

SRF Limited

Investor Presentation

September 2015

Diversity

Innovation

Performance



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.

- **Company Overview**
- **Business Segments**
- **Consolidated Snapshots**
- **Outlook**
- **Other Milestones**



India



Thailand



South Africa

Company Overview



Our legacy since 1889

Known as one of India's respected business houses



Group known for philanthropic work

Run and manage some of the premiere academic institutions of India



Winner of Deming Prize

2004: Tyre Cord Business

2012: Chemicals Business

SRF is

- A multi-business manufacturing entity
- An Indian multinational
- Engaged in the manufacture of chemical based industrial intermediates



9 plants in India

4 plants abroad



Early Entrants in India

- **Nylon tyre cord fabrics**
- **Belting fabrics**
- **Coated fabrics**
- **Specialty chemicals**
- **Refrigerants**
- **Engineering plastics**

Only Company in India

- manufacturing **HFC-134a** with in-house technology

- supplying **HFC 134a Pharma** under a global brand

- manufacturing **polyester tyre cord fabrics**



Global No. 2

- nylon 6 tyre cord fabrics
- belting fabrics

India No. 1

- tyre cord
- belting fabrics
- refrigerants
- specialty chemicals
- fishnet twine
- engineering plastics

India No. 2

- packaging films

\$709 mn

Revenues

\$84 mn

EBIT

3

No of Business Segments

6,000

Global Workforce

13/3

Manufacturing locations /
No. of Countries

75

No. of Countries Exporting to

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)

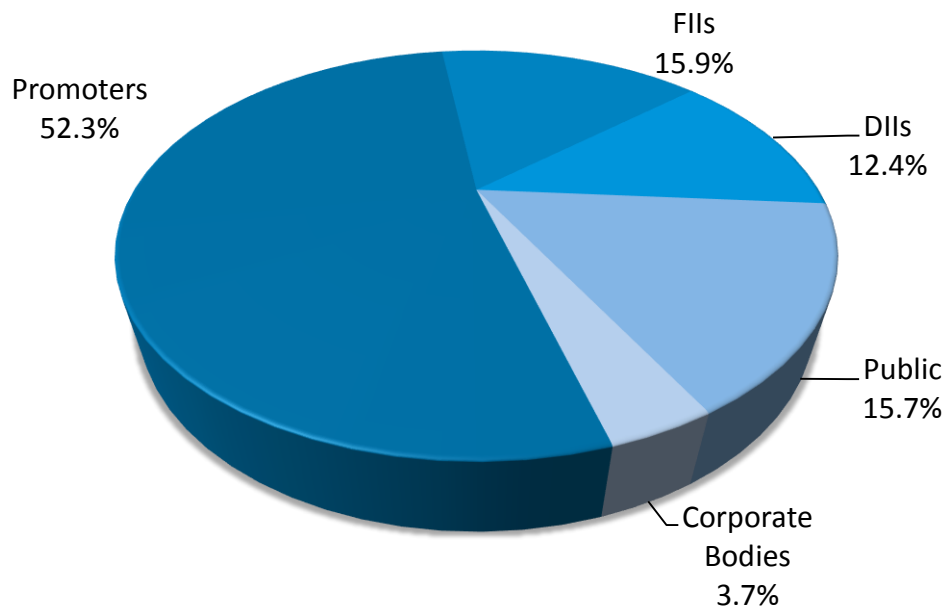
Revenue	318
Operating Profit	31
Number of Plant Locations	7

Revenue	197
Operating Profit	47
Number of Plant Locations	4

Revenue	195
Operating Profit	10
Number of Plant Locations	4



Shareholding Pattern (31st July 2015)



Prominent Shareholders % of total capital

Amansa Holdings Private Limited	5.02
DSP Blackrock Mutual Fund	4.16
Sundaram Mutual Fund	3.73
UTI-Mutual Fund	2.67
Goldman Sachs India Fund Limited	2.3
MAX Life Insurance Company Limited	1.14

Incorporated as
Shri Ram Fibres

Commences production of
nylon engineering plastics

Commenced production
of coated fabrics

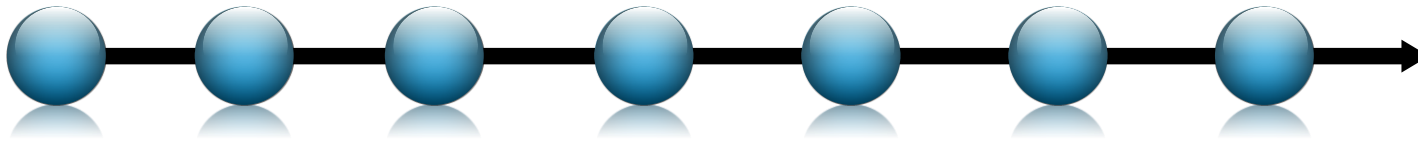
Shri Ram Fibres
renamed as **SRF Ltd**

1970

1979

1986

1990



1974

1983

1989

Commenced
operations of
nylon tyre cord at
Manali

Commissioning of Belting
Fabrics facilities

Entered Chemicals Business with
production of refrigerants

Ventured into
Packaging Films
Business

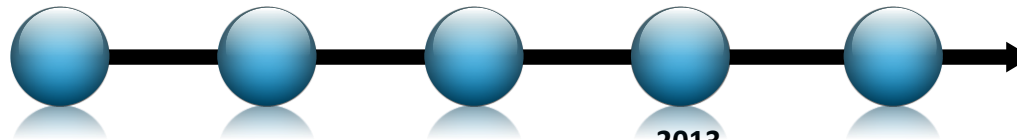
New Chemical
Complex partly
commissioned at
Dahej, Gujarat in
India

