

K.P.R. MILL LIMITED

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

29th January, 2019

The Listing Department,
Bombay Stock Exchange Ltd.
1st Floor, Rotunda Buildings,
Phiroze 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: Investor Presentation

We are uploading the investor presentation for the Q 3 FY 2019.

This is for your kind information and dissemination

Thanking you.

Yours faithfully

For K.P.R. Mill Limited



P. Kandaswamy
Company Secretary

Encl: As above

KPR MILL LIMITED

RESULT UPDATE Q3 FY19



Safe Harbor



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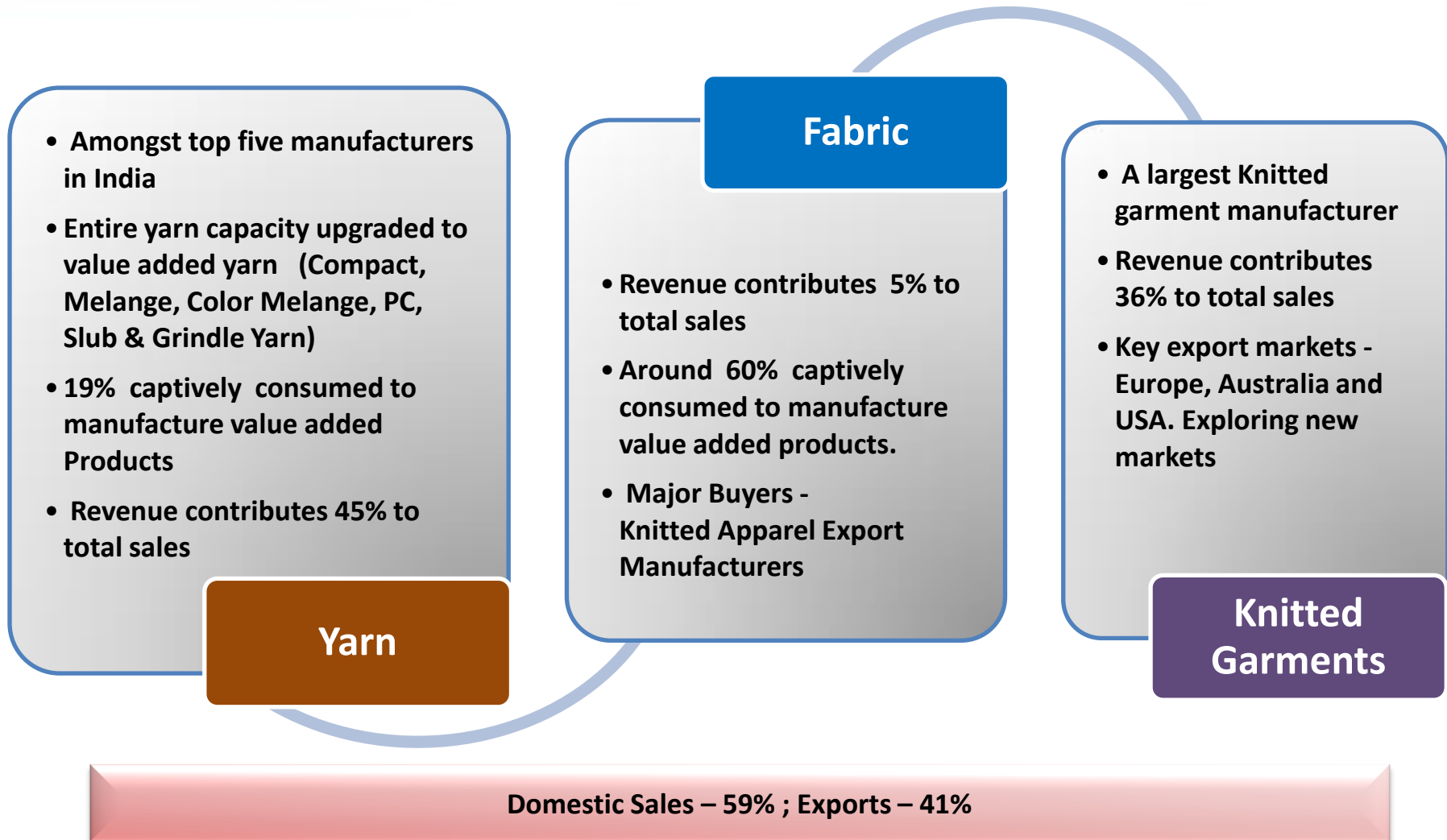
Manufacturing Facilities



