

INVESTOR PRESENTATION

May 2023



*Towards Clean, Green &
Sustainable Future*



30
YEARS

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

We are on an **AMAZING JOURNEY**



Business **VERTICALS**



Phagi Plant's Full Ariel View



FINANCIAL Highlights

✓ **22 %**
Revenue CAGR - 5 Yrs

✓ **9-10%**
Consistent EBITDA margins

✓ **A**
External credit rating from ICRA

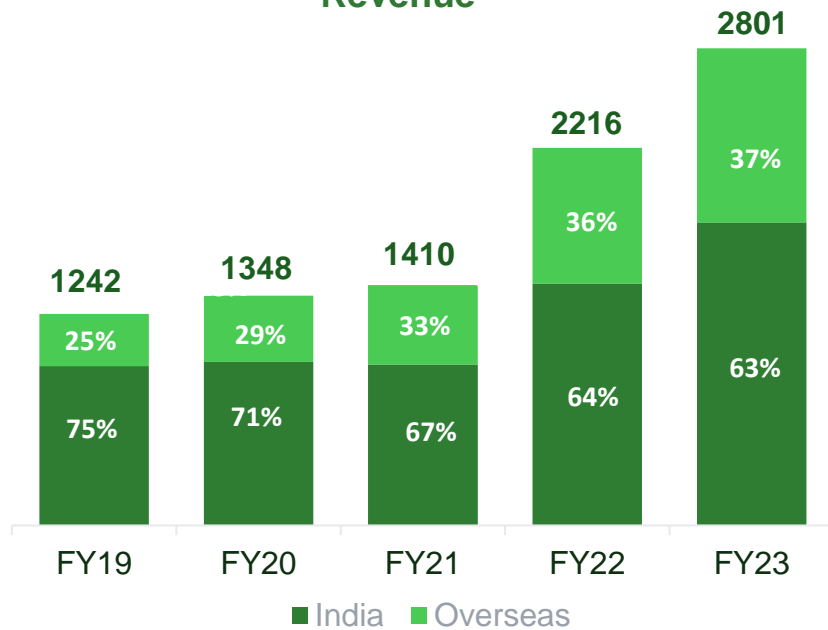
✓ **35 %**
PAT CAGR - 5 Yrs

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

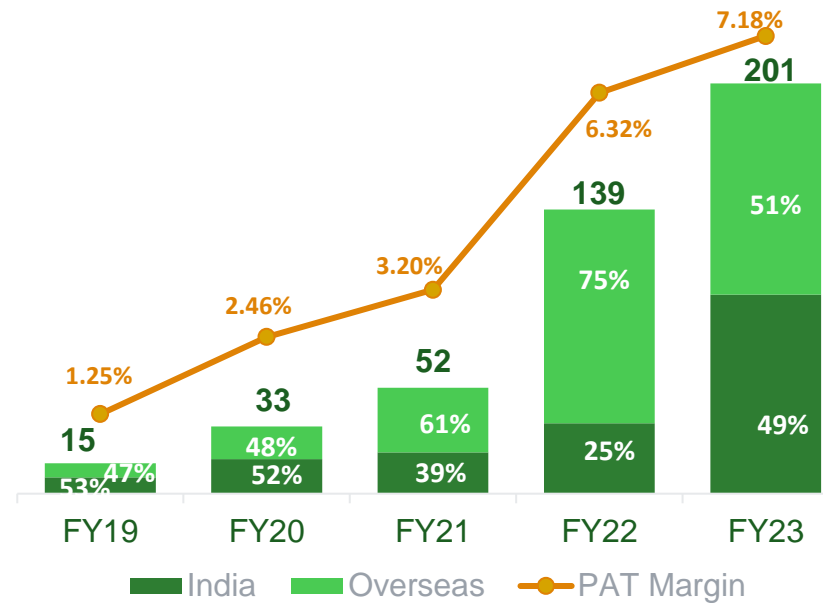
✓ **12 Years**
History of sustainable dividend payouts

✓ **40 Cr +**
Reduction in Debt

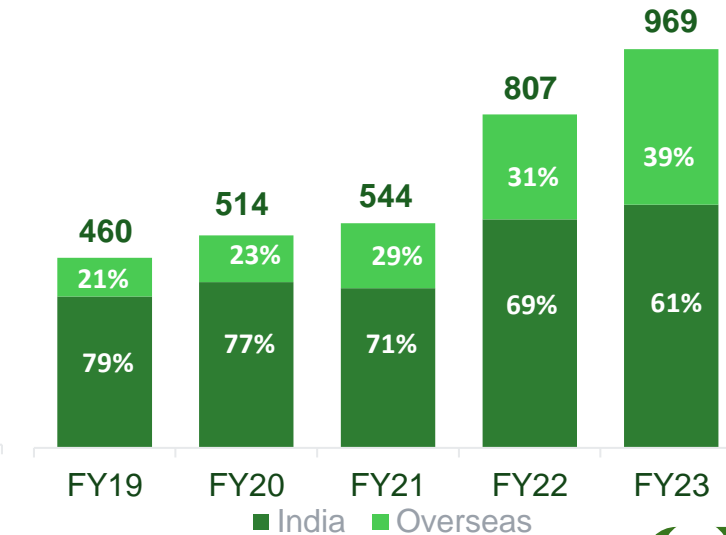
Revenue



PAT (Cr) and PAT Margin (%)

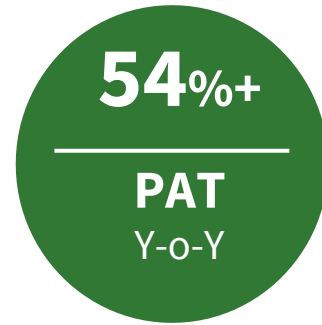
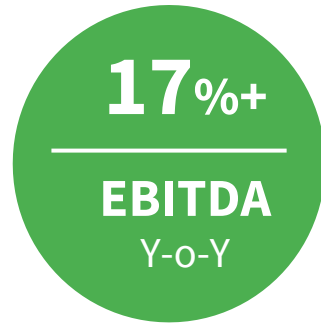
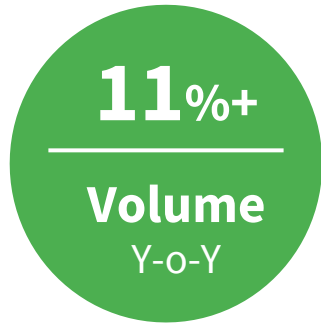


Capital Employed (Cr)



