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Mumbai 400 051

Scrip Code- 503806

Scrip Code-SRF

SRF/SEC-D/16

9th August, 2017

Presentation- Earnings Call (Unaudited Financial Results for the quarter ended 30.06.2017)

In continuation of our letter dated 4th August, 2017 informing about hosting of earning call to discuss unaudited financial results for quarter ended 30th June, 2017, 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


ANOOP K. JOSHI
(PRESIDENT, CFO & COMPANY SECRETARY)
EM

Encl: As above

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SRF Limited

Q1 FY18 Results Presentation

August 08, 2017



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.

Q1 FY18 Results Overview

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Q1 FY18 Segmental Performance

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Company Overview

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Outlook

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Q1 FY18 RESULT OVERVIEW



The Company delivered subdued results on account of weak commodity prices, channel destocking during the transition to the GST regime and strengthening rupee

- Expect the environment to remain tough in the near future with growth anticipated to revive only by Q4 of FY18

The Board approved of setting up of a facility to produce specialty chemicals (P-33) for agro industry at Dahej at an estimated cost of Rs.85 crore

- To be funded through a mix of debt and internal accruals
- Plant to be set up in the next 9 months with capacity addition of ~800-1000 TPA

SRF declared an interim dividend totaling Rs. 6 per share (Face Value of Rs. 10 per share) for Q1FY18

- Resulting in a cash outflow of Rs. 41.46 crore for dividend payment including tax

Abridged Statement of Profit & Loss

Consolidated figures

<i>(Rs. crore)</i>	Q1 FY18	Q1 FY17	% Y-o-Y
Gross Operating Revenue	1,388	1,299	6.9%
EBIDTA	218	296	-26.3%
EBIDTA Margin (%)	16%	23%	
Depreciation	76	70	8.9%
Interest	27	28	-3.6%
ECF (Gain) / Loss	(11)	(6)	79.7%
Profit Before Tax	127	205	-38.2%
Profit After Tax	104	155	-32.8%
Profit After Tax Margin (%)	7%	12%	
Diluted EPS (Rs.)	18.08	26.92	

Key Financial Ratios

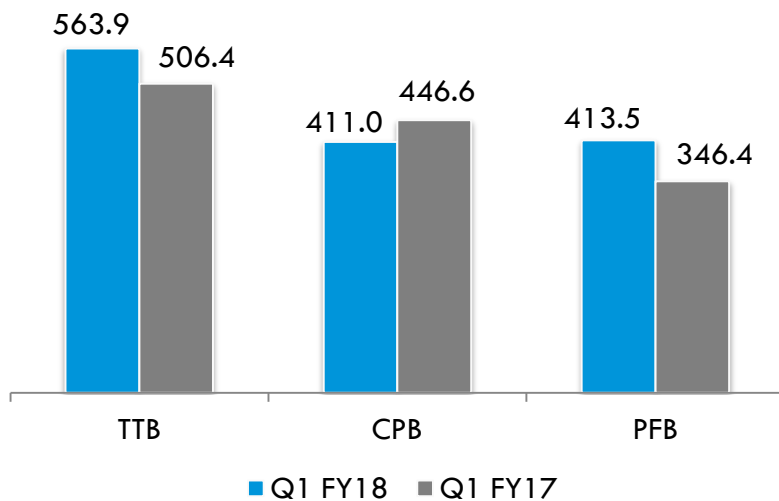
Particulars	FY13	FY14	FY15	FY16	FY17
EBITDA margin	17.59%	13.59%	20.43%	22.13%	21.42%
PAT Margin	6.69%	4.04%	8.78%	9.51%	10.87%
Net Debt to Equity	0.71	1.01	0.99	0.73	0.67
Net Debt to EBITDA	2.06	3.78	2.82	1.96	2.07
Asset Turnover	0.82	0.73	0.77	0.70	0.68
Debtors Turnover	0.13	0.17	0.13	0.11	0.14

