

PGIL/SE/2026-27/18

Date: May 20, 2026

THE GENERAL MANAGER,
DEPARTMENT OF CORPORATE SERVICES -
CRD
BSE LIMITED
1ST FLOOR, NEW TRADING RING
ROTUNDA BUILDING, P. J. TOWERS
DALAL STREET, FORT,
MUMBAI – 400 001

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

Reg: Scrip Code: BSE-532808;

NSE - PGIL

Ref: Transcript of Conference Call

Dear Sir/Madam,

In continuation to our letter dated May 15, 2026, regarding submission of audio recording of the Earnings Call held with Investors/ Analyst on May 15, 2026, to discuss Company's Audited Financial Results for the Quarter and Year ended March 31, 2026, please find enclosed herewith the transcript of the aforesaid Conference Call.

You are requested to take the same on your records.

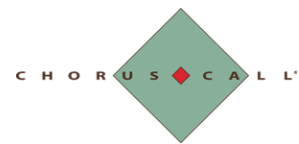
Thanking you,

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

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



“Pearl Global Industries Limited
Q4 and FY '26 Earnings Conference Call”
May 15, 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, INVESTOR RELATIONS –
PEARL GLOBAL INDUSTRIES LIMITED
STRATEGIC GROWTH ADVISORS – INVESTOR
RELATIONS ADVISORS**

Moderator: Ladies and gentlemen, good day, and welcome to the Pearl Global Industries Limited Q4 and FY '26 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 star then zero on your touch-tone 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: Welcome to our earnings call for Q4 FY '26 and financial year '26. I hope you all have 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 the 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 the 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 involves 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 the full year of financial year '26 earnings call. We continue to sustain our growth momentum in top line and bottom line despite the challenging and uncertain macro environment driven by our focused execution and the multi-location presence.

In this year under review, we crossed revenue of INR5,000 crores and our EBITDA stood at INR468 crores at 9.3%. Excluding the incremental loss at new facilities of Bihar and Guatemala and the tariff cost that we bear this year stands at 10.3%.

Our installed capacity reached 101 million pieces per annum. With the completion of financial year '26, we feel that we are solidly on track with our vision of FY '28 shared with all of you earlier and all this while we continue to improve on our efficiencies, governance and ratings.

Now an update on the key positive developments in our industry during this year. As you all know that we all experienced a roller coaster ride with the U.S. tariff in this year of '26. Especially for India, first, a 25% tariff was levied. And on top of this, another 25% penalty was put on to Indian goods.

And both these are on top of the MFN duties already prevalent for U.S. Thus, the total charges went up to the range of 65% to 69% of Indian-made garments out of cotton fabric. After 6 months of this painful situation, a deal between U.S. and India brought this IEEPA tariff down to 18%.

And then, of course, the U.S. Supreme Court declared the IEEPA tariff as not legal. And now businesses in U.S. are starting to file legal cases for refunds, though it may not be so easy as it sounds, and currently, a 10% tariff under the Section 122 is in place till the month of July for all countries exporting to U.S.

Meanwhile, the U.S. retailers got a big respite from the tariff and consumer sentiments have been very positive as seen in their results for the first quarter. Equally important for India would be the FTA, which is signed between India and U.K. and between India and EU.

Although we still await the implementation date, customers have started visiting and are excited about this opportunity to diversify their sourcing into India more and from the overdependence on duty-free countries like Bangladesh and Cambodia.

Now with these agreements, alongside earlier bilateral and free trade agreements that were already in place, India will have preferential access to all major global markets, which are served by Pearl Global, namely the U.S.A., European Union, United Kingdom, Japan and Australia.

Meanwhile, other manufacturing hubs of ours such as Bangladesh, Vietnam, Indonesia already benefit from this duty-free access, thus ensuring that Pearl Global's diversified footprint remains highly competitive.

With a comprehensive market access across geographies, we believe Pearl Global is strongly positioned to continue its growth beyond financial year '28, while withstanding the potential shocks resulting from geopolitical conflicts and ever-changing global macro environment.

Now let me take you through the outlook across our geographies, starting with India. FY '26 profitability marginally improved despite the discounts which we extended to U.S. clients during the tariff period to maintain the strong relationships that we already have, which had a temporary impact on our margins.

This improvement was driven by our cost restructuring. With the removal of U.S. tariffs, along with the India-EU FTA and the U.K. FTA, we anticipate higher volumes, increased sourcing from India and renewed growth in our Indian operations from financial year '27 onwards, which were impacted last year, mainly because of U.S. tariffs.

We already have a very significant existing business with customers of European Union and United Kingdom who are keen to place business in India as well. By leveraging the expanded capacity and the enhanced capabilities that we have recently established in India, we are ready to play an important role in driving growth and delivering the improved profitability going forward.

Moving on to Bangladesh. As a country, this is on track since the new elected government, our operations that we have in Bangladesh are running smoothly. It is witnessing a strong growth in the garment exports with shipments to key markets such as Europe -- U.S., U.K., EU, Spain, of course, Spain comes under EU only and Canada, showing consistent momentum.

The ongoing capex project is expected to be completed in first half of 2027, it will further expand the capacity by approximately 6 million pieces over the next 2 years of financial year '27 and financial year '28. Driven by recent customer additions, mature operations and upcoming capacity enhancements, our Bangladesh operations are well positioned to sustain growth momentum and strengthen our contribution to overall performance.

In Indonesia, we have been updating you about our ramping up on our recently commissioned factory. Indonesia capacity utilization has increased to 47% of its total established capacity that we have there in this year. Last year, it was about 39%. Now this is being driven by the customer demand and continued focus on the premium clients.

We are confident that our Indonesia operations will deliver both top line and bottom line from this year onwards.

