip Code-SRF

05.11.2020

Dear Sir,

**Presentation- Earnings Call (Un-Audited Financial Results for the quarter and half year ended
30.09.2020)**

In continuation of our letter dated 02nd November, 2020 informing about hosting of earning call to discuss Un-Audited financial results for quarter and half year ended 30th September, 2020, 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

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SRF Limited

Q2 & H1 FY21 Results Presentation
November 5, 2020



Disclaimer

Certain statements in this document may be forward-looking. Such 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. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding COVID-19 and the effects of government and other measures seeking to contain its spread, risks related to an economic downturn in any of the countries where SRF Limited has its manufacturing and / or commercial footprint.

SRF Limited may, from time to time, make additional written and oral forward-looking statements, including our reports to shareholders. The company 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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Outlook

Snapshot

 **7,209** INR Cr Revenue

 **41%** Chemicals

 **36%** Packaging

 **19%** Technical Textiles

 **1,507** Cr EBIDTA

 Exports to **90+** Countries

 Operations in **4** Countries

 **916** Cr PAT

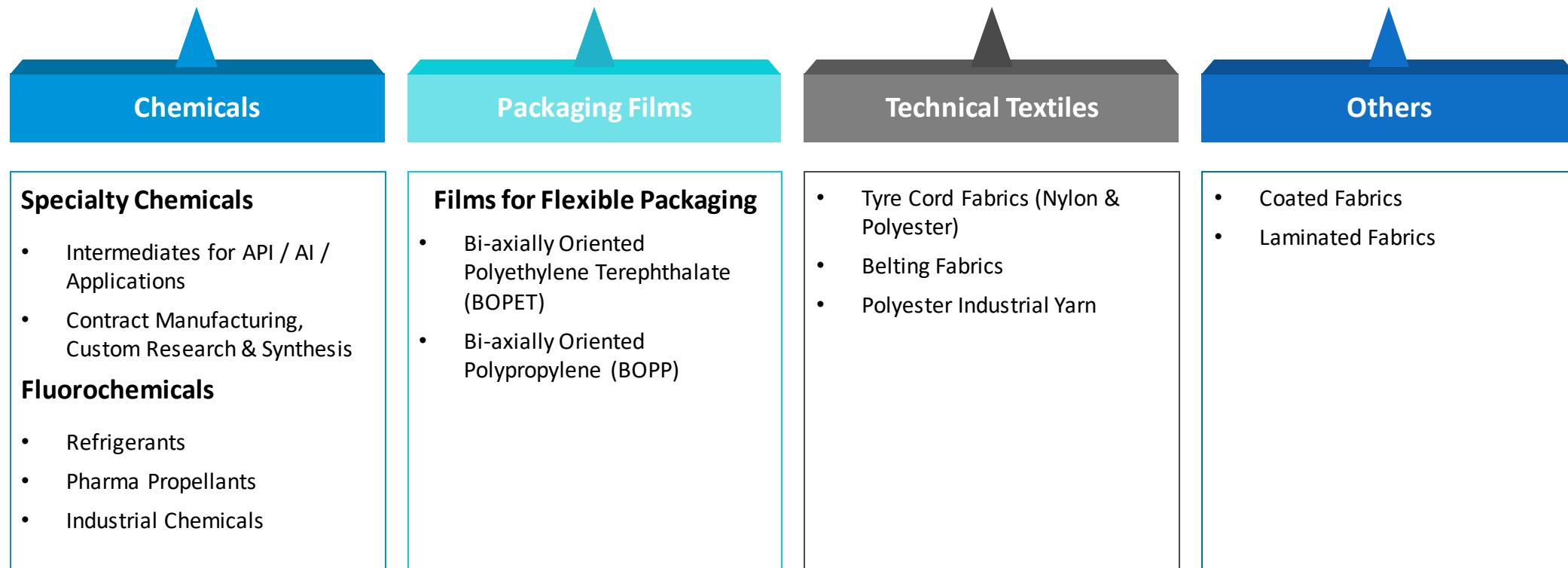
 **14** Manufacturing Plants

 **6,600+** Global Workforce



Overview - Business Profile

Revenue	2,975	2,603	1,353	278
EBIT	511	556	151	32
No of Plants	2	6	4	2



These numbers are based on FY20 results; pertaining to continuing operations only

