

May 4, 2025

Q4FY25 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	REDUCE		REDUCE	
Target Price	267		261	
Sales (Rs. bn)	3,514	3,740	3,721	3,760
% Chng.	(5.6)	(0.5)		
EBITDA (Rs. bn)	247	241	195	198
% Chng.	26.8	21.9		
EPS (Rs.)	29.7	29.2	22.2	23.4
% Chng.	33.9	25.0		

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. bn)	4,481	4,403	3,514	3,740
EBITDA (Rs. bn)	441	254	247	241
Margin (%)	9.8	5.8	7.0	6.5
PAT (Rs. bn)	271	137	129	127
EPS (Rs.)	62.5	31.6	29.7	29.2
Gr. (%)	733.0	(49.4)	(5.9)	(1.7)
DPS (Rs.)	42.8	10.2	14.0	13.4
Yield (%)	13.8	3.3	4.5	4.3
RoE (%)	42.0	17.5	15.2	13.8
RoCE (%)	31.7	14.3	12.5	10.8
EV/Sales (x)	0.4	0.4	0.5	0.5
EV/EBITDA (x)	4.0	6.9	7.5	8.0
PE (x)	5.0	9.9	10.5	10.7
P/BV (x)	1.8	1.7	1.5	1.4

Key Data

BPCL.BO | BPCL IN

52-W High / Low	Rs.376 / Rs.234
Sensex / Nifty	80,502 / 24,347
Market Cap	Rs.1,351bn / \$ 15,982m
Shares Outstanding	4,339m
3M Avg. Daily Value	Rs.3339.41m

Shareholding Pattern (%)

Promoter's	52.98
Foreign	14.58
Domestic Institution	22.24
Public & Others	10.20
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	8.6	(0.5)	(1.9)
Relative	3.4	(1.5)	(9.0)

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Strong GRM drives earnings

Quick Pointers:

- Under-recovery of Rs32bn on the sale of LPG in Q4FY25. The company has a negative buffer of Rs104.5bn as on 31st March, 2025
- Marketing inventory gain for Q4FY25 at Rs5.23bn

Bharat Petroleum Corporation (BPCL) reported better-than-expected Q4FY25 results with EBITDA of Rs77.6bn (up 2.4% QoQ, PLe: Rs35.7bn, BBGe: Rs57.9bn). Adj PAT came in at Rs45.5bn (down 2.1% QoQ, PLe: Rs14.1bn, BBGe: Rs25.2bn). The company reported an exceptional item of Rs17.7bn due to impairment loss in its WOS subsidiary BPRL. GRM stood at US\$9.2/bbl while GMM as per our calculation came in at Rs5.9/ltr. While GMM on petrol/diesel has risen to Rs12.3/9.7/ltr in Q1FY26-TD, average Singapore GRM continues to remain weak at ~US\$3/bbl, and with the steep decline in crude oil prices we expect the company to report inventory losses. The company expects LPG under-recoveries to persist at Rs170/cyl. We thus build in GRM of US\$7.6/bbl (factoring in better configuration of Bina refinery) in FY26/27 and marketing margin of Rs4.8/4.1/ltr for FY26/27. The stock is currently trading at 1.5/1.4x of FY26/27 P/BV. We maintain REDUCE rating with a TP of Rs267 based on 1.2x FY27 P/BV.

