

KPR MILL LIMITED

Result Update Q1 FY2018



Safe Harbor



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Manufacturing Facilities



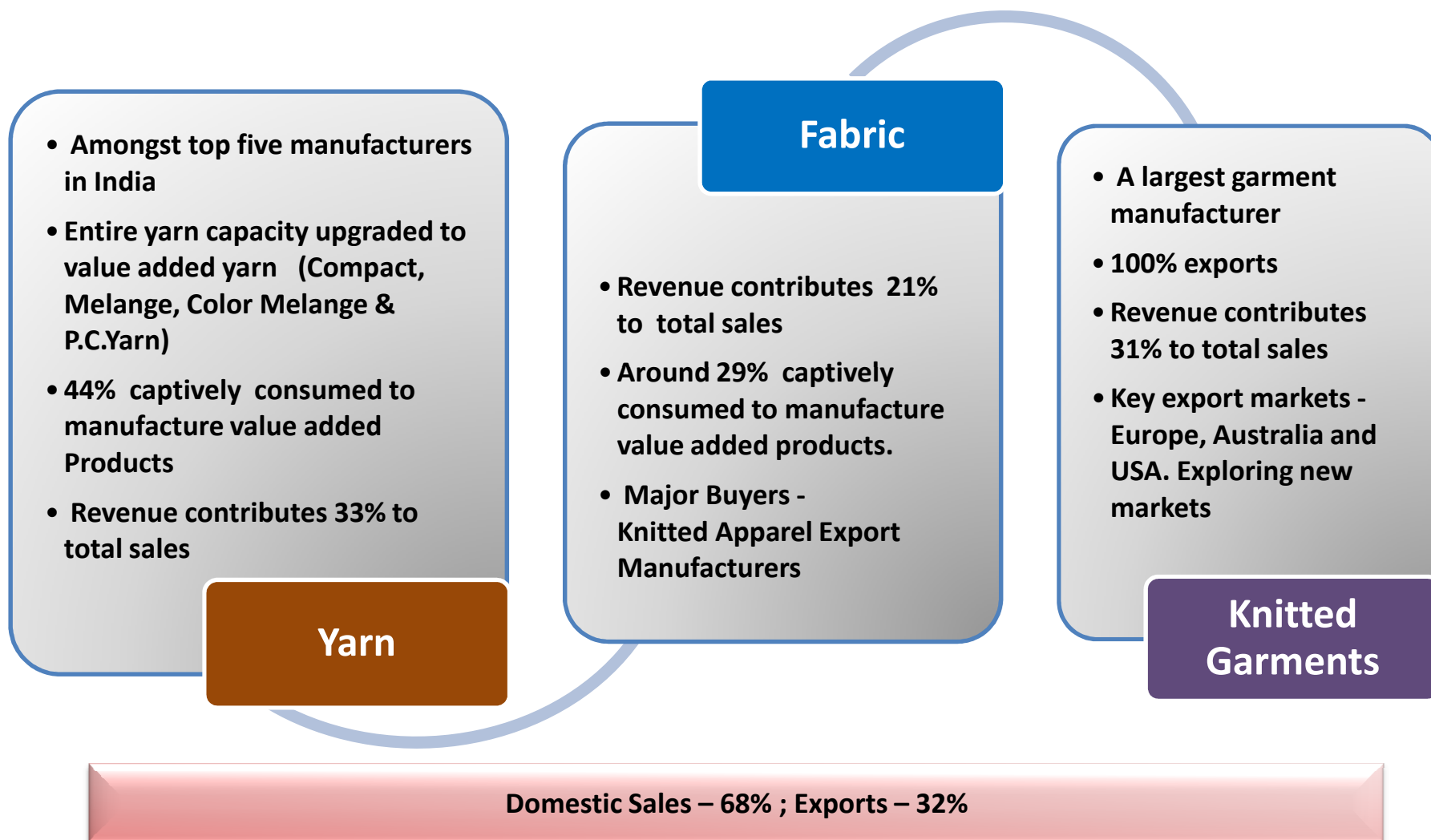
An Overview



- **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 1,200 regular domestic clients for yarn and fabric and around 50 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**
- **With 95 million Garments capacity , KPR has become one of the largest Apparel Manufacturers in India.**
- **New Processing ‘Unit 2” ramp up progresses as per plan**
- **Sophisticated high resolution printing division started commercial operations.**
- **Garment Industry is upbeat with the Government Incentives.**



