

PAGE INDUSTRIES

RESULT UPDATE

KEY DATA

Rating	REDUCE
Sector relative	Underperformer
Price (INR)	45,790
12 month price target (INR)	42,875
52 Week High/Low	50,590/38,850
Market cap (INR bn/USD bn)	511/5.8
Free float (%)	51.7
Avg. daily value traded (INR mn)	1,120.1

SHAREHOLDING PATTERN

	Jun-25	Mar-25	Dec-24
Promoter	42.89%	42.89%	44.29%
FII	24.03%	23.58%	22.67%
DII	27.75%	27.87%	28.69%
Pledge	0%	0%	0%

FINANCIALS

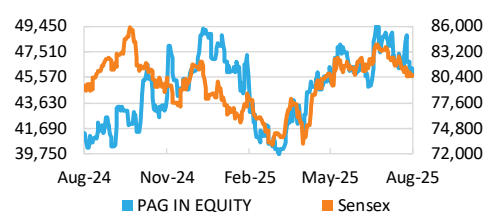
(INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Revenue	49,349	52,941	59,175	66,163
EBITDA	10,626	11,107	12,294	13,483
Adjusted profit	7,291	7,540	8,428	9,495
Diluted EPS (INR)	653.7	676.0	755.7	851.2
EPS growth (%)	28.1	3.4	11.8	12.6
RoAE (%)	48.5	48.4	44.9	42.5
P/E (x)	70.0	67.7	60.6	53.8
EV/EBITDA (x)	47.6	45.1	40.5	36.7
Dividend yield (%)	0.9	0.9	1.0	1.1

CHANGE IN ESTIMATES

	Revised estimates		% Revision	
Year to March	FY26E	FY27E	FY26E	FY27E
Revenue	52,941	59,175	-4.1%	-5.3%
EBITDA	11,107	12,294	-2.3%	-5.4%
Adjusted profit	7,540	8,428	-2.5%	-6.0%
Diluted EPS (INR)	676.0	755.7	-2.5%	-6.0%

PRICE PERFORMANCE



Growth dips; reduced A&P boosts margin

Page's growth slipped once again in Q1FY26 following a double-digit rise over the previous quarter. Management pointed to weak consumer sentiment affecting foot traffic, which continued to pressurise growth. They curtailed advertising expenditure resulting in a notable improvement in EBITDA margins. However, management anticipates annual margins to return to the guided range of 19–21% due to planned IT investments.

Building in the weak growth, we are trimming revenue and PAT estimates for FY26E/27E by -4.1%/-5.3% and -2.5%/-5.8% respectively. Maintain 'REDUCE' with a revised TP of INR42,875 (INR44,140 earlier).

Weak top-line growth; margins improve

Page clocked 3% YoY revenue growth with absolute revenue at INR13bn and volume growth of 1.9% YoY. Realisations improved 1% YoY due to better product and channel mix. E-commerce channel reported strong growth driven by jockey.in, which contributed positively. Gross margin improved 498bp due to stable raw material and better manufacturing efficiencies as well as change in product and channel mix. Employee cost increased 16% YoY likely from the onset of production from new manufacturing facility in Odisha, which is also visible in higher depreciation expense. Other expenses clocked 1.1% YoY growth. Overall EBITDA margins improved 333bp YoY driven by improvement in gross margin. Overall EBITDA/PAT expanded 21.1%/21.5% YoY. Growth is also a function of higher other income this quarter.

Page is now present in ~111,207 MBOs (104,696 in Q1FY25). Advertising spend was 3.5% for the quarter, slightly lower than usual, but likely to remain within the 4–5% range for the full year. The company has maintained margin guidance at 19–21% for FY26 on a sustainable basis considering the increased I-T and marketing spending. The company is targeting double-digit growth once conditions normalise with focus on product innovation rather than price hikes and expects gross margin to be stable around current levels.

