

January 25, 2023

<b>BSE Limited</b> Scrip Code: <b>543401</b>	<b>National Stock Exchange of India Ltd.</b> Trading Symbol: <b>GOCOLORS</b>
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Dear Sir / Madam,

Subject: Investor Presentation for Q3 FY 2023 – Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

With reference to the above captioned subject, please find enclosed Investor Presentation for Q3 FY 23.

The aforesaid Investor Presentation is also being disseminated on company's website at <https://www.gocolors.com/investor-relations>

This is for your information and record.

Thanking You,  
For **Go Fashion (India) Limited**

**Gayathri Venkatesan**  
**Company Secretary & Compliance Officer**



**GO COLORS!**  
Go Fashion (India) Limited



Investor Presentation  
January 2023





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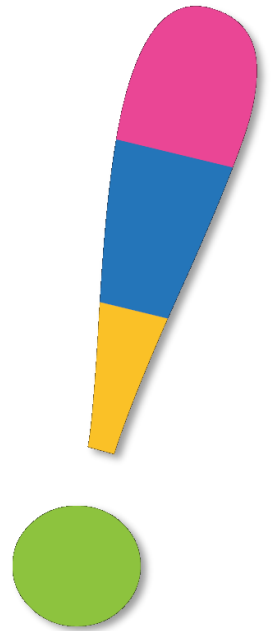
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## Q3 & 9M FY23 Highlights

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Revenue from Operations

Rs. 176.7 crores



Gross Profit

Rs. 104.2 crores



EBITDA

Rs. 59.2 crores

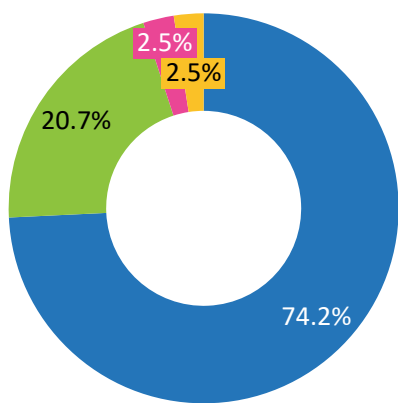


Profit After Tax

Rs. 24.3 crores

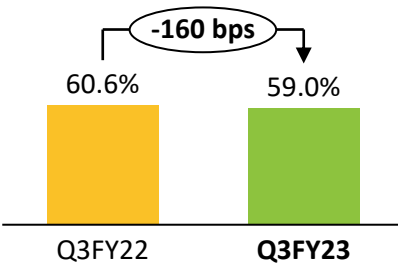


Sales Mix



- EBOs
- LFS
- Online
- MBO & Others

Gross Profit Margins



PAT Margins

13.8%

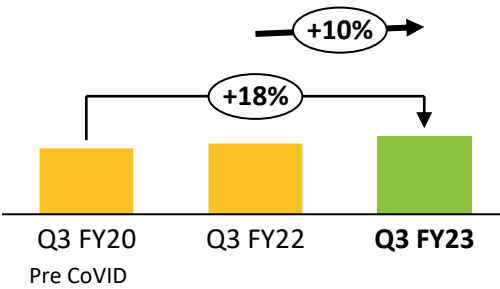
EBITDA Margins

33.5%

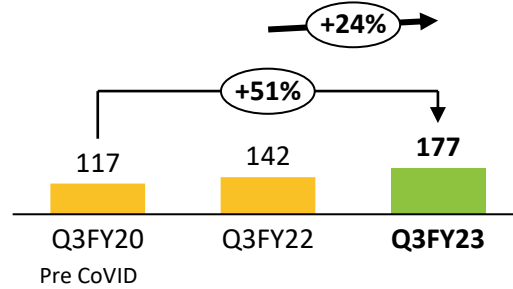
No. of EBO stores added during the quarter^

35

SSSG\*



Revenue from Operations



^ Net Addition of EBO Stores

All comparisons are on Y-o-Y basis

\* SSSG for EBOs only

\*\* Revenues for Q3FY20 & Q3FY22 are unaudited

Revenue from Operations

Rs. 507.7 crores



Gross Profit

Rs. 303.1 crores



EBITDA

Rs. 161.6 crores

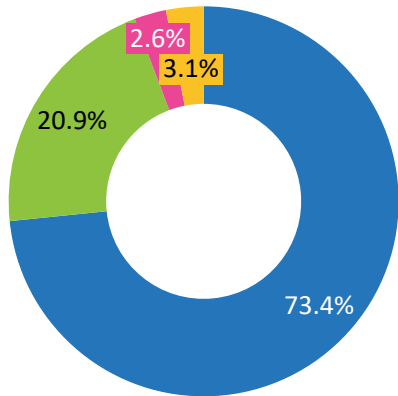


Profit After Tax

Rs. 68.0 crores



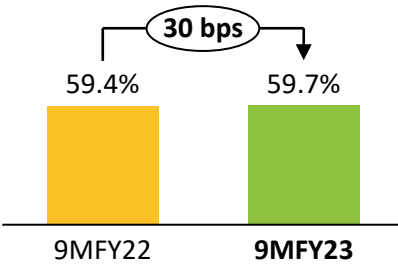
Sales Mix



EBOs Online  
LFS MBO & Others

Note : 9M FY22 was impacted due to COVID related lockdowns

Gross Profit Margins



PAT Margins

13.4%

EBITDA Margins

31.8%

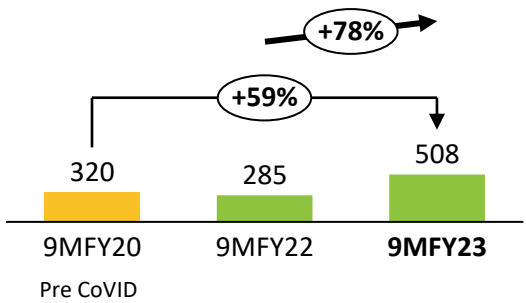
Cash Flow from Operations

Rs. 60 Crs.

