

gokaldas exports ltd

GEL/SEC/2020-21

29th January, 2021

BSE Limited
Limited
Floor 25, P.J Towers,
Dalal Street,
MUMBAI - 400 001

The National Stock Exchange of India
Exchange Plaza,
Bandra - Kurla Complex, Bandra (E),
MUMBAI-400 051

SCRIP CODE: 532630

GOKEX

Dear Sir,

Sub: Intimation of Investor's presentation

Reference to our letter dated 27th January, 2021 regarding the investor conference call on 30th January 2021, Saturday, at 11:00 am IST, please find enclosed herewith Q3 Investor Presentation for FY 2020-21.

The presentation has been made available in the investors section under the Investors call tab in the Company website www.gokaldasexports.com and can be downloaded on the following link:

<https://www.gokaldasexports.com/wp-content/uploads/2021/01/Investor-Presentation-3QFY21-Gokaldas-Exports.pdf>

This is for your information please.

Thanking you,

Yours truly,

for GOKALDAS EXPORTS LIMITED

SHRITHEE
SHEKAR
MAGAJI
Digitally signed by
SHRITHEE SHEKAR
MAGAJI
Date: 2021.01.29
20:31:53 +05'30'

Shrithee M S
Company Secretary and Compliance Officer



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Building on the Growth Momentum

GOKALDAS EXPORTS LIMITED

EARNINGS PRESENTATION | Q3 FY2021





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- Challenges faced
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- EBITDA trend
- Key metrics



Industry Outlook

- Positioned for sustainably strong performance
- Propelling growth through excellence

