



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

5th June, 2020

Dear Sir,

Presentation- Earnings Call (Audited Financial Results for the quarter and year ended 31.03.2020)

In continuation of our letter dated 01st June, 2020 informing about hosting of earning call to discuss audited financial results for quarter and year ended 31st March, 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

We always find a better way

June 05, 2020

Q4 & FY20
Results Presentation

L2 : SRF-Internal

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 & FY20 RESULTS OVERVIEW

Abridged Results Overview

Consolidated figures

Particulars (Rs. Crore)	Q4 FY20	Q4 FY19	% Y-o-Y	FY20	FY19	% Y-o-Y
Gross Operating Revenue	1,857.8	1,937.0	-4.1%	7,209.4	7,099.6	1.5%
EBIDTA	394.7	390.1	1.2%	1,507.5	1,348.9	11.8%
<i>EBIDTA Margin (%)</i>	<i>21.2%</i>	<i>20.1%</i>		<i>20.9%</i>	<i>19.0%</i>	
Depreciation	101.4	94.9	6.8%	388.6	358.2	8.5%
Interest	46.6	52.4	-11.0%	200.7	198.4	1.2%
ECF (Gain) / Loss	27.1	1.6	1551.6%	3.5	23.9	-85.3%
Profit Before Tax from Continuing Operations	219.6	241.2	-8.9%	914.7	768.4	19.0%
Profit After Tax from Continuing Operations	194.2	179.3	8.3%	915.9	591.6	54.8%
<i>Profit After Tax Margin (%)</i>	<i>10.5%</i>	<i>9.3%</i>		<i>12.7%</i>	<i>8.3%</i>	
Diluted EPS (Rs.)	33.78	31.19		159.34	102.95	

Note: The results mentioned above;

i) Include one time credit of Rs. 136.11 Crore on account of re-measurement of deferred tax balances during the year

ii) Exclude discontinued business operations numbers

Key Financial Ratios

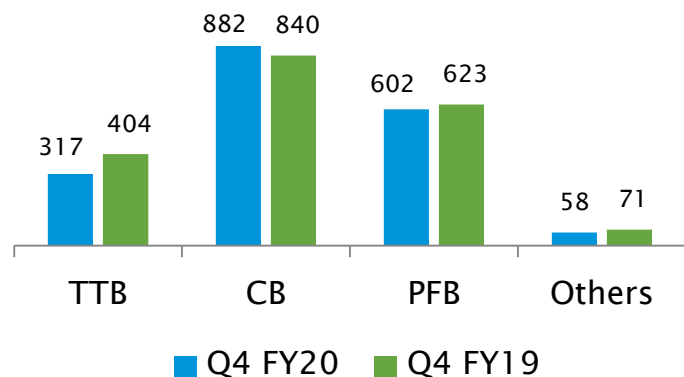
Particulars	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
EBITDA Margin	17.59%	13.59%	20.43%	22.13%	21.42%	17.69%	19.00%	20.9%
PAT Margin	6.69%	4.04%	8.78%	9.51%	10.87%	8.38%	8.33%	12.7%
Net Debt to Equity	0.71	1.01	0.99	0.73	0.67	0.82	0.83	0.75
Net Debt to EBITDA	2.06	3.78	2.82	1.96	2.07	3.00	2.54	2.47
Asset Turnover	0.82	0.73	0.77	0.70	0.68	0.66	0.72	0.66
Debtors Turnover	7.44	5.81	7.43	8.79	7.21	8.10	6.90	8.09

