

April 28, 2025

Q4FY25 Result Update

☑ Change in Estimates | ☑ Target | ☑ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	HOLD		SELL	
Target Price	136		109	
Sales (Rs. bn)	854	861	854	861
% Chng.	-	-	-	-
EBITDA (Rs. bn)	58	57	58	58
% Chng.	(0.4)	(0.4)	-	-
EPS (Rs.)	14.4	13.6	13.8	13.9
% Chng.	3.9	(2.1)	-	-

Key Financials - Standalone

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. bn)	904	947	854	861
EBITDA (Rs. bn)	77	23	58	57
Margin (%)	8.5	2.4	6.7	6.7
PAT (Rs. bn)	36	1	25	24
EPS (Rs.)	20.5	0.3	14.4	13.6
Gr. (%)	36.3	(98.6)	4,886.5	(5.6)
DPS (Rs.)	3.0	-	2.9	2.7
Yield (%)	2.2	-	2.1	2.0
RoE (%)	31.2	0.4	18.1	15.1
RoCE (%)	24.6	3.7	16.6	15.8
EV/Sales (x)	0.4	0.4	0.4	0.4
EV/EBITDA (x)	4.7	16.0	5.8	5.4
PE (x)	6.6	470.1	9.4	10.0
P/BV (x)	1.8	1.8	1.6	1.4

Key Data

MRPL.BO | MRPL IN

52-W High / Low	Rs.260 / Rs.99
Sensex / Nifty	80,218 / 24,329
Market Cap	Rs.238bn / \$ 2,796m
Shares Outstanding	1,753m
3M Avg. Daily Value	Rs.655.82m

Shareholding Pattern (%)

Promoter's	88.58
Foreign	1.69
Domestic Institution	1.48
Public & Others	8.25
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	0.9	(5.8)	(45.9)
Relative	(2.6)	(6.1)	(50.3)

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Strong GRM drives earnings

Quick Pointers:

- Core GRM at US\$5.81/bbl with inventory gain of US\$0.42/bbl
- Total crude throughput in FY25 was 18mmt (120% capacity utilization)

Mangalore Refinery & Petrochemicals (MRPL) reported better-than-estimated results with an EBITDA of Rs11.3bn in Q4FY25 (up 9.6% QoQ; PLe:Rs9.7bn, cons est EBITDA: Rs8.4bn). PAT came in at Rs3.6bn (up 19.4% QoQ; PLe:Rs2.6bn, cons est:Rs1.9bn). Reported GRM stood at US\$6.2/bbl with an inventory gain of US\$0.42/bbl. Throughput came in flat QoQ at 4.6mmt. Average Singapore GRM in Q1FY26-TD continues to remain soft at ~US\$3/bbl amid weakness in product cracks. While this near-term weakness is likely to persist, we believe GRMs will rebound to US\$5-7/bbl in the long term. Accordingly, we build in a GRM of US\$7.5/7.5/bbl for FY26/27E. The stock is currently trading at 9.4/10x FY26/27 EPS and 5.8/5.4x FY26/27E EV/EBITDA. We re-rate the stock from 'SELL' to 'HOLD' with a TP of Rs136 based on 5x FY27 EV/EBITDA (earlier 4x FY27 EV/EBITDA) and adding the option value of Rs45 to its chemicals foray.

