



Trident Limited
Corporate Presentation
August - 2015



Table of Content



1

Trident Overview

2

Business Highlights

3

Expansion Projects

4

Strengths & Strategy

5

CSR Initiatives & Awards

6

About Us & Investor Contacts

A photograph of a modern bedroom interior. A white wooden bed frame is dressed with a patterned duvet cover in shades of purple, white, and black. Several pillows are arranged on the bed, including solid purple ones and others with geometric and striped patterns. To the left of the bed is a white nightstand with a small potted plant and a mug. To the right is a dark blue wooden dresser with a blue vase containing greenery and other decorative items. A window with sheer white curtains is in the background.

Trident Overview



... 25 years of being different

Trident Limited

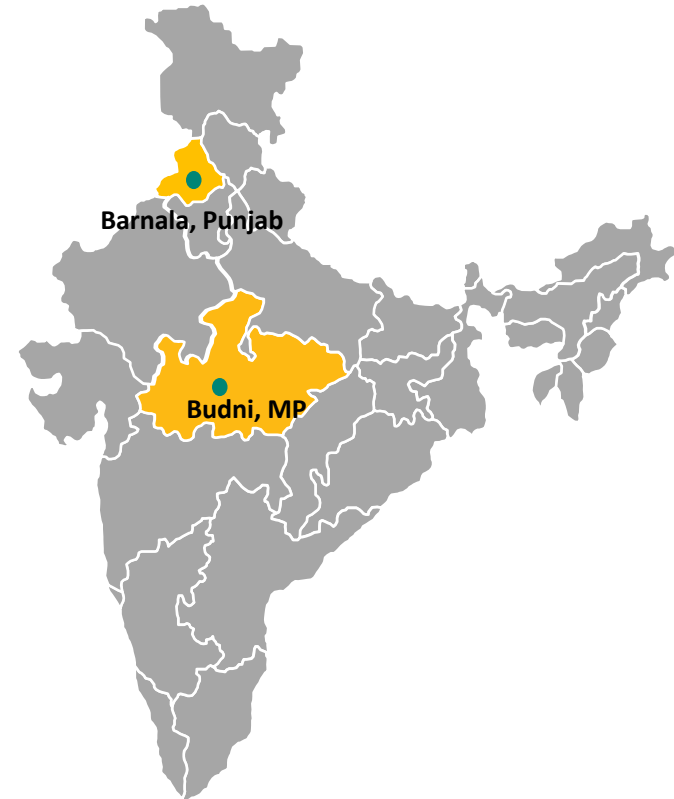
Textiles

- Worlds Largest Integrated Terry Towel Manufacturer
- One of the largest Yarn Spinners in India
- One of the largest Textiles Exporter from India

