

SRF

An Overview – Investor Presentation

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SRF at a Glance




Snapshot

 **7,209** INR Cr Revenue ^{1, 2, 3, 4}

 **1,507** Cr EBIDTA ^{1, 3, 5}


 **916** Cr PAT ^{1, 3}

 **41%** Chemicals ³


 Exports to **90+** Countries ⁶

 **14** Manufacturing Plants

 **36%** Packaging ³

 Operations in **4** Countries ⁷

 **6,600+** Global Workforce ^{3, 8}

 **19%** Technical Textiles ³



¹ FY 20 consolidated numbers in INR; excludes discontinued operations

² 4% revenue from other businesses

³ numbers are approximate

⁴ revenue from operations

⁵EBIDTA = PBT + dep + finance cost + exchange currency fluctuation ⁶ as on FY20

⁷ India, Thailand, South Africa and Hungary

⁸ as on August 31, 2020

Board of Directors

Promoter Directors



Arun Bharat Ram
Chairman



Ashish Bharat Ram
Managing Director



Kartik Bharat Ram
Deputy Managing Director



Pramod G. Gujarathi
Director – Safety & Environment



Dr. Meenakshi Gopinath
Director – CSR



Lakshman Lakshminarayan
Independent Director



Vellayan Subbiah
Independent Director

Other Directors



Tejpreet S Chopra
Independent Director



Bharti Gupta Ramola
Independent Director



Puneet Yadu Dalmia
Independent Director



Yash Gupta
Independent Director

Leadership Team

Majority of SRF Leadership team is home grown



Ashish Bharat Ram
Managing Director



Arun Bharat Ram
Chairman



Kartik Bharat Ram
Deputy Managing Director



Prashant Yadav
President & CEO –
Fluorochemicals Business
26 years with SRF



Anurag Jain
President & CEO –
Specialty Chemicals Business &
Chemicals Technology Group
26 years with SRF



Prashant Mehra
President & CEO –
Packaging Films Business,
Coated & Laminated Fabrics Business
24 years with SRF



Sanjay Chatrath
President & CEO –
Technical Textiles Business
35 years with SRF



Rahul Jain
President & CFO
10 years with SRF



Ajay Chowdhury
President & CHRO
10 years with SRF



Sanjay Rao
Executive Vice President
Group CIO & Shared Services Head
25 years with SRF

Industries Served

Chemicals



Agrochemicals



Pharmaceuticals



FMCG



Food and Agro



Trucks / Buses



Mining



Air conditioning



Refrigeration



Confectionary



Soaps and Detergent



Steel



Cement



Solvents



Automotive



Solar Panels



Battery Separator

SRF's Journey Till Date

Foundation 1970-2000

1970



Shriram Fibres was incorporated

1974



Started manufacturing nylon tyre cord fabrics

1989



Entered chemicals business to manufacture refrigerants

1990



Shri Ram Fibres renamed as SRF

1995



CMS plant, packaging films

Diversification 2001-2011

2004



P2, BOPET in Indore SEZ

2007



HFC 134a (Bhiwadi)

2008



CMS expansion (Bhiwadi)

2009



MPP, P6/P9, BOPET line in Indore SEZ, polyester industrial yarn

2010



PET resin plant, laminated fabrics, HFC 134a expansion

2011



P10, coated fabrics plant

Transformation 2012 - Present

2012



MPP-I, P14/15

2013



TCE / PCE, BOPET (Thailand), BOPP (South Africa)

2014



P18/ 19, P2 / P7, AHF, HFC 134a

2015



P3, P17, MPP-II, acquired Dupont Dymel

2016



HFC 134a Pharma, P29/30

2017



P28, MPP-3, CMS, BOPET & BOPP line in Indore DTA

2018



P32, P34, MPP-III

2019



P-14/17 (expansion), F32, F125, AHF

2020



P33, BOPET line (Thailand & Hungary)

Key projects in progress / pipeline - agro chemical capacities, R22 and PTFE capacity, chloromethane capacity expansion, BOPP capacity in Thailand, debottlenecking in technical textiles



Key Business Segments

Specialty Chemicals Business



Organic Intermediates for



Agrochemical Industry



Pharmaceutical Industry

Core Chemistries

- **Halogenation:** Chlorination, Fluorination, Bromination and Iodination

Chemistries added over the years

- Hydrogenation, Nitration, Diazotization, Isomerization, Grignard, Organocatalysts, Amination, Ethylation, Decarboxylation

