



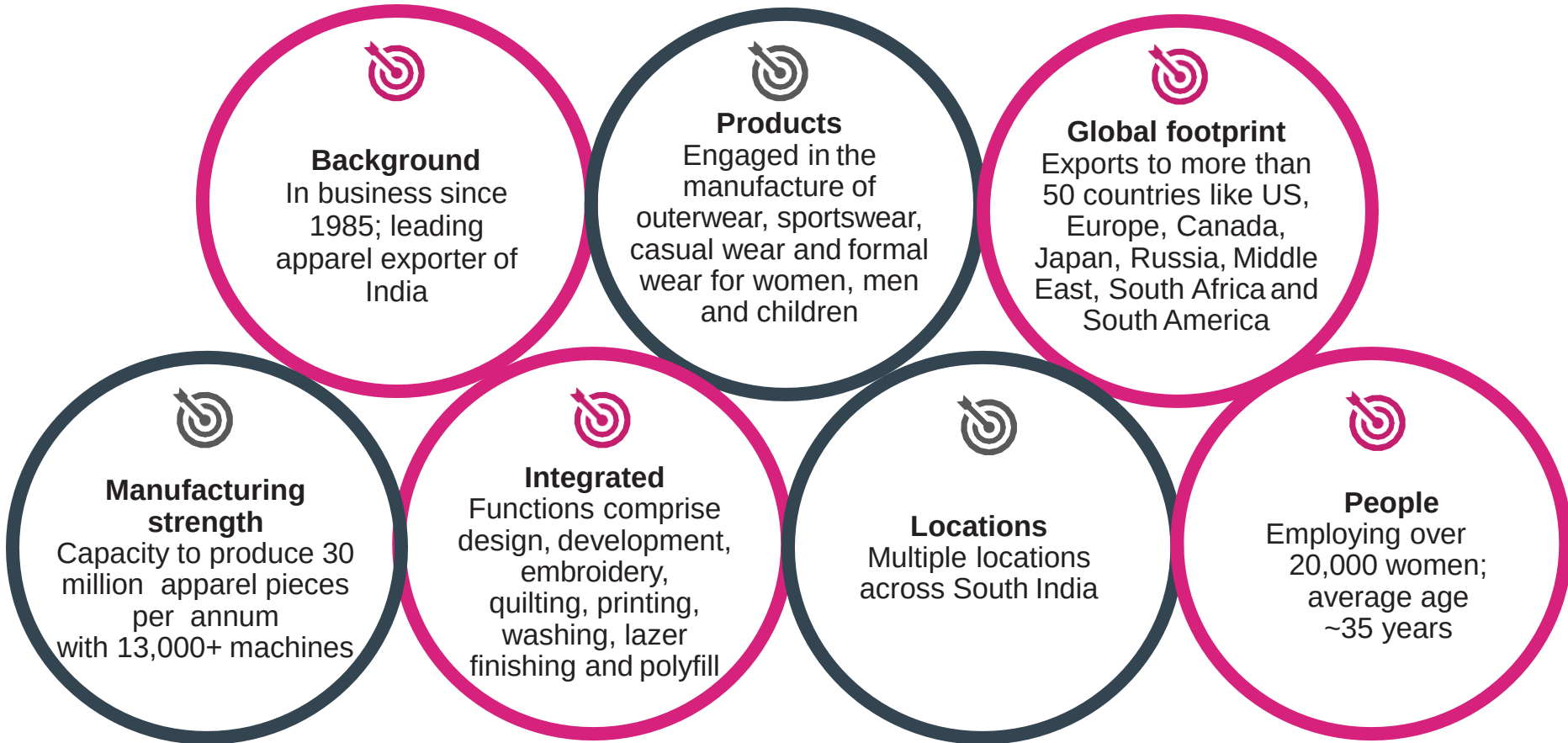
NO LIMITS!

GOKALDAS EXPORTS LIMITED

HOW A CULTURE OF AGILITY TRANSLATED
INTO OUR Q1 FY21 OUTPERFORMANCE



gokaldas exports ltd.