Aquired Global
Dupont™ **Dymel® HFC
134a Pharma** Business

1995

2012

2015



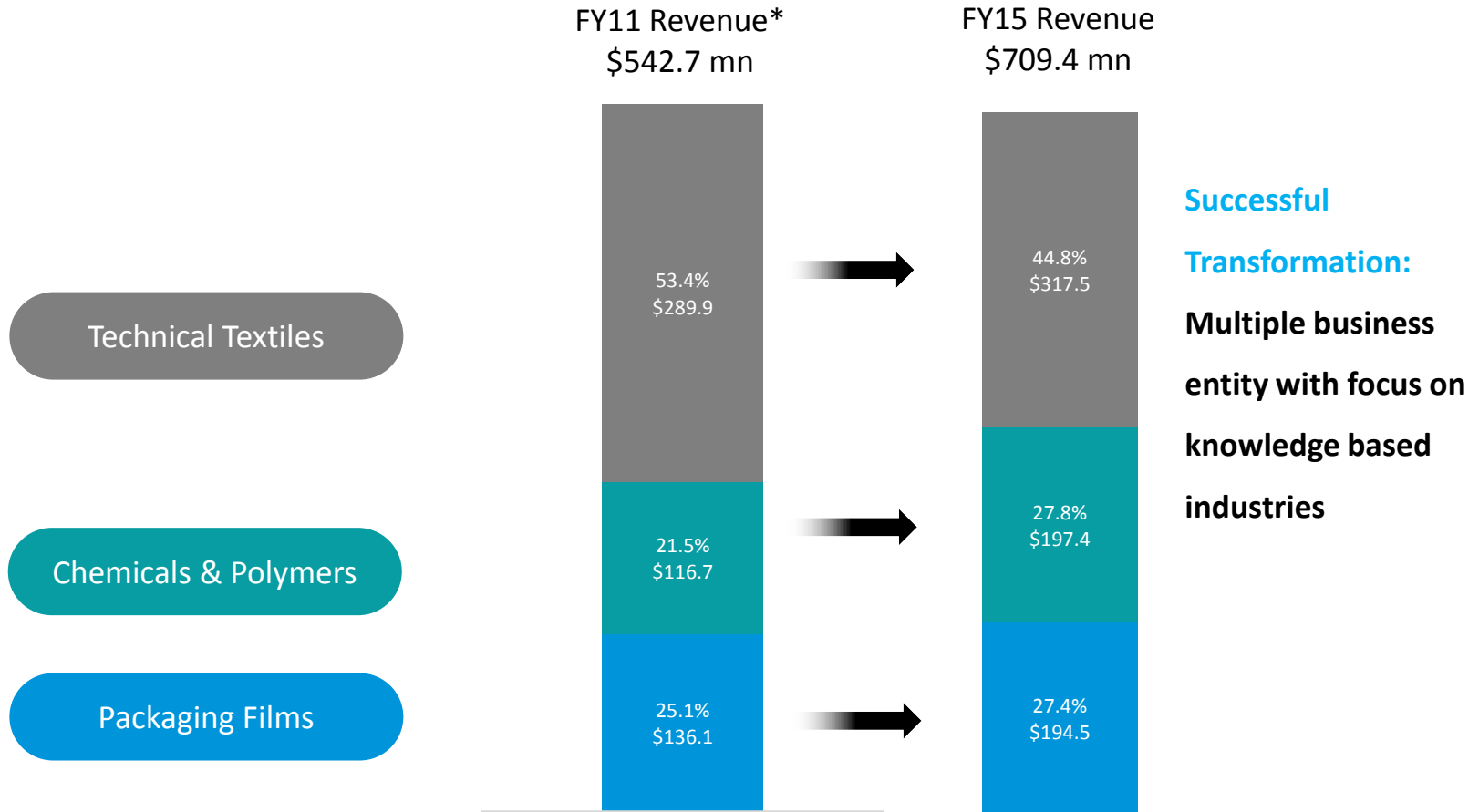
2008

2013

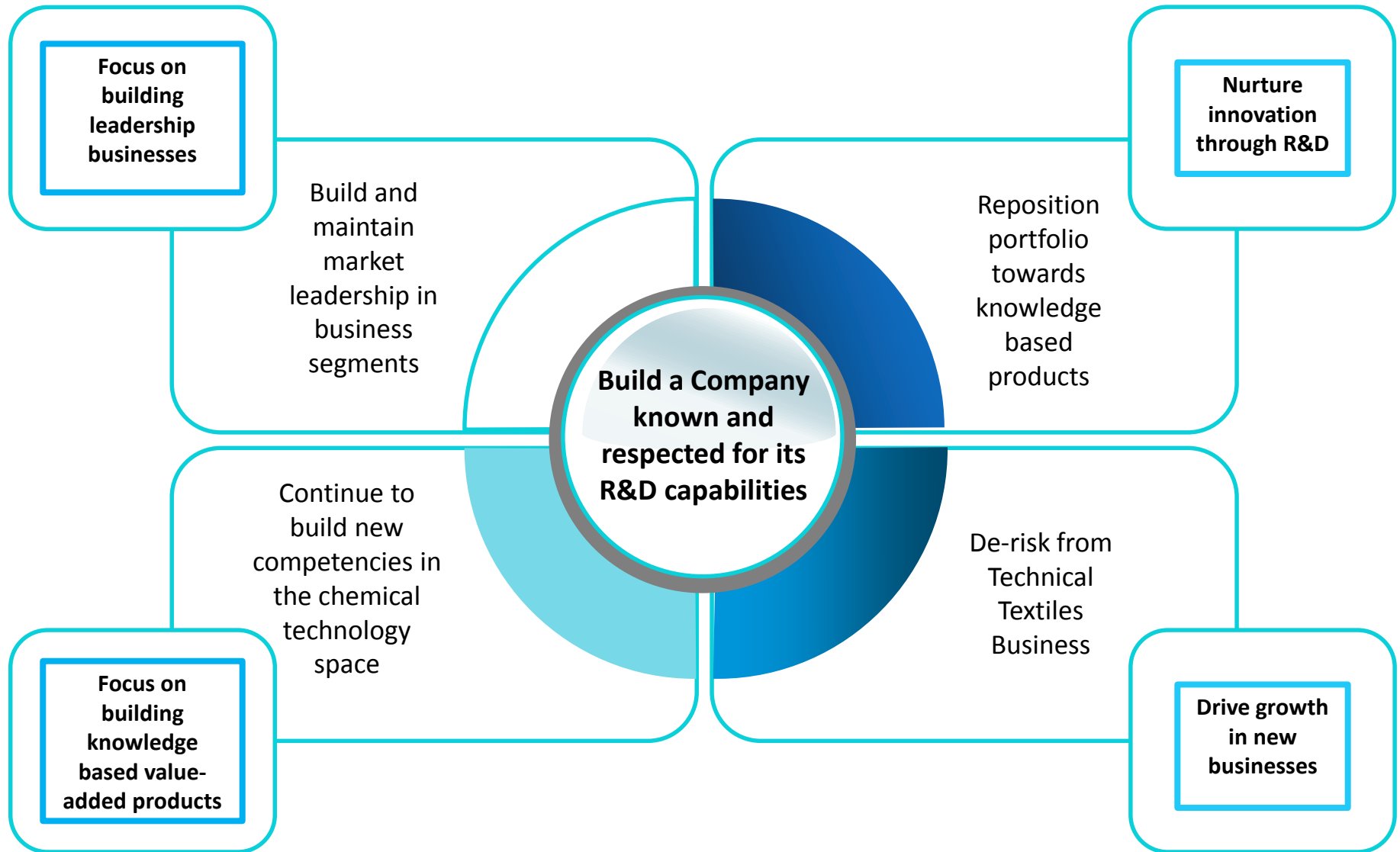
Made 2 overseas
acquisitions, one for tyre
cord plant in Thailand, the
other one for belting fabrics
in South Africa

