Institutional Equities | Energy

Choice Institutional Equities

MRPL: Middle-Distillate Strength Offsets Inventory Drag

BUY

Q1FY27 Result Update

July 16, 2026 | CMP: INR 173 | Target Price: INR 215

Expected Share Price Return: 24.0% I Dividend Yield: 2.3% I Potential Upside: 26.3%

Sector View: Positive

Change in Estimates	✔
Target Price Change	✘
Recommendation	✘

Company Info	
BB Code	MRPL IN EQUITY
Face Value (INR)	10.0
52-w High/Low (INR)	215/1200
Mkt Cap (Bn)	INR 303.8/ $3.1
Shares o/s (Mn)	1752.8

Change in Estimates

	FY27E			FY28E		
INR Bn	**New**	**Old**	**Dev.**	**New**	**Old**	**Dev.**
Revenues	1,328.8	1,270.0	5%	1,313.9	1,199.9	10%
GPM (%)	12.6	12.9	(30) bps	20.2	21.1	(110) Bps
EBIT	109.5	106.9	2%	208.3	197.7	5%
EBITM %	8.2%	8.4%	(17) bps	15.9%	16.5%	(823) bps
EPS	43.8	41.8	5%	86.7	81.5	6%

Actual vs CIE Estimates

INR Bn	**Q1FY27A**	**CIE Est.**	**Dev.%**
Revenue	382.5	306.7	24.7
EBITDA	13.2	13.7	(3.9)
EBITDAM %	3.4	4.5	(102) Bps
Adj, PAT	4.7	2.1	122.6

Key Financials

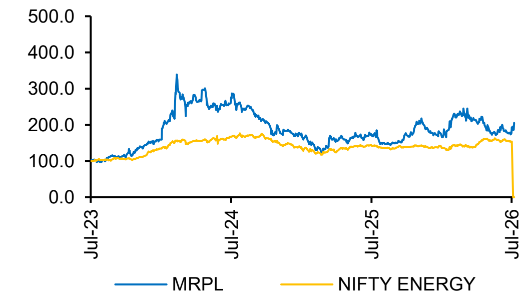
INR Bn	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Revenue	947	887	1,329	1,314	1,180
YoY	5%	-6%	50%	-1%	-10%
EBITDA	23	62	122	222	229
EBITDAM	2%	7%	9%	17%	19%
Adj PAT	1	19	77	152	158
ROE	0.4%	14.2%	43.4%	54.2%	37.5%
ROICE	1.4%	8.75%	28.9%	52.7%	55.6%
ROCE	5.1%	18.1%	35.1%	53.0%	42.9%

Shareholding Pattern (%)

	Mar-26	**Dec-25**	**Sep-25**
Promoters	88.58	88.58	88.58
FIIs	3.41	2.05	1.22
DIIs	0.34	1.05	1.45
Public	7.67	8.32	8.76

Relative Performance (%)

YTD	**3Y**	**2Y**	**1Y**
NIFTY ENERGY	52.57	-8.22	8.71
MRPL	86.88	-32.83	14.08



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Q1FY27 Energy Oil & Gas Result Preview

Refinery Thematic The Great Refinery Migration

Strong Middle-Distillate Spreads Defy Inventory Drags

MRPL delivered robust Q1FY27 revenue growth of 111.3% YoY to INR 382 Bn, with Adjusted PAT for Q1FY27 was INR 4,739 Mn against loss of INR 2,707 Mn in Q1FY26. The growth is driven by a robust product pricing and core middle-distillate strength. While transient inventory headwinds compressed EBITDA margin by 166 bps YoY to 3.4%, operational flexibility remained structurally intact. Domestic throughput expanded to 4.43 MMT, outpacing gasoline-heavy regional peers via a favourable diesel yield arbitrage backed by a high 11.7 Nelson Complexity Index. Elevated product spreads were further supported by continuing global capacity migration away from Europe and the structural removal of Chinese swing supply. We have revised up our FY27E/28E Revenue/EBITDA by 5%/2%/5% on the back of stronger product pricing as compared to our previous assumptions. However, we maintain our TP of INR215/sh and BUY rating.

