



Trident Limited

Q2 & HI FY15 Performance Overview

Safe Harbor

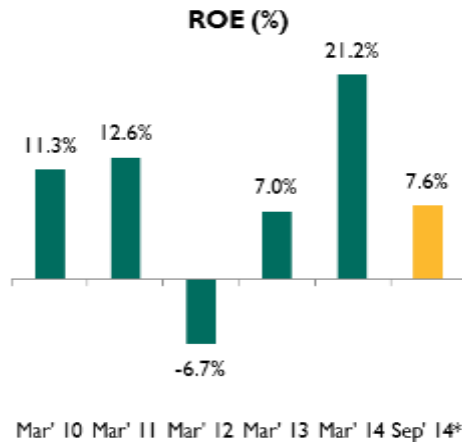
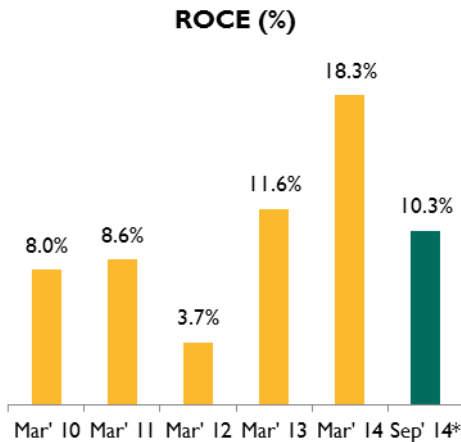
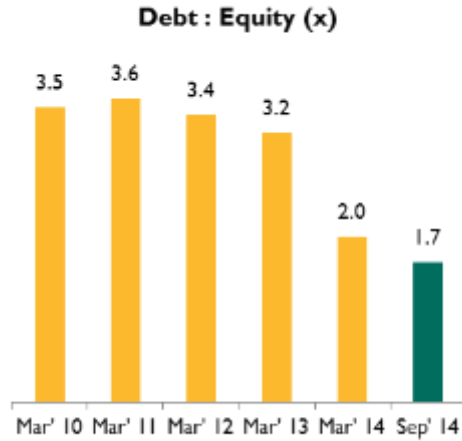
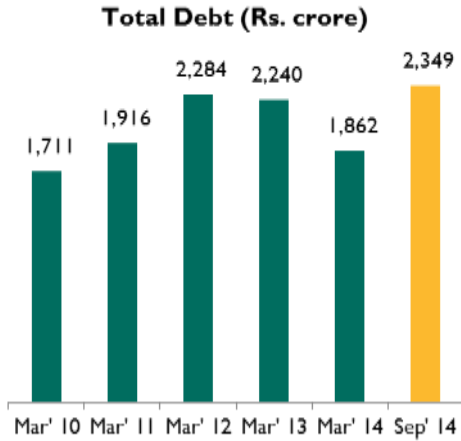
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Financial Highlights

Business Highlights

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Key Financial Parameters

- Debt Repayment of Rs. 136 crore in Q2 FY15
- Debt / Equity Ratio at a comfortable level of 1.7:1
- Return ratios reflect high cost cotton inventory and lower yarn prices

Q2 FY15 Financial Highlights

/// **Net Revenue** at Rs. 961.7 crore compared to Rs. 1,000.2 crore in Q2 FY14

- Net Sales declined due to lower yarn realizations. Consequently, the Company increased its captive consumption to 33% from 19% in Q2 FY14
- De-growth from yarn segment partly mitigated by improved utilization rates resultant to increased product off-take across products viz. Terry Towel and Paper combined with higher realizations as a result of enhancing the product mix towards value-added products

/// **EBITDA** moderated to Rs. 156.1 crore from Rs. 211.7 crore in Q2 FY14

- **EBIDTA Margin** stood at 16.2% vis-à-vis 21.2% due to declining spreads in the yarn business. This was partially offset by improved margins in Terry Towel and Paper businesses

