

KPR MILL LIMITED

RESULT UPDATE Q1 FY2017



Safe Harbor



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Manufacturing Facilities

Tamil Nadu	Sathyamangalam	Spinning		Yarn : 90,000 MT
	Karumathampatti	Spinning, Compact , P.C, Melange & Color Melange		Fabric : 27,000 MT
	Neelambur	Spinning & Knitting		Garments : 95 million Garments
	Arasur	Spinning, Knitting & Garmenting		Processing : 9,000 MT
	Tirupur	Garmenting		Windmills: 61.92 MW
	Perundurai	Processing		Co-gen & Sugar : 30 MW & 5,000 TCD
	Thekkalur	Garmenting		
	Tirunelveli, Tenkasi, Theni & Coimbatore	Windmills		
	Bijapur, Karnataka	Co-gen cum Sugar		

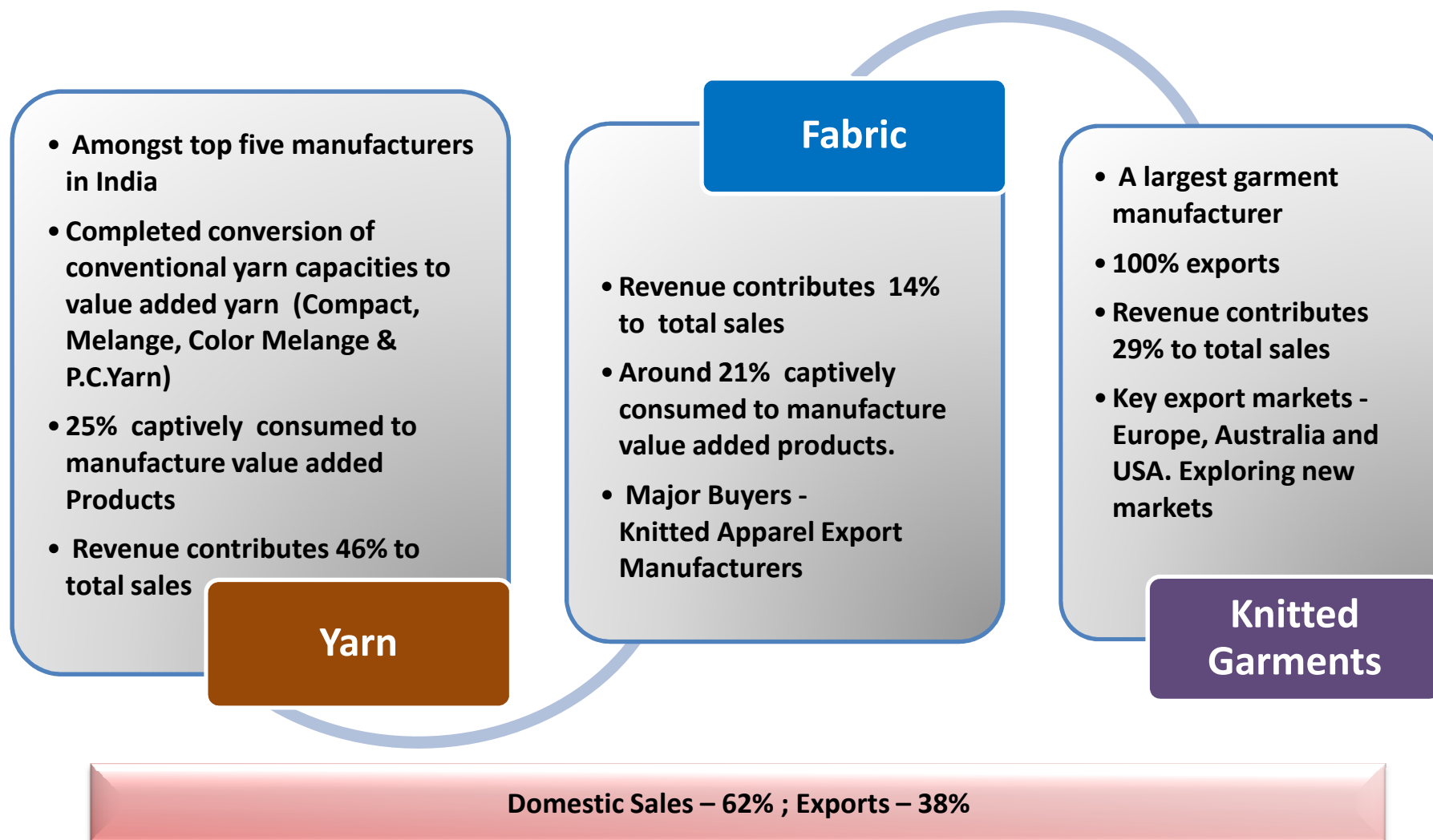
An Overview



- 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
- Towards value addition, converted conventional yarn capacity into valued added yarn
- Enthused by the impressive growth trend in Apparel sector, KPR expands its garment business. Special package announced by Government to Garment Industry is encouraging