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 1,500 regular domestic clients for yarn and fabric and around 55 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 105 million Knitted Garments capacity , KPR has become one of the largest Apparel Manufacturers in India.
- Eco-friendly Processing ‘unit 2’ and sophisticated high resolution printing division commenced its operations.
- Garment plant in Ethiopia started commercial Production
- Preparing Road map to venture into Retail segment.

Presence across the textile value chain



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 Wind 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 1500 Customers for yarn & fabric
- Around 55 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 105 million garments per annum – Making KPR a largest Knitted garment manufacturer in India.
- Eco-friendly Processing 'Unit 2' and sophisticated high resolution printing division commenced its operations.
- Developing global footprint by establishing new Garment plant in Ethiopia.
- Preparing Road map to venture into Retail segment.

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

COMPANY SPECIFIC GROWTH DRIVERS

- Consistent Modernization & Capacity Expansion – enhanced realization
- Value Added Yarn - Compact, Melange, PC, Colour Melange, Slub & Grindle Yarn– Volume Driven Growth
- A largest Knitted garment manufacturer with 95 mn capacity
- 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
- Garment plant in Ethiopia started commercial production
- Preparing Road map to venture into Retail segment.

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...



- ❖ 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

2010-11

- ❖ 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

2012-13

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

2014-15

Evolution Contd...



- ❖ 2016 – Established New green field garment facility of 36 Mn garments.
- ❖ 2017 Established new Eco-friendly Processing capacity with Advanced Technology - 9000 MT. Established Sophisticated high resolution printing division – 7500 MT

2016-17

- ❖ 2018 – Established 10 Million Garment Manufacturing unit at Mekelle, Ethiopia

2018-19

Key Highlights of 9M FY 2019

- Revenue up by 11.03% YoY to ₹ 2460.33 Crores as against ₹ 2215.82 Crores
- EBITDA up by 10.27% YoY to ₹ 481.67 Crores as against ₹ 436.82 Crores
- PBT up by 20.14% YoY to ₹ 347.55 Crores as against ₹ 289.27 Crores
- PAT up by 14.57% YoY to ₹ 248.93 Crores as against ₹ 217.27 Crores
- Garment Production up by 15.84% YoY to 68.66 Million Garments as against 59.27 Million Garments



Consolidated P&L

₹ Crore	Q3 FY19	Q3 FY18	YoY %	9M FY19	9M FY18	YoY %
Revenue	779	719	8.3%	2460	2216	11.01%
Raw Material	435	430		1443	1336	
Employee Expenses	92	76		284	224	
Other Expenses	92	77		251	219	
EBITDA	160	136	17.6%	482	437	10.3%
EBITDA Margin	20.5%	18.9%		19.6%	19.7%	
Interest & Finance Charges	10	13		35	40	
Depreciation	33	34		99	108	
PBT	117	89	31.5%	348	289	20.4%
Tax	33	18		99	72	
PAT	84	71	18.3%	249	217	14.7%
PAT Margin	10.8%	9.9%		10.1%	9.8%	

