RATING ACCUMULATE | CMP INR 2,220 | TP INR 2,333

PL Capital
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Pearl Global Industries (PGIL IN)

Q1FY27 Result Update

August 06, 2026

☑ Estimate Change | ☑ Target | ■ Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	2,333		2,274	
Sales (INR mn)	57,388	63,804	55,921	63,538
% Chng.	*2.6*	*0.4*		
EBITDA (INR mn)	6,070	6,999	5,808	6,885
% Chng.	*4.5*	*1.7*		
EPS (INR)	79.3	97.2	74.0	94.7
% Chng.	*7.2*	*2.6*		

Key Data PGIL.BO | PGIL IN

BSE Code	532808
NSE Code	PGIL
52-W High / Low	INR 2,248 / INR 1,178
Face Value	5
Sensex / Nifty	78,955 / 24,636
Market Cap	INR 103 bn / $ 1,077 mn
Shares Outstanding	46.19 mn
3M Avg. Daily Value	INR 299.54 mn

Shareholding Pattern (%)

Promoters	61.16
FIIs	6.49
Mutual Funds	18.34
Domestic Institutions	0.47
Public & Others	13.55
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	12.4	41.8	21.0	66.5
Relative	11.4	40.0	28.1	69.8

Key Financials - Consolidated

Y/e Mar	FY25	FY26	FY27E	FY28E
Sales (INR mn)	45,063	50,246	57,388	63,804
EBITDA (INR mn)	4,036	4,639	6,070	6,999
Margin (%)	*9.0*	*9.2*	*10.6*	*11.0*
PAT (INR mn)	2,523	2,766	3,661	4,486
EV (INR mn)	103,950	104,180	102,537	100,035
Total Debt (INR mn)	7,730	9,428	8,428	7,928
C&C Eq. (INR mn)	5,664	7,474	8,104	10,106
EPS (INR)	54.9	59.9	79.3	97.2
Gr. (%)	*37.4*	*9.1*	*32.4*	*22.5*
DPS (INR)	12.0	15.0	16.0	19.4
Yield (%)	*0.5*	*0.7*	*0.7*	*0.9*
RoE (%)	*25.8*	*21.1*	*22.8*	*23.2*
RoCE (%)	*19.8*	*17.4*	*20.1*	*21.2*
EV/Sales (x)	2.3	2.1	1.8	1.6
EV/EBITDA (x)	25.8	22.5	16.9	14.3
PE (x)	40.4	37.0	28.0	22.8
P/BV (x)	8.8	7.0	5.8	4.8

Margin expansion driven by value-added products

Quick Pointers

- Continued capacity expansion to support topline growth
- Margins expected to sustain double digit trajectory in FY27, driven by operating leverage and product mix

Pearl Global Industries (PGIL IN) reported strong set of numbers with a beat on all fronts led by volume growth of 20.9% YoY (2.6% beat on Ple). Improvement in average realization further supported the revenue growth, reaching the highest ever quarterly number of INR15.3bn, 16.0% above estimates. EBITDA margins stood at 10.7% vs our estimate of 10.0%, led by operating leverage and favorable product mix. Overseas business continued to demonstrate strong performance (23.6% YoY growth), with Indian operations witnessing a strong recovery (up 27.3% YoY). The company remains on path to expand its capacity to 120-130mn pieces by FY28 and is expected to announce the next CAPEX plan of INR2,000/2,500mn in coming quarters. PGIL IN is on track to surpass its INR60bn revenue mark by FY28 led by sustained healthy demand in USA, Europe and UK market despite geopolitical headwinds.

Management expects current EBITDA margins to sustain going ahead inching closer to the targeted range of 10-12%. While the management refrained from guiding significant improvement in realizations we estimate realizations to improve by ~1.7% over FY26-28E considering the removal of tariff related discounts. Accordingly, we have revised our FY27/28 EPS estimates upward by 7.2%/2.6%. We expect PGIL IN's revenue/EBITDA/PAT to grow 13%/23%/27% over FY26-28E and margins to reach 11.0% led by strong volume growth of 10.7%. Maintain 'Accumulate' with TP of INR2,333 valuing the same at 24x PE of FY28E.