Our prominent customers

GAP: Largest specialty retailer in the United States whose products are available in over 90 countries

H&M: One of the global leaders in fashion with a presence in about 60 countries, along with an online presence in over 35 countries

Adidas: Global leader in athletic apparel and the second-largest sportswear manufacturer in the world

Columbia: Industry leader in outdoor apparel products like jackets, fleece, pants, shoes and boots

Carhartt: Delivering best-in-class apparel, respected for rugged construction, innovative design and exceptional standards of quality, durability and comfort for 125 years

Puma: German multinational that designs and manufactures athletic and casual footwear, apparel and accessories. Third largest sportswear manufacturer in the world

Vero Moda: One of the first brands to launch within the family-owned Bestseller company. Emerged as the brand of choice for the fashion-conscious, independent young woman who wants to dress well and pay less

Marks & Spencer: Iconic British multinational retailer that specialises in selling clothing, home products and food products

Our prominent customers

A&F: American lifestyle retailer that focuses on casual wear. Operates two offshoot brands Abercrombie Kids and Hollister Co., with 1,049 stores across all three brands

Walmart: US multinational retail corporation engaged in the operations of a chain of hypermarkets, discount department stores and grocery stores. The Company operates over 11,500 stores under 56 banners in 27 countries

ZARA: Biggest fashion retailer globally that launches over 12,000 designs every year

Carrefour: French multinational retail corporation with a global network of over 12,000 stores. Offers consumer goods, food and non-food products, household supplies, textiles, electronics, home appliances and local products



The challenges against which this performance was delivered



The outbreak of the Covid-19 pandemic

Affected the supply chain, costs and sales pipeline; particularly in Q1



General economic slowdown

Global and Indian GDP de-grew. Indian apparel exports declined 62%



Key markets of USA and EU under lockdown (partial or complete)

Retail store closures, decline in apparel offtake



Weaker consumer sentiment

Consumer preference for lower value products



Disrupted supply chain

Need to access new and reliable suppliers

A relatively creditable quarter for our company



Sectoral outperformance



Lower revenues; superior EBIDTA margin



Nimble brought in new business line in healthcare to augment revenue



Reduced operating cost in line with revenue reduction



15%
capacity
utilization, April
2020

50%
capacity
utilization, May
2020

75%
capacity
utilization,
June 2020



The big picture of our Q1 FY21 performance

REVENUES

237.3

Rs cr,
Revenues, Q1
FY2021

341.3

Rs cr,
Revenues, Q1
FY2020

30

%
decline in
revenues

EBIDTA

18.5

Rs cr,
EBIDTA, Q1
FY2021

18.7

Rs cr,
EBIDTA, Q1
FY2020

~Par

change in
EBIDTA

EBIDTA MARGIN

7.8

%,
Q1 FY2021

5.5

%,
Q1 FY2020

2.3

% increase
in EBIDTA
margin

Lost production capacity mainly
impacted revenue generation

New business in healthcare apparel
supported the business in the
quarter

Managed operating expenses and
controlled it to align with revenue
reduction

Revenue and EBITDA of Q1 FY20
excludes MEIS income of Rs. 10.63
Cr which was reversed during the
quarter ended December 31, 2019
consequent to the notification issued
by the Government of India, on 14th
Jan 2020

The big messages of our Q1 performance

**EXTENSIVELY
OUTPERFORMED
THE SECTOR**

30

% decline
in revenues vs.
62% decline in
Indian RMG
exports

(Source: DGCI&S, 2020)

