

# ***Earnings Presentation: Q3/9M FY 22***

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***February 2022***

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# AGENDA

- ABOUT THE COMPANY
- INDUSTRY UPDATES
- OUR INITIATIVES
- SNAPSHOT
- KEY COMPANY HIGHLIGHTS
- FINANCIAL PERFORMANCE
- OUTLOOK



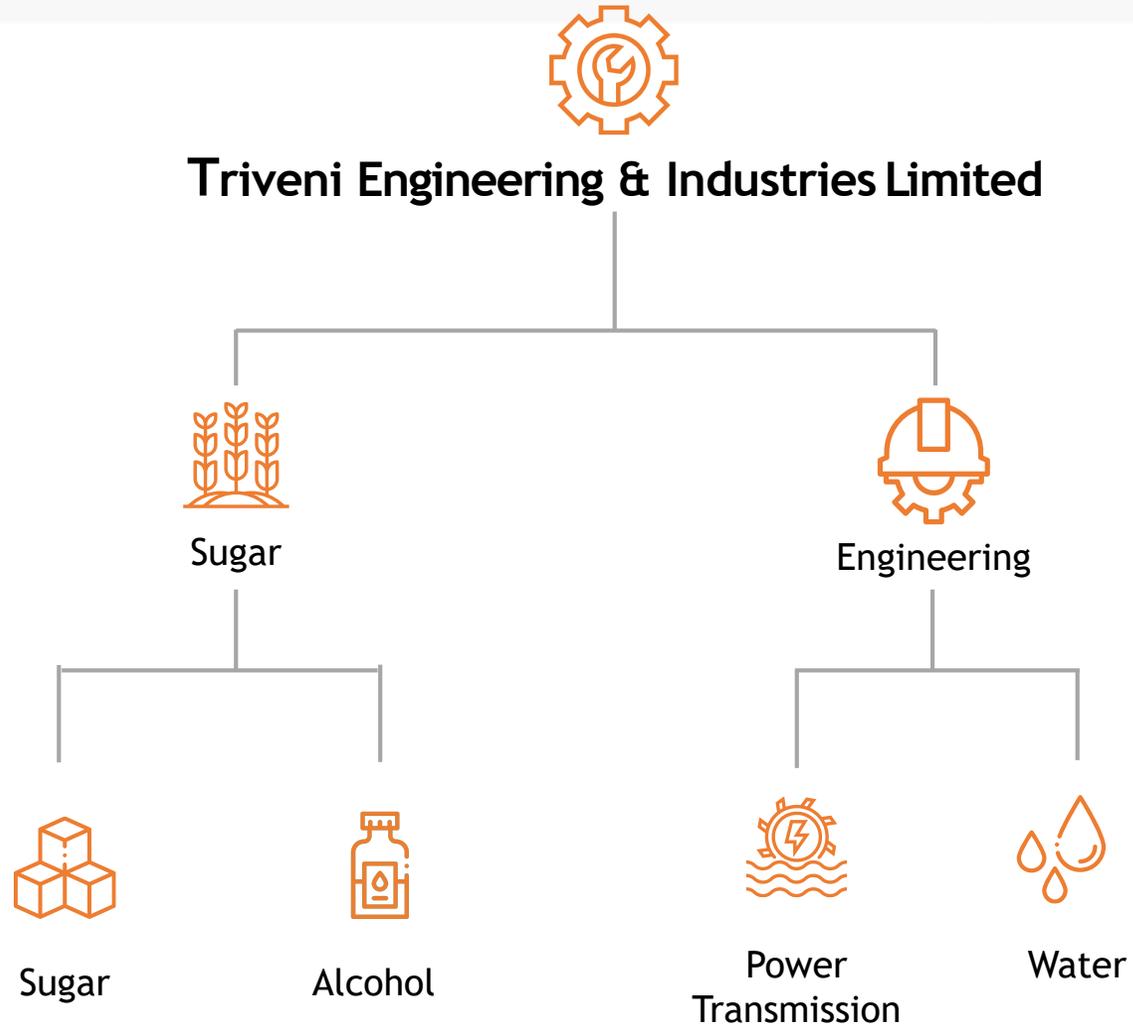
# ABOUT THE COMPANY



## TRIVENI ENGINEERING & INDUSTRIES LTD

- An integrated and innovation-led conglomerate with diversified businesses in areas of sugar and engineering
- One of the largest integrated sugar manufacturers of India
- Leading player in engineering businesses spanning power transmission, water & wastewater treatment solutions and defence
- Consistent R&D of technology to surpass customer needs
- Experienced team with an innovation-forward mindset
- Best-in-class manufacturing and internationally benchmarked on quality standards

