

K.P.R. MILL LIMITED

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

26.10.2019

The Listing Department
Bombay Stock Exchange Ltd.
1st Floor, Rotunda Buildings,
Phiroze Jeejeebhoy Towers,
Mumbai-4 0 0 001.

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/half-year ended 30.09.2019 – Q2 FY
2019-20

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Investor Presentation for the quarter/half-year ended 30.09.2019

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
Q2 FY2020



Safe Harbor

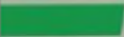


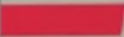
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 **100% ORGANIC COTTON**

 **COTTON STRETCH**



FASO™

ITALIAN AT HEART 

B O D Y W E A R

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

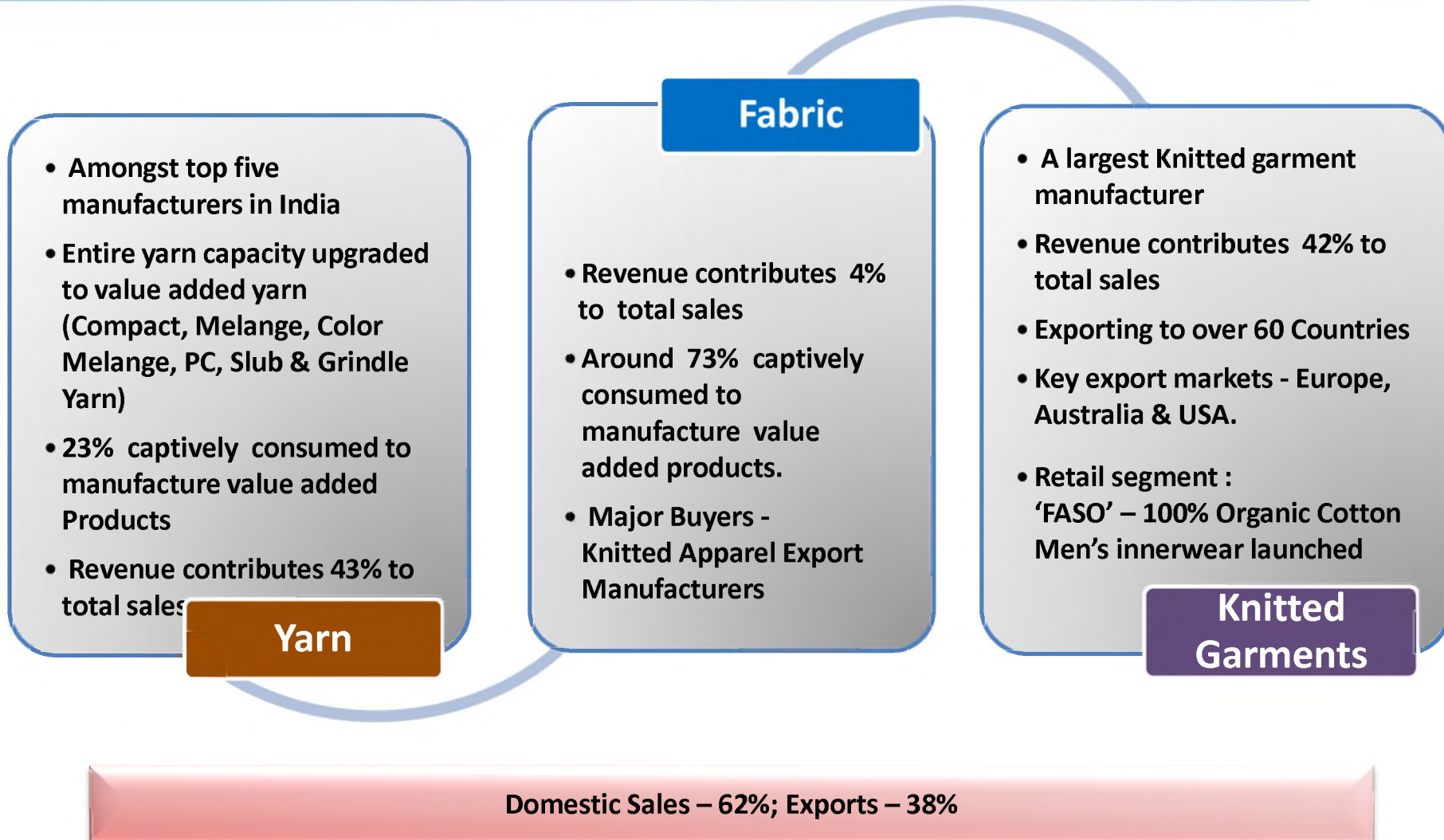


An Overview



- **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 about 1,500 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 105 million Knitted Garments capacity , KPR has become one of the largest Apparel Manufacturers in India.**
- **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**