Revenue increased 24.4% YoY, robust recovery in India: Consolidated revenue stood at INR15,280mn growing 24.4% YoY and 16.3% YoY, 24.5% above our estimates led by strong volume growth across geographies. Indian operations grew 27.4% YoY on account of removal of tariff overhangs resulting in robust order inflow. International operations continued their growth momentum by registering 23.6% YoY growth.

Robust volume growth of 20.9% YoY: Q1FY27 volume shipped stood at 20.8mn pieces (Ple 20.3mn pieces). The strong growth in volumes was led by healthy demand in USA and European market with positive customer sentiments. Realizations stood at INR735 (including export incentives), supported by higher value outerwear contribution. While realizations may drop sequentially in coming quarters due to seasonality those are expected to improve on a YoY basis.

Quarter Summary

Y/e Mar	Q1'27E	Q1'27A	*% Var.*	Q1'26A	*YoY gr. (%)*
Net Sales (INR mn)	13,179	15,283	*16.0*	12,279	*24.5*
EBITDA (INR mn)	1,318	1,638	*24.3*	1,124	*45.7*
Margin (%)	*10.0*	*10.7*	*72 bps*	*9.2*	*156 bps*
PAT (INR mn)	740	982	*32.7*	675	*45.4*

Source: Company, PL

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Operating leverage and product mix to support profitability: Management remains confident about sustaining double digit margins going forward led by strong volume growth and improvement in realizations. Consolidated margins stood at 10.7% during the quarter driven by operational leverage and product mix. Standalone margins dropped to 6.5% (vs 6.9% in Q1FY26), impacted by the wage increase in Haryana and Noida where it operates 4 factories. Adjusted for this the standalone margins would have been around 9%.

Key Conference Call Takeaways:

Geographical performance

- Indian operations faced challenges related to labour availability and increase in minimum wages in Haryana and Noida. Despite this the utilization improved led by strong demand
- Strong traction continues in Bangladesh. New facility to be inaugurated in September'26 which would add 6-7mn pieces in capacity taking the overall capacity to 108mn.
- Indonesia continues to witness encouraging demand trends with focus more on premium clients.
- Vietnam has emerged one of the biggest beneficiaries of China+1 sourcing diversification as it remains an important manufacturing hub for USA. Management is evaluating capacity addition opportunities in Vietnam.
- Management remains confident about achieving breakeven in Guatemala operations

Capacity expansion across all geographies

- With capacity addition in Bangladesh in September'26 the total capacity is expected to reach 108mn pieces
- Construction of second shed in Bihar with ~450 machines for knitwear is underway, taking combined capacity to ~4–5 lakh pieces/month at peak utilisation.
- Completed land acquisition in Vietnam as part of its expansion strategy
- The company is outlining an additional INR2,000-2,500mn CAPEX commitment for FY27, with details to be announced in the coming months.

Macro demand environment

- US tariffs on PGIL products now include MFN + Section 301, with a 10% for India, Bangladesh and Indonesia and additional 12.5% MFN for Vietnam and China. Tariff refunds in the USA are being processed, but customers are largely not passing them on to exporters.
- Demand remains healthy across the USA, EU and UK despite macro headwinds, supporting a positive order-book outlook. Management expects its existing customer base in these markets should aid incremental India exports.
- Japan is diversifying apparel sourcing, with China's share falling to 50% from 65%, while Vietnam and Bangladesh account for 17.4% and 4.3%, respectively, creating an incremental opportunity for India.
- RM prices remain volatile, while Middle East tensions continue to disrupt shipping and increase logistics uncertainty.

Exhibit 1: Quarterly Estimates

(INR bn)	Q1FY27	YoY gr.	Q2FY27E	YoY gr.	Q3FY27E	YoY gr.	Q4FY27E	YoY gr.
Sales	152.8	*24.5%*	143.0	*8.9%*	135.4	*15.7%*	142.7	*8.6%*
EBITDA	16.4	*21.8%*	15.0	*24.1%*	12.2	*27.0%*	17.1	*27.3%*
Margin (%)	*10.7%*		*10.5%*		*9.0%*		*12.0%*	
Adj. PAT	9.9	*51.4%*	9.1	*26.9%*	6.7	*30.6%*	10.9	*34.9%*

