



**Trident Limited**

**Home Textile | Paper**

# EARNINGS PRESENTATION

## Q2FY23/ H1FY23

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# COMPANY OVERVIEW

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**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

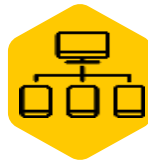




## Started as a Commodity Player

- ✓ 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**  
INR 14,239 Mn



**EBITDA Margin**  
10.37%



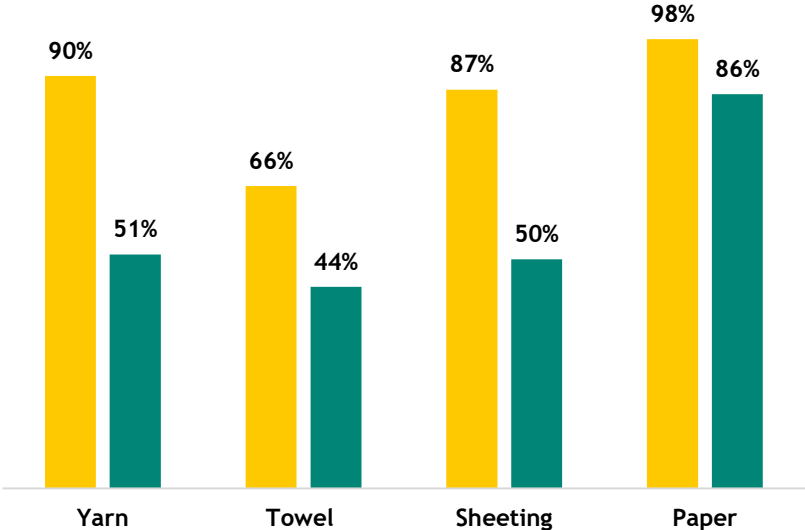
**PBT Margin**  
3.55%



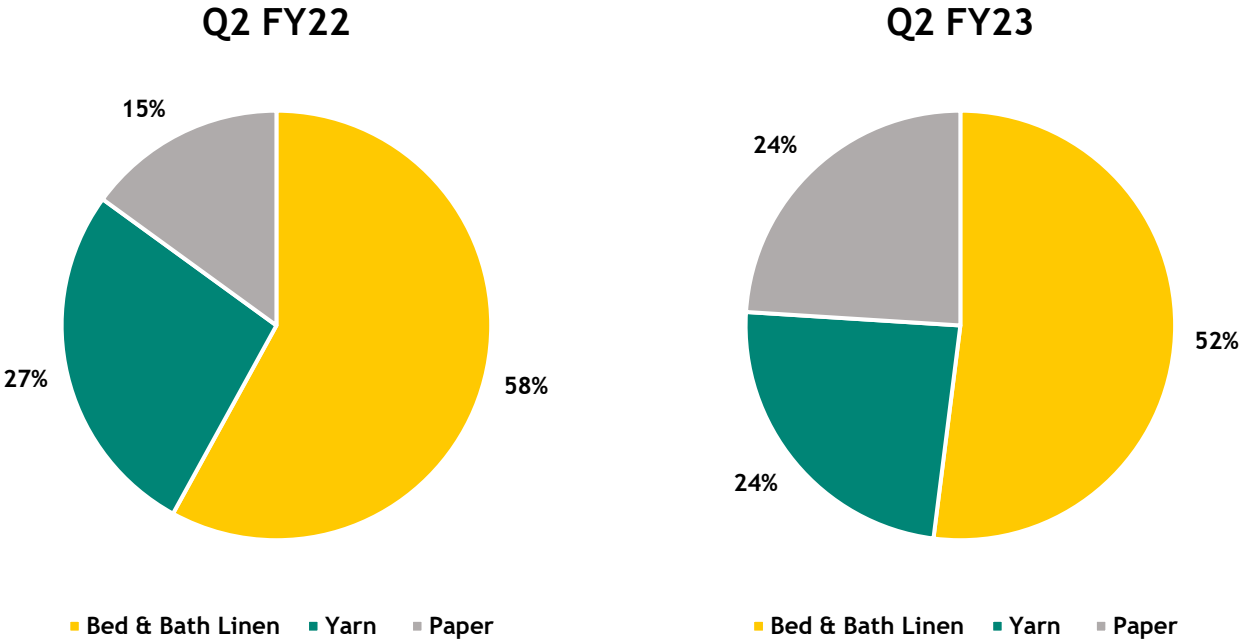
**Free Cashflow**  
INR 5,130 Mn

### Capacity Utilization

■ Q2 FY22 ■ Q2 FY23



### Revenue Segment

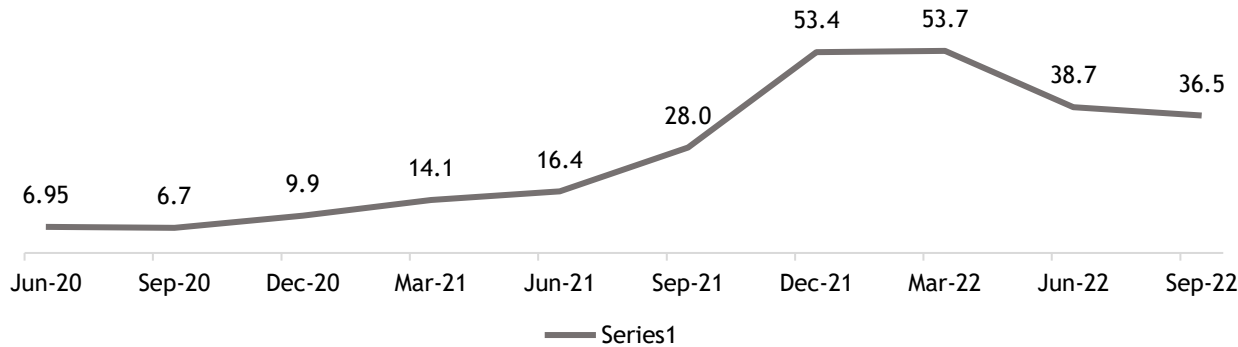


# Shareholding and Dividend Payout

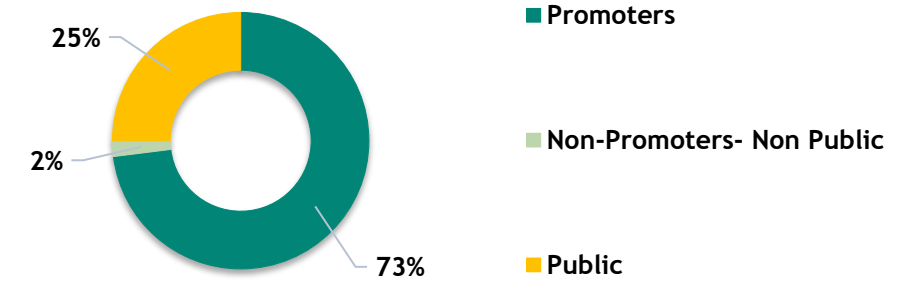
## Key Market Statistics (12<sup>th</sup> November 2022) (INR)

