TRIDENTGROUP









TRIDENT LIMITED

Q3 & 9M FY14 Performance Overview

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3 *Merger of Trident Corporation Limited with Trident Limited*

4 *Trident Overview*

5 *About Us and Investor Contacts*



Financial Overview

Compared with Q3 FY13

- **Net Revenues higher by 23.2% at Rs. 1,020.9 crore from Rs. 828.4 crore;**
- **EBITDA improved from Rs. 145.7 crore to Rs. 183.6 crore; up 26.0%**
  - **EBIDTA Margins stood at 18.0%**
- **PAT enhanced to Rs. 50.9 crore from Rs. 14.2 crore**
- **Diluted EPS (non-annualized) increased to Rs. 1.61 from Rs. 0.46**
- **Cash Profits at Rs. 118.5 crore vis-à-vis Rs. 81.4 crore**
- **Cash EPS (diluted & non-annualized) increased to Rs. 3.79 from Rs. 2.62**

Q3 FY14 Operational Highlights

Compared with Q3 FY13

- **Higher off-take of all products viz. Yarn, Terry Towel and Paper, combined with improved realizations as a result of enhancing the product mix towards value-added products enabled Topline growth**
- **Margin expansion resultant to Increasing contribution from high margin value-added products along with efforts towards cost rationalization**
- **The Company repaid 10.3% of outstanding term loans amounting to Rs. 105.7 crore during the quarter**
  - **Repayment of higher cost loans led to a 8.8% decline in finance costs**
  - **Outstanding term debt as on December 31, 2013 stood at Rs. 912.5 crore**
- **PAT growth driven by multiple factors, many of which are sustainable**

Q3 FY14	Q3 FY13	*Growth %*	Particulars (Rs. crore)	9M FY14	9M FY13	*Growth %*
1,020.9	**828.4**	***23.2***	**Net Revenues**	**2893.9**	**2461.1**	***17.6***
837.3	**682.7**	***22.7***	**Total Expenditure**	**2304.8**	**2064.0**	***11.7***
550.0	449.1	*22.5*	- Material Consumed	1498.7	1352.5	*10.8*
287.3	233.6	*23.0*	- Other Costs & Expenses	806.1	711.4	*13.3*
183.6	**145.7**	***26.0***	**EBITDA**	**589.1**	**397.2**	***48.3***
18.0	***17.6***	***39 bps***	***EBIDTA Margin (%)***	**20.4**	**16.1**	***421 bps***
67.6	67.2	*0.6*	Depreciation	204.4	195.4	*4.6*
116.2	**78.8**	***47.6***	**EBIT**	**385.5**	**202.5**	***90.4***
51.3	56.2	*(8.8)*	Interest	162.4	176.7	*(8.1)*
65.0	**22.5**	***2.9x***	**PBT**	**223.1**	**25.8**	***8.6x***
14.0	8.3	*69.0*	Tax	55.3	9.2	*6.0x*
50.9	**14.2**	***3.6x***	**PAT**	**167.8**	**16.6**	***10.1x***
1.61	**0.46**	***3.5x***	***EPS (Diluted) (Rs.)***	**5.36**	**0.54**	***9.9x***

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

"Our performance this quarter has been heartening given the continued momentum in revenues as well as progress on several strategic initiatives. Greater economies of scale arising from balanced growth across all our business lines coupled with an improving product mix has led to margin expansion.

The outlook remains strong due to a vastly improved macro-economic scenario for the textile industry. We believe we are well placed to capitalize on the opportunity given our diverse product-mix and value offerings to our entrenched global clientele. The increased capacity allows headroom for incremental growth. The resultant operating leverage from increased utilization combined with prudent financial management should result in sustainable improvements in profitability and value creation for all stakeholders."



Business Overview

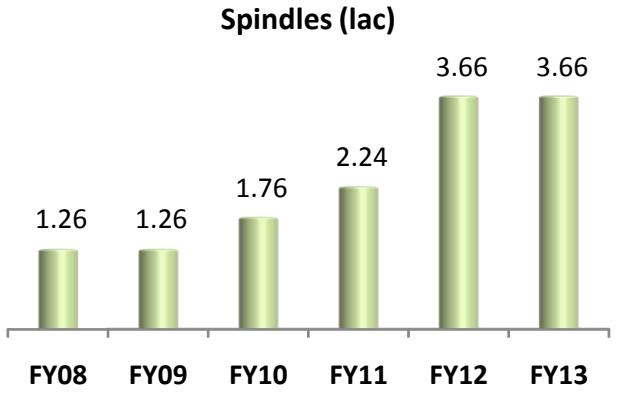


Trident Yarn



Capability of counts from 1/8s – 1/80s in all possible blends

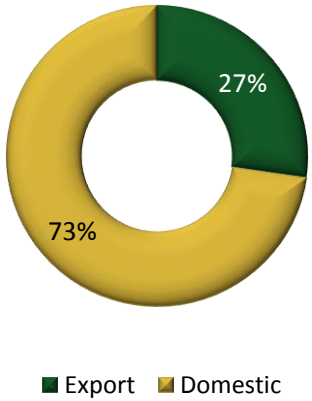
- 365,904 Spindles & 3,584 Rotors
- 6,825 TPA of Yarn Processing
- 8,400 MT of Cotton & Blended Yarns per month
- State of the Art Machinery imported from LMW-India, Rieter-Switzerland, Murata- Japan, Zinser- Germany & Savio- Italy



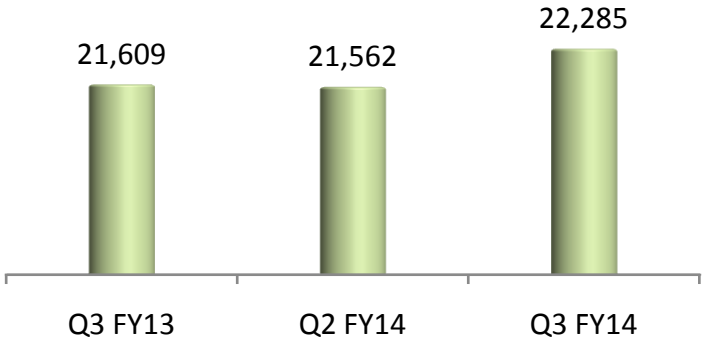
Product Portfolio

*Combed weaving	*100% polyester and cottonpolyester	*Stretch sarona yarn
*Combed hosiery	*100% viscose and cottonviscose	*Cotton excel yarn
*Carded weaving	*100% modal and cottonmodal	*Cotton-wool yarn
*Carded hosiery	*100% soya and cotton-soya	*Cotton lyocell
*Cotton open-end	*100% bamboo and cottonbamboo	*High-bulk yarn
*Organic cotton	*Cotton Giza/Egyptian	*Core-spun
*Combed compact	*Cotton Pima/Supima	*Compact
*Combed eli-twist	*Fair Trade Cotton	*Specialised yarn (gassed mercerised, water soluble, air rich, bamboo/cotton and corn-cotton blended)
*Combed slub	*Extra-long staple cotton	
*Carded slub	*Core-spun slub yarn	*100% dyed yarn
* Water soluble	*Hard-core yarn (T-400)	
*100% cotton with important mixing	*Sarona yarn	