- **Capability to manufacture varying batch sizes**

- Pilot Plant
- Kilo Lab
- R&D Lab



- **Flexible manufacturing**

- **Serving large agro chemical customers**
- **Focus on complex intermediates**



- **Dedicated manufacturing**

- **CGMP plant setup for pharma intermediates**

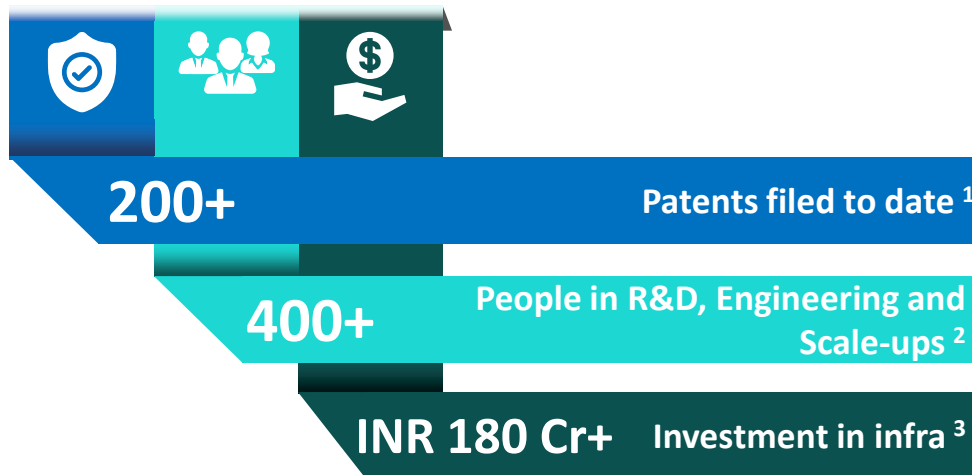


Specialty Chemicals Business Applications

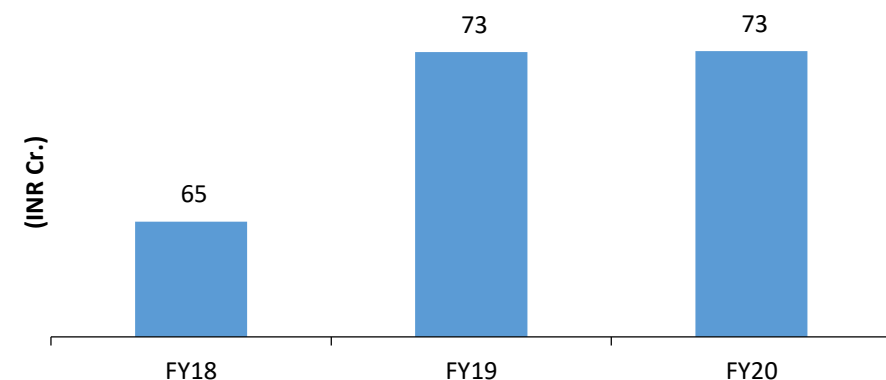
Product / Service Category	Applications / Services
Intermediates for API / AI	<ul style="list-style-type: none">Agrochemical industry: Active Ingredients (AI) for Herbicides, Fungicides, Insecticides, etc.Pharmaceutical industry: Key Starting Materials (KSM)/Intermediates for Active Pharmaceutical Intermediates (APIs)
Contract Manufacturing, Custom Research & Synthesis	<ul style="list-style-type: none">Contract manufacturing of Intermediates / AI for the Agro and Pharma Innovators
Intermediates for Applications	<ul style="list-style-type: none">Other Specialty chemicals that find application in Material Sciences, Surface Chemistry, etc.







Strong R&D, Process Innovation and Chemistry Expertise

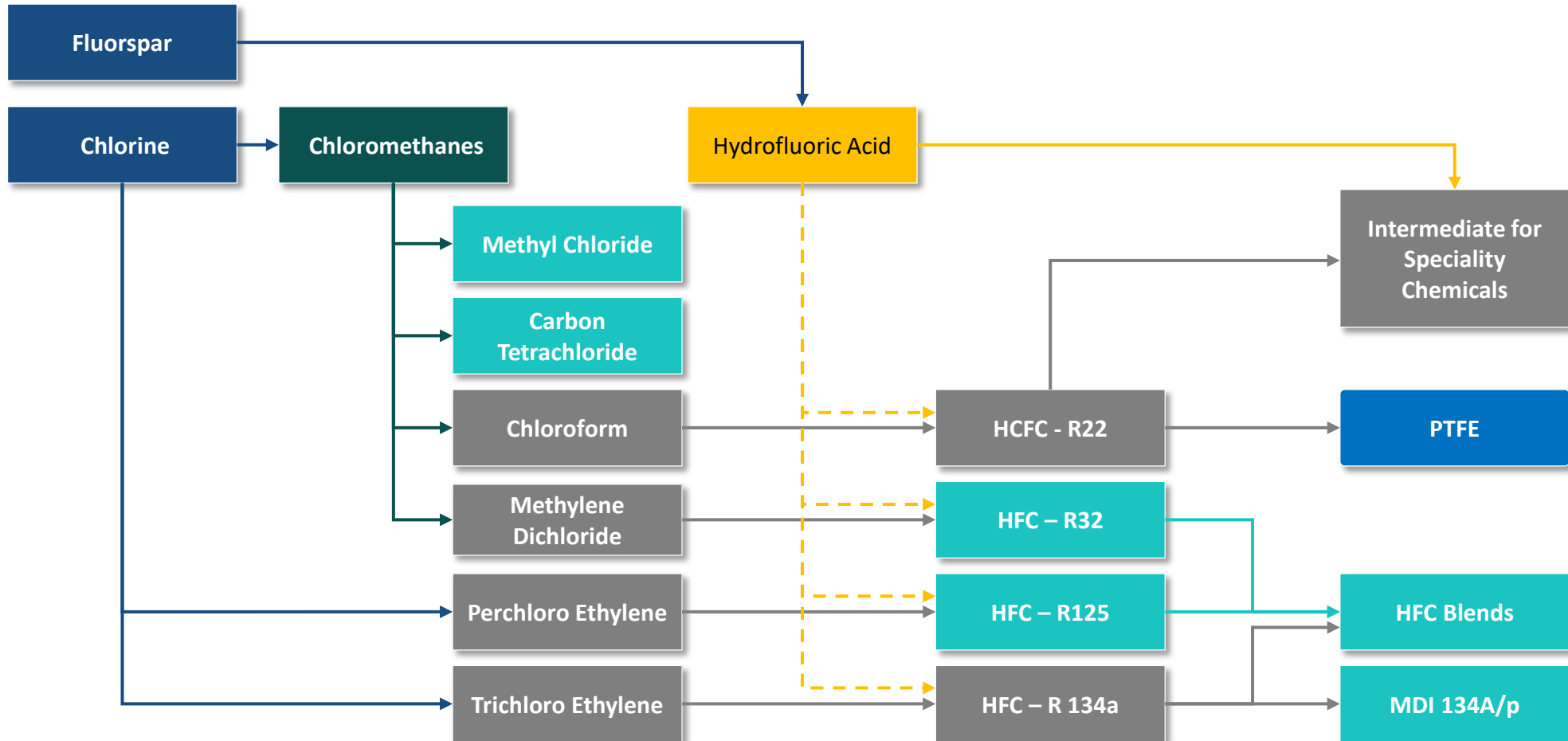


Consistent spends on R&D ⁴



	People	<i>Skilled, experienced, and highly educated employees</i>	<ul style="list-style-type: none"> Multi-disciplinary R&D staff with high focus on innovation
	Facilities	<i>In-house pilot plant, engineering lab and testing equipment</i>	<ul style="list-style-type: none"> Experts in fluorine and thereafter successfully diversified into other complex chemistries Integrated testing capabilities enabling fast product development
	Client Interaction	<i>Consistent and long-term contact with customers</i>	<ul style="list-style-type: none"> Constant engagement with customers for testing and development process
	Company DNA	<i>Prioritization of innovation from the executive team to production staff</i>	<ul style="list-style-type: none"> Growth has been driven primarily by process innovation and it continues to be the Company's future strategy Regular brainstorming in product development