Consolidated figures

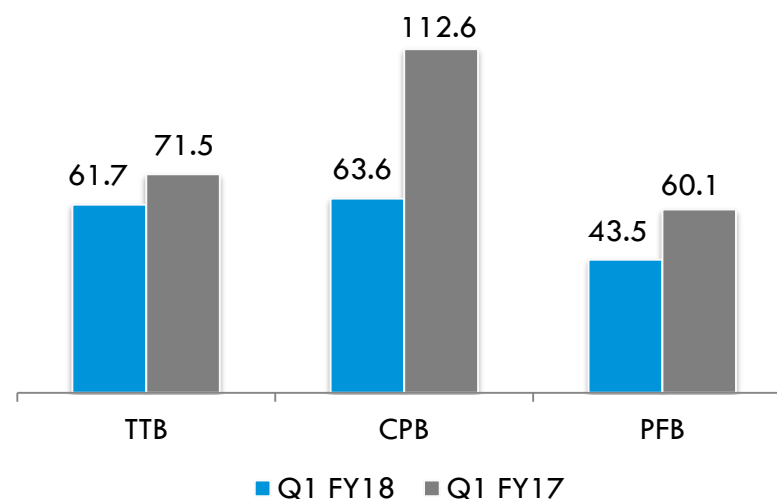
NOTE – FY16 & FY17 ratios are as per IndAS

Results Overview - Revenue & EBIT

Revenues (Rs. crore)



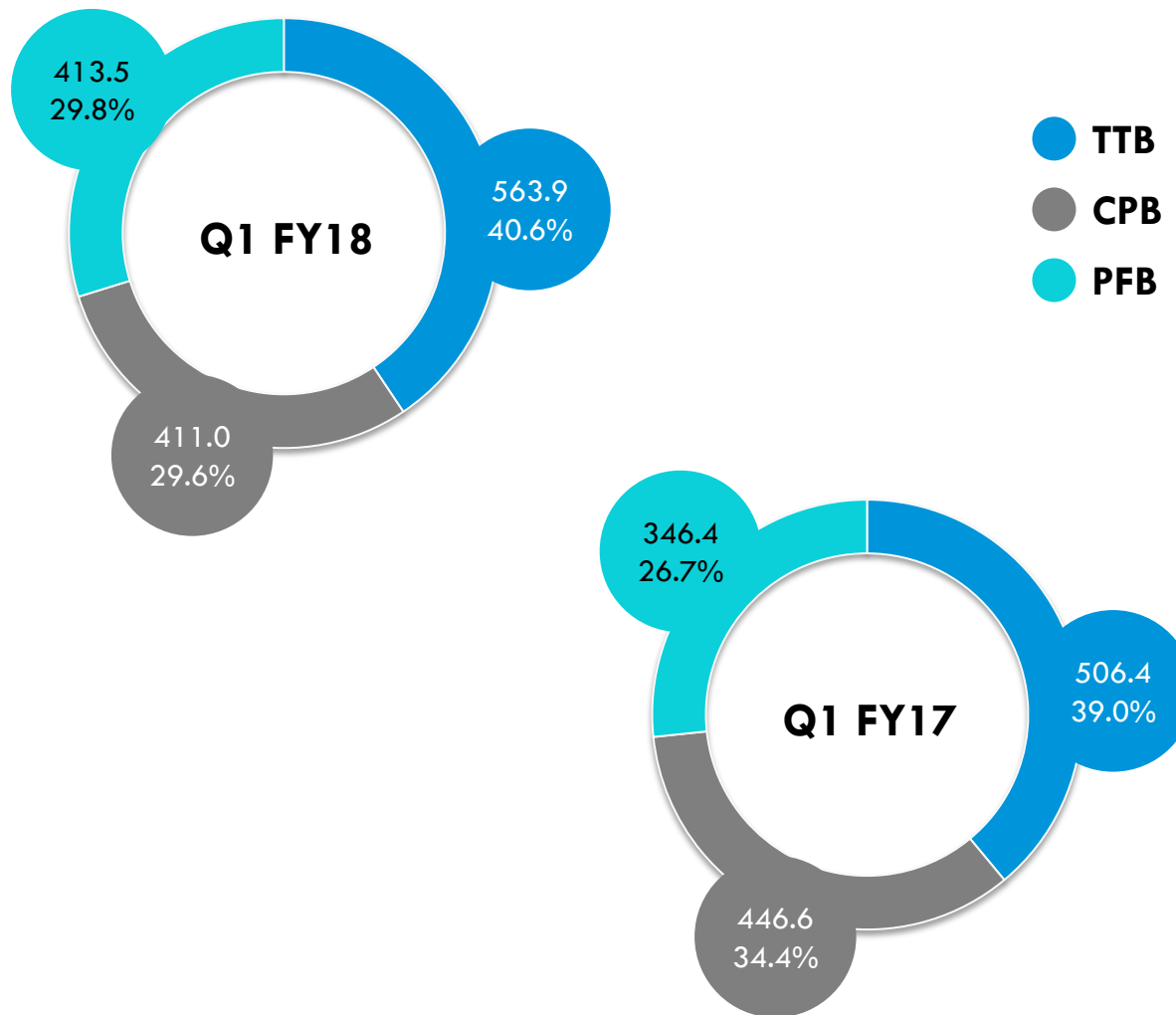
EBIT (Rs. crore)



