



Trident Limited

Home Textile | Paper

EARNINGS PRESENTATION

Q1FY23

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INDUSTRY OVERVIEW

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OPERATIONAL OVERVIEW**

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**COMMITTED TO ESG &
WOMEN EMPOWERMENT**

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WAY FORWARD

COMPANY OVERVIEW



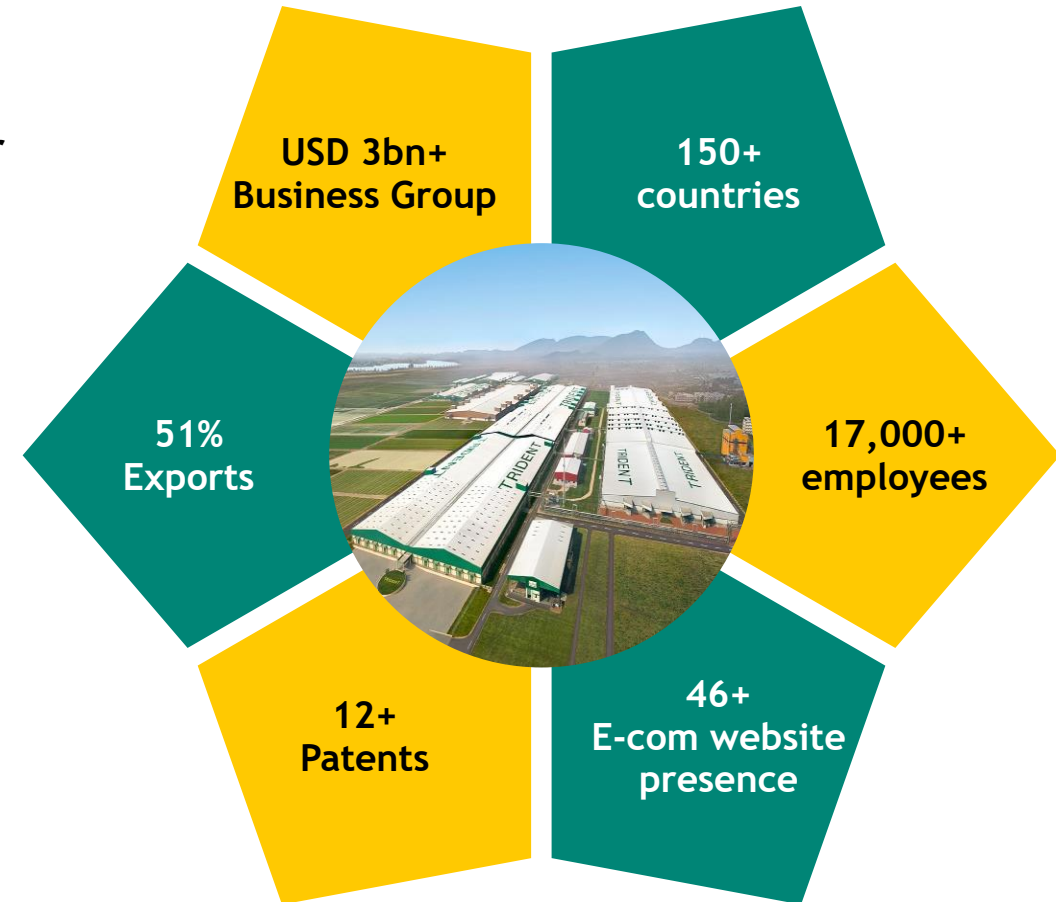
A | Leading Integrated home textile manufacturers with 30+ year track record