No. of EBO stores added during the Nine Months^

101

Revenue from Operations

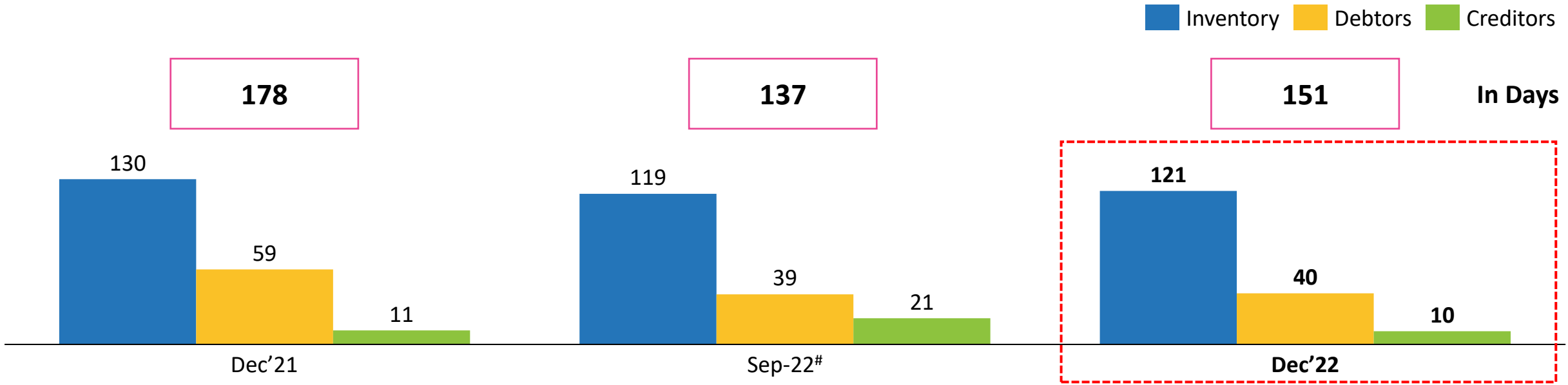


^ Net Addition of EBO Stores

All comparisons are on Y-o-Y basis

\*\* Revenues for 9MFY20 & 9MFY22 are unaudited

Significant Improvement in Working Capital Requirements



**RoCE\***  
(Annualized Basis)  
**19.8%**

**RoE\***  
(Annualized Basis)  
**17.8%**

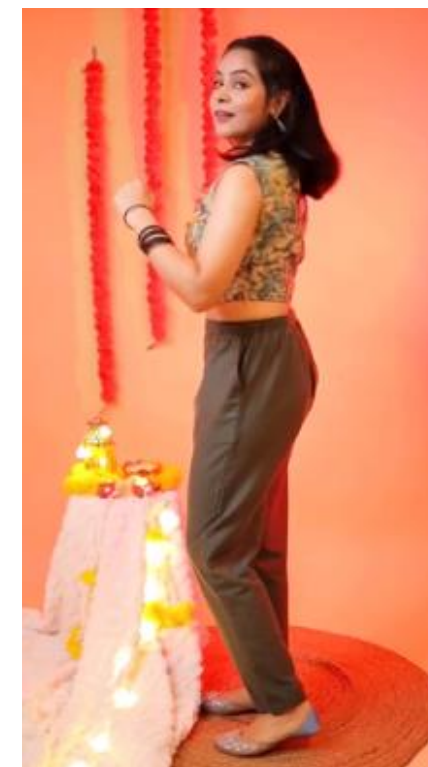
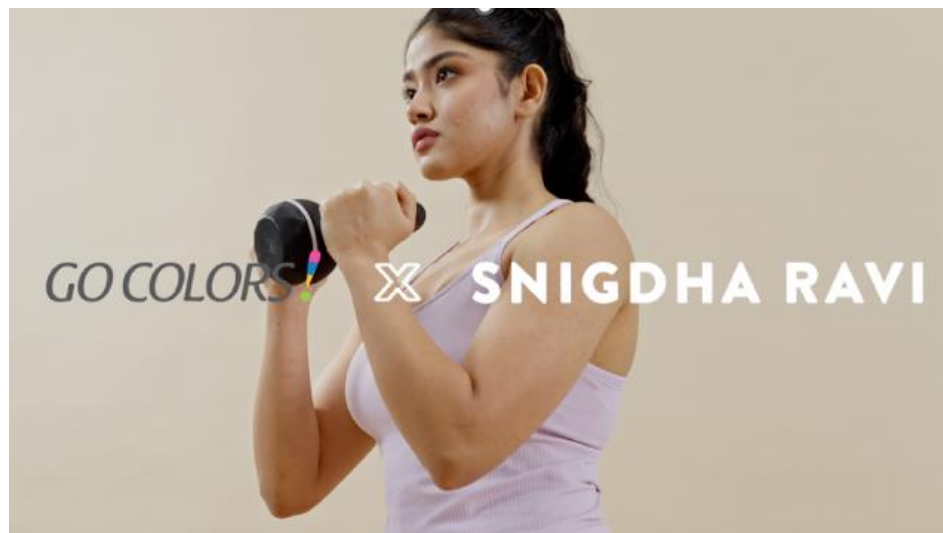
**Cash & Cash  
Equivalents\*^**  
**Rs. 118.2 Crs.**

\* As on 31<sup>st</sup> December 2022

^ Includes Liquid Mutual Funds & FDs

Profit & Loss (in Rs. Crore)*	Q3 FY23	Q3 FY22	Q-o-Q	9M FY23	9M FY22	Y-o-Y
Total Revenue	176.7	142.0	24%	507.7	285.1	78%
Cost of Materials Consumed	61.5	48.1		172.5	99.2	
Subcontracting Charges	11.0	7.8		32.0	16.7	
Gross Profit	104.2	86.1	21%	303.1	169.2	79%
Gross Margin	59.0%	60.6%		59.7%	59.4%	
Employee Cost	25.6	18.6		74.4	52.8	
Other Expenses	19.4	15.4		67.0	35.1	
EBITDA	59.2	52.1	14%	161.6	81.3	99%
EBITDA Margin	33.5%	36.7%		31.8%	28.5%	
Other Income	2.7	3.2		9.3	17.6	
Depreciation	22.0	16.8		61.5	49.7	
EBIT	39.8	38.5	4%	109.5	49.3	122%
Finance Cost	7.1	5.5		20.0	16.6	
Profit before Tax	32.7	33.0	-1%	89.4	32.7	173%
Tax	8.4	9.3		21.4	9.4	
PAT	24.3	23.7	3%	68.0	23.3	192%
PAT Margin	13.8%	16.7%		13.4%	8.2%	
EPS (in Rs.)	4.5	4.5		12.6	4.4	





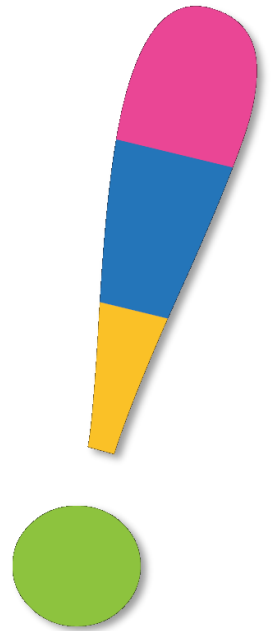
- Activated 53 mega & macro influencer across 8 cities
- Reached 36 lakh unique audience via influencer marketing
- The approach was to reach out to audience who have affinity to the brand & also to the audience who are currently in the consideration funnel of purchase
- We reached 82M audience & the ad recall lift stood at 23% after 60 days.



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# Company Overview

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We are a one stop destination for ladies' bottom wear, a daily essential wear category with no seasonality



Among the largest Women Bottom Wear (WBW) brands in India with ~8% market share in branded WBW



Offers Products in >50 styles in >120 colours



Extensive sourcing and manufacturing network of 81 suppliers and 49 job-workers spread across 11 states and UTs



Customers catered primarily through 604 EBOs spread across 23 states and UTs and 1,713 LFSS across 31 states and UTs



Premium quality products at affordable prices, 83.3% of products retailed at < Rs. 1,049



Supply chain for all channels managed from 99K sq. ft. warehouse in Tirupur, Tamil Nadu and 12K sq. ft. warehouse in Bhiwandi, Maharashtra. End-to-end automation in inventory operations resulting in optimal inventory management

We are a Direct to Consumer Brand





Ethnic Wear



- Churidar
- Salwar
- Patiala
- Silk-Pants
- Kurti-Pants
- Dhoti

From ₹ 599 to ₹ 1,399 <sup>(1)</sup>

Western Wear



- Leggings
- Ponte Pants
- Cropped Jegging
- Track Pants
- Jeans
- Culottes
- Cargo Pants
- Treggings
- Trousers
- Shorts

From ₹ 499 to ₹ 1,399 <sup>(1)</sup>

Fusion Wear



- Jeggings
- Palazzos
- Pants
- Harem-Pants

From ₹ 599 to ₹ 1,599 <sup>(1)</sup>

Athleisure



- Leggings
- Track Pants
- Joggers

From ₹ 799 to ₹ 1,199 <sup>(1)</sup>

Note: (1) Typical Range of Offering: Maximum Retail Price





Denims



- Jeggings
- Pants
- Joggers
- Denim Culottes
- Jeans
- Capris
- Denim Palazzos

From ₹ 799 to ₹ 1,499 (1)

Lounge Wear



- Lounge Pants
- Lounge Knit Pants
- Lounge Capris
- Lounge Shorts

From ₹ 449 to ₹ 949 (1)

Go Plus



- Churidars
- Leggings
- Jeggings
- Pants
- Palazzos

From ₹ 599 to ₹ 1,599 (1)

Girls Wear



- Leggings
- Pants
- Jeggings
- Shorts
- Palazzos
- Harem- Pants

From ₹ 249 to ₹ 999 (1)

Note: (1) Typical Range of Offering: Maximum Retail Price





**EBO Stores + Airport Stores +  
LFS Stores**



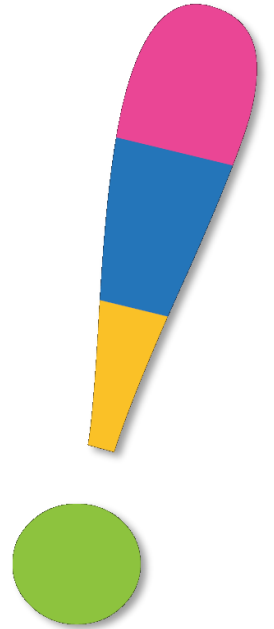




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# Key Differentiators

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Among the Largest Women’s Bottom-Wear Brand in India with Well-Diversified & Differentiated Product Portfolio and First Mover Advantage



Multi-Channel, Pan-India Distribution Network with a Focus on EBOs, Enhancing Brand Visibility

