

Gravita India (GRAV) - ADD

Result Update

Current Market Price (CMP)

Rs.1830

Fair Value (FV)

Rs.2175

Rationale:

- GRAV reported a strong 38% yoy growth in PAT in Q4FY25, higher than our estimates, led by better lead realizations and volumes in the aluminum division.
- Adjusted EBITDA margin at 10.3% (-20 bps yoy, +30 bps qoq) was in line with estimates.
- Policy tailwinds to benefit at a gradual pace.
- We expect earnings per share (EPS) to grow by 40% in FY26E & 18% in FY27E.
- Stock is currently trading at valuation of 27.7x P/E FY27E EPS.
- We trim operating earnings and FV reduces to Rs2,175 (from Rs2,400); maintain ADD.

(EBITDA - Earnings Before Interest, Taxes, Depreciation, and Amortization, PAT – Profit After Tax)

Q4FY25 Earnings Update:

Positives:

- GRAV reported a strong 38% yoy growth in PAT in Q4FY25.
- Balance sheet in good shape on recent QIP, lower working capital.
- Consolidated volumes at 53.5 kt increased +12.8% yoy.

Negatives:

- We trim EBITDA estimates by 3%/3% for FY26/27E, factoring in lower lead volumes on the slower-than-anticipated pace of regulatory tailwinds.

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For detailed report dated 5th May 2025. Note: CMP & valuation may differ due to difference in dates.



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