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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

25.07.2023

Dear Sir,

**Presentation- Earnings Call (Un-Audited Financial Results for the quarter ended 30.06.2023)**

In continuation of our letter dated 19<sup>th</sup> July, 2023 informing about hosting of earning call to discuss Un-Audited financial results for quarter ended 30<sup>th</sup> June, 2023, 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**  
**Sr. VP (CORPORATE COMPLIANCE) & COMPANY SECRETARY**

Encl: As above

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CIN : L18101DL1970PLC005197



# SRF Limited

Q1 FY24 Results Presentation

25<sup>th</sup> July, 2023



# Disclaimer

Some 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 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 communication to stakeholders. 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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**OUTLOOK**

# 01.

## Company Overview



# Snapshot

Exports to  
**90+**  
Countries



Operations in  
**4**  
Countries



**15**  
Manufacturing  
Facilities



Close to  
**8,000**  
Global Workforce



**₹ 14,870 cr.**  
Revenue



**35%**  
Packaging



**50%**  
Chemicals



**15%**  
Technical Textiles &  
Others



**₹ 3,708 cr.**  
EBITDA



**₹ 2,162 cr.**  
PAT



Note: On Consolidated basis as on 31st March 2023

# Overview - Business Profile



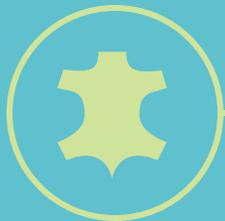
## Chemicals

### Specialty Chemicals

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

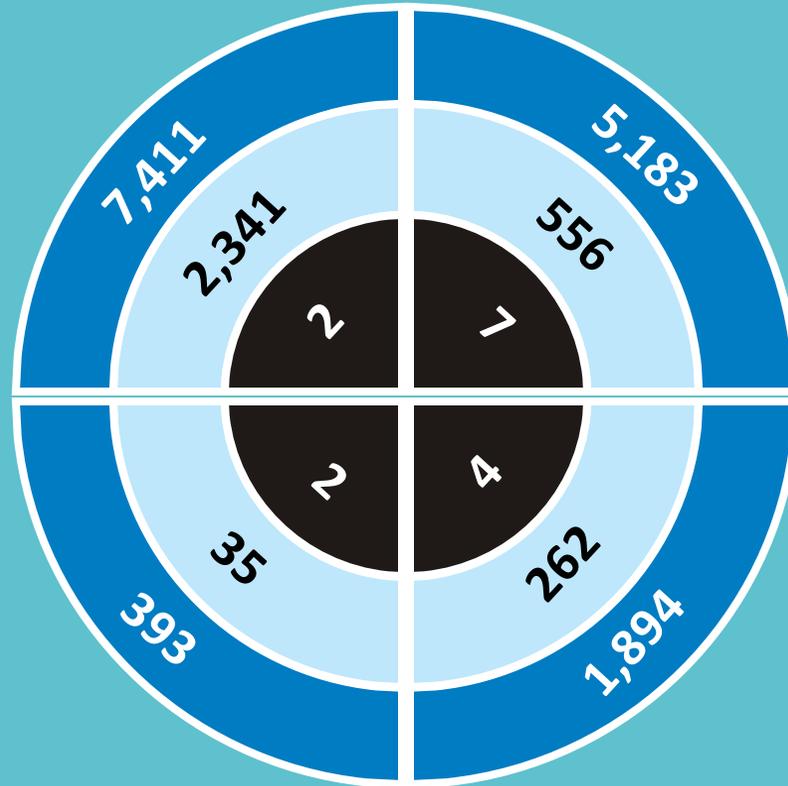
### Fluorochemicals

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



## Others

- Coated Fabrics
- Laminated Fabrics



Revenue

EBIT

No of Plants

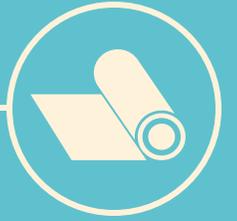
(In Rs. Crore)

(In No)

Note: On Consolidated basis as on 31st March 2023

### Films for Flexible Packaging

- Bi-axially Oriented Polyethylene Terephthalate (BOPET)
- Bi-axially Oriented Polypropylene (BOPP)
- Aluminium Foil (Upcoming)



