



# Trident Limited

Corporate Presentation - Feb 2018

**TRIDENT**™  
HOME | DECOR | DESIGN  
The World's Finest



# Safe Harbour

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# Overview

## Textiles

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

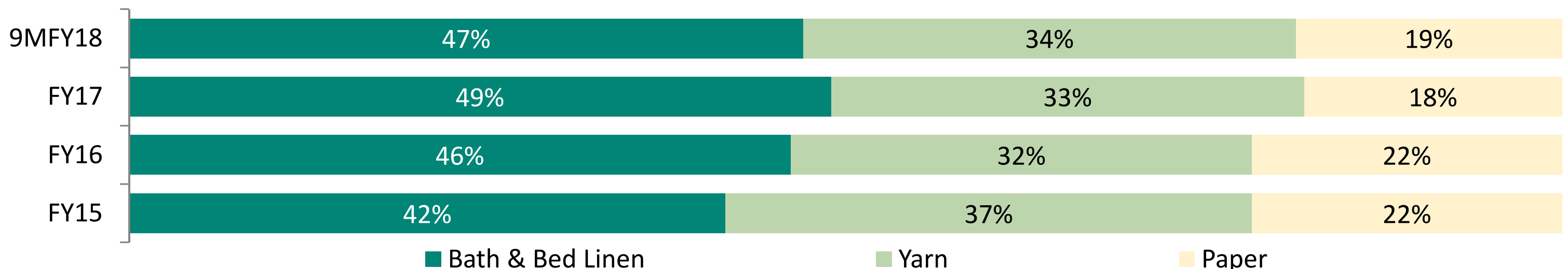


## Paper

Highest Operating Margin among Key Listed Players in India



### Revenue Split between segments



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

# Snapshot

## Key Market Statistics

2-Feb-2018

BSE Ticker	521064
NSE Ticker	Trident
Bloomberg Code	TRID:IN
Reuters	TRIE.NS
Market Price (Rs)	73.45
Market Cap (INR Crore / USD Mn)	3743 / 584
Number of Outstanding Shares (Crore)	50.96
Face Value	Rs. 10 per share
52-week High / Low (Rs.)	109.50 / 59.75

## Shareholding Pattern – 31<sup>st</sup> Dec, 2017

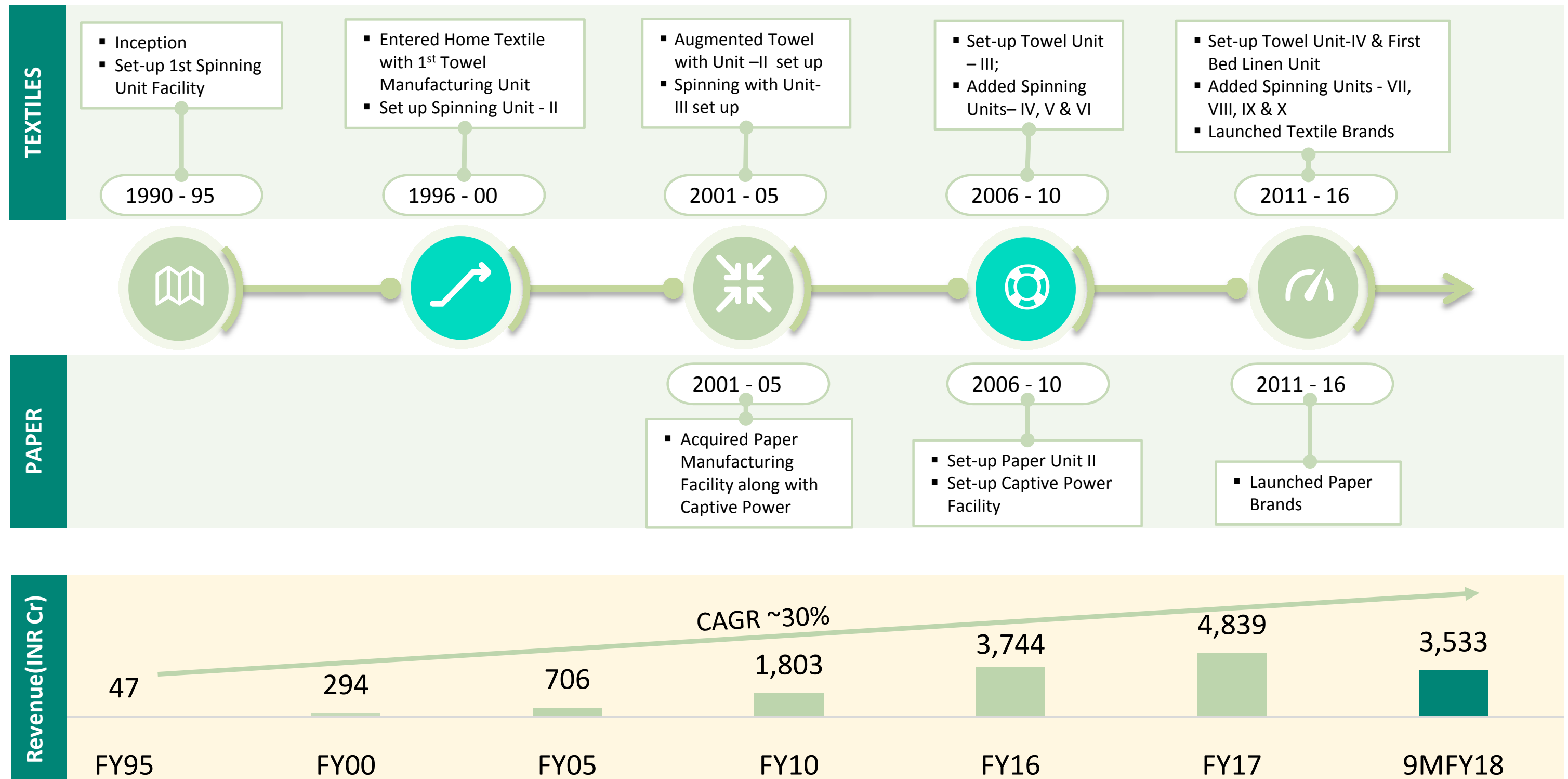
Category of Shareholder	Shareholding %
Promoters	67.8%
Institutions	3.9%
Public	28.3%

## 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



# Evolution

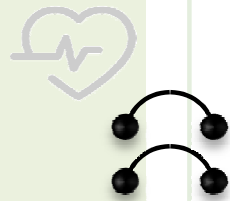


**Transformed from a Pure Play Yarn Player to an Integrated Textiles and Paper Manufacturer**

# CSR Initiatives

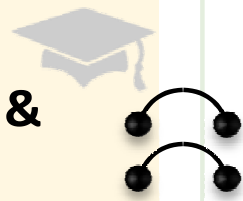


## Health



Free medical consultation, tests & medicines; Free eye surgeries; Mobile dispensary for free primary health care

