



The Corporate Relationship Department, BSE Limited 1st Floor , New Trading Ring Rotunda Building, P.J. Towers Dalal Street, <u>Mumbai 400 001</u>	National Stock Exchange of India Limited "Exchange Plaza" Bandra-Kurla Complex Bandra (E) <u>Mumbai 400 051</u>
Scrip Code- 503806	Scrip Code-SRF

SRF/SEC/BSE/NSE

10th May, 2022

Dear Sir,

Presentation- Earnings Call (Audited Financial Results for the quarter and year ended 31.03.2022)

In continuation of our letter dated 05th May, 2022 informing about hosting of earning call to discuss audited financial results for quarter and year ended 31st March, 2022, 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

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

Encl: As above

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SRF Limited

Q4 & FY22 Results Presentation
May 10, 2022



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 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 exports 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.

Contents



04

Company
Overview



10

Q4 & FY22
Results Overview



15

Q4 & FY22
Segmental Performance




31

Outlook




COMPANY OVERVIEW

Snapshot


 **12,434** Cr Revenue

 **3,146** Cr EBIDTA


 **1,889** Cr PAT


 **42%** Chemicals

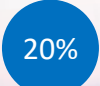
 Exports to **90+** Countries

 **14** Manufacturing Plants

 **38%** Packaging

 Operations in **4** Countries

 **7,000+** Global Workforce

 **20%** Technical Textiles & Others



Overview - Business Profile

Revenue	5,241	4,779	2,085	340
EBIT	1,397	946	471	20
No of Plants	2	6	4	2

Chemicals

Specialty Chemicals

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

Fluorochemicals

- Refrigerants
- Pharma Propellants
- Industrial Chemicals
- Fluoropolymers (Upcoming)

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

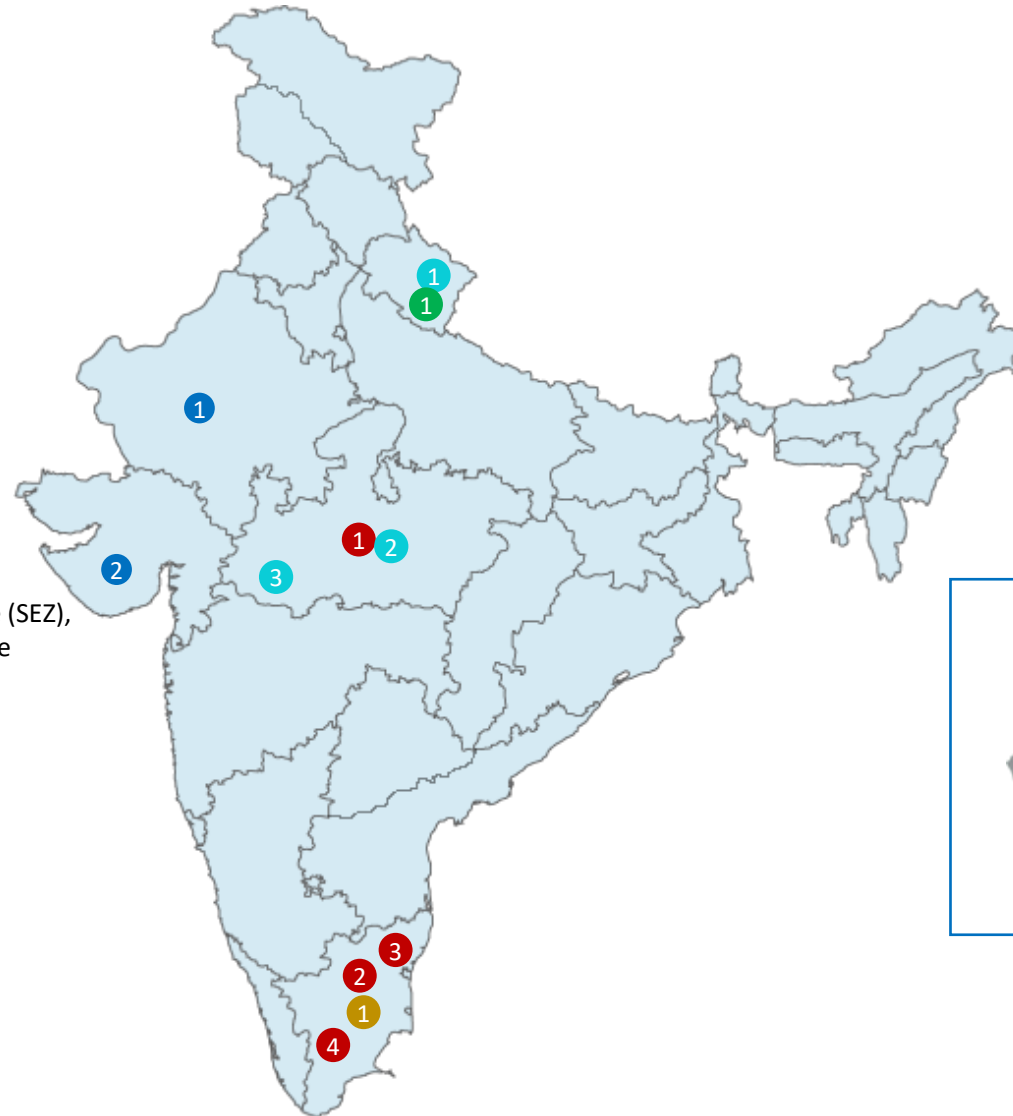
1. Madhya Pradesh, India - Malanpur, Bhind
2. Tamil Nadu, India - Manali
3. Gummidipoondi
4. Viralimalai