## Packaging Films

- Tyre Cord Fabrics (Nylon & Polyester)
- Belting Fabrics
- Polyester Industrial Yarn



## Technical Textiles

# 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 -
  - a. Manali
  - b. Gummidipoondi
  - c. Viralimalai

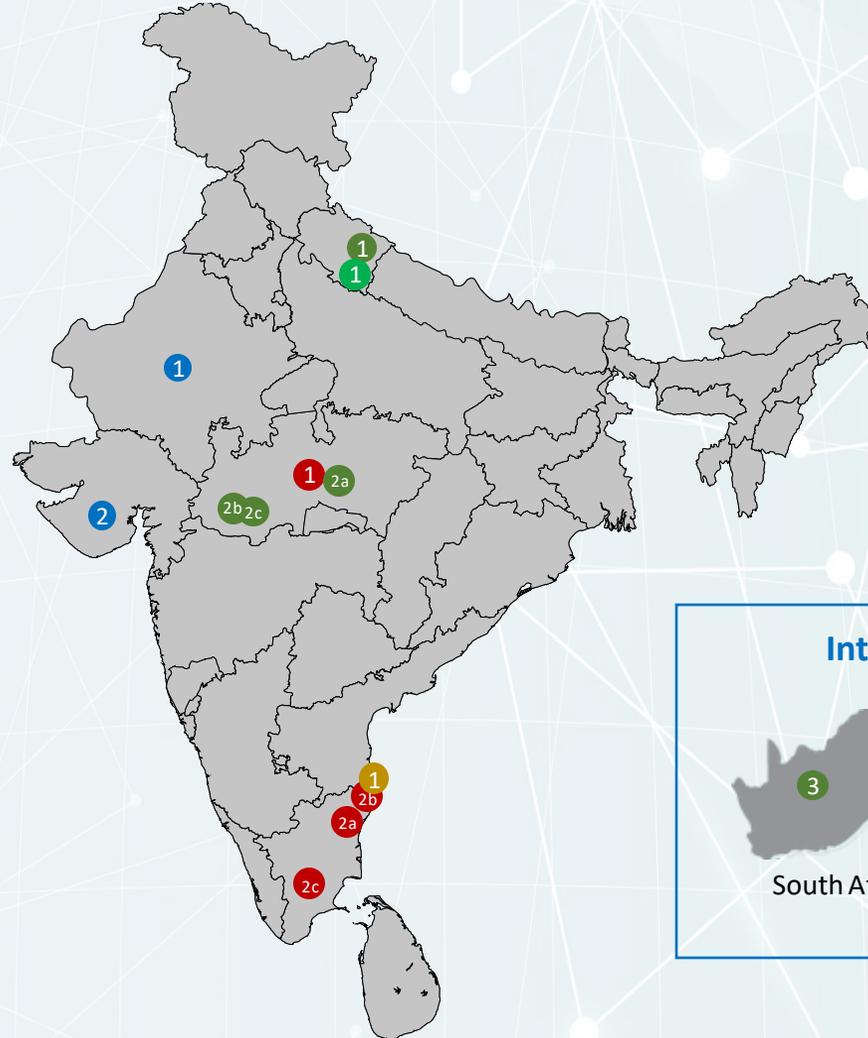
## PACKAGING FILMS

### 4 National Operations

1. Uttarakhand, India - Kashipur
2. Madhya Pradesh, India -
  - a. Special Economic Zone (SEZ)
  - b. Bagdoon, Pithampur
  - c. Industrial Growth Centre, Pithampur

### 3 International Operations

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



## LAMINATED FABRICS

### 1 National Operation

1. Uttarakhand, India - Kashipur

## COATED FABRICS

### 1 National Operation

1. Tamil Nadu, India - Gummidipoondi



# 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 of Pharma grade 134a/P - propellant in metered dose inhalers
- Among the top five global manufacturers of key Fluorochemical 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 near customer locations

## Technical Textiles

- Domestic market leader in Tyre Cord manufacturing and Belting Fabrics
- 40% share in India's Nylon Tyre Cord market. 5<sup>th</sup> largest player globally
- 2<sup>nd</sup> 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

