



SRF Limited

Q2 & H1FY15 Results Presentation

October 2014

Diversity. Innovation. Performance



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.

Contents

A decorative graphic on the left side of the slide consisting of several concentric circles. The outermost circle is a thick blue ring, followed by a thinner grey ring, and then a white center. A grey arc extends from the center of these circles, passing through the four content boxes.

Q2 & H1FY15 Results Overview

Q2 & H1FY15 Segmental Performance

Company Overview

Outlook



Q2 & H1FY15 Results Overview

Abridged Statement of Profit & Loss

(Rs. crore)	Q2 FY15	Q2 FY14	% Y-o-Y Growth	H1 FY15	H1 FY14	% Y-o-Y Growth
Net Operating Revenue	928.17	843.89	10%	1870.26	1668.80	12%
EBIT	139.31	90.88	53%	291.27	178.89	63%
EBIT Margin (%)	15.00%	10.77%		15.57%	10.72%	
Depreciation	52.15	47.97	9%	101.26	96.36	5%
Interest	27.33	22.60	21%	50.73	42.87	18%
Profit Before Tax	109.18	61.74	77%	237.62	113.10	110%
Profit After Tax	76.85	47.77	61%	176.32	91.58	93%
Profit After Tax Margin (%)	8.28%	5.66%		9.43%	5.49%	
Diluted EPS (Rs.)	13.38	8.32	61%	30.71	15.95	93%

Standalone

Abridged Balance Sheet

(Rs. crore)	As at Sep 31, 2014	As at Mar 31, 2014
Shareholders' funds		
Share Capital	58.44	58.44
Reserves and surplus	2242.03	2105.08
Non-current liabilities	1284.71	1148.14
Current liabilities	1252.12	1153.54
EQUITY AND LIABILITIES	4837.30	4465.20

Standalone

(Rs. crore)	As at Sep 31, 2014	As at Mar 31, 2014
Non-current assets	3105.13	3055.98
Current assets	1732.17	1409.22
TOTAL ASSETS	4837.30	4465.20

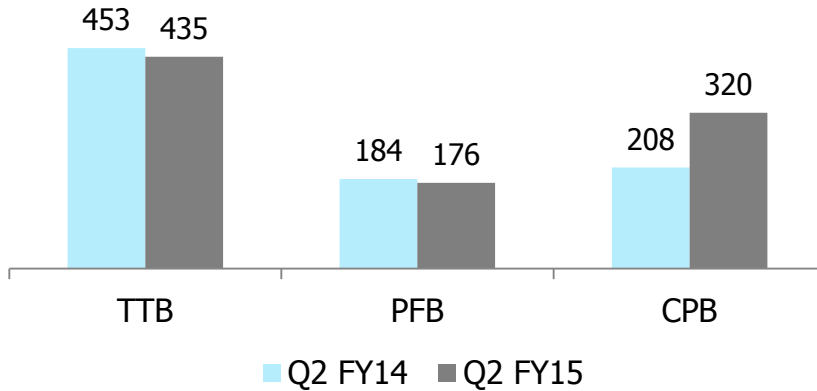


Commenting on the performance for Q2 & H1FY15, **Mr. Ashish Bharat Ram, Managing Director, SRF Limited**, said:

"The overall operations performed well this quarter. The Company's strategy of growing the Chemicals Business is paying dividends. Our traditional businesses should pick up once the economy rebounds."



Segmental Revenues (Rs. Cr)

