

## Gravita India (GRAV) - BUY

### Result Update

Current Market Price (CMP)

**Rs.1075**

Target Price

**Rs.1225**

### Rationale:

- GRAV reported a healthy 9% yoy growth in PAT in Q4FY24, 3% higher than our Estimate.
- Volume growth of 14.3% yoy was impressive amid the ongoing logistics disruption in the Red Sea.
- Management guidance for capex in FY25/26/27E is ~Rs180/250/250 cr.
- We forecast 22% CAGR in PAT over FY24-27E (guidance of 35% PAT CAGR).
- We expect earnings per share (EPS) to grow by 26.8% in FY25E & 22.9% in FY26E.
- Stock is currently trading at valuation of 19.9x P/E FY26E EPS.
- We raise earnings and Fair Value to Rs1225 (from Rs1,200). Maintain BUY.

### Q4FY24 Earnings Update:

#### **Positives:**

- GRAV reported revenues of Rs884 cr in Q4FY24, up 15% qoq.
- Adjusted EBITDA of Rs92.9cr rose 9% yoy, with margin of 10.5%.
- We expect BWMR to gradually formalize the battery recycling industry.

#### **Negatives:**

- Net debt increased in FY24, mainly due to an increase in working capital from the rerouting of exports from Africa.

[Click here](#) For detailed report dated 3rd May 2023. Note: CMP & valuation may differ due to Click here difference in dates.



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