Source: Company, PL

Exhibit 2: Q1FY27 result overview

Y/e March (INR Mn)	Q1FY27	Q1FY26	YoY gr (%)	Q1FY27E	% Var	Q4FY26	QoQ gr (%)	FY27E	FY26	YoY gr (%)
Revenue from Operations	**15,283**	**12,279**	***24.5***	**13,179**	***16.0***	**13,136**	***16.3***	**57,388**	**50,246**	***14.2***
COGS	7,406	6,626	*11.8*	6,985	*6.0*	6,718	*10.2*	29,162	26,340	*10.7*
% of Net sales	*48.5*	*54.0*	*-5.5*	*53.0*	*-4.5*	*51.1*	*-2.7*	*50.8*	*52.4*	*-1.6*
Employee Benefit Expenses	2,715	2,195	*23.7*	2,372	*14.4*	2,544	*6.7*	10,707	9,563	*12.0*
% of Net sales	*17.8*	*17.9*	*-0.1*	*18.0*	*-0.2*	*19.4*	*-1.6*	*18.7*	*19.0*	*-0.4*
Other Expenses	3,524	2,335	*50.9*	2,504	*40.7*	2,529	*39.4*	11,448	9,703	*18.0*
% of Net sales	*23.1*	*19.0*	*4.0*	*19.0*	*4.1*	*19.2*	*3.8*	*19.9*	*19.3*	*0.6*
Total Expenditure	13,644	11,155	*22.3*	11,861	*15.0*	11,791	*15.7*	51,317	45,607	*12.5*
EBITDA	**1,638**	**1,124**	***45.7***	**1,318**	***24.3***	**1,345**	***21.8***	**6,070**	**4,639**	***30.9***
Margin (%)	*10.7*	*9.2*	*1.6*	*10.0*	*0.7*	*10.2*	*0.5*	*10.6*	*9.2*	*1.3*
Depreciation	257	197	*30.2*	259	*-1.0*	228	*12.5*	1,038	873	*18.9*
EBIT	**1,382**	**927**	***49.0***	**1,059**	***30.5***	**1,117**	***23.7***	**5,033**	**3,766**	***33.6***
Finance cost	266	274	*-2.8*	291	*-8.7*	263	*1.1*	1,118	1,032	*8.3*
Other Income	107	113	*-5.2*	103	*3.7*	102	*5.2*	459	371	*23.6*
PBT	**1,223**	**766**	***59.6***	**871**	***40.5***	**956**	***27.9***	**4,374**	**3,105**	***40.9***
Exception Items	27	3	*753.4*	-	-	5	*411.2*	27	12	*121.6*
PBT (After EO)	**1,196**	**763**	***56.6***	**871**	***37.3***	**950**	***25.8***	**4,347**	**3,093**	***40.5***
Tax	203	108	*88.8*	131	*55.7*	141	*44.6*	676	393	*72.1*
Tax rate (%)	*17.0*	*14.1*	*2.9*	*15.0*	*2.0*	*14.8*	*2.2*	*15.6*	*12.7*	*2.9*
Reported PAT	**992**	**656**	***51.4***	**740**	***34.1***	**810**	***22.5***	**3,671**	**2,700**	***35.9***