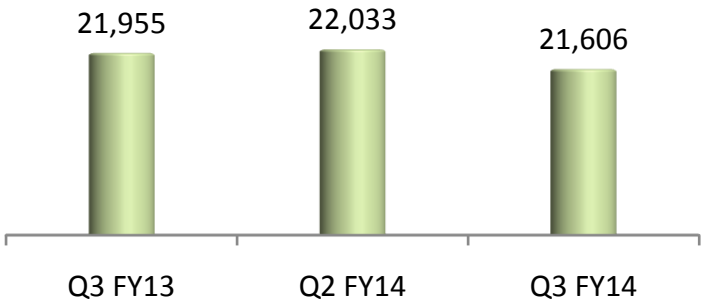
FY13 Export:Domestic Mix



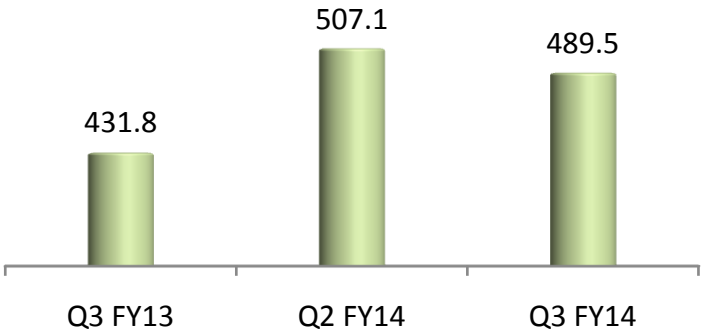
Production (MT)



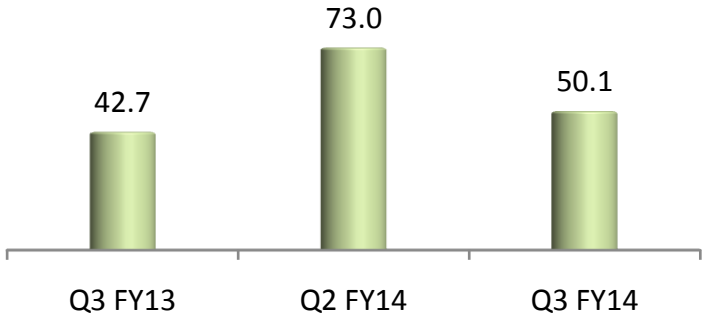
Sales (MT)



Revenues (Rs. crore)



PBIT (Rs. crore)



Comments on Q3 FY14 Performance

- **Topline grew by 13.4% to Rs. 489.5 crore compared to Rs. 431.8 crore in the corresponding quarter of last year**
  - While sales volume declined by 1.6%, realizations improved by 15.2%
  - Improvement in realizations driven by the enhanced focus on value-added products
- **PBIT margin improved to 10.2%**
  - Improvement in margins driven by the various cost optimization initiatives undertaken along with increased focus on value-added products
- **Ramped up business volumes:**
  - To High End Corporate Customers
  - In niche customer segment in HK/China
  - In niche markets like Mauritius, Poland, Bahrain etc.
- **Worked on developing new customer base:**
  - Enhancing presence in the domestic markets
  - International markets like Colombia, Poland, Bangladesh for value-added yarns

Outlook

- **Robust demand expected in weaving segments owing to:**
  - **Booming organized retail**
  - **New export oriented capacities being added in the weaving sector**
- **As a part of the 'pull strategy', the Company is launching market leadership and branding program by increasing focus on end buyers in the value chain (brand owners & lifestyle retailers)**



Trident Terry Towel



Leadership in all Terry based products

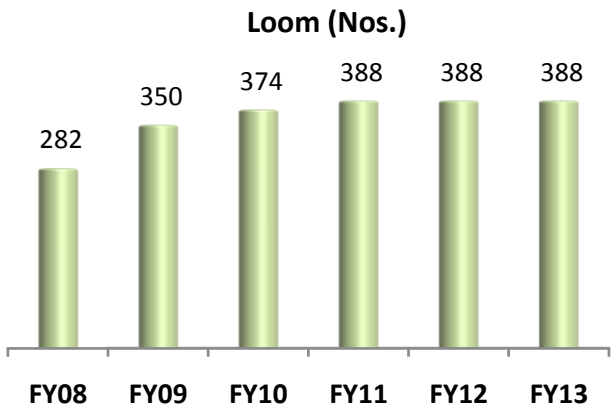
Jacquards – 54 looms	43,200 MTs of towels /Year
Air Jet Dobby – 296 looms	14.5 mn pcs./month
Rapier Dobby – 38 looms	18 containers of 40 ft. /day
Total – 388 looms	90,000 Bathrobes/month

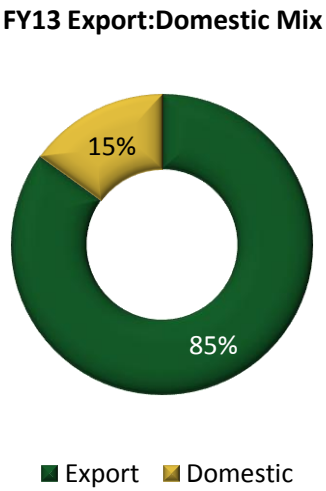




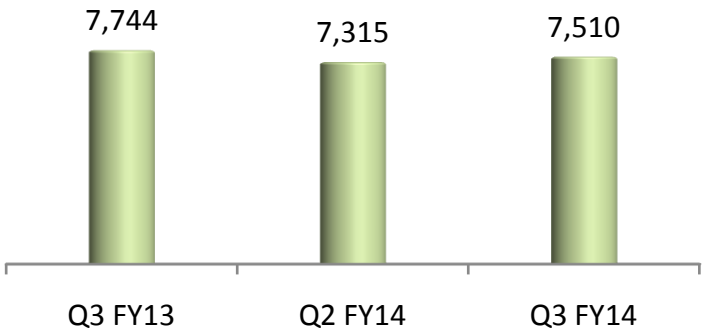
Product Portfolio

Finishes	Types
*100% cotton basic uni-dyed towel range	*Bath towels
*100% combed cotton premium uni-dyed towel range	*Hand towels
*100% cotton antimicrobial towel range	*Face cloth/wash cloth
*Yarn-dyed dobby towels	*Bath mats
* Yarn Dyed Single and double jacquards	*Beach towels
*Uni-dyed jacquards	*Spa and hotel collection towels
*Yarn-dyed stripes	*Celebration/special occasion towels
* Weft inserts and checks	*Bathrobes
*Terry and velour finishes	
*100% cotton Quick Dry towel range	
*100% cotton Fade Resist & Color Fast towel range	
* 100% cotton Benzoyl Peroxide proof towel range	
*100% cotton Air-Rich® towel range	