Strong Unit Economics with an Efficient Operating Model

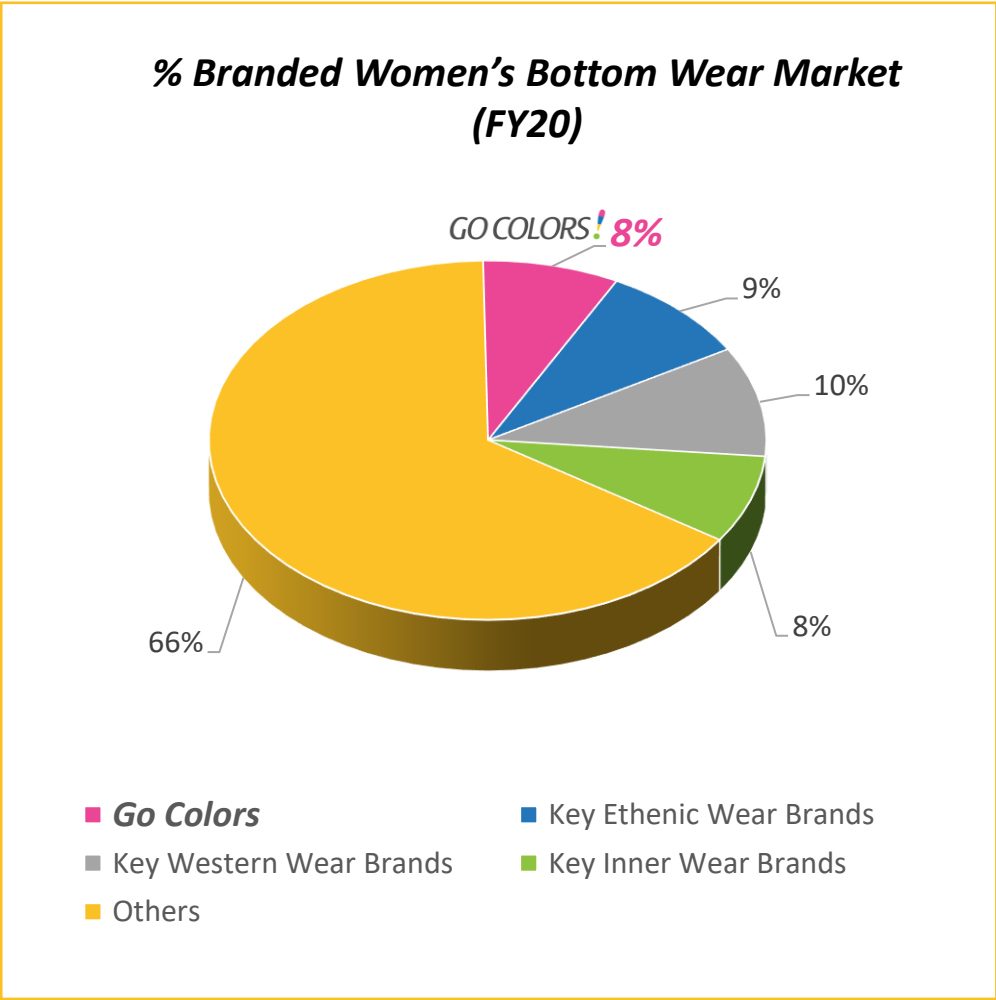


Extensive Procurement Base with Highly Efficient and Technology-Driven Supply Chain Management

Demonstrated Track Record of Strong Financial Performance



In-House Expertise in Developing and Designing Products



Covering the entire spectrum of women’s requirements across age-groups and body-types

Brand	SKUs	Ethnic	Western	Athleisure	Fusion	Denim
GO COLORS	728	✓	✓	✓	✓	✓
Player A	800	✗	✓	✗	✗	✓
Player B	700	✓	✗	✗	✓	✓
Player C	673	✓	✓	✗	✓	✗
Player D	656	✗	✓	✗	✗	✓
Player E	343	✓	✗	✓	✓	✓

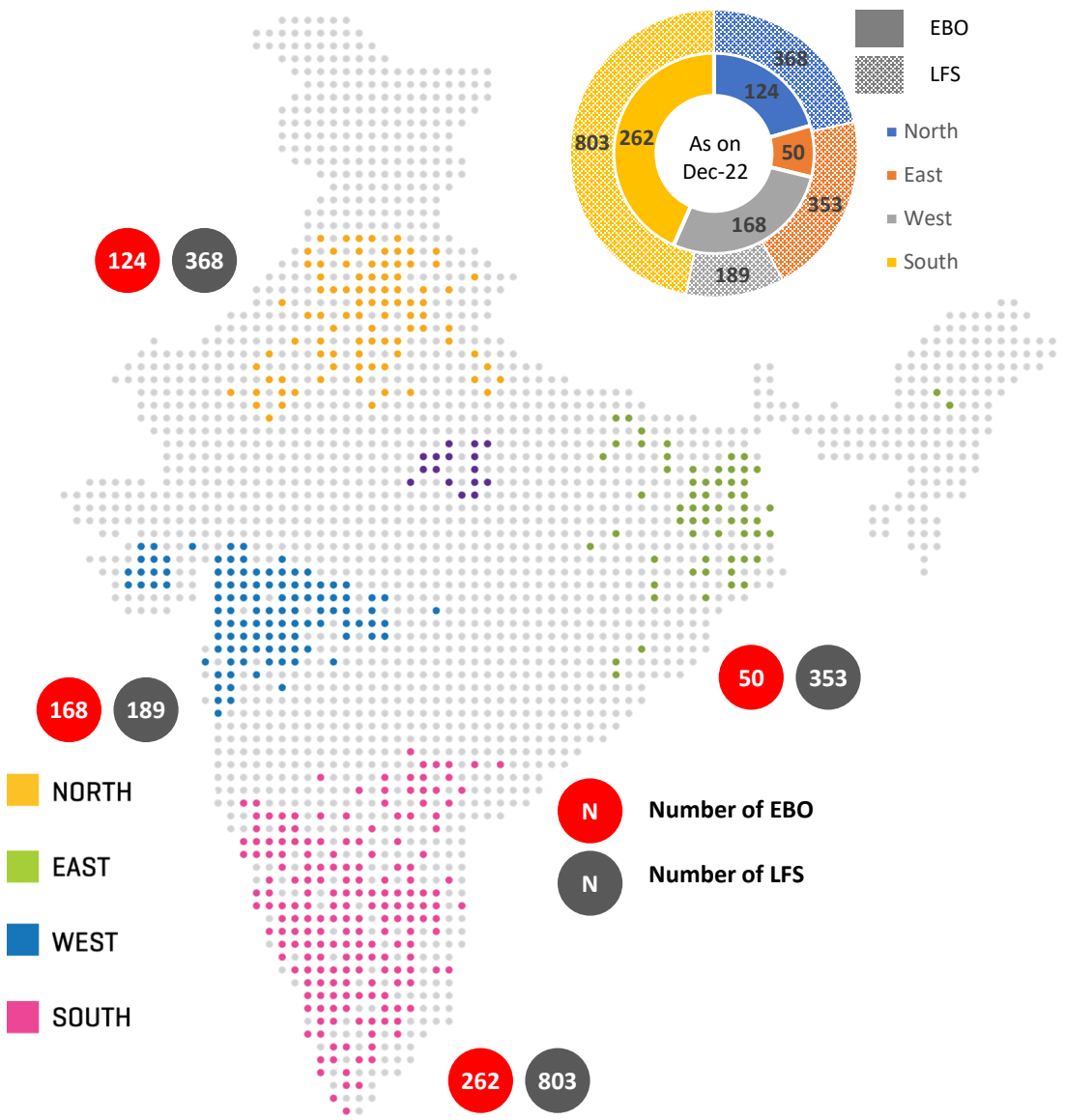
Leadership position in women’s bottom-wear Category

Ethnic Wear      Western Wear      Fusion Wear      Athleisure

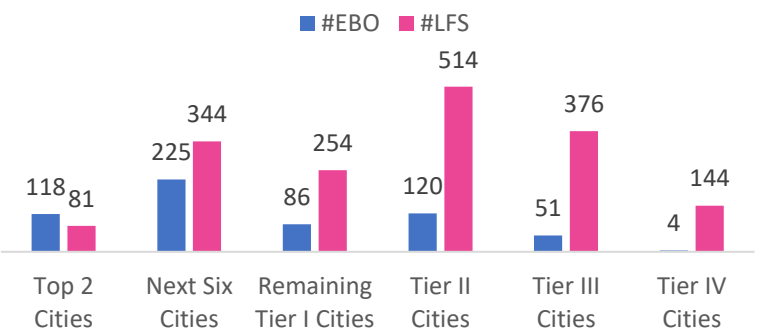
Denims      Lounge Wear      Go Plus      Girls Wear

