



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 30<sup>th</sup> September, 2024. The same is made available on the Company's website [www.precot.com](http://www.precot.com).

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

Thanking you.

Yours faithfully,

**For Precot Limited**

Kavitha  
Subramaniam

Digitally signed by Kavitha Subramaniam  
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email=kavitha@precot.com, postalCode=641011, st=Tamil Nadu,  
serialNumber=4075641185, serialNumber=2320822109910ac9e4e4d7b6a4d  
c42814c95820516, cn=Kavitha Subramaniam  
Date: 2024.11.13 12:20:09 +05'30'

**S Kavitha  
Company Secretary**

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# PRECOT LIMITED

Investor Presentation | September 2024



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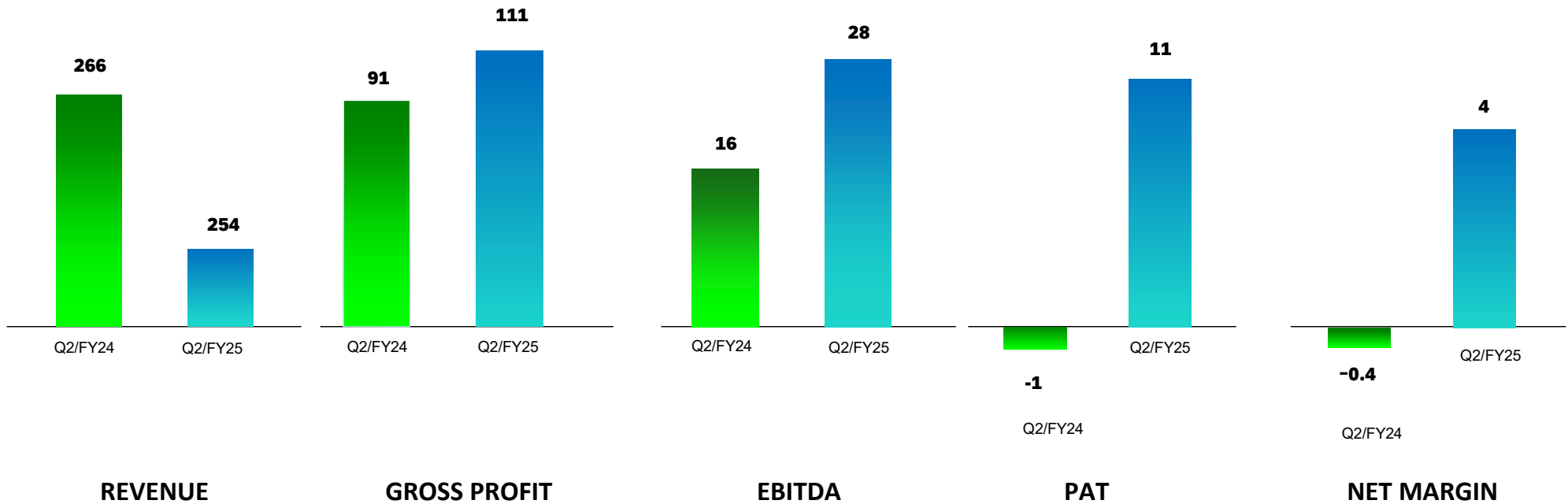
These risks and uncertainties include but are not limited to the performance of the Indian economy and the economies of various international markets, the performance of the industry in India and worldwide, competition, the company’s ability to successfully implement its strategy, the Company’s future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