QUARTERLY HIGHLIGHTS - Q4 FY23

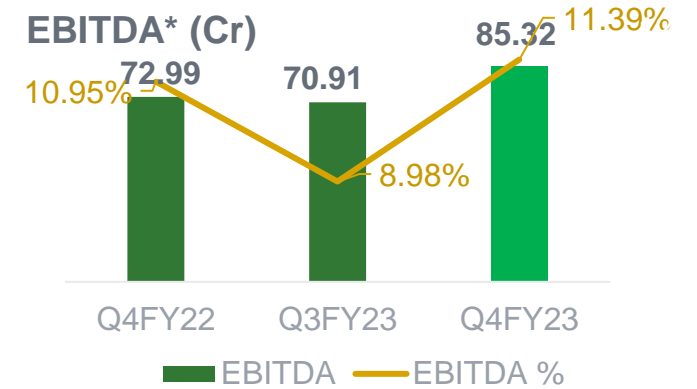
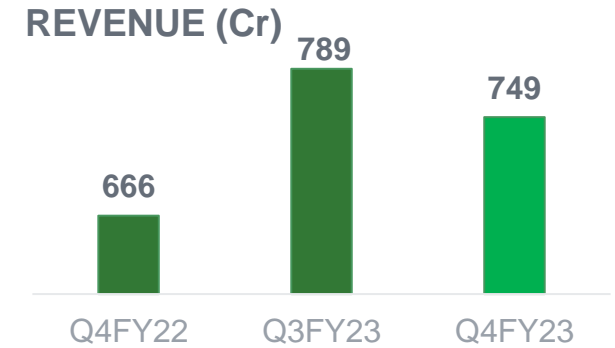
Rising Higher - **VISION 2027**



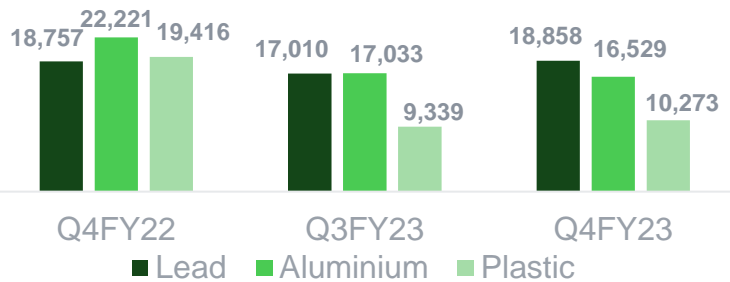
✓ **45%**
Revenue from Value added products

✓ **38%**
Revenue from Overseas Business

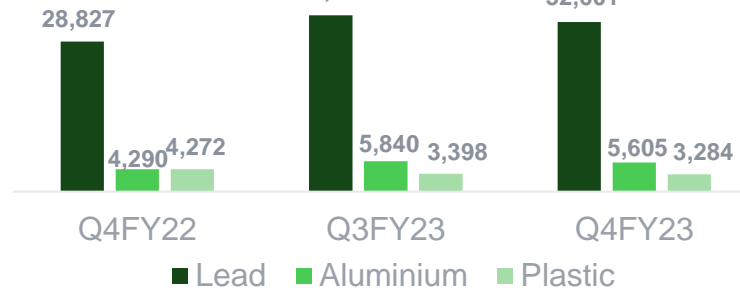
✓ **46%**
Domestic scrap collection for Indian Plants



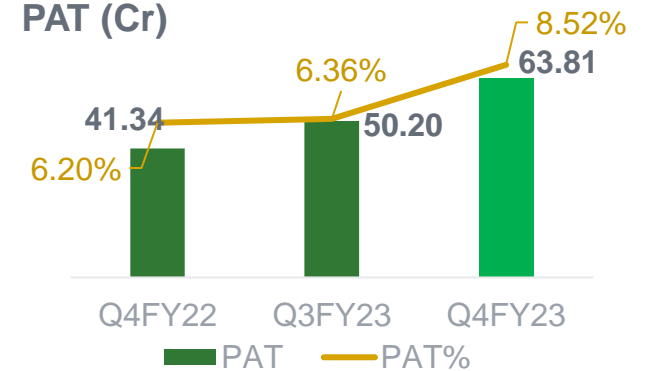
EBITDA per MT



VOLUME (MT)



PAT (Cr)



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

Project Updates

Oman

- Gravita signed MOU to establish Battery Recycling Plant through JV
- Capacity of 6,000 MTPA in Phase 1
- Gravita's first recycling facility in Middle East

Senegal

- Started Aluminium Recycling
- Capacity of 4,000 MTPA
- Capex – Rs.3.5 Cr. from internal accruals

Togo

- Started Aluminium Recycling
- Capacity of 4,000 MTPA
- Capex– Rs.11 Cr. from internal accruals

Ghana

- Started Plastic Recycling
- Capacity of 1,200 MTPA in Phase 1
- Capex - Rs.1.9 Cr. from internal accruals

Mundra

- Increased capacity of Lead recycling to 60,000 MTPA
- Started Value Added Production of Red Lead with a Capacity of 4,800 MTPA
- Started Plastic Recycling with a Capacity of 7,500 MTPA

Solar

- Installed 1,300 KW of Solar Energy Generation
- Expected to generate 20 Lakh KWh of energy per year
- Reduce carbon emissions by 1,550 tonnes per year

