



Capacity expansion in line with broad based growth

PGIL reported consolidated revenue of Rs.13.1 bn in 4QFY26, up 6.9% YoY, taking FY26 consolidated revenue to Rs.50.3 bn, reflecting a growth of 11.5% YoY. Adjusted EBITDA (excluding ESOP costs) stood at Rs.1.35 bn with a margin of 10.3%, marking a 13.7% YoY increase and the highest-ever quarterly EBITDA margin. Excluding reciprocal tariff impact (~Rs.50 mn) and incremental start-up losses at Bihar and Guatemala (~Rs.30 mn), Adjusted EBITDA margin stood higher at 10.9%. Consolidated PAT rose 24.6% YoY to Rs.810 mn, while FY26 PAT grew 17% YoY to Rs.2.7 bn.

The performance was driven by strong momentum across overseas operations, particularly Vietnam, Bangladesh and Indonesia, aided by higher volumes and richer mix of high value-added products. Vietnam capacity utilization improved to 80%+ in FY26 (vs ~63% in FY25), while Indonesia utilization rose to 47% (vs 39% YoY), supported by customer demand and premium client additions. Group installed capacity crossed 101 mn pieces during FY26, significantly ahead of its earlier H1FY27 target.

Standalone India operations reported revenue of Rs.3.04 bn in 4QFY26, impacted by elevated US tariffs during the quarter, though profitability improved materially with Adjusted EBITDA at Rs.240 mn and margin at 7.9%. Excluding tariff cost (~Rs.50 mn), EBITDA margin stood at 9.6%, supported by cost restructuring initiatives. Management indicated India operations are likely to witness improved order traction in FY27 aided by removal of reciprocal tariffs and expected benefits from India-UK and India-EU FTAs, with increased sourcing interest from global customers.

PGIL continues to execute its expansion roadmap with ~Rs.2.5 bn capex committed, targeted for completion by H1FY27, which is expected to add ~6–7 mn pieces capacity in Bangladesh. The company is also evaluating Rs.2–2.5 bn capex for FY27 across geographies, alongside expansion in Vietnam with land acquisition underway. Management reiterated confidence of sustaining 12–14% growth CAGR while targeting EBITDA margins of 10–12% over the medium term, aided by operational efficiencies, easing tariff headwinds and incremental benefits from in-house laundry and scale-up in newer facilities.

Financial Summary

Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24	FY25	FY26e	FY27e	FY28e
Net sales	14,909	27,135	31,584	34,362	45,063	50,243	58,465	67,172
EBIDTA	606	1,405	2,555	3,168	4,106	4,434	6,056	7,617
Margins	4.1	5.2	8.1	9.2	9.1	8.8	10.4	11.3
PAT (adj)	48	616	1,361	1,755	2,434	2,623	3,689	4,568
Growth (%)	-19.5	301.0	118.2	10.5	36.5	10.5	41.8	24.3
EPS	3.99	15.73	34.45	40.11	54.06	57.11	80.31	99.45
P/E (x)	460	117	53	46	34	32	23	18
P/B (x)	15	13	11	10	7	6	5	4
EV/EBITDA (x)	135	60	32	26	20	19	14	11
RoE (%)	1	11	21	23	25	21	24	25
ROCE (%)	5	12	20	23	25	21	25	26
RoIC (%)	-19	10	22	26	27	23	26	29

Source: Company, Dalal & Broacha Research

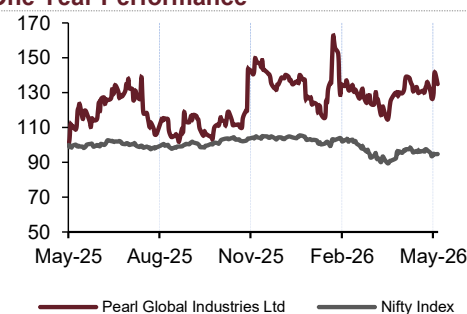
Rating	TP (Rs)	Up/Dn (%)
BUY	2,188	37

Market data

Current price	Rs	1,593
Market Cap (Rs.Bn)	(Rs Bn)	74
Market Cap (US\$ Mn)	(US\$ Mn)	766
Face Value	Rs	5
52 Weeks High/Low	Rs	1993.3 / 1154.1
Average Daily Volume	('000)	1,987
BSE Code		532808
Bloomberg		PGIL.IN

