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| 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 |
|---|--|

SRF/SEC/BSE/NSE

09th May, 2024

Dear Sir,

Presentation- Earnings Call (Audited Financial Results for the quarter and year ended 31.03.2024)

In continuation of our letter dated 01st May, 2024 informing about hosting of earning call to discuss audited financial results for quarter and year ended 31st March, 2024, 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

Q4 & FY24 Results Presentation
9 May 2024



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
100+
Countries



Operations in
4
Countries



16
Manufacturing
Facilities



~9,000

Global Workforce



₹ 13,139 cr.

Revenue



34%
Packaging



48%
Chemicals



18%
Technical Textiles &
Others



₹ 2,744 cr.

EBITDA



₹ 1,336 cr.

PAT



Note: On Consolidated basis as on 31st March 2024

Overview - Business Profile



Chemicals

Specialty Chemicals

- Intermediates for AI / API / Specialized Applications
- Contract Development and Manufacturing

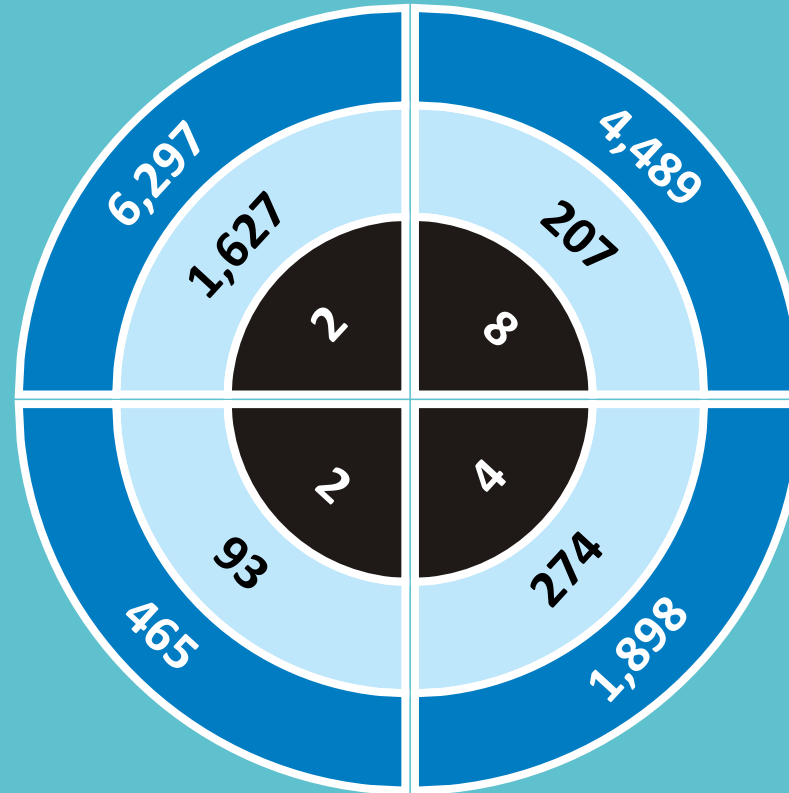
Fluorochemicals

- Refrigerants
- Pharma Propellants
- Industrial Chemicals
- Fluoropolymers



Others

- Coated Fabrics
- Laminated Fabrics



Revenue

EBIT

No of Plants

(In Rs. Crore)

(In No)

Note: On Consolidated basis as on 31st March 2024

Films for Flexible Packaging

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



Packaging Films

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



Technical Textiles

Manufacturing Facilities

FLUORO-CHEMICALS & 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
5 National Operations

