

India growth recovers, FTA Tailwinds to aid future growth

PGIL reported consolidated revenue of Rs.11.7 bn in 3QFY26, up 14.4% YoY, taking 9MFY26 consolidated revenue to Rs.37.1 bn, a growth of 13.2% YoY. Adjusted EBITDA (excluding ESOP costs) stood at Rs.1.06 bn with a 9.1% margin, reflecting 15% YoY growth and a bps improvement. Excluding tariff costs in India and start-up losses at Guatemala and Bihar, Adjusted EBITDA margin was higher at 10.1%. Consolidated PAT rose 29.4% YoY to Rs.720 mn, while PAT after Minority Interest grew 25.4% YoY to Rs.730 mn.

The performance was driven by strong momentum in Vietnam and Indonesia, both higher realizations from a richer mix of high value-added products while India revenue saw a slight growth compared to 1H aiding volume growth. Group volumes reached a record 19 mn pieces in 3QFY26, with 9MFY26 shipments at 56.1 mn pieces vs 53.8 mn YoY.

Standalone India operations reported revenue of Rs.2.46 bn (+4.6% YoY) but achieved sharp profitability improvement, with Adjusted EBITDA up 77% YoY to Rs.177 mn, yielding a 7.2% margin. For 9MFY26, India's Adjusted EBITDA margin stood at 5.5%. The company continues to onboard strong domestic customers while diversifying geographically — the USA now contributes ~50% of India revenue with strong growth being seen across other geographies.

PGIL is executing a ~Rs.2.5 bn capex plan for FY26 focused on capacity expansion of 8 mn pieces (5–6 mn in Bangladesh, 2.5–3.5 mn in India) and sustainability investments. Construction of the Bangladesh apparel unit and sustainable laundry facility is progressing well, targeted for completion by Q2FY27. The in-house laundry capex is expected to generate 18–20% ROCE.

Financial Summary

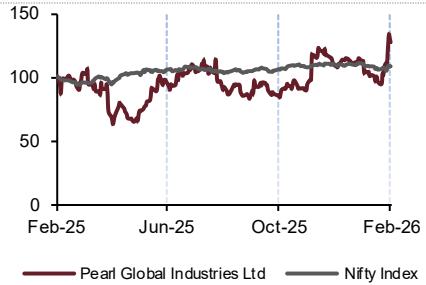
Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24	FY25	FY26e	FY27e	FY28e
Net sales	14,909	27,135	31,584	34,362	45,063	50,243	58,465	67,172
EBIDTA	606	1,405	2,555	3,168	4,106	4,434	6,056	7,617
Margins	4.1	5.2	8.1	9.2	9.1	8.8	10.4	11.3
PAT (adj)	48	616	1,361	1,755	2,434	2,623	3,689	4,568
Growth (%)	-19.5	301.0	118.2	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 ON DIPS	2,188	19
Market data		
Current price	Rs	1,835
Market Cap (Rs.Bn)	(Rs Bn)	85
Market Cap (US\$ Mn)	(US\$ Mn)	936
Face Value	Rs	5
52 Weeks High/Low	Rs	1993.3 / 875
Average Daily Volume	('000)	124
BSE Code		532808
Bloomberg		PGIL.IN

Source: Bloomberg

One Year Performance



Source: Bloomberg

% Shareholding	Dec-25	Sep-25
Promoters	61	63
Public	39	37
Others		
Total	100	100

Source: Bloomberg

Key Risks:

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

FTAs bringing in strong tailwinds to revive India operations

PGIL reiterated its key structural advantage of a multi-country manufacturing footprint, positioning it well to capitalize on recent trade agreements and drive incremental business towards India. The Bihar facility capex is already in place and currently under commercialization, with ~900 machines targeted for installation by end-FY, supporting near-term capacity-led growth. PGIL has acquired land in Madhya Pradesh and indicated that capex plans will be announced once demand visibility improves.

Margin Trajectory

Adjusted EBITDA margins remained largely flat YoY, primarily impacted by tariffs. Management indicated that the US-India trade deal should mitigate this impact, while pass-through of RoW tariff changes into realizations is expected to support a structural move toward the stated double-digit EBITDA margin target.

India operations, aided by scale-up and cost discipline, are guided to trend toward ~10% EBITDA margins, with Indonesia also expected to improve from currently sub-group margin levels.

Guatemala losses are guided to narrow from FY27, with a targeted transition to profitability by FY28e. The region continues to be strategically retained given its near-shore advantage for customer acquisition, though elevated raw material costs currently weigh on profitability.

With operating leverage from higher utilization, contribution from the sustainable laundry facility, and positive management outlook, EBITDA margins of >11% by FY28e appear achievable, subject to demand trends and timely capex execution.