Set up facilities in
Thailand and South
Africa in the
Packaging Films
Business

Relative Composition (in %) of Businesses



*FY11 : Chemicals & Polymers revenues include \$21.4 from CER's





Mr. Arun Bharat Ram
Chairman



Mr. Ashish Bharat Ram
Managing Director



Mr. Kartik Bharat Ram
Dy Managing Director



Mr. Rajdeep Anand
President (CTG)



Mr. Sushil Kapoor
President & CEO (TTB)



Mr. Rajendra Prasad
President & CFO



Mr. Prashant Yadav
President & CEO (FCB & EP)



Mr. Prashant Mehra
President & CEO (PFB)



Mr. Anurag Jain
President & CEO (SCB)



Mr. Sanjay Chatrath
President & CEO (TCF)



Mr. Ajay Chowdhury
President & CHRO




Technical Textiles

Chemicals & Polymers

Packaging Films



Business Segments



Despite increase in radialisation of bus & truck tyre segment, the demand for NTCF is expected to remain stable on account of growth in Tractor, 2 wheeler and OTR tyre segments



Continues to be the domestic market leader and ranked world Number 2 in Nylon 6



Free cash flow generating business, no major investments anticipated


Four facilities located in India and one in Thailand with a total capacity of nearly 50 KTPA Nylon 6 yarn and around 60 KTPA conversion



Global surplus in PTCF leading to lower realisations; yarn developed for alternate applications



Only manufacturer of polyester tyre cord fabrics in India



Largest manufacturer of belting fabrics in India and second largest in the world; domestic market share ~60%




Segment reporting healthy performance; anticipated improvement in infrastructure sector to provide further boost

Facilities located in India and South Africa



State-of-the-art coating line offers PVC coated fabric with Acrylic / PVDF finishes and polyurethane coated fabrics



Integrated manufacturing facility from polyester yarn to fabricated articles

Economic slowdown has impacted performance – operating at low utilisation levels

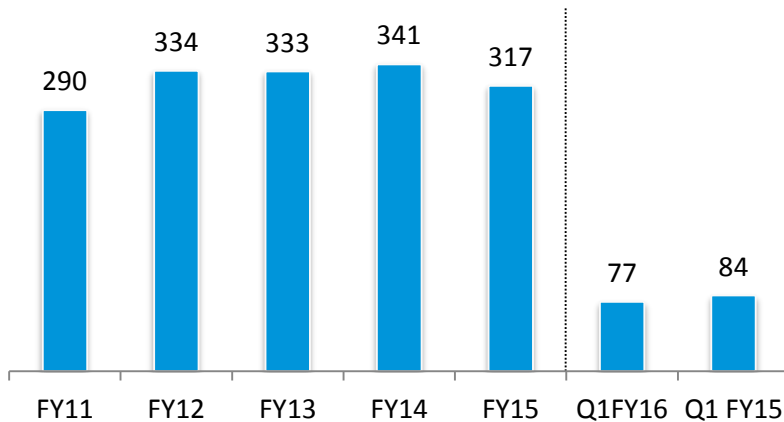
Laminated fabric is a combination of a polyester fabric with a film (PVC or another) on either or both sides

Lower advertising spends on account of slowdown has led to subdued demand

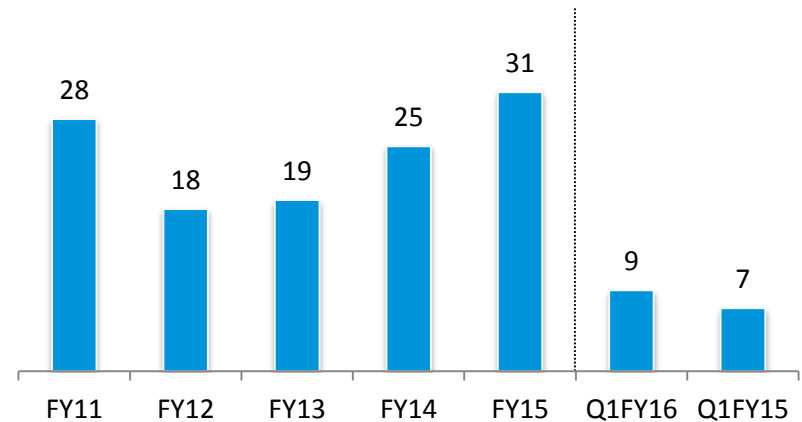
Modern facility in Uttarakhand, India; also equipped for Hot Lamination



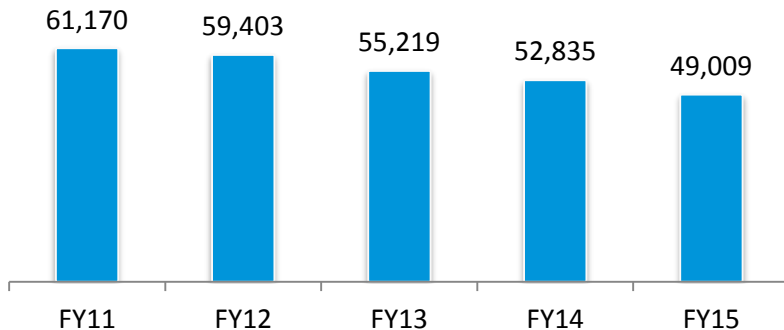
Revenues



Operating Profits



Tyre Cord Sales Trend (in MTs)



- Free cash flow generating business with stable contribution to overall revenues and profitability
- Capex of \$10 mn for modernisation at Gwalior plant has been announced
- Future Investments for modernisation & technology up-gradation



Technical Textiles

Chemicals & Polymers

Packaging Films



Business Segments

- Refrigerant portfolio consists of R-22, R-134a and HFC blends: R-410A, R-404A and R-407C



- Only manufacturer of R-134a in India



- Global size capacity for R-134a with two manufacturing facilities in India
- Over 40% share of the Indian market besides being well accepted worldwide

