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Q1FY27 Result Updates
12th Aug 2026

Gokaldas Exports Ltd.

CMP: INR 762

Rating: BUY

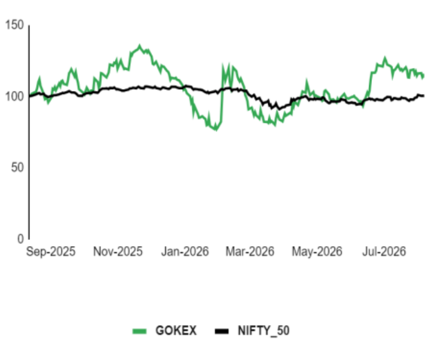
Target Price: INR 1,203

Stock Info	
BSE	532630
NSE	GOKEX
Bloomberg	GEXP:IN
Reuters	GOKL.NS
Sector	TEXTILES
Face Value (INR)	5
Equity Capital (INR cr)	36.64
Mkt Cap (INR cr)	5,585
52w H/L (INR)	954/532
Avg Daily Volume (in 000')	729

Shareholding Pattern % *(As on June 2026)*	
Promoters	9.15
FII	14.46
DII	43.41
Public & Others	32.98

Stock Performance (%)	**1m**	**6m**	**12m**
Gokaldas	(11.2)	(2.57)	8.47
Nifty 50	0.93	(5.13)	(0.21)

Gokex vs Nifty 50



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Gokaldas reported a mixed Q1FY27, with net revenue up a strong 20.69% YoY and 7.92% QoQ to INR 11,535.14 Mn, driven by healthy volume growth. However, profitability came under pressure both YoY and QoQ; gross margin fell 132bps YoY (though up 113bps QoQ) to 52.40%, and EBITDA margin declined 82bps YoY and 95bps QoQ to 9.29%, as raw material, employee, and other expenses rose faster than revenue. EBITDA grew 10.94% YoY but fell 2.08% QoQ to INR 1,071.73 Mn. PBT rose 10.61% YoY but declined 10.18% QoQ to INR 628.34 Mn, impacted by higher finance costs (up 36% YoY) and a sharp swing in forex gains. PAT grew 6.81% YoY and a healthy 23.18% QoQ to INR 442.98 Mn.

Demonstrated Market Outperformance and Revenue Momentum: The company has exhibited significant resilience, delivering a 21% YoY growth in consolidated income for Q1 FY27, starkly contrasting a 12% decline in overall Indian apparel exports during the same period. This growth is broad-based across geographies, with the India business growing 16% and the Africa business surging 44% YoY. The company maintains a confident outlook with revenue growth guidance in the mid-to-high teens for FY27, supported by strong order book visibility.

Strategic Geographic Diversification and African Upside: The Africa operations are a key growth lever, with the company gunning for a quarterly revenue run rate of $30 million ($120 million annually) to reach full capacity utilization. While currently facing some EBITDA pressure, margins are expected to bounce back to double digits by Q4 FY27 or Q1 FY28 as utilization scales. The anticipated extension of AGOA and potential Free Trade Agreements with Kenya provide a structural cost advantage over Asian competitors.

Valuation & Outlook: We assign a TP of INR 1,203 valued at a P/E multiple of 30x the FY29E EPS of INR 40.1, and a 'Buy' rating. The company maintains a positive outlook for FY27, guiding for revenue growth of 15% or higher supported by a robust order book and broad-based strength across geographies. The company is strategically focused on the completion of the BTPL merger by Q3, which is expected to turn PBT positive by Q4, and a significant capacity expansion of 2,000 to 3,000 machines to drive long-term revenue. While trade tailwinds like the India-UK FTA and U.S tariffs are expected to improve competitiveness by removing structural disadvantages, the company remains vigilant regarding external risks such as logistics disruptions, wage inflation, and potential changes to export incentives like ROSCTL. Overall, the company aims to leverage its operational excellence and full African capacity utilization to sustain growth despite global macroeconomic uncertainties.

INR Mn	FY25	FY26	FY27E	FY28E	FY29E
Revenue	38,642	39,876	45,260	51,596	59,387
Growth	*62.44%*	*3.19%*	*13.50%*	*14.00%*	*15.10%*
EBITDA	3,710	3,564	4,390	5,263	6,414
EBITDA M	*9.6%*	*8.9%*	*9.7%*	*10.2%*	*10.8%*
PAT	1,585	1,001	1,660	2,187	2,937
EPS (INR)	22.2	13.7	22.7	29.9	40.1
RoE	7.6%	4.6%	7.1%	8.6%	10.3%
RoCE	12.2%	8.8%	9.9%	11.3%	13.5%
P/E (x)	34.3	55.7	33.6	25.5	19.0
EV/EBITDA (x)	16.0	18.0	14.9	12.6	10.2
Net D/E (x)	-0.4	0.3	0.1	0.3	0.3
P/BV (x)	4.2	2.7	2.6	2.4	2.2