VISION 2027

New recycling verticals

Rubber, Lithium, Steel & Paper

25% +

Revenue CAGR

35% +

Profitability Growth

25%+
ROCE

50%+
Value added products

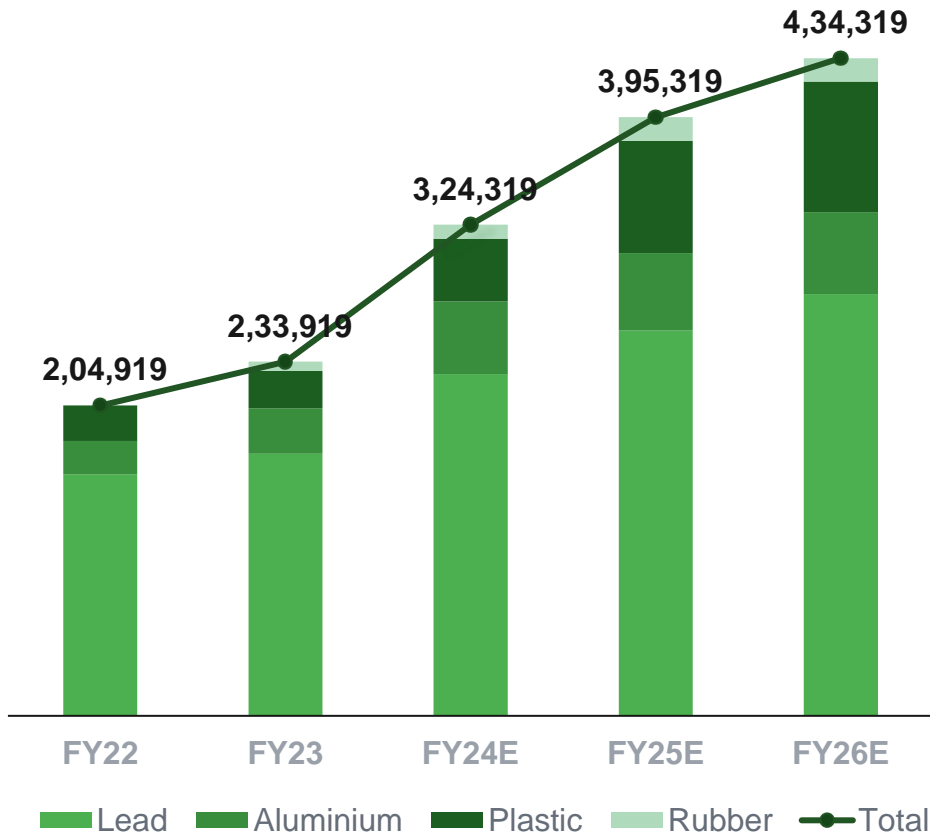
25%+
Non-Lead business

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

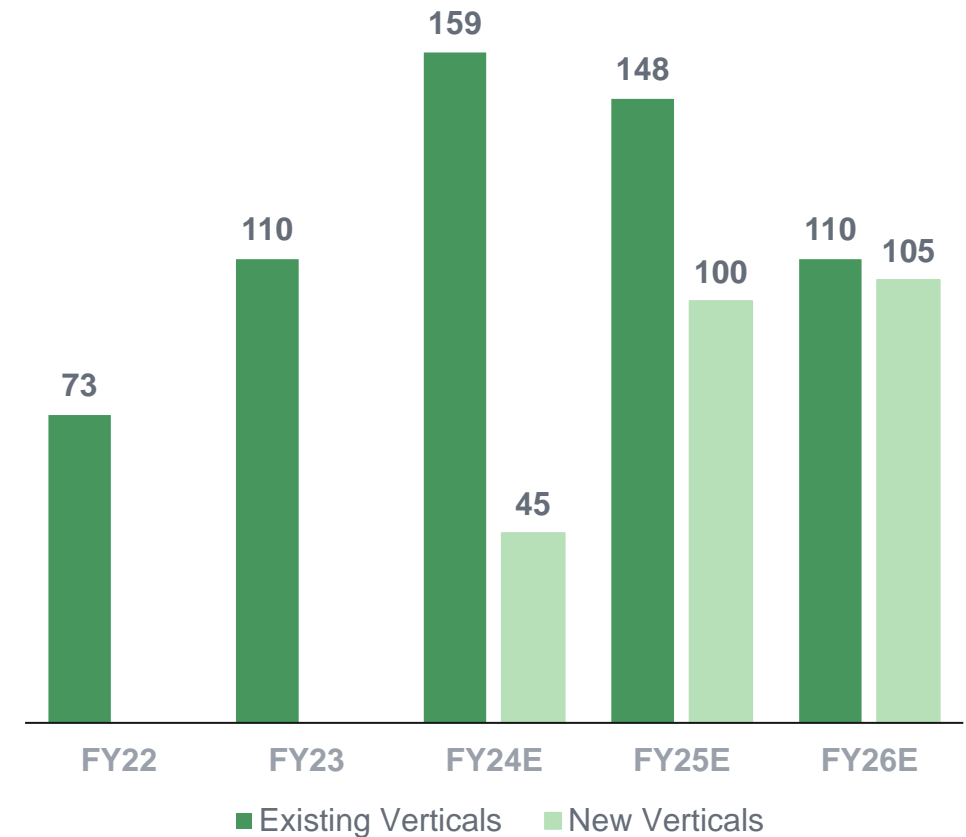
Our **Priorities**

Capacity Expansion & CAPEX over the Years

Capacity (MT)



CAPEX (Rs Cr.)



4,25,000 MTPA Capacity planned by FY 2026

Rs. 600+ Cr Capex planned by FY 2026

RETURN ON CAPITAL EMPLOYED



*on Average 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

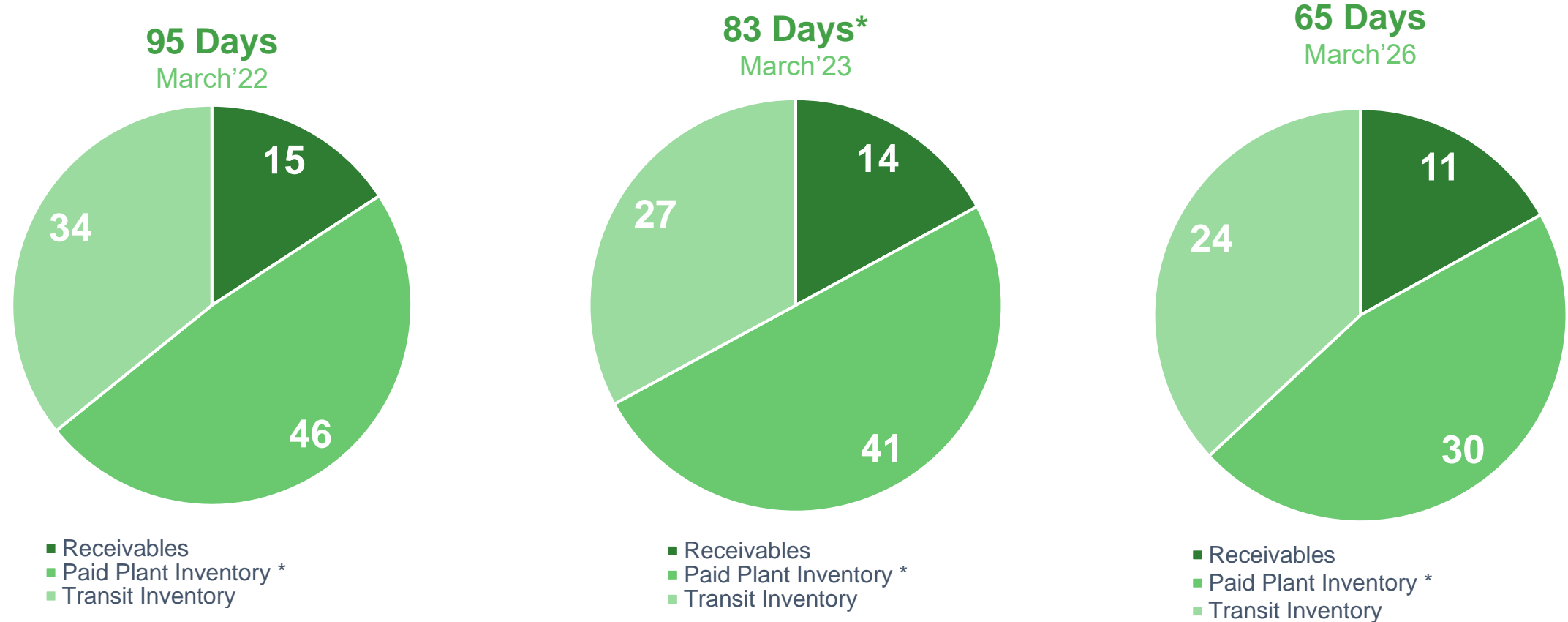
• **3 Years**
Maximum Payback period

• **25% +**
ROCE

• **8+**
Asset turns

Reducing **NET WORKING CAPITAL CYCLE**

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



- Paid Inventory includes advance to vendors and net off Trade payables
- Based on Avg Core working capital

