



The Corporate Relationship Department,  
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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

22.07.2022

Dear Sir,

**Presentation- Earnings Call (Un-Audited Financial Results for the quarter ended 30.06.2022)**

In continuation of our letter dated 14<sup>th</sup> July, 2022 informing about hosting of earning call to discuss Un-Audited financial results for quarter ended 30<sup>th</sup> June, 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](http://www.srf.com)

Thanking you,

Yours faithfully,

For SRF LIMITED

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

Encl: As above

**SRF LIMITED**

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Delhi 110091



**SRF**

We always find a better way

# SRF Limited

**Q1 FY23 Results Presentation**

July 22, 2022



A photograph of an industrial facility, possibly a refinery or chemical plant, with various towers, pipes, and storage tanks. The image is overlaid with a semi-transparent yellow rectangle. The word "Disclaimer" is written in a light green, sans-serif font across the middle of the yellow area.

## 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.

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# COMPANY OVERVIEW



# Snapshot



Exports to  
**90+**  
Countries



Operations in  
**4**  
Countries



**14**  
Manufacturing Facilities



**7,000+**  
Global Workforce



**12,434 cr**  
Revenue



**42%**  
Chemicals



**38%**  
Packaging



**20%**  
Technical Textiles & Others



**3,146 cr**  
EBITDA



**1,889 cr**  
PAT

# Overview - Business Profile



## Chemicals

### Specialty Chemicals

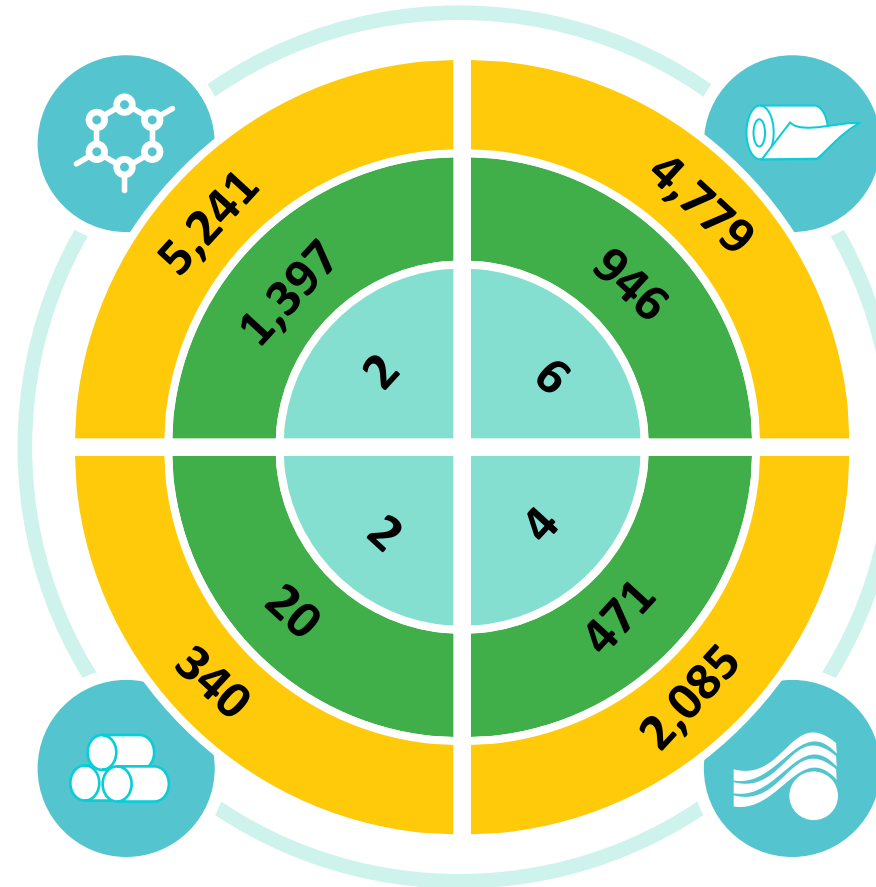
- Intermediates for AI / API / Applications
- Contract Manufacturing, Custom Research & Synthesis

### Fluorochemicals

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

### Others

- Coated Fabrics
- Laminated Fabrics



## 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



(In Rs. Crore)

