



Trident Limited

Home Textile | Paper

EARNINGS PRESENTATION

Q3FY22

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INDUSTRY OVERVIEW

SUMMARY OF FINANCIAL STATEMENTS

WAY FORWARD

01

COMPANY OVERVIEW

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QUARTERLY & OPERATIONAL OVERVIEW

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05

COMMITTED TO ESG & WOMEN EMPOWERMENT

06

COMPANY OVERVIEW



A

Leading Integrated home textile manufacturers with 30+ year track record

B

World's Largest wheat straw-based paper manufacturer

#1

in North India for Branded Copier segment

C

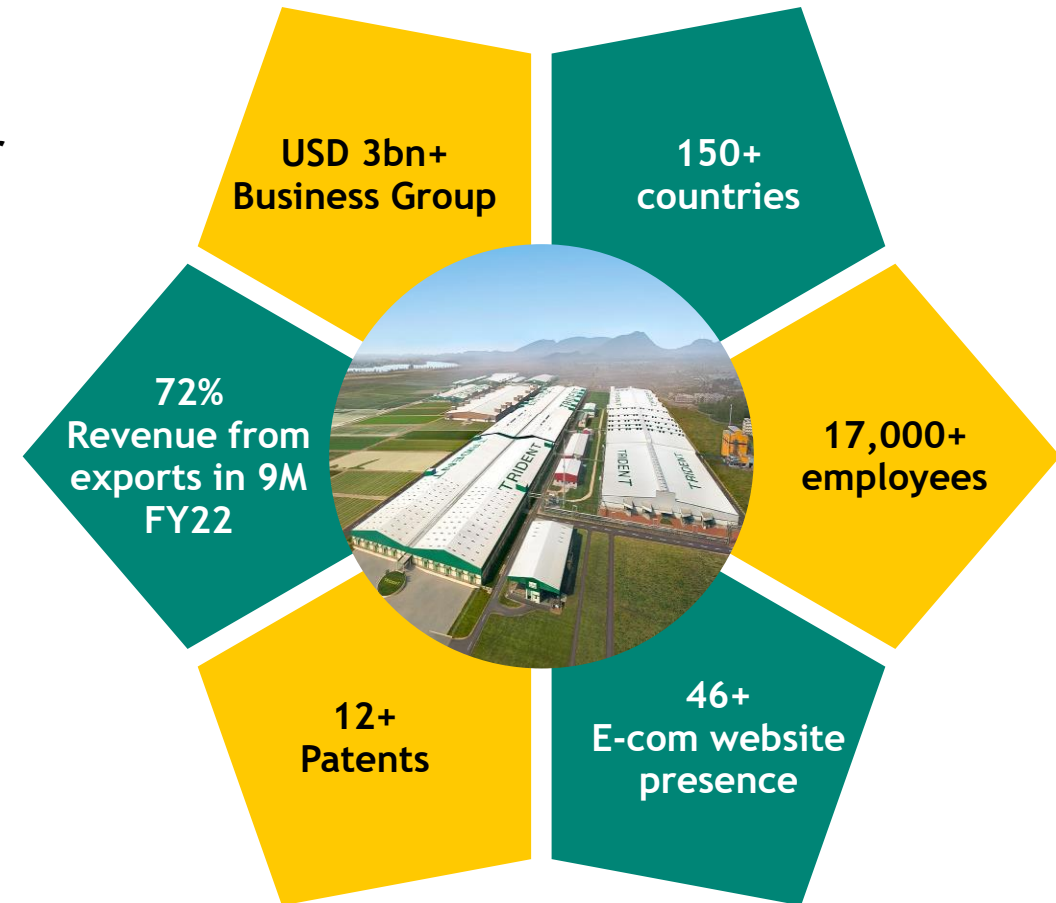
World-class Infrastructure & Technology

D

Globally Best-in-class Business Partners

E

Robust Financials and Young & Energetic Workforce

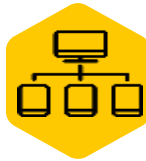




Started as a Commodity Player

- ✓ Inception: Started as a yarn manufacturer in 1990 with just 17k spindles
- ✓ Forayed into Terry Towel in 1998-99

1990-2000



Transition & Diversification Phase

- ✓ Entered Paper, Chemical & Energy segment
- ✓ Enhanced capacity expansion in Yarn and Terry towel

2000-2010



Value Addition & Consolidation Phase

- ✓ Horizontal diversification into segments such as Bed Linen
- ✓ Strengthened presence in E-commerce and domestic market
- ✓ Secured 10 patents

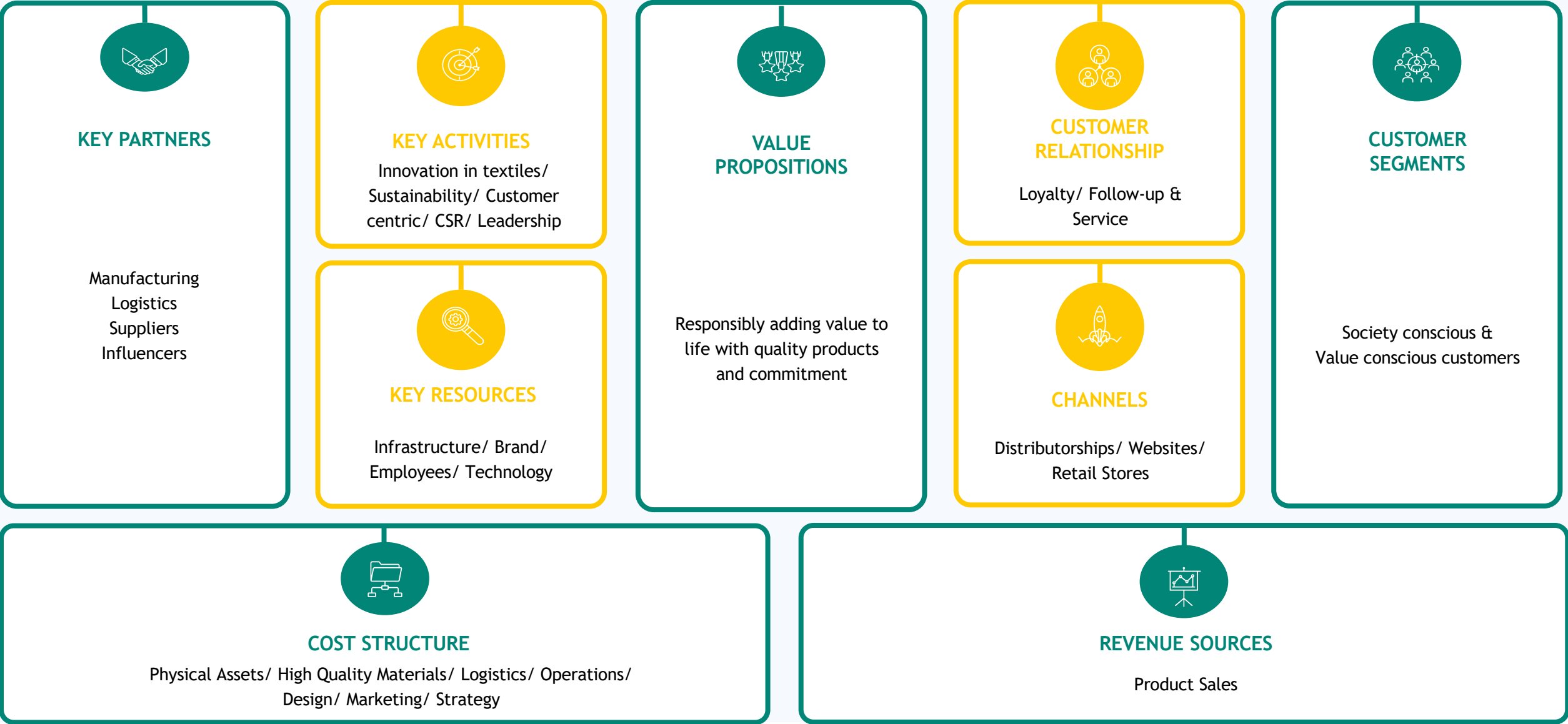
2010-2020



Going Forward

- ✓ Make Trident a National Brand
 - E-commerce Website
 - Retail Outlets
 - Social Media Presence
 - Diversified products
- ✓ Digital Trident - Completing Industry 4.0 Journey
 - E-sourcing
 - Real time performance monitoring
 - AI enabled Projects
 - Digitalization of products
 - Virtual showrooms