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

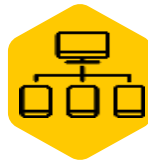




Started as a Commodity Player

- ✓ 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

2010-2020



Value Addition & Consolidation Phase

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



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



Total Income
Rs 16,717 Mn



EBITDA Margin
15.48%

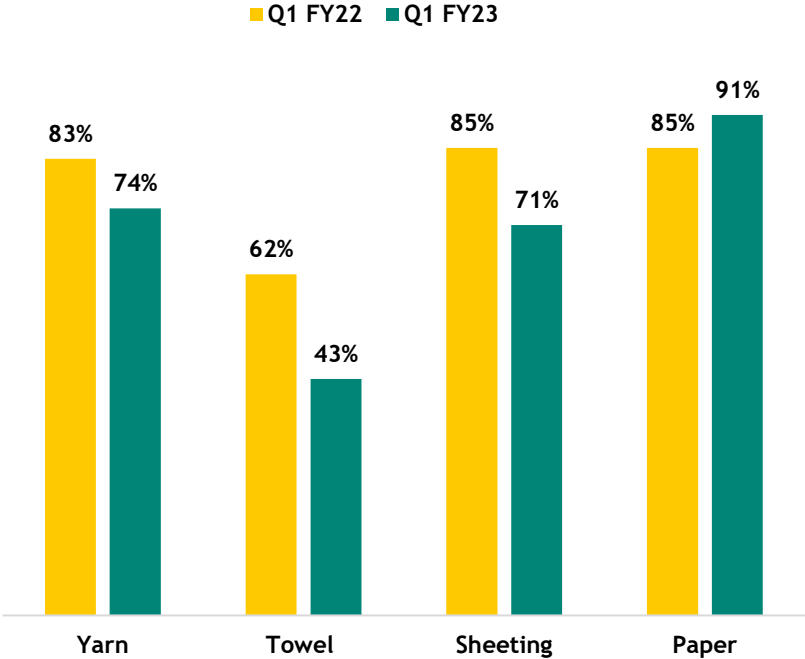


PBT Margin
9.86%

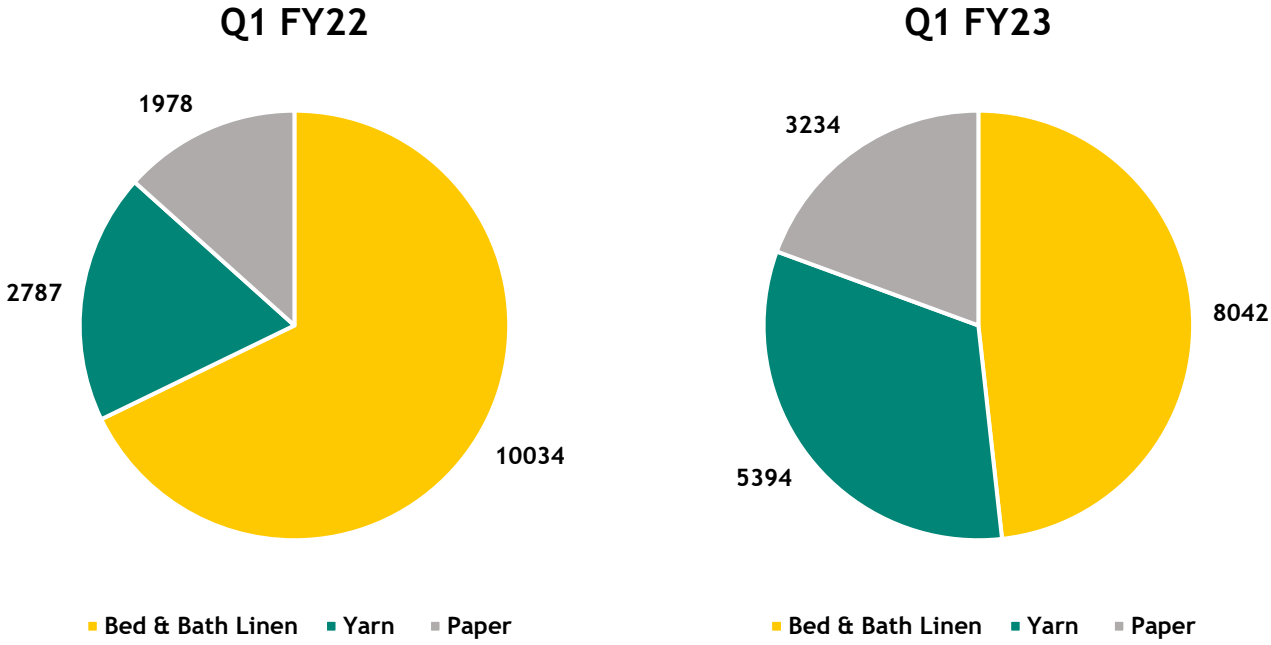


Dividend
36%

Capacity Utilization



Revenue Segment



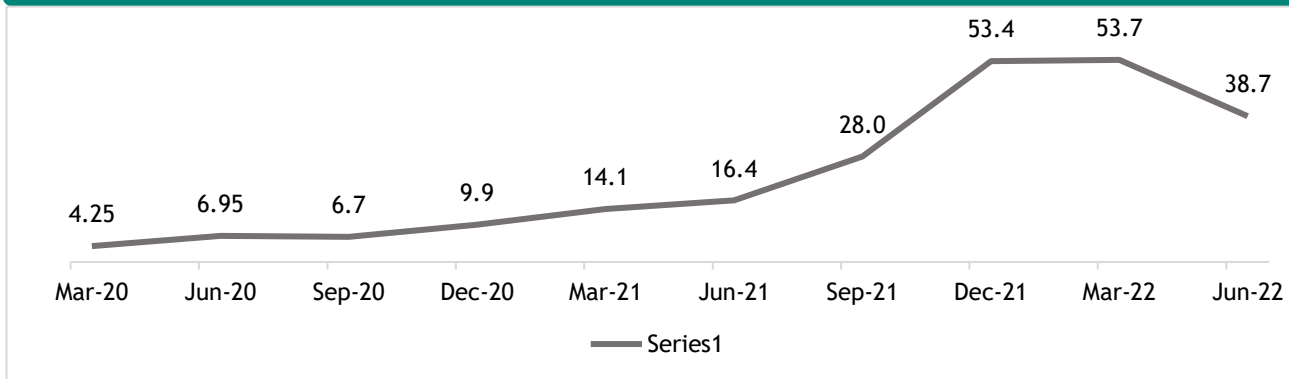
Figures in INR Millions (Mn)

Shareholding and Dividend Payout

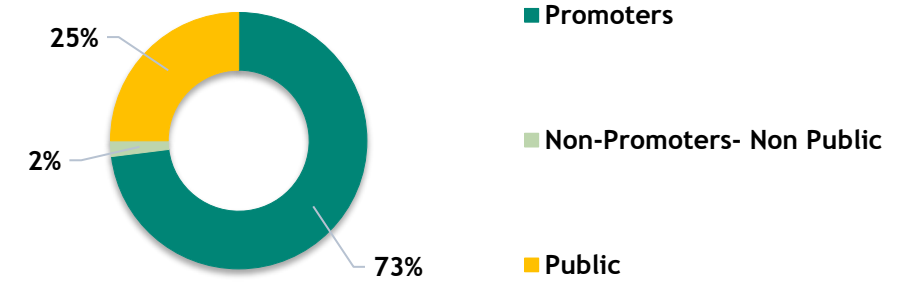
Key Market Statistics (09th August 2022) (INR)

BSE Ticker	521064
NSE Ticker	Trident
Bloomberg code	TRID:IN
Reuters	TRIE.NS
Market Price	39.75
Market Cap (in million)	202,566
Outstanding shares (in million)	5096
Face value per share	1
52 week low/high	19.0/70.9

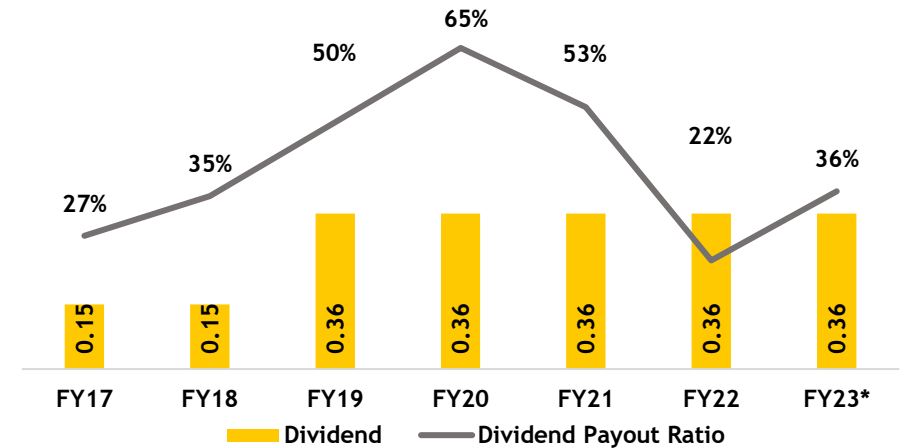
Stock price movement



Shareholding Pattern (30th June 2022)



Dividend



DPR for FY23* is annualized in nature

Competitive cost of production



- Competitive labor, power and raw material cost
- Access to advanced technology under textile upgradation fund

Textiles: A dominant industry



- Employs 45 million people across the value chain
- Strong government support to industry

Favorable Government Policies



- Focus on 'Make in India'
- Export enhancement
- Scheme of setup of Mega Textile Parks

Cotton quality and availability



- Largest producer of cotton
- Surplus available for export

India geography of choice for Home Textiles

Backward Integration with yarn

- Lower variance in profitability
- Hedge against raw material price fluctuations
- Maintenance of high-quality standards
- Traceability of origin
- Consistent delivery of products



Qualified and skilled manpower

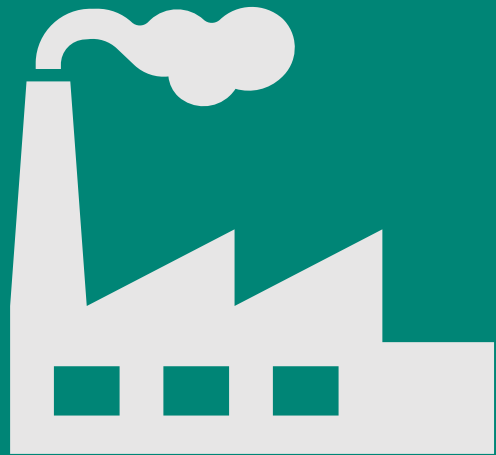


- Large, young and talented workforce
- Competitive though increasing cost of labor

