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Mumbai 400 051

Scrip Code- 503806

Scrip Code-SRF

SRF/SEC/BSE/NSE

30.10.2023

Dear Sir,

Presentation- Earnings Call (Un-Audited Financial Results for the quarter and half year ended 30.09.2023)

In continuation of our letter dated 25th October, 2023 informing about hosting of earning call to discuss Un-Audited financial results for quarter and half year ended 30th September, 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

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Corporate identity No. L181010L1970PLC005197



SRF Limited

Q2 & H1 FY24 Results Presentation

30th October, 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



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 / Specialized Applications
- Contract Development and Manufacturing

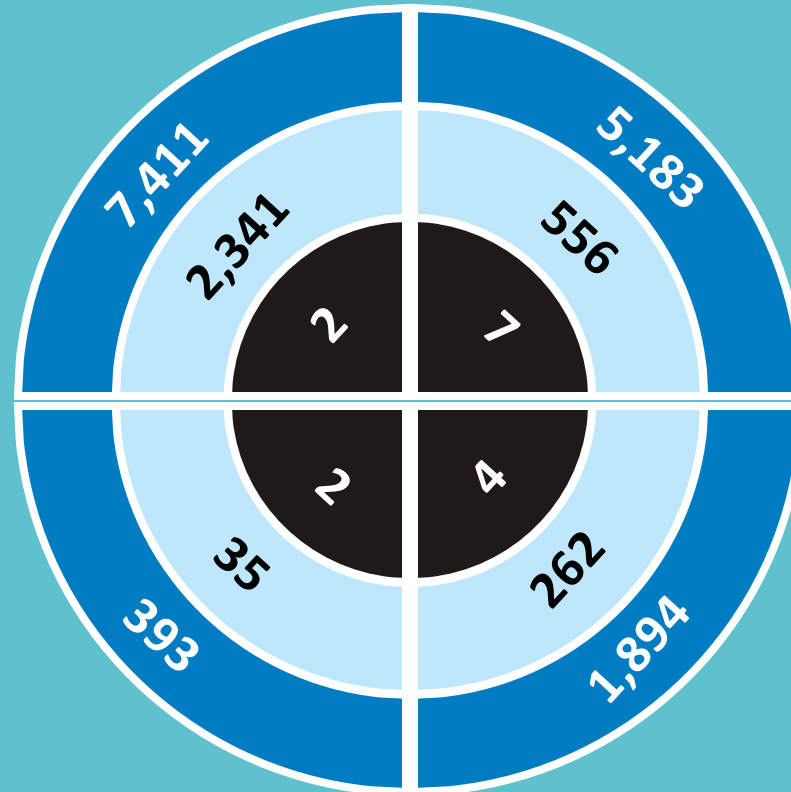
Fluorochemicals

- 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

FLUOROCEMICALS & 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

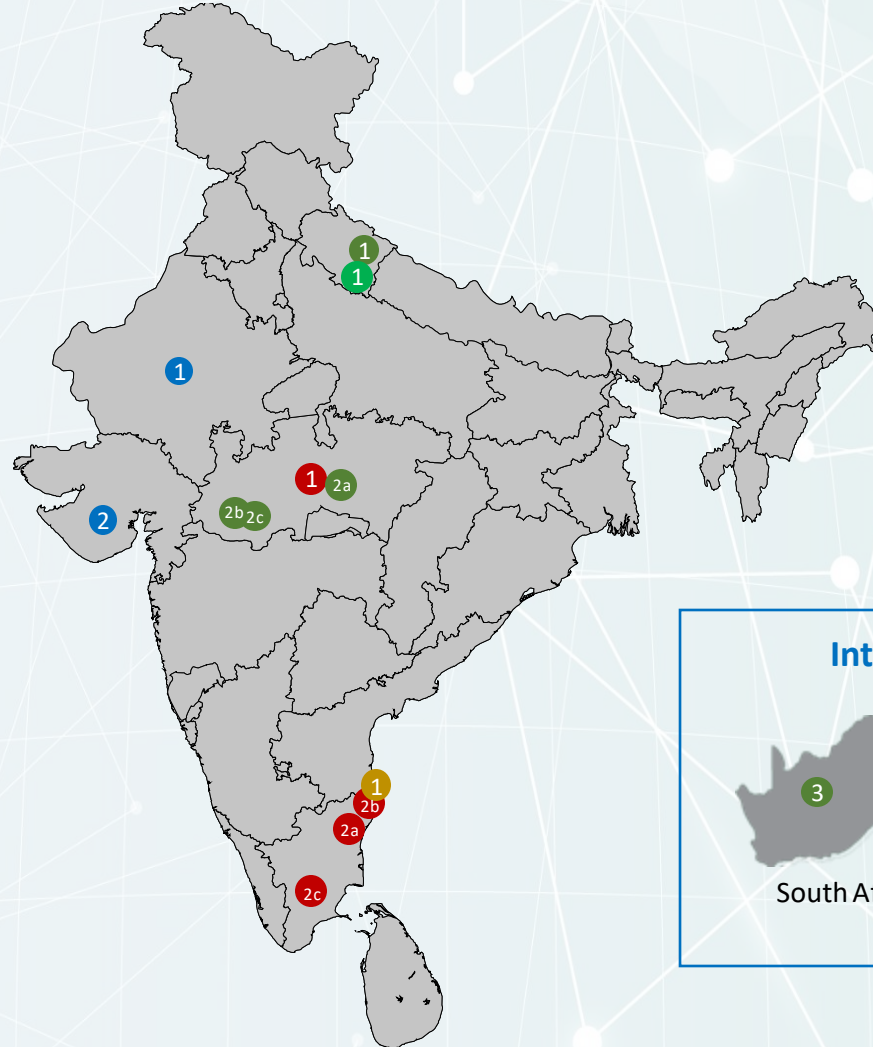
PACKAGING FILMS

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

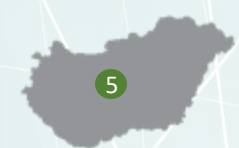
International Operations



South Africa



Thailand



Hungary

Market Leadership Across Businesses

Specialty Chemicals

