

April 28, 2025

## Q4FY25 Result Update

Change in Estimates |  Target |  Reco

### Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
<b>Rating</b>	<b>HOLD</b>		<b>SELL</b>	
<b>Target Price</b>	<b>136</b>		<b>109</b>	
Sales (Rs. bn)	854	861	854	861
% Chng.	-	-	-	-
EBITDA (Rs. bn)	58	57	58	58
% Chng.	(0.4)	(0.4)	-	-
EPS (Rs.)	14.4	13.6	13.8	13.9
% Chng.	3.9	(2.1)	-	-

### Key Financials - Standalone

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. bn)	904	947	854	861
EBITDA (Rs. bn)	77	23	58	57
Margin (%)	8.5	2.4	6.7	6.7
PAT (Rs. bn)	36	1	25	24
EPS (Rs.)	20.5	0.3	14.4	13.6
Gr. (%)	36.3	(98.6)	4,886.5	(5.6)
DPS (Rs.)	3.0	-	2.9	2.7
Yield (%)	2.2	-	2.1	2.0
RoE (%)	31.2	0.4	18.1	15.1
RoCE (%)	24.6	3.7	16.6	15.8
EV/Sales (x)	0.4	0.4	0.4	0.4
EV/EBITDA (x)	4.7	16.0	5.8	5.4
PE (x)	6.6	470.1	9.4	10.0
P/BV (x)	1.8	1.8	1.6	1.4

### Key Data

MRPL.BO | MRPL IN

52-W High / Low	Rs.260 / Rs.99
Sensex / Nifty	80,218 / 24,329
Market Cap	Rs.238bn/ \$ 2,796m
Shares Outstanding	1,753m
3M Avg. Daily Value	Rs.655.82m

### Shareholding Pattern (%)

Promoter's	88.58
Foreign	1.69
Domestic Institution	1.48
Public & Others	8.25
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	0.9	(5.8)	(45.9)
Relative	(2.6)	(6.1)	(50.3)

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## Strong GRM drives earnings

### Quick Pointers:

- Core GRM at US\$5.81/bbl with inventory gain of US\$0.42/bbl
- Total crude throughput in FY25 was 18mmt (120% capacity utilization)

**Mangalore Refinery & Petrochemicals (MRPL) reported better-than-estimated results with an EBITDA of Rs11.3bn in Q4FY25 (up 9.6% QoQ; PLe:Rs9.7bn, cons est EBITDA: Rs8.4bn). PAT came in at Rs3.6bn (up 19.4% QoQ; PLe:Rs2.6bn, cons est:Rs1.9bn). Reported GRM stood at US\$6.2/bbl with an inventory gain of US\$0.42/bbl. Throughput came in flat QoQ at 4.6mmt. Average Singapore GRM in Q1FY26-TD continues to remain soft at ~US\$3/bbl amid weakness in product cracks. While this near-term weakness is likely to persist, we believe GRMs will rebound to US\$5-7/bbl in the long term. Accordingly, we build in a GRM of US\$7.5/7.5/bbl for FY26/27E. The stock is currently trading at 9.4/10x FY26/27 EPS and 5.8/5.4x FY26/27E EV/EBITDA. We re-rate the stock from 'SELL' to 'HOLD' with a TP of Rs136 based on 5x FY27 EV/EBITDA (earlier 4x FY27 EV/EBITDA) and adding the option value of Rs45 to its chemicals foray.**

