

Research Report

Trident Limited



Prepared By-

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About

Trident Limited is the flagship Company of Trident Group, an Indian business conglomerate and a global player. Trident Limited is a vertically integrated textile (Yarn, Towel & Bedsheets) and Paper (Wheat Straw-based) manufacturer. Trident's towel, yarn, bed sheets and paper businesses have earned global recognition and are delighting millions of consumers across India and the world. Trident is one of the largest players in home textile in India. The Company operates in four major business segments: Yarn, Towel, Bedsheets and Paper & Chemicals with its manufacturing facilities located in Punjab and Madhya Pradesh.

Key Products

- Home Textiles
- Paper & Stationary
- Yarn
- Chemicals
- Energy

Synopsis of Financials

- **Total Revenue for the FY24 stood at INR 67,903 Mn with sales growth of 7.9 % as compared to FY23 owing to primarily the increase in demand.**
- **PBT has decreased by 6.9 % Y-o-Y in FY24 due to reduction in NSR.**
- **EBITDA Margin stood at 15 % in FY24.**
- **EPS has reduced by 7.6 % in FY24.**

Stock data (as 25th June 2024)

Nifty Price	: 23676.55
52 week High (in Rs.)	: 52.9
52 week Low (in Rs.)	: 31.6
Market Cap. (in Crore)	: 19,640
NSE Code	: <u>TRIDENT</u>

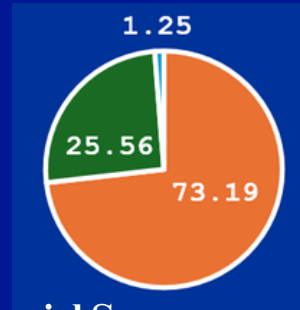
Stock data



-NIFTY50

- Trident Limited

Shareholding Pattern (March 2024)



-PUBLIC GROUP

-PROMOTER GROUP

-Employee Trust

Financial Summary

Particulars	March 2024	March 2023	March 2022
Sales	6,809	6,332	6,998
Sales Growth %	7.53%	-9.51%	54.45%
Expenses	5,869	5,386	5,478
Operating Profit	940	947	1,520
OPM %	14%	15%	22%
Profit after tax	350	442	834
EPS in Rs	0.69	0.86	1.64

Quarterly Results

Particular	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Sales	1,438	1,641	1,573	1,494	1,798	1,835	1,682
Expenses	1,297	1,367	1,305	1,262	1,557	1,572	1,477
Operating Profit	141	274	269	231	240	263	205
OPM %	10%	17%	17%	15%	13%	14%	12%
Other Income	5	8	7	11	15	14	18
Interest	20	19	22	32	35	40	49
Depreciation	78	78	80	89	89	90	96
Profit before tax	48	186	173	122	130	146	78
Tax %	22%	22%	24%	25%	31%	25%	24%
Net Profit	37	144	131	91	90	109	59

Source: Screener

Key Ratios

Ratio	Numerator	Denominator	31-Mar-23	31-Mar-22	% change
Current ratio	Current assets	Current liabilities	1.35	1.25	8%
Debt- Equity Ratio	Total debt (excluding lease liabilities)	Total equity (excluding PPE fair valuation reserve and effective portion of cash flow hedge)	0.40	0.51	-21%
Debt service coverage ratio*	(Profit before tax+ Interest expense + depreciation and amortisation expense)	Long term debt (excluding lease liabilities) repaid during the year + Interest expense	10.08	12.41	-19%
Return on Equity ratio	Net Profits after tax	Average Shareholder's Equity (excluding PPE fair valuation reserve and Effective portion of cash flow hedge)	12.92%	28.56%	-55%
Inventory turnover ratio	Cost of goods sold	Average Inventory	4.41	4.50	-2%
Trade receivable turnover ratio	Revenue (excluding government subsidy and export incentives)	Average accounts receivable	14.83	13.25	12%
Trade payable turnover Ratio	Net purchases of raw materials and purchase of stock in trade	Average trade payables	6.17	9.60	-36%

Source: Annual Report

Yearly Results

Particulars	March 2024	March 2023	March 2022
Equity Capital	510	510	510
Reserves	3,806	3,683	3,335
Borrowings	2,126	1,442	1,597
Other Liabilities	1,122	1,194	1,048
Total Liabilities	7,563	6,829	6,489
Fixed Assets	4,611	4,094	3,713
CWIP	85	368	83
Investments	49	0	2
Other Assets	2,819	2,366	2,691
Total Assets	7,563	6,829	6,489

Synopsis Quater Results

Con-Call Q1 FY'24: Key Highlights

Financial & Business Highlights:

- Net Revenue in Q1FY24 is INR 14,782 million as compared to INR 16,717 million in Q1FY23.
- EBIDTA for Q1FY24 stood at INR 2,393 million which translates into 16.2% EBITDA margin.
- Profit after tax for Q1FY24 was reported at INR 903 million with a PAT margin of 6.1%.
- Net Debt to EBITDA has increased slightly to 1.17x, showcasing the company's dedication to improving its obligations. Net Debt to Equity also increased to 0.28x in Q1FY24.
- Textile Business reported income of INR 12,071 million in Q1FY24 as compared to INR 13,436 million in Q1FY23 resulting EBIT at INR 1,000 million in Q1FY24 resulting in an EBIT margin of 8.3%.
- Paper & Chemicals Business revenue stood at INR 2,599 million in Q1FY24 as compared to INR 3,234 million in Q1FY23. EBIT for the segment was INR 745 million in Q1FY24 as compared to INR 1,146 million in Q1FY24 with EBIT margin of 28.7%.