Offers 50 bottom-wear styles in a range of >120 colours

Go Colors offers products across multiple categories making its portfolio ‘universal’ & round-the-year for every occasion that is not subject to seasonal trends



Diversified presence across geographies



EBO Stores

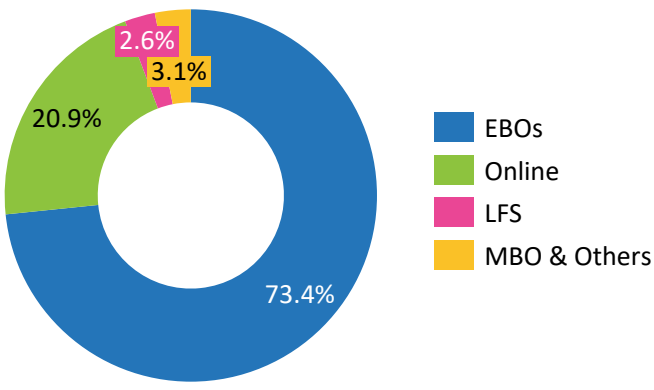
604

Malls & Airports (190)  
High Streets (414)

Cities Present

137

Sales Mix (9M FY23)



Large Format Stores

1,713

Cluster-based model

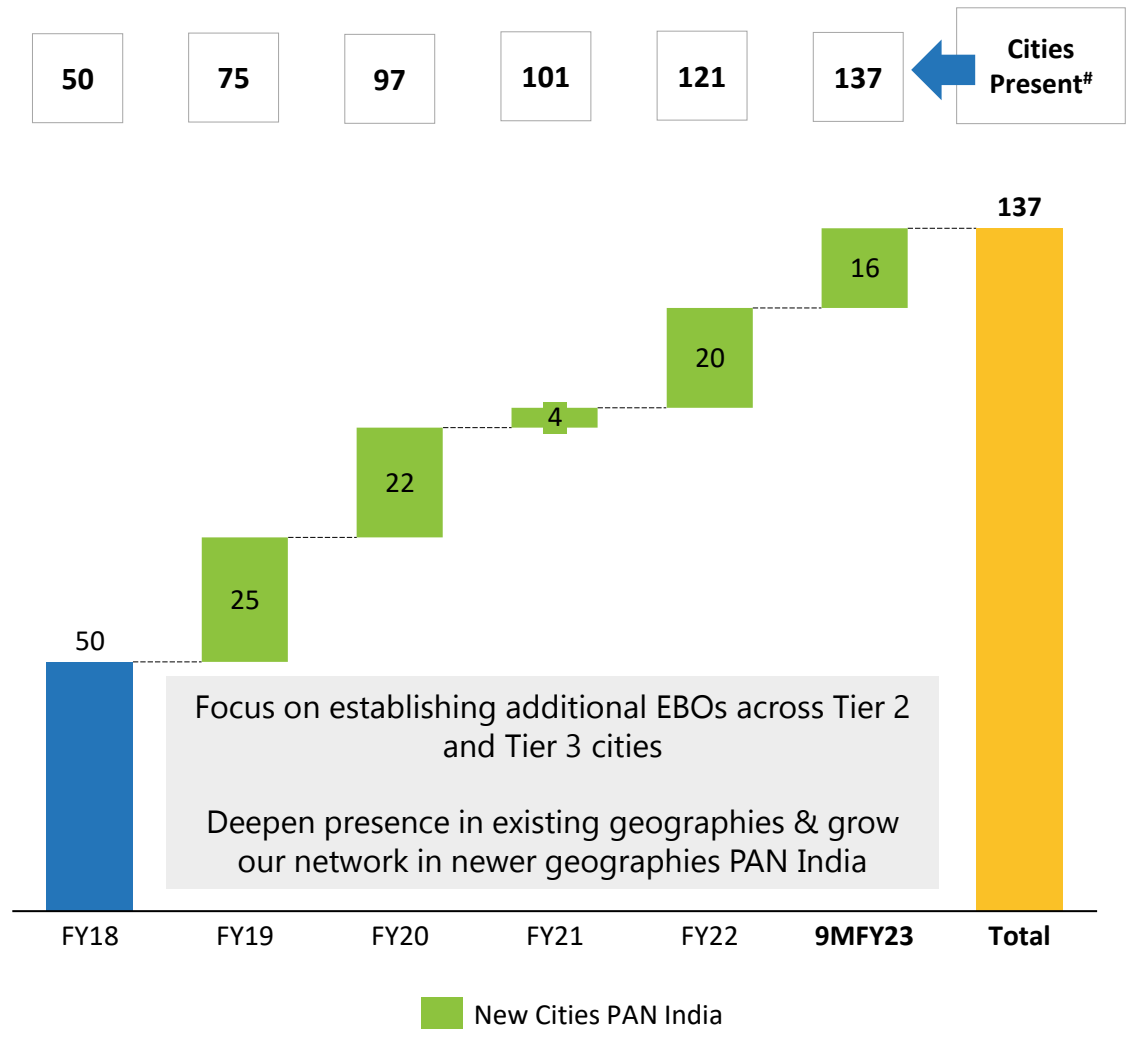
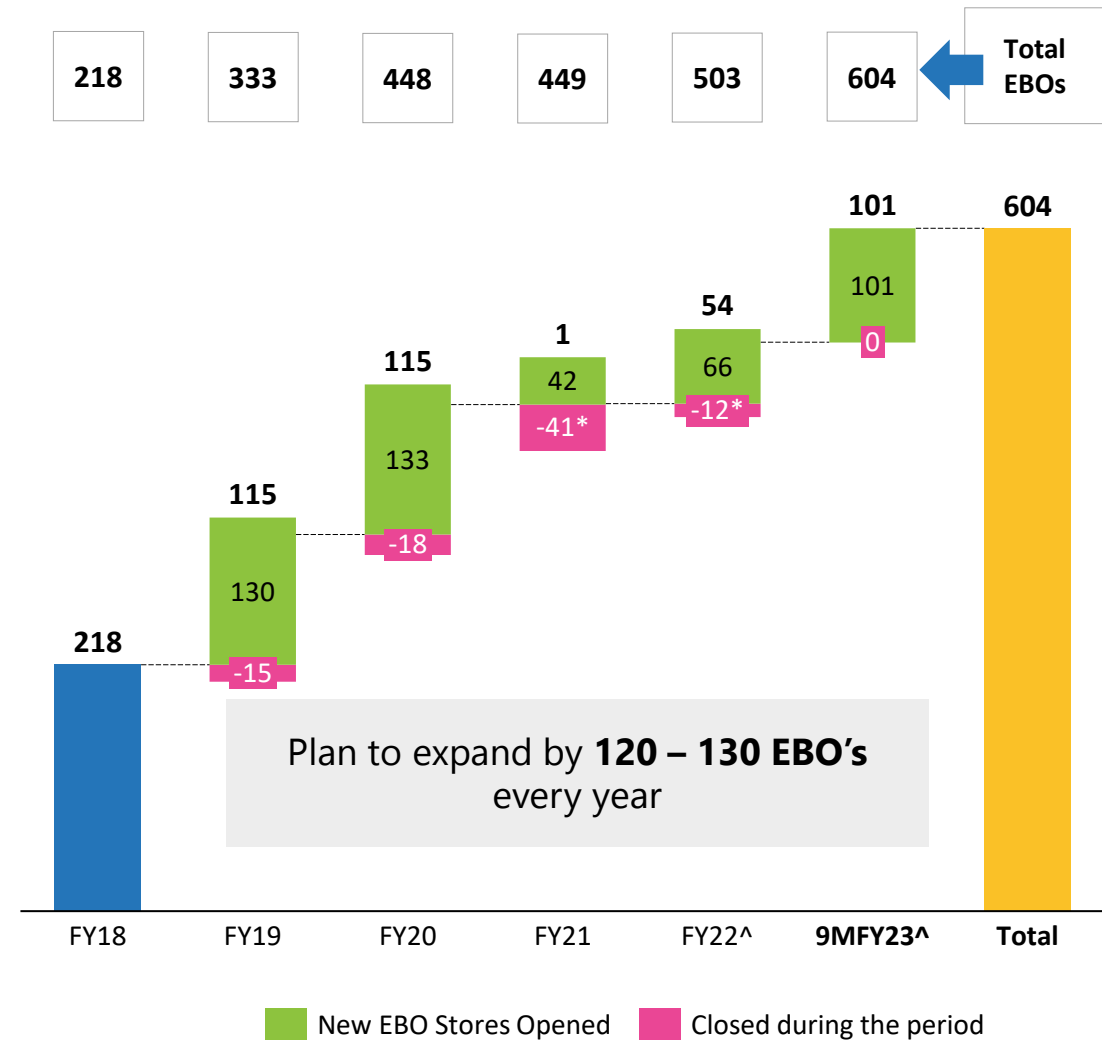
56.79%

