

Trident Limited

FY 16 Performance Review





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A photograph of a bedroom. A bed with a white headboard is the central focus, dressed in a patterned duvet cover and several pillows in purple, white, and patterned designs. A purple blanket is draped over the bed. To the left is a white nightstand with a small potted plant and a mug. To the right is a dark wood dresser with a blue vase containing a green plant and other decorative items. A window with sheer curtains is in the background.

Financial Highlights

Financial Highlights- FY 16




PAT

94%
Growth 

PAT Margin: 6.2%


INR 228Cr.

EPS

80%
Growth 


INR 4.44

ROE

502_{bps}
Growth 

13.12%


EBIDTA

8%
Growth 

EBIDTA Margin: 20.3%


INR 751Cr.

Finance Cost

34%
Decline 

INR 136Cr.

Cash Accrual

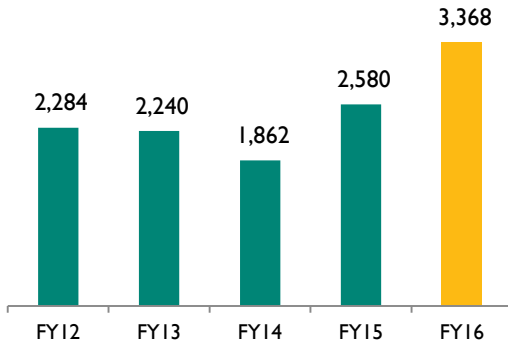
29%
Growth 

INR 566Cr.

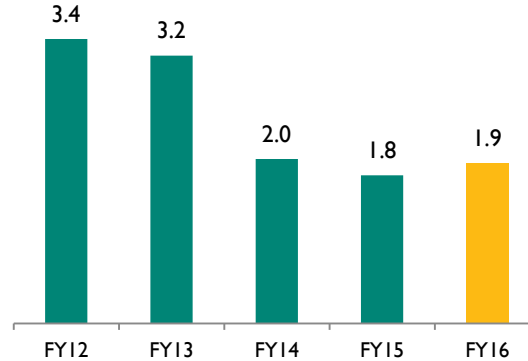
Key Financial Parameters



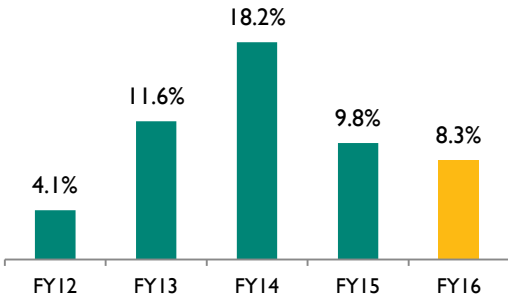
Total Debt (INR crore)



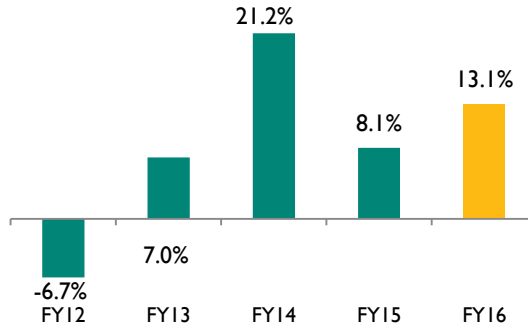
Debt : Equity (x)



ROCE (%)



ROE (%)



Debt Repayment of INR 462.2 crore in FY16

Includes **Prepayment** of high cost debt of INR 90.5 crore

Debt / Equity Ratio stands at 1.92:1

Net Debt / Equity Ratio stands at 1.86:1

Gross and Net Debt stood at INR 3368.1 crore and INR 3286.3 crore respectively

Debt at peak level after commissioning of Integrated Bed-Linen project; to notably reduce in the coming years

More than 70% of Long Term Loan covered under TUF (low cost debt)

Major CAPEX over – significant free cash flow generation anticipated from FY17 onwards leading to notable reduction in long term debt

