KPR Mill Limited

Result Update

Q3-FY2015

Safe Harbor

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Key Highlights of Q3 -FY15

- Consolidated Revenue of Rs. 618 Crs, 9M Revenue at Rs.1,889 Crs growth of 9% YoY
- Consolidated EBITDA of Rs.107 Crs, with margin of 17.3%. 9M EBITDA at Rs.331 Crs with margin of 17.5%
- Consolidated Q3FY15 PAT of Rs. 42 Crs, growth of 68% YoY. 9M PAT Rs.123 Crs, growth of 39.8.%
- Greenfield expansion in Garments segment on track - 12mn pieces p.a. on single shift basis

Consolidated P&L

Rs.Crs	Q3 FY15	Q3 FY14	YoY %	9M FY15	9M FY14	YoY %	FY14
Revenue	**618**	**573**	**7.8%**	**1889**	**1740**	**8.6%**	**2,371**
Raw Material	382	379		1239	1167		1,587
Employee Expenses	46	38		136	109		151
Other Expenses	83	57		183	143		211
EBITDA	**107**	**99**	**8.1%**	**331**	**321**	**3.1%**	**422**
EBITDA Margin	*17.3%*	*17.3%*		*17.5%*	*18.4%*		*17.8%*
Other Income	6	2		18	6		31
Interest & Finance Charges	17	25		63	83		104
Depreciation	38	40		117	120		157
PBT	58	36		169	124		192
Tax	16	11		46	36		50
PAT	**42**	**25**	**68%**	**123**	**88**	**39.8%**	**142**
PAT Margin	*6.8%*	*4.4%*		*6.5%*	*5.1%*		*6.0%*

Evolution

1984-1999

- 1984 – Maiden business commenced at Coimbatore
- 1989 – Knitted garment export began at Tirupur
- 1995 – First spinning unit at Sathyamangalam with 6,000 spindles for cotton hosiery yarn increase to 30,240 spindles by 1999

2000-2004

- 2001 – Spinning mill at Karumathampatti with 30,240 spindles, Knitting facility & Green power wind mill for captive use
- 2003 – Spinning unit at Neelambur with 50,784 spindles, Knitting facility & Wind mill

2005-2010

- 2005 – 100,800 spindles at Arasur along with Knitting facility, Garment & Wind Mills
- 2006 & 2007 – Private Equity investment & Listing in NSE & BSE
- 2010 – Expansion of Compact Spinning with 103,680 spindles at Karumathampatti along with Wind Mills

2011-2015

- 2011 – Modernization & expansion at Sathyamangalam by 21,216 spindles
- 2012 – 16,128 spindles of Melange yarn at Karumathampatti; Established Cogen cum Sugar Project through its subsidiary, K.P.R.Sugar Mill Limited
- 2014 -15 Expanded Garment capacity at Arasur by 10 Mn pcs, New unit at Thekkalur with 12 Mn Pcs

An Overview

- One of the largest vertically integrated textile player with presence across the entire value chain - from "fibre to fashion"
- Best quality cotton 'Shankar 6' used as the raw material for consistent quality
- Strategic investment in Wind Power Projects & Co-gen plant for captive consumption
- Marquee relationships with about 1,000 regular domestic clients for yarn and fabric and around 40 leading international brands for garments
- Trendsetting welfare policies for employees & various CSR activities
- An exemplary and massive ETP in its Processing Unit to treat 2.5 Million litres a day
- Quality initiatives and consistent technology upgradation secured several International Accreditations
- Enthused by the impressive growth trend in Apparel sector, KPR expands its garment business

Manufacturing Facilities

State	Location	Activity
Tamil Nadu	Sathyamangalam	Spinning
Tamil Nadu	Karumathampatti	Spinning, Compact Spinning & Melange
Tamil Nadu	Neelambur	Spinning & Knitting
Tamil Nadu	Arasur	Spinning, Knitting & Garmenting
Tamil Nadu	Tirupur	Garmenting
Tamil Nadu	Perundurai	Processing
Tamil Nadu	Tirunelveli, Tenkasi, Theni & Coimbatore	Windmills
	Bijapur, Karnataka	Co-gen cum Sugar

Yarn : 90,000 MT

Fabric : 27,000 MT

Garments : 47 million pieces

Processing : 9,000 MT

Windmills: 61.92 MW

Co-gen & Sugar : 30 MW & 5,000 TCD

Key competitive advantages

Unique Raw Material Procurement Policy

- Strategic quality cotton procurement through dedicated personnel at Cotton grown area is a key Factor for its sustained Quality
- Single variety of raw material (Shankar-6 cotton) provides consistent quality

