Arihant Capital
Generating Wealth

Q2FY26 Result Updates
12th Nov 2025

Gokaldas Exports Ltd.

CMP: INR 910

Rating: Accumulate

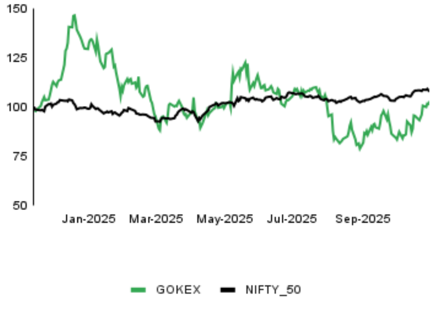
Target Price: INR 1,067

Stock Info	
BSE	532630
NSE	GOKEX
Bloomberg	GEXP:IN
Reuters	GOKL.NS
Sector	TEXTILES
Face Value (INR)	5
Equity Capital (INR cr)	36.6
Mkt Cap (INR cr)	6,667
52w H/L (INR)	1,260/ 669
Avg Daily Volume (in 000')	411

Shareholding Pattern % *(As on Sep 2025)*	
Promoters	9.16
FII	22.93
DII	38.94
Public & Others	28.97

Stock Performance (%)	1m	3m	12m
Gokaldas	17.37	29.42	6.34
Nifty 50	2.57	5.7	8.34

GEL vs Nifty 50



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Gokaldas Exports reported revenue of INR 9,844 million, reflecting a 5.96% YoY increase and a 2.99% QoQ rise. EBITDA margin came in at 5.45%, equivalent to INR 536.14 million, marking a contraction of 167 basis points YoY and 466 bps QoQ. Profit after tax was INR 80.84 million, down 71.30% YoY and 80.51% QoQ. This performance was largely driven by a robust 14% expansion in Indian operations, which offset a 24% drop in African volumes amid uncertainties over the AGOA extension. Profit before tax, however, fell owing to elevated finance and depreciation expenses tied to recent capital expenditures in facilities still scaling up, along with increased costs stemming from India's accounting for capitalized lease assets.

Strong India Operations Growth: Gokaldas Exports registered a robust 14% YoY growth in India operations, outperforming the broader Indian apparel export sector, which saw a 2% decline. This growth is attributed to organic expansion and effective capacity utilization, reflecting the company's ability to capture market share even amid challenging macro conditions.

Effective Tariff Risk Management: Despite the imposition of a higher US tariff on Indian apparel, the company managed to retain its US business through strategic partnerships and burden-sharing agreements with customers. This proactive approach helped secure a strong order book and minimized the risk of order diversion to other geographies.

Africa Business Recovery and Tailwinds: Africa operations faced a 24% YoY decline due to AGOA-related uncertainty, but recent developments, including a favorable reciprocal tariff regime and expectations of AGOA renewal, have reversed sentiment. The company expects Africa revenue to exceed $50 million in the second half of FY26, driven by renewed customer interest and new client additions.

Valuation & Outlook: We assign a TP of INR 1,067 valued at a P/E multiple of 42x the FY27E EPS of INR 25.4, and a 'Accumulate' rating, as the earlier target has been achieved. The company positioned for steady growth in FY26 and beyond, driven by strong India operations, a recovering Africa business aided by AGOA prospects, and growing opportunities in the UK and Europe due to favorable trade agreements; despite near-term margin pressures from US tariffs and startup costs, prudent cost management and capacity expansions are expected to support EBITDA margins rising above 12% by FY27, with valuation upside tied to tariff rationalization and diversified market expansion.

INR Mn	FY23	FY24	FY25	FY26E	FY27E
Revenue	22,392	23,789	38,642	41,734	46,742
Growth	*25.07%*	*6.24%*	*62.44%*	*8.00%*	*12.00%*
EBITDA	2,958	2,841	4,239	4,226	4,727
EBITDA M	*13.2%*	*11.8%*	*10.8%*	*10.0%*	*11.0%*
PAT	1,730	1,310	1,585	1,574	1,814
EPS (INR)	28.6	20.7	22.2	22.0	25.4
RoE	19.5%	10.1%	7.6%	7.0%	7.5%
RoCE	34.7%	10.5%	12.2%	11.5%	11.9%
P/E (x)	33.7	46.6	43.4	43.7	37.9
EV/EBITDA (x)	19.8	23.5	17.3	17.1	15.4
Net D/E (x)	0.6	-0.1	-0.4	0.3	0.1
P/BV (x)	8.2	6.9	5.3	3.3	3.1

