

# INVESTOR PRESENTATION

*July 2021*



*Towards Clean, Green &  
Sustainable Future*



29  
YEARS  
1992-2021

**GRAVITA, Started In 1992** by First  
Generation Entrepreneur  
**RAJAT AGRAWAL** at **JAIPUR**

# We are on an **AMAZING JOURNEY**

Lead recycling  
plant in Jaipur

1994

2001  
1<sup>st</sup> Overseas recycling  
unit at Sri-Lanka

Diversified in  
Plastic recycling

2015

2016  
Added Aluminium  
Recycling

2007  
1<sup>st</sup> recycling  
unit in Ghana

2013  
Value added  
products in Jaipur

2010  
Listed on  
NSE & BSE

2019  
Started Aluminium &  
Plastic recycling in  
Africa

# VISION 2025

**New recycling  
verticals**  
E-Waste, Lithium,  
Rubber, Copper & Paper


**25% +**  
Revenue CAGR

**35% +**  
Profitability Growth

**25%+**  
ROCE

**50%+**  
Value added products

**25%+**  
Non-Lead business

- 
- Shareholder value creation
  - Return accretive growth
  - Judicious use of capital

## Our Priorities

# FINANCIAL Highlights

✓ **27%**  
Revenue CAGR - 5 Yrs

✓ **8-9%**  
Consistent EBITDA margins

✓ **A-**  
External credit rating

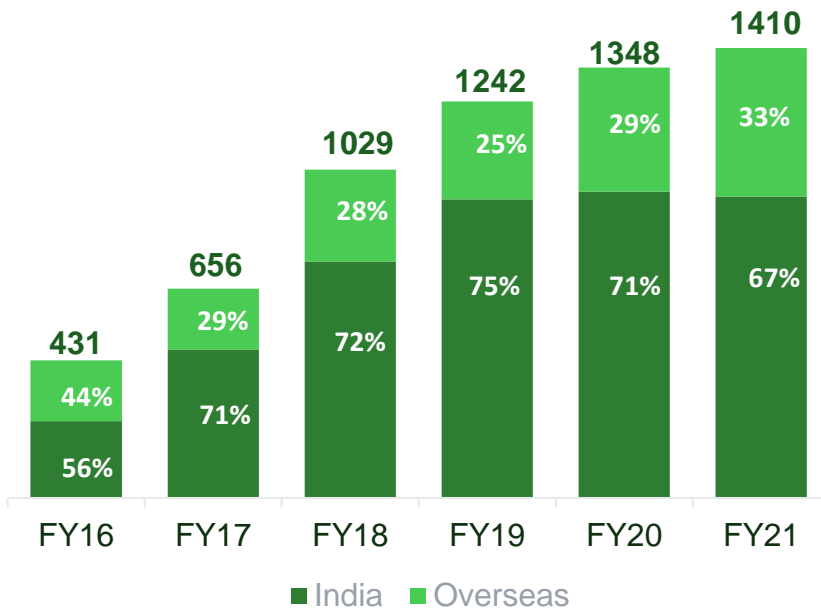
✓ **57%**  
PAT CAGR - 5 Yrs

✓ **Locking the margins**  
Back-to-back hedging mechanism in place

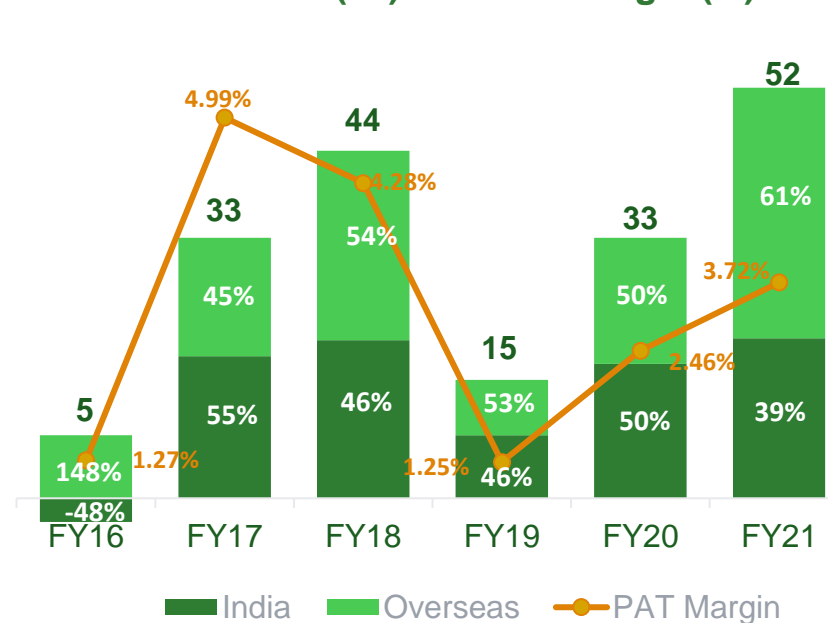
✓ **10 Years**  
History of sustainable dividend payouts

✓ **60%+**  
Profit from overseas business with only 25% of the capital employed

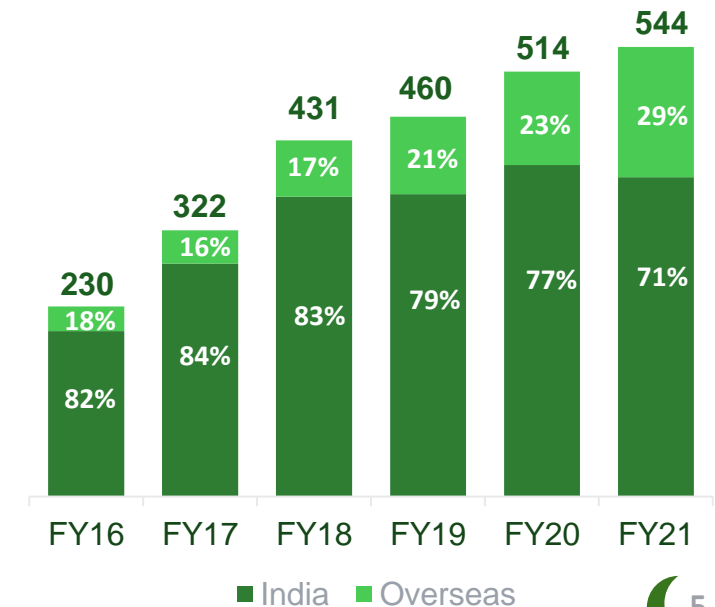
Revenue



PAT (Cr) and PAT Margin (%)

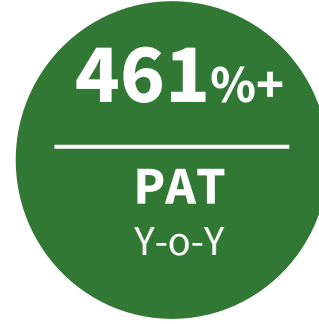


Capital Employed (Cr)



