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INSTITUTIONAL EQUITIES

January 20, 2024

RESULT REPORT Q3 FY24 | Sector: Energy

Reliance Industries Ltd

Retail and upstream offsets subdued O2C performance

Reco	:	**BUY**
CMP	:	Rs 2,735
Target Price	:	Rs 3,170
Potential Return	:	+15.9%

Our View

RIL reported an in-line 3QFY24, with operating profit at Rs 406.6bn (+15.4% YoY; -0.76% QoQ). EBITDA growth was supported by upstream - Oil and Gas and Retail segment, however the overall growth was hindered by the O2C segment which experienced subdued growth on account of planned maintenance and inspection shutdown, Jio continued growth with subscriber additions and higher data consumption, while Retail growth came from across consumption baskets. We believe that stability in O2C margins is crucial for sustained earnings traction. However, weaker petrochemical margins, specially amidst anticipated capacity addition could hurt. RIL's capex over FY24-25e is expected to remain elevated given the ongoing investment in Telecom (5G), expansion of retail infrastructure and new energy business. Maintain BUY with TP of Rs 3170/sh.

Result Highlights

- **Performance:** The consolidated revenue at Rs 2,251bn was up 3.6% YoY and down 3% QoQ. While EBITDA/PAT at Rs 406.6/196.4bn was up 15.3%/10.3% YoY and down 1%/1% QoQ. The O2C strong performance was impacted on a decline in reported GRMs due to inventory losses and weaker petchem, although support from across consumer segments (strong Retail growth) and domestic oil & gas.
- The **O2C performance** was impacted on a fall in reported GRMs despite stronger fuel cracks and higher discounted Russian crude sourcing on inventory losses, while petchem segment spreads are yet to recover at large. The segment was also impacted by planned maintenance and inspection shutdown. The reported EBITDA at Rs 140.6bn was up 1% YoY and down 13.6% QoQ.
- The strong **domestic upstream segment** performance was supported by higher gas price realization and production for KGD6 and CBM, while KGD6 now contributes >30% of India's gas production reaching at 30mmscmd and 21,000bbls of oil.
- **Consumer business** accounted for 51% of the consolidated EBITDA (vs 50%/49% in Q3FY23/Q2FY24), retail growth came from across consumption baskets, improving operating efficiencies on stronger footfalls and strengthened digital channels. EBITDA for Retail & Digital was at Rs 205.3bn up 16.1% YoY and 3.2% QoQ.
- Retail EBITDA: at Rs 62.7bn (+31% YoY; +7.5% QoQ) led by growth of Grocery: +41%, Fashion & Lifestyle: +28% and Consumer electronics (ex-devices): 19% on YoY basis.
- Digital Services EBITDA: at Rs 132.8bn (+10% YoY; +1.7% QoQ) as ARPU improved to 181.7 along with net addition of 11.2mn subscriber taking the total to 470.9mn.
- The reported **net debt** stood at Rs 1,194bn, higher by Rs 99bn YoY on account of accelerated capex towards 5G roll-out, expansion of retail infrastructure and new energy business. The **capex** at Rs 301bn is lower than last quarters Rs 388.2bn.

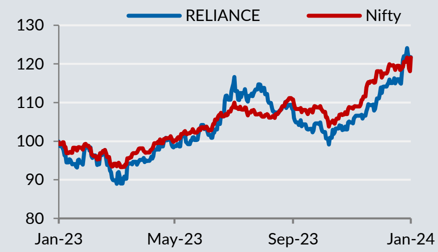
Valuation

We value the stock on SOTP basis at a TP of Rs 3170/share. The O2C contributes Rs647, upstream Rs168, and Jio platforms and Retail at Rs 754/1541. New Energy piece adds Rs182 and a reduction of Rs121 of Net debt.

Stock data (as on Jan 19, 2024)

Nifty	21,622
52 Week h/l (Rs)	2793 / 1979
Market cap (Rs/USD mn)	18510230 / 222783
Outstanding Shares (mn)	6,766
6m Avg t/o (Rs mn):	14,937
Div yield (%):	0.3
Bloomberg code:	RELIANCE IN
NSE code:	RELIANCE

Stock performance



	1M	3M	1Y
Absolute return	8.2%	19.0%	23.3%

Shareholding pattern (As of Sep '23 end)

Promoter	49.1%
FII+DII	37.9%
Others	10.7%

Financial Summary

(Rs bn)	FY24E	FY25E	FY26E
Revenue	11,265.8	11,805.1	12,574.4
YoY Growth	26.4	4.8	6.5
EBIDTA	1,601.5	1,783.9	1,921.0
OPM %	14.2	15.1	15.3
PAT	809.8	906.4	964.7
YoY Growth	9.9	11.9	6.4
ROE	9.0	9.2	8.9
EPS	119.7	134.0	142.6
P/E	22.9	20.4	19.2
BV	1,336.1	1,461.3	1,595.6
EV/EBITDA	7.1	6.9	6.8

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Exhibit 1: Actual vs estimate

Rs mn	Actual	Estimate	% Variation	Remarks
		Consensus	Consensus	
Sales	**2,250,860**	**2,327,000**	**(3.3)**	Operating earnings largely in-line with estimates. PAT above estimates on lower than estimated depreciation and interest expenses.
EBITDA	406,560	403,859	0.7	
EBITDA Margin (%)	18.1	17.4	707bps	
Adjusted PAT	196,410	180,803	8.6	

