

Trident | BUY

Margins decline given tariff overhang; outlook optimistic

Trident reported consol. 2Q EBITDA of INR2.1bn, significantly higher than JMfe. The quarterly revenue for the home textile segment came in at INR19.1bn vs. INR18.4bn in CQLY, an increase of ~1.3% YoY. EBIT Margin for the segment came in at 7.6%, up 30bps YoY (7.3% in CQLY). The quarterly revenue in Paper & Chemicals segment came in at INR2.5bn vs. INR2.3bn CQLY, an increase of ~6% YoY. The EBIT margin for the segment declined significantly YoY by ~1100bps to 17.4% in 2Q. Consolidated EBITDA margin declined by 122bps (12.0% vs. 13.2% in CQLY) driven by higher RM costs vis-à-vis sales. Consol. PAT increased ~9% YoY to INR909mn from INR833mn in CQLY. During the quarter, company invested INR 2,500 mn in TGCL, a related party, through a fresh issue of equity shares by TGCL, constituting 30.42% stake in TGCL, based on independent valuation and Board approval dated September 2, 2025. Key margin initiatives taken by the company include a) developing differentiated products leveraging consumer behavior to earn premium b) catering to luxury, fashion accents and sports segments c) increasing CU of plants through digitization and adopting lean practices. We believe a relatively stable cotton price outlook and the Government of India's continued focus on strengthening the textile ecosystem are likely to support earnings. Trident's focus on innovative product pipelines, combined with possible positive tailwinds from India - UK FTA positions the company to capitalize on emerging opportunities. Maintain BUY.

- Consol. margins decline YoY / QoQ amidst higher tariffs:** Consol. revenue came in at INR17.8bn, up 4% YoY driven by higher revenue from Home Textile segment and Paper & Chemical segment (+6% YoY). Consol. EBITDA came in at INR2.1bn, significantly above our estimates driven by 4% growth in revenue amidst a higher tariff environment for Indian players. EBITDA was down 5% YoY driven by higher COGS. Consequently, EBITDA margin came in at 12.0%, down 122bps YoY. Consol. PAT increased ~9% YoY to INR909mn from INR833mn in CQLY. During the quarter, company invested INR 2,500 mn in TGCL, a related party, through a fresh issue of equity shares by TGCL, constituting 30.42% stake in TGCL, based on independent valuation and Board approval dated September 2, 2025.
- Segmental performance remains a mixed bag:** The quarterly revenue for the home textile segment came in at INR19.1bn vs. INR18.4bn in CQLY, an increase of ~1.3% YoY. EBIT Margin for the segment came in at 7.6%, up 30bps YoY (7.3% in CQLY). The quarterly revenue in Paper & Chemicals segment came in at INR2.5bn vs. INR2.3bn CQLY, an increase of ~6% YoY. The EBIT margin for the segment declined significantly YoY by ~1100bps to 17.4% in 2Q.
- Strategic margin initiatives outlined:** Key margin initiatives taken by the company include a) developing differentiated products leveraging consumer behaviour to earn premium b) catering to luxury, fashion accents and sports segments c) increasing CU of plants through digitization and adopting lean practices. We believe a relatively stable cotton price outlook and the Government of India's continued focus on strengthening the textile ecosystem are likely to support earnings. Trident's focus on innovative product pipelines, combined with possible positive tailwinds from recent US tariff revisions and India - UK FTA positions the company to capitalize on emerging opportunities.



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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	37
Upside/(Downside)	27.3%
Previous Price Target	38
Change	-4%

Key Data – TRID IN

Current Market Price	INR29
Market cap (bn)	INR146.6/US\$1.7
Free Float	24.4%
Shares in issue (mn)	5,096.0
Diluted share (mn)	5,096.0
3-mon avg daily val (mn)	INR160.1/US\$1.8
52-week range	40/23
Sensex/Nifty	84,479/25,879
INR/US\$	88.7

Price Performance

%	1M	6M	12M
Absolute	2.1	1.6	-9.3
Relative*	-0.5	-2.4	-16.6

* To the BSE Sensex

Financial Summary					
Y/E March	FY24A	FY25A	FY26E	FY27E	(INR mn)
Net Sales	68,088	69,871	76,880	84,313	92,542
Sales Growth (%)	7.5	2.6	10.0	9.7	9.8
EBITDA	9,403	9,108	10,672	11,891	14,441
EBITDA Margin (%)	13.8	13.0	13.9	14.1	15.6
Adjusted Net Profit	3,498	3,706	4,726	5,082	6,846
Diluted EPS (INR)	0.7	0.7	0.9	1.0	1.3
Diluted EPS Growth (%)	-20.8	5.9	27.5	7.5	34.7
ROIC (%)	7.6	7.5	9.6	9.8	12.1
ROE (%)	8.2	8.3	9.8	9.7	11.8
P/E (x)	42.2	39.9	31.3	29.1	21.6
P/B (x)	3.4	3.2	2.9	2.7	2.4
EV/EBITDA (x)	17.4	17.2	14.6	13.0	10.5
Dividend Yield (%)	0.3	0.3	0.3	0.3	0.3

