



The Corporate Relationship Department,  
BSE Limited  
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Building, P.J. Towers  
Dalal Street,  
**Mumbai 400 001**

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

Scrip Code- 503806

Scrip Code-SRF

SRF/SEC/BSE/NSE

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 02<sup>nd</sup> November, 2020 informing about hosting of earning call to discuss Un-Audited financial results for quarter and half year ended 30<sup>th</sup> 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](http://www.srf.com)

Thanking you,

Yours faithfully,

**For SRF LIMITED**

**RAJAT LAKHANPAL  
VP (CORPORATE COMPLIANCE) & COMPANY SECRETARY**

Encl: As above

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Mayur Vihar Phase 1 Extension  
Delhi 110091



# SRF Limited

Q2 & H1 FY21 Results Presentation  
November 5, 2020



**SRF**

We always find a better way



# 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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# Snapshot

 **7,209** INR Cr Revenue

 **1,507** Cr EBIDTA


 **916** Cr PAT

 **41%** Chemicals

 Exports to **90+** Countries

 **14** Manufacturing Plants

 **36%** Packaging

 Operations in **4** Countries

 **6,600+** Global Workforce

 **19%** Technical Textiles



# Overview - Business Profile

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

## Chemicals

### Specialty Chemicals

- Intermediates for API / AI / Applications
- Contract Manufacturing, Custom Research & Synthesis

### Fluorochemicals

- Refrigerants
- Pharma Propellants
- Industrial Chemicals

## Packaging Films

### Films for Flexible Packaging

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

## Technical Textiles

- Tyre Cord Fabrics (Nylon & Polyester)
- Belting Fabrics
- Polyester Industrial Yarn

## Others

- Coated Fabrics
- Laminated Fabrics

# Manufacturing Facilities

**FLUOROCHEMICALS & SPECIALTY CHEMICALS**  
2 National Operations

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

**TECHNICAL TEXTILES**  
4 National Operations

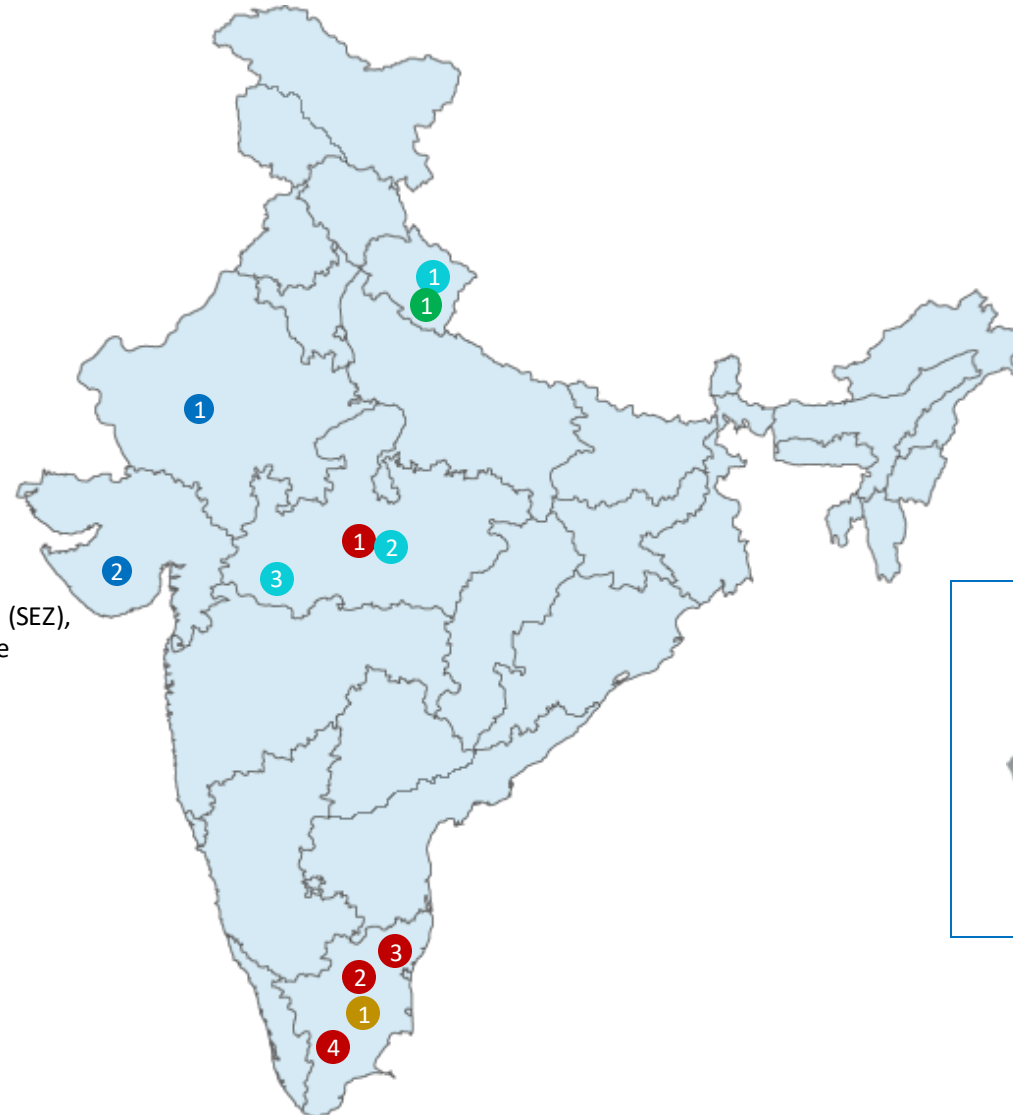
1. Madhya Pradesh, India - Malanpur, Bhind
2. Tamil Nadu, India - Manali
3. Gummidipoondi
4. Viralimalai