Furthermore, MRPL achieved significant milestones in its downstream and green energy diversification strategies. The company secured critical PNGRB authorisation for its Bengaluru ATF pipeline network. Crucially, MRPL advanced its green transition by obtaining the prestigious ISCC CORSIA certification for co-processing used cooking oil into Sustainable Aviation Fuel (SAF).

Revenue beat while EBITDA trails to CIE estimates

- Revenue for Q1FY27 was up by 120.4% YoY and up by 59.7% QoQ at INR 382 Bn (vs CIE est. INR 307 Bn)
- EBIDTA for Q1FY27 was up by 633.7% YoY and down by 26.1% QoQ at INR 13,176 Mn (vs CIE est. INR 13,708 Mn). The EBITDA Margin stood at 3.4%, up by 241 bps YoY (vs CIE est. of 4.5%)
- The Adjusted PAT for Q1FY27 was INR 4,739 Mn against loss of INR 2,707 Mn in Q1FY26. The Adjusted PAT for Q1FY27 was up 305.4% QoQ at INR 4,739 Mn (vs CIE est. INR 2,129 Mn). Adjusted PAT Margin improved 403 bps YoY, reaching 2.5% (vs CIE est. 0.7%)

Strategic infrastructure and marketing expansion

MRPL has significantly enhanced its logistical capabilities and market penetration by securing pivotal pipeline authorisation, including the ATF pipeline to Bengaluru Airport. The initiation of product loading across new multi-state terminals and depots, combined with strategic tankage lease agreements at critical domestic ports, significantly strengthens the company's supply chain resilience. This structural footprint expansion positions the refiner to seamlessly capture growing regional fuel demand and optimise its product distribution matrix.

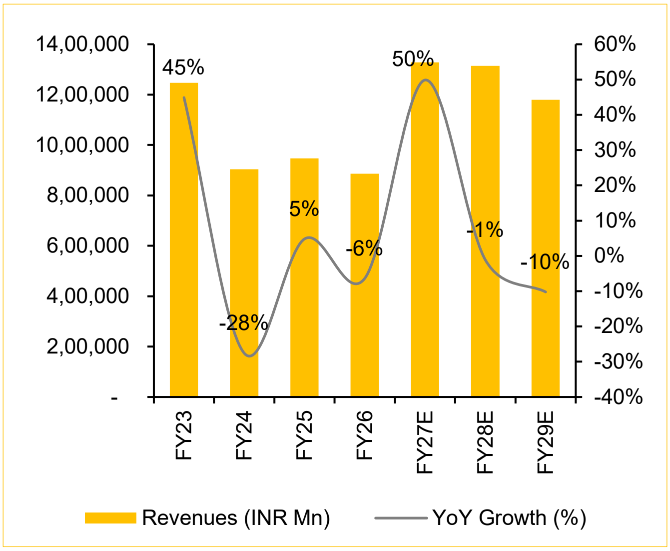
Pioneering Sustainable Aviation Fuel Capabilities

The company has achieved a critical operational milestone by successfully securing the prestigious ISCC CORSIA international sustainability certification for the co-processing of used cooking oil. This major step forward in its Sustainable Aviation Fuel journey positions the organisation at the forefront of the domestic refining industry's green transition. By establishing robust, verified early-mover capabilities which comply with stringent global aviation carbon reduction frameworks, the refiner structurally pre-empts long-term regulatory risks.

MRPL (INR Mn)	**Q1FY27**	**Q1FY26**	**YoY (%)**	**Q4FY26**	**QoQ (%)**
Net Revenue	3,82,542	1,73,562	120.4	2,39,497	59.7
Gross Profit	25,523	9,723	162.5	34,046	(25.0)
EBITDA	13,176	1,796	633.7	17,834	(26.1)
EBIT	9,165	(1,838)	NM	13,885	(34.0)
PAT	9,457	(2,707)	NM	1,169	709.0
Adjusted PAT	4,739	(2,707)	NM	1,169	305.4
Adj. EPS (INR)	2.71	(1.54)	NM	0.67	303.9
Margins	**Q1FY27**	**Q1FY26**	**YoY (bps)**	**Q4FY26**	**QoQ (bps)**
Gross Margin (%)	6.7%	9.5%	(281.1)	14.2%	(754)
EBITDA Margin (%)	3.4%	5.1%	(166.0)	7.4%	(400)
PAT Margin (%)	2.5%	2.6%	(14.4)	0.5%	198