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

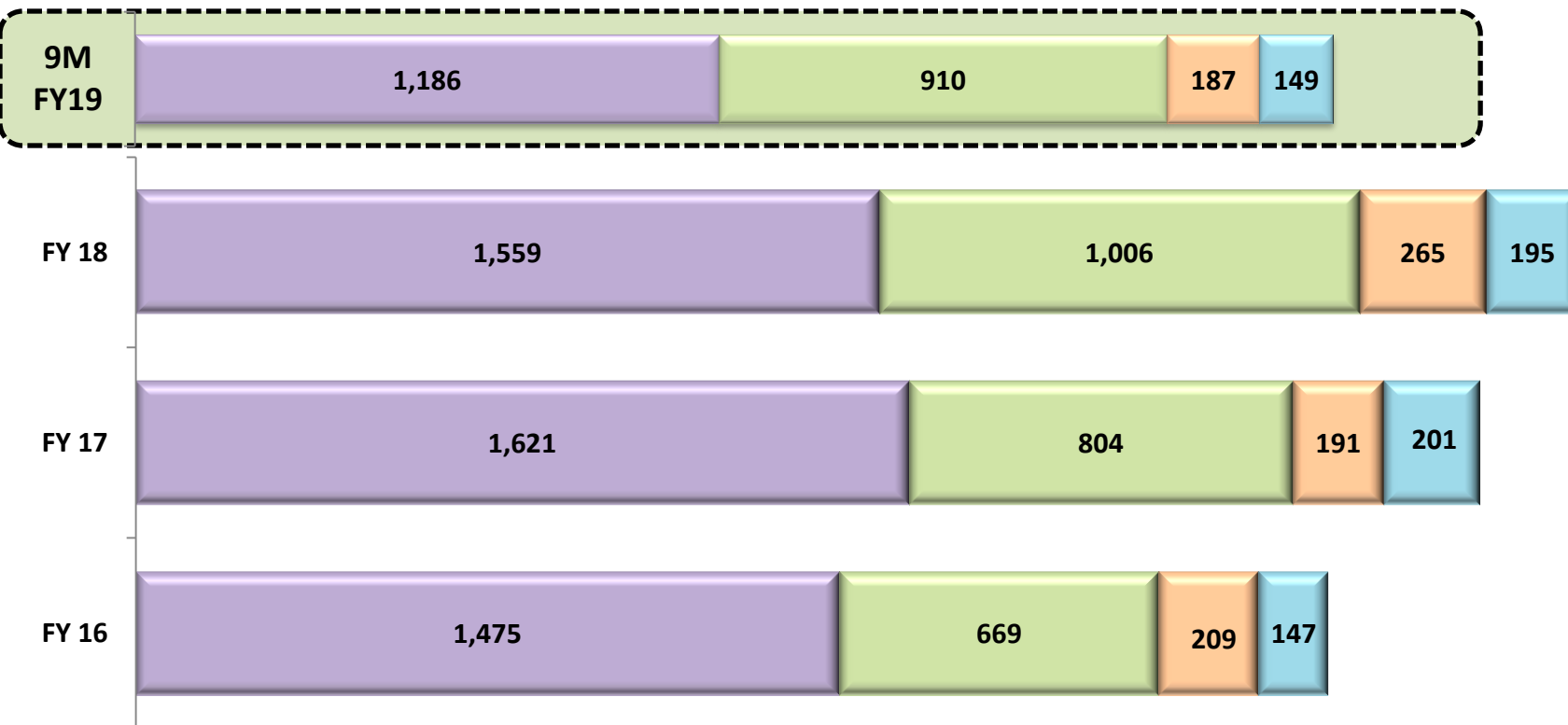
Investments in Co-Gen Power Project 30 MW