# QUARTERLY HIGHLIGHTS - Q1 FY22

Changing gears - **VISION 2025**

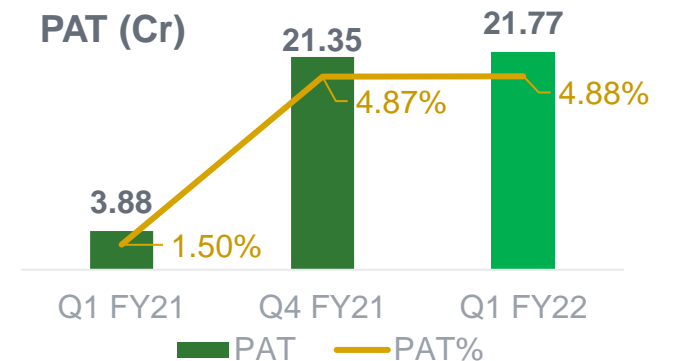
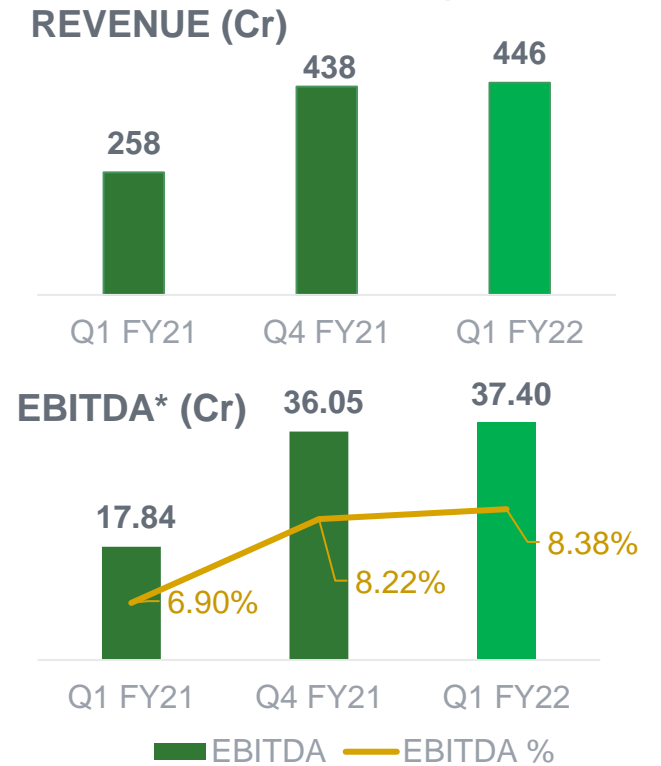
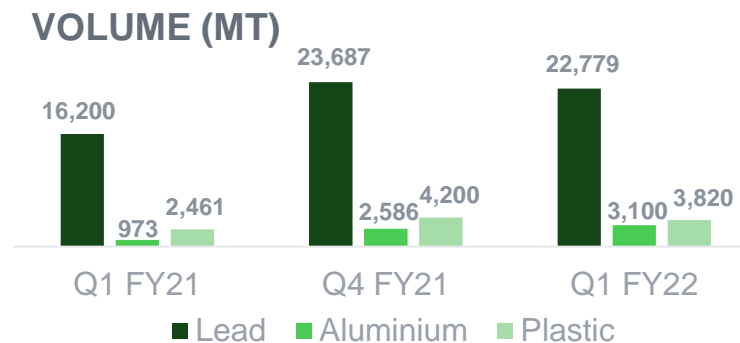
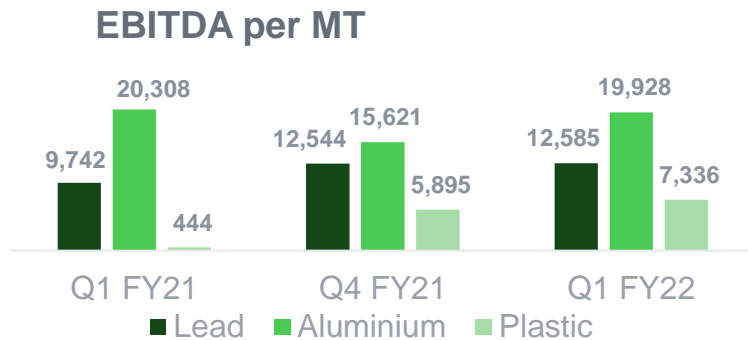


✓ **47%**  
Revenue from Value added products

✓ **35%**  
Revenue from Overseas Business

✓ **53%**  
Domestic scrap collection for Indian Plants

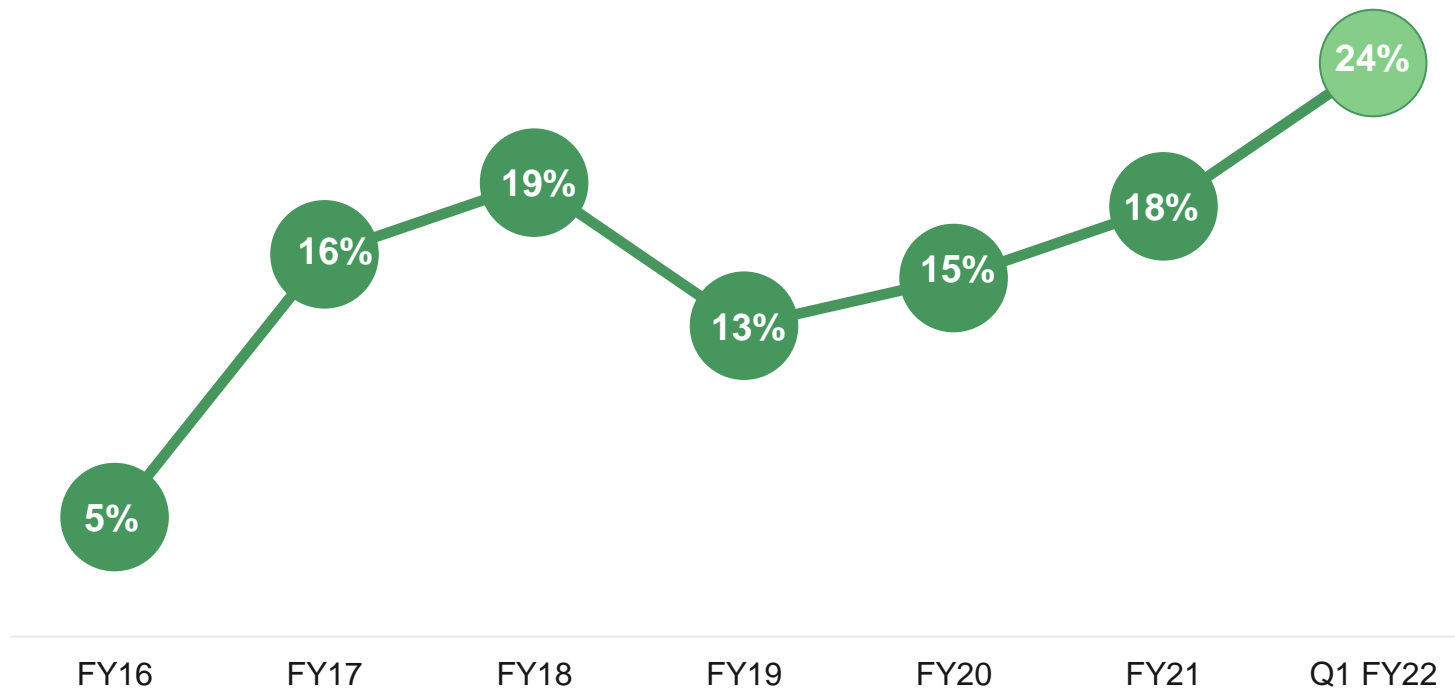
✓ **71%**  
Profit from Overseas business



\*EBITDA after adjustment of income/loss from Currency & Metal hedging

\*In Q1 FY22, PAT is after considering a one-time Dividend tax of Rs 3.07 Cr. Effective PAT excluding dividend tax is Rs 24.84 Cr

# RETURN ON CAPITAL EMPLOYED



**Target ROCE 25%**  
Consolidated

### Drivers of ROCE

- Improving industry dynamics
- Resultant reduction in working capital
- Improving demand-supply
- Value added products