FY16 Financial Highlights



- /// **Net Revenue** at INR 3705.8 crore in FY2016 compared to INR 3779.2 crore in FY2015
- /// **EBITDA** increased by 8% to INR 750.9 crore during FY2016 from INR 695.1 crore
 - **EBITDA Margin** improved by 190 bps to 20.3% vis-à-vis 18.4%
- /// **Finance Cost** declined by 34% to INR 136.4 crore from INR 205.9 crore
 - Reduction in base rate, interest equalization scheme benefit and better working capital utilisation significantly reduced overall interest costs
 - The Company repaid high cost term loan amounting to INR 90.5 crore during the financial year
 - Outstanding term debt as on March 31, 2016 stood at INR 3,368.1 crore
- /// **PAT** higher by 93.9% to INR 228.44 crore vis-à-vis INR 117.83 crore
 - **Diluted EPS** enhanced to INR 4.44 per share vis a vis INR 2.47 per share
- /// **Cash Profits** at INR 566.07 crore vis-à-vis INR 439.14 crore
 - **Cash EPS** enhanced to INR 11.12 per share vis a vis INR 9.19 per share
- /// **Board has recommended a Final Dividend** of 3% (Re. 0.30 per share of face value of Rs. 10 each). Total Dividend for FY16 stands at 9% (Re. 0.90 per share)
 - **Dividend Payout Ratio of 20.3%**

Profit & Loss Abstract - Standalone



Particulars (INR Crore)	Q4 FY16	Q4FY15	Growth %	FY2016	FY2015	Growth %
Net Revenues	968.0	976.8	-0.9%	3705.8	3779.2	-1.9%
Total Expenditure	773.8	783.1	-1.2%	2964.1	3092.9	-4.2%
- Material Consumed	449.6	478.6	-6.1%	1735.9	1929.6	-10.0%
- Other Costs & Expenses	324.2	304.5	6.5%	1228.2	1163.3	5.6%
EBITDA	197.5	195.0	1.3%	750.9	695.1	8.0%
EBITDA Margin (%)	20.4%	20.0%	40 bps	20.3%	18.4%	190 bps
Depreciation	93.1	82.9	12.3%	337.6	321.3	5.1%
EBIT	104.4	112.1	-6.9%	413.3	373.8	10.6%
Interest	32.2	53.6	-39.9%	136.4	206.0	-33.8%
PBT	72.2	58.5	23.4%	276.9	167.8	65.0%
Tax	16.7	18.1	-7.7%	48.5	50.0	-3.0%
PAT	55.5	40.4	37.4%	228.4	117.8	93.9%
EPS (Diluted & non-annualized) (In Rs)	1.07	0.79	35.4%	4.44	2.47	79.8%

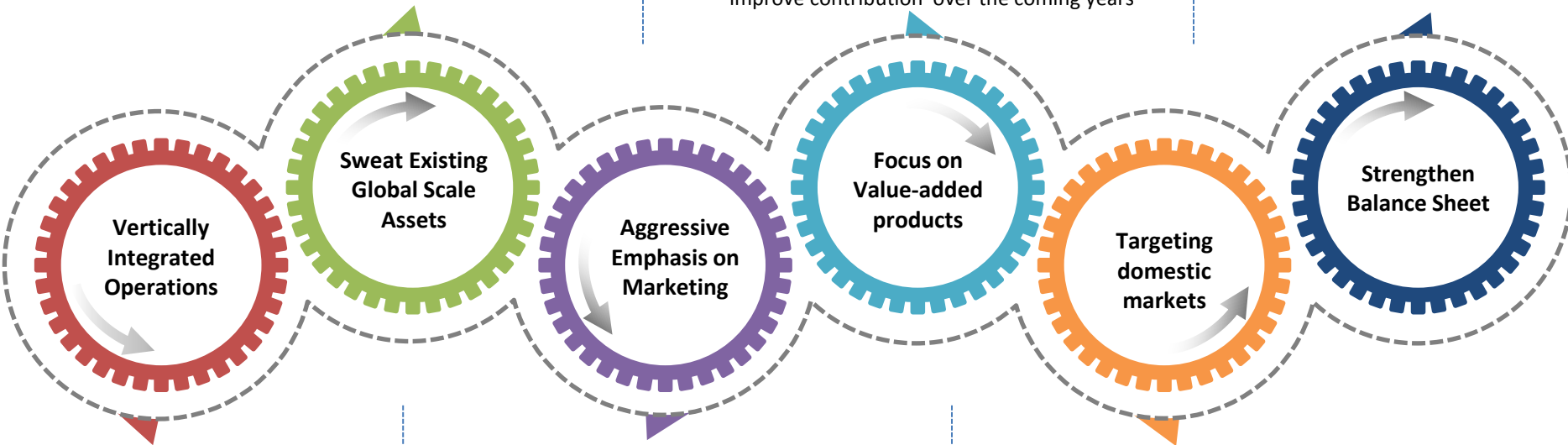
Way Forward



- Focus on optimally utilizing global scale capacities
- Significant Free Cash flows anticipated with major Capex cycle getting over
- On-track to significantly improve return ratios

