

PEARL GLOBAL

Exceeding Expectations...Always



Powered by *Vision*
Driven by *Values*

Pearl Global Industries Limited
Investors & Analyst Meet
Presentation
February 2024

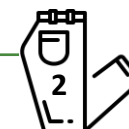


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Pearl Global: Everything From Fibre To Fashion

Founded in 1987, Pearl Global Industries Limited (PGIL) is a leading apparel manufacturer offering end-to-end sustainable solutions to the fashion industry. We began our journey with a single unit in New Delhi and today we are proud to have over 27,000 diverse skilled talent across the world to cater to all your apparel needs



Vision

To be the Global Leader providing end-to-end supply chain solutions to the fashion industry



Mission

To continuously exceed customer and shareholder expectations by strategically driving sustainability, technological advancement, and innovative solutions delivered with the best talent in the industry



Goal

To innovate the way fashion is created across the Globe





Our Journey Spanning Over 36 Years

1987



Pearl Global started operations

1998



Established presence in Hong Kong

2002



Commencement of Indonesian operations

2004



Established import and distribution in the USA, UK and Norp 1 in Bangladesh

2017



Commencement of operations at Vietnam

2014-16



2014: Demerged from House of Pearl
2014: Start of operations in Pearl Bangalore
2016: Start of operations of Pearl 1 in Chennai

2007-11



2007: Got listed at the BSE and NSE
2011: Expanded Bangladesh operations with Norp 2

2020



Commenced Prudent operations, in Bangladesh

2021



Acquisition of land expansion in Indonesia operations

2022



Acquisition of Alpha unit in BD

2023



Expanded capacities in Indonesia by more than 35%
Expanded operations in Guatemala



Architects Of Our Vision & Leaders Behind Our Mission

Architects



Mr. Deepak Seth
(Chairman)



Mr. Pulkit Seth
(Vice-Chairman)

Leaders



Shifalli Seth
Thought Leader-
Design & CSR



Pallab Banerjee
Managing Director



Sanjay Gandhi
Group CFO



Ratna Singh
Group CHRO



Gurusankar Gurumoorthy
CEO - Vietnam
Honk Kong



Vikas Mehra
(CEO - Bangladesh)



Pankaj Bhasin
(CEO - Woven India)



Sundeep Chatrath
CEO - Knits India



Rajesh Ajwani
CEO - Indonesia



Paresh Kumar Powani
CEO – Alpha Clothing



Matthew Healy
CEO – Pearl
Unlimited, inc.



Sebastian Del Pinal
CEO– Guatemala



David Ayala
Global Creative
Director - US



Jo Hales
Senior Vice
President - UK



Jonathan Raimbault
Marketing &
Design - Spain





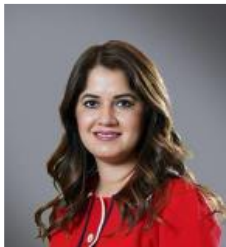
Board of Directors



Deepak Kumar Seth
Chairman



Pulkit Seth
Vice Chairman



Shifalli Seth
Non-Executive Director



Pallab Banerjee
Managing Director



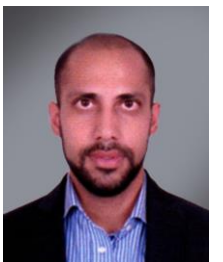
Anil Nayar
Independent
Director



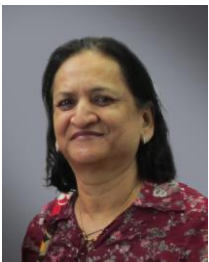
Rajendra Aneja
Independent
Director



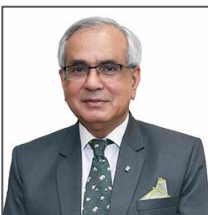
Chittranjan Dua
Independent
Director



Abhishek Goyal
Independent
Director



**Madhulika
Bhupatkar**
Independent
Director



Rajiv Kumar
Independent
Director



Sanjay Kapoor
Independent
Director



Ashwini Agarwal
Independent
Director



Neha Khanna
Independent
Director



Shailesh Kumar
Executive Director



Deepak Kumar
Executive Director



**OUR MANUFACTURING UNITS ARE STRATEGICALLY
ESTABLISHED TO MEET EXPECTATIONS ACROSS
GEOGRAPHIES**



TODAY OUR PRESENCE IS GLOBAL



INDIA – MANUFACTURING CAPACITY



Total Capacity – 24.5 million pieces p.a.



Product Portfolio





Product Portfolio





India – Factory Automation



BANGLADESH – MANUFACTURING CAPACITY



Total Capacity – 45.0 million pieces p.a.



Knits



MANGO



MANGO



AMERICAN EAGLE



TOMMY HILFIGER



MANGO



KOHL'S



AMERICAN EAGLE



KOHL'S



TOMMY HILFIGER



Wovens





Denim



Bershka



Bershka



Bershka



Walmart



Bershka



ASDA
George.



Bershka



Bershka



Denim



Bershka



Bershka



Bershka



Bershka



Bershka



Bershka



Bershka



Bershka



Bershka



Sleepwear & Lounge



★ macy's



★ macy's



KOHL'S



KOHL'S



★ macy's



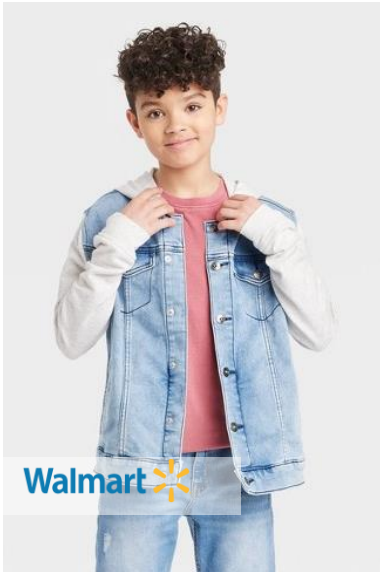


Active Wear & Athleisure

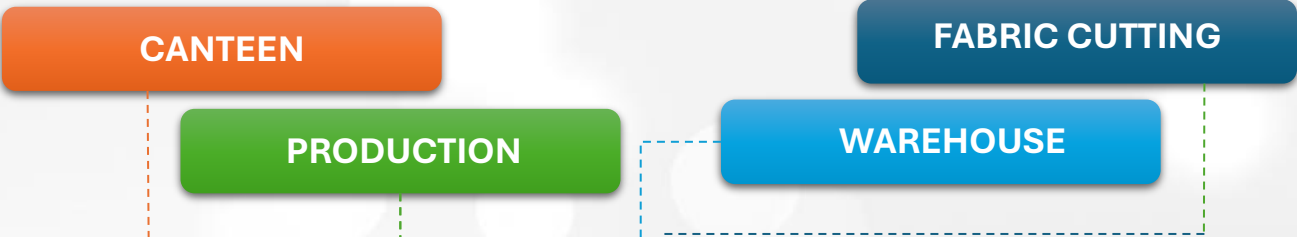




Kids Wear



PEARL GLOBAL - VIETNAM



Total Capacity – 6.5 million pieces p.a.



Product Portfolio





Product Portfolio





Latest Technical Skills



Seam Sealing Jacket



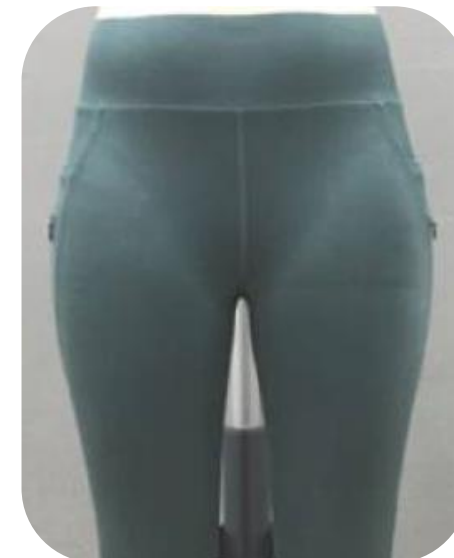
**Heat quilting
jacket**



Filling Jacket



**Seam Sealing with
deco pant**



Flatlock seam

INDONESIA - PT Pinnacle Apparels



SEMARANG

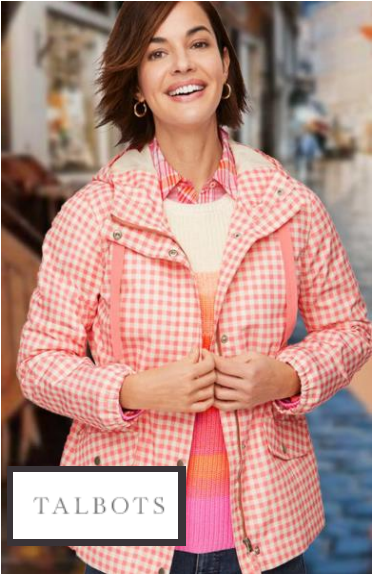
KABUPATEN
DEMAK

Total Capacity – 4.0 million pieces p.a.





