

K.P.R. MILL LIMITED

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

06.07.2020

The Listing Department
Bombay Stock Exchange Ltd
1st Floor, Rotunda Buildings,
PhirozeJeejeebhoy 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.

SCRIP CODE: 532889

SYMBOL: KPRMILL

Dear Sir,

Sub: Investor Presentation for the Quarter /Year ended 31.03.2020

Ref: Disclosure of Material Events

Pursuant to Regulation 30(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the investor presentation for the Quarter/ year ended 31st March 2020 is uploaded in our Company website www.kprmilllimited.com and being filed with the exchanges.

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 Q4 FY2020

FASO™
ITALIAN AT HEART 

B O D Y W E A R

 100% ORGANIC COTTON

 COTTON STRETCH

Safe Harbor



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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

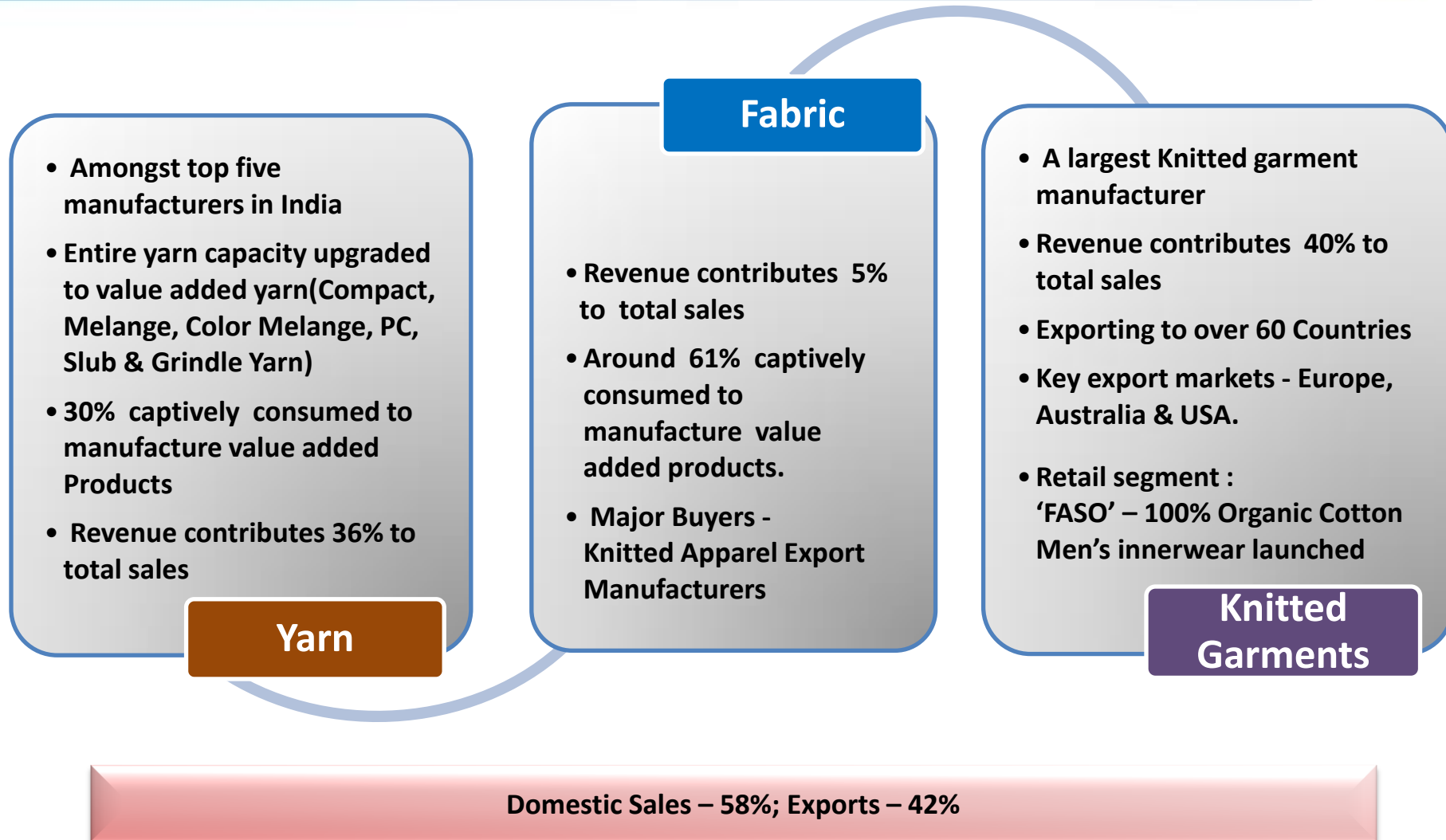


An Overview



- 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 ‘unit 2’ and sophisticated high resolution printing division
- Garment plant in Ethiopia – Ramping up in progress
- Retail segment - ‘FASO’ - 100% Organic Cotton Men’s innerwear launched
- 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, 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

- 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 'Unit 2' and sophisticated high resolution printing division commenced its operations.
- Garment plant in Ethiopia – Ramping up in progress .
- Company at Singapore-To enlarge Export business
- **Retail segment - 'FASO' - 100% Organic Cotton Men's innerwear launched**

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 ‘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
- Garment plant in Ethiopia – Ramping up in progress
- Company at Singapore-To enlarge Export business
- Retail segment - ‘**FASO**’ 100% organic Cotton Men’s innerwear launched.

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

Evolution Contd...

- ❖ 2016 – Established New green field garment facility of 36 Mn garments.
- ❖ 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

