

For immediate release

H1 FY 25 Consolidated Results ended Sep 30, 2024

- **Revenue from Operations (Net of excise duty) at ₹ 2791.7 crore, an increase of 7.1%**
 - **Profit Before Tax at ₹ 11.5 crore**
 - **Profit After Tax at ₹ 8.6 crore**

Performance Highlights

Sugar businesses:

- *The Sugar business profitability in Q2 & H1 FY 25, remains subdued as there were no manufacturing operations during the quarter and all off-season expenses have been expensed during the period.*
- *The Alcohol business include the impact of shortage of molasses-based captive feedstock arising from the policy decision of Government of India (GoI) which regulated the diversion of sugar to B-heavy molasses / sugarcane juice in the previous season and high procurement price of maize.*
- *The revised prices of ethanol are awaited particularly for sugarcane juice and maize to improve the viability of such feedstocks.*
- *Overall sugarcane crop position seems healthy. Crushing for Sugar Season (SS) 2024-25 has commenced at four sugar units.*
- *Highest-ever quarterly alcohol sales of 5.62 crore litres, an increase of 9.0% over corresponding previous period due to additional capacities commissioned.*
- *The results include loss of ₹ 12.4 crore (before tax) pertaining to recently acquired subsidiary, Sir Shadi Lal Enterprises Ltd. (SSEL).*

Engineering businesses:

- *Power Transmission business reported a 30.1% increase in revenue during Q2 FY 25, crossing a quarterly turnover of ₹ 100 Cr for the first time in its history. The business reported 57.8% in order booking and a record closing order book of ₹ 344.9 crore in Q2 FY 25 which improved by 22.5% over corresponding previous period. Defence business received a prestigious order during Q2 FY 25 for propulsion shafting valued at ₹ 33.8 crore from Mazagon Dock Shipbuilders Limited.*
- *Water business saw improved performance during Q2 FY 25 with order booking aggregating to ₹ 449 crore including new EPC projects for Uttar Pradesh Jal Nigam (UPJN)*

Prayagraj and Rajasthan Urban Drinking Water Sewerage & Infrastructure Corporation
Limited (RUDSICO) Jaipur.

Outcome of Board Meeting:

- The Board of Directors approved capex of ~ ₹ 20 crore for enhancement of production capacity of Indian Made Indian Liquor (IMIL) business.

NOIDA, November 5, 2024: Triveni Engineering & Industries Ltd. ('Triveni'), one of the largest integrated sugar & ethanol 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 second quarter & half year ended Sep 30, 2024 (Q2 & H1 FY 25). 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: Q2/H1 FY 25 (Consolidated Results)

In ₹ crore

	Q2 FY 25	Q2 FY 24	Change %	H1 FY 25	H1 FY 24	Change %
Revenue from Operations (Gross)	1748.3	1617.4	8.1	3282.4	3,049.6	7.6
Revenue from Operations (Net of excise duty)	1490.9	1408.9	5.8	2,791.7	2,606.8	7.1
EBITDA	18.3	75.3	-75.7	115.4	212.4	-45.7
EBITDA Margin	1.2%	5.3%		4.1%	8.1%	
Share of income from Joint Venture	-0.1	-0.2	50.0	-0.05	-0.20	75.0
Profit Before Tax (PBT)	-30.3	39.2		11.5	130.2	-91.2
Profit After Tax (PAT)	-22.4	29.1		8.6	96.7	-91.1
Other Comprehensive Income (Net of Tax)	-0.06	-0.03		-4.7	0.5	
Total Comprehensive Income	-22.5	29.1		3.9	97.2	-96.0
EPS (not annualised) (₹/share)	-1.02	1.33		0.39	4.42	-91.1

- Net turnover increased by 5.8% in Q2 FY 25 and by 7.1% in H1 FY 25:
 - Higher sugar and alcohol sales volume as well as realisation prices in H1 FY 25. The sales volume of sugar was lower by 1.4 % in Q2 FY 25.
 - Power Transmission business turnover grew by 30.1% and 18.4% in Q2 and H1 FY 25 respectively, which also contributed to the overall growth. However, the turnover of Water business declined by 35.6% and 28.2% in Q2 FY 25 and H1 FY 25 respectively due to lower order booking in previous quarters along with challenges in certain projects under execution.
- The profitability has been pulled down by Sugar and Alcohol segments whereas Engineering businesses contributed higher profitability:

- The profitability of Sugar business was lower due to lower contribution margins and higher charge of off-season expenses by ₹ 28.90 crore owing to early closure of the Sugar Season 2023-24. Further, includes loss of ₹ 7.7 crore (PBIT) pertaining to the subsidiary SSEL. The profitability of the Alcohol business was adversely affected due to:
 - a) shortage of molasses-based feedstock resulting from the policy decision of GoI restricting diversion of sugar to B-Heavy Molasses (BHM) and sugarcane juice. It led to closure of distilleries for some period during Q2;
 - b) Increased transfer price of B-heavy molasses; and
 - c) high cost of procurement of maize, thereby significantly reducing the margins of maize operations. In the previous periods, substantial part of grain operations comprised high margin Food Corporation of India (FCI) – Rice operations