Product Portfolio





Product Portfolio



LOFT



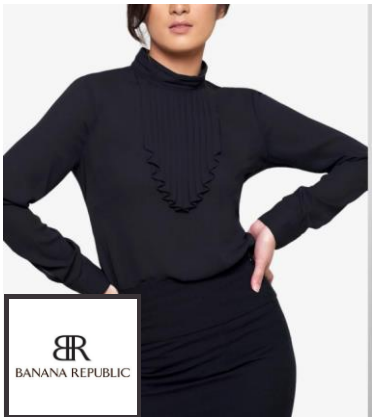
LOFT



LOFT



LOFT



GUATEMALA



Total Capacity – 2.0 million pieces p.a.



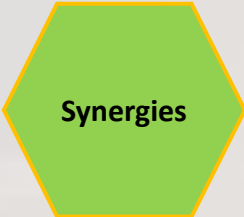
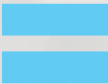


Product Portfolio





Synergies From Partnership Model



 Working Capital Investment

 Designing

 Appointment of industrial Engineer

 Responsible for optimum capacity utilization at partner facility

 Fabric Procurement

Industrial Engineer

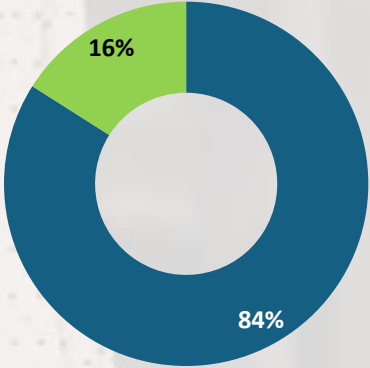
 Ensures Compliances

 Monitors Production Processes

 Capex and Labour Expenses

 Design Sharing With the Buyer

 Contract on per piece basis



Owned Partnership



**Getting
bigger &
better with
every
collaboration!**

Key Clientele

Calvin Klein
TOMMY HILFIGER



Robust Clientele Portfolio

TOMMY HILFIGER

Calvin Klein

BANANA REPUBLIC

Bershka

ANN TAYLOR



AMERICAN EAGLE



chico'sFAS

next
NEXT.CO.UK

ANN TAYLOR
LOFT

LANE BRYANT

aerie

ZARA

MUJI
無印良品

MANGO

WHBM
WHITEHOUSEBLACKMARKET

KOHL'S

★ macy's

ROSS

sam's club

Walmart

NORDSTROM

Belk

JCPenney



TALBOTS



ASDA
George.

Sainsbury's

PRIMARK

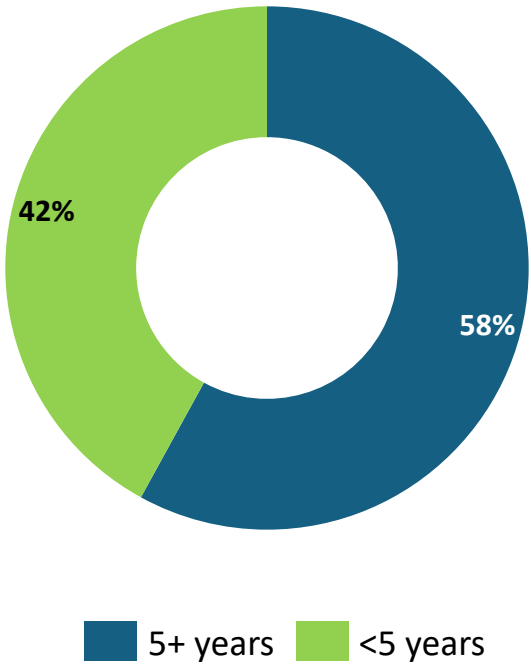
TJ-maxx



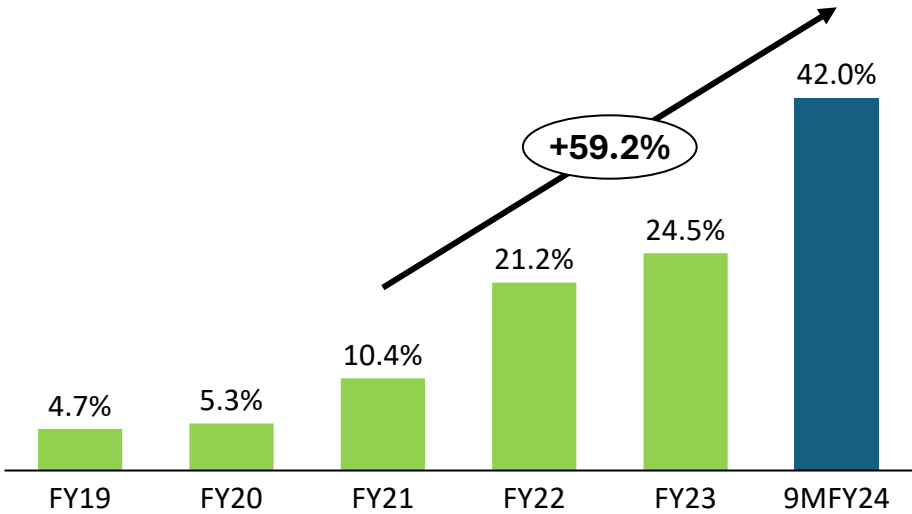


Robust Growing Customer Relationship

Revenue Contribution from Key Clients



Revenue Contribution from customers added in last 5 years



A photograph of a clothing store interior. A black metal rack holds several garments on wooden hangers. The items include a purple patterned dress, a white long-sleeved top, a yellow and white striped skirt, a blue and white striped dress, a white sleeveless top, a dark blue patterned dress, and a white dress with small colorful polka dots. The background is slightly blurred, showing more clothing and store fixtures.

Mr. Vikas Mehra

CEO - Bangladesh



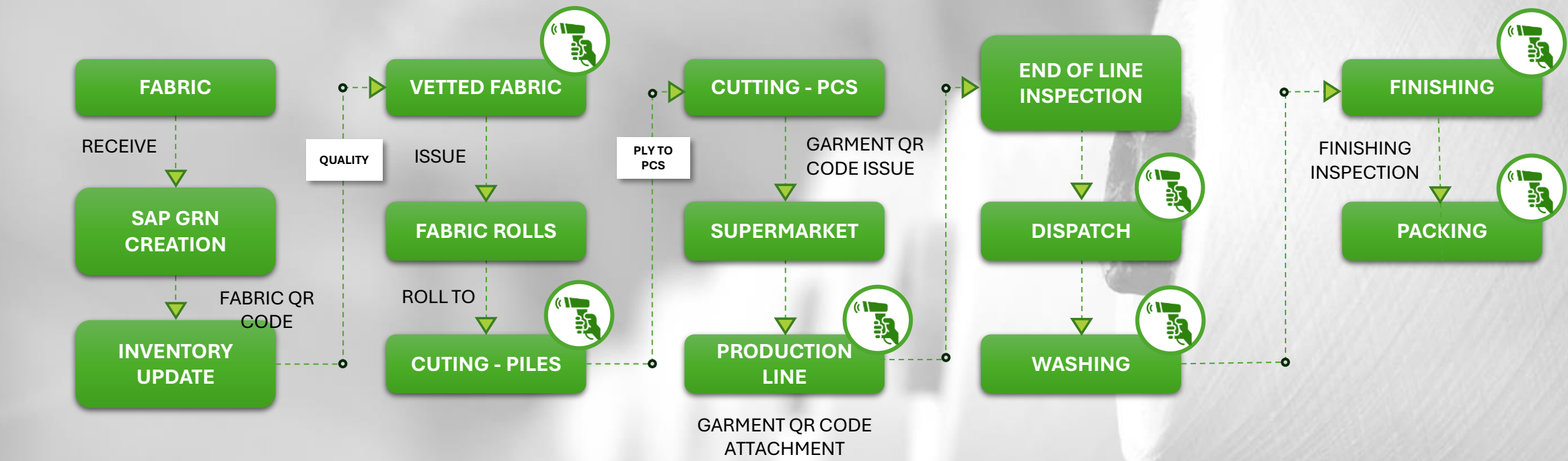
Mr. Gurusankar Gurumoorthy
CEO – Vietnam & Hong Kong

Conscious steps towards a Sustainable future

Productivity
Improvements



DIGITIZATION



19-22 Line 11 Doc No: 1000291340 Item 000272				GR Code Defects Description	
Total	Check	Pass	Alter	Reject	
	19963	19917	46	0	
Pass	455				
Alter	20				
Reject	0				
Code	01247JET	Name	ANUP KUMAR		
Profile	ENDLINE CHECKER	Grade	SKILLED-A		
1	D1A	OPEN / BROKEN SEAM (BOTTOM HEM)			
2	D1B	OPEN / BROKEN SEAM (SLEEVE OPENING)			
3	D1C	OPEN / BROKEN SEAM (LEG OPENING)			
4	D1D	OPEN / BROKEN SEAM (NECK)			
5	D1E	PINCHING			
6	D1F	SKIP STITCH			
7	D1G	BALANCING OR JOINT OUT			
8	D1H	PUCKERING / ROPING (ARMHOLE)			
9	D1I	PUCKERING / ROPING (SIDE SEAM)			
10	D1J	PUCKERING / ROPING (BOTTOM HEM)			
11	D1K	PUCKERING / ROPING (WAIST)			
12	D1L	UNEVEN STITCH / RAW MARGIN & STITCH			
13	D1M	WRONG / INCORRECT PLACEMENT LABEL			
14	D1N	TILTED / INSECURED / MISSING LABEL			
15	D1O	STITCH ON STICKER			
16	D1P	SEWING DAMAGE			
17	D1Q	FABRIC HOLE / NEEDLE CUT			