- Sequential improvement in operating performance:** MRPL reported an EBITDA of Rs11.3bn, up 9.6% QoQ. PAT stood at Rs3bn, up 19.4% QoQ aided by 6.9% decline in interest cost and 13.4% rise in other income. On a YoY basis, EBITDA/PAT fell 51.7/68.1% due to lower GRM.
- Quarterly GRMs come in flat QoQ:** Reported GRM stood at US\$6.2/bbl, flat QoQ (PLe: US\$5.4/bbl). Core GRM came in at US\$5.81/bbl with an inventory gain of US\$0.42/bbl. On a YoY basis, GRMs declined by US\$5.1/bbl due to weak product cracks. In Q1FY26-TD, Singapore GRM continues to remain soft at ~US\$3/bbl. We expect Singapore GRM to revert back to its long term average of US\$5-7/bbl in the long term. Factoring in this, we build in a GRM of US\$7.5/7.5/bbl for FY26/27E.
- Throughput remains flat sequentially:** In Q4FY25, refining throughput came in at 4.6mmt, flat QoQ and YoY. Distillate yield was 83% while capacity utilization came in at 123.7%. During the year, atf production was 2.72mmt, reformat and 95 RON MS was 1.20mmt and that of benzene was 0.21mmt. Going ahead, we build in a throughput of 17/17mmt for FY26/27E.
- Concall Highlights:** **1)** Fuel and loss in Q4 was 10.09% and is expected to fall by 0.3-0.4% in 18-24 months from grid infrastructure project. **2)** 66 new ROs commissioned in the year taking total to 167 ROs. 3 ROs commissioned in Tamil Nadu. Target of adding 150 ROs in FY26. **3)** Marketing sales in FY25 were 230tkl and target of reaching 300tkl in FY26. **4)** 6 new crudes were processed in FY25 including 3 heavy grades from Brazil and Venezuela and another 3 new grades from Russia. **5)** Capex guidance stands at Rs10bn for FY26/27 each

**Exhibit 1: Q4FY25 Result Overview (Rs bn)**

Y/e March	Q4FY25	Q3FY25	QoQ gr.	Q4FY25E	Var%	Q4FY24	YoY gr.	FY25	FY24	YoY gr.
<b>Net Sales</b>	<b>246.0</b>	<b>218.7</b>	<b>12.5%</b>	<b>225.7</b>	<b>9.0%</b>	<b>253.3</b>	<b>-2.9%</b>	<b>946.8</b>	<b>904.0</b>	<b>4.7%</b>
YoY Change (%)	-2.9	-11.3		-10.9		-0.1				
Total Expenditure	234.7	208.4	12.6%	216.0	8.6%	229.9	2.1%	923.9	825.7	11.9%
<b>EBITDA</b>	<b>11.3</b>	<b>10.3</b>	<b>9.6%</b>	<b>9.7</b>	<b>17.1%</b>	<b>23.4</b>	<b>-51.7%</b>	<b>22.9</b>	<b>78.3</b>	<b>-70.7%</b>
Margins (%)	5%	5%		4%		9%				
Depreciation	3.4	3.3	1.9%	3.4	-0.2%	3.3	1.5%	13.5	12.6	7.1%
Interest	2.5	2.6	-6.9%	3.2	-22.4%	2.6	-6.2%	10.1	11.1	-9.5%
Other Income	0.4	0.3	13.4%	0.4	0.5%	0.4	-3.8%	1.8	2.1	-14.3%
<b>PBT</b>	<b>5.8</b>	<b>4.7</b>	<b>24.5%</b>	<b>3.5</b>	<b>68.0%</b>	<b>17.7</b>	<b>-66.9%</b>	<b>1.1</b>	<b>55.2</b>	<b>-97.9%</b>
Tax	2.2	1.7	34.0%	0.9	152.7%	6.3	-64.8%	0.6	19.3	-96.7%
Rate (%)	37.9	35.2		25.2		34.8		55.3	34.9	
<b>Reported PAT</b>	<b>3.6</b>	<b>3.0</b>	<b>19.4%</b>	<b>2.6</b>	<b>39.5%</b>	<b>11.4</b>	<b>-68.1%</b>	<b>0.5</b>	<b>36.0</b>	<b>-98.6%</b>
<b>Adj PAT</b>	<b>3.6</b>	<b>3.0</b>	<b>19.4%</b>	<b>2.6</b>	<b>39.5%</b>	<b>11.4</b>	<b>-68.2%</b>	<b>0.5</b>	<b>36.0</b>	<b>-98.6%</b>
Refining throughput (mmt)	4.64	4.60	0.9%	4.60	0.9%	4.6	0.9%	18.17	16.59	9.5%
Reported GRM (USD/bbl)	6.2	6.2	0.3%	5.4	15.4%	11.4	-45.1%	4.4	10.8	-59.1%