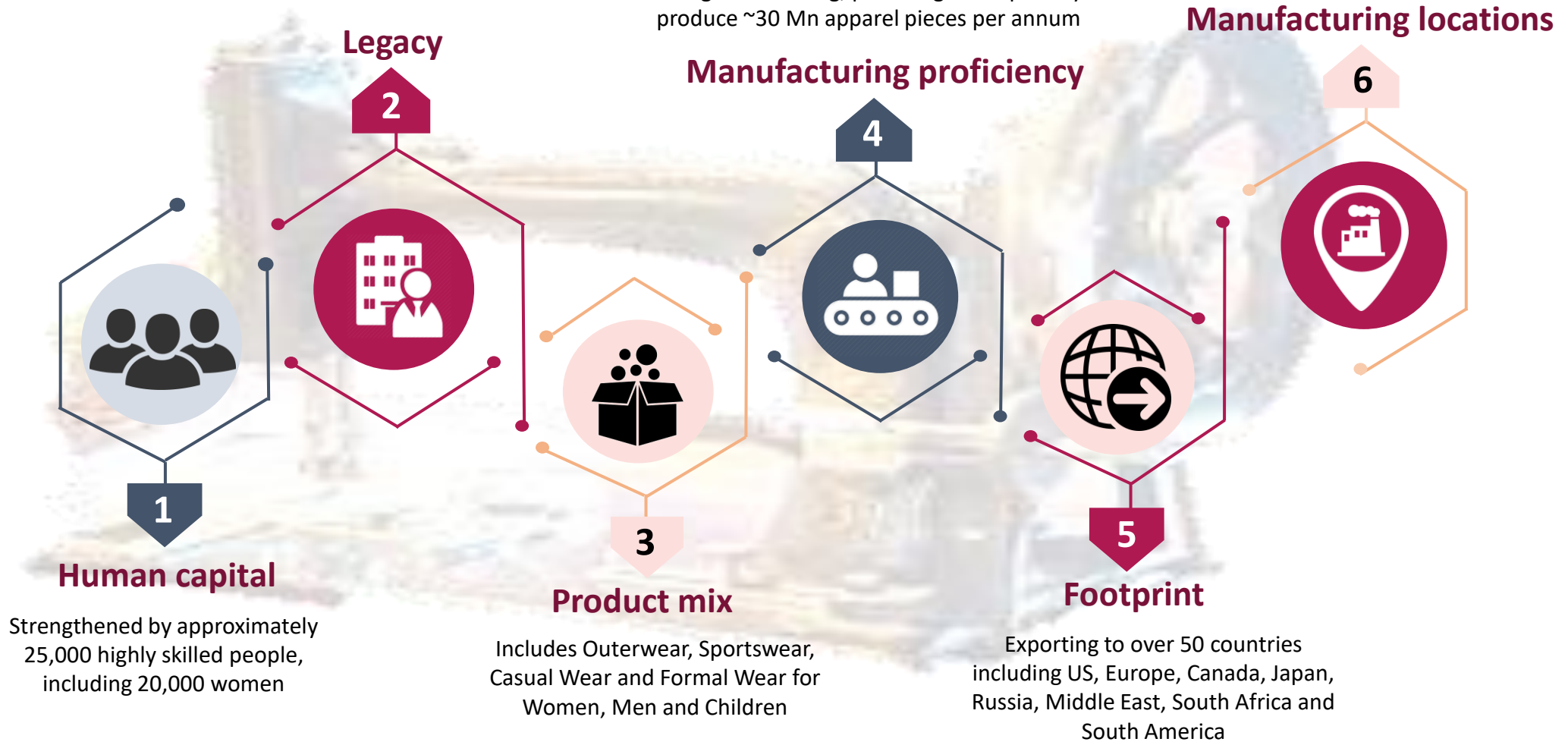


About our company

A leading apparel exporter from India, with four decades of track record

Supported by 13,000+ machines for cutting, sewing, embroidery, printing, poly wadding, laser finishing and washing, providing the capability to produce ~30 Mn apparel pieces per annum

Comprise several self-contained and large-scale garment manufacturing facilities across southern India





Our competitive advantage



Pedigree

- Globally reputed complex value-added garments manufacturer and a trusted supplier
- The label behind some of the most prominent global apparel brands



Product Diversity

- Address a wide range of fashion apparel, outerwear, industrial wear, sportswear and kids wear for all seasons



Design Capability

- Co-creating designs for customers in line with emerging trends
- Partnering with leading brands in conceptualizing designs and executing them



Consistent Operational Performance

- Operations spread across multiple highly efficient factories in India
- Highly respected for product quality, on-time and in-full delivery



Deep Engagement with a large number of Customers

- Long standing relationships with eminent international customers and serving them across brands and product types in over 50 countries





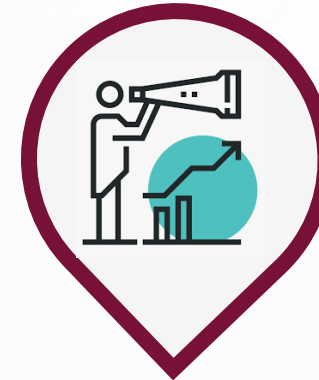
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Q3 FY21 performance highlights

	 Revenue	 EBITDA	 EBITDA Margin	 PAT *
Q3 FY21	271 Rs. Crs	27 Rs. Crs	9.9 %	6.0 Rs. Crs
Q3 FY20	329 Rs. Crs	34 Rs. Crs	10.2** %	9.6 Rs. Crs
Q2 FY21	345 Rs. Crs	33 Rs. Crs	9.6 %	8.7 Rs. Crs

* PAT is before exceptional items.

** Q3 FY20 includes one time additional adhoc export incentive of up to 1% offered until Dec 2019 in lieu of retrospective withdrawal of MEIS.



Challenges faced and how we sustained Q3 FY21 performance

Apparel brands saddled with excess inventory from Spring 2020, on account of store closures due to lockdowns in major markets during March-June 2020

Consequently, demand for Spring 2021 garments produced in Q3 FY21 was muted. Despite this, sustained export sales at 89% of Q3 FY20

Consciously reduced exposure to Indian retail customers to minimise credit risk

Actively addressing labour availability, which continues to be a challenge as reverse flow of labour force post Covid-19 has not fully played out.

Sustained the operating margin

Efficient mfg process, cost control, W/C optimisation, improved customer connect

Balanced capacity to business volumes in an optimal manner

Superior EBITDA margin; despite a brief business volume drop



Financial Summary – Q3 FY21

Values in Rs. Crore (unless specified)

Key Performance Metrics	Q3FY21	Q2FY21	Q3FY20	QoQ	YoY
Revenue from operations	265.0	340.5	322.0	-22.2%	-17.7%
Other Income	5.7	4.4	6.5	31.4%	-11.9%
Total Income	270.8	344.9	328.5	-21.5%	-17.6%
EBITDA	26.8	33.1	33.6	-19.1%	-20.3%
EBITDA Margin (%)	9.9%	9.6%	10.2%*	0.3%	-0.3%
Finance cost	8.1 [#]	9.2	9.8	-17.6%	-16.5%
Depreciation and amortisation expenses	12.6 [@]	14.6	14.3	-13.6%	-11.8%
PAT before exceptional items	6.0	8.7	9.6*	-30.2%	-36.7%

*Includes one time additional adhoc export incentive of up to 1% offered until Dec 2019 in lieu of retrospective withdrawal of MEIS.

