

# K.P.R. MILL LIMITED

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30/04/2019

The Listing Department,  
Bombay Stock Exchange Ltd.  
1<sup>st</sup> 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: Concall on 30/04/2019 – Investor Presentation.**

Further to our letter dated 27/04/2019 indicating Concall on 30/04/2019 at 4:00 P.M we are uploading the investor presentation for the 4Q FY 2018-19.

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 Q4 FY19





# Safe Harbor



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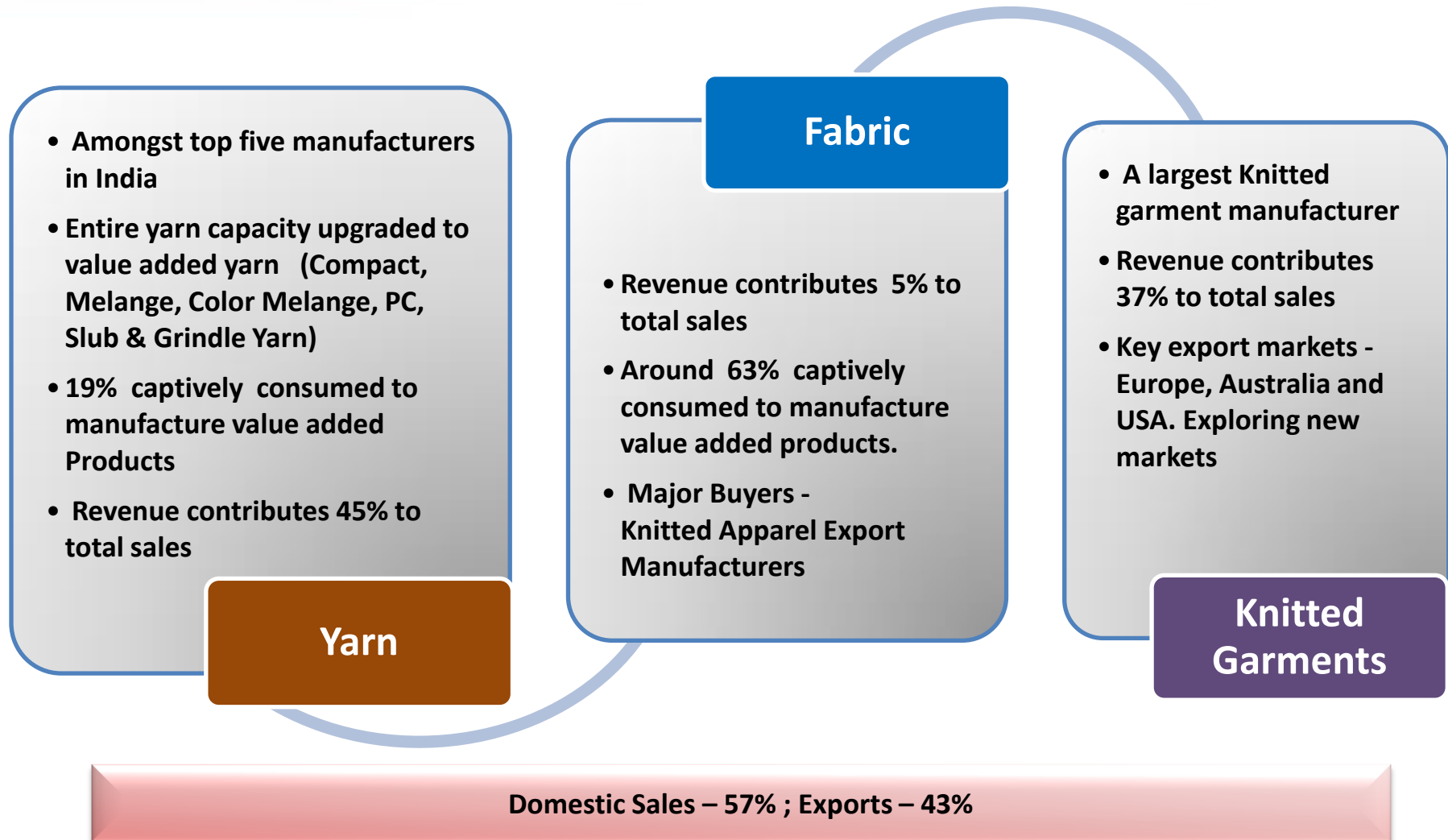
# Manufacturing Facilities