**OPPORTUNIST
IC ENTRY INTO
NEW BUSINESS**

25

% revenue
from new
healthcare
product
segment

**SUPERIOR
OPERATIONS
MANAGEMENT**

33

% reduction
in operating
expenses

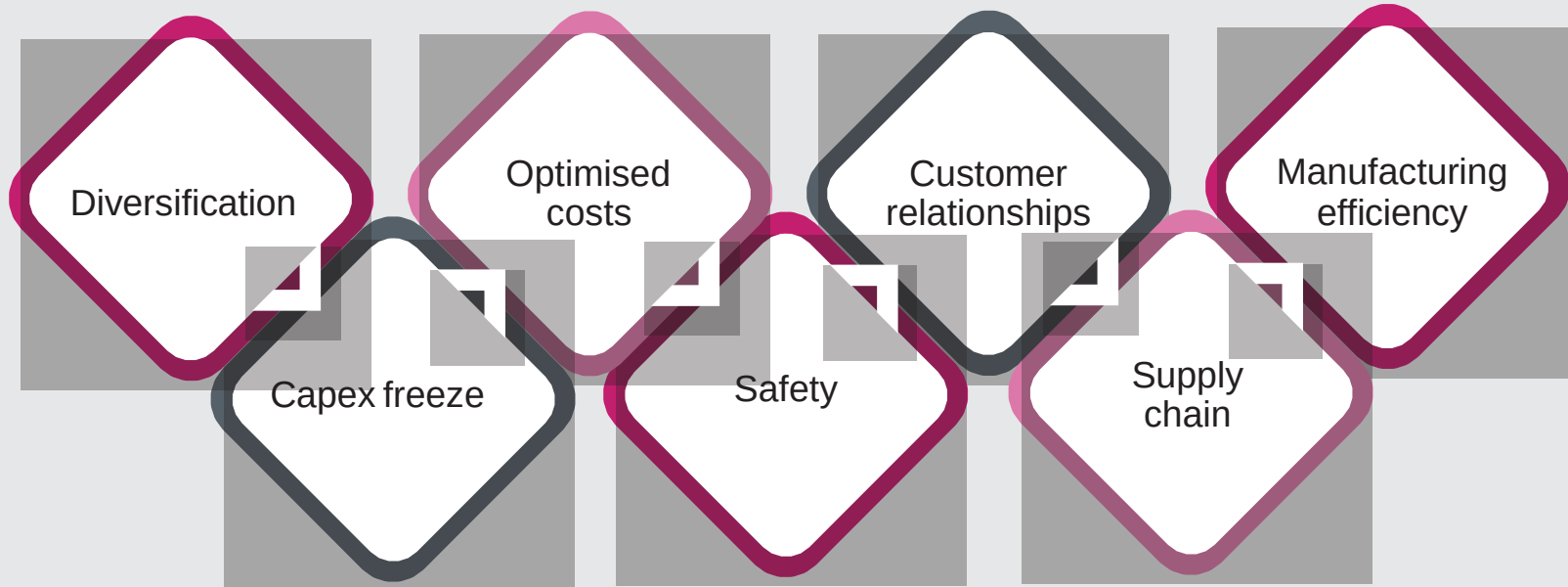
**ENHANCED
EBIDTA MARGIN**

7.8

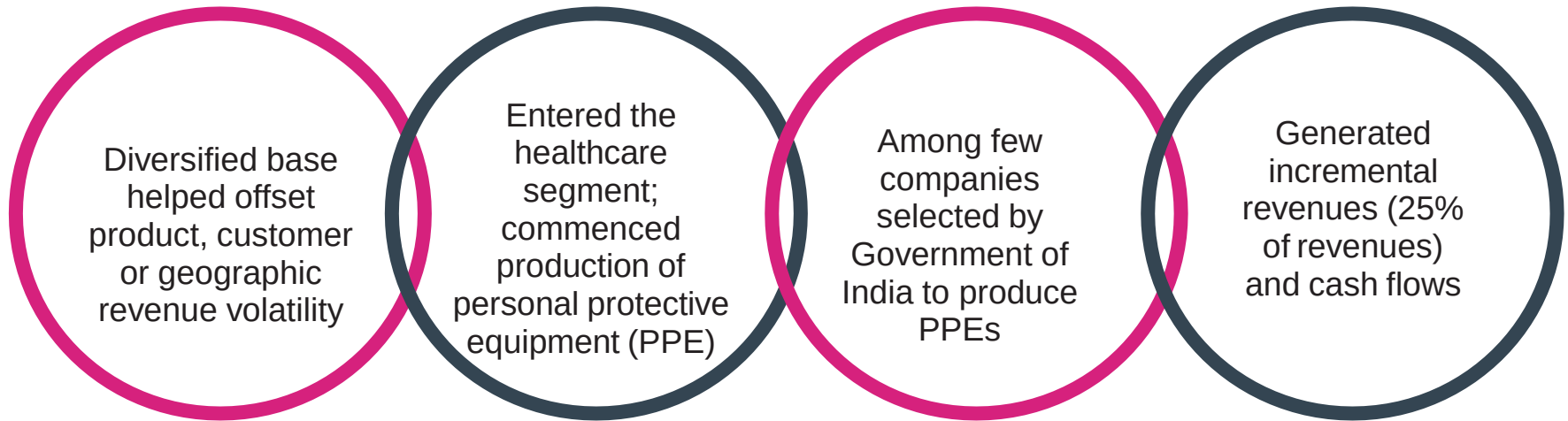
% EBIDTA
margin, Q1,
FY21, vs. 5.5% in
Q1, FY20



