



KPR Mill Limited

Result Update

Q3-FY2016

Safe Harbor



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Manufacturing Facilities

Tamil Nadu	Sathyamangalam	Spinning		Yarn : 90,000 MT
	Karumathampatti	Spinning, Compact Spinning , P/C, Melange & Color Melange		Fabric : 27,000 MT
	Neelambur	Spinning & Knitting		Garments : 59 million pieces
	Arasur	Spinning, Knitting & Garmenting		Processing : 9,000 MT
	Tirupur	Garmenting		Windmills: 61.92 MW
	Perundurai	Processing		Co-gen & Sugar : 30 MW & 5,000 TCD
	Thekkalur	Garmenting		
	Tirunelveli, Tenkasi, Theni & Coimbatore	Windmills		
	Bijapur, Karnataka	Co-gen cum Sugar		

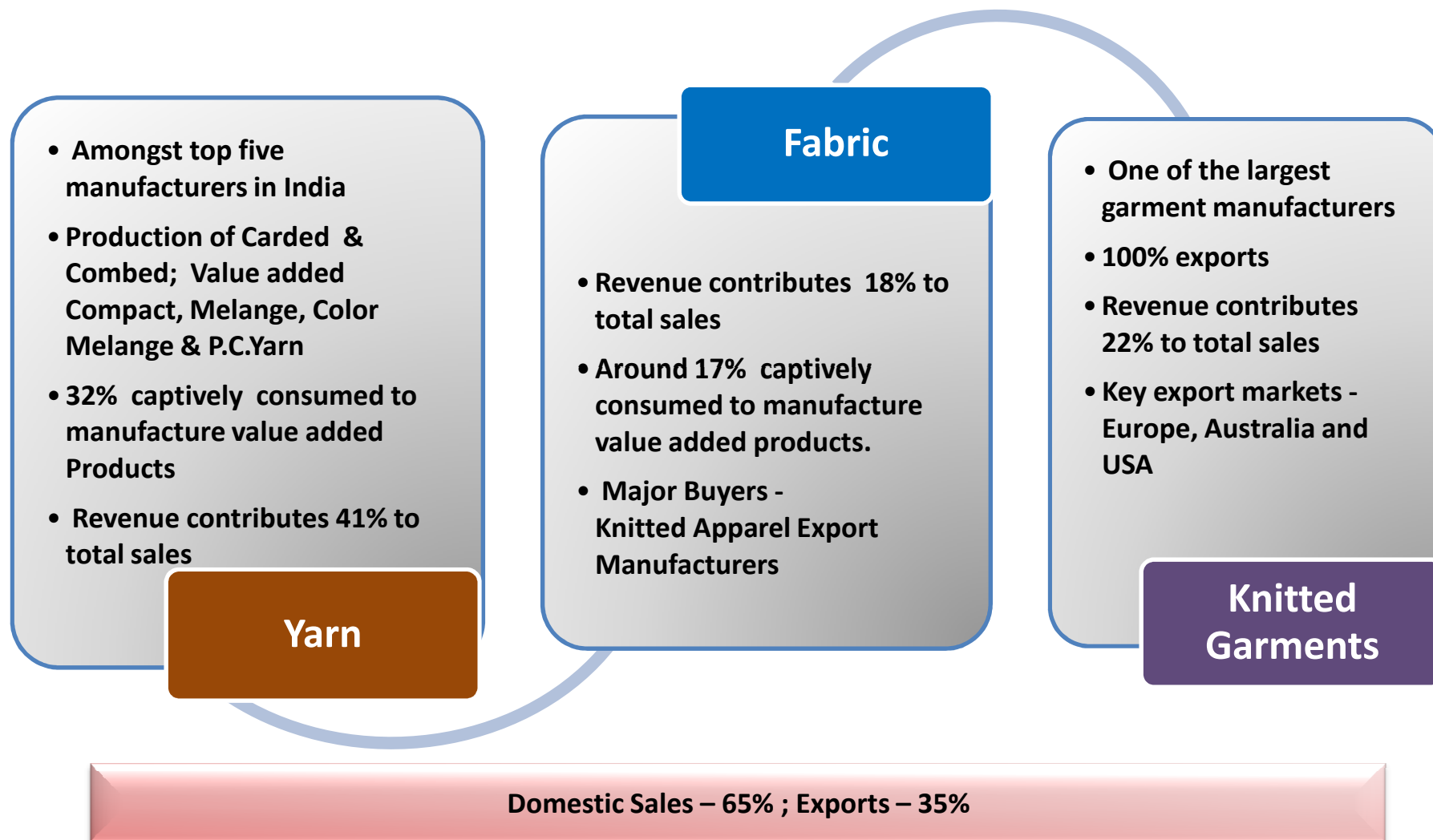
An Overview



- 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
- Towards value addition, converting conventional yarn into Compact Yarn