# COMPANY STRUCTURE



## Sugar



### Sugar Business \*

One of the largest sugar manufacturers in India with **7 FSSC 22000 certified plants** in Uttar Pradesh

Multi - product manufacturer: **Multi-grade** - Large, Medium and Small Crystal - Sugar, Refined Sugar, Raw Sugar, Pharmaceutical-grade Sugar; **300K+ associated farmers**

**6 co-generation plants** with **~100 MW<sup>1</sup> grid capacity**

Power export to **Uttar Pradesh Power Corporation Limited (UPPCL)** - state owned power distribution company



### Alcohol Business

**2 distilleries** with capacity of **320 KLPD<sup>2</sup>**

**2 new plants** (160 + 60 KLPD) being set up, taking overall distillation capacity to **540 KLPD by March'22**

New 160 KLPD plant to be dual feed stock - **1<sup>st</sup> plant in India of such large capacity**

**Further expansion of 540 KLPD to 660 KLPD** at an aggregate cost of approx. 100 crore around **Q1 FY 23**

Produce **Extra Neutral Alcohol**, which is used to produce **high quality potable alcohol**; and **fuel-grade ethanol**

World-class technology employed to achieve **Zero Liquid Discharge (ZLD)**

**Strong Environment/ Health/ Sustainability capabilities** and adherence to standards

Note: 1) MW: Megawatt; 2) KLPD: KL per day

\* Including Power Co-generation

## Engineering



### Power Transmission Business

Among the largest engineered to order turbo gear manufacturer

**Integrated plant** located in Karnataka with state of the art infra

Strong focus on **value engineering, low cost manufacturing, R&D** for new product and expertise in **reverse engineering & replacement** solutions.

Currently supporting solutions for **Indian Navy**



### Water Business

EPC solutions for water/wastewater treatment and recycling of water, for industrial and municipal applications

**~10,000 Million Liters Per Day (MLD) water treated**

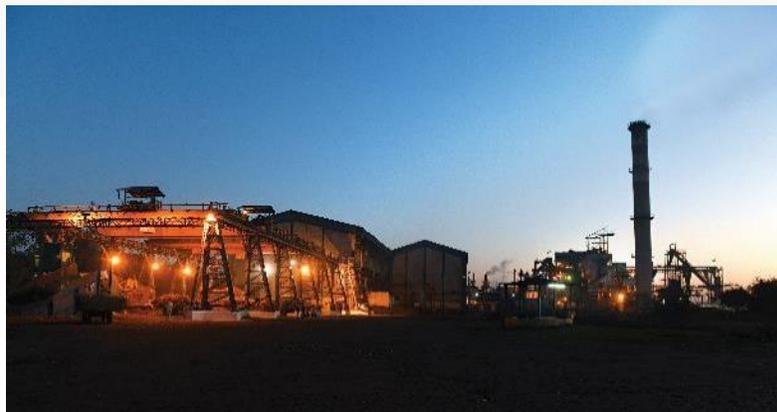
**>2,000 process equipment supplied and commissioned**

Executed some of the largest projects in India

# INDUSTRY UPDATES - SUGAR



Sugar  
Business



- Domestic sugar production estimated at ~31.45 million tonnes in SS 2021-22, similar to SS 2020-21
- Diversion for ethanol production estimated at ~3.40 million tonnes in SS 2021-22 vs. 2.07 million tonnes in SS 2020-21
- With an opening stock of 8.2 million tonnes, consumption of 27 million tonnes and exports of ~ 6 million tonnes, the closing stock as on September 30, 2022 is estimated to be around 6.65 million tonnes.

