



November 13, 2024

The Listing Department,
National Stock Exchange of India Limited,
'Exchange Plaza', C 1, Block G,
Bandra – Kurla Complex, Bandra (E),
Mumbai 400 051

Symbol: PRECOT

Dear Sir/Madam,

Sub: Investors Presentation - reg

Pursuant to Regulation 30(6) and Regulation 46(2)(o) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby attach an Investor Presentation for the quarter ended 30th September, 2024. The same is made available on the Company's website www.precot.com.

No Concall is scheduled for the above. This is for your information and records.

Thanking you.

Yours faithfully,

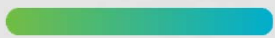
For Precot Limited

S Kavitha
Company Secretary



PRECOT LIMITED

Investor Presentation | September 2024



SAFE HARBOUR

This presentation and the accompanying slides (the “Presentation”), which have been prepared by Precot 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 with respect to 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.

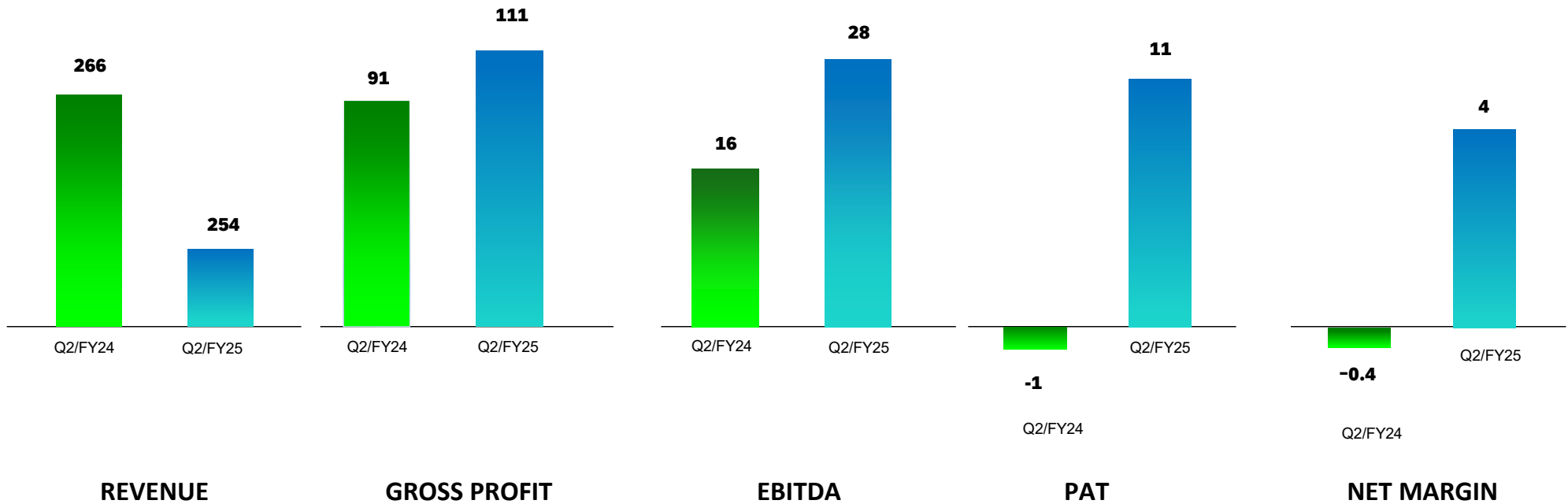
These risks and uncertainties include but are not limited to the performance of the Indian economy and the economies of various international markets, the performance of the industry in India and worldwide, competition, the company’s ability to successfully implement its strategy, the Company’s future 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, activity levels, 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 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.

The background of the slide is a close-up photograph of several large spools of yarn. The spools are arranged in a basket, with some in shades of blue and others in shades of grey or white. The lighting is soft, highlighting the texture of the yarn.

