



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

10th May, 2023

Dear Sir,

Presentation- Earnings Call (Audited Financial Results for the quarter and year ended 31.03.2023)

In continuation of our letter dated 06th May, 2023 informing about hosting of earning call to discuss audited financial results for quarter and year ended 31st March, 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

Thanking you,

Yours faithfully,

For SRF LIMITED

RAJAT LAKHANPAL
Sr. VP (CORPORATE COMPLIANCE) & COMPANY SECRETARY

Encl: As above

SRF LIMITED
Block - C, Sector - 45
Gurugram - 122 003
Haryana, India
Tel: +91-124-4354400
Fax: +91-124-4354500
Email: info@srf.com
Website: www.srf.com

Regd. Office:
Unit No. 236 and 237, 2nd Floor,
DLF Galleria, Mayur Place
Noida Link Road
Mayur Vihar Phase I Extension
Delhi -110 091



SRF

We always find a better way

SRF Limited

Q4 & FY23 Results Presentation

May 10, 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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COMPANY OVERVIEW

Snapshot



Exports to
90+
Countries



Operations in
4
Countries



14
Manufacturing Facilities



Close to **8,000**
Global Workforce



Rs. 14,870 cr
Revenue



35%
Packaging



50%
Chemicals



15%
Technical Textiles & Others



Rs. 3,708 cr
EBITDA



Rs. 2,162 cr
PAT

Overview - Business Profile



Chemicals

Specialty Chemicals

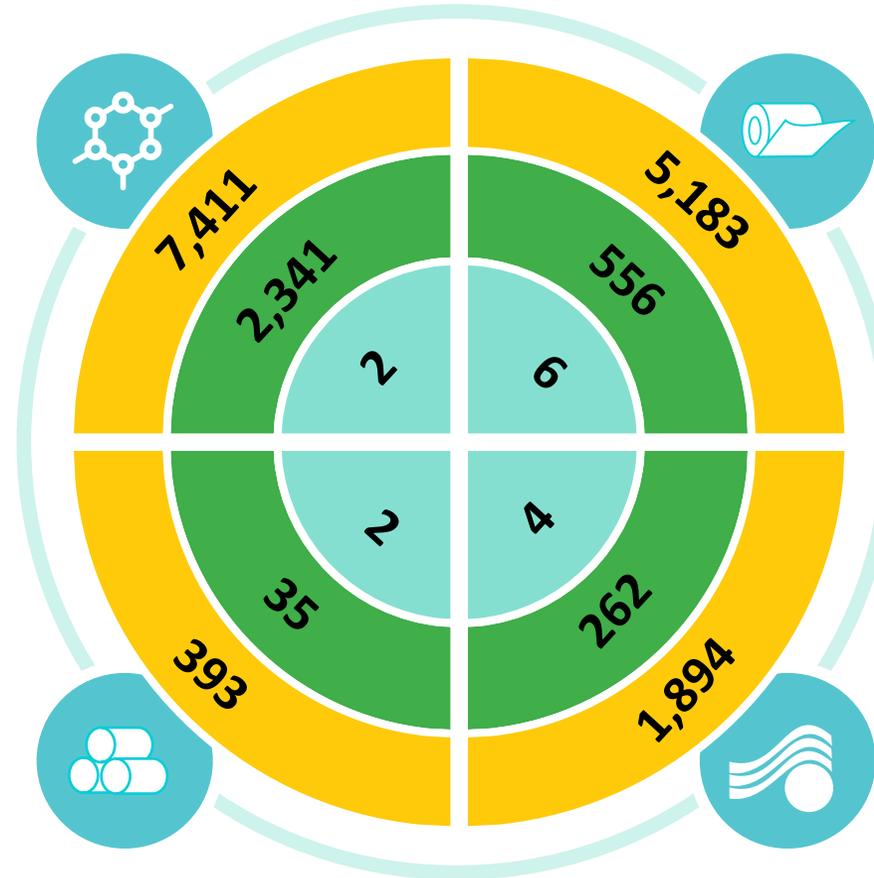
- Intermediates for AI / API / Applications
- Contract Manufacturing, Custom Research & Synthesis

