

Gokaldas Exports Ltd

Performance Review – Q2 FY 2014-15

- **Revenue growth of 11% YoY in Q2 FY 14-15**
- **EBIDTA at Rs. 22 Cr for the quarter, growth of 27% YoY**
- **H1 FY15 Revenue growth of 11% YoY**
- **H1 FY15 EBIDTA at Rs. 40 Cr, a positive swing of 22Cr over H1 FY14**

Gokaldas Export Limited has posted revenues of Rs.319 Cr for Q2 of financial year 2014-15. This reflects a growth of 11% as compared to the corresponding quarter of the previous year. Growth on a like to like basis is 14%.

Global economy is in the process of re-adjusting to the recent events of strong US GDP growth, lower unemployment in US, big drop in oil prices, lower growth in Germany etc. While USD as a currency is strengthening against a basket of other global currencies, INR has been stable within a band. Europe's economic situation is a source of concern as it is one of our large markets.

We have been able to make inroads into our existing set of customers which has enabled us to achieve the above growths in topline. This has been a strong quarter for us for our outerwear business as well as sportswear business.

The company has been able to address the issues emanating out of increased wage rates and general inflation, and have posted an EBIDTA of Rs.22 Cr for Q2 FY15. This is a 27% growth over Q2 FY14, and translates to an EBIDTA margin of 6.8%, which is an improvement over 6.1% of Q2 FY14. For the half year of FY15, EBIDTA is at Rs. 40 Cr (6.6% EBIDTA margin vs 5.4% of previous year) showing a growth of 124% over HY1 FY14 which is a positive swing of Rs. 22 Cr. A combination of higher revenue, cost management and productivity improvement has enabled this growth.

At PBT level, the company has reported a profit of Rs.0.6 Cr for the half year ended 30 Sep 2014, a positive movement of Rs.15 Cr over HY1 FY14.

We see market demand in US at stable levels, but European demand is likely to be weak. Management would continue to pursue its efforts to improve productivity while driving business growth.

Date: November 14, 2014