Presence across the textile value chain





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 availability 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



KPR is well Poised to capture the opportunity

INDUSTRY GROWTH DRIVERS

- Growing Domestic & Global demand
- Challenges of growth in neighboring competing countries driving the Indian textile Industry
- India has an edge over other major competitors in Asia in respect of cost of production
- Recent negotiations for India - EU FTA
- Government focus and initiatives on Textile Industry to boost prospects

COMPANY SPECIFIC GROWTH DRIVERS

- Improved realizations after Modernization & Capacity Expansion
- Increase in realization of Value Added Yarn (Compact, Melange, Polyester & Colour Melange Yarn) – Volume Driven Growth
- Reduction of high cost debt
- Increasing capacities in Garment division
- Attain self sufficiency in power generation
- Increased focus on exports
 - Step up garment production by increasing the capacity
 - Penetrate into newer markets for garments & yarn

Evolution



- ❖ 1984 – Maiden business at Coimbatore, India
- ❖ 1989 – Knitted garment export at Tirupur.
- ❖ 1995 – First spinning unit at Sathyamangalam with 6,000 spindles. Increased to 30,240 spindles by 1999

1984-1999

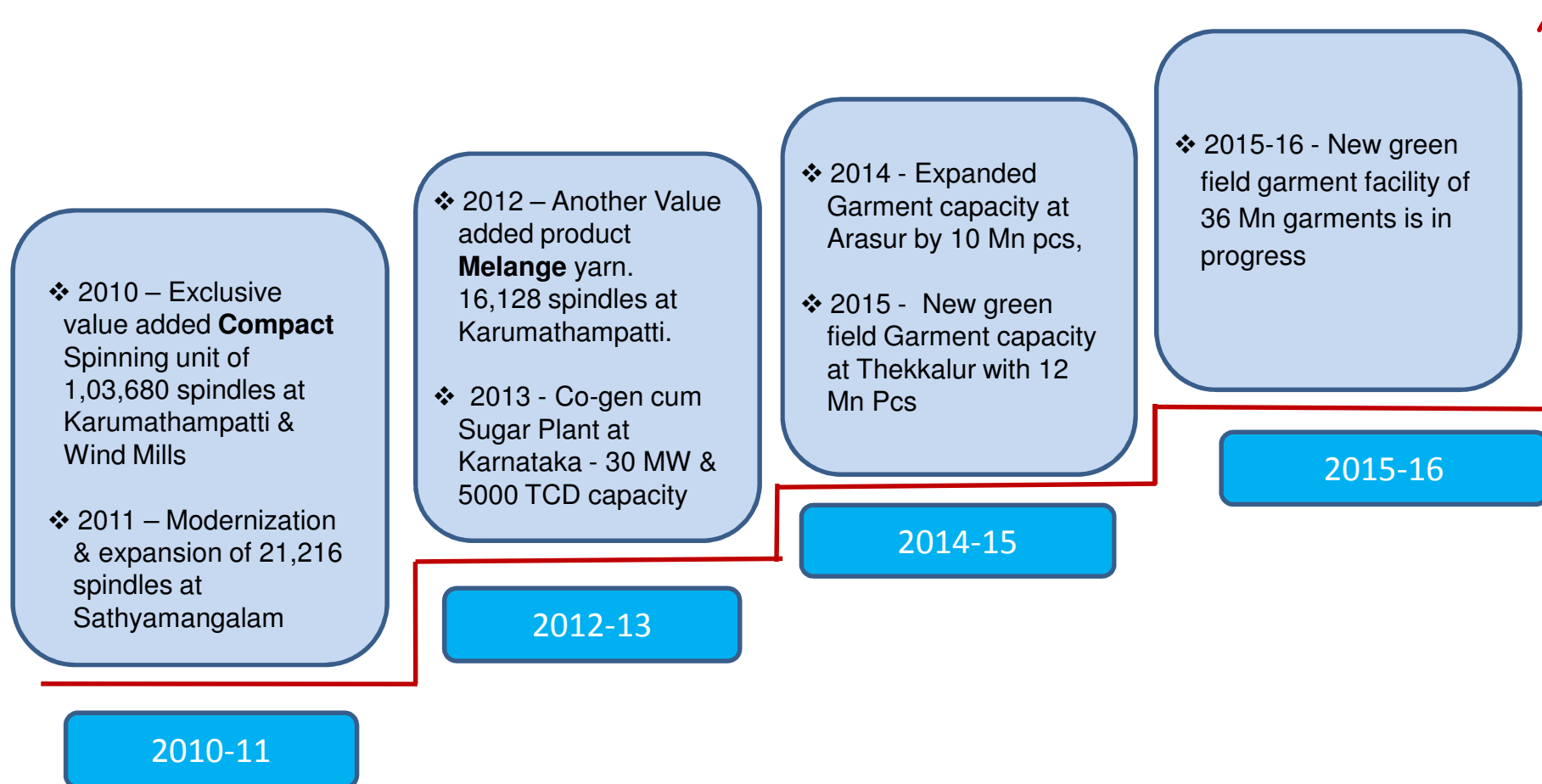
- ❖ 2001 – Spinning mill at Karumathampatti with 30,240 spindles; Knitting facility & Wind mill for captive use
- ❖ 2003 – Spinning unit at Neelambur with 50,784 spindles; Knitting facility & Wind mill
- ❖ 2005 – At Arasur 1,00,800 spindles; Knitting facility, Garment Unit and Wind Mills