Consolidated figures

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

Results Overview Revenue Share



Consolidated figures
(Rs. crore)

Q1 FY18

SEGMENTAL OVERVIEW

Chemicals &
Polymers

Packaging Films

Technical Textiles

Chemicals & Polymers



Chemicals & Polymers - Results Update

<i>(Rs. crore)</i>	Segment Revenues	% contribution to Revenues	EBIT	% EBIT Margins	% contribution to EBIT
Q1 FY18	411.0	29.6%	63.6	15.5%	37.7%
Q1 FY17	446.6	34.4%	112.6	25.2%	46.1%
% Shift	-8.0%		-43.5%		

Consolidated figures

Specialty Chemicals Business

Agro-Chemical segment continues to witness weak demand leading to a subdued performance during the quarter

- Visible green shoots signal an uptick in the industry – the Company expects an improvement in demand by the end of this fiscal. Inventory pipelines being built
- The Company has been augmenting its R&D and manufacturing capabilities to meet the expected rebound
- Expanding presence in US, Europe and Japan markets to assist growth

Focus on commercial conversion of new products developed and enhancing the pipeline of molecules to keep the funnel full in both Pharma and Agro segments

Fluorochemicals Business

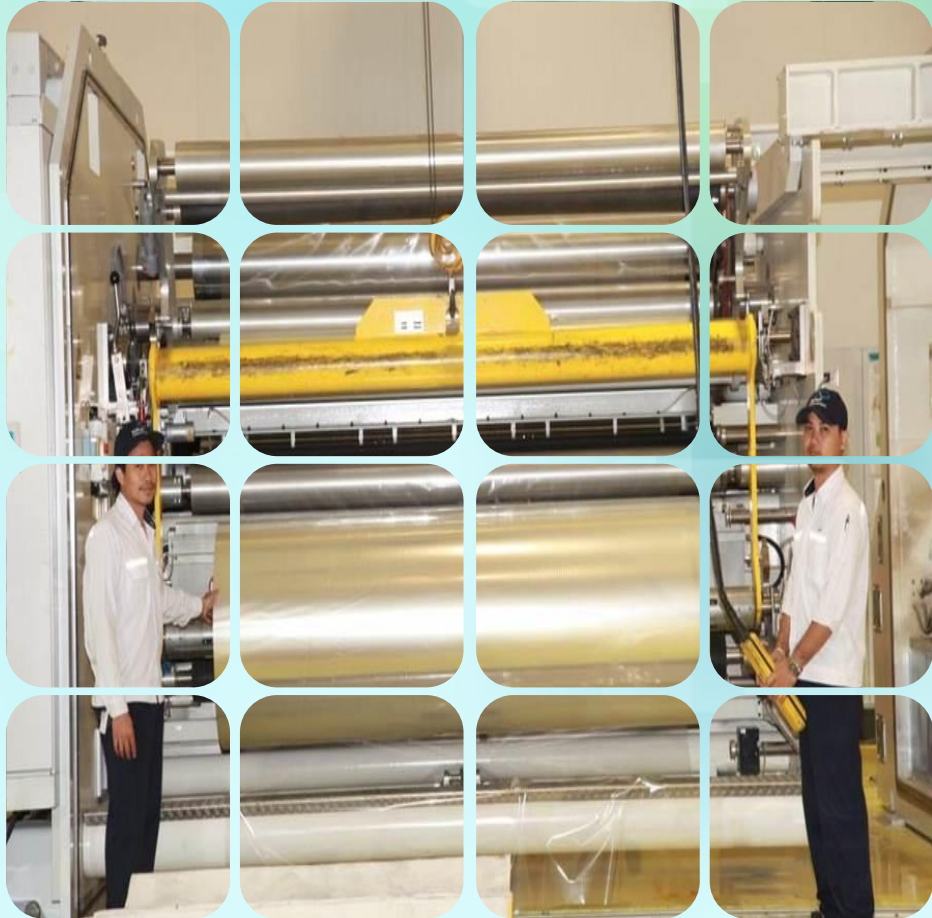
Despite GST impacting sales, SRF delivered healthy performance during the quarter

- SRF continues to be the largest manufacturer of refrigerants in India
- Highest ever production and sale of refrigerants - HFC-32 and HFC-134 A
- Witnessing a transition from HFC-22 to increasing usage of HFC blends (410 A) & HFC-32
- Successfully filed DMF for HFC 134 A pharma

Rajasthan Government conferred the prestigious Bhamashah award to its Bhiwadi facility

- On account of significant contribution in primary and elementary education along with infrastructural development in schools at Bhiwadi, Rajasthan