- State-wise production estimates for SS 2021-22

Region	Sugar Production		Diversion for Ethanol Production	
	SS 2021-22 (E)	SS 2020-21	SS 2021-22 (E)	SS 2020-21
India	31.45	31.19	3.40	2.07
Uttar Pradesh	10.18	11.06	1.25	0.69
Maharashtra	11.68	10.65	1.13	0.71
Karnataka	4.52	4.47	0.74	0.50

# INDUSTRY UPDATES - SUGAR



## Alcohol Business

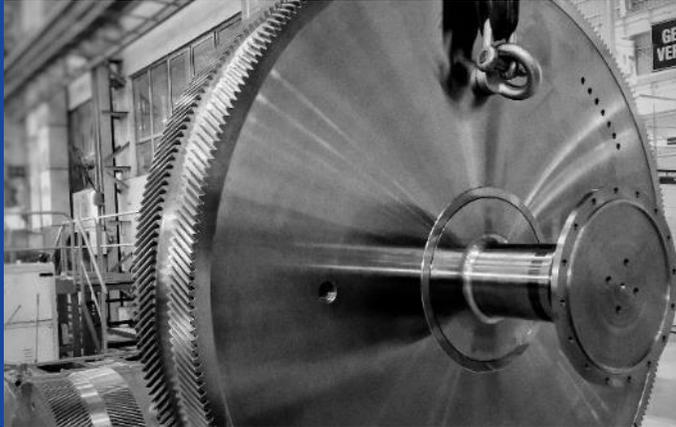


- Oil Marketing Companies (OMCs) have so far allocated 369 crore liters of ethanol for supply in Ethanol Supply Year 2021-22 (Dec-Nov), against a requirement of 459 crore liters to meet the 10% blending target.
- Out of the above, contracts for 353 crore liters have been executed and 41 crore liters have been lifted by the OMCs till Jan 16, 2022.
- Average blending percentage in the country stands at 8.43% till Jan 16, 2022.
- As announced earlier by the Government, the revised prices for ethanol for the season starting from Dec 2021 to Nov 2022:
  - C molasses: ₹ 46.66/litre, an increase of ₹ 0.97/litre
  - B-heavy molasses: ₹ 59.08/litre an increase of ₹ 1.47/litre
  - Sugarcane juice: ₹ 63.45/litre, an increase of ₹ 0.80/litre
  - Maize & damaged food grains: ₹ 52.92/- per litre and
  - Surplus rice available with Food Corporation of India (FCI) route: ₹ 56.87/- per litre

# INDUSTRY UPDATES - ENGINEERING



## Power Transmission Business



- Witnessing good growth driven by economic recovery both in domestic and international markets
- The business has been focusing on business opportunities from Defence and actively participating in many indigenous development projects.
- It has also partnered with global OEMs for precision manufacturing of components on Built-to-Print basis.



## Water Business



- The Company has participated in large number of tenders which are in various stages of finalization and is expected to close some of these in the coming quarters.
- With water demand-supply imbalance expected in coming years, the market for water and wastewater treatment holds promise

# OUR INITIATIVES

## SUGAR

- Extensive sugarcane development program
- Active pursuit of variety substitution programme to gradually reduce overdependence on the star variety Co-0238

## ALCOHOL

- Enhancing Capacity: 160 KLPD at Milak Narayanpur & 60 KLPD at Muzaffarnagar by March'22 and additional 120 KLPD expansion around Q1 FY 23 taking total capacity to 660 KLPD
- Participating in all OMC tenders

## POWER TRANSMISSION

- Focused on identifying and leveraging growth avenues in terms of product offerings as well as new markets
- Entered into Defence and Built to Print business segments and progressing well

## WATER

- Working with industrial companies as well as municipal authorities to provide effective solutions for efficient water management



## SUGAR

**2.49 Million Tonnes** - Sugarcane Crush in SS 2021-22

**251369 Tonnes** - Sugar Production in SS 2021-22

**10.97%** - Gross Recovery\*

**10.08%** - Net Recovery

**648206 tonnes** - despatches in 9M FY 22, down 22% YoY

**35028/MT** - Domestic Realization price in 9M FY 22, up 7% YoY

(\*) Gross recoveries are before considering sugar diversion in B-heavy molasses for ethanol production



