

# INVESTOR PRESENTATION

*Jan 2024*



*Towards Clean, Green &  
Sustainable Future*







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



# We are on an **AMAZING JOURNEY**



# Building a **Green** World through **Recycling**

Unwavering commitment to sustainability- driven values continues to light the growth path.

## Vision

*To be the most valuable company in the recycling space globally.*



## Mission

*Rank among the top five global recycling companies by 2026, driven by*

- ❖ *Diversification*
- ❖ *Sustainable growth*
- ❖ *Eco-friendly innovation*
- ❖ *Stakeholder value creation*

## Core Values

- ❖ *Fairness*
- ❖ *Trust*
- ❖ *Respect*
- ❖ *Passion*
- ❖ *Nurturing Relationship*



## Social Responsibility

- ❖ *Community development*
- ❖ *Advance education*
- ❖ *Combat hunger*
- ❖ *Safeguard the environment*

## Business Verticals

### **Existing:**

- ❖ *Lead*
- ❖ *Aluminium*
- ❖ *Plastic*
- ❖ *Rubber*
- ❖ *Turnkey Solutions*

### **Upcoming Diversifications:**

- ❖ *Lithium-ion*
- ❖ *Steel*
- ❖ *Paper*



# Management Commentary & **Business Outlook**

*"Gravita is strongly progressing towards achieving its ambitious Clear Vision 2027 focusing on diversifying into new business verticals, attaining a revenue cagr and profitability growth of 25%+ and 35%+. Our strategies of expanding the capacities, increasing the proportion of value-added products and back to back hedging for risk mitigation has shown results in the form of strong and sustainable margins. We are confident that, with the same level of commitment and teamwork, we will achieve our mission to Rank among the top five global recycling companies by 2026.*

*Coming to Q3 & 9MFY24 performance, I am pleased to report that our company has delivered a strong financial & operational performance. Volumes, Revenue, EBITDA and PAT for nine months have increased by 5%, 12%, 19% and 24% resp. ROCE and proportion of Value-added products for 9MFY24 stood strong at 26% and 47% respectively. With the support of all the stakeholders, we are confident that we will be able to achieve our Vision 2027"*



**Yogesh Malhotra**

Whole Time Director & CEO

# FINANCIAL Highlights

✓ **22 %**  
Revenue CAGR - 5 Yrs

✓ **9-10%**  
Consistent EBITDA margins

✓ **A+**  
External credit rating from ICRA

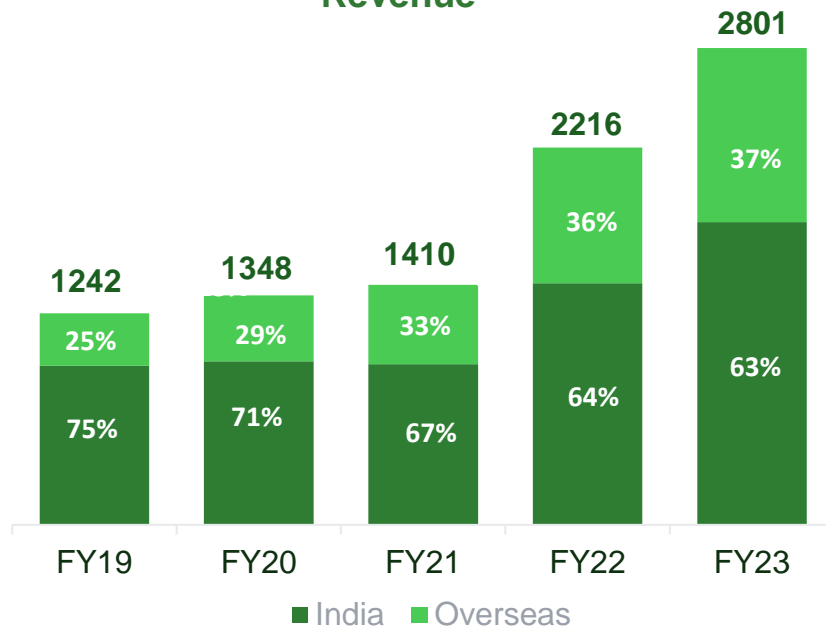
✓ **35 %**  
PAT CAGR - 5 Yrs

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

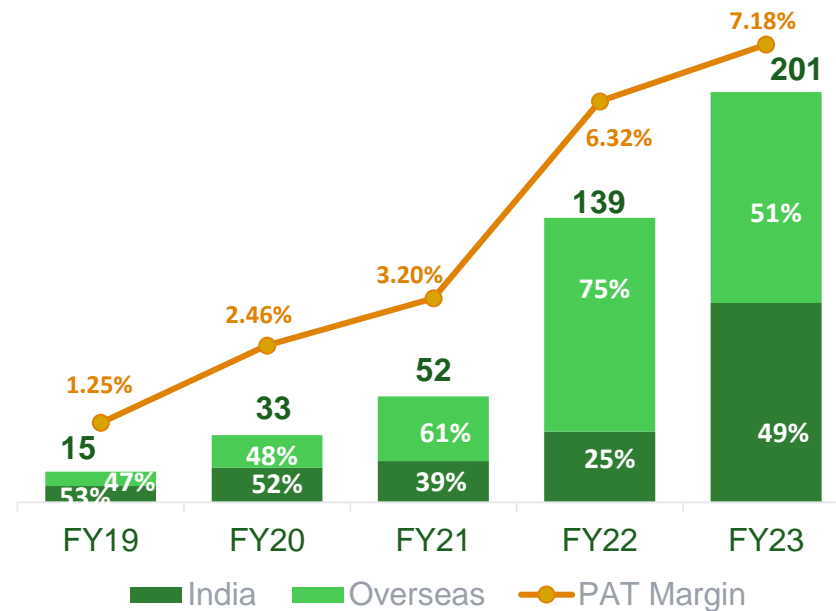
✓ **12 Years**  
History of sustainable dividend payouts

✓ **40 Cr +**  
Reduction in Debt in FY 2023

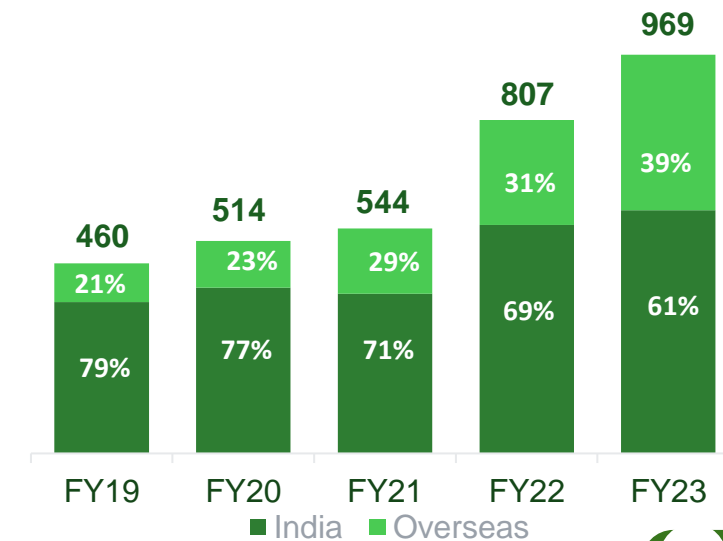
Revenue



PAT (Cr) and PAT Margin (%)

