

TRIDENT TEXOFAB LIMITED

Date: 16.02.2024

| | |
|---|--|
| BSE Limited P. J. Towers, Dalal Street, Fort, Mumbai - 400001. | Stock ID: TTFL Scrip Code: 540726 |
|---|--|

Dear Sir/Ma'am,

Sub: Earnings Presentation-Q3FY24

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Earnings Presentation for the quarter and nine months ended December 31, 2023 (Q3FY24).

Kindly take the note of above on your records.

Thanking You,

Yours faithfully
For **Trident Texofab Limited**

CS Rahul Jariwala
Company Secretary & Compliance Officer

Encl: As above



Q3FY24

Earnings Presentation

February 2024

BSE: TTFL | Bloomberg: TTFLTD:IN



Introduction

Trident Texofab Limited ('Trident' or 'the Company'), is a semi-composite textile manufacturing and trading Company, deals in a plethora of product ranges that include, Home Furnishing, Garments, Suiting, Shirting, Technical Textiles and Fabrics.

With the Company adopting its Shifting Gears strategy in FY19, Trident has delved into becoming a semi-composite textile player manufacturing polyester and poly-blend fabrics from its erstwhile pure-textile trading forte.

Founded in the year 2000 by Mr. Hardik Desai and Mr. Chetan Jariwala, and Incorporated in 2008 as Trident Texofab Private Limited. The company converted to a public company and got listed on BSE SME through an IPO in 2017.



Today, it manufactures various grades of grey fabrics and also undertakes job work for Weaving, Digital Printing & Embroidery.



Corporate Portrait

'Shifting Gears'

Transitioning from trading to profitability-assertive manufacturing operations

~250 Lakh Meters

Annual manufacturing capacity

3rd Phase

Of CAPEX Recently Executed

~60

Team Strength

Wide Portfolio

Of finished and semi-finished products across multiple categories

1st Generation

Founder driven operations

Semi-Composite

Manufacturing unit

BSE

Listed since 2017



What is 'Shifting Gears'?

In the words of our founder
Mr. Hardik Desai



"In the last couple of years, Trident has moved from heavy reliance on trading to manufacturing excellence, from stagnation to relentless dynamism. We believe strategic transformation is critical to survive and thrive in an evolving business environment, therefore at TTFL we are building capabilities for the future.

A recent milestone was achieved in FY22 when our manufacturing revenue surpassed our trading revenue for the first time. As we advance, we aim to build on this trend and realise our vision of becoming a fully integrated textile manufacturing Company."