Exhibit 2: Earnings snapshot

Particulars (Rs mn)	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	YoY (%)	QoQ (%)	9M FY23	9M FY24	YoY (%)
Revenue	**2,171,640**	**2,128,340**	**2,075,590**	**2,318,860**	**2,250,860**	**3.6**	**(2.9)**	**6,658,770**	**6,645,310**	**(0.2)**
Expenditure	1,819,170	1,744,780	1,694,660	1,909,180	1,844,300	1.4	(3.4)	5,615,930	5,448,140	(3.0)
-Raw Material	1,457,370	1,371,020	1,316,680	1,527,090	1,475,020	**1.2**	**(3.4)**	4,517,250	4,318,790	(4.4)
-Staff Cost	62,670	64,640	66,010	59,470	63,130	0.7	6.2	184,180	188,610	2.4
- Other Expenses	299,130	309,120	311,970	322,620	306,150	**2.3**	**(5.1)**	914,500	940,740	2.9
Operating Profit	**352,470**	**383,560**	**380,930**	**409,680**	**406,560**	15.3	(0.8)	**1,042,840**	**1,197,170**	**14.8**
OPM(%)	16.2	18.0	18.4	17.7	18.1	183 bps	40 bps	15.7	18.0	235 bps
Other Income	31,470	28,750	38,130	38,410	38,690	22.9	0.7	88,700	115,230	29.9
Depreciation	101,870	114,520	117,750	125,850	129,030	**26.7**	**2.5**	288,590	372,630	29.1
Interest	52,010	58,190	58,370	57,310	57,890	11.3	1.0	137,520	173,570	26.2
Sh of Profits from JV/Associates/Sub	660.0	210.0	760.0	580.0	1,530.0	131.8	163.8	(680.0)	2,870.0	(522.1)
Excpnl Loss/(Profit)	-	-	-	-	-	n.a.	n.a.	-	-	n.a.
PBT	**230,720**	**239,810**	**243,700**	**265,510**	**259,860**	**12.6**	**(2.1)**	**704,750**	**769,070**	**9.1**
Tax	52,660	27,540	61,120	66,730	63,450	20.5	(4.9)	178,940	191,300	6.9
PAT	**178,060**	**212,270**	**182,580**	**198,780**	**196,410**	**10.3**	**(1.2)**	**525,810**	**577,770**	**9.9**
Adj PAT	**178,060**	**212,270**	**182,580**	**198,780**	**196,410**	10.3	(1.2)	**525,810**	**577,770**	**9.9**

Exhibit 3: Operating highlights

Particulars	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	YoY (%)	QoQ (%)	9M FY23	9M FY24	YoY (%)
Segmental Revenue (Rs mn)	2,493,140	2,668,800	2,575,290	2,835,420	2,767,940	11.0	(2.4)	7,963,910	8,178,650	2.7
Oil to Chemicals (O2C)	1,446,300	1,286,340	1,330,310	1,479,880	1,410,960	(2.4)	(4.7)	4,660,160	4,221,150	(9.4)
Oil & Gas	44,740	45,560	46,320	66,200	67,190	50.2	1.5	119,520	179,710	50.4
Organised Retail	676,340	692,750	699,620	771,630	830,400	22.8	7.6	1,911,330	2,301,650	20.4
Digitial Services	303,430	313,750	320,770	326,570	334,630	10.3	2.5	884,100	981,970	11.1
Others	22,330	330,400	178,270	191,140	124,760	458.7	(34.7)	388,800	494,170	27.1
Segmental EBITDA (Rs mn)	**352,470**	**383,560**	**380,930**	**409,680**	**406,560**	15.3	(0.8)	1,042,840	1,197,170	14.8
Oil to Chemicals (O2C)	139,260	162,930	152,710	162,810	140,640	1.0	(13.6)	457,820	456,160	(0.4)
Oil & Gas	38,800	38,010	40,150	47,660	58,040	49.6	21.8	97,880	145,850	49.0
Organised Retail	47,860	49,250	51,510	58,310	62,710	31.0	7.5	130,490	172,530	32.2
Digitial Services	129,000	133,880	137,210	140,710	142,610	10.6	1.4	368,980	420,530	14.0
Others	(2,450)	(510)	(650)	190	2,560	(204.5)	1,247.4	(12,330)	2,100	(117.0)
Calculated GRMs (US$/bbl)	13.5	13.2	10.3	14.1	12.9	(4.4)	(8.5)	15.1	12.4	(17.8)

Particulars	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	YoY (%)	QoQ (%)	9M FY23	9M FY24	YoY (%)
SAED costs (export duty impact for O2C)	18,980	7,110	-	6,060	-	-	-	59,370	6,060	(89.8)
SAED ($/bbl)	1.9	0.7	-	0.6	-	-	-	2.0	0.2	(90.1)
Volumes										
Feedstock Throughput (mmt)	18.8	19.8	19.7	20.0	18.7	(0.5)	(6.5)	57.2	58.4	2.1
Production Volumes meant for Sale (mmt)	16.2	17.1	17.2	17.1	16.4	1.2	(4.1)	49.3	50.7	2.8
Transportation Fuels	10.2	11.4	11.1	11.1	10.2	-	(8.1)	30.6	32.4	5.9
Polymers	1.4	1.5	1.4	1.5	1.2	(14.3)	(20.0)	4.2	4.1	(2.4)
Fiber Intermediates	0.7	0.7	0.9	0.9	0.8	14.3	(11.1)	2.4	2.6	8.3
Polyesters	0.6	0.6	0.6	0.6	0.6	-	-	1.9	1.8	(5.3)
Chemicals and Others	3.3	2.9	3.2	3.0	3.6	9.1	20.0	4.9	4.9	(0.7)
RJIO Opertional metrics										
Subscribers (mn nos)	432.9	439.3	448.5	459.7	470.9	8.8	2.4	432.9	470.9	8.8
ARPU (Rs/month)	178.2	178.8	180.5	181.7	181.7	2.0	-	177.0	181.3	2.4
EBITDA margins (%)										
Organised Retail	7.1	7.1	7.4	7.6	7.6	6.7	(0.1)	6.8	7.5	9.9
Digitial Services	52.5	52.6	52.7	52.8	52.3	(0.3)	(0.8)	51.5	52.6	2.1
RIL debt break up (Rs bn)										
Total gross debt	3,035	3,140	3,187	2,957	3,117	2.7	5.4	3,035	3,117	2.7
Less: cash and cash equivalents	1,933	1,882	1,921	1,780	1,924	(0.5)	8.1	1,933	1,924	(0.5)
Net debt	1,102	1,258	1,266	1,177	1,194	8.3	1.4	1,102	1,194	8.3
Total Capex (Rs bn)	376	444	396	388	301	(19.9)	(22.4)	1,016	1,086	6.9