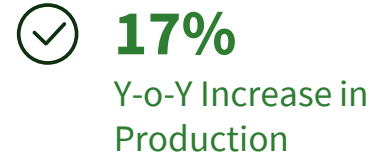
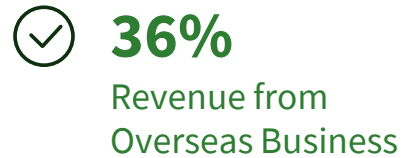
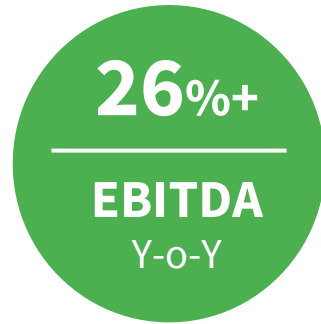
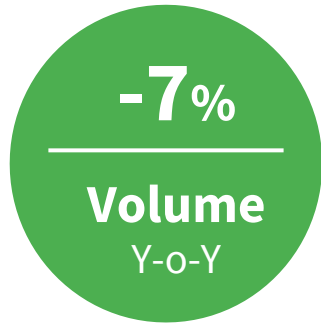


Capital Employed (Cr)

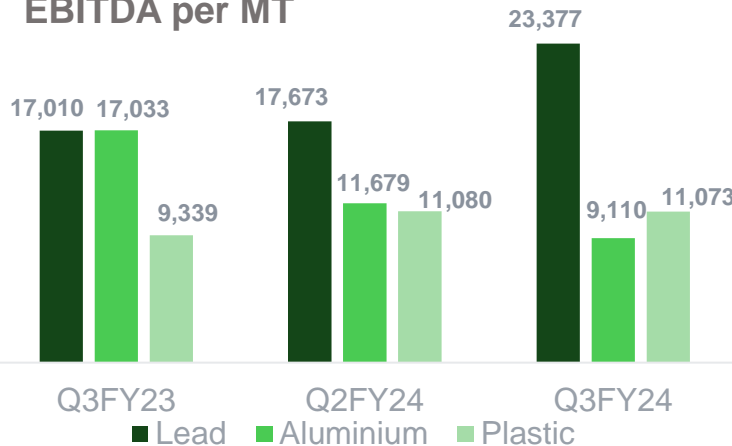


# QUARTERLY HIGHLIGHTS - Q3 FY24

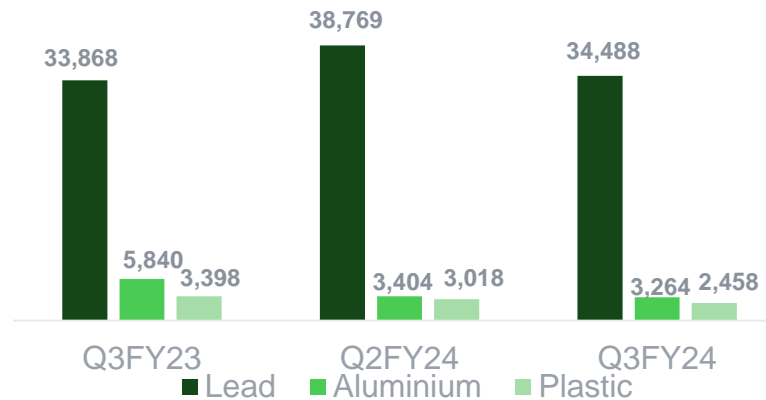
## Riding Higher - VISION 2027



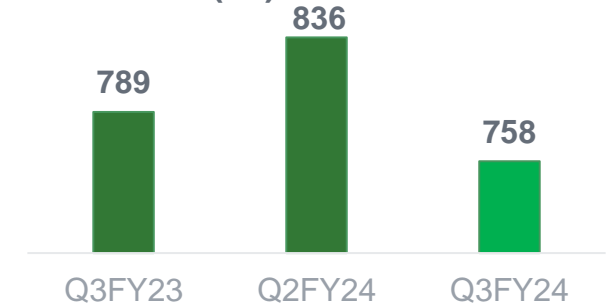
### EBITDA per MT



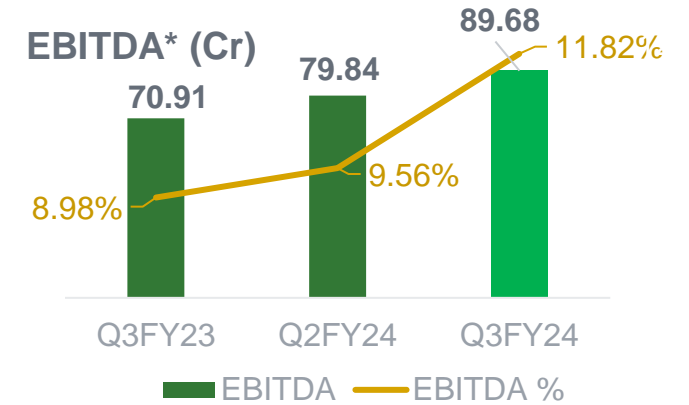
### VOLUME (MT)



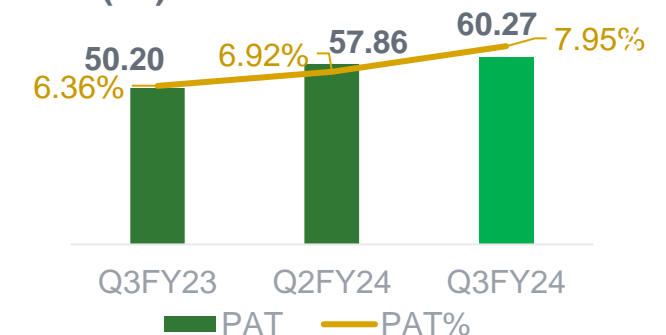
### REVENUE (Cr)



### EBITDA\* (Cr)



### PAT (Cr)



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

# Project Updates

## Tanzania

- Started commercial production of plastic at its existing recycling plant
- Capacity – 1,800 MTPA
- Capex – Rs. 2.25 Cr. From internal accruals

## Togo

- Started commercial production of lead from its existing recycling plant
- Capacity – 6000 MTPA
- Capex – Rs. 3.61 Cr. From internal accruals

## Chittoor

- Increased capacity of Lead recycling to 64,640 MTPA
- Capex - Rs.21 Cr. from internal accruals

## Tanzania

- Started Rubber Recycling
- Capacity of 3,000 MTPA
- Capex – Rs.3.86 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