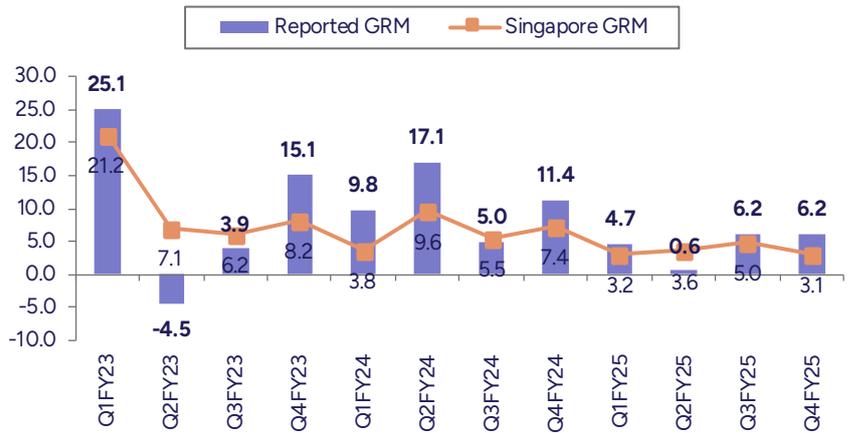
Source: Company, PL

**Exhibit 2: Valuation Table**

Standalone EBITDA @ FY27 (Rs m)	57466.2
Target EV/EBITDA (x)	5.0
EV (Rs, mn)	287331
Net Debt FY25 (Rs, mn)	128352.2
Equity Value (Rs, mn)	158979
12m target price (Rs/share)	91
<b>Chemicals Project Valuation</b>	
Capacity (ktpa)	150
Realization(Rs/kg)	175
Revenue (Rsmn)	26250
Margin	20%
EBITDA (Rs mn)	5250
Multiple (x)	15
EV (Rsmn)	78750
No of shares	1752.6
<b>Chemicals Target (Rs)</b>	<b>45</b>
<b>Target Price</b>	<b>136</b>