- Sequential improvement in operating performance:** MRPL reported an EBITDA of Rs11.3bn, up 9.6% QoQ. PAT stood at Rs3bn, up 19.4% QoQ aided by 6.9% decline in interest cost and 13.4% rise in other income. On a YoY basis, EBITDA/PAT fell 51.7/68.1% due to lower GRM.
- Quarterly GRMs come in flat QoQ:** Reported GRM stood at US\$6.2/bbl, flat QoQ (PLe: US\$5.4/bbl). Core GRM came in at US\$5.81/bbl with an inventory gain of US\$0.42/bbl. On a YoY basis, GRMs declined by US\$5.1/bbl due to weak product cracks. In Q1FY26-TD, Singapore GRM continues to remain soft at ~US\$3/bbl. We expect Singapore GRM to revert back to its long term average of US\$5-7/bbl in the long term. Factoring in this, we build in a GRM of US\$7.5/7.5/bbl for FY26/27E.
- Throughput remains flat sequentially:** In Q4FY25, refining throughput came in at 4.6mmt, flat QoQ and YoY. Distillate yield was 83% while capacity utilization came in at 123.7%. During the year, atf production was 2.72mmt, reformat and 95 RON MS was 1.20mmt and that of benzene was 0.21mmt. Going ahead, we build in a throughput of 17/17mmt for FY26/27E.
- Concall Highlights:** **1)** Fuel and loss in Q4 was 10.09% and is expected to fall by 0.3-0.4% in 18-24 months from grid infrastructure project. **2)** 66 new ROs commissioned in the year taking total to 167 ROs. 3 ROs commissioned in Tamil Nadu. Target of adding 150 ROs in FY26. **3)** Marketing sales in FY25 were 230tkl and target of reaching 300tkl in FY26. **4)** 6 new crudes were processed in FY25 including 3 heavy grades from Brazil and Venezuela and another 3 new grades from Russia. **5)** Capex guidance stands at Rs10bn for FY26/27 each

Exhibit 1: Q4FY25 Result Overview (Rs bn)

Y/e March	Q4FY25	Q3FY25	QoQ gr.	Q4FY25E	Var%	Q4FY24	YoY gr.	FY25	FY24	YoY gr.
Net Sales	246.0	218.7	12.5%	225.7	9.0%	253.3	-2.9%	946.8	904.0	4.7%
YoY Change (%)	-2.9	-11.3		-10.9		-0.1				
Total Expenditure	234.7	208.4	12.6%	216.0	8.6%	229.9	2.1%	923.9	825.7	11.9%
EBITDA	11.3	10.3	9.6%	9.7	17.1%	23.4	-51.7%	22.9	78.3	-70.7%
Margins (%)	5%	5%		4%		9%				
Depreciation	3.4	3.3	1.9%	3.4	-0.2%	3.3	1.5%	13.5	12.6	7.1%
Interest	2.5	2.6	-6.9%	3.2	-22.4%	2.6	-6.2%	10.1	11.1	-9.5%
Other Income	0.4	0.3	13.4%	0.4	0.5%	0.4	-3.8%	1.8	2.1	-14.3%
PBT	5.8	4.7	24.5%	3.5	68.0%	17.7	-66.9%	1.1	55.2	-97.9%
Tax	2.2	1.7	34.0%	0.9	152.7%	6.3	-64.8%	0.6	19.3	-96.7%
Rate (%)	37.9	35.2		25.2		34.8		55.3	34.9	
Reported PAT	3.6	3.0	19.4%	2.6	39.5%	11.4	-68.1%	0.5	36.0	-98.6%
Adj PAT	3.6	3.0	19.4%	2.6	39.5%	11.4	-68.2%	0.5	36.0	-98.6%
Refining throughput (mmt)	4.64	4.60	0.9%	4.60	0.9%	4.6	0.9%	18.17	16.59	9.5%
Reported GRM (USD/bbl)	6.2	6.2	0.3%	5.4	15.4%	11.4	-45.1%	4.4	10.8	-59.1%

