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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

27.01.2022

Dear Sir,

**Presentation- Earnings Call (Un-Audited Financial Results for the quarter and nine months ended 31.12.2021)**

In continuation of our letter dated 21<sup>st</sup> January, 2022 informing about hosting of earning call to discuss Un-Audited financial results for quarter and nine months ended 31<sup>st</sup> December, 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](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 Limited

Q3 & 9M FY22 Results Presentation  
January 27, 2022



**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 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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## COMPANY OVERVIEW




# Snapshot

 **8,400** INR Cr Revenue

 **2,188** Cr EBIDTA


 **1,198** Cr PAT

 43% Chemicals

 Exports to **90+** 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

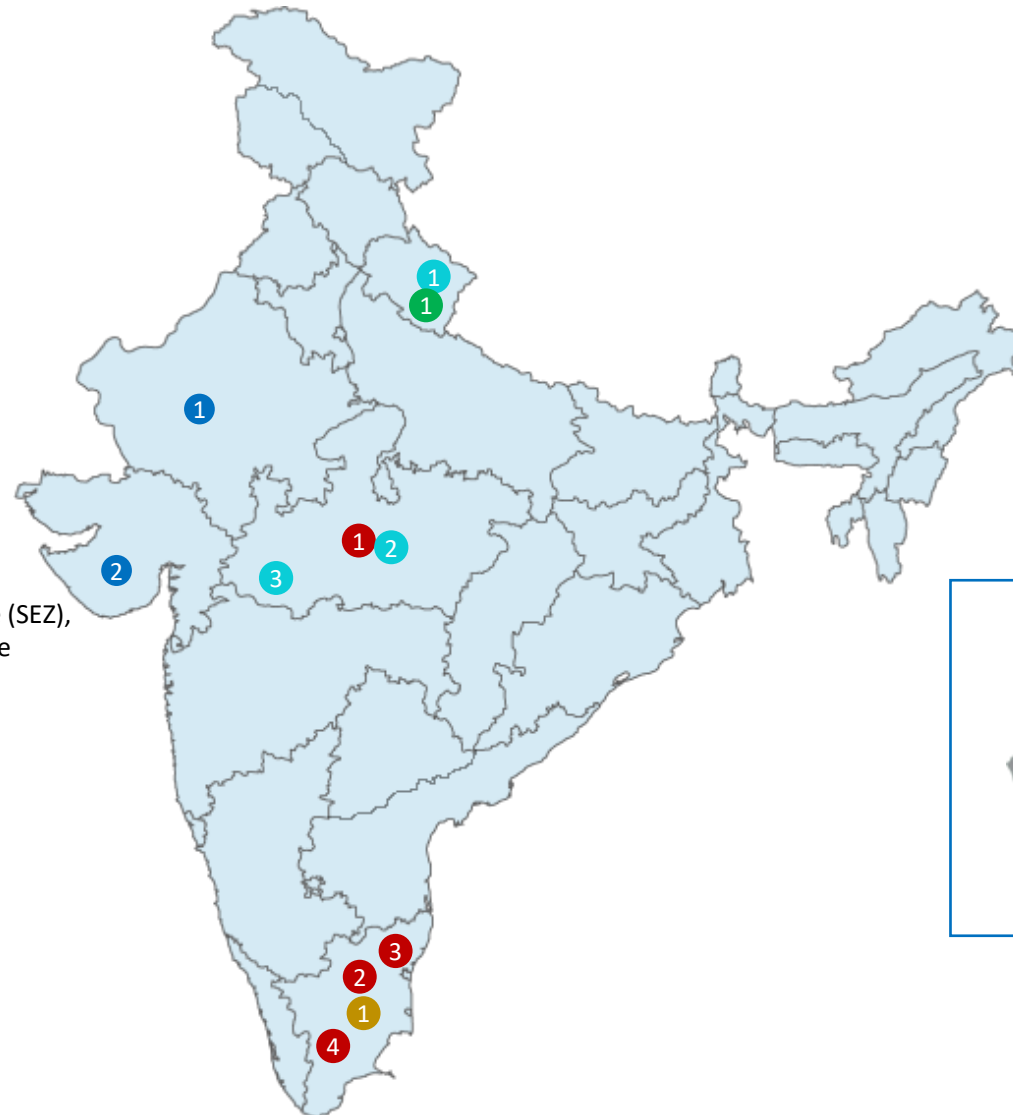
## PACKAGING FILMS

### 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. 2<sup>nd</sup> largest player globally
- 3<sup>rd</sup> 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





