

November 10, 2025

Q2FY26 Result Update

■ Change in Estimates | ■ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	HOLD		HOLD	
Target Price	290		290	
Sales (Rs bn)	484	539	484	539
% Chng.	-	-	-	-
EBITDA (Rs bn)	60	70	60	70
% Chng.	-	-	-	-
EPS (Rs.)	27.7	27.7	30.9	30.9
% Chng.	-	-	-	-

Key Financials - Standalone

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. bn)	510	484	539	607
EBITDA (Rs. bn)	55	60	70	77
Margin (%)	10.8	12.3	12.9	12.6
PAT (Rs. bn)	39	42	46	50
EPS (Rs.)	26.2	27.7	30.9	33.5
Gr. (%)	11.0	5.8	11.7	8.3
DPS (Rs.)	10.0	11.7	13.1	14.2
Yield (%)	3.6	4.2	4.7	5.1
RoE (%)	21.6	20.2	20.1	19.4
RoCE (%)	26.0	24.6	25.3	24.3
EV/Sales (x)	0.6	0.7	0.7	0.5
EV/EBITDA (x)	5.9	5.8	5.3	4.3
PE (x)	10.6	10.1	9.0	8.3
P/BV (x)	2.2	1.9	1.7	1.5

Key Data

PLNG.BO | PLNG IN

52-W High / Low	Rs.350 / Rs.266
Sensex / Nifty	83,216 / 25,492
Market Cap	Rs.418bn/ \$ 4,712m
Shares Outstanding	1,500m
3M Avg. Daily Value	Rs.622.65m

Shareholding Pattern (%)

Promoter's	50.00
Foreign	27.31
Domestic Institution	11.80
Public & Others	10.89
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(3.1)	(9.2)	(19.7)
Relative	(4.6)	(11.8)	(23.2)

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Muted Quarter

Quick Pointers:

- Dahej regas volume stood at 211TBtu vs 225TBtu in Q2FY25 and 207TBtu in Q1FY26
- Expansion to 22.5mmtpa at Dahej remains on track by CY25 end

Despite slight sequential improvement in total volumes, standalone EBITDA came in 31.5% lower than our estimates at Rs11.2bn (Ple: Rs16.3bn, BBGe Rs12.3bn, -6.9% YoY & -3.7% QoQ). The decline was largely due to impairment charge of Rs1.6bn which included the waiver of Use or Pay (UoP) dues of Rs0.29bn and Rs1.1bn increase in other expenses due to lease accounting impact. As a result, PAT came in at Rs8.1bn, -4.9% YoY and -5.3% QoQ (Rs8.5bn in Q2FY25 and Q1FY26 respectively). In H1FY26, EBITDA and PAT declined -17.6%/-16.7% YoY to Rs22.8bn and Rs16.6bn. Capex in H1FY26 stood at Rs5.3bn out of the total planned Rs50bn for FY26. A significant portion of the remaining spend in H2FY26 is expected to be ROCE dilutive in the near term. Management remains confident of recovering the UoP dues; however, we remain cautious on the possibility of any further waiver of such dues. Maintain "Hold" with a target price of Rs290 based on 9x FY27/FY28E EPS.