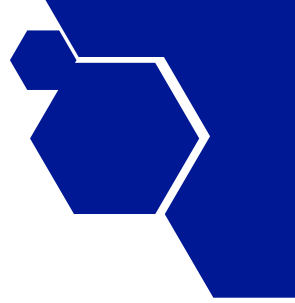
Business Highlights:

- Trident Limited has been granted patent for "Process of manufacturing a fabric with homogeneous pores" by European Patent Office. The grant of this patent by the European Patent Office provides further recognition of the quality of the innovation being carried out by Trident.

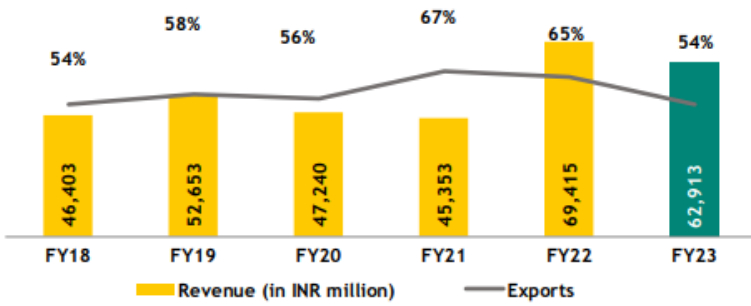
Capacity Enhancement:

- Trident Limited will spend approx. INR 20,900 million on capacity addition in Yarn, Towel, Bedsheets & Chemical business for which the projects are under different development and implementation stages