Global friendly environment



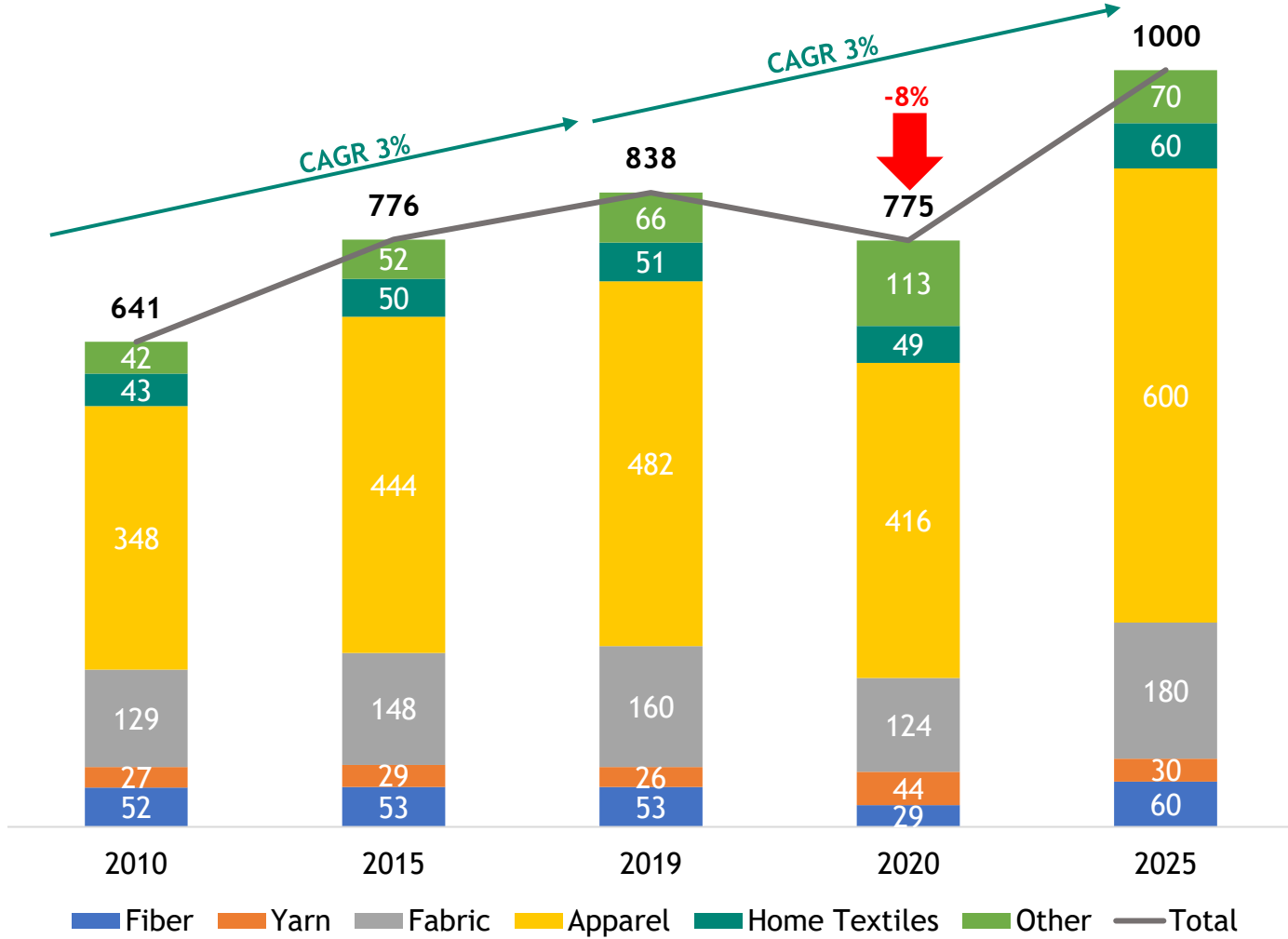
- Stable democracy and comfort with global languages
- Evolving practices in line with MNCs



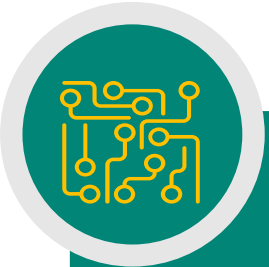
INDUSTRY OVERVIEW

In 2020, the global textile and apparel trade was US\$ 775 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.