Integrated Chemical Business Operations



Key Raw Material

External Sale & Captive Use

Intermediate Product

Future Products

External Sale

Refrigerants

Brand: FLORON

F 22, F 32,
F 134a, F125
HFC Blends: F 410A,
F 404A, F 407C



Chlorinated Solvents

Methylene Dichloride
Methyl Chloride
Chloroform
Carbon Tetra Chloride
Trichloroethylene
Perchloroethylene



Pharma Grade

Brand: DYMEI

F 134a/P

Propellant

Brand: FLORON

F 134a Propellant



Vertically integrated player with significant domestic market share

Fluorochemicals Business Applications

Products	Applications
Refrigerants	<ul style="list-style-type: none"> ▪ Cooling medium in room A/Cs, automobile A/Cs, commercial refrigeration
Metered Dose Inhaler (MDI) (F 134a/P)	<ul style="list-style-type: none"> ▪ Propellant in asthma inhalers
Chlorinated Solvents	<ul style="list-style-type: none"> ▪ Solvent in pharma & agro chemical industries ▪ Feedstock for our range of refrigerants ▪ Cleaning agent in steel industry
Others: <ul style="list-style-type: none"> ▪ N-Butane ▪ A/C Air Pure ▪ Cleaning Chemicals 	<ul style="list-style-type: none"> ▪ Fuel for Butane torch ▪ Purifies the split & car A/C air ▪ Commercial use for toilet bowl cleaning, floor & glass cleaning



Packaging Films Business

BOPET films

Brand: PETLAR

Transparent
Metallized
High-performance



Value-added products

PETLAR / OPLAR

Specialty coatings
Chemical / Acrylic coatings
Metallized film



BOPP films

Brand: OPLAR

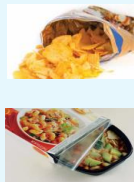
Sealable
Non-sealable
Metallized
High-performance



Key packaging applications

Food

- Confectionery
- Dairy, bakery
- Household spices, ready-to-eat
- Pet food



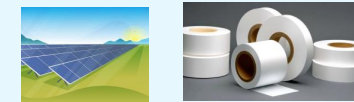
Non-Food

- Shampoos, detergents
- Packaging for perfumes
- Cardboard



Industrials

- Hot stamping foils, Thermal transfer
- Electric cables, Air ducting
- Solar panels, battery separators
- Flat screen display





Market leader in India and second largest player globally for tyre cord fabrics; second largest player globally for belting fabrics *

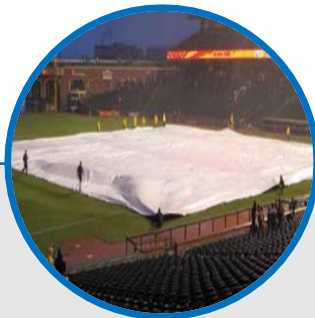
Coated Fabrics

Brands:

SRF TUFTOP, SRF FABAWN,
SRF DURALITE, SRF DURASHIELD,
SRF DURATUFF, SRF ECOLITE, SRF SAVEN

Applications include:

- Awnings
- Tents
- Pagodas
- Customized tarpaulin
- Static covers



Laminated Fabrics

Brands:

SRF FABGLOW, SRF Hi-GLOSS,
SRF FLEXIKAWACH, SRF Arjun

Applications include:

- Print banners
- Hoardings
- Billboards
- Tent dome covers
- Pandal covers



Manufacturing Facilities (1/2)



Integrated manufacturing facilities capable of handling various types of reactions with optimal efficiency and consistency



First overseas packaging film plant in Thailand, capability to produce packaging films with a wide range of microns



SRF is a comprehensive solutions provider for both BOPET and BOPP with a focus on technology and innovation



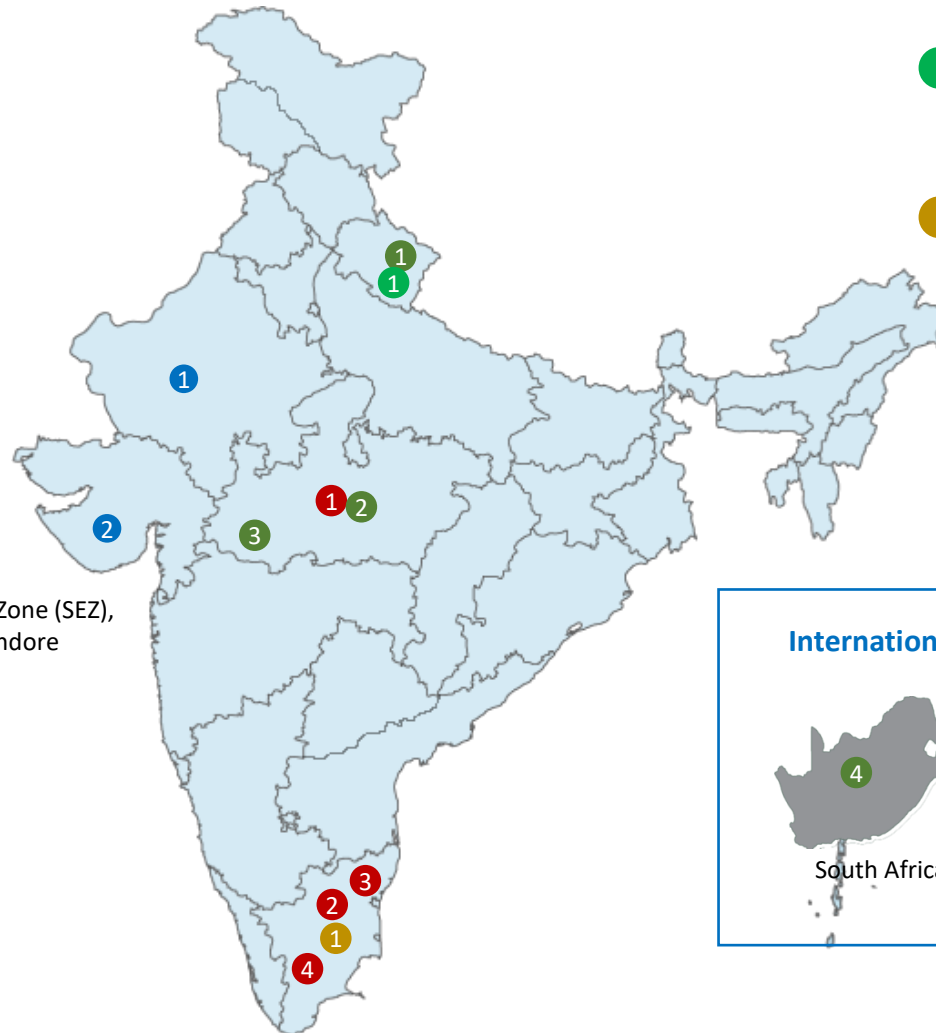
Production facilities have well-equipped Q&A Labs that are accredited with the NABL to ensure quality parameters are met

