K.P.R. MILL LIMITED

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

26.10.2019

The Listing Department
Bombay Stock Exchange Ltd.
1st Floor, Rotunda Buildings,
Phiroze Jeejeebhoy Towers,
Mumbai-4 0 0 001.

SCRIP CODE: 532889

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

SYMBOL: KPRMILL

Dear Sir,

Sub: Investor Presentation for the quarter/half-year ended 30.09.2019 – Q2 FY 2019-20

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Investor Presentation for the quarter/half-year ended 30.09.2019

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

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

FASO™
ITALIAN AT HEART

KPR MILL LIMITED

RESULT UPDATE

Q2 FY2020

Safe Harbor

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100% ORGANIC COTTON
COTTON STRETCH


FASO™
ITALIAN AT HEART
BODYWEAR

WHY 'FASO' (Specialities)

- 100% Organic Cotton
- Super fine combed compact yarn
- Knitting by global standard "Mayer & Cie" machines
- Processing through hi-tech eco- friendly cold processing technology
- Garments
  - World's best advanced technology Sewing Machines
  - With Super soft micro nylon elastics
  - By highly skilled & dedicated work force
  - In centralised Air-Conditioned Facilities.
- stringent Quality control at every stages of production
- Above all, the vertical integration reaps the benefits of own supply chain

These key factors ensure ultra-soft comfort and skin friendly '**FASO**' Products

Manufacturing Facilities

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

Yarn :
1,00,000 MT

Fabric :
27,000 MT

Garments :
115 million Garments

Processing :
22,000 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 1,500 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
- Garment plant in Ethiopia – Ramping up in progress
- Retail segment - 'FASO' - 100% Organic Cotton Men's innerwear launched

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, PC, Slub & Grindle Yarn)
- 23% captively consumed to manufacture value added Products
- Revenue contributes 43% to total sales

Fabric

- Revenue contributes 4% to total sales
- Around 73% captively consumed to manufacture value added products.
- Major Buyers - Knitted Apparel Export Manufacturers

Knitted Garments

- A largest Knitted garment manufacturer
- Revenue contributes 42% to total sales
- Exporting to over 60 Countries
- Key export markets - Europe, Australia & USA.
- Retail segment : 'FASO' – 100% Organic Cotton Men's innerwear launched

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 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
- Exporting to over 60 Countries

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.
- Garment plant in Ethiopia – Ramping up in progress .
- **Retail segment - 'FASO' - 100% Organic Cotton Men's innerwear launched**

KPR is well Poised to capture the

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 115 mn garment 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 – Ramping up in progress
- Retail segment - **'FASO'** 100% organic Cotton Men's innerwear launched.

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...

2016-17

- 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

2018-19

- 2018 – Established 10 Million Garment Manufacturing unit at Mekelle, Ethiopia.
- 2019 – Increased Processing capacity by 4000 MT
- 2019 – Brown field garment expansion by 10 Mn Garments

2019-20

- 2019 – Setting up 90 KLPD Ethanol Plant with an estimated Cost of Rs.120 Crores
- 2019 –Retail segment : **'FASO' 100% Organic Cotton Men's innerwear launched**

Key Highlights of H1 FY 2020

- H1 FY20 Garments Production up by 16.04% YoY to 52.75 Mn Garments as against 45.46 Mn Garments
- H1 FY20 Revenue at ₹ 1728.18 Crores
- H1 FY20 EBITDA up by 14.16% YoY to ₹ 366.36 Crores as against ₹ 320.93 Crores
- H1 FY20 PBT up by 18.94% YoY to ₹ 273.64 Crores as against ₹ 230.07 Crores
- H1 FY20 PAT up by 22.17% YoY to ₹ 201.37 Crores as against ₹ 164.83 Crores
- **100% Organic Cotton Men's Innerwear "FASO" launched**

Consolidated P&L

₹ Crore	Q2 FY20	Q2 FY19	YoY %	H1 FY20	H1 FY19	YoY %
Revenue	**819**	**774**	**5.8%**	**1728**	**1684**	**2.6%**
Raw Material	456	435		983	1010	
Employee Expenses	106	103		211	193	
Other Expenses	75	75		168	160	
EBITDA	**182**	**161**	**13.0%**	**366**	**321**	**14.0%**
EBITDA Margin	*22.2%*	*20.8%*		*21.2%*	*19.1%*	
Interest & Finance Charges	12	11		26	25	
Depreciation	34	33		66	66	
PBT	136	117	***16.2%***	274	230	19.1%
Tax	27	33		72	65	
PAT	**109**	**84**	**29.8%**	**201**	**165**	**21.8%**
PAT Margin	*13.3%*	*10.9%*		*11.6%*	*9.8%*	

