



GRAVITA

GRAVITA INDIA LTD.

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CIN : L29308RJ1992PLC006870

06th August, 2020

GIL/2020-21/023

To,

The BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400 001 Fax No.: 022-22722041 Scrip Code- 533282	The Listing Department The National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block G, Bandra- Kurla Complex Bandra (east) Mumbai- 400 051 Fax No.: 022-26598237/38 Company Code- GRAVITA
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Sub: Intimation under Regulation 30 of SEBI Listing Regulations, 2015.

Dear Sir/Madam,

In Compliance of Regulation 30 of Schedule III of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we submit herewith the Investor Presentation on the Un-Audited Financial Results for the Quarter ended 30th June, 2020.

Kindly take the above on your records and oblige.

Yours Faithfully

For Gravita India Limited


Sunil Kansal
Chief Financial Officer

Encl.: As Above



EARNINGS PRESENTATION

Q1-FY21



RECYCLING
FOR A BETTER
TOMORROW



Executive Summary

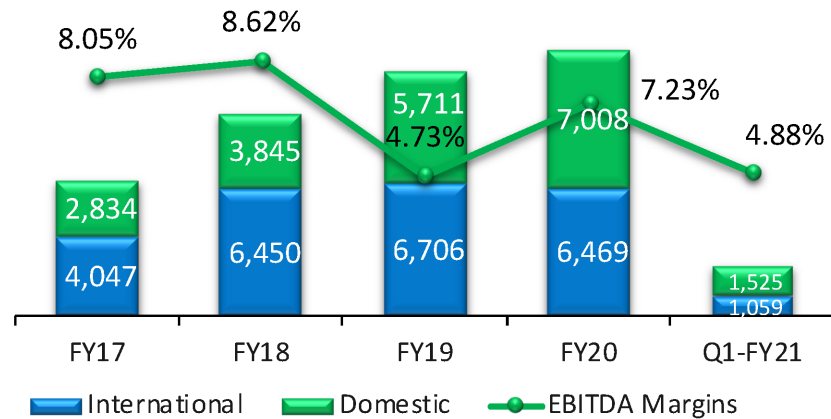
- Incorporated in 1992, Gravita India Ltd. (Gravita) is engaged in recycling of Used Lead Acid Batteries, Cable Scrap / other Lead Scrap, Aluminum Scrap and Plastic Scrap etc.
- Gravita has 13 strategically located recycling facilities in Asia, Africa and Central America with a capacity of 121,819 MTPA for Lead, 19,200 MTPA for Aluminium and 26,400 MTPA for Plastic as on Q1-FY21.
- Gravita has a unique deep routed global scrap collection network which helps it to collect scrap globally at competitive prices.
- The recycled products such as Pure Lead, Lead Alloys, Lead Powder, Oxides, Aluminium Alloys, PP Granules, PET Flakes are sold to domestic and international customers.
- Gravita is a public listed recycling company with Market Capitalization of around INR 2,900 Mn as on 30th June, 2020.



COMPANY OVERVIEW



Company Overview



- Gravita India Ltd. (Gravita) is a leading global non-ferrous secondary metal and one of India's largest secondary Lead metal producing company.
- A vertically integrated business, economies of scale and a diversified team of professionals enable it to deliver quality products globally and catering to automobile, power storage and green energy sectors.
- Gravita also provides turn-key Solutions to Battery Recycling Industry including Lead Rotary Furnace, Lead Refining Pots, Alloying Furnace, Pollution and Fugitive Emission Control Equipment, Battery Cutting Machine, Battery Crushing & Hydro separation System etc.



The company has a unique deep routed scrap collection network globally which helps it to collect scrap at competitive prices .



Gravita has 13 state-of-the-art recycling facility in Asia (7), Africa (4) and Central America (2), which are near to scrap generation centers and end use markets.



It provides diversified product range for variety of applications and trusted by customers in over 60 countries, globally. Above 54% revenue flows from overseas market.