- Lower volumes at Dahej:** Long-term regas volume at Dahej declined to 95TBtu in Q2FY26 vs 96TBtu in Q2FY25 and 105TBtu in Q1FY26. Third party volume stood at 116TBtu vs 123TBtu in Q2FY25, however it improved by +13.7% QoQ from 102TBtu in Q1FY26. Total volumes at Dahej declined -6.2% YoY and improved by +1.9% QoQ to 211TBtu.
- Kochi utilization improved:** Kochi's long term regas volume stood at 14TBtu, flat vs Q2FY25 and 13TBtu in Q1FY26. Utilization stood at 27%, improving from 22% and 21% in Q2FY25 and Q1FY26 respectively, as BPCL's June'25 cargo was booked in this quarter. Kochi-Bangalore pipeline completion is expected to be connected to the National Grid soon and co. expects volumes from the terminal to improve going forward.
- UoP provisioning –** As of Q2FY26, out of the total Use or Pay (UoP) dues of Rs 13.9bn, co. made a provision of Rs7.4bn. It incurred an impairment charge of Rs1.6bn in Q2FY26, which included the waiver of Use or Pay (UoP) dues of Rs290mn. ~98% of the business is with promoters and hence it does not expect any issues in recovering its dues. Bank guarantees are in place. Company expects to recover Rs6.9bn in H2FY26, with settlements taking place in Q4FY26.
- Gopalpur LNG Terminal:** Due to escalation in cost of FSRUs, the company has settled on land-based terminal at Gopalpur. The LNG terminal is 35km away from existing Srikakulam-Angul pipeline and once connected, can access the national gas grid. With emerging demand centers, Gopalpur is expected to emerge as the next Dahej LNG terminal in terms of growth.

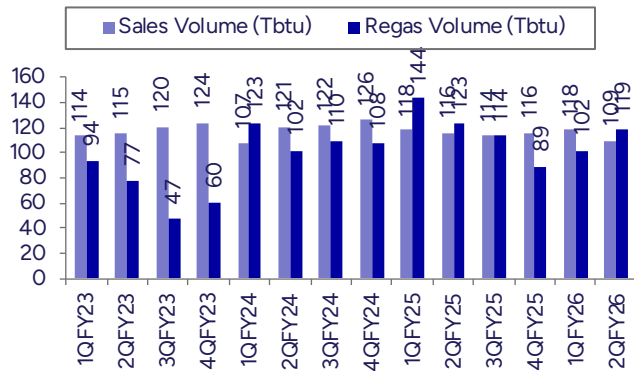
- **Conference Call Highlights:** **1)** Other expenses increased due to lease accounting impact for chartered vessels handling Qatar Gas volumes. The company incurred FX loss of Rs840mn (~Rs3.25/USD impact on USD300mn lease liability). **2)** FY26 volume outlook – mgmnt did not provide firm volume guidance, **3)** Kochi Terminal: Utilization improved as BPCL's June'25 cargo was booked this quarter. Further volume increase expected once Kochi-Bangalore pipeline connects to the national grid and on account of increase in BPCL cargoes. **4)** Dahej Terminal: Term contract volumes fell, but 3rd party volumes rose due to cargo scheduling adjustments. **5) Petchem Project:** All major long-lead packages are awarded, with few in pipeline, project remains on schedule. YTD capex stood at Rs6.0 bn. **Gopalpur Terminal** – Co. has acquired the land and is awaiting environmental clearance (EC), construction to begin post-approval, completion targeted within 3 years, subject to EC. **Dahej Expansion** - Mechanical work near completion and the project is expected to be completed soon. YTD capex stood at Rs4.5bn. **6)** FY25-26 capex guidance stood at Rs50bn (mainly for Petchem, Gopalpur, Third Jetty); Rs5.3 bn spent in H1FY26, balance to be spent in H2FY26. **7)** UoP Recoveries- Co. has 98% of business with promoters and hence does not expect any issues in recovering its dues. Bank guarantees are in place. PLL expects to recover Rs694cr in 2HFY26, with settlements taking place in Q4FY26, **8)** Tariffs- No disclosure on Dahej/Kochi tariffs due to confidentiality. **9)** On Competition – Co. expects growth in demand will support upcoming LNG capacities.