Expansive Product Portfolio

Manufacturing Vertical

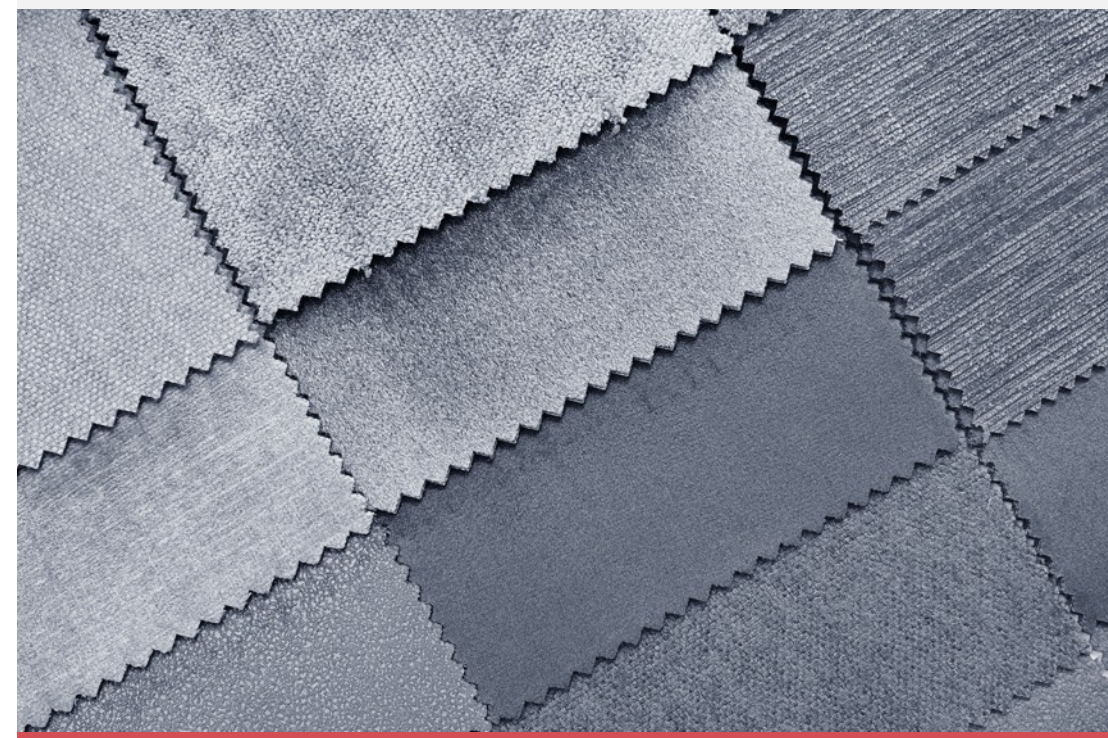
Finished Products

- Embroidered Fabrics
- Digital Printed Fabrics
- Bed Sheets
- Technical Textiles
- Suiting
- Various Polyester and Poly-Blend Fabrics



Semi-Finished Products

- Grey Fabrics
- Contract Manufacturing in Digital Printing
- Value-added Products in Embroidery



Trading Vertical

Home Furnishing Products

- Bed Sheets
- Curtains
- Cushion Covers



Clothing Articles

- Scarfs
- Pareos
- Suiting
- Shirting
- Technical Textile Fabrics



Transitioning Business Model

Manufacturing

- Commenced in 2018 with the completion of 1st Phase of CAPEX, and expanded operations recently with the completion of 3rd Phase in June 2021.
- Manufacturing is driving incremental growth and improvement in blended profitability margins of TTFL.
- Manufacturing contributed 66.89% of Revenue from Operations in Q3FY24, as compared to 63.89 % in Q2FY24.



Trading

- Trading was the core business up till FY18, post that the Company has pivoted towards Manufacturing operations. Trading contributed 33.11% of sales in Q3FY24, as compared to 36.11 % in Q2FY24.
- Trading operations will maintain similar run rate, with no further investments towards this vertical.
- Over the years Trading vertical will be phased-out with the growing prominence of Manufacturing operations at TTFL.



