



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

04.11.2022

Dear Sir,

**Presentation- Earnings Call (Un-Audited Financial Results for the quarter and half year ended 30.09.2022)**

In continuation of our letter dated 01<sup>st</sup> November, 2022 informing about hosting of earning call to discuss Un-Audited financial results for quarter and half year ended 30<sup>th</sup> September, 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

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Corporate identity No. L181010L1970PLC005197



**SRF**

We always find a better way

# SRF Limited

**Q2 & H1 FY23 Results Presentation**

November 04, 2022



A photograph of an industrial facility, possibly a refinery or chemical plant, with tall distillation columns and complex piping. The image is overlaid with a semi-transparent yellow filter. The word "Disclaimer" is written in a light blue, sans-serif font across the middle of the image.

# 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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**SRF**  
We always find a better way

# COMPANY OVERVIEW

# Snapshot



Exports to  
**90+**  
Countries



Operations in  
**4**  
Countries



**14**  
Manufacturing Facilities



**7,000+**  
Global Workforce



**12,434 cr**  
Revenue



**38%**  
Packaging



**42%**  
Chemicals



**20%**  
Technical Textiles & Others



**3,146 cr**  
EBITDA



**1,889 cr**  
PAT

# Overview - Business Profile



## Chemicals

### Specialty Chemicals

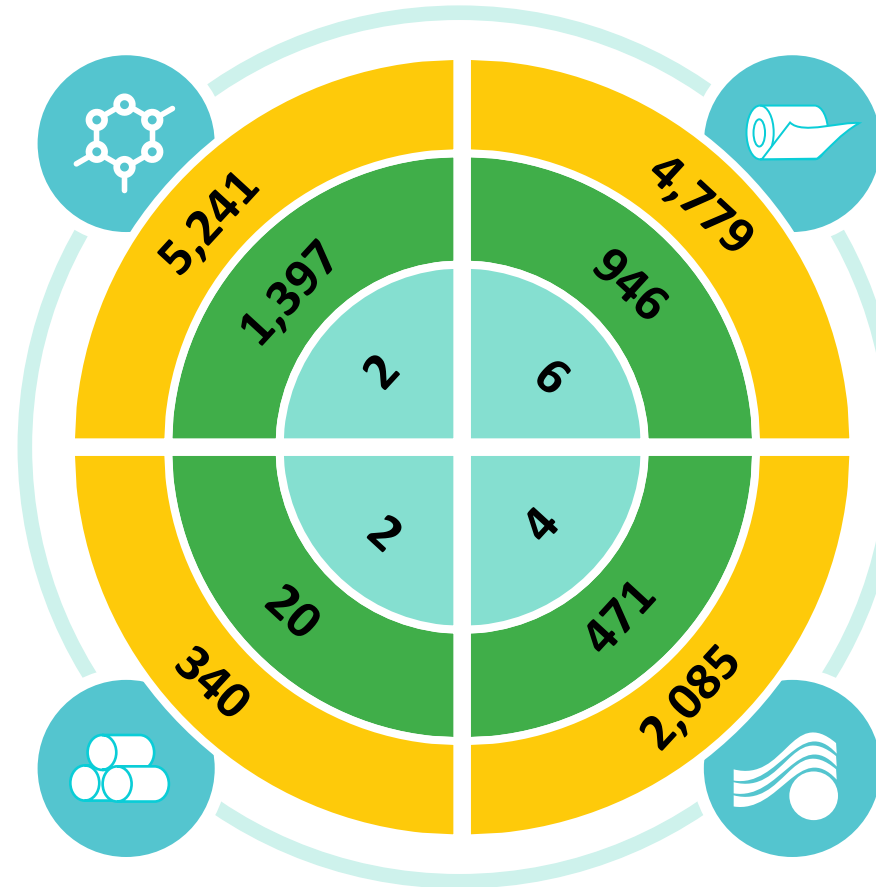
- Intermediates for AI / API / Applications
- Contract Manufacturing, Custom Research & Synthesis