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



South Africa



Thailand



Hungary

Market Leadership Across Businesses

Specialty 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. 2nd largest player globally
- 3rd largest manufacturer of Conveyor Belting Fabrics in the world

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



Q4 & FY22 RESULTS OVERVIEW

Abridged Results Overview - Consolidated

Consolidated figures

Particulars (Rs. Crore)	Q4 FY22	Q4 FY21	% Y-o-Y	FY22	FY21	% Y-o-Y
Gross Operating Revenue	3,549.4	2,607.6	36.1%	12,433.7	8,400.0	48.0%
EBITDA	943.8	647.2	45.8%	3,146.0	2,187.8	43.8%
<i>EBITDA Margin (%)</i>	<i>26.6%</i>	<i>24.8%</i>		<i>25.3%</i>	<i>26.0%</i>	
Depreciation	131.6	118.5	11.1%	517.2	453.1	14.2%
Interest	35.7	26.2	36.5%	115.9	134.0	-13.5%
ECF (Gain) / Loss	(11.4)	(9.1)	25.8%	(72.7)	(11.9)	513.2%
Profit Before Tax	787.9	511.7	54.0%	2,585.5	1,612.7	60.3%
Profit After Tax	605.6	381.5	58.8%	1,888.9	1,198.3	57.6%
<i>Profit After Tax Margin (%)</i>	<i>17.1%</i>	<i>14.6%</i>		<i>15.2%</i>	<i>14.3%</i>	
EPS (Rs.)	20.43	12.88		63.75	40.58	

