

BEST IS YET TO COME

Trident Limited

Q2 FY18 Earnings Presentation



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Overview

Textiles



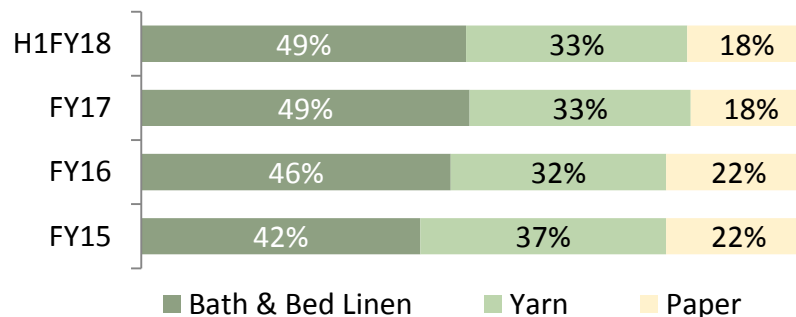
Textile

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

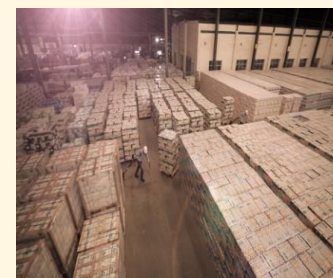
Paper

Highest Operating Margin among Key Listed Players in India

Revenue Split between segments



Paper



One of the Leading Business Groups with interest in Textiles and Paper

Snapshot

Key Market Statistics

2-Nov-2017

BSE Ticker	521064
NSE Ticker	Trident
Bloomberg Code	TRID:IN
Reuters	TRIE.NS
Market Price (Rs)	100.95
Market Cap (INR Crore / USD Mn)	5144 / 796
Number of Outstanding Shares (Crore)	50.96
Face Value	Rs. 10 per share
52-week High / Low (Rs.)	109.50 / 49.05

Shareholding Pattern – 30th Sep, 2017

Category of Shareholder	Shareholding %
Promoters	67.8%
Institutions	3.9%
Public	28.3%

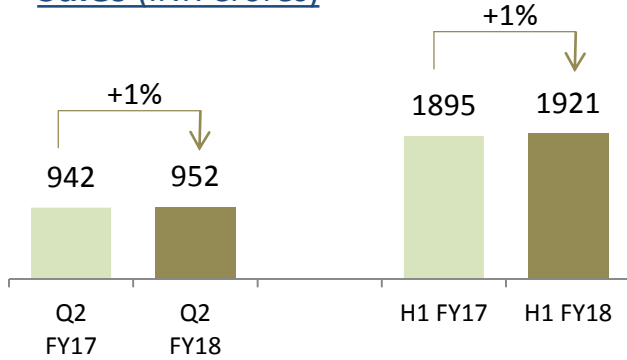
Global Presence

Corporate Office :	Ludhiana, Punjab
Manufacturing Facilities at:	Sanghera & Dhaula, Punjab Budni, Madhya Pradesh
Marketing Offices (India):	Mumbai, Gurgaon Kolkata, Bengaluru
Marketing Offices (Intl.):	New York, United States Cheshire, United Kingdom

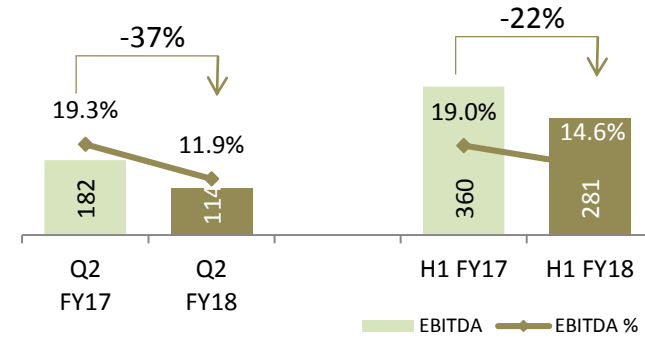


Textile

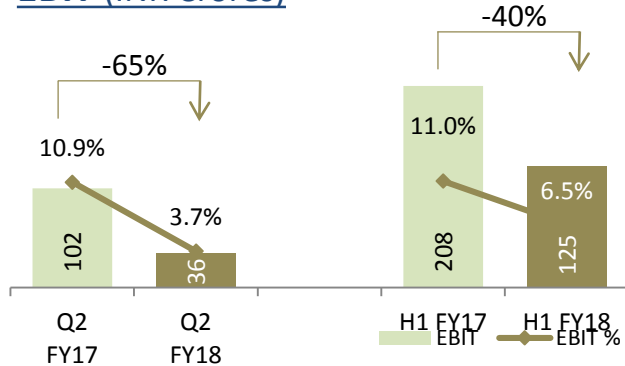
Sales (INR Crores)