- Established relationship with marquee customers
- Strong tech capability – pilot to commercial; creating value through operational excellence
- Driving customer engagement and satisfaction through world class R&D, EHS and quality management
- Handling complex reactions - Halogenation, Ethylation, Hydrogenation, Nitration, Diazotization, Grignard, Cyanation, 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. 5th largest player globally
- 2nd 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
- Strong decarbonisation impetus – use green/renewable energy



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

02.

**Q2 & H1 FY24
Results Overview**



Abridged Results Overview

Consolidated figures

Particulars (Rs. Crore)	Q2 FY24	Q2 FY23	% Y-o-Y	H1 FY24	H1 FY23	% Y-o-Y
Gross Operating Revenue	3,177.4	3,727.8	-14.8%	6,515.7	7,622.5	-14.5%
EBITDA	674.4	837.9	-19.5%	1,406.2	1,867.6	-24.7%
EBITDA Margin (%)	21.2%	22.5%		21.6%	24.5%	
Depreciation	161.2	139.3	15.7%	317.8	270.0	17.7%
Interest	79.3	44.5	78.3%	144.9	77.0	88.3%
ECF (Gain) / Loss	19.1	36.1		42.8	61.0	
Profit Before Tax	414.8	618.1	-32.9%	900.6	1,459.7	-38.3%
Profit After Tax	300.8	481.0	-37.5%	660.1	1,089.0	-39.4%
Profit After Tax Margin (%)	9.5%	12.9%		10.1%	14.3%	
Basic and Diluted EPS (Rs.)	10.15	16.23		22.27	36.74	

