



**STRONG
FOUNDATION
TO FAST-TRACK
GROWTH**

EARNINGS PRESENTATION

INSIDE THE DOCUMENT



HIGHLIGHTS AND FINANCIALS

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BUSINESS OUTLOOK

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Q3 FY22

HIGHLIGHTS

- MANAGEMENT COMMENTARY
- QUARTERLY HIGHLIGHTS
- FINANCIAL POSITION & RATIOS



MANAGEMENT COMMENTARY

SIVARAMAKRISHNAN GANAPATHI

MANAGING DIRECTOR



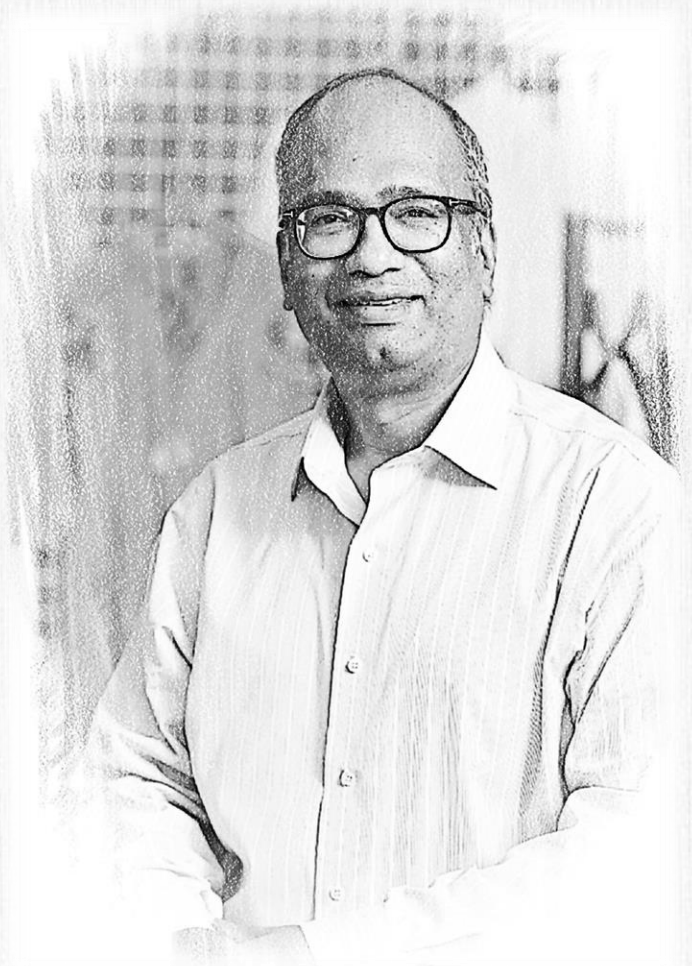
We maintained a strong growth momentum in Q3, on the strength of a robust order book, expanded capacity and improved productivity - all signs of a strong execution capability. We managed to improve our operating performance by introducing product specialisation in factories, improving product quality and reducing wastages.

During the last two years, we not only survived the Covid led disruption but thrived on it. We sought new opportunities, invested in productivity improvement, expanded capacity and grabbed market share, consolidating our place in global supply chains. These results are a testimony to our agile business strategy.

Our capacity addition is happening at a good pace. We anticipate to commence commercial operations at our new unit in Tamil Nadu soon, while our Madhya Pradesh unit is under construction. We also incorporated a new wholly-owned subsidiary to enter Knits business. We plan to set up a fabric processing unit in FY23.

We continue to focus on a safe work environment for all our employees, and I applaud the tireless efforts of our team to maintain a culture of health and safety above all.

In October, we had a successful capital injection of Rs.300 Crores through QIP. We reaffirm our relentless focus on quality, production efficiency, on-time delivery, design, and innovation to deliver superior outcomes to all our stakeholders.



QUARTERLY HIGHLIGHTS

CONSOLIDATED REVENUES

524.1 CR ↑ 95.5%
↑ 17.5%

Delivered highest Y-o-Y revenue growth in the last 10 years. Exports revenue grew by 118.3% over the previous year Q3. Deeper customer engagement, change in product mix and capacity addition helped significantly.

CONSOLIDATED EBITDA

62.8 CR ↑ 160.6%
↑ 16.4%

Higher volume and better productivity contributed to the growth.

CONSOLIDATED PAT

30.1 CR ↑ 398.0%
↑ 5.2%

PAT grew to ~5 times of the PY Q3. While sequential PBT grew by 35% with lower financing costs, the PAT growth was moderate on account of tax impact.