## Education & Welfare



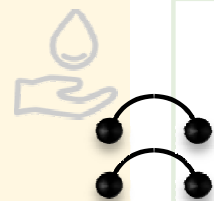
Saakshar - Adult education; IL&FS partnership; Students received free note books across schools; Flour sacks, pre owned belongings distributed across villages

## Women Empowerment



Supporting sole earning women; 50+ women in leadership; Providing Training to 200+ women making marketable crafts products

## Water & Energy Conservation



Contribution towards **Nirmal Narmada Project & Swachh Bharat**; Received numerous awards in Energy Conservation



**Best Performer in Energy Saving** by Bureau of Energy Efficiency, Govt. of India

**PHD Chamber Award** for Outstanding Contribution to Social Welfare for 2016

Energy Conservation Award 2015-2016 received from **IPMA & Ministry of Power**

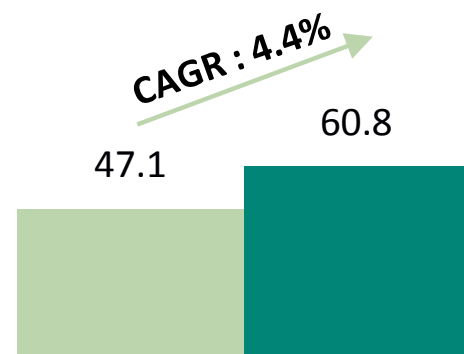
**National Award** for Excellence in Energy Management from **CII**

**Excellence in Water Management 2016** from **CII**



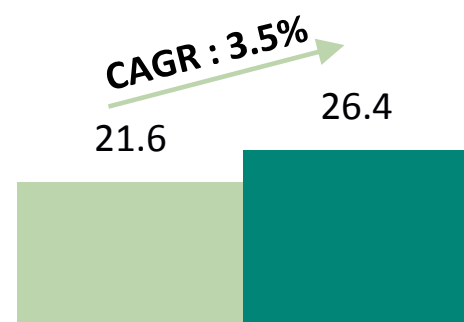
# Global Home Textile Industry

Home Textile represents nearly 1/3rd of the global textiles & apparel industry. It is expected to touch \$ 131 billion dollars by 2020 at a growth of more than 3.5%.



## Bed Line & Bed Spread

■ 2014 ■ 2020E



## Bath & Toilet / Linen

■ 2014 ■ 2020E

- Bed Linen & Bed Spread is the largest application segment of the home textiles representing 44.2% in 2015. This segment is expected to grow at a highest CAGR of 4.4 % to reach \$60 billion by 2020.

- Bed and Bath linen together constitutes around 65% of the total market of Home Textile.

- Bed and Bath Linen are expected to reach \$87 billion by 2020 with growth of more than 4.1 %.

Source : Fibre2Fashion

**Significant Growth Opportunities available Globally – For Indian Home Textile Manufacturers**

# Home Textile Industry – Global Demand

## United States

US Home textiles industry is amongst the largest home textiles industry in the world. It accounted for nearly 21.1 % of the global market share in the year 2015.

US home textiles market is estimated to be around \$23 billion in 2015 and is expected to grow at CAGR of 3.0% to reach \$27 billion by 2020.

## Europe

Europe is the 2nd largest home textiles market after Asia Pacific representing 26.8% of the market share worth \$29 billion in the year 2015.

Bed linen accounted for 32% of the market share. Europe Bed and Bath Linen segment is expected to grow at CAGR of 1.7% to reach \$17 billion by 2020.

## Asia Pacific

Asia Pacific being home to approximately 60.0% of the global populations and dominant production of home textiles product region is also leader in the consumption of home textiles products.

The region accounted for roughly 44% of the market share in 2015 worth \$48 billion.

## China

China is the largest manufacturer and consumer of the home textiles market. It accounted for nearly 27% of the global market share in 2015 worth \$30 billion.

Demand for home textiles products in the Chinese market is primarily driven by increasing middle class spending on these products in the nation.

Source : Fibre2Fashion

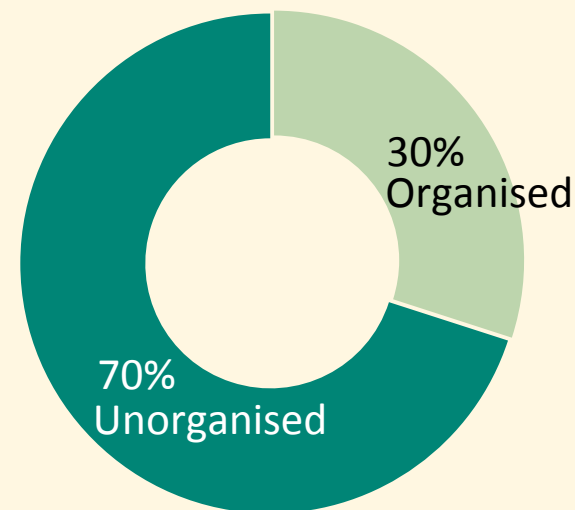


# Indian Home Textile Industry

## Home Textile – Demand in India

- India represents 3rd largest market share in Asia Pacific home textiles market in the region.
- Home textiles spending in the nation is estimated to be around \$4 billion in 2015 and is expected to grow fastest in the world at a CAGR of 7.2% between 2015 and 2020 to reach \$5.6 billion by 2020.
- Favorable demographics, increasing disposable income, rapid urbanization and housing boom are assumed to drive the demand for the home textiles products in the Indian textiles market place in the near future.

