

# KPR MILL LIMITED

RESULT UPDATE Q1 FY19



# Safe Harbor



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# Manufacturing Facilities

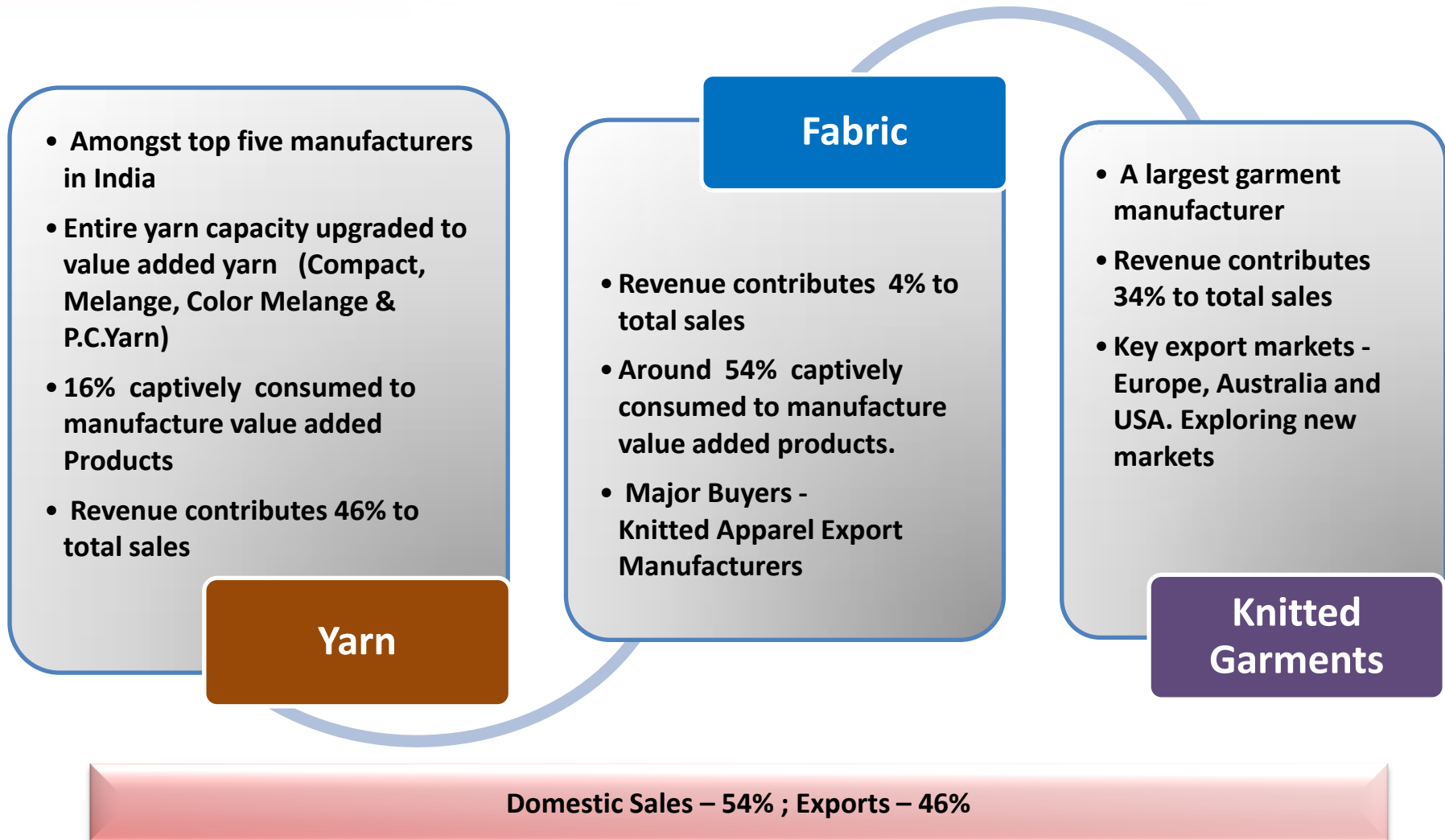


# An Overview



- 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 1,200 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 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 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 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 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.
- 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 Yarn – Volume Driven Growth
- A largest 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 pcs,
- ❖ 2015 - New green field Garment capacity at Thekkalur with 12 Mn Pcs