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The background of the slide is a photograph of several large spools of yarn. The spools are arranged in a basket, with some in the foreground and others in the background. The colors of the yarn include shades of blue, grey, and pink. 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
<b>Revenue from Operations</b>	<b>253.57</b>	<b>266.30</b>	<b>488.48</b>	<b>490.52</b>
Cost of Goods Sold	142.40	175.73	278.07	321.64
<b>Gross Profit</b>	<b>111.17</b>	<b>90.57</b>	<b>210.41</b>	<b>168.88</b>
<b>Gross Profit Margin</b>	<b>43.84</b>	<b>34.01</b>	<b>43.07</b>	<b>34.43</b>
Employee Cost	26.09	22.40	51.17	44.80
Other Expenses	57.41	51.86	106.37	100.53
<b>EBITDA</b>	<b>27.67</b>	<b>16.31</b>	<b>52.87</b>	<b>23.55</b>
<b>EBITDA Margin</b>	<b>10.91</b>	<b>6.12</b>	<b>10.82</b>	<b>4.80</b>
Depreciation	5.35	5.03	10.39	12.42
Other Income	1.61	1.33	3.88	3.82
<b>EBIT</b>	<b>23.93</b>	<b>12.61</b>	<b>46.36</b>	<b>14.95</b>
<b>EBIT Margin</b>	<b>9.44</b>	<b>4.74</b>	<b>9.49</b>	<b>3.05</b>
Finance Cost	9.48	11.85	19.57	21.60
Exceptional Item Gain / (Loss)	0.00	-1.84	0.00	-1.84
<b>Profit before Tax</b>	<b>14.45</b>	<b>-1.08</b>	<b>26.79</b>	<b>-8.49</b>
<b>Profit before Tax Margin</b>	<b>5.70</b>	<b>-0.41</b>	<b>5.48</b>	<b>-1.73</b>
Tax	3.94	0.00	6.88	-4.32
<b>Profit After Tax</b>	<b>10.51</b>	<b>-1.08</b>	<b>19.91</b>	<b>-4.17</b>
<b>Profit After Tax Margin</b>	<b>4.14</b>	<b>-0.41</b>	<b>4.08</b>	<b>-0.85</b>

## 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, and the threads are in various colors: red, blue, brown, and yellow. The lighting is dramatic, highlighting the texture of the threads and the metallic caps of the spools. A green and blue horizontal bar is visible at the top left, and a green and blue horizontal bar is visible at the bottom of the image.

# 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

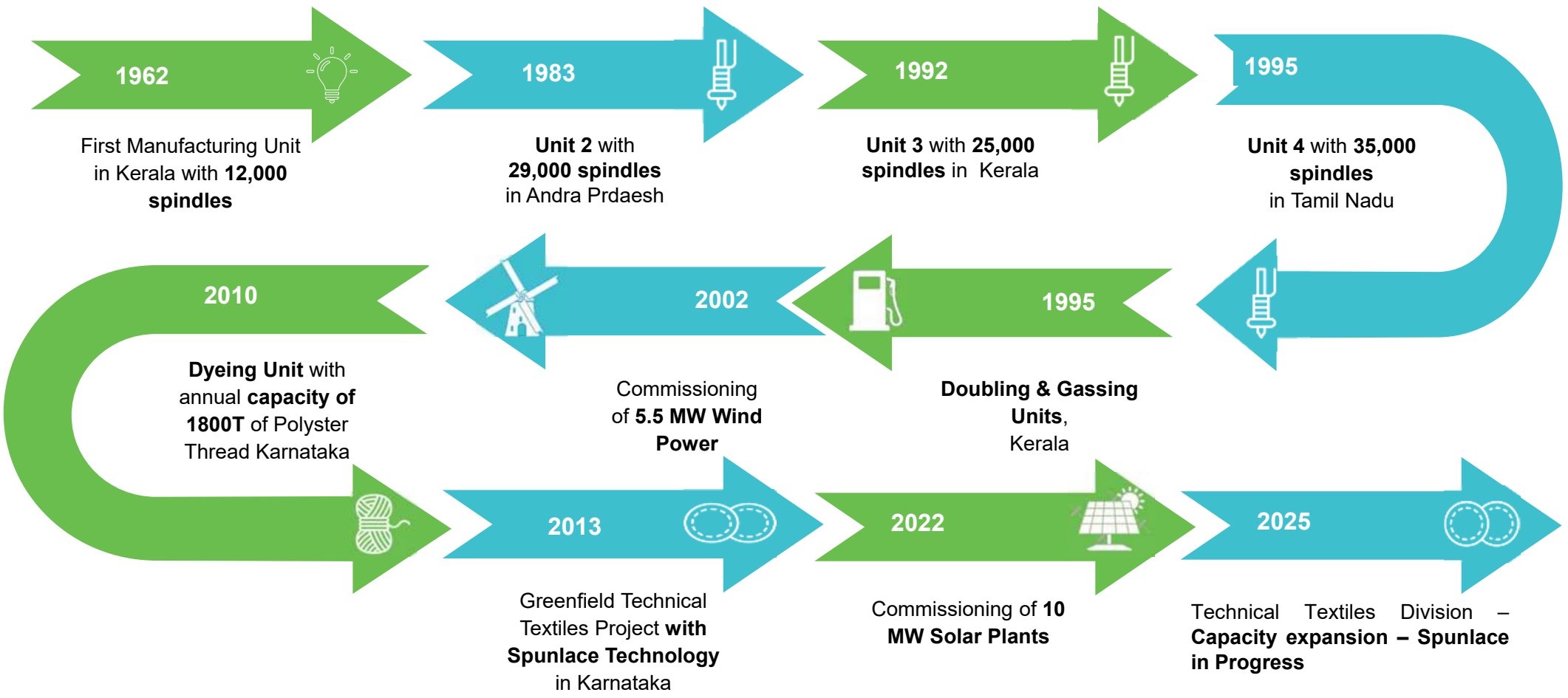
**Private Label Specialist** in cotton-based products in hygiene and cosmetics