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



Note: On Consolidated basis as on 31st March 2023

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

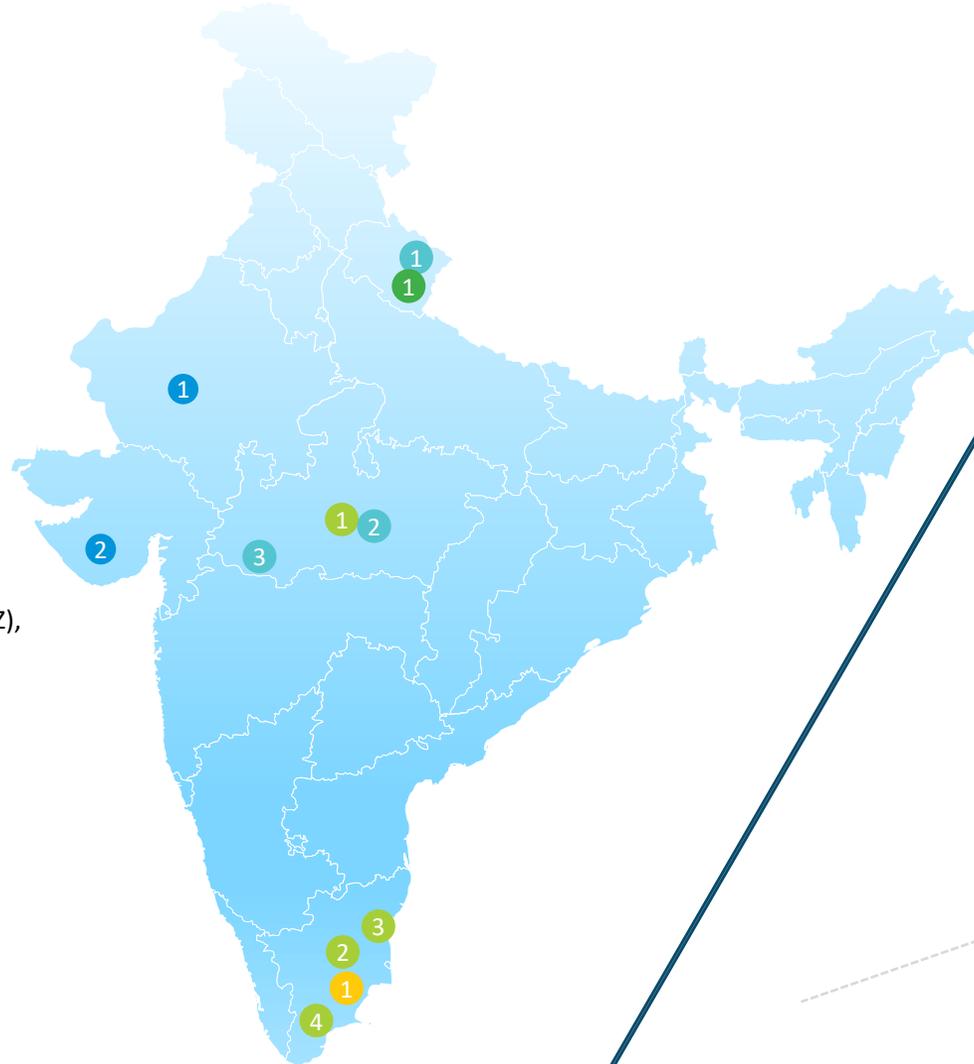
1. Uttarakhand, India- Kashipur
2. Madhya Pradesh, India - Special Economic Zone (SEZ),
3. Pithampur, Indore - Bagdoon, Pithampur, Indore

● 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 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 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