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 Q1 FY 2019

- Revenue up by 20.11% Year on Year to ₹ 901.85 Crores
- PBT up by 10.22% Year on Year to ₹ 113.19 Crores
- EBITDA for Q1 FY 19 ₹ 160.22 Crores as against ₹ 155.79 Crores for Q1 FY18
- PAT up by 11.19% Year on Year to ₹ 81.27 Crores as against ₹ 73.09 Crores for Q1 FY18
- Garment revenue up by 28.81% Year on Year to ₹ 326.46 Crores as against ₹ 253.44 Crores.
- Garment Production up by 26.46% Year on Year to 22.07 Million Garments as against 17.45 Million Garments
- A new Subsidiary Company '**KPR Exports PLC**' has been incorporated at Ethiopia to establish Apparel Manufacturing facility.
- Preparing Road map to venture into Retail segment.



# Consolidated P&L



₹ Crore	Q1 FY19	Q1 FY18	YoY %	Q4 FY18	QoQ	
<b>Revenue</b>	<b>902</b>	<b>751</b>	<b>20.1%</b>	<b>823</b>	<b>9.6%</b>	
Raw Material	576	446		504		
Employee Expenses	81	74		77		
Other Expenses	85	75		89		
<b>EBITDA</b>	<b>160</b>	<b>156</b>	<b>2.6%</b>	<b>153</b>	<b>4.6%</b>	
EBITDA Margin	17.7%	20.8%		18.6%		
Interest & Finance Charges	15	15		11		
Depreciation	32	38		33		
PBT	113	103		109		
Tax	32	30		36		
<b>PAT</b>	<b>81</b>	<b>73</b>	<b>10.9%</b>	<b>73</b>	<b>10.9%</b>	
PAT Margin	9.0%	9.7%		8.9%		



# 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

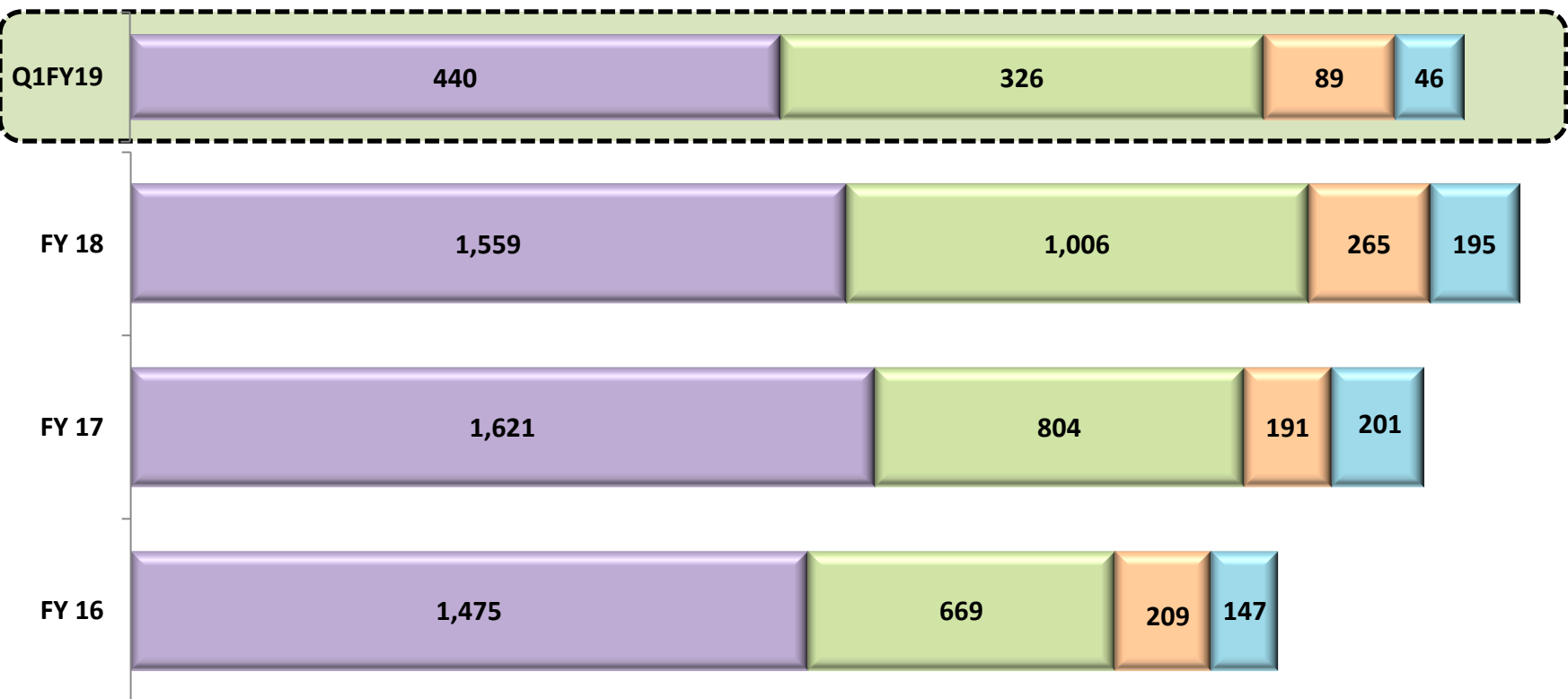
## Investments in Co-Gen Power Project 30 MW