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

3 International Operations

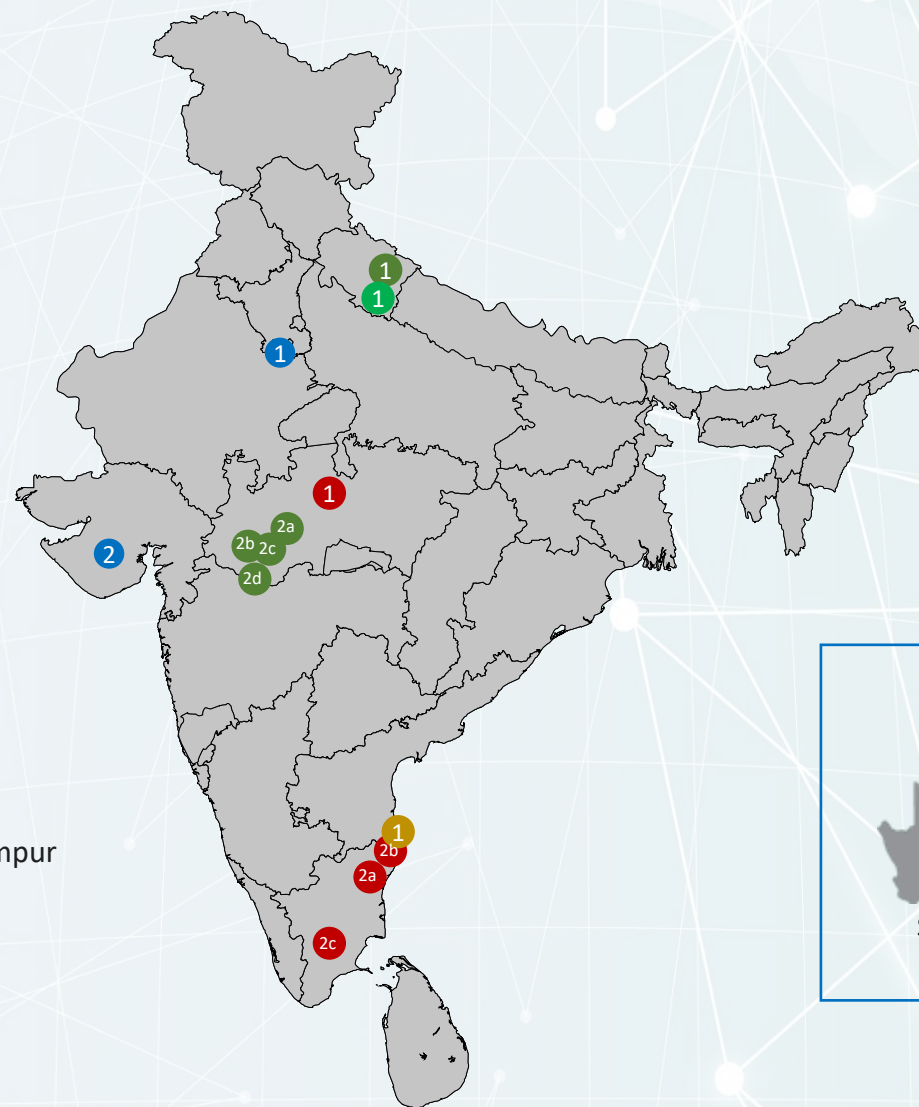
3. KwaZulu - Natal, South Africa
4. Rayong, Thailand
5. Jaszfenyszaru, Hungary

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
- 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
- Increase consumption of green/renewable sources of energy



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

02.

Q4 & FY24 Results Overview



Abridged Results Overview

Consolidated figures

| Particulars (Rs. Crore) | Q4 FY24 | Q4 FY23 | % Y-o-Y | FY24 | FY23 | % Y-o-Y |
|------------------------------------|----------------|----------------|---------------|-----------------|-----------------|---------------|
| Gross Operating Revenue | 3,569.7 | 3,778.1 | -5.5% | 13,138.5 | 14,870.3 | -11.6% |
| EBITDA | 735.0 | 981.9 | -25.1% | 2,743.8 | 3,708.1 | -26.0% |
| <i>EBITDA Margin (%)</i> | <i>20.6%</i> | <i>26.0%</i> | | <i>20.9%</i> | <i>24.9%</i> | |
| Depreciation | 185.9 | 154.6 | 20.2% | 672.6 | 575.3 | 16.9% |
| Interest | 90.0 | 65.9 | 36.6% | 302.3 | 204.8 | 47.6% |
| ECF (Gain) / Loss | 15.8 | 28.0 | | 76.7 | 104.0 | |
| Profit Before Tax | 443.3 | 733.4 | -39.6% | 1,692.2 | 2,824.0 | -40.1% |
| Profit After Tax | 422.2 | 562.5 | -24.9% | 1,335.7 | 2,162.3 | -38.2% |
| <i>Profit After Tax Margin (%)</i> | <i>11.8%</i> | <i>14.9%</i> | | <i>10.2%</i> | <i>14.5%</i> | |
| Basic and Diluted EPS (Rs.) | 14.24 | 18.97 | | 45.06 | 72.95 | |