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

- Over 1500 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.
- Eco-friendly Processing 'Unit 2' and sophisticated high resolution printing division commenced its operations.
- Garment plant in Ethiopia – Ramping up in progress .
- **Retail segment - 'FASO' - 100% Organic Cotton Men's innerwear launched**

KPR is well Poised to capture the

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
- 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**

2019-20

Key Highlights of H1 FY 2020

- H1 FY20 Garments Production up by 16.04% YoY to 52.75 Mn Garments as against 45.46 Mn Garments
- H1 FY20 Revenue at ₹ 1728.18 Crores
- H1 FY20 EBITDA up by 14.16% YoY to ₹ 366.36 Crores as against ₹ 320.93 Crores
- H1 FY20 PBT up by 18.94% YoY to ₹ 273.64 Crores as against ₹ 230.07 Crores
- H1 FY20 PAT up by 22.17% YoY to ₹ 201.37 Crores as against ₹ 164.83 Crores
- **100% Organic Cotton Men's Innerwear "FASO" launched**



Consolidated P&L

₹ Crore	Q2 FY20	Q2 FY19	YoY %	H1 FY20	H1 FY19	YoY %
Revenue	819	774	5.8%	1728	1684	2.6%
Raw Material	456	435		983	1010	
Employee Expenses	106	103		211	193	
Other Expenses	75	75		168	160	
EBITDA	182	161	13.0%	366	321	14.0%
EBITDA Margin	22.2%	20.8%		21.2%	19.1%	
Interest & Finance Charges	12	11		26	25	
Depreciation	34	33		66	66	
PBT	136	117	16.2%	274	230	19.1%
Tax	27	33		72	65	
PAT	109	84	29.8%	201	165	21.8%
PAT Margin	13.3%	10.9%		11.6%	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

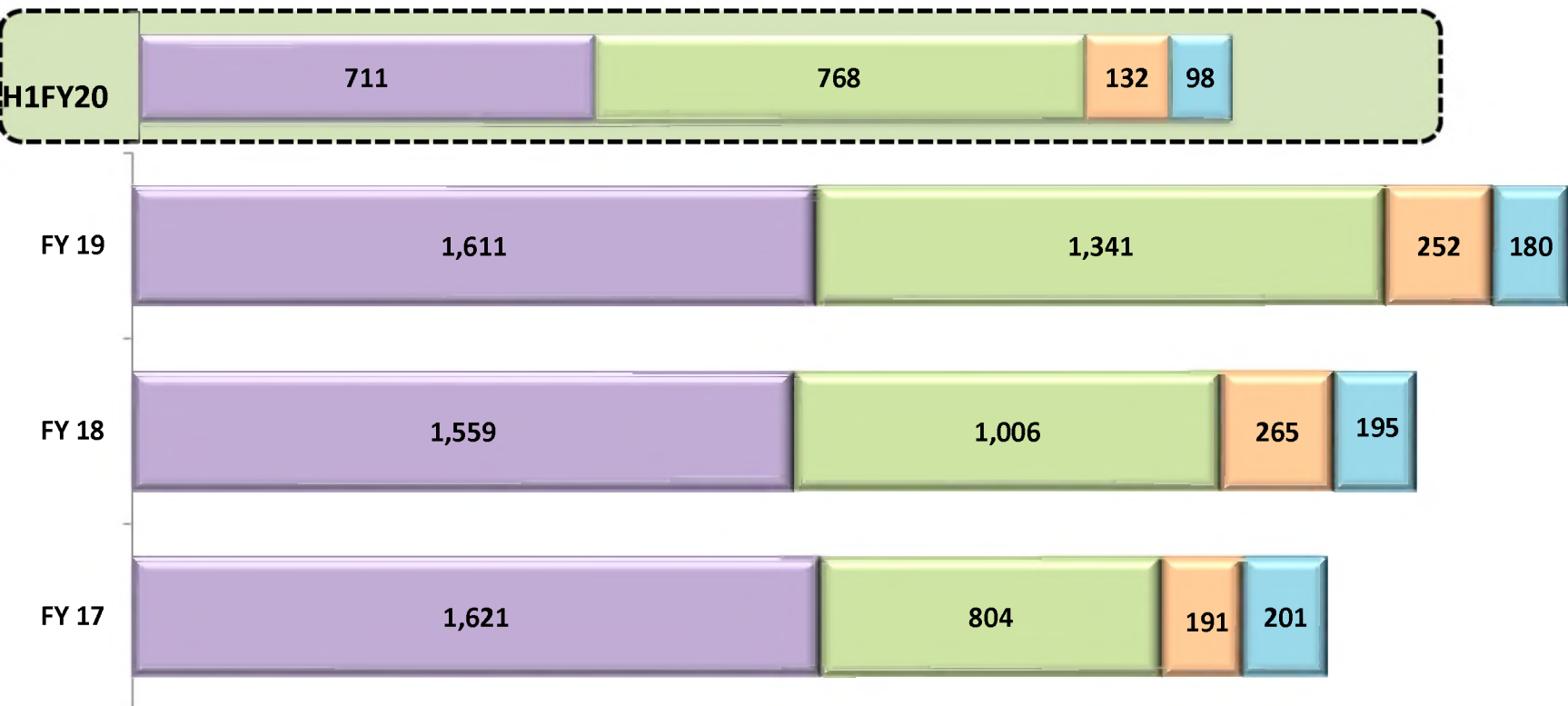
Investments in Co-Gen Power Project 30 MW

