



TRIDENT GROUP



TRIDENT LIMITED

Q1 FY14 Performance Overview

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1

Financial Overview

Compared with Q1 FY13

- /// Net Revenues higher by 8.2% at Rs. 872.7 crore vis-à-vis Rs. 806.7 crore
- /// EBIDTA increased from Rs. 133.2 crore to Rs. 194.3 crore; up 45.9%
 - EBIDTA Margins enhanced to 22.3% from 16.5%
- /// PAT at Rs. 44.2 crore compared to Rs. 1.0 crore
- /// Diluted EPS at Rs. 1.42 vis-à-vis Rs. 0.03
- /// Cash Profits enhanced from Rs. 65.0 crore to Rs. 112.2 crore; up 72.6%
- /// Cash EPS (diluted) at Rs. 3.61 compared to Rs. 2.13
- /// The outlook for the current year looks optimistic

Compared with Q1 FY13

- /// Higher capacity utilization rates combined with increased off-take of yarn and paper products enabled improved revenue performance
 - Enhancing the product mix towards value-added products further augmented topline growth
- /// Cost optimization initiatives undertaken over several quarters along with improved contribution from value-added products enabled robust growth in EBIDTA margins
 - Total Expenditure flat vis-à-vis the corresponding quarter of last year
 - EBITDA Margins enhanced from 16.5% in Q1 FY13 to 22.3% in Q1 FY14
- /// Repayment of higher cost loans led to a 12.4% decline in finance costs
 - The Company repaid loans amounting to Rs. 78.3 crore during the quarter
- /// Strong earnings performance driven by multiple factors, many of which are sustainable

Q-o-Q			Particulars (Rs. crore)	Y-o-Y		
Q1 FY14	Q4 FY13	Shift %		Q1 FY14	Q1 FY13	Shift %
872.7	895.7	(2.6)	Net Revenues	872.7	806.7	8.2
678.7	715.9	(5.2)	Total Expenditure	678.7	673.9	0.7
445.2	457.0	(2.6)	- Raw Material Consumed	445.2	444.3	0.2
233.5	258.9	(9.8)	- Other Costs & Expenses	233.5	229.6	1.7
194.3	179.9	8.0	EBITDA	194.3	133.2	45.9
22.3	20.1	220 bps	EBIDTA Margin (%)	22.3	16.5	580 bps
68.1	66.0	3.2	Depreciation	68.1	64.1	6.2
126.2	113.9	10.8	EBIT	126.2	69.1	82.6
59.3	58.6	1.2	Interest	59.3	67.7	(12.4)
66.9	55.3	21.0	PBT	66.9	1.4	48x
22.8	22.6	0.9	Tax	22.8	0.4	57x
44.2	32.7	35.2	PAT	44.2	1.0	44x
1.42	1.05	35.2	EPS (Diluted) (Rs.)	1.42	0.03	47x

Commenting on the performance, Mr. Rajinder Gupta, Chairman at Trident Group said:

“Trident continues to make headway across its key business segments and the performance during the quarter is a testimony to our unprecedented progress. The results are a reflection of improving business dynamics combined with fructification of our efforts towards developing a much leaner set-up in line with customer requirements.

With increased focus on profitable growth, we are broadening our reach and strengthening our partnership with suppliers and customers. Further, our innovation teams are enabling us to develop products that match consumer needs and improve margins. With better operational performance; our emphasis on enhancing the product mix combined with cost optimization initiatives and prudent financial management, we believe we are well poised to record a strong performance and deliver better returns to our shareholders.”



2

Business Overview

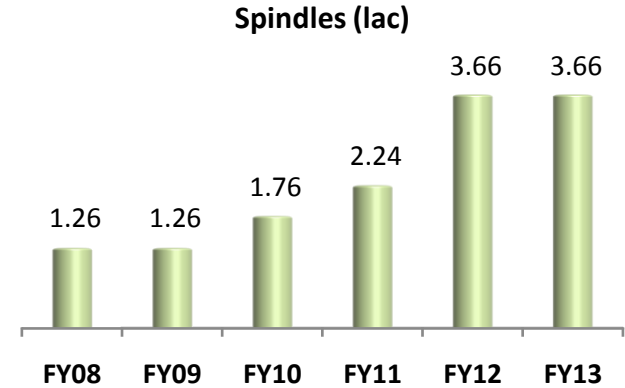


Trident Yarn



Capability of counts from 1/8s – 1/80s in all possible blends

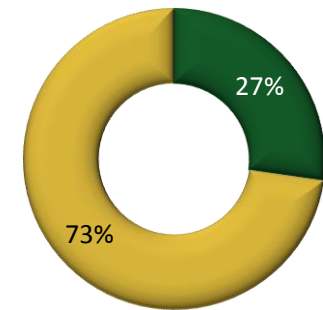
- /// 365,904 Spindles & 3,584 Rotors
- /// 6,825 TPA of Yarn Processing
- /// 8,400 MT of Cotton & Blended Yarns per month
- /// State of the Art Machinery imported from LMW-India, Rieter-Switzerland, Murata- Japan, Zinser- Germany & Savio- Italy