EBITDA (INR Crores)

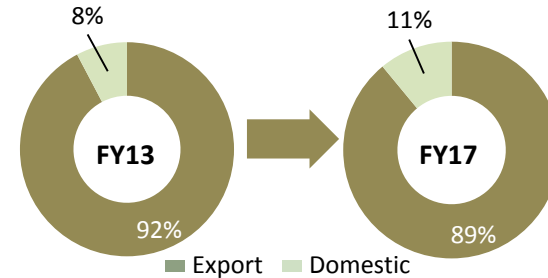


EBIT (INR Crores)



Revenue Mix (Bed Sheet and Bath Linen):

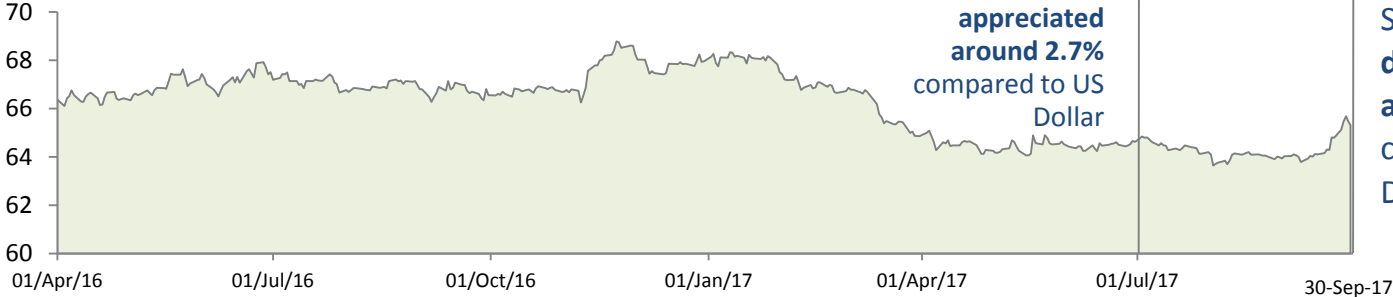
Export Vs Domestic



Strong Growth Prospects on back of recent capacity additions and entry into Bed Linen Segment

