

# KPR MILL LIMITED

RESULT UPDATE Q3 FY18



# 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 : 18,000 MT Fabric Printing : 7500 MT
	Tirupur	Garmenting		Windmills: 61.92 MW
	Perundurai	Processing & Fabric Printing		Co-gen & Sugar : 30 MW & 5,000 TCD
	Thekkalur	Garmenting		
	Tirunelveli, Tenkasi, Theni & Coimbatore	Windmills		
	Bijapur, Karnataka	Co-gen cum Sugar		

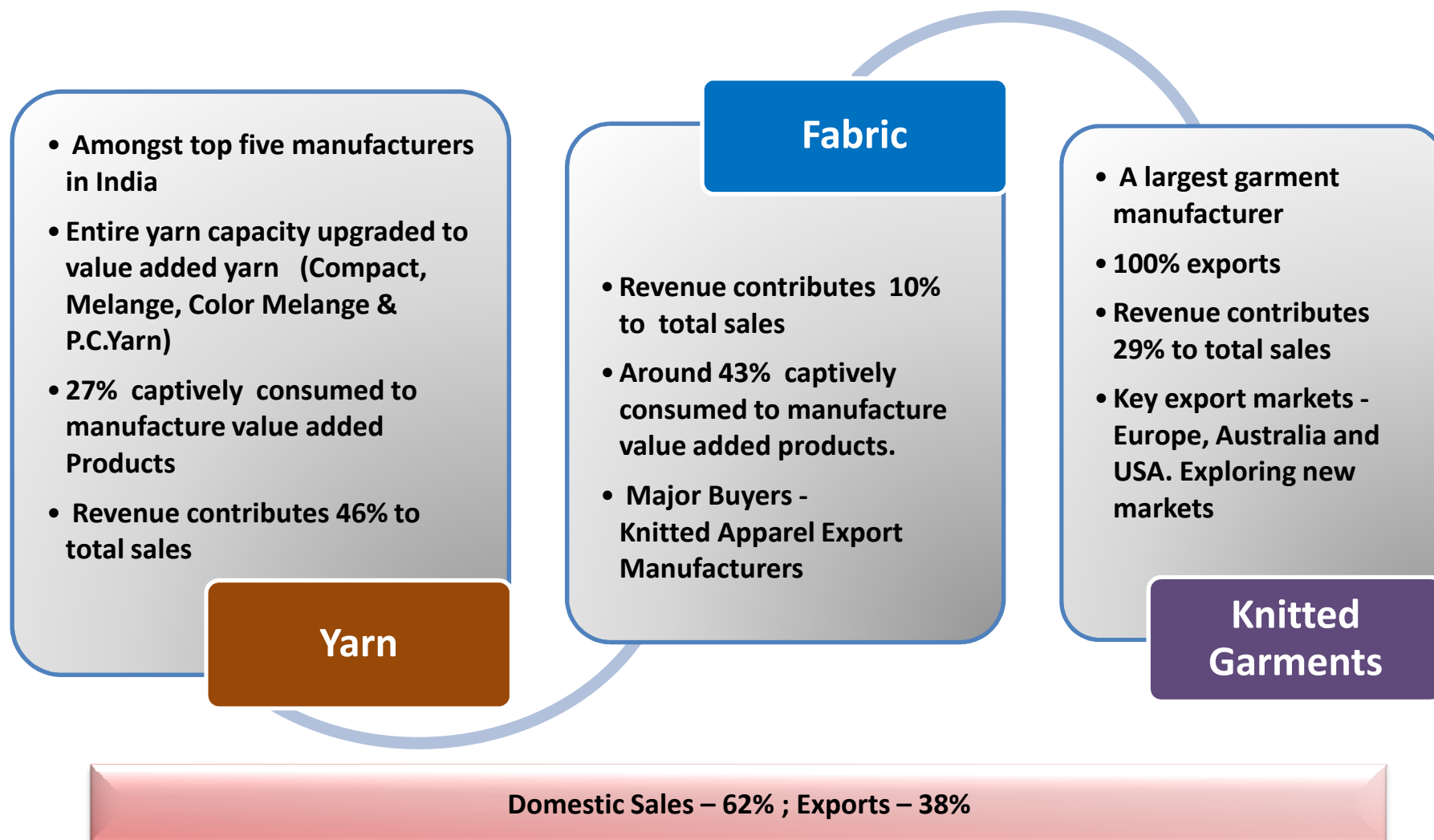
## An Overview



- 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 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.
- New Processing ‘Unit 2” ramp up completed as per plan
- Sophisticated high resolution printing division started commercial operations.