INR Mn (consolidated)	Q2FY26	Q1FY26	Q2FY25	Q-o-Q	Y-o-Y
Net Revenue	**9843.54**	**9557.86**	**9290.05**	***2.99%***	***5.96%***
Raw Material Costs	5133.61	4423.93	4832.04	*16.04%*	*6.24%*
Gross Profit	4709.92	5133.93	4458.01	*-8.26%*	*5.65%*
Gross Margin	*47.85%*	*53.71%*	*47.99%*	*-587bps*	*-14bps*
Employee costs	3259.32	3215.10	2857.62	*1.38%*	*14.06%*
Job Work Charges	65.17	45.30	86.28	*43.85%*	*-24.46%*
Other Expenses	849.30	907.49	852.74	*-6.41%*	*-0.40%*
EBITDA	**536.14**	**966.04**	**661.37**	***-44.50%***	***-18.94%***
EBITDA margin %	*5.45%*	*10.11%*	*7.12%*	*-466bps*	*-167bps*
Other Income	189.62	213.79	128.12	*-11.30%*	*48.01%*
Depreciation	425.93	393.75	287.80	*8.17%*	*47.99%*
EBIT	**299.83**	**786.08**	**501.68**	***-61.86%***	***-40.24%***
Finance costs	222.62	224.91	179.84	*-1.02%*	*24%*
Exceptional Items	0.00	0.00	0.00		
Gain/ Loss on account of foreign exchange fluctuations (net)	110.02	6.89	34.15	*1497.31%*	*222%*
PBT	**187.23**	**568.07**	**355.99**	***-67.04%***	***-47.41%***
Tax Expense	106.40	153.33	74.38	*-30.61%*	*43%*
Effective tax rate %	*56.83%*	*26.99%*	*20.89%*	*2983bps*	*3593bps*
PAT	**80.84**	**414.73**	**281.61**	***-80.51%***	***-71.30%***
PAT margin %	*0.82%*	*4.34%*	*3.03%*	*-352bps*	*-221bps*
EPS (INR)	**1.10**	**5.73**	**3.94**	***-80.80%***	***-72.08%***

Source: Company & Arihant Research

Diversification into the UK and Europe: The company is actively expanding its footprint in these regions, with these markets expected to contribute up to 20% of total revenue in the medium term. The recently announced India-UK FTA offers a 12% duty advantage over China and positions India on par with Bangladesh, creating significant export potential.

Strategic Capex and Capacity Expansion: The company has invested INR 110 crores in the first half of FY26, with INR 75 crores allocated to new capacity additions in India and Kenya. These investments are expected to support future growth and margin improvement, with further capex planned for FY27 and FY28 contingent on tariff resolution and market visibility.

Prudent Cost Control and Margin Defense: Despite margin pressures from tariffs and higher depreciation, Gokaldas has maintained EBITDA through prudent cost control and productivity gains. The company is focused on protecting margins and remains cautious with capex until the tariff environment stabilizes.

Robust Order Book and Future Visibility: Gokaldas has a strong order book, with confirmed orders worth over INR 900 crores for India and INR 250 crores for Africa, providing good revenue visibility for the next six months. This positions the company well for sustained growth, even as it navigates ongoing tariffs and macroeconomic headwinds.

Consolidated Statement of Profit and Loss (INR Mn)	FY23	FY24	FY25	FY26E	FY27E
Revenue	**22,222**	**23,789**	**38,642**	**41,734**	**46,742**
Total Income	22,472	24,090	39,172	42,263	47,271
Total Expense	19,514	21,249	34,933	38,037	42,544
EBITDA	**2,958**	**2,841**	**4,239**	**4,226**	**4,727**
Depreciation and amortisation expenses	718	888	1,284	1,384	1,484
EBIT	**2,241**	**1,953**	**2,955**	**2,842**	**3,243**
Interest expense	257	363	774	874	974
Exceptional item	-61	-	-	-	1
PBT	**1,983**	**1,590**	**2,181**	**1,968**	**2,269**
Tax expense	314	280	595	394	454
PAT	**1,730**	**1,310**	**1,585**	**1,574**	**1,814**
Basic earnings per share	**28.55**	**20.66**	**22.18**	**22.03**	**25.39**

