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PGIL/SE/2026-27/77

Date: November 16, 2026

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

BSE Scrip Code-532808;

NSE Symbol- PGIL

Subject: Transcript of Earnings Conference Call

Dear Sir/Madam,

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

You are requested to take the same on your records.

Thanking you,

Yours faithfully
For **Pearl Global Industries Limited**

SHILPA SARAF
Digitally signed by SHILPA SARAF
Date: 2026.11.16 16:42:16 +05'30'

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

Enclosure**:** As above

“Pearl Global Industries Limited
Q2 & H1 FY'27 Earnings Conference Call”
November 06, 2026

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

Moderator: Ladies and gentlemen, good day and welcome to Pearl Global Industries Limited earnings call for Q2 and H1 FY27. 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: Thank you very much. Good afternoon, everyone, and I am delighted to welcome you all to our earnings call for Q2 and H1 FY27. I hope you all had an opportunity to review our press release and the investor presentation which are available under the Investor section of our website, and the same are uploaded on the BSE and NSE websites.

To discuss our results, we have with us our Managing Director, Mr. Pallab Banerjee, and our Group CFO, Mr. Sanjay Gandhi. They will take you through our results and business performance, after which we will proceed for question and answer session.

Before we start, I just want to highlight that this call may include forward-looking statements based on the company's current views and expectation. Actual result could be different as future performance is uncertain and involve risks that are hard to predict.

Now, 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 all of you to our quarter two and H1 financial year 27 earnings call. We continue to deliver a strong top line and bottom line by our focused execution and multi-location presence.

For H1 of 2027, we achieved a revenue of INR3,330 crores, and adjusted EBITDA stands at INR348 crores, which is at 10.5%, and a PAT of INR225 crores. During this quarter, we achieved a revenue of INR1,802 crores. EBITDA stood at INR184 crores and PAT at INR126 crores. We shipped 43.6 million pieces as compared to 37 million pieces last year, same period of H1. Working capital days and receivable amount and days have increased a bit due to two reasons.

There have been significant shipments towards the end of the quarter, and conversion into cash is likely in the next quarters. There are some deferment of some of our receivables factoring, and use of internal accruals for this working capital was done this quarter. Both these will get normalized within this year itself, within this next two quarters.

Let me speak of our key markets. U.S. continues to be our biggest market, and the U.S. customers generates approximately half of our revenue. What we saw that consumers in U.S., these consumer spending continued to be strong this year despite all the hindrances that we were expecting because of inflation or because of the war and gas prices. Still, they continued to buy strongly.

Economists were forecasting a cautious approach, and the market exhibited both opportunities and areas of caution thus far, as we speak to all the retailers that we are servicing. What I find is retailers have kept their inventory level quite lean as they went into the biggest selling season during this Christmas holidays. This year, it's a compressed timeline between the Thanksgiving and Christmas, which is their biggest retail activity days.

As you know that this date varies because it's the Thursday of the week of 22nd. That means the Thanksgiving can be anywhere between 22nd of November to 28th of November. This year, it has fallen on 26th of November. That is shortening that period by almost 12%, 12.5% compared to the better years that they get where the selling window is bigger. This is especially important for the brick-and-mortar retailers.

Overall projection are higher sales in dollar value, but we have to factor in the inflation that is happening in the market. The recent election results and the drop in crude prices with some of the economists are projecting that average gasoline prices in U.S. may remain below $4, and that's a very important number for the U.S. consumer. Which should further improve or sustain the consumer confidence in terms of the retail spends.

What we have witnessed earlier is that as soon as the gas prices goes beyond $4 per gallon, that's where the discretionary spending goes down, and that's how it gets affected in the apparel retail and other retails. This year, I think with these results and with this current movement of gas prices, it should be better.

We are witnessing a monopolistic behavior in the shipping lines and in terms of container prices. Retailers do a long-term contract to mitigate these prices and the surges during these peak months. Normally, the peak months are between August to October, and we saw a huge increase this particular year. It went up to $12,500 per container, which normally the rates are at $2,000-$3,000.

Definitely all these retailers do a long-term contract and get those more consistent prices. We saw that recently, in the recent years, there has been a trend of a surge price surcharge. In form of that surcharge, the logistic or the shipping lines are charging to these customers, and the availability of containers at the spot prices goes down. That is some of the challenges that the retailers went through.

As PGIL, we offered some of the logistical help to the smaller customers and some other department customers to get their goods connected and reach earlier compared to their own logistics, and thus gain some strategic relationship improvement. We utilize the spot rates, and this is, we have taken it as a value-added service to some of our limited amount of customers where we have some strategic relationship.

Apart from that, we are experiencing a strong growth in Canada and U.K. markets this year. European Union also is inching up in terms of the volume with us, while Japan and Australian customers, the volume has been steady this year.

Now, talking of the India-U.K. FTA implementation that happened from 15th of July 2026, this is a significant positive development for Indian exports and for companies like Pearl Global who have been servicing these customers from our other locations.

This agreement does provide a tariff-free access to the Indian manufactured goods, and thus the sourcing from India are expected to go up. Our U.K.-based customers are showing very much elevated interest, and we are experiencing a significant increase in the volume from them. This was predicted by our shareholders also.

We will see a significant growth, and our sales in this market has been growing this particular year in significant numbers. Because this is an additional assurance of fungibility between the countries, as PGIL has got its base both across Bangladesh and India. Similarly, the European Union FTA, which is under discussion and or like signed up, should get into effect by early 27. We are seeing an elevated level of interest from European Union customers as well.

Once again, we are seeing a huge amount of push from their side to find out opportunities in India and what are the programs that can be executed out of India. So that discussions are well on. As a result, you will see that utilization of PGIL India's capacity is much higher in the first half of the year, and this trend continues with our H2 bookings.

Our new factory in Bihar is ramping up well and moving as per plan. The 35% increase that we experienced in Haryana and the wage increase that happened in Haryana and then followed by some PF adjustment also. So these are the ones which does affect the bottom line of India, as we have four factories in Haryana.