Growth Trajectory

India: With FTAs in place, a rising domestic customer mix, and a strong Japanese client base, the India region is poised for strong growth. Utilization is expected to improve from (FY25 levels 78%), supported by incremental capacity of (~28 Mn pieces in FY26e) and tariff removal. Alongside continued cost discipline, margins are expected to trend toward ~10% by FY28e, closer to group levels, driving disproportionate bottom-line growth ahead.

Bangladesh: Bangladesh is expected to emerge as a key growth region, supported by the addition of two new customers and improving business traction. Ongoing capacity expansion (~61 mn pieces by FY27e), slated for completion by 2QFY27 with a ~6-month ramp-up, positions FY28e for strong growth, driven by both capacity scale-up and client additions.

Indonesia: Continues to operate below peak utilisation, leaving headroom for further top-line and bottom-line expansion. Strong demand traction is supporting improved realizations, which, alongside operating leverage, is expected to drive margin and profitability improvement going forward.

Valuation & Outlook

PGIL's multi-geography manufacturing model positions it well to benefit from recent trade agreements. Despite a challenging year for India (9MFY26 standalone revenues largely flat), incremental capacity at the Bihar facility (900 machines) and land acquisition in MP should drive utilisation improvement and medium-term volume growth. Operational restructuring, cost discipline, and operating leverage are expected to support stronger bottom-line expansion, with management targeting ~10% EBITDA margins over the medium term.

Bangladesh is emerging as a steady growth driver, supported by new customer wins, ongoing capacity expansion, and addition of a laundry facility. Its LDC advantages across key trade corridors and partner-facility model provide sustained demand visibility, supporting profitable scale-up.

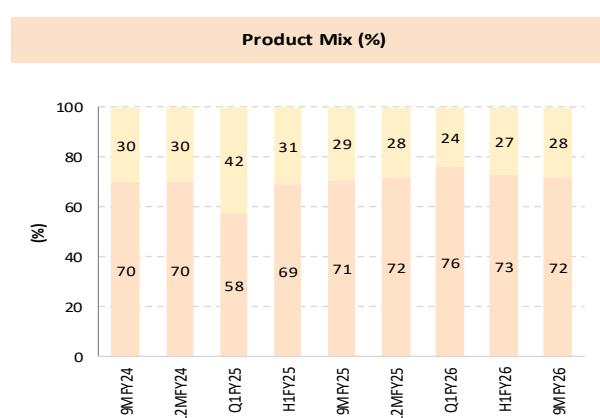
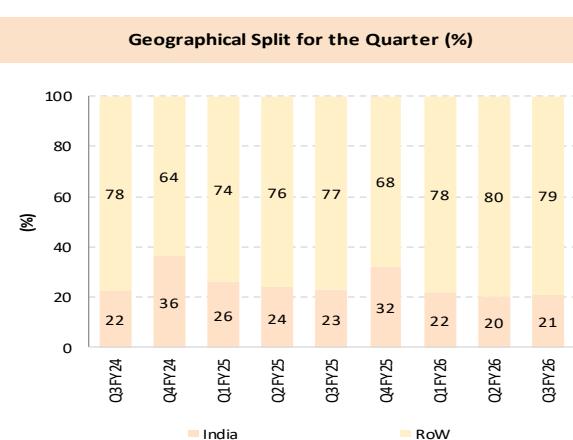
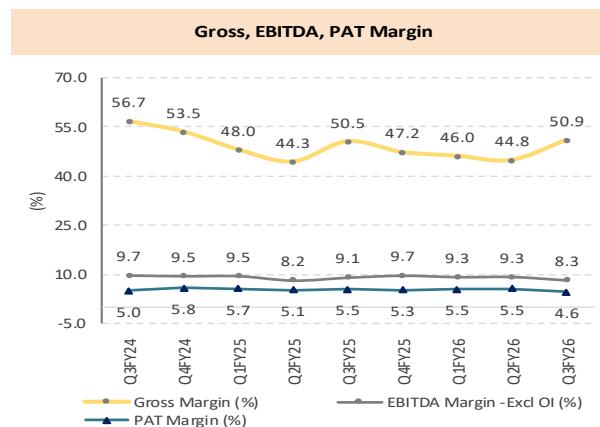
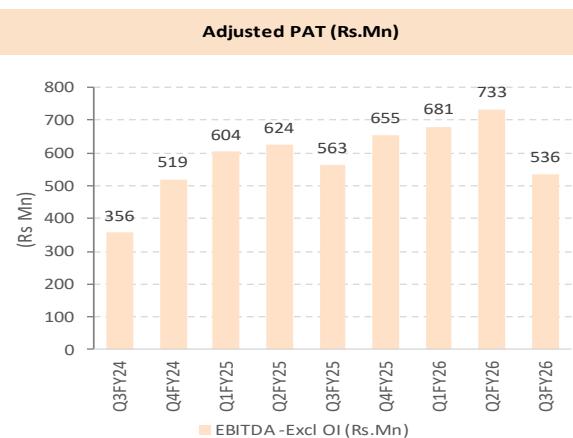
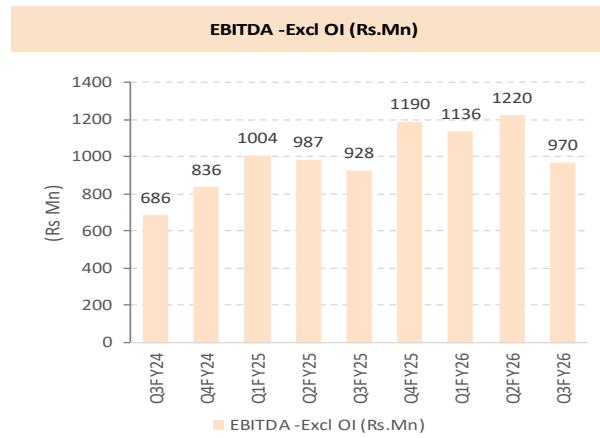
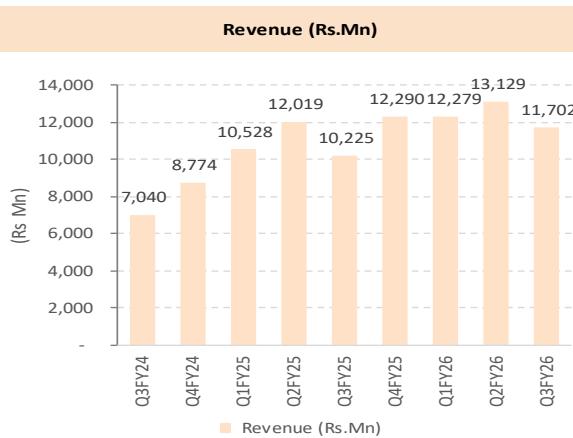
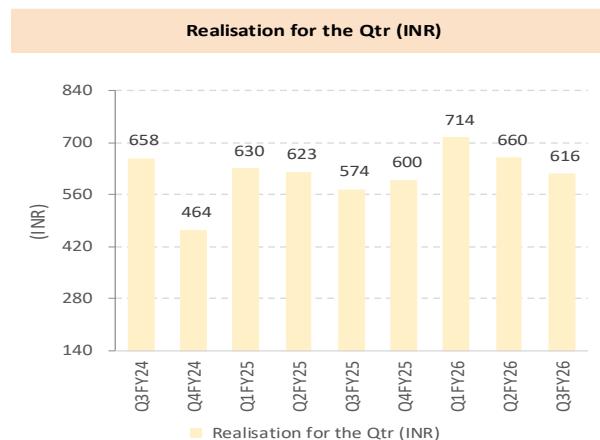
Vietnam and Indonesia have led growth in the current year, underlining PGIL's resilience in a tough demand environment. Improved realizations and diversified customer exposure highlight execution strength, while capital allocation remains guided by targeted ROCEs of ~18–20%. Guatemala still remains a region to help with customer acquisition and to focus on achieving profitability in the medium term.