/// **Finance Cost** lower by 13.9% at Rs. 44.6 crore vis-à-vis Rs. 51.8 crore

- The Company repaid 7.2% of outstanding term loans amounting to Rs. 136 crore during the quarter
- Outstanding term debt as on September 30, 2014 stood at Rs. 1,794.3 crore

/// **PAT** stood at Rs. 21.0 crore vis-à-vis Rs. 72.7 crore

- **Diluted EPS** (non-annualized) at Rs. 0.43

/// **Cash Profits** at Rs. 99.2 crore vis-à-vis Rs. 141.4 crore in Q2 FY14

• **Cash EPS** (diluted & non-annualized) at Rs. 2.03

Other Highlights

/// Credit Ratings upgrade by Credit Analysis & Research Ltd. (CARE)

- Long Term Bank Facilities: CARE A- (Single A Minus) from CARE BBB+ (Triple B Plus)
- Long/Short Term Bank Facilities: CARE A- /CARE A2+ (Single A Minus / A Two Plus) from CARE BBB+ / CARE A2 (Triple B Plus/A Two)
- Short Term Bank Facilities: CARE A2+ (A Two Plus) from CARE A2 (A Two)

/// Inauguration of the World's Largest Terry Towel plant and laying of foundation stone of the Composite Textile project in Budhni, Madhya Pradesh in the presence of Hon'ble Chief Minister of Madhya Pradesh, Sh. Shivraj Singh Chouhan

- Post expansion, the installed capacity of Trident has increased to 688 looms capable of producing 90,000 TPA of Terry Towels, making Trident the largest manufacturer of Terry Towels in the world
- The captive power plant will be commissioned in September 2016, and the composite bed linen unit is expected to be operational by September 2015

Dividend Policy

Objective

- /// The objective of the dividend policy of Trident Limited is to reward its shareholders by sharing a portion of the profits, whilst also ensuring that sufficient funds are retained for growth of the Company

Dividend Policy

- /// The Company would endeavor to pay 6% of the face value per share as dividend every year; subject to the gross dividend payout not exceeding 33% of the net profit after tax of the Company
- /// The Company would endeavor to keep the gross dividend payout ratio up to 33% except for reasons to be recorded. The dividend for each year would be recommended by the Board at its discretion taking into account the free cash flow position, the profit earned during that year, the capex requirements and applicable taxes. The Board may also declare interim dividend at its discretion within the aforesaid payout ratio
- /// Depending on the long term growth strategy of the Company and the prevailing circumstances, the Board may increase the aforesaid threshold dividend of “6% of the face value per share” from time-to-time, while trying to ensure that sufficient funds are retained for growth of the Company

Dividend Policy

Dividend Guideline

/// The Board at its discretion, while approving the annual accounts in each financial year, also recommend the dividend for approval of the shareholders after taking into account the free cash flow position, the profit earned during that year, the Capex requirements and applicable taxes. A dividend policy stated by the current Board cannot be binding on the extant Board. However, the current Board can form a guideline on dividend payout in future in the interest of providing transparency to the shareholders

Profit & Loss Abstract

Q-o-Q			Particulars (Rs. crore)	Y-o-Y		
Q2 FY15	Q2 FY14	Shift %		HI FY15	HI FY14	Shift %
961.7	1,000.2	(3.9)	Net Revenues	1,874.9	1,872.9	0.1
807.3	788.7	2.4	Total Expenditure	1,538.1	1,467.4	4.8
521.5	521.1	0.1	- Material Consumed	965.8	948.6	1.8
285.7	267.7	6.7	- Other Costs & Expenses	572.3	518.8	10.3
156.1	211.7	(26.3)	EBITDA	340.2	406.0	(16.2)
16.2%	21.2%	(500) bps	EBITDA Margin (%)	18.1%	21.7%	(360) bps
78.2	68.7	13.8	Depreciation	159.1	136.8	16.3
77.9	143.0	(45.5)	EBIT	181.1	269.3	(32.8)
44.6	51.8	(13.9)	Interest	102.7	111.1	(7.6)
33.3	91.2	(63.5)	PBT	78.3	158.1	(50.5)
12.3	18.5	(33.5)	Tax	25.1	41.3	(39.3)
21.0	72.7	(71.1)	PAT	53.3	116.8	(54.4)
0.43	2.34	(81.6)	EPS (Diluted) (Rs.)	1.11	3.76	(70.5)

