

# K.P.R. MILL LIMITED

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

04.02.2020

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 ended 31.12.2019

**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 3<sup>rd</sup> Quarter ended 31<sup>st</sup> December 2019 is uploaded on our Company website [www.kprmilllimited.com](http://www.kprmilllimited.com) and being filed with the exchanges.

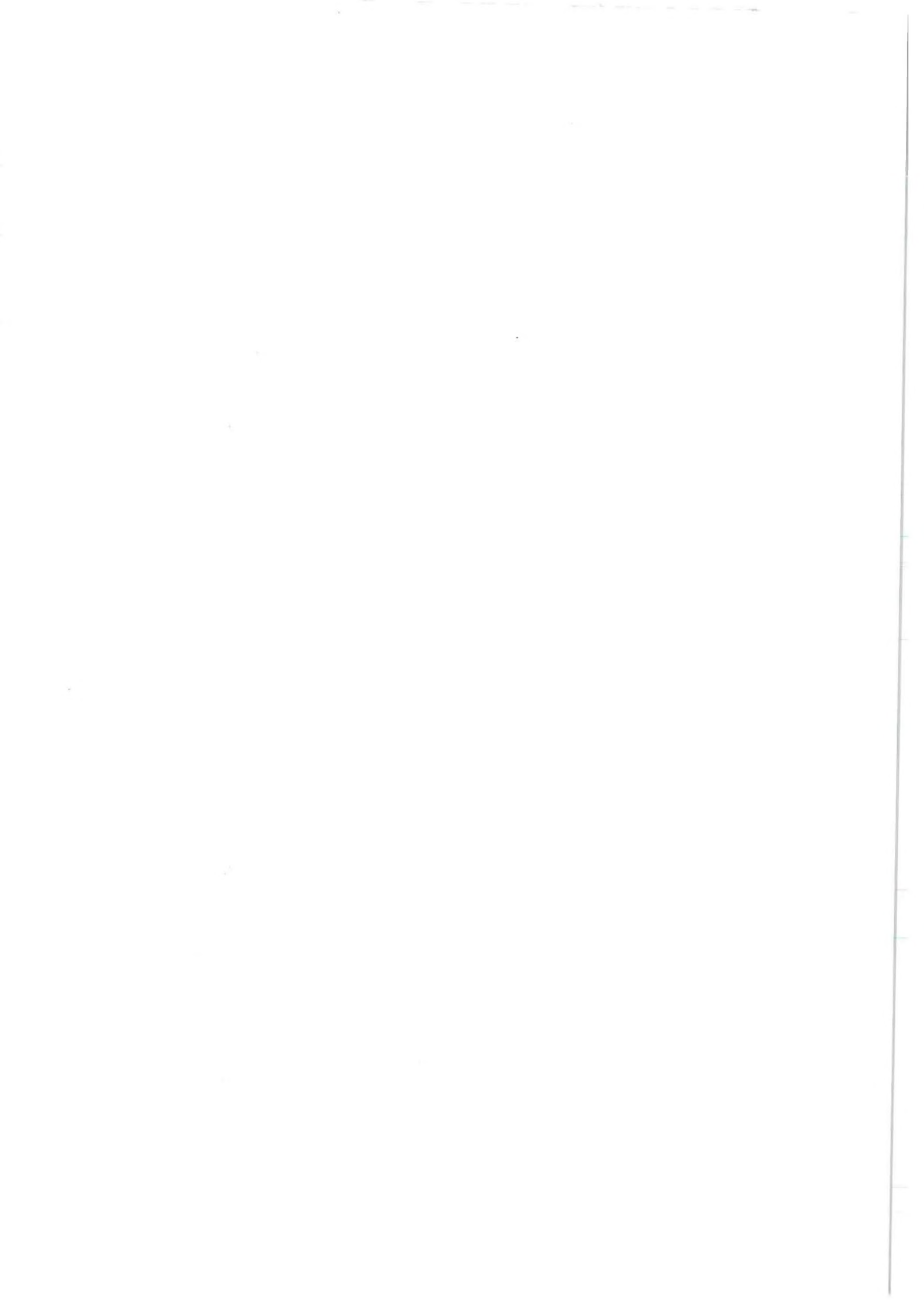
Thanking you,

Yours faithfully

For K.P.R. Mill Limited

  
