



The Corporate Relationship Department,
BSE Limited
1st Floor , New Trading Ring Rotunda
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

29.07.2021

Dear Sir,

Presentation- Earnings Call (Un-Audited Financial Results for the quarter ended 30.06.2021)

In continuation of our letter dated 26th July, 2021 informing about hosting of earning call to discuss Un-Audited financial results for quarter ended 30th June, 2021, 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
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
E-mail: info@srf.com
Website : www.srf.com
Regd. Office:
Unit No. 236 Sr 237, 2nd Floor
DLF Galleria, Mayur Plate
Noida Link Road
Mayur Vihar Phase 1 Extension
Delhi 110091

SRF Limited

Q1 FY22 Results Presentation
July 29, 2021



SRF

We always find a better way



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 our 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 our reports 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.



Contents



04

Company
Overview



10

Q1 FY22
Results Overview



15

Q1 FY22
Segmental Performance



31

Outlook







COMPANY OVERVIEW

Snapshot


 **8,400** INR Cr Revenue

 **2,188** Cr EBIDTA


 **1,198** Cr PAT

 43% Chemicals

 Exports to **75+** Countries

 **14** Manufacturing Plants

 39% Packaging

 Operations in **4** Countries

 **7,000** Global Workforce

 15% Technical Textiles



Overview - Business Profile

Revenue	3,645	3,292	1,240	232
EBIT	728	898	177	26
No of Plants	2	6	4	2

Chemicals

Specialty Chemicals

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

Fluorochemicals

- Refrigerants
- Pharma Propellants
- Industrial Chemicals

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

Others

- Coated Fabrics
- Laminated Fabrics

These numbers are based on FY21 results; pertaining to continuing operations only