- Branding strategy to target premium customer segment in Home Textiles and Copier segments
- Focus on Value-added products to further improve contribution over the coming years

- Robust Free Cash flow generation expected going forward
- To reduce Long-term debt in a phased manner



- Cotton-to-Terry Towel and Cotton-to-Bed Linen: Fully integrated operations to deliver sustainable performance over the years

- Strengthening presence in new markets like UK, Italy, France, Japan, Australia, South Africa and Canada
- Continue to target new markets to diversify customer base geographically
- Leverage existing customer relationships to ramp-up Bed-Linen marketing

- Improve brand presence through multi brand outlets MBOs & Modern Retail across India
- Emphasis on emerging e-commerce platforms to market Home Textile brands – brands available across major e-commerce platforms



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

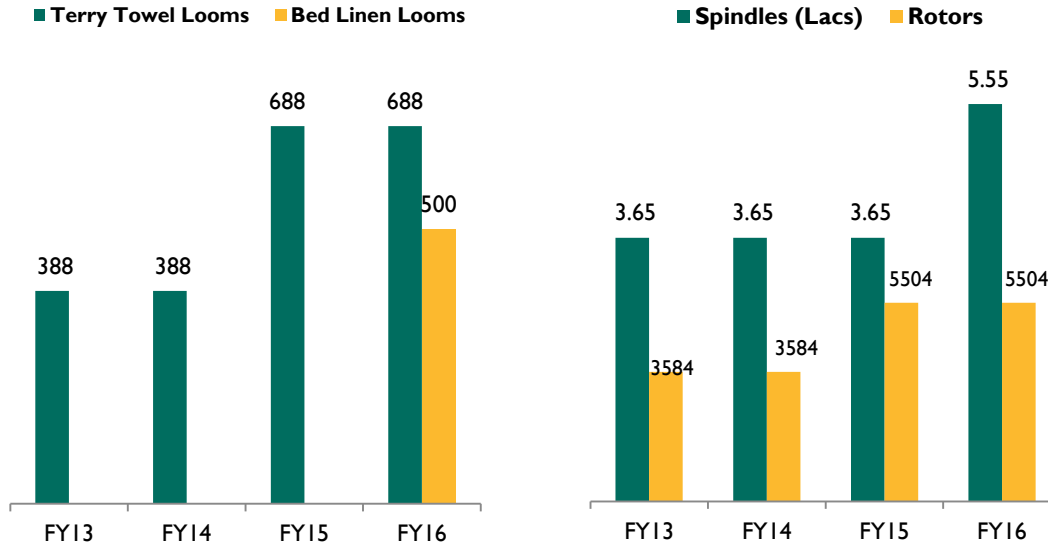
“I am happy to share that we reported highest-ever EBITDA and PAT during the financial year. Our EBITDA and Profit After Tax increased by 8% and 94% to Rs. 751 crore and Rs. 228 crore respectively. This was a result of our focus on expanding margins by improving operational efficiencies and other strategic initiatives. During the year, our effort was on improving the penetration of our home textile products in international as well as domestic markets through emphasis on marketing.

The roadmap for the coming year looks promising, as we are geared up to sweat our global scale capacities in the Home Textiles segment. All the initiatives and efforts undertaken by our marketing team would start delivering results in the current year as we expect notable pick-up in volumes and ramp up in utilization levels. With major CAPEX behind us, strong financial performance in the coming years will enable us to generate significant free cash flows, which we believe will create tremendous value for all our stakeholders.”