Manufacturing Facilities (2/2)

- 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



South Africa



Thailand



Hungary



Company Highlights

Company Highlights

Healthy growth backed by strong financial returns

Demonstrated consistent growth in scale of operations depicted by CAGR of 13%¹ in last 2 years and a healthy EBITDA margin of 21%¹

High growth backed by capacity expansion and addition of new products

Market leadership across businesses²

Market leader across businesses; transitioned from technical textile player to a specialty chemicals player
Experts in fluorine and thereafter successfully diversified into other complex chemistries

Flexible large scale manufacturing facilities

Fully integrated manufacturing facilities

Multi-product facilities at varied locations designed to serve large customers across geographies

Large and growing addressable market, high entry barriers in chemical industry

Opportunity for significant growth emerging from China + 1 trend

Well-positioned to capitalize on industry growth backed by client relationships

Deep domain expertise

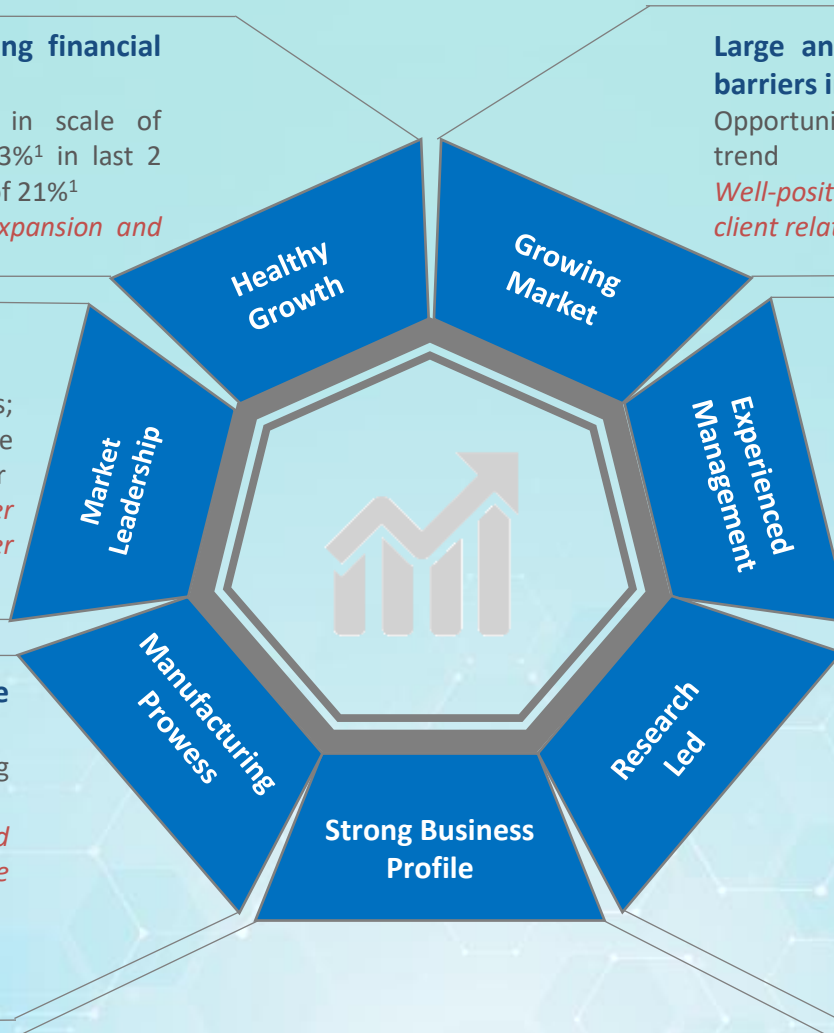
Combined experience of ~250 years; possess extensive industry knowledge

Strong integration and co-ordination among functions, culture and leadership since senior management is largely home grown

Strong R&D, process innovation and chemistry expertise

R&D focussed on developing customized products, introducing novel chemistries and differentiated process technologies

Multiple products developed through the years; in-house safety studies are carried out for new products



Long track record in chemical business has led to established relationship with marquee customers in their respective industries

¹ Based on FY20 financials

² Source: Frost & Sullivan report

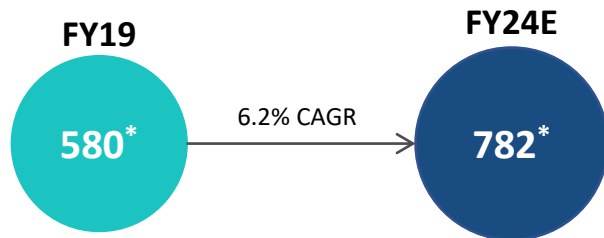
Large and Growing Market: Chemicals (1/2)