Balance Sheet Abstract

Particulars (Rs. crore)	As on September 30, 2014	As on September 30, 2013
Sources of Funds		
Share Capital	448.1	310.8
Reserves and Surplus	899.3	512.2
Money received against Share Warrants / ESOPs	60.6	25.0
Long Term Borrowings	1,441.9	810.7
Other Non Current Liabilities	106.3	112.5
Current Liabilities	1,190.5	1,236.0
TOTAL	4,146.8	3,007.3
Application of Funds		
Fixed Assets	3,080.5	1,936.6
Non Current Investments	26.2	103.2
Long Term loans and advances	125.0	115.5
Current Assets	915.0	852.0
TOTAL	4,146.8	3,007.3

Management Comment

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

“We are pleased to report a healthy operational and financial performance in an environment that was challenging for the yarn segment. Our integrated operations combined with our thrust on efficiencies, cost rationalization and increasing contribution from high margin value-added products has held us in good stead during the quarter under review.

In Q2 FY15, we moved a step closer to our dream of becoming the largest home textile company globally by inaugurating world’s largest Terry Towel plant in Budni. We also laid the foundation stone for our composite textile project. The entry into the bed linen segment will improve our product basket by offering a complete range of home textile products.

Overall, we are confident of delivering sustained growth as we believe that we are well placed to capitalize on the opportunity given our diverse product-mix and value offerings to our entrenched global clientele. The increased capacities, measures to strengthen our balance sheet combined with prudent financial management should result in sustainable improvements in profitability and delivering better returns to our shareholders.”



Financial Highlights

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TRIDENT
Everyday
Towel Collection