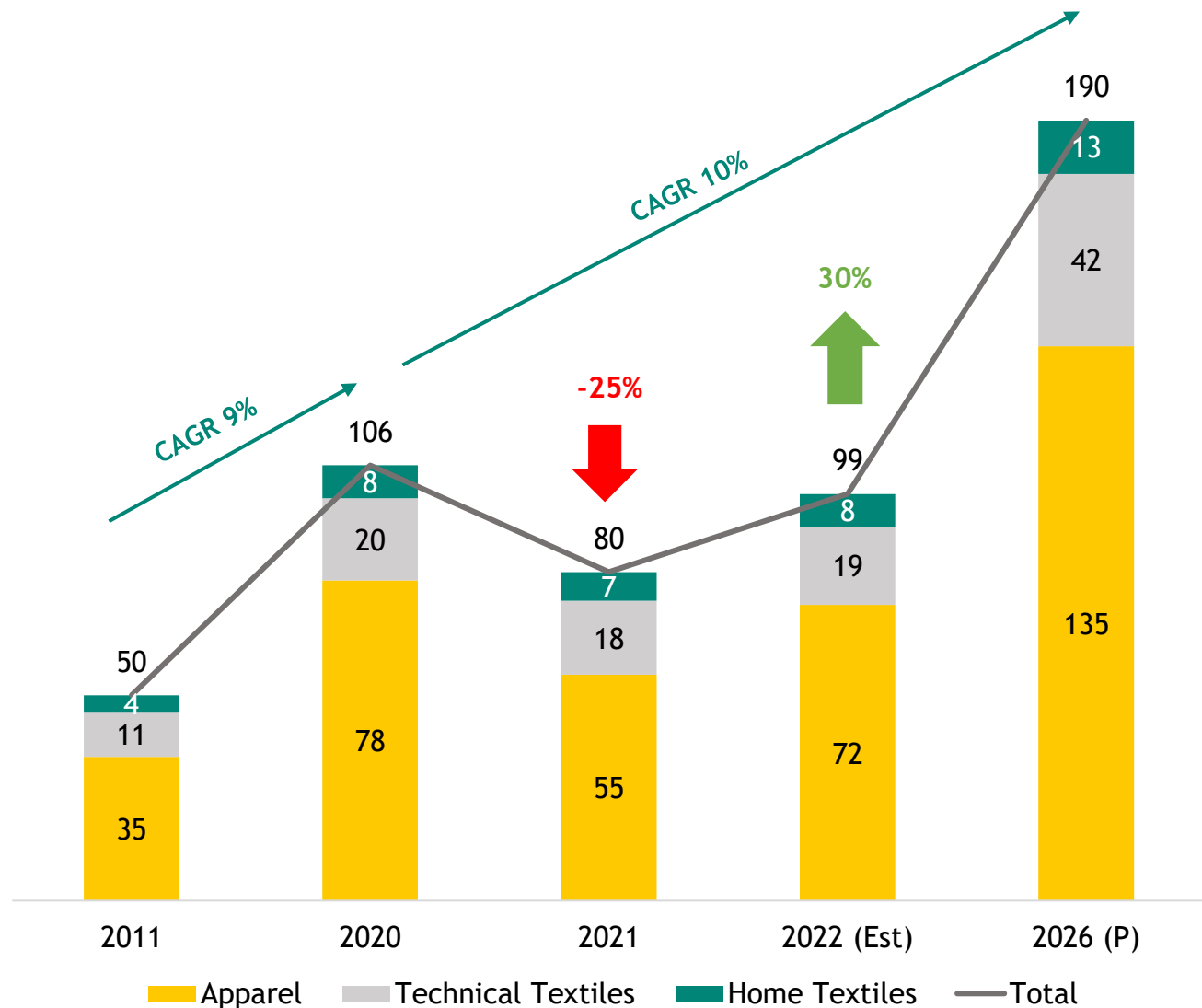


Data Source: UN Comtrade and Wazir Analysis



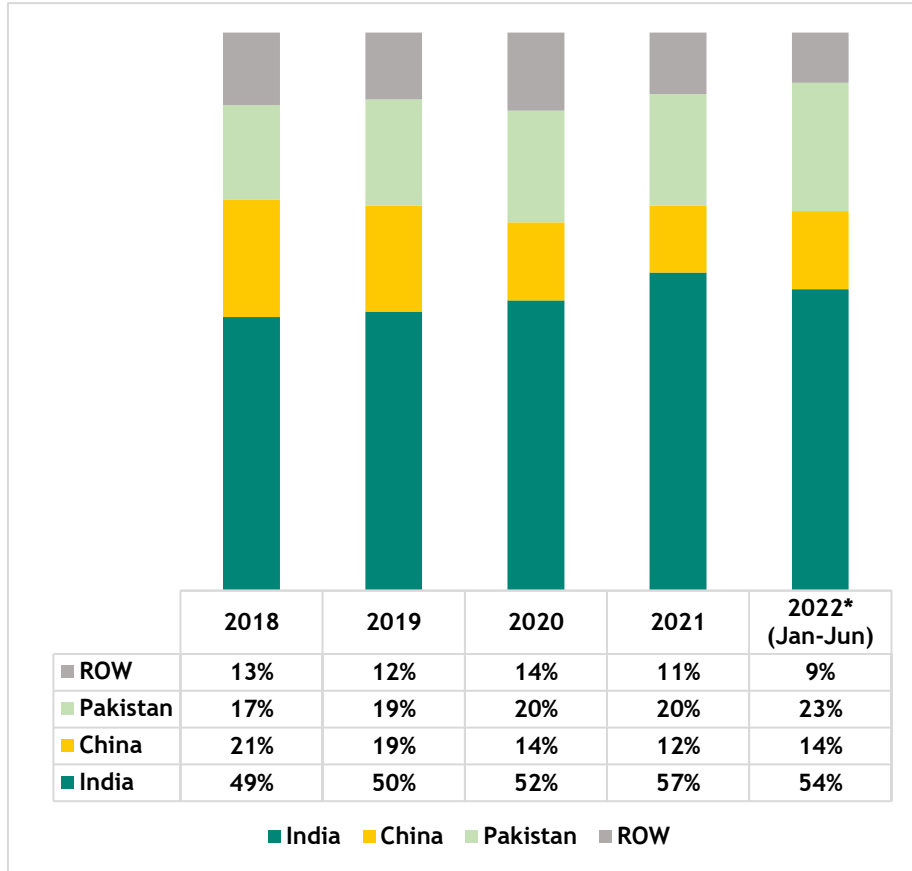
India's domestic textile & apparel market is estimated to be US\$ 99 bn. in 2021-22 which has recovered 30% from 2020-21.

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

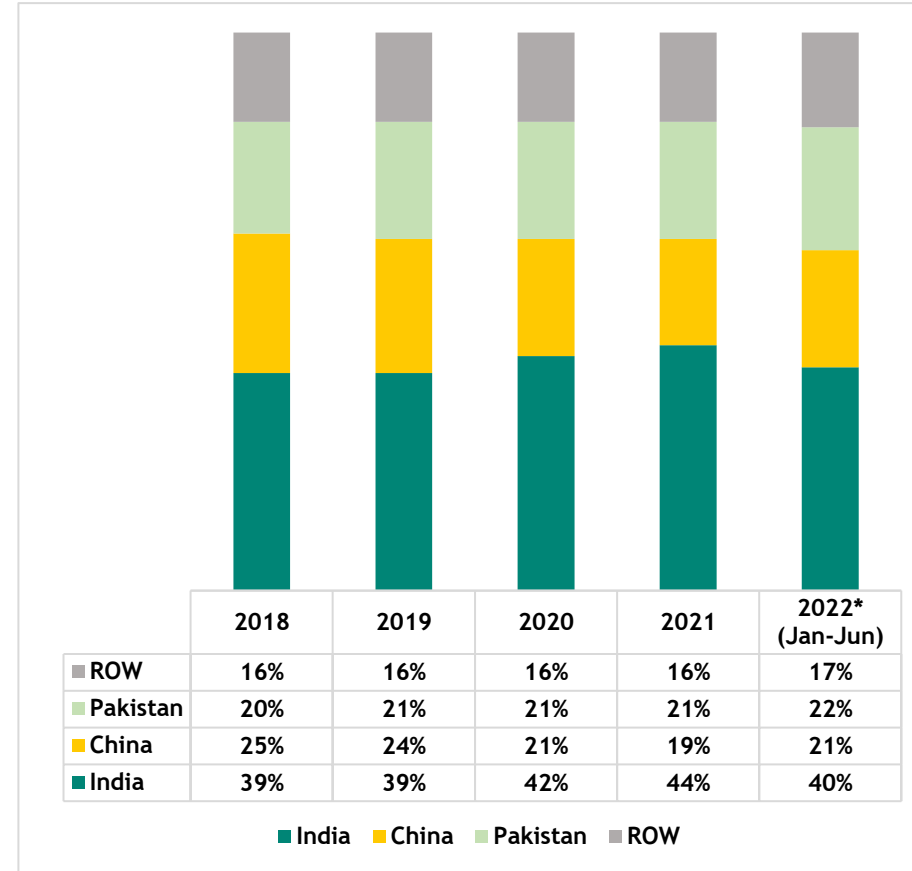


Data Source: Wazir Analysis

US Imports of Cotton Sheets



US Imports of Terry Towels



Source: OTEXA, US Imports

QUARTERLY & OPERATIONAL HIGHLIGHTS

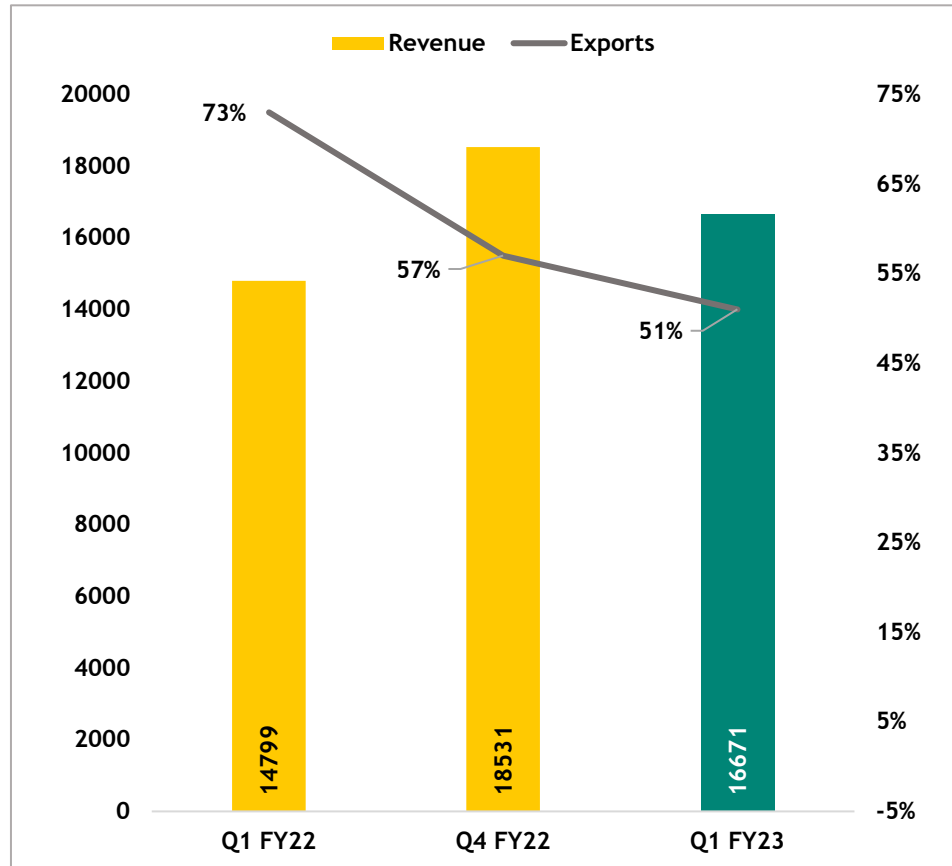


Particulars	Q1FY23	Q1FY22	Y-o-Y Change	Q4 FY22	Q-o-Q Change
Total Income	16,717	14,799	13.0%	18,531	(9.8)%
EBITDA	2,588	3,825	(32.3)%	3,335	(22.4)%
Depreciation	760	874	(13.0)%	810	(6.2)%
Finance Cost	180	250	(27.8)%	185	(2.5)%
PBT	1,648	2,700	(39.0)%	2,341	(29.6)%
PAT	1,238	2,035	(39.2)%	1,735	(28.6)%
Cash Profit	1,998	2,909	(31.3)%	2,545	(21.5)%
EPS	0.25	0.41	(39.0)%	0.35	(28.6)%