Long-term benefits



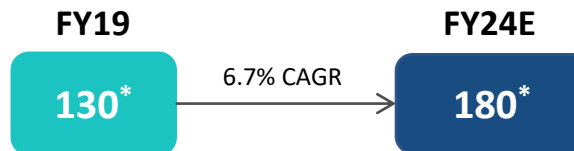
Market Landscaping

Global Specialty Chemicals



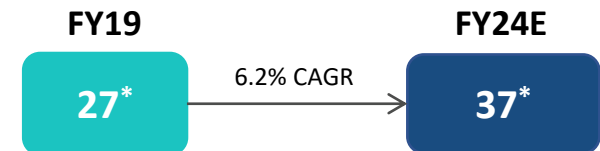
Global specialty chemicals is only ~12% of the global chemicals market; offering strong growth potential

Global Agro Chemicals



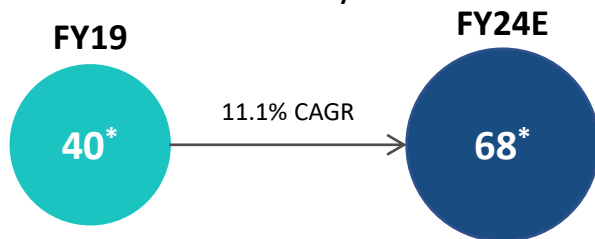
Increasing focus on essential supplies such as agro, pharmaceuticals and hygiene are expected to drive growth in the chemicals sector. Companies catering to these end-user segments are likely to benefit

Global Pharma Chemicals



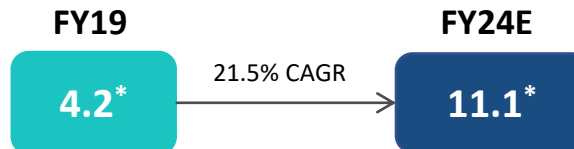
India Specialty Chemicals

Higher growth potential compared to the global industry

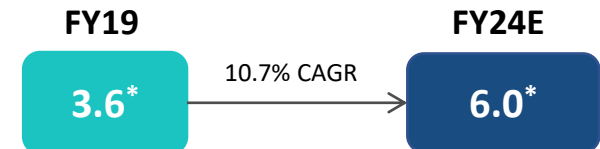


Indian Agro Chemicals

India's pesticides market is under penetrated with a consumption of 0.6kg/Ha compared to China (13), USA (7)



Indian Pharma Chemicals



Themes playing out for the chemicals industry

Global players preferring China + 1 offshore strategy

Capacities shifting to cost efficient markets with strong technology capabilities

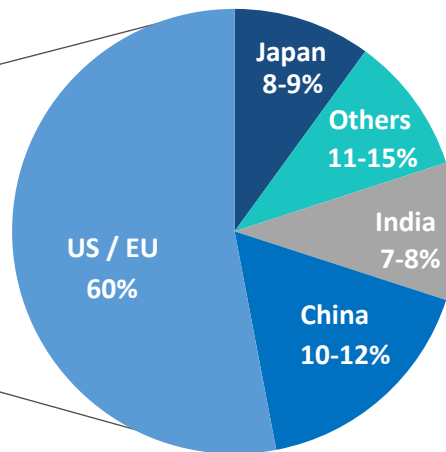
JVs / Technology transfers will drive the knowledge wave for the Indian industry, given stronger IP protection rights in India

Large and Growing Market: Chemicals (2/2)

Long-term benefits

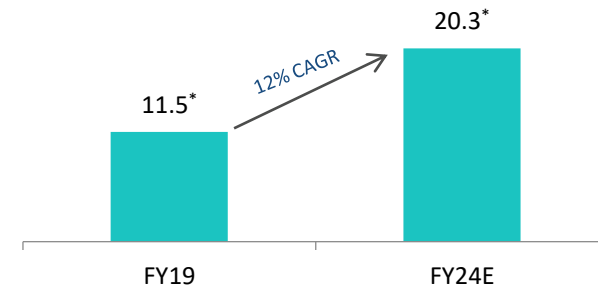
CRAMS / CSM

Global CRAMS market size (FY19)



CRAMS growth momentum to continue. Market is expected to grow at a **CAGR of 10%** up to FY24 on the back of increasing trends in contract manufacturing and innovators shifting production to low cost destinations

Custom synthesis and manufacturing on the rise in India



India's low cost labour advantage along with research, process and manufacturing expertise will result in increasing demand from MNC clients

Fluorochemicals

FY20

21.4*

5.8% CAGR
Global Market

FY25E

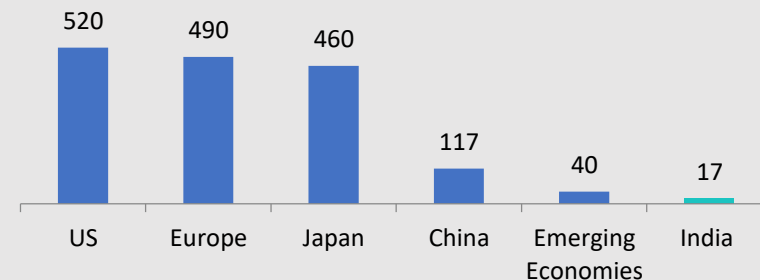
30*

0.45*

14.4% CAGR
India Market

0.88*

Significant growth potential in HFCs, given India is amongst the lowest consumer per capita (kg)