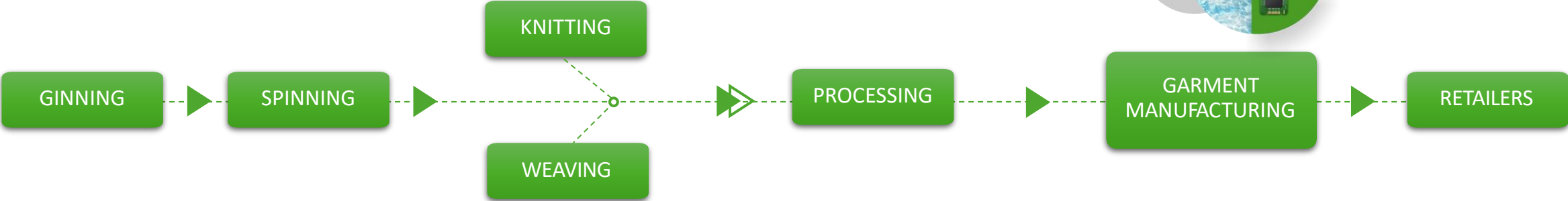




Cotton Traceability



pearltrace
A COMPLETE TRACEABLE SOLUTION



Doc Set 1

1. Invoice
2. Packing list
3. Country of Origin
4. Bill of lading

Doc Set 2

1. Invoice
2. Packing list
3. E-way bill
4. Purchase Order

Doc Set 3

1. Invoice
2. Packing list
3. E-way bill
4. Purchase Order

Doc Set 4

1. Invoice
2. Packing list
3. E-way bill
4. Purchase Order

Doc Set 5

1. PO to customer
2. Packing list
3. Bill of lading

COMPLIANCE WITH REGULATION AND STANDARD

- Traceability documents enable textile companies to comply with various regulations and standards.
- They provide evidence of adherence to specific guidelines, such as environmental regulations, fair trade practices, labor standards, and product safety requirements.
- It help buyer to ensure that ethical and sustainable practices are followed, and it allows for responsible sourcing and production.



Efforts Towards Sustainable Production

AquaLess Mission

MAKE THE WORLD
A BETTER PLACE WITH LESS

It's our new technology to reduce **85%** the water

NO WATER

during

Aqualess aged step
Oz-One Powder step
Dry bag softener step

Using **only** water for rinsing steps



Laser and
Novascraper Indigo



Aqualess
Aged



Oz-One
Powder



Dry Bag
Softner

85% WATER
REDUCTION

Ø ZDHC



scivero**LENS**



EIM[®] SCORE



Conventional	AquaLess Mission
DESIZING – STONE WASHING – BLEACHING need many liters of water	AGING TREATMENT WORN BLEACHING and DRYBAG SOFTNER run in waterless condition



**Designs
that
make
the
headlines!**

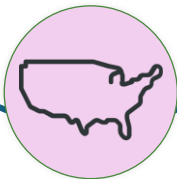


**Industry Updates &
Key Drivers**



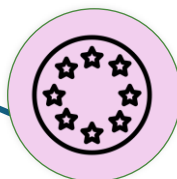
USA

- In December 2023, US apparel imports were US\$ 5.5 Bn. which is 15% lower than December 2022. On YTD basis, the imports were 21% lower than in 2022
- In the US apparel market, share of China has decreased by 2% and that of Vietnam has increased by 2% since 2021



EU

- EU apparel imports in December 2023 were US\$ 6.1 Bn. which is 20% lower than December 2022. On YTD basis, the imports were 13% lower than in 2022
- In the EU apparel market, share of China has decreased by 2% while that of Bangladesh has increased by 1% since 2021



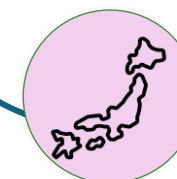
UK

- UK apparel imports in December 2023 were US\$ 1.2 Bn. which is 33% lower than in December 2022. On YTD basis, the imports were 17% lower than in 2022
- In the UK apparel market, share of China has reduced by 2% and that of Bangladesh has increased by 2% since 2021



Japan

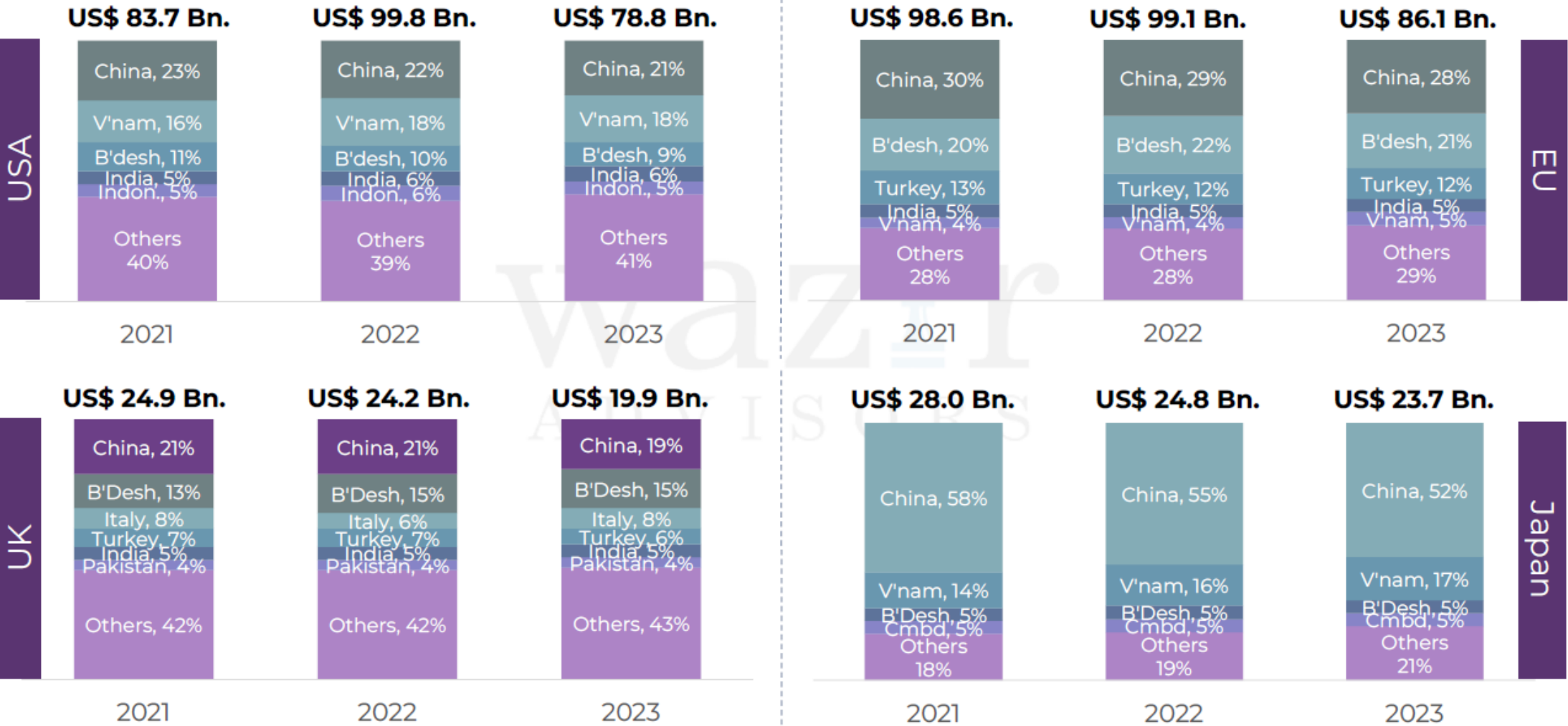
- In December 2023, Japan's apparel imports were US\$ 1.6 Bn. which is 11% lower than December 2022. On YTD basis, the imports were 4% lower than in 2022
- In the Japan apparel market, share of China has decreased by 6% while that of Vietnam has increased by 3% since 2021



China's share of textile and apparel exports continues to decrease across the geographies (except marginal increase in UK) since 2021, with Vietnam and Bangladesh making significant gains as major suppliers to these geographies
In India's apparel export basket, UAE's share has decreased by 5% since 2021, while that of USA has increased by 1%.



