

Pick of the week

Reliance Industries

Recommendation: **ADD**

Target Price: **₹3,200**

Current Price: **₹3,019**

Time Period: **12 Months**

Date: **02nd September 2024**



- |RIL expects R-Jio & Retail revenue & EBITDA to double in 3-4 years.
- >New Energy to become as big and profitable as O2C in 5-7 years.
- O2C (Oil to Chemical): to remain growth engine.
- Consistent track record of rewarding share-holders and announced a 1:1 bonus.
- Digital: Post 5G rollout, home broadband ramp-up priority; AI new focus
- Optimistic on earnings outlook & estimate ~13% earnings CAGR over FY24-27E.
- We ascribe Rs7.5 lakh crore (or Rs1,115/share) Enterprise value for RIL's digital segment (net of minority interest).
- Our SoTP (Sum-of-the-parts)-based fair valuation of RIL is Rs3,200 per share.

CAGR: Compound annual growth rate. AI: Artificial Intelligence. EBITDA: Earnings before Interest, Tax, Depreciation & Amortization.

Note: The above is a brief note on the company, based on the inputs of KIE research report dated 2 Sep 2024, which is available on our website at: <https://www.kotaksecurities.com/ksweb/ResearchCall/Fundamental>.

Disclaimer: <http://bit.ly/2n5AxIE>

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