



The BSE Limited
BSE's Corporate Relationship
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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

02.11.2018

Dear Sir,

**Presentation- Earnings Call- Unaudited Financial Results for the quarter and half year ended
30.09.2018**

In continuation of our letter dated 30th October, 2018 informing about hosting of earning call to discuss unaudited financial results for quarter and half year ended 30th September, 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

**EKTA MAHEHSWARI
CHIEF MANAGER-SECRETARIAL (COMPLIANCE OFFICER)**

Encl: As above

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SRF Limited

We always find a better way

November 02, 2018

Q2 & H1 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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**Q2 & H1 FY19
RESULTS
OVERVIEW**

Abridged Statement of Profit & Loss

| (Rs. crore) | Q2 FY19 | Q2 FY18 | % Y-o-Y | H1 FY 19 | H1 FY 18 | % Y-o-Y |
|------------------------------------|----------------|----------------|--------------|----------------|----------------|--------------|
| Gross Operating Revenue | 1,915.4 | 1,286.4 | 48.9% | 3,656.6 | 2,675.5 | 36.7% |
| EBIDTA | 347.3 | 218.8 | 58.7% | 677.5 | 436.9 | 55.1% |
| <i>EBIDTA Margin (%)</i> | <i>18.1%</i> | <i>17.0%</i> | | <i>18.5%</i> | <i>16.3%</i> | |
| Depreciation | 88.0 | 76.8 | 14.6% | 176.6 | 152.6 | 15.7% |
| Interest | 50.0 | 30.5 | 64.2% | 94.3 | 57.5 | 63.9% |
| ECF (Gain) / Loss | 17.9 | (7.4) | -341.9% | 33.1 | (18.8) | -276.1% |
| Profit Before Tax | 191.3 | 118.9 | 60.9% | 373.6 | 245.5 | 52.2% |
| Profit After Tax | 151.2 | 102.8 | 47.1% | 285.0 | 206.6 | 38.0% |
| <i>Profit After Tax Margin (%)</i> | <i>7.9%</i> | <i>8.0%</i> | | <i>7.8%</i> | <i>7.7%</i> | |
| Diluted EPS (Rs.) | 26.31 | 17.90 | | 49.62 | 35.98 | |

Consolidated figures

Key Financial Ratios

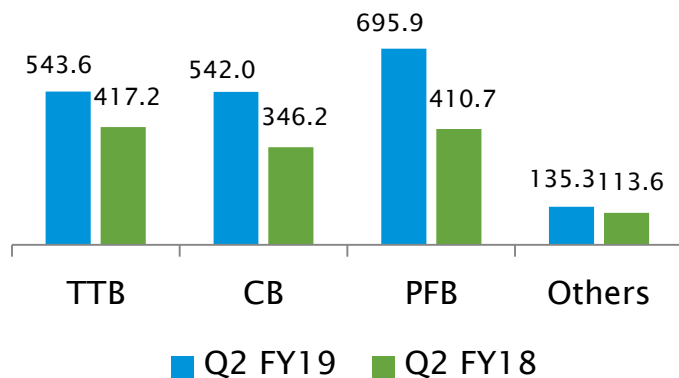
| Particulars | FY13 | FY14 | FY15 | FY16 | FY17 | FY18 |
|--------------------|--------|--------|--------|--------|--------|--------|
| EBITDA margin | 17.59% | 13.59% | 20.43% | 22.13% | 21.42% | 17.69% |
| PAT Margin | 6.69% | 4.04% | 8.78% | 9.51% | 10.87% | 8.38% |
| Net Debt to Equity | 0.71 | 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