Share Of Major Suppliers In Key Markets



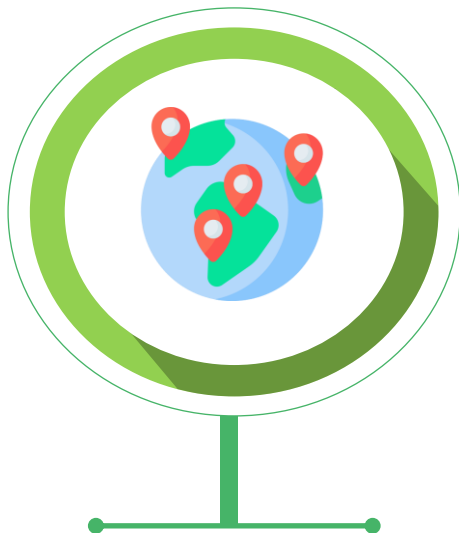


Peer Comparison

Peers	China Peer 1	China Peer 2	Taiwan Peer 1	Taiwan Peer 2	South Korean Peer
Manufacturing Locations	-	Vietnam, China, Cambodia, Bangladesh and Sri-Lanka	-	Vietnam, Cambodia and Indonesia Small Manufacturing - China, Philippines, Africa	Vietnam , Nicargua, Guatemala, Indonesia, Haiti and Myanmar
Fabric Mills Base	China, Cambodia and Vietnam	-	Taiwan and Vietnam	-	-
Garment Factories	China, Cambodia and Vietnam	-	Vietnam, Cambodia, China, Le Sotho & Indonesia	-	-
Revenue	27,781,412 (In RMB '000) (\$3.9 Bn) CY22	2,490,966 (In US\$000) (\$2.5 Bn) CY22	\$39.615 (In NT \$billion) (\$1.3 Bn) CY22	32,082,917 (In NT\$ '000) (\$1.0 Bn) CY22	1,712.88 (In US\$Mn) (\$1.7 Bn) CY22



Our Unique Proposition

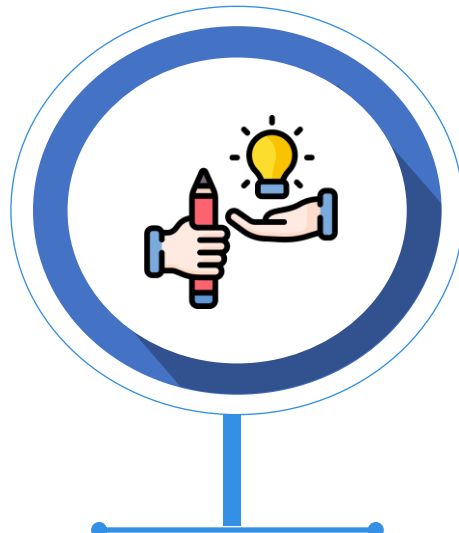


Multinational Presence

- 24 manufacturing facilities spread across 5 countries
- Present in 3 out of 4 supply chain areas
- End to End supply chain provider
- Ability to do Concept + Store



Increasing wallet share from existing customers



Robust Design Team

- Fashion trend analysis by talented design personnel
- Modern unique techniques like 3D CAD rendering, 3D Optitex, CLO and Browzwear used to craft the final product



Acquiring new customers



Shift Towards Asset Light Model

- Partnership model to drive next leg of growth
- Improved return ratios going ahead



Expanding to new geographies



Strong Customer Relationship

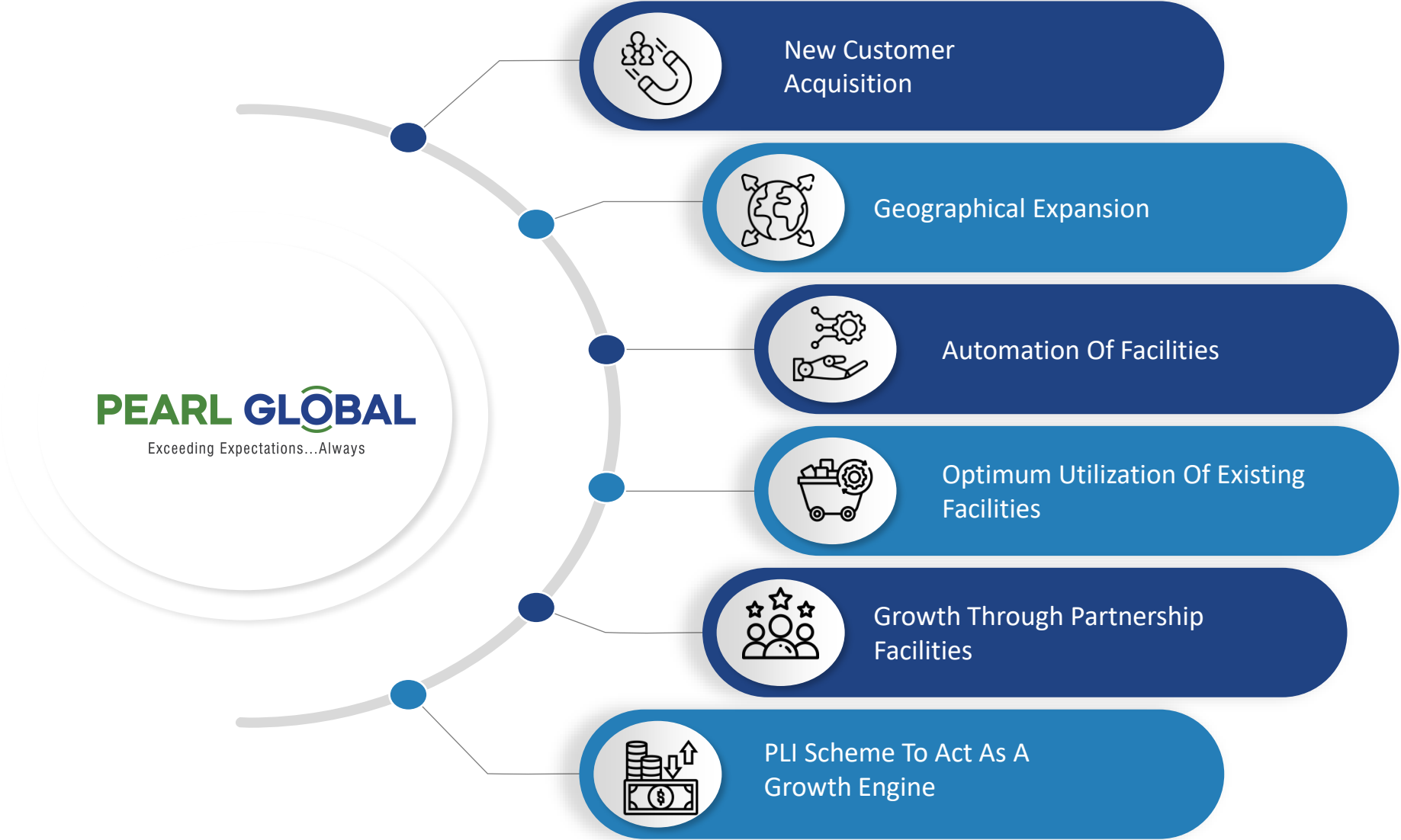
- Long term relationship with well-known large retail format stores (Kohl's, Macy's, Target Australia and others) and specialised retail format stores (Bershka, Gap, Old Navy and others).