### 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

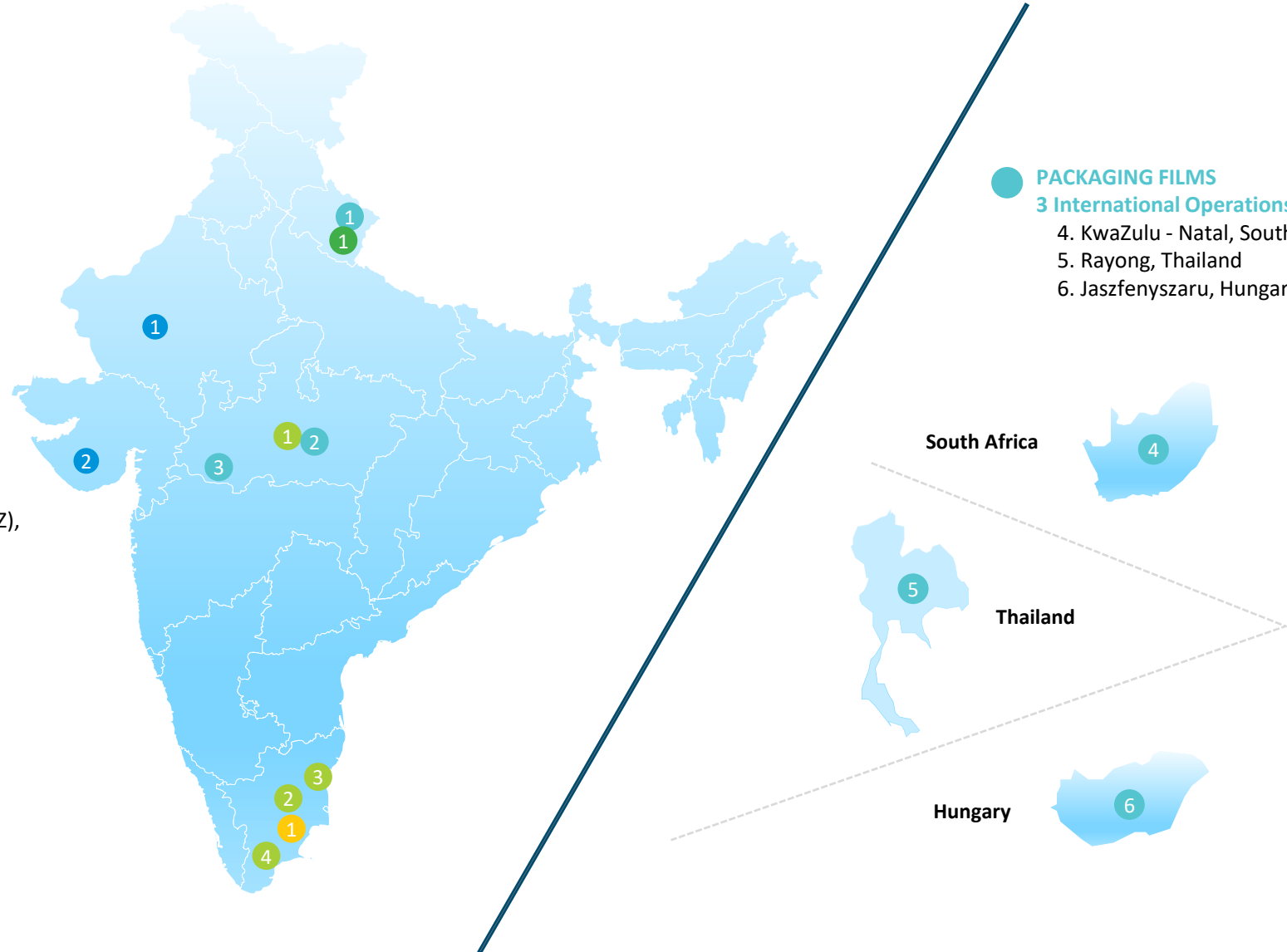
1. Uttarakhand, India- Kashipur
2. Madhya Pradesh, India - Special Economic Zone (SEZ),
3. Pithampur, Indore - Bagdoon, Pithampur, Indore

