

03 August 2025

India | Equity Research | Results update

Go Fashion India

Consumer Staples & Discretionary

EBO momentum steady, LFS drag transient

Go Fashion had a muted start to FY26 with SSSG at -2%, impacted by softer footfalls, LFS channel stress, and shipment delays from Bangladesh. Demand remained subdued, capping volume traction, particularly in value-centric and urban formats, though trends improved towards the quarter end with a strong EOSS response. The company added 27 EBOs (EOP: 803 stores) and remains on track to open 120–130 stores in FY26. ASP improved to INR 805 (vs INR 769 in FY25), aiding 118bps YoY gross margin expansion to 63.0%, even as higher staff costs (up 19% YoY) weighed on profitability. Full-price sales held firm at 96.9%, reinforcing pricing discipline, while Tier 2/3 momentum continues to build. On the promoter front, management highlighted a ~300bps sequential reduction in pledged shares to 37.6% - a positive governance signal. Maintain **BUY**.

Retail expansion continues; SSSG soft, but recovery trends encouraging

Revenue grew 1% YoY / 9% QoQ to INR 2.23bn, led by consistent store additions and steady ASP improvement. SSSG at -2.0% (vs +2.1% in Q4) was impacted by softer footfalls, weakness in the LFS channel, and shipment delays from Bangladesh. SCSG remained healthy. EBOs contributed ~71% of sales, with 27 net additions during the quarter. Total store count now stands at 803 EBOs and 2,604 LFS across 187 cities. Trends improved towards the end of the quarter, aided by strong EOSS response and early festive build-up.

Gross margin expands 118bps; cost headwinds weigh on operating leverage

Gross margin expanded 118bps YoY to 63.0%, supported by input cost easing and a favourable category mix. However, EBITDA margin contracted 195bps YoY to 30.8%, as higher staff costs (up 19% YoY) and moderate opex (up 3% YoY) weighed on profitability. EBITDA declined 5% YoY to INR 687mn, while PAT stood at INR 223mn (-22% YoY, +12% QoQ). Margin trajectory remains constructive, with further scale benefits and ASP uptick likely to support recovery.

Financial Summary

Y/E March (INR mn)	FY24A	FY25A	FY26E	FY27E
Net Revenue	7,628	8,482	9,420	11,129
EBITDA	2,424	2,680	3,012	3,609
EBITDA Margin (%)	31.8	31.6	32.0	32.4
Net Profit	828	935	1,033	1,288
EPS (INR)	15.3	17.3	19.1	23.8
EPS % Chg YoY	0.0	13.0	10.5	24.7
P/E (x)	49.7	44.0	39.8	32.0
EV/EBITDA (x)	16.2	14.4	12.6	10.3
RoCE (%)	17.6	16.8	15.8	16.8
RoE (%)	14.7	14.4	13.8	14.9

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Market Data

Market Cap (INR)	41bn
Market Cap (USD)	470mn
Bloomberg Code	GOCOLORS IN
Reuters Code	GOFA BO
52-week Range (INR)	1,408 /660
Free Float (%)	47.0
ADTV-3M (mn) (USD)	1.7

Price Performance (%)	3m	6m	12m
Absolute	(3.1)	(16.8)	(33.6)
Relative to Sensex	(3.6)	(20.8)	(32.0)

ESG Score	2023	2024	Change
ESG score	67.7	64.2	(3.5)
Environment	43.2	40.7	(2.5)
Social	66.6	65.9	(0.7)
Governance	79.1	79.8	0.7

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Earnings Revisions (%)	FY26E	FY27E
Revenue	(3.1)	(4.4)
EBITDA	(3.1)	(4.3)
EPS	(6.8)	(10.7)

Previous Reports

30-06-2025: [Company update](#)

01-05-2025: [Q4FY25 results review](#)

Premiumisation and store additions drive long-term visibility

ASP improved to INR 805 (vs INR 769 in FY25), supported by a growing tilt towards higher-value SKUs across denim, fusion, and athleisure categories. Despite the mix shift, ~81% of products remain priced below INR 1,049, reinforcing the brand's affordable premium positioning. Store-level metrics remain healthy with average investment of INR 3.7–3.8mn and a 15–18 month payback period.