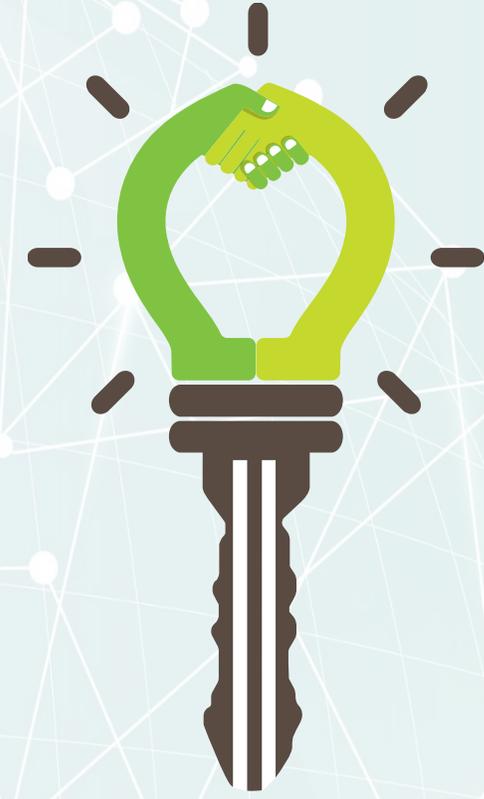
Reposition portfolio towards knowledge-based products

## Focus on building high-end value-added products

Continue to build new competencies in the Chemicals Technology space

## Greater focus on ESG initiatives

- 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



**Build a Company known and respected for its R&D capabilities**

02.

Q1 FY24

Results Overview



# Abridged Results Overview

## Consolidated figures

Particulars (Rs. Crore)	Q1 FY24	Q1 FY23	% Y-o-Y
<b>Gross Operating Revenue</b>	<b>3,338.4</b>	<b>3,894.7</b>	<b>-14.3%</b>
<b>EBITDA</b>	<b>731.7</b>	<b>1,029.7</b>	<b>-28.9%</b>
EBITDA Margin (%)	21.9%	26.4%	
Depreciation	156.6	130.7	19.8%
Interest	65.6	32.5	101.9%
ECF (Gain) / Loss	23.7	24.9	
<b>Profit Before Tax</b>	<b>485.8</b>	<b>841.6</b>	<b>-42.3%</b>
<b>Profit After Tax</b>	<b>359.3</b>	<b>608.0</b>	<b>-40.9%</b>
Profit After Tax Margin (%)	10.8%	15.6%	
Basic and Diluted EPS (Rs.)	12.12	20.51	