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. Viralmalai

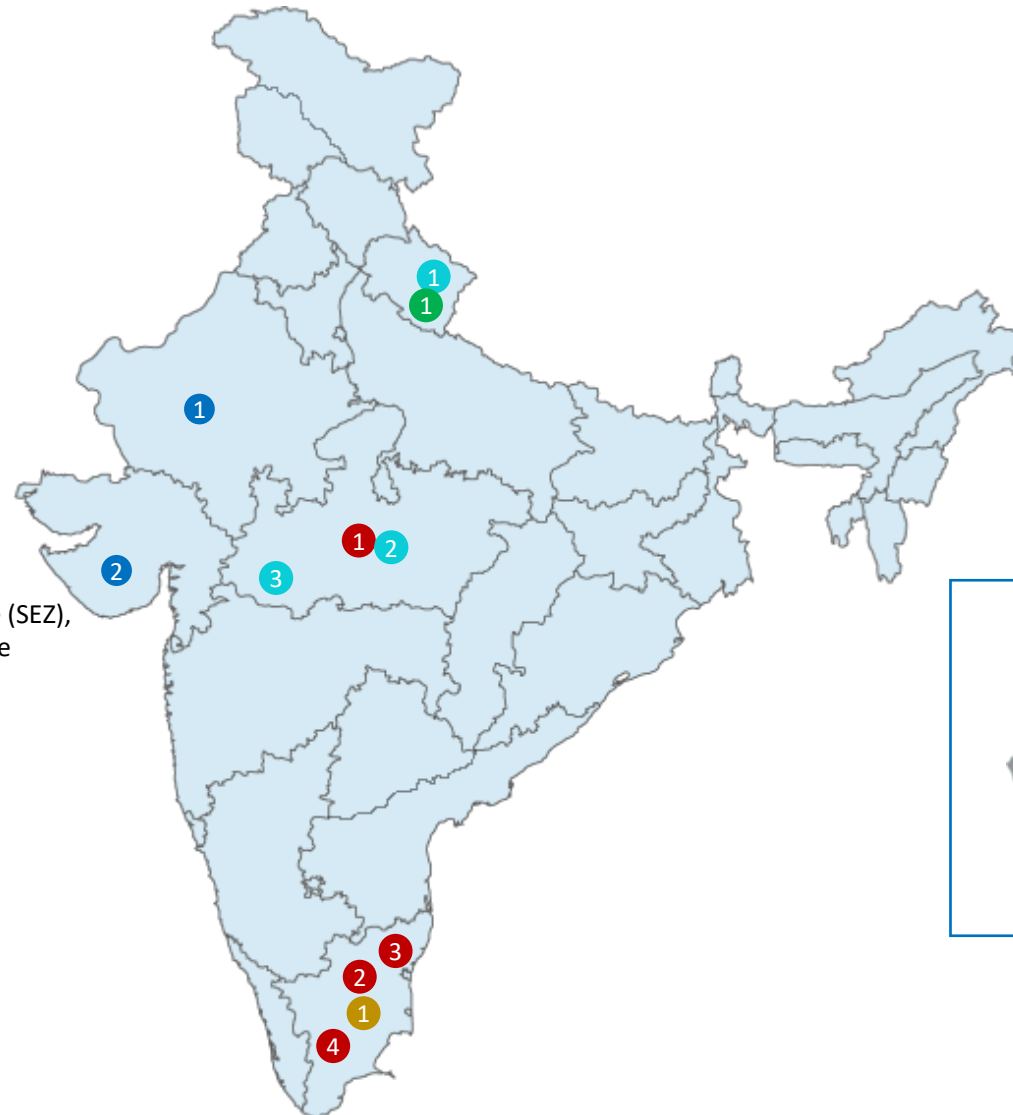
PACKAGING FILMS

3 National Operations

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

3 International Operations

4. KwaZulu - Natal, South Africa
5. Rayong, Thailand
6. 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

Speciality 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



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 knowledge-based value-added products

Continue to build new competencies in the chemical technology space



Drive growth in new businesses

De-risk from Technical Textiles Business





Q1 FY22 RESULTS OVERVIEW

Abridged Results Overview - Consolidated

Consolidated figures

Particulars (Rs. Crore)	Q1 FY22	Q1 FY21	% Y-o-Y
Gross Operating Revenue	2,699.4	1,545.2	74.7%
EBIDTA	678.1	382.4	77.3%
<i>EBIDTA Margin (%)</i>	<i>25.1%</i>	<i>24.8%</i>	
Depreciation	123.0	104.0	18.2%
Interest	27.5	43.2	-36.4%
ECF (Gain) / Loss	(7.2)	9.1	-179.1%
Profit Before Tax	534.9	226.2	136.5%
Profit After Tax	395.3	176.9	123.5%
<i>Profit After Tax Margin (%)</i>	<i>14.6%</i>	<i>11.4%</i>	
Diluted EPS (Rs.)	66.72	30.77	