Retail expansion on track; launch of youth-focused fashion range

The company launched JKY Groove, a youth-focused fashion line, with promising early results. They plan to update the range seasonally. Store expansion is progressing well, targeting 140–160 new EBOs this year, while total MBO count is likely to stay between 8,000 and 9,000. Innerwear volume was subdued this quarter. The long-term outlook remains positive, with ongoing momentum anticipated. Inventory days were INR66, and innerwear inventory levels are optimal.

Financials

Year to March	Q1FY26	Q1FY25	% Change	Q4FY25	% Change
Net Revenue	13,166	12,775	3.1	10,981	19.9
EBITDA	2,947	2,433	21.1	2,352	25.3
Adjusted Profit	2,008	1,652	21.5	1,640	22.4
Diluted EPS (INR)	180.0	148.1	21.5	147.0	22.4

Financial Statements

Income Statement (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Total operating income	49,349	52,941	59,175	66,163
Gross profit	28,045	30,086	33,629	37,599
Employee costs	8,215	9,447	10,864	12,494
Other expenses	9,204	9,532	10,471	11,622
EBITDA	10,626	11,107	12,294	13,483
Depreciation	992	1,154	1,270	1,358
Less: Interest expense	464	487	511	537
Add: Other income	616	654	799	1,154
Profit before tax	9,786	10,120	11,312	12,743
Prov for tax	2,494	2,580	2,883	3,248
Less: Other adj	0	0	0	0
Reported profit	7,291	7,540	8,428	9,495
Less: Excp.item (net)	0	0	0	0
Adjusted profit	7,291	7,540	8,428	9,495
Diluted shares o/s	11	11	11	11
Adjusted diluted EPS	653.7	676.0	755.7	851.2
DPS (INR)	397.1	405.6	453.4	510.7
Tax rate (%)	25.5	25.5	25.5	25.5

Important Ratios (%)

Year to March	FY25A	FY26E	FY27E	FY28E
EBITDA margin (%)	21.5	21.0	20.8	20.4
Net profit margin (%)	14.8	14.2	14.2	14.4
Revenue growth (% YoY)	7.7	7.3	11.8	11.8
EBITDA growth (% YoY)	21.8	4.5	10.7	9.7
Adj. profit growth (%)	28.1	3.4	11.8	12.6

Assumptions (%)

Year to March	FY25A	FY26E	FY27E	FY28E
GDP (YoY %)	6.0	6.2	6.2	6.2
Repo rate (%)	6.0	5.0	5.0	5.0
USD/INR (average)	85.0	85.0	85.0	85.0
Gross Margin (%)	56.8	56.8	56.8	56.8
Inventory (% of RM)	33.0	33.0	33.0	33.0
Receivable (% of Rev.)	3.9	3.9	3.9	3.9
Capex (INR mn)	795.7	835.4	877.2	921.1

Valuation Metrics

Year to March	FY25A	FY26E	FY27E	FY28E
Diluted P/E (x)	70.0	67.7	60.6	53.8
Price/BV (x)	36.3	29.9	24.9	21.0
EV/EBITDA (x)	47.6	45.1	40.5	36.7
Dividend yield (%)	1.9	0.9	1.0	1.1

Source: Company and Nuvama estimates

Balance Sheet (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Share capital	112	112	112	112
Reserves	13,960	16,977	20,348	24,146
Shareholders funds	14,072	17,088	20,459	24,257
Minority interest	0	0	0	0
Borrowings	0	0	0	0
Trade payables	2,549	4,114	4,598	5,141
Other liabs & prov	7,062	7,720	8,639	9,669
Total liabilities	26,346	31,944	37,084	42,839
Net block	5,083	5,242	5,384	5,509
Intangible assets	2,493	2,788	3,064	3,354
Capital WIP	722	722	722	722
Total fixed assets	8,298	8,752	9,171	9,586
Non current inv	0	0	0	0
Cash/cash equivalent	4,714	8,983	12,063	15,565
Sundry debtors	1,916	2,056	2,298	2,569
Loans & advances	2,583	2,762	3,060	3,392
Other assets	8,835	9,392	10,493	11,727
Total assets	26,346	31,944	37,084	42,839