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

International presence in over **18 countries**

**Hydro-entanglement Process** in Spunlace

# 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

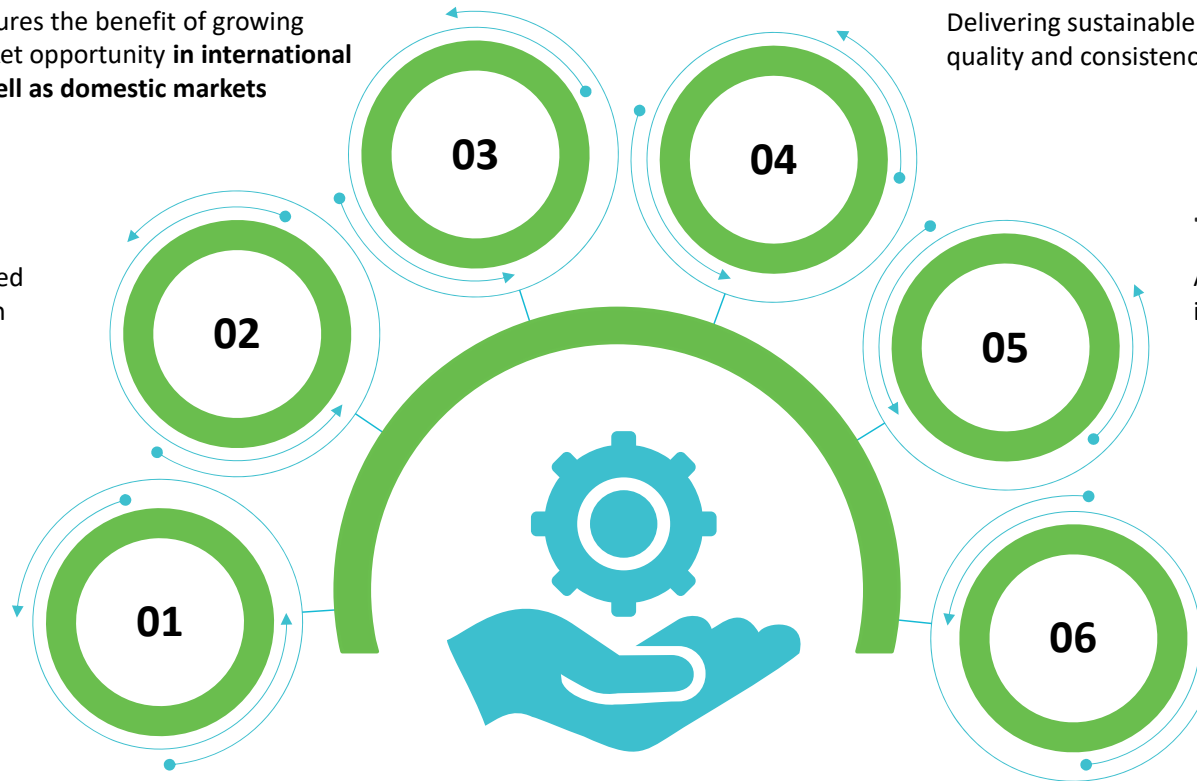
Automation for business process improvements and debottlenecking

