K.P.R. MILL LIMITED

Corporate Office : 1st Floor Srivari Shrimat, 1045, Avinashi Road, Coimbatore - 641018. India ✆ : 0422-2207777 Fax : 0422-2207778

8th February, 2018

The Listing Department,
Bombay Stock Exchange Ltd.
1st Floor, Rotunda Buildings,
Phiiroze Jeejeebhoy Towers,
Mumbai – 400 001.

The Listing Department,
National Stock Exchange of India Ltd.,
Exchange Plaza, Plot: C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051.

Dear Sir,

Sub: Third Quarter FY 2017-18 Financial Results- Investor Presentation

Ref: Disclosure of Material Events

The Investor Presentation in respect of 3Q FY 2017-18 is attached for your kind information and dissemination.

Thanking you,

Yours faithfully

For K.P.R. Mill Limited

P.Kandaswamy

Company Secretary

Encl: As above

Regd. Office : No. 9, Gokul Buildings, A.K.S. Nagar, Thadagam Road, Coimbatore - 641 001. ✆ : 0422-2478090, Fax : 0422-2478050
GSTIN : 33AACCK0893N1Z9 Email : corporate@kprmill.com Web : www.kprmilllimited.com CIN : L17111TZ2003PLC010518


KPR MILL LIMITED
RESULT UPDATE Q3 FY18

Safe Harbor

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Manufacturing Facilities

Location	Activity	
Tamil Nadu – Sathyamangalam	Spinning	
Tamil Nadu – Karumathampatti	Spinning, Compact , P.C, Melange & Color Melange	
Tamil Nadu – Neelambur	Spinning & Knitting	
Tamil Nadu – Arasur	Spinning, Knitting & Garmenting	
Tamil Nadu – Tirupur	Garmenting	
Tamil Nadu – Perundurai	Processing & Fabric Printing	
Tamil Nadu – Thekkalur	Garmenting	
Tamil Nadu – Tirunelveli, Tenkasi, Theni & Coimbatore	Windmills	
Bijapur, Karnataka	Co-gen cum Sugar	

- Yarn : 90,000 MT
- Fabric : 27,000 MT
- Garments : 95 million Garments
- Processing : 18,000 MT
  Fabric Printing : 7500 MT
- Windmills: 61.92 MW
- Co-gen & Sugar : 30 MW & 5,000 TCD

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 1,200 regular domestic clients for yarn and fabric and around 50 leading international brands for garments
- Trendsetting welfare policies including higher education facilities 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
- With 95 million Garments capacity , KPR has become one of the largest Apparel Manufacturers in India.
- New Processing ‘Unit 2” ramp up completed as per plan
- Sophisticated high resolution printing division started commercial operations.

Presence across the textile value chain

Yarn

- Amongst top five manufacturers in India
- Entire yarn capacity upgraded to value added yarn (Compact, Melange, Color Melange & P.C.Yarn)
- 27% captively consumed to manufacture value added Products
- Revenue contributes 46% to total sales

Fabric

- Revenue contributes 10% to total sales
- Around 43% captively consumed to manufacture value added products.
- Major Buyers - Knitted Apparel Export Manufacturers

Knitted Garments

- A largest garment manufacturer
- 100% exports
- Revenue contributes 29% to total sales
- Key export markets - Europe, Australia and USA. Exploring new markets

Domestic Sales – 62% ; Exports – 38%

Key competitive advantages

Strong Fundamentals

- Rich exposure in textile and apparel Industry
- Consistent better performer even during tough times and growth driven entity
- Dividend track record since listing

Largest vertically Integrated Apparel Manufacturer strategically located

- Assuring superior quality products meeting market requirement
- On time delivery – An essential factor for market reputation
- Facilities located within a 50 KM radius of Tirupur, largest apparel manufacturing cluster 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

Strategic Investment in Green Power

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

Scale of Economy

- Low power cost through captive green power
- Minimal finance cost through prudential financial planning

Key competitive advantages Contd…

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

Strong client base

- Over 1200 Customers for yarn & fabric
- Around 50 Top International Brands
- A few more large customers from existing / new markets on pipe line

Growth Initiatives

- Converted conventional yarn capacity to value added yarn, carrying premium prices
- Expanded garment capacity to 95 million garments per annum – Making KPR a largest garment manufacturer in India. Garment Industry is upbeat with the Government Incentives
- Eco-friendly Processing 'Unit 2' and sophisticated high resolution printing division commenced its operations.

