

TRIDENT TEXOFAB LIMITED



Q2FY23 Earnings Presentation
October 2022

BSE: TTFL | Bloomberg: TTFLTD:IN



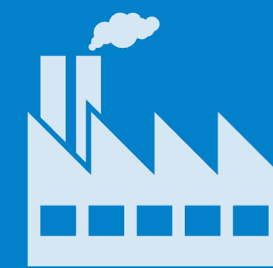
Company Overview

- Founded in early 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.
- TTFL is a Semi Composite Textile manufacturing and trading company dealing in products for Home Furnishing, Garments, Suiting, Shirting, Technical Textile & Fabrics.
- In 2018-19, the company undertook its 'Shifting Gears' strategy and shifted from being a pure textile-trading company to a semi composite company, manufacturing polyester & poly-blend fabrics.
- At present, the company manufactures various grades of grey fabrics & undertakes job work for Weaving, Digital Printing & Embroidery.

TTFL at Glance

'Shifting Gears'

'Shifting Gears' from Pure-Trading to Profitability-assertive Manufacturing Operations



Semi-Composite
Manufacturing Unit

~250 Lakh Meters

Annual Manufacturing
Capacity ~250 Lakh Meters

Wide Portfolio

Wide Portfolio of Finished and
Semi-finished Products



~150

Team Strength



**3rd Phase of CAPEX
Recently Executed**

**1st Generation Management
& Promoters**

BSE Listed

What is 'Shifting Gears'?

In the words of our founder Mr. Hardik Desai

“Strategic transformation is critical to survive and thrive in an evolving business environment, hence at TTFL we are building capabilities for the future. In the last four years, **we have moved from heavy reliance on trading to manufacturing excellence**, from stagnation to relentless dynamism.

This journey encompasses being ever-vigilant in manufacturing the highest quality products for our customers, to thinking ahead about ways to shape the company for the future, we are investing today to see a brighter tomorrow. **Above all, we are striving to grow from strength to strength, to deliver value to all our shareholders.**

We are Shifting Gears!”

Wide Product Portfolio

MANUFACTURING

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 Digital Printing
- Value-added Products in Embroidery

TRADING

Home Furnishing Including

- Home Furnishing including
- Bed Sheets
- Curtains
- Cushion Covers

Clothing Articles Like

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

Shifting Business Divisions

MANUFACTURING

Commenced in 2018 with completion of the 1st Phase of CAPEX, and expanded operations with completion of 3rd Phase in June 2021.

Manufacturing is driving incremental growth and improvement in margins at TTFL.

It contributed 59.7% of Revenue from Operations in Q2FY23 as compared to 57.3% in Q1FY22.

TRADING

Was core business till FY18. Contributed 40.3% of sales in Q2FY23 compared to 42.7% of sales in Q1FY22.