KEY RESULT HIGHLIGHTS

Exhibit 4: EBITDA split – Consolidated

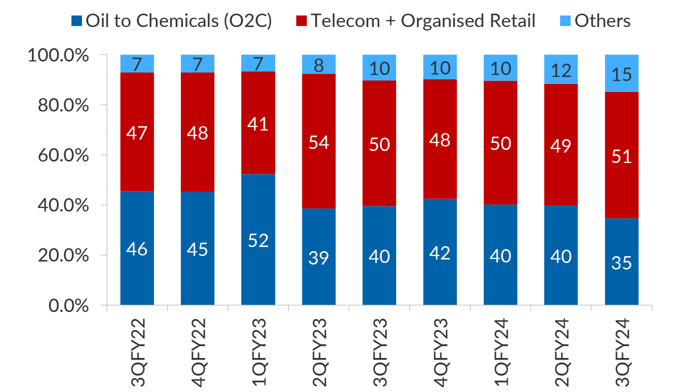
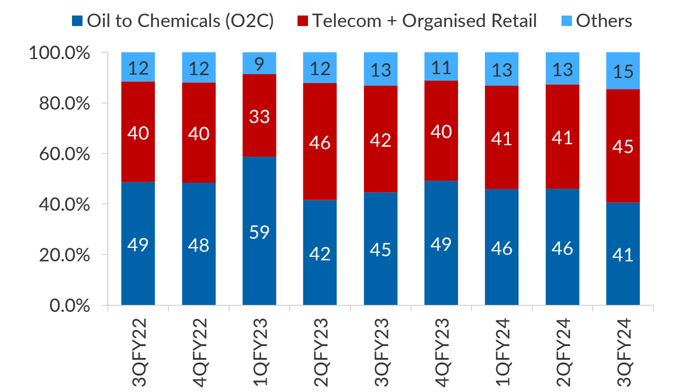


Exhibit 5: EBIT split - Consolidated



Source: Company, YES Sec

SEGMENTAL HIGHLIGHTS

Oil to Chemical (O2C)

Oil to Chemical (O2C)	3QFY23	3QFY24	YoY(%)	2QFY24	QoQ(%)
Revenue (Rs mn)	1,446,300	1,410,960	(2.4)	1,479,880	(4.7)
EBITDA (Rs mn)	139,260	140,640	1.0	162,810	(13.6)
EBIT (Rs mn)	118,910	119,930	0.9	140,880	(14.9)
Total Throughput (mmt)	18.8	18.7	(0.5)	20.0	(6.5)
Production meant for sale (mmt)	16.2	16.4	1.2	17.1	(4.1)
Transportation Fuels	10.2	10.2	-	11.1	(8.1)
Polymers	1.4	1.2	(14.3)	1.5	(20.0)
Fiber Intermediates	0.7	0.8	14.3	0.9	(11.1)
Polyesters	0.6	0.6	-	0.6	-
Chemicals and Others	3.3	3.6	9.1	3.0	20.0
US$/bbl					
RILs GRMs (our assumptions)	13.5	12.9	(4.4)	14.1	(8.5)
Singapore GRMs	6.3	5.4	(13.9)	9.6	(43.2)

Operating performance

- The Oil to Chemicals (O2C) segment exhibited resilience in navigating a challenging operating environment, with steady domestic markets and operational efficiencies supporting marginal year-over-year EBITDA growth, while facing mixed margin trends across products and overcoming challenges in crude oil sourcing, ultimately impacted by maintenance shutdowns and reduced unit availability.

Refining

- Singapore benchmark margins was lower at US$ 5.4/bbl versus US$ 9.6/bbl in Q2 FY24, RIL benefited on higher share of Diesel and ATF share which had higher spreads, also supported by discounted Russian crude sourcing.
- The production meant for sale was at 16.4 mmt down by 4.1% YoY.
- Strong domestic oil product demand was recorded at 58.4mmt, up 2.1% YoY and 5.5% QoQ. Gasoline, Diesel, and ATF demand improved on a YoY basis, with Gasoline up 5.7% and Diesel up 1%, while ATF demand increased by 11% YoY due to strong domestic travel.
- <u>Macro Outlook:</u> Global oil demand in 3Q FY24 rose by 1.7 mb/d YoY to 102 mb/d, Notable increases in demand were observed in China (1.5 mb/d), Americas (0.4 mb/d), and Other Asia (0.3 mb/d). ATF and gasoline demand surged by 1.1 mb/d each. Tight refining system to keep margins well above mid-cycle levels. Planned and unplanned refinery shutdowns to aid refiners even in slower demand growth scenario.
- <u>Global Refining</u>: Global refinery operating rate Global refinery operating rate declined by 120 bps YoY due to refineries maintenance to 78.5% due to refineries maintenance.
- <u>The global cracker</u> operating rate further decreased YoY by 364 bps to 80.8%. The cracker operating rates moderated in line with continuing weak demand trend and new excess supply mainly from NE Asia.

Petchem

- The petchem performance remained subdued YoY due to sharp correction in crude prices resulting in weaker price realizations.
- Polymer demand increased by 10% YoY, driven by robust demand in various polymer segments.
- Polyethylene (PE) demand rose by 13%, while polypropylene (PP) and polyvinyl chloride (PVC) demand saw marginal improvements.
- PET demand grew by 9%, driven by high beverage consumption during events like the World Cup and festive seasons.
- PSF & PFY demand were impacted by a slowdown in apparel exports.
- Polymer deltas remained weak on both YoY and QoQ bases, influenced by subdued global demand.
- YoY PE (-11%) and PP (-4%) deltas were impacted by lower prices due to oversupply and firm feedstock costs.
- YoY PVC delta decreased by 17% due to lower price realization and increased EDC prices.
- Polyester chain deltas remained stable on a YoY basis, with improvements in PX delta (+18%) offsetting weaker PTA delta.
- QoQ, Polyester chain deltas were impacted by weak global demand, resulting in a 7% decline.
- QoQ decline in EBITDA primarily due to: M&I shutdown impacting yields and profitability with reduced fuel production and lower light feed cracking, lower fuel and downstream margins
- Gasoline cracks improved by 49% YoY due to strong demand in Asia-Pacific markets

Exhibit 6: Crude Thruput (MMT) & Cap. Utilization (%)