- 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

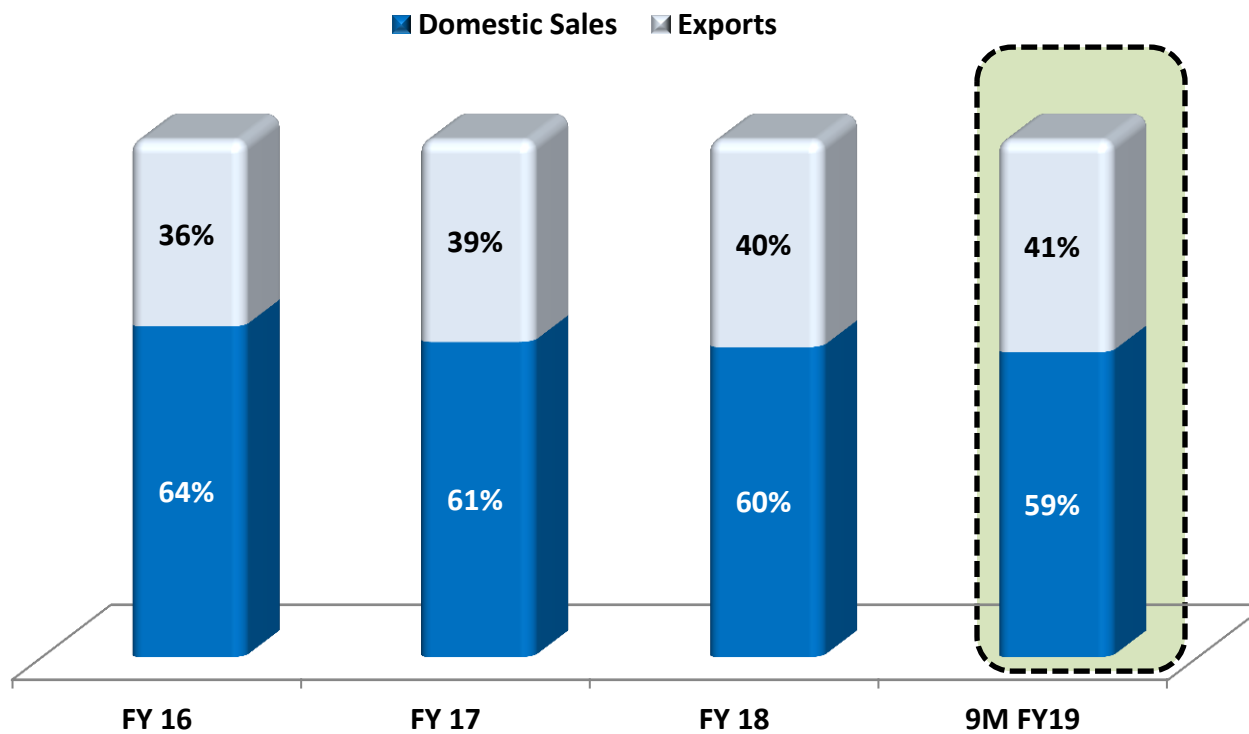
Segment Wise Revenue contribution

■ Yarn & Fabric
 ■ Garments
 ■ Sugar
 ■ Others

₹ in Crore