## **Q3 & 9M FY22 RESULTS OVERVIEW**



# Abridged Results Overview - Consolidated

## Consolidated figures

Particulars (Rs. Crore)	Q3 FY22	Q3 FY21	% Y-o-Y	9M FY22	9M FY21	% Y-o-Y
<b>Gross Operating Revenue</b>	<b>3,345.9</b>	<b>2,146.4</b>	<b>55.9%</b>	<b>8,884.2</b>	<b>5,792.4</b>	<b>53.4%</b>
<b>EBITDA</b>	<b>858.5</b>	<b>566.3</b>	<b>51.6%</b>	<b>2,202.2</b>	<b>1,540.6</b>	<b>42.9%</b>
<i>EBITDA Margin (%)</i>	<i>25.7%</i>	<i>26.4%</i>		<i>24.8%</i>	<i>26.6%</i>	
Depreciation	132.4	116.6	13.6%	385.6	334.6	15.3%
Interest	29.4	28.5	3.2%	80.2	107.8	-25.6%
ECF (Gain) / Loss	(33.5)	(21.5)	56.1%	(61.3)	(2.8)	2089.6%
<b>Profit Before Tax</b>	<b>730.3</b>	<b>442.8</b>	<b>64.9%</b>	<b>1,797.6</b>	<b>1,101.0</b>	<b>63.3%</b>
<b>Profit After Tax</b>	<b>505.5</b>	<b>324.3</b>	<b>55.9%</b>	<b>1,283.3</b>	<b>816.8</b>	<b>57.1%</b>
<i>Profit After Tax Margin (%)</i>	<i>15.1%</i>	<i>15.1%</i>		<i>14.4%</i>	<i>14.1%</i>	
Diluted EPS (Rs.)	17.06	10.96		43.31	27.69	