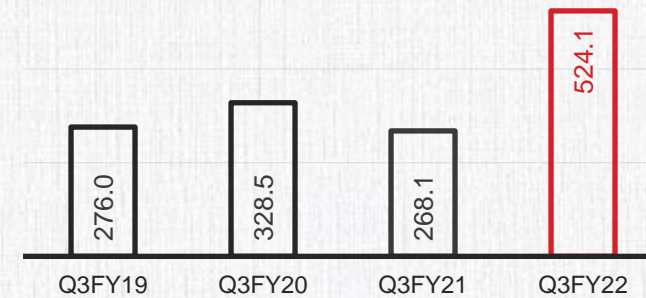
↑ Y-O-Y

↑ Q-O-Q

QUARTERLY RESULT TRENDS

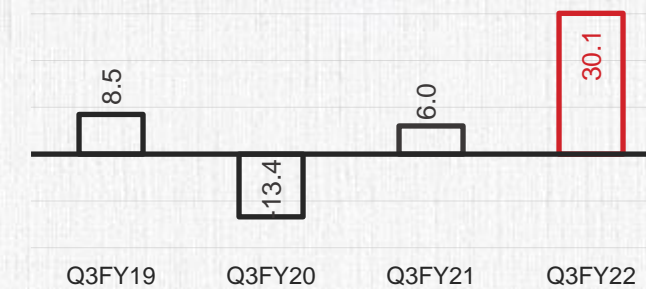
REVENUE

₹ in Crores



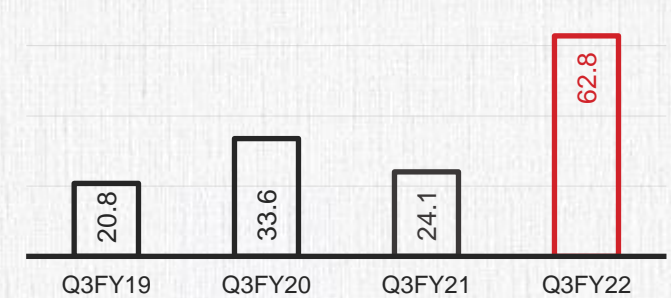
PAT

₹ in Crores



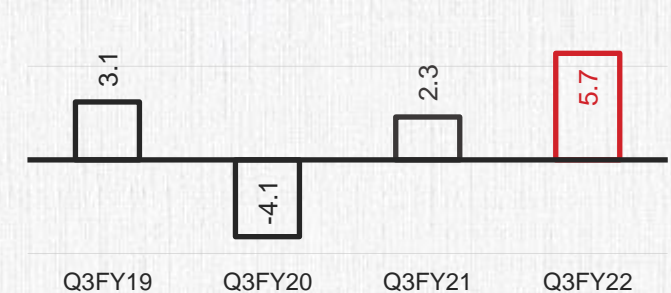
EBITDA

₹ in Crores



PAT MARGIN

In %



Consistently improved in all key performance indicators beating previous peaks. A continued focus on service delivery excellence, optimizing the resources for better productivity while augmenting production capacity and timely execution have helped deliver.

NINE-MONTH FINANCIAL HIGHLIGHTS

CONSOLIDATED REVENUES

1,213.0 CR ↑ 42.7%

Although the previous year's 9M result was severely impacted by the pandemic, the current year's performance reflects a strong comeback after weathering the shock of the second wave of COVID in Q1.

CONSOLIDATED EBITDA

136.6 CR ↑ 80.5%

Generated higher operating profit. Margin improvement was driven by capacity growth, productivity, and well-planned execution.

CONSOLIDATED PAT

56.2 CR ↑ 437.4%

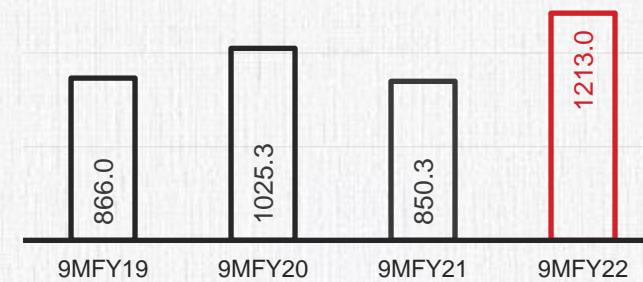
A PAT growth of more than 5 times the PY 9M (Rs.10.5 Cr) is the result of efforts made across various operating levers.