KPR is well Poised to capture the opportunity

INDUSTRY GROWTH DRIVERS

- Most cost competitive Textile manufacture base
- Largest Cotton base – Number one in World
- Most efficient Spinning sector in the World
- Second biggest exporter of textile & apparel
- 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
- Negotiations for India - EU FTA

COMPANY SPECIFIC GROWTH DRIVERS

- Consistent Modernization & Capacity Expansion – enhanced realization
- Value Added Yarn - Compact, Melange, PC & Colour Melange Yarn – Volume Driven Growth
- A largest garment manufacturer with 95 mn capacity
- Comfortable cash position enabling reduction of high cost debt
- Eco-friendly Processing 'unit 2' and sophisticated high resolution printing division commenced its operations
- Self sufficiency in power generation
- Increased focus on exports
  - Enhanced garment production
  - Penetrate into newer markets for garments & yarn
  - Impressive response from existing clients, new buyers and new market

Evolution

- 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

- 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

- 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

Evolution Contd…

2010-11

- 2010 – Exclusive value added **Compact** Spinning unit of 1,03,680 spindles at Karumathampatti & Wind Mills
- 2011 – Modernization & expansion of 21,216 spindles at Sathyamangalam

2012-13

- 2012 – Another Value added product **Melange** yarn. 16,608 spindles at Karumathampatti.
- 2013 - Co-gen cum Sugar Plant at Karnataka - 30 MW & 5000 TCD capacity

2014-15

- 2014 - Expanded Garment capacity at Arasur by 10 Mn pcs,
- 2015 - New green field Garment capacity at Thekkalur with 12 Mn Pcs

2015-17

- 2015-16 – Established New green field garment facility of 36 Mn garments.
- 2016-17 Established new Eco-friendly Processing capacity with Advanced Technology - 9000 MT. Established Sophisticated high resolution printing division – 7500 MT

Key Highlights of 9M FY 18

- Garment production increased to 59.27 mn from 44.11 year on year
- Revenue increased to ₹ 2216 Crore from ₹ 2053 Crore
- PBT increased to ₹ 289 Crore from ₹ 280 Crore
- PAT increased to ₹ 217 Crore from ₹ 215 Crore

Consolidated P&L

₹ Crore	Q3 FY18	Q3 FY17	YoY %	9M FY18	9M FY17	YoY %
Revenue	**718**	**619**	**16.0**	**2216**	**2053**	**7.9**
Raw Material	430	345		1336	1199	
Employee Expenses	76	70		224	208	
Other Expenses	77	61		219	203	
EBITDA	**135**	**143**	**-5.6**	**437**	**443**	**-1.4**
EBITDA Margin	*18.8%*	*23.1%*		*19.7%*	*21.6%*	
Interest & Finance Charges	12	14		41	50	
Depreciation	34	38		107	113	
PBT	89	91		289	280	
Tax	18	20		72	65	
PAT	**71**	**71**	**-0.3%**	**217**	**215**	**0.9**
PAT Margin	*9.9%*	*11.5%*		*9.8%*	*10.5%*	