2020-2025



Awards & Recognition



Creating differentiation across brands & products

Domestic home textile brands



International home textile brands



Marquee Customers



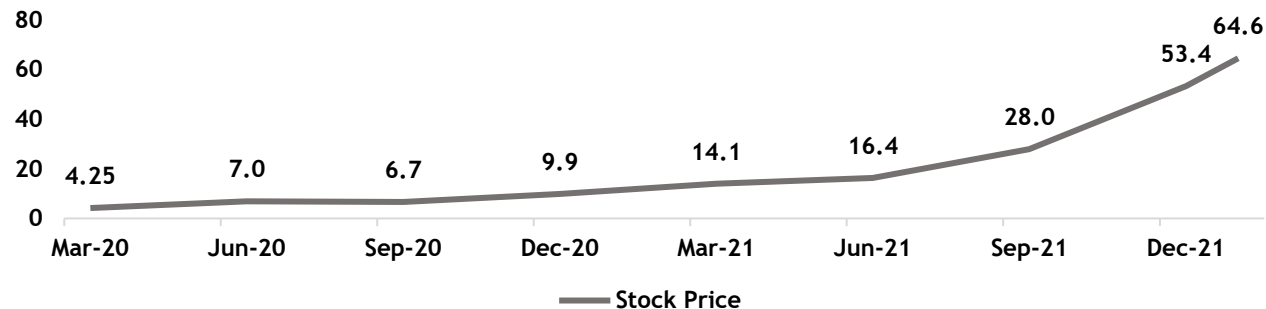
Trident's home textile brands are across a range of luxury, premium, essentials, exclusive and gifting products

Shareholding and Dividend Payout

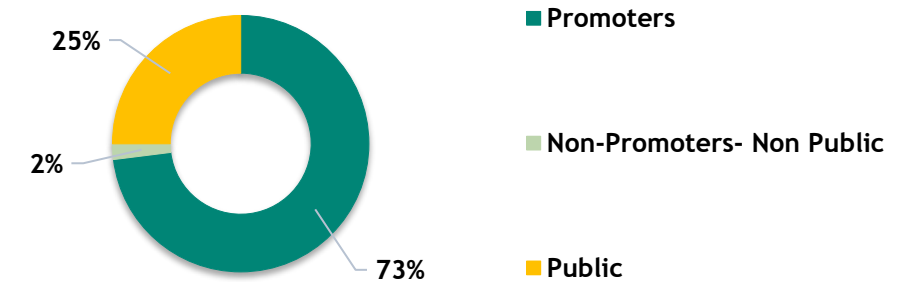
Key Market Statistics (18th Jan 2022) (INR)

BSE Ticker	521064
NSE Ticker	Trident
Bloomberg code	TRID:IN
Reuters	TRIE.NS
Market Price	64.6
Market Cap (in million)	3,29,202
Outstanding shares (in million)	5096
Face value per share	1
52 week low/high	12.7/70.3

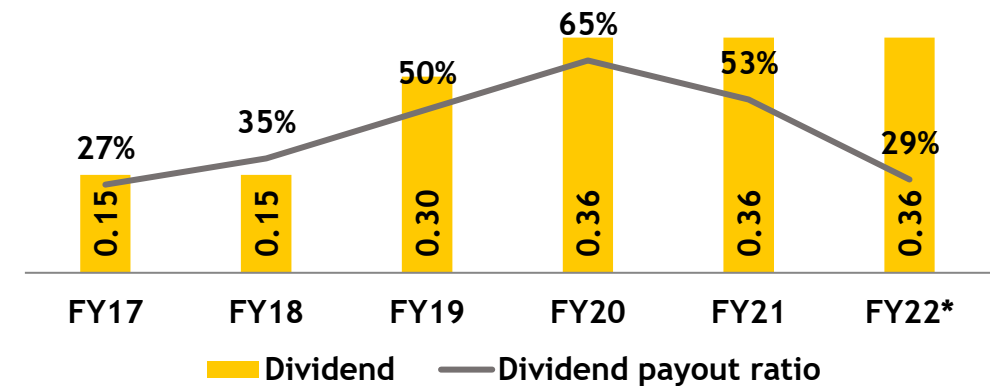
Stock price movement



Shareholding Pattern (January 2022)



Dividend



DPR for FY22* is tentative based on 9 months results



Total Income
Rs 19,611 Mn



EBITDA Margin
20.72%



PBT Margin
14.34%



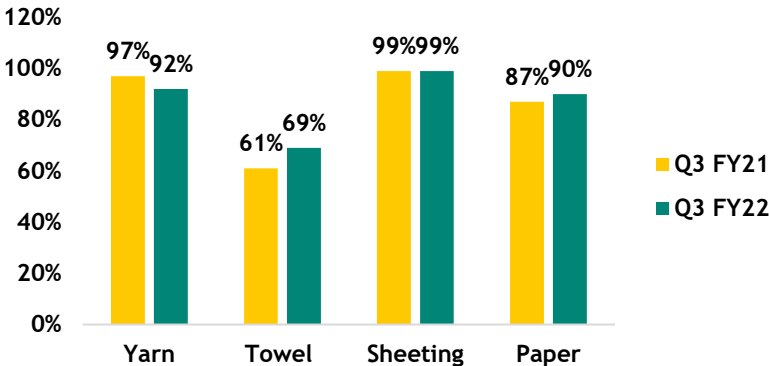
Free Cash Flow
Rs 2,841 Mn

Management’s Commentary:

“ The company has shown high resilience and displayed strong performance despite challenging environment.

We will continue to create value and maintain Trident’s excellence-centric mindset to achieve even stronger and better results in the coming years”