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**

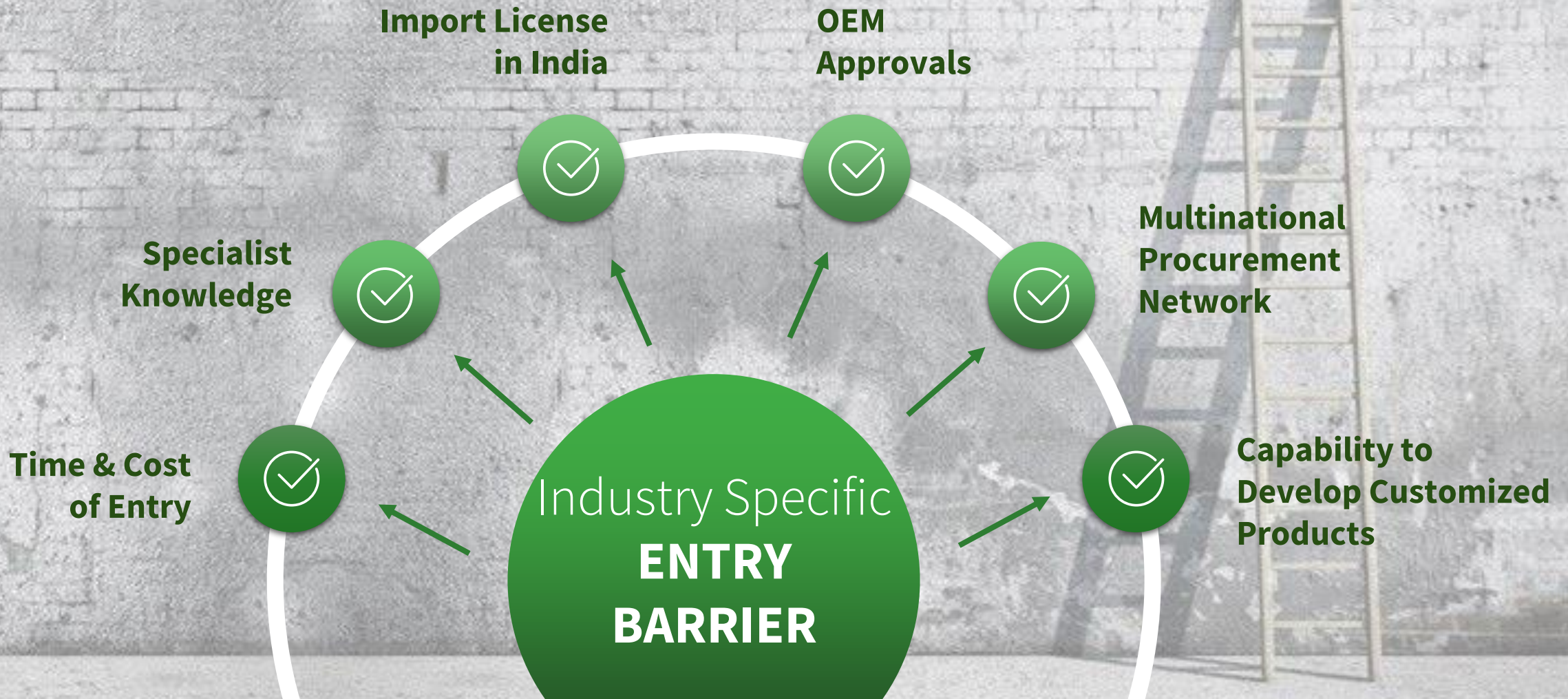


**Customised & Value
Added Products**



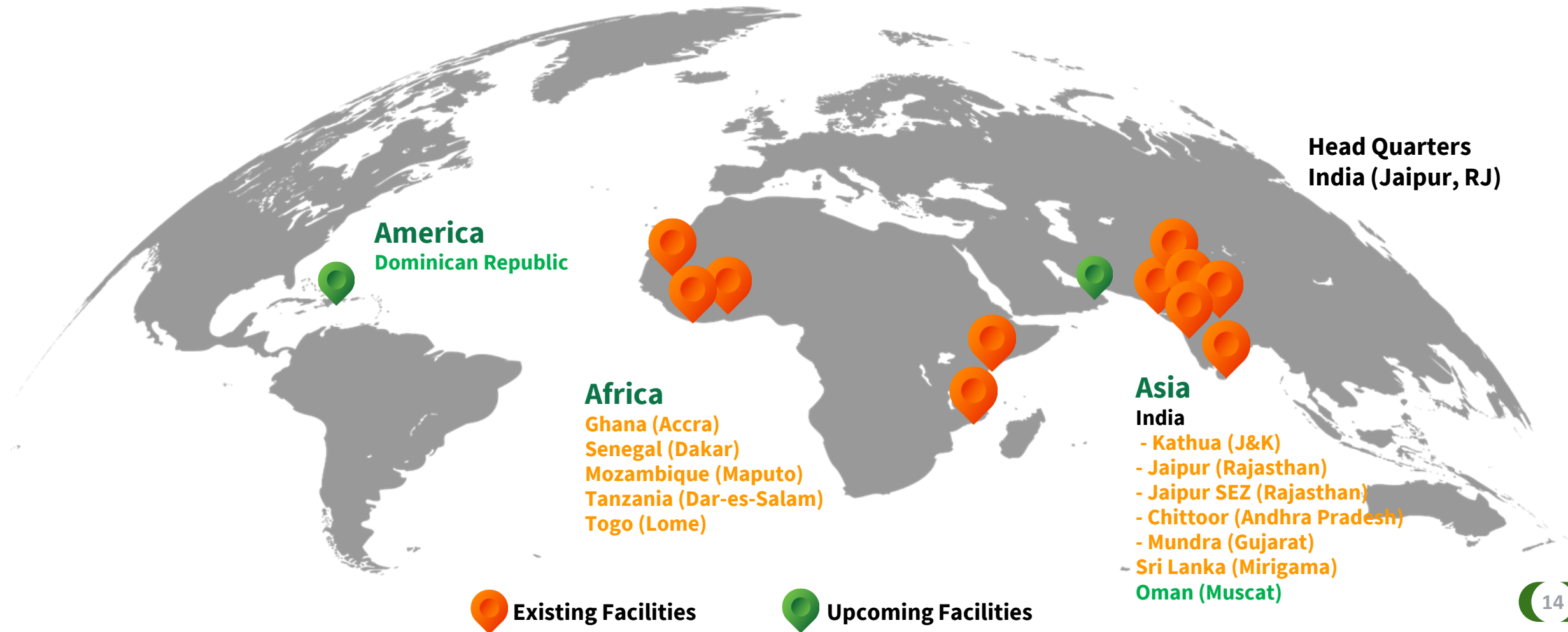
**Risk Mitigation-Back to Back
Hedging Mechanism**

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.