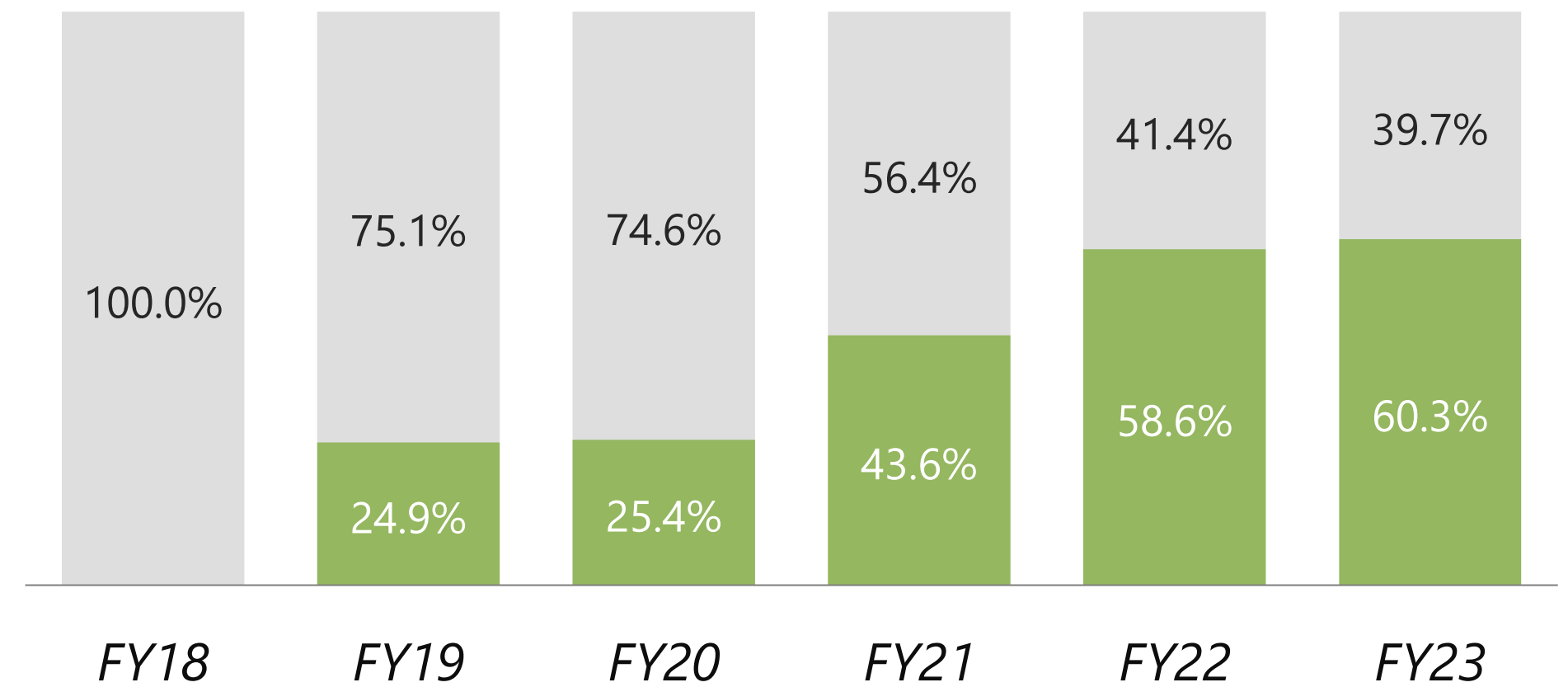
Improving Revenue Profile

Significant shift in sales profile over the last five years, from being a pure trading company to a dominantly-manufacturing company

Changing revenue-mix in favour of manufacturing operations augurs well for profitability, to be further extended by increasing CAPEXs in the manufacturing division.

Revenue Bifurcation

■ Trading
 ■ Manufacturing





1st Phase of CAPEX

The 1st Phase of CAPEX begun in September 2018

In the 1st phase the company invested in:

- Waterjet Unit
- Value-added Contract Manufacturing – Embroidery & Digital Printing Unit

In between FY18-23, the company has built an additional Netblock of 1,909 Lakhs totaling to 2,065 Lakhs in FY23

