

K.P.R. MILL LIMITED

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

29th October, 2018

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: Concall on 30th October, 2018 – Investor Presentation

Further to our letter dated 26th October, 2018 indicating Concall on 30th October, 2018 at 4:00 P.M, we are uploading the investor presentation for the Q2 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 Q2 FY19



Safe Harbor



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Manufacturing Facilities

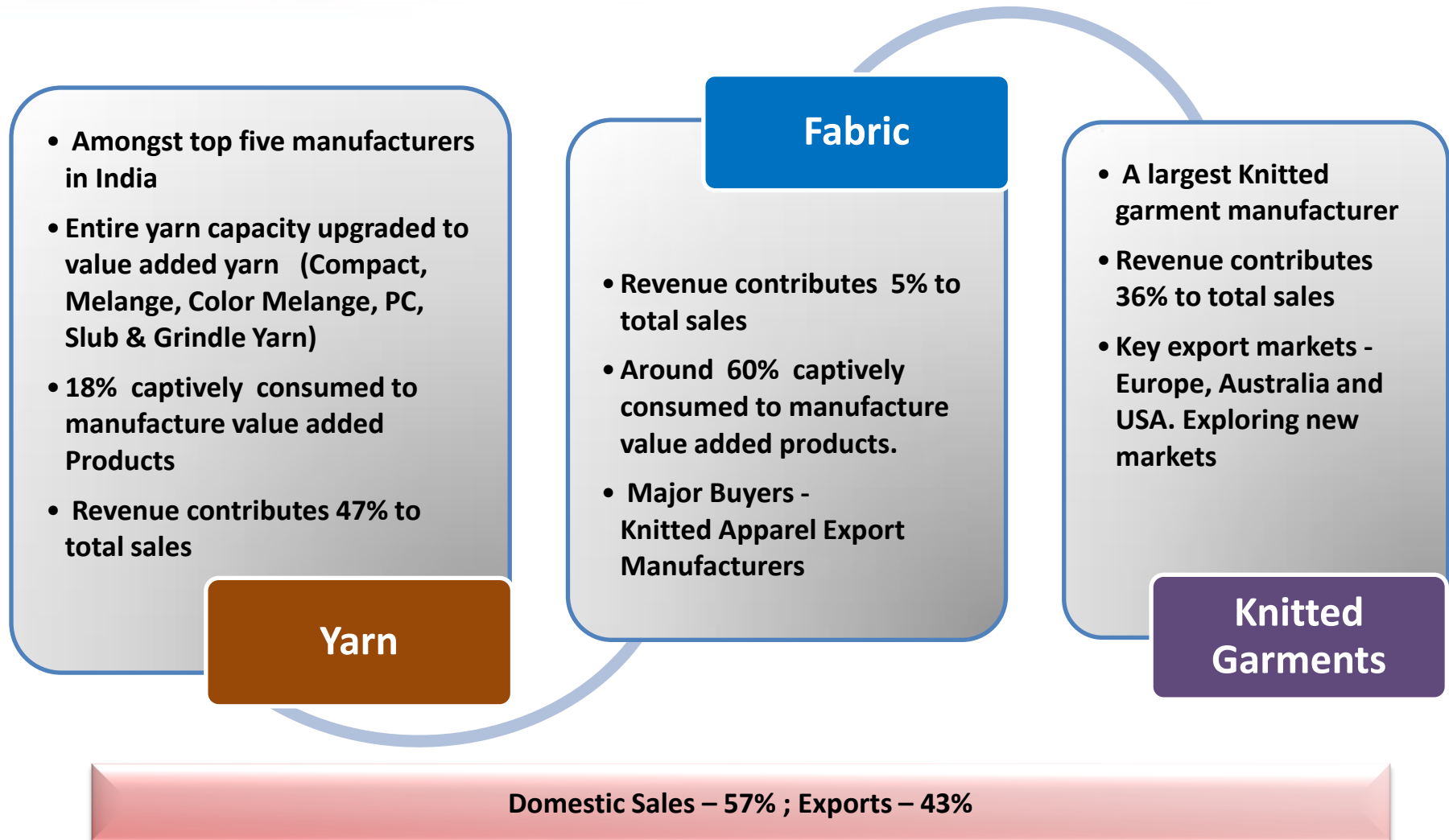


An Overview



- **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 95 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.**
- **Developing global footprint by establishing new Garment plant in Ethiopia.**
- **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 95 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
- Developing global footprint by establishing new Garment plant in Ethiopia
- 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

