

Reliance Industries

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR1,300 TP: INR1,515 (+16%) Buy

Steady 4Q on Retail growth recovery; RJio slightly weaker

- Reliance Industries' (RIL) 4QFY25 consolidated EBITDA was flat QoQ (+3% YoY) at INR438b (in line), driven by a stronger recovery in Retail (EBITDA +15% YoY).
- RJio revenue and EBITDA grew ~2% QoQ and were slightly weaker than our estimate due to lower-than-expected ARPU and weaker incremental margins.
- Consol. O2C EBITDA grew ~5% QoQ, driven by cost optimization and favorable ethane cracking economics amid weaker refining and petchem spreads. E&P EBITDA declined ~8% QoQ (6% miss) due to lower KG D6 production.
- Attributable PAT rose 2% YoY to INR194b (+5% QoQ) and was 8% ahead of estimate, driven by lower depreciation, interest and tax rate.
- Reported consolidated net debt inched up INR16b sequentially to INR1,171b, while effective net debt (including spectrum debt) was broadly stable YoY at INR2.76t (though lower than INR2.9t in 1HFY25).
- 4Q capex increased ~12% QoQ to INR360b. However, FY25 cash capex moderated to INR1.45t (vs. INR1.57t YoY) due to lower capex in Retail and RJio.
- FY25 gross block additions surged to ~INR1.87t (from ~INR1.5t), likely driven by accelerated investments in New Energy, offset by lower 5G spends.
- We lower our FY26-27E EBITDA/PAT by 2% each due to cuts in RJio and E&P. We model a CAGR of ~13-14% EBITDA/PAT over FY25-27, driven by a robust ~21% EBITDA CAGR in RJio and growth recovery in Retail.
- Using the SoTP method, we value the O2C/E&P segments at 7.5x/5x Mar'27E EV/EBITDA to arrive at an enterprise value of INR420/sh for the standalone business. We ascribe an equity valuation of INR525/sh and INR520/sh to RIL's stake in JPL and RRVL, respectively. We assign INR75/sh (~INR1t equity value) to the New Energy business and INR26/sh to RIL's stake in Disney JV (based on transaction value). **Reiterate BUY with a revised TP of INR1,515 (earlier INR1,510).**

Reliance Retail – Strong broad-based growth recovery

- Reliance Retail's (RR) net revenue jumped ~16% YoY (6% beat), with broad-based growth across categories amid productivity improvement.
- The quarter benefited from regional festivals, wedding season, and early summer, boosting demand across several categories.
- RR continued to consolidate its footprint in 4Q with net addition of 238 stores (1,085 additions and 847 closures). Net retail area was stable QoQ at 77.4m sqft. Overall in FY25, the company added net 504 stores (2,659 additions and 2,155 closures).
- EBITDA grew by a robust 15% YoY to INR67b (4% beat) as margins remained broadly stable at 8.5% (flat YoY).
- RR accelerated quick hyperlocal deliveries on JioMart to 4,000+ pincodes across 2,100+ stores, which led to a 62% YoY increase in average daily orders.
- **Reliance Consumer Brands** achieved INR115b in revenue in its second year of operations, with Campa gaining double-digit market share in key markets.

Bloomberg	RELIANCE IN
Equity Shares (m)	13532
M.Cap.(INRb)/(USDb)	17598 / 205.9
52-Week Range (INR)	1609 / 1115
1, 6, 12 Rel. Per (%)	0/-1/-17
12M Avg Val (INR M)	19168

Financials & Valuations (INR b)

Y/E Mar	FY25	FY26E	FY27E
Sales	9,647	9,583	10,168
EBITDA	1,654	1,870	2,095
Adj PAT	696	805	900
EPS (INR)	51.5	59.5	66.5
EPS Gr. (%)	0.0	15.6	11.7
BV/Sh. (INR)	623	677	737

Ratios

Net D/E	0.4	0.4	0.3
RoE (%)	8.5	9.2	9.4
RoCE (%)	7.7	8.3	8.9

Valuations

P/E (x)	25.3	21.9	19.6
P/BV (x)	2.1	1.9	1.8
EV/EBITDA (x)	12.9	11.3	9.9
Div Yield (%)	0.4	0.5	0.5

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	49.1	49.1	49.1
DII	19.2	18.8	16.8
FII	20.7	20.8	23.9
Others	11.1	11.3	10.2

FII Includes depository receipts

- RRVL's cash capex moderated to INR187b (vs. INR368b YoY), while gross block additions moderated slightly to INR221b (from INR247b YoY).
- FCF (post interest and leases) outflow stood at ~INR8b (vs. ~INR100b YoY).
- Effective net debt increased by INR97b to INR327b.
- We raise our FY26-27 revenue and EBITDA estimates by ~2% and build in a CAGR of 14%-15% in revenue/EBITDA over FY25-27.

RJio – Slightly weaker 4Q; capex and net debt moderates

- RJio's standalone revenue grew by a modest ~2% QoQ as further benefits of tariff hike and subscriber base normalization were offset by two fewer days in 4Q.
- Overall subscriber net adds came in at ~6.1m (vs. our estimate of ~5m), with 5G user base accelerating to 190m+ and FWA ramping up to ~5.6m homes.
- Blended ARPU inched up ~1% QoQ (and ~14% YoY) to INR206.2/month (lower vs. our estimate of INR208) on residual benefits of tariff hikes.
- EBITDA grew 2% QoQ (+17% YoY) to INR159b (2% miss), largely due to weaker revenue and higher SG&A costs. EBITDA margin remained flat QoQ at 52.8% (~50bp miss). Incremental EBITDA margin for the quarter improved to ~53% (from 45.6% in 3QFY25; lower vs. our estimate of ~70%).
- RJio's cash capex moderated ~14% YoY to ~INR460b, while gross block additions (proxy for committed capex) declined ~28% YoY to ~INR420b. Management indicated that capex intensity should further moderate in FY26.
- Effective net debt declined significantly by ~INR220b to INR1.87t. RJio generated FCF of ~INR39b in FY25 (vs. FCF outflow of ~INR150b in FY24).
- We cut our FY26E revenue/EBITDA by 3%/5% due to delayed tariff hike benefits and lower incremental EBITDA margins, while FY26E PAT is cut by ~9% on account of lower EBITDA and higher D&A on capitalization of 5G spectrum.
- We continue to build in the next round of tariff hikes (~15% or INR50/month on the base pack) from Dec'25. We expect FY25-28 revenue/EBITDA CAGR of ~17%/21% for RJio, driven by tariff hike flow-through and FWA ramp-up.

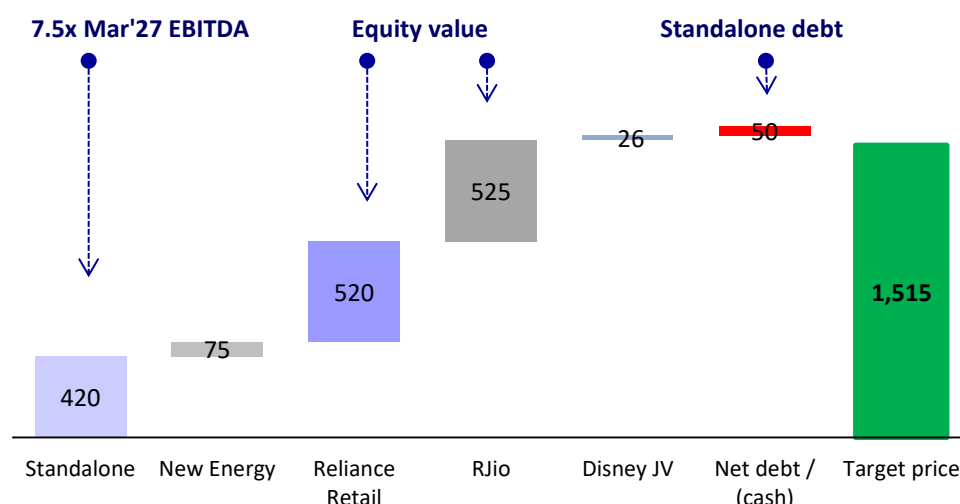
Standalone: In-line EBITDA; PAT beat led by higher other income and lower taxes

- Revenue stood at INR1,330b (-9% YoY). EBITDA came in at INR151b (est. INR152b; -25% YoY).
- On a QoQ basis, EBITDA was flat amid similar volumes and steady product cracks. The weakness in EBITDA on a YoY basis was driven by softer cracks in both refining and petrochemicals even as production meant for sale was up 5% YoY at 17.9mmt. Further, the natural decline in KG D6 gas production and lower CBM price realization were partially offset by improved KG D6 gas price realization and higher CBM volumes.
- Standalone results were also impacted by an 11% YoY decline in production from KG D6, 28% lower price realization YoY for CBM gas and maintenance activities. However, a 29% YoY rise was observed in CBM's production.
- RIL expects stable refining margins amid strong new capacity additions in CY25 (700kbd) and recovery in chemical margins over the next 4-6 quarters from a low base.

- Reported PAT was INR112b (est. of INR96b, flat YoY), a 17% beat vs. our estimate. It was driven by higher-than-expected other income and lower-than-expected interest expenses and taxes.
- Gas price realization for KG-D6 gas increased to USD10.1/mmbtu in 4QFY25 from USD9.5/mmBtu in 4QFY24. Oil & Gas exploration EBITDA declined 9% YoY/ 8% QoQ to INR51.2b, due to lower KG D6 gas production and lower CBM price and maintenance activities.
- RIL believes that strong seasonal demand is anticipated to support gasoline crack spreads, while supply disruptions are expected to keep middle distillate cracks elevated.
- RIL expects domestic polymer demand to remain strong, driven by growth in e-commerce, agriculture and infrastructure spending. However, the market may face pressure from ongoing global capacity expansions.

Valuation and view

- Segment-wise, we expect RJio to be the biggest growth driver with 21% EBITDA CAGR over FY25-27, driven by one more tariff hike, market share gains in wireless, and ramp-up of the Homes and Enterprise business. We expect growth recovery in retail after the recent rationalization of unprofitable stores and B2B, driven by footprint/category additions and its foray into quick commerce.
- Overall, we build in a CAGR of ~13-14% in consolidated EBITDA and PAT over FY25-27, driven by a double-digit EBITDA CAGR in RJio and Retail. After a subdued FY25, we expect earnings to recover in the O2C segment, driven by improvement in refining margins. However, our FY27E consolidated EBITDA for O2C and E&P is marginally lower than FY24 levels.
- We model an annual consolidated capex of INR1.25-1.3t for RIL, as the moderation in RJio capex is likely to be offset by higher capex in New Energy forays. However, we believe the peak of capex is behind, which should lead to healthy FCF generation and a decline in consol. net debt.
- For **Reliance Retail**, we ascribe a blended EV/EBITDA multiple of 28x (30x for core retail and 6x for connectivity) to arrive at an EV of ~INR8.8t for RRVL and an attributable value of INR520/share (earlier INR515/share) for RIL's stake in RRVL. Continued recovery in retail revenue remains the key for RIL's re-rating.
- We value **RJio** on DCF implied ~13x FY27E EV/EBITDA to arrive at our enterprise valuation of INR11.4t (USD134b) and assign ~USD10b valuation to other offerings under JPL. Factoring in net debt and the 33.5% minority stake, the attributable value for RIL comes to INR525/share (earlier INR510/share).
- Using the SoTP method, we value the O2C/E&P segments at 7.5x/5.0x Mar'27E EV/EBITDA to arrive at an enterprise value of INR420/sh for the standalone business. We ascribe an equity valuation of INR525/sh and INR520/sh to RIL's stake in JPL and RRVL, respectively. We assign INR75/sh (~INR1t equity value) to the New Energy business and INR26/sh to RIL's stake in Disney JV (based on transaction value). **We reiterate our BUY rating with a TP of INR1,515.**

Exhibit 1: RIL – SoTP valuation (INR/share)

Consolidated - Quarterly earnings summary

(INR b)

Y/E March	FY24				FY25				FY24	FY25	FY25 4QE	Var v/s Est. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	2,076	2,319	2,251	2,365	2,318	2,315	2,400	2,614	9,011	9,647	2,408	9%
YoY Change (%)	-5.4	0.8	3.6	11.1	11.7	-0.2	6.6	10.5	2.5	7.1	1.8	
EBITDA	381	410	407	425	388	391	438	438	1,622	1,654	435	1%
Margins (%)	18.4	17.7	18.1	18.0	16.7	16.9	18.2	16.8	18.0	17.1	18.1	
Depreciation	118	126	129	136	136	129	132	135	508	531	139	-3%
Interest	58	57	58	58	59	60	62	62	231	243	67	-8%
Other Income	38	38	39	45	40	49	42	49	161	180	49	0%
PBT before EO expense	243	265	258	277	232	250	286	291	1,043	1,060	278	5%
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	243	265	258	277	232	250	286	291	1,043	1,060	278	5%
Rate (%)	25.2	25.2	24.6	23.7	24.9	23.7	23.9	22.9	24.6	23.8	23.8	
MI & Profit/Loss of Asso. Cos.	21.7	24.3	22.2	21.9	23.1	25.4	32.6	30.3	90.1	111.4	32.2	
Reported PAT	160	174	173	190	151	166	185	194	696	696	180	8%
Adj PAT	160	174	173	190	151	166	185	194	696	696	180	8%
YoY Change (%)	-12.0	27.0	9.2	-1.8	-5.5	-4.8	7.4	2.4	2.5	0.0	-5.1	
Margins (%)	7.7	7.5	7.7	8.0	6.5	7.2	7.7	7.4	7.7	7.2	7.5	

Standalone - Quarterly Earnings

(INR b)