## 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

- Garment Production up by 20.20% YoY to 94.19 Million Garments as against 78.36 Million Garments
- Revenue up by 12.54% YoY to ₹ 3,420.91 Crores as against ₹ 3,039.70 Crores
- EBITDA up by 10.04% YoY to ₹ 648.65 Crores as against ₹ 589.44 Crores
- PBT up by 17.72% YoY to ₹ 468.58 Crores as against ₹ 398.03 Crores
- PAT up by 15.32% YoY to ₹ 334.87 Crores as against ₹ 290.38 Crores



# Consolidated P&L

₹ Crore	Q4 FY19	Q4 FY18	YoY %	FY19	FY18	YoY %
<b>Revenue</b>	<b>958</b>	<b>823</b>	<b>16.4%</b>	<b>3421</b>	<b>3040</b>	<b>12.50%</b>
Raw Material	585	505		2027	1841	
Employee Expenses	96	76		381	300	
Other Expenses	110	89		364	309	
<b>EBITDA</b>	<b>167</b>	<b>153</b>	<b>9.2%</b>	<b>649</b>	<b>590</b>	<b>10.0%</b>
EBITDA Margin	17.4%	18.6%		19.0%	19.4%	
Interest & Finance Charges	14	11		49	52	
Depreciation	32	33		131	140	
PBT	121	109	<b>11.0%</b>	469	398	17.8%
Tax	35	36		134	108	
<b>PAT</b>	<b>86</b>	<b>73</b>	<b>17.8%</b>	<b>335</b>	<b>290</b>	<b>15.5%</b>
PAT Margin	9.0%	8.9%		9.8%	9.5%	

# 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

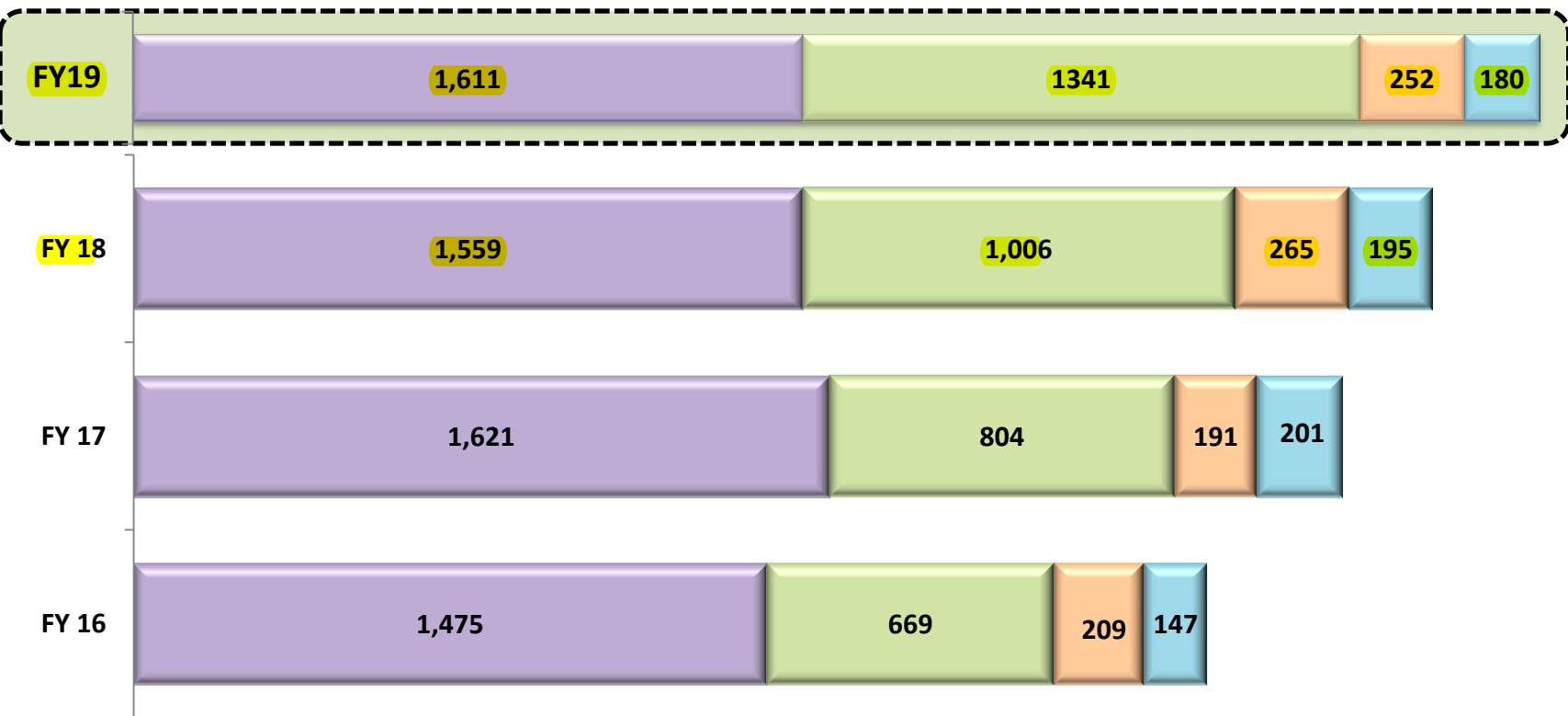
## Investments in Co-Gen Power Project 30 MW