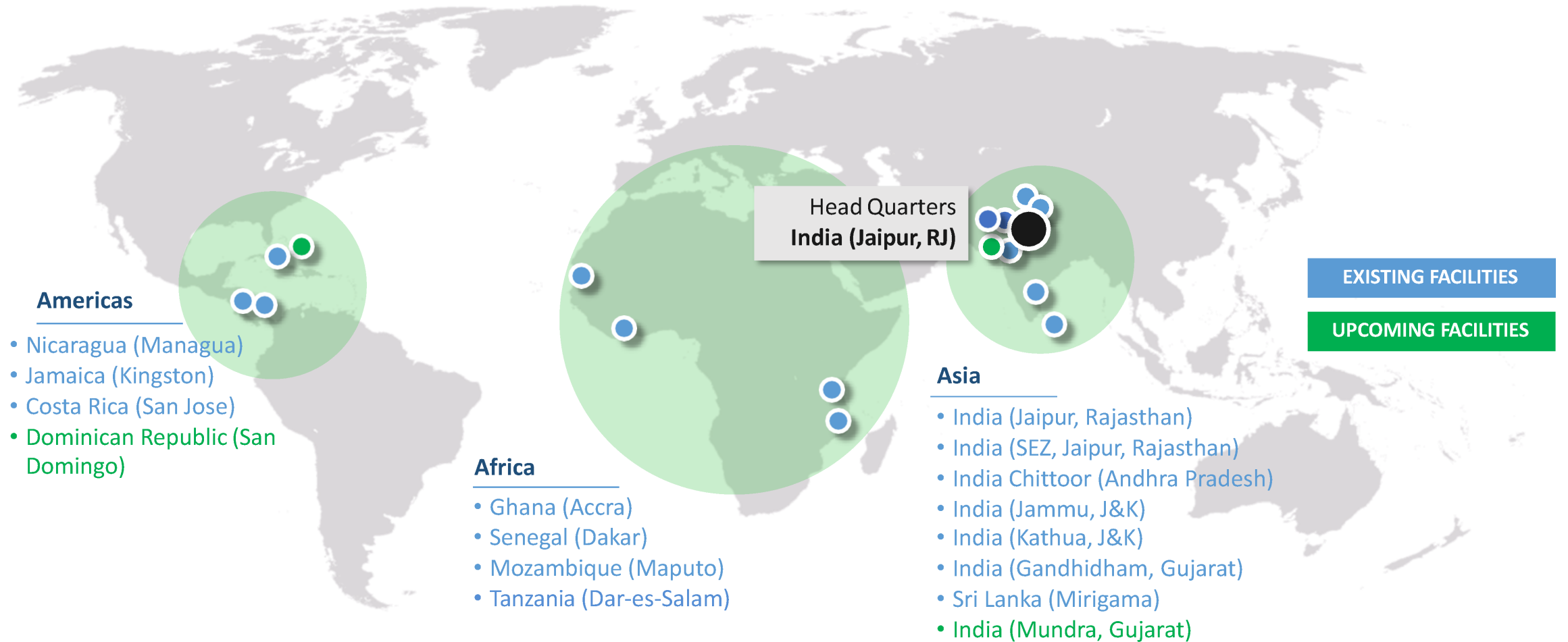


Gravita's consolidated revenue from operations grew from INR 6,881 Mn in FY17 to INR 13,478 Mn in FY20, resembling a CAGR of 25% .



Gravita practices highest level of Corporate Governance as a key driver of sustainable corporate growth and long-term stakeholder value creation.

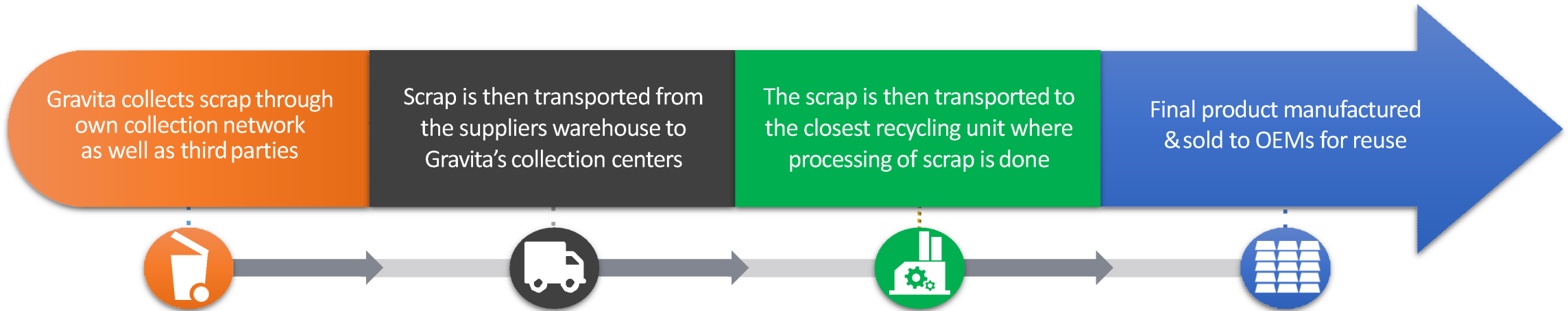
Geographical Presence



Scrap Collection

OVERVIEW

- ❖ The main raw materials used for production includes Used Lead Acid Batteries (ULAB), Other Lead Scrap, Aluminium Scrap and Plastic Scrap.
- ❖ The company collects scrap from more than 20 countries including own scrap collection centers in more than 10 countries.
- ❖ These raw materials are mainly sourced from Asia, Middle East, Africa and Central America etc. at competitive prices.
- ❖ Gravita collects domestic scrap from various large corporate clients in India such as Airtel, Vodafone, Indus Tower, TCS, Nxtra Data, Sukam etc.
- ❖ Gravita has entered into back to back buying of scrap from battery recycling companies like Amara Raja Batteries and HBL Power Systems and selling of recycled goods to them.
- ❖ In FY20, company collected 80% of the scrap from the International market and 20% from Indian market.