↑ Y-O-Y

QUARTERLY RESULT TRENDS

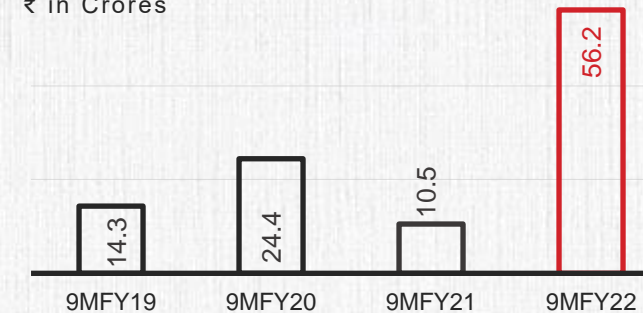
REVENUE

₹ in Crores



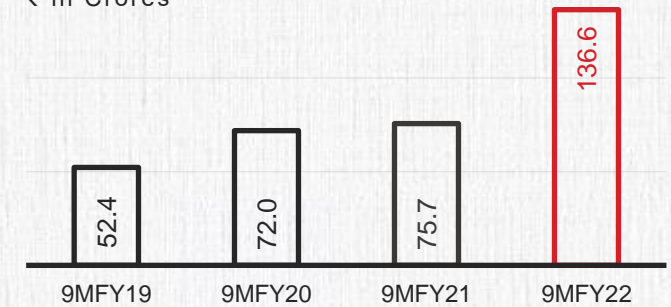
PAT

₹ in Crores



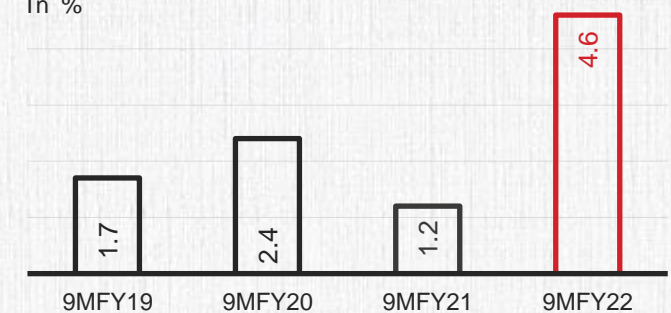
EBITDA

₹ in Crores



PAT MARGIN

In %



A strong bounce back after experiencing an adversely affected Q1 FY22, caused by the second wave of COVID, when the operations remained shut for most of the quarter. The company enhanced its production capacity significantly, hand in hand with the growing order book position.

QUARTERLY FINANCIAL HIGHLIGHTS

SUMMARY OF PROFIT AND LOSS STATEMENT

₹ in Crores

KEY PERFORMANCE METRICS	Q3FY21	Q2FY22	Q3FY22	Q-O-Q	Y-O-Y
Revenue from operations	265.0	443.8	520.6	17.3%	96.4%
Other Income	3.0	2.2	3.5	55.0%	13.8%
Total Income	268.1	446.0	524.1	17.5%	95.5%
EBITDA	24.1	53.9	62.8	16.4%	160.6%
EBITDA Margin (%)	9.0%	12.1%	12.0%	-0.1%	3.0%
Finance cost	5.5	11.5	9.2	-20.1%	68.9%
Depreciation and amortisation expenses	12.6	13.8	15.0	8.5%	18.9%
PBT	6.0	28.6	38.6	34.9%	538.3%
PAT	6.0	28.6	30.1	5.2%	398.0%

Note: In view of the lower estimated realizable value of RoSCTL e-scrips, in Q3 FY22, the company conservatively accounted for RoSCTL income lower by Rs.5.6 Crores.

REVENUE

Delivered another great quarter driven by a strong order book, and a rapid expansion of production capacity. Some of the new capacities are yet to reach full potential.

EBITDA Margin

Improvement in operating margin driven by revenue growth and productivity improvements. EBITDA margin at 12.0% is up by 3.0% Y-o-Y.

Profit after Tax

The company came into regular tax bracket. The tax impact of Rs. 8.5 Crs was for the nine-months period ending Dec-2021.

NINE-MONTH FINANCIAL HIGHLIGHTS

SUMMARY OF PROFIT AND LOSS STATEMENT

₹ in Crores

KEY PERFORMANCE METRICS	9MFY21	9MFY22	Y-O-Y
Revenue from operations	840.8	1,205.4	43.4%
Other Income	9.5	7.7	-18.6%
Total Income	850.3	1,213.0	42.7%
EBITDA	75.7	136.6	80.5%
EBITDA Margin (%)	8.9%	11.3%	2.4%
Finance cost	25.1	30.8	22.6%
Depreciation and amortisation expenses	40.1	41.2	2.6%
PBT	10.5	64.7	518.6%
PAT	10.5	56.2	437.4%

Note: In view of the lower estimated realizable value of RoSCTL e-scrips, in 9M FY22, the company conservatively accounted for RoSCTL income lower by Rs.5.6 Crores.