Consolidated figures

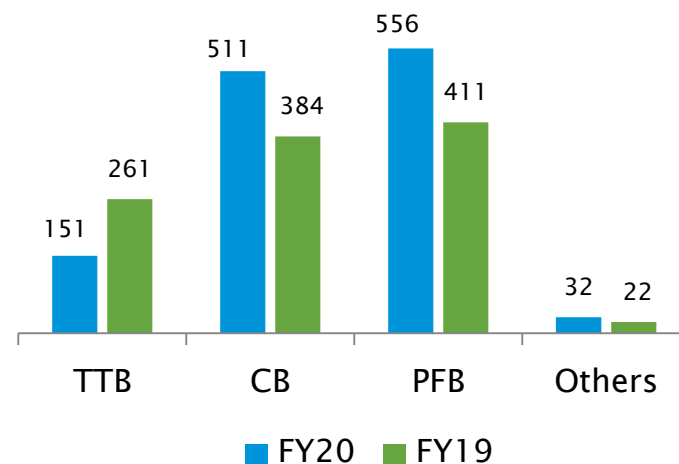
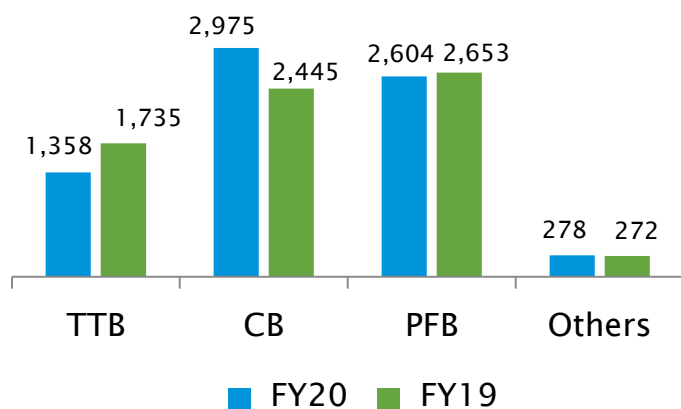
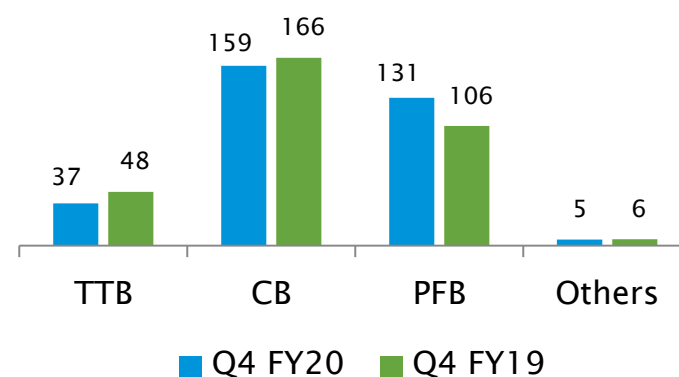
NOTE - FY16, FY17, FY18, FY19 & FY20 ratios are as per IndAS

Results Overview - Revenue & EBIT

Revenues (Rs. Crore)



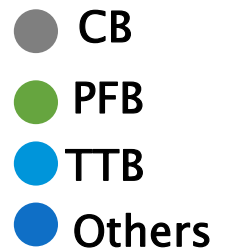
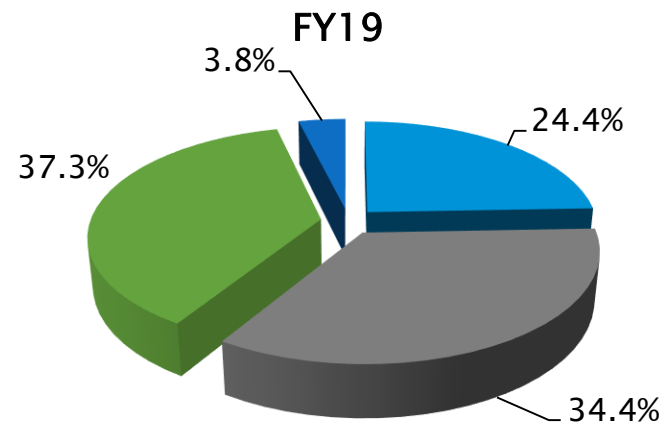
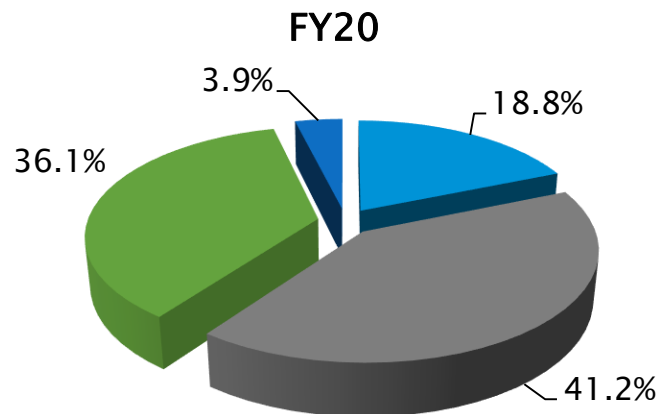
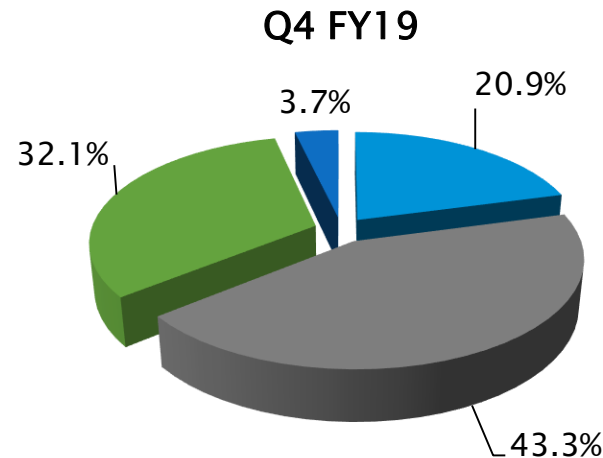
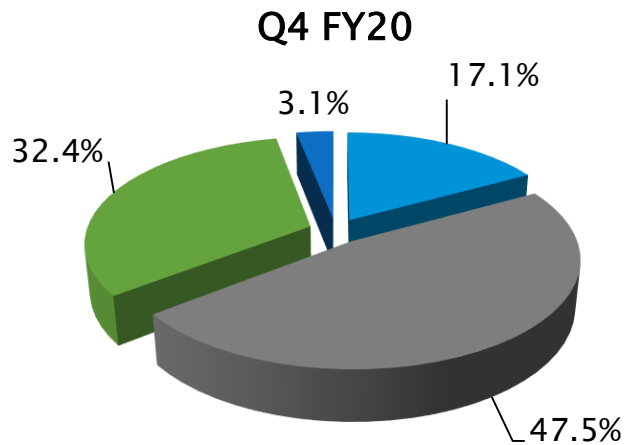
EBIT (Rs. Crore)