### Indian Home Textile Market



## Home Textile – Indian Export to US

### Market share for US imports of cotton sheets (Yearly)

	2005 - 2013	2014	2015	2016	YTD Nov' 17
India	31%	47%	48%	49%	50%
China	28%	23%	23%	22%	20%
Pakistan	23%	17%	17%	16%	16%
ROW	18%	13%	12%	13%	14%

### Market share for US imports of terry towels (Yearly)

	2005 - 2013	2014	2015	2016	YTD Nov' 17
India	31%	37%	38%	40%	39%
China	23%	26%	25%	23%	24%
Pakistan	21%	22%	22%	22%	21%
ROW	25%	15%	15%	15%	16%

### Market share for US imports of cotton made up (Yearly)

	2005 - 2013	2014	2015	2016	YTD Nov' 17
India	22%	29%	31%	33%	34%
China	43%	39%	38%	36%	36%
Pakistan	18%	18%	18%	18%	17%
ROW	17%	14%	13%	13%	13%

Source: Otexa, Fibre2Fashion, Company Estimates

## Significant Growth Opportunities – For Organised Indian Textile Manufacturers

# Advantage India

## Competitive Cost of Production

Competitive Labour, 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



## Favourable Government Policies

Focus on 'Make In India' and  
Export Enhancement



## INDIA Geography of Choice for Home Textiles



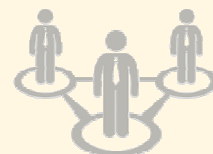
## Cotton Quality & Availability

Largest producer of cotton and  
still growing; Surplus available  
for export



## Qualified & Skilled Manpower

Large, young and talented workforce at a  
competitive though increasing cost



## Global Friendly Environment

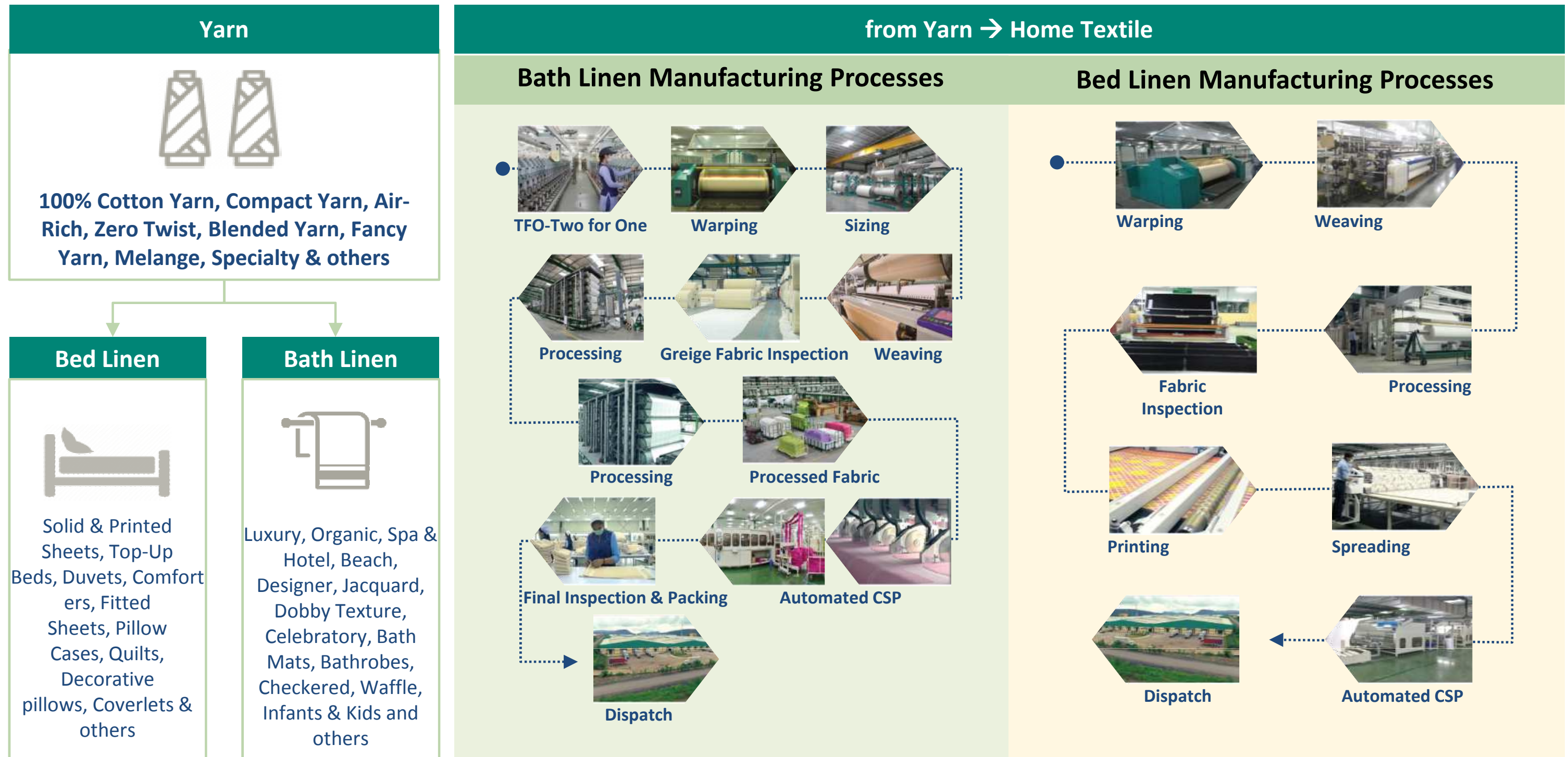
Stable democracy; comfort with global languages;  
Evolving practices in line with MNCs



# Why Trident

Infrastructure	Clientele	De-risking	Design	Marketing
<p><b>Largest Capacity &amp; World Class Technology</b></p> <ul style="list-style-type: none"> <li>▪ Integrated business model with large manufacturing capacities resulting in operating and cost efficiencies. Each facility is fitted with latest equipment and state-of-the-art technology</li> </ul>	<p><b>Client Relationship</b></p> <ul style="list-style-type: none"> <li>▪ Longstanding relationships with large and diversified customer base located in India and across many international markets</li> </ul>	<p><b>Risk Management</b></p> <ul style="list-style-type: none"> <li>▪ Sufficient portion of forex exposure is hedged to mitigate any adverse currency movement</li> <li>▪ More than two decades relationships with vendors to ensure availability of quality cotton.</li> <li>▪ Widespread presence across several geographies, diversify risks and reduces overall dependency</li> </ul>	<p><b>Strong Product Design</b></p> <ul style="list-style-type: none"> <li>▪ Focus on increasing the functionality of our bed and bath products through innovative manufacturing processes</li> </ul>	<p><b>Market Intelligence</b></p> <ul style="list-style-type: none"> <li>▪ Design studios and showrooms in the United States and the United Kingdom to showcase our products and engage closely with customer procurement teams for real time market updates</li> </ul>