Manufacturing Capacities

Waterjet Unit

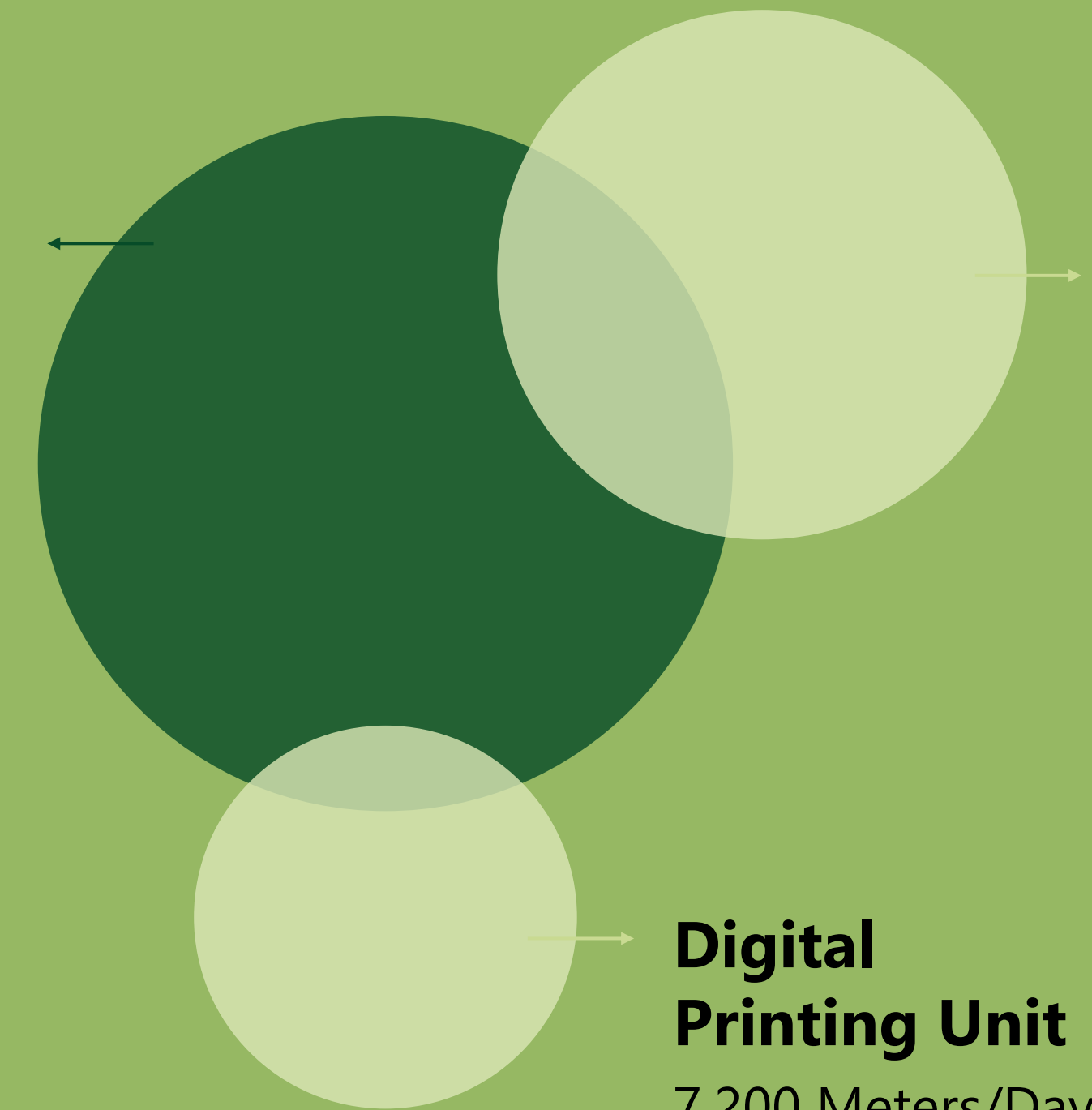
~22 Lakh
Meters/Month

Embroidery Unit

37 Lakh
Stitches/Day

Digital Printing Unit

7,200 Meters/Day

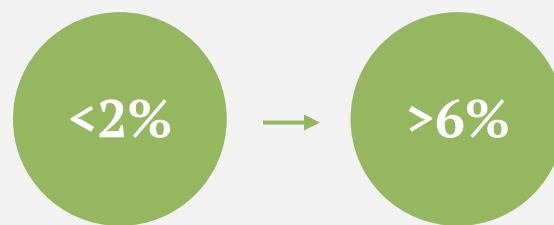




Early Results - Confidence

The early results from our 'Shifting Gears' strategy have been very satisfactory.