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





Q4 & FY23 Results Overview

Abridged Results Overview



Consolidated figures

Particulars (Rs. Crore)	Q4 FY23	Q4 FY22	% Y-o-Y	FY23	FY22	% Y-o-Y
Gross Operating Revenue	3,778.1	3,549.4	6.4%	14,870.2	12,433.7	19.6%
EBITDA	981.9	943.8	4.0%	3,708.1	3,146.0	17.9%
EBITDA Margin (%)	26.0%	26.6%		24.9%	25.3%	
Depreciation	154.6	131.6	17.5%	575.3	517.2	11.2%
Interest	65.9	35.7	84.6%	204.8	115.9	76.7%
ECF (Gain) / Loss	28.0	(11.4)		104.0	(72.7)	
Profit Before Tax	733.4	787.9	-6.9%	2,824.0	2,585.6	9.2%
Profit After Tax	562.4	605.7	-7.1%	2,162.3	1,888.9	14.5%
Profit After Tax Margin (%)	14.9%	17.1%		14.5%	15.2%	
Basic and Diluted EPS (Rs.)	18.97	20.43		72.95	63.75	

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

Results Overview - Financial Overview



Consolidated figures

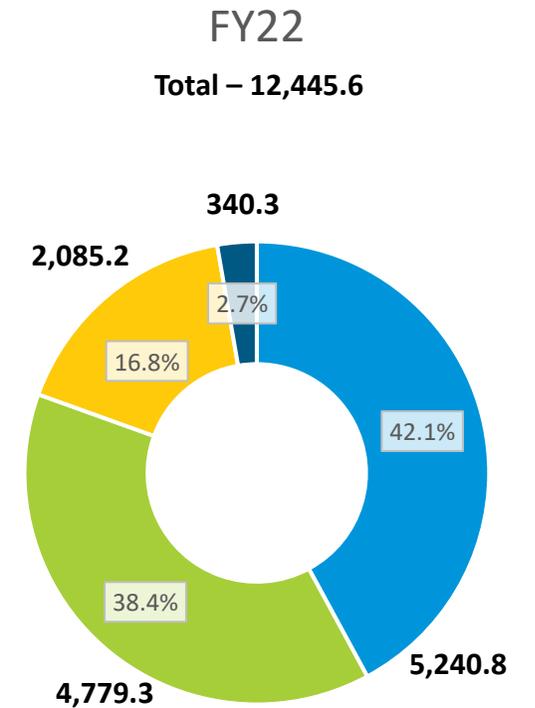
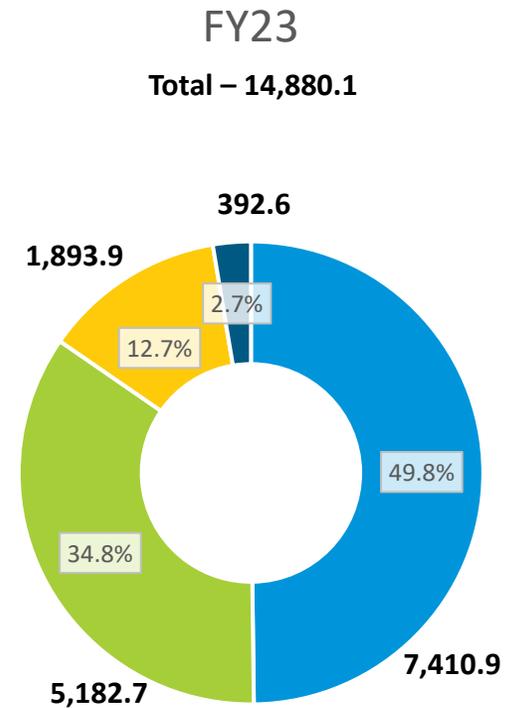
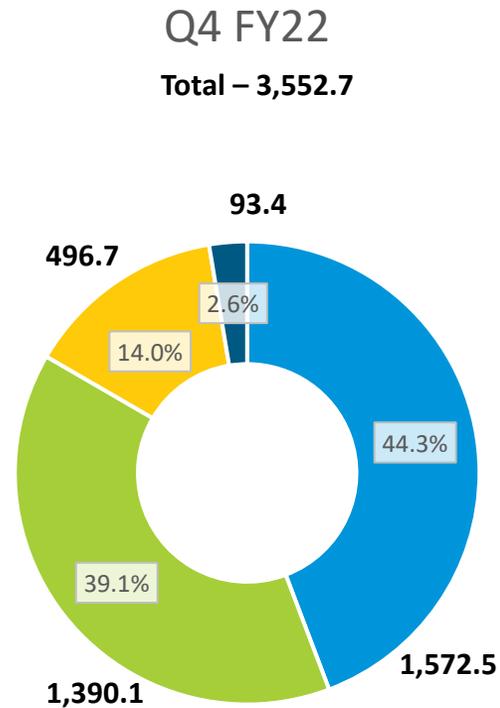
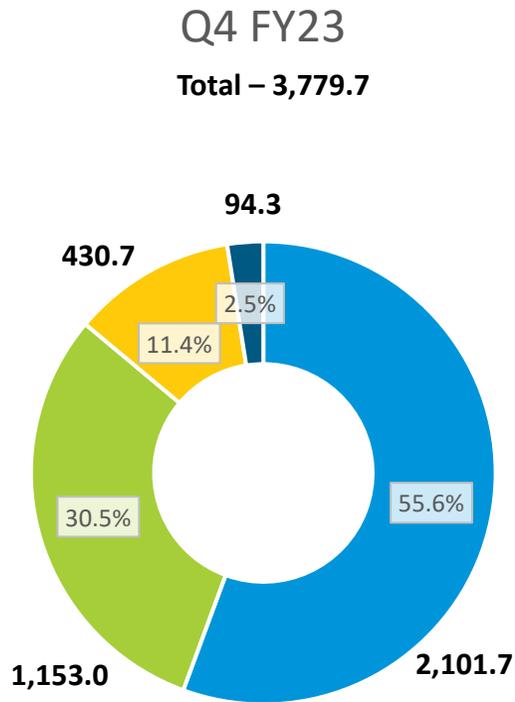
Key Financial Ratios