Self sufficiency in Power with 92 MW Green Power portfolio

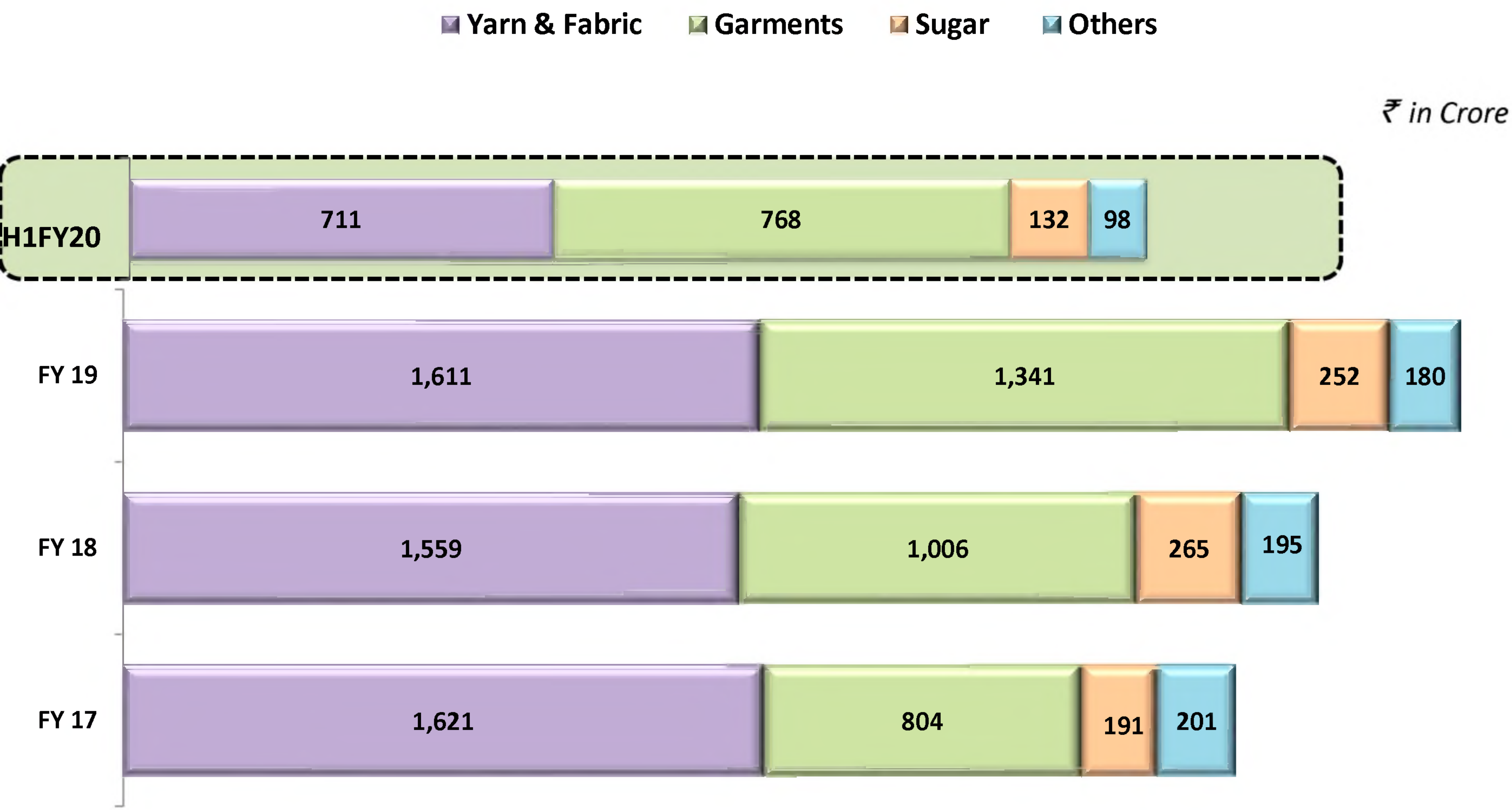
Strategic Investment in Wind Power Project 61.92 MW