Market Updates

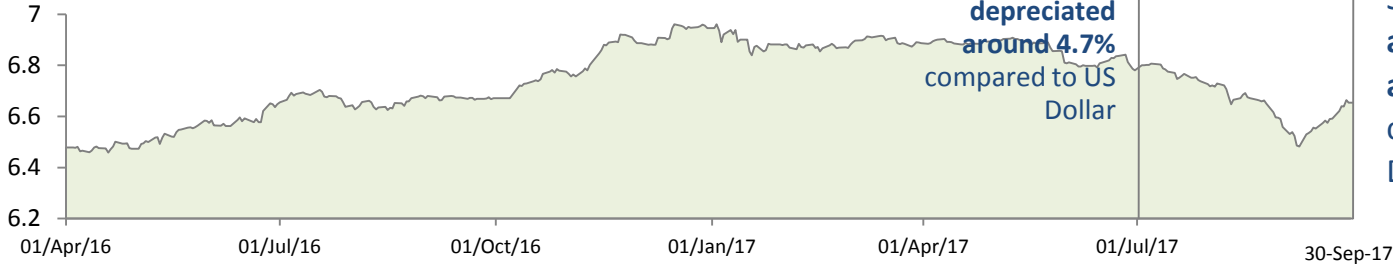
USD / INR Currency Chart



From Apr'16 to Jun'17 Rupee has appreciated around 2.7% compared to US Dollar

From July'17 to Sep'17 Rupee has depreciated around 0.7% compared to US Dollar

USD / CNY Currency Chart

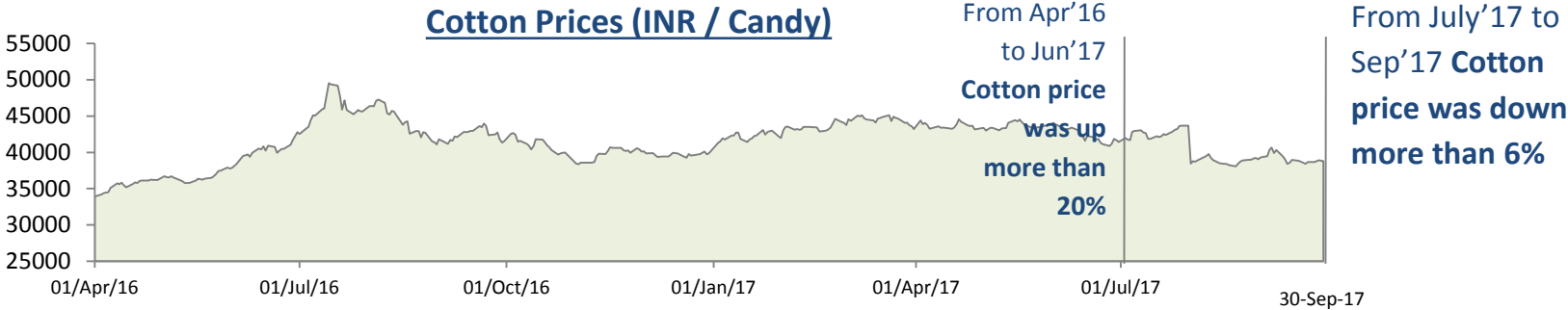


From Apr'16 to Jun'17 Yuan has depreciated around 4.7% compared to US Dollar

From July'17 to Sep'17 Yuan has appreciated around 2.2% compared to US Dollar

Source : investing.com

Market Updates



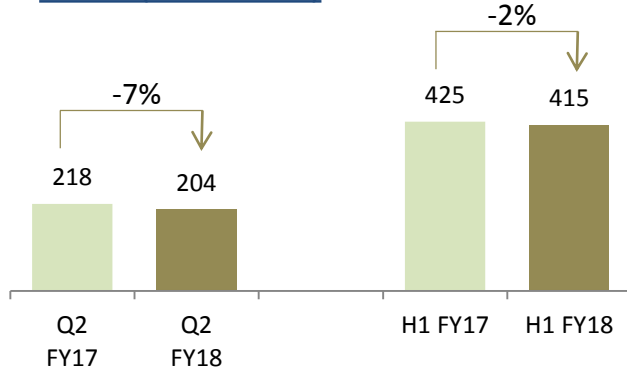
Cotton : 29mm Futures Contract Prices | 1 Candy = 356 Kgs

Source : investing.com

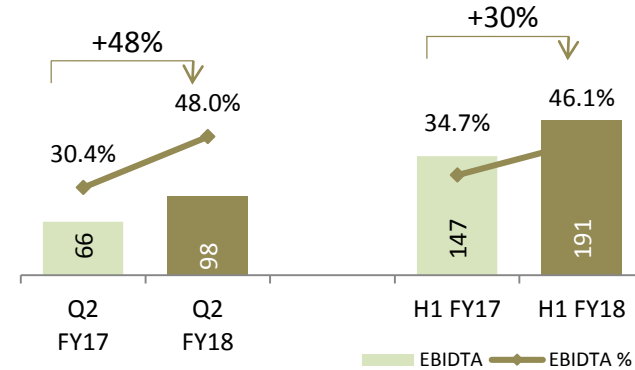
<p>Duty Drawback</p>	<p>Duty Drawback has been revised to 2% plus input tax credit.</p>	<p>Clouds of duty structures which were hovering in previous quarter no longer exits as the clarity has been received. This helps us to price the product efficiently and thereby retain our margins and cash flows.</p>
<p>Goods & Services Tax</p>	<p>Beneficial for organized players.</p>	<p>With more than 70% of the industry unorganised, we believe it's a game changer for us. Though temporary disruption have been a challenge last quarter, we believe will gain significant market share in times to come.</p>

Paper

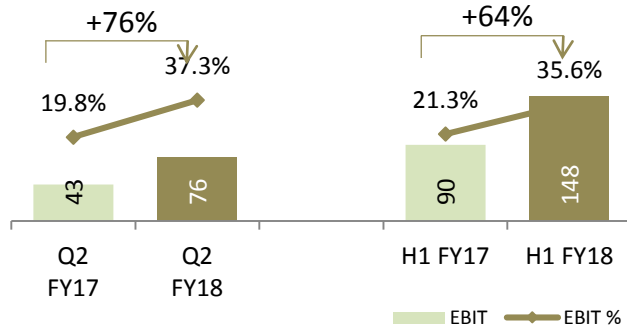
Sales (INR Crores)