Packaging Films



Packaging Films - Results Update

<i>(Rs. crore)</i>	Segment Revenues	% contribution to Revenues	EBIT	% EBIT Margins	% contribution to EBIT
Q1 FY18	413.5	29.8%	43.5	10.5%	25.8%
Q1 FY17	346.4	26.7%	60.1	17.3%	24.6%
% Shift	19.4%		-27.5%		

Consolidated figures

Packaging Films Business

In Q1FY18, the PFB segment registered subdued performance

- Domestic performance weak owing to oversupply and reduction in margins
 - Initial operational issues on account of power led to volume loss in new DTA line
 - GST implementation impacted demand from key sectors like FMCG (Food & Non-Food) and industrial products. In addition, oversupply in the domestic markets led to pressure on margins
 - Focus is on rationalizing manpower and efficient raw material management and further optimizing product mix towards innovative value added products
 - Emphasis on improving business performance by achieving 100% utilization of assets
- South Africa and Thailand units have performed well during the quarter
- Indore Domestic Tariff Area BOPP plant installation is under process and is scheduled as per plan
- New offline coating machine is expected to start production in Q2FY18

Technical Textiles



Technical Textiles - Results Update

<i>(Rs. crore)</i>	Segment Revenues	% contribution to Revenues	EBIT	% EBIT Margins	% contribution to EBIT
Q1 FY18	563.9	40.6%	61.7	10.9%	36.5%
Q1 FY17	506.4	39.0%	71.5	14.1%	29.3%
% Shift	11.4%		-13.8%		

Consolidated figures

Nylon Tyre Cord Fabric (NTCF)

Segment retained market leadership despite a challenging operating environment

- Performance impacted by declining raw material prices
- Competition from lower priced Chinese truck and bus radials adversely impacted volumes

