PGIL/SE/2026-27/51

Date: August 13, 2026

THE GENERAL MANAGER,
DEPARTMENT OF CORPORATE SERVICES - CRD
BSE LIMITED
1ST FLOOR, NEW TRADING RING
ROTUNDA BUILDING, P. J. TOWERS
DALAL STREET, FORT,
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THE GENERAL MANAGER,
LISTING DEPARTMENT
NATIONAL STOCK EXCHANGE OF INDIA LTD.
"EXCHANGE PLAZA", PLOT NO. C- 1,
G- BLOCK, BANDRA - KURLA COMPLEX,
BANDRA (E),
MUMBAI - 400 051

BSE Scrip Code: 532808

NSE: PGIL

Subject: Transcript of Earnings Conference Call

Dear Sir/Madam,

Please find enclosed herewith transcript of the Earnings Conference Call held with Investors/ Analysts on August 06, 2026, to discuss the Company's un-audited financial results for the Quarter ended June 30, 2026.

You are requested to take the same on your records.

Thanking you,

Yours faithfully,
for **Pearl Global Industries Limited**

SHILPA SARAF
Digitally signed by SHILPA SARAF
Date: 2026.08.13 12:11:21 +05'30'

(Shilpa Saraf)
Company Secretary and Compliance Officer
ICSI M. No.: ACS-23564

"Pearl Global Industries Limited
Q1 FY27 Earnings Conference Call"
August 06, 2026

MANAGEMENT: **MR. PALLAB BANERJEE – MANAGING DIRECTOR – PEARL GLOBAL INDUSTRIES LIMITED**
MR. SANJAY GANDHI – GROUP CHIEF FINANCIAL OFFICER – PEARL GLOBAL INDUSTRIES LIMITED
MR. SHISHIR GAHOI – HEAD OF INVESTOR RELATIONS – PEARL GLOBAL INDUSTRIES LIMITED
SGA – INVESTOR RELATIONS ADVISORS

Moderator: Ladies and gentlemen, good day, and welcome to Pearl Global Industries Limited Q1 FY27 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Shishir Gahoi, Head of Investor Relations of Pearl Global Industries Limited. Thank you, and over to you, sir.

Shishir Gahoi: Thank you very much. Good afternoon, everyone, and I am delighted to welcome you all to our earnings call for Q1 FY27. I hope you all had an opportunity to review our press release and the investor presentation, which are available under the Investors section of our website, and the same are also uploaded on BSE and NSE website. To discuss our results, we have with us our Managing Director, Mr. Pallab Banerjee, and our Group CFO, Mr. Sanjay Gandhi. They will take you through our results and business performance, after which we will proceed for question-and-answer session.

Before we start, I just want to highlight that this call may include forward-looking statements based on the company's current views and expectations. Actual results could be different as future performance is uncertain and involve risks that are hard to predict. I will now hand over the call to our MD, Mr. Pallab Banerjee. Over to you, Pallab-ji.

Pallab Banerjee: Thank you, Shishir. Good afternoon, everyone. I welcome you all to our Q1 FY27 earnings call. We continue to deliver a strong top line and bottom line by a focused execution and multi-location presence. During this quarter, we achieved a revenue of INR1,528 crores, and our EBITDA stood at INR164 crores, which is a 10.7% margin, and a PAT of INR99 crores. We shipped 20.8 million pieces this quarter. Some important updates on the key developments that's affecting our industry:

USA, our biggest market, has now an MFN plus Section 301 tariff on our apparel. As you know, after Supreme Court judge IEEPA tariff was not legal in February, US had implemented a 10% additional tariff under Section 122. And this got over on July 24th this year. Now we have an additional 10% for India, Bangladesh, Indonesia, and a 12.5% on top of the MFN tariff for Vietnam.

Now, following the Supreme Court's decision on February 20th, which strike down the IEEPA tariffs, approximately 166 billion was collected as duties, which became refundable to about 330,000 importers across 53 million entries. US Customs and Border Protection is processing these refunds through the CAPE system, which went live on April 20th this year. US government is in process of providing a refund to these importers. Now, very few or very small-sized customers that we have passed on these benefits back to their suppliers. In general, we haven't seen any of these refunds coming to us from our customers.

Energy volatility continues as Iran war and Strait of Hormuz remain sensitive. Last quarter, we saw almost all Asian countries face the pressure affecting the raw material prices and the timelines. We had to maneuver through these challenges, and I would say that we're still going through it.

And in addition, like, you know, even before the peak shipping season, we are seeing a shortage of containers and the shipping lines capacity shortages resulting in delays and high spot prices of freight.

On other hand, the Bab-el-Mandeb is back in news as it affects one of the choke points of critical shipping lanes. This will also continue to put an additional pressure both in terms of cost and timeline of transit. Mostly the customer, our customers are paying these freights, and we have FOB terms, but it does put a pressure to our industry.

On the brighter side, what we find is that despite all these war and inflation, the US consumer behaviour remained healthy. We observe similar trends in other major Western markets as well like European Union and UK.

If I talk of now, the retailers and the brands in US are feeling better, because they are getting back the -- one side they have the confidence of the customers, they are buying, and also they have the refunds that is coming to them, which will make their position much more healthier and they can pass on more aggressively, let's say, a pricing or their selling strategies. This should have positive impacts on the order books what we feel.

Talking of another different market like Japan, what we are seeing, it continues today's security concern on the China, Russia, and North Korea, whatever is happening there geopolitically. Clothing import from China to Japan, which used to be around 65% plus, has now fallen down to 50%. So, it's a 15% drop that has happened, and this is the first time in 31 years.

Vietnam is now almost 17.4% of the market of Japan, imports into Japan, and Bangladesh also has gained, it has come to a 4.3%. So, this is something is a positive news again because Japan is one of the bigger market after US and European Union.

Talking about the country of our manufacturing, if we talk of India, the implementation of India-UK free trade agreement which went effective 15th of July 2026 is a significant positive development for Indian exports.

Now the focus will be on the implementation of European Union FTA by the beginning of 2027. Such FTAs are normally a major boost to the raw material investments in India as well. What we are seeing is coupled by the other various schemes from Indian government like the PLI schemes, the PM MITRA parks, and the competitiveness amongst the states to draw investment, what we feel is the textile and apparel continues to be a focus area in India.