P. Kandaswamy  
Company Secretary

Encl: As above





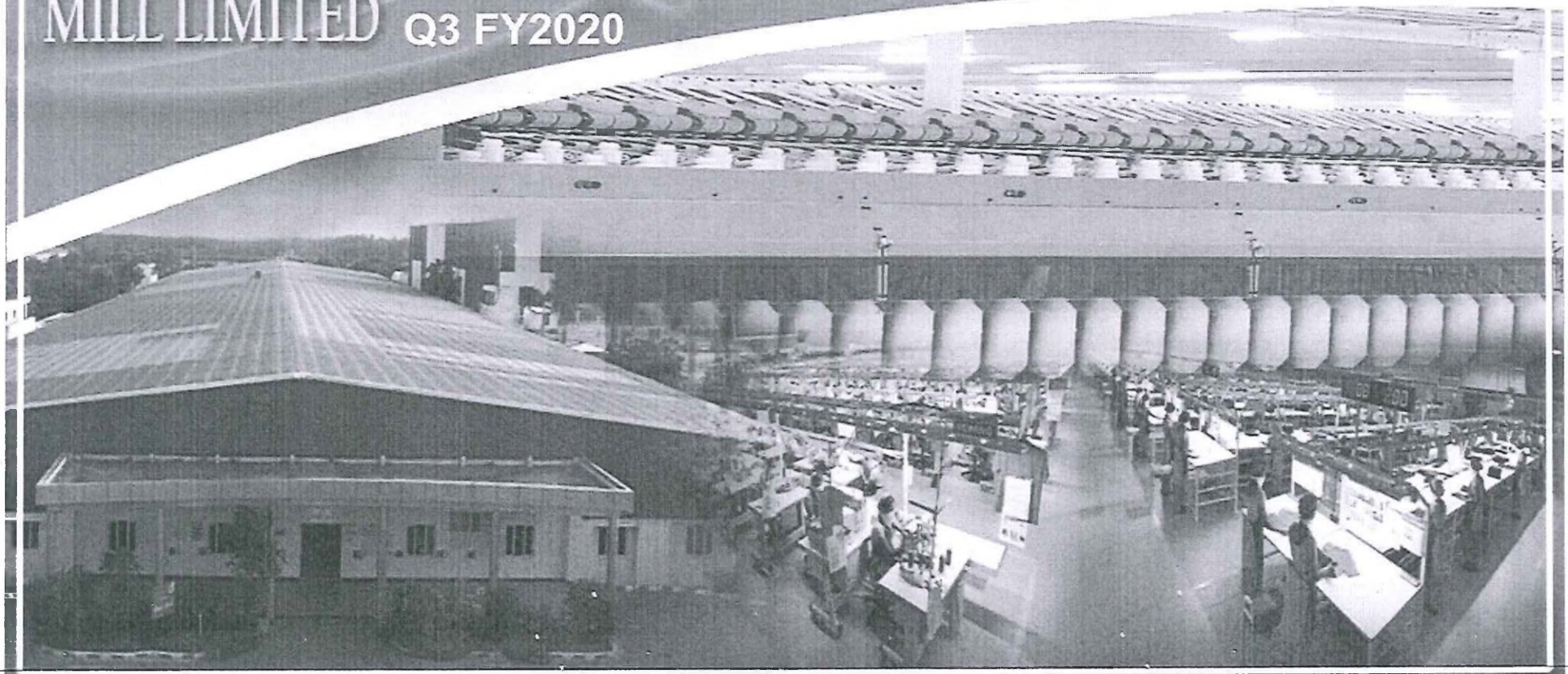


F A S O <sup>TM</sup>

ITALIAN AT HEART

KPR  
MILL LIMITED

RESULT UPDATE  
Q3 FY2020





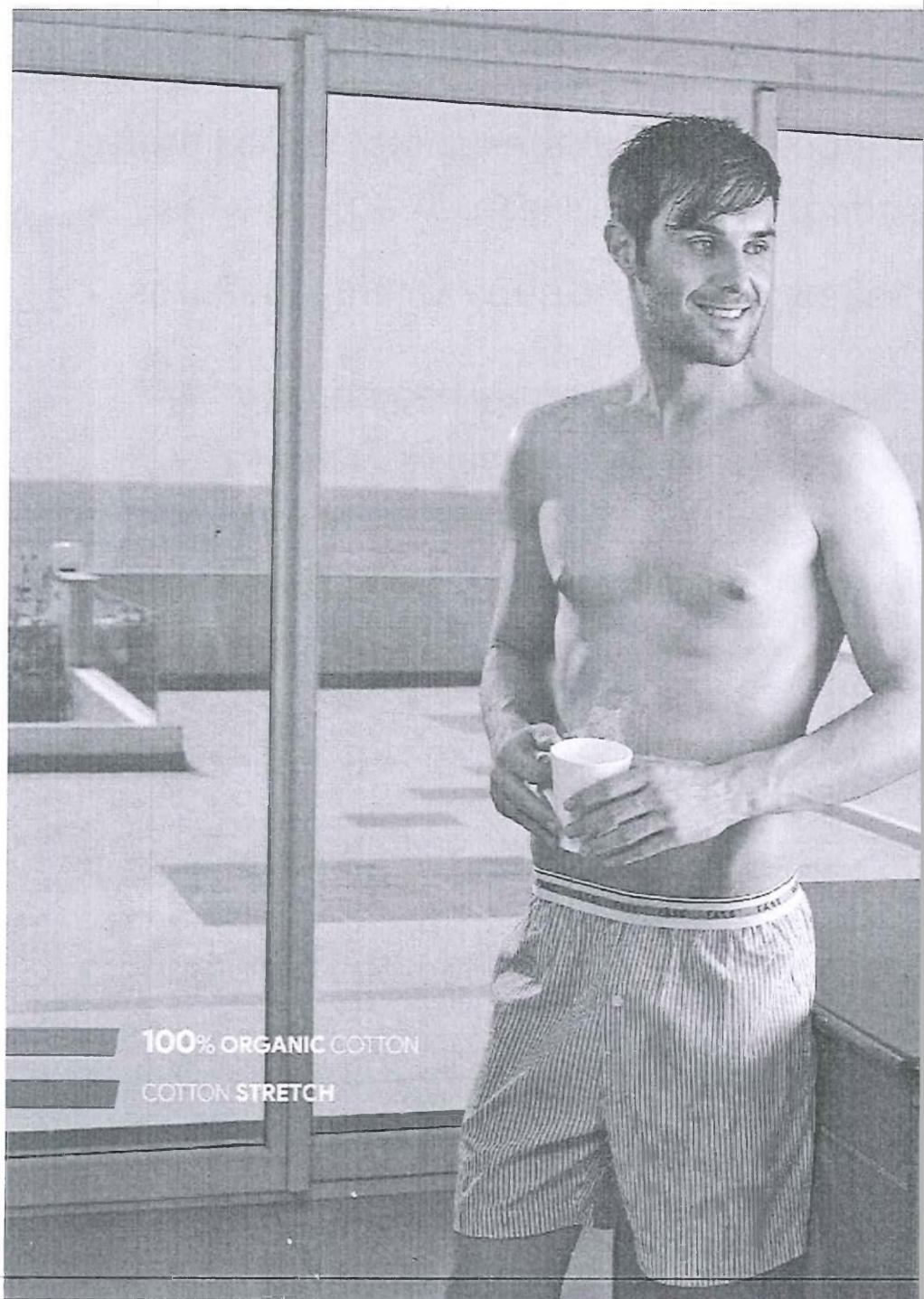
## Safe Harbor



*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.*



100% ORGANIC COTTON

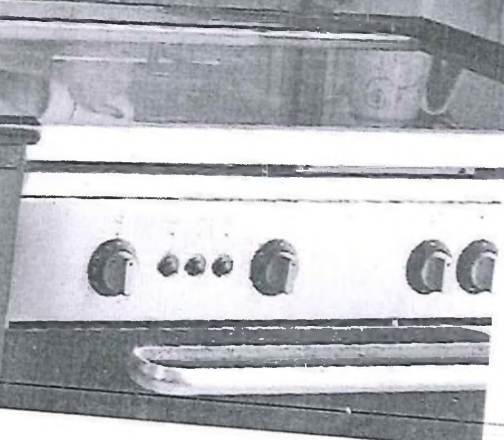
COTTON STRETCH



 **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

Tamil Nadu	Sathyamangalam	Spinning	Yarn : 1,00,000 MT  Fabric : 27,000 MT  Garments : 115 million Garments  Processing : 22,000 MT Fabric Printing : 7500 MT  Windmills: 61.92 MW  Co-gen & Sugar : 30 MW & 5,000 TCD
	Karumathampatti	Spinning, Compact , P.C, Melange & Color Melange	
	Neelambur	Spinning & Knitting	
	Arasur	Spinning, Knitting & Garmenting	
	Tirupur	Garmenting	
	Thekkalur	Garmenting	
	Perundurai	Processing & Fabric Printing	
	Tirunelveli, Tenkasi, Theni & Coimbatore	Windmills	
	Mekelle, Ethiopia	Garmenting	
	Bijapur, Karnataka	Co-gen cum Sugar	