EPS is recalculated based on post bonus issue

Results Overview - Financial Overview

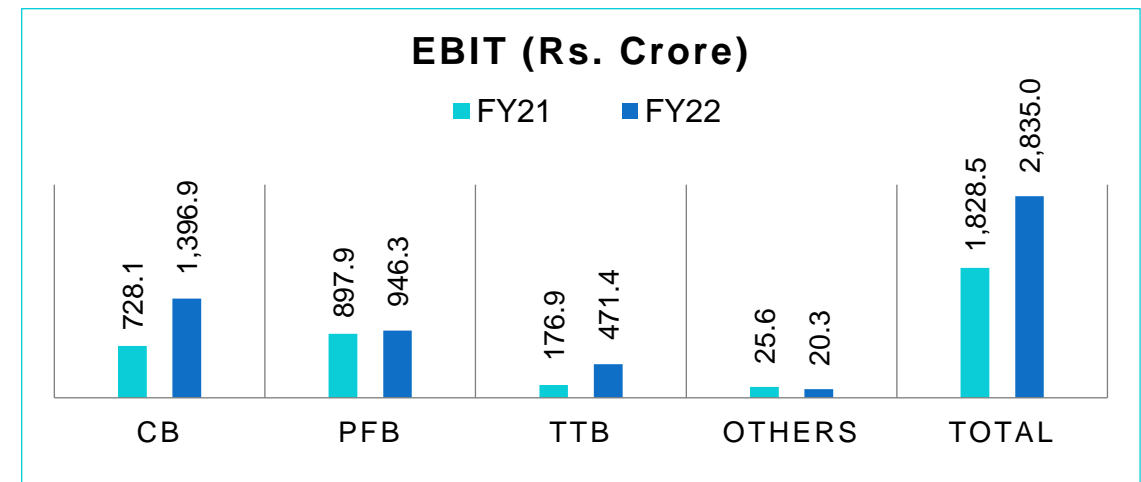
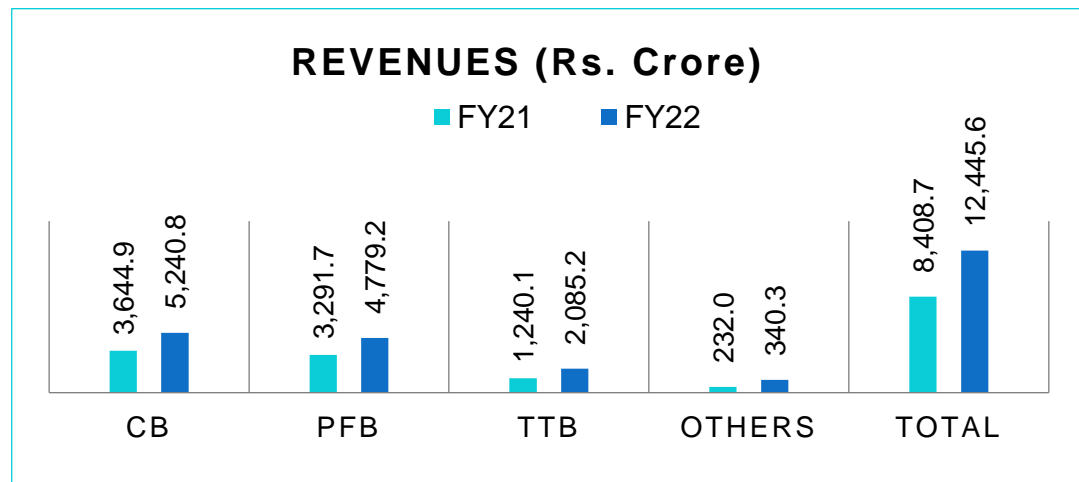
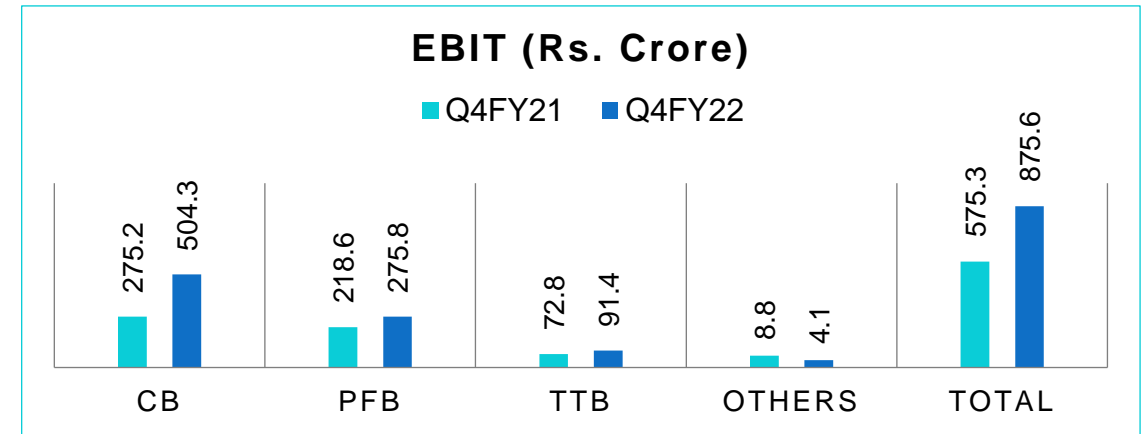
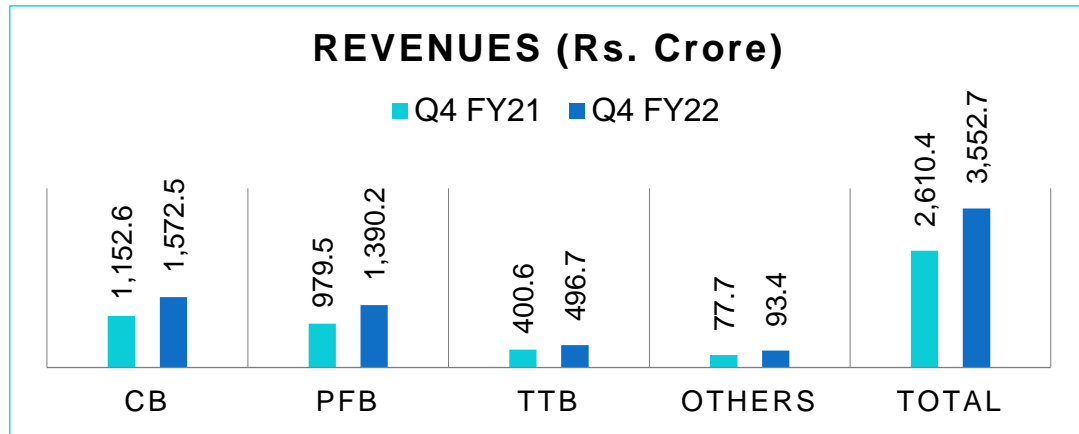
Consolidated figures