Strategic Investment in Green Power

- Ability to maintain power cost through investment in Green Power
- 61.92 MW Wind Power & 30 MW Co-Gen
- Green power available throughout the year

Rejoiced Workforce

- Feel at home accommodation and amenities including higher education, Vocational training, yoga, meditation, library, sports, swimming pool, etc.
- The trendsetting welfare factors crowned by Five Star Certification &Higher Education facilities at KPR distinguishes it from Peer Group with higher efficiency level and lower attrition rate facilitating enhanced Productivity at optimized Operating cost

Stringent quality control measures & on-time delivery

- Mandatory usage of hand gloves, hair net, mask, aprons, etc. for the twin benefits of safety and quality
- Inspection at every stage to ensure stringent quality conformance
- Ensuring on-time delivery earned high reputation in the market.

Strategically located manufacturing facilities

- Facilities located within a 50km radius of Tirupur, largest apparel manufacturing clusters in Asia
- Proximity to buyers helps to reduce the material handling costs and facilitates immediate feedback
- Utilize the key technical personnel across all plant sites

Self sufficiency in Power with 92 MW portfolio

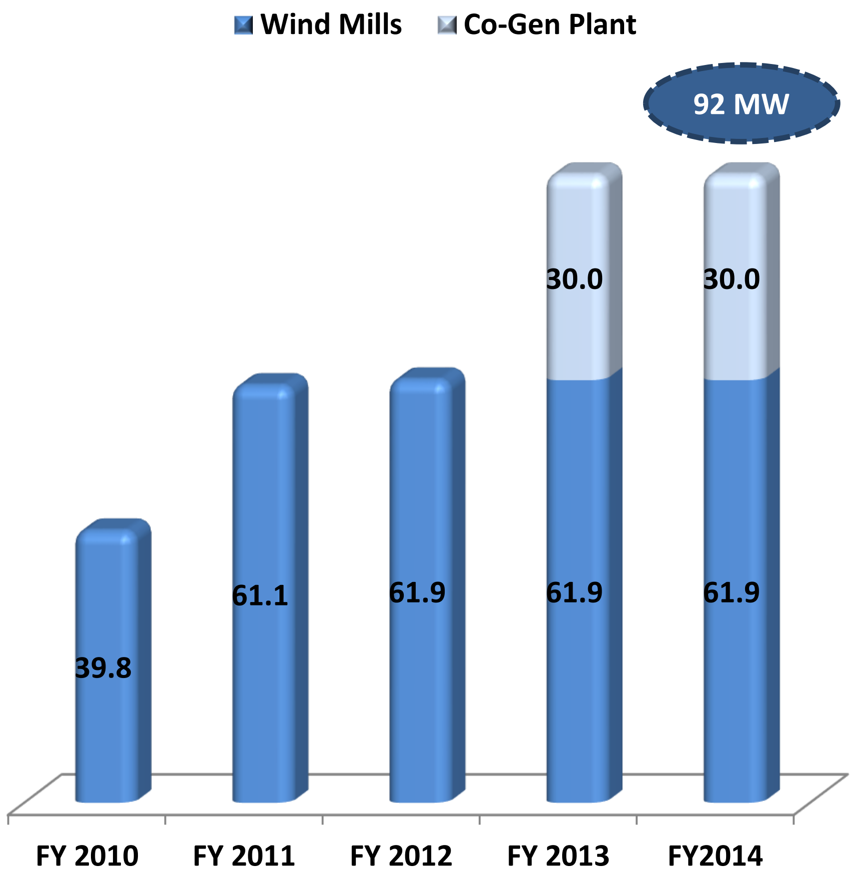
Strategic Investment in Wind Power Project 61.92 MW

- One of the largest Captive power generation capacities
- Investment in eco-friendly Wind Mills in Tirunelveli, Tenkasi, Theni & Coimbatore districts in Tamil Nadu
- Total Wind Power Capacity 61.92 MW
- 75% of power requirement of Textile business met through wind power