## ● LAMINATED FABRICS 1 National Operation

1. Uttarakhand, India - Kashipur

## ● COATED FABRICS 1 National Operation

1. Tamil Nadu, India - Gummidipoondi





# 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



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





# Q2 & H1 FY23 Results Overview



# Abridged Results Overview



## Consolidated figures

Particulars (Rs. Crore)	Q2 FY23	Q2 FY22	% Y-o-Y	H1 FY23	H1 FY22	% Y-o-Y
<b>Gross Operating Revenue</b>	<b>3,727.8</b>	<b>2,839.0</b>	<b>31.3%</b>	<b>7,622.5</b>	<b>5,538.4</b>	<b>37.6%</b>
<b>EBITDA</b>	<b>837.9</b>	<b>665.5</b>	<b>25.9%</b>	<b>1,867.6</b>	<b>1,343.6</b>	<b>39.0%</b>
EBITDA Margin (%)	22.5%	23.4%		24.5%	24.3%	
Depreciation	139.3	130.3	6.9%	270.0	253.2	6.6%
Interest	44.5	23.4	90.4%	77.0	50.8	51.4%
ECF (Gain) / Loss	36.1	(20.6)	NA	61.0	(27.8)	NA
<b>Profit Before Tax</b>	<b>618.1</b>	<b>532.4</b>	<b>16.1%</b>	<b>1,459.7</b>	<b>1,067.3</b>	<b>36.8%</b>
<b>Profit After Tax</b>	<b>481.0</b>	<b>382.5</b>	<b>25.8%</b>	<b>1,089.0</b>	<b>777.7</b>	<b>40.0%</b>
Profit After Tax Margin (%)	12.9%	13.5%		14.3%	14.0%	
Diluted EPS (Rs.)	16.23	12.91		36.74	26.25	

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

# Results Overview - Financial Overview



## Consolidated figures

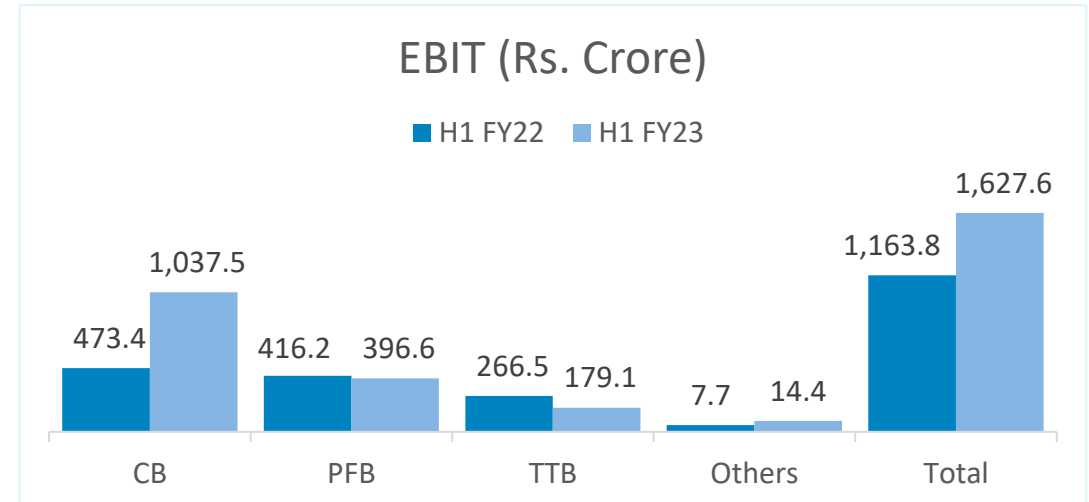
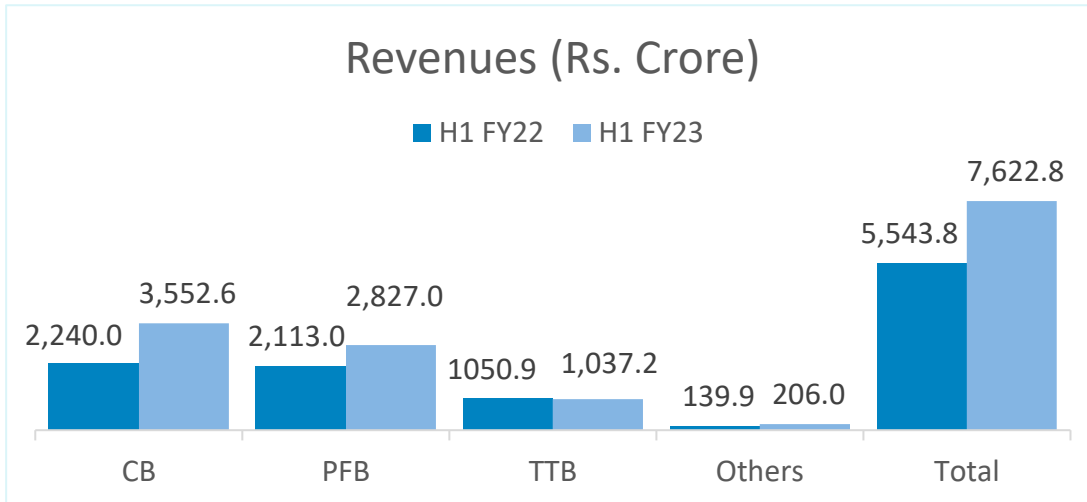
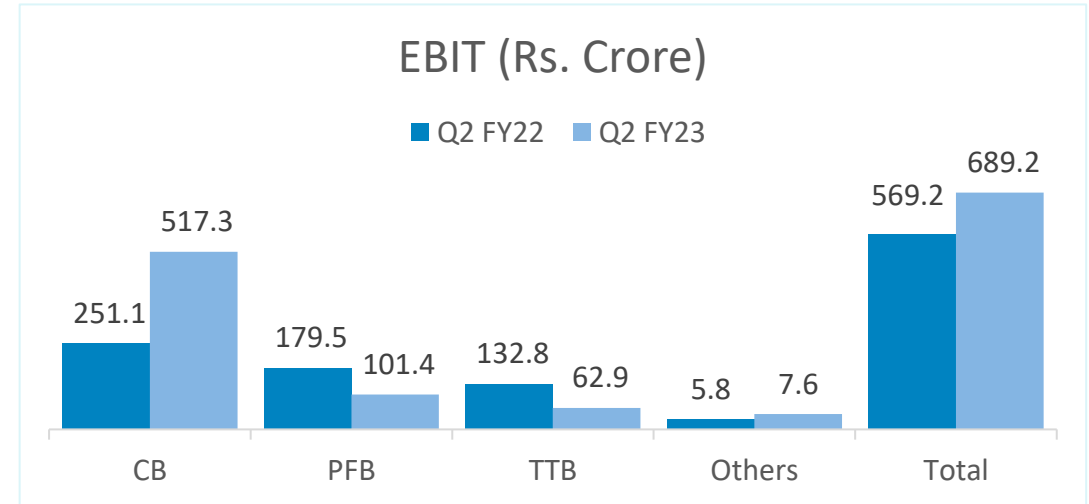
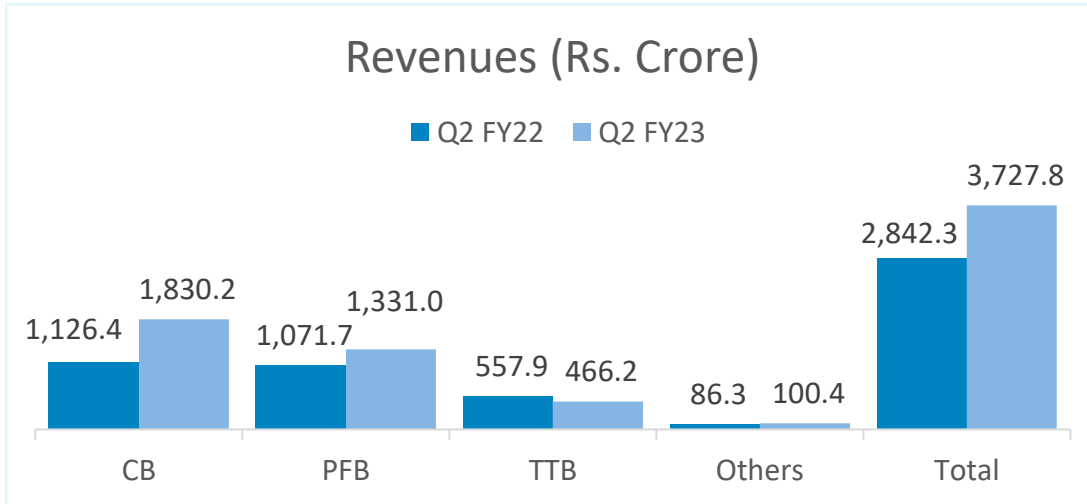
### Key Financial Ratios