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



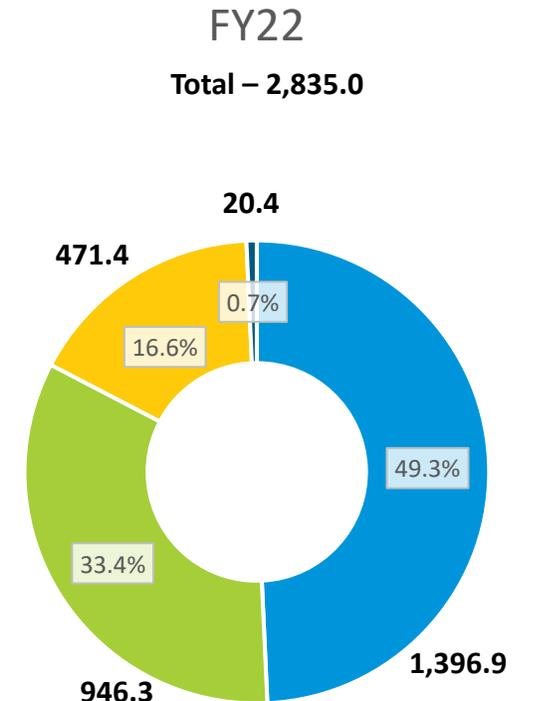
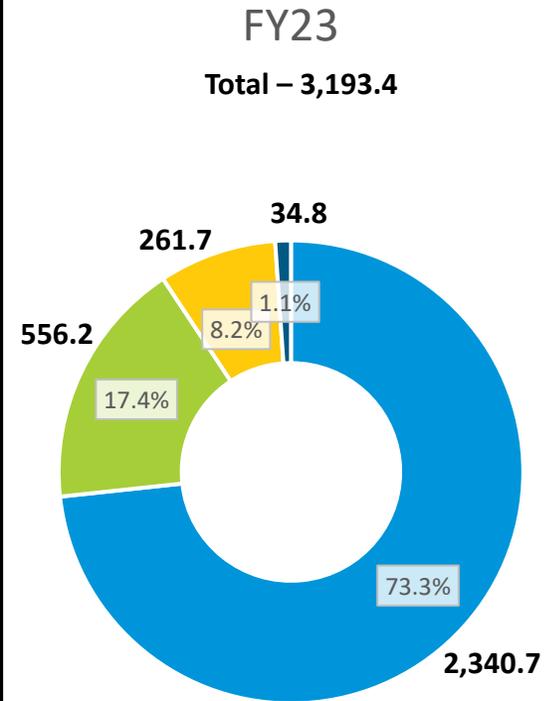
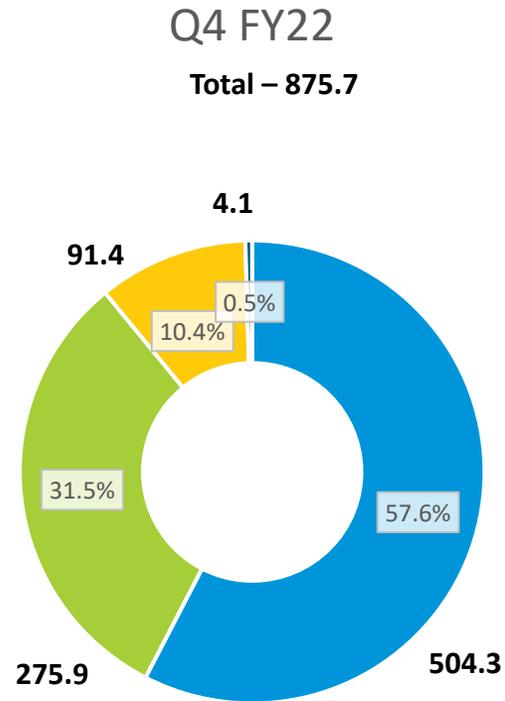
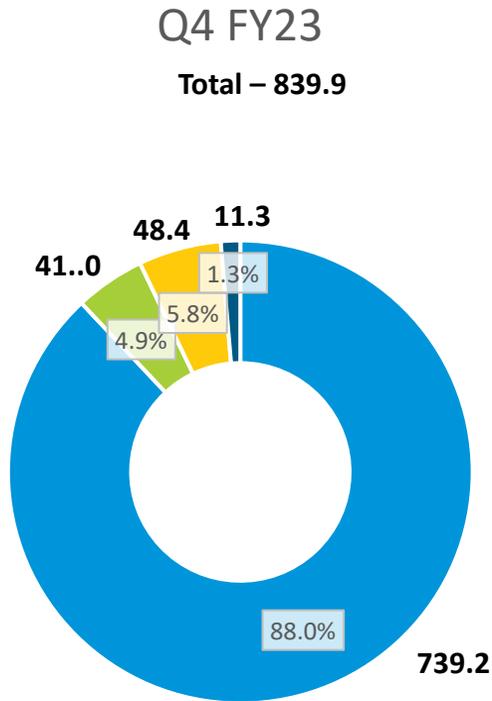
■ CB ■ PFB ■ TTB ■ Others

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**



Q4 & FY23 Segmental Performance



Chemicals



Packaging Films



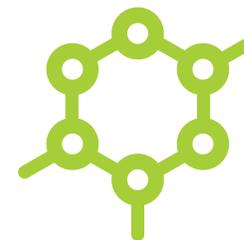
Technical Textiles



Others



Chemicals Business



Chemicals Business - Results Update



Consolidated figures

PARTICULARS	Q4 FY23	Q4 FY22	% Y-o-Y	FY23	FY22	% Y-o-Y
Segment Revenues	2,101.7	1,572.5	33.7%	7,410.9	5,240.8	41.4%
<i>% Contribution to Revenues</i>	<i>55.6%</i>	<i>44.3%</i>		<i>49.8%</i>	<i>42.1%</i>	
EBIT	739.2	504.3	46.6%	2,340.7	1,396.9	67.6%
<i>% EBIT Margins</i>	<i>35.2%</i>	<i>32.1%</i>		<i>31.6%</i>	<i>26.7%</i>	
<i>% Contribution to EBIT</i>	<i>88.0%</i>	<i>57.6%</i>		<i>73.3%</i>	<i>49.3%</i>	