Karnataka spoke about a significant wage increase, but our industry, that means the garment manufacturing, was exempted for now, thus providing some relief, but such threat is continuing. We believe that the eastern part of India, that is states like Bihar, West Bengal, and Odisha, will play more and more important role for the industry going forward.

Moving on to Bangladesh. During this quarter, we have inaugurated a new manufacturing unit. This has added seven million pieces of annual capacity at its optimum utilization. Now, another important step we are taking now is to go for a backward integration. We are setting up a knitting and processing unit. For this project, we have a capex of INR350 crores-INR375 crores allocated, and INR200 crores has already been finalized by the board. This particular unit of processing will be operational by the beginning of 2028.

The first phase of 10 tonnes of knitting capacity has already started its operation. Both these, in addition to the washing laundry, the new washing laundry that also we started in September, we have spoken about it earlier to all of you. All these three projects, we are very excited in Bangladesh, and so does our customers.

We are seeing a lot of interest, and a lot of developments have started already. The wage revisions are due by December first week, and you have been reading about the disturbances on the Dhaka street for the last seven days. As an update, you must have seen that Bangladesh PM has already tasked a wage board committee to come up with an early recommendation and

implementation by early December, with the arrears to be paid in January. During these last few days, our factories got good attendance.

I would say high attendance throughout this week. However, we found that there have been mobs that was doing disturbance in the main streets of Dhaka and the outskirts. Wherever these mob activities we found near our factory, we halted the operation and let the workers go, so that to avoid any untoward instances.

As of yesterday, all of our five own factories were running fully. The new facility that we started last month did not experience any disturbance and have been working smoothly. Bangladesh authorities so far has moved swiftly, and we hope that situation will be constrained after this two days of holiday, because they have the Liberation Day and other holidays at this point of time. But we are already sure that there will be an increase in the wage, and that's something we have been compensating in our calculation.

Earlier, Bangladesh used to have this wage revision every five years, but the caretaker government time, it got revised to three years. So, this is something is part and parcel of, I would say, a third-world country, and we will continue to see this kind of disturbances that happens, but it settles down quickly. As a country, they give lot of importance to the industry.

As you saw, you must have read in the news also that the government is definitely very active and taking the right actions and time. Moving on to Indonesia, business growth trend is significant, although from a much lower base compared to these other countries of Bangladesh and India and Vietnam. We are getting a good support from our premium clients that we service from Indonesia, and we remain confident of delivering both the top line and the bottom line from this geography.

Vietnam, again, Vietnam continues to grow at a steady pace with the premium customer segment and the products that we do. We are ready for further growth, and capex is under evaluation at this point of time, as you know that the land acquisition is complete.

European Union and Vietnam FTA is driving additional interest amongst the customers, and we are seeing a shift further from China and Myanmar into Vietnam from these customers. While some of the U.S. customers are diversifying out of Vietnam because they felt that too much of business is in Vietnam for some of their categories.

So, this kind of adjustment, what we are seeing in the world today, especially in the U.S. retailers after the tumultuous year of the tariff and the geopolitics, so they are diversifying their product base so that they are not concentrated in one region.

Again, this particular strategy of these customers is opening up a huge opportunity for companies like Pearl Global who have multiple locations, and we are experiencing a higher level of engagement with our key customers in U.S. Talking of Guatemala, our effort continues to stabilize the operation and to achieve a breakeven..

Overall, we believe our diversified manufacturing footprint and the diversified market and client base with the ongoing capacity additions, we are strengthening our customer

relationships, and the geopolitical challenges and the trade environment continues to position Pearl Global for a very sustainable growth in the medium term. With this, let me hand over to Sanjay Gandhi, our Group CFO, to share the financial highlights, and then we can open up for questions. Thank you. Sanjay, over to you.

Sanjay Gandhi: Thank you, Pallab. Welcome all to our quarter two and H1 FY27 earnings call. I will now take you through our financials and operational performance. H1 FY27 consolidated performance. During the H1 FY27, we marked our highest-ever consolidated revenue, adjusted EBITDA, and profit after tax for the period.

Consolidated revenue grew to INR3,330 crores, up 31.1% year-on-year. This was driven by growth across all locations. Revenue from value-added services stood at INR98 crores, against which the expenses are INR96.5 crores, included in other expenses. Adjusted EBITDA, excluding ESOP expenses, stood at INR348 crores, up by 47.7% year-on-year.

EBITDA include a one-time net tariff gain adjustment and the marginal contribution from aforementioned value-add services. Total gain from the two items listed above stands at INR11.5 crores. Adjusted EBITDA margin stood at 10.5%, up by 120 basis points year-on-year.

PAT in H1 FY27 stands at INR225 crores, a strong growth of 63.6% year-on-year. Quarter two FY27 consolidated performance achieved highest-ever quarterly revenue of INR1,802 crores, up 37.2% year-on-year.

Adjusted EBITDA, excluding ESOP expenses, stood at INR184 crores, up by 51.1% compared to quarter two FY26. Adjusted EBITDA margin stood at 10.2%, up by 90 basis points year-on-year. Achieved highest-ever PAT in quarter two FY27, which stands at INR126 crores, a growth of 74.7% year-on-year basis.

Talking about the standalone financial performance, H1 FY27 standalone performance, total revenue stood at INR648 crores, grew by 22.1% year-on-year. PAT stand at INR29 crores. Quarter two FY27 standalone performance, total revenue stood at INR308 crores, grew by 16.8% year-on-year. PAT stand at INR16 crores.

Balance sheet highlights.

Net worth as on 30th September 2026 stood at INR1,634 crores compared to INR1,438 crores as on 31st of March 2026. Cash and bank balance, excluding cash earmarked for LC payment, which is approximately INR70 crores, stood at INR534 crores. Investment in liquid and mutual fund is approximately INR104 crores as on 30th September 2026.

Long-term loan has increased by INR61 crores to fund capex in Bangladesh, while short-term borrowing has increased by INR210 crores for working capital funding. The above is in comparison with 31st March 2026. Working capital days stood at 56 days as on 30th September 2026.