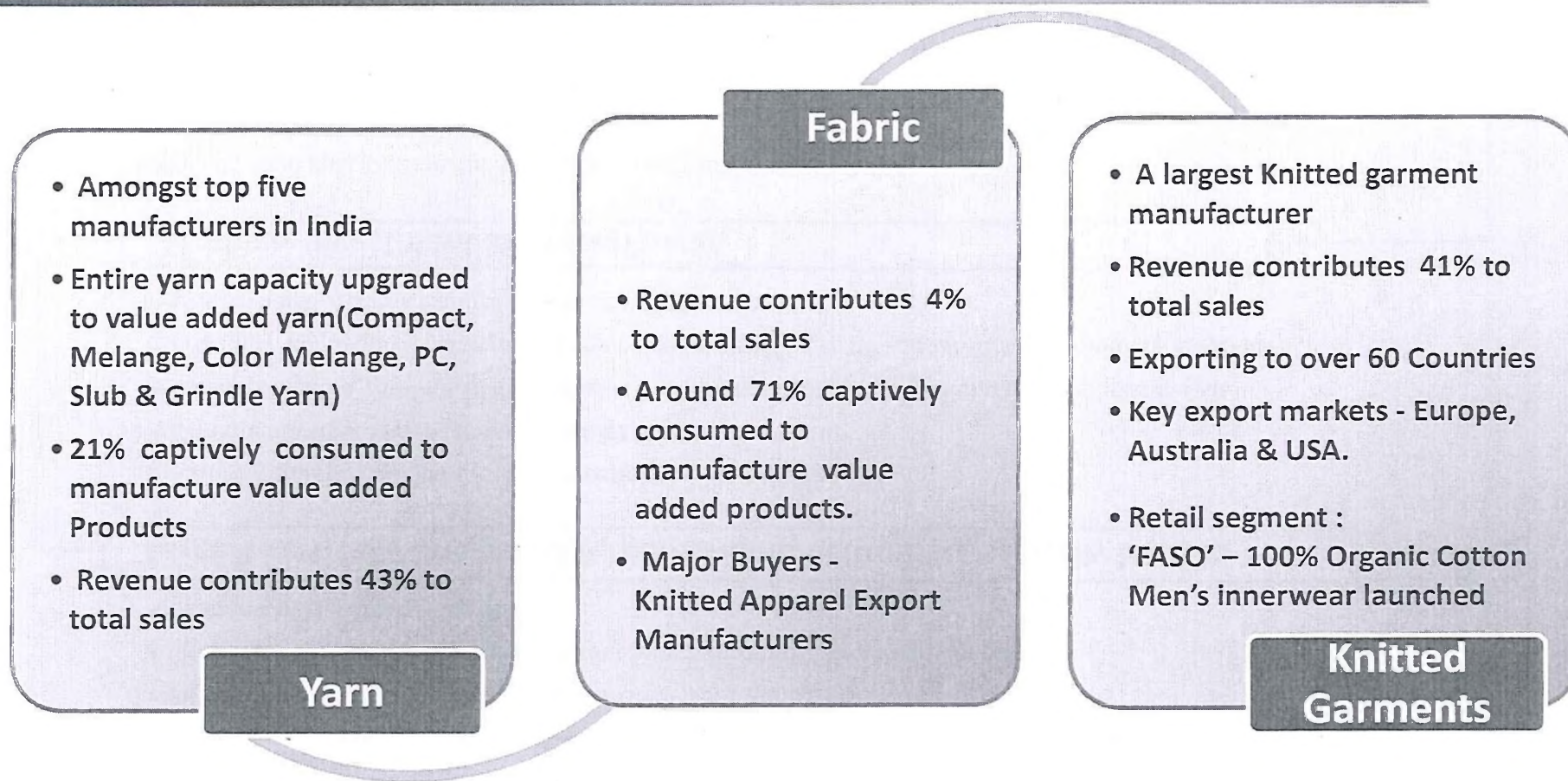
## An Overview



- 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 1,500 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



Domestic Sales – 58%; Exports – 42%





## 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

opportunity



## 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

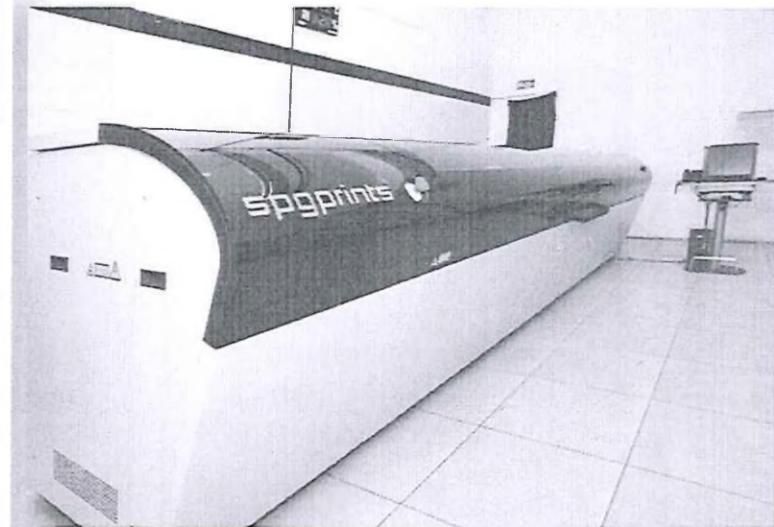
2019-20



## Key Highlights of 9M FY 2020



- 9M FY20 Garments Production up by 10.12% YoY to 75.61 Mn Garments as against 68.66 Mn Garments
- 9M FY20 EBITDA up by 6.46% YoY to ₹ 512.80 Crores as against ₹ 481.67 Crores
- 9M FY20 PBT up by 7.70% YoY to ₹ 374.32 Crores as against ₹ 347.55 Crores
- 9M FY20 PAT up by 18.82% YoY to ₹ 295.77 Crores as against ₹ 248.93 Crores
- Due to withdrawal of Export incentive (MEIS) with retrospective effect, Company made provision during the quarter that impacted the financials
- **100% Organic Cotton Men's Innerwear "FASO" launched in South India**