Manufacturing Facilities

FLUOROCHEMICALS & SPECIALTY CHEMICALS

2 National Operations

1. Rajasthan, India - Bhiwadi
2. Gujarat, India - Dahej

TECHNICAL TEXTILES

4 National Operations

1. Madhya Pradesh, India - Malanpur, Bhind
2. Tamil Nadu, India - Manali
3. Gummidi poondi
4. Viralimalai

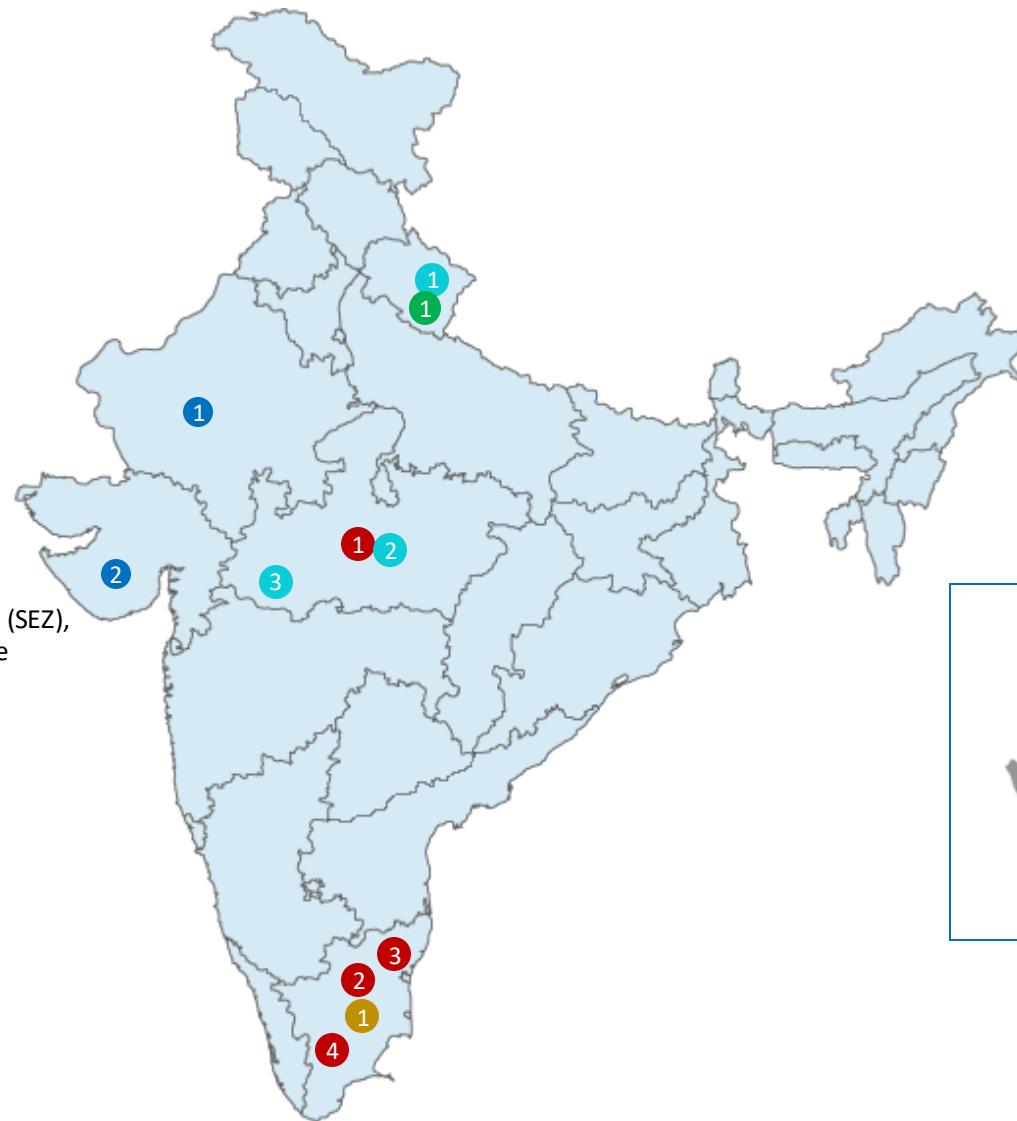
PACKAGING FILMS

3 National Operations

1. Uttarakhand, India- Kashipur
2. Madhya Pradesh, India - Special Economic Zone (SEZ), Pithampur, Indore - Bagdoon, Pithampur, Indore

