



gokaldas exports ltd.

**Investor Presentation
Q2 FY20**

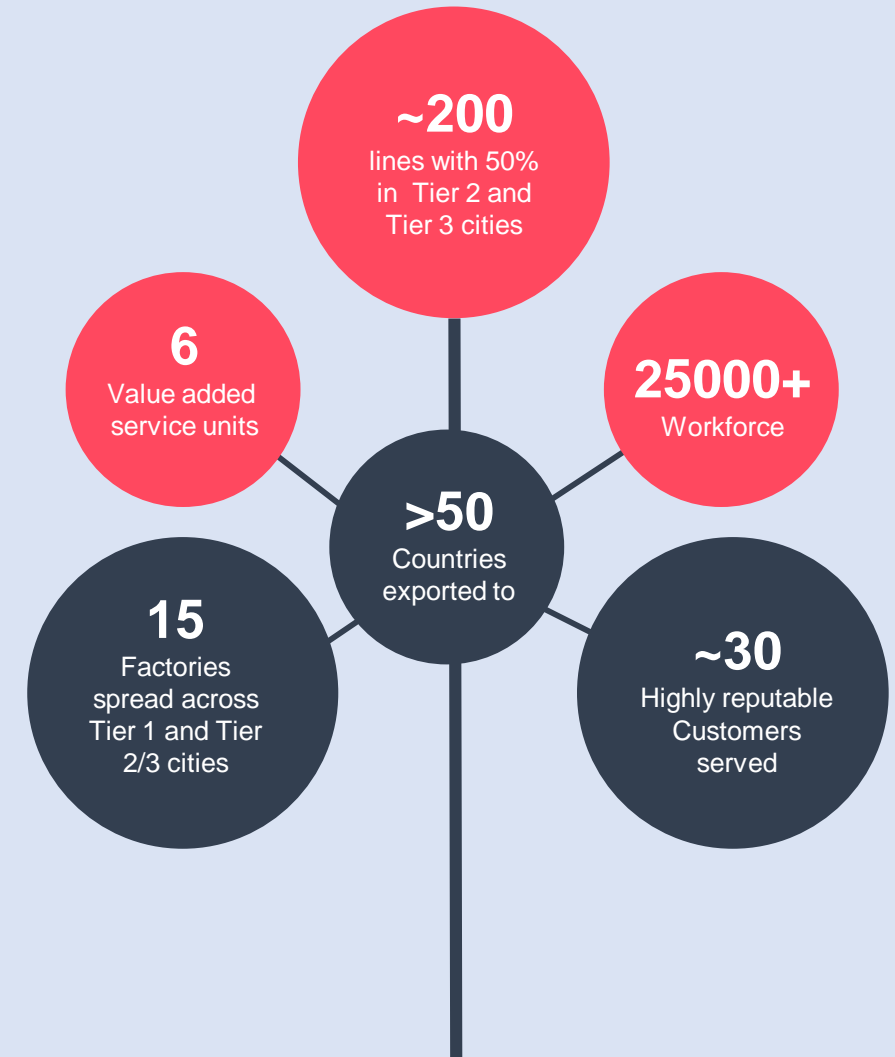
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A leading apparel exporter since 1979

- Caters to customers across all international markets including the US, Canada, Europe, Japan, Russia, Middle East, South Africa and South America
- Has a large diversified customer base of leading global branded apparel players, serving their requirement across several product categories
- Is one of the largest producer of outerwear and sportswear in India
- Has dedicated design teams for major product categories and brands
- All factories are socially compliant with complete transparency
- Has won numerous awards from industry bodies and customers over the years