Product Portfolio

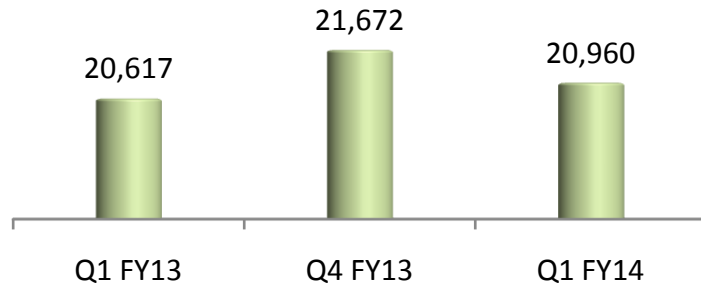
*Combed weaving	*100% polyester and cottonpolyester	*Stretch sarona yarn
*Combed hosiery	*100% viscose and cottonviscose	*Cotton excel yarn
*Carded weaving	*100% modal and cottonmodal	*Cotton-wool yarn
*Carded hosiery	*100% soya and cotton-soya	*Cotton lyocell
*Cotton open-end	*100% bamboo and cottonbamboo	*High-bulk yarn
*Organic cotton	*Cotton Giza/Egyptian	*Core-spun
*Combed compact	*Cotton Pima/Supima	*Compact
*Combed eli-twist	*Fair Trade Cotton	*Specialised yarn (gassed mercerised, water soluble, air rich, bamboo/cotton and corn-cotton blended)
*Combed slub	*Extra-long staple cotton	*100% dyed yarn
*Carded slub	*Core-spun slub yarn	
* Water soluble	*Hard-core yarn (T-400)	
*100% cotton with important mixing	*Sarona yarn	

FY13 Export:Domestic Mix

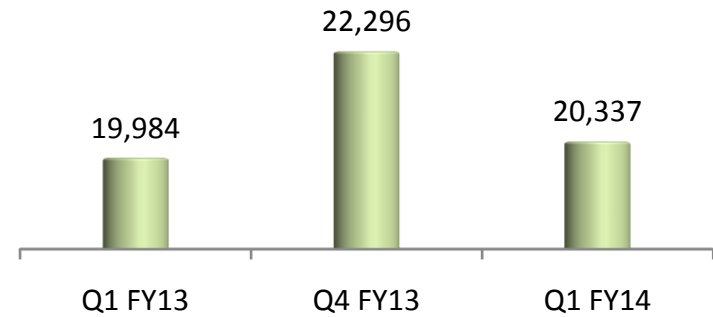


■ Export ■ Domestic

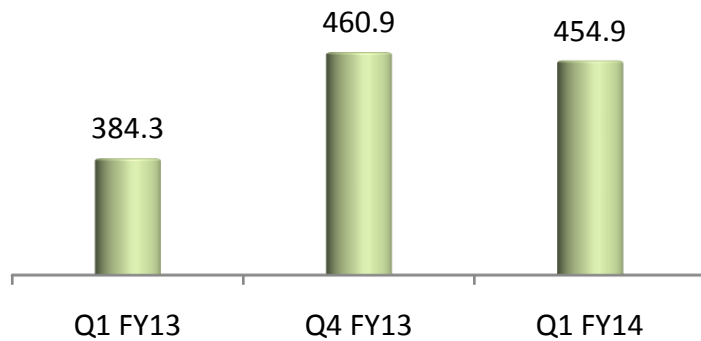
Production (MT)



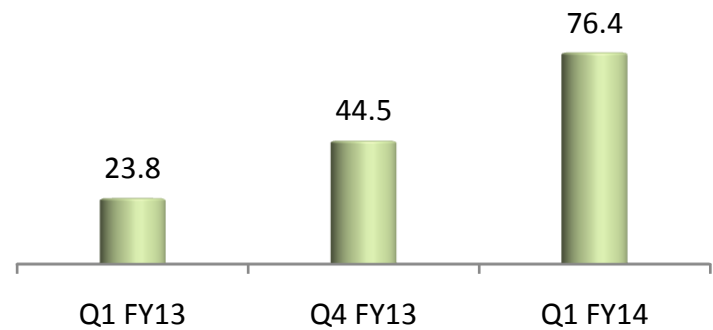
Sales (MT)



Revenues (Rs. crore)



PBIT (Rs. crore)



Comments on Q1 FY14 Performance

- /// **Topline enhanced by 18% despite marginal increase (1.8%) in sales volumes**
 - Higher realizations consequent to improved contribution from value-added products
- /// **PBIT Margins improved from 6.2% in Q1 FY13 to 16.8% driven by cost optimization measures along with improving realizations resultant to enhanced product mix towards value-added products**
- /// **Successfully entered new markets such as Turkey, Malaysia, Morocco, Thailand and Denmark; apart from significantly ramping up volumes in niche markets such as Mauritius and Middle East**
- /// **Commenced business with niche segments (high end buyers) and introduced value added products in China and Hong Kong**

Outlook

- /// **Robust demand expected in weaving as well as knitting segments owing to:**
 - **Booming organized retail**
 - **New export oriented capacities being added in the weaving sector**
- /// **Anticipate increase in export of cotton yarn to China due to increasing demand-supply gap in China on account of shift of domestic cotton spinning capacities to synthetics due to skewed pricing policies of Chinese Government**
- /// **Cotton prices likely to remain firm in view of dwindling cotton stocks in India**
 - **Trident's healthy cotton coverage to enable better operating margins**
- /// **As a part of the 'pull strategy', the Company is launching market leadership and branding program by increasing focus on end buyers in the value chain (brand owners & lifestyle retailers)**