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

Results Overview - Financial Overview

Consolidated figures

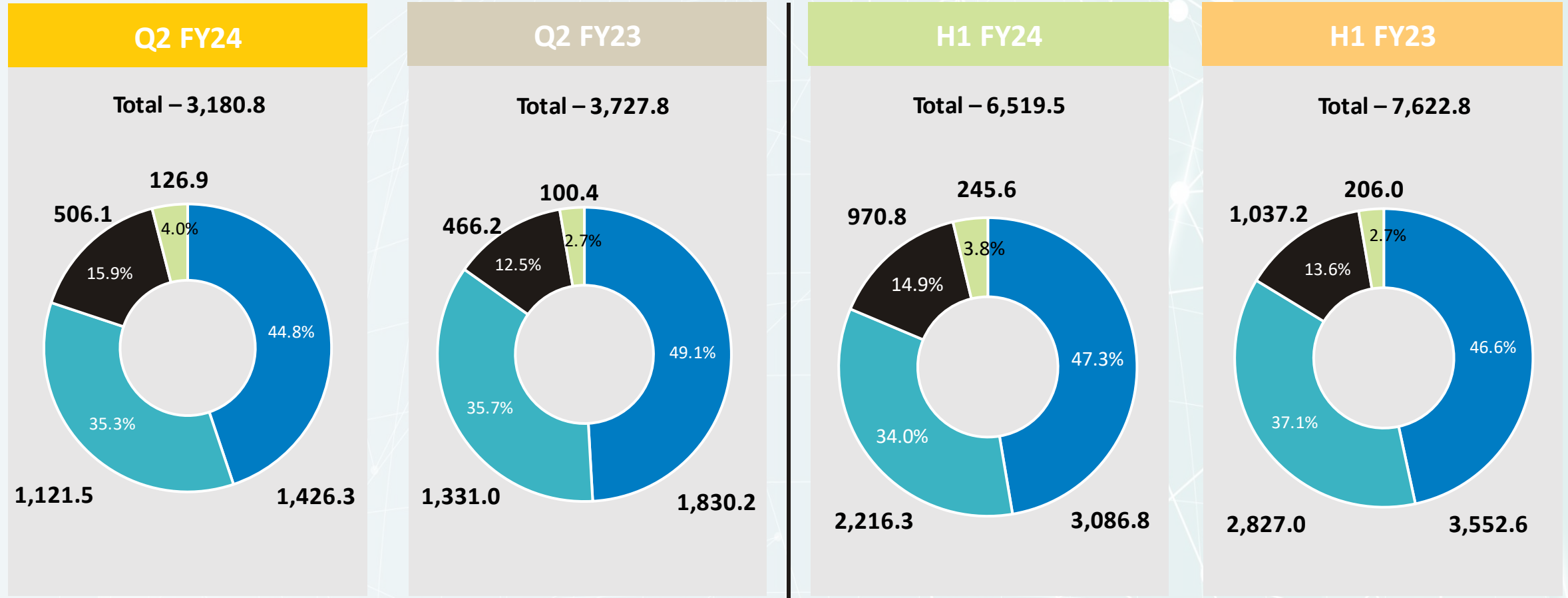
Key Financial Ratios

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 EBITDA	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)