Source: Bloomberg

One Year Performance



Source: Bloomberg

% Shareholding	Mar-26	Dec-25
Promoters	61.16	61.24
Public	38.84	38.76
Total	100.000	100.000

Source: Bloomberg

Key Risks:

- Customer concentration
- Geographical concentration/risk
- Seasonality element
- Tariffs

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FTAs & Tariff Normalization to Support India Recovery

PGIL reiterated its structural advantage of a diversified multi-country manufacturing footprint, enabling sourcing flexibility amid changing trade dynamics. With reciprocal US tariffs on India easing and expected implementation of India–UK and India–EU FTAs, management highlighted improving customer traction and increased sourcing interest toward India. The Bihar facility is currently ramping up, while recently added capacities are expected to aid growth as utilization improves. Management also indicated ongoing evaluation of further India expansion alongside land acquisition in Vietnam to support future demand.

Margin Trajectory

Adjusted EBITDA margin stood at 9.3% in FY26 (10.3% excluding tariff impact and start-up losses), with management guiding for a structural move toward double-digit margins. FY27 EBITDA margin is expected to trend toward ~10%, aided by removal of tariff-related costs, operational improvements, and lower losses in Bihar and Guatemala. India margins are expected to improve through scale-up and cost discipline, while Indonesia is likely to benefit from higher utilization and premium customer mix. Guatemala losses are expected to narrow in FY27 with management guiding for breakeven during the year. Incremental benefits from the Bangladesh in-house laundry facility are also expected to aid margin expansion over time.

Growth Trajectory

India: Management highlighted improving order traction supported by tariff normalization and expected FTAs with the UK and EU. Existing customers are increasingly evaluating India sourcing, aided by expanded capacities and cost restructuring. India EBITDA margins are guided to trend toward high single digits/full-year double-digit margins in stronger quarters.

Bangladesh: Bangladesh continues to remain a key growth engine, supported by stable operations and customer additions. Ongoing capex, targeted for completion by H1FY27, is expected to add ~6 mn pieces capacity, supporting growth through FY27–FY28 alongside stronger demand from global customers.

Indonesia & Vietnam: Indonesia utilization improved to 47% in FY26 (vs 39% FY25), with management confident of delivering both top-line and bottom-line growth going forward. Vietnam utilization improved to 80%+, supported by strong customer traction, with additional capacity expansion under evaluation to deepen wallet share and sustain growth momentum.

Valuation & Outlook

PGIL's diversified multi-geography manufacturing footprint positions it well to benefit from evolving global trade dynamics and recent FTAs. Despite a challenging FY26 for India due to elevated US tariffs, management highlighted improving customer traction supported by tariff normalization and expected India–UK/EU FTAs. Incremental capacity at the Bihar facility and future expansion opportunities are expected to aid utilization improvement and medium-term volume growth. Operational restructuring, cost discipline and scale-up are expected to drive stronger profitability, with management guiding India margins toward high single digits and group EBITDA margins toward ~10–12% over the medium term.

Bangladesh continues to emerge as a key growth driver, supported by customer additions, mature operations and ongoing capacity expansion (~6 mn pieces), targeted for completion by H1FY27. Addition of the sustainable laundry facility is expected to support margin expansion, while Bangladesh's established trade advantages and partner-factory model provide sustained demand visibility and scalable growth.

Vietnam and Indonesia remained key growth engines in FY26, reflecting PGIL's execution strength amid a volatile macro environment. Vietnam utilization improved to 80%+ while Indonesia reached 47%, with management confident of continued top-line and bottom-line improvement supported by premium customer mix, higher realizations and operating leverage. Guatemala remains strategically important for near-shore customer access, with management guiding for breakeven in FY27 as operational efficiencies improve.