- ❖ 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

2015-17

Key Highlights of H1 FY 2019

- Garment revenue up by 25.66% YoY to ₹ 613.18 Crores as against ₹ 487.98 Crores.
- Garment Production up by 15.36% Year on Year to 45.46 Million Garments as against 39.41 Million Garments
- Revenue up by 11.33% YoY to ₹ 1666.92 Crores as against ₹ 1497.24 Crores
- PBT up by 14.92% YoY to ₹ 229.94 Crores as against ₹ 200.08 Crores
- EBITDA at ₹ 321.07 Crores as against ₹ 301.39 Crores
- PAT up by 12.35% YoY to ₹ 164.70 Crores as against ₹ 146.59 Crores



Consolidated P&L

₹ Crore	Q2 FY19	Q2 FY18	YoY %	H1 FY19	H1 FY18	YoY %
Revenue	765	747	2.4%	1667	1497	11.4%
Raw Material	434	460		1010	907	
Employee Expenses	95	74		176	147	
Other Expenses	75	67		160	142	
EBITDA	161	146	10.3%	321	301	6.6%
EBITDA Margin	21.0%	19.5%		19.3%	20.1	
Interest & Finance Charges	11	13		25	28	
Depreciation	33	35		66	73	
PBT	117	98	19.4%	230	200	15.0%
Tax	33	24		65	53	
PAT	83	74	12.2%	165	147	12.2%
PAT Margin	10.8%	9.9%		9.9%	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

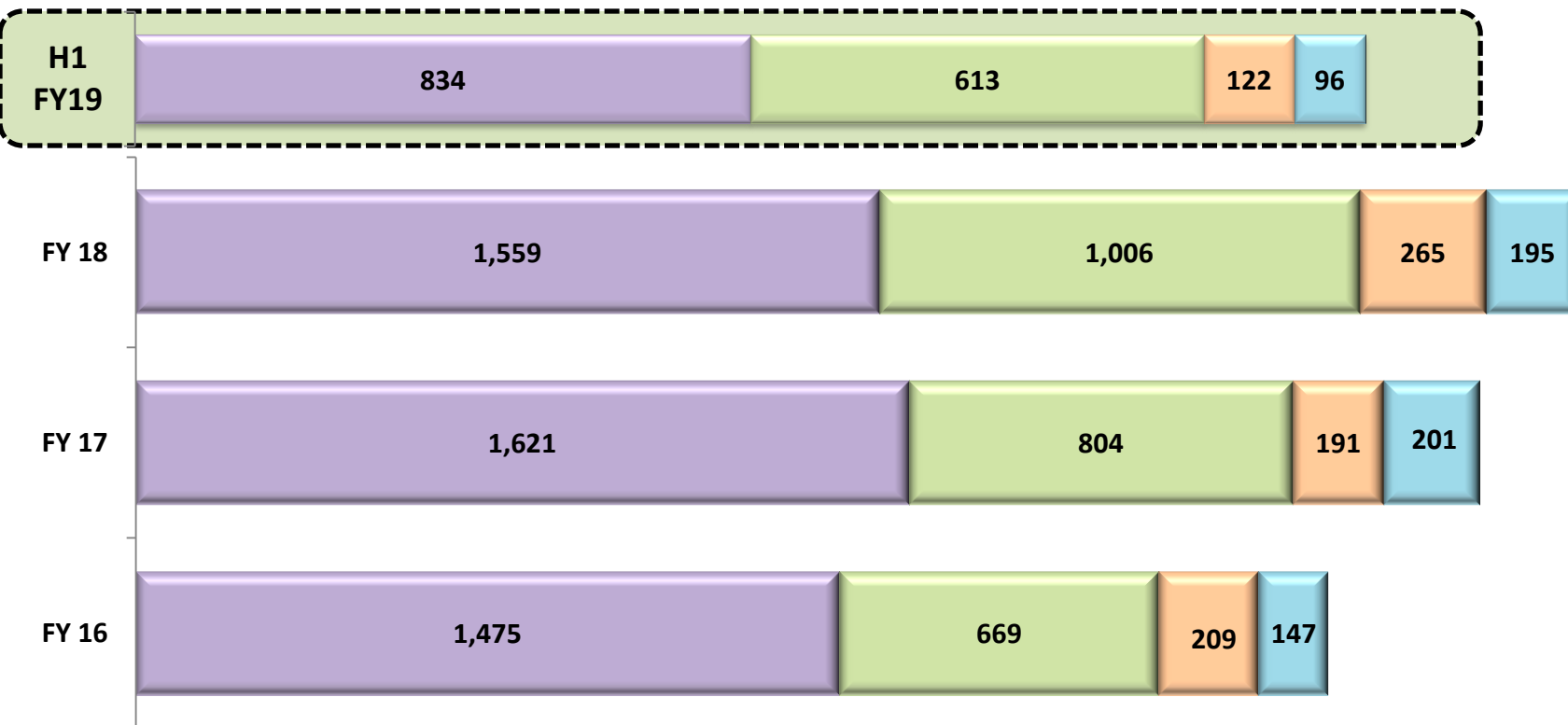
Investments in Co-Gen Power Project 30 MW