# Consolidated P&L



₹ Crore	Q3 FY20	Q3 FY19	YoY %	9M FY20	9M FY19	YoY %
Revenue	779	781	--	2507	2463	1.8%
Raw Material	440	435		1423	1443	
Employee Expenses	104	92		315	284	
Other Expenses	88	94		256	254	
<b>EBITDA</b>	<b>147</b>	<b>160</b>	<b>-8.1%</b>	<b>513</b>	<b>482</b>	<b>6.4%</b>
EBITDA Margin	18.9%	20.5%		20.46	19.6%	
Interest & Finance Charges	12	10		38	35	
Depreciation	34	33		100	99	
PBT	101	117	<b>-13.7%</b>	375	348	7.8%
Tax	7	33		79	99	
<b>PAT</b>	<b>94</b>	<b>84</b>	<b>11.9%</b>	<b>296</b>	<b>249</b>	<b>18.9%</b>
PAT Margin	12.1%	10.8%		11.8%	10.1%	



## 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

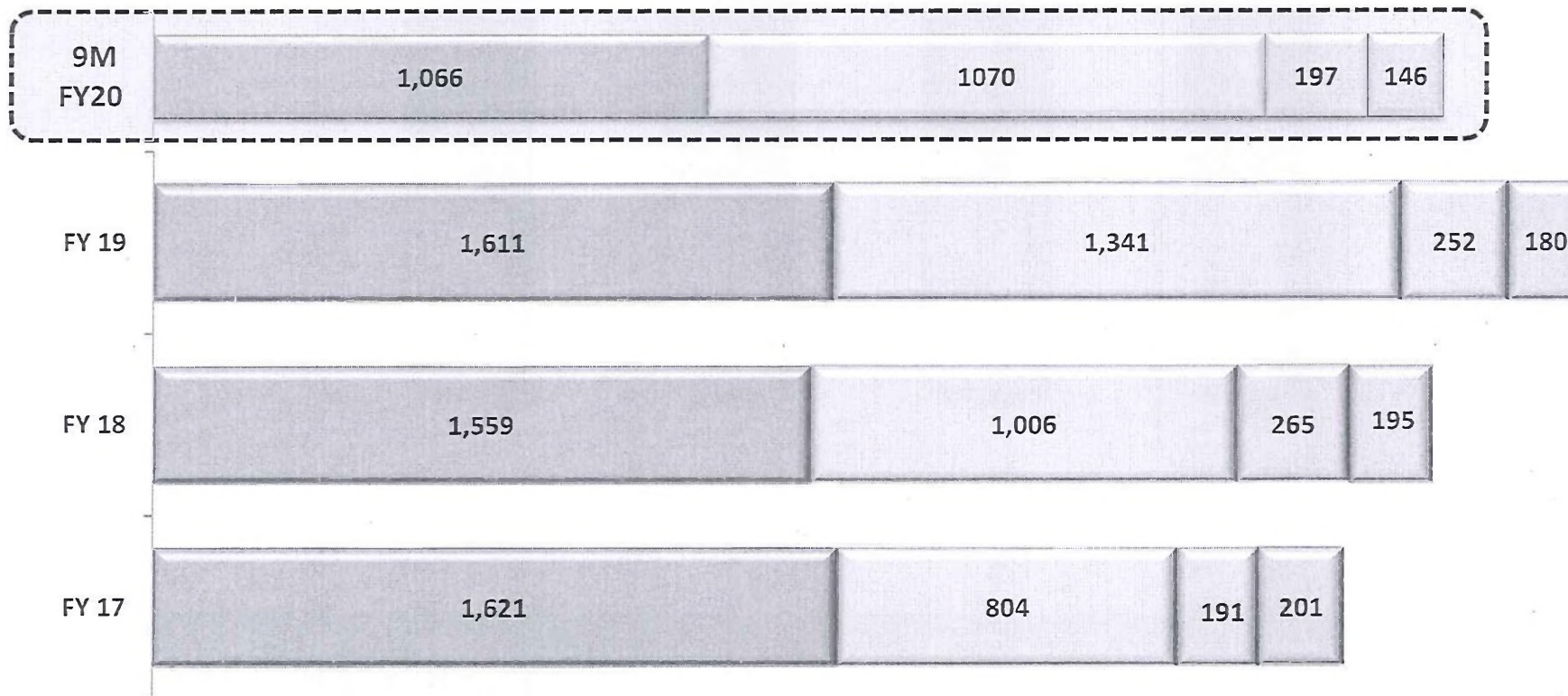
- Invested in 30 MW Co-Gen Power Project
- With Co-gen Power, KPR attained self sufficiency in meeting its substantial power requirement throughout the year



