

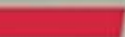
KPR MILL LIMITED

RESULT UPDATE Q1 FY2021

 **F A S O**[™]
ITALIAN AT HEART  

B O D Y W E A R

 100% ORGANIC COTTON

 COTTON STRETCH



Safe Harbor



This presentation and the accompanying slides (the “Presentation”), which have been prepared by KPR Mill Limited (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the textile industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.

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

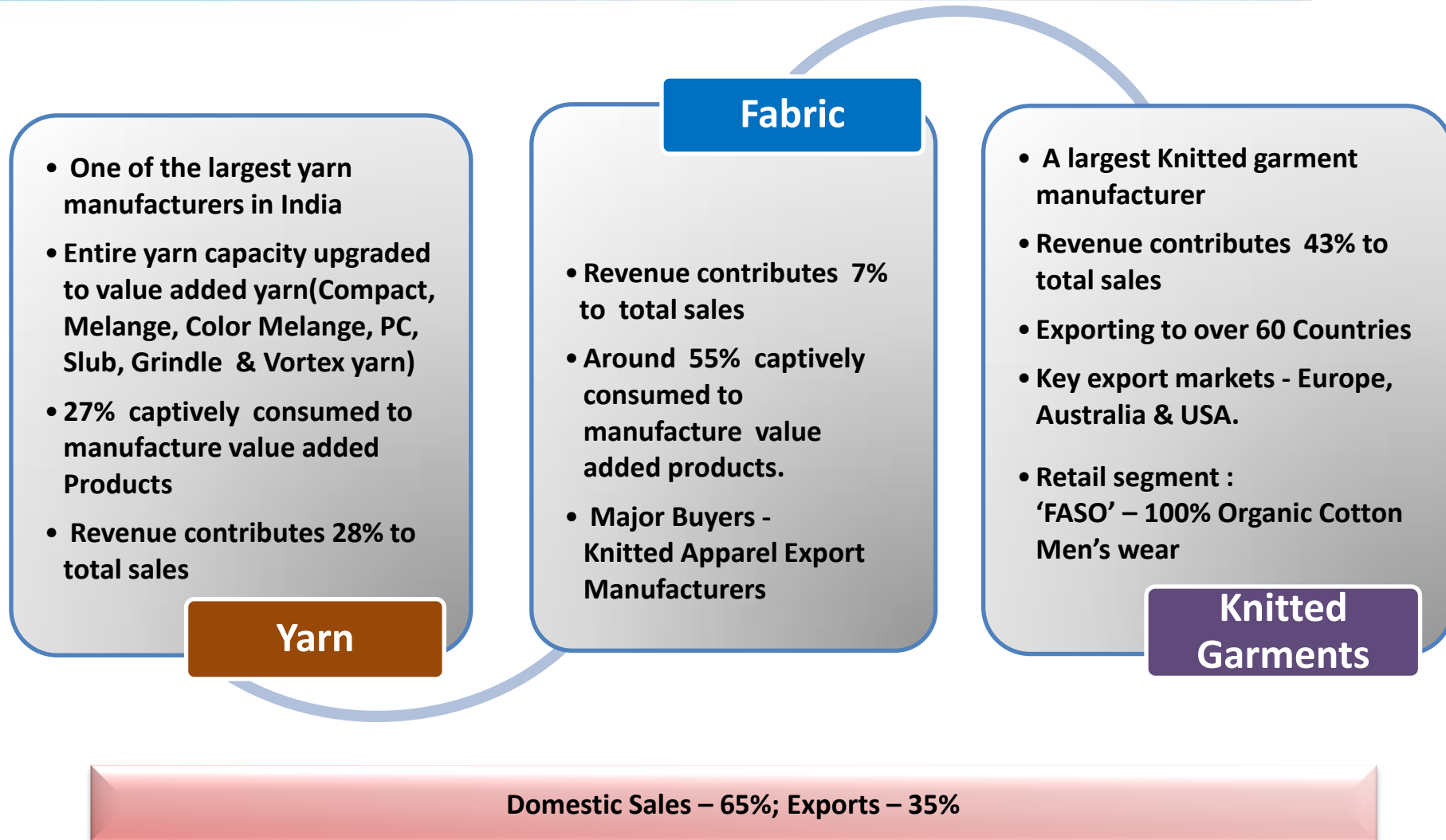


An Overview



- **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 more than 1,000 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 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. In addition 10 million Knitted garment Capacity at Ethiopia.**
- **Eco-friendly Processing facility and sophisticated high resolution printing facility**
- **Retail segment - ‘FASO’ - 100% Organic Cotton Men’s innerwear Sportswear and Athleisure**
- **To enlarge export activities established a Company at Singapore**