Trident Terry Towel



Leadership in all Terry based products

Jacquards – 54 looms

43,200 MTs of towels /Year

Air Jet Dobby – 296 looms

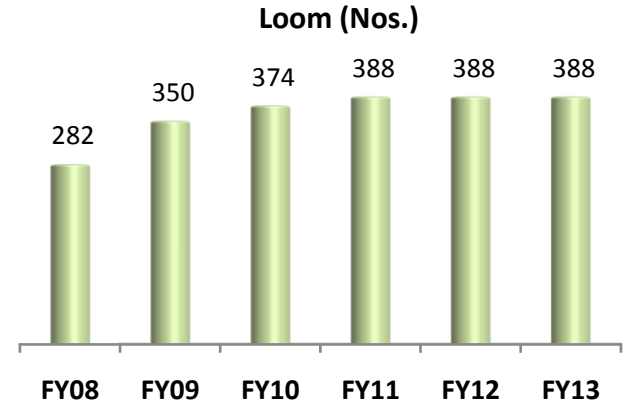
14.5 mn pcs./month

Rapier Dobby – 38 looms

18 containers of 40 ft. /day

Total – 388 looms

90,000 Bathrobes/month



Finishes

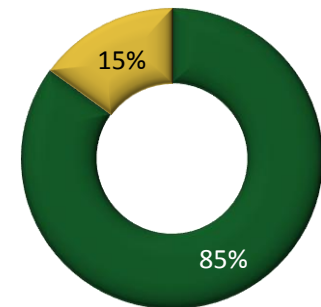
Types

*100% cotton basic uni-dyed towel range	*Bath towels
*100% combed cotton premium uni-dyed towel range	*Hand towels
*100% cotton antimicrobial towel range	*Face cloth/wash cloth
*Yarn-dyed dobby towels	*Bath mats
* Yarn Dyed Single and double jacquards	*Beach towels
*Uni-dyed jacquards	*Spa and hotel collection towels
*Yarn-dyed stripes	*Celebration/special occasion towels
* Weft inserts and checks	*Bathrobes
*Terry and velour finishes	
*100% cotton Quick Dry towel range	
*100% cotton Fade Resist & Color Fast towel range	
* 100% cotton Benzoyl Peroxide proof towel range	
*100% cotton Air-Rich® towel range	

Product Portfolio

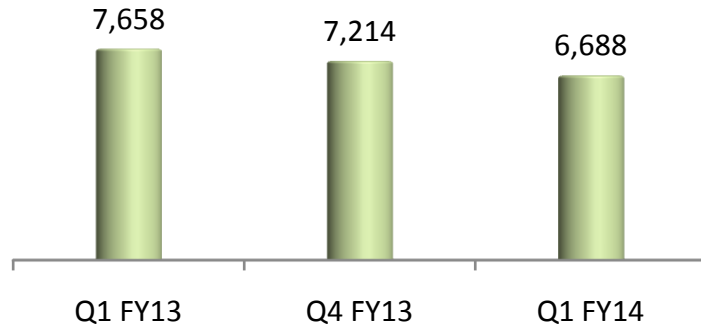


FY13 Export:Domestic Mix

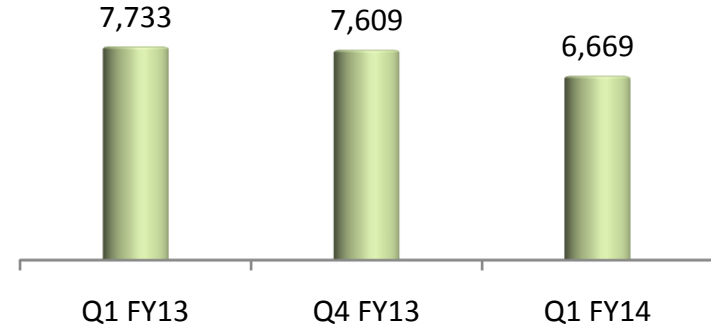


■ Export ■ Domestic

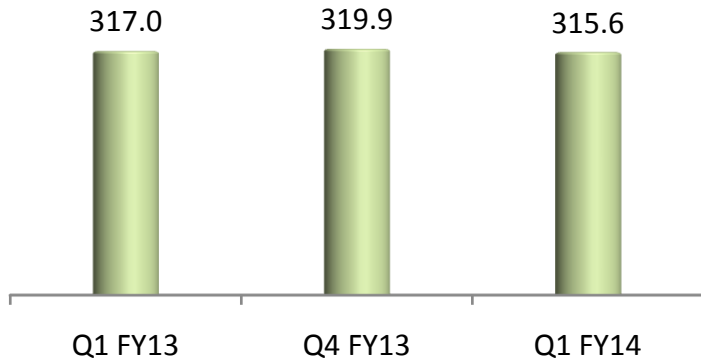
Production (MT)



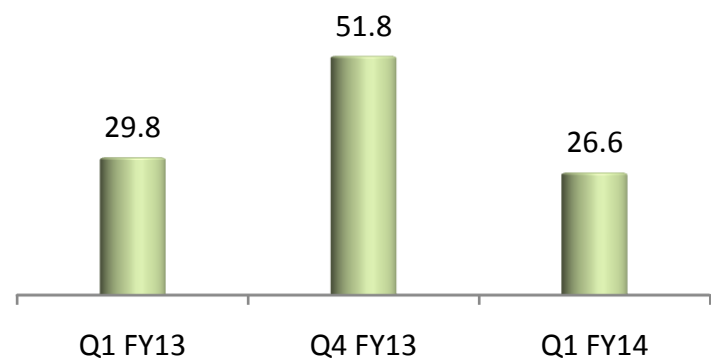
Sales (MT)



Revenues (Rs. crore)



PBIT (Rs. crore)



Comments on Q1 FY14 Performance

- /// Lower sales volumes moderated topline performance
 - Partly mitigated by improved realizations on account of higher sale of value-added products
- /// Despite lower sales volumes, profitability flat given various cost rationalization initiatives combined with change in product mix towards value-added products