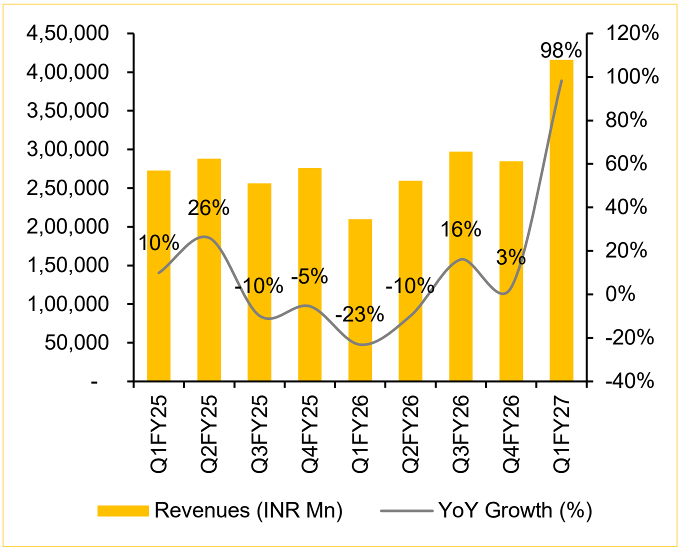
Source: MRPL, Choice Institutional Equities

Revenue momentum supported by recovery across FY26–FY29E



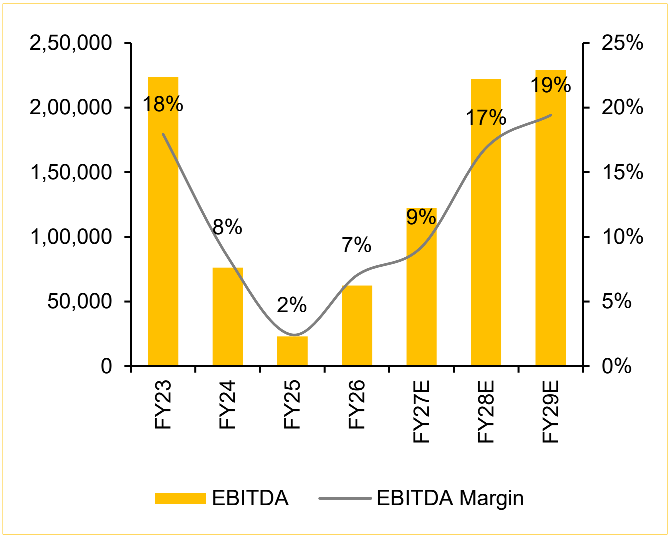
Source: MRPL, Choice Institutional Equities

Quarterly broadly stable yoy with improving growth momentum



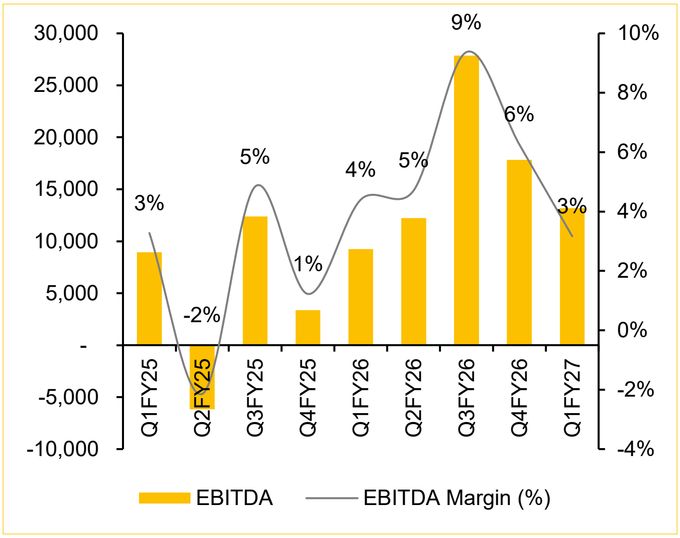
Source: MRPL, Choice Institutional Equities