EBOs across 8 cities





# Continuous Increase of EBO presence PAN India



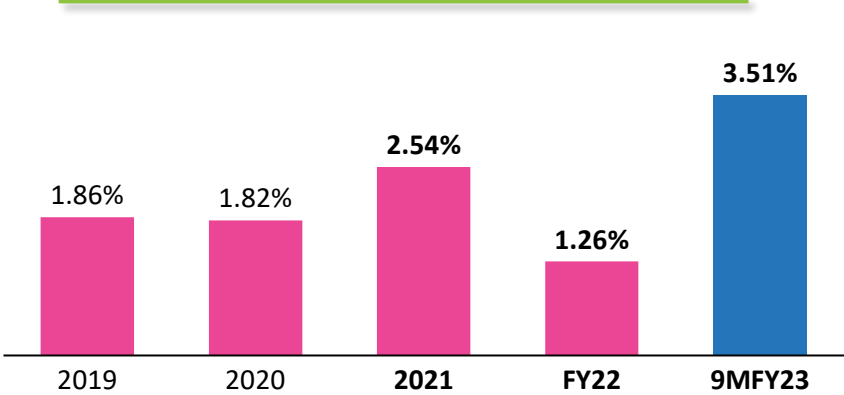
# Clubbing of few areas into cities has been done for better control. This has led to reduced cities as on FY18

\* Majority of stores closed down in FY21 and FY22 are due to CoVID impact

^ FY22 & 9M FY23 stores are net of replacements



Prudent use of resources to undertake brand-building initiatives and gain visibility



**Rs. 28.51** of Revenue  
on every rupee of Advertisement Spent for  
9M FY23



*Store at high footfall location with large external hoardings*

Go Colors utilizes its EBOs as its primary advertising channel

Outdoor marketing initiatives include leveraging advertisements through large hoardings at vantage points, bus shelters and metro pillars

Situated in locations with significant footfalls, increasing brand visibility and enhancing brand equity and recall

Significant importance on digital marketing by creating frequent consumer generated content uploaded across social media platforms



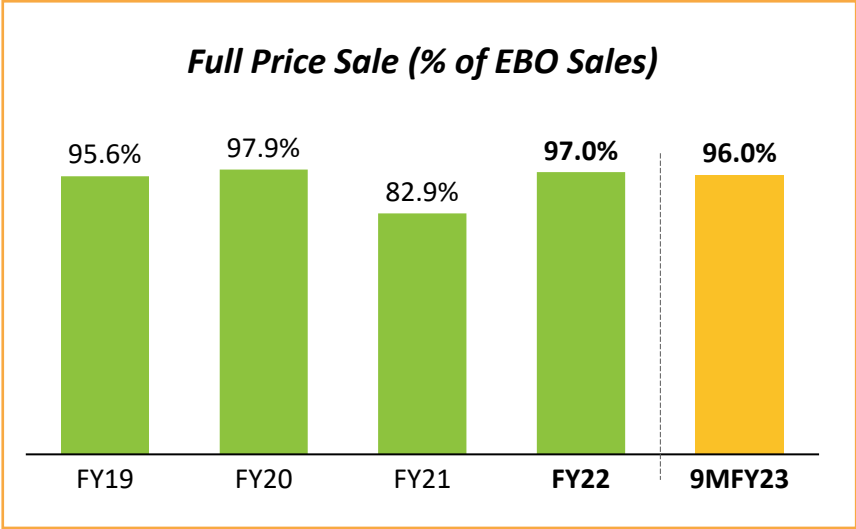
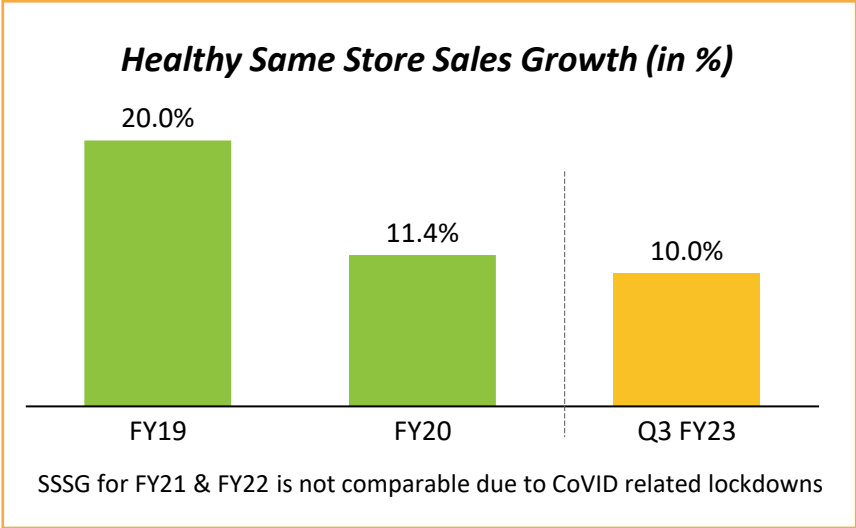
*Standardized visual designs and layout of the store*



Efficient Space Utilization offers one of the highest sales per square foot in the industry

Average Store Size (Sq. ft.) <b>400 - 500</b>	Average Selling Price* <b>Rs. 724</b>	Present across <b>137 cities</b>
Average Investments for 1 EBO store (Incl. Inventory) <b>Rs. 37 - 38 Lakhs</b>	Payback Period <b>15 – 18 months</b>	Average Yearly Revenue Per Store <b>Rs. 85-90 Lakhs</b>

- Store location and size optimized, ensuring the sustainability of store profitability
- Ability to identify the stores at the right location and limited store closures resulted in healthy SSSG
- Product portfolio resistant to redundancy from vagaries of fashion trends and seasonality (round-the-year relevance)
- Given that bottom-wear is a ‘core essential’, demand for our products is consistent which results in limited discounting and higher full-price sales



\* ASP is for 9M FY23

## Outsourced Manufacturing

- Manage an extensive sourcing network to support product development teams
- 81 suppliers and 49 job-workers spread across 11 states and UTs
- Longstanding relationship with suppliers and job-workers
- Work closely with suppliers, supervising manufacturing and conducting inspections for quality checks

## Sourcing Team

- Sourcing team closely monitors suppliers and provides strict quality assurance analysis
- Regular inspections of fabrics sourced from suppliers helps consistently maintain product and service quality
- Stringent norms of quality assurance at various levels through quality control mechanisms
- Track suppliers' capacity and output to ensure production requirements are met and finished products are procured in a timely manner

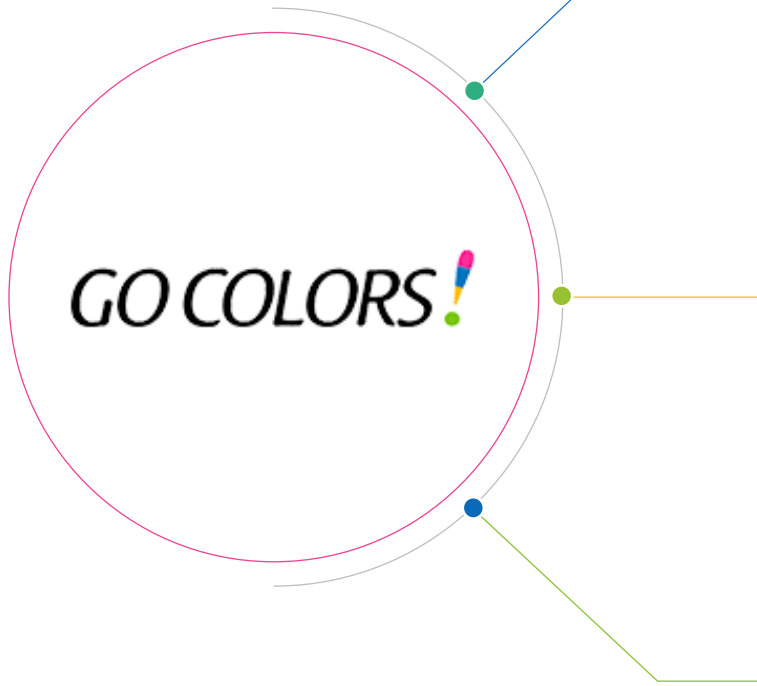
## Centralized Warehouse

- Inventory, logistics and entire supply chain for all channels managed from warehouse in Tirupur, Tamil Nadu
- Warehouse spread over >99k square feet & 12K sq. ft. warehouse in Bhiwandi, Maharashtra
- Implemented end-to-end automation in inventory operations resulting in seamless and optimal inventory management
- Implemented business intelligence tool for inventory optimization, avoiding stock-out and ensuring sufficient supply at stores

## Supply Chain Automation

- Entire procurement and supply chain operation automated through ERP system
- Helps maintain flexibility while meeting requirements in an efficient manner without relying on any one vendor, supplier or factory
- Procurement needs streamlined avoiding over or under-stocking
- SCMS & internal controls minimize product shortage and occurrence of out-of-stock events enabling efficient operations and high productivity

GO COLORS!



