

Research Report

Petronet LNG Limited



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About

Petronet LNG Ltd was formed to develop, design, construct, own and operate Liquefied Natural Gas (LNG) Import and regasification terminals in India.

It was incorporated in 1998 as a Joint Venture among GAIL, Indian Oil, Bharat Petroleum & ONGC holding 12.5% each. The company is in the business of transportation, storage and regasification of LNG. It owns and operates 2 regasification terminals at Dahej (Gujarat) and Kochi (Kerala) with a combined capacity of 22.5 MMTPA. It accounts for 33% of gas supplies in the country and handles ~75% of LNG imports in India.

Business Segments

- LNG- 95%-96%
- Regasification services- 3%-4%

Synopsis of Financials

Quarterly Results:

- PBT of ₹1,140 crores, up from ₹1,102 crores YoY, but down from ₹1,520 crores QoQ.
- PAT of ₹848 crores, compared to ₹818 crores YoY and ₹1,142 crores QoQ.

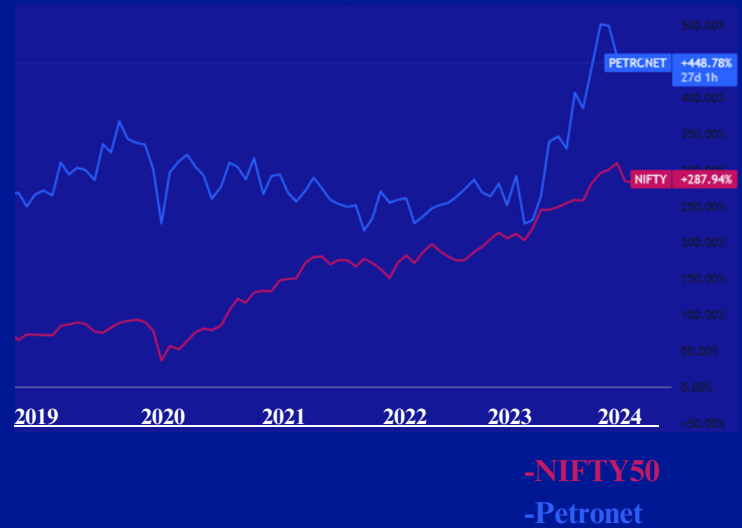
Half-Yearly Results:

- PBT for H1 at ₹2,660 crores, an increase from ₹2,164 crores YoY.
- PAT for H1 at ₹1,989 crores, up from ₹1,608 crores YoY.
- Growth of 23% in PBT and 24% in PAT YoY for H1.

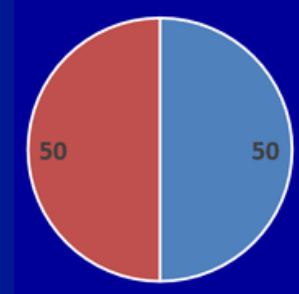
Stock data (as 4th December 2024)

Nifty Price	: 24,534.20
52 week High (in Rs.)	: 385
52 week Low (in Rs.)	: 205
Market Cap. (in Crore)	: 50,708
NSE Code	: <u>PETRONET</u>

Stock data



Shareholding Pattern (September 2024)



-PUBLIC GROUP
-PROMOTER GROUP

Financial Summary

Particulars	March 2022	March 2023	March 2024
Sales	43,169	59,899	52,728
Sales Growth %	65.89%	38.76%	-11.97%
Expenses	37,915	55,043	47,518
Operating Profit	5,254	4,856	5,210
OPM %	12%	8%	10%
Net Profit	3,352	3,240	3,536
EPS in Rs	22.35	21.6	23.57

Quarterly Results

Particular	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24
Sales	13,874	11,656	12,532	14,747	13,793	13,415	13,022
Expenses	12,931	10,474	11,317	13,041	12,689	11,852	11,821
Operating Profit	943	1,182	1,215	1,706	1,104	1,563	1,200
OPM %	7%	10%	10%	12%	8%	12%	9%
Other Income	154	147	157	156	157	218	202
Interest	90	75	75	70	71	67	65
Depreciation	189	192	195	195	194	195	196
Profit before tax	818	1,062	1,102	1,597	996	1,520	1,140
Tax %	25%	26%	26%	25%	26%	25%	26%
Net Profit	614	790	818	1,191	738	1,142	848