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

# Results Overview - Financial Overview

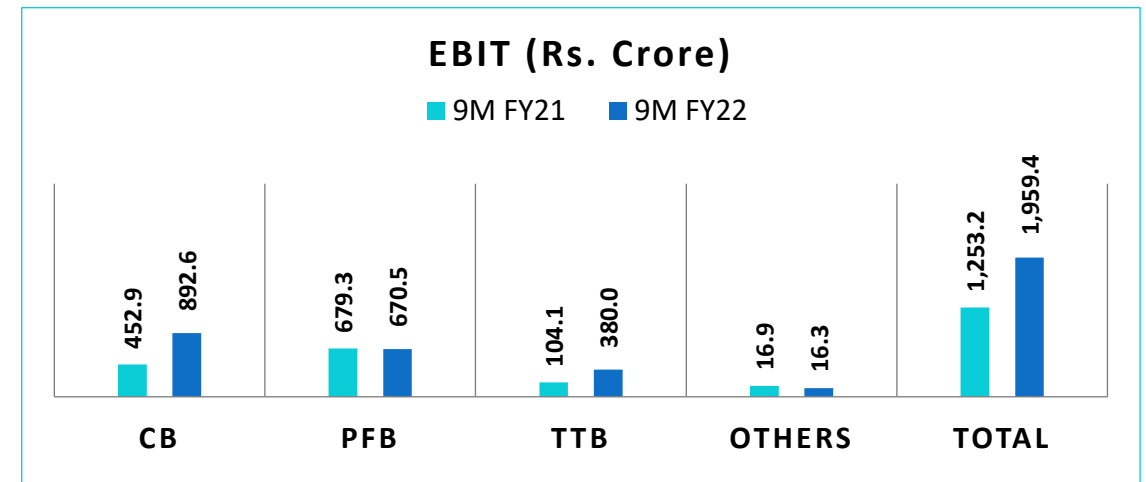
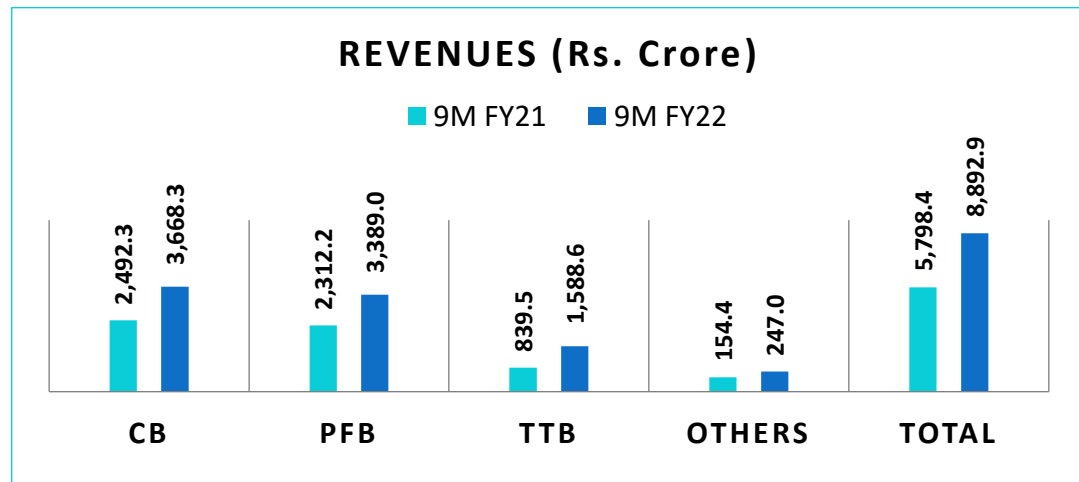
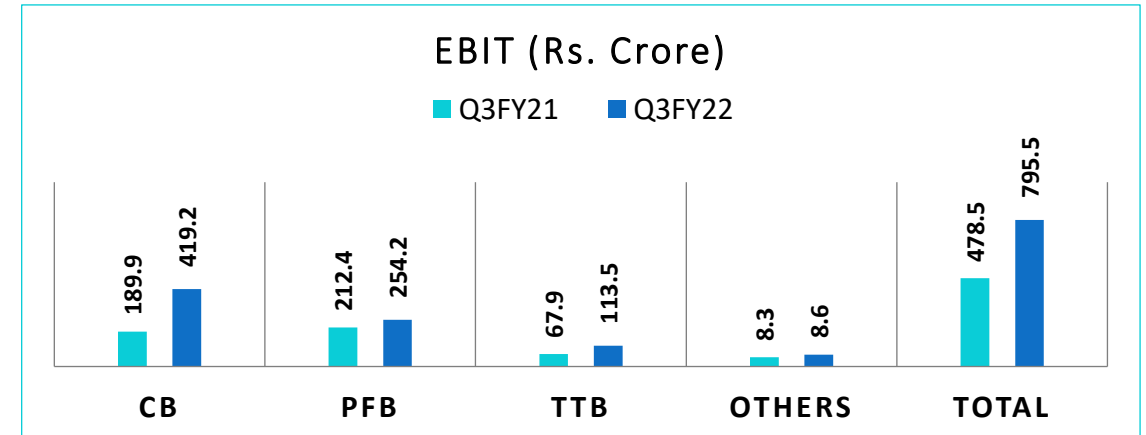
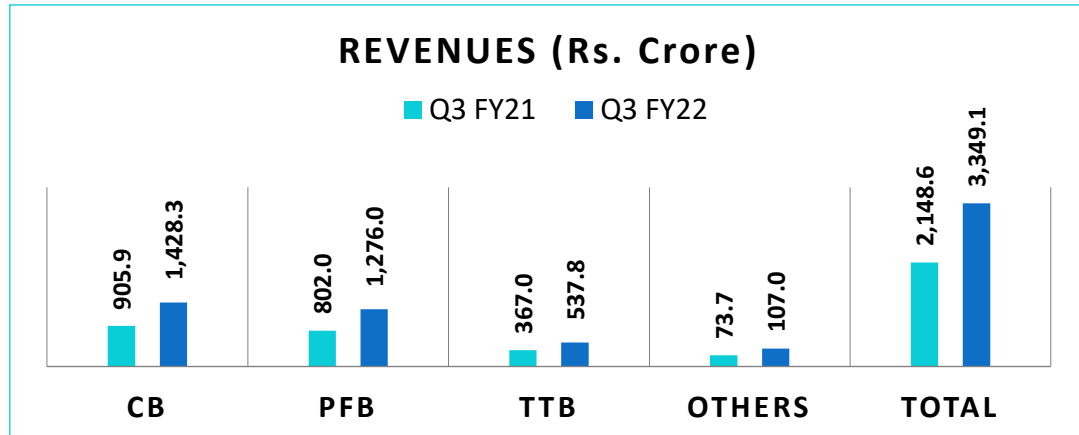
## Consolidated figures