# Integrated Home Textile Manufacturer

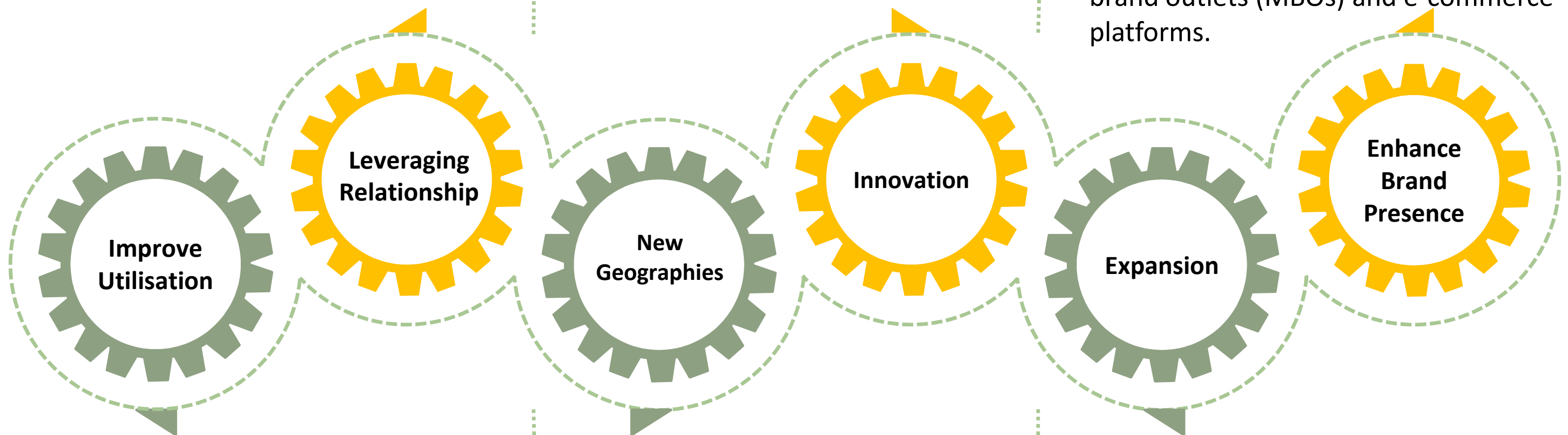


# Strategy

- Leverage existing customer relationship to further expand our Bed Linen business

- Continue to focus on innovation and developing value added products.

- Further strengthen our brand and market share in the growing retail textile business in India.
- Improve brand presence through multi brand outlets (MBOs) and e-commerce platforms.



- Optimize capacity utilisation levels and continue to improve operational efficiencies

- Consolidate our market position and target new markets to diversify customer base geographically to further expand our Bath & Bed Linen business

- Expand our business through organic growth and strategic inorganic opportunities.

**Our Mission is to Emerge as a Trusted Partner to the Top Global Retailers & Fashion Houses**

# Focus on Innovation and Value Added Products



- Super Soft
- Moisture Wicking
- Breathable
- Luxury Sleep Comfort



- Superior Cotton Yarn
- Feather Soft Sheet
- Enhanced Lustre & Vibrant Shades
- Everlasting Touch
- Superior Softness





- All Season Sheet
- Superior Softness
- Breathable
- Moisture Wicking
- Dry Comfort



- Durable Compact Yarn
- Quick Dry
- Super Soft
- Moisture Management
- Breathable





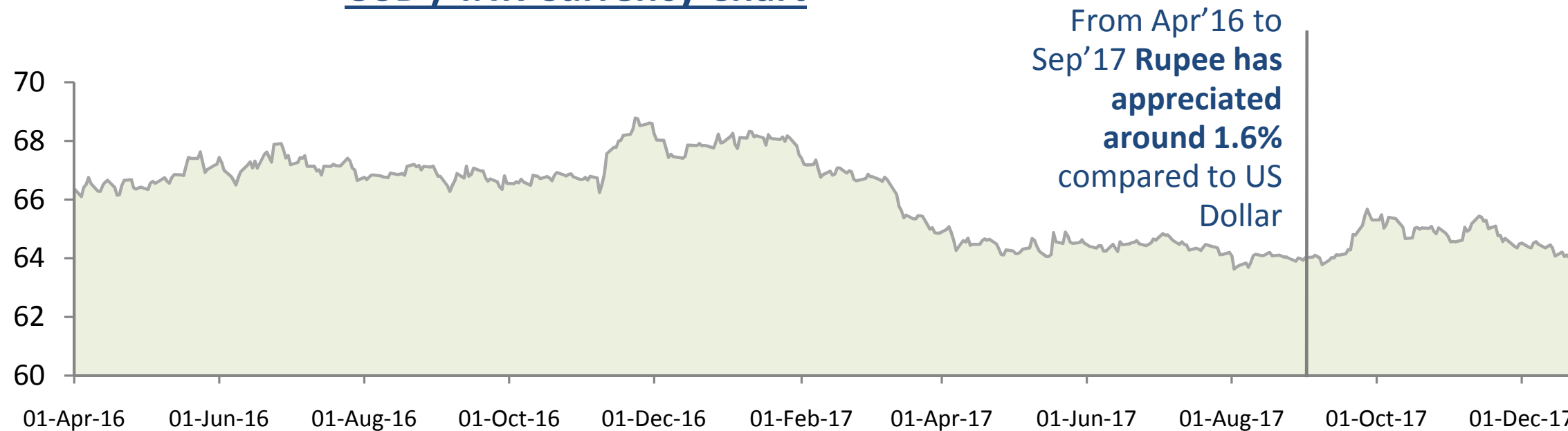
- Bio Softness
- Renewable
- Reduced Carbon Foot Print
- Natural Finish