Partnering with leading apparel brands

OLD NAVY



ZARA



MUJI
無印良品



MATALAN

celio*

KAPORAL
JEANS

STYLEM



MARKS &
SPENCER

BESTSELLER*



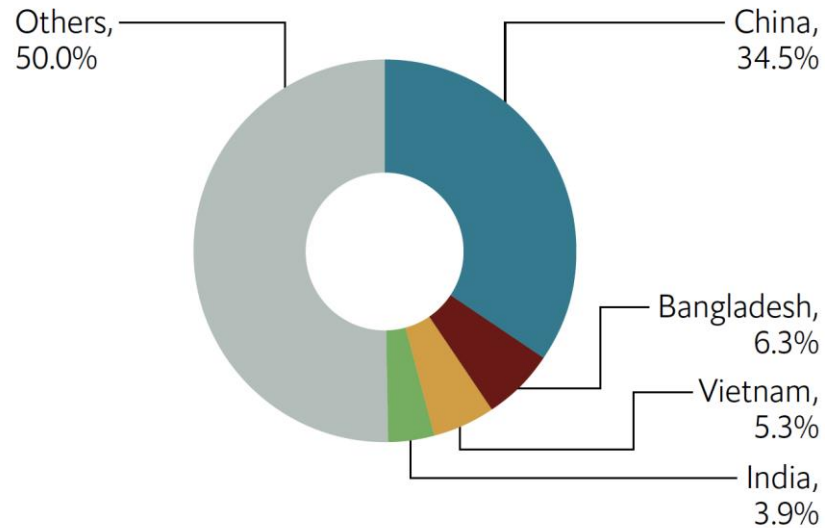
DECATHLON

India has considerable opportunity to grow

Trade wars and changing priorities impact China's exports

Top clothing exporting countries, 2016

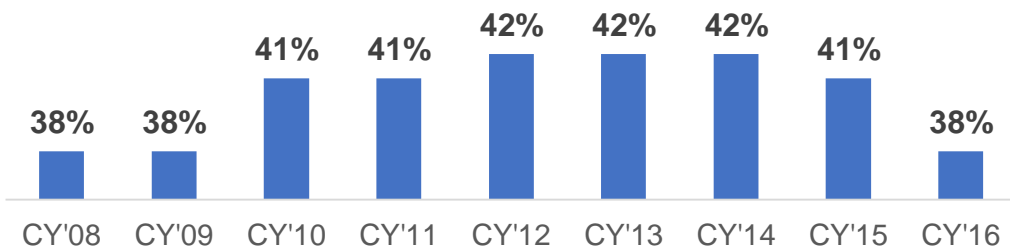
(% of global share)








Sources: World Trade Statistical Review; World Trade Organisation.

- US China trade war creates significant opportunities for rival countries
- China's increasing labour costs, declining working age population, improved social security benefits and declining interest in producing low-value exports such as garments, gives a further tailwind to the trend
- Although Vietnam and Bangladesh are already important garment production centres, in the longer term neither will be able to produce at a scale that matches China, both in terms of volume and integration of supply chains
- India benefits from its integrated presence in the cotton and rayon textiles sector