3 International Operations

4. KwaZulu - Natal, South Africa
5. Rayong, Thailand
6. Jaszfenyszaru, Hungary



LAMINATED FABRICS

1 National Operation

1. Uttarakhand, India - Kashipur

COATED FABRICS

1 National Operation

1. Tamil Nadu, India - Gummidi poondi

International Operations



Market Leadership Across Businesses

Speciality Chemicals

- Established relationship with marquee customers
- Capability in scaling up pilot processes and creating value through operational excellence
- High levels of customer engagement backed by strong R&D, technical service, product and quality management under one roof
- Handling complex reactions - halogenation, ethylation, hydrogenation, nitration, diazotization, grignard, isomerization, amination, organocatalysis, and decarboxylation

Fluorochemicals

- Unique and fully integrated facilities extending across a wide range of refrigerants and industrial chemicals
- Domestic leadership in HFC's with strong trade distribution network; significant market share of Fluorochemicals in India with global scale operations
- One of the few global manufacturers for **Pharma grade 134a/P** - propellant in metered dose inhalers
- Among the top five global manufacturers for key Fluorochemicals products

Packaging Films

- Recognized for expertise in developing, manufacturing and marketing innovative, superior film products
- Flexible business model, strong and loyal customer relationships with tailored solutions; NPD Lab to ensure future readiness
- Highly efficient asset base offering value added products in close proximity to customer locations

Technical Textiles

- Domestic market leader in Tyre Cord manufacturing and Belting Fabrics
- 40% share in India's Nylon Tyre Cord market. 2nd largest player globally
- 3rd largest manufacturer of Conveyor Belting Fabrics in the world



**Q2 & H1 FY21
RESULTS OVERVIEW**

Abridged Results Overview - Consolidated

Consolidated figures

Particulars (Rs. Crore)	Q2 FY21	Q2 FY20	% Y-o-Y	H1 FY21	H1 FY20	% Y-o-Y
Gross Operating Revenue	2,100.8	1,737.8	20.9%	3,646.0	3,501.1	4.1%
EBITDA	591.8	357.2	65.7%	974.3	717.1	35.9%
<i>EBITDA Margin (%)</i>	28.2%	20.6%	-	26.7%	20.5%	-
Depreciation	114.0	92.9	22.7%	218.0	185.4	17.6%
Interest	36.1	55.0	-34.3%	79.3	106.5	-25.6%
ECF (Gain) / Loss	9.6	4.2	127.6%	18.7	(10.8)	-
Profit Before Tax	432.1	205.0	110.7%	658.2	436.0	51.0%
Profit After Tax	315.7	200.9	57.1%	492.6	376.3	30.9%
<i>Profit After Tax Margin (%)</i>	15.0%	11.6%	-	13.5%	10.7%	-
Diluted EPS (Rs.)	54.91	34.96	57.1%	85.68	65.46	30.9%