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

# Results Overview - Financial Overview

## Consolidated figures

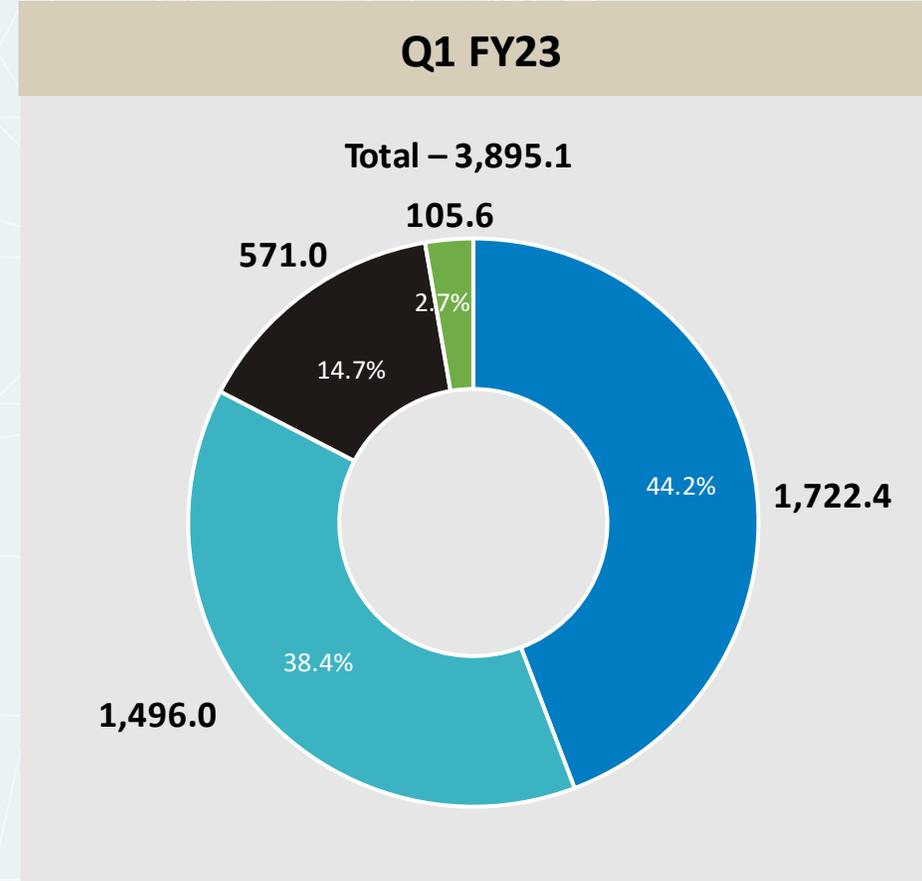
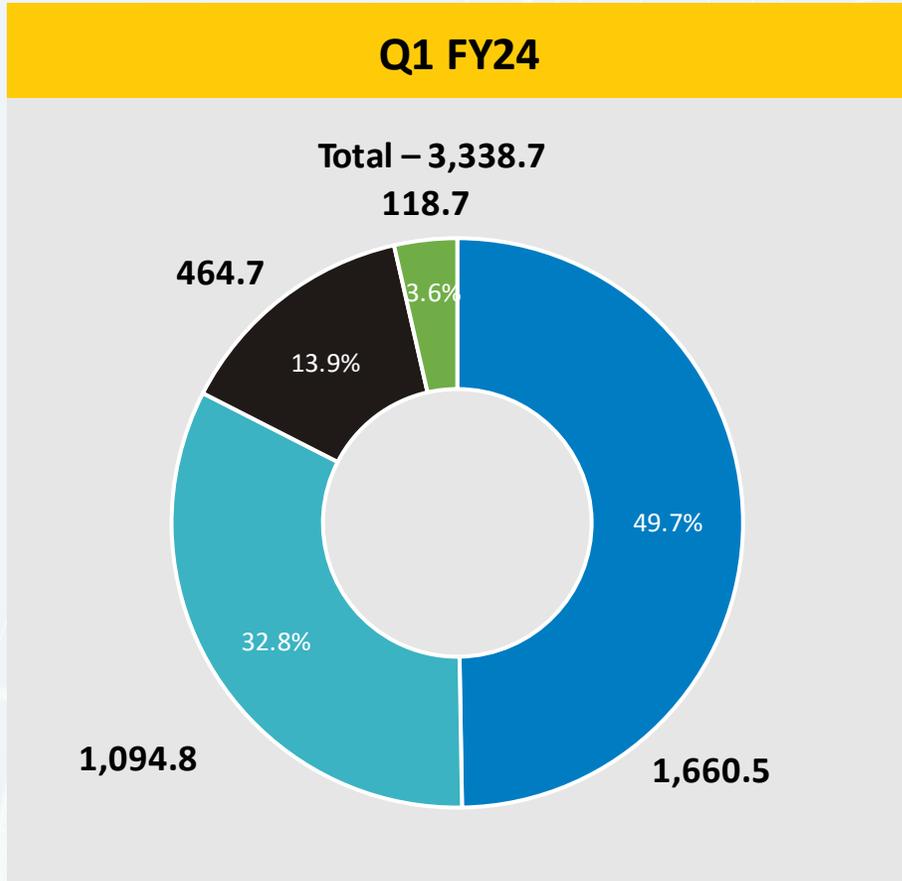
### Key Financial Ratios