REVENUE

The 9M results reflect the company's agility and resilience to tide over the challenges, like the one faced in Q1 on account of the second wave of COVID-19. A healthy growing order book helped the strong bounce-back. This was coupled with ramp up of production capacity.

EBITDA Margin

Delivered 80% Y-o-Y growth. The company managed costs well resulting in an overall improvement.

EBITDA margin at 11.3% is up by 2.4% Y-o-Y.

Profit after Tax

Highest 9M post-tax profit in the last 10 years.

QUARTERLY FINANCIAL HIGHLIGHTS

ANALYSIS OF FINANCIAL POSITION

₹ in Crores

	31 st Dec 2020	31 st Mar 2021	31 st Dec 2021
NON-CURRENT ASSETS			
Investment in Fixed Assets	127.5	127.2	150.8
Other non-current assets	47.7	45.8	53.0
Total non-current assets	175.2	173.1	203.8
Current assets			
Inventories	258.0	259.2	397.9
Trade receivables	129.4	179.8	171.3
Other current assets	70.7	68.7	141.7
Total current assets	458.1	507.7	710.9
Less: Current Liabilities			
Trade payables	98.4	111.7	158.4
Other current liabilities	97.7	104.4	164.6
Total current liabilities	196.1	216.1	322.9
Net Current Assets	262.0	291.6	388.0
Capital Employed	437.2	464.7	591.8
SOURCES OF FUNDS			
Equity	276.5	290.1	654.7
Long term Borrowings	-	18.8	8.9
Short term Borrowings	366.3	346.4	168.0
Total Borrowings	366.3	365.2	177.0
Less: Fixed Deposits held with Banks	146.9	146.9	152.0
Less: Cash and cash equivalents includes investment in MFs	69.2	52.1	96.3
Net Borrowings / Net Debt	150.2	166.2	-71.3
Long term provisions	4.5	5.3	5.3
Lease Liabilities (Net)#	6.0	3.1	3.1
Total Sources of Funds	437.2	464.7	591.8

Note: # lease liabilities are net off right of use of assets and liabilities.

- Capital employed does not include cash and cash equivalents including investment in mutual funds

CAPITAL EXPENDITURE

Despite being a pandemic impacted year, CAPEX for modernization, upgradations, and expansion continued. In line with the capex plans, we spent Rs.52 Crores in the last nine months.

LIQUIDITY POSITION

Infused Rs.300 Crores of equity capital in October 2021 through QIP, repaid the loans and improved liquidity position. The current ratio at 2.20 indicates that the company is well-positioned to meet its growth plans.

DEBT

The company repaid long-term loans and reduced working capital loans. Overall gross borrowing reduced by Rs.188 Cr. bringing net debt to negative level.

EQUITY RAISE HELPED LOWER FINANCE LEVERAGE

REDUCED BORROWINGS AND STRENGTHENED LIQUIDITY

Value ₹ in Crores

Category	31 st Mar, 2021	30 th June 2021	30 th Sept 2021	31 st Dec 2021
Gross borrowings	365	324	419	177
Less:				
Fixed deposits held as cash collateral*	147	148	152	152
Cash & cash equivalents i.e., MFs	52	41	51	96
Net Debt	166	134	217	(71)
Net Debt to EBITDA**	1.6	1.4	1.2	0.2

Note: * The Company received Rs. 69 Crores on account of partial release of fixed deposit during January 2022 and is in the process of unlocking the balance fixed deposit during Q4 FY22.

** Average Net Debt / TTM EBITDA

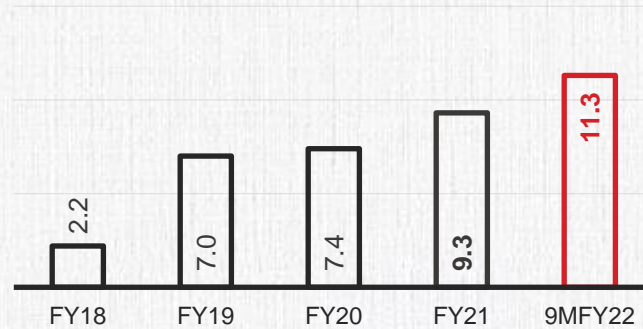
COMMENT

Repaid longer tenure loans carrying a higher rate of interest, brought down working capital loan, and held the rest in various liquid debt instruments to deploy in future investments in line with the fund-raise objectives.