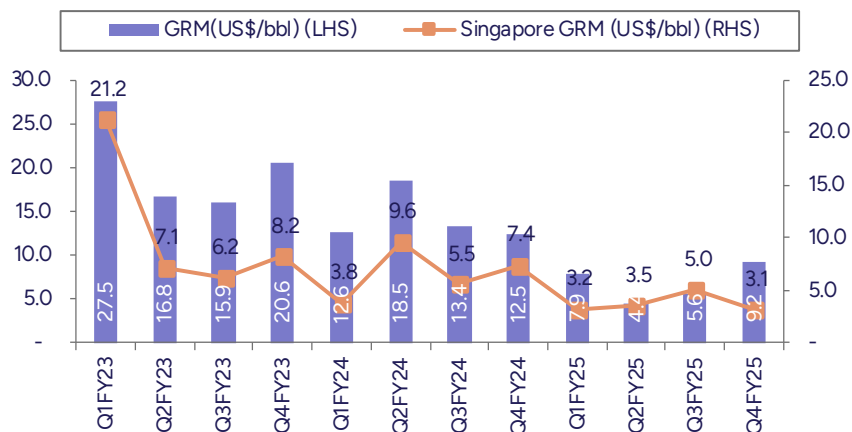
- Operating performance beats estimates:** Operating profit at Rs77.6bn grew 2.4% QoQ (PLe: Rs35.7bn). Adj PAT came in at Rs45.5bn, down 2.1% QoQ. On a YoY basis, EBITDA/PAT fell by 15.7%/18.3%.
- Refining margins at US\$9.2/bbl:** Refining throughput stood at 10.6mmt, up 3.2% QoQ. Reported GRM came in at US\$9.2/bbl (PLe: US\$5/bbl. GRM rose 64% QoQ but fell 18.3% YoY. Average Singapore GRM for Q4-TD continues to remain soft at ~US\$3/bbl amid continued weakness in product cracks. While near term weakness will persist, we believe GRM s will revert to its long-term average of US\$5-7/bbl in FY26/27. Going ahead, we anticipate a GRM of US\$7.6/7.6/bbl for FY26/27E.
- GMM declines sequentially:** Marketing sales for Q4 stood at 13.4mmt, flat QoQ. Implied GMM came in at Rs5.9/ltr (PLe: Rs3.8/ltr), down 18.3% QoQ. Marketing inventory gain was Rs5.2bn. Further, BPCL faced an under-recovery of Rs32bn on the LPG front. In the current quarter, marketing margins on petrol/diesel are averaging at Rs12.3/9.7/ltr. Accordingly, we build in a GMM of Rs4.8/4.1/ltr for FY26/27E.
- Concall Highlights:** **1)** Domestic petroleum products' demand grew by 4.3% in Q4, with petrol up by 5.9%, diesel up by 1.2%, and ATF up by 6.5%. **2)** Russian crude accounts for 24% with USD3/bbl discount (vs 34% in Q3). Saudi at 21% (vs 19% in Q3), Abu Dhabi-16% (vs 18% in Q3), US WTI-5% (vs 13% in Q3). **3)** Approved Rs61bn on pre-project activities, including land identification, feasibility studies, and environmental assessment for Andhra refinery cum petchem project **4)** Commissioned 1,805 new ROs during FY25, expanding the network to 23,642 outlets. **5)** 19.37% ethanol blending achieved in Q4. **6)** Capex guidance of Rs200/250/300bn for FY26/27/28.

Exhibit 1: BPCL's Quarterly and FY25 Financials

BPCL Quarterly Financials (Rs bn)	Q4 FY25	Q3 FY25	QoQ gr.	Q4 FY25E	% Var	Q4 FY24	YoY gr.	FY25	FY24	YoY gr.
Revenue	1,111.8	1,131.4	-1.7%	1,019.5	9.1%	1,165.6	-4.6%	4,401.7	4,479.8	-1.7%
YoY Change (%)	-4.6	-2.0		-12.5		-1.3		-1.7		
Total Expenditure	1,034.1	1,055.6	-2.0%	983.8	5.1%	1,073.4	-3.7%	4,146.6	4,038.6	2.7%
EBITDA	77.6	75.8	2.4%	35.7	117.7%	92.1	-15.7%	255.1	441.3	-42.2%
Margins (%)	7.0	6.7		3.5		7.9		5.8	9.9	
Depreciation	19.7	18.0	9.4%	18.6	6.2%	17.2	15.0%	72.3	67.5	7.1%
Interest	5.5	4.3	27.6%	4.5	22.2%	5.2	4.3%	18.9	24.7	-23.6%
Other Income	7.9	8.3	-4.3%	6.3	26.1%	4.7	69.0%	30.5	24.4	25.0%
PBT before EO	60.4	61.8	-2.3%	18.88	219.7%	74.4	-18.9%	194.4	373.5	-48.0%
Extra-Ordinary Expense	17.7					18.0	-1.3%	17.7	18.9	-1.3%
PBT after EO	42.6	61.8	-31.0%	18.88	125.7%	56.4	-24.5%	176.6	355.5	-50.3%
Tax	10.5	15.3	-31.3%	4.8	120.6%	14.2	-26.1%	43.9	88.7	-50.5%
Rate (%)	24.6	24.7		25.2		25.1		22.6	23.8	
PAT	32.1	46.5	-30.9%	14.13	127.5%	42.2	-23.9%	132.8	266.7	-50.2%
Adj PAT	45.5	46.5	-2.1%	14.13	222.1%	55.7	-18.3%	146.1	280.2	-47.8%
Operating Performance										
Refining throughput (mmt)	10.6	10.3	3.2%	10.3	2.7%	10.4	2.1%	41.2	39.9	3.2%
Reported GRM (US\$/bbl)	9.2	5.6	64.6%	5.0	84.0%	12.5	-26.3%	6.8	14.2	-52.5%
Marketing sales volume exclud exports (mmt)	13.4	13.4	-0.1%	13.0	2.8%	13.2	1.8%	52.4	51.0	2.7%
Marketing GM (Rs/ltr)	5.9	7.3	-18.3%	3.8	54.8%	5.8	2.8%	6.0	6.1	-2.8%