(In No)

# 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

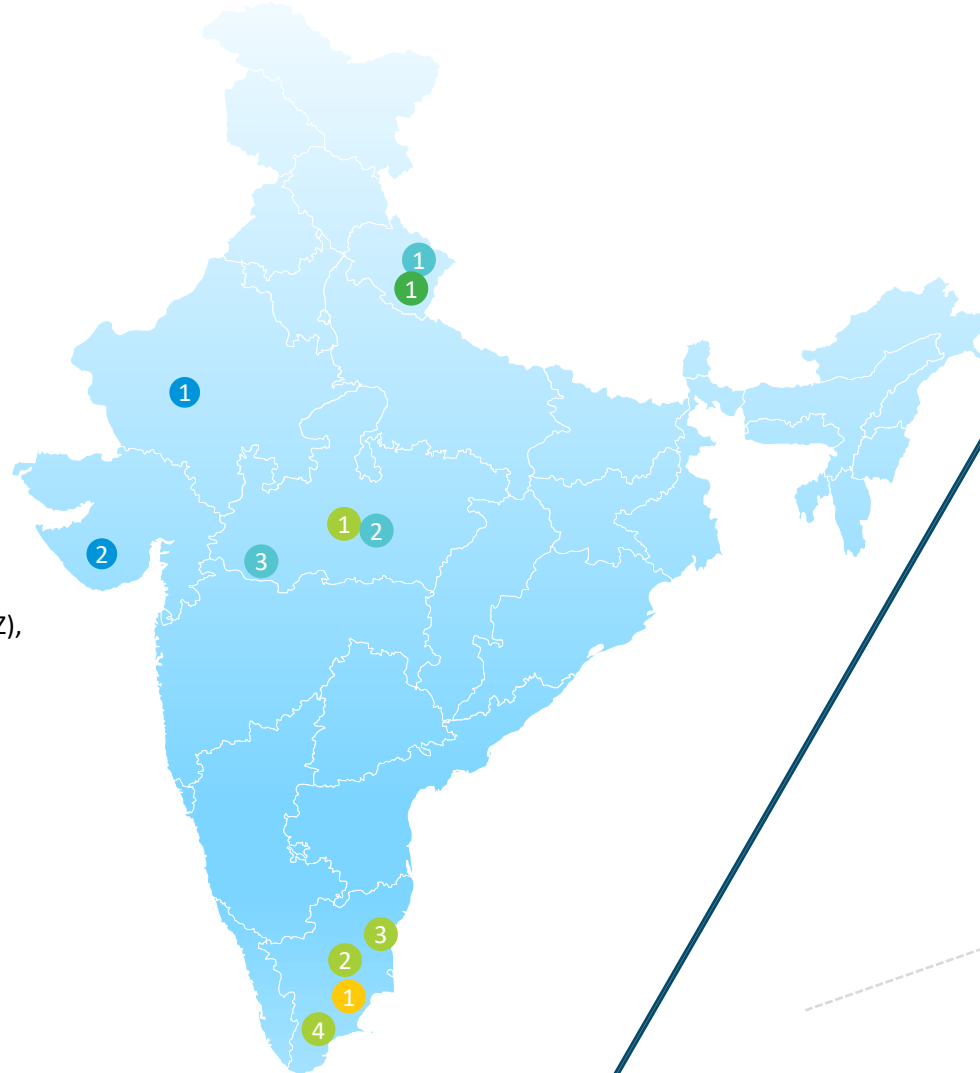
1. Uttarakhand, India- Kashipur
2. Madhya Pradesh, India - Special Economic Zone (SEZ),
3. Pithampur, Indore - Bagdoon, Pithampur, Indore

## ● LAMINATED FABRICS 1 National Operation

1. Uttarakhand, India - Kashipur

## ● COATED FABRICS 1 National Operation

1. Tamil Nadu, India - Gummidipoondi



## ● PACKAGING FILMS 3 International Operations

4. KwaZulu - Natal, South Africa
5. Rayong, Thailand
6. Jaszfenyszaru, 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

## ESG initiatives in focus

Benefit the communities where we work Embrace diversity, equity & inclusion Enhance focus on the 3R's- Recycle, Reuse & Reduce Increase consumption of green/renewable sources of energy