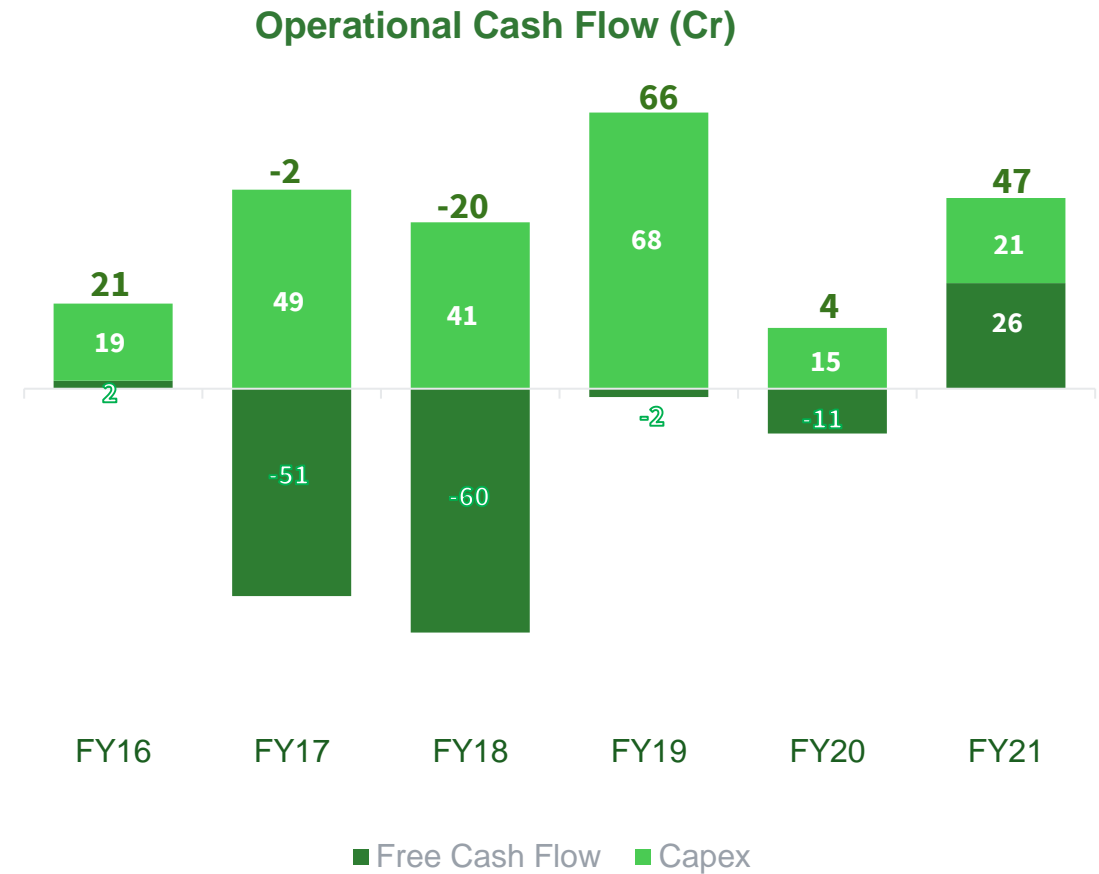
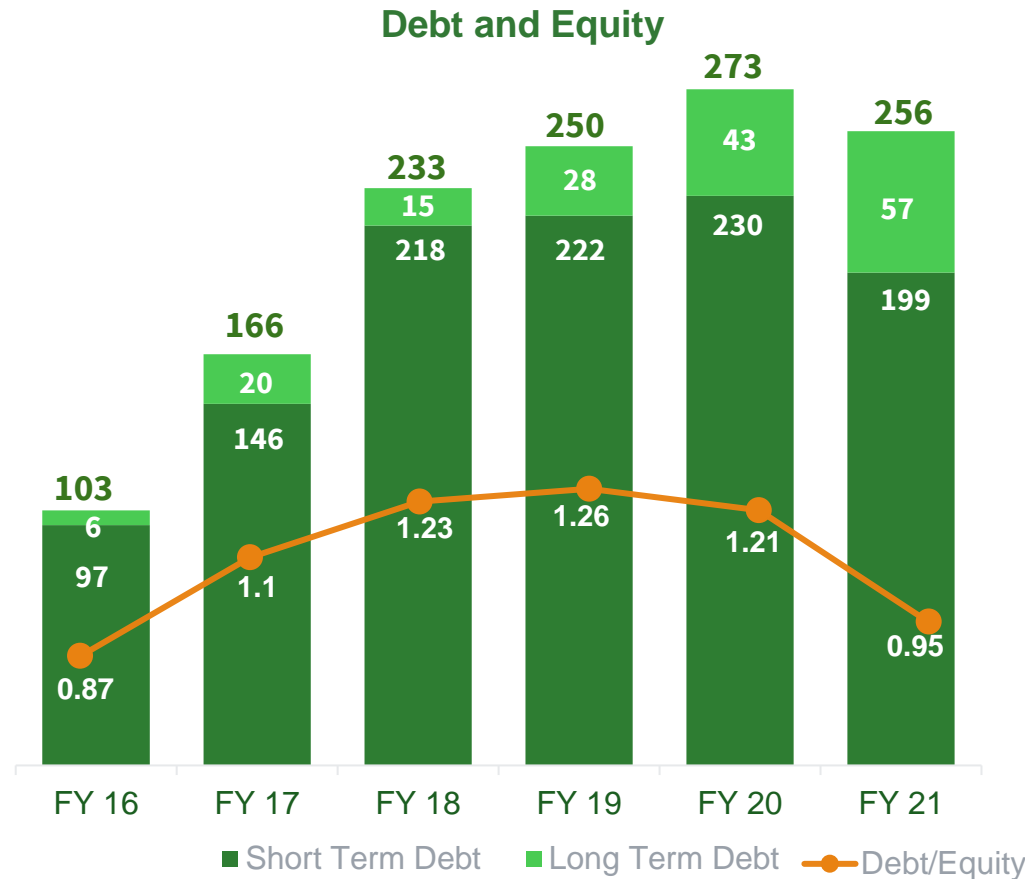
**Capital Allocation policy for new projects**

• **3 Years**  
Maximum Payback period

• **25% +**  
ROCE

• **8+**  
Asset turns

# Improving LEVERAGE & CASH FLOW



\*Short term Debt includes current maturities and is backed by inventory which is 100% hedged

More Domestic volumes

Reduce imports

Lower working capital cycle

Lower Logistic cost

Improved cash flow

Low short term debt



# Leveraging existing **GRAVITA'S STRENGTHS**

Our Entry into new verticals is based on proven, existing Gravita's Strengths.