Consolidated figures

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

Results Overview - Revenue Share



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

LL – SRF Internal

Chemicals

Packaging
Films

Technical
Textiles

Others

Q4 & FY20 SEGMENTAL OVERVIEW



Chemicals Business

Chemicals Business – Results Update

(Rs. Crore)	Segment Revenues	% Contribution to Revenues	EBIT	% EBIT Margins	% Contribution to EBIT
Q4 FY20	881.9	47.5%	158.9	18.0%	47.8%
Q4 FY19	840.0	43.3%	166.0	19.8%	51.1%
<i>% Shift</i>	5.0%		-4.3%		
FY20	2,975.0	41.2%	511.5	17.2%	40.9%
FY19	2,445.4	34.4%	384.3	15.7%	35.6%
<i>% Shift</i>	21.7%		33.1%		

Consolidated figures

Specialty Chemicals Business

- The segment delivered a healthy performance owing to:
 - Improved demand from both Agro and Pharma customers
 - Better utilization of enhanced capacities
 - The Company continues to focus on keeping the product funnel full

COVID-19 Impact:

- Despite negative impact of COVID-19, the business was able to perform well and recorded its highest ever sales to-date

Market Trends

- Pharma segment continues to exhibit stable growth
- LATAM markets are showing signs of demand recovery
- Focus on India as a Specialty Chemical manufacturer, finding traction

Fluorochemicals Business

- The segment experienced pressure on margins due to:
 - Slowdown in the Auto sector
 - Drop in global prices of refrigerants
- Chloromethanes capacity is fully utilized for both external sales and backward integration
- The Company is focused on developing new export markets, while strengthening existing key markets including U.S.
 - Deeper penetration of refrigerants by working closely with key retailers

COVID-19 Impact:

- Overall domestic refrigerants market demand remained weak
- OEM market adversely impacted at least in the short term

Market Trends

- Indian Auto sector facing headwinds owing to a challenging macro environment

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

10 new process patents were granted in Q4FY20, taking the tally to 70 global patents to-date. Total 15 Patent applications were filed in Q4FY20 and overall the Company has applied for 205 patents





Packaging Films Business

Packaging Films Business – Results Update

(Rs. Crore)	Segment Revenues	% Contribution to Revenues	EBIT	% EBIT Margins	% Contribution to EBIT
Q4 FY20	601.5	32.4%	130.7	21.7%	39.4%
Q4 FY19	623.1	32.1%	105.7	17.0%	32.5%
<i>% Shift</i>	-3.5%		23.7%		
FY20	2,604.0	36.1%	555.6	21.3%	44.4%
FY19	2,653.3	37.3%	411.5	15.5%	38.1%
<i>% Shift</i>	-1.9%		35.0%		