Source: Company & Arihant Research

INR Mn (consolidated)	Q1FY27	Q4FY26	Q1FY26	Q-o-Q	Y-o-Y
Net Revenue	**11535.14**	**10688.47**	**9557.86**	***7.92%***	***20.69%***
Raw Material Costs	5491.25	5208.60	4423.93	*5.43%*	*24.13%*
Gross Profit	6043.89	5479.87	5133.93	*10.29%*	*17.72%*
Gross Margin	*52.40%*	*51.27%*	*53.71%*	*113bps*	*-132bps*
Employee costs	3761.43	3319.73	3215.10	*13.31%*	*16.99%*
Other Expenses	1210.73	1065.64	952.79	*13.62%*	*27.07%*
EBITDA	**1071.73**	**1094.51**	**966.04**	***-2.08%***	***10.94%***
EBITDA margin %	*9.29%*	*10.24%*	*10.11%*	*-95bps*	*-82bps*
Other Income	266.58	184.88	213.79	*44.19%*	*24.69%*
Depreciation	458.10	386.40	393.75	*18.56%*	*16.34%*
EBIT	**880.21**	**892.99**	**786.08**	***-1.43%***	***11.97%***
Finance costs	305.13	264.01	224.91	*15.58%*	*36%*
Gain/ Loss on account of foreign exchange fluctuations (net)	53.27	70.60	6.89	*-24.54%*	*673%*
PBT	**628.34**	**699.58**	**568.07**	***-10.18%***	***10.61%***
Tax Expense	185.36	339.96	153.33	*-45.48%*	*21%*
Effective tax rate %	*29.50%*	*48.60%*	*26.99%*	*-1910bps*	*251bps*
PAT	**442.98**	**359.62**	**414.73**	***23.18%***	***6.81%***
PAT margin %	*3.84%*	*3.36%*	*4.34%*	*48bps*	*-50bps*
EPS (INR)	**6.05**	**4.91**	**5.73**	***23.22%***	***5.58%***

Source: Company & Arihant Research

Favorable Trade Policy and Structural Tailwinds: The company is positioned to benefit from shifting global trade dynamics:

US Section 301 Tariffs: These place India on equal footing with other sourcing destinations while providing a relative advantage over China and Vietnam, which face higher tariffs.

India-UK FTA: This implementation brings India to parity with Bangladesh and Vietnam, removing previous structural disadvantages in the UK market.

EU FTA Potential: Management views a potential EU FTA as a "tremendous advantage" that could open massive market access by late 2027.

Vertical Integration and Margin Accretion via BTPL Merger: The merger of BTPL, expected to conclude in Q3 FY27, serves as a critical backward integration move. The unit is already securing fabric nominations from major brands and is expected to be EBITDA positive by Q3 and PBT positive by Q4 FY27. Transitioning the product mix toward high-value fabrics like linen blends is expected to further drive average realization and margin growth.

Disciplined Capacity Expansion and Cost Optimization: The company is proactively investing in future growth while managing inflationary pressures. The company plans to add 2,000 to 3,000 machines by the end of the year, with new facilities in Jharkhand and Karnataka representing an INR 100 crore investment and an INR 350 crore revenue potential. Incremental growth is being focused in Central and Eastern India (e.g., Bhopal and Ranchi) to leverage lower labor costs and government incentives. Ongoing investments in automation are yielding measurable productivity gains, helping to absorb mandatory wage hikes (such as the INR 20 crore increase in India during Q1).

Robust Financial Health and Risk Mitigation: Despite logistics headwinds and Red Sea disruptions extending lead times, the company is optimizing overheads and utilizing its hedged currency position (with a forward cover rate of INR 89) to provide a financial cushion. Furthermore, the Effective Tax Rate is projected to decline to 20%–22% as international operations contribute more significantly.

Consolidated Profit and Loss (INR Mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	**38,642**	**39,876**	**45,260**	**51,596**	**59,387**
Total Income	39,172	40,650	46,033	52,369	60,160
Total Expense	34,933	35,540	40,870	47,132	54,144
EBITDA	**3,710**	**3,564**	**4,390**	**5,263**	**6,414**
Depreciation and amortization expenses	1,284	1,669	1,719	1,769	1,819
EBIT	**2,955**	**2,668**	**3,444**	**4,267**	**5,368**
Interest expense	774	952	1,052	1,152	1,252
Exceptional item	-	-	180	200	201
PBT	**2,181**	**1,716**	**2,393**	**3,115**	**4,116**
Tax expense	595	715	553	729	979
PAT	**1,585**	**1,001**	**1,660**	**2,187**	**2,937**
Basic earnings per share	**22.18**	**13.67**	**22.66**	**29.85**	**40.09**