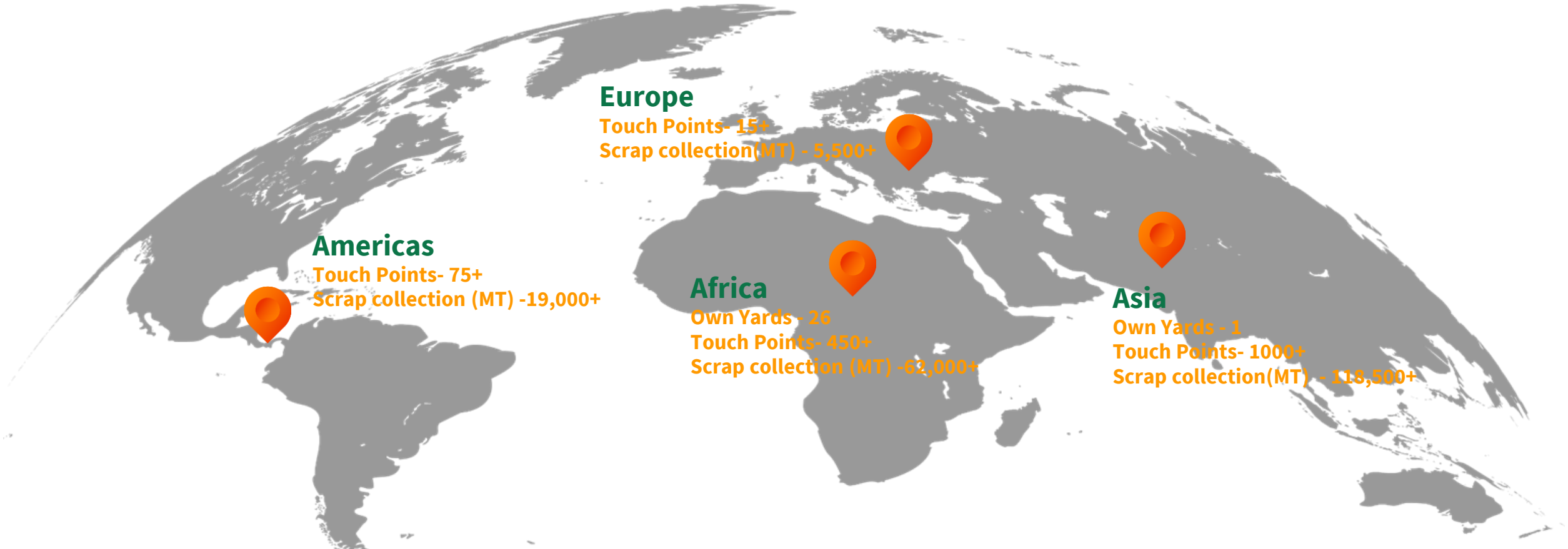


Deep Routed **PROCUREMENT NETWORK**

27
Own yards

1500+
Touch points

2,05,000 MT+
Scrap collection



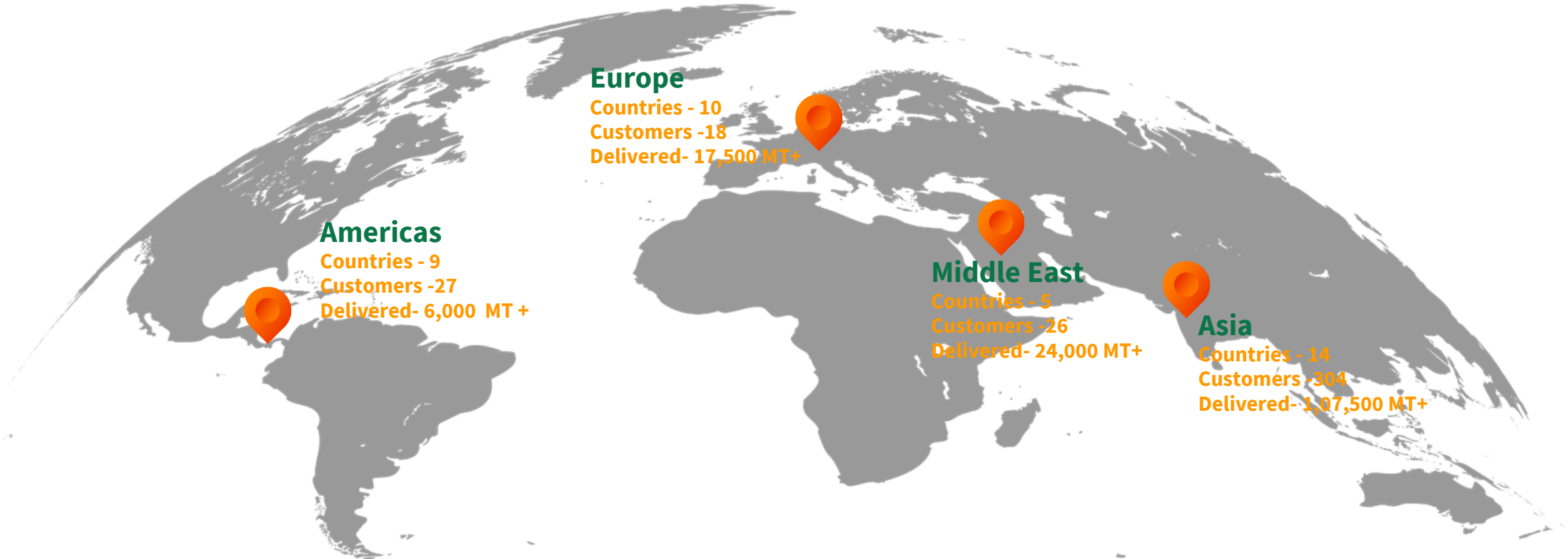
Deep presence in Asia , Africa , Middle East, Europe & America ensures raw material at competitive prices