- 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

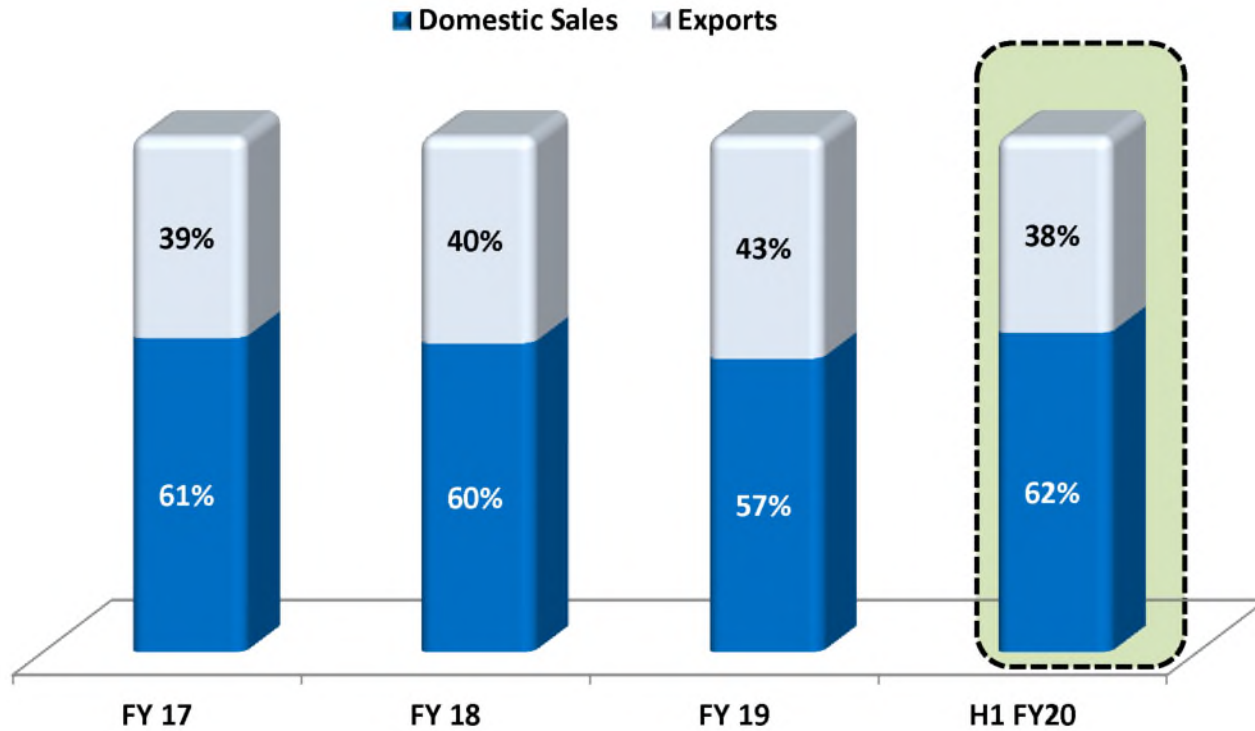
Segment Wise Revenue contribution

■ Yarn & Fabric
 ■ Garments
 ■ Sugar