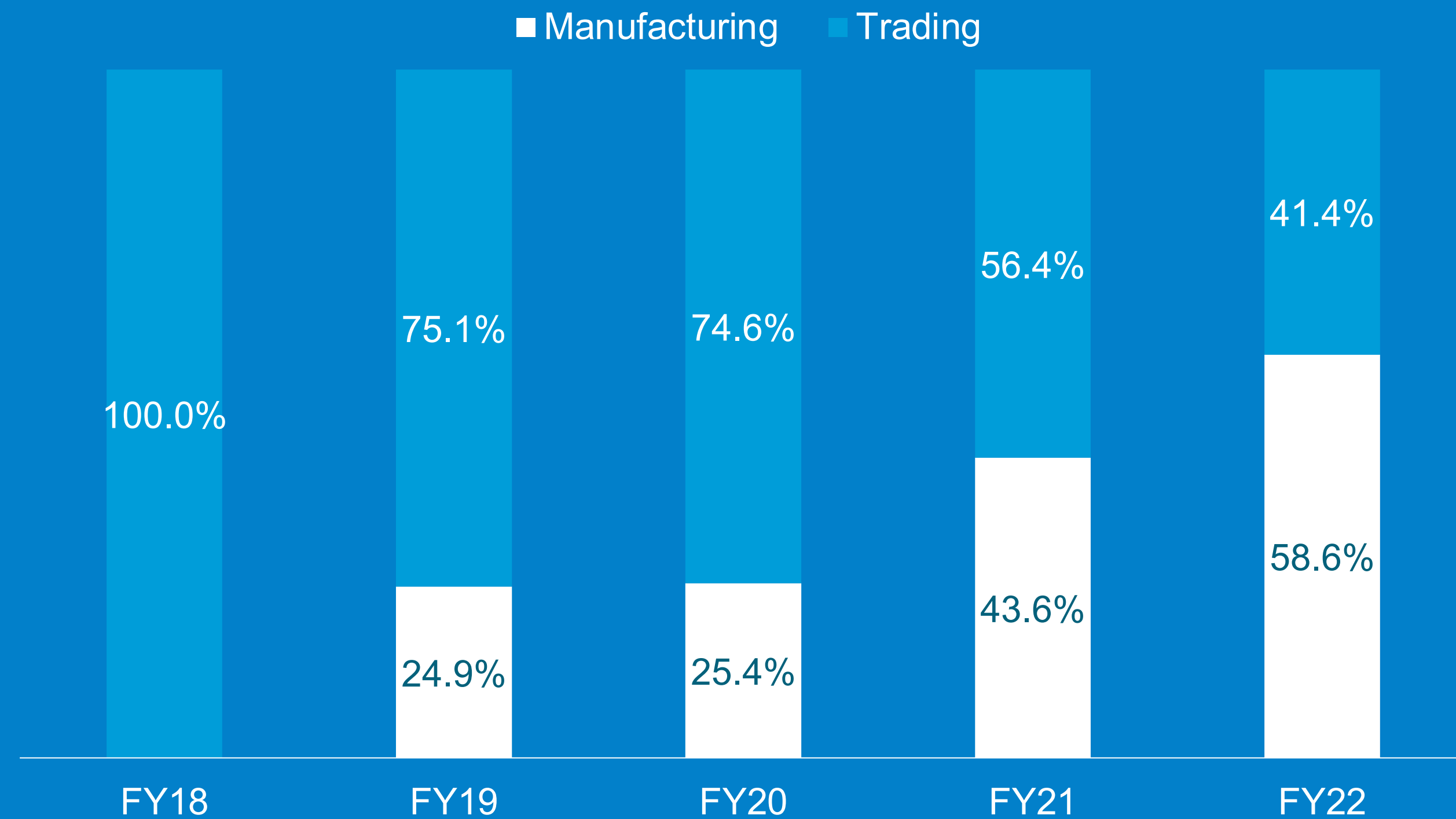
Will maintain the same level of growth as witnessed in the past 5 years.

Over the years this segment will be phased-out with growing prominence of Manufacturing at TTFL.

Changing Revenue Profile

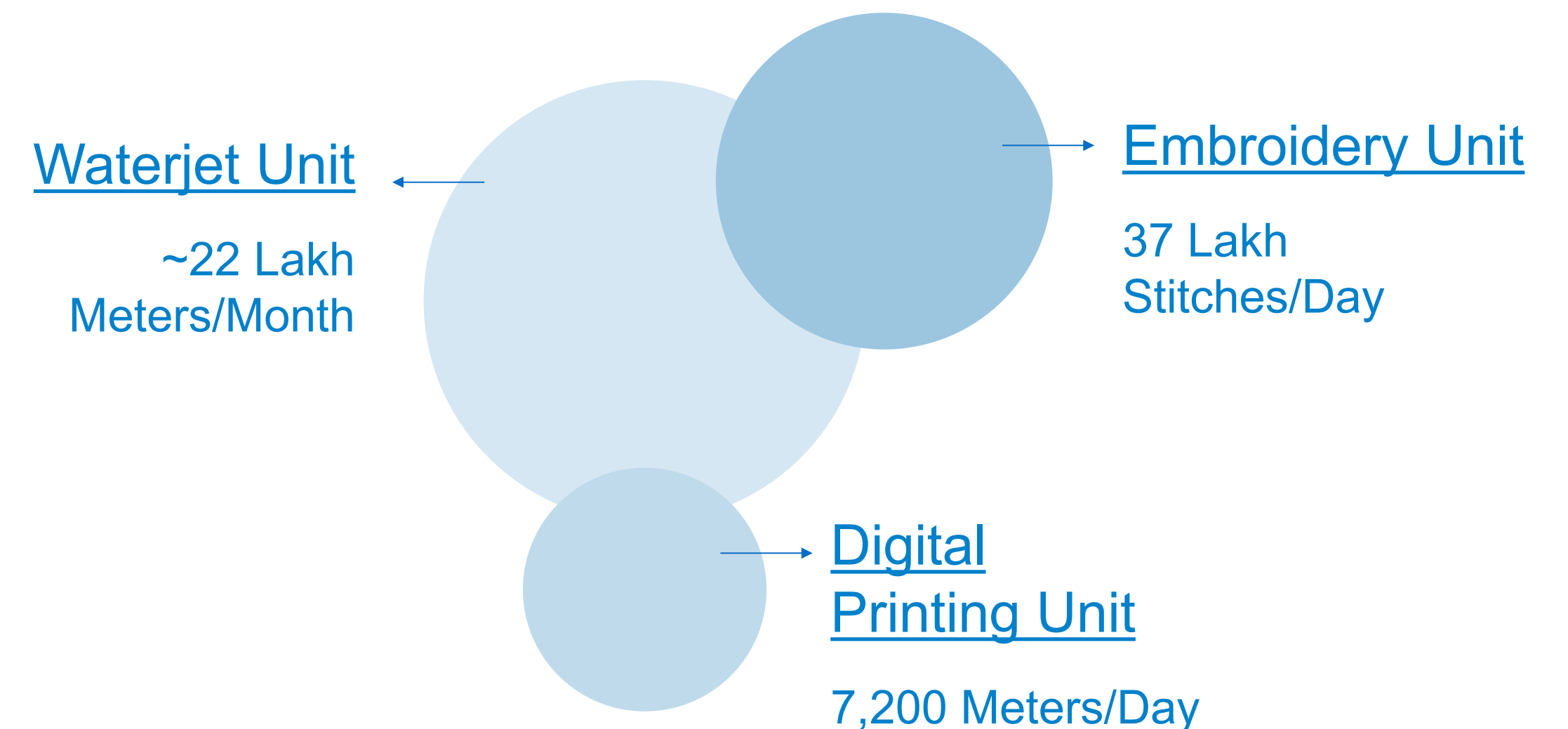
- Significant shift in sales profile in the last five years, from being a pure trading company to a dominantly-manufacturing company
- Changing revenue-mix in favour of manufacturing operations to be further extended by increasing CAPEX's in manufacturing division