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, the 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 & 40 MW Co-Gen
- Green power availability throughout the year

Scale of Economy

- Low power cost through captive green power
- Minimal finance cost through prudent 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

- More than 1,000 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. In addition 10 million knitted garment capacity at Ethiopia
- Eco-friendly Processing facility and sophisticated high resolution printing facility
- Company at Singapore-To enlarge Export business
- **Retail segment - 'FASO' - 100% Organic Cotton Men's innerwear, Sportswear and Athleisure**

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 115 mn garment capacity.
- Eco-friendly Processing facility and sophisticated high resolution printing facility.
- 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 factory in Ethiopia
- Company at Singapore-To enlarge Export business
- Retail segment - '**FASO**' 100% organic Cotton Men's wear.

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 of 26 Million garments 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 at Thekkalur Plant III.
- ❖ 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.
- ❖ 2019 – Increased Processing capacity by 4000 MT
- ❖ 2019 – Brown field garment expansion by 10 Mn Garments

2018-19

Evolution Contd...

- ❖ 2019 – Set up 130 KLPD Ethanol Plant along with 10 MW Co-gen power
- ❖ 2019 –Retail segment : **‘FASO’ 100% Organic Cotton Men’s wear**
- ❖ 2019 - To enlarge export activities in Asia, established a Wholly owned Subsidiary Company at Singapore

2019

- ❖ 2020 – Knitting facility of 13000 MT at karumathampatti
- ❖ 2020 – Vortex Viscose Yarn capacity of 4000 MT at Neelambur

2020

Consolidated P&L



₹ Crore	Q1 FY21	Q1FY20	FY2020	
Revenue	547	909	3387	
Raw Material	287	526	1987	
Employee Expenses	76	106	394	
Other Expenses	57	93	347	
EBITDA	127	184	659	
EBITDA Margin	23.2%	20.2%	19.5%	
Interest & Finance Charges	9	14	50	
Depreciation	39	33	137	
PBT	79	137	472	
Tax	19	45	95	
PAT	60	92	377	
PAT Margin	11.0%	10.1%	11.1%	

Self sufficiency in Power with 102 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

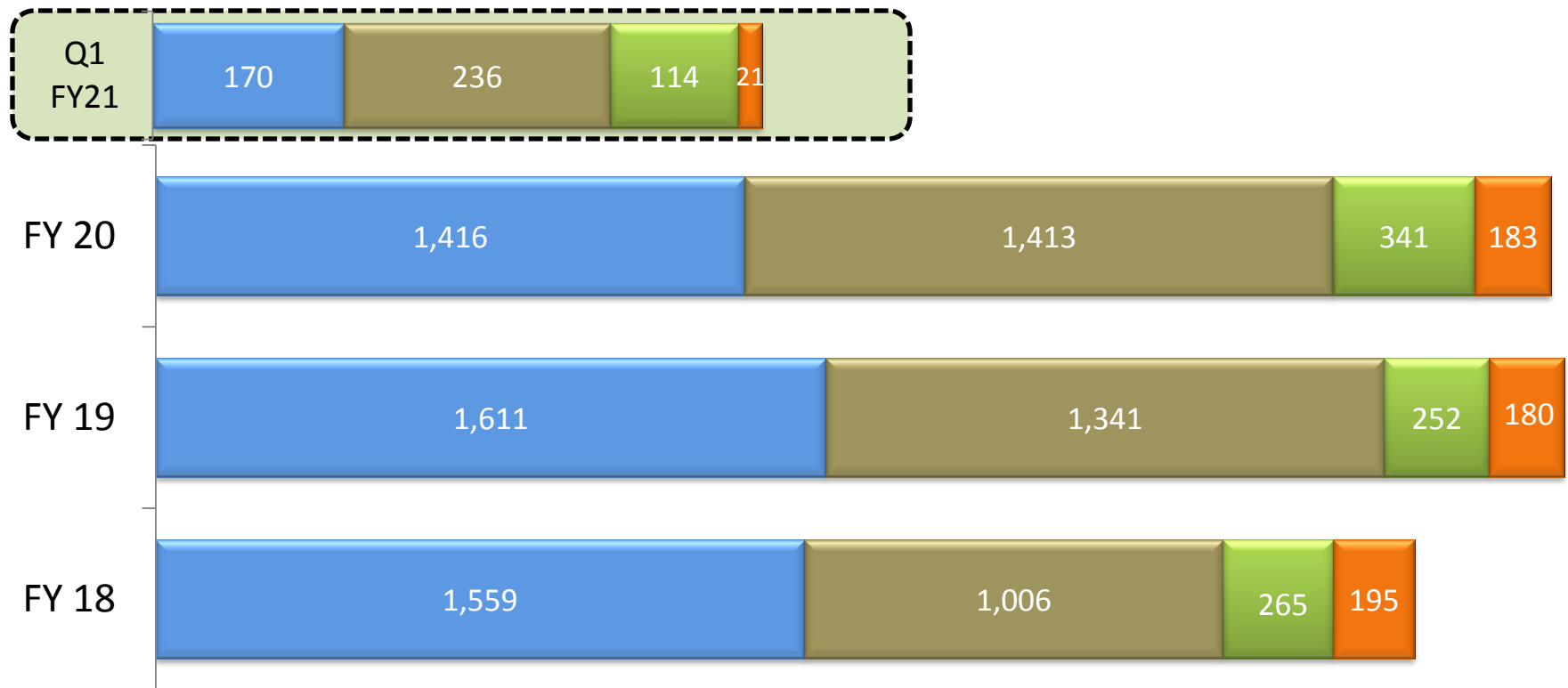
Investments in Co-Gen Power Project 40 MW