**PACKAGING FILMS**  
3 National Operations

1. Uttarakhand, India- Kashipur
2. Madhya Pradesh, India - Special Economic Zone (SEZ),
3. 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 - Gummidipoondi

### 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. 2<sup>nd</sup> largest player globally
- 3<sup>rd</sup> 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
<b>Gross Operating Revenue</b>	<b>2,100.8</b>	<b>1,737.8</b>	<b>20.9%</b>	<b>3,646.0</b>	<b>3,501.1</b>	<b>4.1%</b>
<b>EBITDA</b>	<b>591.8</b>	<b>357.2</b>	<b>65.7%</b>	<b>974.3</b>	<b>717.1</b>	<b>35.9%</b>
<i>EBITDA Margin (%)</i>	<i>28.2%</i>	<i>20.6%</i>	-	<i>26.7%</i>	<i>20.5%</i>	-
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)	-
<b>Profit Before Tax</b>	<b>432.1</b>	<b>205.0</b>	<b>110.7%</b>	<b>658.2</b>	<b>436.0</b>	<b>51.0%</b>
<b>Profit After Tax</b>	<b>315.7</b>	<b>200.9</b>	<b>57.1%</b>	<b>492.6</b>	<b>376.3</b>	<b>30.9%</b>
<i>Profit After Tax Margin (%)</i>	<i>15.0%</i>	<i>11.6%</i>	-	<i>13.5%</i>	<i>10.7%</i>	-
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

