

## Q2 2024

### 1. Financial Performance and Growth

- **Narrative:** Management expressed cautious optimism regarding revenue growth for FY24, projecting a range of 5% to 10% increase compared to the previous year. This projection considers potential benefits from favorable trade agreements (UK, EU FTA) and the extension of the ROCTL scheme. However, the growth is moderated compared to previous years' higher growth rates (70-80%). There's also discussion about maintaining similar H2 performance to the previous year's H2. The Guatemala joint venture is expected to reach \$20-25 million in revenue within 2-3 years.

- **Management's Guidance:**

- A revenue increase of 5% to 10% for FY24 is projected. Maintenance of similar revenue growth in the second half of FY24 compared to the previous year's second half is anticipated. The Guatemala joint venture is expected to reach \$20-25 million in revenue within a 2-3 year timeframe. The Indian textile export industry is expected to benefit from positive long-term prospects, including potential FTAs and the extension of the ROCTL scheme.

- **Actual Results:**

**['Q4', '2024']:**

- FY24 Revenue was Rs. 3,436.2 Crs, a 48.8% YoY increase. Q4FY24 Revenue was Rs. 877.4 cr, a 20.2% YoY increase. Overseas revenue increased by 21% YoY. India revenue saw a growth of 17% YoY in Q4FY24.

**['Q1', '2025']:**

- Q1 2025 saw a 17.7% overall revenue increase, with overseas revenue up 22% and Indian revenue up 7.3%. Other reports mention 15% revenue increases and consolidated revenue reaching INR 1052.8 crores, significantly exceeding the projected range. While Q2 2024 results aren't provided, the Q1 2025 results significantly exceeded the projected 5-10% growth for FY24.

**['Q3', '2024']:**

- Multiple sources report conflicting revenue figures for Q3 FY24. Some indicate a decrease of 1.8% YoY, while others show a decrease of 21.5% YoY. A 9-month figure shows a 5.4% YoY increase. There's also mention of a 20% increase in overseas revenue driven by Bangladesh and Vietnam. The discrepancies require further investigation to reconcile the reported figures.

**['Q2', '2024']:**

- Consolidated revenue for Q2 FY24 grew by 12% year-on-year to Rs. 960.6 crores; however, standalone revenue dropped 23% year-on-year to Rs. 218.5 crores. H1 FY24 saw consolidated revenue growth of 8% year-on-year to Rs. 1,854.8 crores, with H1 standalone revenue declining 24% year-on-year. Management aims to maintain 7-8% growth in the second half of FY24.

- **Evaluation:**

- {'evaluation': 'Partially Met expectations', 'evaluation\_reason': 'While consolidated revenue growth in Q2 exceeded the lower end of the projected range, the significant drop in standalone revenue and overall H1 performance suggests that the full-year target is uncertain, thus partially meeting expectations.'}

### 2. Profitability and Cost Management

- **Narrative:** Management highlighted a focus on maintaining profitability despite anticipated wage bill increases (15-20%). Strategies to mitigate this include leveraging dollar advantages, efficiency improvements, and automation. A dividend policy of at least 20% of consolidated profit after tax has been finalized. A target of double-digit EBITDA is set for FY24-25.

- **Management's Guidance:**

- Wage bill increase of 15-20% is anticipated, but the impact on turnover is expected to be mitigated (1-1.25%). Reaching double-digit EBITDA in FY24-25 is targeted. A dividend of at least 20% of consolidated profit after tax will be declared annually.

- **Actual Results:**

**['Q4', '2024']:**

- FY24 Adj. EBITDA stood at Rs. 316.4 crores, a 22.5% YoY increase. Q4FY24 Adj. EBITDA stood at Rs. 83.9 crores, a 30.8% YoY increase. FY24 Adj. EBITDA Margin stood at 9.2%, a 100 bps YoY increase. Q4FY24 Adj. EBITDA Margin stood at 9.6%, an 80 bps YoY increase.

**['Q1', '2025']:**

- In Q1 2025, adjusted EBITDA surpassed INR 100 crores, reaching INR 100.4 crores, exceeding the double-digit target early. However, other reports show conflicting data, with a 34.3% year-on-year decline in adjusted EBITDA to INR 13.3 crores. Further investigation is needed to reconcile these discrepancies.

**['Q3', '2024']:**

- Q3 FY24 saw a significant decrease in Adjusted EBITDA (-0.8 Crs compared to 10.1 Crs in Q3 FY23). However, a 120 bps YoY improvement in EBITDA margin (excluding ESOP expenses) is also reported. The 9-month Adjusted EBITDA margin is reported at 9.1% (a 120 bps YoY improvement), and the Q3 FY24 Adjusted EBITDA margin is at 9.7%. PAT margin for Q3 FY24 is reported as 4.8%.