## Financial Stability

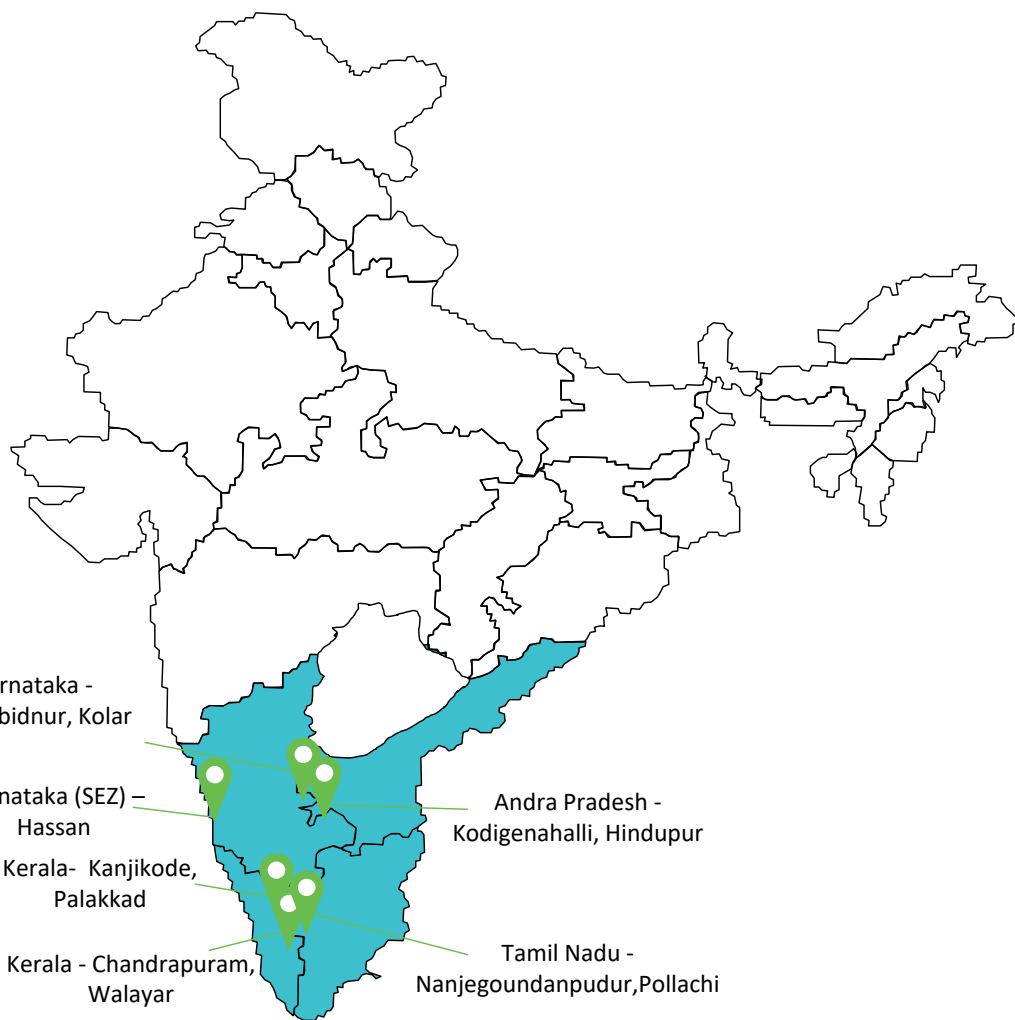
Continued efforts to improve **operational efficiencies and control on operating costs**. Constant steps taken to improve the balance sheet with **reduced debt**.

