


INVESTOR PRESENTATION

Oct 2023



 We Recycle to Save Environment

*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 has made a niche for itself over last 31 years and our strong performance year on year is a testament to our fully integrated business model which covers all the key aspects of recycling. Our strategic position as one of the few recyclers in the formal sector is supported by strong sectoral tailwinds like stricter government norms of BWMR & EPR. Our Pan India and global presence, integrated supply chain, operational excellence and strong risk management framework makes us a preferred partner of choice for OEMs across India and gives us confidence to meet our Vision 2027 of diversifying into new business verticals and achieve Revenue CAGR 25%+, Profitability growth 35%+ and ROCE 25%+.

Coming to Q2 & H1FY24 performance, I am happy to share that Gravita has performed exceptionally well. Volumes, Revenue, EBITDA and PAT for the quarter have increased by 14%, 22%, 23% and 30% resp. ROCE for H1FY24 stood strong at 26% and proportion of Value-added products increased to 48% in H1FY24 which is very close to our Vision 2027. I am confident that we will continue to deliver our best and 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

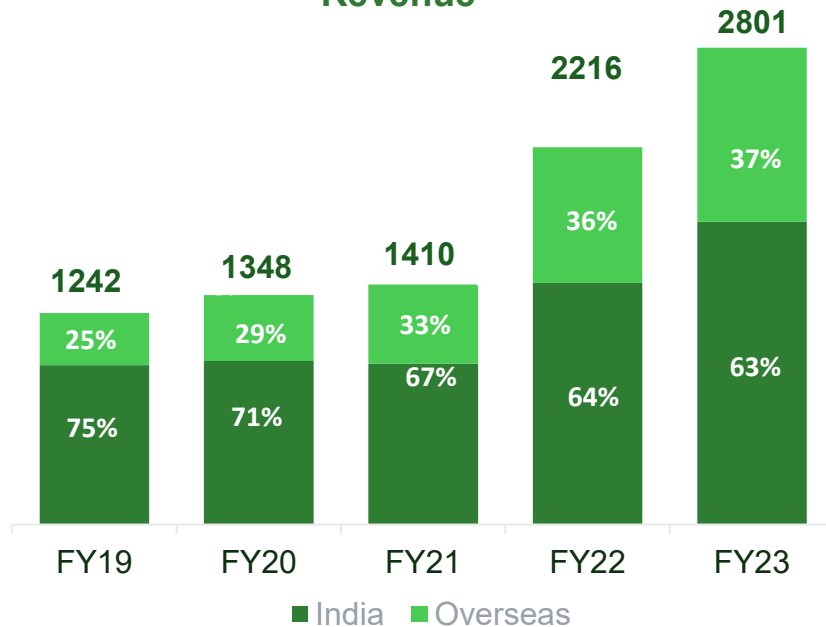
✓ **35 %**
PAT CAGR - 5 Yrs

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

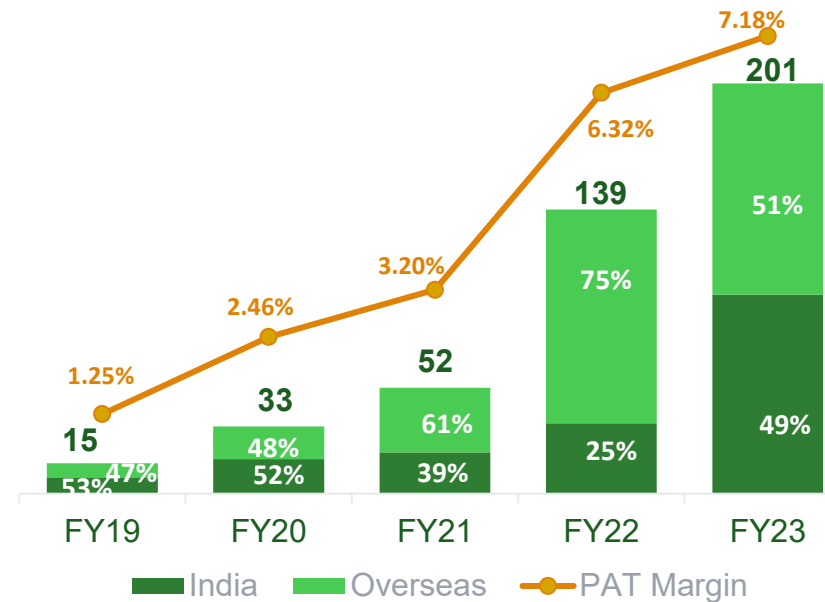
✓ **12 Years**
History of sustainable dividend payouts

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

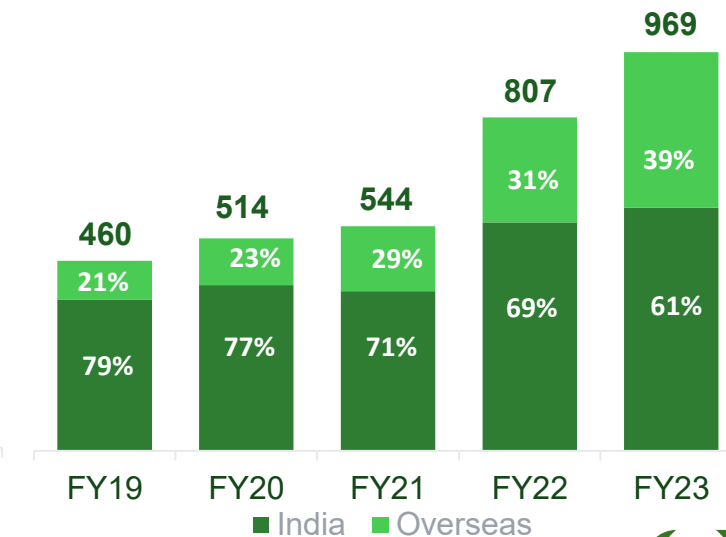
Revenue



PAT (Cr) and PAT Margin (%)

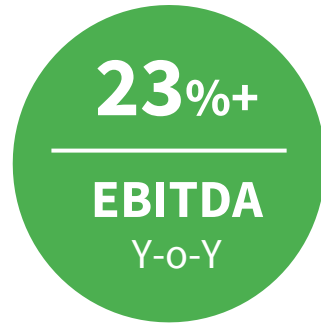
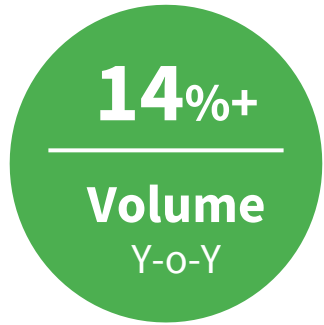


Capital Employed (Cr)