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

Results Overview - Financial Overview

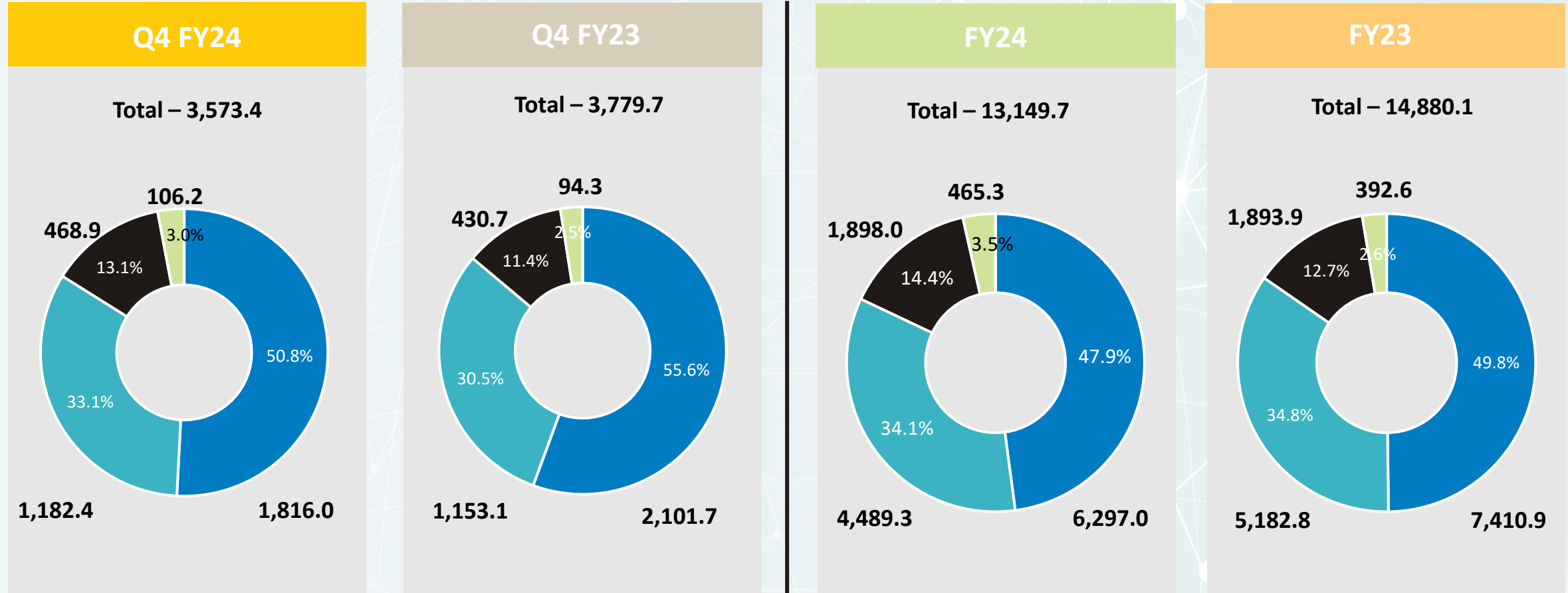
Consolidated figures

Key Financial Ratios

| PARTICULARS | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| EBITDA Margin | 20.43% | 22.13% | 21.42% | 17.69% | 19.00% | 20.90% | 26.05% | 25.30% | 24.94% | 20.88% |
| PAT Margin | 8.78% | 9.51% | 10.87% | 8.38% | 8.33% | 12.70% | 14.26% | 15.19% | 14.54% | 10.17% |
| Net Debt to Equity | 0.98 | 0.71 | 0.67 | 0.82 | 0.83 | 0.76 | 0.39 | 0.32 | 0.32 | 0.36 |
| Net Debt to EBIDTA | 2.83 | 1.97 | 2.11 | 3.01 | 2.42 | 2.48 | 1.24 | 0.88 | 0.88 | 1.50 |
| Asset Turnover | 0.77 | 0.70 | 0.68 | 0.66 | 0.72 | 0.66 | 0.65 | 0.79 | 0.79 | 0.64 |
| Debtors Turnover | 7.43 | 8.79 | 7.21 | 8.10 | 6.90 | 8.09 | 6.64 | 6.94 | 8.33 | 6.76 |