## ALCOHOL

**78868 KL** Production in 9M FY 22, up 3% YoY

**91019 KL** Sales in 9M FY 22, up 11% YoY

**₹ 53.30 /litre** - Avg. Realisation in 9M FY 22, up 14% YoY

**12.16 lakh cases** of Indian Made Indian Liquor (IMIL)

Sales in 9M FY 22



## POWER TRANSMISSION

**₹ 176.78 crore** Order Booking in 9M FY 22, up 80% YoY

**₹ 213.88 crore** Outstanding Order Book\*

at end of 9M FY 22, up 33% YoY

\* including long duration orders



## WATER

**₹ 1594.5 crore**

Outstanding Order Book, up 93% YoY  
(Product, EPC and O&M) at end of 9M FY 22

# KEY COMPANY HIGHLIGHTS - SUGAR

## SUGAR

- Lower sugarcane crush in SS 2021-22 due to late start of the season due to the excessive rainfall especially in the month of October.
- Sugar Business turnover declined by 7% and 14% during the quarter and nine-month period vs. last year to ₹ 931.86 crore and ₹ 2627.04 crore respectively, due to lower sugar dispatches by 18% and 22%, partly off-set by improved sugar prices by 11% and 7% respectively.
- The sugar inventory as on Dec 31, 2021 was 26.21 lakh quintals, which is valued at around ₹ 33.7/kg.
- Co-generation operations (including incidental co-generation) achieved external sales of ₹ 33.08 crore during 9M FY 22 as against ₹ 39.37 crore in 9M FY 21, decline of 16% due to lower operating days.

## ALCOHOL

- Distillery segment reported strong growth in turnover during the quarter and nine-month period of 45% and 31% to ₹ 156.13 crore and ₹ 506.88 crore respectively as compared to the previous period.
- The turnover is higher due to higher dispatches by 18% and 11% respectively, higher realization price by 16% and 14% due to product mix and increase in prices.
- During the current quarter, the Company produced 86% Ethanol from B-heavy molasses as compared to 43% last year.
- The Company has, under its Alcoholic Beverages vertical (forming part of Distillery operating segment), started producing IMIL towards the end of Q3 FY 21 at its bottling facility in the premises of its existing distillery in Muzaffarnagar, Uttar Pradesh (UP), to facilitate forward integration of distillery business.
- The sale volume of Indian Made Indian Liquor (IMIL) was 5.38 lakh cases in Q3 FY 22 and 12.16 lakh cases in 9M FY 22.

# KEY COMPANY HIGHLIGHTS - ENGINEERING

## POWER TRANSMISSION

- Turnover and profitability is higher than the previous year, as the operations in the previous year were hampered due to strict nationwide lockdowns.
- Cost optimization (including raw material) has resulted in higher profitability.
- The outstanding order book as on Dec 31, 2021 stood at ₹ 213.88 crore including long duration orders of ₹ 102.05 crore executable over a couple of years