Outlook

- /// U.S. demand expected to be robust given improving consumption trend
- /// Expect to sign FTA with Japan, Europe and South Africa in near future
 - /// To make Trident more competitive in these markets
- /// FDI in domestic retail likely to boost demand further
- /// De-risking from China and Pakistan
 - Overseas buyers diversifying sourcing base from China to India due to higher cotton cost in China, appreciation of Yuan and increasing labour costs
 - Pakistan's geopolitical situation and power shortages prompting clients to look for other sources

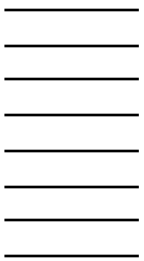
Outlook

/// India seen as an attractive source

- Large cotton base, integrated operations, design skills makes India flexible to cater to various textile segments and handle different order sizes

/// Trident's focus is on:

- Entering new markets and expanding market & customer base
- Leveraging research and development to enhance the proportion of value-added products to the overall product mix
- Capitalizing on large capacities with operating efficiencies to reduce costs and hedge against volatility in raw material prices (cotton and cotton yarn)



Trident Paper

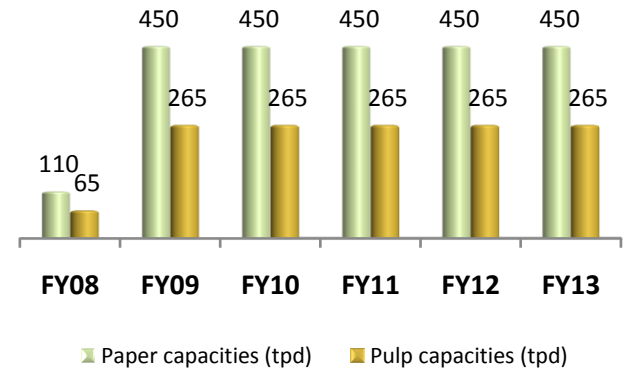


Eco Friendly Paper – Saving 5,000 Trees per Day

Agro-residue (wheat straw) and ECF pulp used to manufacture paper

Sold across 35 countries including India, Middle East, Africa, US, Latin America and UK, among others

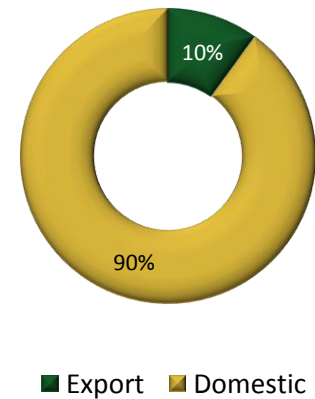
Energy-saving operations initiated to reduce power consumption



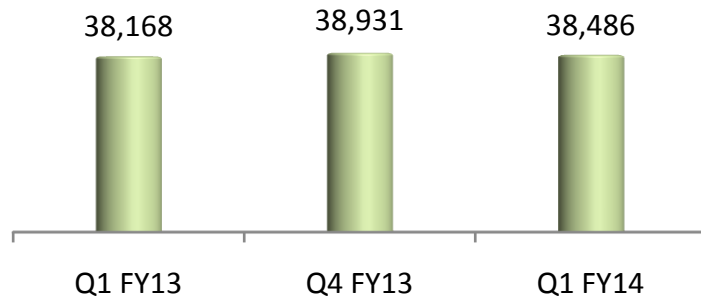
Product Portfolio

- *Writing and printing paper
- *Branded copier paper: SPECTRA, My Choice, Trident Natural and Trident Eco Green
- *Maplitho paper under brands like: Diamond Line, Silver Line, Crystal Line, Super Line, Prime Line, Nature Line and Base Line
- *Bible and offset printing paper
- *Cream-wove
- *Watermark paper
- *Colour paper

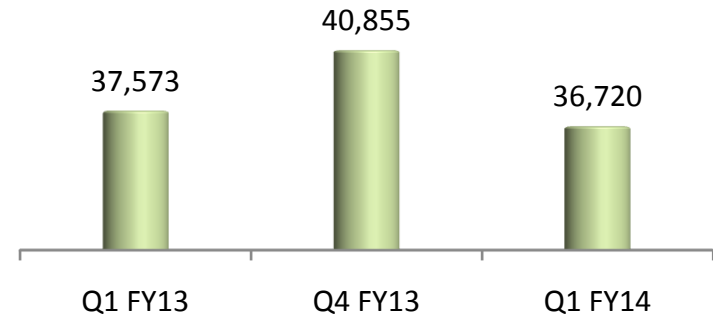
FY13 Export:Domestic Mix



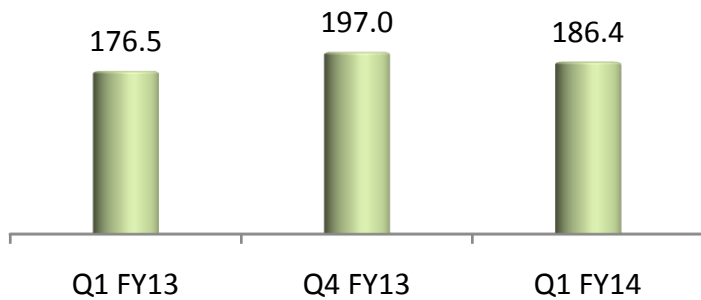
Production (MT)



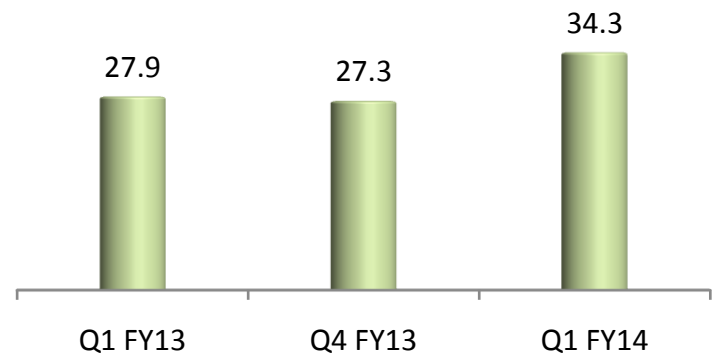
Sales (MT)