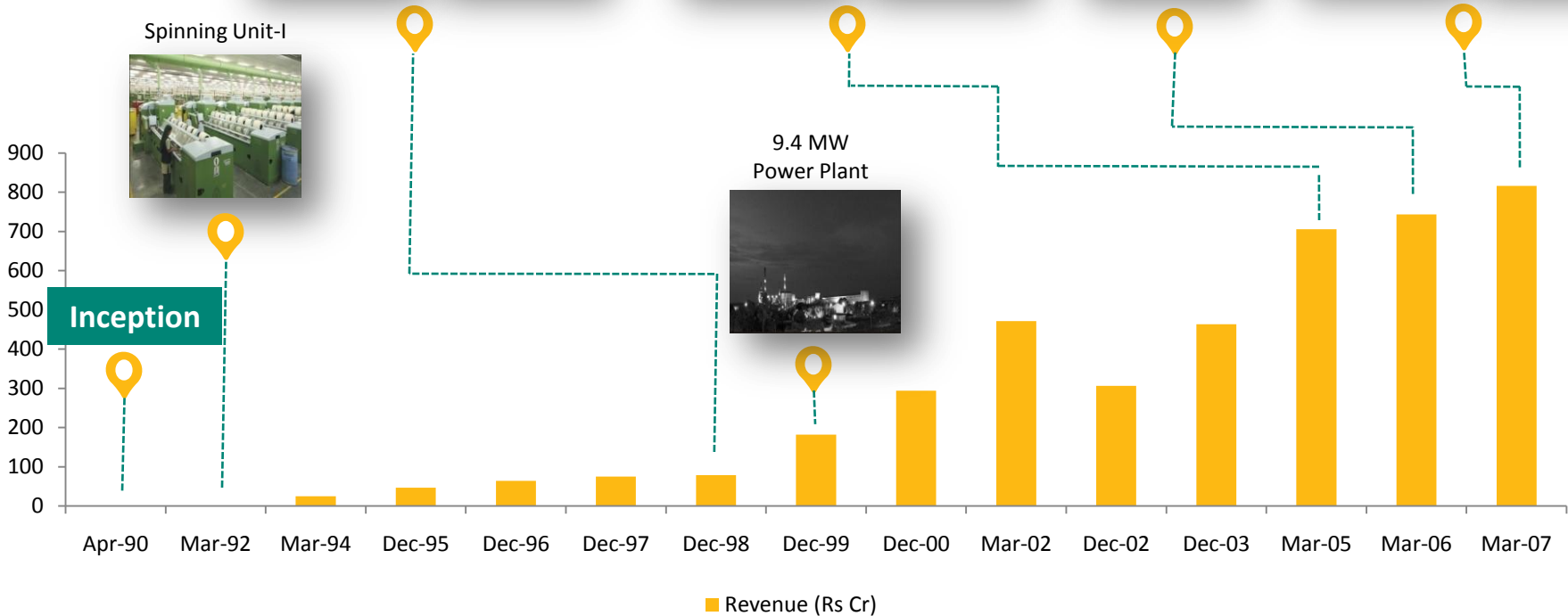
Paper

- World Largest Wheat straw based manufacturer
- Eco friendly technology

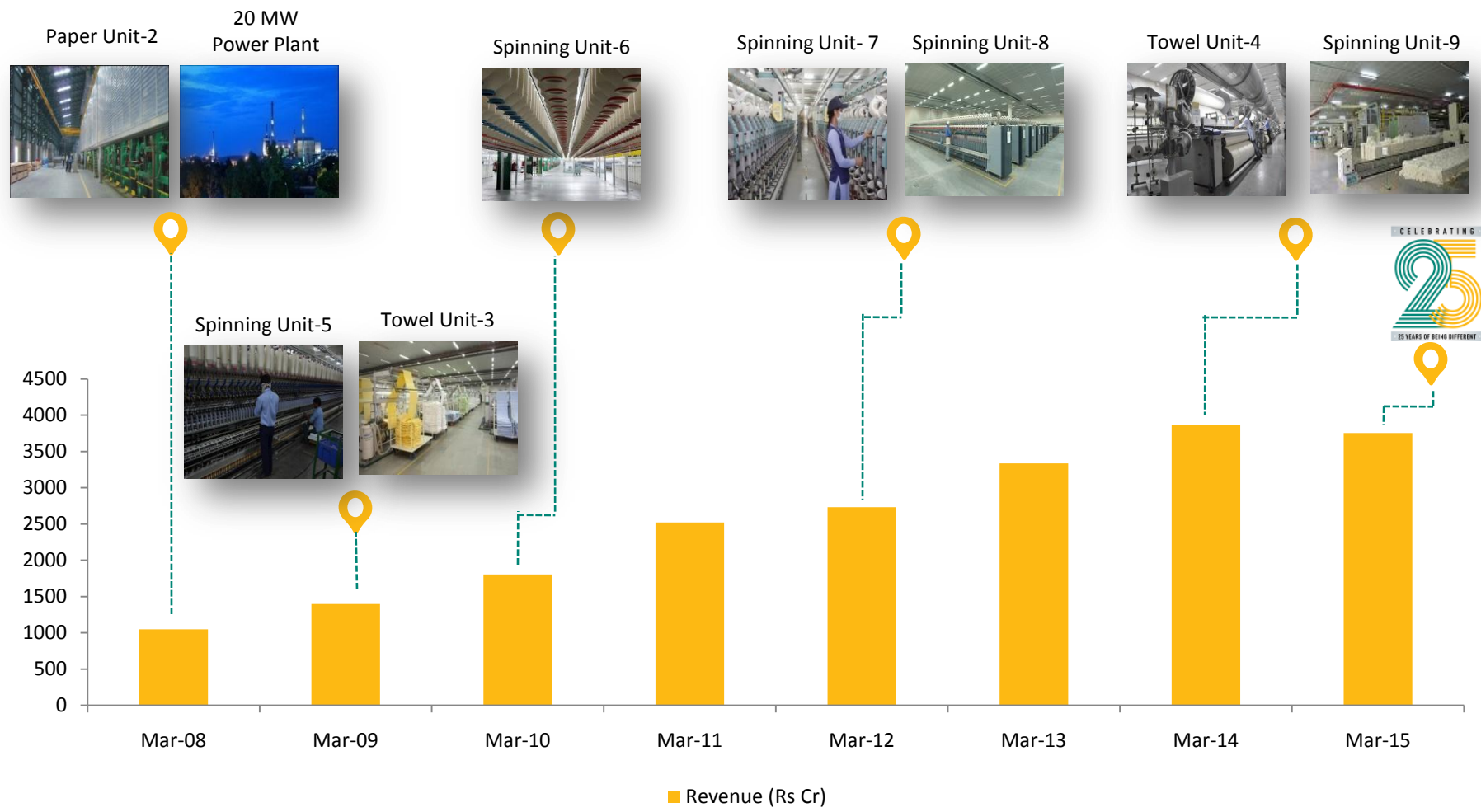
Manufacturing Facilities



... Milestones



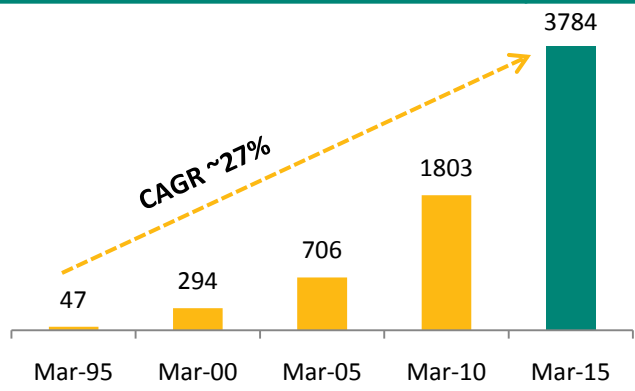
... Milestones



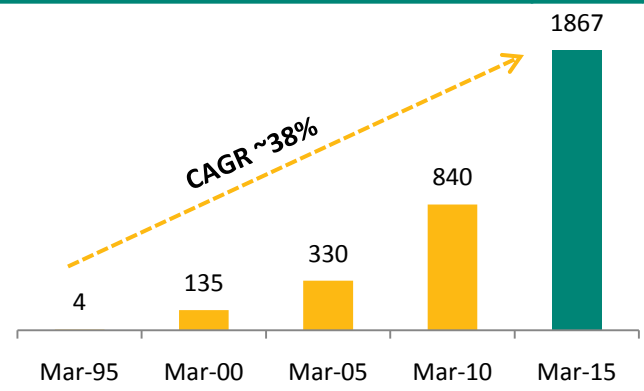
...Delivering Value



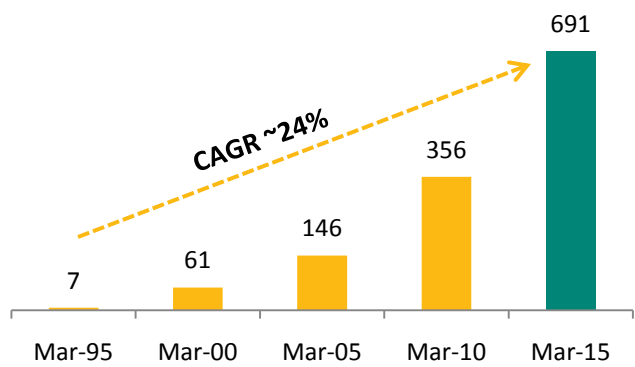
Revenue Growth



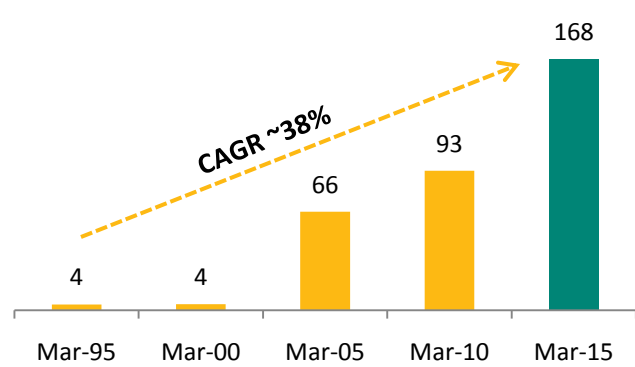
Export Growth



EBITDA Growth



PBT Growth



Profit & Loss Abstract

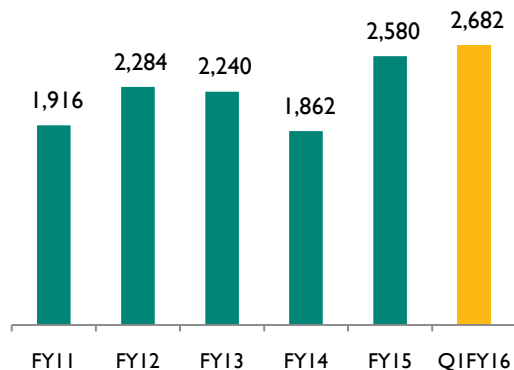


Q1 FY16	Q4 FY15	Shift %	Particulars (Rs. crore)	Q1 FY16	Q1 FY15	Shift %
879.1	978.0	(10.1)	Net Revenues	879.1	913.3	(3.7)
682.8	783.1	(12.8)	Total Expenditure	682.8	730.8	(6.6)
389.5	478.6	(18.6)	- Material Consumed	389.5	444.3	(12.3)
293.4	304.5	(3.6)	- Other Costs & Expenses	293.4	286.5	2.4
198.0	195.0	1.5	EBITDA	198.0	184.0	7.6
22.5%	19.9%	+258 bps	EBITDA Margin (%)	22.5%	20.1%	+237 bps
81.4	82.9	(1.9)	Depreciation	81.4	80.9	0.6
116.6	112.1	4.0	EBIT	116.6	103.2	13.0
44.5	53.6	(17.1)	Interest	44.5	58.1	(23.5)
72.1	58.5	23.4	PBT	72.1	45.0	60.2
11.2	18.1	(38.1)	Tax	11.2	12.8	(12.3)
61.0	40.4	50.9	PAT	61.0	32.3	88.8
1.20	0.79	51.9	EPS (Diluted & non-annualized) (In Rs)	1.20	0.68	76.5

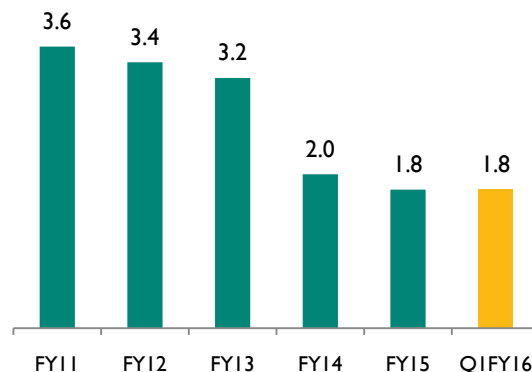
Key Financial Parameters



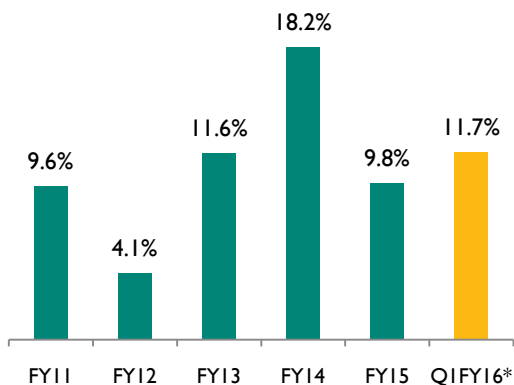
Total Debt (Rs. crore)



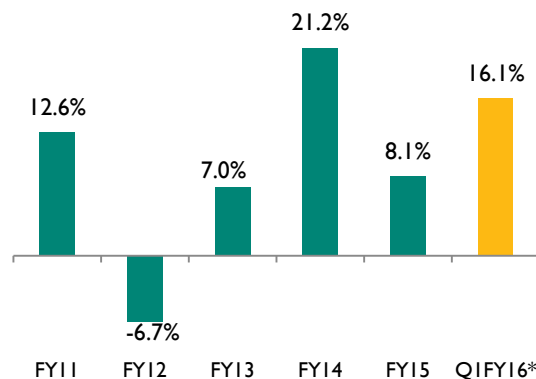
Debt : Equity (x)



ROCE (%)



ROE (%)



* Q1FY16 Figures are annualized

➤ **Debt Repayment** in FY15 – Rs. 458.4 crore

➤ **Debt Repayment** of Rs. 102.9 crore in Q1 FY16

➤ Includes prepayment of high cost debt of Rs. 32.2 crore

➤ **Debt / Equity Ratio** stands at 1.77:1

➤ **Debt level** increased due to expanded capacities

➤ **Return ratios** improved due to improved margins



A photograph of a stack of folded towels in various colors (pink, white, purple) on a wooden surface. A pink towel is draped over the top of the stack. To the right of the towels is a wooden soap dispenser with a silver pump. In the bottom right corner, there are small pink flowers. The background is a light-colored brick wall and a window with white frames.