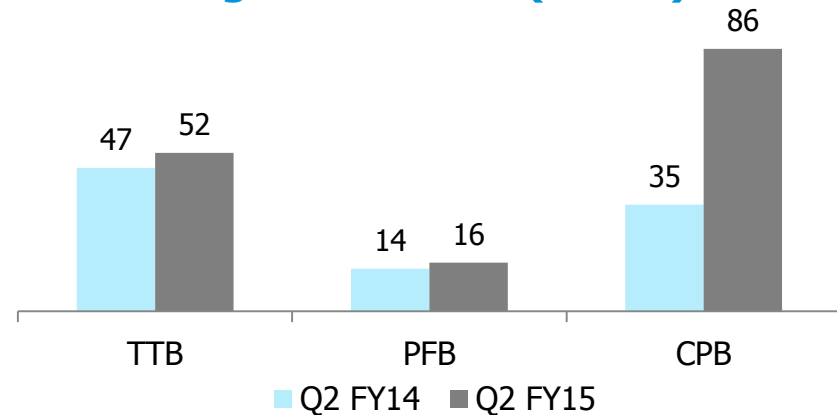


TTB – Technical Textiles Business

PFB - Packaging Films Business

CPB – Chemicals & Polymers Business

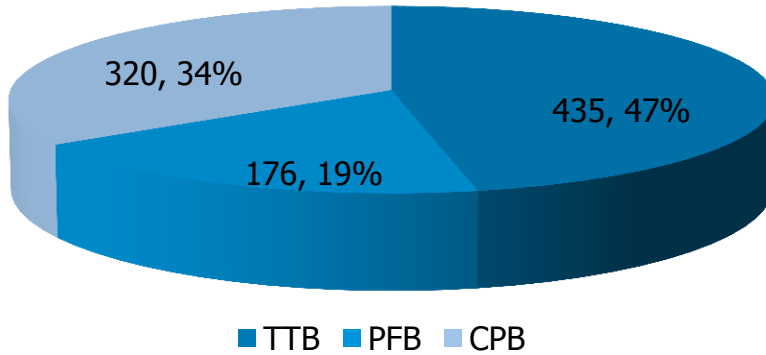
Segmental EBIT (Rs. Cr)



Segment Results

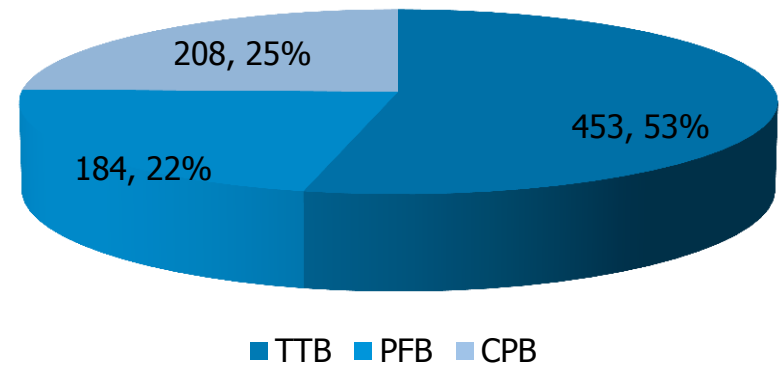
Revenue Share

Q2FY15



TTB – Technical Textiles Business
PFB - Packaging Films Business
CPB – Chemicals & Polymers Business

Q2FY14





Technical Textiles

Chemicals & Polymers

Packaging Films

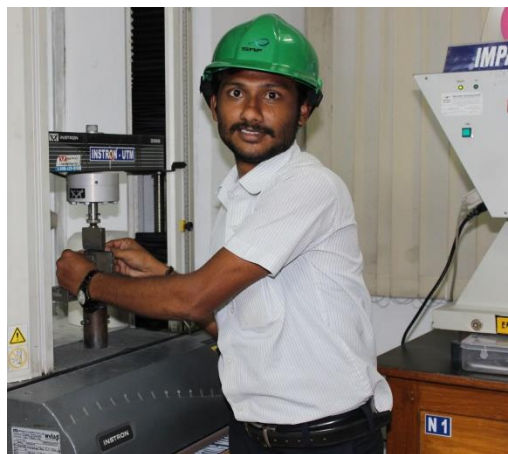
Q2 & H1FY15 Segmental Overview



<i>(Rs. crore)</i>	Segment Revenues	% contribution to Revenues	PBIT	% contribution to PBIT
Q2 FY15	434.62	46.83%	51.65	47.31%
Q2 FY14	452.93	53.67%	46.66	75.57%
% Shift	-4%		11%	
H1 FY15	888.88	47.53%	96.31	40.53%
H1 FY14	889.10	53.28%	85.00	75.15%
% Shift	-0.02%		13%	

Key Highlights

- Nylon Tyre Cord Fabrics segment reported subdued volumes on account of sluggish sales witnessed in the commercial vehicle market. The Company maintained operating margins by enhancing cost efficiencies. Reduction in diesel prices and anticipated pick up in infrastructure & mining activities are long term positives for the segment going forward
 - Other segments like Belting fabrics and Polyester Tyre Cord Fabrics registered positive performance owing to increased efficiencies
-
- Free cash flow generating business with stable contribution to overall revenues and profitability
 - No further major investments anticipated



Technical Textiles

Chemicals & Polymers

Packaging Films

Q2 & H1FY15 Segmental Overview



<i>(Rs. crore)</i>	Segment Revenues	% contribution to Revenues	PBIT	% contribution to PBIT
Q2 FY15	319.58	34.43%	85.71	78.50%
Q2 FY14	208.26	24.68%	34.75	56.28%
% Shift	53%		147%	
H1 FY15	640.10	34.23%	162.53	68.40%
H1 FY14	437.95	26.24%	87.33	77.21%
% Shift	46%		86%	