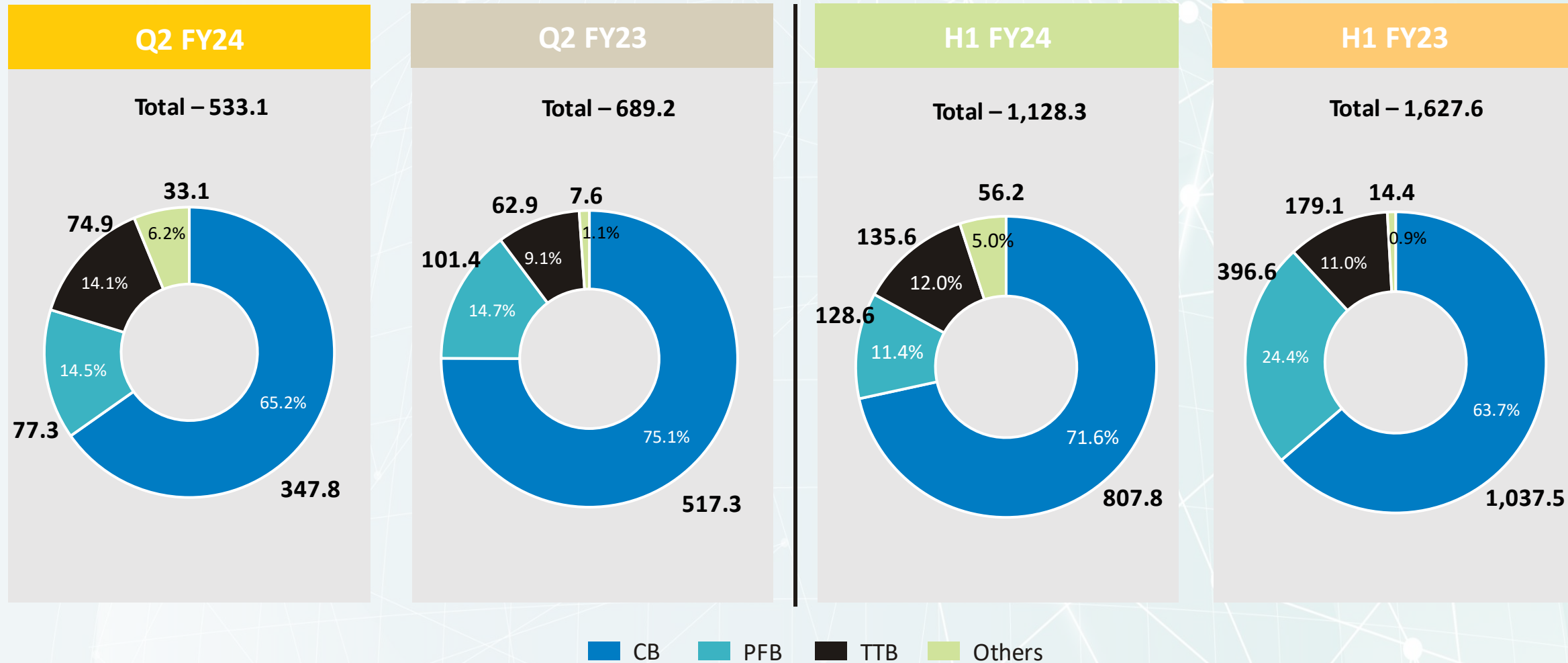


■ CB
 ■ PFB
 ■ TTB
 ■ Others

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

Results Overview - EBIT Share

EBIT (Rs. Crore)



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



03.

Q2 & H1 FY24 Segmental Performance



Chemicals



Packaging
Films



Technical
Textiles



Others



Chemicals Business



Chemicals Business - Results Update

Consolidated figures

PARTICULARS	Q2 FY24	Q2 FY23	% Y-o-Y	H1 FY24	H1 FY23	% Y-o-Y
Segment Revenues	1,426.3	1,830.2	-22.1%	3,086.8	3,552.6	-13.1%
% Contribution to Revenues	44.8%	49.1%		47.3%	46.6%	
EBIT	347.8	517.3	-32.8%	807.8	1,037.5	-22.1%
% EBIT Margins	24.4%	28.3%		26.2%	29.2%	
% Contribution to EBIT	65.2%	75.1%		71.6%	63.7%	

Chemicals Business

Specialty Chemicals Business - Key Highlights



- Specialty Chemicals Business performance impacted during the quarter due to inventory destocking caused by:
 - Supply chain challenges easing out post COVID
 - Global interest rate cycles at its peak leading to working capital pressures at customers' end
- Maintained strong customer engagement for complex downstream products and introduced new products
 - Launched 6 new products in H1 : 4 in Agro and 2 in Pharma
 - Robust pipeline for new and complex products in place
- The Board has approved a project for setting up a new facility to produce an agrochemical intermediate at Dahej at a projected cost of Rs. 235 crore to cater to customers' needs
- Projects close to Rs. 1,100 crore to be commissioned in H2 FY24; to contribute to healthy growth in near future

Market Trends

- Most major agrochemical companies cautiously optimistic about the demand outlook over the medium-to-long term
- Inventory rationalization currently seems transitory
- India's global significance as an alternate manufacturing base for specialty chemicals remains intact

Chemicals Technology Group

- Chemicals Technology Group (CTG) is actively engaged in the development of new process technologies
- Key focus on high end molecules and AIs
- 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
- 10 new process patents granted in H1FY24

142

Global Patents
granted

421

Patents applied

Fluorochemicals Business - Key Highlights



- Business performance was subdued due to:
 - Chinese dumping lead to low demand and weak prices in key refrigerants
 - Sluggish growth in pharmaceuticals and agrochemical industries adversely impacted demand for some industrial chemicals
- Despite weak domestic market, SRF's market share in HFCs was higher
- Business to prioritize commissioning and ramp-up of ongoing projects in FY24
 - PTFE plant commissioned by our internal team, showcasing strong tech capabilities
 - PX-1 and PX-2 facing slight delay; to be capitalized in H2 FY24

Market Trends

- Price of major ref gases seems to be better, both domestically and internationally
- Key raw material prices anticipated to remain stable
- HFC quotas for CY 2024 from US markets and sales plan alignment in place
- Domestic passenger vehicle market showing growth, positive for the business