Textile Industry Overview

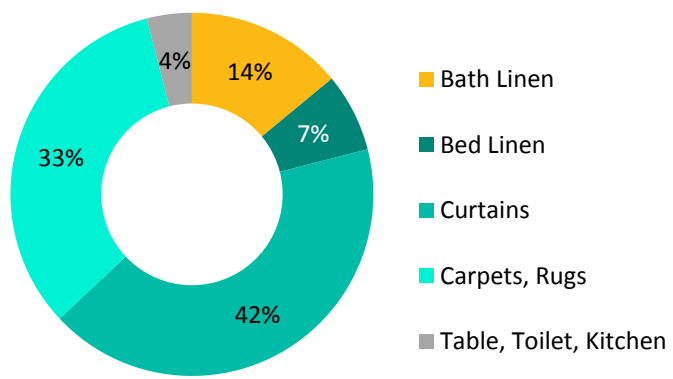
Global Home Textile Industry



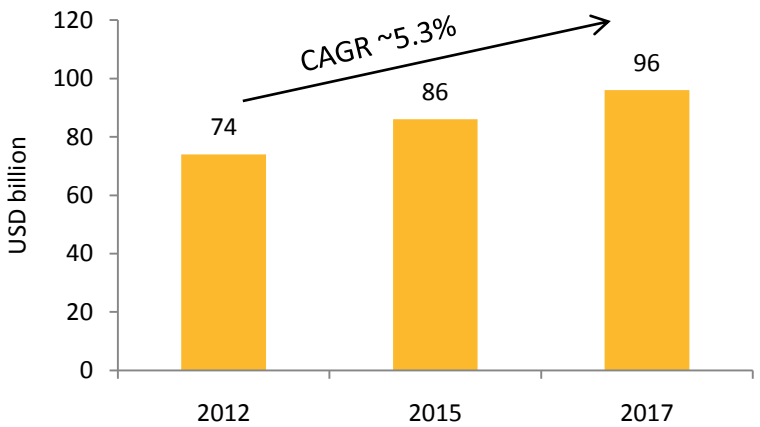
Global Home Textiles Sector

- Global Home Textiles market is expected to grow at a CAGR of ~5% for the period 2012-2017
- Bed and Bath Linen together constitute about 21% of the total Home Textiles industry by volume
- For the year 2013, Bath Linen contributed 20% to the total value of home textiles industry

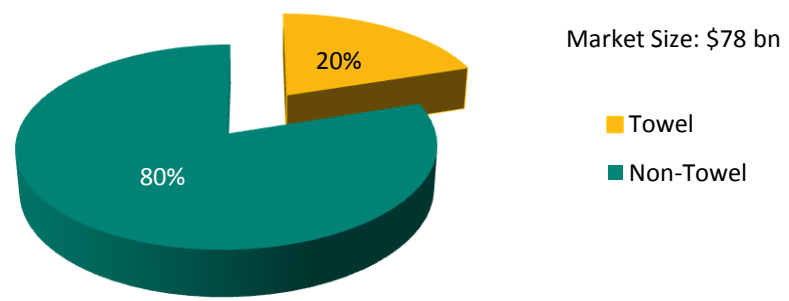
Split of Home Textiles (Volume)



Global Home Textiles Market



Split of Global Home Textiles (Value)



Source: Global and Indian Textile & Apparel Trade -Technopak Analysis

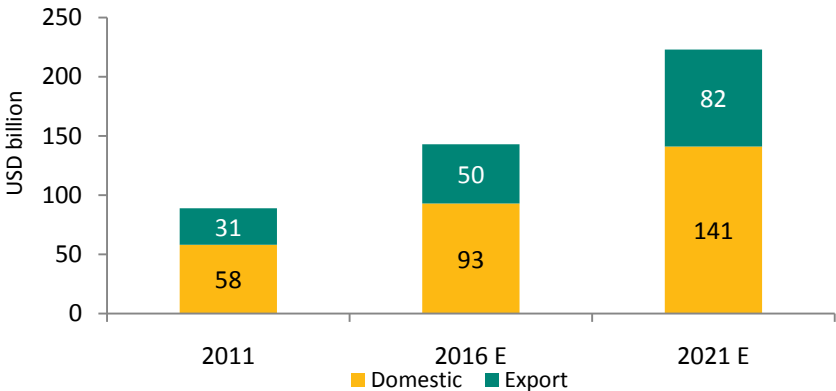
Domestic Textiles Industry



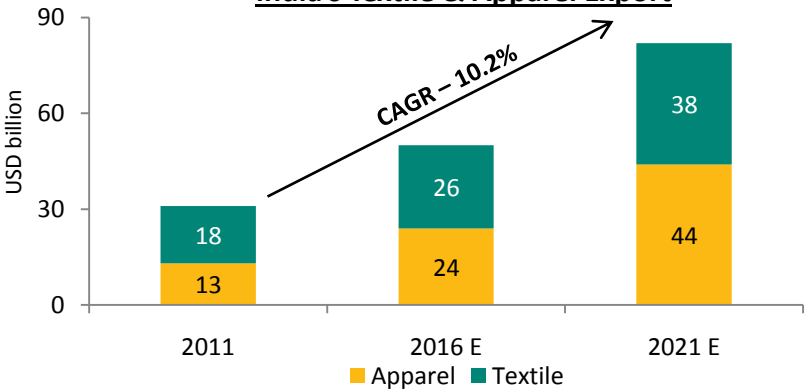
Indian Textile Sector

- India's textile sector contributes ~14% to industrial production, 4% to GDP and 12% to the country's export earnings
- India is the second largest producer of cotton, textiles & garments and is the only major textile exporting country with a net cotton surplus - constitutes ~20% to the total cotton cultivation area
- U.S. & E.U. account for about 2/3rd of India's textile export constitute over 50% of all fibre consumption
- The Indian textile and apparel market size is projected to grow at a 9% CAGR to USD 141 billion by 2021 - domestic home textile market growing at a CAGR of 8% and is expected to reach USD 9 billion by 2021

Indian Textile industry at an inflection point



India's Textile & Apparel Export



Source: Technopak, June 2012, Otexa

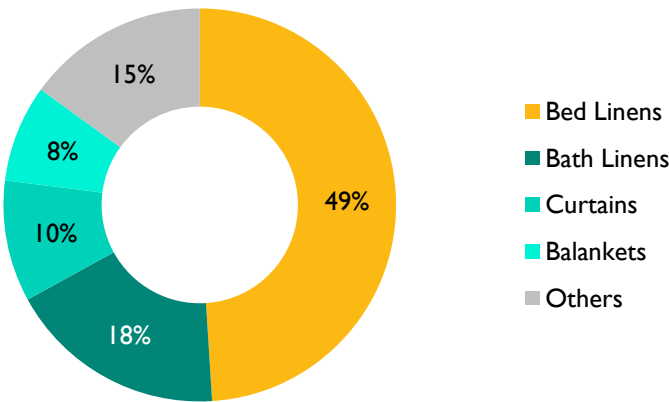
Domestic Home Textiles Industry



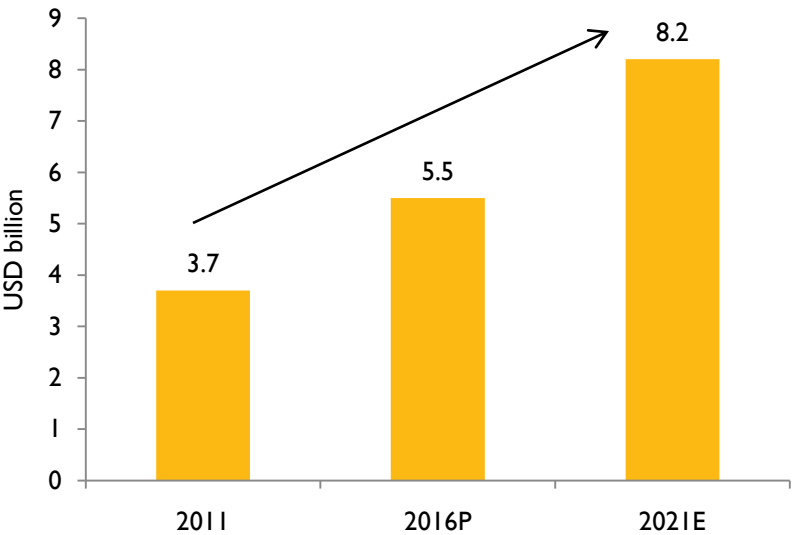
Indian Home Textiles Sector

- Domestic Home Textiles market is expected to grow at a CAGR of ~8.3% for the period 2011-2021
- Bed and Bath Linen together constitute about 67% of the total domestic home textiles industry by value
- Indian products has gained significant market share in past few years

Indian Home Textiles Industry (Value)



Indian Home Textiles Industry



Source: Technopak Compendium Textile Apparel

Advantage – “Make in India”



Large Capacities

India's share of spinning capacities have improved significantly in world capacities – accounts for 9% of total installed capacities

Raw Material Availability

India is among the only textile manufacturing country to be net exporter of cotton – benefit of lower raw material costs vis-à-vis Pakistan & China that are net importers

Talent Pool & Cheap Workforce

Design skills vis-à-vis commoditized products and cheaper labor costs viz. USD 200 per month in relation to China's labor cost viz. USD 450 per month growing at 18-20% Y-o-Y