- 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

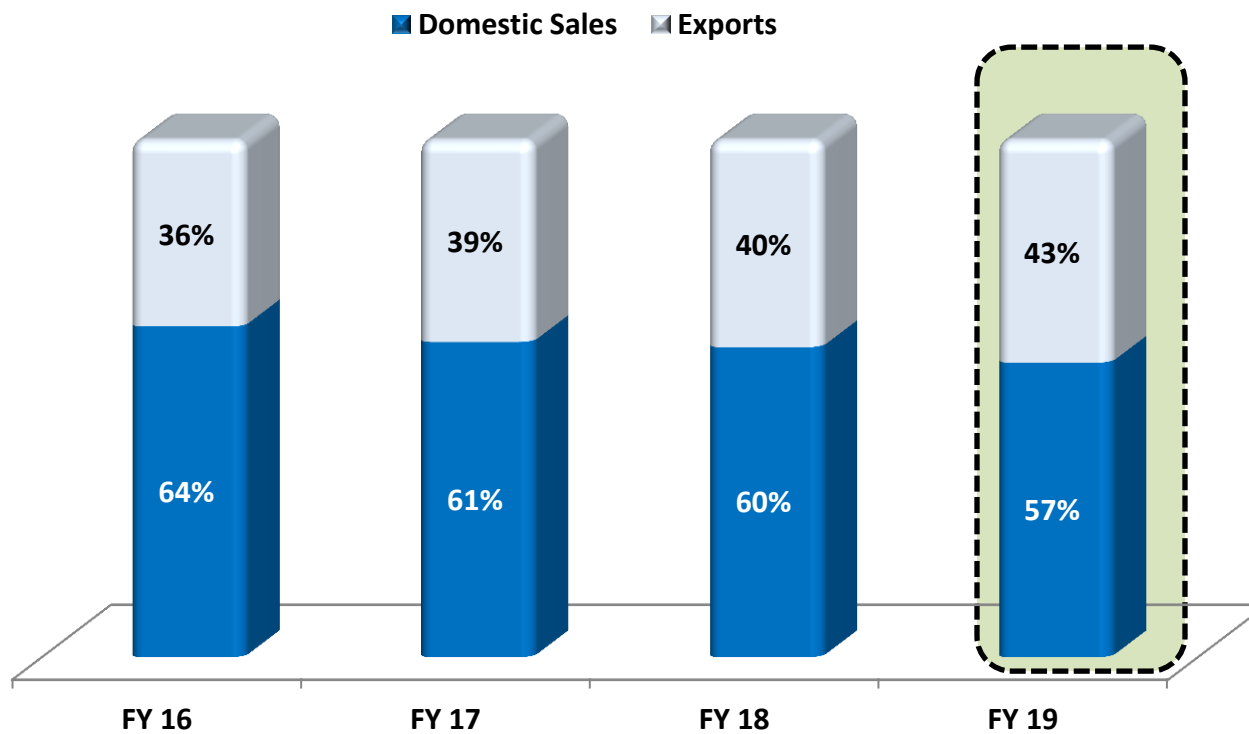
■ Yarn & Fabric 
 ■ Garments 
 ■ Sugar 
 ■ Others