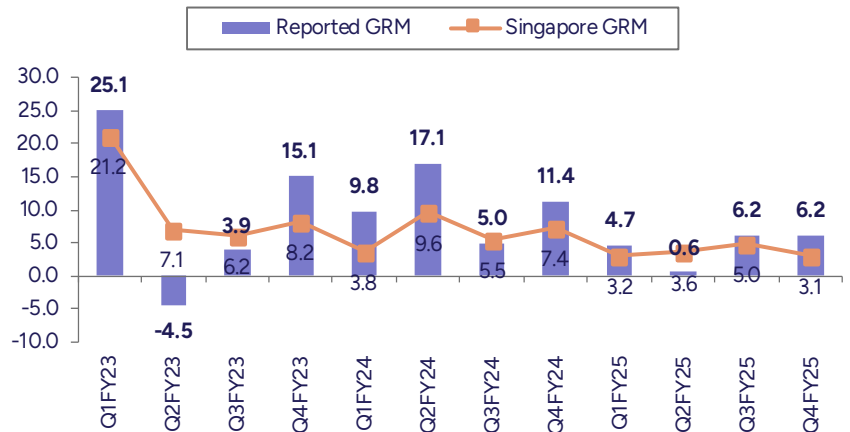
Source: Company, PL

Exhibit 2: Valuation Table

Standalone EBITDA @ FY27 (Rs m)	57466.2
Target EV/EBITDA (x)	5.0
EV (Rs, mn)	287331
Net Debt FY25 (Rs, mn)	128352.2
Equity Value (Rs, mn)	158979
12m target price (Rs/share)	91
Chemicals Project Valuation	
Capacity (ktpa)	150
Realization(Rs/kg)	175
Revenue (Rsmn)	26250
Margin	20%
EBITDA (Rs mn)	5250
Multiple (x)	15
EV (Rsmn)	78750
No of shares	1752.6
Chemicals Target (Rs)	45
Target Price	136