OPM in FY18 to FY23



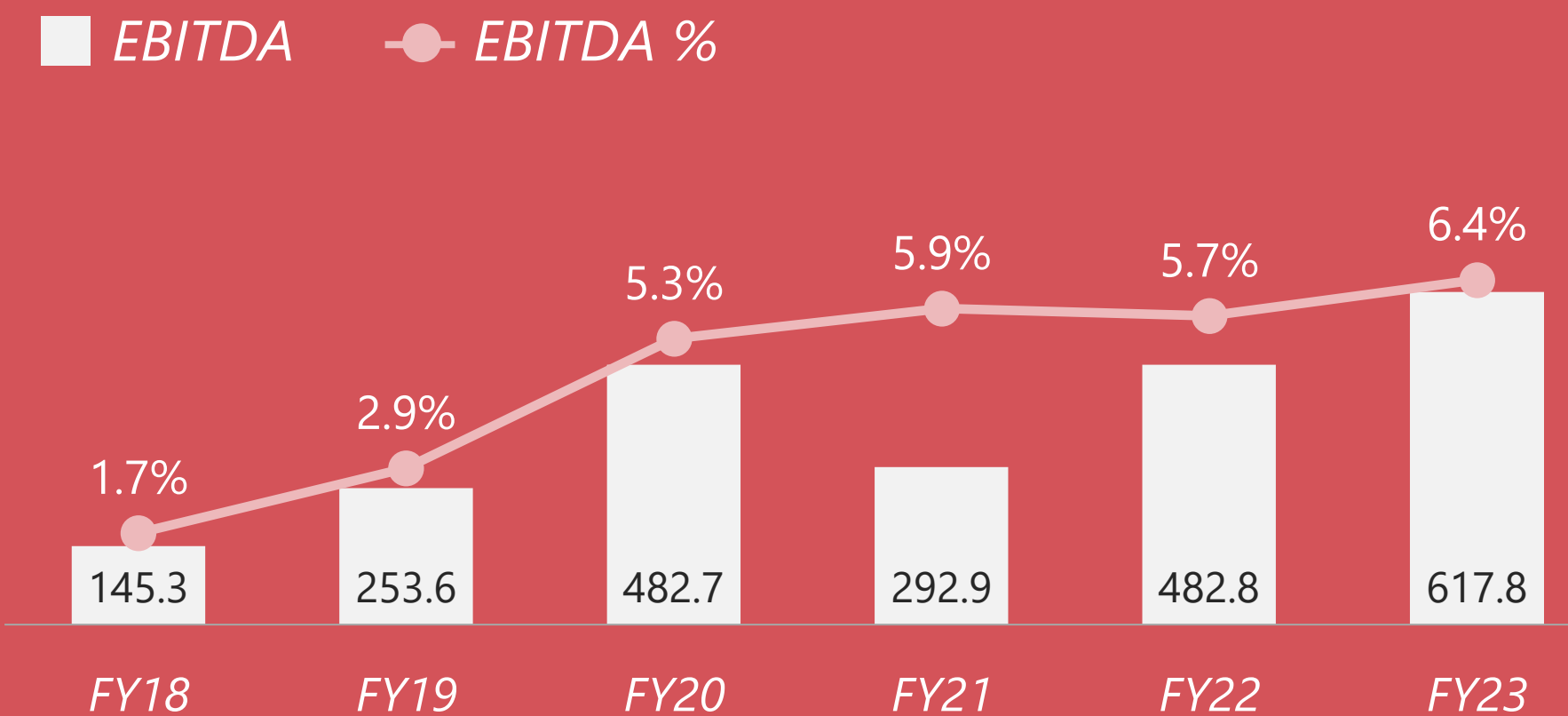
There has been a clear shift in the margin profile of the company, due to growing manufacturing operations, from sub 2% OPM to more than 6% blended OPM in last five years.

The company had completed 2nd Phase of CAPEX by commissioning its Rapier Unit.