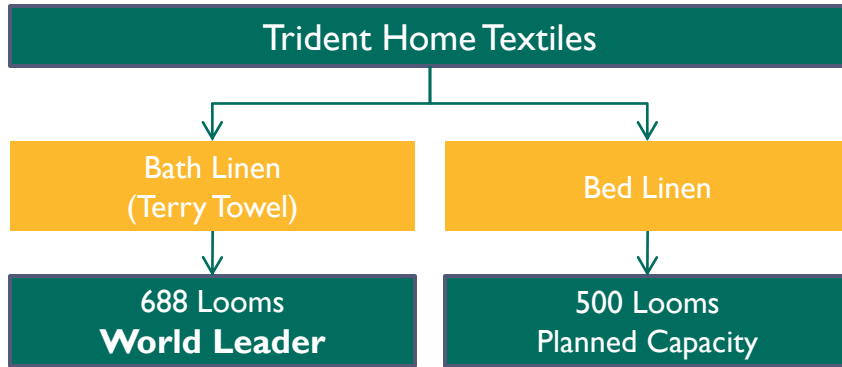
TRIDENT
HOME
Essentials
Premium Towels

TRIDENT
CLASSIC
Towel Collection

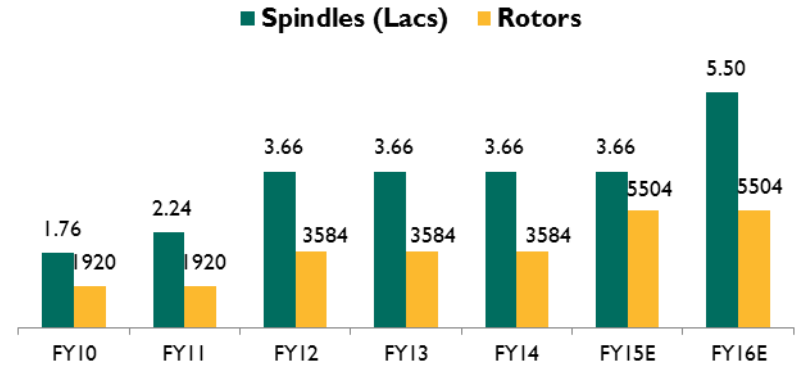
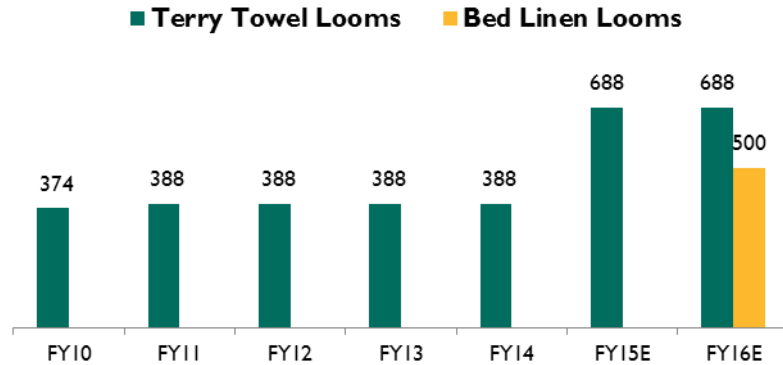


TRIDENT
Indulgence

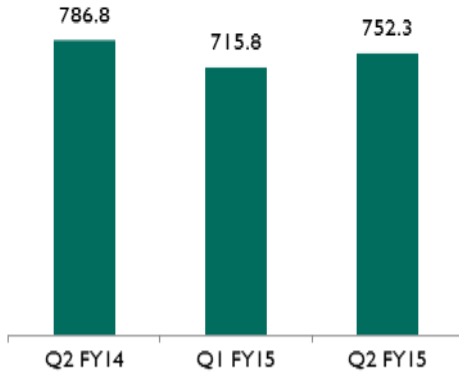
One of the World's Largest Integrated Home Textile Manufacturers



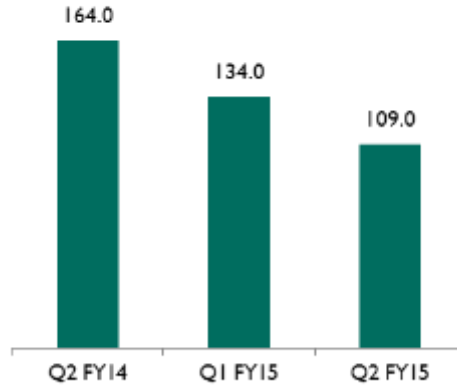
- Fully integrated home-textile operations with terry towel capacity of 360 million pieces of towel per annum
- Composite Bed Linen Project is under implementation & expected to be commissioned by Sep. 2015
- Implemented the world's largest terry towel project at a single facility
- One of the largest cotton yarn spinning capacity in India with 3.66 lac spindles capable of producing 8,400 MT/month of cotton and blended yarn



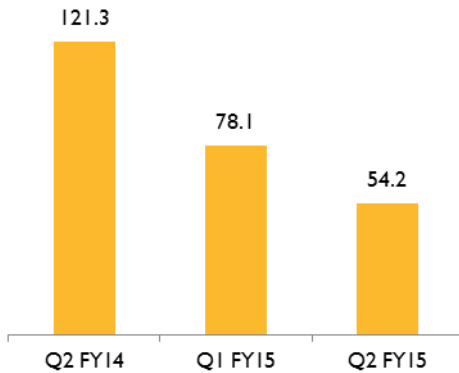
Revenues (Rs. crore)



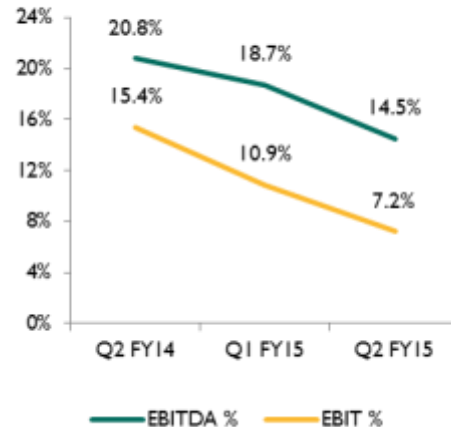
EBITDA (Rs. crore)