Y/E March	FY24				FY25				FY24	FY25	FY25 4QE	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	1,226	1,374	1,277	1,468	1,299	1,301	1,244	1,330	5,345	5,173	1,329	0%
YoY Change (%)	-16.3	0.0	1.5	13.2	5.9	-5.3	-2.6	-9.4	-0.9	-3.2	-9.5	
EBITDA	175	192	176	200	143	134	152	151	743	581	152	-1%
Margin (%)	14.3	14.0	13.7	13.6	11.0	10.3	12.2	11.4	13.9	11.2	11.4	
Depreciation	39	44	46	49	47	44	45	45	177	180	48	
Interest	36	32	30	36	30	27	24	21	134	101	28	
Other Income	27	29	30	35	35	38	32	56	121	161	51	
PBT before EO expense	127	145	130	151	101	102	116	142	553	461	128	11%
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	127	145	130	151	101	102	116	142	553	461	128	11%
Tax	31	33	31	38	25	25	29	30	132	109	31	
Rate (%)	24.4	22.7	23.5	25.0	25.0	24.5	24.8	20.8	23.9	23.6	24.5	
Reported PAT	96	112	99	113	76	77	87	112	420	353	96	17%
Adj PAT	96	112	99	113	76	77	87	112	420	353	96	17%
YoY Change (%)	-32.3	64.9	19.6	-18.0	-20.9	-31.2	-12.1	-0.6	-2.2	-16.1	-14.7	
Margin (%)	7.9	8.2	7.8	7.7	5.9	5.9	7.0	8.4	7.9	6.8	7.2	
Key Assumptions												
Production meant for sale (mmt)	17.2	17.1	16.4	17.1	17.7	17.7	17.9	17.9	67.8	71.2	17.9	0%

Exhibit 2: Quarterly consolidated segmental EBITDA trends; Retail and Digital stronger; E&P weaker

	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	YoY	QoQ	4QFY25E	vs. estimate
Consol. EBITDA (INR b)											
O2C	163	141	168	131	124	144	151	(10.1)	4.7	147	2.8
E&P	48	58	56	52	53	56	51	(8.6)	(7.9)	54	(5.6)
Retail	58	63	58	57	59	68	67	15.3	(1.7)	64	4.3
Digital	141	143	146	149	161	166	173	18.0	3.8	167	3.5
Others	22	20	22	20	21	21	23	2.7	5.6	24	-5.9
Segmental EBITDA	431	424	451	409	418	456	465	3.1	1.9	456	1.8
Eliminations	(22)	(17)	(25)	(22)	(28)	(18)	(26)			(22)	
Reported EBITDA	410	407	425	388	391	438	438	3.1	0.1	435	0.8

Source: MOFSL, Company

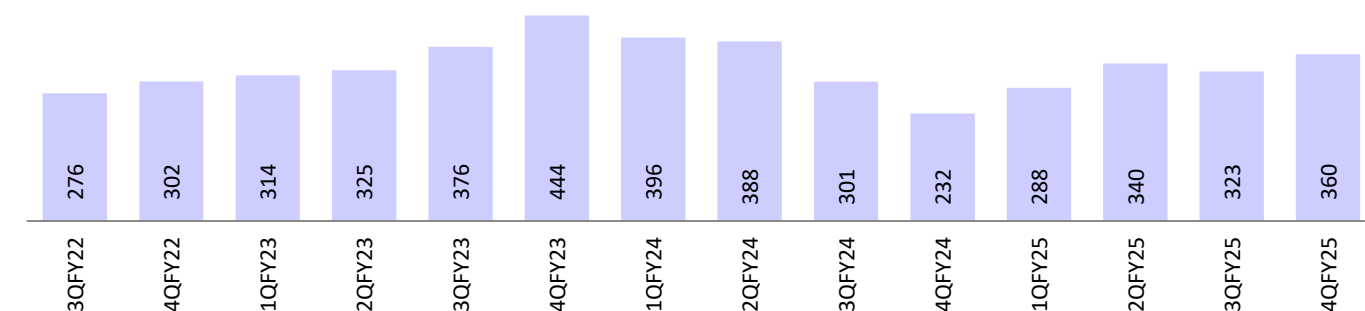
Exhibit 3: RIL's reported net debt increased by ~INR16b QoQ to INR1.17t

INR b	Dec'22	Mar'23	Jun'23	Sep'23	Dec'23	Mar'24	Jun'24	Sept'24	Dec'24	Mar'25
Gross Debt	3,035	3,147	3,187	2,957	3,117	3,246	3,049	3,363	3,505	3,475
Cash & Cash equivalent	1,933	2,045	1,921	1,780	1,924	2,083	1,926	2,199	2,350	2,304
Net Debt	1,102.5	1,102	1,266	1,177	1,194	1,163	1,123	1,164	1,155	1,171

; Source: MOFSL, Company

Exhibit 4: RIL's reported consol capex inched up QoQ to INR360b; FY25 cash capex down 8% YoY to INR1.45t

(INR b)



Source: MOFSL, Company

Exhibit 5: RIL's consol debt was largely stably YoY at ~INR2.76t as debt in other subsidiaries offset lower debt in RJio

Debt analysis (INR b)	Consol		Standalone		RJio		RRVL		Other subsidiaries	
	FY24	FY25	FY24	FY25	FY24	FY25	FY24	FY25	FY24	FY25
Borrowings	3,246	3,475	2,118	1,988	527	705	413	544	188	238
Deferred payment liabilities	1,083	1,044	-	0	1,128	1,091	0	0	-46	-47
Other financial liabilities	828	901	303	424	489	353	53	63	-17	62
Gross debt	5,157	5,420	2,421	2,412	2,145	2,150	466	607	125	252
Cash and equivalents	972	1,065	692	825	14	63	109	166	157	11
Investments	1,111	1,239	687	571	25	193	93	100	306	376
Other financial assets	300	356	387	354	16	25	34	14	-137	-37
Net debt	2,773	2,760	655	662	2,090	1,869	229	327	-201	-97
Net change		-13		7		-221		97		104

; Source: MOFSL, Company

Exhibit 6: RIL's consol FCF post interest and leases stood at INR66b driven by favorable WC movement

Cashflow analysis (INR b)	Consol		Standalone		RJio		RRVL		Other subsidiaries	
	FY24	FY25	FY24	FY25	FY24	FY25	FY24	FY25	FY24	FY25
Operational cashflows	1,524	1,550	662	498	523	604	195	223	144	225
Interest + leases	-397	-440	-169	-146	-172	-169	-52	-50	-4	-76
Change in working capital	64	237	78	296	30	58	124	3	-169	-120
OCF post interest and leases	1,191	1,347	571	648	381	494	268	176	-29	29
Capex	-1,573	-1,445	-343	-373	-534	-462	-368	-187	-328	-424
Interest income	107	164	99	141	2	8	1	3	5	14
FCF post interest and leases	-275	66	328	416	-151	39	-99	-8	-352	-381

; Source: MOFSL, Company

Exhibit 7: RIL's consol cash capex moderated 8% YoY to INR1.45t, but gross block additions higher at INR1.87t (up 23% YoY)

Capex analysis (INR b)	Consol		Standalone		RJio		RRVL		Other subsidiaries	
	FY24	FY25	FY24	FY25	FY24	FY25	FY24	FY25	FY24	FY25
Cash capex	1,573	1,445	343	373	534	462	368	187	328	424
Gross block additions	1,514	1,865	423	502	584	422	247	221	260	720

Source: MOFSL, Company

Exhibit 8: RIL Consolidated – summary of changes to our estimates (INR b)

RIL Consol	FY25E	FY26E	FY27E
Revenue			
Old	9,441	9,431	10,006
Actual/New	9,647	9,583	10,168
Change (%)	2%	2%	2%
EBITDA			
Old	1,651	1,916	2,136
Actual/New	1,654	1,870	2,095
Change (%)	0%	-2%	-2%
PAT			
Old	682	820	919
Actual/New	696	805	900
Change (%)	2%	-2%	-2%

Source: Company, MOFSL

Exhibit 9: RIL Standalone – summary of changes to our estimates (INR b)

RIL Standalone	FY25E	FY26E	FY27E
Revenue			
Old	5,173	4,701	4,718
Actual/New	5,173	4,635	4,634
Change (%)	0%	-1%	-2%
EBITDA			
Old	582	653	660
Actual/New	581	621	612
Change (%)	0%	-5%	-7%
PAT			
Old	337	396	403
Actual/New	353	386	379
Change (%)	5%	-3%	-6%

Source: Company, MOFSL

Exhibit 10: RJio – summary of changes to our estimates (INR b)

RJio	FY25E	FY26E	FY27E
Revenue			
Old	1,144	1,356	1,587
Actual/New	1,141	1,317	1,573
Change (%)	0%	-3%	-1%
EBITDA			
Old	606	742	898
Actual/New	603	705	882
Change (%)	0%	-5%	-2%
EBITDA margin (%)			
Old	53.0	54.7	56.6
Actual/New	52.8	53.5	56.1
Change (bps)	(13.8)	(117.4)	(54.1)
PAT			
Old	249	323	407
Actual/New	248	294	398
Change (%)	0%	-9%	-2%

Source: Company, MOFSL

Exhibit 11: RRVL – summary of changes to our estimates (INR b)

RRVL	FY25E	FY26E	FY27E
Revenue			
Old	2,867	3,258	3,742
Actual/New	2,910	3,307	3,810
Change (%)	1.5	1.5	1.8
EBITDA			
Old	237	269	310
Actual/New	239	274	316
Change (%)	1.1	1.9	1.9
EBITDA margin (%)			
Old	8.26	8.24	8.28
Actual/New	8.22	8.27	8.28
Change (bps)	(4)	3	0
PAT			
Old	120	137	161
Actual/New	124	141	167
Change (%)	3.0	3%	4%

Source: Company, MOFSL

RIL – story in charts

Exhibit 12: Sequential quarterly EBITDA movement

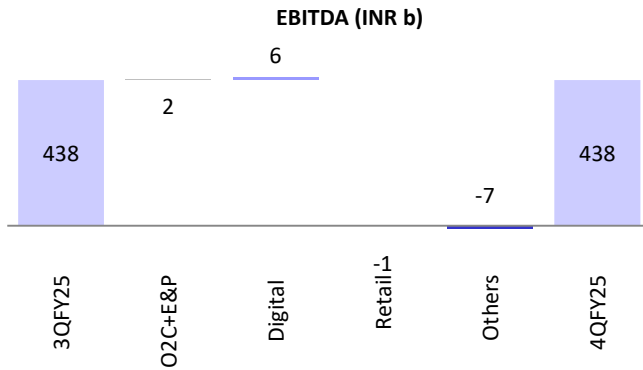


Exhibit 13: Quarterly share of consumer EBITDA

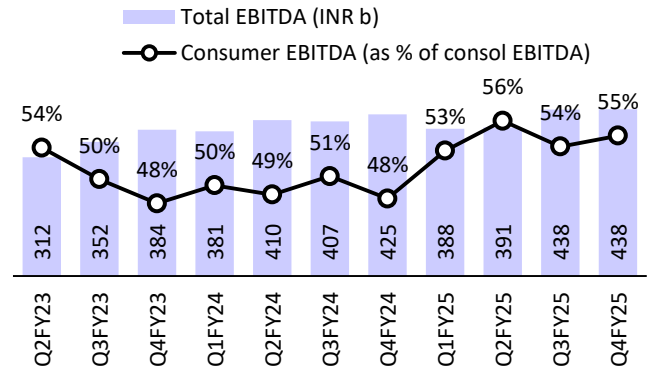


Exhibit 14: Annual EBITDA movement over FY25-27

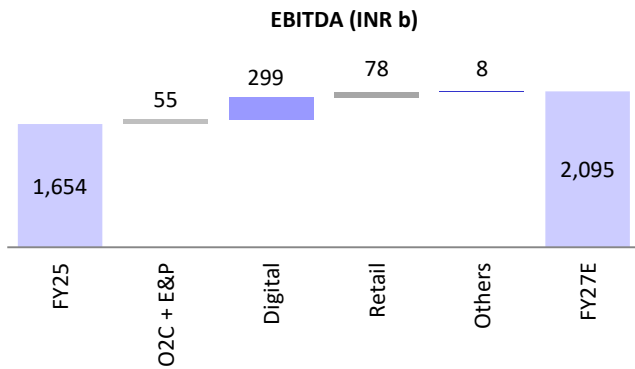


Exhibit 15: Share of consumer businesses in EBITDA on the rise

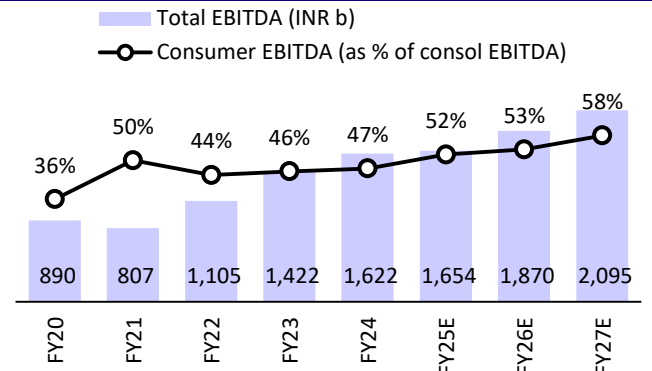


Exhibit 16: Model 14% consolidated PAT CAGR over FY25-27

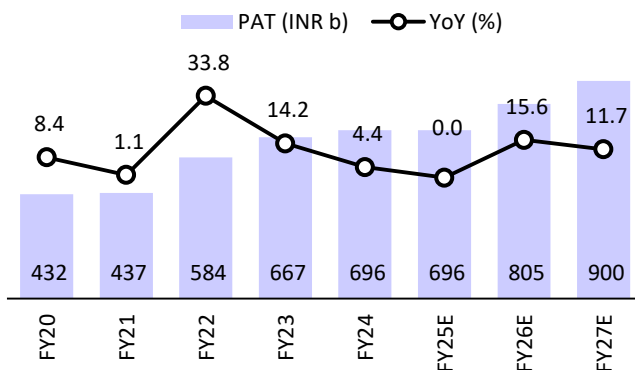


Exhibit 17: Build in INR1.25-1.3t annual capex over FY26-27

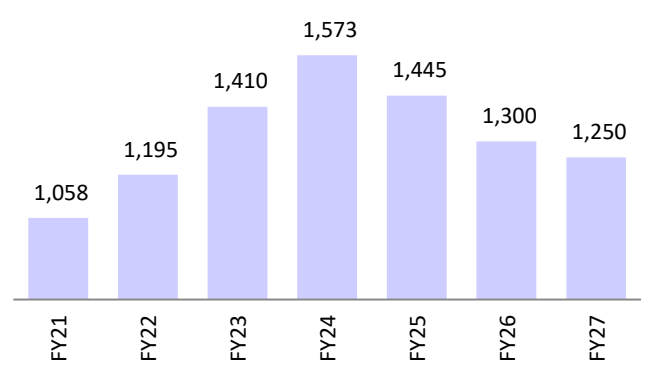


Exhibit 18: Expect ~INR680b FCF generation over FY25-27

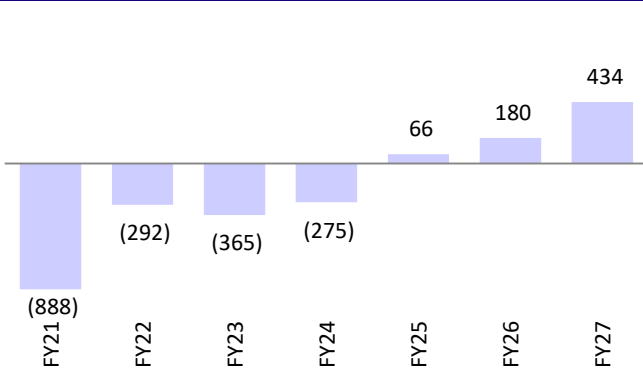
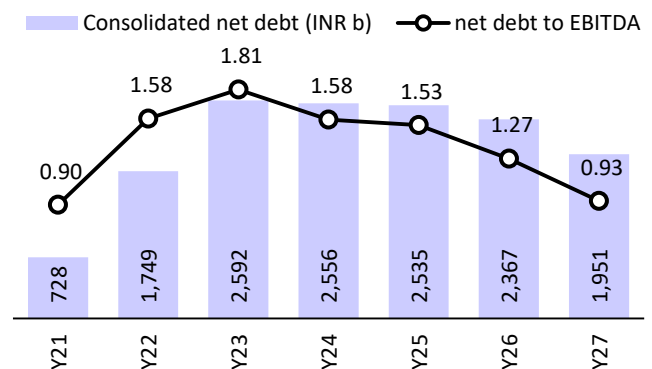