## 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. Garment Industry is upbeat with the Government Incentives
- Eco-friendly Processing 'Unit 2' and sophisticated high resolution printing division commenced its operations.

# 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
- Negotiations for India - EU FTA

## 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
- Comfortable cash position enabling reduction of high cost debt
- 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



# 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

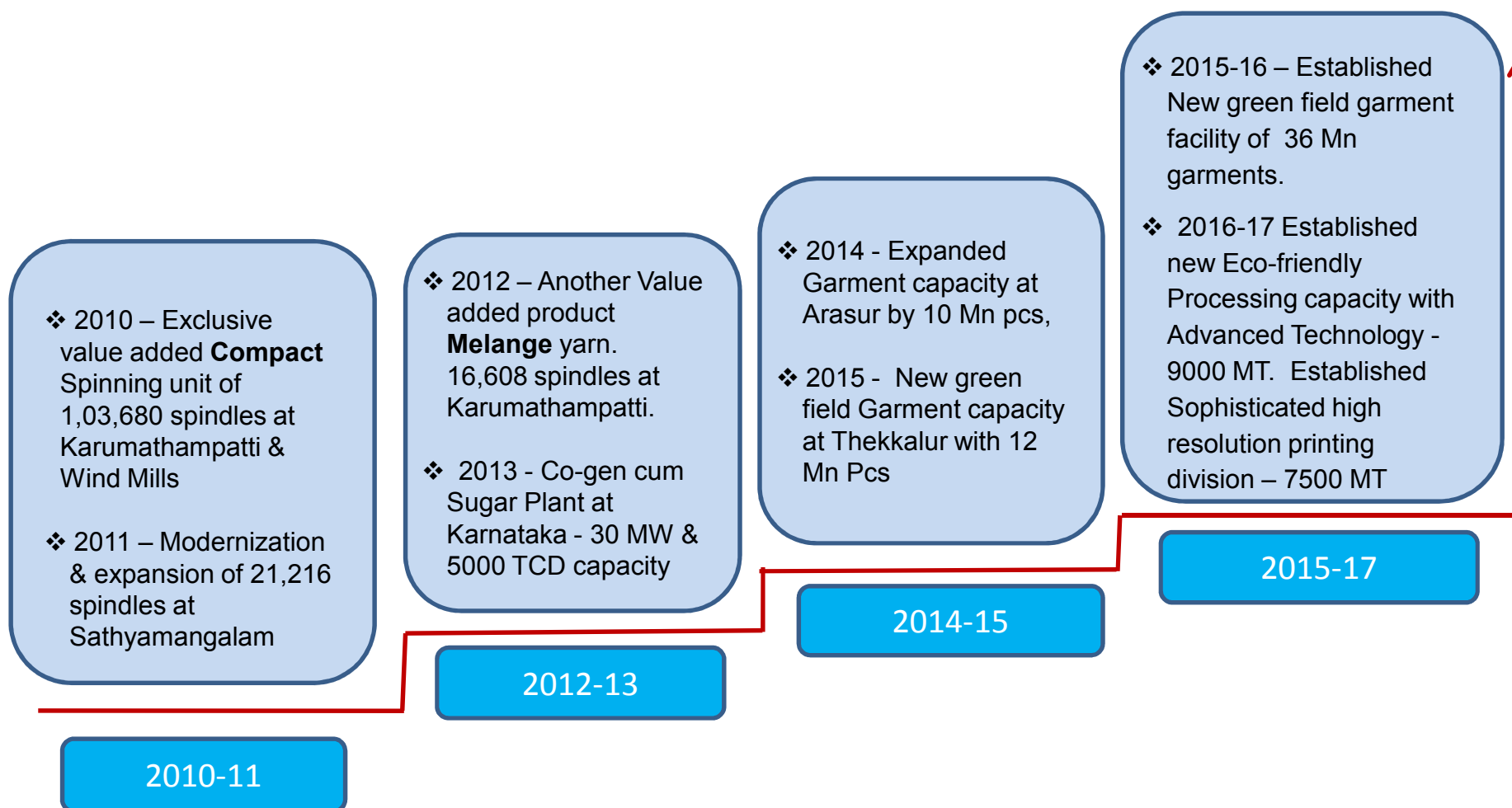
- ❖ 2001 – Spinning mill at Karumathampatti with 30,240 spindles; Knitting facility & Wind mill for captive use
- ❖ 2003 – Spinning unit at Neelambur with 50,784 spindles; Knitting facility & Wind mill
- ❖ 2005 – At Arasur 1,00,800 spindles; Knitting facility, Garment Unit and Wind Mills