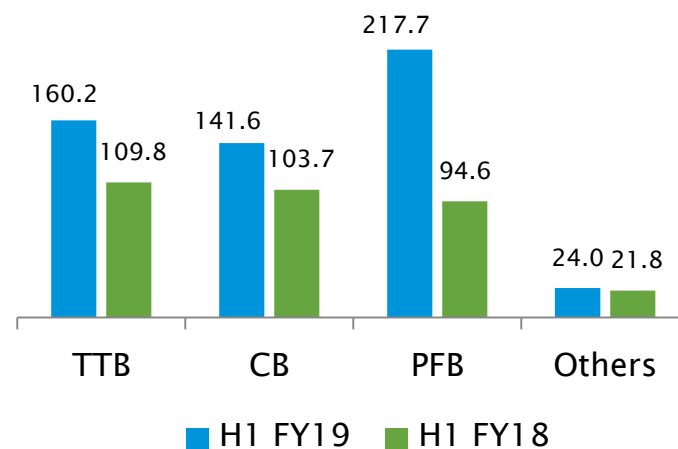
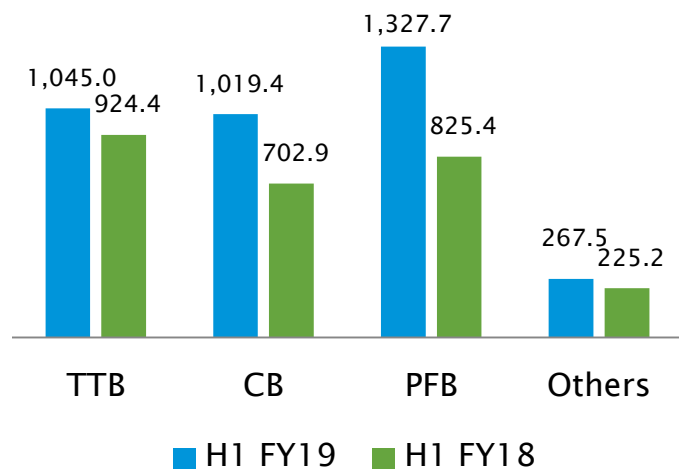
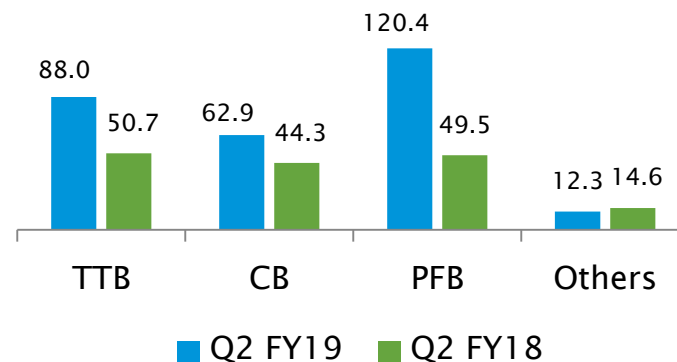
NOTE - FY16, FY17 & FY18 ratios are as per IndAS

Results Overview - Revenue & EBIT

Revenues (Rs. crore)



EBIT (Rs. crore)

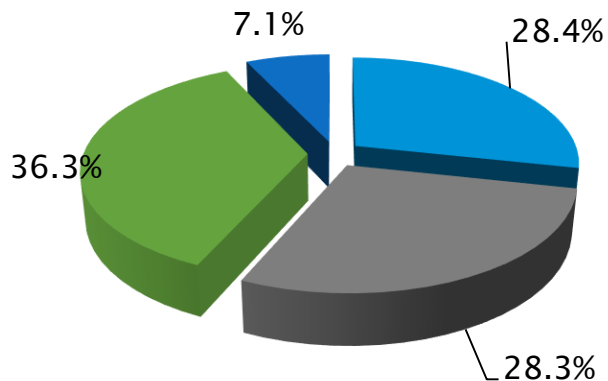


Consolidated figures

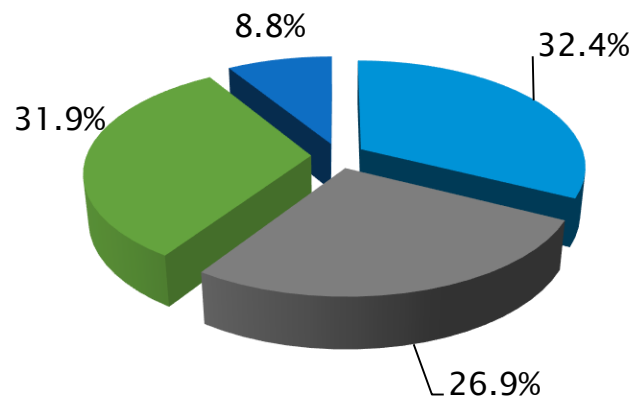
CB - Chemicals Business; PFB - Packaging Films Business; TTB - Technical Textiles Business; Others