Consolidated Balance Sheet (INR Mn)	FY25	FY26	FY27E	FY28E	FY29E
Non-Current Assets					
Property, plant and equipment	6,196	6,581	7,081	7,581	8,081
Capital work-in-progress	170	1,163	1,363	1,563	1,763
Right of Use Asset	1,955	2,971	3,171	3,371	3,571
Other intangible assets	5,838	5,849	5,852	5,855	5,858
Financial assets	2,234	3,491	3,501	3,511	3,521
Deferred tax assets	372	738	838	938	1,038
Non-current tax assets (net)	27	33	35	37	39
Other non-current assets	154	95	100	105	110
Total non-current assets	**16,945**	**20,920**	**21,940**	**22,960**	**23,980**
Current assets					
Inventories	6,819	8,745	9,300	9,895	10,576
Financial assets	9,535	11,463	11,430	12,006	13,965
Other current assets	2,073	2,413	2,913	3,413	3,913
Total current assets	**18,427**	**22,621**	**23,643**	**25,313**	**28,454**
Total assets	**35,372**	**43,542**	**45,583**	**48,274**	**52,434**
EQUITY AND LIABILITIES					
EQUITY					
Equity share capital	357	366	366	366	366
Other equity	20,449	21,238	22,897	25,084	28,021
Total equity	**20,807**	**21,604**	**23,264**	**25,450**	**28,387**
LIABILITIES					
Non-current liabilities					
Financial liabilities	4,604	6,084	6,784	7,484	8,184
Borrowings	3,073	3,744	4,244	4,744	5,244
Lease liabilities	1,531	2,341	2,541	2,741	2,941
Provision for employee benefits	202	565	545	525	505
Total non-current liabilities	**4,806**	**6,847**	**7,329**	**8,009**	**8,689**
Current liabilities					
Current tax liability	74	342	-	-	-

Source: Company & Arihant Research

Consolidated Statement Cash Flow Statement (INR Mn)	FY25	FY26	FY27E	FY28E	FY29E
Profit before tax	2,181	1,716	2,213	2,915	3,915
Adjustment for:					
Tax	-595	-715	-553	-729	-979
Depreciation	1,284	1,669	1,719	1,769	1,819
Other Expenses	-	-	-	-	-
Finance Costs	774	952	1,052	1,152	1,252
Cash from operation	3,644	3,622	4,430	5,107	6,007
Working capital changes	-3,904	572	-1,502	-1,932	-1,284
Net Cash generated /(used) from operation	**-260**	**4,194**	**2,928**	**3,175**	**4,723**
Cash from Investing					
Purchase of PP&E	-2,803	-4,074	-2,622	-2,672	-2,722
Investment in mutual Fund Units	-1,880	-1,571	-117	-117	-117
Cash generated /(used) from Investing	**-4,683**	**-5,645**	**-2,739**	**-2,789**	**-2,839**
Cash from Financing					
Prceeds from Issue of Shares	6,308	-204	-	-	-
Short Term borrowings	441	2,041	482	680	680
Finance Costs	-774	-952	-1,052	-1,152	-1,252
Cash generated / (used) from Financing	**5,975**	**885**	**-570**	**-472**	**-572**
Cash Generated during the year	**1,031**	**-565**	**-381**	**-86**	**1,313**
Opening Balance	**543**	**1,574**	**1,008**	**628**	**542**
Closing Blance	**1,574**	**1,008**	**628**	**542**	**1,854**

Ratios	FY25	FY26	FY27E	FY28E	FY29E
Growth					
Revenue growth	62.4%	3.2%	13.5%	14.0%	15.1%
EBITDA Growth	49.2%	2.3%	19.1%	16.9%	19.1%
EBIT Growth	51.3%	-9.7%	29.1%	23.9%	25.8%
Net Profit Growth	-24.3%	21.1%	-36.8%	65.7%	31.8%
Profitability					
EBITDA Margin	9.6%	8.9%	9.7%	10.2%	10.8%
EBIT Margin	7.6%	6.7%	7.6%	8.3%	9.0%
Net Profit Margin	4.1%	2.5%	3.7%	4.2%	4.9%
ROE	7.6%	4.6%	7.1%	8.6%	10.3%
ROCE	12.2%	8.8%	9.9%	11.3%	13.5%
Per Share Data (INR)					
Basic EPS	22.18	13.67	22.66	29.85	40.09
BVPS	180.7	284.1	294.9	317.6	347.5
Gearing Ratio (x)					
Net Debt/Equity	0.1	0.3	0.3	0.3	0.2
Net Debt/EBITDA	0.4	1.6	1.5	1.4	1.0
Interest Coverage Ratio	3.8	2.8	3.1	3.5	4.1
Efficiency Ratios					
Inventory Days	122	148	149	128	112
Receivable Days	37	47	49	44	40
Payable Days	40	56	59	48	42
Cash Conversion cycle	119	139	139	124	110
Valuation					
P/E	34.3	55.7	33.6	25.5	19.0
P/BV	4.2	2.7	2.6	2.4	2.2
EV/EBITDA	16.0	18.0	14.9	12.6	10.2
EV/Sales	1.5	1.6	1.4	1.3	1.1

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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