Exhibit 1: Petronet's quarterly financials & operating parameters

(Rs bn)	Q2FY26	Q1FY26	QoQ gr.	Q2FY26E	% Var	Q2FY25	YoY gr.	H1FY26	H1FY25	YoY gr.
Net Sales	110.1	118.8	-7.3%	118.9	-7.4%	130.2	-15.5%	228.9	264.4	-13.4%
YoY Change (%)	-15.5	-11.4		-8.7		3.9				
Total Expenditure	98.9	107.2	-7.7%	102.6	-3.6%	118.2	-16.3%	206.1	236.7	-12.9%
EBITDA	11.2	11.6	-3.7%	16.3	-31.5%	12.0	-6.9%	22.8	27.6	-17.6%
Margins (%)	10.1	9.8		13.7		9.2		9.9	10.5	
Depreciation	2.1	2.1	1.9%	2.2	-5.6%	2.0	7.4%	4.2	3.9	6.9%
Interest	0.6	0.6	3.3%	0.6	-2.6%	0.7	-6.9%	1.2	1.3	-9.2%
Other Income	2.4	2.4	-2.1%	1.8	28.2%	2.0	17.6%	4.8	4.2	14.2%
PBT	10.8	11.4	-4.7%	15.3	-29.2%	11.4	-5.1%	22.2	26.6	-16.6%
Tax	2.8	2.9	-3.0%	3.9	-28.2%	2.9	-5.4%	5.6	6.7	-16.2%
Rate (%)	25.6	25.1		25.2		25.7		25.3	25.2	
Reported PAT	8.1	8.5	-5.3%	11.4	-29.6%	8.5	-4.9%	16.6	19.9	-16.7%
Margins (%)	7.3	7.2		9.6		6.5		7.2	7.5	
Sales volume (Tbtu)										
Regas volume (Tbtu)	119.0	102.0	16.7%	95.3	24.8%	123.0	-3.3%	221.0	267.0	-17.2%
Sales volume (Tbtu)	109.0	118.0	-7.6%	125.8	-13.4%	116.0	-6.0%	227.0	234.0	-3.0%
Total Volumes (Tbtu)	228.0	220.0	3.6%	221.2	3.1%	239.0	-4.6%	448.0	501.0	-10.6%

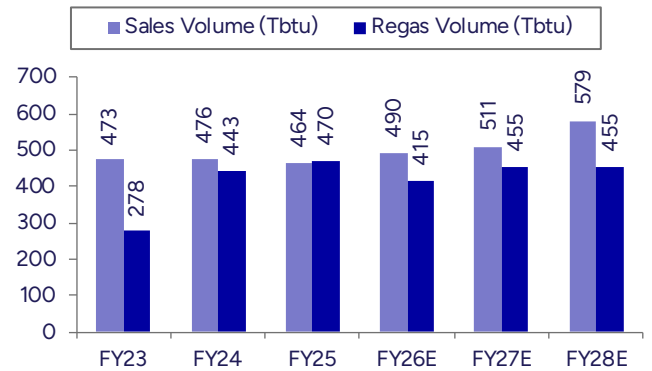
Source: Company, PL

Exhibit 2: Total vol -4.6% YoY, +3.6% QoQ



Source: Company, PL

Exhibit 3: Total volume to reach 1,034Tbtu by FY28E



Source: Company, PL

Financials

Income Statement (Rs bn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	510	484	539	607
YoY gr. (%)	(8.6)	(5.1)	11.4	12.7
Cost of Goods Sold	443	412	455	516
Gross Profit	67	72	83	91
Margin (%)	13.1	14.9	15.4	15.0
Employee Cost	2	2	2	3
Other Expenses	9	10	11	12
EBITDA	55	60	70	77
YoY gr. (%)	6.1	7.8	16.8	9.9
Margin (%)	10.8	12.3	12.9	12.6
Depreciation and Amortization	8	9	11	14
EBIT	47	51	58	63
Margin (%)	9.3	10.5	10.8	10.4
Net Interest	3	3	3	3
Other Income	8	7	7	7
Profit Before Tax	53	56	62	68
Margin (%)	10.3	11.5	11.6	11.1
Total Tax	13	14	16	17
Effective tax rate (%)	25.6	25.2	25.7	25.7
Profit after tax	39	42	46	50
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	39	42	46	50
YoY gr. (%)	11.0	5.8	11.7	8.3
Margin (%)	7.7	8.6	8.6	8.3
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	39	42	46	50
YoY gr. (%)	11.0	5.8	11.7	8.3
Margin (%)	7.7	8.6	8.6	8.3
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	39	42	46	50
Equity Shares O/s (bn)	2	2	2	2
EPS (Rs)	26.2	27.7	30.9	33.5