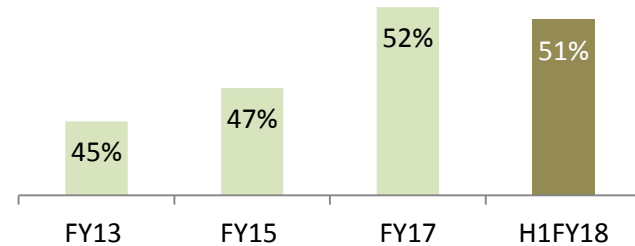
EBITDA (INR Crores)



EBIT (INR Crores)



Copier Paper Sales (Volume Trend)



Key Highlights - P&L

H1 FY18

REVENUE (INR CR)

2401 +1.6%

H1FY17: 2363

PAT (INR CR)

140 -11.9%

H1FY17 : 159

EBIDTA (INR CR)

469 -5.2%

H1FY17: 494

PBT (INR)

199 -4.1%

H1FY17: 207

EBIT (INR CR)

264 -7.7%

H1FY17: 286

EPS (INR)

2.75 -11.9%

H1FY17: 3.12

- Captive Consumption of Yarn volume increased by 24.6% in H1FY18 compared to H1FY17, bringing down product price risks.
- Bed Linen gained healthy volume growth of 23% with Sales growth of 30% Q-o-Q.
- Added new customers in Bed Linen segment.
- With presence in around 450 Multi Brand Outlets and e-commerce platforms, our domestic Bed and Bath business revenues grew at a healthy rate of 23.6% Y-o-Y to Rs 157 crores in H1 FY 18.
- Retain our full Year guidance on EBITDA margins.

Key Highlights - B/S

as on Sep 30, 2017

NET DEBT (INR CR)

2326 -388Cr

FY17: 2714

LT DEBT (INR CR)

1689 -359Cr

FY17 : 2048

NET DEBT/EQUITY

0.8

FY17 : 1.0

NET DEBT/EBIDTA

2.8

FY17 : 2.6

REPAYMENT (INR CR)

374 (H1FY18)

FY17: 576

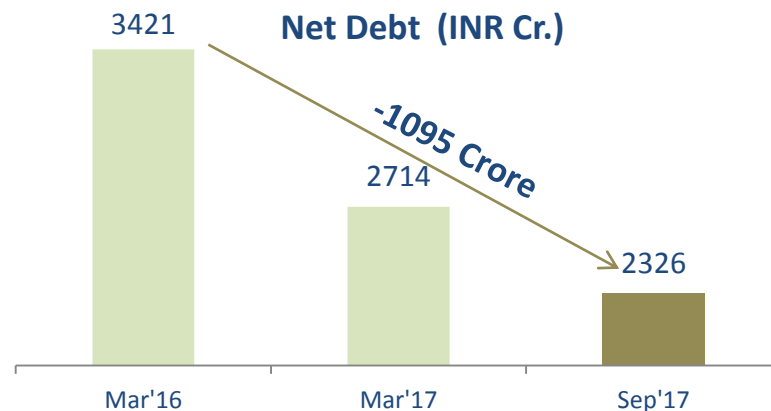
CASH ACC. (INR CR)

344 (H1FY18)

FY17 : 749

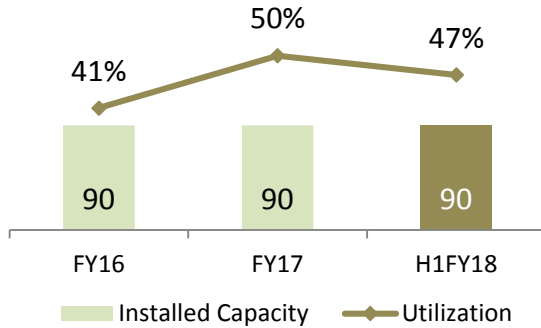
- Cash generated from Operations INR 623 Crore in H1FY18
- Focus on Cash flows and prudent Capital Allocation
- Keep reducing debt.
 - Long Term Debt came down by INR 359 Crore in H1 FY18, including High Cost Debt of INR 163 Cr.
 - High Interest Coverage ratio 7.2x in H1 FY18
- Interest Cost came down by 17% Y-o-Y in H1 FY18