**Barriers to Entry**



**Global Operations & Integrated Supply Chain**



Deep Routed  
procurement  
network

Diversified  
Customer  
network

**Operation  
Excellence**



**Strong Partnering  
Capability**



**Turnkey Recycling  
Technology Solutions**



**Robust  
Management**

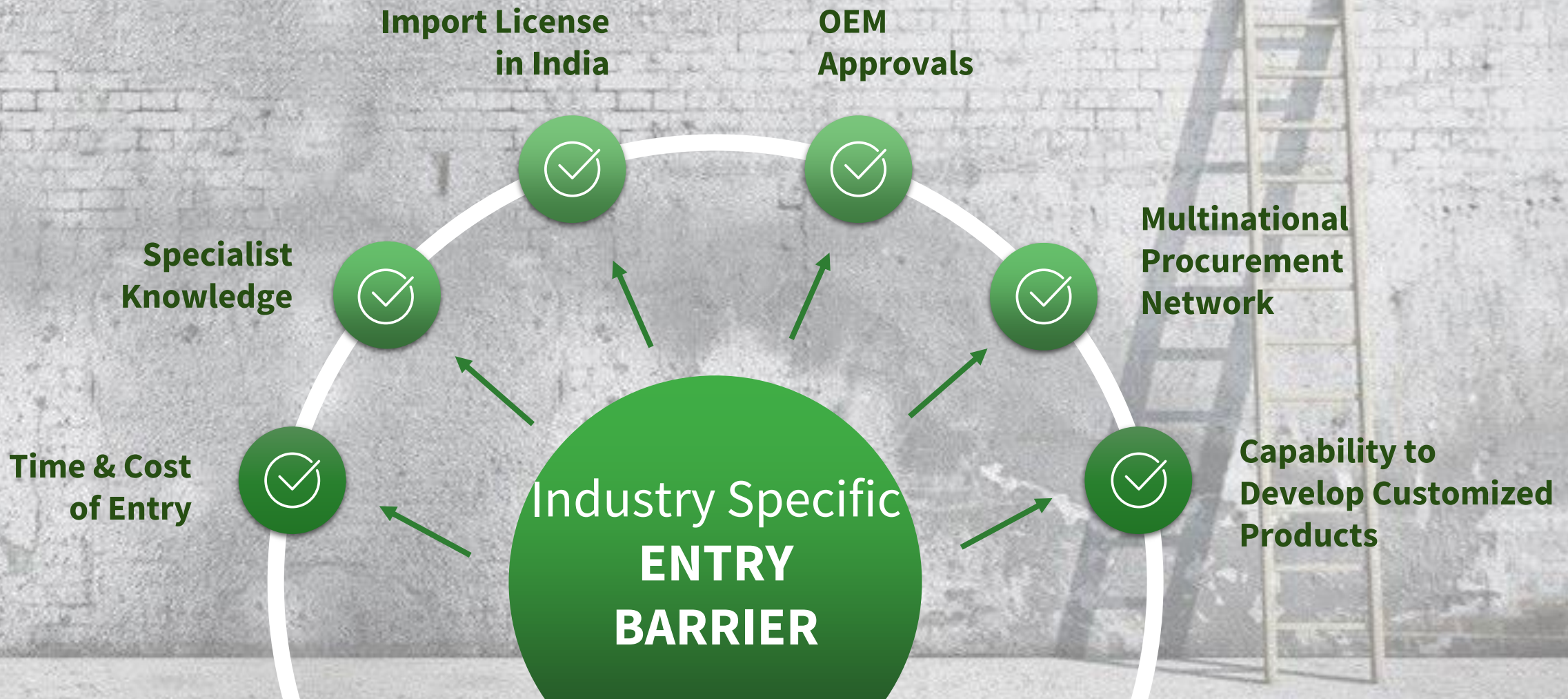


**Customised & Value  
Added Products**



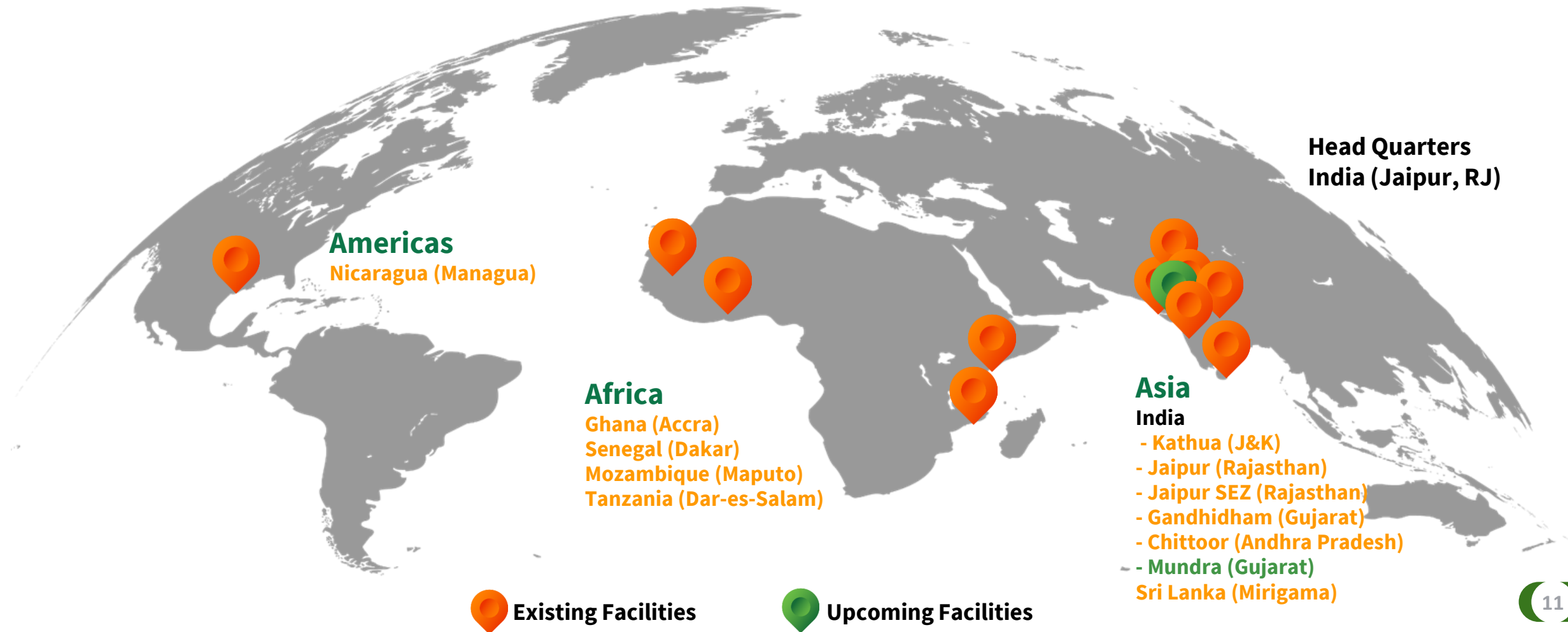
**Risk Mitigation-Back to Back  
Hedging Mechanism**

# Barriers to Entry



# GLOBAL & PAN INDIA Operations

- Global spread helps reduce logistics costs and procure material cheaper.
- Start small > grow volumes > establish new plants close to procurement sources.
- Increased flexibility in recycling closest to raw material access and consuming markets.