Key Financial Ratios

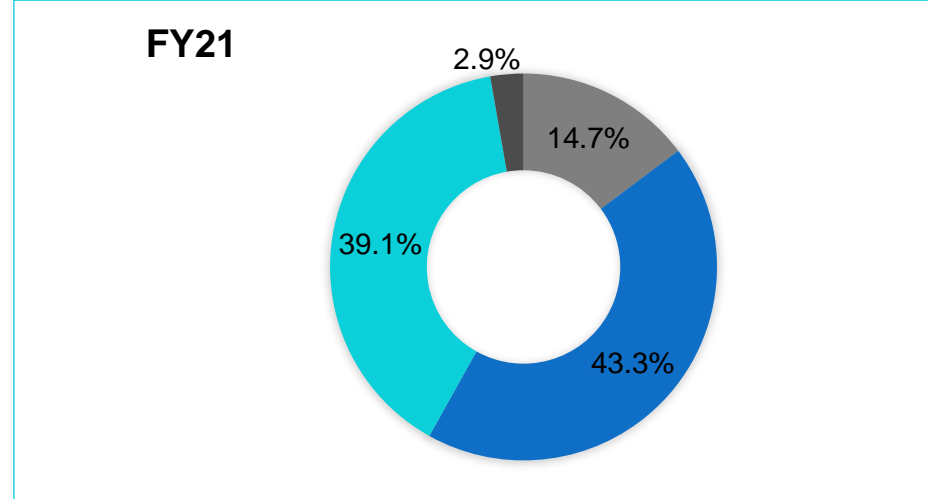
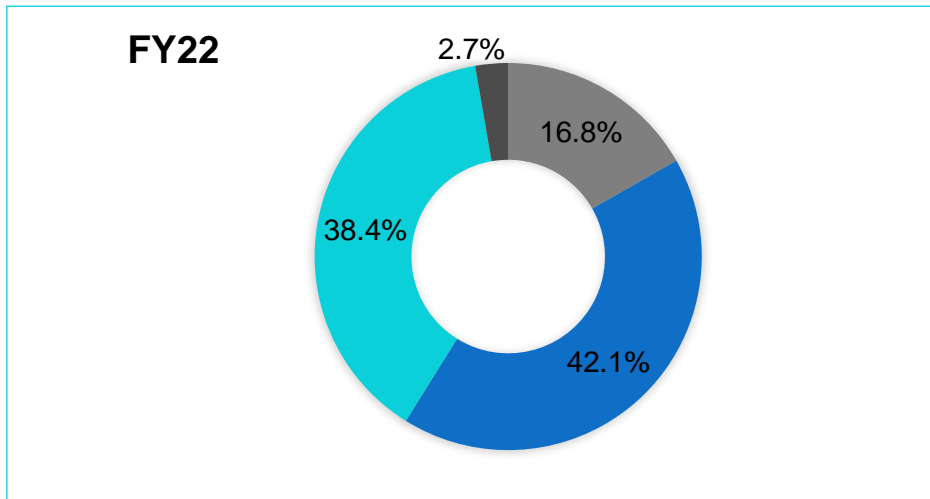
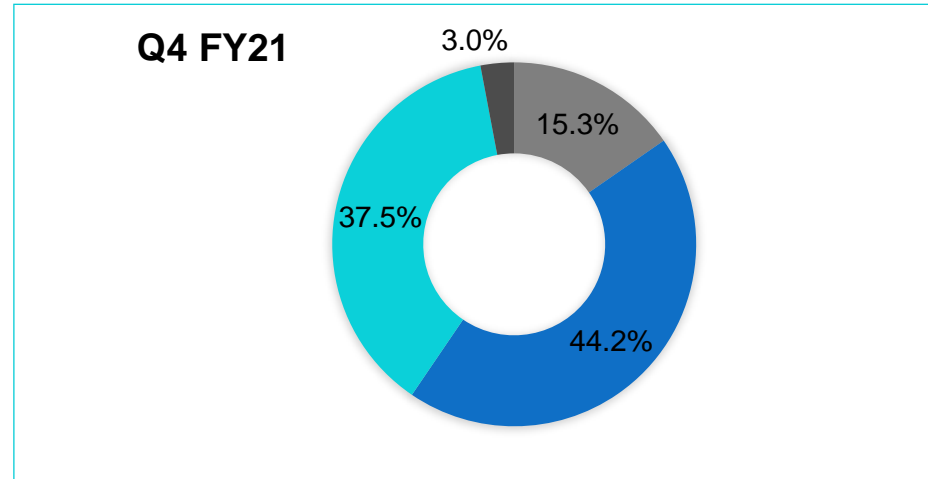
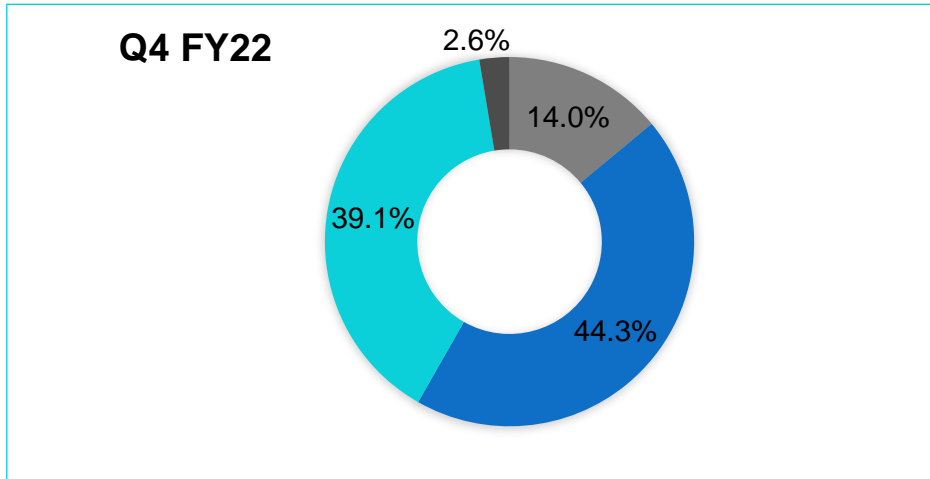
PARTICULARS	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
EBITDA Margin	17.59%	13.59%	20.43%	22.13%	21.42%	17.69%	19.00%	20.90%	26.05%	25.30%
PAT Margin	6.69%	4.04%	8.78%	9.51%	10.87%	8.38%	8.33%	12.70%	14.26%	15.19%
Net Debt to Equity	0.70	1.00	0.98	0.71	0.67	0.82	0.83	0.76	0.39	0.32
Net Debt to EBIDTA	2.08	3.80	2.83	1.97	2.11	3.01	2.42	2.48	1.24	0.88
Asset Turnover	0.82	0.73	0.77	0.7	0.68	0.66	0.72	0.66	0.65	0.79
Debtors Turnover	7.44	5.81	7.43	8.79	7.21	8.1	6.90	8.09	6.64	6.94