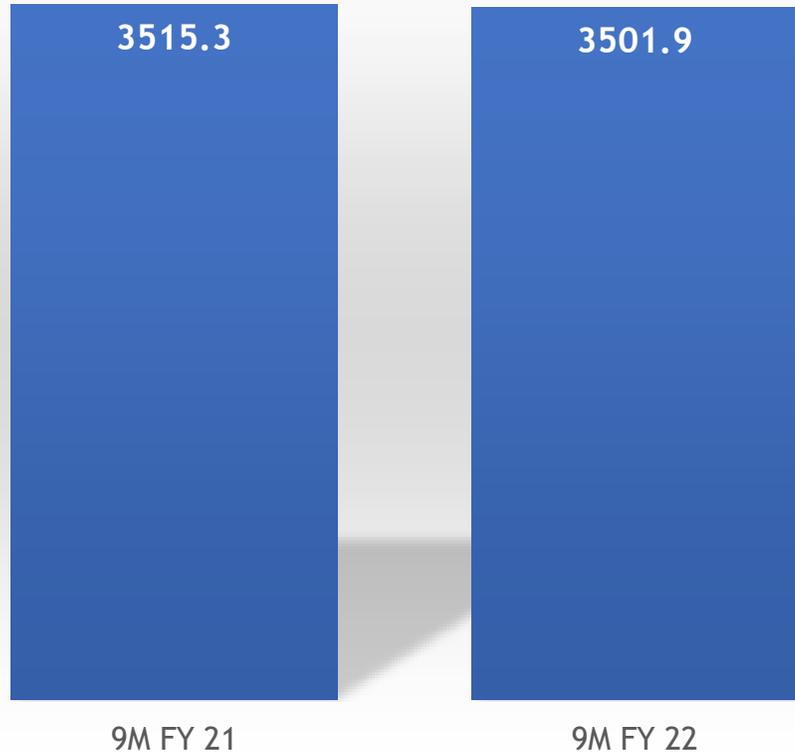
## WATER

- The turnover is lower in nine-month period owing to slow progress in some projects and delay in lifting of ready equipment by the customers
- Profitability is higher due to better cost control and risk mitigation during execution
- The outstanding order book as on Dec 31, 2021 stood at ₹ 1594.5 crore, which includes ₹ 951.39 crore towards O&M contracts for a longer period of time
- Results are based on consolidated results including wholly owned SPV executing Mathura Project awarded by NMCG under Namami Gange Programme

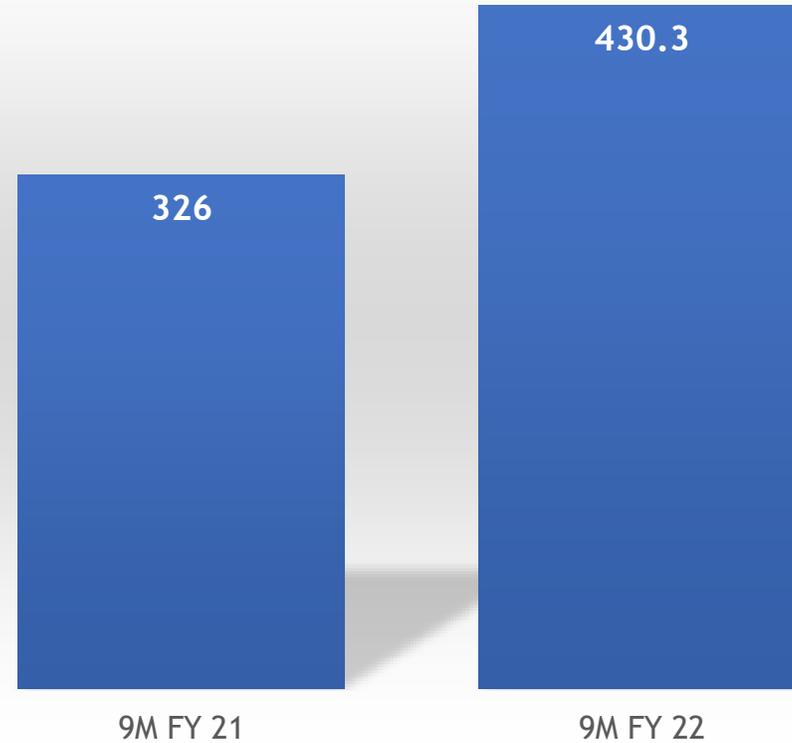
# FINANCIAL PERFORMANCE - CONSOLIDATED

₹ Crore

## GROSS REVENUE



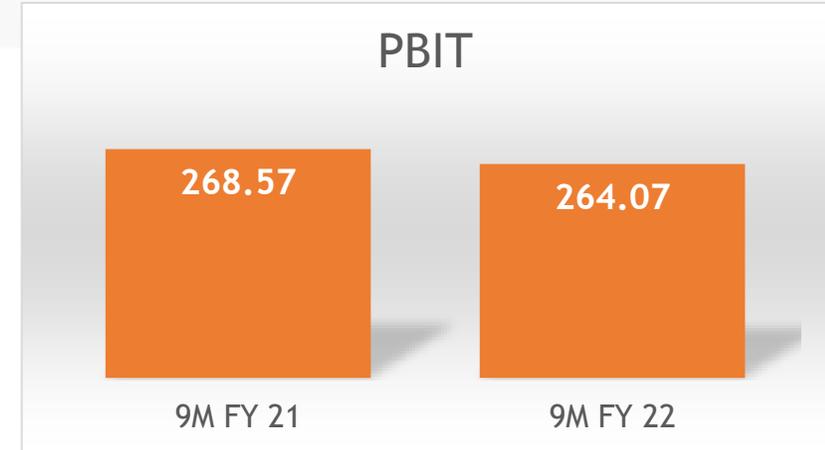
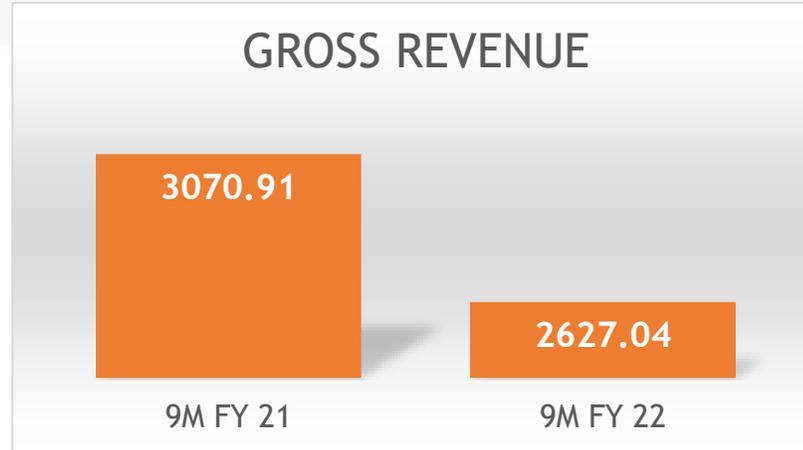
## PBT



