

July 20, 2025

## Q1FY26 Result Update

☒ Change in Estimates | ☒ Target | ☒ Reco

### Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
<b>Rating</b>	<b>ACCUMULATE</b>		<b>HOLD</b>	
<b>Target Price</b>	<b>1,555</b>		<b>1,479</b>	
Sales (Rs bn)	9,824	10,459	9,833	10,444
% Chng.	(0.1)	0.1		
EBITDA (Rs bn)	1,835	1,936	1,854	1,925
% Chng.	(1.0)	0.6		
EPS (Rs.)	54.0	55.8	55.0	55.2
% Chng.	(1.9)	1.1		

### Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. bn)	9,011	9,647	9,824	10,459
EBITDA (Rs. bn)	1,622	1,654	1,835	1,936
Margin (%)	18.0	17.1	18.7	18.5
PAT (Rs. bn)	696	696	730	755
EPS (Rs.)	51.4	51.5	54.0	55.8
Gr. (%)	5.0	0.0	4.8	3.5
DPS (Rs.)	10.0	5.5	5.4	5.5
Yield (%)	0.7	0.4	0.4	0.4
RoE (%)	9.2	8.5	8.3	8.0
RoCE (%)	10.2	9.5	9.6	9.3
EV/Sales (x)	2.5	2.3	2.2	2.0
EV/EBITDA (x)	13.8	13.7	12.0	11.0
PE (x)	28.7	28.7	27.4	26.4
P/BV (x)	2.5	2.4	2.2	2.0

### Key Data RELI.BO | RELIANCE IN

52-W High / Low	Rs.1,594 / Rs.1,115
Sensex / Nifty	81,758 / 24,968
Market Cap	Rs.19,975bn/ \$ 2,31,834m
Shares Outstanding	13,532m
3M Avg. Daily Value	Rs.17673.88m

### Shareholding Pattern (%)

Promoter's	50.33
Foreign	21.75
Domestic Institution	17.41
Public & Others	10.51
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	3.2	13.3	(7.0)
Relative	2.8	6.2	(7.4)

### Swarnendu Bhushan

swarnendubhushan@plindia.com | 91-22-66322260

## Standalone disappoints, New Energy to look forward to

### Quick Pointers:

- Standalone EBITDA/mt +3% QoQ at USD44.1, products for sale -4% QoQ
- New Energy ecosystem to be commercialized within four-eight quarters

**Reliance Industries' (RIL) consolidated EBITDA came in at Rs429.1bn (PLe: Rs451bn, BBGe: Rs445bn, +11% YoY, -2.1% QoQ) while adj PAT stood at Rs180.5bn (PLe: Rs205.6bn, BBGe: Rs197.8bn, +19% YoY, -7% QoQ). Standalone EBITDA at Rs131.7bn was 8% down QoQ despite improvement in benchmark GRM and petrochem spreads, primarily due to partial shutdown and possible inventory losses. Retail EBITDA grew 11% YoY, -7% QoQ to Rs60.4bn. Jio ARPU increased from Rs206.2 in Q4FY25 to Rs208.8 on the back of earlier tariff hike, with a subscriber addition of 9.9mn to 498.1mn. The stock is trading at 12.0/11.0x conso FY26/27E EV/EBITDA. The company mentions that the cell manufacturing is expected to be commissioned in 1-2 quarter while the whole new energy ecosystem would take 4-6 quarters to commercialize. In absence of any quantitative details, we introduce valuation of Rs111/share for this segment valuing it at 2x the earlier announced capex of Rs750bn. While the stock may face near-term pressure, we upgrade the stock from HOLD to ACCUMULATE due to possible upturn in new energy segment, with target price of Rs1,555 from earlier target of Rs1,497.**

**Retail:** Reliance Retail's net revenues came in at Rs737bn, +11%YoY. EBITDA stood at Rs60.4bn, up 11% YoY with an EBITDA margin of 8.2%. PAT came in at Rs32.7bn, +33% YoY. Total store count stands at 19,592 with an area of 79.4mn sq ft. The management guides that store rationalization is towards the end.

**Digital Services:** Jio Platforms Ltd reported a net revenue of Rs350.3bn, up 19% YoY and 3% QoQ. EBITDA came in at Rs181.4bn, +24% YoY and 6.6% QoQ. PAT stood at Rs71.1bn, +25% YoY and marginally down QoQ. Subscriber addition stood at 9.9mn QoQ with subscriber base at 498.1mn while ARPU grew from Rs206.2 to Rs208.8. 5G subscribers stand at 210mn with 20mn addition during the quarter.

**Standalone segment:** RIL's standalone EBITDA came in at Rs131.7bn, 7% below our estimates (-8% YoY, -13% QoQ). This is despite better benchmark refining margin and Petrochem spreads QoQ, primarily due to partial shutdown and possible inventory losses due to decline in Brent from USD75.7/bbl in Q4FY25 to USD68/bbl in Q1FY26. Implied EBITDA/mt stood at USD44.3 vs USD42.9 in Q4FY25 and USD48.2 in Q1FY25.

**New Energy:** The company shared information on ongoing projects in the New Energy segment. It has guided that cell manufacturing is likely to commence in 1-2 quarter while the whole ecosystem is expected to be commercialized within next 4-6 quarters.