PARTICULARS	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
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



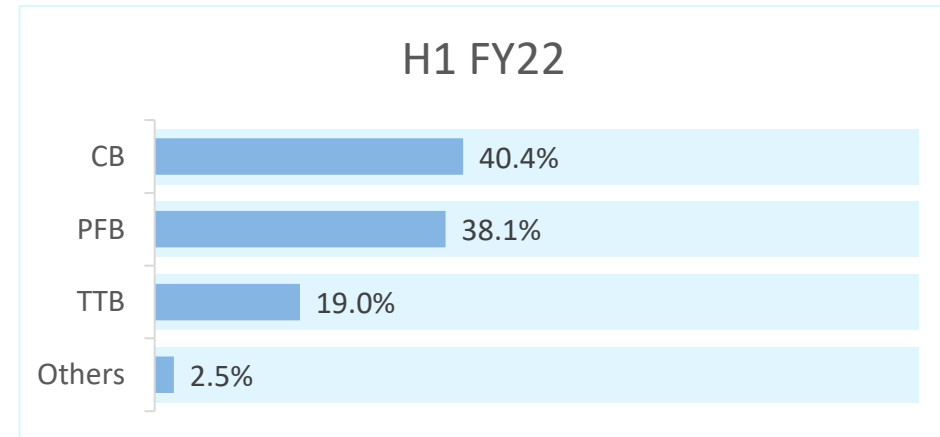
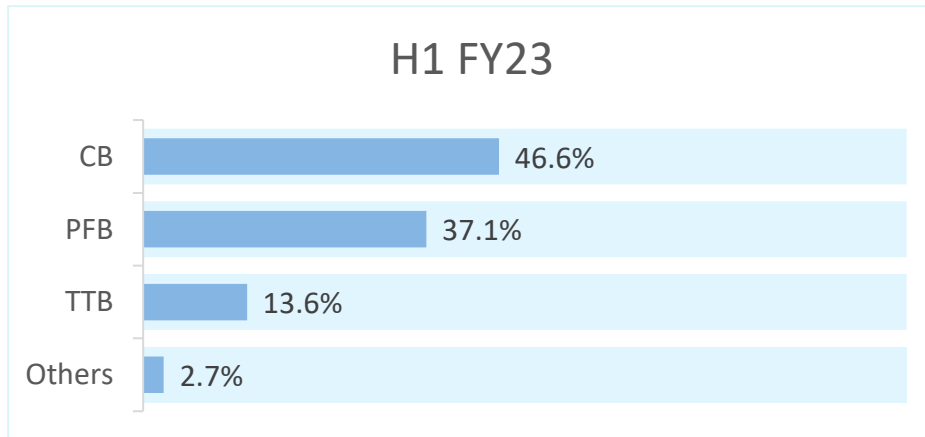
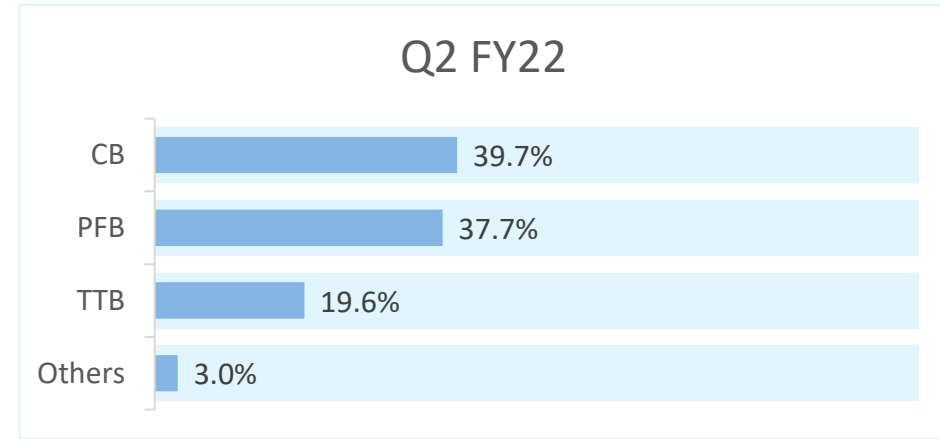
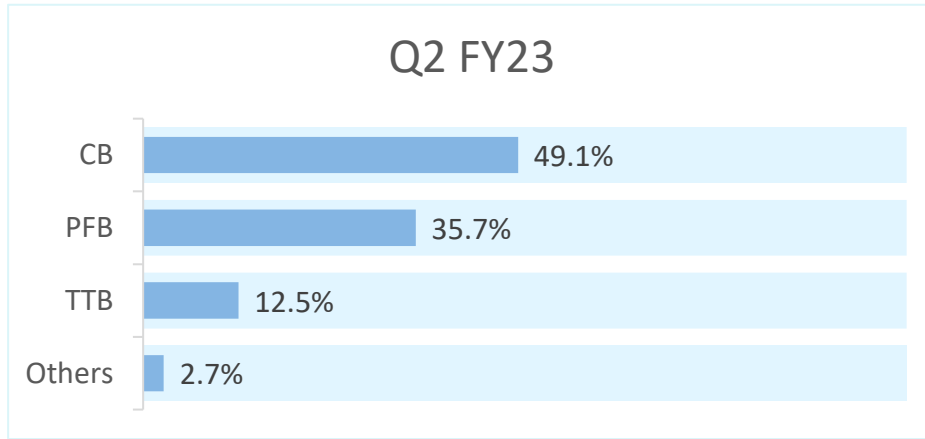
## Consolidated figures