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. Special package announced by Government strengthens prospects
- Consequent on garment capacity accretion, to meet additional captive processing needs, doubling the processing capacity with Rotary Printing
- Positive outlook for Sugar Industry

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
- Special package for Garment Industry creates positive outlook

COMPANY SPECIFIC GROWTH DRIVERS

- Consistent Modernization & Capacity Expansion – enhanced realization
- Move towards 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
- Doubling of processing capacity with Advanced Technology
- 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

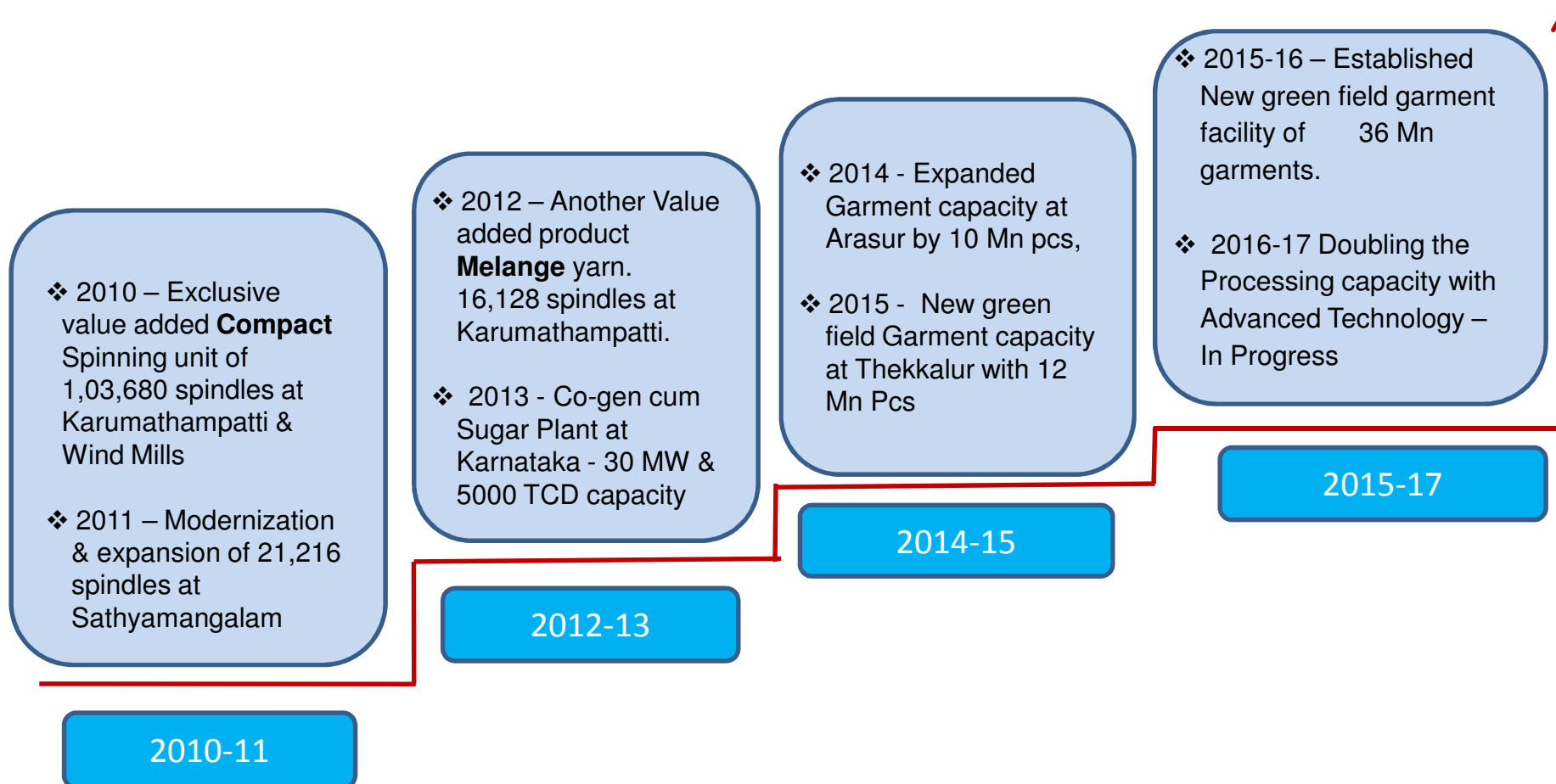
- ❖ 2001 – Spinning mill at Karumathampatti with 30,240 spindles; Knitting facility & Wind mill for captive use
- ❖ 2003 – Spinning unit at Neelambur with 50,784 spindles; Knitting facility & Wind mill
- ❖ 2005 – At Arasur 1,00,800 spindles; Knitting facility, Garment Unit and Wind Mills

