

For immediate release

9M FY 24 Consolidated Results ended Dec 31, 2023

- **Revenue from Operations (Net of excise duty) at ₹ 3918 crore**
 - **Profit before Exceptional items and Tax at ₹ 312.3 crore**
 - **Profit after Tax at ₹ 234.1 crore**
- **Board declared an interim dividend of ₹ 2.25 per equity share and a special dividend of ₹ 2.25 per equity share**

- **Sugar & Alcohol (Distillery) Businesses**
 - *Better performance in terms of crush and recovery during Q3 FY 24 in the ongoing Sugar Season (SS) 2023-24. Crush higher by 6.7%, net Recovery higher by 38 bps (after considering diversion of sugar in B-heavy molasses) and sugar production higher by 10.9%*
 - *Higher sugar realisations helped Sugar Segment profitability and largely offset the impact of lower sales volume and increase in costs due to revision in State Advised Price (SAP) of sugarcane*
 - *Alcohol sales of 13.8 crore litres in 9M FY 24, an increase of 8.3% over corresponding previous period. Segment profitability impacted due to low margin maize operations in substitution of operations using Surplus Food Grains from Food Corporation of India (FCI Rice)*

- **Engineering Businesses**
 - *Robust increase in both turnover and profitability in Power Transmission business, growing 33.9% and 44.8% year-on-year in 9M FY 24.*
 - *Order booking of ₹ 240.5 crore in Power Transmission business in 9M FY 24, an increase of 24.3% year-on-year with a closing order book of ₹ 297.2 crore, up 13.1% year-on-year*
 - *Outstanding order book of ₹ 1,546 crore (including long tenure order & O&M contracts) for combined Engineering Businesses*

- **Outcome of Board Meeting**

The Board of Directors of the Company has:

 - *Declared an Interim Dividend of ₹ 2.25 per fully paid-up equity share of the face value of ₹ 1/- each for the financial year 2023-24 and a Special Dividend of ₹ 2.25 per fully paid-up equity share of the face value of ₹ 1/- each.*

- *Approved venturing into new business of manufacturing, marketing and selling own brands in the premium segment of Indian Made Foreign Liquor (IMFL) as a forward integration of the distillery operations. It would involve setting up a state-of-the-art bottling plant in Muzaffarnagar, Uttar Pradesh to produce high quality IMFL products at an estimated cost of about ₹ 25 crore, subject to receipt of necessary statutory clearances. The new facility is expected to be ready for commencement of production by end of Q1 FY 25.*
- *Noted that the project for enhancement in existing capacity of Power Transmission business from ₹ 250 crore to ₹ 400 crore is under progress and is expected to be completed by December 2024 instead of March 2024 as informed earlier. The Board approved further capex of ₹ 180 crore for further enhancement in capacity from ₹ 400 crore to ₹ 500 crore.*
- *Noted that the commissioning of a new multi feed distillery at Rani Nangal, U.P., is expected by March 31, 2024. Furthermore, considering present Government policy and challenges in availability of permitted grains at viable procurement costs for distillery operations, it has been decided to keep the implementation of the new proposed distillery expansion project at Sabitgarh, U.P. in abeyance. Any further development will be intimated in due course.*
- *Approved:*
 - a) *Acquisition of 13,35,136 fully paid-up equity shares of face value of ₹ 10 each ("Sale Shares") of Sir Shadi Lal Enterprises Limited ("Target Company"), representing 25.43% Voting Share Capital (as defined in the Public Announcement) of the Target Company from Mr. Vivek Viswanathan, promoter of the Target Company and Ms. Radhika Viswanathan Hoon, member the promoter group of the Target Company (collectively, "Sellers"), on and subject to the agreed terms and for per Sale Share consideration of ₹ 262.15, aggregating to total consideration of ₹ 35,00,05,902.40. For this purpose, the Company has executed a Share Purchase Agreement with the Sellers as on the date hereof ("SPA").*
 - b) *Making an open offer for up to 13,65,000 equity shares of ₹ 10 each, constituting 26% of the Voting Share Capital, at a price of ₹ 262.15 per equity share from the shareholders of the Target Company ("Open Offer") with the intention to acquire control over the Target Company and in compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SAST Regulations"). Assuming full acceptance under the Open Offer, the total consideration payable by the Company under the Open Offer will be ₹ 35,78,34,750.*

Acquisition by the Company of (i) Sale Shares under the SPA; and (ii) equity shares of the Target Company pursuant to the Open Offer, is collectively referred to as “Acquisition”.