Results Overview - Revenue Share

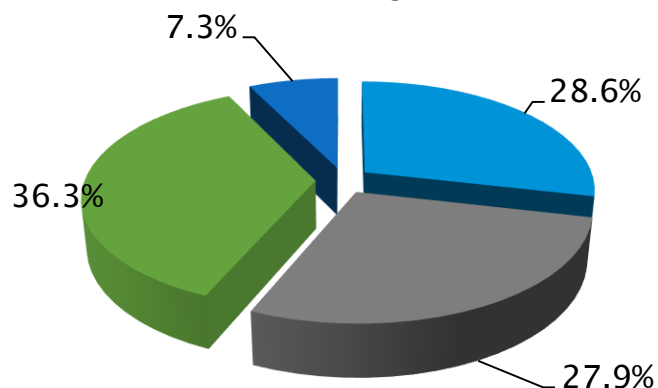
Q2 FY19



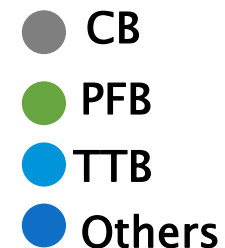
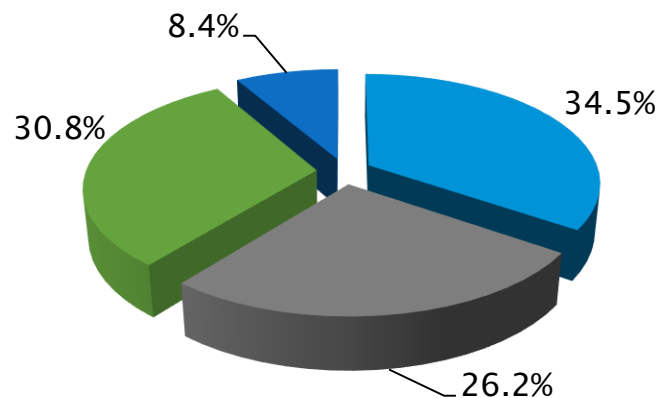
Q2 FY18



H1 FY19



H1 FY18





Chemicals

Packaging
Films

Technical
Textiles

Others

Q2&H1 FY19 SEGMENTAL OVERVIEW



Chemicals Business

| (Rs. Crore) | Segment Revenues | % Contribution to Revenues | EBIT | % EBIT Margins | % Contribution to EBIT |
|----------------|------------------|----------------------------|--------------|----------------|------------------------|
| Q2 FY19 | 542.0 | 28.3% | 62.9 | 11.6% | 22.2% |
| Q2 FY18 | 346.2 | 26.9% | 44.3 | 12.8% | 27.9% |
| <i>% Shift</i> | <i>56.5%</i> | | <i>42.0%</i> | | |
| H1 FY19 | 1,019.4 | 27.9% | 141.6 | 13.9% | 26.1% |
| H1 FY18 | 702.9 | 26.2% | 103.7 | 14.8% | 31.4% |
| <i>% Shift</i> | <i>45.0%</i> | | <i>36.5%</i> | | |

Consolidated figures

Fluorochemicals Business

- Segment reported healthy performance on account of increased penetration in the domestic markets and registered higher export volumes
 - SRF's share in the Domestic Air-Conditioners market witnessed uptick in Q2 FY19
 - Domestic passenger vehicles segment witnessed stable demand during the quarter
- Widest range of refrigerants in its portfolio
- Launched 'Supertron Air Pure' brand in the domestic market – product can be utilized in both car and split ACs
- Chloromethanes plant at Dahej continues to deliver superior performance since its commissioning in December 2017