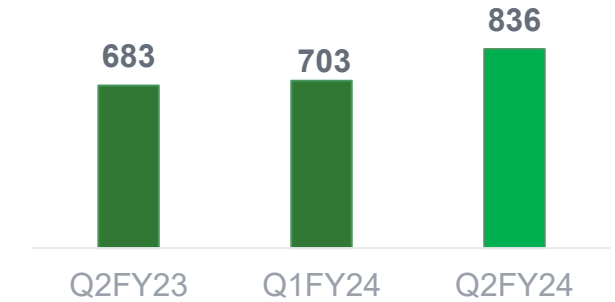


QUARTERLY HIGHLIGHTS - Q2 FY24

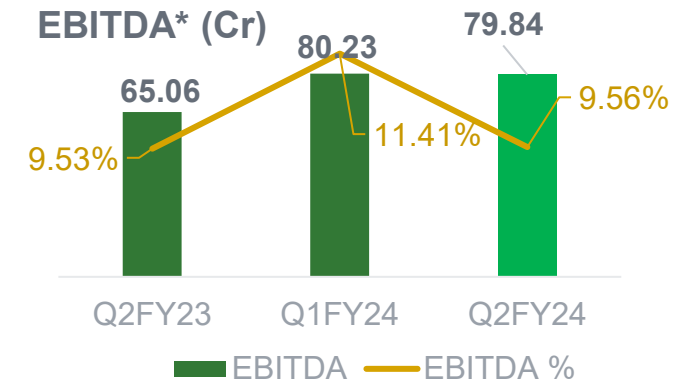
Riding Higher - **VISION 2027**



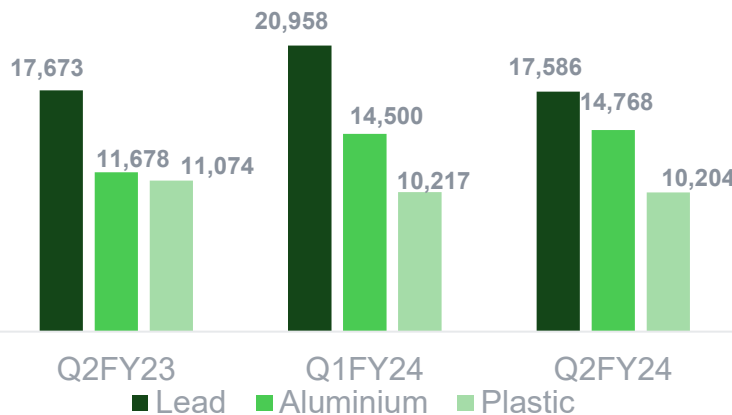
REVENUE (Cr)



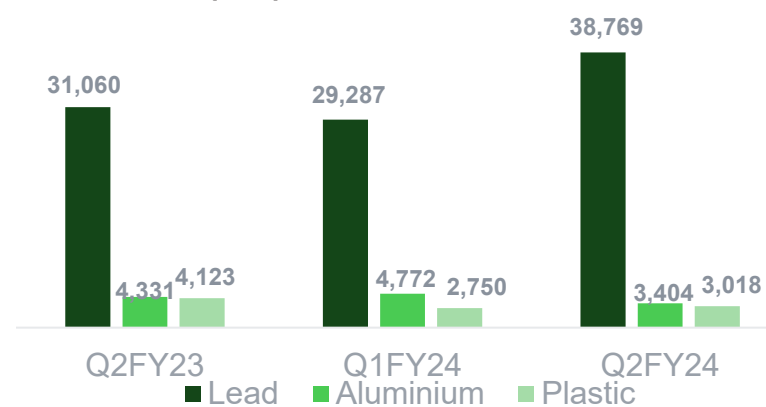
EBITDA* (Cr)



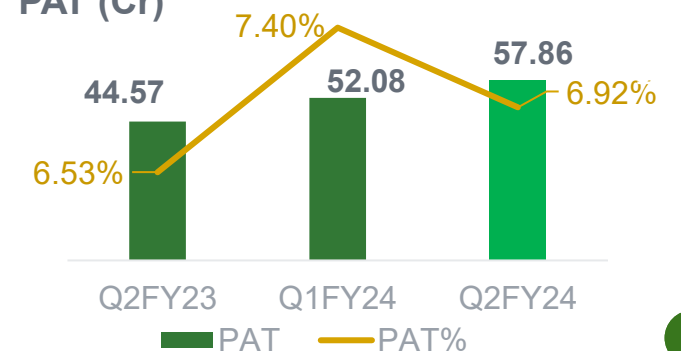
EBITDA per MT



VOLUME (MT)



PAT (Cr)



