

May 20, 2025

Q4FY25 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	REDUCE		REDUCE	
Target Price	292		248	
Sales (Rs. m)	521	530	518	520
% Chng.	0.6	1.8		
EBITDA (Rs. m)	61	65	58	60
% Chng.	5.2	9.5		
EPS (Rs.)	28.4	29.2	26.9	27.6
% Chng.	5.6	5.7		

Key Financials - Standalone

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. bn)	558	510	521	530
EBITDA (Rs. bn)	52	55	61	65
Margin (%)	9.3	10.8	11.7	12.3
PAT (Rs. bn)	35	39	43	44
EPS (Rs.)	23.6	26.2	28.4	29.2
Gr. (%)	9.1	11.0	8.5	2.7
DPS (Rs.)	10.0	10.0	12.0	12.4
Yield (%)	3.1	3.1	3.7	3.9
RoE (%)	22.2	21.6	20.7	19.0
RoCE (%)	27.8	26.0	25.2	23.4
EV/Sales (x)	0.7	0.8	0.8	0.8
EV/EBITDA (x)	7.8	7.1	6.6	6.3
PE (x)	13.6	12.3	11.3	11.0
P/BV (x)	2.8	2.5	2.2	2.0

Key Data

PLNG.BO | PLNG IN

52-W High / Low	Rs.385 / Rs.253
Sensex / Nifty	82,059 / 24,945
Market Cap	Rs.481bn / \$ 5,634m
Shares Outstanding	1,500m
3M Avg. Daily Value	Rs.682.43m

Shareholding Pattern (%)

Promoter's	50.00
Foreign	27.31
Domestic Institution	11.80
Public & Others	10.89
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	5.5	2.2	2.3
Relative	1.0	(3.4)	(7.7)

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Volume declines YoY, QoQ

Quick Pointers:

- Dahej regas volume stood at 189TBtu vs 219TBtu in Q4FY24 and 213TBtu in Q3FY25. For the full year, vol stood at 934TBtu vs 919TBtu in FY24.
- Expansion to 22.5mmtpa at Dahej in another 3-4m; however, no visibility on utilization

PLNG reported an EBITDA of Rs15.1bn (+21% QoQ, +37% YoY, PLe: Rs10.8bn, BBGe: Rs11.8bn), while PAT came in at Rs10.7bn (+23% QoQ, +45% YoY, PLe: Rs7.3bn, BBGe: Rs8.2bn). Ther has been a reversal of Rs2.3bn included in the EBITDA for the quarter. Total volume declined 12% YoY and 10% QoQ to 205TBtu mainly due to shutdown of few fertilizer plants and lower offtake due to liquid fuels being cheaper compared to gas. For the full year, total volume stood at 934TBtu vs 919TBtu in FY24. EBITDA stood at Rs55bn, +6% YoY and PAT stood at Rs39.3bn, +11% YoY. Due to 1) concerns on utilization amidst rising competition and 2) increased capex on petrochemical project, we reiterate our 'Reduce' recommendation with TP of Rs292 based on 10x FY27 EPS.