Self sufficiency in Power with 92 MW Green Power portfolio

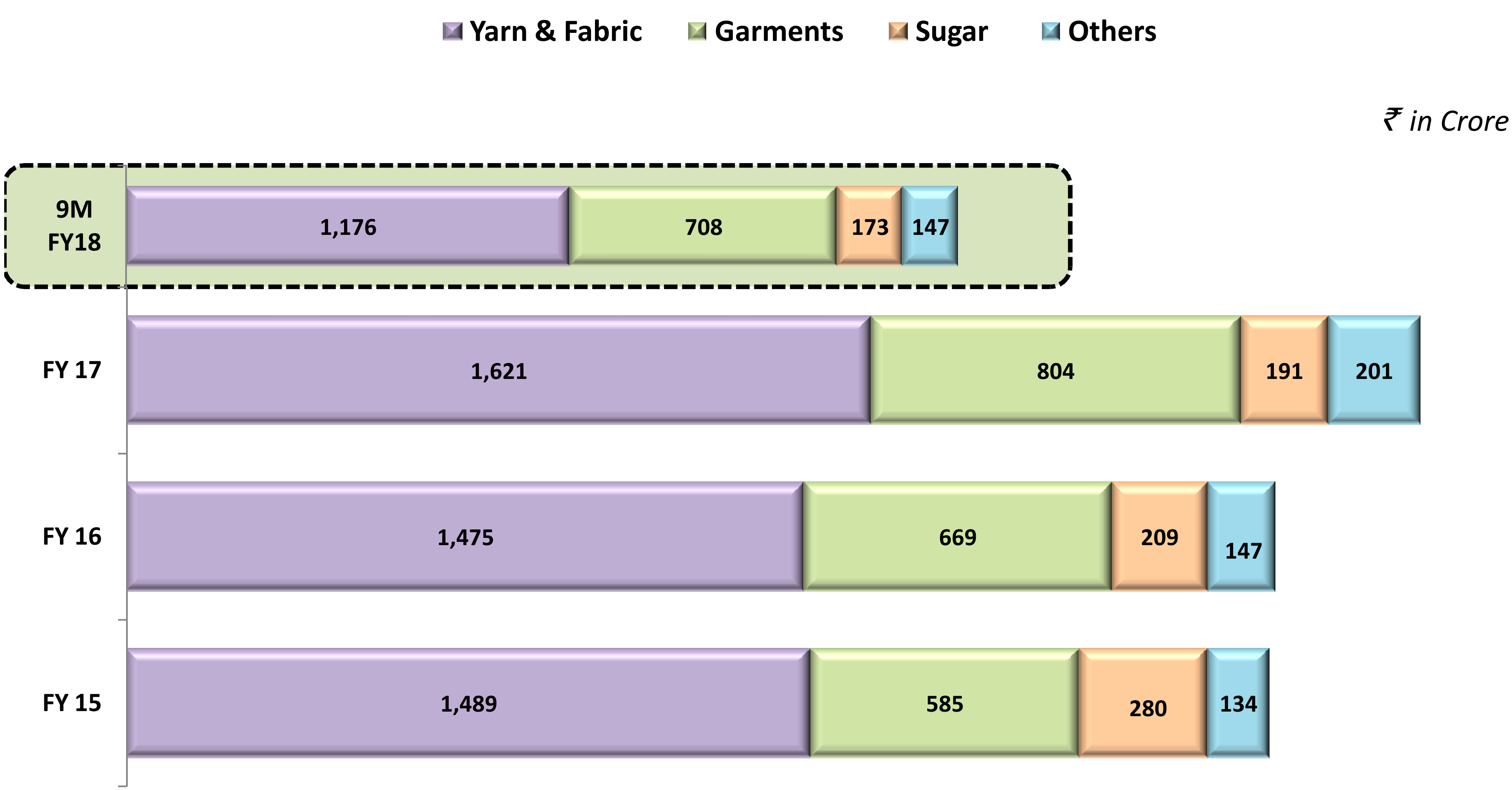
Strategic Investment in Wind Power Project 61.92 MW