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 17

- Revenue Q1 up 6.4% YoY to ₹ 666 Crore;
- EBITDA Q1 up 8.2% YoY to ₹ 132 Crore;
- PBT Q1 up 11.0% YoY to ₹ 81 Crore;
- PAT Q1 up 23.5% YoY to ₹ 63 Crore;
- Cash Profit Q1 up 13.6% YoY to ₹ 100 Crore;
- 36 Mn new garment capacity is ramping up
- New Processing facility is Progressing as per plan
- Special package for Garment Industry creates a positive outlook
- Performance of Sugar division will improve on liquidation of sugar stock during this quarter



Consolidated P&L

₹ Crore	Q1 FY17	Q1 FY16	YoY %	Q4 FY16	QoQ %
Revenue	666	626	6.4%	721	-7.6%
Raw Material	397	377		445	
Employee Expenses	63	51		57	
Other Expenses	74	76		109	
EBITDA	132	122	8.2%	110	17.3%
EBITDA Margin	19.8%	19.5%		15.3%	
Other Income	6	6		7	
Interest & Finance Charges	20	18		13	
Depreciation	37	37		37	
PBT	81	73		67	
Tax	18	22		13	
PAT	63	51	23.5%	54	12.9%
PAT Margin	9.5%	8.1%		7.5%	