₹ in Crore





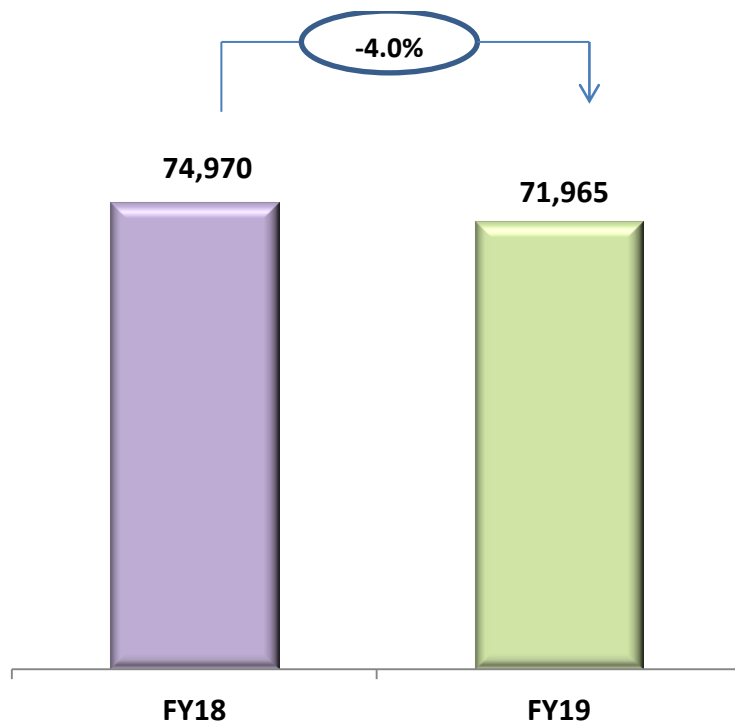
# Geographical Split



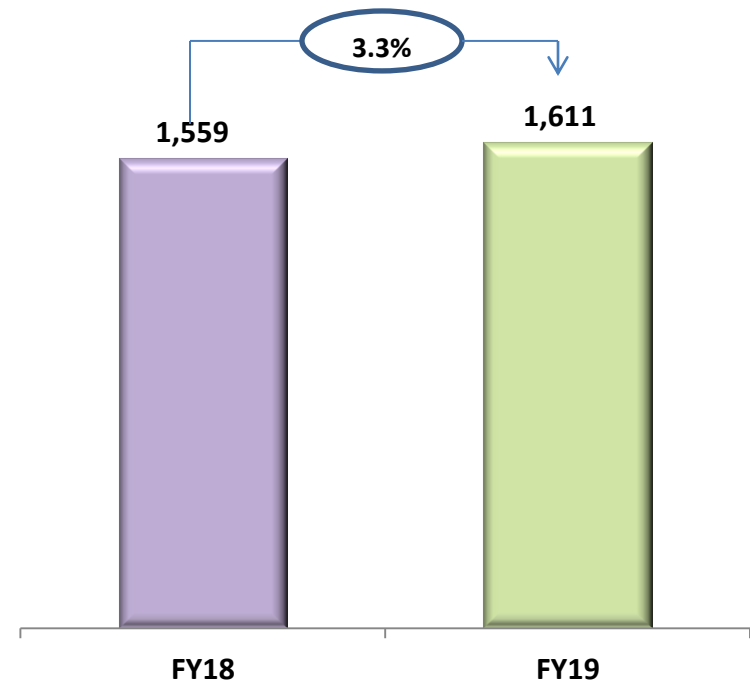
# Yarn & Fabric



**Yarn & Fabric Sales [MT]**



**Yarn & Fabric Sales [₹ Crore]**