EBIT (Rs. crore)



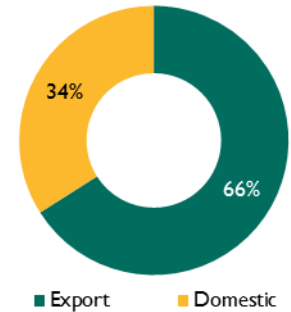
Margin (%)



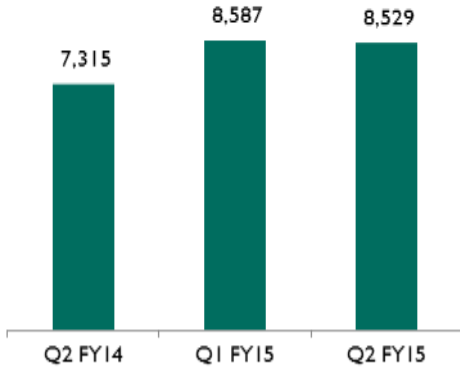
Quarterly Financial Highlights

Decline in margins resultant to lower spreads in yarn business; partly mitigated by healthy margins in Terry Towel business

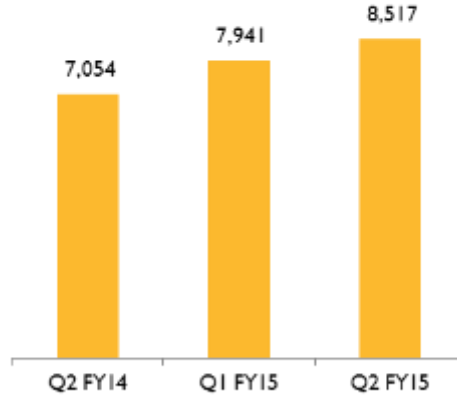
H1 FY15
Export : Domestic Mix



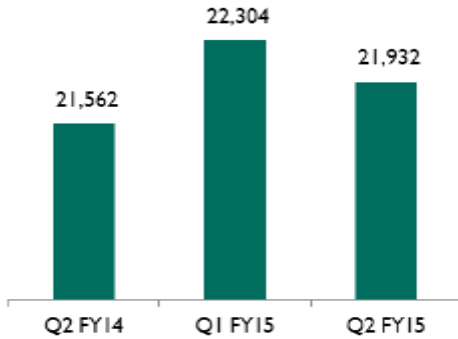
Towel Production (in MT)



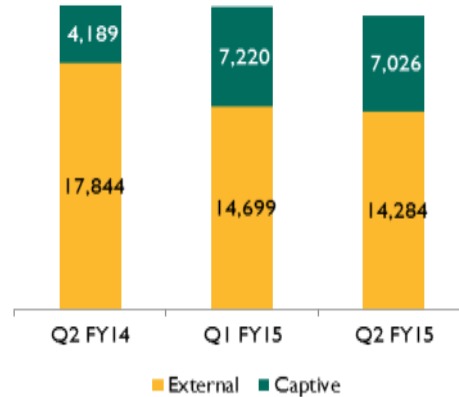
Towel Sales (in MT)



Yarn Production (in MT)



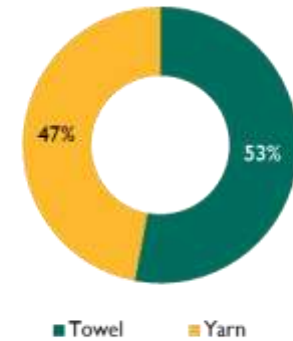
Yarn Sales (in MT)