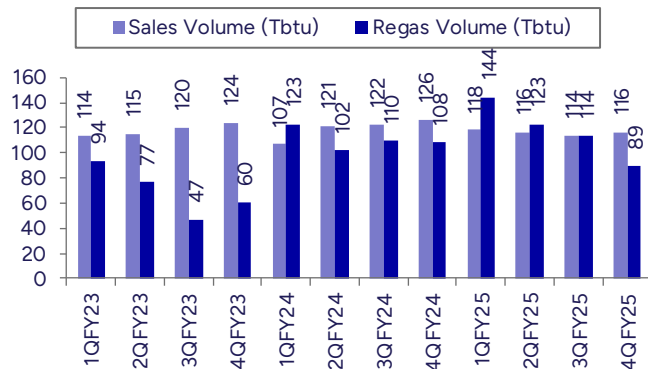
- Operating profit declines QoQ:** On account of reversal of impairment, the company recorded a gain of Rs2.3bn during the quarter. Including this, total EBITDA stood at Rs15bn during the quarter with PAT of Rs10.7bn. For the year, EBITDA stood at Rs55bn (+6% YoY) and PAT stood at Rs39.3bn (+11% YoY).
- Utilization of Dahej expansion is key:** Utilization at Dahej stood at 85% in Q4FY25 vs 99% in Q4FY24 while the full year utilization stood at 99% vs 98% in FY24. For Kochi, utilization in Q4FY25 stood at 25% vs 24% in Q4FY24. In FY25, utilization stood at 23% vs 22% in FY24.
- Concerns on utilizations ahead:** While the company is completing its Dahej expansion from 17.5mmtpa to 22.5mmtpa in another 3-4 months, there are no firm contracts for utilization of the expanded capacity. Additionally, while the Kochi-Bangalore pipeline is expected to be completed by year end, no new contracts for that evacuation have also been announced. We assume marginal increase in total regas volume from 934TBtu in FY25 to 976TBtu in FY26 and to 984TBtu in FY27.
- Conference Call Highlights:** 1) Capex: Rs45-50bn for FY26including Rs25bn on Petrochem project; Dahej 3rd jetty, Kochi terminal routine capex 80-100cr, additional truck loading facility at Dahej/Kochi-75-80cr, corporate office at Dwarka 70-80cr, new corporate office at Delhi 90-100cr, CBG plants- 100cr, Gopalpur LNG terminal 300cr 2) Dahej expanding to 22.5mmtpa in another 3-4months 3) 7.5mmtpa contract with Qatar has been extended from 2028 to 2048 4) Gopalpur land based LNG terminal- land acquisition started, will take 3-4 years to come up- Rs23bn capex but likely to go to Rs50bn, multiple pipelines are existing for evacuation 5) total gas consumption in the country to rise by 6-7%.

Exhibit 1: Petronet's Quarterly and FY25 Financials

(Rs bn)	Q4FY25	Q3FY25	QoQ gr.	Q4FY25E	% Var	Q4FY24	YoY gr.	FY25	FY24	YoY gr.
Net Sales	123.2	122.3	0.7%	100.3	22.8%	137.9	-10.7%	509.8	527.3	-3.3%
YoY Change (%)	-10.7	-17.1		-27.3		-0.6				
Total Expenditure	15.1	12.5	21.3%	10.8	39.8%	11.0	37.0%	55.2	52.1	6.1%
EBITDA	12.3	10.2		10.8		8.0		10.8	39.4	
Margins (%)	2.1	2.1	-1.8%	2.3	-9.8%	1.9	5.8%	8.1	7.8	3.8%
Depreciation	0.6	0.7	-6.5%	0.6	-2.6%	0.7	-14.0%	2.6	2.9	-10.9%
Interest	2.0	2.0	1.8%	1.9	5.2%	1.6	27.3%	8.2	6.2	32.2%
Other Income	14.5	11.7	23.7%	9.8	47.3%	10.0	45.2%	52.8	47.6	10.9%
PBT	14.5	11.7	23.7%	9.8	47.3%	10.0	45.2%	52.8	47.6	10.9%
Tax	3.8	3.0	24.3%	2.5	51.9%	2.6	45.6%	13.5	12.2	10.5%
Rate (%)	26.0	25.8		25.2		25.9		25.6	25.7	
Reported PAT	10.7	8.7	23.4%	7.3	45.8%	7.4	45.1%	39.3	35.4	11.0%
Margins (%)	8.7	7.1		7.3		5.3		7.7	6.7	
Sales volume (Tbtu)										
Regas volume (Tbtu)	89.0	114.0	-21.9%	58.8	51.4%	108.0	-17.6%	470.0	443.0	6.1%
Sales volume (Tbtu)	116.0	114.0	1.8%	143.6	-19.2%	126.0	-7.9%	464.0	476.0	-2.5%
Total Volumes (Tbtu)	205.0	228.0	-10.1%	202.4	1.3%	234.0	-12.4%	934.0	919.0	1.6%