- 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

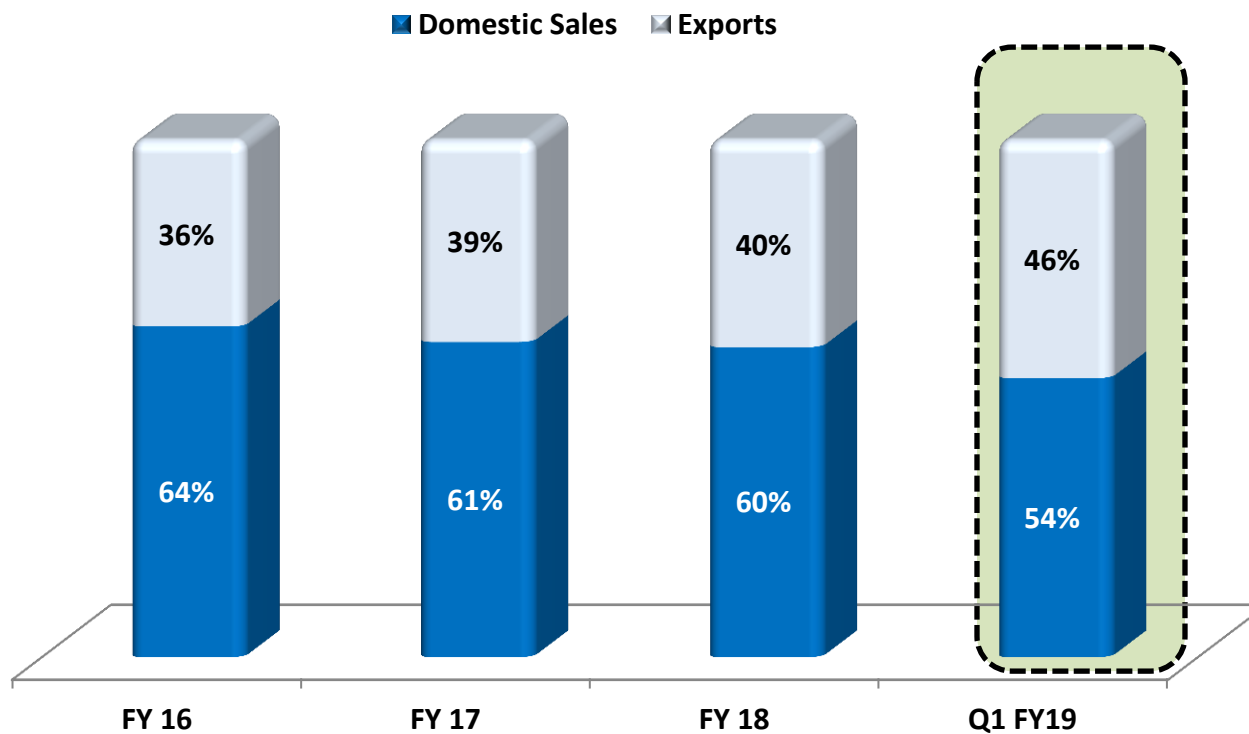
# Segment Wise Revenue contribution

■ Yarn & Fabric 
 ■ Garments 
 ■ Sugar 
 ■ Others

₹ in Crore