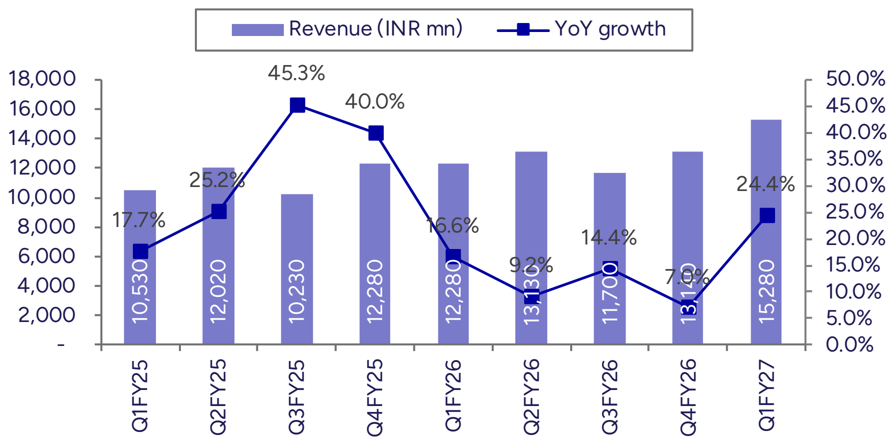
Source: Company, PL

Exhibit 3: Q1FY27 Standalone overview

Y/e March (INR Mn)	Q1FY27	Q1FY26	YoY gr. (%)	Q4FY26	QoQ gr. (%)
Revenue from Operations	**3,396**	**2,667**	***27.4***	**3,043**	***11.6***
COGS	1,383	1,142	*21.1*	1,307	*5.8*
% of Net sales	*40.7*	*42.8*	*(2.1)*	*42.9*	*(2.2)*
Employee Benefit Expenses	772	666	*15.9*	681	*13.4*
% of Net sales	*22.7*	*25.0*	*(2.2)*	*22.4*	*0.4*
Other Expenses	1,019	675	*51.0*	820	*24.3*
% of Net sales	*30.0*	*25.3*	*4.7*	*26.9*	*3.1*
Total Expenditure	**3,174**	**2,483**	***27.8***	**2,808**	***13.0***
EBITDA	**222**	**184**	***20.9***	**235**	***(5.6)***
Margin (%)	*6.5*	*6.9*	*(0.4)*	*7.7*	*(1.2)*
Depreciation	69	63	*10.1*	69	*0.1*
EBIT	**152**	**120**	***26.5***	**166**	***(7.9)***
Finance cost	74	94	*(21.9)*	84	*(11.9)*
Other Income	120	259	*(53.6)*	119	*1.0*
PBT	**199**	**285**	***(30.3)***	**201**	***(1.0)***
Exception Items	26	3	*709.0*	4	*544.0*
PBT (After EO)	173	282	*(38.6)*	197	*(12.1)*
Tax	49	24	*105.2*	55	*(11.8)*
Tax rate (%)	*28.2*	*8.4*	*19.7*	*28.0*	*0.1*
Reported PAT	**124**	**258**	***(51.9)***	**142**	***(12.2)***

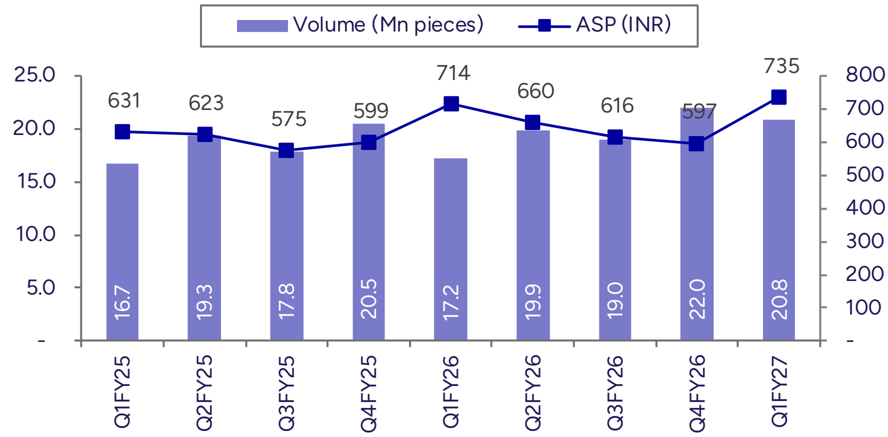
Source: Company, PL

Exhibit 4: Revenue grew 24.4% led by strong volume growth



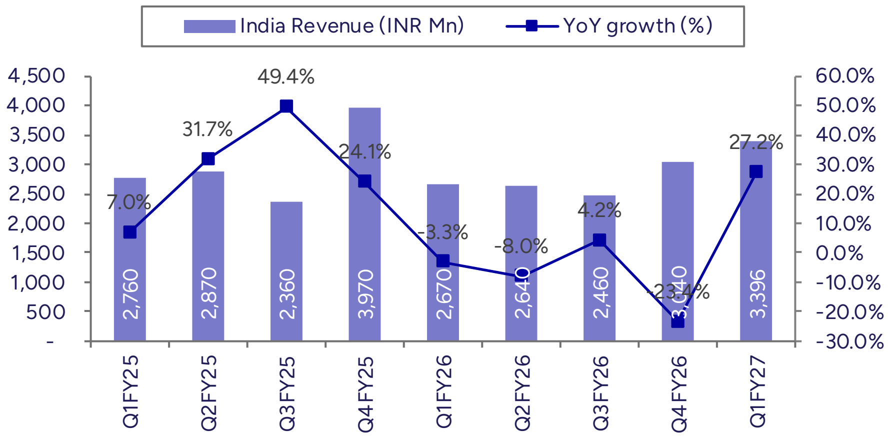
Source: Company, PL

Exhibit 5: Higher realizations led by higher contribution from value-added products