- 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

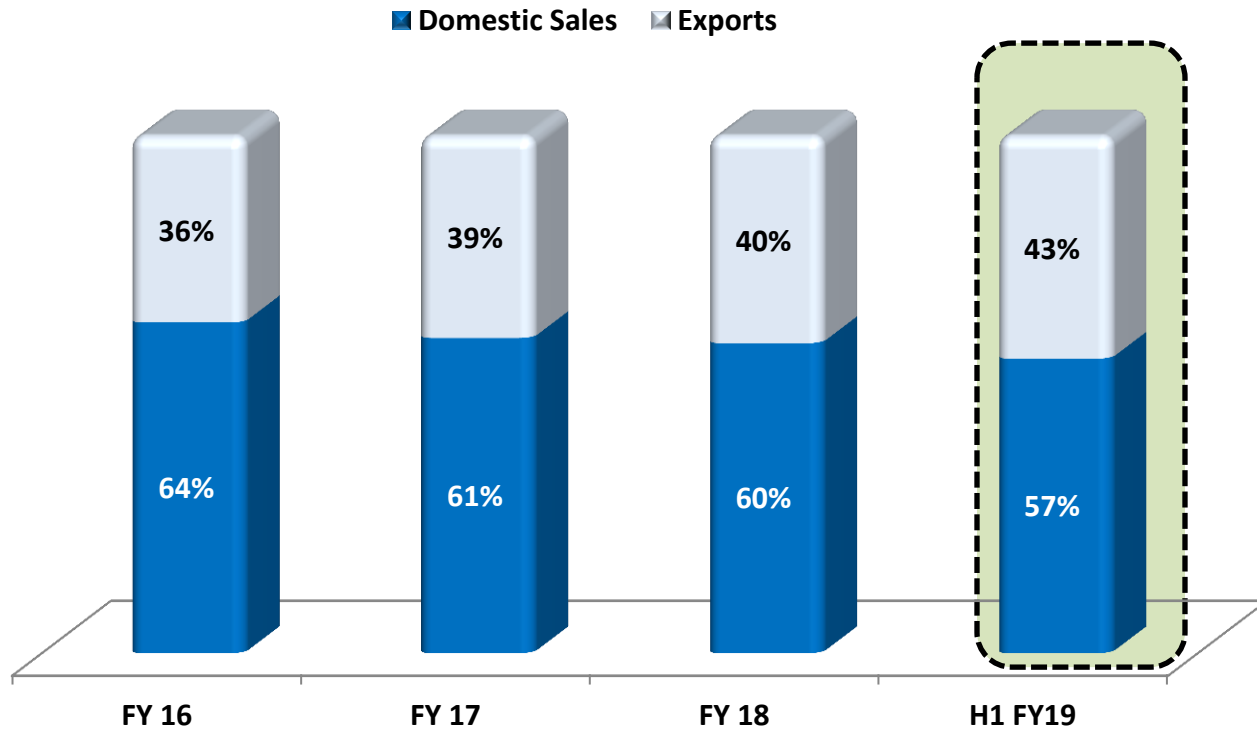
Segment Wise Revenue contribution

■ Yarn & Fabric
 ■ Garments
 ■ Sugar