Sabitarh, January 30, 2024: Triveni Engineering & Industries Ltd. (‘Triveni’), one of the largest integrated sugar manufacturers & engineered-to-order turbo gearbox manufacturers in the country and a leading player in water and wastewater management business, today announced its financial results for the third quarter and nine months ended December 31, 2023 (Q3/9M FY 24). The Company has prepared the financial results based on the Indian Accounting Standards (Ind AS) and as in the past, has been publishing and analyzing results on a consolidated basis.

PERFORMANCE OVERVIEW: Q3/9M FY 24 (Consolidated Results)

In ₹ crore

| | Q3 FY 24 | Q3 FY 23 | Change % | 9M FY 24 | 9M FY 23 | Change % |
|---|----------------|----------------|---------------|----------------|----------------|---------------|
| Revenue from Operations (Gross) | 1,553.6 | 1,658.7 | -6.3% | 4,603.3 | 4,491.8 | 2.5% |
| Revenue from Operations (Net of excise duty) | 1,311.2 | 1,462.7 | -10.4% | 3,918.0 | 4,034.3 | -2.9% |
| EBITDA | 214.9 | 230.7 | -6.8% | 427.3 | 411.5 | 3.8% |
| EBITDA Margin | 16.4% | 15.8% | | 10.9% | 10.2% | |
| Share of income from Associates | (0.2) | - | | (0.4) | 16.3 | |
| Profit Before Tax (PBT) Before Exceptional Items | 182.1 | 198.7 | -8.4% | 312.3 | 311.9 | 0.1% |
| Exceptional Items-income/(expense) | - | - | | - | 1,401.2 | |
| Profit Before Tax (PBT) After Exceptional Items | 182.1 | 198.7 | -8.4% | 312.3 | 1,713.1 | -81.8% |
| Profit After Tax (PAT) | 137.4 | 147.3 | -6.7% | 234.1 | 1,601.5 | -85.4% |
| Other Comprehensive Income (Net of Tax) | 0.0 | 0.2 | | 0.5 | (1.2) | |
| Total Comprehensive Income | 137.4 | 147.5 | -6.8% | 234.6 | 1,600.2 | -85.3% |
| EPS (not annualised) (₹/share) | 6.28 | 6.09 | 3.0% | 10.70 | 66.24 | -83.9% |

- Net turnover declined by 10.4% and 2.9% respectively in Q3 FY 24 and 9M FY 24:
 - Overall sugar sales volumes (including exports) were lower by 17.6% and 13.0% in Q3 and 9M FY 24 respectively as compared to corresponding periods in the previous year which included substantial exports. It led to lower turnover in the Sugar business by 9.2% and 8.2% in Q3 FY 24 and 9M FY 24 respectively, despite ~6% higher blended realisations both in the quarter and the nine-month period.
 - Alcohol business turnover (net of excise duty) increased by 7.6% and 16.0% in Q3 and 9M FY 24 respectively, over the corresponding period last year, due to higher sales volumes driven by operational efficiencies and increased activities in Indian Made Indian Liquor (IMIL).