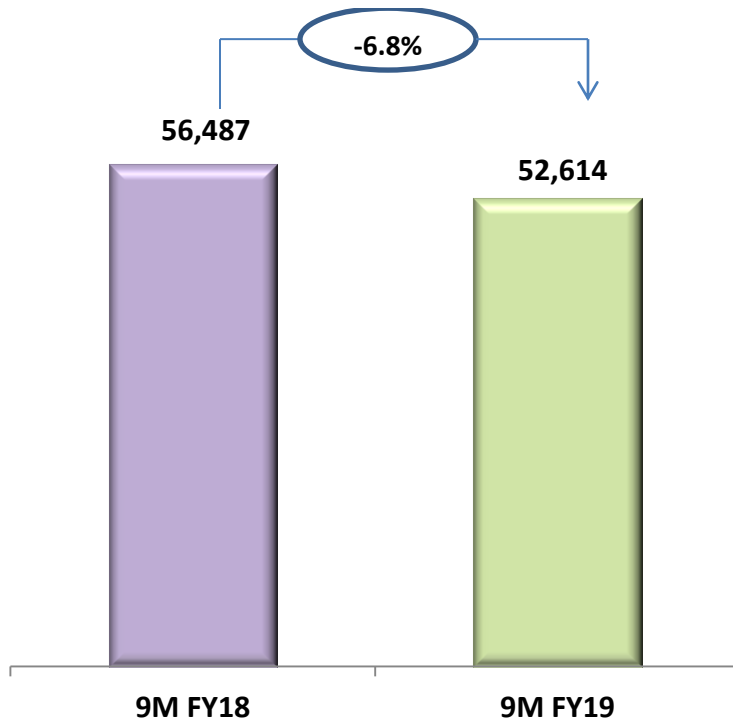
Geographical Split



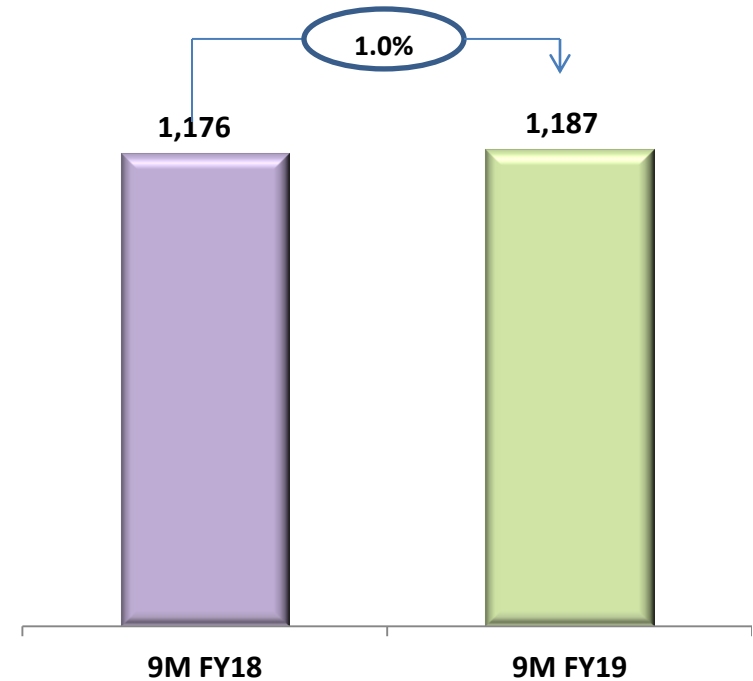
Yarn & Fabric



Yarn & Fabric Sales [MT]



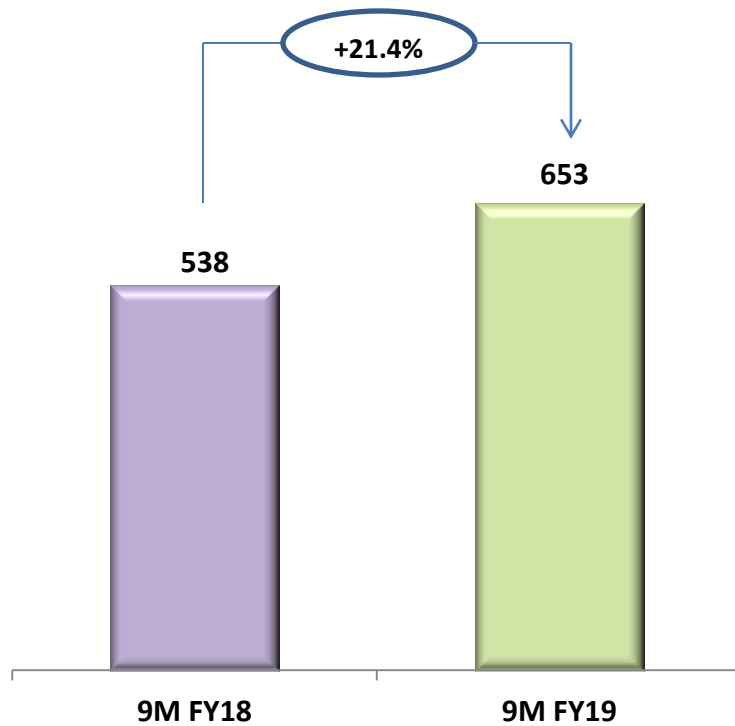
Yarn & Fabric Sales [₹ Crore]