Pearl Global already serves several of these markets in European Union and UK and have many customers, because we are servicing them through other geographies, and we believe that these FTA will further strengthen these relationships as we create more additional sourcing advantage for them.

We are proactively positioning ourselves to capitalize on these opportunities by enhancing our factory readiness in India, strengthening the compliance standards to meet some of the different standards of European Union and UK, expanding the capabilities, and also working closely with our customers on their future sourcing plans.

In terms of challenges in India, we did face the challenge of worker availability during the Q1, majorly because of being a harvest season, school holidays, and this time also we had the West Bengal elections, we saw a lot of labors going missing or absent. Haryana and Noida both raised the minimum wage significantly, 38% and 21% respectively, which caused another ripple into our cost structure.

At Pearl, we are having a healthy order book and have better utilization of capacity in India as compared to last year when we had the backdrop of the tariff pressure which had started around this time. Moving on to Bangladesh, here our business continues to grow. Again, we witnessed a healthy traction, both from the existing as well as the recently added customers.

Our ongoing capacity expansion projects in Bangladesh along with the sustainable laundry operations that we are starting in September and we should be becoming operational and execute orders in the second half of this year. These projects expected to give us almost about 6 to 7 million pieces of additional capacity in Bangladesh, and that will take our total group installed capacity to almost 108 million pieces, and this eco-friendly washing unit that we are adding, that also will help us in terms of value addition that we are doing to our garments.

In Indonesia, the business momentum remains healthy, with encouraging demand trends and strong growth from relatively lower base, which is supported by a continued customer traction and the focus on the premium clients remains in this country. We remain confident of delivering both top line and bottom line from this geography. In Vietnam, it continues to be one of the world's largest apparel exporting countries after China and is playing a strategic role in serving the high value and fashion oriented segments for us.

The country benefits from favorable trade agreements including the European Union-Vietnam FTA, and we have benefited the most from ongoing sourcing diversification that has been happening under China+1 strategy, as Vietnam also got the maximum benefit. It remains an important manufacturing hub for US. Encouraged by this strong customer traction, we continue to evaluate opportunities for additional capacity expansion in Vietnam.

In Guatemala, we have reworked our operating strategy and seeing encouraging progress. We remain confident of achieving a break-even during this financial year of 2027. Overall, we believe our diversified manufacturing footprint, diversified market and the client base, ongoing capacity additions, and ever-strengthening customer relationships, will help us as we maneuver through these geopolitical challenges that the trade environment is facing. I feel that Pearl Global is positioned for sustainable growth over the medium term.

With that, I would hand over to Sanjay Gandhi, our Group CFO, to share the financial highlights. Sanjay, over to you.

Sanjay Gandhi: Thank you, Pallab. Welcome all to our quarter 1 FY27 earnings call. I will now take you through our financial and operational performance. Quarter 1 FY27 consolidated performance. Quarter 1 FY27 is a great start of the year for us. We registered our highest ever consolidated revenue, EBITDA, and profit after tax for the quarter.

Consolidated revenue grew to INR1,528 crores, up 24.5% year-on-year. This strong growth was driven by a strong volume growth across our manufacturing locations. Adjusted EBITDA excluding ESOP expenses stood at INR164 crores, up by 44.1% compared to quarter 1 FY26.

This is driven by improvement in product mix and the operating leverage which we witnessed in couple of our manufacturing location. Adjusted EBITDA margin stood at 10.7%, up by 140 bps year-on-year. It is pertinent to note that given the current customer mix, product mix, and geographical contribution to revenue and margin in quarter 1 of FY27, we are confident of sustaining this margin in Q1 series of subsequent year as well.

PAT in quarter 1 FY27 stands at INR99 crores, a strong growth of 51.4% on year-on-year basis. Now, talking about standalone financial performance. Total revenue stood at INR340 crores, grew by 27.4% year-on-year. Adjusted EBITDA excluding ESOP expenses stood at INR22 crores, EBITDA margin at 6.6% versus 7.3% in Q1 FY26. The drop in EBITDA margin despite revenue growth is because of higher wage cost in all factories in Haryana post wage revision by state government.

Other highlights.

During the quarter, we received a total dividend of INR5 crores from Pearl Global Hong Kong, Hong Kong subsidiary company of PGIL. This is in line with the fungibility of cash across group entities.

The company shipped 20.8 million pieces in quarter 1 FY27, highest ever in Q1 series, up from 17.2 million pieces in quarter 1 FY26.

The Board of Directors have approved, subject to shareholder approval, the issue of 1 fully paid-up bonus equity share for every 1 fully paid-up equity share.

Capex update.

We continue to build capacity and capability across our group. We have already updated on Bangladesh capex. Construction in India, construction for the second shed, manufacturing shed in Bihar has already commenced. We are expecting completion in next couple of months. The land acquisition in Vietnam is also completed in line with what we have communicated earlier.

Further, we are in the process of outlining capex commitment of approximately INR200 to INR250 crores for FY27 across geographies. We'll update you on the detailed capex plan in coming months.

In summary, we have delivered another strong revenue growth and encouraging improvement in profitability. Quarter 1 FY27 performance is a testament to the strength of Pearl Global's diversified business model, strong customer relationship, and enhanced capacity and capability, which have enabled us to carry the momentum built over past several years. We remain confident of sustaining the double-digit EBITDA margin on a full year basis as well.

With this, I now hand over to the moderator to open the floor for questions and answers.

Moderator: Thank you very much. We will now begin with the question-and-answer session. The first question comes from the line of Kishore Kumar from UNIFI CAPITAL. Please go ahead.

Kishore Kumar: Good evening, team, and congrats for the entire team for a great set of numbers. So, my first question is related to the UK...

Moderator: Sorry to interrupt, Kishore sir. As there's a lot of disturbance, can you please use the handset?

Kishore Kumar: Is that okay now?

Moderator: Yes. That's better.

Kishore Kumar: So, my first question is related to the UK and EU FTA. So, last call also you mentioned about rising customer interest and customers visiting our facility in India. With UK FTA already in force and EU possibly by next year, can you share as an update on how it's progressing?