PARTICULARS	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
<b>EBITDA Margin</b>	13.59%	20.43%	22.13%	21.42%	17.69%	19.00%	20.90%	26.05%	25.30%	24.94%
<b>PAT Margin</b>	4.04%	8.78%	9.51%	10.87%	8.38%	8.33%	12.70%	14.26%	15.19%	14.54%
<b>Net Debt to Equity</b>	1.00	0.98	0.71	0.67	0.82	0.83	0.76	0.39	0.32	0.32
<b>Net Debt to EBIDTA</b>	3.80	2.83	1.97	2.11	3.01	2.42	2.48	1.24	0.88	0.88
<b>Asset Turnover</b>	0.73	0.77	0.70	0.68	0.66	0.72	0.66	0.65	0.79	0.79
<b>Debtors Turnover</b>	5.81	7.43	8.79	7.21	8.10	6.90	8.09	6.64	6.94	8.33

# Results Overview - Revenue Share



Revenue (Rs. Crore)



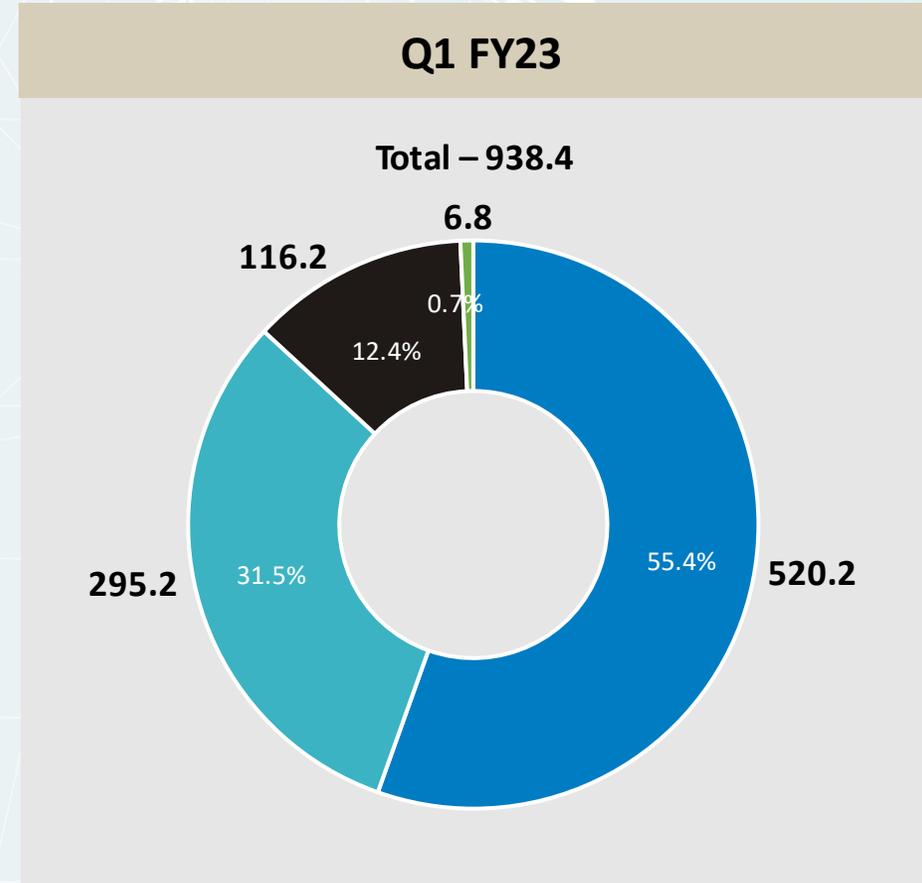
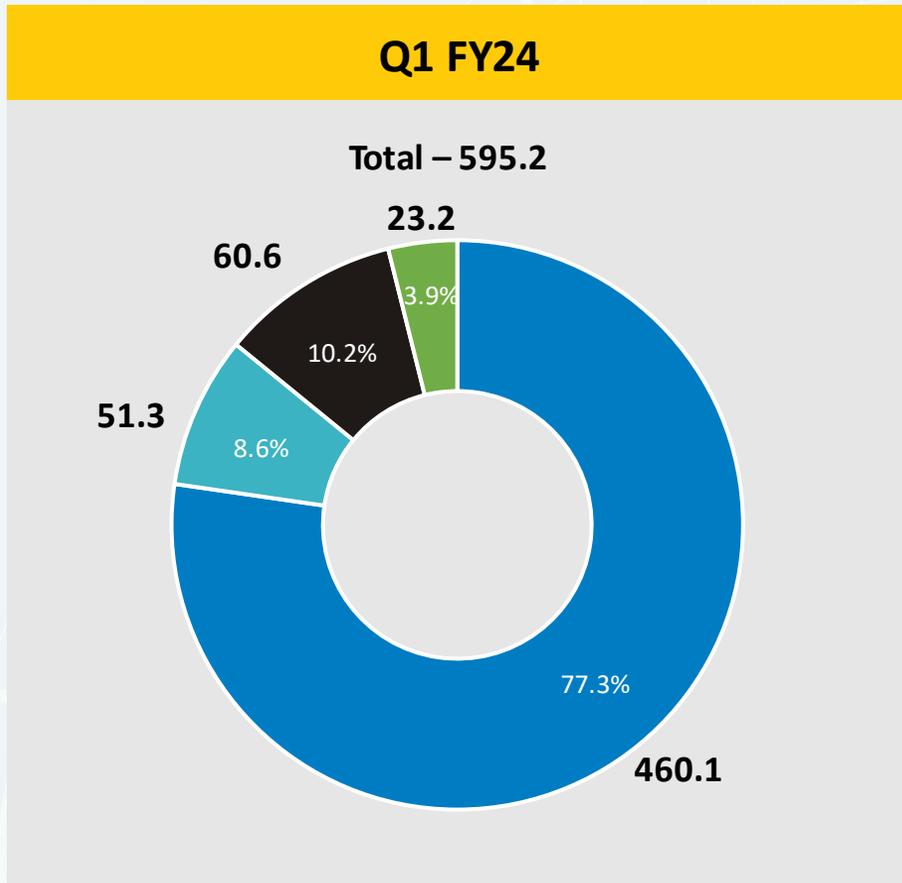
■ CB ■ PFB ■ TTB ■ Others