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 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
- Recent negotiations for India - EU FTA
- Garment Industry is upbeat with proposed Government Incentives

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



- ❖ 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

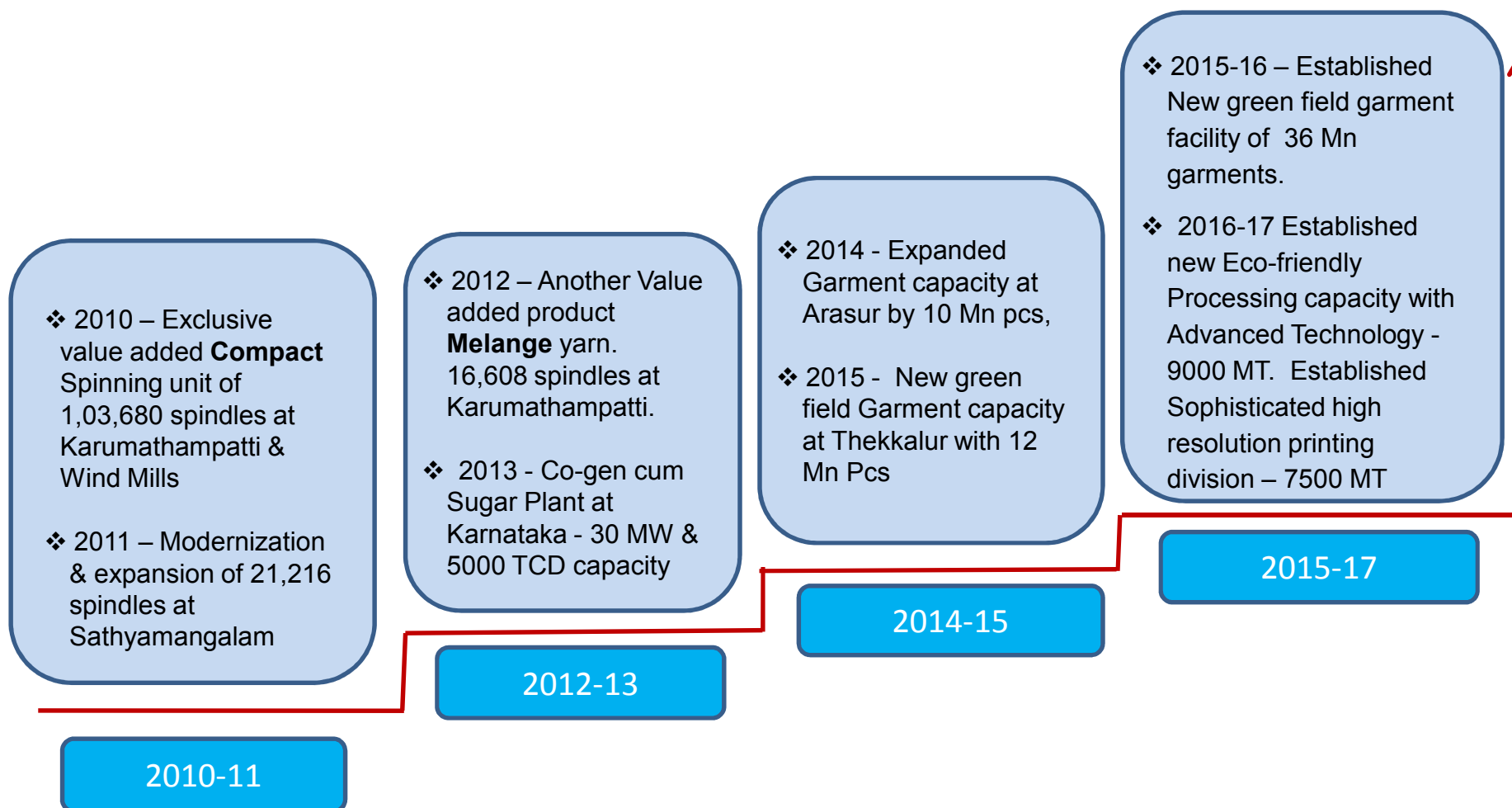
2000-2005

- ❖ 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 Q1 FY 18



- PAT Q1 up 15.9% YoY to ₹ 73 Crore;
- PBT Q1 up 27.2% YoY to ₹ 103 Crore;
- Revenue Q1 up 11.6% YoY to ₹ 751 Crore
- PBDIT Q1 up 13.0% YoY to ₹ 156 Crore;
- Cash Profit Q1 up 11.0% YoY to ₹ 111 Crore;
- Garment Production up by 14.4% YoY to 17.45 Mn Garments
