



May 25, 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 Investment Presentation for the quarter and financial year ended 31st March 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



Reliable, Agile and Innovative

Investor Presentation

March 2024

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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 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.

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

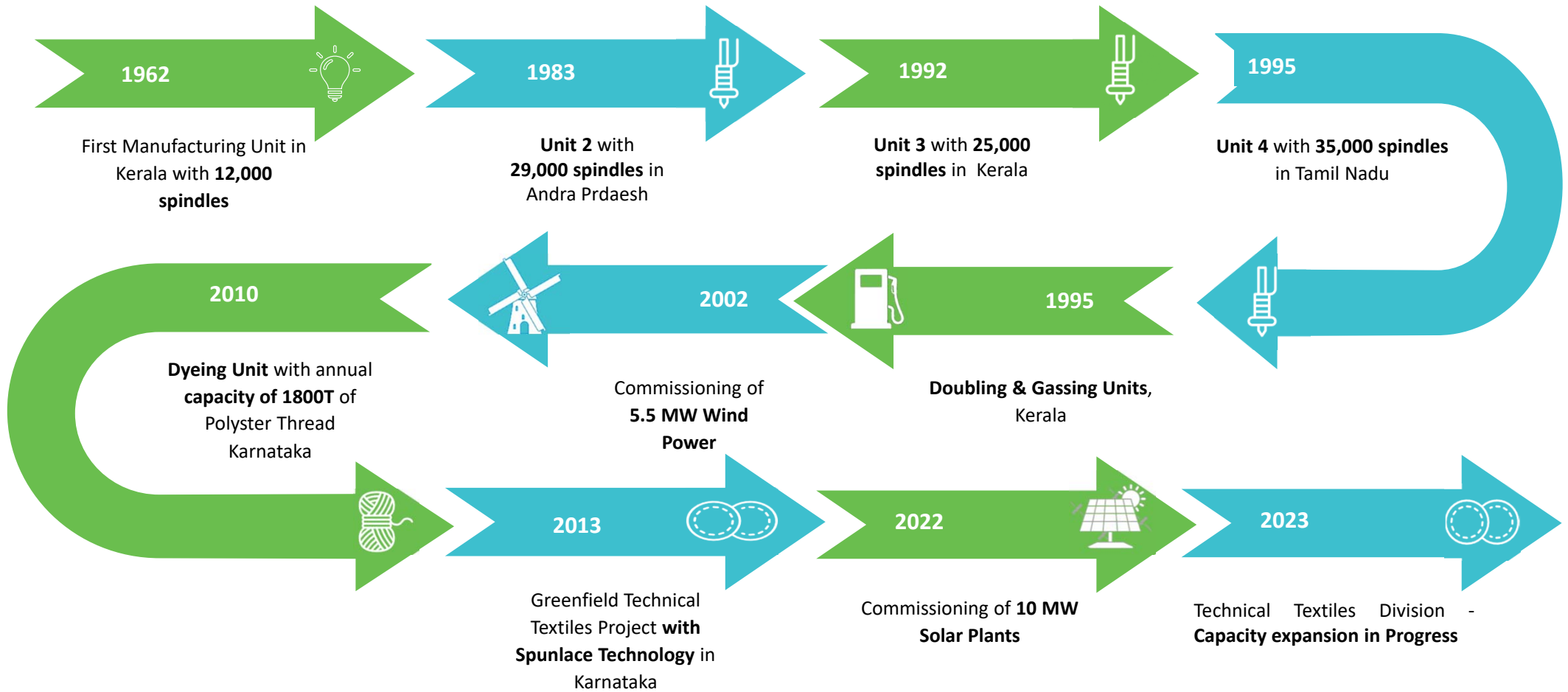
Wide range of cotton-based products with **End-to-End capability**