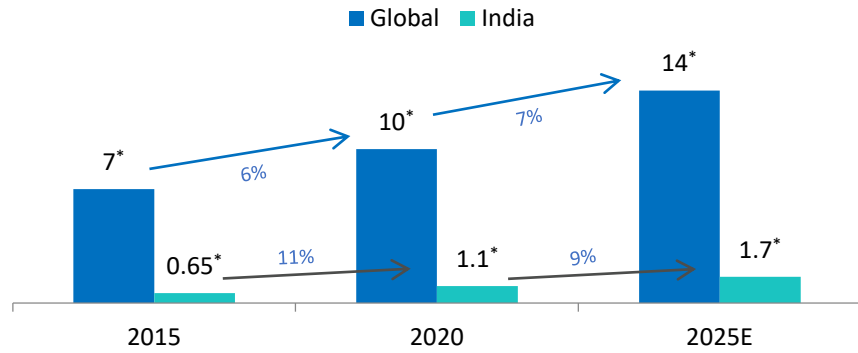


The market is consolidated primarily due to significant entry barriers prevalent in the industry. Fluorochemicals requires high capital investments, R&D focus and involves complex chemistries along with multiple regulatory compliances

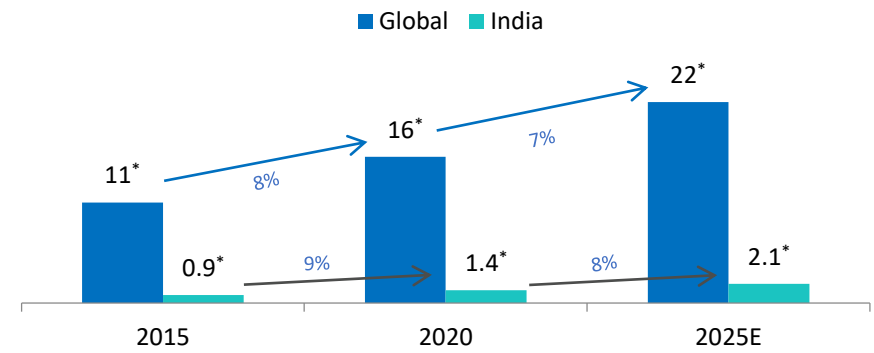
Large and Growing Market: Packaging

Expanding Market with strong growth drivers

BOPET



BOPP



Mega Trends

Urbanization

Emerging Middle Class

Premium Products

Key Impact

- From unpackaged to packaged food
- From joint families to nuclear families
- Longer shelf life products
- Rise in purchasing power
- Smaller pack sizes
- Focus on convenience and functionality
- Increased impetus towards product branding
- Growth in e-commerce and organized retail

Key Beneficiaries

Packaged Food

Convenient Packaging

Premium Packaging

Improving capacity utilizations in BOPET

Hygienic packaging to drive growth in the post-CoVID world

Packaging industry riding on strong growth in F&B and organised retail

Market Leadership Across Businesses



Technical Textiles

- Domestic market leader in tyre cord manufacturing and Belting Fabric
- 40% market share in India's nylon tyre cords market. 2nd largest player globally



Packaging Films

- Recognized for expertise in developing, manufacturing and marketing innovative high-quality film products
- Flexible business model, strong and loyal customer relationship with tailored solutions; NPD Lab to ensure future readiness
- Highly efficient asset base offering value added products in close proximity to customer locations



Fluorochemicals

- Unique and fully integrated facilities extending across a wide range of refrigerant gases and industrial solvents
- Domestic leadership in HFC's with strong trade distribution network; significant market share of fluorochemicals in India
- 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



Speciality Chemicals

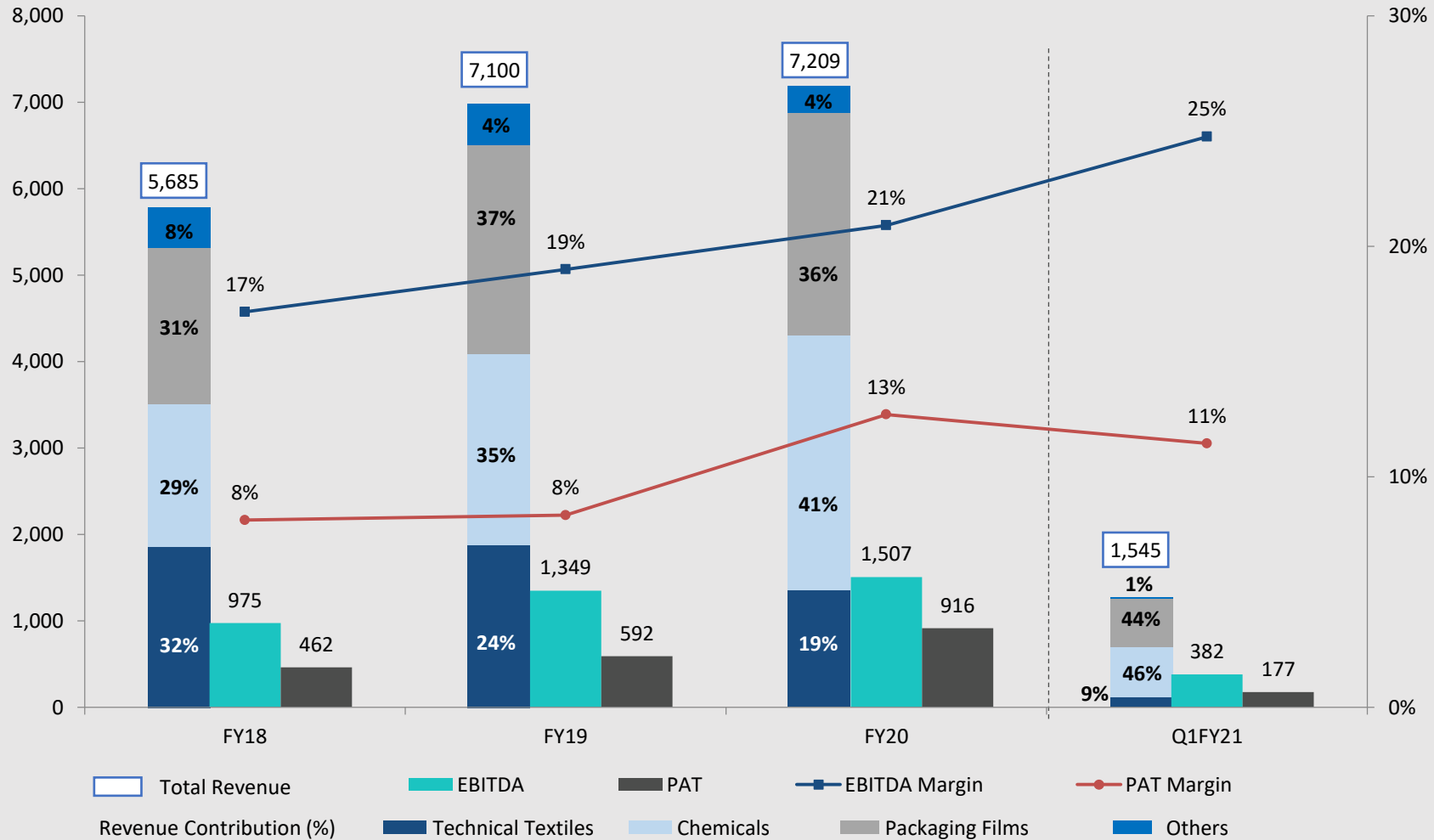
- Established relationship with marquee customers
- Established capability in scaling up pilot processes and creating value through operational excellence
- High levels of customer engagement supported by customer centric R&D, technical service, product and quality management under one roof
- Handling complex reactions - halogenation, ethylation, hydrogenation, nitration, diazotization, grignard, isomerization, amination, organocatalysis, and decarboxylation

