Reliance Industries | BUY

AGM KTAs: Jio IPO planned in 1HCY26; +ve for RIL/Bharti as tariff hike now likely in next 3-4 months

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At RIL's annual general meeting today (AGM statement), the RIL CMD announced that Jio's IPO is planned for 1HCY26 subject to necessary approvals; we believe this increases the possibility of a ~15% tariff hike in the telecom business by Nov-Dec'25 and hence is likely to be positive for RIL and Bharti, though it will be subject to a potential valuation for the Jio IPO. Further, RIL is developing AI as a new growth engine besides embedding AI across all its businesses – from retail to telecom, from energy to entertainment. It has set up a wholly owned company "Reliance Intelligence" to drive AI in India and announced AI-focused partnerships with Meta and Google. In regards to the Retail business, the management is targeting +20% CAGR in revenue in the next 3 years, and it expects high single-digit LFL growth plus a steady expansion of 2,000-3,000 new stores annually – this could be a significant positive in our view if this +20% revenue CAGR is delivered vs. muted 8% growth in FY25. Further, the management expects the consumer product (RCPL) business to be a huge value creator with revenue target of INR 1,000bn within 5 years (vs. INR 115bn in FY25); Campa Cola holds double-digit market share in multiple states while the Independence brand is targeting to expand its presence to 25 countries. The RIL CMD highlighted RCPL and Reliance Intelligence as new large growth engines (having potential to grow larger than the company's existing business segments).

The company reiterated its INR 750bn O2C expansion plans for investing in various existing and new petchem chains. Also, it reiterated that the New Energy business would be as big as the O2C business in the next 5-7 years and added that Green Energy Giga complex and related projects are progressing at a rapid pace. It also reiterated its 2022 AGM announcement of more than doubling RIL's EBITDA by the end of RIL's Golden decade in 2027 (RIL's EBITDA was ~INR 1.25trln in 2022 when this announcement was made). We reiterate BUY (unchanged TP of INR 1,700) as we believe RIL has industry leading capabilities across businesses to drive robust 15-20% EPS CAGR over the next 3-5 years, particularly driven by both consumer businesses with Jio's ARPU is expected to rise at 13% CAGR over FY25-28 with ARPU being on a structural uptrend given the industry structure, future investment needs, and the need to avoid a duopoly market.

- **Jio's IPO planned for 1HCY26; increases possibility of sharp ~15% telecom tariff hike by Nov-Dec'25, which is likely to be positive for RIL and Bharti in our view:** RIL's CMD announced that Jio's IPO is planned for 1HCY26 subject to necessary approvals; we believe this increases possibility of sharp ~15% tariff hike in the telecom business by Nov-Dec'25. This is likely to be positive for RIL and Bharti, though it will be subject to potential valuation for the Jio IPO. Further, the company shared that Jio's 5G wireless subscriber (subs) base has now crossed 220mn (vs. 210mn at end-1QFY26) and overall subs base has crossed 500mn (vs. 498.1mn at end-1QFY26) – this includes both wireless and broadband subs (broadband subs base was at 20.7mn at end 1QFY26). The management again highlighted its proprietary UBR broadband technology, enabling Jio-Airfiber add over 1mn homes monthly. It added that Jio's next growth engine will come from enterprises and MSMEs. It also highlighted that Jio has even more ambitious plans to: a) connect every Indian on mobile and home broadband; b) equip every Indian home with digital services; c) digitise every Indian business and enterprise; d) boost the AI revolution in India; and e) expand operations by introducing its home-grown technology outside India. Separately, it also showcased features of next-gen Jio AI cloud and Jio-PC and its upcoming product "JioFrames" which is an AI-powered wearable platform and ecosystem.

Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	1,700
Upside/(Downside)	25.3%
Previous Price Target	1,700
Change	0.0%

Key Data – RELIANCE IN

Current Market Price	INR1,357
Market cap (bn)	INR18,366.8/US$208.2
Free Float	44%
Shares in issue (mn)	13,530.0
Diluted share (mn)	13,532.0
3-mon avg daily val (mn)	INR15,887.4/US$180.1
52-week range	1,551/1,115
Sensex/Nifty	79,810/24,427
INR/US$	88.2

Price Performance

%	1M	6M	12M
Absolute	-4.2	13.1	-10.8
Relative*	-3.3	3.7	-7.9

* To the BSE Sensex

Financial Summary (INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	90,10,640	96,46,930	95,89,984	1,06,70,609	1,21,83,694
Sales Growth (%)	2.6	7.1	-0.6	11.3	14.2
EBITDA	16,22,330	16,54,440	18,65,957	21,41,193	24,95,732
EBITDA Margin (%)	18.0	17.1	19.5	20.1	20.5
Adjusted Net Profit	6,96,210	6,96,480	8,34,067	9,74,227	11,74,753
Diluted EPS (INR)	51.4	51.5	61.6	72.0	86.8
Diluted EPS Growth (%)	5.0	0.0	19.8	16.8	20.6
ROIC (%)	9.5	8.8	9.8	10.7	12.0
ROE (%)	9.2	8.5	9.6	10.4	11.5
P/E (x)	26.4	26.4	22.0	18.8	15.6
P/B (x)	2.3	2.2	2.0	1.9	1.7
EV/EBITDA (x)	12.9	12.8	11.5	10.1	8.6
Dividend Yield (%)	0.4	0.4	0.4	0.5	0.6

Source: Company data, JM Financial. Note: Valuations as of 29/Aug/2025

- **Developing AI as a new growth engine besides embedding AI across all businesses; sets up a wholly owned company "Reliance Intelligence" to drive AI in India and announces AI-focused partnerships with Meta and Google:** The management announced a new wholly owned company "Reliance Intelligence" to drive AI in India via: a) building GW scale AI-ready data centres in Jamnagar – will deliver in phases; b) housing global partnerships with the world's best tech-companies; c) building AI services for India; d) housing talent for AI. Further, the company announced India-focused AI Joint Venture (JV) with Meta to deliver sovereign, enterprise-ready AI for India, which will combine Meta's open models and tools with RIL's execution in Energy, Retail, Telecom, Media, and Manufacturing. RIL (through Reliance Intelligence) and Meta will hold shares in the ratio of 70% and 30% respectively in this JV with jointly committed initial investment of ~INR 8.6bn (~USD 100mn), subject to regulatory approvals; it is expected to close by 4QCY25. Further, it also announced partnership with Google to transform RIL's businesses using AI. RIL will work with Google Cloud to establish a state-of-the-art, AI-focused cloud region dedicated to RIL in Jamnagar. The facility will be powered through RIL's green energy initiatives, ensuring sustainable operations at hyper scale. Jio will provide high-capacity intra- and inter-metro fiber connectivity linking Jamnagar to key metros such as Mumbai and Delhi while Google Cloud will deploy its powerful AI hyper-computer and secure, fully integrated and optimised AI stack that offers generative AI models, development platform, and AI-powered applications.

- **Targeting +20% CAGR in Retail revenue in next 3 years, expects high single-digit LFL growth plus a steady expansion of 2,000–3,000 new stores annually – this could be a significant positive if this +20% revenue CAGR is delivered vs. muted 8% growth in FY25:** The management expressed confidence of delivering over 20% CAGR in Retail business revenue over the next 3 years (vs. 8% growth in FY25), led by omni-channel growth, kirana partnerships and quick commerce leadership. It added that stores remain the backbone of Retail business revenue with ~70% contribution and will continue to grow through high single-digit like-for-like (LFL) growth, plus a steady expansion of 2,000–3,000 new stores annually (on base of 19,340 stores at end-FY25). Further, it shared that its online channels currently contribute a high single-digit share of retail revenue but will grow to over 20% within 3 years. It also highlighted that all its key consumption baskets – Grocery, Fashion & Lifestyle, and Consumer Electronics – have structural growth tailwinds. It added that JioMart continues to expand across quick commerce, scheduled delivery, and subscriptions, while JioMart Digital helps small retailers match the service levels of modern trade. We believe it could be significant positive if Retail revenue can grow at +20% CAGR given significant growth concerns after muted growth of 8% in FY25.

- **Consumer product business to be a huge value creator with revenue target of INR 1,000bn within 5 years (vs. INR 115bn in FY25); Campa Cola holds double-digit market share in multiple states while Independence brand aims to expand its presence to 25 countries:** The management highlighted huge growth prospects in RIL Consumer Products business (RCPL) and said it is likely to be a huge value creator for RIL. RCPL registered revenue of INR 115bn in FY25 and aims for revenue of INR 1,000bn within 5 years to become India's largest FMCG company with a global presence. It also shared that RCPL has been made a direct subsidiary of RIL to ensure shaper execution/focus and improved agility. It further shared that: a) Campa Cola now holds double-digit market share across multiple states; b) revenue of daily essential brand "Independence" has crossed INR 10bn and is being exported to multiple countries; aim is to expand presence to 25 countries in the next 12 months.