- Global distribution network, well positioned to service the international market, witnessing favorable industry dynamics

- Entered pharma segment with acquisition of Dymel, HFC 134a/Pharma from Dupont



Multi Product

:

Multi Customer

:

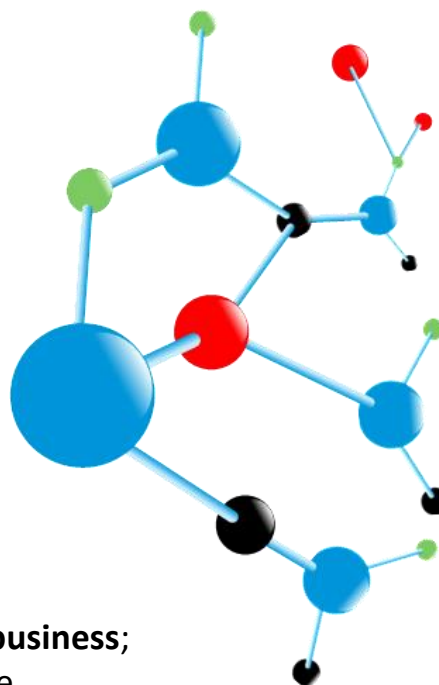
Multi Application

Cross-selling amongst existing and new customers

Developed an intermediate building block for the medicine that is being referred to as a wonder drug for treatment of **Hepatitis C**

One of the few players in the world to have developed the capability to commercialize all possible ways of **fluorination** known to mankind

IPR and knowledge oriented business; unmatched in India and unique advantage over low cost manufacturers in China



More than **25 years of concerted R&D efforts and experience** in handling fluorine molecules; one of the most hazardous chemicals

Team of over **200 employees** covering R&D, pilot projects and engineering design

Success in commercialisation of over 40 molecules; over **50 molecules** at various stages of development

Has become a critical supplier of intermediates for the innovators in the field of **pharma** and **agro chemicals**

- **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 15 process patents during FY2015 taking the tally to 60 patents filed till date, out of which 4 have been granted**



- Presently developing 126 acres out of 293 acres in Phase I
- Facilities to produce multiple products with focus on fluorochemicals and specialty chemicals
- Gross value of Fixed Assets as on 31st March'15 aggregating to around \$266 mn
- Capex includes investments in 2 plants for Specialty Chemicals approved in FY 15
 - \$22 mn for MPP2, Phase 1 capitalised at \$19 mn
 - \$18 mn - for P17, Phase I capitalised at \$11 mn
- Capex worth \$6 mn approved for:
 - setting up a facility to manufacture R-134a Pharma Grade at Dahej
 - converting an existing R134a facility at Bhiwadi into a swing plant for R32, a new refrigerant gas in SRF's portfolio

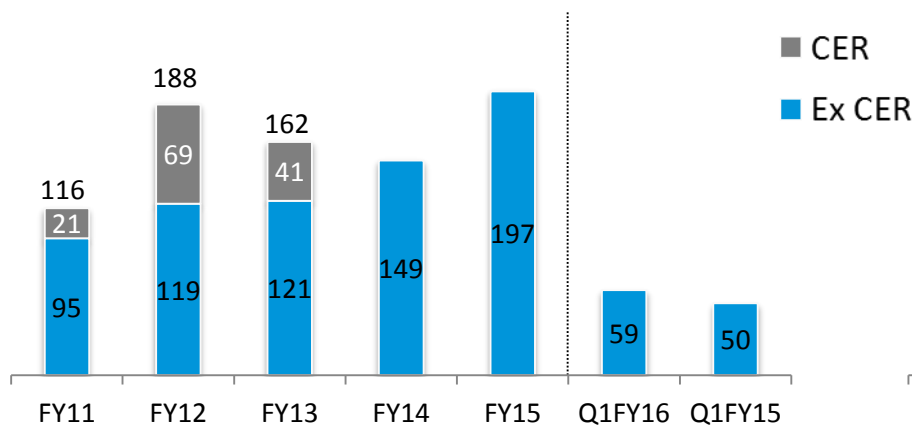


Operational Units

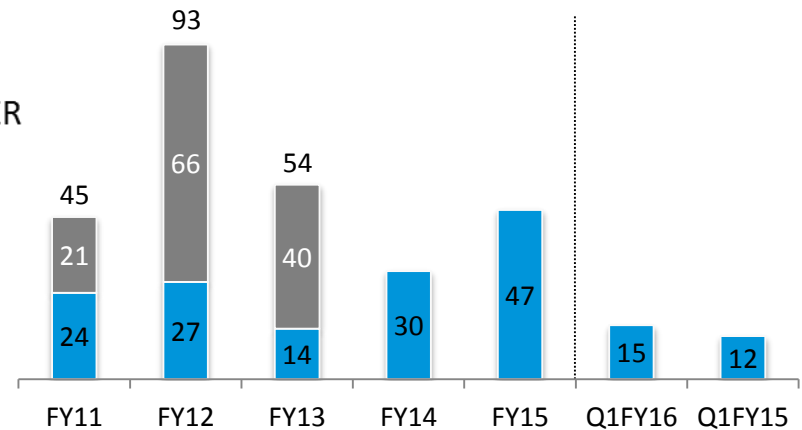
- Multiple Specialty Chemicals plants
- Multiple Flexible Manufacturing plants
- New Global Scale HFC 134a plant
- Chlorinated Solvent Plant
- 15 MW Captive Power plant



Revenues



Operating Profits



- In spite of slow down in agri sector, long-term outlook for Specialty Chemicals Business remains robust on the back of SRF's R&D strengths and client trust
- Expect higher volumes of HFC-134a going forward
- Continued focus on Dahej, better utilization of past capexes
- Expansion into complex and advanced fluorine and other chemistries



Technical Textiles

Chemicals & Polymers

Packaging Films



Business Segments



Industry estimated to grow at apprx 8% p.a. globally and apprx 10% - 12%p.a. domestically



Domestic industry moving towards higher capacity utilisation



SRF remains the second-largest manufacturer of thin BOPET films in India

SRF's overseas units in Thailand and South Africa set up in 2013-14, fully stabilized