The working capital days increased mainly on account of increase in receivable days from 30 to 50 days. Receivable days got impacted because of heavy shipment for festivity, et cetera, towards the end of the quarter, leading to deferment of factoring.

We expect the receivable day normalization in Q3, Q4. This will also result in a better free cash flow generation in H2 FY27.

Capex update. As aforesaid in earlier discussion, the company is looking at INR900 crores-INR950 crores capitalization from FY26 till FY30. Breakup is as follows.

Sorry, FY27 till FY30. Capital work in progress of INR225 crores as at September 30, 2026 primarily pertains to Bangladesh operation, expected to be capitalized in Q3 and Q4 of FY27. capex of INR325 crores-INR350 crores earmarked for capacity expansion across geographies.

Out of this, INR100 crores is likely to be capitalized in this financial year itself. Remaining is approved for growth opportunity across geographies to be implemented in coming two financials years. Capex on backward integration, which Pallab just highlighted, is approximately INR350 crores-INR375 crores.

Commitment is expected to start in the current financial year. In short, we are hopeful that entire capex, which is mentioned above INR900 crores-INR950 crores, is likely to be capitalized before or by FY29.

Other highlights. The company has declared an interim dividend of INR5 per equity share, representing a 20.6% payout ratio with respect to the group PAT, and which is 100% of face value of the shares.

Company shipped 43.6 million pieces in H1 FY27, up from 37.1 million pieces in H1 FY26. As we presented our roadmap during Investor Day in September 2026 on margin improvement till FY30, which is EBITDA in the range of 12%-14%, our result demonstrate our progression in the same direction. In summary, we have delivered strong revenue growth of 30%+ in H1 FY27 with improved profitability.

H1 FY27 performance testament to the strength of Pearl Global diversified business model, strong customer relationship, and enhanced capacity and capability. 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. First question is from the line of Kishore Kumar from Unifi Capital. Please go ahead.

Kishore Kumar: Yes. Greetings, sir, and congrats on a great set of numbers. My first question is on the U.S. market. Brands, since the start of the tariff days, have been using their inventory in hand, and the retail demand remains strong. Are you getting a sense of inventory restocking starting up, given that tariff environment is somewhat resolved now? What's the sense that you're getting from the brands?

Pallab Banerjee: Yes, thank you. So, I am actually in U.S. I am taking this call from New York early morning out here today, and we have been interacting with the customers in the last few days. What I find is that most of these U.S. retailers have been careful, and they have gone into the season with a very lean inventory.

This is their peak season, because there have been forecast, or basically the economists have been forecasting because of war and the fuel prices, that there could be a possible slowdown in the U.S. in the second half of the year. So naturally, most of the retailers have been very cautious about it, and thus the inventory focus has always been there. I don't see a big change in that, because with the current situation of geopolitics, local politics, they will be cautious. They will continue to be cautious.

But the good thing is that we have not seen a big change in the consumer behavior pattern so far. Of course, the market will punish, the capital market will punish them if the inventory goes up. So that's the fear factor that most of the retailers do have. What we are seeing is also a change. As Pearl, we have exposure in both kind of branding in U.S. There are what we call it as specialty retail and specialty brands, and also the department stores.

Now, department stores have their own private label brands. So, what we see as a trend in the consumer behavior is that once the market is going strong and the consumers have money to spend, the discretionary income is high, that's the time they go for the branding. That means, there are certain national brands like Nike, or Tommy Hilfiger, or Calvin Klein, Polo Ralph Lauren. So these are the ones, like, at full price, their brands does well. During the opposite kind of sentiment, when their discretionary spending is less, the same customer would focus on buying the private label brands of a Walmart, Target, Kohl's, and often goes to a trend down towards a discounting shop as well.

So that kind of variation happens in the consumer behavior, and that's a cycle that we very closely follow and trend. That's how you see that despite this kind of conservative approach by many retailers, our volumes have been going up significantly because we tap both sides of that market. So yes, a small answer, quick answer to your question is that, I don't see a huge change in the inventory planning of the retailers.

But within that inventory, how they are going to position themselves between a national brand and a private brand, that definitely will alter as we go in this season.

Kishore Kumar: Got it, sir. Very clear.

Pallab Banerjee: I hope that makes sense. Yes.

Kishore Kumar: Yes. It does, sir. Second question, actually on the Bangladesh protest. You did talk about that. But given the wage hike due coming up, can you give us some numbers on what are the expectation in percentage change that we can work on? Because Bangladesh is our key market. Do you think this wage revision impacting our margins in Bangladesh?

Pallab Banerjee: First of all, Bangladesh is a big market. As we are seeing that manufacturing is migrating out of China more and more, the two countries which have been benefiting maximum is

Bangladesh and Vietnam. Bangladesh, if you look at it, the minimum wage was at 12,500 taka, which works out to be just about $100. Three years back, when the minimum wage was made into 12,500, and after that, slight increases happened.

At this point of time, it is averaging around 13,000 taka, which is hardly about $100, $104. Compared to that, if you look into the other countries like India, we are averaging at INR14,500 is the minimum certain states have got. Other states are in the range of INR15,500 to close to INR16,000.

The difference is quite big, even between India and Bangladesh. If you go to Vietnam, Indonesia, then it goes up even much higher. The difference is, you talk of Vietnam, it is $280 is the minimum that you can get anywhere in Vietnam. That kind of difference does exist. Bangladesh has, and that is the reason for which a lot of these European customers and other customers have been focusing on Bangladesh.

Whether that business can actually move out if it goes up by 10% or 20% or 15%, 30%, I do not know how much the final increase would be in Bangladesh. We do not see that it will move out drastically, because still the difference would be significant when you compare with the other countries.

Yes, Bangladesh, if I look at our own company, the average that, where they are talking about 100, what we are paying to our workers is significantly higher, because we are not at that bottom rung of the industry, who are just surviving on the minimum wage. Yes, these kind of changes were happening in Bangladesh every five years. Now, it is expected to happen every three years, because the caretaker government changed that ruling to three years.