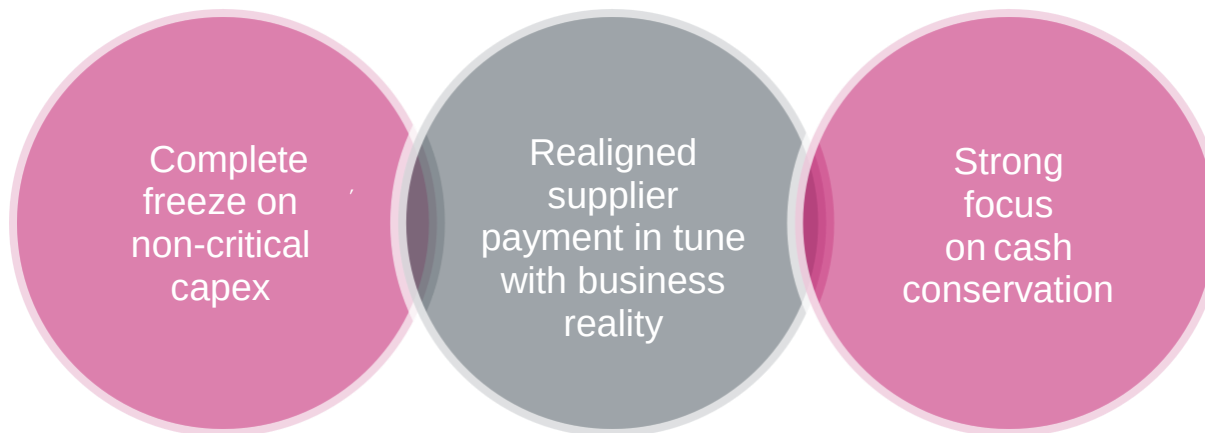
How we protected our business



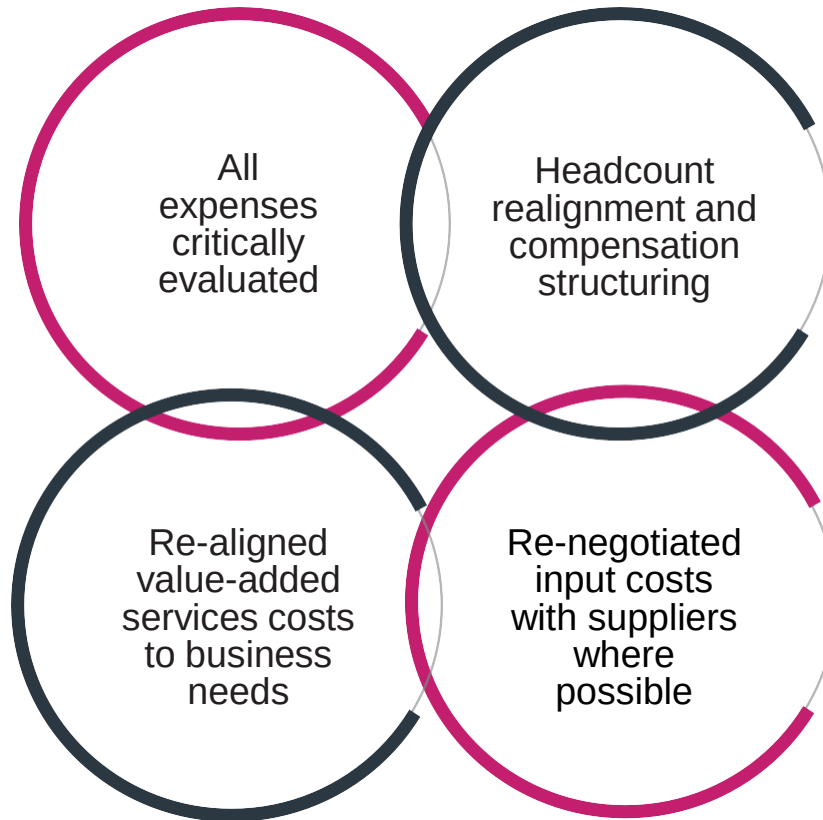
How we protected our business #1 - Diversification