FINANCIAL RATIOS

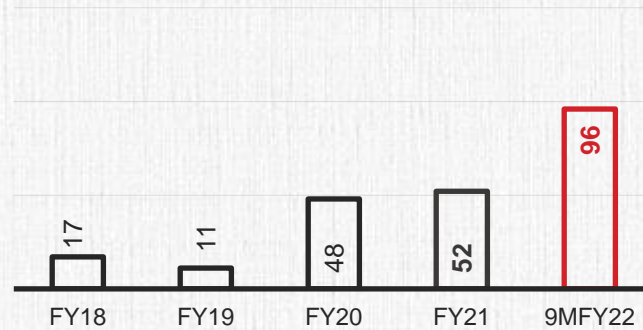
EBITDA MARGINS

In %



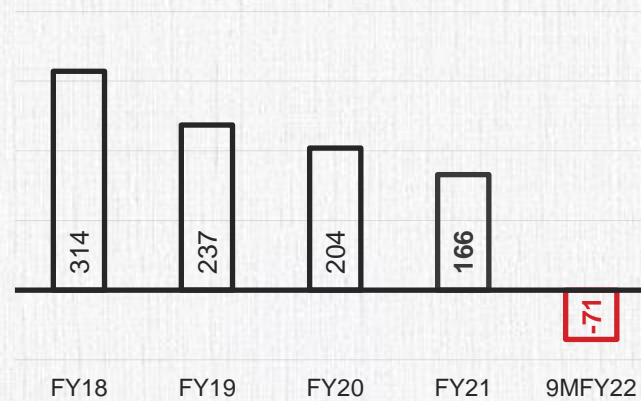
CASH AND CASH EQ.

₹ in Crores



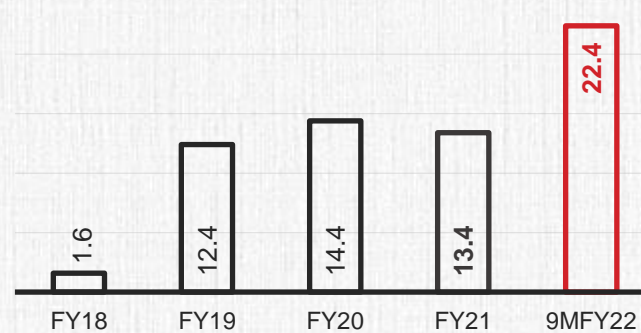
NET DEBT

₹ in Crores



RETURN ON CAPITAL EMPLOYED

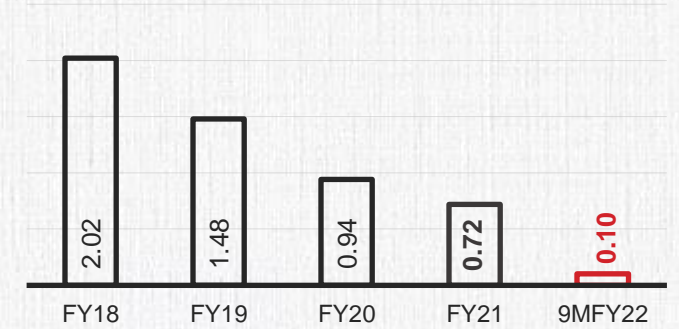
In %



Note: Lease assets and liabilities, cash and cash equivalents, fixed deposits held against loan etc. eliminated for capital employed calculation