Exhibit 19: Expect net debt to decline over FY25-27



Source: Company, MOFSL

Source: Company, MOFSL



Slightly weaker 4Q; capex and net debt moderate

- RJio's 4Q standalone revenue was up 2.4% QoQ (~16% YoY) at INR300.2b and was broadly in line with our estimate (INR305b).
- Overall subscriber net adds came in at ~6.1m (vs. our estimate of ~5m QoQ), taking the total subscriber base to 488.2m as subscriber trends start to normalize.
- 5G user base increased further to 191m (from 170m QoQ), with 5G data contribution rising to ~45%.
- Home Broadband net adds stood at ~1.5m connections, with Jio AirFiber user base rising to ~5.6m and overall Home broadband connections rising to 18m+.
- Blended ARPU inched up ~1.4% QoQ (and ~13.5% YoY) to INR206.2/month (lower vs. our estimate of INR208) on residual benefits of tariff hikes.
- The ARPU run rate on equal day basis was higher at ~INR210 and management expects some more benefits of the tariff hike to reflect in subsequent quarters.
- Among key expenses, network opex rose ~1% QoQ (~7% YoY), while SG&A and other costs increased by ~15% QoQ (+42% YoY, 10% higher).
- EBITDA grew 2.4% QoQ (16.5% YoY) to INR158.5b (2% miss). EBITDA margin remained stable QoQ at 52.8% (~50bp miss).
- Incremental EBITDA margin improved to ~53% (vs. 46% in 3QFY25, though lower vs. our estimate of ~70% on higher SG&A and other costs).
- Depreciation expenses at INR59b rose 2% QoQ (+6% YoY) and interest costs at INR13.5b increased 6% QoQ (34% YoY).
- With RJio capitalizing a large part of 5G spectrum toward 4QFY25 end, amortization and interest expenses should rise in the coming quarters.
- Reported PAT at INR66.4b was up ~2.5% QoQ (+25% YoY) and was slightly lower than our estimates due to lower ARPU and weaker incremental EBITDA.
- Overall data traffic (including FTTH) was up 5% QoQ (+20% YoY), with data usage per subscriber per month rising to 33.6GB/month (vs. 32.3 GB/month QoQ).
- Voice consumption was up ~2% QoQ (+4% YoY), with MoU per subscriber per month at 1,024 mins (vs. 1,013 mins QoQ).

Non-mobility revenue and EBITDA rise ~5% QoQ each

- JPL's 4Q non-mobility revenue at INR40b grew ~5% QoQ (+36% YoY), driven by strong traction in Enterprise cloud offerings and higher content revenue.
- JPL's 4Q non-mobility EBITDA at INR8.3b also grew ~5% QoQ (+32% YoY), as the margin was broadly stable QoQ at 20.9%.
- Non-mobility business now accounts for 12%/5% of JPL's total revenue/ EBITDA.

FY25 growth driven by benefits of tariff hike and FWA ramp-up

- RJio's standalone revenue at INR1.14t grew 14% YoY, driven by an ~8% YoY increase in ARPU to INR196 on account of partial benefit of Jul'24 tariff hikes.
- Driven by the tariff hike impact, RJio's wireless subscriber base was largely stable YoY, while acceleration of FWA led to ~6.5m overall net adds for FY25.
- EBITDA grew ~15% YoY to INR603b as EBITDA margin expanded ~45bp YoY to 52.8%.
- Despite tariff hike benefits, RJio's incremental EBITDA margin moderated to ~56% in FY25 (from ~62% in FY24), due to a 38% YoY jump in SG&A and other costs.

- Reported FY25 PAT stood at INR248b (up ~21% YoY).
- JPL's non-mobility revenue was up 49% YoY at INR141b, while non-mobility EBITDA increased 41% YoY to INR29b.

Capex and net debt fall significantly; INR39b FCF generation in FY25

- FY25 cash capex (incl. payment of creditors for capex and spectrum repayments) stood at INR462b (down 14% YoY from ~INR534b in FY24).
- Gross block additions (a proxy for committed capex) moderated to INR422b (vs. ~INR583b YoY), driven by the completion of first phase of pan-India 5G rollout.
- FCF (post interest, leases and spectrum repayments) stood at ~INR39b (vs. FCF outflow of INR151b in FY24). 1H FY25 FCF was ~INR24b.
- Effective net debt (including spectrum debt and creditors for capex) declined significantly by INR221b to INR1.87t.

Valuation: Ascribe ~USD144b (or INR12.2t) enterprise value to JPL

- We lower our FY26-27 revenue estimates by 1-3%, due to a slower ARPU uptick from tariff hikes and lower net ARPU retention from FTTH/FWA for RJio. We continue to build in the next round of tariff hikes (~15% or INR50/month on the base pack) from Dec'25.
- We cut our FY26-27E EBITDA by 2-5%, as we lower our incremental margin estimate. FY26E PAT cut is higher at ~9%, due to higher depreciation and interest costs, as RJio starts booking 5G spectrum costs in P&L.
- We expect FY25-28E revenue/EBITDA/PAT CAGR of ~17%/21%/29% for RJio, driven by tariff hike flow-through in wireless and acceleration of FWA offerings.
- We value RJio on DCF implied ~13x FY27E EV/EBITDA to arrive at our enterprise valuation of INR11.4t (USD134b) for RJio. We assign ~USD10b valuation to other non-mobility offerings under JPL to arrive at INR12.2t (or ~USD144b) enterprise valuation. Factoring in net debt and the 33.5% minority stake, the attributable equity value for RIL comes to INR525/share (earlier INR510/share).

RJio – Key takeaways from the management interaction

Rapid 5G adoption; 5G now accounts for ~45% of overall data usage

- RJio's continued to focus on ramping up 5G users, with its base rising to 191m 5G users (vs. 170m QoQ), accounting for ~40% of wireless subscribers.
- 5G now contributes ~45% of Jio's wireless data traffic.
- Management indicated that the consumption profile of 5G users is significantly higher and the company's large 5G user base provides the company significant monetization opportunities through higher data plan offerings and additional value-added offerings over the next few years.
- RJio served the world's largest gathering at Mahakumbh, handling 2.2m GB data with 99.9% network accessibility.

Fast-tracked growth in Home broadband – targets to reach 100m homes

- JioHome subscriber base crossed 18m, with 1.5m net adds in 4QFY25.
- JioAirFiber subscribers rose to 5.6m (vs. 4.4m QoQ), with ~90% of industry's wireline net additions captured by Jio.
- RJio operationalized the world's first point-to-multipoint wireless solution for fixed broadband, enabling scalable and cost-effective deployment.
- The company continues to target a reach of 100m homes through a mix of FTTH and FWA over the medium term.

Successful deployment of private 5G

- RJio has deployed private 5G with slicing for secure, high-bandwidth, low-latency enterprise use.
- Integrated solutions include robotic automation, video surveillance, and enhanced security for private applications.

Other takeaways: Capex likely to moderate

- RJio's cash capex declined ~14% YoY to ~INR460b. With 5G capex largely done, management expects capex intensity to further moderate over the next few years.
- Among the non-wireless business, Enterprise cloud, government projects and IoT are some of the offerings that are doing well for the company.
- RJio's initial focus was to build significant capacity on 5G and its key priority remains to get more 5G users on its network, which it can monetize at a later point through additional premium offerings.

Exhibit 20: We ascribe ~USD144b Enterprise value to JPL (implies INR525/sh attributable value for RIL)

Digital services	EBITDA	Implied FY27 multiple	Value (INR b)	Value (USD b)
RJIL	882	12.9	11,370	134
Wireless	793	12.9	10,217	120
Homes	89	12.9	1,153	14
JPL and others	68	12.9	870	10
Enterprise value	949	12.9	12,240	144
Net debt			1,560	18
Equity value			10,681	126
Attributable to RIL (66.48% stake)			7,100	
RIL's stake value (INR/share)			525	

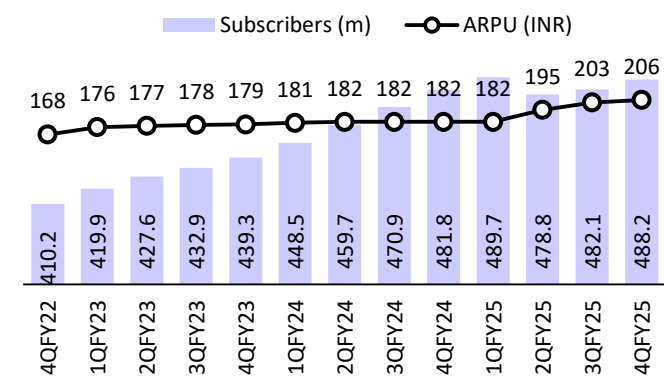
Source: Company, MOFSL

Exhibit 21: RJio – Quarterly performance

Quarterly performance	4QFY24	3QFY25	4QFY25	YoY%	QoQ%	4QFY25E	Var (%)
Revenue	259.6	293.1	300.2	15.6	2.4	302.4	-0.7
Interconnect	2.1	5.6	4.9	131.9	-12.4	5.2	-5.7
LF/SUC	23.9	26.8	27.8	16.5	3.8	27.6	0.7
Network operating costs	78.7	83.6	84.1	6.9	0.6	85.0	-1.2
Employee costs	4.8	5.0	5.0	4.3	0.4	5.2	-3.4
SG&A and other costs	14.0	17	20	41.7	14.8	18.0	9.9
EBITDA	136.1	154.8	158.5	16.5	2.4	161.3	-1.7
Other income	1.2	3.2	3.4	175.4	5.0	3.1	7.0
Finance cost	10.0	12.7	13.5	34.1	6.2	13.3	1.1
Depreciation and amortization	55.7	58.3	59.3	6.4	1.6	60.4	-1.8
Profit before taxes	71.6	87.0	89.2	24.5	2.5	90.7	-1.7
Deferred tax	18.3	22.2	22.8	24.5	2.4	23.1	-1.7
Net income	53.4	64.8	66.4	24.5	2.5	67.6	-1.7
Adjusted net income	53.4	64.8	66.4	24.5	2.5	67.6	-1.7
Operational metrics	4QFY24	3QFY25	4QFY25	YoY%	QoQ%	4QFY25E	Var (%)
EOP subscribers (m)	481.8	482.1	488.2	1.3	1.3	487.1	0.2
Average subscribers (m)	476.4	480.5	485.2	1.8	1.0	484.6	0.1
ARPU (INR/month)	181.7	203.3	206.2	13.5	1.4	208.0	-0.8
EBITDA margins (%)	52.4	52.8	52.8	37 bps	(1)bps	53.3	(52)bps
Data consumption inc. FTTH (b GB)	40.9	46.5	48.9	19.6	5.2	49.3	-0.8
Data consumption inc. FTTH per user (GB/month)	28.6	32.3	33.6	17.4	4.1	33.9	-0.9
Voice consumption (b min)	1,440	1,460	1,490	3.5	2.1	1,475	1.0
Voice consumption per user (min/month)	1,008	1,013	1,024	1.6	1.1	1,014	0.9
Net subscriber additions (m)	10.9	3.3	6.1			5.0	
Incremental EBITDA margin	56.7	45.6	52.6			69.5	

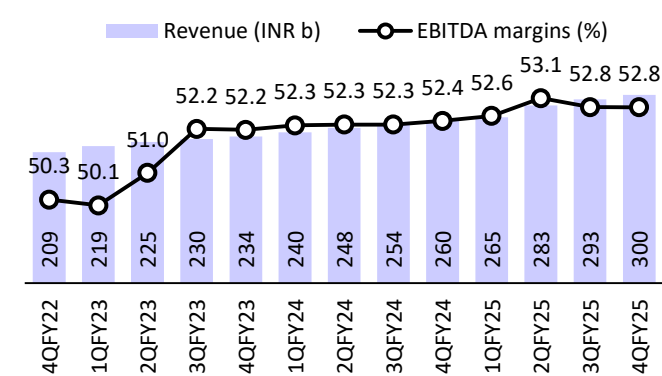
Source: MOFSL, Company

Exhibit 22: ARPU increased to INR206; while the subscriber base inched up to 488.2m (+6.1m net adds)