CB – Chemicals Business; PFB - Packaging Films Business; TTB – Technical Textiles Business; Others

# Results Overview - EBIT Share



EBIT (Rs. Crore)



■ CB   
 ■ PFB   
 ■ TTB   
 ■ Others

CB – Chemicals Business; PFB - Packaging Films Business; TTB – Technical Textiles Business; Others



03.

Q1 FY24

# Segmental Performance



Chemicals



Packaging  
Films



Technical  
Textiles



Others



# Chemicals Business



# Chemicals Business - Results Update

## Consolidated figures

PARTICULARS	Q1 FY24	Q1 FY23	% Y-o-Y
Segment Revenues	1,660.5	1,722.4	-3.6%
% Contribution to Revenues	49.7%	44.2%	
EBIT	460.1	520.2	-11.6%
% EBIT Margins	27.7%	30.2%	
% Contribution to EBIT	77.3%	55.4%	

# Chemicals Business

## Specialty Chemicals Business - Key Highlights



- Inventory rationalization by customers, some PO rescheduling, currently being witnessed
- The segment reported healthy performance through:
  - Sustainable efficiency improvements through technology interventions
  - Healthy growth in margin and sales over CPLY
- Ongoing projects progressing as per plan. Expected to commission over the next few quarters; likely to contribute positively going forward
- Engagement with customers for complex downstream products / Als remains strong
  - Launched 2 new products each in Agro and Pharma

## Market Trends

- Agrochemical companies focusing on inventory rationalization
- Fundamentally, India's momentum as an alternate specialty chemicals manufacturing base remains intact
- Certain key raw material prices continue to show signs of softening; still higher than their long-term average

## 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
- 7 new process patents granted in Q1FY24

**139**

Global Patents  
granted

**408**

Patents applied

# Chemicals Business

## Fluorochemicals Business - Key Highlights



- Business performance was impacted due to:
  - Chinese dumping across geographies due to weak local demand
  - Weak domestic summer season impacted HFCs demand
  - Industrial chemicals witnessed lower demand due to stagnant pharma and agro industry
- Business to focus on commissioning and ramp up of ongoing projects in FY24:
  - Projects close to Rs. 1,100 crore expected to be capitalised in FY'24
  - PTFE trial runs initiated – customer approvals to commence shortly