EBITDA margins recover from FY25 low and expand to ~19% over FY26–FY29E



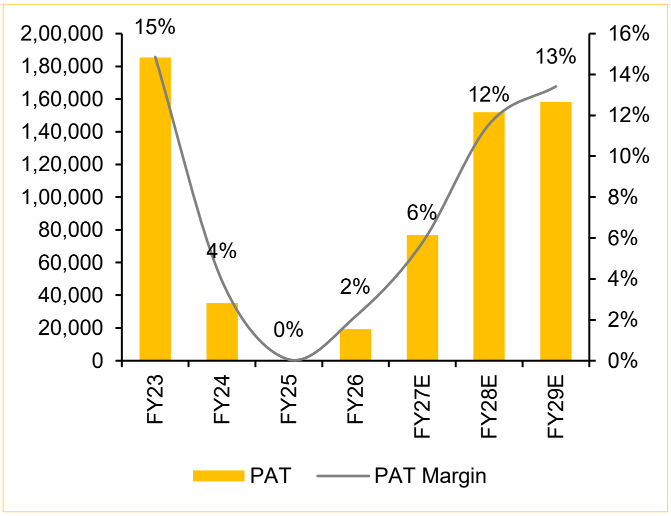
Source: MRPL, Choice Institutional Equities

Quarterly EBITDA margin impacted on the back of inventory losses in Q1FY27



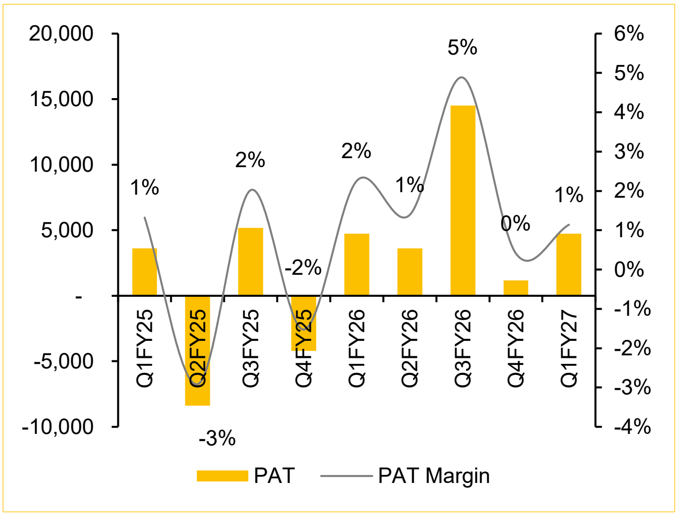
Source: MRPL, Choice Institutional Equities

Net profit expected to grow ~96% CAGR over FY26-FY29E



Source: MRPL, Choice Institutional Equities

One Time impact of Deferred Tax impacting the Q4FY26, New Tax Regime to support earnings



Source: MRPL, Choice Institutional Equities

Income Statement (Consolidated in INR Mn)

Particulars	FY25	FY26	FY27E	FY28E	FY29E
Revenue	9,46,816	8,86,675	13,28,767	13,13,857	11,79,587
Gross Profit	54,592	1,06,095	1,66,925	2,65,891	2,68,476
EBITDA	22,929	62,354	1,22,488	2,21,952	2,29,028
Depreciation	13,470	15,199	12,950	13,685	14,440
EBIT	9,459	47,156	1,09,539	2,08,267	2,14,588
Other Income	1,532	1,982	2,150	2,126	1,909
Interest Expense	10,083	9,072	9,412	7,761	5,509
PAT	563	19,246	76,708	1,51,974	1,58,240
EPS	0.3	11.0	43.8	86.7	90.3