### Key Financial Ratios

PARTICULARS	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
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

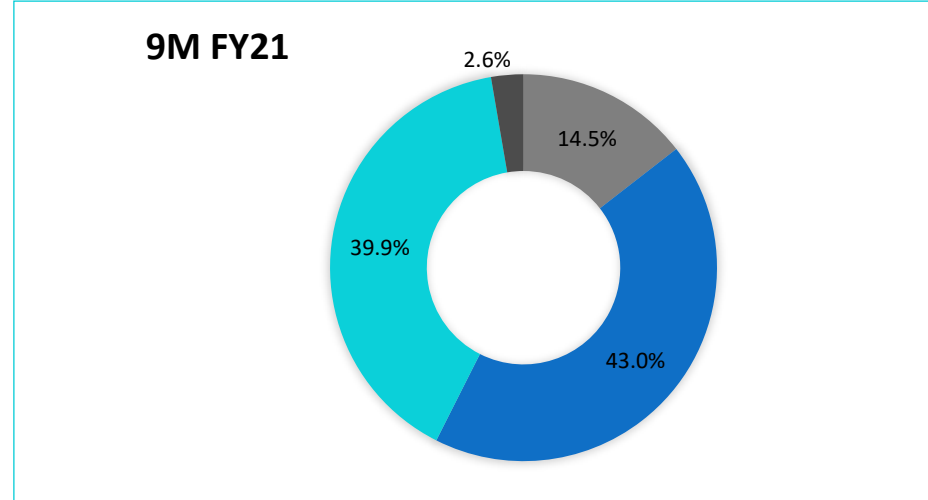
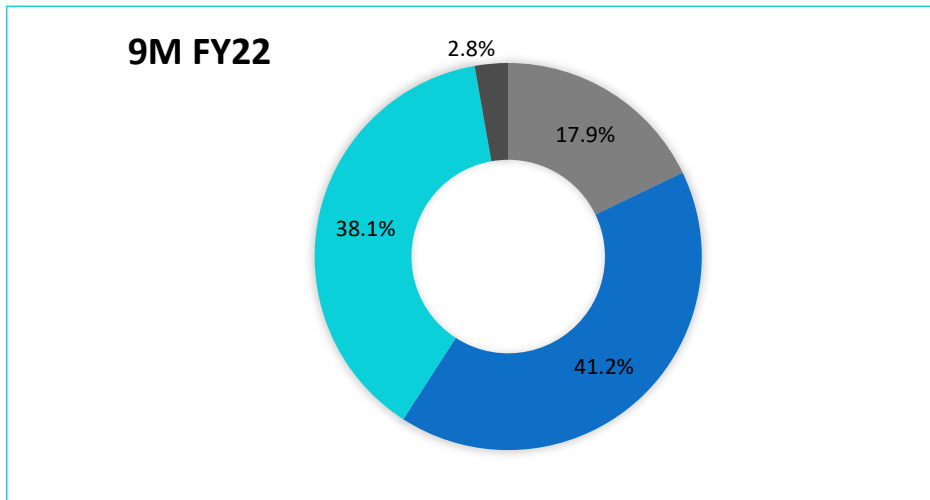
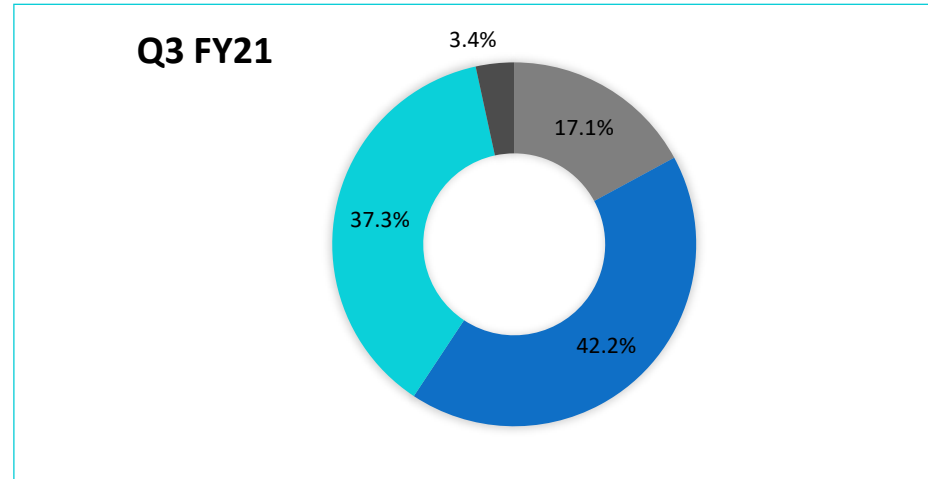
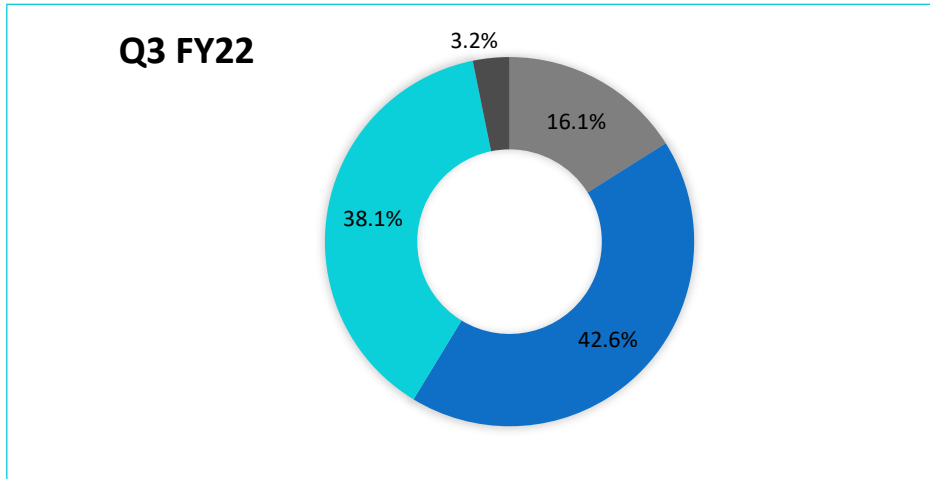
# Results Overview - Revenue & EBIT