Investments in Co-Gen Power Project 30 MW

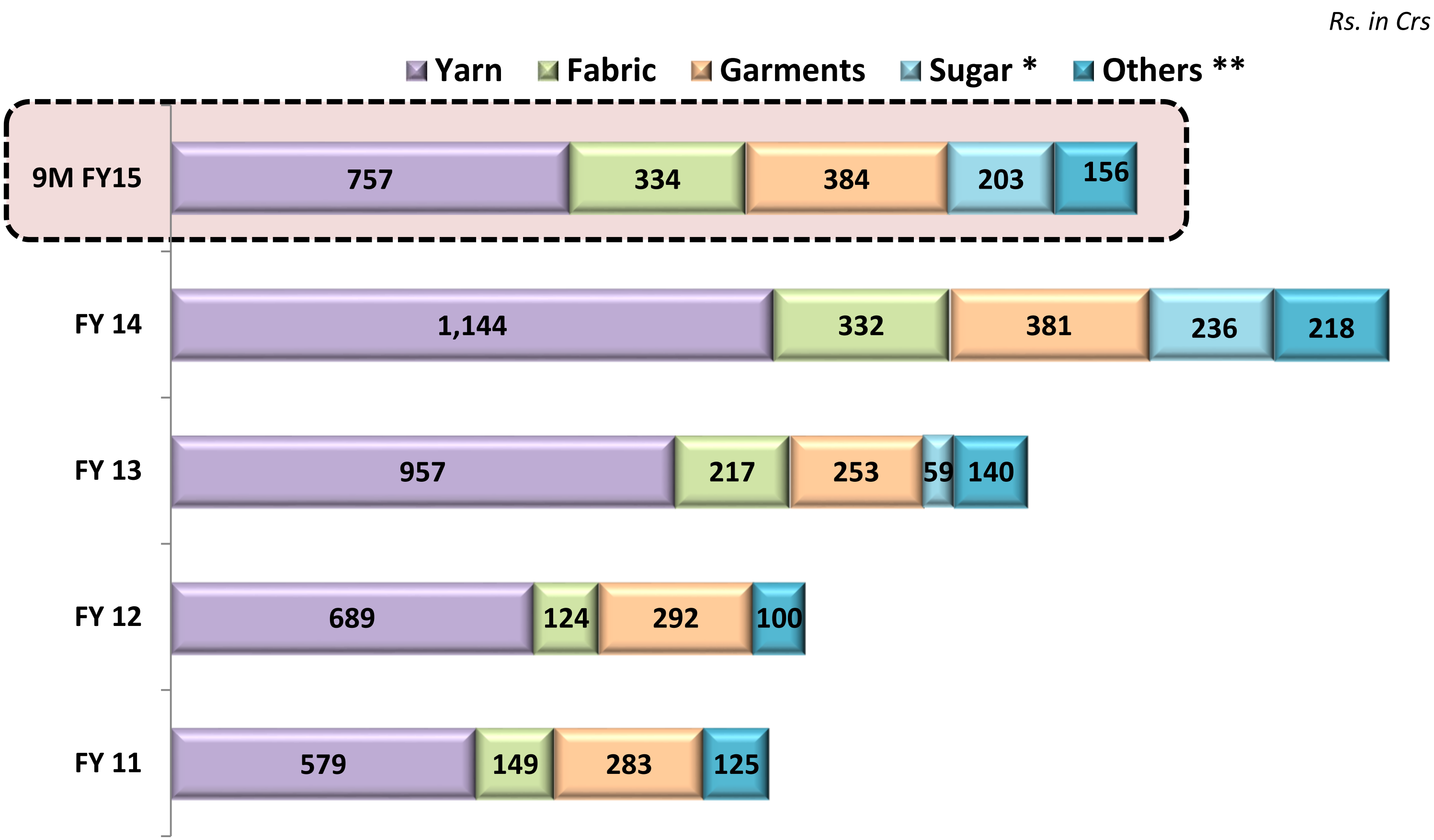
- Investments in Co-Gen Power Project of 30 MW
- 5,000 TCD Sugar plant at Bijapur, Karnataka
- With Co-gen Power Project, achieved self sufficiency in green power requirement throughout the year

Cumulative Power Capacity (MW)