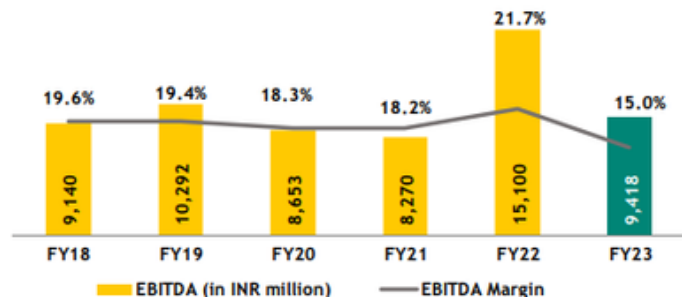
Revenue Highlights



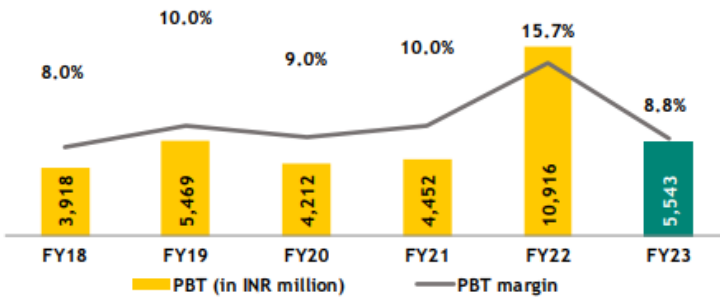
REVENUE



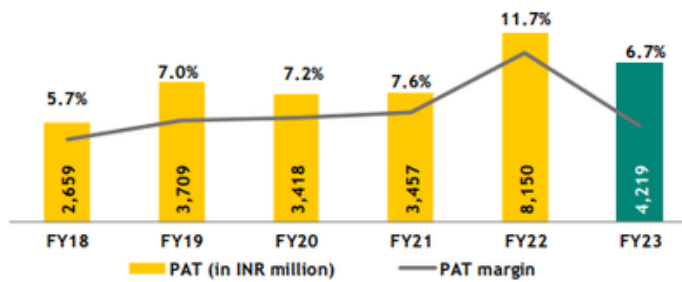
EBITDA



PBT



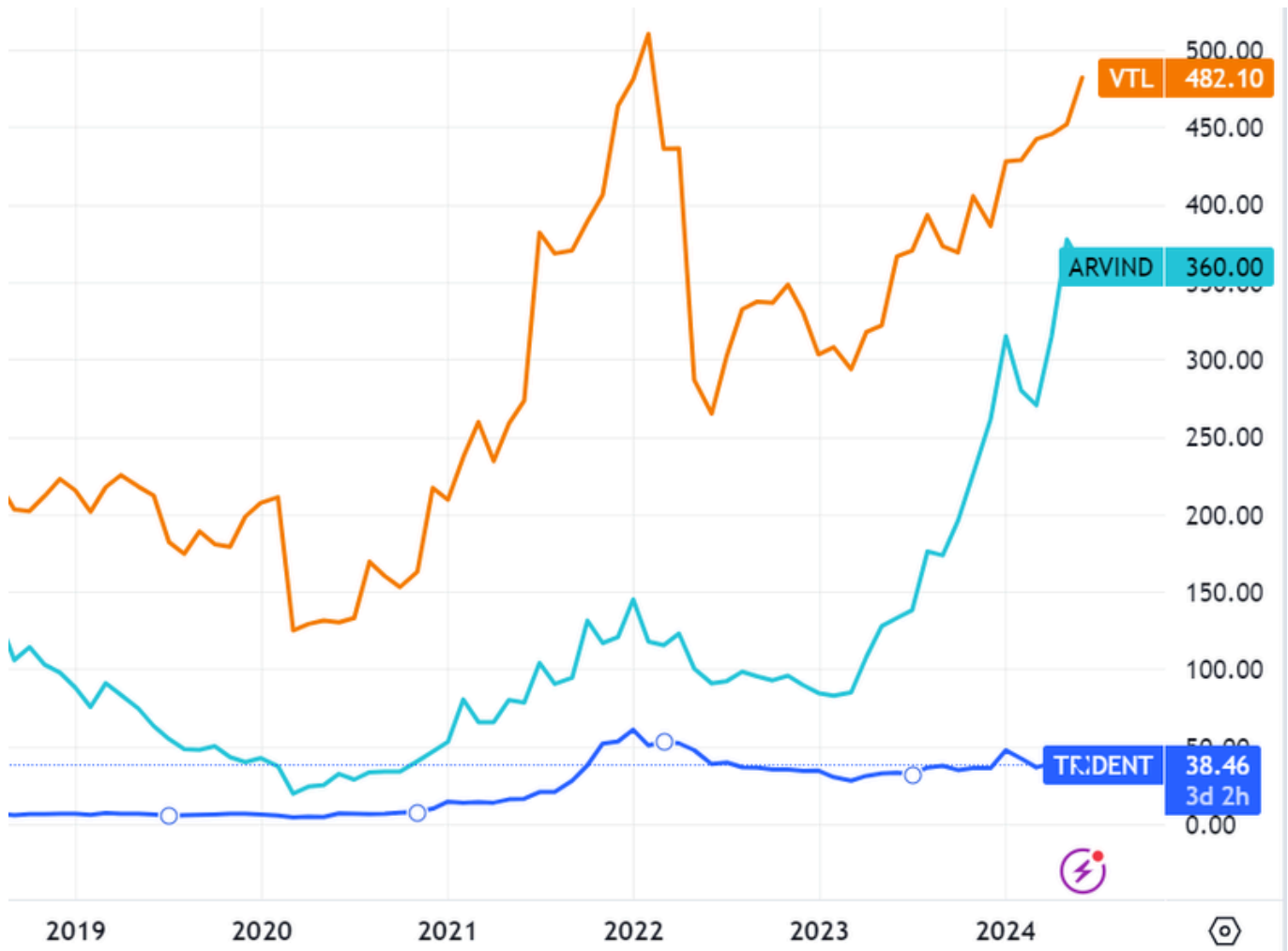
PAT



Peer Comparison



Peer Stock Performance (5Y) Indexed



Source: Trading View

Peer Financial Performance

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
1.	Trident	38.54	56.25	19640.26	0.92	59.01	-56.37	1682.26	6.93	10.48
2.	Vardhman Textile	477.55	21.86	13809.57	0.73	202.13	26.36	2459.41	-1.05	8.80
3.	Arvind Ltd	359.55	28.05	9406.90	1.03	104.42	16.43	2074.51	10.30	12.41
4.	Indo Count Inds.	367.55	21.55	7279.50	0.54	91.94	-2.93	1093.26	35.46	18.21
5.	Nitin Spinners	347.20	14.83	1951.93	0.70	39.17	1.63	800.71	22.28	11.61

Source: Screener

Final Outlook

TRIDENT: HOLD | LTP: 38.5

Capacity Utilization has been reduced in last 1 yr, equity stock has giving return of 9.7% in last 1 yr, Quarter results were also not good, total income has decrease by 7% compare to previous yr, sales.

Operating Profit, EBIT and PAT for Q4 is very less compare to last 3-4 quaters, this was reason for decline of stock, but if Tridents shows Hiher sales and high Operating profit in future then only investing is safe in the copany. With a notable increase in volumes, the stock recently broke out from a declining trendline, displaying a strong bullish momentum. The daily charts exhibit a well-defined upward trend, characterized by steadily rising highs and rising lows. Support for bulls is located at Rs 43, which offers a safety net in case of future declines.

Given its current rising trend, the counter has upside goals between Rs 53 and Rs 60.