But I think it is necessary, because the inflations have been high, the living conditions had deteriorated in Bangladesh. And the flip side of it is that it got an extension in the LDC status. That is also not good from a humanitarian point of view. I think there will be an increase. How much? Politically, there would be opposition who would be asking for a very, very high increase.

But the Bangladesh government is very sensitive to this particular industry, because 80% of their foreign exchange is coming from this industry, and they will be taking a very, very cautious approach, satisfying both sides, that they should not be losing business, and at the same time, the workers' demand also cannot be completely ignored.

Whether it will be from 13,000 to 20,000 taka or 18,000 taka i.e. is something difficult to guess at this point of time. But I think in that region, anywhere between 15,000, 18,000, it may end up. That is my take. Again, completely no base in that, because the wage board committee is now constituted, so they are looking at it. They will be proposing their wage, and then there will be conversation between the BGMEA, the workers, the Associations, and the government. And we will get to know within the next two to three weeks how it is trending.

Kishore Kumar: Got it, sir. Got it. Sir, I have a question on the numbers. Our run rate in both Q1 and Q2 has been much higher compared to the previous few quarters. Although there is an impact on the tariff in the last year, but do you see this run rate trend continuing in the H2 as well, H2 and

beyond? Are you facing any cost inflation pressure given the energy cost or freight cost increase? Are customers trying to push some of the freight cost to share with you?

Pallab Banerjee: First of all, the growth that you are speaking about, yes, we came out of a year where the whole sourcing decisions were very, very conservative last year because of the sudden implementation of the tariff and then going up and down on tariff, and various kind of statements were coming out of the U.S. administration. So that definitely had given a very, very conservative approach, and no strategies were getting built up even the strategy and the discussion that we had with our customers over the last few years.

So everything did not follow through as an execution the last year. So our growth was limited to only below 9% or around 9%, as you saw. As we come out of that particular year, and this year, we are seeing that whatever strategies were in place got implemented, and we got that sudden increase.

This, I think, will continue for the second half of the year as well. How much the numbers is difficult to predict because, for example, our order books were there. A lot of shipments went in the last few days. Some of them still are in WIP. So this is something will stabilize. Next year, projecting next year, like whether this kind of growth will happen, that is difficult to say at this point of time.

We have been adding new customers, and the diversified approach to different market has played up very well for Pearl Global. So that is why we were confident of this growth, and I think we still continue to maintain the projection that we discussed in Mumbai earlier last month when we had that session. So we are strongly on path on that kind of trajectory.

This year, definitely, we are seeing an exceptional growth because of the suppressed environment that was there last year. The other factor is that both these FTAs are also playing on, and we are servicing those customers out of Bangladesh. Naturally, they are placing more business in Bangladesh at this point of time also, even before the India fully starts, because they know that that fungibility exists for them.

We are one of those few established company who can serve them from both the countries. That tailwind is very high at this point of time, and that's why you're seeing this good growth. So there will be some of it will continue over the next few years, I'm sure. But to project whether it will be 30%, 37% again next year, I think that's too early to say.

Kishore Kumar: Got it. On any cost inflation.

Moderator: We will take the next question from Harsh Mittal from Emkay Global. Please go ahead.

Harsh Mittal: Yes, thank you for the opportunity. So I have a couple of questions. Firstly, congratulations to the team on a strong set of consolidated results. So my first question is on the value-added services. We mentioned that we did around INR98 crores of revenues in value-added segment with approximately 1.5% EBITDA margin. Where do you expect this run rate going ahead, and correspondingly, the margins also? Should we see it to converge it to our consolidated EBITDA margin, and what is the timeline to that? Thank you.

Pallab Banerjee: Thank you, Harsh. I will answer that question to some extent, and then maybe Sanjay can add on. This is more like a service that we extended because of the extraordinary time or the situation, the global situation that was there. Now, whether this will be a business strategy and all, that is too early to say. We took this action because we are set up globally to provide this additional benefit to our customers. As you know that we do have our infrastructure across U.S., Europe, and other places. So where we can, as and when required, we can add these kind of services to our customers.

There were definitely a challenge when the freight rates went really up and the containers were not available, even for the biggest of the retailer, because the shipping lines were definitely preferring the spot rates and giving priority to that, and the shipments were getting delayed. So that's the time we came up to this service and provided some advantage to the retailers who wanted to have a better control over their inventory planning.

Now, this also was a surge because of the holiday season compared to what was earlier, because we had discussed in earlier calls also, if you remember, that every retailer were going very, very cautious in terms of their inventory. Naturally, as they're going into the holiday season, they didn't really stack up or stocked up earlier. Naturally, they were depending on this period of the inventory.

Yes, we did this service that improved the stickiness of our customer. Their reliability on us went up quite well, as you can see in the numbers also. And I think this will give us a better wallet share, continue to give us better wallet share of the customer. Now, whether this will be a going forward strategy or not, that's I think we are not looking at it from that angle as of yet.

This is more of these services as and when required to the customer to gain a better wallet share, more stickiness, more stronger partnership. We can provide these kind of services to our customer. Sanjay, you want to add something in terms of numbers?

Sanjay Gandhi: Yes, sure. Pallab has already summed up. This is more for strong customer relationships, strengthening it, and providing the services. And for that reason, we are not factoring that in any of our forecasts. Nothing changes what we have been doing it earlier.

The whole idea to show it separately is also to look at the business operation and the performance, excluding these two numbers, to really get an idea of what potential is there and what was communicated in that sense. If you remove this INR1.5 crores from EBITDA, I think there will be hardly any impact. Likewise, we have to remove INR98 crores from the top line. I think we reach at almost a similar kind of a EBITDA percentage. So this was the whole idea to do so that you can clearly earmark it.

It is more for a customer retention and increasing the wallet share than making it a segment altogether, which can start generating an EBITDA over a long period of time.

Harsh Mittal: Understood. Sir, is it a fair assumption if I just take this INR1.5 crores of EBITDA to other income? Because since it is, like you said, it is a one-off and it is not going to be continued in ensuing quarters. Is that a fair assumption? Can we take it below EBITDA?