Continuous Research on Fashion & High Value Products to Improve Contribution

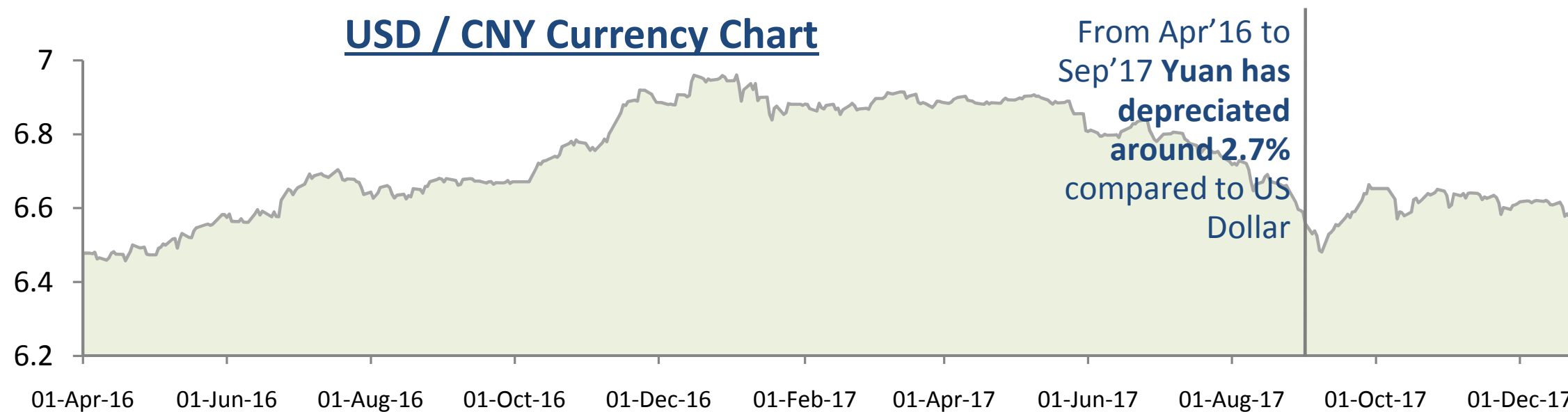
# Market Updates

## USD / INR Currency Chart



From Sep'17 to Dec'17 Rupee has appreciated around 2.3% compared to US Dollar

## USD / CNY Currency Chart

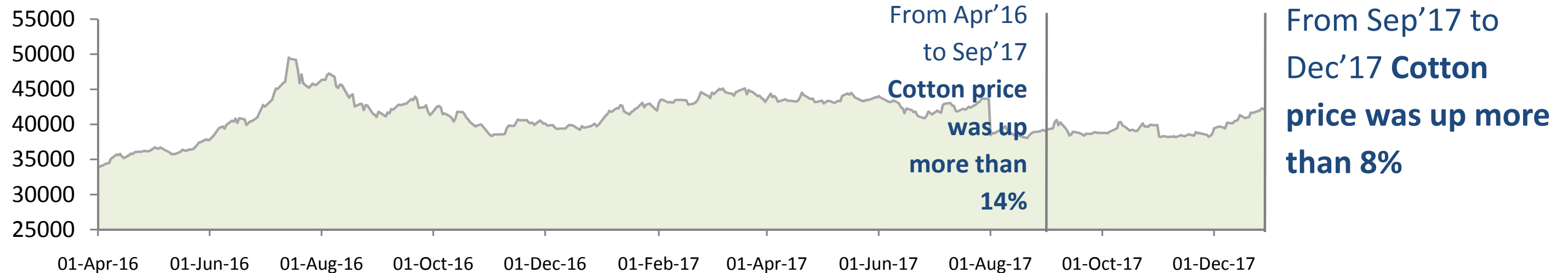


From Sep'17 to Dec'17 Yuan has appreciated around 2.2% compared to US Dollar

Source : investing.com

# Market Updates

## Cotton Prices (INR / Candy)



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

Source : investing.com

### Increased Incentives to support Home Textile Exports:

#### ROSL

Government has increased the ROSL rates on cotton made-ups by 70 basis points effective 1st October 2017 to 2.2%.

#### MEIS

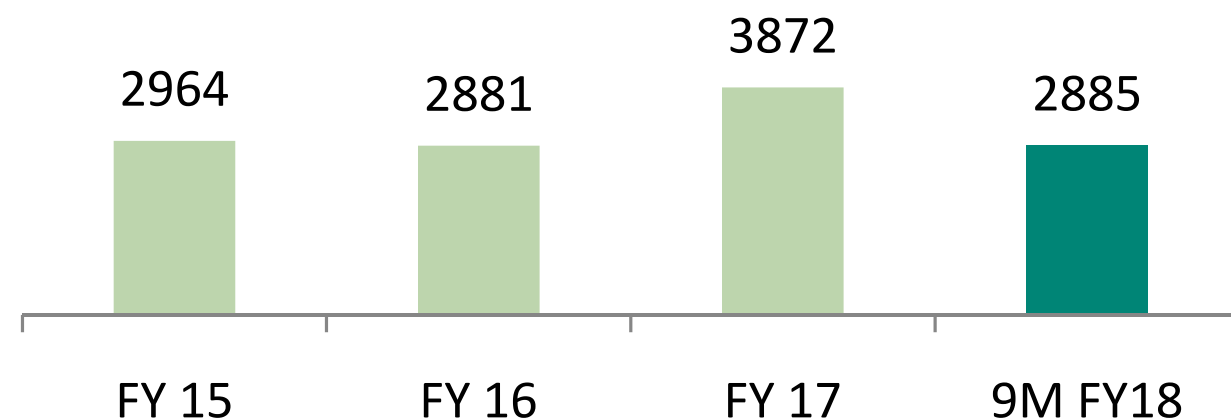
Directorate General of Foreign trade also increased incentives under the Merchandise Exports from India scheme from 2% to 4% of the value of exports with effect from 1<sup>st</sup> November 2017 till 30<sup>th</sup> June 2018.