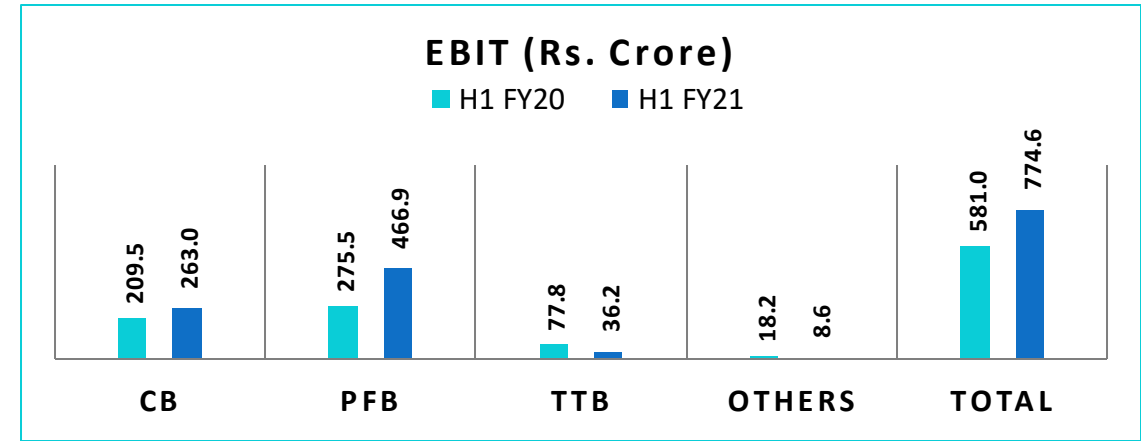
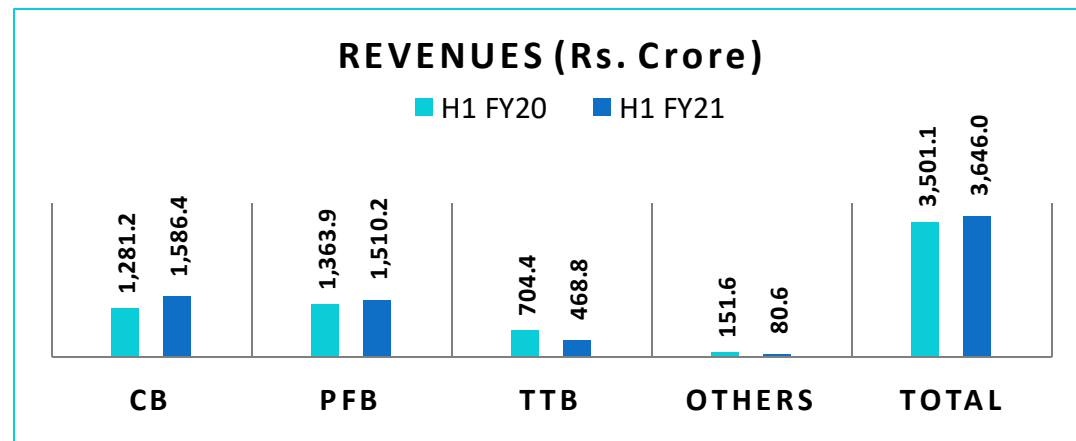
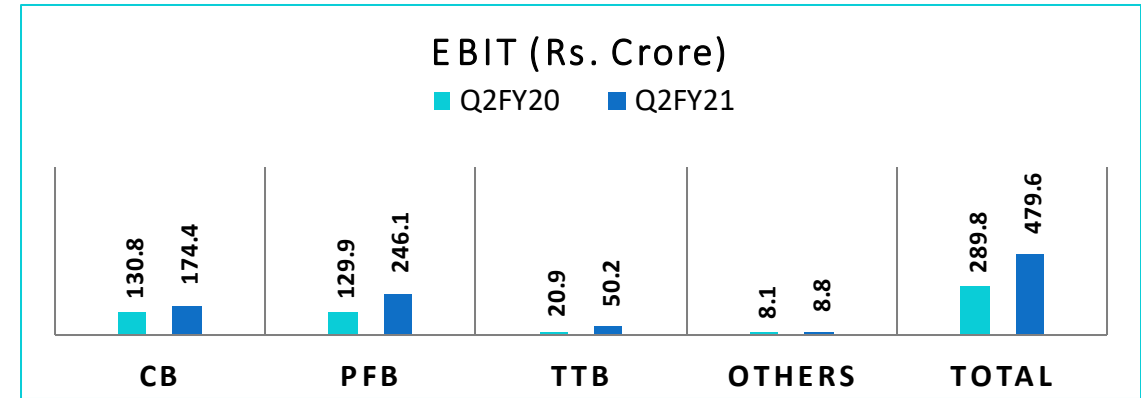
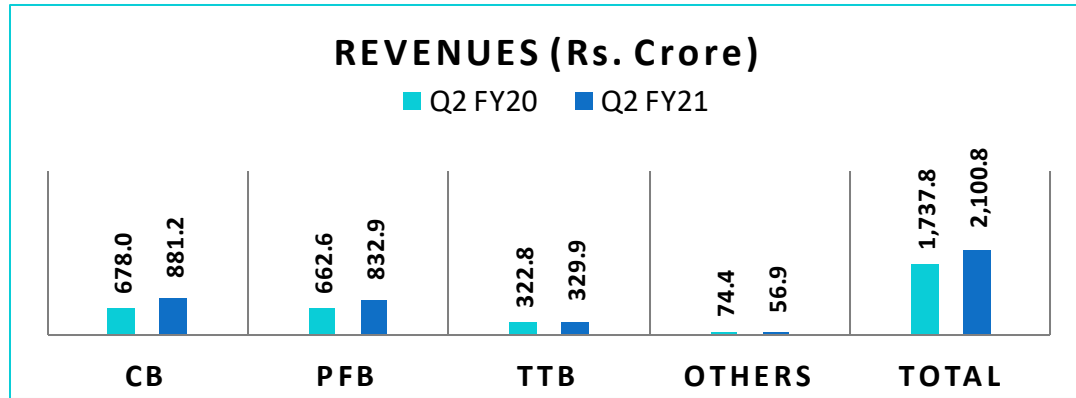
## Consolidated figures