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



# Results Overview - Revenue Share





# Q2 & H1 FY23 Segmental Performance



Chemicals



Packaging Films



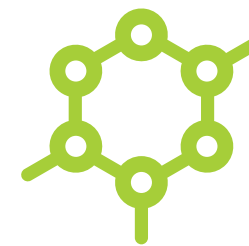
Technical Textiles



Others



# Chemicals Business





# Chemicals Business - Results Update



## Consolidated figures

<b>PARTICULARS (Rs. Crore)</b>	<b>Q2 FY23</b>	<b>Q2 FY22</b>	<b>% Y-o-Y</b>	<b>H1 FY23</b>	<b>H1 FY22</b>	<b>% Y-o-Y</b>
Segment Revenues	1,830.2	1,126.4	62.5%	3,552.6	2,240.0	58.6%
<i>% Contribution to Revenues</i>	<i>49.1%</i>	<i>39.6%</i>		<i>46.6%</i>	<i>40.4%</i>	
EBIT	517.3	251.1	106.0%	1,037.5	473.4	119.2%
<i>% EBIT Margins</i>	<i>28.3%</i>	<i>22.3%</i>		<i>29.2%</i>	<i>21.1%</i>	
<i>% Contribution to EBIT</i>	<i>75.1%</i>	<i>44.1%</i>		<i>63.7%</i>	<i>40.7%</i>	

# Chemicals Business

## Specialty Chemicals Business



- ✔ Segment registered strong performance on account of:
  - ✔ New products witnessing significant traction
  - ✔ Downstream derivatives registered healthy growth
- ✔ Successfully launched 3 new Agro products and 1 new pharma product in H1 FY23
- ✔ Strong customer engagement on more complex and downstream products
- ✔ Commissioned a state-of-the-art MPP4 plant at Dahej during the quarter, ramp up in process
- ✔ Given the challenging raw material situation, continuous efforts are being made to derisk the supply chain

### Capex Update

The Board approved projects aggregating ₹604 crore for four new plants in the agrochemical space and capacity enhancement of an existing plant at Dahej, India:

- Likely to completed in the next ten-to-twelve months

The Board also approved a project to develop a Kilo Lab at Bhiwadi to address the needs of the Pharma market at a projected cost of ₹9.8 crore

### Market Trends

- ✔ Worldwide agrochemical market reported healthy growth in H1 FY23
- ✔ India's growth as an alternative specialty chemical manufacturing base has been bolstered via the "China plus one" procurement strategy
- ✔ Elevated raw material prices, trending lower



## 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
- ✔ 3 new process patents were granted in H1 FY23, taking the tally to 127 global patents to-date. Overall, the Company has applied for 378 patents

**127**

Global Patents granted

**378**

Patents applied



# Chemicals Business



## Fluorochemicals Business

- ✔ Segment delivered steady performance in a seasonally soft quarter driven by:
  - ✔ Higher realizations and stable volumes across all HFCs
  - ✔ Dymel® HFA 134a/P (pharma grade gas) expanded to new geographies and reported significant growth
- ✔ Successfully commissioned Captive Power Plant at Dahej
- ✔ R125 catalyst replacement completed successfully
- ✔ With healthy demand from key markets like India, US and Middle East, SRF to focus on optimally utilizing facilities to maintain high market share

### Market Trends

- ✔ Structural demand improvement witnessed in the refrigerants segment
- ✔ Healthy opportunities in key markets of India and USA
- ✔ Trade barriers being reinforced in US market on some ref. gases
- ✔ Higher inflation, rise in energy and raw material prices, and supply chain constraints remain key challenges





# Packaging Films Business



# Packaging Films Business - Results Update



Consolidated figures

<b>PARTICULARS (Rs. Crore)</b>	<b>Q2 FY23</b>	<b>Q2 FY22</b>	<b>% Y-o-Y</b>	<b>H1 FY23</b>	<b>H1 FY22</b>	<b>% Y-o-Y</b>
Segment Revenues	1,331.0	1,071.7	24.2%	2,827.0	2,113.0	33.8%
<i>% Contribution to Revenues</i>	35.7%	37.7%		37.1%	38.1%	
EBIT	101.4	179.5	(43.5%)	396.6	416.2	(4.7%)
<i>% EBIT Margins</i>	7.6%	16.7%		14.0%	19.7%	
<i>% Contribution to EBIT</i>	14.7%	31.5%		24.4%	35.7%	