2000-2005

- ❖ 2006 – Private Equity participation by leading US Corporate 'Brandot Investments' & Two others - \$ 25 Mn
- ❖ 2007 – IPO at a premium. Shares Listed at Bombay & National Stock Exchanges, India
- ❖ 2008 – Fabric Processing Unit at SIPCOT, Perundurai 9,000 MT per annum with trendsetter Effluent Treatment Plant

2006-2009

Evolution Contd...



Key Highlights of Q3 & 9M-FY16

- Consolidated Revenue Q3 ₹ 640 Crore; 9M ₹ 1,871 Crore
- EBITDA Q3 up 7.4% YoY to ₹ 116 Crore;
9M up 8.5% to YoY to ₹ 359 Crore
- PBT Q3 up 22.4% YoY to ₹ 71 Crore;
9M up 27.8% YoY to ₹ 216 Crore
- PAT Q3 up 26.2% YoY to ₹ 53 Crore;
9M up 26.8% to ₹ 156 Crore
- Cash Profit Q3 up 13.8% YoY to ₹ 91 Crore;
9M up 12.9% YoY to ₹ 271 Crore
- Achieved 50% utilization in new 12Mn Garment facility
- Progress in new 36 Mn Green Field Garment facility is as per plan
- Conversion of conventional yarn into value added Compact Yarn



Consolidated P&L



Rs.Crore	Q3 FY16	Q3 FY15	YoY %	9M FY16	9M FY 15	QoQ %
Revenue	640	619	3.4%	1871	1889	-1.0%
Raw Material	394	383		1143	1247	
Employee Expenses	55	46		161	136	
Other Expenses	75	82		208	175	
EBITDA	116	108	7.4%	359	331	8.5%
<i>EBITDA Margin</i>	<i>18.1%</i>	<i>17.4%</i>		<i>19.2%</i>	<i>17.5%</i>	
Other Income	5	6		16	18	
Interest & Finance Charges	12	18		44	63	
Depreciation	38	38		115	117	
PBT	71	58		216	169	
Tax	18	16		60	46	
PAT	53	42	26.2%	156	123	26.8%
<i>PAT Margin</i>	<i>8.3%</i>	<i>6.8%</i>		<i>8.3%</i>	<i>6.5%</i>	

Self sufficiency in Power with 92 MW Green Power portfolio

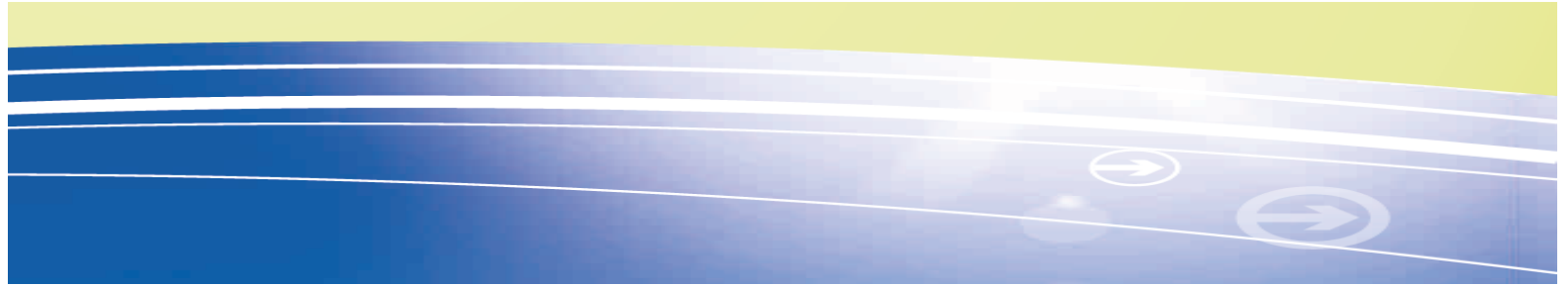


Strategic Investment in Wind Power Project 61.92 MW

- One of the largest Captive power generators in Textile Industry
- Invested in eco-friendly Wind Mills at Tirunelveli, Tenkasi, Theni & Coimbatore Districts in Tamil Nadu, India
- Total Wind Power Capacity 61.92 MW
- 60% of Textile power requirement met through wind power