### Market Trends

- De-stocking of HFCs to continue in the short-term. However, long term global demand outlook for refrigerant gas remains strong and sustainable
- Mandatory installation of AC systems in truck cabins expected to bolster the domestic demand for ref gases in the future – new avenue for industry growth



# Packaging Films Business



# Packaging Films Business - Results Update

## Consolidated figures

PARTICULARS	Q1 FY24	Q1 FY23	% Y-o-Y
Segment Revenues	1,094.8	1,496.0	-26.8%
% Contribution to Revenues	32.8%	38.4%	
EBIT	51.3	295.2	-82.6%
% EBIT Margins	4.7%	19.7%	
% Contribution to EBIT	8.6%	31.5%	

# Packaging Films Business



## Key Highlights

- Business continues to face significant margin pressure. Commodity prices falling leading to inventory corrections
- Hungary operations showing improvement compared to Q4 FY'23
- SRF's VAP portfolio, customer contracts and ETDBW ensures differentiated performance against peers
- Aluminium foil project on track and expected to be commissioned in Q3 FY24

## Market Trends

- Several BOPP & BOPET film lines commissioned in India and globally in the recent past, some deferment / delays being witnessed
- Demand supply mismatch scenario expected to continue, especially in BOPET
- Sustainability initiatives, PCR, mono family structures, etc. likely to gain traction



# Technical Textiles Business



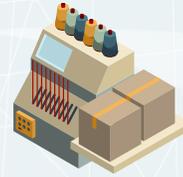
# Technical Textiles Business - Results Update

## Consolidated figures

PARTICULARS	Q1 FY24	Q1 FY23	% Y-o-Y
Segment Revenues	464.7	571.0	-18.6%
% Contribution to Revenues	13.9%	14.7%	
EBIT	60.6	116.2	-47.8%
% EBIT Margins	13.1%	20.4%	
% Contribution to EBIT	10.2%	12.4%	

# Technical Textiles Business

## Key Highlights



- Lower Caprolactum price impacted overall revenues
- NTCF volumes gaining traction when compared to Q4 FY23
- Improved performance of Belting Fabrics and Polyester Industrial Yarn, with greater emphasis on high-end VAP sales
- Phase – 1 of the Solid Woven Fabric, which is a part of the Belting Fabrics portfolio successfully commissioned

## Market Trends

- Government focus on infra development to contribute to growth
- Demand for Nylon Tyre Cord Fabric expected to remain stable
- Domestic demand for Belting Fabrics expected to remain strong



Others



# Others - Results Update

## Consolidated figures

PARTICULARS	Q1 FY24	Q1 FY23	% Y-o-Y
Segment Revenues	118.7	105.6	12.4%
% Contribution to Revenues	3.6%	2.7%	
EBIT	23.2	6.8	242.6%
% EBIT Margins	19.5%	6.4%	
% Contribution to EBIT	3.9%	0.7%	

# Others - Key Highlights



## Coated Fabrics

- SRF continues to maintain its leadership position in the domestic market:
  - Achieved highest-ever domestic sales and EBITDA
  - Witnessed increased demand for all categories, particularly VAPs
- Demand expected to be strong in the near-future



## Laminated Fabrics

- SRF retained its price leadership during the quarter:
  - Plant operating at full capacity
- Demand expected to remain stable

# SRF's Community Engagement



- Under the Rural Education Program, summer camps were organized in collaboration with local communities and schools in 9 locations across the country
- Within the ambit of 'Power of 5' initiative, free health camps, oral health checkups were organized across several villages. A blood donation camp was also organized in the Nuh district of Mewat, Haryana
- Launched the Microsoft Community Training Platform across 6 States under the 'Digital Skills for ITIs and Polytechnics' program
- SRF Foundation's **Vocational Education Program** is going places. 16 Students from the Dhar, Indore batch of the Basic Electrician Training Program have been successfully placed at Dhoot Transmission Pvt. Ltd.