- 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

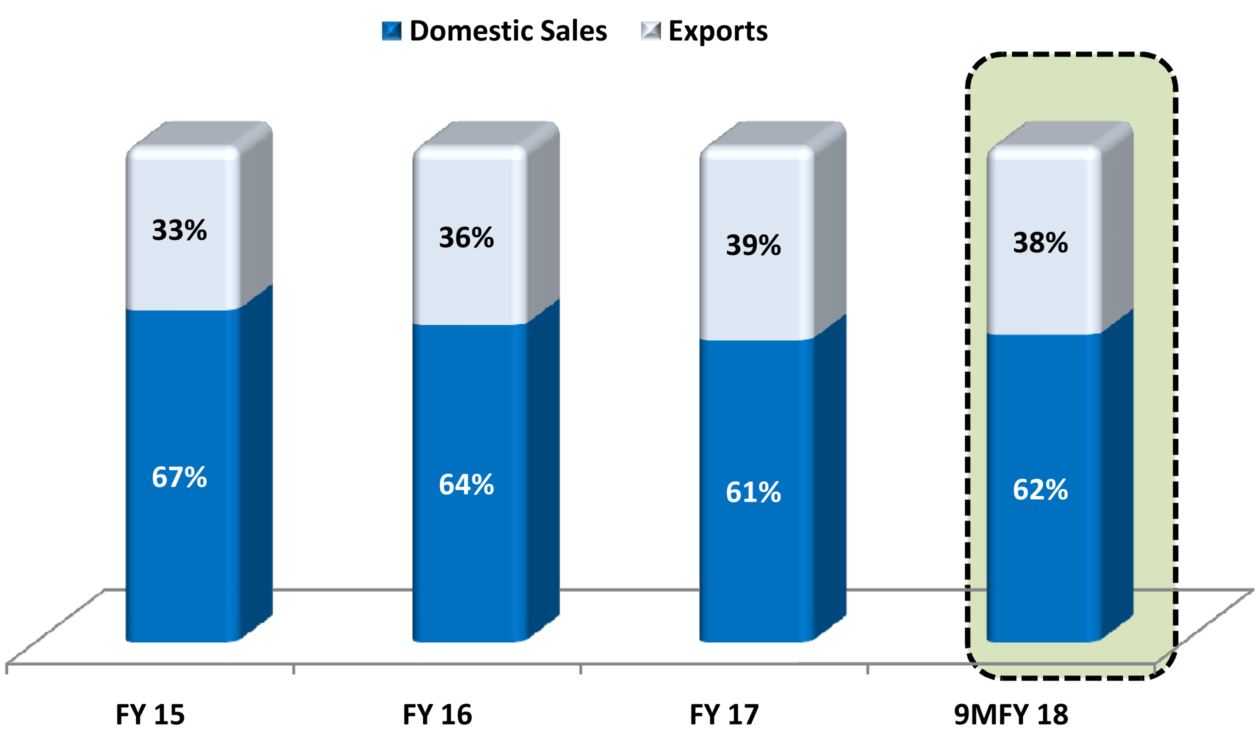
Investments in Co-Gen Power Project 30 MW