Providing new product categories



Growth Drives for PGIL



We believe in the **Triple Bottom Line Approach**



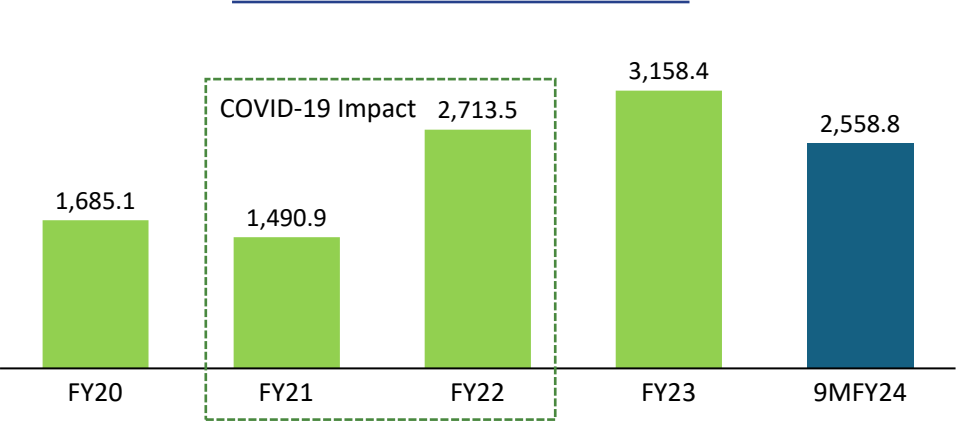
Key Financial Highlights



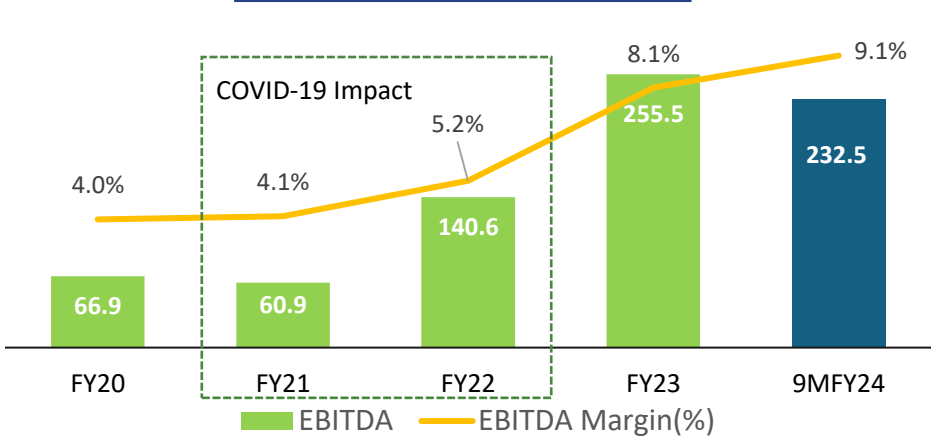
Consolidated Group Performance

In Rs. Crs

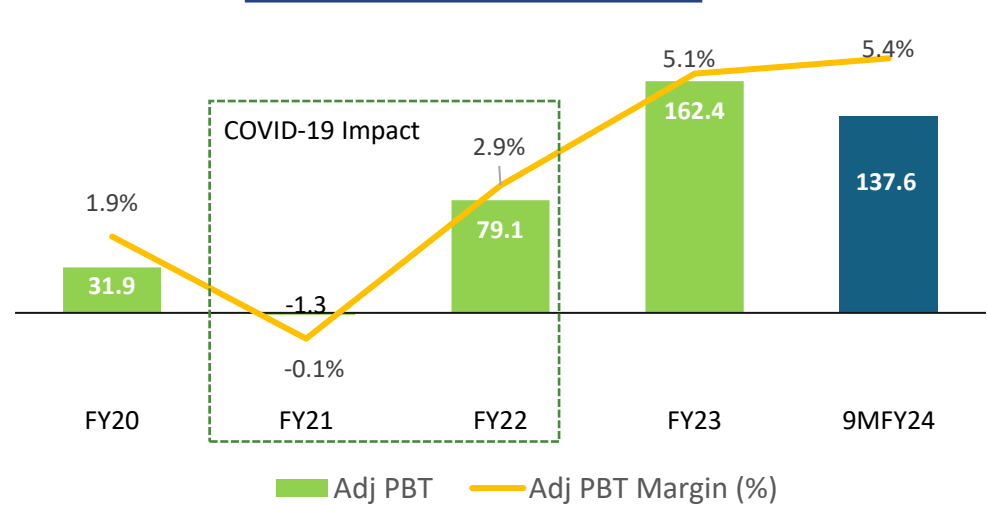
Revenue



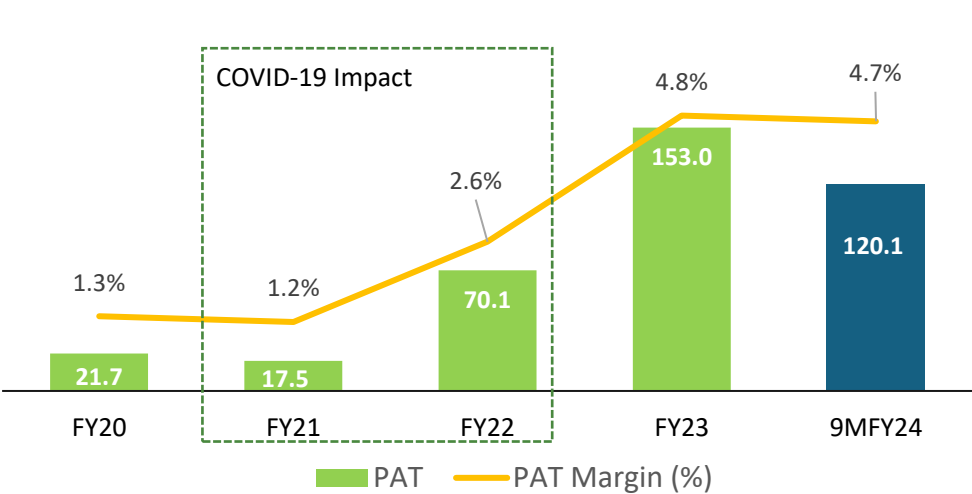
Adj EBITDA**



Adj PBT*



PAT



**Adj. EBITDA excludes Esop expenses

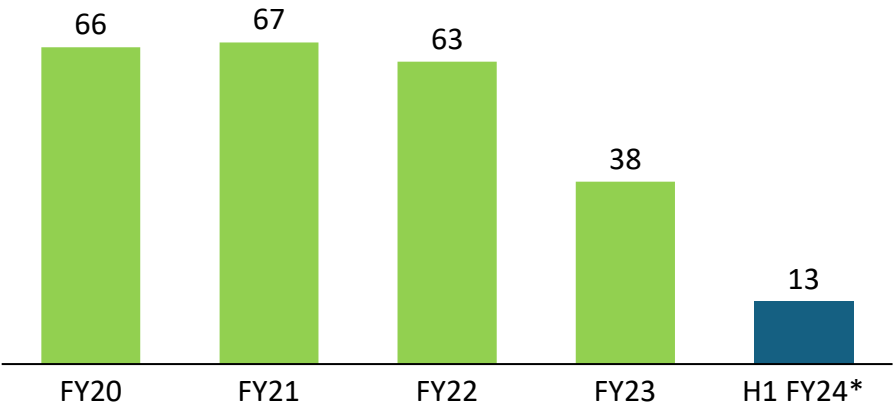
*Adj PBT excludes exceptional items



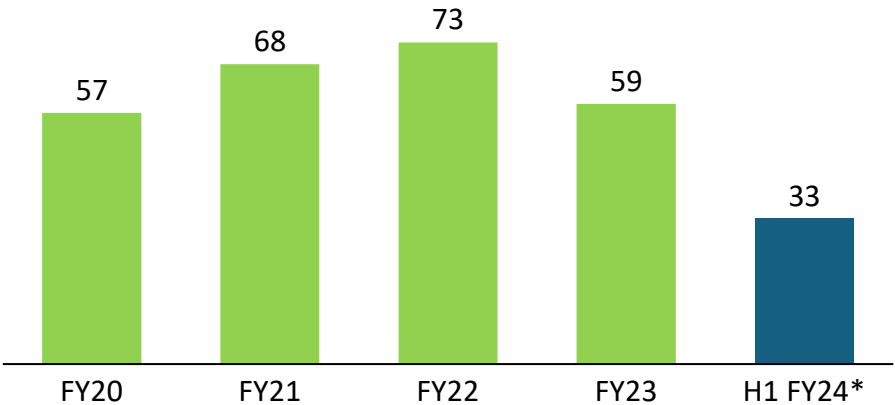


Improved Working Capital Days

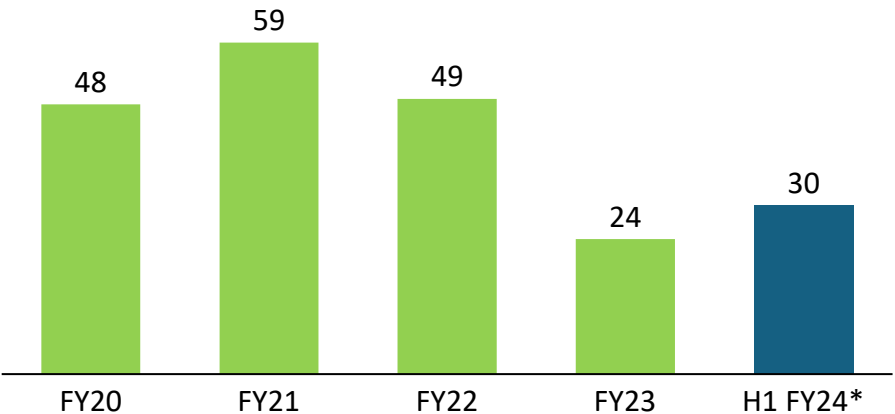
Working Capital Days



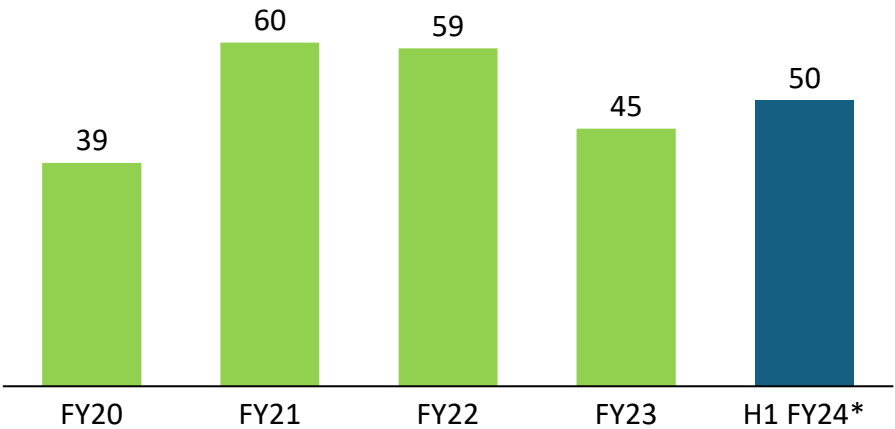
Inventory Days



Debtor Days



Creditor Days



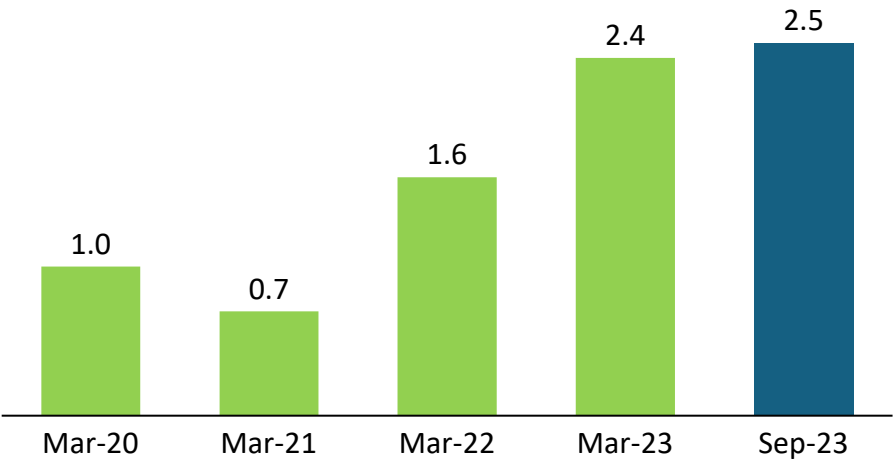
Ratios are calculated on sales
*H1 FY24 is on TTM basis