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 9M FY 18



- Garment production increased to 59.27 mn from 44.11 year on year
- Revenue increased to ₹ 2216 Crore from ₹ 2053 Crore
- PBT increased to ₹ 289 Crore from ₹ 280 Crore
- PAT increased to ₹ 217 Crore from ₹ 215 Crore



## Consolidated P&L



₹ Crore	Q3 FY18	Q3 FY17	YoY %	9M FY18	9M FY17	YoY %
<b>Revenue</b>	<b>718</b>	<b>619</b>	<b>16.0</b>	<b>2216</b>	<b>2053</b>	<b>7.9</b>
Raw Material	430	345		1336	1199	
Employee Expenses	76	70		224	208	
Other Expenses	77	61		219	203	
<b>EBITDA</b>	<b>135</b>	<b>143</b>	<b>-5.6</b>	<b>437</b>	<b>443</b>	<b>-1.4</b>
EBITDA Margin	18.8%	23.1%		19.7%	21.6%	
Interest & Finance Charges	12	14		41	50	
Depreciation	34	38		107	113	
PBT	89	91		289	280	
Tax	18	20		72	65	
<b>PAT</b>	<b>71</b>	<b>71</b>	<b>-0.3%</b>	<b>217</b>	<b>215</b>	<b>0.9</b>
PAT Margin	9.9%	11.5%		9.8%	10.5%	



## 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

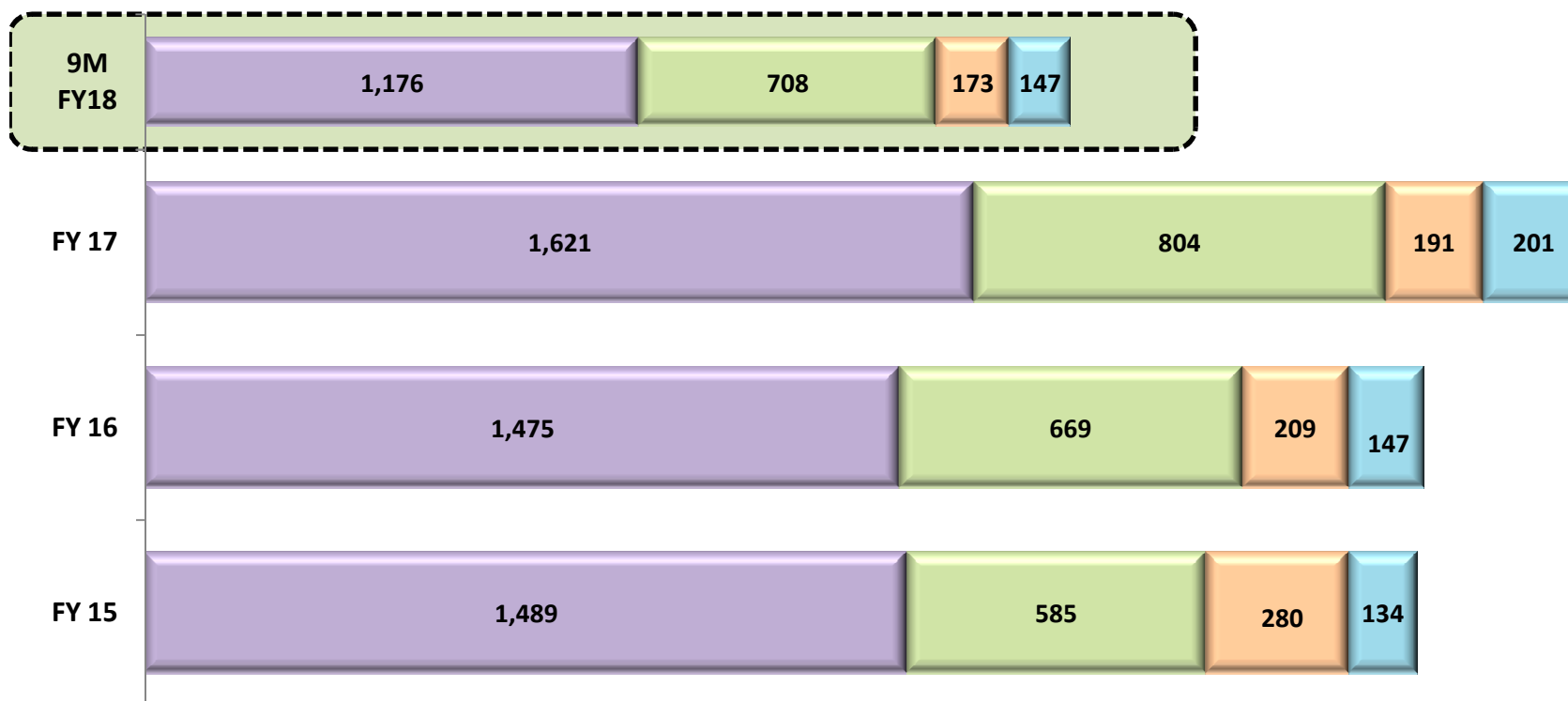
- Invested in 30 MW Co-Gen Power Project
- With Co-gen Power, KPR attained self sufficiency in meeting its substantial power requirement throughout the year