Results Overview - Revenue Share

(Rs. Crore)

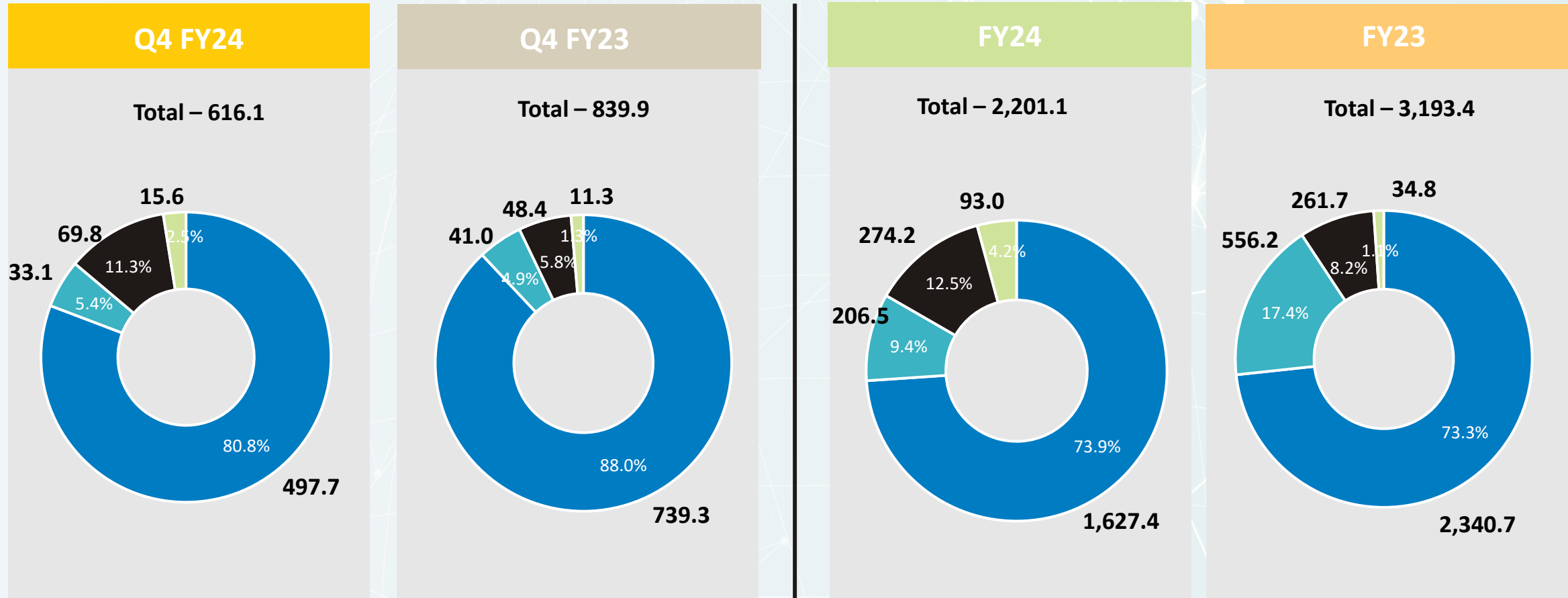


■ CB
 ■ PFB
 ■ TTB
 ■ Others

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

Results Overview - EBIT Share

(Rs. Crore)



■ CB
 ■ PFB
 ■ TTB
 ■ Others

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



03.

