PL Capital
PRABHUDAS LILLADHER

# Petronet LNG (PLNG IN)

## Rating: HOLD | CMP: Rs275 | TP: Rs290

November 19, 2025

## Visit Update

■ Change in Estimates | ■ Target | ■ Reco

**Change in Estimates**

| | Current | | Previous | |
|---|---|---|---|---|
| | FY27E | FY28E | FY27E | FY28E |
| **Rating** | HOLD | | HOLD | |
| **Target Price** | 290 | | 290 | |
| Sales (Rs bn) | 539 | 607 | 539 | 607 |
| *% Chng.* | - | - | | |
| EBITDA (Rs bn) | 70 | 77 | 70 | 77 |
| *% Chng.* | - | - | | |
| EPS (Rs.) | 30.9 | 33.5 | 30.9 | 33.5 |
| *% 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* | *4.3* | *4.8* | *5.2* |
| *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) | 5.8 | 5.7 | 5.2 | 4.2 |
| PE (x) | 10.5 | 9.9 | 8.9 | 8.2 |
| P/BV (x) | 2.1 | 1.9 | 1.7 | 1.5 |

| **Key Data** | **PLNG.BO \| PLNG IN** |
|---|---|
| 52-W High / Low | Rs.350 / Rs.266 |
| Sensex / Nifty | 84,673 / 25,910 |
| Market Cap | Rs.412bn/ $ 4,653m |
| Shares Outstanding | 1,500m |
| 3M Avg. Daily Value | Rs.655.26m |

**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 | (0.3) | (14.3) | (11.8) |
| Relative | (1.1) | (16.6) | (19.5) |

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## *Several expansions ahead*

**Quick Pointers:**

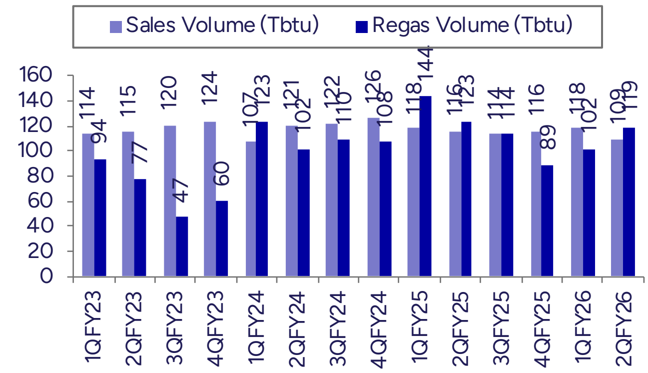
- Synergy between existing regas plant and upcoming petchem project.
- Aiming to achieve equity IRR of 16% on upcoming projects.

***PLNG hosted an analyst meet and a plant visit at its Dahej LNG terminal. Company has outlined a long-term vision of targeting Rs1000bn in revenue, Rs100bn in PAT with a planned capex of R s400bn over the next 5 years (1-5-10-40). As per the mgmt, the incremental regasification capacity of 5mmtpa at the existing Dahej terminal is being executed at 1/10th the cost of a comparable greenfield project worth Rs65bn. 3rd jetty will have the provision to handle Ethane, Propane and LNG. Integration of existing LNG infrastructure with the upcoming petchem plant will help achieve cost savings. Although, management interaction was encouraging; execution remains a key monitorable. Maintain "Hold" with a target price of Rs290 based on 9x FY27/FY28E EPS.***

- **Long-term vision (1-5-10-40):** PLNG has outlined an ambitious roadmap, targeting Rs1000bn in revenue, Rs100bn in PAT with a planned capex of Rs400bn over the next 5 years. PLNG aims to achieve an equity IRR of 16% from the upcoming projects.
- **Capital efficiency:** The upcoming capacity expansion of 5mmtpa (from 17.5mmtpa to 22.5mmtpa) of Dahej terminal remains on track to get commissioned by March'26. Almost all major supplies have been received. Mechanical completion is nearing. Overall project execution is in the final stages. PLNG claims that the expansion is being executed at 1/10th of the cost of a comparable greenfield 5mmtpa LNG terminal (which would otherwise cost ~Rs65bn).
- **Integrated Jetty at Dahej:** The upcoming 3rd jetty (capacity-10mmtpa) is expected to be commissioned by March'27 will be designed to handle LNG, Ethane, Propane - first in India and can accommodate vessel sizes from 55,000 $m^3$ to 266,000 $m^3$. LNG and ethane will use the same cryogenic pipeline, while propane will have a separate refrigerated pipeline. Out of the planned 2.5km long platform, 0.7kms are completed.
- **Petchem Project synergy:** Upcoming Rs207bn PDH – PP facility (PDH-750ktpa, PP – 500ktpa) at Dahej is uniquely integrated with the existing LNG infrastructure, eliminating the need for a refrigeration unit and cooling tower, as the existing infrastructure will help cool propylene post PDH processing. This synergy will help PLNG save capex of Rs3.5-4.0bn and power saving of ~19MW leading to opex saving of ~Rs0.1bn annually. PLNG has a definitive agreement with Deepak Phenolics Ltd for sale of 250ktpa propylene and 11ktpa hydrogen for 15 years.