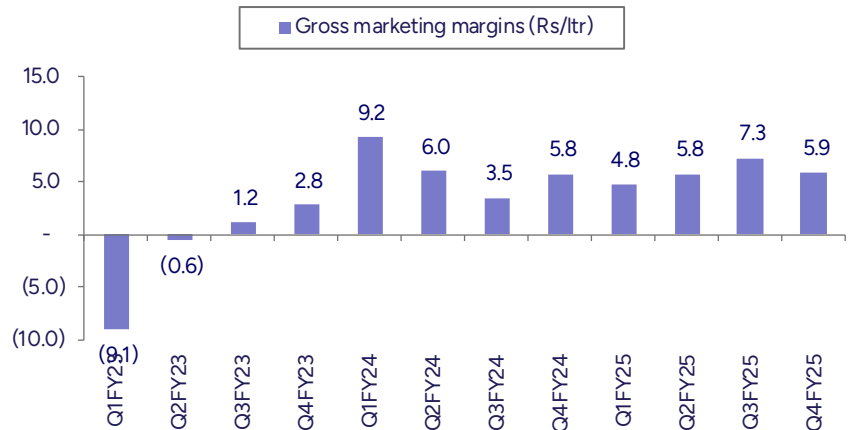
Source: Company, PL

Exhibit 2: GRM grew 64.6% QoQ



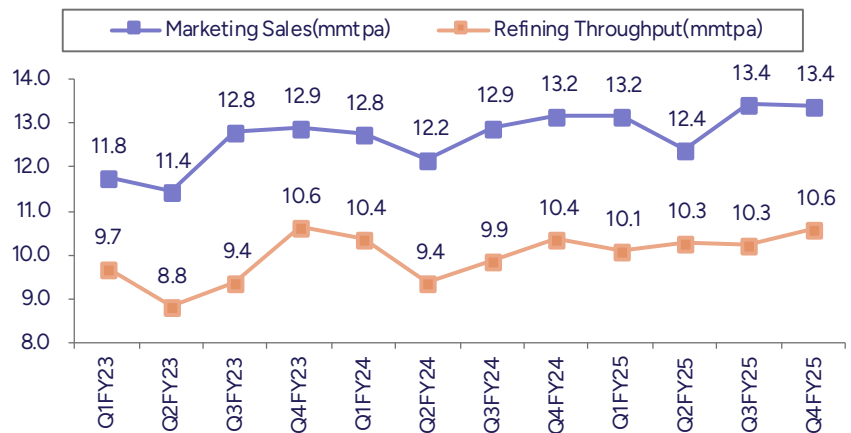
Source: Company, PL

Exhibit 3: GMM fell 18.3% sequentially



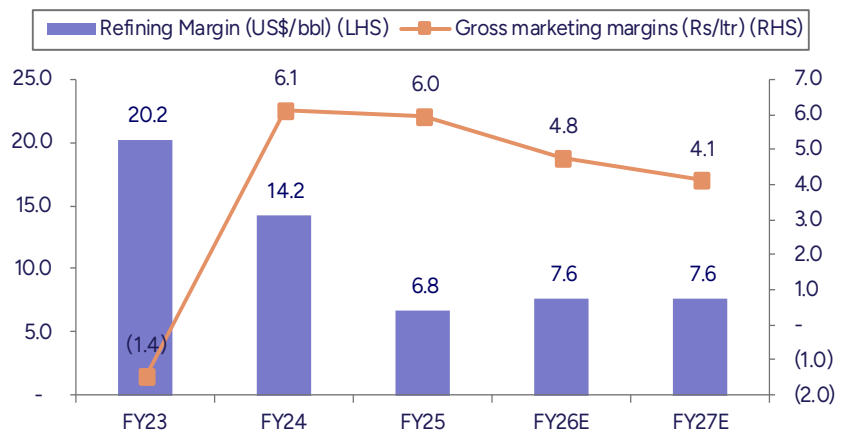
Source: PL, Industry

Exhibit 4: Marketing sales came in flat in Q4



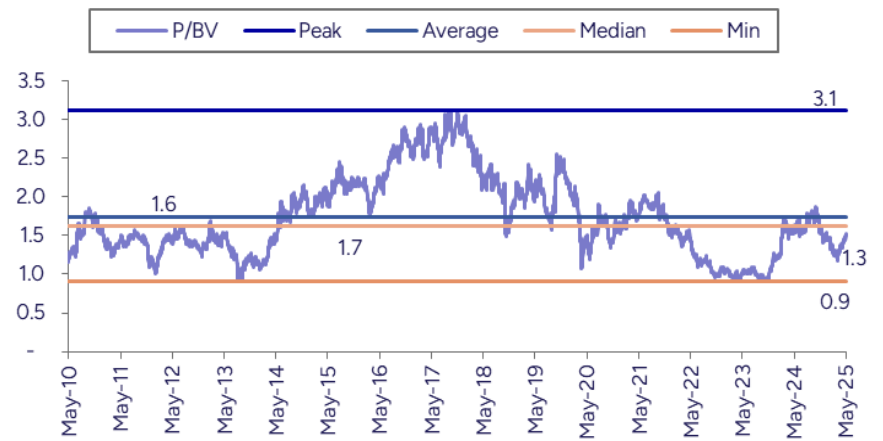
Source: Company, PL

Exhibit 5: GRM estimated at US\$6/6/bbl in FY26/27E



Source: Company, PL

Exhibit 6: Currently trading at 1.4x FY26 P/BV



Source: Company, PL

Financials

Income Statement (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	4,481	4,403	3,514	3,740
YoY gr. (%)	(5.3)	(1.7)	(20.2)	6.4
Cost of Goods Sold	3,761	3,853	2,991	3,245
Gross Profit	720	550	523	495
Margin (%)	16.1	12.5	14.9	13.2
Employee Cost	-	-	-	-
Other Expenses	279	296	276	254