Revenues* (Rs. crore)



PBIT* (Rs. crore)



* Includes Paper & Chemicals

Comments on Q1 FY14 Performance

- /// Higher realizations given improving product mix towards the copier segment enabled topline growth despite marginal decline in sales volumes
 - Encouraging results from Branding initiatives and launching of Trident Royal Touch Copier Paper
- /// PBIT margins improved to 18.4% from 15.8% in Q1 FY13 given stable costs and improved realizations as a result of enhanced product mix

Outlook

- /// Focus on rationalizing product mix towards the copier segment by introduction of new products
 - Emphasis on high GSM orders
 - Launched Trident Royal Touch – efforts towards enhancing marketing and distribution
- /// Realizations likely to be stable with better market share in copier segment
- /// Increase penetration in Central India



3 Mega Turbines

State of the Art Imported Machinery

50 MW Power Generation Capacity

Steam generated is being used in Yarn, Towel and Paper Plants.



2 Power Boilers

Environment Friendly Process



Glass Plant Sulphuric Acid

State of the Art Machinery imported from DE Dietrich Germany

1,00,000 TPA of Sulphuric Acid

275 MT Production Per day.



Recovery Plant Caustic Soda

Production using Glass Plant Process

Commercial grade, Battery Grade AR & LR Grade Sulphuric Acid





3

Trident Overview



USD 1 Billion Group

Yarn

**One of the largest
yarn spinners in
India**

Diverse product
range serving all
product segments

Terry Towel

**Among the top 5
towel
manufacturers in
the world**

One of the largest
exporter from India

Paper

**World's largest
wheat straw based
paper manufacturer**

Eco friendly
technology

Home Textiles



Towels



Bathrobes

Paper



WP Paper & Copier Paper

Yarn



Cotton Yarns

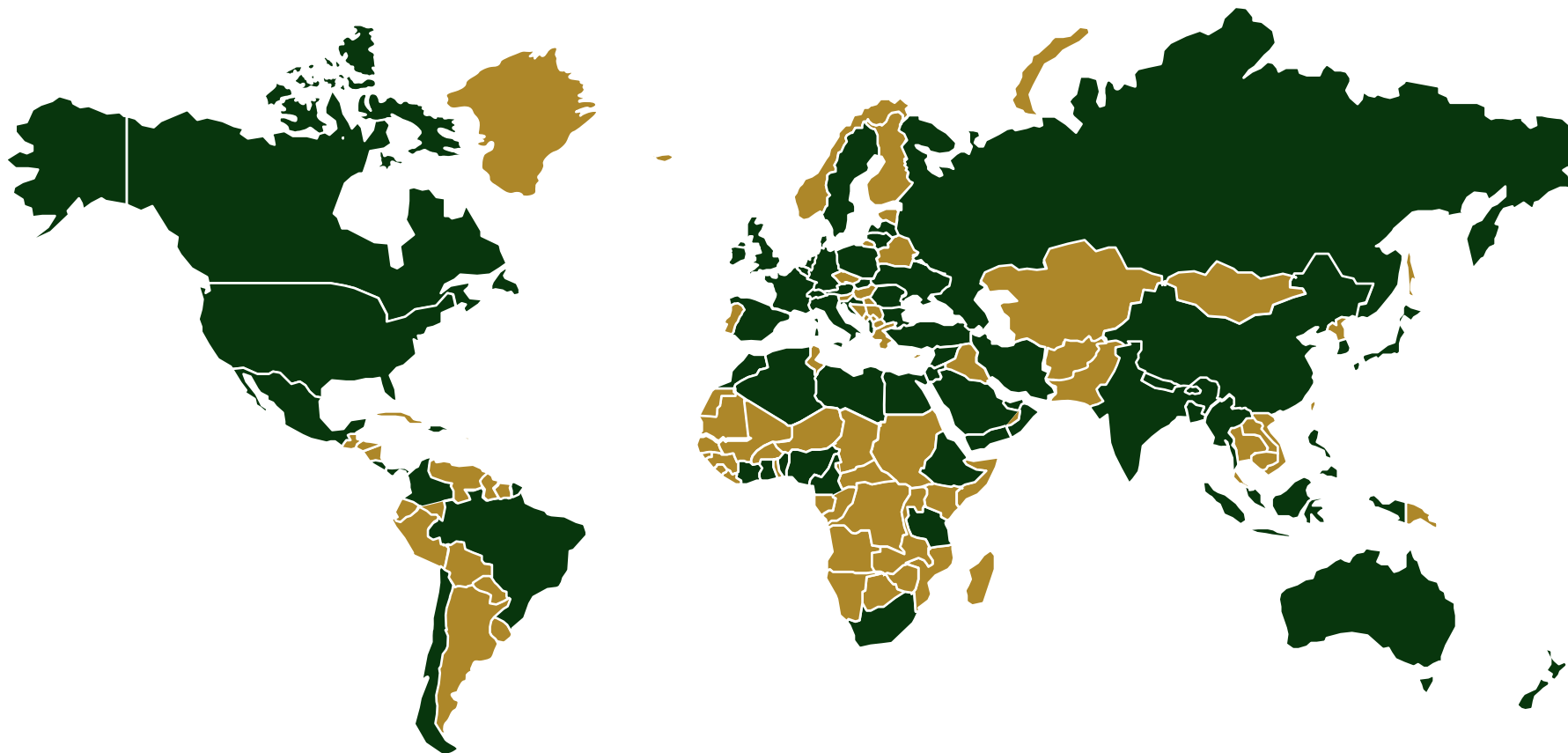


Dyed Yarns

Chemicals & Power

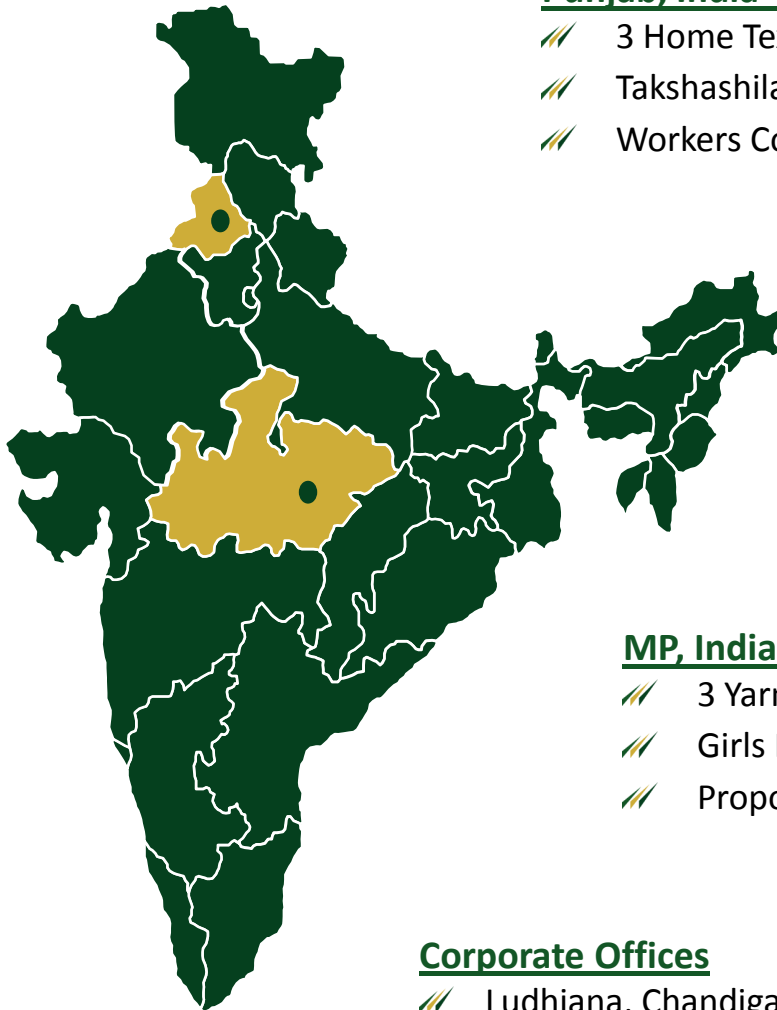


Power, Sulphuric Acid & Sulphur



Products exported* to 70 countries across 5 continents

* Export destinations are highlighted in dark green



Punjab, India – Dhaura Campus

- /// 3 Home Textile, 2 Paper, 3 Energy & 1 Chemical Unit(s)
- /// Takshashila (Center of Excellence)
- /// Workers Colony

Punjab, India – Sanghera Campus

- /// 5 Yarn Units
- /// Ananda (Leadership Workshop)
- /// Workers Colony
- /// Girls Hostel