Operational Highlights

Captive consumption increased from 19% in Q2 FY14 to 33% in Q2 FY15

H1FY15 Product Mix



Textile Brands



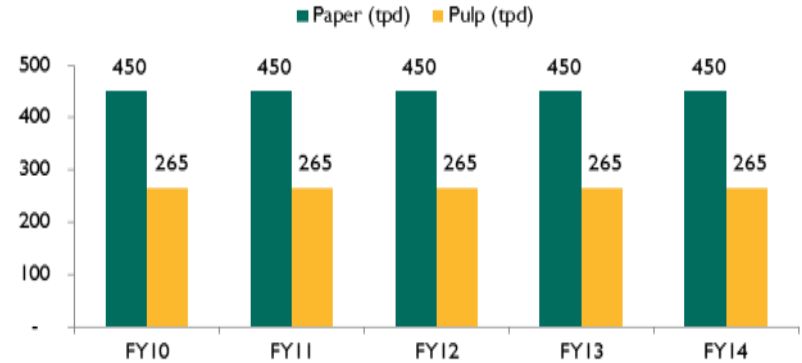
Q2 FY 15 Performance Overview & Outlook

- /// Topline at Rs. 752.3 crore compared to Rs. 786.8 crore in the corresponding quarter last year
 - Declining spread in Yarn division moderated topline growth
 - However, Terry Towel sales volume improved by 20.7% while realizations improved by 8.0% backed by greater focus on value-added products
- /// Sustained focus on expanding customer base
 - Ramped up business volumes in New Markets – Kolkata & Central India
 - Brand presence doubled to 33 Reliance Market & Mart stores pan-India
- /// 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. to enhance product branding – these products are receiving encouraging response
 - Leveraging R&D to enhance the proportion of value-added products to the overall product mix
- /// Increased presence on online portals reaching direct customers – increasing traction in the e-commerce segment and Channel market spread pan-India



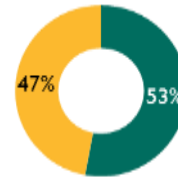
World's Largest Wheat Straw-based Paper Manufacturer

- Agro-residue (wheat straw) and ECF pulp used to manufacture paper
- Customers across 40 countries including India, Middle East, Africa, US, Latin America and UK, among others
- Energy-saving operations initiated to reduce power consumption



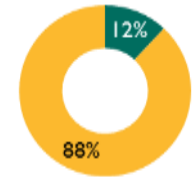
Product Portfolio	Trident Brands	GSM	Brightness
	Royal Touch	80	90%
	Spectra	75	88%
	Eco Green	75	90%
	Natural	72	86%
	My Choice	70	87%

HI FY15 Product Mix



■ Regular ■ Copier

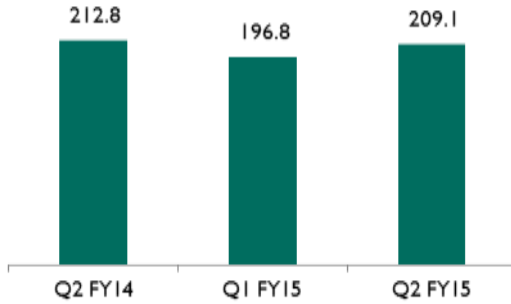
HI FY15 Export : Domestic Mix



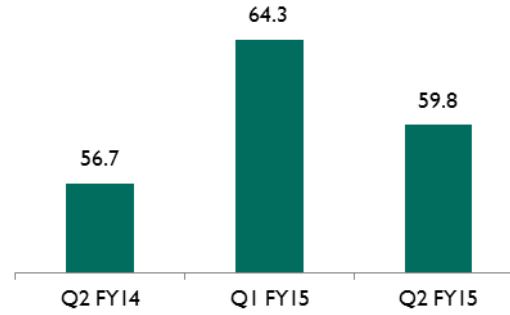
■ Export ■ Domestic

Financial & Operational Highlights

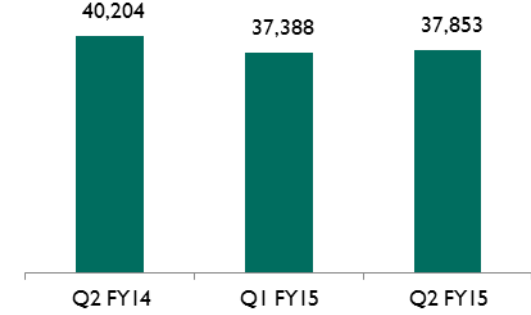
Revenue (Rs. crore)