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

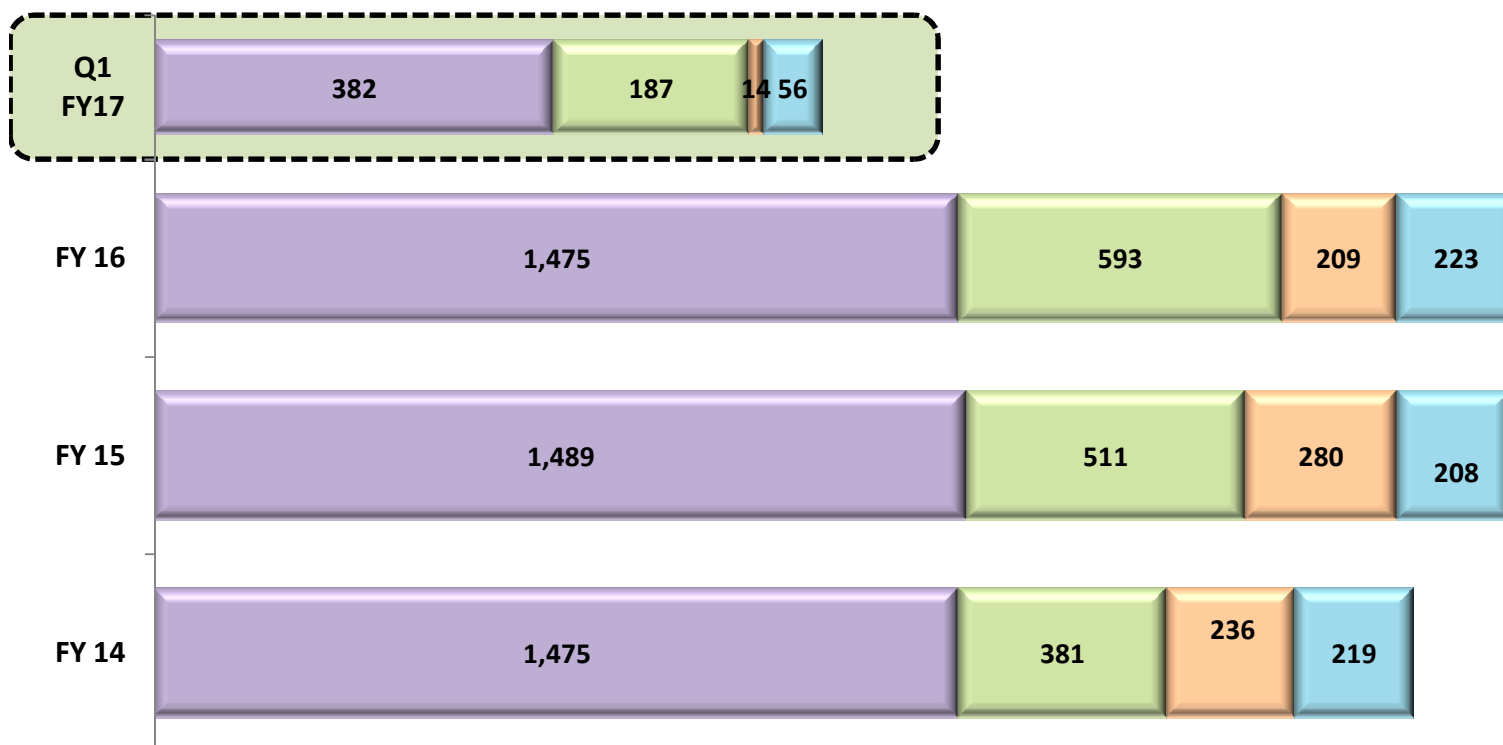
Investments in Co-Gen Power Project 30 MW