Q4 & FY24

Segmental Performance



Chemicals



Packaging
Films



Technical
Textiles



Others



Chemicals Business



Chemicals Business - Results Update

Consolidated figures

| PARTICULARS | Q4 FY24 | Q4 FY23 | % Y-o-Y | FY24 | FY23 | % Y-o-Y |
|----------------------------|---------|---------|---------|---------|---------|---------|
| Segment Revenues | 1,816.0 | 2,101.7 | -13.6% | 6,297.0 | 7,410.9 | -15.0% |
| % Contribution to Revenues | 50.8% | 55.6% | | 47.9% | 49.8% | |
| EBIT | 497.7 | 739.3 | -32.7% | 1,627.4 | 2,340.7 | -30.5% |
| % EBIT Margins | 27.4% | 35.2% | | 25.8% | 31.6% | |
| % Contribution to EBIT | 80.8% | 88.0% | | 73.9% | 73.3% | |

Chemicals Business

Specialty Chemicals Business - Key Highlights



- Business reported an improved performance compared to Q3FY24 despite a subdued external environment
- Margin expansion witnessed over Q3FY24 through enhanced focus on cost reduction via process improvements
- Collaborating with innovators to introduce more complex downstream products; AI journey progressing well
- New capacities in China contributed to a more competitive landscape; customer traction remains strong for new products
- In FY24, 15 new products launched: 12 in Agro and 3 in Pharma
- Multiple new plants on stream during FY24, with a total capitalization of ~Rs. 1,800 crs.
 - Focus on ramping up production to support growth in FY25

Market Trends

- Demand outlook remains strong in the medium to long term
- Following inventory rationalization in the agrochemicals sector in FY24, the demand situation is showing some signs of improvement

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
- 17 new process patents granted in FY24



149

Global Patents
granted

443

Patents applied

Chemicals Business

Fluorochemicals Business - Key Highlights



- Segment reported subdued performance owing to:
 - Pricing pressure impacting sales volumes, due to Chinese dumping in both Indian and global markets
 - Agrochemical and pharmaceutical sectors remained flat; leading to lower demand for key industrial chemicals
 - Excess HFC inventory in US led to lower pricing and offtake
- Expanded Dymel[®]/propellant market share by entering new domestic and international markets, thus diversifying its customer base
- PTFE facility in the process of obtaining initial approvals from export customers

Market Trends

- Certain Industrial chemicals going through a downturn; witnessing some signs of pick-up in agrochemical market
- Ref gas demand expected to increase; while US market will be declining due to quota, other markets will more than make up
 - Post implementation of Chinese HFC quotas and consumption growth, higher prices being witnessed



Packaging Films Business



Packaging Films Business - Results Update

Consolidated figures

| PARTICULARS | Q4 FY24 | Q4 FY23 | % Y-o-Y | FY24 | FY23 | % Y-o-Y |
|----------------------------|---------|---------|---------|---------|---------|---------|
| Segment Revenues | 1,182.4 | 1,153.1 | 2.5% | 4,489.3 | 5,182.8 | -13.4% |
| % Contribution to Revenues | 33.1% | 30.5% | | 34.1% | 34.8% | |
| EBIT | 33.1 | 41.0 | -19.3% | 206.5 | 556.2 | -62.9% |
| % EBIT Margins | 2.8% | 3.6% | | 4.6% | 10.7% | |
| % Contribution to EBIT | 5.4% | 4.9% | | 9.4% | 17.4% | |

Packaging Films Business



Key Highlights

- Margin pressure in BOPET continues
- Continued emphasis on strengthening of VAP portfolio showing major success
- Prioritizing operational efficiencies and cost optimization measures to improve performance
- Aluminium Foil facility commenced operations on January 1, 2024
 - Certain tech challenges faced initially, resolved in the month of April
 - Domestic sales initiated
 - Export customers sampling under-way. Should witness traction in coming months
- Energy prices started softening in Hungary. Better performance expected as we continue to improve our footprint in Mainland Europe

Market Trends

- Margins faced pressure in India and globally due to new capacity additions
- BOPP expected to fare better than BOPET films segment
- Chinese competitors continue to pose challenges in Southeast Asia, squeezing margins in Thailand and other markets
- Regional play emerged as a strong trend impacting market share and realizations