Sanjay Gandhi: See, I think you will have to do all the adjustment. You see the revenue is included in revenue from operation, and the expenses pertaining to the service are included in other expenses. If you have to see a business evaluation, just exclude those line item also and see it without, and then you can add whichever line item you would like to do that. I think that may be a fair assumption to look at it. Just from the looking at the denominator perspective also, you got to make an adjustment in the revenue as well. You are fine with that.

Harsh Mittal: Understood. Sir, my second question is also on the similar line that we have mentioned that we have received approximately INR11.5 crores, and out of that INR1.5 crores, I assume, is because of this value-added services. So INR10 crores is what we have received as the tariff adjustments. What kind of quantum do we expect going ahead, or is this the final number?

Sanjay Gandhi: This quarter is the net tariff adjustment is about INR10 crores. We are not really forecasting that. As we had mentioned in our earlier call, there is an ongoing discussion which is heaps on a partnership basis with our customer to really look at when the tariff was imposed, we absorbed it, and now the partnership, which is a strategy with some of the customers, they are coming and listening to us, and then they have given this kind of a net tariff gain, which is coming in reflecting.

In future, we are in a discussion with the customer, but we are not really saying that it has to come in the way of a refund. It can be various other form of increase in the businesses or many other partnership opportunity which could be there with the customer.

Specifically, forecasting the tariff refund per se in the P&L is not really something we are really looking at it, but there can be a potential of getting in this form as well in future.

Harsh Mittal: Understood.

Sanjay Gandhi: We should keep updating you on that.

Harsh Mittal: Sir, one question before I fall back in the queue. What would be the volume guidance this FY27? I think they have already done 43 million pieces of

Sanjay Gandhi: So, in terms of revenue, I think we had mentioned in before giving this guidance till FY30, we were talking about INR6,000 crores plus by FY28. I think we, looking at the number and the volume which is order booking for the next quarter, we are confident of reaching that milestone in this financial year itself.

Harsh Mittal: Sir, in terms of volume, I am asking. Revenue, I have understood. In terms of volume.

Sanjay Gandhi: Volume will be a mix of. It will be also a derivative of the product mix. Maybe, in the next quarters, the knit product will be shipped more, in which case the volume will go high, and if it is woven product which is going, then the volume may be lower side.

As the order keeps building up for the quarter four and some part of quarter three, we will exactly know how the volume is going to be shaped up. But in terms of the value-wise,

whether it is the woven or knit, we are confident of reaching or crossing maybe INR6,000 crores of top line which we mentioned earlier.

Harsh Mittal: Understood. Thank you. Thank you. I will fall back in the queue.

Sanjay Gandhi: Thank you.

Moderator: Thank you. Next question is from Raj from Fidant AMC. Please go ahead.

Raj: Hi. Thank you for the opportunity, and congrats on a great set of numbers. I just wanted to understand on the gross margins. I mean, we have seen our ASPs grow by almost 15%-20% on year-on-year basis, much ahead of whatever cost inflation we are seeing. So how do you see the gross margins going forward? I mean, will there be any further price hikes to offset any increase in cost going forward? Do you see the gross margins staying at these levels or expanding further?

Sanjay Gandhi: As we have mentioned, we have mentioned about the EBITDA percentage. You see, the EBITDA, we said, in the long term, I would say the next four-year trajectory is 12%-14%, and which is what we are working towards it. Results as of now demonstrate that we are progressing in that direction.

Now, that improvement will come partly from the pricing, for the cost improvement, operating leverage. There will be a combination of that which will play out in terms of margin improvement.

So, I would suggest, if you look at the EBITDA margin improvement, that may be better way because sometime what happens that you have a mix of outsourcing and in-house capacity, so the cost may get booked in employee cost or other expenses rather than reflecting in a gross profit improvement. So overall, that's how the trajectory is likely to be. We are working towards it, in terms of improving the EBITDA margin 12%-14%.

Raj: Understood.

Pallab Banerjee: If I may add to earlier also, there was a question on the inflation of raw materials. You see, normally, if there is any inflation that is passed on to the customer because most of the customer in our industry is involved in terms of the raw material prices and the sourcing as well. That's like, if there's a sudden increase or decrease in the raw material prices, that definitely gets factored in the next season's cost. I think, as Sanjay Gandhi said, if you look at the broader picture, that is the more accurate.

Raj: Okay, understood. Secondly, because of this, in terms of the Bangladesh price increase, employee cost increase that we see, do you think that we will be able to gain market share from other players?

As you already mentioned that we already are at a premium, we pay premium to the other players, and those players who are operating at a cutthroat competition or don't have as such a

broad customer base and diversified globally customer base as we have, because of these price increases, we may be able to gain market share from those players within Bangladesh?

Pallab Banerjee: In general, what we have seen because of our approach to the business of being multi-country, multi-location, providing the design service, and also running the operations much, much more professionally compared to local small-time players. Their business has continued to consolidate, even in countries like Bangladesh, to the players who are able to service the customers well. We are not threatened that, okay, it is because of price that somebody else will gain.

The kind of efficiency level that we have been able to bring in into the same market, we are definitely ahead of some of the local players. I think that advantage will continue with us in the medium term. I don't see that changing. Yes, if there are any big decision changes that happens in Bangladesh or any big reaction that happens in Bangladesh, historically, we have gained more business.

That is because of the infrastructure, the approach, the confidence that we can bring into a customer's mind. That definitely helps us.

Raj: Understood. Lastly, just on the tax rate. What tax rate should we assume going ahead for FY27?

Sanjay Gandhi: We have been mentioning that the tax rate of blended of 15%. The tax rate is, though we it is also, blended tax rate is the result of the concentration of the profit in the geographies. On a long-term perspective, we said around 15% tax rate is something which you can consider effective here.

Raj: Understood. Thank you so much.

Moderator: Thank you. Next question is from the line of Bharat Gulati from Dalal & Broacha. Please go ahead.