Investments in Co-Gen Power Project 30 MW

- Invested in 30 MW Co-Gen Power Project
- With Co-gen Power, KPR attained self sufficiency in meeting its substantial power requirement throughout the year

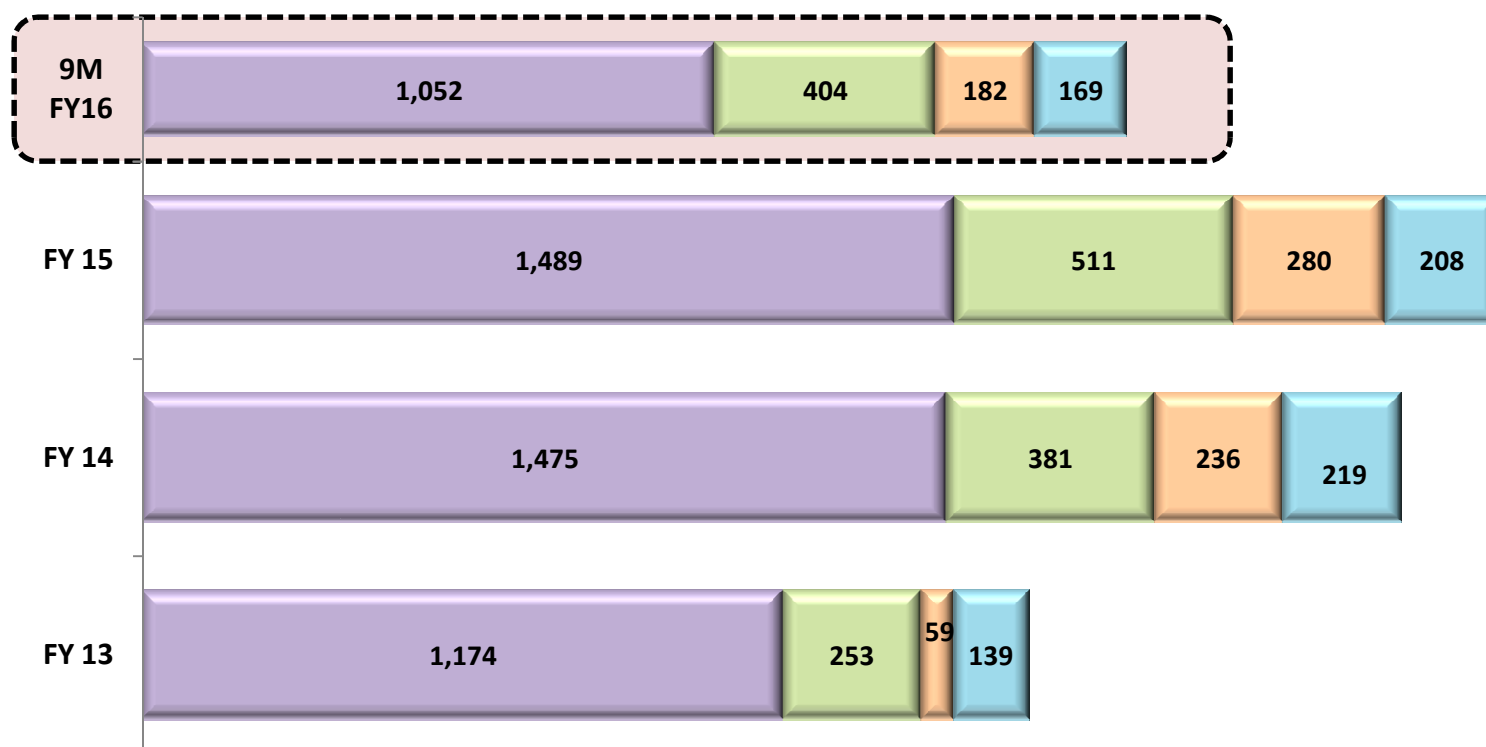


Annexure

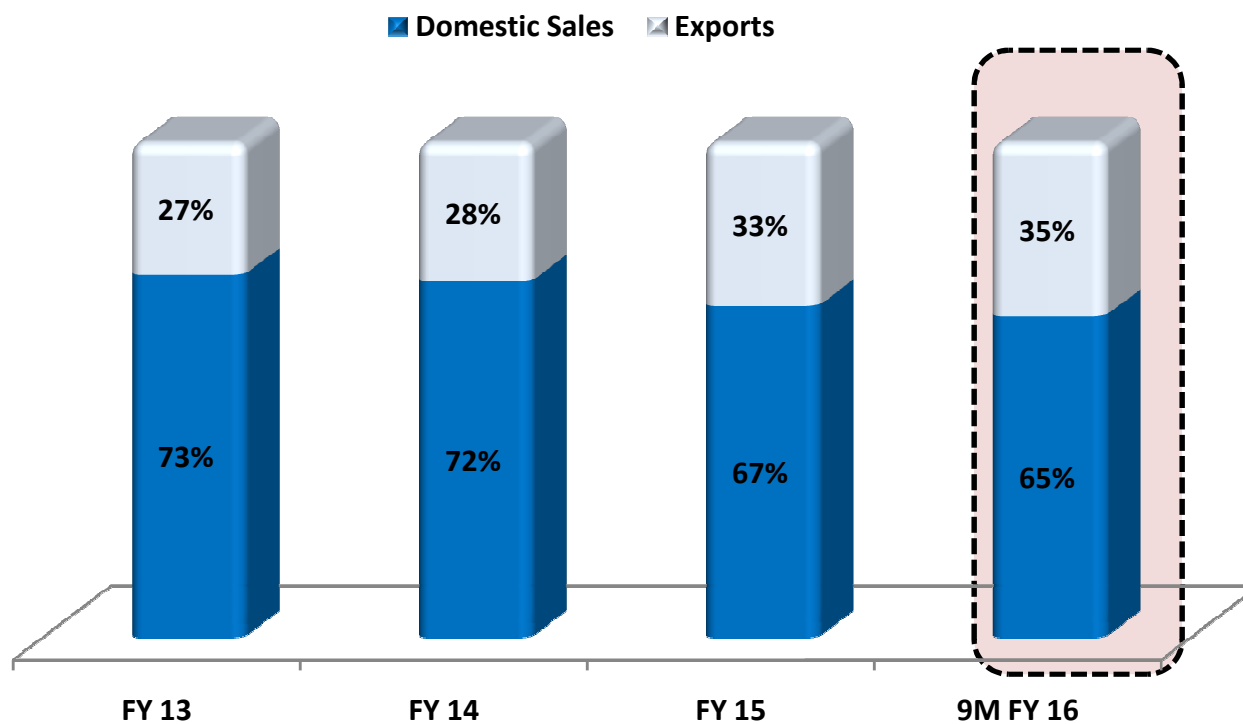
Segment Wise Revenue contribution

■ Yarn & Fabric
 ■ Garments
 ■ Sugar
 ■ Others

₹ in Crore