Inventory days stood at 102, broadly in line with recent trends and reflective of disciplined supply chain management. The pilot project on store-level optimisation is set to launch in early August, starting with a pilot store in Chennai.

Valuation and risk

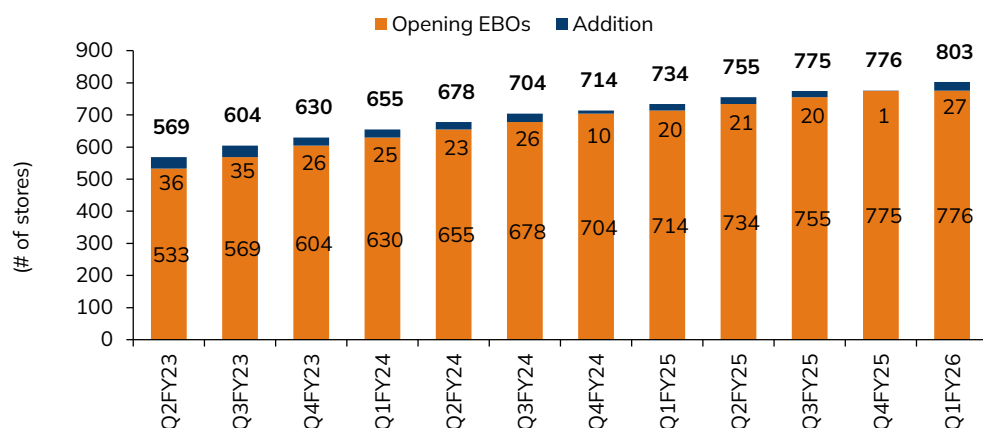
We cut our EBITDA estimates by 3%/4% for FY26E/27E; modelling revenue / EBITDA / PAT CAGR of 15% / 16% / 17% over FY25-FY27E. Maintain BUY with a DCF-based revised target price of INR 1,100 (vs INR 1,200 earlier). Key risks: (1) risk of high revenue share from Reliance Retail in LFS channel and (2) likely increased competition from new players entering the category.

Exhibit 1: Q1FY26 result review

INR mn	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)
Net Revenues	2,228	2,201	1	2,048	9
COGS	(825)	(841)	(2)	(732)	13
Gross profit	1,403	1,360	3	1,316	7
Staff cost	(442)	(371)	19	(416)	6
Other opex	(274)	(267)	3	(276)	(1)
EBITDA	687	721	(5)	624	10
Other income	52	58	(10)	66	(21)
Finance cost	(120)	(110)	8	(122)	(2)
D&A	(323)	(295)	9	(314)	3
PBT	297	374	(21)	254	17
Tax	(74)	(88)	(15)	(55)	34
Recurring PAT	223	287	(22)	199	12
EPS	4.1	5.3	(22)	3.7	12
Costs as a % of sales					
COGS	37.0	38.2	-119 bps	35.7	130 bps
Gross margin (%)	63.0	61.8	118 bps	64.3	-131 bps
Staff cost	19.8	16.9	297 bps	20.3	-46 bps
Other opex	12.3	12.1	16 bps	13.5	-120 bps
EBITDA margin (%)	30.8	32.8	-195 bps	30.5	35 bps
Income tax rate (%)	25.0	23.5	157 bps	21.8	326 bps