Source: Company data, JM Financial. Note: Valuations as of 14/Nov/2025

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Exhibit 1. Consolidated financial performance										(INR mn)
(INR mn)	2QFY26	2QFY26E	% Var	2QFY25	YoY %	1QFY26	QoQ %	1HFY26	1HFY25	YoY
Net Sales	17,872	14,509	23.2	17,129	4.3	17,069	4.7	34,941	34,476	1%
Other op. income										
Total income from operations	17,872	14,509	23.2	17,129	4.3	17,069	4.7	34,941	34,476	1%
Expenditure	15,729	13,259	18.6	14,867	5.8	14,150	11.2	29,880	29,978	0%
(increase)/decrease in stock	481	-		(580)	-183.0	(155)	-409.7	326	(436)	-175%
Raw materials	9,114	7,991	14.1	9,319	-2.2	8,470	7.6	17,583	18,166	-3%
COGS	9,595	7,991		8,740	9.8	8,314	15.4	17,909	17,731	
COGS as a % of sales	53.7	55		51.0		48.7		51.3	51.4	
Gross Profit	8,277	6,518		8,390	-1.3	8,755	-5.5	17,032	16,746	
Gross margin (%)	46.3	44.9		49.0		51.3		48.7	48.6	
Staff cost	2,252	1,864	20.8	2,237	0.6	2,193	2.7	4,445	4,422	1%
Staff cost as a % of sales	12.6	13		13.1		12.8		12.7	12.8	-1%
Other expenses	3,883	3,404	14.1	3,889	-0.2	3,643	6.6	7,526	7,826	-4%
EBITDA	2,142	1,249	71.5	2,263	-5.3	2,919	-26.6	5,061	4,498	13%
EBITDA (%)	12.0	8.6		13.2		17.1		14.5	13.0	
Other income	161	230		114		200		361	263	
Depreciation	829	930	-10.9	922	-10.1	928	-10.7	1,757	1,828	-4%
EBIT	1,474	549	168.5	1,455	1.3	2,191	-32.7	3,665	2,933	25%
Interest	249	320		464	-46.4	313	-20.7	562	927	-39%
PBT	1,226	229		991	23.7	1,877	-34.7	3,103	2,006	55%
Tax	330	58		158		478		808	437	
Eff. Tax rate (%)	27.0	25.2		15.9		25.5		26.0	21.8	
XO items	-	-		-		-		-	-	
Share in profit/(loss) of associates	14	-		-		-		14	-	
PAT- Reported	909	171		833	9.1	1,400	-35.0	2,309	1,569	47%
PAT- Adjusted	909	171	430.3	833	9.1	1,400	-35.0	2,309	1,569	47%
Diluted EPS (INR)	0.2	0.0		0.2	9.1	0.3	-35.0	0.5	0.3	47%

Source: Company, JM Financial

Exhibit 2. Operational analysis

	2QFY26	2QFY26E	bps Var	2QFY25	YoY %/bps	1QFY26	QoQ%/bps	1HFY26	1HFY25	YoY %/bps
Gross margin (%)	49.0	44.9	408	45.6	341	50.4	(138)	49.7	47.3	237
Staff cost as % of rev. (%)	12.6	12.8	(25)	13.1	(46)	12.8	(25)	12.7	12.8	(11)
Other exp. as % of rev. (%)	21.7	23.5	(174)	22.7	(98)	21.3	39	21.5	22.7	(116)
Currency (INR/USD)	87.2	87.2		83.8	4.1	85.6	1.9	86.4	83.6	3.3

Source: Company, JM Financial

Exhibit 3. Segmental details

(INR mn)	2QFY26	2QFY26E	YoY %	1QFY26	QoQ %	1HFY26	1HFY25	YoY %
Home textile:								
Revenue	19,063	18,824	1.3	18,437	3.4	18,436.9	38,082.7	-51.6
EBIT	1,441	1,366	5.5	1,616	-10.8	1615.9	2799.3	-42.3
EBIT (%)	7.6%	7.3%		8.8%		8.8%	7.4%	19.2
Paper & Chemical:								
Revenue	2469	2335	5.7	2,598	-5.0	2598.3	48,185	-46.1
EBIT	431	665	-35.3	733	-41.3	733.4	1469.9	-50.1
EBIT(%)	17.4%	28.5%		28.2%		28.2%	30.5%	-7.5