Chemicals Business

Specialty Chemicals Business



- ✔ Business delivered strong growth during the quarter and year under review owing to:
 - ✔ New products commercialized - in FY23, SRF launched 6 new products, 4 in Agro and 2 in the Pharma segment
 - ✔ Key products and their derivatives witnessed increased sales over CPLY
 - ✔ Commissioned new plants during the year which will aid future volumes
 - ✔ Several ongoing projects on track and likely to be commissioned in the near future.
- ✔ Witnessed increased downstream customer demand for complex and advanced products. Multiple AIs under discussion with various customers.
- ✔ Continuous emphasis on improving operational efficiency parameters and embedding sustainability initiatives through optimization of resources

Market Trends

- ✔ Global agrochemical market witnessed healthy growth, leading to better sales of top agrochemical companies
- ✔ 'China plus one' procurement strategy has boosted India's potential as an alternative specialty chemical manufacturing base. Additionally, with the emerging "Europe plus one" strategy, the Indian chemical industry is poised for further growth
- ✔ Prices for certain key raw materials remained high, resulting in elevated production costs of some end-products. However, some softening witnessed during the latter part of the year.
- ✔ Usage of Fungicides and Herbicides is on the rise, resulting in overall healthy growth.





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
- ✔ 18 new process patents were granted in FY23, taking the tally to 132 global patents to-date. Overall, the Company has applied for 406 patents

132

Global Patents granted

406

Patents applied

Chemicals Business



Fluorochemicals Business

- ✔ Business delivered a healthy performance during the period:
 - ✔ Strong demand for Ref Gases; NPR's of major HFC's remained strong
 - ✔ Record sales achieved for Dymel® HFA 134a/P, with an expanded geographical footprint across 20+ countries
- ✔ Commissioned several new plants during the year - CMS2, CPP, and CaCl₂.
- ✔ Continued focus on ramping up operations in FY24 and commissioning of ongoing projects:
 - ✔ PTFE facility commissioning expected in the ensuing quarter. Samples being produced for the market
 - ✔ PX-1/PX-2 progressing as per plan
- ✔ Business to focus on building export portfolio in CMS to offset margin pressure due to domestic market slow down and oversupply situation.

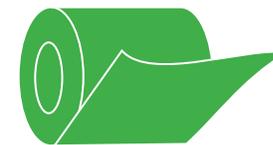
Market Trends

- ✔ Global demand outlook for refrigerant gas remains strong and sustainable
- ✔ Healthy opportunities in key markets of India, USA, and Middle East
- ✔ Raw material prices and supply chain restrictions continue to be challenges
- ✔ Some impact on HFC volumes in Q1FY24 likely due to a weak summer season, likely to be transitory





Packaging Films Business



Packaging Films Business - Results Update



Consolidated figures

PARTICULARS	Q4 FY23	Q4 FY22	% Y-o-Y	FY23	FY22	% Y-o-Y
Segment Revenues	1,153.0	1,390.1	-17.1%	5,182.7	4,779.3	8.4%
<i>% Contribution to Revenues</i>	30.5%	39.1%		34.8%	38.4%	
EBIT	41.0	275.8	-85.2%	556.2	946.3	-41.2%
<i>% EBIT Margins</i>	3.6%	19.8%		10.7%	19.8%	
<i>% Contribution to EBIT</i>	4.9%	31.5%		17.4%	33.4%	

Packaging Films Business



Key Highlights

- ✔ Business continued to face headwinds including margin pressure due to significant supply addition, global demand slowdown, and steep energy costs in Europe
 - ✔ To navigate through the uncertain times, SRF expanded its customer footprint and focused on VAP sales
- ✔ Aluminium Foil project progressing as per plan, albeit with some cost increase; higher output, quality and product portfolio being key reasons. SRF to become a solution provider of the three major substrates—BOPET, BOPP and Aluminium Foil.
- ✔ 10 new products commercialised during the year (4 in BOPET and 6 in BOPP)
- ✔ Volume gains from debottlenecked South African unit capacity likely to aid operational efficiencies