 ■ Others

₹ in Crore



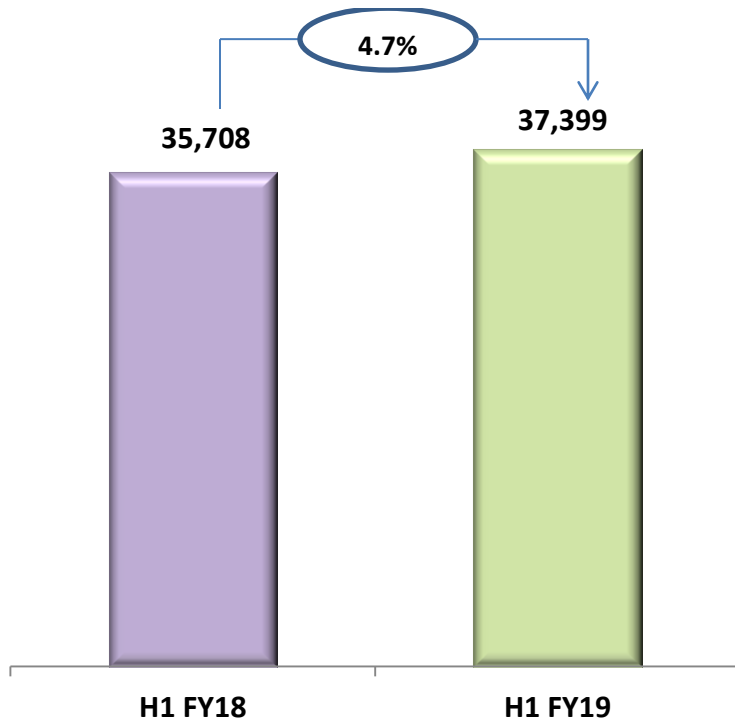
Geographical Split



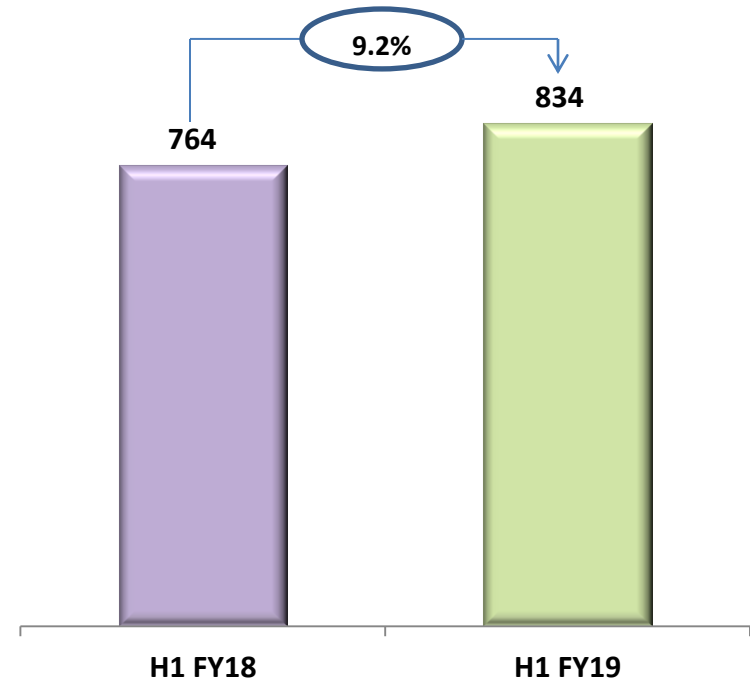
Yarn & Fabric



Yarn & Fabric Sales [MT]