## 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



# VISION 2027

**New recycling  
Verticals**  
Lithium, Steel & Paper


**25% +**  
Revenue CAGR

**35% +**  
Profitability Growth

**25%+**  
ROCE

**50%+**  
Value added products

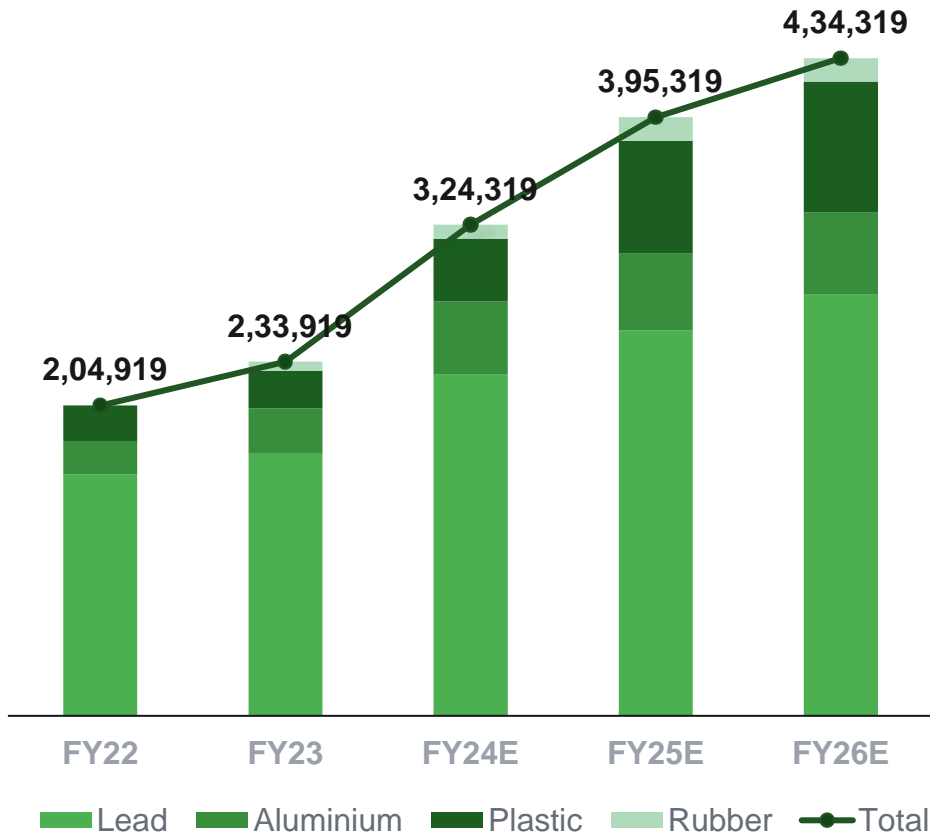
**25%+**  
Non-Lead business

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

## Our **Priorities**

# Capacity Expansion & CAPEX over the Years

## Capacity (MT)



## CAPEX (Rs Cr.)

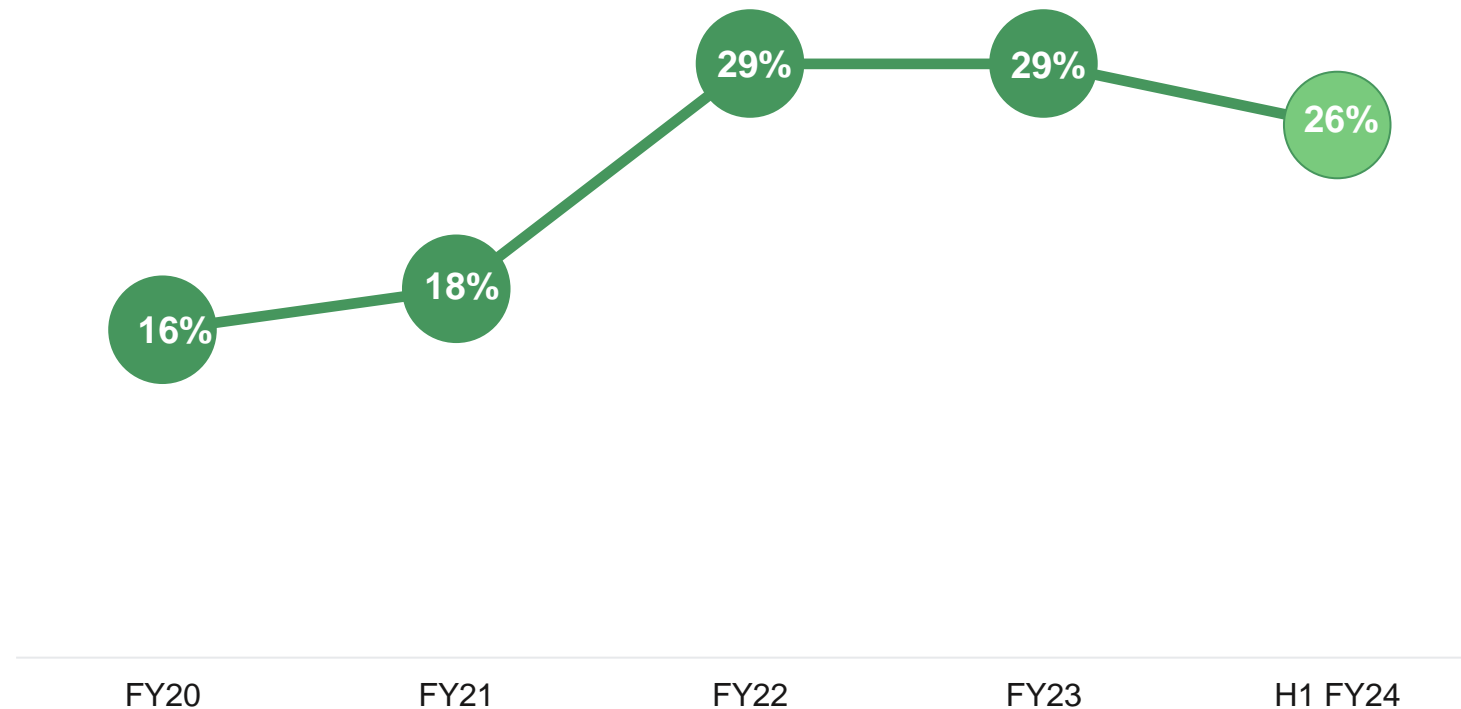


**4,25,000 MTPA Capacity planned by FY 2026**

**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**

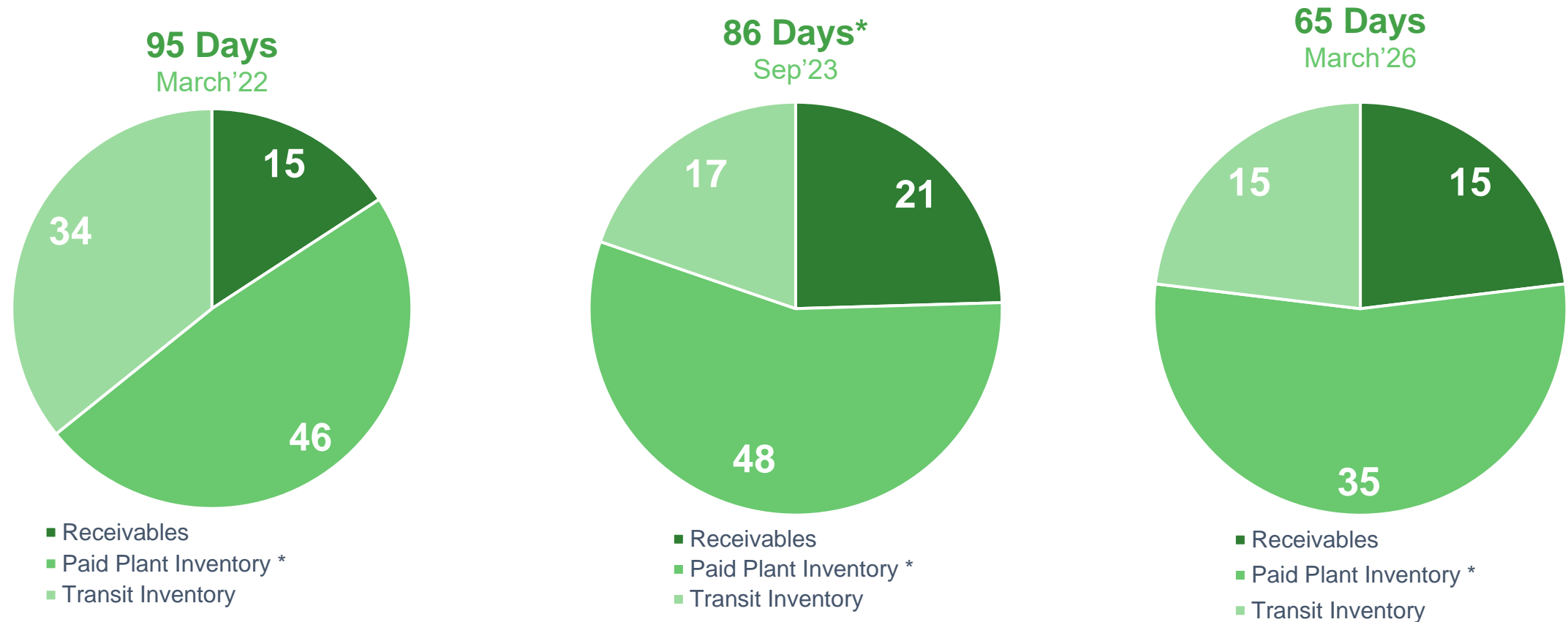
• **3 Years**  
Maximum Payback period

• **25% +**  
ROCE

• **8+**  
Asset turns

# Reducing **NET WORKING CAPITAL CYCLE**

- Processing of Scrap near to the source – Avoid Transits
- 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