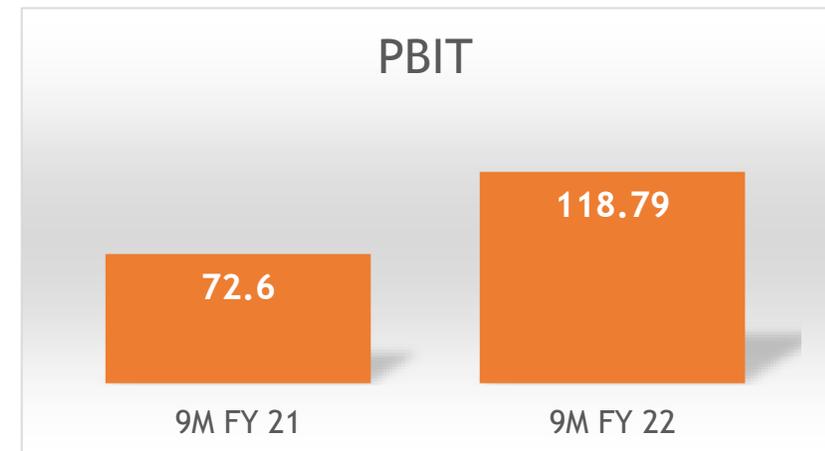
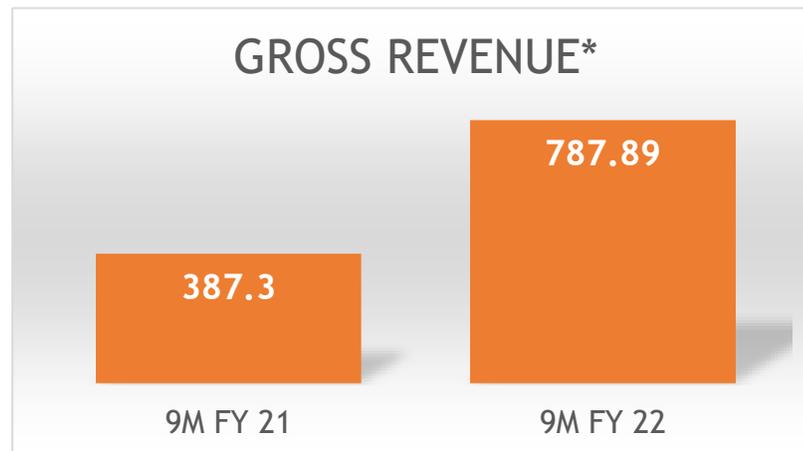
# FINANCIAL PERFORMANCE - SUGAR

