kotak Securities

Dated: 6th November 2025

Gateway Distriparks (GRLF)-BUY

Q2FY26 Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs.63	**Rs.82**

Rationale:

- GRFL reported a 3%/6% miss on weakness in CFS volumes, rail profitability and the cold chain transportation business.
- One-off costs in the CFS business added to the miss.
- GRFL maintained/improved rail market share in key markets while improving the double-stacking quotient.
- GRFL otherwise trades at a reasonable ~11.7X on one-year forward EV/FCF basis. Retain BUY.
- The effect of increasing pendency at key ports and of DFC commissioning by JNPT until March 2026 are key triggers, improving GRFL’s volume growth trajectory.
- We expect earnings to grow by 11.3% in FY27E & grow by 10.1% in FY28E.
- Stock is currently trading at valuation of 10.4x P/E FY28E EPS.

Positives:

- GRFL reported 6%/6%/1% yoy growth in rail + CFS volumes/revenues/EBITDA.
- Maintains/improves share and double-stacking, sights positive externalities/

Negatives:

- Snowman Logistics reported a sharp qoq moderation in profitability for its transportation and warehousing businesses, adding to the EBITDA miss.
- The key disappointment was the weakness in rail EBITDA/TWU at Rs9,300 (from Rs9,800 yoy).

Holding Period: 12 months

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
SUBSCRIBE	–	We advise investor to subscribe to the IPO.
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NA	–	**Not Available or Not Applicable.** The information is not available for display or is not applicable
NM	–	**Not Meaningful.** The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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