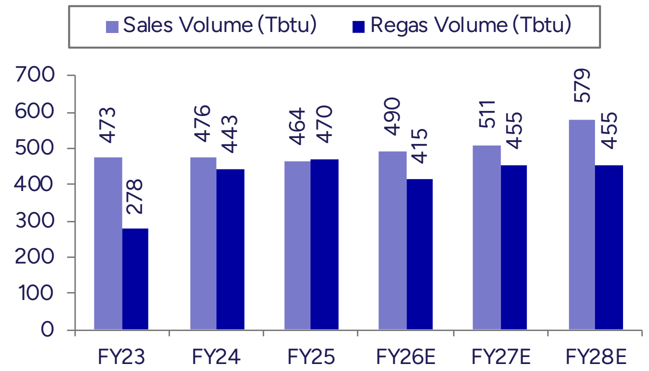
- **Gopalpur Terminal –** The LNG terminal on the east coast is expected to be commissioned by FY'28-29 at an estimated capex of Rs65bn. The terminal will have proximity to industrial areas and would be only 35 kms away from the newly commissioned Angul–Dhamra pipeline (GAIL), which connects to Northeast area's. PLL has acquired 80 acres from Odisha govt. Additional 200 acres is available for future expansion.

**Exhibit 1: Total vol -4.6% YoY, +3.6% QoQ**




*Source: Company, PL*

**Exhibit 2: 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 Networth** | **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 | 10.5 | 9.9 | 8.9 | 8.2 |
| P/B | 2.1 | 1.9 | 1.7 | 1.5 |
| P/CEPS | 31.1 | 33.2 | 37.9 | 42.0 |
| EV/EBITDA | 5.8 | 5.7 | 5.2 | 4.2 |
| EV/Sales | 0.6 | 0.7 | 0.7 | 0.5 |
| Dividend Yield (%) | 3.6 | 4.3 | 4.8 | 5.2 |

*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** |

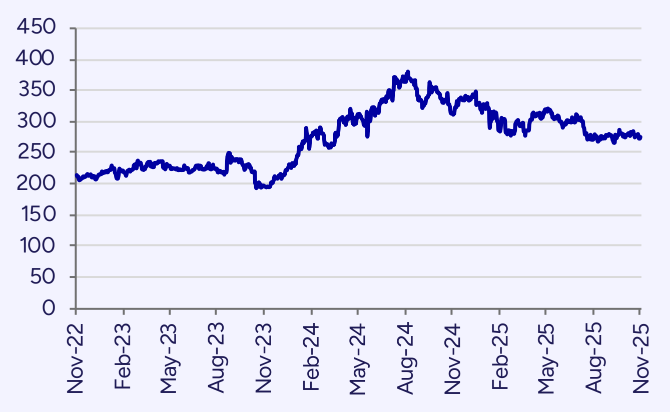
*Source: Company Data, PL Research*

### 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 | 10-Nov-25 | Hold | 290 | 278 |
| 2 | 03-Oct-25 | Hold | 290 | 279 |
| 3 | 28-Jul-25 | Hold | 311 | 302 |
| 4 | 03-Jul-25 | Reduce | 315 | 302 |
| 5 | 20-May-25 | Reduce | 292 | 321 |
| 6 | 08-Apr-25 | Reduce | 248 | 278 |
| 7 | 29-Jan-25 | Reduce | 276 | 291 |
| 8 | 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 | 1,768 | 1,741 |
| 6 | Fine Organic Industries | BUY | 5,386 | 4,346 |
| 7 | GAIL (India) | BUY | 211 | 180 |
| 8 | Gujarat Fluorochemicals | Hold | 3,637 | 3,480 |
| 9 | Gujarat Gas | Hold | 415 | 408 |
| 10 | Gujarat State Petronet | Hold | 311 | 301 |
| 11 | Hindustan Petroleum Corporation | Hold | 476 | 476 |
| 12 | Indian Oil Corporation | Accumulate | 166 | 155 |
| 13 | Indraprastha Gas | Reduce | 201 | 213 |
| 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 | 6,441 | 6,015 |
| 19 | NOCIL | Hold | 185 | 181 |
| 20 | Oil & Natural Gas Corporation | BUY | 292 | 249 |
| 21 | Oil India | BUY | 532 | 436 |
| 22 | Petronet LNG | Hold | 290 | 278 |
| 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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