EBITDA	441	254	247	241
YoY gr. (%)	304.9	(42.4)	(2.8)	(2.2)
Margin (%)	9.8	5.8	7.0	6.5
Depreciation and Amortization	68	73	74	76
EBIT	373	181	173	166
Margin (%)	8.3	4.1	4.9	4.4
Net Interest	41	36	40	42
Other Income	22	27	24	25
Profit Before Tax	351	169	156	149
Margin (%)	7.8	3.8	4.4	4.0
Total Tax	93	48	39	38
Effective tax rate (%)	26.6	28.7	25.2	25.2
Profit after tax	258	120	117	112
Minority interest	(11)	(13)	(12)	(15)
Share Profit from Associate	-	-	-	-
Adjusted PAT	271	137	129	127
YoY gr. (%)	733.0	(49.4)	(5.9)	(1.7)
Margin (%)	6.1	3.1	3.7	3.4
Extra Ord. Income / (Exp)	(3)	(4)	-	-
Reported PAT	269	133	129	127
YoY gr. (%)	1,160.4	(50.3)	(3.3)	(1.7)
Margin (%)	6.0	3.0	3.7	3.4
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	269	133	129	127
Equity Shares O/s (bn)	4	4	4	4
EPS (Rs)	62.5	31.6	29.7	29.2