Q1-FY21

FINANCIALS HIGHLIGHTS

Q1-FY21 Financial Highlights

❑ Q1-FY21 Financial Highlights (Consolidated)

- **Operational Revenue** : INR 2,584 Mn
- **EBITDA** : INR 126 Mn
- **EBITDA Margin** : 4.88%
- **Net Profit** : INR 39 Mn
- **PAT Margin** : 1.51%
- **Diluted EPS** : INR 0.57

❑ Q1-FY21 Financial Highlights (Standalone)

- **Operational Revenue** : INR 2,205 Mn
- **EBITDA** : INR 53 Mn
- **EBITDA Margin** : 2.40%
- **Net Profit** : INR 20 Mn
- **PAT Margin** : 0.91%
- **Diluted EPS** : INR 0.29

Operational Highlights

- The overall production during the quarter increased by ~2% YoY, with an increase in sales volume of Lead products by ~7% YoY, driven by increase in sales volumes from overseas manufacturing facilities, where the company also enjoys better margins coupled with lower working capital cycle.
- The Exchange Gain of Rs 3.34 Cr is accounted in Other Income due to notional accounting of the transactions which takes place in foreign currency. The difference of exchange rate applied at the time of goods movement and currency movements are accounted as Other Income, which are actually a part of COGS/Sales realization and consequently part of our operational income/EBITDA. Similarly, The gain on commodity forward contracts of Rs 1.84 Cr is an integral part of our hedging mechanism for the goods bought and sold, to ensure and compensate the fluctuation in the metal prices. Being compensation of the operational transaction it is also part of our operational income/EBITDA. Considering the above, the effective EBITDA of the company for Q1 FY21 should be Rs 17.84 Cr, representing an EBITDA Margin of 6.90% as against Rs 14.94 Cr for corresponding quarter of previous year, representing an EBITDA margin of 5.65%.

Sales Quantity in Q1-FY21:

- Lead – 16,221 MT
- Aluminum – 973 MT
- Plastic – 2,493 MT

Road Ahead

The company has plans to focus on optimizing its overseas manufacturing facilities along with improving its scrap collection network in India to help improve its profitability by reducing logistic costs of importing the scrap in India and also reducing working capital cycle. Additionally the company continues to focus on improving product and market mix to get better margins.

Q1-FY21 Standalone Income Statement (IND-AS)

Particulars (INR Mn)	Q1-FY21	Q4-FY20	Q-o-Q	Q1-FY20	Y-o-Y
Operational Income	2,205	3,319	(33.6)%	2,312	(4.6)%
Total Expenses	2,152	3,196	(32.7)%	2,184	(1.5)%
EBITDA	53	123	(56.9)%	128	(58.6)%
<i>EBITDA Margin (%)</i>	<i>2.40%</i>	<i>3.71%</i>	<i>(131) Bps</i>	<i>5.54%</i>	<i>(314) Bps</i>
Depreciation	21	21	NA	21	NA
Finance Cost	64	60	6.7%	55	16.4%
Other Income	55	12	NA	6	NA
Exceptional Items	-	38	NA	-	NA
PBT	23	16	43.8%	58	(60.3)%
Tax	3	(35)	NA	17	(82.4)%
Profit After Tax	20	51	(60.8)%	41	(51.2)%
<i>PAT Margin (%)</i>	<i>0.91%</i>	<i>1.54%</i>	<i>(63) Bps</i>	<i>1.77%</i>	<i>(86) Bps</i>
Other Comprehensive Income	5	(5)	NA	2	NA
Total Comprehensive Income	25	46	(45.7)%	43	(41.9)%
Diluted EPS (INR)	0.29	0.73	(60.3)%	0.59	(50.8)%

Q1-FY21 Consolidated Income Statement (IND-AS)

Particulars (INR Mn)	Q1-FY21	Q4-FY20	Q-o-Q	Q1-FY20	Y-o-Y
Operational Income	2,584	3,793	(31.9)%	2,644	(2.3)%
Total Expenses	2,458	3,504	(29.9)%	2,495	(1.5)%
EBITDA	126	289	(56.4)%	149	(15.4)%
EBITDA Margin (%)	4.88%	7.62%	(274) Bps	5.64%	(76) Bps
Depreciation	51	45	13.3%	41	24.4%
Finance Cost	72	68	5.9%	63	14.3%
Other Income	58	(1)	NA	6	NA
Exceptional Item	-	(52)	NA	-	NA
PBT	61	123	(50.4)%	51	19.6%
Tax	22	(12)	NA	26	(15.4)%
Profit After Tax	39	135	(71.1)%	25	56.0%
PAT Margin (%)	1.51%	3.56%	(205) Bps	0.95%	56 Bps
Other Comprehensive Income	(2)	7	NA	2	NA
Total Comprehensive Income	37	142	(73.9)%	27	37.0%
Diluted EPS (INR)	0.57	1.83	(68.9)%	0.28	NA