**Import License in India**  
Based on past years performance

**OEM Approvals**  
Takes time to get products approved from OEM's

**Multinational Procurement Network**  
Global Presence

**Specialist Knowledge**  
Experience & Technical Know-how

**Time & Cost of Entry**  
Customer Base, Capacity procurement networks

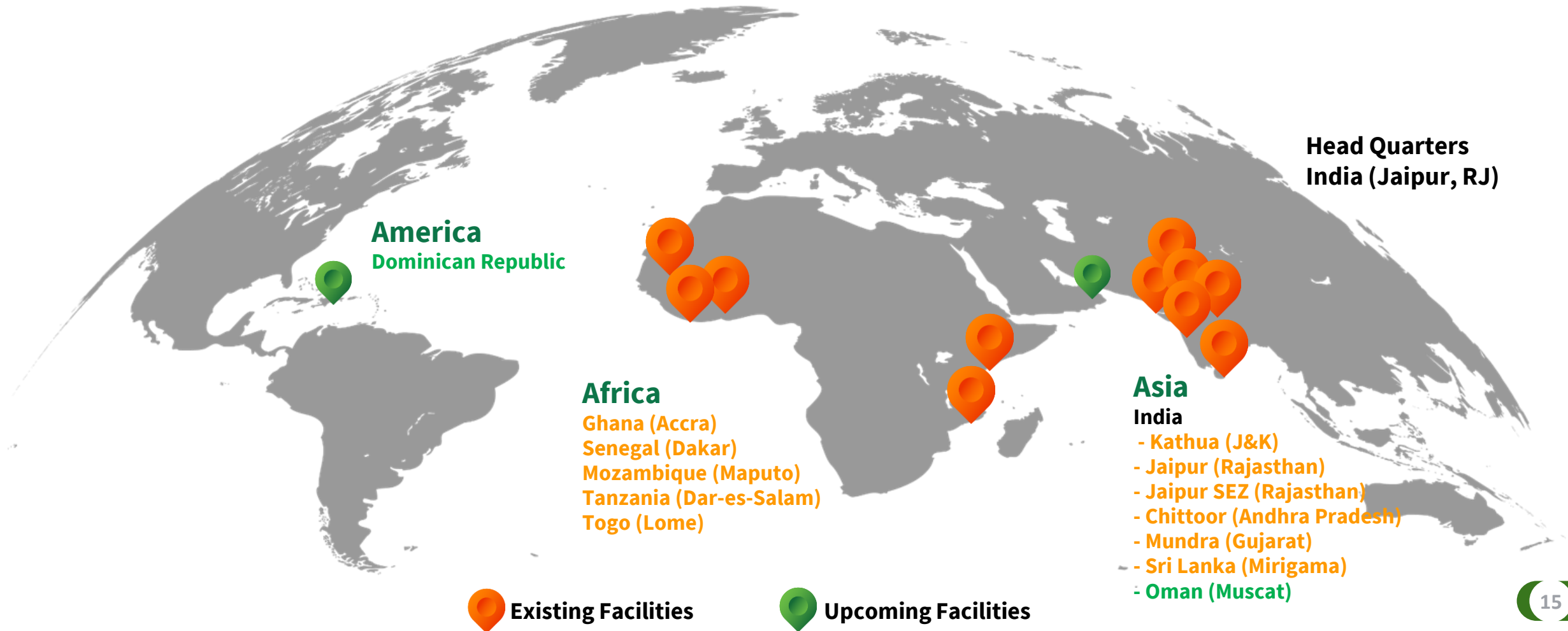
**Capability to Develop Customized Products**  
More Value-added products for better margins