Revenue Profile



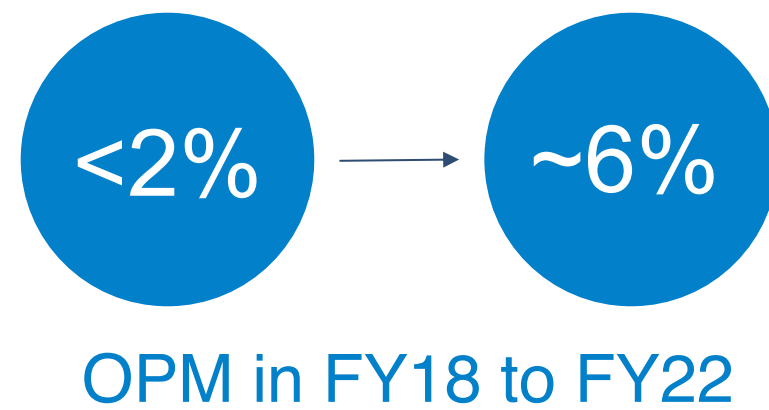
1st Phase of CAPEX

- The 1st Phase of CAPEX begun in September 2018.
- In the 1st phase the company invested in
 1. Waterjet Unit
 2. Value-added Contract Manufacturing – Embroidery & Digital Printing Unit
- In between FY18-22, the company has built an additional Netblock of 1,734 Lakhs totaling to 1,890 Lakhs in FY22.