Q2 FY 2024 - 2025

FINANCIAL PERFORMANCE



FINANCIAL SUMMARY

Profit and Loss (in Rs. Crs)	Q2FY25	Q2FY24	H1FY25	H1FY24
Revenue from Operations	253.57	266.30	488.48	490.52
Cost of Goods Sold	142.40	175.73	278.07	321.64
Gross Profit	111.17	90.57	210.41	168.88
Gross Profit Margin	43.84	34.01	43.07	34.43
Employee Cost	26.09	22.40	51.17	44.80
Other Expenses	57.41	51.86	106.37	100.53
EBITDA	27.67	16.31	52.87	23.55
EBITDA Margin	10.91	6.12	10.82	4.80
Depreciation	5.35	5.03	10.39	12.42
Other Income	1.61	1.33	3.88	3.82
EBIT	23.93	12.61	46.36	14.95
EBIT Margin	9.44	4.74	9.49	3.05
Finance Cost	9.48	11.85	19.57	21.60
Exceptional Item Gain / (Loss)	0.00	-1.84	0.00	-1.84
Profit before Tax	14.45	-1.08	26.79	-8.49
Profit before Tax Margin	5.70	-0.41	5.48	-1.73
Tax	3.94	0.00	6.88	-4.32
Profit After Tax	10.51	-1.08	19.91	-4.17
Profit After Tax Margin	4.14	-0.41	4.08	-0.85

HIGHLIGHTS – Q2 FY 2024-25

Total Income

- Q2 Total Income stood at INR 255.18 Crores in FY 2024-25 as compared to INR 267.64 Crores in the same quarter in FY 2023-24
- Half Year Total Income for FY 2024-25 stood at INR 492.37 Crores as compared to INR 494.34 Crores in FY 2023-24

EBITDA

- Q2 EBITDA stood at INR 27.67 Crores in FY 2024-25 as compared to INR 16.32 Crores in the same quarter in FY 2023-24.
- Half Year ended EBITDA for FY 2024-25 stood at INR 52.87 Crores as compared to INR 23.55 Crores in FY 2023-24.

Profit for the Period

- Q2 Profit for the Period stood at INR 10.51 Crores in FY 2024-25 as compared to Loss of INR 1.08 Crores in the same quarter in FY 2023-24.
- Half Year ended Profit for the Period for FY 2024-25 stood at INR 19.91 Crores as compared to Loss of INR 4.17 Crores in FY 2023-24.

The background of the slide is a close-up photograph of several spools of thread. The spools are arranged in a row, with colors ranging from deep red on the left to bright yellow on the right. The threads are tightly wound, and the lighting creates highlights and shadows, emphasizing the texture of the fabric.

ABOUT THE COMPANY

Company Overview



Yarn & Threads

Technical Textile



Incorporated in **1962**

5 state of art facilities with presence in **4 states of South India**

1.65 lakhs spindles
70 tons yarn per day

100% Compact Yarn enabled

Private Label Specialist in cotton-based products in hygiene and cosmetics

Wide range of cotton-based products with **End-to-End capability**

International presence in over **18 countries**

Hydro-entanglement Process in Spunlace

Our Competitive Edge



Geographical Presence

Captures the benefit of growing market opportunity **in international as well as domestic markets**

Quality

Delivering sustainable products with unmatched quality and consistency.

Product Diversification

Introduction of new & value-added products and less dependency on commodity products