## 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



# Q1 FY23 Results Overview

# Abridged Results Overview



## Consolidated figures

Particulars (Rs. Crore)	Q1 FY23	Q1 FY22	% Y-o-Y
<b>Gross Operating Revenue</b>	<b>3,894.7</b>	<b>2,699.4</b>	<b>44.3%</b>
<b>EBITDA</b>	<b>1,029.7</b>	<b>678.2</b>	<b>51.8%</b>
EBITDA Margin (%)	26.4%	25.1%	
Depreciation	130.7	123.0	6.3%
Interest	32.5	27.5	18.3%
ECF (Gain) / Loss	24.9	(7.2)	NA
<b>Profit Before Tax</b>	<b>841.6</b>	<b>534.9</b>	<b>57.3%</b>
<b>Profit After Tax</b>	<b>608.0</b>	<b>395.3</b>	<b>53.8%</b>
Profit After Tax Margin (%)	15.6%	14.6%	
Diluted EPS (Rs.)	20.51	13.34	

*EPS is recalculated based on post bonus issued and paid-up capital*

# Results Overview - Financial Overview



## Consolidated figures

### Key Financial Ratios

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

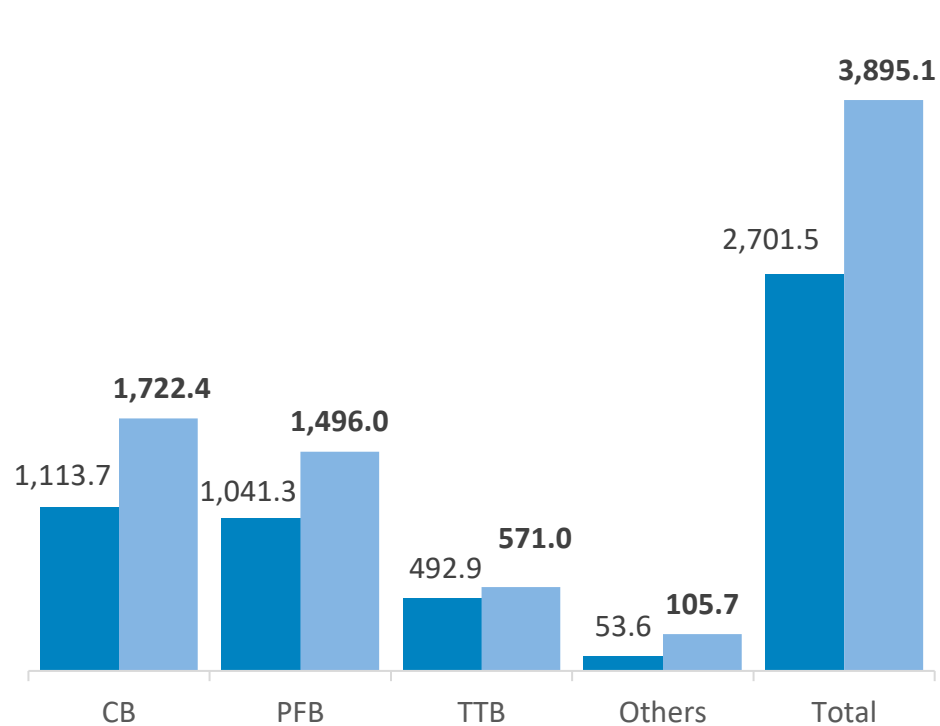
# Results Overview - Revenue & EBIT



## Consolidated figures

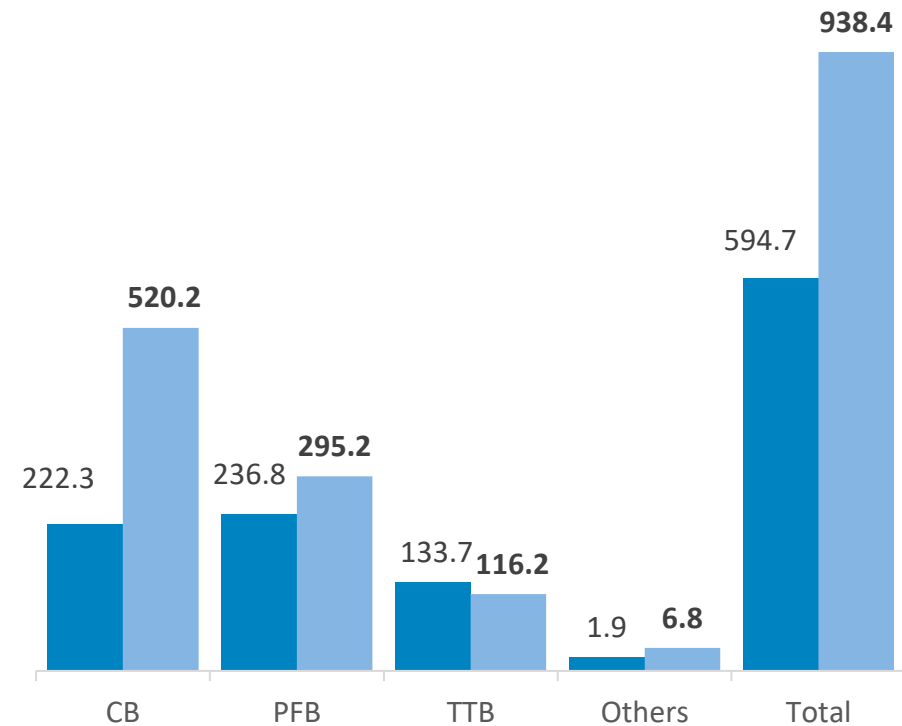
Revenues (Rs. Crore)