Capacity Utilization

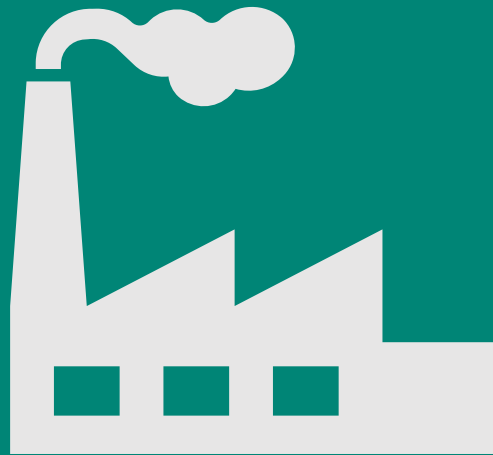


Revenue Segment



Mr. Rajinder Gupta
Chairman, Trident Group

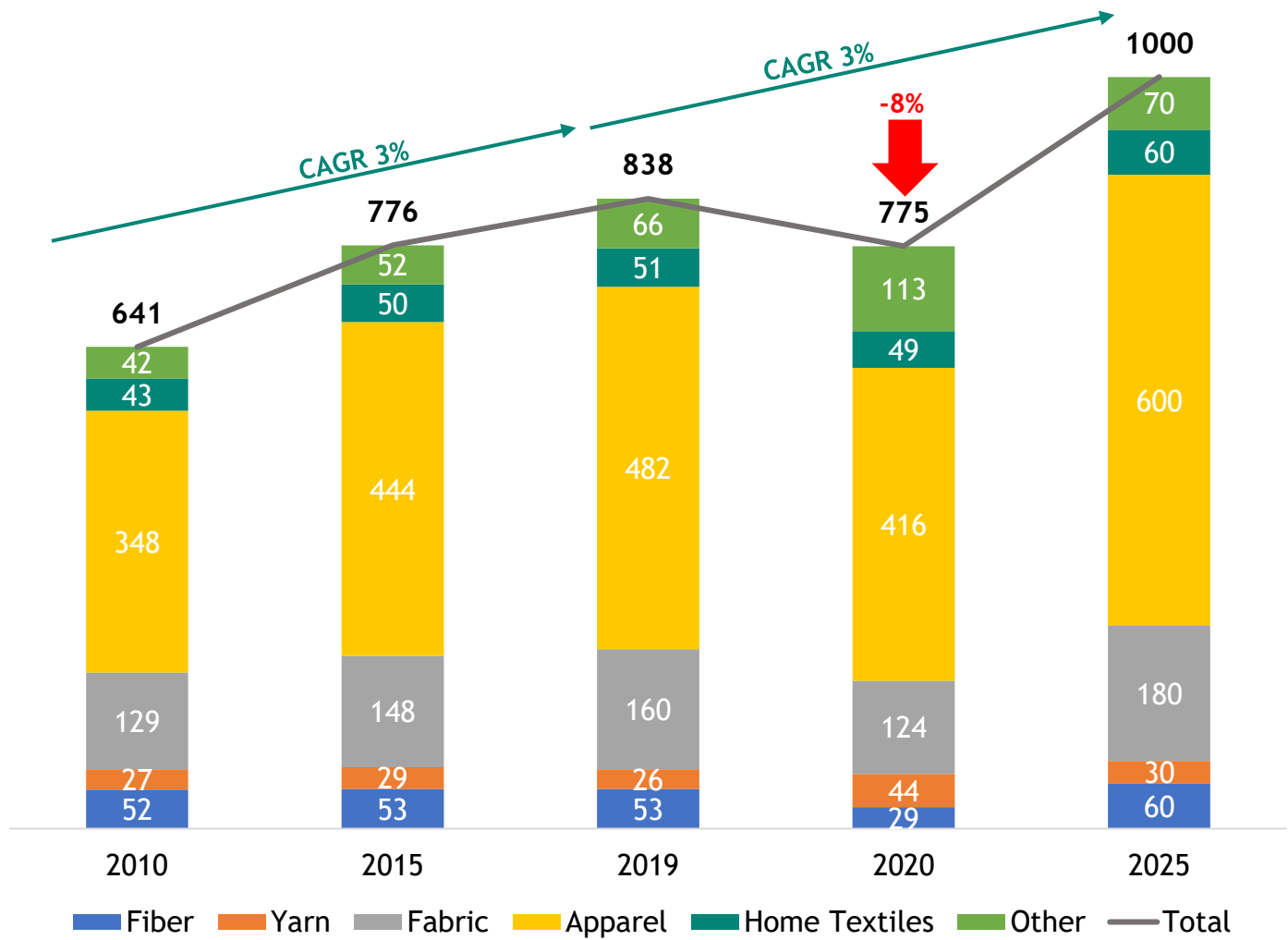
Figures in INR Millions (Mn)



INDUSTRY OVERVIEW

In 2020, the global textile and apparel trade was US\$ 774 bn., which was 8% lower compared to 2019 due to impact of COVID.

It is expected to reach US\$ 1 trillion by 2025 growing at a CAGR of 3% from 2019.



Data Source: UN Comtrade and Wazir Analysis

US Ban on Import of Cotton Products from China's Xinjiang region

Caused issues in global supply chain.
The region accounts for **4/5th** of China's domestic cotton production & about **1/5th** of the world's cotton production

1

Unprecedented Growth in Cotton Prices in 2021

The Cotlook A index started the year around **77** to increase at **120** in Nov, an increase of **55%** along with other fibers in the range of 35%-45% in 2021

2

Global Shortage of Containers

The industry suffered in fulfilling its order due to result in unprecedented increase in vessel shipping costs

3

Suspension of Ethiopia from AGOA

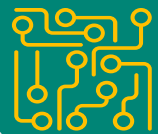
Ethiopia provided its **>70%** apparel exports to US due to benefit of duty- free market access.
Its total apparel exports were US\$ 135 Mn. in 2020

4

Sustainability remained a Key Theme

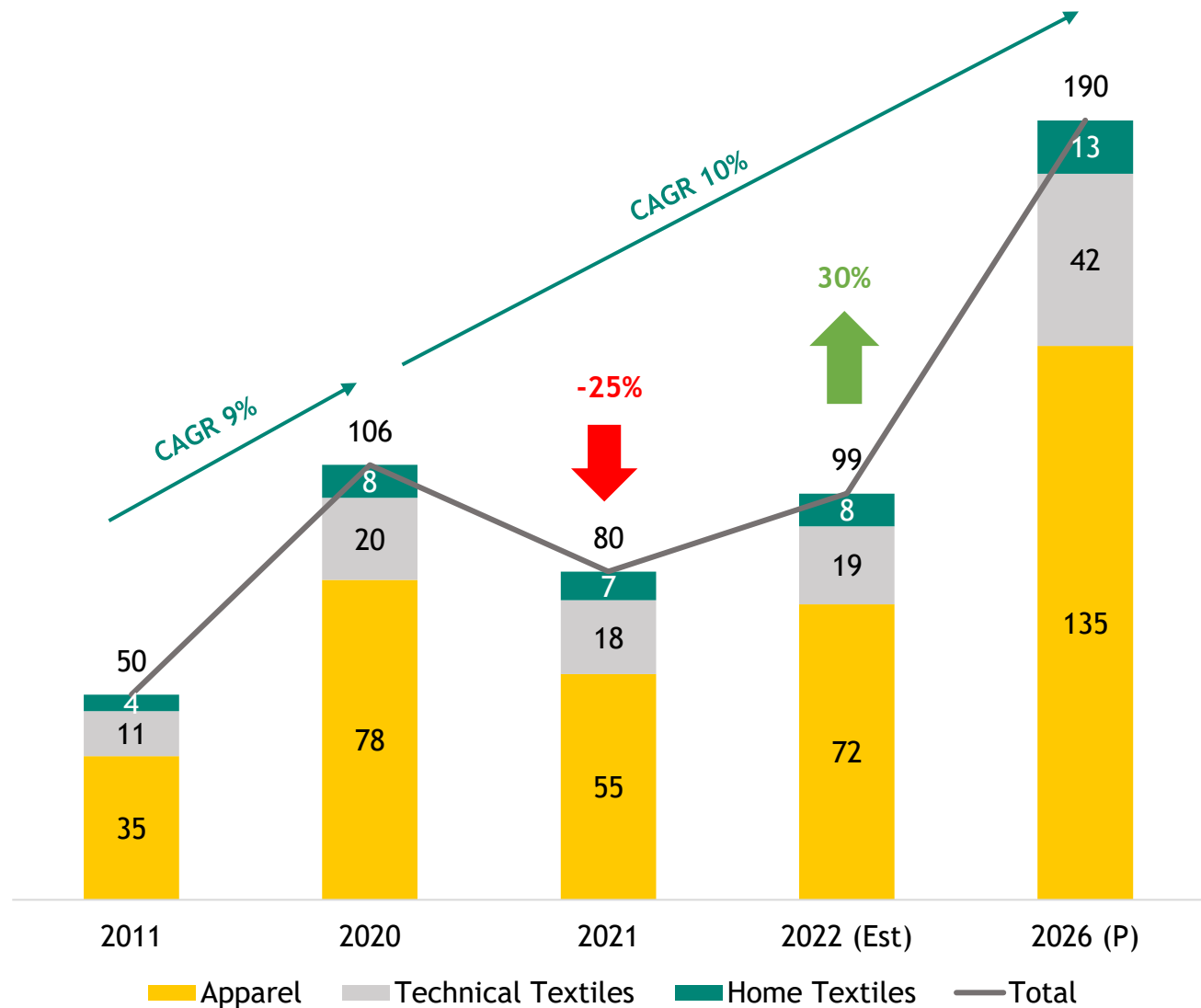
Emergence of several low impact materials and technologies is observed globally with business models around circularity.

5



India's domestic textile & apparel market is estimated to be US\$ 99 bn. in 2021-22 which has recovered 30% from 2020-21.