Technical Advancements

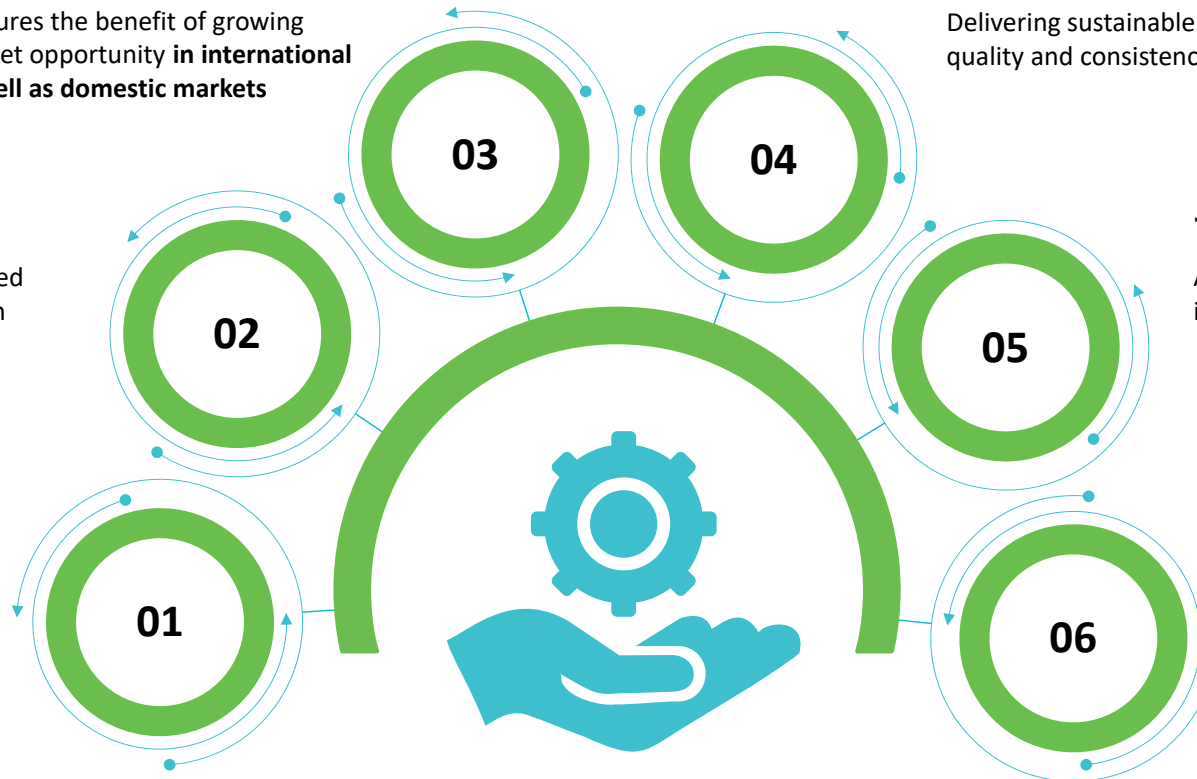
Automation for business process improvements and debottlenecking

Financial Stability

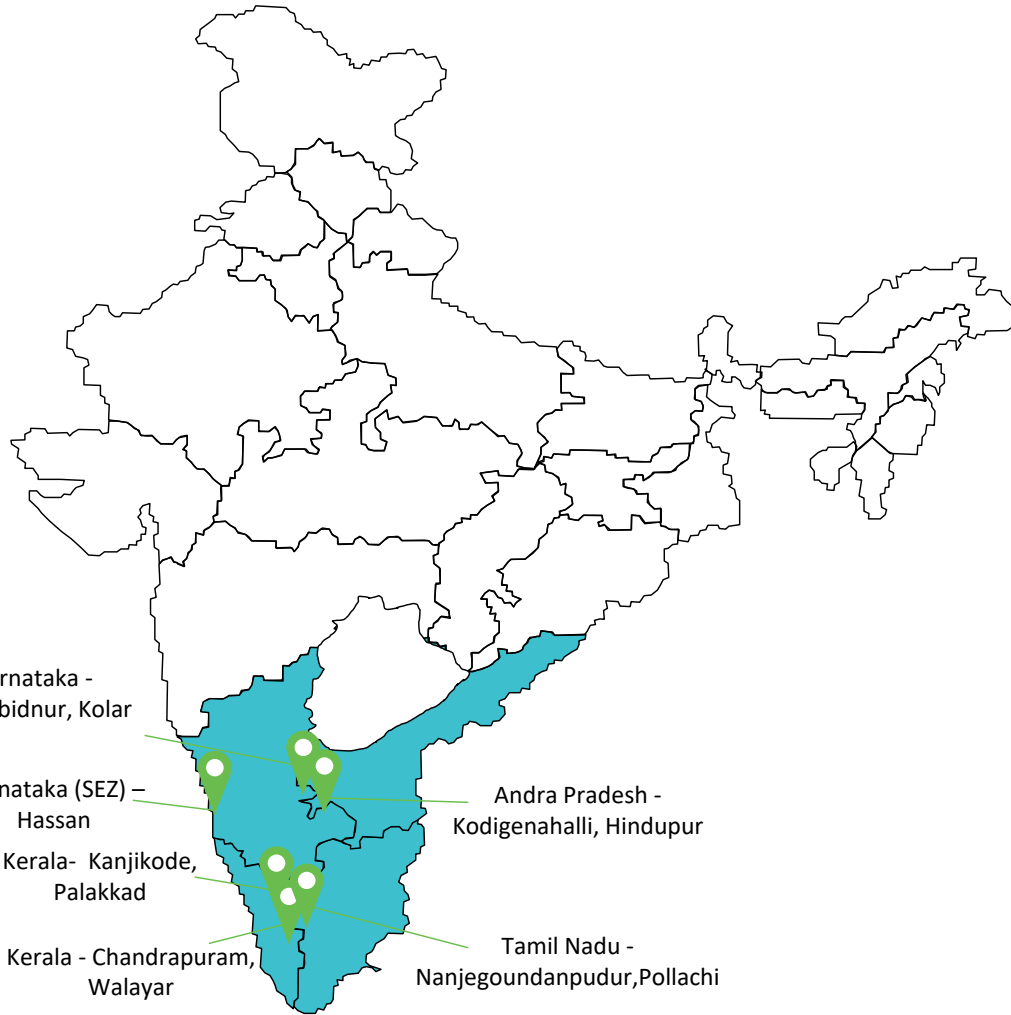
Continued efforts to improve **operational efficiencies and control on operating costs**. Constant steps taken to improve the balance sheet with **reduced debt**.