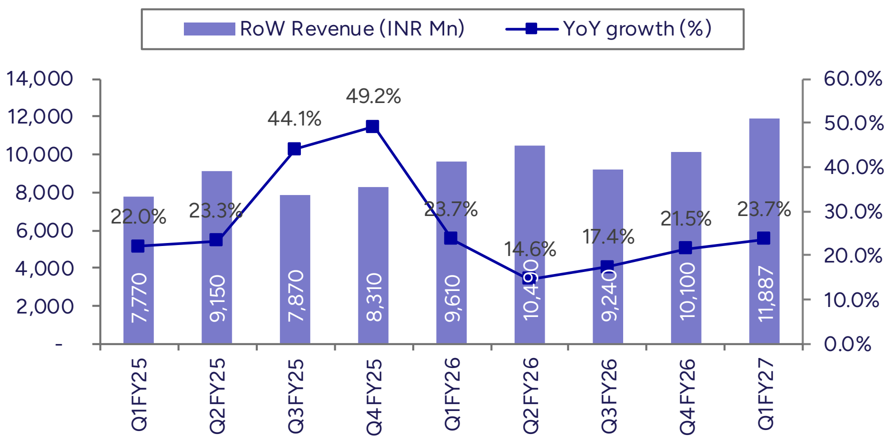
Source: Company, PL

Exhibit 6: India operations showing signs of recovery



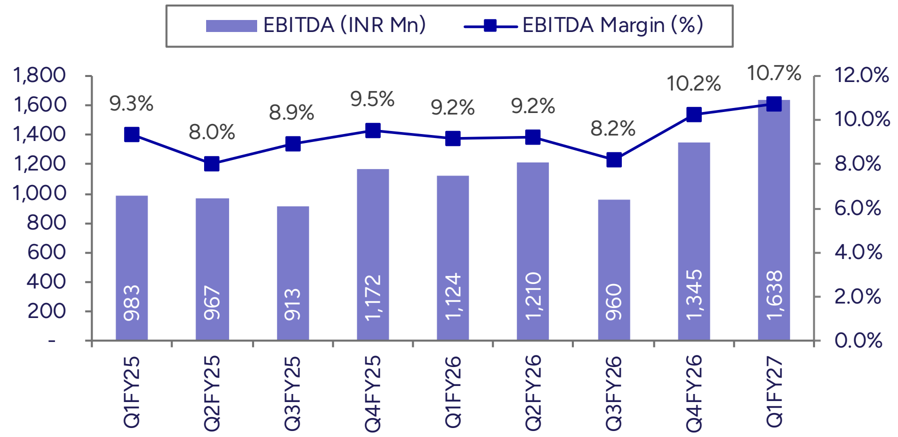
Source: Company, PL

Exhibit 7: Steady growth continues in RoW



Source: Company, PL

Exhibit 8: EBITDA margins entering double digit trajectory



Source: Company, PL

Financials

Income Statement (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Net Revenues	**45,063**	**50,246**	**57,388**	**63,804**
YoY gr. (%)	*31.1*	*11.5*	*14.2*	*11.2*
Cost of Goods Sold	23,721	26,340	29,162	32,783
Gross Profit	21,342	23,906	28,225	31,020
Margin (%)	*47.4*	*47.6*	*49.2*	*48.6*
Employee Cost	8,393	9,563	10,707	11,899
Other Expenses	8,913	9,703	11,448	12,123
EBITDA	**4,036**	**4,639**	**6,070**	**6,999**
YoY gr. (%)	*31.1*	*14.9*	*30.9*	*15.3*
Margin (%)	*9.0*	*9.2*	*10.6*	*11.0*
Depreciation and Amortization	752	873	1,038	1,169
EBIT	**3,284**	**3,766**	**5,033**	**5,830**
Margin (%)	*7.3*	*7.5*	*8.8*	*9.1*
Net Interest	992	1,032	1,118	999
Other Income	336	371	459	447
Profit Before Tax	**2,673**	**3,093**	**4,347**	**5,277**
Margin (%)	*5.9*	*6.2*	*7.6*	*8.3*
Total Tax	366	393	676	792
Effective Tax Rate (%)	*13.7*	*12.7*	*15.6*	*15.0*
Profit After Tax	**2,308**	**2,700**	**3,671**	**4,486**
Minority Interest	(176)	(76)	(13)	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**2,523**	**2,766**	**3,661**	**4,486**
YoY gr. (%)	*44.8*	*9.6*	*32.4*	*22.5*
Margin (%)	*5.6*	*5.5*	*6.4*	*7.0*
Extra Ord. Income / (Exp)	(39)	11	23	-
Reported PAT	**2,483**	**2,777**	**3,684**	**4,486**
YoY gr. (%)	*42.0*	*11.8*	*32.7*	*21.8*
Margin (%)	*5.5*	*5.5*	*6.4*	*7.0*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	2,483	2,777	3,684	4,486
Equity Shares O/s (mn)	**46**	**46**	**46**	**46**
EPS (INR)	**54.9**	**59.9**	**79.3**	**97.2**