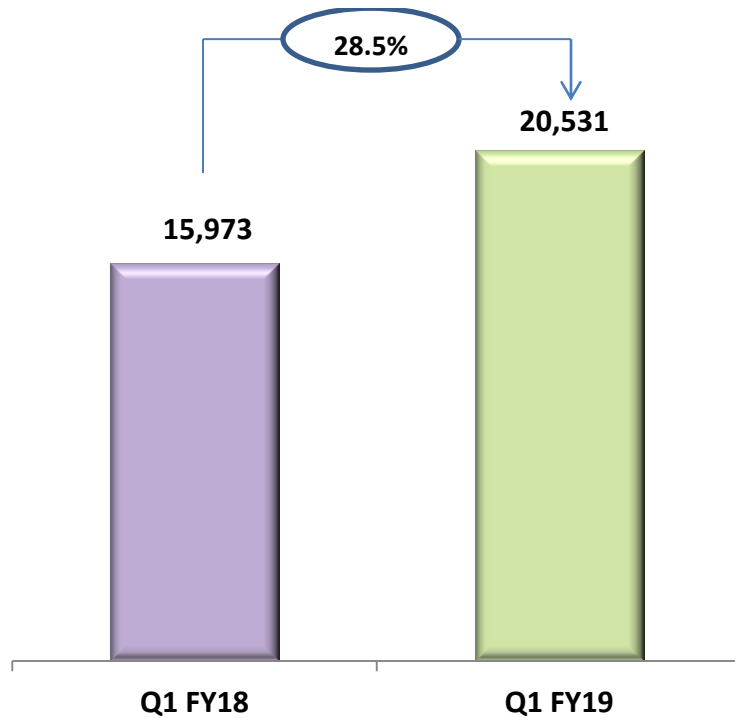
# Geographical Split



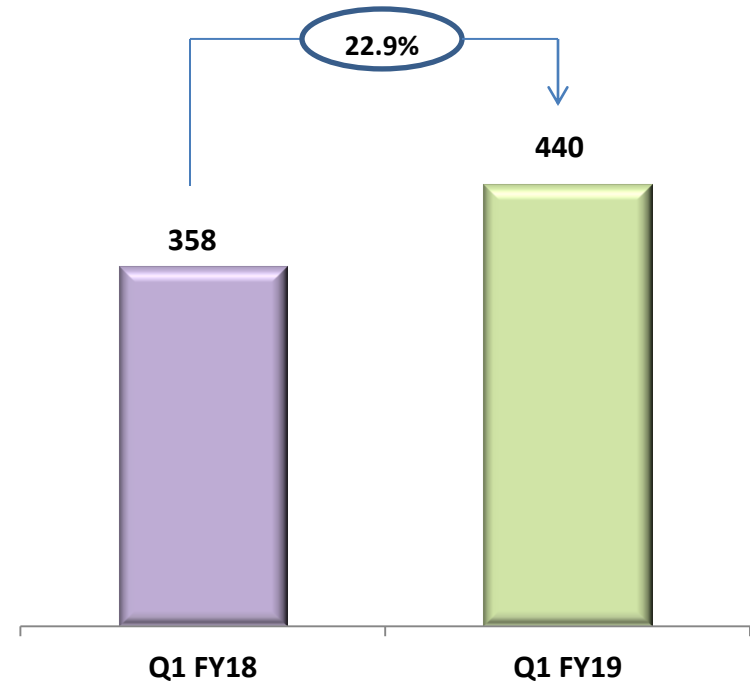
# Yarn & Fabric



**Yarn & Fabric Sales [MT]**



**Yarn & Fabric Sales [₹ Crore]**