- 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

Segment Wise Revenue contribution

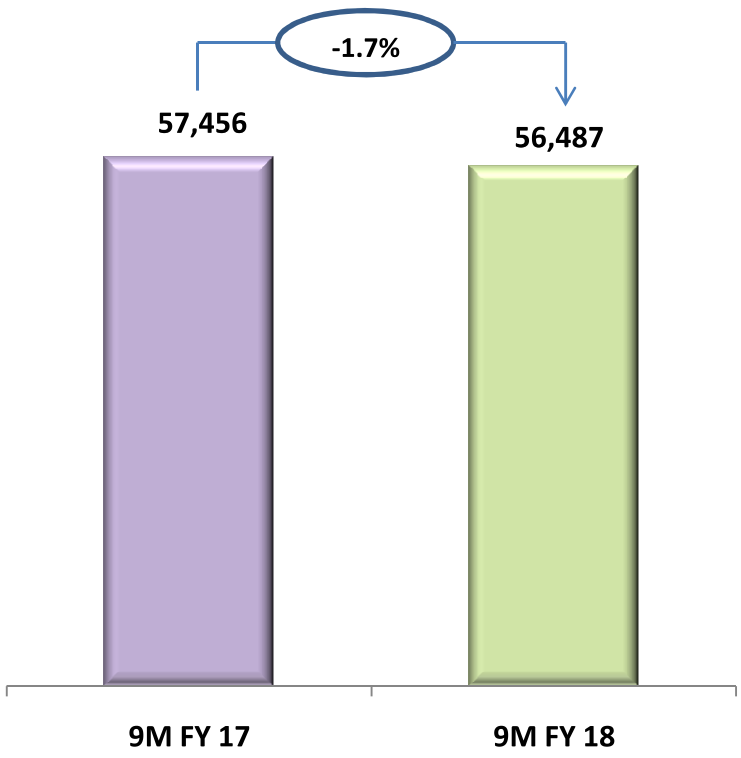


Geographical Split

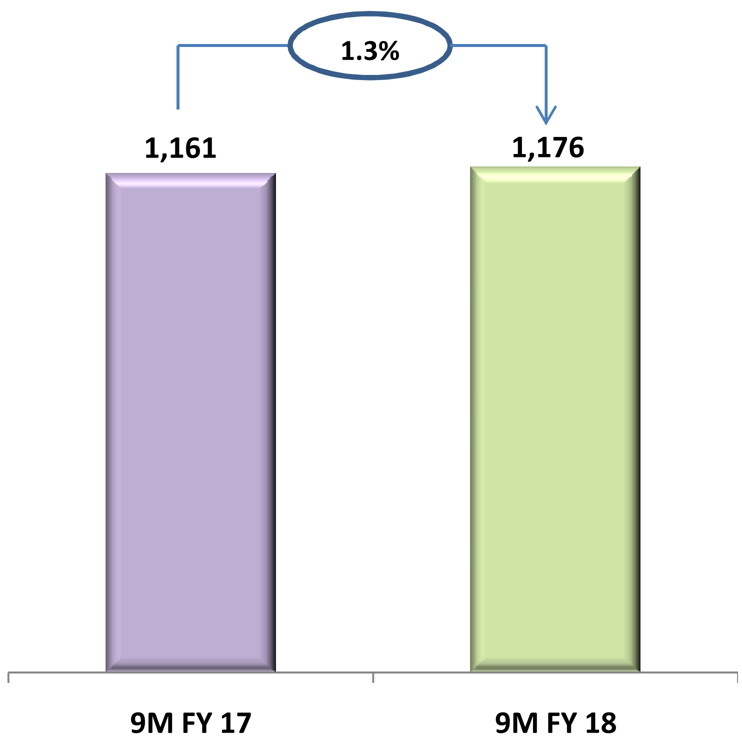


Yarn & Fabric

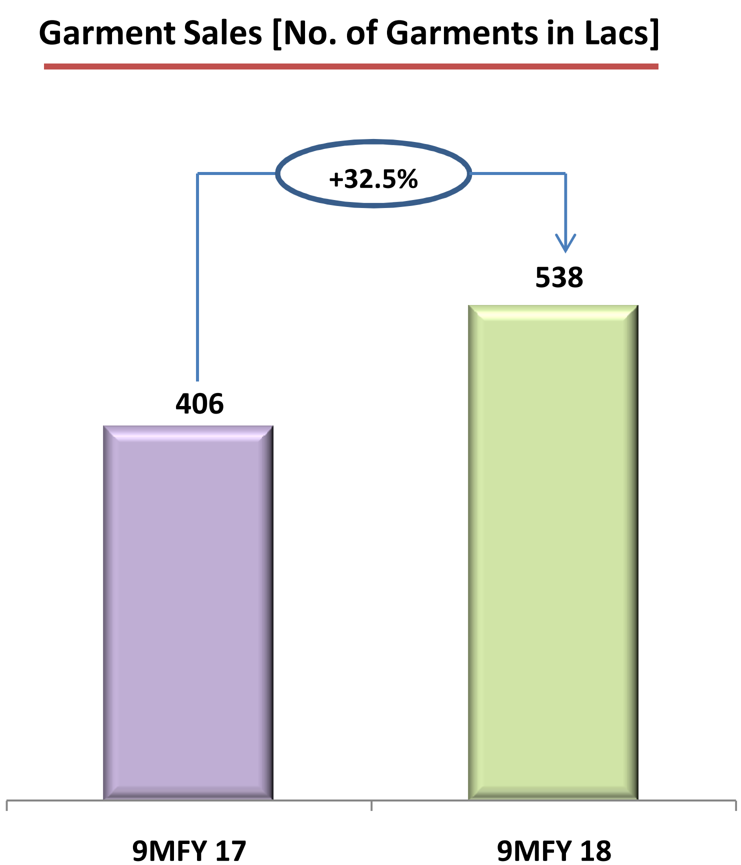
Yarn& Fabric Sales [MT]