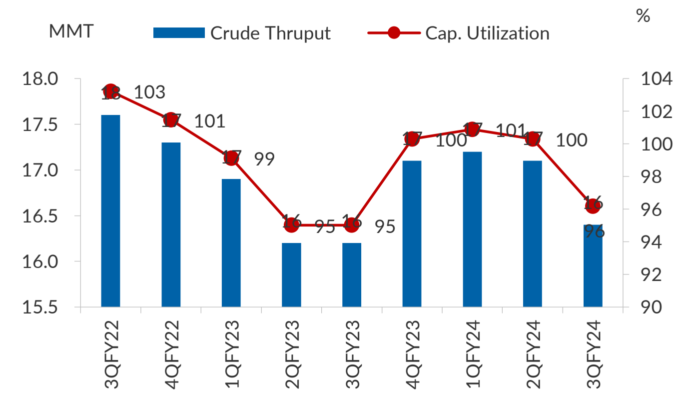
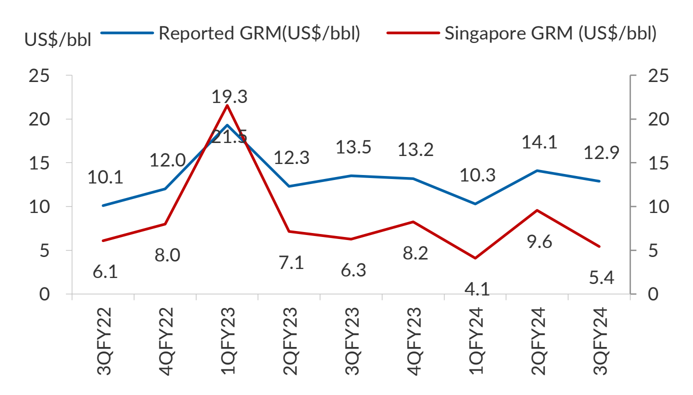


Exhibit 7: Margins and Operating Expense



Source: Company, YES Sec; Note: Reported GRMs as per our calculations

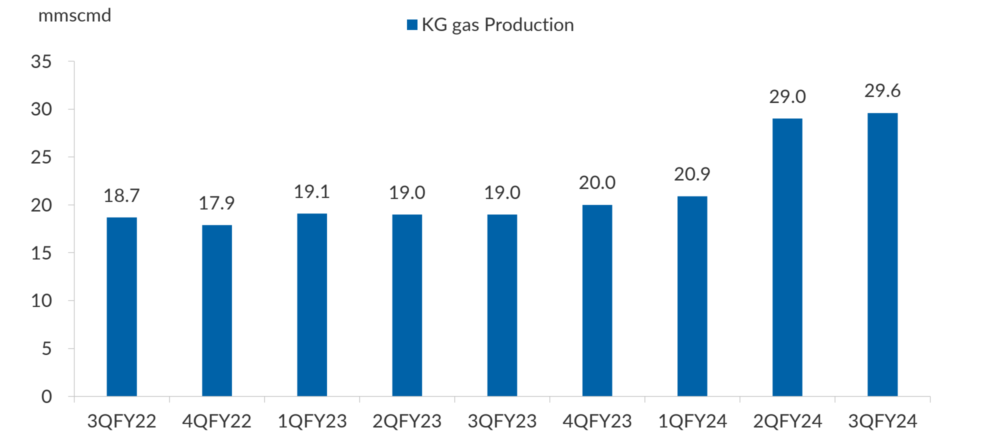
Upstream

Oil & Gas Performance	3QFY23	3QFY24	YoY(%)	2QFY24	QoQ (%)
Domestic E&P					
Revenue (Rs mn)	44,640	67,080	50.3	66,060	1.5
EBIT (Rs mn)	31,390	41,000	30.6	34,640	18.4
KG-D6 gas production (mmscmd)	19.0	29.6	55.8	29.0	2.1

Operating performance:

- The upstream segment achieved its highest-ever quarterly EBIT, up 30.6% YoY, driven by a significant increase in volume, offsetting lower realization.
- The KG D6 production from R Cluster field and the JV production stood at ~30mmscmd, contributing >30% of India's gas production.
- KG UDW1 Drilling is under progress at the first exploration well.
- CBM has ongoing multi-lateral well campaign with 40 wells to boost production, involving the completion of 4 drilled wells, connection of 3 wells, and initiation of dewatering and production ramp-up.
- Ceiling price applicable for KGD6 (R-Series/Sats) continues to stay at US$ 9.96/mmbtu for 2HFY24. The price realization by KGD6 drops to USD 9.66/mmbtu and CBM rises to USD 15.55/mmbtu.
- The Indian gas market outlook remains positive as growing gas infrastructure – new pipelines / CGD networks connect new demand, and strong demand from power sector. Increase in domestic gas production from KG D6.

Exhibit 8: KG gas Production



Source: Company, YES Sec

Retail

Retail Performance	3QFY23	3QFY24	YoY(%)	2QFY24	QoQ (%)
Revenue (Rs mn)	676,340	830,400	22.8	771,630	7.6
EBITDA (Rs mn)	47,860	62,710	31.0	58,310	7.5
EBITDA Margins (%)	7.1	7.6	48 bps	7.6	0 bps
EBIT (Rs mn)	37,260	48,840	31.1	44,280	10.3
EBIT Margins (%)	5.5	5.9	37 bps	5.7	14 bps
Net profit (Rs mn)	24,000	31,650	31.9	27,900	13.4
Other details					
Footfalls (mn)	201	282	40.3	260	8.5
Registered Customers (mn)	235	293	24.7	281	4.3
mn Sq ft	60.2	72.9	21.1	71.5	2.0
Total Retail Stores (nos)	17,225	18,774	9.0	18,650	0.7

Operating performance:

- Reliance retail growth came from across consumption baskets, improving operating efficiencies on stronger footfalls and strengthened digital channels. EBITDA/PAT for Retail was at Rs bn 62.7/31.7 up 31%/32% YoY and 7.5%/13.4% QoQ.
- Continued expansion with YoY net addition of 1549 new stores; added net of 12.7mn sq. ft., having total area of 72.9 mn sq. ft. area.
- Achieved highest footfalls at 282mn (up 40% YoY) across formats and geographies and registered customers at 293m (up 25% YoY).
- The growth came across all baskets and channels, Grocery, Fashion & Lifestyle and Consumer electronics maintaining the momentum
- Digital Commerce and New Commerce businesses continue to demonstrate strength of their business model and grew strong and contributed 19% of the revenue.
- **Grocery** business delivered another quarter of record performance grew 41% YoY propelled by festive demand, while the "Bestival Sale" sets records with the highest single-day sales, led by Confectionary, Snacks, and Dry Fruits. Additionally, robust expansion into non-food categories. Smart Bazaar serves as a comprehensive one-stop destination, attracting consumers with an extended shopping mission into new categories like Home, Travel, and Celebrations. The successful integration of Metro India's operations post-acquisition results in the highest-ever quarterly sales for Metro.
- **Fashion and lifestyle** revenue grew by 28% YoY. AJIO achieved a successful quarter with 1.6 mn new customers and a 38% YoY increase in options. The brand enhanced its portfolio, launched AjioGram, and improved the app experience. Partner Brands excelled in premium and luxury, acquiring Sephora's India franchise and Ajio Luxe reaching 660 brands. Jewels and Lingerie performed steadily, while Urban Ladder expanded its store network. Tira, with a growing store presence, differentiated its retail experience and broadened its brand portfolio.
- **Consumer Electronic** This business excluding devices witnessed strong revenue growth YoY driven by higher footfalls and bill values. It capitalized on regional festivals and new launches. New commerce performance was boosted by phones and premium TV sales.
- **Consumer** business brands maintain their growth trajectory which was led by beverages, general merchandise, and staples with focus on expanding the distribution. Campa Cola receiving positive traction from markets.

Exhibit 9: Retail Revenue & EBITDA Margin

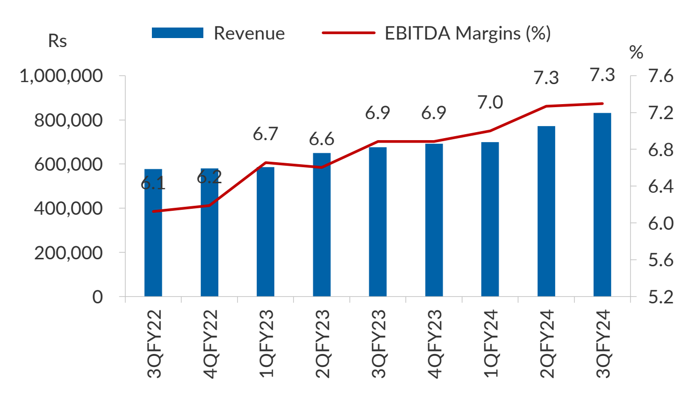
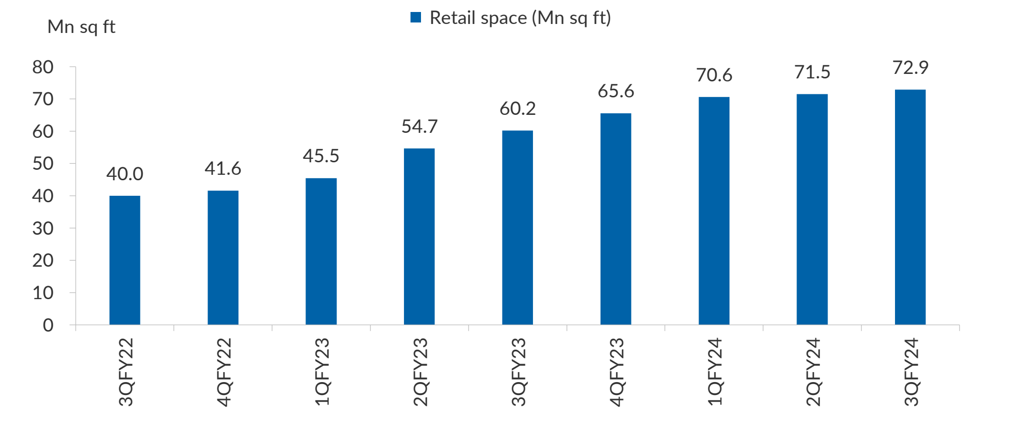


Exhibit 10: Retail Store count (nos)

Source: Company, YES Sec

Exhibit 11: Retail Space



Source: Company, YES Sec

Telecom – Jio Platforms

RJIO Performance	3QFY23	3QFY24	YoY(%)	2QFY24	QoQ (%)
Operating revenue (Rs mn)	229,980	253,680	10.3	247,500	2.5
EBITDA (Rs mn)	120,720	132,770	10.0	130,590	1.7
EBITDA Margins (Rs mn)	52.5	52.3	-15 bps	52.8	-43 bps
EBIT (Rs mn)	120,720	132,770	10.0	130,590	1.7
Net profit (Rs mn)	46,370	52,080	12.3	50,580	3.0
Operational Highlights					
Subscribers (mn nos)	432.9	470.9	8.8	459.7	2.4
Net adds (mn nos)	5.3	11.2	111.3	11.2	-
ARPU (Rs/month)	178.2	181.7	2.0	181.7	-

Operating performance:

- RJio revenues at Rs 253.7bn, up 10.3% YoY and 2.5% QoQ due to higher subscriber mix and customer engagement. EBITDA/PAT was at Rs bn 132.8/52.1 up 10%/12.3% YoY and 1.7%/3% QoQ. EBITDA margins decreased to 52.3% (down 15bps YoY and 43bps QoQ).
- The subscriber's addition for Jio was at 11.2mn (to 470.9mn subs), widening 5G coverage and ARPU at Rs 181.7 supported the growth.
- Data usage increased to 27.3 GB per user (vs 26.6GB in Q2FY24 and 22.4GB in Q3FY23).
- Data traffic was 38.1 exabytes, up by 31.5% YoY.
- Jio continues to gain majority share of new 5G devices because of its superior coverage and capacity.
- Accelerating Jio leadership in rural markets – Since launch, Jio's Wireless Rural net additions have grown to 5.2x of the nearest competitor.
- AirFiber currently operating in over 4,000 cities, ramping up supply chain and expanding the addressable market with encouraging early signs on customer engagement.
- During the quarter, Jio also announced a partnership with network services and consumer experience pioneer "Plume" to provide market-leading smart home and small business services to its subscribers across India.