Source: Screener

Key Ratios

S. N.	Ratios	31.03.2024	31.03.2023	31.03.2024	31.03.2023	% of Variance	Remarks
		Numerator / Denominator	Numerator / Denominator	Ratio	Ratio		
a)	Current Ratio= Current assets divided by Current Liabilities	12,889.37	11,886.92	3.10	4.04	-23.18%	
		4,157.67	2,945.69				
b)	Debt equity ratio= Total debt divided by total shareholder's equity	Not Applicable					
c)	Debt service coverage ratio= Earnings available for debt services divided by total interest and principal repayments	Not Applicable					
d)	Return on equity ratio/ return on investment ratio= Net profit after tax divided by Average shareholder's equity	3,536.20	3,239.93	22.17%	22.85%	-2.96%	
		15,948.77	14,180.11				
e)	Inventory turnover ratio= Net sales divided by average Inventory	52,728.43	59,899.36	40.27	69.26	-41.85%	Note a
		1,309.26	864.87				

Source: Annual Report

Yearly Results

Particulars	March 2022	March 2023	March2024
Equity Capital	1,500	1,500	1,500
Reserves	11,925	13,435	15,463
Borrowings	3,438	3,345	3,008
Other Liabilities	4,258	4,210	5,131
Total Liabilities	21,122	22,490	25,102
Fixed Assets	9,557	8,790	8,147
CWIP	193	1,126	1,552
Investments	1,050	1,044	175
Other Assets	10,322	11,529	15,227
Total Assets	21,122	22,490	25,102

Highlights

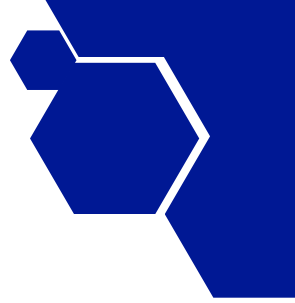
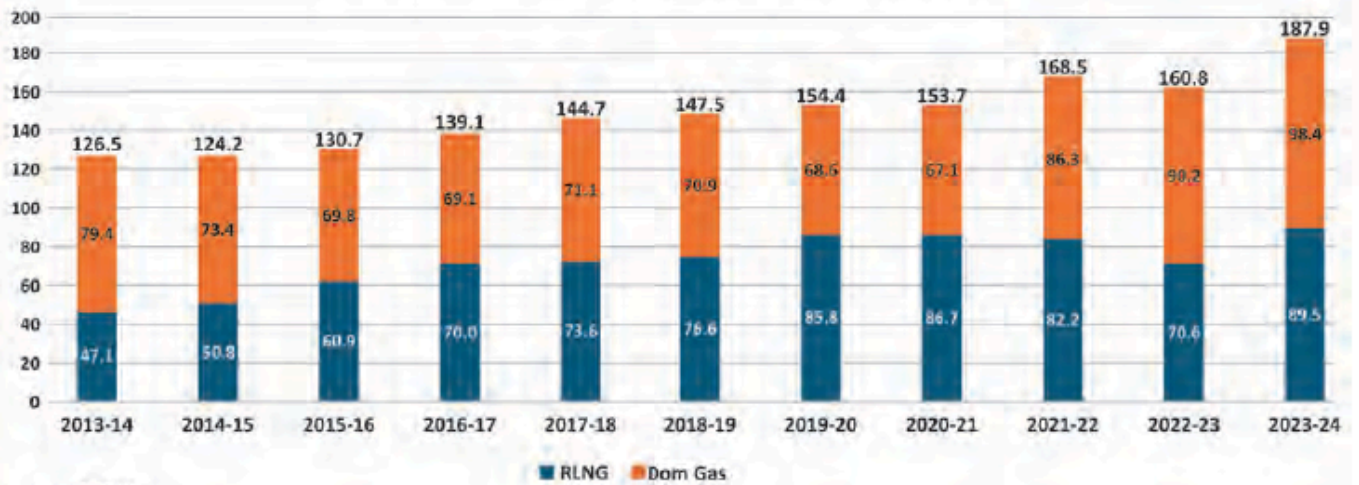