Power

Captive power leading to assured power supply at competitive rates compared to China and Pakistan, where Pakistan is facing huge power shortage due to power disruption

Largest Competitor (China) transitioning to developed economy

Rising per capita income making China a self consuming economy (domestic consumption growing at 13% CAGR) likely to impact its ability to export



Rupee Depreciation

– Rupee has depreciated ~25% compared to an appreciation in Chinese Yuan by 3.4%. This has made Indian textile products more competitive

Govt. Incentive Schemes

Various government policies to support the industry as well as to ensure that the industry is competitive to its international peers in manufacturing and exports

Robust Growth to Continue

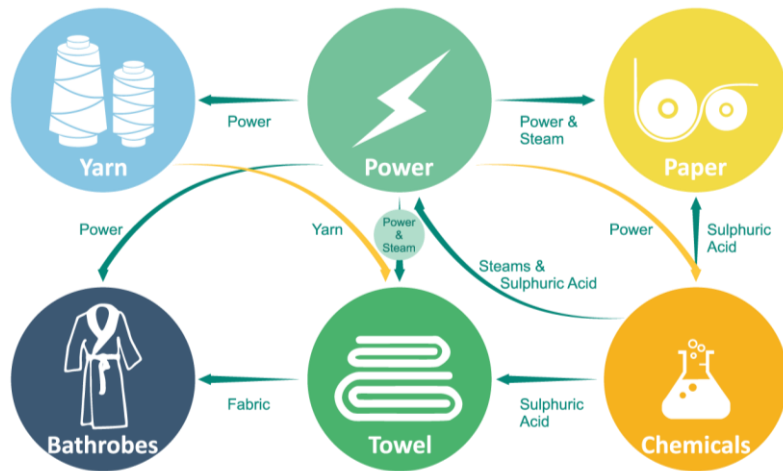


- ✔ **Shift in sourcing base** – With China becoming a self consuming economy, customers in U.S. & E.U. are diversifying their sourcing base to countries like India . Other reasons being:
 - ✔ Design led products compared to commoditized products
 - ✔ Chinese currency appreciation vis-à-vis rupee depreciation
 - ✔ Rising labour & power costs making China less competitive in world trade
 - ✔ Pakistan's power issues prompting customers to look for other sources
 - ✔ Scrutiny in labour safety in Bangladesh
- ✔ **E.U. Free Trade Agreement** – Removal of 5-10% of import duties on Indian textiles likely to make India more competitive enabling market share gains
- ✔ **Entry into new markets** - Growing demand in new markets like Latin America & Africa to aid textile exports
- ✔ **Favorable domestic demographics** – Rising income and population levels combined with rise in organized retail to drive domestic consumption
- ✔ **Favorable government policies** - Interest and capital subsidies for additional capex from central and various state governments to reduce cost of capital towards expansion

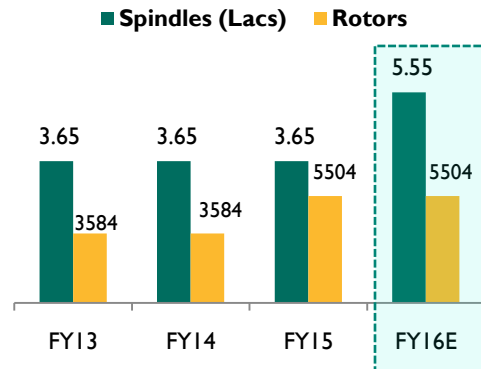
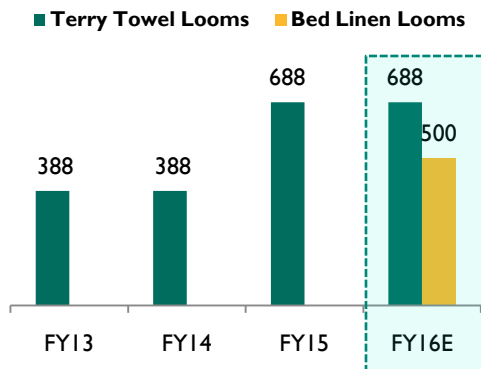
Trident Textiles

Business Highlights

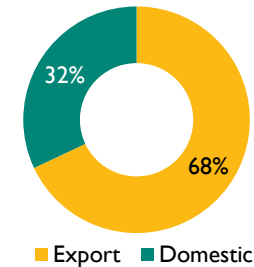
World's Largest Integrated Home-Textile Manufacturer



- 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 second half of FY16
- Implemented the **world's largest terry towel project at a single facility in Budni (M.P.)**
- One of the largest cotton yarn spinning capacity in India with 3.66 lac spindles capable of producing **8400 MT/month of cotton and blended yarn**



Q1 FY16
Export : Domestic Mix



Textile Brands



Mid Range



Premium Range



Bed-Sheeting Brands



TRIDENT
Everyday



TRIDENT
CLASSIC™



TRIDENT
Home
ESSENTIALS



TRIDENT
INDULGENCE®



TRIDENT
ORGANICA™





Yarn Technology



Design/ Construction



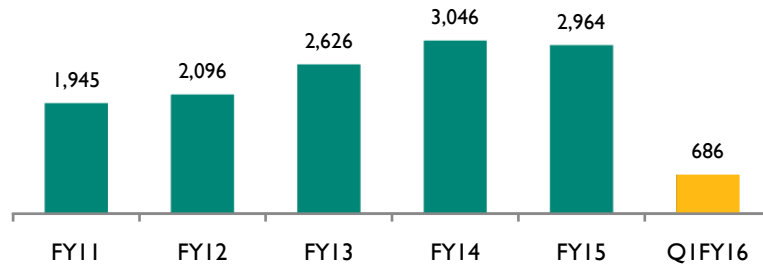
Finish/ Treatment



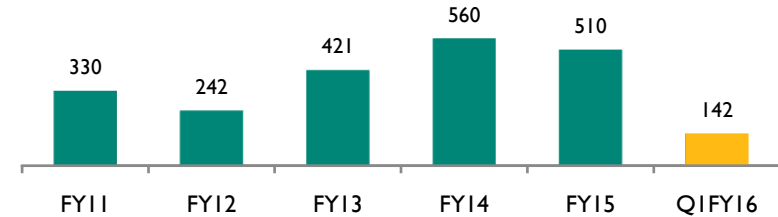
Financial Highlights



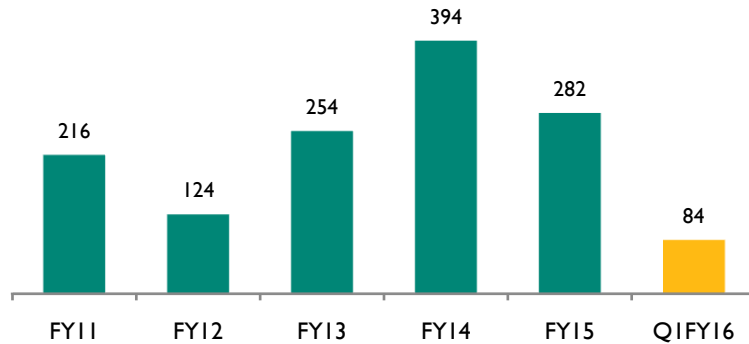
Revenues (Rs. crore)



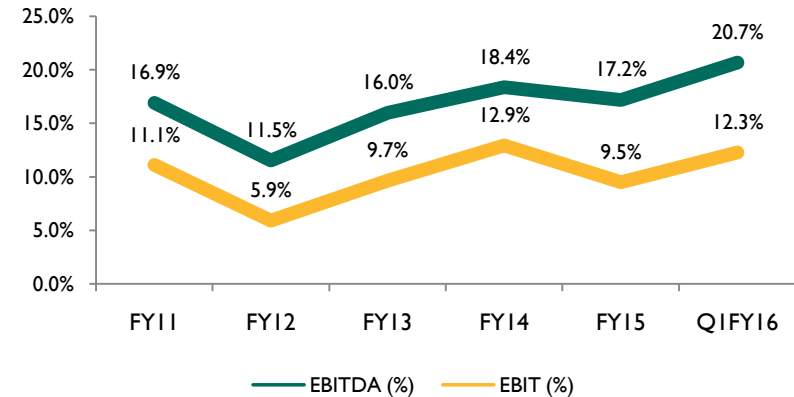
EBITDA (Rs. crore)



EBIT (Rs. crore)



Margins (%)



Way Forward



Emphasis on entry into new markets

- /// Current marketing and distribution network spread over 100 countries across 6 continents
- /// Association with top brands and marquee clientele
- /// Continuous focus on spreading customers geographically
 - /// Successfully entered highly cost-conscious markets like UK, Italy, France, Japan, Australia, South Africa and Canada

Sustained focus on expanding customer base & De-commoditizing through innovative value-added products

- /// Ramp up business volumes in New Markets – Within India (Eastern & Central India) and International markets
- /// Brand presence expanded to more than 120 multi-brand outlets across India
- /// Increase presence on online portals reaching direct customers – increasing traction in the e-commerce segment in domestic and international market with product availability in all major e-commerce websites
- /// De-commoditizing through increased off-take of Terry Towels on the back of expanded capacities