The market is expected to grow at 10% CAGR from 2019-20 to reach US\$ 190 bn. by 2025-26



Data Source: Wazir Analysis

CAPACITY ADDITION

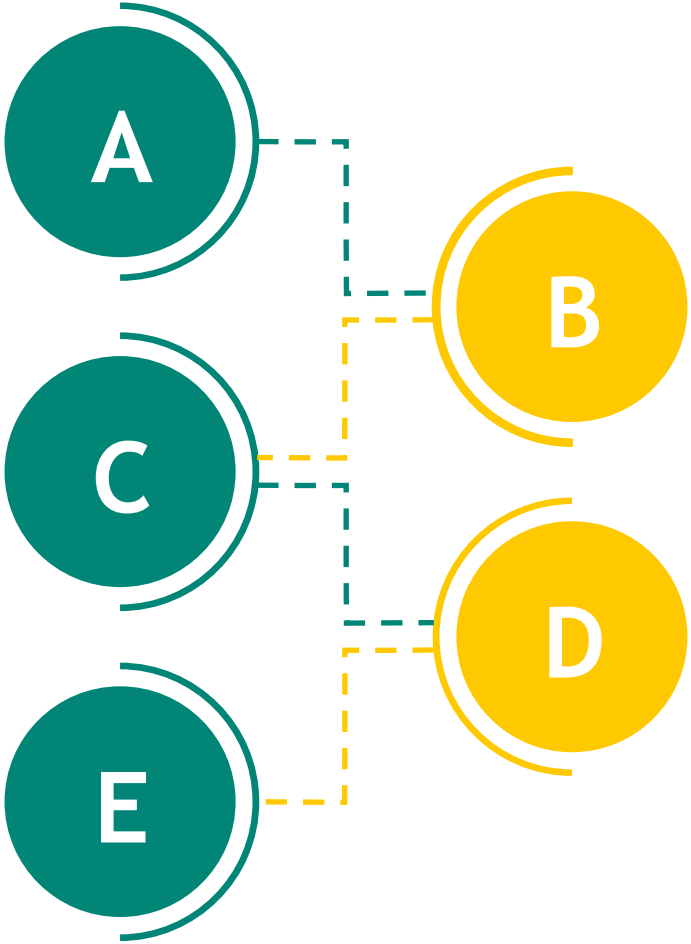
Estimated India will add approx. 3.5 to 4 million spindles for short staple spinning segment in next couple of years.

ANTI DUMPING DUTY REVOKED

For Viscose Staple Fibers which used to be in the range of US\$ 0.103 to 0.512 per kg. It will enhance price competitiveness of Indian industry.

10% CUSTOM DUTY LEVIED

On cotton fibers imports making imported cotton expensive. India's imports are mainly of ELS variety which is not sufficiently available in the country.



EXTENDED SCHEME OF ROSCTL

Benefits of ROSCTL scheme has been provided till March 2024 allowing exporters to continue getting rebate on their outward shipments.

DECLARATION OF 2 FLAGSHIP SCHEMES

PM-MITRA Parks with an aim to support establishment of 7 world class, mega textile parks
PLI scheme focused at encouraging large scale projects in manmade and Technical Textile segments



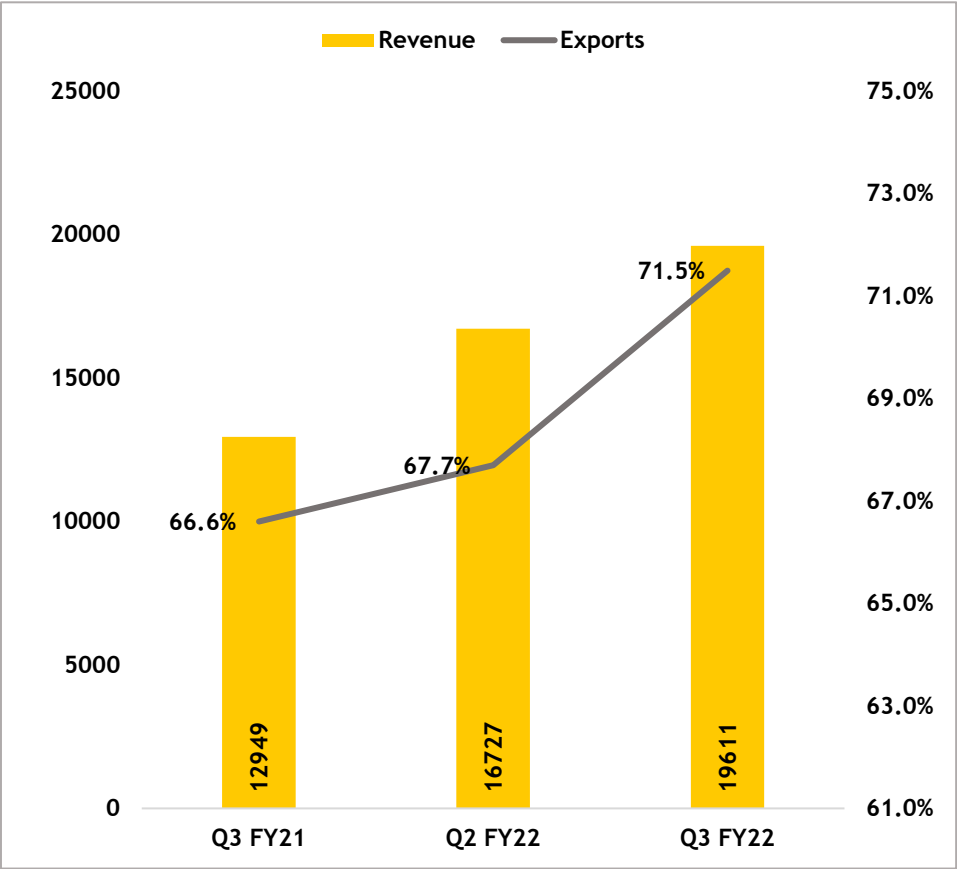
QUARTERLY & OPERATIONAL HIGHLIGHTS

Quarterly Highlights (P&L)

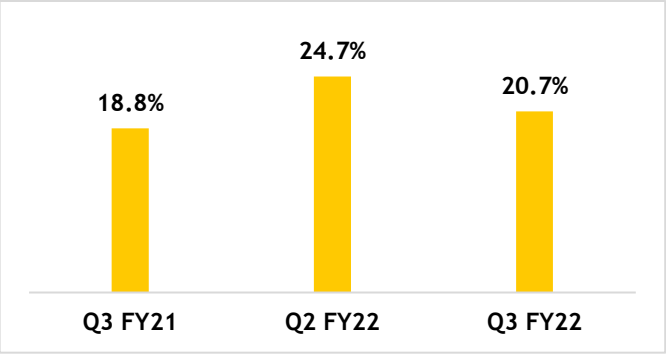
Particulars	Q3 FY22	Q2 FY22	Q-o-Q Change	Q3 FY21	Y-o-Y Change
Total Income	19,611	16,727	17.2%	12,949	51.4%
EBITDA	4,063	4,129	-1.6%	2,431	67.1%
Depreciation	775	867	-10.6%	830	-6.6%
Finance Cost	224	199	12.6%	132	69.7%
PBT before exceptional items	3,064	3,063	0.0%	1,470	108.4%
Exceptional items	252	-	100%	-570	144.2%
PBT	2,812	3,063	-8.2%	2,040	37.8%
PAT	2,091	2,288	-8.6%	1,598	30.9%
Cash Profit	2,866	3,155	-9.2%	2,427	18.1%
EPS	0.42	0.46	-8.7%	0.31	35.5%

Figures in INR Millions (Mn)