- 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

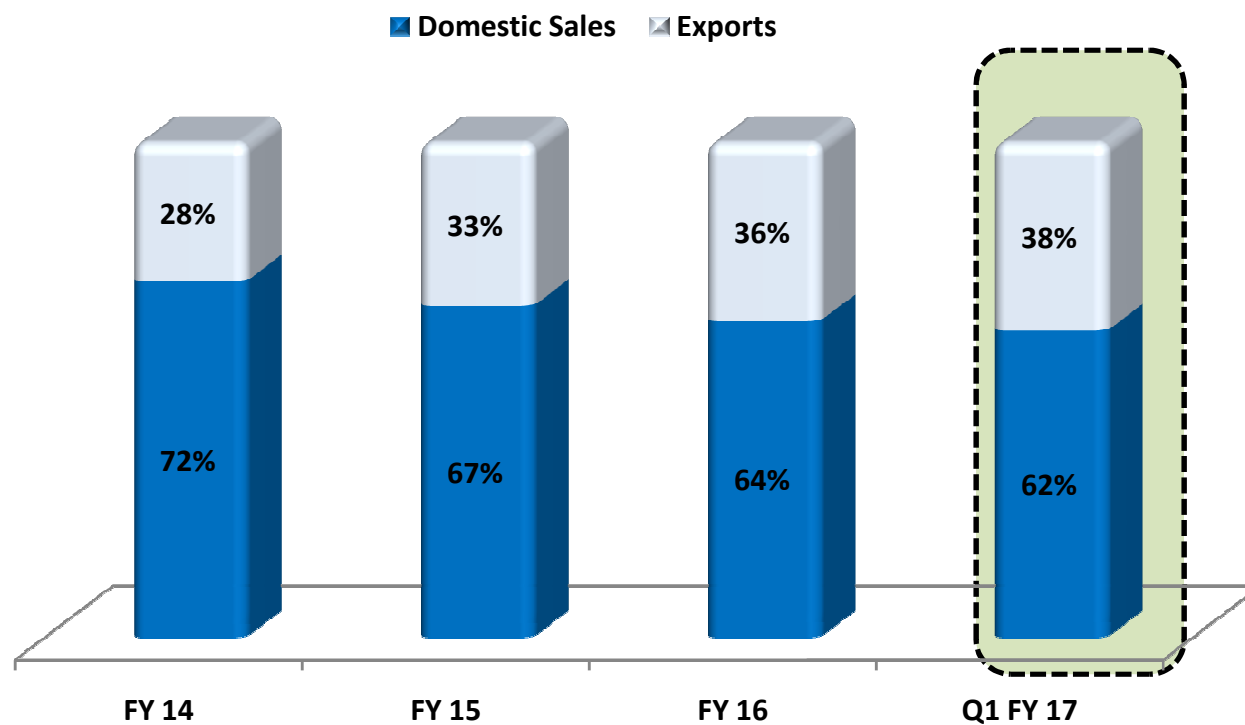
Segment Wise Revenue contribution

■ Yarn & Fabric
 ■ Garments
 ■ Sugar
 ■ Others

₹ in Crore



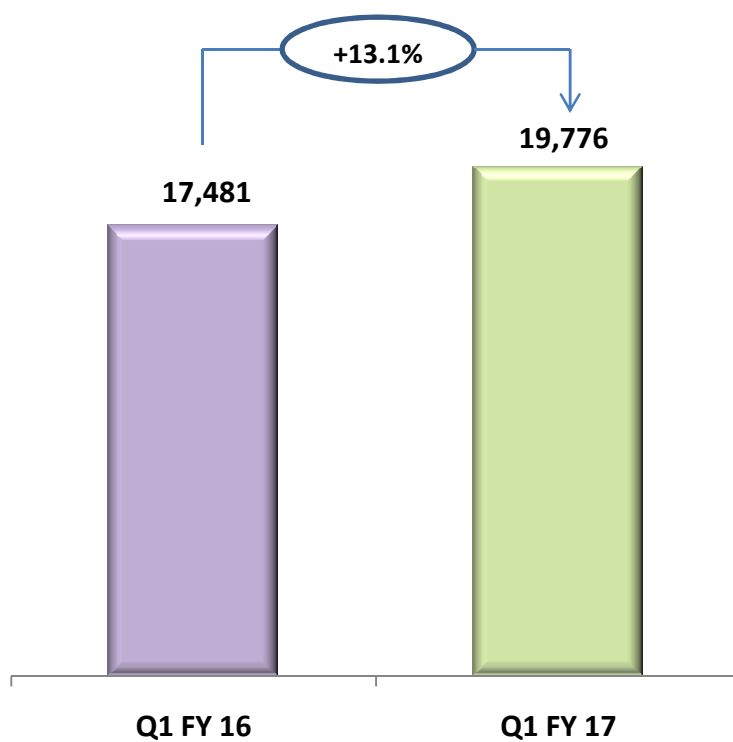
Geographical Split



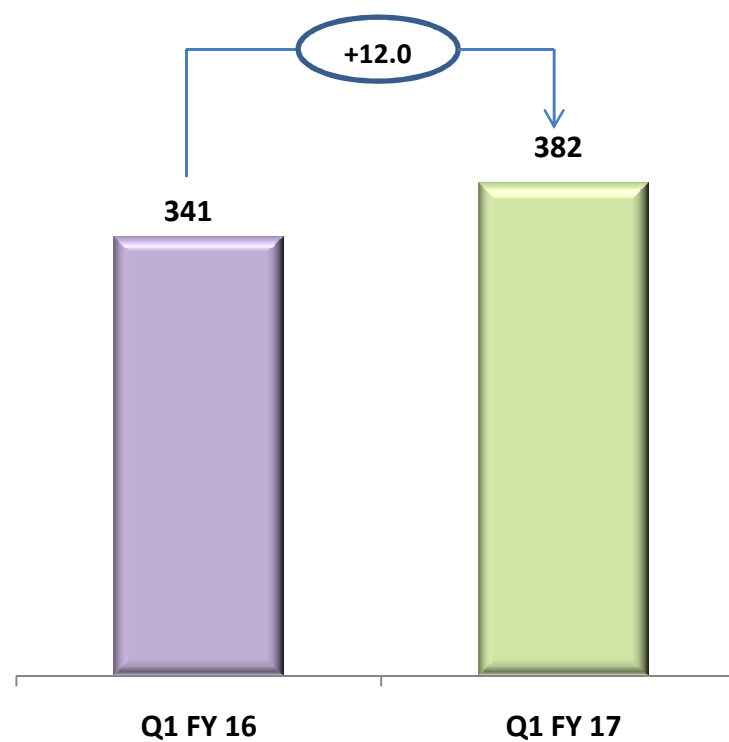
Yarn & Fabric



Yarn & Fabric Sales [MT]