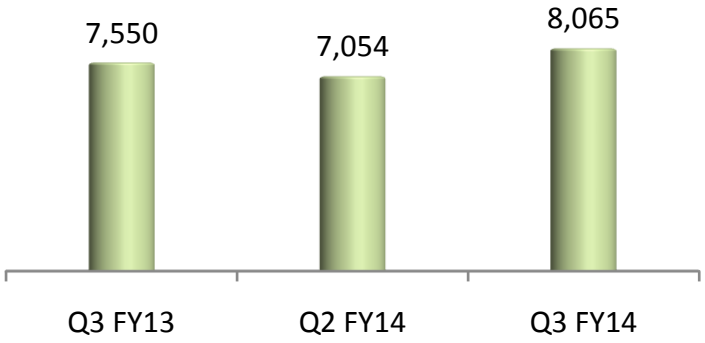




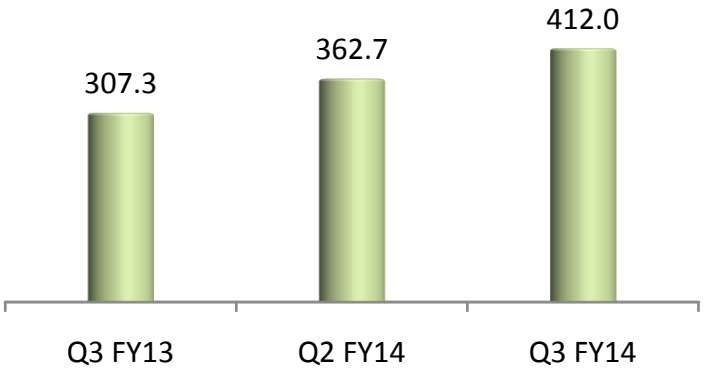
Production (MT)



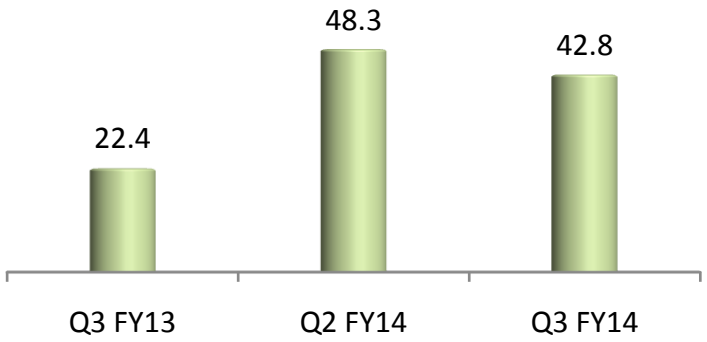
Sales (MT)



Revenues (Rs. crore)



PBIT (Rs. crore)



Comments on Q3 FY14 Performance

- **Topline growth of 34.1% driven by increase in both, sales volumes as well as realizations -**
  - Realizations improved by 25.5% backed by greater focus on value-added products
  - Sales volume improved by 6.8%
- **PBIT increased from Rs. 22.4 crore in Q3 FY13 to Rs. 42.8 crore, up 91.1%**
  - PBIT margin increased from 7.3% to 10.4%, driven by cost optimization measures undertaken as well as greater share of value-added products
- **Market research and segmentation drive new product launches in the domestic market**
  - New look and launch of own brands like Trident Everyday, Trident Home Essentials, Trident Classic, etc. and offering customized products to new markets / potential customers
- **Leveraging research and development to enhance the proportion of value-added products to the overall product mix**

Outlook

- **Focus on building "Brand awareness" to the customers**
  - Branding waves for domestic consumers to be launched - to be clubbed with the festive season
- **Distribution market demand expected to be robust given improved consumption trend over Q4 period**
  - Large format stores and Value retailers are extending home area and looking for ways to excite the customer; hence expected to be volume drivers in the organized market
- **New products to be introduced in the domestic markets**

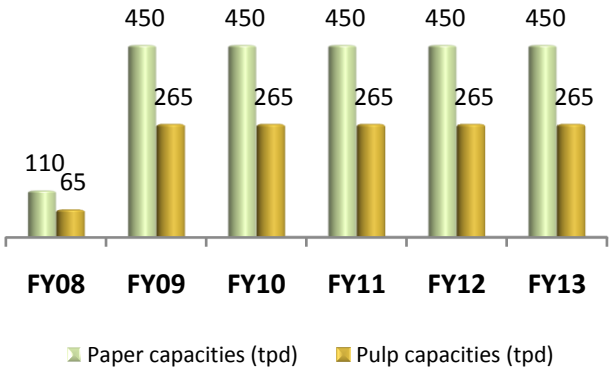


Trident Paper



Eco Friendly Paper – Saving 5,000 Trees per Day

- Agro-residue (wheat straw) and ECF pulp used to manufacture paper
- Sold across 35 countries including India, Middle East, Africa, US, Latin America and UK, among others
- Energy-saving operations initiated to reduce power consumption

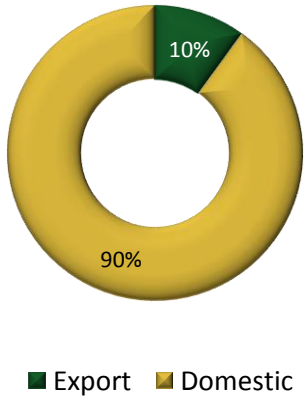




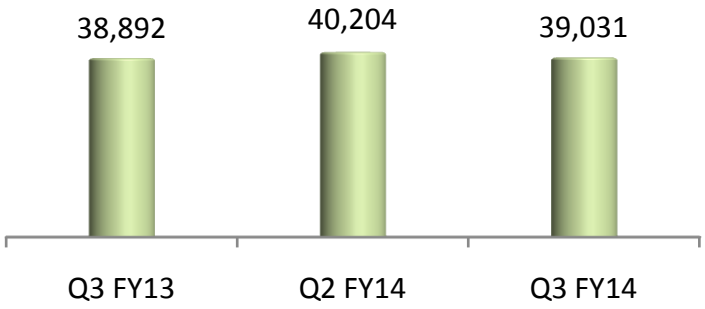
Product Portfolio

*Writing and printing paper
*Branded copier paper: SPECTRA, My Choice, Trident Natural and Trident Eco Green
*Maplitho paper under brands like: Diamond Line, Silver Line, Crystal Line, Super Line, Prime Line, Nature Line and Base Line
*Bible and offset printing paper
*Cream-wove
*Watermark paper
*Colour paper