# Packaging Films Business



## Key Highlights

- ✔ In a challenging environment, SRF has continued to focus on operational efficiency measures to ensure it remains one of the lowest-cost producers in the world
- ✔ Segment faced several headwinds that impacted performance during the quarter including significant supply addition in BOPET, global demand slowdown, rising energy costs in Europe, and sharp fall in commodity prices. However, this trend was partially offset with a sustained demand of BOPP Films
- ✔ In H1 FY23, SRF commercialized new products in the segment
- ✔ Successfully commissioned BOPP Film line at Indore (DTA II), India during the quarter:
  - ✔ New line will strengthen the Company's position in BOPP segment within India and support overall volume growth from Q3 onwards

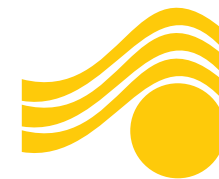
## Market Trends

- ✔ BOPET Films - multiple new lines have gone locally and globally
  - Industry margins are likely to remain subdued in the near-term
- ✔ High energy costs due to the current geopolitical scenario in Europe is impacting operations in Hungary
- ✔ BOPP Films demand and margins remain relatively stable
- ✔ Demand is trending towards global suppliers with multi-locational facilities





# Technical Textiles Business



# Technical Textiles Business - Results Update



Consolidated figures

<b>PARTICULARS (Rs. Crore)</b>	<b>Q2 FY23</b>	<b>Q2 FY22</b>	<b>% Y-o-Y</b>	<b>H1 FY23</b>	<b>H1 FY22</b>	<b>% Y-o-Y</b>
Segment Revenues	466.2	557.9	(16.4%)	1,037.2	1,050.9	(1.3%)
<i>% Contribution to Revenues</i>	12.5%	19.6%		13.6%	19.0%	
EBIT	62.9	132.8	(52.6%)	179.1	266.5	(32.8%)
<i>% EBIT Margins</i>	13.5%	23.8%		17.3%	25.4%	
<i>% Contribution to EBIT</i>	9.1%	23.3%		11.0%	22.9%	

# Technical Textiles Business



## Key Highlights

- Business has witnessed lower offtake in Nylon Tyre Cord Fabric segment
- Improved volumes from the Belting Fabrics and Polyester Industrial Yarn segments contributed to the overall business
- Business continues to actively focus on improving operational excellence and productivity parameters

## Market Trends

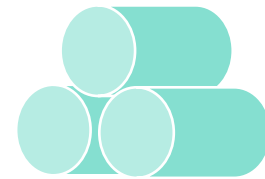
- NTCF demand dropped significantly in new and replacement market
- Belting Fabrics segment is witnessing healthy demand with increased economic activity







Others





# Others - Results Update



Consolidated figures

<b>PARTICULARS (Rs. Crore)</b>	<b>Q2 FY23</b>	<b>Q2 FY22</b>	<b>% Y-o-Y</b>	<b>H1 FY23</b>	<b>H1 FY22</b>	<b>% Y-o-Y</b>
Segment Revenues	100.4	86.3	16.3%	206.0	139.9	47.2%
<i>% Contribution to Revenues</i>	<i>2.7%</i>	<i>3.0%</i>		<i>2.7%</i>	<i>2.5%</i>	
EBIT	7.6	5.8	31.1%	14.4	7.7	86.6%
<i>% EBIT Margins</i>	<i>7.6%</i>	<i>6.7%</i>		<i>7.0%</i>	<i>5.5%</i>	
<i>% Contribution to EBIT</i>	<i>1.1%</i>	<i>1.0%</i>		<i>0.9%</i>	<i>0.7%</i>	

# Others - Key Highlights



## Coated Fabrics

- ✔ SRF continues to maintain its leadership in the domestic market backed by:
  - ✔ Consistent demand & a strong order book
  - ✔ Improved contribution from the Value-Added Products



## Laminated Fabrics

- ✔ SRF maintained its price and volume leadership, with the plant operating optimally in Q2 FY23
- ✔ Margins impacted due to surplus supply and cheap Chinese imports

# SRF's Community Engagement



- ✔ 523 unemployed youth trained under the Basic Electrician Training Program, 90% trainees have secured employment
- ✔ Under the Capgemini Digital Literacy Program, 4,638 trainees earned certification
- ✔ Under the Foundation's Sports Program, 12 students won the top 3 positions in the singles and doubles categories in the Inter-district championship, Haryana





# Outlook



# Outlook - Chemicals Business



## Specialty Chemicals

- ✔ Growth momentum achieved in H1 looks sustainable given strong order book
- ✔ Increased complexity and addition of new products from recently commissioned capacities in Agro and Pharmaceuticals sectors to remain in focus
- ✔ Working on key campaigns to go on stream
- ✔ Capex commitment remains strong and capex of Rs 1000 cr. + announced over last 6 months
- ✔ Focus on launch of new products including MPP4