Results Overview - Financial Overview

Consolidated figures

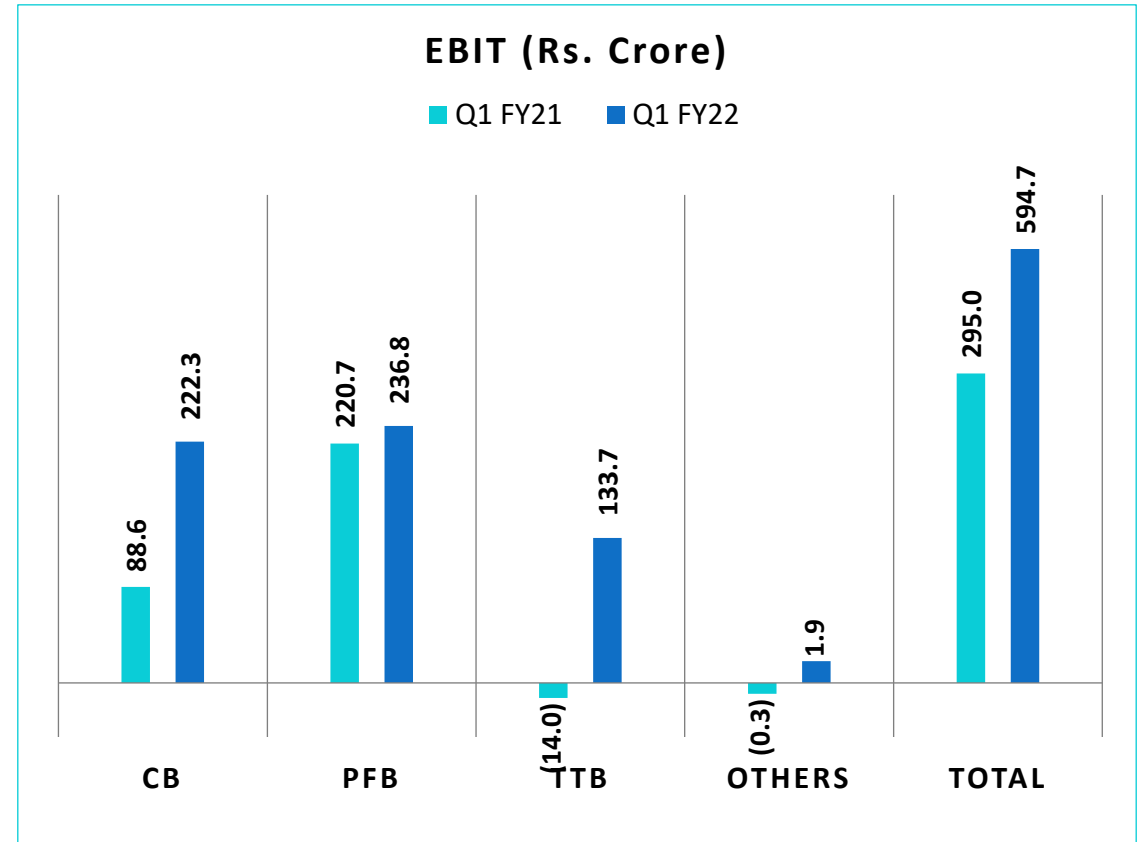
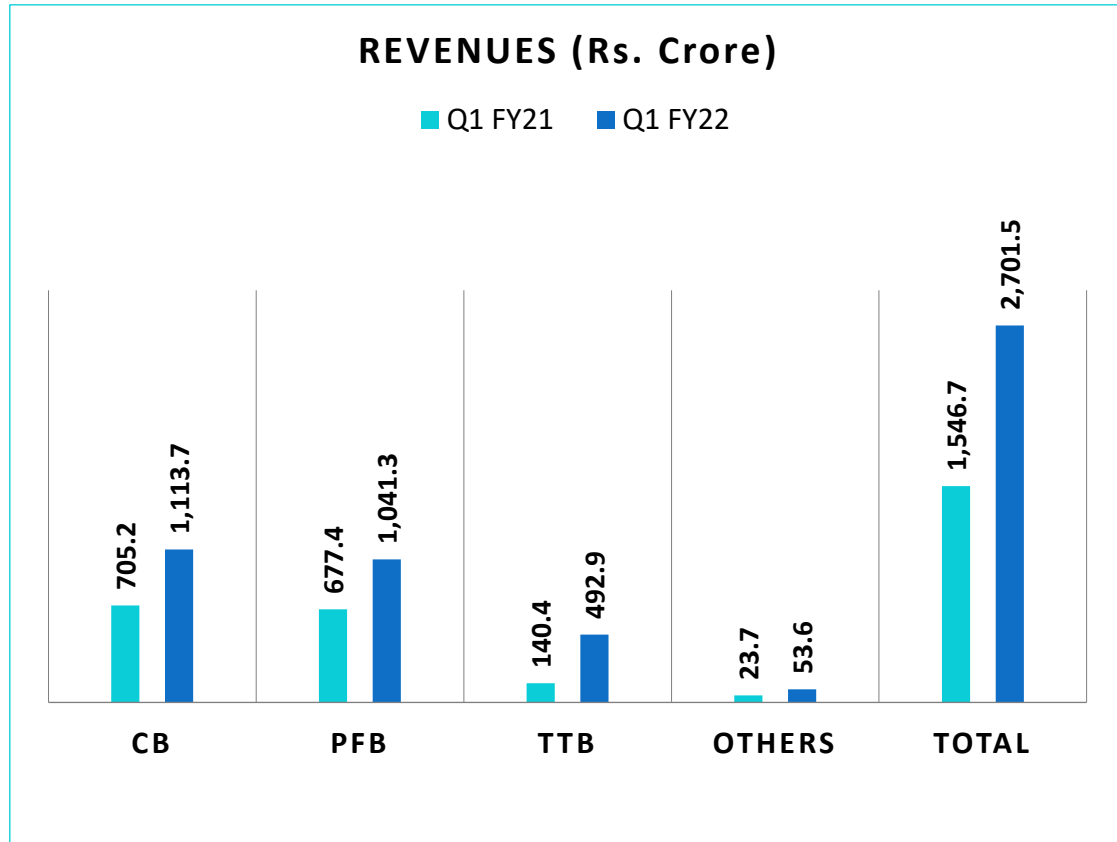
Key Financial Ratios