- **Reiterates INR 750bn O2C expansion plans in various existing and new petchem chains:** The company reiterated its INR 750bn capex plans to expand capacity of its existing and new petchem chains: a) 1.2mmtpa PVC plant at Nagothane; b) Expanded CPVC and 3mmtpa PTA facility; and c) 1mmtpa specialty polyester facility – earlier announced completion for all these projects by FY27. The company is also building an integrated Carbon Fibre plant at Hazira (earlier shared that capacity would be 20ktpa). Separately, it again attributed industry-leading performance in the O2C segment despite petchem oversupply in FY25 to its operational excellence, feedstock flexibility, supply chain agility, deep market reach and technology-driven innovation. In the E&P business, the company plans to add more wells in the KG Basin in FY27 and is advancing infrastructure-led exploration with fresh drilling scheduled for 2026.

- **Reiterates New Energy business to be as big as O2C in the next 5-7 years; Green Energy Giga complex and related projects progressing at a rapid pace:** The company reiterated that New Energy business would be a major driver of growth for many decades, with the potential to become as big as the O2C business within the next 5-7 years. Further, it reiterated that work at Green Energy Giga Complex (in Jamnagar) is progressing at record pace and shared that a) solar PV giga-factory (operational already) will expand to 10GWp annual capacity in the coming quarters and scale further to 20GWp; b) battery giga-factory will start in 2026 with 40GWh annum capacity and scale modularly to 100 GWh annual capacity; and c) electrolyser giga factory will be operational by end-2026 with ability to scale upto 3GW per year. Separately, it reiterated that it is developing arid wasteland (spanning over 550,000 acres), leased in Kutch for solar power generation. Further, it added that this is one of the world's largest single-site solar projects (requiring 55MW of solar modules and 150MWh of battery containers every day at its peak capacity), which could meet nearly 10% of India's electricity needs within the next decade. The company also shared its green hydrogen plans of initially focusing on meeting its large captive demand for green hydrogen and aiming to scale its green hydrogen capacity to 3MMTPA by 2032. Separately, it reiterated that it is building 55 CBG plants with capacity of 0.5MTPA and shared its target to have more than 500 CBG plants by 2030.

- Reiterate BUY on robust 15-20% EPS CAGR over the next 3-5 years: We reiterate BUY (unchanged TP of INR 1,700) as we believe RIL has industry leading capabilities across businesses to drive robust 15-20% EPS CAGR over the next 3-5 years, particularly driven by both consumer businesses with Jio's ARPU expected to rise at 13% CAGR over FY25-28 with ARPU being on a structural uptrend given the industry structure, future investment needs, and the need to avoid a duopoly market. At CMP, the stock is trading at FY27E P/E of 18.8x (3-yr avg: 24.7x) and FY27E EV/EBITDA of 9.7x (3-yr avg: 12.6x). Key risks: a) sharp jump in capex in New Energy business, resulting in rising net debt with limited earnings visibility from new projects; b) weak subs addition and limited ARPU hike; c) muted growth in the retail business; and d) subdued O2C margins due to macro concerns.

Exhibit 1. Comparison of key takeaways from RIL's latest and last few AGMs (2020-2025)

AGM	Digital	Retail	O2C	New Energy	Others
2025	Jio's IPO planned for 1HCY26 (subject to necessary approvals) Jio's next growth engine will come from enterprises and MSMEs. RIL developing AI as a new growth engine besides embedding AI across all its businesses; has set up a wholly owned company "Reliance Intelligence" to drive AI in India via: a) building GW scale AI-ready data centres in Jamnagar – will deliver in phases; b) housing global partnerships with world's best tech-companies; c) building AI services for India; d) housing talent for AI. Announced India-focused AI JV with Meta to deliver sovereign, enterprise-ready AI for India; RIL (through Reliance Intelligence) and Meta will hold shares in the ratio of 70% and 30% respectively in this JV with jointly committed initial investment of ~INR 8.6bn (~USD 100 mn). Also announced partnership with Google to establish a state-of-the-art, AI-focused cloud region dedicated to RIL in Jamnagar.	Targeting +20% CAGR in Retail revenues in next 3 years vs muted 8% growth in FY25 Stores remain the backbone of retail revenues, contributing ~70%, and will continue to grow through high single-digit LGL growth, plus a steady expansion of 2,000–3,000 new stores annually. Online channels currently contribute a high single-digit share of retail revenues but will grow to over 20% within 3 years Consumer product (RCPL) business to be a huge value creator with revenue target of INR 1,000bn within 5 years (vs INR 115bn in FY25); Campa cola holds double digit market share in multiple states while Independence brand targeting to expand presence to 25 countries	Reiterated its INR 750bn O2C expansion plans for investing in various existing and new petchem chains: a) 1.2mmtpa PVC plant; b) Expanded CPVC and 3mmtpa PTA facility; and c) 1mmtpa specialty polyester facility – earlier announced completion for all these projects by FY27. Plans to add more well in KG Basin in FY27 and is advancing infrastructure led exploration with fresh drilling scheduled for 2026	Reiterated that New Energy business would be a major driver of growth for many decades, with the potential to become as big as O2C business within the next 5-7 years. Solar PV giga-factory (operational already) will expand to 10GWp annual capacity in coming quarters and scale further to 20 GWp; Battery giga-factory will start in 2026 with 40GWh annum capacity and scale modularly to 100 GWh annual capacity; Electrolyser giga factory will be operational by end-2026 with ability to scale upto 3 GW per year. Re-shared that it is working on one of the world's largest single-site solar projects in Kutch, Gujarat which could meet nearly 10% of India's electricity needs within the next decade. Initial focus on meeting its large captive demand for green hydrogen and aiming to scale its green hydrogen capacity to 3MMTPA by 2032. Aims to have more than 500 CBG plants by 2030	Highlighted RCPL (Consumer product business) and Reliance Intelligence (to drive AI in India) as new large growth engines (having potential to grow larger than company's existing business segments) Reiterated its 2022 AGM announcement to more than doubling RIL's EBITDA by the end of RIL's Golden decade in 2027 (RIL's EBITDA was ~INR 1.25trn in 2022 when this announcement was made)
2024	Targets to double Jio revenue/EBITDA in 3-4 years. Expects 5G penetration to improve; reiterates ambition to upgrade ~200mn 2G subs and connect 100mn homes & 20mn MSMEs via its FTTH/AirFiber services.	Targets Retail revenue/EBITDA to double in next 3-4 years. Emphasised on Retail business robust growth outlook driven by its strong omni-channel capabilities and strengthening consumer brand business.	Reiterated its O2C expansion plans for investing in various existing and new petchem chains (at earlier guided capex of INR 750bn).	Guided for the New Energy business to become as profitable in the next 5-7 years as the O2C business (O2C business FY24 EBITDA was INR 624bn and FY25 EBITDA was INR 550bn). Reiterates its INR 750bn New Energy capex commitment. Reiterated plans to commence the production of solar PV modules by end of CY24 with an initial annual production capacity of 10GW. Also started construction of an advanced chemistry-based battery manufacturing facility with 30GWh annual capacity (set to begin production in 2HCY25) and aims to complete a multi-GW electrolyser manufacturing facility by 2026. Also plans to have 55 operating CBG Plants by 2025.	
2023	Reiterated the target for pan-India 5G rollout by Dec'23 and make India 2G-mukt Announced launch of Jio AirFiber on 19th Sep'23, which will enable expand the addressable market for FTTH/FWA to +200mn homes over the next 3 years. Outlined the five frontiers for Jio's growth – Consumer, Home, Enterprise, Jio Platform, and AI-powered solutions Committed to create up to 2,000MW of AI-ready computing capacity across both Cloud and Edge locations	Reliance Retail will outpace other business segments in terms of Revenue and EBITDA growth Reiterated tremendous growth opportunity for JioMart, particularly after its recent tie-up with Whatsapp, with its digital and new commerce sales contributing ~INR 500bn, accounting for ~20% of its retail business revenue.	Reiterates target to become Net Carbon Zero by 2025 with plan to transition its O2C business into a sustainable, green, circular and consumer integrated chemicals and materials business	Reiterated its INR 750bn capex commitment for the New Energy business with first priority to deliver a fully integrated end-to-end solar PV manufacturing ecosystem in a phased manner by end of 2025 Announced its foray into wind power generation Will accelerate installation of at least 100GW of renewable energy generation by 2030; concurrently setting up battery Giga factory by 2026. Aims to establish 100CBG plants in the next 5 years, resulting in reduction of 0.7mmtpa of LNG imports	CMD announced board had approved the appointment of his three children into the Board of Directors. However, he will continue as CMD for the next 5 years with the responsibility to groom, empower and mentor the next-generation leaders. While Mrs Nita Ambani will step down from the board, she will continue as Chairperson of Reliance Foundation Highlighted that value creation over the next decade in RIL will be many times greater than the value created in the last 45 years
2022	Announced INR 2,000bn capex plan for 5G roll-out with target to roll-out pan-India on SA mode by end-CY23 Jio, in partnership with Google, is developing the most affordable 5G smartphone device. Aspires to connect 100mn homes via broadband. Also joined hands with other global technology players, namely Meta, Intel, Microsoft and Qualcomm, to help bring the best solutions for users in India. Announced two new devices that will utilise the 5G: a) Jio Airfiber to deliver fibre broadband-like speeds over 5G without the need for a cable; and b) JioCloud PC to replace physical PCs with a virtual PC hosted on cloud and connected via 5G.	Announced plans to enter the FMCG business to focus on high quality affordable products for daily needs	Announed plans to spend INR 750bn in the next 5 years to expand capacity in existing and new value petchem chains: a) 3mmtpa PTA and 1mmtpa PET plant in Dahej by 2026 in phases; b) 1.5mmtpa of feedstock integrated PVC expansion in phases by 2026; c) 20ktpa Carbon Fibre plant. Also plans to double PET recycling capacity to 5bn PET bottles p.a.	New Energy business will provide a huge decadal growth opportunity as the world needs to invest USD 5trn p.a. to decarbonise the world Announced a new Giga factory for Power Electronics 10GW solar PV cell and module factory at Jamnagar will commence production by 2024 and it will be scaled up to 20GW in phases by 2026 Battery packs to start production by 2023 and scale up to 5GWh capacity by 2024 and 50GWH capacity by 2027 Progressively commence transition from Grey hydrogen to Green Hydrogen from 2025 Company is in advanced discussion with partners for setting up giga-scale electrolysers facility	RIL aims to more than double its value by the end of its Golden Decade in 2027, and thereafter continues to grow ever more rapidly.
2021	Showcased its much anticipated low cost smartphone in partnership with Google with the launch slated for 10th Sep'21; company re-iterated that this would be the most affordable 4G smartphone. Jio's network can accommodate 200mn additional subscribers - indicating network can accommodate ~625mn subscribers vs. ~425mn subscriber at end FY21. Plans to export the 5G and associated technologies, once proven in India, thus pivoting Jio Platforms (JPL) into a global technology player.	Indicated its ambitious target of at least 3x growth in the next 3-5 years driven by its omni-channel strategy Further has set an ambitious target of on-boarding 10mn merchants in the next 3 years	Reiterated plans to induct Saudi Aramco as strategic partner in O2C business; expect this to be formalised this year however no details shared on likely valuation. In 2019 AGM, RIL had announced that Saudi Aramco is expected to take 20% stake in RIL's O2C business at an Enterprise Value of USD75bn	RIL outlined the road-map to get to its vision of becoming net-carbon zero by 2035 with an initial capex plan of INR 750bn in next 3 years. This comprise of INR 600bn in next 3 years to pivot into clean energy space which includes building: a) an integrated solar PV module factory; b) an advanced energy storage battery factory for the storage of intermittent energy; c) an electrolyser factory for the production of green hydrogen; d) a fuel cell factory for converting hydrogen into motive and stationary power. Further, will invest another INR 150bn in value chain, partnerships and future technologies. Moreover, targets to produce 100GW solar power by 2030 to get to its vision of becoming net-carbon zero by 2035.	
2020	Announced the sale of 7.73% stake in JPL to Google; also entered into a strategic partnership to develop android-based low cost smartphones RIL reiterated the 5 pillars of growth for Jio; namely a) Wireless broadband – target of over 500mn subscribers in the next 3 years vs 388mn subscribers at end FY20; b) JioFiber – reiterated its target of connecting 50mn homes and enterprises in the next 3 years at end FY20; c) Enterprise broadband; d) Broadband for SMEs; and e) Narrowband IoT –target to connect 1bn smart sensors in the next 3 years. Developed in-house 5G software solution; it had already been in talks with DoT to test its own 5G equipment. Over time, the company expects to export the 5G solutions globally	Company expects to increase the product availability in JioMart, expanding it to cater to Electronics, Pharma, Fashion and Healthcare. Highlighted that it has received strong interest from strategic and financial investors in Reliance Retail and might induct global partners and investors in the next few quarters.	Delay in Saudi Aramco deal due to challenging energy market conditions; however is still pursing the deal. In 2019 AGM, RIL had announced that Saudi Aramco is expected to take 20% stake in RIL's O2C business at an Enterprise Value of USD75bn Highlighted the interest by other global players for strategic partnership in its Petchem business. Targets to achieve carbon net zero status by 2035, and informed that the company would work with global partners to recycle carbon and convert CO2 into useful products		Its cable TV subsidiaries Den Networks and Hathway would be merged with Network 18, making Network 18 the largest listed media entity in India