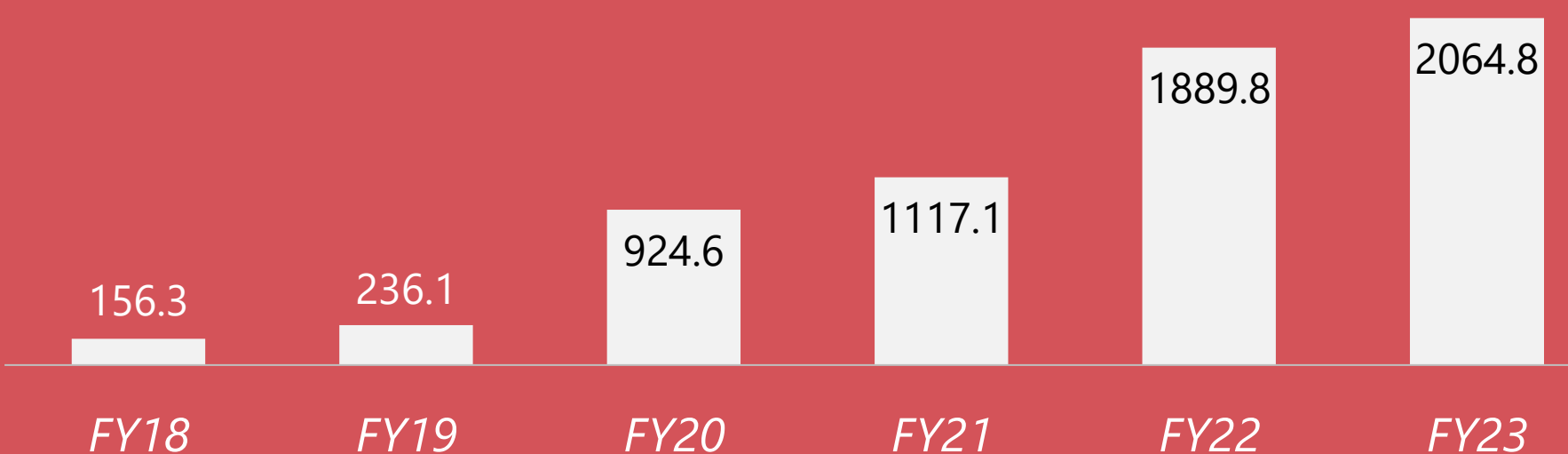
The company had executed the 3rd Phase of CAPEX in June 2021, at its Hojiwala Facility in Sachin, leading to a capacity augmentation of Waterjet Unit from 8-9 lakh meters/month to 20-22 lakh meters/month.

to Invest Further

EBITDA & EBITDA %



Netblock





Quarterly P&L Highlights

Q3FY24 Profit and Loss Summary

(In ₹ Lakhs)

| Particulars | Q3FY24 | Q2FY24 | Q3FY23 | YoY Change (%) |
|---|---------------|---------------|---------------|----------------|
| Revenue from Operations | 2300.96 | 2320.27 | 2455.18 | -6% |
| Total Income | 2311.72 | 2423.48 | 2529.34 | -9% |
| Total Operating Expense | 2111.28 | 2194.41 | 2239.28 | -6% |
| EBITDA (Excluding OI and EI) | 189.68 | 125.86 | 215.90 | -12% |
| EBITDA Margins % | 8.2% | 5.4% | 8.8% | -55 BPS |
| Interest Cost | 92.63 | 106.75 | 91.82 | 1% |
| Depreciation and Amortisation | 41.17 | 41.10 | 39.55 | 4% |
| Profit Before Taxes and Exceptional Items | 66.64 | 81.22 | 158.69 | -58% |
| Profit After Taxes | 55.77 | 75.32 | 114.93 | -51% |

