

For immediate release

9M FY 23 Consolidated Results ended Dec 31, 2022

- **Revenue from Operations (Net of excise duty) at ₹ 4034.28 crore, an increase of 25.3%**
 - **Profit before exceptional items and tax at ₹ 311.87 crore**
 - **Profit after Tax at ₹ 1601.49 crore**
 - **The Board of Directors approved capex of ₹ 90 crore for Sugar business and ₹ 100 crore for Power Transmission business**
- **Sugar & Alcohol (Distillery) Businesses**
 - *Triveni estimates that India's sugar production in Sugar Season (SS) 2022-23 is at 35 million tonnes with a diversion of ~ 4.5 million tonnes for ethanol production, 32% higher diversion than SS 2021-22*
 - *Sugarcane crushed in Q3 FY 23 is at 3.12 million tonnes, an increase of 25.3% over the corresponding period last year owing to the modernisation, debottlenecking at three sugar facilities*
 - *Net recovery of 9.38% after diversion of sugar in B-heavy molasses with 92% crush with B-heavy diversion during the quarter. Lower recoveries mainly due to heavy late rains - expected to narrow the gap in the balance part of the season*
 - *Achieved sugar exports of 135034 tonnes (including sale of quota for 72988 tonnes) during Q3 FY 23 out of total export quota of 204868 tonnes*
 - *Increased distillery turnover (net) by 61.0% during 9M FY 23, driven by additional capacities commissioned, leading to increase in sales volumes by 39.8% coupled with 7.9% improvement in realisations*
- **Engineering Businesses**
 - *Robust increase in turnover in both Power Transmission and Water business, growing 28.8% and 40.7% year-on-year in 9M FY 23*
 - *Outstanding order book of ₹ 1,766 crore for combined Engineering Businesses*
- **Outcome of Board Meeting**
 - *The Board of Directors approved capex of ₹ 90 crore for Sugar business and ₹ 100 crore for Power Transmission business*
 - *The proposed capex of ₹ 90 crore is towards process change at Milak Narayanpur and modernisation, debottlenecking & efficiency improvements at various sugar units leading to cost optimization*
 - *The proposed capex of ₹ 100 crore is towards a new bay proposed to be set up along with a large grinder, hobber and other supporting machines & equipment for normal business and defence products etc. to enhance the capacity from ₹ 250 crore to ₹ 400 crore (approx.).*

Noida, January 24, 2023: Triveni Engineering & Industries Ltd. ('Triveni'), one of the largest integrated sugar producers in the country, a dominant player in engineered-to-order high speed gears & gearboxes and a leading player in water and wastewater management business, today announced its financial results for the third quarter and nine months ended Dec 31, 2022 (Q3/9M FY 23). 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 23 (Consolidated Unaudited Results)

In ₹ crore

	Q3 FY 23	Q3 FY 22	Change %	9M FY 23	9M FY 22	Change %
Revenue from Operations (Gross)	1,658.7	1235.4	34.3	4,491.8	3501.9	28.3
Revenue from Operations (Net of excise duty)	1,462.7	1115.7	31.1	4,034.3	3220.9	25.3
EBITDA	230.6	209.8	9.9	411.5	478.9	-14.1
EBITDA Margin	16%	19%		10%	15%	
Share of income from Associates	-	7.8		16.33	51.8	-68.5
Profit Before Tax (PBT) Before Exceptional Items	198.7	185.0	7.4	311.9	430.3	-27.5
Exceptional Items-income/(expense)	-	-		1,401.20	-	
Profit Before Tax (PBT) After Exceptional Items	198.7	185.0	7.4	1,713.1	430.3	298.1
Profit After Tax (PAT)	147.3	130.1	13.2	1,601.5	314.9	408.6
Other Comprehensive Income (Net of Tax)	0.2	0.8		(1.2)	5.2	
Total Comprehensive Income	147.5	130.9	12.7	1,600.2	320.1	399.9
EPS (not annualized) (₹/share)	6.09	5.39	13.0	66.24	13.03	408.4