Annexure

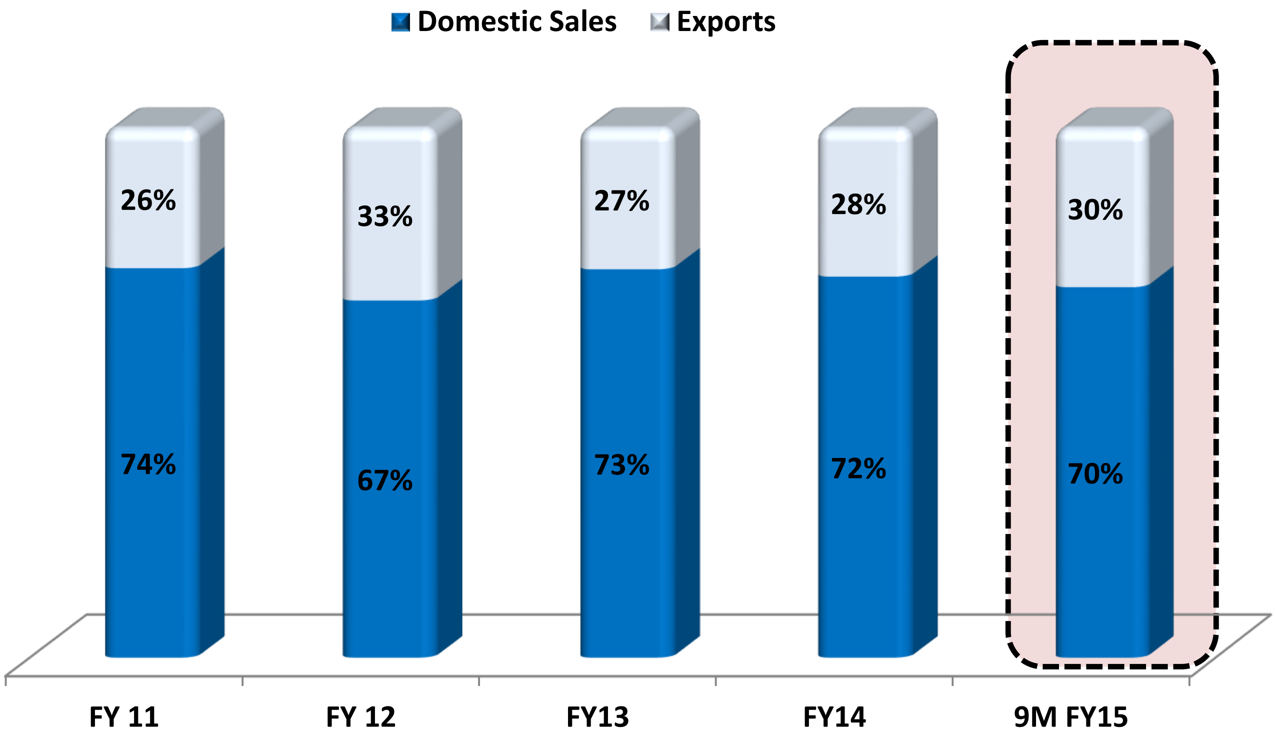
Segment Wise Revenue contribution



* Sugar includes sale of Sugar, Molasses and Co-gen power

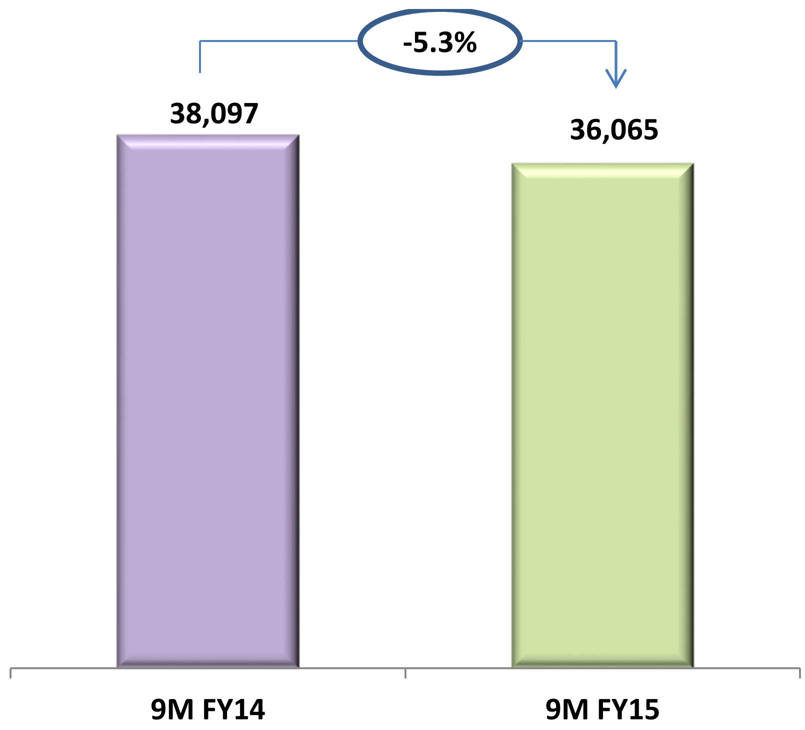
** Others include income from sale of Waste Cotton, Processing, Accessories & Audi car

