

**Grauer & Weil (India) Limited.**

COMPANY SNAPSHOT					
CMP	Initiation Price	Target	Potential Upside	Recommendation	MCap (Rsbn)
Rs65	Rs45	Rs80	23%	BUY	Rs14.74

**About the Company:**

Grauer & Weil India Ltd (GWIL) is an established player in the electroplating industry which is related to the field of surface treatment technology, specialised chemicals, engineering plants etc. GWIL is the only company in India and one among the few in the world that offers complete corrosion protection solutions on all types of substrates across various industrial segments. The company is chaired by Mr. Umeshkumar More and family, with an experience of nearly 6 decades have managed to build a modern conglomerate in Indian electroplating market and allied products & services. The company has a centralised R&D centre in Mumbai which is recognised by the Indian Council of Science and Technology. The company has nearly 40 QA laboratories at (24) branch offices and (28) technical service centres which function continuously to monitor and support Indian as well as oversea customers. The company has seven manufacturing plants. The products offered by the company are reputed and match International quality standards.

**Results Declared:**

- Net sales for the quarter stood at Rs1,119mn as against Rs1,022mn in the same quarter last year, growth of 9.5%
- Due to better operational efficiencies, the Ebitda margins for the quarter under review came in at 26.28% as against 24.66% in the comparative quarter last year.
- The net profit stood at Rs221mn as compared to Rs165mn in the corresponding quarter last year.
- The EPS for the quarter stands at Rs0.97 as compared to Rs0.73 in the corresponding period last year.

**Financials (Standalone):**

Result Update (Q2FY2018)									
Q2FY18 Result (Rs mn)	Sep-17	Sep-16	y-o-y	June-17	q-o-q	FY16	FY17	y-o-y	FY18E
Total Income	1119	1022	9.5%	1062	5.4%	4229	4419	4.5%	4437
EBITDA	294	252	16.7%	207	42.4%	753	869	15.4%	887
Other Income	22	6	-	20	10.0%	51	28	(45.0%)	28
Interest	4	3	33.3%	4	0.0%	88	60	(32.4%)	49
Depreciation	38	34	11.8%	36	5.6%	142	139	(2.0%)	140
Tax	53	56	(5.4%)	59	(10.2%)	135	186	37.6%	196
Net Profit	221	165	34.0%	128	73.4%	439	512	16.7%	531

**Outlook and Recommendations:**

GWIL is geared up to maintain its leadership position in the market in the entire value chain of surface finishing goods. There will be slow, gradual but consistent growth in the company. We maintain a BUY on the stock with a revised target price of Rs80 (earlier Rs65) from a 12 months perspective.

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