- All the businesses recorded growth in turnover during the quarter and 9M FY 23.
- Profit before tax (PBT) before exceptional items during Q3 FY 23 increased by 7.4% and declined by 27.5% in 9M FY 23 as compared to corresponding periods of previous year, to ₹ 198.7 crore and ₹ 311.9 crore respectively.
- The profitability in sugar business is lower as the cost of sugar sold pertaining to the previous season includes the impact of sugarcane price increase for the Sugar Season (SS) 2021-22 (and higher cost of sugar produced in the current season due to transitory lower recoveries). Further, 9M FY 22 included export subsidy of ₹ 57 crore relating to the previous period.
- Higher profitability of the aggregate Engineering businesses is owing to strong revenue increase of 45.8% and 35.8% during the current quarter and nine-month period under review over the corresponding periods last year.
- The total debt on a standalone basis as on December 31, 2022 is ₹ 389.09 crore as compared to ₹ 525 crore as on December 31, 2021. Standalone debt at the end of the quarter under review, comprises term loans of ₹ 334.39 crore, almost all such loans are with interest subvention or at subsidized

interest rate. On a consolidated basis, the total debt is at ₹ 480 crore as compared to ₹ 592 crore as on December 31, 2021.

- Overall average cost of funds is at 4.75% during Q3 FY 23 as against 4.15% in the corresponding period of previous year.
- The Company holds surplus funds through short term fixed deposits of ₹ 1278 crore.
- Our proposed buyback of ₹ 800 crore is pending statutory approval.

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 months ended December 31, 2022 has been satisfactory. In the current ongoing season, there is a declining trend of recoveries across the state of UP, for the ratoon crop, due to a variety of factors – mainly shortfall in rains in the grand growth period and thereafter, due to late rains in the month of October. However, in view of conducive weather, it is expected that there would be a catch-up in the balance part of the season for the plant crop and the gap will narrow down. We had addressed the issues relating to de-bottlenecking and modernisation in three of our sugar units and consequently, the crush during the quarter has increased by 25% over last year. However, the profitability of sugar operations has been impacted as cost of sugar sold in the current period includes the impact of the sugarcane price increase in the previous season, and it has not been fully offset by the increased sugar realization. We believe that it is the most appropriate time for the Government to reconsider the increase in the Minimum Support Price (MSP) of sugar to offset the impact of increased cane price. We have been able to get a remunerative export price having a substantial premium over the domestic sugar price, as a result of the Government making a timely announcement for the first tranche of exports of 6 million tonnes.

In view of our increased distillation capacities, our production and sales volumes have increased substantially. However, the profit has not increased commensurately due to increased transfer price of B-heavy molasses, initial stabilization period of new distilleries and relatively lower margins on grain operations. There is an urgent need for the Government to rectify the pricing of ethanol produced from sugarcane juice and grain to improve the viability and enhance investments. It will help in faster setting up of additional capacity and achieve the targets of ethanol blending.

The performance of engineering businesses is satisfactory with both turnover and profitability registering strong growth. In the Water business, we continue to selectively focus on projects with healthy returns, both in domestic and international markets. Water business has participated in many tenders and expects to received orders of substantial value. Orders in hand for Power Transmission are higher by 23% over corresponding previous quarter. In this segment, the Company's high speed licence agreement with Lufkin Gears LLC expired in January 2023 and the business will now pursue the high-

speed high-power segment independently with a focus on enhancing global market share in its identified target markets. We believe with an increased global presence, solid business model and strategy along with foray in defence will drive the Power Transmission business in the coming years.

Our proposed buyback of ₹ 800 crore is presently under approvals. The sale of stake in Triveni Turbine Limited has infused substantial funds in the Company, which, even after the proposed buyback, will meet the expansion requirements of the businesses and reduce finance costs on working capital requirements.”

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 and engineering. The Company is one of the largest integrated sugar manufacturers in India and amongst the leading players in its engineering businesses comprising Power Transmission business and 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), Sabitgarh (SBT) and Milak Narayanpur (MNP) with 660 KLPD current capacity. High-quality Ethanol is manufactured at SBT distillery from molasses. The distillery at MNP is a multi-feed distillery having the ability to use grain, molasses and sugarcane juice/syrup to produce high-quality Ethanol. MZN houses two distilleries with the latest being a grain-based distillery. The existing distillery at MZN of 200 KLPD boasts of flexible product manufacturing capability - Ethanol, Extra Neutral Alcohol (ENA), Rectified Spirit (RS) and Denatured Spirit (SDS) from molasses, while the recently commissioned 60 KLPD grain-based distillery at MZN can produce both Ethanol and ENA. The Company also manufactures Indian Made Indian Liquor (IMIL) at this distillery complex.

The Company produces premium quality multi-grade crystal sugar, raw (as per the market/export requirements), refined and pharmaceutical 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 remains the market leader 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.