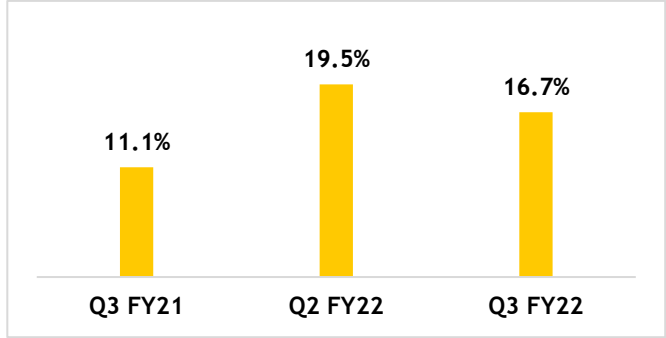
Exports as of Revenue



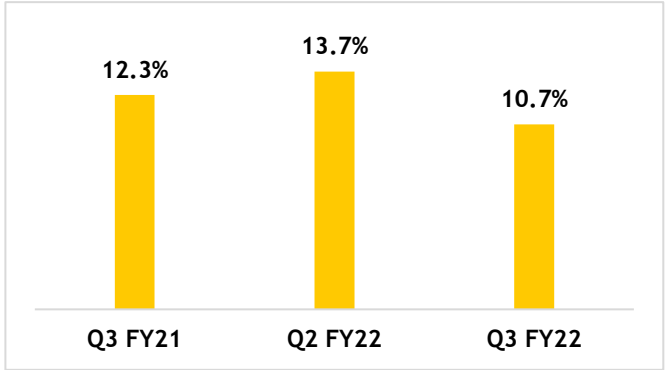
EBITDA MARGIN



EBIT MARGIN

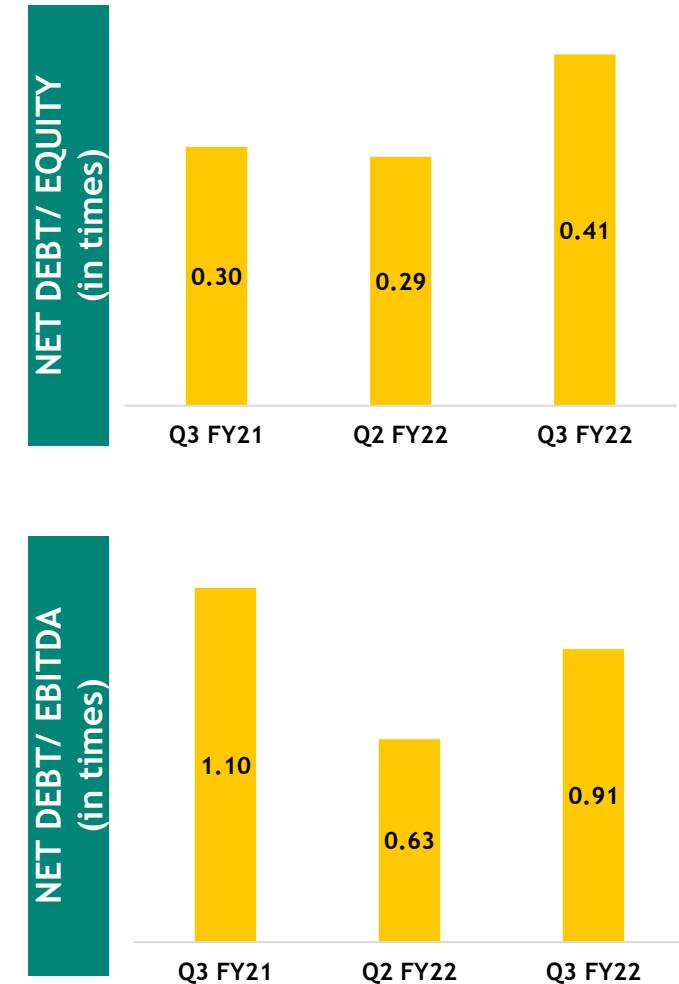


PAT MARGIN



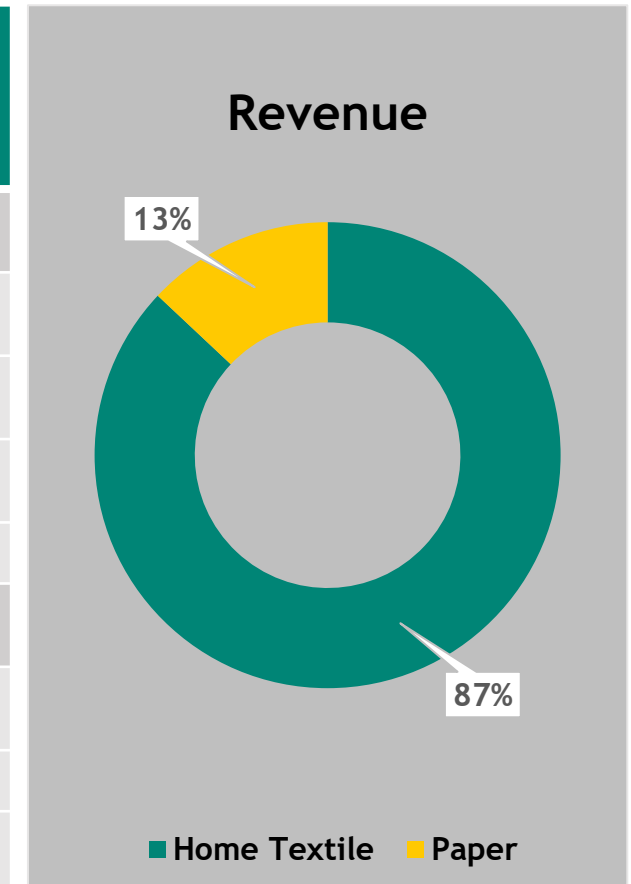
Particulars	Q3 FY22	Q2 FY22	Q3 FY21
Net Worth	36,294	35,695	32,408
Short Term Loans	12,268	9,207	7,069
Long Term Loans	3,818	3,801	3,499
Gross Debt	16,086	13,008	10,568
Cash & Cash Equivalents	1,237	2,554	80
Net Debt	14,849	10,454	9,869
Total Assets	63,497	58,372	52,551

Figures in INR Millions (Mn)



Segment Highlights (P&L)

Particulars	Q3 FY22	Q2 FY22	Q-o-Q Change	Q3 FY21	Y-o-Y Change
Home Textile					
Revenue	17,059	14,067	21.3%	11,078	54.0%
EBIT	2,871	2,977	-3.6%	1,445	98.7%
EBIT Margin	16.8%	21.2%	-20.5%	13.0%	29.5%
Paper					
Revenue	2,520	2560	-1.6%	1,824	38.2%
EBIT	581	612	-5.1%	389	49.4%
EBIT Margin	23.1%	23.9%	-3.6%	21.3%	8.1%



Figures in INR Millions (Mn)

SUMMARY OF FINANCIAL STATEMENTS



Historical P&L Statement

Particulars	FY19	FY20	FY21	9M FY21	9M FY22
Total Income	52,653	47,240	45,353	31,827	50,884
EBITDA	10,231	8,653	8,270	5,888	11,765
Depreciation	3,639	3,333	3,365	2,485	2,516
EBIT	6,592	5,320	4,905	3,403	9,249
Finance cost	1,123	1,108	720	486	672
Exceptional Items	-	-	-266	-570	-
Profit before tax	5,469	4,212	4,451	3,488	8,577
Tax	1,760	794	994	787	2,163
Profit after tax	3,709	3,418	3,457	2,701	6,414
EPS (Actuals)	0.73	0.67	0.68	0.53	1.28
Cash Profit	7,348	6,751	6,822	5,186	8,930

Recent performance and growth

- Total Revenue for the 9M FY22 stood at INR 50884 Mn with sales growth of 59.8% as compared to 9M FY21 owing to primarily the increase in demand in FY22
- PAT has increased by 137.5% Y-o-Y in 9M FY22
- EBITDA Margin stood at 20.72% in 9M FY22
- EPS has been doubled this year as compared to 9M FY21.