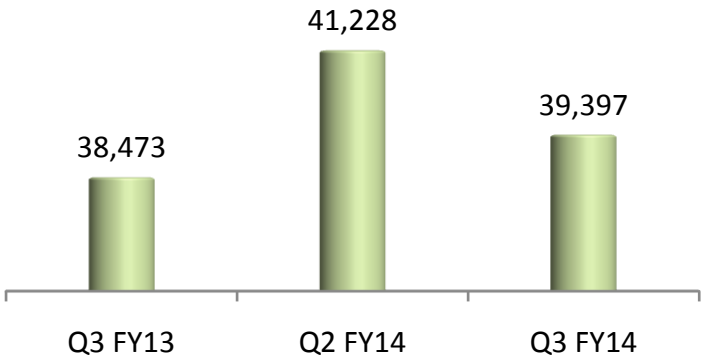
FY13 Export:Domestic Mix



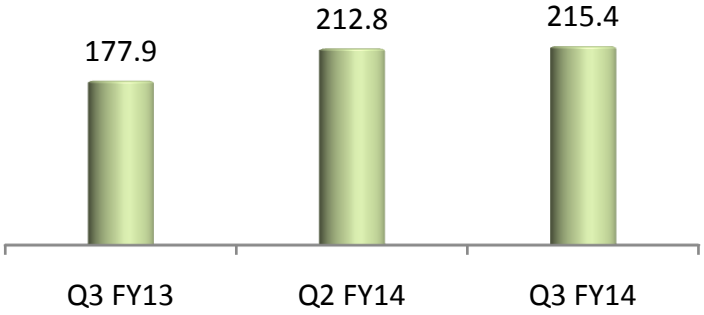
Production (MT)



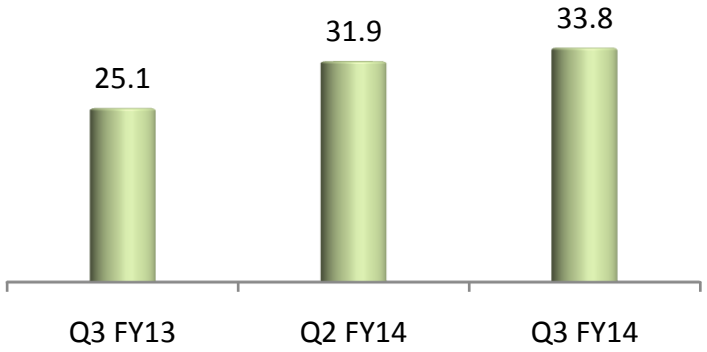
Sales (MT)



Revenues* (Rs. crore)



PBIT* (Rs. crore)



* Includes Paper & Chemicals

Comments on Q3 FY14 Performance

- Topline growth of 21.1% driven by increase in both, sales volumes as well as realizations
  - Sales volume grew by 2.4% while realizations improved by 18.2%
  - Improved realizations resulting from enhanced product mix towards the copier segment
- Encouraging results from the branding initiatives and launch of Trident Royal Touch Copier Paper

Outlook

- Focus on optimizing product mix towards the copier segment by introduction of new products
- Realizations likely to be stable with better market share in copier segment
- Increase penetration in the domestic markets



Merger of Trident Corporation Limited with Trident Limited

About Trident Corporation Limited (TCL)

- Trident Corporation Limited (TCL) is an associate company of Trident Limited (Trident) and is currently engaged in trading activities
- Trident holds 25.42% of the equity shares of TCL
- TCL in District Sehore (Budhni) in M.P. is entailing a capex of ~Rs. 1,650 crore for:
  - Textile Project - installed 300 looms to manufacture terry towels at a capital outlay of Rs. 1,191 crore. This project is currently under trial run and the full impact of this would be visible in the ensuing financial year
  - Besides, the Company is implementing an open end yarn project by installing 1,920 rotors to manufacture open end yarn at a capital outlay of Rs. 60 crore
  - Captive Power Plant - entailed capex of Rs. 393 crore for implementation of captive power project to generate 60 MW power. This is expected to be commission by FY15

Highlights of the Merger Scheme

- Creates a single entity with major focus on yarn spinning, home textiles and paper
- Consolidation will make Trident one of the Largest Integrated Home Textile manufacturing facilities in the world
- Leverages the synergies arising both in terms of revenues as well as costs and shall enable the merged entity strengthen its focus on its core competencies
- TL shall issue and allot 16 (sixteen) equity shares of Rs. 10/- each fully paid up at a premium of Rs. 18.61 per equity share for every 25 (twenty five) equity shares of Rs. 10/- each fully paid up held in TCL
- The Appointed date of the Scheme shall be April 1, 2014

Advisors to the Transaction	
Independent Advisors	KPMG
Independent Valuers	BSR & Associates, Chartered Accountants
Fairness Opinion	Motilal Oswal Investment Advisors Private Limited
Legal Advisors	Amarchand & Mangaldas and Suresh A.Shroff & Co.