Source: Company, JM Financial

Exhibit 4. Target price

	FY28E
EPS (INR)	1.3
P/E multiple	28
Fair value (INR/share)	37

Source: JM Financial

Exhibit 5. Trident : 1yr forward PE valuation

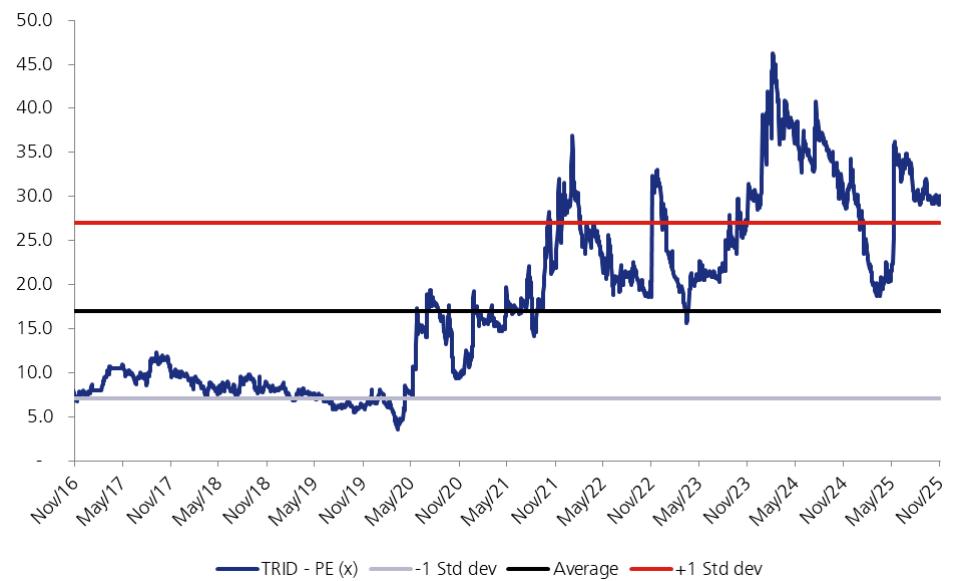


Exhibit 6. Trident : 1yr forward EV/EBITDA valuation



Exhibit 7. Change in estimates

	Unit	OLD			NEW			% Change		
		FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Net Sales	INR mn	77,734	85,582	90,658	76,880	84,313	92,542	-1.1%	-1.5%	2.1%
EBITDA	INR mn	11,197	12,456	15,040	10,672	11,891	14,441	-4.7%	-4.5%	-4.0%
PAT	INR mn	4,746	5,138	6,995	4,726	5,082	6,846	-0.4%	-1.1%	-2.1%
EPS		0.9	1.0	1.4	0.9	1.0	1.3	-0.4%	-1.1%	-2.1%
Target Price	INR			38			37			-4.0%
Rating				BUY			BUY			

Source: Company

Financial Tables (Consolidated)

Income Statement					Balance Sheet						
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E	Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	68,088	69,871	76,880	84,313	92,542	Shareholders' Fund	43,177	46,210	50,322	54,791	61,024
Sales Growth	7.5%	2.6%	10.0%	9.7%	9.8%	Share Capital	5,096	5,096	5,096	5,096	5,096
Other Operating Income	0	0	0	0	0	Reserves & Surplus	38,081	41,114	45,226	49,695	55,928
Total Revenue	68,088	69,871	76,880	84,313	92,542	Preference Share Capital	0	0	0	0	0
Cost of Goods Sold/Op. Exp	34,559	36,043	42,457	46,763	50,253	Minority Interest	0	0	0	0	0
Personnel Cost	8,769	9,221	8,843	9,702	10,569	Total Loans	21,259	15,758	15,758	15,758	15,758
Other Expenses	15,358	15,499	14,908	15,957	17,279	Def. Tax Liab. / Assets (-)	3,096	2,752	2,750	2,750	2,750
EBITDA	9,403	9,108	10,672	11,891	14,441	Total - Equity & Liab.	67,532	64,720	68,830	73,299	79,532
<i>EBITDA Margin</i>	13.8%	13.0%	13.9%	14.1%	15.6%	Net Fixed Assets	46,953	45,072	47,320	48,859	50,099
<i>EBITDA Growth</i>	-0.7%	-3.1%	17.2%	11.4%	21.5%	Gross Fixed Assets	78,066	80,233	86,196	92,196	98,196
Depn. & Amort.	3,650	3,662	3,749	4,461	4,761	Intangible Assets	0	0	0	0	0
EBIT	5,753	5,446	6,922	7,430	9,681	Less: Depn. & Amort.	31,990	35,652	39,401	43,862	48,622
Other Income	578	602	602	634	666	Capital WIP	877	491	525	525	525
Finance Cost	1,564	1,302	1,473	1,562	1,592	Investments	489	4	174	174	174
PBT before Excep. & Forex	4,767	4,746	6,051	6,502	8,755	Current Assets	28,191	26,532	28,721	32,076	37,458
Excep. & Forex Inc/Loss(-)	-2	0	0	0	0	Inventories	13,934	12,451	12,612	13,834	15,186
PBT	4,766	4,746	6,051	6,502	8,755	Sundry Debtors	4,119	2,977	3,275	3,592	4,337
Taxes	1,269	1,038	1,325	1,420	1,909	Cash & Bank Balances	5,312	6,813	8,112	9,471	11,967
Extraordinary Inc./Loss(-)	0	0	0	0	0	Loans & Advances	4,826	4,292	4,722	5,179	5,969
Assoc. Profit/Min. Int.(-)	0	1	0	0	0	Other Current Assets	0	0	0	0	0
Reported Net Profit	3,497	3,706	4,726	5,082	6,846	Current Liab. & Prov.	8,101	6,887	7,384	7,810	8,199
Adjusted Net Profit	3,498	3,706	4,726	5,082	6,846	Current Liabilities	4,766	3,377	4,461	4,887	5,275
<i>Net Margin</i>	5.1%	5.3%	6.1%	6.0%	7.4%	Provisions & Others	3,336	3,511	2,924	2,924	2,924
Diluted Share Cap. (mn)	5,096.0	5,096.0	5,096.0	5,096.0	5,096.0	Net Current Assets	20,090	19,644	21,337	24,266	29,259
Diluted EPS (INR)	0.7	0.7	0.9	1.0	1.3	Total - Assets	67,532	64,720	68,830	73,299	79,532
Diluted EPS Growth	-20.8%	5.9%	27.5%	7.5%	34.7%	Source: Company, JM Financial					
Total Dividend + Tax	613	613	613	613	613						
Dividend Per Share (INR)	0.1	0.1	0.1	0.1	0.1						