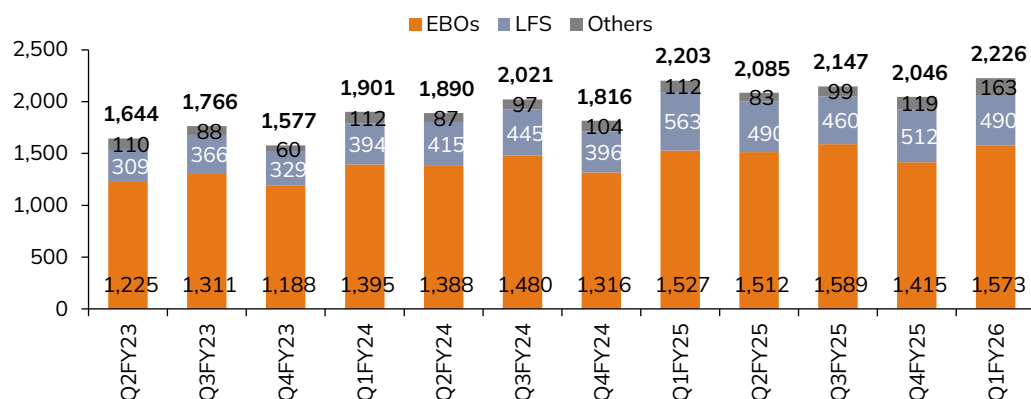
Source: Company data, I-Sec research

Exhibit 2: EBO store expansion



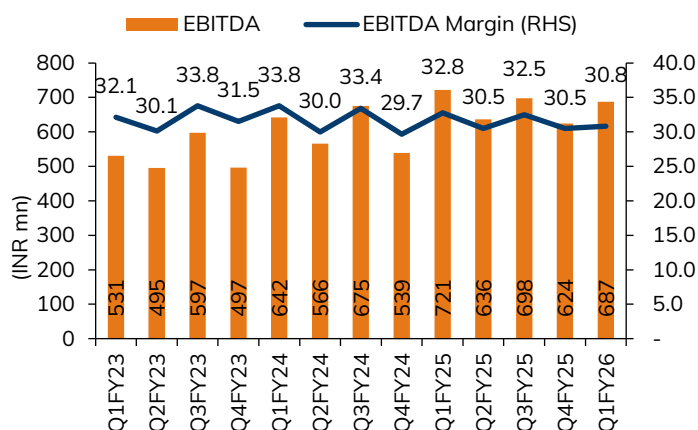
Source: Company data, I-Sec research

Exhibit 3: Channel-wise sales



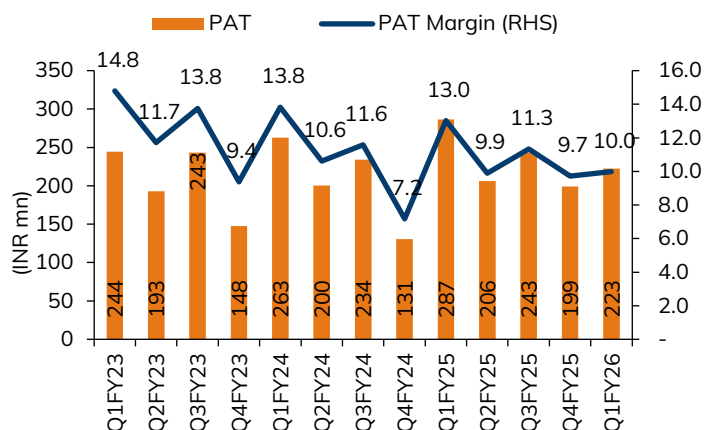
Source: Company data, I-Sec research

Exhibit 4: EBITDA and EBITDA margin



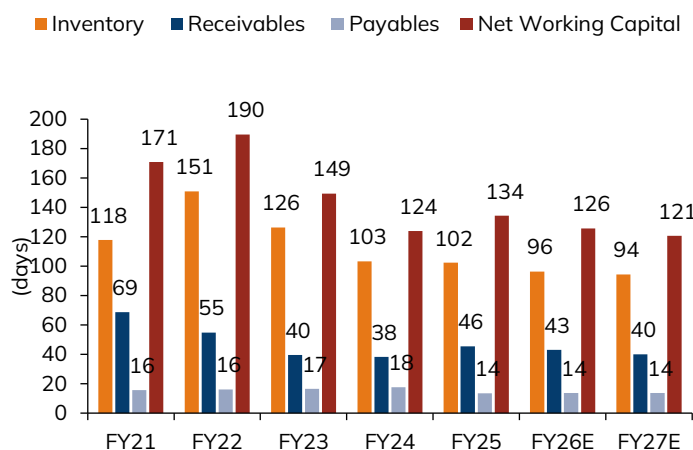
Source: Company data, I-Sec research

Exhibit 5: PAT and PAT margin



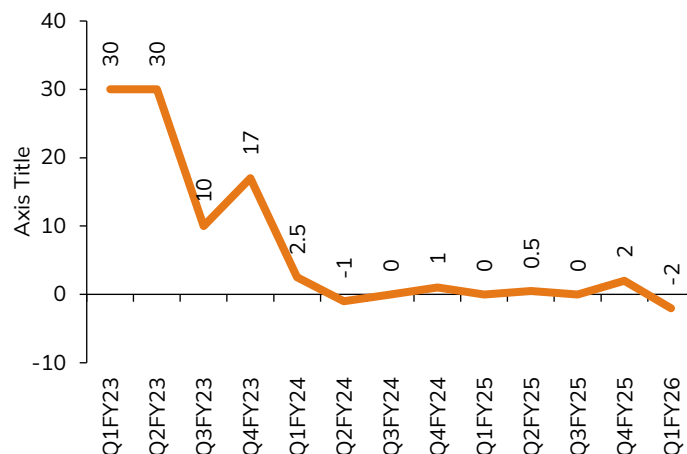
Source: Company data, I-Sec research

Exhibit 6: Working capital days



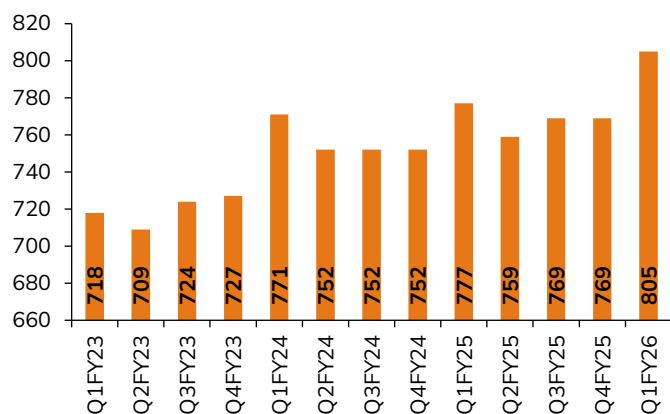
Source: Company data, I-Sec research

Exhibit 7: SSSG (%)



Source: Company data, I-Sec research

Exhibit 8: Average Selling Price* (INR)



*Note: ASP is on YTD basis

Source: Company data, I-Sec research

Exhibit 9: Shareholding pattern

%	Dec'24	Mar'25	Jun'25
Promoters	52.8	52.8	52.8
Institutional investors	44.9	45.0	44.4
MFs and other	25.1	25.2	27.3
FIs/ Banks	0.0	0.0	0.0
Insurance Cos.	7.6	7.8	6.9
FIIIs	12.2	12.0	10.2
Others	2.3	2.2	2.8

Source: Bloomberg

Exhibit 10: Price chart



Source: Bloomberg

Financial Summary

Exhibit 11: Profit & Loss

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Net Sales	7,628	8,482	9,420	11,129
Operating Expenses	5,204	5,802	6,409	7,520
EBITDA	2,424	2,680	3,012	3,609
EBITDA Margin (%)	31.8	31.6	32.0	32.4
Depreciation & Amortization	1,104	1,237	1,426	1,668
EBIT	1,321	1,443	1,586	1,940
Interest expenditure	391	464	492	530
Other Non-operating Income	173	254	287	311
Recurring PBT	1,102	1,233	1,380	1,721
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	274	298	347	433
PAT	828	935	1,033	1,288
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	828	935	1,033	1,288
Net Income (Adjusted)	828	935	1,033	1,288

