

Gujarat Pipavav Port (GPPL) - REDUCE

Q2FY26 Result Update

Current Market Price (CMP) Rs.172	Fair Value (FV) Rs.167
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Rationale:

- GPPV reported a sharp 20% beat in revenue/EBITDA.
- Performance was driven entirely by sharp uptick in bulk volumes (urea imports).
- Container volumes remain subdued, impacted by US exposure and keen competitive intensity.
- The concession renewal process with Gujarat Maritime Board is progressing well.
- We expect earnings to grow by 11.6% in FY27E & grow by 18.8% in FY28E.
- We increase our estimates by 6%, largely on account of higher bulk business.
- We note limitations of the same being a structural growth story with a history of volatility.
- We raise FV by 6% to Rs167, including roll-forward. REDUCE stays.
- Stock is currently trading at valuation of 13.7 P/E FY28E EPS.

 Positives:

- GPPV reported a strong 2Q with revenues/EBITDA up 22%/19% yoy.
- GPPV operating at peak fertilizer capacity and not planning to expand.

 Negatives:

- Containers remain subdued on US exposure and keen competition.
- Liquid business capacity expansion on track from end-CY2026.



The content of this document has been derived from KIE research report. Kotak's PCG Research has summarized the report (Research Team: shrikant.chouhan@kotak.com). Readers who wish to access the complete report are kindly requested to contact their respective Relationship Manager. Further, the recipient of this material should take their own professional advice before investing.

Holding Period: 12 months

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

- BUY

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We expect the stock to deliver more than 15% returns over the next 12 months
- ADD

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We expect the stock to deliver 5% - 15% returns over the next 12 months
- REDUCE

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We expect the stock to deliver -5% - +5% returns over the next 12 months
- SELL

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We expect the stock to deliver < -5% returns over the next 12 months
- NR

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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

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We advise investor to subscribe to the IPO.
- RS

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Rating Suspended. Kotak Securities has suspended the investment rating and price target for this stock, either because there is not a sufficient fundamental basis for determining, or there are legal, regulatory or policy constraints around publishing, an investment rating or target. The previous investment rating and price target, if any, are no longer in effect for this stock and should not be relied upon.
- NA

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Not Available or Not Applicable. The information is not available for display or is not applicable
- NM

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Not Meaningful. The information is not meaningful and is therefore excluded.
- NOTE

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Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

FUNDAMENTAL RESEARCH TEAM (PRIVATE CLIENT GROUP)

Shrikant Chouhan Head of Research shrikant.chouhan@kotak.com +91 22 6218 5408	Arun Agarwal Auto/Auto Ancillary, Building Material Cement, Consumer Durable arun.agarwal@kotak.com +91 22 6218 6443	Amit Agarwal, CFA Transportation, Paints, FMCG agarwal.amit@kotak.com +91 22 6218 6439
Rini Mehta Research Associate rini.mehta@kotak.com +91 22 6218 6433	Sumit Pokharna Oil and Gas, Information Tech sumit.pokharna@kotak.com +91 22 6218 6438	K. Kathirvelu Support Executive k.kathirvelu@kotak.com +91 22 6218 6427
Pankaj Kumar Construction, Capital Goods & Midcaps pankajr.kumar@kotak.com +91 22 6218 6434	Amarjeet Maurya Internet Software & Services amarjeet.maurya@kotak.com +91 22 6218 6427	Veer Trivedi BFSI veer.trivedi@kotak.com +91 22 6218 6432

TECHNICAL RESEARCH TEAM (PRIVATE CLIENT GROUP)

Shrikant Chouhan shrikant.chouhan@kotak.com +91 22 6218 5408	Amol Athawale amol.athawale@kotak.com +91 20 6620 3350	Sayed Haider sayed.haider@kotak.com +91 22 62185458
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DERIVATIVES RESEARCH TEAM (PRIVATE CLIENT GROUP)

Sahaj Agrawal sahaj.agrawal@kotak.com +91 79 66041701	Prasenjit Biswas, CMT, CFTe prasenjit.biswas@kotak.com +91 33 6638 8331	Karan Kulkarni karan.kulkarni@kotak.com +91 20 66203350
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