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

Project Updates

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

Senegal

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

VISION 2027

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


**25% +
Revenue CAGR**

**35% +
Profitability Growth**

**25%+
ROCE**

**50%+
Value added products**

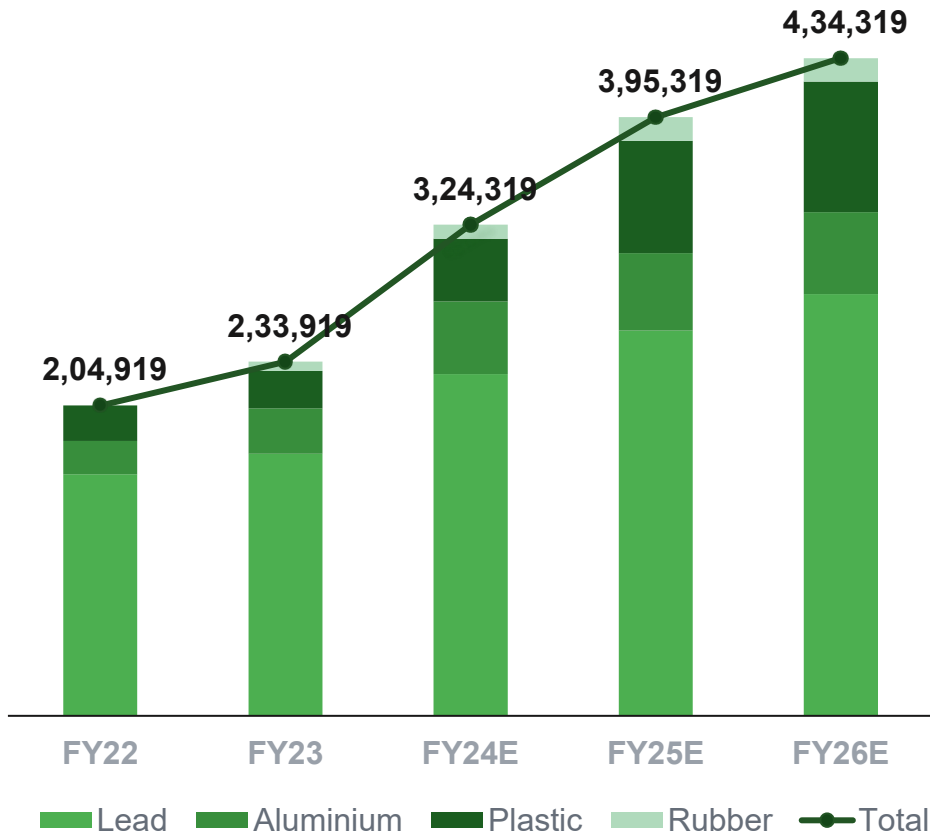
**25%+
Non-Lead business**

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

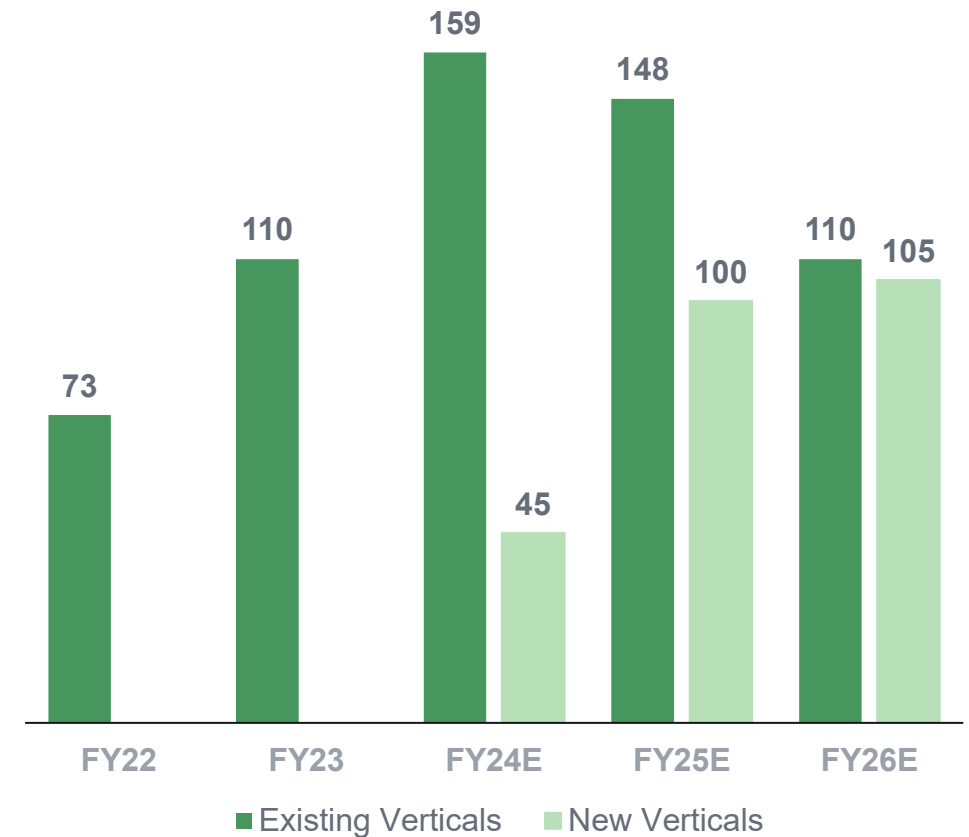
Our **Priorities**

Capacity Expansion & CAPEX over the Years

Capacity (MT)



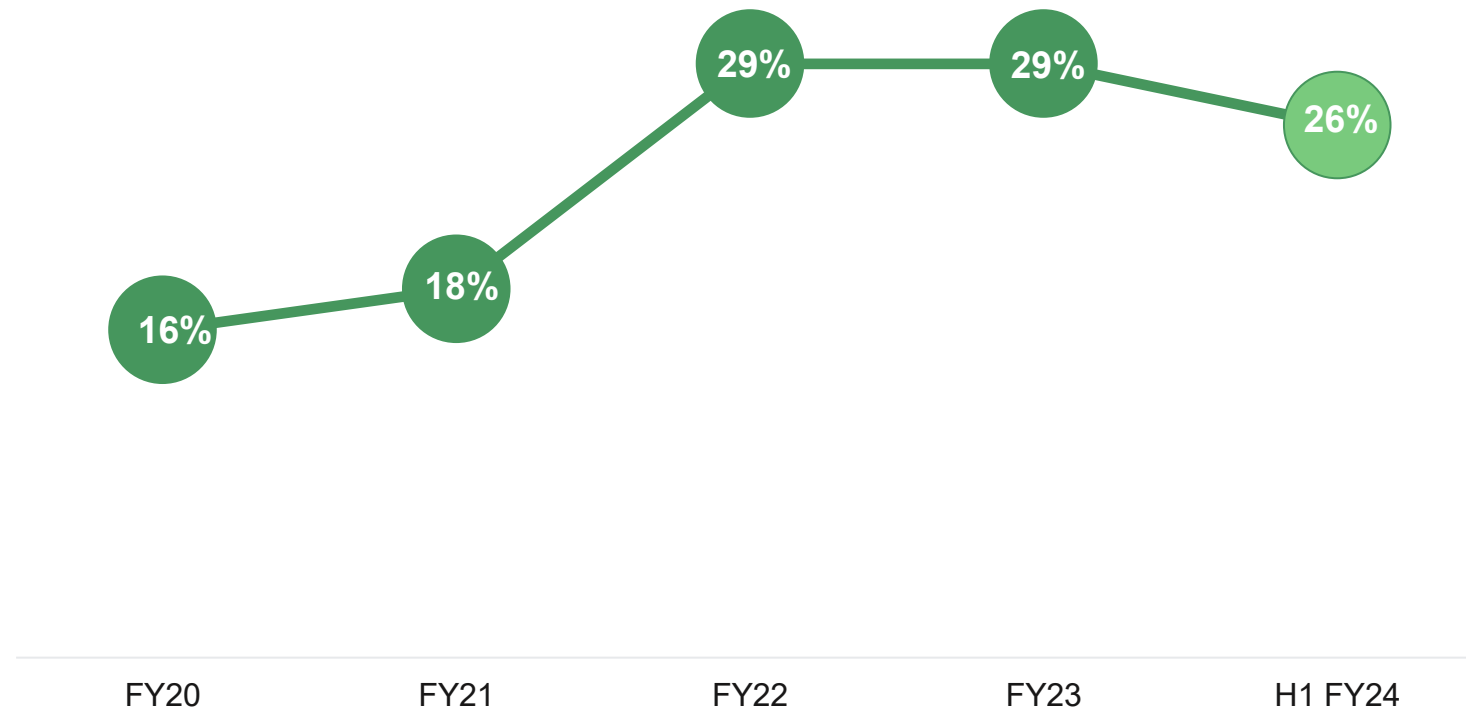
CAPEX (Rs Cr.)