- ❖ 2019 – Setting up 90 KLPD Ethanol Plant with an estimated Cost of Rs.120 Crores
- ❖ 2019 –Retail segment : **'FASO' 100% Organic Cotton Men's innerwear launched**
- ❖ 2019 - To enlarge export activities in Asia, established a Wholly owned Subsidiary Company at Singapore

2019-20

Key Highlights of FY 2020

- FY20 Garments Production up by 4.76% YoY to 98.67 Mn Garments as against 94.19 Mn Garments
- FY20 EBITDA up ₹ 658.40 Crores (Previous Year ₹ 648.65 Crores)
- FY20 PBT up ₹ 471.67 Crores (Previous Year ₹ 468.58 Crores)
- FY20 PAT up ₹ 376.68 Crores (Previous Year ₹ 334.87 Crores)



Key Highlights of FY 2020 Contd...

- In March 2020, the World Health Organization declared COVID-19 to be a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. In view of the pandemic, the Company has considered internal and external information and has performed an analysis based on current estimates while assessing the recoverability of assets including trade receivables, inventories and other current / non-current assets (net of provisions established) for any possible impact on the standalone financial results. The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, internal financial controls etc., and is of the view that based on its present assessment, this situation does not materially impact these standalone financial results. The Management believes that the Company will not have any challenge in meeting its financial obligations for the next 12 months. In this regard, the Company will continue to closely monitor any material changes to future economic conditions.
- Due to COVID-19 Pandemic, the Top Management has voluntarily undertaken 50% cut in their remuneration for the FY 2020, to reduce the financial burden to the Company at this juncture
- Owing to the prevailing market conditions which has led to significant decline in the price of cotton and considering management's intention to hold a portion of its inventory as stock-in-trade, the Company had measured the said inventory at lower of cost and net realizable value. Consequent to the above, the amount of write-down charged to the income statement for the quarter and year ended 31.03.2020 was ₹ 43.47 Crores.