**['Q2', '2024']:**

- Q2 FY24 adjusted EBITDA margin was 8.3%, a 220 bps year-on-year increase. H1 FY24 adjusted EBITDA margin (excluding ESOP expenses) stood at 8.8%, 180 bps higher year-on-year. Q2 FY24 PAT grew 51% year-on-year to Rs. 39 crores. H1 FY24 PAT was Rs. 86.3 crores versus Rs. 62.3 crores in H1 FY23.

- **Evaluation:**

- {'evaluation': 'Exceeded expectations', 'evaluation\_reason': 'The significant increase in EBITDA margin in Q2 and H1 FY24 exceeded expectations, indicating successful mitigation of the anticipated wage bill increase and strong profitability.'}

### 3. Capital Expenditure and Capacity Utilization

- **Narrative:** Significant CAPEX (over 120 crores) is planned for FY24 across geographies. A substantial portion (55-60%) has already been incurred in H1. Capacity expansion is ongoing, with 20% already completed and the remaining 80% to be executed in the remaining year.

- **Management's Guidance:**

- 40-45% of the planned CAPEX will be incurred in the remaining part of FY24. 80% of capacity expansion will be completed in the remainder of the year.

- **Actual Results:**

**['Q4', '2024']:**

- Incurred PPE Capex of Rs. 115 crs in FY24.

**['Q1', '2025']:**

- No direct Q2 2024 or Q1 2025 data on CAPEX spending or capacity utilization completion is available. However, Q1 2025 data suggests capacity utilization varying between 68% and 75%, and in some locations reaching 80-82%.

**['Q3', '2024']:**

- Management reported that INR 90 crores of the planned INR 120 crores capex has been incurred. Of this, INR 50 crores went towards capacity enhancement and INR 10 crores towards machinery replacement. No information is provided on the completion percentage of capacity expansion.

**['Q2', '2024']:**

- The provided data does not contain actual results for CAPEX spending or capacity expansion completion in Q2 FY24.

**- Evaluation:**

- {'evaluation': 'Cannot be Evaluated', 'evaluation\_reason': 'The provided data lacks actual results for Q2 2024 regarding CAPEX spending and capacity expansion completion, preventing a proper evaluation.'}

#### 4. Government Initiatives and Regulatory Environment

**- Narrative:** Management highlighted the positive impact of potential trade agreements and the extension of the ROCTL scheme on the Indian textile export industry. The extension of the RoSCTL scheme until March 2024 is noted as beneficial for exporters. The PM MITRA scheme is mentioned as a significant government initiative for the creation of textile mega parks.

**- Management's Guidance:**

- While no direct forward-looking statements are made by management regarding these schemes' impact on PGIL specifically for Q3 or Q4 2024, the potential positive impact on the overall industry is noted.

**- Actual Results:**

**['Q4', '2024']:**

- No specific actual results related to government initiatives are provided in the data.

**['Q1', '2025']:**

- No specific data on the impact of these schemes on PGIL's performance in Q2 2024 or Q1 2025 is available.

**['Q3', '2024']:**

- No specific actual results related to the impact of these government initiatives on PGIL are provided in the data.

**['Q2', '2024']:**

- The provided data does not contain actual results related to the impact of government initiatives on PGIL's performance in Q2 FY24.

**- Evaluation:**

- {'evaluation': 'Cannot be Evaluated', 'evaluation\_reason': 'The provided data does not contain information on the impact of government initiatives on PGIL's Q2 2024 performance.'}

#### 5. Working Capital Management

**- Narrative:** Receivable days are expected to remain in the 25-35 day range, significantly improved from historical levels (49-50 days).

**- Management's Guidance:**

- Receivable days will remain in the range of 25-35 days.

**- Actual Results:**

**['Q4', '2024']:**

- No specific data on receivable days is available in the provided actual results data.

**['Q1', '2025']:**

- No data on receivable days for Q2 2024 or Q1 2025 is provided.

**['Q3', '2024']:**

- No specific data on receivable days for Q3 FY24 is available in the provided data.

**['Q2', '2024']:**

- Receivable days were 30 days in H1 FY24, significantly improved from historical levels of 49-50 days.

**- Evaluation:**

- {'evaluation': 'Met expectations', 'evaluation\_reason': 'The actual receivable days of 30 in H1 FY24 fell within the guided range of 25-35 days.'}