International presence in over **18 countries**

Hydro-entanglement Process in Spunlace



Journey



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

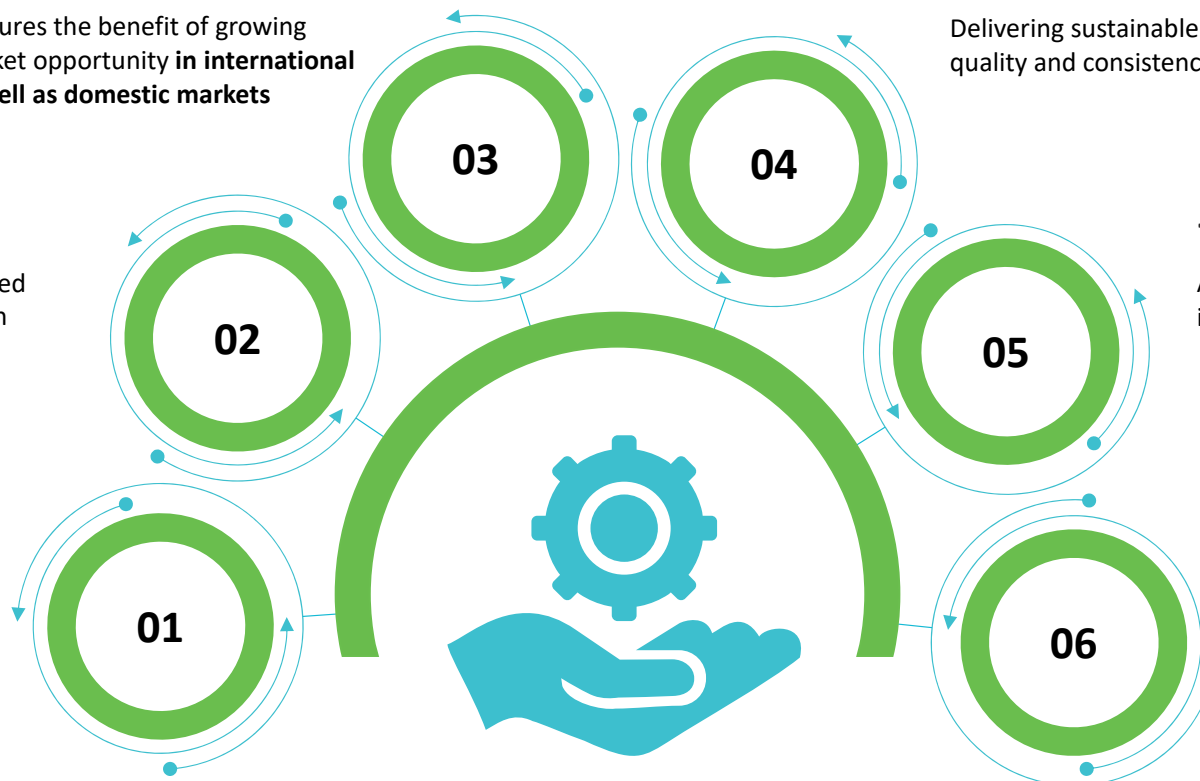
Automation for business process improvements and debottlenecking