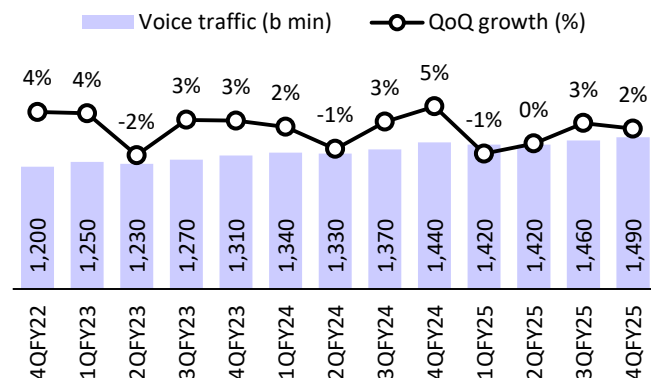


Source: MOFSL, Company

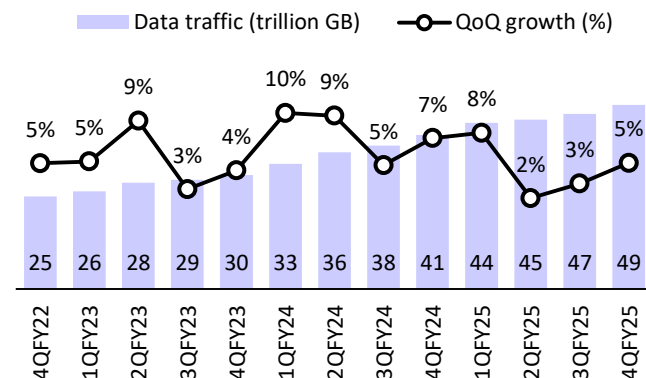
Exhibit 23: Revenue grew 2% QoQ; margin flat QoQ



Source: MOFSL, Company

Exhibit 24: RJio – Voice traffic increased 2% QoQ


Source: MOFSL, Company

Exhibit 25: RJio – Data traffic grew 5% QoQ


Source: MOFSL, Company

Exhibit 26: Share of non-mobility revenue/EBITDA in JPL's revenue/EBITDA mix on a rising trend

	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	YoY	QoQ
Key financials									
Revenues	269	277	289	294	317	331	340	17.7	2.8
EBITDA	135	140	144	146	159	166	170	18.5	2.6
JPL EBITDA margin (%)	50.3	50.4	49.7	49.7	50.2	50.1	50.1	41 bps	-
Finance cost	(10)	(10)	(10)	(11)	(11)	(13)	(14)	33.8	6.1
Depreciation and amortization	(54)	(56)	(58)	(59)	(60)	(61)	(62)	6.8	1.9
Profit before taxes	71	73	75	77	88	92	94	25.5	2.7
Net income	53	54	56	57	65	69	70	25.8	2.4
Operational metrics									
Non-mobility revenues	21.3	23.3	29.1	29.7	33.7	37.7	39.7	36.3	5.3
Non-mobility EBITDA	4.7	5.3	6.3	6.2	7.1	7.9	8.3	32.3	5.2
Non-mobility EBITDA margin	22.1	22.9	21.5	20.7	20.9	20.9	20.9	(61)bps	-
Non-mobility PAT	2.4	2.4	2.5	2.5	3.1	3.8	3.8	54.9	0.3
Non-mobility as % of JPL revenue	7.9	8.4	10.1	10.1	10.6	11.4	11.7	130 bps	-
Non-mobility as % of JPL EBITDA	3.5	3.8	4.4	4.2	4.4	4.7	4.9	39 bps	-
Non-mobility as % of JPL PAT	4.5	4.4	4.4	4.4	4.7	5.5	5.4	114 bps	-

Source: MOFSL, Company

Exhibit 27: Financial snapshot of RIL's digital services segment

	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	YoY (%)	QoQ (%)
Digital services (INR b)									
Gross revenues	326.6	334.6	347.4	354.7	380.6	397.3	408.6	17.6	2.8
EBITDA	140.6	142.6	146.4	149.4	161.4	166.4	172.8	18.0	3.8
DD&A	58.4	59.0	60.4	61.4	62.8	63.9	64.8	7.2	1.4
EBIT	82.1	83.6	86.0	88.1	98.6	102.5	108.0	25.6	5.4
Digital services (ex-JPL)									
Revenue	11.2	9.5	9.1	9.2	9.4	9.8	10.1	11	3
EBITDA	5.3	3.1	2.8	3.1	2.1	0.6	2.6	(8)	376
EBITDA margin (%)	47.1	32.1	31.3	33.2	22.2	5.6	26.0	(535)bps	2,040 bps

Source: MOFSL, Company

Exhibit 28: RJio – summary of the changes to our estimates

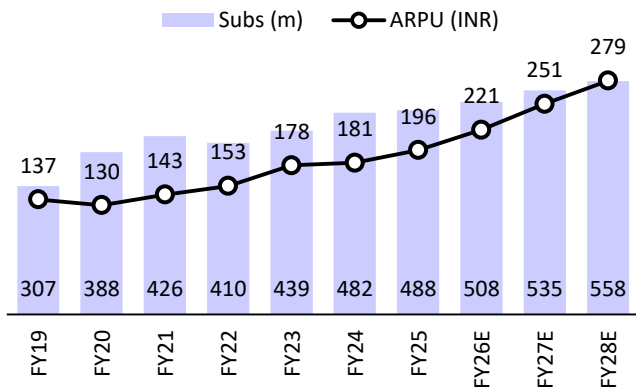
	FY26E	FY27E	FY28E
Total subs (m)			
Old	507.3	530.0	
Actual/New	507.5	535.0	557.5
Change (%)	0%	1%	
Overall ARPU (INR)			
Old	227.3	255.0	
Actual/New	220.5	251.5	279.2
Change (%)	-3%	-1%	
Revenue (INRb)			
Old	1,356	1,587	
Actual/New	1,317	1,573	1,830
Change (%)	-3%	-1%	
EBITDA (INRb)			
Old	742	898	
Actual/New	705	882	1,072
Change (%)	-5%	-2%	
EBITDA margin (%)			
Old	54.7	56.6	
Actual/New	53.5	56.1	58.6
Change (bp)	(117.4)	(54.1)	
Net Profit (INRb)			
Old	323	407	
Actual/New	294	398	531
Change (%)	-9%	-2%	

Exhibit 29: Key assumptions for RJio standalone

Key operating and financial metrics	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
EoP wireless subs (m)	424	405	431	471	470	482	500	513
Wireless ARPU (INR/month)	141	150	173	176	190	211	239	262
EoP Broadband (inc. FWA) subs (m)	3	5	8	11	18	26	35	45
Blended broadband ARPU (INR/month)	662	496	503	402	391	420	448	498
Overall subscribers at end-period (m)	426	410	439	482	488	508	535	558
Blended ARPU (INR/month)	143	153	178	181	196	221	251	279
Financials (INR b)								
Revenue	699	770	908	1,001	1,141	1,317	1,573	1,830
EBITDA	309	376	467	524	603	705	882	1,072
Overall EBITDA margins (%)	44.2	48.9	51.4	52.4	52.8	53.5	56.1	58.6
Net income	120	148	182	205	248	294	398	531
Balance sheet								
Net-worth	1,830	1,978	2,160	2,364	2,614	2,907	3,305	3,836
Effective net debt	511	971	1,979	2,090	1,869	1,560	1,132	601
Invested capital	2,295	3,227	4,682	5,299	5,810	6,145	6,481	6,804
Cash flow								
Operating cash flow	275	233	404	351	436	590	762	819
Working capital	19	-64	-2	30	58	20	-18	-14
Capital expenditure inc. DPL repayments	-261	-481	-336	-534	-462	-455	-380	-366
Free cash flow	34	-313	66	-153	32	155	364	439
Returns (%)								
RoAE	6.8	7.8	8.8	9.0	10.0	10.6	12.8	14.9
RoACE	6.4	6.7	5.9	5.4	6.2	7.3	9.9	12.8
CRoCI	11.5	9.8	8.5	8.5	8.9	9.8	11.5	13.2

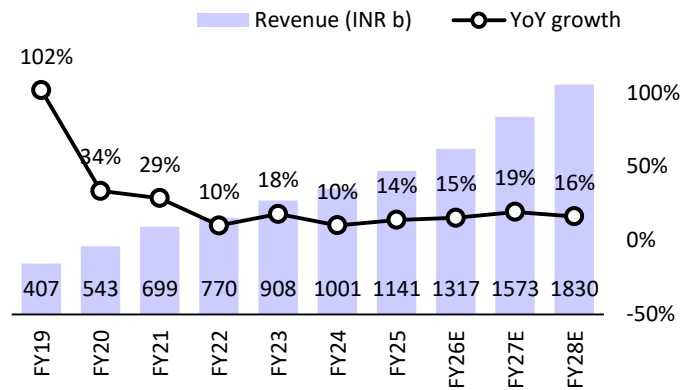
Source: MOFSL, Company

Exhibit 30: Expect 5%/12.5% CAGR in Subs/ARPU over FY25-28



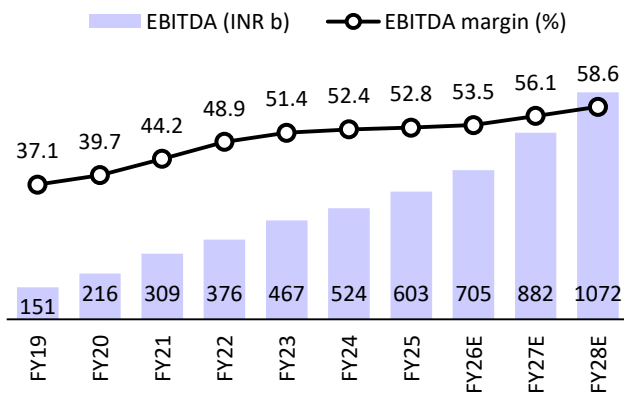
Source: MOFSL, Company

Exhibit 31: Expect revenue CAGR of ~17% over FY25-28



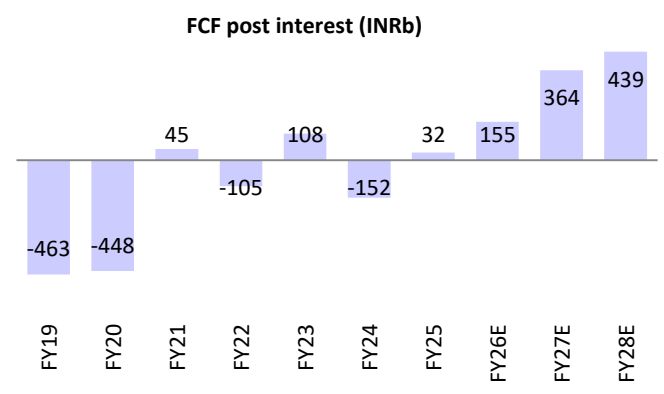
Source: MOFSL, Company

Exhibit 32: Expect 21% CAGR in EBITDA over FY25-28



Source: MOFSL, Company

Exhibit 33: Expect ~INR960b cumulative FCF generation over FY25-28 driven by tariff hikes and lower capex



Source: MOFSL, Company



Strong broad-based growth recovery

Strong revenue print (6% beat); store consolidation largely done

- Reliance Retail (RRVL) consolidated net revenue jumped 16% YoY to INR786b (6% beat), driven by productivity improvement owing to store rationalizations. The quarter also benefited from regional festivals, wedding season, and early summer, boosting demand across categories.
- The store additions remained robust, as the company added net 238 stores (1,085 additions and 847 closures) in 4Q.
- Retail area was stable QoQ at 77.4m sqft, indicating that consolidation of stores continued in 4QFY25.
- EBITDA grew by a robust 15% YoY to INR67b (4% higher than our estimate) as margins remained broadly stable at 8.5% (flat YoY).
- Number of transactions grew by 16% YoY, led by 15% growth in customer base.
- Depreciation stood at INR14.1b, down 3% YoY. Finance cost was flat at INR7b.
- Consequently, PAT rose 30% YoY to INR35.2b.
- Digital/new commerce accounted for ~18% of revenue (vs. ~16% in 4QFY24).

FY25 – Growth impacted by store rationalizations

- RRVL's FY25 net revenue stood at INR 2.9t, up ~7% YoY, impacted by consolidation of store network and a broader market slowdown.
- The company added a net of 504 stores (opened 2,659 and closed 2,155 stores) during the year. Area under operations declined by 2% YoY to 77.4mn sq.ft.
- FY25 operating EBITDA grew by 9% YoY to INR243b as margin expanded ~20bp YoY to 8.34%.
- Depreciation stood at INR60b (up 8% YoY), while finance costs declined ~4% YoY to INR24.7b. Consequently, PAT rose 12% YoY to INR124b.
- CFO declined by 29% YoY to INR226b as FY24 cash flow was boosted by higher payable days.
- Net working capital days moderated further to ~6 days (vs. 7 YoY) as ~5-day inventory reduction was offset by fewer payable days.
- FY25 cash capex fell to INR187b (vs. INR368b YoY), while gross block additions (proxy for committed capex) moderated slightly to INR221b (vs. INR247b YoY).
- FCF outflow (post interest and leases) of ~INR8b in FY25 moderated from ~INR100b outflow in FY24.
- Effective net debt increased by ~INR97b YoY to INR 327b.

Valuation and view

- After a few weak quarters, growth seems to be recovering for Reliance Retail, driven by festive demand and benefits from streamlining of operations.
- We raise our FY26-27 revenue and EBITDA estimates by 2% each. We expect a CAGR of 14%/15% in revenue/EBITDA over FY25-27 to reach INR3.8t/INR320b by FY27.
- We ascribe a 28x FY27E blended EV/EBITDA multiple (30x for core retail and 6x for connectivity) to arrive at an EV of ~INR8.8t for RRVL and an attributable value of INR520/share for RIL's stake in RRVL. Continued recovery in Retail revenue growth would be the key near-term trigger for RIL's stock price.