Source: Company, JM Financial

Key Assumptions and Estimates

Exhibit 2. Key assumptions

	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Brent crude price (USD/bbl)	80.0	95.4	83.1	78.9	70.0	70.0	70.0
Exchange rate (INR/USD)	74.5	80.4	82.8	84.6	87.1	88.8	90.6
Refining							
EBITDA (INR Bn)	279	412	379	283	353	360	367
Crude throughput	67.8	67.1	67.8	70.0	68.9	68.9	68.9
Margins (USD/bbl)							
S'pore Dubai GRM	5.0	10.7	6.6	3.8	5.5	5.5	5.5
RIL's total GRM premium	4.5	2.0	4.6	4.7	4.5	4.5	4.5
a) RIL normal GRM premium	4.0	1.3	3.6	3.7	3.5	3.5	3.5
b) Petcoke gasification addition to GRM	0.5	0.8	1.0	1.0	1.0	1.0	1.0
RIL's total GRM	9.5	12.7	11.2	8.5	10.0	10.0	10.0
Refining cash opex	2.0	2.3	2.0	2.0	2.0	2.0	2.0
Refining EBITDA	7.5	10.4	9.2	6.5	8.0	8.0	8.0
Petrochemicals							
EBITDA (INR Bn)	249	208	245	267	276	325	446
EBITDA/ton (USD/ton)	206	175	205	206	204	220	231
Sales volumes (mmtpa)							
Polymers	5.8	5.7	5.6	6.0	6.1	6.5	7.8
Polyesters	3.2	3.2	3.2	3.7	3.7	4.0	4.8
Fiber intermediaries	6.3	5.1	4.7	4.7	4.7	5.3	7.8
Sales volumes (mmtpa)	16.2	14.8	14.4	15.3	15.5	16.7	21.3
E&P							
EBITDA (INR Bn)	55	136	202	212	197	189	182
Gas and condensate production (mmscmd)	18	20	31	32	29	27	26
Gas realisation (USD/mmbtu)	6.3	11.0	10.2	9.7	9.5	9.5	9.5
Digital							
EBITDA (INR Bn)	403	503	567	650	762	945	1,132
EBITDA margin (%)	47.6%	49.5%	49.9%	50.0%	49.8%	48.9%	48.3%
Wireless segment							
Subscribers (mn - EoP)	410	439	482	490	520	548	557
ARPU (INR)	153	178	181	196	222	248	279
FTTH segment							
Subscribers (mn - EoP)	5	8	11	18	31	48	61
ARPU (INR)	529	528	498	483	489	495	495
Retail							
Revenue (INR Bn)	1,993	2,603	3,068	3,308	3,781	4,341	5,001
EBITDA (INR Bn)	124	180	231	251	287	330	377
EBITDA margin (%)	6.2%	6.9%	7.5%	7.6%	7.6%	7.6%	7.5%
Total stores	15,196	18,040	18,836	19,340			
Net Store additions (#)	2,485	2,844	796	504	568	579	591
Gross revenue per average store (INR Mn)	120	141	161	169	187	209	234
- YoY growth (%)	8%	18%	14%	5%	11%	12%	12%
Area (mn sq ft)	41.6	65.6	79.1	77.4			
Net area addition (mn sq ft)	7.8	24.0	13.5	-1.7			
Store Footfalls (mn)		775	1,063	889			
Registered Customer Base (mn)	193	249	304	349			
No of Transactions (mn)		1,031	1,260	1,393			
Digital & New Commerce - sales contribution (%)	17%	18%	19%	18%			
EBITDA break-up (INR Bn)							
O2C	527	621	624	550	629	685	813
E&P	55	136	202	212	197	189	182
Digital	403	503	567	650	762	945	1,132
Retail	124	180	231	251	287	330	377
Financial Services & Others	19	-6	64	63	-8	-8	-8
Total	**1,128**	**1,433**	**1,687**	**1,725**	**1,866**	**2,141**	**2,496**
Energy business	582	757	826	762	826	874	995
Non-energy business (incl others)	546	677	861	964	1,040	1,267	1,501
EBITDA proportion							
O2C	47%	43%	37%	32%	34%	32%	33%
E&P	5%	9%	12%	12%	11%	9%	7%
Digital	36%	35%	34%	38%	41%	44%	45%
Retail	11%	13%	14%	15%	15%	15%	15%
Financial Services & Others	2%	0%	4%	4%	0%	0%	0%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Energy business	52%	53%	49%	44%	44%	41%	40%
Non-energy business (incl others)	48%	47%	51%	56%	56%	59%	60%

Source: Company, JM Financial

Valuation

Our 1 year **target Price for RIL of INR 1,700/share (and 3 year TP of INR 2,040) is computed on a sum-of-the-parts (SOTP)** valuation method:

a) Petchem segment at an EV of INR 214/share based on 7.5x Sep'27EV/EBITDA;

b) Refining segment at an EV of INR 201/share based on 7.5x Sep'27 EV/EBITDA;

c) E&P segment at an EV of INR 69/share based on 6.0x Sep'27 EV/EBITDA;

d) Digital segment (RIL's 67.05% stake in JPL) at an EV of INR 607/share comprising: **i)** Telecom business at INR 594/share based on DCF valuation; implied valuation of ~10.5x Mar'27 EV/EBITDA; and **ii)** Digital opportunities at INR 57/share based on potential monetisation of Video OTT apps, audio OTT and Consumer IoT business.

e) Retail business (RIL's 83.0% stake) at an EV of INR 541/share based on 25x Sep'27 EBITDA.

f) New Energy business at an EV of INR 83/share (based on 1.5x announced capex of INR 750bn) and **other investments at INR 37/share** (listed investment, Disney Viacom JV and Real estate investment).

