

RELIANCE INDUSTRIES LIMITED

January 20, 2024


Reliance
Industries Limited
Current Price:

₹ 2735.05

STOCK DATA

BSE Code	500325
NSE Symbol	RELIANCE
Reuters	RELI.BO
Bloomberg	RELIANCE IN

VALUE PARAMETERS

52 W H/L(Rs)	2792.65/1979.13
Mkt. Cap.(Rs Cr)	1850448.25
Latest Equity(Subscribed)	6765.68
Latest Reserve (cons.)	744456.00
Latest EPS (cons.) -Unit Curr.	101.09
Latest P/E Ratio -cons	27.06
Latest Bookvalue (cons.) -Unit Curr.	1110.34
Latest P/BV - cons	2.46
Dividend Yield -%	0.33
Face Value	10.00

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 30/09/2023
Foreign	22.63
Institutions	15.70
Govt Holding	0.11
Non Promoter Corp. Hold.	0.57
Promoters	49.11
Public & Others	11.89

Financial Results

Particulars	In Cr.		
	Qtr Ending Dec.23	Qtr Ending Dec. 22	Var. (%)
Total Income	225086.00	216737.00	4
OPM (%)	18.06	16.15	191bps
OP	40656.00	35009.00	16
Other income	4022.00	3377.00	19
PBIDT	44678.00	38386.00	16
Net Finance Charges	5789.00	5201.00	11
PBDT	38889.00	33185.00	17
Depreciation	12903.00	10183.00	27
PBT before EO	25986.00	23002.00	13
EO	0.00	100.00	
PBT after EO	25986.00	22902.00	13
Tax expense	6345.00	5196.00	22
PAT	19641.00	17706.00	11
Minority Interest	2376.00	2014.00	18
Profit after Minority Interest and Share of profit of Associates	17265.00	15792.00	9
EPS (Rs)	25.52	21.06	

Reliance Q3 Results, reported 10.9% jump in consolidated net profit to Rs 19,641 crore in Q3 FY24 as compared with Rs 17,706 crore in Q3 FY23, Beats the market estimates.

Consolidated revenue increased 3.85% to Rs 2,25,086 crore in Q3 FY24 as compared with Rs 2,16,737 crore posted in Q3 FY23. EBITDA stood at Rs 44,678 crore in Q3 FY24, registering the growth of 16.7% as compared with Rs 38,286 crore posted in corresponding quarter last year. EBITDA margin improved by 191bps to 18.06% in Q3 FY24 as against 16.15% in Q3 FY23, EBITDA growth was led by sustained performance in the O2C segment with higher gasoline cracks and advantageous feedstock sourcing. This was partially offset by lower downstream chemical margins and planned maintenance and inspection shutdown.

Finance costs increased by 11.3% Y-o-Y to Rs 5,789 crore (\$696 million) primarily due to higher loan balances and higher interest rates. During the quarter, capital expenditure was Rs 30,102 crore (\$ 3.6 billion) with investments in pan-India 5G roll-out, expansion of retail infrastructure and new energy business. This excludes amount incurred towards spectrum and adjusted for capital advances and regrouping of assets.

Jio Platforms:

Consolidated Jio Platforms (JPL) net profit jumped 11.6% YoY to Rs 5,445 crore in Q3 FY24. Revenue from operations increased 11.3% to Rs 27,697 crore in Q3 FY24 as compared with Rs 24,892 crore in Q3 FY23, operating revenue (net of GST) growth continued to be driven by robust subscriber growth across mobility and homes, and benefit of mix improvement in ARPU.

EBITDA was Rs 13,955 crore during the quarter, up 11.5% YoY, led by higher revenue and increase in margins.

Finance cost declined 1.8% to Rs 1,028 crore in Q3 FY24 from 1,047 crore in Q3 FY23.

Average revenue per user (ARPU) increased 2.0% Y-o-Y to Rs 181.7 with better subscriber mix partially offset by unlimited data allowance on 5G network.

Total customer base as on 31 December 2023 was at 470.9 million, up 8.8% YoY. Total data traffic was 38.1 billion GB during the quarter, registering a growth of 31.5% on YoY basis. Total voice traffic was 1.37 trillion minutes during the quarter; 7.9% growth YoY.

The company said that 5G rollout accelerated the subscriber addition momentum and Jio continued to outpace competition with 11.2 million net additions in 3Q FY24. Monthly churn was 1.7%.

Akash M Ambani, chairman of Reliance Jio Infocomm, said, "Jio has accomplished the fastest rollout of 5G network witnessed anywhere in the world and is now available across India. JioAirFiber has seen strong initial demand and customer engagement, especially in underserved tier 3/4 towns and rural areas. Jio's ahead of the curve investments on next-generation network, digital technologies and tailor-made products for all customer cohorts will ensure sustainable industry leading growth in coming years."

RELIANCE RETAIL:

Consolidated Reliance Retail net profit climbed 31.9% to Rs 3,165 crore and revenue from operations jumped 23.8% to Rs 74,373 crore in Q3 FY24 over Q3 FY23.

The business delivered Gross Revenue of Rs 83,063 crore for Q3 FY24, a growth of 22.8% YoY led by Grocery, Fashion & Lifestyle and Consumer Electronics businesses.