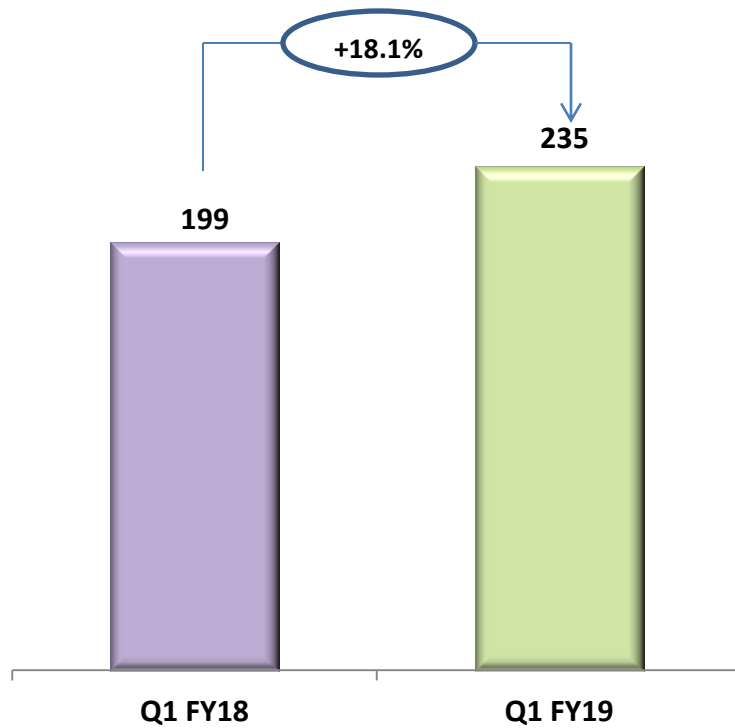




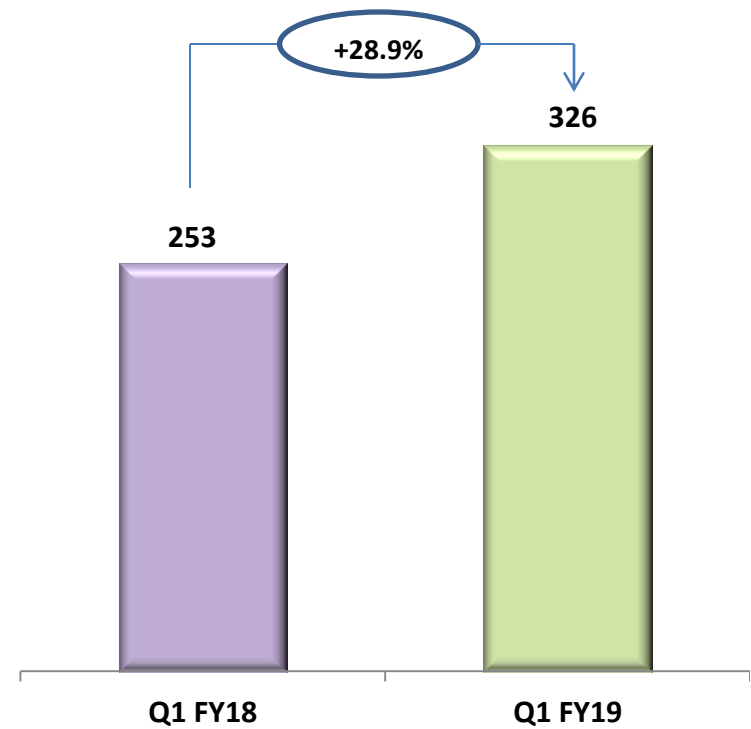
# Garments



Garment Sales [No. of Garments in Lacs]

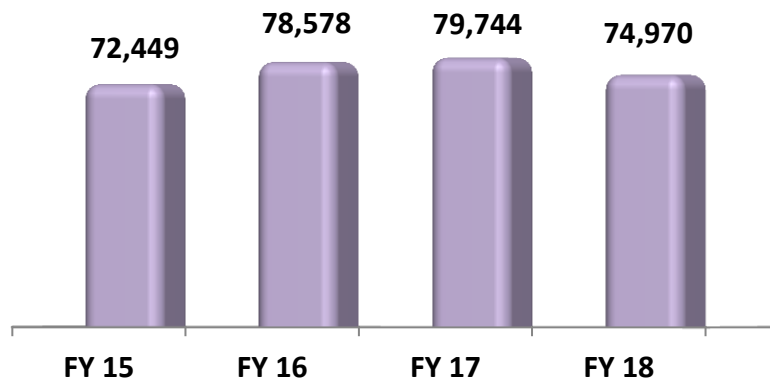


Garment Sales [₹ Crore]