**Forecasting**

- Concept development and trend forecasting to develop new styles and products
- Participate in fairs or exhibitions in India or abroad to better understand trends
- Address evolving market trends and customers' preferences

**In-House Design**

- Skilled team of 10 in-house designers and merchandisers
- Focus on creating quality products with innovative designs and optimal fit / sizing
- Products designed keeping in mind trends in fashion, fabric, textiles, wear ability, stitch and pricing
- Products designed for every occasion including for daily wear, office wear, festive, denim and lounge wear

**Data Analytics**

- Product launches based on ERP generated business intelligence reports
- Research and data-driven design process
- Product design and development based on market research and customer feedback





**Mr. Prakash Kumar Saraogi**  
Managing Director

- Promotor of Go Fashion (India) Limited
- >28 years of experience in garment manufacturing, the fashion industry, and retail industry
- Holds a bachelor's degree in chemical engineering from Anna University, Chennai



**Mr. Gautam Saraogi**  
Executive Director and CEO


- Promotor of Go Fashion (India) Limited
- >10 years of experience in consumer retail, marketing, brand building and garment manufacturing
- Holds a bachelor's degree in commerce from University of Madras and an executive diploma in marketing management from Loyola Institute of Business Administration, Chennai
- Has received a token of appreciation for his contribution to the Chennai Retail Summit 2018



**Mr. R Mohan**  
Chief Financial Officer

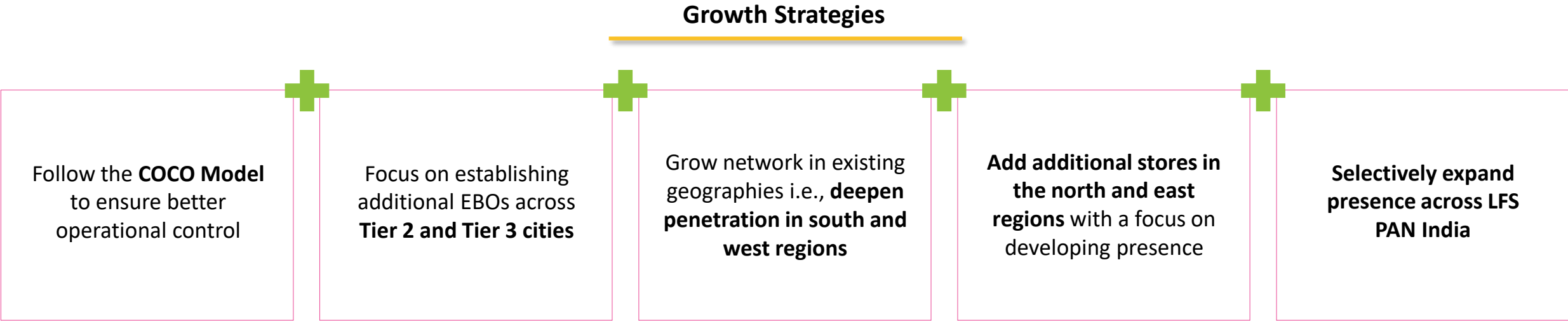
- Chartered accountant by profession and has been associated with our Company since 2019
- Holds a bachelor's degree in commerce from Bharathiar University and is a member of the ICAI since 1991
- Served as the chairman of the Coimbatore Branch of Institute of Chartered Accountant India from 2000 to 2001
- Member of economic affairs and taxation panel of Confederation of Indian Industry, Coimbatore from 2016 to 2017



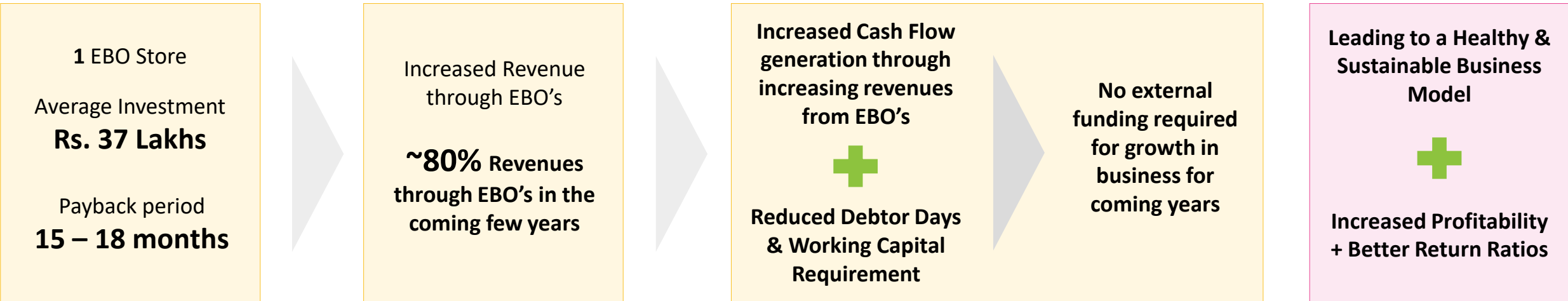
- 
- 1 Continue to Expand Retail Network with a ***Focus on EBOs***
  - 2 Grow Sales Through ***Online Channel***
  - 3 Leverage Technology to Bring Cost Efficiency and ***Enhance Customer Experience***
  - 4 Leverage Leadership Position in ***Women's Bottom-Wear***



# 1. Continue to Expand Retail Network with a Focus on EBOs



**Plan to expand by 120 – 130 EBO’s every year**

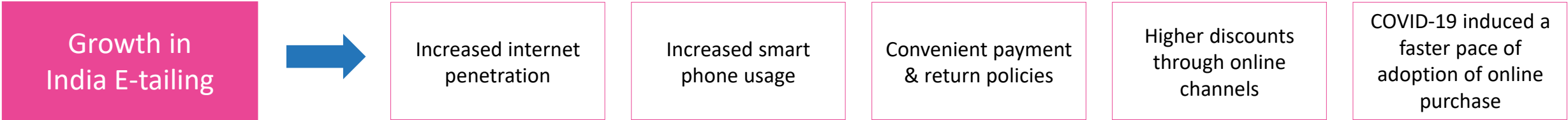




## 2. Growth through Online Channel

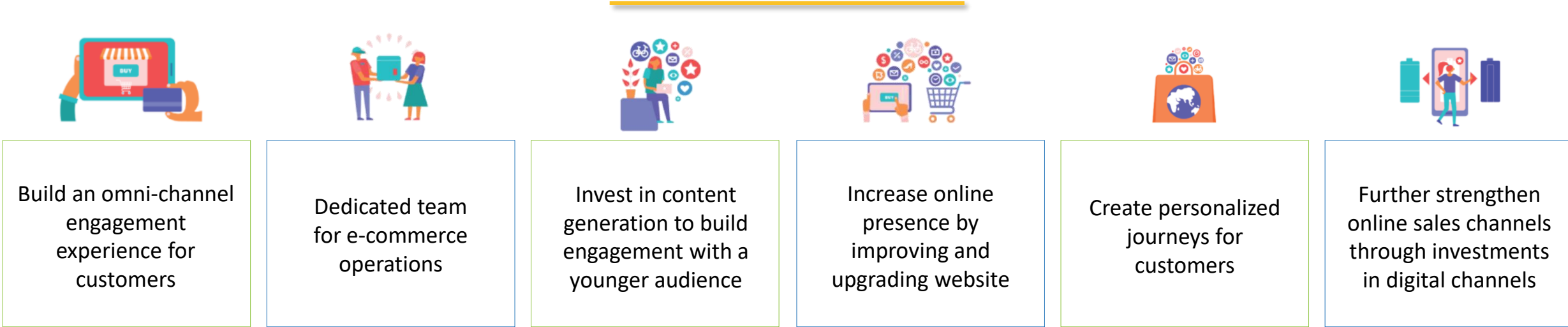


*E-retail in India has witnessed rapid growth and is expected to reach ₹ 7.8 trillion by FY25 growing at 23% CAGR <sup>(1)</sup>*



