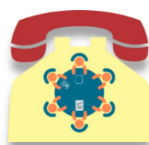


BSE SENSEX
80,598

S&P CNX
24,631

CMP: INR140
Buy

Conference Call Details



Date: 18 Aug'25
Time: 1100 hours IST
Dial-in details:
+91 22 6280 1342
+91 22 7115 8243

Higher-than-expected inventory losses drag 1Q performance

- IOCL EBITDA came in 16% below our estimate at INR126.1b (up 46% YoY).
- Reported GRM came in significantly below our estimate at USD2.2/bbl; refining inventory loss stood at USD4.8/bbl during the quarter.
- Marketing margin stood at INR7.8/lit, 24% above estimates.
 - LPG under-recovery of INR37.1b was booked in 1Q (INR55b in 4Q).
 - Marketing and refining throughput came in line with our estimate.
- The Petchem segment reported EBIT loss of INR10m (vs. EBIT loss of INR2.1b in 4QFY25).
- Reported PAT came in 20% below our estimate at INR56.9b.
- Other income came in above our estimates.
- **As of Jun'25**, IOCL had a cumulative negative net buffer of INR236.4b due to under-recovery on LPG cylinders (INR199.3b as of Mar'25).
- According to the 8th Aug'25 PIB release, the Union Cabinet approved INR300b compensation for PSU OMCs. However, the company has not recognized the same as the exact split among OMCs is yet to be announced by MoPNG.

Standalone - Quarterly Earning Model

(INR b)

Y/E March	FY25				FY26E					Var.	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE	1QE	(%)	(%)	(%)
Net Sales	1,932	1,738	1,939	1,950	1,930	1,705	1,845	1,834	1,880	3%	0%	-1%
YoY Change (%)	-2.2	-3.3	-2.6	-1.5	-0.1	-1.9	-4.8	-5.9	-2.7			
EBITDA	86.3	41.9	91.7	135.7	126.1	78.7	80.1	79.5	150.1	-16%	46%	-7%
Margins (%)	4.5	2.4	4.7	7.0	6.5	4.6	4.3	4.3	8.0			
Depreciation	37.6	37.2	39.0	39.1	38.4	38.8	40.7	41.7	39.2			
Forex loss	0.0	4.2	20.5	0.0	0.0	0.0	0.0	0.0	0.0			
Interest	19.6	24.1	23.1	20.5	19.7	25.7	24.6	22.9	20.9			
Other Income	5.3	13.7	18.8	11.7	6.1	9.3	12.7	13.6	3.6			
PBT	34.5	1.7	34.7	87.9	74.0	23.5	27.5	28.5	93.7	-21%	114%	-16%
Rate (%)	23.4	-4.2	17.2	17.3	23.2	25.2	25.2	25.2	24.5			
Reported PAT	26.4	1.8	28.7	72.6	56.9	17.6	20.6	21.3	70.7	-20%	115%	-22%
YoY Change (%)	-80.8	-98.6	-64.4	50.2	115.2	876.2	-28.5	-70.7	167.5			
Margins (%)	1.4	-0.6	1.1	3.7	2.9	1.0	1.1	1.2	3.8			
Key Assumptions												
Refining throughput (mmt)	18.2	16.7	18.1	18.5	18.7	18.7	18.7	18.7	18.7	0%	3%	1%
Reported GRM (USD/bbl)	6.4	1.6	2.9	8.0	2.2	6.5	6.5	6.5	7.0	-69%	-66%	-73%
Domestic sale of refined products (mmt)	24.1	21.9	24.8	24.6	25.0	24.1	25.8	25.6	25.0	0%	4%	2%
Marketing GM incld. inv. per litre (INR/litre)	4.9	5.9	6.4	5.9	7.8	4.2	4.1	4.2	6.3	24%	61%	32%