Diversified Network

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

Financial Stability

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



Legacy Business – Spinning Division



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

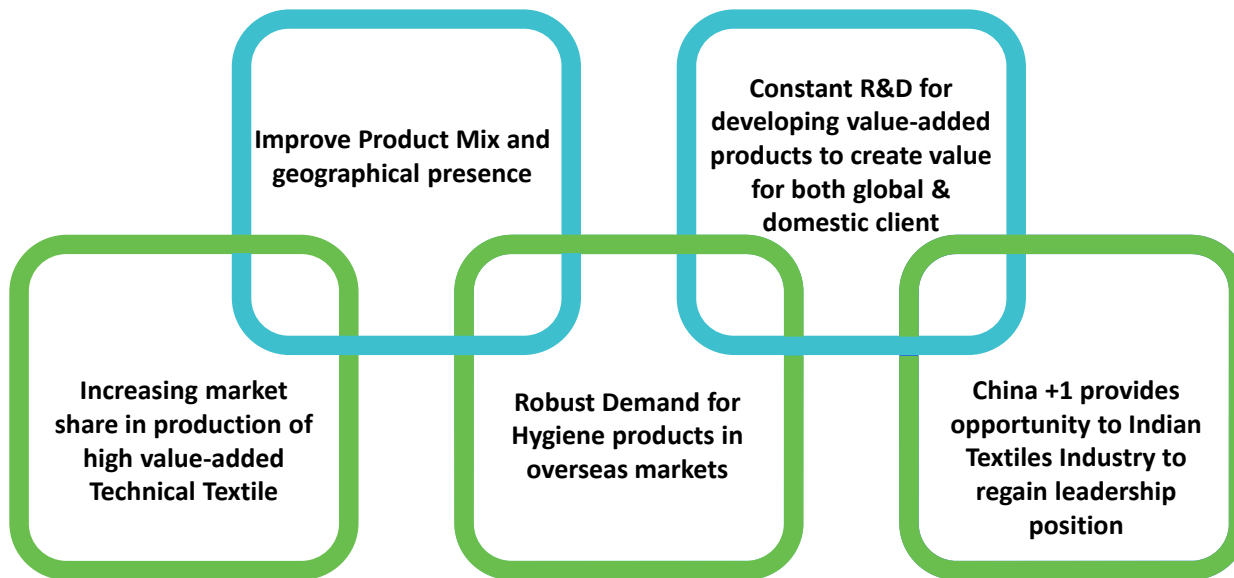


Expanding in existing and entering new geographies

Geographical Presence

Future – Technical Textiles

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

Our 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

Our Product Portfolio – Technical Textiles

Cotton Balls

Products

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



End User



Nail Paint remover



Cosmetic and medical purposes

Exfoliating Pads

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



Nail Paint remover



Gentle skin exfoliation

Our Product Portfolio – Technical Textiles

Cotton Wool Rolls

Products

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



End User



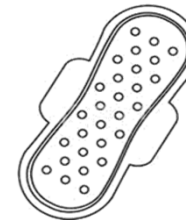
General hygiene



Baby cleaning

Cotton Spunlace Rolls

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



Sanitary Pads



Panty Liners

Our Product Portfolio – Yarns & Threads



Yarn & Threads

Products

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



End User



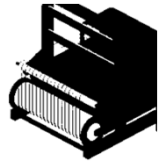
Weaving



Knitting



Sewing



Textile Production

Our State-of-the-art Manufacturing Facilities

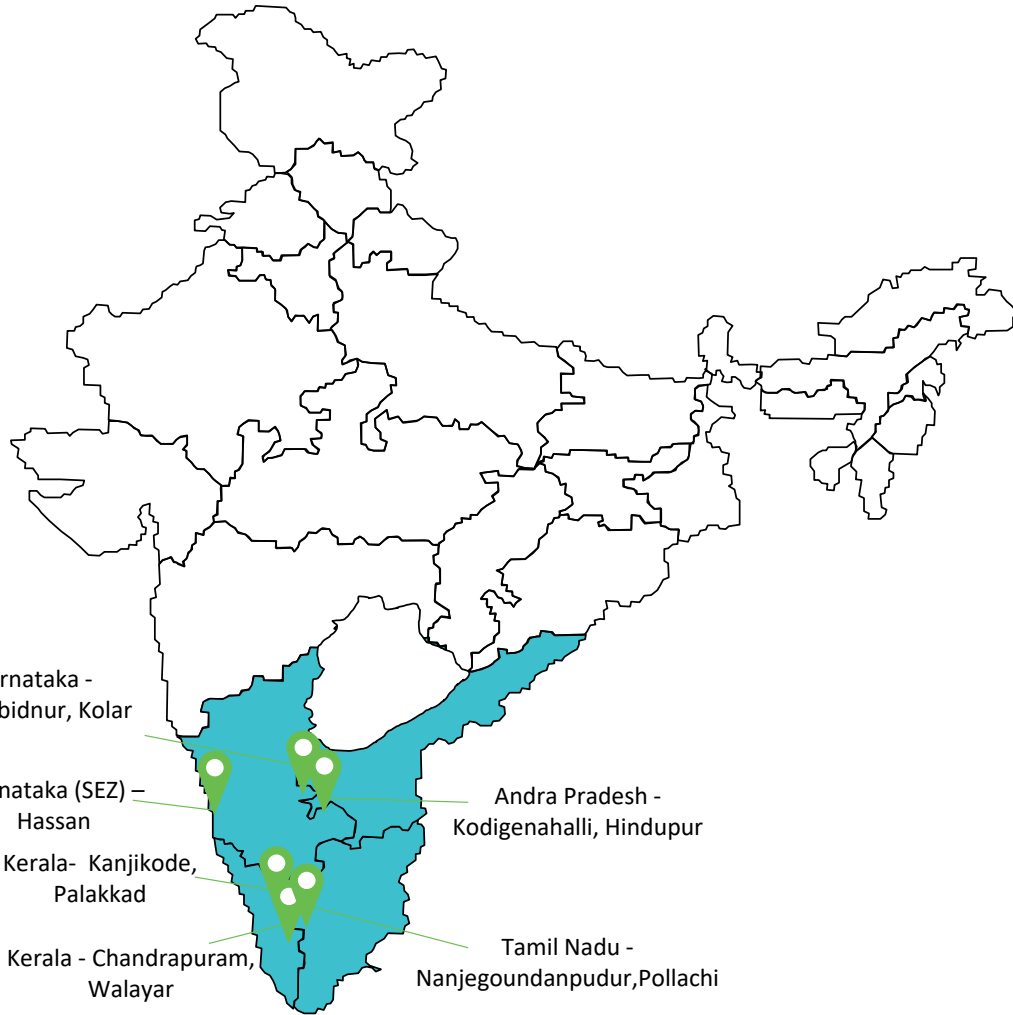


Key Highlights of the Manufacturing Processes

- ✓ 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
Karnataka (SEZ) – Hassan	-

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**

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

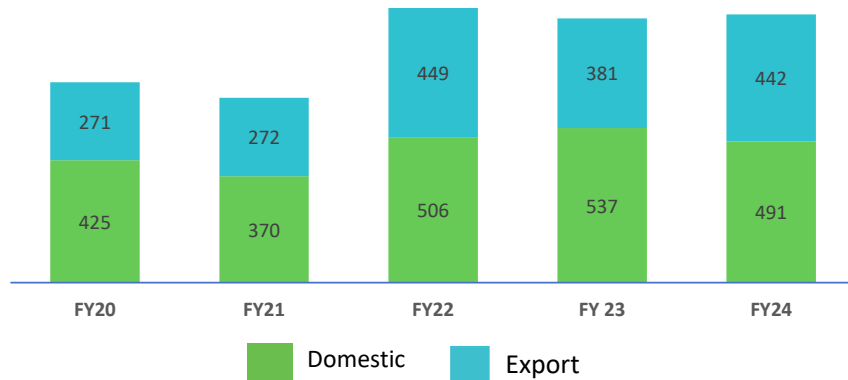
Container availability and reduced freight cost providing export relief