Margin improvement initiatives

- ✓ Move to higher retail price points products, focusing on higher thread count sheets and higher GSM Towels
- ✓ Develop new and innovative products leveraging consumer sentiments and behavior to earn premium
- ✓ Catering to luxury, fashion accents, & sports segments
- ✓ Increasing capacity utilization of plants through digitization of processes and adopting lean practices

Figures in INR Millions (Mn)

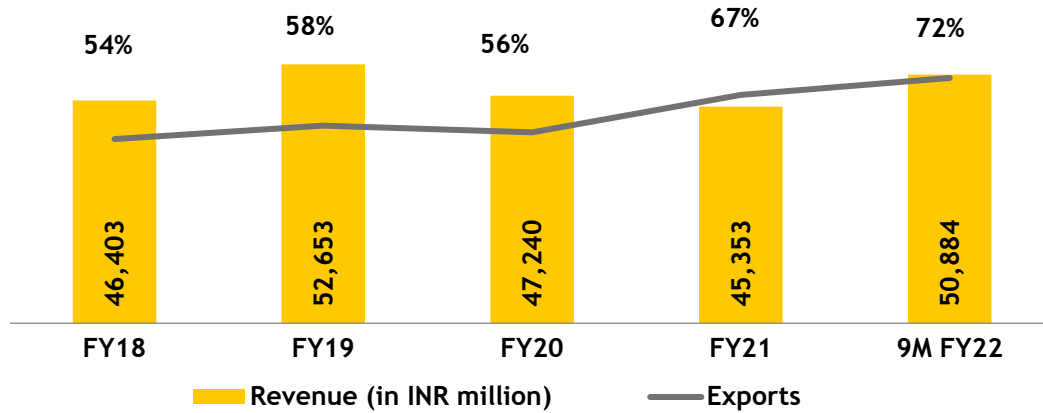
Particulars	As at March 31, 2019	As at March 31, 2020	As at March 31, 2021
CAPITAL AND LIABILITIES			
Capital	5096	5096	5096
Reserves and surplus	24216	24573	28070
Borrowings	24358	19518	15355
Deferred tax liabilities	4083	3367	3208
Other liabilities and provisions	3279	4630	5813
TOTAL	61032	57184	57542
ASSETS			
Cash and cash equivalents	95	3183	984
Balances with bank	156	190	139
Inventory	10010	9120	10083
Trade receivables	6620	2785	4545
Property, plant & equipment	36725	35734	36979
Other assets	7426	6172	4812
TOTAL	61032	57184	57542

Recent performance

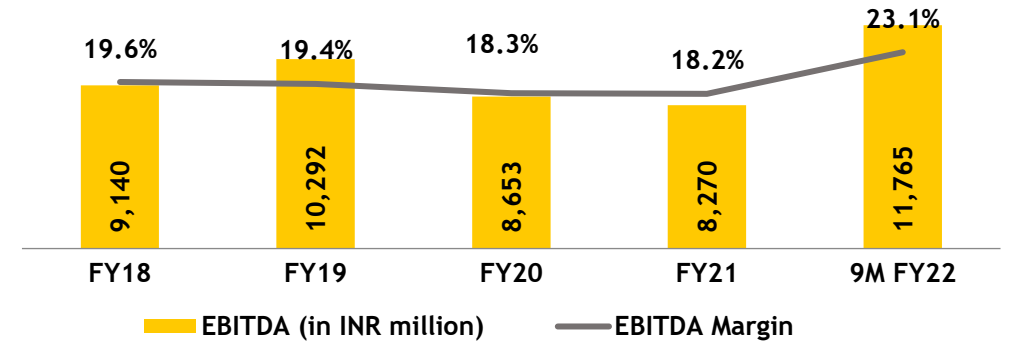
- Net Debt reduced from INR 16,145 million in FY20 to INR 14,232 million in FY21
- Total Repayment of INR 10,343 million in FY21 including prepayment of term loans amounting more than INR 6500 million
- Commercial production of yarn project with 61,440 spindles and 480 rotors has begun recently.
- Cash & cash equivalents are readily available in order to meet any short-term obligations.

Figures in INR Millions (Mn)

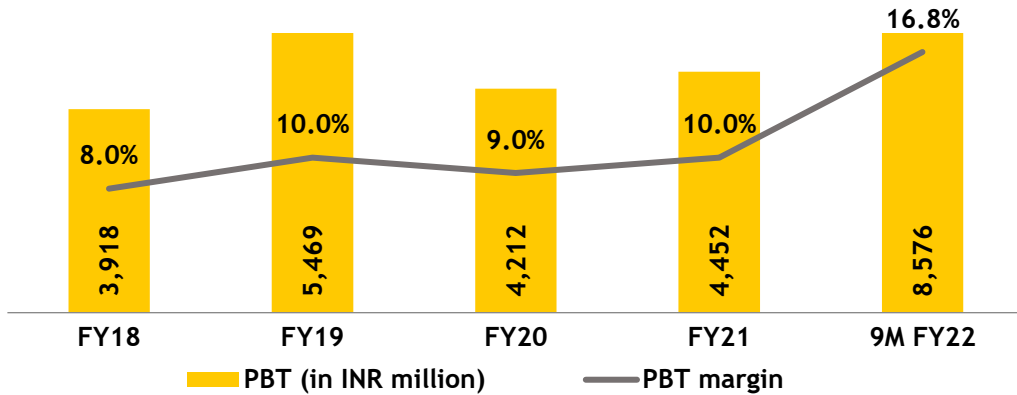
REVENUE



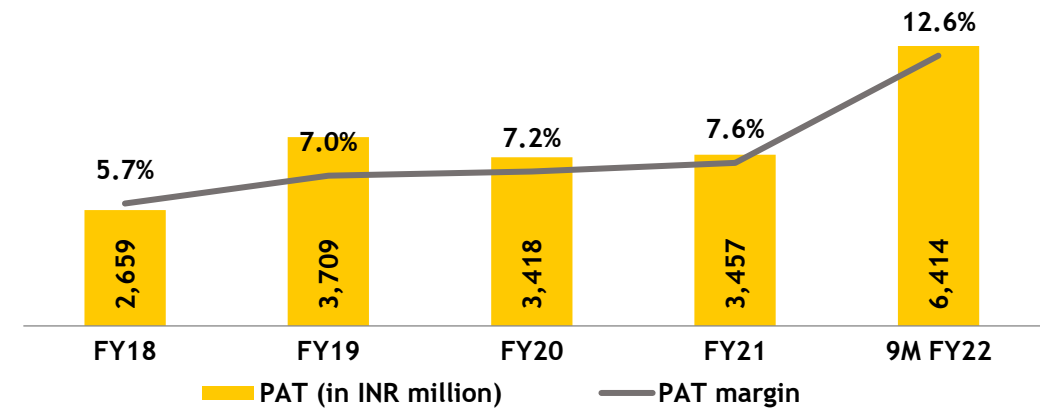
EBITDA



PBT



PAT



Type	Parameters	FY20	FY21	9M FY22
Solvency Ratios	Net Debt/Equity	0.54	0.42	0.41
	Net Debt/EBITDA	1.87	1.72	0.91 *
	Interest Coverage Ratio	7.81	11.49	17.49
Operational Ratios	Current ratio	1.04	1.27	1.18
	Fixed asset turnover	0.5	0.7	1.34
	Inventory days	82.1	93.0	92.9
	Debtor days	36.0	55.3	43.6
Return Ratios	ROE	11.5%	10.4%	23.6% *
	ROCE	10.4%	12.8%	16.3% *

* are annualized in nature

Textiles

Largest Player in terms of Terry Towel Capacity & One of the largest players in Home Textile Space in India