BSE Ticker	521064
NSE Ticker	Trident
Bloomberg code	TRID:IN
Reuters	TRIE.NS
Market Price	37.25
Market Cap (in million)	189,826
Outstanding shares (in million)	5096
Face value per share	1
52 week low/high	30.7/70.9

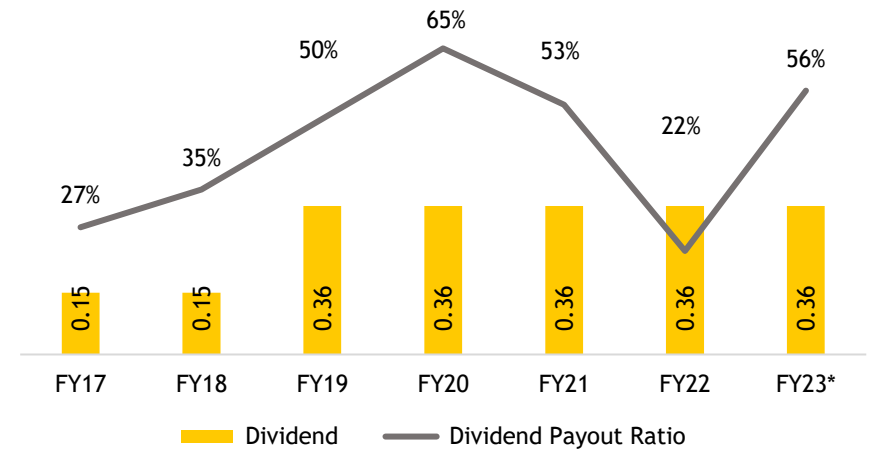
## Stock price movement



## Shareholding Pattern (30<sup>th</sup> September 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

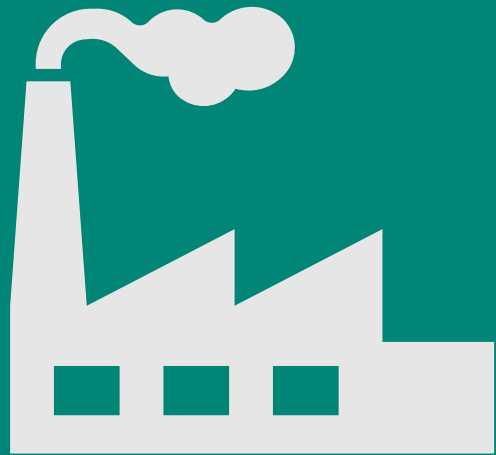


- Large, young and talented workforce
- Competitive though increasing cost of labor

## Global friendly environment



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



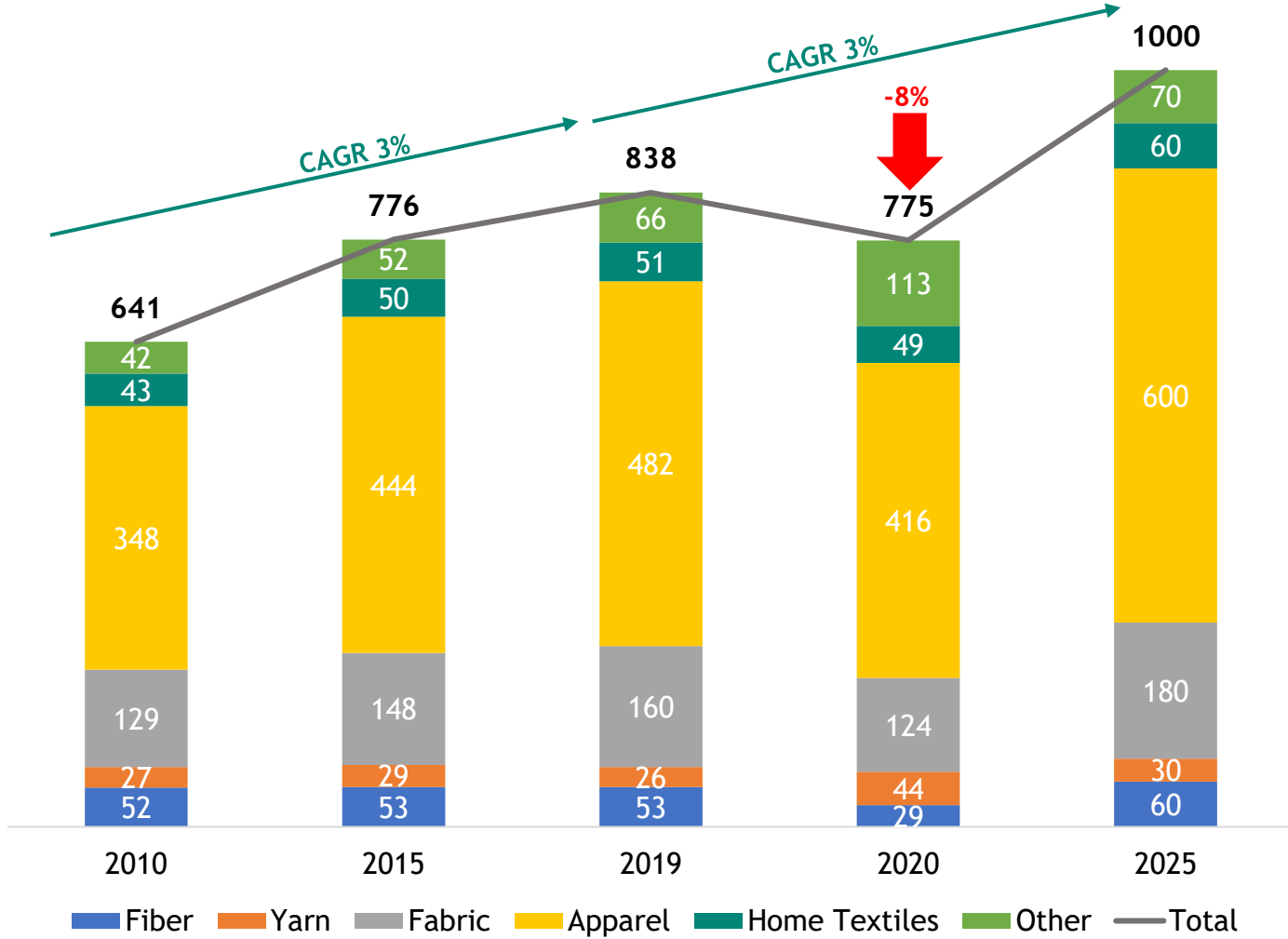
# INDUSTRY OVERVIEW

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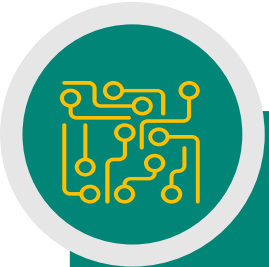


In 2020, the global textile and apparel trade was US\$ 775 bn., which was 8% lower compared to 2019 due to impact of COVID.