Diversified **CUSTOMER NETWORK - GLOBAL**

38 +
Countries

375 +
Customers

1,55,000 MT +
Recycled products delivered



Americas

Countries - 9
Customers - 27
Delivered - 6,000 MT +

Europe

Countries - 10
Customers - 18
Delivered - 17,500 MT+

Middle East

Countries - 5
Customers - 26
Delivered - 24,000 MT+

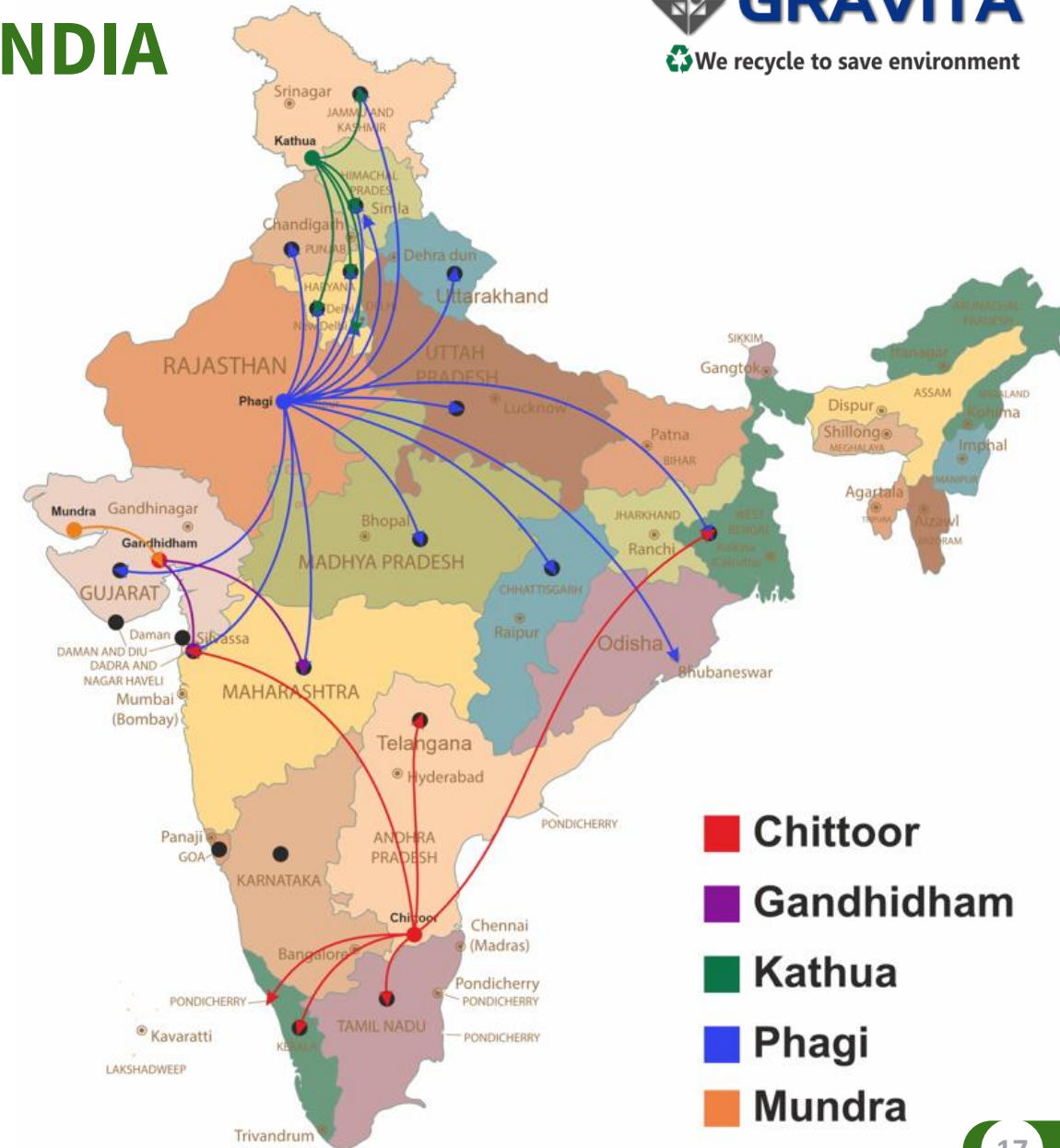
Asia

Countries - 14
Customers - 304
Delivered - 1,07,500 MT+

Diversified **CUSTOMER NETWORK- INDIA**

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

- **230+** domestic customers in 22 states in India
- **90+** overseas customers in 36 countries.



OPERATIONAL EXCELLENCE



4
Recycling
Verticals

11
Recycling
Plants

1500+
Touch Points
Globally

43%
Customized &
Value added
products

2.51Lac+
MT Production
Capacity*

67%
Capacity
Utilization

30%
Overseas
Capacity*

2.05 Lac+
MT Scrap
Collection

ILA
India's only
Accredited
Plant

60000 MT+
Healthy
Orderbook

* As on 01st May 2023

OUR PARTNERS

(Strong Partnering Capability)



TURNKEY SOLUTIONS for Recycling

- In house Recycling Technology
- Technical Consultancy & Services for 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 & environment friendly processing.

Planning and
Specification

Design

Fabrication

Testing

Installation

Operation

Handover

ROBUST MANAGEMENT



Rajat Agrawal
Managing Director



Yogesh Malhotra
Whole Time Director & CEO



Vijay Pareek
Executive Director



Naveen Sharma
Executive Director



Rajeev Surana
Executive Director



Sunil Kansal
Chief Financial Officer



27 Yrs +

Avg Management Experience in diversified Industries



625 +

Employees



175+

Professionals (CA's, MBA's, Engineers)