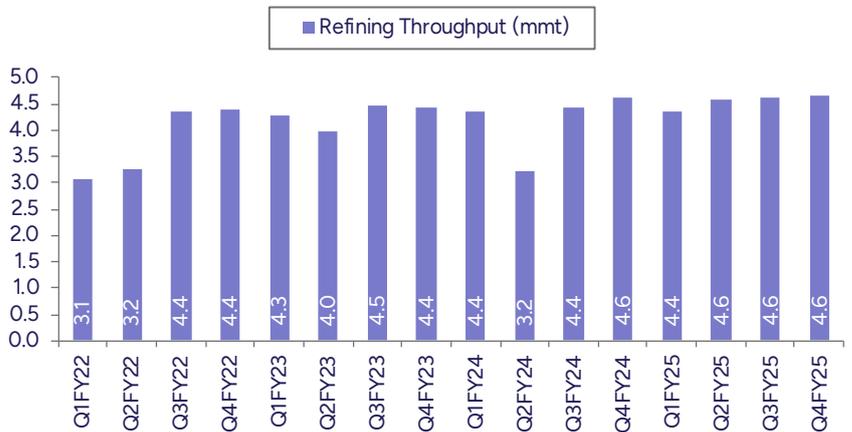
Source: PL

**Exhibit 3: GRM comes in flat in Q4**



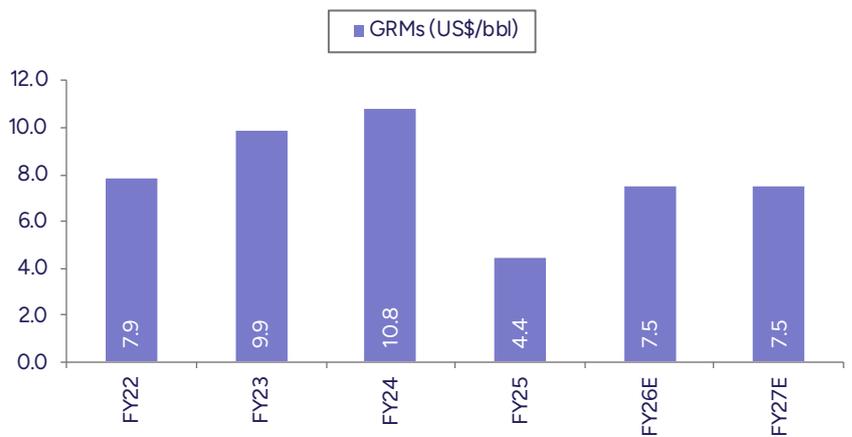
Source: Company, PL

**Exhibit 4: Throughput rose marginally QoQ**



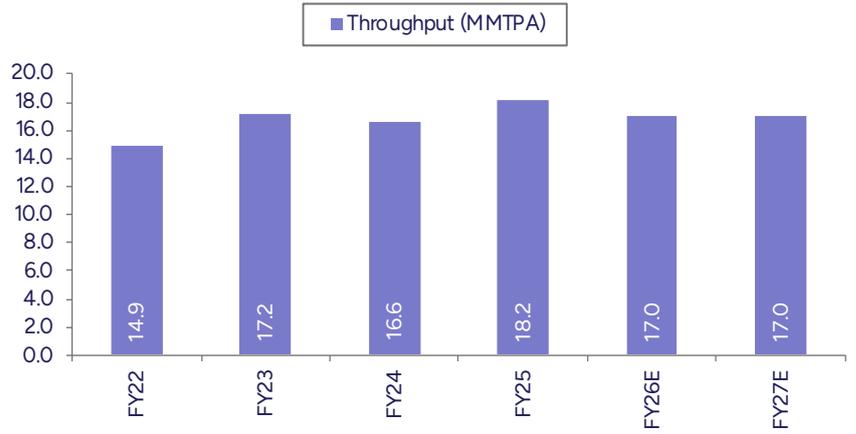
Source: Company, PL

**Exhibit 5: FY26/27E GRM expected at US\$7.5/7.5/bbl**



Source: PL, Company

**Exhibit 6: FY26/27 throughput expected at 17mmt**



Source: Company, PL

## Financials

### Income Statement (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
<b>Net Revenues</b>	<b>904</b>	<b>947</b>	<b>854</b>	<b>861</b>
YoY gr. (%)	(17.1)	4.7	(9.8)	0.8
Cost of Goods Sold	797	892	773	779
Gross Profit	107	55	81	82
Margin (%)	11.8	5.8	9.5	9.5
Employee Cost	8	7	8	8
Other Expenses	22	32	24	25
<b>EBITDA</b>	<b>77</b>	<b>23</b>	<b>58</b>	<b>57</b>
YoY gr. (%)	18.5	(70.2)	151.0	(0.1)
Margin (%)	8.5	2.4	6.7	6.7
Depreciation and Amortization	13	13	15	16
<b>EBIT</b>	<b>64</b>	<b>9</b>	<b>43</b>	<b>41</b>
Margin (%)	7.1	1.0	5.0	4.8
Net Interest	11	10	11	11
Other Income	2	2	2	2
<b>Profit Before Tax</b>	<b>55</b>	<b>1</b>	<b>34</b>	<b>32</b>
Margin (%)	6.1	0.1	3.9	3.7
Total Tax	19	1	8	8
Effective tax rate (%)	34.9	55.3	25.2	25.2
<b>Profit after tax</b>	<b>36</b>	<b>1</b>	<b>25</b>	<b>24</b>
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>36</b>	<b>1</b>	<b>25</b>	<b>24</b>
YoY gr. (%)	36.3	(98.6)	4,886.5	(5.6)
Margin (%)	4.0	0.1	3.0	2.8
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>36</b>	<b>1</b>	<b>25</b>	<b>24</b>
YoY gr. (%)	36.3	(98.6)	4,886.5	(5.6)
Margin (%)	4.0	0.1	3.0	2.8
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	36	1	25	24
<b>Equity Shares O/s (bn)</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>EPS (Rs)</b>	<b>20.5</b>	<b>0.3</b>	<b>14.4</b>	<b>13.6</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>342</b>	<b>352</b>	<b>362</b>	<b>372</b>
Tangibles	342	352	362	372
Intangibles	-	-	-	-