 ■ Others

₹ in Crore

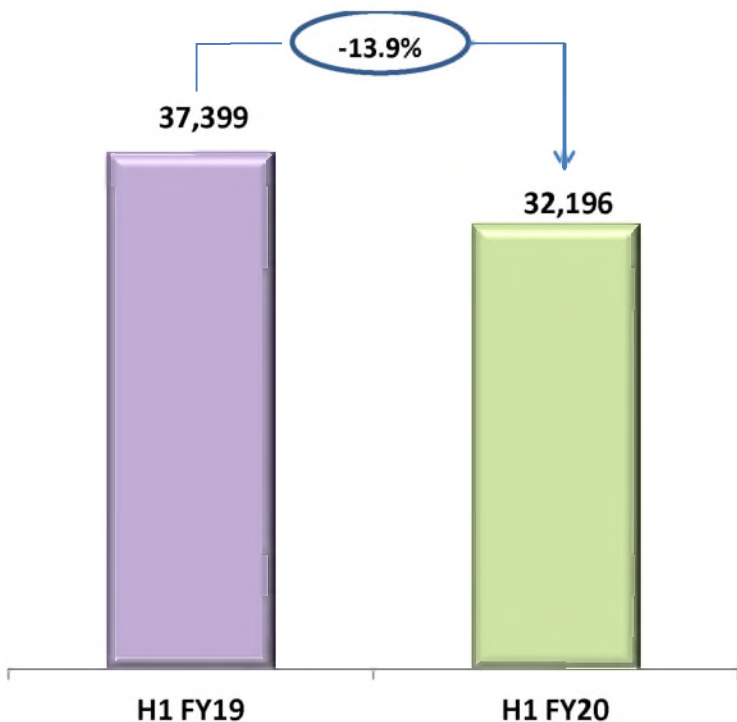


Geographical Split



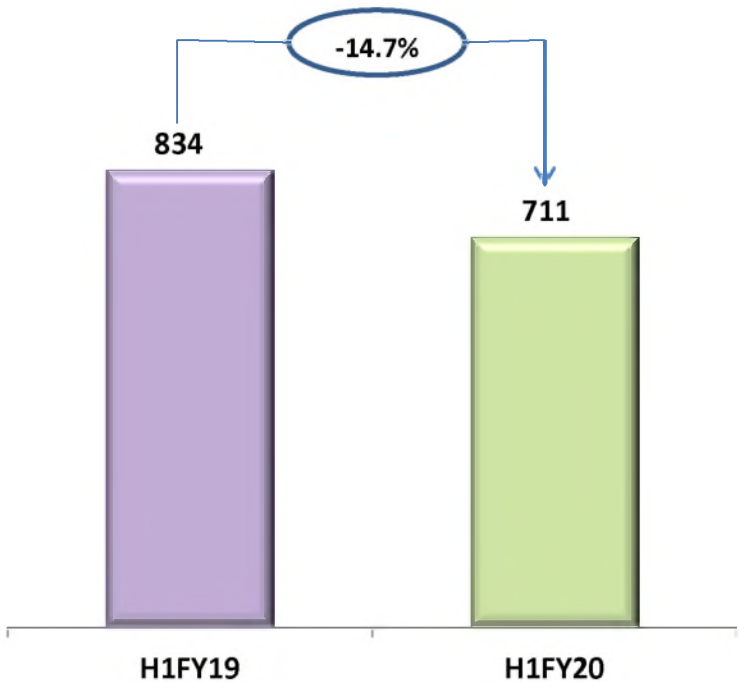
Yarn & Fabric

Yarn & Fabric Sales [MT]