And if you can quantify the incremental order that you are eyeing or incremental volume that we can actually get from our existing customers as well as new customers based out of these geographies? And are we going to carve out some portion of our existing facility in India on these customers or the incremental ones will be enough for now?

Pallab Banerjee: Thank you, Kishore Kumar. See, what I said earlier also, like, we have been seeing when these treaties were getting finalized and were coming for fruition for implementation, we saw that interest started generating in most of these customers, and they have been talking to us much more intently in terms of more capacity, not only in India, but for other places as well, because, see, it gives them that kind of security that if something happens to Bangladesh or Vietnam and all, that diversification is there in Pearl Global that immediately the business can shift to the other location.

And also the kind of product, which is a unique handwriting for India, let's say, those kinds of products also are available, which earlier the prices were becoming a challenge, because if they place it in India, then they had to pay higher tariff. So, both these things that we have been seeing is a positive traction.

In terms of UK business, yes, you will -- by end of this year, you will see a significant jump in the UK business that we do as a group. Now, whether this free trade agreement will result into only India growth, because when the customer talks to us much more intently and much more strategically, it encompasses all the locations. So, that's one of the huge benefit that we are getting from this FTAs. Yes, we are getting a traction in India also and other places as well. And I think second part of the question was, sorry, I missed out. Did I miss out?

Kishore Kumar: No. The second part...

Pallab Banerjee: The capacity.

Kishore Kumar: Yes, you're right.

Pallab Banerjee: So, no separate factories for European markets. So, basically what we do is that our factories, existing factories, we have -- wherever like certain requirements were there from some of these customers, which was in addition to what we already had there. So those fulfillments we have done. So, we are ready to execute their business from these places as well. So, that way the readiness is coming across all our factories.

Kishore Kumar: Got it, sir. Got it. So, my second question is related to the revenues. So, similar to the EBITDA margin jump, we did see the revenue growth also much higher than our guidance. And is there any one-off delivery that took place in Q1 which led to this growth? And given both moved in our favor, is there any revision to our full year guidance for the revenue? You did mention about the EBITDA sustenance, but on the revenue side?

Pallab Banerjee: See, last year there was a challenge, as US market faced the tariff challenges, so there were lot of conversation and most of the retailers were also going defensive, because the prices were going up, how the customer would react, what would happen to the economy. So, there were a lot of question marks.

So, as that overhang went out, we saw a good traction from the customer. The confidence of the customers and the consumers is definitely resulted into a better order book. So, it is not a one-off thing that has happened. Yes, if there is a change in the consumer sentiment or the market sentiments in the Western market, that might fluctuate. But otherwise, I think the pressure that was there because of tariff, that I think got released quite a lot.

And as I said, like, the other geopolitical development that is going on, whether it is Japan, whether it is the European Union, like, you know, most of these countries what we've earlier faced that the war, when the first Middle East war that was happening in Palestine, or before that in Ukraine, were basically creating some kind of negative consumer sentiment. That fortunately what we saw in the last 6-7 months, or even after this war started in Iran in March, we didn't see that. So, that I think is a big differentiator this time that we see.

Kishore Kumar: Got it, sir. Understood. Sir, there is a proposal under Section 301 to provide tariff quota for textile and apparel to I think specific countries which includes Bangladesh and Indonesia for us. So, is that a real benefit, like benefit of prospect given we have to import US cotton, and there will be cost related to freight, insurance, all those things?

Pallab Banerjee: No, no. See, the US cotton part is that if you import, if any country import US cotton and then make the garment from there, then they get that kind of subsidy, that kind of tariff benefit. So, that's how the US rule is. That's for every country. It is nothing specific for Bangladesh or India. Even our minister also has clarified that. So, that exists.

That is like use of US cotton specifically, just to, like, promote US exports. Otherwise, I think every country has got under 301 a 10% tariff, additional tariff over MFN. Vietnam and China, those kind of countries have got 12.5%, and it is definitely stacked on the existing penalty tariff that China already has for US. So, yes, less little, but yes, there is some advantage definitely there for India, okay.

Kishore Kumar: Okay, got it, sir. Got it. Sir, other expenses...

Moderator: Sorry to interrupt, sir. May I request you to please rejoin the queue for follow-up questions? Thank you. The next question comes from the line of Bhavya Gandhi from Bajaj Alternate Investment Management Limited. Please go ahead.

Bhavya Gandhi: Yes, hi. Thanks for the opportunity. Couple of questions from my end, and first of all, congratulations on a very good set of numbers. First question is regarding the average realization per unit. Historically, we've been doing around 600 to 650, but this quarter, we've done closer to 735. So, can we assume that 700 to 750 would be the normalized range average realization per unit? That is number one.

And second is regarding the earlier guidance that you had given. We've already achieved on a current run rate, 1500 is the first quarter revenue, and we had alluded earlier regarding 6,000 plus crores of top line for FY28. But we've achieved in the first FY27 itself, based the current run rate. So, would you like to revise revenue guidance going forward?

Pallab Banerjee: Yes, thank you, Bhavya. See, the average realization part, in this particular season, a lot of outerwear definitely gets shipped out. So, I don't think, like, we should be focused on the average realization so specifically. But yes, our endeavor is to grow it from 600 to higher. Like, as we get better customer, like, more upmarket customer, then this will go up. If I get a more volume customer, then it will go down.

But yes, like, for this particular quarter, definitely there is a lot of this value-added outerwear shipments goes. In terms of the top line guidance, yes, like, our goal was to cross 6,000 crores by 2028. And as we said, like, we have been, like, you know our capacities and all have been made, so we can definitely achieve that. But it depends on how the macro factors are, macroeconomic situation is.

So, if it remains favorable, like what we saw in the first quarter, if rest of the year remains like that, then definitely we should be very close to our target with this kind of numbers that we are trending. But that's something, like, is more of a statement -- future statement, I would say. Yes, we are ready, we are, in fact, capability-wise, capacity-wise, we are ready. Let's see how it goes. Sanjay, if you want to add anything further to this?