■ Q1 FY22 ■ Q1 FY23

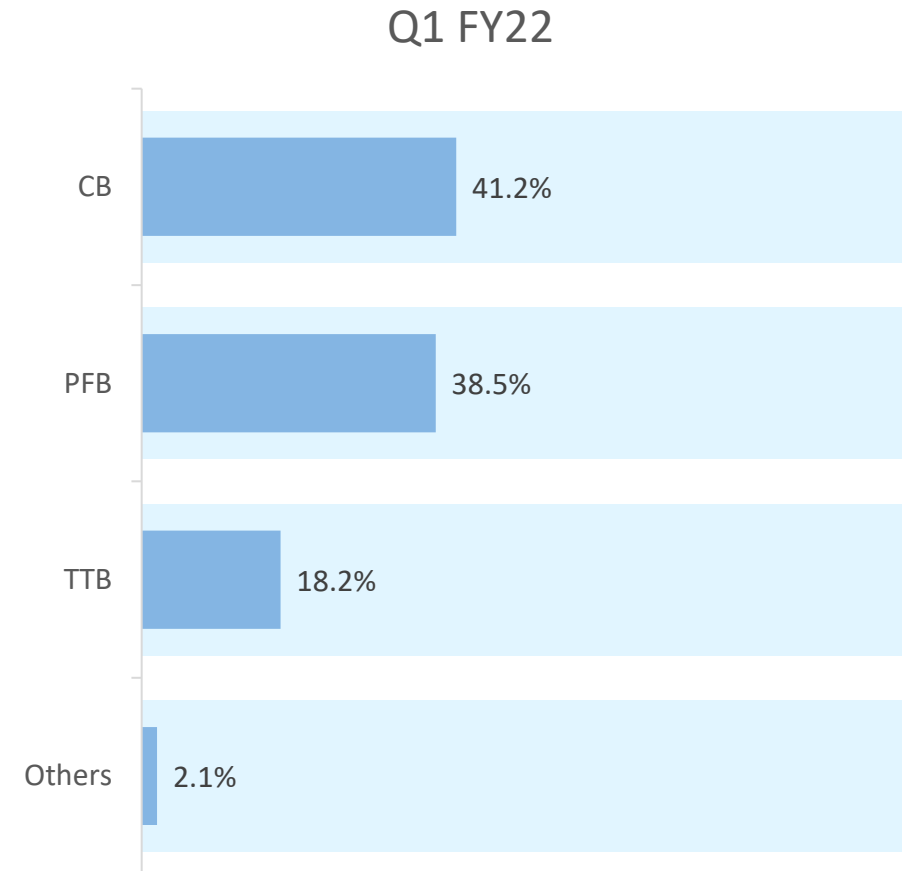
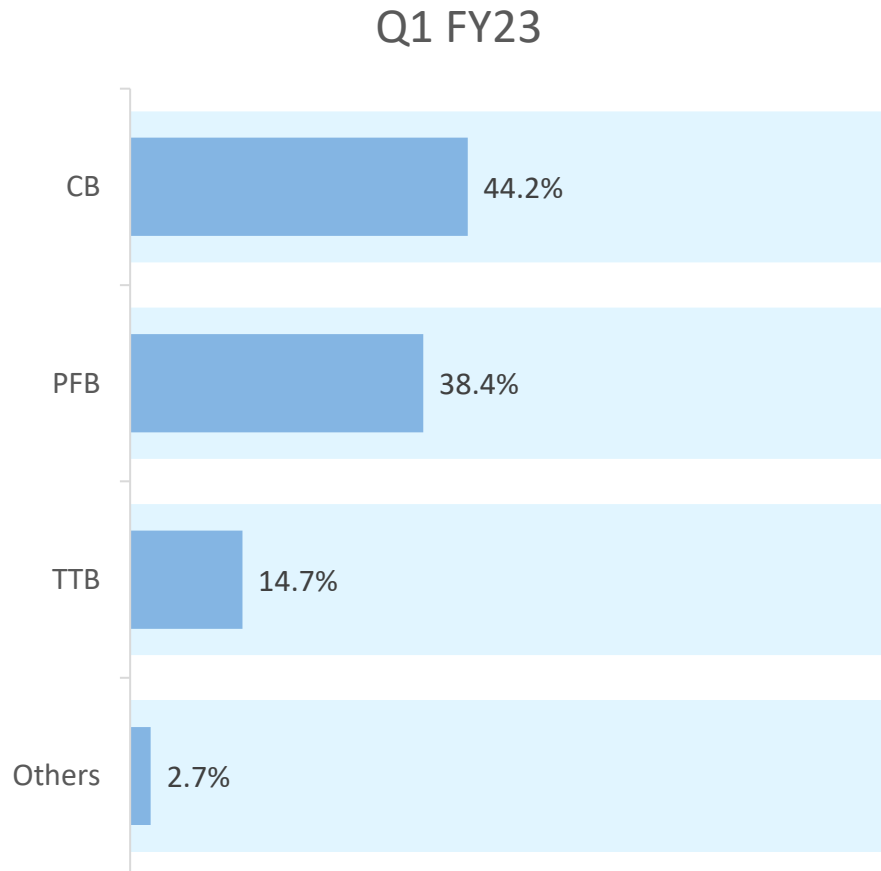


EBIT (Rs. Crore)

■ Q1 FY22 ■ Q1FY23



# Results Overview - Revenue Share





# Q1 FY23 Segmental Performance



Chemicals



Packaging Films



Technical Textiles

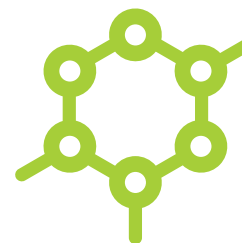


Others





## Chemicals Business



# Chemicals Business - Results Update



Consolidated figures

<b>PARTICULARS (Rs. Crore)</b>	<b>Q1 FY23</b>	<b>Q1 FY22</b>	<b>% Y-o-Y</b>
Segment Revenues	1,722.4	1,113.7	54.7%
<i>% Contribution to Revenues</i>	<i>44.2%</i>	<i>41.2%</i>	
EBIT	520.2	222.3	134.0%
<i>% EBIT Margins</i>	<i>30.2%</i>	<i>20.0%</i>	
<i>% Contribution to EBIT</i>	<i>55.4%</i>	<i>37.4%</i>	

# Chemicals Business

## Specialty Chemicals Business



- ✔ Segment delivered a healthy performance driven by robust demand for flagship products
  - Downstream derivatives also registered good growth leading to better sales
- ✔ New product additions further supported results
  - Launched 1 new Agro product in Q1 FY23
  - New product development funnel at optimal levels
- ✔ Sustained focus on cost management through process optimization and resource utilization
  - On-going efforts to diversify the portfolio of raw material suppliers to de-risk RM availability
  - Strong focus on initiatives that minimize the environmental cost of production
- ✔ Commissioned a state-of-the-art multi-purpose production facility (MPP4 plant) at Dahej
  - Newly commissioned capacities are being progressively ramped up