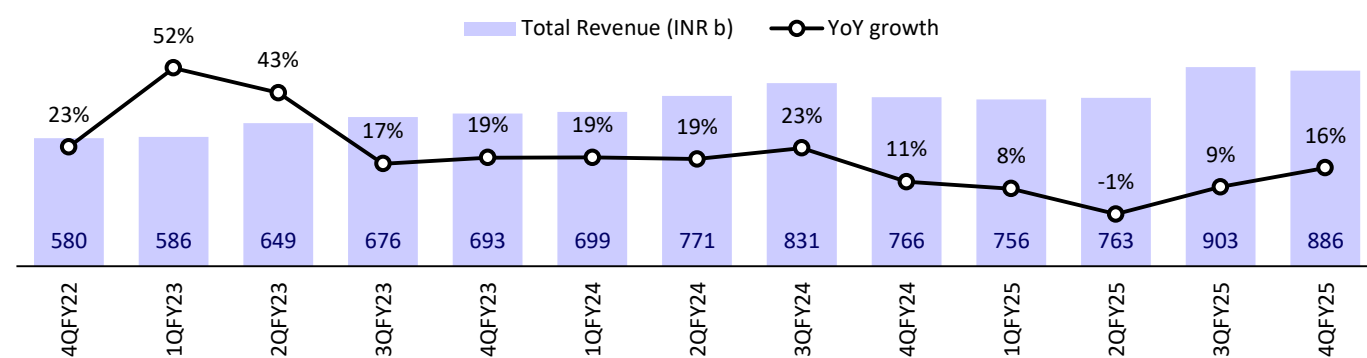
Reliance Retail – Key takeaways from the management interaction

- **Overall performance:** Reliance Retail's FY25 revenue growth (+6% YoY) was impacted by broader demand weakness and store footprint rationalization. However, EBITDA grew 9% YoY to INR239b, aided by margin expansion.
- **Consumer Electronics** business delivered mid-single digit LFL growth, with a 26% YoY increase in average bill value and higher conversions (up 200bp), boosted by festive campaigns and early summer demand. ResQ services scaled up to 300 cities, while **Own Brands** delivered robust 30% YoY growth.
- **Fashion & Lifestyle** segment delivered positive LFL growth in 4Q, led by wedding season and regional festivals. The company has repositioned its store formats Trends and Azorte to attract Gen Z customers through optimization of store option count and weekly refreshes. Own Brands' contribution was up 9% YoY, with brands such as Netplay and Avaasa outperforming.
- AJio launched same-day and next-day delivery across 26 cities. During the quarter, the company relaunched **Shein** across app, web and SIS on AJio.
- **Grocery business** outperformed industry growth, with robust growth across categories such as general merchandise and value apparel in big box retail formats.
- The company scaled up **quick hyperlocal deliveries** to service 4,000+ pincodes across 2,100+ stores. Average daily orders jumped 62% YoY, with 2.4x QoQ exit order growth. Currently, the company is offering free delivery and servicing the customers through its retail stores.
- **Consumer Brands** achieved INR115b in revenue in the second year of operations. Campa gained double-digit market share in key markets. Key acquisitions included SIL, Veltette and Tagz, while the company also launched new products in Campa. General trade contributed ~60% of sales with 3.5x YoY sales growth.
- Management indicated that store rationalization is largely completed. The company rationalized some of the low-margin B2B businesses, which aided margin expansion. In FY26, the company is looking to add more options and aggressively market SHEIN.

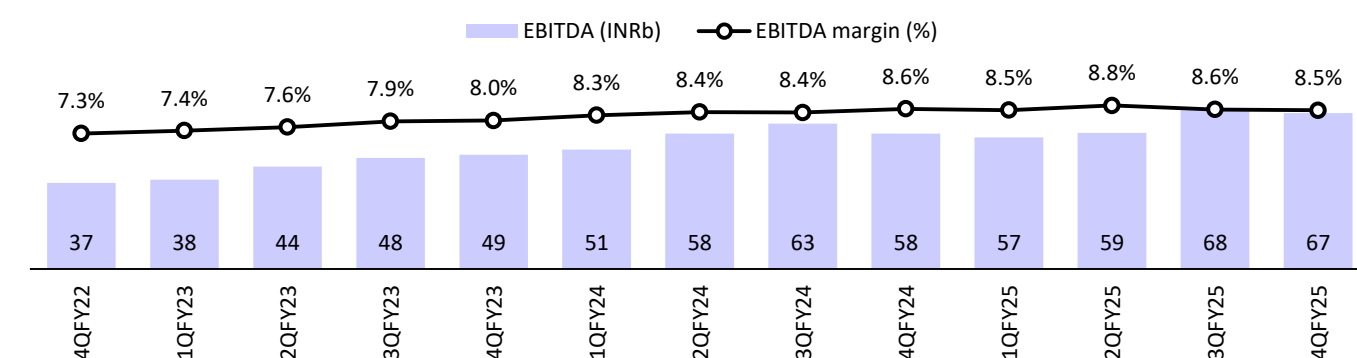
Exhibit 34: Quarterly performance of Reliance Retail

(INR b)	4QFY24	3QFY25	4QFY25	YoY%	QoQ%	4QFY25E	v/s est %
Net Revenues	676	796	786	16.3	-1.2	743	5.8
EBITDA - blended	58	68	67	15.2	-1.7	64	4.1
EBITDA Margin (%) - blended	8.6%	8.6%	8.5%	-8bps	-4bps	8.7%	-14bps
Retail Area (m sqft)	79.1	77.4	77.4	-2.1	0.0	76.3	
Stores	18,836	19,102	19,340	504	238	18,936	
PAT	27	35	35	31.0	1.4		

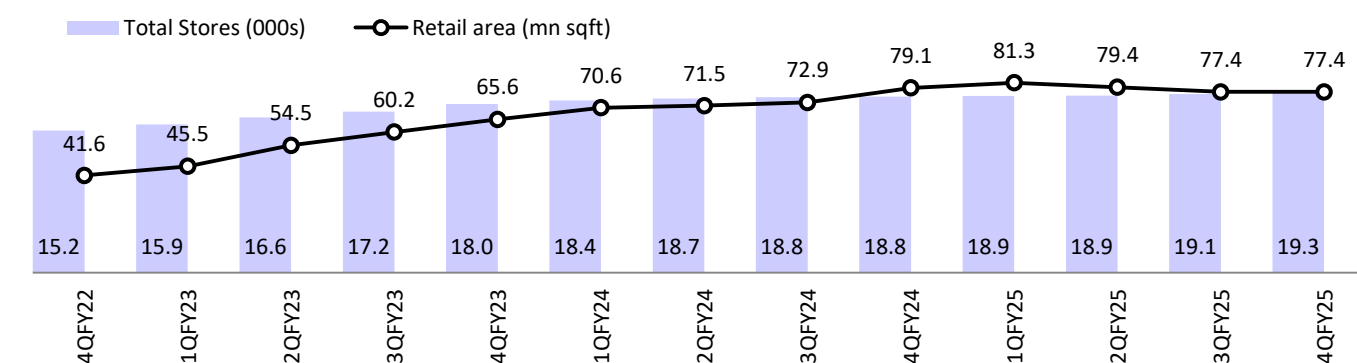
E: MOFSL estimates

Exhibit 35: Reliance Retail – Gross revenue grew 16% YoY (vs. 9% YoY in 3Q)


Source: Company, MOFSL

Exhibit 36: Reliance Retail – EBITDA margin remained broadly stable at ~8.5%


Source: Company, MOFSL

Exhibit 37: Reliance Retail – Retail area addition remained flat QoQ as store rationalization continued


Source: Company, MOFSL

Exhibit 38: KPIs for 3QFY25: Footfalls declined marginally QoQ, but conversions likely improved

(Fig in m)	4QFY24	3QFY25	4QFY25	YoY (%)	QoQ (%)
Customer base	304	338	349	15%	3%
Transactions	311	355	361	16%	2%

Exhibit 39: Key assumptions for Reliance Retail

Key financial metrics (INR b)	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27
Gross revenue	1,629	1,576	1,997	2,604	3,068	3,309	3,762	4,334
Core retail	977	736	1,073	1,514	1,866	1,938	2,179	2,445
Connectivity	653	841	924	1,090	1,202	1,371	1,582	1,890
Net revenue	1,461	1,391	1,750	2,309	2,731	2,910	3,307	3,810
Core retail	907	678	965	1,383	1,710	1,746	1,963	2,205
Connectivity	554	713	785	926	1,021	1,164	1,344	1,605
EBITDA	97	85	109	176	222	243	278	320
Core retail	86	71	94	158	202	220	251	289
Connectivity	11	14	15	18	20	23	26	31
YoY revenue growth (%)								
Gross revenue	24.8	(3.3)	26.7	30.4	17.8	7.9	13.7	15.2
Core retail	19.6	(24.7)	45.8	41.1	23.3	3.8	12.5	12.2
Connectivity	33.5	28.8	9.9	17.9	10.3	14.1	15.4	19.4
Net revenue	25.6	(4.8)	25.8	32.0	18.3	6.6	13.6	15.2
Core retail	21.1	(25.3)	42.3	43.4	23.6	2.1	12.5	12.3
Connectivity	33.6	28.7	10.1	17.9	10.3	14.0	15.4	19.4
EBITDA on net revenue (%)	6.6	6.1	6.2	7.6	8.1	8.3	8.4	8.4
Core retail	9.5	10.4	9.7	11.4	11.8	12.6	12.8	13.1
Connectivity	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0

Source: MOFSL, Company

Exhibit 40: RRVL – Summary of our revised estimates

(INR b)	FY25E	FY26E	FY27E
Revenue			
Old	2,867	3,258	3,742
Actual/New	2,910	3,307	3,810
Change (%)	1.5	1.5	1.8
EBITDA			
Old	237	269	310
Actual/New	239	274	316
Change (%)	1.1	1.9	1.9
EBITDA margin (%)			
Old	8.26	8.24	8.28
Actual/New	8.22	8.27	8.28
Change (bp)	(4)	3	0
Net Profit			
Old	120	137	161
Actual/New	124	141	167
Change (%)	3.0	3.0	3.9

Source: Company, MOFSL

Exhibit 41: Valuations: Ascribe INR8.8t enterprise valuation to Reliance Retail, which implies INR520/share valuation for RIL's stake

RRVL valuation	EBITDA (INR b)	multiple (x)	Value
Core EBITDA	288	30	8,617
Connectivity	27	6.0	164
Enterprise Value (INR b)	316	28	8,781
Less Net Debt			361
Equity Value (INR b)			8,420
No of Shares (b)			13.5
Equity value (INR/sh)			622
RIL stake in RRVL			83.5%
RRVL value in RIL SOTP (INR/sh)			520

Standalone – Steady 4Q performance; Petchem expansions ahead

O2C: Robust Jio-BP performance partly offsets weak refining and petchem

- **O2C EBITDA was down 10% YoY in 4QFY25**, due to weak fuel cracks and soft polyester chain margins. However, weakness in O2C performance was partially offset by higher domestic placement of product and favorable exchange rate movement. In Apr'25 so far, SG GRM is down 4% vs. average of USD3.2/bbl in 4QFY25. As such, 1QFY26 refining profitability could continue to be under pressure as volumes for the refining segment are already at the peak.
- **O2C results were supported by strong volume growth at Jio-BP in FY25**: Jio-BP posted EBITDA of INR25b in FY25, with 1,900+ outlets already operating. RIL plans to expand this business and further expand the retail network. Placed products via Jio-BP helped to offset weakness in GRMs, as domestic gasoline/diesel/ATF demand grew 5.8%/1.1%/6.5% YoY.
- **Global diesel demand** increased by 0.55mb/d YoY to 28.9mb/d, led by strong demand in Asia-Pac and Europe. Cracks were down YoY/QoQ at USD14.3/bbl (3QFY25: USD15.1/bbl) due to increased middle distillate inventories in the Singapore region, higher export volumes from the Middle East, and a well-supplied European market heading into winter.
- **Global gasoline demand** increased by 0.4mb/d YoY to 27mb/d. While gasoline cracks declined YoY/QoQ to USD6/bbl (3QFY25: USD6.5/bbl), domestic demand was up 5.8% YoY, led by personal mobility segment.
- **ATF cracks** also declined by USD7.9/1.6 per bbl YoY/QoQ.
- **Global oil demand** rose by 1.2mb/d YoY, led by Asia and OECD Americas. Global refinery operating rates were up 69bp YoY, while global cracker operating rates rose 90bp YoY.

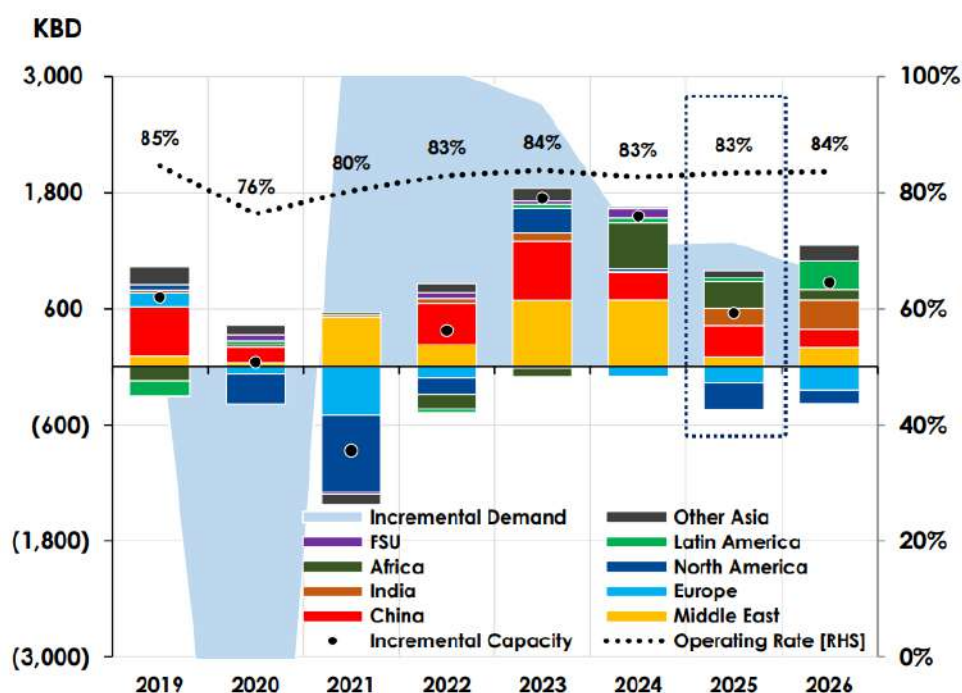
Refining performance to remain soft amid weak demand, capacity growth

- RIL expects stable refining margins amid strong new capacity additions in CY25. We have a bearish stance on refining over FY26-1HFY28 amid strong ~0.6/0.9mb/d net refinery capacity additions globally over CY25/26 (substantial portion of this is from India). Even after assuming a six-month delay in the commissioning of IOCL's ~347kb/d refinery expansions, the net refinery capacity additions globally remain elevated at ~0.4/0.95mb/d in CY25/26.
- Consequently, we believe that some downside risks to current O2C earnings estimates exist amid rising trade tensions and possibilities of global macro-economic slowdown.

Jio-BP posted EBITDA of INR25b in FY25, with 1900+ outlets already operating.

Expected net refinery capacity additions globally remain elevated at ~0.4/0.95mb/d in CY25/26.