Consolidated P&L



₹ Crore	Q4 FY20	Q4 FY20	FY20	FY19
Revenue	882	958	3389	3421
Raw Material	564	585	1987	2027
Employee Expenses	79	96	394	381
Other Expenses	93	110	349	364
EBITDA	146	167	659	649
EBITDA Margin	16.6%	17.4%	19.4	19.0%
Interest & Finance Charges	12	14	50	49
Depreciation	37	32	137	131
PBT	97	121	472	469
Tax	16	35	95	134
PAT	81	86	377	335
PAT Margin	9.2%	9.0%	11.1%	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

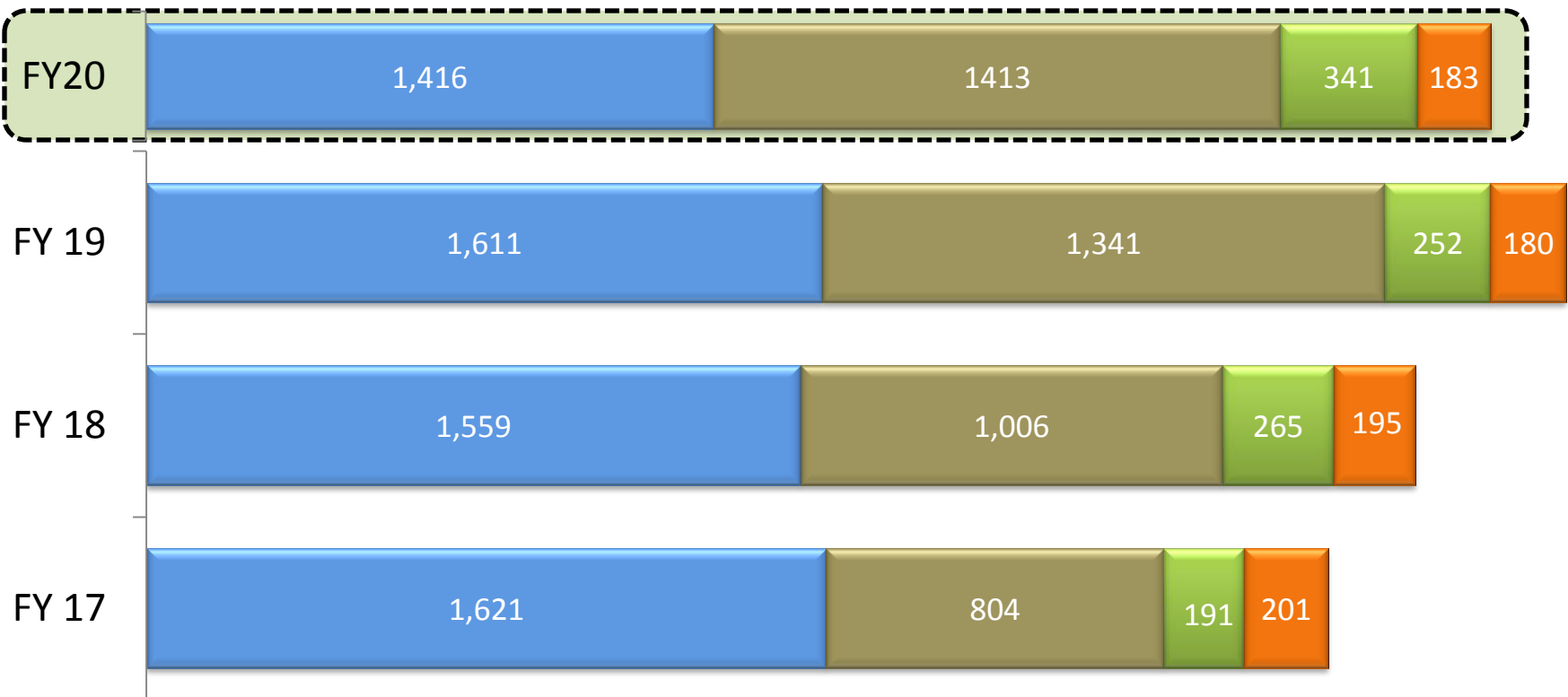
Investments in Co-Gen Power Project 30 MW