Consolidated figures

Packaging Films Business

- The segment delivered encouraging performance due to:
 - Continued focus on volume growth, product mix and various sustainability initiatives
 - Contribution from Value Added Products continues to grow
 - Better margins due to product mix and demand & supply scenario
 - Thailand BOPET line commercialized in May 2020

COVID-19 Impact:

- All PFB plants were operating with minimal manpower and complete safety protocols in line with regulators' guidelines
- Machine erection at Hungary site delayed

Market Trends

- Start-up of some new BOPET lines expected during FY 21



Technical Textiles Business

Technical Textiles Business – Results Update

(Rs. Crore)	Segment Revenues	% Contribution to Revenues	EBIT	% EBIT Margins	% Contribution to EBIT
Q4 FY20	316.8	17.1%	37.2	11.7%	11.2%
Q4 FY19	404.2	20.9%	47.5	11.8%	14.6%
<i>% Shift</i>	-21.6%		-21.7%		
FY20	1,357.6	18.8%	151.5	11.2%	12.1%
FY19	1,734.9	24.4%	261.5	15.1%	24.2%
<i>% Shift</i>	-21.7%		-42.1%		

Consolidated figures

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

Tyre Cord Fabric, Belting Fabric & Polyester Industrial Yarn

- Performance of the Tyre Cord Fabric segment remained under severe pressure due to :
 - A slump in the auto sector
 - A challenging macro economic environment
- Repeat orders from Belting Fabric customers in US for new products developed by inhouse R&D
- The business continues to improve on its operational excellence parameters

COVID-19 Impact:

- Plant operations were disrupted due to the lockdown announced by the GOI in March 2020

Market Trends

- Auto & Infra sector are going through a prolonged downward trend; replacement market kicking in



Others

(Rs. Crore)	Segment Revenues	% Contribution to Revenues	EBIT	% EBIT Margins	% Contribution to EBIT
Q4 FY20	57.7	3.1%	5.28	9.1%	1.6%
Q4 FY19	70.9	3.7%	5.71	8.1%	1.8%
<i>% Shift</i>	-18.6%		-7.5%		
FY20	278.3	3.9%	31.8	11.4%	2.5%
FY19	271.6	3.8%	21.8	8.0%	2.0%
<i>% Shift</i>	2.5%		45.6%		

Consolidated figures

Coated Fabrics

- SRF maintains its leadership position in the Coated Fabrics business
- Performance in the Coated Fabrics segment was broadly in line with the expectations
 - Low movement of new vehicles impacted tarpaulin sales

Laminated Fabrics

- Severe oversupply situation persists, leading to pressure on margins
- Due to a ban on the usage of Flex by various State Governments, SRF has developed an alternate acrylic based fabric, which is environment friendly