In Vietnam, during this year, we witnessed a strong growth momentum in our operations. Capacity utilization improved to 80% plus in the current year compared to 63% of last year. Vietnam has proven to be an important manufacturing hub for the U.S. market and continues to enhance our competitiveness across all other major geographies.

Encouraged by the strong customer traction, we plan to have additional capacity in Vietnam, which would further deepen the customer engagement and increase the wallet share. In Guatemala, we remain focused on improving efficiencies and reducing our losses with a positive outlook and further progress expected in the coming financial year.

With that, let me 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 4 and full year FY '26 earnings call. I will now take you through our financial and operational performance. FY '26 consolidated performance. FY '26 was a record year for us where we marked our highest ever consolidated revenue performance despite geopolitical uncertainty.

Consolidated revenue grew to INR5,025 crores, up 11.5% year-on-year. This strong growth was driven by volume and high value-added products growth in overseas business. Adjusted EBITDA, excluding ESOP expense, stood at INR468 crores, up by 14% in FY '26.

Adjusted EBITDA margin stood at 9.3%, excluding tariff impact of INR36 crores and incremental loss in Bihar and Guatemala, approximately INR13 crores, adjusted EBITDA margin stands at 10.3% for the full year. PAT in FY '26 stands at INR270 crores, a strong growth of 17% on a year-on-year basis.

Quarter 4 FY '26 consolidated performance.

In quarter 4 FY '26, we achieved our highest ever quarterly revenue with total revenue standing at INR1,314 crores approximately, reflecting a growth of 6.9% year-on-year. Adjusted EBITDA, excluding ESOP expenses at INR135 crores, up by 13.7% year-on-year with a margin at 10.3%, which has been the highest ever EBITDA margin in any quarter so far.

Adjusted EBITDA margin, excluding the reciprocal tariff impact of INR5 crores and incremental loss in Bihar and Guatemala of INR3 crores, adjusted EBITDA margin stands at 10.9% at a group level. PAT rose to INR81 crores grew by 24.6% year-on-year. Now talking about stand-alone financial performance.

FY '26 standalone performance:

In FY '26, total revenue stood at INR1,081 crores.

Adjusted EBITDA, excluding ESOP expense stands at INR67 crores with a margin at 6.2%, up by 60 bps year-on-year, mainly due to cost restructuring efforts done in the organization. Adjusted EBITDA margin, excluding tariff cost of INR19 crores, stands at 8% for full year. PAT stands at INR69 crores compared to INR55 crores in FY '25.

Quarter 4 standalone performance. For quarter 4 FY '26, total revenue stood at INR304 crores. Adjusted EBITDA, excluding ESOP expense, stands at INR24 crores, EBITDA margin at 7.9%. Excluding tariff cost of INR5 crores, adjusted EBITDA margin stands at 9.6%. PAT stands at INR14 crores.

Balance sheet highlights.

Our strong performance at the group level is reflected in our strengthened balance sheet. Net worth as on 31 March 2026 stood at INR1,438 crores compared to INR1,146 crores as on 31 March 2025. Cash and bank balance, excluding cash earmarked for LC payments stood at INR634 crores as on 31 March '26 compared to INR513 crores as on 31 March 2025. Working capital days stood at 43 days as on 31 March 2026. Return on capital employed stood at 28% as on 31st March 2026.

Other highlights.

In line with our stated dividend policy and commitment to shareholder returns, the company declared a second interim dividend of INR8.50 per share, representing 170% of face value for financial year '25-'26. The total dividend for FY '26 stands at INR14.50 per share, 290% of the face value. This is the highest ever dividend payout ratio by the company, which represents 25% of the group PAT of FY '26. We are happy to share that the company has achieved a notable improvement in its credit profile with the long-term credit rating upgraded from BBB stable in 2021 to A+ stable for a long term in 2026.

So we have been consistently improving our credit profile for last 5 years. Concurrently, the short-term rating has advanced from ICRA A3+ to A1+, underscoring our robust liquidity and operational resilience despite the challenging macroeconomic environment. Our installed capacity has crossed 100 million pieces milestone, significantly ahead of our earlier target of H1 FY '27.

With Bangladesh ongoing capex expected to be completed by H1 FY '27, this will further increase capacity by 6 million to 7 million pieces during FY '27, only from this capex.

Capex update for FY '26, please refer to Slide 8 of the investor presentation. A capex of INR250 crores has already been committed and is expected to be completed by H1 FY '27. This timeline is in line with what was declared at the beginning of the financial year.

Capex planning for FY '27. We continue to build capacity and capability across groups, and we are in the process of outlining capex commitment of INR200 crores to INR250 crores for FY '27 across geographies.

We'll update you further on detailed capex plan in the coming quarters. A couple of commitments, which have already been approved by the Board in quarter 1 are as follows. The company through its step-down subsidiary company, DSSP Global Limited, Hong Kong will be acquiring an additional 10% stake from minority shareholder in PT Pinnacle Apparels Indonesia for a consideration of \$1.4 million.

Post the acquisition, the company through its step-down subsidiary will hold 99.92% stake in PT Pinnacle Apparels Indonesia. We have also identified a land parcel in Vietnam and are at advanced stage of concluding the purchase. The purchase consideration could be in the range of \$2.5 million to \$3 million.

In summary, we have sustained the growth momentum built in earlier years. FY '26 performance is a testament to the strength of the Pearl Global diversified business model, which has enabled us to sustain growth even in uncertain geopolitical environment.

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 the question and answer session. The first question is from the line of Bharat Gulati from Dalal & Broacha.