Industry Specific  
**ENTRY BARRIER**



# 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.

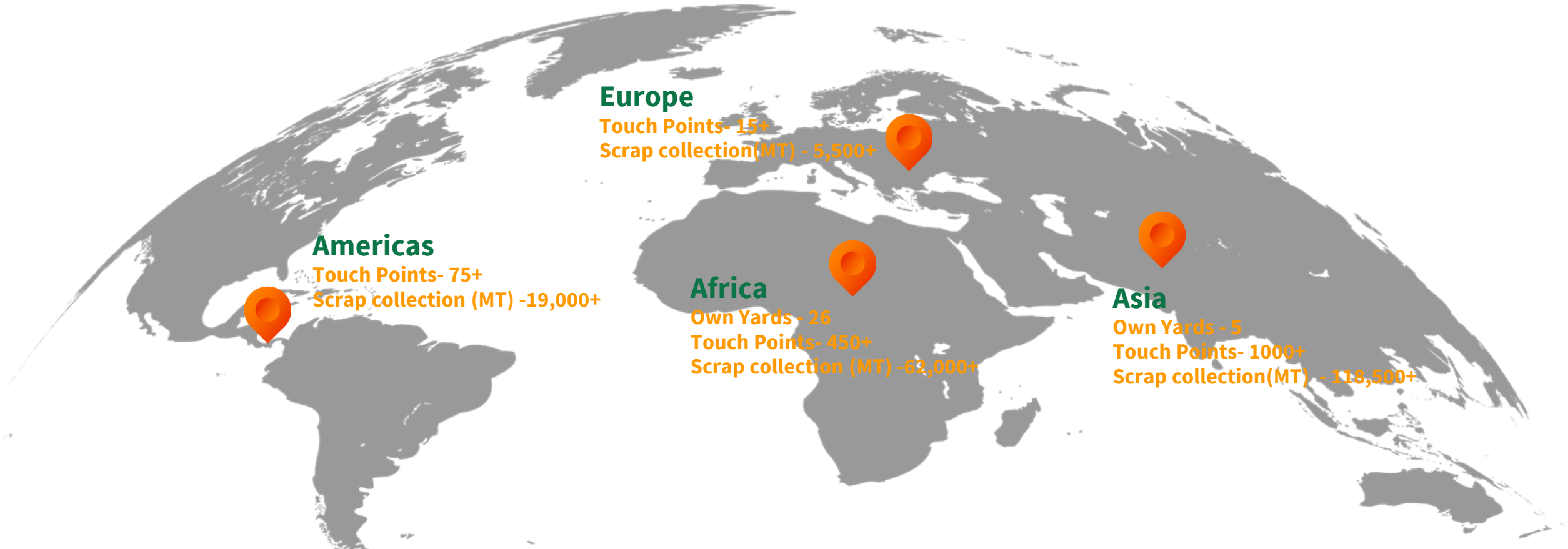


# Deep Routed **PROCUREMENT NETWORK**

**31**  
Own yards

**1500+**  
Touch points

**2,05,000 MT+**  
Scrap collection



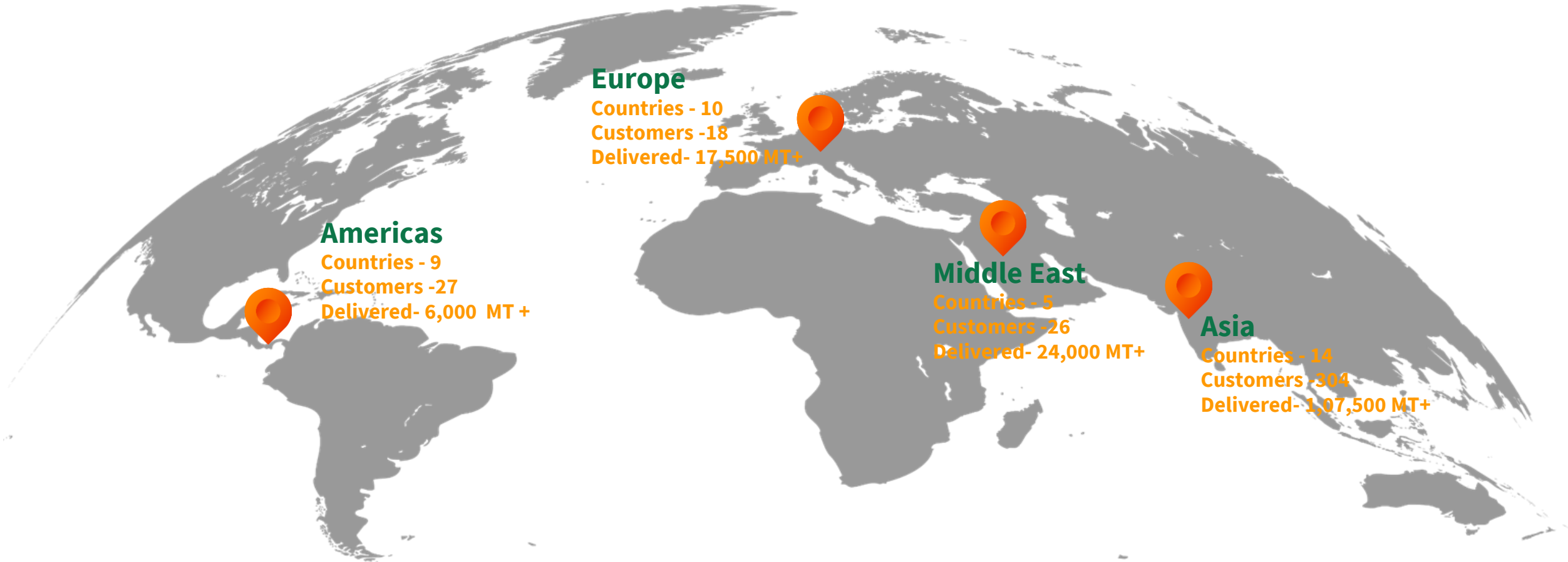
*Deep presence in Asia , Africa , Middle East, Europe & America ensures raw material at competitive prices*