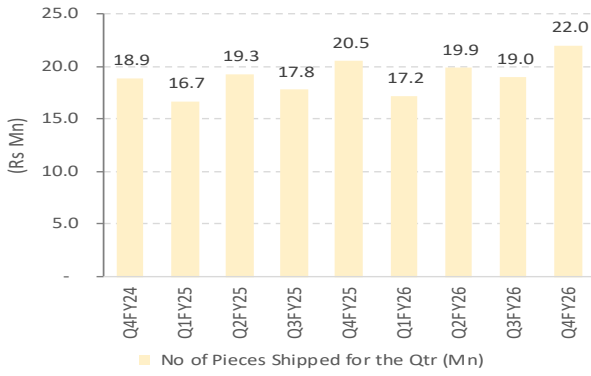
We maintain a BUY rating with Rev/EBITDA/PAT CAGR of 14%/23%/25% over FY25–FY28e. Valuing the company at 22x FY28e EPS, we arrive at a TP of Rs.2,188.

Quarterly Financials

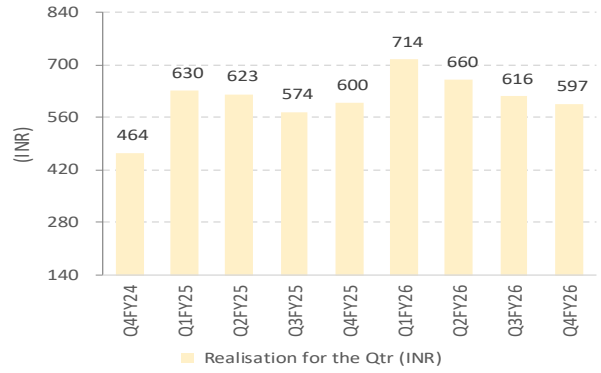
(Rs.Mn)	Q4FY26	Q4FY25	YoY Growth (%)	Q3FY26	QoQ Growth (%)
Revenue	13,136	12,290	7%	11,702	12%
Other Income	102	53	91%	75	36%
Total RM Cost	6,718	6,489	4%	5,749	17%
Gross Profit	6,418	5,802	11%	5,953	8%
Employee Expense	2,534	2,196	15%	2,498	1%
Other Expenses	2,529	2,416	5%	2,486	2%
Total Expenses	11,781	11,100	6%	10,732	10%
EBITDA (Excluding OI)	1,355	1,190	14%	970	40%
Depreciation	228	207	10%	224	2%
EBIT / PBIT	1,219	1,019	20%	811	50%
Finance Costs	263	273	-4%	221	19%
EBT/ PBT (After exceptional)	950	778	22%	586	62%
Tax Expense	141	128	10%	70	100%
Reported PAT (Before NCI)	810	650	25%	515	57%
Reported Dilutive EPS	18.1	15.1	20%	11.6	56%
Margins (%)			(In bps)		(In bps)
Gross Margins	48.9%	47.2%	165	50.9%	-202
EBITDA Margins (Excl OI)	10.3%	9.7%	63	8.3%	203
PAT Margins	6.3%	5.3%	102	4.6%	177
Tax rate	14.8%	16.5%	-168	12.0%	
As a % to sales					
RM as a % to sales	51.1%	52.8%		49.1%	
EE Cost as a % to sales	19.3%	17.9%		21.3%	
Other exps as a % to sales	19.2%	19.7%		21.2%	

Source: Dalal & Broacha Research

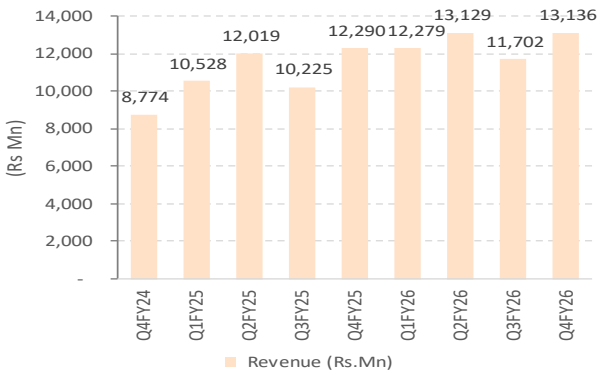
No of Pieces Shipped for the Qtr (Mn)



