

July 23, 2025

Q1FY26 Result Update

☑ Change in Estimates | ☑ Target | ☑ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	ACCUMULATE		HOLD	
Target Price	1,559		1,425	
Sales (Rs bn)	77	86	76	86
% Chng.	1.6	0.5		
EBITDA (Rs bn)	17	18	16	18
% Chng.	5.0	-		
EPS (Rs.)	121.1	129.9	114.7	129.5
% Chng.	5.6	0.3		

Key Financials - Standalone

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. bn)	62	69	77	86
EBITDA (Rs. bn)	18	15	17	18
Margin (%)	29.5	21.8	22.1	20.9
PAT (Rs. bn)	13	10	12	13
EPS (Rs.)	130.5	105.8	121.1	129.9
Gr. (%)	63.2	(18.9)	14.4	7.3
DPS (Rs.)	30.0	30.0	48.4	52.0
Yield (%)	2.0	2.0	3.3	3.5
RoE (%)	27.8	18.9	19.1	18.4
RoCE (%)	33.7	21.7	22.3	20.9
EV/Sales (x)	2.3	2.1	1.8	1.6
EV/EBITDA (x)	7.7	9.5	8.1	7.5
PE (x)	11.4	14.0	12.3	11.4
P/BV (x)	2.8	2.5	2.2	2.0

Key Data MGAS.BO | MAHGL IN

52-W High / Low	Rs.1,989 / Rs.1,075
Sensex / Nifty	82,727 / 25,220
Market Cap	Rs.147bn/ \$ 1,696m
Shares Outstanding	99m
3M Avg. Daily Value	Rs.1021.57m

Shareholding Pattern (%)

Promoter's	32.50
Foreign	23.76
Domestic Institution	23.82
Public & Others	19.92
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	6.0	13.0	(13.6)
Relative	4.9	4.5	(16.0)

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Strong volume growth outlook

Quick Pointers:

- Strong volume growth of 9.6% YoY; adj EBITDA/scm of Rs9.7
- Capex of Rs13bn/yr to fuel growth

As a result of relaxation in pricing terms for industrials combined with incentives for goods carriers taken a few quarters back, MAHGL continued its stellar volume growth at 9.6% in Q1FY26. Adj EBITDA/scm stood at Rs9.7. As a result, Adjusted EBITDA stood at Rs3.7bn (Ple/BBGe Rs4bn, -11% YoY and +18% QoQ). Adjusted PAT stood at Rs2.4bn (Ple Rs2.8bn, BBGe Rs2.6bn, -9% YoY and +6.8% QoQ). We believe that the volume momentum is likely to sustain, especially due to strong pick up in GA3, momentum in CNG adoption by goods carriers and increased industrial volume sales. We build in overall volume growth of 10% in each of FY26 and FY27 with Adj EBITDA/scm of Rs9.8/10 in FY26 and FY27 respectively. We raise our valuation multiple from 11x to 12x FY27 with target price revised from Rs1,425 to Rs1,559 and upgrade the stock from 'HOLD' to 'ACCUMULATE' considering the strong volume growth expected.

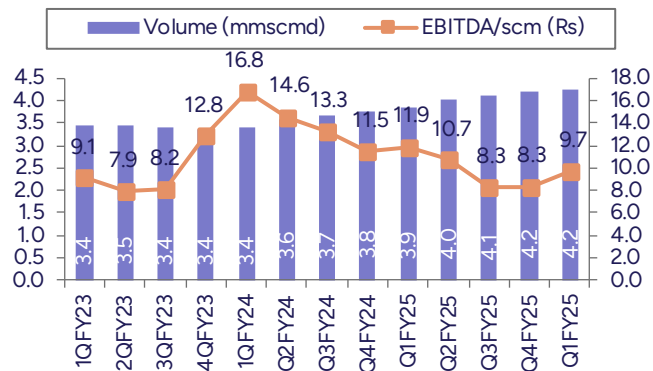
- Total volume growth of 9.6% YoY:** CNG volume grew by 7.5% YoY to 2.98mmscmd while PNG ind/comm grew by 26% YoY to 0.7mmscmd. PNG-dom grew by 3% to 0.6mmscmd in the quarter. Total volume stood at 4.2mmscmd in the quarter, +9.6% YoY.
- Margin expands sequentially, albeit slightly lower-than-estimate:** Realization stood at Rs48.4/scm vs Rs47.7/scm in the previous quarter. Gas cost remained broadly flat QoQ, resulting in gross margin expansion from Rs15.6/scm to Rs16.3/scm during the quarter. Opex stood at Rs5.7/scm during the quarter vs Rs6.4/scm during the previous quarter. As a result, adj EBITDA/scm stood slightly below our estimate at Rs9.7 vs Rs8.3 in the previous quarter.
- Conference call highlights:** 1) Sourcing breakdown of 4.2mmscmd- APM- 1.69mmscmd, HPHT- 0.5mmscmd direct & another 0.5mmscmd through IGX, NWG 0.5mmscmd, HH 1.15mmscmd although contract is for 1.45mmscmd, 2) Unison vol at 0.225mmscmd, vol +8.6% QoQ, 3) scheme of amalgamation approved, 4) GA3 to see growth of City Gate Stations from one to four within next 7-8 months, expect growth of 30%, 5) capex guidance of Rs11-13bn each year for next two years, 6) EBITDA/scm guidance of Rs9.5, 7) CNG vol in Jul'25 slightly above Q1FY26