Updates on the Merger Scheme

- The equity shareholders, secured creditors and unsecured creditors of Trident Limited unanimously approved the "Scheme of amalgamation of Trident Corporation Limited with Trident Limited and their respective shareholders and creditors" in their separate meetings held on January 25, 2014 pursuant to the order dated December 18, 2013 of the Hon'ble Punjab and Haryana High Court at Chandigarh
- The scheme is now subject to the approval of the Hon'ble Punjab and Haryana High Court at Chandigarh

Benefits from the Merger

Streamlining Group Structure

- A single entity with major focus on yarn spinning, home textiles and paper
- Leverage synergies arising both, in terms of revenue as well as costs, and shall enable the merged entity strengthen its focus on its core competencies
- Joint operating benefits in the areas of manufacturing, procurement, new product development, marketing resulting in enhanced shareholders' value

Global Scale

- Combined entity will emerge as one of the largest global players in the integrated home textile segment

Economies of Scale

- Efficient utilization of capital, optimum utilization of infrastructure and other resources
- Jointly setting up and commissioning of projects in hand, contributing to the overall growth prospects of the combined entity

Geographical Diversification Benefits

- Locational advantage (M.P. being closer to ports), State Government incentives (mega project incentives), captive power plant (reduction in power cost) to make operations cost effective resulting in improved profitability

Benefits from the Merger

Integration	✓ Cotton yarn manufactured by Trident shall be the raw material of the terry towel being manufactured by TCL, resulting in cost synergies ✓ Proposed captive power unit of TCL will supply power to the manufacturing units of Trident - reduced dependence on the State Power Resources, resulting in considerable cost savings and making the merged entity self-dependent
Business Synergies	✓ Better utilization of the technical capabilities, resources, infrastructural facilities of TCL with larger scope for obtaining / infusing additional investments / funds resulting in increased turnover of Trident
Cost Optimization	✓ Pooling of sales, marketing and distribution network and other functions will deliver cost synergies and efficiencies
Enhanced Growth Prospects	✓ Enhanced Networth, improved financial leverage of the merged entity and increased brand equity would form a strong base and competitiveness to effectively negotiate various tie-ups, long term supply contracts, alternate inputs, etc. and is expected to lead to enhancement in shareholders' value

Post Merger Facilities of Trident Limited

Business	Operations	
	Existing	Post merger and ongoing expansions
Yarn	3,65,904 Spindles	~ 6 Lac Spindles
	3,584 Rotors	5,500 Rotors
Dyed Yarn	6,825 TPA	6,825 TPA
Terry Towels	388 Looms	~700 Looms
Sheeting	---	500 Looms
Paper	175,000 TPA	~2,00,000 TPA
Sulphuric Acid	100,000 TPA	100,000 TPA
Energy - Captive Power	50 MW	~ 130 MW

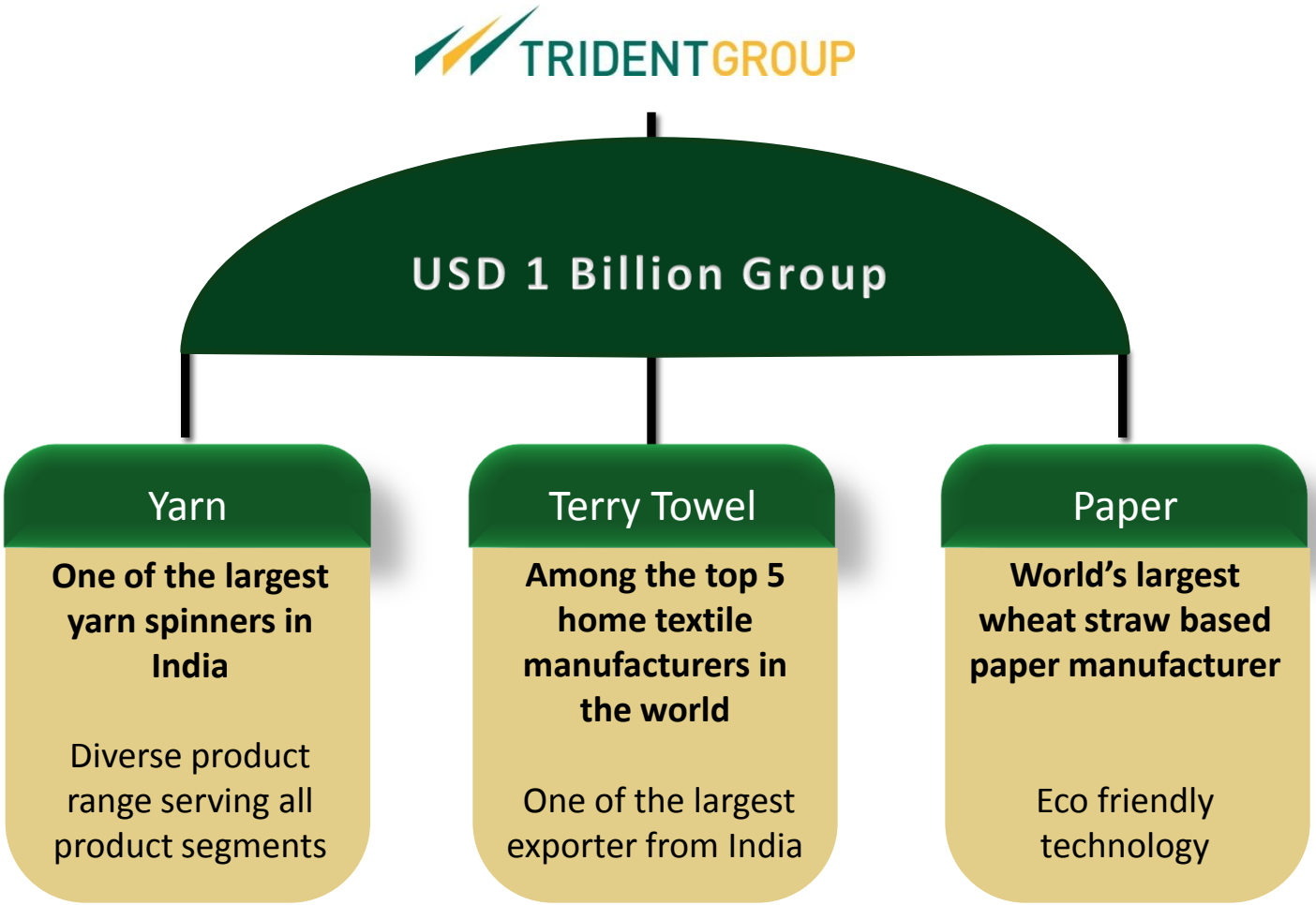








Trident Overview


TRIDENTGROUP
USD 1 Billion Group
Yarn
One of the largest yarn spinners in India
Diverse product range serving all product segments
Terry Towel
Among the top 5 home textile manufacturers in the world
One of the largest exporter from India
Paper
World's largest wheat straw based paper manufacturer
Eco friendly technology