Source: Company Data, PL Research

Balance Sheet Abstract (Rs bn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	133	163	209	240
Tangibles	133	163	209	240
Intangibles	-	-	-	-
Acc: Dep / Amortization	62	71	82	96
Tangibles	62	71	82	96
Intangibles	-	-	-	-
Net fixed assets	71	92	127	144
Tangibles	71	92	127	144
Intangibles	-	-	-	-
Capital Work In Progress	16	37	51	21
Goodwill	-	-	-	-
Non-Current Investments	29	29	29	29
Net Deferred tax assets	(6)	(6)	(6)	(6)
Other Non-Current Assets	-	-	-	-
Current Assets				
Investments	-	-	-	-
Inventories	12	11	13	14
Trade receivables	33	31	35	39
Cash & Bank Balance	91	74	51	91
Other Current Assets	-	-	-	-
Total Assets	268	289	321	356
Equity				
Equity Share Capital	15	15	15	15
Other Equity	179	203	229	258
Total Network	194	218	244	273
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	26	24	27	31
Other current liabilities	43	42	44	47
Total Equity & Liabilities	268	289	321	356

Source: Company Data, PL Research

Cash Flow (Rs bn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	53	56	62	68
Add. Depreciation	8	9	11	14
Add. Interest	3	3	3	-
Less Financial Other Income	8	7	7	7
Add. Other	(4)	(7)	(7)	-
Op. profit before WC changes	59	60	70	81
Net Changes-WC	(2)	1	(1)	(2)
Direct tax	(13)	(14)	(16)	(17)
Net cash from Op. activities	44	46	52	62
Capital expenditures	(15)	(50)	(60)	(1)
Interest / Dividend Income	-	-	-	-
Others	(17)	-	-	-
Net Cash from Invt. activities	(32)	(50)	(60)	(1)
Issue of share cap. / premium	-	-	-	-
Debt changes	-	-	-	-
Dividend paid	(15)	(18)	(20)	(21)
Interest paid	0	(3)	(3)	-
Others	(6)	-	-	(21)
Net cash from Fin. activities	(22)	(20)	(22)	(43)
Net change in cash	(9)	(24)	(30)	18
Free Cash Flow	29	(4)	(8)	61

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	26.2	27.7	30.9	33.5
CEPS	31.6	33.7	38.4	42.5
BVPS	129.2	145.1	162.9	182.2
FCF	19.6	(2.6)	(5.2)	40.7
DPS	10.0	11.7	13.1	14.2
Return Ratio(%)				
RoCE	26.0	24.6	25.3	24.3
ROIC	26.7	23.6	21.6	23.7
RoE	21.6	20.2	20.1	19.4
Balance Sheet				
Net Debt : Equity (x)	(0.5)	(0.3)	(0.2)	(0.3)
Net Working Capital (Days)	(1)	(1)	0	2
Valuation(x)				
PER	10.6	10.1	9.0	8.3
P/B	2.2	1.9	1.7	1.5
P/CEPS	31.6	33.7	38.4	42.5
EV/EBITDA	5.9	5.8	5.3	4.3
EV/Sales	0.6	0.7	0.7	0.5
Dividend Yield (%)	3.6	4.2	4.7	5.1

Source: Company Data, PL Research

Quarterly Financials (Rs bn)