- New Processing 'Unit 2' ramp up progresses as per plan



Consolidated P&L



₹ Crore	Q1 FY18	Q1 FY17	YoY %	Q4 FY17		QoQ %
Revenue	751	673	11.6	791		-5.1
Raw Material	446	397		503		
Employee Expenses	74	63		70		
Other Expenses	75	75		70		
EBITDA	156	138	13.0	148		5.4
EBITDA Margin	20.8%	20.5%		18.7%		
Interest & Finance Charges	15	20		14		
Depreciation	38	37		37		
PBT	103	81		97		
Tax	30	18		25		
PAT	73	63	15.9	72		1.4
PAT Margin	9.7%	9.4%		9.1%		

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

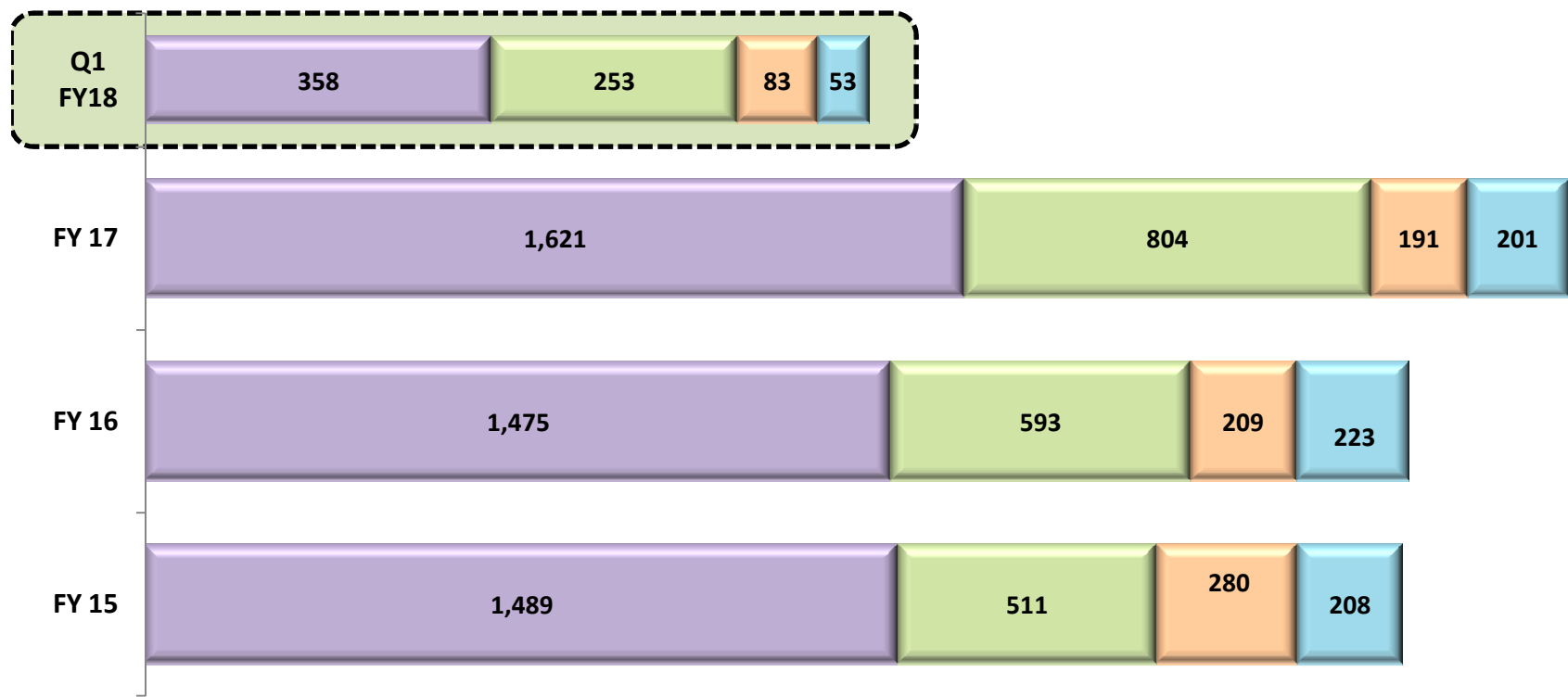
- Invested in 30 MW Co-Gen Power Project
- With Co-gen Power, KPR attained self sufficiency in meeting its substantial power requirement throughout the year