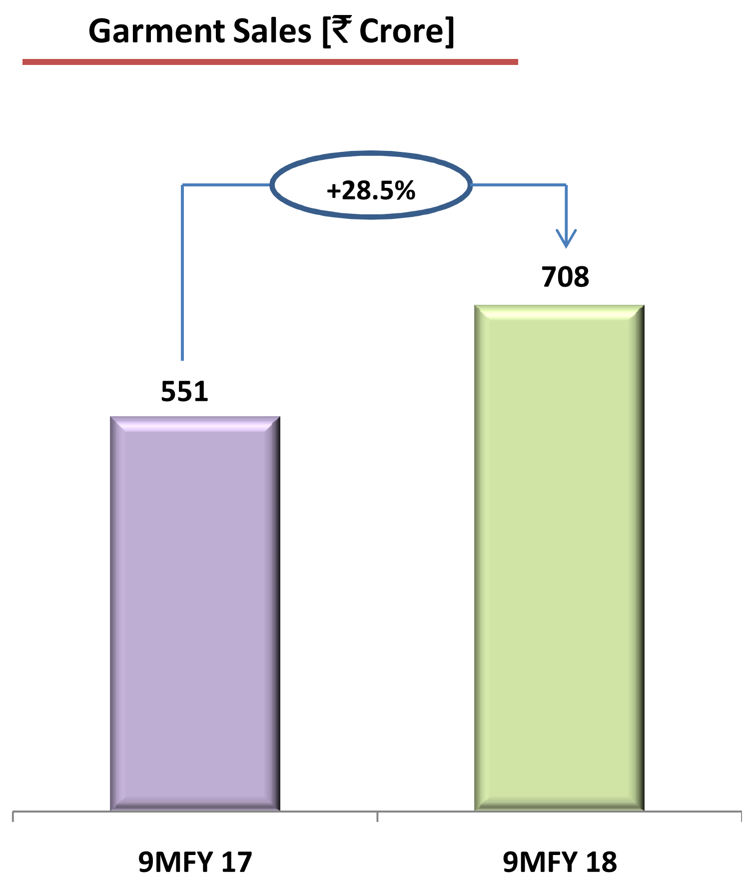


Yarn & Fabric Sales [₹ Crore]