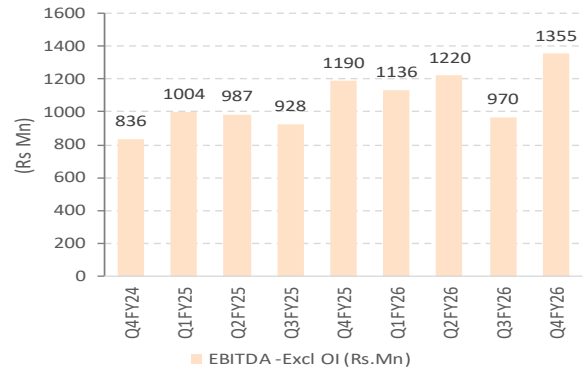
Realisation for the Qtr (INR)



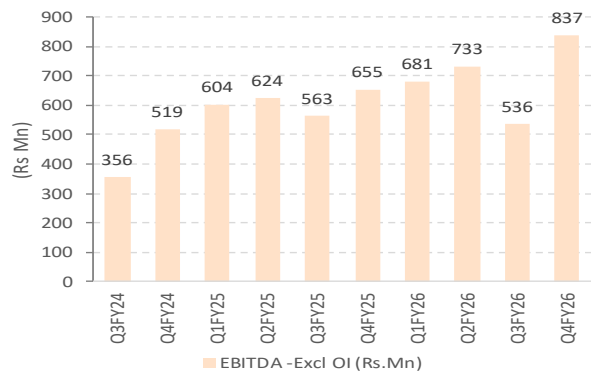
Revenue (Rs.Mn)



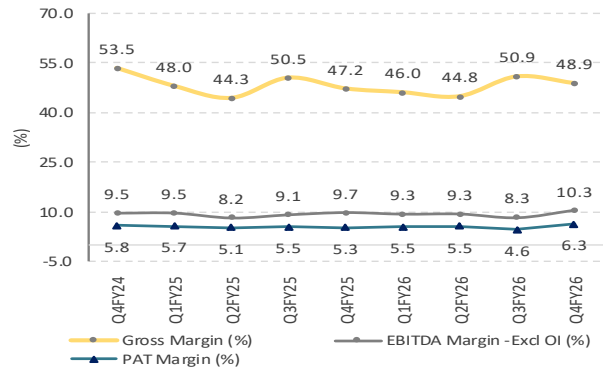
EBITDA -Excl OI (Rs.Mn)



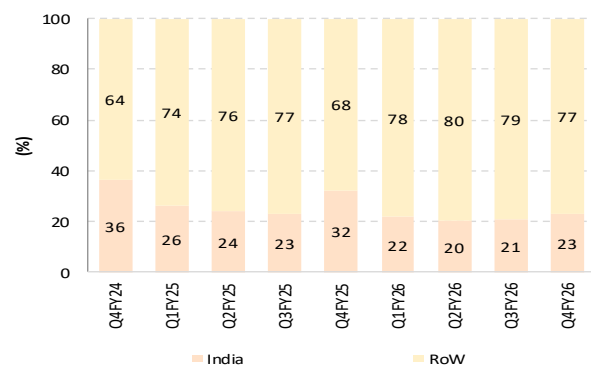
Adjusted PAT (Rs.Mn)



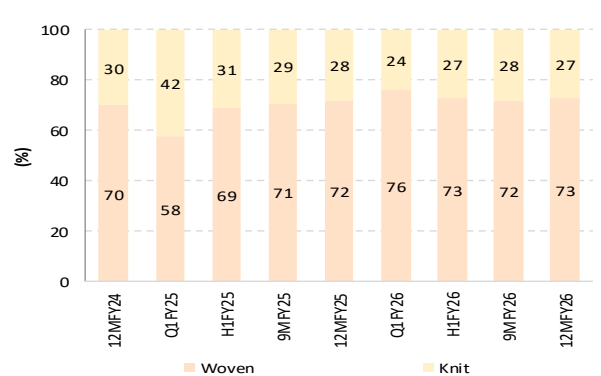
Gross, EBITDA, PAT Margin



Geographical Split for the Quarter (%)