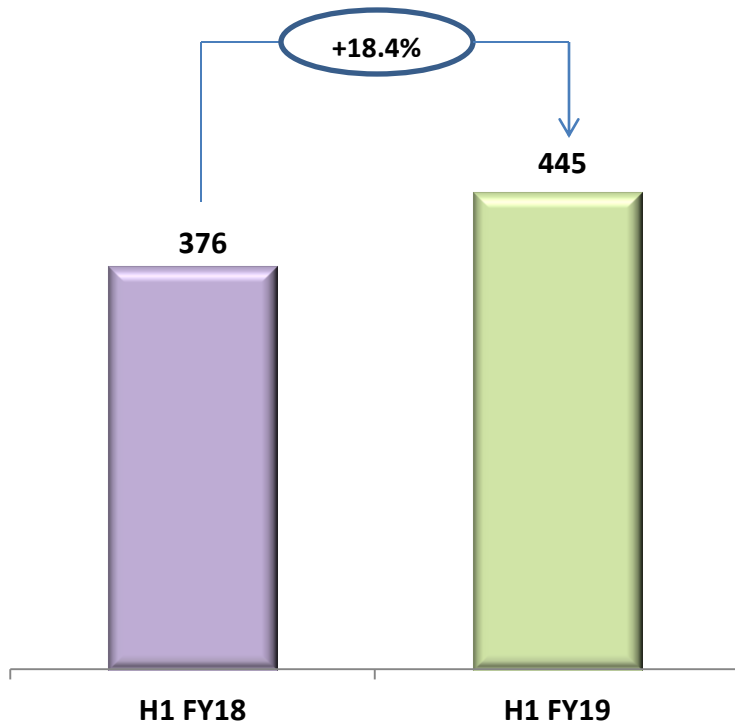
Yarn & Fabric Sales [₹ Crore]



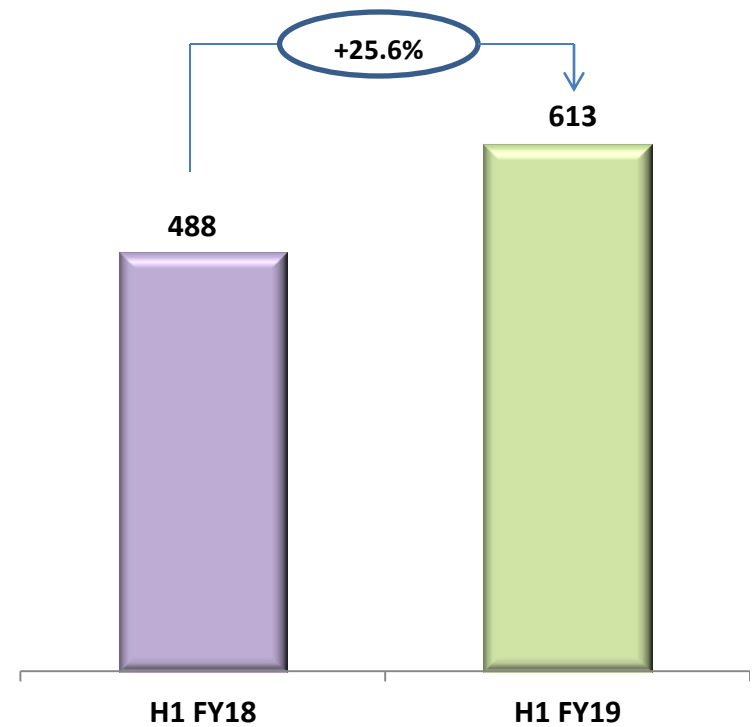
Garments



Garment Sales [No. of Garments in Lacs]

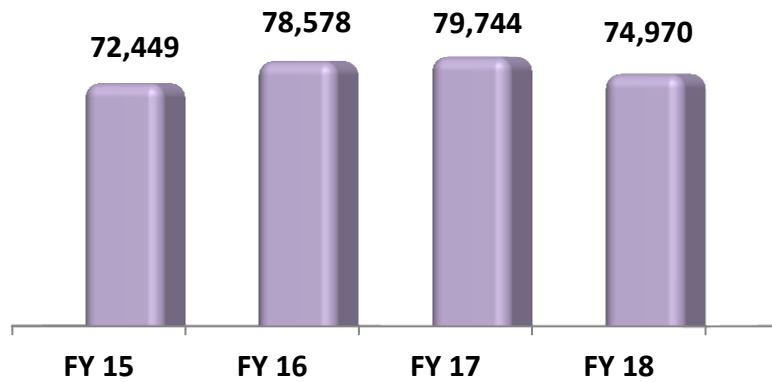


Garment Sales [₹ Crore]