### Key Financial Ratios

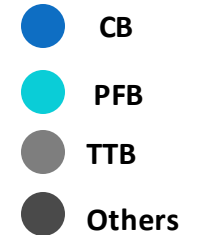
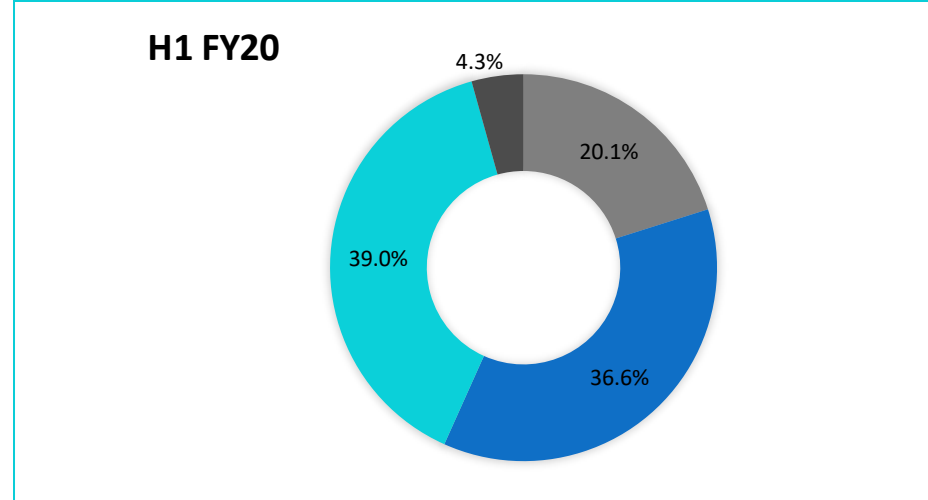
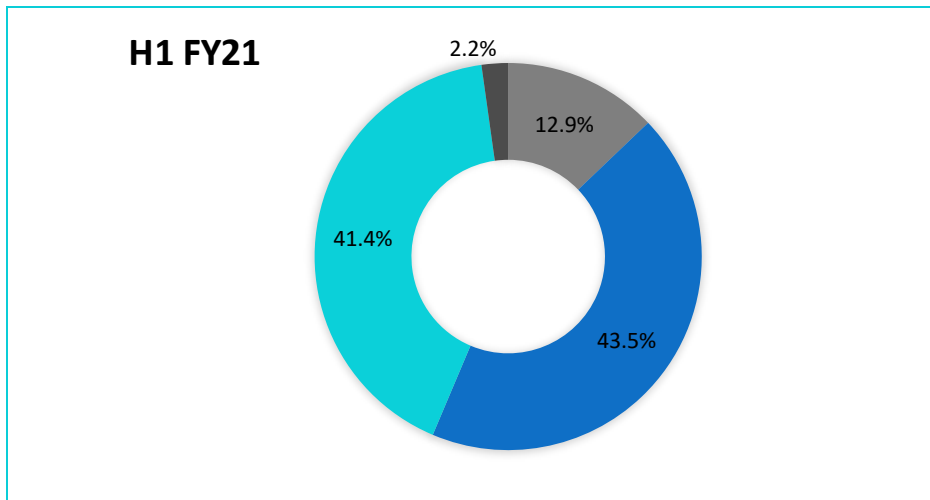
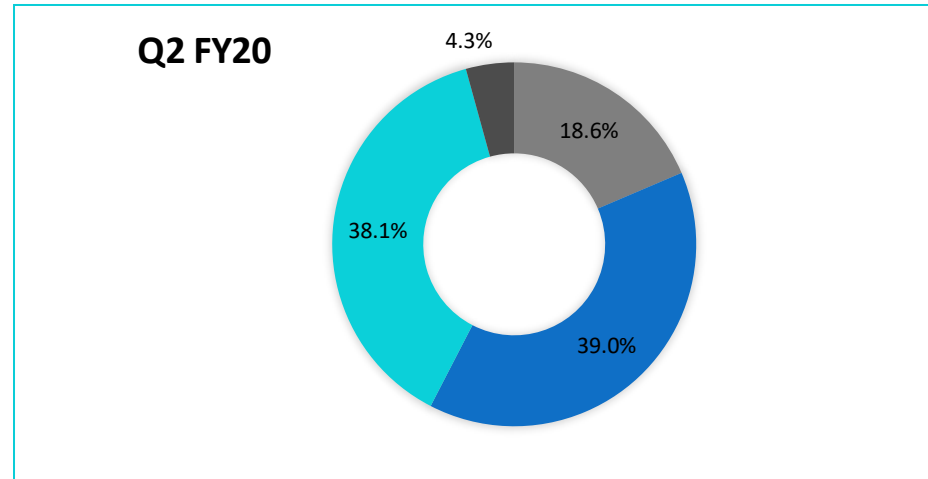
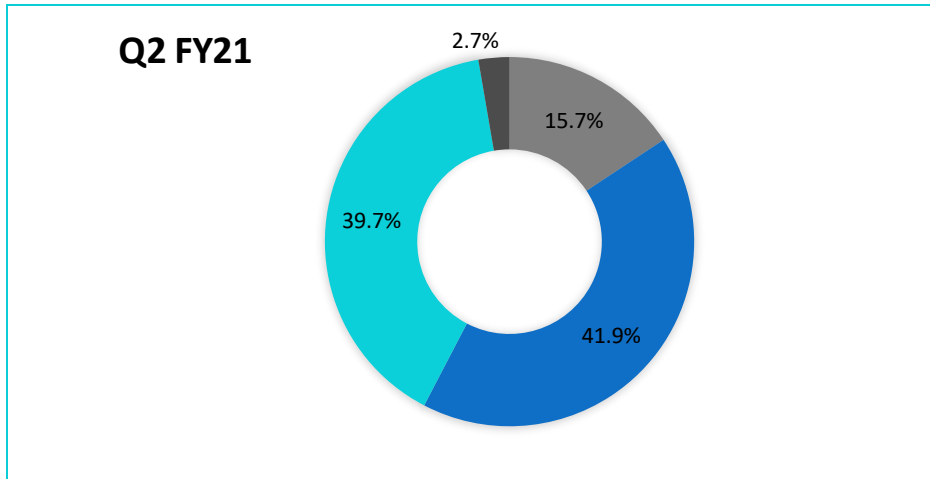
PARTICULARS	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
EBITDA Margin	17.59%	13.59%	20.43%	22.13%	21.42%	17.69%	19.00%	20.90%
PAT Margin	6.69%	4.04%	8.78%	9.51%	10.87%	8.38%	8.33%	12.70%
Net Debt to Equity	0.71	1.01	0.99	0.73	0.67	0.82	0.83	0.75
Net Debt to EBITDA	2.06	3.78	2.82	1.96	2.07	3.00	2.54	2.47
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