### Exhibit 1: Valuation Table

Sum of the parts	INR/share	Remarks/Methodology
Standalone Business (O2C and E&P)	382	7.5x FY27 EV/EBITDA
Reliance Retail equity valuation	617	39x FY27 EV/EBITDA
RJio equity valuation	546	15x FY27 EV/EBITDA
New Energy	111	2x earlier announced investment of Rs750bn
<b>Total</b>	<b>1,655</b>	
Net debt / (cash)	100	Standalone
<b>Target price</b>	<b>1,555</b>	

Source: Company, PL

### Exhibit 2: Consolidated Financials Snapshot

Y/e March (Rs bn)	Q1FY26	Q4FY25	QoQ gr.	Q1FY26E	% Var.	Q1FY25	YoY gr.	FY26E	FY25	YoY gr.
<b>Revenue</b>	<b>2,436</b>	<b>2,613.9</b>	<b>-7%</b>	<b>2,276</b>	<b>7%</b>	<b>2,317.8</b>	<b>5%</b>	<b>9,824.1</b>	<b>9,646.9</b>	<b>2%</b>
Total Expenditure	2,007.3	2,175.6	-8%	1,824.9	10%	1,930.2	4%	7,989.0	7,992.5	0%
<b>EBITDA</b>	<b>429.1</b>	<b>438.3</b>	<b>-2%</b>	<b>451.0</b>	<b>-5%</b>	<b>387.7</b>	<b>11%</b>	<b>1,835.1</b>	<b>1,654.4</b>	<b>11%</b>
<i>EBITDA margin %</i>	<i>17.6</i>	<i>16.8</i>		<i>19.8</i>		<i>16.7</i>		<i>18.7</i>	<i>17.1</i>	
Depreciation	138.4	134.8	3%	137.0	1%	136.0	2%	629.8	531.4	19%
Interest	70.4	61.6	14%	54.7	29%	59.2	19%	254.9	242.7	5%
Other Income	151.2	49.1	208%	31.4	381%	39.8	280%	173.4	179.8	-4%
<b>PBT</b>	<b>371.5</b>	<b>291.0</b>	<b>28%</b>	<b>290.8</b>	<b>28%</b>	<b>232.3</b>	<b>60%</b>	<b>1,123.9</b>	<b>1,060.2</b>	<b>6%</b>
Tax	64.7	66.7	-3%	64.9	0%	57.9	12%	282.3	252.3	12%
Minority Interest	36.9	30.3	22%	20.3	82%	23.1	60%	111.4	111.4	0%
<b>Adj PAT</b>	<b>181</b>	<b>194</b>	<b>-7%</b>	<b>206</b>	<b>-12%</b>	<b>151.4</b>	<b>19%</b>	<b>730.2</b>	<b>696.5</b>	<b>5%</b>

Source: Company, PL

## Reliance Retail

Reliance Retail reported a strong performance with net revenue at Rs 737bn for Q1FY26, up 11% YoY led by strong performance across grocery and fashion while consumer electronics and devices suffered due to early onset of monsoon. EBITDA came in at Rs60.4bn, +11% YoY. EBITDA margin stood at 8.2%, flat YoY.

- The business expanded its store network by adding 388 new stores taking the total store count at the end of the quarter to 19,592 stores with an area of 79.4 million sq ft.
- The management has guided that rationalization of stores is almost done with and expects a steady growth from here on.

### Consumer Electronics:

- Average bill value increased 26% YoY with a 200bps YoY improvement in conversions
- Service center network has expanded by 31% to 1,621 locations
- JioMart Digital delivered strong growth with expansion in brand portfolio and merchant partner base. resQ continues to be the most popular and largest service network.
- The company has acquired Kelvinator brand IP for India

### Fashion & Lifestyle:

- Multiple initiatives taken in past 4 quarters has led to growth, emerging brands registered 59% growth
- AJio: average bill value was +17% YoY with new customers revenue share at 18%
- AJio Luxe has launched new brands taking the total to 875 with SKUs up 17% YoY
- The company has launched Mothercare Everyday in order to strengthen its kids offerings
- Average bill value was up 47% YoY amidst volatile gold prices in the Jewels segment
- Shein crossed 2mn app downloads and 20,000+ SKUs.

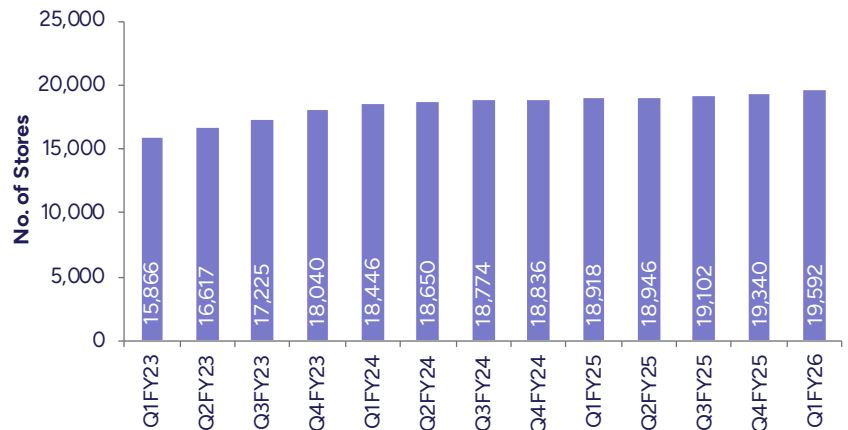
### Grocery

- Double digit growth in core segments: HPC +15% YoY, fruits and vegetables +15% YoY, packaged food +13% YoY
- New products like Korean noodles, Face Serum and Muesli Energy bars launched
- Metro format has shown strong growth: HPC +25% YoY, hot beverages/dry fruits/nuts +20% YoY