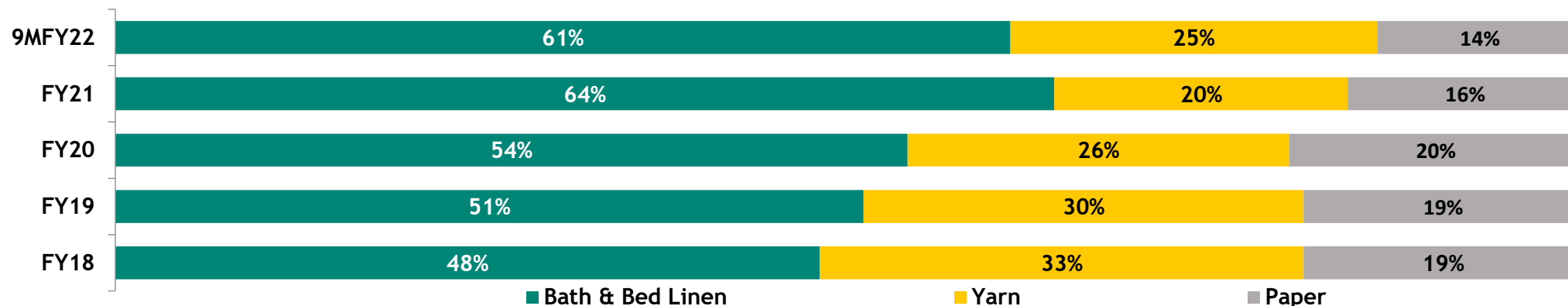


Paper

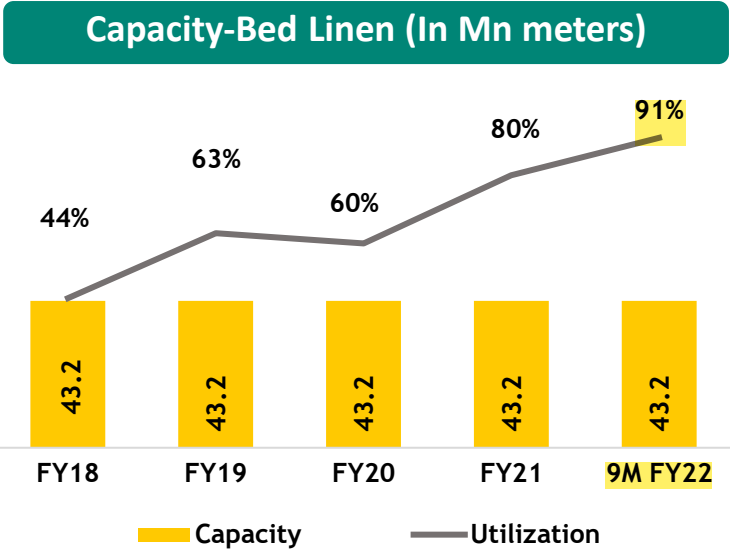
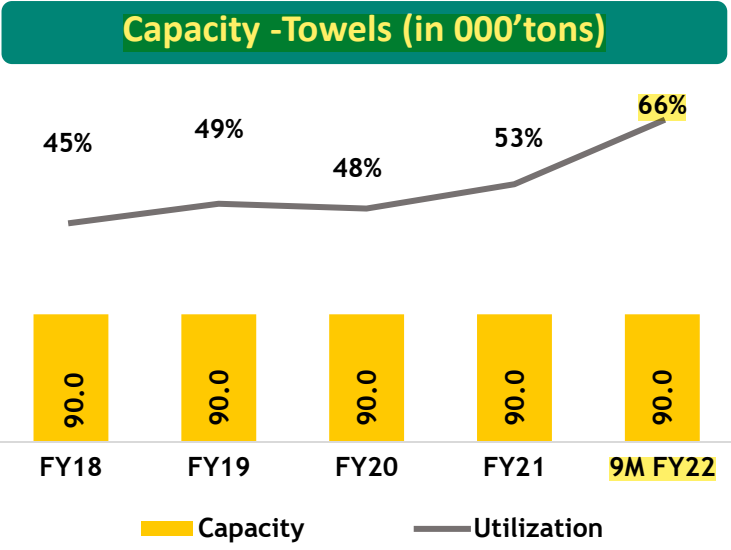
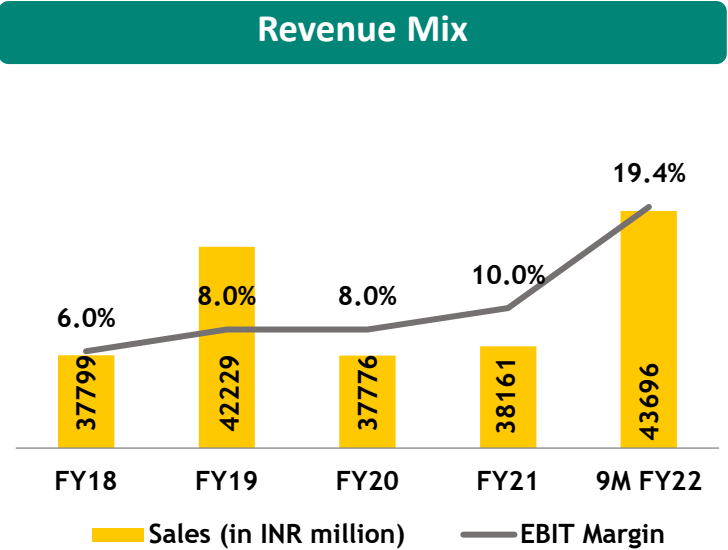
Highest Operating Margin among Key Listed Players in India



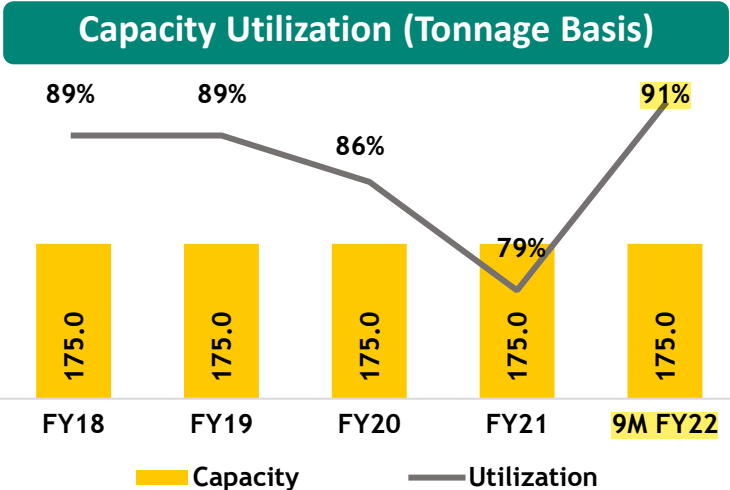
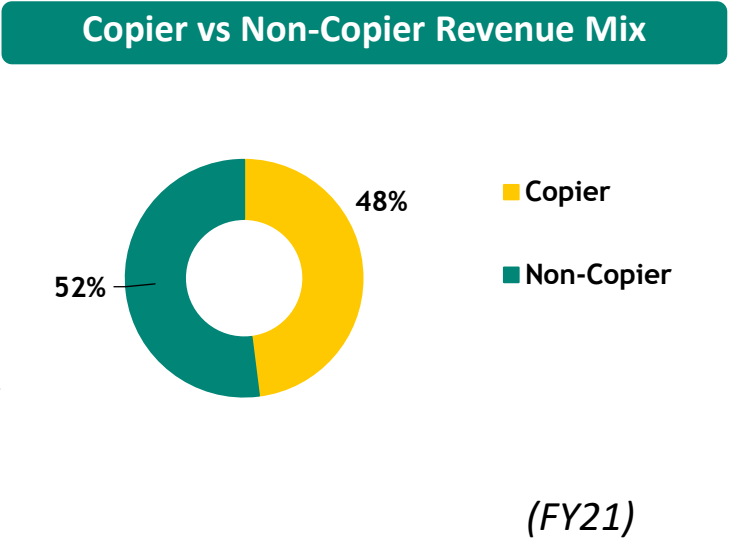
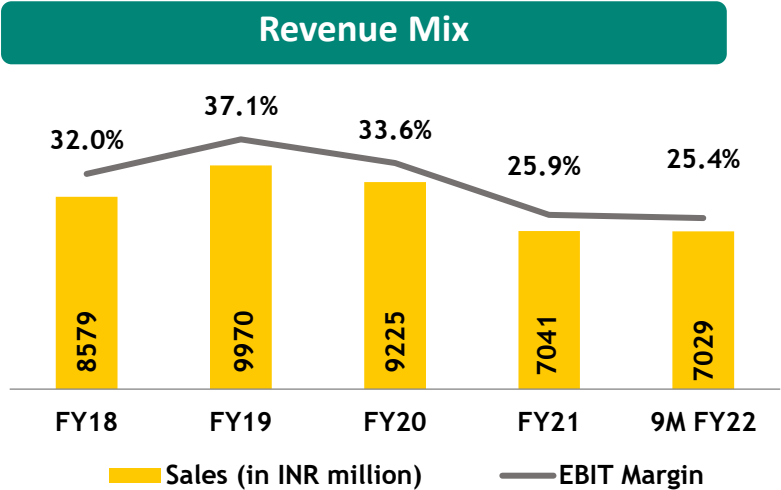
Revenue Split between segments



Textiles



Paper



COMMITTED TO THE ESG & WOMEN EMPOWERMENT



Zero liquid discharge

Around **95% Water Recovery**, **15% less water consumption** than PCB norms.

