

Bloomberg Code	BPCLIN
No of share O/S (in Cr)	271
Market Cap (in Rs Cr)	74,666
Face Value (in Rs)	10.0
Dividend Yield (%)	4.60
52 Wk High/Low (in Rs)	400/288

Shareholding (%)	
Promoters	52.98
Institutional	35.27
Public	11.75
Total	100

Key result highlights:

- Bharat Petroleum Corporation Ltd reported a consolidated YoY revenue growth of 13.2% to Rs. 1,33,686 crs (3.9% on QoQ basis) majorly driven downstream petroleum. Also, the one-time grant from the government on under-recoveries from the sale of LPG has been recorded under revenue from operations head. The revenue from exploration and production of hydrocarbons; however, saw a decrease.
- The EBIT degrew at a QoQ/YoY rate of -1911.7%/-29.2% respectively to INR 2,627 crs, margins contracted to 2.0%/ (YoY down by 110 bps).
- Similarly, PAT degrew at a YoY rate of -36.7% to INR 1747 crs (margins YoY down by 100 bps), previous quarter stood at -329 crores with margin at -0.3%.
- Despite the impressive increase in revenue, other income for the quarter saw a significant decline of 42% to INR 339 crs, compared to INR 586 crs in the same quarter last year. The refining throughput for the quarter also saw a decrease and stood at 9.39 (MMT), compared to 9.94 in the same quarter last year.
- The average gross refining margin (GRM) of BPCL for the nine months ended December 31, 2022 came in at \$20.08 per barrel as against \$6.98 a barrel during the April-December 2021 period.

- Other expenses for the nine months ended 31 December, 2022 includes INR 1,695.69 crs on account of foreign exchange loss as against INR 5.43 crs reported in April-December 2021 period.
- Stagnant retail prices, in tandem with volatile crude oil prices, have hurt OMCs' margins as they have struggled to recover costs from importing and refining crude oil.
- During the quarter, BPCL has recognised an impairment loss of INR 20 crs after infra group elimination.
- They have achieved Average Ethanol Blending percentage of 10.17% during Apr-Dec 22.
- The company owned Company Operated Outlets Network increased to 325 with 3 additions in Q3 FY23 (4 additions during Apr-Dec 22).
- BPCL added 298 new fuel stations in Q3 FY23 (686 in Apr-Dec 22), taking the network to 20729. BPCL expanded FINO financial services to 13,187 fuel stations as on 31st December 2022. The company also added 7 new distributors in Q3 FY23 (24 in Apr-Dec 22), taking LPG network strength to 6235 as on 31st December 22 and customer base increasing to 9.16 crs.
- 62 CNG stations commissioned in Q3 FY23 (128 in Apr-Dec 22) taking the total CNG stations as on 31st Dec 2022 to 1260.

Segmental Performance:

- Market sales for the nine months ended 31st December 2022 was 36.01 million metric tonnes (MMT) as compared to 30.69 MMT for the nine months ended 31 December 2021. Increase is mainly due to ATF (71.77 percent), HSD-Retail (28.50 percent) and MS-Retail (19.97 percent).
- Segment wise, revenue from downstream petroleum stood at Rs 1.33 lakh crore, compared with Rs 1.17 lakh crore last year, while that from exploration and production of hydrocarbons stood at Rs 35 crore during the quarter.

Valuation

At the CMP of INR 343, the stock is trading at - X FY25 P/E

Financial Summary

Figures in Cr	Q3FY23	Q3FY22	YoY (%)	Q2FY23	QoQ (%)	FY22	FY21	YoY(%)
Net Sales	1,33,686.0	1,18,083.0	13.2	1,28,702.0	3.9	4,34,838.0	3,06,519.0	41.9
Employee Cost	741.0	925.0	-19.9	562.0	31.9	3,408.0	4,856.0	-29.8
<i>Employee Cost To Sales (%)</i>	<i>0.6</i>	<i>0.8</i>		<i>0.4</i>		<i>0.8</i>	<i>1.6</i>	
Other Expenses	6,040.0	5,148.0	17.3	6,163.0	-2.0	20,844.0	16,611.0	25.5
<i>Other Expenses To Sales (%)</i>	<i>4.5</i>	<i>4.4</i>		<i>4.8</i>		<i>4.8</i>	<i>5.4</i>	
EBITDA	4,213.0	5,102.0	-17.4	1,415.0	197.7	24,102.0	28,489.0	-15.4
<i>EBITDA Margin (%)</i>	<i>3.2</i>	<i>4.3</i>		<i>1.1</i>		<i>5.5</i>	<i>9.3</i>	
Depreciation	1,586.0	1,393.0	4.6	1,560.0	1.7	5,434.0	4,334.0	25.4
<i>Depreciation To Sales (%)</i>	<i>1.2</i>	<i>1.2</i>		<i>1.2</i>		<i>1.2</i>	<i>1.4</i>	
EBIT	2,627.0	3,709.0	-29.2	-145.0	-1,911.7	18,668.0	24,155.0	-22.7
<i>EBIT Margin (%)</i>	<i>2.0</i>	<i>3.1</i>		<i>-0.1</i>		<i>4.3</i>	<i>7.9</i>	
Other Income	339.0	585.0	-42.1	346.0	-2.0	2,268.0	2,244.0	1.1
Interest	1,128.0	659.0	71.2	937.0	20.4	2,605.0	1,723.0	51.2
Interest Coverage Ratio (X)	2.3	5.6	-58.6	-0.2	-1,605.0	7.2	14.0	-48.9
<i>Interest Cost to Sales (%)</i>	<i>0.8</i>	<i>0.6</i>		<i>0.7</i>		<i>0.6</i>	<i>0.6</i>	
Profit Before Tax	1,913.0	3,737.0	-48.8	-400.0	-578.3	16,036.0	22,432.0	-28.5
<i>PBT Margin (%)</i>	<i>1.4</i>	<i>3.2</i>		<i>-0.3</i>		<i>3.7</i>	<i>7.3</i>	
Tax	166.0	978.0	-83.0	-71.0	-333.8	4,355.0	5,112.0	-14.8
<i>Tax Rate (%)</i>	<i>8.7</i>	<i>26.2</i>		<i>25.8</i>		<i>27.2</i>	<i>25.6</i>	
Profit After Tax	1,747.0	2,759.0	-36.7	-329.0	-631.0	11,681.0	17,320.0	-32.6
<i>PAT Margin (%)</i>	<i>1.3</i>	<i>2.3</i>		<i>-0.3</i>		<i>2.7</i>	<i>5.7</i>	
Cons. Net Profit	1,345.0	2,573.0	-47.7	2,239.0	-39.9	12,083.0	16,045.0	-24.7
<i>Cons. Net Profit Margin (%)</i>	<i>1.0</i>	<i>2.2</i>		<i>1.7</i>		<i>2.8</i>	<i>5.2</i>	
Adjusted EPS	6.2	11.9	-47.7	10.3	-39.9	55.7	73.9	-24.7

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Ventura Securities Limited

Corporate Office: 8th Floor, 'B' Wing, I Think Techno Campus, Pokhran Road no. 02, Off Eastern Express Highway, Thane (West) 400 607

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