100%

Employees covered under incentive schemes



35 Yrs

Average Employee Age



5 Yrs

Average Employee Association



2% Equity

Held in Employee Welfare Trust



15 Yrs

Average Management Association



4 rounds

ESOP's

CUSTOMIZED AND VALUE ADDED PRODUCTS



Customized Lead Alloys



Lead Sheets



Lead Bricks



Red Lead



Lead Oxide



Customized Aluminium Alloys



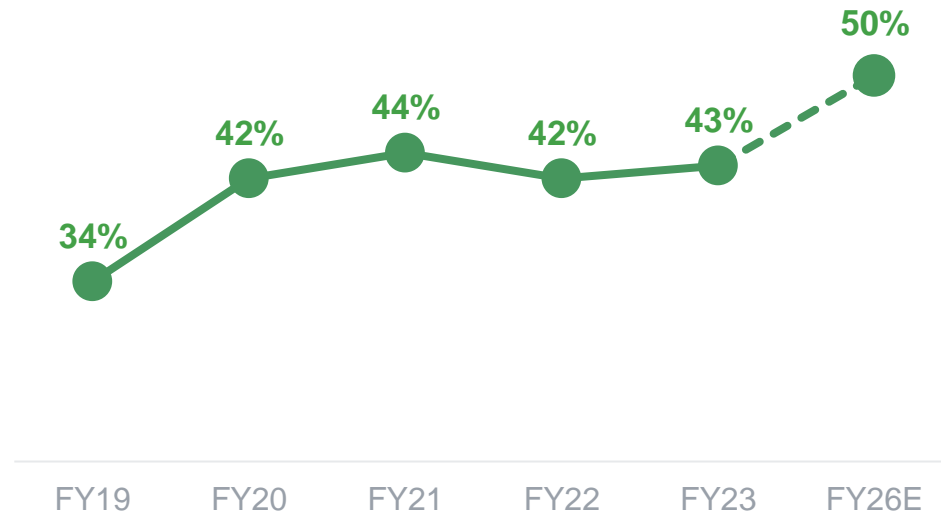
Plastic Granules



Pet Flakes - Food grade

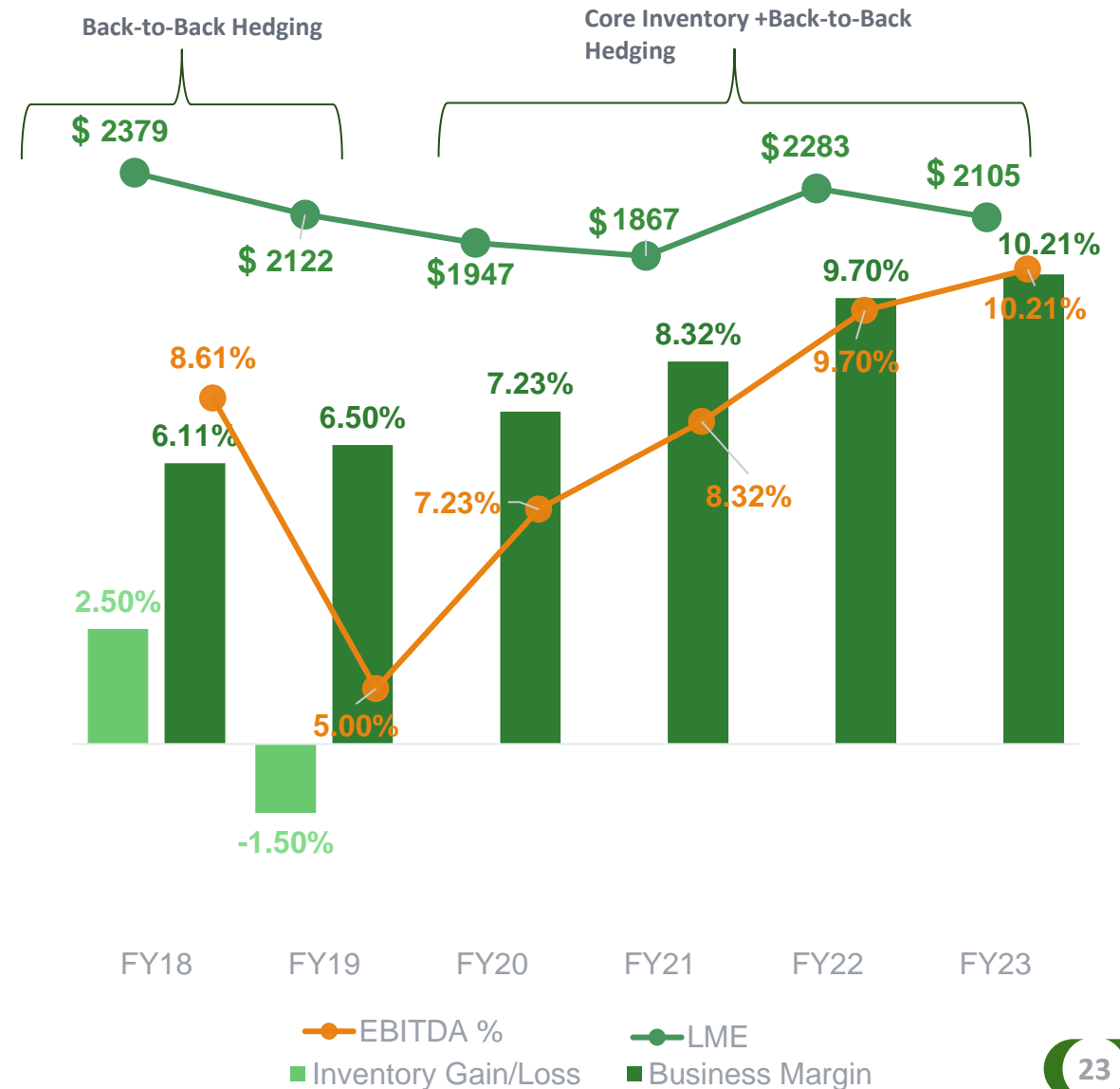
Our Capability to produce customized and value added products for diversified customer segments gives us better contributions and larger pie of customer's product mix.

Value Added Products % in revenue

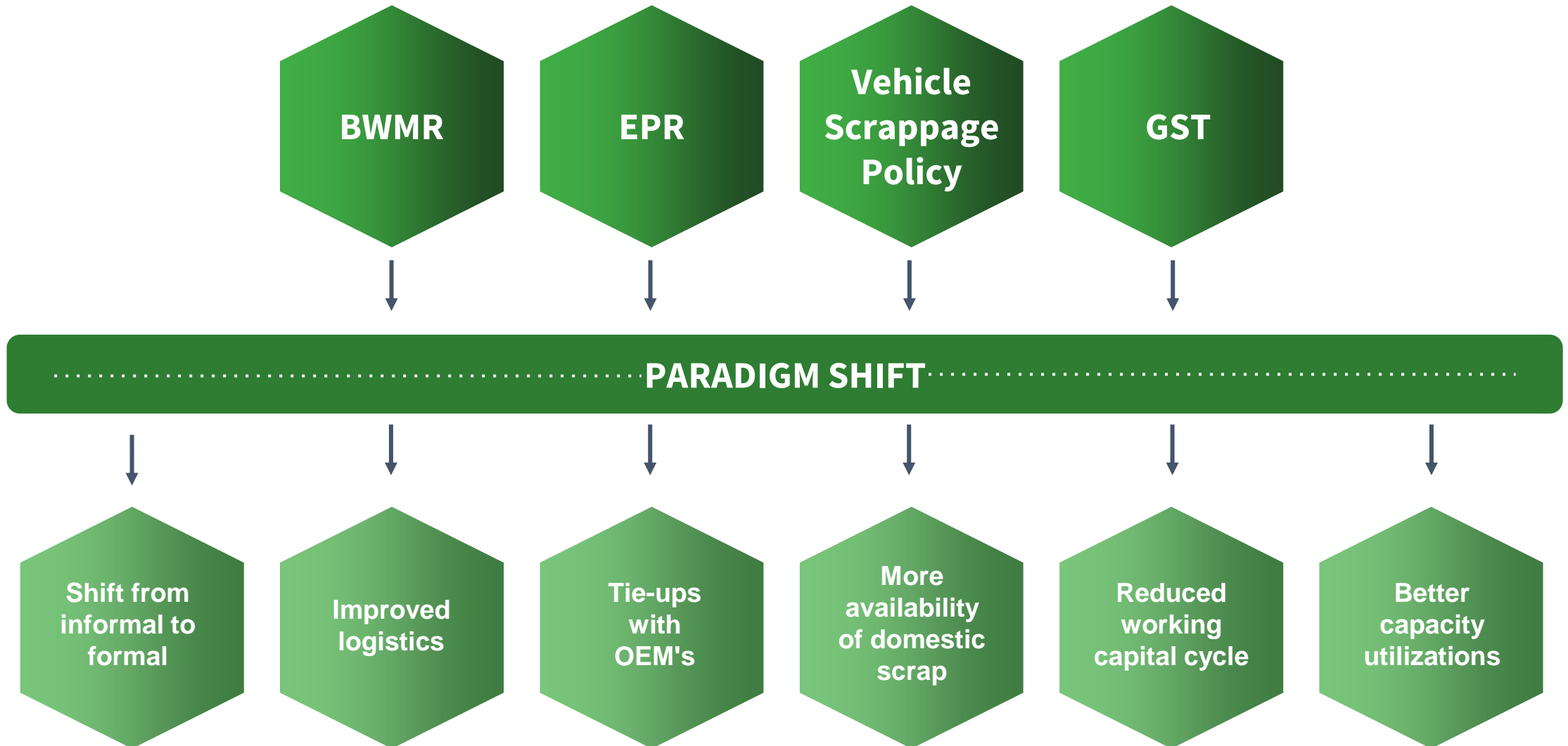


Risk Mitigation by **BACK TO BACK HEDGING** mechanism

- 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 contract on LME Exchange.
- June, 2019 onwards Gravita is enjoys stable margins and is not affected by the commodity price fluctuations