Results Overview - Revenue & EBIT

Consolidated figures



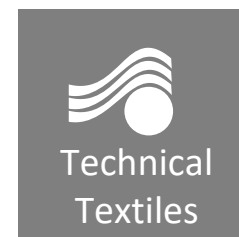
Results Overview - Revenue Share



- CB
- PFB
- TTB
- Others



Q4 & FY22 SEGMENTAL OVERVIEW



Chemicals Business



Chemicals Business - Results Update

Consolidated figures

Particulars (Rs. Crore)	Q4 FY22	Q4 FY21	% SHIFT	FY22	FY21	% SHIFT
Segment Revenues	1,572.5	1,152.6	36.4%	5,240.8	3,644.9	43.8%
<i>% Contribution to Revenues</i>	44.3%	44.2%		42.1%	43.3%	
EBIT	504.3	275.2	83.3%	1,396.9	728.1	91.8%
<i>% EBIT Margins</i>	32.1%	23.9%		26.7%	20.0%	
<i>% Contribution to EBIT</i>	57.6%	47.8%		49.3%	39.8%	

Chemicals Business

Specialty Chemicals Business



- Healthy performance recorded in this segment on account of:
 - Strong demand for flagship products and downstream derivatives
 - Continuous enhancement of new product portfolio, thereby strengthening customer base – 6 new products launched during the year
 - Continued focus on cost reduction initiatives through process-improvement and optimization of asset utilization
 - Managing our environmental footprint with continuous improvements in our systems and processes
- The Board has approved a project to setup dedicated facilities to produce key specialty products at Dahej at an estimated cost of ₹115 cr
 - The current opportunity along with recent commissioned / upcoming capacities will strengthen our market position in both Agro and Pharma industries

Market Trends

- Global agrochemical innovators witnessing healthy growth in key markets, leading to better demand for specialty product
- ‘China plus one’ strategy continues to gain further momentum
- Rising crude prices, logistics challenges, and global shortages of some key raw materials remains a concern



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
- 21 new process patents were granted in FY22, taking the tally to 114 global patents to-date. Overall, the Company has applied for 361 patents