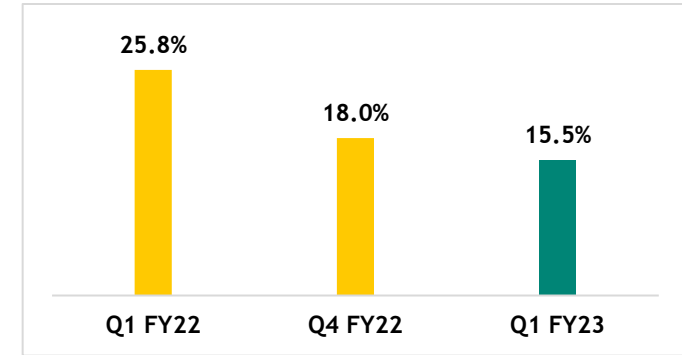
Figures in INR Millions (Mn) except EPS

Quarterly Margins (P&L)

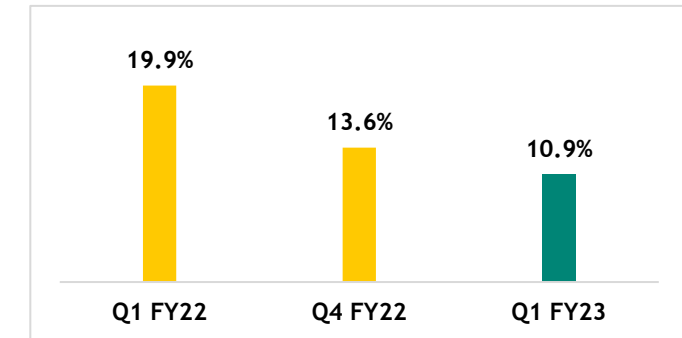
Exports as of Revenue



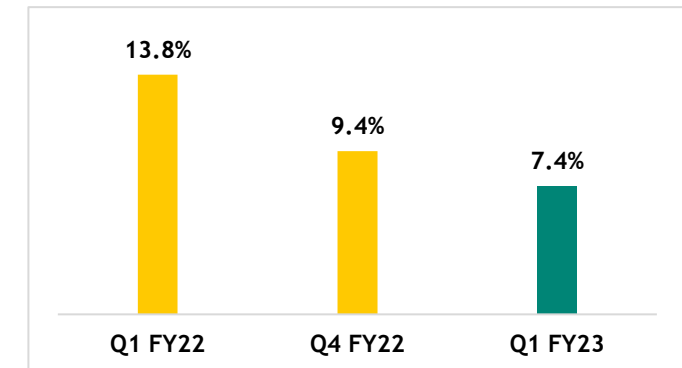
EBITDA MARGIN



EBIT MARGIN

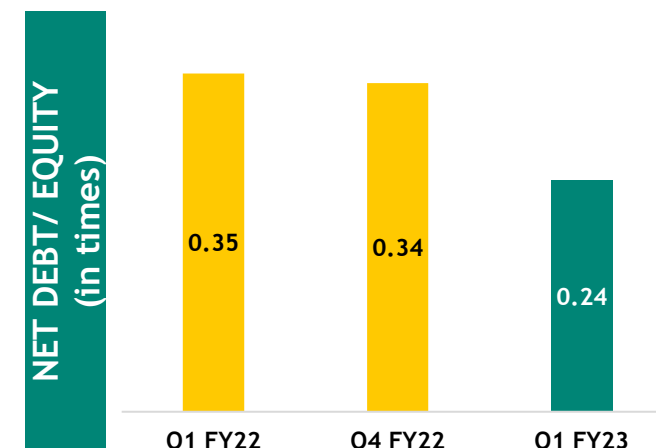


PAT MARGIN

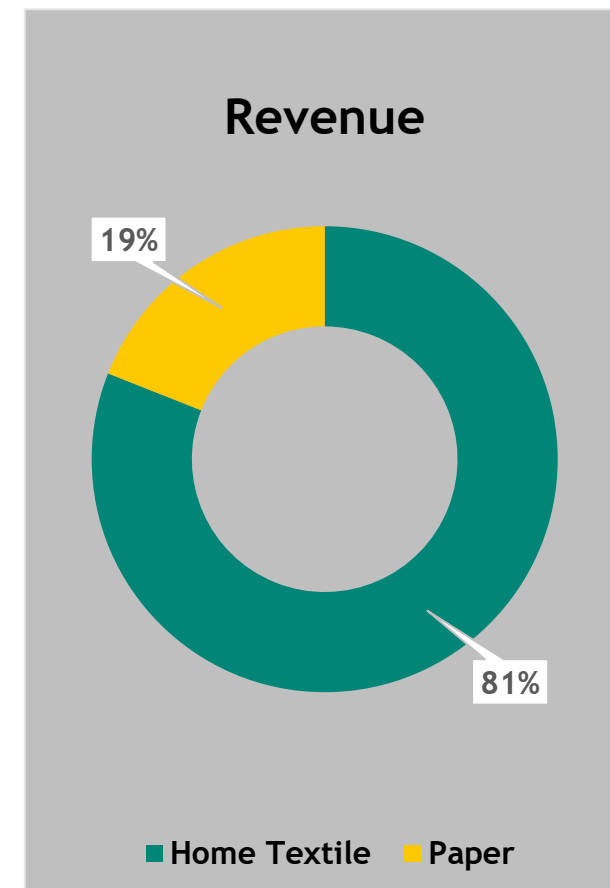


Particulars	Q1 FY23	Q1 FY22	Q4 FY22
Net Worth	39,039	35,122	37,972
Short Term Loans	7,575	10,648	12,134
Long Term Loans	4,189	3,773	3,572
Gross Debt	11,764	14,421	15,706
Cash & Cash Equivalents	2,432	2,102	2,734
Net Debt	9,332	12,319	12,972
Total Assets	62,344	59,439	64,307

Figures in INR Millions (Mn)



Particulars	Q1 FY23	Q1 FY22	Y-o-Y Change	FY22	FY21	Y-o-Y Change
Home Textile						
Revenue	13,436	12,821	4.8%	59,395	38,161	55.60%
EBIT	1,248	2,660	(53.1)%	10,905	3,925	177.90%
EBIT Margin	9.29%	20.75%	(1146) Bps	18.36%	10.29%	808 bps
Paper						
Revenue	3,235	1,950	65.9%	9,804	7,041	39.20%
EBIT	876	593	47.8%	2338	1823	28.20%
EBIT Margin	27.08%	30.40%	(331) bps	23.84%	25.89%	(205) bps



Figures in INR Millions (Mn)

SUMMARY OF FINANCIAL STATEMENTS



Particulars	FY19	FY20	FY21	FY22	Y-o-Y %
Total Income	52,653	47,240	45,353	69,415	53%
EBITDA	10,231	8,653	8,270	15,100	83%
Depreciation	3,639	3,333	3,365	3,326	-1%
EBIT	6,592	5,320	4,905	11,774	140%
Finance cost	1,123	1,108	720	857	19%
Exceptional Items	-	-	-266	-	-100%
Profit before tax	5,469	4,212	4,451	10,917	145%
Tax	1,760	794	994	2,767	178%
Profit after tax	3,709	3,418	3,457	8,150	136%
EPS (Actuals)	0.73	0.67	0.68	1.63	92%
Cash Profit	7,348	6,751	6,822	11,224	68%

