

October 16, 2025

Q2FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	159		144	
Sales (Rs. bn)	957	931	957	931
% Chng.	-	-	-	-
EBITDA (Rs. bn)	53	56	53	56
% Chng.	-	-	-	-
EPS (Rs.)	11.1	11.3	11.2	11.4
% Chng.	(0.3)	(0.3)	-	-

Key Financials - Standalone

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. bn)	947	911	957	931
EBITDA (Rs. bn)	23	46	53	56
Margin (%)	2.4	5.0	5.5	6.0
PAT (Rs. bn)	1	15	20	20
EPS (Rs.)	0.3	8.4	11.1	11.3
Gr. (%)	(98.6)	2,823.1	32.0	1.9
DPS (Rs.)	-	1.7	2.2	2.3
Yield (%)	-	1.2	1.6	1.6
RoE (%)	0.4	11.0	13.2	12.2
RoCE (%)	3.7	12.2	14.7	14.8
EV/Sales (x)	0.4	0.4	0.4	0.3
EV/EBITDA (x)	16.5	7.8	6.4	5.7
PE (x)	492.0	16.8	12.8	12.5
P/BV (x)	1.9	1.8	1.6	1.5

Key Data

MRPL.BO | MRPL IN

52-W High / Low	Rs.177 / Rs.99
Sensex / Nifty	82,605 / 25,324
Market Cap	Rs.249bn / \$ 2,826m
Shares Outstanding	1,753m
3M Avg. Daily Value	Rs.574.91m

Shareholding Pattern (%)

Promoter's	88.58
Foreign	1.21
Domestic Institution	1.45
Public & Others	8.76
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	11.9	7.2	(16.4)
Relative	10.8	(0.4)	(17.2)

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Strong results on all parameters, beating estimates

Quick Pointers:

- Throughput improved to 4.43mmt, EBITDA/PAT of Rs14.9bn/6.4bn beat estimates.

Mangalore Refinery & Petrochemicals (MRPL) reported better-than-estimated results with an EBITDA of Rs14.9bn in Q2FY26 up from a loss of Rs.4.7bn in Q2FY25 and Rs.1.8bn in Q1FY26 (PLe:Rs14.5bn, cons est EBITDA: Rs13.6bn). PAT came in at Rs6.4bn, up from a loss of Rs.6.8bn/2.7bn in Q2FY25/Q1FY26 (PLe:Rs6.1bn, cons est:Rs5.4bn). The company has stopped reporting refining margins. MRPL expects GRM to be strong going forward, provided crude prices do not fluctuate. Throughput fell 3.3% YoY to 4.43mmt while it improved by 26.0% QoQ (Ple: 4.38mmt). We build in a GRM of USD7.6/7.5/bbl for Q3/Q4FY26 and 6.9/7.5/bbl for FY26/27E. The stock is currently trading at 16.8/12.8x FY26/27 EPS and 7.8/6.4x FY26/27E EV/EBITDA. We reiterate our rating of 'ACCUMULATE' on stock with a TP of Rs159 (5.5x FY27/28 EV/EBITDA) including the option value of Rs45 for its chemicals foray. The company is expected to operate at full capacity, with no major turnarounds expected in the near term leading to a continued strength in the coming quarters in GRM.

- Core GRM improves significantly:** Company has stopped reporting GRM, although reported GRM was more than double that from Q1FY26. Core GRM stood at USD3.5/bbl in Q2FY25 and USD/5.9bbl in Q1FY26.
- Throughput improved QoQ:** MRPL completed its major turnarounds in Q1FY26 and is currently operating at full capacity. Although throughput fell YoY from 4.58mmt to 4.43mmt this quarter, it improved QoQ from 3.52mmt in Q1FY26. Implied opex stood at USD2.6/bbl vs USD2.6/3.6/bbl in Q2FY25/Q1FY26.

