

**CMP: INR 233.1**

**Rating: BUY**

**Target Price: 307**

**Stock Info**

BSE	532522
NSE	PETRONET
Bloomberg	PLNG:IN
Sector	Oil Gas & Consumable Fuels
Face Value (INR)	10
Equity Capital (INR Mn)	15000
Mkt Cap (INR Bn)	349.65
52w H/L (INR)	242/196
Avg Yearly Volume (in 000')	1937

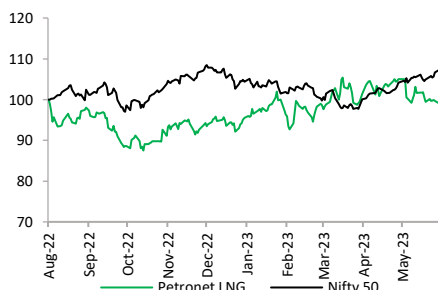
**Shareholding Pattern %**

(As on Jun, 2023)

Promoters	50
Public & Others	50

Stock Performance (%)	1m	6m	12m
PETRONET	4.4%	7.7%	3.3%
NIFTY	2.2%	12.1%	13.9%

**PETRONET vs Nifty**



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**Q1FY24 RESULT UPDATE**

**Performance Metrics**

- Revenues came in at INR 116.6 Bn (-16% QoQ) (-18.3% YoY)
- EBITDA came in at INR 11.8 Bn (+25.2% QoQ) (+0.8% YoY)
- EBITDA Margins came in at 10.13% (+334 bps QoQ) (-267 bps YoY)
- PAT came in at INR 7.9 Bn (+28.6% QoQ) (+12.7% YoY)
- PAT Margins came in at 6.77% (+234 bps QoQ) (+186 bps YoY)

**Dahej Terminal**

- In Q1FY24 Dahej terminal has processed 217TBTU (+26% QoQ) (+11%YoY).
- Utilization is at 96% as compared to 76% in Q4FY23 and 87% in Q1FY23, this is due to the Dabhol plant being shut till September month.
- At Dahaj terminal long term is 90 TBT, short-term is 4 TBT and tolling is 123 TBT

**GAIL's Steady Commitment**

- GAIL has two long-term contracts for RLNG. One is for 4.5 MMTPA (equivalent to 72 cargoes) against RasGas volumes, and the other is for 30% of 1.425 MMTPA (equivalent to 40 cargoes) from ExxonMobil. These contracts amount to a total commitment of 112 cargoes and are firm commitments.

**Dabhol Facility**

- Dabhol breakwater facility will be completed in the next financial year, after completion they would route to about 12-14 cargoes which now route to Dahej terminal which translates to ~1 MT.

**Other Highlights**

- For the petrochemical, expansion update the DRF is getting prepared, but it has not gone to the board for approval, this process will take a maximum of 6 months (till Q3FY24).
- Adani contract is a maximum of one to two years for 0.751 TPA and torrent is up to FY32 for 1TPA.
- Trading gains are INR 130 Mn and inventory gains are INR 150 Mn.
- Regasification tariff for Kochi is INR 85 and for Dahej is INR 59 (Non-Market Based Quantity)
- The company is engaged with Safat Energy for the discussion of an extension of the Qatar LNG contract beyond FY28, the target is before December 2023.

Link to our report: <https://bit.ly/446eyTJ>

**OUTLOOK**

The company is benefiting from the downward movement in LNG prices, resulting in healthy profit margins. We have not seen a significant increase in volumes. We believe that the volumes will pick up soon. The company is smoothly and quickly expanding its capex to cater to the needs of the upcoming time. The company is expecting normalized tariff receipts. **We are positive on the company, at CMP, the company trades 7.5x FY26E EPS of INR 30.7.**

## Quarterly P&amp;L

Petronet LNG Ltd. Quarterly-Trend-Consolidated- [INR-Mn]					
DESCRIPTION	Jun-23	Mar-23	Dec-22	Sep-22	Jun-22
Net Sales	1,16,560.50	1,38,739.30	1,57,758.70	1,59,857.30	1,42,638.20
Total Expenditure	1,04,742.70	1,29,314.00	1,41,009.70	1,48,131.90	1,31,998.30
PBIDT (Excl OI)	11,817.80	9,425.30	16,749.00	11,725.40	10,639.90
Other Income	1,467.40	1,313.20	1,796.40	879.30	1,241.80
Operating Profit	13,285.20	10,738.50	18,545.40	12,604.70	11,881.70
Interest	745.50	902.10	813.50	811.00	778.50
PBDT	12,539.70	9,836.40	17,731.90	11,793.70	11,103.20
Depreciation	1,918.50	1,885.70	1,923.20	1,922.10	1,912.40
PBT	10,621.20	7,950.70	15,808.70	9,871.60	9,190.80
Tax	2,722.70	2,038.30	4,049.30	2,495.50	2,360.70
Profit After Tax	7,898.50	5,912.40	11,759.40	7,376.10	6,830.10
Net Profit (after Extraordinary Items)	7,898.50	5,912.40	11,759.40	7,376.10	6,830.10
Equity Capital	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
Face Value (In INR)	10.00	10.00	10.00	10.00	10.00
Basic EPS (INR)	5.27	4.13	7.98	5.24	4.83
Diluted EPS (INR)	5.27	4.13	7.98	5.24	4.83

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## Annual Cash Flow

Petronet LNG Ltd. CashFlow - Consolidated - Actual - Abridged- [INR-Mn]					
DESCRIPTION	Mar-23	Mar-22	Mar-21	Mar-20	Mar-19
Profit Before Tax	43,345.40	45,592.80	39,575.10	31,164.00	33,087.10
Changes In working Capital	-15,942.60	-6,336.30	-1,746.50	-3,963.90	-4,522.70
Cash Flow after changes in Working Capital	37,578.90	47,330.10	45,540.90	38,206.60	29,546.90
Tax Paid	-12,380.00	-12,642.30	-9,948.90	-9,575.50	-8,132.70
Cash From Operating Activities	25,198.90	34,687.80	35,592.00	28,631.10	21,414.20
Cash Flow from Investing Activities	-11,367.10	-10,532.80	-9,273.10	9,409.80	-715.30
Cash from Financing Activities	-23,680.60	-22,109.10	-27,585.80	-30,546.50	-25,476.10
Net Cash Inflow / Outflow	-9,848.80	2,045.90	-1,266.90	7,494.40	-4,777.20
Opening Cash & Cash Equivalents	10,539.20	8,493.30	9,760.20	2,265.80	7,043.00
Closing Cash & Cash Equivalent	623.20	10,539.20	8,493.30	9,760.20	2,265.80

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**Stock Rating Scale**

BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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