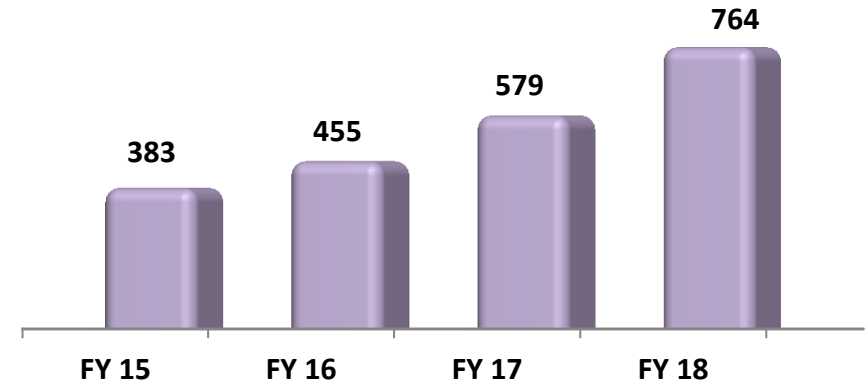


Historical Performance

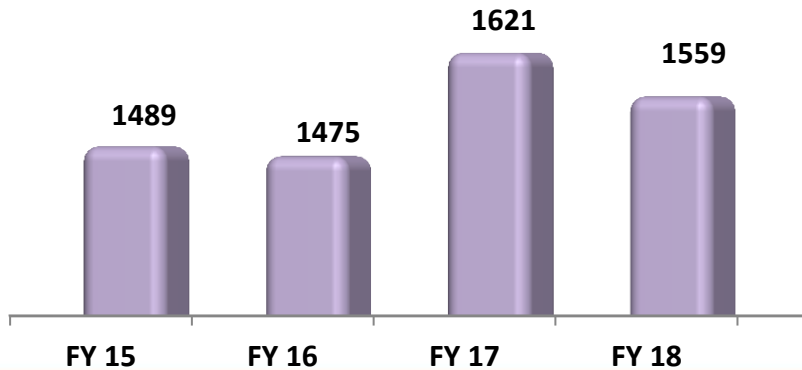
Yarn & Fabric Sales [MT]



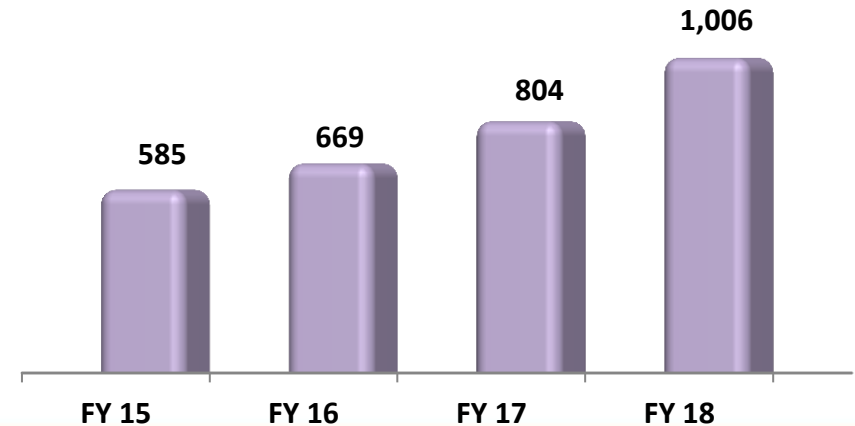
Garment Sales [No. of Garments in Lacs]



Yarn & Fabric Sales [₹ Crore]