Conference Call Highlights:

- No major planned turnarounds are expected for rest of FY26 and FY27. GRM was double QoQ as per MRPL and is expected to be strong going forward.
- MRPL reported fuel & loss of 10.4%, slightly higher due to initial pickups after the turnarounds. Expected to be in the range of 10% for FY26.
- Domestic diesel/gasoline/ATF demand grew 3%/7%/1% YoY, continues to be resilient going forward.
- On sourcing crude from Russia - No slowdown expected and continues to be business as usual. 35-40% crude, is being sourced from Russia, with discount range of USD0.5-4/bbl.

- As per govt mandate of 1% SAF, MRPL has already started the SAF project in Mangalore, with expected production capacity of 20KLPD, to be ready by Q4FY27 (Jan'27).
- MRPL has ~185 retail outlets operational currently and aims to open 100-130 outlets, ending the year with more than 250 outlets. Outlets have a gestation period of 75-90 days.
- Capex expected to be Rs.10bn-15bn in FY26.
- Light/Middle Distillate yields stood at 30%/52.6% in Q2FY26 vs 31.4%/49.6% in Q1FY26.

Exhibit 1: Q2FY26 Result Overview (Rs bn)

Y/e March	Q2FY26	Q1FY26	QoQ	Q2FY26E	Var%	Q2FY25	YoY	H1FY26	H1FY25	YoY
Net Sales	226.5	173.6	30.5%	221.5	2.3%	249.7	-9.3%	400.0	482.1	-17.0%
YoY Change (%)	-9.3	-25.3		-11.3		29.8				
Total Expenditure	211.6	171.8	23.2%	207.0	2.2%	254.4	-16.8%	383.4	480.8	-20.3%
EBITDA	14.9*	1.8	728.9%	14.5	2.7%	-4.7	-414.1%	16.7	1.3	1166.6%
Margins (%)	7%	1%		7%		-2%				
Depreciation	3.7	3.6	2.1%	3.7	0.8%	3.4	8.4%	7.3	6.8	8.4%
Interest	2.2	2.6	-14.8%	2.7	-18.1%	2.8	-23.0%	4.8	5.0	-4.6%
Other Income	0.8	0.4	100.5%	0.1	1257.8%	0.6	27.3%	1.1	1.0	9.2%
Extra-Ord expense	0.0	0.0		0.0		0.0		0.0	0.0	
PBT	9.7	-4.0	-341.9%	8.2	18.9%	-10.4	-193.6%	5.7	-9.4	-160.8%
Tax	3.4	-1.3	-356.6%	2.1	62.9%	-3.6	-193.6%	2.1	-3.2	-163.3%
Rate (%)	34.5	32.5		25.2		34.5		0.4	55.3	
Reported PAT	6.4	-2.7	-334.8%	6.1	4.2%	-6.8	-193.6%	3.7	-6.2	-159.5%
Adj PAT	6.4	-2.7	-334.8%	6.1	4.2%	-6.8	-193.6%	3.7	-6.2	-159.5%
Refining throughput (mmt)	4.43	3.52	25.9%	4.38	1.3%	4.58	-3.3%	7.95	8.93	-11.0%

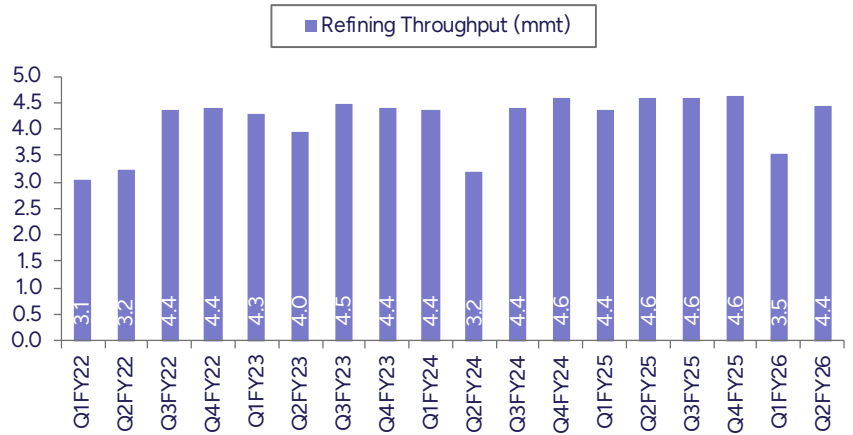
Source: Company, PL *Including Forex Loss of Rs3.5bn