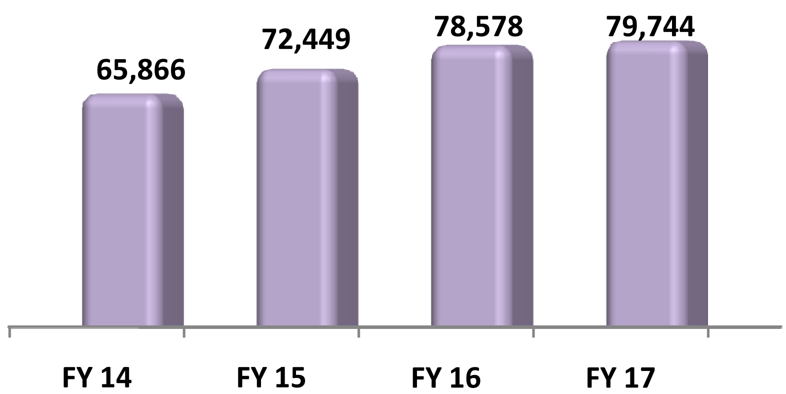
Garments


Garment Sales [No. of Garments in Lacs]
+32.5%
538
406
9MFY 17
9MFY 18

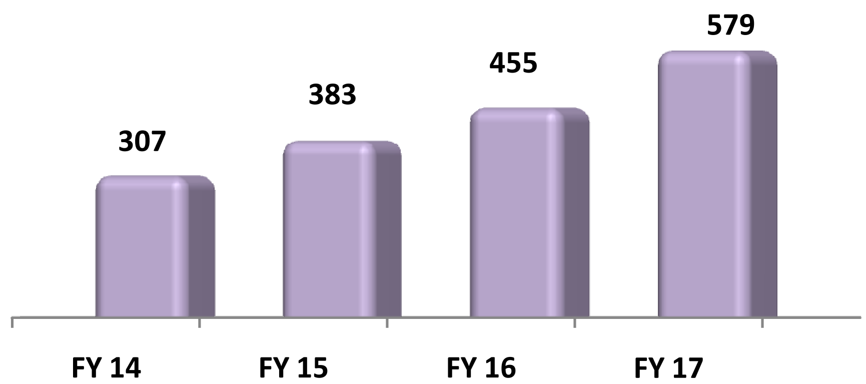

Garment Sales [₹ Crore]
+28.5%
708
551
9MFY 17
9MFY 18

Historical Performance

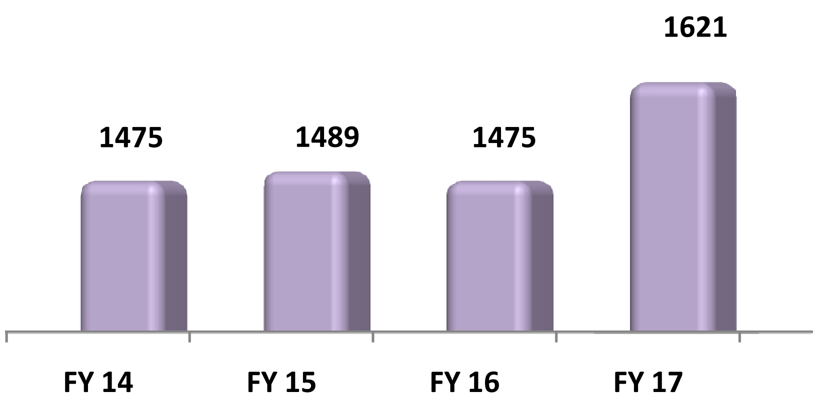
Yarn & Fabric Sales [MT]



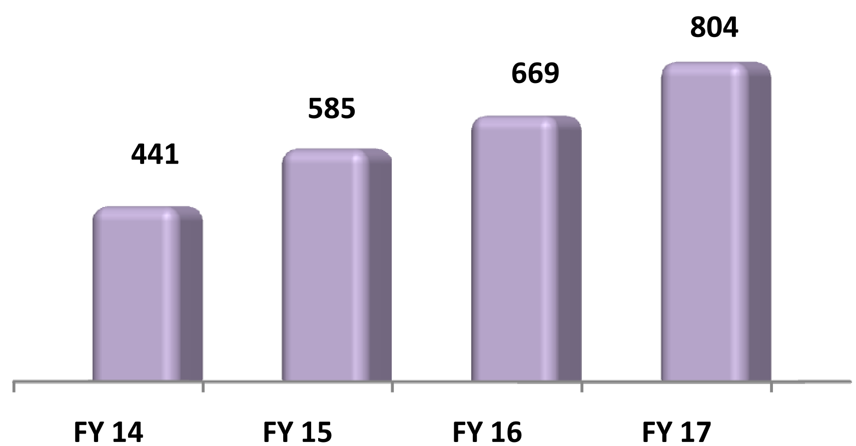
Garment Sales [No. of Garments in Lacs]