Maintain cost-efficient operations

- /// Procurement of yarn based on quality and pricing – captive manufacturing or through reputed long term partners
- /// Addressing high cost & irregular power supply through captive capacities – currently enjoys one of the lowest power cost to revenue ratio
- /// Various initiatives undertaken towards lean manufacturing (to enable Company reduce wastages and improve productivity)

Focus on quality and branding

- /// Lab and Plants AATTC & ISO standards compliant
- /// ~50% of Cotton yarn requirement sourced from captive manufacturing set-up
- /// Focus on aggressive branding strategy to percolate home textile product in premium customer segment



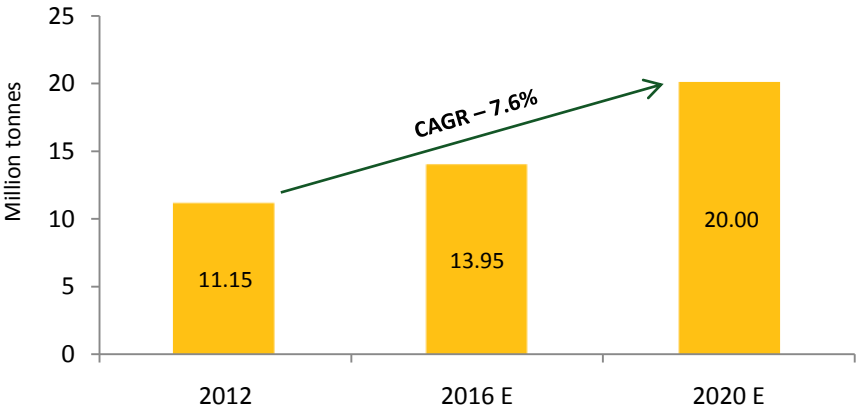
Paper Industry Overview

Domestic Paper Industry

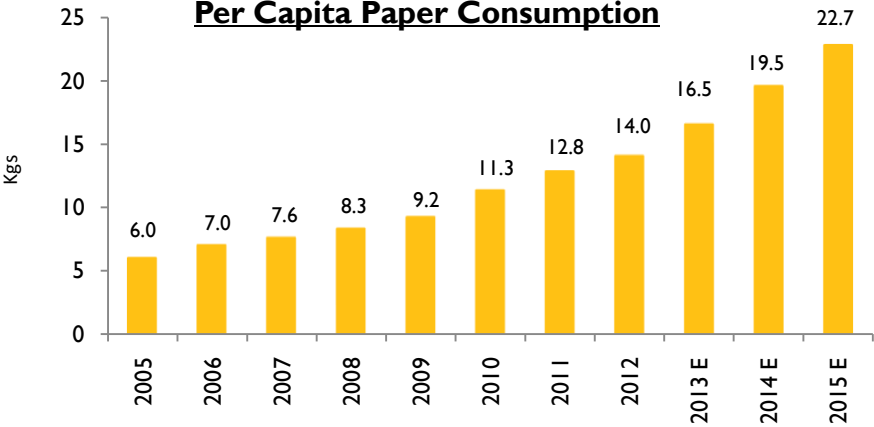


Indian Paper Sector

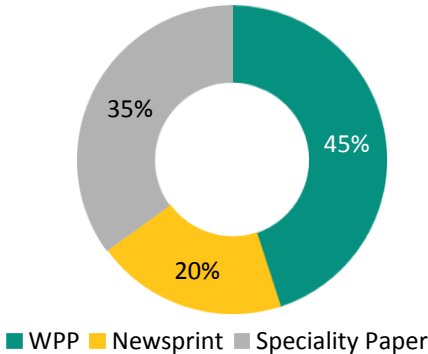
- Ranked 15th Globally
- Annual Output > 13.5 million tonnes
- Demand expected to grow at 7-8%
- 100% FDI Allowance



Per Capita Paper Consumption



Paper Consumption break-up



Source: Turning the page on India's Paper Industry, Deloitte

Paper Industry is poised for a big leap



Rise in per Capita Consumption

Improving demographics combined with rising population and income levels and increase in advertising and print media to drive consumption

Government Initiatives

Policy emphasis on education through private sector and public-private partnership and FDI in retail to boost demand by ~80% from current estimates of 12 million tones

Key Reasons

Demand for Agro-based Paper

Demand for agro-based paper is on the rise largely due to shortage of key raw material – wood. Besides, paper manufactured using agro residue is considered environment friendly together with fair pricing

Government Intervention

High duty on imported paper would enable increased consumption of domestic paper. Besides, India has relaxed the rules and regulations and also de-licensed the paper industry to encourage investments

Other factors which may contribute to the growth in paper industry include:

- /// Changing demographics
- /// Population growth
- /// Increase in advertising and print media

An increase in consumption by 1 kg per capita would lead to an increase in demand of 1 million tonnes of paper

Source: Turning the page on India's Paper Industry, Deloitte



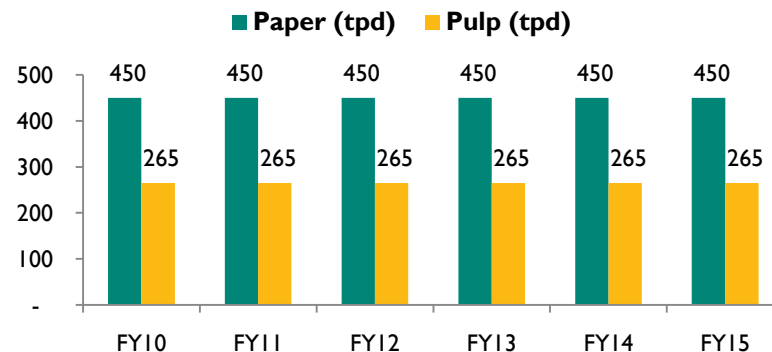
Trident Paper

Business Highlights

World's Largest Wheat Straw based Paper Manufacturer

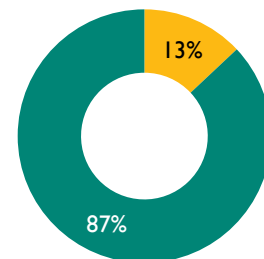


- Agro-residue (wheat straw) and ECF pulp used to manufacture paper
- Customers across 50 countries including India, Middle East, Africa, US, Latin America and UK, among others
- Energy-saving operations initiated to reduce power consumption



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

Q1 FY16
Export : Domestic Mix

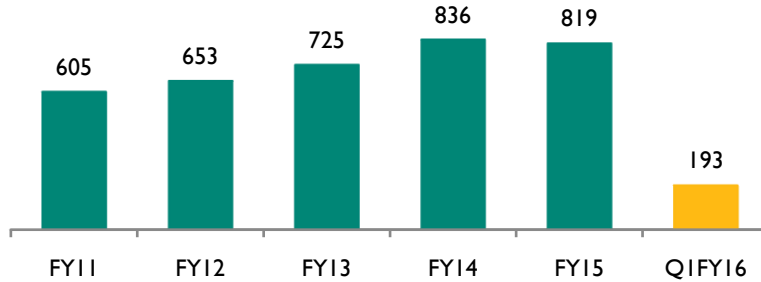


■ Export ■ Domestic

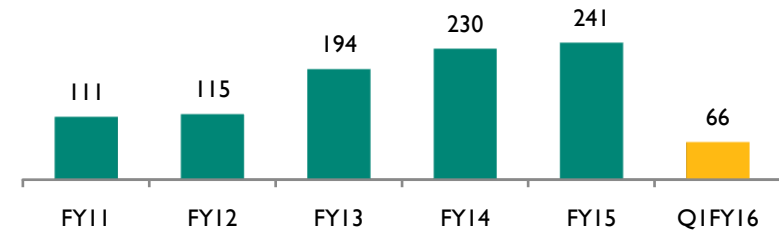
Financial Highlights



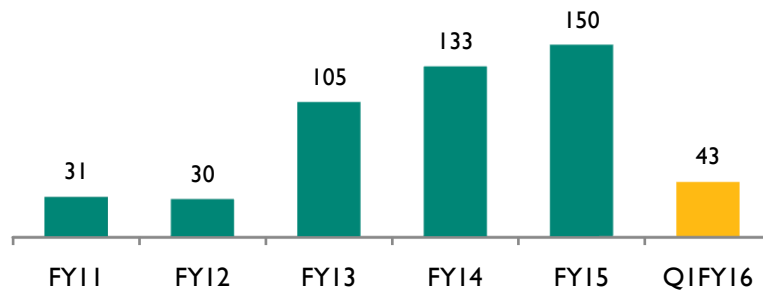
Revenues (Rs. crore)