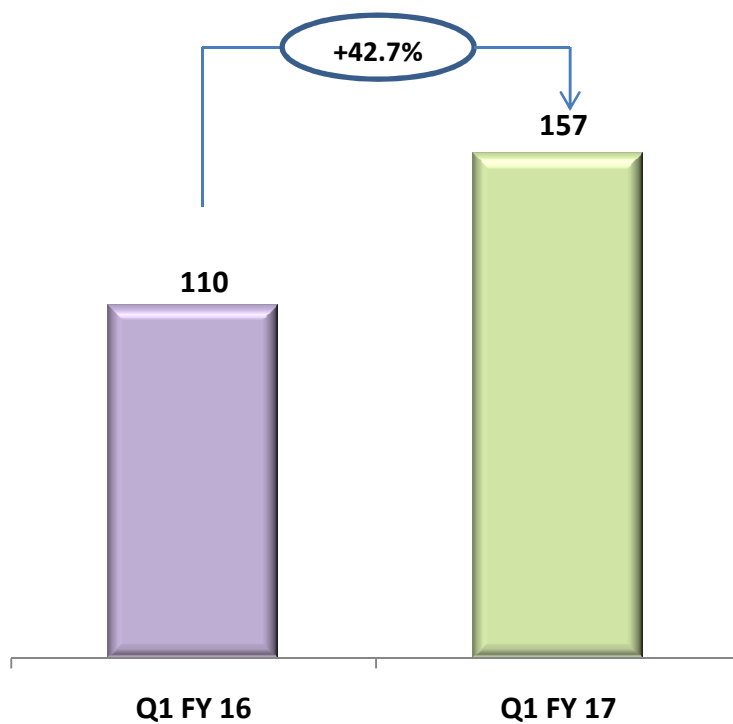
Yarn & Fabric Sales [₹ Crore]



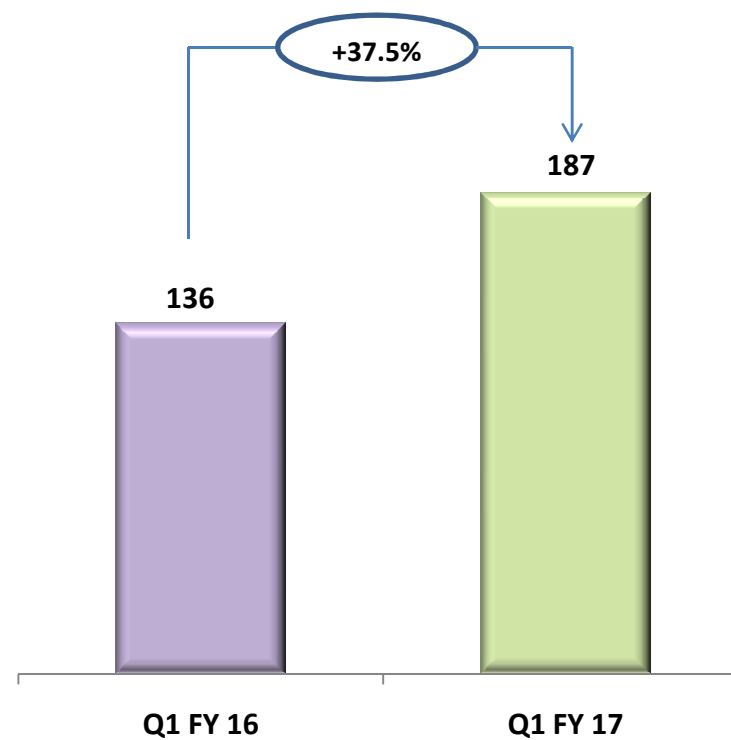
Garments



Garment Sales [No. of pieces in Lacs]