It is expected to reach US\$ 1 trillion by 2025 growing at a CAGR of 3% from 2019.

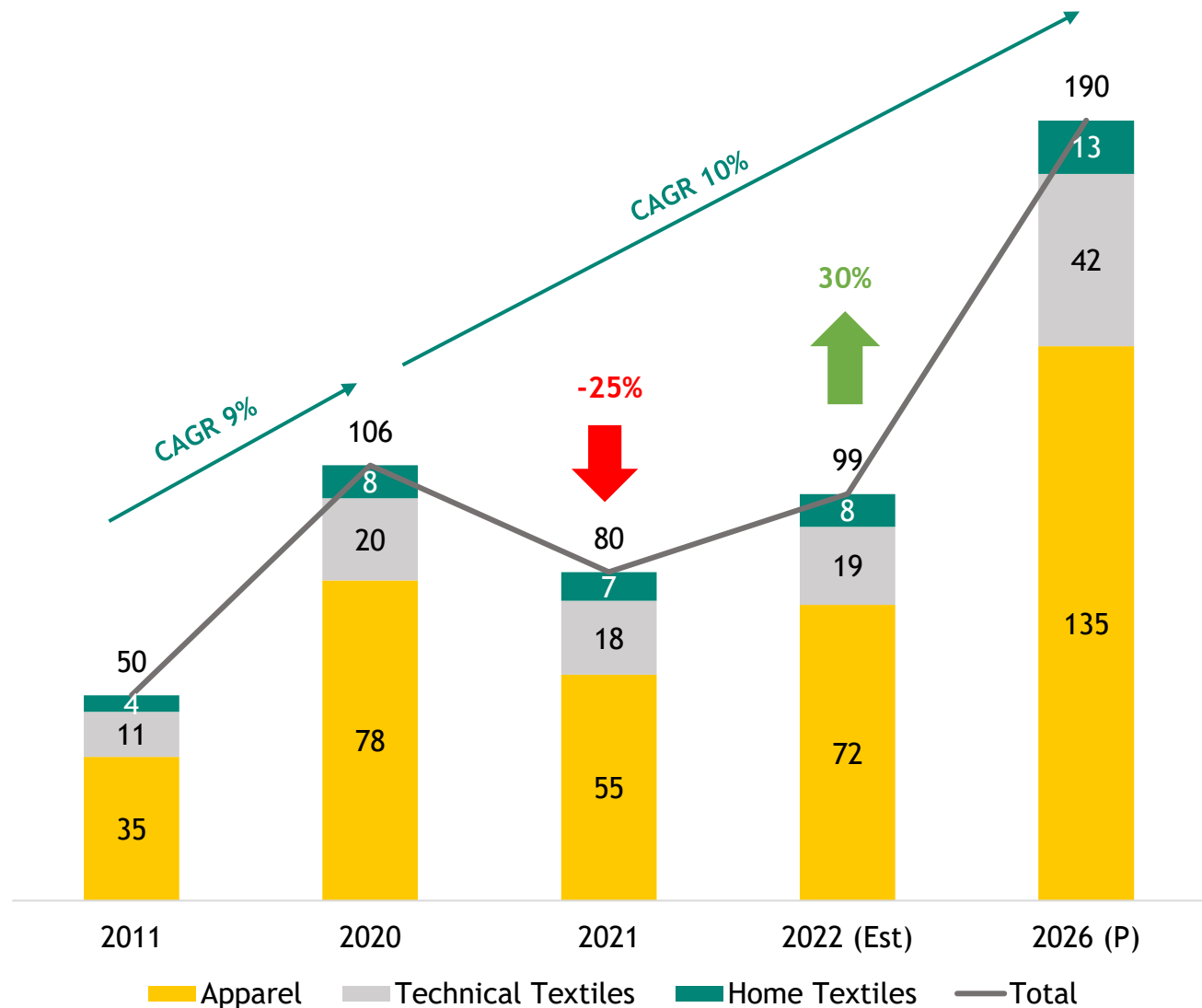


Data Source: UN Comtrade and Wazir Analysis



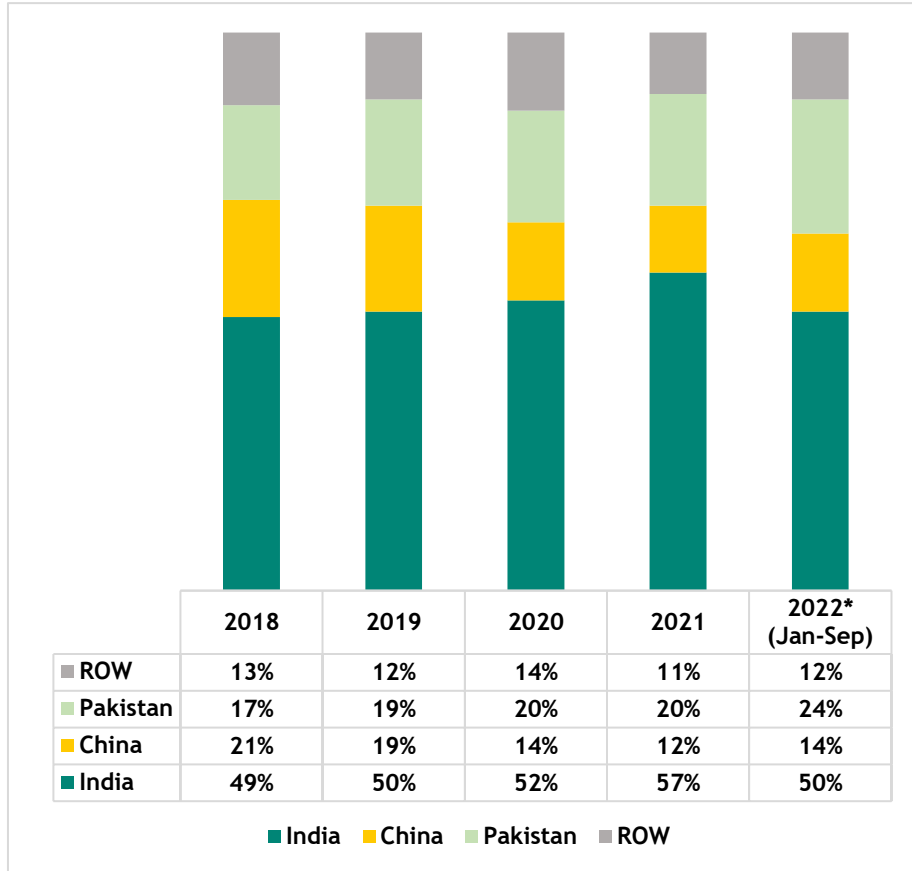
India's domestic textile & apparel market is estimated to be US\$ 99 bn. in 2021-22 which has recovered 30% from 2020-21.