Bharat Gulati: Congratulations on the great set of numbers. I just had a question regarding growth that has come in this quarter. India has seen a sharp degrowth of about 23% and which predominantly is an India-heavy quarter and its overall contribution last quarter from 32% has dropped to 23%, whereas the other segment that we report in our audited results, that has shot up significantly on a Q-o-Q and Y-o-Y basis to INR214 crores, which I predominantly understand is Guatemala. So, could you explain where that spike came in? And also, we've achieved profitability in that segment. So just wanted to understand the sustainability of that EBIT going forward?

Pallab Banerjee: Okay. I will start and then Sanjay can add to it. See, what happened in India, we were under the very high tariff from U.S. market of almost 50%. So most of our retailers were pushing us to take out as much as goods from India and manufacture in the other countries. So -- but still, like we -- certain customers like which we are serving only from India, we continue to pay the discounts and still continue to have the goods in India.

So that's the reason you are seeing that the India total number has come down for this quarter. Now why in this particular quarter? Because since August of 2025, this tariff was levied. And whatever was the existing orders that we already had at that point in time, that shipped out by - - mostly by about December and Jan.

So that net impact of the U.S. tariff or the reduction of business, specifically in India came in this period of time. Other markets continued. And similarly, like most of the U.S. gain that we have in terms of the customers, the wallet share and other things that we took that advantage from the other locations of ours. In terms of numbers, Sanjay, do you want to give?

Sanjay Gandhi:

Yes. So the first -- There are these 2, 3 points which you mentioned in your queries. First is the growth in overseas business. The growth in overseas business is coming from the volume and the value-added product from -- primarily from Vietnam, Bangladesh and Indonesia. So that's the first part of the question, which is there.

Second is, I think you mentioned about sustainability of EBIT margin, which has been achieved, how sustainable it will be. So given that we have mentioned earlier in our earlier earnings calls as well that inherently, if you look at the business capability, once we exclude the reciprocal tariff and the initial ramp-up of setup cost in operations like Bihar, we have been consistently maintaining on delivering that 10% double-digit EBITDA margin.

Now having delivered now 10%, having achieved a 10% EBITDA margin for this quarter, after looking at all the strength and addressing the inefficiency, which is there in some pockets, which we mentioned about the losses in Guatemala and Bihar, we are pretty confident at this stage to really maintain 10% EBITDA for the full year as we start FY '27.

Third question was about the gross margin. The gross margin is largely a function of the product mix. So given the product mix we have, it's also seasonal at quarter 4, if you are really referring to, that is something as a combination of the product mix, customer mix. So given the same consistency of the product and customer mix, we believe that profile will also continue for the same quarter. Every quarter is a different quarter because of seasonality in our business. So that will continue. And I guess these were the 3 points which were to be covered. I hope I have addressed all of them.

Bharat Gulati:

Sir, it was more specifically related towards the other segment that we report, which is primarily Guatemala to my understanding, that has seen a huge spike up this quarter. So, is that going to be sustainable on the top line and bottom line? Because we've delivered about INR85 million in EBIT in that section and about INR214 crores in terms of top line. So is that run rate is going to be sustainable going forward even as India business and everything comes back? Just trying to understand that?

Sanjay Gandhi:

Yes. So, I would just like to correct here. In our segment reporting, we mentioned Hong Kong, India, Bangladesh, Vietnam and others. So what happened, Guatemala is part of our other segment where we have Indonesia as well. We have Dubai entity as well. We have U.S. entity as well.

So, it's not Guatemala, which is bringing the quarter 4 growth. It's -- as I mentioned, the growth is coming largely because of the high value and the volume, which is being driven in Bangladesh, Vietnam and Indonesia. That has been the large part of driving. And as I mentioned that this growth and these numbers are a sustainable number on a year-on-year basis in the same quarter-by-quarter.

- Bharat Gulati:** So sir, it would be fair to say that this quarter has been a huge spike up in Indonesia revenue, which has aided for the loss in revenues from India. That would be the right understanding?
- Sanjay Gandhi:** All 3, as I mentioned, see, we follow a build-to-ship-to model. So the Dubai, U.S. and Hong Kong -- sorry, Dubai, U.S. and Indonesia, Guatemala all will be combined in that other segment. So there is a growth of transactions in all these geographies. And the billing, which happened to U.S. and Dubai happen for all the Bangladesh operation, also Vietnam operation and Indonesia operation. So largely, it is a combination of 3 entities, which is really pushing the sale up. And we believe that this will be sustainable, yes.
- Bharat Gulati:** Got that. And in terms of Guatemala, are we still in losses in Guatemala and that do we achieve the breakeven in the start of FY '27 or will that take some time to achieve that breakeven?
- Sanjay Gandhi:** Yes. So, Guatemala operations, we have reworked on the strategy of operations in Guatemala. And given that strategy, as we are in the first quarter of FY '27, I see that it is working out, and we should be able to have breakeven in FY '27. We'll keep you updated as the progress has happened during the quarter, but our estimate and our strategy with the way it is devised is to really definitely achieve a breakeven in this year.
- Bharat Gulati:** Got that, sir. Got that. And just in terms of EBITDA margins for India, excluding tariffs, we've achieved a 9.6% EBITDA in India. Can we expect this EBITDA to go to group levels by FY '28? And just on where do we see this number going forward, given that with such significant degrowth in top line and deleverage, we still managed to get this margin in?
- Sanjay Gandhi:** Yes. So as a part of -- so quarter 4 for India, if you see the last year, we had 10.2% EBITDA. So seasonality-wise, if you look at India, the quarter 4 has always been the robust and will continue to be the robust. And we are pretty confident that India also should generate definitely quarter 4, specifically, if I have to mention, in FY '27 as well, double-digit EBITDA.
- And our effort is to have high single-digit EBITDA for the full year. And for sure, as we accomplish that number in stand-alone results, that will get reflected in the group results as well on the higher side. It should show improvement there.
- Bharat Gulati:** Got it. Got it, sir. And just on the aim that we set out for FY '28 to have a built-out capacity of 125 million to 130 million-odd pieces. Just trying to understand how much of that capacity that we add going forward from here, which is roughly some 25 million, 30 million-odd capacity would be utilizable in FY '28?
- Pallab Banerjee:** So if you see like we continue to expand our capacity. Already, we have given you the details of the Bangladesh expansion, which started. And I think those factories, the 2 units that we are setting up, one for washing and one for stitching garments. So both will be ready in the second half of this year.
- And that, I think, ramp-up will continue to happen within this year and the next year in terms of the output production. And similarly, like -- as you just heard that we are also looking at Vietnam expansion because there is a good opportunity of business out there. And so we are buying a land and building up a greenfield project there as well.