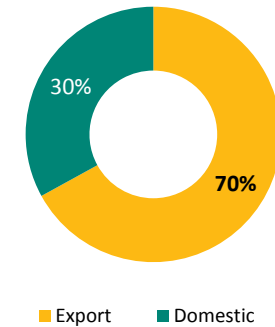





Trident Textiles
Business Highlights

World's Largest Integrated Home-Textile Manufacturer



FY16
Export : Domestic Mix

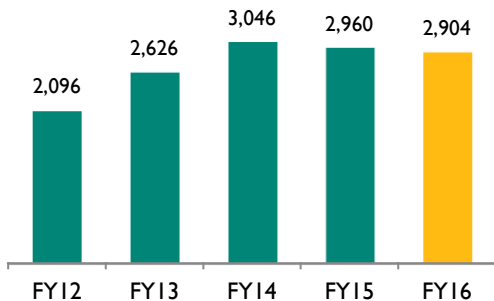


-  **The World's largest terry towel project at a single facility in Budni (M.P.) coupled with manufacturing facility at Barnala (Punjab) has a capacity of 360 million pieces of towel per annum**
-  **Commenced production at the Bed Linen facility of 500 looms capable of producing 43.2 mn meters per annum**
-  **One of the largest cotton yarn spinning capacity in India with 5.55 lac spindles & 5504 rotors capable of producing cotton, compact and blended yarn**

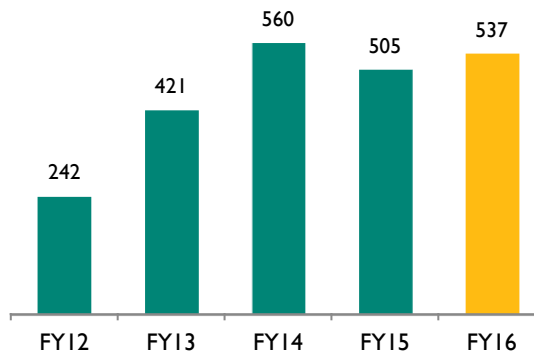
Annual Financial Highlights



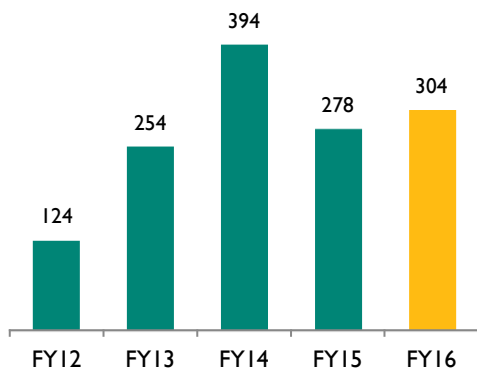
Revenues (INR crore)



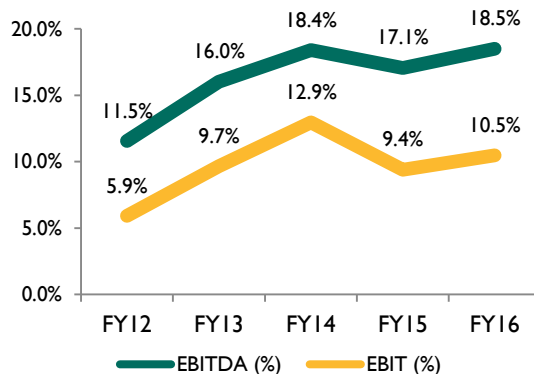
EBITDA (INR crore)



EBIT (INR crore)



Margins (%)



- Improvement in margin profile due to healthy margins in Terry Towel business
- EBITDA increased by 6.3% during the year to INR 537 crore compared to INR 505 crore
- EBITDA Margin has improved by 140 bps to 18.5% from 17.1%
- EBIT increased by 9.25% to INR 303.91 crore compared to INR 278.17 crore

FY16 Financial Overview & Outlook



- /// Topline at INR 2904.3 crore compared to INR 2960.0 crore in the corresponding financial year
 - Subdued yarn realizations and enhanced captive yarn consumption moderated topline growth
- /// Expanding Global Presence
 - Strengthened the Marketing team in USA for better Market Reach and service.
 - Opened a subsidiary Company in Europe to cater the growing demand and enhance the Marketing efforts to serve European nations.
- /// Strengthened Indian Marketing teams
 - Strengthened the Marketing and Designing team of both Bath and Bed segments
- /// Sustained focus on expanding customer base
 - Ramped up business volumes within India in General trade, Modern Trade & Institutional segment
 - Brand presence expanded to more than 260 MBOs across India vis a vis 150 MBOs in Q3 FY16
 - Addition of new Key Accounts, Channel partners & Premium Outlets to expand the brand reach
- /// Market research and segmentation drive new product launches in the domestic market
 - Launch of own brands in new categories of Bed & Bath products
 - Product extension of Licensed Brand merchandize to cater to Kids segment
 - Extensive advertising pan India for creating consumer awareness