Free Cash Flow (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Reported profit	7,291	7,540	8,428	9,495
Add: Depreciation	992	1,154	1,270	1,358
Interest (net of tax)	346	363	381	400
Others	(235)	(530)	(669)	(1,017)
Less: Changes in WC	(3,641)	(1,366)	230	256
Operating cash flow	12,036	9,893	9,180	9,979
Less: Capex	791	835	877	921
Free cash flow	12,826	10,728	10,057	10,900

Key Ratios

Year to March	FY25A	FY26E	FY27E	FY28E
RoE (%)	48.5	48.4	44.9	42.5
RoCE (%)	68.2	68.1	63.0	59.4
Inventory days	174	141	138	138
Receivable days	13	14	13	13
Payable days	41	53	62	62
Working cap (% sales)	7.4	4.3	4.3	4.2
Gross debt/equity (x)	0	0	0	0
Net debt/equity (x)	(0.3)	(0.5)	(0.6)	(0.6)
Interest coverage (x)	20.8	20.4	21.6	22.6

Valuation Drivers

Year to March	FY25A	FY26E	FY27E	FY28E
EPS growth (%)	28.1	3.4	11.8	12.6
RoE (%)	48.5	48.4	44.9	42.5
EBITDA growth (%)	21.8	4.5	10.7	9.7
Payout ratio (%)	60.7	60.0	60.0	60.0

Q1FY26 conference call: Key takeaways

Highlights

- Industry-wide consumption remained subdued, which in turn impacted growth within the offline retail segment
- The retail sector posted a general slowdown, primarily driven by geopolitical concerns. However, a steady recovery has been observed since May, with sequential improvement—May performance surpassing April, and June showing further strength over May. The company is targeting double-digit growth once conditions normalise, with a focus on product innovation rather than price hikes.
- The online business delivered robust growth, supported by stable product pricing. The company remains focused on maintaining operating margins
- Sales volume this quarter stood at 58.6 million pieces, growth of 1.9% YoY
- The company recently launched a new fashion range, 'JKY Groove', aimed at a younger target audience. Initial response to the range appears encouraging. The company plans to further strengthen the offering in the coming months, with frequent design changes seasonally
 - The range is produced through a mix of in-house manufacturing and outsourcing
 - This initiative is currently being treated as a pilot to better understand the dynamics of the youth fashion segment and assess consumer response
- The company's online network, particularly through jockey.in, continues to expand, contributing positively to its digital presence and reach
- Efficient raw material sourcing helped maintain stable pricing during the quarter
- Inventory days stood at 66 days at the end of current quarter
- Commercial production commenced at the new state-of-the-art manufacturing facility in Orissa, with plans to gradually ramp up output in the coming months
- The company successfully completed the pilot run of its modern Distribution Management System through Salesforce and is on track for full deployment. Migration to SAP S/4HANA is progressing as planned
- Volume performance for the innerwear portfolio remained muted in the retail channel
- The company remains comfortable operating within a 19–21% EBITDA margin range.
- Advertising spend was 3.5% for the quarter, slightly lower than usual, but expected to remain within the 4–5% range for the full year
- IT spend will be on the higher side in the coming quarters
- Raw material cost has remained stable over the last quarters
- **Outlet guidance**
 - Target number of stores for this year will be in same 8000-9000 range
 - 140-160 EBOs to be added this year