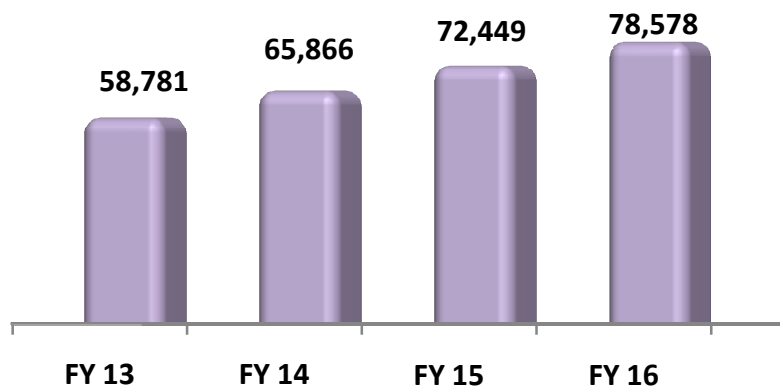


Garment Sales [₹ Crore]

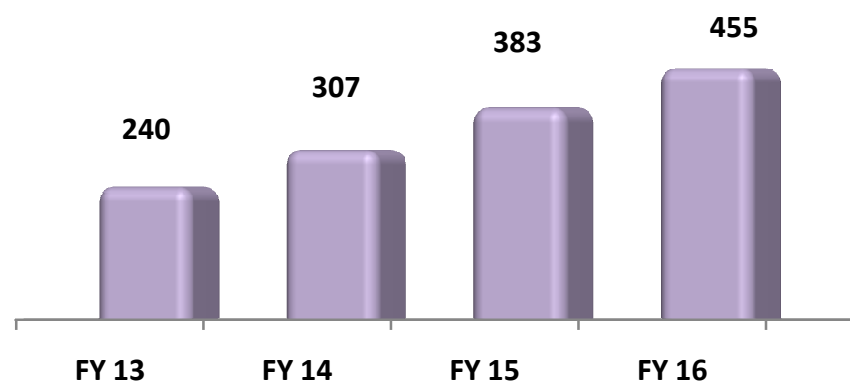


Historical Performance

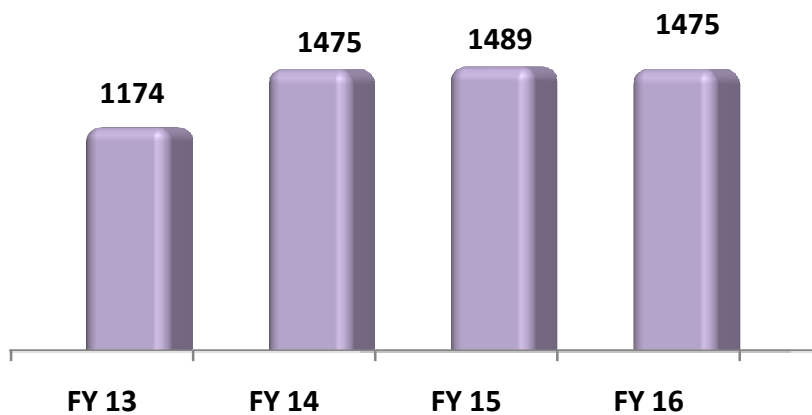
Yarn & Fabric Sales [MT]



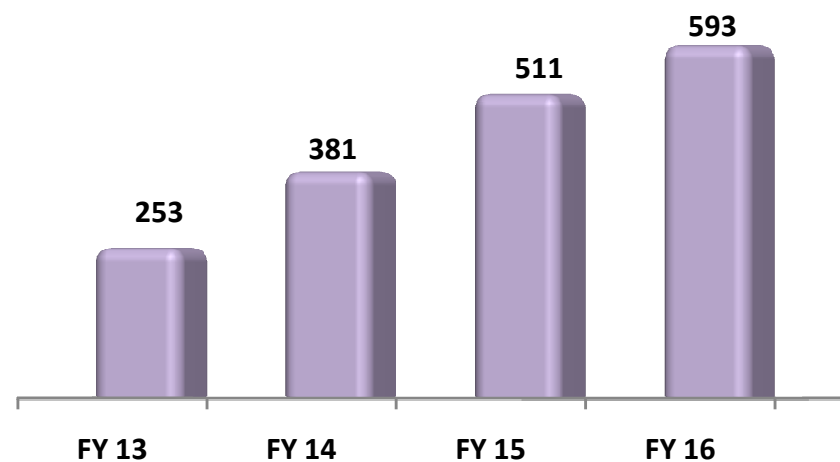
Garment Sales [No. of pieces in Lacs]