# Diversified **CUSTOMER NETWORK - GLOBAL**

**38 +**  
Countries

**375 +**  
Customers

**1,55,000 MT +**  
Recycled products delivered

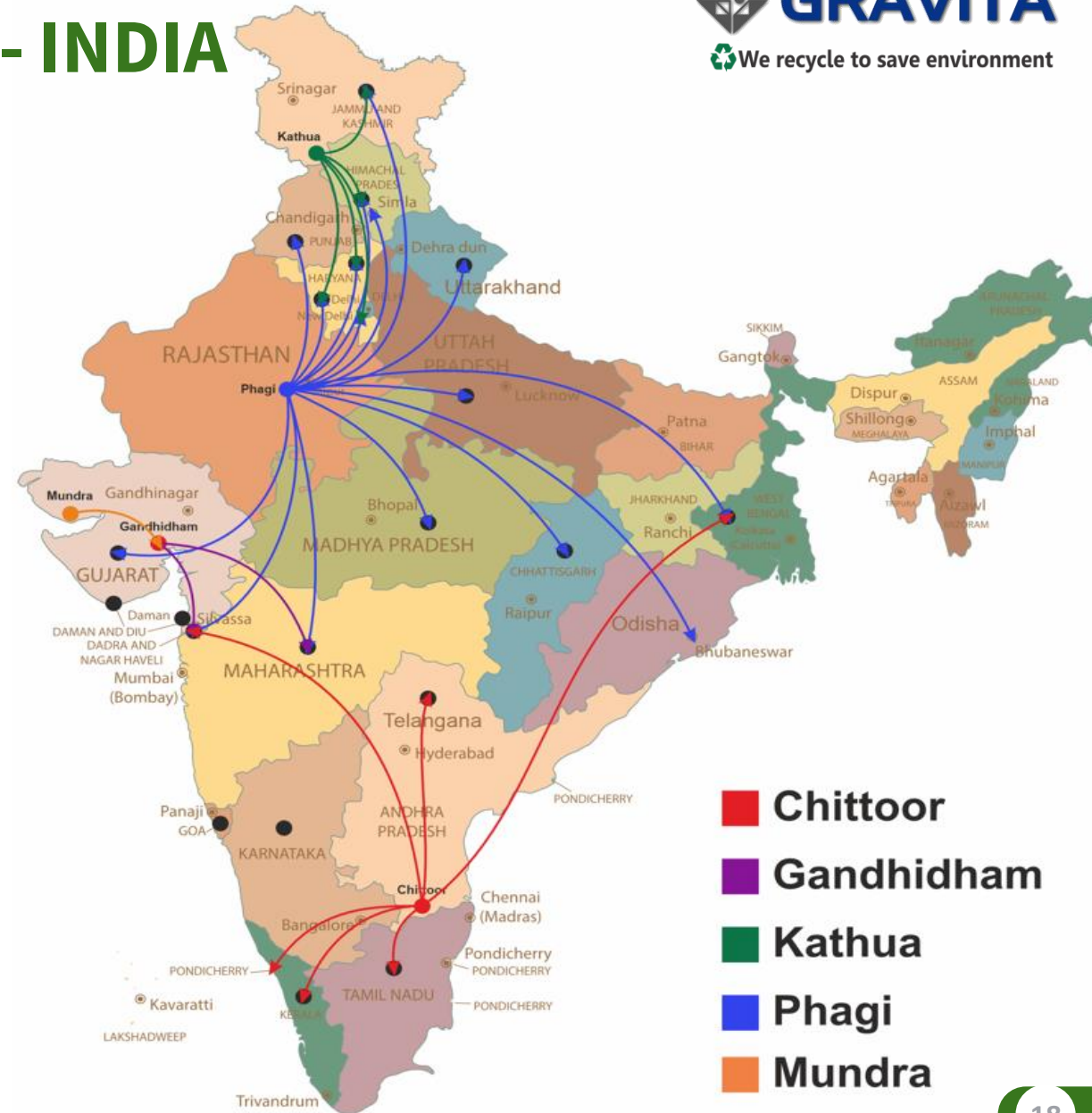




# Diversified **CUSTOMER NETWORK- INDIA**

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

**47%**  
Customized &  
Value added  
products

**2.86Lac+**  
MT Production  
Capacity\*

**57%**  
Capacity  
Utilization

**29%**  
Overseas  
Capacity\*

**2.05 Lac+**  
MT Scrap  
Collection

**ILA**  
India's only  
Accredited  
Plants

**60000 MT+**  
Healthy  
Orderbook

\* As on 23<sup>rd</sup> Jan 2024

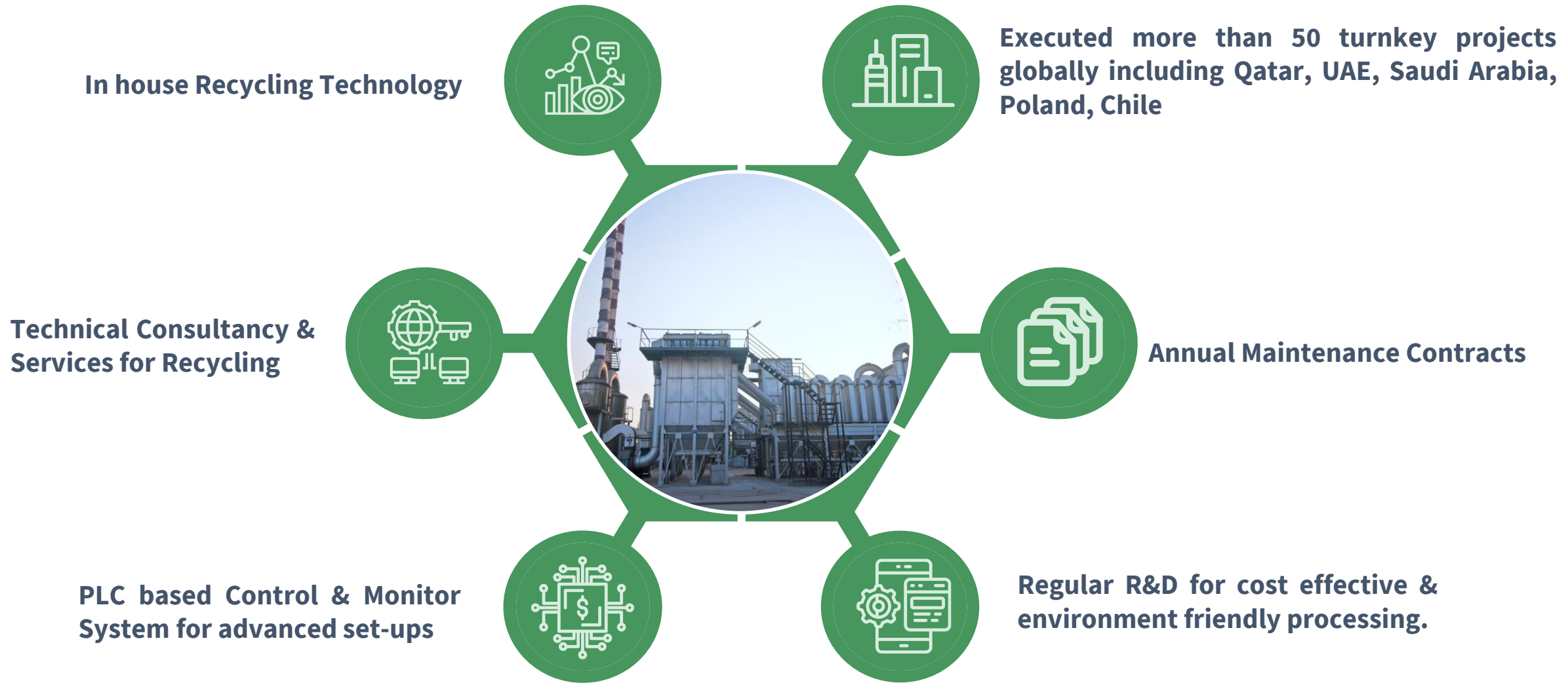
# OUR PARTNERS

(Strong Partnering Capability)





# TURNKEY SOLUTIONS for Recycling



Planning and Specification

Design

Fabrication

Testing

Installation

Operation

Handover

# ROBUST MANAGEMENT & focus on Human Capital



**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



**Ajay Thapliyal**  
Vice President



**27 Yrs +**  
Avg Management Experience  
in diversified Industries



**100%**  
Employees covered under  
incentive schemes



**35 Yrs**  
Average Employee Age



**625 +**  
Employees



**175+**  
Professionals  
(CA's, MBA's, Engineers)



**5 Yrs**  
Average Employee  
Association



**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



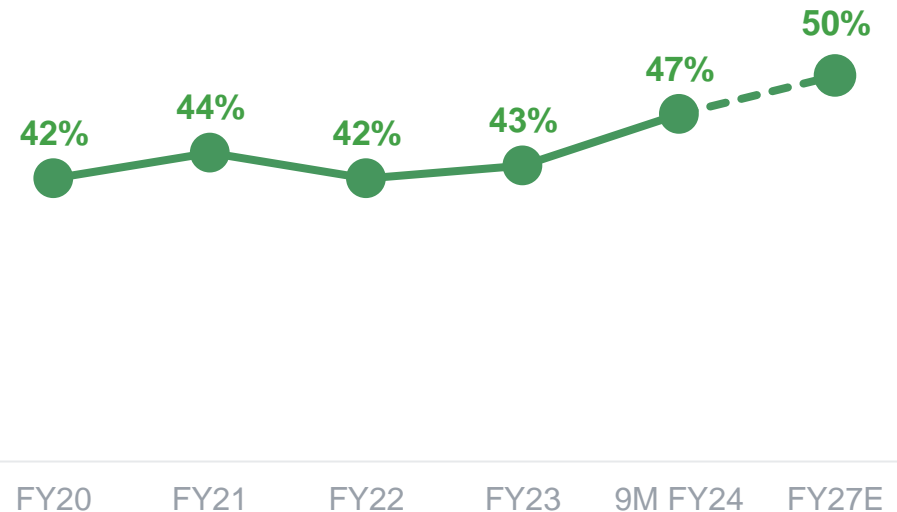
Plastic Granules



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.