Alcohol from molasses-based feedstocks formed 50% and 44% of total sales in H1 and Q2 FY 25 as against 64% and 65% in the corresponding periods of previous year. These primarily consist of relatively high-margin ethanol. On the other hand, the sales volume of low margin ethanol produced from maize operations increased substantially. Additionally, segment profitability includes loss of ₹ 3 crore (PBIT) pertaining to the subsidiary SSEL.
- The profitability of Power Transmission business increased by 20% and 33% respectively in H1 and Q2 FY 25 whereas that of Water business is almost at the same level as previous periods for H1 FY 25

The gross debt on a standalone basis as on September 30, 2024 increased to ₹ 383.3 crore as compared to ₹295.7 crore as on September 30, 2023. However, considering operational surplus funds held as fixed deposit (FD) of ₹ 117 crore, the net debt as on September 30, 2024 is at ₹ 266.3 crore as compared to ₹ 10.2 crore as on September 30, 2023. Standalone debt at the end of the period under review, comprises term loans of ₹ 247.2 crore, almost all such loans are with interest subvention. On a consolidated basis, the net debt after considering surplus funds held is at ₹ 418.8 crore as on September 30, 2024 as compared to ₹ 100.9 crore as on September 30, 2023, including ₹ 70.23 crore pertaining to the subsidiary SSEL. Overall average cost of funds (standalone) is at 6.7% during Q2 FY 25 as against 5.8% 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 profitability of the Company during the half year ended September 30, 2024 was subdued, impacted by lower margins in the Alcohol business and losses of new subsidiary SSEL which was recently acquired. For Sugar Season, the profitability in the first half of financial year remains muted due to expensing of fixed expenses during the off-season period, which was much longer during the current

period. However, Engineering businesses performed well both in terms of profitability and order booking, resulting in combined closing order book of ₹ 2070.9 crore, an all-time high for the Company.

We are all set for the new Sugar Season and on an overall basis, the crop seems healthier due to favourable climatic factors as well as due to rigorous sugarcane development activities undertaken by us. We have commenced sugarcane crushing at four sugar units for Sugar Season (SS) 2024-25. We estimate gross sugar production for Sugar Season (SS) 2024-25 for the country at 34 million tonnes as compared to 34.3 million tonnes for the recently concluded SS 2023-24. However, the estimated production is still expected above the domestic consumption and we hope that the Government allows exports at an appropriate time to capitalize on high international sugar prices.

This year our focus in the Sugar business has continued towards varietal substitution, improving crop health and enhancing yield and recovery through active farmer engagement. We believe a healthy plant crop, focused crop management along with continued investments towards debottlenecking, enhancing the crush rate and efficiency improvements will help to improve the overall crush in SS 2024-25. Further close monitoring on sugar quality and refined sugar production of ~70% to ensure superior realisations, is also likely to aid the revenues and the profitability of Sugar business. The industry also keenly awaits revision to Minimum Selling Price (MSP) of Sugar which is vital for the sustainability of the industry. The MSP has remained unchanged since 2019, while input costs, particularly the Sugarcane Price (FRP and SAP), have risen significantly.

In the Alcohol business, we welcome the Government's move to lift restrictions pertaining to use of B-heavy molasses and sugarcane juice/syrup for the production of ethanol. However, several challenges still persist such as availability of feedstocks, increasing input costs which are impacting overall profitability. We look to the Government to address these through comprehensive measures that will put the industry back on track to meet the ethanol blending (in petrol) targets of the nation.

In our Engineering businesses, the Power Transmission business continues to progress well with healthy demand from traditional segments and markets while making strides with new customers especially in global markets along with diversification of its solutions portfolio. In the Water business, we are pleased to receive two new major orders which improves visibility of revenues in the near future. The business is well placed on a few bids of substantial value where we expect more updates in the next couple of quarters."

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 eight sugar mills in operation at Khatauli, Deoband, Sabitgarh, Shamli (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), Milak Narayanpur (MNP), Rani Nangal (RNG) and Shamli in Uttar Pradesh. 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 the market. The Company also manufactures Indian Made Indian Liquor (IMIL) and Indian Made Foreign Liquor (IMFL).

The Company produces premium quality multi-grade crystal sugar, raw (as per the market/export requirements), refined and pharmaceutical-grade sugar. Seven 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 one of leading market players in the engineered-to-order turbo gearbox industry 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 major 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 customers 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.

On March 11, 2024, the Company acquired 25.43% equity stake in Sir Shadi Lal Enterprises Limited, (SSEL), followed by further acquisition of additional 36.34% stake on June 20, 2024. Consequently, SSEL has become a subsidiary of the Company with effect from June 20, 2024. The Company currently holds 61.77% equity stake in SSEL. SSEL is engaged in the business of manufacturing sugar, ethanol/alcohol with two manufacturing units in Uttar Pradesh.

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.