- 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

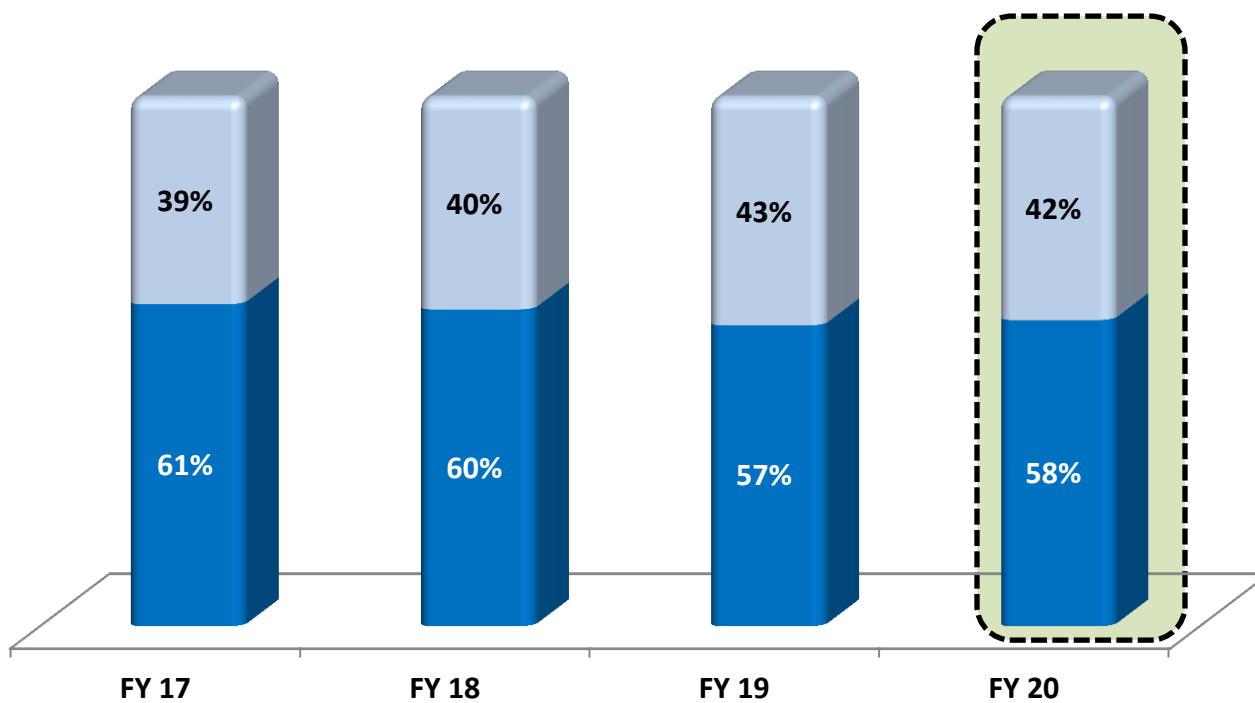
₹ in Crore



Geographical Split



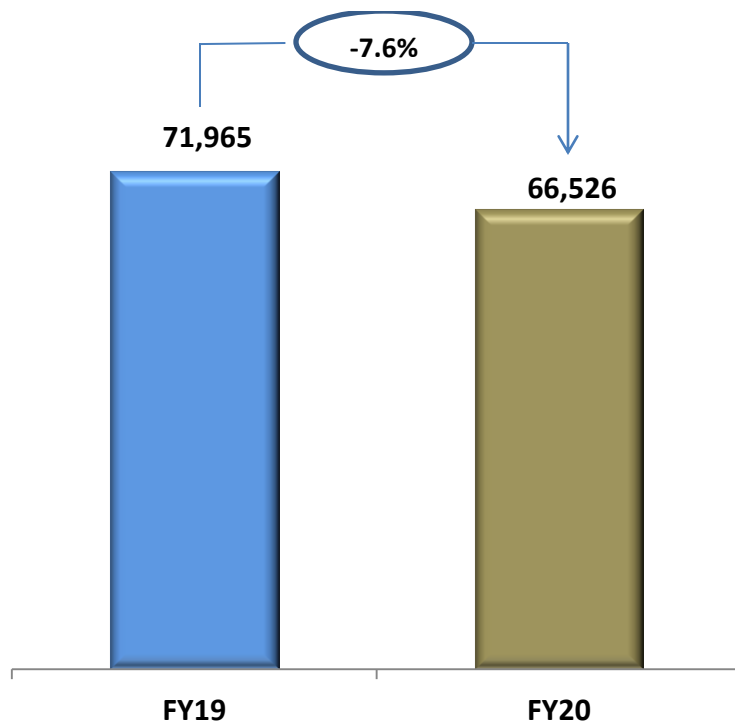