How we protected our business #2 - Capex freeze



How we protected our business #3 - Opex management





How we protected our business #4 - Safety

Robust protocols
for workplace
safety

Use of
temperature
sensing, masks,
face shields and
hand washing

Social
distancing
practices

All facilities
regularly
sanitized

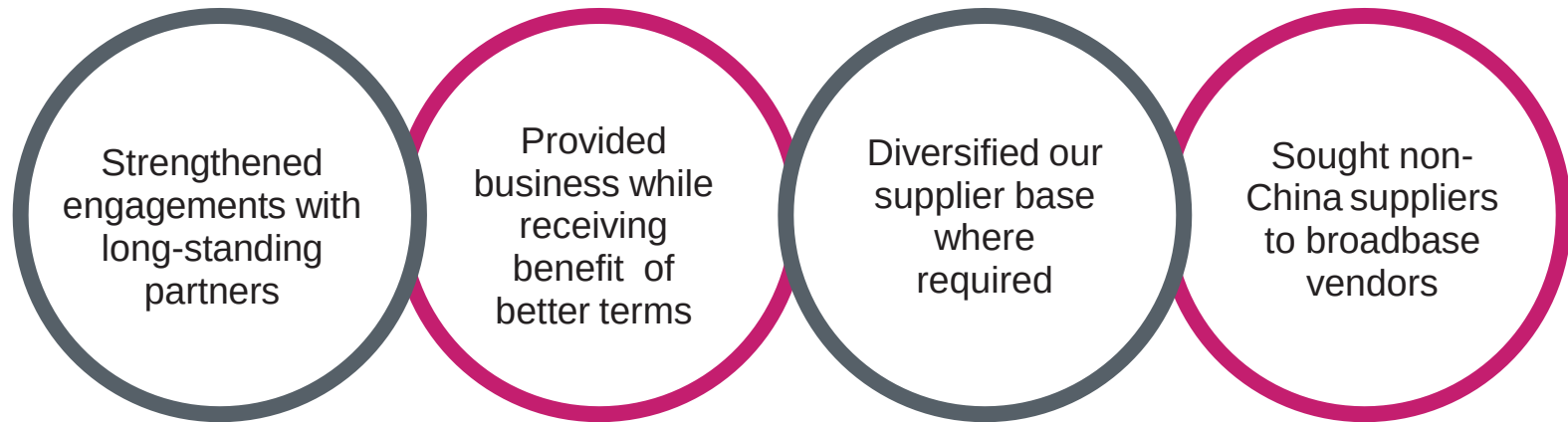
Engaged with
the various
teams

Strengthened
employee
engagement
to improve
productivity

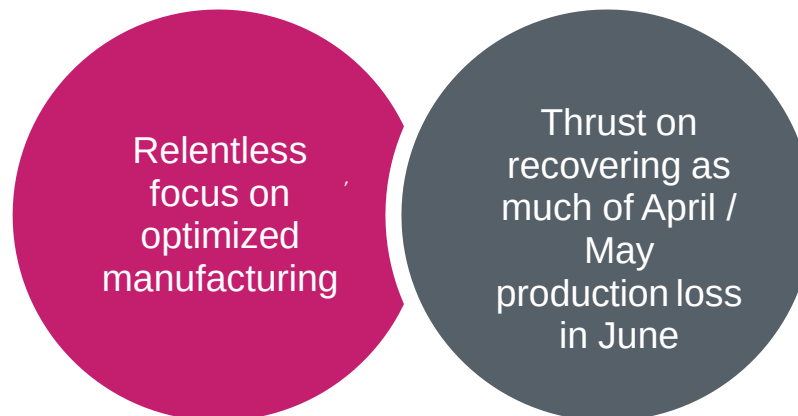
How we protected our business #5 - Customer relationships



How we protected our business #6 - Supply chain



How we protected our business #7 - Manufacturing efficiency



The outcomes of our multi-pronged approach



Financial

- Managed cash flows efficiently
- Leveraged additional Covid line of credit as a backup



Operational

- Balanced orders with capacity
- Stopped non-value-adding operations
- Managed supply chain well to ensure operational continuity



Strategic

- Strong customer engagement and handholding ensured business continuity



Gokaldas Exports adequately positioned to deliver



Retail industry shakeout; shutting down of unprofitable stores

Demand shift towards lower-priced products in the short run

Brands to seek lower cost and volume-based suppliers

Greater traction for casual dressing and athleisure products

Increased online offtake

Volatile seasonal planning environment could impact lead times for delivery



Demand traction towards large apparel exporters

Brands seeking companies with complex capabilities

Orders favouring companies with record of timely delivery

We remain integral to global business flow



Consistent outperformance
of the global industry service
delivery average



HSE compliances in place;
zero liquid discharge status
of the captive laundry



Beyond commodity; a
complex value-added
garments manufacturer



No long-term debt on the
Balance Sheet



Demonstrated capability
to address a range of
garments (hence de-risked)



This concludes our presentation

Forward-looking statement

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

Should you have more questions, please contact
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