

## GHCL LTD (GHCL) - BUY

### Q4FY26 Result Update

Current Market Price (CMP) <b>Rs. 514</b>	Fair Value (FV) <b>Rs.628</b>
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### Rationale:

- GHCL reported a steady Q4FY26 performance, ahead of our expectations, despite continued weakness in the global soda ash market.
- Revenue remained flat YoY at Rs 791 crore while rising 4.5% QoQ.
- Higher freight costs, supply-chain disruptions and rupee depreciation have reduced import competitiveness.
- Demand remains healthy, particularly from solar glass and detergents.
- Bromine derivatives & vacuum salt are expected to be fully commissioned in Q1FY27.
- We revise our rating to BUY (earlier ADD) and raise our target price to Rs 628 (earlier Rs 575), valuing the stock at 6x FY28E EV/EBITDA.

### 👍 Positives:

- EBITDA margin improved sequentially to 22.2% (vs 21% in Q3FY26).
- The Indian market is witnessing signs of stabilization.
- Improving domestic demand, lower import pressure and contribution from value-added projects support the medium-term outlook.
- Soda ash volumes grew ~11% YoY during the quarter.
- Despite rising costs, GHCL was largely able to pass on the increase to customers.
- Management emphasized that operational efficiency & cost optimization key strengths.

### 👎 Negatives:

- Greenfield soda ash project continues to face delays due to land-related approvals.
- Management highlighted China's demand recovery remained slower than expected.

(EBITDA – Earnings Before Interest, Taxes, Depreciation and Amortization; EV- Enterprise Value)



The content of this document has been derived from Kotak Securities PCG research report. Kotak's PCG Research has summarized the report (Research Team: shrikant.chouhan@kotak.com). Readers who wish to access the complete report are kindly requested to contact their respective Relationship Manager. Further, the recipient of this material should take their own professional advice before investing.

Holding Period: 12 months

## RATING SCALE (PRIVATE CLIENT GROUP)

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- BUY** – We expect the stock to deliver more than 15% returns over the next 12 months
- ADD** – We expect the stock to deliver 5% - 15% returns over the next 12 months
- REDUCE** – We expect the stock to deliver -5% - +5% returns over the next 12 months
- SELL** – We expect the stock to deliver < -5% returns over the next 12 months
- NR** – **Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
- SUBSCRIBE** – We advise investor to subscribe to the IPO.
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- NA** – **Not Available or Not Applicable.** The information is not available for display or is not applicable
- NM** – **Not Meaningful.** The information is not meaningful and is therefore excluded.
- NOTE** – Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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