PARTICULARS	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
EBITDA Margin	17.59%	13.59%	20.43%	22.13%	21.42%	17.69%	19.00%	20.90%	26.05%
PAT Margin	6.69%	4.04%	8.78%	9.51%	10.87%	8.38%	8.33%	12.70%	14.26%
Net Debt to Equity	0.70	1.00	0.98	0.71	0.67	0.82	0.83	0.76	0.39
Net Debt to EBIDTA	2.08	3.80	2.83	1.97	2.11	3.01	2.42	2.48	1.24
Asset Turnover	0.82	0.73	0.77	0.7	0.68	0.66	0.72	0.66	0.65
Debtors Turnover	7.44	5.81	7.43	8.79	7.21	8.1	6.90	8.09	6.64



Results Overview - Revenue & EBIT

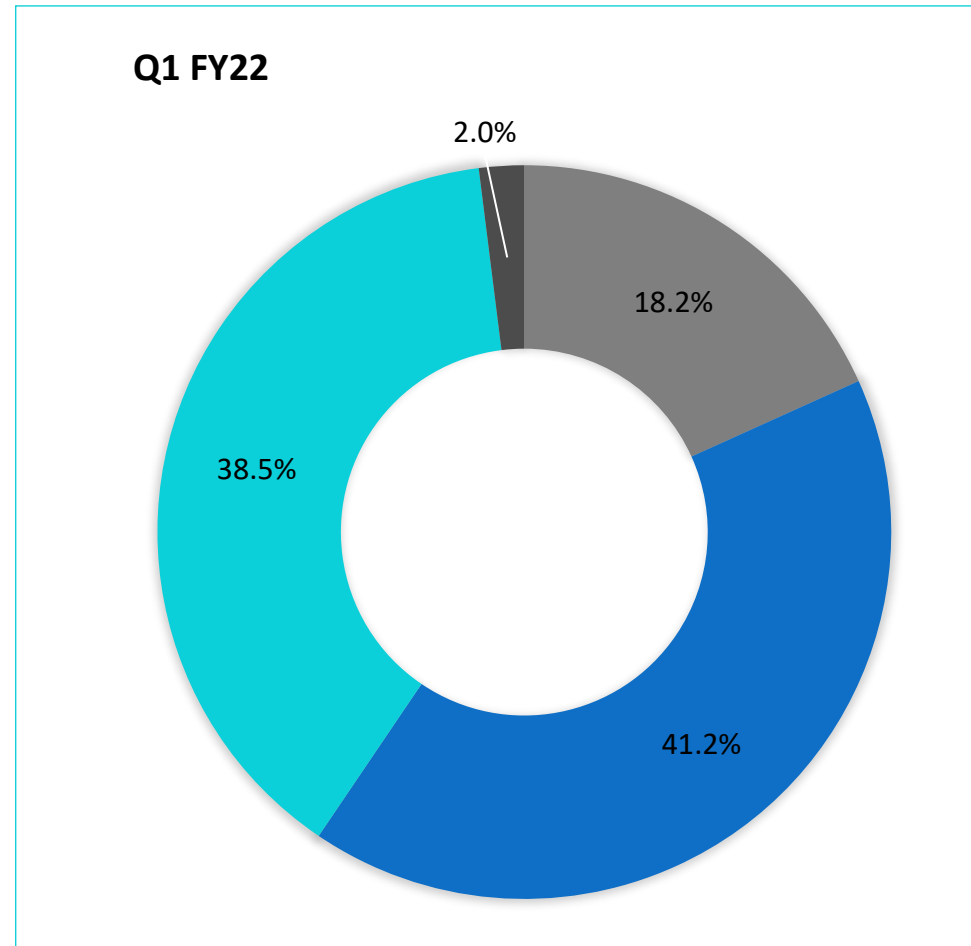
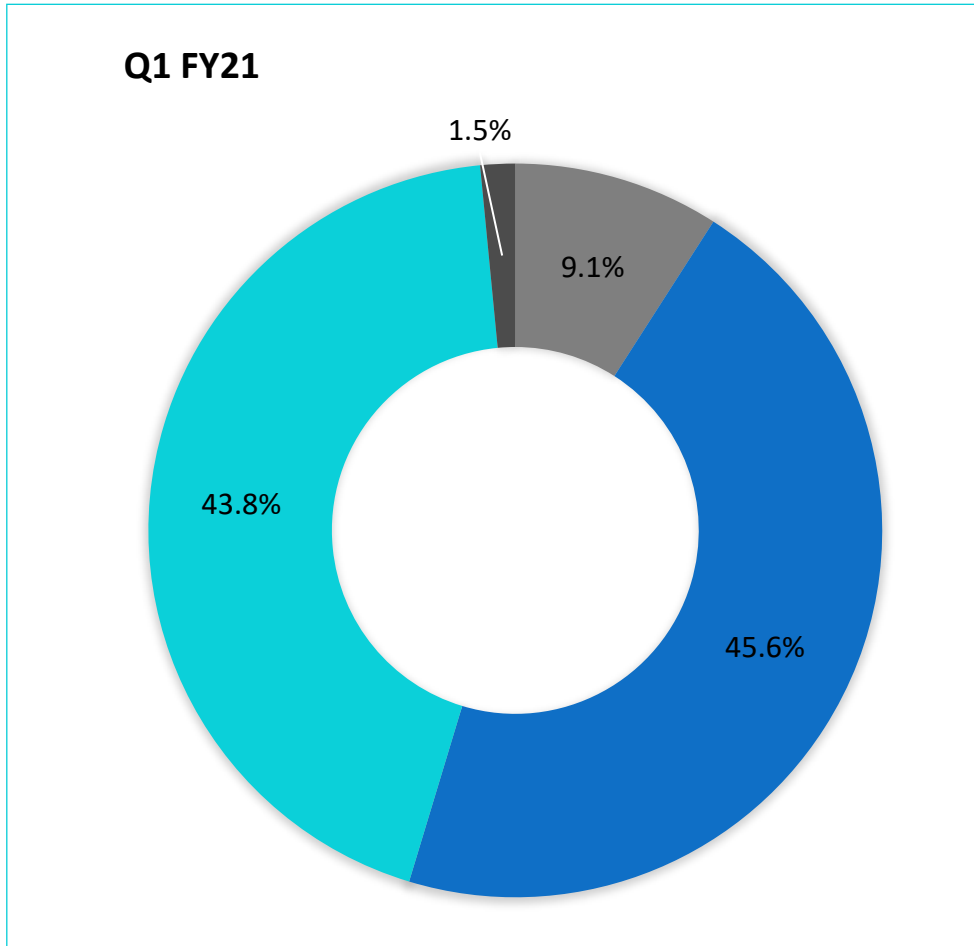
Consolidated figures



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



Results Overview - Revenue Share



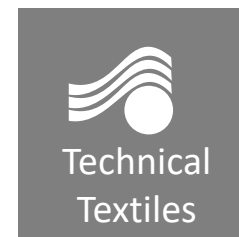
- CB
- PFB
- TTB
- Others

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





Q1 FY22 SEGMENTAL OVERVIEW





Chemicals Business - Results Update

Consolidated figures

PARTICULARS (Rs. Cr)	Q1 FY22	Q1 FY21	% SHIFT
Segment Revenues	1,113.7	705.2	57.9%
<i>% Contribution to Revenues</i>	<i>41.2%</i>	<i>45.6%</i>	
EBIT	222.3	88.6	151.0%
<i>% EBIT Margins</i>	<i>20.0%</i>	<i>12.6%</i>	
<i>% Contribution to EBIT</i>	<i>37.4%</i>	<i>30.0%</i>	