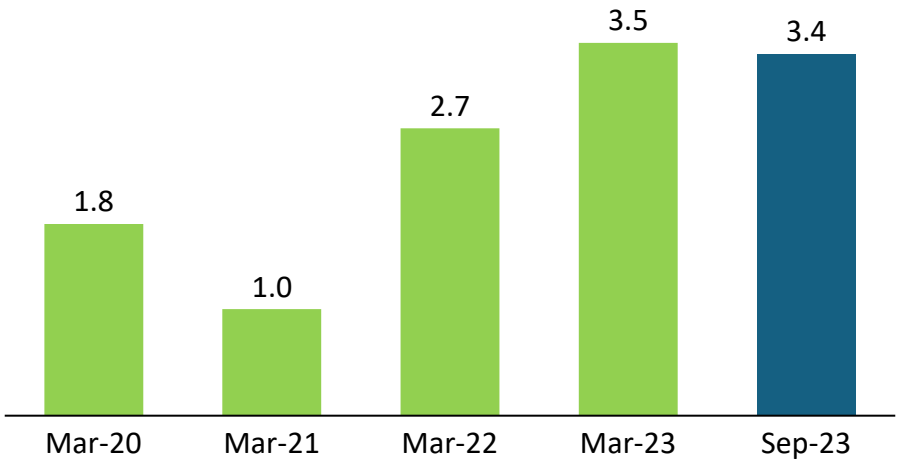


Improved Debt Position

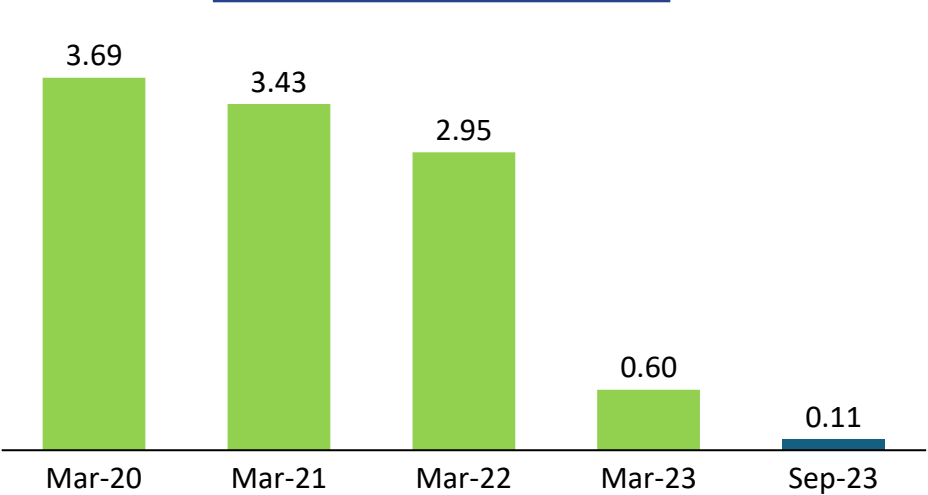
Debt Service Coverage



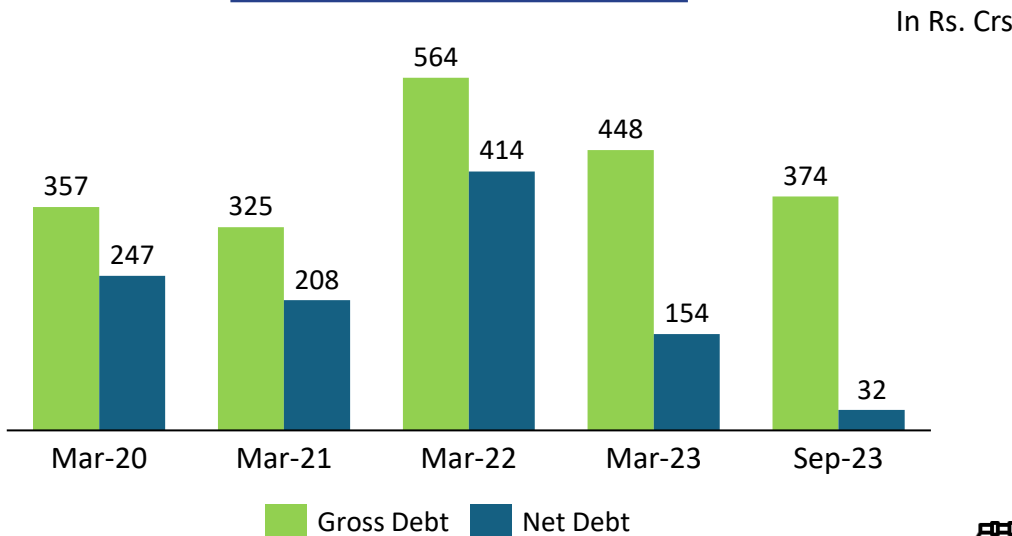
Interest Coverage



Net Debt/EBITDA



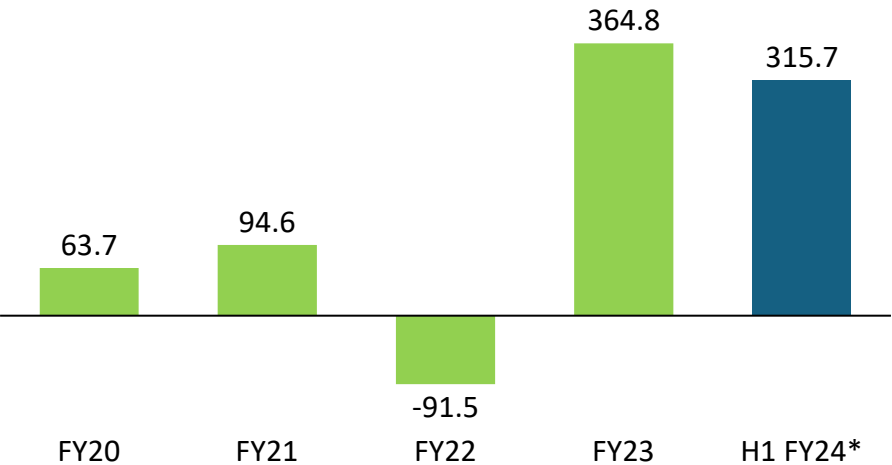
Debt





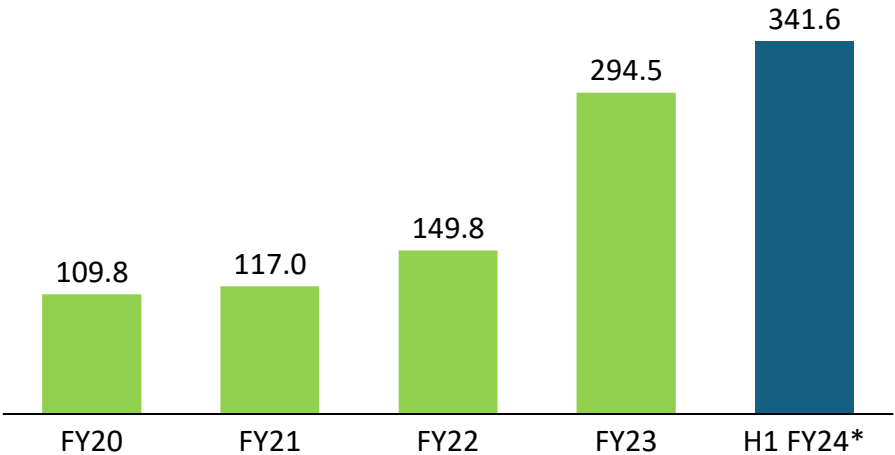
Improved Financial Metrics

Cash Flow from Operations

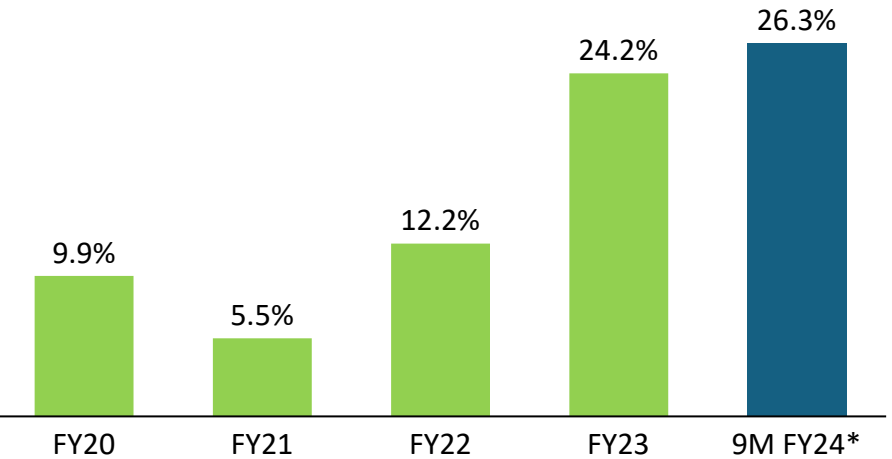


CCE & Bank Balance

In Rs. Crs



Return on Capital Employed (%)