Market Trends

- ✔ FY24 expected to see continued pressure on margins
- ✔ Energy costs moderating in Europe
- ✔ Global suppliers with multi locational facilities and customer relationships likely to witness positive traction
- ✔ Sustainability initiatives expected to gain momentum during the year





Technical Textiles Business



Technical Textiles Business - Results Update



Consolidated figures

PARTICULARS	Q4 FY23	Q4 FY22	% Y-o-Y	FY23	FY22	% Y-o-Y
Segment Revenues	430.7	496.7	-13.3%	1,893.9	2,085.2	-9.2%
<i>% Contribution to Revenues</i>	<i>11.4%</i>	<i>14.0%</i>		<i>12.7%</i>	<i>16.8%</i>	
EBIT	48.4	91.4	-47.1%	261.7	471.4	-44.5%
<i>% EBIT Margins</i>	<i>11.2%</i>	<i>18.4%</i>		<i>13.8%</i>	<i>22.6%</i>	
<i>% Contribution to EBIT</i>	<i>5.8%</i>	<i>10.4%</i>		<i>8.2%</i>	<i>16.6%</i>	

Technical Textiles Business



Key Highlights

- Demand for Nylon Tyre Cord Fabric remained subdued during the quarter
- Belting Fabric delivered higher YoY sales
- Improvement in demand for Polyester Industrial Yarn with key drivers being geo-textiles and seat belts
- Focus on high-end VAP sales giving positive results
- Enhanced focus on renewable energy, with a significant percentage of the energy requirements being met by green sources

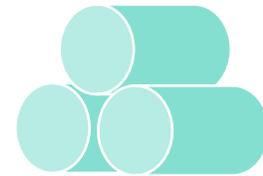
Market Trends

- Trends showing slight improvement in demand for Nylon Tyre Cord Fabric
- Demand for Belting Fabrics is expected to remain healthy with enhanced focus on infrastructural development





Others



Others - Results Update



Consolidated figures

PARTICULARS	Q4 FY23	Q4 FY22	% Y-o-Y	FY23	FY22	% Y-o-Y
Segment Revenues	94.3	93.4	1.0%	392.6	340.3	15.4%
<i>% Contribution to Revenues</i>	2.5%	2.6%		2.7%	2.7%	
EBIT	11.3	4.1	177.1%	34.8	20.4	71.1%
<i>% EBIT Margins</i>	12.0%	4.4%		8.9%	6.0%	
<i>% Contribution to EBIT</i>	1.3%	0.5%		1.1%	0.7%	

Others - Key Highlights



Coated Fabrics

- ✔ SRF continues to maintain its leadership position in the domestic market
 - ✔ Recorded its highest ever domestic sales and EBITDA due to steady demand and a robust order book
 - ✔ Witnessed improved demand in all categories, with healthy contribution from VAPs