Healthy Growth Backed by Strong Financial Returns (1/2)



(Figures in INR Cr)

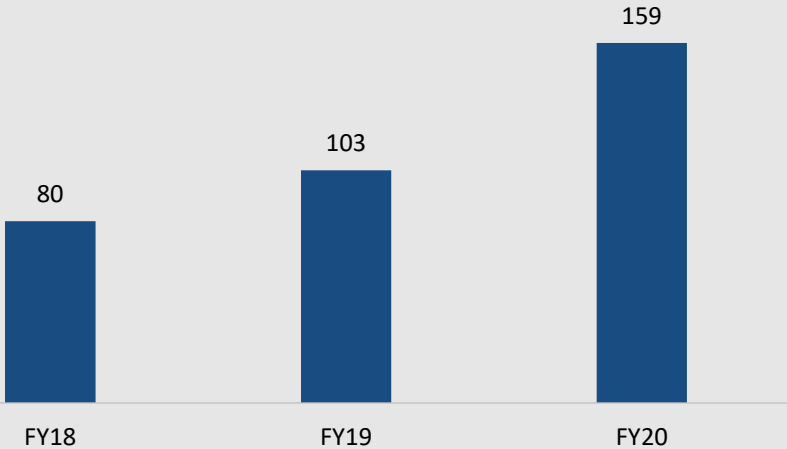
Operating Performance



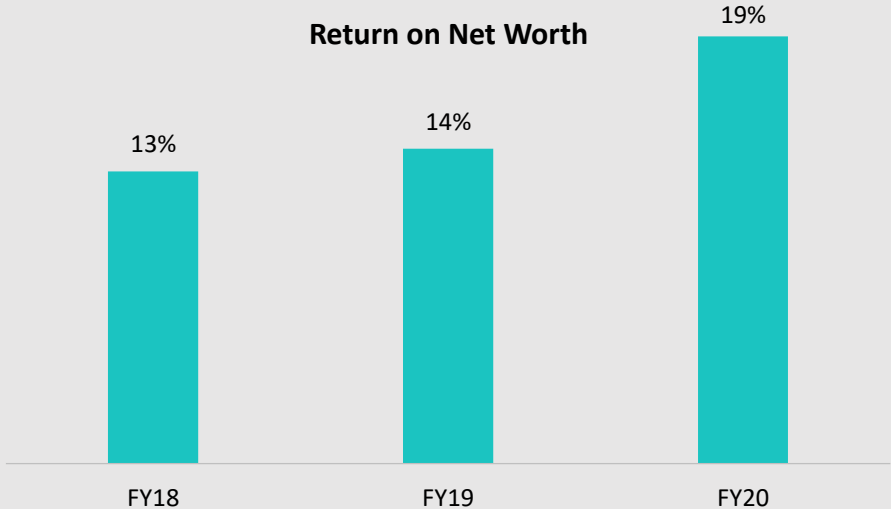
Healthy Growth Backed by Strong Financial Returns (2/2)



Earnings Per Share (INR)