Trident Brands

Premium Range Towels



Mid Range Towels



Bed Sheeting Range





Yarn Technology



Design/ Construction



Finish/ Treatment



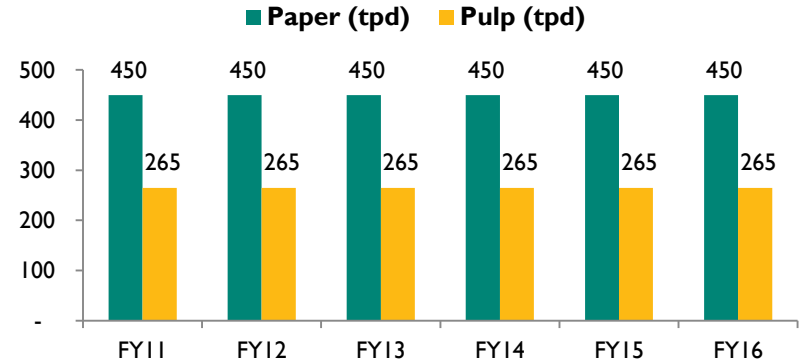


Trident Paper Business Highlights

World's Largest Wheat Straw based Paper Manufacturer

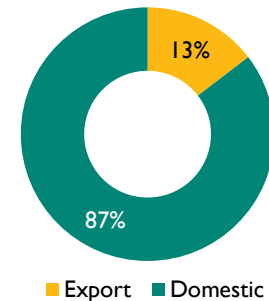


- Agro-residue (wheat straw) and ECF pulp used to manufacture paper
- Customers across 50 countries including India, Middle East, Africa, US, Latin America and UK, among others
- Energy-saving operations initiated to reduce power consumption



Trident Brands	GSM	Brightness
Royal Touch	80	90%
Spectra	75	88%
Eco Green	75	90%
Natural	72	86%
My Choice	70	87%
Digiprint	100	92%

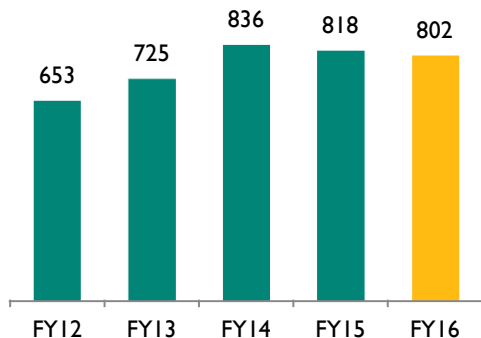
FY16
Export : Domestic Mix



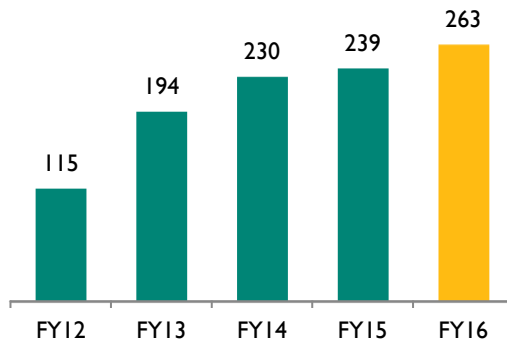
Annual Financial Highlights



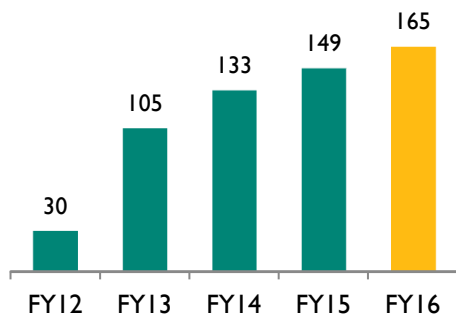
Revenues (INR crore)



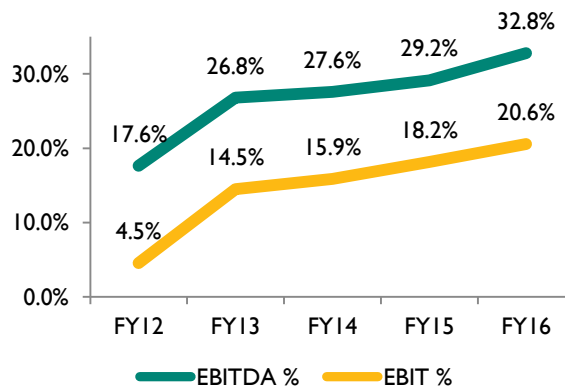
EBITDA (INR crore)