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

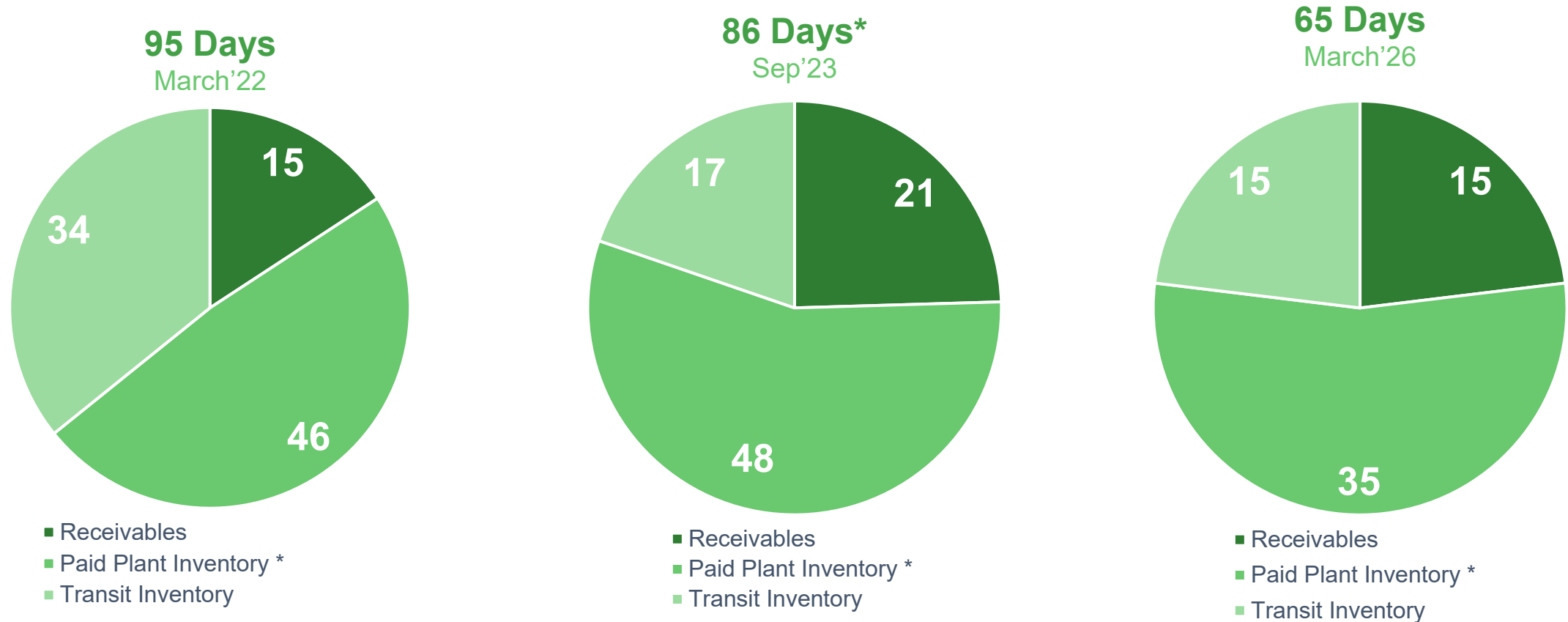
• **3 Years**
Maximum Payback period

• **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



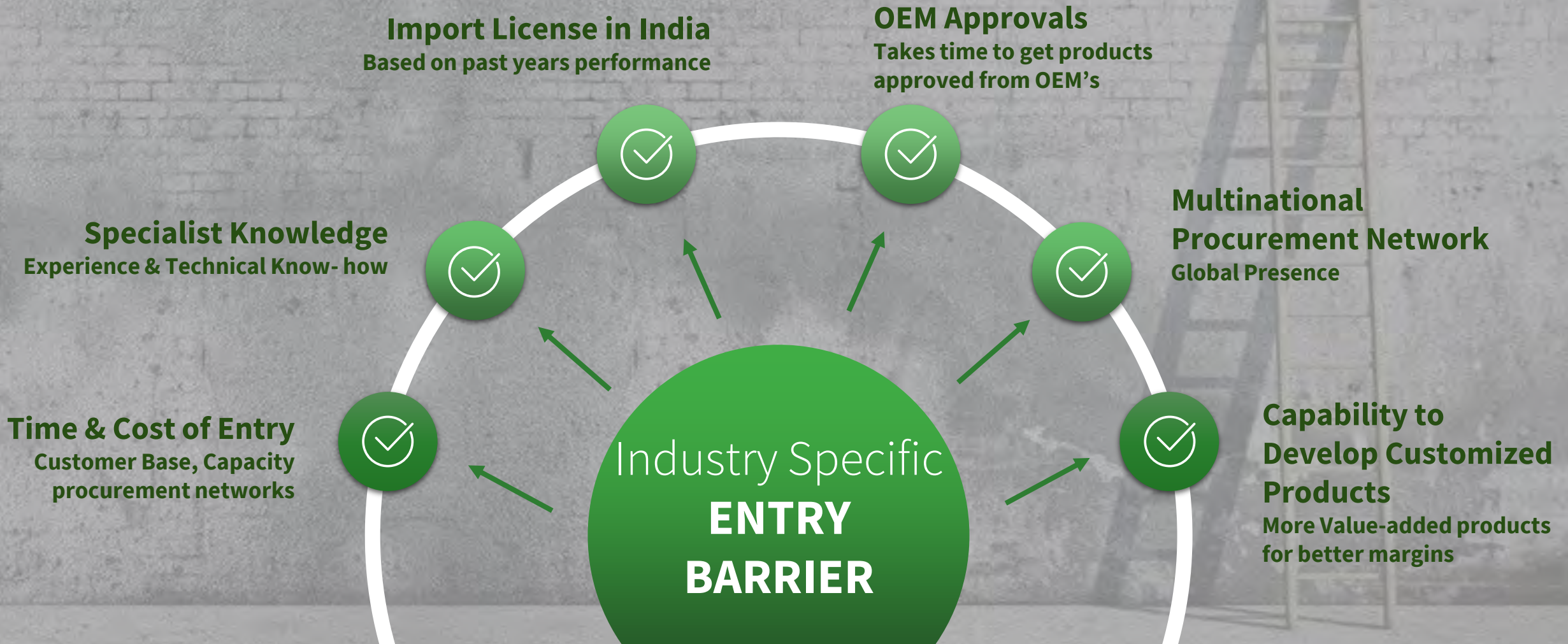
- Paid Inventory includes advance to vendors and net off Trade payables
- Based on Avg Core working capital