## JioMart

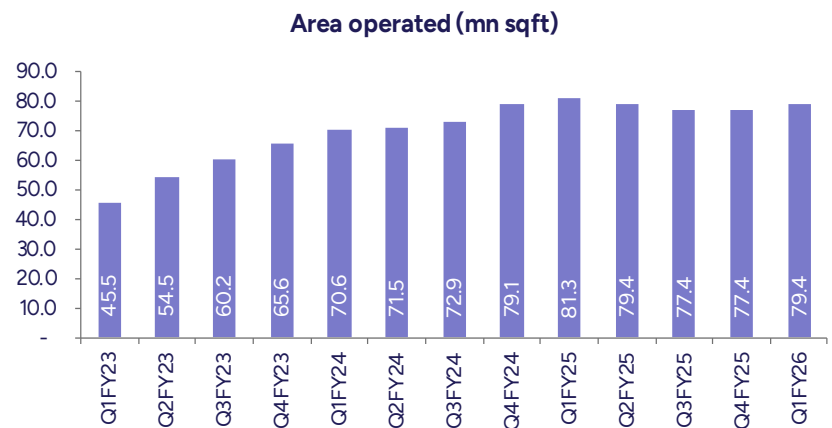
- Daily orders grew 68% QoQ and 175% YoY
- Operations across 4,290 pin codes serviced by 2,200 stores in 1,000+ cities
- Subscription services extended to 26 cities

**Exhibit 3: A total of 338 new stores were added QoQ**



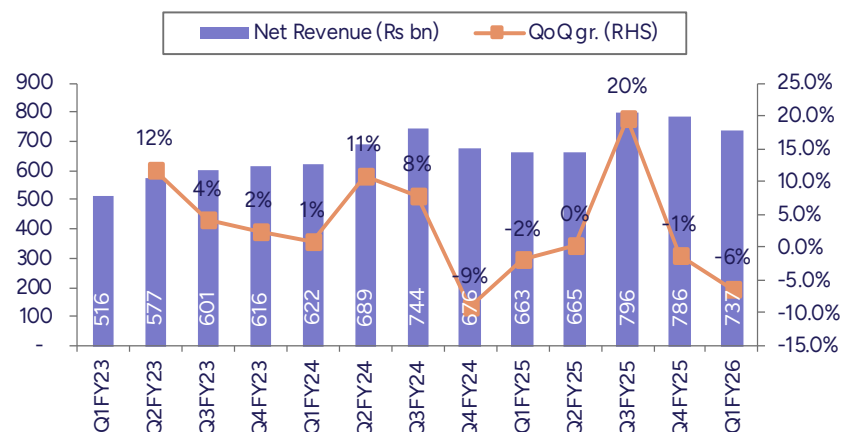
Source: Company, PL

**Exhibit 4: Area operated marginally up**



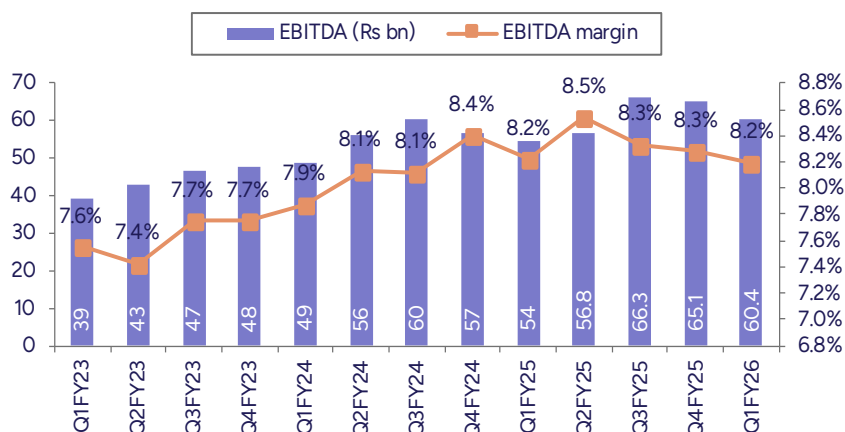
Source: Company, PL

**Exhibit 5: Revenue increased 11% YoY in Q1FY26**



Source: Company, PL

**Exhibit 6: EBITDA margin came in at 8.3% in Q4**



Source: Company, PL

**Exhibit 7: Reliance Retail Ventures Income Statement (Rs bn)**

Y/E March	FY24	FY25	FY26E	FY27E
Total Income from Operations	2,309	2,731	2,935	3,590
Change (%)	32.0	18.3	7.5	22.3
Total Expenditure	2,136	2,510	2,715	3,332
% of Sales	92.5	91.9	92.5	92.8
<b>EBITDA</b>	<b>173</b>	<b>221</b>	<b>220</b>	<b>258</b>
Margin (%)	7.5	8.1	7.5	7.2

Source: Company, PL

**Exhibit 8: Reliance Retail Quarterly Income Statement (Rs bn)**

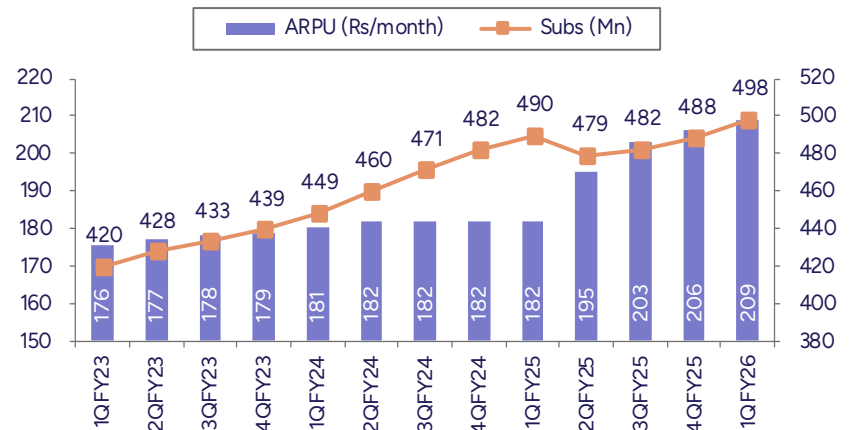
	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY gr.	QoQ gr.
<b>Net Revenue</b>	<b>662.6</b>	<b>665.0</b>	<b>796.0</b>	<b>786.2</b>	<b>737.2</b>	<b>-6.2%</b>	<b>11.3%</b>
<b>EBITDA</b>	<b>54.5</b>	<b>56.8</b>	<b>66.3</b>	<b>65.1</b>	<b>60.4</b>	<b>-7.2%</b>	<b>10.9%</b>
<b>Margin</b>	<b>8.2%</b>	<b>8.5%</b>	<b>8.3%</b>	<b>8.3%</b>	<b>8.2%</b>	<b>-1.0%</b>	<b>-0.3%</b>
Investment Income	2.2	1.8	2.0	2.0	3.4	67.7%	56.0%
Depreciation	16.7	14.2	15.07	14.0	15.2	8.1%	-9.1%
Finance Costs	5.5	5.7	6.7	6.8	5.9	-12.9%	7.6%
Tax Expense	9.0	10.3	12.0	10.8	10.0	-7.5%	11.7%
<b>Net Profit</b>	<b>24.5</b>	<b>29.4</b>	<b>34.9</b>	<b>35.2</b>	<b>32.7</b>	<b>-7.2%</b>	<b>33.1%</b>