Bharat Gulati: Yes, hi. Thank you for the opportunity. Congrats on a great quarter. Just a question regarding the realizations. I just wanted to understand what sort of a dollar benefit have we seen given the INR depreciation on our realizations? Just from a context of what's the sustainability of these realizations over the coming years, if you can give a sense of it, how much has been product mix gains and how much has been sort of currency gains? Yes.

Sanjay Gandhi: So, average realization from the per piece of the garment will be a two function. One which you have mentioned in the question. The second which I would just like to mention is also, which product mix is there in that particular quarter and for the full year. When I say product category, there are different product category.

However, the broader segment is woven and the knits category. If the knits category is increasing, the number of pieces will go high, so average realization will look high. However, the overall revenue will remain the same. Likewise, on a quarter-on-quarter basis, the premium product will come, let's say, in quarter one, quarter two, which means the average realization

will be on the higher side. That's one part of it. So this will be a function of these two parameter as well, when you look at it.

Now, the second part of the question on the currency part. Yes. If you compare from the last year, the currency, which is there about 7%-8% of depreciation of INR to conversion from dollar to INR, I think that's where it's getting reflected in the current year average realization per se.

But so is the cost part also, which is, if you're converting the foreign books from the overseas book from the dollar to INR on the revenue side, the dollar to INR also get converted on the cost side. So both will get converted. So eventually, the net gain will be not in that percentage, which you will look at a currency conversion to the realization one. 7% will not be that gain. It will be on the lower side of that.

Current pricing which is there, average realization, if this product mix continue the way it is, I think this will be much more sustainable as we move in the coming financial year.

Bharat Gulati: That's helpful, Sanjay sir.

Sanjay Gandhi: Pallab, you would like to add something, please.

Pallab Banerjee: No, I think that's it. You covered it.

Bharat Gulati: Yes, I think that's helpful, Sanjay sir. Just trying to understand this realization mix improvement is primarily driven by the Indonesia utilizations driving it, or have we seen a sort of improvement in realization in the Bangladesh and India business as well?

Sanjay Gandhi: There is an improvement in Bangladesh as well, slight improvement. This is driven mainly Vietnam and Indonesia on the higher side of it. But yes, there is a slight improvement in Bangladesh as well.

Bharat Gulati: Understood. That's helpful. Would it just be possible to provide the India utilization number for H1? Yes.

Sanjay Gandhi: You mean the capacity utilization, right?

Bharat Gulati: Yes, sir.

Sanjay Gandhi: The capacity utilization will be around 68%-69% for India.

Bharat Gulati: Understood. Is it still because the new capacities are in ramp-up phase, or is there some other reason behind it? I know Sanjay, Pallab sir spoke about in the earlier participant's question that some sort of ramp-up is happening in Bangladesh capacities that were supposed to come to India, but because of the fungibility, they're still sticking to Bangladesh. Is that what the case is why utilization isn't ramping up in India, or just trying to understand the perspective there?

Pallab Banerjee: The India numbers have. Sorry, go ahead, Sanjay.

Sanjay Gandhi: No, no, please. No, please, Pallab. Go ahead.

Pallab Banerjee: I am saying that you can see that India numbers have gone up, and it will continue to go up. What I meant was, as these U.K. and European Union customers come in, they are very comfortable with us. The growth rate would be faster for them because they already have that equation and that understanding with our teams, which is the business can be easily ramped up. We have the facilities approved both in India and Bangladesh. For example, they will not hesitate to place more in Bangladesh. We are seeing that growth happening in Bangladesh also.

The only thing that they are asking for is, "You make out of these 10 programs, make one in India or two in India at this point of time as you ramp up, then later on, we can go more into India." That is the kind of every new steps that happen, it slowly ramps up. That is happening.

In terms of India's capacity, I think we will see a growth in terms of the utilization this year. But yes, Bihar, so far in the first half of the year, we have been hiring, training more people, and putting into line. The number is going up every day, when we talk about installed capacity that is a bigger number when the full utilization and the full factory will be running in its full strength. That ramp-up is happening at this point of time.

Percentage-wise, I heard Sanjay mention about 69%, 70%. Let's see how that number ends up by the end of the year. It might be a little higher as well.

Bharat Gulati: Understood. That's helpful. That's it from my side. Thank you.

Pallab Banerjee: Yes.

Moderator: Thank you. Next question is from Shirish Pardeshi from Motilal Oswal. Please go ahead.

Shirish Pardeshi: Hi, Pallab, Sanjay ji, thank you for the opportunity and congratulations. Pallab, just quick thought on Bangladesh. It's more of a clarification. They're asking from 12,000 to 30,000. This is the same thing they were demanding doubly in 2023.

My quick assessment at this time, Bangladesh taka has not depreciated as compared to India. India has seen the depreciation. Politically what will happen, I don't know. Interestingly, the Garment Association has also been active. There are two parts to my question. Is it viable or is it understood that 10%-12%, 15% is still reasonable way to look at the demand? Or if it is beyond 30%, will it be viable for us to run the operation?

Pallab Banerjee: Yes, interesting. Definitely, I think Bangladesh currency will change. The currency exchange rate will change definitely because you can see, they are under severe pressure in terms of the energy imports and all. They are trying to, because as a country, they have played it quite well so far. But the overall inflation, the availability of food and fuel is a challenge out there.

At the same time, in terms of the wage increase, yes, your observation is 100% correct. They always ask for double or very high. Always these kind of things are also politically motivated. But at the same time, the country realizes their dependence on the manufacturing. Like India,

we have got many industry. If you look at Bangladesh, it is manufacturing, and apparel manufacturing is a big part into it.

Our expectation is in the range of about 15%, maybe a little higher than 15%. But let's see how it goes. In terms of viability, as I just said, this is still the cheapest and by far if you compare the wages with the other countries. There is a huge difference. Even with Cambodia and all, there is a huge, both in terms of capacity and wage, there is a good amount of advantage that Bangladesh, at this point of time, enjoys because of that. Even if it increases by the thing that I do not see the business will become unviable and will migrate very fast. But yes, the other countries will be able to compete a little better.