Home Textiles



Towels



Bathrobes

Paper





WP Paper & Copier Paper

Yarn



Cotton Yarns



Dyed Yarns

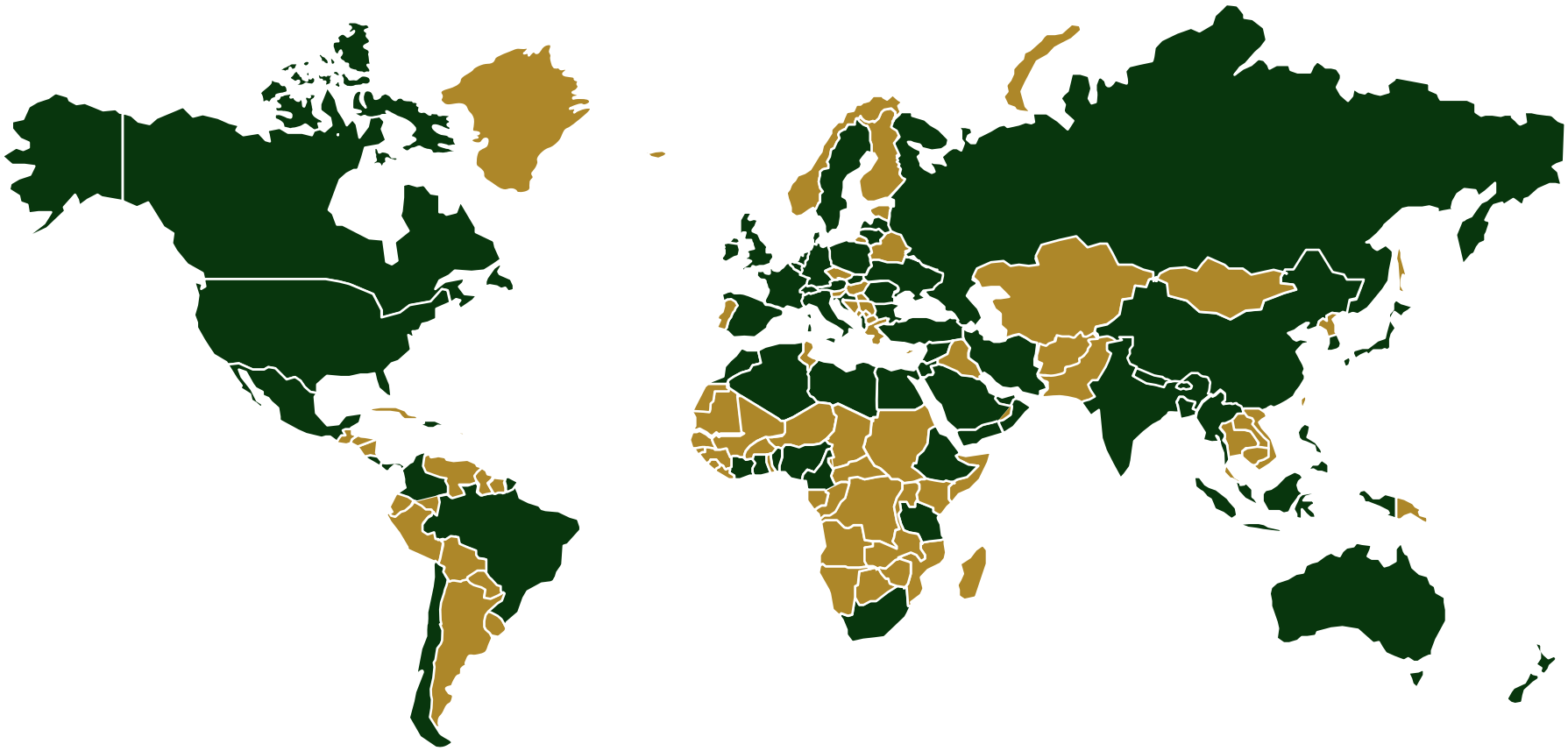
Chemicals & Power





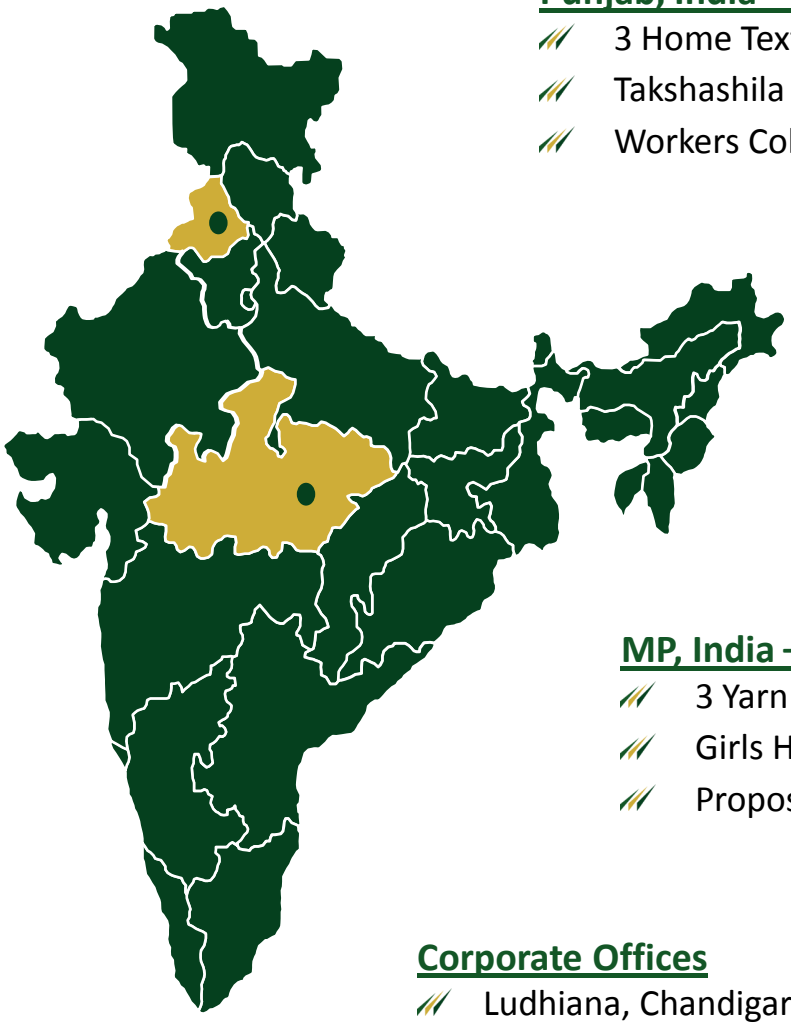


Power, Sulphuric Acid & Sulphur



Products exported* to 75 countries across 5 continents

* Export destinations are highlighted in dark green



Punjab, India – Dhaula Campus

- 3 Home Textile, 2 Paper, 3 Energy & 1 Chemical Unit(s)
- Takshashila (Center of Excellence)
- Workers Colony