Technical Textiles Business

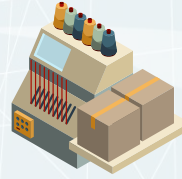


Technical Textiles Business - Results Update

Consolidated figures

| PARTICULARS | Q4 FY24 | Q4 FY23 | % Y-o-Y | FY24 | FY23 | % Y-o-Y |
|----------------------------|---------|---------|---------|---------|---------|---------|
| Segment Revenues | 468.9 | 430.7 | 8.9% | 1,898.0 | 1,893.9 | 0.2% |
| % Contribution to Revenues | 13.1% | 11.4% | | 14.4% | 12.7% | |
| EBIT | 69.8 | 48.4 | 44.3% | 274.2 | 261.7 | 4.8% |
| % EBIT Margins | 14.9% | 11.2% | | 14.4% | 13.8% | |
| % Contribution to EBIT | 11.3% | 5.8% | | 12.5% | 8.2% | |

Technical Textiles Business



Key Highlights

- Business witnessed stable performance owing to:
 - Steady domestic NTCF demand during the year
 - Belting Fabric (BF) and Polyester Industrial Yarn (PIY) demonstrated improved performance
 - Continued emphasis on high-end VAP sales
- The business successfully commissioned PIY capacity expansion during the quarter
 - BF & PIY expected to be future growth drivers
- Increased consumption of electricity from clean energy sources

Market Trends

- Growth expected in the TCF segment in FY25 driven by expanded tyre production compared to FY24
- Growth in BF and PIY segments to be driven by increased spend on infrastructure projects by the Government



Others



Others - Results Update

Consolidated figures

| PARTICULARS | Q4 FY24 | Q4 FY23 | % Y-o-Y | FY24 | FY23 | % Y-o-Y |
|----------------------------|---------|---------|---------|-------|-------|---------|
| Segment Revenues | 106.2 | 94.3 | 12.6% | 465.3 | 392.6 | 18.5% |
| % Contribution to Revenues | 3.0% | 2.5% | | 3.5% | 2.6% | |
| EBIT | 15.6 | 11.3 | 37.3% | 93.0 | 34.8 | 167.1% |
| % EBIT Margins | 14.7% | 12.0% | | 20.0% | 8.9% | |
| % Contribution to EBIT | 2.5% | 1.3% | | 4.2% | 1.1% | |

Others - Key Highlights



Coated Fabrics

- SRF maintained its leading position in the domestic market in terms of volume & price
- Highest-ever domestic sales and EBIDT driven by strong demand
- Growth witnessed in VAPs. Business to focus on new product segments to drive further growth



Laminated Fabrics

- Business continued its price and volume leadership by selling at full capacity
- Margins remained under pressure due to excess supply in the market
- Healthy sales witnessed in VAPs

SRF's Community Engagement

- Under the digital literacy program (in collaboration with Capgemini), 1564, 1167, 916, and 306 beneficiaries were trained in digital skills at the Chennai, Bengaluru, Gurugram, and Noida locations respectively. All trainees were awarded completion certificates in March 2024.
- In collaboration with IVI Foundation, SRF Foundation organized free Eye Check-up for the community around our chemicals manufacturing facility in Dahej. More than 2,000 people were screened in 10 days in the mobile health dispensary.
- SRF Foundation conducted a four-day Anganwadi worker training program in Bhind, MP, for 30 Anganwadi workers and co-workers for capacity building in Circle Time, Story Telling, Language and Numeracy Development, among other skills. The Foundation's Dhar team conducted a three-day training program for 50 Anganwadi workers in March 2024.
- The SRF Foundation team facilitated a science exposure visit for 100 students and 5 science teachers in Kamrup to the Regional Science Centre & Science Museum in Guwahati.



04.