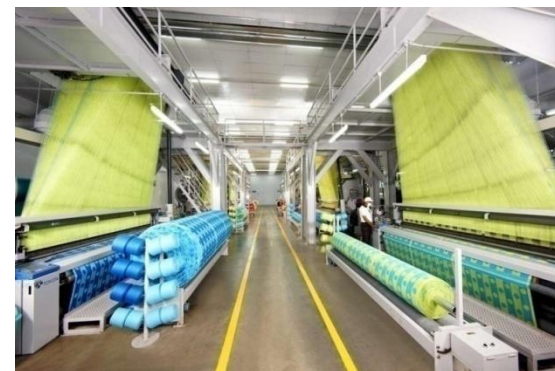
MP, India – Budni Campus

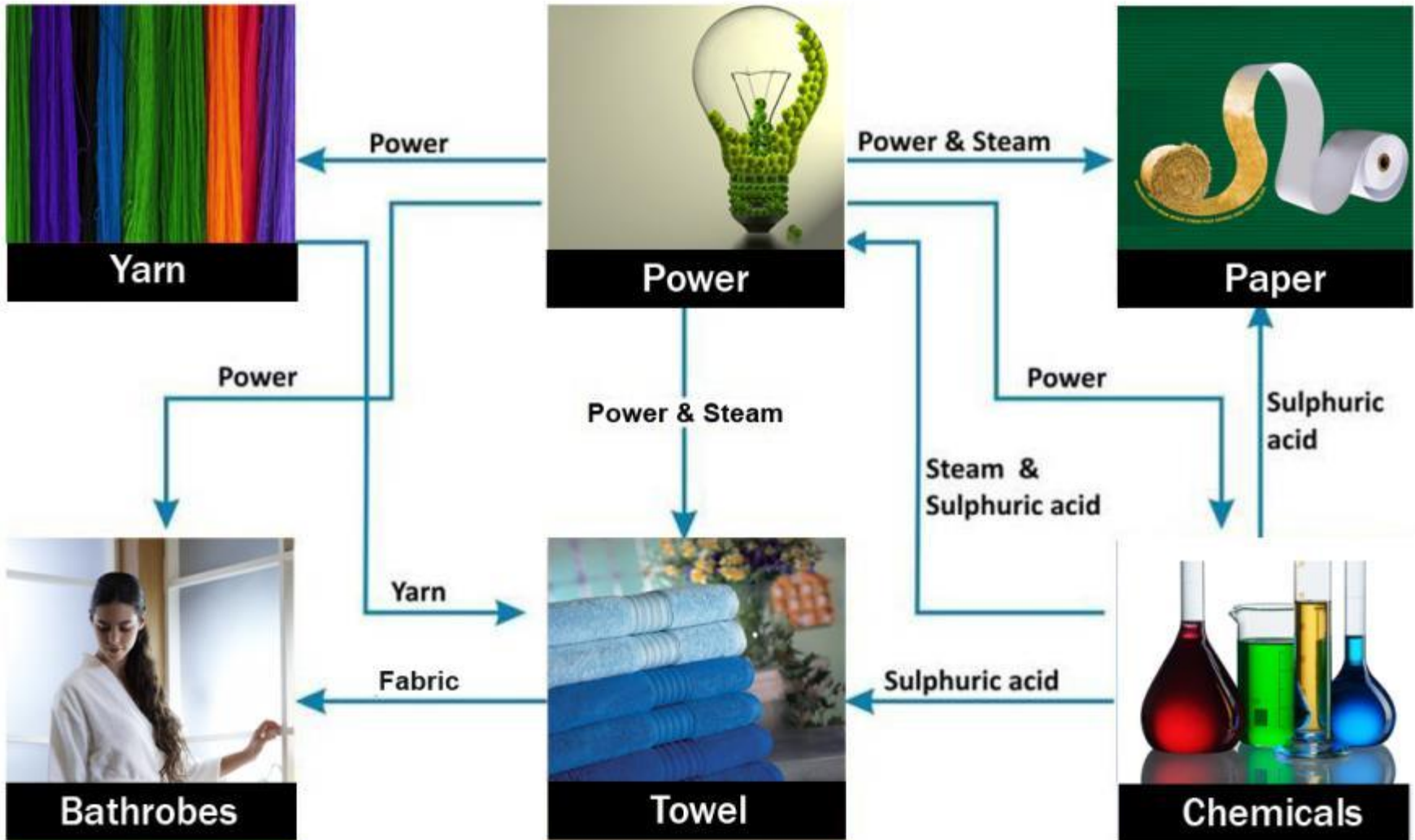
- /// 3 Yarn Units
- /// Girls Hostel
- /// Proposed Yarn, Home Textiles & Energy Units

Corporate Offices

- /// Ludhiana, Chandigarh, Bhopal & Gurgaon, India
- /// New York, USA

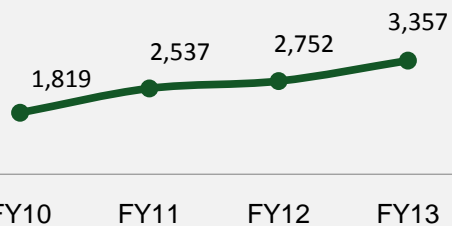
Business	Existing Operations
Yarn	3,65,904 Spindles
	3,584 Rotors
Yarn Processing	6,825 TPA
Terry Towels	388 Looms
Bath Robes	90,000 Pieces/ Month
Paper	175,000 TPA
Sulphuric Acid	100,000 TPA
Energy – Captive Power	50 MW



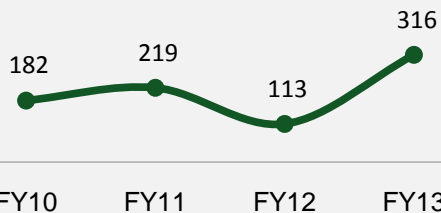


P&L (Rs. crore)

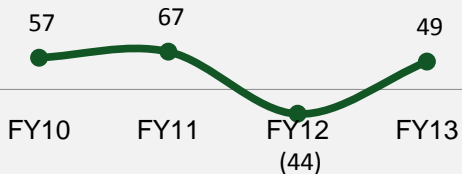
Revenues



EBIT

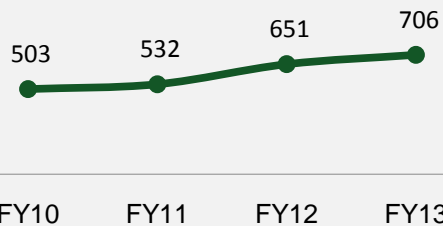


PAT

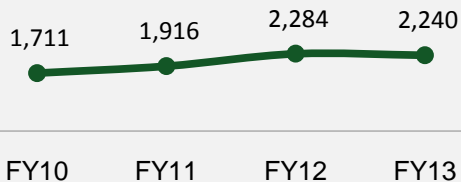


Balance Sheet (Rs. crore)

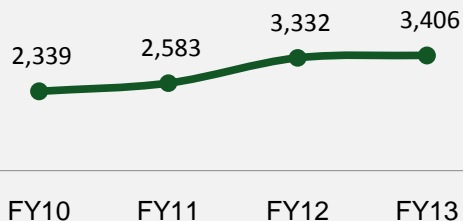
Networth



Total Debt

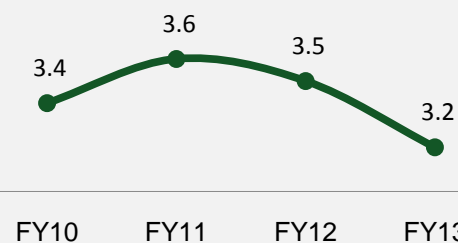


Gross Block

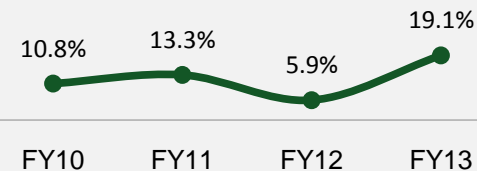


Ratios

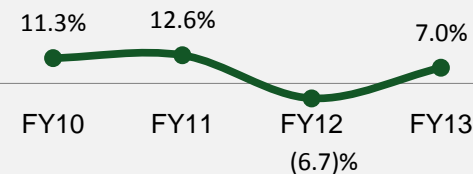
Debt:Equity (x)