Consolidated Balance Sheet (INR Mn)	FY23	FY24	FY25	FY26E	FY27E
Non Current Assets					
Property, plant and equipment	1,661	3,762	6,196	7,196	8,196
Capital work-in-progress	1,079	1,280	170	370	570
Right of Use Asset	1,125	1,728	1,955	2,155	2,355
Other intangible assets	11	5,870	5,838	5,841	5,844
Financial assets	282	405	2,234	2,244	2,254
Deferred tax assets	306	408	372	472	572
Non-current tax assets (net)	41	12	27	29	31
Other non-current assets	116	80	154	159	164
Total non-current assets	**4,622**	**13,545**	**16,945**	**18,465**	**19,985**
Current assets					
Inventories	2,930	6,036	6,819	6,500	6,501
Financial assets	5,049	6,466	9,535	10,043	10,626
Other current assets	819	1,364	2,073	2,573	3,073
Total current assets	**8,798**	**13,866**	**18,427**	**19,115**	**20,199**
Total assets	**13,420**	**27,411**	**35,372**	**37,580**	**40,184**
EQUITY AND LIABILITIES					
EQUITY					
Equity share capital	303	317	357	357	357
Other equity	8,560	12,596	20,449	22,024	23,838
Total equity	**8,863**	**12,913**	**20,807**	**22,381**	**24,195**
LIABILITIES					
Non-current liabilities					
Financial liabilities	964	4,215	4,604	5,304	6,004
Borrowings	96	2,810	3,073	3,573	4,073
Lease liabilities	868	1,405	1,531	1,731	1,931
Provision for employee benefits	135	150	202	182	162
Total non-current liabilities	**1,099**	**4,365**	**4,806**	**5,486**	**6,166**
Current liabilities					
Financial liabilities	2,897	9,317	8,509	8,537	8,647
Other current liabilities	122	256	579	579	579
Provision for employee benefits	440	560	597	597	597
Current tax liability	-	-	74	-	-
Total current liabilities	**3,459**	**10,133**	**9,759**	**9,713**	**9,823**
Total equity and liabilities	**13,420**	**27,411**	**35,372**	**37,580**	**40,184**

Source: Company & Arihant Research

Consolidated Statement Cash Flow Statement (INR Mn)	FY23	FY24	FY25	FY26E	FY27E
Profit before tax	1,983	1,590	2,181	1,968	2,268
Adjustment for:					
Tax	-385	-280	-595	-394	-454
Depreciation	718	888	1,284	1,384	1,484
Other Expenses	-	-	-	-	-
Finance Costs	257	363	774	874	974
Cash from operation	2,580	2,561	3,644	3,833	4,273
Working capital changes	1,108	2,001	-3,904	935	-892
Net Cash generated /(used) from operation	**3,688**	**4,562**	**-260**	**4,767**	**3,381**
Cash from Investing					
Purchase of PP&E	-1,354	-9,651	-2,803	-2,787	-2,887
Proceeds from sale PP&E	90	-	-	-	-
Investment in bank deposits	-553	-	-	-	-
Redemption of bank deposits	610	-	-	-	-
Investment in mutual Fund Units	-3,650	-160	-1,880	-117	-117
Proceeds from sale of mutual fund units	1,914	-	-	-	-
Finance Income	30	-	-	-	-
Cash generated /(used) from Investing	**-2,913**	**-9,811**	**-4,683**	**-2,904**	**-3,004**
Cash from Financing					
Prceeds from Issue of Shares	43	2,741	6,308	0	0
Short Term borrowings	4,148	3,266	441	680	680
Repayment of Short-term borrowings	-4,426	-	-	-	-
Payment of other liabilties and lease liabilities	-421	-	-	-	-
Finance Costs	-98	-363	-774	-874	-974
Cash generated / (used) from Financing	**-754**	**5,644**	**5,975**	**-194**	**-294**
Cash Generated during the year	**21**	**395**	**1,031**	**1,669**	**82**
Opening Balance	**127**	**147**	**543**	**1,574**	**3,243**
Closing Blance	**147**	**543**	**1,574**	**3,243**	**3,325**

Ratios	FY23	FY24	FY25	FY26E	FY27E
Growth					
Revenue growth	24.1%	7.1%	62.4%	8.0%	12.0%
EBITDA Growth	36.8%	-4.0%	49.2%	-0.3%	11.8%
EBIT Growth	42.5%	-12.8%	51.3%	0.0%	0.0%
Net Profit Growth	342.0%	47.7%	-24.3%	21.1%	-0.7%
Profitability					
EBITDA Margin	13.2%	11.8%	10.8%	10.0%	11.0%
EBIT Margin	9.4%	5.1%	7.1%	0.0%	#DIV/0!
Net Profit Margin	7.8%	5.5%	4.1%	3.8%	3.9%
ROE	19.5%	10.1%	7.6%	7.0%	7.5%
ROCE	34.7%	10.5%	12.2%	11.5%	11.9%
Per Share Data (INR)					
Basic EPS	28.55	20.66	22.18	22.03	25.39
BVPS	116.9	139.8	180.7	291.1	313.2
Gearing Ratio (x)					
Net Debt/Equity	(0.4)	0.3	0.1	0.0	0.0
Net Debt/EBITDA	(1.1)	1.4	0.4	0.1	0.2
Interest Coverage Ratio	8.9	5.4	3.8	3.3	3.3
Efficiency Ratios					
Inventory Days	113	144	122	114	95
Receivable Days	19	37	37	31	21
Payable Days	31	43	40	41	36
Cash Conversion cycle	100	139	119	103	80
Valuation					
P/E	33.7	46.6	43.4	43.7	37.9
P/BV	8.2	6.9	5.3	3.3	3.1
EV/EBITDA	19.8	23.5	17.3	17.1	15.4
EV/Sales	2.6	2.8	1.9	1.7	1.6

Source: Company & Arihant Research

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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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