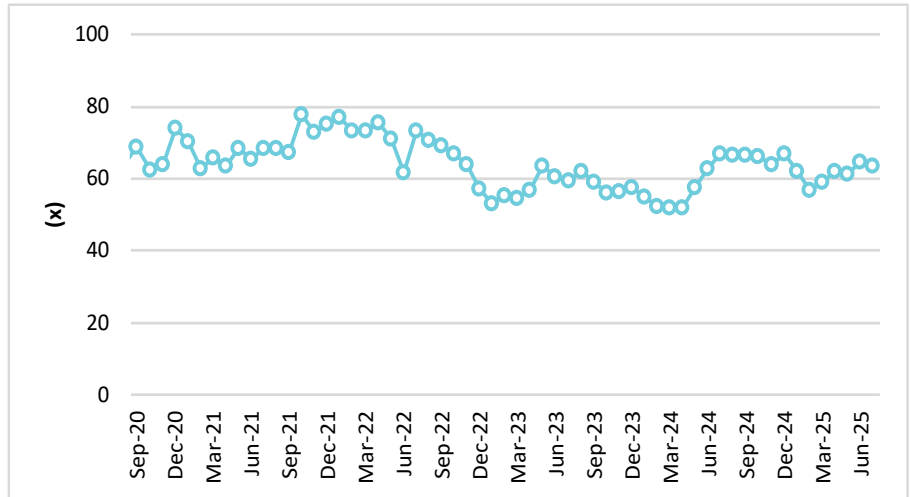
- **Inventory levels**
 - Decreased month after month at the partner level
 - Innerwear inventory is at optimum inventory level
 - Outerwear will take a few quarters to reach optimum inventory level
- The long-term outlook remains strong, with expectations of continued momentum in the coming quarters

Exhibit 1: Performance summary (INR mn)

	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
<u>Key Financials</u>											
Sales	12,000	9,646	12,324	11,251	12,288	9,954	12,775	12,463	13,131	10,981	13,166
EBIDTA	1,928	1,343	2,419	2,335	2,297	1,672	2,433	2,815	3,025	2,352	2,947
EBIDTA Margin	16%	14%	20%	21%	19%	17%	19%	23%	23%	21%	22%
Adjusted PAT	1,237	784	1,584	1,503	1,524	1,082	1,652	1,953	2,047	1,640	2,008
PAT Margin	10%	8%	13%	13%	12%	11%	13%	16%	16%	15%	15%
<u>% YoY Growth</u>											
Sales	1	-13	-8	-8	2	3	4	11	7	10	3
EBIDTA	-23	-50	-19	-2	19	24	1	21	32	41	21
PAT	-29	-59	-24	-7	23	38	4	30	34	52	22
<u>% QoQ Growth</u>											
Sales	-2	-20	28	-9	9	-19	28	-2	5	-16	20
EBIDTA	-19	-30	80	-3	-2	-27	46	16	7	-22	25
PAT	-24	-37	102	-5	1	-29	53	18	5	-20	22
<u>Distribution</u>											
EBO	1,228	1,289	1,332	1,372	1,394	1,378	1,395	1,387	1,436	1,489	1,528
MBO	1,18,838	1,20,060	1,20,461	1,18,128	1,13,688	1,06,835	1,04,696	1,07,702	1,10,176	1,11,922	1,11,207
<u>Volumes (% YoY)</u>											
Volume (mn pcs)	53	43	56	52	55	45	57	55	58	49	59
ASP (INR)	227	227	221	217	223	220	223	226	227	223	225
Volumes (% YoY)	-12	-15	-12	-9	5	7	3	7	5	9	2

Source: Nuvama Research, Company

Exhibit 2: One-year forward P/E



Source: Nuvama Research, Company

Exhibit 3: Valuation summary

Q1FY28 EPS (INR)	780
Target PE (x)	55
Target Price (INR)	42,875
CMP (INR)	45,760
Upside (%)	-6.3%