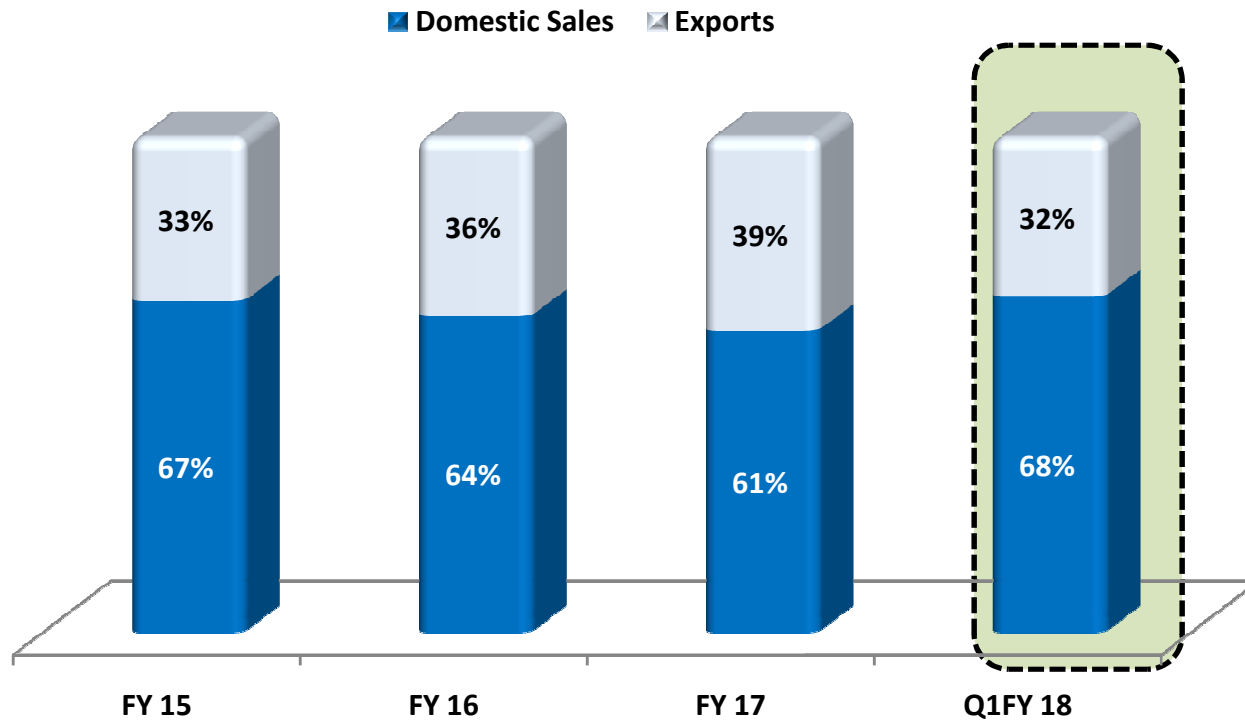
Segment Wise Revenue contribution

■ Yarn & Fabric ■ Garments ■ Sugar ■ Others

₹ in Crore