## Consolidated figures





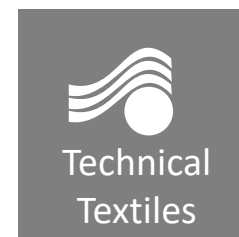
# Results Overview - Revenue Share



- CB
- PFB
- TTB
- Others



# Q3 & 9M FY22 SEGMENTAL OVERVIEW







# Chemicals Business - Results Update

## Consolidated figures

PARTICULARS	Q3 FY22	Q3 FY21	% SHIFT	9M FY22	9M FY21	% SHIFT
Segment Revenues	1428.3	905.9	57.7%	3668.3	2492.3	47.2%
<i>% Contribution to Revenues</i>	42.6%	42.2%		41.2%	43.0%	
EBIT	419.2	189.9	120.7%	892.6	452.9	97.1%
<i>% EBIT Margins</i>	29.4%	21.0%		24.3%	18.2%	
<i>% Contribution to EBIT</i>	52.7%	39.7%		45.6%	36.1%	

## Specialty Chemicals Business

- Segment delivered healthy performance during the period owing to:
  - Incremental revenues from exports and domestic markets
  - Expanding product portfolio offering significant to future potential
  - Sustained efforts to diversify the portfolio of raw material suppliers to reduce the risk of supply shortages
  - Increased focus on cost reduction through process improvement, asset optimization and strategies to manage the environmental impact
- SRF continues to commit capex investments in the business's future. New capex announcements, namely:
  - Pharma Intermediates plant (PIP) at a cost of Rs. 190 crore; to strengthen SRF's pharma capabilities
  - Dedicated facility of a key agrochemical product at a cost of Rs 61 crore