**On an overall basis collective incentives will be neutral in comparison with pre GST incentives.**

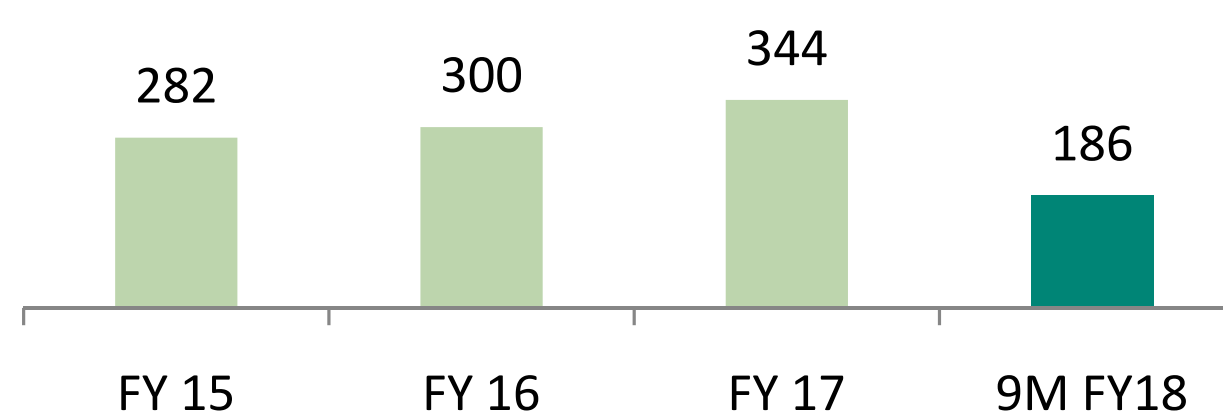


# Textile - Financials

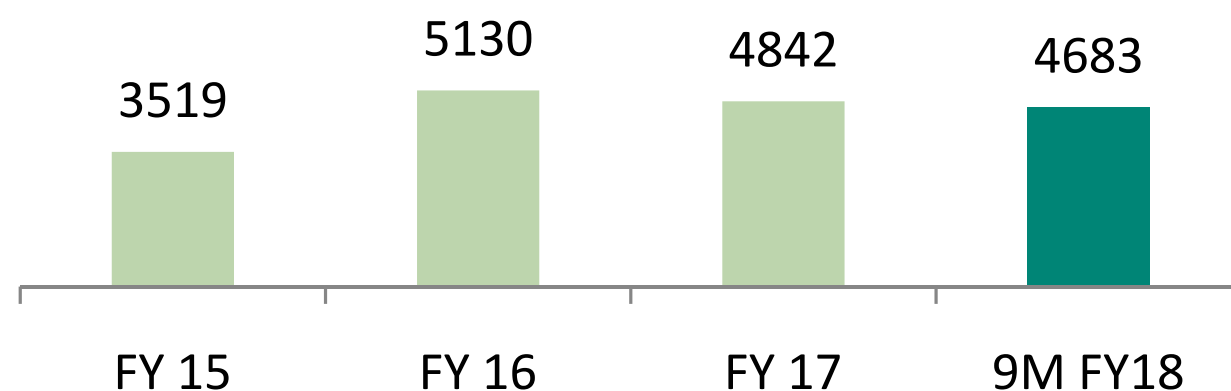
## Sales (INR Crores)



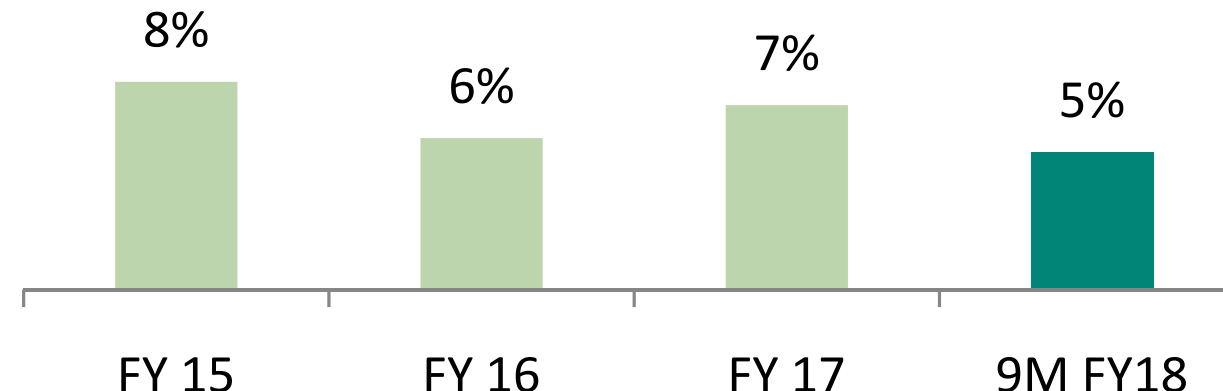
## EBIT (INR Crores)



## Capital Employed (INR Crores)



## ROCE % (Annualised)



Manufacturing Capacity	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	9M FY18
Yarn (MTPA)	77,290	1,00,800	1,00,800	1,00,800	1,02,600	1,15,200	1,15,200
Bath Linen (MTPA)	42,000	42,000	42,000	90,288	90,288	90,288	90,288
Bed Linen (Mn Mtrs / PA)	-	-	-	-	-	43	43

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

# Paper Business



72 GSM  
86% Brightness

75 GSM  
90% Brightness



Eco  
Friendly



100 GSM  
92% Brightness

80 GSM  
90% Brightness



Wheat Straw  
based Paper



75 GSM  
88% Brightness

70 GSM  
87% Brightness



High  
Quality



- Recently Launched Bond Paper
- Eco-friendly product in ultra-white shade

100 GSM  
94% Brightness

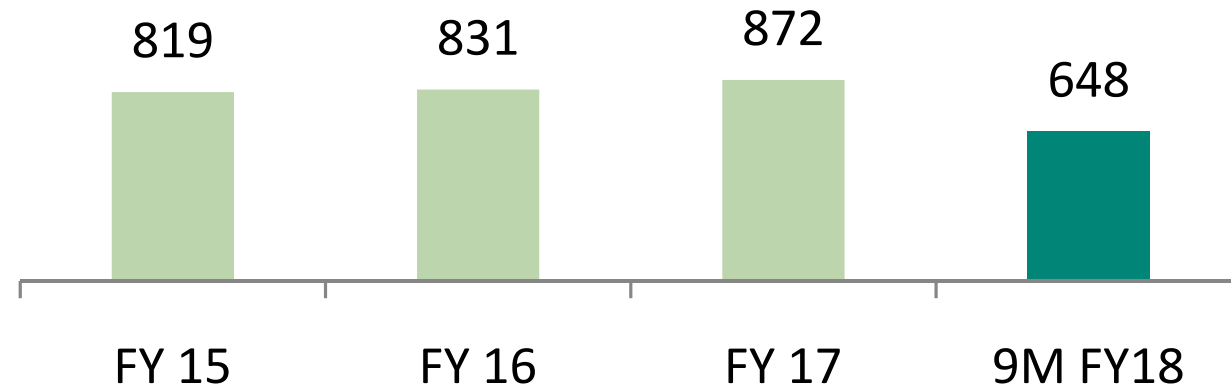


Jam Free

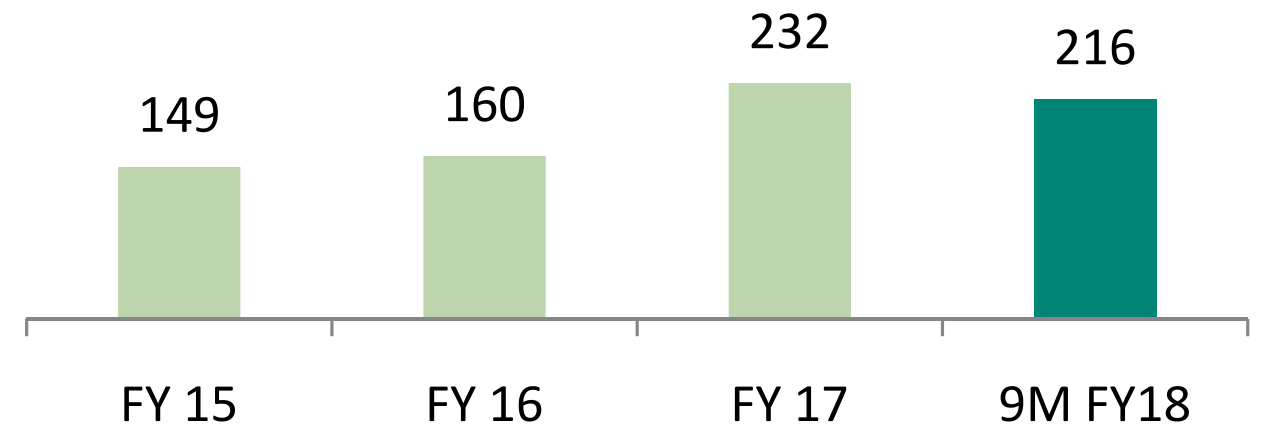
Differentiated Product/ Brand to target distinct end consumers as per their requirements