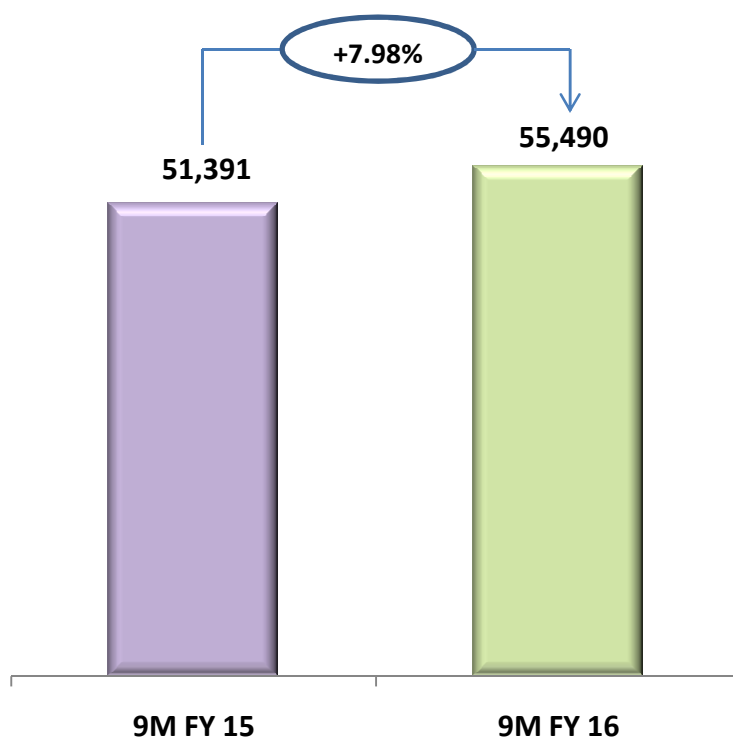
Geographical Split



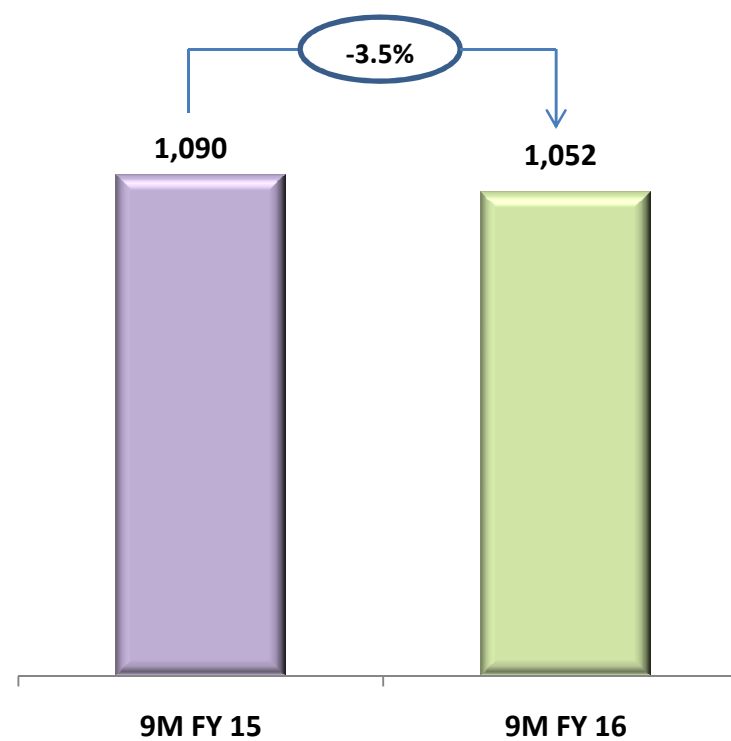
Yarn & Fabric



Yarn & Fabric Sales [MT]



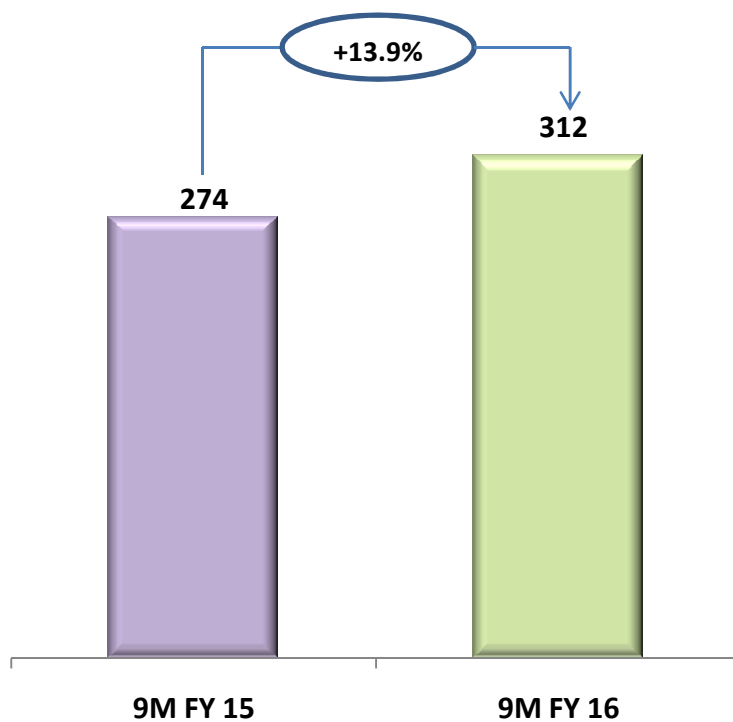
Yarn & Fabric Sales [Rs. Crore]