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

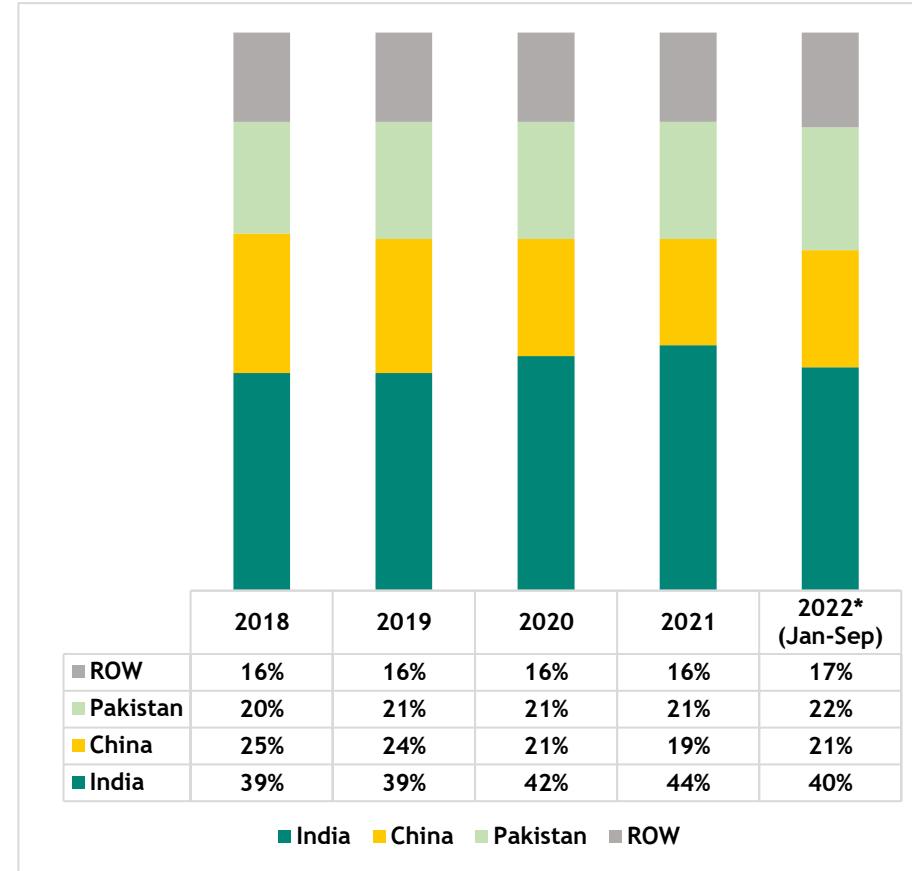


Data Source: Wazir Analysis

## US Imports of Cotton Sheets



## US Imports of Terry Towels



Source: OTEXA, US Imports

# QUARTERLY & OPERATIONAL HIGHLIGHTS

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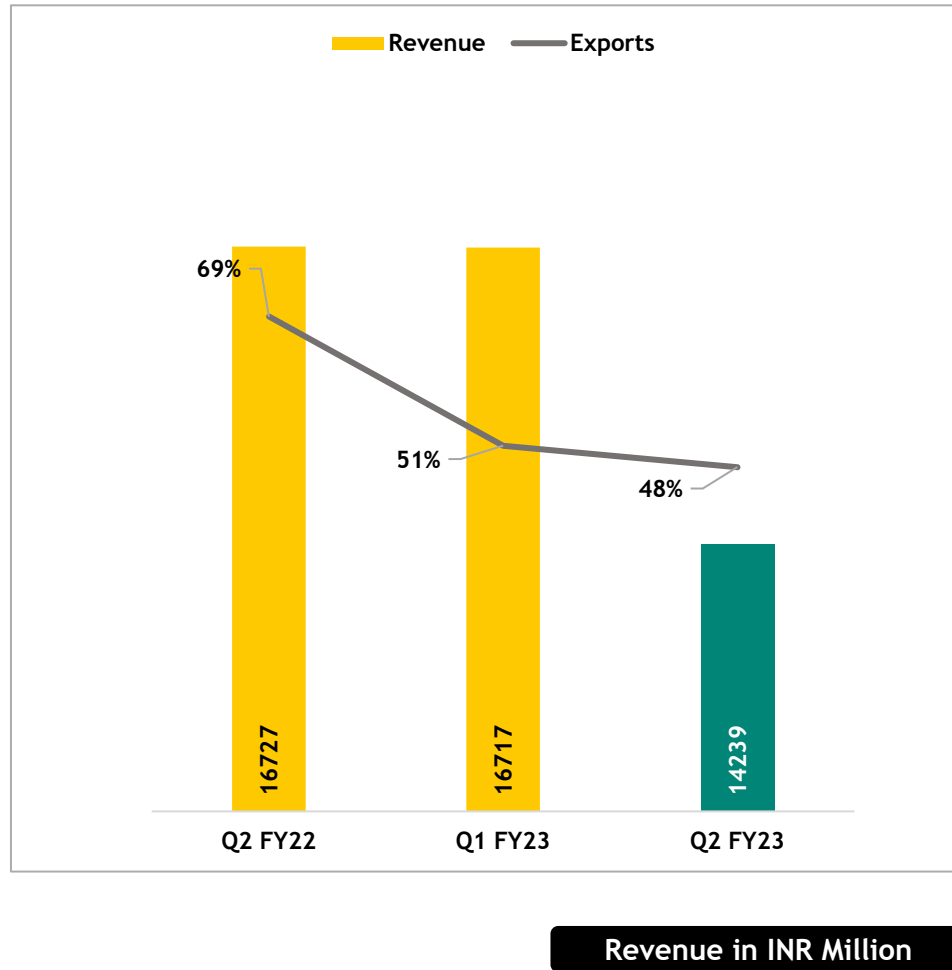