Figures pertaining to continuing operations only

Results Overview - Financial Overview

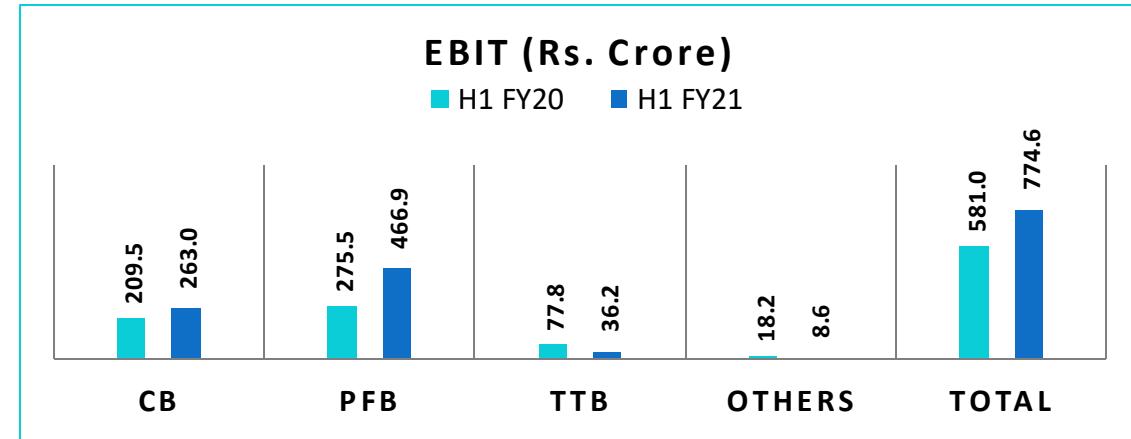
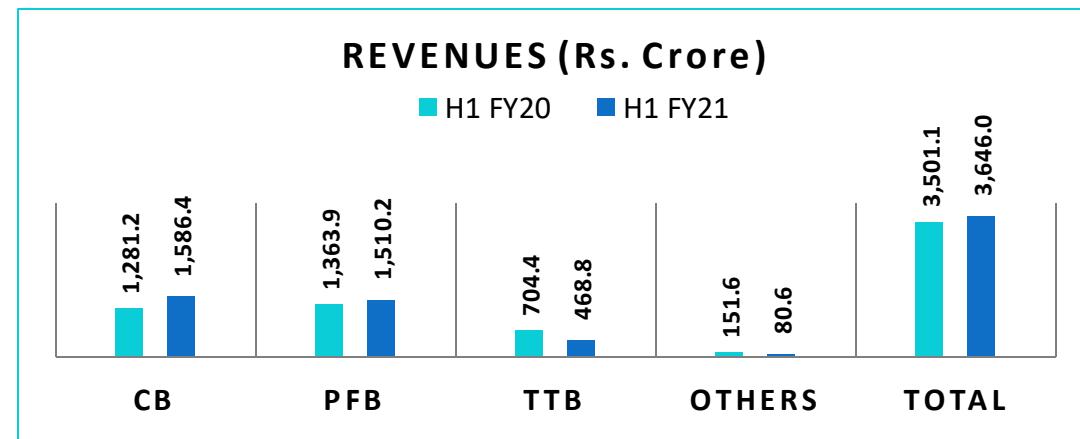
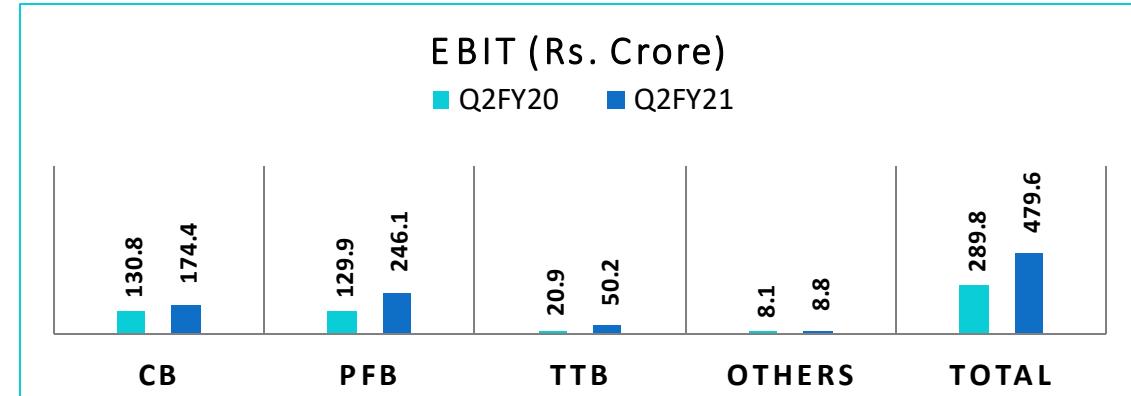
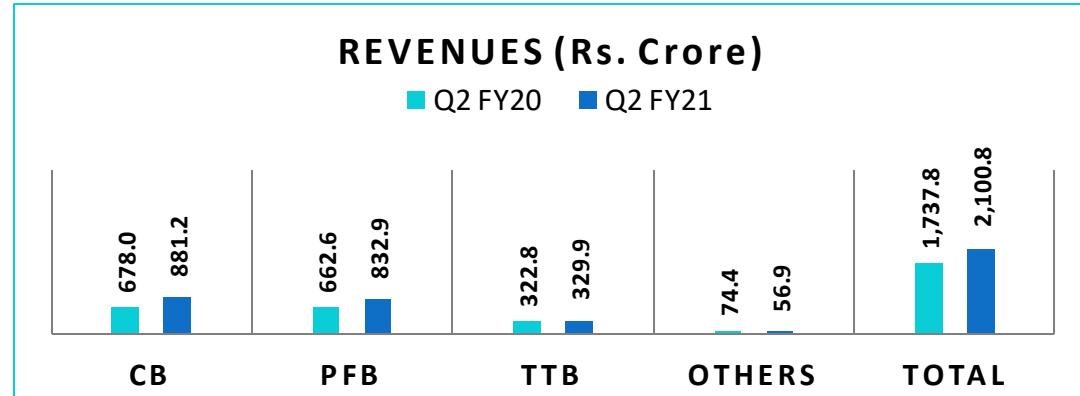
Consolidated figures