## Segment Wise Revenue contribution

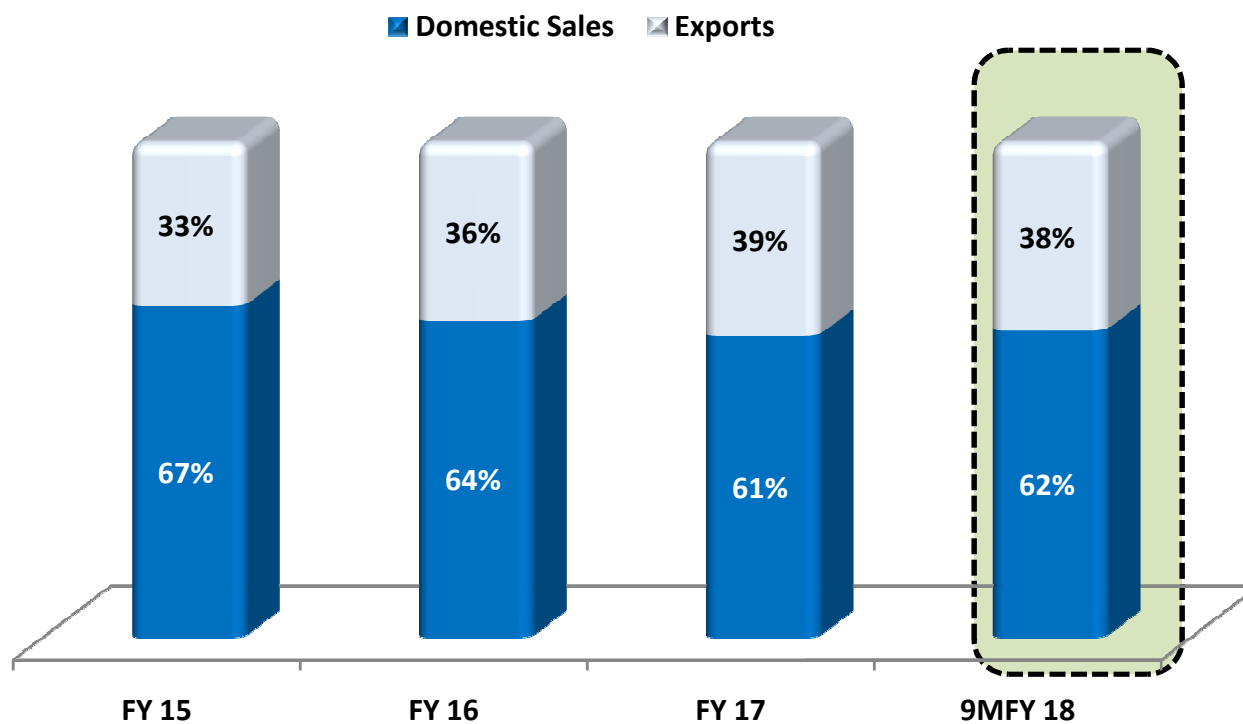


■ Yarn & Fabric 
 ■ Garments 
 ■ Sugar 
 ■ Others

₹ in Crore