Comment on CCE & Bank Balance

The CCE & Bank Balance after providing for cash earmarked for LC (Rs. 74.9 crores) and proposed dividend payout (Rs. 27 crores) is ~Rs. 240 crores

After accounting for 2 months of employee expenses other variable expenses, excess cash will be Rs. 65-70 crores which is kept aside for any potential opportunity/expansion

*ROCE calculated on a TTM basis for 9MFY24
ROCE = EBIT / (Total Shareholders equity + Total Net Debt + Cash ear marked for LC payments)





Risk Mitigation & Governance



Risk Management

Product

Quality systems are closely aligned with customer expectations, maintaining constant communication with customer representatives to facilitate process improvements

Customer

Direct relationship with all customers and credit assessment before onboarding new customer

Currency

Maintaining a natural hedge in all overseas operations, including India-export-forward cover

Raw Material

Early projection and booking of raw materials, along with periodic review of physical count & utilization of stock

Social and Ethical Compliance

Robust internal control and compliance system. Also, Onboarding of customers is done only after ensuring complete compliance standards

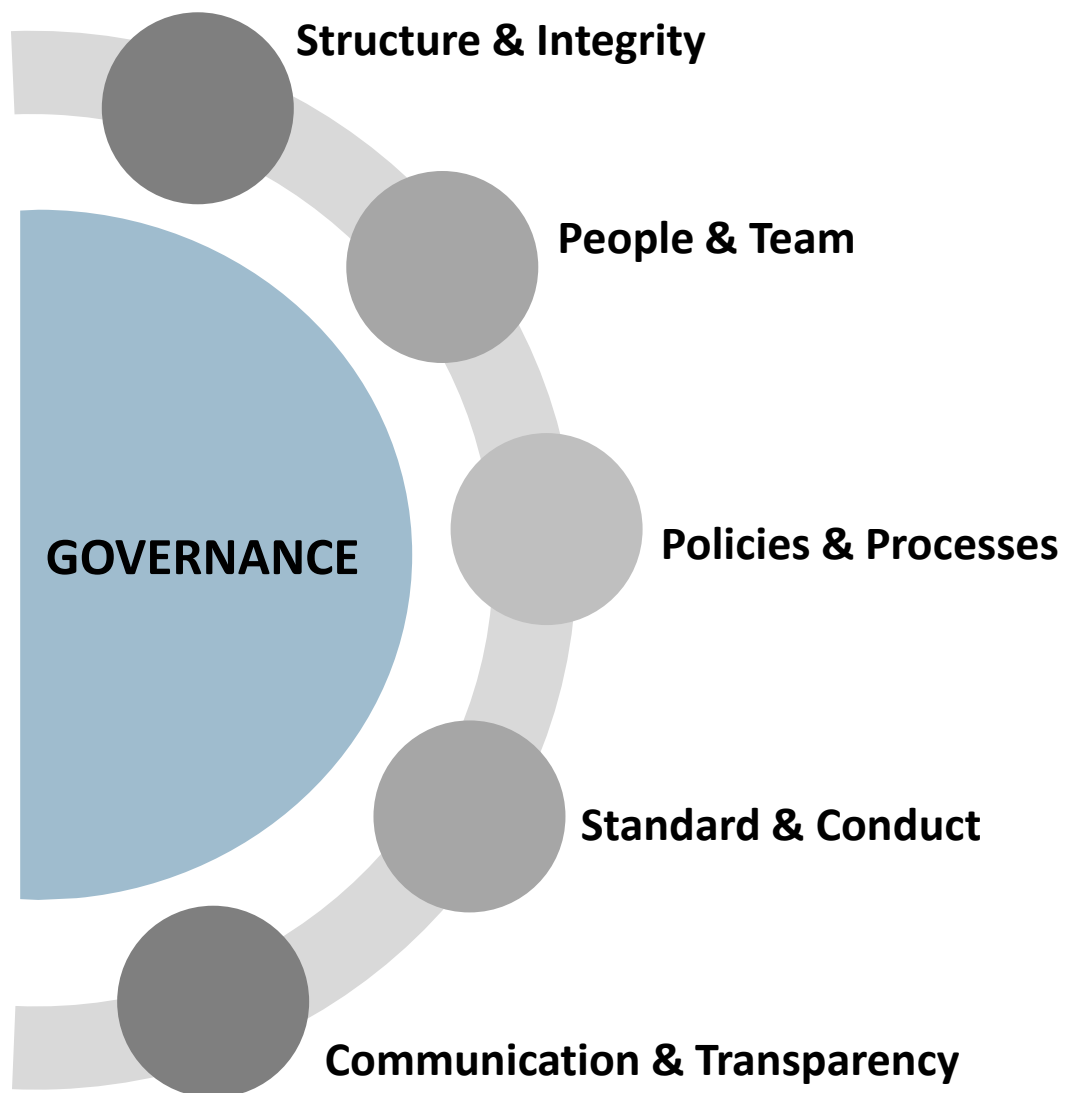
Cashflow

Asset light model-partner with factory rather own set up, also ensuring on time collection





Robust Governance To Protect Value



PGIL Group Initiatives

- Ernst & Young appointed as Statutory auditor in Hong Kong
- Ernst & Young appointed as Internal auditor in India & Bangladesh
- KPMG appointed as Statutory auditor in Bangladesh
- Deloitte appointed as auditor in Vietnam
- Group financial consolidation automated
- Further initiative on automation:
 - Financial MIS
 - Factory MIS
 - Budget
 - Sales Forecast



Strengthening the Board



Dr. Rajiv Kumar, Non-Executive, Independent Director

- Chairman of Pahle India Foundation, a non-profit making research think tank
- Member of Global Leadership Council, GASP, New York
- Director on Parley India Foundation
- Chancellor of Gokhale Institute of Politics and Economics, Pune
- Chairman of the Board of Governors of the Giri Institute of Development Studies, Lucknow
- Previously associated with NITI Aayog as Vice Chairman
- He has a wide experience spanning across 4+ decades having worked in academia, government, industry as well as in multilateral institutions
- Dr. Kumar has a Ph.D in Economics from Lucknow University and a D.Phil from Oxford University



Mr. Sanjay Kapoor, Non-Executive, Independent Director

- Founder & President, Genesis Luxury Fashion Pvt Ltd
- A banker turned entrepreneur with 2+ decades of experience in the Indian Fashion Industry
- Genesis Luxury is now a part of Reliance Brands Limited (RBL), a subsidiary of Reliance Industries Limited
- Mr Kapoor has been pivotal in introducing several luxury International brands into India such as Giorgio Armani, Emporio Armani, Armani Exchange, Paul Smith, Bottega Veneta, Jimmy Choo, Tumi, Coach and Michael Kors
- Member of Young Presidents Organization (YPO) and a recipient of several awards for his innovative initiatives in fashion retailing
- Mr Kapoor is an alumnus of Shri Ram College of Commerce and University of Rochester

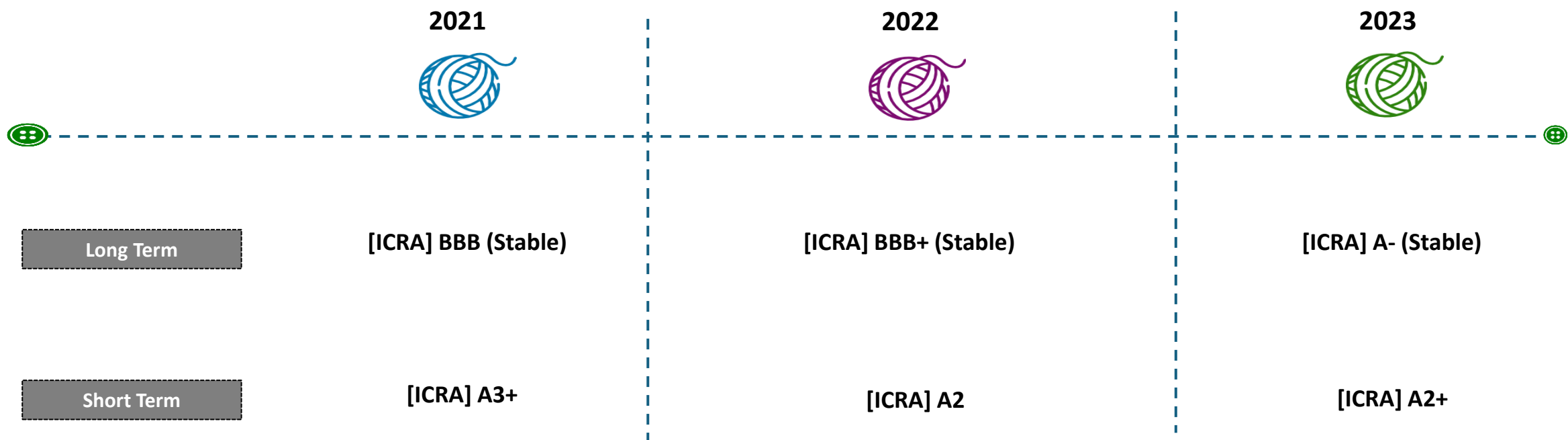


Mr. Ashwini Agarwal, Non-Executive, Independent Director

- Founder and partner of Demeter Advisors LLP, a Mumbai-based family office firm
- A seasoned equity investor with 3+ decades of experience across emerging markets, especially India and South Asia
- Previously associated with, Ashmore Group plc as portfolio Manager and head of the India team
- Prior to Ashmore, he has worked with UBS, Kotak Securities, SSKI and SBI Mutual Fund in several capacities
- Mr. Agarwal is an alumnus of Shri Ram College of Commerce and IIM, Bangalore