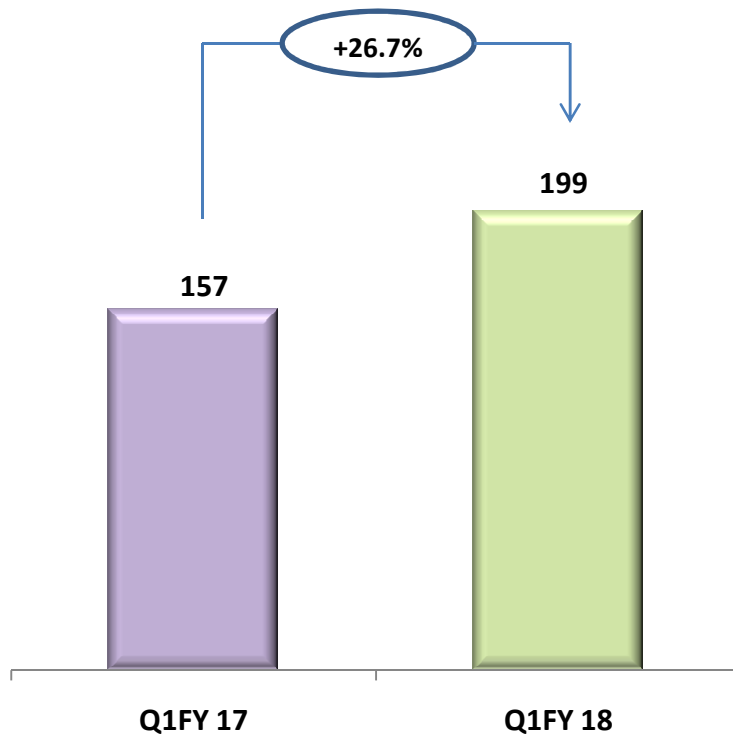
Geographical Split



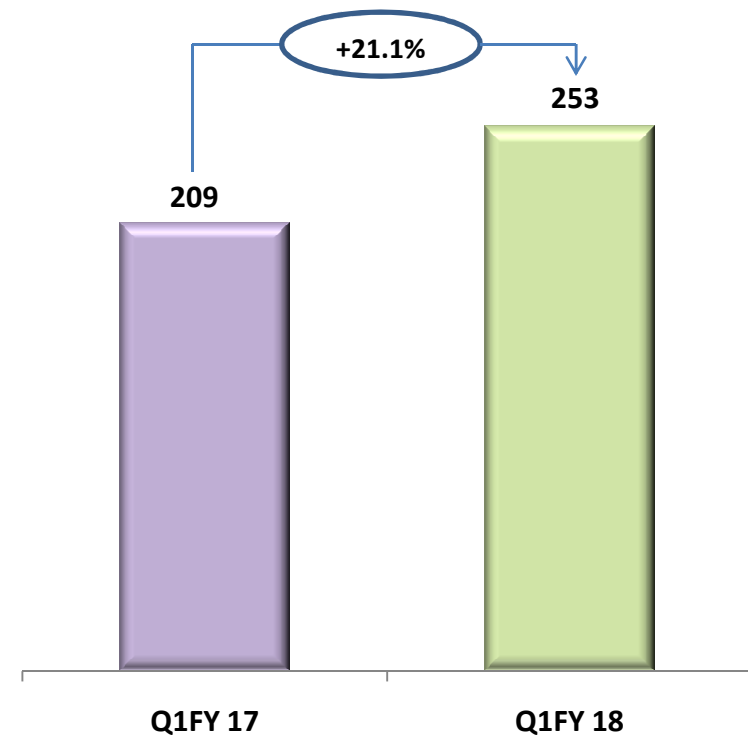
Garments



Garment Sales [No. of Garments in Lacs]