Recovery of **2822 million liters** of water annually.

Trees

8100+ trees are saved on daily basis by using Agro Waste (wheat straw & sugarcane waste)

CO2 Emission

Less than half CO2 emission with use of wheat straw paper vs wood pulp.



Waste Management

Conversion of daily food waste and other waste to **energy** in Budhni plant.

Power

Installation of **7.6 MW Solar Power Plant** at Budhni to reduce coal consumption and power cost.

Green Belt

Campus surrounded **600,000+ Green belt trees**

Initiatives towards Society



Trident Foundation

Launch of our NGO- Trident Foundation to help the needy and social cause. It includes donations, medical aids to tribal areas in Budhni, adoption, blood donation program, etc.



Opportunities for Farmers

Motivated farmers to sell wheat straw waste and prevented it from burning in open fields.

Village cluster adoption - 200 Villages & More than 26,500 hectares of land and 17,498 farmers impacted



Women Empowerment

Revamp existing facilities, provide infrastructure and basic facilities to **250 schools** and anganwadis.

Sewing machines and handicrafts-making training under Hastakala initiative for women in **Talpura, Jahanpur & Mahukala**



Nirmal Narmada Abhiyan

Cleaning of Narmada river every quarter in order to provide clean water and area to the locals resulting removal of **35MT plastic waste**.



Medical Facilities

Vending machines to obtain free sanitary napkins.

Free consultations and medication for more than **100,000 people in rural areas**.

01 3 times National Recognition for Good Corporate Governance

02 1 National Award for Excellence in Corporate Governance

03 2 times stood among the Top 25 Indian Corporates adopting Good Corporate Governance

India Rating

AA (Stable Outlook):
Non- Convertible
Debentures

CARE

AA (Stable Outlook):
LT Borrowings
A1+: ST Borrowings

CRISIL

AA (Stable Outlook):
LT Borrowings
A1+: ST Borrowings

D&B

5A1: Business Rating



WAY FORWARD

Vision 2025 3 BHAGs (*BIG, HAIRY, AUDACIOUS GOALS*)

OBJECTIVES

IMPERATIVES

Grow to Rs 250,000 Mn by 2025 with 12% bottom line as a business group

Making Trident a National Brand

Digital Trident- Manoeuvring through Industry 4.0 Journey

1 Grow core business
Capitalize on recent growing retail trends - Online & Offline Brands

2 Develop robust processes & organisation
Boost efficiency, simplify & automate processes

3 Build new businesses
Diversify, build and grow new businesses through organic and inorganic growth

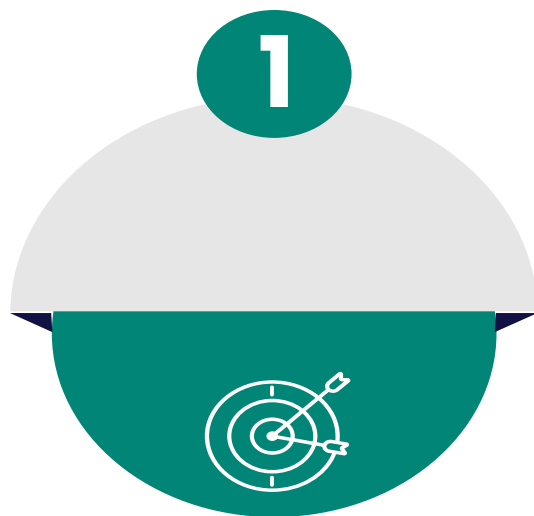
4 Digital & industry 4.0
IOT, Blockchain & Digitalization

Unlock long term shareholder value

- ✓ Improve return ratios through capital allocation strategies
- ✓ Expansion of existing businesses through organic and inorganic growth
- ✓ Creation of focused business groups to generate synergies and explore business alliances
- ✓ Optimization of leveraging capacity to create value
- ✓ Penetration into new markets
- ✓ Product development
- ✓ E-commerce
- ✓ Brand building

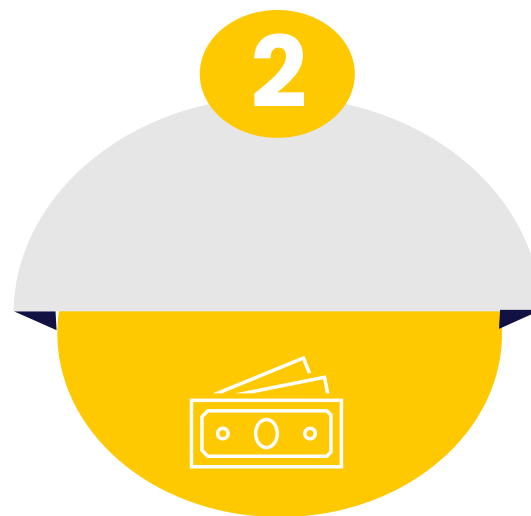
Particulars	Yarn	Sheeting	Co-Gen
Existing Capacity	Spindles- 5.89 Lacs; Rotors- 7,464 and Air Jet - 160	1.2 Lacs Mtrs/day	49.4 MW
Existing Capacity Utilization (Approx.)	90%	83%	71%
Proposed Capacity Addition	Spindles- 98,496 & Rotors-3600	70,000 Mtrs/day	16.3 MW

1



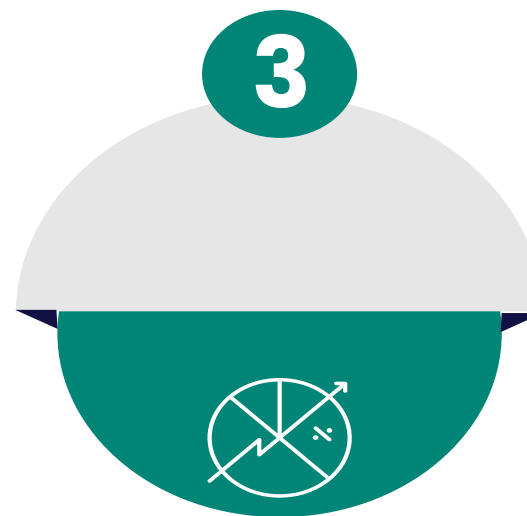
The total cost of addition of all these capacities will be INR 1377 Crores and will be completed by September 2023.

2



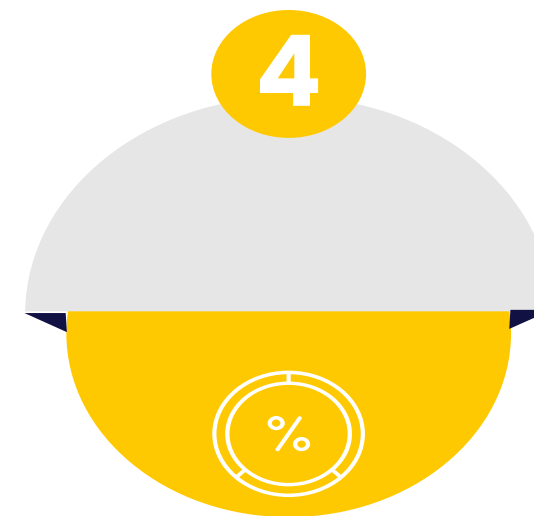
The mode of financing of all these projects will be through Debt & Equity

3



This will result into increased competitive advantage for the company and will help to meet increased demand

4



The capex plans will help to leverage business expertise and capture business synergies



GET IN TOUCH

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