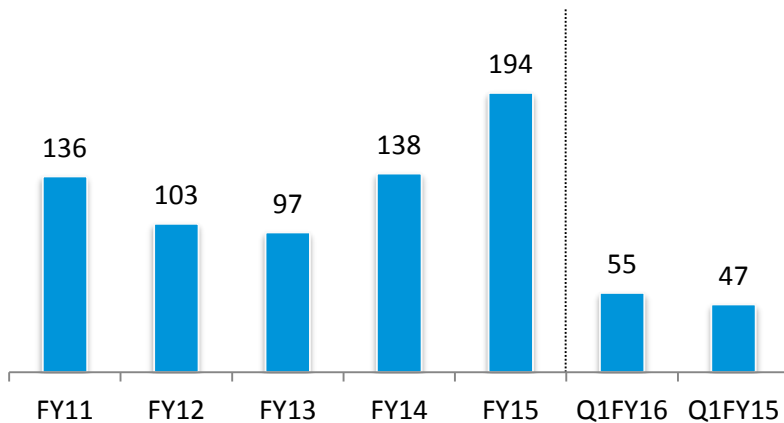
BOPP Plant at South Africa

- Set up a greenfield BOPP film plant and a vacuum metallisation plant in KwaZulu Natal, South Africa in 2013
- World class facility with 25,500 TPA capacity
- Plant made profit in the first full year of operations after initial hiccups; operations now fully stabilised
- Obtained approvals from major customers; becoming solo supplier to many global companies

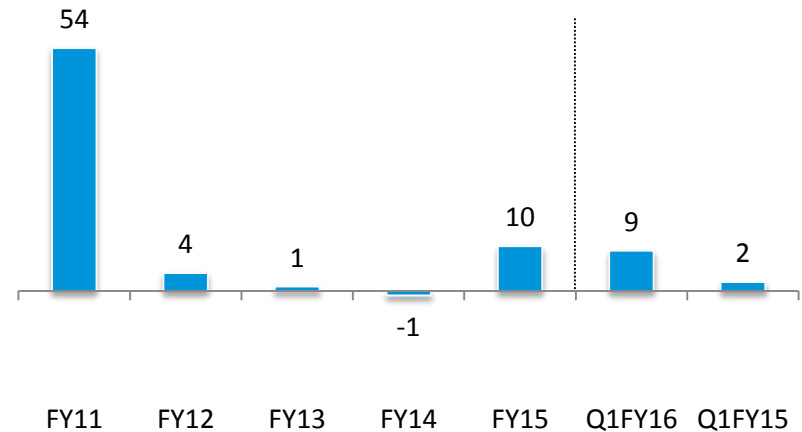
BOPET Plant at Thailand

- Set up a greenfield BOPET film plant and a vacuum metallisation plant in Rayong, Thailand in 2013
- World class facility with 28,500 TPA capacity
- In first full year of operations the unit became the market leader in domestic Thailand market
- Products accepted in quality conscious markets like Japan and South Korea, with consistent demand from these regions

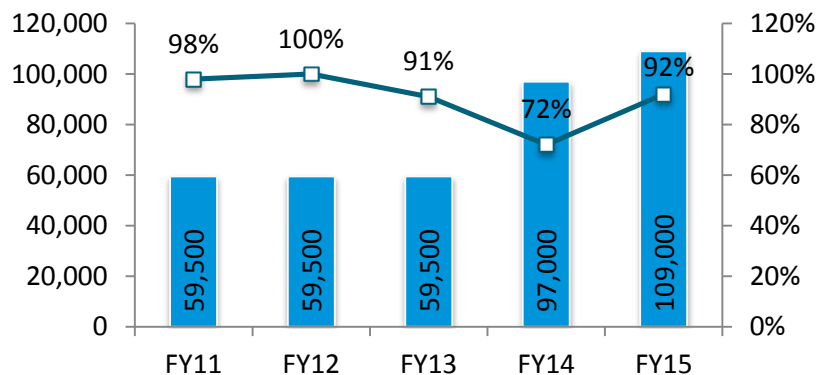
Revenues



Operating Profits



Packaging Films Capacity and Utilisation Trend

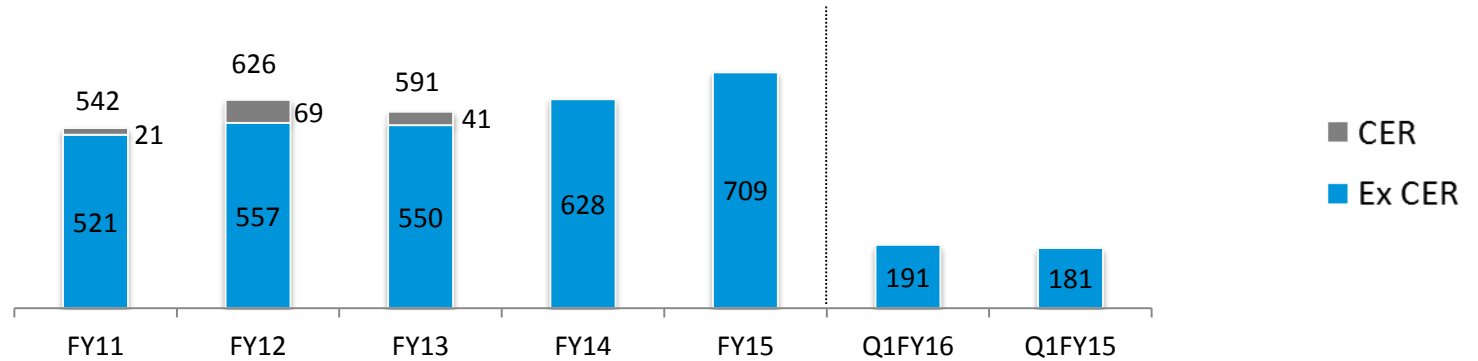


- Improving revenues, efficiencies and higher margins leading to healthy performance in Q1FY16
- Global facilities in Thailand and South Africa contributing positively to profitability
- Establishing a new greenfield Line in Indore at an estimated cost of \$56 mn