- Power Transmission business reported robust revenue growth of 17.5% and 33.9% in Q3 and 9M FY 24 over the previous year driven by capacity augmentation (including exports)
- Water business reported lower turnover of 48.8% and 24.2% in Q3 and 9M FY 24 due to slower execution in some projects.
- Profit before tax and exceptional items (PBT) declined 8.4% in Q3 FY 24 and was flat in 9M FY 24 to ₹182.1 crore and to ₹ 312.3 crore respectively.
 - Sugar business reported higher profitability due to higher sugar realisation prices offsetting the impact of lower sales volumes and increase in costs due to revision in State Advised Price (SAP) of sugarcane.
 - PTB also reported higher profitability commensurate with higher turnover.
 - Decline in the profitability of distillery operations is mainly due to higher proportion of lower margin maize operations in substitution of FCI rice.
 - Segment profitability of Water business during the current quarter is in line with the lower turnover whereas it has been able to maintain the profitability during 9 months due to cost savings in various projects.
- The gross debt on a standalone basis as on December 31, 2023 is ₹ 514.5 crore as compared to ₹ 389.1 crore as on December 31, 2022. However, after considering surplus funds held as fixed deposit (FD) of ₹ 369.0 crore, the net debt as on December 31, 2023 is at ₹ 145.5 crore. Standalone debt at the end of the quarter under review, comprises term loans of ₹ 262.4 crore, almost all such loans are with interest subvention or at subsidized interest rate. On a consolidated basis, the gross debt is at ₹ 602.9 crore as on December 31, 2023 as compared to ₹ 480 crore as on December 31, 2022, however net debt as on December 31, 2023 is ₹ 233.9 Crore. Overall average cost of funds is at 5.25% during Q3 FY 24 as against 4.75% in the previous corresponding period.

Commenting on the Company's financial performance, Mr. Dhruv M. Sawhney, Chairman and Managing Director, Triveni Engineering & Industries Ltd, said:

"Overall performance of the Company during the nine-month ended December 31, 2023 has been satisfactory, with healthy performance in Sugar and Power Transmission businesses in particular. There were challenges in Alcohol business due to feedstock constraints and the profitability of Water business was impacted due to slow execution on some projects due to problems relating to the customers.

We are witnessing improved operational results in Sugar business in the ongoing SS 2023-24 in terms of crush, recovery and sugar realisation price over the previous year / season. The current estimates of lower production in SS 2023-24 and SS 2024-25 are likely to maintain firm sugar prices. The recent increase in sugarcane price by ₹ 20 per quintal can be well absorbed by the prevailing sugar prices. A higher proportion of refined sugar production post conversion of our Milak Narayanpur sugar unit to refinery and higher quantum of pharmaceutical-grade sugar production at Sabitgarh augur well for

sugar realisations for the Company. We continue to make judicious investment in our facilities to enhance crush rate, sugar quality and efficiencies.

While there may be a significant shortfall in production in Maharashtra and Karnataka, Uttar Pradesh (UP) is estimated to show higher production. The recent weather conditions in UP of dense fog with no sunshine for a longer duration may have some impact on the yields and recoveries. Further, in view of restrictions to use B-heavy molasses and sugarcane juice to limit sugar sacrifice for ethanol production, sugar operations are largely being carried out with C-heavy molasses, which will lead to higher sugar production but can also have some impact on recoveries.

In our Alcohol business, the recent Government actions relating to feedstocks have led to disruption in the operations. After utilising permitted B-heavy molasses, the distillery operations will be carried with C-heavy molasses and maize as feedstocks instead of B-heavy molasses and FCI rice which were being used earlier. It would lead to lower operating capacities and hence lower production and further, the margin structure on maize operations, despite price corrections which have taken place twice recently, is much lower than the earlier feedstocks. The situation is under watch and we are hopeful that this may be a temporary situation as the Government of India is committed to Ethanol blending targets. In view of the present situation, as a measure of prudence, the Board of Directors have decided to put the distillery project at Sabitgarh on hold till the feedstock position gets normalised. However, our Rani Nangal distillery is due to be commissioned by March 31, 2024.

In our Engineering businesses, the Power Transmission business continues to progress well both on account of a buoyant demand outlook and Company-led initiatives to augment capacities, add new customers, expand to new geographies while enhancing its portfolio of products and services beyond traditional gearboxes. In the Water business, despite the operational delays in certain projects, our outlook for the business remains positive as we believe that the demand for reliable water and wastewater treatment solutions will increase in the long-term, both in India and in International markets, leading to a healthy flow of business.”