Sanjay Gandhi: Yes, sure. So, Bhavya, on the realization part, if you compare Q1 last year also, our average realization was around INR715. And this year, it's INR735. So, typically, as Pallab has mentioned about the product mix in this particular quarter, our realization is always on the higher side.

Last year, we closed an average realization of INR643 per piece. And so, if you're comparing an average of full year with the quarter 1, that's maybe not the right comparison. I think if you look at quarter 1 of last year to this year, we have improvement of INR20, which is there. And then it depends on the product mix how it continue for the rest of the year to really determine our average realization price.

Bhavya Gandhi: Got it, sir. Just one follow-up if I can squeeze in, yes.

Sanjay Gandhi: And on the revenue side, we have been mentioning that our endeavor is to accelerate the milestone revenue which you specified for FY28, and we keep working towards that.

Bhavya Gandhi: Right. Sir, assuming that this 7 million pieces will come on stream, so you'll have closer to 108 capacity, right? Our initial guidance for FY28 capacity was closer to 130 to 140. So, can we expect further capex also after 108 million pieces?

Pallab Banerjee: See, we had said by 2028, we should be having installed capacity of around 125 to 130. That's because we want to grow. Definitely 6,000 is a point of time, 6,000 crores, that will be -- we expected that we should cross by 2028 or before, as of now it looks like.

Now that doesn't mean that that's my end goal. That end goal will definitely be higher. Yes, you asked the question of are we coming with next -- what is our next 3-year vision or something, like we'll definitely come out and communicate with all of you on that.

But yes, we want to grow. Like as we said, like, our main competition have been with these big giants from South Korea and Taiwan and all who are in multi-billion dollars. So, our first goal was 6,000 crores, definitely after that we would be -- we have to touch that billion dollar mark and then move on from there. So, the capacity will continue to grow.

By 2028, we had forecasted that we should be having around 125 to 130 million pieces capacity. Yes, by this year, you will see that 108 number would be crossed in September-October itself. And then we'll continue to grow.

Bhavya Gandhi: Got it. Fair enough, sir. Thank you so much. I'll get back in the queue. Thank you so much.

Moderator: Thank you. Ladies and gentlemen. The next question comes from the line of Bharat Gulati from Dalal & Broacha. Please go ahead.

Bharat Gulati: Yes, hi. Thank you for the opportunity. Congrats on a great set of numbers. Just regarding our standalone margins, they've seen a dip of about 70 basis points Y-o-Y, even though we've clocked all-time high gross margins.

So, I'm just trying to understand that, do we expect to enter that 8.5% to 9% sort of EBITDA margin range in our standalone business or will we continue to hover in that 7.5% to 8% range, because that's the only real drag on our consolidated margins? And just to add to that, have we peaked out on EBITDA margins in the remaining geographies, or do we still expect some operating leverage to further push up margins from that side, yes?

Pallab Banerjee: Sanjay, you take this?

Sanjay Gandhi: Sure, Pallab. Yes, so first on the standalone EBITDA margin decline of which you mentioned, the, you see we, I mentioned in the commentary as well, there has been a revision in wages in state of Haryana, where we have four factories operating here, and that incremental wage impact has hit the P&L in this quarter, and which has really impacted the EBITDA margin for this particular quarter, despite the increase in the margin.

This is why I mentioned we have a decline. If the if I just have to for a sake of exercise and I have to add that number, we should be looking at a 9% plus kind of an EBITDA. Having said that, of course the going forward in the subsequent quarter, we have to keep working on the efficiency and the cost optimization measure to stay competitive and also while working on the EBITDA improvement.

So, yes, the target is to really have high single-digit and double-digit EBITDA in Indian operations as well, and that's where we should be looking at as we move in the subsequent quarter. But in the it's that's the journey which is there. On your second question about the overseas location: overseas location have both potential of leverage, because the new capacities are also getting added in especially in Bangladesh, and also Vietnam, we mentioned that we have done a land acquisition.

So, the complete project implementation plan will be shared in the coming months. And so, there is a potential for improvement there as well. Indonesia also has a scope of operating leverage. So, these are the opportunity in overseas location. As we have guided earlier, our first aim is to really target between 10% to 12% by FY28.

And we are heading very much in that direction. And of course, as and when there is a more opportunity coming up for improvement, will be in line with our capex plan, we'll keep intimating to you.

Bharat Gulati: Got it. Thanks a lot, sir. And just on realizations from the previous participant, have we seen a realization improvement in our India geography as well, or is this more of utilization improving in Indonesia and Vietnam, which has caused the realization to spike? Just understanding that has overall group realizations improved on a broader base or is this just more of a seasonality we've seen of 735 per piece?

Pallab Banerjee: Basically, it's more of seasonality because a lot of this, heavyweight outerwear and winter goods goes at this month of time. So, that has got a higher FOB. So, that's what we are experiencing. Majority of these outerwear goes from Vietnam and Indonesia, some from India and Bangladesh as well. But that's how the nature of this business in this quarter is.

Bharat Gulati: Got it, got it. And just lastly, on our consolidated EBITDAs, would we be able to quantify how much was the tariff impact, or is this 10.7% without any tariff impact? I mean, I'm just trying to get a like-to-like comparison, because last year same quarter, our EBITDA margins on an adjusted ex of tariff impact basis were 10.7%. So, just trying to understand, have we improved from that 10.7% or has it sort of been flatish?