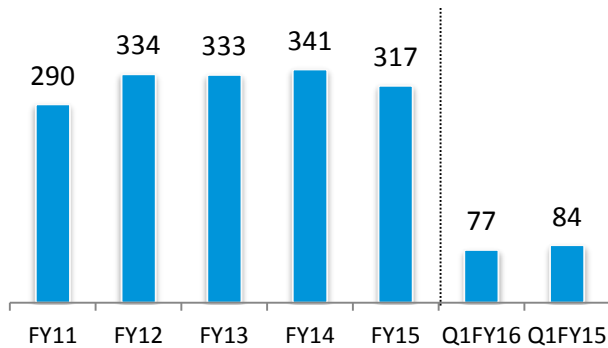
Consolidated Snapshots

Revenues

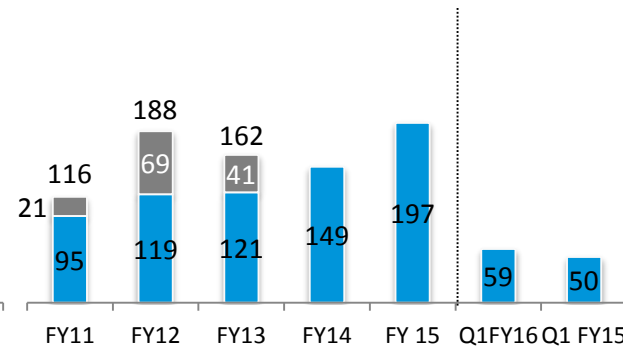


Business Segments

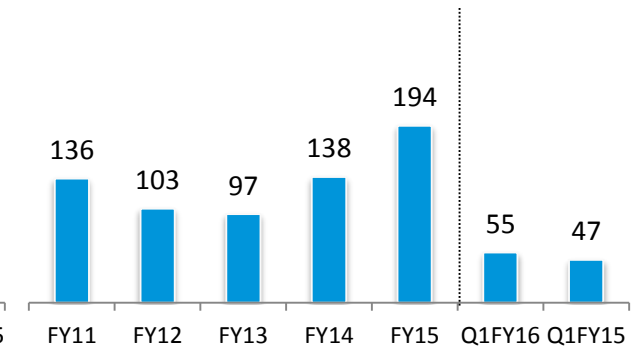
Technical Textiles



CPB

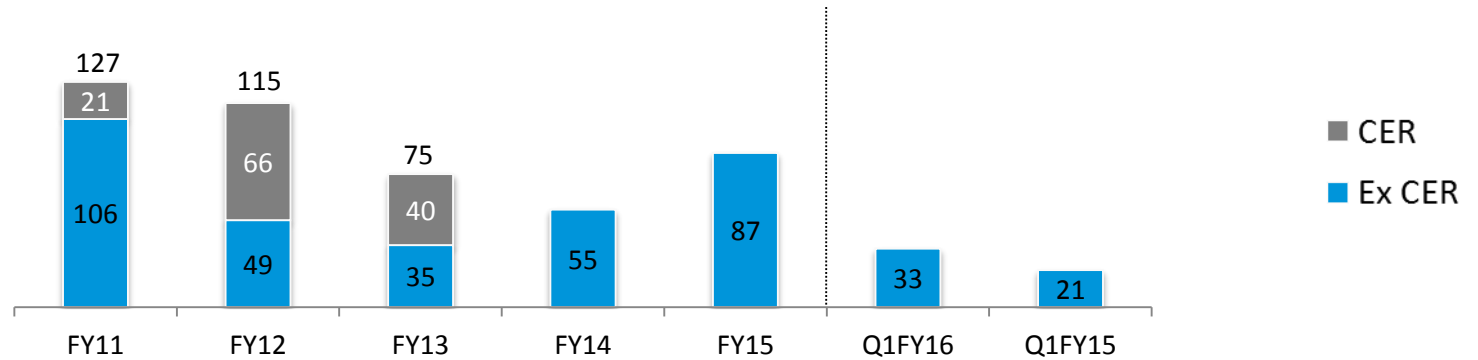


Packaging Films



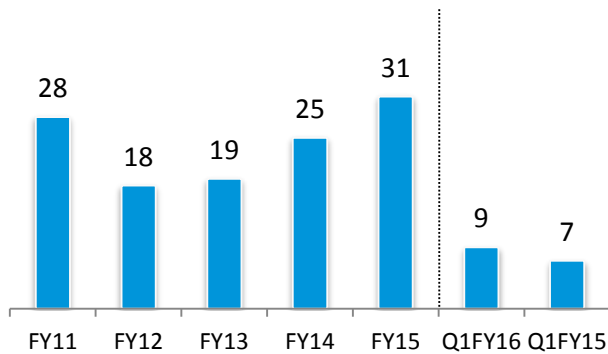


EBIT

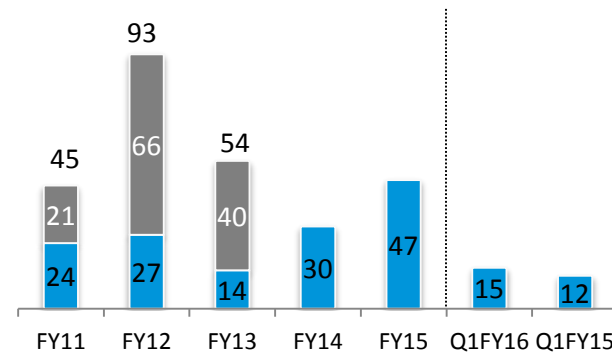


Business Segments

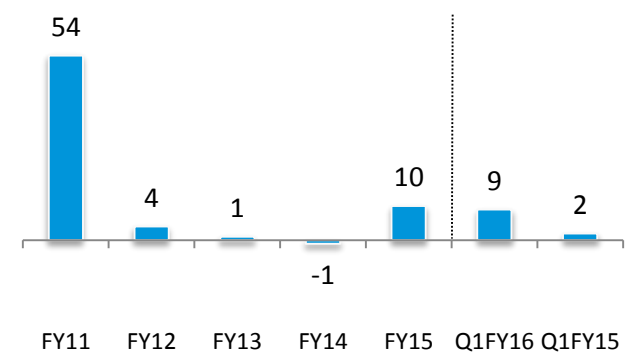
Technical Textiles



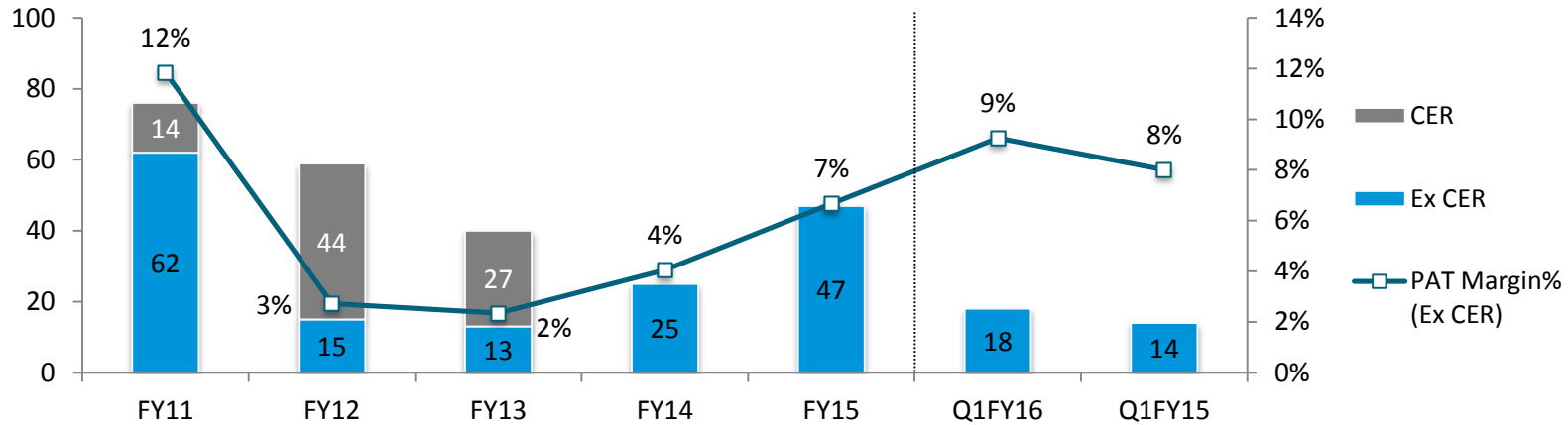
CPB



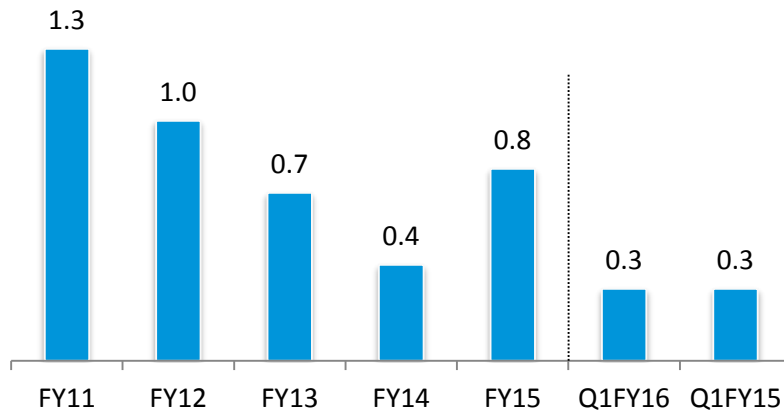
Packaging Films



PAT