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

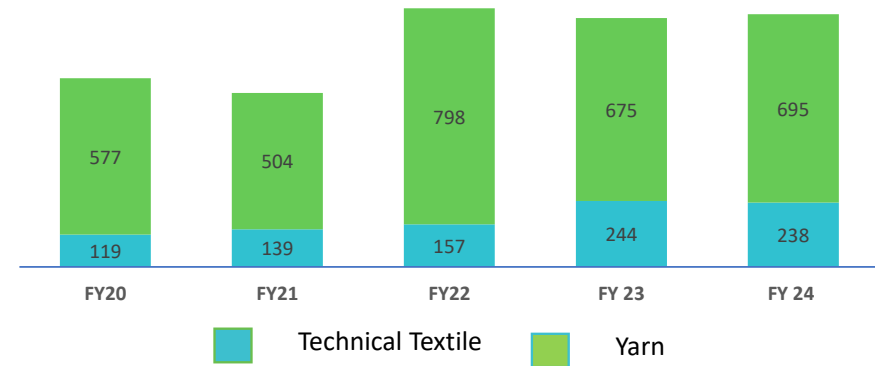
Long term relationship with key distributors and customers

Geography wise and segment wise breakup

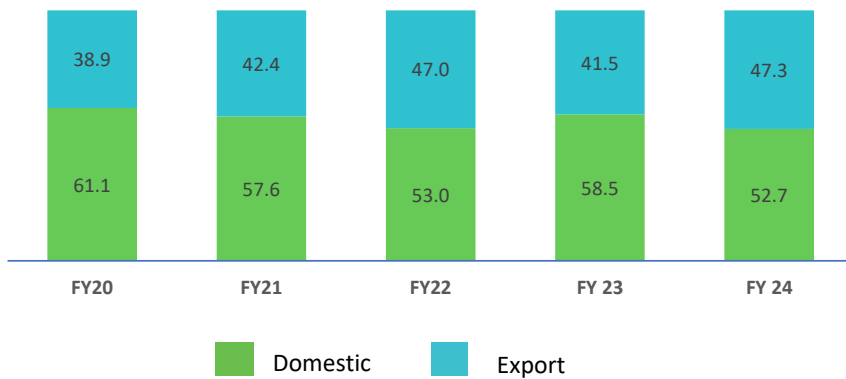
Geography wise (Rs. Crs)



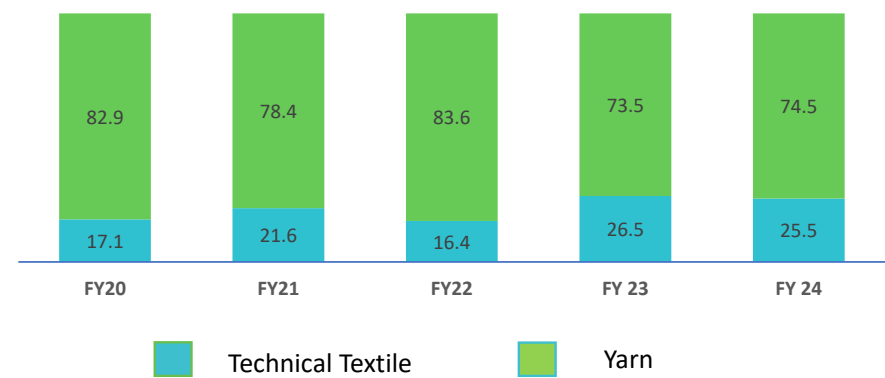
Segment wise (Rs. Crs)



Geography wise (%)



Segment wise (%)



Key Business Strategies



Key Customers



Walmart Inc.



CVS Pharmacy



Walgreens



Dollar General



Dove



The Kroger Co.



Meijer Inc.