Source: Company, PL

## Jio Platforms

- ARPU increased from Rs206.2/mon in Q4FY25 to Rs208.8/mon due to flow through of the earlier tariff hike undertaken by the company
- Net subscriber addition came in at 9.9mn during the quarter. Total subscribers stand at 498.1 million.
- Total data traffic increased 24% YoY; per capita data consumption at 37GB/m
- 200mn+ subscribers have migrated to 5G with 20mn additions during the quarter
- JioAirFibre has grown to 7.4mn homes and accounts for 82% market share

**Exhibit 9: ARPU grew to Rs208.8 in Q1FY26**



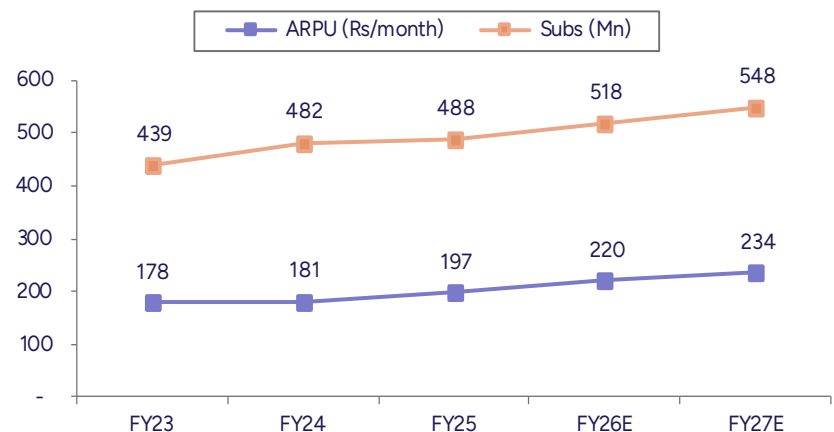
Source: Company, PL

**Exhibit 10: Operational Update**

Particulars	Q1FY26	Q4FY25	QoQ gr.	Q1FY25	YoY gr.
Customer Base (Million)	498	488	2.0%	481.8	1.7%
ARPU (Rs/month)	208.8	206	1.3%	181.7	14.9%
Data Traffic (bn GB)	54.7	48.9	11.9%	40.9	33.7%

Source: Company, PL

**Exhibit 11: Subscribers expected to reach 548mn in FY27E**



Source: Company, PL

**Exhibit 12: Reliance Jio Infocomm Income Statement (Rs bn)**

Y/E March	FY24	FY25	FY26E	FY27E
<b>Total Revenue</b>	<b>1,001</b>	<b>1,141</b>	<b>1,329</b>	<b>1,500</b>
<b>EBITDA</b>	<b>524</b>	<b>594</b>	<b>773</b>	<b>801</b>
Depreciation	214	243	253	275
<b>EBIT</b>	<b>310</b>	<b>351</b>	<b>520</b>	<b>526</b>
Interest & Finance Charges	40	46	38	57
Other Income	5	6	7	11
<b>PBT</b>	<b>275</b>	<b>311</b>	<b>489</b>	<b>480</b>
Tax	70	79	125	123
<b>Net Income After Taxes</b>	<b>205</b>	<b>232</b>	<b>364</b>	<b>357</b>