# Paper - Financials

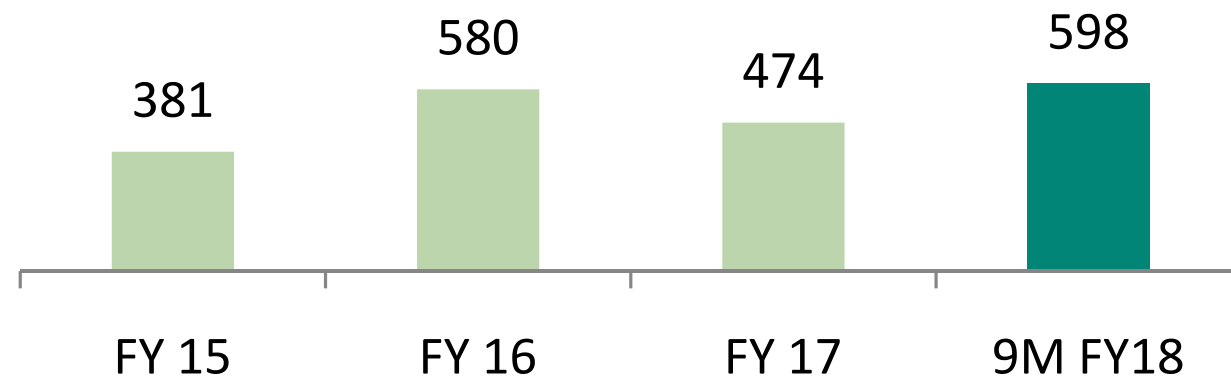
## Sales (INR Crores)



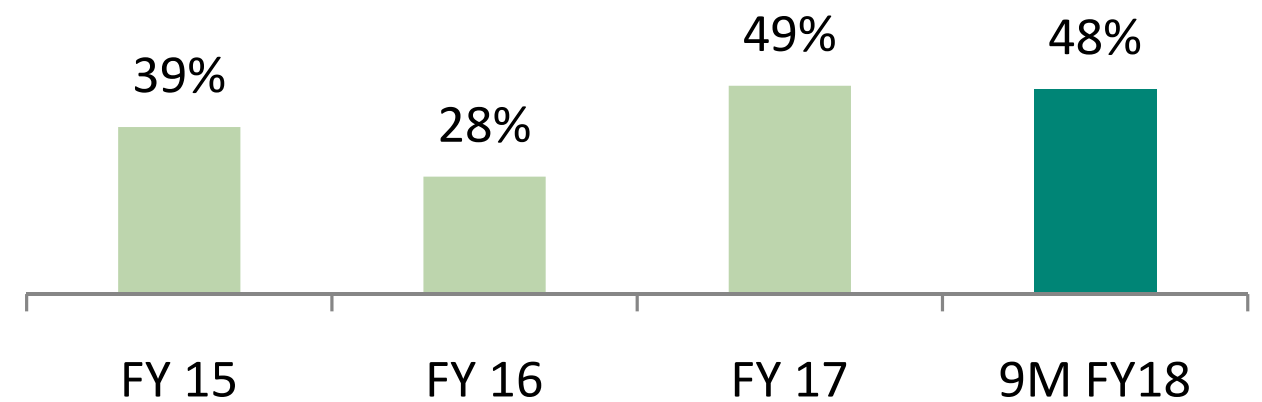
## EBIT (INR Crores)



## Capital Employed (INR Crores)



## ROCE % (Annualised)



Manufacturing Capacity	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	9M FY18
Paper(TPA)	1,75,000	1,75,000	1,75,000	1,75,000	1,75,000	1,75,000	1,75,000

# P&L Statement (S)

Particulars (INR crore)	Q3 FY18	Q3 FY17	Shift%	9MFY18	9MFY17	Shift%
<b>Net Revenues</b>	<b>1168.7</b>	1144.5	<b>2.1%</b>	<b>3532.8</b>	3502.3	<b>0.9%</b>
<b>EBITDA</b>	<b>231.6</b>	235.9	<b>-1.8%</b>	<b>700.1</b>	729.9	<b>-4.1%</b>
EBITDA margin	19.8%	20.6%	-80bps	19.8%	20.8%	-100bps
Depreciation	101.3	103.5	<b>-2.1%</b>	305.8	311.4	<b>-1.8%</b>
<b>EBIT</b>	<b>130.3</b>	132.3	<b>-1.5%</b>	<b>394.3</b>	418.4	<b>-5.8%</b>
EBIT margin	11.1%	11.6%	-50bps	11.2%	11.9%	-70bps
Interest	25.2	30.2	<b>-16.3%</b>	90.5	108.9	<b>-16.9%</b>
<b>Profit Before Tax</b>	<b>105.0</b>	102.2	<b>2.8%</b>	<b>303.8</b>	309.5	<b>-1.8%</b>
<b>Profit After Tax</b>	<b>73.0</b>	78.6	<b>-7.1%</b>	<b>212.9</b>	237.3	<b>-10.3%</b>
<b>EPS (Diluted &amp; non-annualized) (INR)</b>	<b>1.43</b>	1.54	<b>-7.1%</b>	<b>4.18</b>	4.66	<b>-10.3%</b>

# Key Ratios

Particulars (INR crore)	9MFY18	FY17	FY16
Return on Capital Employed*	10.7%	12.6%	10.0%
Return on Equity*	13.3%	17.1%	14.7%
Interest Coverage	7.7	7.0	5.7
Net Debt to Equity	0.9	1.0	1.4
Net Debt / EBITDA	2.7	2.7	4.1