We reiterate BUY (unchanged TP of INR 1,700) as we believe RIL has industry leading capabilities across businesses to drive robust 15-20% EPS CAGR over the next 3-5 years, particularly driven by both consumer businesses with Jio's ARPU is expected to rise at 13% CAGR over FY25-28 with ARPU being on a structural uptrend given the industry structure, future investment needs, and the need to avoid a duopoly market. At CMP, the stock is trading at FY27E P/E of 18.8x (3-yr avg: 24.7x) and FY27E EV/EBITDA of 9.7x (3-yr avg: 12.6x).

Exhibit 3. RIL Sum-of-the-parts valuation - our 1-year target price for RIL is INR 1,700/share

Business segment	Valuation methodology	Sep'27 EBITDA (INR Bn)	Valuation multiple	Valuation (INR bn)	Valuation (USD bn)	Valuation (INR/share)	Comments
Energy business				**6,546**	**77**	**484**	
Petchem	EV/ EBITDA	386	7.5	2,892	34	214	Valued at 7.5x Sep'27 EV/EBITDA
Refining	EV/ EBITDA	363	7.5	2,726	32	201	Valued at 7.5x Sep'27 EV/EBITDA
E&P	EV/ EBITDA	186	5.0	928	11	69	Valued at 5x Sep'27 EV/EBITDA
Digital business (for RIL's 67.05% stake)				**8,812**	**104**	**651**	
a) Telecom business	DCF			8,036	95	594	Based on DCF valuation;COE 13.5% and WACC of 11%; implied valuation of ~11x Sep'27 EV/EBITDA
b) Digital opportunities				775	9	57	JPL investments at book value - Monetization of Video OTT apps, JioSaavn and Consumer IoT business etc
Retail business (for RIL's ~83% stake)	EV/ EBITDA			**7,328**	**87**	**541**	Valued at 25x Sep'27 EV/EBITDA, based on peers valuation range; D-Mart trades at +35x
New Energy business				**1,125**	**13**	**83**	At 1.5x announced capex of INR 750bn
Other investments				**500**	**6**	**37**	Listed equity / Disney Viacom JV / Real estate investment
Total Enterprise Value				**24,311**	**287**	**1,797**	
Less: Net Debt				1,306	15	96	
Total Equity Value				**23,005**	**272**	**1,700**	

Source: JM Financial

Exhibit 4. RIL Sum-of-the-parts valuation – our 3-year target price for RIL is INR 2,040/share

Business segment	Valuation methodology	EBITDA (INR Bn)	Valuation multiple	Valuation (INR bn)	Valuation (USD bn)	Valuation (INR/share)	Comments
Energy business				**7,389**	**87**	**544**	
Petchem	EV/ EBITDA	493	7.5	3,695	44	273	Valued at 7.5x Sep'27 EV/EBITDA
Refining	EV/ EBITDA	378	7.5	2,836	34	210	Valued at 7.5x Sep'27 EV/EBITDA
E&P	EV/ EBITDA	172	5.0	858	10	62	Valued at 5x Sep'27 EV/EBITDA
Digital business (for RIL's 67.05% stake)				**10,301**	**122**	**761**	
a) Telecom business	DCF			9,342	110	690	Based on DCF valuation;COE 13.5% and WACC of 11%; implied valuation of 9.2x Sep'29 EV/EBITDA
b) Digital opportunities				960	11	71	JPL investments at book value - Monetization of Video OTT apps, JioSaavn and Consumer IoT business etc
Retail business (for RIL's ~83% stake)	EV/ EBITDA			**8,524**	**101**	**630**	Valued at 25x Sep'29 EV/EBITDA, based on peers valuation range; D-Mart trades at +30x
New Energy business				**1,500**	**18**	**111**	At 2x announced capex of INR 750bn
Other investments				**500**	**6**	**37**	Listed equity / Disney Viacom JV / Real estate investment
Total Enterprise Value				**28,213**	**334**	**2,083**	
Less: Net Debt				566	7	42	
Total Equity Value				**27,647**	**327**	**2,040**	

Source: JM Financial

Risks along with EPS and valuation sensitivity

a) Refining margin sensitivity: Every USD 1/bbl increase/decrease in GRM has a positive/negative impact of 2% of our valuation, 4% of our FY26E EPS, and 2% of our FY26E EBITDA. An unexpected decline in refining margin could have a negative impact on RIL's earnings and valuation.

b) Petchem margin sensitivity: Every USD 20/tonne increase/decrease in EBITDA margin has a positive/negative impact of 1% of our valuation, 2% of our FY26E EPS, and 1% of our FY26E EBITDA. An unexpected slide in petchem EBITDA margin could hurt RIL's earnings and valuation.

c) Retail margin sensitivity: Every 50bps increase/decrease in retail EBITDA margin has a positive/negative impact of 3% of our valuation, 2% of our FY26E EPS, and 1% of our FY26E EBITDA. Any downside to retail profitability could have a negative impact on RIL's earnings and valuation.

d) ARPU and subscriber sensitivity: Every INR 10 increase/decrease in ARPU has a positive/negative impact of 1% of our valuation and 2% of our FY26E EPS and FY26E EBITDA. Every 20mn increase/decrease in subscribers has a positive/negative impact of 1% of our valuation, FY26E EPS and FY26E EBITDA. Lower-than-expected ARPU and subscriber growth could have a negative impact on RIL's earnings and valuation.

Exhibit 5. RIL Earnings and valuation sensitivity

	FY26E Base case assumption	Change	Impact on FY26 EBITDA		Impact on FY26 EPS		Impact on TP	
			INR bn	% change	INR	% change	INR	% change
GRM (USD/bbl)	10.0	+/- USD 1/bbl	43	2%	2.4	4%	28	2%
Petchem EBITDA margins (USD/ton)	204	+/- USD 20/tn	26	1%	1.5	2%	18	1%
Retail EBITDA margins (%)	7.6%	+/- 0.5%	24	1%	1.3	2%	43	3%
Jio wireless ARPU	222	+/- INR 10	33	2%	1.3	2%	12	1%
Jio wireless subscriber (mn)	520	+/-20mn	15	1%	0.6	1%	15	1%
Base case			**1,866**		**62**		**1,700**	

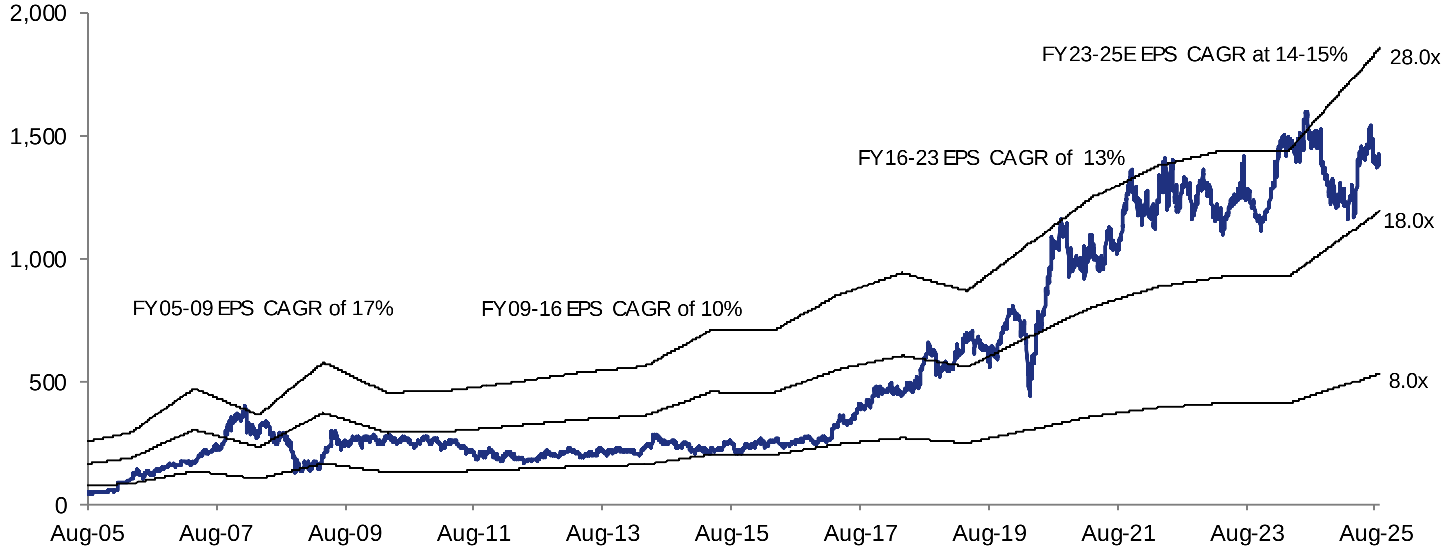
Source: JM Financial

Exhibit 6. RIL's FII and DII shareholding trend: FII stake up 8bps QoQ in 1QFY26 after declining since Mar'21 while DII stake continues to rise; total FII+DII stake up 43bps QoQ at 40.7% at end-Jun'25 (but still down from last 1-year peak of 41.2% in Jun'24)