Specialty Chemicals Business

- Agro-Chemical segment on a path to revival- anticipate recovery in H2 FY19
- Focus continues to be on increasing the portfolio for both Agro and Pharma offerings and new customers added in existing and newer geographies
- Established new specialty chemical facilities at Dahej – trial runs currently underway
 - The Company expects new units to contribute notably in H2 FY19
- Indian Chemical Council granted Responsible Care logo to Bhiwadi & Dahej sites for 3 years

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 4 process patents in Q2FY19 taking the tally to 149 patents of which 21 have been granted till date





Packaging Films Business

| (Rs. Crore) | Segment Revenues | % Contribution to Revenues | EBIT | % EBIT Margins | % Contribution to EBIT |
|-------------|------------------|----------------------------|--------|----------------|------------------------|
| Q2 FY19 | 695.9 | 36.3% | 120.4 | 17.3% | 42.4% |
| Q2 FY18 | 410.7 | 31.9% | 49.5 | 12.1% | 31.1% |
| % Shift | 69.5% | | 143.1% | | |
| H1 FY19 | 1,327.7 | 36.3% | 217.7 | 16.4% | 40.1% |
| H1 FY18 | 825.4 | 30.8% | 94.6 | 11.5% | 28.7% |
| % Shift | 60.8% | | 130.3% | | |

Consolidated figures

Packaging Films Business

- The Company reported healthy performance on account of robust contribution
 - BOPET segment witnessed healthy margins
 - In the BOPP segment supply overhang continues; margins dropped across all markets
- Improved profitability of the Business by further optimization of product–market mix
 - Increase in total VAP sales adding to growth
 - Expanding direct sales to corporates and FMCG companies
 - Healthy exports to Europe & South East Asia and uptick in sales to South America
- SEZ received the “Sword of Honour” and 5 Star rating for OHS from British Safety Council. A first–of–its–kind in the Indian Packaging Films industry
- Indore unit won an award for ‘Cost Optimization’ at Aditya Birla PSP Convention for 4th consecutive year
- Hungary and Thailand projects progressing as per schedule



Technical Textiles Business

| (Rs. Crore) | Segment Revenues | % Contribution to Revenues | EBIT | % EBIT Margins | % Contribution to EBIT |
|-------------|------------------|----------------------------|-------|----------------|------------------------|
| Q2 FY19 | 543.6 | 28.4% | 88.0 | 16.2% | 31.0% |
| Q2 FY18 | 417.2 | 32.4% | 50.7 | 12.2% | 31.9% |
| % Shift | 30.3% | | 73.7% | | |
| H1 FY19 | 1,045.0 | 28.6% | 160.2 | 15.3% | 29.5% |
| H1 FY18 | 924.4 | 34.5% | 109.8 | 11.9% | 33.3% |
| | 13.0% | | 45.9% | | |