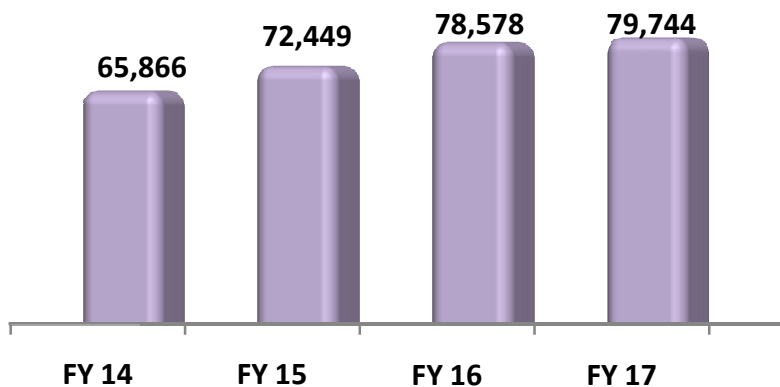
Garment Sales [₹ Crore]



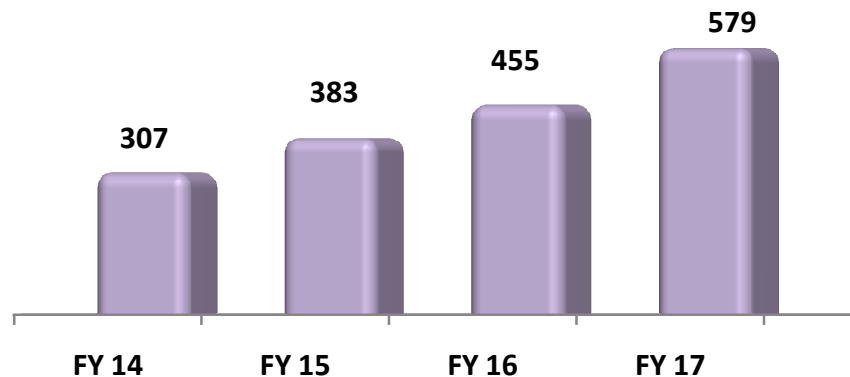


Historical Performance

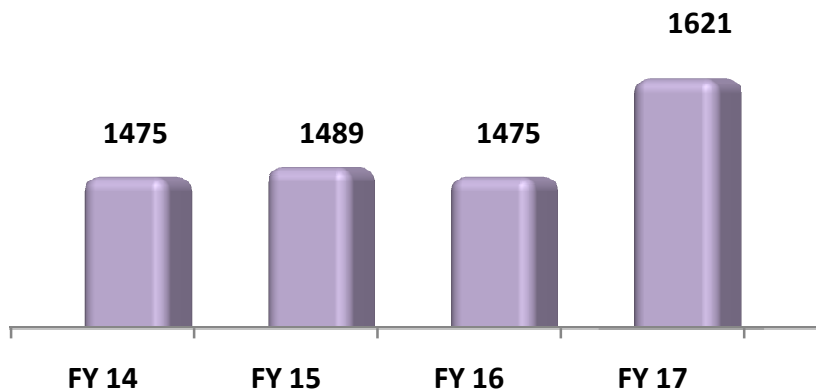
Yarn & Fabric Sales [MT]



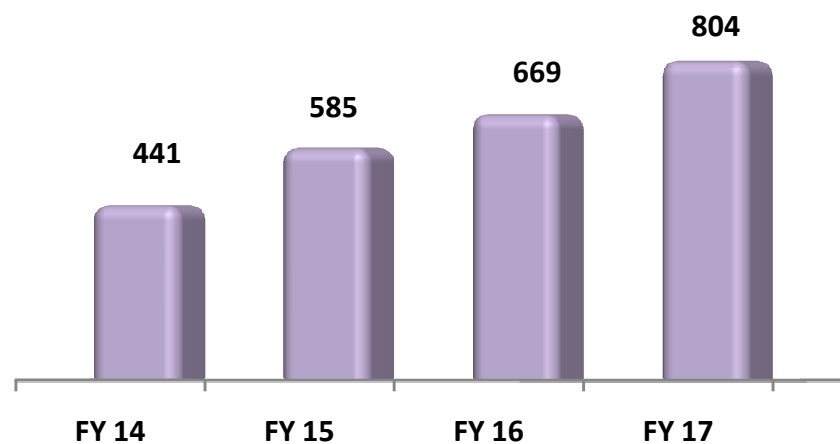
Garment Sales [No. of Garments in Lacs]