<b>Acc: Dep / Amortization</b>	<b>145</b>	<b>158</b>	<b>173</b>	<b>189</b>
Tangibles	145	158	173	189
Intangibles	-	-	-	-
<b>Net fixed assets</b>	<b>197</b>	<b>194</b>	<b>189</b>	<b>183</b>
Tangibles	197	194	189	183
Intangibles	-	-	-	-
Capital Work In Progress	7	7	7	7
Goodwill	-	-	-	-
Non-Current Investments	7	7	7	7
Net Deferred tax assets	3	2	-	-
Other Non-Current Assets	-	-	-	-
<b>Current Assets</b>				
Investments	-	-	-	-
Inventories	83	77	65	66
Trade receivables	39	35	32	32
Cash & Bank Balance	0	0	12	25
Other Current Assets	-	-	-	-
<b>Total Assets</b>	<b>351</b>	<b>342</b>	<b>331</b>	<b>339</b>
<b>Equity</b>				
Equity Share Capital	18	18	18	18
Other Equity	115	112	131	149
<b>Total Networkth</b>	<b>133</b>	<b>129</b>	<b>149</b>	<b>167</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	125	129	109	98
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	93	80	67	68
Other current liabilities	4	6	6	6
<b>Total Equity &amp; Liabilities</b>	<b>351</b>	<b>342</b>	<b>331</b>	<b>339</b>

Source: Company Data, PL Research

**Cash Flow (Rs bn)**

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	55	1	34	32
Add. Depreciation	13	13	15	16
Add. Interest	11	10	11	11
Less Financial Other Income	2	2	2	2
Add. Other	0	(1)	-	-
Op. profit before WC changes	79	24	59	59
Net Changes-WC	1	(4)	5	0
Direct tax	(10)	(1)	(8)	(8)
<b>Net cash from Op. activities</b>	<b>71</b>	<b>19</b>	<b>55</b>	<b>51</b>
Capital expenditures	(15)	(10)	(10)	(10)
Interest / Dividend Income	0	-	-	-
Others	0	0	2	-
<b>Net Cash from Inv. activities</b>	<b>(15)</b>	<b>(9)</b>	<b>(8)</b>	<b>(10)</b>
Issue of share cap. / premium	-	-	-	-
Debt changes	(43)	4	(19)	(11)
Dividend paid	(2)	(4)	(6)	(6)
Interest paid	(10)	(9)	(11)	(11)
Others	0	0	-	-
<b>Net cash from Fin. activities</b>	<b>(55)</b>	<b>(9)</b>	<b>(36)</b>	<b>(28)</b>
<b>Net change in cash</b>	<b>0</b>	<b>-</b>	<b>12</b>	<b>13</b>
Free Cash Flow	55	9	45	41