Exhibit 2: Valuation Table

Standalone EBITDA @ FY27/28 (Rs mn)	54,341
Target EV/EBITDA (x)	5.5
EV (Rs, mn)	2,98,874
Net Debt FY26/27 (Rs, mn)	98,911
Equity Value (Rs, mn)	1,99,963
12m target price (Rs/share)	114
Chemicals Project Valuation	
Capacity (ktpa)	150
Realization(Rs/kg)	175
Revenue (Rsmn)	26,250
Margin	20%
EBITDA (Rs mn)	5,250
Multiple (x)	15
EV (Rsmn)	78,750
No of shares	1,753
Chemicals Target (Rs)	45
Target Price	159

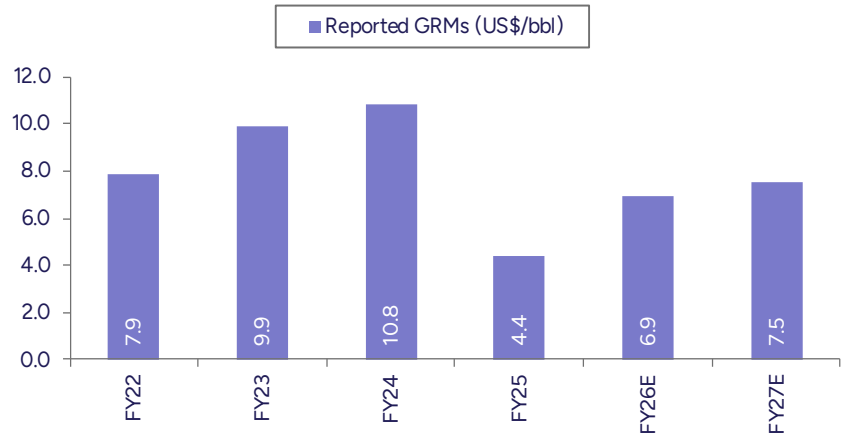
Source: PL

Exhibit 3: Throughput improves post shutdown



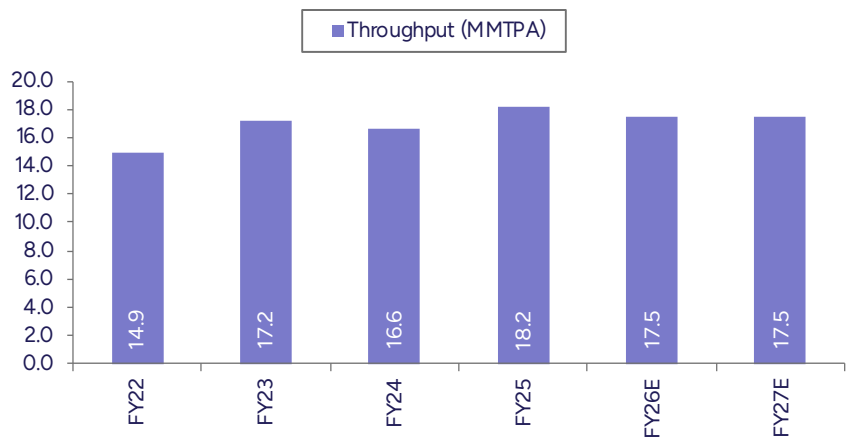
Source: Company, PL

Exhibit 4: FY26/27E GRM expected at US\$6.9/7.5/bbl



Source: PL, Company

Exhibit 5: FY26/27 throughput expected at 17.5mmt



Source: Company, PL

Financials

Income Statement (Rs bn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	947	911	957	931
YoY gr. (%)	4.7	(3.8)	5.1	(2.7)
Cost of Goods Sold	892	829	872	842
Gross Profit	55	82	85	89
Margin (%)	5.8	9.0	8.8	9.5
Employee Cost	7	7	8	9
Other Expenses	32	36	32	33
EBITDA	23	46	53	56
YoY gr. (%)	(70.2)	99.7	16.0	4.7
Margin (%)	2.4	5.0	5.5	6.0
Depreciation and Amortization	13	15	16	18
EBIT	9	31	37	38
Margin (%)	1.0	3.4	3.9	4.1
Net Interest	10	11	11	11
Other Income	2	0	1	0
Profit Before Tax	1	21	26	28
Margin (%)	0.1	2.3	2.7	3.0
Total Tax	1	6	7	8
Effective tax rate (%)	55.3	28.1	25.2	27.8
Profit after tax	1	15	20	20
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	1	15	20	20
YoY gr. (%)	(98.6)	2,823.1	32.0	1.9
Margin (%)	0.1	1.6	2.0	2.1
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	1	15	20	20
YoY gr. (%)	(98.6)	2,823.1	32.0	1.9
Margin (%)	0.1	1.6	2.0	2.1
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1	15	20	20
Equity Shares O/s (m)	2	2	2	2
EPS (Rs)	0.3	8.4	11.1	11.3

Source: Company Data, PL Research

