

Opportune

Exclusively curated opportunities to re-enter fundamentally strong companies at attractive valuations!

BUY – GSPL (GUJS)

CMP: **Rs- 243** (Upside Potential: 44%) as on 18th Nov 2022

Fair Value (FV): **Rs-350** | Time Period: **12 months**

Why Invest?

- GSPL's Q2FY23 EBITDA was ahead of our estimates.
- Realized tariff of Rs44/mmbtu (+9% qoq, 14% higher than our estimate).
- Adj. for 54% stake in GGAS, GSPL's core business is at negative Rs75/-.
- In our view, this high discount is excessive and GSPL stock is mispriced.
- GSPL has paid all debt taken for acquiring Gujarat Gas stake.
- We compute fair value of GSPL at Rs350 based on SoTP valuation.
- Tariff review key overhang, may take 9-12 months; assume 30% cut from H2FY24E.

GGAS: Gujarat Gas. SOTP: Sum-of-the-parts. EBITDA: Earnings before interest, taxes, depreciation, and amortization. mmbtu: Metric Million British Thermal Unit.

Upgrade to BUY with **FV Rs-350**

Read Full Report

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