Sanjay Gandhi: So, this quarter, there is no tariff impact. This entire EBITDA is operational improvement and was driven by the volume growth and the operational efficiency which we have earlier mentioned in our commentary and answer to the questions. So, we are pretty confident with the customer mix, product mix, and the geographical contribution given in the quarter one, in the

	Q1 series for the subsequent quarter as well, we should be able to maintain that and continue working towards improving it to our objective of reaching to the 12% kind of EBITDA margin.
Bharat Gulati:	Got it, sir, got it. Thank you. That's all from my side. Thanks a lot, sir.
Moderator:	Thank you. The next question comes from the line of Sani Vishe from PL Capital. Please go ahead.
Sani Vishe:	Yes, thanks for taking my question. The first part was obviously on the realization, I think it is already touched upon, but I just wanted to confirm, so we have been conservative in terms of the revenue guidance and we have also been conservative in terms of forecasting the realization growth. So, anything changes on that, because we have been considering stable realizations for FY27? So, do you mean that it is still in line with what we were expecting earlier?
Pallab Banerjee:	In terms of top line, we have been always saying that our CAGR would be in the range of 12% to 14%. But if you look at better years, we have done more than that. This year, if it continues to be more than that, definitely I think, as of now, it looks like it should be better than that number. To really give a forecast, I think we will create another platform in which we'll talk about, we're analyzing and we're making preparation for what should be our numbers and goals we'll share that with you. But yes, as of now, the traction that we are getting is seem to be much better than 12% to 14%. In terms of bottom line, I think Sanjay had repeatedly said that we're more confident, because as these numbers goes up, we get the leverage. Sanjay, you can add further to this.
Sanjay Gandhi:	Sure. So, yes, I mean, as you mentioned that our -- we are pretty confident of accelerating our stated target of FY28 INR6,000 crores, and we've should be able to achieve it earlier than that. And Q1 demonstrate very clearly in that line. We remain confident for the rest of the year as well. And as far as the bottom line is concerned, I think that will continue to improve and the double-digit margin is here in the business inherently as well. We stated in our last earnings call as well, the business has reached a stage where inherently it can generate an EBITDA margin between 10% to 12%. Now, we mentioned four or five levers for it to reach 12%. Now, the convergence of all these levers will be of course at a different point in time, but definitely with all these levers kicking in, I think our business should generate EBITDA of -- between 11% to 12%.
Sani Vishe:	Okay. And on the and on the realization front, we these realizations that has happened is in line with what we were expecting at end of Q4, is that correct?
Sanjay Gandhi:	Yes, yes. Realization in, as I mentioned, that if you look at quarter one of last year, which is FY26, our realization average has been INR715, vis-a-vis we are at INR735. So, there is a 2.5%, 3% improvement. It is a function of product mix, realization per piece, and we always like to have better products and mix in -- while we do the actual execution.

It's also a function of the demand and everything. So, while we discuss the number with you, we have taken a little bit conservative view, because our focus is bring the volume growth more in all our model compared to the realization, which is a function of multiple things, which are some of the factors under our control, some are not in our control. But yes, we also look forward to improvement in realization as we go in the rest of the year.

Sani Vishe: Yes, because last year Q2, Q3, Q4 were also impacted because of the price cuts that we had taken, due to US tariffs. So, is it fair to assume that it is realization growth ideally should be much better in Q2, Q3, Q4 compared to Q1?

Pallab Banerjee: So, last year from India, we had some discounts that was going on. Double-digit discount was going on to compensate that 50%. Yes, that difference definitely it should come through. And for the other markets, it was hardly about 2% or 3%. So, yes, like, from the tariff point of what you're saying, the tariff discounts that we have been giving, so hopefully, like that should fade away now or be much lesser.

I don't -- customers are not talking of compensating this 10% tariff by giving additional discount at this point of time. So, I think that should help. But in general, you see we are a growing organization. So if we get a customer which is a mass volume customer, so then definitely the realization prices will be lesser, whereas more business comes from the premium segment of the customer base, then the realization would be higher.

So, as of now, I think we are more focused on the top line and the bottom line compared to purely on the on the realization per piece. But yes, in general, like we would love to track, and we'd love to grow that.

Sani Vishe: Yes, yes, fair enough. And finally, would you be able to give some idea on...

Moderator: Sorry to interrupt.

Sani Vishe: This is only second question. This is only a second question. And it's a short one. So, would you be able to give some idea on how the volumes have fared geographically wise, if not number, at least some utilization numbers?

Pallab Banerjee: So, Bangladesh continues to be the biggest, followed by Vietnam, India, Indonesia, and then Guatemala. So, Bangladesh is tracking close to about, I would say, 45% plus of the group. And then Vietnam and India are very similar, in the range of about maybe about 27%, 22% -- 22%, 27% both of these, and then followed by the other locations. I hope that helps you.

Sani Vishe: Okay, yes. Thanks a lot.

Moderator: Thank you. The next question comes from the line of Shradha Agrawal from Asian Market Securities. Please go ahead.

Shradha Agrawal: Yes, hi. Congratulations to the management team on a very strong quarter. A question on first is what is our capacity in Bihar second unit that we are looking at? And by when do we expect this to get operational? And on the current capacity in India, what is the utilization that we operated at in Q1?

Pallab Banerjee: Bihar, we have two sheds which we are starting with. Out of which, one shed was functional with 450 machines, the full capacity. And the second shed would be also similar, 450. What we intend to divide is one of them will be more of the woven garments, and the other one would be knit garments. So, that's the woven part is already operational at this moment, and knit it should be ready by, I think, October-November we should see start seeing production there. And...

Shradha Agrawal: And in terms of million pieces, sorry, Pallab ji, in terms of million pieces of garments, what is the capacity we are looking at including both the units in India?

Pallab Banerjee: So, at its full capacity, we should be able to ship about 4 to 5 lakh pieces every month. But that is once it fully ramped up. At this point of time, it is doing about close to 120,000-130,000 pieces a month. And it should be over the period of next couple of quarters, it should move towards that full capacity.

Shradha Agrawal: Right. And in India overall, what is the utilization that we operated at in Q1?

Pallab Banerjee: That number we have not specifically given. At this moment, we can come back to you. Sanjay, do you have that number of India...

Sanjay Gandhi: Yes, so I'll just add India we are looking at this quarter capacity of, out of the total number of pieces which are available, at around 70% of that have been there. In terms of the efficiency, we are looking at somewhere around 58% of efficiency. So, in terms of the total capacity when you compare, we are looking at 65% to 70% kind of a utilization.

Pallab Banerjee: So, Shradha, for example, the Bihar, as I said, like it is ramping up. So, when we calculate the capacity, we calculate it at the full capacity of 450 machines, because the shed was operational. But then we were ramping up line by line. So, yes, in India, I think we are still averaging between 70%,75%, I think we will be, you'll see that. And Indian efficiency, because we've been doing a lot of fashion garments and all, we are still between 50%, 55%, 58% in that range, is our efficiency that comes through India.