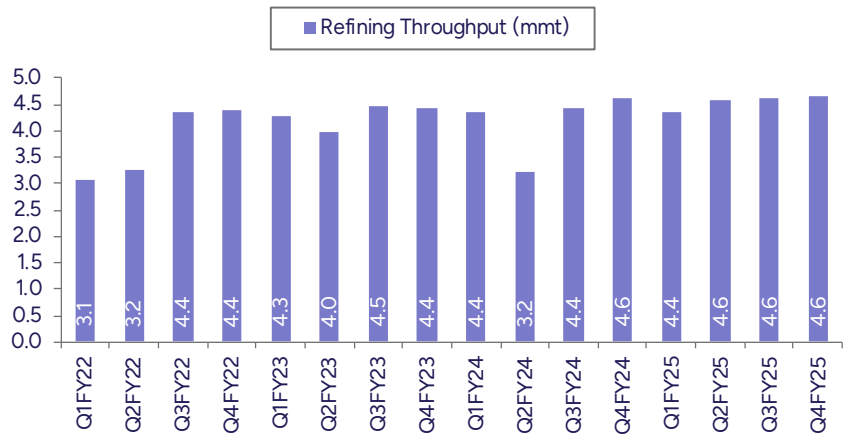
Source: PL

Exhibit 3: GRM comes in flat in Q4



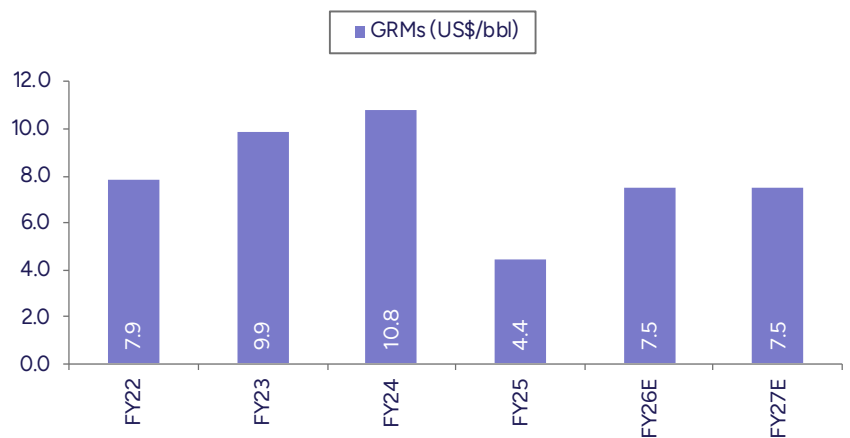
Source: Company, PL

Exhibit 4: Throughput rose marginally QoQ



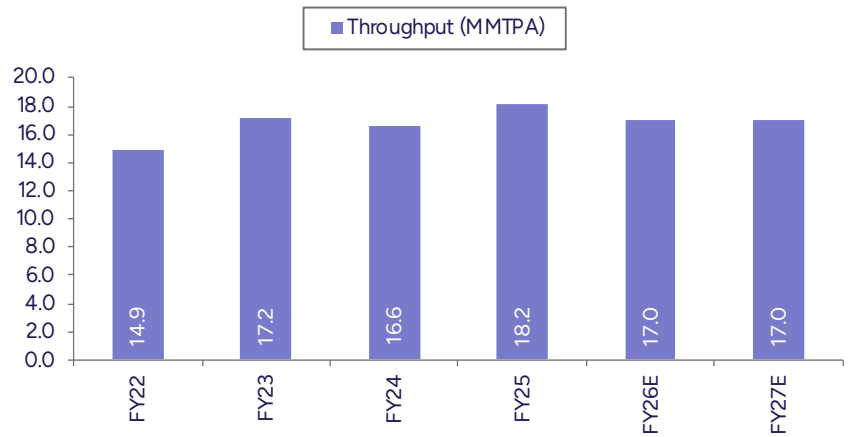
Source: Company, PL

Exhibit 5: FY26/27E GRM expected at US\$7.5/7.5/bbl



Source: PL, Company

Exhibit 6: FY26/27 throughput expected at 17mmt



Source: Company, PL

Financials

Income Statement (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	904	947	854	861
YoY gr. (%)	(17.1)	4.7	(9.8)	0.8
Cost of Goods Sold	797	892	773	779
Gross Profit	107	55	81	82
Margin (%)	11.8	5.8	9.5	9.5
Employee Cost	8	7	8	8
Other Expenses	22	32	24	25
EBITDA	77	23	58	57
YoY gr. (%)	18.5	(70.2)	151.0	(0.1)
Margin (%)	8.5	2.4	6.7	6.7
Depreciation and Amortization	13	13	15	16
EBIT	64	9	43	41
Margin (%)	7.1	1.0	5.0	4.8
Net Interest	11	10	11	11
Other Income	2	2	2	2
Profit Before Tax	55	1	34	32
Margin (%)	6.1	0.1	3.9	3.7
Total Tax	19	1	8	8
Effective tax rate (%)	34.9	55.3	25.2	25.2
Profit after tax	36	1	25	24
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	36	1	25	24
YoY gr. (%)	36.3	(98.6)	4,886.5	(5.6)
Margin (%)	4.0	0.1	3.0	2.8
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	36	1	25	24
YoY gr. (%)	36.3	(98.6)	4,886.5	(5.6)
Margin (%)	4.0	0.1	3.0	2.8
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	36	1	25	24
Equity Shares O/s (bn)	2	2	2	2
EPS (Rs)	20.5	0.3	14.4	13.6

Source: Company Data, PL Research

Balance Sheet Abstract (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	342	352	362	372
Tangibles	342	352	362	372
Intangibles	-	-	-	-
Acc: Dep / Amortization	145	158	173	189
Tangibles	145	158	173	189
Intangibles	-	-	-	-
Net fixed assets	197	194	189	183
Tangibles	197	194	189	183
Intangibles	-	-	-	-
Capital Work In Progress	7	7	7	7
Goodwill	-	-	-	-
Non-Current Investments	7	7	7	7
Net Deferred tax assets	3	2	-	-
Other Non-Current Assets	-	-	-	-
Current Assets				
Investments	-	-	-	-
Inventories	83	77	65	66
Trade receivables	39	35	32	32
Cash & Bank Balance	0	0	12	25
Other Current Assets	-	-	-	-
Total Assets	351	342	331	339
Equity				
Equity Share Capital	18	18	18	18
Other Equity	115	112	131	149
Total Network	133	129	149	167
Non-Current Liabilities				
Long Term borrowings	125	129	109	98
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	93	80	67	68
Other current liabilities	4	6	6	6
Total Equity & Liabilities	351	342	331	339