[#]Reduction in Finance cost was mainly due to lower utilization of working capital facilities and partially due to lower interest rates.

[@]Change in lease terms and termination of lease contract resulted in reduction/regrouping of depreciation as rent expense as per IndAS-116.





Financial Summary – 9M FY21

Values in Rs. Crore (unless specified)

Key Performance Metrics	9MFY21	9MFY20	YoY
Revenue from operations	839.5 [#]	1,009.3*	-16.8%
Other Income	13.5	16.0	-15.8%
Total Income	853.0	1,025.3	-16.8%
EBITDA	78.4	72.0	8.9%
EBITDA Margin (%)	9.2%	7.0%*	2.2%
Finance cost	27.8	27.8	0.0%
Depreciation and amortisation expenses	40.1	39.7	1.1%
PAT before exceptional items	10.5	4.5*	133.8%

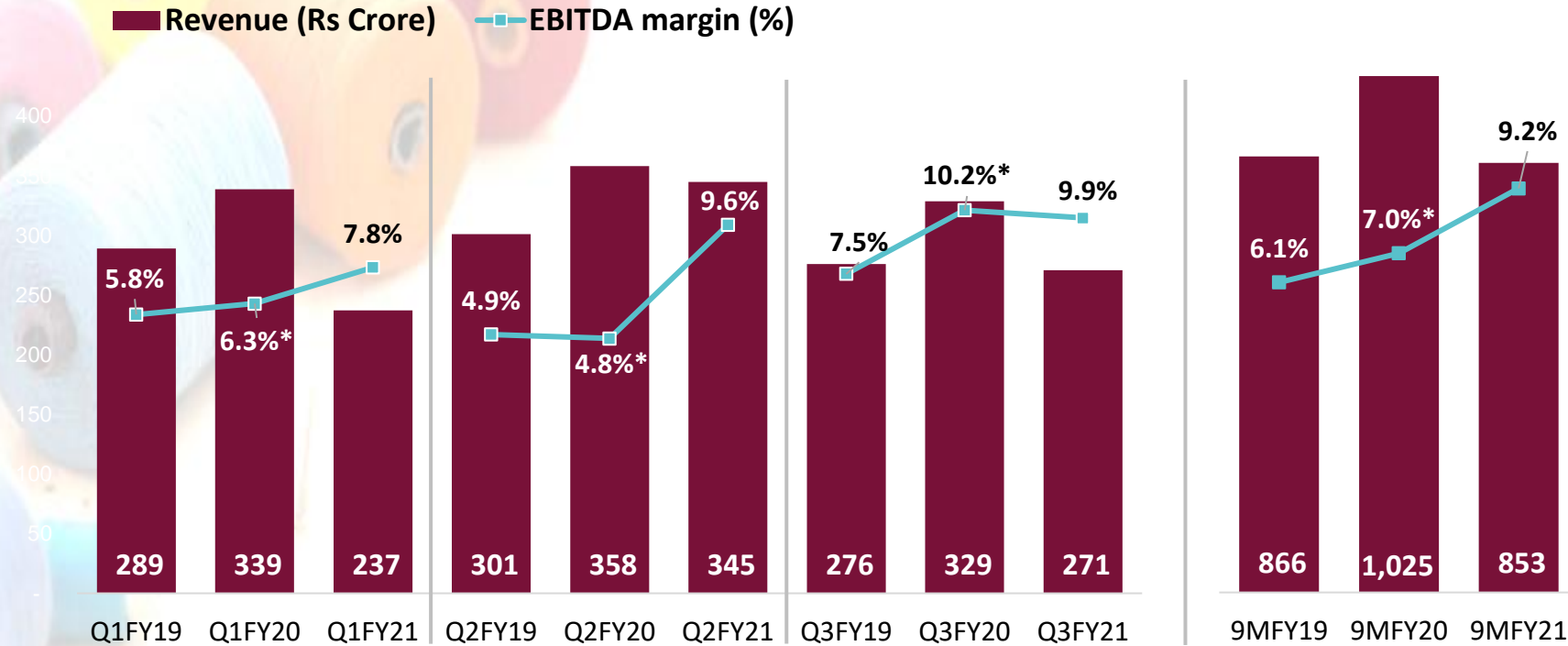
[#]9M FY20-21 revenue is affected by impact of Covid induced lockdown.