Recent performance and growth

- ✓ Total Revenue for the FY22 stood at INR 69415 Mn with sales growth of 53% as compared to FY21 owing to primarily the increase in demand in FY22
- ✓ PAT has increased by 136% Y-o-Y in FY22
- ✓ EBITDA Margin stood at 21.75% in FY22 as compared to 18.23% in FY21.
- ✓ EPS has grown by 92% in FY22 as compared to 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)

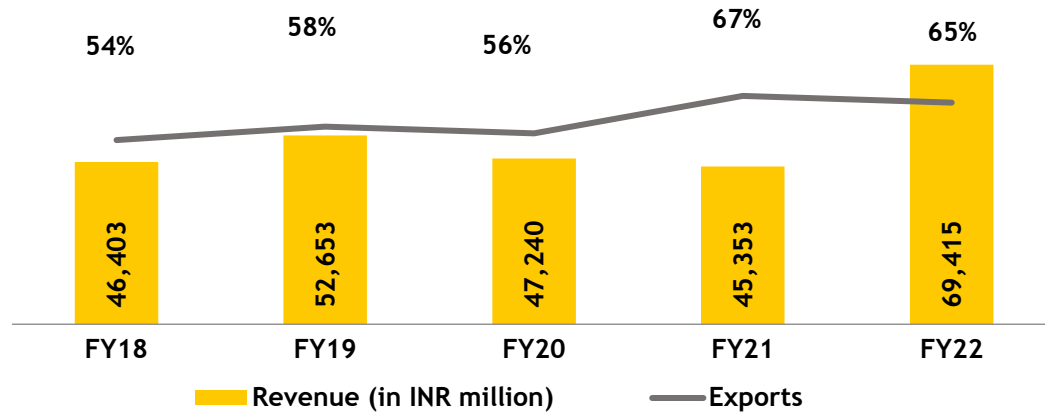
Historical Balance Sheet

Particulars	As at	As at	As at	As at
	March 31, 2019	March 31, 2020	March 31, 2021	March 31, 2022
CAPITAL AND LIABILITIES				
Capital	5,096	5,096	5,096	5,096
Reserves and surplus	24,216	24,573	28,070	32,876
Borrowings	24,358	19,518	15,355	15,706
Deferred tax liabilities	4,083	3,367	3,208	3,039
Other liabilities and provisions	3,279	4,630	5,813	7,590
TOTAL	61,032	57,184	57,542	64,307
ASSETS				
Cash and cash equivalents	95	3,183	984	2,520
Balances with bank	156	190	139	214
Inventory	10,010	9,120	10,083	12,904
Trade receivables	6,620	2,785	4,545	5,285
Property, plant & equipment	36,725	35,734	36,979	36,202
Other assets	7,426	6,172	4,812	7,182
TOTAL	61,032	57,184	57,542	64,307

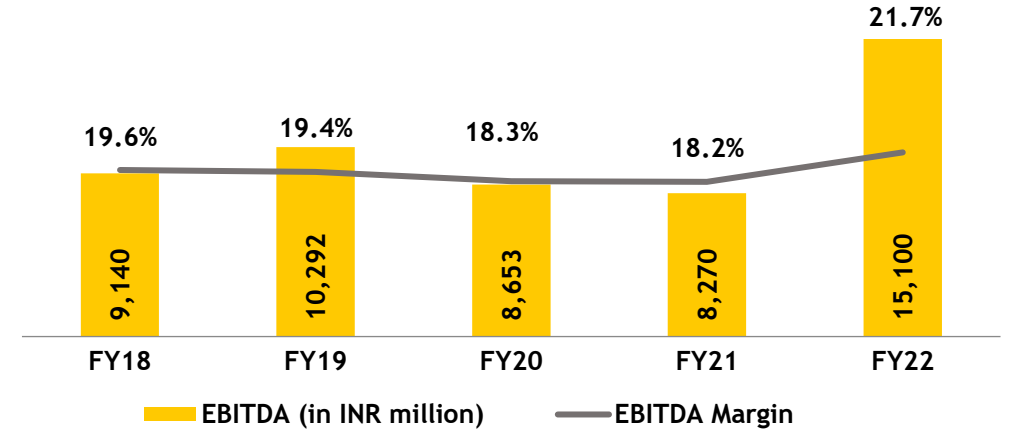
Net Debt reduced by 44.7% in last three years (FY19 to FY22)

Figures in INR Millions (Mn)

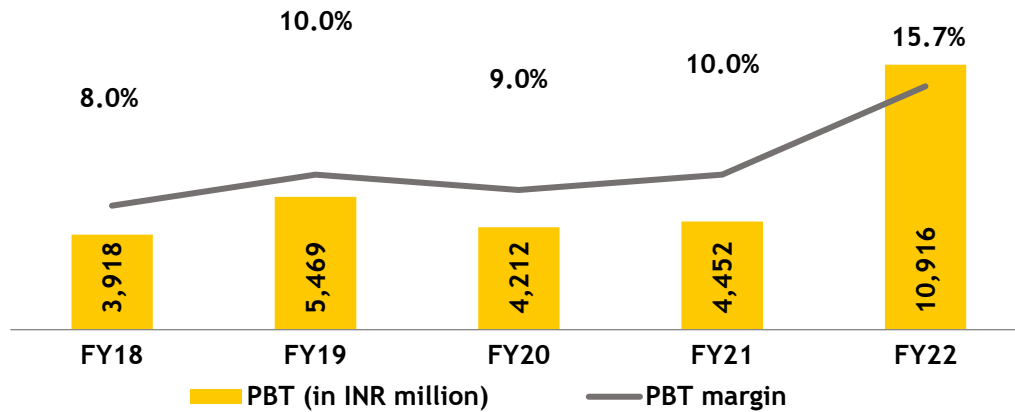
REVENUE



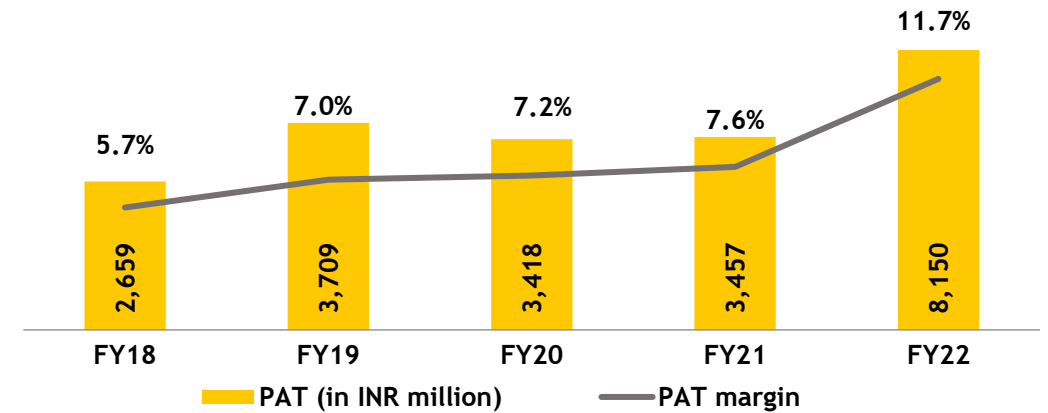
EBITDA



PBT



PAT



Ratios Summary

Type	Parameters	FY20	FY21	FY22
Solvency Ratios	Net Debt/Equity	0.54	0.42	0.34
	Net Debt/EBITDA	1.87	1.72	0.86
	Interest Coverage Ratio	7.81	11.49	17.62
Operational Ratios	Current ratio	1.04	0.99	1.25
	Fixed asset turnover	1.30	1.21	1.89
	Inventory days	70.8	81.4	68.1
	Debtor days	21.6	36.7	27.9
Return Ratios	ROE	11.5%	10.4%	21.5%
	ROCE	10.8%	10.1%	21.9%