Ratio Analysis	FY25	FY26	FY27E	FY28E	FY29E
Growth Ratios (%)					
Revenues	5%	-6%	50%	-1%	-10%
Gross Profit	-49%	94%	57%	59%	1%
EBITDA	-70%	172%	96%	81%	3%
EBIT	-98%	3321%	299%	98%	4%
Margin Ratios (%)					
Gross Profit Margin	6%	12%	13%	20%	23%
EBITDA Margin	2%	7.03%	9.22%	16.89%	19.42%
PAT Margin	0%	2%	6%	12%	13%
Profitability (%)					
ROE	0.4%	14.2%	43.4%	54.2%	37.5%
ROIC	1.4%	8.75%	28.9%	52.7%	55.6%
ROCE	5.1%	18.1%	35.1%	53.0%	42.9%
Working Capital (x)					
Inventory Days	32.8	51.8	48.5	54.6	55.7
Receivable Days	14.2	19.7	18.2	19.8	20.8
Creditor Days	26.6	39.5	37.1	41.6	42.4
Working Capital Days	20.4	32.0	29.6	32.8	34.1
Valuation Metrics					
No of Shares (Mn)	1,753	1,753	1,753	1,753	1,753
EPS (INR)	0.3	11.0	43.8	86.7	90.3
BVPS (INR)	74.0	81.0	120.8	199.5	281.8
PE	419.8	16.4	4.0	2.0	1.9
P/BV	1.8	2.2	1.4	0.9	0.6
EV/EBITDA	4.8	19.8	6.3	2.1	0.5
EV/Sales	0.4	0.5	0.3	0.2	0.1

Source: MRPL, Choice Institutional Equities

Balance Sheet (Consolidated in INR Mn)

Particulars	FY25	FY26	FY27E	FY28E	FY29E
Tangible fixed assets	1,96,859	2,00,426	2,03,422	2,08,130	2,12,563
CWIP	7,202	8,284	8,284	8,284	8,284
Investments	78	76	76	76	76
Cash & Cash equivalents	102	5,645	51,138	1,44,027	2,73,174
Other non-current assets	8,464	7,909	7,909	7,909	7,909
Other current assets	5,805	4,771	4,771	4,771	4,771
Total assets	3,44,349	4,44,812	5,24,986	6,05,629	7,12,553
Shareholder's funds	1,29,696	1,41,969	2,11,666	3,49,620	4,93,840
Minority Interest	-	-	-	-	-
Borrowings	1,28,666	1,43,337	1,38,837	93,837	71,337
Other current liabilities	5,759	6,699	6,699	6,699	6,699
Total equity & liabilities	3,44,349	4,44,812	5,24,986	6,05,629	7,12,553

Cash Flows (INR Mn)	FY25	FY26	FY27E	FY28E	FY29E
Cash Flows from Operations	18,780	25,312	80,210	1,75,939	1,88,142
Cash Flows from Investing	-9,396	-13,785	-13,795	-16,268	-16,965
Cash Flows from Financing	-9,379	-5,984	-20,922	-66,781	-42,030

DuPont Analysis	FY25	FY26	FY27E	FY28E	FY29E
Tax Burden (%)	61.9	48.0	75.0	75.0	75.0
Interest Burden (%)	9.6	85.0	93.4	97.3	98.3
EBIT Margin (%)	41.3	75.6	89.4	93.8	93.7
Asset Turnover	1.9	2.2	2.7	2.3	1.8
Equity Multiplier	3.9	2.9	2.7	2.0	1.6
ROE (%)	0.4	14.2	43.4	54.2	37.5

Mangalore Refinery And Petrochemicals Ltd

Date	Rating	Target Price
May 22, 2026	BUY	215
July 9, 2026	BUY	215
July 16, 2026	BUY	215

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BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months
Mid & Small Cap*	
BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months
Other Ratings	
NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change
Sector View	
POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in stasis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

*Large Cap: More Than INR 20,000 Cr Market Cap
*Mid & Small Cap: Less Than INR 20,000 Cr Market Cap

*Large Cap: More Than INR 20,000 Cr Market Cap
*Mid & Small Cap: Less Than INR 20,000 Cr Market Cap

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