Exhibit 1: Q4FY25 Result Overview

(Rs bn)	Q1FY26	Q4FY25	QoQ gr.	Q1FY26E	% Var	Q1FY25	YoY gr.	FY26E	FY25	YoY gr.
Revenue	19.8	18.6	6.0%	18.4	7.5%	15.9	24.3%	77.3	69.2	11.6%
<i>YoY Change (%)</i>	24.3	19.0		15.6		3.4				
Total Expenditure	14.9	14.9	0.3%	14.3	4.0%	11.7	27.3%	60.2	54.1	11.1%
EBITDA	4.9	3.8	28.3%	4.0	19.9%	4.2	16.0%	17.1	15.1	13.3%
Adj EBITDA	3.7	3.2	18.2%	4.0	-8.0%	4.2	-11.0%	16.0	14.5	10.4%
Adj EBITDA/SCM	9.7	8.3	17.2%	10.5	-7.5%	11.9	-18.8%	9.8	9.8	0.3%
<i>Margins (%)</i>	24.6	20.3		22.0		26.3		22.1	21.8	
Depreciation	0.8	0.8	0.9%	0.8	6.1%	0.7	14.9%	3.1	3.1	1.7%
Interest	0.0	0.0	-4.6%	0.0	10.2%	0.0	19.4%	0.1	0.1	0.0%
Other Income	0.4	0.5	-16.6%	0.5	-26.5%	0.4	-3.7%	2.1	1.8	15.7%
PBT	4.4	3.4	29.1%	3.8	16.3%	3.8	14.1%	16.0	13.7	16.3%
Tax	1.1	0.9	30.6%	0.9	19.8%	1.0	14.5%	4.0	3.3	22.2%
<i>Rate (%)</i>	25.9%	25.6%		25.2%		25.8%		25.2%	24.0%	
PAT	3.2	2.5	28.6%	2.8	15.2%	2.8	14.0%	12.0	10.4	14.4%
Adj PAT	2.4	2.3	6.8%	2.8	-14.5%	2.6	-9.2%	11.1	10.0	
<i>Margin (%)</i>	12.2	12.1		15.3		16.7		14.4	14.4	
Volume (mmscmd)										
CNG	2.98	2.9	1.6%	3.0	-2.2%	2.77	7.5%	3.15	2.9	9.3%
PNG - Ind/Comm	0.7	0.7	1.3%	0.6	12.6%	0.54	26.1%	0.71	0.6	14.2%
PNG - Domestic	0.6	0.6	-3.6%	0.6	-5.0%	0.55	3.9%	0.61	0.6	9.3%
PNG - Total	1.2	1.3	-1.0%	1.2	3.8%	1.09	14.9%	1.31	1.2	11.9%
Total Volumes	4.2	4.2	0.8%	4.3	-0.5%	3.86	9.6%	4.46	4.1	10.1%