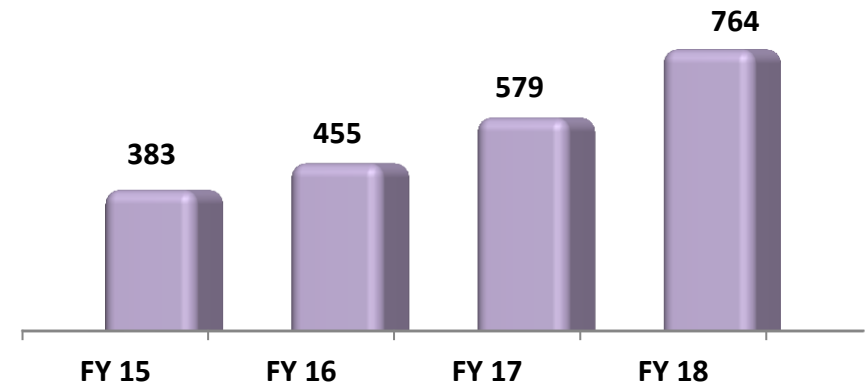


# Historical Performance

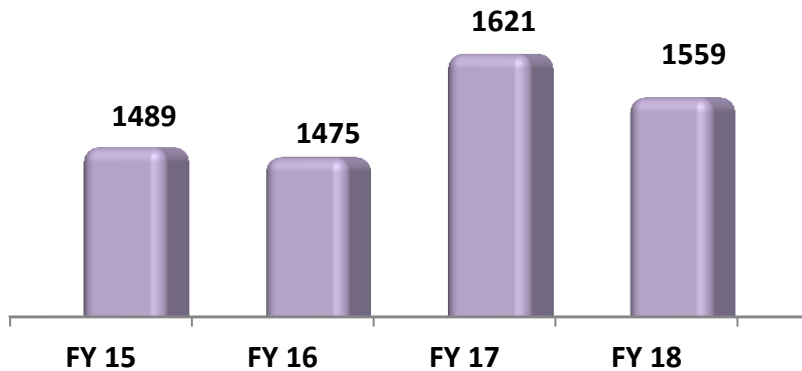
**Yarn & Fabric Sales [MT]**



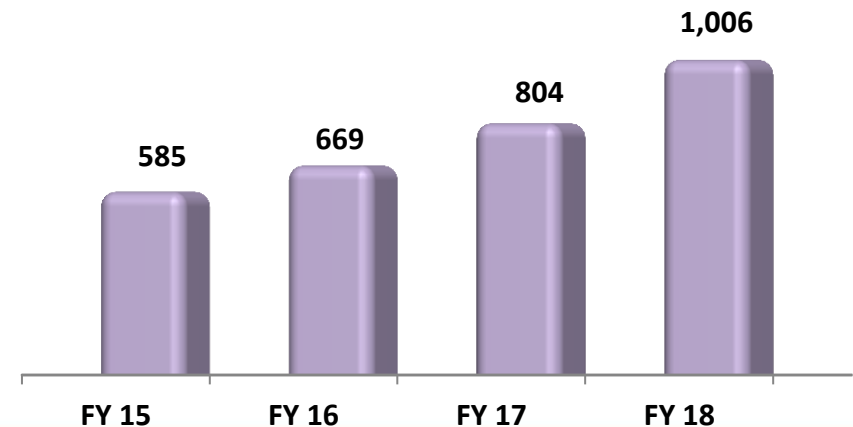
**Garment Sales [No. of Garments in Lacs]**