₹ Crore

## SUGAR



## ALCOHOL

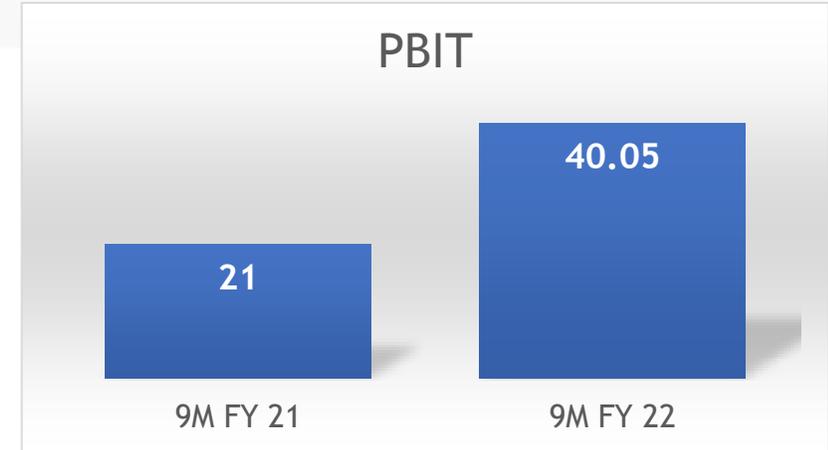
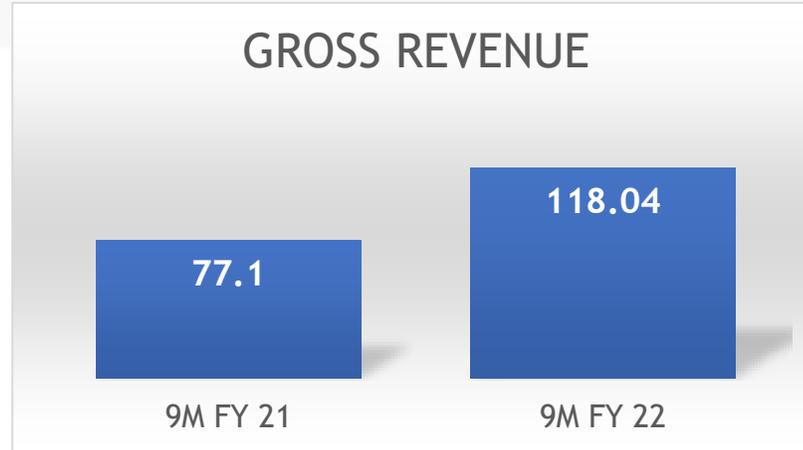


\* Revenue net of excise duty at ₹506.88 crore in 9M FY22 as compared to at ₹386.1 crore in 9M FY21

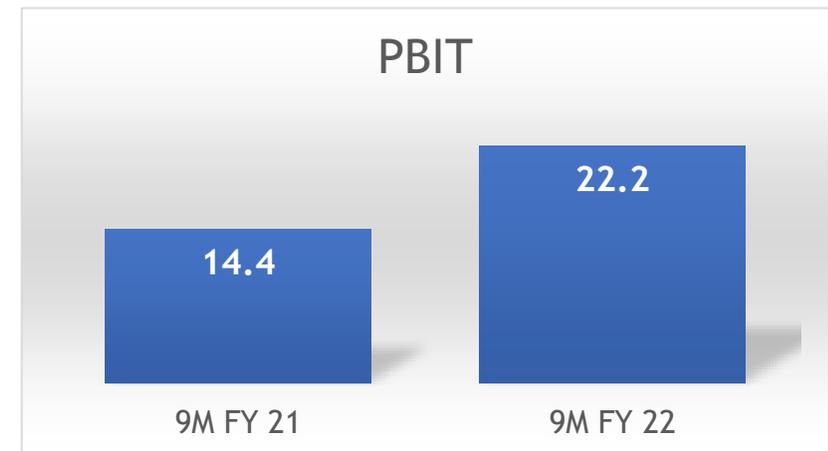
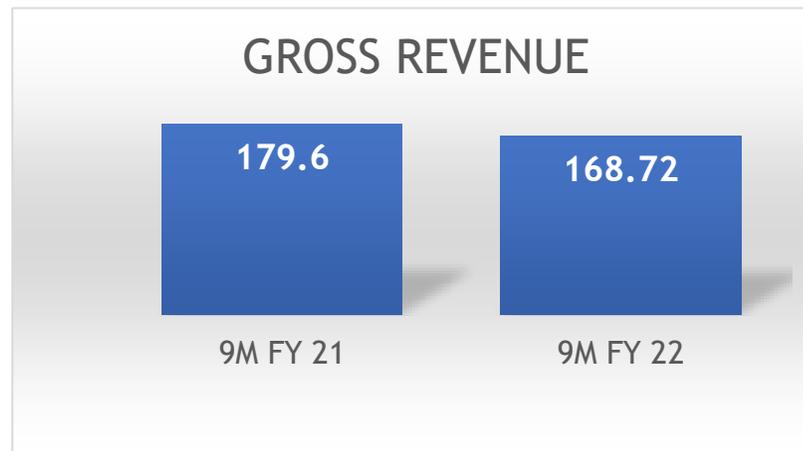
# FINANCIAL PERFORMANCE - ENGINEERING