■ Domestic Sales ■ Exports



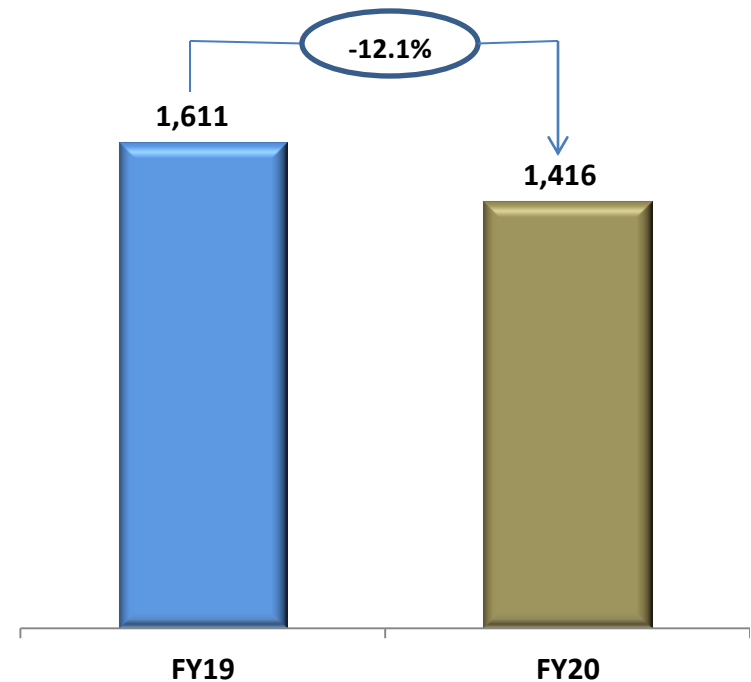
Yarn & Fabric



Yarn & Fabric Sales [MT]



Yarn & Fabric Sales [₹ Crore]