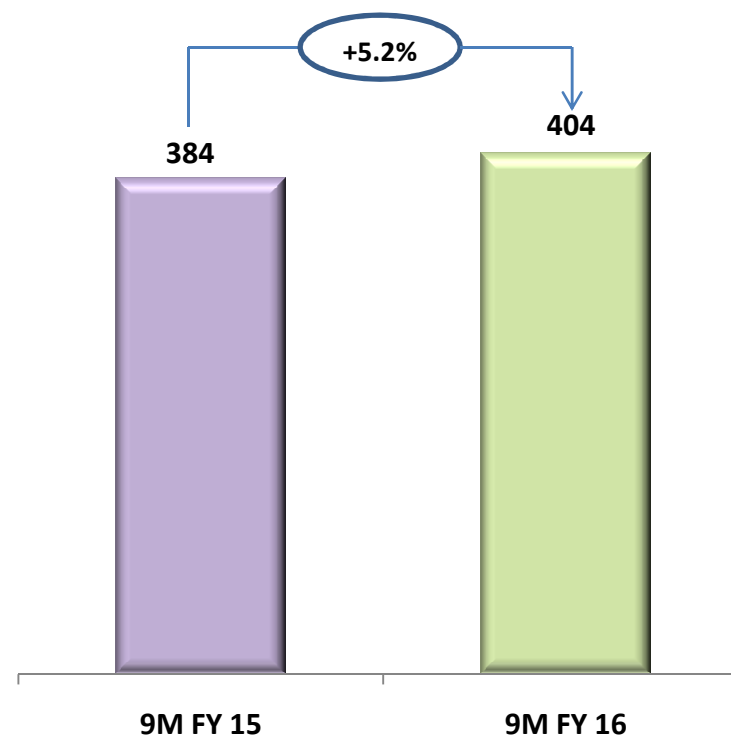
Garments



Garment Sales [No. of pieces in Lacs]

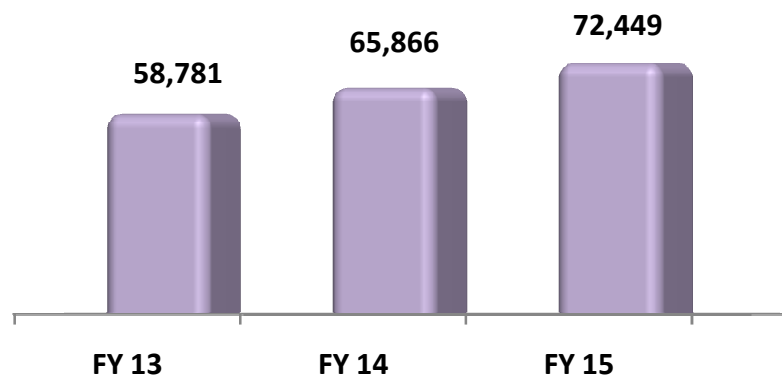


Garment Sales [Rs. Crore]

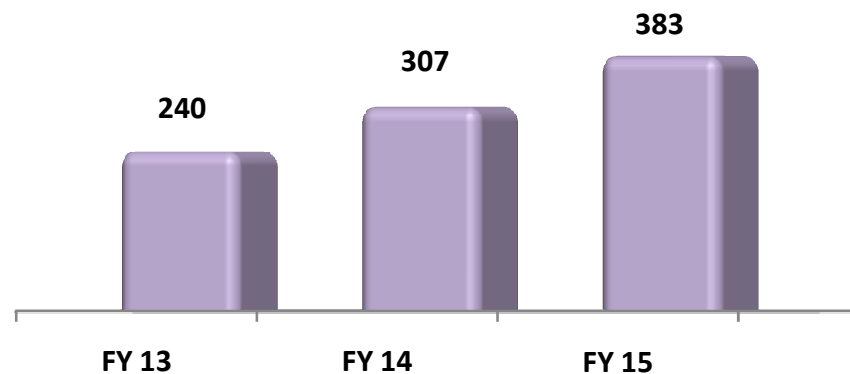


Historical Performance

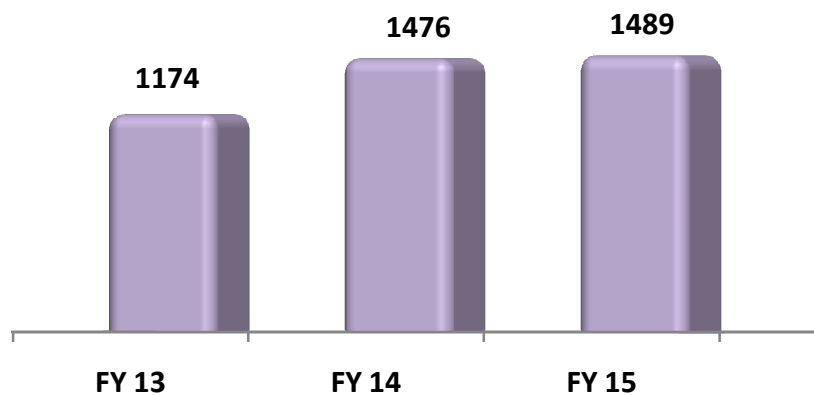
Yarn & Fabric Sales [MT]