Key Financial Ratios

PARTICULARS	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
EBITDA Margin	17.59%	13.59%	20.43%	22.13%	21.42%	17.69%	19.00%	20.90%
PAT Margin	6.69%	4.04%	8.78%	9.51%	10.87%	8.38%	8.33%	12.70%
Net Debt to Equity	0.71	1.01	0.99	0.73	0.67	0.82	0.83	0.75
Net Debt to EBITDA	2.06	3.78	2.82	1.96	2.07	3.00	2.54	2.47
Asset Turnover	0.82	0.73	0.77	0.7	0.68	0.66	0.72	0.66
Debtors Turnover	7.44	5.81	7.43	8.79	7.21	8.1	6.90	8.09

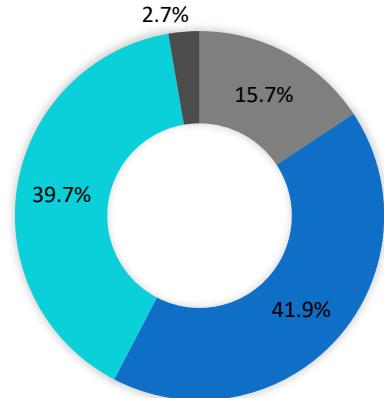
Results Overview - Revenue & EBIT

Consolidated figures

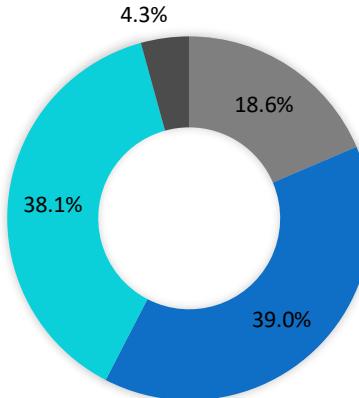


Results Overview - Revenue Share

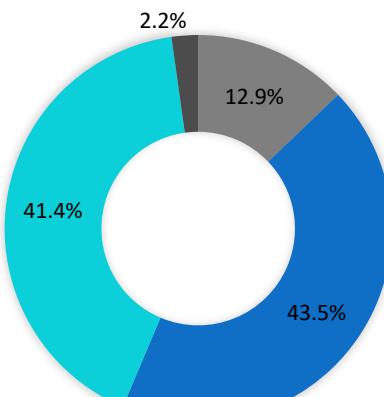
Q2 FY21



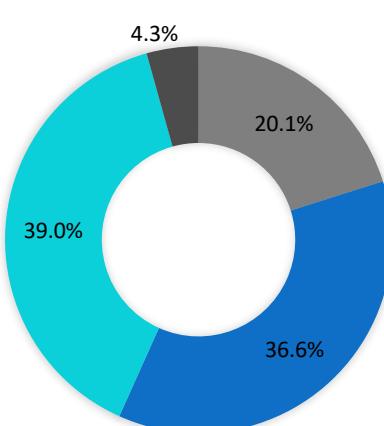
Q2 FY20



H1 FY21



H1 FY20



- CB
- PFB
- TTB
- Others

Q2 & H1 FY21 SEGMENTAL OVERVIEW



Chemicals



Packaging
Films



Technical
Textiles



Others



Chemicals Business



Chemicals Business - Results Update

Consolidated figures

PARTICULARS	Q2 FY21	Q2 FY20	% SHIFT	H1 FY21	H1 FY20	% SHIFT
Segment Revenues	881.2	678.0	30.0%	1586.4	1281.2	24%
<i>% Contribution to Revenues</i>	<i>41.9%</i>	<i>39.0%</i>		<i>43.5%</i>	<i>36.6%</i>	
EBIT	174.4	130.8	33.3%	263.0	209.5	26%
<i>% EBIT Margins</i>	<i>19.8%</i>	<i>19.3%</i>		<i>16.6%</i>	<i>16.4%</i>	
<i>% Contribution to EBIT</i>	<i>36.4%</i>	<i>45.2%</i>		<i>34.0%</i>	<i>36.1%</i>	