Note : Captive consumption of Yarn

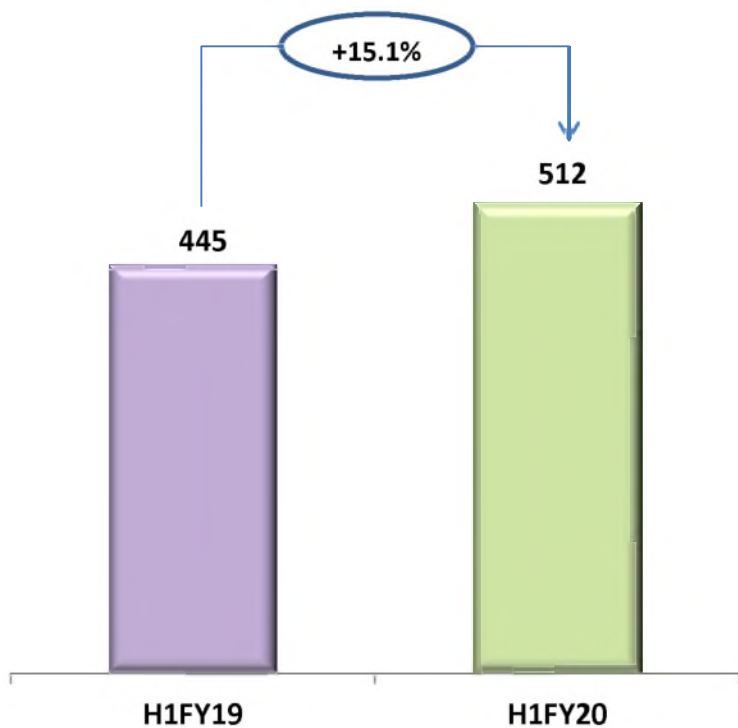
Yarn & Fabric Sales [₹ Crore]



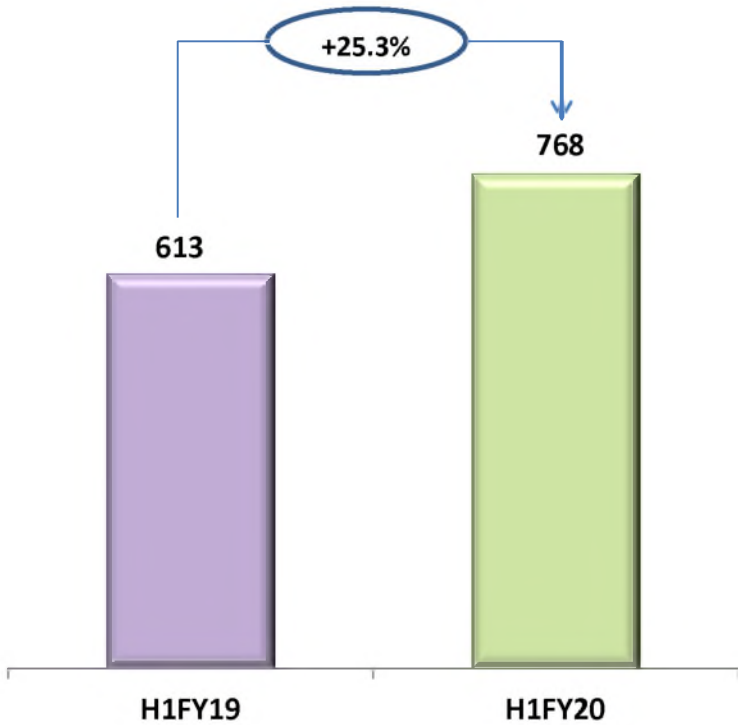
& Fabric increased for H1FY20

Garments

Garment Sales [No. of Garments in Lacs]