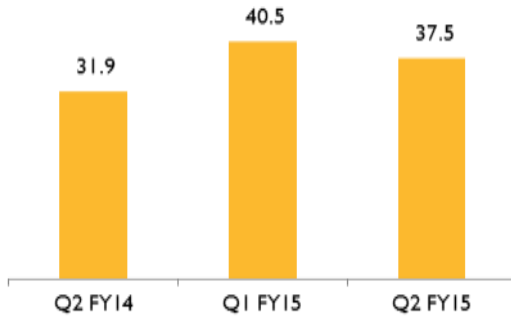
EBITDA (Rs. crore)



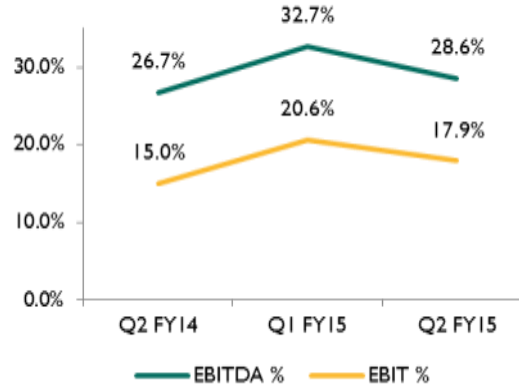
Production (in MT)



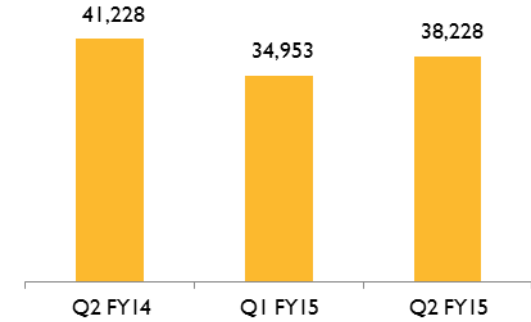
EBIT (Rs. crore)



Margin (%)



Sales (in MT)



Q2 FY15 Performance Overview & Outlook

- 🚩 Topline flat at Rs. 209.1 crore vis-à-vis Rs. 212.8 crore in Q2 FY14
 - While sales volume declined by 7.3%, NSR improved by 7.3%
 - Improvement in NSR driven by greater contribution of branded copier products
- 🚩 EBITDA increased to Rs. 59.8 crore while EBITDA margin improved by 190 bps to 28.6%
- 🚩 Trident Khazana coupon scheme launched to improve the presence and increase pull from Retailers / End Users
- 🚩 Improvement in average GSM to achieve higher profitability by increasing operational efficiencies
- 🚩 Improvement in service aspect to achieve price premium vis-à-vis competition
- 🚩 Focus on institutional orders for longer runs, thereby improving productivity



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Strategy

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 captive demand
- Sheeting unit in Budni with 500 looms
- Capital outlay reduced due to incentive schemes by central and state governments

Strategy

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

Geographical Diversification

- ✓ 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

Post Expansion Facilities

Business		Operations	
Division	Product	Existing	Post ongoing expansions
Textiles	Terry Towels	688 Looms	688 Looms
	Bed Linen	---	500 Looms
	Yarn	3.66 Lac Spindles	5.50 Lac Spindles
		5,500 Rotors	5,500 Rotors
	Dyed Yarn	6,825 TPA	6,825 TPA
Paper & Chemicals	Paper	175,000 TPA	2,00,000 TPA
	Chemicals	100,000 TPA	100,000 TPA
Energy	Captive Power	50 MW	110 MW





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About Us

Trident Limited is the flagship Company of TridentGroup, 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: Textiles and Paper with its manufacturing facilities located in Punjab and Madhya Pradesh. Trident's customer base spans over more than 75 countries across 6 continents and comprises of global retail brands like Ralph Lauren, Calvin Klein, 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 and Accolades

... recognized by the world

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



Investor Contacts

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