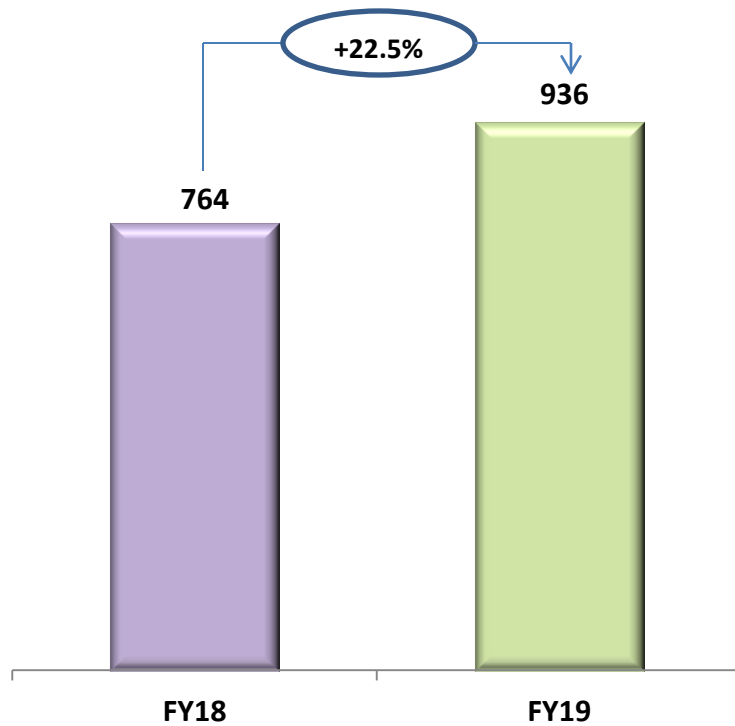


Note : Captive consumption of Yarn & Fabric increased for FY 2019

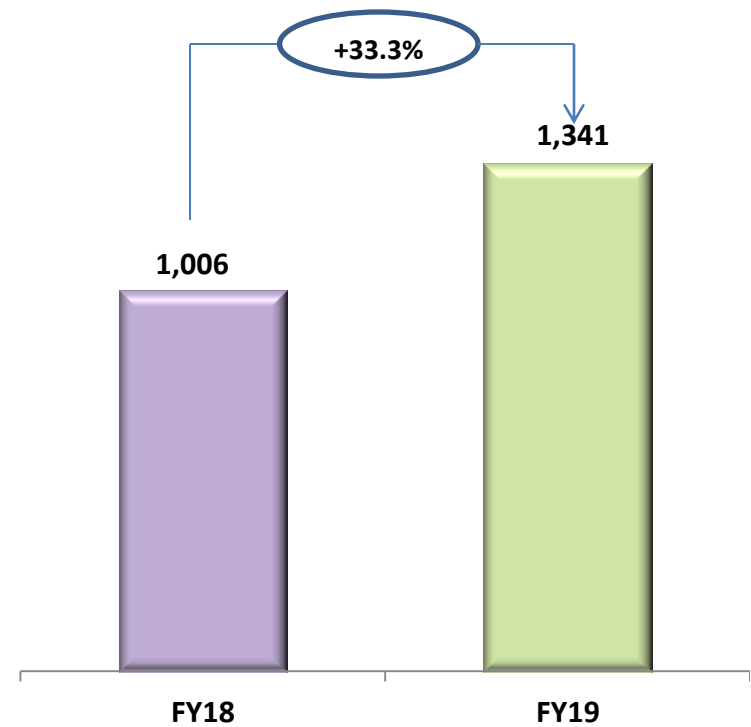
# Garments



Garment Sales [No. of Garments in Lacs]