Upstream planning leading to significant reduction in time to market

## Market Trends

- Witnessed improved demand on account of healthy growth from global agrochemical manufacturers in strategic markets
- 'China plus one' strategy for procurement continues to help India gain momentum as an alternate manufacturing base
- Pressure on raw material due to increasing crude prices, logistics challenges, and global shortages of some key raw materials



## 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
- 2 new process patents were granted in 9M FY22, taking the tally to 106 global patents to-date. Overall, the Company has applied for 351 patents

**106**

Global Patents  
granted

**351**

Patents applied





## Fluorochemicals Business

- Fluorochemicals Business delivered robust performance:
  - Higher prices of certain key refrigerant products in critical international markets
  - Increased export volumes of HFC blends
  - Dymel® HFA 134a/P witnessing breakthrough in new accounts across India, Bangladesh, Argentina, and Thailand
  - Chloromethanes segment contributing to the overall performance
- Key projects (CMS expansion, PTFE, HFCs) are largely on track, minor COVID related delays

## Market Trends

- Air conditioner production volumes grew by ~40% when compared with CPLY, expected to be robust when compared to FY 21
- Pharma segment continued to do well
- Domestic passenger vehicles production volumes remained subdued on account of various external factors; 18% lower when compared with CPLY
  - Auto market has been hampered due to persistent global semiconductor shortage & continued logistical challenges

# Packaging Films Business



Packaging  
Films



# Packaging Films Business - Results Update

## Consolidated figures

PARTICULARS	Q3 FY22	Q3 FY21	% SHIFT	9M FY22	9M FY21	% SHIFT
Segment Revenues	1276.0	802.0	59.1%	3389.0	2312.2	46.6%
<i>% Contribution to Revenues</i>	<i>38.1%</i>	<i>37.3%</i>		<i>38.1%</i>	<i>39.9%</i>	
EBIT	254.2	212.4	19.7%	670.5	679.3	-1.3%
<i>% EBIT Margins</i>	<i>19.9%</i>	<i>26.5%</i>		<i>19.8%</i>	<i>29.4%</i>	
<i>% Contribution to EBIT</i>	<i>32.0%</i>	<i>44.4%</i>		<i>34.2%</i>	<i>54.2%</i>	

# Packaging Films Business

- The Business performed very well, with both the domestic and international facilities delivering robust results:
  - Volume growth owing to additional capacities in Hungary and Thailand coming on stream
  - Continuous focus on enhancing efficiency and cost-competitive procurement
  - Higher margins witnessed in BOPP segment
- SRF continues to further strengthen its position as a global major in the industry, reinforcing the PFB philosophy of 'Easy to Do Business With'
  - Growing market presence, with over 100 countries served, along with multi-country & multi-substrate presence
  - Constantly improving quality & delivery parameters to cater to the needs of a global customer base
- SRF Packaging Films Business – Indore conferred the Quality Sustainability Award at the international convention, organized by the International Academy for Quality (IAQ)
- SRF Flexipak, South Africa won the prestigious 'Sword of Honour' from the British Safety Council

## Market Trends

- BOPP demand remained buoyant boosting overall margins
- Global logistic outlook remains challenging, with raw materials freight and container availability being a concern
- Several new BOPP & BOPET lines are expected to become operational, leading to pressure on margins



# Aluminium Foil – Our Rationale

- Aluminium foil widely used in food and non-food packaging is witnessing significant growth
- Market size:
  - Indian market size is ~ 2 lakh MTPA and expected to grow at ~8.5% p.a., mainly driven by food products and Pharma packaging
  - Import substitution: Annual estimated imports of approx. 1 lakh MTPA. Gap expected to remain significant, due to growth and current supply positions in the domestic market
- SRF is investing in the aluminium foil segment to create business adjacencies keeping in mind growth as a core strategy, at a new site in Jaitapur, Indore, India at an approximate cost of Rs 425 crore:
  - Foray into Aluminum foil segment provides promising opportunities to leverage existing customer base as one-stop shop for customers with products ranging from BOPP, BOPET and Aluminum Foil
  - State of the art machine with capability to produce a wide range of gauges
  - Management synergies due to proximity to existing sites
- Potential to emerge as an enabler to cater to demand from Electric Vehicle (EV) space in the future