Source: Company, Nuvama Research

Exhibit 4: Quarterly summary

Year to March	Q1FY26	Q1FY25	% YoY	Q4FY25	% QoQ	FY24	FY25	% YoY
Revenue	13,166	12,775	3.1	10,981	19.9	45,817	49,349	7.7
Raw material costs	5,381	5,858	(8.1)	4,292	25.4	20,846	21,305	2.2
Gross profit	7,784	6,918	12.5	6,689	16.4	24,971	28,045	12.3
Employee costs	2,338	2,013	16.2	2,087	12.0	8,036	8,215	2.2
Other expenses	2,500	2,472	1.1	2,249	11.2	8,212	9,204	12.1
Total operating expenses	4,838	4,484	7.9	4,336	11.6	16,248	17,419	7.2
EBITDA	2,947	2,433	21.1	2,352	25.3	8,723	10,626	21.8
Depreciation	266	221	20.5	249	7.1	908	992	9.2
EBIT	2,681	2,213	21.2	2,104	27.4	7,814	9,633	23.3
Less: Interest Expense	127	117	8.3	118	7.0	449	464	3.3
Add: Other income	148	129	14.8	201	(26.5)	200	616	208.8
Profit Before Tax	2,702	2,225	21.5	2,187	23.6	7,565	9,786	29.4
Less: Provision for Tax	694	572	21.3	547	27.0	1,873	2,494	33.2
Reported Profit	2,008	1,652	21.5	1,640	22.4	5,692	7,291	28.1
Adjusted Profit	2,008	1,652	21.5	1,640	22.4	5,692	7,291	28.1
NOSH	11	11		11		11	11	0.0
Adjusted EPS	180	148	21.5	147	22.4	510	654	28.1
As % of revenues	Change bp		Change bp		Change bp		Change bp	
COGS	40.9	45.9	-498	39.1	676	45.5	43.2	233
Gross profit	59.1	54.1	498	60.9	-676	54.5	56.8	-233
Employee costs	17.8	15.8	200	19.0	-326	17.5	16.6	89
Other expenses	19.0	19.3	-36	20.5	-113	17.9	18.7	-73
Total operating expenses	36.7	35.1	164	39.5	-439	35.5	35.3	17
EBITDA	22.4	19.0	333	21.4	-237	19.0	21.5	-249
Net profit	15.3	12.9	232	14.9	-200	12.4	14.8	-235

Source: Company, Nuvama Research

Company Description

Page Industries, set up in 1994, is the exclusive licensee of JOCKEY International, Inc., (USA) for manufacture, distribution and marketing of the JOCKEY brand in India, Sri Lanka, Bangladesh, Nepal, the UAE, Oman and Qatar. In addition, it is also the exclusive licensee of Speedo International Ltd. for the manufacture, marketing and distribution of the Speedo brand in India. Page Industries' promoters (the Genomal family) have been associated with Jockey International, Inc., for more than 50 years as their sole licensee in the Philippines. Because of the immensely successful relationship with Page's promoters, when Jockey International, Inc., decided to tap into the Indian market, they offered the family a chance to take up the India licence and set up operations in the country catering to the markets in India, Bangladesh, Nepal and Sri Lanka.

Investment Theme

Best brand built over last two decades; dominance across categories

Page has built Jockey into an aspirational and best-performing innerwear brand in the country driven by leadership across men's innerwear (#1), women's innerwear (#1) and athleisure (top five). The surge in men's innerwear was driven by branding, positioning (aspirational brand affordably priced) and distribution. Women's innerwear and athleisure have sprung on the pedestal of brand visibility and distribution created by men's innerwear and—importantly—right pricing. Its revenue CAGR of 27% (FY09–19) is the highest among peers and it dominates with ~40% share of organized innerwear.

Scales tipping against market share gains despite athleisure surge

The long streak of market share gains may snap as: i) competition in men's innerwear from VH, the first-ever serious competitor, is telling on Page's growth; ii) competition in women's innerwear from new-age online brands is rising; iii) scope for distribution expansion is limited given nonexistence in the economy segment; iv) kidswear and swimwear are too small to gain traction; and v) the online presence is weak.

Key Risks

Lower-than-expected competitive intensity: One of the key premises for our negative bias on Page Industries is the increased competitive intensity in both menswear and womenswear. That said, in menswear Van Heusen is Page's main competitor and with ABFRL facing elevated debt issues and focus on cost control, there is a possibility it may moderate its expectations on growing the men's innerwear business, which will benefit Page. In womenswear, Page's main competitors are recent start-ups such as Zivame and Clovia, which are still not profitable. If funding for these players dries up in the current uncertain environment, Page stands to gain.

Covid-19 dislocation uplifts athleisure trend: While we are factoring in a one-time jump in athleisure sales, some of which took place in Q4FY20, we do not expect Page's growth trajectory to change greatly driven by this segment. That said, a permanent shift to WFH for majority of the working category would drive above-normal growth for athleisure over the next two—three years.