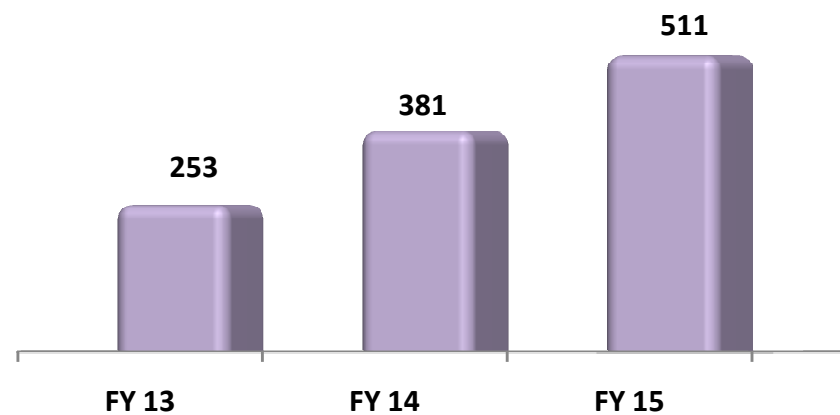
Garment Sales [No. of pieces in Lacs]



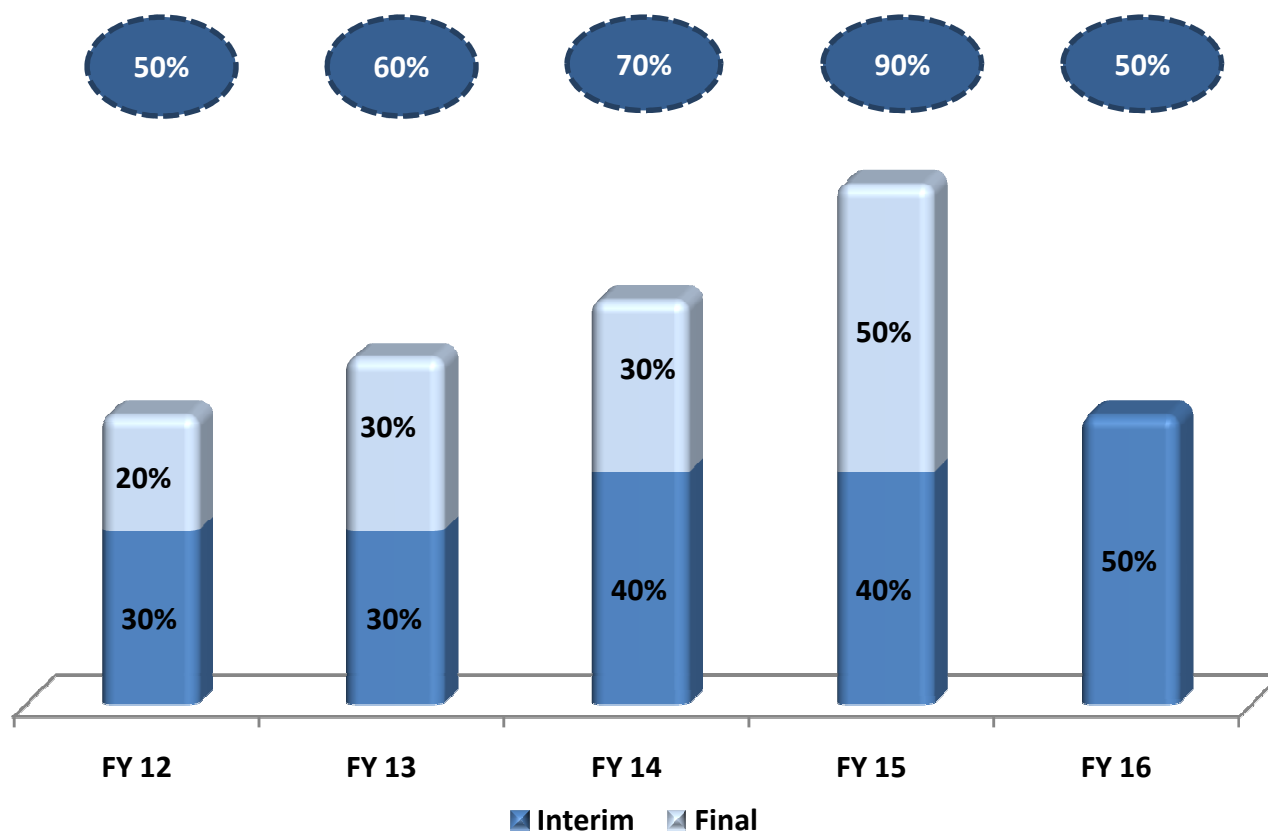
Yarn & Fabric Sales [Rs. Crore]



Garment Sales [Rs. Crore]



Dividend Track Record



Book Value & EPS



Particulars	FY 12	FY 13	FY 14	FY 15
Book Value Per Share (₹)	165.19	187.42	216.16	250.83
Earning Per Share (₹)	8.38	27.01	37.27	45.73
Dividend Per Share %	50%	60%	70%	90%
Dividend Per Share (₹)	5.00	6.00	7.00	9.00



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