Geographical Split

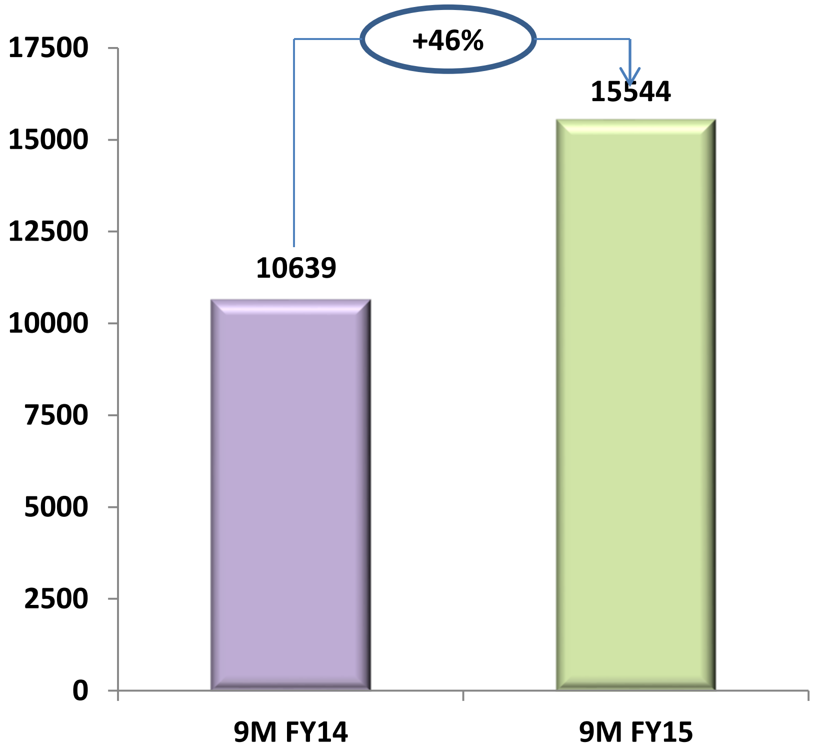


Yarn & Fabric Volume Performance*

Yarn Sales [MT]