**Yarn & Fabric Sales [₹ Crore]**

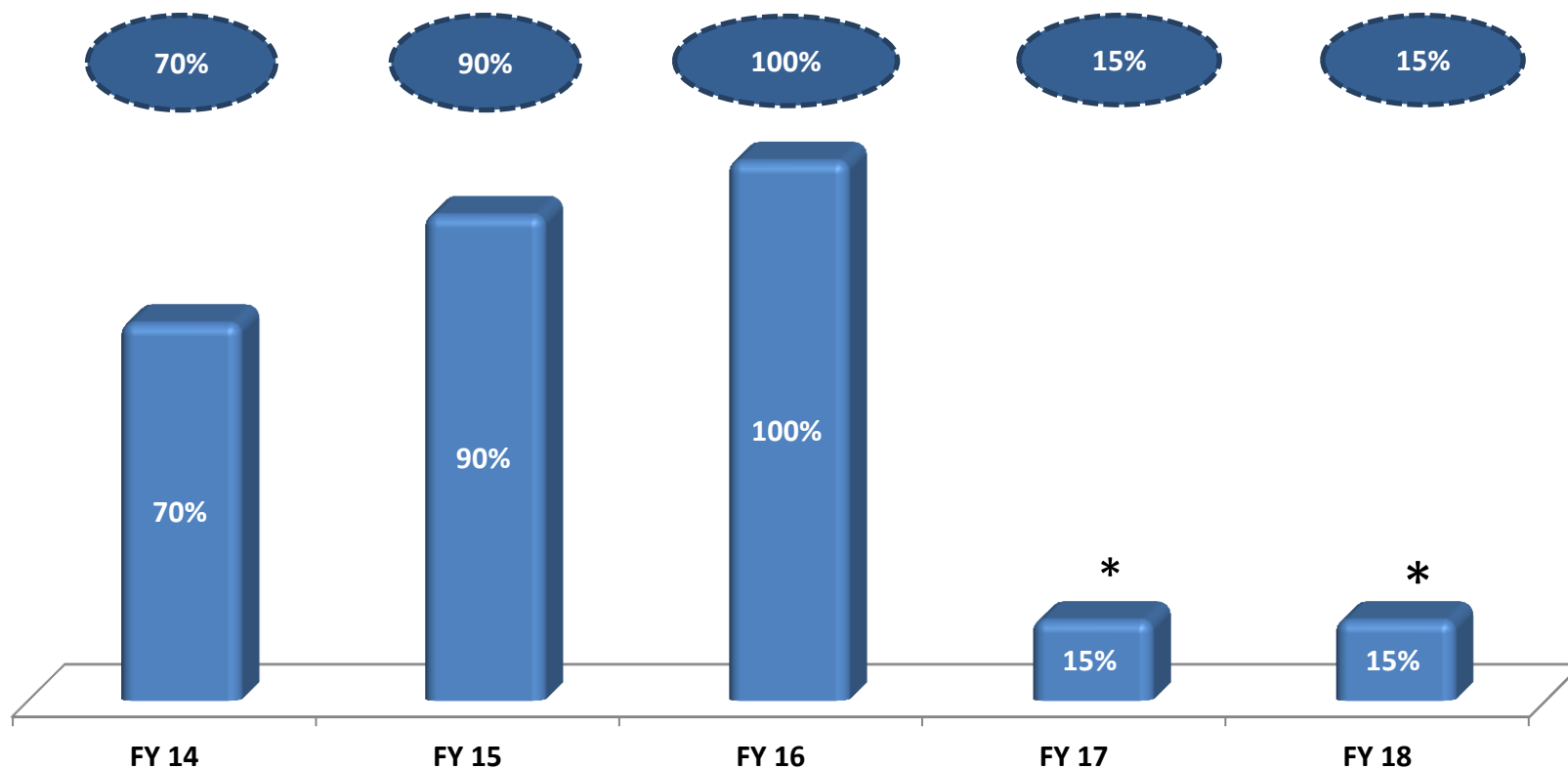


**Garment Sales [₹ Crore]**



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	Q1FY19
Book Value Per Share (₹)	125.42	146.03	174.01	212.45	212.67
Earning Per Share (₹)	22.86	27.86	38.17	39.30	11.17
Dividend Per Share %	90%	100%	* 15%	* 15%	
Dividend Per Share (₹)	9.00	10.00	* 0.75	* 0.75	

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