Exhibit 1: Global net refining capacity additions vs. additional demand



Source: Thai Oil, MOFSL

Exhibit 42: O2C operating performance

Feedstock (mmt)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	YoY % change
Throughput	19.7	20.0	18.7	19.8	19.8	20.2	20.2	20.3	3%
Production meant for sale	17.2	17.1	16.4	17.1	17.7	17.7	17.9	17.9	5%
Transportation fuels	11.1	11.1	10.2	11.3	11.6	11.2	11.9	12.0	6%
Polymers	1.4	1.5	1.2	1.5	1.4	1.5	1.5	1.6	7%
Fiber Intermediates	0.9	0.9	0.8	0.8	0.7	0.8	0.8	0.8	0%
Polyesters	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7	17%
Chemicals and Others	3.2	3.0	3.6	2.9	3.3	3.5	3.0	2.8	-3%

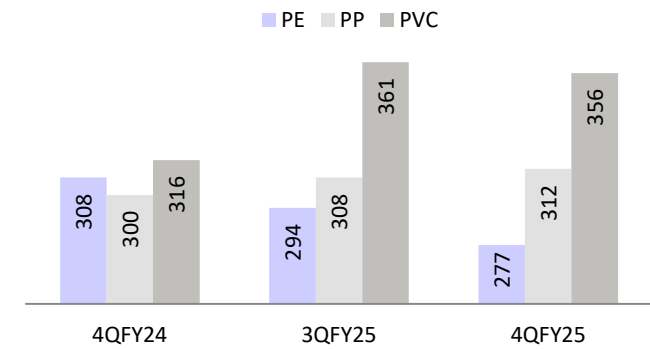
Source: Company, MOFSL

Domestic PE/PP/PVC
demand up 1%/7%/10%
YoY in 4QFY25

Petchem: Polymer/Polyester deltas remain soft

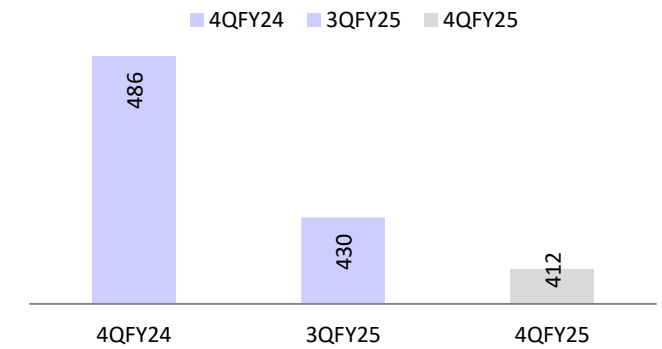
- Domestic demand for PE increased 1% YoY during the quarter, led by food packaging and retail. Domestic demand for PP was also up 7% YoY, led by consumer durables, furniture and household sectors. Domestic demand for PVC was also up 10% YoY, driven by agriculture and infrastructure. Further, PE, PP and PVC deltas were similar QoQ and range-bound YoY. Polyester deltas were down 15% YoY/4% QoQ.
- RIL expects recovery in chemical margins over the next 4-6 quarters from a low base. Overall PE and PP capacity additions in Asia remain elevated in CY25 and we do not foresee a sharp recovery for spreads from current levels.

Exhibit 43: Polymer deltas for the quarter (USD/mt)



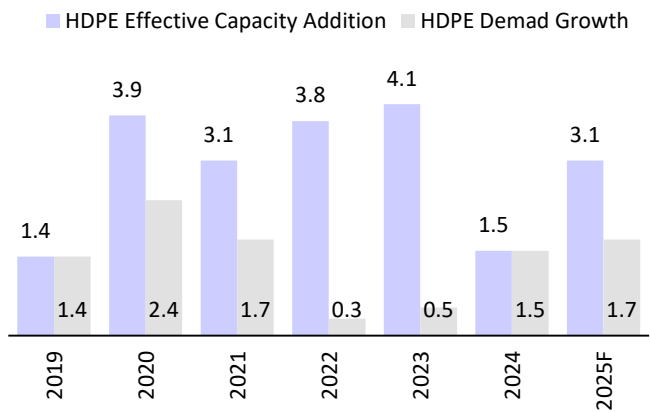
Source: Company, MOFSL

Exhibit 44: Polyester chain margins in 4QFY25 (USD/mt)



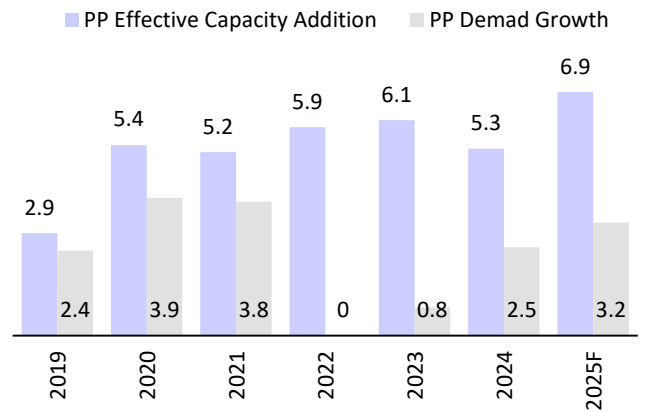
Source: Company, MOFSL

Exhibit 45: Global HDPE capacity addition vs. demand growth



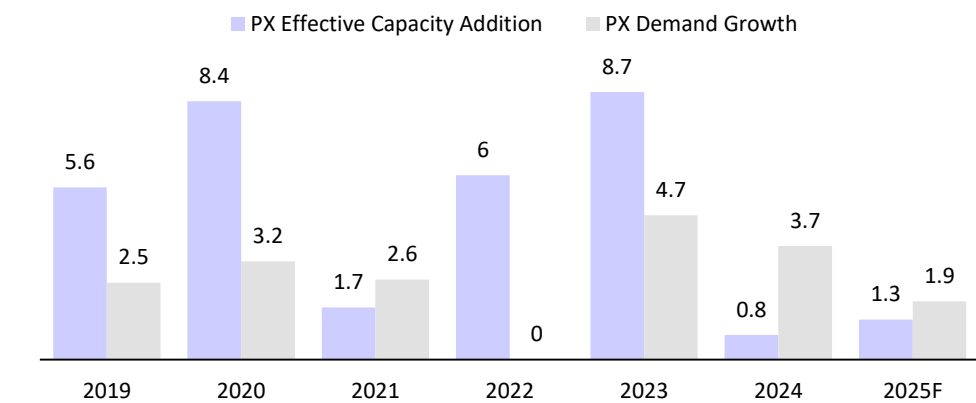
Source: Thai Oil, MOFSL

Exhibit 46: Global PP capacity addition vs. demand growth



Source: Thai Oil, MOFSL

Exhibit 47: Global PX capacity addition vs. demand growth



Source: Thai Oil, MOFSL

Exhibit 48: Major HDPE plant start-up in 2020-2026

Country	Company	Capacity (ktpa)	Start-up
China	❖ Sinopec Tianjin	500	❖ Dec'24 (Delay from Jun'24)
China	❖ Shandong Yulong	600, 750	❖ Jan, Apr'25 (Delay from Oct'24)
China	❖ Inner Mongolia	550, 275	❖ Jan, Apr'25 (Early from Jun'25)
China	❖ Ningbo Huatai	200	❖ Apr'25 (Delay from Jan'25)
China	❖ PetroChina Jilin	400	❖ May'25
China	❖ PetroChina Guangxi	500	❖ Jan'26
China	❖ Satellite Chemical	900	❖ Jun'26
China	❖ Huajin Aramco	675	❖ Jul'26

Exhibit 49: Major PP plant start-up in 2024-2026

Country	Company	Capacity (ktpa)	Start-up
China	❖ Sinopec Tianjin	1200	❖ Dec'24 (Delay from Jun'24)
China	❖ Inner Mongolia	500	❖ Jan'25 (Early from Jun'25)
		800, 1100	❖ Jan, Apr'25
China	❖ Shandong Yulong		
China	❖ Sinopec Zhenhai	500	❖ Apr'25 (Delay from Oct'24)
Saudi Arabia	❖ Advanced Polyolefins	800	❖ Jul'25 (Early from Jan'27)
Nigeria	❖ Dangote Oil	900	❖ Jan'26
China	❖ CNOOC Huizhou	900	❖ Jul'26
China	❖ Huajin Aramco	1250	❖ Jul'26

Exhibit 50: Major PX plant start-up in 2024-2026

Country	Company	Capacity (ktpa)	Start-up
India	❖ Indian Oil	800	❖ Jul'25
Saudi Arabia	❖ Aramco Jizan	800	❖ Aug'25 (Delay from Jan'25)
China	❖ Shandong Yulong PX unit.1	1500	❖ Sep'25
China	❖ Shandong Yulong PX unit.2	1500	❖ Jan'27 (Currently construction)

Source: Thai Oil, MOFSL

1/1.5mmtpa expansion for specialized polyester products/PVC by FY28

- **RIL has planned a 1mmtpa expansion for specialized polyester products by FY27.** Plant layouts have been finalized and the company has concluded technical design. Focus now remains on placing orders for equipment, getting in place statutory approvals and doing land development and road infrastructure. **RIL is also building an integrated 1.5mmtpa PVC project.** However, we see no earnings contribution from new petchem projects until FY28.
- **Ethane sourced for expansion projects:**
 - The company has ordered three ethane carriers, slated for delivery in 2HFY26. Additional ethane sourced shall be used for petchem capacity expansion projects.
 - Despite a surge in prices QoQ, ethane cracking has remained more favorable over naphtha.

Applicable ceiling price for KG D6 shall be ~USD10.04/mmbtu for 1HFY26.

E&P: Multi-lateral wells campaign to counter natural KG D6 volume decline

- KG D6 volumes were up 4% YoY in FY25. RIL expects some natural decline in production even though reservoir performance has been slightly better than expected.
- 4QFY25 O&G EBITDA was down 8.6% YoY amid lower KG D6 gas production, lower CBM price and maintenance activities. Average KG D6 production at 63.7bcfe was down 11% YoY. FPSO had to take a shutdown in 4Q but all wells are producing again.
- In 4Q, Spot LNG prices remained elevated amid a delay in the start-up of new projects and lower Russian pipeline imports into Europe.
- **Another 40 multi-lateral wells campaign initiated**
- RIL has completed 40 multi-lateral wells (MLW) campaign, which enabled higher productivity. The next phase of another 40 wells campaign is now underway.
- **Ceiling price for KG D6**
- Applicable ceiling price for KG D6 shall be ~USD10.04/mmbtu for 1HFY26.

Exhibit 51: Gas production profile and unit price realization

Particulars	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	YoY change	QoQ change
Revenue (INR b)	46.3	66.2	67.2	64.7	61.8	62.2	63.7	64.4	0%	1%
EBITDA (INR b)	40.2	47.7	58.0	56.1	52.1	52.9	55.7	51.2	-9%	-8%
EBITDA margin (%)	86.7%	72.0%	86.4%	86.7%	84.3%	85.0%	87.4%	79.5%	-8%	-9%
Production- BCFe (RIL share)										
KG D6	48.3	68.3	72.3	71.4	69.4	69.3	68.5	63.7	-11%	-7%
CBM	2.2	2.1	2.0	2.1	2.3	2.6	2.7	2.7	29%	0%
Price Realization										
KG D6 (GCV) (USD/mmbtu)	10.8	10.5	9.7	9.5	9.3	9.6	9.7	10.1	6%	4%
CBM (GCV) (USD/mmbtu)	14.2	13.7	15.6	14.3	11.6	11.4	10.6	10.4	-28%	-2%

Source: Company, MOFSL

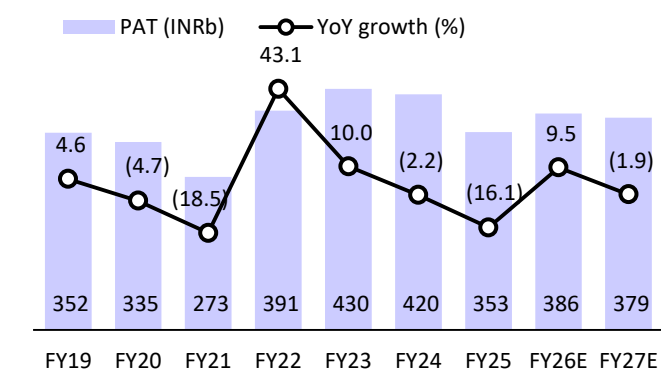
Reliance building a complete New Energy ecosystem

- The company has incurred most of its ~INR750b planned capex over New Energy segment. **Below is the progress on various projects:**
- RIL has announced the **commissioning of first line of solar PV modules** manufacturing facility. 10GW integrated capacity for solar PV modules can be expanded to 20GW.
- The company will evaluate market conditions to determine whether or not to sell solar PV modules domestically.
- RIL further plans to set up a **30GWH battery manufacturing facility**.
- Battery mega-factory construction has already started and shall be commissioned in CY26.
- **Solar power generation:**
- 1GW solar capacity is operational now and is scaling up. **Meaningful solar power generating benefits shall be visible from FY28**. Engineering has been done for the entire chain and equipment orders are getting placed. EPC for generation has already started.
- RIL has 2,000 acres of land in Kandla with a plan to set up integrated Green Hydrogen and Green Chemicals ventures.

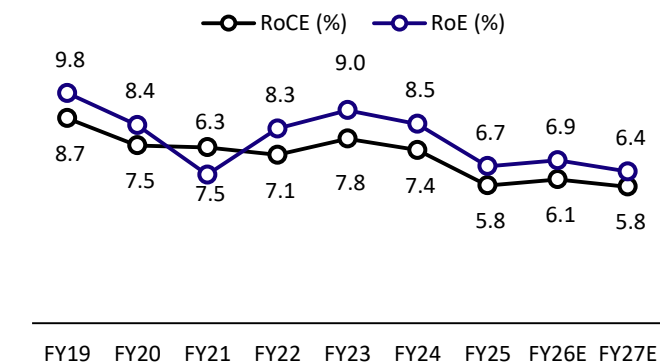
We estimate 7% YoY growth in RIL SA EBITDA in FY26

- **Range-bound O2C earnings performance over FY26-27:** Overall, we see a range-bound EBITDA performance in the standalone business in FY26-27. A 7% YoY rise in FY26E EBITDA will be driven by: 1) modest volume growth in the O2C segment, as FY25 volumes were impacted by shutdowns in 2Q/3Q; and 2) we estimate marginal improvement in refining margins with limited downside risk as spreads are already below 5-year avg.
- **KG-D6 EBITDA under pressure from natural decline, some pricing pressure:** We are now building in a slight decline in production volumes from KG D6, given the natural decline. We also bring down our gas realization marginally given weaker commodity price outlook going forward. We are not building in any earnings contribution from new petchem expansion projects until FY28.
- **Downside risks persist:** While we believe that refining and petchem spreads are already at the bottom, the following downside risks still pertain: 1) deteriorating global macroeconomic conditions, leading to weaker oil and petchem demand growth, 2) Ethane prices, which have risen from USD1.5/mmbtu to USD4/mmbtu, thus crimping the potential for feedstock optimization for the refining business; and 3) continuity of weakness in refining and petchem spreads amid weak China demand.