EBIT (INR crore)



Margins (%)



-  EBIT increased by 10.86%, to INR 164.8 crore compared to INR 148.7 crore
-  EBITDA increased by 10.2% during the year to INR 262.9 crore from INR 238.6 crore
-  EBITDA Margin improved by 360 bps to 32.8% during the year from 29.2%
-  Improvement in margins due to enhanced contribution from valued-added copier paper

FY16 Financial Overview & Outlook



- ✔ Topline stood at INR 801.5 crore during FY 16 vis-à-vis INR 818.3 crore
- ✔ EBITDA margin improved by 360 bps in FY16 to 32.8% as compared to 29.2% – result of focus on enhanced contribution towards value-added copier paper
- ✔ Strengthened presence in premium segment, with launch of Trident Digi Print 100 GSM digital Printing Paper
- ✔ Improvement in operational efficiencies due to better product mix
- ✔ Improvement in service aspect to achieve price premium vis-à-vis competition
- ✔ Focus on Modern Retail across India to improve Brand presence in India . Current presence in more than 160 Modern Retail Outlets pan India.
- ✔ Enhanced Customer Relationships by conducting frequent Retailer Meets Pan India.
- ✔ Development of new channel partners in East to tap that market.



Strengths & Strategy



Vertical Integration

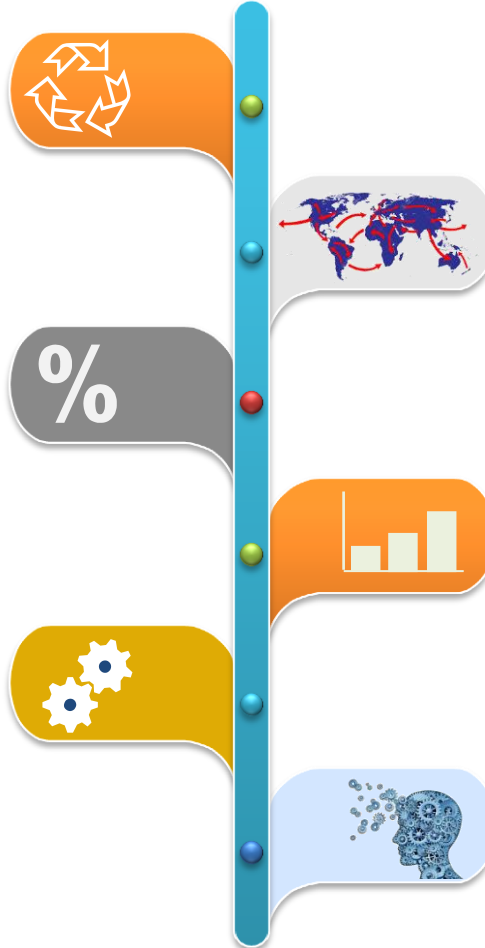
Vertically integrated operations (cotton-to-terry towel and cotton-to-bed linen) - ensure greater sustainability in performance going forward

Value Addition

Focus on value added, innovative and fashion statement product range for premium customers

Latest Technology

Latest technology and automation from global best technology partners at all stages of manufacturing



Enter New Markets

Spreading customers geographically, Entered market like UK, Italy, France, Japan, Australia, South Africa, Canada