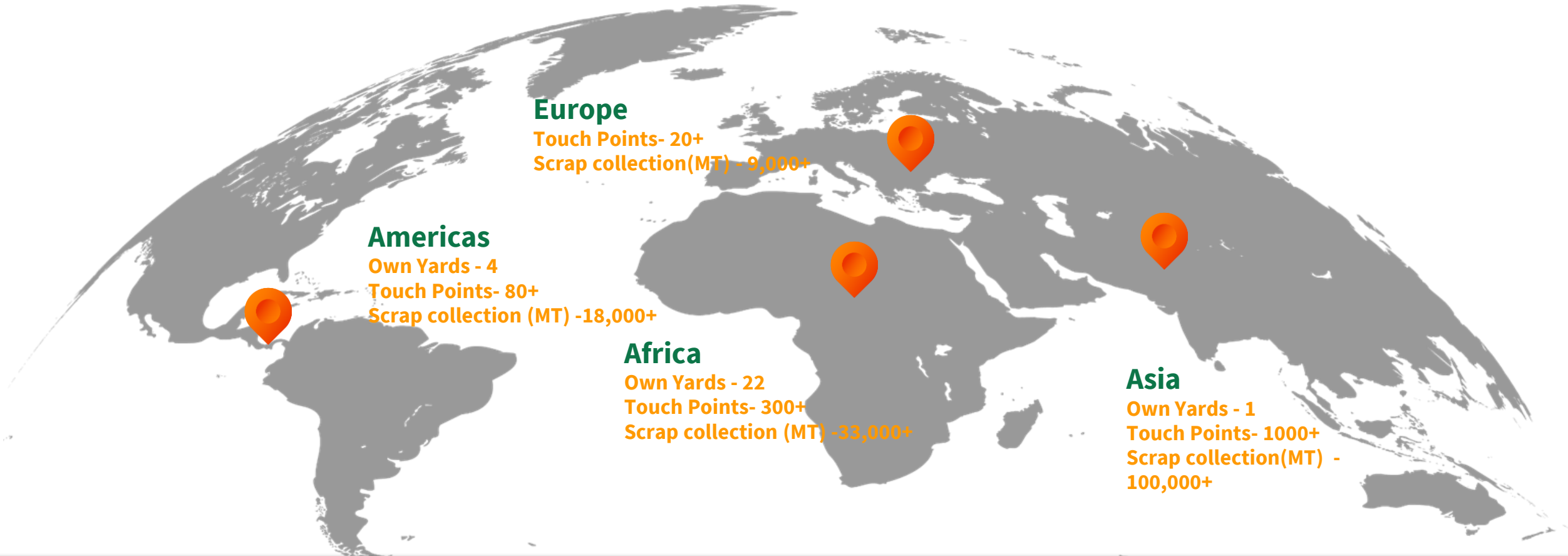


# Deep Routed **PROCUREMENT NETWORK**

**27**  
Own yards

**1400+**  
Touch points

**1,60,000 MT+**  
Scrap collection



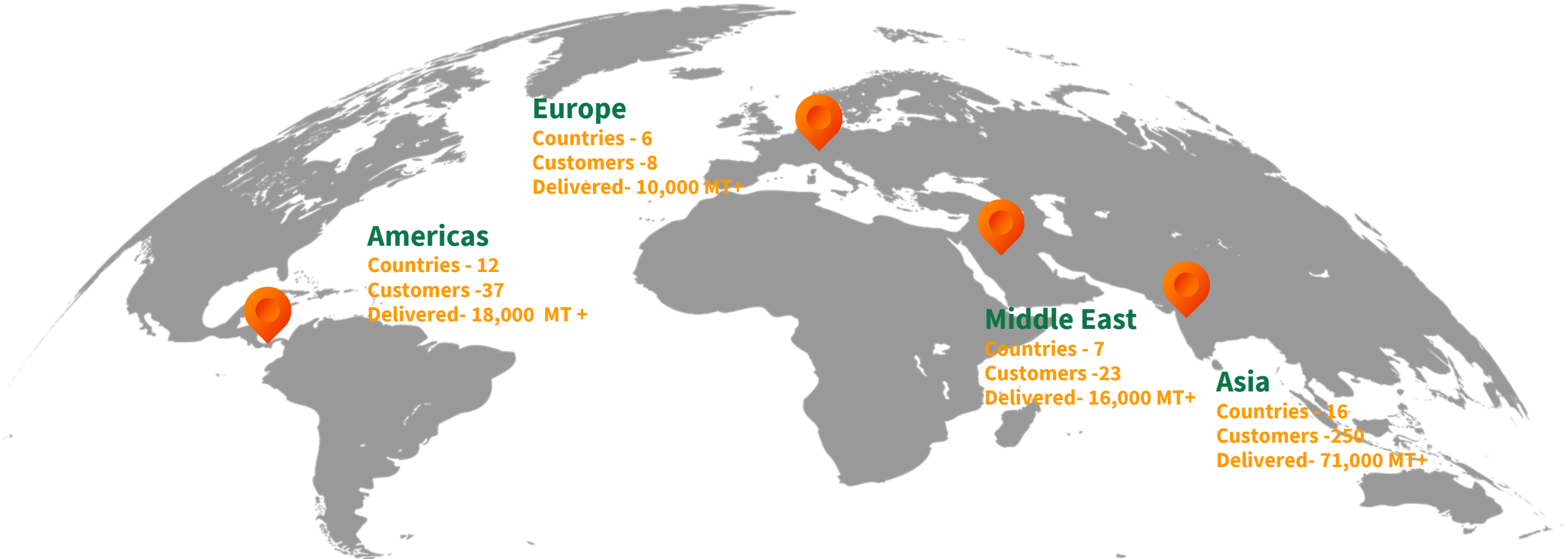
*Deep presence in Asia , Africa , Middle East, Europe & America ensures raw material at competitive prices*

# Diversified **CUSTOMER NETWORK - GLOBAL**

**40 +**  
Countries

**300 +**  
Customers

**1,05,000 MT +**  
Recycled products delivered



## Americas

Countries - 12  
Customers - 37  
Delivered- 18,000 MT +

## Europe

Countries - 6  
Customers - 8  
Delivered- 10,000 MT+

## Middle East

Countries - 7  
Customers - 23  
Delivered- 16,000 MT+

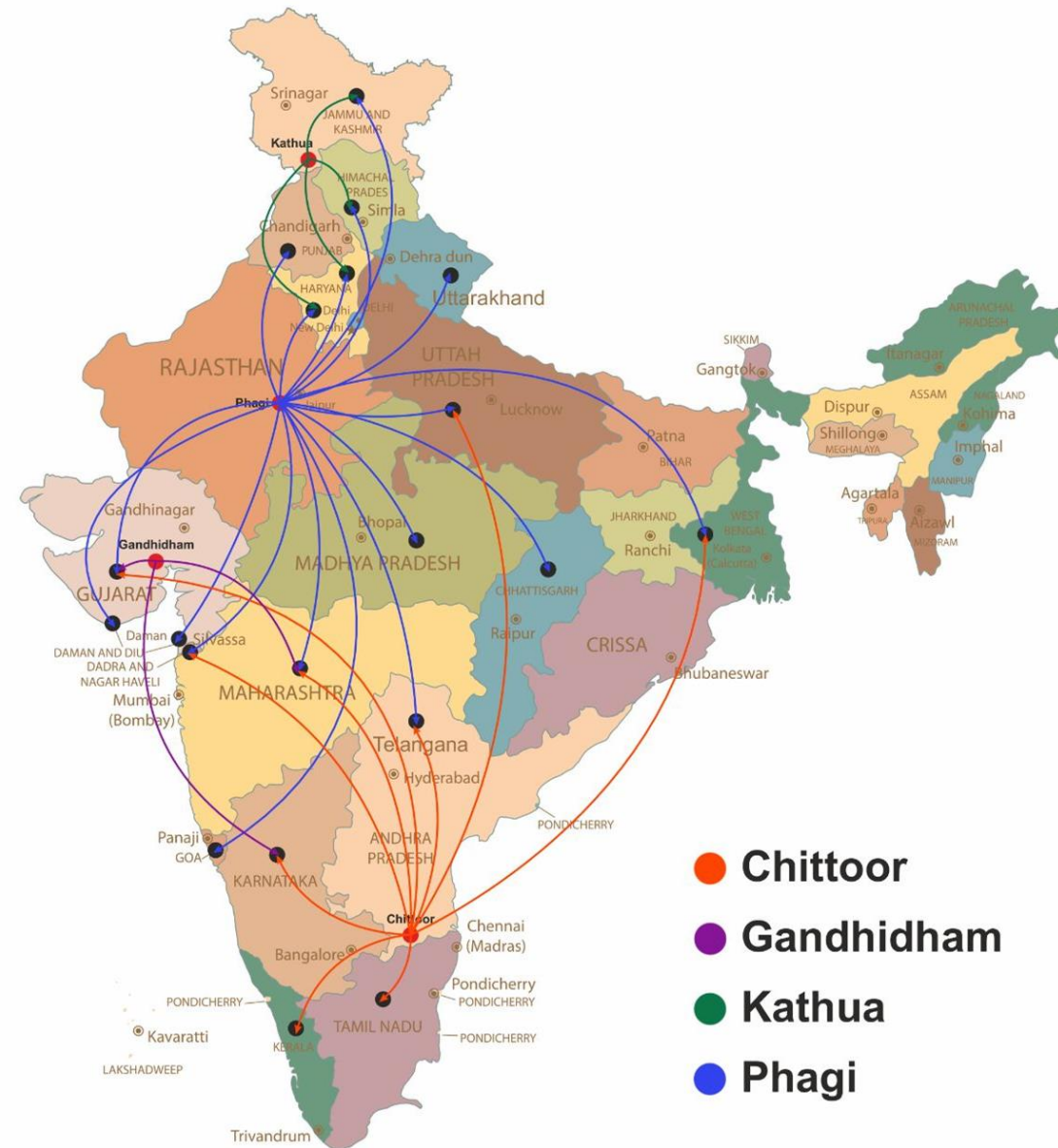
## Asia

Countries - 16  
Customers - 250  
Delivered- 71,000 MT+

# Diversified **CUSTOMER NETWORK- INDIA**

Gravita with pan India presence enjoys the logistic benefits by serving :