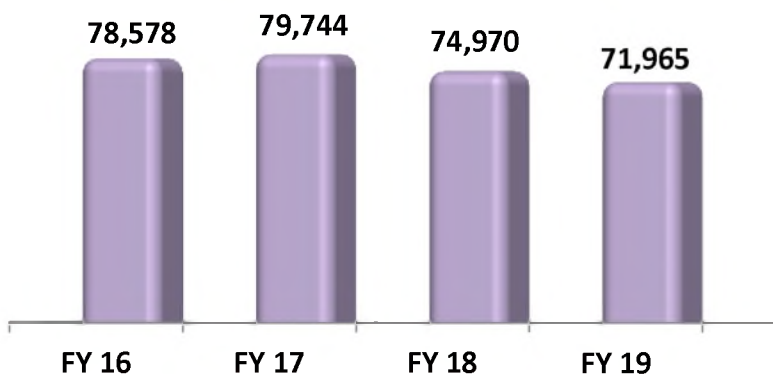


Garment Sales [₹ Crore]

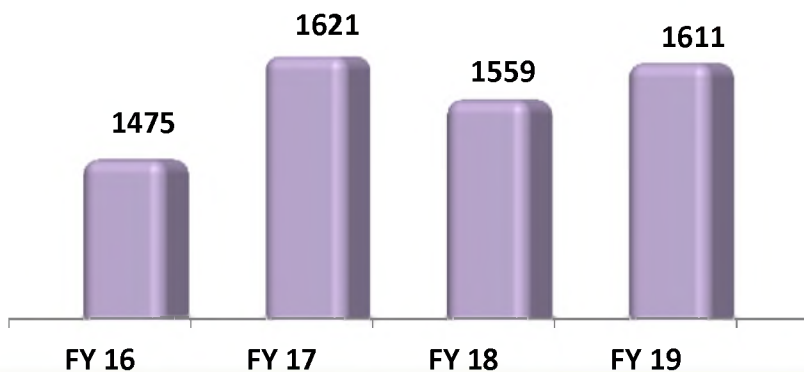


Historical Performance

Yarn & Fabric Sales [MT]



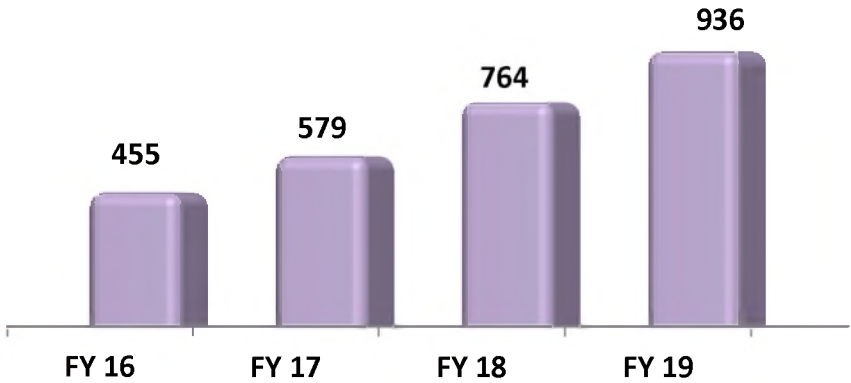
Yarn & Fabric Sales [₹ Crore]



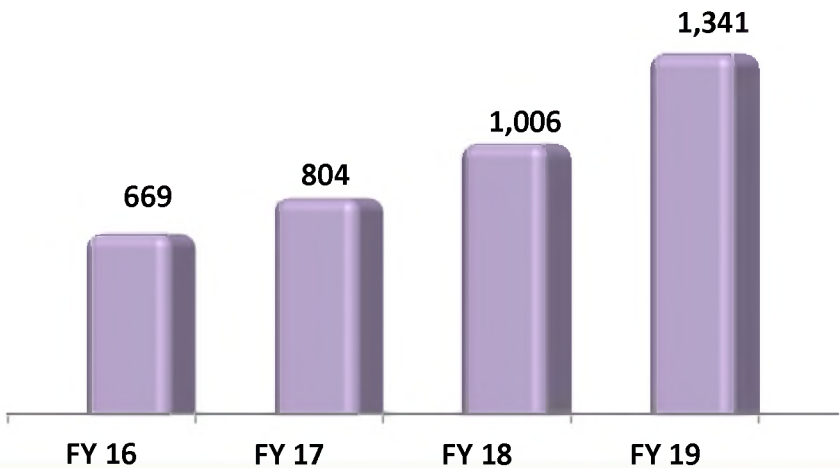
Note : Captive consumption of Yarn




Garment Sales [No. of Garments in Lacs]



Garment Sales [₹ Crore]



& Fabric increased for FY 2019



For further information, please contact:

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