Exhibit 12: RJIO APRU (Rs)

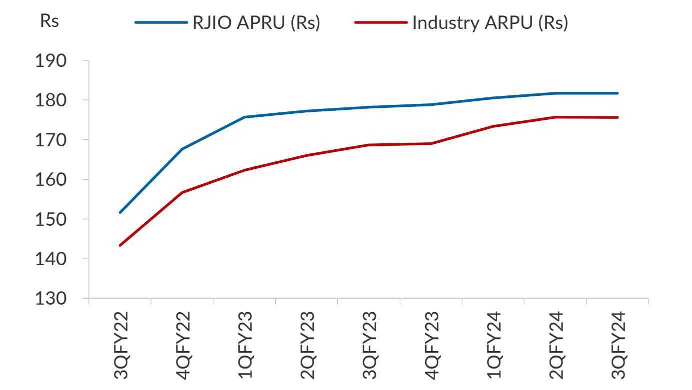
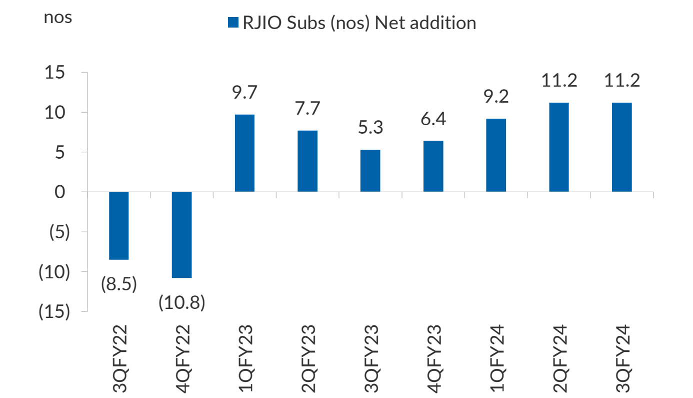


Exhibit 13: RJIO Subs (nos) Net addition



Source: Company, YES Sec

Exhibit 14: Subscriber market share (%)

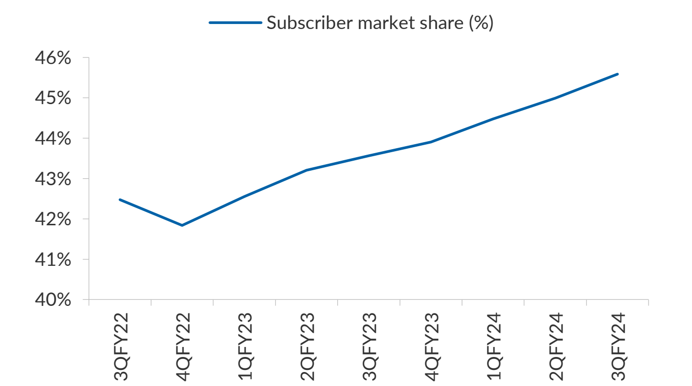
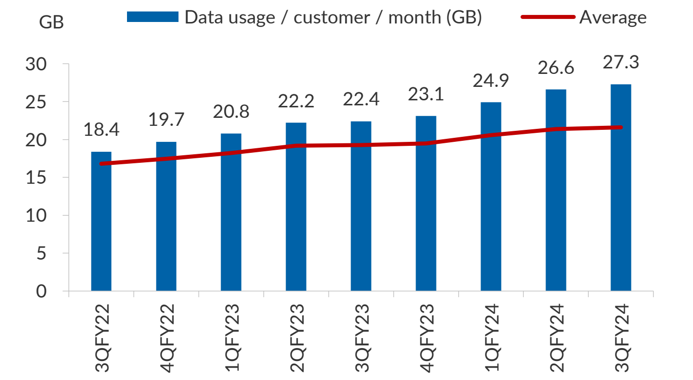


Exhibit 15: Data Usage



Source: Company, YES Sec

Exhibit 16: Total Capex

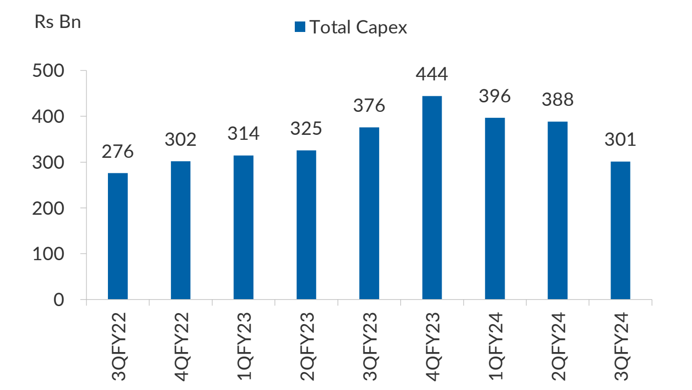
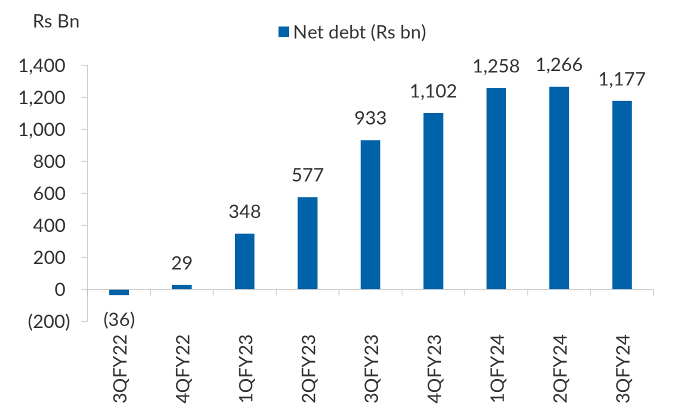
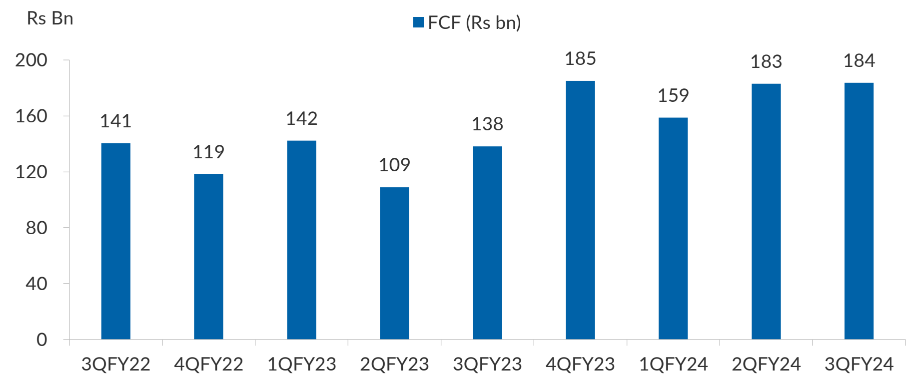