Early Results → Confidence to Invest Further

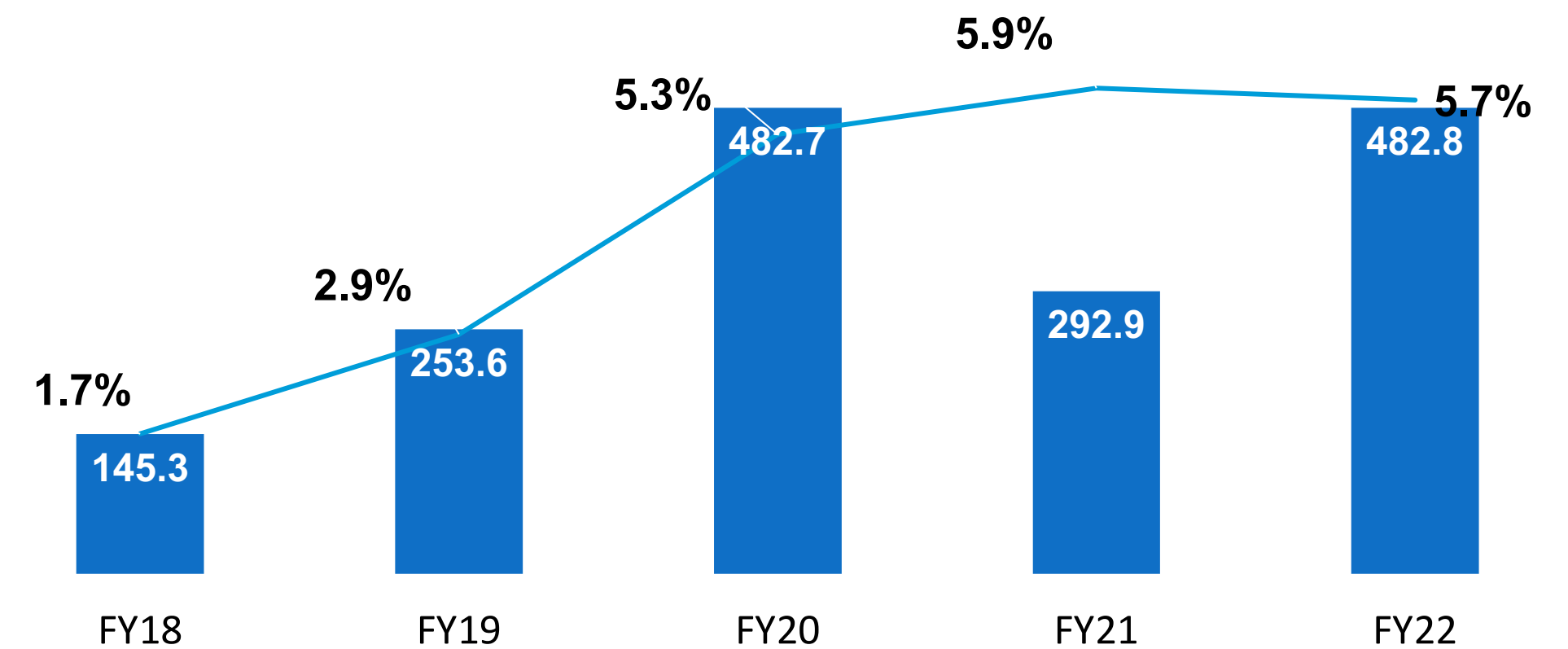
The early results from our 'Shifting Gears' strategy have been very satisfactory.



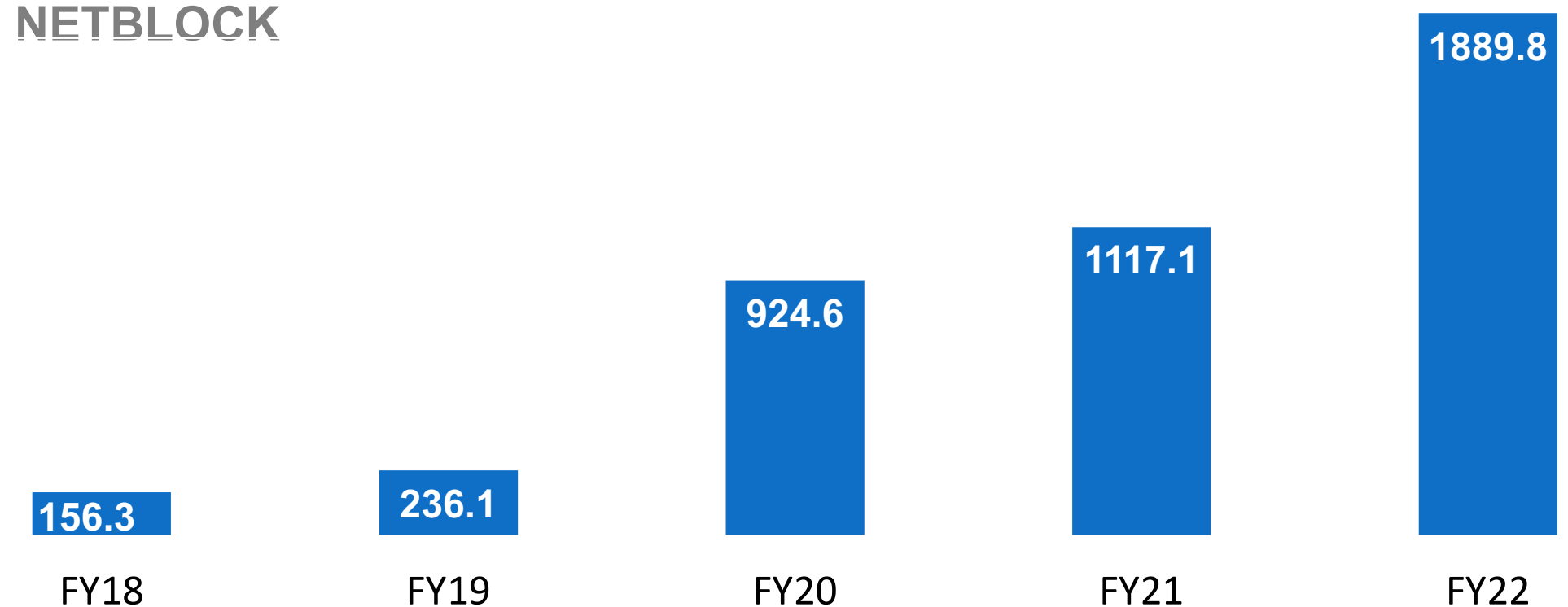
There has been a clear shift in the margin profile of the company, due to growing manufacturing operations, from sub 2% OPM to ~6% OPM in last four years.