NET DEBT/EQUITY

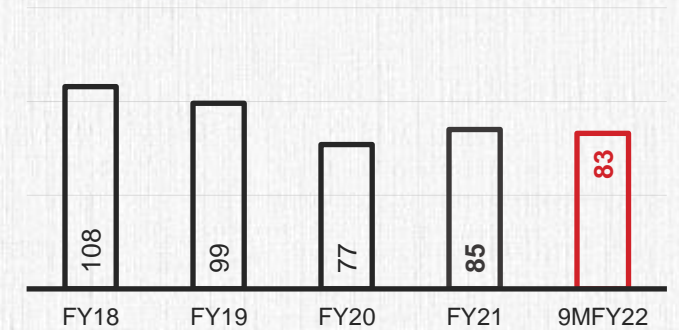
In times



Note: 12 months average net debt / equity

NET WORKING CAPITAL

In number of days

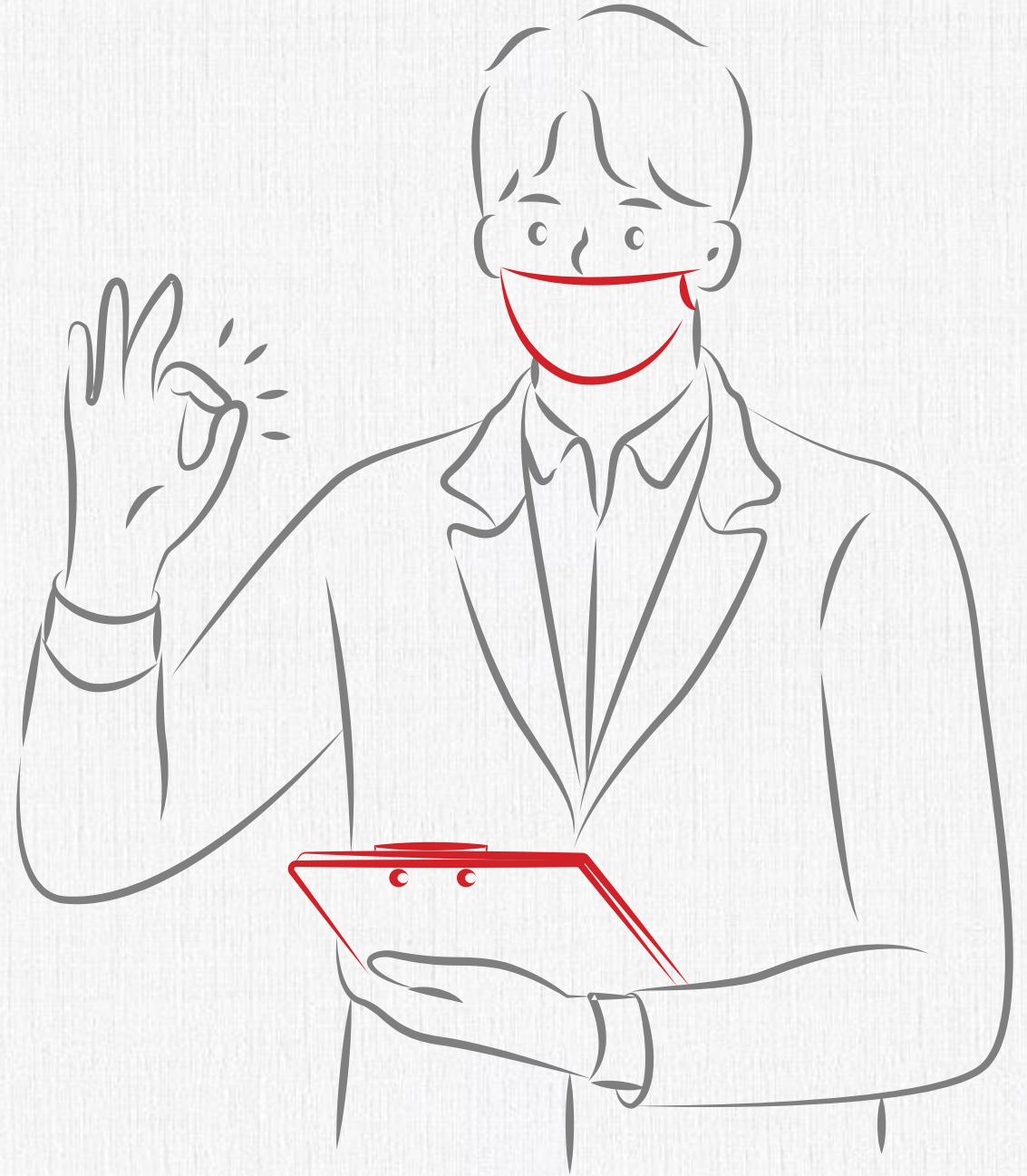


The working capital days in Q3FY22 remained high due to higher raw material inventory holding for Q4 production and delay in receipt of export incentives, and Government receivables.

Note: Cash and cash equivalents, lease assets are not included in the working capital

ABOUT THE **COMPANY**

- ABOUT GOKALDAS EXPORTS
- STRONG IN-HOUSE CAPABILITIES
- THE GOKALDAS ADVANTAGE



ABOUT **GOKALDAS EXPORTS**

Established in 1979, Gokaldas Exports is one of the largest organized apparel manufacturers catering to a wide range of apparel needs of eminent global brands.