Attached: Details to the Announcement and Results Table

About Triveni Engineering & Industries Limited

Triveni Engineering & Industries Limited (TEIL) is a diversified industrial conglomerate having core competencies in the areas of sugar, alcohol, power transmission and water. The Company holds the position of one of India's largest integrated sugar manufacturers and one of the largest ethanol manufacturers, while making significant contributions in Power Transmission and in Water & Wastewater treatment solutions. TEIL currently has seven sugar mills in operation at Khatauli, Deoband, Sabitgarh, (all in western Uttar Pradesh), Chandanpur, Rani Nangal and Milak Narayanpur (all in central Uttar Pradesh) and Ramkola (eastern Uttar Pradesh). While the Company's Power Transmission (Gears) manufacturing facility is located at Mysuru, the Water & Wastewater treatment business is located at Noida. The Company currently operates 6 co-generation power plants located across five sugar units, with 104.5 MW grid connected co-generation capacity.

The Company has state-of-the-art distilleries spread across Muzaffarnagar (MZN) – 2 facilities, Sabitgarh (SBT) and Milak Narayanpur (MNP) in Uttar Pradesh aggregating to 660 KLPD. These facilities have the capability to produce Ethanol, Extra Neutral Alcohol (ENA), Rectified Spirit (RS) and Denatured Spirit (SDS). The Company utilises a mix of sugarcane-based feedstocks as well as grain. Distillers Dried Grain Solubles (DDGS), a co-product produced on grain operations is also sold to premium Institutions and has been well accepted in market. The Company also manufactures Indian Made Indian Liquor (IMIL).

The Company produces premium quality multi-grade crystal sugar, raw (as per the market/export requirements), refined and pharmaceutical-grade sugar. All of the Sugar units are FSSC 22000 certified. The sugar is supplied not only to household consumers but also to bulk consumers. The Company has supply chain relationship with leading multinational beverage, food & FMCG companies, pharmaceutical companies and leading confectionery producers. It also has a strong presence in branded sugar market through its brand "Shagun".

The Company is a dominant market player in the engineered-to-order turbo gearbox manufacturer in India. The Power Transmission business has 3 different business segments – Gears, Defence, Built to Print. It delivers robust and reliable Gears solutions which cover a range of applications and industries to meet the ever-changing operating conditions and customers' requirements. The Company has become a dominant supplier to all major OEMs in the country, offering solutions to all industrial segments including Oil and Gas as per AGMA, API-613 and API-677 standards. It is amongst the market leaders in high-speed Gears and Gearboxes up to 70 MW capacity and speed of 70,000 rpm. The major product portfolio includes steam turbines, gas turbines and compressor gearboxes under the High-Power High-Speed segment. In the Low-Speed segment, the Company focuses on the gearboxes used in applications such as reciprocating pumps and compressors, hydel turbines, mill and extruder drives for metal, sugar, rubber and plastic industries, marine applications, etc. Its robust and reliable products are backed by 360-degree service solutions which minimise the downtime for its customers. The Company provides health monitoring services for all types of critical gearboxes, high-speed and low-speed, as well as maintains an inventory of dimension ready sites for immediate solution.

The Company provides complete and sustainable water technology solutions across the water usage segments. Advanced Solutions offered for total water management include turnkey / EPC, customer care, operations and maintenance, life cycle models such as Design, Build Own & Operate (DBOO), Design, Build Own Operate and Transfer (DBOOT), BOOT, equipment supply for unit processes like screening, grit separation, clarification and sludge handling. The Customer Care Division offers value added services for operation management and performance optimisation. The quality service offerings are tailored to customers' requirements, which in many cases form an integral part of the main contract - operations and maintenance, annual maintenance contracts, product & process audit, health check-up and overhauling, pilot experiments, refreshment, upgradation and automation of existing plants, spares and service consumables and chemicals and on-site training and assistance.

Triveni Brands is the FMCG Division of the Company which currently constitutes Shagun Sugar, Triveni Sugar and the Private Label Business. The mission of this division is to create innovative and high-quality products that delight customers. Our products have a strong omni-channel strategy and we are committed to growing in a sustainable manner while keeping customer at the very center.

As a result of a Scheme of Arrangement, the Company's steam turbine division was demerged into one of its wholly owned subsidiaries, Triveni Turbine Limited (TTL), and was listed on the NSE and BSE in 2011. The Company owned 21.85 of TTL's equity, until September 21, 2022 when the entire stake was divested with net proceeds of ₹ 1,593 crore.

For further information on the Company, its products and services please visit www.trivenigroup.com

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Note:

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Triveni Engineering & Industries Ltd. will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.