Chart 9A: India's Natural Gas Consumption (MMSCMD)

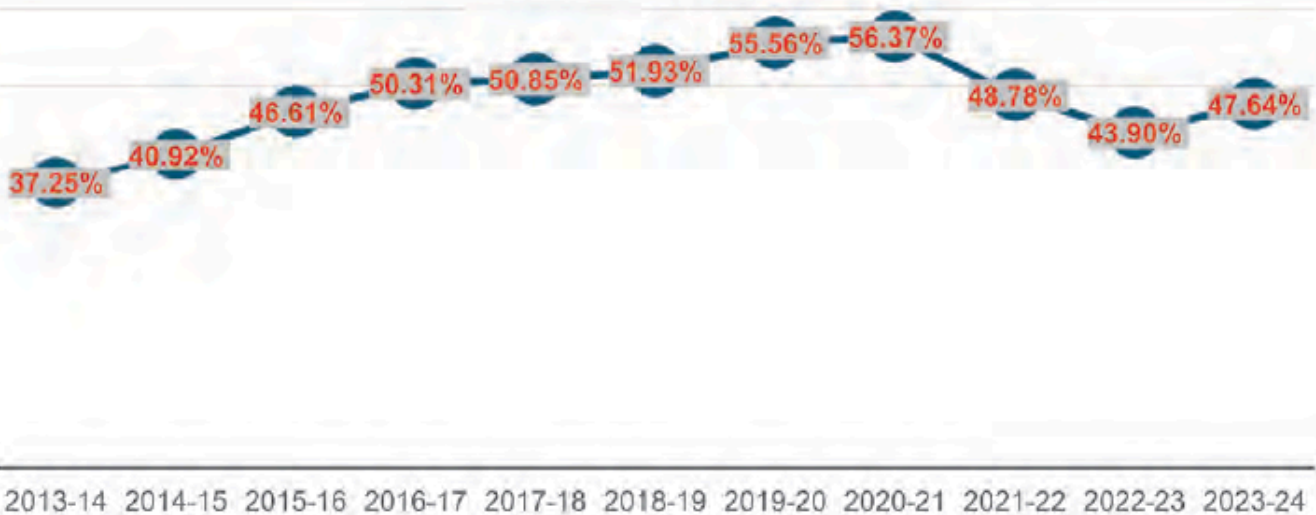
India's Natural Gas Consumption (MMSCMD)



Source : PPAC

Chart 9B : India's Natural Gas Consumption - Trend in share of RLNG in Total Gas Consumption in India