- 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

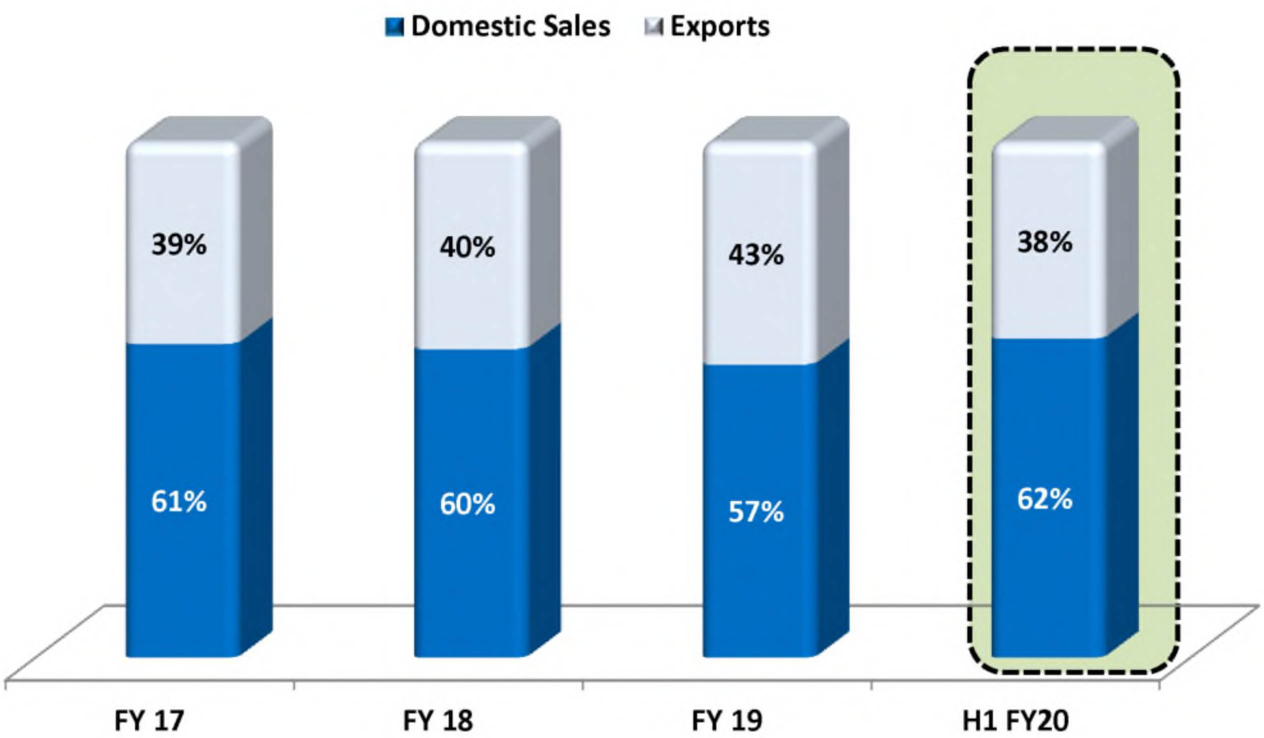
Investments in Co-Gen Power Project 30 MW