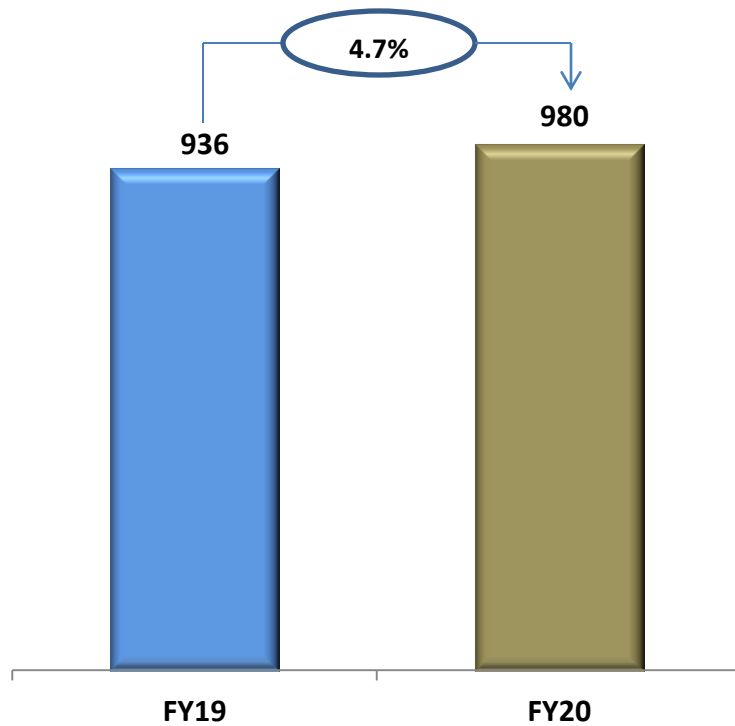


Note : Captive consumption of Yarn & Fabric increased in FY20

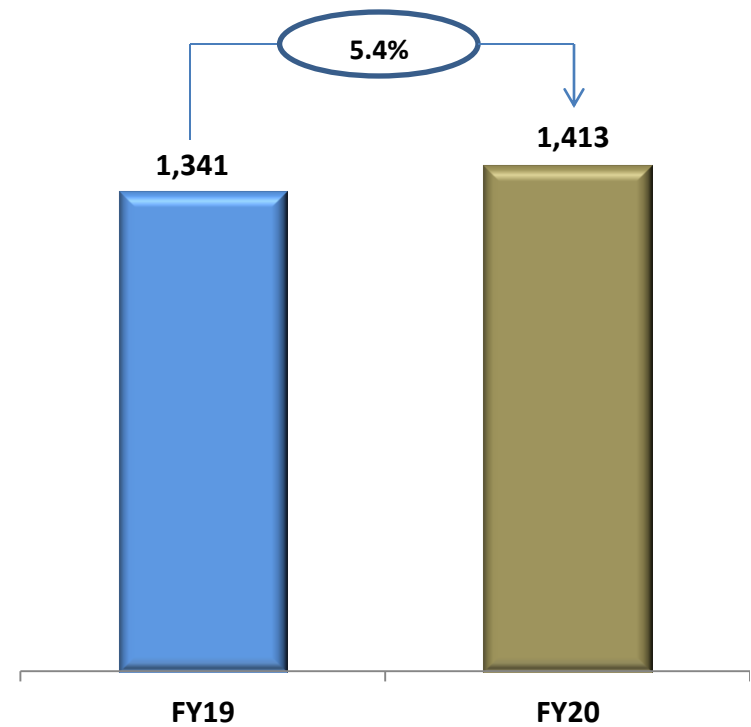
Garments



Garment Sales [No. of Garments in Lacs]

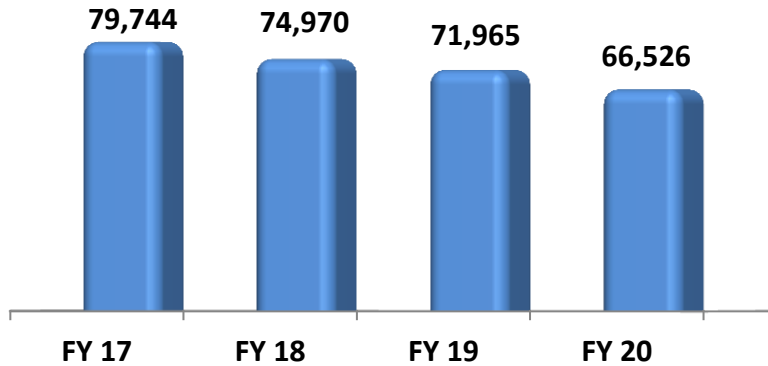


Garment Sales [₹ Crore]

