

Reliance Industries (RELIANCE) – ADD

Result Update

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| Current Market Price (CMP) Rs.3,010 | Target Price Rs.3,300 |
|---|---------------------------------|

Rationale:

- With telecom tariff hikes done, investor focus will shift to upcoming annual general meeting (likely announcements on consumer business IPOs) & recovery in retail/O2C.
- Reported net debt moderated further.
- Q1FY25: Consolidated EBITDA weaker for O2C, retail, E&P; digital in line.
- We expect earnings (EPS) to grow by 15.3% in FY25E and 11% in FY26E.
- Our sum-of-the-parts valuation (SOTP)-based Fair Value is Rs3,300/share.

Q1FY25 Earnings update:

👍 Positives:

- R-Jio's EBITDA (+2.3% qoq, +11% yoy) was in line with our estimate.
- R-Jio's PAT (+2% qoq, +12% yoy) came in 1% above our estimates.

👎 Negatives:

- RIL's consolidated EBITDA (-9% qoq, +2% yoy) was ~1% below our estimates.
- With subdued refining & petchem, O2C was particularly weak (EBITDA -22% qoq; -14% yoy; 3% below KIE).
- Organized retail had another muted quarter (EBITDA -3% qoq; 4% below KIE).

PAT: Profit after tax. EBITDA: Earnings before interest, depreciation, tax & amortization. E&P: Exploration & Production. O2C: Oil to Chemical.

[Click here](#)

For detailed report dated 22nd July 2024. Note: CMP & valuation may differ due to difference in dates.



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