- 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

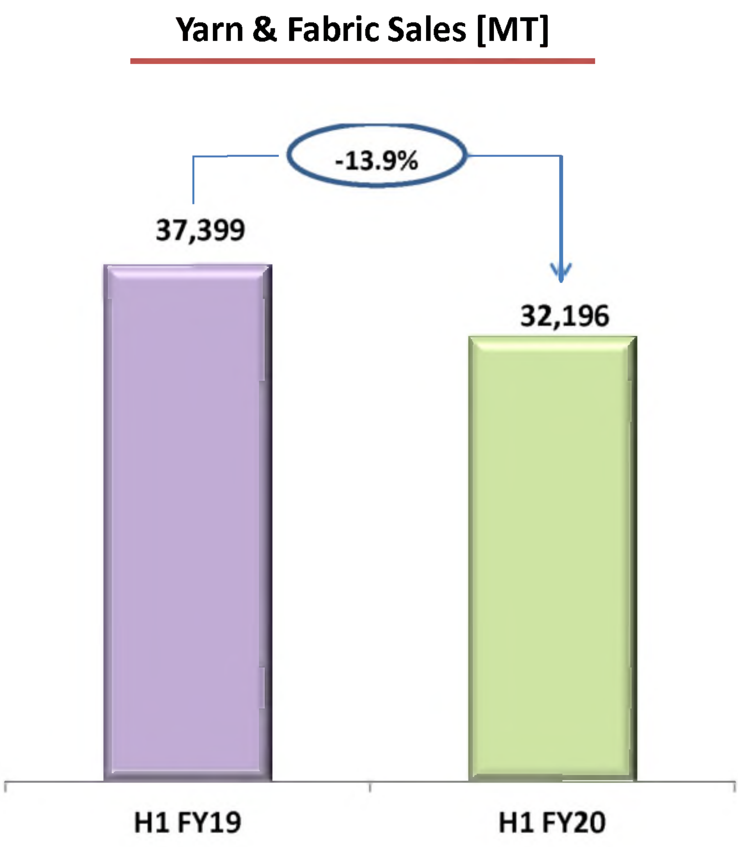
Segment Wise Revenue contribution



Geographical Split

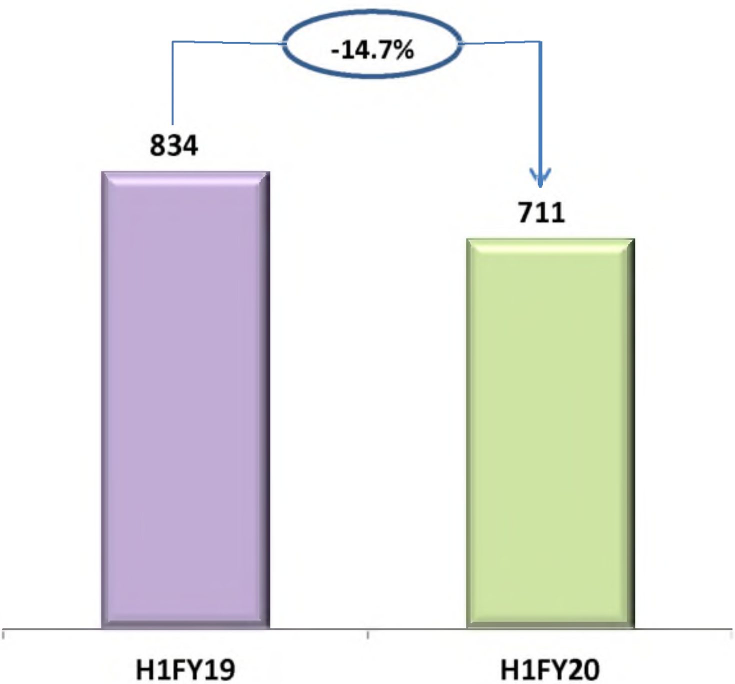


Yarn & Fabric



Note : Captive consumption of Yarn

Yarn & Fabric Sales [₹ Crore]