Chemicals Business

Specialty Chemicals Business

- Segment registered healthy performance over CPLY owing to:
 - Higher sales from exports and domestic markets
 - Strong focus on adding new products to strengthen the overall product range
 - Increase in raw material prices and export freight rates impacted Q1, seems to be a short-term phenomenon
 - Focus on expanding Pharma product profile
- SRF continues to make investments in capacity expansion to maintain the growth momentum
 - Two new plants commissioned at Dahej
 - Successfully completed the campaigns for two key products
 - Existing expansion plans are on track

Market Trends

- Growth momentum in Agrochemicals is expected to continue across key markets
- Visible traction in specialty chemical space
- The second wave of COVID-19 induced lockdowns resulted in disruption of supply chains, leading to an overall increase in raw material prices and export freight across geographies



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
- 3 R&D centres in India
- 8 new process patents were granted in Q1FY22, taking the tally to 99 global patents to-date. Overall, the Company has applied for 317 patents

99

Global Patents
granted

317

Patents applied



Chemicals Business

Fluorochemicals Business

- Segment delivered a robust performance on account of:
 - Higher sales volumes in the refrigerants and the blends segment, especially from the export markets
 - Uptick in Auto sales led to higher offtake in R-134a revenues
 - Healthy contribution from the chloromethanes segment
 - Domestic market in Q1 witnessed lower offtake induced by localized lockdowns
- Base effect positive witnessed in Q1 FY 22 due to nationwide lockdown in Q1 FY 21
- The Board approved projects at Dahej to be implemented in next 24 months:
 - Integrated expansion of the Fluorocarbon based Refrigerant capacity at an investment of ~ Rs. 550 crore
 - Installation of 200 KV grid at a projected cost of Rs. 135 crore, ensuring availability of stable power for future readiness

Market Trends

- Production of passenger vehicles in India significantly higher when compared with CPLY
- Demand and production volumes in the AC market also witnessed a spike
- Pharma segment continued to do well in Q1



Packaging Films Business



Packaging
Films



Packaging Films Business - Results Update

Consolidated figures

PARTICULARS (Rs. Cr)	Q1 FY22	Q1 FY21	% SHIFT
Segment Revenues	1,041.3	677.4	53.7%
<i>% Contribution to Revenues</i>	38.5%	43.8%	
EBIT	236.8	220.7	7.3%
<i>% EBIT Margins</i>	22.7%	32.6%	
<i>% Contribution to EBIT</i>	39.8%	74.8%	



Packaging Films Business

Key Highlights

- Segment continues to perform well, despite impact of COVID-19 second wave on domestic markets, owing to:
 - New capacities that came on-stream in Hungary and Thailand
 - Growing product portfolio with two new products and increasing contribution from value-added products
 - Surge in export freight rates impacted adversely
- Bolstered the segment mantra of 'Easy to Do Business With':
 - Expanded market footprint to more than 100 countries
 - Continuous improvement in quality and delivery. Wider and deeper penetration with multinational customers
- Sustainability initiatives remains one of the key focus areas for the business

Market Trends

- In Q1 FY22, demand for BOPET films was subdued, while demand for BOPP films remained healthy
- Globally, several new lines are scheduled to commence in BOPET and BOPP – to impact industry margins in the future
- Preference towards Global suppliers with multi-locational facilities
- Exports freight costs across geographies witnessing an upward trend

Technical Textiles Business



Technical
Textiles



Technical Textiles Business - Results Update

Consolidated figures

PARTICULARS (Rs. Cr)	Q1 FY22	Q1 FY21	% SHIFT
Segment Revenues	492.9	140.4	251%
<i>% Contribution to Revenues</i>	<i>18.2%</i>	<i>9.1%</i>	
EBIT	133.7	-14.0	NA
<i>% EBIT Margins</i>	<i>27.1%</i>	<i>-10.0%</i>	
<i>% Contribution to EBIT</i>	<i>22.5%</i>	<i>-4.8%</i>	