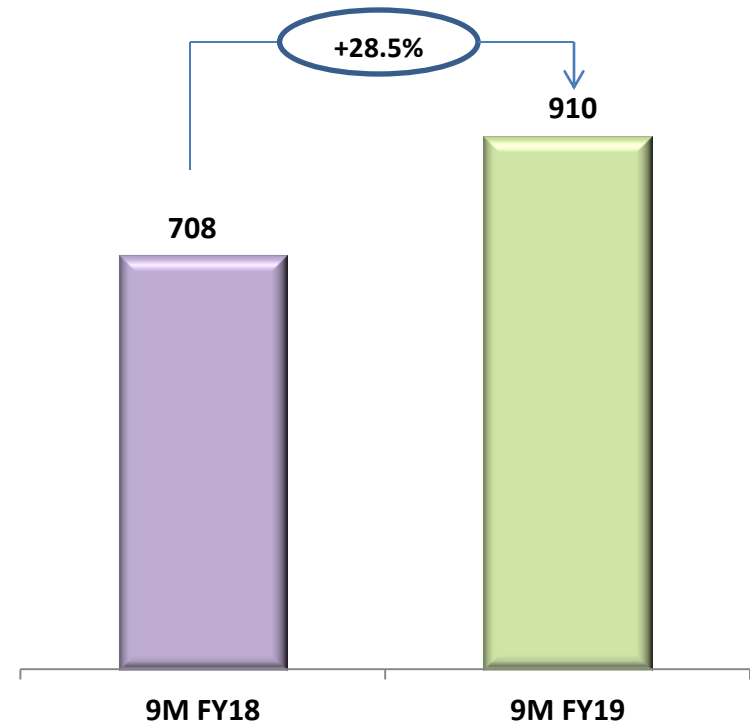
Garments



Garment Sales [No. of Garments in Lacs]

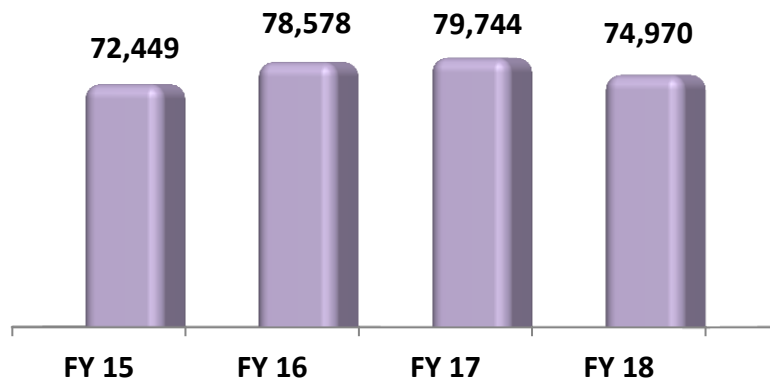


Garment Sales [₹ Crore]