Annual P&L Highlights

Annual Profit and Loss Summary

(In ₹ Lakhs)

| Particulars | FY23 | FY22 | FY21 | FY20 |
|--------------------------------|---------------|---------------|---------------|---------------|
| Revenue from Operations | 9,635.63 | 8,429.30 | 4,992.65 | 9,096.41 |
| Total Income | 9,825.98 | 8,503.43 | 5,177.94 | 9,138.56 |
| Total Operating Expense | 9,017.83 | 7,946.51 | 4,699.78 | 8,613.82 |
| EBITDA (Excluding OI) | 617.80 | 482.79 | 292.87 | 482.59 |
| EBITDA (Excluding OI) % | 6.4% | 5.7% | 5.9% | 5.3% |
| Interest Cost | 371.14 | 282.99 | 285.38 | 271.06 |
| Depreciation and Amortisation | 164.41 | 146.59 | 102.35 | 100.75 |
| Profit Before Taxes | 272.60 | 127.34 | 90.43 | 152.93 |
| Profit After Taxes | 221.84 | 98.27 | 35.32 | 90.03 |



Balance Sheet Highlights

Annual Balance Sheet Summary

(In ₹ Lakhs)

| Particulars | FY23 | FY22 | FY21 | FY20 |
|-------------------------|----------|----------|----------|----------|
| Shareholder's Fund | 1,517.78 | 1,295.95 | 1,197.67 | 1,099.54 |
| Non Current Liabilities | 2,489.49 | 2,777.99 | 2,556.36 | 926.19 |
| Current Liabilities | 3,723.45 | 3,024.88 | 3,023.32 | 2,882.75 |
| Total | 7,730.72 | 7,098.81 | 6,777.36 | 4,908.47 |
| Non Current Assets | 3,061.97 | 3,096.20 | 2,777.76 | 1,133.57 |
| Current Assets | 4,668.76 | 4,002.61 | 3,999.6 | 3,774.91 |
| Total | 7,730.72 | 7,098.81 | 6,777.36 | 4,908.47 |



Management Commentary

Q3FY24 Result Discussion

Revenue from Operations in Q3FY24 stood at ₹ 2300.96 Lakhs, registering a marginal decrease of 6% YOY. The performance is in line with currently prevailing external industry environment.

The performance of manufacturing operations continues to remain the bedrock of the profitability margins of the Company.

Profitability Margins for Q3FY24 witnessed a decrease on YOY basis. However, EBITDA margins have improved dramatically to 8.2% as compared to 5.4% during Q2FY24. Going forward, as the mix of manufacturing operations increases, we expect margins to improve further.

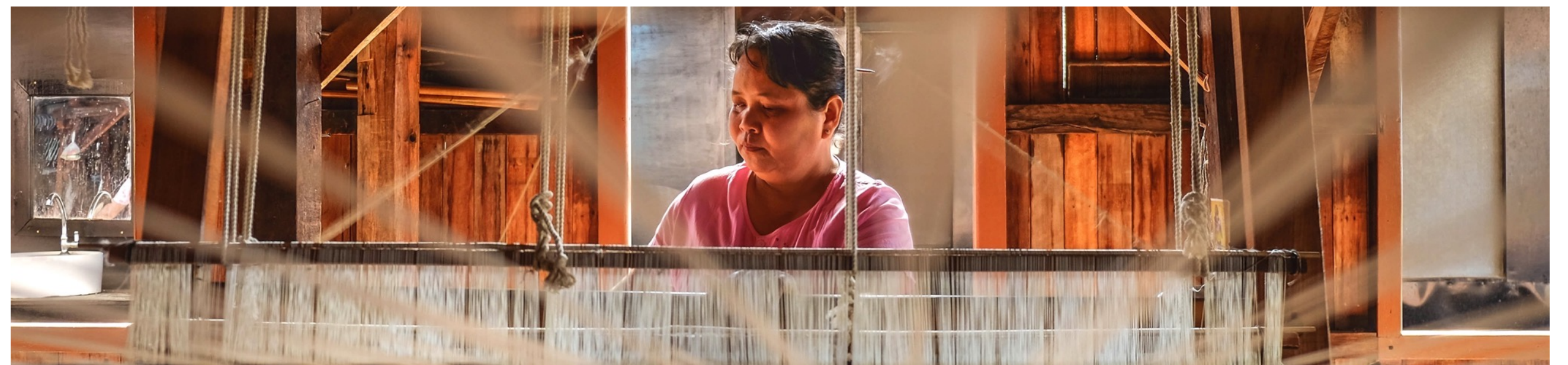
Net profit for the quarter stood at ₹55.77 Lakhs down significantly on both YOY and QOQ basis. The primary reason for decrease in Net Profitability as compared to previous periods is lower Other Income during the quarter under review.