Key Highlights

- The Company registered healthy performance in the Refrigerant and Specialty Chemical segments
 - Sales volume of HFC 134a improved due to commissioning of the second plant at the Dahej Complex. The Company also witnessed higher demand for R 22 during the quarter leading to improved volumes in the segment
 - Specialty Chemicals division delivered strong growth during the period under review with the commissioning of new facilities at the Dahej complex. New facilities will also help maintain the growth momentum going forward
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- Outlook for Specialty Chemicals Business remains robust
 - Enhanced R 134a capacities should improve volumes
 - Investments in Dahej to aid improvement in revenues and profitability in FY15
 - Currently, 100% capacity utilisation of Engineering Plastic Plants



Technical Textiles

Chemicals & Polymers

Packaging Films

Q2 & H1FY15 Segmental Overview

<i>(Rs. crore)</i>	Segment Revenues	% contribution to Revenues	PBIT	% contribution to PBIT
Q2 FY15	176.24	18.99%	16.00	14.65%
Q2 FY14	184.09	21.81%	13.99	22.66%
% Shift	-4%		14%	
H1 FY15	345.90	18.49%	26.60	11.19%
H1 FY14	344.04	20.62%	18.79	16.61%
% Shift	1%		42%	

- Performance in the Packaging Films segment was stable with steady domestic demand. However, margins remained range bound given increase in global supplies
 - Utilisation rate remained close to full capacity in Q2FY15
 - The Company expects the domestic business cycle to bottom out leading to an uptick in the segment's performance in the medium term
-
- BOPP and BOPET films go through industry cycles
 - Global facilities in Thailand and South Africa to contribute positively in FY2015



Company Overview

Technical Textiles

- Tyre cord fabrics (nylon & polyester)
- Belting fabrics
- Coated fabrics
- Laminated fabrics
- Industrial yarns

Chemicals & Polymers

Fluorochemicals

- Refrigerants
- Chlorinated solvents

Specialty Chemicals

- Organic intermediates

Engineering Plastics

- Polymer compounds

Packaging Films

Films for Flexible Packaging

- Bi-axially Oriented Polyethylene Terephthalate (BOPET)
- Bi-axially Oriented Polypropylene (BOPP)



Focus on building leadership businesses

Build and maintain market leadership in business segments

Continue to build new competencies in the chemical technology space

Nurture innovation through R&D

Reposition portfolio towards knowledge based products

De-risk from Technical Textiles Business

Build a Company known and respected for its R&D capabilities

Focus on building knowledge based value-added products

Drive growth in new businesses



Outlook

- NTCF is expected to remain a key business in the segment and a generator of steady cash flow
- Demand for NTCF to mirror Indian GDP growth as it is closely linked to the transportation sector
- Improving macroeconomic environment to have a positive impact on coated and belting fabric segments going forward





- Expanded R 134a capacities should assist significant sales improvement in the domestic and export markets
- Loss of R 22 markets due to phase down for emissive use will be compensated by increasing feedstock use by the Specialty Chemicals segment
- Future potential and prospects of the Specialty Chemicals Business remain robust
- Focus on expanding range of specialty products and moving towards higher value-added products in the agrochemical and pharmaceutical sectors
- Ongoing investments in R&D leading to a healthy pipeline of new products: two new dedicated plants commissioned at Dahej fully stabilised



- Robust domestic FMCG demand and fast urbanisation leading to healthy growth in demand: industry being cyclical, the situation is expected to turnaround in the near future
- Focus on full utilisation of assets and incorporating more value-added products in the portfolio
- First full year contribution from international operations in FY 2015; expected to positively impact overall performance

SRF with a turnover of \$675 million (Rs. 4,000 crore) is a multi-business entity engaged in the manufacture of chemical based industrial intermediates. It's business portfolio covers Technical Textiles, Fluorochemicals, Specialty Chemicals, Packaging Films and Engineering Plastics. As a manufacturer of a wide range of products that make people's daily lives safer and more comfortable, SRF claims to touch everyone's life every day in more ways than one.

With headquarters in Gurgaon, India, the 5500-strong global workforce Company has operations in two more countries, Thailand and South Africa. SRF is the market leaders in most of its businesses in India and also enjoys significant global presence in some of its businesses.

The Company, equipped with state-of-the-art R&D facilities, boasts of its Chemical Technology Group that is actively involved in process innovations and product development. A winner of the prestigious Deming Prize for two of its businesses, tyre cord business in 2004 and Chemicals Business in 2012, SRF adopts TQM as a management way.

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Thank you