₹ Crore

## POWER TRANSMISSION



## WATER



# CONSOLIDATED SUMMARY P&L

₹ Crore

	Q3 FY 22	Q3 FY 21	Change (%)	9M FY 22	9M FY 21	Change (%)
Revenue from Operations (Gross)	1235.4	1123.1	10	3501.9	3515.3	
Revenue from Operations (Net of excise duty)	1115.7	1121.9	(1)	3220.9	3514.1	(8)
<b>EBITDA</b>	<b>209.8</b>	<b>168.1</b>	<b>25</b>	<b>478.9</b>	<b>413.9</b>	<b>16</b>
<b>EBITDA Margin</b>	<b>19%</b>	<b>15%</b>		<b>15%</b>	<b>12%</b>	
Share of income from Associates	7.8	6.6	17	51.8	10.4	
<b>Profit Before Tax (PBT)</b>	<b>185.0</b>	<b>145.8</b>	<b>27</b>	<b>430.3</b>	<b>326.0</b>	<b>32</b>
<b>Profit After Tax (PAT) Consolidated</b>	<b>130.1</b>	<b>94.7</b>	<b>37</b>	<b>314.9</b>	<b>209.6</b>	<b>50</b>
Other Comprehensive Income (Net of Tax)	0.8	-0.3		5.2	0.5	
Total Comprehensive Income	130.9	94.4	39	320.1	210.1	
<b>EPS (not annualized) (₹/share)</b>	<b>5.39</b>	<b>3.89</b>		<b>13.03</b>	<b>8.50</b>	

# OUTLOOK - SUGAR



## Sugar Business



- The estimates for SS 2021-22 sugar production indicates similar sugar production in the country as last season, at around 31.45 million tonnes, however with higher diversion of 3.40 million tonnes for ethanol production.
- On the pricing side, even though sugar prices have come off their recent peaks both in domestic and global markets, they are higher than last year. With a global deficit anticipated yet again in SS 2021-22, we expect international sugar prices to stay firm.



## Alcohol Business

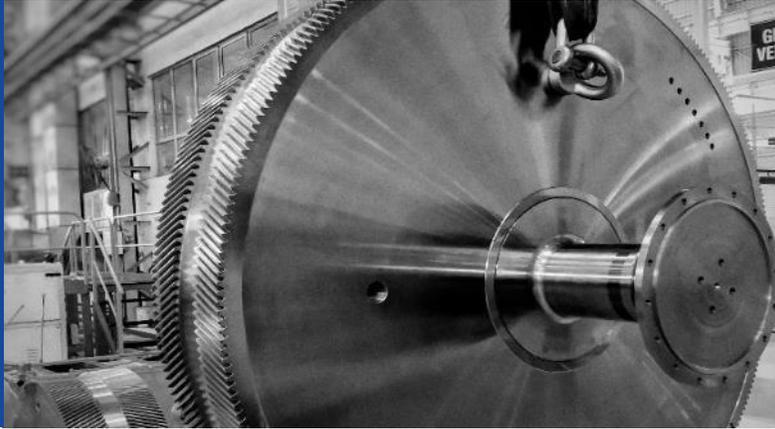


- Favourable Government policies such forwarding of Ethanol Blending Programme with 20% targets to 2025 augur well
- The Company to have a first-mover advantage with significant capacity uplift of 220 KLPD by March'22 further aided by 120 KLPD around Q1 FY 23

# OUTLOOK - ENGINEERING



## Power Transmission Business



- Domestic economic recovery is underway and will likely lead to continued demand from sectors such as Steel, Cement, Oil & Gas including Petrochemicals, Fertilisers & Chemicals, etc. which bode well for gears business.
- Well poised through strong current and upcoming portfolio to contribute to the indigenisation of high-end technology to the Indian Defence in line with the 'Make in India' policy of the Government of India.



## Water Business



- The Company has participated in large number of tenders which are in various stages of finalization and is expected to close some of these in the coming quarters.

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THANK YOU