K Mart



Coles Supermarkets



Aldi

Leadership Board



Mr. Ashwin Chandran

Designation - **Chairman & MD**

Age - **47 Years**

Experience - **More than 22 years of experience in the textile industry**

Mr. Prashant Chandran

Designation - **Vice Chairman & MD**

Age - **43 Years**

Experience - **More than 15 years of experience in the textile industry**

Mr. T Kumar

Designation - **Executive Director**

Age - **54 Years**

Experience - **More than 32 years of experience in the textile industry**

Mrs. R Bhuvaneshwari

Designation – **Independent Director**

Age - **62 Years**

Experience - **More than 24 years of experience in Corporate Law**

Mr. P Vijay Raghunath

Designation – **Independent Director**

Age - **56 Years**

Experience - **More than 30 years of experience in Legal Profession**

Mr. C N Srivatsan

Designation – **Independent Director**

Age - **66 Years**

Experience - **More than 29 years of experience in the field of Consultancy**

Dr. Vinay Balaji Naidu

Designation - **Independent Director**

Age – **45 Years**

Experience - **16 years of experience in the Medical field**

Mr. Arun Selvaraj

Designation – **Independent Director**

Age - **55 Years**

Experience - **More than 15 years of experience in Textile & Aerospace Industry**

Certifications



Sustainability and Social Responsibility



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



Promoting Organic & Recycled Products in both Spinning and Technical Textile divisions



Recycled Water Management with the help of effluent treatment plants



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



Use of Sustainable cotton using less chemicals and optimum Water. 20% of that cotton is used is organically grown

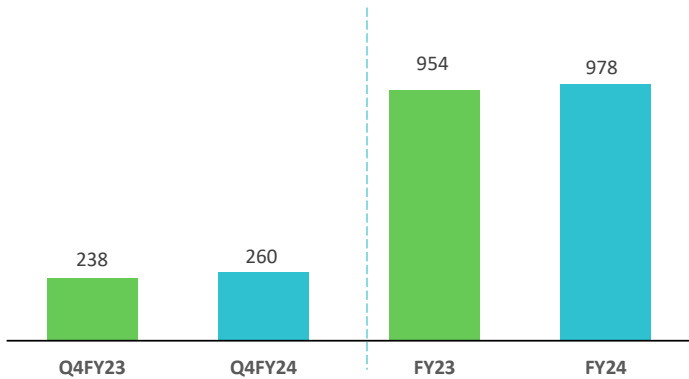
Financial Highlights



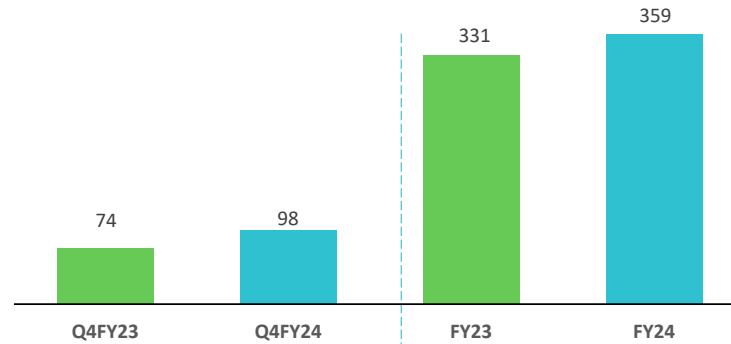
Q4 & FY24 Financial Highlights



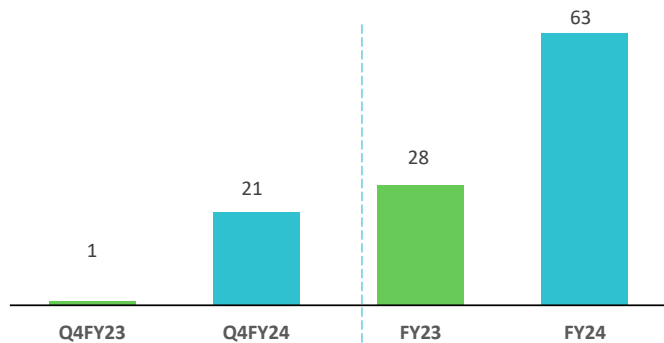
Revenue (₹ crore)



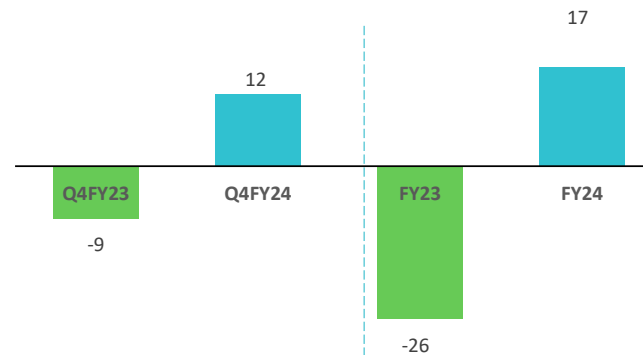
Gross Profit (₹ crore)



EBITDA (₹ crore)



PAT (₹ crore)



Highlights

- Q4FY24 Revenue from operations stood at Rs.260 crores as against Rs.238 crores in Q4FY23
- Q4 FY24 EBITDA stood at Rs 63 crores, as compared to Rs 28 crores of Q4 FY23
- Gross Profit for Q4 FY24 stood at Rs 98 crores, as compared to Rs 74 crores of Q4 FY23.
- PAT for Q4 FY24 stood at Rs 12 crores, as compared to loss of Rs 9 crores in Q4 FY23.