Diversified Network

Long-standing relationships with a diverse set of key suppliers, end-customers and distributors.



Strategically located



Accessibility

Our Facilities are located **close to the source of Raw material** required for production enabling continuous supply and better ability to manage demand cycles

Manpower

Availability of both skilled and unskilled manpower helps in manpower planning

Infrastructure and Scalability

Good connectivity through ports and roads **enables efficient distribution and sourcing of goods thereby controlling logistics costs**

Note: Maps not to scale. All data, information, and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness.

Global Presence

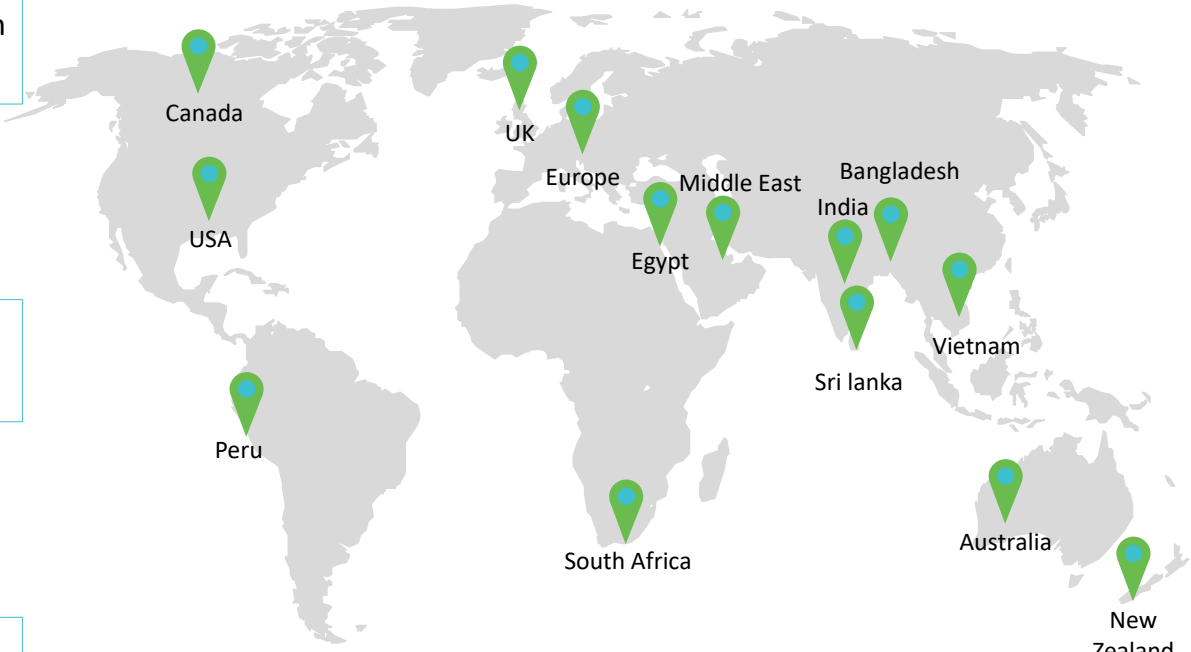


Key Takeaways

State of art Facilities located in India

Presence in over 25 countries

Tapping opportunities in Technical Textiles across the Globe



Exports for FY24 – Rs 442 crores

Key Takeaways

Container availability and reduced freight cost providing export relief

Company has moved towards solar and wind energy for its power needs

Long term relationship with key distributors and customers

Note: Maps not to scale. All data, information, and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness.