So all the details of that, what size of capex and all will be told to you as we go through all the details in the next few quarters. In terms of India also, like we have started the Bihar factory, now it's in the ramping up phase. So all these things, if you look at it today, as I speak on 31 of -- looking at 31 of March, where we were, we were at 101 million pieces of our established capacity.

Now all of the factories are not running at full capacity or we haven't hired all the people as yet because it's in the ramp-up mode. And as you know, in garments, like we go line by line. Once the production establishes in one line profitability, then we go into the next. So that's the kind of -- you will always see that we are putting more and more capacity.

So by 2028, what we had foreseen is that we should be having established capacity of anywhere between 125 million to 130 million, and we should be shipping around 100 million pieces to get to that target of INR6,000 crores that we spoke about.

Bharat Gulati: Got it. Got it, sir. And just on realizations, if I can squeeze in one last question. The tariff impact, once it goes out of our business, how much realization gain will that bring us? If you can just clarify that?

Sanjay Gandhi: So there will be a gain, but very difficult to quantify from the point of view of how much the tariff cost will actually translates because every season there will start a fresh negotiation and the discussion and the fresh cost structure.

So, ideally speaking, if you look at your number, there will be definitely improvement, and that's what is giving us the confidence that in this full year basis, we should be achieving a 10% EBITDA margin, which really factored into some of the cost which incurred in FY '26 will not be there in FY '27 and the operational improvement, which we just mentioned in your earlier question regarding Guatemala.

So I think these 2 factors, which we really analysed it and looked at it gives us a good confidence of having -- achieving a 10% EBITDA on a full year basis.

Bharat Gulati: So would it be fair to say that realization from here would improve, at least not go down?

Sanjay Gandhi: That's the target realization. We are already at INR635, INR640 per garment. And I think it should continue it should sustain.

Pallab Banerjee: Per unit, it also depends on what kind of ratio that we are ending up between knits and wovens. So that will be always depending on where the need is, what kind of demand that we are seeing from which segment of the customer base. So if it is more of the Primark's and other people like where the FOBs are less, so then that will swing the number to a little bit. So, that's something very difficult to project. But yes, our overall goal is INR600 plus, as Sanjay mentioned, INR630 and all.

Moderator: The next question is from the line of Kishore Kumar from Unifi Capital.

Kishore Kumar: First of all, congrats to the team for delivering such a resilient performance in Q4 and FY '26. Sir, I'd like to start with your comments on energy cost, and its impact on the raw materials and the freight costs that you have mentioned in the investor presentation. So as you know, the cotton prices and the polyester prices have increased a lot since the start of the war.

And how is Pearl Global managing this? And is the current pricing negotiation that we are actually doing with our customers reflecting the increase? Plus, given the increasing inflation all around the globe, particularly in the U.S., what are you hearing from your customers? And how do you see the demand trend panning out in the coming quarters?

Pallab Banerjee: Yes. So if I go one by one, first of all, the energy impact, 2 parts to it, like whatever is the raw material cost increase that is coming because of this is visible to us as well as our customers. So when we negotiate price, normally, we give that visibility, okay, this is the raw material cost and this is our additional value addition that we are doing.

So generally, that impact is suddenly like if you have booked the business and after that, some increase happens, then it impacts us. Otherwise, that also at a maximum of about 1 to 2 months. So that's how, like our industry, the impact should be less. But yes, because of energy impact, if manpower is missing or if something happens on that regard, then it will be another problem for us.

What we see as of now, both these things are workable and manageable. In terms of demand trend that we are talking about in U.S. because of the current inflationary environment that U.S. is undergoing, surprisingly, like the resilience that we are seeing from the consumers and the buying pattern.

So that definitely is quite good at this point of time. If you see like if you compare with 2022, when the oil prices were in the similar range of \$110, that time we saw that there's a huge drop in the consumer sentiments. So we have not seen that in U.S. so far. Yes, the experts are talking about in the second half of U.S., there could be a little bit of more inflation and more slowdowns. But let's see, as of now, we are not seeing that trend.

Kishore Kumar: Got it, sir. Sir, just a follow-up. So when we actually book a new order, we simultaneously place fabric order with our supplier.

Pallab Banerjee: Yes. So as soon as the order yes, immediately, we place the business. And then the raw material costs are already fixed with the supplier.

Kishore Kumar: Yes, correct. Got it. Got it. Sir, also, you spoke about the incremental capacity that we are actually bringing in, in India and in Bangladesh and the EU and U.K. FTA being the business which actually will come in the coming quarters. But given this actually the tariff cost, we actually moved some of the business from India to the other regions. Do you see that coming back to India, which actually can aid in the capacity utilization in the interim?

Pallab Banerjee: Yes. I think both are applicable. One, because of these FTAs, we are seeing a lot of interest, especially from the U.K. and EU customers, like who were earlier, if you see, if you study these

customers, they were heavily penetrated in countries like Bangladesh, Cambodia and all, where because of the LDC status, there was no tariff.