- Invested in 40 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

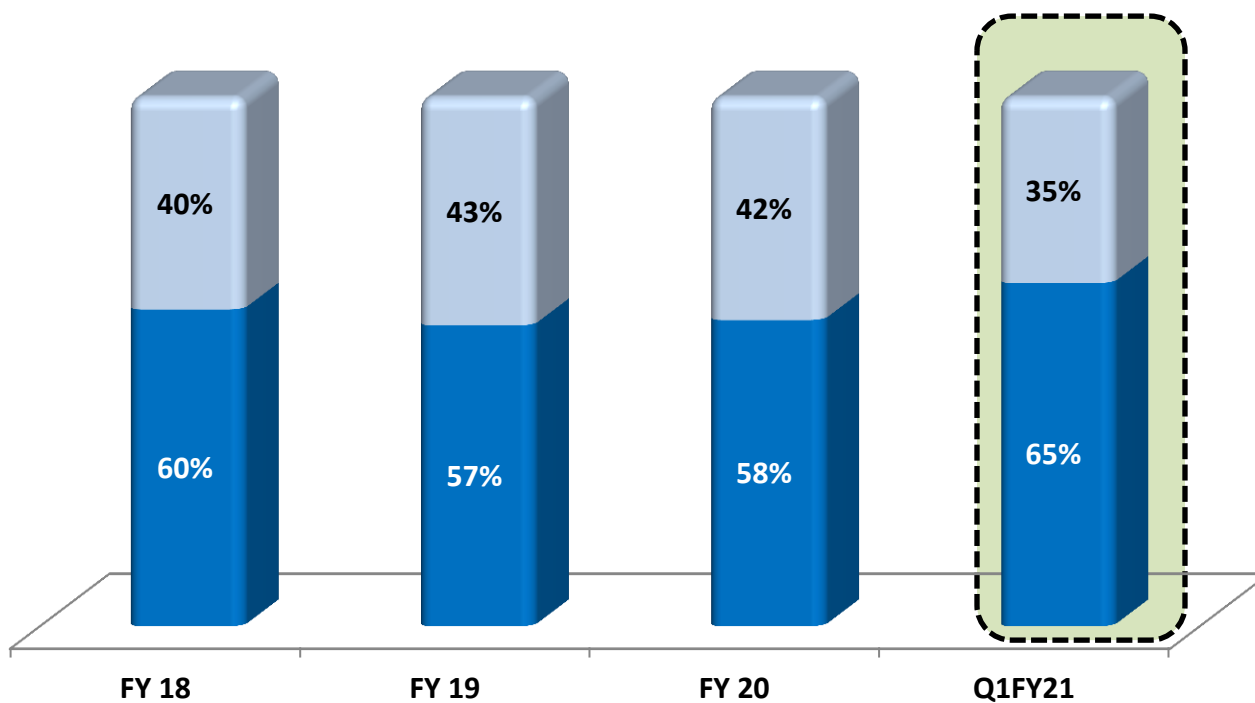
₹ in Crore



Geographical Split

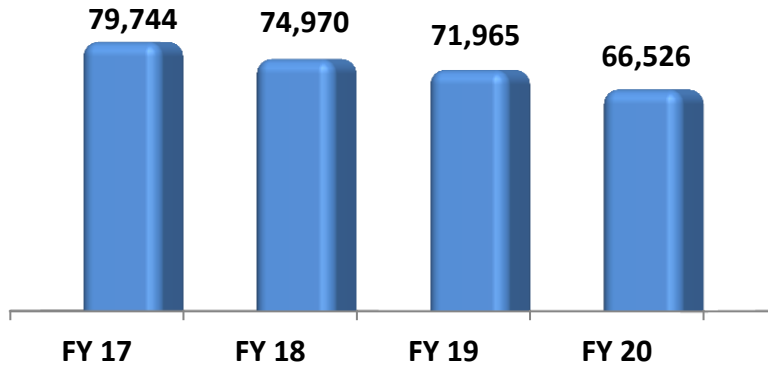


■ Domestic Sales ■ Exports

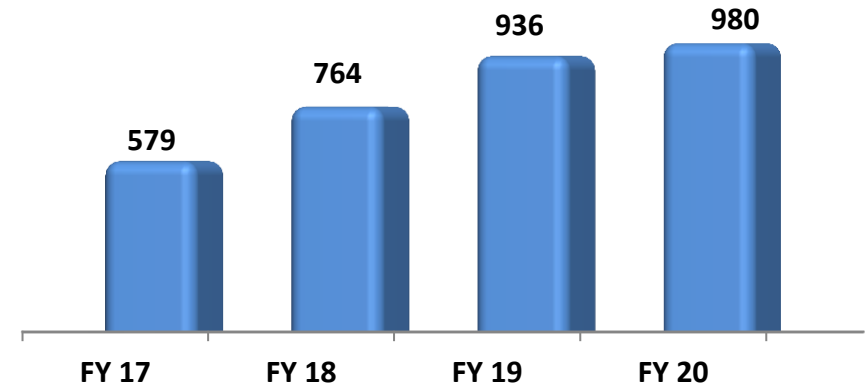


Historical Performance

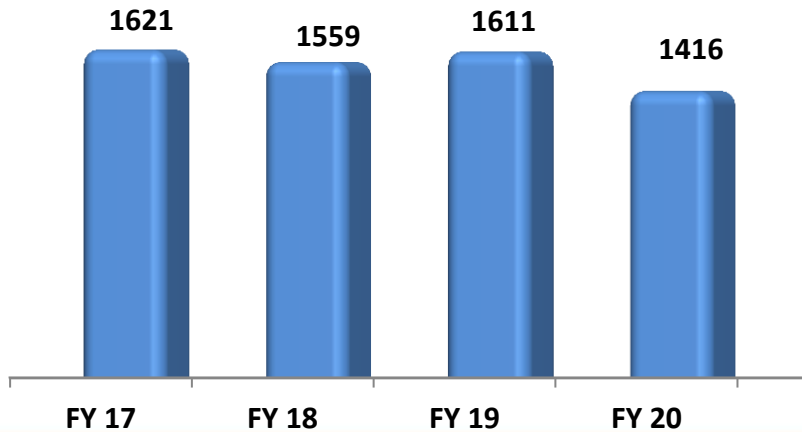
Yarn & Fabric Sales [MT]



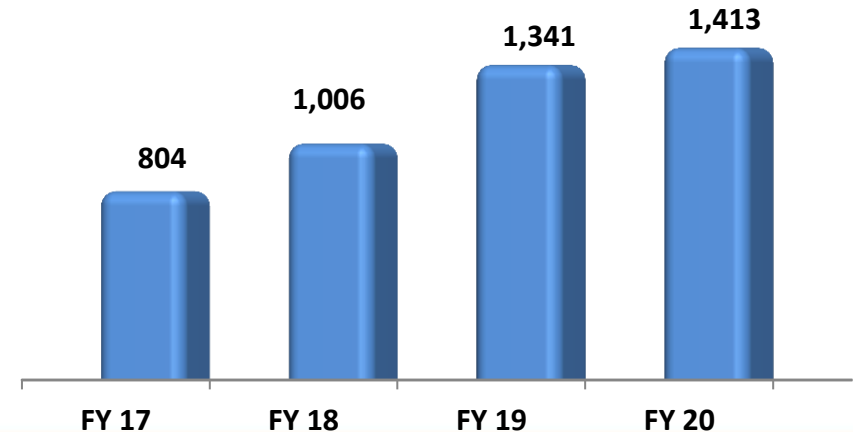
Garment Sales [No. of Garments in Lacs]



Yarn & Fabric Sales [₹ Crore]



Garment Sales [₹ Crore]



Note : Captive consumption of Yarn & Fabric increased in FY 2020

Profit distributed to Share Holders



Particulars	FY 17	FY 18	FY19	FY20	Q1FY21
Profit After Tax - ₹ Crores	286.82	290.38	334.87	376.68	60.30
- Buyback - ₹ Crores	97.02	108.13	263.31	--	--
- Dividend - ₹ Crores	6.67	6.54	6.54	36.27	--
- Dividend %	15	15	15	90	--

For further information, please contact:

Company :

KPR Mill Limited
CIN - L17111TZ2003PLC010518
Mr. PL Murugappan, CFO
murugappan@kprmill.com

www.kprmilllimited.com