Continuous Focus on Debt Repayment

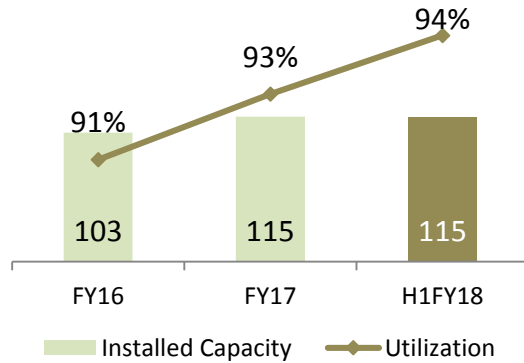


Capacity Utilization

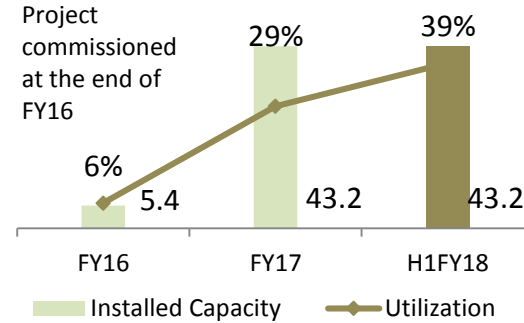
Towel (In 000' tons)



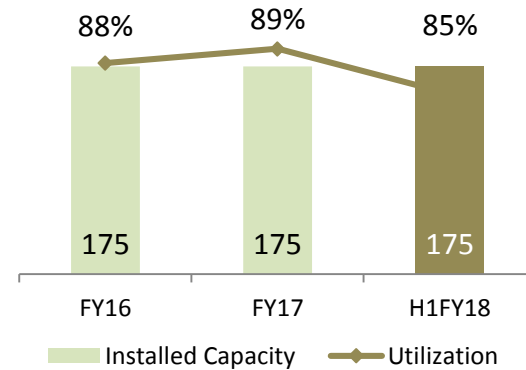
Yarn (In 000' tons)



Bed Linen (In mn. meters)



Paper (In 000' tons)



*Utilisation on tonnage basis

Key Highlights – Q2FY18

REVENUE

INR 1191 Cr.

EBIDTA

INR 209 Cr.

PAT

INR 51 Cr.

Interest Coverage

6.6 x

Net Debt reduced by

INR 343 Cr.

LT Debt under TUFS

~ 80%

Net Debt / Equity

0.8

Cash Accrual

INR 153 Cr.

Net Debt / EBITDA

2.8 x

Upgraded Credit Rating: **CARE AA-** (LT Bank Facilities)
CARE A1+ (ST Bank Facilities)

Upgraded Business Rating: **'5A1'** (Minimal Risk & High Credit Worthiness) by **D&B**

P&L Statement (S)

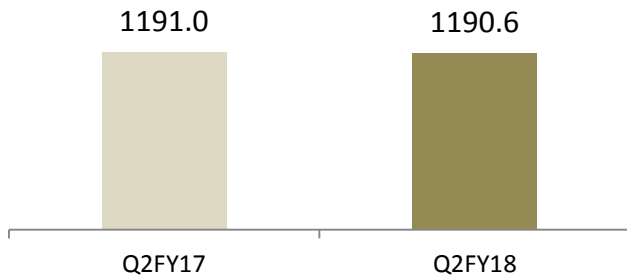
Particulars (INR crore)	Q2 FY18	Q2 FY17	Shift%	H1FY18	H1FY17	Shift%
Net Revenues	1190.6	1191.0	0.0%	2401.0	2363.2	1.6%
EBITDA	209.1	245.3	-14.8%	468.5	494.0	-5.2%
EBITDA margin	17.6%	20.6%	-300bps	19.5%	20.9%	-140bps
Depreciation	102.2	104.4	-2.1%	204.5	207.9	-1.6%
EBIT	106.9	140.9	-24.1%	264.0	286.1	-7.7%
EBIT margin	9.0%	11.8%	-280bps	11.0%	12.1%	-110bps
Interest	31.9	35.9	-11.1%	65.2	78.8	-17.3%
Profit Before Tax	75.1	105.0	-28.5%	198.8	207.3	-4.1%
Profit After Tax	50.9	80.1	-36.5%	139.8	158.7	-11.9%
EPS (Diluted & non-annualized) (INR)	1.00	1.57	-36.3%	2.75	3.12	-11.9%