**Sales from online channels for Go Fashion is Rs. 12.3 crores in FY22 (3.1% of Sales)**

### Growth Strategies

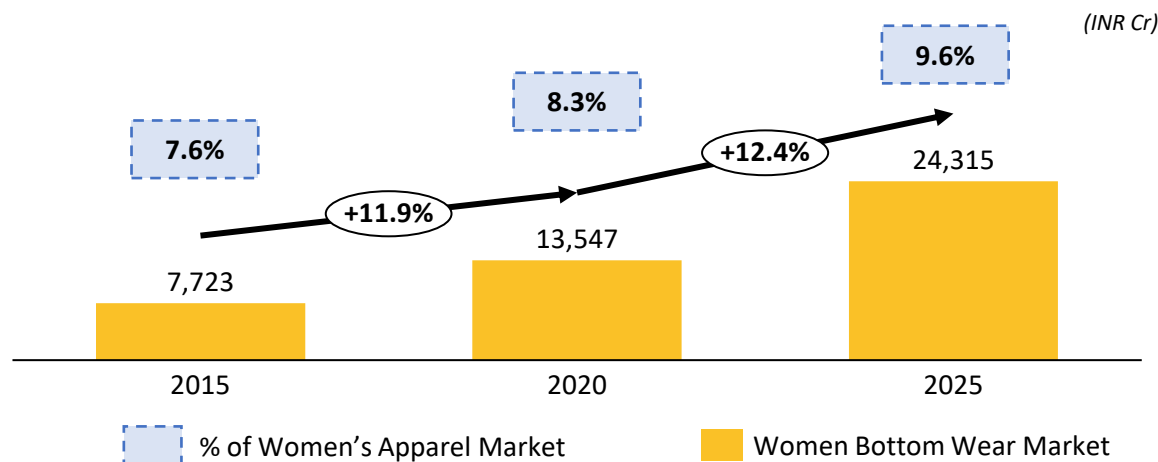


Note: (1) FY20-FY25  
Source: Technopak Report

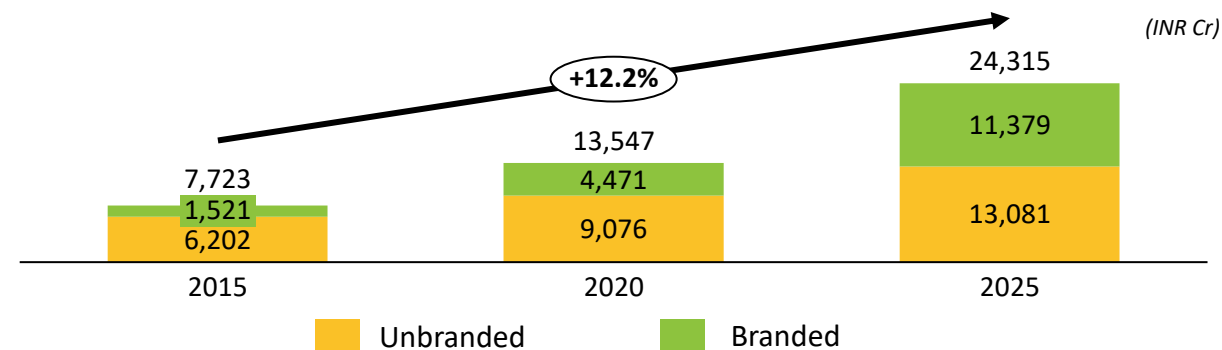


### 3. Leverage Leadership Position

WBW market expected to grow at **12.4% CAGR** reaching **Rs. 243 Bn by FY25**



Branded women's bottom-wear market expected to see continued high growth in future



From 2020-25 Share of Branded WBW expected to Grow at **20.5% CAGR v/s 7.4% CAGR of Unbranded WBW Segment**

Go Colors has the **early mover advantage** in exclusive bottom-wear category with **8% market share**

With relatively low organized / branded penetration and modern women's growing disposable income, branded WBW market is expected to reach Rs. 114 billion in FY25

**Shift from unorganized to organized sector**  
Positioned to benefit from growth given the fragmented nature of the industry

**Scope for Expansion**  
WBW is a horizontal category enabling multiple extensions and new products  
**Expand into loungewear, a work-from-home collection, athleisure and other new products** in the ethnic, western and fusion wear segments



Leverage Technology to Bring Cost Efficiency and Enhance Customer Experience



2016

### ‘Images Retail Award’

Most admired retailer of the year – Concept Stores



2019

### Transforming India Retail Award



2019

### ‘Sustaining Enterprise of the Year’

at the TIECON, Chennai

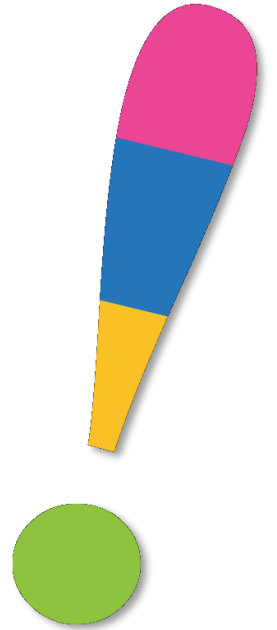




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# Financials

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# Historical Profit & Loss Account Statement

Particulars (in Rs. Crore)	31-Mar-22	31-Mar-21	31-Mar-20	31-Mar-19
<b>Total Revenue</b>	<b>401.3</b>	<b>250.7</b>	<b>392.0</b>	<b>285.2</b>
Cost of Materials Consumed	135.5	92.2	130.0	94.5
Subcontracting Charges	24.8	11.8	27.6	20.5
<b>Gross Profit</b>	<b>241.1</b>	<b>146.7</b>	<b>234.5</b>	<b>170.3</b>
<b>Gross Margin</b>	<b>60.1%</b>	<b>58.5%</b>	<b>59.8%</b>	<b>59.7%</b>
Employee Cost	73.1	61.5	62.0	42.0
Other Expenses	49.0	38.9	46.0	48.4
<b>EBITDA</b>	<b>119.0</b>	<b>46.3</b>	<b>126.5</b>	<b>80.0</b>
<b>EBITDA Margin</b>	<b>29.7%</b>	<b>18.5%</b>	<b>32.3%</b>	<b>28.0%</b>
Other Income	20.79	31.6	4.8	5.7
Depreciation	68.6	60.5	46.6	32.1
<b>EBIT</b>	<b>71.2</b>	<b>17.4</b>	<b>84.8</b>	<b>53.6</b>
Finance Cost	23.3	20.6	16.5	11.4
<b>Profit before Tax</b>	<b>47.9</b>	<b>-3.2</b>	<b>68.3</b>	<b>42.2</b>
Tax	12.3	0.4	15.7	11.3
<b>PAT</b>	<b>35.6</b>	<b>-3.6</b>	<b>52.6</b>	<b>30.9</b>
<b>PAT Margin</b>	<b>8.9%</b>	<b>-1.4%</b>	<b>13.4%</b>	<b>10.8%</b>
EPS (in Rs.)	6.74	-0.68	10.08	5.93



# Historical Balance Sheet Statement

EQUITY AND LIABILITIES (in Rs. Crore)	31-Mar-22	31-Mar-21	31-Mar-20	31-Mar-19
Equity				
Share Capital	54.0	79.0	79.0	79.0
Other Equity	384.4	203.9	207.3	149.3
<b>Total Equity</b>	<b>438.4</b>	<b>282.9</b>	<b>286.3</b>	<b>228.3</b>
Liabilities				
Non Current Liabilities				
Lease liabilities	177.7	217.3	179.4	144.0
Provision	2.9	2.1	1.4	0.7
<b>Total Non Current Liabilities</b>	<b>180.6</b>	<b>219.4</b>	<b>180.9</b>	<b>144.8</b>
Current Liabilities				
Borrowings	0.0	10.4	2.8	8.3
Lease liabilities	72.1	4.6	27.4	1.5
Trade payables	17.7	10.7	10.5	13.8
Other financial liabilities	3.2	3.4	2.9	1.6
Current tax liabilities (net)	4.7	1.8	0.0	0.0
Other current liabilities	30.6	11.6	5.3	4.9
Provisions	3.9	3.4	3.2	1.0
<b>Total Current Liabilities</b>	<b>132.2</b>	<b>46.0</b>	<b>52.0</b>	<b>31.0</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>751.2</b>	<b>548.4</b>	<b>519.2</b>	<b>404.1</b>