ROCE %



ROE %



Economies of scale

- /// Among the world's largest home textiles and wheat-straw based paper manufacturers

State-of-the-art Technology

- /// Embraced the latest technology and automation from global best technology partners at all stages of manufacturing

Integrated Textile operations

- /// Enables efficient operations and partly insulates from movement in raw material prices
- /// Ensures greater quality control across the entire value-chain

Raw Material Security

- /// Longstanding relationships with major raw material suppliers

Increasing share of value-added products

- /// Focus on product engineering and development
- /// Innovation in design and product development of textile and paper products

Global Reach

- /// Customers in 70 countries across 5 continents
- /// Includes nine out of top ten retailers in US, six leading retailers in Europe and five of top seven retailers in ANZ

Strong Management Team

- /// Managed by a group of professionals and an experienced management team with a healthy mix of industry experts and young energetic talent

Continuous Improvement

- Business excellence activities like Kaizen, TQM, TPM, 5S, Change Management to have lean manufacturing resulting in efficient usage of technology
- TPM Policy has been formulated across the organization to achieve zero accidents, zero defects and zero breakdowns

Focus on Value Added Products

- Innovation in design and product development of textile and paper products
- Patented technologies for superior quality Air Rich™ towels for better functionality and aesthetics
- Paper division geared towards high margin copier segment

Brownfield Expansion

- 38,802 TPA of additional cotton yarn capacities to meet rising demand
- Sheeting unit in Budni with 500 looms
- Capital outlay reduced due to incentive schemes by central and state governments
- Financial closure expected by H1 FY14

Focus on Cost Efficiencies

- /// Captive Power capacities – one of the lowest ratio of power cost to revenue
- /// Leverage existing relations with suppliers in India, China & Egypt for supply of quality cotton at competitive prices

Entry in New Markets

- /// Continuous focus on spreading customers geographically
- /// Successfully entered new markets like UK, Italy, France, Japan, Australia, South Africa and Canada

Branding Strategy

- /// Focus on aggressive branding strategy to percolate home textile product in premium customer segment



4

About Us & Investor Contacts

Trident Limited is the flagship company of Trident Group a USD 1 Billion global player, with its array of customers spread across 70 countries. Trident Limited is a leading manufacturer of Terry Towels, Paper, Yarn and Chemicals.

The company has emerged as one of the largest manufacturers of terry towels and wheat straw based paper manufacturers in the world. Trident is associated with global retail brands across the globe, including Ralph & Lauren, Calvin Klein, JC Penney, IKEA, Target, Wal-Mart, Macy's, Kohl's, Sears, Sam's Club, Burlington, etc. Trident has also frequently received accolades from its patrons in recognition for delivering high quality standards and for the customer centric approach. With a Compounded Annual Growth Rate (CAGR) of more than 30%, Trident has established itself as one of the fastest growing groups in India.

Now, with the establishment of the state-of-the-art manufacturing processes, systems coupled with appropriate human capital and credentials, it is continuously making investment for expanding and modernizing its capacities.



... recognized by the world

- 2013 Principal Partner – Bath by Sears Holdings Corporation
- 2012 CITI Birla Award for Human Resource Management in Textile Mills
- 2012 Educational Excellence Award 2012 from KRDWG
- 2012 Golden Peacock Environment Management Award
- 2012 Financial Performance Northern Region - 2nd Position by CONCOR
- 2012 Exporter Northern Region- 1st Position
- 2011 Texprocil Outstanding Export performance (Silver Trophy)
- 2011 Texprocil Highest Exports in Terry Towels (Bronze Trophy)
- 2011 Bronze Award by "League of American Communications Professionals"
- 2011 Sustainability (South Asia) Award for the year 2010' by IKEA
- 2010 JC Penny Award for Innovation
- 2010 Rajiv Gandhi National Quality Awards (Textiles)
- 2010 Texprocil Top Performer of the Year (Silver Trophy)
- 2009 JC Penny Home Quality Award- Best Supplier of the Year award
- 2009 Texprocil Gold Trophy award - Highest exports in Terry Towels
- 2009 IKEA Best Supplier (South Asia) Quality Award
- 2009 Star Trading House for Export by GOI
- 2007 CONCOR Best Exporter Award
- 2007 SAP ACE (Award for Customer Excellence)
- 2007 JC Penney Supplier of the Year Award
- 2006 Wal-Mart International Supplier of the Year
- 2006 National Award for Excellence in Corporate Governance
- 2006 CITI Birla Award for Quality Management
- 2006 Outstanding Export Performance for 2005-06
- 2005 Wal-Mart International Supplier of the Year
- 2005 Excellence in Corporate Governance, 2005
- 2005 ICAI Awards for Excellence in Financial Reporting
- 2005 Udyog Ratna Award
- 2005 Merit Award at Kaizen Summit
- 2003 Wal-Mart International Supplier of the Year
- 2001 Wal-Mart International Supplier of the Year

**4 times Wal-Mart
Supplier of the Year
Awards**

**3 times JCPenney Award
(Best Supplier, Innovation
& Quality)**

**2 Ikea Quality and
Sustainability
Awards**

**3 Corporate
Governance
Awards**

**Texprocil Export
Performance
Awards**



For more information about us, please visit www.tridentindia.com

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