Spinning Business

Spinning Business – An Overview



Diversified range of cotton yarns and threads

165,000 spindles

Organic, BCI & normal cotton and polyester

Production of specialty and blended yarn

Products Integration with supply chains



Newer and quality products to create product differentiation

Value addition

Efforts to improve **operational efficiencies**

Margin Expansion



Expanding in existing and entering new geographies

Geographical Presence

Product Portfolio – Yarns & Threads



Products

Leading manufacturers of yarns & threads for textile production, knitting and sewing



Yarn & Threads

End User



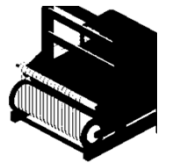
Weaving



Knitting



Sewing



Textile
Production

State-of-the-art Manufacturing Facilities



Key Highlights of the Manufacturing Processes

- ✓ Vertically integrated manufacturing capabilities with **in-house design and development**
- ✓ **Increased automation and process improvements** are being implemented in order to maintain quality and profitability.
- ✓ Compliance and Quality Standards: **ISO 9001 & 14001 certified** company that meets BCI standards for cotton industry.
- ✓ **Yarn conditioning equipment** maintains precise moisture levels in the yarn and ensures superior working performance at our facilities. **Yarn singeing machines** from RITE, Italy are used to produce good quality gassed yarn
- ✓ 80% of cotton is procured domestically and balance from USA and Australia for Value Added products

Units	Capacity
Kerala - Kanjikode, Palakkad	57,600
Kerala - Chandrapuram, Walayar	24,624
Andra Pradesh - Kodigenahalli, Hindupur	47,040
Tamil Nadu - Nanjegoundanpudur, Pollachi	34,813
Karnataka - Gowribidanur, Kolar	6 tons

Certifications

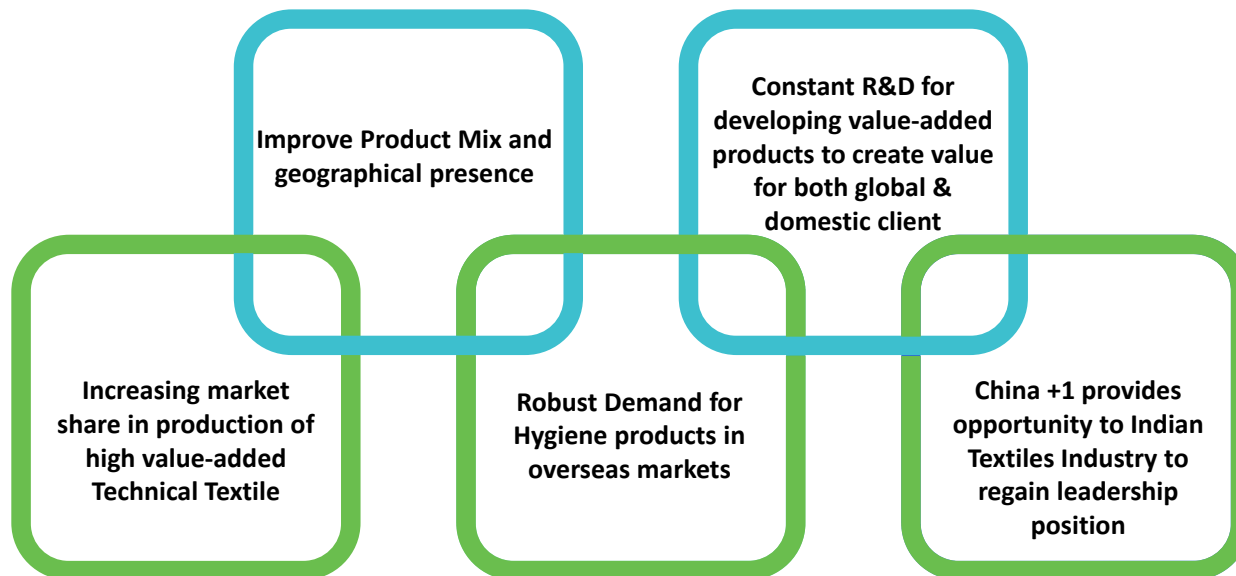


Technical Textiles Business

Technical Textiles Business – An Overview



Enabling Factors for Growth



Target Nations

USA



Australia



South Africa



Private Label Sales in exports market

Rapid increase in demand for hygiene products providing platform for Indian players

Established Indian players expand export market share on back of high-quality & reliable products with independent design & customization capabilities

Deepen long-term relationships with distributors and brands

Expand our reach in other geographies and big retail brands

Huge Export Opportunity Market

We Aim to be the Market Leader in the Feminine Hygiene and Cosmetics Business

Note: Maps not to scale. All data, information, and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness.