*\*Excludes fair valuation of land as per IND – AS ; Figures are annualized*

# Dividend Policy

Minimum Annual Dividend

**6%**

of Face Value

Maximum Annual Dividend

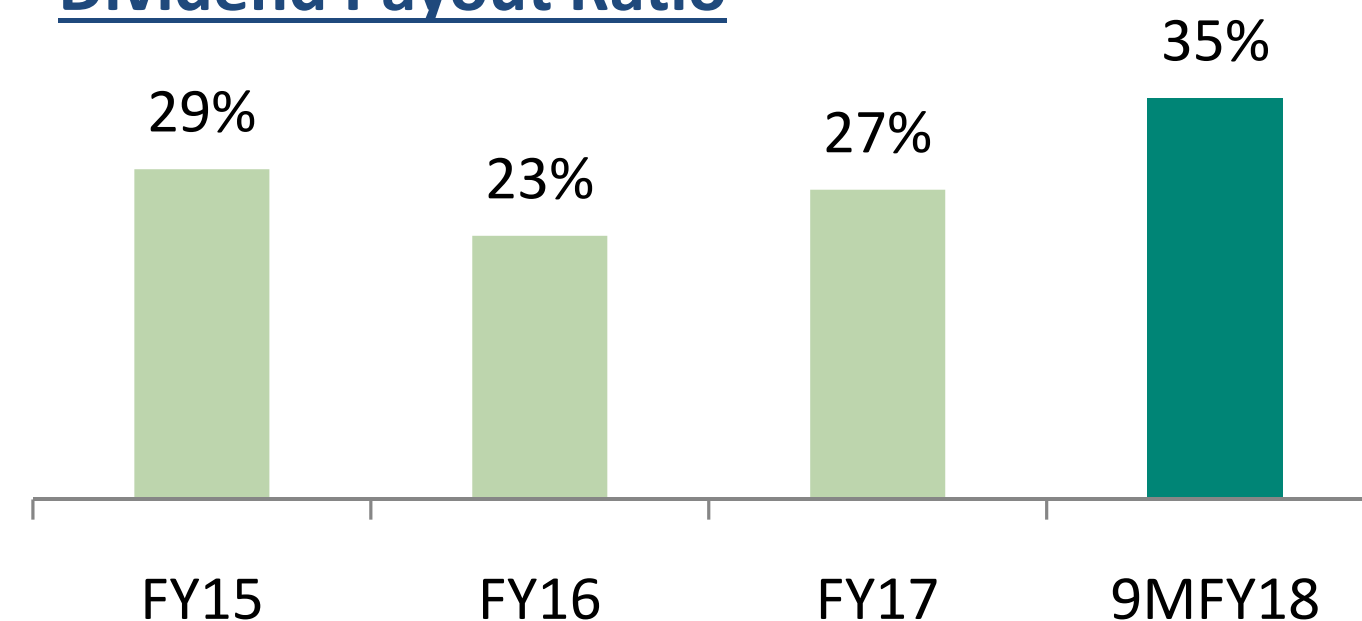
**33%**

of Net Profit

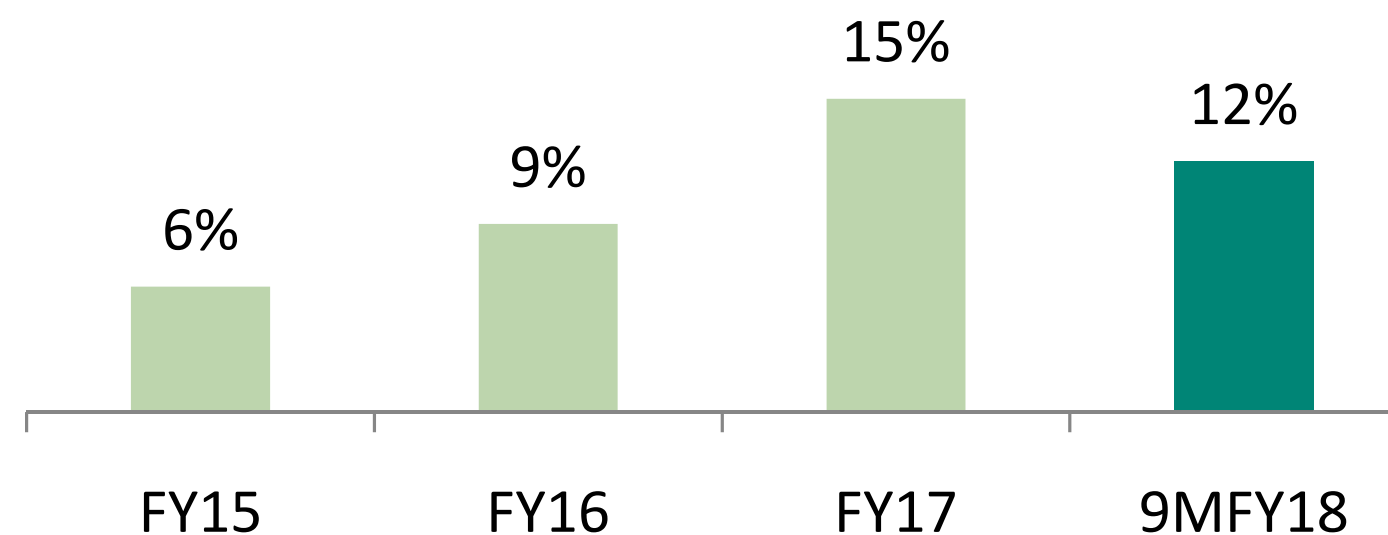
(Including Dividend Distribution Tax)

Year	Total Div%	Dividend Type	%age
9MFY18	12%	1 <sup>st</sup> Interim	6%
		2 <sup>nd</sup> Interim	6%
FY17	15%	Final	3%
		1 <sup>st</sup> Interim	6%
		2 <sup>nd</sup> Interim	6%
FY16	9%	Final	3%
		1 <sup>st</sup> Interim	3%
		2 <sup>nd</sup> Interim	3%
FY15	6%	1 <sup>st</sup> Interim	3%
		2 <sup>nd</sup> Interim	3%

## Dividend Payout Ratio




## Historical Dividends (%age of Face Value)



# Way Forward

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- We will keep focusing on increasing capacity utilization with better Product Mix, thereby benefit from operating leverage

- Keep increasing Yarn's captive utilization, which will reduce price volatility risk and improve margins

- Focus on improving Cashflow generation and follow prudent Capital Allocation

- Keep focusing on de-risking in multiple dimensions

- Keep Reducing Debt out of Regular Cash Flows

- Focus on profitable growth to create long term sustainable value for all stake holders

# 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’ 2<sup>nd</sup> Set**  
▪ **‘Silver Trophy’ 1<sup>st</sup> Set**

- **Best Performer in Energy Saving by Bureau of Energy Efficiency, Govt. of India**
- **‘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**

18 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

5 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  
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**Pawan Jain / Vipul Garg  
Investor Relations, Trident Ltd.**

Tel: +91 161 5039 999

Fax: +91 161 5039 900

Email: [pawanjain@tridentindia.com](mailto:pawanjain@tridentindia.com), [vipulgarg@tridentindia.com](mailto:vipulgarg@tridentindia.com)