Source: Company Data, PL Research

Balance Sheet Abstract (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	1,708	1,805	1,865	1,925
Tangibles	1,708	1,805	1,865	1,925
Intangibles	-	-	-	-
Acc: Dep / Amortization	635	707	790	866
Tangibles	635	707	790	866
Intangibles	-	-	-	-
Net fixed assets	1,074	1,097	1,074	1,058
Tangibles	1,074	1,097	1,074	1,058
Intangibles	-	-	-	-
Capital Work In Progress	202	264	408	598
Goodwill	-	-	-	-
Non-Current Investments	61	54	54	54
Net Deferred tax assets	(80)	(83)	(83)	(83)
Other Non-Current Assets	-	-	-	-
Current Assets				
Investments	-	-	-	-
Inventories	428	453	357	382
Trade receivables	83	93	75	79
Cash & Bank Balance	63	105	65	89
Other Current Assets	-	-	-	-
Total Assets	2,024	2,184	2,150	2,379
Equity				
Equity Share Capital	21	43	43	43
Other Equity	735	771	839	908
Total Networth	756	814	882	951
Non-Current Liabilities				
Long Term borrowings	455	511	562	674
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	700	750	591	633
Other current liabilities	33	27	32	38
Total Equity & Liabilities	2,024	2,184	2,150	2,379

Source: Company Data, PL Research

Cash Flow (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	351	169	156	149
Add. Depreciation	68	73	74	76
Add. Interest	-	-	-	-
Less Financial Other Income	22	27	24	25
Add. Other	11	16	12	15
Op. profit before WC changes	430	258	243	240
Net Changes-WC	4	5	(39)	18
Direct tax	(93)	(48)	(39)	(38)
Net cash from Op. activities	341	214	165	221
Capital expenditures	(97)	(165)	(195)	(250)
Interest / Dividend Income	-	-	-	-
Others	(10)	6	-	-
Net Cash from Invst. activities	(107)	(159)	(195)	(250)
Issue of share cap. / premium	-	-	-	-
Debt changes	(150)	56	51	112
Dividend paid	(186)	(44)	(61)	(58)
Interest paid	-	-	-	-
Others	138	(32)	-	-
Net cash from Fin. activities	(197)	(20)	(10)	54
Net change in cash	37	35	(40)	25
Free Cash Flow	244	49	(30)	(29)

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	62.5	31.6	29.7	29.2
CEPS	78.1	48.3	46.9	46.7
BVPS	174.3	187.6	203.3	219.1
FCF	56.3	11.2	(7.0)	(6.7)
DPS	42.8	10.2	14.0	13.4
Return Ratio(%)				
RoCE	31.7	14.3	12.5	10.8
ROIC	19.0	8.7	8.3	7.2
RoE	42.0	17.5	15.2	13.8
Balance Sheet				
Net Debt : Equity (x)	0.5	0.5	0.6	0.6
Net Working Capital (Days)	(9)	(12)	(10)	(11)
Valuation(x)				
PER	5.0	9.9	10.5	10.7
P/B	1.8	1.7	1.5	1.4
P/CEPS	4.0	6.4	6.6	6.7
EV/EBITDA	4.0	6.9	7.5	8.0
EV/Sales	0.4	0.4	0.5	0.5
Dividend Yield (%)	13.8	3.3	4.5	4.3

Source: Company Data, PL Research

Quarterly Financials (Rs bn)