114

Global Patents
granted

361

Patents applied

Fluorochemicals Business

- Segment delivered robust performance on account of:
 - Sustained volumes with healthy margin realizations across all HFCs in both domestic and export markets
 - Strong demand for Dymel® HFA 134a/P sales. Business is expanding presence across India, Bangladesh, Argentina, and Thailand. In addition, it has entered new markets such as Greece and Taiwan
 - Higher sales realizations and optimized product mix from chloromethanes segment augured well for the business
- Capexes are on track. The Board has also approved a project for capacity expansion of R 22 at Dahej at an approximate cost of ₹30 cr

Market Trends

- Domestic passenger vehicles production volumes higher than LY Q4 by 2%, YTD basis higher by 19% and domestic sales volumes lower in Q4 over CPLY by -1%. AC market demand and production volumes also higher than LY Q4
- Positive traction for refrigerants likely to continue
- Demand from Pharma segment remains healthy
- Severe inflationary pressure on prices of key raw materials and utilities; capex costs higher on account of commodity price inflation

Packaging Films Business



Packaging
Films



Packaging Films Business - Results Update

Consolidated figures

Particulars (Rs. Crore)	Q4 FY22	Q4 FY21	% SHIFT	FY22	FY21	% SHIFT
Segment Revenues	1,390.2	979.5	41.9%	4,779.2	3,291.7	45.2%
<i>% Contribution to Revenues</i>	<i>39.1%</i>	<i>37.5%</i>		<i>38.4%</i>	<i>39.1%</i>	
EBIT	275.8	218.6	26.2%	946.3	897.9	5.4%
<i>% EBIT Margins</i>	<i>19.8%</i>	<i>22.3%</i>		<i>19.8%</i>	<i>27.3%</i>	
<i>% Contribution to EBIT</i>	<i>31.5%</i>	<i>38.0%</i>		<i>33.4%</i>	<i>49.1%</i>	

Packaging Films Business

Key Highlights

- This segment delivered a strong performance with growth in sales across domestic and international businesses:
 - All plants ran at full capacities
 - Both BOPET and BOPP demand remained healthy
 - Ramp up of capacities in Hungary and Thailand aided volume growth
 - Increasing sales growth from Value-Added Products (VAP), further enhanced overall performance
 - Continued focus on cost-competitive procurements, despite supply chain constraints
- 'Easy to Do Business With' philosophy aided further growth, thereby strengthening our position as a global major in the industry:
 - Successfully increased our footprint with presence in over 100 countries
 - Continuing focus on improving quality and delivery parameters, helping the business expand to a wider and deeper customer base across the globe using SRF Management Way

Market Trends

- BOPP demand is expected to remain healthy
- Several new BOPET lines are expected to become operational in India, likely pressure on margins
- High logistics costs and supply chain-related constraints continue to weigh over margins

Technical Textiles Business



Technical
Textiles



Technical Textiles Business - Results Update

Consolidated figures

Particulars (Rs. Crore)	Q4 FY22	Q4 FY21	% SHIFT	FY22	FY21	% SHIFT
Segment Revenues	496.7	400.6	24.0%	2,085.2	1,240.1	68.1%
<i>% Contribution to Revenues</i>	<i>14.0%</i>	<i>15.3%</i>		<i>16.8%</i>	<i>14.7%</i>	
EBIT	91.4	72.8	25.6%	471.4	176.9	166.5%
<i>% EBIT Margins</i>	<i>18.4%</i>	<i>18.2%</i>		<i>22.6%</i>	<i>14.3%</i>	
<i>% Contribution to EBIT</i>	<i>10.4%</i>	<i>12.7%</i>		<i>16.6%</i>	<i>9.7%</i>	

Technical Textiles Business

Key Highlights

- Segment reported healthy revenues on account of:
 - Subdued Nylon Tyre Cord Fabrics volumes with steady margins
 - Significant growth in the Belting Fabrics and the Polyester Industrial Yarn segments
- Business continues to enhance its operational excellence parameters, both in terms of production and associated utilities