Yarn & Fabric Sales [₹ Crore]

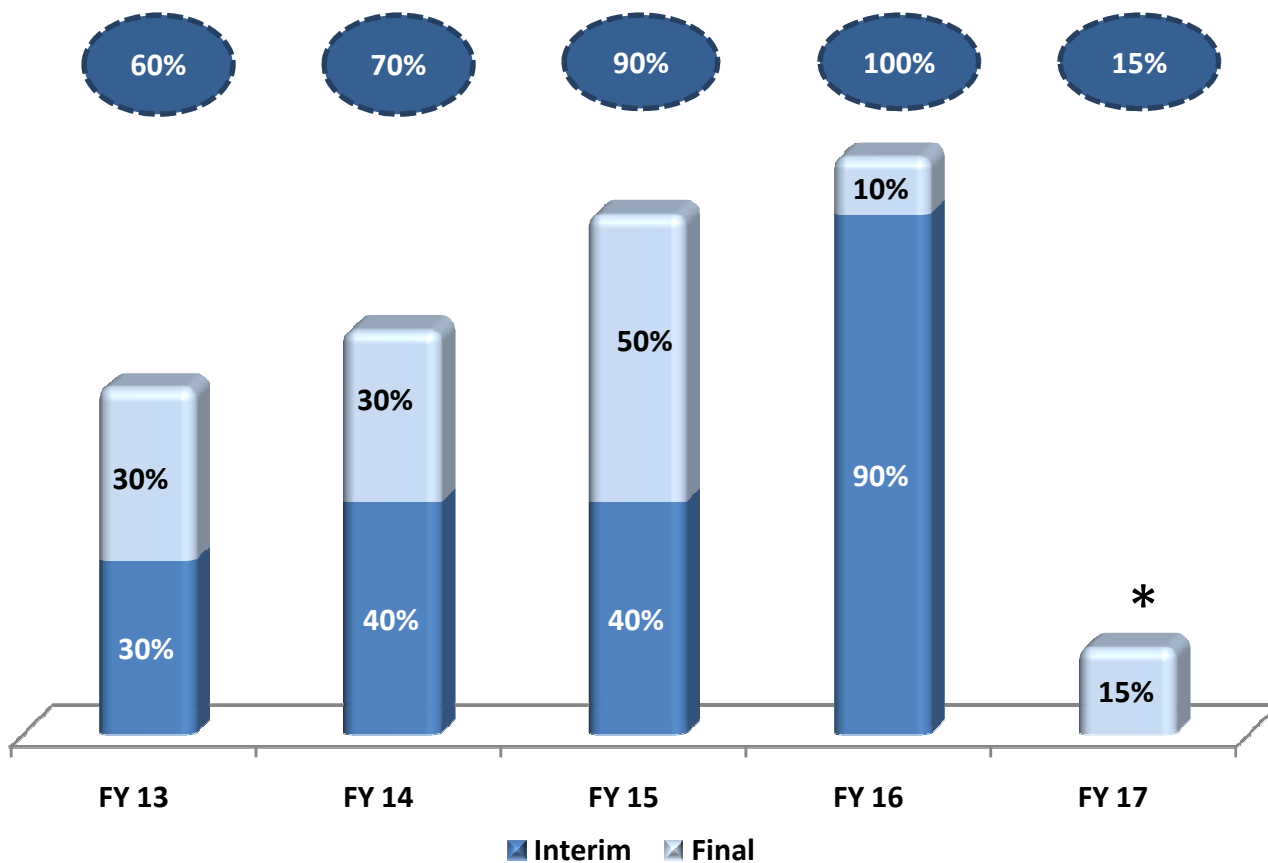


Garment Sales [₹ Crore]





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	Q1 FY18
Book Value Per Share (₹)	108.08	125.42	146.03	174.01	183.50
Earning Per Share (₹)	18.64	22.86	27.86	38.15	9.89
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:

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