Product Mix (%)



Source: Dalal & Broacha Research, Company

Financials

P&L (Rs mn)	FY21	FY22	FY23	FY24	FY25	FY26e	FY27e	FY28e
Net Sales	14,909	27,135	31,584	34,362	45,063	50,243	58,465	67,172
Operating Expenses	-7,689	-15,106	-16,295	-16,979	-23,721	-26,780	-30,402	-34,594
Gross Profit	7,220	12,029	15,289	17,383	21,342	23,464	28,063	32,578
Employee Cost	-3,253	-4,586	-5,615	-6,614	-8,323	-9,433	-10,792	-12,293
Other Expenses	-3,361	-6,038	-7,119	-7,601	-8,913	-9,597	-11,215	-12,668
Adjusted EBITDA (Excl OI)	606	1,405	2,555	3,168	4,106	4,434	6,056	7,617
Depreciation	-441	-483	-508	-642	-752	-943	-1,221	-1,579
PBIT	165	921	2,048	2,526	3,354	3,491	4,835	6,038
Other income	235	335	228	324	336	336	336	336
Interest	-413	-465	-652	-833	-992	-894	-1,013	-1,146
PBT	-13	791	1,624	2,017	2,698	2,932	4,157	5,228
Profit before tax	114	858	1,758	1,921	2,673	2,932	4,157	5,228
Provision for tax	61	-157	-229	-229	-366	-381	-540	-732
Profit & Loss from	-	-	-	-	-	-	-	-
Reported PAT	175	701	1,530	1,691	2,308	2,551	3,617	4,496
MI	-2	-20	-37	57	176	72	72	72
Owners PAT	173	681	1,493	1,748	2,483	2,623	3,689	4,568
Adjusted Profit	48	616	1,361	1,755	2,434	2,623	3,689	4,568

Balance Sheet (Rs mn)	FY21	FY22	FY23	FY24	FY25	FY26e	FY27e	FY28e
Equity capital	217	217	217	218	230	230	230	230
Reserves	4,956	5,773	7,008	7,802	11,327	13,393	16,297	19,894
Net worth	5,172	5,989	7,225	8,020	11,557	13,623	16,527	20,124
MI	129	159	203	154	-92	-92	-92	-92
Non Current Liabilities	2,445	2,548	2,210	2,849	3,310	4,483	5,673	6,327
Current Liabilities	5,193	9,110	8,168	8,831	11,183	11,195	12,640	14,446
TOTAL LIABILITIES	12,940	17,806	17,806	19,855	25,958	29,209	34,748	40,806
Non Current Assets	5,332	5,339	6,195	7,065	8,379	11,086	12,790	13,910
Fixed Assets	3,395	3,511	3,995	4,847	5,381	7,330	8,136	8,280
Right of Use Assets	980	1,117	1,339	1,617	2,327	3,077	3,942	4,872
Financial Assets	812	621	625	442	450	450	474	512
Deferred Tax Asset	47	9	14	25	66	66	66	66
Long Term Loans and	-	-	-	-	-	-	-	-
Other Non Current Assets	98	81	221	133	155	163	171	180
Current Assets	7,608	12,467	11,612	12,789	17,579	18,122	21,958	26,896
Current investments	75	53	56	-	-	-	-	-
Inventories	2,788	5,396	5,133	5,027	7,051	8,550	10,750	12,351
Trade Receivables	2,422	3,666	2,094	2,654	3,244	3,617	4,209	4,836
Cash and Bank Balances	947	1,169	2,561	3,280	5,664	4,185	4,989	7,445
Short Term Loans and	171	346	254	226	234	234	234	234
Other Financial Assets	232	388	465	491	72	72	72	72
Other Current Assets	973	1,449	1,049	1,111	1,314	1,465	1,704	1,958
TOTAL ASSETS	12,940	17,806	17,806	19,855	25,958	29,209	34,748	40,806