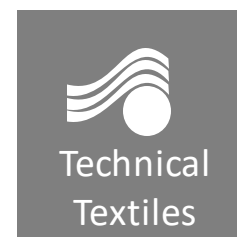


# Results Overview - Revenue Share





## Q2 & H1 FY21 SEGMENTAL OVERVIEW





# 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>	41.9%	39.0%		43.5%	36.6%	
EBIT	174.4	130.8	33.3%	263.0	209.5	26%
<i>% EBIT Margins</i>	19.8%	19.3%		16.6%	16.4%	
<i>% Contribution to EBIT</i>	36.4%	45.2%		34.0%	36.1%	



# 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 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



## 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>	



## 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



# 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>	2.7%	4.3%		2.2%	4.3%	
EBIT	8.8	8.1	9.2%	8.6	18.2	-53.0%
<i>% EBIT Margins</i>	15.6%	10.9%		10.6%	12.0%	
<i>% Contribution to EBIT</i>	1.8%	2.8%		1.1%	3.1%	

# 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



## Focus on building leadership businesses

Build and maintain market leadership in business segments



## Nurture innovation through R&D

Reposition portfolio towards knowledge-based products



## Focus on building knowledge-based value-added products

Continue to build new competencies in the chemical technology space



## Drive growth in new businesses

De-risk from Technical Textiles Business





## 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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