Balance Sheet (S)

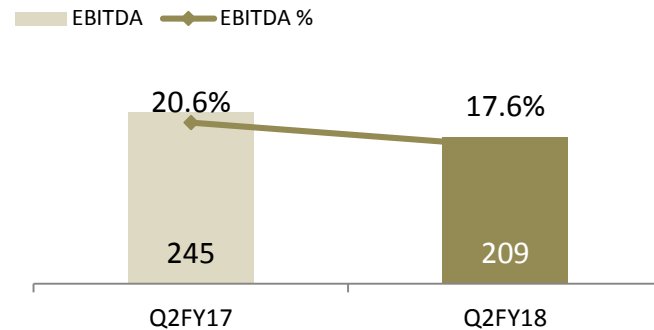
Particulars (INR crore)	As on Sep 30, 2017	As on Mar 31, 2017	Particulars (INR crore)	As on Sep 30, 2017	As on Mar 31, 2017
Source of Funds			Application of Funds		
<u>Equity</u>	<u>2805.17</u>	<u>2724.50</u>	<u>Non Current Assets</u>	<u>4499.09</u>	<u>4645.53</u>
Equity Share Capital	509.59	509.58	Property, Plant & Equipment	4126.74	4307.42
Other Equity	2295.58	2214.92	Capital Work-in-Progress	140.37	109.76
<u>Non-Current Liabilities</u>	<u>1658.53</u>	<u>1990.68</u>	Intangible Assets	50.19	36.64
Borrowings	1402.83	1744.24	Intangible Assets under devp.	0.94	13.40
Deferred Tax Liabilities	181.54	165.72	Financial Assets	106.77	106.37
Other Non Current Liabilities	74.15	80.72	Other Non Current Assets	74.08	71.94
<u>Current Liabilities</u>	<u>1536.63</u>	<u>1435.18</u>	<u>Current Assets</u>	<u>1501.24</u>	<u>1504.83</u>
Financial Liabilities	1476.67	1374.82	Inventories	519.29	768.25
Provisions	16.16	20.62	Financial Assets		
Other Current Liabilities	43.81	39.73	- Investments	6.50	4.89
			- Trade Receivables	465.35	381.67
			- Cash & Cash Equivalents	13.83	27.60
			- Other Bank Balances	224.95	104.83
			- Other Financial Assets	56.44	31.65
			Other Current Assets	214.88	185.93
TOTAL	6000.34	6150.36	TOTAL	6000.34	6150.36

Profitability Trend

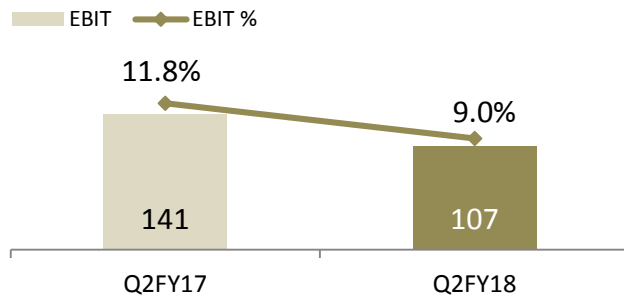
Sales (INR Crores)



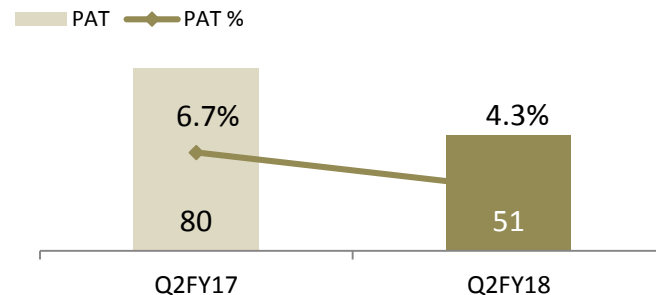
EBITDA (INR Crores)



EBIT (INR Crores)

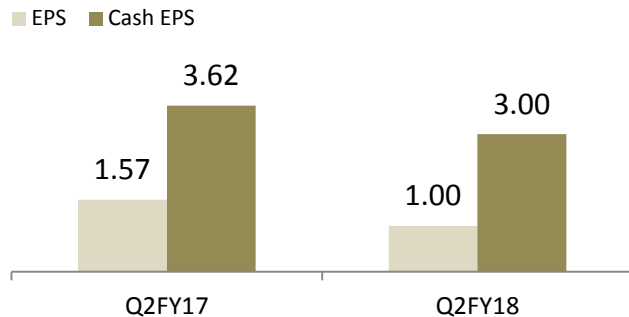


PAT (INR Crores)