Source: Company, PL

**Exhibit 13: Reliance Jio Infocomm Quarterly Income Statement (Rs bn)**

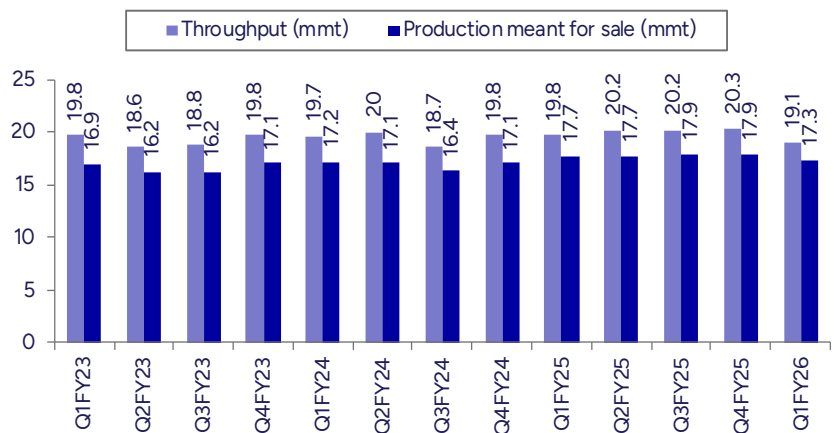
Y/E March	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
<b>Net Revenue</b>	<b>259.6</b>	<b>264.8</b>	<b>283.4</b>	<b>293.1</b>	<b>300.1</b>	<b>308.8</b>
<i>YoY Change (%)</i>	11.0	10.1	14.5	15.5	15.6	16.6
Total Expenditure	123.5	125.6	133.0	138.3	134.0	141.9
<b>EBITDA</b>	<b>136.1</b>	<b>139.2</b>	<b>150.4</b>	<b>154.8</b>	<b>166.1</b>	<b>166.9</b>
<i>Margins (%)</i>	52.4	52.6	53.1	52.8	55.4	54.0
Depreciation	55.7	56.1	57.3	58.3	60.7	62.0
Finance Cost	10.0	11.0	11.2	12.7	11.6	20.8
Other Income	1.2	1.0	1.9	3.2	1.5	6.1
<b>PBT</b>	<b>71.6</b>	<b>73.1</b>	<b>83.7</b>	<b>87.0</b>	<b>95.3</b>	<b>90.2</b>
Tax	18.3	18.7	21.4	22.2	17.2	23.1
<i>Rate (%)</i>	26%	26%	26%	26%	18%	26%
<b>PAT</b>	<b>53.4</b>	<b>54.5</b>	<b>62.3</b>	<b>64.8</b>	<b>78.1</b>	<b>67.1</b>
<i>Margins (%)</i>	20.6	20.6	22.0	22.1	26.0	21.7
<i>YoY Change (%)</i>	24.4	46.4	23.3	38.7	59.6	16.4

Source: Company, PL

## Standalone

- EBITDA came in at Rs131.7bn, -8% YoY and -13% QoQ. Volumes for sale stood marginally down from 17.9mmt to 17.3mmt QoQ while implied EBITDA/mt stood at USD44.1 vs USD42.9 in the previous quarter.
- KG D6 gas production stood at 26.6mmscmd in Q1FY26 vs 26.7mmscmd in Q4FY25; with oil/condensate production at 19,300bopd.
- Average realisation for KG D6 gas stood at USD9.97/mmBtu vs USD10.09/mmBtu QoQ. The average price realised for CBM gas was USD9.9/mmBtu in Q1FY26 vs USD11.58/mmBtu YoY.

**Exhibit 14: Production for sale marginally down QoQ due to partial shutdown**



Source: Company, PL

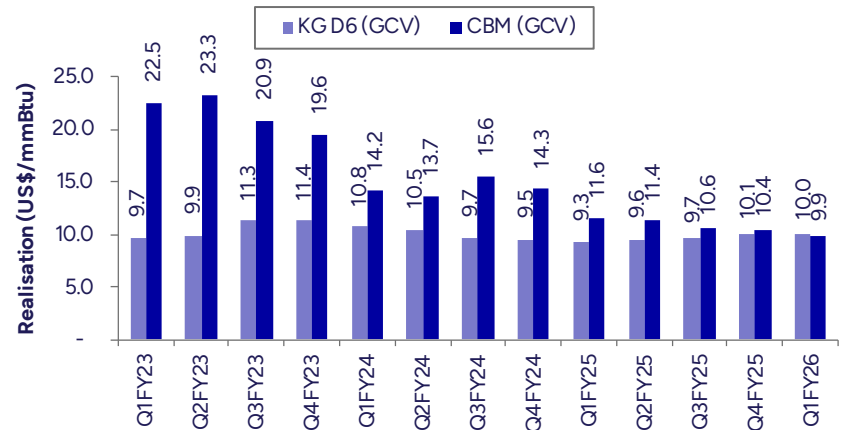
**Exhibit 15: Sequential improvement in product crack spreads**

Product	YoY Change	Q1 FY26 Avg. Price / Margin	Key Factors (YoY)
Brent crude price	↓ 20%	\$67.8/bbl	US tariffs uncertainty and accelerated unwinding of production cuts by OPEC+
Gasoil cracks	↑ 7%	\$15.8/bbl	Middle East conflict and lower inventory
Gasoline cracks	↑ 16%	\$9.9/bbl	US driving season, reduced Chinese exports, supply disruption from Africa refineries
ATF cracks	↑ 8%	\$14.2/bbl	In line with gasoil cracks

Source: Company, PL



**Exhibit 16: KG D6 realization declined marginally QoQ to USD9.97/mmBtu**



Source: Company, PL

**Exhibit 17: Standalone Income Statement (Rs bn)**

Y/E March	FY24	FY25	FY26E	FY27E
<b>Total Income from Operations</b>	<b>5,345</b>	<b>5,173</b>	<b>5,031</b>	<b>5,318</b>
Change (%)	-0.9	-3.2	-2.7	5.7
<b>EBITDA</b>	<b>743</b>	<b>581</b>	<b>635</b>	<b>697</b>
Margin (%)	13.9	11.2	12.6	13.1
Depreciation	177	180	189	218
<b>EBIT</b>	<b>566</b>	<b>401</b>	<b>446</b>	<b>479</b>
Int. and Finance Charges	134	101	119	119
Other Income	121	161	110	117
<b>PBT bef. EO Exp.</b>	<b>553</b>	<b>461</b>	<b>436</b>	<b>477</b>
EO Items				
<b>PBT after EO Exp.</b>	<b>553</b>	<b>461</b>	<b>436</b>	<b>477</b>
Total Tax	132	109	99	110
Tax Rate (%)	23.9	23.6	25.2	25.2
<b>Reported PAT</b>	<b>420</b>	<b>353</b>	<b>354</b>	<b>357</b>
<b>Adjusted PAT</b>	<b>420</b>	<b>353</b>	<b>264</b>	<b>357</b>
Margin (%)	7.9	6.8	5.2	6.7