Source: Company, PL

Balance Sheet (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Non-Current Assets				
Gross Block	**9,692**	**11,257**	**12,757**	**14,757**
Tangibles	9,692	11,257	12,757	14,757
Intangibles	-	-	-	-
Acc: Dep / Amortization	**2,674**	**3,337**	**4,374**	**5,543**
Tangibles	2,674	3,337	4,374	5,543
Intangibles	-	-	-	-
Net Fixed Assets	**7,017**	**7,921**	**8,383**	**9,214**
Tangibles	7,017	7,921	8,383	9,214
Intangibles	-	-	-	-
Capital Work In Progress	467	1,153	1,153	653
Goodwill	223	241	241	241
Non-Current Investments	450	490	490	490
Net Deferred Tax Assets	97	235	235	235
Other Non-Current Assets	120	81	81	81
Current Assets				
Investments	-	-	-	-
Inventories	7,051	8,825	10,079	11,206
Trade Receivables	3,244	4,073	4,652	5,172
Cash & Bank Balance	5,664	7,474	8,104	10,106
Other Current Assets	1,314	1,400	1,400	1,400
Total Assets	**25,958**	**32,447**	**35,373**	**39,353**
Equity				
Equity Share Capital	230	231	231	231
Other Equity	11,327	14,367	17,314	20,903
Total Networth	**11,557**	**14,598**	**17,545**	**21,134**
Non-Current Liabilities				
Long Term Borrowings	2,825	3,384	3,384	3,384
Provisions	461	679	679	679
Other Non Current Liabilities	6	5	5	5
Current Liabilities				
ST Debt / Current of LT Debt	4,905	6,044	5,044	4,544
Trade Payables	5,566	6,978	7,969	8,860
Other Current Liabilities	712	967	967	967
Total Equity & Liabilities	**25,958**	**32,447**	**35,373**	**39,353**

Source: Company, PL

Cash Flow (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
PBT	2,673	3,093	4,347	5,277
Add. Depreciation	752	873	1,038	1,169
Add. Interest	991	1,031	1,118	999
Less Financial Other Income	336	371	459	447
Add. Other	(284)	590	(303)	(329)
Op. Profit before WC Changes	4,132	5,587	6,199	7,117
Net Changes-WC	(2,052)	(1,206)	(841)	(756)
Direct Tax	(316)	(398)	(676)	(792)
Net Cash from Op. Activities	**1,764**	**3,983**	**4,682**	**5,569**
Capital Expenditures	(934)	(1,852)	(1,500)	(1,500)
Interest / Dividend Income	101	174	231	250
Others	(202)	97	72	80
Net Cash from Invt. Activities	**(1,035)**	**(1,580)**	**(1,197)**	**(1,171)**
Issue of Share Cap. / Premium	1,504	66	-	-
Debt Changes	592	881	(1,000)	(500)
Dividend Paid	(254)	(604)	(737)	(897)
Interest Paid	(831)	(802)	(1,118)	(999)
Others	-	-	-	-
Net Cash from Fin. Activities	**1,011**	**(459)**	**(2,854)**	**(2,396)**
Net Change in Cash	**1,740**	**1,944**	**630**	**2,002**
Free Cash Flow	588	2,118	3,182	4,069

Source: Company, PL

Quarterly Financials (INR mn)