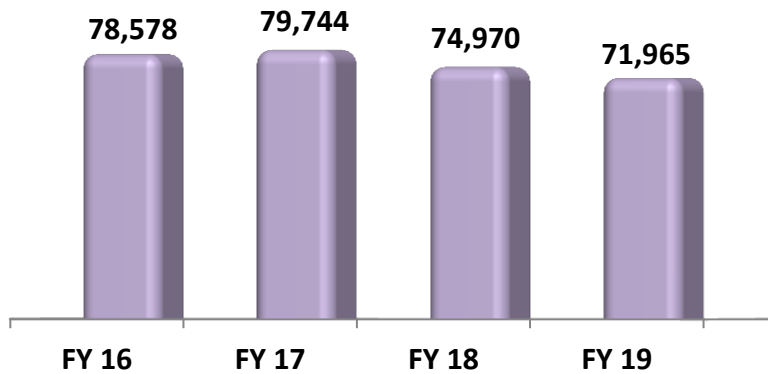


Garment Sales [₹ Crore]

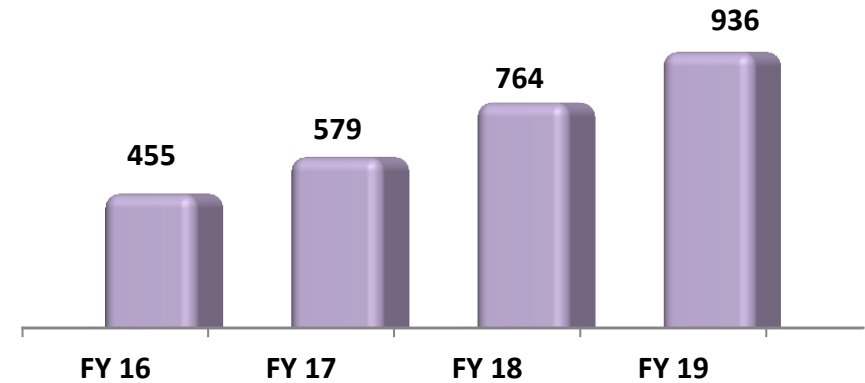


# Historical Performance

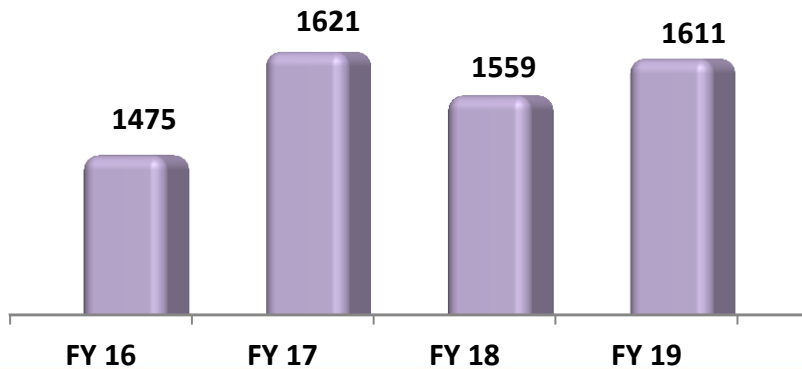
**Yarn & Fabric Sales [MT]**



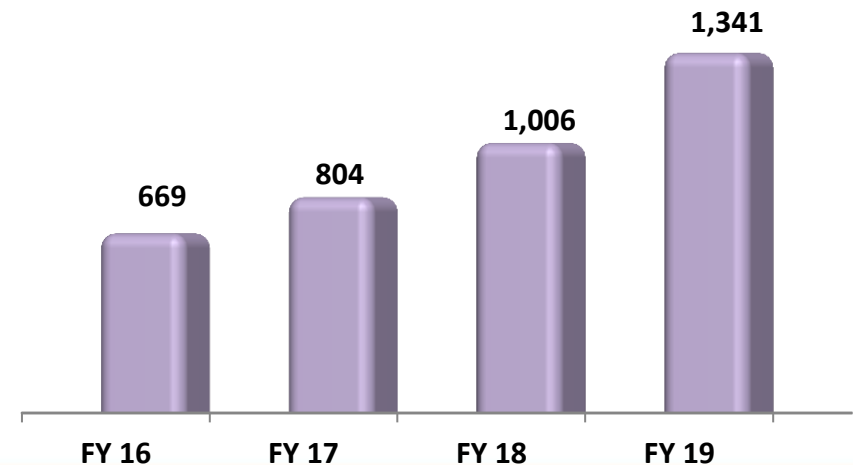
**Garment Sales [No. of Garments in Lacs]**