Source: Company, PL

**Exhibit 18: Standalone Quarterly Income Statement (Rs bn)**

	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY gr.	QoQ gr.
<b>Net Sales</b>	<b>1,299.0</b>	<b>1,301.1</b>	<b>1,243.8</b>	<b>1,329.6</b>	<b>1,163.4</b>	<b>-10.4</b>	<b>-12.5</b>
YoY Change (%)	5.9	-5.3	-2.6	-9.4	-10.4	-276.0	10.5
<b>EBITDA</b>	<b>143.2</b>	<b>134.3</b>	<b>152.1</b>	<b>151.2</b>	<b>131.7</b>	<b>-8.0</b>	<b>-12.9</b>
Margins (%)	11.0	10.3	12.2	11.4	11.3	2.7	-0.4
Depreciation	47.1	43.5	44.6	44.6	41.3	-12.3	-7.5
Interest	29.6	26.6	23.7	20.6	21.9	-26.0	6.6
Other Income	35.0	38.0	32.1	55.8	134.6	284.4	141.3
<b>PBT before EO expense</b>	<b>101.5</b>	<b>102.1</b>	<b>116.0</b>	<b>141.7</b>	<b>203.1</b>	<b>100.1</b>	<b>43.3</b>
Extra-Ord expense	0.0	0.0	0.0	0.0	0.0		
<b>PBT</b>	<b>101.5</b>	<b>102.1</b>	<b>116.0</b>	<b>141.7</b>	<b>203.1</b>	<b>100.1</b>	<b>43.3</b>
Tax	25.4	25.0	28.8	29.5	24.0	-5.2	-18.7
Rate (%)	25.0	24.5	24.8	20.8	11.8	-52.7	-43.3
<b>Reported PAT</b>	<b>76.1</b>	<b>77.1</b>	<b>87.2</b>	<b>112.2</b>	<b>179.0</b>	<b>135.2</b>	<b>59.6</b>
<b>Adj PAT</b>	<b>76.1</b>	<b>77.1</b>	<b>87.2</b>	<b>112.2</b>	<b>89.6</b>	<b>17.8</b>	<b>-20.1</b>
YoY Change (%)	-20.9	-31.2	-12.1	-0.6	17.8		
Margins (%)	5.9	5.9	7.0	8.4	7.7		
<b>EBITDA/mt (USD)</b>	<b>48.2</b>	<b>43.2</b>	<b>50.6</b>	<b>42.9</b>	<b>44.1</b>	<b>-8.5</b>	<b>2.6</b>

Source: Company, PL

**Exhibit 19: Standalone Balance Sheet (Rs bn)**

Y/E March	FY24	FY25	FY26E	FY27E
Equity Share Capital	68	68	135	135
Total Reserves	4,723	5,083	5,296	5,574
Net Worth	4,791	5,151	5,431	5,710
Total Loans	2,158	2,118	1,988	1,988
Deferred Tax Liabilities	340	363	374	374
<b>Capital Employed</b>	<b>7,289</b>	<b>7,631</b>	<b>7,793</b>	<b>8,072</b>
Gross Block	4,481	4,831	5,125	5,465
Less: Accum. Deprn.	1,658	1,835	2,015	2,192
Net Fixed Assets	2,823	2,996	3,110	3,273
Capital WIP	544	616	824	823
Total Investments	3,511	3,701	3,904	3,904
Curr. Assets, Loans&Adv.	2,349	2,283	2,386	1,918
Inventory	848	851	892	801
Account Receivables	241	147	156	139
Cash and Bank Balance	610	692	825	445
Loans and Advances	650	592	513	533
Curr. Liability & Prov.	1,938	1,965	2,431	1,846
Account Payables	1,915	1,938	2,402	1,824
Provisions	23	27	29	22
Net Current Assets	411	318	-45	72
<b>Appl. of Funds</b>	<b>7,289</b>	<b>7,631</b>	<b>7,793</b>	<b>8,072</b>

Source: Company, PL

**Exhibit 20: Standalone Ratios**

Y/E March	FY24	FY25	FY26E	FY27E
EPS	68.3	65.2	54.7	41.0
<b>Vauation (x)</b>				
P/E	22.4	23.4	27.9	37.3
P/BV	2.0	1.8	1.7	1.6
EV/EBITDA	17.1	15.2	19.0	17.9
<b>Return Ratios (%)</b>				
RoE	9.3	8.5	6.7	4.7
RoCE	7.8	7.4	5.8	6.0

Source: Company, PL

**Exhibit 21: Standalone Cash Flow Statement (Rs bn)**

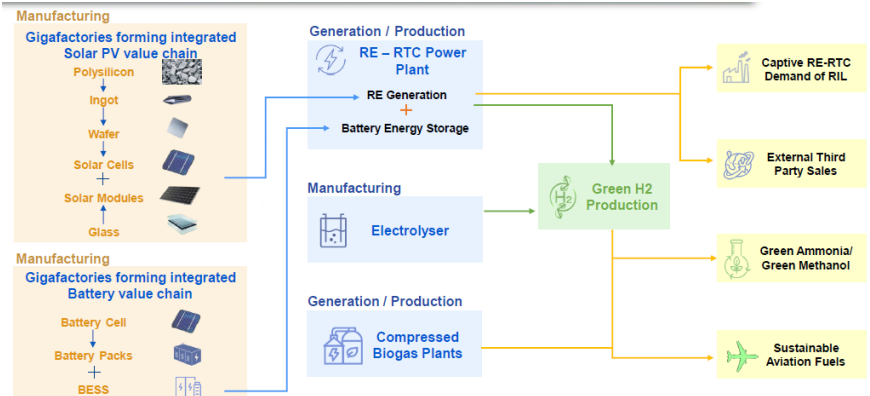
Y/E March	FY24	FY25	FY26E	FY27E
OP/(Loss) before Tax	553	461	436	477
Depreciation	177	180	189	218
Interest & Finance Charges	134	101	119	119
Direct Taxes Paid	-132	-109	-83	-120
(Inc)/Dec in WC	175	496	-497	27
Others				
<b>CF from Operations</b>	<b>929</b>	<b>1,129</b>	<b>164</b>	<b>721</b>
(Inc)/Dec in FA	-423	-502	-350	-350
Free Cash Flow	507	627	-186	371
(Pur)/Sale of Investments				
Others				
<b>CF from Investments</b>	<b>-612</b>	<b>-705</b>	<b>-350</b>	<b>-350</b>
Inc/(Dec) in Debt	-40			
Interest Paid	-134	-101	-119	-119
Dividend Paid	-135	-74	-75	-75
<b>CF from Fin. Activity</b>	<b>-235</b>	<b>-303</b>	<b>-194</b>	<b>-195</b>
Inc/Dec of Cash	82	121	-379	176
<b>Opening Balance</b>	<b>618</b>	<b>701</b>	<b>833</b>	<b>453</b>
<b>Closing Balance</b>	<b>701</b>	<b>821</b>	<b>453</b>	<b>630</b>