China's share of Apparel exports

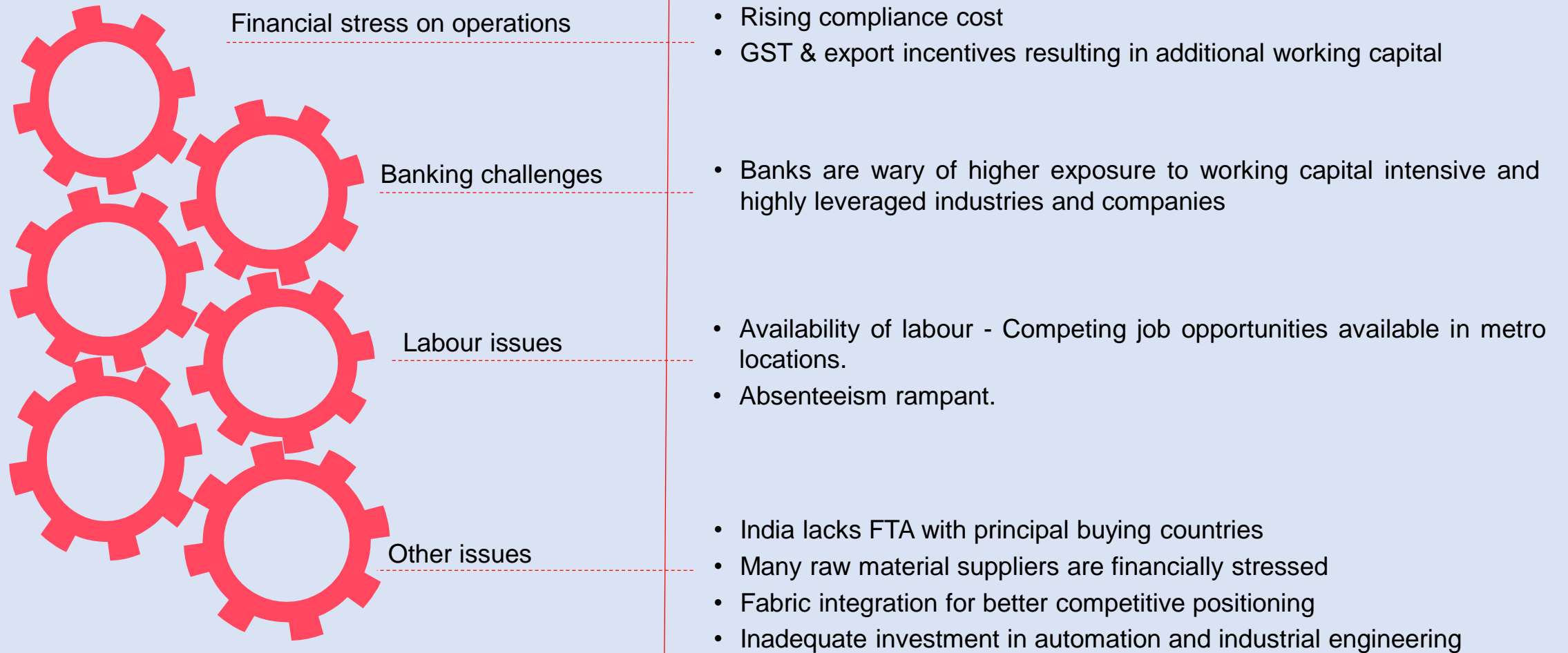


Strong benefits		Mild benefits	
Bangladesh		Sri Lanka	
Vietnam		Pakistan	
India			

Source: The Economist: US China Trade War Analysis No 18

Business consolidation gaining momentum

Several small to medium operators closing down



Financial Highlights, Q2'FY20



Total Income of Rs. 3,743 Mn, growth of 24% over the previous year (PY) Q2.

This is highest ever Q2 "Total Income" in last 10 years.



EBITDA of Rs. 259 Mn, 6.9% of total revenue as against 4.9% in PY Q2.

Excluding the impact of new IndAS-116 and one-time provision, **EBITDA is Rs. 175 Mn,** 4.7% of total revenue.



PAT of Rs. 41 Mn. (vs. Rs. 20 Mn. in the PY Q2).

Excluding the impact of one-time provision, PAT is at Rs. 51 Mn, +1.4% of revenue vs. +0.7% in the PY Q2.

Investing for future revenue growth :

- Invested Rs.60 Mn. on modernisation of machineries in Q2 (Rs.125 Mn in H1)
- Built a bench of additional employees in training for H2 growth investing about Rs.34 Mn



Strong growth from existing customers

Two new international customers added

Customer concentration risk is reduced



Profit and Loss Statement

Parameters	Q2 CY	Q2 PY	H1 CY	H1 PY	Figures in INR Mn.
Revenue from operations	3,619	2,954	7,041	5,816	
Other income					
Gain on account of foreign exchange fluctuations (net)	75	-	126	-	
Income from bank deposits and investment in mutual funds	30	30	57	53	
Government grant and other income	20	26	38	31	
Total income (I)	3,743	3,010	7,262	5,899	
Materials consumed	1,927	1,419	3,636	2,696	
Employee expense	1,217	967	2,358	1,900	
Other expenses	331	420	676	886	
Loss on account of foreign exchange fluctuations	-	56	-	101	
Total Expenses (II)	3,474	2,861	6,671	5,583	
EBITDA* (I-II)	269	149	591	317	
EBITDA %	7.2%	4.9%	8.1%	5.4%	
EBITDA, adj. for IndAS	175	149	404	317	
EBITDA %, adj. for IndAS	4.7%	4.9%	5.6%	5.4%	
Less:					
Finance costs**	91	88	181	179	
Depreciation and amortization***	127	41	254	80	
Profit/(Loss) before tax before excep. items	51	20	156	58	
Exceptional Items	-10	-	221	-	
Profit/(Loss) before tax	41	20	378	58	
Tax expenses	-	-	-	-	
Profit/(Loss) After tax	41	20	378	58	

*Without onetime income and provisions/expenses

**Due to IND AS 116 Finance Cost increased by 16.3mn in 2Q20 & 33.0mn for 1H20

***Due to IND AS 116 Depreciation and amortization increased by 67mn in 2Q20 & 138mn for 1H20

Balance Sheet and Cash Flow

Figures in INR Mn.