Shradha Agrawal: So, I'm just looking at it from a point of view that where will the next leg of growth come from, assuming that the Bangladesh capex takes some time to get commercialized. So, incrementally, the headroom to improve utilization is only in Bihar, because Vietnam and Indonesia have done quite well from a segmented number, if I'm right?

Pallab Banerjee: So, in India also, you'll see that if as these FTAs are coming through, so India will trend towards more core products as well. Earlier India, we were more focused on the fashion products, and that was the seasonality was there, because of which the utilization on certain season was much higher than the other seasons.

Now our goal would be to have more uniformity across all the four quarters. So, if that we are able to achieve, then you will see this number inching up in India, because we have a substantial capacity already built up in India. And first quarter definitely you saw that year-on-year, we have a growth of almost about 27%. So, that's a positive sign.

And our endeavor is to continue to do that, get more core products in India as well and get it done. Core products normally the margins are sharper, but yes, as the efficiency goes up, again the margin then becomes better. So, that's the chicken and egg story that we are going through, but overall, I think we're in the positive direction.

Shradha Agrawal: Great. Thanks, Pallab.

Pallab Banerjee: Thank you.

Moderator: Thank you. The next question comes from the line of Abhishek Shankar from ICICI Direct. Please go ahead.

Abhishek Shankar: Yes, thanks for taking my question. Am I audible?

Pallab Banerjee: Yes

Abhishek Shankar: Yes, congrats on a good set of results. So, just continuing on the bit of utilization, right. So, I if I heard it right, you had mentioned 65% to 70% utilization in India. So, can you help me with the utilization trend across Vietnam, Bangladesh, and Indonesia as well?

Pallab Banerjee: So, utilization in India, as I said it is just 70% plus as of now. So, there's definitely a room as we do more and more, we can execute more in India. And with this the positive direction that India is taking in terms of FTAs and in terms of other promotional of India that is happening, I think we are in the right direction.

Other locations, like Bangladesh and Vietnam, we do have the flexibility of our partner factories as well. So, that way the if we get more business, we can quickly ramp it up, because we have the -- I can negotiate additional capacity from our partner factories. So, that way these two countries are -- inherently the numbers would always look better in terms of utilization. Sanjay, you want to add anything to this?

Sanjay Gandhi: Yes, just wanted to mention that in terms of the utilization overall at a group level, we are looking at 75% to 80% in overseas location if we have to look at a quarterly available capacity. But as Pallab rightly mentioned, the partnership facility keep adding in location in countries like Bangladesh and Vietnam. So, there is always a increase in the capacity which is being available for that particular season and quarterly basis also and on a full year basis.

So, that's the add-on. In line with what -- there was one question by one participant about 120-125 million pieces, so that target will still remain with us to in the interim period, because there is a lot of opportunity which is there in terms of without incurring the greenfield capex, we can have those capacity also getting added.

So, that's how it will span out as far as specific to India, I mean, our annual if we add the second shed which is under construction, which should be ready by September-October, the revenue-wise run rate should be close to INR1,700 crores to INR1,800 crores, given the full utilization reaching there.

So, we still have a lot of room to grow in India, and in Bangladesh as well, there is a good potential to add on the revenue growth on the volume side and the accordingly in the sales revenue side as well. So, the two, and Indonesia, as we mentioned that it's not really fully utilized, so the three origin right now have a good opportunity and Vietnam also have the partnership facility being available as our demand really keeps going up, those options are always under exploration, in addition to the land which will be on which we'll do the greenfield project which will come up in some time.

That detailing also we'll share in the coming months with you on the capacity front. So, capacity is not a challenge for us to grow even beyond INR6,000 crores or even INR6,000 crores in this financial year, should this momentum continue, which we'll see in the coming quarters.

Abhishek Shankar: Okay, thank you.

Moderator: Thank you. The next question comes from the line of Soham Samanta from Motilal Oswal Financial Services. Please go ahead.

Soham Samanta: Yes, thank you so much for the opportunity, and congrats on the good set of numbers. Just a couple of questions from my side. So, looking the Q1 numbers, so is it fair to assume that we expect high-teens kind of growth in FY27?

Pallab Banerjee: High teen percentage of growth in FY27? That's the question you have?

Soham Samanta: Yes.

Pallab Banerjee: Yes, with the current run rate, it looks feasible. Of course, the second half of the year, we have to see what happens in US. We're seeing the Fed is talking about high interest rates, they might hike further. Let's see what happens to the war. So, all these kind of things are there. But otherwise, as of now, what we have seen in the market, the trend that is there in the market currently, like if it doesn't change, then that should be feasible.

Soham Samanta: And the second question is the India-UK FTA, so after the FTA, it's been almost more than a month, we have been. So, on a quantitative number, like how numbers will look like, I mean, is there any incremental order book will come in our plate or how is it look like on a sector overall industry-basis?

Pallab Banerjee: So, overall industry, if I talk about specifically in India, I think our export to UK is in the range of I think about USD1.2 billion or USD1.3 billion. I personally feel that that should definitely grow up significantly, at least it should double in the next two years, 2 to 3 years time.

Soham Samanta: Any visibilities as of now? Looking at the current scenario?

Pallab Banerjee: Anything visible, you mean?

Soham Samanta: Yes, yes.

Pallab Banerjee: The customers are coming here -- customers have been coming here, and more queries are coming, definitely for India, because earlier if they knew that, okay, this kind of product, if India, Bangladesh is giving the same price, then it is better to place in Bangladesh rather than in India. If the prices advantageous in Bangladesh, then definitely those orders go to India, but there are certain group of product where the pricing would be similar, both in India and Bangladesh, but it was landing 10% cheaper if you source it out of Bangladesh.

So, there, those kind of business will start coming into India immediately, because if it's typical India handwriting, the product execution, the product richness becomes better if it goes out of India. So, that particular segment of business I think should come to India immediately. And if you talk about us we have been doing certain customers UK some major retailers, we are definitely seeing a significant growth in those with those customers.

Because, as I just explained earlier also, that it gives them also confidence, there's another like we as a supplier, are bringing now multiple location where we are maintaining the cost and we are able to give the similar kind of service, so that's a huge confidence building for them from a supplier point of view. So, that benefit we are definitely tracking.