Exhibit 17: Net debt



Source: Company, YES Sec

Exhibit 18: FCF



Source: Company, YES Sec

VIEW & VALUATION

BUY with a TP of Rs 3170/sh.

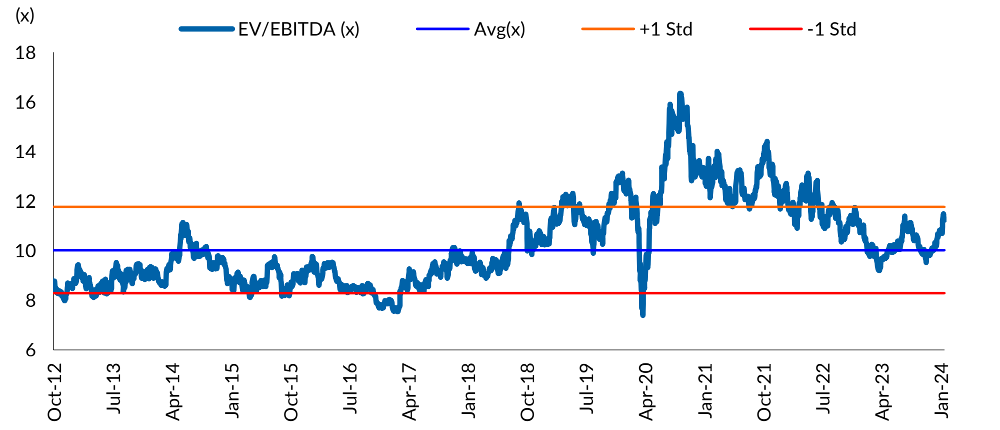
We recommend a BUY rating on RIL with a TP of Rs 3,170/sh. Expectation of elevated capex levels due to the ongoing 5G rollout, planned petrochemical capacity expansion, and planned foray into renewable energy and acquisitions in retail. However, in the longer run, investments in petrochemical and renewable capacities, along with the 5G rollout, Retail growth, New energy contribution have the potential to drive revenue growth.

Our target price is premised upon an operating earnings CAGR of ~10% over FY23-26e where O2C and upstream contribution to EBITDA is ~40%, rest would come from consumer biz, Digital/ Retail in FY26. We place a BUY rating on the stock on SOTP basis at a TP of Rs 3170/share. The O2C contributes Rs647, upstream Rs168, and Jio platforms and Retail at Rs 754/1541. New Energy piece adds Rs182 and a reduction of Rs121 of Net debt.

Exhibit 19: Valuation Table

SOTP	EBITDA (Rs bn)	Multiple	EV (Rs bn)	EV (USD bn)	Rs/Share	Comments
OIL AND GAS BUSINESS (EV)						
O2C	584	7.5	4,379	52.8	647	Global Multiple at 7.8x
Domestic E&P	189	6.0	1,134	13.7	168	AT 6.0x EBITDA
EV OF OIL TO CHEMICALS (O2C)			**4,379**	**52.8**	**647**	
EV OF STANDALONE BUSINESS			**5,513**	**66.4**	**815**	
CONSUMER BUSINESS (EV)						
Retail Venture business @ ~85%	306	40.0	10,424	125.6	1,541	At 40x EBITDA
Jio Platforms business @ ~67%	762	10.0	5,104	61.5	754	At 10x EBITDA
EV OF CONSUMER BUSINESS			**15,527**	**187**	**2,295**	
New Energy			1,229	14.8	182	
TOTAL EV OF BUSINESS			**22,269**	**268**	**3,291**	
Total Debt			3,344	40.3	494	
Cash and Current Investments			2,525	30.4	373	
NET DEBT			**819**	**9.9**	**121**	
FAIR VALUE			**21,450**	**258**	**3,170**	

Exhibit 20: EV/EBITDA (x) band, one-year-forward



Source: Company, YES Sec

FINANCIALS

Exhibit 21: Income statement

Y/e 31 Mar (Rs mn)	FY21	FY22	FY23	FY24E	FY25E	FY26E
Revenue	4,863,260	7,176,350	8,913,110	11,265,768	11,805,094	12,574,360
Total Expense	4,055,890	6,091,890	7,491,490	9,664,289	10,021,220	10,653,329
Operating Profit	807,370	1,084,460	1,421,620	1,601,479	1,783,874	1,921,031
Other Income	163,270	149,430	117,340	146,675	149,609	152,601
Depreciation	265,720	297,820	403,030	443,838	500,292	562,734
EBIT	704,920	936,070	1,135,930	1,304,316	1,433,190	1,510,897
Interest	211,890	145,840	195,710	227,948	227,948	227,948
Extraordinary Item	56,420	28,360	-	-	-	-
Share of profit/loss of Associates and JVs	5,160	2,950	240	2,500	2,500	2,500
PBT	554,610	821,540	940,460	1,078,867	1,207,742	1,285,449
Tax	17,220	159,700	203,760	269,092	301,310	320,737
PAT	537,390	661,840	736,700	809,776	906,431	964,712
Adj. PAT	537,390	661,840	736,700	809,776	906,431	964,712
Eps	79.4	97.8	108.9	119.7	134.0	142.6