Balance Sheet

Liabilities	Sep 30, 2019	Mar 31, 2019	Assets	Sep 30, 2019	Mar 31, 2019
Equity	2542	2404	Fixed Assets	1102	1088
Non-current liabilities	306	41	Other Non-Current Assets	2376	1730
Current liabilities	6059	5648	Assets held for sale	-	60
			Current assets	5429	5215
Total Liabilities	8907	8093	Total Assets	8907	8093

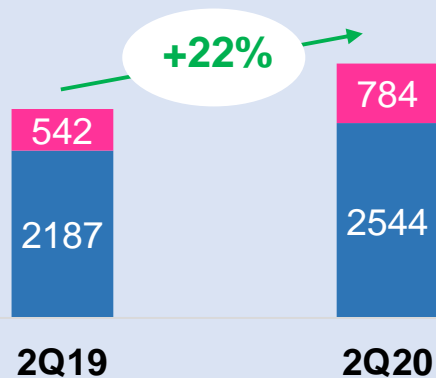
Cash Flow

	Sep 30, 2019	Sep 30, 2018
Cash flow from operations	549	868
Cash flow from investing	-228	-515
Cash flow from financing	-137	-335
Net cash generated	184	18

Quarterly and Half Yearly Performance

Revenue

■ Export ■ Domestic



■ Adj. EBITDA (Rs Mn)

Adj.
EBITDA
Margin (%)

4.9%

4.7%

149

176

2Q19

2Q20

Figures in INR Mn.

■ Adj. PAT (Rs Mn)

Adj. PAT
Margin (%)

0.7%

1.4%

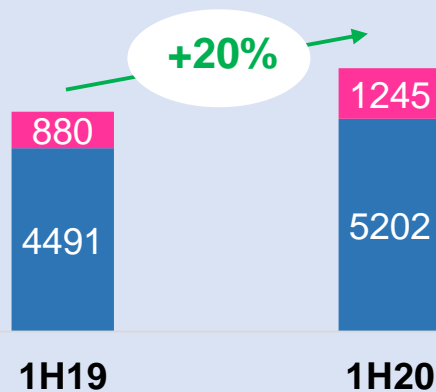
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51

2Q19

2Q20

■ Export ■ Domestic



■ Adj. EBITDA (Rs Mn)

Adj.
EBITDA
Margin (%)

5.4%

5.6%

317

404

1H19

1H20

■ Adj. PAT (Rs Mn)

Adj. PAT
Margin (%)

1.0%

2.1%

58

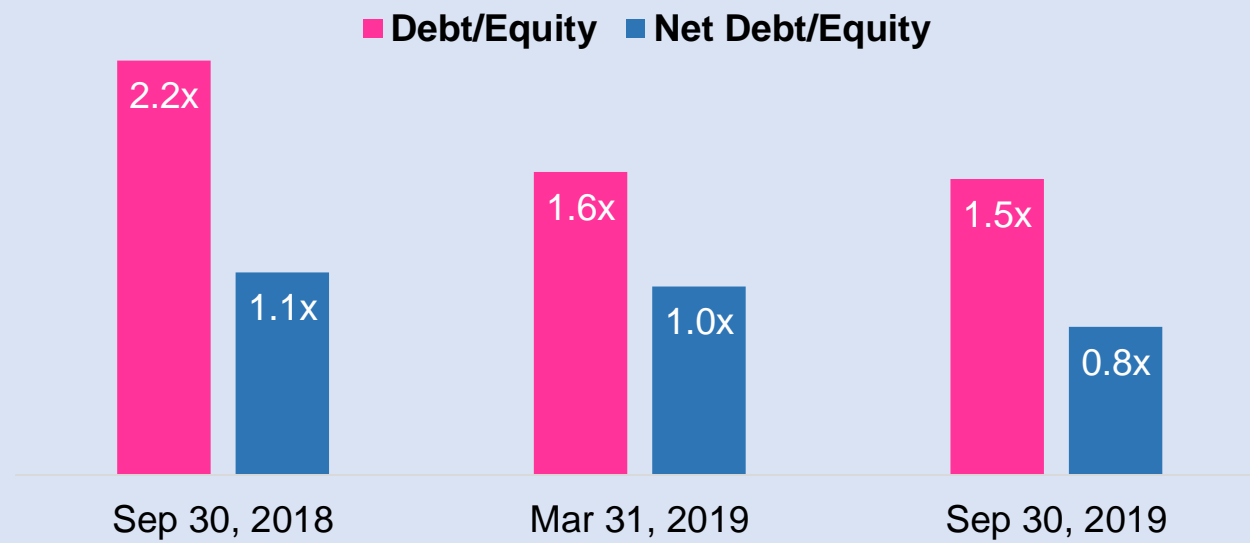
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1H19