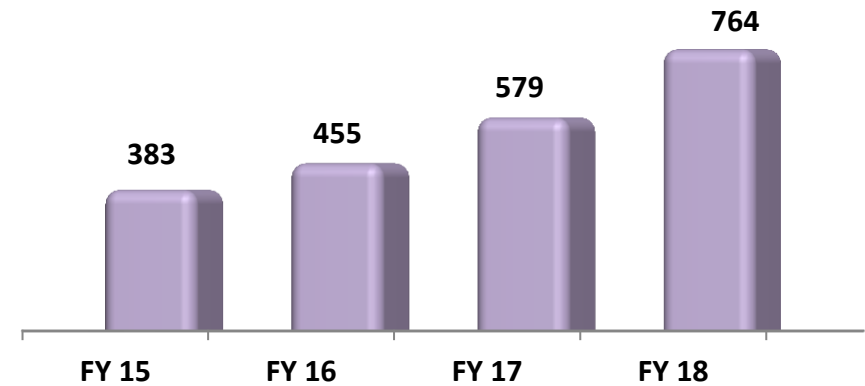


Historical Performance

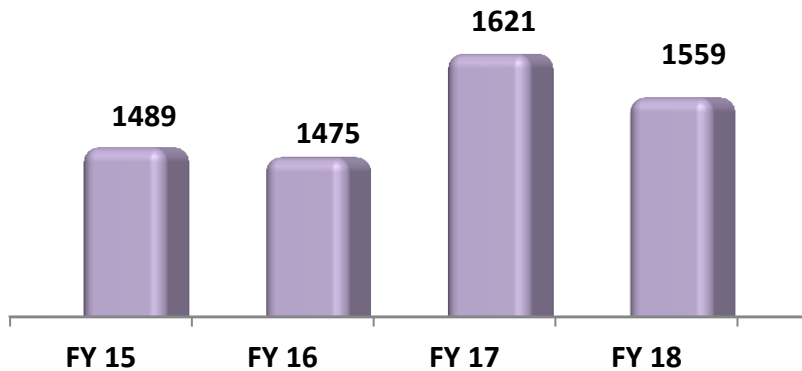
Yarn & Fabric Sales [MT]



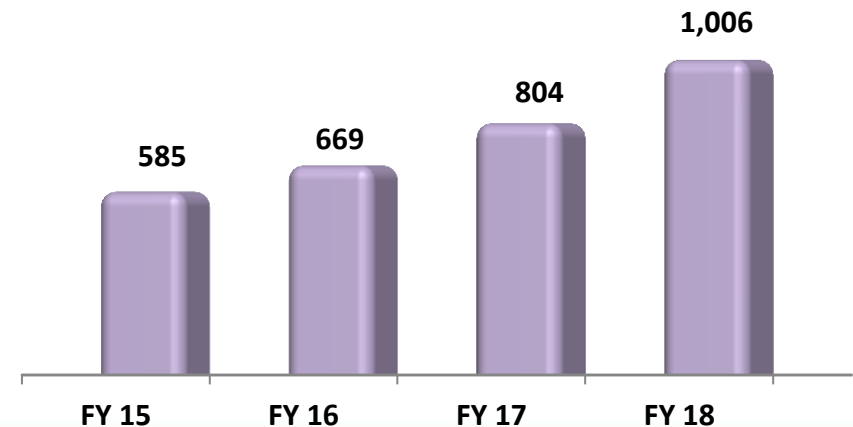
Garment Sales [No. of Garments in Lacs]



Yarn & Fabric Sales [₹ Crore]