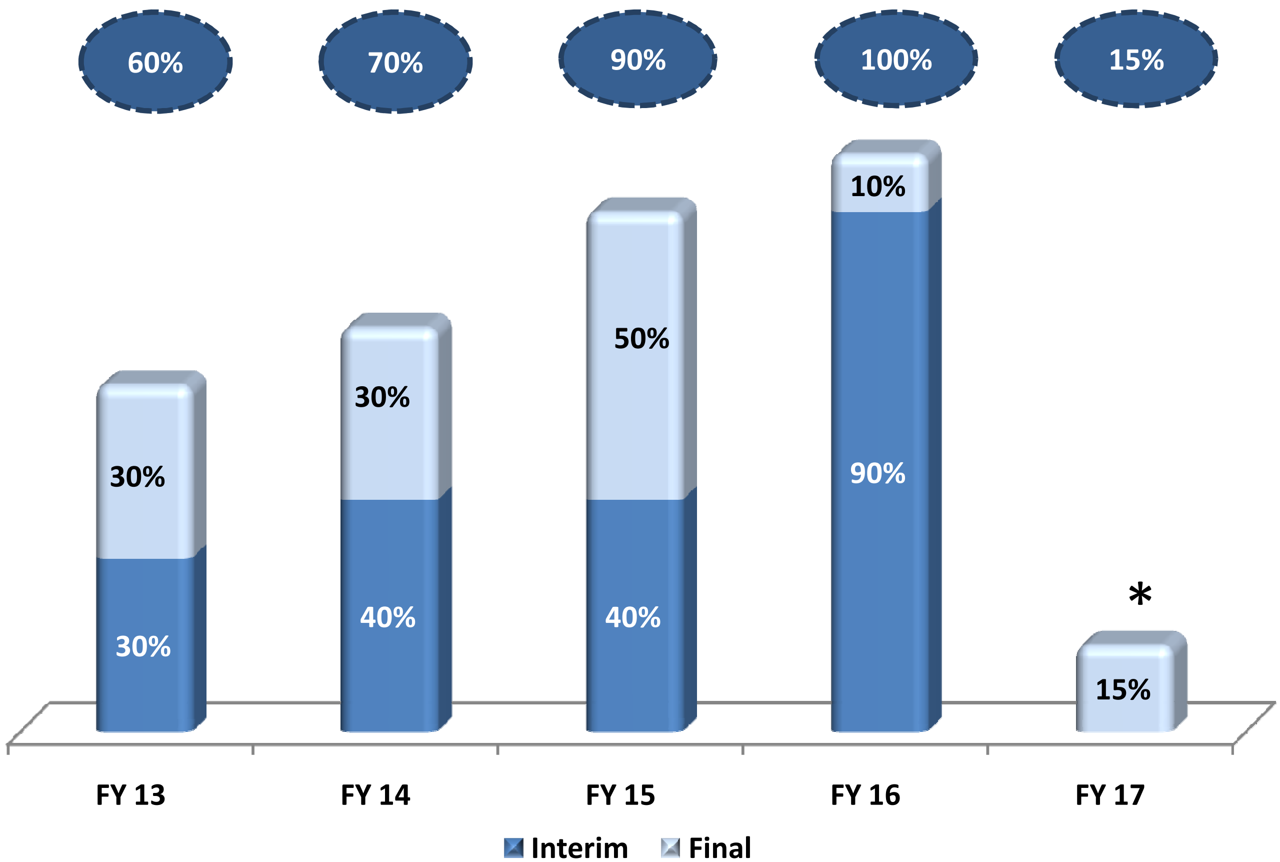
Yarn & Fabric Sales [₹ Crore]



Garment Sales [₹ Crore]



Dividend Track Record



* During the year Company bought back shares with a consideration of Rs.9,702 Lakhs

Book Value & EPS

Particulars	FY 14	FY 15	FY 16	FY 17	9M FY18
Book Value Per Share (₹)	108.08	125.42	146.03	174.01	202.55
Earning Per Share (₹)	18.64	22.86	27.86	38.15	29.40
Dividend Per Share %	70%	90%	100%	* 15%	--
Dividend Per Share (₹)	7.00	9.00	10.00	* 0.75	--

* During the year Company bought back shares with a consideration of Rs.9,702 Lakhs

For further information, please contact:

Company :

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