Now that today, like if India opens up as a much more stable country, much larger country, definitely, their preference would be to have a bigger presence in India. So that trend has already started. Most of these customers, we were already doing business in Bangladesh. They are, in fact, engaging with us to grab some additional capacity in India.

So that's one thing that we can see already happening. Whether these business of U.S., which was shifted to other countries will come back to India, yes, for the ones that the raw material is easily available in India and is more competitive than the other countries, definitely, it makes sense to produce those kinds of goods in India.

So we will continue to take that call. In terms of our capacity, yes, what we are seeing is today, the order book that we have and the capacity that we have in India, that's perfectly matching.

Kishore Kumar: Understood, sir. Pretty clear. Also, sir, we were actually keeping a target of INR6,000 crores top line in FY '28 and that translate to a 9% CAGR over the next 2 years. Is that the minimum that you are targeting or should we keep actually 12 percentage to 14% that we are guiding for the last year?

Pallab Banerjee: So, 12% to 14% is something like we have been talking about as a CAGR that we have planned. Of course, there are certain years where we get more opportunity to grow the business like it happened last year, we had a reasonable growth in Bangladesh and all. So that's something like compared to that, like this year, because of tariff from U.S. with all the global -- all countries of sourcing.

So there was definitely some kind of -- that growth pattern was slowed a little bit. But I think, yes, if the more opportunity comes, then we should be growing at a faster rate, at least we are ready in terms of our capacity. Otherwise, like the goal of INR6,000 crores, as you said, is achievable even with a modest growth of 9% for both the years. So yes, we are quite confident that we should be hitting that target and maybe more.

Kishore Kumar: Got it. Sir, lastly, a bookkeeping question. Given the incremental capacity that we are adding in India and Bangladesh in H2, how much incremental start-up cost should we actually factor in? The 10 percentage that we are guiding for FY '27, does it include the incremental cost? And what is the incremental depreciation that we should keep?

Sanjay Gandhi: Yes. So it does factor into the incremental costs which will be incurred during the stabilization phase. In terms of the depreciation, if you look at our balance sheet, -- the capital work in progress is at INR110 crores. This is largely pertaining to the Bangladesh factory expansion plan. There will be addition -- there are some commitments already done.

Some work is in progress in H1 of this year, which we said by that time, the entire factory should be ready. So we should have another INR40 crores, INR50 crores adding to that capitalization. So around INR150 crores will be there as we see it as of now on account of the ongoing capex.

Now if during the year, as we are under -- as we are evaluating the capital commitment across geographies, there can be a further addition, which we'll update you in -- maybe in the next quarter or if we have call any time before. The depreciation will come around on that only.

Moderator: The next question is from the line of Soham Samanta from Motilal Oswal.

Soham Samanta: So just wanted to check one thing. When we were saying INR6,000 crores target for FY '28. And on the other hand, we are saying our realization is INR630 now. And we are saying 100 million shipping target by '28. So things are not matching. So do we look at realization declining for next couple of years?

Pallab Banerjee: So let me answer that. INR6,000 crores are something that we talked about in 2023. Yes. So that's the time that we gave ourselves this target. And so naturally, what you are seeing today in the last few years, like we have been ahead of that. And if this trend continues, like which we - - as of now, we are quite confident what we are seeing in this particular year. So naturally, it should be like more -- quite more than INR6,000 crores. So that's...

Soham Samanta: Yes, is it fair to assume 12% to 13% is achievable by looking at the current trend?

Pallab Banerjee: Yes. If our global leaders continue to be sensible, I think that's the kind of rate that we have planned for.

Soham Samanta: Okay. And in that case, if it is continuing in that case, so what is the driver? Like is it fair to assume that Bangladesh could be the largest driver in that business?

Pallab Banerjee: So we tend to -- Bangladesh is always in this period of last 3 to 4 years, you have seen Bangladesh was contributing a major part of our total turnover. So at the same time, we have been investing in the other markets. For example, this year, if you look at overall growth, I think Vietnam is more than the Bangladesh, the rate of growth that we have seen.

So that's -- with that, keeping in mind, we are continuing to invest in Vietnam, Bangladesh and India, like because India, despite the problems, we have not stopped increasing our capacity because we think these are temporary. And at some point of time, it will be better. So that's something like we are encashing upon at this point of time as this demand is coming back. So we are investing in all the regions, not specifically only to Bangladesh.

Soham Samanta: But if we were to chase the number 12% to 13% in that case, Bangladesh could be more than 20% growth? Are we looking for next couple of years?

Sanjay Gandhi: So, I think we look at a group level. We mentioned that 12% to 14% CAGR is something we are working upon. And given that trajectory, in 1 year, one origin will contribute more. In second year, the other origin will contribute because the capacity commercialization has a lag. So, it will keep on happening and every country will contribute significantly. Overall, at a group level, we are looking at 12% to 14% growth to continue.