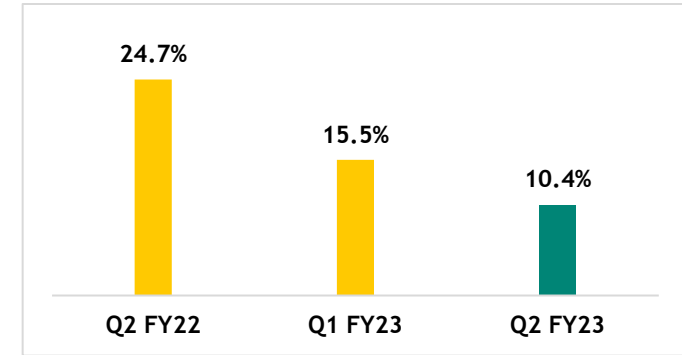
Particulars	Q2FY23	Q2FY22	Y-o-Y Change	Q1 FY23	Q-o-Q Change
Total Income	14,239	16,727	(14.9%)	16,717	(14.8%)
EBITDA	1,477	4,129	(64.2%)	2,588	(42.9%)
Depreciation	775	867	(10.6%)	760	2.0%
Finance Cost	196	199	(1.5%)	180	(8.9%)
Profit before Tax	506	3,063	(83.5%)	1,648	(69.3%)
Net Profit	397	2,288	(82.6%)	1,238	(67.9%)
Cash Profit	1,171	3,155	(62.9%)	1,998	(41.4%)
EPS	0.07	0.46	(84.8%)	0.25	(72.0%)

Figures in INR Million except EPS

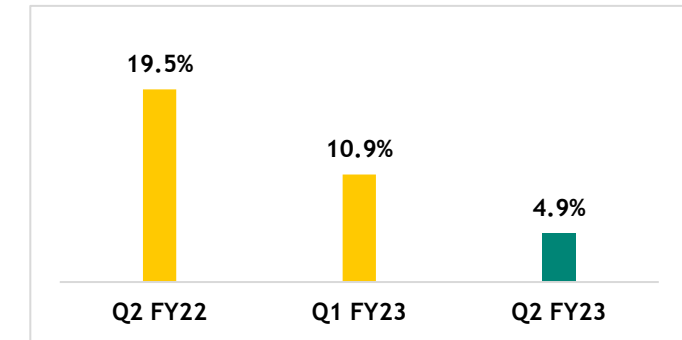
## Exports as of Revenue



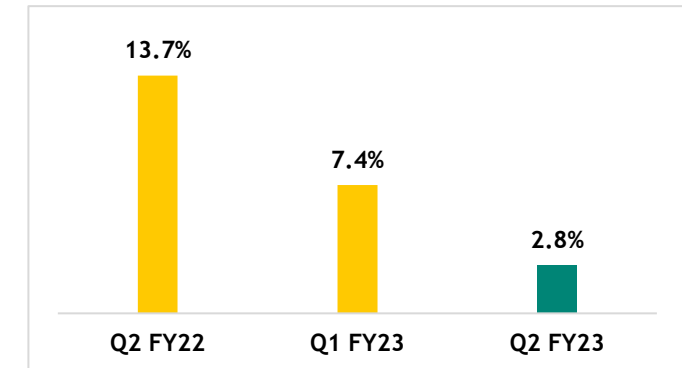
## EBITDA MARGIN



## EBIT MARGIN

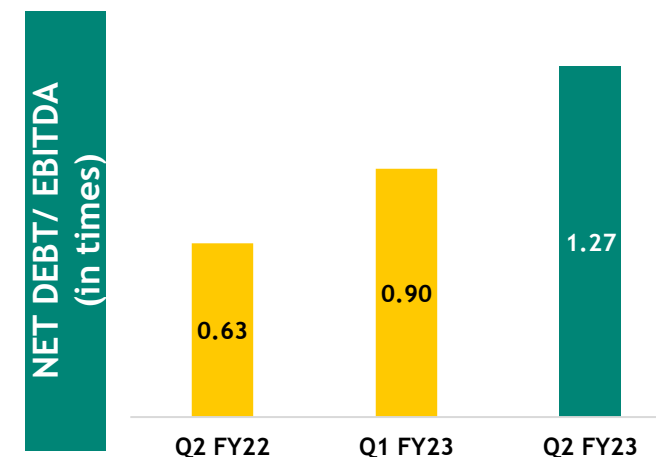
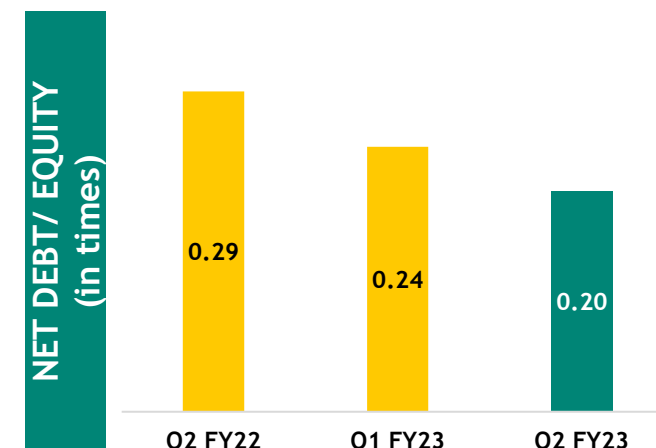


## PAT MARGIN



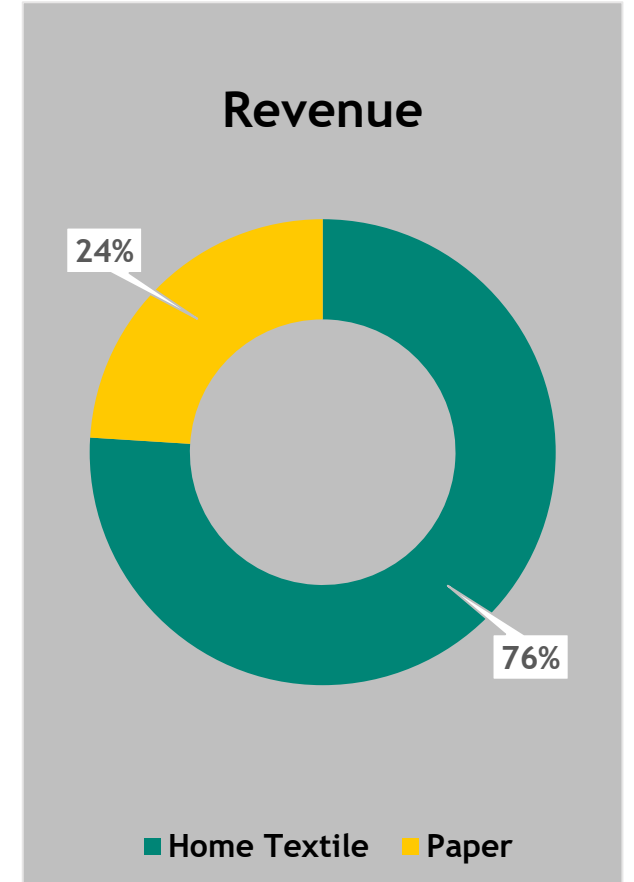
Particulars	Q2 FY23	Q2 FY22	Q1 FY23
Net Worth	37,596	35,695	39,039
Short Term Loans	6,267	9,206	7,575
Long Term Loans	5,235	3,802	4,189
Gross Debt	11,503	13,008	11,764
Cash & Cash Equivalents	3,992	2,554	2,432
Net Debt	7,511	10,454	9,332
Total Assets	59,413	58,372	62,344