**Robust investments planned ~ ₹ 1200-1500 Crore over 12-18 months**

### Capex Update

The Board approved several projects at the Company's chemical facility at Dahej including:

- Dedicated facility to produce 1,000 MTPA of an advanced agrochemical intermediate at a projected cost of ₹250 crore
- Expand the intermediate product capacity that finds application in agrochemical and pharma at a projected cost of ₹72 crore
- Two technical structures for certain agrochemical products at a projected cost of ₹78 crore

### Market Trends

- ✔ Rising crude, logistics issues and global shortages of some key inputs pushing up the raw material prices
- ✔ 'China plus one' strategy continues to aid India's position as an alternate manufacturing base



## 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 – Bhiwadi, Rajasthan and Gurugram, Haryana. INDIA
- ✔ 10 new process patents were granted in Q1 FY23, taking the tally to 124 global patents to-date. Overall, the Company has applied for 370 patents

**124**

Global Patents granted

**370**

Patents applied

# Chemicals Business



## Fluorochemicals Business

- ✔ Segment in structurally strong space:
  - Better realizations and steady volumes witnessed across HFCs
  - HFC facilities operating at optimal utilization levels
  - Dymel® HFA 134a/P (pharma grade gas) continued to do well and reported significant growth
  - Healthy contribution from chloromethanes aided performance
- ✔ Seasonally weaker Q2 FY23 in the business, catalyst change in Q2 for R125
- ✔ CMS capex well on track – to be commissioned by Q2FY23

### Market Trends

- ✔ In Q1 FY23, domestic passenger vehicle production & sales volumes increased despite ongoing supply chain & logistical challenges
- ✔ Healthy market opportunities in key markets of India and USA
- ✔ In the AC segment, demand and production volumes remained healthy



# Packaging Films Business



# Packaging Films Business - Results Update



Consolidated figures

<b>PARTICULARS (Rs. Crore)</b>	<b>Q1 FY23</b>	<b>Q1 FY22</b>	<b>% Y-o-Y</b>
Segment Revenues	1,496.0	1,041.3	43.7%
% Contribution to Revenues	38.4%	38.5%	
EBIT	295.2	236.8	24.7%
% EBIT Margins	19.7%	22.7%	
% Contribution to EBIT	31.5%	39.8%	

# Packaging Films Business



## Key Highlights

- ✔ Segment registered strong results on account of:
  - BOPP Films delivered healthy performance
  - Increased sales from Value-Added Products (VAP), further enhanced overall performance
  - Continued focus on efficiencies and cost-competitive procurement to ensure the Company remains one of the lowest-cost producers in the world
- ✔ Bolstered the segment's mantra of 'Easy to Do Business With' to strengthen its position as a major player in the global packaging industry
  - Focus on enhancing quality and delivery of products to increase engagement with multinational customers, now present in over 100 countries
  - Sudden RM price correction – hopefully bottomed out
- ✔ As a market leader, the Company is driving sustainability initiatives and is working towards innovating films that have a lower environmental footprint
- ✔ BOPP Film line at Indore, India expected to be commissioned in Q2FY23

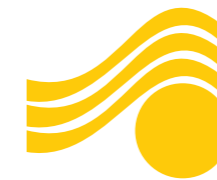
### Market Trends

- ✔ BOPET films likely to witness inventory impact due to sharp drop of RM prices
- ✔ Several new BOPET lines are scheduled to commence globally – to impact industry margins in the future
  - Demand is trending towards global suppliers with multi-locational facilities
- ✔ Energy prices in Europe remain a challenge, at our Hungarian facility
- ✔ BOPP likely to remain healthy





# Technical Textiles Business



# Technical Textiles Business - Results Update



Consolidated figures

<b>PARTICULARS (Rs. Crore)</b>	<b>Q1 FY23</b>	<b>Q1 FY22</b>	<b>% Y-o-Y</b>
Segment Revenues	571.0	492.9	15.8%
% Contribution to Revenues	14.7%	18.2%	
EBIT	116.2	133.7	-13.1%
% EBIT Margins	20.4%	27.1%	
% Contribution to EBIT	12.4%	22.5%	