- Soham Samanta:** Got it. And sir, the last from my side that you said that double-digit -- lower double-digit margin will continue. So we expect that similar like 10% to 11% margin will continue for full year, for FY '27?
- Sanjay Gandhi:** I lost your voice in between, sorry.
- Pallab Banerjee:** I think margin.
- Sanjay Gandhi:** Your question is about the margin. EBITDA margin. EBITDA margin?
- Soham Samanta:** Yes, yes. EBITDA margin for FY '27?
- Sanjay Gandhi:** So I mean -- so our trajectory is definitely 10% to 12%. So 10% is our first big milestone from the company perspective, given that the expansion which has been taking place. So yes, I mean, we are looking at a range of 10% to 12% in the coming years, starting with FY '27.
- Moderator:** The next question is from the line of Abhishek Shankar from ICICI Direct.
- Abhishek Shankar:** Congrats on a good set of results. So my question was basically, when I see the inventory days, it has moved up a bit. And is it fair to assume that this inventory days movement is basically because of lower shipments in quarter 4 or maybe in the second half of the year because of the second half of the quarter because there was a lot of issues relating to the shipments?
- Sanjay Gandhi:** So, I would -- so that's also one way of looking at it. The second way of looking is that it also depicts the higher shipment, which is expected in quarter 1.
- Moderator:** The next question is from the line of Harsh Dubey from LFC Securities.
- Harsh Dubey:** Congratulations on good set of numbers and very happy with the results. Just having 1 or 2 questions. So, first is when we talk about Muji, I just wanted to understand we do have numbers for the contribution from our top 3 clients from the perspective of how much as a vendor we contribute to that sourcing.
- Just from the Muji perspective, since it's going to move from a tactical segment to a top tier. So what is an expectation of Muji contributing to our revenue, and then how much do we currently contribute to their vendor contribution that the supply that we do to them?
- Pallab Banerjee:** So, Muji is a Japanese brand, as you know. So, they have been working with us for some time. Once the confidence gets built up, then they grew more rapidly in the last 2 to 3 years. We will continue to grow with them. We are -- at this point in time, we are in discussion with them to grow further.
- So both India and Bangladesh are the 2 countries that we are servicing from, and they are looking at the other country of origin as well potentially as a source. So in terms of total turnover from Muji, we had already crossed about, I think, \$65 million, yes. So that will continue to grow. That's why like maybe your question is in the top 6. Yes, it is figuring in the top 6, and we expect it to continue to be there.

- Harsh Dubey:** Perfect. Sir, just on this, so just when Muji has like let's suppose when they are taking -- they have a lot of vendors. So how much as a vendor we contribute to their sourcing is one of the questions that I wanted to understand?
- Pallab Banerjee:** So, unfortunately, that's not visible to me as yet. As we become more and more important to them and when I get that visibility, I can definitely share with them. Like for some of the U.S. customers, I have already said that, okay, we are at number 1 position or number 2 position or number 3 position. But yes, with Japanese, it might take a little bit more time to get to that level of transparency.
- Harsh Dubey:** Perfect. Just on this, sir, when we say that we have Muji as a Japanese client, what I wanted to also understand is we said that we are also looking for other Japanese players to be onboarded as our client. Just as an example, is there a plan further to go with UNIQLO, which is one of the brands -- Japanese brands since they're already working with Muji?
- Pallab Banerjee:** So yes, Japanese as a market, we are looking at more seriously and what are the opportunities are there. Specifically, if you're talking about UNIQLO, that's not on the priority because these 2 brands compete with each other to a certain extent. So, that's why, like there are many other brands or maybe like Fast Retailing has got a couple of more brands. So yes, all those are in the scope, and we will be putting all the effort to have a couple of more customers out of Japan.
- Harsh Dubey:** Perfect, sir. On this, just another question. So, this will be having 3 parts. First is that we were saying that we are expecting to add new client in India. So, any update on that as of now? And also the second part to the question is, we do say that we are expecting approximately 12% to 14% growth.
- Now as per my understanding, all the brands that we do cater to have a growth rate right now of approximately 7% to 8%. So, the other extra 4% increment, will that be majorly through the vendor consolidation? And specifically, how much is Pearl Global expected to benefit from this vendor consolidation that is happening?
- Pallab Banerjee:** So, the addition of new clients, yes, as a group, we continue to add new clients. We go as per the need of the clients, which country of origin they are looking at and what kind of product they are looking at. So yes, anybody -- any -- once we identify, okay, these are the 2 or 3 clients that we should be working with.
- As I said earlier also, like what we do is we look at the growth of the client, their positioning in the market and their financial -- how confident we are about their financials. So these 3 things are the ones like what we consider while adding a client.
- So, specifically for India and other country, I think that will be immature for me to say at this point of time. But yes, we are continuously adding clients. Sorry, the second part of your question was in terms of 12% to 14% growth, what specifically was that? Can you just repeat?
- Harsh Dubey:** So, my question was we say that 12% to 14% is the revenue growth that we expect, but major of our clients that we serve to have 7% to 8% of the growth. So are we expecting another 4% to

5% growth coming from the vendor consolidation happening? And how probably we are going to experience that vendor consolidation?

Pallab Banerjee:

That's like gaining more and more wallet share of that particular customer by working very closely with them, giving them best of the services, best of designs, -- so it's a variety of factors. And as per Pearl Global, what the strength that they see is definitely a multi-location and multi-category. So, both these factors also plays as we gain more and more wallet share from the same customer. So, that's why like our growth rate, we expect at least to be better than theirs.

Moderator:

The next question is from the line of Bhavya Gandhi from Bajaj Alternative Investments Limited.

Bhavya Gandhi:

Congratulations on the good set of numbers. My first question is regarding the entire INR250 crores capex that will it be enough to do capacity addition of 25 million to 30 million pieces or we'll have to spend beyond INR250 crores?

Sanjay Gandhi:

So, this INR250 crores will -- see the addition of the capacity, first of all, let me break this question into 2 parts. The addition of capacity has always been and will always remain a combination of in-house facilities plus the partnership facility. Both are under discussion at this point in time as we really speak.

Part of it is factored in the capex program, which we just mentioned, about INR250 crores for the next financial year. The one which is underway should add 6 million to 7 million pieces from 100 million. So we should be at 107 million plus additional 20 million, 20 million pieces. That will be capex plus the additional partnership facility.

There may be more capex beyond INR250 crores as well, which is outlined for FY '27. But this, we -- as we mentioned that we are evaluating it, this is a ballpark number given. The number of actual capex may be more than that as well. So yes, that's the intent.