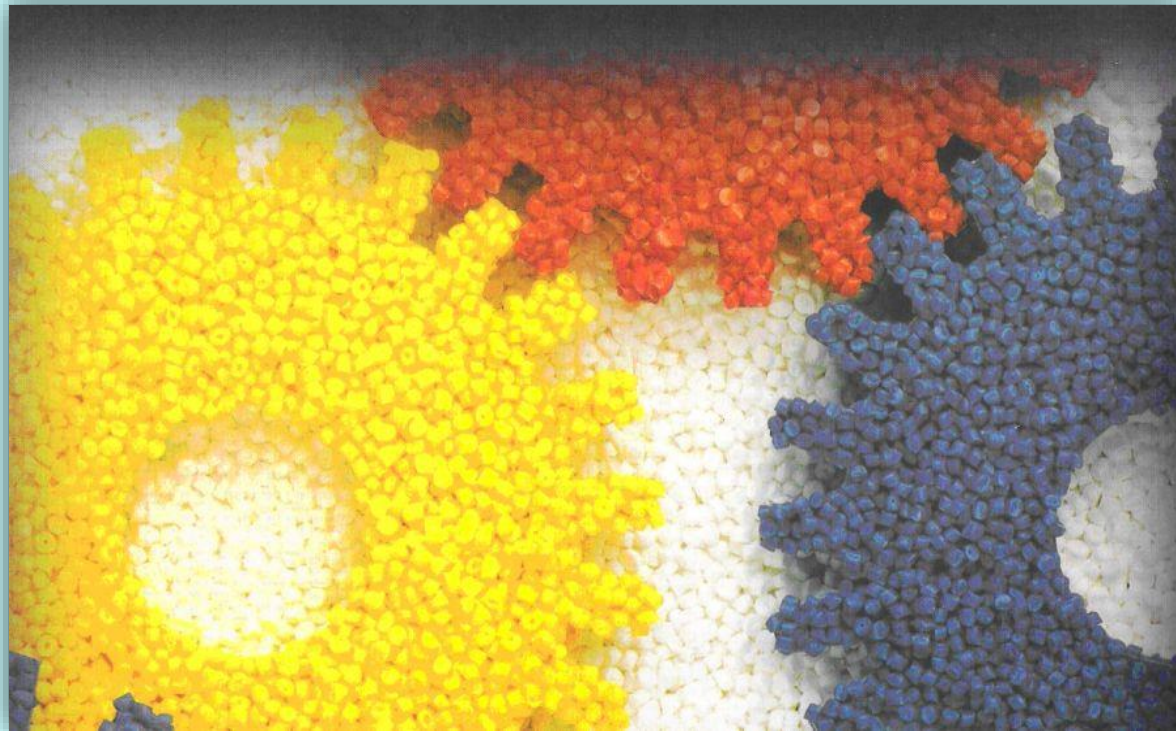
Consolidated figures

Tyre Cord Fabric (TCF)

- Overall focus continues to be on ramping up volumes, enhancing efficiencies in sourcing and consumption of resources
- SRF continues to maintain its market leadership in NTCF – witnessed higher pre-monsoon & monsoon demand
 - Strong market pull in bias tyres
- In addition, lower imports witnessed on account of high Customs Duty aided domestic volume growth

Belting Fabrics & Polyester Yarn

- The Business posted healthy performance in the Belting Fabrics & Polyester Yarn segments
- In Belting Fabrics, competition from Chinese imports impacted realizations. SRF registered better domestic volumes with growth from Tier 2 markets
 - Focus on higher sales of Value Added Products backed by strong R&D DNA



Others

| (Rs. Crore) | Segment Revenues | % Contribution to Revenues | EBIT | % EBIT Margins | % Contribution to EBIT |
|----------------|------------------|----------------------------|--------|----------------|------------------------|
| Q2 FY19 | 135.3 | 7.1% | 12.3 | 9.1% | 4.3% |
| Q2 FY18 | 113.6 | 8.8% | 14.6 | 12.8% | 9.2% |
| <i>% Shift</i> | 19.1% | | -15.6% | | |
| H1 FY19 | 267.5 | 7.3% | 24.0 | 9.0% | 4.4% |
| H1 FY18 | 225.2 | 8.4% | 21.8 | 9.7% | 6.6% |
| | 18.8% | | 10.0% | | |

Consolidated figures

Coated Fabrics & Laminated Fabrics

- In Coated Fabrics, SRF continues to maintain its domestic market leadership
- Introduction of new products: Supplied mesh fabric for application in solar power plant
- Laminated Fabrics segment witnessed over supply situation. In addition, increasing raw material costs impacted overall performance

Engineering Plastics

- Segment reported healthy performance during the quarter under review
- Minor slump witnessed in the automotive industry while the electrical industry is showing uptrend in performance