Market Trends

- Replacement demand sales likely to be positive in the upcoming quarters
- Due to re-opening of the mining sector and the revival of economic activities, the belting fabric segment is likely to see robust demand
- Anticipate healthy demand due to improving outlook for Indian economy along with infrastructure push and agriculture growth

Others



Others



Others - Results Update

Consolidated figures

Particulars (Rs. Crore)	Q4 FY22	Q4 FY21	% SHIFT	FY22	FY21	% SHIFT
Segment Revenues	93.4	77.7	20.2%	340.3	232.0	46.7%
<i>% Contribution to Revenues</i>	2.6%	3.0%		2.7%	2.9%	
EBIT	4.1	8.8	-53.4%	20.3	25.6	-20.5%
<i>% EBIT Margins</i>	4.4%	11.3%		6.0%	11.0%	
<i>% Contribution to EBIT</i>	0.5%	1.5%		0.7%	1.4%	



Coated Fabrics

- SRF continues to be a leader in domestic market with focus on increased sourcing initiatives and better operating performance
- Domestic demand which was slow initially due to the deferment / postponement of orders is now picking up and is expected to firm up considerably



Laminated Fabrics

- SRF maintained its price & volume leadership with plant operated at full capacity, achieving its highest ever sales in Q4 FY 22
- Realizations in this segment were adversely impacted by the continuing surplus supply situation

SRF's Community Engagement



- SRF collaborated with the Election Commission and Child & Women Development Departments to conduct voting awareness activities at Dehradun and Greater Noida, motivating people to vote
- Teachers' training on digital skills was organized to digitally empower teachers. More than 5,00 teachers were trained at 5 locations (in collaboration with IndiGo Aviation)
- SRF Foundation received the CSR Times Award-2021 (gold category) for its Rural Education Program



OUTLOOK

Outlook - Chemicals Business



Specialty Chemicals

- Moving up the value chain by accelerating qualifications of new molecules in both Agro and Pharmaceuticals sectors, capacity utilization of newly commissioned plants to remain in focus
- AI pipeline witnessing traction
- Working on key campaigns to be run in the next few quarters
- ROI accretive projects involving complex chemicals and specialty products for SRF's global customers
- Focus on launch of new products soon to be commissioned MPP4

Fluorochemicals

- Completion of in-progress capex, and ramp up volumes to achieve high asset utilization
- US market for refrigerants witnessing demand, which SRF is well positioned to capitalize on
- Focus on expanding in new markets / geographies and product offerings, ramping up sales from refrigerants, blends and industrial solvents
- Strong focus on effective resource utilization

Outlook - Packaging Films Business



- BOPP demand likely to remain stable; new BOPP film line in India on track
- Expected pressure on BOPET margins with new capacities coming on-stream, SRF's regional presence provides hedge
- Focus on enhancing value added products' volumes by optimizing product and customer mix
- Focus on increasing pace of R&D efforts, sustainability initiatives, efficient cost structures, enhanced capabilities and value-added products
- SRF Altech Limited is incorporated as a wholly owned subsidiary of SRF Ltd., to engage in the manufacturing of Aluminium foil

Outlook - Technical Textiles Business



- Higher operating leverage and cost optimization by capacity rationalization across various plants
- Demand recovery likely over the next few quarters
- Other sub-segments of Technical Textiles Business expected to make a significant contribution to the overall performance


About Us

Established in 1970, SRF Limited with an annual turnover of ₹12,313 crore (US\$ 1.6 billion) is a chemical based multi-business entity engaged in the manufacturing of industrial and specialty intermediates. The company's diversified business portfolio covers Fluorochemicals, Specialty Chemicals, Packaging Films, Technical Textiles and Coated and Laminated Fabrics. Anchored by a strong workforce of 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 90+ countries. Equipped with State-of-the-Art R&D facilities, SRF has filed 361 patents for R&D and technology so far, of which 114 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.

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