*Includes one time additional adhoc export incentive of up to 1% offered until Dec 2019 in lieu of retrospective withdrawal of MEIS. MEIS benefit of 4% not considered.





EBITDA margin increasing despite Covid-19 impact

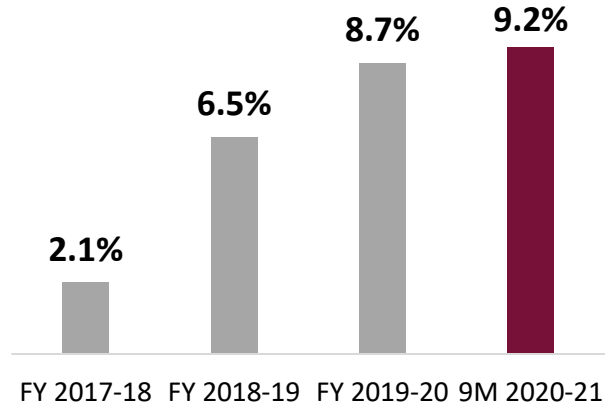


* Includes one-time adhoc ROSCTL benefit upto 1% offered till December 2019 in lieu of retrospective withdrawal of MEIS.

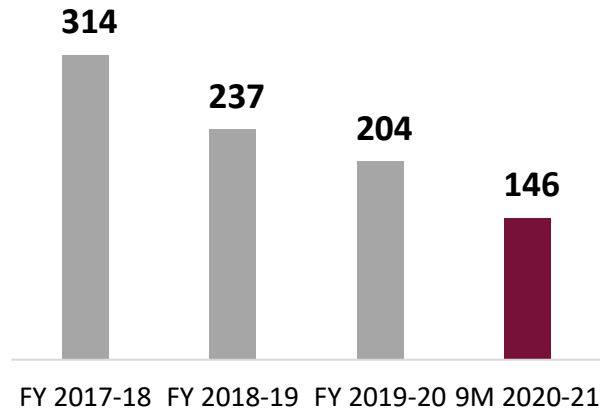


Steady improvement in most key metrics

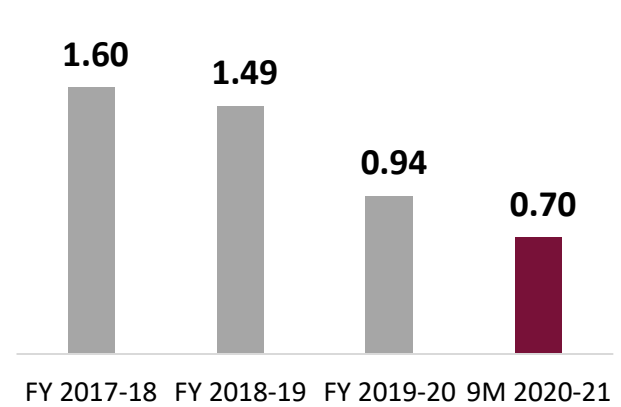
EBITDA Margins (%)



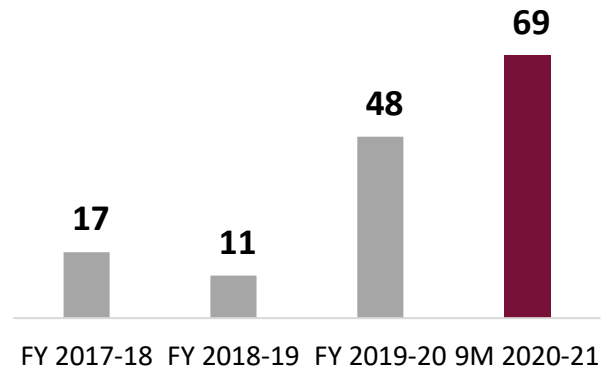
Net Debt (Rs. Crore)