Improving Credit Rating Over The Years



Reasons For Upgrade

- Consistent Performance amidst demand slowdown in Key market, The US
- Business re-routing from China partially offsetting demand slowdown for Indians
- Multinational Presence places Pearl in a more favourable spot vs peers



Resulting into borrowing of funds at low-cost debt

Easy Access To New Credit Lines



Regular Dividend Payouts – Pre Split

Dividend
Payout

16.9%

9.6%

15.8%

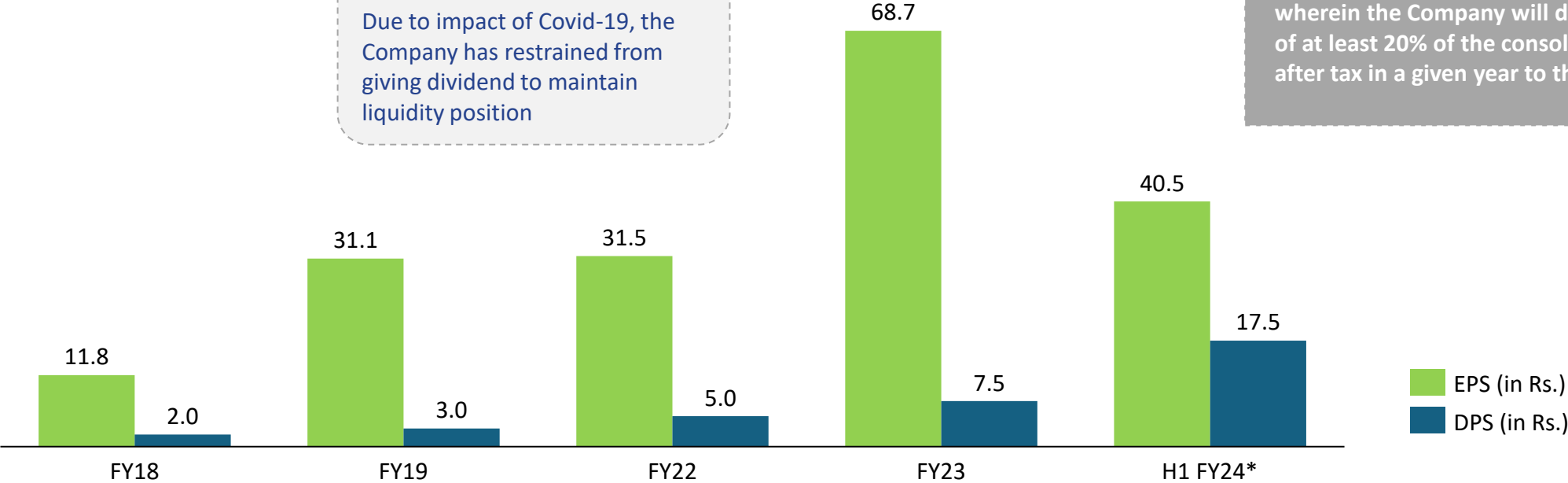
10.9%

43.2%^

FY20 & FY21

Due to impact of Covid-19, the Company has restrained from giving dividend to maintain liquidity position

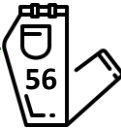
The Company finalised a dividend policy wherein the Company will declare dividend of at least 20% of the consolidated profit after tax in a given year to the shareholders



The Board of Directors have recommended a second interim dividend of Rs. 12.50 per equity share of FV Rs.10 (125% of FV) as a special dividend considering the continuous improvement in the business of entire group over last few quarters

*Includes Rs. 5 interim dividend and Rs 12.5 special interim dividend

^calculated on half yearly basis

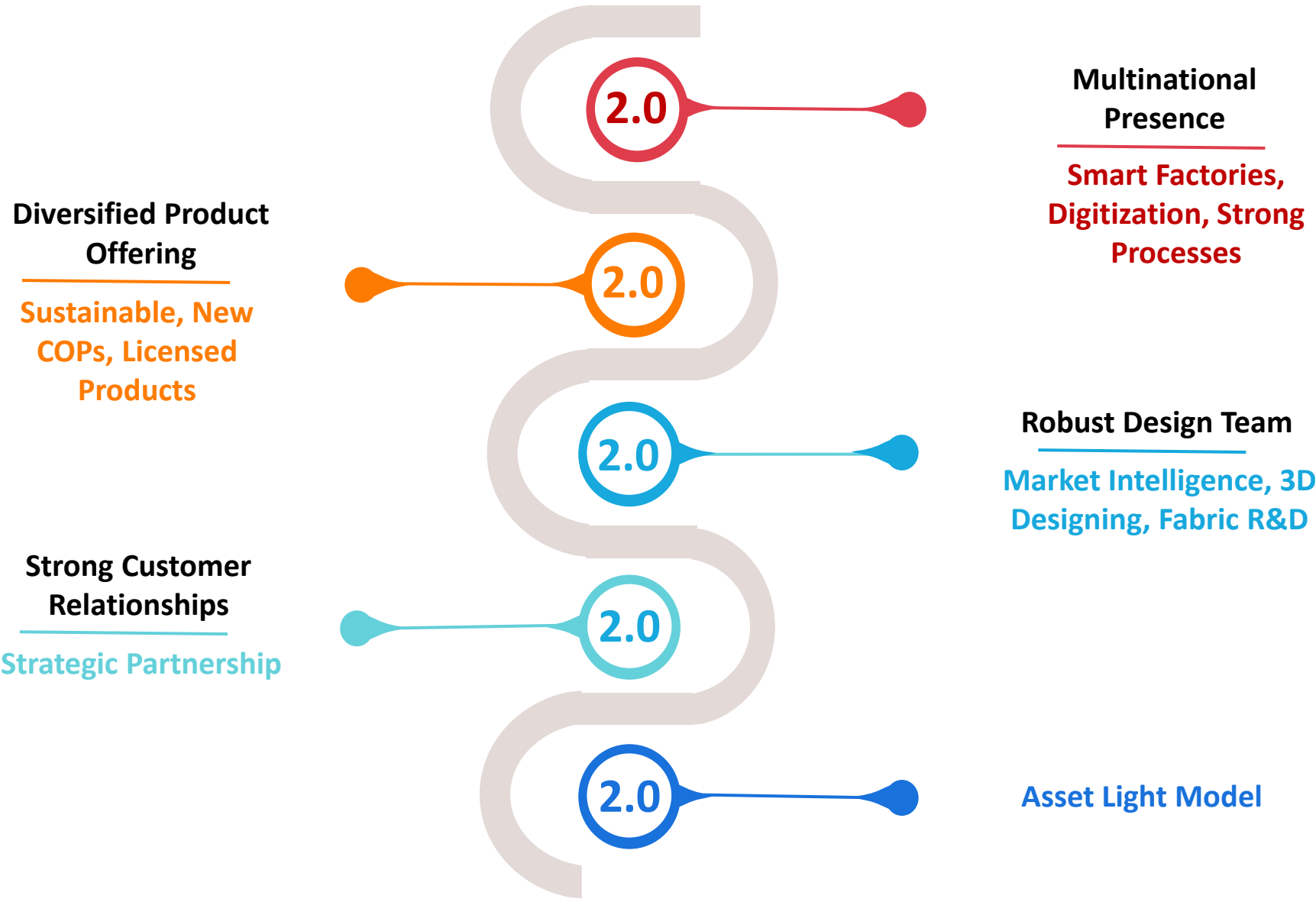


The image features two horizontal rows of thread spools. The top row contains 12 spools in the following order from left to right: green, teal, purple, dark red, red, orange, yellow, light pink, peach, light blue, medium blue, and dark blue. The bottom row contains 11 spools in the following order from left to right: dark blue, medium blue, peach, light pink, yellow, orange, red, dark red, purple, teal, and green. The spools are arranged on a plain white background.

Way Forward



Strategic Pathway To Growth





Guidance vs Achievement



1

To grow at 12-15% CAGR and cross the Rs 3,000 crore revenue mark

2

Plan to expand and be present in one more supply chain

3

EBITDA till FY21 was low on account of continuous expansion plan taken by the Company. In the coming years, the leverage will play out which will lead to improvement in EBITDA margins

4

ROCE to improve from 12% in FY22 and remain healthy at 18-20%

1

Doubled our revenue from Rs 1,490.9 crore in FY21 to Rs 3,158.4 crore in FY23, thereby **surpassing our growth guidance**

2

With the acquisition of Guatemala unit in 2023 the company is now **present in 3 out of 4 big supply chains**

3

Improved EBITDA margins from 4.1% in FY21 to 8.1% in FY23. Margins for 9MFY24 stood at 9.1%. Margin improvement is attributable to better product mix and operating leverage

4

ROCE of **26.3% in 9MFY24**



Exceeding Expectations...Always

THANK YOU

For further information, please contact

Company :	Investor Relations Advisors :
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