Packaging Films Business



Packaging Films Business - Results Update

Consolidated figures

PARTICULARS	Q2 FY24	Q2 FY23	% Y-o-Y	H1 FY24	H1 FY23	% Y-o-Y
Segment Revenues	1,121.5	1,331.0	-15.7%	2,216.3	2,827.0	-21.6%
% Contribution to Revenues	35.3%	35.7%		34.0%	37.1%	
EBIT	77.3	101.4	-23.8%	128.6	396.6	-67.6%
% EBIT Margins	6.9%	7.6%		5.8%	14.0%	
% Contribution to EBIT	14.5%	14.7%		11.4%	24.4%	

Packaging Films Business



Key Highlights

- Business continued facing supply overhang and pressure on margins with commissioning of several new lines
- Enhanced share of revenue from VAPs both in BOPET and BOPP
- Focus on growing profitability through higher operational efficiencies, cost optimisation and by increasing contractual sales
- The Board has approved projects for setting up manufacturing facility for Capacitor Grade BOPP Film at a projected cost of Rs. 275 crore
- Commissioning of aluminum foil plant started – commercial production expected soon

Market Trends

- Demand-supply imbalance and margin pressure to continue in medium term, especially in BOPET
- Capacity utilisation expected to remain muted across industry
- BOPP expected to perform relatively better

Packaging Films Business

Capacitor Grade BOPP Film Capex



Rationale

- Government focus on indigenous electronics manufacturing, green energy, EVs and energy storage system
- Opportunity to leverage on China+1
- Higher grade technical films as adjacencies to existing business
- High demand growth likely; favorable demand supply dynamics

Applications

- Use in low temperature and frequency applications:
 - Consumer Electronics
 - Energy storage systems
 - EV chargers and other applications

Capex details

- Expected cost ~ Rs. 275 crore, state of the art machine
- Expected completion within 31 months
- Nominal capacity 4500 MTPA
- To be setup at Indore



Technical Textiles Business



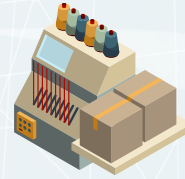
Technical Textiles Business - Results Update

Consolidated figures

PARTICULARS	Q2 FY24	Q2 FY23	% Y-o-Y	H1 FY24	H1 FY23	% Y-o-Y
Segment Revenues	506.1	466.2	8.6%	970.8	1037.2	-6.4%
% Contribution to Revenues	15.9%	12.5%		14.9%	13.6%	
EBIT	74.9	62.9	19.1%	135.6	179.1	-24.3%
% EBIT Margins	14.8%	13.5%		14.0%	17.3%	
% Contribution to EBIT	14.1%	9.1%		12.0%	11.0%	

Technical Textiles Business

Key Highlights



- Business delivered stable performance, with underlying industries showcasing healthy demand trends
- Performance of Belting fabric and Polyester Industrial Yarn was better, contributed by enhanced focus on high-end VAPs
- Phased capacity enhancement of TCF value chain project completed during Q2 FY24
- Expansion project in the Belting Fabrics and Polyester Industrial Yarn segment progressing as per schedule

Market Trends

- Higher imports from China witnessed
- Growth across all vehicle segments to support demand for Nylon Tyre Cord Fabric
- Improved demand expected in Belting Fabrics and Polyester Industrial Yarn segments on the back of Government's focus on infrastructure development



Others



Others - Results Update

Consolidated figures

PARTICULARS	Q2 FY24	Q2 FY23	% Y-o-Y	H1 FY24	H1 FY23	% Y-o-Y
Segment Revenues	126.9	100.4	26.4%	245.6	206.0	19.2%
% Contribution to Revenues	4.0%	2.7%		3.8%	2.7%	
EBIT	33.1	7.6	335.9%	56.2	14.4	292.0%
% EBIT Margins	26.1%	7.6%		22.9%	7.0%	
% Contribution to EBIT	6.2%	1.1%		5.0%	0.9%	

Others - Key Highlights



Coated Fabrics

- Achieved record quarterly sales and EBITDA; maintained domestic market leadership
- Demand growing in storage liners, tarps etc. SRF captured large part of this demand with its product quality and efficient TATs.
- Demand expected to remain strong in the near-future



Laminated Fabrics

- SRF achieved highest ever sales in H1:
 - Plant continues to operate at full capacity
 - Maintained market price leadership
- Oversupply situation continues – new capacity additions expected in H2
- Demand expected to remain stable

SRF's Community Engagement



- SRF Foundation honored with the Shiksha Bhushan Award at the 27th Bhamashah Samman Program by the Government of Rajasthan
- SRF Foundation won the CSR Times Award 2023 (Gold) for its Rural Education Program
- Eighteen trainees of the Basic Electrician Training Program conducted by SRF Foundation in the vicinity of our Packaging Films Business facility at Dhar (Madhya Pradesh, India) were successfully placed at Eicher, earning a monthly honorarium of INR 12,000
- We have successfully concluded the setting up of new labs at twenty-four institutes (Polytechnics and ITIs) and have been conducting online training programs on AI, ChatGPT, career counselling, among others. Over 4,500 students have already enrolled for these training programs



04.