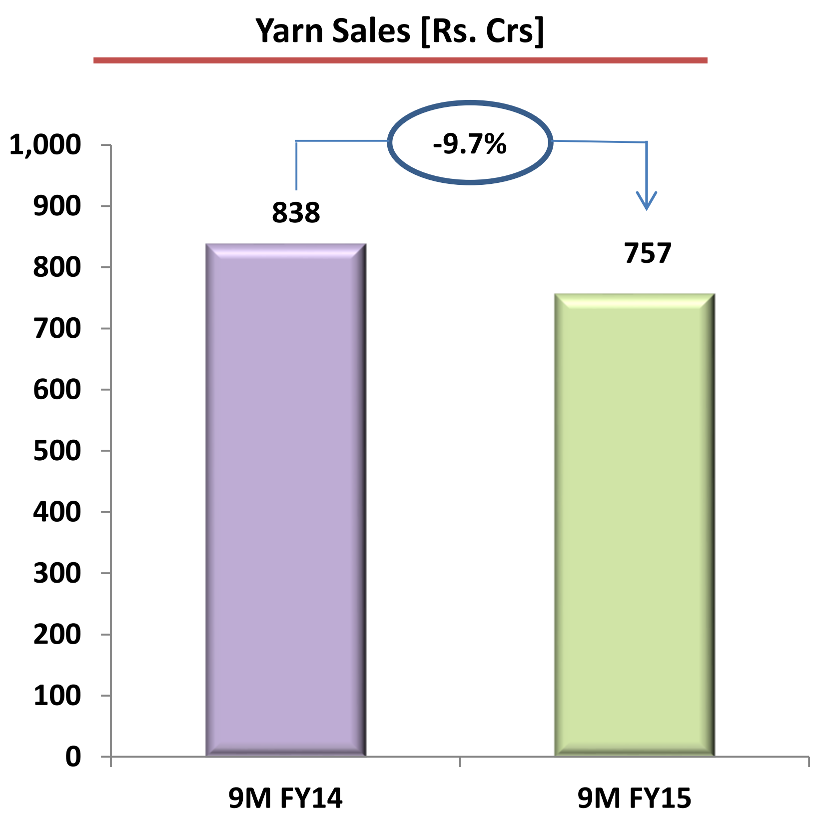


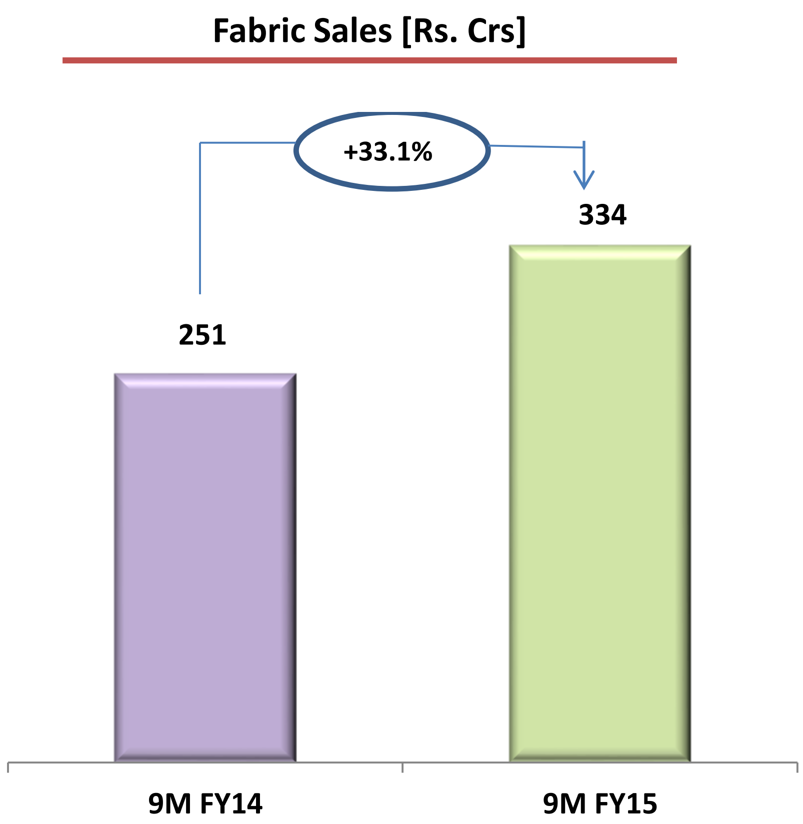
Fabric Sales [MT]



* Compared to last year, conversion of Yarn in to Fabrics has increased – **Increase in 'VALUE ADDED PRODUCTS'**

Yarn & Fabric Revenue Performance*





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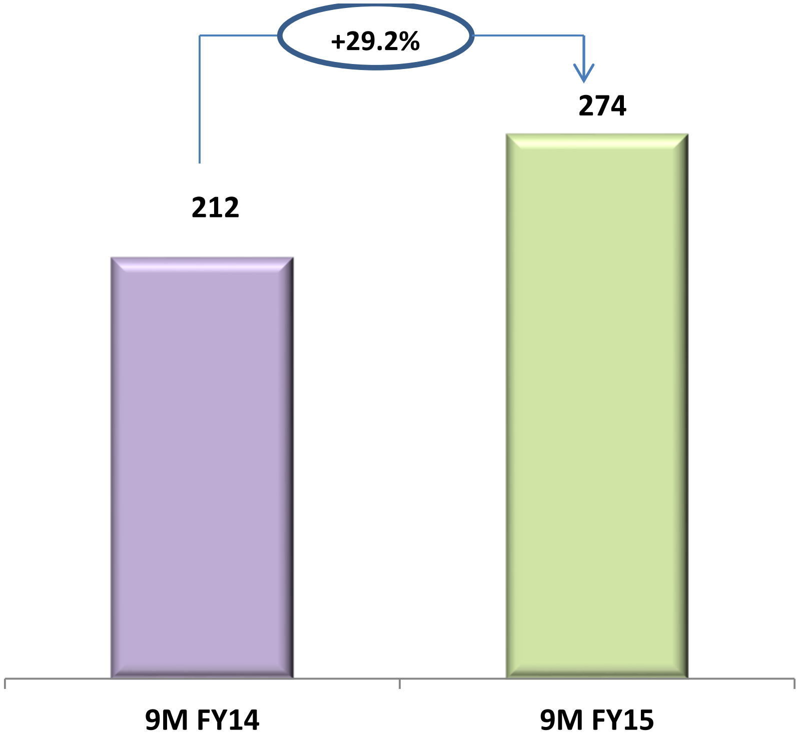
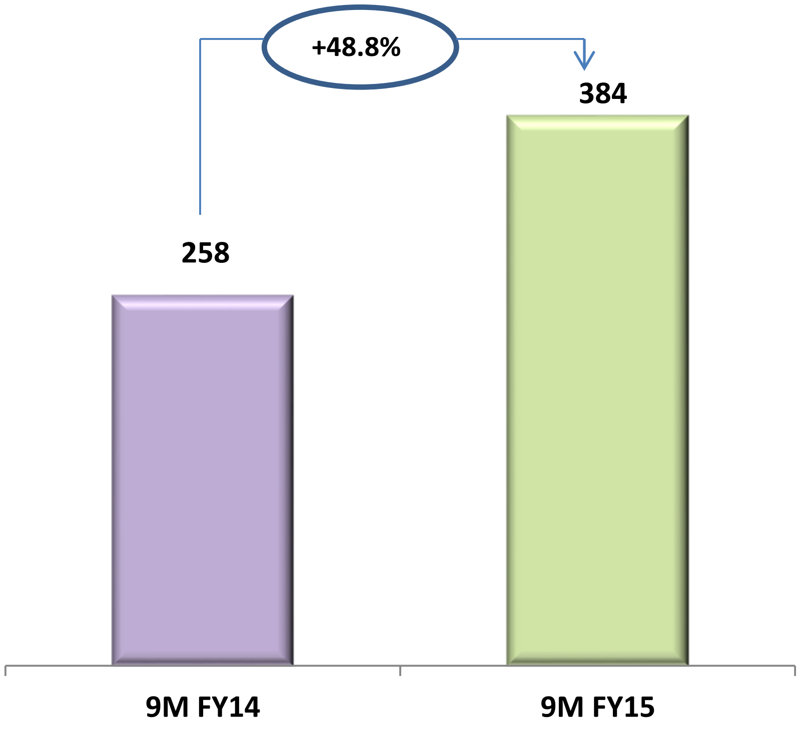
Garments