Leveraging existing **GRAVITA'S STRENGTHS**

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

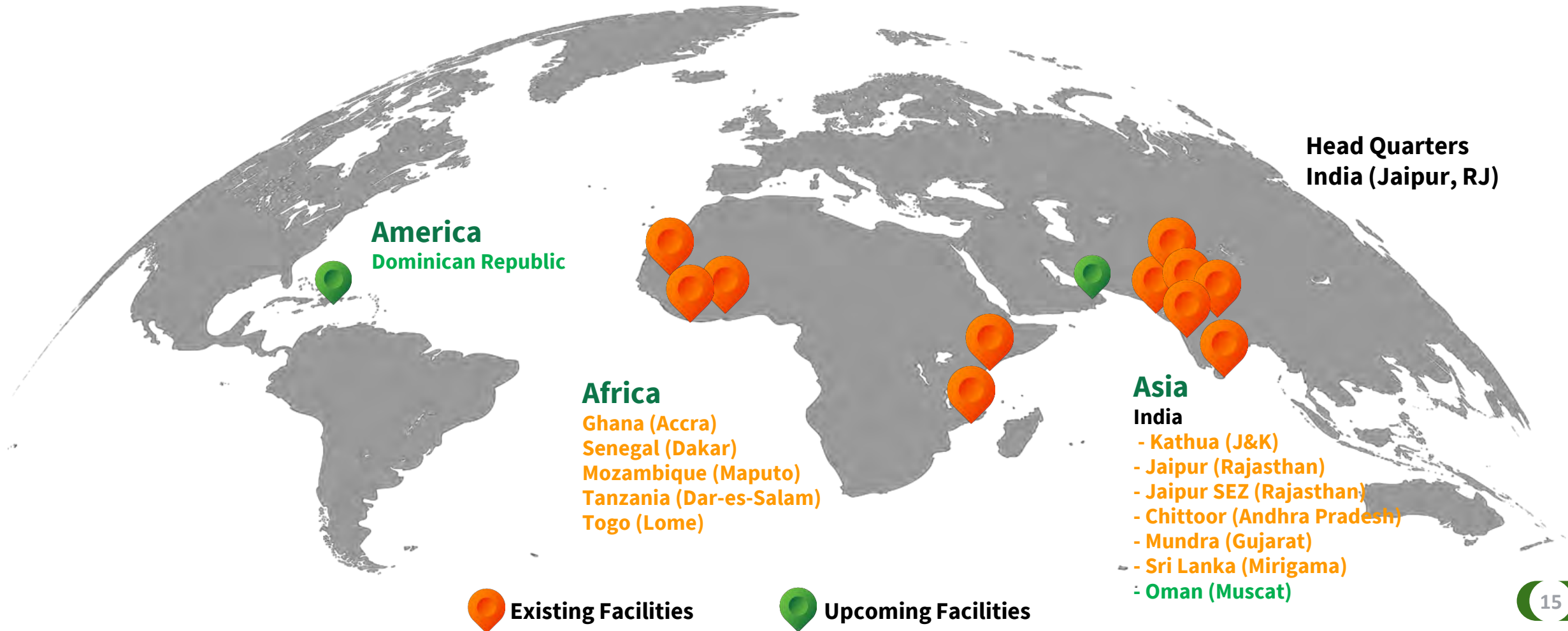


Barriers to Entry



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.