# Segment Wise Revenue contribution

■ Yarn & Fabric   ■ Garments   ■ Sugar   ■ Others

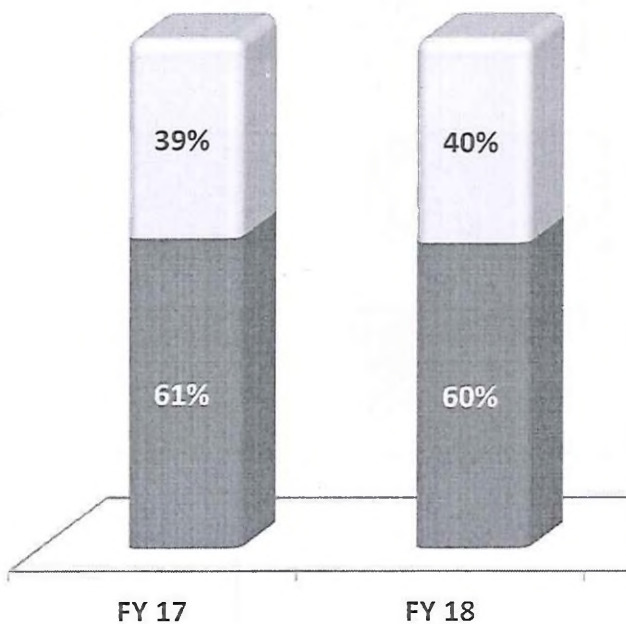
₹ in Crore





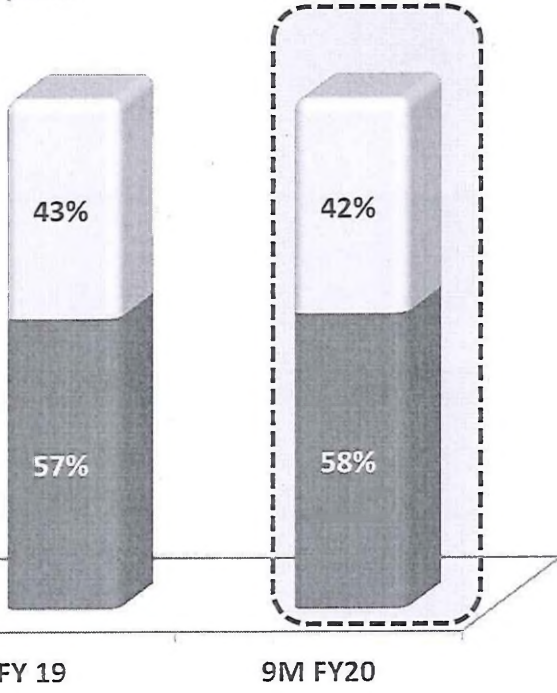
# Geographical Split

■ Domestic Sales





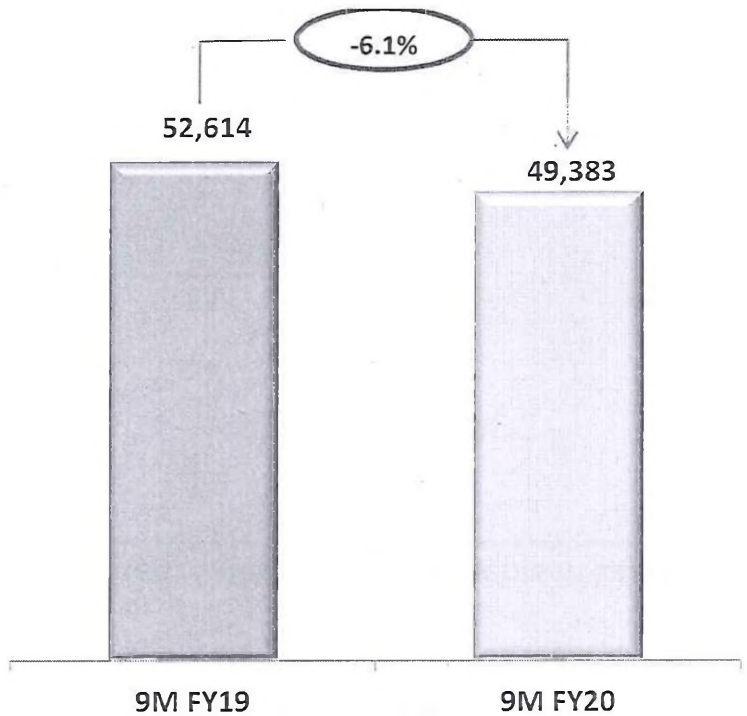
Exports





# Yarn & Fabric

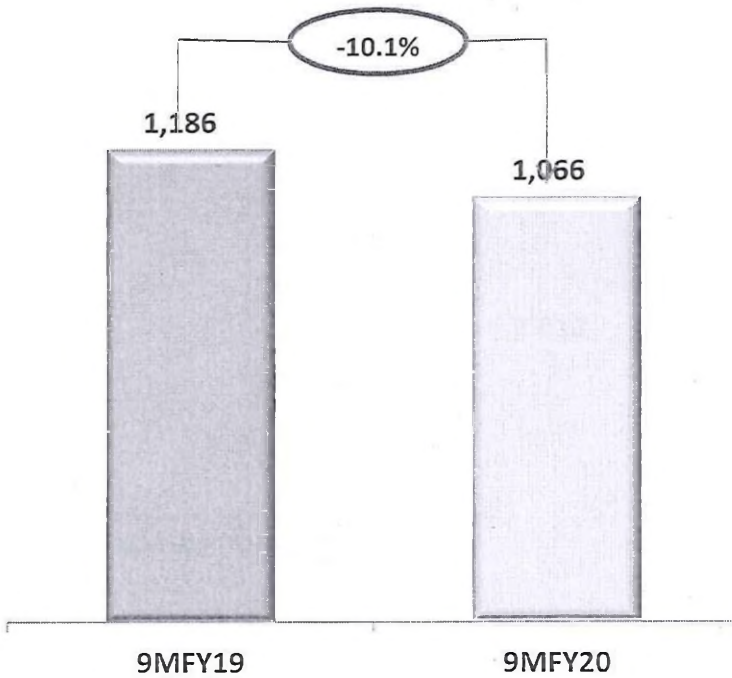
Yarn & Fabric Sales [MT]