Y/e Mar	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Net Revenues	**13,129**	**11,702**	**13,136**	**15,283**
YoY gr. (%)	*9.2*	*14.4*	*6.9*	*24.5*
Raw Material Expenses	7,248	5,749	6,718	7,406
Gross Profit	5,881	5,953	6,418	7,877
Margin (%)	*44.8*	*50.9*	*48.9*	*51.5*
EBITDA	**1,210**	**960**	**1,345**	**1,638**
YoY gr. (%)	*25.1*	*5.0*	*14.7*	*45.7*
Margin (%)	*9.2*	*8.2*	*10.2*	*10.7*
Depreciation / Depletion	224	224	228	257
EBIT	**986**	**736**	**1,117**	**1,382**
Margin (%)	*7.5*	*6.3*	*8.5*	*9.0*
Net Interest	274	221	263	266
Other Income	81	75	102	107
Profit before Tax	**794**	**586**	**950**	**1,196**
Margin (%)	*6.0*	*5.0*	*7.2*	*7.8*
Total Tax	74	70	141	203
Effective Tax Rate (%)	*9.3*	*12.0*	*14.8*	*17.0*
Profit After Tax	**720**	**515**	**810**	**992**
Minority Interest	(13)	(17)	(23)	(13)
Share Profit from Associate	-	-	-	-
Adjusted PAT	**733**	**529**	**828**	**982**
YoY gr. (%)	*33.9*	*(6.0)*	*16.8*	*45.4*
Margin (%)	*5.6*	*4.5*	*6.3*	*6.4*
Extra Ord. Income / (Exp)	-	3	5	23
Reported PAT	**733**	**533**	**833**	**1,005**
YoY gr. (%)	*25.4*	*(5.3)*	*22.0*	*48.2*
Margin (%)	*5.6*	*4.6*	*6.3*	*6.6*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**733**	**533**	**833**	**1,005**
Avg. Shares O/s (mn)	46	46	46	46
EPS (INR)	**15.9**	**11.5**	**18.0**	**21.3**

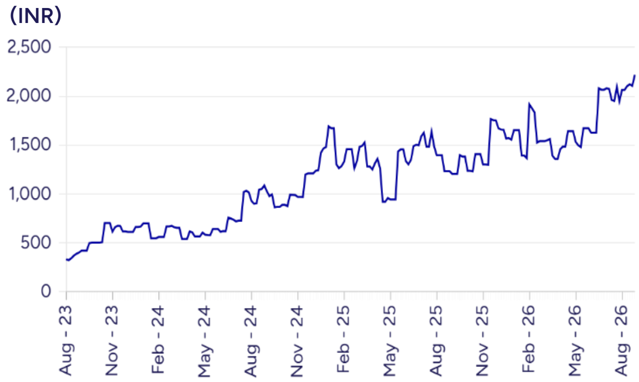
Source: Company, PL

Key Financial Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Per Share (INR)				
EPS	54.9	59.9	79.3	97.2
CEPS	71.3	78.8	101.8	122.5
BVPS	251.6	316.3	380.2	458.0
FCF	12.8	45.9	68.9	88.2
DPS	12.0	15.0	16.0	19.4
Return Ratio (%)				
RoCE	19.8	17.4	20.1	21.2
ROIC	25.9	23.2	25.2	28.5
RoE	25.8	21.1	22.8	23.2
Balance Sheet				
Net Debt : Equity (x)	0.2	0.1	-	-
Net Working Capital (Days)	38	43	43	43
Valuation (x)				
PER	40.4	37.0	27.9	22.8
P/B	8.8	7.0	5.8	4.8
P/CEPS	31.1	28.1	21.8	18.1
EV/EBITDA	25.7	22.4	16.8	14.2
EV/Sales	2.3	2.0	1.7	1.5
Dividend Yield (%)	0.5	0.6	0.7	0.8
FCFF Yield (%)	0.5	2.0	3.1	3.9
PEG Ratio	1.0	4.0	0.8	1.0

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	06-Jul-26	Accumulate	2274	2015
2	05-Jun-26	BUY	2070	1666

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Pearl Global Industries	Accumulate	2274	2015

PL's Recommendation Nomenclature (Absolute Performance)

BUY	:	> 15%
Accumulate	:	5% to 15%
Hold	:	+5% to -5%
Reduce	:	-5% to -15%
Sell	:	< -15%
Not Rated (NR)	:	No specific call on the stock
Under Review (UR)	:	Rating likely to change shortly

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