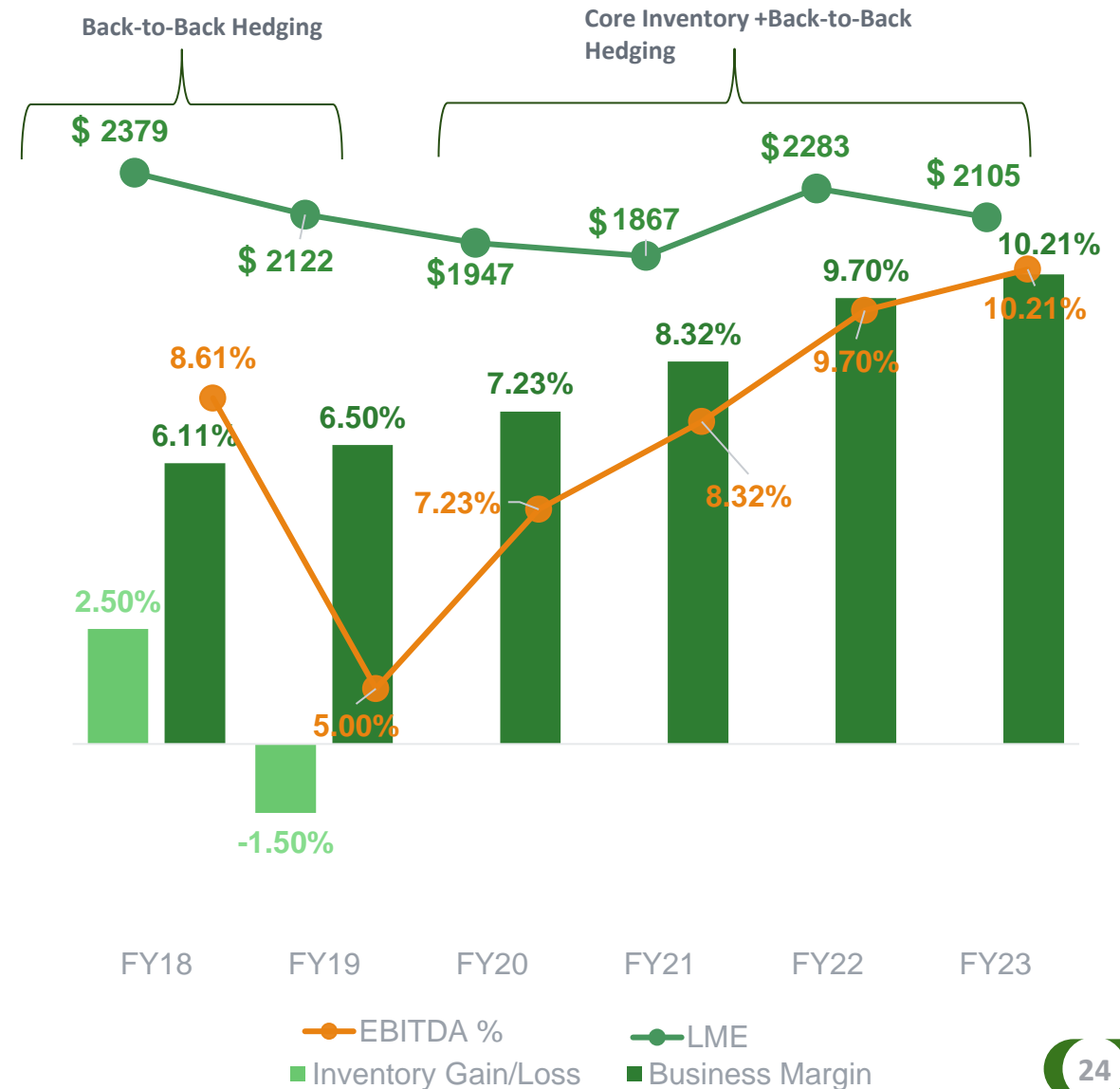
Value Added Products % in revenue



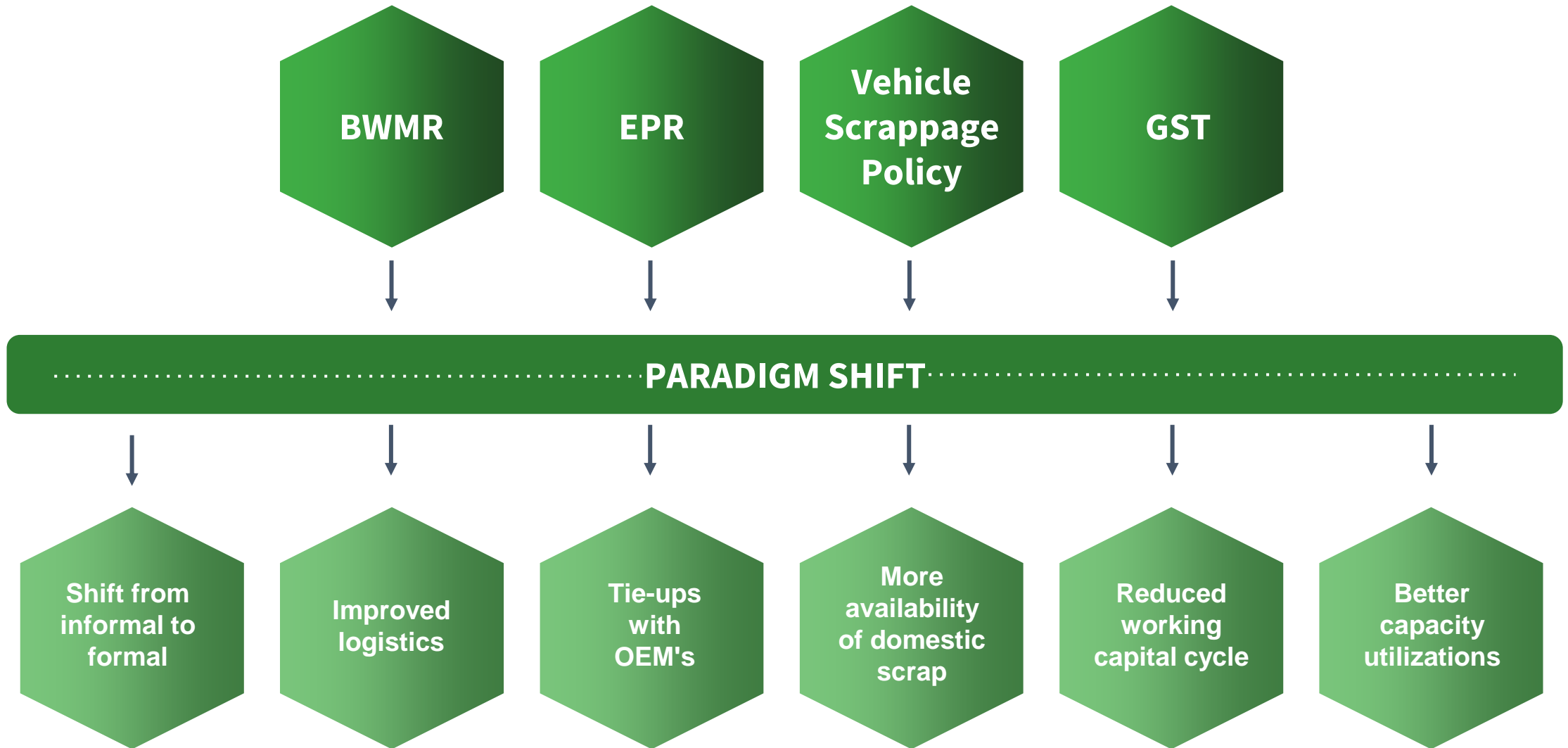


# Risk Mitigation by **BACK TO BACK HEDGING** mechanism

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



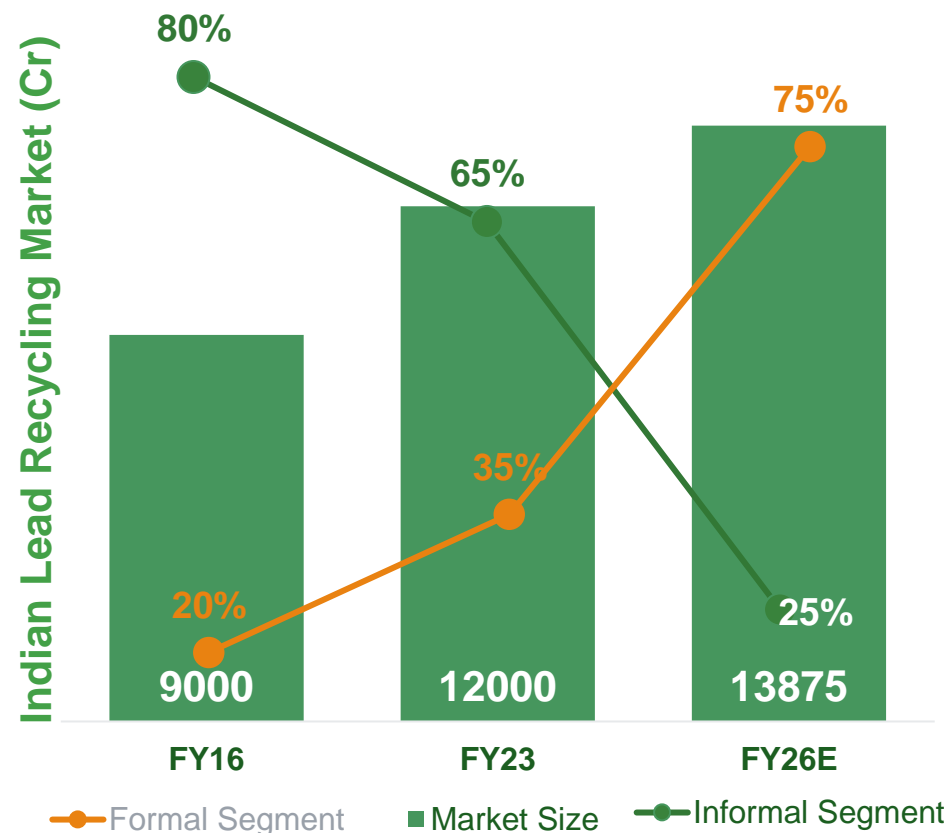
# Improving **MARKET DYNAMICS IN RECYCLING** - Paradigm Shift