Note : Captive consumption of Yarn



## Yarn & Fabric Sales [₹ Crore]

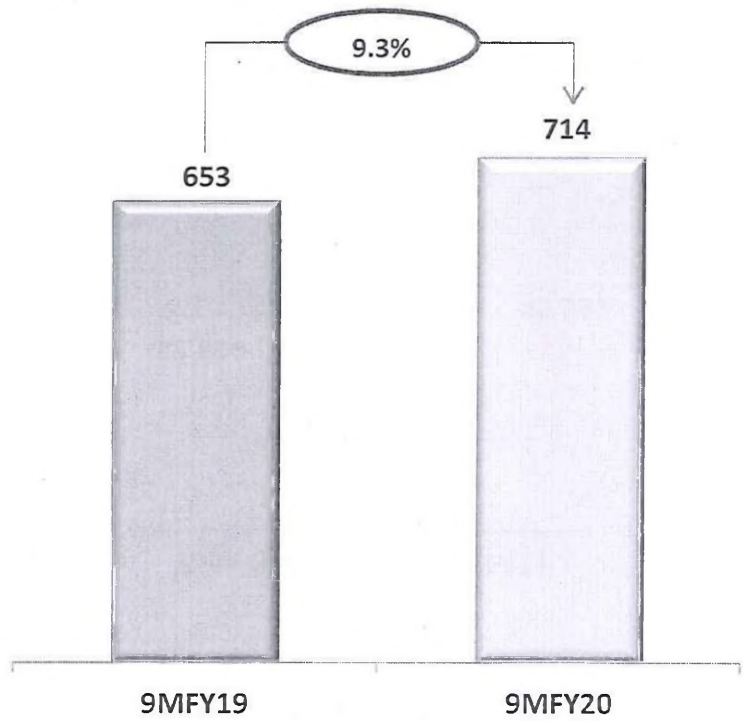


& Fabric increased for 9MFY20



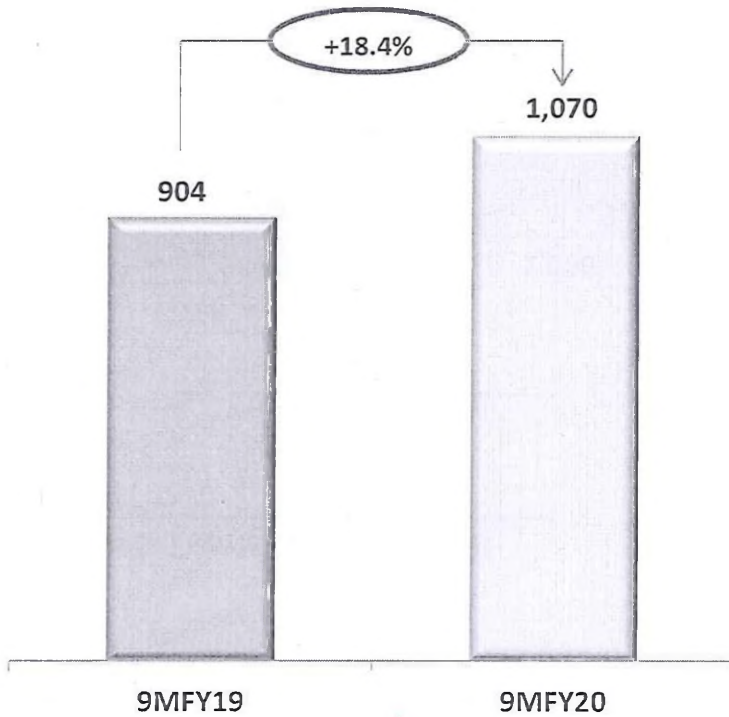
# Garments

Garment Sales [No. of Garments in Lacs]





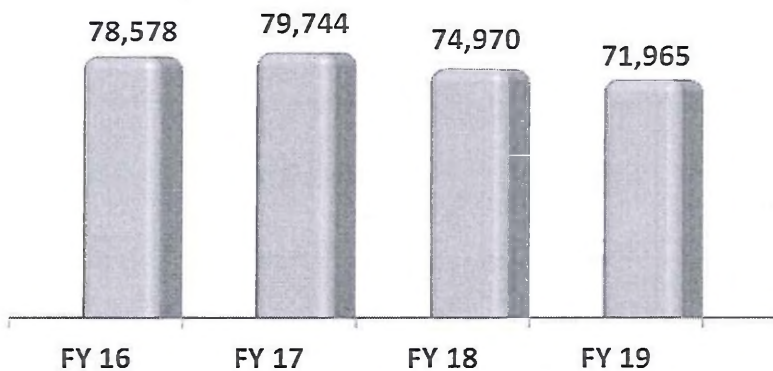
## Garment Sales [₹ Crore]