Month	FII's Stake (%)	DII's Stake (%)	Total FII's + DII's Stake (%)	Total Promoters Stake (%)	RIL's Share Price (INR)
30-Jun-19	26.7	11.4	38.2	46.2	563
30-Sep-19	26.1	14.0	40.1	48.9	599
31-Dec-19	26.8	13.4	40.2	48.9	681
31-Mar-20	26.4	13.5	39.9	48.9	500
30-Jun-20	27.0	13.2	40.1	49.2	773
30-Sep-20	27.7	12.8	40.5	49.1	1,014
31-Dec-20	27.8	12.5	40.3	49.1	901
31-Mar-21	28.3	12.3	40.6	49.1	909
30-Jun-21	27.8	12.7	40.5	49.1	958
30-Sep-21	28.1	12.8	40.9	49.1	1,143
31-Dec-21	27.5	13.2	40.7	49.1	1,075
31-Mar-22	27.1	13.8	40.9	49.1	1,196
30-Jun-22	26.7	14.2	40.9	49.1	1,178
30-Sep-22	26.3	14.6	40.9	49.1	1,079
31-Dec-22	26.1	14.9	41.0	49.1	1,157
31-Mar-23	25.0	15.7	40.8	49.1	1,058
30-Jun-23	25.1	15.8	40.9	49.1	1,158
30-Sep-23	24.9	15.7	40.6	49.1	1,173
31-Dec-23	24.5	16.3	40.8	49.1	1,292
31-Mar-24	**24.5**	**16.7**	**41.1**	49.1	1,486
30-Jun-24	**24.2**	**17.0**	**41.2**	49.1	1,565
30-Sep-24	**23.6**	**17.3**	**40.9**	49.1	1,477
29-Oct-24	**22.5**	**17.9**	**40.4**	49.1	1,340
31-Dec-24	**21.4**	**18.7**	**40.1**	49.1	1,215
31-Mar-25	**21.2**	**19.1**	**40.3**	49.1	1,275
30-Jun-25	**21.3**	**19.4**	**40.7**	49.1	1,501