Figures in INR Million



Net Debt/ EBITDA are annualized in nature

Particulars	Q2 FY23	Q2 FY22	Y-o-Y Change	H1FY23	H1FY22	Y-o-Y Change
<b>Home Textile</b>						
Revenue	10,775	14,067	(-23.4%)	24,211	26,889	(10.0%)
EBIT	(196)	2,977	(-106.6%)	1,051	5,636	(81.4%)
EBIT Margin	(1.82%)	21.16%	(2298 Bps)	4.34%	20.96%	(1662 Bps)
<b>Paper</b>						
Revenue	3,419	2,560	33.6%	6,654	4,510	47.5%
EBIT	1,077	612	76.0%	1,953	1,205	62.1%
EBIT Margin	31.50%	23.91%	759 Bps	29.35%	26.72%	263 Bps



Figures in INR Million



# SUMMARY OF FINANCIAL STATEMENTS



Particulars	FY19	FY20	FY21	FY22	H1FY23
Total Income	52,653	47,240	45,353	69,415	30,956
EBITDA	10,231	8,653	8,270	15,100	4,065
Depreciation	3,639	3,333	3,365	3,326	1,535
<b>EBIT</b>	<b>6,592</b>	<b>5,320</b>	<b>4,905</b>	<b>11,774</b>	<b>2,531</b>
Finance cost	1,123	1,108	720	857	377
Exceptional Items	-	-	-266	-	-
Profit before tax	5,469	4,212	4,451	10,917	2,154
Tax	1,760	794	994	2,767	519
<b>Profit after tax</b>	<b>3,709</b>	<b>3,418</b>	<b>3,457</b>	<b>8,150</b>	<b>1,635</b>
EPS (Actuals)	0.73	0.67	0.68	1.63	0.32
Cash Profit	7,348	6,751	6,822	11,224	3,169

Figures in INR Million

## Recent performance and growth

- ✓ Total Revenue for the H1FY23 stood at INR 30,956 Mn with sales decline of 2% as compared to H1FY22 owing to primarily the decrease in demand in H1FY23.
- ✓ PAT has decreased by 62% Y-o-Y in H1FY23 due to increase in input prices & low demand.
- ✓ EBITDA Margin stood at 13.10% in H1FY23.
- ✓ Finance cost has decreased by 16% in H1FY23.

## 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

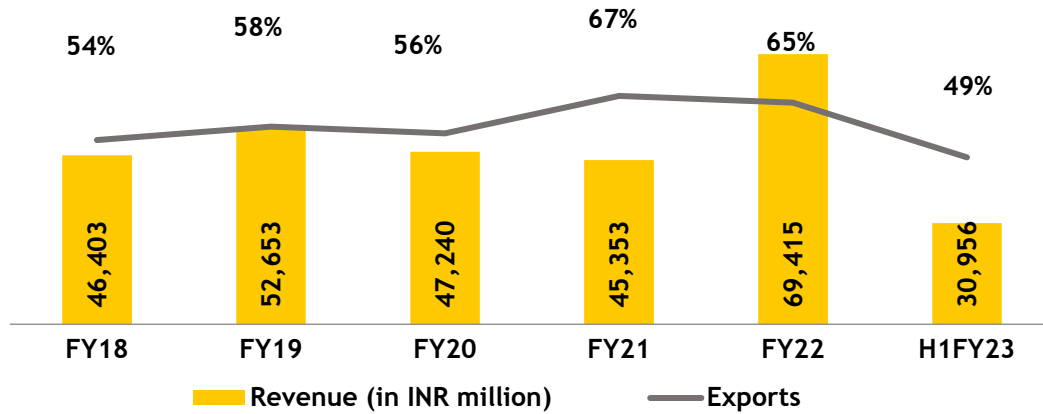
# Historical Balance Sheet

Particulars	As on March 31, 2019	As on March 31, 2020	As on March 31, 2021	As on March 31, 2022	As on September 30, 2022
<b>CAPITAL AND LIABILITIES</b>					
Capital	5,096	5,096	5,096	5,096	5,096
Reserves and surplus	24,216	24,573	28,070	32,876	32,500
Borrowings	24,358	19,518	15,355	15,706	11,503
Deferred tax liabilities	4,083	3,367	3,208	3,039	2,974
Other liabilities and provisions	3,279	4,630	5,813	7,590	7,340
<b>TOTAL</b>	<b>61,032</b>	<b>57,184</b>	<b>57,542</b>	<b>64,307</b>	<b>59,413</b>
<b>ASSETS</b>					
Cash and cash equivalents	95	3,183	984	2,520	1,281
Balances with bank	156	190	139	214	2,710
Inventory	10,010	9,120	10,083	12,904	7,903
Trade receivables	6,620	2,785	4,545	5,285	3,834
Property, plant & equipment	36,725	35,734	36,979	36,202	35,278
Other assets	7,426	6,172	4,812	7,182	8,407
<b>TOTAL</b>	<b>61,032</b>	<b>57,184</b>	<b>57,542</b>	<b>64,307</b>	<b>59,413</b>

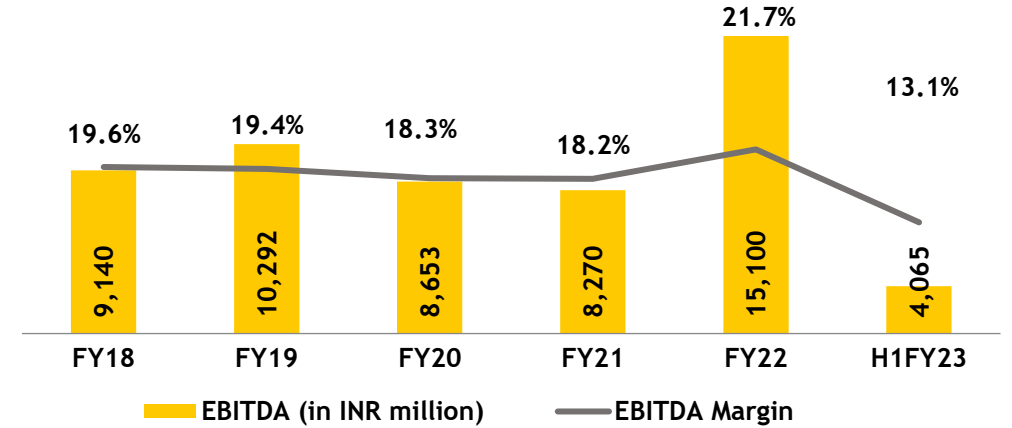
Net Debt reduced by 44.7% in last three years ( FY19 to FY22)