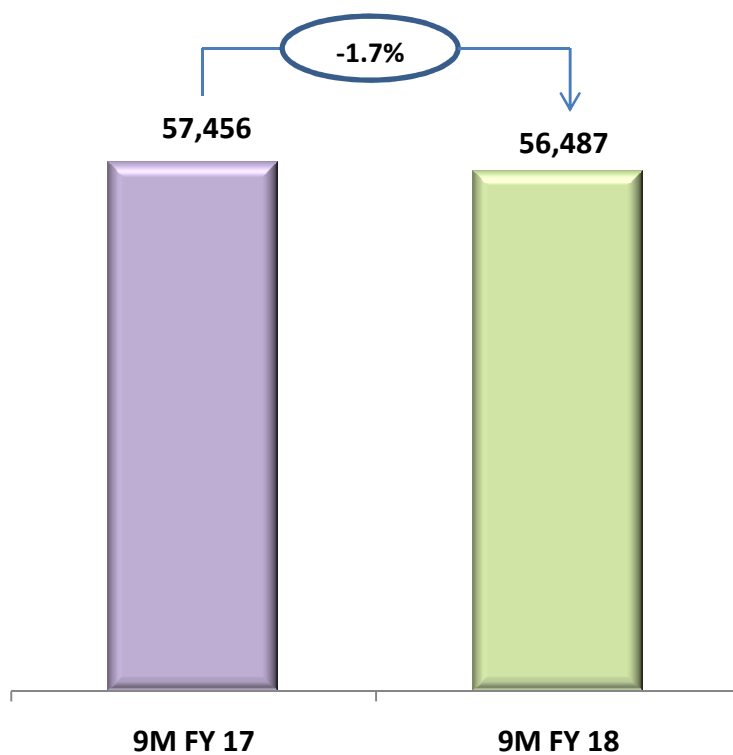
## Geographical Split



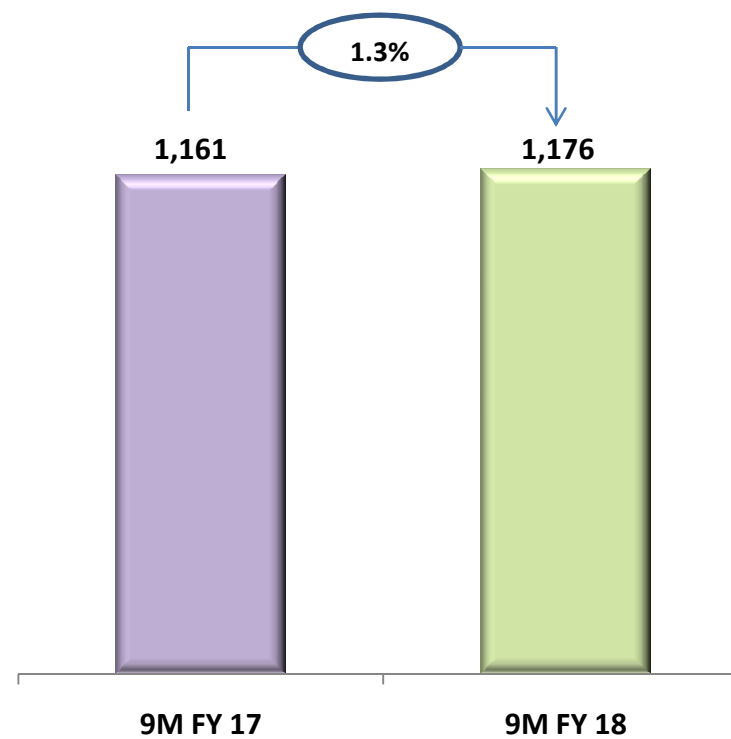
# Yarn & Fabric



**Yarn& Fabric Sales [MT]**



**Yarn & Fabric