Source: Company Data, PL Research

Cash Flow (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	55	1	34	32
Add. Depreciation	13	13	15	16
Add. Interest	11	10	11	11
Less Financial Other Income	2	2	2	2
Add. Other	0	(1)	-	-
Op. profit before WC changes	79	24	59	59
Net Changes-WC	1	(4)	5	0
Direct tax	(10)	(1)	(8)	(8)
Net cash from Op. activities	71	19	55	51
Capital expenditures	(15)	(10)	(10)	(10)
Interest / Dividend Income	0	-	-	-
Others	0	0	2	-
Net Cash from Invt. activities	(15)	(9)	(8)	(10)
Issue of share cap. / premium	-	-	-	-
Debt changes	(43)	4	(19)	(11)
Dividend paid	(2)	(4)	(6)	(6)
Interest paid	(10)	(9)	(11)	(11)
Others	0	0	-	-
Net cash from Fin. activities	(55)	(9)	(36)	(28)
Net change in cash	0	-	12	13
Free Cash Flow	55	9	45	41

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	20.5	0.3	14.4	13.6
CEPS	27.7	8.0	22.8	22.8
BVPS	75.6	73.8	84.8	95.2
FCF	31.5	5.2	25.8	23.4
DPS	3.0	-	2.9	2.7
Return Ratio(%)				
RoCE	24.6	3.7	16.6	15.8
ROIC	18.4	2.8	13.4	13.2
RoE	31.2	0.4	18.1	15.1
Balance Sheet				
Net Debt : Equity (x)	0.9	1.0	0.7	0.4
Net Working Capital (Days)	16	14	15	15
Valuation(x)				
PER	6.6	470.1	9.4	10.0
P/B	1.8	1.8	1.6	1.4
P/CEPS	4.9	17.0	6.0	6.0
EV/EBITDA	4.7	16.0	5.8	5.4
EV/Sales	0.4	0.4	0.4	0.4
Dividend Yield (%)	2.2	-	2.1	2.0

Source: Company Data, PL Research

Quarterly Financials (Rs bn)

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Net Revenue	232	250	219	246
YoY gr. (%)	9.8	29.8	(11.3)	(2.9)
Raw Material Expenses	219	247	200	227
Gross Profit	14	3	19	19
Margin (%)	5.9	1.1	8.6	7.9
EBITDA	6	(5)	10	11
YoY gr. (%)	(70.6)	(121.1)	(12.9)	(51.7)
Margin (%)	2.6	(1.9)	4.7	4.6
Depreciation / Depletion	3	3	3	3
EBIT	3	(8)	7	8
Margin (%)	1.2	(3.3)	3.2	3.2
Net Interest	2	3	3	2
Other Income	-	1	-	-
Profit before Tax	1	(10)	5	6
Margin (%)	0.4	(4.2)	2.1	2.4
Total Tax	-	(4)	2	2
Effective tax rate (%)	34.8	34.5	35.2	37.9
Profit after Tax	1	(7)	3	4
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	1	(7)	3	4
YoY gr. (%)	(93.5)	(164.4)	(21.4)	(68.1)
Margin (%)	0.3	(2.7)	1.4	1.5
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	1	(7)	3	4
YoY gr. (%)	(93.5)	(164.4)	(21.4)	(68.1)
Margin (%)	0.3	(2.7)	1.4	1.5
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1	(7)	3	4
Avg. Shares O/s (bn)	2	2	2	2
EPS (Rs)	0.4	(3.9)	1.7	2.1

Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Crude (US\$/bbl)	83.3	78.9	75.0	75.0
US\$/Rs	83.3	84.6	87.0	87.7
GRM (US\$/bbl)	10.8	4.4	7.5	7.5
Refining throughput (mmt)	17	18	17	17

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Apr-25	Sell	109	129
2	21-Jan-25	Hold	137	144
3	08-Jan-25	Accumulate	168	145
4	23-Oct-24	Accumulate	169	147
5	19-Oct-24	Sell	124	166
6	07-Oct-24	Sell	128	173
7	23-Jul-24	Sell	130	215
8	07-Jul-24	Sell	135	218
9	04-May-24	Sell	138	250

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Mangalore Refinery & Petrochemicals	Hold	137	144

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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