Textiles

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

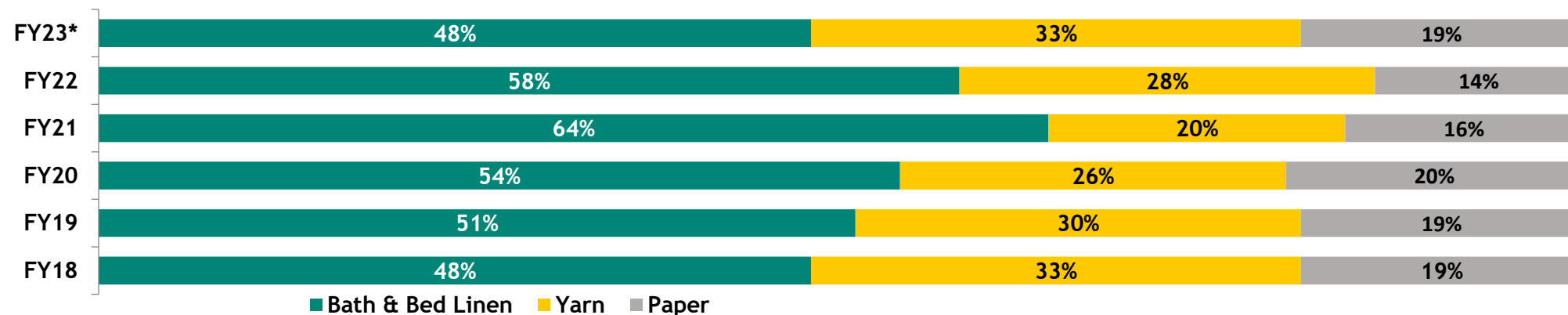


Paper

Highest Operating Margin among Key Listed Players in India



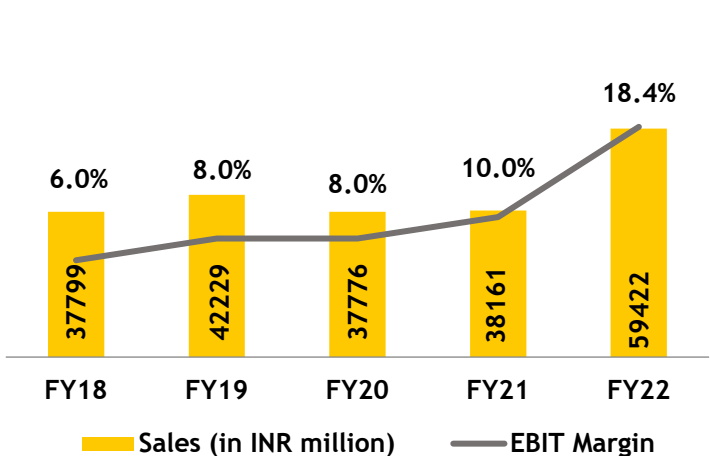
Revenue Split between segments



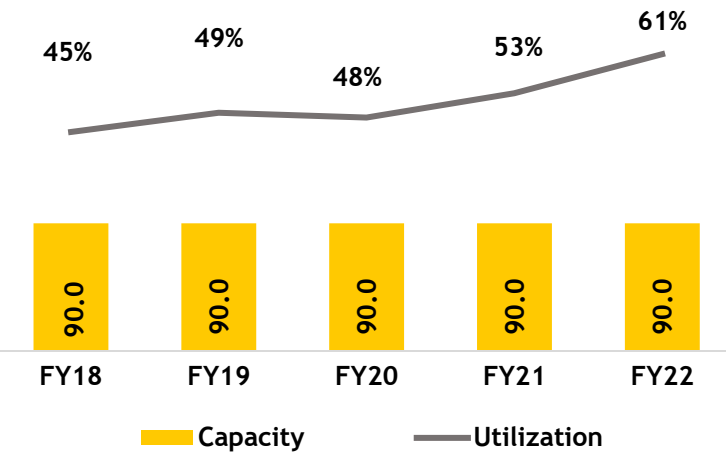
Segmental Performance Annual

Textiles

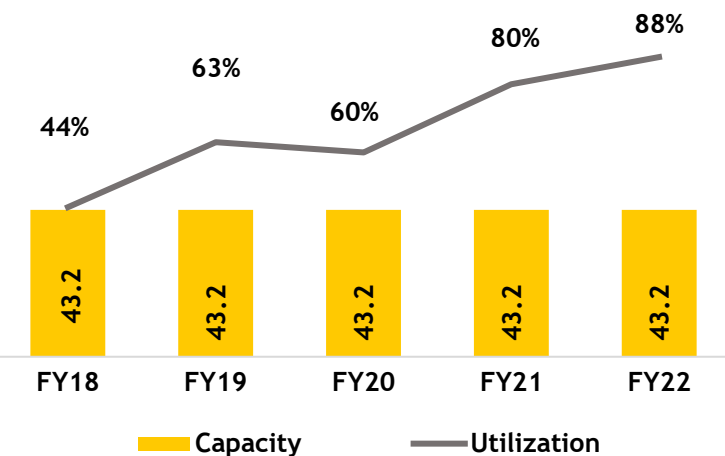
Revenue Mix



Capacity - Towels (in 000' tons)

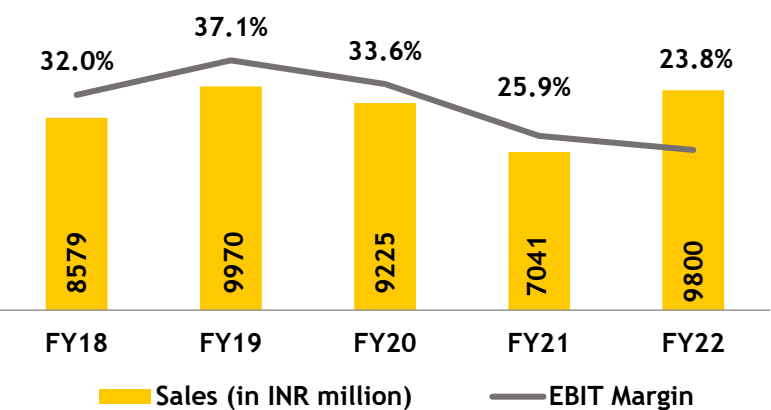


Capacity-Bed Linen (In Mn meters)

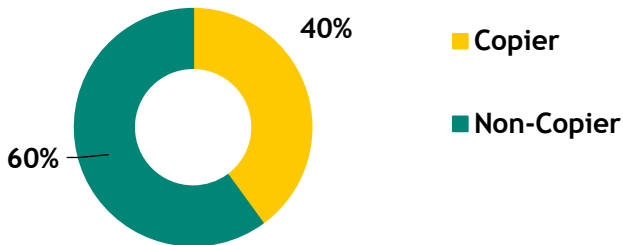


Paper

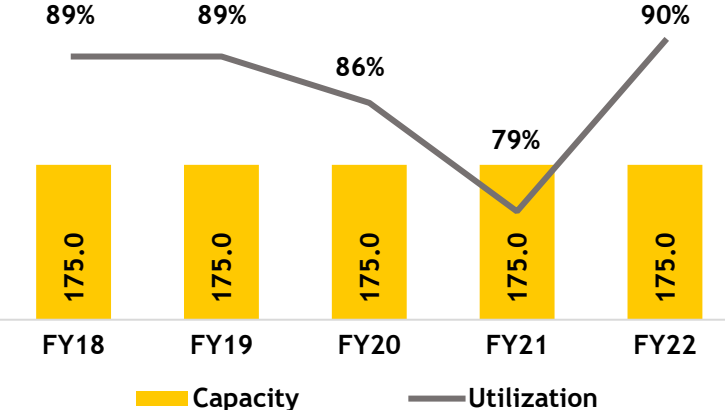
Revenue Mix



Copier vs Non-Copier Revenue Mix



Capacity Utilization (Tonnage Basis)



(FY22)

COMMITTED TO THE ESG & WOMEN EMPOWERMENT



Zero liquid discharge

Around **95% Water Recovery**, **15% less water consumption** than benchmark of **50 meter/cubic per ton**
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

Certified by **Carbon Footprint** for releasing Approx. **58% less emission of Co2/kg** with use of wheat straw paper vs wood pulp.