Sales [₹ Crore]**

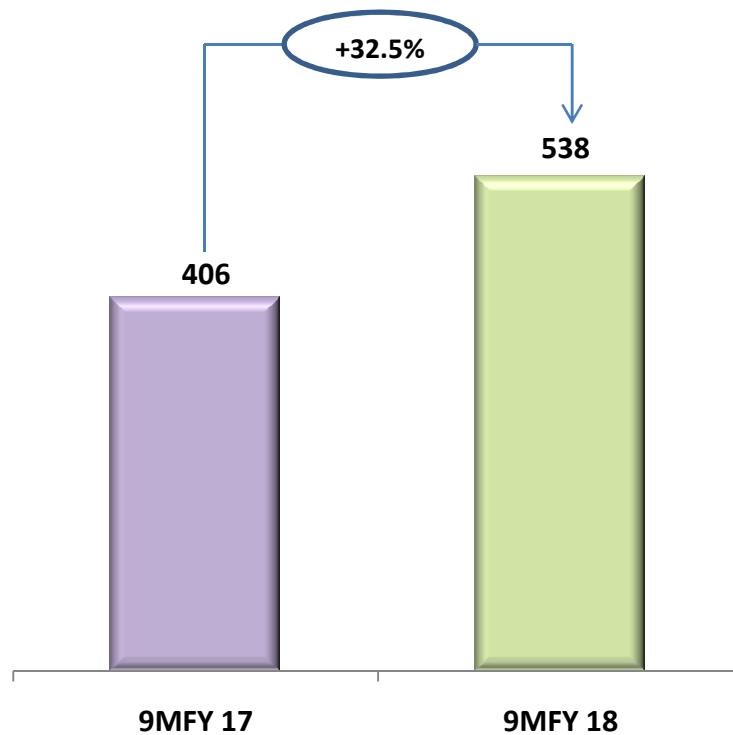




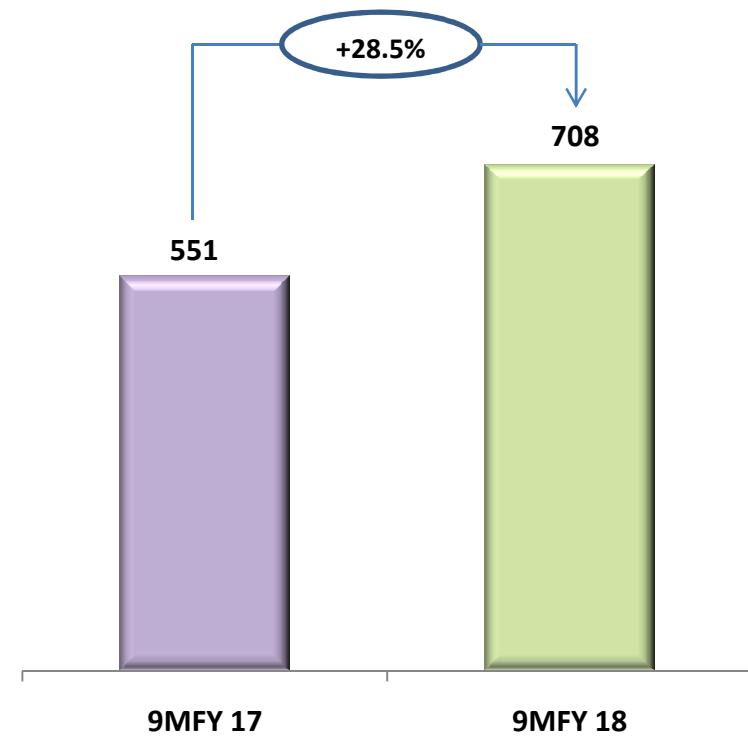
# Garments



Garment Sales [No. of Garments in Lacs]