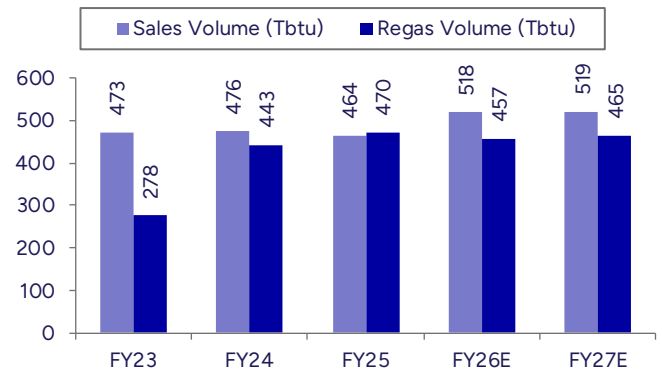
Source: Company, PL

Exhibit 2: Regas volume fell 4% YoY and 2% QoQ



Source: Company, PL

Exhibit 3: Total volume to reach 984TBtu by FY27E



Source: Company, PL

Financials

Income Statement (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	558	510	521	530
YoY gr. (%)	(6.9)	(8.6)	2.1	1.8
Cost of Goods Sold	495	443	446	451
Gross Profit	63	67	74	79
Margin (%)	11.2	13.1	14.3	14.9
Employee Cost	2	2	2	2
Other Expenses	9	9	11	11
EBITDA	52	55	61	65
YoY gr. (%)	7.2	6.1	10.7	6.8
Margin (%)	9.3	10.8	11.7	12.3
Depreciation and Amortization	8	8	9	11
EBIT	44	47	52	54
Margin (%)	7.9	9.3	10.0	10.2
Net Interest	3	3	3	3
Other Income	6	8	8	7
Profit Before Tax	48	53	57	59
Margin (%)	8.5	10.3	10.9	11.1
Total Tax	11	13	14	15
Effective tax rate (%)	25.7	25.6	25.2	25.7
Profit after tax	35	39	43	44
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	35	39	43	44
YoY gr. (%)	9.1	11.0	8.5	2.7
Margin (%)	6.3	7.7	8.2	8.3
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	35	39	43	44
YoY gr. (%)	9.1	11.0	8.5	2.7
Margin (%)	6.3	7.7	8.2	8.3
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	35	39	43	44
Equity Shares O/s (bn)	2	2	2	2
EPS (Rs)	23.6	26.2	28.4	29.2

Source: Company Data, PL Research

Balance Sheet Abstract (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	115	133	161	199
Tangibles	115	133	161	199
Intangibles	-	-	-	-
Acc: Dep / Amortization	54	62	71	83
Tangibles	54	62	71	83
Intangibles	-	-	-	-
Net fixed assets	62	71	90	117
Tangibles	62	71	90	117
Intangibles	-	-	-	-
Capital Work In Progress	16	16	34	40
Goodwill	-	-	-	-
Non-Current Investments	22	29	29	29
Net Deferred tax assets	(6)	(6)	(6)	(6)
Other Non-Current Assets	-	-	-	-
Current Assets				
Investments	-	-	-	-
Inventories	15	12	13	13
Trade receivables	36	33	35	36
Cash & Bank Balance	74	91	78	70
Other Current Assets	-	-	-	-
Total Assets	251	268	296	322
Equity				
Equity Share Capital	15	15	15	15
Other Equity	155	179	203	228
Total Network	170	194	218	243
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	29	26	28	28
Other current liabilities	46	43	44	45
Total Equity & Liabilities	251	268	296	322

Source: Company Data, PL Research

Cash Flow (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	48	53	57	59
Add. Depreciation	8	8	9	11
Add. Interest	3	3	3	3
Less Financial Other Income	6	8	8	7
Add. Other	(3)	(4)	(8)	(7)
Op. profit before WC changes	55	59	61	65
Net Changes-WC	6	(2)	(1)	0
Direct tax	(12)	(13)	(15)	(15)
Net cash from Op. activities	49	44	45	50
Capital expenditures	(8)	(15)	(45)	(45)
Interest / Dividend Income	-	-	-	-
Others	(2)	(17)	-	-
Net Cash from Invt. activities	(11)	(32)	(45)	(45)
Issue of share cap. / premium	-	-	-	-
Debt changes	-	-	-	-
Dividend paid	(15)	(15)	(18)	(19)
Interest paid	0	0	(3)	(3)
Others	(6)	(6)	-	-
Net cash from Fin. activities	(22)	(22)	(20)	(21)
Net change in cash	17	(9)	(20)	(16)
Free Cash Flow	40	29	0	5

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	23.6	26.2	28.4	29.2
CEPS	28.8	31.6	34.6	36.7
BVPS	113.1	129.2	145.5	162.3
FCF	26.9	19.6	0.3	3.3
DPS	10.0	10.0	12.0	12.4
Return Ratio(%)				
RoCE	27.8	26.0	25.2	23.4
ROIC	25.1	26.7	23.8	21.4
RoE	22.2	21.6	20.7	19.0
Balance Sheet				
Net Debt : Equity (x)	(0.4)	(0.5)	(0.4)	(0.3)
Net Working Capital (Days)	(1)	(1)	1	1
Valuation(x)				
PER	13.6	12.3	11.3	11.0
P/B	2.8	2.5	2.2	2.0
P/CEPS	29.0	31.8	34.9	37.0
EV/EBITDA	7.8	7.1	6.6	6.3
EV/Sales	0.7	0.8	0.8	0.8
Dividend Yield (%)	3.1	3.1	3.7	3.9