Garment Sales [No. of pieces in Lacs]

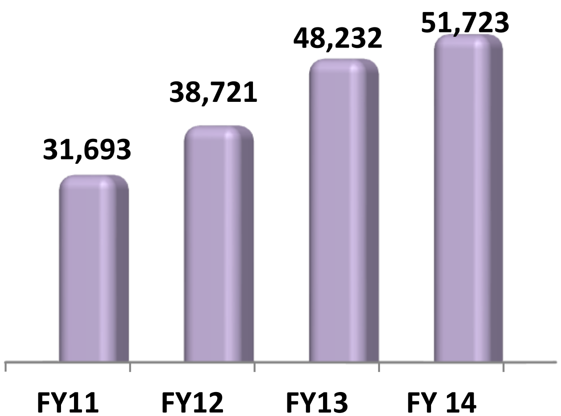


Garment Sales [Rs. Crs.]

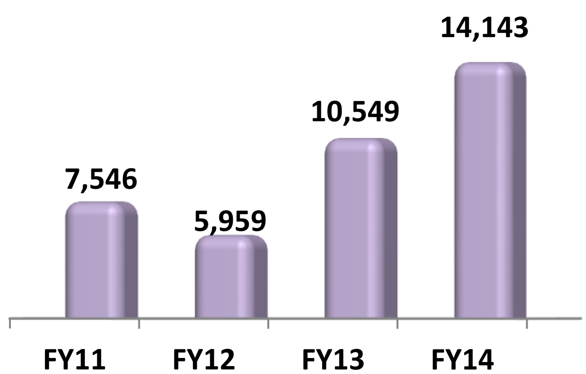


Historical Performance

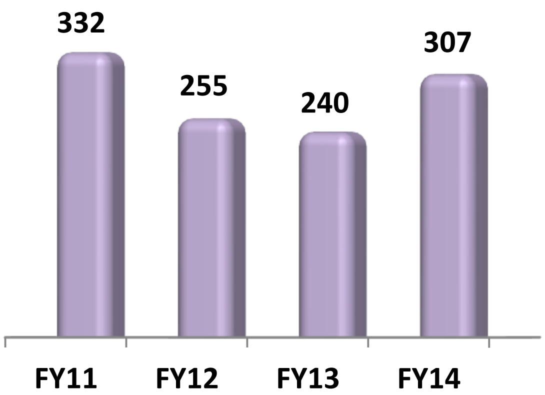
Yarn Sales [MT]



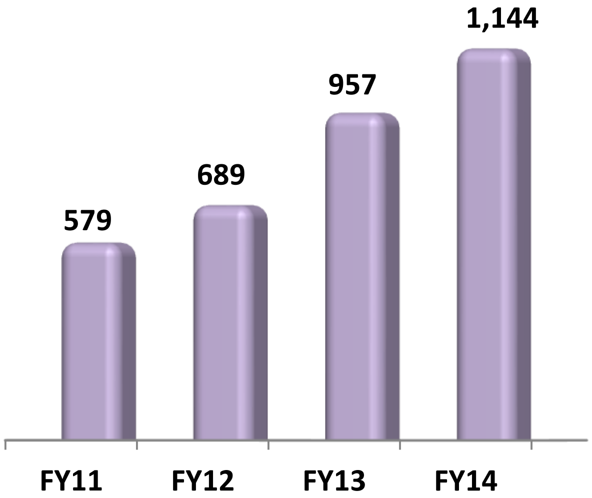
Fabric Sales [MT]