## Fluorochemicals

- ✔ Positive trend is likely to continue – demand & prices in the refrigerants segment is expected to remain healthy in the near to medium term
- ✔ Refrigerant capacities post catalyst's change be available in H2 FY23
- ✔ Focus on ramping up sales of new CMS plant and product approvals for the upcoming PTFE plant
- ✔ 3Q FY23 to focus on order booking for US HFC sales in Q4 FY23

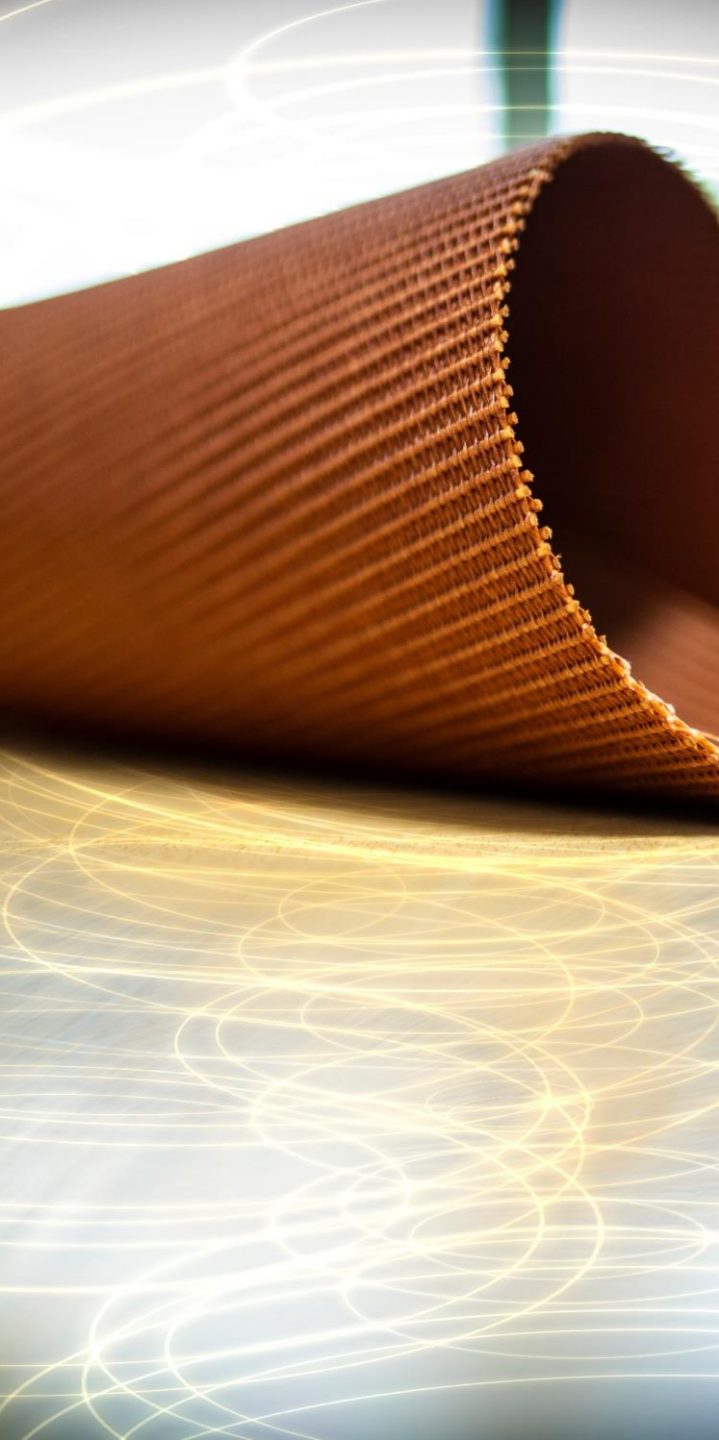


# Outlook - Packaging Films Business



- ✔ Aluminum Foil project remains on track
- ✔ Focus on enhancing sales from new BOPP film line in India and expanding value-added product portfolio
- ✔ Key raw material prices witnessing softness
- ✔ Industry witnessing pressure on BOPET Film margins, value added product portfolio and customer relationships should continue to give us the edge
- ✔ Focus on increasing pace of R&D efforts, sustainability initiatives, efficient cost structures and enhanced capabilities





## Outlook - Technical Textiles Business

- ✔ Future demand for NTCF likely to witness revival in H2 FY23
- ✔ Belting Fabrics and PIY Business remains on a steady wicket
- ✔ Cost optimization for various plants to remain in focus



# 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 378 patents for R&D and technology so far, of which 127 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