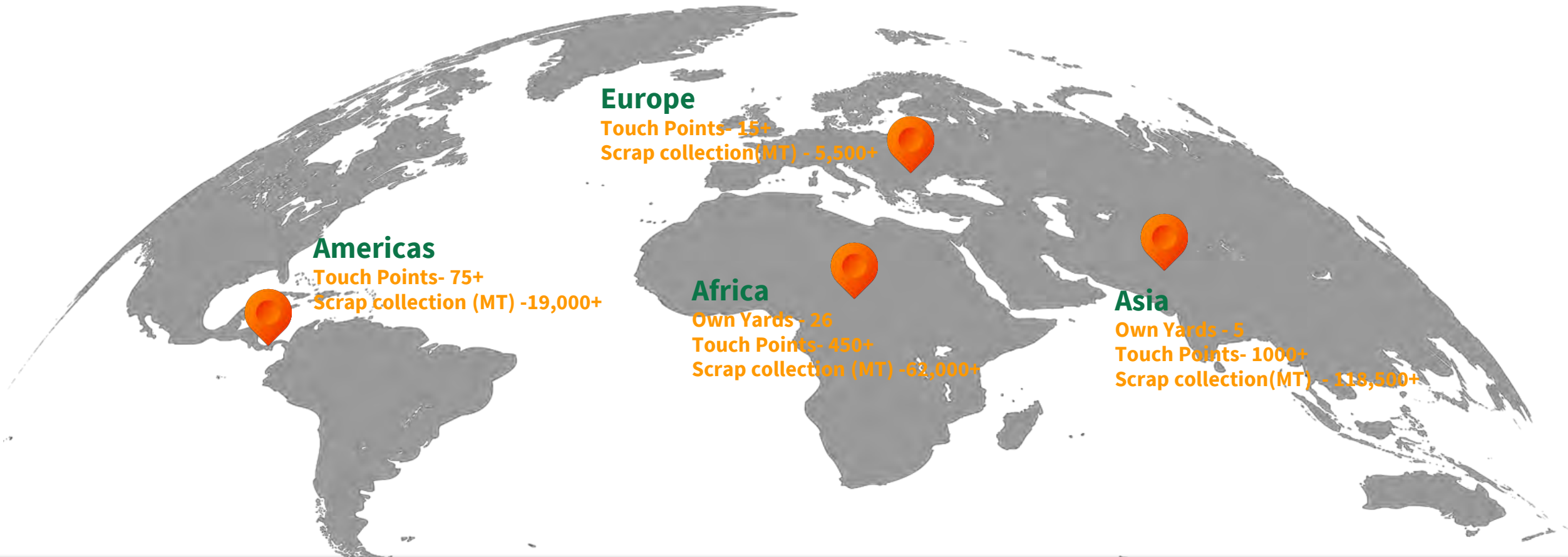


Deep Routed **PROCUREMENT NETWORK**

31
Own yards

1500+
Touch points

2,05,000 MT+
Scrap collection



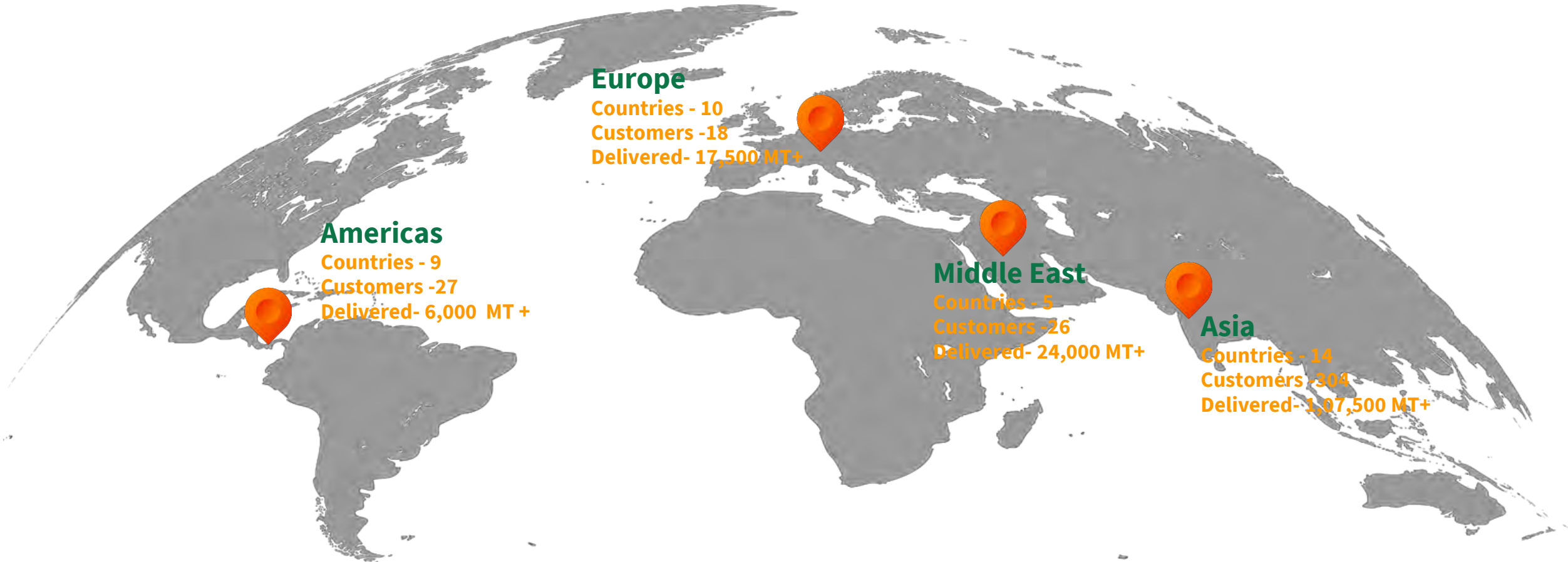
Deep presence in Asia , Africa , Middle East, Europe & America ensures raw material at competitive prices

Diversified **CUSTOMER NETWORK - GLOBAL**

38 +
Countries

375 +
Customers

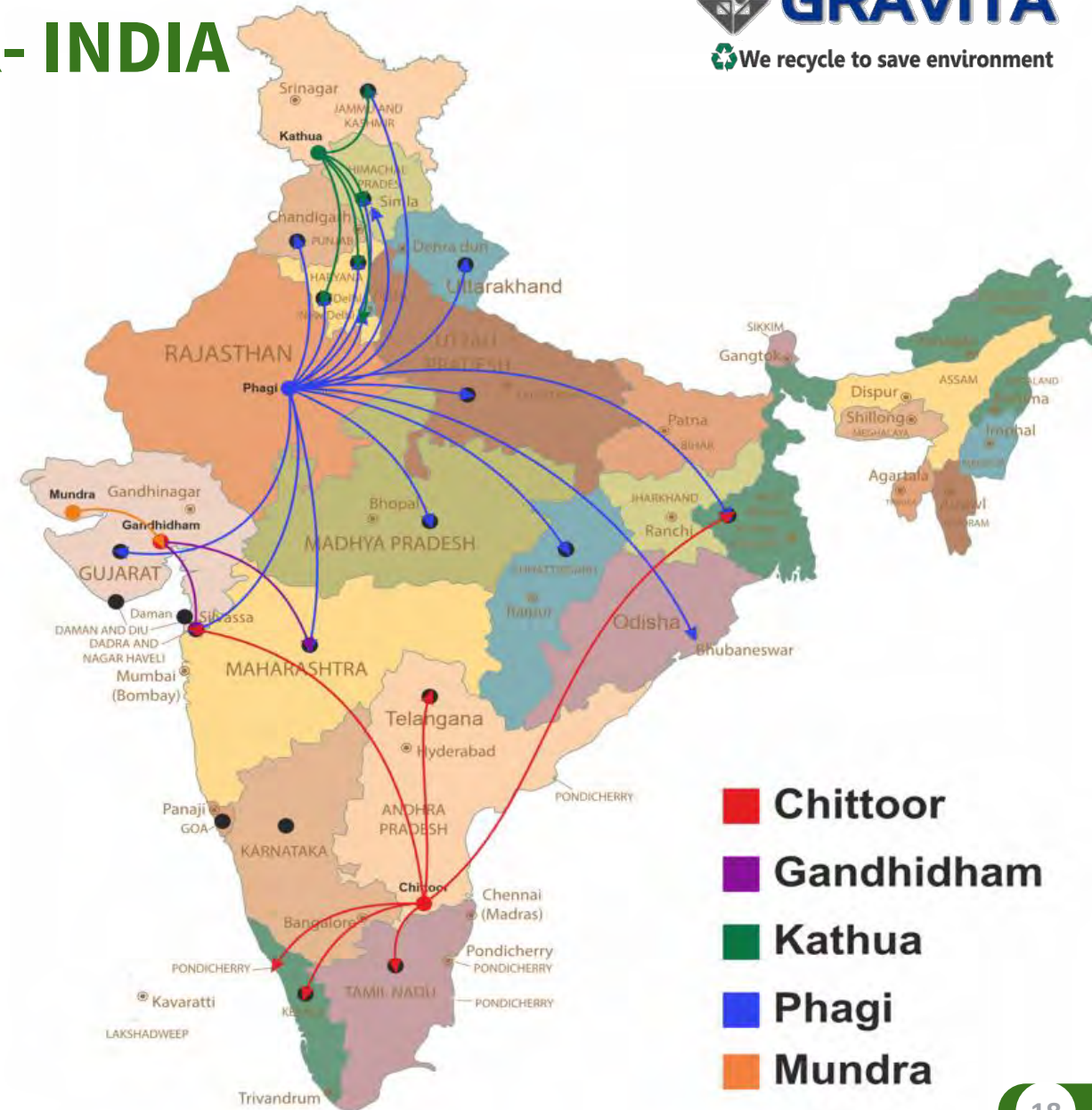
1,55,000 MT +
Recycled products delivered