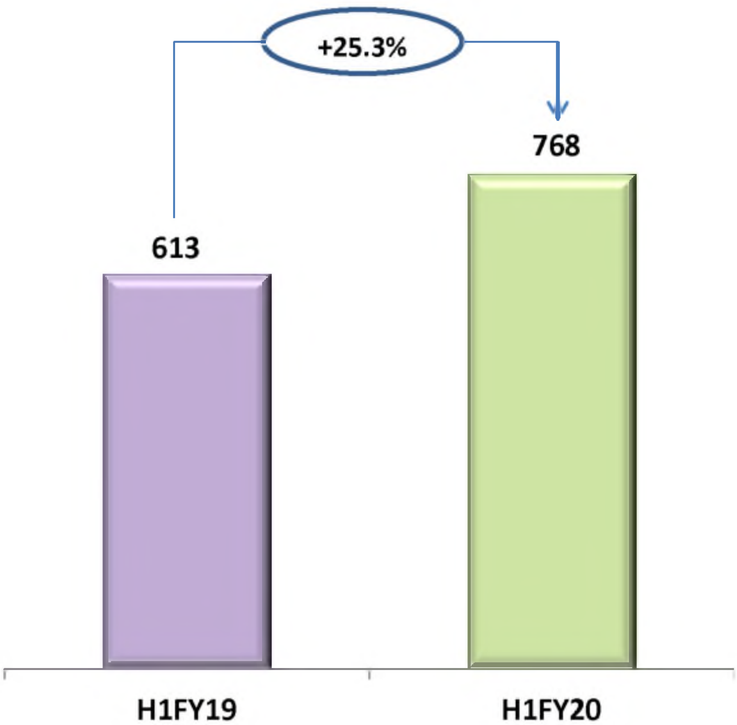


& Fabric increased for H1FY20

Garments

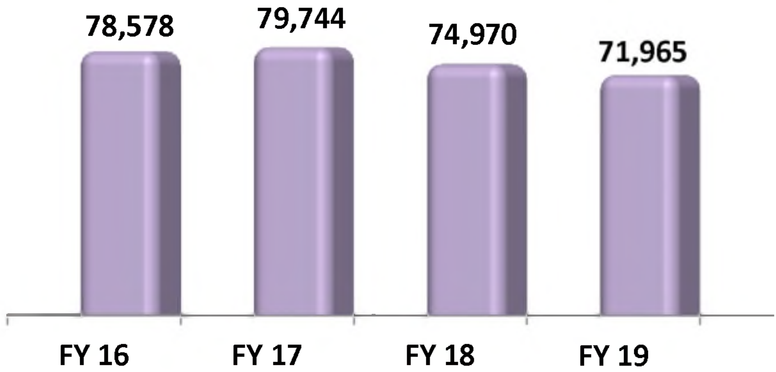

Garment Sales [No. of Garments in Lacs]
+15.1%
512
445
H1FY19
H1FY20

Garment Sales [₹ Crore]

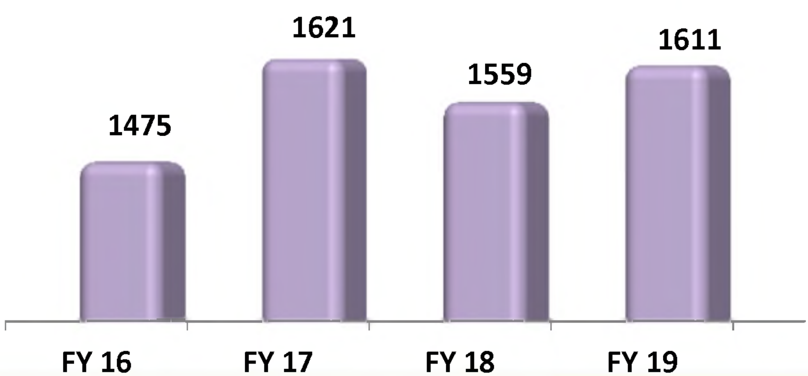


Historical Performance

Yarn & Fabric Sales [MT]

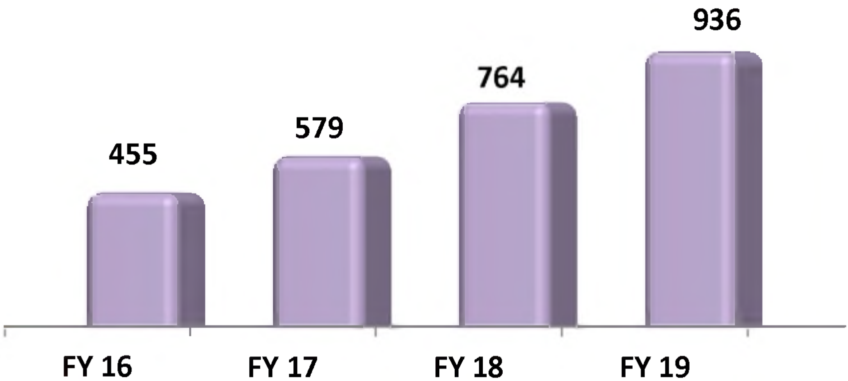


Yarn & Fabric Sales [₹ Crore]

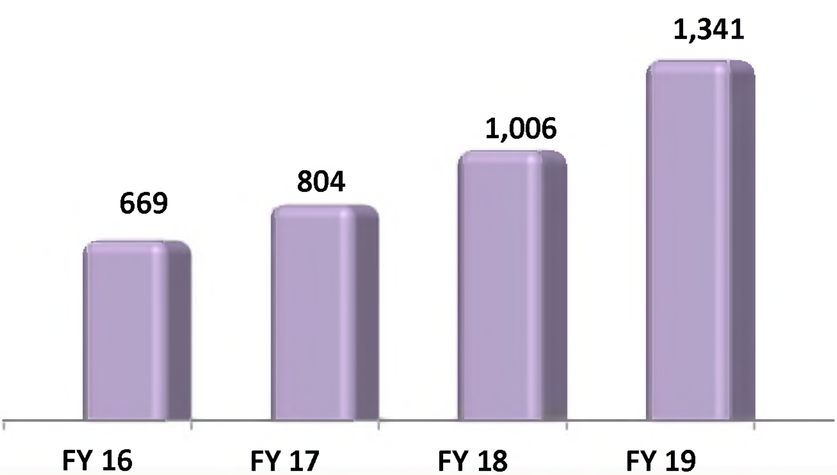


Note : Captive consumption of Yarn

Garment Sales [No. of Garments in Lacs]



Garment Sales [₹ Crore]



& Fabric increased for FY 2019

For further information, please contact:

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