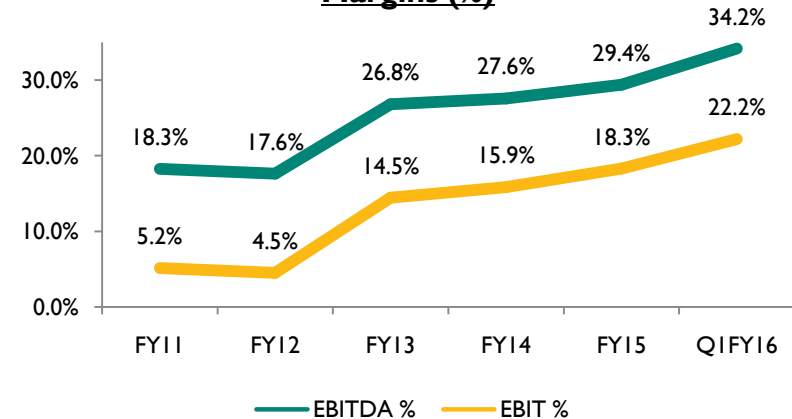
EBITDA (Rs. crore)



EBIT (Rs. crore)



Margins (%)





Strategic focus on high-value products

- ✓ Geared towards high margin copier segment
- ✓ Increased production of copier segment to more than 50% of total paper production
 - ✓ Improve average GSM to achieve higher profitability by increasing operational efficiencies
 - ✓ Improve service aspect to achieve price premium vis-à-vis competition
- ✓ Focus on institutional/government orders for longer runs, thereby improving productivity
- ✓ Product availability in all major hypermarkets and supermarkets

Increasing marketing and distribution network

- ✓ Launched Trident Scholarship Scheme in order to improve presence and increase pull from the end customers
- ✓ Focus on increasing the width and depth of the distribution
 - ✓ Distributors currently pan India and marketing team constantly monitoring and controlling secondary market sales
- ✓ Focus on both, Indian and Export Markets
 - ✓ Indian markets - targeting North, NCR, Central and West markets
 - ✓ Export markets - focus on increase in percolation of own brands, increase letter size copier paper to American market
 - ✓ Exports to 52 countries including South Africa, USA, Canada, Australia, Europe which are highly quality conscious & competitive markets

Cost reduction initiatives to improve productivity and margin profile

- ✓ Continuously practicing business excellence activities like Kaizen, TQM, TPM, 5S, Change Management to have lean manufacturing resulting in efficient usage of technology
- ✓ Working in close partnership with vendors/suppliers to target quality from the source of origin of raw material - the cost and benefits resulting are shared with the vendors/suppliers
- ✓ Continuous monitoring of fuel to arrest leakages and use the resources judiciously
 - ✓ Initiated energy savings operations to reduce consumption - Reduced power consumption from 950KW/MT to 884 KW/MT

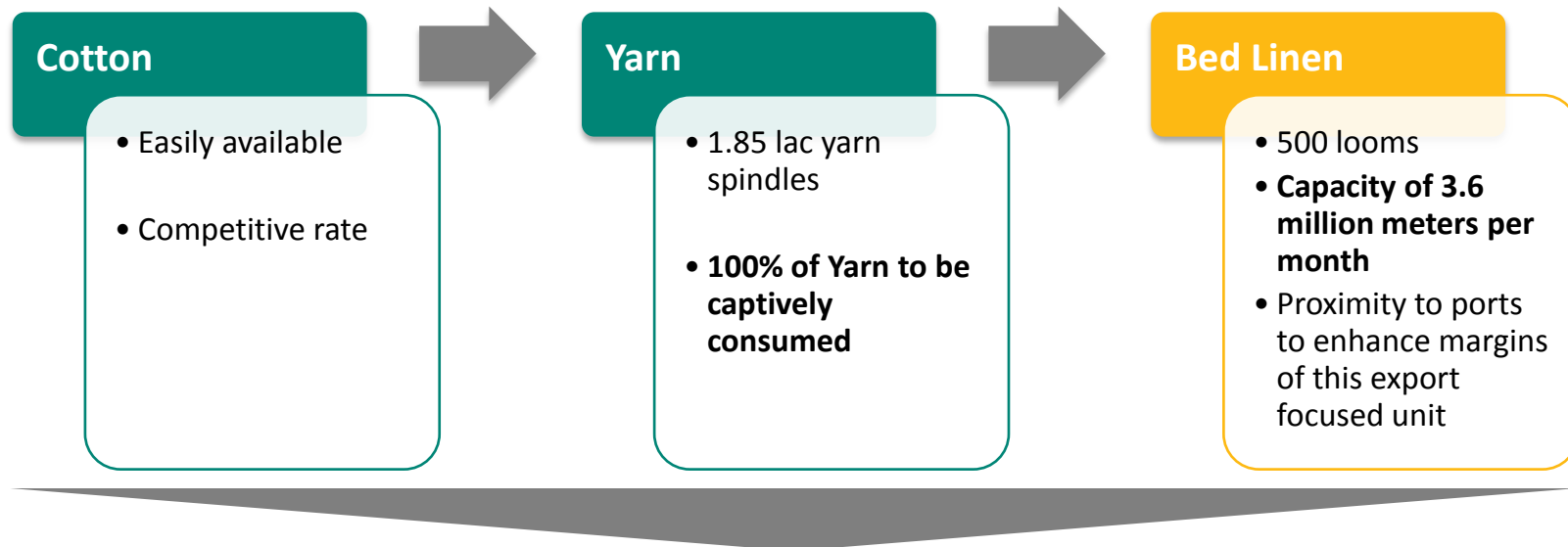


Expansion Projects

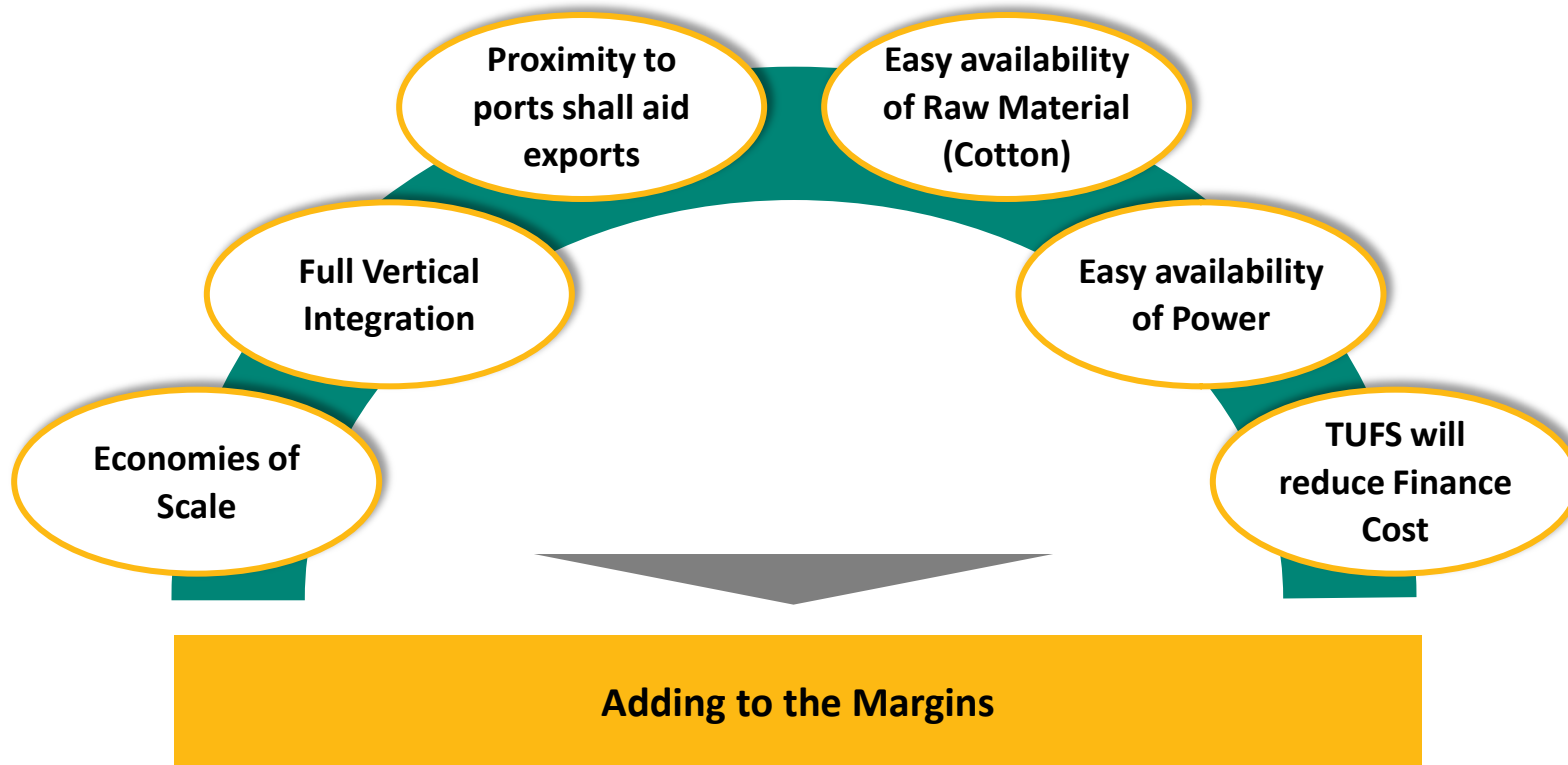
Composite Bed-Linen Project



*Full vertical integration from **Cotton** to **Bed Linen***



- ✓ Potential annual revenues of Rs. 1,200 crore
- ✓ Margins expected to be supported by full vertical integration from Cotton to Bed-Linen