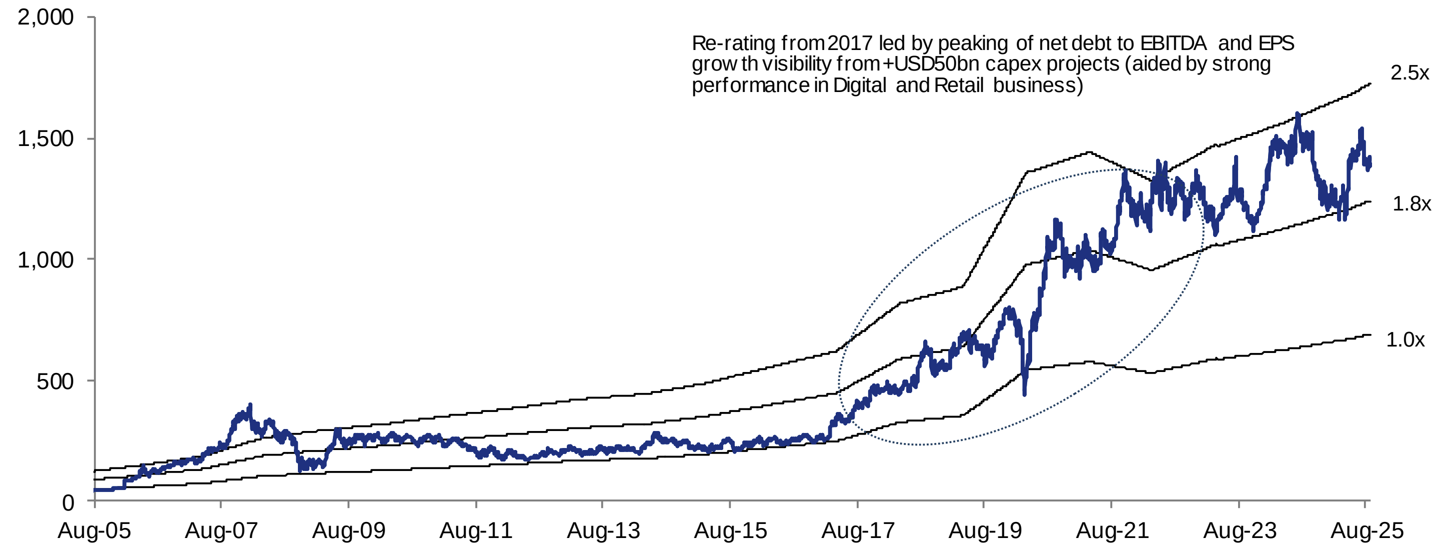
Source: Capitaline

Exhibit 7. RIL 1-year forward PE band



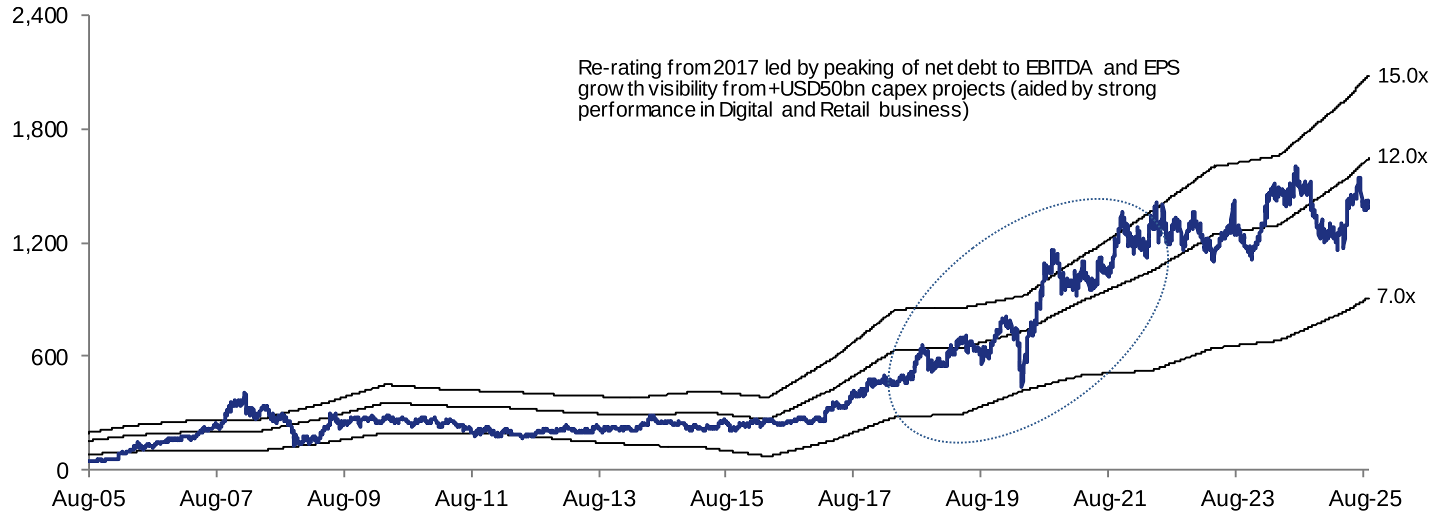
Source: JM Financial, Bloomberg

Exhibit 8. RIL 1-year forward PB band



Source: JM Financial, Bloomberg

Exhibit 9. RIL 1-year forward EV-EBITDA band



Source: JM Financial, Bloomberg

Exhibit 10. Global telecom and digital companies valuations

Company	EV/EBITDA (x)			P/E (x)			P/B (x)			EBITDA Margins (%)			ROE (%)		
	CY24/FY25	CY25/FY26	CY26/FY27	CY24/FY25	CY25/FY26	CY26/FY27	CY24/FY25	CY25/FY26	CY26/FY27	CY24/FY25	CY25/FY26	CY26/FY27	CY24/FY25	CY25/FY26	CY26/FY27
Bharti Airtel	14.0	11.7	10.2	29.9	39.0	27.6	9.3	8.3	6.9	53.9	56.2	57.2	34.3	22.5	27.6
Bharti Hexacom	19.2	18.5	15.3	49.0	45.6	31.9	12.3	12.6	10.2	49.1	51.9	54.1	28.3	29.3	35.0
Jio (JMFe)	18.8	14.4	11.4	40.2	29.3	19.9	4.1	3.6	3.1	53.2	51.9	51.7	10.4	13.2	16.7
Vodafone Idea	15.0	14.8	12.2	NM	NM	NM	NM	NM	NM	41.7	43.4	46.3	NM	NM	NM
Indian telcos average	**16.7**	**14.8**	**12.3**	**39.7**	**37.9**	**26.5**	**8.6**	**8.2**	**6.7**	**49.5**	**50.8**	**52.3**	**24.3**	**21.7**	**26.4**
AT&T	7.1	7.5	7.3	10.2	13.9	13.0	1.6	1.8	1.7	37.1	36.9	37.7	10.3	13.3	13.4
T-Mobile	10.1	10.7	9.9	22.3	22.9	19.2	4.1	4.7	4.8	43.9	38.8	39.9	17.9	20.1	24.3
Verizon	6.4	7.5	6.4	8.4	13.9	9.1	1.7	1.8	1.6	38.6	36.4	36.7	18.3	13.3	17.7
US telcos average	**7.9**	**8.6**	**7.8**	**13.6**	**16.9**	**13.8**	**2.5**	**2.8**	**2.7**	**39.8**	**37.4**	**38.1**	**15.5**	**15.6**	**18.5**
Deutsche Telekom	6.2	7.0	6.6	12.7	15.9	14.3	2.2	2.4	2.3	43.3	37.8	39.1	18.5	14.3	15.2
Orange	4.7	6.1	5.6	13.0	16.9	11.2	1.0	1.1	1.1	33.7	30.5	32.7	8.1	6.1	9.2
Telefonica	6.2	5.9	5.9	71.6	13.4	12.2	1.9	1.3	1.4	27.1	32.8	32.6	2.4	5.7	9.8
Telenor	7.5	9.1	8.9	9.4	19.0	17.0	2.3	3.5	3.5	44.5	44.5	45.1	26.1	17.4	20.7
Vodafone Plc	5.6	5.3	5.2	12.2	11.7	10.6	0.4	0.5	0.5	27.8	28.5	28.9	(7.4)	3.8	4.2
BT Group	4.2	5.1	5.1	12.6	11.5	11.6	0.9	1.7	1.6	36.6	40.4	41.1	6.3	13.2	12.6
Europe telcos average	**5.7**	**6.4**	**6.2**	**21.9**	**14.7**	**12.8**	**1.4**	**1.7**	**1.7**	**35.5**	**35.7**	**36.6**	**9.0**	**10.1**	**11.9**
China Mobile	3.7	6.5	4.4	11.2	9.3	11.5	1.1	1.8	1.2	32.1	32.8	32.6	10.1	18.8	10.5
China Telecom	2.7	4.3	4.2	12.7	13.8	12.7	0.9	1.0	1.0	26.6	26.9	27.1	7.4	7.6	7.9
China Unicom	1.9	2.5	2.5	10.4	12.8	11.7	0.6	0.7	0.7	25.5	25.3	24.9	5.8	5.9	6.2
China telcos average	**2.8**	**4.5**	**3.7**	**11.4**	**12.0**	**12.0**	**0.9**	**1.2**	**1.0**	**28.1**	**28.3**	**28.2**	**7.8**	**10.8**	**8.2**
KT Corp	4.1	2.5	3.7	23.0	12.8	8.6	0.7	0.7	0.7	17.7	22.8	21.6	2.8	5.9	8.4
LG Uplus	3.1	3.5	3.1	11.9	7.4	8.5	0.5	0.8	0.7	24.1	24.1	24.1	4.4	10.5	8.0
SK Telecom	3.7	4.1	3.7	9.6	16.9	10.0	1.0	1.0	1.0	30.8	28.3	30.1	10.7	6.0	9.9
Korea telcos average	**3.6**	**3.4**	**3.5**	**14.8**	**12.4**	**9.1**	**0.7**	**0.8**	**0.8**	**24.2**	**25.1**	**25.3**	**6.0**	**7.5**	**8.8**
Celcom Digi	9.9	9.4	9.2	30.9	23.9	21.2	2.6	2.6	2.6	44.0	45.9	46.5	8.5	10.9	12.1
Telekom Malaysia	6.2	6.4	6.2	12.6	15.7	14.8	2.5	2.5	2.3	38.1	38.5	38.7	20.9	16.1	15.8
Malaysia telcos average	**8.1**	**7.9**	**7.7**	**21.8**	**19.8**	**18.0**	**2.6**	**2.6**	**2.5**	**41.0**	**42.2**	**42.6**	**14.7**	**13.5**	**14.0**
Advanced Info	9.4	8.9	8.6	24.3	20.9	19.2	8.8	8.6	8.3	52.3	53.2	53.8	37.4	42.4	43.7
Chungwa Telecom	11.1	11.5	11.2	25.7	27.1	26.4	2.5	2.7	2.7	37.6	37.8	37.8	9.7	10.0	10.3
Converge ICT	6.4	4.4	4.0	10.8	8.4	7.5	2.3	1.6	1.4	57.9	59.4	59.3	20.9	20.3	19.4
Globe Telecom	7.5	6.5	6.3	13.8	10.3	9.2	1.9	1.2	1.2	49.1	47.9	47.6	14.1	13.4	14.3
Indosat	5.1	4.4	4.2	16.3	13.1	11.4	2.4	1.8	1.7	47.3	47.6	48.0	15.3	13.4	14.2
MTN Group	5.1	4.4	3.8	93.9	12.4	10.0	1.3	1.9	1.6	31.3	43.7	45.0	NM	NM	NM
Singtel	14.0	20.4	19.3	14.1	24.2	21.3	2.3	2.7	2.6	33.7	27.4	28.1	16.5	12.2	12.2
Taiwan Mobile	10.4	10.9	10.6	24.8	21.9	20.9	4.0	3.7	3.7	21.3	21.2	21.0	16.2	17.3	18.0
Telecom Indonesia	4.4	5.0	4.8	11.4	13.2	12.5	1.9	2.1	2.0	50.3	50.2	50.4	17.0	15.9	16.1
XL Axiata	4.1	5.6	5.1	16.2	20.5	17.7	1.1	1.2	1.1	53.0	49.5	50.2	6.9	5.0	6.9
Other regional telcos average	**7.7**	**8.2**	**7.8**	**25.1**	**17.2**	**15.6**	**2.9**	**2.7**	**2.6**	**43.4**	**43.8**	**44.1**	**17.1**	**16.7**	**17.2**
Global telcos average	**7.8**	**8.0**	**7.3**	**22.5**	**18.1**	**15.2**	**2.7**	**2.8**	**2.5**	**38.9**	**39.1**	**39.6**	**14.0**	**13.9**	**15.3**

Source: Bloomberg, JM Financial, Company.