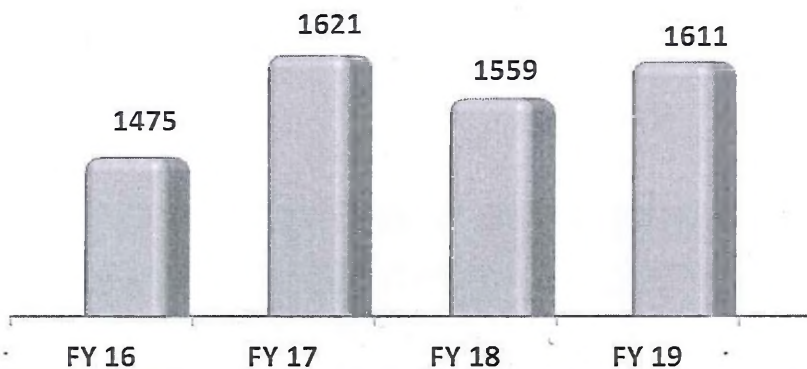


# Historical Performance

## Yarn & Fabric Sales [MT]



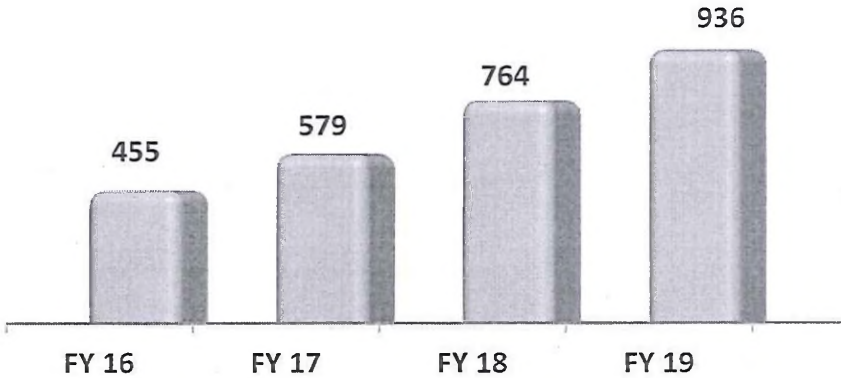
## Yarn & Fabric Sales [₹ Crore]



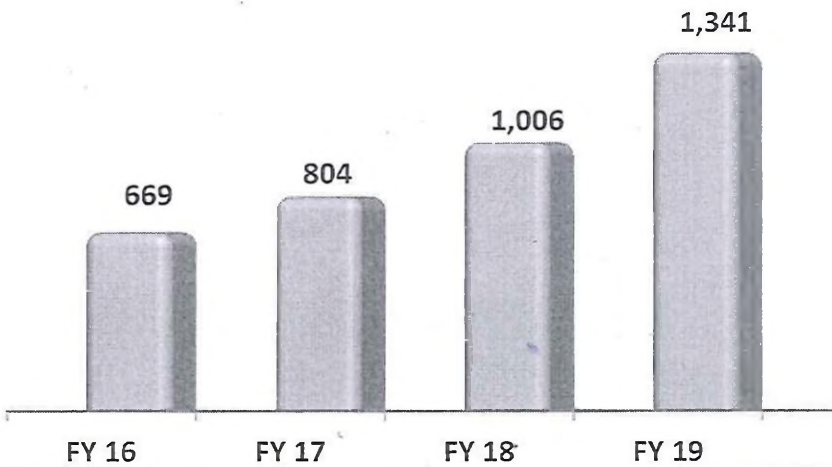
Note : Captive consumption of Yarn



Garment Sales [No. of Garments in Lacs]



Garment Sales [₹ Crore]



& Fabric increased for FY 2019



## Profit distributed to Share Holders



Particulars	FY 15	FY 16	FY 17	FY18	FY19
Profit After Tax - ₹ Crores	173.57	210.11	286.82	290.38	334.87
Payment to Share Holders - ₹ Crores	40.69	45.36	103.69	114.67	269.85
Payment % to Share Holders	23.44%	21.59%	36.15%	39.49%	80.58%

Interim Dividend 75% declared on 03-02-2020 – Total outflow ₹ 31.11 Crores



For further information, please contact:

---

**Company :**

---

KPR Mill Limited  
CIN - L17111TZ2003PLC010518  
Mr. PL Murugappan, CFO  
[murugappan@kprmill.com](mailto:murugappan@kprmill.com)

[www.kprmilllimited.com](http://www.kprmilllimited.com)

---