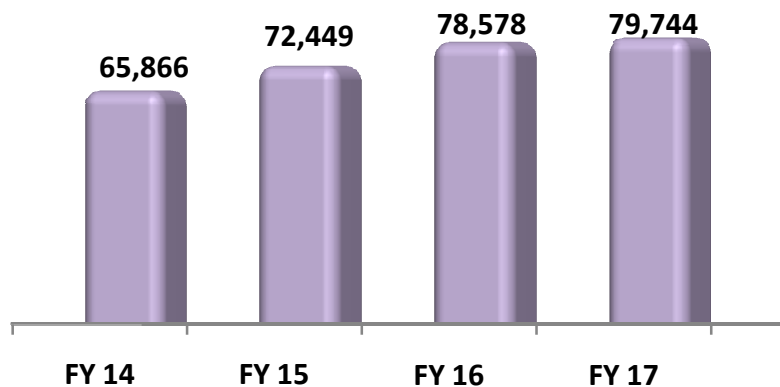


Garment Sales [₹ Crore]

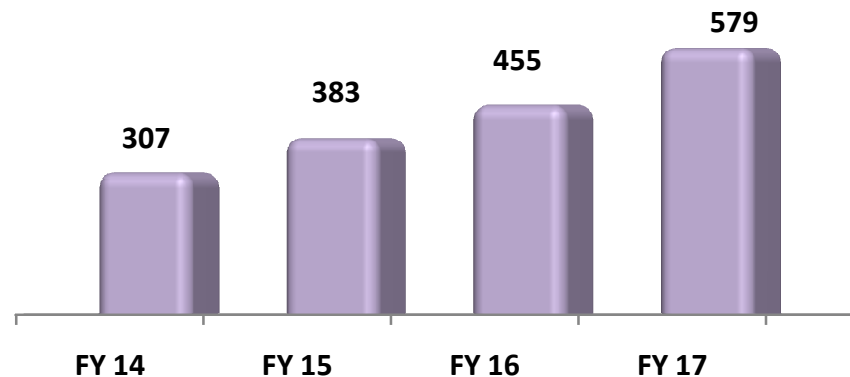


# Historical Performance

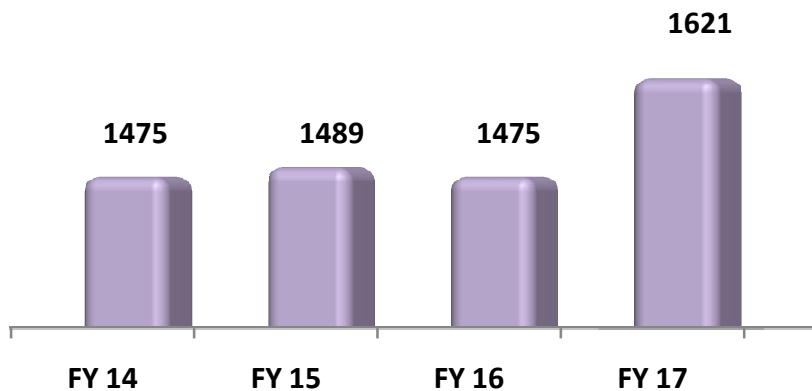
**Yarn & Fabric Sales [MT]**



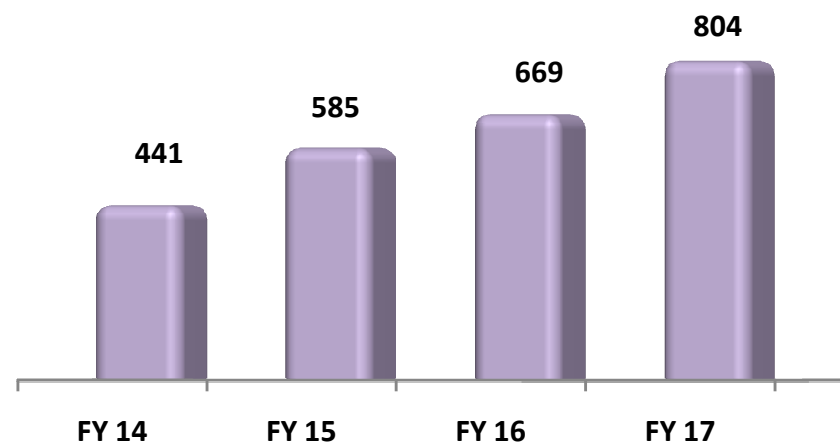
**Garment Sales [No. of Garments in Lacs]**