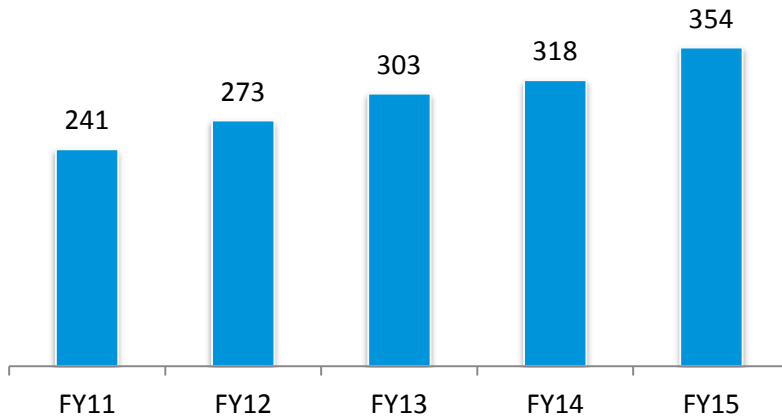


EPS (\$)

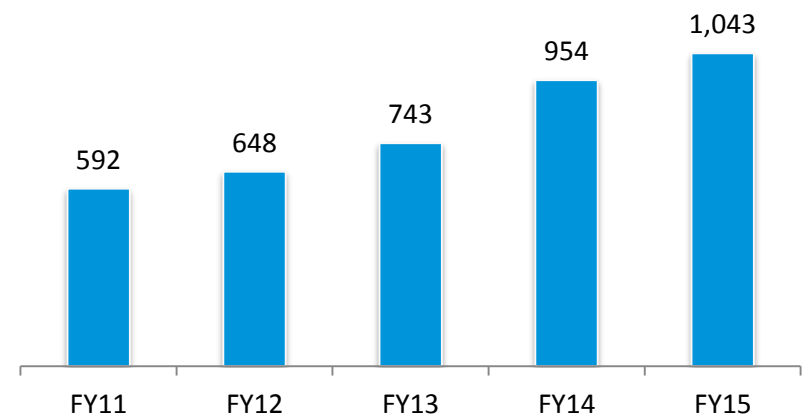


- Focus of investments in higher margin businesses
- Higher Capacity utilisation for the existing plants
- New capexes to further enhance the financial performance of the Company

Networth

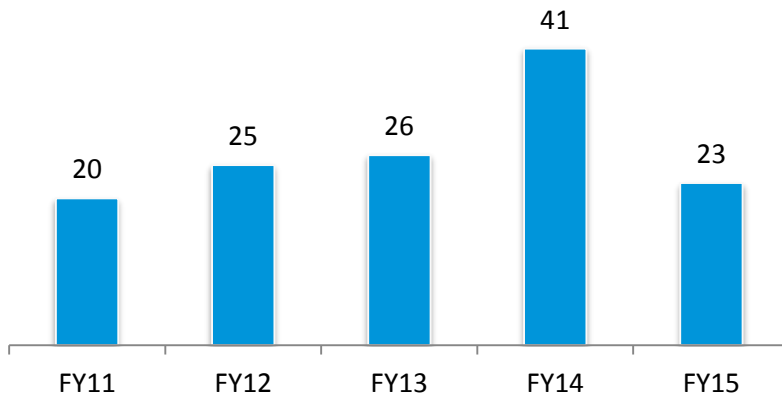


Gross Block



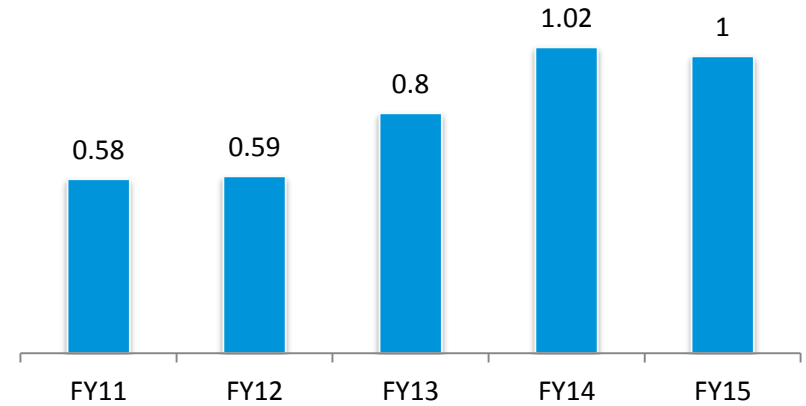
- **Dahej facility to produce multiple products with focus on specialty chemicals and fluorochemicals**
- **Return ratios are anticipated to improve as capex incurred leads to growth and profitability**