Source: Company Data, PL Research

**Quarterly Financials (Rs bn)**

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
<b>Net Revenue</b>	<b>232</b>	<b>250</b>	<b>219</b>	<b>246</b>
YoY gr. (%)	9.8	29.8	(11.3)	(2.9)
Raw Material Expenses	219	247	200	227
Gross Profit	14	3	19	19
Margin (%)	5.9	1.1	8.6	7.9
<b>EBITDA</b>	<b>6</b>	<b>(5)</b>	<b>10</b>	<b>11</b>
YoY gr. (%)	(70.6)	(121.1)	(12.9)	(51.7)
Margin (%)	2.6	(1.9)	4.7	4.6
Depreciation / Depletion	3	3	3	3
<b>EBIT</b>	<b>3</b>	<b>(8)</b>	<b>7</b>	<b>8</b>
Margin (%)	1.2	(3.3)	3.2	3.2
Net Interest	2	3	3	2
Other Income	-	1	-	-
<b>Profit before Tax</b>	<b>1</b>	<b>(10)</b>	<b>5</b>	<b>6</b>
Margin (%)	0.4	(4.2)	2.1	2.4
Total Tax	-	(4)	2	2
Effective tax rate (%)	34.8	34.5	35.2	37.9
<b>Profit after Tax</b>	<b>1</b>	<b>(7)</b>	<b>3</b>	<b>4</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>1</b>	<b>(7)</b>	<b>3</b>	<b>4</b>
YoY gr. (%)	(93.5)	(164.4)	(21.4)	(68.1)
Margin (%)	0.3	(2.7)	1.4	1.5
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>1</b>	<b>(7)</b>	<b>3</b>	<b>4</b>
YoY gr. (%)	(93.5)	(164.4)	(21.4)	(68.1)
Margin (%)	0.3	(2.7)	1.4	1.5
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>1</b>	<b>(7)</b>	<b>3</b>	<b>4</b>
Avg. Shares O/s (bn)	2	2	2	2
<b>EPS (Rs)</b>	<b>0.4</b>	<b>(3.9)</b>	<b>1.7</b>	<b>2.1</b>

Source: Company Data, PL Research

**Key Financial Metrics**

Y/e Mar	FY24	FY25	FY26E	FY27E
<b>Per Share(Rs)</b>				
EPS	20.5	0.3	14.4	13.6
CEPS	27.7	8.0	22.8	22.8
BVPS	75.6	73.8	84.8	95.2
FCF	31.5	5.2	25.8	23.4
DPS	3.0	-	2.9	2.7
<b>Return Ratio(%)</b>				
RoCE	24.6	3.7	16.6	15.8
ROIC	18.4	2.8	13.4	13.2
RoE	31.2	0.4	18.1	15.1
<b>Balance Sheet</b>				
Net Debt : Equity (x)	0.9	1.0	0.7	0.4
Net Working Capital (Days)	16	14	15	15
<b>Valuation(x)</b>				
PER	6.6	470.1	9.4	10.0
P/B	1.8	1.8	1.6	1.4
P/CEPS	4.9	17.0	6.0	6.0
EV/EBITDA	4.7	16.0	5.8	5.4
EV/Sales	0.4	0.4	0.4	0.4
Dividend Yield (%)	2.2	-	2.1	2.0

Source: Company Data, PL Research

**Key Operating Metrics**

Y/e Mar	FY24	FY25	FY26E	FY27E
Crude (US\$/bbl)	83.3	78.9	75.0	75.0
US\$/Rs	83.3	84.6	87.0	87.7
GRM (US\$/bbl)	10.8	4.4	7.5	7.5
Refining throughput (mmt)	17	18	17	17

Source: Company Data, PL Research

**Price Chart**



**Recommendation History**

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Apr-25	Sell	109	129
2	21-Jan-25	Hold	137	144
3	08-Jan-25	Accumulate	168	145
4	23-Oct-24	Accumulate	169	147
5	19-Oct-24	Sell	124	166
6	07-Oct-24	Sell	128	173
7	23-Jul-24	Sell	130	215
8	07-Jul-24	Sell	135	218
9	04-May-24	Sell	138	250

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Mangalore Refinery & Petrochemicals	Hold	137	144

**PL's Recommendation Nomenclature (Absolute Performance)**

<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly

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