Continued Focus on Manufacturing Operations

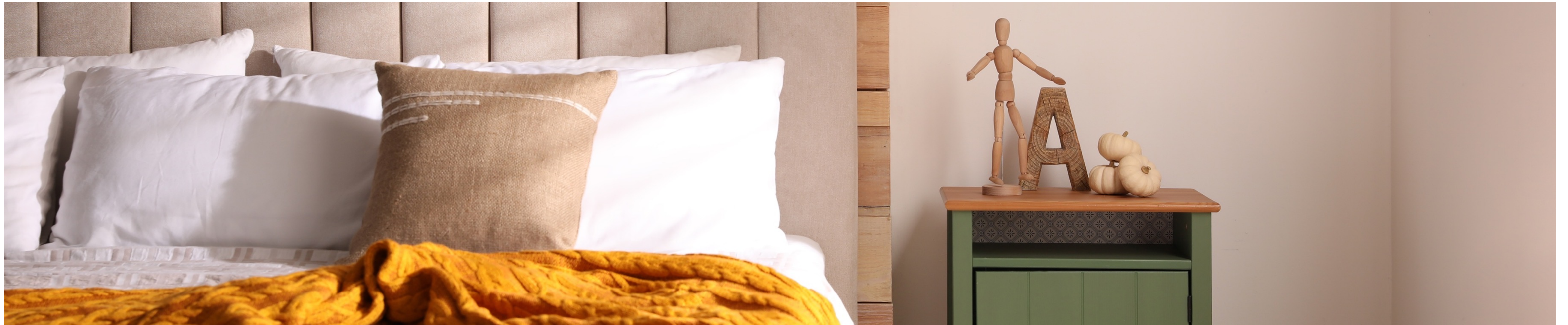
The Company will continue expansion on its 'Shifting Gears' strategy by investing in manufacturing operations in pursuit of better growth opportunities and profitability margins.

Further investment projects in this vertical are being contemplated currently and will be announced post finalization.



Disclaimer

No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Such information and opinions are in all events not current after the date of this presentation. Certain statements made in this presentation may not be based on historical information or facts and may be "forward looking statements" based on the currently held beliefs and assumptions of the management of Trident Texofab Limited ("Company" or "Trident"), which are expressed in good faith and in their opinion reasonable, including those relating to the Company's general business plans and strategy, its future financial condition and growth prospects and future developments in its industry and its competitive and regulatory environment. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance or achievements of the Company or industry results to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements, including future changes or developments in the Company's business, its competitive environment and political, economic, legal and social conditions. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements to reflect future events or developments. This presentation is for general information purposes only, without regard to any specific objectives, financial situations or informational needs of any particular person. This presentation does not constitute an offer or invitation to purchase or subscribe for any securities in any jurisdiction. No part of it should form the basis of or be relied upon in connection with any investment decision or any contract or commitment to purchase or subscribe for any securities. This presentation may not be copied or disseminated, in whole or in part, and in any manner.



Get in touch



Rahul Jariwala

Company Secretary and Compliance Officer

Trident Texofab Limited

cs@tridenttexofab.com

0261 – 2451274/2451284