Technical Textiles Business

Key Highlights

- Segment reported a significantly improved performance on account of:
 - Improved demand in the Nylon Tyre Cord, Belting Fabrics and Polyester Industrial Yarn segments
 - Re-structuring of margin profile with long-term customers
- Continued focus on enhancing operational performance across all plants
- Faced certain manpower availability issues due to COVID-19 second wave, leading to marginally lower capacity utilizations
- TTB facilities in Gummidipoondi, Manali and Gwalior have earned a 100% vendor rating from its marquee clients

Market Trends

- Domestic tyre industry has gained significant momentum:
 - Strong demand is observed across all TCF segments
 - Farm tyres segment witnessed robust demand due to normal monsoon forecast
 - Continual strong demand is observed in two / three-wheeler segment due to rise in personal mobility
- With the reopening of the mining sector, the belting fabric industry witnessed strong demand



Others



Others



Others - Results Update

Consolidated figures

PARTICULARS (Rs. Cr)	Q1 FY22	Q1 FY21	% SHIFT
Segment Revenues	53.6	23.7	126.3%
<i>% Contribution to Revenues</i>	2.0%	1.5%	
EBIT	1.9	-0.3	NA
<i>% EBIT Margins</i>	3.6%	-1.2%	
<i>% Contribution to EBIT</i>	0.3%	-0.1%	



Others - Key Highlights



Coated Fabrics

- Demand for Truck Tarpaulins and awnings was adversely affected due to second wave of Covid-19
- New products being introduced in the market such as fish tank pond liners and emergency shelter / protection



Laminated Fabrics

- SRF maintained its volume and price leadership
- Demand for signages and hoardings was adversely affected owing to the second wave of COVID-19 pandemic
- Anti-dumping duty on Chinese PVC flex film extended till January 31, 2022

Our Community Engagement



- Organized COVID-19 vaccination camps for the community in Bharuch, Bhiwadi & Gurugram
- Set up of oxygen generation plant at K.K. Mehta Govt. Hospital in Amreli district of Gujarat
- Launched Atal Tinkering Labs (ATL) program in collaboration with Capgemini India and NITI Aayog
- Conducted a month-long digital summer camp with 5,304 students from 11 locations





OUTLOOK

Outlook - Chemicals Business



Specialty Chemicals

- Moving up the value chain by accelerating qualifications of new molecules in both Agro and Pharmaceuticals sectors, capacity utilization of newly commissioned plants to remain in focus
- Working on key campaigns to be run in the next few quarters
- ROI accretive projects involving complex chemicals and specialty products for our global customers

Fluorochemicals

- Focus on expanding in new markets / geographies and product offerings, ramping up sales from refrigerants and blends
- Managing key in-progress capexes, within timelines
- Strong focus on sustainability initiatives that minimize the environmental cost of production



Outlook - Packaging Films Business



- Pressure on margins expected due to the start-up of new lines leading to price corrections
- Re-emergence of COVID-19 in ASEAN region could affect Thailand performance
- Unrest in South Africa in July will impact Q2 performance of the business
- Focus on sales mix of both Thailand and Hungary BOPET facilities, vertical start up of recently commissioned BOPP film line in Thailand
- New BOPP film line in India on track
- Focus on increasing pace of R&D efforts, sustainability initiatives, efficient cost structures, enhanced capabilities and value-added products



Outlook - Technical Textiles Business



- International capacities being rebalanced due to certain capacity closures, providing positive NTCF trends
- Higher operating leverage and cost optimization by capacity rationalization across various plants
- 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 ₹8,400 crore (US\$ 1.1 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 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 75 countries. Equipped with State-of-the-Art R&D facilities, SRF has filed 317 patents for R&D and technology so far, of which 99 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 / Karl Kolah**

 CDR India

 Tel: +91 98330 90434 / +91 98330 10478

 Email: anoop@cdr-india.com / karl@cdr-india.com