Return on Net Worth



Net Debt Metrics



■ Net Debt / Equity
■ Net Debt / EBITDA

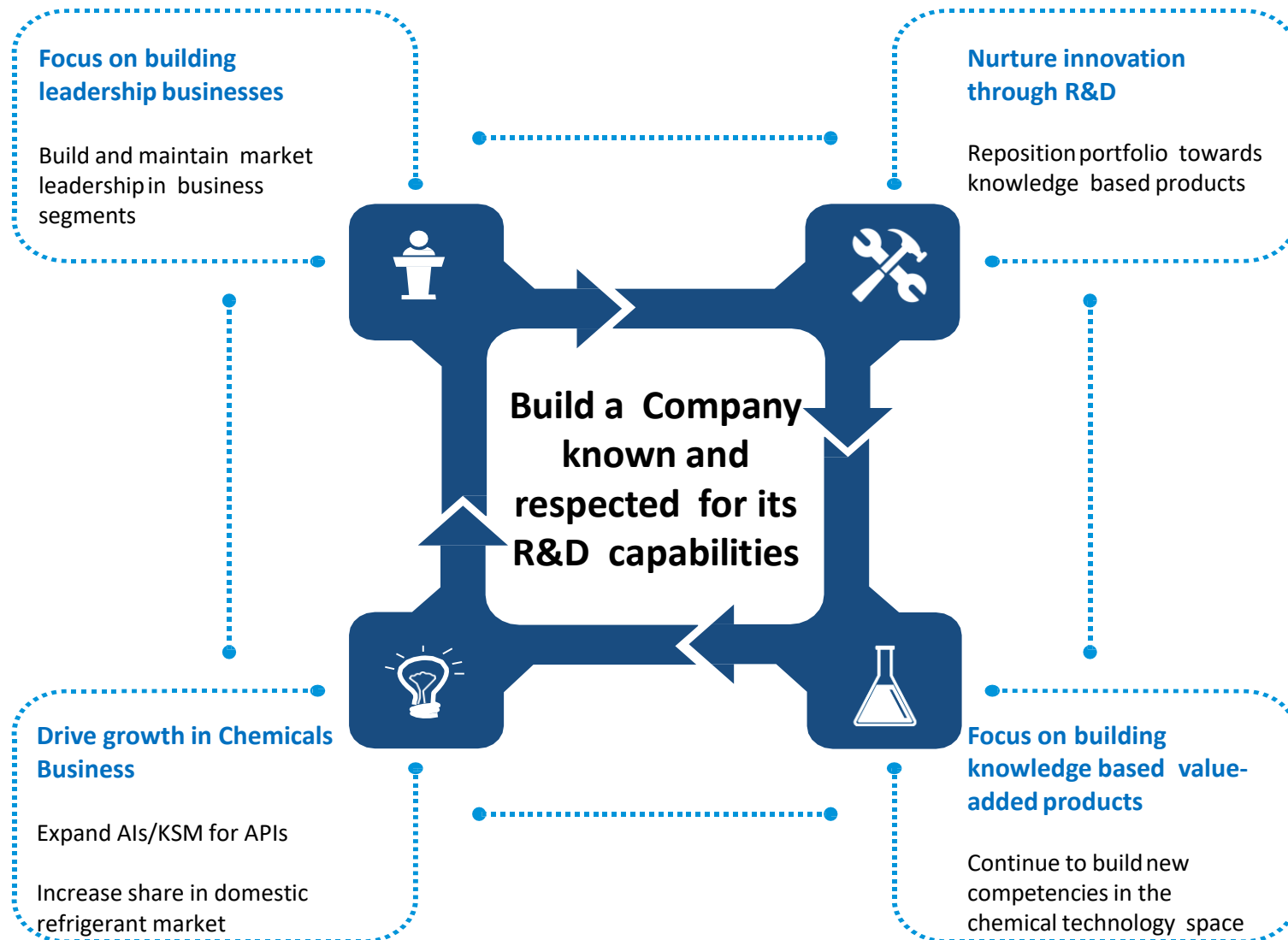
Source: Company annual reports
Note: all numbers are on a consolidated basis

EPS numbers for FY19 & FY20 exclude discontinued operations



Strategy / Outlook

Strong Focus on Value Creation



Specialty Chemicals Business

- Strong pipeline of new products in agro chemicals and pharmaceuticals
- High traction from MNC customers
- Fluorine application rising in end user industries like pharmaceuticals and agrochemicals

Fluorochemicals Business

- Will continue to be a leader in the domestic HFCs market
- Increase in capacity of chloromethanes underway
- Increased industrialization, higher disposable income to drive growth in India

Packaging Films Business

- Deep engagements with international customers
- Hygienic packaging to be a growth driver
- Improving capacity utilization
- Business model of moving closer to the customer showing positive traction

Technical Textiles Business to benefit from capacity rationalization across plants and generate significant cash



Our Accolades

Accolades



2004

- **Deming Prize** for the Tyre Cord Business



2006

- **Greentech Safety Platinum Award**
- **Jamsetji Tata Award** conferred on Chairman, Mr. Arun Bharat Ram by the Indian Society for Quality (ISQ)

2008

- **CII ITC Sustainability Award** ‘Strong Commitment’
- **Officer’s Cross of the Order of Merit** conferred on Chairman, Mr. Arun Bharat Ram by the Federal Government of Germany

2009

- **CII ITC Sustainability Award** ‘Significant Achievement’
- **International Labour Organisation (ILO)** Recognition for creating awareness on HIV AIDS

2011

- **Forbes ‘Best Under a Billion List’**

2012

- **Deming Prize for Chemicals Business**
- **Businessworld FICCI CSR Award**

2013

- **Aaj Tak Care Award** Category “Education”
- **Greentech CSR Award**

2014

- **Pt. Madan Mohan Malviya Award**

2015

- **CRY Child Rights Champion Award**

2016

- **Syngenta Supplier Award** for Health, Safety & Environment

2017

- **Bayer Supplier Award** for Sustainability
- **ICC (Indian Chemical Council) Lifetime Achievement Award** to Chairman, Mr. Arun Bharat Ram
- **FICCI CSR Award** for Education, Skill Development and Livelihood
- **CHEMEXCIL Export Award**

2018

- **Syngenta Supplier Award** for Innovation
- **Sword of Honour** by the British Safety Council

2019

- **The Economic Times Family Business of the Year** (Large Companies) Award



- **National CSR Award 2018 in the category – Corporate Awards** in CSR in Challenging Circumstances – North by the President of India, Shri Ram Nath Kovind

2020

- **EY Entrepreneur of the Year 2019** in the manufacturing category conferred on Chairman, Mr. Arun Bharat Ram





Glossary

AHF	Anhydrous Hydrogen Fluoride
AI	Active Ingredients
API	Active Pharmaceutical Intermediates
BOPET	Biaxially-Oriented Polyethylene Terephthalate
BOPP	Biaxially Oriented PolyPropylene
CAGR	Compounded Annual Growth Rate
CGMP	Current Good Manufacturing Practice
CMS	Chloromethanes
CRAMS	Contract Research and Manufacturing Services
CSM	Custom Synthesis Manufacturing
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization
F&B	Food and Beverages
HFC	Hydrofluorocarbon

JV	Joint Venture
KSM	Key Starting Materials
MNC	Multi National Corporations
MPP	Multi Purpose Plant
NABL	National Accreditation Board for Testing and Calibration Laboratories
PAT	Profit After Tax
PCE	Perchloro Ethylene
PET	Polyethylene Terephthalate
PTFE	Polytetrafluoroethylene
R&D	Research and Development
SEZ	Special Economic Zones
TCE	Trichloro Ethylene

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