Outlook



Outlook - Chemicals Business

Specialty Chemicals

- Current inventory rationalization seems transitory; may last for a couple of quarters
- Customer traction still strong
- Global customers' geo-political de-risking theme continues
- Focus on growth of pharma vertical
- Commission new plants and their ramp up
- Fundamentally, business in good shape. Cycles are a part and parcel of business

Fluorochemicals

- Domestic demand should witness positive traction in Q3 and US demand from Q4 FY24
- Some signs of pricing positive in both ref gas and Industrial Chemicals being witnessed
- Focus on PTFE sales and product approvals at the earliest
- Expect better performance in H2 FY'24, long term story remains intact



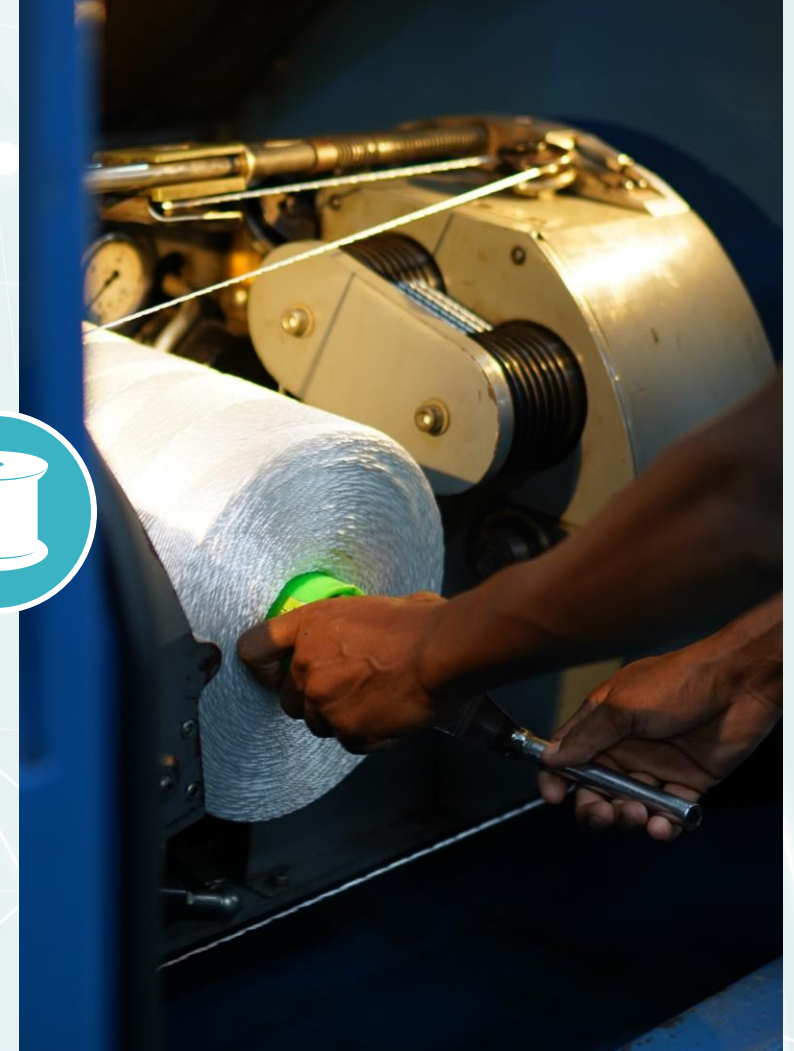
Outlook - Packaging Films Business

- Demand supply mismatch and pressure on margins expected to continue
- Downturn at its peak; industry over-capacity to taper over time.
- Continue focus on value-added products both in BOPP and BOPET
- Aluminium foil project on the verge of commissioning, product approvals should take 3-6 months
- 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
- BF and PIY to be future growth drivers
- Stable business going forward, reasonable order book for ensuing quarters



About Us

Established in 1970, SRF Limited 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 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 421 patents for R&D and technology so far, of which 142 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