Balance Sheet Abstract (Rs bn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	352	362	372	382
Tangibles	352	362	372	382
Intangibles	-	-	-	-
Acc: Dep / Amortization	158	173	189	207
Tangibles	158	173	189	207
Intangibles	-	-	-	-
Net fixed assets	194	189	183	175
Tangibles	194	189	183	175
Intangibles	-	-	-	-
Capital Work In Progress	7	7	7	7
Goodwill	-	-	-	-
Non-Current Investments	7	7	7	7
Net Deferred tax assets	2	-	-	-
Other Non-Current Assets	-	-	-	-
Current Assets				
Investments	-	-	-	-
Inventories	77	71	74	71
Trade receivables	35	34	35	35
Cash & Bank Balance	0	1	9	23
Other Current Assets	-	-	-	-
Total Assets	342	329	336	339
Equity				
Equity Share Capital	18	18	18	18
Other Equity	112	123	138	153
Total Networkth	129	141	156	171
Non-Current Liabilities				
Long Term borrowings	129	109	98	89
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	80	73	76	74
Other current liabilities	6	6	6	6
Total Equity & Liabilities	342	329	336	339

Source: Company Data, PL Research

Cash Flow (Rs bn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	1	21	26	28
Add. Depreciation	13	15	16	18
Add. Interest	10	11	11	11
Less Financial Other Income	2	0	1	0
Add. Other	(1)	-	-	-
Op. profit before WC changes	24	46	54	56
Net Changes-WC	(4)	2	(2)	1
Direct tax	(1)	(6)	(7)	(8)
Net cash from Op. activities	19	42	45	50
Capital expenditures	(10)	(10)	(10)	(10)
Interest / Dividend Income	-	-	-	-
Others	0	2	-	-
Net Cash from Inv. activities	(9)	(8)	(10)	(10)
Issue of share cap. / premium	-	-	-	-
Debt changes	4	(19)	(11)	(10)
Dividend paid	(4)	(3)	(5)	(5)
Interest paid	(9)	(11)	(11)	(11)
Others	0	-	-	-
Net cash from Fin. activities	(9)	(33)	(27)	(25)
Net change in cash	-	1	8	14
Free Cash Flow	9	32	35	40

Source: Company Data, PL Research

Quarterly Financials (Rs bn)