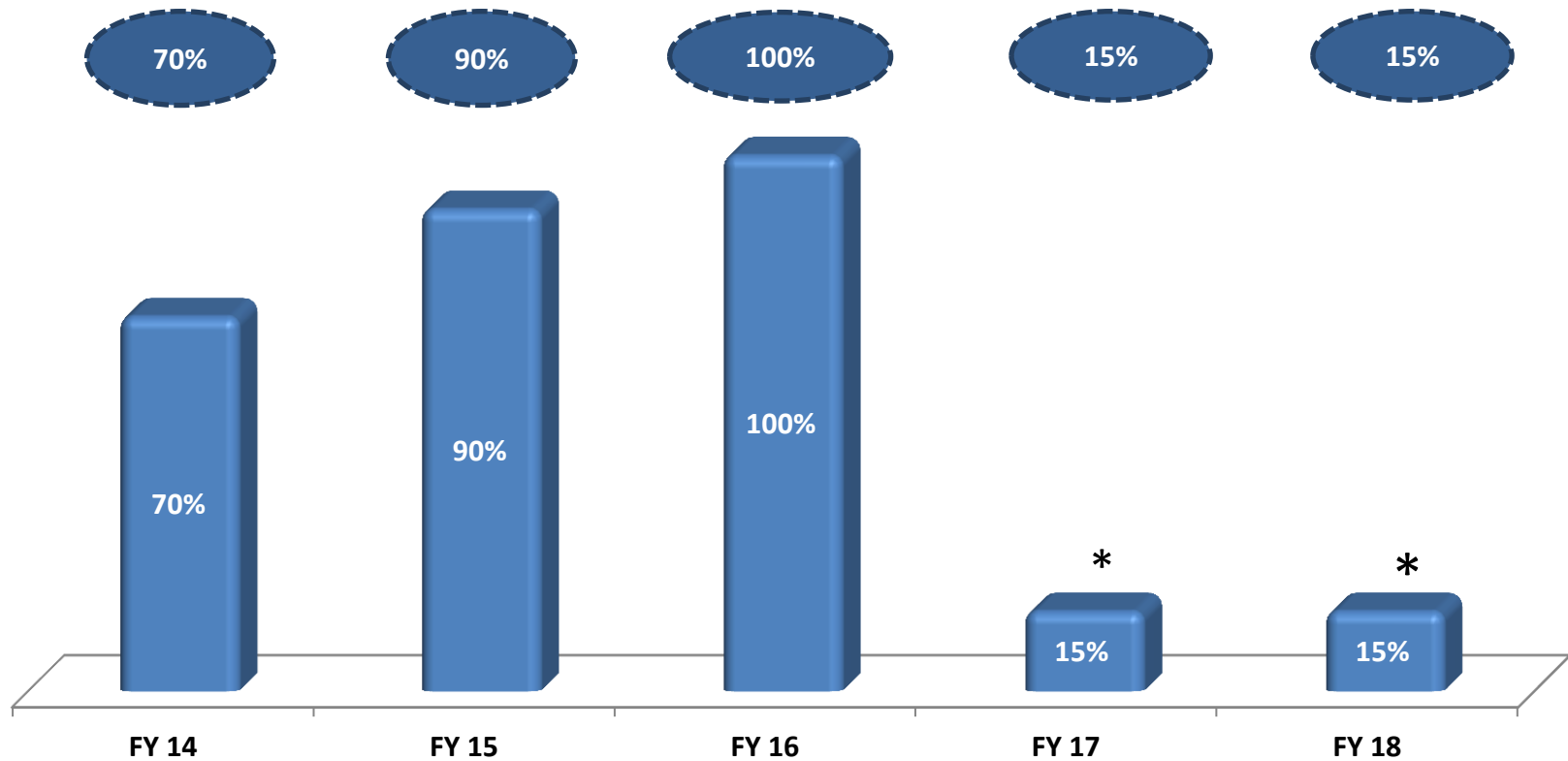


Garment Sales [₹ Crore]



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	H1FY19
Book Value Per Share (₹)	125.42	146.03	174.01	212.45	223.32
Earning Per Share (₹)	22.86	27.86	38.17	39.30	22.67
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:

Company :

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