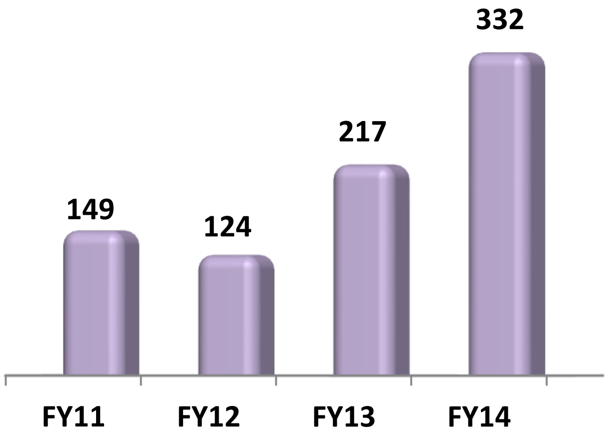
Garment Sales [No. of pieces in Lacs]



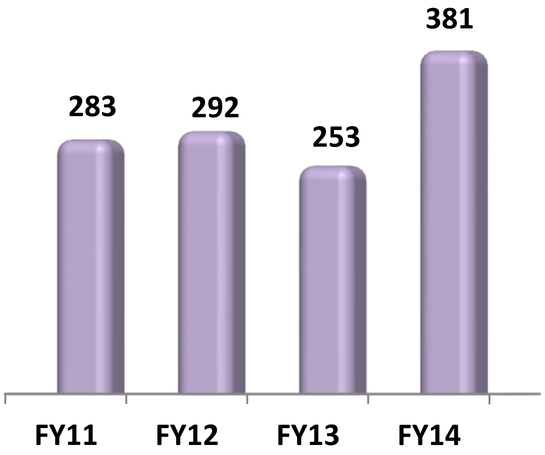
Yarn Sales [Rs. Crs.]



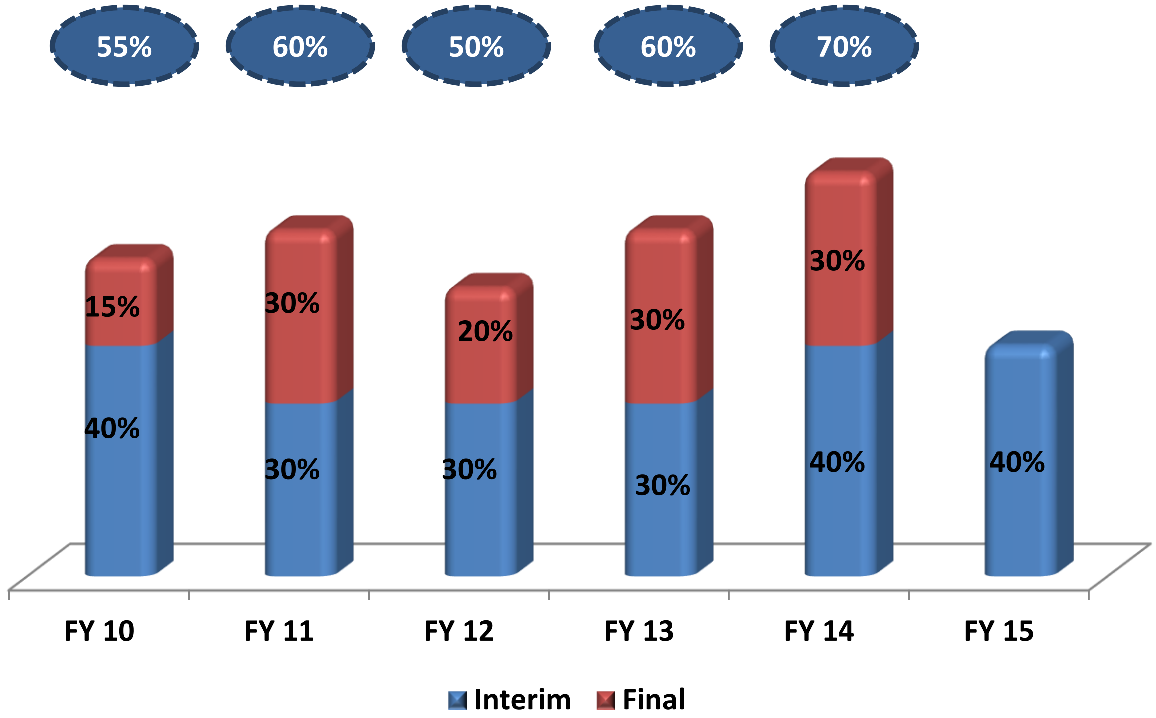
Fabric Sales [Rs. Crs.]



Garment Sales [Rs. Crs.]



Dividend Track Record



Book Value (Rs.)	142.29	158.25	165.19	187.42	216.16
Earning Per Share (Rs.)	13.38	18.97	8.38	27.01	37.27
Dividend Per Share (Rs.)	5.50	6.00	5.00	6.00	7.00

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