## 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

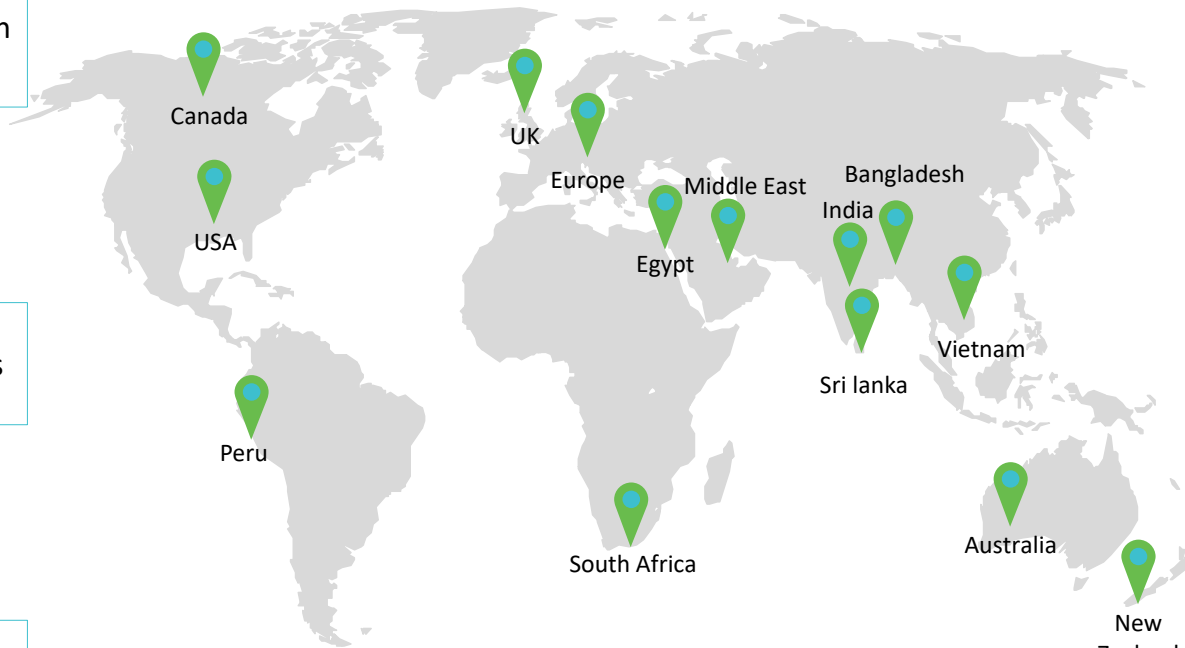


## Key Takeaways

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

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# 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



## 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

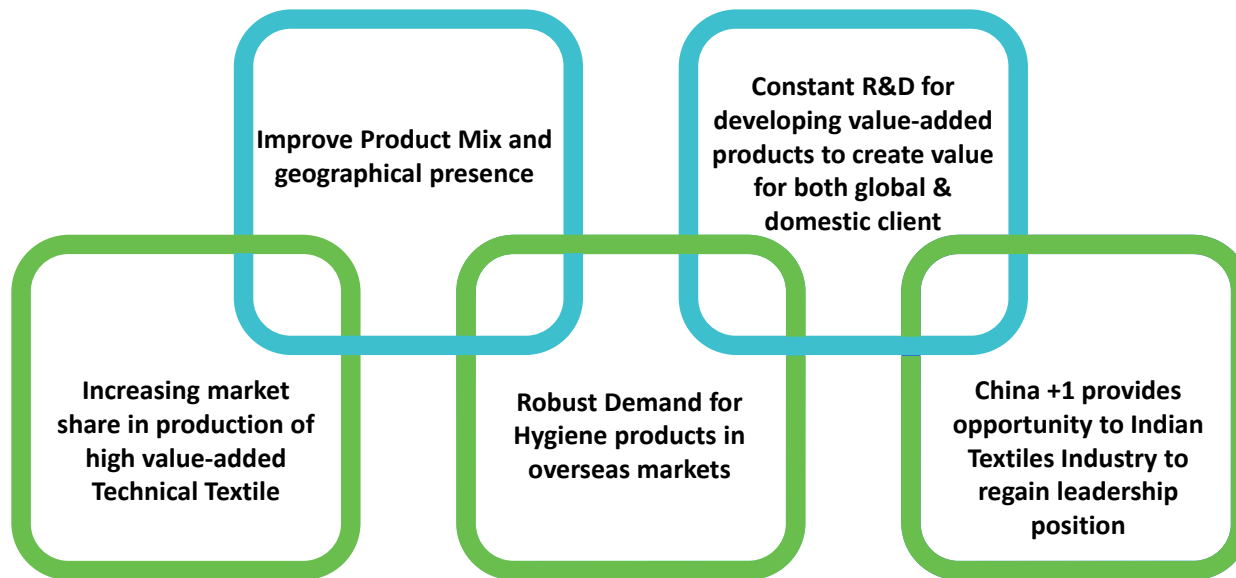


# Technical Textiles Business

# 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**

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# 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



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

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](http://www.precot.com)