Post Expansion Capacities



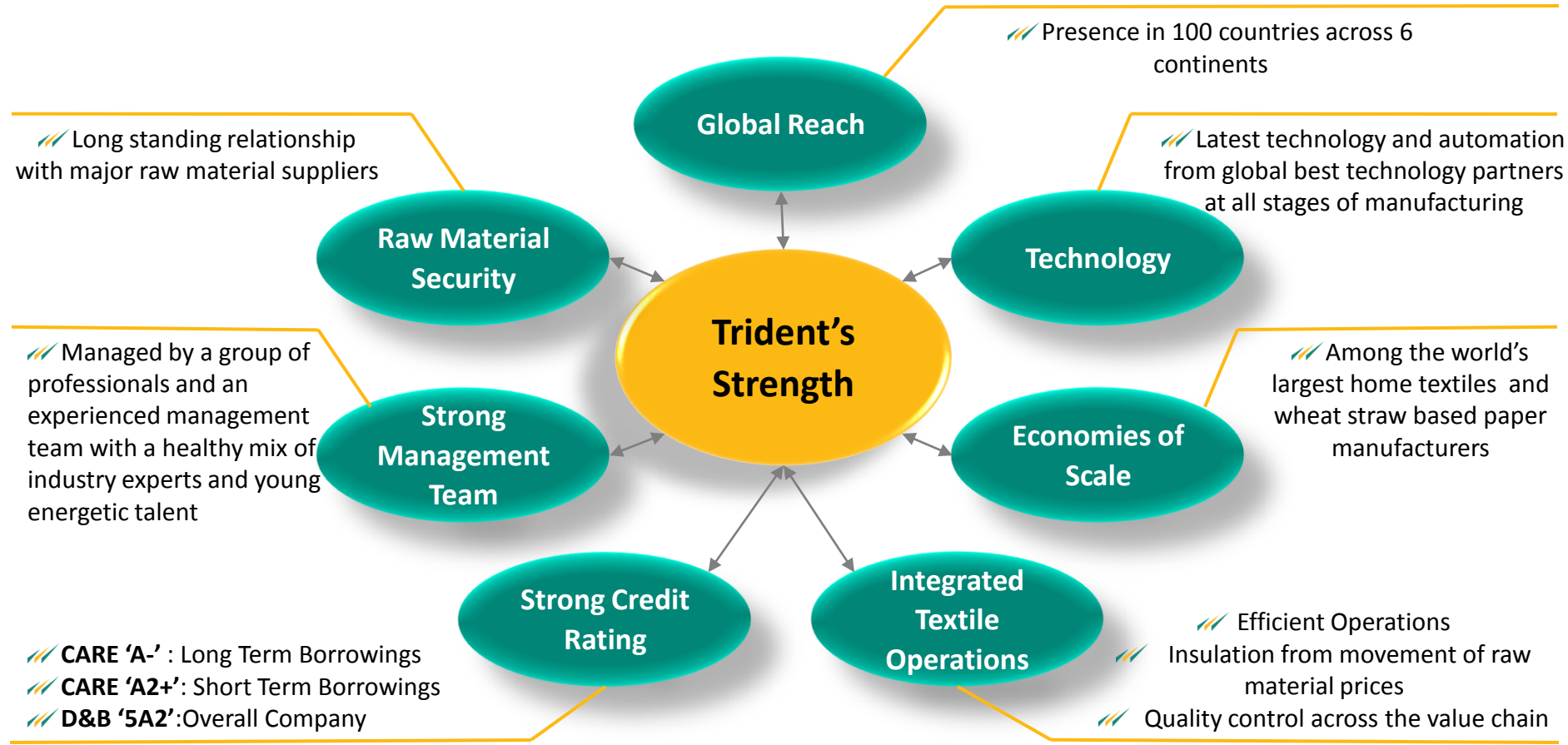
Business		Operations	
Division	Product	Existing	Post ongoing expansions
Textiles	Terry Towels	688 Looms	688 Looms
	Bed Linen	---	500 Looms
	Yarn	3.66 Lac Spindles	5.55 Lac Spindles
		5,500 Rotors	5,500 Rotors
	Dyed Yarn	6,825 TPA	6,825 TPA
Paper & Chemicals	Paper	175,000 TPA	2,00,000 TPA
	Chemicals	100,000 TPA	100,000 TPA
Energy	Captive Power	50 MW	50 MW



A photograph of a stack of folded towels in white, blue, and green, with a wicker basket containing white coral on top. A teal banner is at the bottom.