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

48%
Customized &
Value added
products

2.84Lac+
MT Production
Capacity*

55%
Capacity
Utilization

29%
Overseas
Capacity*

2.05 Lac+
MT Scrap
Collection

ILA
India's only
Accredited
Plants

60000 MT+
Healthy
Orderbook

* As on 31st Oct 2023

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



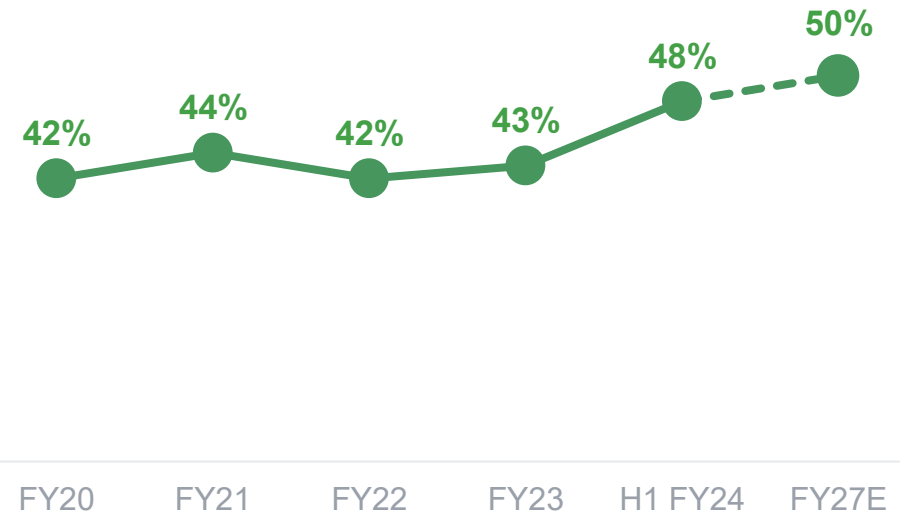
Plastic Granules



Pet Flakes - Food grade

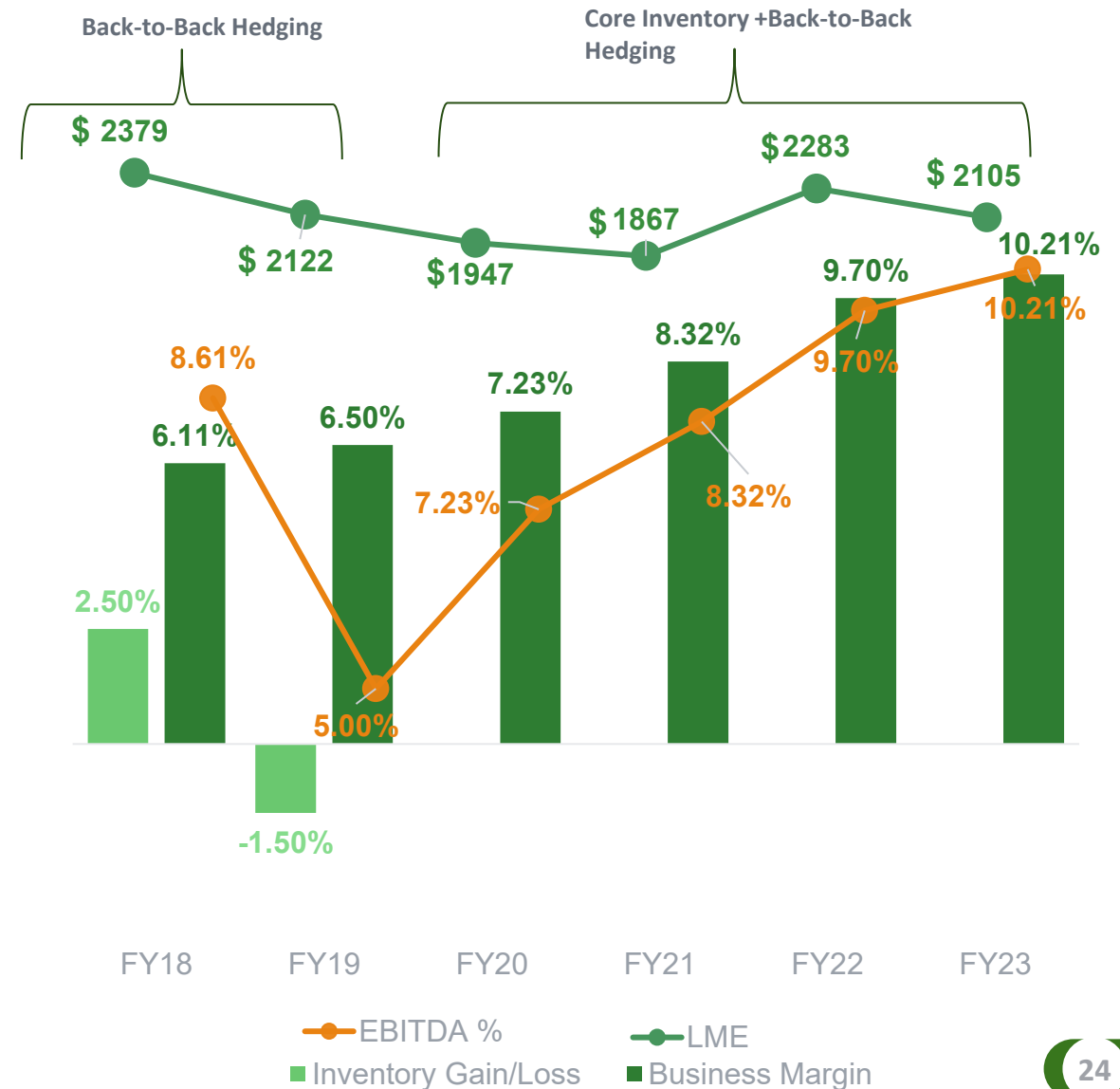
Our Capability to produce customized and value added products for diversified customer segments gives us better contributions and larger pie of customer's product mix.