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

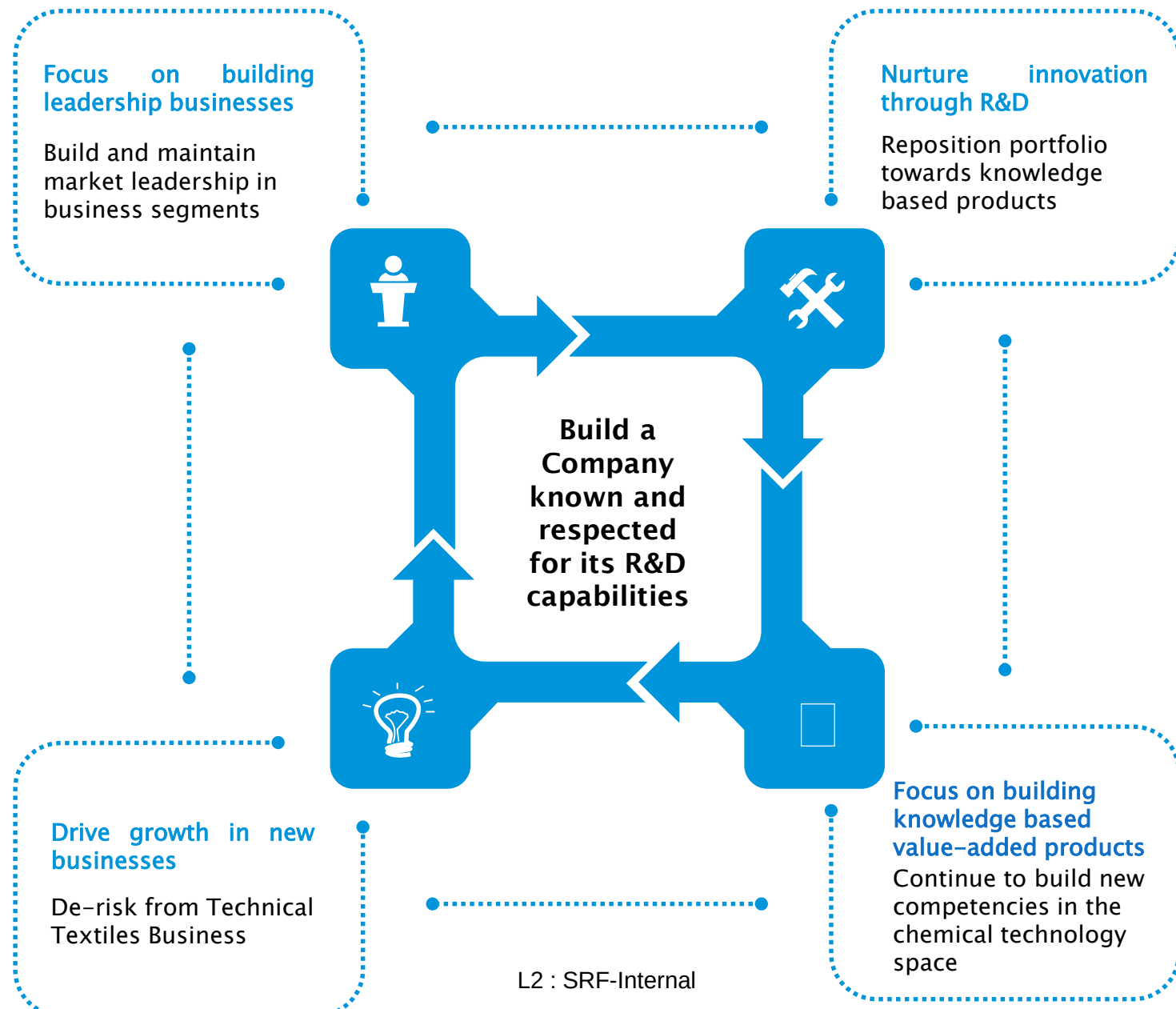
- Tyre cord fabrics (nylon & polyester)
- Industrial yarns
- Belting fabrics
(TTBR – Thailand closure announced in Sep 2019)

Other

- Engineering Plastics
(Divested in Aug 2019)
- Coated fabrics
- Laminated fabrics

Revenue	EBIT	No. of Plants
2,975	511	2
2,604	556	5
1358	151	4
278	32	2

Overview Growth Levers





OUTLOOK

Focus on expanding to new markets / geographies and product offerings

Focus on ramping up sales from recently commissioned HFC plants; H2 FY 20 likely to have strong market pull

Margin expansion expected due to higher operating leverage

Focus on moving up the value chain through accelerating qualifications for new molecules in both Agro and Pharmaceutical sectors

Investments in new projects & capacities provide strong medium term outlook



Overall the global packaging films industry is witnessing improvement in capacity utilization; hygienic packaging requirements post COVID-19 may lead to high demand

Commissioned a BOPET film line of 40,000 TPA at Thailand in May 2020 at an approximate cost of USD 51 million. Focus on product approvals and full utilization. Incremental capacities in BOPET may result in lower margins

BOPET line at Hungary is expected to be commissioned in July 2020

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



Due to COVID-19, the demand for NTCF continues to remain under pressure as tyre sales are weak

Replacement demand likely to kick in towards end of Q2 FY 20

Capacities rationalization across various plants to assist higher operating leverage and cost optimization

Other sub segments of Technical Textiles to remain stable



Established in 1970, SRF Limited with an annual turnover of ₹7,062 crore (US\$ 942 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 close to 7,000 employees from different nationalities working across eleven manufacturing plants in India, one each in Thailand and 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 205 patents for R&D and technology so far, of which 70 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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Thank You