# Technical Textiles Business



## Key Highlights

- ✔ Performance has been healthy, on account of:
  - Increased export volumes from the Nylon Tyre Cord Fabrics (NTCF) and Belting Fabrics segments
  - Domestic NTCF volumes were subdued with steady margins
  - Business continues to actively focus on improving operational excellence and productivity parameters
  - The Board has approved a project for capacity expansion and modernization of belting fabrics operations at TTB-Viralimalai from 1,100 Metric Tons Per Month (MTPM) to 1,800 MTPM at a projected cost of ₹162 crore to be spent over a period of three years
    - Belting Fabric market witnessing large opportunities and capex tuned to maintain and enhance our market share

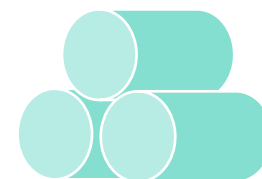
### Market Trends

- ✔ Major consumers prefer domestic supplies owing to the uncertain environment, resulting in a decline in imports, medium term positive
- ✔ Replacement domestic demand is expected to remain positive
- ✔ Belting fabrics segment is expected to witness robust demand as infrastructure spend revives





Others



# Others - Results Update



Consolidated figures

<b>PARTICULARS (Rs. Crore)</b>	<b>Q1 FY23</b>	<b>Q1 FY22</b>	<b>% Y-o-Y</b>
Segment Revenues	105.6	53.6	96.9%
% Contribution to Revenues	2.7%	2.1%	
EBIT	6.8	1.9	255.6%
% EBIT Margins	6.4%	3.5%	
% Contribution to EBIT	0.7%	0.3%	

# Others - Key Highlights



## Coated Fabrics

- ✔ SRF continues to be a leader in the domestic market with a focus on increased sourcing initiatives and superior operating performance
- ✔ After two years of the pandemic, the segment witnessed strong domestic demand
- ✔ Domestic demand for Coated Fabric is expected to remain healthy with good monsoons and resumption of events and outdoor activities



## Laminated Fabrics

- ✔ SRF maintained its price and volume leadership with the plant operating at full capacity in Q1 FY23 and achieving its highest-ever sales when compared with CPLY
- ✔ Realizations in this sector were adversely affected due to the ongoing surplus supply scenario

# SRF's Community Engagement



- ✔ Adopted 108 Anganwadis across Bhopal, Bhind and Dhar districts
- ✔ Conducted summer camps in 7 locations (Mewat, Bhopal, Bhind, Bharuch, Kamrup, Bhiwadi, and Dhar) covering 149 Govt. schools reaching 4,110 students
- ✔ Swachh Vidyalaya Puruskar at the state and district level awarded to 5 intervention schools in Bharuch, Bhopal and Mewat locations
- ✔ ~10,000 girls earned certification on completing the 'Capgemini Coding for Girls' program
- ✔ Distributed 171 tents to flood affected locations in Assam



# Outlook





# Outlook - Chemicals Business



## Specialty Chemicals

- ✔ Moving up the value chain by accelerating qualifications of new molecules in Agro and Pharmaceuticals sectors, capacity utilization of newly commissioned plants to remain in focus
- ✔ Working on key campaigns to go on stream
- ✔ Strong investment plans converting campaign products to dedicated plants likely in next 12-18 months, pre-work on structural requirements already commenced
- ✔ Focus on launch of new products from MPP4