Value Added Products % in revenue

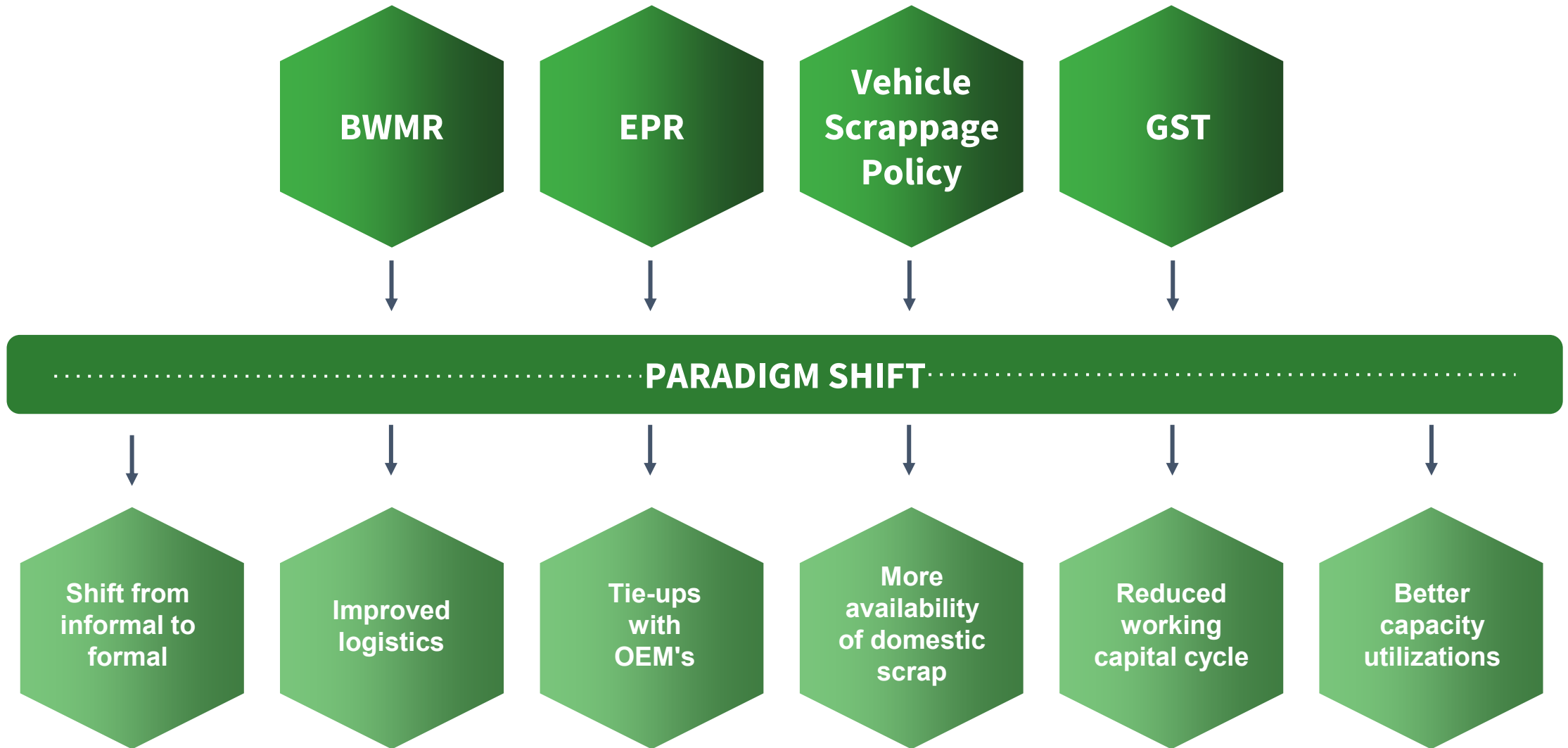


Risk Mitigation by **BACK TO BACK HEDGING** mechanism

- 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



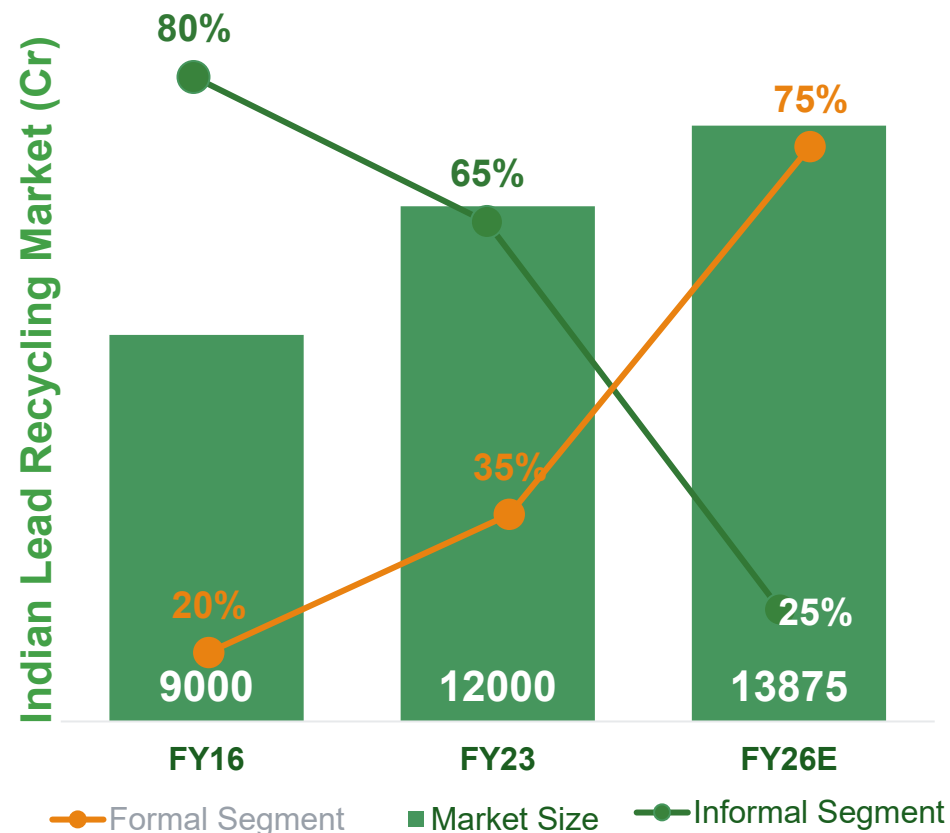
Improving **MARKET DYNAMICS IN RECYCLING** - Paradigm Shift



Shift from **INFORMAL TO FORMAL**

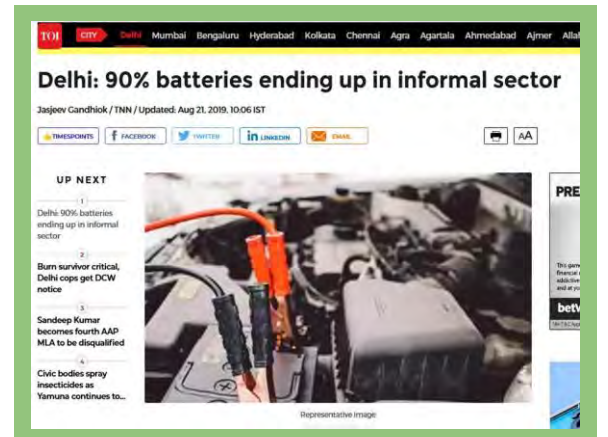
With redefining of Battery Waste Management Rules (BWMR) , Extended producers responsibility (EPR) and stricter implementation of GST, the scrap availability for formal recycling sector has increased and is further expected to grow.

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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