Exhibit 22: Balance sheet

Y/e 31 Mar (Rs mn)	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity capital	64,450	67,650	67,660	67,660	67,660	67,660
Reserves	7,929,870	8,822,190	8,221,150	8,972,276	9,819,832	10,728,181
Net worth	7,994,320	8,889,840	8,288,810	9,039,936	9,887,492	10,795,841
Debt	2,237,640	2,819,740	3,343,920	3,343,920	3,343,920	3,343,920
Deferred tax liab (net)	546,910	857,850	1,716,220	1,716,220	1,716,220	1,716,220
Capital Employed	10,778,870	12,567,430	13,348,950	14,100,076	14,947,632	15,855,981
Fixed assets	6,569,990	7,872,950	10,032,870	10,924,502	11,822,303	12,670,712
Investments	3,648,280	3,942,640	2,355,600	2,355,600	2,355,600	2,355,600
Net working capital	560,600	751,840	960,480	819,974	769,729	829,669
Inventories	816,720	1,077,780	1,400,080	1,543,256	1,617,136	1,722,515
Sundry debtors	190,140	236,400	284,480	370,381	388,113	413,404
Cash & Bank Balance	173,970	361,780	686,640	1,035,970	980,519	1,067,686
Other current assets	1,801,550	1,494,670	1,299,150	1,299,150	1,299,150	1,299,150
Sundry creditors	1,088,970	1,593,300	1,471,720	2,190,634	2,277,039	2,434,936
Other liabilities	1,332,810	825,490	1,238,150	1,238,150	1,238,150	1,238,150
Application of Funds	10,778,870	12,567,430	13,348,950	14,100,076	14,947,632	15,855,981

Exhibit 23: Cash flow statement

Y/e 31 Mar (Rs mn)	FY21	FY22	FY23	FY24E	FY25E	FY26E
PBT	554,610	841,420	948,010	1,078,867	1,207,742	1,285,449
Depreciation & amortization	265,720	297,970	403,190	443,838	500,292	562,734
Interest expense	106,610	20,550	83,310	227,948	227,948	227,948
(Inc)/Dec in working capital	(499,580)	7,250	(196,340)	489,836	(5,206)	27,227
Tax paid	(32,130)	(37,970)	(62,970)	(269,092)	(301,310)	(320,737)
Less: Interest/Dividend Income Received	(390)	(410)	(380)			
Other operating Cash Flow	(125,260)	(22,270)	(24,500)			
Cash flow from operating activities	269,580	1,106,540	1,150,320	1,971,399	1,629,466	1,782,622
Capital expenditure	(1,035,180)	(970,080)	(1,318,020)	(1,335,470)	(1,398,094)	(1,411,143)
Inc/(Dec) in investments	(473,150)	2,590	294,440	-	-	-
Add: Interest/Dividend Income Received	84,480	(124,130)	93,570	-	-	-
Cash flow from investing activities	(1,423,850)	(1,091,620)	(930,010)	(1,335,470)	(1,398,094)	(1,411,143)
Inc/(Dec) in share capital	464,260	991,100	676,130	-	-	-
Inc/(Dec) in debt	(1,179,430)	(516,250)	(304,650)	-	-	-
Dividend Paid	(39,210)	(42,970)	(50,830)	(58,650)	(58,875)	(56,363)
Others	1,773,420	(258,990)	(216,100)	(227,948)	(227,948)	(227,948)
Cash flow from financing activities	1,019,040	172,890	104,550	(286,598)	(286,824)	(284,311)
Net cash flow	(135,230)	187,810	324,860	349,330	(55,451)	87,167

Exhibit 24: Du-pont analysis

Y/e 31 Mar (Rs mn)	FY21	FY22	FY23	FY24E	FY25E	FY26E
Tax burden (x)	1.0	0.8	0.8	0.8	0.8	0.8
Interest burden (x)	0.8	0.9	0.8	0.8	0.8	0.9
EBIT margin (x)	0.1	0.1	0.1	0.1	0.1	0.1
Asset turnover (x)	0.4	0.5	0.6	0.7	0.7	0.7
Financial leverage (x)	2.0	1.7	1.8	1.9	1.9	1.8
RoE (%)	8.6	7.8	8.6	9.3	9.6	9.3

Exhibit 25: Ratio analysis

Y/e 31 Mar	FY21	FY22	FY23	FY24E	FY25E	FY26E
Growth matrix (%)						
Revenue growth	(20.5)	47.6	24.2	26.4	4.8	6.5
Op profit growth	(8.5)	34.3	31.1	12.7	11.4	7.7
EBIT growth	(11.9)	32.8	21.4	14.8	9.9	5.4
Net profit growth	34.8	23.2	11.3	9.9	11.9	6.4
Profitability ratios (%)						
OPM	16.6	15.1	15.9	14.2	15.1	15.3
EBIT margin	14.5	13.0	12.7	11.6	12.1	12.0
Net profit margin	11.0	9.2	8.3	7.2	7.7	7.7
RoCE	6.5	7.4	8.5	9.3	9.6	9.5
RoE	6.7	7.4	8.9	9.0	9.2	8.9
RoA	4.3	4.7	4.7	4.8	5.0	5.1
Per share ratios						
EPS	79.4	97.8	108.9	119.7	134.0	142.6
Dividend per share	7.0	8.0	9.0	8.7	8.7	8.3
Cash EPS	118.7	141.8	168.4	185.3	207.9	225.8
Book value per share	1,181.5	1,313.9	1,225.1	1,336.1	1,461.3	1,595.6
Valuation ratios						
P/E	25.0	26.8	20.5	22.9	20.4	19.2
P/CEPS	16.7	18.5	13.2	14.8	13.2	12.1
P/B	1.7	2.0	1.8	2.0	1.9	1.7
EV/EBIDTA	12.5	10.5	7.7	7.1	6.9	6.8
Payout (%)						
Dividend payout	15.8	13.2	12.3	12.0	12.0	12.0
Tax payout	3.1	19.4	21.7	24.9	24.9	25.0
Liquidity ratios						
Debtor days	14.3	12.0	11.6	12.0	12.0	12.0
Inventory days	70.0	56.8	60.4	55.6	57.6	57.2
Creditor days	92.6	80.4	74.7	69.2	81.4	80.7

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