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

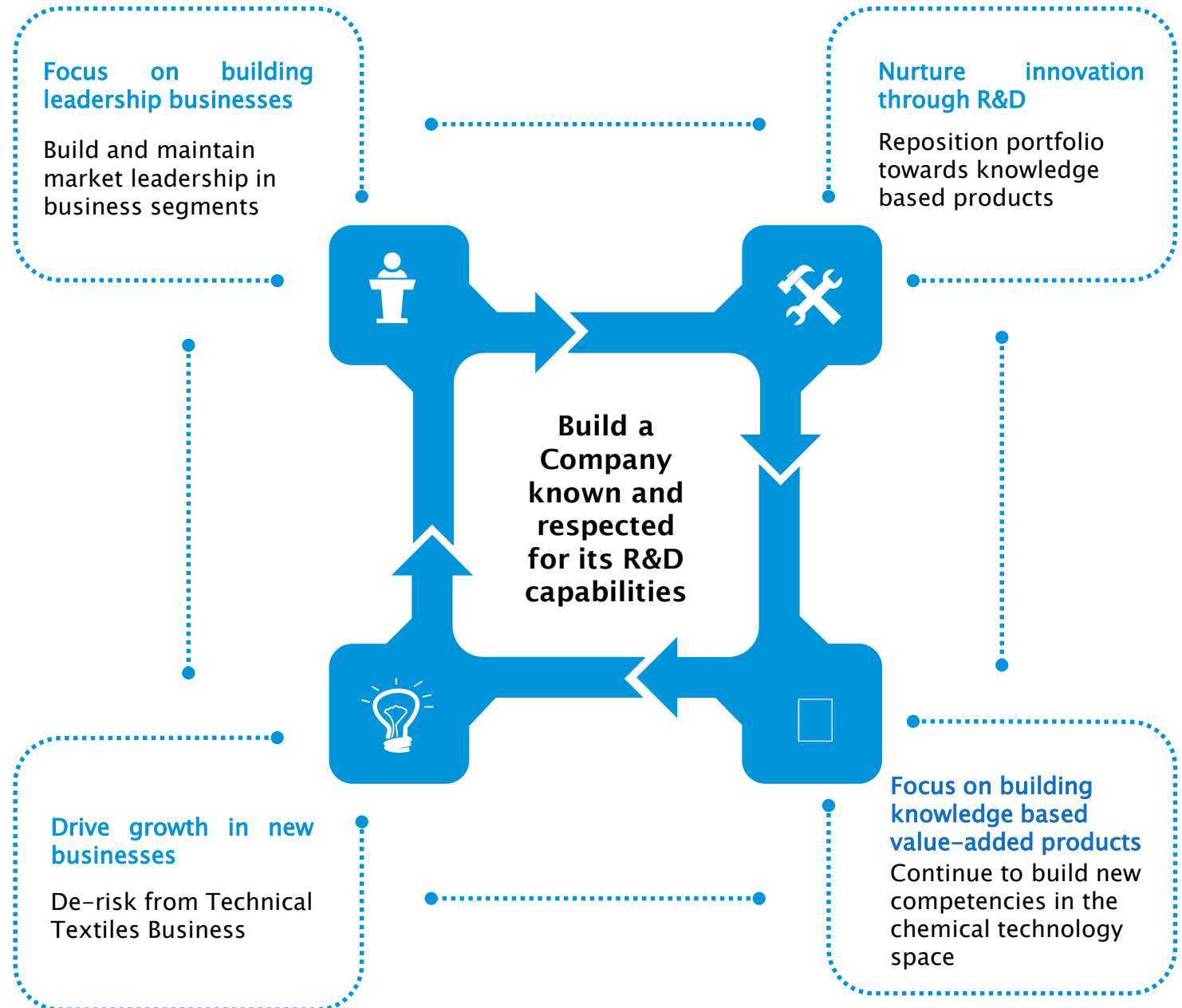
Engineering Plastics

- Polymer compounds

- Coated fabrics
- Laminated fabrics

| Revenue | EBIT | No. of Plants |
|---------|------|---------------|
| 1,611 | 269 | 2 |
| 1,782 | 230 | 5 |
| 1839 | 253 | 5 |
| 457 | 44 | 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 ₹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 149 patents for R&D and technology so far, of which 21 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