

May 7, 2025

Q4FY25 Result Update

☑ Change in Estimates | ☑ Target | ☑ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	HOLD		ACCUMULATE	
Target Price	1,410		1,393	
Sales (Rs bn)	67	75	67	75
% Chng.	-	-	-	-
EBITDA (Rs bn)	16	18	16	18
% Chng.	-	-	-	-
EPS (Rs.)	114.1	128.2	113.5	126.7
% Chng.	0.5	1.2	-	-

Key Financials - Standalone

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. bn)	62	69	67	75
EBITDA (Rs. bn)	18	15	16	18
Margin (%)	29.5	21.8	24.4	23.9
PAT (Rs. bn)	13	10	11	13
EPS (Rs.)	130.5	105.8	114.1	128.2
Gr. (%)	63.2	(18.9)	7.9	12.4
DPS (Rs.)	30.0	30.0	45.6	51.3
Yield (%)	2.1	2.1	3.2	3.6
RoE (%)	27.8	18.9	18.1	18.2
RoCE (%)	33.7	21.7	21.1	21.1
EV/Sales (x)	2.2	2.0	2.0	1.7
EV/EBITDA (x)	7.4	9.0	8.2	7.2
PE (x)	10.8	13.3	12.4	11.0
P/BV (x)	2.7	2.4	2.1	1.9

Key Data MGAS.BO | MAHGL IN

52-W High / Low	Rs.1,989 / Rs.1,075
Sensex / Nifty	80,747 / 24,414
Market Cap	Rs.139bn/ \$ 1,642m
Shares Outstanding	99m
3M Avg. Daily Value	Rs.652.99m

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	8.0	(1.9)	5.4
Relative	(2.2)	(3.4)	(4.0)

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Strong volume growth outlook

Quick Pointers:

- Strong volume growth of 11% YoY; adj EBITDA/scm of Rs8.3
- Capex of Rs13bn/yr to fuel growth

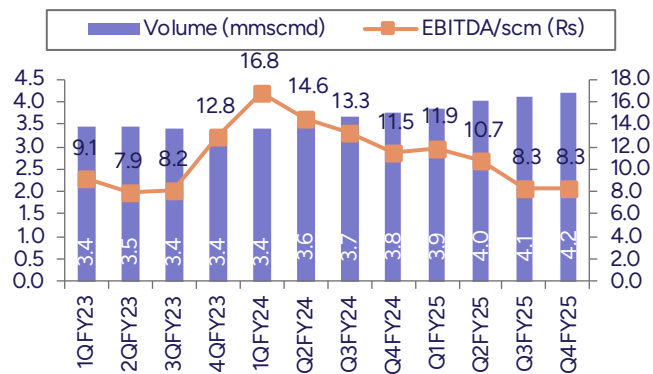
We downgrade the stock from 'Accumulate' to "Hold" amid recent runup in the stock. MAHGL reported adj EBITDA of Rs3.2bn in Q4FY25, down 20% YoY (PLe: Rs3.6bn, BBGe: Rs3.5bn). Miss was mainly on account of higher opex. The adjustment is on account of reversal of discounts given to the OMCs of Rs633.5mn. Adj PAT came in at Rs2.1bn, down 22.6% YoY (PLe: Rs2.4bn, BBGe: Rs2.5bn). For the full year, adjusted EBITDA stood at Rs14.5bn, -21.5% YoY. FY25 adj PAT stood at Rs10bn, -22.7% YoY. We build in volume growth of 10% YoY for FY26/27 with EBITDA/scm of Rs10. We marginally revise TP to Rs1,410 based on 11x FY27E EPS. Downgrade to "Hold" due to limited upside in the stock. However, if there is any policy change encouraging adoption of CNG in its GAs or of PNG-industrial, it would further propel the stock.

- Healthy volume growth:** CNG volume grew by 10% YoY to 2.93mmscmd while PNG ind/comm grew by 22% to 0.7mmscmd. PNG-dom grew by 4.7% to 0.6mmscmd in the quarter. Total volume stood at 4.2mmscmd in the quarter, +11% YoY. For the full year, volume stood at 4.05mmscmd, 12.3% YoY.
- Stable margin outlook:** Adj gross margin stood at Rs15.6/scm in the quarter against Rs17.9/scm in Q4FY24 and Rs14.6/scm in Q3FY25. However, opex was higher at Rs6.4/scm vs Rs5.6/scm in Q4FY24 and Rs5.4/scm in Q3FY25. OPex was higher due to higher marketing expenses, CSR and maintenance cost during the quarter. As a result, Adj EBITDA/scm in Q4FY25 stood at Rs8.3 (PLe Rs9.4) vs Rs11.5 in Q4FY24 and Rs8.3 in Q3FY25. For the full year, Adj EBITDA/scm stood at Rs9.8 vs Rs14 in FY24.
- Conference call highlights:** 1) Sourcing breakdown of 4.2mmscmd- APM- 2mmscmd, HPHT- 0.5mmscmd, 1.3-1.4mmscmd term contracts, rest through IGX, 2) term contract contains 1.27mmscmd HH contract, rest Brent linked, 3) EBITDA/scm guidance of Rs9-10, 4) capex guidance of Rs13bn/yr, 5) APM allocation has come down from 2mmscmd to 1.65mmscmd in Apr and NWG has increased from 0.6mmscmd in Q4 to 0.65mmscmd in Apr, 6) opex higher due to CSR, maint and marketing costs, 7) added a record 98,000 vehicles in FY25