Figures in INR Million

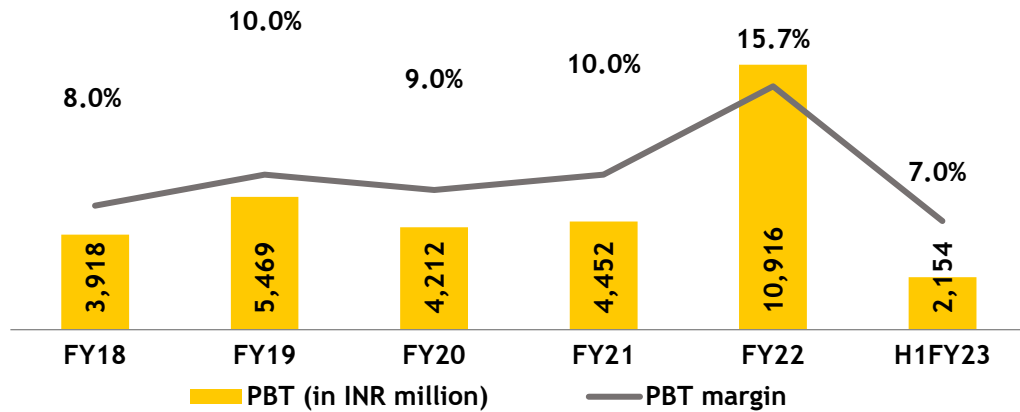
## REVENUE



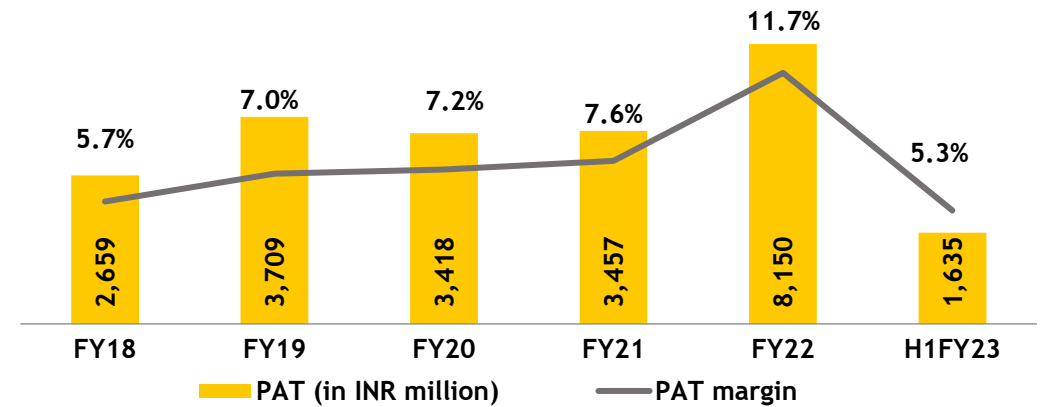
## EBITDA



## PBT



## PAT



# Ratios Summary

Type	Parameters	FY20	FY21	FY22	H1FY23
Solvency Ratios	Net Debt/Equity	0.54	0.42	0.34	0.20
	Net Debt/EBITDA	1.87	1.72	0.86	1.27
	Interest Coverage Ratio	7.81	11.49	17.62	10.78
Operational Ratios	Current ratio	1.04	0.99	1.25	1.33
	Fixed asset turnover	1.30	1.21	1.89	0.87
	Inventory days	70.8	81.4	68.1	93.5
	Debtor days	21.6	36.7	27.9	45.3
Return Ratios	ROE	11.5%	10.4%	21.5%	10.7%
	ROCE	10.8%	10.1%	21.9%	10.3%