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Net Revenue	1,131	1,028	1,131	1,112
YoY gr. (%)	0.1	(0.2)	(2.0)	(4.6)
Raw Material Expenses	1,006	913	979	954
Gross Profit	125	114	152	158
Margin (%)	11.0	11.1	13.4	14.2
EBITDA	57	45	76	78
YoY gr. (%)	(64.3)	(65.0)	22.3	(15.7)
Margin (%)	5.0	4.4	6.7	7.0
Depreciation / Depletion	17	18	18	20
EBIT	40	27	58	58
Margin (%)	3.5	2.7	5.1	5.2
Net Interest	4	5	4	5
Other Income	5	9	8	8
Profit before Tax	40	32	62	43
Margin (%)	3.6	3.1	5.5	3.8
Total Tax	10	8	15	10
Effective tax rate (%)	25.2	24.9	24.7	24.6
Profit after Tax	30	24	46	32
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	30	24	46	32
YoY gr. (%)	(71.4)	(71.8)	36.9	(23.9)
Margin (%)	2.7	2.3	4.1	2.9
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	30	24	46	32
YoY gr. (%)	(71.4)	(71.8)	36.9	(23.9)
Margin (%)	2.7	2.3	4.1	2.9
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	30	24	46	32
Avg. Shares O/s (bn)	4	4	4	4
EPS (Rs)	6.9	5.5	10.7	7.4

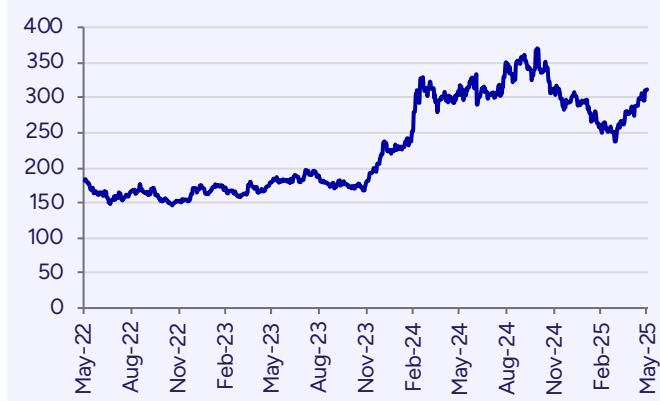
Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Crude (US\$/bbl)	84	80	70	75
Refining Throughput (mmt)	10	10	10	10
GRM (US\$/bbl)	14	7	8	8
Marketing Sales (mmt)	13	13	14	14
Gross Marketing Margin (Rs/ltr)	6	6	5	4

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	22-Apr-25	Reduce	261	304
2	08-Apr-25	Hold	261	274
3	25-Feb-25	Hold	286	251
4	23-Jan-25	Hold	286	271
5	08-Jan-25	Hold	301	283
6	09-Dec-24	Hold	301	300
7	28-Oct-24	Hold	316	310
8	07-Oct-24	Sell	279	335
9	21-Jul-24	Reduce	269	302
10	07-Jul-24	Reduce	269	307

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Aarti Industries	Reduce	330	356
2	Bharat Petroleum Corporation	Reduce	261	304
3	Bharti Airtel	Accumulate	1,916	1,720
4	Clean Science and Technology	Hold	1,224	1,167
5	Deepak Nitrite	Reduce	1,645	1,835
6	Fine Organic Industries	BUY	4,798	3,960
7	GAIL (India)	Accumulate	185	169
8	Gujarat Fluorochemicals	Reduce	3,328	3,671
9	Gujarat Gas	Hold	395	393
10	Gujarat State Petronet	Hold	288	288
11	Hindustan Petroleum Corporation	Sell	322	395
12	Indian Oil Corporation	Reduce	125	139
13	Indraprastha Gas	Sell	150	185
14	Jubilant Ingrevia	Hold	616	604
15	Laxmi Organic Industries	Reduce	160	169
16	Mahanagar Gas	Accumulate	1,393	1,316
17	Mangalore Refinery & Petrochemicals	Sell	109	129
18	Navin Fluorine International	Accumulate	4,454	3,880
19	NOCIL	Reduce	156	166
20	Oil & Natural Gas Corporation	BUY	264	220
21	Oil India	BUY	659	343
22	Petronet LNG	Reduce	248	278
23	Reliance Industries	Accumulate	1,482	1,300
24	SRF	Hold	2,780	2,721
25	Vinati Organics	Accumulate	1,620	1,459

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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