# Shift from **INFORMAL TO FORMAL**

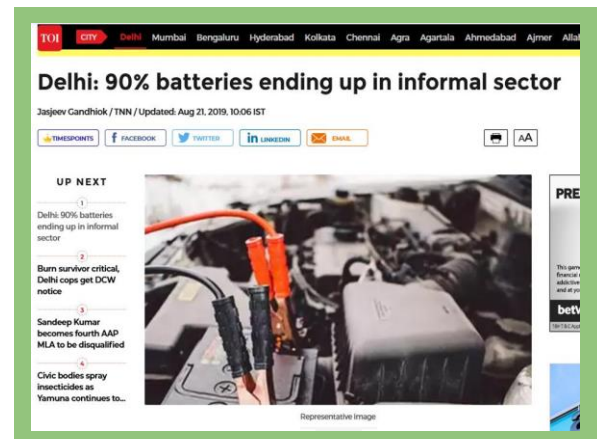
With redefining of Battery Waste Management Rules (BWMR) , Extended producers responsibility (EPR) and stricter implementation of GST, the scrap availability for formal recycling sector has increased and is further expected to grow.

## Informal Lead recycling trend in India



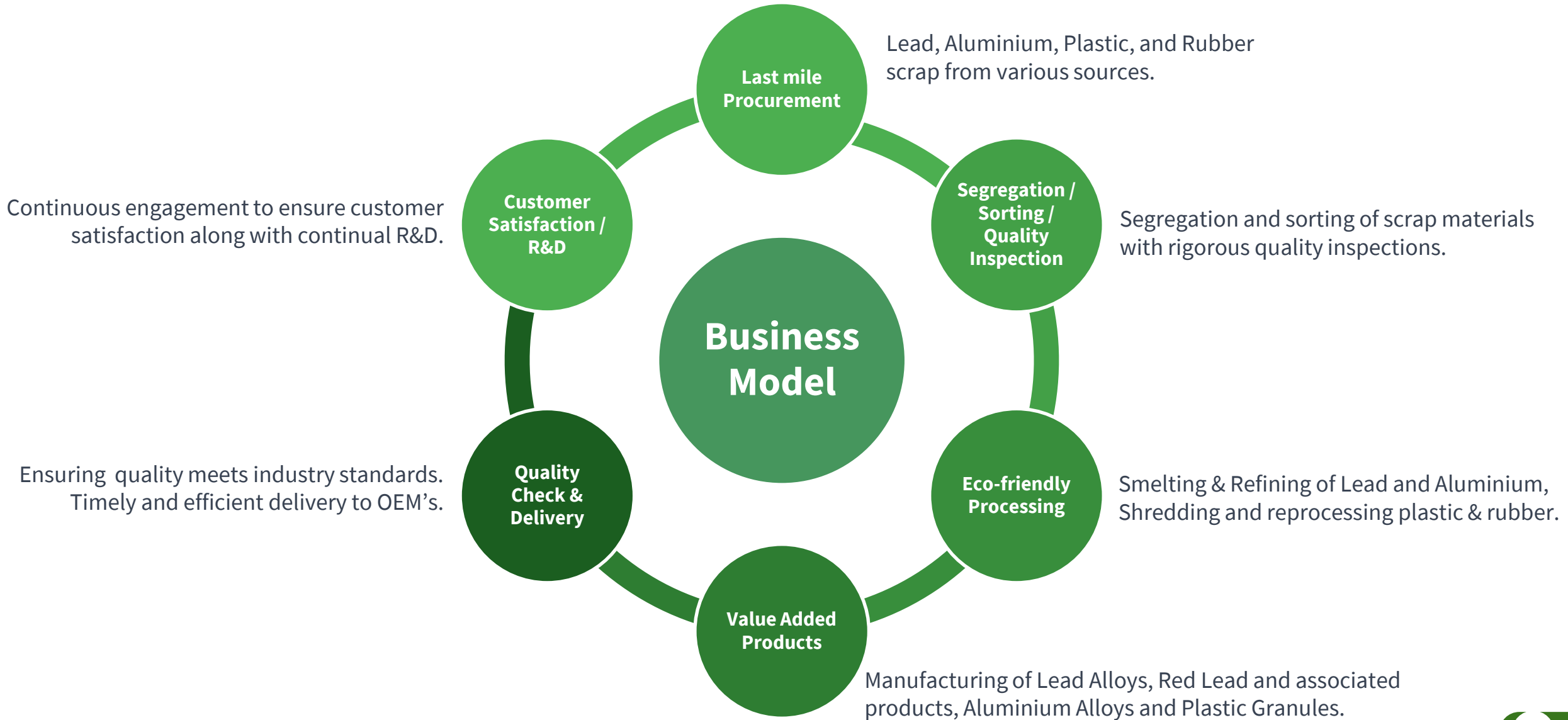
*Gravita having Pan India presence and association with OEM's will benefit the most from this shift*

\*Source - Management estimate





# Sustainable Circular **Business Model**



## Deriving Value from Waste through Modern Recycling and Recovery

**4**

Recycling  
Verticals

### Waste Recycling

- Lead - 113,156 MT recycled
- Aluminium - 9,419 MT recycled
- Plastics - 13,043 MT recycled

**11**

Recycling  
Plants

### Conserving Nature

- Low energy intensity of 3.4 GJ/MT of products (Approx 75% less from primary production)
- Low water intensity of 0.233 KL/MT of products

**2.05Lac+**  
MT Scrap  
Collection\*

### Alternate Energy Source - Solar

- 1.4 MW of solar capacity installed & expanding – generates 12% power for Phagi plant
- Plans underway to install solar at Mundra (India) and Ghana facility

**1.55Lac+**  
MT Products  
Delivered

**ISO  
14001:2015**  
Certified

### Clean Technology Initiatives

- 100% Zero Discharge plants
- Installed Sewerage & Effluent Treatment Plant and Neutralization system in factory premises for water treatment.

## Aiming to make Holistic & Meaningful Contributions to Society



Zero fatalities for FY23

Received Euro 34Mn Loan from development funds for Africa operations

100% Health insurance coverage for employees

60% of input sourced from sustainable means

Gurukul platform with 3000+ skill enhancement courses at free of cost

Best in class dormitories for workers working on site



## Weaving a Culture Rich in Ethics, Accountability and Transparency

- 50%**  
Independent Directors
- A+**  
Ratings by ICRA
- ILA\***  
Registered Plants
- MCX**  
Empaneled Brand
- ISO 9001:2015**  
Certified

### Board Composition

- 50% Independent Directors on board & 16% board diversity

### Zero Complaints

- Zero complaints of ethical breaches and non-compliance with statutory requirements across our plants.

### Achievements

- Recognized as a 4-star Export House by the Government of India.
- MCX empaneled brand for refined Lead.

### Executive Compensation Policy

- Compensation for Directors, KMP, and Senior Management are designed to strike balance between fixed and incentive-based components to drive business growth

### Detailed Disclosures

- Materiality Policy, Related Party Transactions, Certifications, and other material information are promptly disclosed in all public documents

\*ILA – International Lead Association, a global Lead trade association

**Thank You**

**SAVE THE PLANET**

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