Business posted an EBITDA of Rs 6,258 crore which was up by 31.1% on a YoY basis. EBITDA before investment income was recorded at Rs 6,061 crore, up 30.1% on a YoY basis. EBITDA margin from operations on net sales was at 8.1%, up 40 bps YoY driven by operating leverage and continued focus on cost management.

Higher finance cost on account of increase in interest rate and borrowings for business expansion. Depreciation increased on account of higher asset base due to addition of new stores and supply chain infrastructure.

The business expanded its store network with 252 new store openings taking the total store count at the end of the quarter to 18,774 stores with an area of 72.9 million sq ft. The quarter recorded footfalls of over 282 million across formats, a growth of 40.3% YoY.

Digital Commerce and New Commerce businesses continued to grow and contributed to 19% of revenue

Consumer Electronics business delivered 19% Y-o-Y growth over last year on the back of higher basket value and improved conversions

Fashion & Lifestyle business delivers 28% Y-o-Y growth led by higher footfalls and conversions, as customers shopped for the festive season. AJIO continues to strengthen its catalogue and improve value proposition. AjioGram, a Direct-to-Consumer focused content driven platform that onboards & supports fashion startups was launched during the quarter.

Grocery delivered 41% Y-o-Y growth with uptick led by festive demand and consumer brands delivered more than 3x Y-o-Y growth in revenues and distribution reach, with categories like beverages, general merchandise and staples driving the growth momentum.

JioMart delivers steady growth led by increase in traffic and average order value as customers continue to shop across categories on the platform, with F&L and CDIT outperforming.

Isha M. Ambani, Executive Director, Reliance Retail Ventures, said, "Reliance Retail has delivered strong performance during the festive quarter. Our business success is intricately

woven into the larger fabric of India's economic growth, and together, we are shaping a compelling story of innovation and world class possibilities for the future. We remain resolute in our commitment to bring high quality products at great value to our customers with an engaging shopping experience."

OIL TO CHEMICALS (O2C):

Revenue from O2C declined 2.4% YoY to Rs 141,096 crore (\$17.0 billion) primarily on account of lower price realisation led by 5.3% Y-o-Y decline in average Brent crude oil prices.

EBITDA for 3Q FY24 marginally increased by 1.0% Y-o-Y to ₹ 14,064 crore (\$ 1.7 billion) led by higher gasoline cracks and advantageous feedstock sourcing; this was partially offset by lower downstream chemical margins and planned maintenance and inspection shutdown.

Total throughputs fell marginally to 18.7 MT in Q3 FY24 as compared with 18.8 MT in Q3 FY23.

Throughput of primary and major secondary units was maximized to capture favorable margins.

OIL AND GAS (EXPLORATION & PRODUCTION):

3Q FY24 Revenue is higher by 50.2% as compared to 3Q FY23 mainly on account of higher volumes partly offset by lower price realisation from KG D6 Field.

The average price realised for KG D6 gas was \$ 9.66/MMBTU in 3Q FY24 vis-à-vis \$ 11.32/MMBTU in 3Q FY23. The average price realised for CBM gas was \$ 15.55/MMBTU in 3Q FY24 vis-à-vis \$ 20.92/MMBTU in 3Q FY23.

EBITDA increased to Rs 5,804 crore which is up by 49.6% on Y-o-Y basis. EBITDA margin was at 86.4% for 3Q FY24.

Media Business:

Business delivered strong operating performance across verticals, however, revenue from operations was down by 4.1% Y-o-Y to Rs 1,774 crore, primarily due to lower Movie Studio revenue.

TV News business revenue was up 23% Y-o-Y, driven by the strong growth in advertising revenue across clusters. Digital News business delivered 20% growth in revenue, driven by IP-events and video monetization across digital platforms.

Entertainment business operating revenue declined 12% due to Movie and Sports segments. Sports revenue was lower as the base quarter had FIFA World Cup 2022.

Consolidated EBITDA was down due to Viacom18's investments in growth verticals - Sports and Digital. Both these segments will be the leading drivers of revenue for the foreseeable future but require investments in the near term to build a strong consumer proposition. TV News business delivered a strong improvement in profitability driven by revenue growth.

Management Comment

Mukesh D. Ambani, chairman and managing director, Reliance Industries, said:

"Reliance has delivered yet another quarter of robust operating and financial performance, thanks to the exceptional efforts put in by teams across its businesses.

The retail segment has also delivered an impressive financial performance with its rapidly expanding physical as well as digital footprint. Reliance Retail remains focused on enriching

customer shopping experience by adding new brands and offerings to its portfolio. Its New Commerce initiatives continue to support the growth journey of millions of small merchants through technology, generating immense societal value.

The Oil & Gas segment posted its highest ever quarterly EBITDA. I am happy to note that KG D6 is now contributing 30% of India's gas production, fueling its transition towards a greener and cleaner tomorrow. The O2C segment delivered resilient performance aided by operational flexibility and strong domestic demand. Staying true to its commitment to sustainability, Reliance has become the first Indian company to chemically recycle pyrolysis oil into circular polymers.

The New Energy Giga Complex is all set to be commissioned in the second half of CY24. I am confident that Reliance's New Energy business will play a pivotal role in the global movement for adoption of cleaner fuels."

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