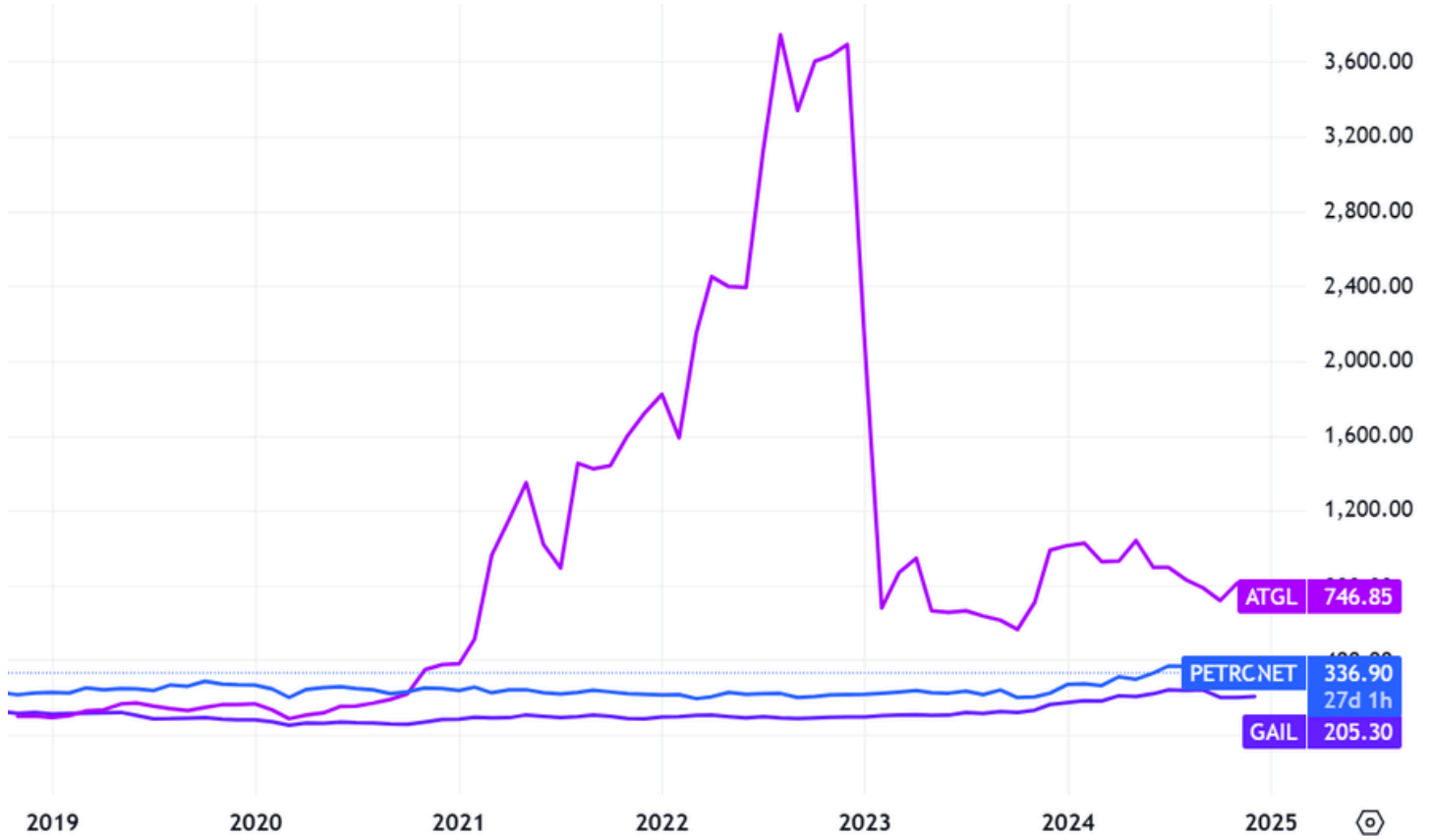
TREND - SHARE OF RLNG IN TOTAL GAS CONSUMPTION IN INDIA



Source : PPAC

Peer Comparison

Peer Stock Performance (5Y) Indexed



Source: Trading View

Peer Financial Performance

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
1.	GAIL (India)	205.75	11.75	135282.69	2.73	2689.67	10.13	33888.90	2.74	14.66
2.	Adani Total Gas	745.15	116.68	81952.31	0.03	185.60	7.48	1218.65	11.23	21.20
3.	Petronet LNG	338.05	12.93	50707.50	2.95	847.62	3.61	13021.82	3.91	26.41
4.	Gujarat Gas	498.45	27.95	34312.82	1.13	306.93	3.07	3781.75	-1.66	20.51
5.	Indraprastha Gas	359.40	15.64	25158.03	2.42	431.09	-19.39	3697.29	6.90	28.76

Source: Screener

Final Outlook

PETRONET: BUY | LTP: 338

India's GDP is expected to achieve 6.1% in 2024 and 6.6% in 2025 under crisis due to the continuation of Russia Ukraine war as well as conflict in Middle East which led to volatile energy prices in 2023., Global LNG trade reached around 412 million MT in CY 2023 , which reflected 2.23% growth year-on-year (Y-O-Y).e. India imported 22.59 MMT accounting for 6% of the total LNG and 40% of domestic use LNG is produced by DAHEJ plant of company which is a huge number and company also manage Kochi plant in south India. The domestic gas production from new fields have short asset-life and is expected to plateau in coming 3 to 4 years and then starting to decline opposite this demand for LNG in India will increase continuously. Company revenue from operation , inventory turn over ratio & trade receivable is decrease but profit before tax , operating profit from tax & EBIT is increase. In recent, Stock show downward trend because of low demand of LNG ,If we see global economic growth is slow and India gas demand will remain stagnant for 3-4 years after that it will fall according to reports.According to my perspective one should buy this stock for short period of time until demand for LNG starts falls because of high price.

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