Bhavya Gandhi:

Okay. Got it. Fair enough. And sir, last 2, 3 years, you've taken various steps to increase the margins. I believe those have played out. Also going forward, are there any further room for margin improvement, all these steps like something like a laundry that you had established in Bangladesh and there were various other margin levers that you were predicting. I mean, that would lead to margin expansion over the year. So, are there still room for margin expansion going forward?

Sanjay Gandhi:

Yes. So, Bhavya, very appropriately, you captured that point of laundry capex. So that will not have an impact on the top line, but it will improve the EBITDA margin. So there is an improvement coming from that as well. The 10% EBITDA, which we are confident for FY '27 is largely operational EBITDA, which we think we should achieve it, given that the way the business capability as of now has been established and demonstrated across the last 4 quarters and continue to be.

So therefore, we state that journey of 10% to 12% will be a combination of all these capital expenditure like laundry and there may be other capex as well, which will improve the margin profile of the company. And while we continue to work on the various customer and product

profile to really bring more enhanced and the value addition to overall margin profile of the company.

Bhavya Gandhi: Got it, sir. And for this 25 million to 30 million piece -- pieces addition, have we already locked customers or are we seeing any visibility from the customers over the next maybe couple of years or some -- have we engaged with the customers for this new capacity addition that we are planning from a demand standpoint?

Pallab Banerjee: So yes, what we are saying is that we continue to grow with the existing customer and then we also bring in the customers. So whether a customer has committed a number to us for this extra additional 25 million to 30 million over the next 2 years, I had mentioned this earlier also in our other calls that we do have certain strategic discussion with these customers where we get some amount of visibility.

So, whether -- like it is -- everything is perfect and goes as per that, it's not a long-term order that they are placing with us. So, we do strategize with the customers, which category they are buying from us and what are the additional category they will be buying from us in future, what is their size and requirement.

So, that discussion continues to happen as we do it with our existing customer as well as when we add a new customer, we look for the opportunity, what is their requirement first. And once we get them on board, then we try to increase our wallet share with them by offering multi-location, multi-category of product.

Moderator: The next question is from the line of Manjubhashini from ASK Wealth Advisors Limited.

Manjubhashini: First on the top line front, now that the tariff situation has eased out and we have also increased the capacity and fairly, the capacity in India has also ramped up in the last few quarters. So in this context, what -- how are the discussions with the clients happening now? What is it that the clients are looking for now? Is there any improvement in the timeline of orders being placed with us?

And is there some sense of utilization rate improvement that we have over and above what we have achieved? I know Indonesia, Vietnam, etc., have had a very good improvement in utilization this financial year. But from here on, what is the sense of visibility we have on the volume pickup, sir? Because I think the previous participant's question was also trying to address on the same lines with capacities coming up, how quickly do we think we can build the production lines also?

Pallab Banerjee: Yes. So, first part of it, like whether -- what's the trend that we are seeing in India? Because I think India is the country which got affected with the tariff...

Moderator: Sorry to interrupt, sir. There is a background noise going on.

Pallab Banerjee: Manju, if you can mute yourself, I think there's some kind of disturbance coming from your side. Yes. Thank you. Yes, so talking about India, like that's where like we had this 50% tariff and rest of the other countries, as we had noticed that all were in the similar range of 20% or around.

So yes, with this tariff moving away from India, definitely, we are seeing a positive response from the customers. And also added to that are the other European Union and U.K. customers' interest because of the potential FTA implementation in the next few quarters or a year. So, that's -- keeping that in mind, we are seeing a good traction in the order books of India so far, whatever we have seen.

I think that's specifically that you are asking for, like how this Indian capacity is looking at. And if you're talking about the global capacity, that's something, as I mentioned, like we continue to plan and discuss with our customers, what product, what category that they are looking at. So that's an ongoing process that continues.

Manjubhashini: Vietnam is already at 80% utilization. And on the existing capacity, you also talked about how you're looking for land banks to increase further capacity there, etc. But this 80% to what extent -- what would be the optimal utilization level? Is 80% itself an optimal level? Or you think it can stretch up to another 10 percentage points, close to 90% at the optimal level. When we will really look for additional capacity to garner higher, more?

Pallab Banerjee: Yes. So, as you have been talking to us for some time, so you must have noticed that we keep - try to keep a ratio of about 85-15 or 80-20, kind of how much we do in-house and how much we have do it through our partner factories. So, in Vietnam, the situation is that, okay, we have got a good growth of all the capacity that we had offered to the customer.

Now what we are seeing is that a majority part of it is being on the partners' capacity. So, this is a good time to invest there and get in-house capacities. So, that the process that we are undergoing. So, whenever we publish our capacity, especially from India -- from Bangladesh and Vietnam, where we do actively work with partner factories. And when we see that the proportion is going high in the partner factory, that's the time -- the right time to put our own investment and capex. Does that answer your question?

Manjubhashini: Yes. That is helpful. So, you're saying incrementally, you will look to add more capacity to partner facilities rather than give away any business for the lack of capacity. That's the...

Pallab Banerjee: Yes, yes. Because if we are doing like 90% of the order from partner factory and 10% that's like a very skewed up ratio, like the control becomes less. So it should be a balance that has to be maintained. That's how we take the decision.

Manjubhashini: Just one last question from my end, sir. This year, we had called out for INR36-odd crores from the one-off impact from tariffs. And so in a sense, then the adjusted EBITDA, what will become the base for the next year's growth from that perspective, if you see, it will be somewhere in the range of INR514 crores, INR515-odd crores. Is that the correct reading, sir? Or is there any change to that number?