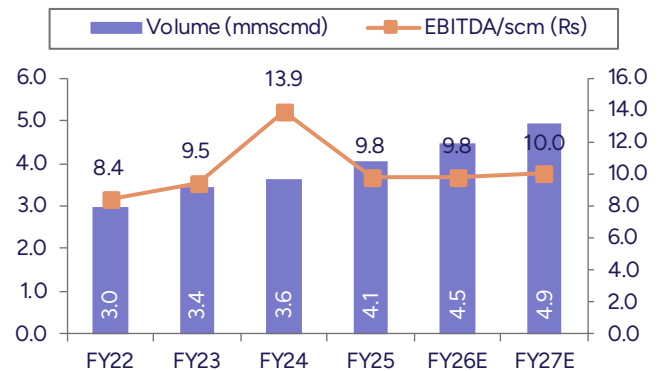
Source: Company, PL

Exhibit 2: Adj margin increased sequentially by Rs1.4/scm



Source: Company, PL

Exhibit 3: EBITDA/scm estimated at Rs10 in FY26/27E



Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	62	69	77	86
YoY gr. (%)	(0.9)	10.9	11.6	11.3
Cost of Goods Sold	36	45	50	57
Gross Profit	26	25	27	29
Margin (%)	38.3	32.5	32.3	31.0
Employee Cost	1	1	2	2
Other Expenses	7	8	9	10
EBITDA	18	15	17	18
YoY gr. (%)	55.6	(18.1)	13.3	5.1
Margin (%)	29.5	21.8	22.1	20.9
Depreciation and Amortization	3	3	3	3
EBIT	16	12	14	15
Margin (%)	25.1	17.4	18.1	17.1
Net Interest	0	0	0	0
Other Income	2	2	2	3
Profit Before Tax	17	14	16	17
Margin (%)	27.7	19.8	20.7	19.9
Total Tax	4	3	4	4
Effective tax rate (%)	25.6	24.0	25.2	25.2
Profit after tax	13	10	12	13
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	13	10	12	13
YoY gr. (%)	63.2	(18.9)	14.4	7.3
Margin (%)	20.6	15.1	15.5	14.9
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	13	10	12	13
YoY gr. (%)	63.2	(18.9)	14.4	7.3
Margin (%)	20.6	15.1	15.5	14.9
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	13	10	12	13
Equity Shares O/s (bn)	0	0	0	0
EPS (Rs)	130.5	105.8	121.1	129.9

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	48	56	68	78
Tangibles	48	56	68	78
Intangibles	-	-	-	-
Acc: Dep / Amortization	14	18	21	24
Tangibles	14	18	21	24
Intangibles	-	-	-	-
Net fixed assets	33	39	48	54
Tangibles	33	39	48	54
Intangibles	-	-	-	-
Capital Work In Progress	8	10	6	6
Goodwill	-	-	-	-
Non-Current Investments	19	20	20	20
Net Deferred tax assets	(2)	(3)	(3)	(3)
Other Non-Current Assets	-	-	-	-
Current Assets				
Investments	-	-	-	-
Inventories	0	0	1	1
Trade receivables	3	3	3	4
Cash & Bank Balance	4	3	8	12
Other Current Assets	-	-	-	-
Total Assets	72	82	92	103
Equity				
Equity Share Capital	1	1	1	1
Other Equity	50	58	65	73
Total Network	51	59	66	74
Non-Current Liabilities				
Long Term borrowings	0	0	0	0
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	3	4	5	6
Other current liabilities	15	16	18	20
Total Equity & Liabilities	72	82	92	103

Source: Company Data, PL Research



Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	17	14	16	17
Add. Depreciation	3	3	3	3
Add. Interest	0	0	0	0
Less Financial Other Income	2	2	2	3
Add. Other	(1)	(1)	(2)	(3)
Op. profit before WC changes	19	16	17	18
Net Changes-WC	1	1	3	1
Direct tax	(4)	(3)	(4)	(4)
Net cash from Op. activities	16	14	16	15
Capital expenditures	(8)	(11)	(9)	(9)
Interest / Dividend Income	1	0	-	-
Others	(5)	0	2	3
Net Cash from Invt. activities	(13)	(10)	(6)	(6)
Issue of share cap. / premium	-	-	-	-
Debt changes	-	-	-	-
Dividend paid	(3)	(3)	(5)	(5)
Interest paid	-	-	0	0
Others	0	0	-	-
Net cash from Fin. activities	(3)	(3)	(5)	(5)
Net change in cash	0	0	5	4
Free Cash Flow	8	3	8	7

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	130.5	105.8	121.1	129.9
CEPS	158.2	136.8	152.6	163.1
BVPS	520.6	596.2	668.8	746.8
FCF	80.3	29.7	76.9	67.1
DPS	30.0	30.0	48.4	52.0
Return Ratio(%)				
RoCE	33.7	21.7	22.3	20.9
ROIC	23.0	15.3	16.6	16.2
RoE	27.8	18.9	19.1	18.4
Balance Sheet				
Net Debt : Equity (x)	(0.1)	0.0	(0.1)	(0.2)
Net Working Capital (Days)	1	0	(3)	(4)
Valuation(x)				
PER	11.4	14.0	12.3	11.4
P/B	2.8	2.5	2.2	2.0
P/CEPS	9.4	10.8	9.7	9.1
EV/EBITDA	7.7	9.5	8.1	7.5
EV/Sales	2.3	2.1	1.8	1.6
Dividend Yield (%)	2.0	2.0	3.3	3.5