Strengths & Strategy

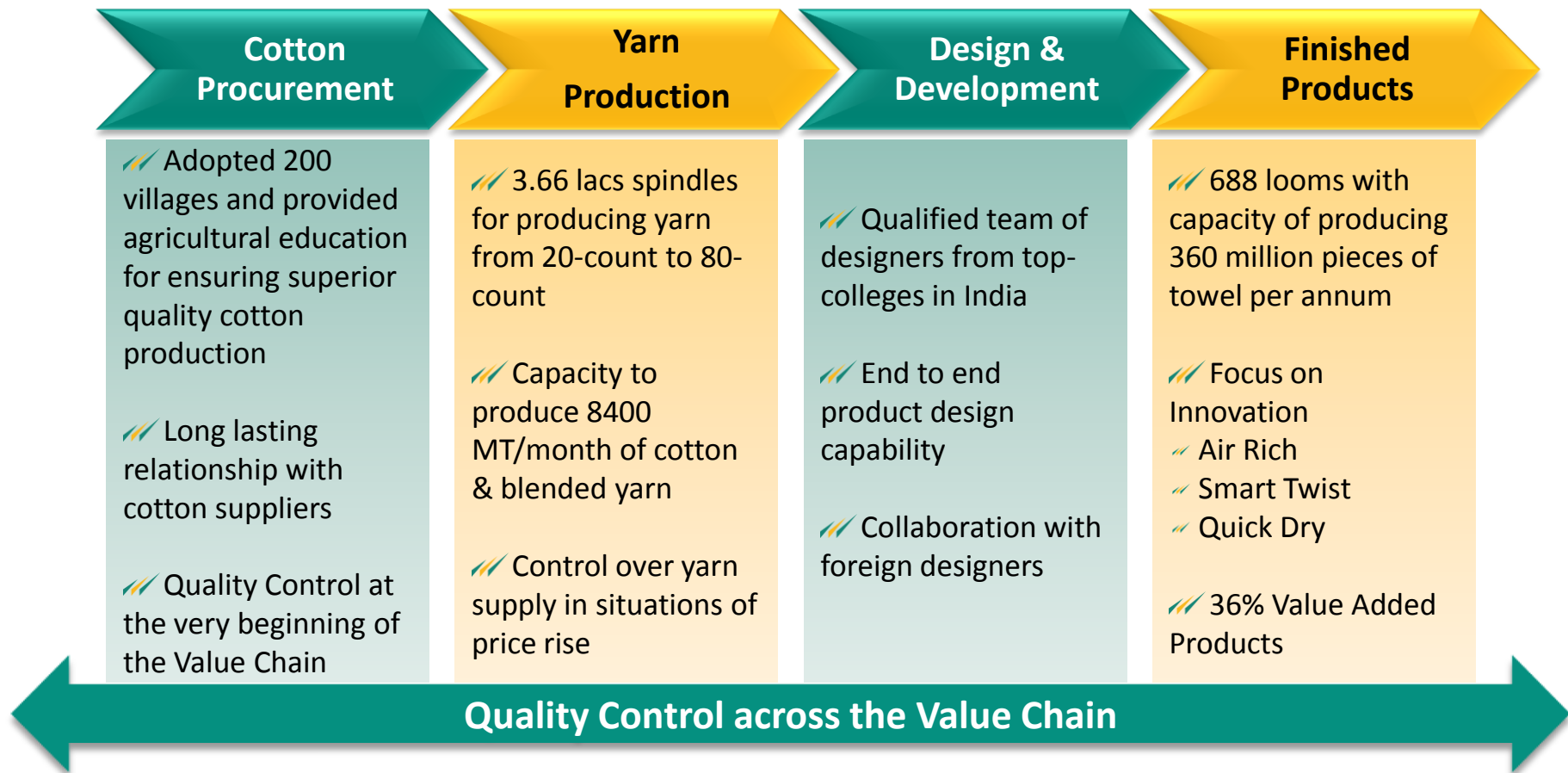
Our Strengths



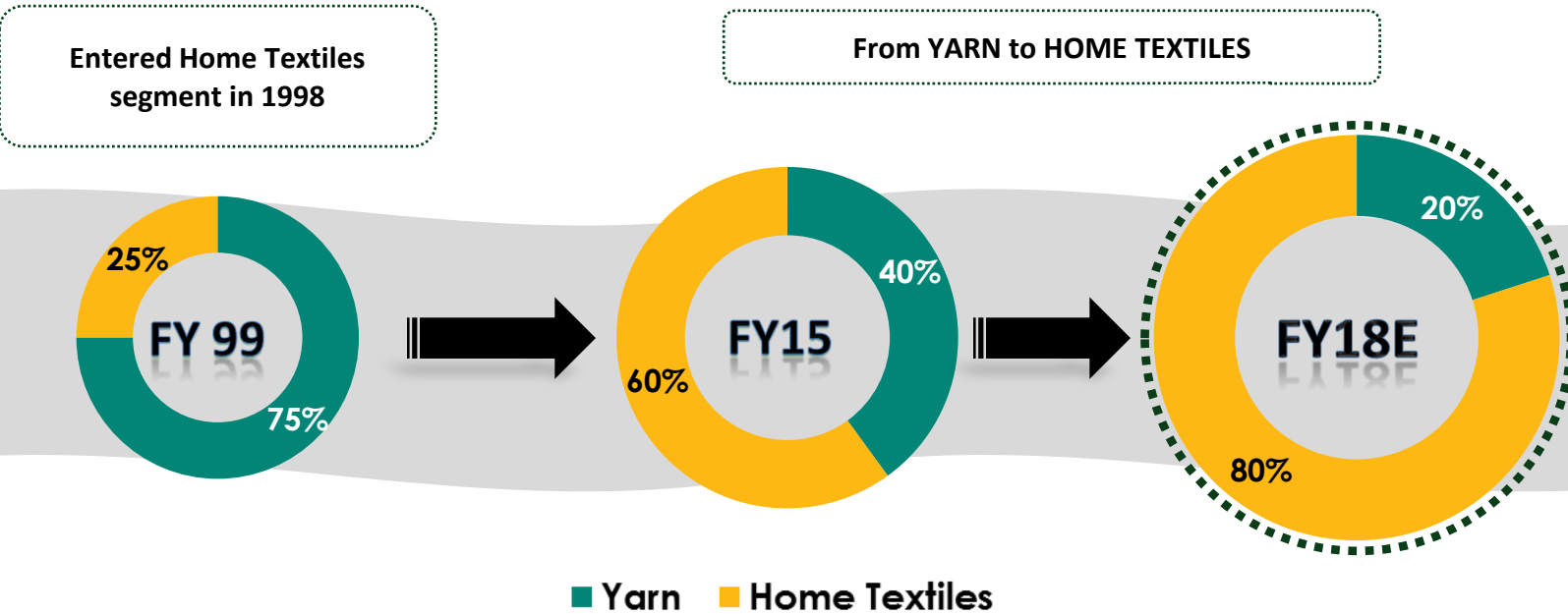
Group Strategy



Value Chain



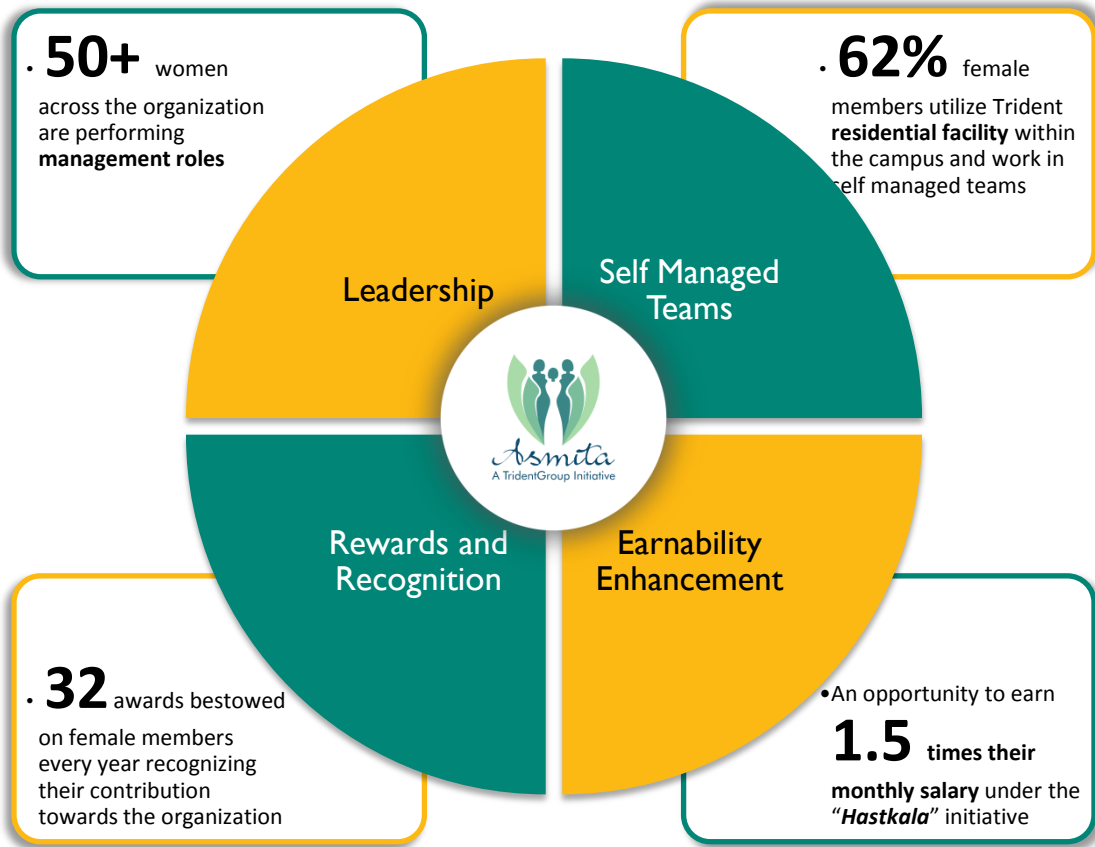
Moving up the Value Chain



Transformed from a pure play Yarn player to a fully-integrated Home Textiles manufacturer



CSR Initiatives & Awards



Empowering our Women - ASMITA

More than 20% Employees are Females





Providing opportunities to LEARN, EARN & GROW to more than 10,000 members of 10th, 10+2, ITI's



More than 600 Graduates and Diploma Holders.. in past 6 years

Trident is preparing ground for future leaders. To cater to the increasing requirements of the market, the company has given shape to its Centre for Excellence, Takshashila



Sustaining recovery and reuse of waste water – ensuring Zero Liquid Discharge

Trident maintains a zero liquid discharge facility for complete Towel processing, saving fresh water of 6 million litres/day directly. The facility has a biological plant for bio-degradation of waste water and an RO system to recover 92% of water



Nirmal Narmada Abhiyaan

Clean Narmada Campaign was undertaken by Trident on World Environment Day- 5th June in association with the Madhya Pradesh Pollution Control Board & Department of Agriculture, MP, in which Trident in order to generate awareness among the masses to keep the river Narmada pollution free, cleaned the most polluted ghat - The Sethani Ghat in Hoshangabad

Saakshar – Adult Education Programme

Trident is conducting an Adult Education Programme, “Saakshar” in Association with village panchayats and anganwadi centers in Sehore (MP). The Programme aims to educate the illiterate masses of the villages with an approach to go beyond Reading- Writing and Numerics. The objective of the programme is not only to increase the literacy rate but also to educate the masses on socio-ecological issue.



Krishak Sanghosthi, Kharif Ritu

The programme was jointly conducted with Agriculture Department, Budni, and was made successful by active involvement of the Gram Panchayat. Farmers were educated on important precautions to be taken before cultivation of paddy, especially preparation of seedlings, usage of fungicide and weedicide, micro-nutrients and how to use balanced fertilisers at the right time in proper dosage.

CSR Initiatives



Education – Promoted Sacred Heart Convent School

Organizing Medical & Blood donation camps for community

Rain Water Harvesting

Waste Water management by State of the art ETP

Village Cluster Adoption With 200 villages and more than 71,000 acres of land and 2,000 farmers in Punjab

Technical guidance to farmers in better management crop practices & techniques



Awards & Accolades



- 4 Wal-Mart Supplier of the Year awards
- 3 JCPenney - Best Supplier , Innovation, Quality Awards
- 3 Corporate Governance Awards
- 9 Texprocil Export Performance Awards
- 2 IKEA Quality and Sustainability Awards
- 1 National Energy Conservation Awards (NECA)
- 1 Niryat Shree – FIEO Awards
- 1 Punjab Safety Awards
- 1 D&B - ECGC: Indian Exporters' Excellence Awards
 - Best Diversified Exporter (Runner-Up)
 - Best Rural Exporter (Runner-Up)





A photograph of a stack of four folded towels in shades of yellow, green, and brown, resting on a wooden surface. In the background, a glass vase with dried lavender and other herbs sits on a small wooden table against a light-colored wall.

About Us & Investor Contacts

About Us



Trident Limited is the flagship company of Trident Group, 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 100 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.





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

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