- **200+** domestic customers in 18 states in India
- **60+** overseas customers in 20 countries.



# OPERATIONAL EXCELLENCE



**3**  
Recycling  
Verticals

**10**  
Recycling  
Plants

**1400+**  
Touch Points  
Globally

**47%**  
Customized &  
Value added  
products

**1.60 Lac+**  
MT Production  
Capacity

**77%**  
Capacity  
Utilization

**33%**  
Overseas  
Capacity

**1.60 Lac+**  
MT Scrap  
Collection

**1<sup>st</sup> ILA**  
Asia's  
Accredited  
Plant

**60000 MT+**  
Healthy  
Orderbook

# OUR PARTNERS

(Strong Partnering Capability)





# Gravita offers **TURNKEY SOLUTIONS** for Lead Acid Battery Recycling

- In house Lead Acid Battery Recycling Technology
- Technical Consultancy & Services for Lead Recycling & Smelting
- PLC based Control & Monitor System for advanced set-ups
- Annual Maintenance Contracts
- Executed more than 50 turnkey projects globally including Qatar, UAE, Saudi Arabia, Poland, Chile.
- Helps in reducing capital expenditure
- Regular R&D for cost effective & environmental friendly processing.

Planning and  
Specification

Design

Fabrication

Testing

Installation

Operation

Handover

# ROBUST MANAGEMENT



**Dr. M. P. Agarwal**  
Chairman



**Rajat Agrawal**  
Managing Director

## OTHER SALIENT FEATURES

- Top management with an average experience of more than 25 Yrs in diversified industries
- Separate SBU heads for all verticals
- Incentive scheme throughout the organisation
- Creating wealth of employees by granting Employee Stock Options to them
- 2% equity holding in Employee Welfare Trust for long term wealth creation for employees



**350 +**  
Employees



**150+**  
Professionals (CA's, MBA's, Engineers)



**35 Yrs**  
Average Employee Age



**5 Yrs**  
Average Employee Association



**12 Yrs**  
Average Management Association



**4 rounds**  
ESOP's

# CUSTOMIZED AND VALUE ADDED PRODUCTS



Customized Lead Alloys



Lead Sheets



Lead Bricks



Red Lead



Lead Oxide



Lead Balls



Customized Aluminium Alloys



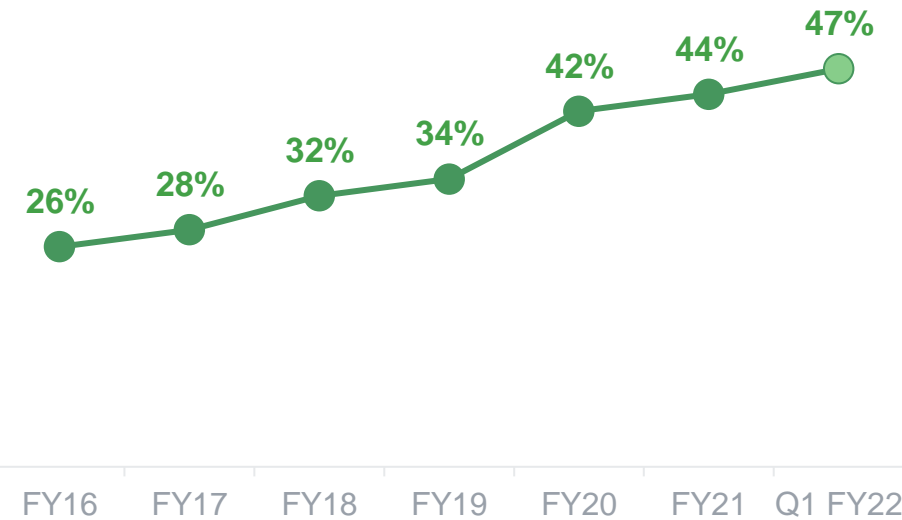
Plastic Granules



Pet Flakes - Food grade

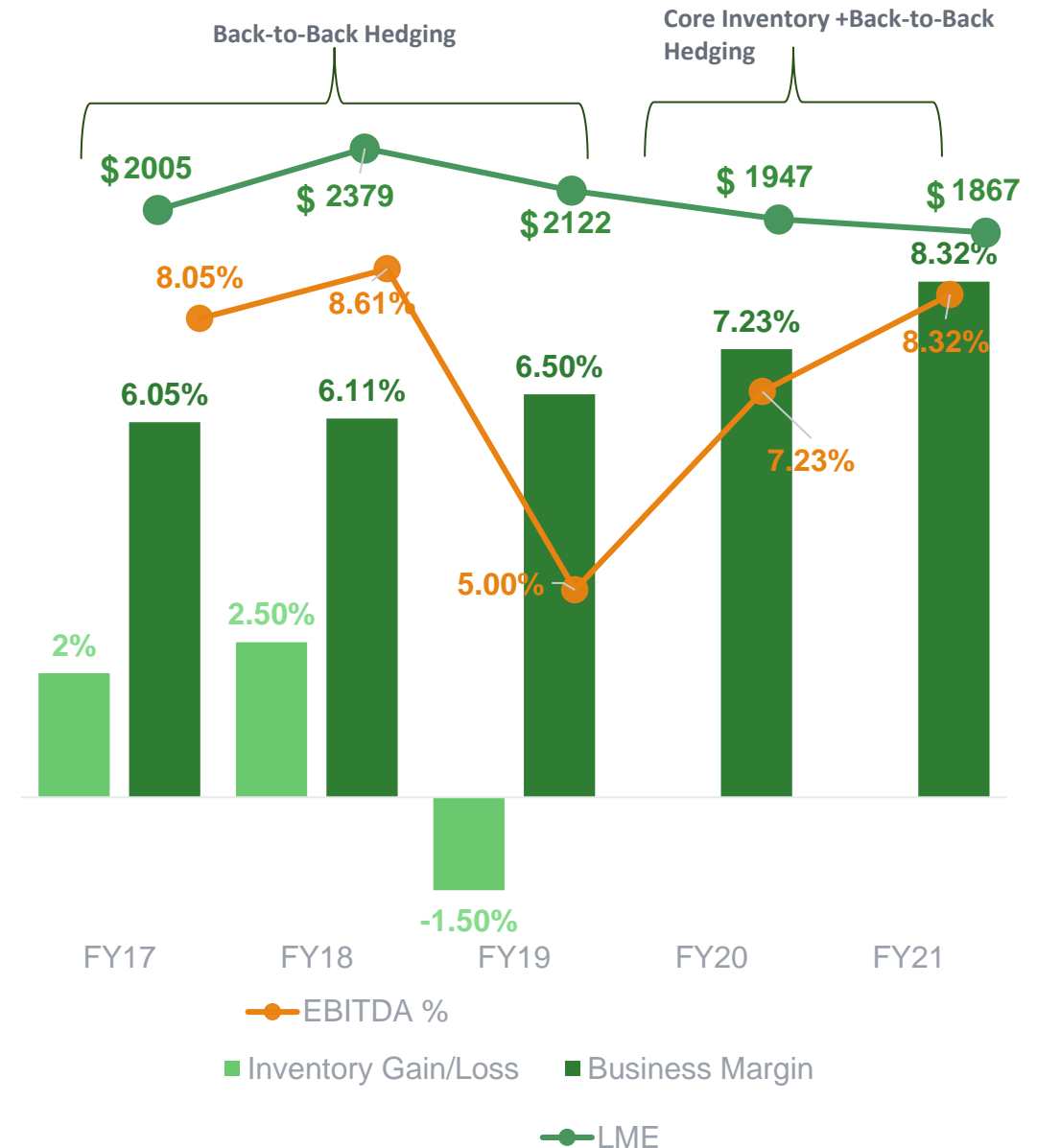
Our Capability to produce customized and value added products for diversified customer segments gives us better contributions and larger pie of customer's product mix.