**Yarn & Fabric Sales [₹ Crore]**



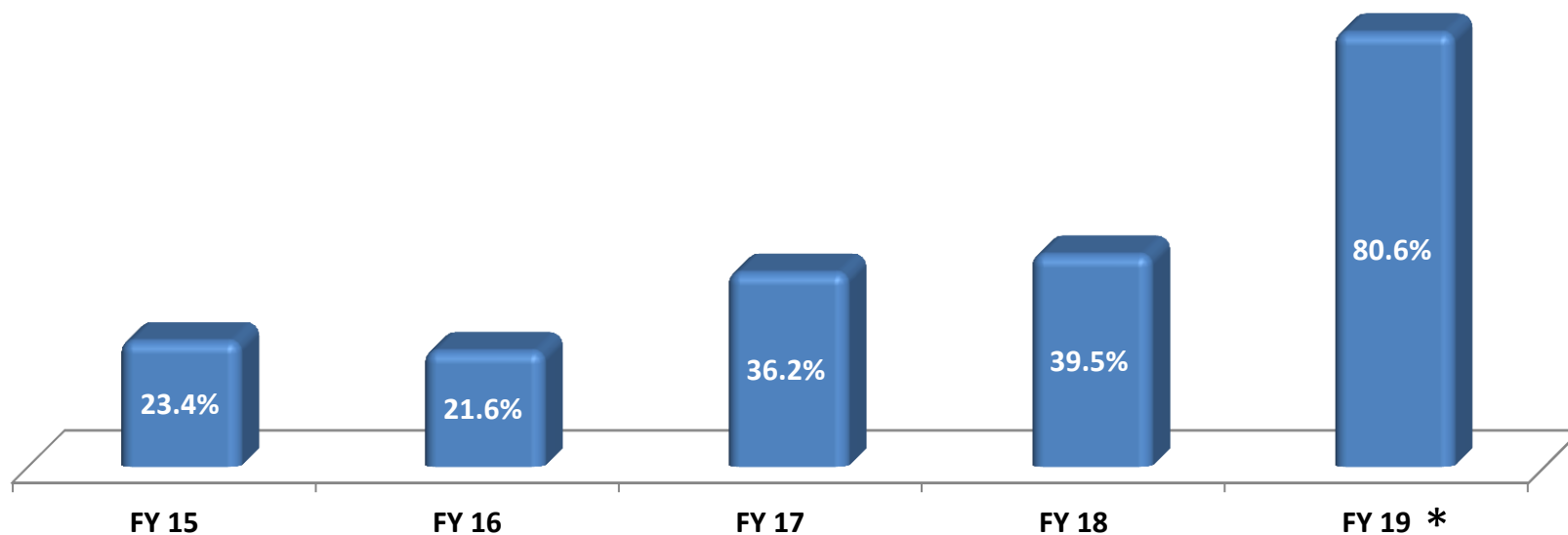
**Garment Sales [₹ Crore]**



Note : Captive consumption of Yarn & Fabric increased for FY 2019



# Profit distributed to Share holders



\* Subject to approval of Share Holders

## Profit distributed to Share Holders

Particulars	FY 15	FY 16	FY 17	FY18	FY19 *
Profit After Tax - ₹ Crores	173.57	210.11	286.82	290.38	334.87
Payment to Share Holders - ₹ Crores	40.69	45.36	103.69	114.67	269.85
Payment % to Share Holders	23.44%	21.59%	36.15%	39.49%	80.58%

\* Subject to approval of Share Holders

For further information, please contact:

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**Company :**

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