Product Portfolio – Technical Textiles



Absorbent Cotton

Products

Our purified cotton is OEKO Tex and REACH compliant and Totally Chlorine Free (TCF).



End User



Cotton buds



Cotton Pads



Sanitary Pads



Tampons and Spunlace manufacturers



Wipes

Cotton Pads

Our unique four-layer spunlace absorbent cotton pads.



Make up remover



Nail Polish remover



First Aid



Baby dry wipes

Product Portfolio – Technical Textiles (contd.)



Products

End User

Cotton Balls

Our range of cotton balls are made from 100% pure absorbent cotton.



Nail Paint remover



Cosmetic and medical purposes

Exfoliating Pads

Patented woven textured 100% Cotton, 100% Biodegradable exfoliating pads



Nail Paint remover



Gentle skin exfoliation

Product Portfolio – Technical Textiles (contd.)



Cotton Wool Rolls

Products

Highly absorbent wool rolls.
Pleats specially designed for easy tear-off & use



End User



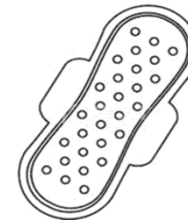
General hygiene



Baby cleaning

Cotton Spunlace Rolls

Our cotton spunlace is 4 layered, highly absorbent and has good strength for further processability



Sanitary Pads



Panty Liners

A close-up photograph of cotton bolls on a dark branch. Some bolls are fully open, showing soft white cotton fibers, while others are still in their brown, papery husks. The background is a soft-focus field of cotton plants.

BOARD OF DIRECTORS & MANAGEMENT

Board of Directors



Mr. Ashwin Chandran, Chairman & Managing Director	Mr. Prashanth Chandran, Vice Chairman & Managing Director
More than 25 years of experience in the textile industry	More than 20 years of experience in the textile industry
Mr. T Kumar, Executive Director	Mr. Ravi Kumar Abburu, Director - Technical Textiles
More than 32 years of experience in the textile industry	More than 29 years of experience in the textile industry
Mr. P Vijay Raghunath, Independent Director	Dr. Vinay Balaji Naidu, Independent Director
More than 30 years of experience in Legal Profession	16 years of experience in the medical field
Mr. Arun Selvaraj, Independent Director	Mrs. Suguna Ravichandran, Independent Director
More than 15 years of experience in Textile & Aerospace Industry	More than 20 years of experience as a practising Chartered Accountant
	Mr. V Prakash, Independent Director
	More than 30 years of experience in the banking sector

Key Management



Mr. Ashwin Chandran, Chairman & Managing Director

Mr. Prashanth Chandran, Vice Chairman & Managing Director

Mr. T Kumar, Executive Director

Mr. Ravi Kumar Abburu, Director - Technical Textiles

Mr. M.K.Ravindra Kumar, Chief Financial Officer

Mrs. S.Kavitha, Company Secretary

Business Strategies

01

PRODUCT DEVELOPMENT

- Focus on branding and promotion
- Developing Value added product portfolio
- Leverage the advantage of “Make in India” and grow our Sales

02

MANUFACTURING OPERATIONS

- Expand manufacturing capacities in hygiene product categories in a cost efficient manner
- Automation of business processes and debottlenecking facilities

03

BUSINESS DEVELOPMENT

- Plans to export to new geographies, such as MENA & Southeast Asia in the next 2-3 years through increased reach and marketing

04

ORGANISATION STABILITY

- Continue to invest in automation to avoid human error & consequently improve throughput.
- Debt reduction strategy to strengthen the balance sheet and improve profitability

Committed to Sustainability



MATERIAL

Use sustainable cotton with fewer chemicals and optimum water; 20% of that cotton is organically grown.

ENERGY

Investments in Green Energy - 5 MW Wind and 10 MW Solar generation and Gas-based power plants.

EFFLUENT

Recycled Water Management with the help of effluent treatment plants

PRODUCT

Promoting organic & recycled products in both Spinning and Technical Textile divisions

SOCIETY

Active CSR with a special focus on education and healthcare for the underprivileged.

THANK YOU

FOR YOUR TIME

Precot Limited

CIN: L17111TZ1962PLC001183

www.precot.com