Value Added Products % in revenue

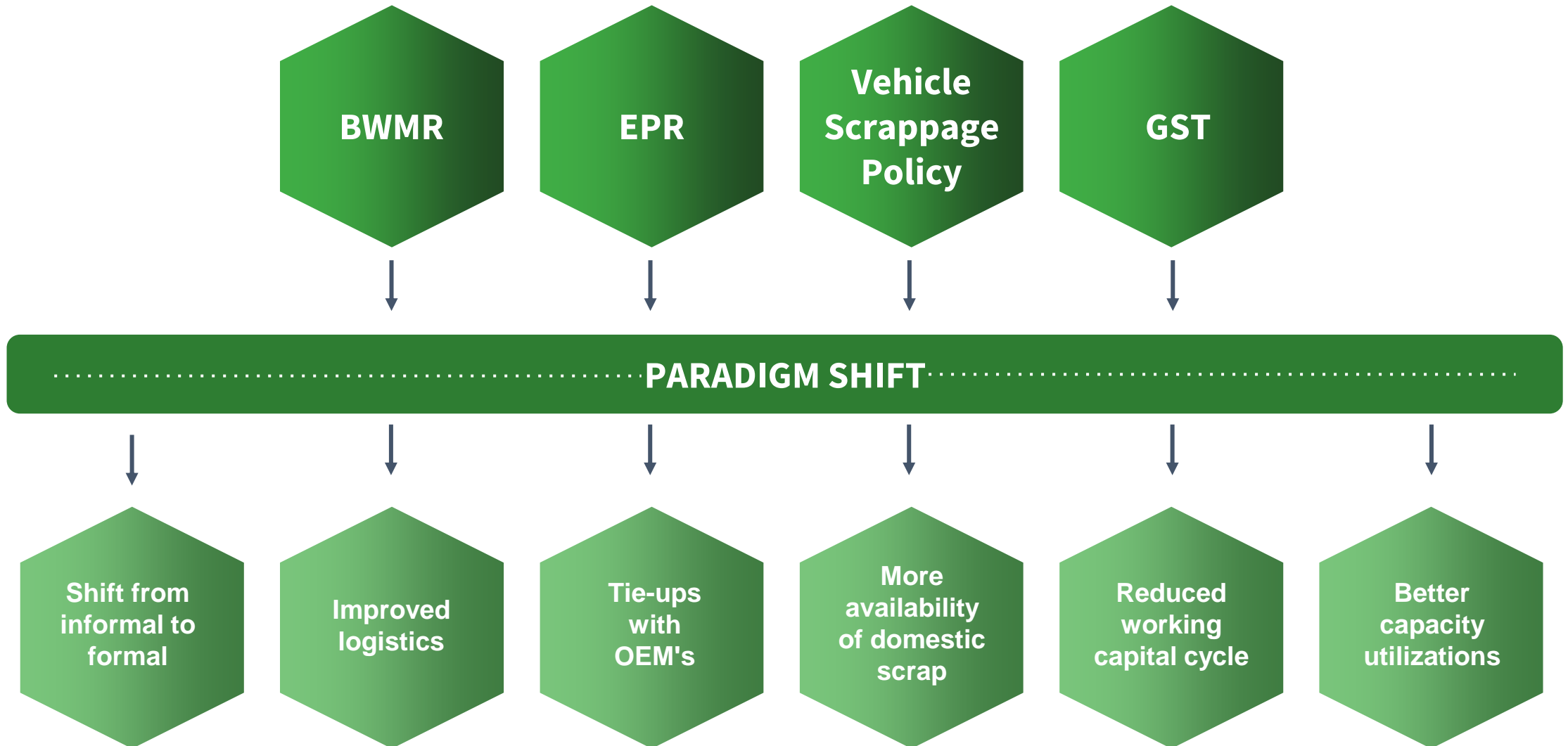


# Risk Mitigation by **BACK TO BACK HEDGING** mechanism

- To mitigate the risk of commodity prices fluctuation from June, 2016
  - Metal equivalent of the scrap bought, is sold on the same day
    - Pricing against Customer contracts - Natural Hedging
    - Forward Contracts on LME Exchange for balance quantity - till final sale to customer
    - Core inventory was not part of back to back hedging
- Gravita started **hedging of core inventory** also in June, 2019 by taking a forward contact on LME Exchange.
- June, 2019 onwards Gravita is enjoys stable margins and is not affected by the commodity price fluctuations



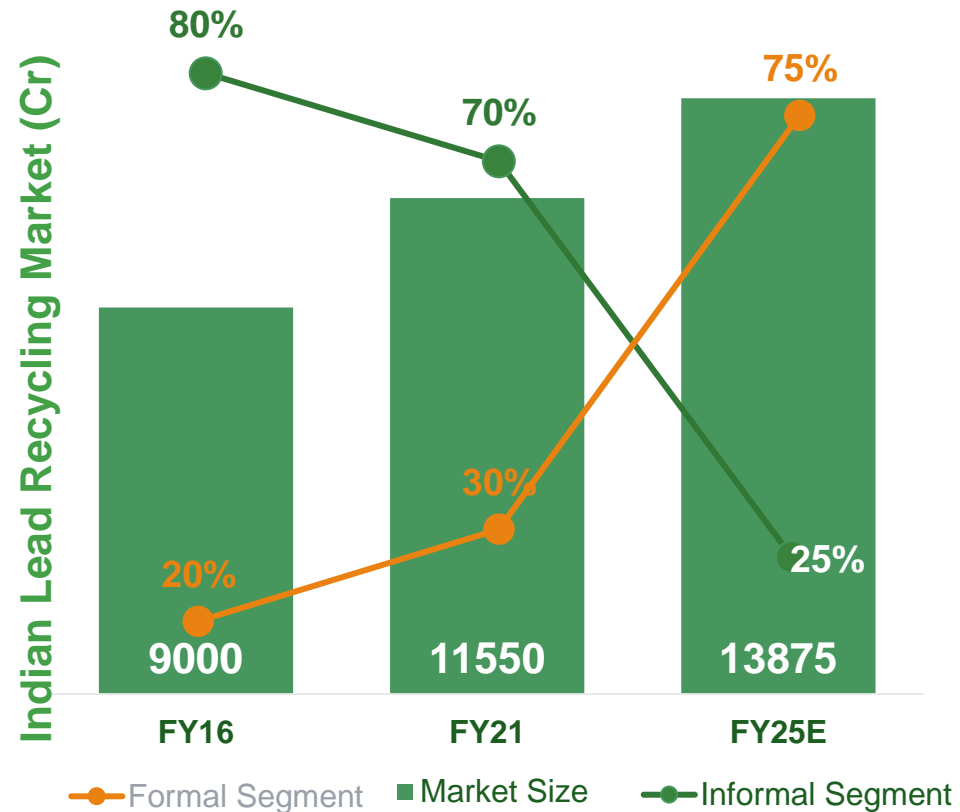
# Improving **MARKET DYNAMICS IN RECYCLING** - Paradigm Shift



# Shift from **INFORMAL TO FORMAL**

With redefining of Battery Waste Management Rules (BWMR) , Extended producers responsibility (EPR) and stricter implementation of GST, the scrap availability for formal recycling sector has increased and is further expected to grow.

