

## Gravita India (GRAV) - BUY

### Company Update

Current Market Price (CMP) <b>Rs.977</b>	Target Price <b>Rs.1200</b>
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### Rationale:

- We hosted investors for GRAV's plant and head office visit at Jaipur, India.
- Management is focused on its on-going expansions, focused in India, that would nearly double recycling capacity over FY23-26E.
- Company sees significant growth opportunity in Lead and Plastic division in medium term led by policy tailwinds.
- We forecast 20%/22% revenue/PAT CAGRs over FY23-26E.
- We expect earnings per share (EPS) to grow by 24.4% in FY25E & 19.2% in FY26E.
- Stock is currently trading at valuation of 18.7x P/E FY26E EPS.
- Maintain BUY with unchanged Fair Value of Rs1200.

### Company Update:

#### **Positives:**

- Phagi Plant – Currently has recycling capacity of ~54,000 tpa across verticals.
- GRAV has planned a capex of ~Rs640 cr over FY24-26E to increase its recycling capacity by 86% (from FY23) to ~435 ktpa.

#### **Negatives:**

- Volatility in unhedged commodities.

[Click here](#)

For detailed report dated 22<sup>th</sup> April 2024. Note: CMP & valuation may differ due to difference in dates.



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Holding Period: 12 Months / Disclaimer: <https://bit.ly/research-v2>