Source: Company, PL

## New Energy

- The cell giga-factory is expected to be commissioned in 1-2 quarter. The whole ecosystem is expected to be commissioned in next 4-6 quarters.
- The company aims to double its EBITDA by the end of the decade and new energy segment is expected to be a significant contributor towards the same.

### Exhibit 22: New energy ecosystem



Source: Company, PL

### Exhibit 23: Module giga-factory (1/3)



Source: Company, PL

**Exhibit 24: Module giga-factory (2/3)**



Source: Company, PL

**Exhibit 25: Module giga-factory (3/3)**



Source: Company, PL

**Exhibit 26: Cell giga-factory**



Source: Company, PL

## Financials

### Income Statement (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
<b>Net Revenues</b>	<b>9,011</b>	<b>9,647</b>	<b>9,824</b>	<b>10,459</b>
YoY gr. (%)	2.6	7.1	1.8	6.5
Cost of Goods Sold	5,853	6,297	6,413	6,963
Gross Profit	3,157	3,350	3,412	3,495
Margin (%)	35.0	34.7	34.7	33.4
Employee Cost	257	286	291	316
Other Expenses	1,278	1,410	1,286	1,243
<b>EBITDA</b>	<b>1,622</b>	<b>1,654</b>	<b>1,835</b>	<b>1,936</b>
YoY gr. (%)	14.1	2.0	10.9	5.5
Margin (%)	18.0	17.1	18.7	18.5
Depreciation and Amortization	508	531	630	697
<b>EBIT</b>	<b>1,114</b>	<b>1,123</b>	<b>1,205</b>	<b>1,239</b>
Margin (%)	12.4	11.6	12.3	11.9
Net Interest	231	243	255	255
Other Income	161	180	173	180
<b>Profit Before Tax</b>	<b>1,043</b>	<b>1,060</b>	<b>1,124</b>	<b>1,165</b>
Margin (%)	11.6	11.0	11.4	11.1
Total Tax	257	252	282	293
Effective tax rate (%)	24.6	23.8	25.1	25.1
<b>Profit after tax</b>	<b>786</b>	<b>808</b>	<b>842</b>	<b>872</b>
Minority interest	90	111	111	117
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>696</b>	<b>696</b>	<b>730</b>	<b>755</b>
YoY gr. (%)	5.0	0.0	4.8	3.5
Margin (%)	7.7	7.2	7.4	7.2
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>696</b>	<b>696</b>	<b>730</b>	<b>755</b>
YoY gr. (%)	5.0	0.0	4.8	3.5
Margin (%)	7.7	7.2	7.4	7.2
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	696	696	730	755
<b>Equity Shares O/s (bn)</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>
<b>EPS (Rs)</b>	<b>51.4</b>	<b>51.5</b>	<b>54.0</b>	<b>55.8</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>11,351</b>	<b>13,981</b>	<b>16,043</b>	<b>17,186</b>
Tangibles	11,351	13,981	16,043	17,186
Intangibles	-	-	-	-
<b>Acc: Dep / Amortization</b>	<b>3,701</b>	<b>4,233</b>	<b>4,862</b>	<b>5,559</b>
Tangibles	3,701	4,233	4,862	5,559
Intangibles	-	-	-	-
<b>Net fixed assets</b>	<b>7,650</b>	<b>9,749</b>	<b>11,180</b>	<b>11,627</b>
Tangibles	7,650	9,749	11,180	11,627
Intangibles	-	-	-	-
Capital Work In Progress	3,389	2,624	1,312	919
Goodwill	150	245	245	245
Non-Current Investments	2,257	2,424	2,424	2,424
Net Deferred tax assets	(722)	(835)	(835)	(835)
Other Non-Current Assets	-	-	-	-
<b>Current Assets</b>				
Investments	-	-	-	-
Inventories	1,528	1,461	1,487	1,584
Trade receivables	316	421	429	457
Cash & Bank Balance	972	1,065	1,753	2,610
Other Current Assets	-	-	-	-
<b>Total Assets</b>	<b>17,560</b>	<b>19,501</b>	<b>20,372</b>	<b>21,505</b>
<b>Equity</b>				
Equity Share Capital	68	135	135	135
Other Equity	7,867	8,297	8,953	9,640
<b>Total Network</b>	<b>7,935</b>	<b>8,432</b>	<b>9,089</b>	<b>9,776</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	3,461	3,696	3,821	3,946
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	1,784	1,868	1,902	2,025
Other current liabilities	2,334	3,007	3,062	3,260
<b>Total Equity &amp; Liabilities</b>	<b>17,560</b>	<b>19,501</b>	<b>20,372</b>	<b>21,505</b>