## Informal Lead recycling trend in India



\*Source - Management estimate

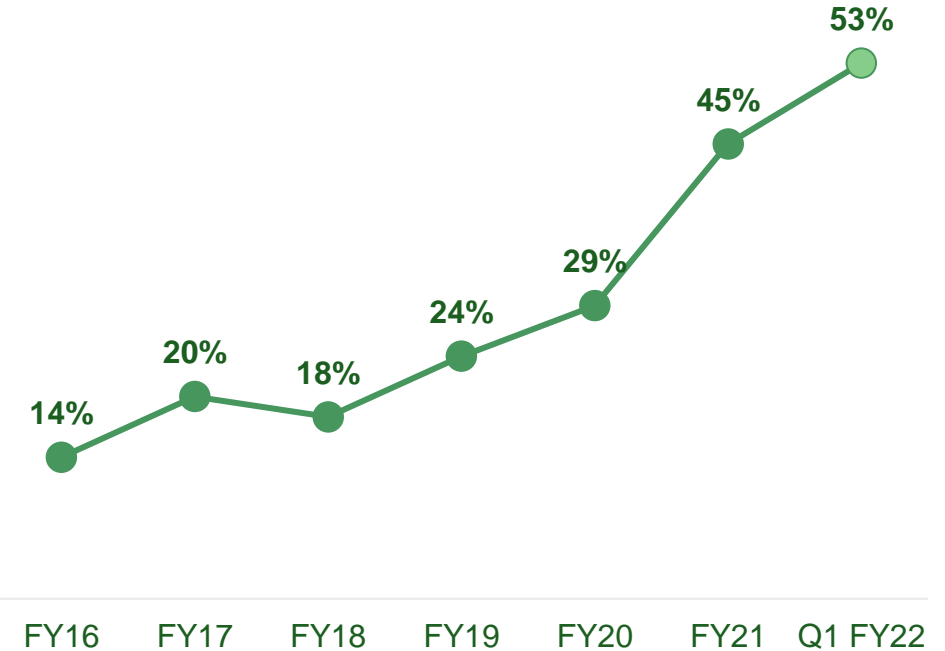
*Gravita having Pan India presence and association with OEM's will benefit the most from this shift*



# More availability of **DOMESTIC SCRAP**

- With shift of scrap from Informal to formal for processing through a authorized recycler.
- Contracts with battery manufacturers
- PAN India collection of scrap from corporates
- Contracts with various chains of workshops

% of Raw materials domestically collected within India



## Domestic scrap collection partners



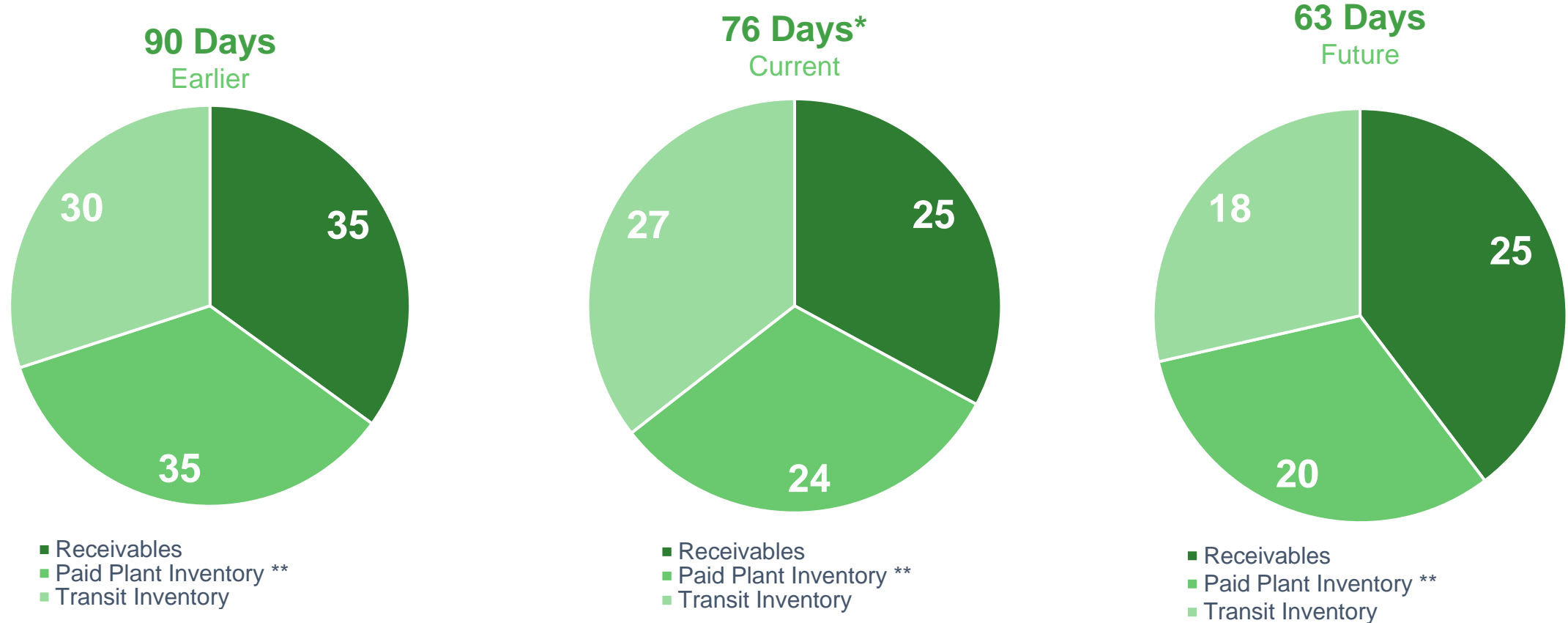
Global Data Centers and Cloud Infrastructure



*Gravita having presence in 240 cities across India for collection of domestic scrap*

# Reducing **NET WORKING CAPITAL CYCLE**

- More domestic scrap & Lower imports reduces transit inventory
- Retail scrap collection through OEM's - Zero working capital



\* After reducing inventory for the upcoming Mundra Plant | \*\* Paid Inventory is net off Trade payables



## Recycling for Sustainable Future

World's **leading** non-ferrous metals and plastics **recycling brand**

**3** Recycling verticals;  
**11** Recycling plants  
& **1** Recycling equipment Manufacturing facility

**50% independent** board;  
Senior Management with experience of **over 25 years**;  
Regular reviews by top auditing firms

Focused on continuous innovation and most **sustainable** business practices



ESG

Employee welfares:  
**4 round of ESOPs**;  
2% equity holding in Employee Welfare Trust; Employee Health Orientation - Covid Drive, Health insurance

Utilizing **Solar** as alternate source of Energy

Profit sharing and Production oriented incentive scheme for **Employees**

Focused on gender equality **women empowerment** and safer place to work

**Thank You**

**SAVE THE PLANET**