Punjab, India – Sanghera Campus

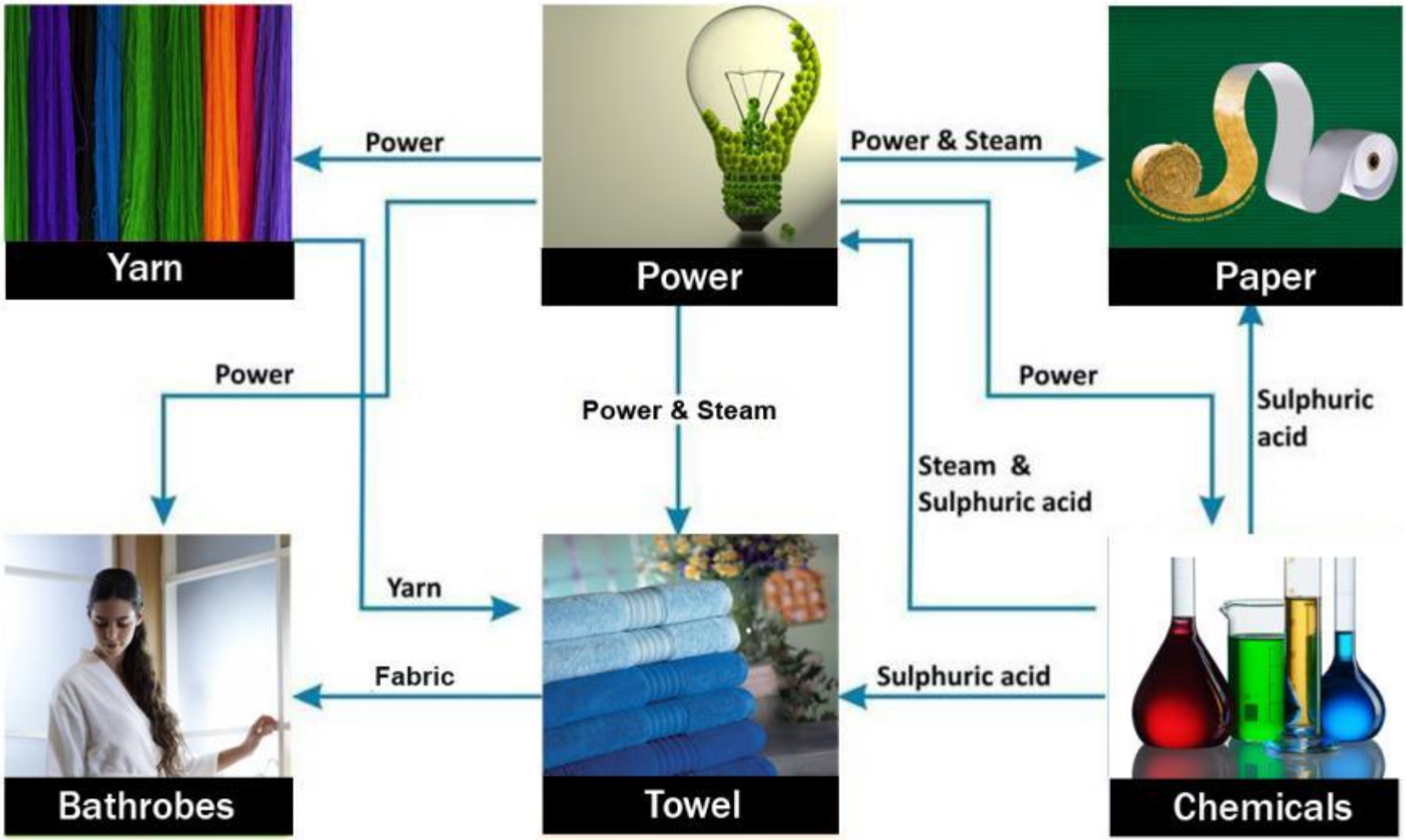
- 5 Yarn Units
- Ananda (Leadership Workshop)
- Workers Colony
- Girls Hostel

MP, India – Budni Campus

- 3 Yarn Units
- Girls Hostel
- Proposed Yarn, Home Textiles & Energy Units

Corporate Offices

- Ludhiana, Chandigarh, Bhopal & Gurgaon, India
- New York, USA

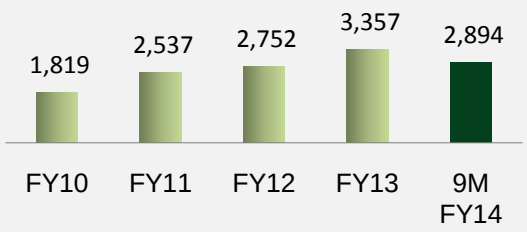

Yarn
Power
Power & Steam
Paper
Power
Power
Power & Steam
Power
Sulphuric acid
Steam & Sulphuric acid
Yarn
Fabric
Sulphuric acid
Bathrobes
Towel
Chemicals

Financial Performance Trend

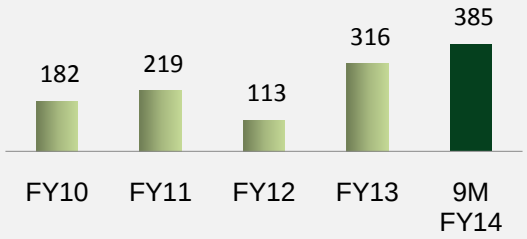
*9M FY14 figures non-annualized

P&L (Rs. crore)

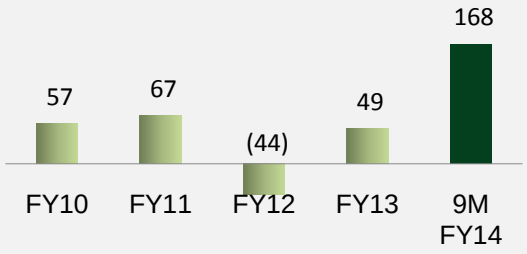
Revenues



EBIT

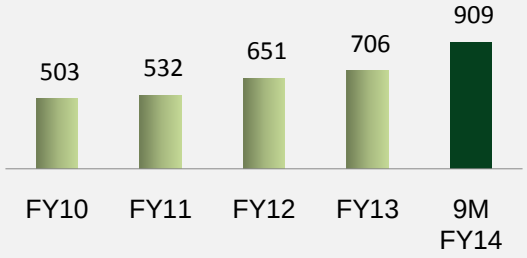


PAT

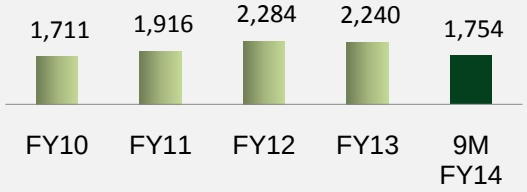


Balance Sheet (Rs. crore)