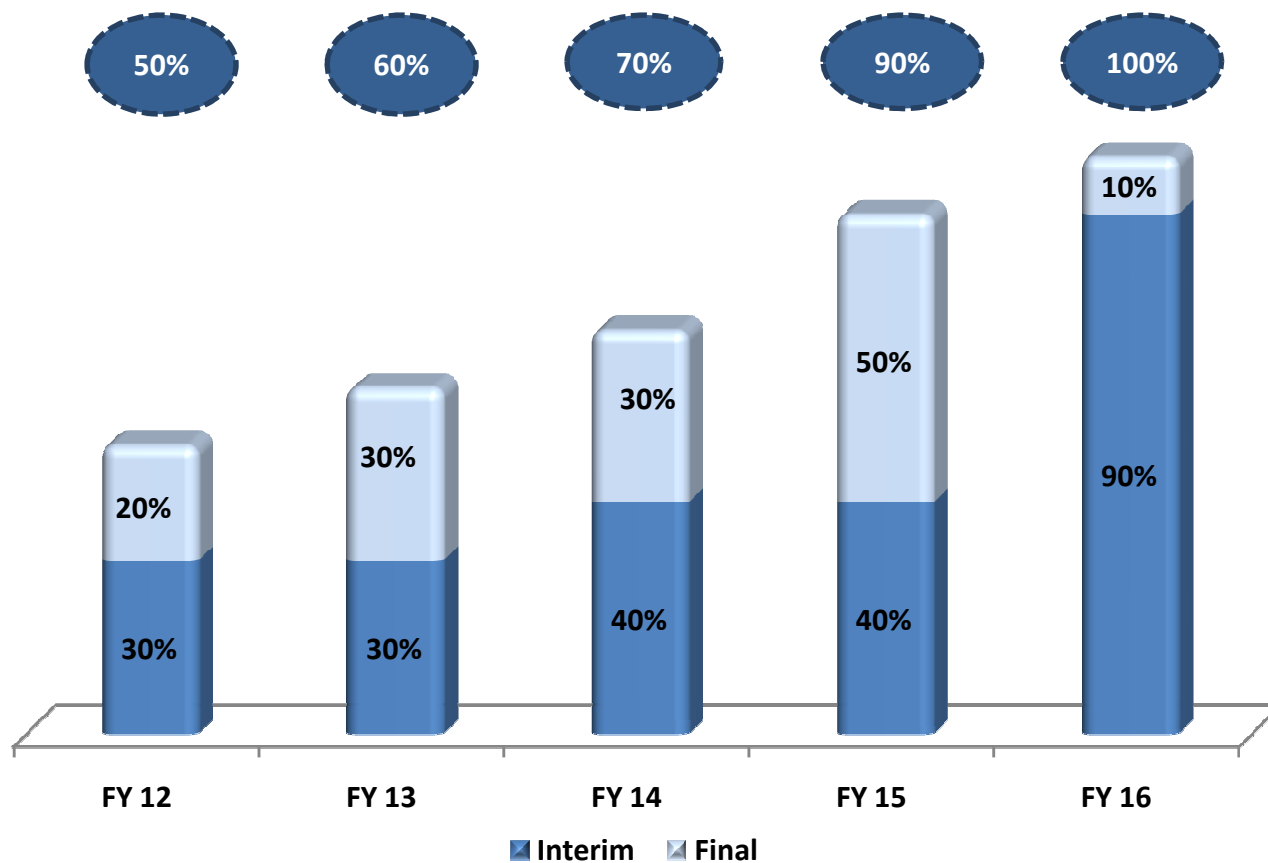
Yarn & Fabric Sales [₹ Crore]



Garment Sales [₹ Crore]



Dividend Track Record



Book Value & EPS



Particulars	FY 13	FY 14	FY 15	FY 16	Q1 FY 17
Book Value Per Share (₹)	187.42	216.16	250.83	290.37	308.48
Earning Per Share (₹)	27.01	37.27	45.73	55.57	16.68
Dividend Per Share %	60%	70%	90%	100%	
Dividend Per Share (₹)	6.00	7.00	9.00	10.00	

Note : Market price of share is up by around 367% over IPO Price



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