Chemicals Business

Specialty Chemicals Business

- Business registered a robust performance on account of:
 - Higher volumes of key products leading to enhancement in operating leverage
 - Consistent emphasis on process enhancement & optimum utilization of resources
- Continues to add new products in the Agro and Pharma segments; solidifying the customer base:
 - 1 new product launched in both the segments during the quarter
 - Focus on keeping the product funnel full
- New capex plans to increase the capacity of key products for future growth visibility:
 - The Board approved the setting up of a dedicated facility to produce 200 MT per year of P16 specialty product at Dahej, India at a cost of ~ Rs.17.5 crore

Market Trends

- India is emerging as an attractive destination for Chemicals manufacturing; several new players looking to tap into the market
- Growth outlook expected to remain healthy for the global agrochemicals industry in the near term

Chemicals Business



Chemicals Technology Group

- Chemicals Technology Group (CTG) is actively engaged in the development of new process technologies
- Key focus on 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
- 07 new process patents were granted in Q2FY21, taking the tally to 80 global patents to-date. Overall, the Company has applied for 294 patents

80
Global Patents
granted

294
Patents applied

Chemicals Business

Fluorochemicals Business

- The segment registered a muted performance during the quarter due to:
 - Weak demand for refrigerants from the automobile and air conditioning segment
 - Low prices of refrigerants globally
- The Board approved two projects related to future water security and set up of thermal oxidation facilities at the Chemical complex at Dahej:
 - These projects to be implemented over next three years are aimed at minimizing the environmental impact of the chemicals business and ensuring the future sustainability of Dahej site
- The Company is focused on developing new export markets, while strengthening existing key markets including U.S.

Market Trends

- Passenger vehicles production was low during the period under review. However, it is expected to pick up in the coming quarter
- AC market demand has been sluggish, and revival is expected in the ensuing quarters
- India initiated Anti Dumping probe concerning imports of HFC 32 & Blends from China

Packaging Films Business



Packaging
Films



Packaging Films Business - Results Update



Consolidated figures

PARTICULARS (Rs. Crore)	Q2 FY21	Q2 FY20	% SHIFT	H1 FY21	H1 FY20	% SHIFT
Segment Revenues	832.9	662.6	25.7%	1510.2	1363.9	10.7%
<i>% Contribution to Revenues</i>	<i>39.6%</i>	<i>38.1%</i>		<i>41.4%</i>	<i>39.0%</i>	
EBIT	246.1	129.9	89.5%	466.9	275.5	69.5%
<i>% EBIT Margins</i>	<i>29.6%</i>	<i>19.6%</i>		<i>30.9%</i>	<i>20.2%</i>	
<i>% Contribution to EBIT</i>	<i>51.3%</i>	<i>44.8%</i>		<i>60.3%</i>	<i>47.4%</i>	

Packaging Films Business

Key Highlights

- The Business performed exceedingly well in the quarter due to:
 - Healthy volumes and expanded margins which further led to an increase in operational performance of both BOPET & BOPP segments
 - Capacity ramp up of recently commissioned BOPET film line in Thailand
 - Continuous improvement in quality and delivery. Wider and deeper penetration with multinational customers
 - Focus on value-added products yielding results with robust growth registered during the quarter
- The Board approved the setting up of a second BOPP film line in India at a site in Indore at a cost of Rs. 424 crore, over a period of next 20 months

Market Trends

- Towards the end of Q2, markets witnessed a drop in demand as most converters held sizeable inventory
- Demand for hygienic packaging is expected to remain strong
- Industry margins expected to soften due to the start up of new lines leading to price correction in the market

Technical Textiles Business



Technical
Textiles



Technical Textiles Business - Results Update

Consolidated figures

PARTICULARS (Rs. Crore)	Q2 FY21	Q2 FY20	% SHIFT	H1 FY21	H1 FY20	% SHIFT
Segment Revenues	329.9	322.8	2.2%	468.8	704.4	-33.4%
<i>% Contribution to Revenues</i>	<i>15.7%</i>	<i>18.6%</i>		<i>12.9%</i>	<i>20.1%</i>	
EBIT	50.2	20.9	140.2%	36.2	77.8	-53.5%
<i>% EBIT Margins</i>	<i>15.2%</i>	<i>6.5%</i>		<i>7.7%</i>	<i>11.0%</i>	
<i>% Contribution to EBIT</i>	<i>10.5%</i>	<i>7.2%</i>		<i>4.7%</i>	<i>13.4%</i>	