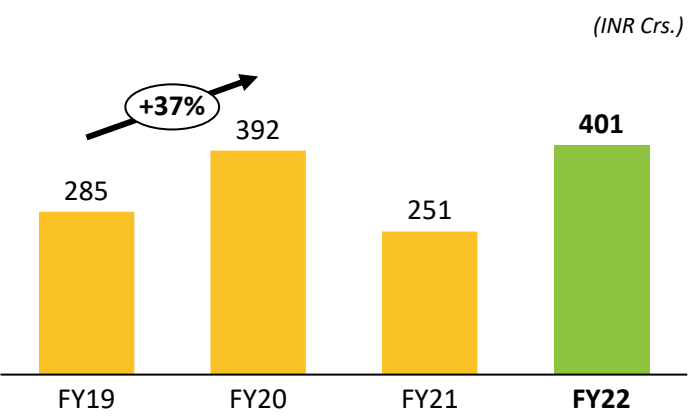
ASSETS (in Rs. Crore)	31-Mar-22	31-Mar-21	31-Mar-20	31-Mar-19
Non Current Assets				
Property, plant and equipment	64.1	58.4	60.3	47.3
Capital work-in-progress	8.7	8.6	8.1	2.0
Intangible assets	0.4	0.5	0.7	0.5
Right-of-use assets	219.7	200.6	194.7	137.7
Financial Assets				
Other financial asset	24.0	23.7	20.3	17.9
Deferred tax assets (net)	11.4	7.6	5.6	3.2
Other non-current assets	6.1	4.3	1.3	0.2
<b>Total Non-Current Assets</b>	<b>334.4</b>	<b>303.7</b>	<b>291.0</b>	<b>208.8</b>
Current Assets				
Inventories	165.9	80.9	105.9	69.5
Financial Assets				
Investments	45.9	46.4	8.9	23.5
Trade receivables	60.2	47.1	55.6	40.1
Cash and cash equivalents	42.4	13.2	0.1	10.6
Bank balances other than cash	63.4	26.5	32.4	33.0
Other financial asset	11.2	7.1	5.5	1.8
Current tax assets (net)	0.0	0.0	1.8	1.5
Other current assets	27.9	23.3	18.0	15.5
<b>Total Current Assets</b>	<b>416.9</b>	<b>244.6</b>	<b>228.2</b>	<b>195.3</b>
<b>TOTAL ASSETS</b>	<b>751.2</b>	<b>548.4</b>	<b>519.2</b>	<b>404.1</b>



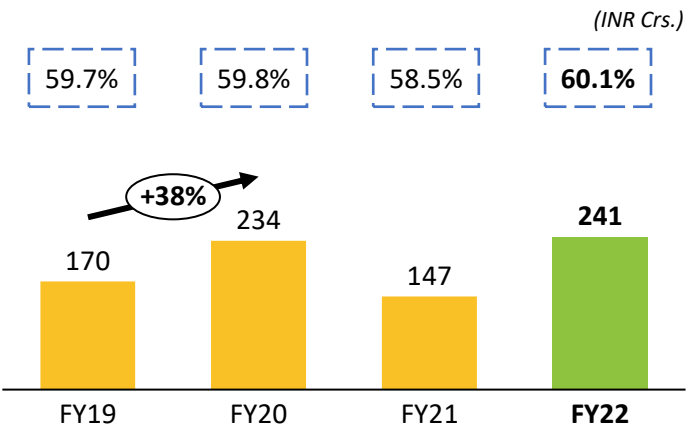
# Demonstrated Track Record of Strong Financial Performance



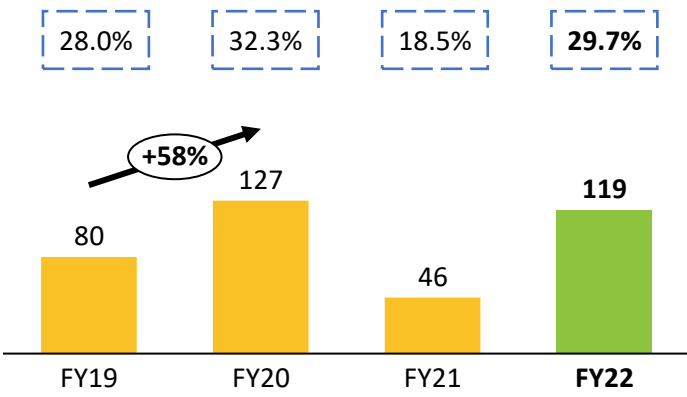
## Robust, organic revenue growth...



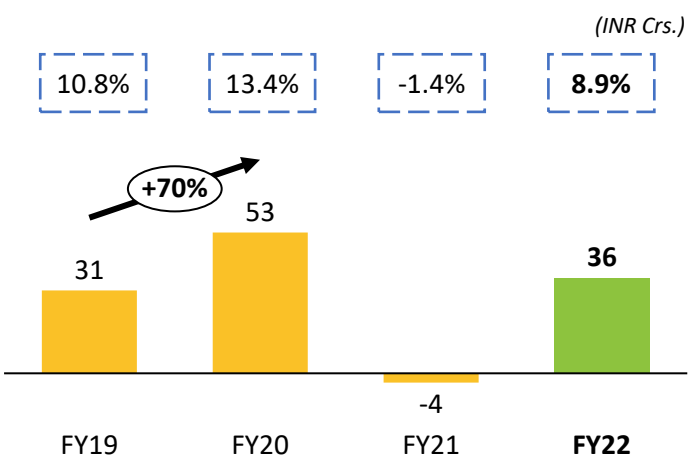
## ...with exceptional Gross margins



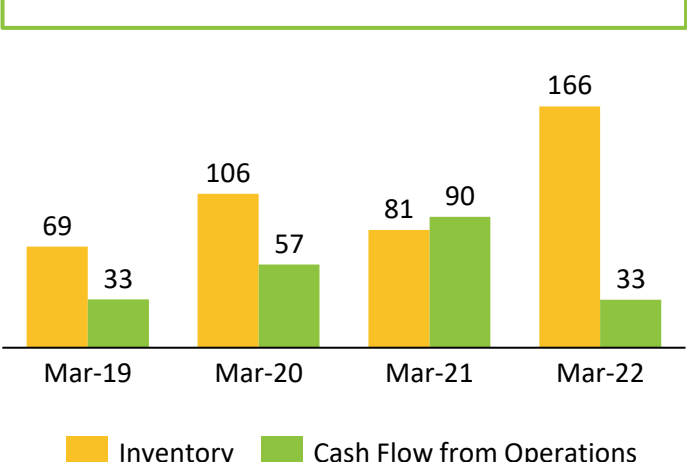
## ... and tight operational control leading to high EBITDA margin



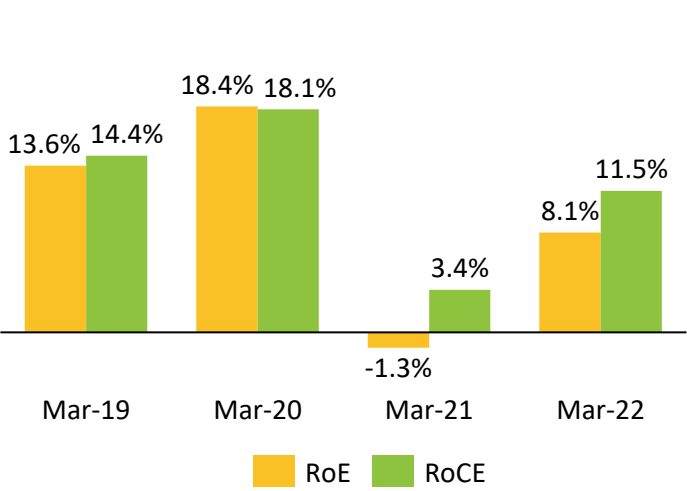
## Steady growth in net profits...



## Reasonable cash conversion...



## ... and best-in-class return metrics



Note - FY21 & FY22 Financials Impacted on account of COVID-19 induced lockdowns



# THANK YOU!

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