Exhibit 11. Global petchem companies valuation snapshot

Company	EV/EBITDA (x)			EBITDA Margins (%)			P/E (x)			P/B (x)			ROE (%)		
	FY25/CY24	FY26/CY25	FY27/CY26	FY25/CY24	FY26/CY25	FY27/CY26	FY25/CY24	FY26/CY25	FY27/CY26	FY25/CY24	FY26/CY25	FY27/CY26	FY25/CY24	FY26/CY25	FY27/CY26
Global (ex Asia) peers															
DoW	6.1	10.3	7.9	12.7	7.9	9.9	12.5	#N/A N/A	68.6	1.0	1.0	1.0	7.3	-4.7	-0.8
Du Pont	12.2	11.4	10.7	25.3	26.2	26.6	19.9	17.6	16.2	1.3	1.4	1.3	6.8	7.8	7.7
Wacker Chemie	6.2	7.4	5.8	13.0	11.1	13.4	14.8	66.2	19.1	0.7	0.7	0.7	4.9	1.2	3.6
Johnson Matthey	7.1	7.0	7.5	16.4	17.6	15.3	13.4	11.8	13.6	1.5	1.3	1.4	14.1	13.5	15.4
BASF	8.0	8.4	7.6	12.1	11.8	12.6	15.6	16.6	14.1	1.2	1.2	1.2	6.4	6.0	7.5
Indorama ventures	10.0	8.6	7.7	7.1	8.9	9.8	NM	NM	12.1	0.8	0.9	0.9	-12.0	3.6	6.6
SABIC	9.7	10.9	9.3	15.2	13.7	15.7	38.3	109.7	34.4	1.1	1.2	1.3	2.9	1.4	3.7
Eastman Chemical Co	7.1	8.2	7.4	18.9	17.1	18.5	9.0	11.3	9.5	1.4	1.3	1.3	15.2	11.3	13.3
Olin Corp	6.3	7.5	6.1	13.3	10.5	12.7	24.8	182.9	17.7	1.3	1.4	1.3	5.1	0.9	7.2
AKZO Nobel	9.9	9.8	9.3	13.9	14.3	15.0	14.6	14.3	13.1	2.3	2.1	2.0	14.5	13.2	16.1
Global (ex Asia) peers average	**8.3**	**8.9**	**7.9**	**14.8**	**13.9**	**14.9**	**18.1**	**53.8**	**21.9**	**1.3**	**1.3**	**1.2**	**6.5**	**5.4**	**8.0**
Asian peers															
Mitsubishi Gas Chem	8.0	8.1	7.0	11.7	11.6	13.0	11.1	12.8	10.9	0.8	0.8	0.7	7.2	5.9	7.0
Sinopec Shanghai Petrochemical	8.1	7.3	4.8	2.3	2.9	4.4	47.2	58.4	13.6	0.4	0.5	0.5	0.7	0.8	3.8
LG Chem	9.5	7.7	5.6	12.1	15.8	19.2	53.8	116.1	14.9	0.6	0.6	0.6	1.1	0.4	4.0
Formosa Chemicals & Fibre Corp	16.6	17.2	13.0	4.8	5.1	6.8	58.5	NM	39.1	0.5	0.7	0.7	1.0	-0.4	1.7
Nan Ya Plastics	16.4	16.9	14.0	11.1	10.2	11.9	54.5	107.7	30.6	0.9	1.0	1.0	1.1	1.2	3.4
Formosa Plastics	39.0	53.0	35.4	4.1	3.3	4.9	1180.3	NM	43.6	0.7	0.9	0.8	0.3	-0.3	1.8
Hanwha	49.3	16.2	9.5	3.3	7.9	12.3	NM	NM	12.4	0.7	0.6	0.6	-17.6	-3.8	4.0
Asahi Kasei Corp	7.0	6.4	5.9	11.9	12.9	13.5	14.3	12.6	10.1	0.9	0.9	0.8	6.2	6.9	8.2
Toray Industries	8.7	8.6	7.8	10.6	10.6	11.2	17.3	17.3	14.1	0.9	0.9	0.8	5.1	5.2	6.1
Kuraray Co	4.2	4.5	4.1	21.1	19.5	20.6	10.4	13.9	9.2	0.8	0.7	0.7	7.7	5.3	7.7
Teijin Ltd	NM	NM	5.6	-0.5	9.9	11.2	9.7	21.9	13.4	0.5	0.6	0.5	5.6	2.6	4.2
Mitsui Chemicals	7.3	6.9	6.1	10.8	11.8	12.9	12.7	12.8	10.2	0.8	0.8	0.7	6.2	6.5	7.7
RIL	13.1	11.6	10.4	17.3	18.6	19.2	26.4	22.8	20.6	2.2	2.0	1.8	8.6	9.1	9.3
Asian peers average	**15.6**	**13.7**	**9.9**	**9.3**	**10.8**	**12.4**	**124.7**	**39.6**	**18.7**	**0.8**	**0.8**	**0.8**	**2.6**	**3.0**	**5.3**
Global peers average	**12.3**	**11.5**	**9.1**	**14.8**	**13.9**	**14.9**	**79.0**	**45.9**	**20.1**	**1.0**	**1.0**	**1.0**	**4.3**	**4.1**	**6.5**
Global peers median	**8.4**	**8.5**	**7.6**	**12.1**	**11.6**	**12.9**	**15.6**	**17.5**	**14.1**	**0.9**	**0.9**	**0.8**	**5.6**	**3.6**	**6.6**

Source: JM Financial, Bloomberg

Exhibit 12. Global refiner's valuation snapshot

Company	EV/EBITDA (x)			EBITDA Margins (%)			P/E (x)			P/B (x)			ROE (%)		
	FY25/CY24	FY26/CY25	FY27/CY26	FY25/CY24	FY26/CY25	FY27/CY26	FY25/CY24	FY26/CY25	FY27/CY26	FY25/CY24	FY26/CY25	FY27/CY26	FY25/CY24	FY26/CY25	FY27/CY26
US peers															
Valero Energy	8.8	9.0	7.8	5.0	5.4	6.2	19.3	20.5	14.7	1.9	1.9	1.9	9.7	8.6	13.0
Marathon Petroleum	8.5	8.8	7.9	7.7	8.3	8.8	20.7	21.3	15.5	3.4	3.2	3.1	14.7	14.0	21.0
US peers average	**8.6**	**8.9**	**7.8**	**6.3**	**6.8**	**7.5**	**20.0**	**20.9**	**15.1**	**2.7**	**2.5**	**2.5**	**12.2**	**11.3**	**17.0**
European peers															
Galp Energia	4.6	5.4	5.0	15.8	15.1	15.7	12.2	13.6	13.0	2.7	2.6	2.4	23.3	18.6	19.2
Motor Oil Hellas	4.9	5.3	5.8	8.4	8.3	7.4	7.2	6.3	7.9	1.0	1.0	0.9	11.3	15.8	11.7
PKN Orlen	3.4	2.7	2.7	9.7	13.1	13.5	9.9	6.2	7.1	0.6	0.6	0.6	5.5	9.2	8.4
MOL Hungarian oil & gas plc	3.0	3.1	3.2	12.7	13.5	13.5	5.0	5.5	5.6	0.5	NM	NM	10.0	9.8	9.3
OMV Ag	3.6	4.1	4.3	21.5	21.2	21.1	7.5	9.5	8.6	0.9	0.9	0.9	11.1	9.0	10.2
European peers average	**3.9**	**4.1**	**4.2**	**12.1**	**12.4**	**12.3**	**8.4**	**8.2**	**8.5**	**1.1**	**1.3**	**1.2**	**12.3**	**11.7**	**10.3**
Asian peers															
SK Innovation	21.7	17.2	10.9	3.9	4.6	7.1	NM	NM	65.6	0.6	0.6	0.6	-5.6	-4.7	0.7
GS Holdings	5.2	5.1	4.6	13.3	13.8	14.5	3.9	6.5	6.2	0.3	0.3	0.3	7.5	4.5	4.9
SK Energy Co Ltd	21.7	17.2	10.9	3.9	4.6	7.1	NM	NM	65.6	0.6	0.6	0.6	-5.6	-4.7	0.7
MRPL	15.9	8.3	6.7	2.4	5.0	6.0	NM	NM	10.7	1.6	1.5	1.4	-0.2	10.1	13.4
CPCL	13.6	4.8	4.5	1.6	4.7	4.9	116.9	7.3	6.8	1.1	1.1	1.0	1.0	15.8	15.6
BPCL	7.7	6.0	6.3	5.4	7.1	6.5	10.0	7.2	8.2	1.6	1.4	1.3	15.8	19.8	15.8
HPCL	9.7	5.9	6.3	3.5	6.3	5.6	11.7	5.8	6.7	1.5	1.3	1.1	14.1	24.4	18.9
IOCL	10.0	6.4	6.3	4.5	7.3	7.1	19.4	7.9	8.3	1.0	0.9	0.9	6.4	12.3	11.0
RIL	13.1	11.6	10.4	17.3	18.6	19.2	26.4	22.8	20.6	2.2	2.0	1.8	8.6	9.1	9.3
Asian peers average ex- RIL	**13.2**	**8.8**	**7.1**	**4.8**	**6.7**	**7.4**	**32.4**	**6.9**	**22.3**	**1.1**	**1.0**	**0.9**	**4.2**	**9.7**	**10.1**
Global peers average ex- RIL	**9.5**	**7.3**	**6.2**	**7.7**	**8.8**	**9.2**	**20.3**	**9.8**	**16.7**	**1.3**	**1.3**	**1.2**	**8.2**	**10.7**	**11.1**
Global peers median ex- RIL	**8.5**	**5.9**	**6.3**	**5.2**	**7.2**	**7.1**	**10.8**	**7.2**	**8.3**	**1.0**	**1.0**	**1.0**	**9.9**	**9.9**	**11.3**

Source: JM Financial, Bloomberg

Financial Tables (Consolidated)