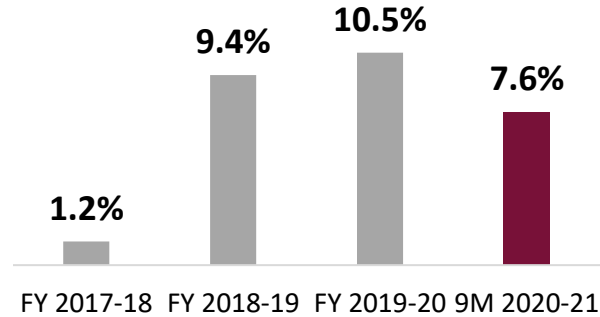
Net Debt / Equity (times)



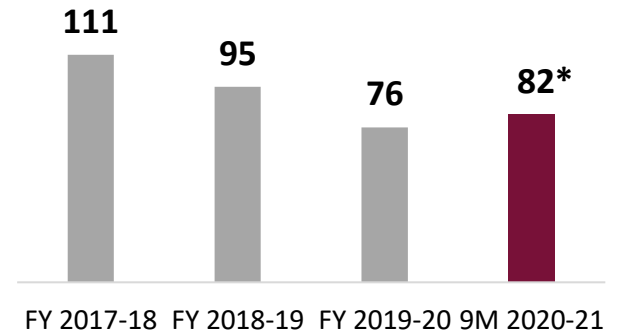
Cash and Cash Eq. (Rs. Crore)



Return on Capital Employed (%)



Net Working Capital (no. of days)



*NWC decreased to Rs.250 Cr as of 31st Dec'20 from Rs.281 Cr as of 31st Mar'20.

9M FY20-21 metrics are affected by impact of Covid induced lockdown



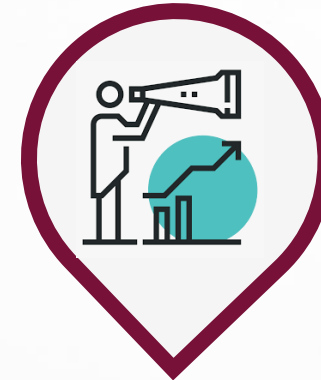
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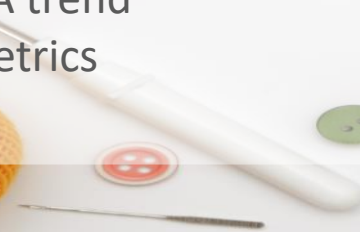
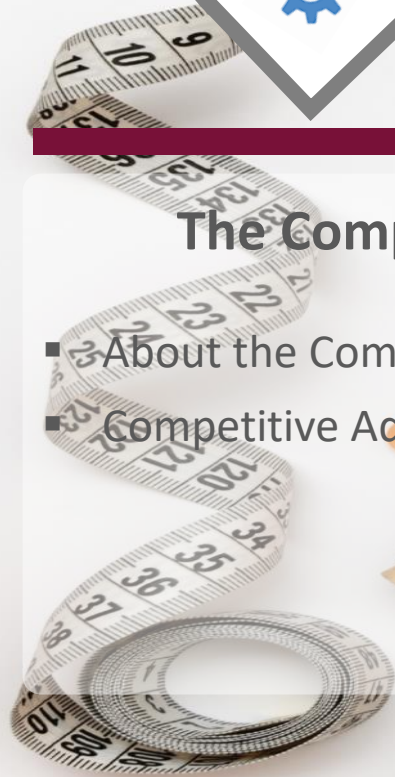
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Industry Outlook

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- Propelling growth through excellence





Positioned to deliver a sustainably strong performance

Long standing satisfied customer base allows continuing business and certainty of growth

Ability to produce wide range of complex garments. Highly skilled resource builds customer confidence

Consistent on-time delivery of orders at highest quality level

Rigorous focus on manufacturing optimisation and efficiency

Adhering to high standards of EHS compliance

Sound financial health. Available cash surplus steadily on the rise



Propelling future growth through excellence

We remain well positioned to capitalize on the available demand scenario with strong order book for the quarters ahead and leapfrog into high growth trajectory in the future.

We have streamlined operations and attained cost efficiency which will help us in improving our margin profile as we prepare for a stronger performance in the next fiscal year.





Disclaimer

In this presentation, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements -written and oral -that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.





Thank You

Should you have more questions, please contact
investorcare@gokaldasexports.com