Coated and Laminated Fabrics

- In Coated Fabric, SRF continues to maintain leadership position in a subdued environment
- Laminated Fabrics continue to retain price leadership position
- GST transition led to certain lower volumes in Q1 FY 18

Belting Fabrics

- Continues to increase its client base in both domestic and exports market
- Despite stiff Chinese competition, increased market share through deeper penetration into Tier 2 players

COMPANY OVERVIEW

Chemicals & Polymers

Fluorochemicals

- Refrigerants
- Chlorinated solvents

Specialty Chemicals

- Organic intermediates

Engineering Plastics

- Polymer compounds

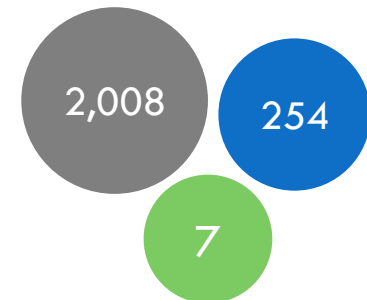
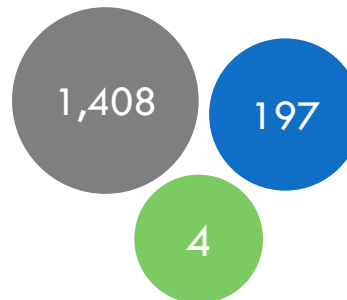
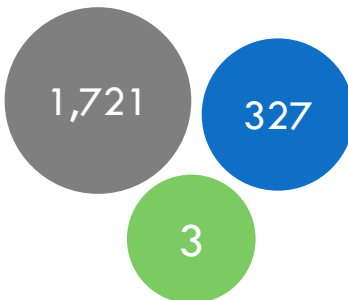
Packaging Films

Films for Flexible Packaging

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

Technical Textiles

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



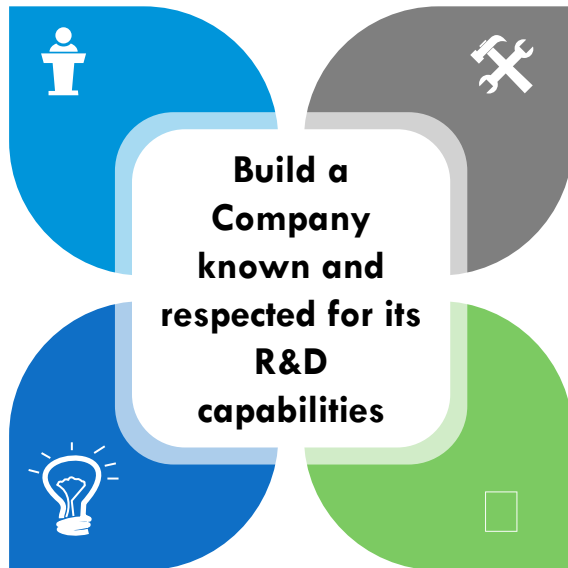
Revenue

EBIT

Number of Plant Locations

Consolidated figures in Rs. Crore

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



Drive growth in new businesses

De-risk from Technical Textiles Business



Focus on building knowledge based value-added products

Continue to build new competencies in the chemical technology space



The 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 1 process patents in Q1FY18 taking the tally to 114 patents filed to date and 9 have been granted

OUTLOOK



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 coated and belting fabric segments going forward



Focus on expanding to new markets / geographies for refrigerants and solvents

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



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

New DTA line at Indore is on schedule for BOPP

Supply overhang for BOPET in India and pressure on BOPP margins likely to continue

Established in 1970, SRF Limited with an annual turnover of ₹5100 crore (US\$ 790 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 close to 6500 employees from different nationalities working across 10 manufacturing locations in India, 2 in Thailand and 2 in South Africa, the company exports to more than 75 countries. Equipped with State-of-the-Art R&D facilities, SRF has filed 114 patents for R&D and technology so far, of which nine 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