Soham Samanta: Okay. And for the growth, 24% is majorly coming from a it's a mix of old customer or new customer, or it's how is it like, for this quarter?

Pallab Banerjee: Yes, yes, yes. So, see, from the older customer also, we are growing. Our strategy as Pearl Global, we are doing almost about 7 different category of product. So, that means you can say almost about 70%, 75% of our apparel store, all the product that is selling, Pearl can give them that. We're not able to provide sweaters, and we're not able to provide undergarments as of now.

So, so that, keeping that aside, I think we almost have the rest of all the products that is there in in apparel. So, that, if I was with an existing customer, if I was supplying two or three different category of product, so we are trying to get into the balance four, and thus like increasing the wallet share of the same with the same customer.

So, that's the kind of strategy that plays in Pearl, and that's how like we have been trying to grow and give them those services, additional services. Like we have on-site location in terms of our product development, creations, and all, have the showrooms in those markets, working like full-time with the customer in the real time also, not depending on these time zones.

So, this kind of additional services we provide so that we can get this extra wallet share by providing these seven different categories to them. So, I think that strategy will continue, and that's how like we get once we get a new customer, and then we continue to grow with that customer by giving them one after another the other categories of products.

Soham Samanta: Got it. Got it. Thank you so much, sir. Thank you.

Moderator: Thank you. The next question comes from the line of Pulkit Singhal from Dalmus Capital Management. Please go ahead.

Pulkit Singhal: Thank you for the opportunity, and congrats on a great set of numbers. My questions are largely very financial-related. First is that when we see the gross margin, there's a significant Y-o-Y increase from 46% to 51.5%. At the same time, other expenses is up by 51% Y-o-Y. So, just trying to understand this nuance. Is this a very one-time aspect? Is this going to continue, and what is the reason for this, more importantly?

Sanjay Gandhi: Yes, Pulkit. Thank you. So, the gross margin and other expenses, yes, there is an improvement in gross margin. See, there is a combination of outsourcing production and in-house production. So, the manufacturing expenses in other expenses has gone high, which means the goods have been manufactured in partnership factory, resulting into higher other expenses, whereas when we go to the gross profit, there is actual improvement in terms of the volume growth led by the high value-added margin products, which we had in overseas location, which has led to improvement in the gross profit.

As I mentioned that if this customer mix, given the customer mix, product mix, and the geographical contribution remaining in this quarter, which should continue for the quarter one of the next year and the year after, I think this kind of a gross margin is very much sustainable. And, therefore, the EBITDA margin and other things will also go.

Other expenses is as I mentioned that higher because there is a lot of job work and other outsourcing manufacturing expenses have gone slightly higher in line with the production volume going higher. So, that's being considered in that.

Pulkit Singhal: Right. So, therefore, when you do higher job work, should one read it as that because your own in-house manufacturing facility capacities were not there for this kind of growth, and therefore you had to do it, or it was a conscious decision?

Pallab Banerjee: No, it's more of the accounting practice, because see, there are two ways. Even in our own facility, there could be something which is done under, I would say, more of a job work or let's say, contract workers and all. So, that also happens. So, this like, see, it's a combination of all this, it's just the accounting that you are seeing the heads, where we are paying our own salaries and all that comes under our expenses and then comes everything else comes under the others.

Pulkit Singhal: Got it, got it. Second question's this finance cost. I mean, so far we've been doing receivable financing, and therefore this cost item usually grows in certain part of this cost item grows in line with the revenues. But now we've been seeing that to be tapered off. Should I be reading it as receivable days will therefore go up, or how should I think of it going ahead? This finance cost item?

Sanjay Gandhi: Yes, yes. Sure, sure. So, yes, the first of all, the our net working capital days remain same what it was as on 31st of March '26, around 43-44 days. The finance cost as an absolute amount remains stagnant, as a percentage-wise, it has come down to 1.7%. Our receivable financing program continues. It is just that we are using more of internal resources, which is the cash generation for working capital requirement, wherever the opportunity is there, where we feel that there is a there is a scope for optimization of finance cost and utilization of resources, that's how the cost has come down in that way.

Pulkit Singhal: So, how should this line item grow going ahead? Like, how should we think about it?

Sanjay Gandhi: So, the receivable factoring is already a part of it. Interest on lease amortization, which is a part of this, will continue to be this. We mentioned that finance cost as a percentage of sales should remain at 1.7% to 2%. As the scale goes high and the realization keeps coming up, maybe it is to level of 1.7% to 1.8%. So, our endeavor is to have it any as in terms of the percentage of sales to 1.7% to 1.8%. That's what we are targeting for this year.

Pulkit Singhal: Thank you, and all the best.

Sanjay Gandhi: Thank you very much.

Moderator: Thank you. The next question comes from the line of Roshan from Antique Stock Broking Limited. Please go ahead.

Roshan: Yes. Thanks for the opportunity, and congratulations on good set of numbers. So, I just wanted to understand Bangladesh expansion. So, scheduled for September, so what utilization can we expect in first 12 months, and how quickly the new capacity can achieve margins comparable to the existing facility?

Pallab Banerjee: Normally the scaling up in Bangladesh is faster, compared to India. See, the industry is very focused, it's one city and its outskirts, Dhaka. So, the labor pool is already experienced, and so is the lower management and the middle management and all. So, that's why an investment in Bangladesh to capitalize and ready utilize the capacity or scaling up of the capacity is we have experienced in past as much faster. So, we do, definitely, would try to do that. Within the next one year, we should be able to our goal would be to capitalize what we have what will be starting. So, that's the objective, let's see how it progresses.

Roshan: Understood. And the second question is, despite global disruptions happening, you indicated that there is healthy business momentum. So, are you seeing customer increasing their order book visibility or shifting from seasonal ordering to long, ordering cycles as you're diversified to supply to, just a qualitative comment over there?

Pallab Banerjee: I'm not sure I could hear your question properly. What I understand is that you mean to say that whether the customers would be placing more longer term orders or not?

Roshan: Yes, exactly.

Pallab Banerjee: Yes, yes. On the contrary we are seeing that with so much of forecasting of potential problems, high inflation, negative consumer sentiments and all, which all these surveys and economists have been forecasting about, so most of the retailers have been a little conservative in terms of going long-term.