Outlook



Outlook - Chemicals Business

Specialty Chemicals

- Agrochemicals segment customer enquiries remains robust
- Work on AIs progressing as per plan
- Product funnel remains strong
- Focus on ramp up of commissioned dedicated facilities in FY'24 to drive growth
- Tech interventions in reducing costs / steps for certain key products should counter-balance certain pricing pressure

Fluorochemicals

- Domestic inventory positions of imported Chinese HFCs liquidating. Volumes and price of domestic HFCs expected to be better
- SRF's integrated play provides significant advantages
- Looking to leverage export capability in CMS products as well
- PTFE should witness traction around value added grades in FY25
- ADD cuts on certain HFCs in the US are subject to review; impact unlikely to be significant



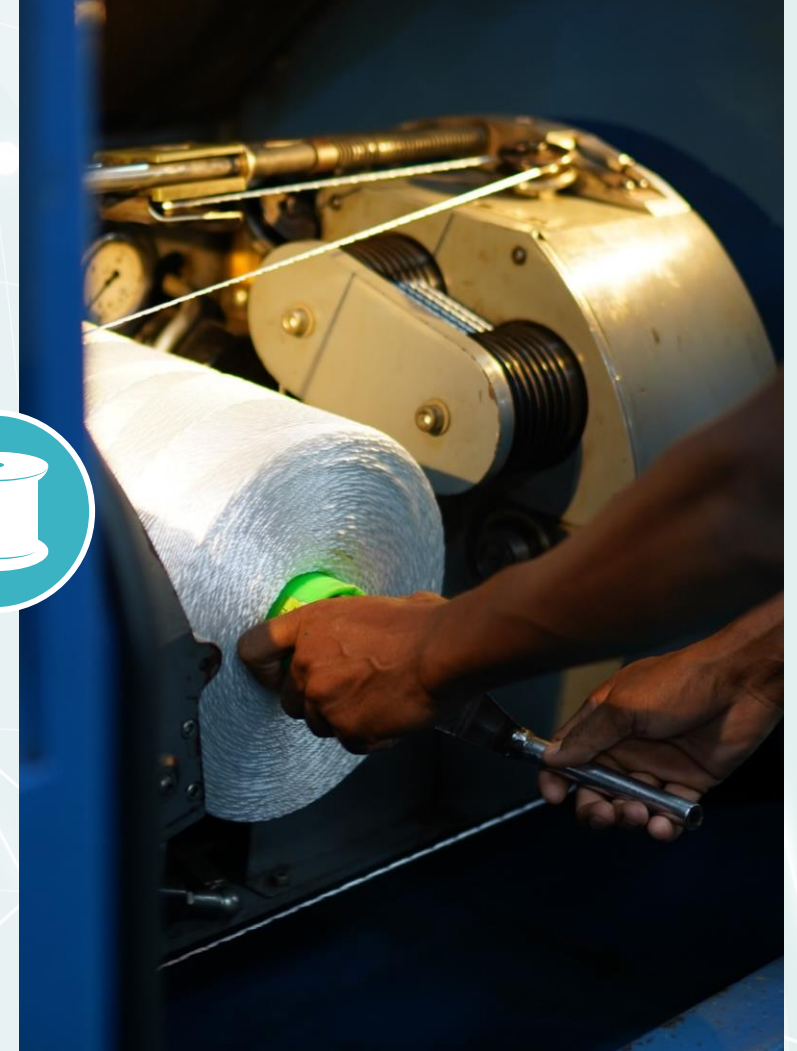
Outlook - Packaging Films Business

- Expect ongoing demand-supply imbalance and margin pressures to continue in BOPET in the short to medium term
- BOPP to perform relatively better
- Enhance capabilities in new product development
- Newly commissioned Aluminium Foil facility to contribute positively to overall performance in FY25
- Hungary unit to expand sales in Mainland Europe
- South African facility to continue to perform well



Outlook - Technical Textiles Business

- Growth in domestic NTCF market to be driven by higher demand in 2/3-wheeler and PV segments
- Higher BF & PIY demand due to increased government infrastructure spending
- Focus on high-end VAPs in BF and expanded capacity to be the future growth driver



About Us

In 2024, SRF Limited proudly commemorates 50 years of manufacturing excellence. Since the inauguration of SRF's first plant in 1974, the company has evolved into a manufacturing powerhouse with businesses spanning multiple verticals.

With an annual turnover of ₹12,910 crore (US\$ 1.6 billion), 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 ~9,000 employees from different nationalities working across thirteen manufacturing plants in India and one each in Thailand, South Africa and Hungary, the company exports to 100+ countries.

Equipped with state-of-the-art R&D facilities, SRF has filed 443 patents for R&D and technology so far, of which 149 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