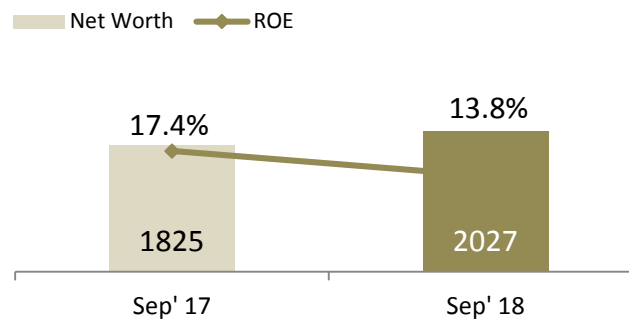


Profitability Trend

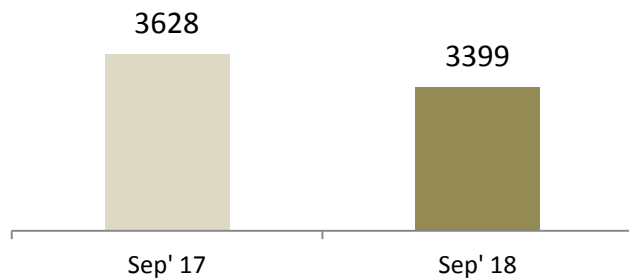
EPS (INR)



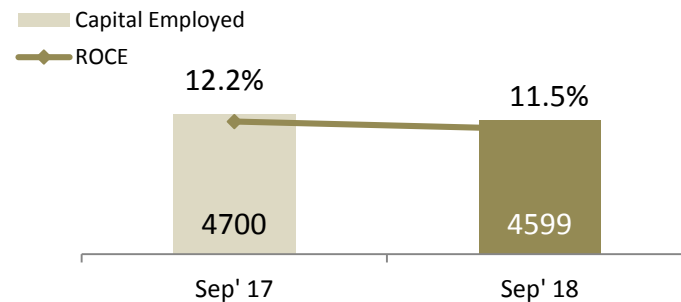
Networth* (INR Crores)



Net Block* (INR Crores)



Capital Employed* (INR Crores)



*Excludes fair valuation of land as per IND - AS

Management Comment

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

“Last quarter was a stress test for our Company with challenges seen from product pricing in textiles to adverse impact of GST in the domestic business. In spite of these, your Company has demonstrated high resilience by having increased capacity utilization in the Bed segment, generating industry leading margins in the paper business, improving cash flows and following prudent capital allocation policy by reducing debt.

With things started improving in the current quarter, we believe worst is behind us and Trident will keep on leveraging its intrinsic strengths to fortify position as a leading global player in Bed and Bath Linen segment.”

Awards & Accolades

Accredited with
'Egyptian Gold Seal'
for **Yarn, Terry Towel
& Bed Linen**

Products from
'Cotton Egypt Asso.'

Northern Region **'Export
Excellence Award'** in
**'Star Trading House-Non-
MSME'**

- **'Gold Trophy'** 2nd Set
- **'Silver Trophy'** 1st Set

**'Confederation
of Indian Textile
Industry (CITI)
Award for
Excellence'**

**'National
Energy
Management
Award 2017'
by CII**

**'Astitva
Samman 2017'
PHD Chamber
for women
empowerment**

**SEEM
National
Energy
Management
Award
2016**

**PMI India
Project of
the Year
'Large'
Category**

15 TEXPROCIL Export Performance Awards

1 'Supplier Achievement in Excitement
2016' Award from Sam's Club USA

1 'Best Quality Award 2016' from SEARS HOLDING

4 Wal-Mart Supplier of the Year awards

4 JCPenney - Best Supplier, Innovation,
Quality Awards

2 IKEA Quality and Sustainability Awards

1 PHD Chamber- Outstanding
Contribution to Social Welfare

4 CII – Confederation of Indian Industry

2 National Energy Conservation Awards

1 IPMA - Energy Conservation Award

1 Niryat Shree – FIEO Awards

1 ASSOCHAM Leadership Award (CEO), 2016

1 Punjab Safety Awards

1 D&B – ECGC: Exporter's Excellence Awards

4 Corporate Governance & CSR Awards



Thank You

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

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