As I said, in India, we went into the eastern states, so that we are as close to us to that wage, provided the government gives us the subsidy for the new facilities that we have built up. But still, that advantage in Bangladesh is huge. 50% less than India's wage and about 20%-25% higher efficiency because of the ecosystem that exists. Both these give them that advantage. And there will be, let's see how this number comes up. Anybody's guess, but I think your study is very, very detailed.

Shirish Pardeshi: No, I got that. That is really helpful. But our business dependence in Bangladesh is much higher, and increasingly, we have invested in Bhaluka. I think that is what my worry was. But anyway, I will take it up.

Pallab Banerjee: So Yes, so our investment, if you see, is because of the ecosystem that is prevailing in Bangladesh. The kind of customers that we are servicing, the kind of business that we are doing is not like absolutely the cost is the most important factor. Even if you look at today, whatever increase that they were doing, our workers are earning more than that.

Definitely, this will give an impact to us also. We will have to increase our wages, but may not be to the full extent what the government has to go through, because we are already paying much higher, much, much higher. So, that's the important thing. You saw the kind of infrastructure as you visited that we have built up.

The way that we are operating is not, we are not competing with absolutely the lowest end commodity part of the business that Bangladesh is known for. Our business, the way that we have built up, is definitely much more sustainable. So that gives me the confidence to say that, okay, whatever happens, Bangladesh will continue to be one of our biggest in the mid-term range.

Shirish Pardeshi: But are you sure that there is no production loss so far? Because our factory is more on Gazipur and Bhaluka, where the riots and other things were happening in Mirpur. Is there any production loss?

Pallab Banerjee: So again, so far, we were ahead of time. In fact, some of the customers really appreciated that we offered them goods ahead of time because of the holiday, the kind of pressure. That's the kind of, when we talk of a value-added service, is that what I'm adding extra for my customer's benefit. So that's the approach that Pearl Global has been doing, which is we don't talk about it in these platforms.

But there are many advantages that we bring to the customers. So far, when you see that we lost about, if I see overall, about two days of loss has happened in three of the factories. But we don't see any impact. If the situation improves from here on, we or our customers won't see any kind of impact from Pearl Global.

Shirish Pardeshi: Okay. My last question. You have given these revenue splits for first half, 31% is knits and balance is woven. Sanjay, will you be able to give me a breakup of 43.6 million pieces in terms of volume for knits and woven so that I will be able to get the realization number right?

Sanjay Gandhi: Sure. Maybe I can provide you detail in separately call.

Shirish Pardeshi: Okay. All right. Thank you and all the best.

Pallab Banerjee: Thank you.

Moderator: Thank you. Next question is from Sani Vishe from PL Capital. Please go ahead.

Sani: Yes. Thanks for taking the question. We are almost to the end of the call, so most of my questions have been attended, but I will just follow up with some of my clarification. In terms of the wage hike that we were just discussing, last time whenever it has happened, there has been at least 50% of increase that has happened in the minimum wages.

You just touched upon that it may go somewhere around 18,000. That is almost a 40% increase. I think we have 17% of our cost coming from wages, out of which maybe half of it would be coming from Bangladesh. A 40% increase would easily impact us to at least 3%-3.5%. Is that understanding correct?

Pallab Banerjee: Provided that everything else remains constant, that is the assumption if you put, then it will be this percentage. But things will change, as I just mentioned or we just discussed. There is a currency factor. There will be a cost factor with the customers as well, because Bangladesh is, as on date, the lowest cost center, that of apparel. That benchmark, if it goes up, the customers do not have too many options, definitely.

Again, talking about Pearl Global in specific, as I mentioned, we have developed our own, whether you call it a niche or the strengths on which we do the business. Yes, wage is a factor, but it is not the most driving factor. Even I am talking about in the mid-range for the next three to five years.

Yes, forecasting in our industry beyond that may not be proper at this point of time. But Yes, in this period, we do not see it will be a big needle mover.

Sani: Yes, but maybe I am sure.

Pallab Banerjee: Percentage-wise, as you are calculating, like if other things remains constant, then that is the number that you get. Yes, I agree with you.

Sani: Yes. So, you will be offset it with cost optimization and everything, I understand. You already are above the minimum wage. I think in the near term, at least for a couple of quarters, we may

see some impact is what I believe. Yes. Secondly, on the value-added services that we just spoke about, Sanjay said, INR6,000 crores we should be able to cross this year.

Does it include a potential I mean, say this year, this quarter it was somewhere around INR100 crores, so another INR200 crores. Does it include that, or that is somewhere around INR300 crores that will be over and above the INR6,000 crores?

Sanjay Gandhi: We are definitely looking at INR6,000 crores+ with this value-added service, it will go INR6,000+ crores.

Sani: Okay, understood. Finally, just a smaller number.

Pallab Banerjee: Sorry, I would like to pitch in that this value-added service was more important to this particular Christmas season.

Sunil: Yes.

Pallab Banerjee: Whether that will continue or not also, and that number will be that significant or not, we don't foresee that in a short term as of now.

Sani: I understand that we have to factor in. If we factor in at the top, we'll have to factor in at the bottom. I was just trying to understand the guidance that is there, whether it is inclusive of that or not. Finally, the Bangladesh-

Sanjay Gandhi: Sorry, to your earlier point that the wage impact in the coming quarter may be there, I just want to mention that when we are making a forecast for every country, and especially in Bangladesh, given quarter three, quarter four, the wage increase to some extent was already part of our costing. That has been already there.

Now, if there is a wage increase happening beyond that, I think we believe that currency fluctuation. If you look at for the last one year, the depreciation, they have been holding their currency around 125 taka, 124 taka to a dollar. The general view in the economic section is that there will be a depreciation of the currency of the taka against the dollar, which will kind of offset to a great extent any increase happening beyond that as well.

Plus, there will be a productivity improvement, which we are really looking at it to really offset that. So we don't see, as of now, unless we'll see how the impact comes up. Given the historical trends, the past trend of the wage increase which has happened, I think few percentage here and there will get offset from the currency fluctuation, currency depreciation as well. So that plan is also there with us.