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Net Revenue	122	123	119	110
YoY gr. (%)	(17.1)	(10.7)	(11.4)	(15.5)
Raw Material Expenses	106	108	104	94
Gross Profit	17	15	15	16
Margin (%)	13.6	12.1	12.6	14.2
EBITDA	12	15	12	11
YoY gr. (%)	(26.9)	37.0	(25.8)	(6.9)
Margin (%)	10.2	12.3	9.8	10.1
Depreciation / Depletion	2	2	2	2
EBIT	10	13	10	9
Margin (%)	8.5	10.6	8.0	8.2
Net Interest	1	1	1	1
Other Income	2	2	2	2
Profit before Tax	12	14	11	11
Margin (%)	9.6	11.7	9.6	9.8
Total Tax	3	4	3	3
Effective tax rate (%)	25.8	26.0	25.1	25.6
Profit after Tax	9	11	9	8
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	9	11	9	8
YoY gr. (%)	(27.2)	45.1	(25.5)	(4.9)
Margin (%)	7.1	8.7	7.2	7.3
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	9	11	9	8
YoY gr. (%)	(27.2)	45.1	(25.5)	(4.9)
Margin (%)	7.1	8.7	7.2	7.3
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	9	11	9	8
Avg. Shares O/s (bn)	2	2	2	2
EPS (Rs)	5.8	7.1	5.7	5.4

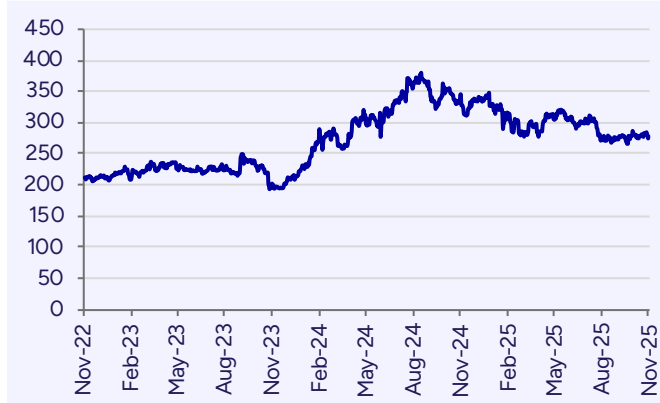
Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales Volume (TBtu)	464.0	490.3	510.6	578.8
Regas Volume (TBtu)	470.0	414.5	455.0	455.0
Dahej Tariff (Rs/mmBtu)	63.7	66.9	69.3	69.3
Kochi Tariff (Rs/mmBtu)	89.3	93.8	93.8	93.8

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	03-Oct-25	Hold	290	279
2	28-Jul-25	Hold	311	302
3	03-Jul-25	Reduce	315	302
4	20-May-25	Reduce	292	321
5	08-Apr-25	Reduce	248	278
6	29-Jan-25	Reduce	276	291
7	08-Jan-25	Sell	268	330

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Aarti Industries	Hold	403	392
2	Bharat Petroleum Corporation	Hold	361	357
3	Bharti Airtel	Accumulate	2,259	2,113
4	Clean Science and Technology	Hold	1,002	981
5	Deepak Nitrite	Hold	1,924	1,844
6	Fine Organic Industries	BUY	5,386	4,346
7	GAIL (India)	BUY	218	183
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	Hold	476	476
12	Indian Oil Corporation	Accumulate	166	155
13	Indraprastha Gas	Reduce	192	209
14	Jubilant Ingrevia	Hold	695	677
15	Laxmi Organic Industries	Reduce	192	198
16	Mahanagar Gas	BUY	1,531	1,271
17	Mangalore Refinery & Petrochemicals	Accumulate	159	142
18	Navin Fluorine International	Accumulate	5,601	5,009
19	NOCIL	Hold	185	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	1,668	1,417
24	SRF	Hold	3,123	3,028
25	Vinati Organics	BUY	1,915	1,662

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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