Pallab Banerjee: I think you're calculating 468 plus 36. That's the kind of number you're talking about. So if that's the case, like let me just explain this breakup of the 36, there are -- for all other countries, the tariff was at a lower level. And for India, the tariff was at a much higher level. So to most of our customers, they came back and say that, okay, what kind of burden share that you are doing with us.

And specifically for India, they wanted to have that 25% of penalty to be borne by us. So, naturally, from India, we had to give more discounts compared to the other countries. So, some of this tariff is still continuing at 10% level as of now. So, there are some burden share that we'll continue to do. So, maybe the 36 number will come down significantly, may not be 0 with U.S. specifically.

Manjubhashini: So, is it the right thing to put a number of, let's say, INR5 crores to INR8-odd crores could continue to be the tariff-related costs, which we may have to bear? Is that the right understanding? I'm just looking for some quantification there?

Sanjay Gandhi: As mentioned earlier as well, you see there will be definitely some flow since the cost will not be there, so that should lead to improvement in the margin. And every season is new costing, new product. And since the tariff is not there, that will not be part of the costing. So we hope that, that will certainly result into some gain at a margin profile also.

Moderator: The next question is from the line of Shirish Pardeshi from Motilal Oswal.

Shirish Pardeshi: I have just one question on the design and marketing. Generally, design is one of the pillar of attracting new clients. So, what number of people, what number of designs we would have churned in last 1 year? And how this segment will scale up over the next 2, 3 years? I mean I understand capacity expansion will happen, but winning the customer trust will be based on the designs?

Pallab Banerjee: Design and capability both. So, what we do is if you if you follow us then we have been investing in the design stuff and also in the country where the sales are happening. So that means whether it is European countries like Spain and all where we have a significant exposure.

Similarly for U.S., for U.K., these are the places like we have invested in the design team who work very closely with the customers, what kind of trend, what are the requirements that they have. So, that definitely plays in our favor. Exactly how much of number and all of samples, yes, the numbers are quite significant always, but I do not have an exact number to be shared with you as of now.

Shirish Pardeshi: So, what is the employee base we had in '25 and what is in '26? And what is it that you're looking for next 2, 3 years?

Pallab Banerjee: Yes. Design stuff, if you talk about, yes, we are almost like we used to be in the range of 70, 75. Now it's almost crossing 100. So that continues to grow. Like as we get more clients, depending on their needs, their handwriting, we have to continue to invest in the design stuff, and we do that.

And also the second part is more than the design stuff is the technology of design. So, there are a lot of technical advantage that is coming through, like, for example, the 3D designs, then AI rendering on those 3D designs, which improves the sales and the adoption. So, those are also playing an important role. So, that -- both these investments go hand in hand.

Shirish Pardeshi: Okay. And same question on the marketing investments in terms of front-end staff, in terms of business development, what is the number in '25 and '26?

Pallab Banerjee: So, every region, we have leaders, the CEOs who are working. So what we do at the leadership level, we front-end a couple of customers. So, some would be done by me, some would be done by my Vietnam counterpart or like the Bangladesh. So, that's how like the leadership position goes.

And then depending on any customer that we are acquiring or adding and if it's a sizable number. So, definitely, then we try to give them more dedicated service. So, most of the customers, like we built up dedicated teams -- and that's how this game gets played. And so if you want to the details, there are a lot of details out there.

There would be some maybe design stuff, there will be merchandising stuff, sourcing stuff, sometimes like all the approvals that they allow us to do, technical approvals and all, so those kind of stuff. So, we built it up continuously as we acquire the customers.

Shirish Pardeshi: I got that Pallab. What I wanted to check with you that is there any target that we are looking for adding 2 or 3 or 4 customers in every quarter? There's a lot of work which will happen starting from design capability, showing them how sustainable, how technologically advanced we are. But is there any number you can share?

Pallab Banerjee: Yes. So, you see like we already have that the core staff, which is generating the new designs and the new -- which can be shown to every customer or even the new customers also. So, then that part remains constant. As the new customer gets on board, then we start investing in terms of more people dedicated to that particular customer.

We are in conversation with all the ones that we have targeted where we feel that they are doing very well and they are growing, and we should be with them. So, that kind of list is always there. Now how many of them will be converted in which quarter? That means like how many will place new orders to us or new clients will be ordering to us in every quarter.

That's more difficult to predict because sometimes this onboarding takes maybe years. A marquee customer like we recently added, we have been at it for more than 2 years. So when that opportunity comes, when they need something different or they need a different location or a different product, that's the time where they would be entertaining us to start placing the business.

Before that, it's more of a conversation, what we can do, what we can't do, what is their requirement. So yes, so it's very -- to put a number would be difficult, but that's a continuous process that we have. So what we do is that we generally publish like the new addition that has happened in the last 5 years, what is the contribution to our total top line. So that will continue to do.

Moderator: In the interest of time, that was the last question for the day. I now hand the conference over to Mr. Sanjay Gandhi for closing comments.

Sanjay Gandhi:

Thank you to all participants. With positive industry development in the future, given the tariff and the reciprocal tariff and the penalty is not there. And we, across the geographies are feeling as a Pearl group, a lot of optimism as we step into the new financial year. Of course, there are challenges across, which we are navigating well.

And with a diversified manufacturing base, new capacity additions, ongoing expansion plan and a strong relationship with global retailers, Pearl Global is entering FY '27 well positioned for continued profitable growth. We remain confident of sustaining this momentum beyond FY '27 as well, driven by our expanded footprint, strengthened capabilities and deeper customer engagement, enabling long-term value creation.

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 Strategic Growth Advisors, our Investor Relations Advisors. Thank you.

Moderator:

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

Pearl Global Industries Limited**CIN - L74899HR1989PLC140150**

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 15th May 2026 will prevail.”