## Fluorochemicals

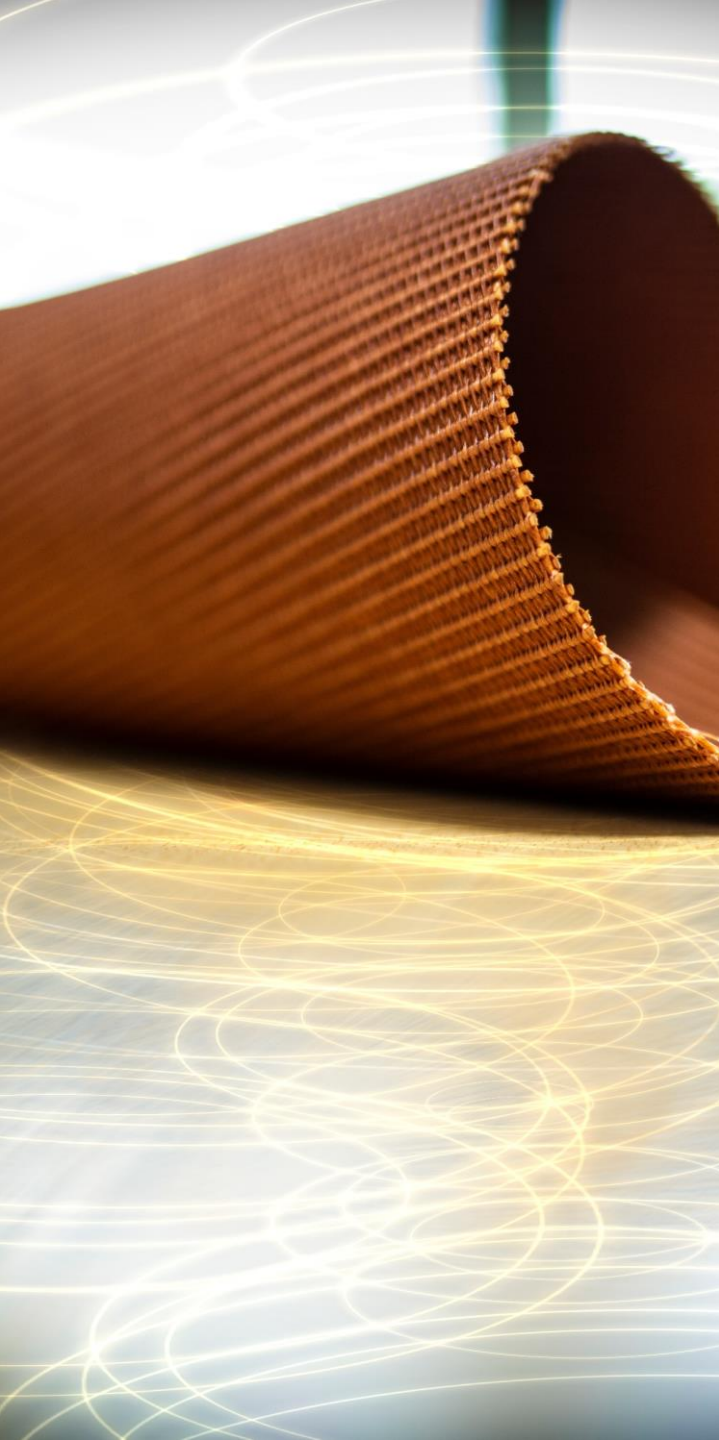
- ✔ Positive trend likely to continue - demand in the refrigerants segment is expected to remain healthy in the near to medium term
- ✔ Focus on expanding in new markets / geographies and product offerings, ramping up sales from refrigerants, blends and industrial solvents
- ✔ CMS (Q2), PTFE (Q3) to aid volume growth
- ✔ Focus on ESG being reinforced through multiple hybrid power procurement structures
- ✔ Strong focus on effective resource utilization

# Outlook - Packaging Films Business



- ✔ SRF Altech Limited incorporated as a wholly owned subsidiary of SRF Ltd., to engage in the manufacturing of Aluminium foil – civil work in progress
- ✔ Focus on enhancing sales from new BOPP film line in India and value-added products
- ✔ Sudden drop in raw material prices likely impact Q2 FY23, better positions for H2 FY23
- ✔ ROCE for the business remains healthy in the medium to long run
- ✔ Focus on increasing pace of R&D efforts, sustainability initiatives, efficient cost structures and enhanced capabilities





## Outlook - Technical Textiles Business



- ✔ Higher operating leverage and cost optimization by capacity rationalization across various plants
- ✔ Other sub-segments of Technical Textiles Business expected to make a significant contribution to the overall performance
- ✔ Incremental investments in Belting Fabrics over the next three years being made, expected to give strong returns

# 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 370 patents for R&D and technology so far, of which 124 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