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Net Revenue	219	246	174	226
YoY gr. (%)	(11.3)	(2.9)	(25.3)	(9.3)
Raw Material Expenses	200	227	164	201
Gross Profit	19	19	10	26
Margin (%)	8.6	7.9	5.6	11.4
EBITDA	10	11	2	15
YoY gr. (%)	(12.9)	(51.7)	(70.3)	(414.1)
Margin (%)	4.7	4.6	1.0	6.6
Depreciation / Depletion	3	3	4	4
EBIT	7	8	(2)	11
Margin (%)	3.2	3.2	(1.1)	4.9
Net Interest	3	2	3	2
Other Income	-	-	-	1
Profit before Tax	5	6	(4)	10
Margin (%)	2.1	2.4	(2.3)	4.3
Total Tax	2	2	(1)	3
Effective tax rate (%)	35.2	37.9	32.5	34.5
Profit after Tax	3	4	(3)	6
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	3	4	(3)	6
YoY gr. (%)	(21.4)	(68.1)	(514.8)	(193.6)
Margin (%)	1.4	1.5	(1.6)	2.8
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	3	4	(3)	6
YoY gr. (%)	(21.4)	(68.1)	(514.8)	(193.6)
Margin (%)	1.4	1.5	(1.6)	2.8
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	3	4	(3)	6
Avg. Shares O/s (bn)	2	2	2	2
EPS (Rs)	1.7	2.1	(1.6)	3.6

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	0.3	8.4	11.1	11.3
CEPS	8.0	16.8	20.3	21.4
BVPS	73.8	80.3	88.8	97.5
FCF	5.2	18.2	19.8	22.5
DPS	-	1.7	2.2	2.3
Return Ratio(%)				
RoCE	3.7	12.2	14.7	14.8
ROIC	2.8	9.5	11.3	12.0
RoE	0.4	11.0	13.2	12.2
Balance Sheet				
Net Debt : Equity (x)	1.0	0.8	0.6	0.4
Net Working Capital (Days)	14	15	15	15
Valuation(x)				
PER	492.0	16.8	12.8	12.5
P/B	1.9	1.8	1.6	1.5
P/CEPS	17.8	8.4	7.0	6.6
EV/EBITDA	16.5	7.8	6.4	5.7
EV/Sales	0.4	0.4	0.4	0.3
Dividend Yield (%)	-	1.2	1.6	1.6

Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Crude (US\$/bbl)	78.9	71.0	75.0	75.0
US\$/Rs	84.6	87.0	88.0	88.0
GRM (US\$/bbl)	4.4	6.9	7.5	7.5
Refining throughput (mmt)	18	18	18	18

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	03-Oct-25	Accumulate	144	143
2	22-Jul-25	Accumulate	152	139
3	03-Jul-25	Hold	146	144
4	28-Apr-25	Hold	136	136
5	08-Apr-25	Sell	109	129
6	21-Jan-25	Hold	137	144
7	08-Jan-25	Accumulate	168	145
8	23-Oct-24	Accumulate	169	147
9	19-Oct-24	Sell	124	166

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Aarti Industries	Hold	395	377
2	Bharat Petroleum Corporation	Hold	347	342
3	Bharti Airtel	Accumulate	2,090	1,930
4	Clean Science and Technology	Hold	1,111	1,068
5	Deepak Nitrite	Hold	1,924	1,844
6	Fine Organic Industries	BUY	5,571	4,651
7	GAIL (India)	Accumulate	199	177
8	Gujarat Fluorochemicals	Hold	3,742	3,643
9	Gujarat Gas	Hold	442	436
10	Gujarat State Petronet	Accumulate	339	325
11	Hindustan Petroleum Corporation	Accumulate	458	446
12	Indian Oil Corporation	Accumulate	162	150
13	Indraprastha Gas	Reduce	192	209
14	Jubilant Ingrevia	Hold	692	654
15	Laxmi Organic Industries	Reduce	199	215
16	Mahanagar Gas	BUY	1,471	1,281
17	Mangalore Refinery & Petrochemicals	Accumulate	144	143
18	Navin Fluorine International	Accumulate	5,196	4,568
19	NOCIL	Hold	187	181
20	Oil & Natural Gas Corporation	BUY	278	244
21	Oil India	BUY	525	415
22	Petronet LNG	Hold	290	279
23	Reliance Industries	BUY	1,609	1,363
24	SRF	Hold	2,894	2,943
25	Vinati Organics	BUY	1,946	1,690

PL's Recommendation Nomenclature (Absolute Performance)

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

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