## Food Packaging



## Pharma Packaging



## Household Foil



**Strategic investment in a high potential future product offering**

# Technical Textiles Business



Technical  
Textiles



# Technical Textiles Business - Results Update

## Consolidated figures

PARTICULARS	Q3 FY22	Q3 FY21	% SHIFT	9M FY22	9M FY21	% SHIFT
Segment Revenues	537.8	367.0	46.5%	1588.6	839.5	89.2%
<i>% Contribution to Revenues</i>	<i>16.1%</i>	<i>17.1%</i>		<i>17.9%</i>	<i>14.5%</i>	
EBIT	113.5	67.9	67.1%	380.0	104.1	265.0%
<i>% EBIT Margins</i>	<i>21.1%</i>	<i>18.5%</i>		<i>23.9%</i>	<i>12.4%</i>	
<i>% Contribution to EBIT</i>	<i>14.3%</i>	<i>14.2%</i>		<i>19.4%</i>	<i>8.3%</i>	

# Technical Textiles Business

- Business showcased healthy performance despite weak demand for Nylon Tyre Cord Fabrics
- Sales volumes from the Belting Fabrics and Polyester Industrial Yarn segments were healthy, amidst a challenging market situation
- Continuous focus on enhancing operational excellence standards
- TTB facility in Manali has earned a 100% vendor rating from its marquee clients

## Market Trends

- OEM demand witnessing weakness due to degrowth in automobile industry
- Switch in customer inclination towards domestic producers has led to a major slowdown in imports
- With the reopening of the mining sector and the recovery of the Indian economy, the belting fabric business has seen strong demand





# Others



Others



# Others - Results Update

## Consolidated figures

PARTICULARS	Q3 FY22	Q3 FY21	% SHIFT	9M FY22	9M FY21	% SHIFT
Segment Revenues	107.0	73.7	45.1%	247.0	154.4	60.0%
<i>% Contribution to Revenues</i>	3.2%	3.4%		2.8%	2.7%	
EBIT	8.6	8.3	3.7%	16.3	16.9	-3.3%
<i>% EBIT Margins</i>	8.0%	11.2%		6.6%	10.9%	
<i>% Contribution to EBIT</i>	1.1%	1.7%		0.8%	1.3%	

# Others - Key Highlights



## Coated Fabrics

- SRF maintained domestic market leadership due to improved sourcing initiatives and plant performance despite subdued demand scenario
  - Contribution in the domestic market improved owing to renewed focus on value added products
- Direct orders from institutional clients have been deferred anticipating peak in cases during the third wave of Covid-19



## Laminated Fabrics

- In Q3, SRF recorded the highest-ever sales achieved as the plant operated at full capacity and continues to maintain volume & price leadership in the segment
- Upgrade from cold to swing semi-hot lamination machine will enable us to be competitive in the market, as it is believed to be the standard offering in the future



# SRF's Community Engagement



- MoU signed between Rajya Shiksha Kendra, Madhya Pradesh and SRF Foundation to transform fifty Government schools in the state
- Expanded the Basic Electrician Training Program to thirteen locations with ten new training centers established across our manufacturing facilities
- Launched Beautician, Wellness and Fashion Designing courses under a new project, to provide learning and income generation opportunities to women belonging to marginalized communities in Chennai, Tamil Nadu





# OUTLOOK



## 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
- Key campaigns underway
- ROI accretive projects involving complex chemicals and specialty products for SRF's global customers, with emphasis on Pharma products

## Fluorochemicals

- Focus on expanding in new markets / geographies and product offerings and balancing quantities between domestic and international markets
- Managing key in-progress capexes, within timelines



# Outlook - Packaging Films Business



- Emphasis on expanding sales from the new BOPET lines in Thailand & Hungary with higher VAP sales; BOPP line, which has been recently commissioned will also contribute to the overall sales
- Some pressure on margins likely owing to the start up of new lines
- SRF's capexes in new BOPP film and other value-added products in India are 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



- Higher operating leverage and cost optimization by capacity rationalization across various plants
- Belting Fabrics & Polyester Industrial Yarn sub-segments of the 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 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 351 patents for R&D and technology so far, of which 106 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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