Income Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	90,10,640	96,46,930	95,89,984	1,06,70,609	1,21,83,694
Sales Growth	2.6%	7.1%	-0.6%	11.3%	14.2%
Other Operating Income	0	0	0	0	0
Total Revenue	**90,10,640**	**96,46,930**	**95,89,984**	**1,06,70,609**	**1,21,83,694**
Cost of Goods Sold/Op. Exp	58,53,430	62,96,890	62,59,720	69,65,081	79,52,725
Personnel Cost	2,56,790	2,85,590	2,99,870	3,14,863	3,30,606
Other Expenses	12,78,090	14,10,010	11,64,438	12,49,472	14,04,630
EBITDA	**16,22,330**	**16,54,440**	**18,65,957**	**21,41,193**	**24,95,732**
EBITDA Margin	18.0%	17.1%	19.5%	20.1%	20.5%
EBITDA Growth	14.1%	2.0%	12.8%	14.8%	16.6%
Depn. & Amort.	5,08,320	5,31,360	5,38,533	5,70,644	6,01,170
EBIT	11,14,010	11,23,080	13,27,425	15,70,549	18,94,563
Other Income	1,60,570	1,79,780	1,53,727	1,53,669	1,53,427
Finance Cost	2,31,180	2,42,690	2,53,359	2,42,207	2,28,711
PBT before Excep. & Forex	10,43,400	10,60,170	12,27,793	14,82,011	18,19,278
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	10,43,400	10,60,170	12,27,793	14,82,011	18,19,278
Taxes	2,57,070	2,52,300	2,77,386	3,42,560	4,29,306
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	90,120	1,11,390	1,16,339	1,65,224	2,15,219
Reported Net Profit	6,96,210	6,96,480	8,34,067	9,74,227	11,74,753
Adjusted Net Profit	**6,96,210**	**6,96,480**	**8,34,067**	**9,74,227**	**11,74,753**
Net Margin	7.7%	7.2%	8.7%	9.1%	9.6%
Diluted Share Cap. (mn)	13,532.0	13,532.0	13,532.0	13,532.0	13,532.0
Diluted EPS (INR)	**51.4**	**51.5**	**61.6**	**72.0**	**86.8**
Diluted EPS Growth	5.0%	0.0%	19.8%	16.8%	20.6%
Total Dividend + Tax	67,660	74,426	81,192	94,724	1,08,256
Dividend Per Share (INR)	5.0	5.5	6.0	7.0	8.0

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	79,34,810	84,32,000	90,25,411	97,48,578	1,06,62,419
Share Capital	67,660	1,35,320	1,35,320	1,35,320	1,35,320
Reserves & Surplus	78,67,150	82,96,680	88,90,091	96,13,258	1,05,27,099
Preference Share Capital	0	0	0	0	0
Minority Interest	13,23,070	16,64,260	17,67,263	19,16,023	21,11,099
Total Loans	32,46,220	34,75,300	34,26,053	33,51,215	33,32,476
Def. Tax Liab. / Assets (-)	7,13,030	8,30,450	8,50,350	8,71,793	8,97,822
Total - Equity & Liab.	**1,32,17,130**	**1,44,02,010**	**1,50,69,078**	**1,58,87,609**	**1,70,03,816**
Net Fixed Assets	1,11,88,400	1,26,17,510	1,33,94,660	1,41,13,119	1,48,13,844
Gross Fixed Assets	1,13,30,210	1,39,60,240	1,52,92,406	1,65,97,662	1,79,15,388
Intangible Assets	1,49,890	2,45,300	2,45,300	2,45,300	2,45,300
Less: Depn. & Amort.	36,80,250	42,11,610	47,50,143	53,20,787	59,21,956
Capital WIP	33,88,550	26,23,580	26,07,097	25,90,943	25,75,112
Investments	22,56,720	24,23,810	24,23,810	24,23,810	24,23,810
Current Assets	41,05,360	44,55,810	41,10,650	42,57,213	48,07,650
Inventories	15,27,700	14,60,620	13,20,366	14,03,823	15,50,994
Sundry Debtors	3,16,280	4,21,210	4,07,015	4,34,047	4,74,018
Cash & Bank Balances	9,72,250	10,65,020	8,64,184	8,87,657	12,35,494
Loans & Advances	60,380	1,20,120	1,27,211	1,35,611	1,45,524
Other Current Assets	12,28,750	13,88,840	13,91,875	13,96,076	14,01,619
Current Liab. & Prov.	43,33,350	50,95,120	48,60,043	49,06,533	50,41,487
Current Liabilities	17,83,770	18,67,890	16,91,813	17,94,349	19,82,540
Provisions & Others	25,49,580	32,27,230	31,68,230	31,12,184	30,58,947
Net Current Assets	-2,27,990	-6,39,310	-7,49,393	-6,49,320	-2,33,838
Total – Assets	**1,32,17,130**	**1,44,02,010**	**1,50,69,078**	**1,58,87,609**	**1,70,03,816**

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	10,43,400	10,60,170	12,27,793	14,82,011	18,19,278
Depn. & Amort.	5,08,320	5,31,360	5,38,533	5,70,644	6,01,170
Net Interest Exp. / Inc. (-)	1,22,840	1,23,630	99,632	88,538	75,285
Inc (-) / Dec in WCap.	63,660	2,37,240	-21,627	-7,955	1,050
Others	-30,730	-46,120	0	0	0
Taxes Paid	-1,19,610	-1,19,250	-2,57,486	-3,21,117	-4,03,276
Operating Cash Flow	**15,87,880**	**17,87,030**	**15,86,845**	**18,12,121**	**20,93,506**
Capex	-15,28,830	-13,99,670	-13,15,683	-12,89,102	-13,01,895
Free Cash Flow	59,050	3,87,360	2,71,161	5,23,019	7,91,611
Inc (-) / Dec in Investments	1,76,950	-1,17,820	-10,126	-12,600	-15,457
Others	2,16,070	1,42,140	1,53,727	1,53,669	1,53,427
Investing Cash Flow	**-11,35,810**	**-13,75,350**	**-11,72,082**	**-11,48,033**	**-11,63,925**
Inc / Dec (-) in Capital	1,98,370	220	-1,72,800	-1,72,800	-1,72,800
Dividend + Tax thereon	0	0	0	0	0
Inc / Dec (-) in Loans	92,620	1,92,470	-1,08,247	-1,30,884	-71,976
Others	-4,57,450	-5,11,600	-3,34,551	-3,36,931	-3,36,967
Financing Cash Flow	**-1,66,460**	**-3,18,910**	**-6,15,599**	**-6,40,615**	**-5,81,743**
Inc / Dec (-) in Cash	**2,85,610**	**92,770**	**-2,00,836**	**23,473**	**3,47,838**
Opening Cash Balance	6,86,640	9,72,250	10,65,020	8,64,184	8,87,657
Closing Cash Balance	9,72,250	10,65,020	8,64,184	8,87,657	12,35,494

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	7.7%	7.2%	8.7%	9.1%	9.6%
Asset Turnover (x)	0.7	0.6	0.6	0.6	0.7
Leverage Factor (x)	1.8	1.8	1.8	1.8	1.7
RoE	9.2%	8.5%	9.6%	10.4%	11.5%

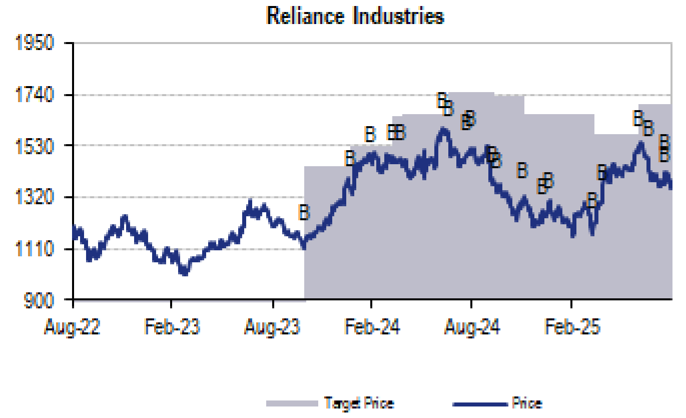
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	586.4	623.1	667.0	720.4	787.9
ROIC	9.5%	8.8%	9.8%	10.7%	12.0%
ROE	9.2%	8.5%	9.6%	10.4%	11.5%
Net Debt/Equity (x)	0.2	0.1	0.2	0.1	0.1
P/E (x)	26.4	26.4	22.0	18.8	15.6
P/B (x)	2.3	2.2	2.0	1.9	1.7
EV/EBITDA (x)	12.9	12.8	11.5	10.1	8.6
EV/Sales (x)	2.3	2.2	2.2	2.0	1.8
Debtor days	13	16	15	15	14
Inventory days	62	55	50	48	46
Creditor days	88	85	80	77	75

Source: Company, JM Financial

History of Earnings Estimate and Target Price

Date	Recommendation	Target Price	% Chg.
28-Oct-23	Buy	1,450	
20-Jan-24	Buy	1,525	5.2
28-Feb-24	Buy	1,525	0.0
5-Apr-24	Buy	1,650	8.2
23-Apr-24	Buy	1,660	0.6
7-Jul-24	Buy	1,660	0.0
20-Jul-24	Buy	1,750	5.4
22-Aug-24	Buy	1,750	0.0
29-Aug-24	Buy	1,750	0.0
7-Oct-24	Buy	1,735	-0.8
15-Oct-24	Buy	1,735	0.0
2-Dec-24	Buy	1,660	-4.3
7-Jan-25	Buy	1,660	0.0
16-Jan-25	Buy	1,660	0.0
8-Apr-25	Buy	1,580	-4.8
26-Apr-25	Buy	1,580	0.0
3-Jul-25	Buy	1,701	7.7
19-Jul-25	Buy	1,700	0.0
17-Aug-25	Buy	1,700	0.0
19-Aug-25	Buy	1,700	0.0

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

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Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

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