



# Pick of the week

## GHCL

Recommendation: **ADD**

Date: **5<sup>th</sup> September 2022**

Current Price: ₹**613**

Time Period: **12 Months**

Potential Upside: **16.6%**

Target Price: ₹**715**

### Why Invest

- Q1FY23 operating performance (EBITDA) was above our estimates.
- Soda ash performance was supported by strong realization, grew ~80% YoY to Rs33,043/tonne.
- As per GHCL, global soda ash market likely to grow 2% CAGR in the medium term.
- Given the tightness in soda ash market, performance likely to sustain in the near term.
- Value added products & firm yarn prices continued to support spinning segment.
- We expect GHCL to report EPS of Rs112.9 & 89.4 for FY23E & FY24, respectively.

Note: The above is a brief note on the company, based on the inputs of Kotak Securities PCG research report dated 1st August 2022, which is available on our website at:

<https://www.kotaksecurities.com/ksweb/ResearchCall/Fundamental>.

Disclaimer: <http://bit.ly/2n5AxIE>

<https://www.kotaksecurities.com/ksweb/research/kotak-research-reports/top-weekly-picks>