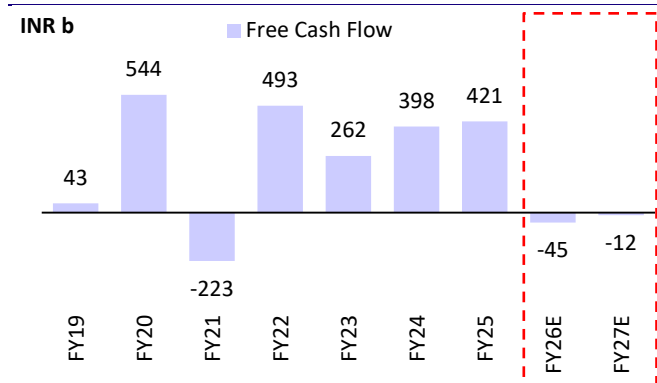
Standalone business – Story in charts

Exhibit 52: Standalone PAT profile


Source: Company, MOFSL

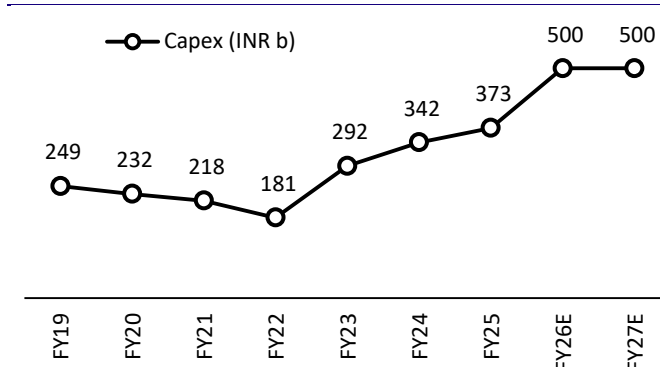
Exhibit 53: Return ratios to stabilize going forward


Source: Company, MOFSL

Exhibit 54: Standalone business FCF trend over FY19-27E


Note: including investments in New Energy for FY26 and FY27

Source: Company, MOFSL

Exhibit 55: INR500b capex to be incurred p.a. in FY26/FY27


Note: includes investments in New Energy for FY26 and FY27

Source: Company, MOFSL

Exhibit 56: We expect ~13% CAGR in RIL's consolidated EBITDA over FY25-27E, driven by Digital and organized retail

RIL EBITDA build-up	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
O2C	538	382	527	621	624	550	628	639
E&P	4	3	55	136	202	212	193	178
Digital	233	340	403	503	567	650	763	949
Organized retail	97	98	124	180	231	251	286	329
Others	48	63	79	56	86	85	98	101
Segment EBITDA	920	886	1,187	1,495	1,710	1,748	1,968	2,196
Eliminations	-30	-79	-83	-74	-88	-94	-98	-101
Reported EBITDA	890	807	1,105	1,422	1,622	1,654	1,870	2,095

Source: MOFSL, Company

Reliance Jio Infocomm: Financials and valuations

Consolidated - Income Statement								(INR b)
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Total Income from Operations	699	770	908	1,001	1,141	1,317	1,573	1,830
Change (%)	28.7	10.1	17.9	10.3	14.0	15.4	19.4	16.3
Tower Rental Cost	221	250	285	306	329	364	407	430
Spectrum and License Costs	78	91	91	92	105	121	145	168
Access and Roaming Charge	46	8	9	11	17	21	24	26
Employees Cost	13	14	16	19	20	21	23	27
Other Expenses	32	30	39	49	68	84	92	106
Total Expenditure	390	393	441	477	539	612	691	758
% of Sales	55.8	51.1	48.6	47.6	47.2	46.5	43.9	41.4
EBITDA	309	376	467	524	603	705	882	1,072
Margin (%)	44.2	48.9	51.4	52.4	52.8	53.5	56.1	58.6
Depreciation	115	136	185	214	231	264	292	308
EBIT	194	240	281	310	372	441	590	764
Int. and Finance Charges	38	44	41	40	48	61	74	81
Other Income	5	2	4	5	9	14	18	30
PBT after EO Exp.	161	199	244	275	333	394	534	713
Total Tax	41	50	62	70	85	100	136	182
Tax Rate (%)	25.3	25.4	25.5	25.5	25.5	25.5	25.5	25.5
Reported PAT	120	148	182	205	248	294	398	531
Adjusted PAT	120	148	182	205	248	294	398	531
Change (%)	116.0	23.3	22.9	12.4	21.2	18.4	35.5	33.6
Margin (%)	17.2	19.2	20.1	20.4	21.7	22.3	25.3	29.0

Consolidated - Balance Sheet								(INR b)
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	450	450	450	450	450	450	450	450
Total Reserves	1,380	1,528	1,710	1,914	2,164	2,457	2,855	3,386
Net Worth	1,830	1,978	2,160	2,364	2,614	2,907	3,305	3,836
Total Loans	300	797	1,529	1,656	1,922	1,732	1,392	1,351
Capital Employed	2,129	2,775	3,689	4,020	4,536	4,639	4,697	5,188
Gross Block	1,965	2,555	2,867	3,031	4,386	4,945	5,485	5,915
Less: Accum. Deprn.	253	389	615	828	1,023	1,288	1,580	1,888
Net Fixed Assets	1,712	2,165	2,252	2,203	3,363	3,658	3,905	4,027
Capital WIP	170	479	1,660	2,079	1,110	910	710	610
Total Investments	15	17	17	36	204	204	204	0
Curr. Assets, Loans&Adv.	604	524	529	556	564	567	670	1,161
Account Receivables	14	43	24	15	10	14	35	57
Cash and Bank Balance	6	6	9	14	63	83	165	654
Loans and Advances	584	475	496	527	491	470	470	450
Curr. Liability & Prov.	371	410	768	855	705	700	793	814
Account Payables	22	20	34	43	43	43	43	43
Other Current Liabilities	323	313	595	601	366	270	253	260
Provisions	26	78	140	210	296	386	496	510
Net Current Assets	233	114	-240	-299	-141	-132	-122	347
Appl. of Funds	2,129	2,775	3,689	4,020	4,536	4,639	4,697	4,984

Reliance Jio Infocomm: Financials and valuations

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)								
EPS	2.7	3.3	4.0	4.5	5.5	6.5	8.8	11.8
Cash EPS	5.2	6.3	8.2	9.3	10.6	12.4	15.3	18.7
BV/Share	40.7	44.0	48.0	52.5	58.1	64.6	73.4	85.3
Valuation (x)								
FCF per share	1.5	0.6	3.2	0.4	0.7	3.4	8.1	9.8
Return Ratios (%)								
RoE	6.8	7.8	8.8	9.0	10.0	10.6	12.8	14.9
RoCE	6.9	7.4	6.6	6.1	6.6	7.4	9.7	12.0
RoIC	7.6	8.5	9.8	11.9	11.0	10.0	12.5	15.1
Working Capital Ratios								
Fixed Asset Turnover (x)	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Asset Turnover (x)	0.3	0.3	0.2	0.2	0.3	0.3	0.3	0.4
Debtor (Days)	7	20	10	6	3	4	8	11
Creditor (Days)	12	10	13	16	14	12	10	9
Leverage Ratio (x)								
Current Ratio	1.6	1.3	0.7	0.7	0.8	0.8	0.8	1.4
Interest Cover Ratio	5.0	5.5	6.9	7.8	7.7	7.2	8.0	9.5
Net Debt/Equity	0.2	0.4	0.7	0.7	0.6	0.5	0.3	0.2

Consolidated - Cash Flow Statement

(INR b)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) before Tax	161	199	244	275	333	394	534	713
Depreciation	115	136	185	214	231	264	292	308
Interest & Finance Charges	38	44	41	40	48	61	74	81
Direct Taxes Paid	-1	-1	13	-1	1	(10)	(27)	(168)
(Inc)/Dec in WC	19	-64	-2	30	58	20	-18	-14
CF from Operations	332	313	482	558	671	730	856	921
Others	-6	0	-1	-4	-177	-119	-111	-115
CF from Operating incl EO	326	313	481	553	494	610	744	805
(Inc)/Dec in FA	-257	-288	-335	-533	-462	-455	-380	-366
Free Cash Flow	69	25	146	20	32	155	364	439
(Pur)/Sale of Investments	14	-1	1	-16				
Others	0	0	0	1	9	14	18	50
CF from Investments	-243	-288	-334	-548	-453	-441	-362	-316
Issue of Eq/Pref.Shares	0	0	0	0	0	0	0	0
Inc/(Dec) in Debt	-120	106	-107	172	172	-150	-300	0
Interest Paid	-23	-130	-38	-172	0	0	0	0
Others	-8	0	0	0	0	0	0	0
CF from Fin. Activity	-152	-24	-145	0	172	-150	-300	0
Inc/Dec of Cash	-69	0	2	5	212	19	82	490
Opening Balance	71	2	2	4	10	59	78	160
Closing Balance	2	2	4	10	222	78	160	650
Other Bank Balance	4	4	4	4	4	4	4	4
Total balance	6	6	9	14	226	83	165	654

Reliance Retail Ventures: Financials and valuations

Consolidated - Income Statement

(InR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Total Income from Operations	1463	1391	1750	2309	2731	2910	3307	3810
Change (%)	25.7	-4.9	25.8	32.0	18.3	6.6	13.6	15.2
Total Expenditure	1367	1308	1642	2135	2512	2671	3033	3494
% of Sales	93.5	94.0	93.8	92.5	92.0	91.8	91.7	91.7
EBITDA	95	83	108	174	219	239	274	316
Margin (%)	6.5	6.0	6.2	7.5	8.0	8.2	8.3	8.3
Depreciation	14	18	22	40	56	60	68	77
EBIT	81	65	86	135	163	179	205	239
Int. and Finance Charges	10	5	7	18	26	25	29	29
Other Income	2	15	16	4	12	11	13	13
PBT bef. EO Exp.	73	75	95	121	149	166	188	223
EO Items	0	0	0	0	0	0	0	0
PBT after EO Exp.	73	75	95	121	149	166	188	223
Total Tax	19	19	25	29	38	42	47	56
Tax Rate (%)	25.8	26.1	25.8	24.5	25.5	25.3	25.2	25.2
Reported PAT	55	55	71	91	111	124	141	167
Adjusted PAT	55	55	71	91	111	124	141	167
Change (%)	73.3	1.4	27.5	29.2	22.2	11.3	13.8	18.3
Margin (%)	3.7	4.0	4.0	3.9	4.1	4.3	4.3	4.4

Consolidated - Balance Sheet

(InR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity Share Capital	60	69	69	69	70	70	70	70
Total Reserves	131	747	817	901	1181	1289	1430	1596
Net Worth	191	816	910	998	1282	1393	1534	1701
Total Loans	46	90	223	495	456	589	589	589
Capital Employed	263	934	1150	1518	1776	2037	2178	2345
Gross Block	152	229	393	896	1204	1292	1472	1652
Less: Accum. Deprn.	42	62	89	129	185	245	313	390
Net Fixed Assets	110	168	303	767	1019	1047	1159	1262
Total Investments	12	437	275	166	212	340	340	340
Curr. Assets, Loans&Adv.	171	295	468	490	604	596	669	781
Inventory	103	131	215	271	243	223	253	292
Account Receivables	29	62	91	61	63	51	58	66
Cash and Bank Balance	5	5	6	6	109	166	129	159
Loans and Advances	34	96	156	152	189	157	229	264
Curr. Liability & Prov.	132	101	175	201	294	284	326	376
Account Payables	64	70	138	165	253	227	263	303
Other Current Liabilities	67	30	35	34	38	50	57	66
Provisions	1	1	2	2	3	6	6	7
Net Current Assets	39	195	293	289	310	313	342	405
Appl. of Funds	263	934	1150	1518	1776	2037	2178	2345

Reliance Retail Ventures: Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Basic (INR)								
EPS	9.1	9.2	11.8	15.2	18.5	20.6	23.5	27.8
Return Ratios (%)								
RoE	33.3	11.0	8.2	9.5	9.8	9.3	9.6	10.3
RoCE	24.5	10.3	7.4	8.0	8.1	7.6	7.9	8.6
RoIC	36.3	18.0	13.1	12.4	10.7	11.1	12.0	12.5
Working Capital Ratios								
Inventory (Days)	26	34	45	43	32	28	28	28
Debtor (Days)	7	16	19	10	8	6	6	6
Creditor (Days)	16	18	29	26	34	29	29	29
Leverage Ratio (x)								
Current Ratio	1.3	2.9	2.7	2.4	2.1	2.1	2.0	2.1
Interest Cover Ratio	8.6	12.4	13.0	7.3	6.3	7.3	7.0	8.1
Net Debt/Equity	0.2	-0.4	-0.1	0.3	0.1	0.1	0.1	0.1

Consolidated Cashflow Statement

(InR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
OP/(Loss) before Tax	73	75	95	121	149	166	188	223
(Inc)/Dec in WC	84	-66	-75	-58	124	3	-67	-33
CF from Operations	170	9	14	88	322	229	159	227
Others	0	-7	0	0	-3	-3	0	0
CF from Operating incl EO	169	2	15	88	319	226	159	227
(Inc)/Dec in FA	-74	-100	-271	-457	-210	-186	-180	-180
Free Cash Flow	95	-98	-256	-369	109	40	-21	47
(Pur)/Sale of Investments	0	0	241	89	-31	-4	0	0
Others	26	-465	-87	36	-45	-64	13	13
CF from Investments	-48	-565	-116	-333	-286	-254	-167	-167
Issue of Shares	0	612	0	0	171	0	0	0
Inc/(Dec) in Debt	-82	44	109	267	-53	131	0	0
Interest Paid	-9	-5	-7	-22	-47	-44	-29	-29
Others	-29	-88	0	36	-5	-5	0	0
CF from Fin. Activity	-120	563	103	281	66	82	-29	-29
Inc/Dec of Cash	1	0	1	36	99	54	-38	31
Opening Balance	4	5	5	6	6	109	162	125
Closing Balance	5	5	6	42	105	163	125	155
Other Bank Balances	0	0	0	0	4	4	4	4
Net Closing balance	5	5	6	42	109	167	129	159