Q4 & FY23 Profit & Loss Statement



Profit and Loss (in Rs. Crs)	Q4FY24	Q4FY23	FY24	FY23
Revenue from Operations	259.52	238.00	977.76	953.82
Cost of Goods Sold	161.36	164.25	619.00	623.29
Gross Profit	98.16	73.75	358.76	330.53
Gross Profit Margin	37.82	30.99	36.69	34.65
Employee Cost	23.46	21.03	91.49	84.63
Other Expenses	53.22	51.80	204.52	218.13
EBITDA	21.48	0.92	62.75	27.77
EBITDA Margin	8.28	0.39	6.42	2.91
Depreciation	5.13	8.41	22.67	33.40
Other Income	4.54	3.70	10.34	7.24
EBIT	20.89	-3.79	50.42	1.61
EBIT Margin	8.05	-1.59	5.16	0.17
Finance Cost	9.66	8.81	39.35	36.14
Exceptional Item Gain / (Loss)	8.07	-	6.23	0.00
Profit/(Loss) before Tax	19.30	-12.60	17.29	-34.52
Profit/(Loss) before Tax Margin	7.44	-5.29	1.77	-3.62
Tax	7.15	-3.69	0.51	-8.50
Profit/(Loss)After Tax	12.15	-8.91	16.78	-26.02
Profit After Tax Margin	4.68	-3.74	1.72	-2.73

Consolidated Balance Sheet



Assets (in Rs. Crs)	Mar-24	Mar-23
Non - Current Assets	531.89	497.40
Property Plant & Equipment	441.63	443.66
CWIP	55.99	2.97
Intangible assets	0.29	0.31
Intangible assets under development	-	0.09
Right of use asset	6.69	3.38
Financial Assets		
Investments	2.64	6.96
Other Financial Assets	11.20	9.85
Deferred tax assets (net)	1.81	5.69
Other Non - Current Assets (Net)	11.63	24.49
Current Assets	422.22	409.18
Inventories	232.27	242.01
Financial Assets		
(i) Investments	12.78	1.99
(ii) Trade receivables	130.85	118.71
(iii) Cash and cash equivalents	0.53	0.61
(iv) Bank balances other than cash and cash equivalents	7.22	5.85
(v) Loans	0.93	0.72
Other Financial Assets	0.66	0.40
Other Current Assets	36.99	38.88
Total Assets	954.11	906.58

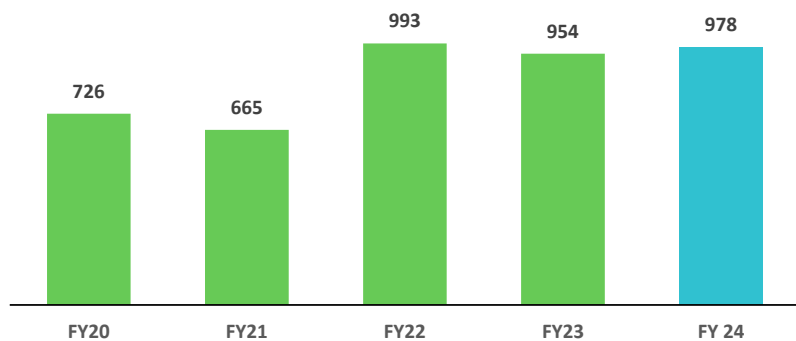
Equity & Liabilities (in Rs. Crs)	Mar-24	Mar-23
Total Equity	418.21	405.71
Share Capital	12.00	12.00
Reserves & Surplus	406.21	393.71
Non-Current Liabilities	162.91	168.03
Financial Liabilities		
(i) Borrowings	144.30	145
(ii) Lease Liabilities	3.46	-
Provisions	14.44	22.63
Other Non-Current Liabilities	0.71	04.43
Deferred Tax Liabilities	-	-
Current Liabilities	372.99	332.84
Financial Liabilities		
(i) Borrowings	224.55	232.85
(ii) Trade Payables	102.98	63.10
(iii) Lease	0.92	0.90
(iv) Other Financial Liabilities	36.06	29.06
Other Current Liabilities	5.24	3.80
Provisions	3.23	3.11
Total Equity & Liabilities	954.11	906.58