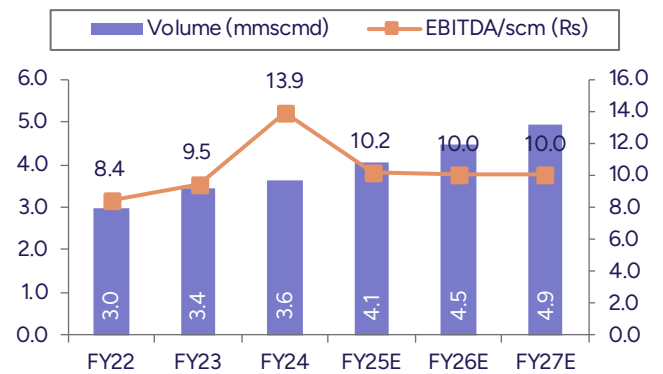
Exhibit 1: Q4FY25 Result Overview

(Rs bn)	Q4FY25	Q4FY25	QoQ gr.	Q4FY25E	% Var	Q4FY24	YoY gr.	FY25	FY24	YoY gr.
Revenue	18.6	17.6	6.1%	17.5	6.6%	15.7	19.0%	69.2	62.4	10.9%
YoY Change (%)	19.0	12.0		11.6		-2.7				
Total Expenditure	14.9	14.4	3.0%	13.9	6.8%	11.7	26.7%	54.1	44.0	23.0%
EBITDA	3.8	3.1	20.3%	3.6	5.8%	3.9	-3.9%	15.1	18.4	-18.1%
Adj EBITDA	3.2	3.1	0.2%	3.6	-11.9%	3.9	-20.0%	14.5	18.4	-21.5%
Adj EBITDA/SCM	8.3	8.3	0.5%	9.4	-11.1%	11.5	-27.1%	9.8	14.0	-30.0%
Margins (%)	20.3	17.9		20.4		25.1		21.8	29.5	
Depreciation	0.8	0.8	3.4%	0.8	2.4%	0.8	5.5%	3.1	2.7	11.9%
Interest	0.0	0.0	14.8%	0.0	3.5%	0.0	1.3%	0.1	0.1	16.5%
Other Income	0.5	0.5	0.3%	0.5	-3.1%	0.4	4.1%	1.8	1.8	5.0%
PBT	3.4	2.8	21.9%	3.2	5.4%	3.6	-5.0%	13.7	17.3	-20.7%
Tax	0.9	0.5	64.4%	0.8	7.8%	0.9	-5.6%	3.3	4.4	-25.8%
Rate (%)	25.6%	19.0%		25.0%		25.8%		24.0%	25.6%	
PAT	2.5	2.3	11.9%	2.4	4.6%	2.6	-4.8%	10.4	12.9	-18.9%
Margin (%)	13.5	12.8		13.8		16.9		15.1	20.6	
Volume (mmscmd)										
CNG	2.93	2.9	0.5%	3.0	-1.1%	2.67	10.1%	2.88	2.6	11.1%
PNG - Ind/Comm	0.7	0.6	3.7%	0.7	-3.9%	0.55	21.8%	0.62	0.5	24.5%
PNG - Domestic	0.6	0.6	7.0%	0.6	3.6%	0.56	4.7%	0.55	0.5	6.6%
PNG - Total	1.3	1.2	5.2%	1.3	-0.5%	1.11	13.1%	1.17	1.0	15.3%
Total Volumes	4.2	4.1	1.9%	4.2	-0.9%	3.78	11.0%	4.05	3.6	12.3%

Source: Company, PL

Exhibit 2: Margin declined sequentially by Rs2.4/scm


Source: Company, PL

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


Source: Company, PL

Financials

Income Statement (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	62	69	67	75
YoY gr. (%)	(0.9)	10.9	(3.5)	12.4
Cost of Goods Sold	36	45	41	46
Gross Profit	26	25	26	29
Margin (%)	38.3	32.5	35.6	35.0
Employee Cost	1	1	1	2
Other Expenses	7	8	8	9
EBITDA	18	15	16	18
YoY gr. (%)	55.6	(18.1)	7.8	10.4
Margin (%)	29.5	21.8	24.4	23.9
Depreciation and Amortization	3	3	3	3
EBIT	16	12	13	15
Margin (%)	25.1	17.4	19.7	19.6
Net Interest	0	0	0	0
Other Income	2	2	2	2
Profit Before Tax	17	14	15	17
Margin (%)	27.7	19.8	22.5	22.5
Total Tax	4	3	4	4
Effective tax rate (%)	25.6	24.0	25.2	25.2
Profit after tax	13	10	11	13
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	13	10	11	13
YoY gr. (%)	63.2	(18.9)	7.9	12.4
Margin (%)	20.6	15.1	16.9	16.9
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	13	10	11	13
YoY gr. (%)	63.2	(18.9)	7.9	12.4
Margin (%)	20.6	15.1	16.9	16.9
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	13	10	11	13
Equity Shares O/s (bn)	0	0	0	0
EPS (Rs)	130.5	105.8	114.1	128.2