RIL: Standalone financials and valuations

Standalone - Income Statement

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Total Income from Operations	3,370	2,457	4,237	5,393	5,345	5,173	4,635	4,634
Change (%)	-9.3	-27.1	72.5	27.3	-0.9	-3.2	-10.4	0.0
EBITDA	528	335	523	668	743	581	621	612
Margin (%)	15.7	13.6	12.3	12.4	13.9	11.2	13.4	13.2
Depreciation	97	92	103	112	177	180	179	181
EBIT	431	243	420	556	566	401	442	431
Int. and Finance Charges	121	162	91	126	134	101	101	102
Other Income	136	148	139	111	121	161	171	174
PBT bef. EO Exp.	446	229	468	541	553	461	512	502
EO Items	-42	43	0	12	0	0	0	0
PBT after EO Exp.	403	272	468	553	553	461	512	502
Total Tax	94	-47	77	111	132	109	125	123
Tax Rate (%)	23.3	-17.4	16.5	20.1	23.9	23.6	24.5	24.5
Reported PAT	309	319	391	442	420	353	386	379
Adjusted PAT	335	273	391	430	420	353	386	379
Change (%)	-4.7	-18.5	43.1	10.0	-2.2	-16.1	9.5	-1.9
Margin (%)	9.9	11.1	9.2	8.0	7.9	6.8	8.3	8.2

Standalone - Balance Sheet

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity Share Capital	63	64	68	68	68	135	135	135
Total Reserves	3,849	4,680	4,648	4,723	5,083	5,296	5,601	5,891
Net Worth	3,912	4,745	4,715	4,791	5,151	5,431	5,736	6,027
Total Loans	1,973	1,667	1,946	2,158	2,118	1,988	1,988	1,988
Deferred Tax Liabilities	506	308	308	340	363	374	374	374
Capital Employed	6,391	6,720	6,969	7,289	7,631	7,793	8,098	8,389
Gross Block	4,417	4,512	3,943	4,481	4,831	5,125	5,442	5,842
Less: Accum. Deprn.	1,352	1,444	1,547	1,658	1,835	2,015	2,194	2,375
Net Fixed Assets	3,065	3,068	2,396	2,823	2,996	3,110	3,248	3,467
Capital WIP	280	328	347	544	616	824	1,008	1,108
Total Investments	4,918	3,473	4,088	3,511	3,701	3,904	3,904	3,904
Curr. Assets, Loans&Adv.	1,454	1,851	1,933	2,298	2,040	2,174	1,927	1,898
Inventory	388	374	459	848	851	892	799	799
Account Receivables	75	42	144	241	147	156	140	140
Cash and Bank Balance	85	56	217	610	692	825	769	740
Loans and Advances	907	1,379	1,113	599	349	301	219	219
Curr. Liability & Prov.	3,326	2,001	1,795	1,887	1,722	2,219	1,988	1,988
Account Payables	3,301	1,977	1,770	1,864	1,695	2,190	1,962	1,962
Provisions	25	24	25	23	27	29	26	26
Net Current Assets	-1,872	-150	138	411	318	-45	-61	-90
Appl. of Funds	6,391	6,720	6,969	7,289	7,631	7,793	8,098	8,389

RIL: Standalone financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Basic (INR)								
EPS	26.4	21.2	28.9	31.8	31.1	26.1	28.5	28.0
Cash EPS	34.1	28.3	36.5	40.0	44.1	39.3	41.8	41.4
BV/Share	308.6	368.1	348.5	354.0	380.7	401.3	423.9	445.4
Valuation (x)								
P/E	47.1	58.7	43.1	39.1	40.0	47.7	43.6	44.5
Cash P/E	36.5	43.9	34.1	31.1	28.2	31.6	29.8	30.1
P/BV	4.0	3.4	3.6	3.5	3.3	3.1	2.9	2.8
EV/Sales	5.2	7.2	4.4	3.4	3.4	3.5	3.9	3.9
EV/EBITDA	33.4	52.7	35.5	27.5	24.6	31.0	29.1	29.6
Dividend Yield (%)	0.2	0.3	0.3	0.3	0.4	0.4	0.5	0.5
FCF per share	42.9	-17.3	36.5	19.3	29.4	35.3	-3.3	-0.9
Return Ratios (%)								
RoE	8.4	6.3	8.3	9.0	8.5	6.7	6.9	6.4
RoCE	7.5	7.5	7.1	7.8	7.4	5.8	6.1	5.8
RoIC	24.1	14.4	13.6	18.0	16.4	12.6	14.3	12.9
Working Capital Ratios								
Fixed Asset Turnover (x)	0.8	0.5	1.1	1.2	1.1	1.0	0.9	0.8
Asset Turnover (x)	0.5	0.4	0.6	0.7	0.7	0.7	0.6	0.6
Inventory (Days)	42	56	40	57	58	63	63	63
Debtor (Days)	8	6	12	16	10	11	11	11
Creditor (Days)	358	294	152	126	116	155	155	155
Leverage Ratio (x)								
Current Ratio	0.4	0.9	1.1	1.2	1.2	1.0	1.0	1.0
Interest Cover Ratio	3.6	1.5	4.6	4.4	4.2	4.0	4.4	4.2
Net Debt/Equity	0.5	0.3	0.4	0.3	0.3	0.2	0.2	0.2

Standalone - Cash Flow Statement

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
OP/(Loss) before Tax	403	272	468	556	553	461	512	502
Depreciation	97	92	103	112	177	180	179	181
Interest & Finance Charges	121	162	91	126	134	101	101	102
Direct Taxes Paid	-53	-17	-15	-49	-92	-92	-125	-123
(Inc)/Dec in WC	335	-320	138	-60	78	296	-40	0
Others	-129	-194	-111	-131	-110	-152	-171	-174
CF from Operations	775	-5	675	553	740	794	455	488
(Inc)/Dec in FA	-232	-218	-181	-292	-342	-373	-500	-500
Free Cash Flow	544	-223	493	262	398	421	-45	-12
(Pur)/Sale of Investments	-1,309	1,202	-563	-10	-170	-100	0	0
Others	105	-242	292	223	129	192	171	174
CF from Investments	-1,436	743	-453	-78	-383	-281	-329	-326
Inc/(Dec) in Debt	118	-181	-238	117	-44	-167	0	0
Interest Paid	-145	-143	-110	-140	-169	-146	-101	-102
Dividend Paid	-46	-39	-43	-51	-61	-68	-81	-88
CF from Fin. Activity	708	-766	-60	-74	-275	-381	-183	-190
Inc/Dec of Cash	47	-29	161	401	82	132	-56	-28
Opening Balance	38	84	56	217	610	692	825	769
Closing Balance	85	56	217	610	692	825	769	740

RIL: Consolidated financials and valuations

Consolidated - Income Statement

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Total Income from Operations	5,967	4,669	7,000	8,795	9,011	9,647	9,583	10,168
Change (%)	5.2	-21.8	49.9	25.6	2.5	7.1	-0.7	6.1
EBITDA	882	807	1,105	1,429	1,622	1,654	1,870	2,095
Margin (%)	14.8	17.3	15.8	16.2	18.0	17.1	19.5	20.6
Depreciation	222	266	298	403	508	531	575	616
EBIT	660	542	807	1,026	1,114	1,123	1,294	1,479
Int. and Finance Charges	220	212	146	196	231	243	257	268
Other Income	140	163	149	118	161	180	196	203
PBT bef. EO Exp.	579	493	810	948	1,043	1,060	1,233	1,413
EO Items	-44	56	28	0	0	0	0	0
PBT after EO Exp.	535	549	839	948	1,043	1,060	1,233	1,413
Total Tax	137	17	163	207	257	252	296	341
Tax Rate (%)	25.7	3.1	19.4	21.8	24.6	23.8	24.0	24.1
Minority Interest	-1	41	69	74	90	111	132	173
Reported PAT	399	491	607	667	696	696	805	900
Adjusted PAT	432	437	584	667	696	696	805	900
Change (%)	8.4	1.1	33.8	14.2	4.4	0.0	15.6	11.7
Margin (%)	7.2	9.4	8.3	7.6	7.7	7.2	8.4	8.8

Consolidated - Balance Sheet

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity Share Capital	63	64	68	68	68	135	135	135
Total Reserves	4,428	6,937	7,727	8,144	7,867	8,297	9,021	9,832
Net Worth	4,492	7,002	7,795	8,212	7,935	8,432	9,156	9,968
Minority Interest	122	993	1,095	1,130	1,323	1,664	1,796	1,969
Total Loans	3,103	2,426	3,192	4,524	4,590	4,787	4,747	4,707
Deferred Tax Liabilities	541	370	496	603	722	835	835	835
Capital Employed	8,257	10,790	12,578	14,469	14,570	15,718	16,534	17,478
Gross Block	7,450	7,802	8,938	10,289	11,321	13,981	16,730	18,295
Less: Accum. Deprn.	2,226	2,492	2,790	3,193	3,701	4,233	4,808	5,424
Net Fixed Assets	5,224	5,310	6,148	7,096	7,620	9,749	11,922	12,871
Goodwill on Consolidation	103	102	130	137	150	245	245	245
Capital WIP	1,091	1,260	1,725	2,938	3,389	2,624	1,175	860
Total Investments	2,768	3,648	3,943	3,366	2,257	1,355	1,355	1,355
Curr. Assets, Loans&Adv.	2,474	2,892	3,051	3,598	4,145	4,796	4,900	5,502
Inventory	739	817	1,078	1,400	1,528	1,461	1,451	1,540
Account Receivables	197	190	236	285	316	421	418	444
Cash and Bank Balance	309	174	362	747	972	1,065	1,193	1,569
Loans and Advances	1,229	1,711	1,375	1,167	1,329	1,849	1,837	1,949
Curr. Liability & Prov.	3,402	2,422	2,419	2,666	2,990	3,051	3,063	3,355
Account Payables	968	1,089	1,593	1,472	1,784	1,868	1,856	1,969
Other Current Liabilities	2,392	1,277	788	1,157	1,164	1,113	1,139	1,312
Provisions	41	56	38	38	42	70	69	74
Net Current Assets	-928	470	632	932	1,155	1,745	1,836	2,147
Appl. of Funds	8,257	10,790	12,578	14,469	14,570	15,718	16,534	17,478

RIL: Consolidated financials and valuations

Ratios

Y/E March	FY20	FY21	FY22E	FY23E	FY24	FY25	FY26E	FY27E
EPS	34.1	33.9	43.2	49.3	51.4	51.5	59.5	66.5
Cash EPS	51.6	54.5	65.2	79.1	89.0	90.7	102.0	112.0
BV/Share	354.3	543.2	576.1	606.8	586.4	623.1	676.6	736.6
DPS	2.99	3.22	3.50	3.94	5.00	5.50	6.0	6.5
Payout (%)	11.6	8.4	7.8	8.0	9.7	10.7	10.1	9.8
Valuation (x)								
P/E	38.2	38.4	30.1	26.4	25.3	25.3	21.9	19.6
Cash P/E	25.2	23.9	19.9	16.4	14.6	14.3	12.7	11.6
P/BV	3.7	2.4	2.3	2.1	2.2	2.1	1.9	1.8
EV/Sales	3.4	4.3	2.9	2.4	2.4	2.2	2.2	2.0
EV/EBITDA	23.1	24.6	18.5	15.0	13.1	12.9	11.3	9.9
Dividend Yield (%)	0.2	0.2	0.3	0.3	0.4	0.4	0.5	0.5
FCF per share	-22.1	-120.0	-8.4	-24.8	24.8	27.0	5.7	21.5
Return Ratios (%)								
RoE	10.3	7.6	7.9	8.3	8.6	8.5	9.2	9.4
RoCE	8.3	8.0	7.5	7.5	7.6	7.7	8.3	8.9
RoIC	13.7	10.7	10.6	11.5	10.9	9.2	8.4	8.5
Working Capital Ratios								
Fixed Asset Turnover (x)	0.8	0.6	0.8	0.9	0.8	0.7	0.6	0.6
Asset Turnover (x)	0.7	0.4	0.6	0.6	0.6	0.6	0.6	0.6
Inventory (Days)	45	64	56	58	62	55	55	55
Debtor (Days)	12	15	12	12	13	16	16	16
Creditor (Days)	59	85	83	61	72	71	71	71
Leverage Ratio (x)								
Current Ratio	0.7	1.2	1.3	1.3	1.4	1.6	1.6	1.6
Interest Cover Ratio	3.0	2.6	5.5	5.2	4.8	4.6	5.0	5.5
Net Debt/Equity	0.6	0.3	0.4	0.5	0.5	0.4	0.4	0.3

Consolidated - Cash Flow Statement

(INR b)

Y/E March	FY20	FY21	FY22E	FY23E	FY24	FY25	FY26E	FY27E
PBT	536	555	839	948	1,043	1,060	1,233	1,413
Depreciation	222	266	298	403	508	531	575	616
Tax paid	-84	-32	-38	-207	-257	-252	-296	-341
Change in deferred tax liability	0	0	0	0	119	112	0	0
Change in net working capital	219	-507	7	-196	64	237	-3	25
Misc	87	-19	1	202	110	98	-132	-173
Operating cash flow	981	262	1,107	1,150	1,588	1,787	1,378	1,541
Capex	-756	-1,035	-1,163	-1,318	-1,420	-1,422	-1,300	-1,250
Change in investments	141	-473	3	294	170	-118	0	0
Investing cash flows	-757	-1,416	-1,285	-870	-1,143	-1,375	-1,300	-1,250
Change in borrowings	356	-837	99	381	266	163	0	0
Misc	-337	-241	-285	-231	-372	-414	132	173
Issuance of equity	1	2,136	402	5	0	0	0	0
Others	-335	1,895	117	-225	-372	-414	132	173
Dividend paid	-46	-39	-43	-51	-61	-68	-81	-88
Financing cash flow	-25	1,019	173	105	-166	-319	50	85
Net change in cash	198	-135	-5	385	278	93	128	376
Closing cash balance	309	174	169	747	972	1,065	1,193	1,569

Investment in securities market are subject to market risks. Read all the related documents carefully before investing

NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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