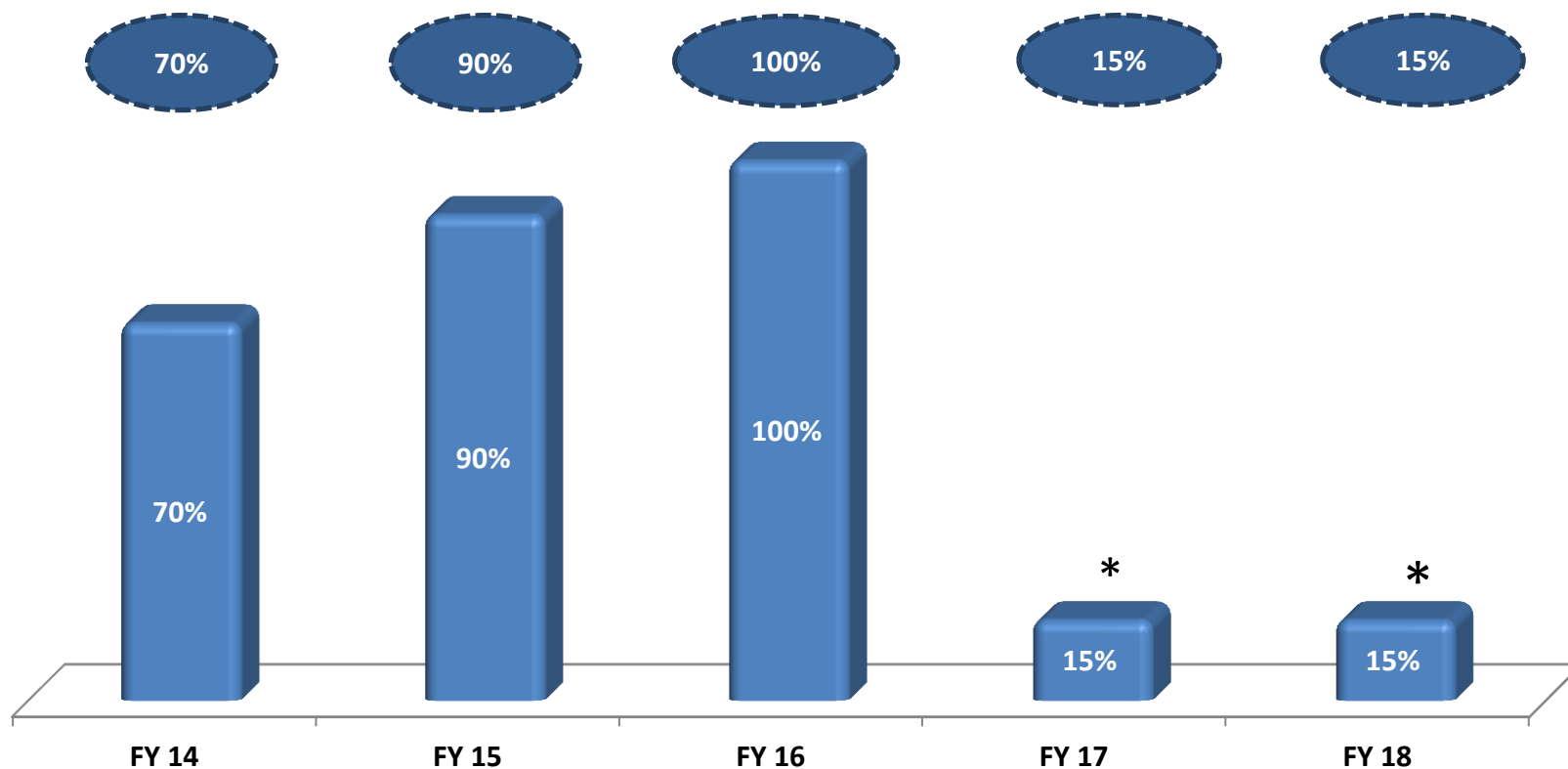


Garment Sales [₹ Crore]



Note : Captive consumption of Yarn & Fabric increased for FY 2018

Dividend track Record



* During the year Company resorted to buyback of shares with a consideration of ₹ 10,813 Lakhs (Previous year ₹ 9,702 Lakhs)

Book Value & EPS

Particulars	FY 15	FY 16	FY 17	FY18	9MFY19
Book Value Per Share (₹)	125.42	146.03	174.01	212.45	234.66
Earning Per Share (₹)	22.86	27.86	38.17	39.30	34.28
Dividend Per Share %	90%	100%	* 15%	* 15%	
Dividend Per Share (₹)	9.00	10.00	* 0.75	* 0.75	

* During the year Company resorted to buyback of shares with a consideration of ₹ 10,813 Lakhs (Previous year ₹ 9,702 Lakhs)

For further information, please contact:

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