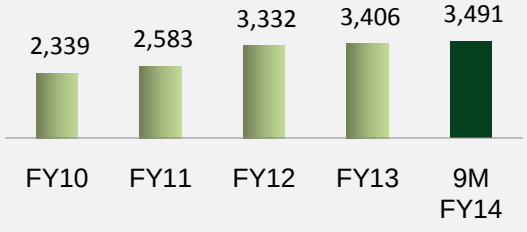
Networth



Total Debt

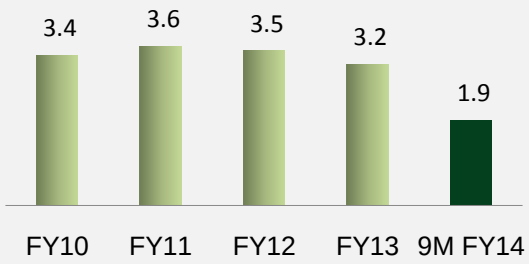


Gross Block

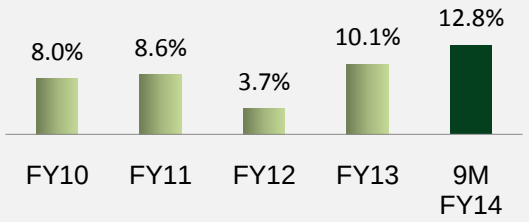


Ratios

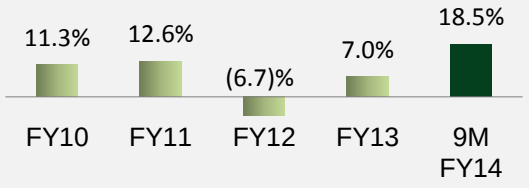
Debt:Equity (x)



ROCE* %



ROE* %



Economies of scale	Among the world's largest home textiles and wheat-straw based paper manufacturers
State-of-the-art Technology	Embraced the latest technology and automation from global best technology partners at all stages of manufacturing
Integrated Textile operations	Enables efficient operations and partly insulates from movement in raw material prices Ensures greater quality control across the entire value-chain
Raw Material Security	Longstanding relationships with major raw material suppliers

Increasing share of value-added products

- Focus on product engineering and development
- Innovation in design and product development of textile and paper products

Global Reach

- Customers in 75 countries across 5 continents
- Includes nine out of top ten retailers in US, six leading retailers in Europe and five of top seven retailers in ANZ

Strong Management Team

- Managed by a group of professionals and an experienced management team with a healthy mix of industry experts and young energetic talent

Continuous Improvement

- Business excellence activities like Kaizen, TQM, TPM, 5S, Change Management to have lean manufacturing resulting in efficient usage of technology
- TPM Policy has been formulated across the organization to achieve zero accidents, zero defects and zero breakdowns

Focus on value-added Products

- Innovation in design and product development of textile and paper products
- Patented technologies for superior quality Air Rich™ towels for better functionality and aesthetics
- Paper division geared towards high margin copier segment

Brownfield Expansion

- 38,802 TPA of additional cotton yarn capacities to meet rising demand
- Sheeting unit in Budni with 500 looms
- Capital outlay reduced due to incentive schemes by central and state governments

Focus on Cost Efficiencies

- Captive Power capacities – one of the lowest ratio of power cost to revenue
- Leverage existing relations with suppliers in India, China & Egypt for supply of quality cotton at competitive prices

Entry in New Markets

- Continuous focus on spreading customers geographically
- Successfully entered new markets like UK, Italy, France, Japan, Australia, South Africa and Canada

Branding Strategy

- Focus on aggressive branding strategy to percolate home textile product in premium customer segment



About Us & Investor Contacts

Trident Limited *is the flagship company of Trident Group a USD 1 Billion global player, with its array of customers spread across 75 countries. Trident Limited is a leading manufacturer of Terry Towels, Paper, Yarn and Chemicals.*

The company has emerged as one of the largest manufacturers of terry towels and wheat straw based paper manufacturers in the world. Trident is associated with global retail brands across the globe, including Ralph Lauren, Calvin Klein, JC Penney, IKEA, Target, Wal-Mart, Macy's, Kohl's, Sears, Sam's Club, Burlington, etc. Trident has also frequently received accolades from its patrons in recognition for delivering high quality standards and for the customer centric approach. With a Compounded Annual Growth Rate (CAGR) of more than 30%, Trident has established itself as one of the fastest growing groups in India.

Now, with the establishment of the state-of-the-art manufacturing processes, systems coupled with appropriate human capital and credentials, it is continuously making investment for expanding and modernizing its capacities.







Awards & Accolades

… recognized by the world

2013 Texprocil Outstanding Export Performance (3 Awards)
2013 Principal Partner – Bath by Sears Holdings Corporation
2012 Texprocil Outstanding Export Performance (2 Awards)
2012 CITI Birla Award for Human Resource Management in Textile Mills
2012 Educational Excellence Award 2012 from KRDWG
2012 Golden Peacock Environment Management Award
2012 Financial Performance Northern Region -2nd Position by CONCOR
2012 Exporter Northern Region- 1st Position
2011 Texprocil Outstanding Export performance (2 Awards)
2011 Bronze Award by "League of American Communications Professionals"
2011 Sustainability (South Asia) Award for the year 2010' by IKEA
2010 JC Penny Award for Innovation
2010 Rajiv Gandhi National Quality Awards (Textiles)
2010 Texprocil Top Performer of the Year (Silver Trophy)
2009 JC Penny Home Quality Award- Best Supplier of the Year award
2009 Texprocil Gold Trophy - Highest exports in Terry Towels
2009 IKEA Best Supplier (South Asia) Quality Award
2009 Star Trading House for Export by GOI
2007 CONCOR Best Exporter Award
2007 SAP ACE (Award for Customer Excellence)
2007 JC Penney Supplier of the Year Award
2006 Wal-Mart International Supplier of the Year
2006 National Award for Excellence in Corporate Governance
2006 CITI Birla Award for Quality Management
2006 Outstanding Export Performance for 2005-06
2005 Wal-Mart International Supplier of the Year
2005 Excellence in Corporate Governance, 2005
2005 ICAI Awards for Excellence in Financial Reporting
2005 Udyog Ratna Award
2005 Merit Award at Kaizen Summit
2003 Wal-Mart International Supplier of the Year
2001 Wal-Mart International Supplier of the Year

4 times Wal-Mart Supplier of the Year Awards	**3 times JC Penney Award (Best Supplier, Innovation & Quality)**	**2 Ikea Quality and Sustainability Awards**	**3 Corporate Governance Awards**	**Texprocil Export Performance Awards**



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

OR

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