Net Debt/ Ebitda, ROE & ROCE - are annualized in nature

## Textiles

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

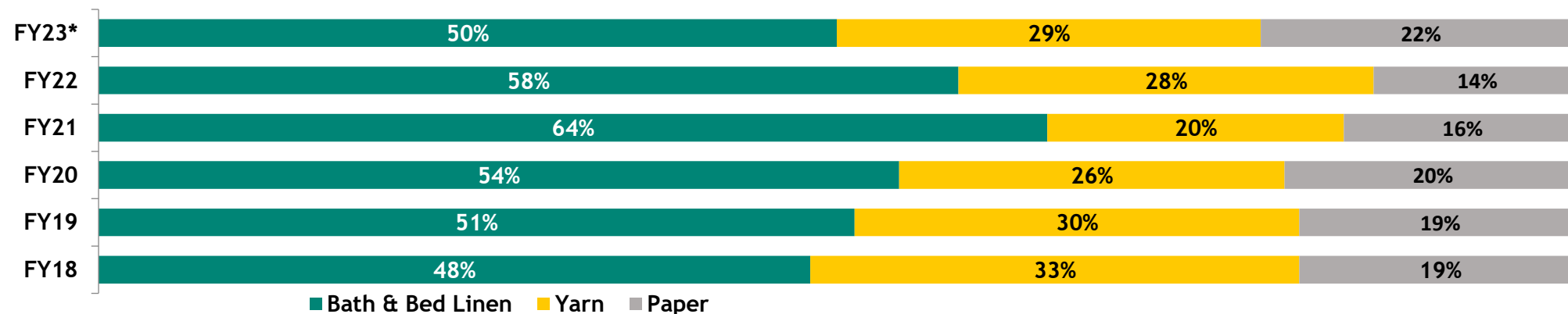


## Paper

Highest Operating Margin among Key Listed Players in India



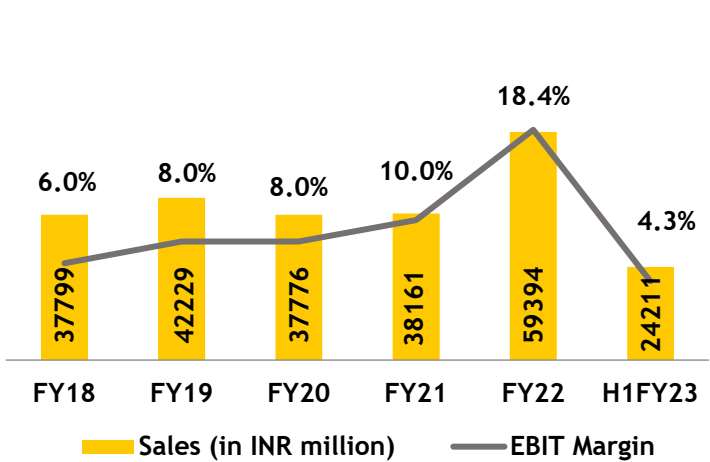
## Revenue Split between segments



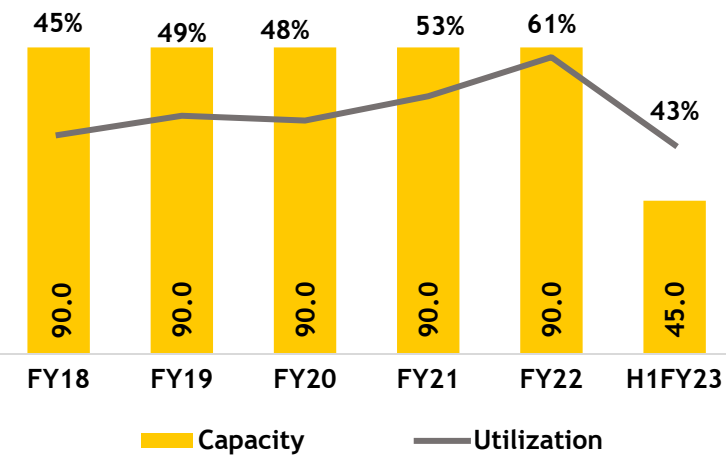
# Segmental Performance Annual

## Textiles

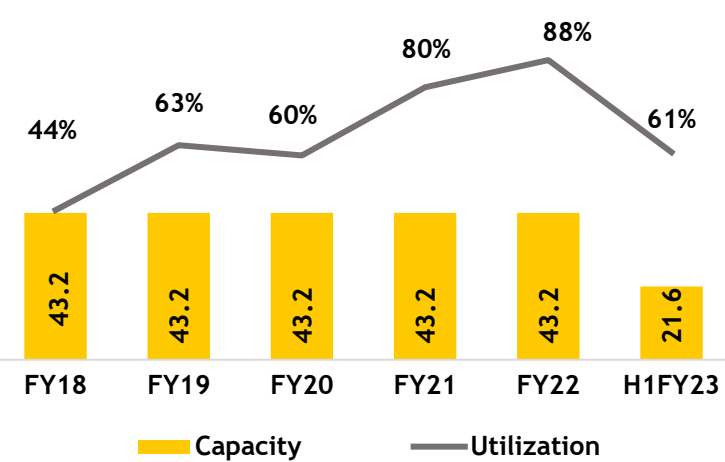
### Revenue Mix



### Capacity -Towels (in 000'tons)

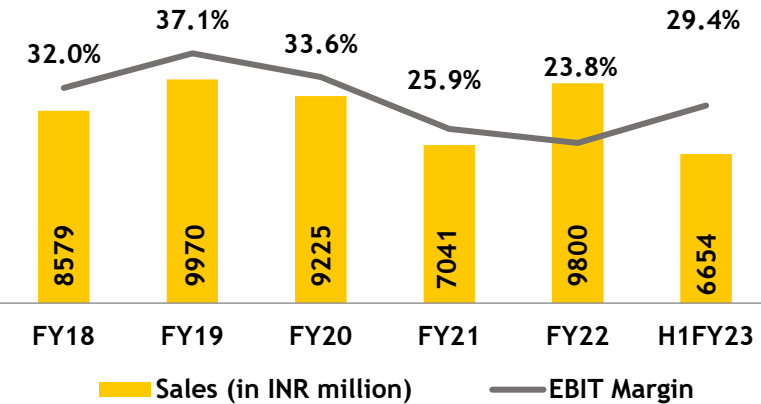


### Capacity-Bed Linen (In Mn meters)

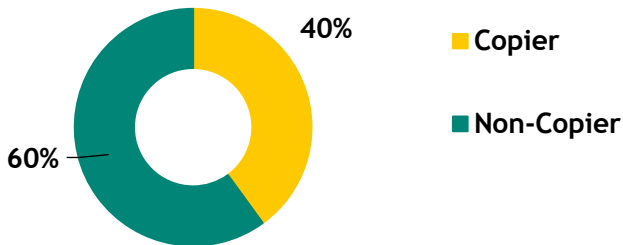


## Paper

### Revenue Mix

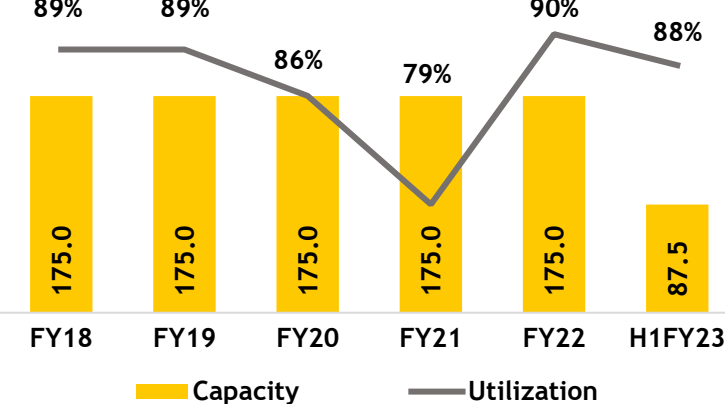


### Copier vs Non-Copier Revenue Mix



(FY22)

### Capacity Utilization (Tonnage Basis)





# COMMITTED TO THE ESG & WOMEN EMPOWERMENT

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## 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.**
- Commission of **8.87 MW** Solar Power Plant in Oct,2022.

## 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



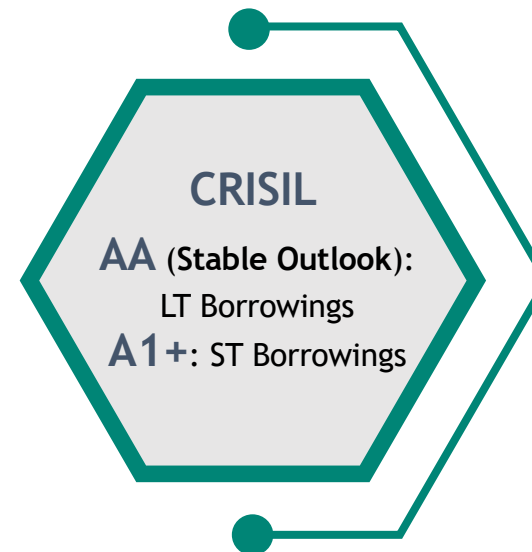
### Medical Facilities

- 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

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## 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	Bathlinen	Chemicals
Existing Capacity	Spindles- 5.89 Lacs; Rotors- 7464 and Air Jet - 320	1.2 Lacs Mtrs/day	49.4 MW	622 Looms	1.1 Lacs TPA
Existing Capacity Utilization (FY22)	87%	88%	71%	61%	97%
Proposed Capacity Addition	Spindles- 98,496, Rotors-3600 & Spindles - 94,848	70,000 Mtrs/day	16.3 MW	42 Looms	1.05 Lacs TPA
Expected Commercial Operation	September 2023			June 2023	March 2024
Investment Required	INR 12800 Mn	INR 4680 Mn	INR 1750 Mn	INR 2470 Mn	INR 1000 Mn

**1**



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

**2**



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

**3**



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





**THANK  
YOU**

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### GET IN TOUCH

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