Order book growth and cost optimisation to support PDS in second half of FY26

Sanjay Jain, Group CEO of PDS Ltd, said the company has engaged Boston Consulting Group (BCG) to enhance procurement and operational efficiencies. He added that these measures are expected to improve EBITDA margins by at least 1% in the second half compared to the first.

By Sonal Bhutra | Reema Tendulkar | Hormaz Fatakia
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PDS Ltd, the Mumbai-based global fashion solutions company, expects a stronger second half of FY26 as it looks to capitalise on its expanding order book and benefits from recent cost and process initiatives.

Sanjay Jain, Group CEO of PDS Ltd said, “These are very turbulent times globally given the tariff situation and the pressure on retail in the US and Europe. Despite these challenges, our order book today stands at about ₹5,300 crore —up 15% compared to the same period last year.”

PDS has invested around ₹80 crore in new verticals that are currently in the gestation phase. While the company’s overall growth stood at about 4%, these new verticals recorded a strong 46% rise, driven by expansion into new geographies and business segments.

As the order book begins to convert into revenue and investments in these verticals are reduced by about 25% in the second half, the company expects a stronger performance in second half compared to the first half of the year.

In the July-September quarter of FY26 (Q2FY26), PDS reported revenue of ₹3,419 crore, net profit of ₹30 crore, and margins of 3%.

On the profitability front, Jain said the company is taking steps both on the balance sheet and P&L side. “We generated ₹590 crore of free cash flow in the first six months through tighter working capital management and restrained investments,” he said.

Additionally, PDS has engaged Boston Consulting Group (BCG) to help improve procurement and operational efficiencies. “We expect at least a 1% improvement in earnings before interest, taxes, depreciation, and amortisation (EBITDA) margins in the second half as compared to the first,” Jain noted.

While the earlier mid-teen revenue growth guidance for FY26 may be reassessed depending on tariff developments, Jain emphasised that the 15% higher order book provides comfort going into second half.

have extended timelines. “We expect them to start reaching PBT breakeven in about 18 months,” he said.

PDS’ current market capitalisation is ₹4,679 crore. The stock is currently trading at ₹333.35 as of 1:13 pm on the NSE and has declined 31% over the last year.

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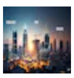

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