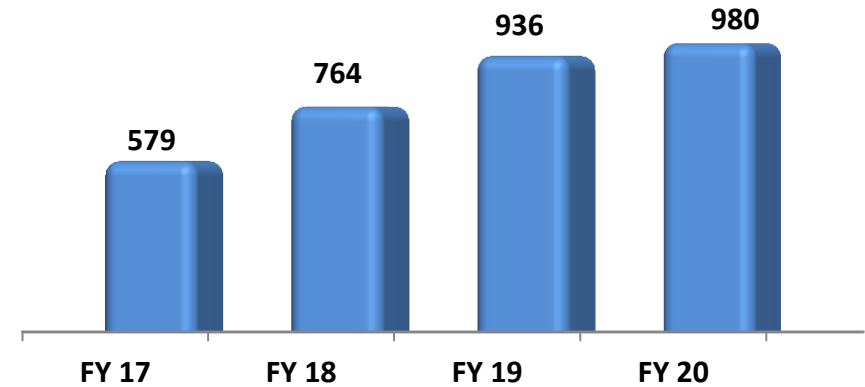


Historical Performance

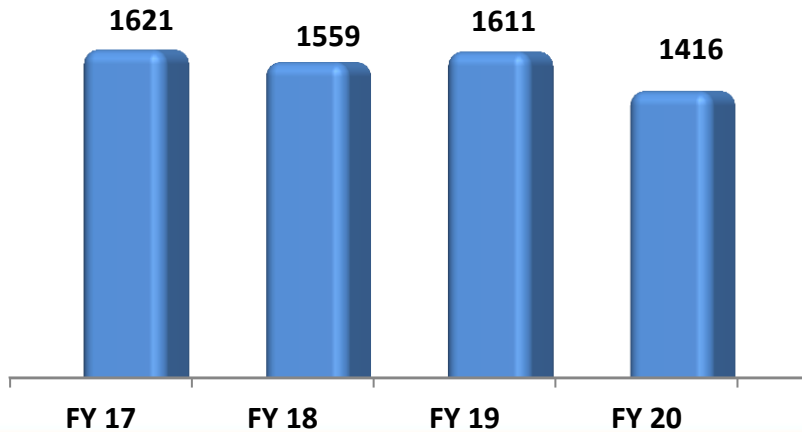
Yarn & Fabric Sales [MT]



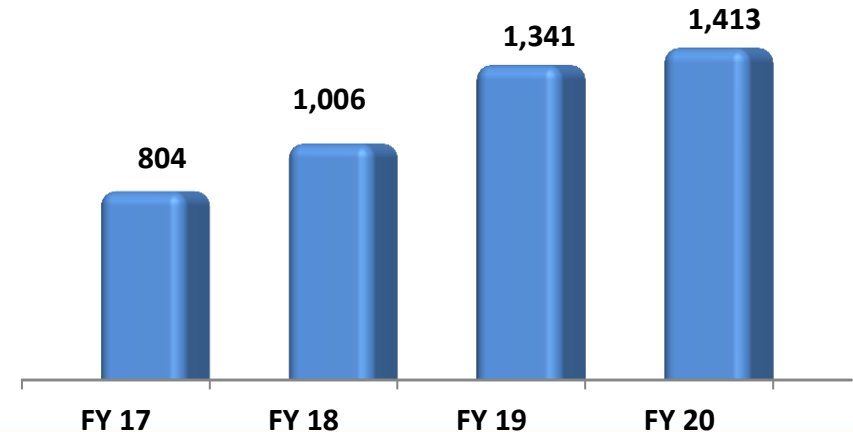
Garment Sales [No. of Garments in Lacs]



Yarn & Fabric Sales [₹ Crore]



Garment Sales [₹ Crore]



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

Profit distributed to Share Holders



Particulars	FY 16	FY 17	FY 18	FY19	FY20
Profit After Tax - ₹ Crores	210.11	286.82	290.38	334.87	376.68
- Buyback - ₹ Crores	--	97.02	108.13	263.31	--
- Dividend - ₹ Crores	45.36	6.67	6.54	6.54	36.27
- Dividend %	100	15	15	15	90

For further information, please contact:

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