Additional Data

Management

CEO	V.S. Ganesh
CFO	Deepanjan Bandyopadhyay
MD	Sunder Genomal
Other	
Auditor	S.R. Batliboi

Holdings – Top 10*

% Holding		% Holding	
SBI MF	9.74	LIC	1.14
ICICI Pru AMC	2.01	HDFC Life	1.49
Vanguard group	2.25	ICICI Pru Life	1.40
Blackrock	2.31	SBI Pension fun	1.79
Nippon Life AMC	1.79	DSP Investment	0.92

*Latest public data

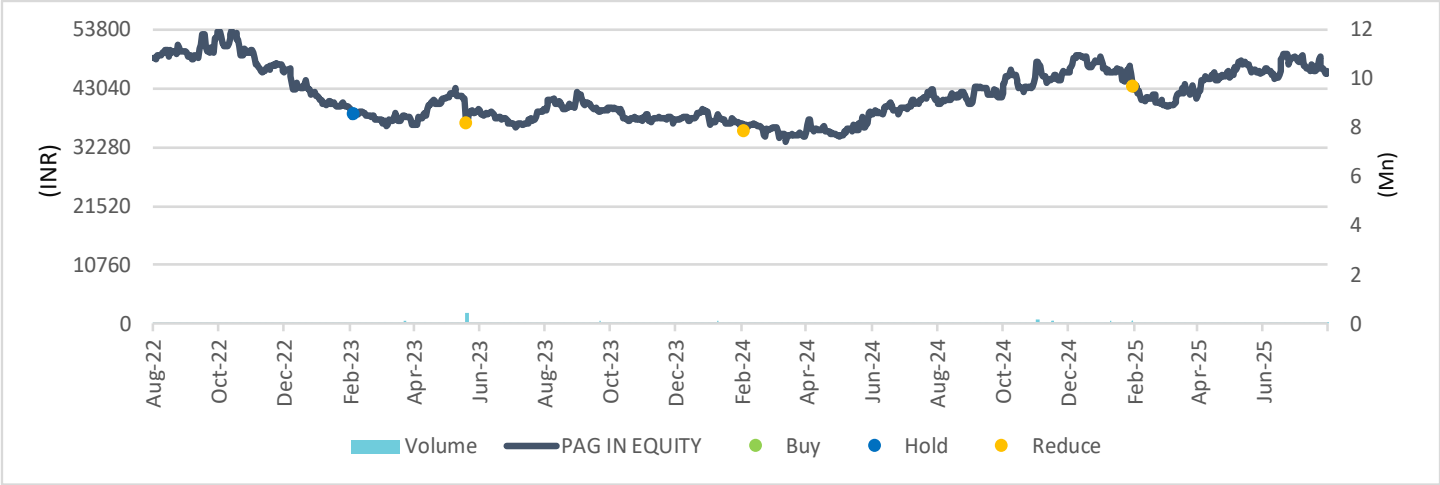
Recent Company Research

Date	Title	Price	Reco
16-May-25	Strong volume growth after a while; <i>Result Update</i>	46,940	Reduce
05-Feb-25	Revenue growth stumbles again; <i>Result Update</i>	45,798	Reduce
08-Nov-24	Growth picks up; worst behind; <i>Result Update</i>	45,064	Reduce

Recent Sector Research

Date	Name of Co./Sector	Title
16-Aug-23	TCNS Clothing	Weak performance; <i>Result Update</i>
29-May-23	TCNS Clothing	All round disappointment ; <i>Result Update</i>
14-Feb-23	TCNS Clothing	Underdressed: Muted showing all over; <i>Result Update</i>

Rating and Daily Volume Interpretation



Source: Bloomberg, Nuvama research

Rating Rationale & Distribution: Nuvama Research

Rating	Expected absolute returns over 12 months	Rating Distribution
Buy	15%	202
Hold	<15% and >-5%	66
Reduce	<-5%	36

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