Cash Flow Statement						Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E	Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	4,766	4,746	6,051	6,502	8,755	Net Margin	5.1%	5.3%	6.1%	6.0%	7.4%
Depn. & Amort.	3,650	3,662	3,749	4,461	4,761	Asset Turnover (x)	0.9	0.9	1.0	1.1	1.1
Net Interest Exp. / Inc. (-)	0	0	0	0	0	Leverage Factor (x)	1.7	1.6	1.5	1.5	1.5
Inc (-) / Dec in WCap.	-5,401	1,946	-393	-1,569	-2,498	RoE	8.2%	8.3%	9.8%	9.7%	11.8%
Others	0	0	0	0	0	Key Ratios					
Taxes Paid	-1,269	-1,038	-1,325	-1,420	-1,909	Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Operating Cash Flow	1,746	9,316	8,082	7,973	9,109	BV/Share (INR)	8.5	9.1	9.9	10.8	12.0
Capex	-6,387	-1,782	-5,997	-6,000	-6,000	ROIC	7.6%	7.5%	9.6%	9.8%	12.1%
Free Cash Flow	-4,641	7,534	2,085	1,973	3,109	ROE	8.2%	8.3%	9.8%	9.7%	11.8%
Inc (-) / Dec in Investments	-484	486	-170	0	0	Net Debt/Equity (x)	0.4	0.2	0.2	0.1	0.1
Others	1,785	817	-2	0	0	P/E (x)	42.2	39.9	31.3	29.1	21.6
Investing Cash Flow	-5,086	-479	-6,170	-6,000	-6,000	P/B (x)	3.4	3.2	2.9	2.7	2.4
Inc / Dec (-) in Capital	0	0	0	0	0	EV/EBITDA (x)	17.4	17.2	14.6	13.0	10.5
Dividend + Tax thereon	-1,835	-1,835	-613	-613	-613	EV/Sales (x)	2.4	2.2	2.0	1.8	1.6
Inc / Dec (-) in Loans	6,837	-5,501	0	0	0	Debtor days	22	16	16	16	17
Others	0	-1	0	0	0	Inventory days	75	65	60	60	60
Financing Cash Flow	5,002	-7,336	-613	-613	-613	Creditor days	30	20	25	25	25
Inc / Dec (-) in Cash	1,662	1,501	1,299	1,360	2,495	Source: Company, JM Financial					
Opening Cash Balance	3,650	5,312	6,813	8,112	9,471						
Closing Cash Balance	5,312	6,813	8,112	9,471	11,967						

Source: Company, JM Financial



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

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New Rating System: Definition of ratings	
Rating	Meaning
BUY	Expected return >= 15% over the next twelve months.
ADD	Expected return >= 5% and < 15% over the next twelve months.
REDUCE	Expected return >= -10% and < 5% over the next twelve months.
SELL	Expected return < -10% over the next twelve months.

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

Previous Rating System: Definition of ratings	
Rating	Meaning
BUY	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
HOLD	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
SELL	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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