So, they are more in terms of what is selling, and read the sales and then place the business, that's the kind of trend that we see, how do you bring down the lead time from order to have goods in in store. And this repeated disruption that we are seeing in terms of the logistics, like now it has become most of a regular feature every year we are seeing in the peak period these rates and timelines are getting disturbed, availability of containers are getting disturbed.

So, those are the kind of things are definitely disrupting the retail planning. So, yes, it's basically more it's a continuous push and pull that is going on. I am not seeing the trend of ordering early as of now. So, they are putting more and more pressure on the supply chain, how we can be much more reactive and how we can bring down the lead times, so that they can compensate this logistical issues.

Roshan: Understood. That's all from my side. Thank you.

Pallab Banerjee: Thank you.

Moderator: Thank you. We have the last question from the line of Manjubhashini A from Ask Wealth Advisors Limited. Please go ahead.

Manjubhashini A: Hi. Greetings to the management. Congratulations on a great set of numbers. So, two questions from my end. One is on the gross margin part. To an earlier question, you had mentioned that because of improved product mix, etc., the margins which we did at the gross level in this quarter is representative, and there is no reason to believe that it may not continue, and the trend will be similar to what it was in the previous year. Is that the right understanding, sir?

Pallab Banerjee: Yes, Sanjay mentioned the quarterly, yes, Sanjay, go ahead.

Sanjay Gandhi: Hello?

Pallab Banerjee: Yes, Sanjay, you're audible. Yes, please, please go ahead, Sanjay. Go ahead, I said you go ahead.

Sanjay Gandhi: Sorry, I -- the voice was not clear. So, yes, I mean, this quarter, as we mentioned that subsequent quarter also, quarter one series, should be able to generate this kind of a EBITDA margin which we just achieved in this quarter, 10.7%, rather we should we'll make an effort to improve as we go step into FY28, '29 onwards, yes.

Manjubhashini A: See, the reason I am pressing on this is because if I see in FY26, your Q1 versus Q3 gross margins, there is a significant jump. Like, for example, Q1 of FY26, you did 46% gross margins, and Q3, despite all the tariffs news, noise, etcetera, being there, the gross margins were 51%. So, roughly 600-610 basis point improvement from Q1 to Q3 at the gross level you were able to deliver in FY26. So, I'm only trying to understand, now in Q1 itself, our gross margins are 51.5%. So, now on this level also, Q3 should be following the same trend as it did in FY26? That's what I was trying to get to, sir.

Pallab Banerjee: I will let Sanjay explain, but I can tell you one thing in terms of product-wise, this Q4 and Q1, these are the two seasons where a lot of outerwear starts shipping. So, that's the time that there's a differential of product definitely happens from season to season. Yes, Sanjay, go ahead with your details.

Sanjay Gandhi: Yes, Pallab, I was about to say the same thing it's a product mix which has driven this gross margin improvement, and if you're purely looking from a gross margin point of view, yes, I think season to season there should be that trend. As we mentioned that on a full year basis, we are confident of achieving double-digit EBITDA in FY27, which means the improvement in quarter three as well, so yes, to some extent the trend should continue for improvement in margins.

Manjubhashini A: Great, that answers. Thank you so much. And the other question is, Mr. Pallab, in the initial part of the conversation, you had mentioned about the clothing inventory levels country-wise, China, Vietnam, Japan, Bangladesh, etcetera. I missed those numbers, if you may please help us understand that one more time please?

Pallab Banerjee: I was talking about Japan. The biggest market is US, the other important market is European Union, UK, and Japan for us. So, in Japan, their dependence on China was very high. Historically, like 65% of the total Japan imports was coming from China. So, what we saw this year or last year, like a significant divert in that. The number came down from 65% to 49%.

So, that means 16% of Japan imports actually moved out of China sourcing. And that went to markets like Vietnam, to certain extent to Bangladesh. India so far has not been able to capture, but we have been growing in India also in terms of Japan exposure. But yes, so that's another significant development that is happening in our industry, so I was mentioning that. So, I mentioned that Vietnam now is about almost 17% plus of the Japan share, Japan's total import, and Bangladesh has reached almost about 4.3%. So, that's the number that I was sharing.

Manjubhashini A: Okay. And we also have a very significant one of the top five accounts of Japan-based, I guess. So, any color incrementally that you would want to share on that particular one?

Pallab Banerjee: Sorry, repeat your question, please.

Manjubhashini A: I said for Pearl Global as well, I believe one of the top five accounts is from Japan, as we speak. Any incremental data points you would like to share with us in terms of ramp-up of that particular Japanese client or where is it currently and what are your target expectations, etcetera, over there?

Pallab Banerjee: So, Japan is an interesting market. I feel that Japanese brands like UNIQLO or MUJI and all, have really become now even GU, are becoming international brands. Like if you see the number of big US retailers who have gone international, and then I'm seeing a lot of Japan also has gone international, like what happens between UK and European Union also.

So, if you if we look at that, then that should be an interesting market and I should have more clients from that market. So, yes, we are focused on understanding that market more and more and diversify. So, yes, currently we are supplying to one of the clients, which is MUJI. We would like to diversify and have more clients there.

Not the big ones like UNIQLO and MUJI are names that everybody knows, but there are many other names, many other significant retailers out there. So, we are trying to get into them as well. Like, as a market, definitely it's an interesting market for us.

Manjubhashini A: Thank you very much, and wish you all the best.

Pallab Banerjee: Thank you.

Moderator: Thank you. Ladies and gentlemen, we take that as our last question for today. I now hand the conference over to the management for closing comments.

Sanjay Gandhi: Thank you to all the participant for joining us today. We are pleased with our strong start to FY27 and remain focused on disciplined execution and sustainable profitable growth. We believe Pearl Global is well-positioned to capitalize on emerging opportunity and create long-term value for all our stakeholders. Thank you once again for your continued support and confidence in Pearl Global. I hope we have been able to address all your queries. For any further information, kindly get in touch with Shishir, our Head of Investor Relations or Strategy Growth Advisors, our Investor Relation Advisor. Thank you.

Moderator: On behalf of Pearl Global Industries Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

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