Cash Flow Statement

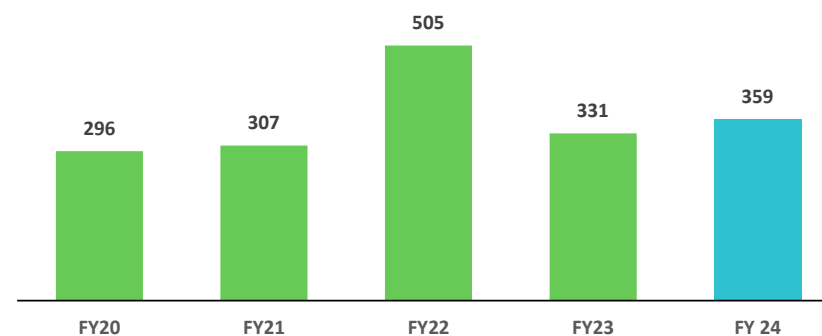
Particulars (in Rs. Crs)	As on 31-Mar-24	As on 31-Mar-23
Net Profit/(loss) Before Tax	11.06	-34.52
Adjustments for: Non -Cash Items / Other Investment or Financial Items	55.78	66.96
Operating profit before working capital changes	66.84	32.45
Changes in working capital	50.03	22.82
Cash generated from Operations	116.88	55.27
Direct taxes paid (net of refund)	4.19	-6.03
Net Cash from Operating Activities	121.07	49.23
Net Cash from Investing Activities	- 69.36	-30.05
Net Cash from Financing Activities	-50.41	-23.36
Net Decrease in Cash and Cash equivalents	1.29	-4.18
Add: Cash & Cash equivalents at the beginning of the period	6.46	10.65
Less: Bank balances not considered as Cash and Cash Equivalents as per IND AS7	- 7.22	-5.85
Cash & Cash equivalents at the end of the period	0.53	0.61

Historical Financials

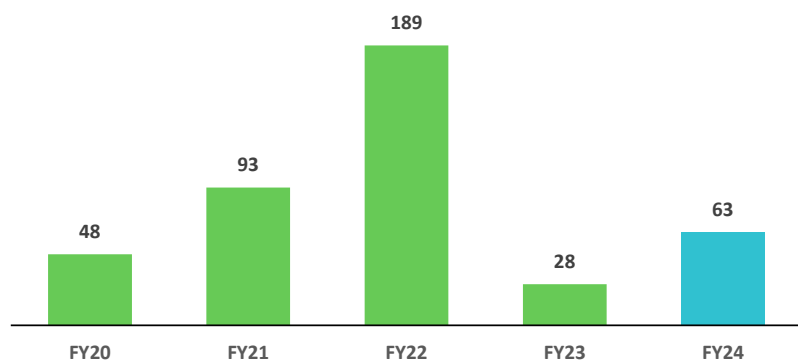
Revenue (₹ crore)



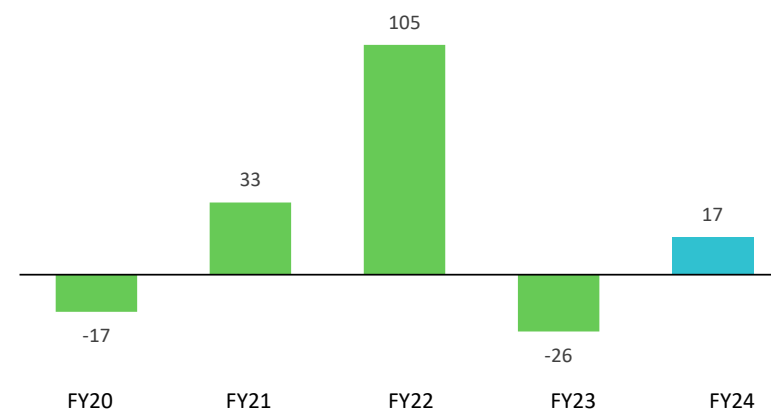
Gross Profit (₹ crore)



EBITDA (₹ crore)



PAT (₹ crore)



Historical Profit & Loss Statement



Profit and Loss (in Rs. Crs)	FY 24	FY23	FY22	FY21	FY20
Revenue from Operations	977.76	953.82	993.28	665.14	726.11
Cost of Goods Sold	619.00	623.29	488.59	358.55	430.10
Gross Profit	358.75	330.53	504.69	306.59	296.01
Gross Profit Margin	36.69	34.65	50.81	46.09	40.77
Employee Cost	91.49	84.63	93.60	73.58	71.65
Other Expenses	204.52	218.13	222.34	139.88	176.66
EBITDA	62.75	27.77	188.75	93.13	47.70
EBITDA Margin	6.42	2.91	19.00	14.00	6.57
Depreciation	22.67	33.40	32.53	33.17	32.74
Other Income	10.34	7.24	6.49	5.70	4.40
EBIT	50.42	1.61	162.72	65.67	19.37
EBIT Margin	5.16	0.17	16.38	9.87	2.67
Finance Cost	39.35	36.14	28.98	32.72	32.33
Exceptional item Gain/(Loss)	6.23	-	-	-	-
Profit before Tax	17.29	-34.52	133.75	32.95	-12.96
Profit before Tax Margin	1.77	-3.62	13.47	4.95	-1.78
Tax	0.51	-8.50	28.33	-	3.56
Profit After Tax	16.78	-26.02	105.42	32.95	-16.52
Profit After Tax Margin	1.72	-2.73	10.61	4.95	-2.28