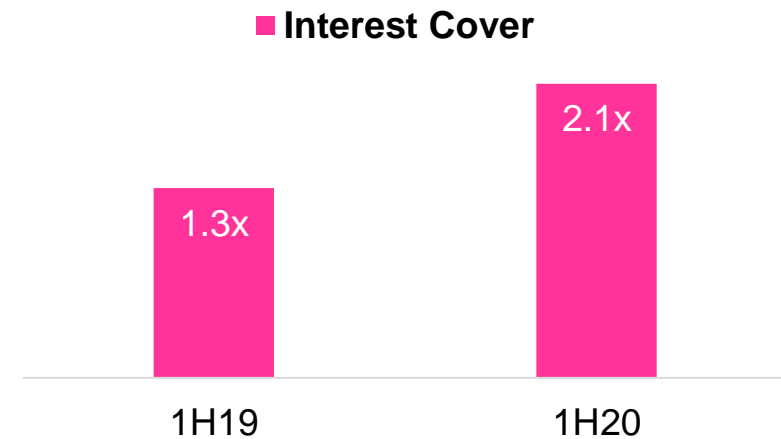
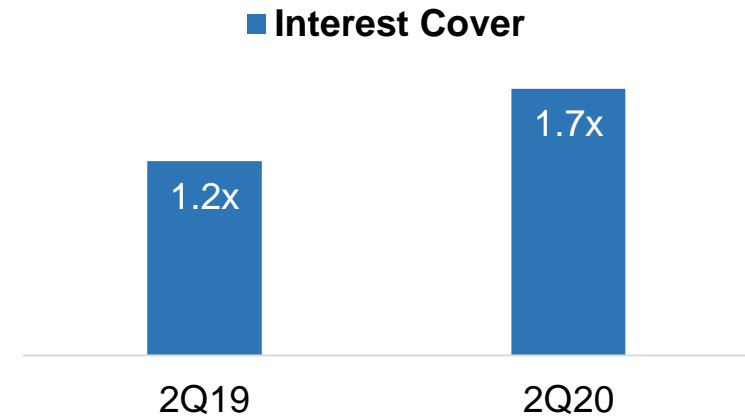
1H20

Note : EBITDA and PAT are adjusted for IndAS and exceptional gain/(loss)

Financial Ratios

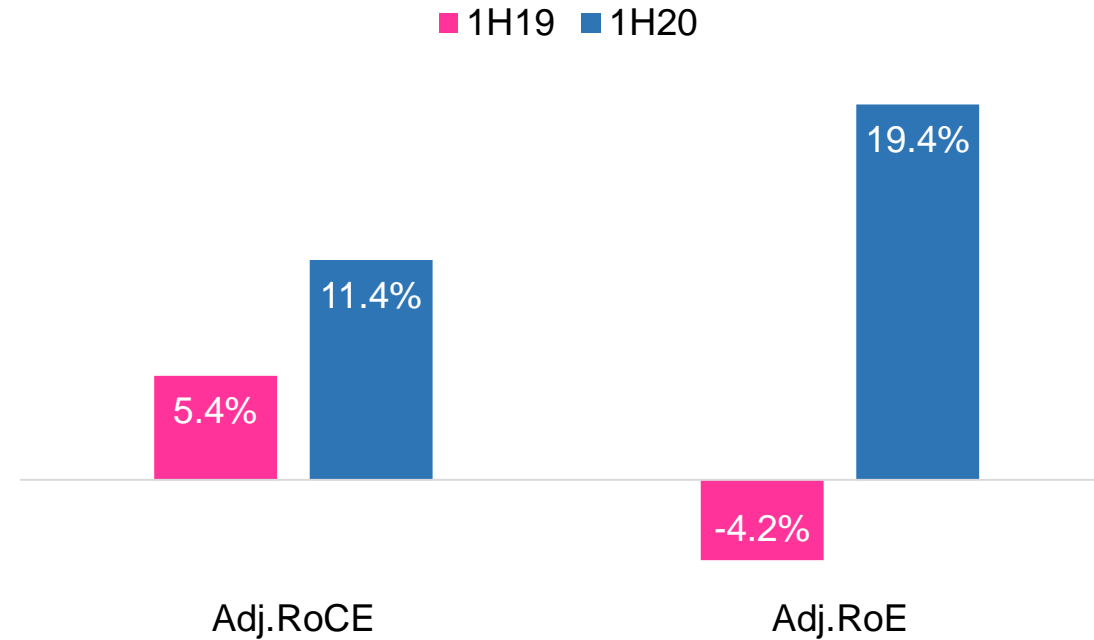


Note : Net Debt = Debt-Cash & Cash Equivalents (including Mutual Fund Investments)



Note : Interest Cover adjusted for IndAS & exceptional gain/(loss)

Financial Ratios



Note : Returns adjusted for gains /(loses) from exceptional items
Calculations are based on TTM

Thank you