4+ decades of
manufacturing excellence



Catering to brands in
over **50** countries



Strong workforce of
32,000+ people



20 State-of-the-art
manufacturing units equipped
with **15,000+** machines



Fully **integrated**
manufacturing operations



Committed to
Sustainability

STRONG IN-HOUSE CAPABILITIES



Worldclass
Design Studio with 3D
capability



In-house Testing Lab
Accredited by GAP, H&M,
Adidas, Puma.



Robust **Product
Development and
Sampling**
set-up



Polyfill manufacturing using
latest technology.
Quilting with a capacity to quilt
10,000 meters/day



Modern Printing set up
with 12 state of art automatic
machines from M&R-USA,
and TAS-Australia

- Capacity of 54 million impressions / annum
- Capability of printing multiple options on all types of fabric qualities



**Laundry with state-of-the-
art machinery** from YILMAK-
Turkey, Jeanologia from Spain

- Capability to execute innovative washed on denims & non-denims.
- Combined capacity of 1,50,000 pcs./day including garment dyeing and all kinds of dry processes.
- Morden ETP with a capacity to treat 0.7 million ltrs. / day
- Zero liquid discharge plant for washing.

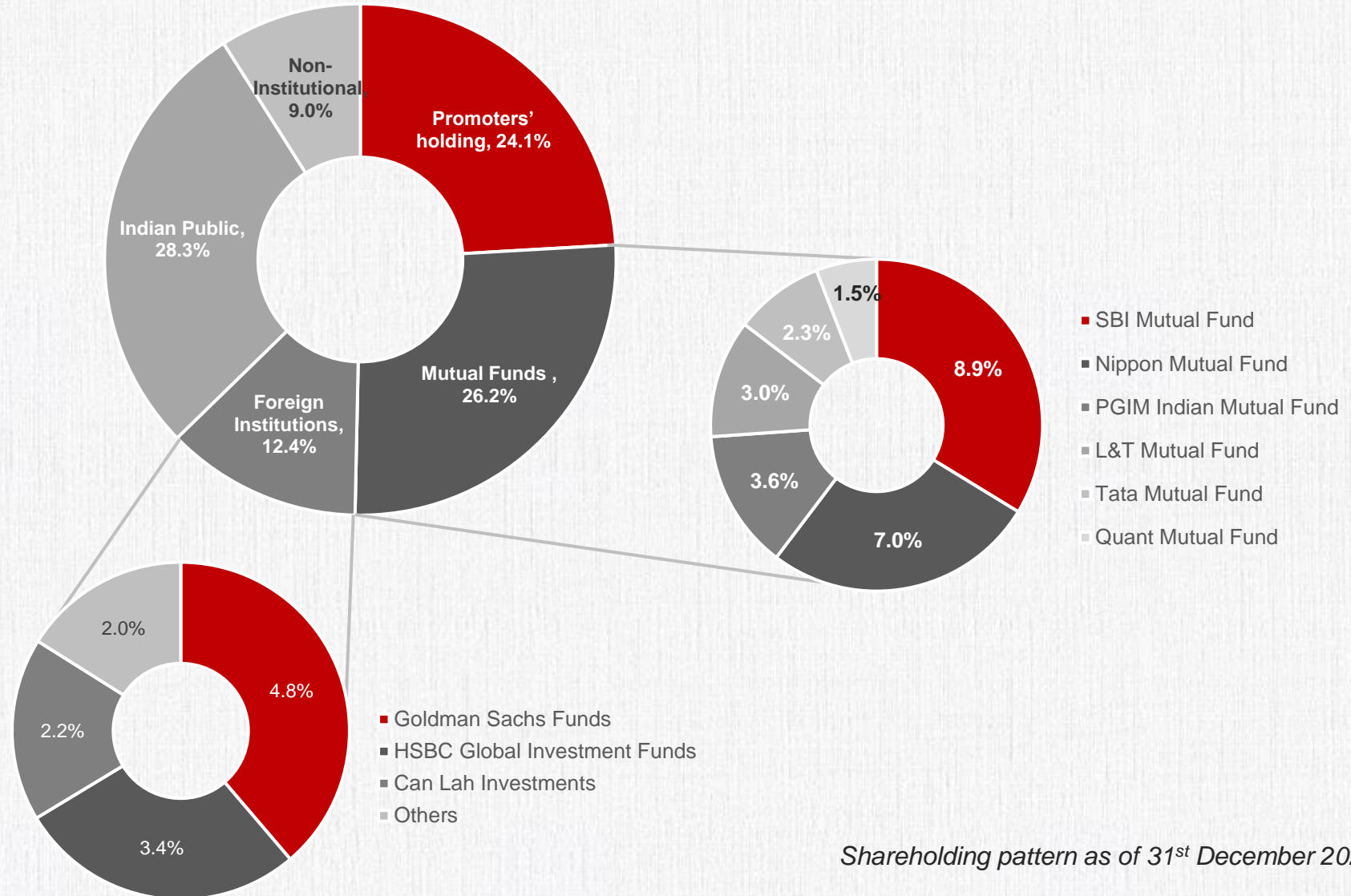


Integrated Embroidery
set-up



Pneumatic fibre filler for
making puffer jackets

SHAREHOLDING PATTERN



Shareholding pattern as of 31st December 2021



THE GOKALDAS **ADVANTAGE**



Diversified across geographies, products and clients



Globally recognized vendor of complex value-added garments



Fully integrated manufacturing operations (also ability to offer design services)



Long standing relationships with eminent global brands spanning over decades



Adhering to high standards of EHS compliance



Credible track record of quality and delivery metrics leading to becoming the preferred supplier for large brands.

BUSINESS OUTLOOK

- CAPACITY EXPANSION
- GROWTH INITIATIVES
- MARKET RECOVERY
- FY22 OUTLOOK



TAPPING NEWER GEOGRAPHY

PLAN FOR NEW CAPACITY

INTERNATIONAL MANUFACTURING FOOTPRINT

- The company is actively exploring possibilities of setting up international manufacturing facilities.
- Work is in progress for the incorporation of **a wholly-owned subsidiary (“WOS”) in Dubai**, UAE to channel overseas investment projects and efficiently service international customers.



ADDITIONAL CAPACITY IN NEW LINE OF BUSINESS

- The company plans to augment production capacities in the new line of business in other territories of India.
- To manage the new business segment, the company has incorporated a new wholly-owned subsidiary as **“Sri Susamyuta Knits Private Limited”**, especially to carry out business in **Knits segment**.