We give a **BUY ON DIPS** Rating with a **Rev/EBITDA/PAT CAGR (%) (FY25-FY28e)** 14/23/25 valuing it **on FY28e EPS** with a assigned **P/E of 22x** arriving at a **TP:2,188**.

Quarterly Financials

(Rs.Mn)	Q3FY26	Q3FY25	YoY Growth (%)	Q2FY26	QoQ Growth (%)
Revenue	11,702	10,225	14%	13,129	-11%
Other Income	75	59	27%	81	-8%
Total RM Cost	5,749	5,062	14%	7,248	-21%
Gross Profit	5,953	5,164	15%	5,881	1%
Employee Expense	2,498	2,130	17%	2,306	8%
Other Expenses	2,486	2,106	18%	2,355	6%
Total Expenses	10,732	9,297	15%	11,909	-10%
EBITDA (Excluding OI)	970	928	4%	1,220	-21%
Depreciation	224	194	15%	224	0%
EBIT / PBIT	811	779	4%	1,068	-24%
Finance Costs	221	242	-8%	274	-19%
EBT/ PBT (After exceptional)	586	537	9%	794	-26%
Tax Expense	70	55	29%	112	-37%
Reported PAT (Before NCI)	515	482	7%	720	-28%
Reported Dilutive EPS	11.5	12.4	-7%	15.8	-27%
Margins (%)			(In bps)		(In bps)
Gross Margins	50.9%	50.5%	38	44.8%	608
EBITDA Margins (Excl OI)	8.3%	9.1%	-79	9.3%	-101
PAT Margins	4.6%	5.5%	-92	5.5%	-100
Tax rate	12.0%	10.2%	184	14.1%	
As a % to sales					
RM as a % to sales	49.1%	49.5%		55.2%	
EE Cost as a % to sales	21.3%	20.8%		17.6%	
Other exps as a % to sales	21.2%	20.6%		17.9%	

Source: Dalal & Broacha Research



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 (%)								
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.)								
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								
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 (%)								
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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