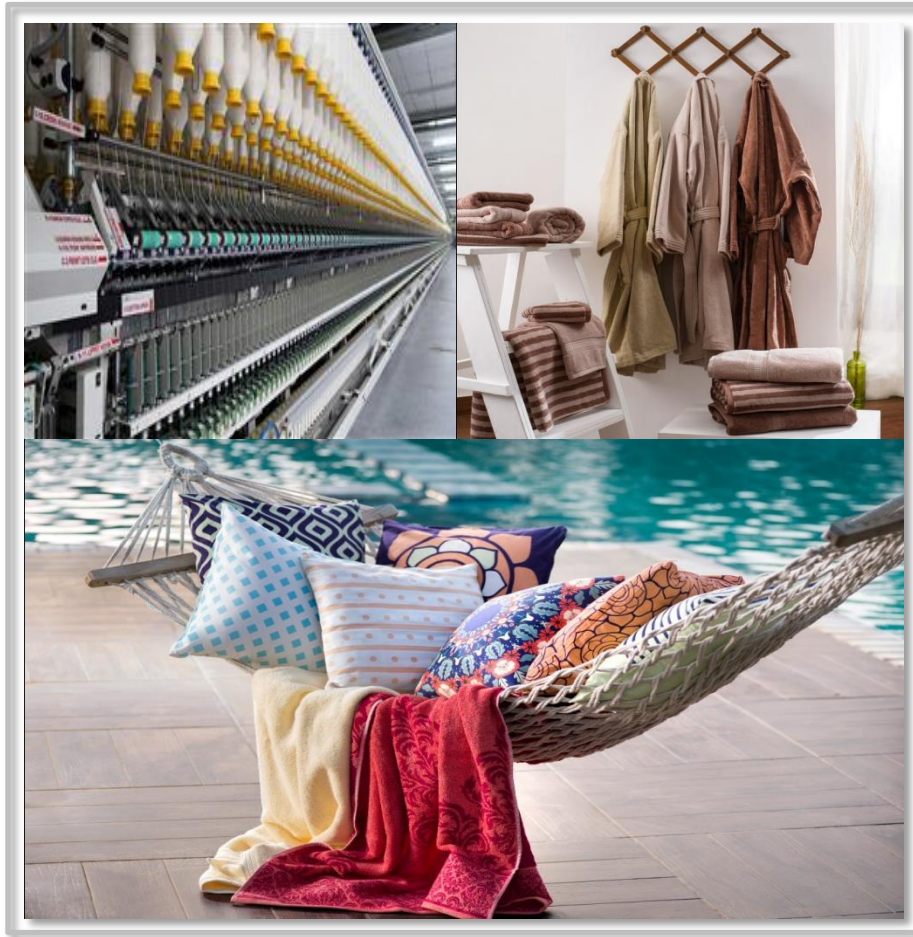
Credit Rating

CRISIL 'A-': Long Term Borrowings
CRISIL 'A2+': Short Term Borrowings
D&B '5A2': Overall Company

Branding Strategy

Aggressive branding strategy to percolate home textile and copier products in premium segment

Capacities



Capacities			
Business	Operations		
Division	Product	Capacity	
Home Textiles	Terry Towels	688 Looms	
	Bed Linen	500 Looms	
	Yarn		5.55 Lac Spindles
			5,504 Rotors
Paper & Chemicals	Dyed Yarn	6,825 TPA	
	Paper	1,75,000 TPA	
Energy	Chemicals	100,000 TPA	
	Captive Power	50 MW	

A photograph of spa amenities including a stack of white towels, a wicker basket with a woven lid, and several wooden aromatherapy diffusers (resembling small spheres on sticks) containing essential oils. The background is a soft-focus green bokeh.

***About Us &
Investor Contacts***

About Us



Trident Limited is the flagship company of Trident Group, a USD 1 billion Indian business conglomerate and a global player. Headquartered in Ludhiana, Punjab, Trident is the largest terry towel and wheat straw based paper manufacturer in the world. With the establishment of the state-of-the-art manufacturing processes and systems coupled with appropriate human capital and credentials, Trident has frequently received accolades from its patrons in recognition for delivering high quality standards and for its customer-centric approach.

The Company operates in two major business segments: Home Textiles Textiles and Paper with its manufacturing facilities located in Punjab and Madhya Pradesh. Trident's customer base spans over more than 100 countries across 6 continents and comprises of global retail brands like Ralph Lauren, JC Penney, IKEA, Target, Wal-Mart, Macy's, Kohl's, Sears, Sam's Club, Burlington, etc. With export turnover accounting for about 50% of total sales of the Company, Trident Group has emerged as one of the world's largest integrated home textile manufacturer.





Awards & Accolades

- 4 Wal-Mart Supplier of the Year awards
- 3 JCPenney - Best Supplier, Innovation, Quality Awards
- 3 Corporate Governance Awards
- 12 Texprocil Export Performance Awards
- 2 IKEA Quality and Sustainability Awards
- 1 National Energy Conservation Awards (NECA)
- 1 Niryat Shree – FIEO Awards
- 1 Punjab Safety Awards
- 1 D&B – ECGC: Exporter’s Excellence Awards
 - Best Diversified Exporter (Runner-Up)
 - Best Rural Exporter (Runner-Up)





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

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