# 04.

## Outlook



# Outlook - Chemicals Business

## Specialty Chemicals

- Current inventory rationalization seems transitory; may last for a couple of quarters. However, customer traction still strong
- China + 1 remains intact, global customers' de-risking theme continues
- Focus on commissioning new plants and their ramp up
- In essence, some temporary hiccups witnessed; counter-measures being implemented

## Fluorochemicals

- Industrial chemical prices may witness continued pressure
- Lower Chinese inventory levels over the next two quarters
- Strong demand outlook of HFCs
- Focus on PTFE product approvals to ensure plant ramp up
- Expect better performance in H2 FY'24, long term story remains intact



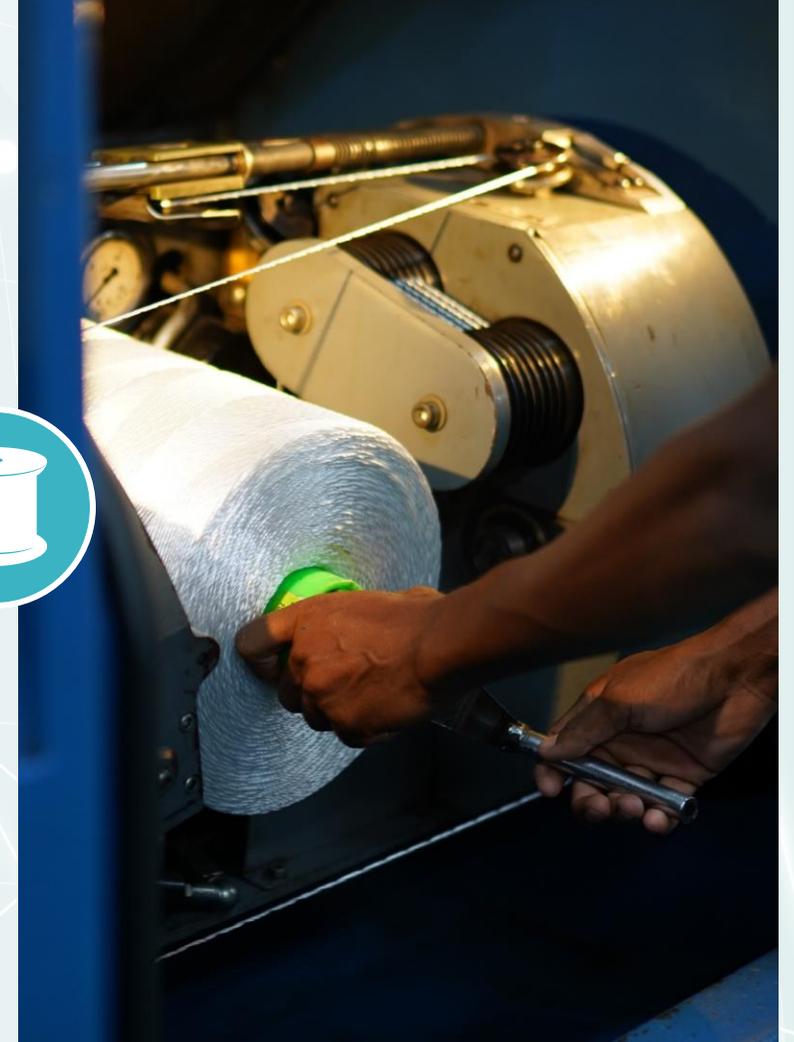
# Outlook - Packaging Films Business

- Demand supply mismatch and pressure on margins expected to continue
- Downcycle at its peak; industry over-capacity to taper over time
- Focus on value-added products both in BOPP and BOPET
- Continue to focus on sustainability initiatives and cost optimization



# Outlook - Technical Textiles Business

- Higher operating leverage and cost optimization by capacity rationalization across various plants
- Demand for NTCF expected to be stable
- Growth in BF and PIY as expansions get completed next year
- Stable business going forward, reasonable order book for ensuing quarters



## About Us

Established in 1970, SRF Limited with an annual turnover of ₹14,592 crore (US\$ 1.8 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 close to 8,000 employees from different nationalities working across twelve 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 408 patents for R&D and technology so far, of which 139 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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THANK YOU