Technical Textiles Business

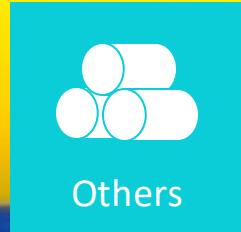
Key Highlights

- The segment delivered a healthy performance owing to:
 - Situation normalising in Q2 with most restrictions removed on operations
 - Higher volumes across all segments
- In Polyester Industrial Yarn, margins are under pressure due to Chinese absorbing the Anti Dumping Duty
- The business continues to improve on its operational excellence parameters

Market Trends

- Domestic tyre industry is witnessing fast recovery since unlock gained momentum
 - Also, increasing preference for domestic supplies in these uncertain times, led to a rapid decline in imports
- Farm tyres showing robust demand riding on good agricultural production & above average monsoon forecast

Others



Others - Results Update

Consolidated figures

PARTICULARS (Rs. Cr)	Q2 FY21	Q2 FY20	% SHIFT	H1 FY21	H1 FY20	% SHIFT
Segment Revenues	56.9	74.4	-23.6%	80.6	151.6	-46.9%
<i>% Contribution to Revenues</i>	<i>2.7%</i>	<i>4.3%</i>		<i>2.2%</i>	<i>4.3%</i>	
EBIT	8.8	8.1	9.2%	8.6	18.2	-53.0%
<i>% EBIT Margins</i>	<i>15.6%</i>	<i>10.9%</i>		<i>10.6%</i>	<i>12.0%</i>	
<i>% Contribution to EBIT</i>	<i>1.8%</i>	<i>2.8%</i>		<i>1.1%</i>	<i>3.1%</i>	

Others - Key Highlights



Coated Fabrics

- Continues to maintain its domestic market leadership
- Sharp decline in tarpaulin sales due to low movement of new vehicles and no outdoor gatherings / events