- 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.

EBITDA & EBITDA (%)



NETBLOCK



Financial Highlights

Q2FY23 Profit and Loss Summary

(IN INR LAKHS)

PARTICULARS	Q2FY23	Q1FY23	Q2FY22	Y-O-Y%
Revenue from Operations	2416.67	2339.73	2102.91	15%
Total Income	2430.83	2352.56	2129.25	14%
Total Operating Expense	2201.46	2193.20	1969.76	12%
EBITDA (Excluding OI and EI)	215.21	146.53	133.15	62%
EBITDA Margins %	8.9%	6.3%	6.3%	257 BPS
Interest Cost	84.00	86.43	91.31	-8%
Depreciation and Amortisation	42.49	41.54	38.79	10%
Profit Before Taxes and Exceptional Items	102.88	31.39	29.39	250%
Profit After Taxes	77.72	23.62	27.40	184%

Financial Highlights

Annual Profit and Loss Summary

(IN INR LAKHS)

PARTICULARS	FY22	FY21	FY20	FY19	FY18
Revenue from Operations	8429.30	4992.65	9096.41	8689.74	8546.24
Total Income	8503.43	5177.94	9138.56	8722.01	8594.15
Total Operating Expenses	7946.51	4699.78	8613.82	8436.18	8400.95
EBITDA (Excluding OI)	482.79	292.87	482.59	253.56	145.29
EBITDA (Excluding OI) %	5.7%	5.9%	5.3%	2.9%	1.7%
Interest Cost	283	285.38	271.06	86.47	76.95
Depreciation & Ammortisation	146.58	102.35	100.75	30.39	12.58
Profit Before Taxes	127.34	90.43	152.93	168.97	103.67
Profit After Taxes	98.27	35.32	90.03	127.42	75.00

Note - FY20 onwards figures are restated as per Ind AS

Financial Highlights

Annual Balance Sheet Summary

(IN INR LAKHS)

PARTICULARS	FY22	FY21	FY20	FY19	FY18
Shareholder's Fund	1295.95	1197.67	1099.54	826.35	380.39
Non Current Liabilities	2777.99	2556.36	926.19	419.09	370.53
Current Liabilities	3024.87	3023.32	2882.75	3248.18	1698.63
Total	7098.81	6777.36	4908.47	4493.66	2449.55
Non Current Assets	3096.2	2777.76	1133.57	470.45	232.64
Current Assets	4002.61	3999.6	3774.91	4023.20	2216.91
Total	7098.81	6777.36	4908.47	4493.66	2449.55

Note - FY20 onwards figures are restated as per Ind AS

Management Commentary

Q2FY23 Result Discussion

- Q2FY23 witnessed a marginal growth of 3% in topline on a QoQ basis. On a YoY basis, the sales growth was 15%, taking the Revenue from Operations to 2,416.67 Lakhs.
- Revenue contribution from manufacturing activities inched upwards to reach 59.7% in Q2FY23 up from 57.3% in the previous quarter leading to better profitability.
- On the profitability front, margins have improved on a QoQ basis as well as YoY basis in Q2FY23 with an EBITDA (excluding OI and EI) margin of 8.9% compared to 6.3% in Q1FY23 & Q2FY22.
- PBT for the quarter has witnessed a growth in both QoQ and YoY basis. PBT for the quarter stood at INR 102.88 Lakhs, and PAT stood at 77.72 Lakhs.

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.
- The Company is currently evaluating some projects as well, which will be announced in due course of time once details have been finalized.

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