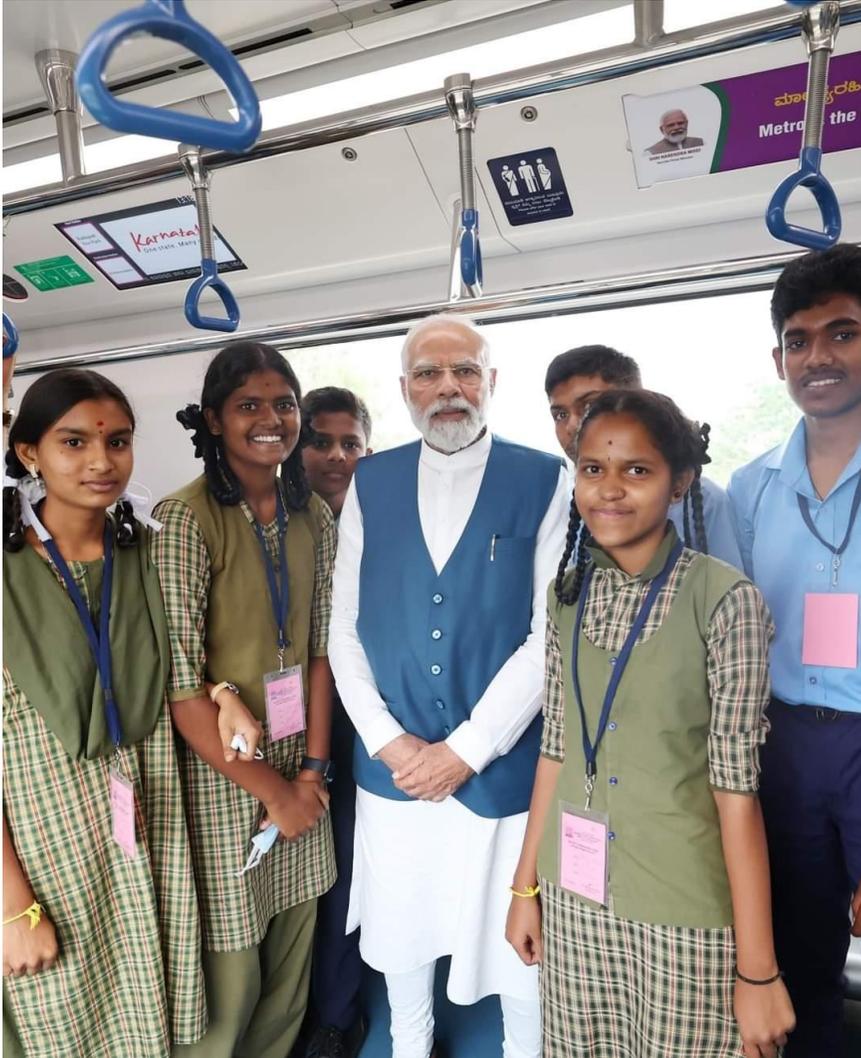


Laminated Fabrics

- ✔ SRF maintained its price leadership in Q4 by selling full capacity
- ✔ Margins in mass signage application were subdued and expected to remain under pressure due to oversupply in the market



SRF's Community Engagement



- ✔ The inauguration of the Whitefield metro line in Bengaluru by the **Hon'ble PM, Shri Narendra Modi** on March 25, 2023, provided a unique opportunity to students from SRF Foundation's intervention schools to meet and interact with the Prime Minister
- ✔ **Skills for Livelihood Program** launched by SRF Foundation in partnership with Microsoft and Shell. Program is expected to positively affect the lives of 5,000 students
- ✔ To bridge the learning gaps and ensure appropriate class-level competencies, an activity-based remedial teaching program, **Khel Khel Mein Shiksha** was conducted for 5,700+ students in four locations, namely Mewat, Bhiwadi, Kamrup (M), and Bharuch



Outlook



Outlook - Chemicals Business



Specialty Chemicals

- ✔ Recently capitalised PIP plant ramp up likely to be strong
- ✔ Complex products and AIs witnessing significant traction with customers
- ✔ Fungicides and Herbicides continue to show growth
- ✔ Continued focus on launch of new products
- ✔ Continue expanding portfolio of raw material suppliers to de risk availability

Fluorochemicals

- ✔ Positive trend is 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
- ✔ Commissioning of PTFE and getting product approvals in place to remain in focus
- ✔ Strong focus on effective resource utilization

Outlook - Packaging Films Business



- ✔ Aluminium foil project progressing as per plan
- ✔ Focus on value-added products both in BOPP and BOPET
- ✔ Hungary expected to perform better in the ensuing quarters
- ✔ Demand supply mismatch and pressure on margins expected to continue at least in the medium term
- ✔ Some industry players witnessing cash losses, delay / cancellations of ordered lines likely to play out
- ✔ Continued focus on increasing pace of R&D efforts, sustainability initiatives and cost optimisation



Outlook - Technical Textiles Business



- ✔ Higher operating leverage and cost optimization by capacity rationalization across various plants
- ✔ Demand in NTCF witnessing revival, augurs well for the near future
- ✔ PIY and NIY sales witnessing positive trends
- ✔ 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 ₹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 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 406 patents for R&D and technology so far, of which 132 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



Anoop Poojari



CDR India



Tel: +91 98330 90434



Email: anoop@cdr-india.com



Thank You