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Net Revenue	17	18	19	20
YoY gr. (%)	9.0	12.0	19.0	24.3
Raw Material Expenses	11	12	12	12
Gross Profit	6	6	7	7
Margin (%)	36.9	31.4	35.0	37.4
EBITDA	4	3	4	5
YoY gr. (%)	(16.8)	(30.0)	(3.8)	15.9
Margin (%)	23.3	17.9	20.3	24.5
Depreciation / Depletion	1	1	1	1
EBIT	3	2	3	4
Margin (%)	19.0	13.4	15.9	20.4
Net Interest	-	-	-	-
Other Income	1	-	-	-
Profit before Tax	4	3	3	4
Margin (%)	21.8	15.8	18.2	22.1
Total Tax	1	1	1	1
Effective tax rate (%)	24.2	19.0	25.6	26.0
Profit after Tax	3	2	3	3
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	3	2	3	3
YoY gr. (%)	(16.4)	(29.1)	(4.6)	13.9
Margin (%)	16.5	12.8	13.6	16.4
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	3	2	3	3
YoY gr. (%)	(16.4)	(29.1)	(4.6)	13.9
Margin (%)	16.5	12.8	13.6	16.4
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	3	2	3	3
Avg. Shares O/s (m)	-	-	-	-
EPS (Rs)	28.6	22.8	25.6	32.8

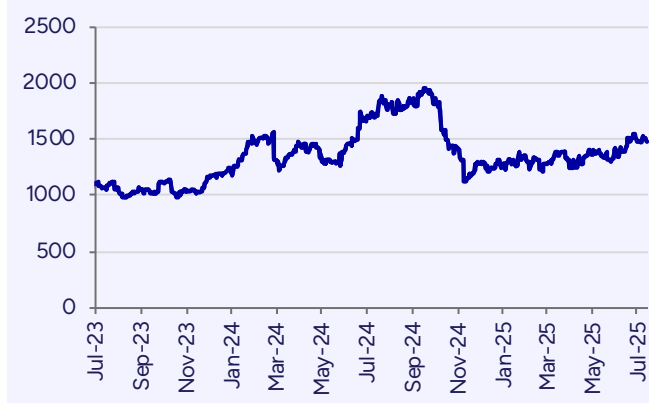
Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales Volume (mmscmd)	3.6	4.1	4.5	4.9
EBITDA (Rs/scm)	13.9	9.8	9.8	10.0

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	03-Jul-25	Hold	1,425	1,510
2	07-May-25	Hold	1,410	1,410
3	16-Apr-25	Accumulate	1,393	1,316
4	08-Apr-25	Accumulate	1,393	1,310
5	29-Jan-25	Accumulate	1,412	1,267
6	08-Jan-25	Sell	984	1,245
7	18-Nov-24	Sell	1,046	1,313
8	26-Oct-24	Accumulate	1,627	1,497
9	07-Oct-24	Hold	2,050	1,825
10	19-Sep-24	Hold	1,864	1,883

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Aarti Industries	Reduce	420	477
2	Bharat Petroleum Corporation	Reduce	311	332
3	Bharti Airtel	Accumulate	2,148	2,030
4	Clean Science and Technology	Hold	1,425	1,445
5	Deepak Nitrite	Reduce	1,799	1,963
6	Fine Organic Industries	BUY	5,440	5,269
7	GAIL (India)	Hold	184	191
8	Gujarat Fluorochemicals	Reduce	3,541	3,522
9	Gujarat Gas	Sell	404	499
10	Gujarat State Petronet	Hold	348	335
11	Hindustan Petroleum Corporation	Sell	360	437
12	Indian Oil Corporation	Reduce	138	148
13	Indraprastha Gas	Reduce	186	221
14	Jubilant Ingrevia	Hold	713	788
15	Laxmi Organic Industries	Reduce	172	197
16	Mahanagar Gas	Hold	1,425	1,510
17	Mangalore Refinery & Petrochemicals	Accumulate	152	139
18	Navin Fluorine International	Accumulate	5,161	4,933
19	NOCIL	Reduce	172	200
20	Oil & Natural Gas Corporation	Accumulate	284	241
21	Oil India	BUY	566	436
22	PCBL Chemical	BUY	464	409
23	Petronet LNG	Reduce	315	302
24	Reliance Industries	Accumulate	1,555	1,476
25	SRF	Hold	3,069	3,231
26	Vinati Organics	Accumulate	1,882	1,944

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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