Pallab Banerjee: Yes.

Sanjay Gandhi: Just wanted to clarify on your...

Sani: Yes, it's very clear. Understood, sir. Finally, the new facility in Bangladesh, seven million pieces. Where are we in terms of utilization there, and when can it become to the normal levels? I mean, the optimum level?

Pallab Banerjee: We have started the operations there. This is because, as you know, in our industry, like line by line, we go on increasing it. As on date, I think already almost about 20% of the total capacity is already operational. And every day, we are putting in new workers, training them up, and putting them into the lines. That, I think over the next six to eight months, it will get into the full capacity.

Sani: Yes. Okay, sir. Thank you. Thanks a lot for answering patiently.

Moderator: Thank you. Next question is from Pulkit Singhal from Dalmus Capital Management. Please go ahead.

Pulkit Singhal: Thank you for the opportunity, and congrats on a great set of numbers. First question is on the FTAs, India, U.K., and with the E.U. subsequently. Which countries do you think will lose market share to India in the process?

Pallab Banerjee: Which country will lose market share? See, as of now, their dependence on Cambodia and Bangladesh has been very high. What is happening amongst the retailer, as I mentioned earlier also, there have been very heavy concentration of certain category of products in one country. With the recent development of whether you call it geopolitics, tariff, logistics, that diversification is definitely happening.

What we saw in the last few months, countries like Turkey and all have lost a significant portion of the business, and that has moved into this part of the world. The increase of cost and all that happened there was quite significant, and the business became unsustainable for many of the products of the U.K. and European retailers. Yes, that's one country from where migration has happened. The second, what we found is from China also.

These are the two countries where numbers are perceivable, and when we speak to our customers, we see these are the two countries that comes into the discussion very often. Turkey, the difference is also the speed. That's sometimes some of the customers don't want to compromise, but as it's becoming more and more unviable, they are taking certain steps. China is more natural, and as countries like India is developing more in their fabric base, that's a huge opportunity that may fall through or come through. India was completely missing on the synthetic fabrics. Surat and other places have shown some good interesting development in these last few quarters. That gives us a little bit more confidence that things will come from China more and more. This is my take at this point of time. From Bangladesh or Cambodia again depends on lot of Chinese fabric.

Bangladesh has built up their own fabric base and the raw material base that might be more sticky. But yes, there will be some fungibility that these customers are definitely looking for, that if required, you can shift between the two countries. That's how I am seeing.

Pulkit Singhal: Yes. I mean, the question really was whether you expect some of your other sourcing destinations to have an impact or not.

Pallab Banerjee: No, I don't see that happening.

Pulkit Singhal: Second question was on, I think, Sanjay, you probably mentioned about some capex plans till FY29. If you could just repeat the figures that you mentioned about and which areas?

Sanjay Gandhi: Yes, sure. We had said, from FY27 till FY30, we had INR900 crores, INR950 crores capitalization and the capex commitment plan, out of which we have now capital work in progress stand, as on 30th of September, if you see, INR225 crores. This should be capitalized in quarter three, quarter four, FY27. Then in investor call, we had given a two broad category of the capex.

One is for the capacity expansion across geography, which was about INR325 crores-INR350 crores. Out of this, INR100 crores is likely to be capitalized in this financial year, which is already underway and approved by the board. Remaining part of that, the capex is under evaluation. This is some part is for Vietnam and for Indonesia as well in this remaining INR225 crores or INR250 crores. That's another one.

Third one is on the backward integration, which Pallab also mentioned, is about INR350 crores-INR375 crores. We are working on it, evaluation. The commitment is expected to start in the current financial year. In summary, I said, we are hopeful that entire capex is likely to be capitalized before by the end of FY29. These are the numbers we just.

Pulkit Singhal: Yes, because in your presentation, the forecasted growth capex till FY30 was INR675 crores-INR725 crores. Right now you are saying INR900 crores odd. Has there been an increase?

Sanjay Gandhi: Yes. No, no. The same number is there, but INR225 crores CWIP, which is there on 30th September. This capex was approved last year, FY25/2026, but will get capitalized in this year. That is the additional clarification which I was just saying from a capitalization perspective.

Pulkit Singhal: Okay. This last question is, I mean, we are growing at 30%+ in the first half. Your suggestion of INR6,000+ crores , I mean, INR6,000 crores odd implies that the second half would suddenly fall down to 10% kind of growth. I just wanted to be clear whether we are seeing some kind of demand slowdown or we expecting high growth rates to continue for this year.

Sanjay Gandhi: We said INR6,000+ crores turnover. Let us see where is there. We have a strong order book as we go into quarter three. Quarter four order book will get built up in the next few weeks. We will see where e INR6,000+ crores where we will end up. Quarter three, as we enter, the order book is very healthy.

Pulkit Singhal: Understood.

Pallab Banerjee: Pulkit, we are not seeing such a slowdown as of yet. If that's the question you are asking.

Pulkit Singhal: Yes. I think that's all. Okay, perfect. Great. Thank you and all the best.

Sanjay Gandhi: Thank you.

Moderator: Thank you very much. Ladies and gentlemen, we will take that as the last question for today. I would now like to hand the conference back to management for closing comments. Over to you, sir.

Sanjay Gandhi: Thank you to all the participants for joining us today. The first half of FY27 has delivered a strong performance, reflecting the resilience of our business model and strength of our global manufacturing platform. As we move into the second half, we remain focused on sustaining our growth trajectory, improving the free cash flow generation, enhancing operational efficiency, and driving profitable growth.

I hope we have been able to address your queries. Should you require any further information, please feel free to contact Shishir, our Head of Investor Relations, or our investor relation advisor, Strategic Growth Advisors.

Before we conclude, I would like to wish all our investors, analysts, and their family a very Happy Diwali and a very Happy, Healthy, Prosperous New Year. Thank you for your continued confidence in Pearl Global. We look forward to connecting with you again next quarter.

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

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 6th November 2026 will prevail."