Source: Company Data, PL Research



**Cash Flow (Rs bn)**

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	1,043	1,060	1,124	1,165
Add. Depreciation	508	531	630	697
Add. Interest	-	-	-	-
Less Financial Other Income	161	180	173	180
Add. Other	230	211	(111)	(111)
Op. profit before WC changes	1,781	1,802	1,642	1,751
Net Changes-WC	64	237	27	97
Direct tax	(257)	(252)	(282)	(293)
<b>Net cash from Op. activities</b>	<b>1,588</b>	<b>1,787</b>	<b>1,387</b>	<b>1,555</b>
Capital expenditures	(1,376)	(1,376)	(750)	(750)
Interest / Dividend Income	-	-	-	-
Others	247	(48)	-	-
<b>Net Cash from Invst. activities</b>	<b>(1,129)</b>	<b>(1,425)</b>	<b>(750)</b>	<b>(750)</b>
Issue of share cap. / premium	209	0	-	-
Debt changes	93	192	125	125
Dividend paid	(61)	(72)	(74)	(74)
Interest paid	-	-	-	-
Others	(606)	(879)	-	-
<b>Net cash from Fin. activities</b>	<b>(166)</b>	<b>(319)</b>	<b>51</b>	<b>51</b>
<b>Net change in cash</b>	<b>293</b>	<b>44</b>	<b>688</b>	<b>856</b>
Free Cash Flow	212	411	637	805

Source: Company Data, PL Research

**Key Financial Metrics**

Y/e Mar	FY24	FY25	FY26E	FY27E
<b>Per Share(Rs)</b>				
EPS	51.4	51.5	54.0	55.8
CEPS	89.0	90.7	100.5	107.3
BVPS	586.4	623.1	671.6	722.4
FCF	15.7	30.4	47.1	59.5
DPS	10.0	5.5	5.4	5.5
<b>Return Ratio(%)</b>				
RoCE	10.2	9.5	9.6	9.3
ROIC	6.7	6.1	6.5	6.6
RoE	9.2	8.5	8.3	8.0
<b>Balance Sheet</b>				
Net Debt : Equity (x)	0.3	0.3	0.2	0.1
Net Working Capital (Days)	32	26	26	25
<b>Valuation(x)</b>				
PER	28.7	28.7	27.4	26.4
P/B	2.5	2.4	2.2	2.0
P/CEPS	16.6	16.3	14.7	13.8
EV/EBITDA	13.8	13.7	12.0	11.0
EV/Sales	2.5	2.3	2.2	2.0
Dividend Yield (%)	0.7	0.4	0.4	0.4

Source: Company Data, PL Research

**Quarterly Financials (Rs bn)**

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26
<b>Net Revenue</b>	<b>2,315</b>	<b>2,400</b>	<b>2,614</b>	<b>2,436</b>
YoY gr. (%)	(0.2)	6.6	10.5	5.1
Raw Material Expenses	1,529	1,530	1,704	1,527
Gross Profit	786	870	910	910
Margin (%)	34.0	36.3	34.8	37.3
<b>EBITDA</b>	<b>391</b>	<b>438</b>	<b>438</b>	<b>429</b>
YoY gr. (%)	(4.7)	7.7	3.1	10.7
Margin (%)	16.9	18.2	16.8	17.6
Depreciation / Depletion	129	132	135	138
<b>EBIT</b>	<b>262</b>	<b>306</b>	<b>304</b>	<b>291</b>
Margin (%)	11.3	12.8	11.6	11.9
Net Interest	60	62	62	70
Other Income	49	42	49	151
<b>Profit before Tax</b>	<b>250</b>	<b>286</b>	<b>291</b>	<b>371</b>
Margin (%)	10.8	11.9	11.1	15.2
Total Tax	59	68	67	65
Effective tax rate (%)	23.7	23.9	22.9	17.4
<b>Profit after Tax</b>	<b>191</b>	<b>218</b>	<b>224</b>	<b>307</b>
Minority interest	25	33	30	37
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>166</b>	<b>185</b>	<b>194</b>	<b>270</b>
YoY gr. (%)	(4.8)	7.4	2.4	78.3
Margin (%)	7.2	7.7	7.4	11.1
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>166</b>	<b>185</b>	<b>194</b>	<b>270</b>
YoY gr. (%)	(4.8)	7.4	2.4	78.3
Margin (%)	7.2	7.7	7.4	11.1
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>166</b>	<b>185</b>	<b>194</b>	<b>270</b>
Avg. Shares O/s (bn)	14	14	14	14
<b>EPS (Rs)</b>	<b>12.2</b>	<b>13.7</b>	<b>14.3</b>	<b>19.9</b>

Source: Company Data, PL Research

**Key Operating Metrics**

Y/e Mar	FY24	FY25	FY26E	FY27E
Brent (US\$/bbl)	83.3	78.9	72.0	75.0
US\$/Rs	83.3	84.6	85.9	86.5
Production meant for sale(mmt)	16.8	17.8	17.4	17.5
EBITDA/mt (US\$)	79.0	46.2	69.1	84.7

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	03-Jul-25	Hold	1,479	1,519
2	28-Apr-25	Accumulate	1,482	1,300
3	08-Apr-25	BUY	1,481	1,166
4	17-Jan-25	Accumulate	1,472	1,266
5	08-Jan-25	Accumulate	1,453	1,241
6	15-Oct-24	Accumulate	2,942	2,745
7	07-Oct-24	Accumulate	3,038	2,741
8	30-Aug-24	Hold	3,002	3,042
9	21-Jul-24	Hold	3,002	3,112

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	Hold	146	144
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	Hold	1,479	1,519
25	SRF	Hold	3,069	3,231
26	Vinati Organics	Accumulate	1,882	1,944

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



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**Prabhudas Lilladher Pvt. Ltd.**

**3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209**

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