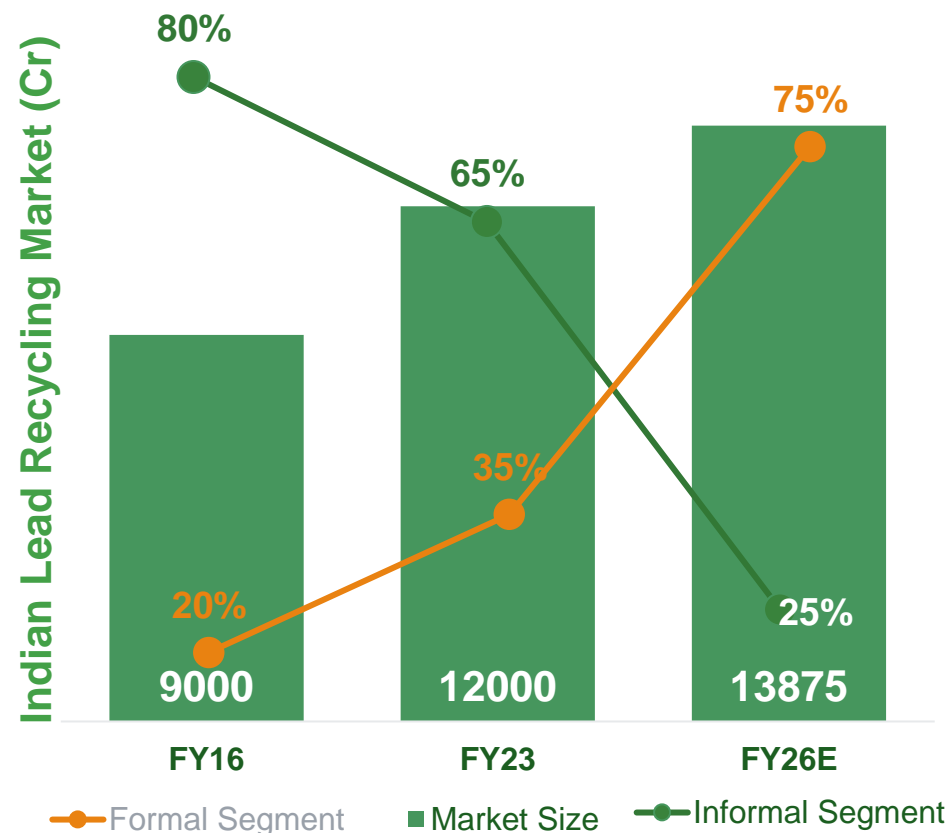
Improving **MARKET DYNAMICS IN RECYCLING** - Paradigm Shift



Shift from **INFORMAL TO FORMAL**

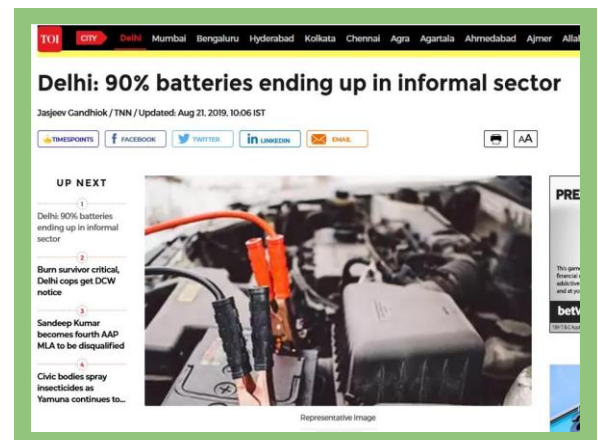
With redefining of Battery Waste Management Rules (BWMR) , Extended producers responsibility (EPR) and stricter implementation of GST, the scrap availability for formal recycling sector has increased and is further expected to grow.

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

Domestic scrap collection partners



Global Data Centers and Cloud Infrastructure



Battery Scrap collected within India (MT)



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

Focused on Capturing Value from Waste Through Modern Recycling and Recovery

4

Recycling verticals

11

Recycling Plants

2,05,000 MT+

Scrap collection

1,55,000 MT +

Recycled products delivered

Recycling Waste:

- Uses scrap of lead, aluminum ,plastic and rubber in manufacturing of finished goods and has a process in place to collect the scrap and recycle the same
- Systems in place to mitigate the exposure risk of hazardous materials

Conserving Nature:

- Consciously track usage of these resources – water, energy and raw materials, throughout all operations

Energy Conservation:

- Utilizing alternate sources of energy by installing solar panels for its plants situated at Mundra, Chittoor, Phagi and SEZ Jaipur thereby minimizing the consumption of electricity from commercial electricity boards

Alternate Energy Source:

- Uses pyrolysis oil generated during waste rubber recycling process as an alternate source of energy for recycling of Lead & Aluminium
- Using carbon briquettes as an alternate source of energy during recycling process

Involved in Making Holistic & Meaningful Contributions to Society

4

Round of ESOPs

2%

Equity holding in Employee Welfare Trust

6%

Women employees

OHSAS 18001

Certified

Rs. 86 Lakh

CSR spending

- **Engagement Platforms of Customers & Partners:** Customers: Regular business meetings, Customer satisfaction survey
- **Product/Service Safety and Quality:** Identify areas for improvement at every stage of manufacturing to provide the best value possible in the products Gravita produce
- **Diversity and Inclusion:** The Company has 194 women employees as on 31st March, 2023; Women in the total workforce is 6%
- **Employee Well Being Programs:** Well-defined policies/principles in place to foster utmost employee safety and wellbeing which not only takes care of the wellness of employees but also the environment
- **CSR Initiatives:** Main focus of the CSR activities of the Company is on health, education and environment

Fosters a Culture of High Ethical Standards, Accountability and Transparency

50%

Independent directors

A

Ratings by ICRA

ISO 9001 : 2015

Certified

**ISO 14001:
2015**

Certified

**ISO 45001 :
2018**

Certified

ILA

Registered plants

- **Business Ethics:** Always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance, viz., integrity, equity, transparency, fairness, disclosure, accountability and commitment to values
- **Details of Related Party Transactions:** Detail of transaction and balance outstanding with related parties is provided in annual report
- **Board of Directors:** 50% of directors are independent
- **Financial Expertise on Audit Committee:** All the members of the Audit committee are financially literate and possess thorough knowledge of accounting or related financial management expertise
- **Executive Pay Performance Alignment Policies:** Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay

Thank You

SAVE THE PLANET

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