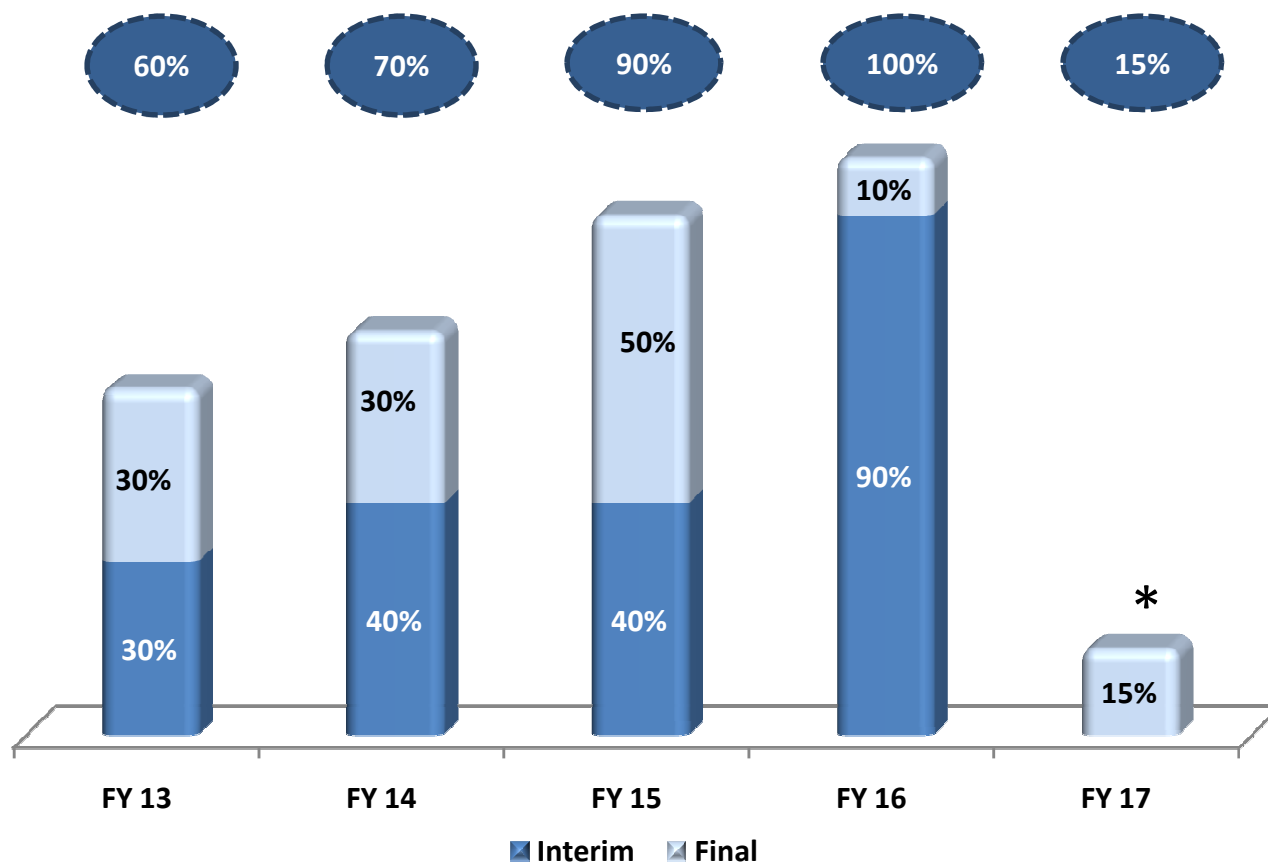
**Yarn & Fabric Sales [₹ Crore]**



**Garment Sales [₹ Crore]**



## Dividend Track Record



\* During the year Company bought back shares with a consideration of Rs.9,702 Lakhs

## Book Value & EPS



Particulars	FY 14	FY 15	FY 16	FY 17	9M FY18
Book Value Per Share (₹)	108.08	125.42	146.03	174.01	202.55
Earning Per Share (₹)	18.64	22.86	27.86	38.15	29.40
Dividend Per Share %	70%	90%	100%	* 15%	--
Dividend Per Share (₹)	7.00	9.00	10.00	* 0.75	--

\* During the year Company bought back shares with a consideration of Rs.9,702 Lakhs





For further information, please contact:

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