Historical Consolidated Balance Sheet



Assets (in Rs. Crs)`	Mar-24	Mar-23	Mar-22	Mar-21	Mar-20
Non - Current Assets	531.89	497.40	495.10	471.63	491.85
Property Plant & Equipment	441.63	443.66	427.95	437.44	462.49
CWIP	55.99	2.97	31.60	2.56	1.39
Intangible assets	0.29	0.31	0.44	0.38	0.42
Right of use asset	6.69	3.38	4.64	5.91	7.24
Intangible assets under development	-	0.09	-	0.08	-
Financial Assets					
Investments	2.64	6.96	12.18	10.76	10.89
Loans	-	-	-	9.89	7.55
Deferred tax assets (net)	1.81	5.69	-	-	-
Other Financial Assets	11.20	9.85	8.10	-	-
Other Non - Current Assets (Net)	11.63	24.49	10.19	4.60	1.87
Current Assets	422.22	409.18	438.08	290.35	239.73
Inventories	232.27	242.01	241.41	131.20	124.32
Financial Assets					
(i) Investments	12.78	1.99	-	-	-
(ii) Trade receivables	130.85	118.71	139.95	101.98	89.31
(iii) Cash and cash equivalents	0.53	0.61	1.49	1.10	0.38
(iv) Bank bal other than (iii)	7.22	5.85	9.16	7.87	7.64
(v) Loans	0.93	0.72	0.64	0.78	0.56
Other Financial Assets	0.66	0.40	0.39	0.47	0.51
Other Current Assets	36.99	38.88	45.04	46.96	17.01
Total Assets	954.11	906.58	933.18	761.99	731.58

Equity & Liabilities (in Rs. Crs)	Mar-24	Mar-23	Mar-22	Mar-21	Mar-20
Total Equity	418.21	405.71	444.12	341.62	310.16
Share Capital	12.00	12.00	12.00	12.00	12.00
Reserves & Surplus	406.21	393.71	432.12	329.62	298.16
Non-Current Liabilities	162.91	168.03	109.98	127.96	150.44
Financial Liabilities					
(i) Borrowings	144.30	144.97	81.70	104.60	122.65
(ii) Lease Liabilities	3.46	-	0.90	-	-
(iii) Other Financial Liabilities	-	-	0.17	1.94	7.01
Provisions	14.44	22.63	21.53	19.47	18.00
Other Non Current Liabilities	0.71	0.43	1.12	1.95	2.78
Deferred Tax Liabilities	-	-	4.55	-	-
Current Liabilities	372.99	332.84	379.08	292.41	270.98
Financial Liabilities					
(i) Borrowings	224.55	232.85	276.08	169.20	173.45
(ii) Trade Payables	102.98	63.10	38.19	29.01	45.32
(iii) Lease	0.92	0.90	1.03	-	-
(iv) Other Financial Liabilities	36.06	29.06	53.77	83.18	44.08
Other Current Liabilities	5.24	3.80	4.36	8.78	6.32
Provisions	3.23	3.11	2.72	2.25	1.80
Current tax Liabilities (net)	-	-	2.92	-	-
Total Equity & Liabilities	954.11	906.58	933.18	761.99	731.58

Historical Cash Flow Statement

Particulars (in Rs. Crs)	FY24	FY23	FY22	FY21	FY20
Net Profit Before Tax	11.06	-34.52	133.75	32.95	-12.96
Adjustments for: Non -Cash Items / Other Investment or Financial Items	55.78	66.97	58.92	64.18	64.25
Operating profit before working capital changes	66.84	32.45	192.67	97.13	51.29
Changes in working capital	50.03	22.82	-117.17	-70.89	10.45
Cash generated from Operations	116.87	55.27	75.50	26.24	61.74
Direct taxes paid (net of refund)	4.19	-6.03	-19.97	-0.23	-0.41
Net Cash from Operating Activities	121.06	49.23	55.54	26.00	61.33
Net Cash from Investing Activities	-69.36	-30.05	-54.79	-8.27	21.12
Net Cash from Financing Activities	-50.41	-2.36	0.93	-16.79	-82.33
Net Decrease in Cash and Cash equivalents	1.29	-4.18	1.68	0.95	0.13
Add: Cash & Cash equivalents at the beginning of the period	6.46	10.65	8.97	8.02	7.90
Less: Bank balances not considered as Cash and Cash Equivalents as per IND AS7	7.22	5.85	9.16	7.87	7.64
Cash & Cash equivalents at the end of the period	0.53	0.61	1.49	1.10	0.38

For further information, please contact:

Company:



Precot Limited

CIN: L17111TZ1962PLC001183

Mrs S. Kavitha

kavitha@precot.com

www.precot.com