MARKET RECOVERY SUPPORTING GROWTH

APPAREL MARKET

US RETAIL CLOTHING SALES

Value in US\$ Billion

Month	2019	2020	2021	Growth over 2019
CYQ1	40.7	33.3	37.5	-7.8%
CYQ2	48.4	18.3	51.0	5.3%
CYQ3	47.4	37.9	51.0	7.7%
Oct	16.1	14.2	17.2	7.0%
Nov	19.0	15.0	20.4	7.3%
Total	171.5	118.8	177.0	3.2%

Data source : U.S. Census Bureau

US E-COM CLOTHING AND ACCESSORIES SALES

Value in US\$ Billion

Month	2019	2020	2021	Growth over 2019
CYQ1	9.5	10.4	13.2	38.3%
CYQ2	9.9	14.5	14.4	45.2%
CYQ3	10.4	13.4	14.1	35.4%
Total	29.9	38.2	41.7	39.6%

Data source : U.S. Census Bureau

EU 27 RETAIL TEXTILE, CLOTHING, FOOTWEAR & LEATHER SALES INDEX (2015 Base)

Month	2019	2020	2021	Growth over 2019
CYQ1	105.1	85.6	77.4	-26.4%
CYQ2	104.6	58.5	80.5	-23.1%
CYQ3	104.4	95.4	93.7	-10.2%
Oct	104.6	93.2	95.7	-8.5%

Data source : Euro Stats

US monthly apparel store sales have been on rise for nine months in a row consistently crossing pre-covid level. YTD Nov sales in 2021 are 49.0% higher than 2020 and 3.2% higher than the 2019 pre-COVID level. US e-commerce sales have grown significantly post the pandemic indicating a growing shift in consumer trends. The US continues to be the largest market for the company.

EU apparel retail sales yet to catch up to the pre-pandemic sales. However, the gap over pre-pandemic level is narrowing.



FY22 **OUTLOOK**



Our order book continues to be strong for the fourth quarter of FY22. Our major customers are growing with us. Apparel sales growth in our target market, the USA, is robust with in-store and e-commerce sales showing good growth y-o-y, as well as over 2019.

The new COVID variant is testing us. We continue to be hampered by supply chain issues with shipping logistics yet to be normalised. We are seeing incrementally higher absenteeism among the workforce impacting production in the short term. We hope that this current wave would ebb soon, allowing us to resume full production level at the earliest.

Raw material prices have gone up substantially recently. Global brands have attempted to increase the retail prices of apparel to offset these trends.

Government of India continues to support the industry. FTA with UK is under discussion. When it comes through, it could provide additional impetus to demand.

With the pandemic slowly becoming endemic, the outlook for the industry beyond FY22 looks promising.

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THANK
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