Water

- Cleaning of **Narmada** river every quarter in order to provide clean water and area to the locals resulting removal of **100 MT waste over period of 3 years.**

Energy

- Current renewable energy consumption is **25%** using solar power plant as of **2022.**
- Aiming to use **50%** renewable energy by **2025.**

Green Belt

- **Over 9 lacs trees** planted to reduce the impact of climate change.
- Endeavoring to take the number of trees planted to **15 lacs trees by 2025**

Trident Foundation's Initiatives towards Society



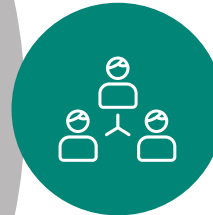
Uplifting the differently abled

- Impacting **10000+** youths through short/long term skill development through Takshashila Academy.
- Sponsored education of 900+ students and supply of books provided to more than **10000** children.



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

- Impacted **11k+** women through health & hygiene initiatives.
- Sewing centers in 5 villages providing handicraft training and impacting **200+** families through our Hastkala initiative.



Promoting healthy lifestyle

- Refuse single use plastic awareness to **5000+** families.
- **Toilets built for 2000+ individuals** to discourage open defecation.
- Provision of drinking water facilities to **18500+** people



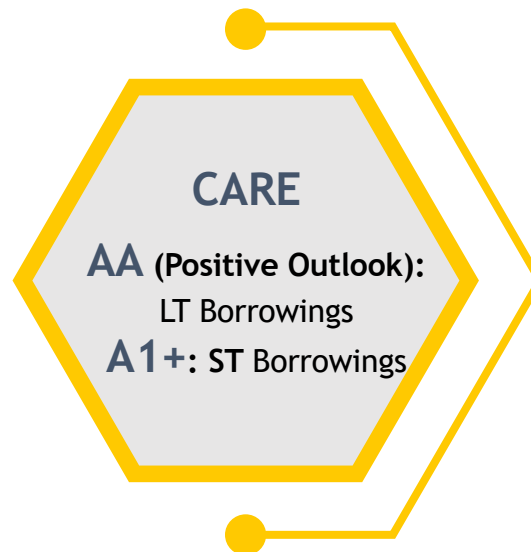
Medical Facilities

- Mega Medical Camps & Mobile dispensaries covering **3 lakh+** members.
- Madhuban Hospital providing affordable healthcare services to **18080+ families.**
- **13070** patients provided with ophthalmologist services.

1 National Award for Excellence in Corporate Governance

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

3 times National Recognition for Good Corporate Governance



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

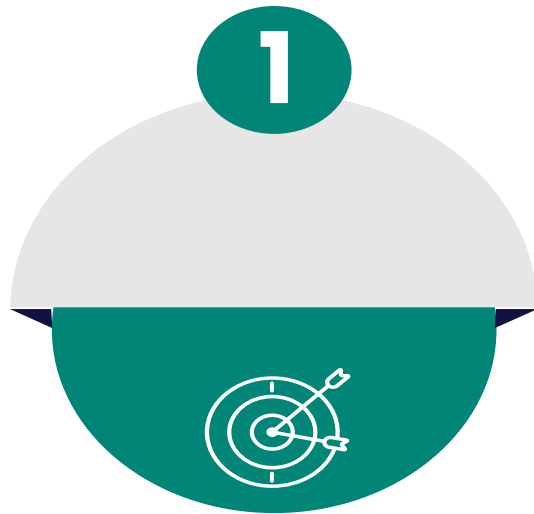
3 Build new businesses
Diversify, build and grow new businesses through organic and inorganic growth

4 Digital & industry 4.0
IOT, Blockchain & Digitalization

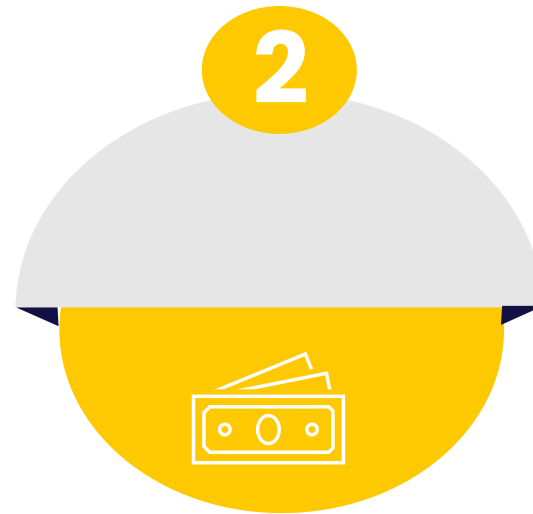
Unlock long term shareholder value

- ✓ 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

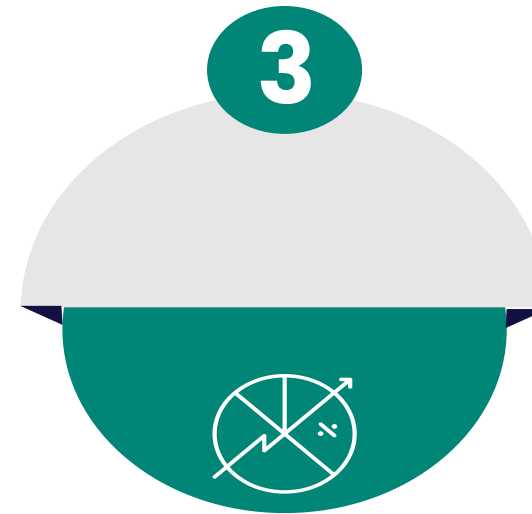
Particulars	Yarn	Sheeting	Co-Gen
Existing Capacity	Spindles- 5.89 Lacs; Rotors- 7,464 and Air Jet - 160	1.2 Lacs Mtrs/day	49.4 MW
Existing Capacity Utilization (Approx.)	90%	83%	71%
Proposed Capacity Addition	Spindles- 98,496 & Rotors-3600	70,000 Mtrs/day	16.3 MW



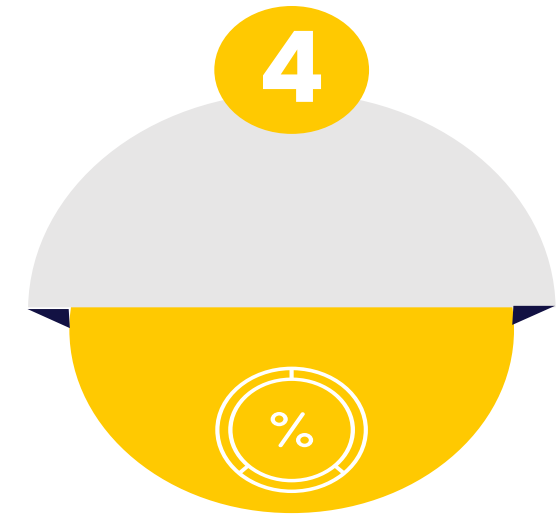
The total cost of addition of all these capacities will be INR 1377 Crores and will be completed by September 2023.



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



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



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



**THANK
YOU**

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GET IN TOUCH

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