Source Company data, I-Sec research

Exhibit 12: Balance sheet

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Total Current Assets	5,368	6,261	7,191	8,346
of which cash & cash eqv.	1,921	2,383	3,153	3,809
Total Current Liabilities & Provisions	639	698	734	800
Net Current Assets	4,729	5,563	6,457	7,547
Investments	64	102	102	102
Net Fixed Assets	1,013	1,117	1,268	1,406
ROU Assets	4,245	4,475	4,754	4,959
Capital Work-in-Progress	109	115	115	115
Total Intangible Assets	9	8	8	8
Long Term Loans & Advances	358	397	419	470
Deferred Tax assets	226	309	309	309
Total Assets	10,781	12,105	13,454	14,942
Liabilities				
Borrowings	-	-	-	-
Deferred Tax Liability	-	-	-	-
Provisions	51	61	61	61
Other Liabilities	-	-	-	-
Equity Share Capital	540	540	540	540
Reserves & Surplus	5,499	6,434	7,466	8,722
Total Net Worth	6,039	6,974	8,007	9,262
Minority Interest	-	-	-	-
Total Liabilities	10,781	12,105	13,454	14,942

Source Company data, I-Sec research

Exhibit 13: Quarterly trend

(INR mn, year ending March)

	Sep-24	Dec-24	Mar-25	Jun-25
Net Sales	2,085	2,147	2,048	2,228
% growth (YOY)	10.4	6.2	12.7	1.2
EBITDA	636	698	624	687
Margin %	30.5	32.5	30.5	30.8
Other Income	71	58	66	52
Extraordinaries	-	-	-	-
Adjusted Net Profit	206	243	199	223

Source Company data, I-Sec research

Exhibit 14: Cashflow statement

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Operating Cashflow	2,187	1,988	858	795
Working Capital Changes	87	(411)	(149)	(489)
Capital Commitments	(434)	(396)	(412)	(446)
Free Cashflow	1,753	1,592	446	349
Other investing cashflow	(855)	(360)	8	106
Cashflow from Investing Activities	(1,289)	(756)	(404)	(340)
Issue of Share Capital	-	-	-	-
Interest Cost	0	(2)	0	0
Inc (Dec) in Borrowings	-	-	-	-
Dividend paid	-	-	-	(32)
Others	-	-	1,165	1,360
Cash flow from Financing Activities	(1,078)	(1,227)	316	200
Chg. in Cash & Bank balance	(179)	4	770	656
Closing cash & balance	157	161	931	1,587

Source Company data, I-Sec research

Exhibit 15: Key ratios

(Year ending March)

	FY24A	FY25A	FY26E	FY27E
Per Share Data (INR)				
Reported EPS	15.3	17.3	19.1	23.8
Adjusted EPS (Diluted)	15.3	17.3	19.1	23.8
Cash EPS	35.7	40.2	45.5	54.7
Dividend per share (DPS)	-	-	-	0.6
Book Value per share (BV)	111.7	129.0	148.1	171.3
Dividend Payout (%)	-	-	-	2.5
Growth (%)				
Net Sales	14.7	11.2	11.1	18.1
EBITDA	14.2	10.5	12.4	19.8
EPS (INR)	0.0	13.0	10.5	24.7
Valuation Ratios (x)				
P/E	49.7	44.0	39.8	32.0
P/CEPS	21.3	18.9	16.7	13.9
P/BV	6.8	5.9	5.1	4.4
EV / EBITDA	16.2	14.4	12.6	10.3
P / Sales	5.4	4.9	4.4	3.7
Dividend Yield (%)	-	-	-	0.1
Operating Ratios				
Gross Profit Margins (%)	61.7	63.3	63.5	64.0
EBITDA Margins (%)	31.8	31.6	32.0	32.4
Effective Tax Rate (%)	24.9	24.2	25.2	25.2
Net Profit Margins (%)	10.9	11.0	11.0	11.6
Net Debt / Equity (x)	(0.3)	(0.4)	(0.4)	(0.4)
Net Debt / EBITDA (x)	(0.8)	(0.9)	(1.1)	(1.1)
Fixed Asset Turnover (x)	5.2	4.6	4.2	4.2
Working Capital Days	168	153	142	141
Inventory Turnover Days	110	108	101	102
Receivables Days	41	48	45	43
Payables Days	19	14	14	15
Profitability Ratios				
RoCE (%)	17.6	16.8	15.8	16.8
RoE (%)	14.7	14.4	13.8	14.9
RoIC (%)	20.0	19.8	18.7	19.5

Source Company data, I-Sec research

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