Source: Company Data, PL Research

Balance Sheet Abstract (Rs bn)

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	0	1
Trade receivables	3	3	3	3
Cash & Bank Balance	4	3	6	9
Other Current Assets	-	-	-	-
Total Assets	72	82	89	99
Equity				
Equity Share Capital	1	1	1	1
Other Equity	50	58	65	72
Total Network	51	59	66	73
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	4	5
Other current liabilities	15	16	16	18
Total Equity & Liabilities	72	82	89	99

Source: Company Data, PL Research



Cash Flow (Rs bn)

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

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	130.5	105.8	114.1	128.2
CEPS	158.2	136.8	145.6	161.4
BVPS	520.6	596.2	664.7	741.6
FCF	80.3	29.7	52.8	66.2
DPS	30.0	30.0	45.6	51.3
Return Ratio(%)				
RoCE	33.7	21.7	21.1	21.1
ROIC	23.0	15.3	15.9	16.4
RoE	27.8	18.9	18.1	18.2
Balance Sheet				
Net Debt : Equity (x)	(0.1)	0.0	(0.1)	(0.1)
Net Working Capital (Days)	1	0	(3)	(3)
Valuation(x)				
PER	10.8	13.3	12.4	11.0
P/B	2.7	2.4	2.1	1.9
P/CEPS	8.9	10.3	9.7	8.7
EV/EBITDA	7.4	9.0	8.2	7.2
EV/Sales	2.2	2.0	2.0	1.7
Dividend Yield (%)	2.1	2.1	3.2	3.6

Source: Company Data, PL Research

Quarterly Financials (Rs bn)

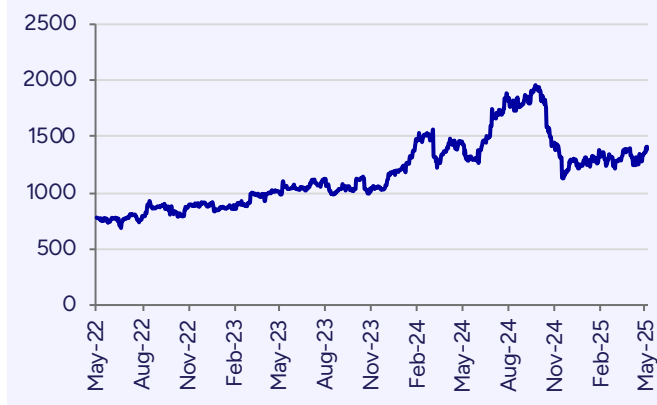
Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Net Revenue	16	17	18	19
YoY gr. (%)	3.4	9.0	12.0	19.0
Raw Material Expenses	10	11	12	12
Gross Profit	6	6	6	7
Margin (%)	39.6	36.9	31.4	35.0
EBITDA	4	4	3	4
YoY gr. (%)	(19.8)	(16.8)	(30.0)	(3.8)
Margin (%)	26.3	23.3	17.9	20.3
Depreciation / Depletion	1	1	1	1
EBIT	3	3	2	3
Margin (%)	21.8	19.0	13.4	15.9
Net Interest	-	-	-	-
Other Income	-	1	-	-
Profit before Tax	4	4	3	3
Margin (%)	24.1	21.8	15.8	18.2
Total Tax	1	1	1	1
Effective tax rate (%)	25.9	24.2	19.0	25.6
Profit after Tax	3	3	2	3
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	3	3	2	3
YoY gr. (%)	(22.8)	(16.4)	(29.1)	(4.6)
Margin (%)	17.9	16.5	12.8	13.6
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	3	3	2	3
YoY gr. (%)	(22.8)	(16.4)	(29.1)	(4.6)
Margin (%)	17.9	16.5	12.8	13.6
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	3	3	2	3
Avg. Shares O/s (bn)	-	-	-	-
EPS (Rs)	28.8	28.6	22.8	25.6

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	10.2	10.0	10.0

Source: Company Data, PL Research


Price Chart

Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	16-Apr-25	Accumulate	1,393	1,316
2	08-Apr-25	Accumulate	1,393	1,310
3	29-Jan-25	Accumulate	1,412	1,267
4	08-Jan-25	Sell	984	1,245
5	18-Nov-24	Sell	1,046	1,313
6	26-Oct-24	Accumulate	1,627	1,497
7	07-Oct-24	Hold	2,050	1,825
8	19-Sep-24	Hold	1,864	1,883
9	29-Jul-24	Sell	1,492	1,846
10	07-Jul-24	Sell	1,303	1,685

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Aarti Industries	Reduce	330	356
2	Bharat Petroleum Corporation	Reduce	267	311
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	122	143
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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