Source: Company Data, PL Research

Quarterly Financials (Rs bn)

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Net Revenue	134	130	122	123
YoY gr. (%)	15.1	3.9	(17.1)	(10.7)
Raw Material Expenses	115	114	106	108
Gross Profit	19	16	17	15
Margin (%)	14.5	12.2	13.6	12.1
EBITDA	16	12	12	15
YoY gr. (%)	32.3	(1.2)	(26.9)	37.0
Margin (%)	11.7	9.2	10.2	12.3
Depreciation / Depletion	2	2	2	2
EBIT	14	10	10	13
Margin (%)	10.2	7.7	8.5	10.6
Net Interest	1	1	1	1
Other Income	2	2	2	2
Profit before Tax	15	11	12	14
Margin (%)	11.3	8.8	9.6	11.7
Total Tax	4	3	3	4
Effective tax rate (%)	24.9	25.7	25.8	26.0
Profit after Tax	11	8	9	11
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	11	8	9	11
YoY gr. (%)	44.5	3.6	(27.2)	45.1
Margin (%)	8.5	6.5	7.1	8.7
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	11	8	9	11
YoY gr. (%)	44.5	3.6	(27.2)	45.1
Margin (%)	8.5	6.5	7.1	8.7
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	11	8	9	11
Avg. Shares O/s (bn)	2	2	2	2
EPS (Rs)	7.6	5.7	5.8	7.1

Source: Company Data, PL Research

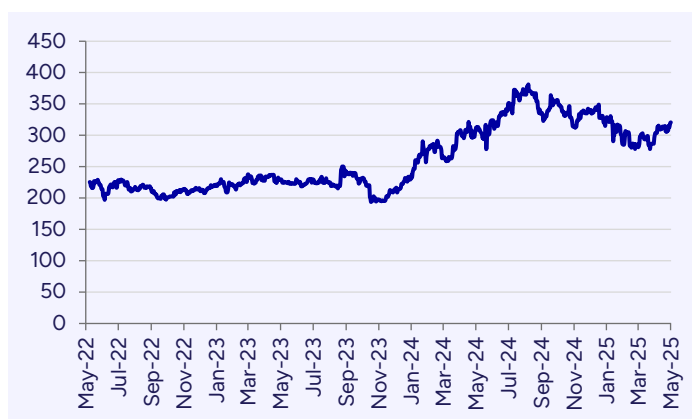
Key Operating Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales Volume (TBtu)	476.0	464.0	518.1	519.4
Regas Volume (TBtu)	443.0	470.0	457.5	465.1
Dahej Tariff (Rs/mmBtu)	60.6	63.7	66.9	69.3
Kochi Tariff (Rs/mmBtu)	84.0	89.3	89.3	89.3

Source: Company Data, PL Research

Price Chart

Recommendation History



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Apr-25	Reduce	248	278
2	29-Jan-25	Reduce	276	291
3	08-Jan-25	Sell	268	330
4	24-Oct-24	Sell	272	339
5	07-Oct-24	Sell	272	348
6	25-Jul-24	Sell	266	351
7	07-Jul-24	Sell	258	337
8	23-May-24	Sell	259	308

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Aarti Industries	Reduce	394	449
2	Bharat Petroleum Corporation	Reduce	267	311
3	Bharti Airtel	Accumulate	1,988	1,834
4	Clean Science and Technology	Hold	1,224	1,167
5	Deepak Nitrite	Reduce	1,645	1,835
6	Fine Organic Industries	BUY	4,930	4,176
7	GAIL (India)	Hold	191	184
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	321	410
12	Indian Oil Corporation	Reduce	122	143
13	Indraprastha Gas	Sell	150	185
14	Jubilant Ingrevia	Hold	735	700
15	Laxmi Organic Industries	Reduce	160	169
16	Mahanagar Gas	Hold	1,410	1,410
17	Mangalore Refinery & Petrochemicals	Sell	109	129
18	Navin Fluorine International	Accumulate	5,161	4,595
19	NOCIL	Reduce	172	184
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	3,069	2,928
25	Vinati Organics	Accumulate	1,882	1,765

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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