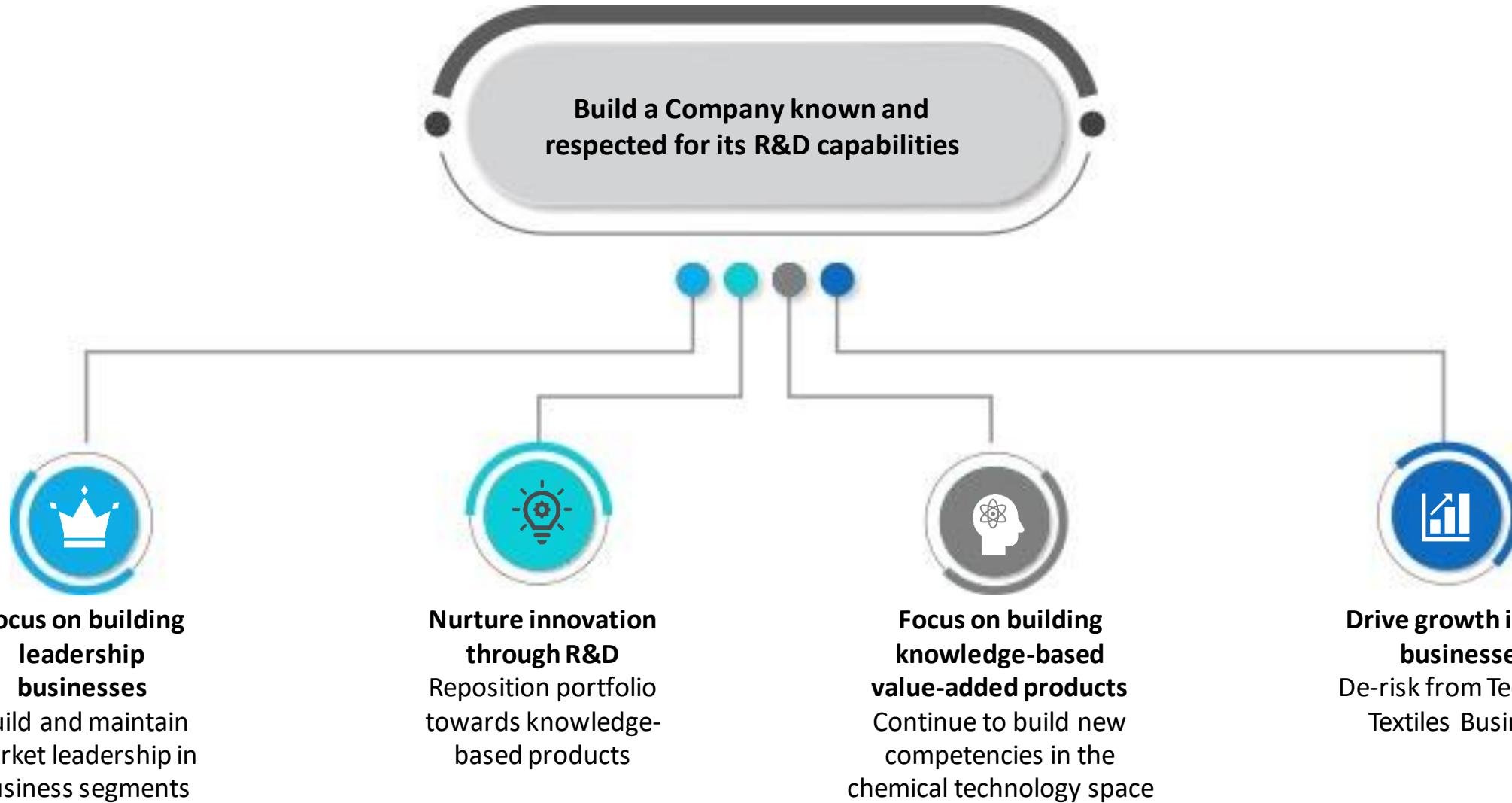
Laminated Fabrics

- SRF emerged as a domestic market leader both in terms of pricing and volumes
- Severe oversupply situation persists, leading to a pressure in margins; capacity 2.5 times more than demand



COMPANY OVERVIEW

Overview Growth Levers





OUTLOOK



Outlook - Chemicals Business



- Focus on expanding to new markets / geographies and product offerings
- Focus on ramping up sales from the newly commissioned HFC plants
- Margin expansion expected due to higher operating leverage
- Focus on moving up the value chain by accelerating qualifications of new molecules in both Agro and Pharmaceuticals sectors
- Continues to invest in new projects & expand capacities to meet the growing customer requirements
- Undertaking projects that are not only ROI accretive but also deliver the benefits of more complex chemicals and specialty products to our global customers

Outlook - Packaging Films Business



- Pressure on margins expected due to the start-up of new lines leading to price corrections
- The business will focus on sales ramp up from newly commissioned capacities in Thailand and Hungary. However in short term, there will be supply overhang in BOPET which can lead to softening of margins
- Focus on increasing pace of R&D efforts, sustainability initiatives, efficient cost structures, enhanced capabilities and value-added products

Outlook - Technical Textiles Business



- Post lockdown, there has been a faster than expected recovery in the Tyre market, leading to a full order book
- Capacities rationalization across various plants to assist higher operating leverage and cost optimization
- Other sub-segments of Technical Textiles Business expected to remain stable

Our Community Engagement



- SRF Foundation successfully conducted its pilot program in academics through a blended mode of Online and Offline classes, reaching more than 12,000 students in 140 Government schools across 7 states.
- In collaboration with Brillio Ltd., SRF Foundation distributed 65 tablet computers to students belonging to weaker sections in Bengaluru, India
- In collaboration with IndiGo, SRF Foundation initiated a pilot program in Indore, called the ‘Vigyaan Chaupal-Community Science Lab’ for students of class six and eight
- In collaboration with Atal Innovation Mission (AIM), NITI Aayog and Capgemini India, SRF Foundation is facilitating 100 Atal Tinkering Labs (ATLs) across 6 states

About Us

Established in 1970, SRF Limited with an annual turnover of Rs. 7,062 crore (US\$ 942 million) is a chemical based multi-business conglomerate engaged in the manufacturing of industrial and specialty intermediates. The company's diversified business portfolio covers Specialty Chemicals, Fluorochemicals, Packaging Films, Technical Textiles, Coated and Laminated Fabrics. Anchored by a strong workforce of close to 7,000 employees from different nationalities working across eleven manufacturing plants in India and one each in Thailand, South Africa and Hungary, the company exports to more than 75 countries. Equipped with State-of-the-Art R&D facilities, SRF has filed 294 patents for R&D and technology so far, of which eighty have been granted globally. 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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