Dividend Payout* (%)

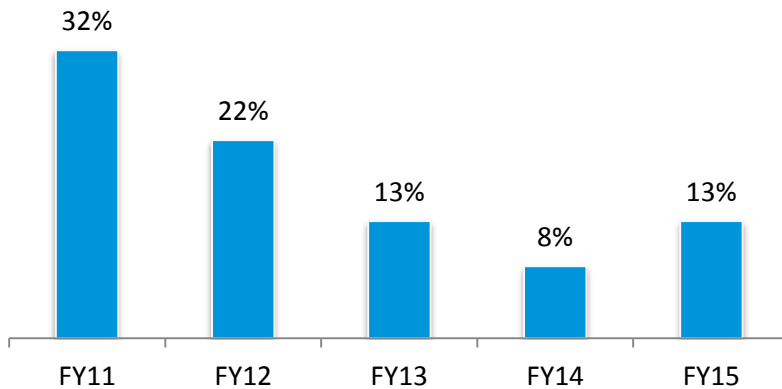


* Including Corporate Dividend Tax

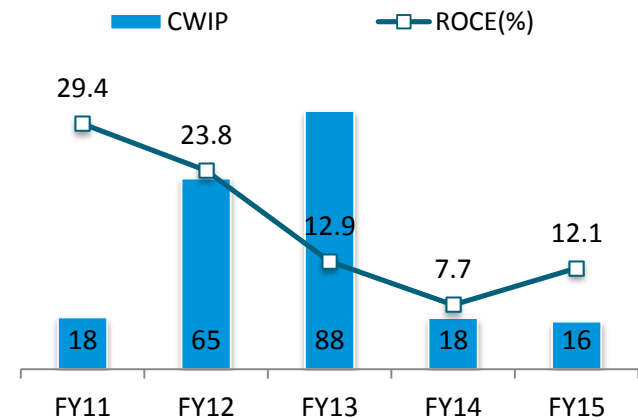
Net Debt: Equity (x)



RONW (%)



ROCE

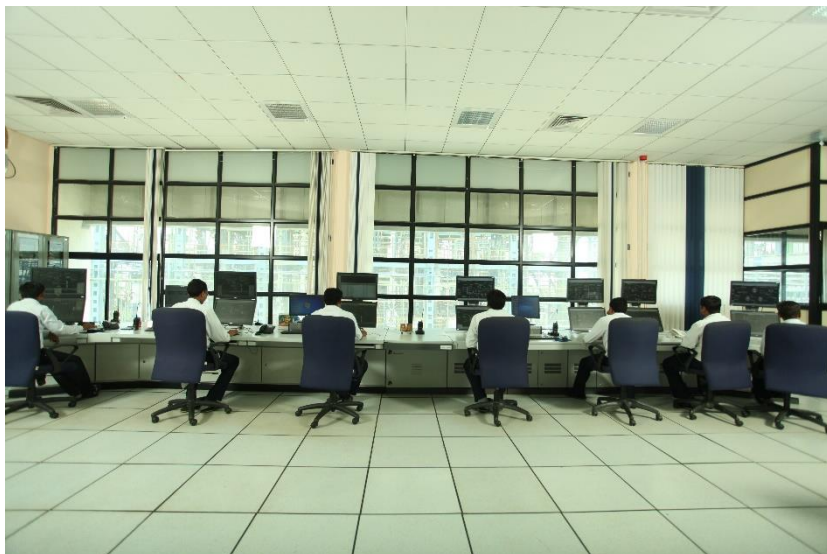




Outlook

- **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**
- **Macroeconomic environment to have an impact on coated and belting fabric segments going forward**





- **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**

- Driven by the robust FMCG growth and fast urbanisation, domestic market in India is expected to grow by 10% year-on-year
- Focus on having efficient cost structures, enhanced capabilities and incorporating more value-added products in the portfolio
- International operations to report improved profitability in FY16





Other Milestones

Winner of Deming Prizes for 2 businesses

Chemicals
Business
2012



Tyre Cord
Business
2004



SRF in
Forbes'
'Best
Under a
Billion List'
2011



CII-ITC
Sustainability
Awards

2008 Strong
Commitment

2009, 2010 & 2011
Significant
Achievement

2013 Sustainability
Prize



Best CFO Award



2012: 'Best CFO' presented by a leading Indian business magazine **BusinessWorld**



CSR Awards

2012 Businessworld FICCI CSR Award

2013 Aaj Tak Care Awards

2013 Greentech CSR Award





Education

Undertakes up-gradation of government schools under '**Quality Education for All**' programme, covering 90 primary and middle schools across 60 villages; impacting more than **25,000 children** spread across 6 states in India



Vocational Skills

Undertakes several initiatives to improve the employability of people especially the younger generation from the disadvantaged communities by way of **providing vocational skills**



Natural Resource Management

Continues to reach out to poor families in Alwar district in India to improve their livelihood; **impacting 6,500 families spread over 38 villages**



Health

Continues to **organise various health camps** ranging from medical awareness, diabetes, eye check-ups, blood donation, etc, besides **ongoing HIV/ AIDS Awareness events and HIV Testing programmes** in all plant locations

Established in 1970, SRF as a group has today grown into a global entity with operations in 3 countries. Apart from Technical Textiles Business, in which it enjoys a global leadership position, SRF is a domestic leader in Refrigerants, Engineering Plastics and Industrial Yarns as well.

The Company also enjoys a significant presence among the key domestic manufacturers of Polyester Films and Specialty Chemicals. Building on its in-house R&D facilities for Chemicals Business and Technical Textiles Business, the company strives to stay ahead in business through innovations in operations and product development. 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 the TQM as its management way.

For further information please contact

Mukund Trivedy

Head of Corporate Communications

SRF Limited

Mobile: +919871709177

Email: mukund.trivedy@srf.com

Anoop Poojari / Karl Kolah

CDR India

Tel: +91 22 6645 1211 / 1220

Email: anoop@cdr-india.com; karl@cdr-india.com



Thank you