Cashflow (Rs mn)	FY21	FY22	FY23	FY24	FY25	FY26e	FY27e	FY28e
PBT	114	858	1,758	1,921	2,673	2,932	4,157	5,228
Depreciation	441	483	508	642	752	943	1,221	1,579
Net Chg in WC	381	-2,392	1,577	445	-2,052	-1,232	-1,776	-1,152
Taxes	-35	-77	-231	-210	-316	-381	-540	-732
Others	45	212	36	723	706	840	871	991
CFO	946	-915	3,648	3,521	1,764	3,102	3,933	5,914
Capex	-209	-837	-703	-1,275	-1,191	-2,892	-2,027	-1,723
Net Investments made	-137	-88	-121	322	-43	-	-24	-38
Others	85	528	567	-328	199	-	-	-
CFI	-260	-396	-257	-1,281	-1,035	-2,892	-2,051	-1,761
Change in Share capital	-	6	-	38	1,504	-	-	-
Change in Debts	-189	1,985	-1,158	-32	983	-250	700	400
Div. & Div Tax	-260	-257	-627	-1,184	-1,085	-1,452	-1,797	-2,117
Others	-171	-201	-214	-344	-391	12	20	21
CFF	-619	1,533	-1,998	-1,521	1,011	-1,690	-1,078	-1,696
Total Cash Generated	66	221	1,393	718	1,740	-1,479	804	2,457
Cash Opening Balance	881	947	1,169	2,561	3,280	5,664	4,185	4,989
Cash Closing Balance	947	1,169	2,561	3,280	5,664	4,185	4,989	7,445

Ratios	FY21	FY22	FY23	FY24	FY25	FY26e	FY27e	FY28e
GPM	48.4	44.3	48.4	50.6	47.4	46.7	48.0	48.5
OPM	4.1	5.2	8.1	9.2	9.1	8.8	10.4	11.3
NPM	0.3	2.2	4.3	5.1	5.4	5.2	6.3	6.8
Tax rate	54.0	-18.3	-13.0	-11.9	-13.7	-13.0	-13.0	-14.0

Growth Ratios (%)	FY21	FY22	FY23	FY24	FY25	FY26e	FY27e	FY28e
Net Sales	-11.5	82.0	16.4	8.8	31.1	11.5	16.4	14.9
Gross Profit	-17.7	66.6	27.1	13.7	22.8	9.9	19.6	16.1
Operating Profit	-9.5	132.0	81.9	24.0	29.6	8.0	36.6	25.8
PBIT	-33.9	460.1	122.2	23.4	32.8	4.1	38.5	24.9
PAT	-19.5	301.0	118.2	10.5	36.5	10.5	41.8	24.3

Per Share (Rs.)	FY21	FY22	FY23	FY24	FY25	FY26e	FY27e	FY28e
Net Earnings (Dilutive EPS)	4.0	15.7	34.4	40.1	54.1	57.1	80.3	99.5
Cash Earnings (CPS)	14.2	26.9	46.2	54.8	70.4	77.6	106.9	133.8
Dividend	-	2.5	7.5	8.7	11.2	11.9	16.7	20.7
Book Value	119.4	138.2	166.7	184.0	251.6	296.6	359.8	438.1
Free Cash Flow	-7.1	-56.7	70.2	42.6	9.8	5.4	46.8	100.6

Valuation Ratios	FY21	FY22	FY23	FY24	FY25	FY26e	FY27e	FY28e
P/E(x)	460	117	53	46	34	32	23	18
P/B(x)	15	13	11	10	7	6	5	4
EV/EBIDTA(x)	135	60	32	26	20	19	14	11
Div. Yield(%)	-	0.14	0.41	0.48	0.61	0.65	0.91	1.13
FCF Yield(%)	-0.39	-3.09	3.83	2.32	0.54	0.29	2.55	5.48

Return Ratios (%)	FY21	FY22	FY23	FY24	FY25	FY26e	FY27e	FY28e
ROE	1%	11%	21%	23%	25%	21%	24%	25%
ROCE	5%	12%	20%	23%	25%	21%	25%	26%
RoIC	-19%	10%	22%	26%	27%	23%	26%	29%

Source: Dalal & Broacha Research

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